

# CITY COUNCIL BUDGET WORKSHOP

*Five Year Forecast  
Major Operating Funds  
(non-General Fund)*

February 18, 2014

# Overview

- ◎ Review of Major Operating Funds
  - Enterprise
    - Water Services
    - Sanitation
    - Landfill
  - Special Revenue
    - HURF
    - Transportation Sales Tax
    - Public Safety Sales Tax (Police & Fire)

# Assumptions

- ⦿ Similar growth rates to GF forecast
  - Revenues
  - Expenditures
- ⦿ No changes service levels
- ⦿ Incorporates the 10-year CIP
- ⦿ Emphasis on pay-as-you go funding of CIP
- ⦿ Planned bond sales where required
- ⦿ Included 5% contingency in all funds

# Analysis

- Overall, no significant financial issues were identified in any fund
- No anticipated rate adjustments in the Enterprise Funds for FY14-15
- Analyzed financial trends
- Capital/debt planning is an effective tool
- Continue to monitor for rate sensitivity and program execution
- Need to ensure compliance with Bond Covenant Ratios

# Water & Sewer Funds

(dollars in thousands)	FY13-14 Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Fund Balance	\$ 76,482	\$ 64,052	\$ 48,331	\$ 25,406	\$ 1,942	\$ (10,361)
Revenues	82,625	83,041	83,879	84,857	85,800	86,665
Operating Expenditures	(77,494)	(74,984)	(76,972)	(78,030)	(79,136)	(80,253)
Capital Outlay	(17,561)	(19,626)	(25,639)	(26,049)	(14,677)	(1,703)
Contingency	-	(4,152)	(4,194)	(4,243)	(4,290)	(4,333)
Ending Fund Balance	\$ 64,052	\$ 48,331	\$ 25,405	\$ 1,941	\$ (10,361)	\$ (9,985)

# Water & Sewer Funds

- Adequate fund balance at least through FY15-16
- Minimal customer growth
- Aggressive capital improvement program which includes infrastructure maintenance

# Sanitation

(dollars in thousands)	FY13-14 Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Fund Balance	\$ 3,111	\$ 1,443	\$ 1,568	\$ 883	\$ (432)	\$ (2,105)
Revenues	14,776	14,995	15,150	15,341	15,522	15,682
Lease Proceeds	-	2,443	3,984	3,572	1,896	1,448
Operating Expenditures	(13,661)	(14,084)	(14,991)	(15,826)	(16,390)	(16,888)
Capital Outlay	(2,282)	(2,480)	(4,070)	(3,635)	(1,925)	(1,470)
Contingency	(500)	(750)	(757)	(767)	(776)	(784)
Ending Fund Balance	\$ 1,444	\$ 1,567	\$ 884	\$ (432)	\$ (2,105)	\$ (4,117)

# Sanitation

- ⦿ Adequate fund balance at least through FY15-16
- ⦿ Revenue enhancement opportunities
- ⦿ Includes equipment maintenance and replacement
- ⦿ Maintains current service level
- ⦿ Options for future lease/purchase major equipment financing



# Landfill

(dollars in thousands)	FY13-14 Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Fund Balance	\$ 9,835	\$ 1,258	\$ 1,829	\$ 4,479	\$ 12,075	\$ 4,816
Revenues	9,404	11,015	11,136	11,443	11,689	11,816
Bond Proceeds	-	-	15,300	15,300	-	-
Operating Expenditures	(7,092)	(8,539)	(8,737)	(10,480)	(12,227)	(12,419)
Capital Outlay	(10,890)	(1,354)	(14,493)	(8,095)	(6,136)	-
Contingency	-	(551)	(557)	(572)	(584)	(591)
Ending Fund Balance	\$ 1,257	\$ 1,829	\$ 4,478	\$ 12,075	\$ 4,817	\$ 3,622

# Landfill

- ⦿ Adequate fund balance
- ⦿ Revenue enhancement opportunities
- ⦿ Costly regulatory compliance
- ⦿ Two large capital projects
  - Closure of Southern Quadrant (\$9.3 million)
  - Landfill Phase Construction North (\$9.2 million)
- ⦿ Planned bond sales

