

# The Numbers for Public Safety



City Council Presentation  
December 16, 2009  
Prepared by Finance

## The General Fund Shortfall (to maintain current services)

General Fund Shortfall (in 000's)	Current Forecast		Forecast 6 Yr Total	Annual Growth Rate	
	FY10	FY16		FY11-FY16	FY04-FY09
<b>Revenues</b>					
Property Taxes	\$ 20,855	\$ 27,056	\$ 145,757		
Franchise fees	5,560	7,136	38,072		
Motel taxes	1,788	2,196	12,039		
Other	4,280	4,680	26,554		
<b>Total Revenues</b>	<b>32,482</b>	<b>41,068</b>	<b>222,423</b>	4.0%	8.6%
<b>Expenditures</b>				<b>% of GF Expenditures</b>	
Police (16 new hires)	16,983	24,432	128,686	<b>FY10</b>	<b>FY16</b>
Fire (contract rate)	9,605	12,145	65,658	52%	54%
Fire (for 9 new hires)	-	1,771	8,128	29%	31%
Street	1,100	1,515	8,386	3%	3%
Transit	1,100	1,100	6,600	3%	2%
CDD/Engineering	1,575	1,617	9,197	5%	4%
Other Expenditures	2,384	2,393	14,002	7%	5%
<b>Total Expenditures</b>	<b>32,747</b>	<b>44,975</b>	<b>240,658</b>		
<b>Ending Reserves</b>	<b>5,934</b>	<b>(12,301)</b>	<b>(12,301)</b>	<b>18%</b>	<b>-27%</b>
Target Reserves (20%)	6,549	8,995			
<b>Shortfall (cumulative)</b>	<b>(615)</b>	<b>(21,296)</b>	<b>(21,296)</b>		

## General Fund – Best Case

Best Case (in 000's)	Forecast		Best Case Forecast	
	6 Yr Total		6 Yr Total	
<b>Resources</b>				
Property Taxes	\$	145,757	\$	147,657
Franchise fees		38,072		39,572
Motel taxes		12,039		12,939
Other		26,554		27,704
<b>Total Resources</b>		222,423		227,873
<b>Expenditures</b>				
Police (with new hires)		122,577		130,629
Benefits cost savings		-		(1,943)
Fire (@ contract rate)		65,658		66,502
Fire (additional for new hires)		-		7,285
Street		8,386		8,386
Transit		6,600		1,100
CDD/Engineering		9,197		5,080
Other		14,002		14,002
<b>Total Expenditures</b>		226,421		231,041
<b>Ending Reserves</b>		1,936		2,814
Target Reserves (20%)		8,301		8,552
<b>Shortfall (cumulative)</b>		(6,364)		(5,737)

