

Citizens Guide to the Budget

Welcome to the Boise City budget. The electronic budget was developed and organized to help you find online information about City finances.

Navigating the Electronic Budget

The electronic City of Boise budget is designed to be a "click and go" experience. You may move through the electronic budget by using the tabs across the top, by going to the Table of Contents, or by stepping through the Step-by-Step User Guide provided below. The pages of the electronic budget contain menu options on left side of the page providing further links to budget detail. Many of the electronic reports provide drill down capabilities by clicking on summary information. The top menu stays the same throughout enabling quick navigation of the entire budget.

To help you keep track of where you are in the document, "bread crumbs" (a series of links that show you the navigation sequence that brought you to the current page) display just below the tabs at the top of the page. To navigate the current budget section quickly, click on any breadcrumb.

You may also choose to Print or download any section of the Electronic Budget by navigating to the Table of Contents or the Help Menu option.

User Guide to the City of Boise Electronic FY 2004 and 2005 Two Year

The following narrative will guide you through the eight primary Sections of the City of Boise Fiscal Year 2004 and Fiscal Year 2005 Budget. This Step-by-Step guide is intended to provide insight into the budget process and explanation of the budget reports and documentation.

1. [Citizens Guide to the Budget](#). Active links in the Citizens Guide make it easy to go to sections of the budget in which you are interested. The [Budget at a Glance](#) provides a handy overview that is useful to students, boy scouts and others interested in a quick picture of the City's finances in the Two Year Budget (2YB).
2. [Policies and Policy Actions](#). The budget is a key component of the strategic plan. It reflects core values and goals consistent with the [City's Mission Statement](#), which is an extract from the City's Strategic Plan

The Mayor directs preparation of the budget and transmits the [Mayor's budget recommendations](#) and a more detailed [Mayor's Recommended Actions](#) for a structurally balanced operating and capital facilities two year budget. The City Council formally reviews the Mayor's recommendations, budget requests from departments and agencies, along with background financial information through budget workshops. At the completion of the budget workshops, the City Council adopts the Preliminary Approved Two Year Budget, through specific motions recorded as [City Council Actions](#). The City Council must then hold a Public Hearing. The [Notice of Public Hearing](#) contains prior year actuals, current year budget, and the preliminarily proposed budget. After hearing and considering comments and suggestions by participants in the public hearing, the City Council adopts the budget through the [Annual Appropriation Ordinance](#).

Adopted [Financial and Budgetary Policies](#) provide the strategic context for the City's financial and budget systems. Budget proposals and the approved budget are reviewed for consistency with adopted policies.

Note: Because of the significance of the JeffersonWells Forensic Audit of Mayor's Office spending, reported in March 2003 to the City Council, City budget process and policy review was modified as the FY 2004 and 2005 Two Year Budget was developed.

3. [Six Year Financial Plan](#). To support the strategic planning for the City's longer term financial health, the Six Year Financial Plan (6YFP) Update is prepared and reviewed with the City Council. That [Long Term Financial Plan](#) is an analysis and policy tool to identify and understand key parameters for budget decisions during the 2YB period and for the ensuing four years. The 6YFP includes a financial [Policies Review](#) to identify and modify all policies that should be reviewed and updated in the budget planning process; the [Boise Economic Outlook](#) to identify the context for financial activity during the planning period and to report on the accuracy of past forecasts; a [Revenue Manual](#) to provide specific information about the City's significant revenue sources; a [Six Year Financial Projections](#) model to test and analyze the effect of budgetary and financial policy and decisions upon the City's financial position; and a review of the City's [Debt Strategy](#), including Boise's debt capacity.

