

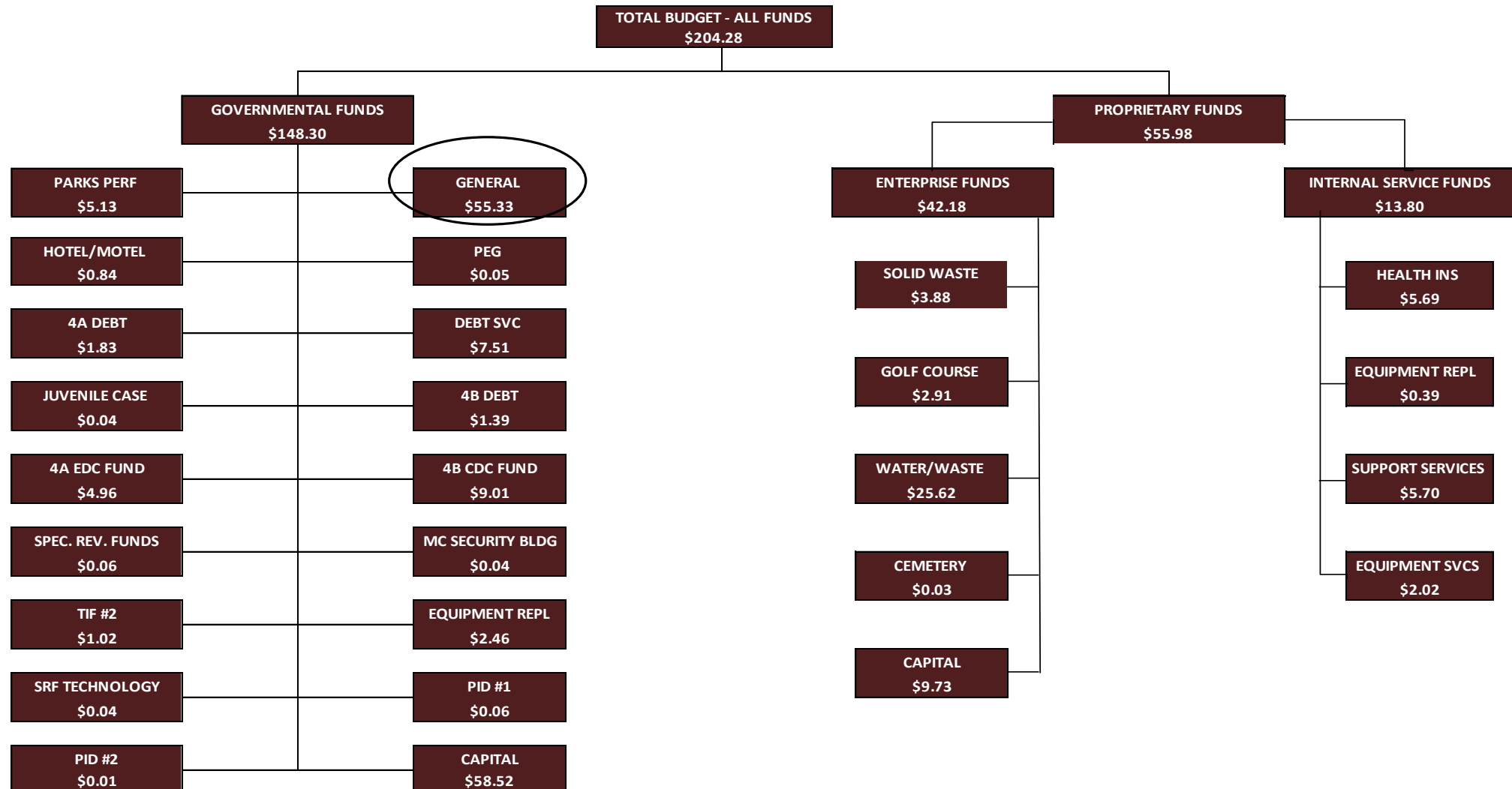


General Fund Financials and Budget Overview

Presentation Overview

- Budget Overview
- General Fund Overview
- Strategic Plan Focus
- Key Budget Focus Areas
- Budget Process Overview

