

City of La Center, WA

2017 Budget Process

Budget Approach Outline

Historical Context

- Over the past decade or more the residents of the City of La Center have enjoyed a high level of service thanks to a strong tax base from a single industry.
- The strength of that industry, and its ability to draw revenue from outside our community, has allowed a relatively low tax burden for city residents.
- In addition to high service levels and a relatively low tax burden, we have established strong reserves and are in a very strong financial position.
- Today, the industry that has helped us achieve these results is threatened.
- Our 2017 budget begins a transition to a new financial reality that will impact our services, taxes and ultimately our reserves.

Current Context

- Despite the threats to our finances I am confident we will successfully navigate the transition to a new fiscal reality while preserving our quality of life and what makes this a wonderful community.
- My optimism is based on several factors:
 - The regional economy is as strong as its been in the past 10 years and north Clark County is in the direct path of new development
 - We have \$500 million in private investment taking place on our doorstep. While the overall impact remains to be seen, it will undoubtedly be a catalyst for other new private investment.
 - Thanks to this new development, we have a new I-5 interchange and have established sewer service to our most viable commercial land base and we have, or soon will have, ample "shovel ready" commercial, industrial and residential land to support new industry and diversify and expand our tax base.
 - We have strong leadership in the community and on the City Council.
 - Thanks to a rebound in activity at the card rooms and conservative 2016 budget assumptions by the Council we had a \$240,000 surplus in 2015 and are likely to have a \$600,000 surplus in 2016.
 - The Council acted in 2016 to reduce the City's sewer debt to a level that should be sustainable without the need for significant sewer rate increases.

City of La Center, WA

2017 Budget Process

Budget Approach Outline

2017-2018 Budget Approach Outline

- Our preliminary 2017 budget will present a pragmatic approach to respond in a fiscally responsible manner to the uncertainty we face.
- While we believe the opening of the ilani casino in the Spring of 2017 will have a significant and negative impact on our 2017 and 2018 tax revenue the full extent of that impact is uncertain at this point in time.
- Key uncertainties include:
 - How much will our gambling tax revenue decline?
 - How much will the City's sales taxes increase from construction of the interchange and other new development?
 - Will we see new residential and commercial development begin in 2017 and if so at what level/pace?
 - When will the next phase of the Cowlitz development begin?
- The proposed overall framework for our 2017 budget is to closely monitor our revenues, establish clear benchmarks and take specific actions if and when those benchmarks are reached.
- In addition to this "reactive" approach we are proposing several proactive strategies to enhance our ability to make a successful transition.
- Key elements of the proposed 2017 budget include:
 - Deferring service and expense reductions until 2018. We will use the 2016 surplus to maintain staffing and service levels in 2017 with any reductions to be planned for and identified in our 2018 budget process beginning in August 2017.
 - Implementing a new utility tax to be effective October 1, 2017 to diversify the City's tax base and to partially offset the expected decline in gambling revenue.
 - Reducing the City's gambling tax from 10% to 5% effective May 1, 2017 through December 31, 2017 as an incentive to retain a key industry (*to be reviewed as part of our 2018 budget process*).
 - Hiring a new Community Development Director to focus on developing and implementing our Junction sub-area plan.
 - Identifying key investments needed to support new commercial and industrial development at the Junction and making strategic investments in public/private partnerships to spur development.
- I look forward to getting your feedback on the draft preliminary budget that implements this approach at our Council meetings and workshops.

City of La Center, WA
2017 Preliminary Budget Estimate

	<u>2015 Actual</u>	<u>2016 Estimate</u>	<u>2017 Prelim Budget</u>	<u>2018 Estimate</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>2021 Estimate</u>
General Fund							
Revenue							
Property Taxes	\$ 403,156	\$ 411,143	\$ 422,050	\$ 435,000	\$ 442,000	\$ 446,000	\$ 451,000
Utility Excise Taxes	-	-	83,452	339,000	344,000	350,000	353,000
Sales Tax Assoc. w/Interchange	-	132,782	333,333	-	-	-	-
Retail Sales Tax	221,569	225,000	228,266	228,000	230,000	237,000	244,000
Local Criminal Justice Sales Tax	41,517	55,303	59,224	61,000	63,000	65,000	67,000
Gambling - Pull Tabs	31,298	38,759	10,000	10,000	10,000	10,000	10,000
Gambling - Card Rooms	2,684,434	3,182,967	1,555,384	1,084,000	1,094,000	1,105,000	1,116,000
Other Taxes	-	-	-	-	-	-	-
Total Taxes	3,381,974	4,045,953	2,691,709	2,157,000	2,183,000	2,213,000	2,241,000
Licenses & Permits	53,635	53,796	78,128	92,000	67,000	68,000	69,000
Intergovernmental	192,604	199,117	185,077	185,000	185,000	185,000	185,000
Charges for Goods & Svcs	92,824	66,754	71,269	72,000	73,000	45,000	45,000
Fines & Forfeitures	25,060	24,247	28,000	28,000	28,000	28,000	28,000
Misc	140,887	41,381	32,941	33,000	33,000	33,000	33,000
Total General Fund Revenue	\$ 3,886,984	\$ 4,431,247	\$ 3,087,125	\$ 2,567,000	\$ 2,569,000	\$ 2,572,000	\$ 2,601,000
Expenses							
Finance	588,541	594,681	574,797	544,000	555,000	599,000	589,000
Legislative	99,162	82,634	74,845	75,000	76,000	77,000	79,000
Police	1,582,003	1,590,066	1,644,948	1,696,000	1,760,000	1,825,000	1,894,000
Planning	235,378	297,933	276,679	278,000	288,000	298,000	309,000
Public Works - Admin	270,101	293,997	296,983	305,000	314,000	323,000	332,000
Public Works - Operations	312,797	364,330	445,920	457,000	469,000	481,000	493,000
Public Works - Parks Admin	38,833	37,806	38,537	39,000	40,000	41,000	42,000
Public Works - Parks Operations	401,491	415,342	361,740	373,000	384,000	396,000	409,000
Transfers / others	116,519	104,040	-	-	-	-	-
Total General Fund Expense	\$ 3,644,825	\$ 3,780,829	\$ 3,714,448	\$ 3,767,000	\$ 3,886,000	\$ 4,040,000	\$ 4,147,000
General Fund Net Revenue	\$ 242,159	\$ 650,419	\$ (627,323)	\$ (1,200,000)	\$ (1,317,000)	\$ (1,468,000)	\$ (1,546,000)
Use of 2016 Surplus			650,419				
General Fund Net Revenue-Adjusted			\$ 23,096				
Estimated Reserve Balance	\$ 908,417	\$ 1,558,836	\$ 931,513	\$ (268,487)	\$ (1,585,487)	\$ (3,053,487)	\$ (4,599,487)

