



DATE: February 9, 2023
TO: Ty Lasher, City Manger
FROM: Ted Henry, Assistant City Manager/ Finance Director
SUBJECT: Long Range Financial Forecast Presentation

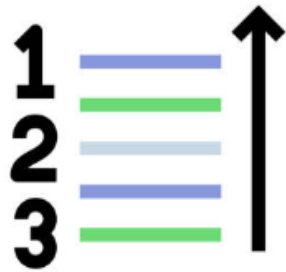
Summary

The forecast presented below provides a long-range financial assessment of revenues and expenditures. The primary objective is to provide the City Council with a financial forecast and identify any significant issues that may need to be addressed in the annual budget development process.

It is important to keep in mind that a forecast is not a budget. This long-range forecast is a vehicle that peers into the future and make projections about what is likely to happen given certain assumptions.

This analysis is centered on the City's General Fund because it is the primary operating budget for tax supported municipal services. Long range financial forecasting assists the City in making decisions that lead to our ability to fund prioritize projects while sustaining core services.

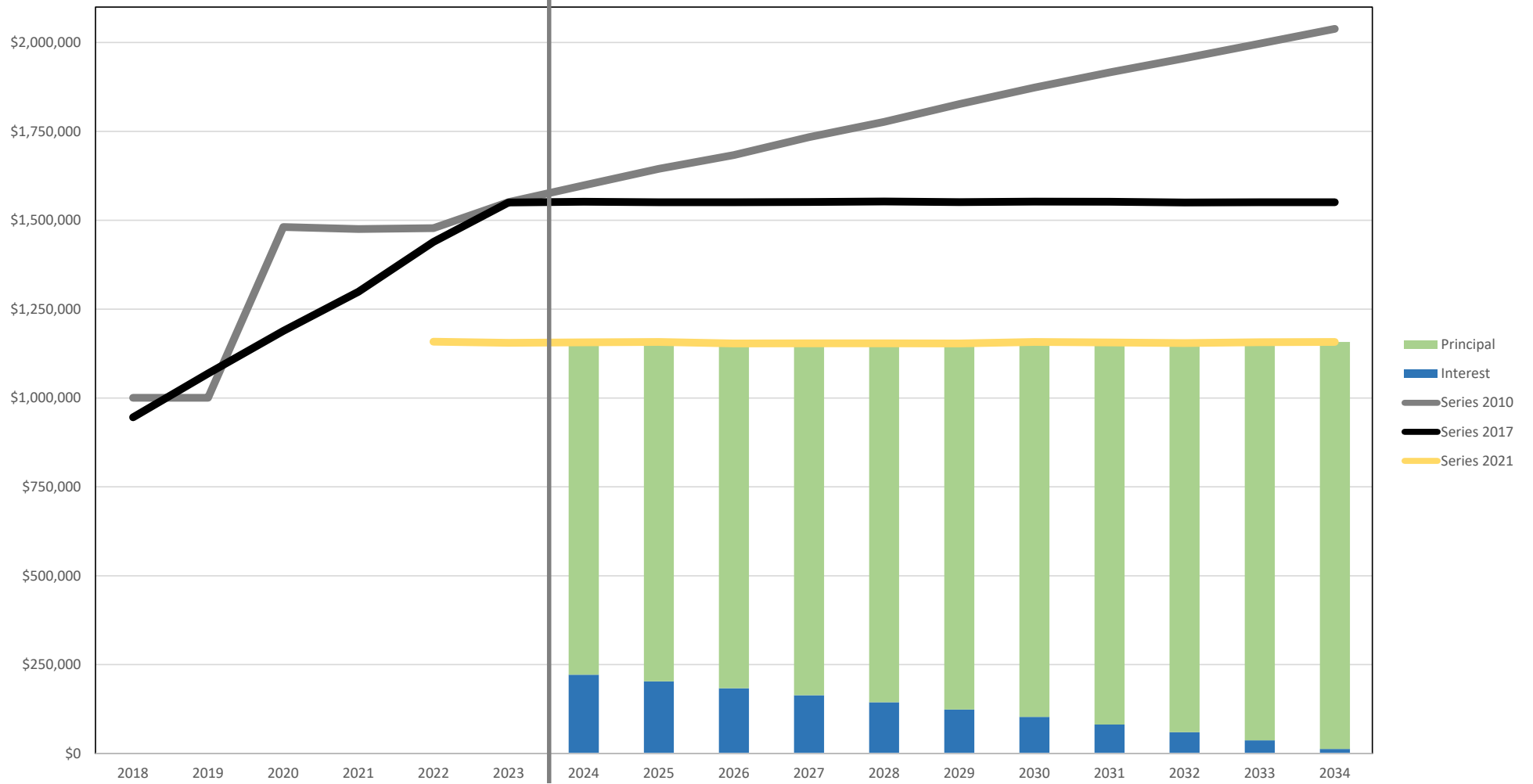
I look forward to giving my presentation and the discussion on at the February 14, 2023 workshop.



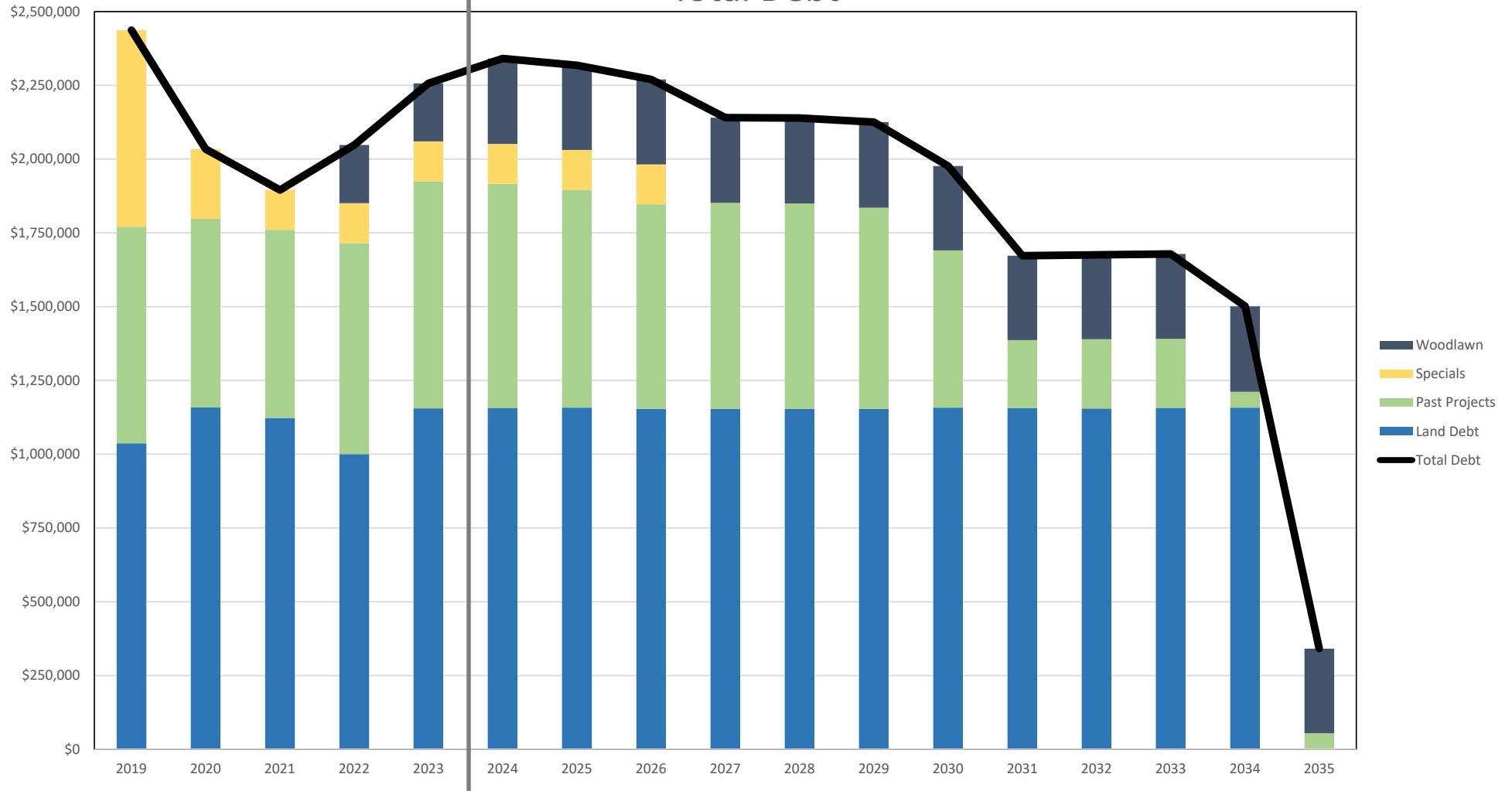
PRIORITIES

1. 53rd Street replacement from Oliver to Woodlawn (\$2.5M)
2. 45th Street replacement from Oliver to Woodlawn (\$2.5M w/WAMPO)
- ~~3. HVAC at City Hall~~
4. Upgrade / Expand Existing Public Works Facility
- ~~5. Electronic Locking System for City Hall~~
6. Refresh Existing Parks
7. Overlay of 53rd Street from Rock to Woodlawn
8. Replacing Central Park Pool with Splashpad
9. Build / Link Sidewalks / Bike Paths
- ~~10. Sidewalk from Central Park Avenue to Isely~~
11. Build New Parks
12. Woodlawn Expansion from 45th to 53rd (\$2.5M)
13. Rock Road Expansion from 45th to K-254 (\$5.0M)
14. Upgrade / Expand ERP Software
15. Expand / Upgrade Existing Rec Center
16. Add Turn Lanes at 53rd & Woodlawn

