

FY 16 Budget Overview

May 12, 2015

Budget Highlights - 71 positions

- 26 additional Police positions



- 21 additional Fire positions



- 10 additional positions in Utilities



- 6 additional positions in Public Works



- 8 additional in other departments

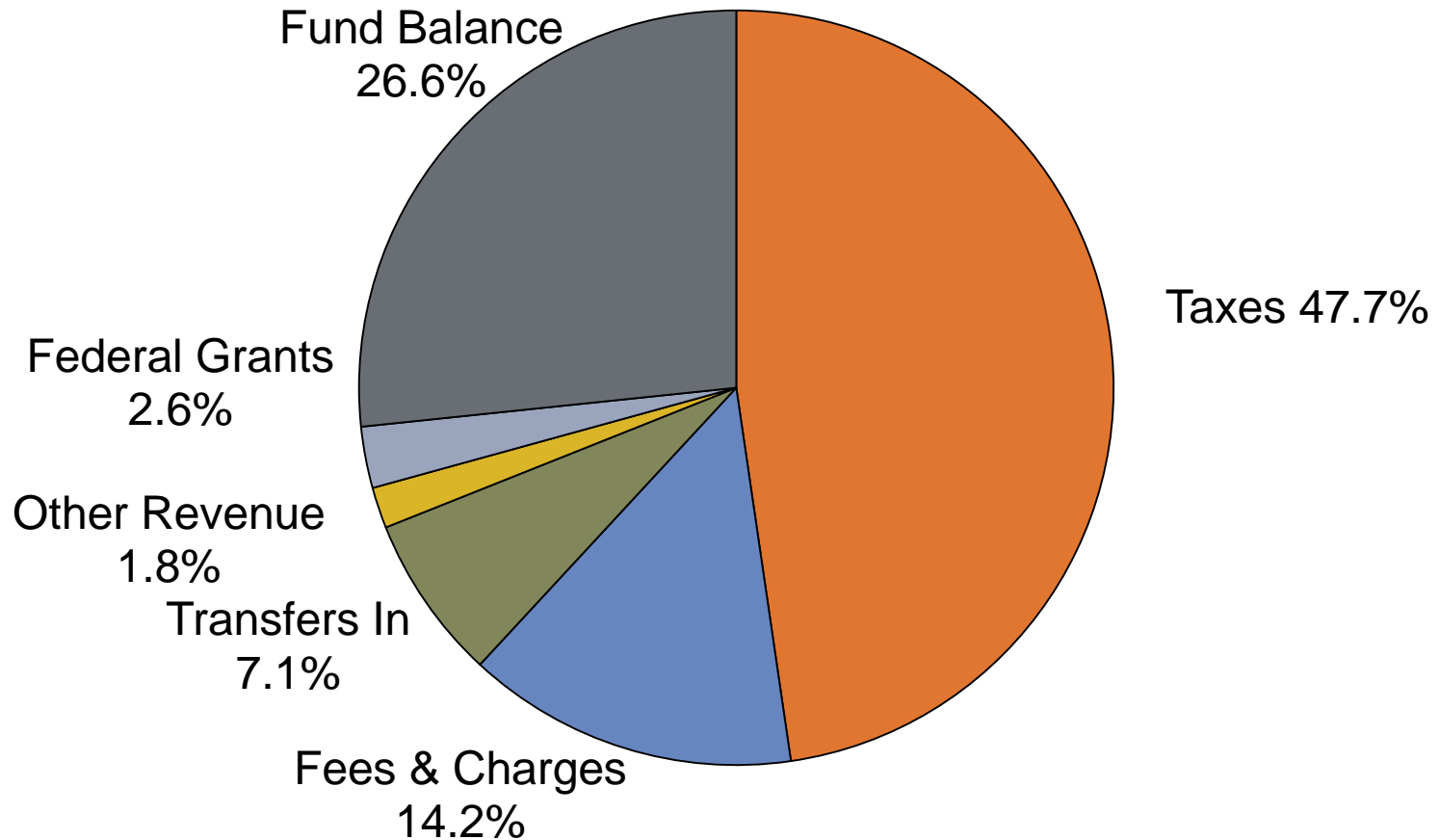


Budget Overview (in millions)

	FY 2015*	FY 2016
General Fund	\$416.6	\$426.5
Other Operating Funds	\$225.7	\$230.7
Non-Operating Funds	<u>\$493.3</u>	<u>\$590.9</u>
Total Budget	\$1,135.6	\$1,248.1

