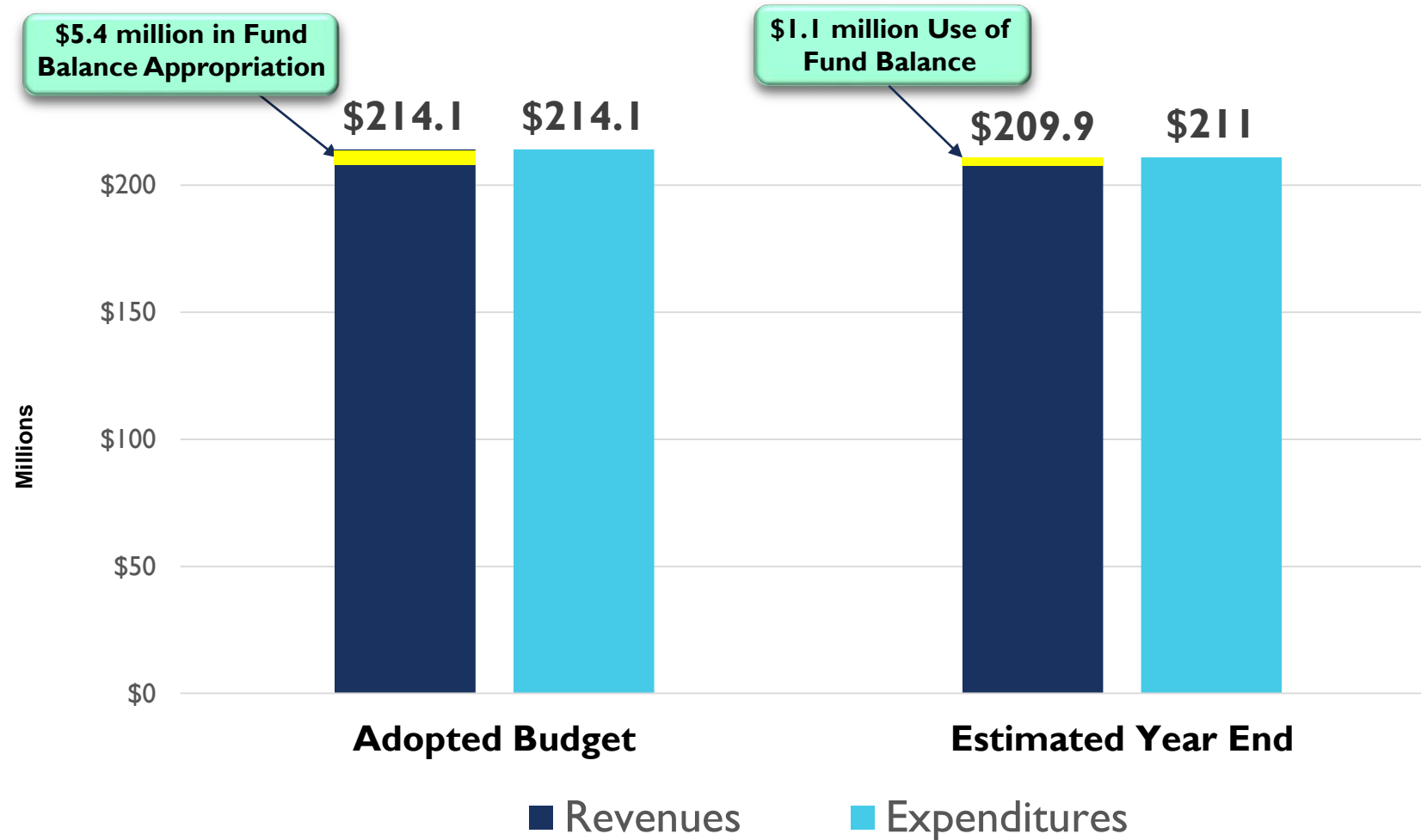


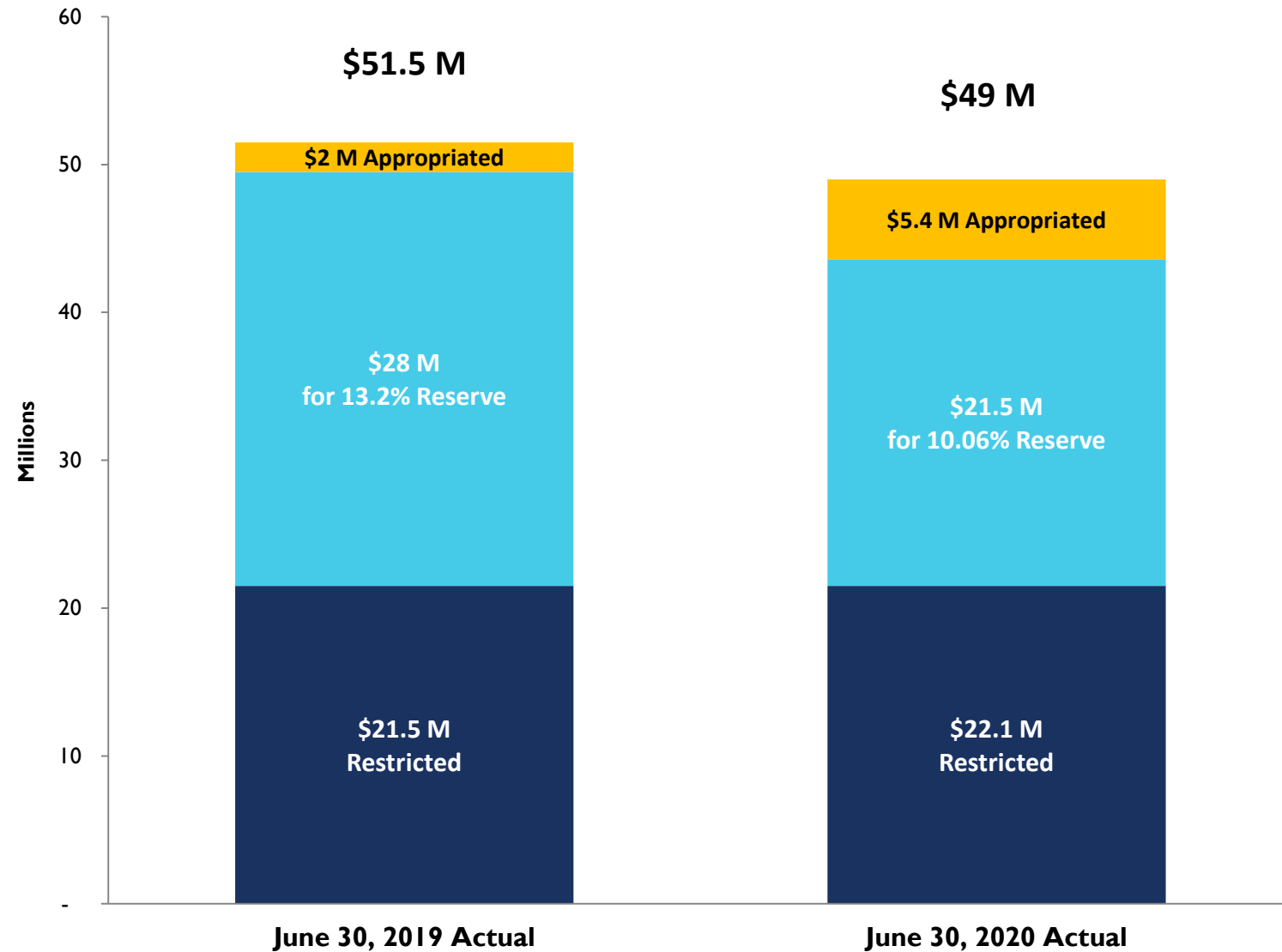
