

FISCAL YEAR 2017-2018

Budget Highlights

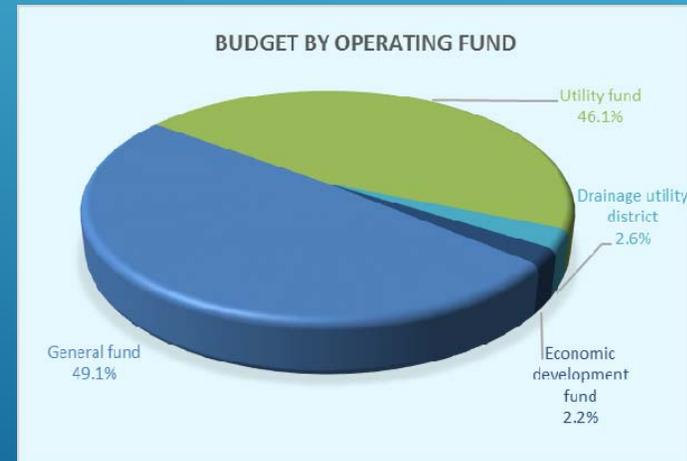
Combined Operating Budget

The proposed fiscal year 2017-2018 combined operating budget for the City organization totals \$24,068,638. Major operating funds are comprised of the General Fund, the Utility Fund, the Drainage Utility District and the Economic Development Fund. To fund the proposed fiscal year 2017-2018 budget, we are proposing the following:

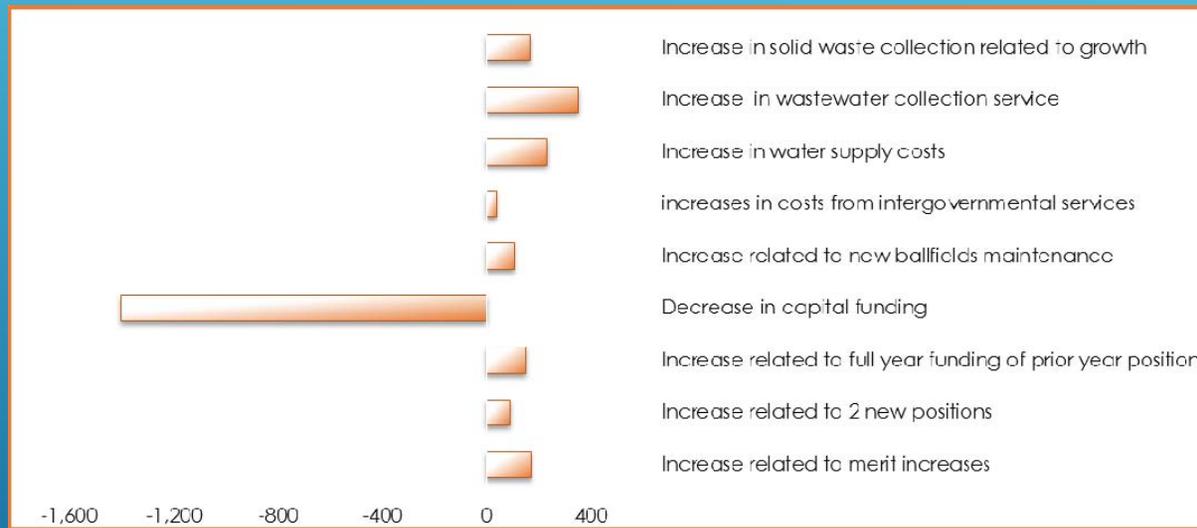
- An increase in property taxes of \$0.0117 over the effective tax rate, although the tax rate will remain at \$0.4474 per \$100 valuation;
- A change in our water rate structure that will generate additional water revenue to cover the rising cost of water supplied by CRWA;
- An increase to park rental fees which have not been adjusted in many years;
- Consideration of implementing fees for services currently provided at no cost to citizens.

