

The Budget FY 2009

Introduction

Karl Dean

Mayor



Mayor Karl Dean

The Budget FY 2009

**Richard M.
Riebeling**
Director of
Finance



Current Year Budget Status

- **Targeted Budget Savings**
 - \$5 Million Short
- **Revenue Shortfall**
- **GSD Fund Balance Used to Make Up Shortage**
- **GSD Fund Balance**
 - Estimated at \$15 Million
 - Less Than Half of Where It Should Be
- **AA Bond Ratings**
 - Confirmed by Rating Agencies (*Negative Watch*)



Approach to 08-09 Budget

- **National/State Economic Outlook**
- **Funding for Schools and Public Safety**
- **Openness and Transparency**
- **Elimination of Budgeted Savings**
 - **GSD \$16,938,500**
 - **USD \$2,264,700**



Budget Instructions

December 2007

- **Reduction Scenarios**
 - **5%**
 - **10%**
 - **15%**



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Balancing The Budget *With No New Taxes*

- **Conservative Revenue Estimates**
- **Reductions – Living Within Our Means**



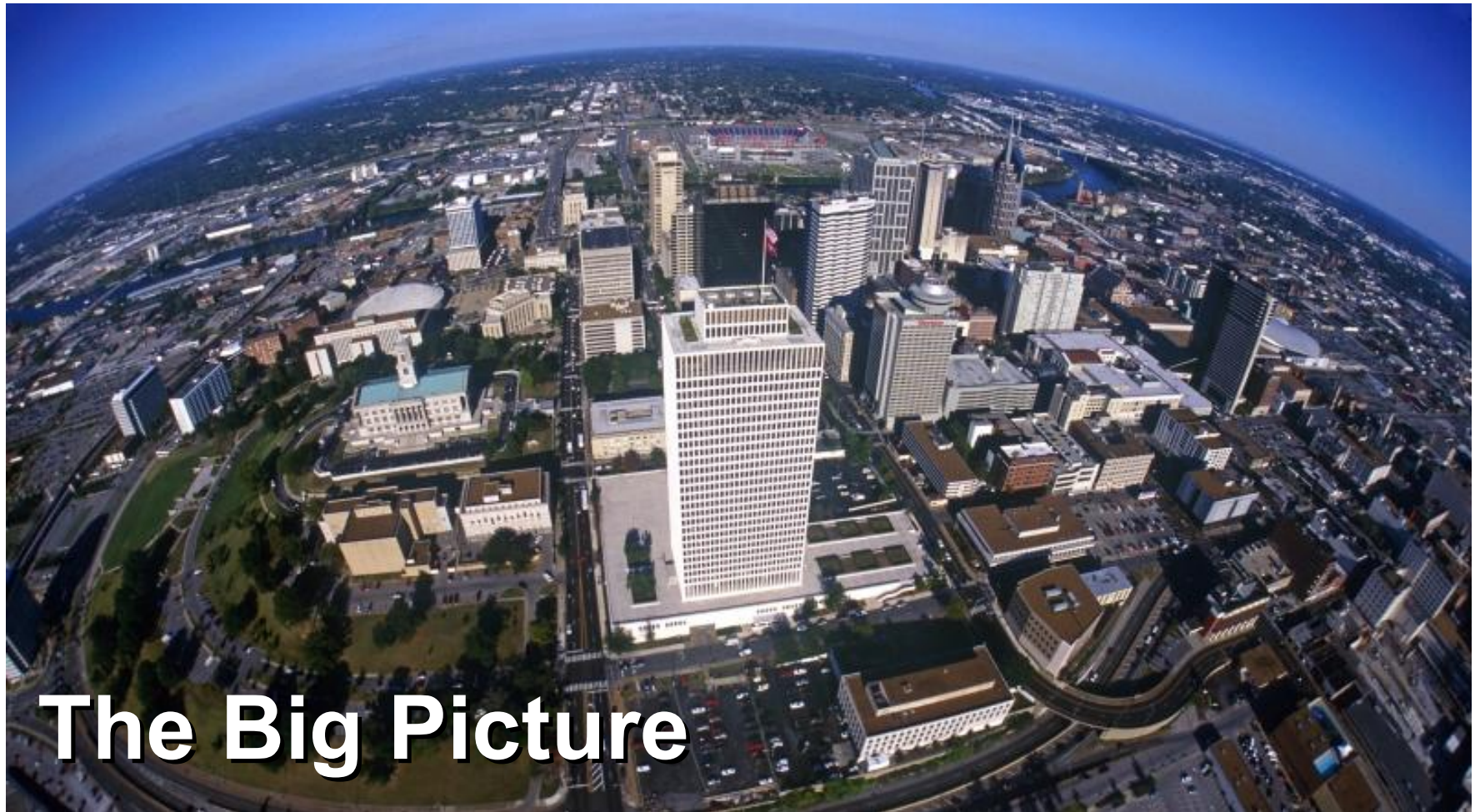
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Revenue Trends for Budgeted Funds

