



Three Year Budget projection through fiscal year ending June 30, 2022

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THREE YEAR GENERAL FUND BUDGET PROJECTION THROUGH THE FISCAL YEAR ENDING JUNE 30, 2022

PROJECTION ASSUMPTIONS

1. 2019-20 budget process completed for a three year period. 2019-20 budget adopted and projected for two additional years.
2. Property tax revenue includes a general 2% increase in real property taxable value assumption. Personnel property tax revenue is affected by the exemptions from the personal property tax legislation that was passed in 2014. Personal property tax revenue and personal property tax reimbursement revenue for 2020 is calculated at the actual taxable value and estimated reimbursement amount. For 2021 and 2022, a 2% increase per year is estimated.
3. State revenue sharing is projected to increase 2% per year.
4. Interest income is projected to increase from \$375,000 to \$425,000 over the three year projection as at the time of this projection, interest rates were still increasing.
5. Wage rates are included in the projection as agreed to by the City Council in collective bargaining agreements that have been settled and wage schedules adopted for non-union employees. All collective bargaining agreements are settled through June 30, 2020 and they include 2% increases in wages per year. 2% increases are also included for the projected years.
6. Retiree healthcare – the actuarial determined contribution (ADC) for fiscal year 2019-20 was calculated at \$1.297 million. In June 2016, the City issued bonds to fund approximately 82% of its unfunded actuarially accrued liability (UAAL). The ADC increased more than expected due to changes in actuarial assumptions related to mortality. \$457,216 is budgeted for contributions in the General Fund for fiscal 18-19. Across all City funds, a contribution of \$1,123,496 is budgeted. The full funding of the ARC was reduced to help set aside funds for a large potential property tax appeal.
7. Employee pensions – the projection includes a general fund contribution of \$1.637 million based on a total estimated City contribution of \$2.01 million.
8. Health insurance – a 5.0% increase in cost is included. All groups now comply with hard cap limits in the state statute.
9. Full-time employment positions included in the projection increased to 180.92 from 178.98 full-time equivalent employees.
10. Capital funding was projected to be budgeted at approximately 1.0 mill of property taxes. The amount included in the projection is \$1.295 million. This was increased from the previous year amount of \$825,000 due to use of additional revenue from personal property tax reimbursements received during the 2018-19 fiscal year.
11. Other miscellaneous operating line item adjustments were made for inflation purposes, such as utilities.

PROJECTION SUMMARY

The budget adopted for the General Fund for the June 30, 2020 fiscal year budgeted expenditures in the amount of \$20,738,108 and expenditures were greater than budgeted revenue by \$114,634.

The projection for the General Fund for the June 30, 2021 fiscal year projects expenditures of \$21,129,147. The expenditures exceed revenues by \$261,577.

The projection for the General Fund for the June 30, 2022 fiscal year projects expenditures of \$21,362,504. The expenditures exceed revenues by \$42,132.

This projection was done as a part of a three-year budget process as the June 30, 2020 budget was adopted. Expenditures exceed the budgeted revenue amounts in each year primarily due to one-time defense costs in relation to a large property tax appeal that has been filed by the City's largest property tax payer.

**GENERAL FUND BUDGET PROJECTION
THROUGH FISCAL YEAR ENDING JUNE 30, 2022**

	Actual 2017-18	Actual 2018-19	Adopted Budget 2019-20	Projection 2020-21	Projection 2021-22
REVENUE					
Property Taxes	\$ 14,893,650	\$ 14,778,266	\$ 15,128,672	\$ 15,427,831	\$ 15,735,389
Licenses and Permits	38,825	45,655	33,800	33,800	33,800
Federal and State Revenue	5,533,082	4,055,905	2,915,459	2,971,680	3,028,766
Charges for Services	1,569,321	1,593,467	1,780,900	1,739,956	1,802,383
Fines and Forfeitures	70,262	85,418	73,500	73,500	73,500
Investment Income	157,256	450,471	375,000	400,000	425,000
Rental Income	43,803	42,277	44,567	45,284	46,015
Other Revenue	272,924	132,691	145,519	145,519	145,519
Other Financing Sources	10,000	20,000	126,057	30,000	30,000
TOTAL REVENUES	\$ 22,589,123	\$ 21,204,150	\$ 20,623,474	\$ 20,867,570	\$ 21,320,372