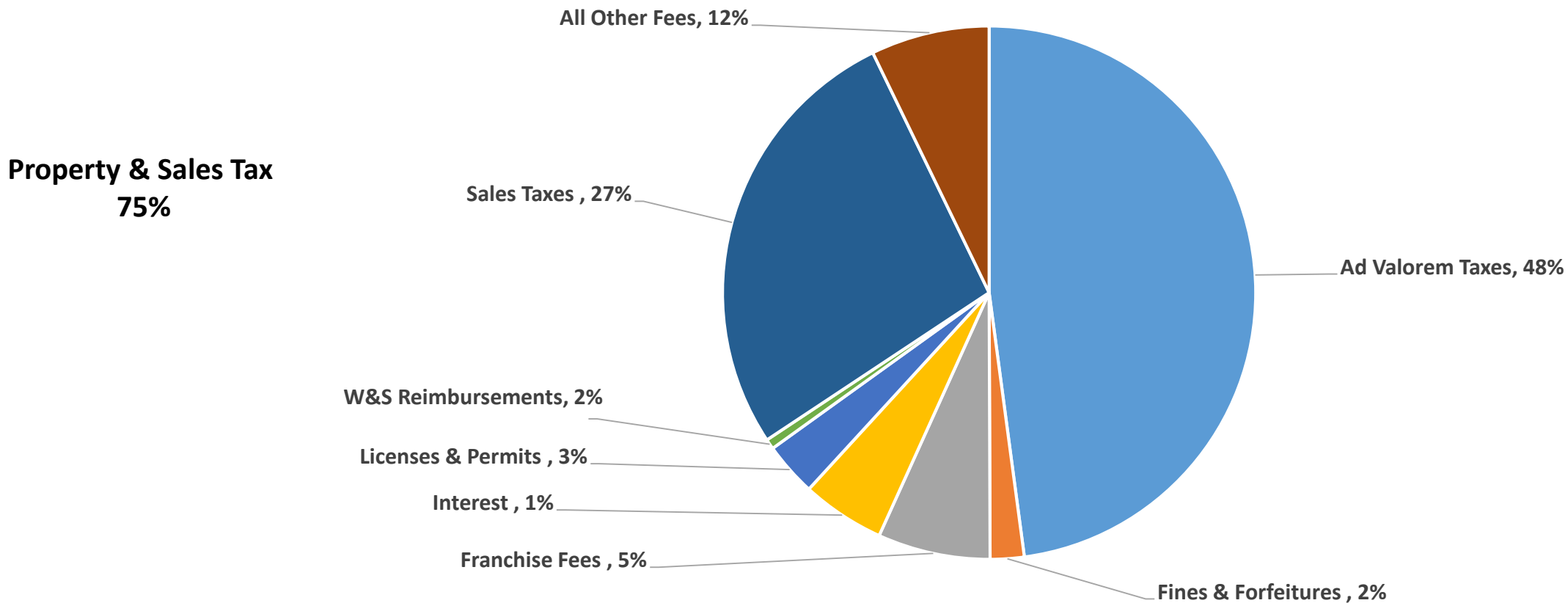
Overall Budget (in Millions)