■ Budget ■ Actual



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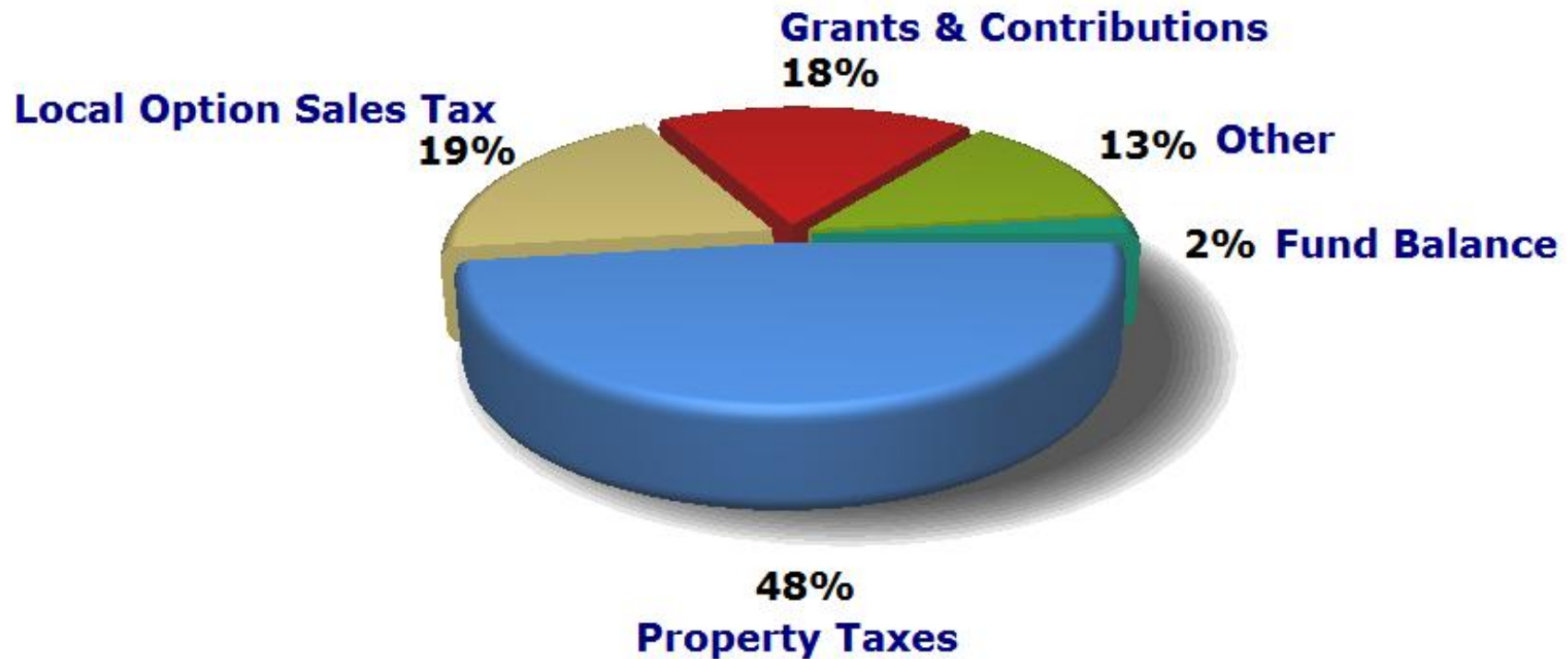
2008-2009 Budget Overview