Land Debt

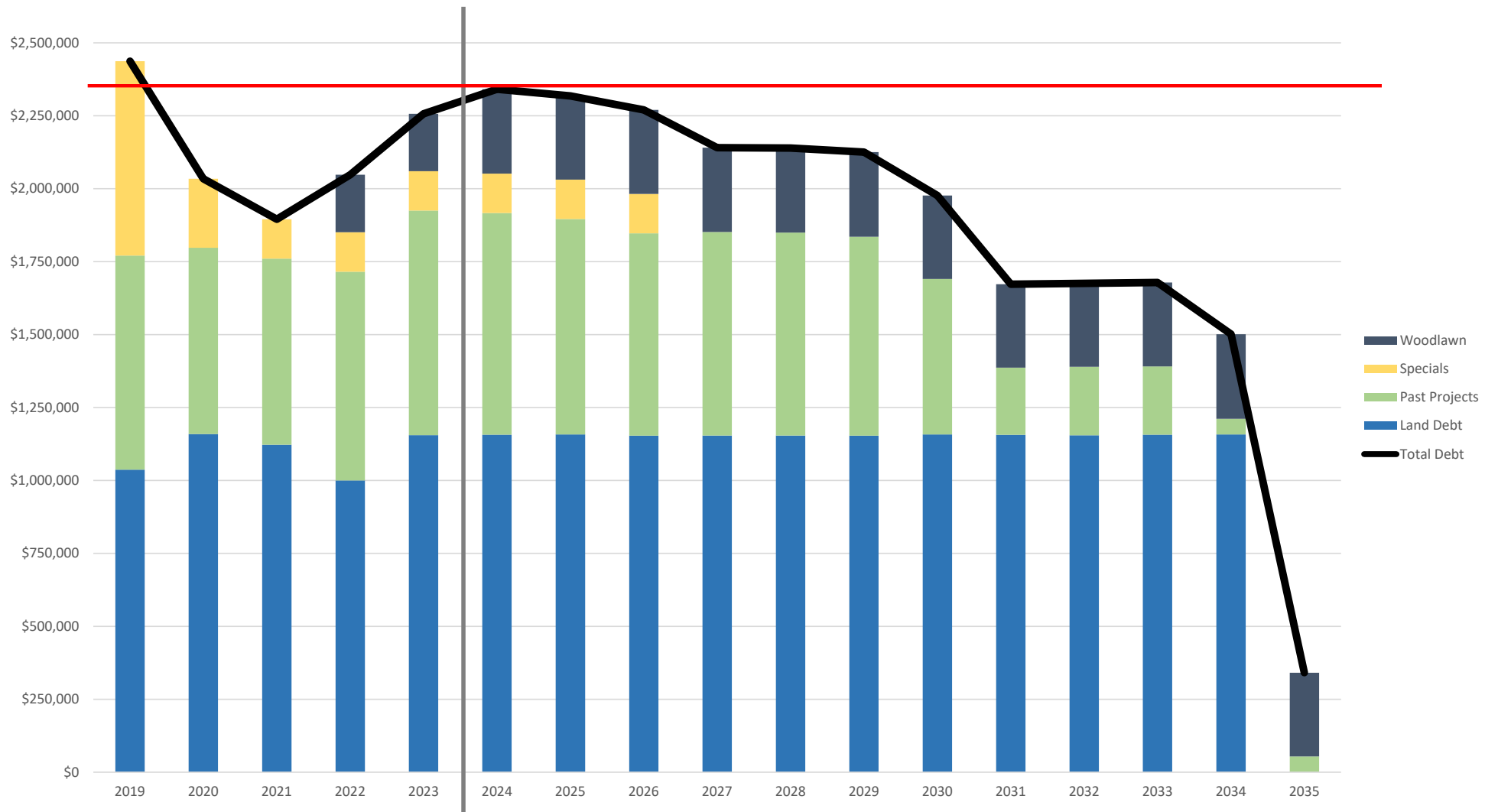


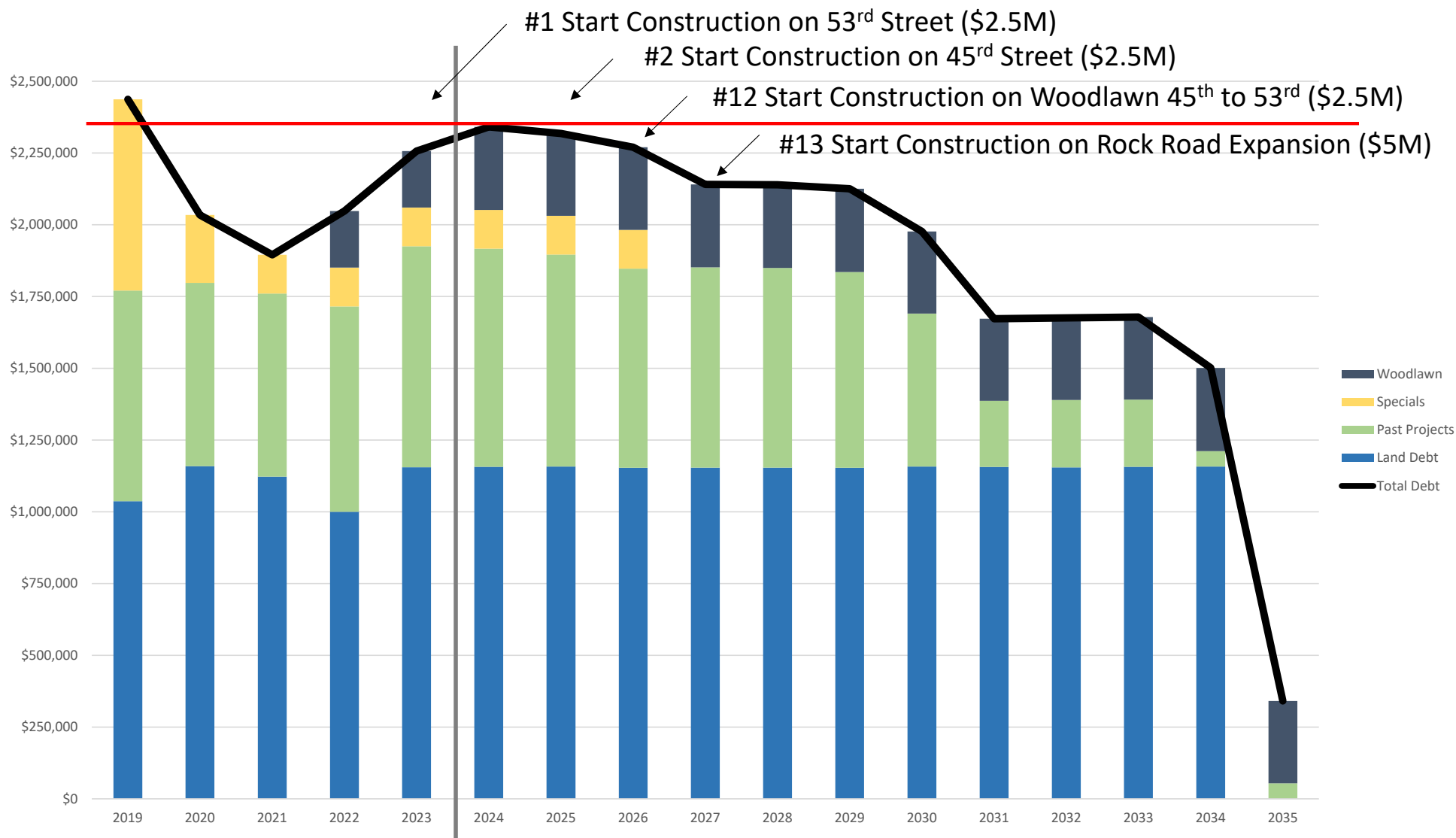
Total Debt

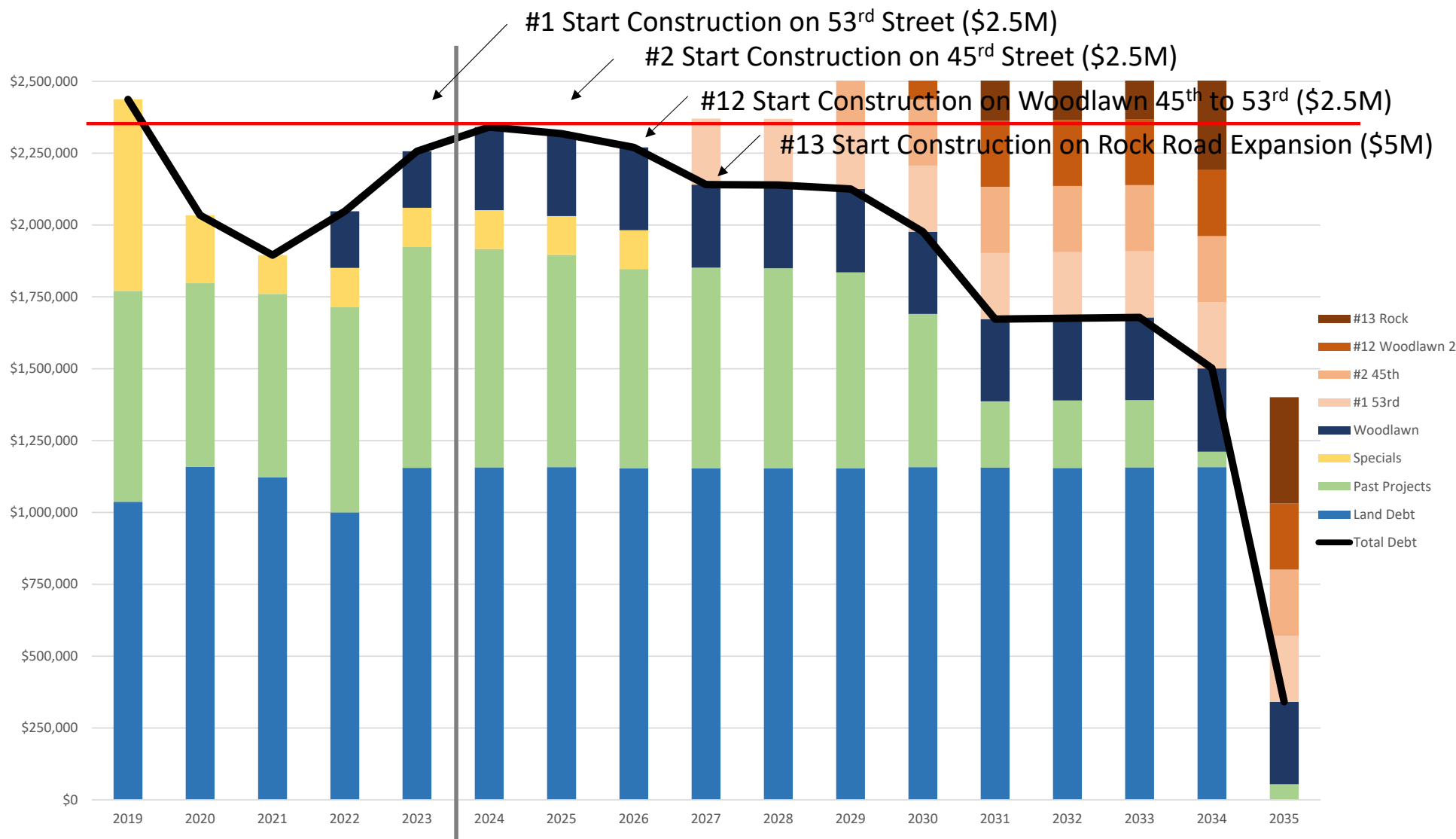


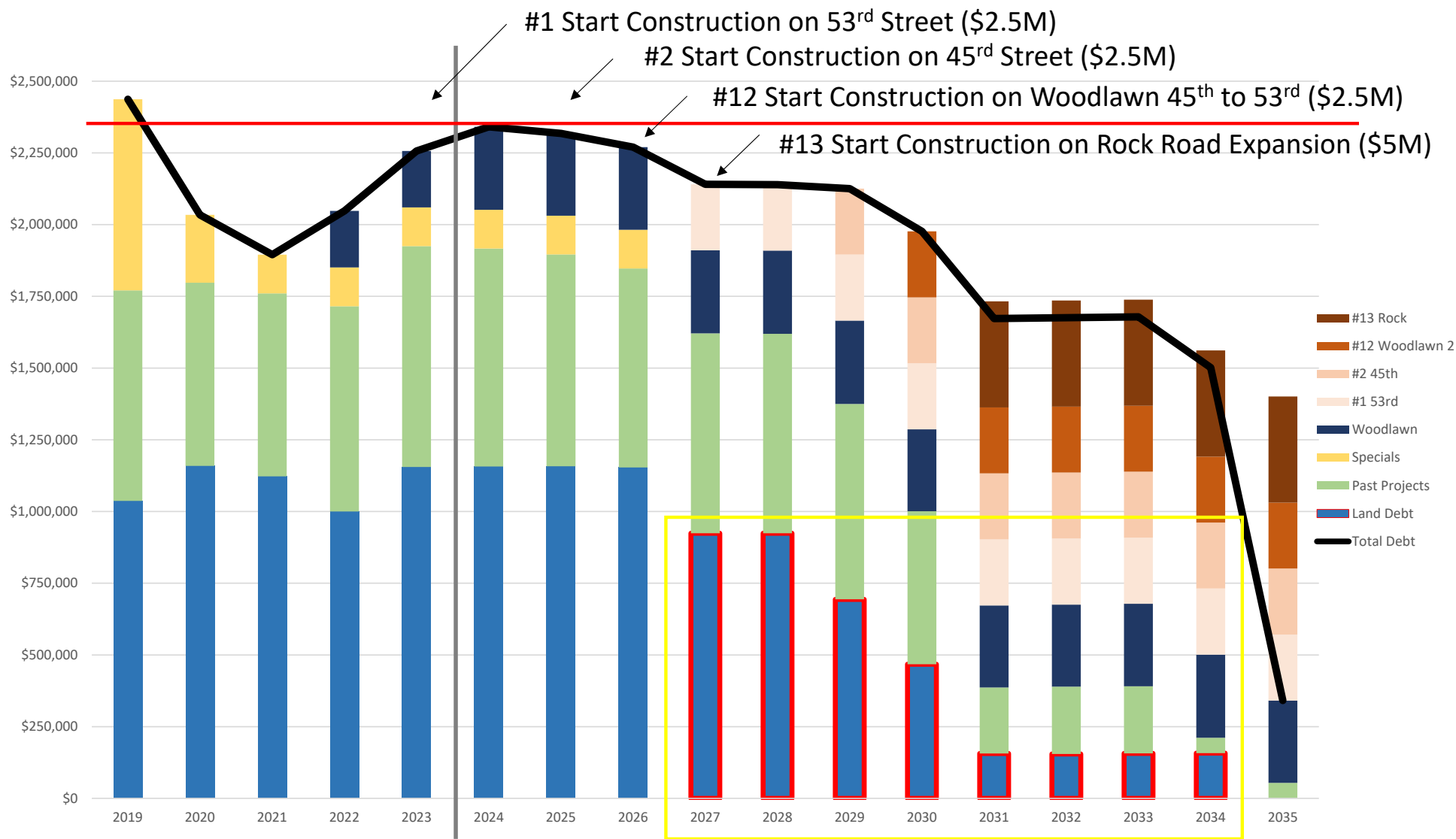
Using Temporary Notes

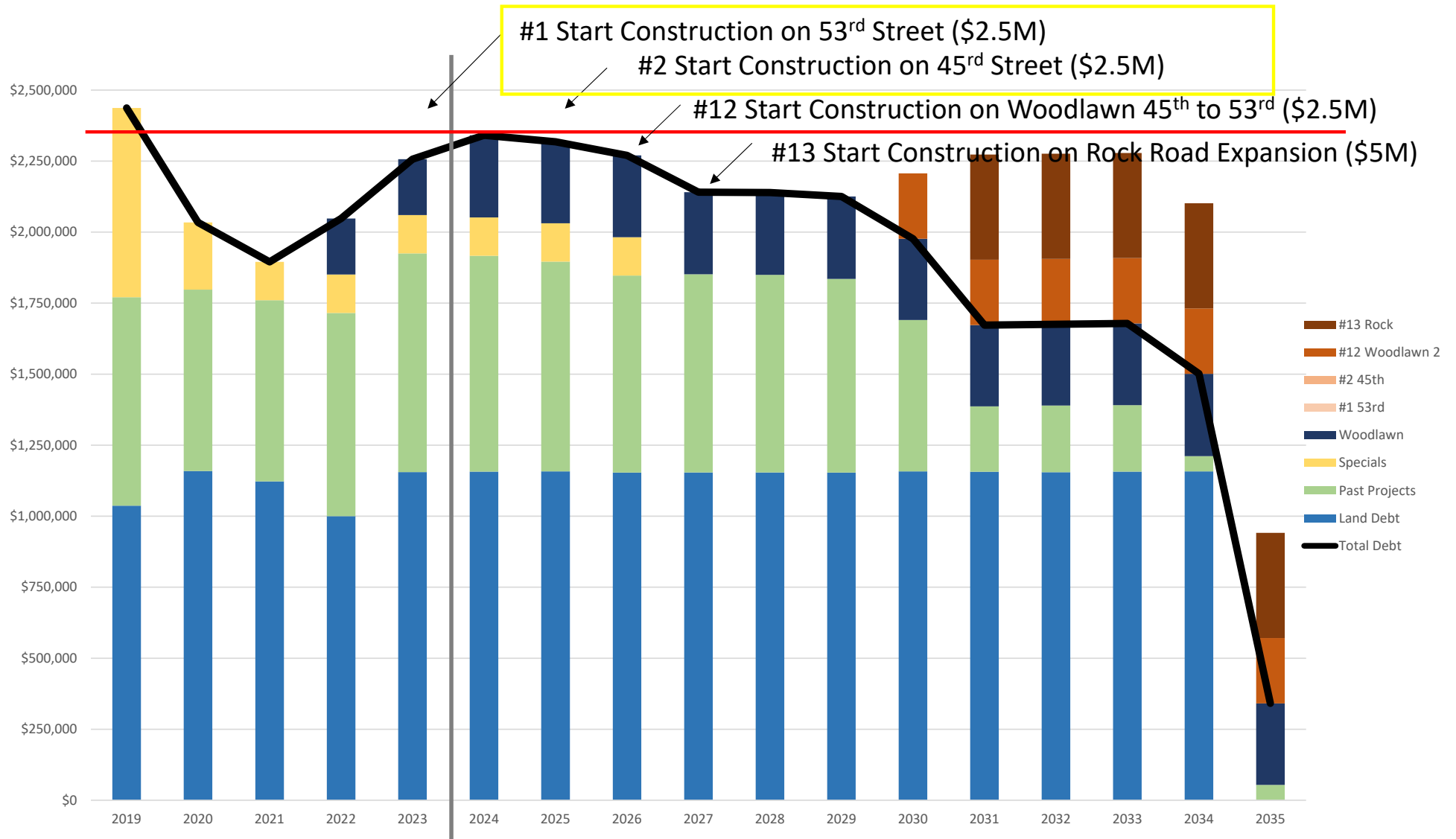
- Capital project financing is complex and occurs in an environment that includes numerous shifting variables. *(Woodlawn)*
- Projects are financed with temporary notes during the construction phase of the project.
- Upon project completion, permanent financing is established by either issuing bonds or using cash to retire temporary notes.