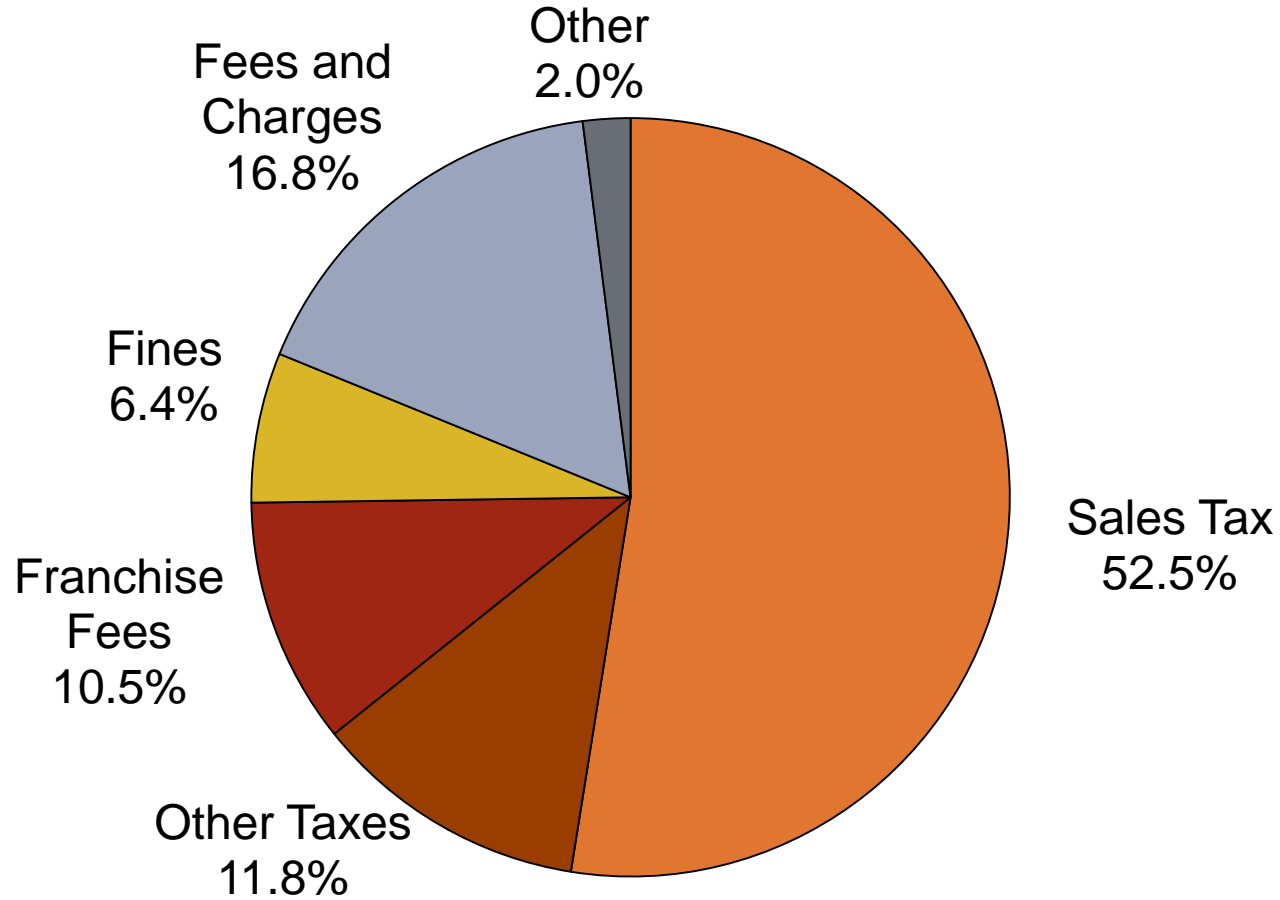
*Amended budget

All Revenue



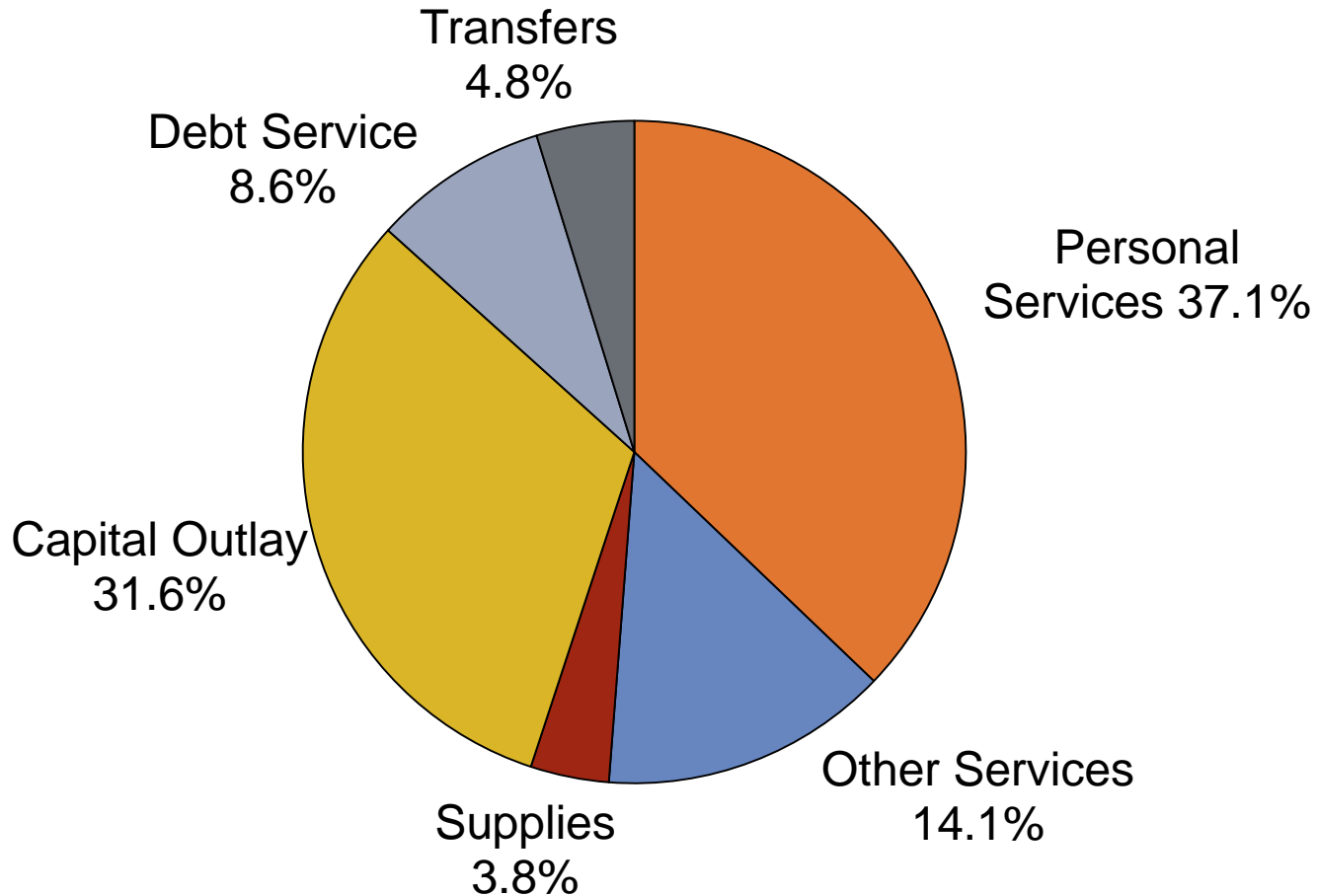
\$1.248 billion total

General Fund Revenue



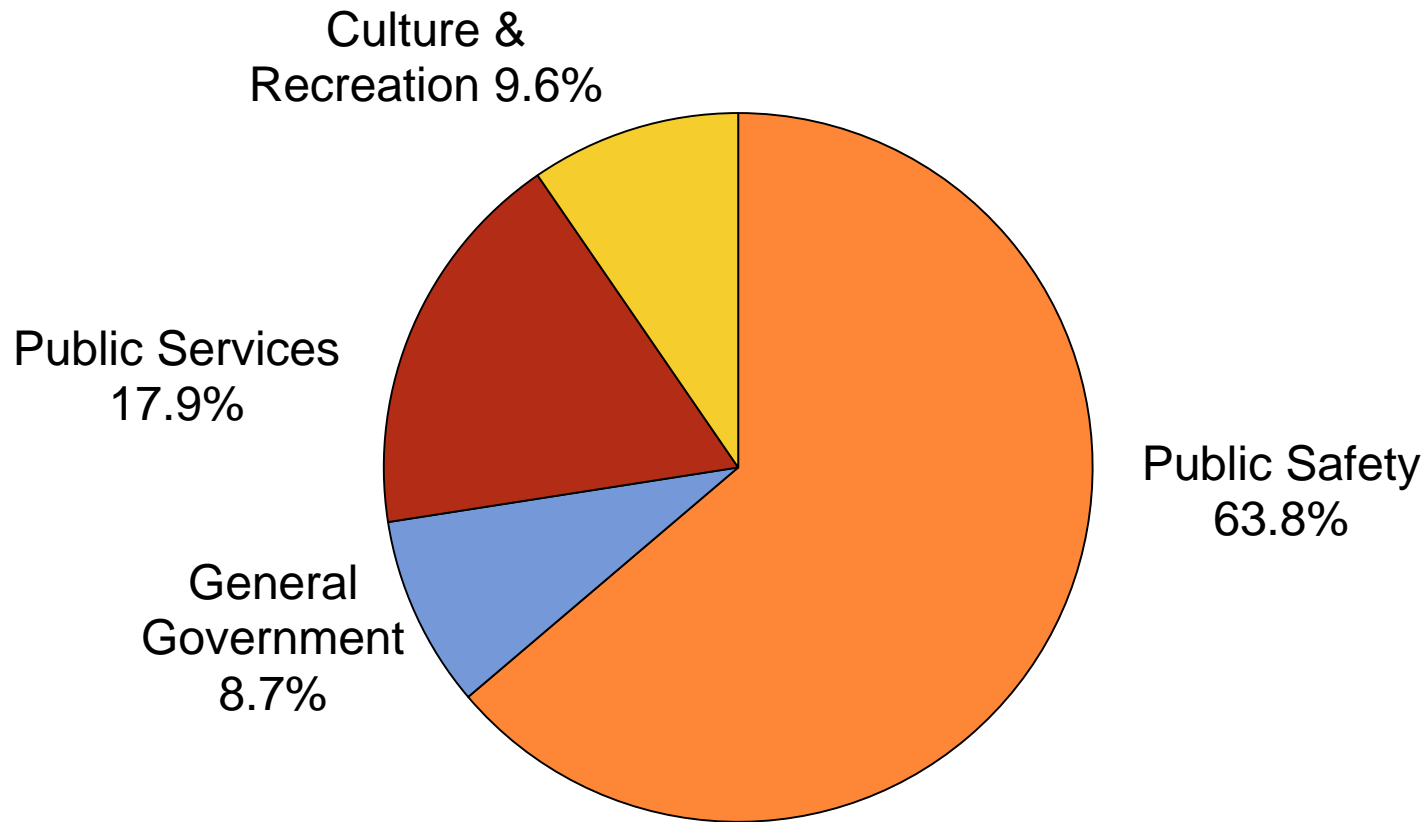
\$426.5 million total

All Expenditures Summary by Category



\$1.248 billion

General Fund Expenditure Summary by Service Area

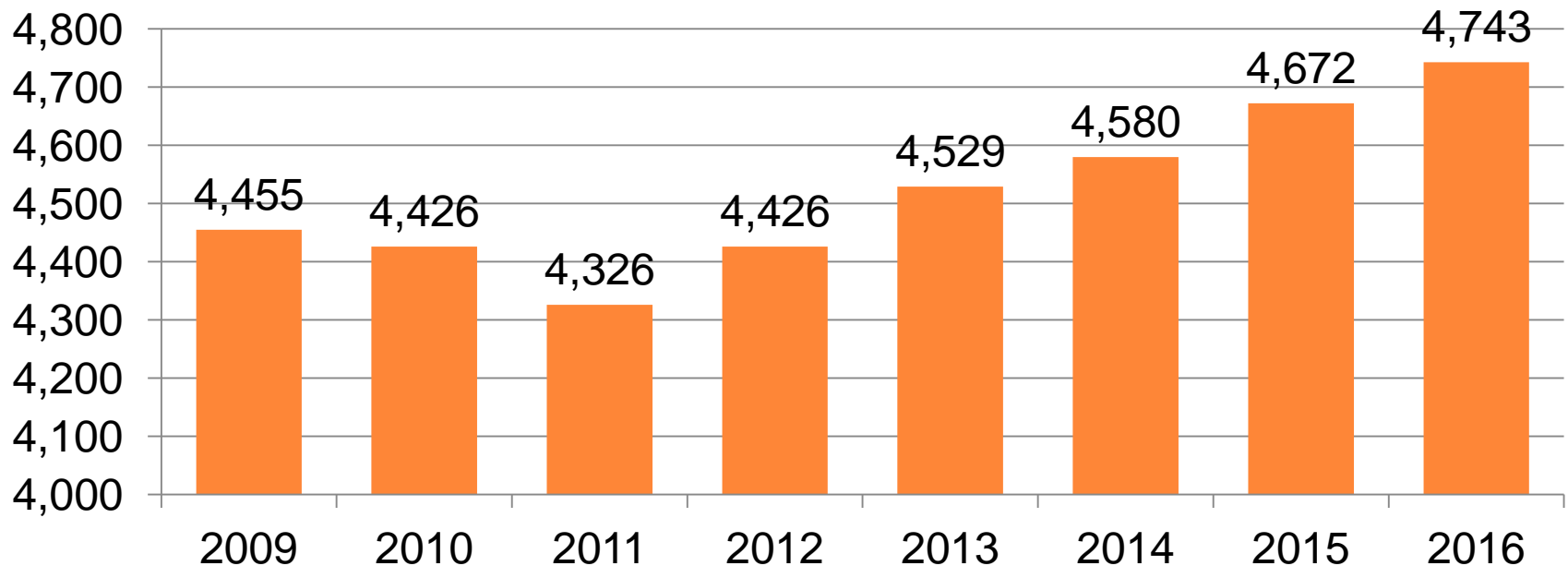


\$426.5 million

Position Changes in FY16

- Increase of 71 (1.5%) positions
- 4,743 total positions

Total City Positions By Year



Other Budget Highlights

- Impact of economic uncertainty of low oil prices
 - Lower sales tax growth projected (1.95%) than 10 year average (3.7%)
 - Fuel savings in the General Fund