City of La Center, WA
2017 Preliminary Budget Estimate

	<u>2015 Actual</u>	<u>2016 Estimate</u>	<u>2017 Prelim Budget</u>	<u>2018 Estimate</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>2021 Estimate</u>
Reserve Fund							
Revenues	2,247	32,504	87,827	79,000	63,000	38,000	38,000
Expenditures	-	-	-	-	-	-	-
Net Revenue	\$ 2,247	\$ 32,504	\$ 87,827	\$ 79,000	\$ 63,000	\$ 38,000	\$ 38,000
Estimated Reserve Balance	\$ 4,540,010	\$ 4,572,514	\$ 4,660,340	\$ 4,739,340	\$ 4,802,340	\$ 4,840,340	\$ 4,878,340

Impact Fee Fund							
Revenues	93,051	71,340	468,911	158,000	111,000	113,000	115,000
Expenditures	-	-	284,229	-	-	-	-
Net Revenue	\$ 93,051	\$ 71,340	\$ 184,682	\$ 158,000	\$ 111,000	\$ 113,000	\$ 115,000
Estimated Reserve Balance	\$ 268,231	\$ 339,571	\$ 524,253	\$ 682,253	\$ 793,253	\$ 906,253	\$ 1,021,253

Capital Projects							
Revenues	293,060	851,661	2,460,050	193,000	194,000	164,000	164,000
Expenditures	127,921	798,071	2,689,688	-	-	-	-
Net Revenue	\$ 165,139	\$ 53,590	\$ (229,638)	\$ 193,000	\$ 194,000	\$ 164,000	\$ 164,000
Estimated Reserve Balance	\$ 4,742,434	\$ 4,796,024	\$ 4,566,386	\$ 4,759,386	\$ 4,953,386	\$ 5,117,386	\$ 5,281,386

Vehicle/Equipment Replacement							
Revenues	106,238	114,233	6,708	7,000	7,000	7,000	7,000
Expenditures	123,897	51,388	-	50,000	50,000	50,000	50,000
Net Revenue	\$ (17,659)	\$ 62,845	\$ 6,708	\$ (43,000)	\$ (43,000)	\$ (43,000)	\$ (43,000)
Estimated Reserve Balance	\$ 286,405	\$ 349,249	\$ 355,958	\$ 312,958	\$ 269,958	\$ 226,958	\$ 183,958

Sewer - Operations							
Revenues	1,126,913	1,172,189	1,117,699	1,089,000	1,106,000	1,124,000	1,142,000
Expenditures	1,060,793	972,367	1,046,345	1,074,000	1,103,000	1,134,000	1,166,000
Net Revenue	\$ 66,120	\$ 199,822	\$ 71,354	\$ 15,000	\$ 3,000	\$ (10,000)	\$ (24,000)
Estimated Reserve Balance	\$ 377,301	\$ 577,123	\$ 648,477	\$ 663,477	\$ 666,477	\$ 656,477	\$ 632,477

Sewer - Capital / Equipment							
Revenues	104,231	98,982	99,996	100,000	100,000	100,000	100,000
Expenditures	30,834	397,000	25,000	25,000	25,000	25,000	25,000
Net Revenue	\$ 73,397	\$ (298,018)	\$ 74,996	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Estimated Reserve Balance	\$ 558,101	\$ 260,083	\$ 335,079	\$ 410,079	\$ 485,079	\$ 560,079	\$ 635,079

Sewer - Debt Service							
Revenues	317,845	286,978	338,917	378,000	305,000	308,000	312,000
Expenditures	746,399	5,000,000	263,504	264,000	264,000	264,000	264,000
Net Revenue	\$ (428,553)	\$ (4,713,022)	\$ 75,413	\$ 114,000	\$ 41,000	\$ 44,000	\$ 48,000
Estimated Reserve Balance	\$ 5,266,259	\$ 553,237	\$ 628,650	\$ 742,650	\$ 783,650	\$ 827,650	\$ 875,650

City of La Center City Council Workshop

Mayor's 2017 Draft Preliminary Budget

October 18, 2016





Agenda

- General Fund Update: 2016 Estimate
- Mayor's 2017 Draft Preliminary Budget
- Discussion & Next Steps

