
Finance Committee

DEPARTMENT: Finance

FROM: Harlan Jefferson, Deputy City Manager

MEETING: May 8, 2024

SUBJECT:

Receive a report, hold a discussion, and provide staff direction regarding a proposal to reconsider cash funding capital projects to enhance the General Fund's fund balance. (Staff Contact: Harlan Jefferson, Deputy City Manager)

SUMMARY:

On September 11, 2023, the Council approved the final reading of the City's FY 2023-2024 annual budget and capital improvement program (CIP). The approved budget includes the City's capital improvement program for the General Government Funds. The adopted budget contained the cash funding of capital items such as the remodeling of City Hall. The five-year forecast also included cash funding for other capital items like the outdoor warning sirens, fire engines, and all the equipment needed to stock the engines.

Due to the changes in the Truth-In-Taxation legislation when S.B. 2 was adopted in 2019, implementing a tax rate strategy of minimizing the cash funding of capital items while simultaneously issuing debt for those same capital projects will reduce the downward pressure on the property tax rate.

RECOMMENDATION:

Staff recommends that the Committee discuss the merits of the proposal to reconsider cash funding capital projects to enhance the General Fund's fund balance and provide feedback and direction before forwarding this matter to the entire Council for consideration.

PRIOR ACTION/INPUT (Council, Boards, Citizens):

N/A

REFERENCE:

N/A

FISCAL IMPACT:

N/A

STAFF CONTACT:

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