



Memorandum

To: City Council
From: Ben Cowan
Date: 11/6/2015
Re: 2016 Budget Update-Public Hearing

There have only been a few minor changes made to the staff proposed budget since it was presented to you on October 13. Summary change sheets accompany this memo.

GENERAL FUND

- 1) I added 300 hours for temporary parks workers to allow for weekend trash pickup according to Council direction on October 20. The cost for this change is \$4,006.
- 2) In order to stay within the 40% fund balance, I increased Community Development permits and licenses revenue by \$5,608. This is equivalent to the increased parks labor plus the additional 40% reserve as a result of those expenditures.
- 3) Moved a vehicle purchase for \$40,000 to replace a 1992 Chevrolet ¾ ton pickup used for parks and plowing, originally shown in the City Shops budget to a transfer out to Fleet Maintenance.

OTHER RECREATION IMPROVEMENTS

- 1) I added \$4,225 to the Other Recreation Improvements Fund to accommodate the actual closing costs for the 2007 Bond Refinance. In the proposed budget, I had estimated costs would total \$54,000 (down from the \$61,125 original estimate provided to Council) on June 18. However, the actual costs totaled \$58,225:
 - 1. Bond Counsel: Kutak Rock..... 20,000
 - 2. Direct Purchase Fee..... 29,725
 - 3. Bank Counsel: Spencer Fane Britt & Browne..... 7,500
 - 4. Paying Agent & Registrar: UMB Bank, n.a..... 400
 - 5. Escrow Agent: UMB Bank, n.a..... 600

FLEET MAINTENANCE

- 1) The offset to 3) in General Fund above, added a capital expense of \$40,000 to replace a 1992 Chevrolet ¾ ton pickup used for parks and plowing, along with an offsetting revenue as a transfer in from the General Fund.

OTHER ITEMS

Additionally, Tex is working on compiling the revenues derived from the Commercial Recycle Fee and the potential impact from potentially eliminating that fee. That information will be provided to you at a later date and if a change can be made, it will require additional ordinances and probably cannot occur until after the first of the year.

We are working through some potential scenarios where the City might hire staff custodians. The budget includes the contracted services line items at this time, and we plan to make a proposal that fits within the existing budget. If employees are hired, we will request a budget transfer from operating line items to personnel at that time.

For maintenance personnel, we don't feel there would be significant savings if the City were to hire a skilled laborer of some kind such as a carpenter. There would be significant productivity gains in certain departments as current staff is spending time addressing issues and ongoing maintenance. A hire might also result in a more proactive approach since someone's primary job duty would be maintenance of facilities rather than dealing with problems as they occur.

From the Police Department:

I'm not sure what the future needs for the building will be as everything is new and we still had involvement from Terry and the contractor this year in several areas. Assistance there is now done so I'm assessing.

Ongoing facility issues will be adjusting doors, replacing batteries in all the automated equipment that was required, replacing bulbs, replacing filters in HVAC and scheduling repairs and maintenance inspections as needed. Even with a facility person we would probably do most of these routine functions ourselves.

Exceptions would be work on HVAC, maintenance inspections and repairs. Haven't had to do any yet so not sure what the costs will be. Estimated \$1000 for filters and HVAC inspections and \$500 to service/inspect the yard gate. \$1000 built in for general repairs, adjustments to HVAC as it is software controlled and the passwords are restricted. Not much else in the budget that would cover a facility person.

I'm sure costs will go up as things start to wear.

From Public Works:

Public Works rarely has the need for these types of outside services. Our crews generally take care of normal maintenance and minor repairs. On occasion, we will contract with a vendor to perform specialized repairs. These times are specific to issues we are not able to address with our talented crew members. I may be able to ask Lisa to look back and see what we have spent on outside assistance over the past few years but it won't be much. We did have a 1/2 time employee performing janitorial services and when that person retired we contracted for janitorial services (performed after normal work hours) and as you can see by looking back at prior years we see substantial savings with improved cleaning as the janitor is not trying to clean around the daily activities of crews and customers in the building.