2017 Budget Process

- September 29 Council Workshop
 - Preliminary Forecast
 - Revenue Options
 - Staffing & Permit Fee Comparisons
- October 18 & 26 Council/Public Briefing
 - Mayor's Draft Preliminary Budget
 - Proposal to Balance Budget
- November/December
 - Public Hearings/Adoption

2016 General Fund Update

■ Revenue Update

General Fund Revenue	2015 Actual	2016 Budget	2016 Estimate	2016 v. 2015	2016 E v 2016 B
Property Taxes	\$ 403,156	\$ 409,773	\$ 411,143	2%	0%
Gambling Taxes	\$ 2,715,732	\$ 2,710,000	\$ 3,221,726	19%	19%
Sales Taxes	\$ 263,086	\$ 423,667	\$ 413,085	57%	-2%
Licenses & Permits	\$ 53,635	\$ 27,710	\$ 53,796	0%	94%
Intergovernmental	\$ 192,604	\$ 182,195	\$ 199,117	3%	9%
Charges for Goods & Services	\$ 92,824	\$ 46,350	\$ 66,754	-28%	44%
Fines & Forfeitures	\$ 25,060	\$ 28,000	\$ 24,247	-3%	-13%
Misc.	\$ 140,887	\$ 14,131	\$ 41,381	-71%	193%
Total Revenue	\$ 3,886,984	\$ 3,841,826	\$ 4,431,247	14%	15%

2016 General Fund Update

■ Expense Update

General Fund Expense	2015 Actual	2016 Budget	2016 Estimate	2016 v. 2015	2016 E v 2016 B
Finance	\$ 588,541	\$ 599,009	\$ 594,681	1%	-1%
Legislative	\$ 99,162	\$ 111,350	\$ 82,634	-17%	-26%
Police	\$ 1,582,003	\$ 1,610,960	\$ 1,590,066	1%	-1%
Planning	\$ 235,378	\$ 292,974	\$ 297,933	27%	2%
Public Works - Admin	\$ 270,101	\$ 299,796	\$ 293,997	9%	-2%
Public Works - Operations	\$ 312,797	\$ 378,549	\$ 364,330	16%	-4%
Public Works - Parks Admin	\$ 38,833	\$ 36,927	\$ 37,806	-3%	2%
Public Works - Parks Operations	\$ 401,491	\$ 426,140	\$ 415,342	3%	-3%
Transfers / others	\$ 116,519	\$ 104,040	\$ 104,040	-11%	0%
Total Expense	\$ 3,644,825	\$ 3,859,745	\$ 3,780,829	4%	-2%
General Fund Net Revenue	\$ 242,159	\$ (17,919)	\$ 650,419		