- Call provisions give the City flexibility to convert notes to bonds. *(3-year window)*
- Interim financing mitigates risk and potential tax consequences *(arbitrage)*

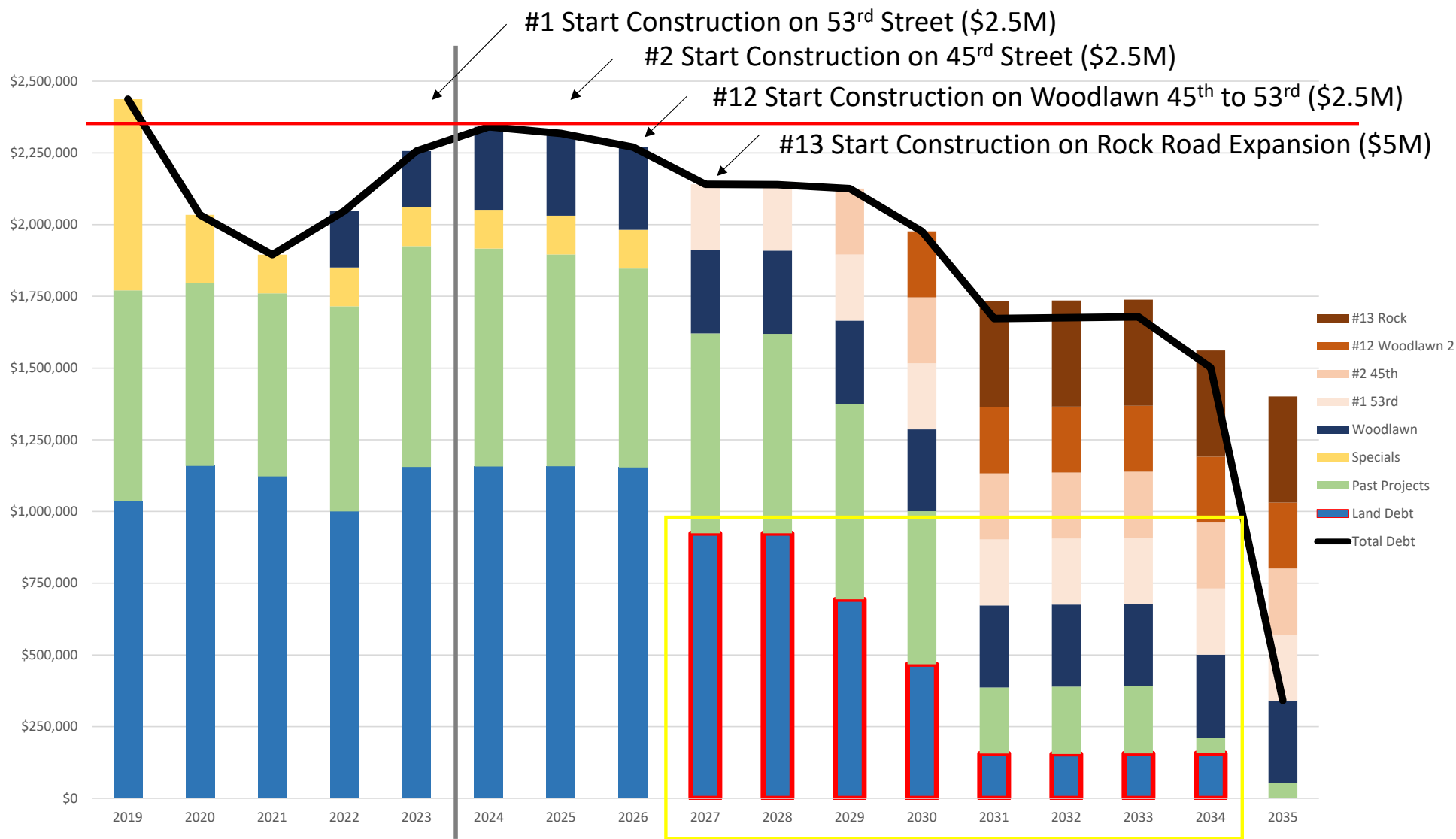


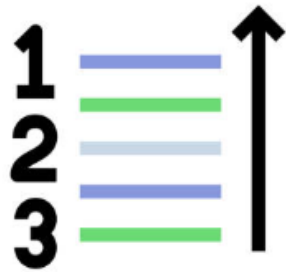






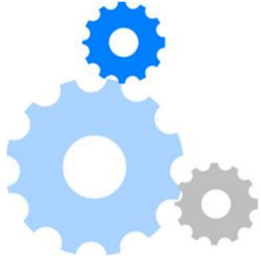






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The **Operating Budget** includes personnel costs and annual facility operating costs. There are three functional areas in the budget: general government, public safety and culture/recreation. It is funded primarily from property taxes, sales taxes, permits, fees, and other smaller sources of revenue.