# EARLY BUDGET FORECAST



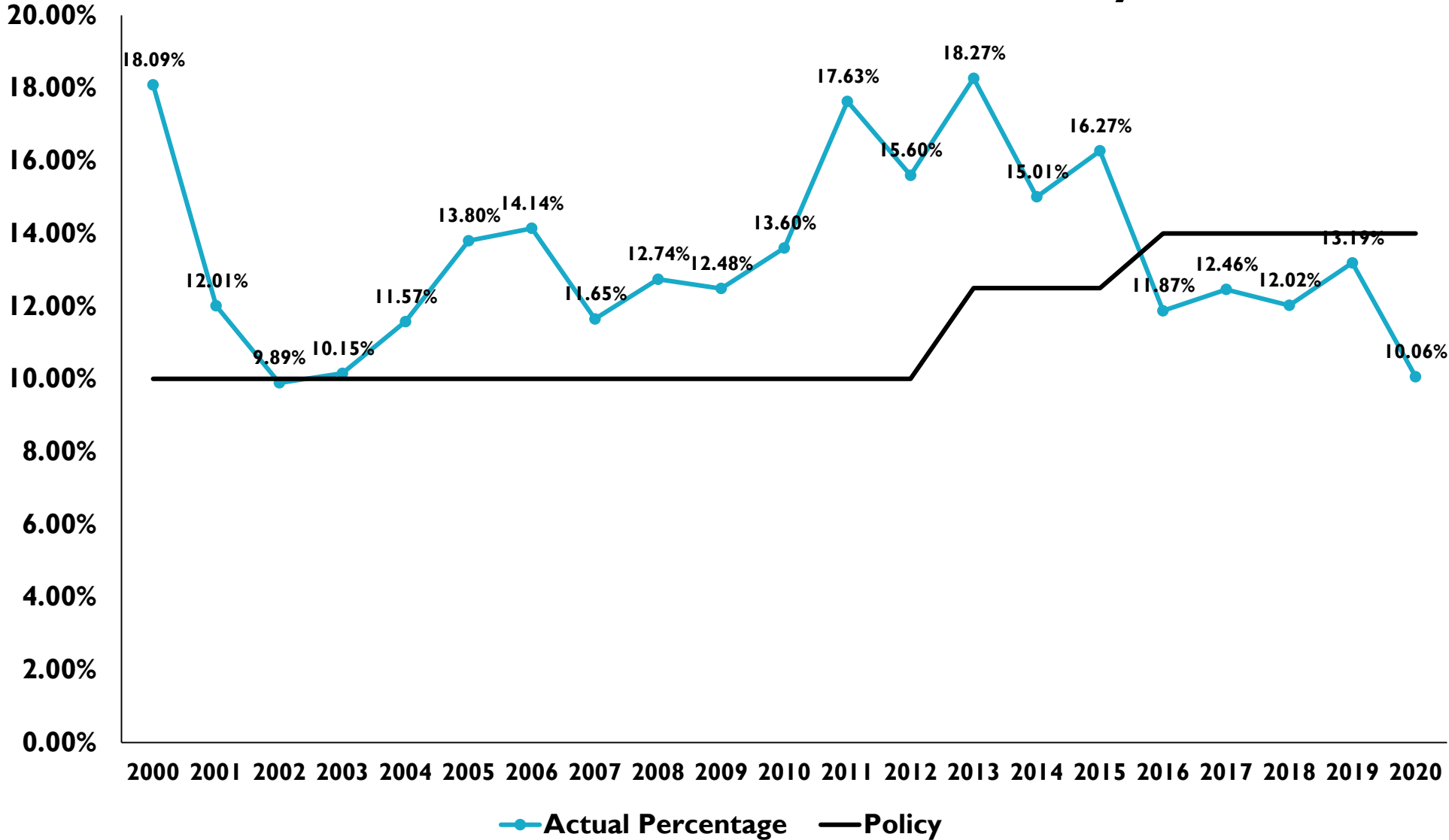
# FY 2020-21 YEAR-END ESTIMATED YEAR-END (GENERAL FUND)