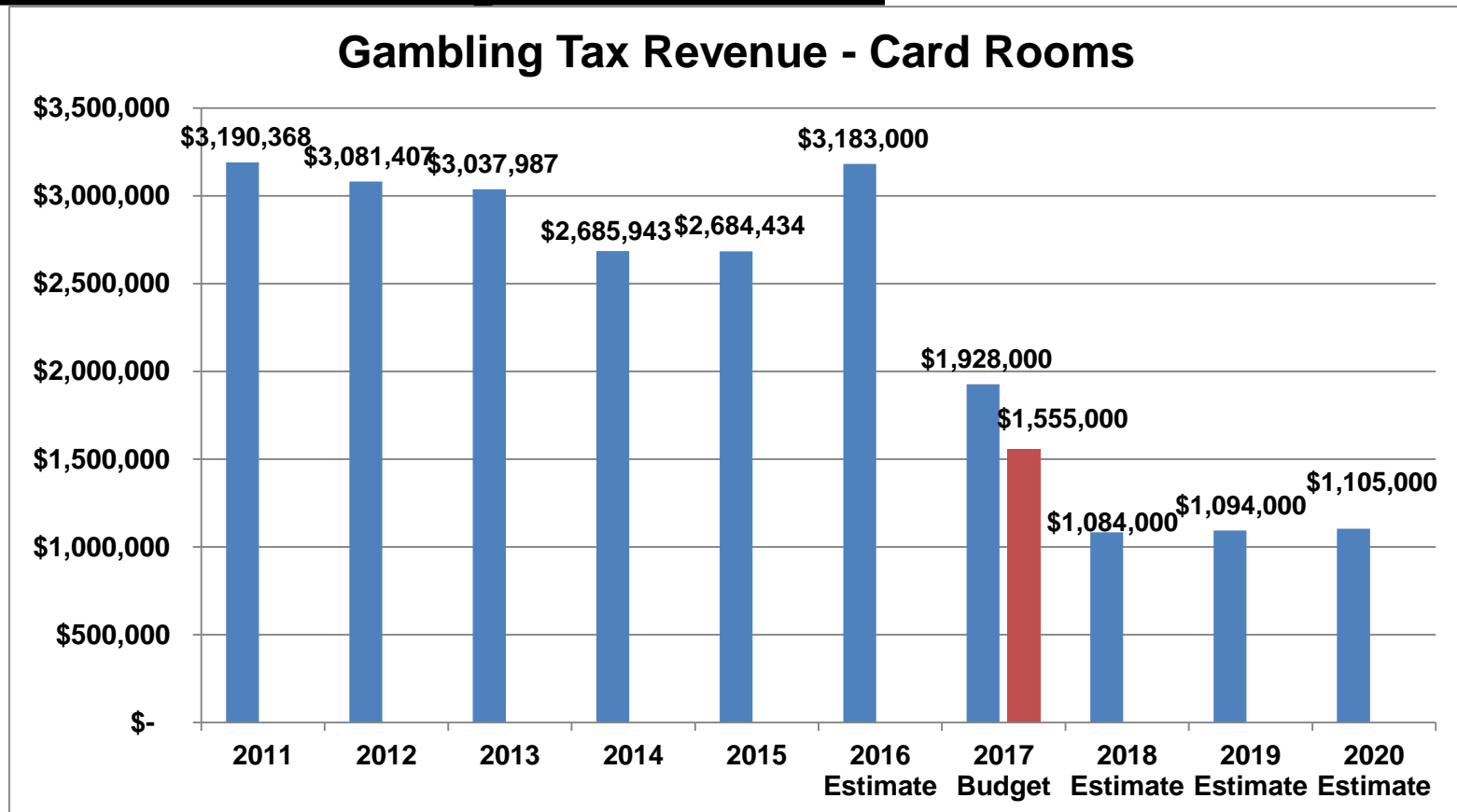
2017 Draft Preliminary Budget

Revenue Adjustments

- Property Tax: 1% plus new construction plus annexation
- Gambling Tax – Card Rooms
 - 1Q 2017 same as 1Q 2016
 - One card room closes April 15, 2017
 - Two remaining card rooms at 50% of 2016 or 2015 levels in 2017 and drop an additional 10% in 2018
 - Tax rate at 5% from May 1 to December 31
 - Assume lower pull tab revenue: \$10,000 v. \$30,000

2017 Draft Preliminary Budget

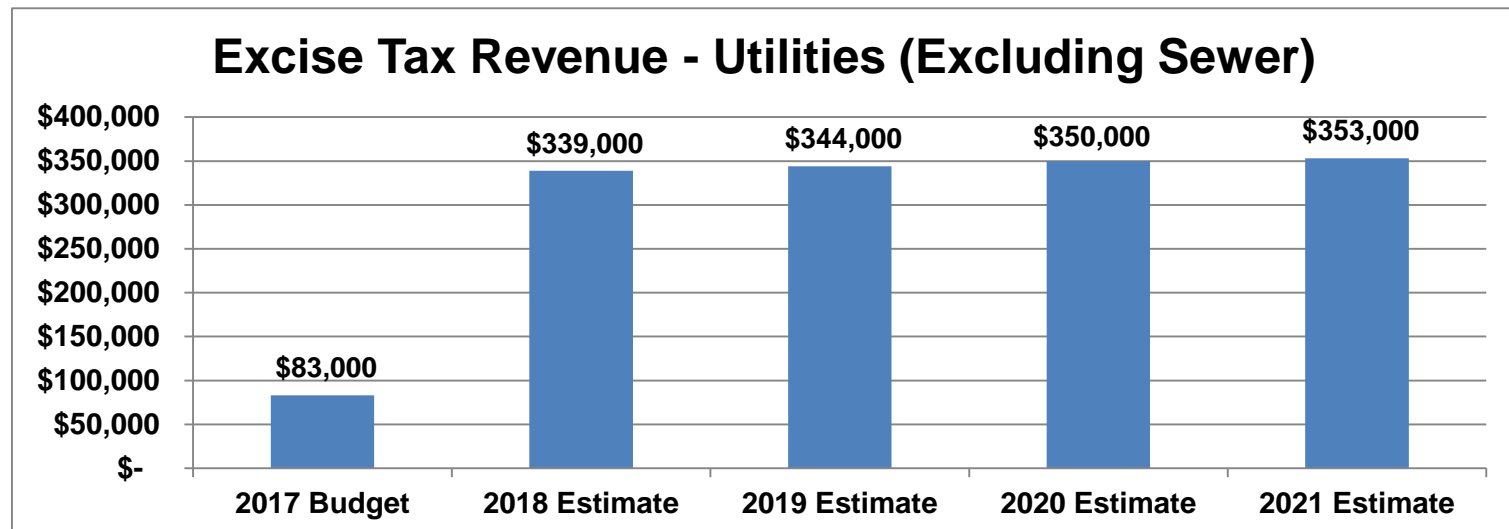
Revenue Adjustments



2017 Draft Preliminary Budget

Revenue Adjustments

- Excise Tax – Utilities (excluding Sewer)
 - 6% tax on utility gross revenue
 - Effective date of October 1, 2017