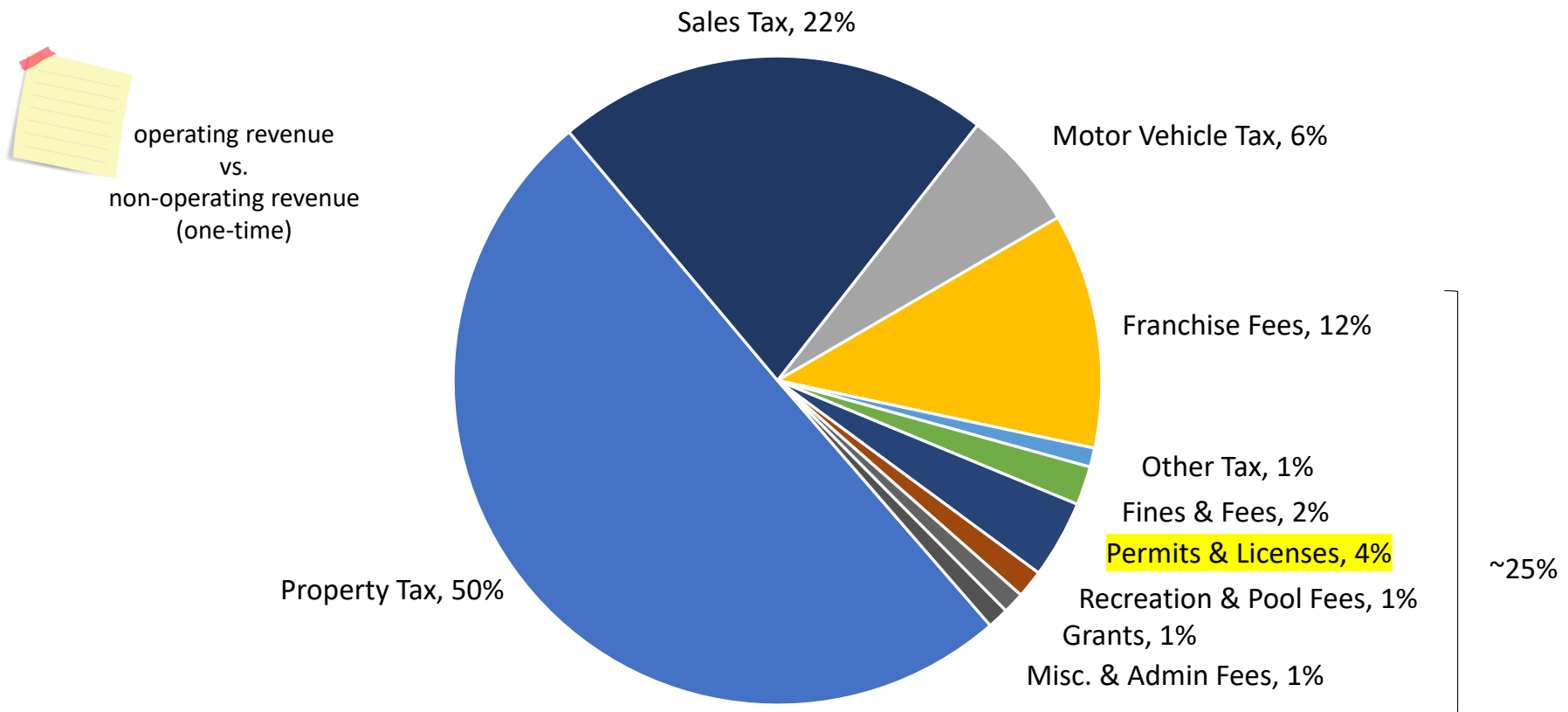


The **Capital Budget** funds large improvements to facilities and infrastructure. Capital Improvements Program (CIP) Plan. The CIP is reviewed annually for the acquisition, renovation or construction of new or existing facilities and infrastructure.

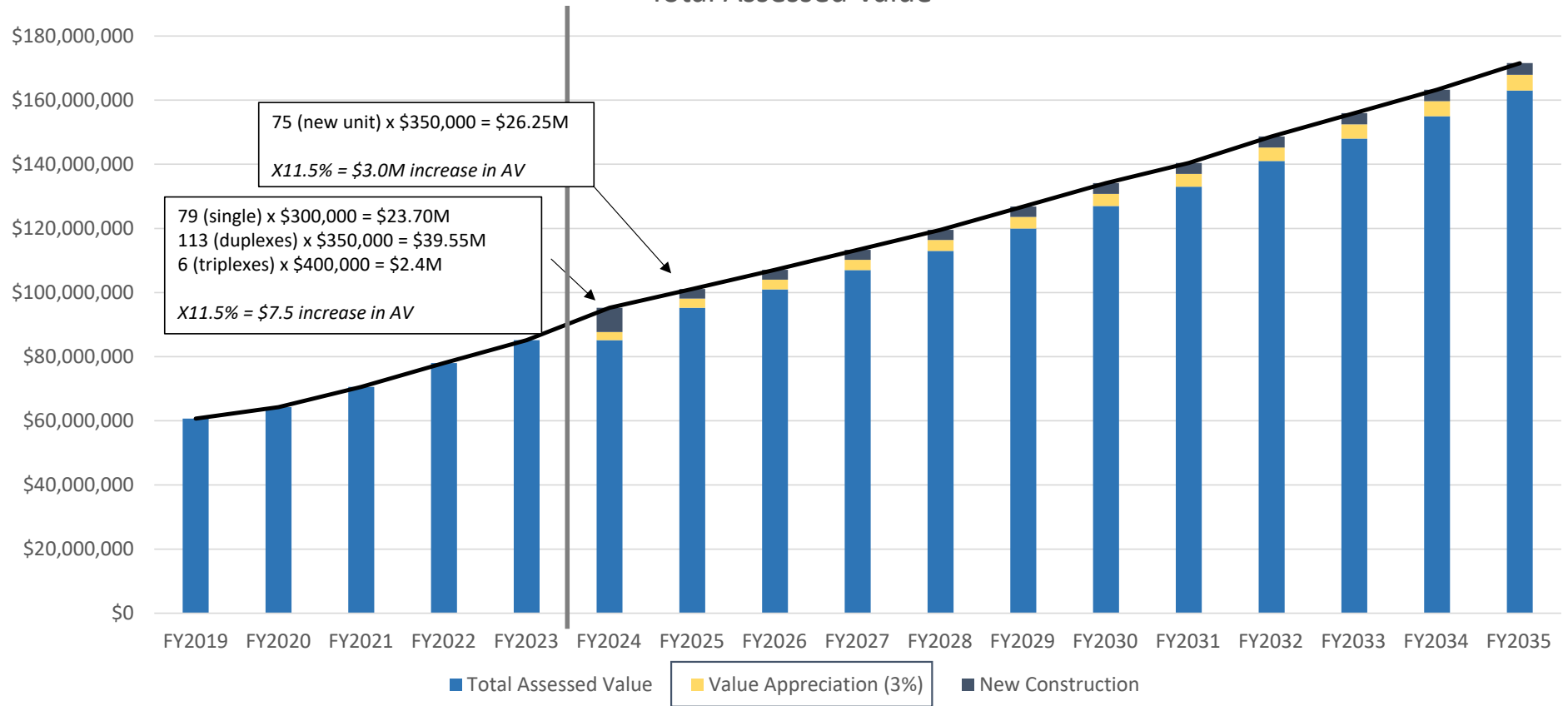


The General Fund budgets transfers to our CIP each year.

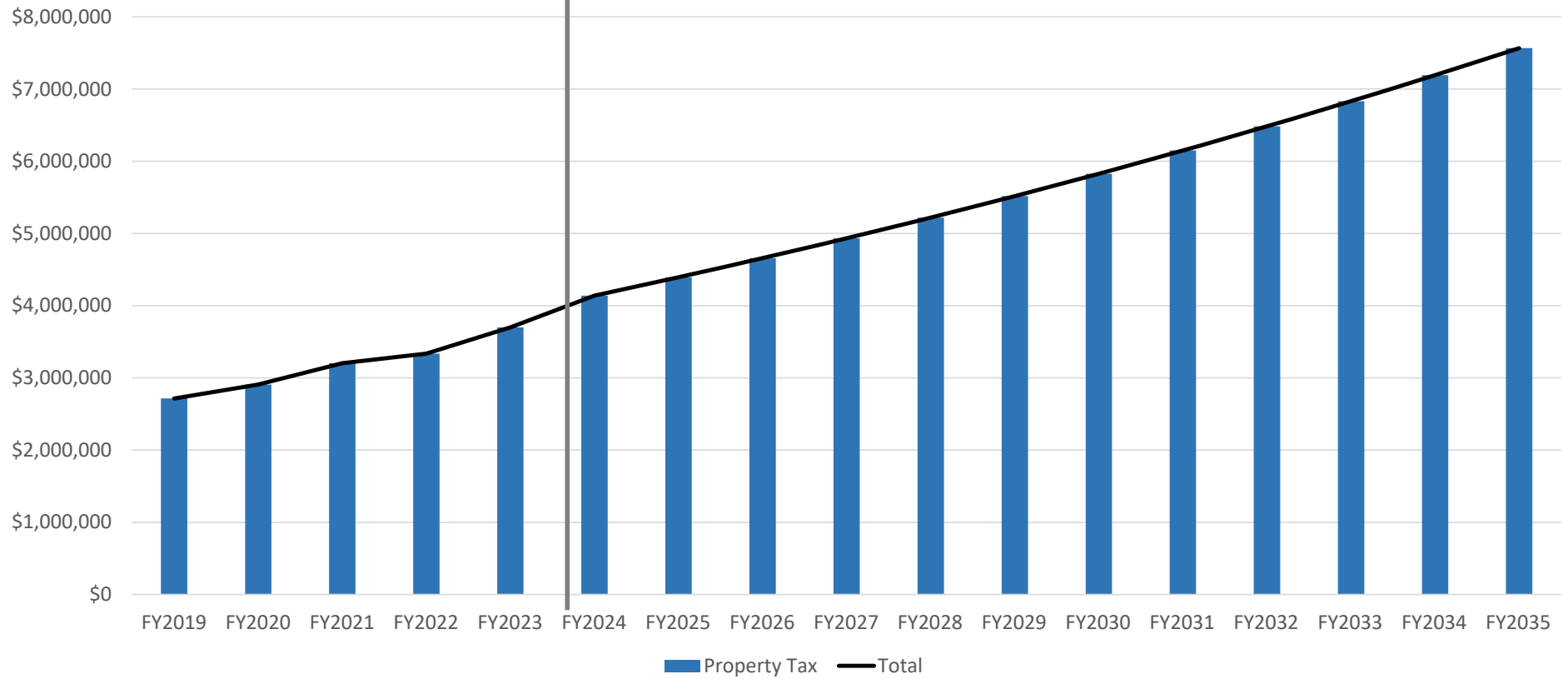
General Fund Revenues (by percentage)



