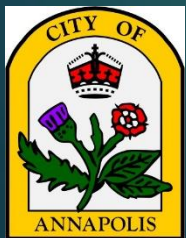


FY2021 City Budget



City Council Budget Meeting – June 8, 2020

General Fund Revenues

| ▶ Source of Funds | FY21 Projected |
|-------------------------|---------------------------------------|
| ▶ Real property | \$54,518,000 (based on constant rate) |
| ▶ Personal property | \$ 2,435,000 |
| ▶ Penalties & Interest | \$ 100,000 |
| ▶ Licenses & Permits | \$ 2,764,600 |
| ▶ Fines and Forfeitures | \$ 300,000 |
| ▶ Interest, Rent, Other | \$ 1,568,000 |
| ▶ Intergovernmental | \$12,471,000 |
| ▶ Charges for Services | \$ 5,341,000 |
| ▶ Other Revenues | \$ 3,262,200 |
| TOTAL | \$ 82,759,800 |



General Fund Expenditures by Dept.

| ▶ Department | FY21 Projected |
|------------------------------|----------------------|
| ▶ City Council, Law, & Mayor | \$ 3,497,400 |
| ▶ Human Resources | \$ 995,100 |
| ▶ Mgmt Info Systems | \$ 2,031,200 |
| ▶ Finance (incl. nonalloc.) | \$18,360,050 |
| ▶ Planning & Zoning | \$ 4,344,400 |
| ▶ OEP | \$ - |
| ▶ Police | \$21,853,200 |
| ▶ Fire | \$20,899,500 |
| ▶ OEM | \$ 463,800 |
| ▶ Public Works | \$ 8,210,200 |
| ▶ Rec & Parks | \$ 5,612,600 |
| ▶ TOTAL | \$ 86,267,450 |



GF Expenditures by Category

| ▶ Expenditure Type | FY21 Projected |
|-------------------------|----------------------|
| ▶ Salaries & Benefits | \$59,242,400 (68.7%) |
| ▶ Contract Services | \$ 8,379,100 |
| ▶ Supplies & Other | \$ 1,959,800 |
| ▶ Capital Outlay | \$ 1,226,000 |
| ▶ Debt Service | \$ 7,860,000 |
| ▶ Community Grants | \$ 429,700 |
| ▶ Self Insurance | \$ 2,015,000 |
| ▶ OPEB | \$ 1,309,300 |
| ▶ Interfund Transfers | \$ 3,055,650 |
| ▶ Contingencies & Other | \$ 790,000 |
| ▶ TOTAL | \$ 86,267,450 |



General Fund FY2021 Budget Totals

| | |
|---|---------------------------|
| ▶ General Fund Revenue | \$ 82,759,800 |
| ▶ Fund Balance appropriated: | |
| ▶ Capital Reserve Fund for pay-go capital projects | \$ 1,707,850 |
| ▶ One-time Uses Fund for nonrecurring expenses | \$ 1,326,000 |
| ▶ Budget Stabilization Fund for recurring expenses | <u>\$ 473,800*</u> |
| ▶ Total Revenue and Appropriated Fund Balance | \$86,267,450 |
| ▶ General Fund Appropriations (expenditures) | <u>\$86,267,450</u> |
| ▶ Difference | \$ 0 |

***Includes \$233,000 GF structural deficit and \$240,800 transfer to Transportation.**



Proposed Reductions to General Fund

| ▶ Reductions | Amount |
|---|-------------------------|
| ▶ Reduce contribution to Fleet Ops and Replacement Funds | \$828,400 |
| ▶ Reduce contribution to Self Insurance Fund | \$300,000 |
| ▶ Remove funding for two School Resource Officers | \$310,000 |
| ▶ Eliminate City contribution to 401 (a) Plan | \$160,000 |
| ▶ Remove Funding for Grant Writer in Mayor's Office | \$ 42,700 |
| ▶ Remove funding for tree planting in Planning & Zoning | \$ 50,000 |
| ▶ Reduce planned increase in OPEB funding | \$ 25,000 |
| ▶ Add 2% personnel turnover allowance in the departments | \$572,890 |
| ▶ Anticipated savings from retiree & employee 65 and over benefit plan | \$365,700 |
| ▶ Rec & Park, OEM, HR, P&Z and Law reductions | \$ 93,000 |
| ▶ DPW reductions | \$145,700 |
| ▶ MIT reductions | \$102,000 |
| ▶ Finance Department reductions | \$ 34,000 |
| ▶ Fire Department reductions | \$ 50,000 |
| ▶ Police Department reductions | \$ 50,000 |
| ▶ Defer COLA for all City employees from July 1, 2020 to January 1, 2021 | <u>\$689,000</u> |
| TOTAL | \$3,818,390 |

Note: These reductions were already removed from the projected expenditures in the Mayor's Budget.



Proposed COLA Deferral Savings

| ▶ Employee Group | Estimated COLA Savings* |
|---|-------------------------|
| ▶ IAFF Local 1926 - Fire | \$193,300 |
| ▶ UFCW Local 400 - Police | \$ 78,200 |
| ▶ AFSCME 3162 | \$ 32,700 |
| ▶ AFSCME 3406 | \$ 44,800 |
| ▶ Nonrepresented and Management employees | <u>\$340,000</u> |
| ▶ TOTAL | \$689,000 |

*These estimated savings are from a 6-month deferment of COLA implementation. The COLA will be 1.5% for UFCW Local 400 personnel, and 3% for all other City employees.



