

Budget 2018

Draft 4

December 11, 2017

Operating 2018

2017 vs. 2018 drafts

**Variance from Draft 3 to Draft 4*

	2017 approved	2018 Draft 1	2018 Draft 2	2018 Draft 3	2018 Draft 4	Variance
Revenues	73,854,553	74,253,920	74,970,660	74,992,386	74,992,386	0%
Capital levy	4,424,786	4,633,508	4,633,508	4,633,508	4,633,508	0%
Transfer from reserves	688,135	3,242,799	439,885	0	0	0%
Total revenues	78,967,474	82,130,227	80,044,053	79,625,894	79,625,894	0%
Operating expenses	(76,732,045)	(80,562,738)	(77,825,909)	(76,798,660)	(76,693,550)	0.1%
Transfers to reserves	(2,237,429)	(1,567,489)	(2,218,144)	(2,220,935)	(2,220,935)	0%
Total expenses	(78,967,474)	(82,130,227)	(80,044,053)	(79,019,595)	(78,914,485)	0%
Surplus / (Deficit)	0	0	0	606,299	711,409	17%

Revenues of \$74.9 million include the proposed property tax increase of \$6.5 million. The proposed tax increase is necessary to offset decreases in other revenue sources.

Operating budget by fund and object

	General Operations	Utilities	Land Development	TOTAL
Revenues				
BID levy	145,000	-	-	145,000
Capital levy	4,633,508	-	-	4,633,508
Donations	32,010	-	-	32,010
Fine revenue	2,247,300	-	-	2,247,300
Investment income	375,000	-	-	375,000
Licenses and permits	989,700	-	-	989,700
Municipal levy	30,474,304	-	-	30,474,304
Operating grants	3,577,527	-	-	3,577,527
Transfers from reserves	-	-	-	-
User fees & sale of goods	17,336,367	17,392,178	2,423,000	37,151,545
	59,810,716	17,392,178	2,423,000	79,625,894