- **Total Budget**
 - **\$1,576,664,600**
- **Less Than 1% Increase Over 07-08**
- **GSD and USD Operating Budgets**
 - **\$21 Million Less Than The 07-08 Approved Budget**



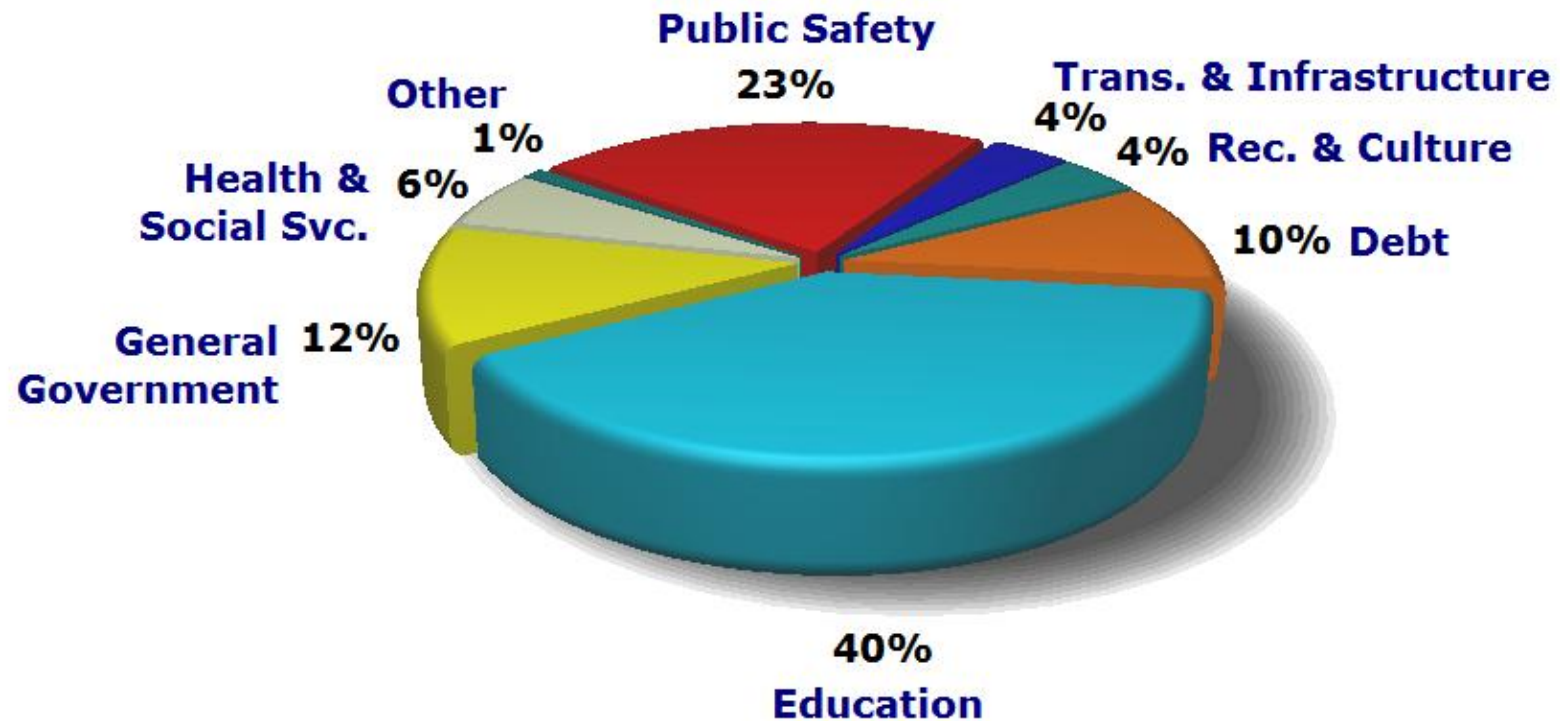
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Where The Money Comes From



