



City Council Budget Work Session

April 10, 2017

Legal Requirements

- City Charter, Article III, Section 3.iv - The City Manager is required to prepare and submit a proposed balanced annual budget by the first of June
- State Statutes establish procedures for public notification related to budget estimates, tax information, changes in fees or charges and budget adoption

Fund Accounting

- Segregates Revenues and Expenditures based on their purpose
- Some funds are legally required
 - General Fund
 - Highway user revenue fund
- Some funds are politically necessary
 - Grants, water, wastewater, sanitation, dedicated sales tax



Major Funds

- General Fund
- Water/Sewer Enterprise Fund
- Sanitation Enterprise Funds
- Highway User Revenue Fund
- Dedicated Sales Tax
- Debt Service Funds
- Construction Funds



Funding Sources

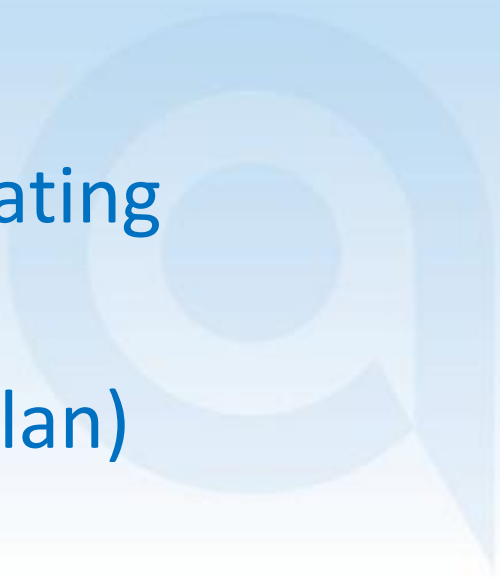
- Taxation
- Fees for services
- Intergovernmental revenues
- Licenses & permits
- Impact fees
- Fines & penalties
- Debt financing



Financial Policies

- Revenues
 - Balanced – resources greater than uses
 - On-going vs. One-time
 - Enterprise fund revenues to be self-sustaining
 - Property tax levels not to exceed than \$2.00 per \$100 of assessed valuation
 - Rates, fees, and charges evaluated annually for appropriate recovery rates
 - State shared revenues evaluated annually for legislative impact affecting City's share

Capital Planning

- 10-year Capital Improvement Plan (CIP)
 - Plan reviewed annually by CIP Citizens Committee
 - Plan must conform to legal and financial limitations
 - Impacts of capital projects on operating budget evaluated
 - Support Council's goals (Strategic Plan)
- 

Fund Balance and Net Position

- Council established a stabilization fund of not less than 35% of budgeted prior year General Fund expenditures and transfers out.
- Enterprise net positions policies: 1) working capital (9 months) and 2) capital replacement reserves (5% of the full value of assets excluding depreciation)

Council Budget Work Session

- Document structure
- Finance Revenue and Expenditure Forecast
- Department Budget Requests
- Capital Improvement Program
- Tax Levy
- Other discussion items

