



City of Marion
City Manager's Office

1225 6th Avenue, Suite 110 • Marion, IA 52302

(319) 743-6301 • Fax (319) 377-7892 • www.cityofmarion.org

December 2, 2014

To: All Department Heads

From: Lon Pluckhahn, City Manager

Re: Budget Submission Instructions

To All Departments,

This memo provides the basic instructions for budget submissions for the FY15-16 budget. Please let me know ASAP if you are missing anything or have questions.

1. Critical Dates

Council Strategic Planning (complete)	November 14-15, 2014
IT Budget Meetings	December 11-15, 2014
Budget Climate Session with Council	December 16, 2014
Department Budget Submissions	December 23, 2014
Meetings with City Manager	December 29-1/7/2015*
Draft Budget to Council	January 9, 2015
Budget Workshop	January 17, 2015
Set Budget Hearing	January 29, 2015
Budget Workshop (if needed)	February 7, 2015
Budget Hearing and Adoption	March 5, 2015

2. General Guidelines

Please use the following for applicable areas in your budget:

1. Utility Costs 2% electric increase; natural gas 2.5%
2. Fuel Costs Gasoline-\$3.50/gallon, Diesel-\$3.95/gallon
3. Mileage Reimb. \$.56/mile
4. Road Use Tax \$94.50 per capita
5. General Insurance 3.0% increase
6. Overall Increase Target **2.0%** or less overall
7. Fees/Charges: Review for potential updating

I have also asked for staffing need projections for the next 3 years for each department. With the expected completion of Fire Station 3 in 2019, we will need to start staging hiring for that building so it is ready to go when complete. After the close of the budget process departments will need to develop ten year staffing plans.

3. Budget Forms

All estimates for revenues that you expect to increase/decrease due to a changing customer base, proposed fee changes, etc. must be submitted directly Wes and me to include in the revenue budget. If you need revenue information from the prior year please let me know and I will forward it.

Budget files are in Excel format.

a. File Format.

The budget forms have been updated from last year...

- (1) Budget Detail. The finance department has updated all the sheets with the actual expenses from last year. Requests for the next budget year then should be placed in the "Department Request 2015-2016" column. While my department will enter the bulk of personnel services, departments need to provide the following (as applicable):

- Part-Time Wages (Account #6020)
- Overtime (Account #6040)
- Allowances (Account #6180)
- Education Benefits (Account #6190)
- Tuition Reimbursement (Account #6199)

All justifications for major cost increases and/or new proposals **must** have a corresponding footnote number assigned to the line item in the provided column... Related descriptions need to be entered on the "New Proposals & Justifications" tab with the corresponding footnote number....As general guidance, if a non-utility line item is proposed to change by more than 5% please enter justification (do not apply to line items less than \$2,000).

- (2) New Proposals & Justifications. Capital Requests have been separated out to a new tab. Footnotes and justifications should be entered first, followed by any new proposals. Budgetary figures must be included on this sheet separately. All discussion must include the anticipated impacts with measurable performance indicators.
- (3) Productivity Improvements. This tab has been included to allow a single submission from each department. I am looking for 3 internal productivity ideas and estimated savings/impact

that apply to the department, and 1 citywide idea for future implementation. This applies to all divisions within departments handling multiple tasks.

4. Other Information

- a. We hope to have assessment information to be available shortly after the first of year. The new property tax law is in its second year and will apply to all commercial property, rolling back taxable values 10%. The impact of this new law on Marion will be very dramatic as it rolls out through 2020.
- b. Residential rollback for this year has been set at 55.7335% of full value. This compares to 54.4002 for the current fiscal year. While residential rollback has been increasing in recent years, this trend is not expected to continue much longer. Since Marion's taxable value is heavily tilted toward residential it makes the community particularly vulnerable to decreases in the residential rollback.

5. The rest of the process.

- a. Strategic planning has been completed in advance of the budget briefing for the council. A copy of the draft strategic plan is included with this memo. Many items have been removed from the plan for next year. This does not mean that the council feels those items are no longer a priority, but that the council feels they have become part of normal operations and can be moved into "maintenance mode". Please review the plan for new strategic initiatives that may affect your department.
- ***
- b. Department heads will not be expected to present their general budget to the council in January, but will be required to explain any new proposals that make it to my list of recommendations for the council. This will include new staffing requests, proposals for new services, etc
 - c. I anticipate having the first council budget workshop on January 17th (tentative) so there will be plenty of time for explanations and making changes, if needed. A follow-up meeting, if needed, would happen February 7. For the past couple of years the presentation of the 2nd draft budget has been short enough to be able to be completed during the normal Tuesday work session, which would be on February 2nd.
 - d. As always, my policy is that contact with council members to lobby for projects, etc. that are not included in the recommended budget will not be well received. If I make a cut or do not recommend a project, the appropriate place to go with your concerns is to me. The budget is the city's ultimate exercise in teamwork, and while I expect people to be advocates for their department, it is not to be done at the expense of another department.