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Where The Money Goes



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Pay Plan (In Millions)

	FY09
Increments	\$2.7
Related Benefits	0.5
Total Pay & Benefits	\$3.2

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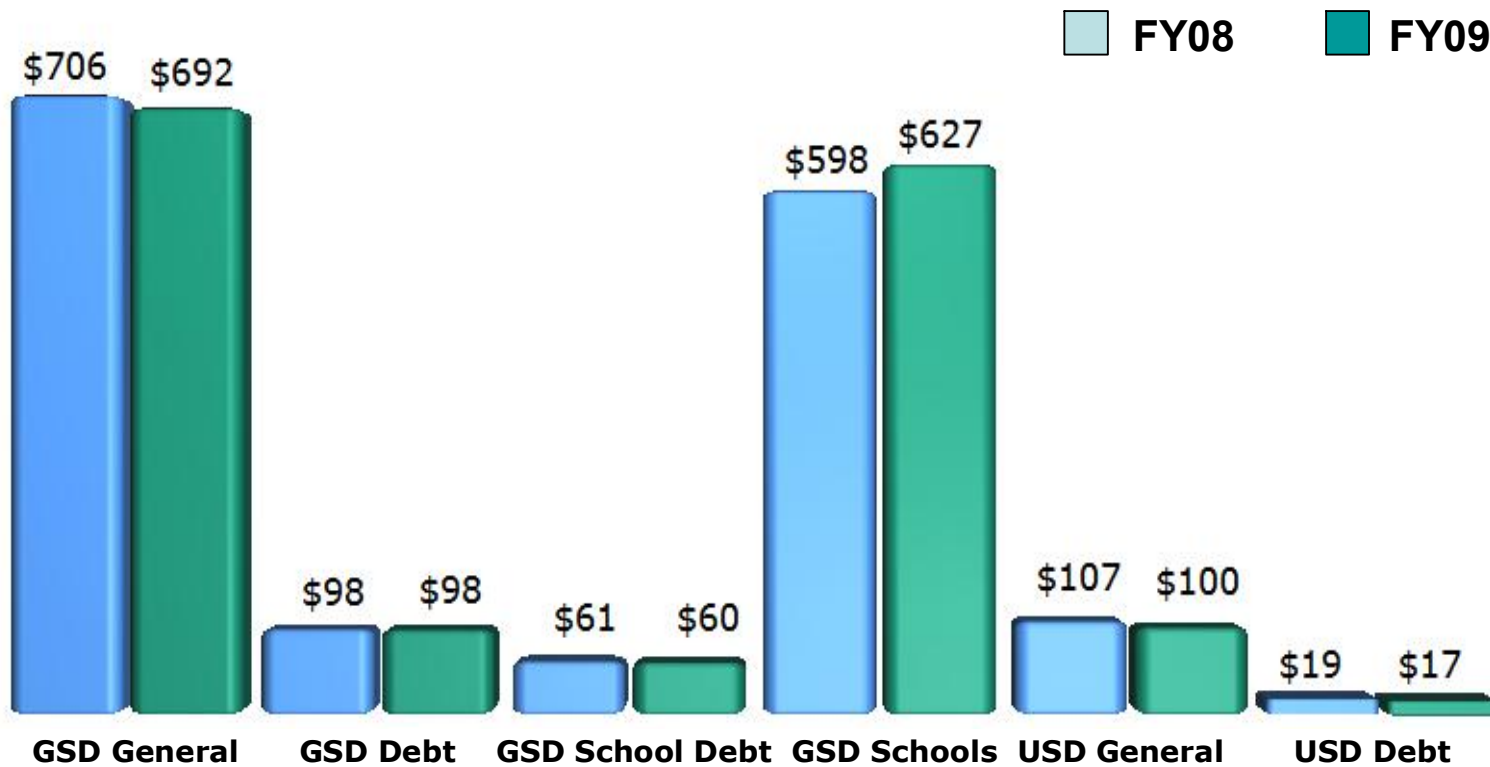
Benefit Savings