## General Fund Balance at June 30, 2020 compared to June 30, 2019 Actual



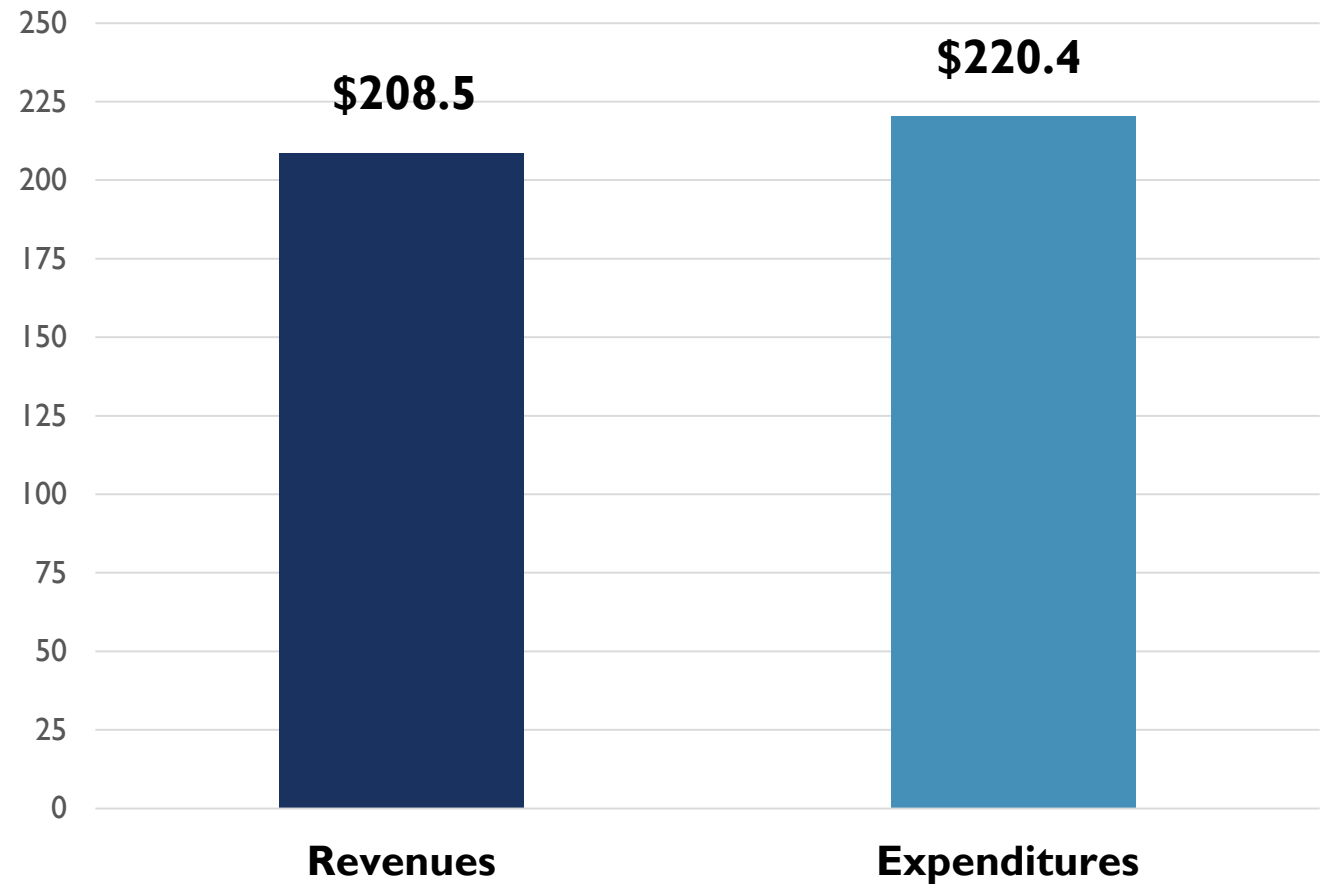
# General Fund Balance Reserve Policy



# FY 2021-22 GENERAL FUND PROJECTED BUDGET



- Expenditures over Revenues  
= **\$11.9 million Gap**



# FY 2021-22

## PROJECTED BASE BUDGET DRIVERS (GENERAL FUND)



### EXPENDITURE DRIVERS

2% Merit (all employees)	\$2 million (net increase)
2% Public Safety Supplemental Pay (effective January 1, 2022)	\$800,000
1% Public Safety Supplemental (effective January 1, 2021, full year impact)	\$800,000
Parking Fund Subsidy (reinstate)	\$800,000
Police Axon Contract Renewal (Body-worn cameras, tasers, licenses, data storage)	\$420,000
