

City of Clarksville



FY 2016 Budget

Economic Environment

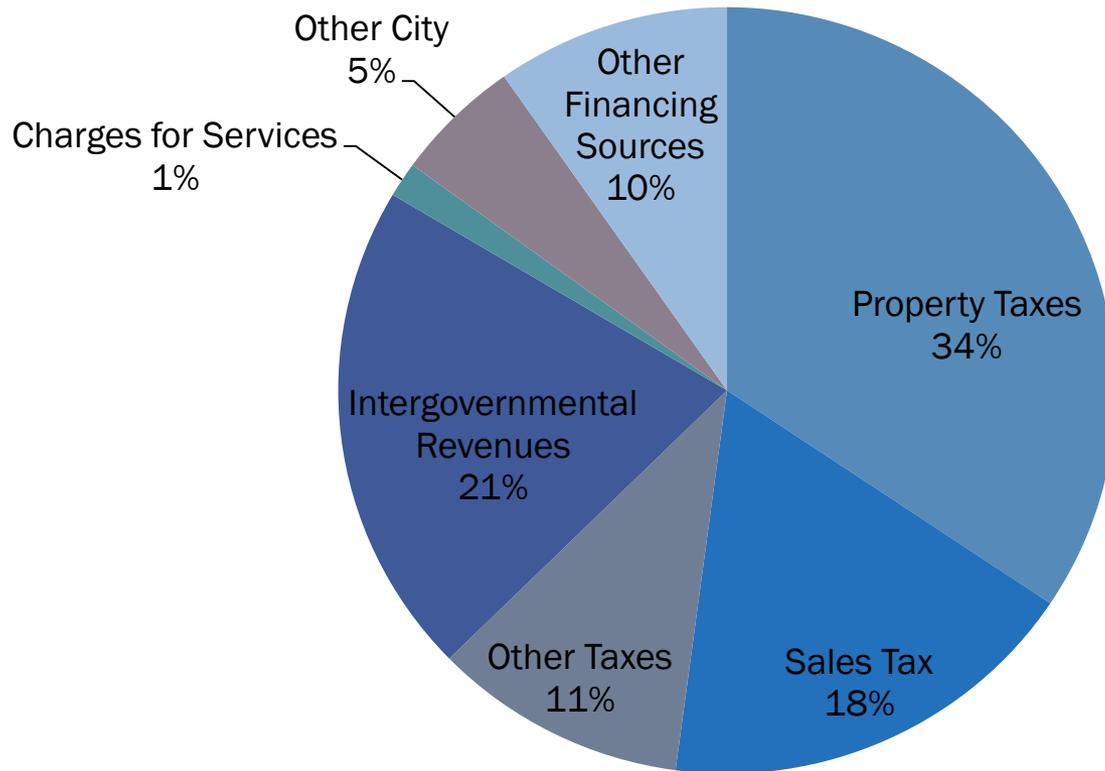
- ∞ Building Permits stable
- ∞ New Businesses
- ∞ Sales Tax Revenue on trend
- ∞ State Shared Revenues on trend with budget
- ∞ Tax Revenue flat
- ∞ Growth – 5th fastest growing City in the nation
- ∞ Growth – 5th largest City in Tennessee – gaining on 4th

Major Accomplishments

- ☞ Completed ADA Sidewalk Compliance
- ☞ Continued improvements from our Streets Department
- ☞ Fire Station 12 on track for completion in October
- ☞ Police North Precinct Building on track for completion
- ☞ Partnering with the Army Corp of Engineers for expanded project to stabilize our Riverfront
- ☞ External Audit – no findings