(In Millions)

	FY09
Health, Life and Dental Increases*	\$1.6
Pension Savings**	(\$7.8)
* 6% forecasted increase	
** Savings from a decrease in the pension contribution rate	

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Budget Comparison By Fund



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Budget Reduction Targets

Departmental FY 2009 Budget Calculation General Fund

Department A

Salaries (FY 2008)	\$	3,138,700	
All Other (FY 2008)		719,600	
Fringes (FY 2008)		1,036,100	
Internal Service Fees (FY 2008)		257,500	
Capital (FY 2008)		-	
**Total Budget (FY 2008)	\$	5,151,900	
- Non-recurring Items		-	
- Internal Service Fees Exclusions		(257,500)	
- Insurance Premiums		(24,900)	
= Subtotal subject to Cut	\$	4,869,500	
- 10% Cut		x 0.10 =	<u>(487,000)</u>

Your 10% cuts in WEBudget rev 4.0 should total

\$ (487,000)

These cuts do not include increments, open range, or longevity increases.

* FY 2009 Budget totals do NOT include grants, local match, or transfers.
Your FY 2009 budget will be adjusted for grants, local match, and transfers when those figures are available.



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Overall Position Reductions (Estimated)

<p><u>Filled</u></p> <p>Approximately 200</p>	<p><u>Vacant</u></p> <p>127</p>
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Our Priorities

- **Schools**
- **Public Safety**
- **Living Within Our Means**



Departmental Budget Approach

- **Departments Prioritized Reductions and Discussed With Mayor During Budget Hearings**
- **Reviewed Case By Case To Determine Impact On Services To The Public**



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Schools

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Highlights of Recommended Improvements

- Full Funding of Needs Including **\$6.5** Million in New Local Dollars
- Funding of **\$13** Million For Improvements That Will Be Finalized During the Budget Process
- Requires Approximately **\$19.2** Million of Schools Fund Balance
 - Will Remain in Excess of **8%** of Fund Balance



Public Safety



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Police

- **FY09 Budget - \$142 M**
- **\$500,000 (0.33%)
Reduction ***
- **Funds Full Complement
of 1312 Sworn Officers**



** Does not include internal service fees*

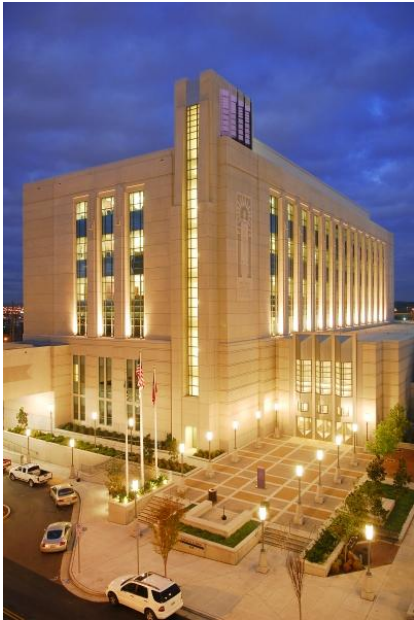
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Fire

- **FY09 Budget - \$107 M**
 - **\$697,300 (0.6%) Reduction ***
- **Increase 3 EMS Units**
 - **\$2,326,700 (31 Positions)**
- **Increase Overtime Funding**
 - **\$1,821,000**
- **Realign and Redistribute Resources**