Operating budget by fund and object

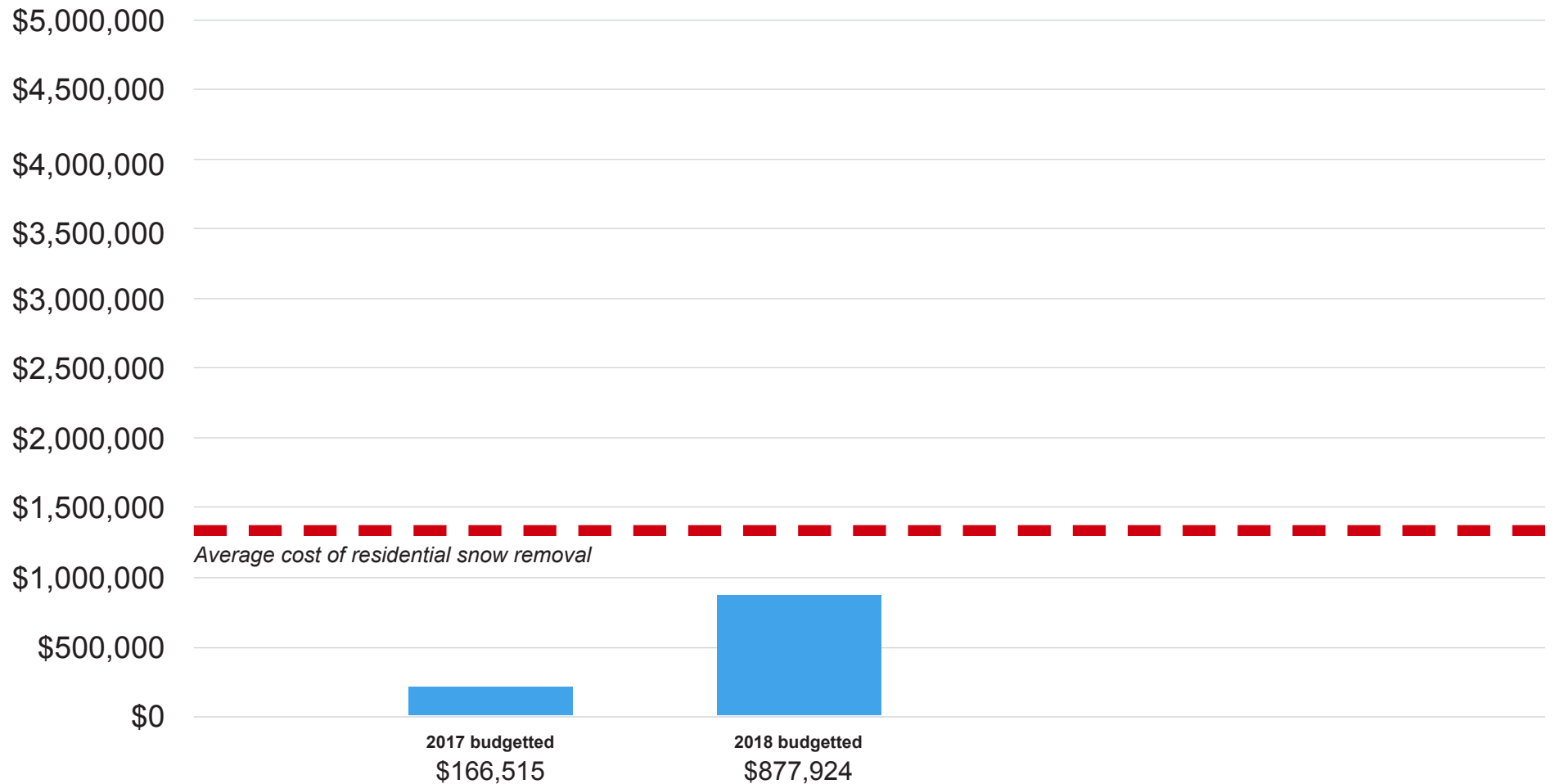
	General Operations	Utilities	Land Development	TOTAL
Expenses				
Bad debt	-	80,000	-	80,000
Bank charges	40,800	-	-	40,800
Contracted services	17,230,609	1,237,068	241,507	18,709,184
Cost of sales	24,700	-	850,259	874,959
Good, materials, repairs	3,407,159	649,210	600	4,056,969
Interest on long-term debt	868,450	169,538	-	1,037,988
Salaries, wages, benefits	23,596,021	2,271,416	224,769	26,092,206
Transfer to capital budget	12,584,977	5,494,065	64,408	18,143,450
Transfer to utility reserve	-	1,180,318	-	1,180,318
Transfer to land development capital	-	-	1,040,617	1,040,617
Transfers to local boards or agencies	1,800,140	-	-	1,800,140
Utilities	4,267,725	1,589,289	840	5,857,854
	63,925,581	12,670,904	2,423,000	79,019,595
Operating budget surplus (deficit)	-4,009,865	4,721,274	-	711,409

SCENARIO A

Operating Surplus

Use the operating surplus to increase operating reserves or reduce the municipal tax levy.




Scenario A: Operating surplus



Scenario A: Operating Surplus

OPTION 2


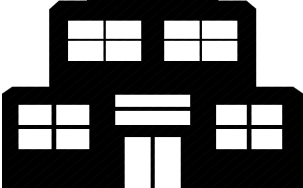
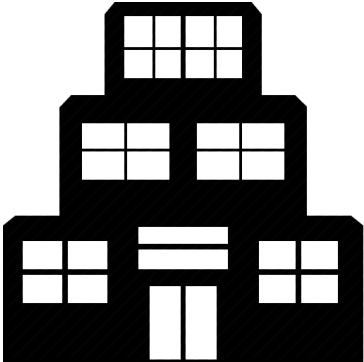
Decrease municipal tax levy by \$711,409

Residential impact	 Value of \$250,000	 Value of \$350,000	 Value of \$500,000
Annual tax savings	\$31.86 / yr	\$44.61 / yr	\$63.72 / yr
Monthly tax savings	\$2.66 / mo	\$3.72 / mo	\$5.31 / mo

Scenario A: Operating Surplus

OPTION 2 (continued)

Decrease municipal tax levy by \$711,409

Non-residential impact	 Value of \$725,000	 Value of \$1,000,000	 Value of \$1,425,000
Annual tax savings	\$166.32 / yr	\$229.41 / yr	\$326.91 / yr
Monthly tax savings	\$13.86 / mo	\$19.12 / mo	\$27.24 / mo