General Fund Overview

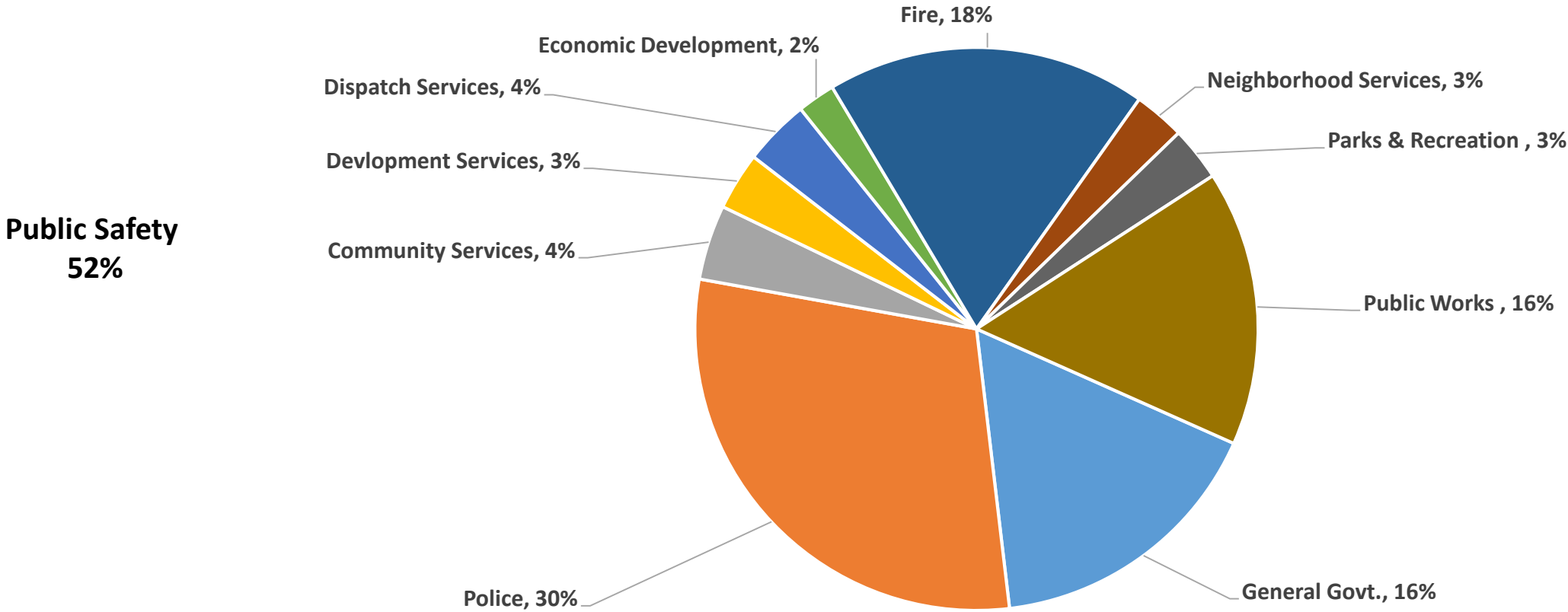
General Fund Revenue

FY 22-23 Adopted Budget- \$53,151,097



General Fund Expenditures by Function

FY 2022-23 Adopted Budget - \$55,328,010



Tax Rate History

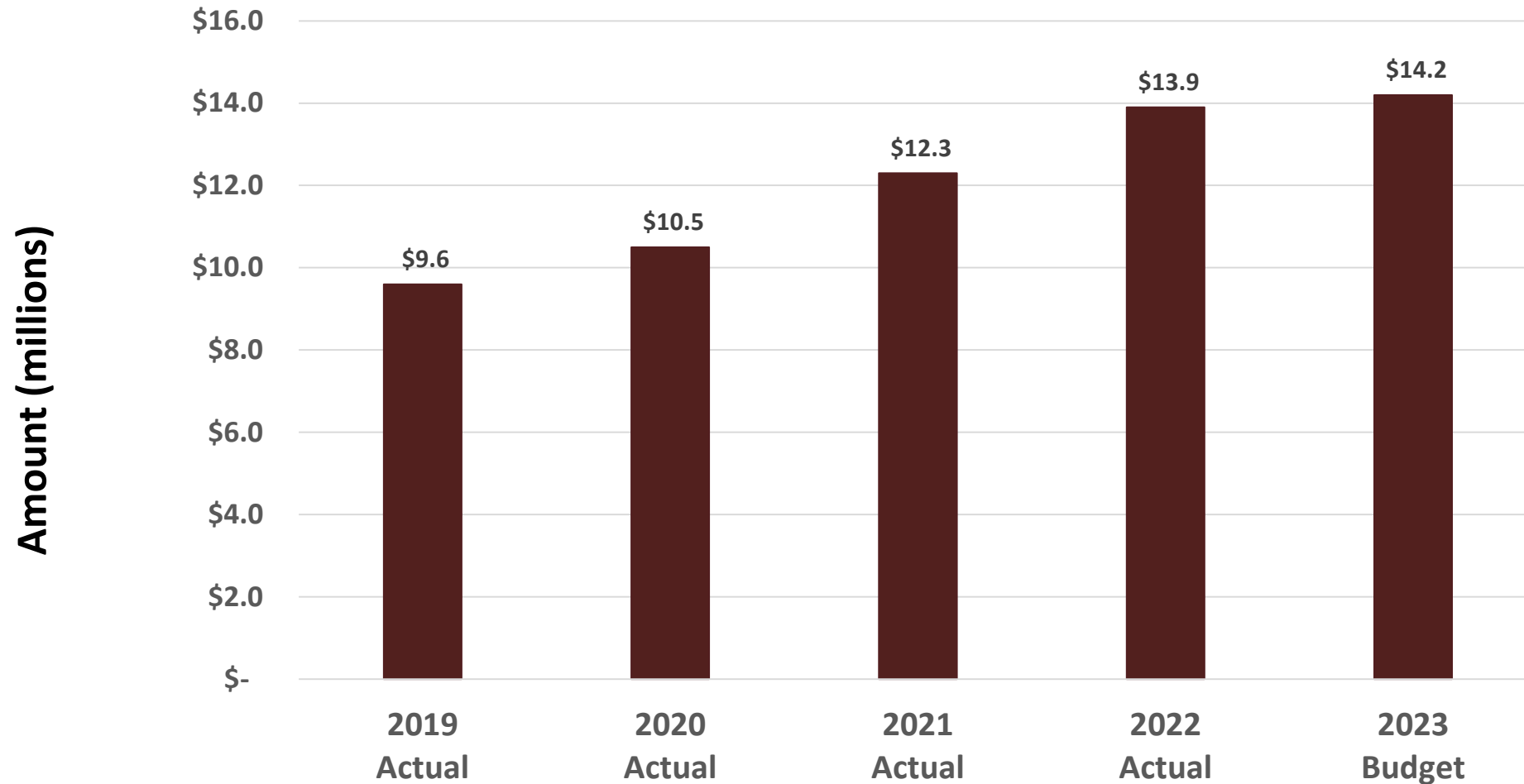
Tax Year	GF Rate	Debt Rate	Total Rate
FY 2022-23	\$0.4649	\$0.1923	\$0.6572
FY 2021-22	\$0.4974	\$0.1885	\$0.6859
FY 2020-21	\$0.5187	\$0.1924	\$0.7111
FY 2019-20	\$0.5106	\$0.2094	\$0.7200
FY 2018-19	\$0.5228	\$0.2122	\$0.7350
FY 2017-18	\$0.5228	\$0.2122	\$0.7350
FY 2016-17	\$0.5228	\$0.2122	\$0.7350
FY 2015-16	\$0.5278	\$0.2122	\$0.7400
FY 2014-15	\$0.5278	\$0.2122	\$0.7400
FY 2013-14	\$0.5278	\$0.1622	\$0.6900
FY 2012-13	\$0.5278	\$0.1622	\$0.6900

Current Assumptions

	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Existing Appraised Value Growth	3%	3%	3%	3%	3%	3%
New Construction- Tax Value	\$125M	\$127M	\$130M	\$133M	\$135M	\$137
Sales Tax Growth	4.8%	3%	3%	3%	3%	3%
Compensation*	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%

- Plus eligible step increase for Police/Fire
- Increased appraisal values of 3% will increase tax revenue

General Fund Sales Tax 5 Year History



- Year-to-date sales tax collections are **up** 4.6% compared to last year.
- However, March collections were 9.34% **lower** than last year.

General Fund Preliminary Financial Forecast