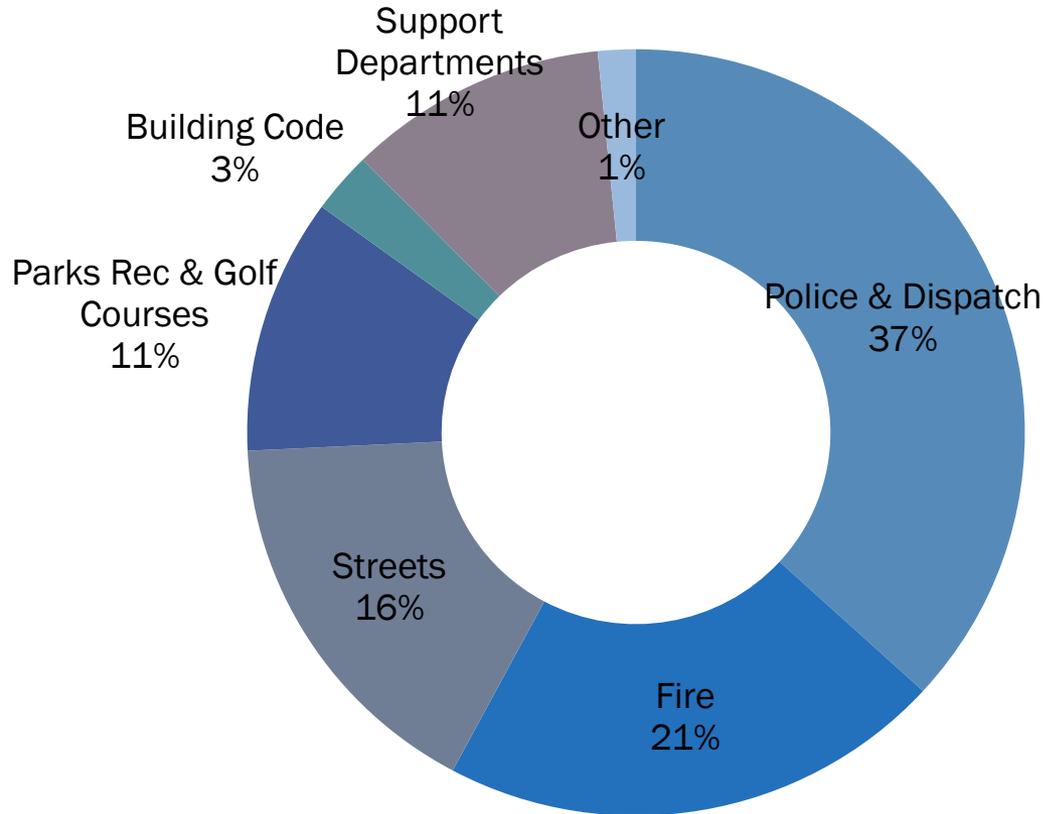
Year in Review

General Fund Revenues



Year in Review

General Fund Department Expenditures



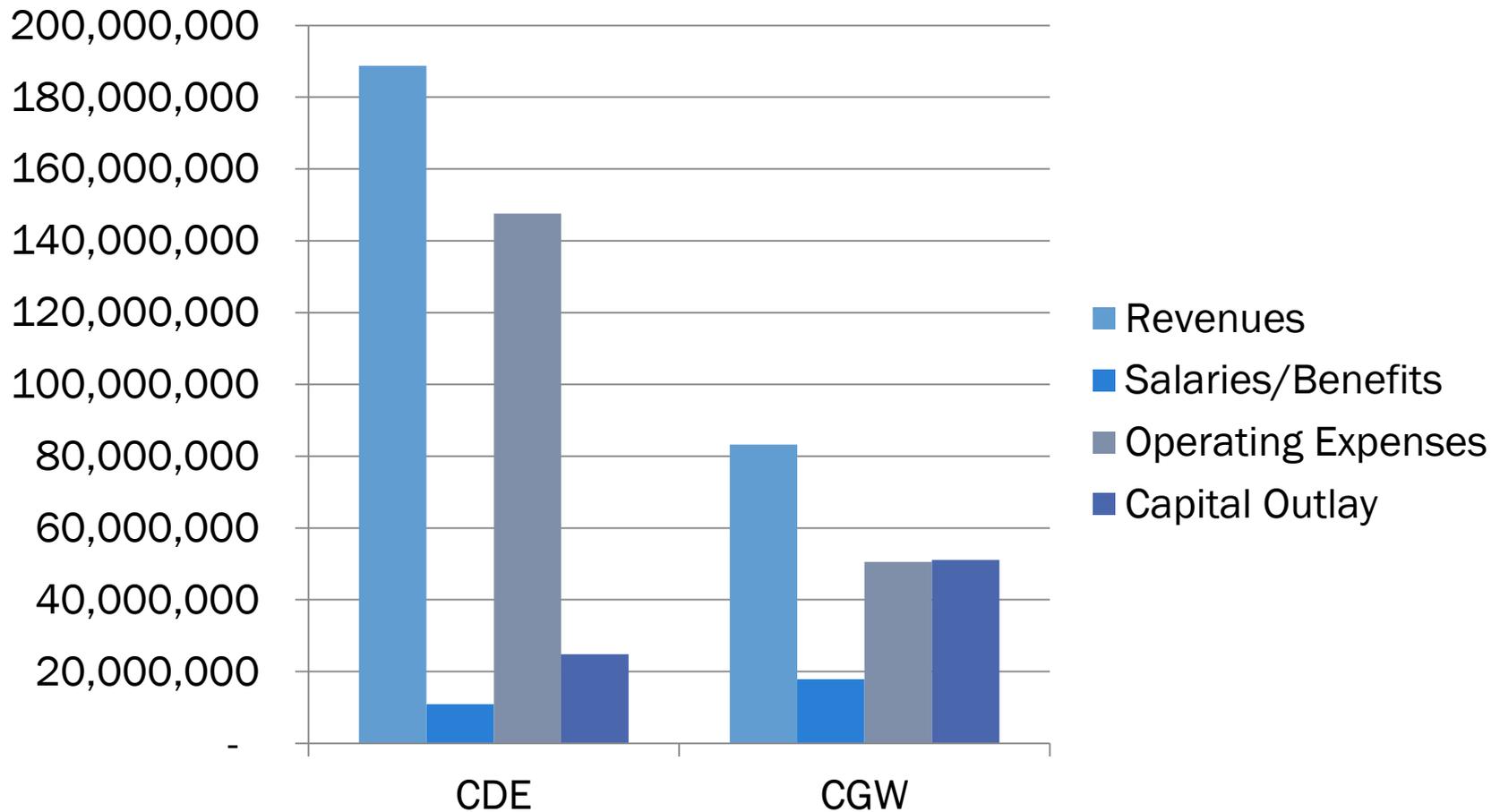
Year in Review

Fund Balance

- ∞ Unassigned Fund Balance best practices and recommendations
- ∞ FY'15 Original anticipated use of Unassigned Fund Balance
- ∞ FY'15 Projected Use of Unassigned Fund Balance

Year in Review

Major Enterprise Funds



Upcoming Year – FY 2016

- ☞ Why a Tax Increase
- ☞ Unsustainable Trend