4. **Adopted Two Year Budget - Financial Summaries.** The approved budget by fiscal period (FY 2004 and FY 2005) is provided in a variety of financial schedules and human resource position and full time equivalent summaries for the City as a whole, for individual funds, for departments and agencies, for programs and services, and for capital projects approved and funded in the 2YB. See [FY 2004 Adopted Budget Summary-Funds by Category](#) and [FY 2004 Adopted Budget Summary-Funds by Service Group](#) for Fiscal Year 2004 Summaries. See [FY 2005 Adopted Budget Summary-Funds by Category](#) and [FY 2005 Adopted Budget Summary-Funds by Service Group](#) for Fiscal Year 2005 Summaries.

Budget presentations provide a context for budget information and financial results for the City. Budget presentations include revenue and costs amounts actually experienced during the prior two fiscal years (FY 2001 and FY 2002), approved and revised budget amounts for the fiscal year in which the budget was developed (FY 2003), and the two years of the 2YB (FY 2004 and FY 2005.)

Budget System Components

The numerical presentation of City budget information is organized in pyramidal fashion. High level summaries of the entire City budget are linked to the component fund, department and agency, and service group schedules to allow the reader to view the City's adopted budget from top to bottom.



Financial reports are provided for operating and capital project budgets and for major revenue and cost categories in order to allow readers to understand the organization and structure of City budgets.

All full time equivalent (FTE) staff positions are shown by department and by fund in the tables [Authorized Staffing Levels](#) and [Changes in Position Count](#).

[Fund Balance Impacts](#) of the projected and adopted budget plans are shown with explanations of fund balance as it relates to financial position.

5. **Department (and Agency) Budget: Programs and Performance.** The main "Department Budgets" page provides two City wide summaries of department budget presentations: a [City organization chart](#), showing an overview of the management and administrative organization of the City and "[Department Approved Budget Changes](#)" showing all supplemental budget changes approved by the City Council.

For each department listed, a department overview is provided containing the department's **core mission, trends, and issues and opportunities** which are significant in this 2YB presentation, **highlights of requests in the 2YB and accomplishments in the current two year budget period** are described. A **Human Resource Summary** is provided for all positions authorized for the department for the prior two year budget period and for the proposed 2YB (expressed in full time equivalencies – "ftes" and organized by major human resource category.)

For each department, the upper left hand menu provides navigation to the **Department Organization Chart**, to the **Budget Office Report**, analysis provided to the City Council during budget development sessions in June 2003, and the **Service Group Summary**, displaying the budget and actual financial information for the prior two fiscal periods (the FY 2002 and FY 2003 Two Year Budget) and for the proposed Two Year Budget (FY 2004 and FY 2005.)

Below the department wide information, **Service Group** information is presented by fund. Service groups represent "base" (on-going) services provided by the City. Service groups are clusters of "service units," which are the City's basic service accounting packages. Each service group is comprised of service units that are managed together to achieve greater efficiency or effectiveness. Each service group report describes **service objectives, trends and issues** related to group's services and activities, **key progress measures**, and **resources and full time equivalencies** allocated to the service group.

Approved Budget Changes to the department's FY 2004 or FY 2005 fiscal period budget are shown by a summary schedule. The title of the budget change is a navigable link that takes you to the increase (decrease) request form prepared by the department. The departments prepared "budget balancing alternatives" that provided the Mayor and City Council with options to reduce and increase service levels and to make other adjustments in the budget. Only those alternatives that were approved by the City Council are shown in the department's **Approved Budget Changes** folder.

Equipment budgets are based upon maintenance of safe and efficient equipment needed to maintain services. The equipment budgets are developed by Citywide and departmental analysis of needs that are reviewed and approved by the Budget Office, Mayor and City Council. Lists are provided to support long term equipment planning through the six year financial planning window.

6. **Six Year Capital Improvement Plan**. Boise uses a six year capital improvement planning process to identify facilities needs, including planned repair, maintenance and replacement of current facilities and planning for construction of new facilities. The capital budget process is a component of the 2YB and the first two years of the 6 year CIP plan are action years that are funded within the 2YB. The **Capital Facilities Plan Overview** details the analysis and choices within the 6 year plan. Schedules **Approved Projects FY 2004 and FY 2005** display each approved project in spreadsheets.

