

Budget Work Session Fiscal Year 2019-2020

July 9, 2019

Budget Work Session Agenda

- Presentation of FY 2019-2020 Budget
- Department Presentations

Assumptions Affecting FY 2019-2020 Budget

- New construction value is estimated at \$171 million. The ad valorem revenue is based on FY 2019 budget plus the new construction revenue (\$945k).
- FY 2019 Sales Tax is projected to come in 8% above budget (General Fund \$416k); FY 2020 Sales Tax assumption is 5% over FY 2019 projected amount (General Fund \$281k).
- Home starts are projected to decrease from 600 to 500.
- Estimated 0% increase in medical insurance costs and 6.4% increase in dental insurance - \$16k; General Fund - \$13K included.
- Public Safety FY 2019-2020 step increase estimated at \$68k included.
- Merit Increases projected at an average 3% for non-sworn personnel (effective Jan '20) estimated total cost \$340k; General Fund - \$245k included.

General Fund

Projected Revenues over Expenditures

FY 2019-2020

Revenue	\$43,513,903
Less Expenditures	\$40,715,898
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Projected Available Funds	\$2,798,005

Total recommended ELS requests: \$2,459,302

Available for additional recommendations: \$338,703

Expenditures are \$192k lower due to healthcare savings of \$183k and miscellaneous changes from department meetings.

General Fund Estimated Balance FY 2019-2020

GF Fund Balance Estimate:

	25%		30%
Amount required based on estimated exp. in 2020	\$10,878,476	(a)	\$13,054,171
Est. 09/30/2019	\$16,119,868	(b)	\$16,119,868
Est. 09/30/2020	\$16,119,868	(c)	\$16,119,868
Excess Fund Balance	\$5,241,392		\$3,065,697

- (a) It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% of expenditures. The City considers a balance of less than 20% to be cause for concern, barring unusual or deliberate circumstances. If unassigned fund balance falls below the goal or has a deficiency, the City will appropriate funds in future budgets to replenish the fund balance based on a time table deemed adequate by the City Council. **Bond rating agencies prefer 30%.**
- (b) Based on FY 2018-19 projected revenues and expenditures.
- (c) Based on balanced budget (Revenues = Expenditures). This Fund Balance is 37% of expenditures.