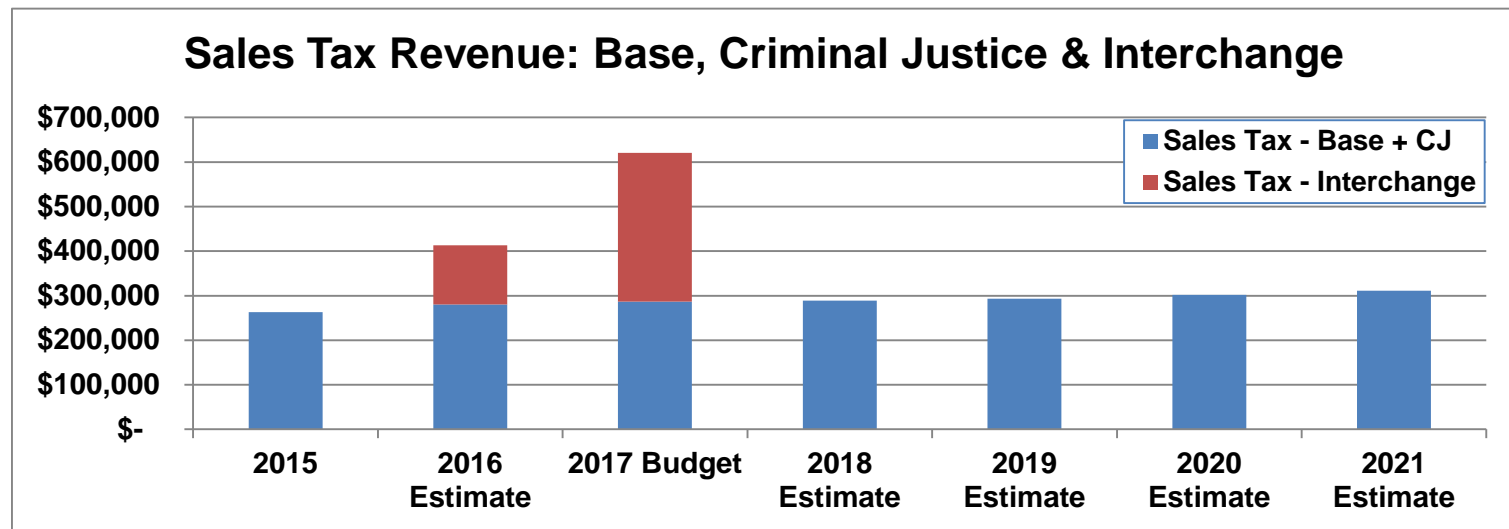


2017 Draft Preliminary Budget

Revenue Adjustments

■ Sales Tax

- Interchange sales taxes received in 2016 & 2017
- Core sales tax increase ~2.5% annual



2017 Draft Preliminary Budget

Expense Adjustments

- Personnel Costs
 - Contract wage increases: 0% to 1.5%
 - Medical benefits cost increase: 5%
- Staffing Changes
 - Add Community Development Director
 - Additional Finance staff allocation to Sewer Fund
 - Reallocation of maintenance staff between Streets and Parks to reflect actual work
- AWC Insurance: 5% Increase

2017 Draft Preliminary Budget

Expense Adjustments

- Capital Projects:
Roundabout &
Subarea plan
- Other
 - Major items listed
 - No equipment/
vehicle replacement
transfer
 - Other minor
changes not listed

General Fund Expense Adjustments	Amount
Baseline Salary & Benefits Increase (Inc'l Sewer)	\$ 90,000
AWC Insurance Increase	\$ 5,000
Community Development Director	\$ 110,000
Reduced Planning Consultant/No Comp Plan	\$ (120,000)
Reduce HR Consultant (vs. 2016)	\$ (29,000)
State Audit	\$ 25,000
Allocation of Finance Staff to Sewer	\$ (66,000)
New Accounting Software	\$ 10,000
Street Lighting Electricity Credit	\$ (10,000)
Increased Street Maintenance (State Gas Tax \$)	\$ 8,000
Reduced Fuel Cost	\$ (11,000)
Reduced Court Cost	\$ (18,000)
Subarea Plan in Capital Projects Fund	\$ (25,000)
Increased Community Engagement	\$ 3,000
Reduced Community Events	\$ (9,000)
Council Elections	\$ 1,000
Council Stipend	\$ (1,700)
Net Expense	\$ (37,700)

2017 Draft Preliminary Budget

Budget Balancing Approach

- Retain core services in 2017 and defer excise tax implementation until the revenue picture becomes clearer (October 1, 2017)
- Defer 2017 vehicle/equipment replacement contribution – reserves adequate to 2021
- Use projected 2016 surplus to support General Fund expenses in 2017
- Monitor revenues and development activity and plan expense adjustments accordingly

2017 Draft Preliminary Budget

Budget Balancing Approach

- Use 2017 To:
 - Develop better estimates of the future impact of the Cowlitz development plan on City revenues
 - Identify efficiencies and service level “tiers”
 - Complete subarea plan and identify related revenue potential
 - Explore and implement incentives for new development

