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From: June D. Page <pagegoetz@comcast.net>
Sent: Monday, April 28, 2014 2:23 PM
To: Emilie Smith
Subject: BAB - Had to change last sentence second paragraph

JOINT BUDGET WORKSHOP

April 28, 2014

Good Evening –

This is a particularly timely Workshop, occurring at the beginning of the budget season. The BAB has been especially hard at work over the last 6 months.

But before I go into the details of that work, I would like to introduce 2 new board members. Mr. Charles ‘Chip’ Burpee was with us only a week at our last Workshop. Chip is the Government Relations Manager at JM Family. Also new is David Orshefsky, an attorney and land use specialist.

I have a few comments before we get to our primary topic tonight.

First, because we are aware that there could be a gap between revenues and expenses this year, the BAB would like to remind the Commission of its policy of maintaining a structurally balanced budget. That means, of course, that expenses from ongoing operations cannot exceed revenues from recurring sources. We strongly support that the Commission continue this policy during your deliberations of next year’s budget.

Second, the Board is about to begin its annual departmental budget reviews. These reviews will take place once a week throughout the month of May. We will report on these at or before our next joint workshop.

Third, the Revenue Estimating Committee has finished its review of the FY15 estimated revenues. The Committee reduced estimated revenues only slightly for the upcoming fiscal year. There is still the possibility of a further negative impact if the State Legislature reduces the Communications Service Tax before the end of its current session.

Lastly, we would like to discuss limiting our Joint Budget Workshops to primarily the budgetary season. The Board has a work cycle that keeps us busy with the specifics of the budget from March through October of each year. During the November to February period, when we also typically have new board members, we use the time for educational and informational purposes, as well as for special projects. Over the last several years we have cancelled the February Budget Workshop. Perhaps we could make workshops during that period discretionary.

Moving now to our primary topic, let me begin with an important observation. You have given the Budget Advisory Board latitude in how we operate and what we review. This has given us the unprecedented and fortunate opportunity as a board to be flexible, fluid and effective, and, importantly, to act in a timely manner. With the continued improvement in the budgetary process by the administration, and under the direction and guidance of the Commission, we have been able to expand our scope, moving from topic to topic as required and directed. It has enabled us to look at many different aspects of the budget.

Last year we focused on the operating side of the budget. This year we have been more focused on the capital improvement side.

In that regard, at our last Budget Workshop, the Commission charged the BAB with researching alternate sources of funding for capital improvement projects.

We found that developing successful municipal financing strategies for capital assets has been a very complex and time-intensive endeavor. Board member Bryson Ridgway volunteered to take the lead on this issue, and has developed several documents that will be distributed to you tonight that form the framework for our analysis. These strategies will be presented to you in a matrix developed jointly by the Board and the City's Budget Department.

We need to emphasize that the BAB will not be giving you individual recommendations regarding which specific capital projects to pursue. We found, for instance, that not all funding sources are available for all types of assets. We will therefore instead be providing you with a matrix that matches funding options to general groups of capital projects.

At the end of our discussion this evening we anticipate that the Commission will give us further direction on this subject, and/or on other issues you would like us to consider.

We have also invited Robert Nabors, the City's Alternate Funding Consultant, to be with us tonight. Mr. Nabors has provided a wealth of information to the Board during its deliberations. He has written a concept paper on this topic for us, which will also be distributed tonight. He has made himself available to address some of the more specific, technical questions you will no doubt have tonight.

I will now turn the discussion over to Bryson, who will walk you through the Board's recommendations.

Respectfully,

June D. Page

Chair

Budget Advisory Board