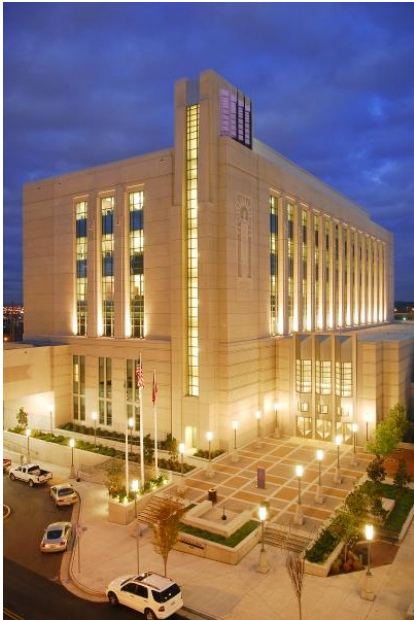


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Courts And Elected Officials

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Courts And Elected Officials

Most Received
Approximately A 5%
Reduction

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Juvenile Court



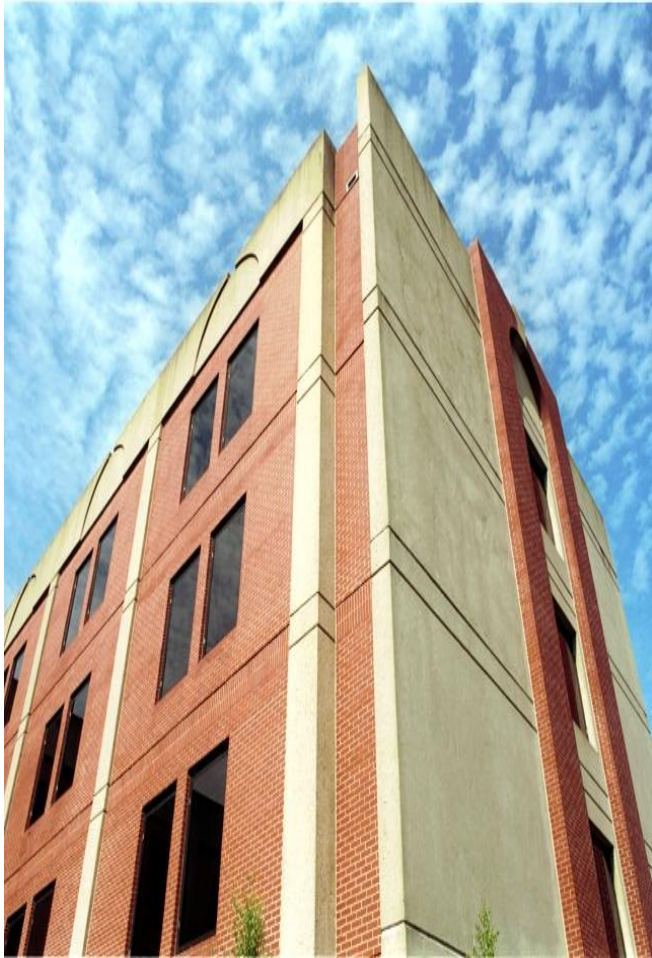
- **\$500,000 Improvement For Truancy Program**
- **Component Of Public Safety/Education Priorities**