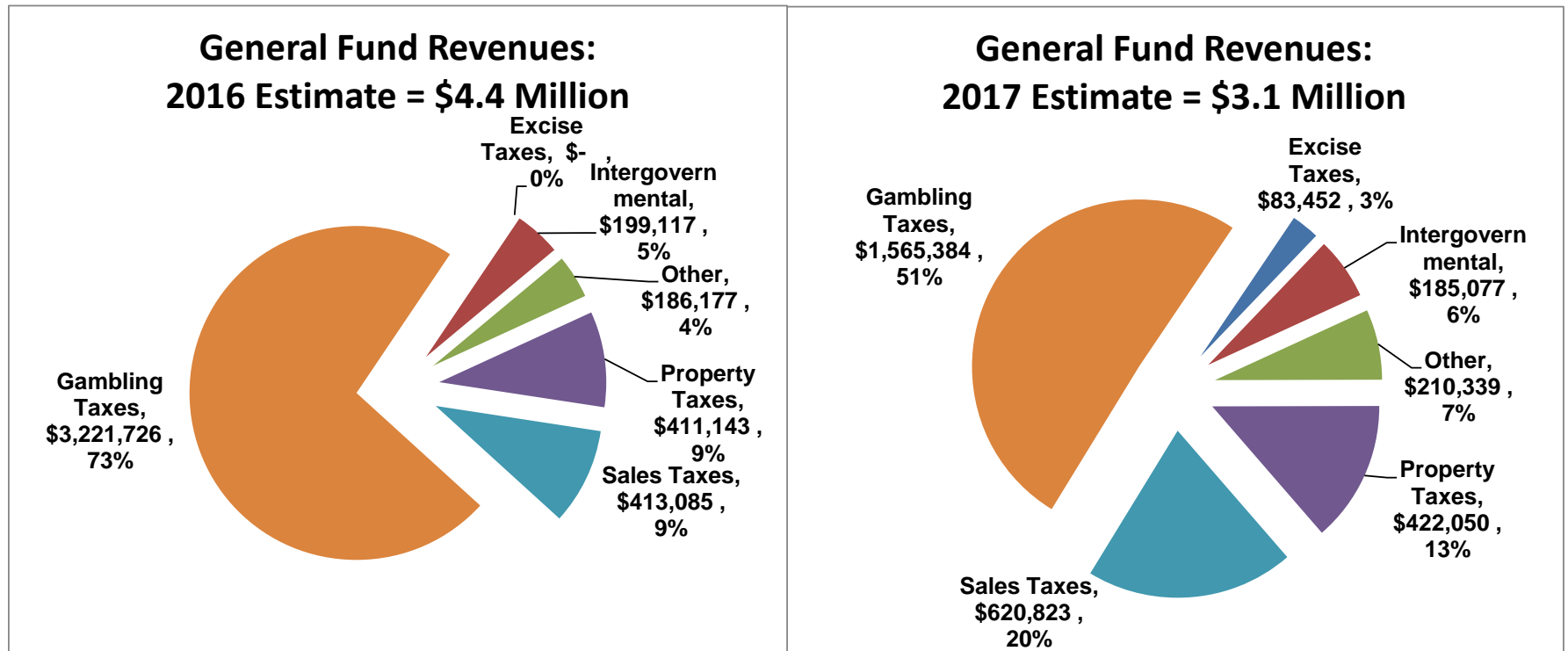
2017 Draft Preliminary Budget

Updated General Fund Revenues

	<u>2015 Actual</u>	<u>2016 Estimate</u>	<u>2017 Prelim Budget</u>	<u>2018 Estimate</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>2021 Estimate</u>
<u>General Fund Revenues</u>							
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Retail Sales Tax	221,569	225,000	228,266	228,000	230,000	237,000	244,000
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Other Taxes	-	-	-	-	-	-	-
Total Taxes	3,381,974	4,045,953	2,691,709	2,157,000	2,183,000	2,213,000	2,241,000
Licenses & Permits	53,635	53,796	78,128	92,000	67,000	68,000	69,000
Intergovernmental	192,604	199,117	185,077	185,000	185,000	185,000	185,000
Charges for Goods & Svcs	92,824	66,754	71,269	72,000	73,000	45,000	45,000
Fines & Forfeitures	25,060	24,247	28,000	28,000	28,000	28,000	28,000
Misc	140,887	41,381	32,941	33,000	33,000	33,000	33,000
Total General Fund Revenue	\$ 3,886,984	\$ 4,431,247	\$ 3,087,125	\$ 2,567,000	\$ 2,569,000	\$ 2,572,000	\$ 2,601,000