Total Assessed Value

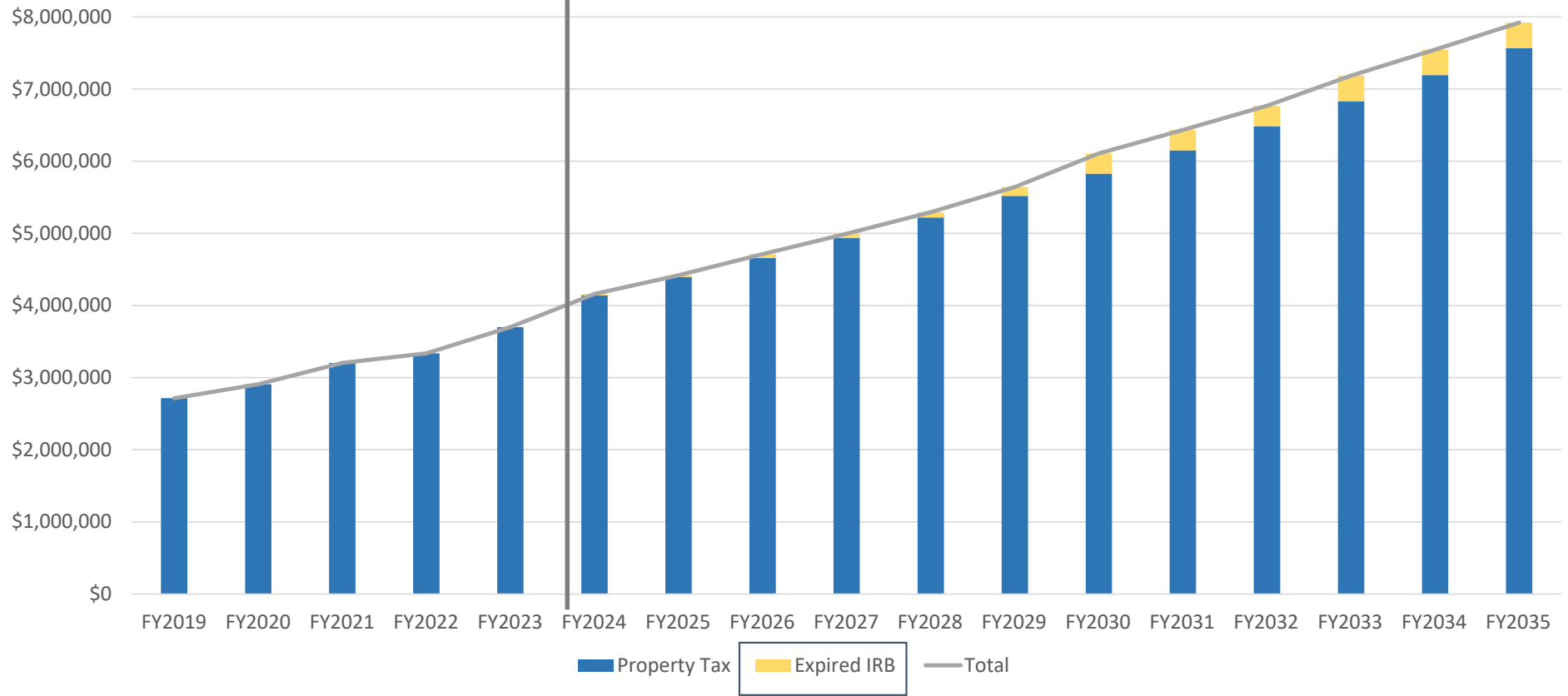


Property Tax Collections



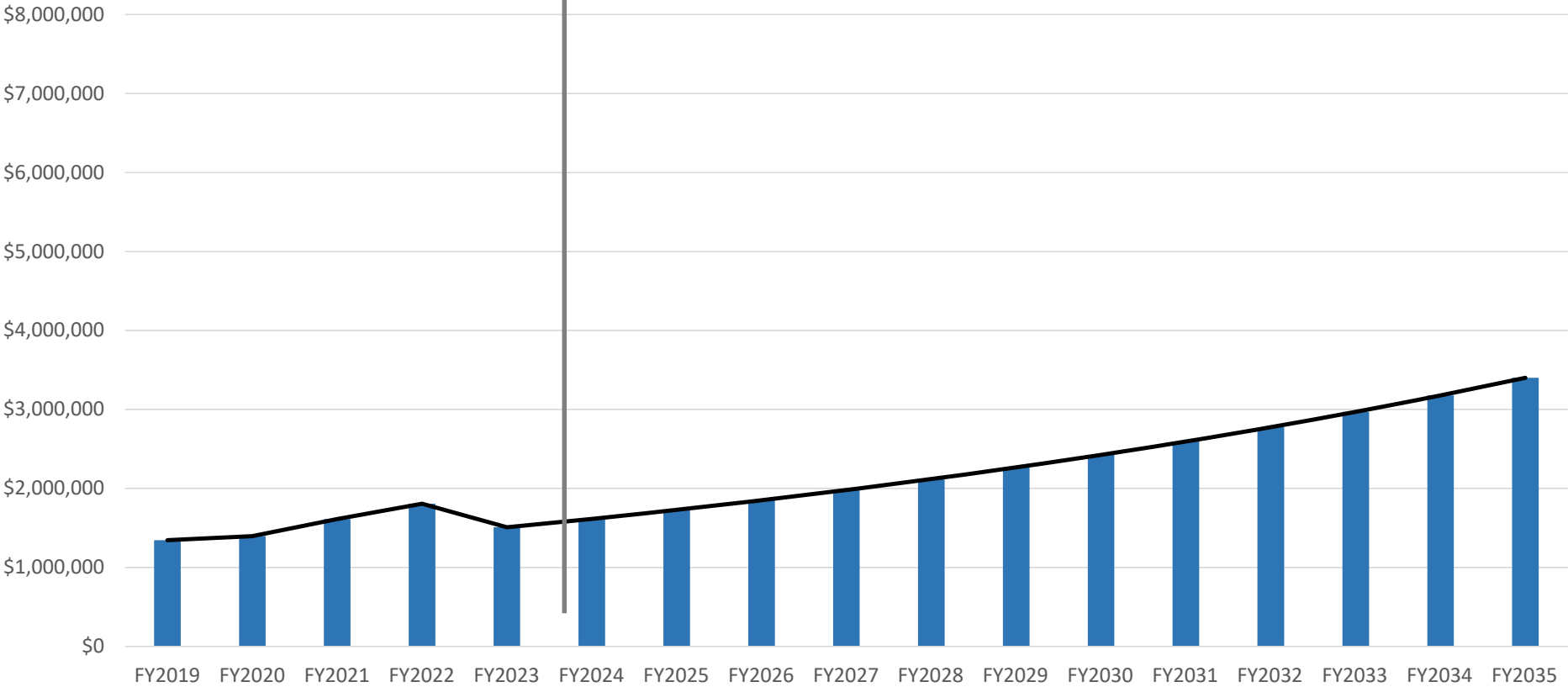
Name	2022 Appraisal	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33
Century Manufacturing	1,787,700	\$19,470	\$19,470	\$19,470	\$19,470	\$19,470	\$19,470	\$19,470	\$19,470	\$19,470	\$19,470
North Webb LLC	2,369,640			\$25,747	\$25,747	\$25,747	\$25,747	\$25,747	\$25,747	\$25,747	\$25,747
Buzzi Unicem	550,840				\$5,999	\$5,999	\$5,999	\$5,999	\$5,999	\$5,999	\$5,999
DGM Properties, LLC (Wickham)	2,275,420						\$24,782	\$24,782	\$24,782	\$24,782	\$24,782
Empire Wall	2,323,230						\$25,303	\$25,303	\$25,303	\$25,303	\$25,303
Epic Sports	13,934,220							\$151,761	\$151,761	\$151,761	\$151,761
Clinic In A Can	2,218,500		\$4,821	\$7,232	\$9,642	\$14,463	\$16,874	\$19,284	\$21,695	\$24,162	\$24,162
WAM Investments #11 LLC	1,254,670					\$6,816	\$6,816	\$6,816	\$6,816	\$6,816	\$13,633
Webb Industrial (Wichita Hoops Project)	57,800										\$628
Webb Industrial (Wichita Hoops Project)	4,943,400										\$53,713
Webb Industrial (Lot 3, Block A)	312,500										\$3,395
Webb Industrial (Lot 4, Block A)	312,500										\$3,395
Webb Industrial (Lot 3, Block B)	138,790										\$1,508
Total		\$19,470	\$24,291	\$52,449	\$60,858	\$72,495	\$124,991	\$279,162	\$281,573	\$284,040	\$353,496

Property Tax Collections

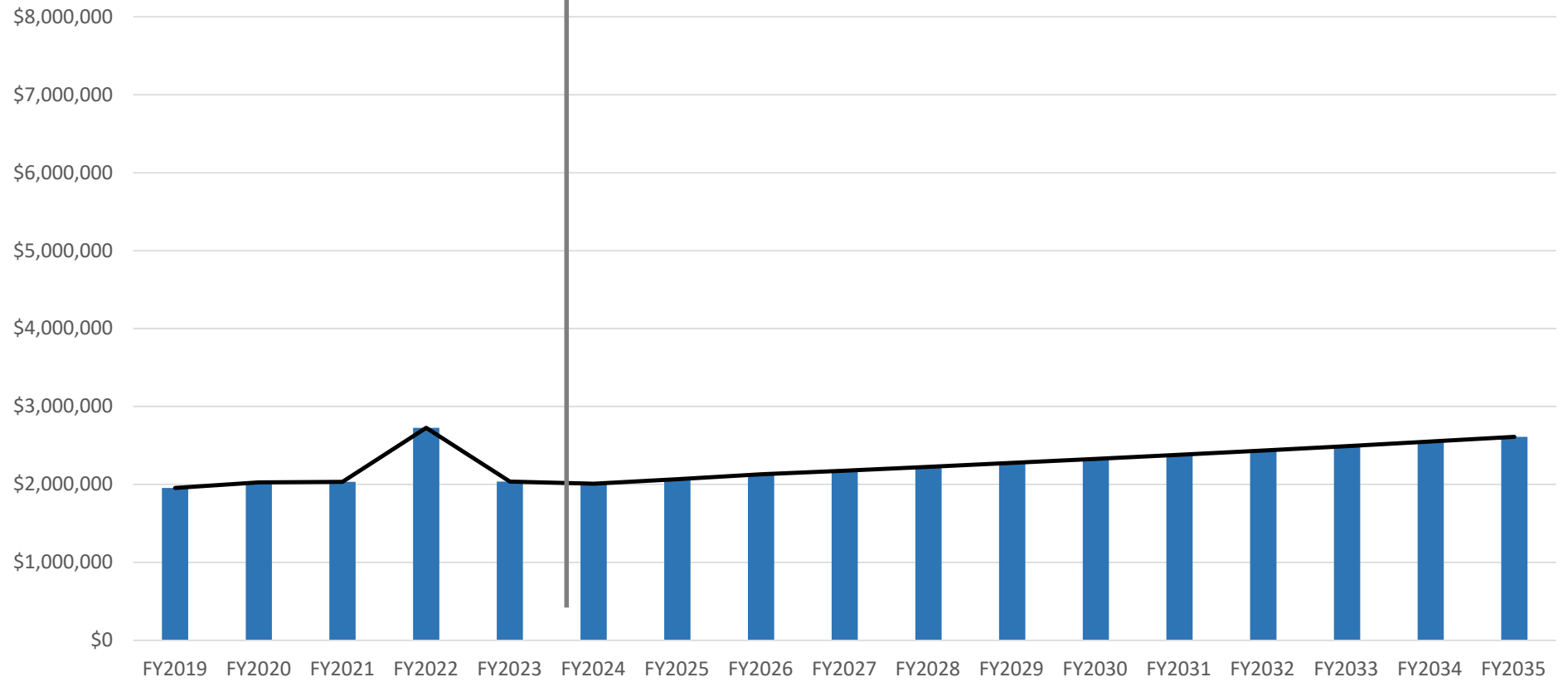


	Annual Average Growth Rate (AAGR)							
	2016	2017	2018	2019	2020	2021	2022	FY16-22
	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	AAGR
Sales Tax	\$1,153,248	\$1,174,000	\$1,259,045	\$1,345,028	\$1,396,204	\$1,613,418	\$1,805,998	0.078
Motor Vehicle	\$379,619	\$386,575	\$403,215	\$412,191	\$440,742	\$458,881	\$457,237	0.031
Franchise Fees:	\$510,007	\$467,738	\$662,193	\$685,536	\$680,251	\$718,551	\$808,745	0.080
Fines and Fees:	\$168,541	\$297,976	\$182,133	\$177,209	\$115,513	\$116,068	\$134,203	-0.037
Permits, Fees & Licenses:	\$171,152	\$143,342	\$107,168	\$154,219	\$167,886	\$248,117	\$671,408	0.256
IRB Origination & 5% Admin Fees:	\$222,102	\$175,716	\$54,188	\$175,164	\$129,518	\$18,800	\$341,115	
Recreation and Pool:	\$109,070	\$104,213	\$113,408	\$107,854	\$54,831	\$82,760	\$119,918	0.016
Grants:	\$75,717	\$50,292	\$44,318	\$47,395	\$149,764	\$204,773	\$64,205	
Other Revenues:	\$71,188	\$124,188	\$87,789	\$110,822	\$72,407	\$76,069	\$94,576	0.048