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Health and Social Services

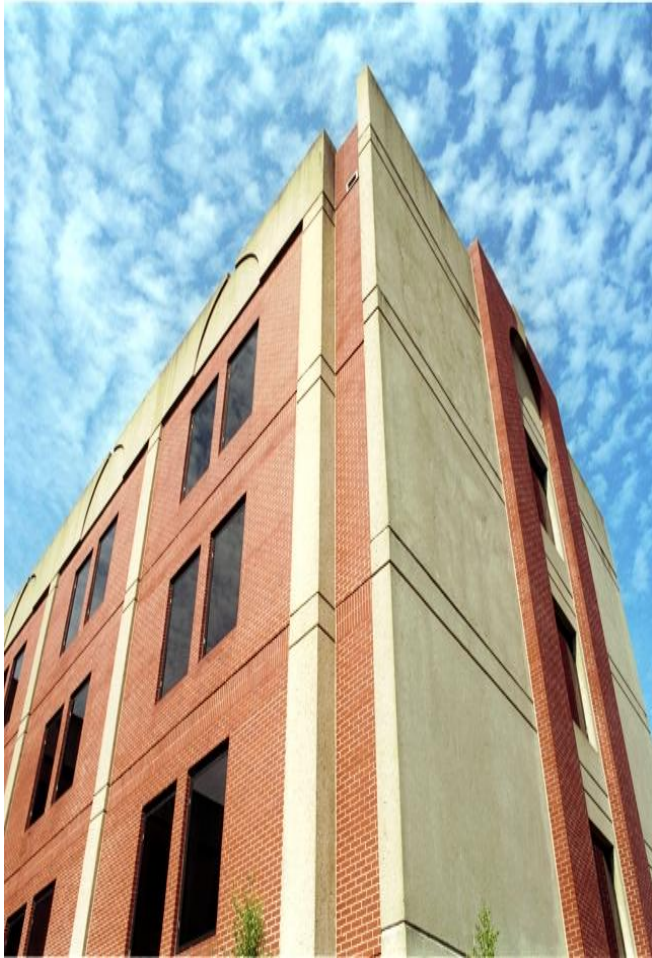
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Homeless Services Improvements

- Funding for Homeless Commission Through MDHA Increased to \$1.15 Million (18% Improvement)
- Improvements Include Increased Funding For Direct Health Care and For Management System To Improve Efficiency of Service Delivery

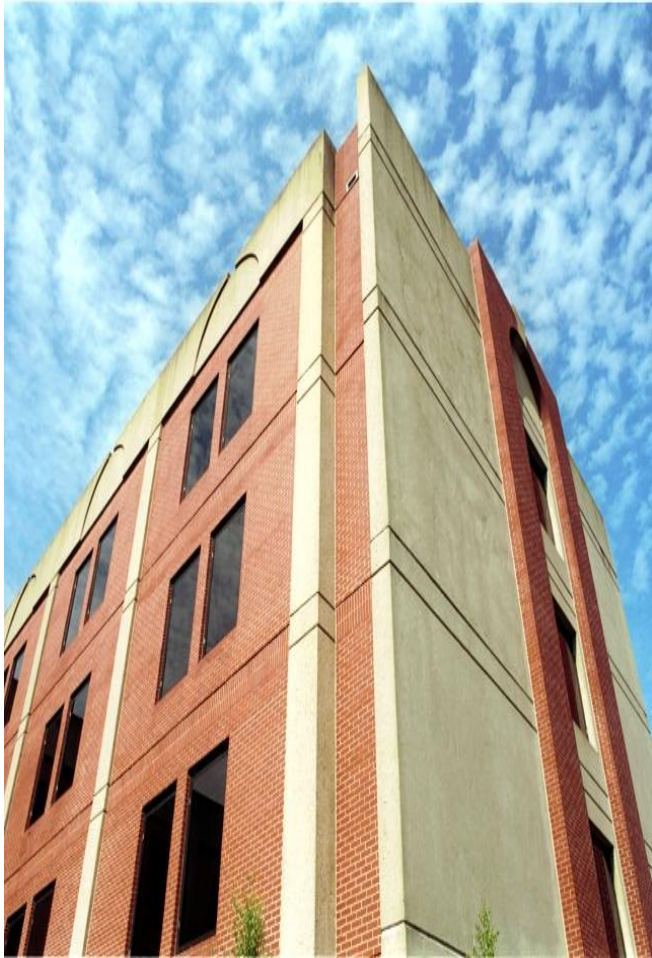
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Health and Social Services

- **Budgets Reduced For**
 - **Health**
 - **Metro Action Commission**
 - **Social Services**
 - **NCAC**