2017 Draft Preliminary Budget

General Fund Revenue Structure



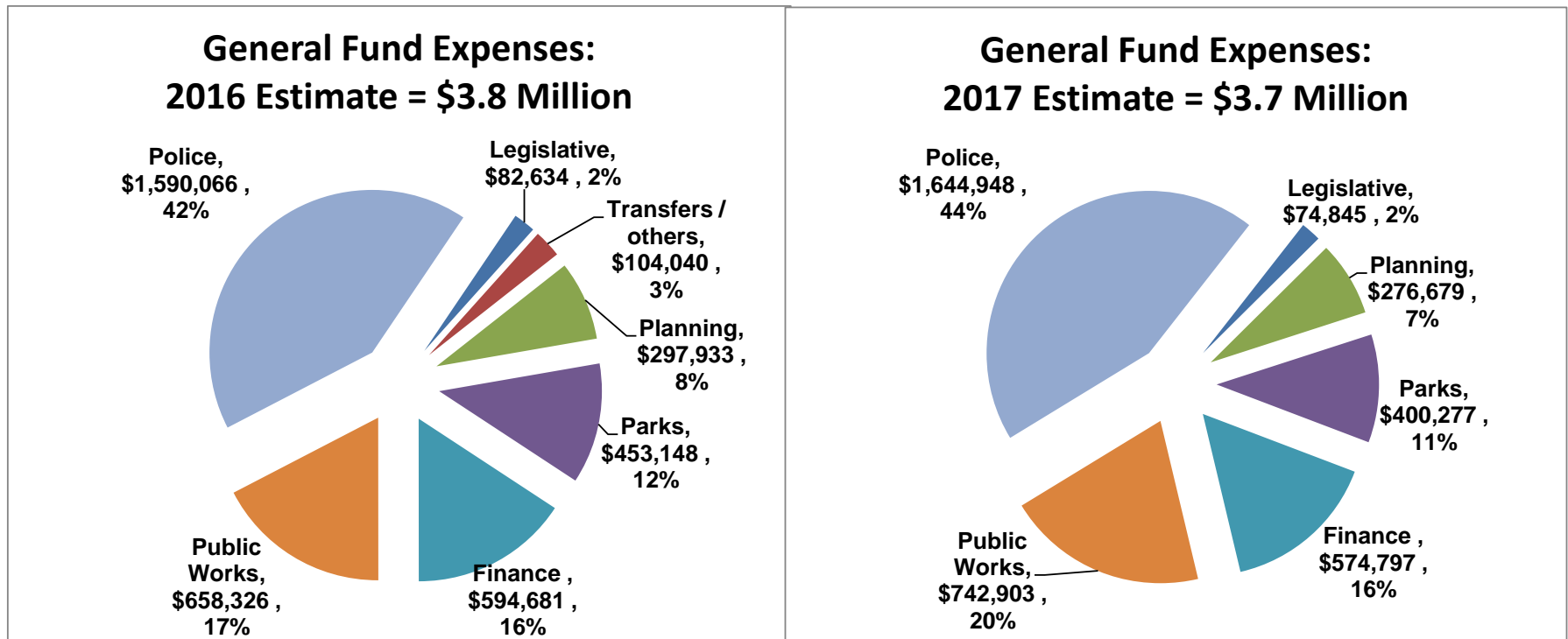
2017 Draft Preliminary Budget

Updated General Fund Expenses

	<u>2015 Actual</u>	<u>2016 Estimate</u>	<u>2017 Prelim Budget</u>	<u>2018 Estimate</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>2021 Estimate</u>
General Fund Expenses							
Finance	588,541	594,681	574,797	544,000	555,000	599,000	589,000
Legislative	99,162	82,634	74,845	75,000	76,000	77,000	79,000
Police	1,582,003	1,590,066	1,644,948	1,696,000	1,760,000	1,825,000	1,894,000
Planning	235,378	297,933	276,679	278,000	288,000	298,000	309,000
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Public Works - Parks Operations	401,491	415,342	361,740	373,000	384,000	396,000	409,000
Transfers / others	116,519	104,040	-	-	-	-	-
Total General Fund Expense	\$ 3,644,825	\$ 3,780,829	\$ 3,714,448	\$ 3,767,000	\$ 3,886,000	\$ 4,040,000	\$ 4,147,000
General Fund Net Revenue	\$ 242,159	\$ 650,419	\$ (627,323)	\$ (1,200,000)	\$ (1,317,000)	\$ (1,468,000)	\$ (1,546,000)
Use of 2016 Surplus			650,419				
General Fund Net Revenue-Adjusted			\$ 23,096				
Estimated Reserve Balance	\$ 908,417	\$ 1,558,836	\$ 931,513	\$ (268,487)	\$ (1,585,487)	\$ (3,053,487)	\$ (4,599,487)

