



The Budget Fiscal Year 2012

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Mayor Karl Dean



FY2012 Budget

LOOKING BACK

- Shortfall in “Budgeted Savings” and Revenue Estimates
- Low Fund Balances
- No Bond Capacity for Water Services
- Major Unfunded Capital Plan
- Financial Crisis with Hospital Authority



FY2012 Budget

UNFORESEEN CHALLENGES

- Impending Financial Crisis Leading to:
 - Significant Decline in Local Revenues - Especially Local Option Sales Tax
 - Debt Market Crisis



FY2012 Budget

CONSISTENT BUDGET PHILOSOPHY

- Operate Within Financial Means/Conservative Revenue Projections
- Reduce Inefficiencies and Not Direct Service Areas of the Government
- Grow the Fund Balances
- Economic Recession Not the Time to Raise Taxes on our Citizens and Businesses



FY2012 Budget

Current Year Budget Status

- Revenues are Projected to be Slightly **DOWN** in Property Taxes
- Revenues are Projected to be Slightly **UP** in Local Option Sales Tax – 1%
- Revenues are Projected to be Generally **FLAT** in All Other Revenue Categories (except BEP)



FY2012 Budget

Current Year Budget Status **Supplemental Requirements**

- Election Commission – Redistricting
- General Services – Fuel
- State Fair – Budget was Originally Appropriated at 6 Months
- Farmer’s Market – Revenue Loss
- Schools – To Recognize Additional BEP Funding and Print Shop
- ITS – Metro 3 Closed Captioning, NECAT and Comcast Franchise Agreement



FY2012 Budget

Actions Taken In Prior Budgets To Reduce Costs

- Internal Service Fund Eliminations
- Travel Reductions
- Fleet Reductions
- Operational Efficiencies/Reducing Non-Essential Areas/Number of Employees
- Hiring Freeze
- Fuel Hedging Program
- Transparent Non-Profit Grant Process
- Debt Restructuring



FY2012 Budget

Building Blocks for FY12 Budget

- Economic Conditions - Slight Improvement
- Minimal Revenue Increases Expected
- Rising Benefit Costs/Investing in Metro Employees and Retirees
- Reduce Spending Without Impacting Services
- Funding Improvements to Parks, Police, Public Library and Public Works
- Maintaining Progress with Public Education



FY2012 Budget

Balanced Budget- NO NEW TAXES

- No Facilities Will Be Closed or Hours Reduced
- Funding for New Metro Facilities
- Priorities Safeguarded
- Investing in Employees and Meeting Benefit Obligations



FY2012 Budget

Operating Budget Instructions

- 3% Reduction Scenario
- Focus On Non-Direct Service Reductions



FY2012 Budget

Budget Overview

Total Budget - \$1,582,248,300

- Increase of 3.8% from FY11 Approved Budget
- Slight Increase in Metro Revenues - \$13 Million
- Increase in State Education Funds - \$22 Million
- Use of Fund Balance - \$23 Million