	FY 22-23 Estimate	FY 23-24 Projected	FY 24-25 Projected	FY 25-26 Projected	FY 26-27 Projected
Beginning Fund Balance	\$ 21,924,165	\$ 19,747,252	\$ 18,879,277	\$ 17,818,572	\$ 16,499,492
Property Tax	\$ 24,609,241	\$ 25,832,513	\$ 27,116,733	\$ 28,464,942	\$ 29,880,332
Property Tax- Chisholm Summit			\$ 500,000	\$ 1,030,000	\$ 1,575,900
Homestead exemption		\$ (175,000)	\$ (350,000)	\$ (525,000)	\$ (700,000)
Sales Tax	\$ 14,415,784	\$ 14,848,257	\$ 15,293,705	\$ 15,752,516	\$ 16,225,092
Other Revenue	\$ 14,126,072	\$ 15,863,614	\$ 16,568,374	\$ 17,289,438	\$ 18,046,513
Total Revenue	\$ 53,151,097	\$ 56,369,384	\$ 59,128,812	\$ 62,011,896	\$ 65,027,837
Base Expenses	\$ 52,177,833	\$ 52,342,967	\$ 55,428,279	\$ 57,683,195	\$ 59,612,457
ARPA funds	\$ (2,000,000)				
Future Supplemental		\$ 500,000	\$ 1,000,000	\$ 1,500,000	\$ 2,000,000
Cash Funding Projects	\$ 2,500,000	\$ 2,500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Supplementals	\$ 2,650,177	\$ 1,894,392	\$ 2,761,238	\$ 3,147,781	\$ 3,270,012
Total Expenditures	\$ 55,328,010	\$ 57,237,359	\$ 60,189,517	\$ 63,330,976	\$ 65,882,469
Change in Fund Balance	\$ (2,176,913)	\$ (867,975)	\$ (1,060,705)	\$ (1,319,080)	\$ (854,632)
Ending Fund Balance	\$ 19,747,252	\$ 18,879,277	\$ 17,818,572	\$ 16,499,492	\$ 15,644,860
FB % of Expenditure	35.69%	32.98%	29.60%	26.05%	23.75%

