

Budget Work Session Fiscal Year 2021-2022

June 08, 2021

General Fund Summary

Projected
09/30/2021

Audited General Fund Unassigned Beginning Fund Balance 09/30/2020

21,914,771

Projected '21 Revenues

46,736,620

CARES Funds (applied toward Public Safety personnel expenses)

2,914,422

Available Funds

49,651,042

Projected '21 Expenditures

(46,244,939)

Projected Ending Fund Balance 09/30/2021 (55%of expenditures)

25,320,874

Estimated Beginning Fund Balance - 10/01/2021

25,320,874

Proposed Revenues

48,289,668

Proposed Base Expenditures

(43,725,452)

Recommend Requests

(2,154,971)

(45,880,423)

Excess Revenues over Expenses

2,409,245

General Fund FY 2022 Budget Projections

Projected Revenues (No New Revenue Tax Rate*)	48,289,668	
Personnel Expense	29,523,660	1.4% Growth
Operating Expense	14,201,792	-0.5% Growth
Base Budget	<u>43,725,452</u>	.76% Growth
Personnel Requests	1,532,689	
Other	<u>622,282</u>	
	2,154,971	
Total Expenditures	45,880,423	
Revenue less Expenditures	2,409,245	

* No New Revenue Tax Rate projected to be \$.02 lower than existing tax rate

Recommended Uses of Excess Revenues over Expenditures FY 2021-2022 Budget

Recurring

Health Insurance (5% Increase)	165,000
GF Step/Merit (2% Increase)	207,000
Market Adjustment	1,000,000 approximate
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	1,372,000

One Time

Tech Upgrades for Council Chambers	150,000
Ambulance Replacement	350,000
2 Additional Tahoe Replacements (PD)	138,000
Tennis Court Lighting - Partnership with WISD	150,000
Security for Parks Maintenance Facility	30,000
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	818,000

Total 2,190,000

Rating Agency Comments

Credit Strengths:

History of positive financial performance; strong reserves relative to budget.

Wylie's budgetary flexibility is very strong with an available fund balance in unaudited fiscal year 2020 of 51% of operating expenditures. We expect the available fund balance to remain above 30% of expenditures for the current and next fiscal years, which we view as a positive credit factor.

Factor that could lead to an upgrade:

Continued trend of surplus financial operations, leading to stronger reserves relative to budget

Factor that could lead to a downgrade:

Trend of operating deficits, leading to a material reduction in financial reserves.

Next Steps

June 15	Detailed Budget Books to Council
June 22	Utility Fund and 4B Fund work session
July 13	Work session to discuss departmental requests in each fund.
July 27	Continued discussion of departmental requests
July 27	Approve water and sewer rates (effective October 1, 2021)
August 5	Proposed budget available to the public