- ☞ Taxes – what it means to citizens
- ☞ Revenue projections
- ☞ Departmental expenditures
- ☞ Employees and Benefits
- ☞ Community
- ☞ Capital Outlay
- ☞ Capital Projects
- ☞ Debt Service

FY 2016 Budget Goals

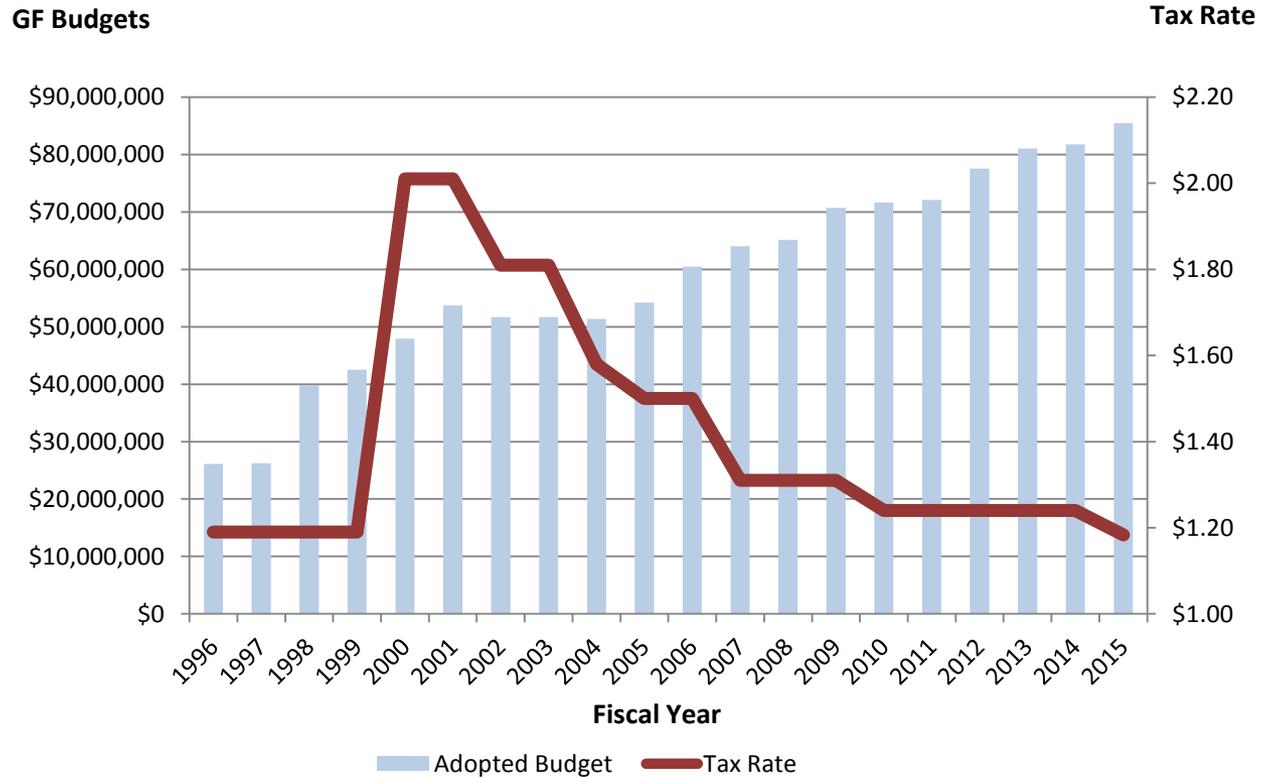
- ∞ Maintain control of expenditures
- ∞ Only provide growth in departments as necessary
- ∞ Provide and plan for growth
- ∞ Maintain and increase services to citizens
- ∞ Investment in City employees
- ∞ Maximize use of Revenues