Combined Operating Budget

Fund Type	FY 2016-2017 Current Budget	FY 2017-2018 Proposed Budget	\$ Difference	% Difference
General Fund	\$12,583,174	\$11,816,561	(\$766,612)	(6.1%)
Utility Fund	10,410,832	11,086,387	675,555	6.5%
Drainage Utility District	<u>646,067</u>	<u>636,351</u>	<u>(9,716)</u>	<u>(1.5%)</u>
Subtotal	\$23,640,073	\$23,539,299	(\$100,774)	(0.4%)
Economic Development Fund	<u>534,988</u>	<u>529,339</u>	<u>(5,649)</u>	<u>(1.1%)</u>
Total Combined	\$24,175,061	\$24,068,638	(\$106,423)	(0.4%)



Overall increases in operating costs are offset by a significant reduction in capital funding in the proposed budget resulting in a net decrease overall.



Personnel Costs

- Positions funded mid-year in the prior budget are funded for 100% of the year in 2017-2018 at an additional cost of approximately \$150,000.
- Eligible merit increase up to 2.5% based on performance budgeted at approximately \$150,000.
- Rising costs of health insurance prompted a reduction in benefits to maintain costs. Decreased benefits include for example:
 - Raised deductible and copays
 - Reduction in pharmacy benefits and therapy visits
- New positions proposed:
 - A crew leader and maintenance worker in Drainage Utility District

Property Taxes

- The proposed budget is based on a tax rate of \$0.4474 per \$100 valuation, which is \$0.0117 per \$100 valuation over the calculated effective rate of \$0.4357 per \$100 valuation.
- The General Fund budget is based on a rate for maintenance and operations (M&O) of \$0.2726 which is \$0.0142 per \$100 valuation over the calculated effective M&O rate of \$0.2584 per \$100 valuation.
- The Debt Service Fund budget is based on a rate for interest and sinking (I&S) of \$0.1748. No new debt was issued with the exception of Certificates of Obligation for which we have a funding agreement with the YMCA.

One (1) penny in the proposed 2017-2018 budget generates approximately \$184,876, assuming a collection rate of 100%. The City's collection rate on current taxes has been consistently over 99%.

	Rate/\$100 Valuation	2016	2017	Difference from prior year	Difference over effective rate
Taxable Value (adjusted for court ordered reductions)		1,746,874,391	1,848,763,357		
Taxes refunded		10,228			
<u>Total Effect on Property Tax Revenue</u>					
2016 Tax Rate	0.4474	\$ 7,825,744.03			
2017 Effective Rate	0.4357		\$ 8,055,061.95	\$ 229,317.92	
2017 Proposed Tax Rate	0.4474		\$ 8,271,367.26	\$ 445,623.23	\$ 216,305.31
				5.69%	2.69%
<u>Total Effect on Maintenance and Operations</u>					
2016 M&O Tax Rate	0.2653	\$ 4,644,685.76			
2017 M&O Rate at Effective Rate	0.2609		\$ 4,823,423.60	\$ 178,737.84	
2017 Proposed M&O Tax Rate	0.2726		\$ 5,039,728.91	\$ 395,043.15	\$ 216,305.31
					4.48%
<u>Total Effect on Interest and Sinking (Debt Service)</u>					
2016 I&S Tax Rate	0.1821	\$ 3,191,286.27			
2017 I&S Tax Rate at Effective Rate	0.1748		\$ 3,231,638.35	\$ 40,352.08	
2017 Proposed I&S Tax Rate	0.1748		\$ 3,231,638.35	\$ 40,352.08	\$ -
					0.00%

This budget will raise more total property taxes than last year's budget by \$445,623 (5.69%), and of that amount \$413,750 is tax revenue to be raised from new property added to the tax roll this year.

Property Tax Rate Comparison of the surrounding area



QUESTIONS & COMMENTS

End

A decorative graphic consisting of several parallel white lines of varying lengths, slanted upwards from left to right, located in the bottom right corner of the blue background.