From Community Development:

Eric oversees some of the general maintenance functions at city hall. He changes filters in the rooftop unit, monitors the mechanical system, and contacts contractors when stuff needs "fixen". On an average the tasks may require about one hour per week, depending on the specific circumstance.

STRATEGIC PLAN IMPLEMENTATION

Your preliminary discussion indicated that there is consensus for most of these items for strategic plan implementation with the exception of the items in red. Those items might better be moved forward after street design is more complete.

SAMPLE 2016 PROJECT LIST

Downtown property acquisition for parking.....	\$200,000
Design standards.....	\$120,000
Safe streets planning/preliminary design.....	\$66,000
Year 1 implementation for sidewalk improvements in the non-motorized plan.....	\$54,742
Broadband middle mile/anchor institutions cash match	\$14,258
Website overhaul	\$20,000
Downtown/highway corridor tree evaluation and inventory by certified arborist.....	\$15,000
Downtown signage replacement.....	\$10,000
TOTAL.....	\$500,000

There was some discussion that a Public Information Officer (PIO) should be hired. It appears that of our comparable communities, only Estes Park, Montrose and La Junta have a PIO, averaging to a salary of \$53,115 (\$78,323 with benefits). In addition, Louisville and Frederick have a position they refer to as a Public Relations Manager. That position's average wage is \$70,114 (\$97,763 with benefits). Here are the brief job descriptions:

Job # 216
Title PUBLIC INFORMATION OFFICER
Functional Category ADMINISTRATION / MANAGEMENT

Job Description Performs a variety of professional and supervisory staff-level work in coordinating communications, special events and other city-wide activities with the objective of enhancing the jurisdiction's image through sound community relations and reliable dissemination of public information. FLSA: Exempt MINIMUM QUALIFICATIONS include a bachelor's degree in journalism, mass communications, public relations or related field; plus, five (5) years experience in journalism or public information dissemination.

Job # 217
Title PUBLIC RELATIONS MANAGER
Functional Category ADMINISTRATION / MANAGEMENT

Job Description Performs a variety of journey-level professional generalist duties related to public information development and dissemination. Working in the area of publications, media relations, cable television and Internet communications. Coordinates and edits publications, writes speeches, coordinates special events, helps to develop key communication messages and manages graphic standards. May produce programming and development of cable channel, and may organize and develop content for Web sites. FLSA: Exempt; MINIMUM QUALIFICATIONS include a bachelor's degree in journalism, mass communications, public relations or related field; plus two (2) to three (3) years of related experience.

If you would like to further consider that or any other priorities to be brought forward for consideration in the 2016 budget, please let us know.

SUMMARY

There is potential for adjustment to the proposed budget until adoption, especially related to:

- 1) loading strategic plan implementation totaling \$434,000,
- 2) distribution of grants and contracts of services to specific organizations,
- 3) potential reduction of the 5% vendor fee to 4%, subsequently passed through to the Visitor Center, and
- 4) public comment and testimony both for and against the budget from any interested elector during the Budget Public Hearing.

Beyond these, **staff recommends adoption of the Proposed Budget upon second reading on December 8.** The budget contemplates use of fund balance in the amount of \$829,190. However, that includes capital expenditures of \$1,969,993 (\$488,292 supported by grants) according to the below list. Since capital projects are one-time purchases, the budget is sustainable and fiscally responsible. The 2016 budget is approximately 2% less than 2015.

November 6, 2015

Project	Budget
Microsoft licensing	27,000
Network upgrade/replacement	23,450
Unit #149-2000 John Deere Zero Turn Mower	20,000
Security and patching equipment	12,250
Unit #81-2006 John Deere 1200A	12,000
Email archive	9,800
Patrol Vehicle	43,500
Annual desktop computer replacement	9,750
Bucket Truck	125,000
Dog Park Amenities	60,000
Fire Marshal Truck Replacement	50,000
Gunnison Main Sub-Station Insulators	11,000
Inflow/Infiltration Reduction	100,000
International Vac-Truck	350,000
Pool Covers	16,832
Recycling Storage Building	150,000
Refuse Truck	275,000
River Restoration Project	470,292
Skate Park Lighting	80,000
Snowblower Attachment	7,782
Softball Complex Chain Link Fence	26,060
Thermal Imaging Camera	12,000
Trencher Attachment	6,277
Unit #10-1992 Chevrolet 3/4 T 4x4	40,000
Unit #165-2006 Ford Ranger (NSO)	32,000
	1,969,993