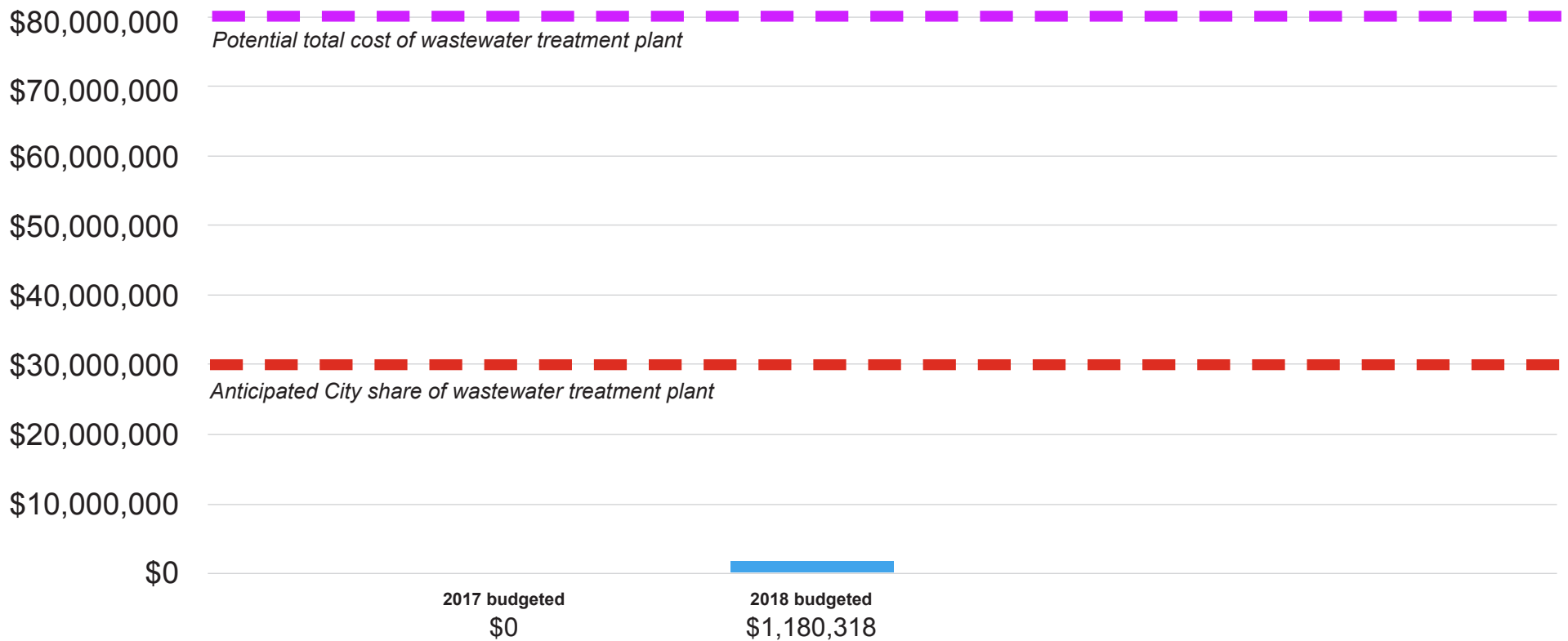
SCENARIO B

Utility Surplus

Use the utility surplus to increase a reserve for the wastewater treatment plant or reduce utility rates.

Scenario B: Utility Surplus

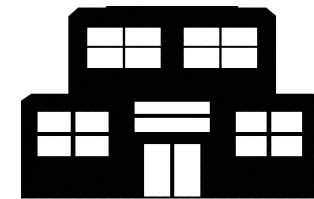
Wastewater treatment plant reserve



Scenario B: Utility surplus

OPTION 2

Decrease utility surplus
by \$1,180,318



Consumer impact	Average residential water account	Average commercial water account
Annual utility savings	\$55.11 / yr	\$463.03 / yr
Monthly utility savings	\$4.59 / mo	\$38.59 / mo