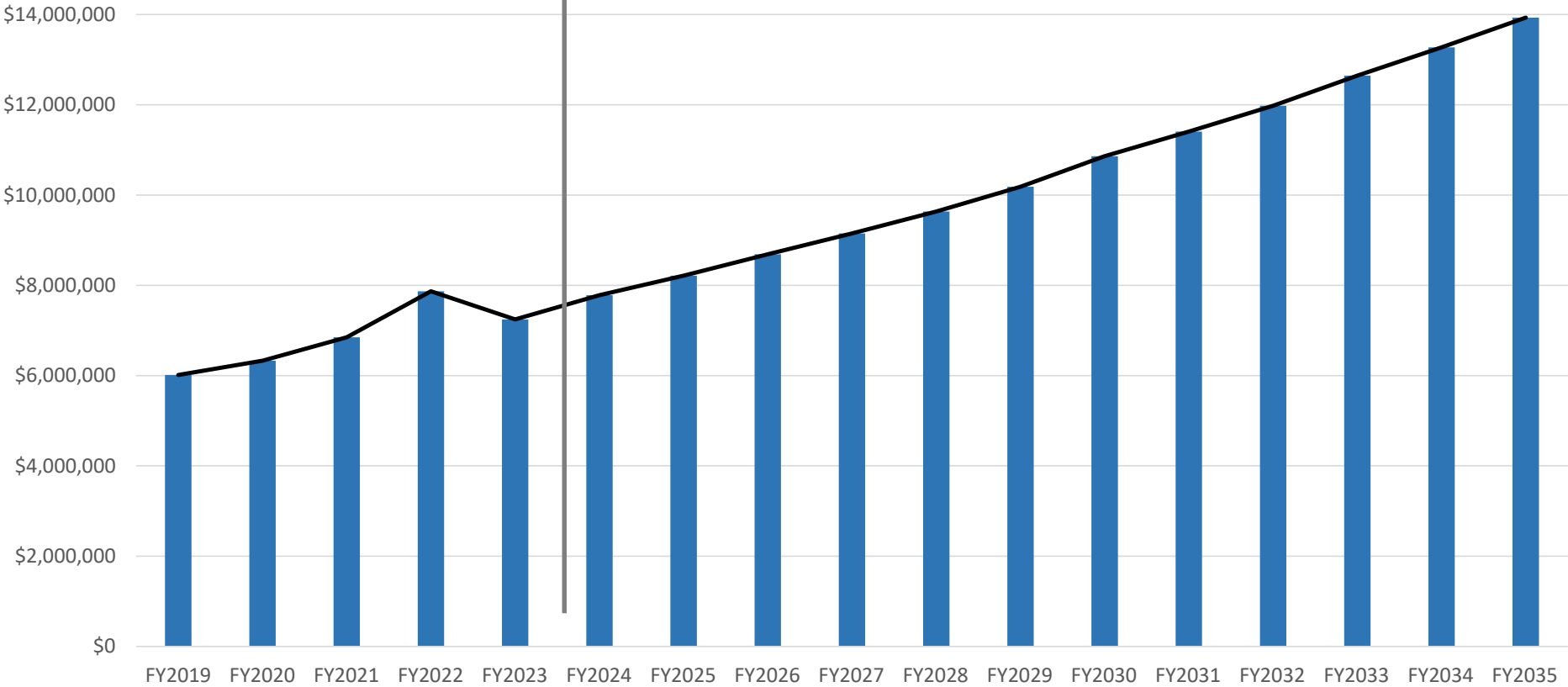
Sales Tax Collections



All Other Revenues



Total Revenues



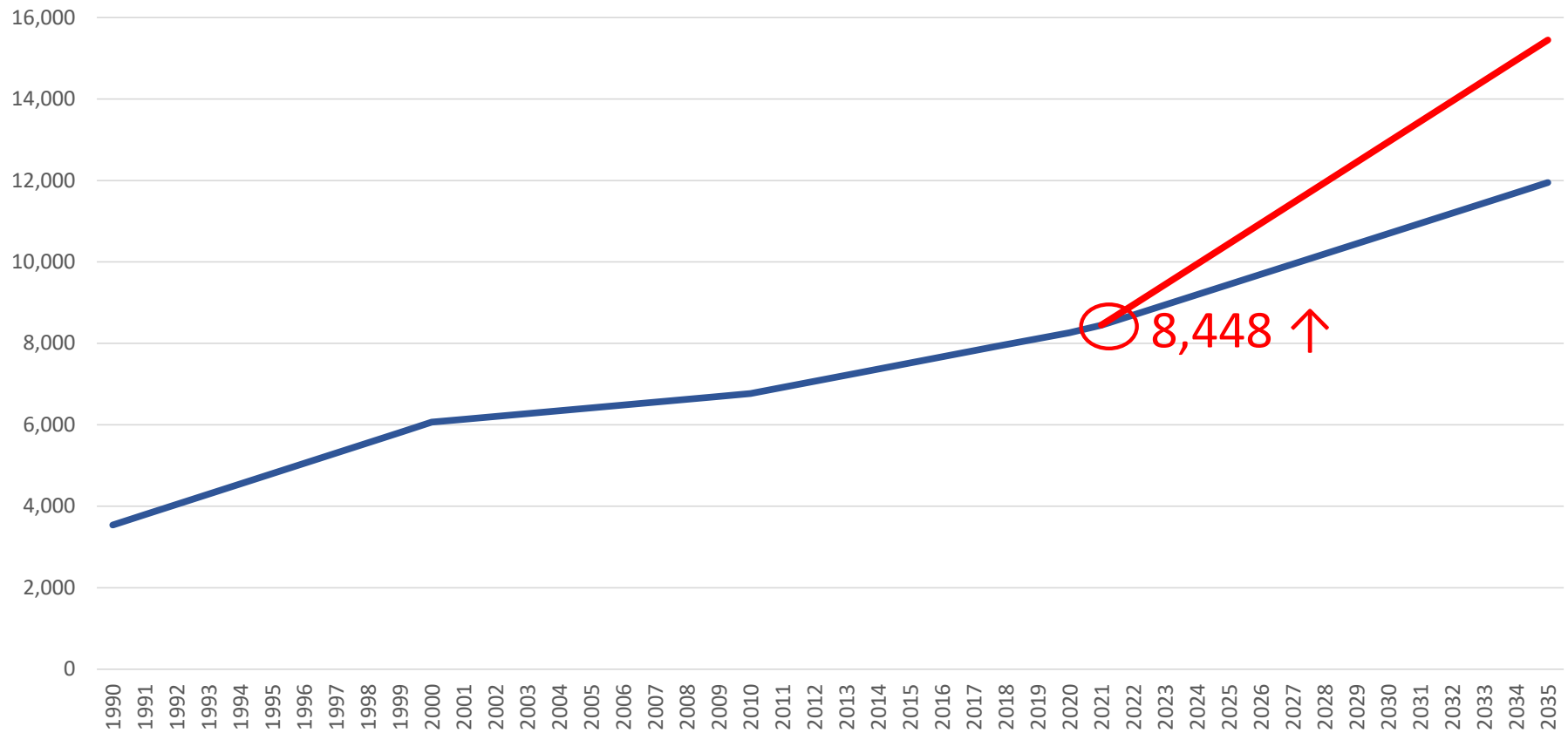
Budget Goals

- Adopt a level Property Tax Rate / Mill Levy
- Find ways to Fund Street Improvements
- Continue to Provide Quality Services with Efficiency
- Sustain Financial Stability



Population

(US Census Bureau)





