

2019-2020 Mid-Biennial Budget Update

October 21, 2019

Presented by

Sara Lane, Administrative Services Director

Rick Kirkwood, Budget & Tax Manager



Purpose

- Financial Update
- 2019-2020 Adjustments
- Other Policy Issues
- Next Steps

Financial Update

- General Fund revenue collection is estimated to exceed that planned for 2019
 - Strong performance- Permits, Sales & Property Taxes
 - Potential below-budget performance – Utility Tax
 - Staff is closely monitoring performance of these sources
- General Fund Expenditures
 - Trailing budget plan

General Reserves

Intended Use of General Fund Reserves	Projection	Actual
2019 General Fund Beginning Fund Balance	\$13.234M	\$17.814M
Less Required General Fund Operating Reserve:		
Cash Flow Reserve	(3.000M)	(3.000M)
Budget (Operating) Contingency	(0.890M)	(0.890M)
Insurance Reserve	(0.255M)	(0.255M)
Less Assigned for One-Time Outlays through 2019-2020 Biennial Budget Adoption	(4.284M)	(4.284M)
Less Use for 2019 Amendments	0.000M	(2.393M)
Less Use for 2019 Mid-Bi Amendment	0.000M	(0.929M)
Less Designated for City Maintenance Facility	(4.000M)	(4.888M)
Unassigned and Undesignated Beginning Fund Balance	\$0.805M	\$1.175M
Revenue Stabilization Fund	\$5.151M	\$5.151M

Salary and Benefit Considerations

- 2020 Cost of Living Adjustment: 2.2% increase
 - Matches Forecast of 2.2% in 2019-2020 Proposed
- Recommended position title changes reflected in salary tables

Supplemental Requests

- Allow for effective delivery of public services and completion of Council goals:
 - Emerging Issues
 - Mid-Biennial Budget “True Up”
 - Grants & Other

Impact of Proposed Amendments on 2019-2020 Biennial Budget

Fund	2019-2020 Current Budget (A)	Proposed Budget Amendment (B)	Amended 2019-2020 Budget (C) (A + B)
General Fund	\$98,964,663	\$2,171,352	\$101,136,015
Street Fund	3,975,505	199,709	4,175,214
Public Arts Fund	268,717	3,500	272,217
Transportation Impact Fees Fund	162,000	324,000	486,000
General Capital Fund	34,676,211	559,432	35,235,643
City Facilities-Major Maintenance Fund	288,936	490,000	778,936
Roads Capital Fund	35,116,539	4,391,167	39,507,706
Surface Water Utility Fund	19,977,236	(40,350)	19,936,886
Wastewater Utility Fund	4,931,699	2,855	4,934,554
Vehicle Operations/Maintenance Fund	1,088,547	17,670	1,106,217
Equipment Replacement Fund	921,829	388,672	1,310,501
All Other Funds	9,372,898	0	9,372,898
Total	\$209,744,780	\$8,508,007	\$218,252,787

10 Year Financial Sustainability Model Update

- September 2018 update projected budget gaps pushed out to 2023
- September 2019 update reflects impacts of all ongoing revenues and expenditures, including those proposed in the mid-biennial budget modification
 - Projects budget gaps pushed out to 2024

Key CIP Issues

- Increase in forecast for Real Estate Excise Tax (REET) impacts General Capital Fund and Roads Capital Fund
 - Volatile Revenue source
 - Receipts through September are 15.7% less than 2018 but 38.2% more than year-to-date budget projection
- Updates to CIP to recognize Funding and address emerging issues

Fee Schedules

- Generally increase by June-to-June percentage change of the CPI-U: 2.29%
- Schedules with Notable Changes:
 - Land Use and Non-Building Permit Fees
 - Business License Fee
 - Public Records Fees

2019-2020 Mid-Biennial Budget Update

October 21 2019-2020 Mid-Biennial Budget Update Discussion

November 4 Public Hearing on the 2019-2020 Biennial Budget and the 2019-2024 Capital Improvement Plan Mid-Biennium Update

- Opportunity to comment on the budget update, including all proposed levies, taxes, fees, and rates

November 18 Adoption of the 2019-2020 Mid-Biennial Budget Update and 2020 Property Tax Levies

Discussion / Questions