Minimum Wage Increase to \$15 per hour	\$280,000
Recycling Contract (1/4-year cost)	\$250,000

- Total Base Budget Increase:  
**\$6.2 million (3%)**

# FY 2021-22

## PROJECTED BUDGET-TO-BUDGET CHANGES (GENERAL FUND)



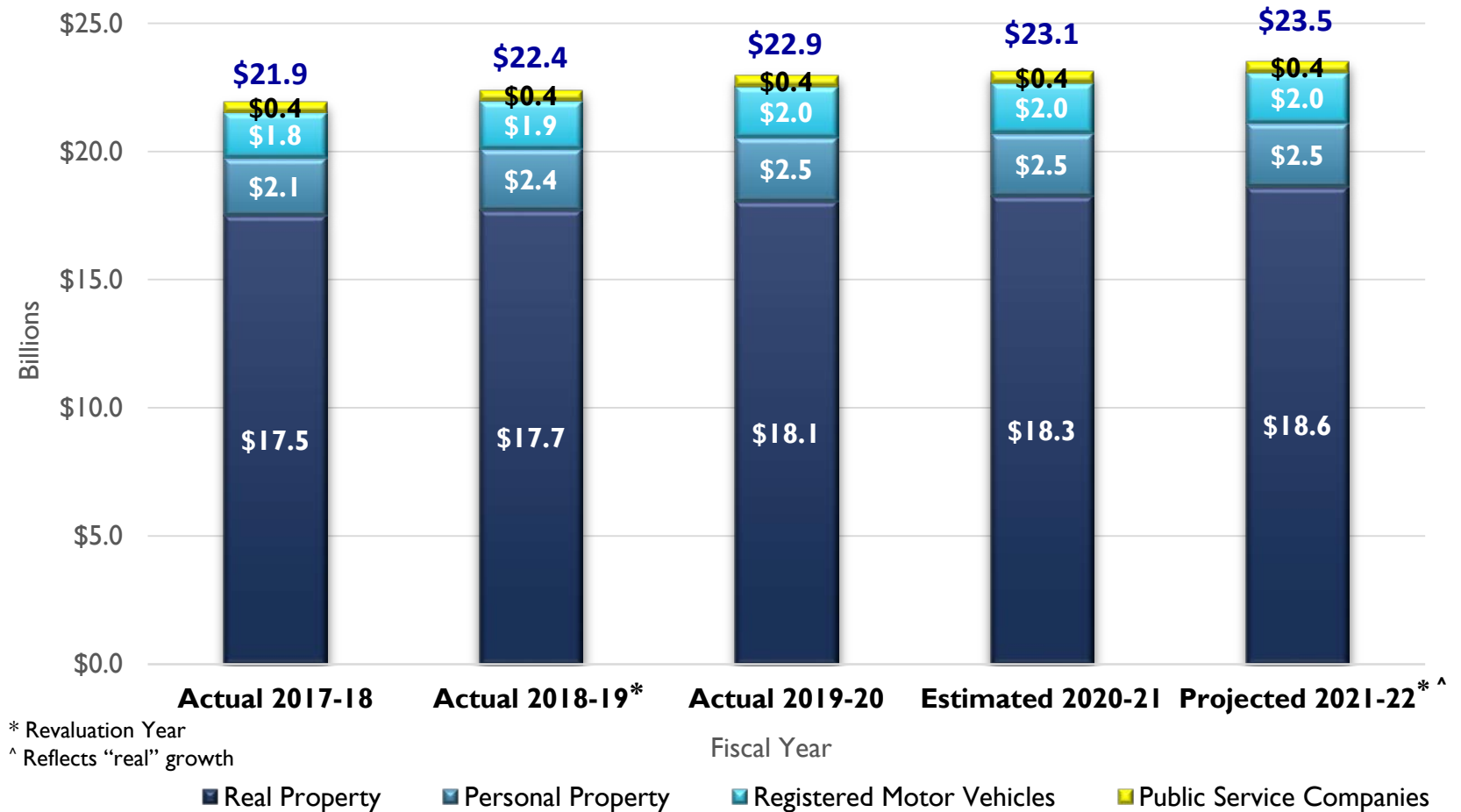
MAJOR REVENUES	CHANGES +/-
<b>Property Taxes</b> (FY 2021-22 assumes a 1.77% growth above estimated year-end) <i>*County-wide reappraisal underway for 2021; assumes revenue neutral adjustment and rate</i>	<b>\$1.4 million</b>
<b>Sales Taxes</b> (FY 2021-22 assumes no growth above projected year-end)	<b>\$4.9 million</b>
No Anticipated Changes to User Fees	