By "clicking" on the title of each project within the approved projects spreadsheets, you may access the detail capital project form that provides information about the priority, objectives, need, costs and resources, and associated operating cost for each individual capital projects. You may also locate the projects on the **Project Location Maps** and see the schedule of **Operating Cost Impacts of Approved CIP Projects**.

The **Percent for Art** schedule shows the allocation associated with each eligible capital project for art and beautification project components. The percent for art program was established by policy and by ordinance to assure that Boise capital projects include community beautification.

The **Six Year Capital Plan Summary** shows projects throughout the six year capital planning window. Only the first two years are adopted within the 2YB. "Out years" will require action in future 2YB development processes.

The **Six Year Equipment Summary** shows all proposed and approved equipment by fund and by department. Only the first two years are adopted within the 2YB. "Out years" will require action in future 2YB development processes. The plan allows departments and the City Council to study replacement schedules and funding needs.

7. **Budget Background**. The background section provides a variety of contextual and supporting information to help understand the budget. Because the budget changes throughout the fiscal period, the City develops and documents baseline studies and reports that can be used to monitor the key changes in financial information. Access the Background documents from the **Table of Contents** or the tabs and left side menus.

The City budget is a dynamic plan that is revised throughout the two year period to reflect changing issues and needs. As the budget is implemented, departments and agencies can seek City Council action for changes by bringing requests through the **Mayor's Budget Team**..

8. **Budget Process**. The legal and procedural process by which Boise develops, adopts and implements the budget is described in the **Budget Development Process**. A **Budget Development Calendar** provides deadlines and planning for hearings and document review. The **State Budget Law** sets the general deadlines and requirements for the budget including setting the property tax. Boise encourages **Citizen Input into the Budget** in a variety of venues and meetings which are described. Finally, **Boise's Financial Systems** are described – policies, procedures, software and databases - that integrate the budget to accounting to reporting.

Budget at a Glance

FY 2004 and 2005 Two Year Budget "2YB"

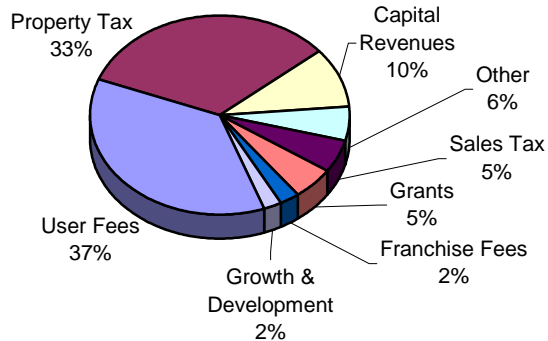
What is the budget? The budget authorizes funding for City services and facilities during the two year budget (2YB) period. City departments and agencies prepare budget requests, which the Mayor and City Council review. The Mayor develops a recommended budget for the City Council to consider during budget workshops. During the workshops, the City Council makes choices about kinds and levels of services and facilities for the coming 2YB. The adopted budget provides the City with legal authority to levy and spend taxes and other revenues. City departments and agencies implement the budget throughout the two year period.

FY 2004 and 2005 will be a challenge. FY 2004 – the first year of the two year budget – is lean and spare. It includes less than a one percent increase in costs over 2003 – in contrast to the 3.4 percent increase in 2003 and the average increase of 7.5 percent in the five preceding years. The Mayor and Council have put together a budget that continues services and includes a few priority enhancements.