EXPENDITURES					
GENERAL GOVERNMENT					
City Council	\$ 131,296	\$ 127,606	\$ 129,926	\$ 130,482	\$ 130,509
City Manager	485,330	284,673	311,148	321,525	325,627
Communications, Culture, Promotion	130,425	123,875	136,314	138,400	141,158
Assessor	326,489	349,329	385,884	396,614	406,912
Attorney	144,458	257,761	320,150	320,150	150,150
Clerk-Treasurer	443,562	471,175	490,238	504,495	519,335
Finance	413,751	441,241	480,320	493,527	506,058
Human Resources	253,665	302,040	279,244	290,313	293,267
Engineering	361,043	262,815	217,348	272,904	281,273
City Hall Grounds	252,396	275,391	326,481	336,082	341,841
TOTAL GENERAL GOVERNMENT	2,942,415	2,895,906	3,077,053	3,204,492	3,096,130
PUBLIC SAFETY					
Public Safety - Police and Fire	8,560,242	8,056,868	8,682,510	8,853,309	9,090,319
Zoning/Code Enforcement	182,638	686,718	287,904	294,680	300,705
TOTAL PUBLIC SAFETY	8,742,880	8,743,586	8,970,414	9,147,989	9,391,024
PUBLIC WORKS					
	2,142,531	2,256,441	2,301,328	2,357,273	2,402,728
COMMUNITY AND ECONOMIC DEVELOPMENT					
	2,743,090	702,712	455,281	469,652	480,910
CULTURAL-RECREATION					
Library	57,500	57,500	65,000	65,000	65,000
Social Services	145,000	154,977	156,000	156,000	156,000
Public Access TV	159,234	159,171	164,500	164,500	164,500
Parks and Recreation	1,450,753	1,457,893	1,542,680	1,565,059	1,578,380
TOTAL CULTURAL-RECREATION	1,812,487	1,829,541	1,928,180	1,950,559	1,963,880
CONTINGENCIES					
	-	-	1,600,000	1,600,000	1,600,000
DEBT SERVICE					
	1,815,609	1,809,160	1,923,307	1,922,704	1,918,669
OTHER FINANCING USES					
	2,159,395	1,014,186	482,545	476,478	509,163
TOTAL EXPENDITURES	\$ 22,358,407	\$ 19,251,532	\$ 20,738,108	\$ 21,129,147	\$ 21,362,504
REVENUE OVER(UNDER) EXPENDITURES	\$ 230,716	\$ 1,952,618	\$ (114,634)	\$ (261,577)	\$ (42,132)
BEGINNING FUND BALANCE	\$ 4,089,879	\$ 4,320,595	\$ 6,273,213	\$ 6,158,579	\$ 5,897,002
ESTIMATED ENDING FUND BALANCE	\$ 4,320,595	\$ 6,273,213	\$ 6,158,579	\$ 5,897,002	\$ 5,854,870
LESS UNSPENDABLE FUND BALANCE	115,726	812,518	800,000	800,000	800,000
LESS ASSIGNED FUND BALANCE	74,991	1,644,643	1,500,000	1,500,000	1,500,000
LESS RESTRICTED FUND BALANCE	-	-	-	-	-
ADD BUDGET STABILIZATION FUND BALANCE	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
ESTIMATED UNASSIGNED FUND BALANCE	\$ 6,129,878	\$ 5,816,052	\$ 5,858,579	\$ 5,597,002	\$ 5,554,870
UNASSIGNED AS A PERCENTAGE OF EXPENDITURES	27.42%	30.21%	28.25%	26.49%	26.00%