Plan B - No COLA Deferral Savings

| | |
|---|------------------|
| ▶ Eliminate Transfer to Transportation due to Transit CARES Funding | |
| ▶ GF Savings | (\$240,800) |
| ▶ Eliminate COLA Deferral Savings | |
| ▶ GF Additional Expenditures | <u>\$689,000</u> |
| ▶ Balance | \$448,200 |

Alternate Plan

| | |
|---|--------------------|
| ▶ Personnel Turnover Allowance in Departments | |
| ▶ 2% Allowance in original list of cuts | \$ 572,890 |
| ▶ Additional Turnover Allowance to balance | <u>\$ 448,200</u> |
| ▶ TOTAL | \$1,021,090 |



General Fund Position Vacancies

ACCOUNTING ASSOC I
SENIOR BUYER
MIT ADMINISTRATIVE SUPPORT ANALYST
MIT SPECIALIST
POLICE CAPTAIN
POLICE SERGEANT
POLICE OFFICER 1/C
POLICE OFFICER 1/C
POLICE OFFICER 1/C
POLICE OFFICER 1/C
POLICE OFFICER 1/C
POLICE OFFICER 1/C
POLICE OFFICER 1/C
POLICE COMM OPER 1
POLICE PLANNING ANALYST
POLICE ID SPECIALIST
POLICE ID SPECIALIST
PROF STANDARDS DIR
I.T. PROJECT MANAGER
PROJECT COORDINATOR / MCIN MANAGER
TRAFFIC ENGINEER
PW MAINT WORKER I
EQUIPMENT OPERATOR I
EQUIP OPERATOR II
PW MAINT WORKER I



Fund Balances

| ▶ General Fund | FY19 Actual | FY20 Projected |
|------------------------------|----------------------|-----------------------|
| ▶ Unassigned | \$14,338,668 | \$16,443,961 |
| ▶ Budget Stabilization Fund | \$ 3,071,439 | \$ 3,071,439 |
| ▶ Capital Reserve Fund | \$ 4,686,903 | \$ 2,343,903 |
| ▶ Assigned for One-Time Uses | <u>\$ 2,383,539</u> | <u>\$ 1,862,539</u> |
| ▶ TOTAL | \$ 24,480,549 | \$ 23,721,842 |

Note: In FY19 Actual, Unassigned GF Balance is 15.5% of revenue, and BSF is 3.3%. For FY20 Projected, Unassigned GF Balance is 18.1% of revenue, and BSF is 3.4%.



Constant Rate vs Yield - Property Tax

| Comparison of Constant Yield Tax Rate to Actual Tax Rate Per \$100 of Assessed Value | | | |
|---|------------------|---------------------|---|
| Fiscal Year | Adopted Tax Rate | Constant Yield Rate | Adopted Rate More/(Less) Constant Yield Rate |
| FY2007 | 0.5300 | 0.4970 | 0.0330 |
| FY2008 | 0.5300 | 0.4740 | 0.0560 |
| FY2009 | 0.5300 | 0.4760 | 0.0540 |
| FY2010 | 0.5300 | 0.5300 | 0.0000 |
| FY2011 | 0.5300 | 0.5179 | 0.0121 |
| FY2012 | 0.5600 | 0.5149 | 0.0451 |
| FY2013 | 0.6400 | 0.6377 | 0.0023 |
| FY2014 | 0.6500 | 0.6504 | (0.0004) |
| FY2015 | 0.6490 | 0.6494 | (0.0004) |
| FY2016 | 0.6490 | 0.6410 | 0.0080 |
| FY2017 | 0.6490 | 0.6287 | 0.0203 |
| FY2018 | 0.6490 | 0.6270 | 0.0220 |
| FY2019 | 0.7380 | 0.6430 | 0.0950 |
| FY2020 | 0.7380 | 0.7228 | 0.0152 |
| FY2021 | 0.7380 | 0.7165 | 0.0215 |



Constant Rate – Impact on residents

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| ▶ FY20 Home Value | FY20 Tax | FY21 Tax | Tax Increase |
|--------------------------|-----------------|-----------------|---------------------|
| ▶ \$100,000 | \$ 738 | \$ 760 | \$ 22 |
| ▶ \$250,000 | \$1,845 | \$1,900 | \$ 55 |
| ▶ \$500,000 | \$3,690 | \$3,800 | \$110 |
| ▶ \$650,000 | \$4,797 | \$4,940 | \$143 |
| ▶ \$800,000 | \$5,904 | \$6,080 | \$176 |
| ▶ \$1,000,000 | \$7,380 | \$7,600 | \$220 |

Based on constant rate of \$0.7380 per \$100 of assessed value and 3% increase in assessed value.



Structural Deficit

▶ Mayor's Budget

- ▶ Structural Deficit \$233,000
- ▶ Will be covered with funds from the Budget Stabilization Fund

▶ Constant Yield Rate for Property Tax

- ▶ Additional Structural Deficit \$1,500,000

▶ Options for Deficit

- ▶ Use Fund Balance – The Budget Stabilization fund would be drawn down from \$3,071,439 to \$1,097,639.
- ▶ Reduce expenditures – Would need savings in Personnel Salary & Benefits
 - ▶ Full Year COLA Deferment – Requires Agreement with Unions (Savings: \$1.378M)
 - ▶ Deferment of Step Increases – Requires Agreement with Unions (Savings: \$1.04M)
 - ▶ Furloughs (reduced work hours) – Requires Agreement with Unions
 - ▶ Layoffs (reduction in force) – Does not require Union agreements



Budget Execution in FY2021

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- ▶ Monthly update of the revenue and expenditure projections based on COVID status
- ▶ Commitment to develop a list of potential budget actions to address deteriorating budget situation, if needed
- ▶ Bi-monthly updates to Finance Committee and/or City Council of budget status

