

# BUDGET DISCUSSION

May 10, 2016

City Council Regular Meeting

# 2017-2018 Budget Calendar

- Macro Budget Workshop – June
- ❑ July-Aug: Staff budget preparation
- ❑ Sept: Filing of Prelim. Budget by City Mgr.
- ❑ Oct: City Council budget workshops providing further direction on preliminary budget proposal.
- ❑ Nov: Property Tax public hearing and 2017 levy rate determination to be made by City Council
- ❑ Nov/Dec: Final adoption of 2017-2018 Biennial Budget.

# Pre-work on 2017-2018 Budget

- City Council Mission, Vision, Goals
- Administration & Finance (A&F) Committee  
5/2/16
  - Review and recommendations on Macro Budget items
  - General Fund (GF) Update on 2015 Performance
  - ✓ General Fund Summary: \$1.4 M over 2015 Revenue Budget and \$1.1 Million under 2015 Expense Budget
  - ✓ Positive 2015 Performance = \$2.5 Million increase to 2016 balance position
- ❑ 2016 GF Revenue Forecast Update
- ❑ 2016 GF Expense Forecast Update
- ❑ 2016 GF Year End Position

# 2016 GF Revenue Forecast Update

## Utility Tax collections reduced

2016 Budget	= \$ 2,700,000
2016 Estimate	= \$ 450,000 (for 2 months)
	= (\$ 2,250,000) <b>less revenues</b>

## Updated program and fee revenues

Primarily driven by development fees and increased program participation

Result = \$ 465,200 **more revenues**

NOTE: Future adjustment may be needed for construction sales tax revenues if continue to underperform in 2016 like 2015.

# 2016 GF Expense Forecast Update

---

## Managed Reductions

2016 Estimate = (\$915,776)

Primarily achieved through vacancy savings and professional services savings (discretionary reductions in scope and timing)

Unanticipated Expenses = \$349,698

Primarily overtime and contracted services to backfill vacancies for specialized work needs

**NET EXPENSES** = (\$566,078)

# 2016 GF Year End Position

## Estimated 2016 GF Ending Balance Impact:

*2015 Performance Increase	=	\$ 2,500,000
2016 Revenues lower		- \$ 1,784,800
2016 Expenses lower		<u>+\$ 566,078</u>
<b>TOTAL IMPACT (Inc.)</b>	=	<b>\$1,281,278</b>

\*NOTE: this is a unaudited result, financial statements are due to the state at the end of May and annual audit is anticipated for Sept, 2016