

The background features abstract, overlapping geometric shapes in various shades of blue, ranging from light sky blue to deep navy blue. These shapes are primarily located on the left and right sides of the slide, framing the central white area.

FY 2020 Proposed Budget Updates

March 18, 2019

FY 2020 Budget

Highlights

Total Budgets:

- ▶ City Wide: \$221.6M (Increase of \$11.5M / 5.5% over FY 2019)
- ▶ General Fund: \$105.8M (Increase of \$1.6M / 1.5% over FY 2019)

Other Highlights:

- ▶ Capital Projects: \$39.1M (Increase of \$12.5M / 47% over FY 2019)
- ▶ GF Fund Balance: +\$20.0M (2020 Projection - Pending FY 2019 Surplus)
- ▶ Cash for Equipment: \$1.9M (General Fund = \$504K)

FY 2020 Budget

Departmental Voluntary Reductions

After balancing of operating and capital needs (surplus/deficit review), Departments asked for voluntary reductions to fund additional one-and-done projects = projects other than those for Facilities, Streets and those funded by grants:

- ▶ Total one-and-done projects: \$535.5K
- ▶ Departmental Reductions: \$172.2K = 32% of one-and-done total

Categories Reduced:

- ▶ \$62K - Misc Purchased Services
- ▶ \$60K - Compensation Related
- ▶ \$32K - Misc Commodities/Supplies
- ▶ \$18K - Misc Other

FY 2020 Budget

Cash for Equipment Savings vs. Financing with a Capital Lease

- ▶ For FY2020, \$1.9M budgeted cash for equipment, at 4% annual interest:
 - ▶ Approximately \$70,000 in City Wide interest savings for the first year.
 - ▶ Approximately \$200,000 in interest savings over the life of the lease.
- ▶ Goal of removing \$5M in annual capital equipment leasing, at 4%:
 - ▶ Approximately \$525,000 in interest savings over the life of the lease.

FY 2020 Budget

Fund Balance Notes

- ▶ Fund Balance affects Credit Ratings. According to a Moody's report, median fund balances by rating are:
 - ▶ Aa municipalities have fund balances of 21% (as a percent of total expenditures)
 - ▶ The City currently has a rating of Aa
 - ▶ The City's FY2020 Proposed Budget Fund Balance is: \$20.8M / 19.6%
 - ▶ Aaa municipalities have fund balances of 25%
- ▶ Fund Balance reserve policy should be considered a minimum target.
- ▶ Fund Balance should be reserved for use in emergency situations and for one-time needs such as one-and-done capital projects.

FY 2020 Budget

Next Steps

- ▶ The Proposed Budget can be viewed in detail:
 - ▶ Via the Web - at: www.cityblm.org/budget
 - ▶ Via Hardcopy - by visiting the City Library or City Clerk's office

(This Presentation will be posted to the City's website: Documents-Finance-Budget-FY2020)

- ▶ Remaining FY 2020 Budget Schedule:
 - ▶ Continued Budget Discussion: March 25, 2019
 - ▶ Final Budget Adoption: April 8, 2019