# PROPERTY TAX BASE

## (GENERAL FUND, DEBT SERVICE, AND TRANSIT FUNDS)



- 1% Estimated Tax Base Growth Year-end FY 2020-21
- 1.77% Projected Tax Base Growth for FY 2021-22





## NEW NORMAL

- ❖ Long-term Impact of COVID-19
- ❖ Slower Revenue Growth
- ❖ Uncertain Rate of Economic Recovery
- ❖ Need for New Budgetary Constraints
- ❖ Strategy to Rebuild Fund Balance

## BUDGET GOALS

- Reinstate regular employee pay for performance
- Replace aging equipment and vehicles
- Further enhance information systems technology
- Respond to growing service needs
- Maintain City's AAA credit rating

# Fiscal Austerity Measures

- Resolution Approved by the Mayor and City Council during budget adoption.
- Implemented on July 1, 2020
- Response to the economic repercussions of the COVID-19 pandemic.

1. Any special project requested by the Mayor, a Council Member(s), and City management will require **approval of the full City Council**. Special projects are defined as unplanned capital expenditures, special events, or other special requests with an estimated **cost of \$1,000** or more and/or an allocation of staff time that exceeds more than two workdays.
2. For any approved special project, the **unbudgeted expenditure** must be funded by an **offsetting reduction** in expenditures.
3. Any special project request must be presented to the Mayor and City Council as a formal Council Action, along with a **fiscal note** that provides the estimated cost, allocation of staff time, offsetting expenditure reduction, and impact on service delivery.
4. The City's financial policy regarding **general fund balance** is revised to reserve the full amount of any addition to fund balance in order to comply with the City Council's policy to **reserve 14%** of total general fund expenditures.

# FY 2021-2022 PRELIMINARY BUDGET REVIEW CALENDAR



Date/Location	Event/Topic
Monday, February 8 (4:30 p.m.)	Early Budget Forecast
Monday, April 12 (4:30 p.m.)	FY 2021-22 Trial Balanced Budget
Thursday, May 20 (4:00 p.m.)	Presentation of Proposed Budget to the Mayor and City Council Budget Overview, Budget Document, and 2022-2027 Capital Plan
Thursday, May 27 (5:00 p.m.)	Finance Committee Budget Workshop Community Agencies Highlights
Thursday, May 27 (7:00 p.m.)	Finance Committee Public Hearing
Thursday, June 3 (4:00 p.m.)	Finance Committee Budget Workshop Consideration of a recommended budget and property tax rate
Monday, June 21 (7:00 p.m.)	FY 2021-22 Budget Adoption 2 <sup>nd</sup> Public Hearing and Budget Adoption