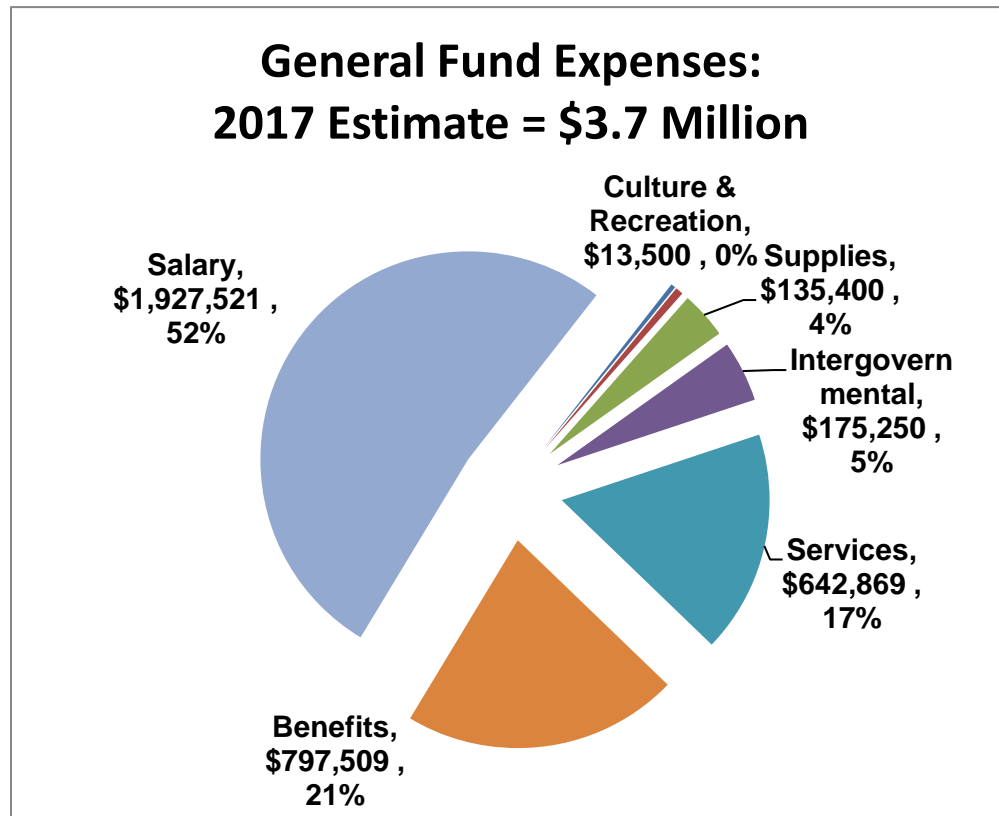
2017 Draft Preliminary Budget

General Fund Expense Structure



2017 Draft Preliminary Budget

General Fund Expense Structure



2017 Draft Preliminary Budget

Sewer Funds

	<u>2015 Actual</u>	<u>2016 Estimate</u>	<u>2017 Prelim Budget</u>	<u>2018 Estimate</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>2021 Estimate</u>
Sewer - Operations							
Revenues	1,126,913	1,172,189	1,117,699	1,089,000	1,106,000	1,124,000	1,142,000
Expenditures	1,060,793	972,367	1,046,345	1,074,000	1,103,000	1,134,000	1,166,000
Net Revenue	\$ 66,120	\$ 199,822	\$ 71,354	\$ 15,000	\$ 3,000	\$ (10,000)	\$ (24,000)
Estimated Reserve Balance	\$ 377,301	\$ 577,123	\$ 648,477	\$ 663,477	\$ 666,477	\$ 656,477	\$ 632,477
Sewer - Capital / Equipment							
Revenues	104,231	98,982	99,996	100,000	100,000	100,000	100,000
Expenditures	30,834	397,000	25,000	25,000	25,000	25,000	25,000
Net Revenue	\$ 73,397	\$ (298,018)	\$ 74,996	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Estimated Reserve Balance	\$ 558,101	\$ 260,083	\$ 335,079	\$ 410,079	\$ 485,079	\$ 560,079	\$ 635,079
Sewer - Debt Service							
Revenues	317,845	286,978	338,917	378,000	305,000	308,000	312,000
Expenditures	746,399	5,000,000	263,504	264,000	264,000	264,000	264,000
Net Revenue	\$ (428,553)	\$ (4,713,022)	\$ 75,413	\$ 114,000	\$ 41,000	\$ 44,000	\$ 48,000
Estimated Reserve Balance	\$ 5,266,259	\$ 553,237	\$ 628,650	\$ 742,650	\$ 783,650	\$ 827,650	\$ 875,650

*Assumes 50% drop in Card Room ERU and 25 new ERU in 2017 & 30 in 2018

2017 Draft Preliminary Budget

Other Funds

	<u>2015 Actual</u>	<u>2016 Estimate</u>	<u>2017 Prelim Budget</u>	<u>2018 Estimate</u>	<u>2019 Estimate</u>	<u>2020 Estimate</u>	<u>2021 Estimate</u>
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Impact Fee Fund							
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Expenditures	-	-	-	-	-	-	-
Net Revenue	\$ 169,952	\$ 140,070	\$ 468,911	\$ 158,000	\$ 111,000	\$ 113,000	\$ 115,000
Estimated Reserve Balance	\$ 268,231	\$ 339,571	\$ 808,482	\$ 966,482	\$ 1,077,482	\$ 1,190,482	\$ 1,305,482
Capital Projects							
Revenues	293,060	851,661	2,460,050	1,048,000	1,049,000	1,019,000	1,019,000
Expenditures	127,921	798,071	2,689,688	-	-	-	-
Net Revenue	\$ 165,139	\$ 53,590	\$ (229,638)	\$ 1,048,000	\$ 1,049,000	\$ 1,019,000	\$ 1,019,000
Estimated Reserve Balance	\$ 4,742,434	\$ 4,796,024	\$ 4,566,386	\$ 5,614,386	\$ 6,663,386	\$ 7,682,386	\$ 8,701,386
Vehicle/Equipment Replacement							
Revenues	106,238	114,233	6,708	7,000	7,000	7,000	7,000
Expenditures	123,897	51,388	-	50,000	50,000	50,000	50,000
Net Revenue	\$ (17,659)	\$ 62,845	\$ 6,708	\$ (43,000)	\$ (43,000)	\$ (43,000)	\$ (43,000)
Estimated Reserve Balance	\$ 286,405	\$ 349,249	\$ 355,958	\$ 312,958	\$ 269,958	\$ 226,958	\$ 183,958

2017 Draft Preliminary Budget

Reserve Policies/Balances

<u>Account/Fund Name</u>	<u>Purpose</u>	<u>Reserve Level</u>	<u>2017 Balances</u>			<u>Indicator</u>
			<u>Beginning</u>	<u>Est Ending</u>	<u>Change</u>	
Unrestricted General Fund Operating Reserve	Pay monthly expenses and accommodate seasonal fluctuations in revenues	25% of annual expense budget	\$ 1,558,836	\$ 927,745	\$ (631,091)	25%
Revenue Stabilization Reserve	Offset unanticipated and significant fluctuations in on-going revenues or unanticipated events	100% of annual expense budget	\$ 4,572,514	\$ 4,660,340	\$ 87,827	125%
Sewer Utility Debt Service Reserve	Pay sewer utility debt outstanding assuming annual \$5/ERU/mo. Rate increase from 2014 through 2019	Amount required to pay 100% of outstanding debt through 2028	\$ 553,237	\$ 628,650	\$ 75,413	N/A
Sewer Utility Repair and Replacement Reserve	Pay projected sewer utility repair and replacement expenses through 2018 not funded through rates	Estimated \$100,000 per year	\$ 260,083	\$ 335,079	\$ 74,996	Meeting
Equipment Replacement Reserve	Fund on-going replacement of vehicles and major equipment	Estimate required to pay for planned vehicle replacements	\$ 349,249	\$ 355,958	\$ 6,708	Funded to 2021
General Capital Reserve	Set aside funds to pay for the City's high priority capital projects	Amount remaining after funding other reserves	\$ 4,796,024	\$ 4,566,386	\$ (229,638)	Roundabout/ TIF \$
Total:			\$ 12,089,944	\$ 11,474,158	\$ (615,786)	

**Excludes Impact Fee and Sewer Operations funds (\$916,000 beginning balance)*

Feedback/Questions

- Council feedback/discussion
 - Preliminary draft budget/budget approach?
 - October 26 Council meeting presentation?
- Next Steps
 - Consider Council feedback and complete additional review by Mayor and staff
 - Updated preliminary budget to be provided on October 26th
 - Finalize proposed budget and present to Council in early November
 - Public Hearings in November/December



Thank You
