11/9/2015

Questions:
1. Salaries & wages in the B&V Fund are for labor associated with the maintenance of these assets?
That is correct, the maintenance of City buildings and vehicles.

2. Building Maintenance (p11-4): 2015F varies from 2015B: depreciation $40K higher, Interest $40K lower - Did we sell assets and use the proceeds to pay down debt?
This relates to the installment purchase of the City's new telephone system, which occurred in 2014. The total annual cost was booked to debt interest, as we were unsure of how to account for it, without speaking to our auditors. After conferring with our Auditors in the spring we now have the correct accounting set up, which is shown in the 2015 forecast and the 2016 budget.

3. 2015F varies from 2015B in Building Maintenance (p11-4) Employee benefits and taxes $60M higher, but for vehicle fund (p11-5) EB&T down $40K. Why?
Prior to 2015 we had one employee who was not receiving health insurance. Due to employee reallocation, there was additional employee receiving health insurance in building maintenance. This position became vacant in September 2015, and is now budgeted as a family health insurance plan for 2016. Additionally our OPEB expense was $25,000 more than budgeted due to an updated report from our actuary. One additional item on question #3. There is a difference between 2015 Vehicle Maintenance benefits and 2015 projections because actual insurance bills are based on a salary allocation, because public works employees are split between multiple cost centers. We will be working on adjusting the allocation on the bill payment to match more closely to the budget allocation.

4. DPW Vehicle Equipment $350K (p11-6): What is included in this?
Provided at 11/9 budget workshop.

5. What are legacy costs (p3-15)?
Legacy costs would be another term for retiree benefits.

11/16/2015

1. p 3-59, recreation's materials & supplies 2015B $634K, now $280K forecasted for 2015E, in line with prior levels. What happened?
This is the same issue as it is every year. Please keep in mind that the 2015 Budget column represents the 2015 revised budget. Each year, amounts from prior years' donations received by Recreation special events and Recreation field

surcharges are carried forward and added to the “2015 Budget” column in your budget book. That is why the budget number is much higher than the other columns.

2. p4-5. Cable fund's contractual costs - much less than expected in 2015 and then up again in 2016. What is driving the swing?

“2015 Budget” column in your budget book includes purchase orders that rolled forward from the prior year. In 2014 there was a purchase order for roughly $25K for the studio project, which I assume is on hold. There was also $50K originally budgeted for consultants in 2015 ($25K for the studio and $25K for consultants for a review of the City’s franchise fees). None of these budgeted items are expected to be spent in 2015. For 2016, only $25K is being budgeted for the franchise fee consultants. In conclusion, the original 2016 budget of $53,927 is actually down from the original 2015 budget of 72,402 (which excludes the $25 purchase order rolled over from 2014)

3. p10-3 Risk retention fund contracted services 2015F at $404K up from 2015B of $120k - why? What is the miscellaneous revenue in 2015F? Also, risk administration declining to $10K in 2016B - why? I don't have a sense of what is driving the changes in this fund - can you explain

Contracted services are a result of all the legal fees associated with the Caspi case. It correlates with the miscellaneous revenue, as miscellaneous revenue includes reimbursements from our insurance company for these legal fees. Even if the revenue is not received by year-end, we will still accrue it. As far as risk administration declining, we had a separate fee paid out to our prior insurance broker, while in 2016, the cost will be included our insurance premium, as shown in excess insurance costs increasing.