**Stronger revenue growth**  
\$5.5M more over next 6 yrs

**Benefits cost savings**

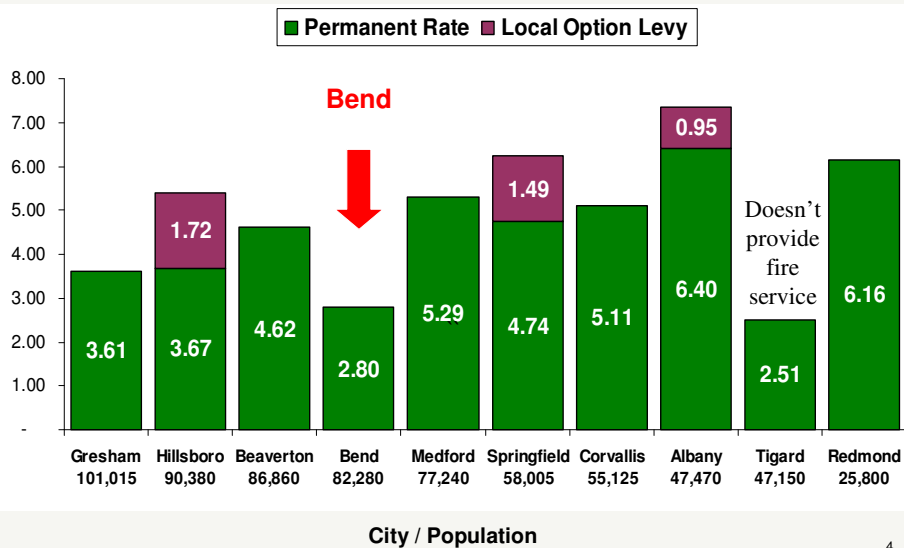
**Alternate Transit funding obtained**

**CDD/Engineering more self-supporting**

**General Fund still has shortfall**

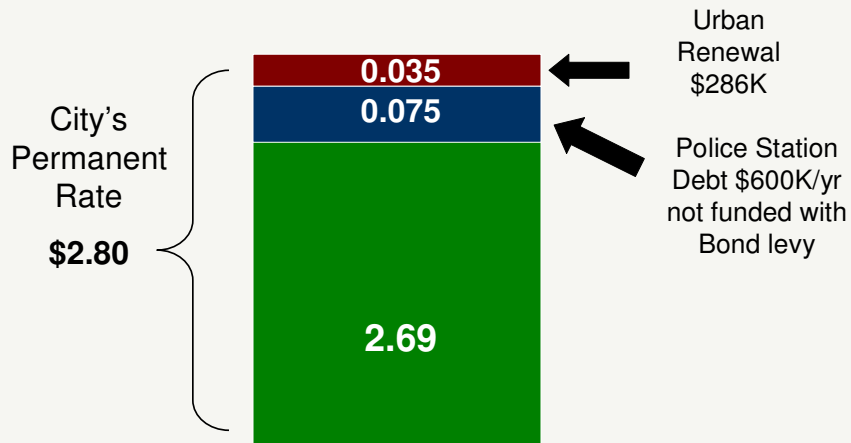
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## Permanent Property Tax Rates



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## Effective Rate for Operations Less than \$2.8035



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## Forecast Risks

### No Wiggle Room At All:

- does not factor in decreases in revenues or no growth in revenues
- does not factor in unexpected expenditures

### Assumptions:

- 1.75% population growth used (92,218 by FY15/16)
- Benefits cost savings dependent upon outcome of labor negotiations (\$316K to \$460K per year savings included for Police, \$110K per year savings for Fire)

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## Consideration for Local Option Levy Starting FY11/12

	Police	Fire/EMS		Total
Ley Rate	\$ 0.235	\$ 0.175	\$	0.41
Downtown debt				(0.27)
Net Impact			\$	0.14
 Example TAV				230,000
Annual Cost to Taxpayer			\$	32
				or \$2.70/mth

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## Local Option Levy

Summary (in 000's)	Forecast				
	FY12	FY13	FY14	FY15	FY16
<b>Police</b>					
Local Option Levy @ 0.235/1000	\$ 1,993	\$ 2,075	\$ 2,164	\$ 2,261	\$ 2,363
<b>Fire</b>					
Local Option Levy @ 0.175/1000	1,484	1,556	1,622	1,695	1,771
<b>Total Revenues from LOL</b>	\$ 3,477	\$ 3,630	\$ 3,786	\$ 3,957	\$ 4,134

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## Fire Annexation to County

		Total
DCRFPD's Rate		\$ 1.43
City's Current Net Rate	\$ 2.77	
City's Net Rate for FY11/12	\$ 1.75	
net decrease		\$ (1.02)
Downtown debt		(0.27)
Net Impact		\$ 0.14
 Example TAV		 230,000
Annual Cost to Taxpayer		\$ 32
		or \$2.70/mth

Will need to be increased to \$1.85 in FY15/16

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## General Fund - Fire Annexation to County

(in 000's)	Current		Forecast				
	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Beginning Reserves	6,200	5,934	5,774	5,899	6,205	5,644	5,608
<b>Resources</b>							
Levy Rate	2.804	2.804	1.750	1.750	1.800	1.800	1.850
Property Taxes	20,855	21,731	14,056	14,697	15,677	16,556	17,694
Franchise fees	5,560	5,653	5,885	6,151	6,456	6,790	7,136
Motel taxes	1,788	1,806	1,914	1,971	2,040	2,112	2,196
Other	4,280	4,361	4,211	4,320	4,442	4,540	4,680
<b>Total Resources</b>	32,482	33,554	26,068	27,142	28,616	30,000	31,708
<b>Expenditures</b>							
Police (with new hires)	16,983	17,832	19,700	20,498	22,709	23,515	24,432
Fire (@ contract rate)	9,605	9,893					
Street	1,100	1,100	1,400	1,428	1,457	1,486	1,515
Transit	1,100	1,100	1,100	1,100	1,100	1,100	1,100
CDD/Engineering	1,575	1,450	1,484	1,516	1,548	1,582	1,617
Other	2,384	2,339	2,259	2,295	2,364	2,353	2,393
<b>Total Expenditures</b>	32,747	33,713	25,942	26,836	29,178	30,036	31,058
Ending Reserves	5,934	5,774	5,899	6,205	5,644	5,608	6,258

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## Pros & Cons of Local Option Levy

### Pros

- Provide additional funds for 5 years
- Dedicated funding for Public Safety
- Avoids cuts in Public Safety
- Places taxing and spending decisions on residents

### Cons

- Increases taxes
- Fixed duration
- First to be compressed
- Difficult to count on for operations – What happens after 5 years?

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## Pros & Cons of Fire Annexation

### Pros

- Provide longer term funding for Public Safety
- Creates capacity for General Fund
- Dedicated funding for Fire/EMS
- Avoids cuts in Public Safety
- Aligns taxing district with service area

### Cons

- Increases taxes
- Subject to compression
- Perception of increased bureaucracy
- A lot of due diligence needs to be done

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## Decision Point

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- Temporary Option – 5 year Local Option Levy (at a minimum rate of \$0.41)
- OR**
- More Long Term Option- Annexing Fire Department to County Fire District (permanent increase in property taxes)
- OR**
- Reductions to Public Safety and other General Fund services