FY 2016 Budget Highlights

- ∞ Provide for our most valuable resource
- ∞ New employees where justified
- ∞ Maintain and improve current infrastructure/assets
- ∞ Support our community
- ∞ Provide and plan for growth

General Fund Trend

General Fund Adopted Budgets compared to Property Tax Rate



Why A Tax Increase

- ∞ Essential Services caused Departmental Budgets to increase a total of \$3,097,443 for FY16
- ∞ We know an additional \$4,194,007 will be needed for FY17
- ∞ Total of \$7,291,450
- ∞ Debt Service Increase from Prior Issuances

Property Tax Comparison

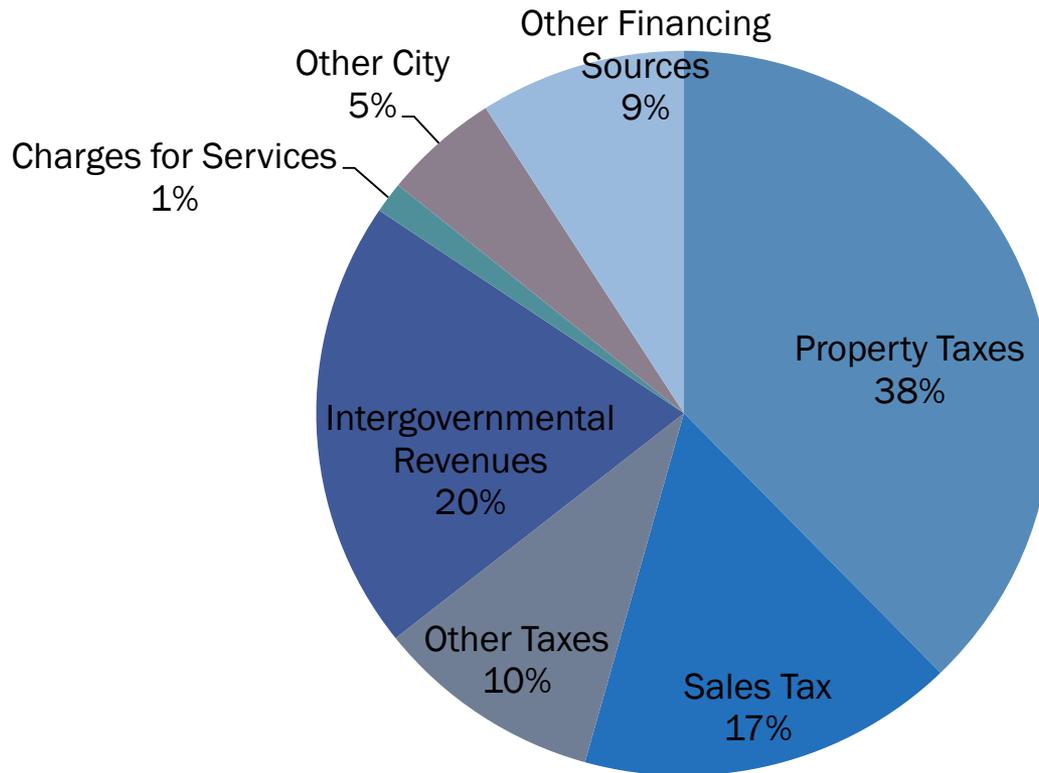
FOR ILLUSTRATIVE PURPOSES ONLY

Impact of Property Tax Rate Increase

	<u>Average Home w/in City</u>	<u>\$250,000 Home Value</u>	<u>\$165,000 Home Value</u>
Residential Home			
Appraised Value	\$ 128,161.10	\$ 250,000.00	\$ 165,000.00
Assessment	32,040.27	62,500.00	41,250.00
Real Property Tax at \$1.1832	379.10	739.50	488.07
Real Property Tax at \$1.36	435.75	850.00	561.00
Increase in Annual Tax	56.65	110.50	72.93
Increase Per Month	4.72	9.21	6.08

