



General Fund Five-Year Forecast and Initial FY18 Revenue Estimates

FY18 Budget Process Calendar



Month	Topics on Each Agenda (Meeting Date)
December	- <i>FY17 Beginning Balance Increase; FY18 One-time Resources & Priorities for General Fund (12/5)</i>
February	- <i>Five-Year Forecast & Initial Revenue – General Fund (2/6)</i>
March	- Compensation & Benefits/Self-Insurance (3/20) - Funding Requests Overview (3/20)
April	- Draft Budget –Enterprise Funds (4/10) - Draft Budget – General & Other Funds, CIP (4/17) - 3 rd Draft Budget Session if required (4/24)
May-July	- Adoption steps

Agenda



GENERAL FUND

- FY17 Beginning Balance Explanation
- FY17 and FY18 Revenue Update
 - Ongoing and One-time
 - Competing demands for resources
- Five-Year Forecast
 - Ongoing
 - One-time

FY17 Beginning Balance

FY17 Beginning Balance Increase



BUDGETARY BASIS

	Budget Estimate	Actual Results	Variance
Resources (beginning balance, revenues, transfers in)	\$ 139.3M	\$ 143.2M	\$ 3.9M
Uses (O&M, CIP, debt service, transfers out)	(93.5M)	(87.1M)	6.4M
Ending Balance	\$ 45.8M	\$ 56.1M	\$ 10.3M

FY17 Total Beginning Balance



BUDGETARY BASIS

FY17 Budgeted Amounts:

FY16 Anticipated Savings*
FY16 to FY17 Carryovers
Unbudgeted Resources

\$ 30.7M
15.0
0.1

*Primarily FY16
Contingency, FY15
yearend savings and
FY16 estimated
revenue and
expenditure savings.

FY16 Unanticipated Savings:

Revenue Increases
Expenditure Savings

3.9
6.4

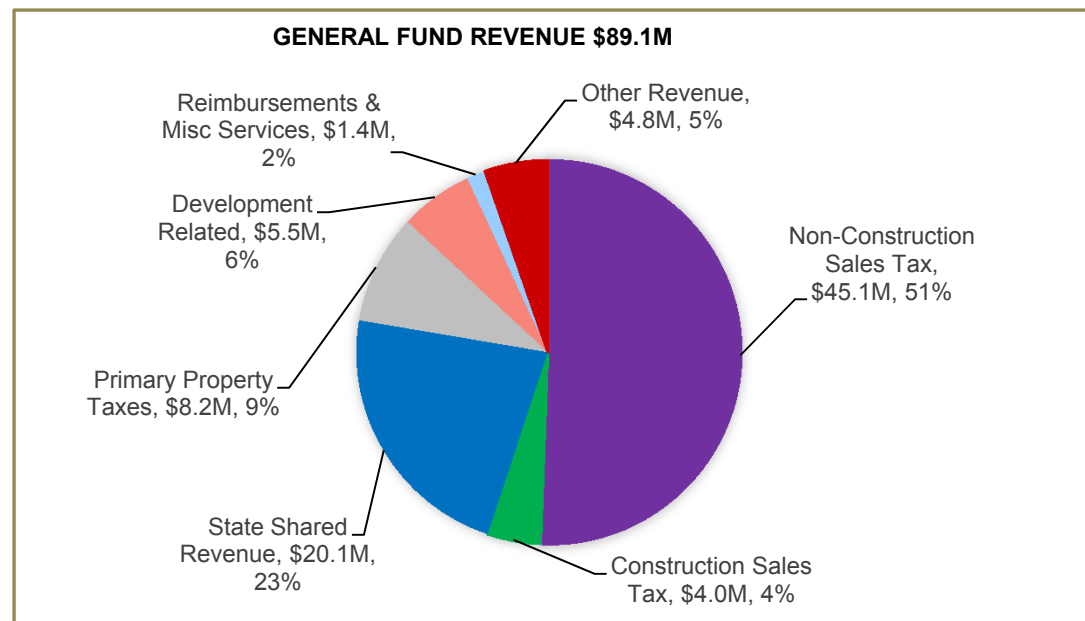
\$ 56.1M

FY17 and FY18 Initial Revenue Estimates

FY17 Budget - Revenue



GENERAL FUND



FY17 Revenue Trends



90% OF ONGOING REVENUE

- Non-Construction Sales Taxes
 - Ahead of prior year and budget
- State shared revenues
 - Near budget
- Primary property
 - Near budget

FY17 and FY18 Revenue Estimates



ONGOING

- Non-Construction Sales Tax
 - FY17: 5% over prior year
 - \$1.5M increase
 - FY18: 4.5% over FY17 estimate - \$2M
 - \$3.5M new revenue (above FY17 budget)
- State Shared Revenues
 - FY18: Uncertain due to legislative change
 - \$0 - \$900,000
- Primary Property Tax
 - FY18: Maximum allowable levy
 - \$0.4M new revenue