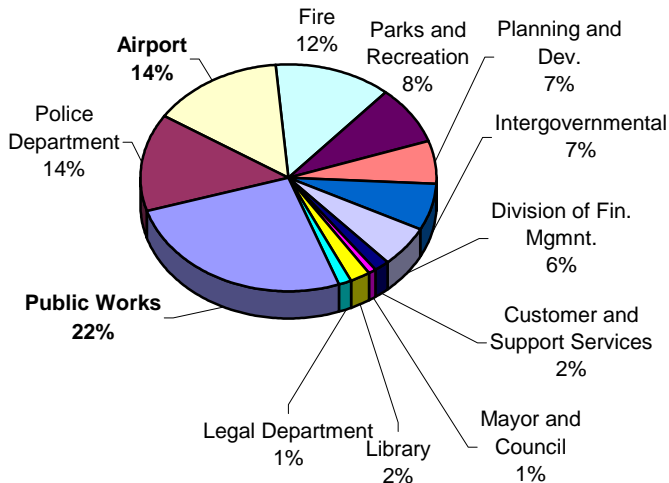
Where does the money come from? The City budget is funded by user fees, taxes, grants and other revenues. The City TYB is "structurally balanced" - projected revenues cover costs throughout a 6 year projection window.

User fees are the primary source for funding "enterprise" programs in the airport, sewer, solid waste hauling, and geothermal divisions. User fees are also charged in the "tax supported funds" for services like parks and recreation programs. Development fees are charges to builders for plan reviews and building inspections to assure compliance with zoning laws and City construction and safety standards.

All Funds- FY 2004 Revenues by Type



**All Funds- Cost of Services by Department
Includes "Enterprise" Services**



Where does the budgeted money go? The budget funds operating costs for day to day City services. Capital expenditures fund construction and repair of facilities. Water quality programs (Public Works sewers), police and fire, and airport comprise over half the total City budget for operations and the majority of capital costs.

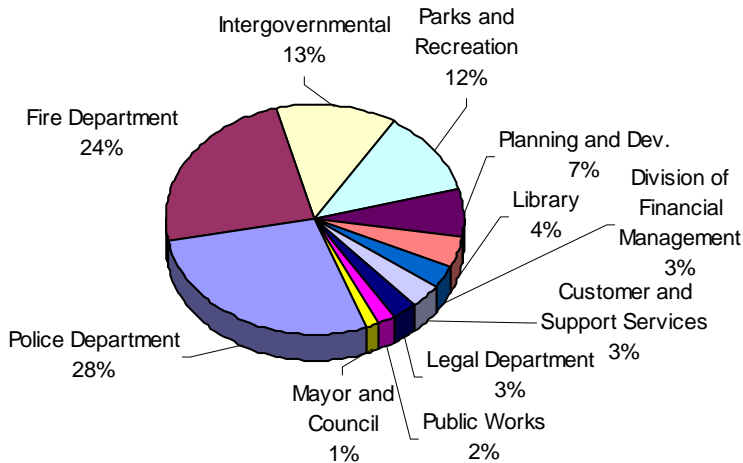
Challenges in the Two-Year Budget: Since 2003, economic malaise has reduced City revenue growth. However, the City has found ways to continue services through cost containment and improved productivity. Continued population and commercial growth require the City to find innovative ways to continue to provide the services and facilities the community desires.

What are the "Tax Supported" services and facilities? "Core" City services and facilities, such as police, fire, libraries, parks, recreation, planning and development (zoning and building

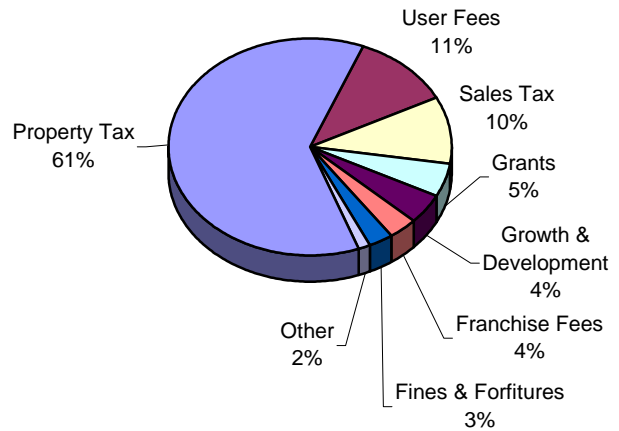
inspection), and streetlights are funded primarily through taxes and other "discretionary" revenues. The majority of the cost of the bus system is funded through a transfer of tax fund dollars to ValleyRide, the regional transit agency. The airport, sewer and solid waste (garbage pickup) – on the other hand - are "enterprise" programs - funded primarily by user fees.