# HURF

(dollars in thousands)	FY13-14 Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Fund Balance	\$ 18,934	\$ 16,153	\$ 1,904	\$ 2,483	\$ 849	\$ 38
Revenues/Transfers in	13,792	13,791	13,842	12,868	12,894	12,920
Bond Proceeds	-	-	15,000	-	-	-
Operating Expenditures	(16,573)	(13,401)	(13,621)	(13,858)	(13,060)	(11,266)
Capital Outlay	-	(14,000)	(14,000)	-	-	-
Contingency	-	(640)	(642)	(643)	(645)	(646)
Ending Fund Balance	\$ 16,153	\$ 1,903	\$ 2,483	\$ 850	\$ 38	\$ 1,046

# HURF

- ⦿ Adequate fund balances
- ⦿ State shared revenue source
  - Subject to state legislative adjustments
- ⦿ Statutory regulations
- ⦿ Maintains current service levels
- ⦿ Includes major street reconstruction and pavement maintenance program
- ⦿ Planned bond sale

# Transportation Sales Tax

(dollars in thousands)	FY13-14 Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Fund Balance	\$ 30,501	\$ (840)	\$ 12,782	\$ 10,826	\$ 10,677	\$ 11,047
Revenues	24,714	25,471	26,253	27,086	27,971	28,888
Bond Proceeds	-	20,000	-	-	-	-
Operating Expenditures/ Transfers Out	(20,709)	(20,829)	(23,110)	(22,883)	(23,183)	(23,487)
Capital Outlay	(35,347)	(9,826)	(3,865)	(3,075)	(3,098)	(3,430)
Contingency	-	(1,195)	(1,234)	(1,276)	(1,320)	(1,366)
Ending Fund Balance	\$ (841)	\$ 12,781	\$ 10,826	\$ 10,678	\$ 11,047	\$ 11,652

# Transportation Sales Tax

- ⦿ Adequate fund balance
- ⦿ Dedicated sales tax
  - Growth rate parallels General Fund
- ⦿ Maintains current service levels
- ⦿ Major capital projects
  - Northern Ave. Super Street
  - Annual Pavement Maintenance
- ⦿ Planned bond sale

# Public Safety - Police Special Revenue

(dollars in thousands)	FY13-14 Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Fund Balance	\$ 9,615	\$ 7,860	\$ 7,805	\$ 7,530	\$ 7,291	\$ 7,150
Revenues	13,873	14,329	14,800	15,301	15,834	16,385
Operating Expenditures	(15,628)	(13,667)	(14,335)	(14,775)	(15,183)	(15,581)
Contingency	-	(716)	(740)	(765)	(792)	(819)
Ending Fund Balance	\$ 7,860	\$ 7,806	\$ 7,530	\$ 7,291	\$ 7,150	\$ 7,135

# Public Safety - Fire Special Revenue

(dollars in thousands)	FY13-14 Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Fund Balance	\$ 1,490	\$ 1,370	\$ 947	\$ 546	\$ 225	\$ 24
Revenues	6,793	7,018	7,249	7,496	7,758	8,030
Operating Expenditures	(6,913)	(7,090)	(7,288)	(7,441)	(7,571)	(7,703)
Contingency	-	(351)	(362)	(375)	(388)	(401)
Ending Fund Balance	\$ 1,370	\$ 947	\$ 546	\$ 226	\$ 24	\$ (50)



# Public Safety Sales Tax

- ⦿ Adequate fund balance
- ⦿ Dedicated sales tax
  - Growth rate parallel to General Fund
- ⦿ Specific use for “enhanced” public safety services

# Summary

- ✓ No anticipated rate adjustments in the Enterprise Funds for FY14-15
- ✓ Fund balances are adequate to support current service levels
- ✓ Major Capital Improvement Projects could require bond sales or rate adjustments in later years of planning period
- ✓ Plans address aging infrastructure and capital asset replacement

# Next Steps

- ❖ Budget Workshops for All Funds *April*
- ❖ Tentative Budget Adoption *May*
- ❖ Final Budget Adoption *June*