FY2012 Budget

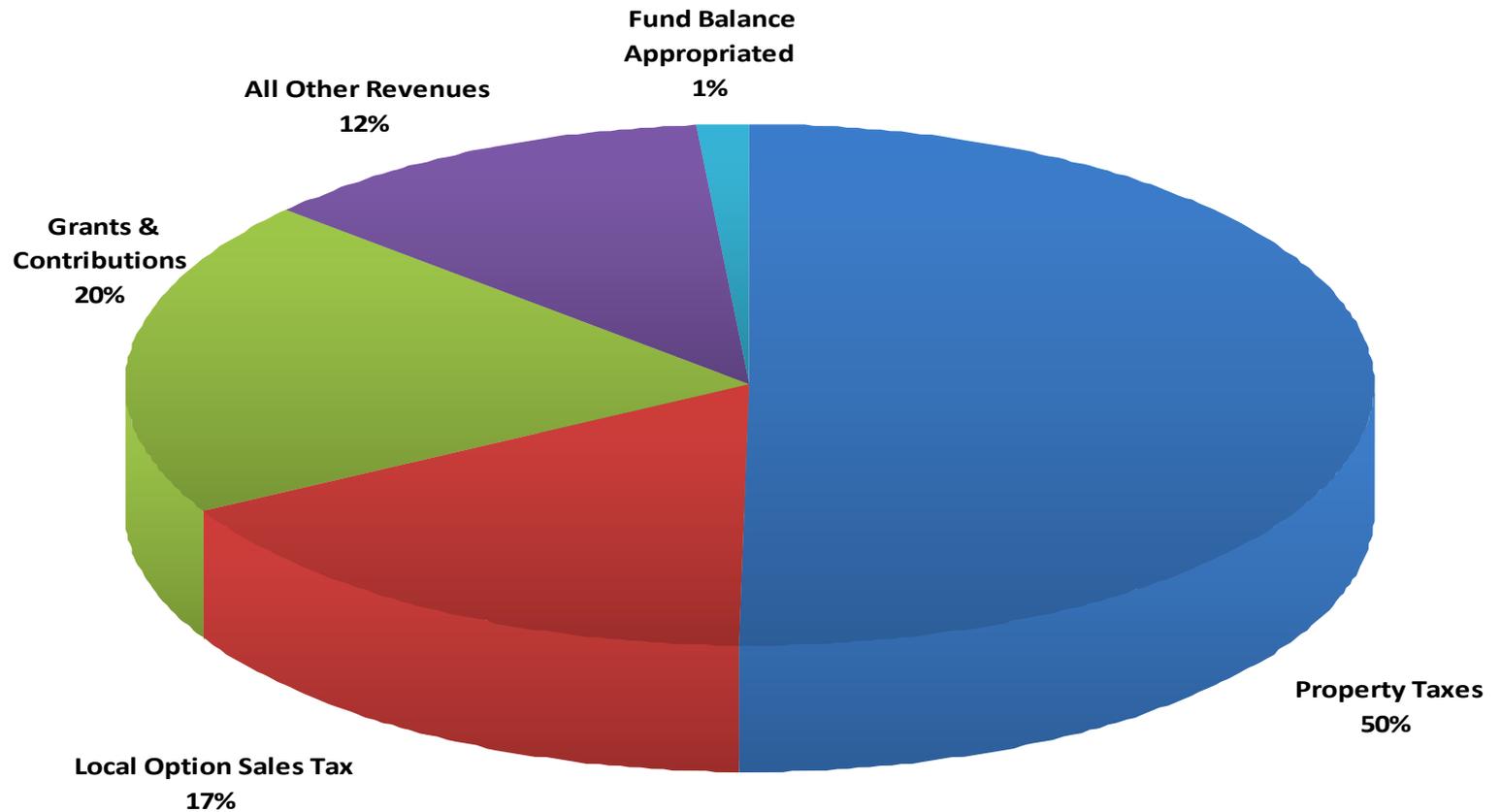
**Departmental
Budget Reductions
Range from 0% to 3%**

