

The 2016 budget includes General Fund, Capital Projects Fund, enterprise funds, and internal service funds. The income tax receipts are projected to finish up 4.1% in 2015 over 2014. The budget projects a 2.38% increase in 2016. This budget projects an 8% decrease in health care costs due to contributions from employees. Total General Fund revenue is projected to increase 4.1% over 2015. Total appropriations will decrease by \$7.4 million due to accounting changes (\$1.8 million) and conversion of short-term debt to bonds.

There were no questions concerning revenue projections.

There were no questions concerning the Council budget.

There were no questions concerning the Mayor's Office budget.

There were no questions concerning the Civil Service Commission budget.

Regarding the budget of the Human Resources Dept., the Chair noted that 50% of the cost of the Human Resources Technician is in the Finance Dept. budget.

Regarding the budget of the Self-insurance Fund, the Chair noted that \$417,000 in revenue from employee contributions is included for the first time. The appropriation for miscellaneous contractual services is for Wellness services.

Regarding the Workers' Compensation Fund, the Chair noted several large claims payments scheduled in 2017. Mr. Hoffman stated that this is attributable to the City's conversion to a "group retro" insurance plan, which lowers the City's overall cost in 2015 and 2016. The 2017 payments relate to claims liability held over from the City's prior "individual retro" plan, for which the City will be liable for payments for a period of 10 years. The Chair asked how much savings is anticipated from changing plans. Mr. Hoffman stated that a 40% rebate on premiums is

eventually possible, but it will not be achieved in this budget year.

There were no questions concerning the Compensated Absences Fund.

Regarding the budget of the Mayor's Court, the Chair asked how the Court is accepting credit card payments. Mr. Hoffman stated that the City is planning to impose a processing fee on credit card payments to recover the processing fee imposed on the City by the credit card companies. The Chair asked why the City's processing fee is not reflected as revenue and the bank fee not reflected as expenditures. The City Treasurer Paul Novelli stated the fees are included in the credit transaction and the City receives only the net amount (further inaudible). The Chair recognized Mr. Weinhardt who asked if the City charges a processing fee to handle credit card transactions over and above the amount necessary to recover the bank fee. Mr. Novelli stated that there may be processing fees embedded in the court cost structure, but the City will charge no extra fee to handle credit card transactions, as opposed to cash or check transactions.

Regarding the budget of the Finance Dept., the Chair asked about the contractual service item for the support of enterprise software. Mr. Hoffman stated that the amount is for Innoprise software, which did not require payment of fees in the early years of the contract, but which will require the payment of maintenance fees beginning in 2016. The Chair asked how many years the City had with no fees. Mr. Novelli stated the Innoprise software went live in 2012. The Chair asked if the maintenance fee will increase. Mr. Novelli stated the fee will be flat for 4 years. The Chair recognized Ms. Pyke, who asked about the 50% increase in other operations. Mr. Hoffman stated it is for new carpet in the Finance Dept.

There were no questions concerning the budget of the Service Director's Office.

There were no questions concerning the budget of the Buildings & Grounds Dept.

Regarding the budget of the Engineering Dept., the Chair asked about increases in the cost of the Department's ESRI GIS software package. City Engineer Tony Demasi stated that the Department's share of this software expense is \$4,558. It was less than \$4,000 in 2015.

There were no questions concerning the budget of the Law Dept.

The Chair stated that if questions arise, members will be permitted to revisit any of the departmental budgets in the upcoming budget hearings.

There was no opponent testimony. There was no public comment.

Without objection, Temp. Ord. B-89 was held in committee.

Non-Agenda Items

None

Without objection, the Chair adjourned the meeting at 7:01 p.m.



Carol A. Klinger, Chair



Paul A. Janis, Clerk of Council