Capital 2018

	2017 Approved	2018 Draft 1	2018 Draft 2	2018 Draft 3	2018 Draft 4	Variance (%)
Funding Sources						
Capital Grants						
Prior Year	1,337,410	3,693,715	7,725,355	8,925,893	8,925,893	0%
Current Year	6,188,540	17,660,885	18,187,274	18,187,274	18,197,274	0%
Transfer from Capital Reserves	1,752,600	0	3,873,834	4,573,296	5,277,622	15%
Land Sales	776,932	389,676	1,040,617	1,040,617	1,040,617	0%
Equipment Trade-In Value		0	250,000	250,000	250,000	0%
Transfer from Operating Revenues	20,160,435	20,637,705	18,143,450	18,143,450	18,143,450	0%
Total Funding Sources	30,215,917	42,381,981	49,220,530	51,120,530	51,834,856	1%
Expenses						
Capital Projects						
Carry-Over	(4,096,682)	(16,063,750)	(17,319,000)	(19,219,000)	(19,933,326)	4%
New	(17,719,140)	(24,216,463)	(29,799,762)	(29,799,762)	(29,799,762)	0%
Principal Debt Repayment	(3,194,511)	(2,101,768)	(2,101,768)	(2,101,768)	(2,101,768)	0%
Transfer to Reserves	(5,205,584)	0	0	0	0	0%
Total Expenses	(30,215,917)	(42,381,981)	(49,220,530)	(51,120,530)	(51,834,856)	1%
Surplus/(Deficit)	0	0	0	0	0	0%

SCENARIO C

Capital Projects

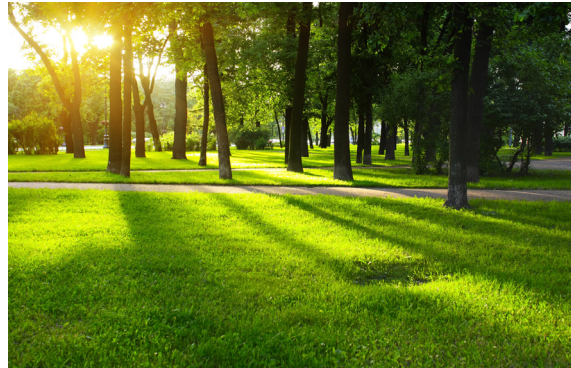
Further reduce the capital project list
to reduce the municipal tax levy.

Scenario C: Capital projects

OPTION 1

Fund all proposed capital projects

- Tackling the problem, rather than delaying
- Avoid future additional costs relating to asset failure
- \$250 million in future engineering projects to be addressed by 2022

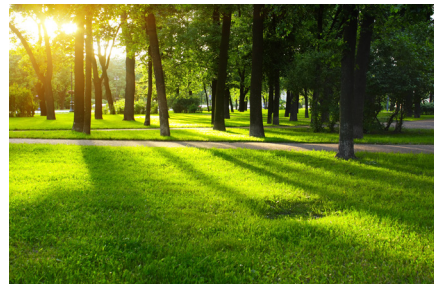


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Scenario C: Capital projects

OPTION 2

Decrease operating funds for capital projects by 1% to reduce municipal tax levy



- City Master Plans identify \$250 million in future project needs by 2022
- Unpredictable timing of asset failure
- Risk of increased costs due to inflation
- Tax savings today result in additional capital costs tomorrow






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Scenario C: Capital projects

OPTION 2


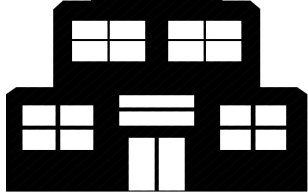
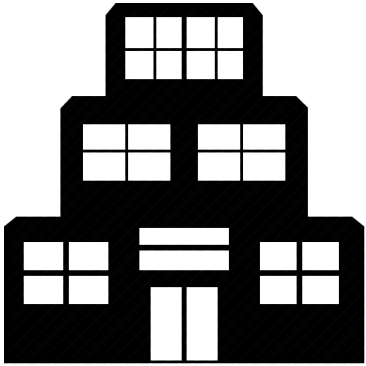
Decrease operating funds for capital projects by 1% to reduce municipal tax levy

Residential impact	 Value of \$250,000	 Value of \$350,000	 Value of \$500,000
Annual tax savings	\$35.68 / yr	\$49.94 / yr	\$71.35 / yr
Monthly tax savings	\$2.97 / mo	\$4.16 / mo	\$5.95 / mo

Scenario C: Capital projects

OPTION 2 (continued)

Decrease operating funds for capital projects by 1% to reduce municipal tax levy

Non-residential impact	 Value of \$725,000	 Value of \$1,000,000	 Value of \$1,425,000
Annual tax savings	\$186.22 / yr	\$256.86 / yr	\$366.03 / yr
Monthly tax savings	\$15.52 / mo	\$21.41/ mo	\$30.50 / mo



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a proud community with opportunity for all.**