**CITY OF GUNNISON
2016 BUDGET CHANGES**

General Fund	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	3,793,750			6,942,034	7,375,403	3,360,381	45.56%
Add 300 hours for temporary parks workers for weekend trash pickups					4,006		
Adjust Community Development Permits and Licenses				5,608			
				5,608	4,006		
Ending Balances per current worksheets	3,793,750	0	0	6,947,642	7,379,409	3,361,983	45.56%
Minimum Reserve Percentage (of otherwise unreserved fund balance)			40.00%				
Minimum Reserve Amount (of otherwise unreserved fund balance)			2,925,364				
Remaining Available for Appropriations			\$ -				

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Other Recreation Improvements	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	822,867			631,895	110,000	1,344,762	1222.51%
Increase projected amount required for closing costs			4,225				
	-	-	4,225	-	-		
Ending Balances per current worksheets	822,867	0	4,225	631,895	110,000	1,340,537	1218.67%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Fleet Maintenance	Beginning Fund Bal.	2015 Projections		2016 Budget		Fund Balance	
		Revenues	Expenses	Revenues	Expenses		
Ending Balances per Staff Proposed Budget	36,581			389,888	389,888	36,581	9.38%
Transfer from General Fund for scheduled replacement of a 1992 vehicle used for plowing and parks. Vehicle purchase				40,000			
					40,000		
	-	-	-	40,000	40,000		
Ending Balances per current worksheets	36,581	0	0	429,888	429,888	36,581	8.51%