 = 14

Darrell



 = 11

Glen



 = 4

Mari



 = 5

Joe

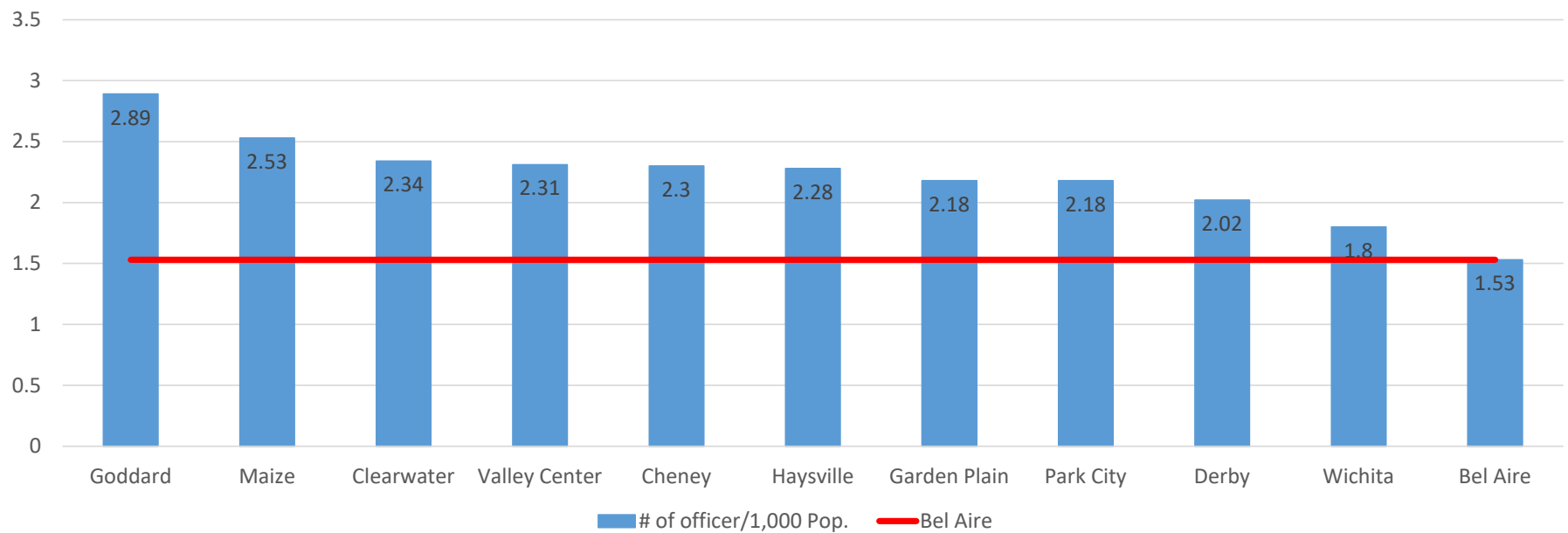


 = 7

Deb

Me

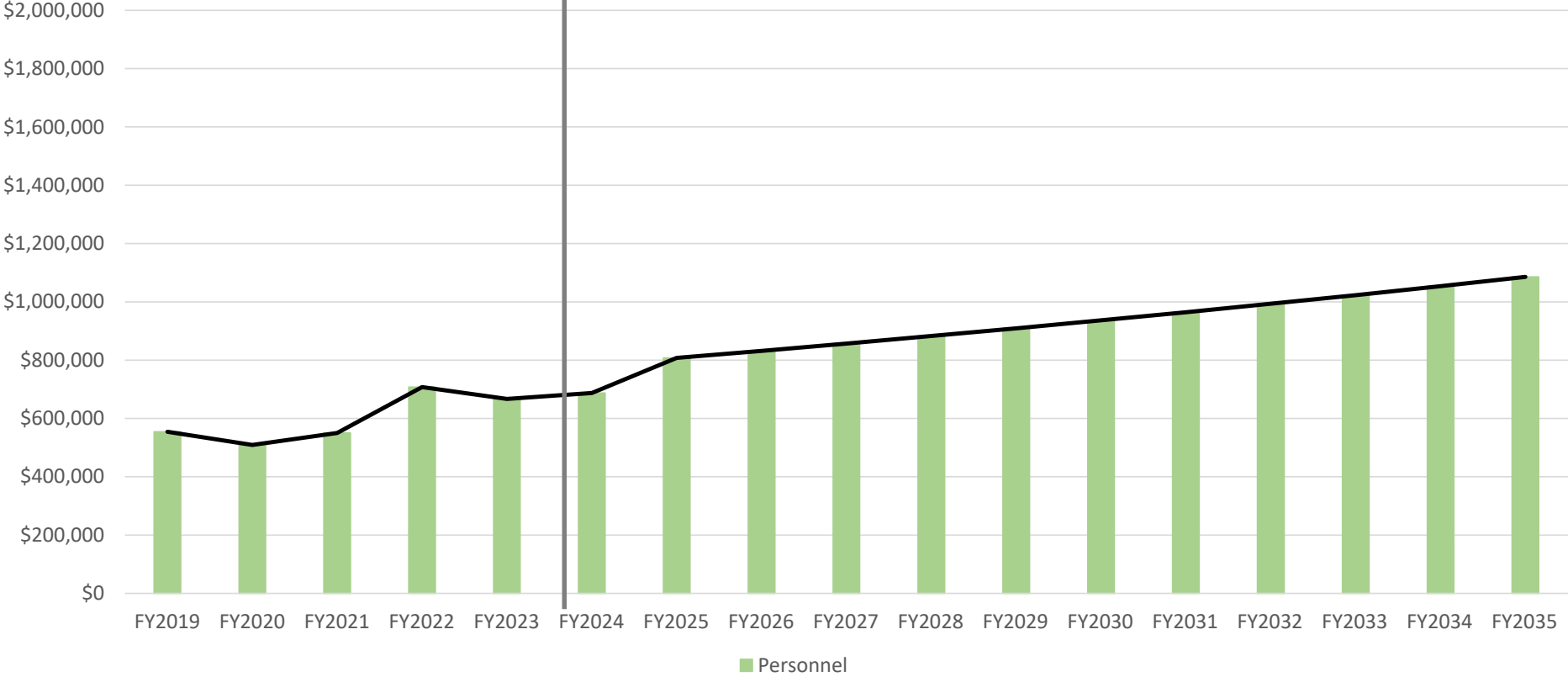
of Police Officers per 1,000 Population



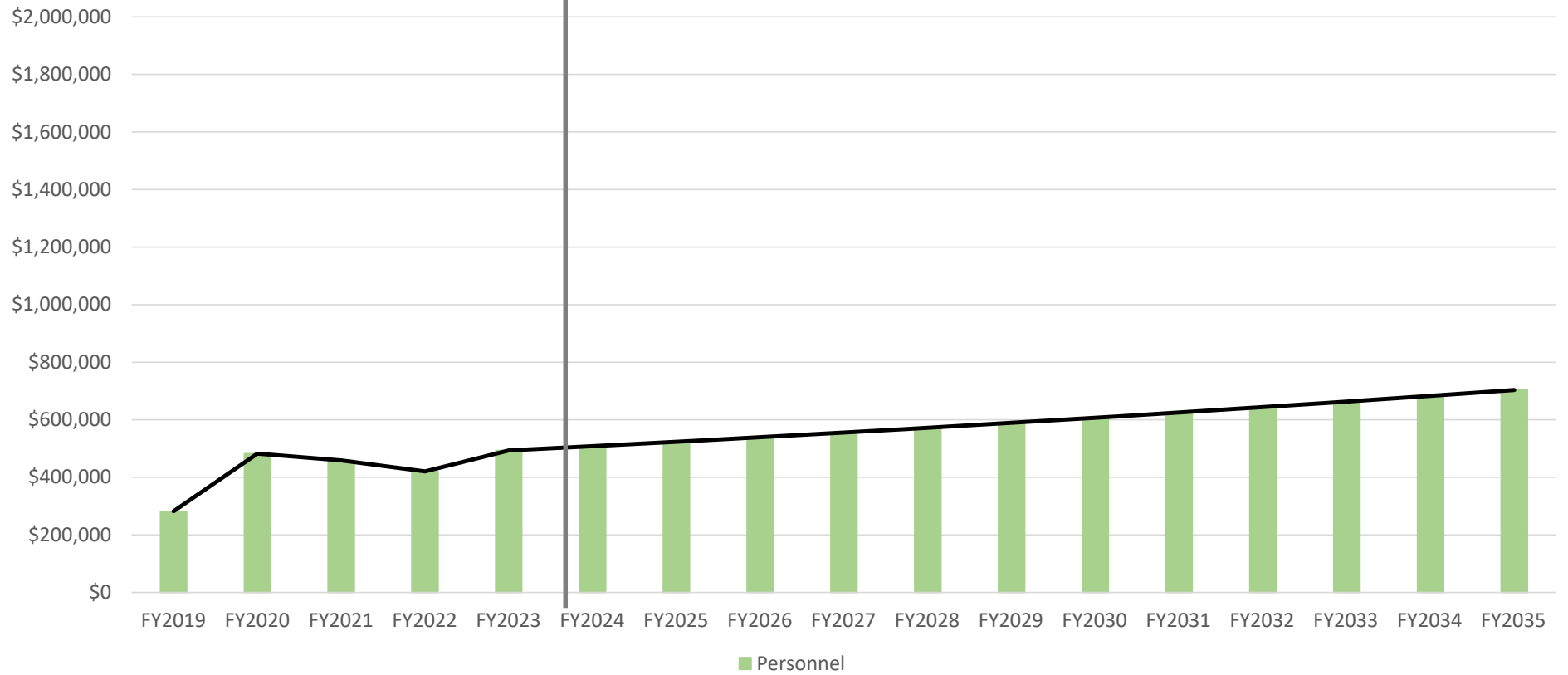
Personnel



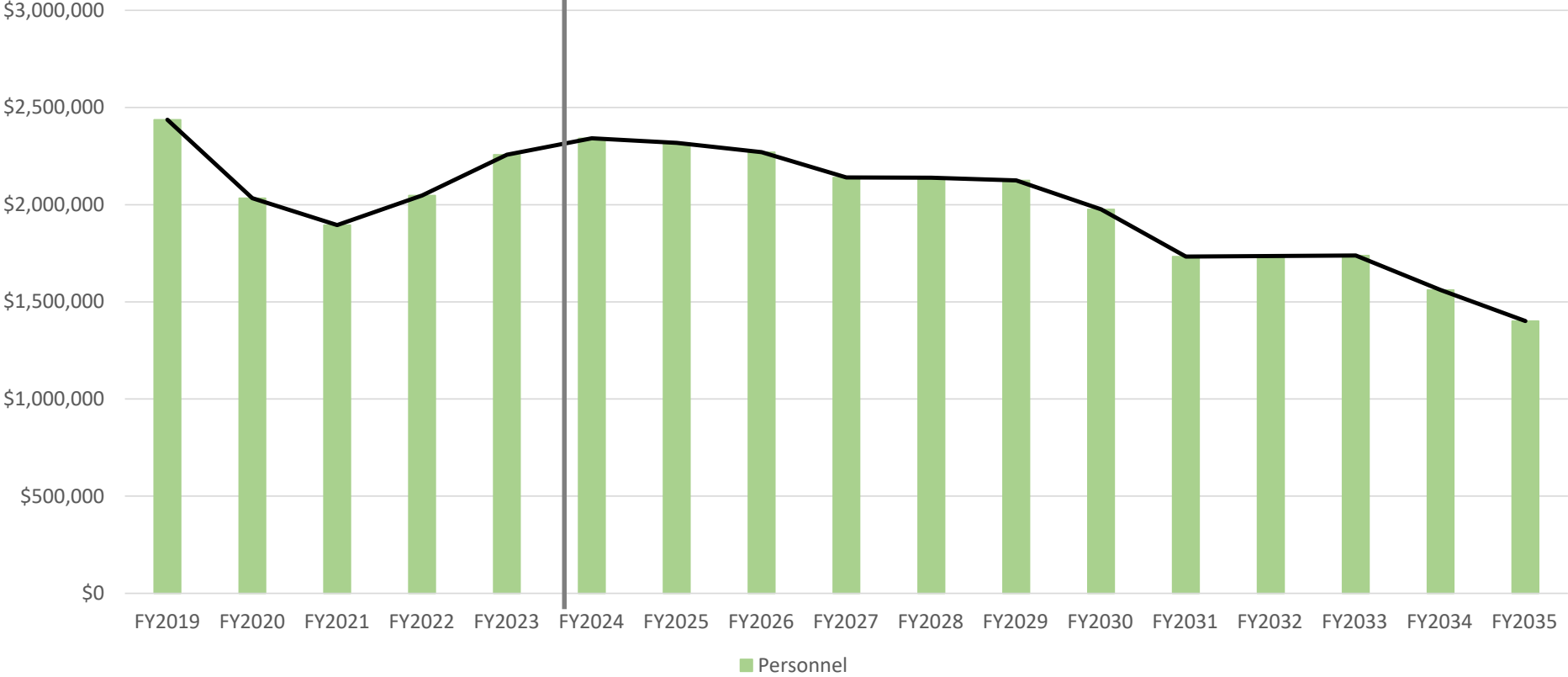
Contractuals



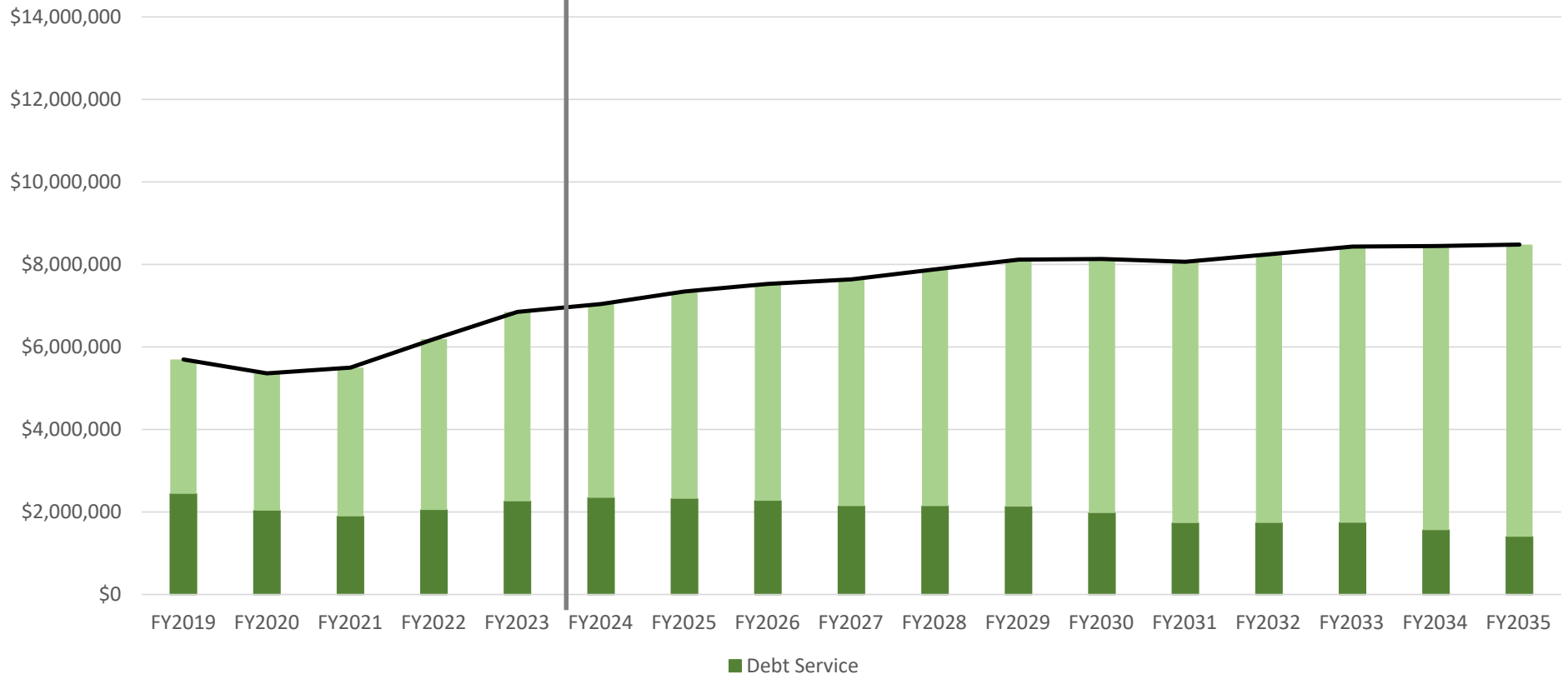
Commodities



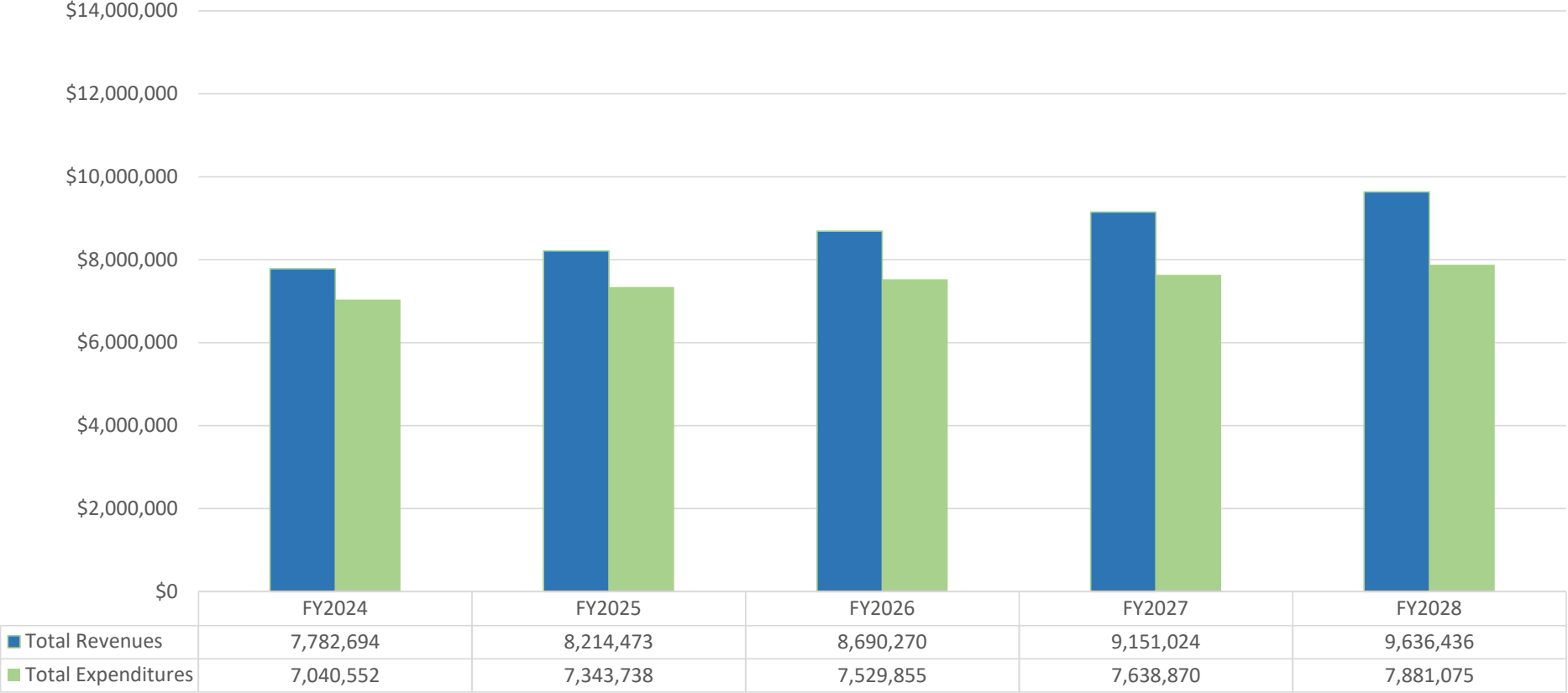
Debt Service



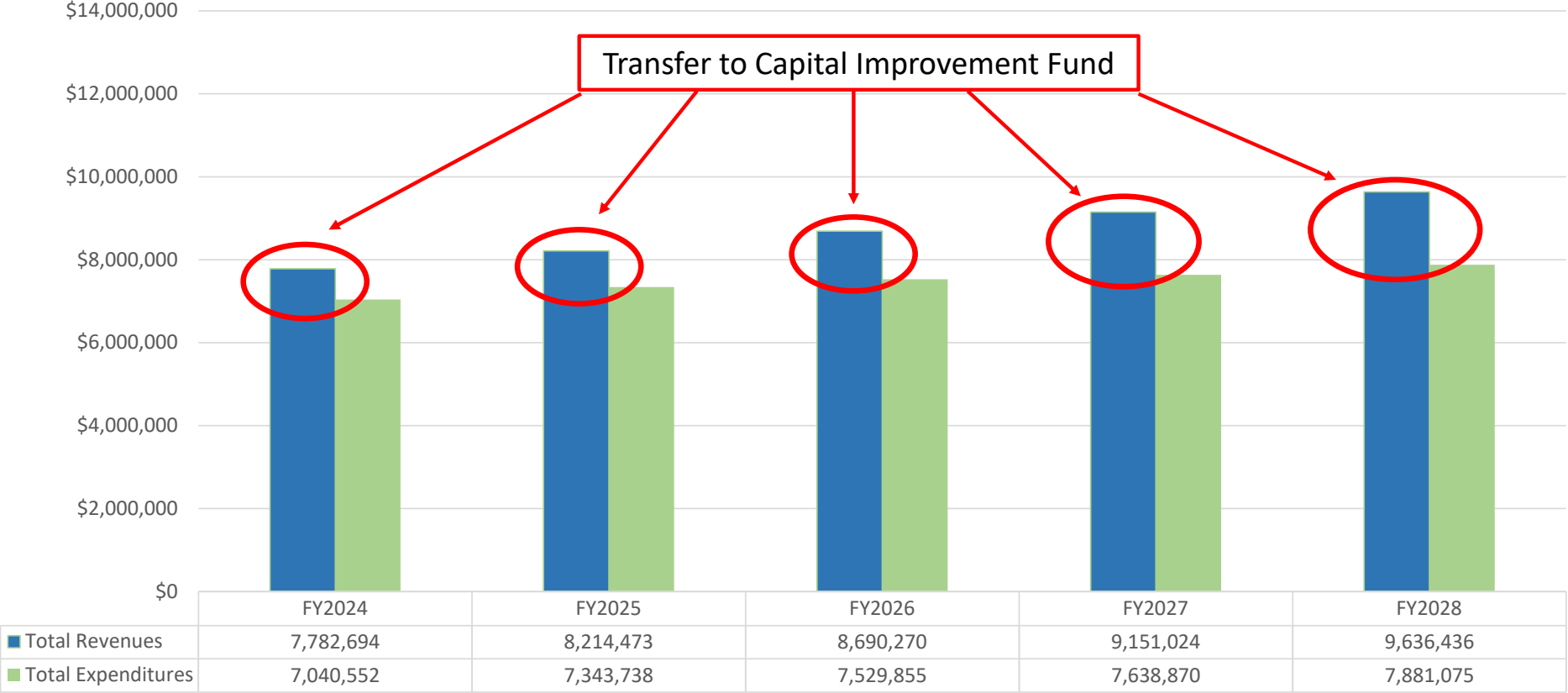
Total Expenditures

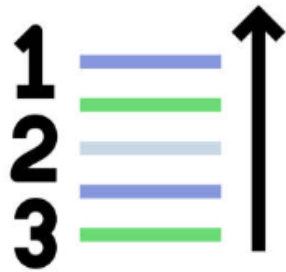


Total Revenues with Total Expenditures



Total Revenues with Total Expenditures





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Capital Improvement Fund	2023	2024	2025	2026	2027	2028
	BUDGET	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
CIP Fund Balance - start	566,384	1,547,860	810,002	855,737	181,153	458,307
Transfer from General Fund:	1,957,871	657,142	785,735	1,075,416	1,427,154	1,670,362
Grants/ARPA Funds:	1,267,227					
Total Amount Available:	3,791,482	2,205,002	1,595,737	1,931,153	1,608,307	2,128,669
Street Preservation Program ('22-'26)	908,220	695,000	590,000	600,000		
Engineering Services for 45th 53rd (Rock to Woodlawn)	739,702				1,000,000	
Upgrade / Expand Public Works Facility	60,000			1,000,000		
Upgrade / Expand ERP Software:		200,000				
City Hall Energy Efficient HVAC	150,000					
City Hall Keyless Entry System	50,000					
Sidewalk from CP to Isely	25,700					
Replace Pool with Splashpad	150,000	350,000				
Refresh Existing Parks		50,000	50,000	50,000	50,000	50,000
Build / Link Sidewalks / Bike Paths		50,000	50,000	50,000	50,000	50,000
Build New Parks	160,000	50,000	50,000	50,000	50,000	50,000
Expand / Upgrade Existing Rec Center						
Total Expenditures:	2,243,622	1,395,000	740,000	1,750,000	1,150,000	150,000
CIP Fund Balance - ending	1,547,860	810,002	855,737	181,153	458,307	1,978,669

General Fund Forecast
City of Bel Aire

General Fund	2023 BUDGET	2024 FORECAST	2025 FORECAST	2026 FORECAST	2027 FORECAST	2028 FORECAST	2029 FORECAST	2030 FORECAST	2031 FORECAST	2032 FORECAST	2033 FORECAST	2034 FORECAST	2035 FORECAST
Revenues													
Property Tax	3,700,561	4,139,709	4,394,286	4,659,109	4,934,536	5,220,938	5,518,700	5,828,218	6,149,901	6,484,170	6,831,463	7,192,230	7,566,937
Expired IRB Property Tax	0	19,470	24,291	52,449	60,858	72,495	124,991	279,162	281,573	284,040	353,496	353,496	353,496
Sales Tax	1,509,994	1,615,694	1,728,792	1,849,808	1,979,294	2,117,845	2,266,094	2,424,720	2,594,451	2,776,062	2,970,387	3,178,314	3,400,796
Motor Vehicle	450,000	463,500	477,405	491,727	506,479	521,673	537,324	553,443	570,047	587,148	604,762	622,905	641,592
Other Taxes	54,056	55,678	57,348	59,068	60,841	62,666	64,546	66,482	68,477	70,531	72,647	74,826	77,071