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Health and Social Services

- **Budget Enhancements**
 - **Correctional Health Services**
 - \$982,500
 - **Forensic Medical Services**
 - \$168,200

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Hospital Authority

- **FY09 Subsidy \$47,307,200**
- **Reduced \$2,489,900 (5%)**



Other Government Agencies



Parks and Recreation

- **Administrative Cuts; Staffing Realignment**
- **Minimal Reduction in Operating Hours**
- **Concession Privatization**

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Public Library



- **Administrative Reductions and Reduced Hours At 3 Branches**
- **Bookmobile Services Eliminated**

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Public Works

- **Administrative and Office Support Reductions**
- **Reduced levels of service in several areas**

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Metro Transit Authority



- **Some Reduced Levels of Service To Be Determined by MTA Board**
- **\$500,000 Added To Budget To Help Offset Increased Fuel Costs**
- **Provides Funds For Metro Employees To Receive Bus Passes**

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**Most Other
Departments &
Agencies Will Receive
On Average A 5%
Reduction ***

** Does not include internal service fees*

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Other Departments

- **Codes – 2.3% Reduction**
 - Adds Funds For Electronic Plan Review

- **Water Services – 3.5% Reduction**

- **Planning – 5% Reduction**

** Does not include internal service fees*



Reorganization Of Internal Service Functions

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A 40%
Reduction in
Internal Service Fee
Budgets

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Elimination of Employee Safety and Risk Premium Billings

Returned to General Fund Appropriations

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Elimination of Internal Service Fund Operations

- **Finance Services**
- **Human Resources**
- **Internal Audit**

Returned to General Fund Appropriations

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Reorganization and Savings

- **Finance & General Services**
 - **Call Center**
 - **Payment Services**
 - **Shared Business Office**
 - **Real Property Services**

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Finance and General Services Reorganization

Estimated
\$3 Million in Savings

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Remaining Internal Service Fund Operations

- **Information Technology Services**
- **General Services**
 - **E-Bid (Surplus Property Auction)**
 - **Facilities Maintenance and Security (BOSS)**
 - **Fleet Management**
 - **Postal Services**
 - **Radio**

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Non-Profit Grants

Non-Profit Grants

- **Elimination of Most Individual Appropriations**
- **Process Will Be Created To Award Funds To Those Agencies That Best Meet The Priorities Of The City**
- **Reduction of Overall Grants (10%+)**
- **Awarded As Follows:**
 - **Domestic Violence Agencies - \$750,000**
 - **Education and Afterschool Care - \$750,000**
 - **Community Service Agencies - \$500,000**

The Budget FY 2009

Hotel-Motel Occupancy Tax Fund



Hotel/Motel Highlights

- Convention Center Subsidy - \$800,100
- Sommet Center Subsidy - \$7,351,500
- Municipal Auditorium Subsidy - \$871,500
- Farmers' Market Lease Agreement - \$258,000
- Regional Transit Authority - \$764,900
- Metro Transit Authority - \$500,000
- Sister Cities - \$40,000
- Partnership 2010 - \$300,000
- Nashville Sports Council - \$100,000
- Adventure Science Center - \$200,000
- Country Music Hall of Fame - \$100,000
- Opryland Tourist Development Zone - \$399,600
- Arts Commission Grants - \$150,000



Additional Legislation

- **Probation Fees**
- **Merchant Fees**
- **Sheriff's Pension Change**



Looking Ahead To FY 2010

- **Increasing Fund Balance**
- **OPEB**
- **Funding for Capital Projects**
- **Continue Looking For Ways To Improve Services At Lower Costs**



The Budget FY 2009

Conclusion

- **Budget Within Our Means**
- **Fund The Priorities**
- **Reduce Redundancies And Inefficiencies**
- **Minimize Service Impact To Citizens**
- **Make The Budget Process More Transparent For The Metro Council & Citizens**



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

www.nashville.gov/citizens_budget

Citizens' Guide
to the Metro Budget