Strategic Focus Areas

- Proposed Budget will be designed to accomplish the goals outlined in the City's Strategic Plan. The Plan is organized in four Strategic Focus Areas:
 - High Performing City Organization
 - Dynamic & Preferred City
 - Beautiful, Safe & Vibrant Community
 - Great Place to Live
- Serves as a roadmap for achieving our long-term goals and objectives
 - Includes specific work plan items that are tied to the budget itself
- Strategic plan updates
 - Council approved FY2022/23 Strategic Plan September 2022
 - Staff will bring FY2023/24 Strategic Plan in June 2023

Key Focus Areas for Upcoming Budget

- Ensure financial sustainability over the planning horizon
 - Monitor key revenues
 - Update 5 year financial projections for all operating funds
 - Projections and associated action plans will be updated accordingly
 - Cost containment and efficiencies
- Enhance Public Safety services
 - Implement recommendations from police/fire strategic plans
 - Prepare for transition to Fire based medical transport plan
 - Incorporate fire station 4 operating and equipment cost in 5 year projections along with construction of fire station 4
- Develop capacity for cash funding capital projects
 - To be conservative, projected property tax revenue from Chisholm Summit development dedicated to capital projects
 - Maintain fund balance within financial policy guidelines
 - Consider improvements to infrastructure maintenance and replacement program

Key Focus Areas for Upcoming Budget

- Maintain competitive compensation and benefits program for employees
- Transparency and communication with the public
 - Continuation from prior year
 - Publish budget information on the City's website
 - Identify and address City Council priorities over the coming months
 - Incorporate input received from Budget Reviews in July
- Capital Improvement Program (CIP) budget aligned with the operating budget
 - Provides needed information for operational impacts
 - Requires review of all outstanding CIP balances and related bond sales
 - Continued review of capital projects and projecting projects over the next 5 years
 - Determine reallocation of available funds to capital projects

Budget Process Overview

Budget Process Overview

- Financial projections and assumptions will continue to be refined over the coming months as more information becomes available
 - Proposed budget will be developed to match recurring revenues and expenses
- City Council direction and development of priorities throughout the process
- Citizen feedback during budget process
 - Creating a budget video and posting all of the budget presentation material online
 - Interactive engagement with residents regarding priorities
- Over the coming months, additional funds and operational reviews will be provided to Council

Budget Process Overview

Information to be discussed in the Budget Process

Fund Financials

- General Fund & Supplementals
- 4A
- 4B
- Golf
- CIP
- Water/Wastewater
- Parks Performance
- Other as required

Other Budget Information

- Strategic Plan
- Comp & Benefits
- Police
- Fire
- Public Works
- Parks & Recreation
- Other as required

Budget Process Feedback

Staff would like direction from the City Council on the following:

Assumptions and Priorities:

- Are current assumptions and priorities appropriate?
- Does Council have any other areas that need to be considered in the upcoming process?

Meeting Content:

- Over the past year, staff presented the detailed budgets for every department. Does Council wish to do this again over the coming year, or is it preferred to focus only on key areas and supplemental packages requested from all departments?
- Staff recommends focusing on the key areas shown on the previous slide.

Meeting Frequency:

- Does Council wish to hold individual discussions on all of the aforementioned issues during the regularly scheduled meeting in June and July? Or, would a special work session be preferred?
- Staff recommends holding at least one special meeting to discuss some of the key focus areas (e.g. Police, Fire, Public Works, Strategic Plan, etc.) due to time limitations over the next few months.

QUESTIONS/COMMENTS