Property Tax Increase will not affect many citizens on fixed incomes as most of them are on tax freeze.

FY 2016 Revenues



Sales Tax Breakdown

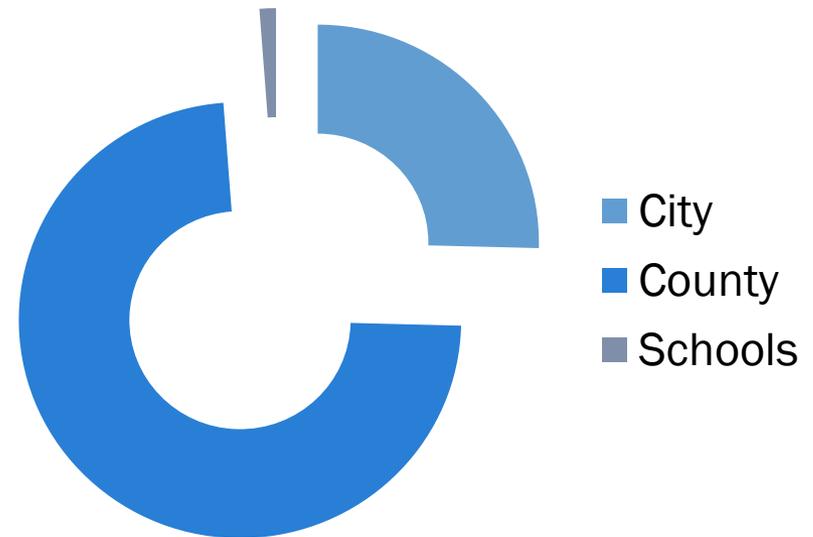
Sales Tax Distribution

Tax Rate – 9.5%

City Share ~ 25.4%

County Share ~ 1.2%
(Trustee Admin & County)

Schools ~ 73.4%



General Fund by Department

Department	FY'15 Original Budget	FY'16 Proposed Budget
Legislative/Administrative	\$ 526,511	\$ 585,128
Legislative TRC	105,197	\$ -
Building Codes/Board of Zoning Appeals	1,946,969	1,986,021
City Court	421,986	436,346
Finance & Revenue/Parking	1,537,509	1,605,025
Retirement and Pension Benefits/Unemployment Ins.	1,132,533	1,298,480
Fire Department	15,366,701	16,463,754
Garage	1,019,053	1,088,237
Golf Course-Mason Rudolph	232,923	236,196
Golf Course-Swan Lake	762,819	751,350
Human Resources	729,007	725,924
Legal Department	401,674	443,492
Information Technology	1,537,399	1,619,529
Internal Audit	339,052	368,044
Mayor's Office	604,463	624,480
Municipal Properties	732,693	747,228
Parks and Recreation/Tree Board	6,892,913	7,097,203
Police Department/Dispatch	27,234,326	28,539,624
Purchasing	153,505	143,067
Street Department	12,077,126	12,961,678
Crime Stoppers	18,000	18,000
Human Relations Commission	6,000	6,500
Total Departments & Programs	\$ 73,778,359	\$ 77,745,306

Full-time Employees

Function	FY'14	FY'15	FY'16 Proposed
General Government	118	119	120
Public Safety – Police/Dispatch	339.7	348.7	363.75
Public Safety – Fire	200	202	220
Street Department	89.5	91.5	90.8
Parks & Recreation	120	121	119
Transit	76.5	81.25	85
Gas, Water & Sewer	262	262	262
CDE	<u>186</u>	<u>186</u>	<u>192</u>
Total Primary Government	1,411.45	1,411.45	1,452.55

Human Resources

Employee Health & Wellness Benefits

Improving Lives, Saving Millions

City of Clarksville Health and Wellness Center

- Health & Wellness Incentive
- Utilization consistently over 95%
- Extended hours and two additional providers added since July 2014
- Health fund balance as of: 07/13: \$157,343
07/14: \$1,862,166
05/15: \$2,761,411
- On track for \$5,000,000 in savings within five years of opening on-site wellness center.
- Employee funding rates have increased by \$10.00 (pharmacy) since January 2008