- **6.4% increase in budgeted health insurance cost (avg \$12,305 per employee)**
- Overall increase in the total budget of \$112.6 million
 - MAPS3 Sales Tax Fund increased by \$91.7 million

Health Insurance

- City offers life, health and dental coverage to employees
- City offers two health insurance plans
 - HMO plan from UnitedHealthcare
 - Indemnity plan administered by Blue Cross and Blue Shield
- Within both health insurance plan there are various tiers of service depending on how many lives are covered

Health Insurance Types

- The HMO plan is an insurance product with a set premium for each tier of service.
- The indemnity plan is a City self-funded plan. The City acts as the insurer to pay claims. Actual claims may be more or less than the assessed premium equivalent rates.
- Both plan types run on the calendar year rather than on our fiscal year cycle.

FY16 Budget Estimate

- **Known Factors:**
 - Current premium rate (Jan. 2015 –Dec. 2015)
 - Baseline enrollment by plan and tier of service (65% HMO and 35% indemnity)
- **Factors to Estimate:**
 - Premium increase for next calendar year
 - Use medical inflation and contract limits
 - How many positions will take insurance and whether enrollment patterns might change
 - Use baseline enrollment as an estimate to establish a vacancy discount and enrollment distribution

Estimated FY16 City Costs for Health Insurance

Tier of Service	HMO	Indemnity
None	\$0	\$0
Employee	\$6,317	\$7,793
Employee + Spouse	\$14,214	\$14,728
Employee + Child	\$11,055	\$10,909
Employee + Children	\$13,582	\$14,027
Employee + Family	\$19,583	\$19,871

FY16 Budget Estimate

- Combine factors to develop the average cost to the City per budgeted position - \$12,305
- Budgeted cost will be different than individual cost.
- Estimate for FY16 expenses
 $\$12,305 \times 3,766 \text{ positions} = \46.3 million
- Estimated expenses for FY16 insurance (including IAFF) = \$58 million

Schedule

- May 12 Information Technology, Police and Fire
- May 26 Public Works, Utilities and Airports
- June 9 Development Services, Parks and Recreation, Public Transportation and Parking, and Planning
- June 16 Budget adoption
- July 1 Start of Fiscal Year 2016