Franchise Fees	734,428	771,149	809,707	850,192	875,698	901,969	929,028	956,899	985,606	1,015,174	1,045,629	1,076,998	1,109,308
Fines And Fees	149,504	152,494	155,544	158,655	161,828	165,064	168,366	171,733	175,168	178,671	182,245	185,889	189,607
Permits And Licenses	252,600	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
IRB Origination & 5% Admin Fees:	150,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
Recreation and Pool	93,750	70,000	72,100	74,263	76,491	78,786	81,149	83,584	86,091	88,674	91,334	94,074	96,896
Grants	72,194	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Misc.	80,003	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Revenues:	7,247,090	7,782,694	8,214,473	8,690,270	9,151,024	9,636,436	10,185,197	10,859,242	11,406,312	11,979,470	12,646,963	13,273,733	13,930,704
Expenses													
Personnel:	3,251,740	3,349,292	3,534,771	3,723,264	3,914,862	4,109,658	4,307,748	4,424,230	4,544,207	4,667,783	4,795,067	4,926,169	5,061,204
Contractual:	667,048	687,059	807,671	831,901	856,858	882,564	909,041	936,312	964,401	993,333	1,023,133	1,053,827	1,085,442
Commodities:	493,350	508,151	523,395	539,097	555,270	571,928	589,086	606,758	624,961	643,710	663,021	682,912	703,399
Capital Outlay:	80,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Equipment Reserve:	100,000	105,000	110,250	115,763	121,551	127,628	134,010	140,710	147,746	155,133	162,889	171,034	179,586
Debt:	2,059,987	2,051,325	2,030,798	1,981,788	1,621,318	1,619,506	1,375,075	1,000,798	386,627	389,411	391,015	211,443	53,887
Woodlawn (37th to 45th)	196,457	289,725	286,853	288,042	289,011	289,791	290,383	285,755	286,139	286,314	287,546	289,933	287,226
53rd (Oliver to Woodlawn)					230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000	230,000
45th (Oliver to Woodlawn)							230,000	230,000	230,000	230,000	230,000	230,000	230,000
Woodlawn (45th to 53rd)								230,000	230,000	230,000	230,000	230,000	230,000
Rock Road (45th to K-254)									370,000	370,000	370,000	370,000	370,000
Total Expenditures:	6,848,582	7,040,552	7,343,738	7,529,855	7,638,870	7,881,075	8,115,342	8,134,563	8,064,081	8,245,684	8,432,672	8,445,318	8,480,744
Amount Remaining:		742,142	870,735	1,160,416	1,512,154	1,755,362	2,069,856	2,724,678	3,342,231	3,733,786	4,214,291	4,828,416	5,449,960
Add Police Officer vs.		85,000	85,000	85,000	85,000	85,000							
Transfer to Capital Improvement Fund:		657,142	785,735	1,075,416	1,427,154	1,670,362	2,069,856	2,724,678	3,342,231	3,733,786	4,214,291	4,828,416	5,449,960

*This forward-looking statement is based upon what management believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. TH

Capital Improvement Fund	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
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