

Legislation Text

File #: 2020-3475, **Version:** 1

Discussion on the City Manager's FY21 Budget.

Issue/Request:

Discussion on the City Manager's FY21 Budget.

Key Issues:

At the Finance and Budget Committee meeting on May 11, 2020, the City Manager presented the proposed FY21 Budget. The proposed General Fund revenues total approximately \$70.3 million and the expenses total approximately \$76.2 million. There are 552.18 full-time equivalent positions budgeted in the General Fund. The total proposed expenditures for all Funds is \$234,694,044.

Proposed City Council Motion:

Not Applicable.

Background:

The FY21 Revenue forecast was presented to the Finance and Budget Committee on April 13, 2020, and to the City Council on April 14, 2020. The Presentation of the City Manager's FY21 Budget was presented to the Finance and Budget Committee on May 11, 2020. That presentation did not include the information for the Parks and Recreation funds. The presentation has been updated to include the proposed budgets for the Parks and Recreation funds.

Impact/Analysis:

The City anticipates that it will end FY20 with a General Fund Reserve Balance of approximately \$27,729,680. The City is forecasting to have revenues less than expenditures in the General Fund by \$5,898,615. As a result, this would require the City to spend down the General Fund Reserves by that amount (\$5,898,615), and the anticipated General Fund Reserve Balance to end FY21 would be approximately \$21,831,065 (which is 28.6% of the operating expenditures).

City Ordinance No. 7428, which outlines the General Fund Reserve Balance Guidelines, states that City Ordinance No. 7428, which outlines the General Fund Reserve Balance Guidelines, states that the General Fund balance shall be maintained in an amount equal to that of at least two (2) average months of regular general fund operating revenues or expenditures, whichever is greater (16.67%) based on the prior fiscal year, to address emergencies and provide for economic stability. Based off of this ordinance the General Fund Reserve Balance would need to be at least \$12,703,592. As it can be seen from the above analysis, the anticipated General Fund Reserve Balance to end FY21 of \$21,831,065 would still be greater than the requirements of the ordinance.

Other Information/Unique Characteristics:

The Public Hearing for the FY21 Budget will be on June 9, 2020, at the City Council meeting. The budget

ordinances will also be on the June 9, 2020, City Council agenda for the first reading.

Stephen Arbo, City Manager
Chris Clubine, Management Analyst

Recommendation: Not Applicable.

Committee Recommendation: [Enter Committee Recommendation text Here]