FY17 and FY18 One-time Revenue



TRENDS AND ESTIMATES

- 2.5% of Construction Sales Tax
 - Ahead of budget, near prior year
 - New FY18 revenue
 - FY17: increase \$1.0M
 - FY18: estimate \$4.2M
- Project specific reimbursements
 - Primarily street capital projects

Summary of Initial FY18 New Resources



IN MILLIONS OF DOLLARS

	<u>Ongoing</u>	<u>One-time</u>
Sales Tax	3.5	
State Shared	0-1.0	
Property Tax	0.4	
Construction Sales Tax		4.2
FY17 Revenue Increase		2.5
	<hr/> 3.9 – 4.9	<hr/> 6.7

FY18 Potential Resource Adjustments



- Ongoing
 - More months actual of sales tax (based on October)
 - Information on state shared
 - Assessed valuations – new construction
- One-time
 - More months of actual sales tax
 - Refine FY17 expenditure and revenue estimates

FY18 Competing Demands on New Ongoing - \$12M+



NEW RESOURCES - \$4-5M

Base Budget Changes/Existing Agreements	Existing Priorities/Other
MOU increase - \$1.4M	Op Cost Set-Aside - \$0.9M
Public Safety Pension - \$1.3M	Police Squad - \$0.6M (net new)
Non-Represented Compensation - TBD	1 - 24 hour Ambulance – Net \$0.1M
Obligations/Inflation - \$1M+	Fire station staffing - TBD
Library - \$0.4M (net new)	CAP Water/SRP project - TBD
Contingency increase – \$2M	Other supplemental requests - \$4M+

Net New – After allowing for use of FY17 Op Cost Set-Aside allocation

FY18 Initial One-time General Fund Estimates



IN MILLIONS OF DOLLARS

	Initial Estimates
Beginning Balance	15.2
Construction Sales Tax	4.2
PIC Stadium Debt Set-Aside	2.1
Op Cost Set-Asides*	0.9
Total Resources	22.4
Adopted CIP	6.3
Asset Management	8.0
Total Uses	14.3
Available Balance	8.1

*Assumes funding police squad and library consistent with Op Cost Set-Aside.

Would require use of \$0.7M of available one-time for police squad.

FY18 Demands on One-time - \$16M+



\$8+M AVAILABLE AFTER ADOPTED CIP & ASSET MANAGEMENT

- Department needs/obligations - \$0.4M
- Other supplemental requests - \$8M
- Ambulance - \$1.8M
- Police Squad - \$0.7M
- Fire Station 181 replacement - \$5M+
- Other CIP Requests – Under review
- Costs to finance advance of impact fee projects – 30-acre park, police ops phase II - TBD
- Self insurance - TBD
- Expand asset management - TBD
- CAP Water/SRP project - TBD

Five-Year Forecast

Forecast Assumptions



USES FY17 BUDGET AS BASE

	FY19	FY20	FY21	FY22	FY23
Non-Construction Sales Tax	3 – 7%	2 - 6%	0 – 10%	0 - 10%	0 - 10%
Construction Sales Tax & Development Related	0 - 5%	(3) - 3%	(5) - 5%	0 - 5%	0 - 5%
Property Tax – Maximum Allowable	2% + New Property	2% + New Property	2% + New Property	2% + New Property	2% + New Property
O&M Expenses	2 – 5%	2 – 5%	2 – 8%	2 – 8%	2 – 8%

Forecast – Net New Ongoing



IN MILLIONS OF DOLLARS

	FY19	FY20	FY21	FY22	FY23
Sales Tax & State Shared	2.0 - 4.6	1.4 - 4.3	0 - 7.5	0 - 8.3	0 - 9.1
Property Tax	0.4	0.4	0.4	0.4	0.4
New Ongoing	2.4 - 5.0	1.7 - 4.7	0.4 - 7.9	0.4 - 8.7	0.4 - 9.5
O&M Costs	(1.5 - 3.7)	(1.5 - 3.9)	(1.5 - 6.6)	(1.6 - 7.1)	(1.6 - 7.7)
Potential Supplementals	0.9 - 1.3	0.2 - 0.8	(1.1) - 1.3	(1.2) - 1.6	(1.2) - 1.8

Forecast – One-time



IN MILLIONS OF DOLLARS

Construction Sales Tax	4.2 - 4.4	4.1 - 4.5	4.1 - 4.8	4.1 - 5.0	4.1 - 5.3
Prior Year Fund Balance	5.0 - 10.0	5.0 - 10.0	5.0 - 10.0	5.0 - 10.0	5.0 - 10.0
Total Resources	9.2 - 14.4	9.1 - 14.5	9.1 -14.8	9.1 - 15.0	9.1 - 15.3
Asset Management	7.1	7.1	7.6	6.9	6.8
Adopted FY17-26 CIP	1.9	1.6	1.9	3.2	2.4
Anticipated Uses	9.0	8.7	9.5	10.1	9.2
Available	0.2 - 5.4	0.4 - 5.8	(0.4) - 5.3	(1.0) - 4.9	(0.1) - 6.1

Questions and Discussion