**Overall Reduction
to Departmental Budgets is
\$5 Million or 1% (GSD/USD)**



FY2012 Budget

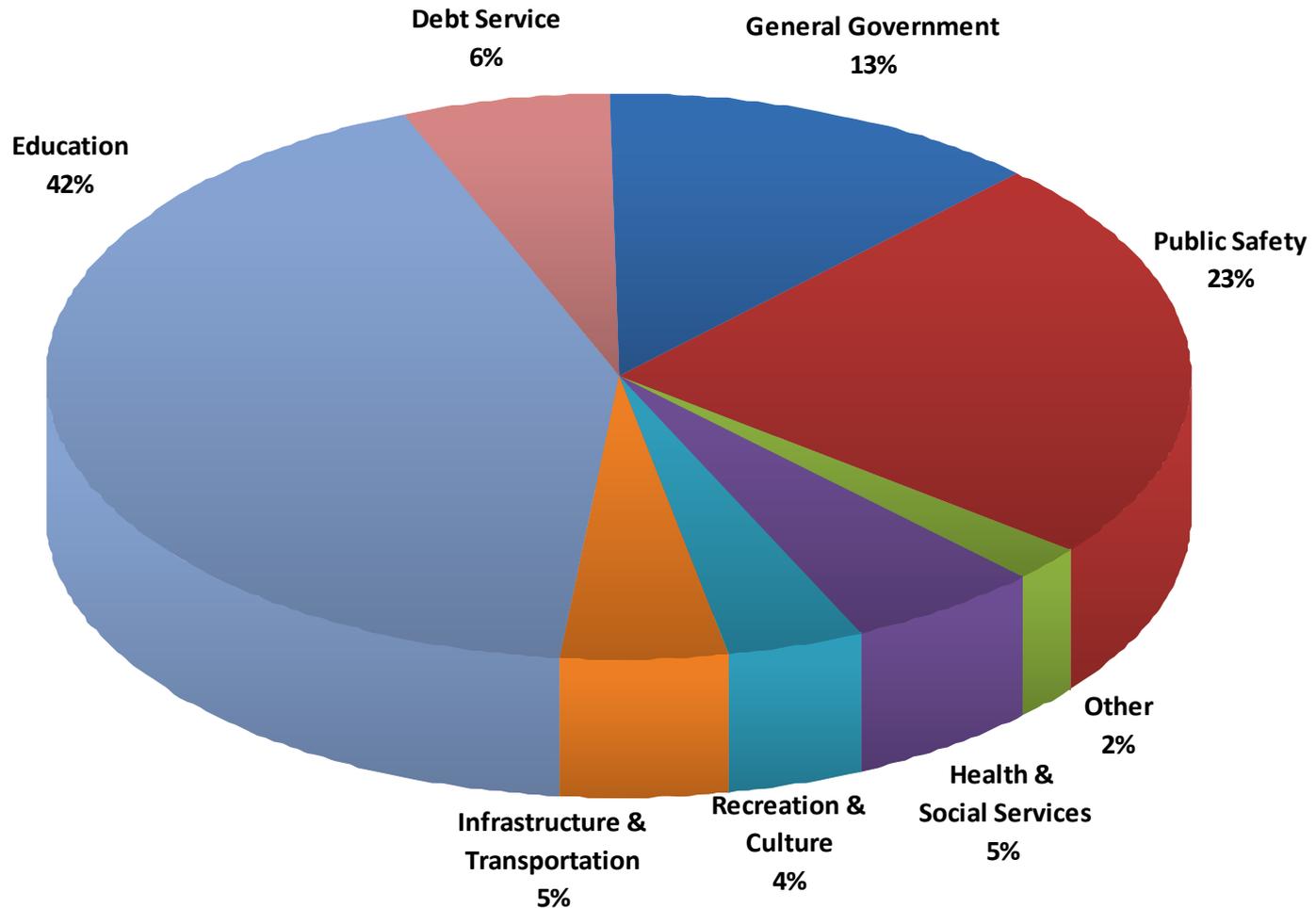
Where The Money Comes From





FY2012 Budget

Where The Money Goes





FY2012 Budget

Fund Balance History

Since FY2002

- Reserves Have Been Used Every Year Except FY2011
- We Have Appropriated a Low of \$14.8 Million in FY2006 to a High of \$105 Million in FY2004



FY2012 Budget

Fund Balance Recommendations

Fund	Estimated Unencumbered Fund Balance June 30, 2011	Appropriated for use in FY 2012 Budget	Estimated Unencumbered Fund Balance June 30, 2012	Estimated June 30, 2012 Balance as a Percent of FY12 Budget
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GENERAL SERVICES DISTRICT:

General Fund	\$ 36,800,000	-	\$ 36,800,000	5.1%
Debt Service Fund	8,400,000	-	8,400,000	8.8%
Schools Fund	28,100,000	-	28,100,000	4.2%
Schools Debt Service Fund	16,100,000	9,661,900	6,438,100	15.7%

URBAN SERVICES DISTRICT:

General Fund	\$ 24,200,000	13,435,500	\$ 10,764,500	9.9%
Debt Service Fund	3,000,000	-	3,000,000	20.2%



FY2012 Budget

Recommended Budget Increases

- **Police** - \$3 Million
 - DNA Crime Lab
 - Madison Precinct Staffing
 - Planning for Midtown Hills Precinct
- **MTA** - \$3.3 Million
 - Increase Subsidy Required to Maintain Current Level of Service



FY2012 Budget

Recommended Increases (continued)

- **Parks & Recreation** - \$850,000

 - Open McCabe Community Center and Riverfront Park Plus Increased Departmental Maintenance

- **Public Library** - \$788,600

 - Open Goodlettsville and Expand Limitless Library Program with Metro Schools



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Recommended Increases (continued)

- **Public Works** - \$950,000
Contractual Services and Utility Costs Plus Additional Funds for Storm Clean Up
- **General Services** - \$3.9 Million
Fuel, Facility and Utility Costs



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Metro Schools

Fully Funds Requested Budget of

\$670,534,800





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How The Increase Is Being Met

- \$21.7 Million Additional State Funds
- \$5 Million From Schools Debt Service Fund
(Available Because of the Restructuring)
- \$7.1 Million Local Option Sales Tax
- \$3.3 Million Other General Government Revenue Accounts



FY2012 Budget

Investment in Employees and Retirees*

- Health, Life And Dental * - \$6.6 Million
(\$6.4 - pensioners)
- IOD - \$4 Million
- 1.5% Salary Adjustment Paid in July to All Full Time Metro-Funded Employees (\$1,500 cap) - \$5.8 Million *
- Maintain Longevity Pay - \$3.1 Million

Total Employee Investment – \$19.5 Million

**GSD/USD requirements for general fund departments, subsidized accounts and internal service funds*



FY2012 Budget

Rising Costs of Employee Benefits

- During Prior Three Budgets, Benefit Costs Have Increased by Nearly \$22 Million as well as Another \$10.6 Million for FY12
- Significant Increases in IOD and Health Insurance Costs
- Aging Workforce that will Drive Pension Obligations Higher
- Study & Formulating Committee Charge



FY2012 Budget

Organizational Realignmentments

- **General Services** to Sheriff's Office - \$1,523,000
Courthouse Security
- **Finance** to ITS - \$1,083,000
Enterprise Business Solutions
- **Health** to Codes - \$353,400
Inspector Consolidation



FY2012 Budget

Legislation To Track With Budget

- Budget Ordinance
- Tax Levy
- Urban Council Resolution
- Pay Plan and Increment Suspension *
- Move Homelessness Commission Back Under Social Services (no fiscal impact) *
- Supplemental Resolution *

** Anticipated 5/27/11 filing date*



FY2012 Budget

**For More Information
Visit The
Citizens' Guide to the Metro Budget**

www.nashville.gov/citizens_budget