Property is the largest revenue source for the tax-supported services. Users of City services pay "user fees" to cover their share of the costs. The State of Idaho limits the kinds and amounts of most revenue sources that the City can utilize. The State shares a portion of the sales tax collected throughout the State with cities. Builders and property owners pay "growth and development fees" related to new construction or remodeling projects.

**Tax Funds- FY 2004 Cost of Service by Department
Tax Supported Services**



Tax Funds- FY 2004 Revenues by Type



Themes and issues in the FY 2004 and 2005 2YB: The Mayor and City Council have allocated the City’s resources to services and facilities after extensive budget workshops and public hearings. The 2 Year Budget continues the City’s program of services and maintenance of City facilities – but will require careful financial management to meet the tight budgets.

• **Maintaining services in a very tight economy.**

Because of the weakened economy, the budget has been tightened. The Council allocated scarce resources to keep services going – swimming pools for families will be kept open. The budget includes no employee salary increases in order to pay the increased cost for medical insurance.

• **Maintenance of the Cash Flow account and other reserves.**

The budget funds a cash flow and debt service assurance account of 4.1 percent of General Fund expenditures – progress toward the goal of reaching 5 percent by FY 2006.

• **Capital facilities.**

Few facilities are funded in the 2YB because of limited revenues. New facilities are funded by user fees (airport and sewer funds), impact fees and donations (parks facilities.) A fire station and street lights will be constructed in the annexed southeast area and the new jointly funded – with the Whitney Fire District – Hollandale fire station in the Southwest. Most tax funded capital expense will be used to keep facilities in repair in and safe working order.

The Council established priorities for important capital projects that are not funded - to guide use of money that may become available during the 2YB period.

• **Foothills Levy.**

The foothills levy sunsetted in FY 2003 reducing the average City tax rate by about 7 %.

• **Debt:**

The City is studying options to seek funding for new police, fire and library facilities - which could include issuance of debt. However, debt service for the proposed facilities was used to balance the 2YB.

• **Public Safety.**

Calls for police, fire and medical emergency services continue to expand with the increased population in Boise. Funding for those 12 new officers to meet workload increases is included in the 2YB. Funding

for the planned 3rd fire ladder company is included in FY 2005.

• **Technology.**

Technology is a key to the City’s ability to provide quality customer service without significant increases in cost. The 2YB includes planned consolidated IT purchases and implementation of a new City wide technology plan.

• **Economic Development.**

The budget includes efforts to market the City’s new industrial park near the Issacs Canyon interchange of I-84 in order to attract jobs to the Boise.

• **Airport.**

Enhanced security, maintenance and administration in the new terminal and at the air field continue to be challenges at the airport. Boise continues to show strong use of the airport, reflecting its regional status.

• **Financial controls.**

Staffing to implement the recommendations to tighten controls - from the 2002 Forensic audit - is funded.

• **Bus services funding.**

Replacement funding for the loss of federal transit operating grants is provided through increased tax support and increased user fees.

Foundation for the Future.

This Two Year Budget is among the tightest the City has adopted since the 1970s. To balance the budget, the City raised fees, reduced costs and limited capital projects. However, the budget also continues services without layoffs and is structurally balanced through the 6-year projection period.

Questions or Comments? Please contact the Budget Office: First Floor, City Hall 150 North Capitol Boulevard 384-3725 boisebudget@cityofboise.org