Employee Health & Wellness Benefits

Improving Lives, Saving Millions

- ∞ Self-Insured Health Plan (effective Jan 1, 2014)
 - Fully Insured vs Self Insured
 - Health fund has increased from \$157,343 to \$2,761,411 (\$2.6M)
 - Anticipate lower rate contributions from departments in the future
 - Currently examining ways of lowering pharmacy costs which account for approximately 30% of total health/pharmacy costs
- ∞ Together, this comprehensive wellness initiative results in a healthier, happier, more productive workforce while saving millions of taxpayer dollars

Internal Service Fund Savings

∞ Internal Service Fund Growth

- Balance as of June 30, 2013 - \$1,720,100
- Balance as of June 30, 2014 - \$1,761,004 (Fund balance increased by \$40,904)
- Balance as of May 20, 2015 - \$2,016,179 (Fund balance increased by \$255,175)
- Reduction in funding from departments in 2015 of \$115,000

∞ Non-health Insurance Costs Lowered

- On-the-Job Injuries (continuous downward trend)
 - OJI Reports filed in FY 2013 - 253
 - OJI Reports filed in FY 2014 - 230
 - OJI Reports filed in FY 2015 - 164
- General Liability and Auto (continuous downward trend)
 - General Liability claims filed in FY 2013 - 34
 - General Liability claims filed in FY 2014 - 25
 - General Liability claims filed in FY 2015 - 18
 - Auto Liability claims filed in FY 2013 - 122
 - Auto Liability claims filed in FY 2014 - 115
 - Auto Liability claims filed in FY 2015 - 91
- Far fewer EEOC complaints filed (continuous downward trend)
 - 7 complaints in 2009
 - 1 complaint in 2013
 - 1 complaint in 2014
 - Less complaints mean less potential lawsuits

Employee Compensation

Per City Code, it is HR's responsibility to maintain the City compensation plan and to make recommendations related to employee pay.

☞ Competitive salaries

- Helps the City of Clarksville be the employer of choice in Clarksville
- Better allows us to attract, select, and retain top talent
 - The cost of turnover is extremely high
 - The cost of failing to attract top talent reduces our ability to provide quality services to taxpayers
- Investment in our employees, resulting in a qualified, effective workforce that shows greater organizational commitment
- Budget includes a 3% general wage increase
- General wage increase based on projected increase in salaries for Tennessee and for Government in 2015

Proposed Budgets

	FY'16 Proposed Budget
CDE Lightband - Electric	\$ 170,421,355
CDE Lightband - Broadband	18,433,009
Clarksville Gas & Water	107,739,000
Transit	6,408,153
Parking	326,921
Total Enterprise Funds	\$ 303,328,438
General Fund	89,957,571
Total Enterprise & General Fund	\$ 393,286,009

Community Contributions & Related Agencies

- ∞ Continued support of Community agencies
- ∞ Provided funding for related agencies
 - Senior Citizens Center
 - Arts & Heritage Development Council
 - Customs House Museum
 - E-911
 - GIS
 - Regional Planning Commission

Capital Outlay by Department

Department	FY'15 Budget	FY'16 Requests
Fire Department	\$ 282,448	\$ 302,507
City Garage	25,000	19,141
Swan Lake Golf Course	18,000	14,000
Information Technology	78,000	131,000
Mayor's Office	-	37,000
Parks & Recreation	147,000	118,000
Police Department	1,081,401	860,171
Dispatch	6,697	2,619
Streets Department	376,000	489,650
Transit	176,160	201,347
Gas, Water & Sewer	55,243,000	35,828,000
CDE	<u>25,354,323</u>	<u>24,044,387</u>
Total Capital Outlay	\$82,788,029	\$ 62,035,222

Capital Projects by Department

Department	FY'16 Request
Fire Department	\$ 2,974,320
Police Department	35,000
Parks & Recreation	495,000
Streets Department	7,660,000
Municipal Properties	641,131
Senior Citizens Expansion	3,755,000
Customs House Museum	<u>300,000</u>
Total Capital Projects	\$ 15,860,451

Funding for New & Existing Projects

Summary

- ⌘ Expenditures kept down
- ⌘ Level of service constant and significantly increased
- ⌘ Growth in economy
- ⌘ Growth in the city