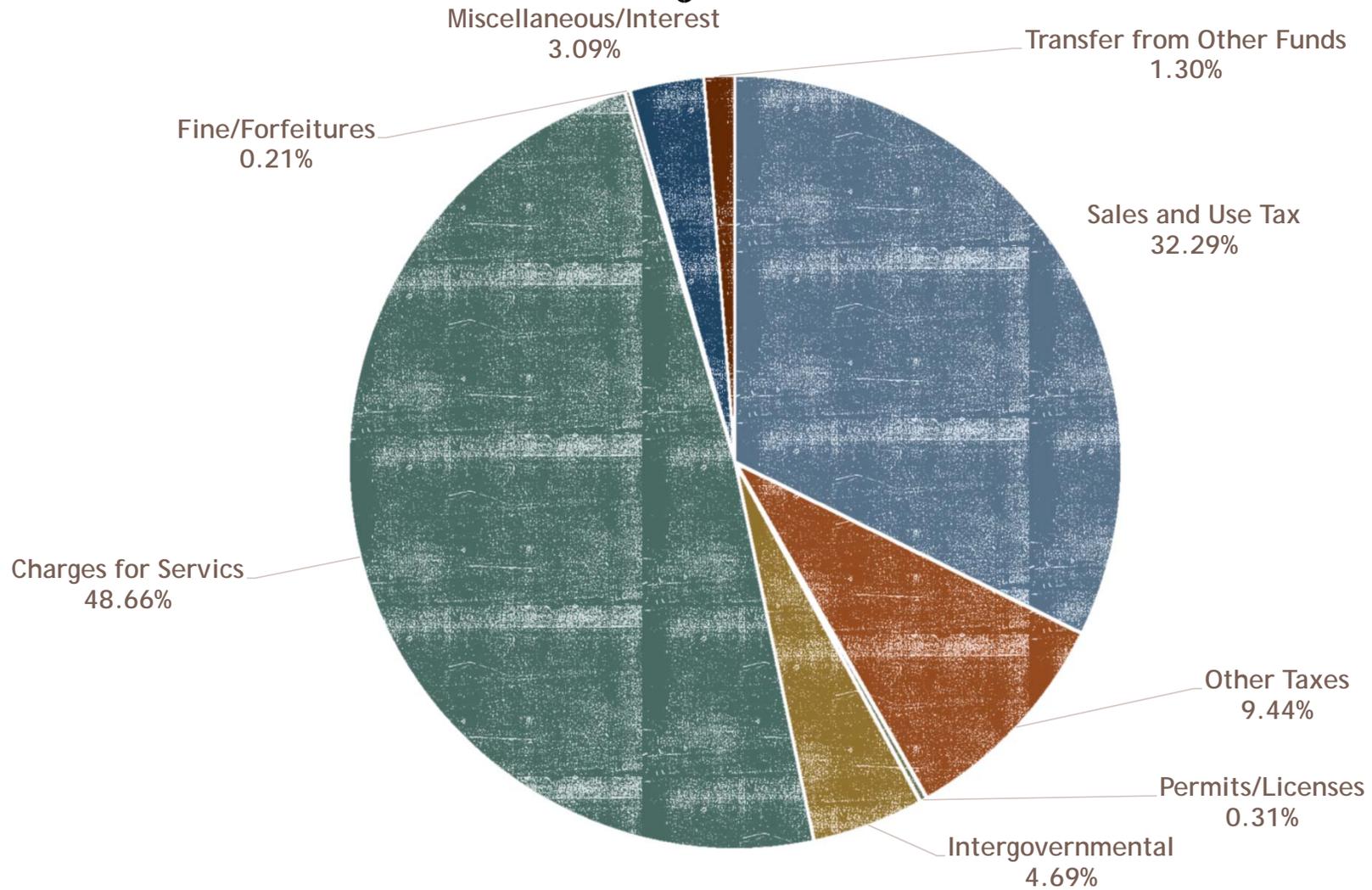
2016 PROPOSED BUDGET DECEMBER 10, 2015 PUBLIC HEARING



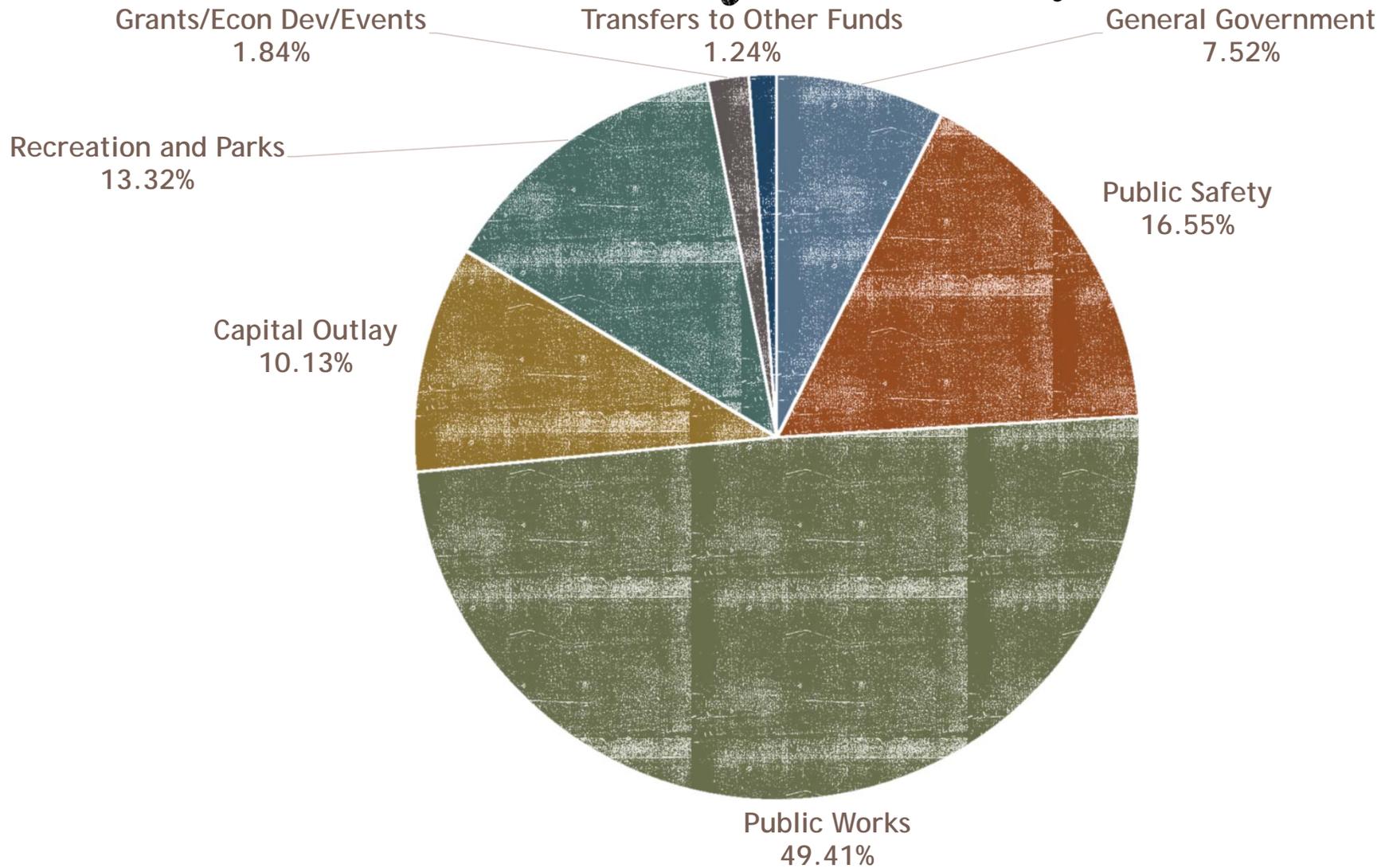
2016 Consolidated Budget Summary

Fund	2016 Beginning Balance	Estimated Revenues	Interfund Transfers	2016 Available Resources	Net Budgeted Expenditures	Interfund Transfers	2016 Total Appropriations	2016 Ending Balance	%
General Fund:	3,793,750	6,947,642	0	10,741,392	7,202,000	177,409	7,379,409	3,361,983	46%
Special Revenue Funds:									
Conservation Trust Fund	23,045	42,217	0	65,262	31,500	14,167	45,667	19,595	43%
Ditch Fund	298,840	495,192	0	794,032	554,161	0	554,161	239,871	43%
Fiduciary Funds:									
Firemen's Pension Fund	2,161,829	209,130	0	2,370,959	198,000	0	198,000	2,172,959	1097%
Enterprise Funds:									
Electric Division	1,530,338	5,669,000	0	7,199,338	5,636,744	0	5,636,744	1,562,594	28%
Water Division	857,743	585,557	0	1,443,300	790,183	0	790,183	653,117	83%
Wastewater Division	1,153,085	1,068,664	0	2,221,749	1,368,594	0	1,368,594	853,155	62%
Refuse Division	838,760	539,912	0	1,378,672	920,074	0	920,074	458,598	50%
Communications Division	121,612	699,449	0	821,061	710,322	0	710,322	110,739	16%
Recreation Division									
Community Center	535,926	917,290	171,576	1,624,792	1,103,984	0	1,103,984	520,808	47%
Ice Rink	170,081	346,835	30,000	546,917	358,406	0	358,406	188,511	53%
Trails	130,121	27,493	0	157,614	35,498	0	35,498	122,116	344%
Other Recreation Improv	818,642	631,895	0	1,450,536	60,000	50,000	110,000	1,340,536	1219%
Internal Service Fund:									
Fleet Management	36,581	389,888	40,000	466,469	429,888	0	429,888	36,581	9%
Total City Budget	12,470,353	18,570,164	241,576	31,282,093	19,399,353	241,576	19,640,929	11,641,164	59%

Where the Money Comes From



Where the Money Goes (by function)



Where the Money Goes (by type)

