



City of Bloomington FY2020 and FY2021

COVID-19

April 20, 2020

FY 2020 Budget

COVID-19

General Fund Budget Projection

▶ Considerations:

▶ Shelter In Place Order:

▶ 1.5 Month material reduction to Sales Taxes, Food Beverage, Video Gaming, Parks, LMFT etc.

▶ Assumed Monthly Reductions range from 50% (sales taxes) to 100% (video gaming)

▶ Total Approximate Net Effect: \$2.0M

▶ Income Tax Deadline Extension to July 15, 2020:

▶ Delay of 2 month's revenue into FY2021

▶ Total Approximate Net Effect: \$0.7M

▶ Effects on General Fund - Fund Balance:

FY2019 Ending Fund Balance	\$22.1M	
FY2020 Unplanned Use of Fund Balance	-\$3.0M	2.7M COVID-19 related
FY2020 Planned Use of Restricted Fund Balance	<u>\$1.1M</u>	
FY2020 Projected ending Fund Balance	\$20.2M	

FY 2021 Budget

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Budgets Affected - Distinction

Total Budgets:

- ▶ City Wide: \$230.3M
 - ▶ General Fund: \$110.2M
 - ▶ Non-General Fund: \$120.1M (Includes Enterprise Funds*)

* Enterprise Funds generate fees for funding their operations. These fees are not expected to be materially affected. Fees are intended / dedicated solely for the support of the related services to the City (Water, Sewer etc.) including infrastructure expenditures. The use of fund balance (reserves) is common practice for Enterprise Funds which oftentimes accumulate fund balance to be used for the execution of larger projects/purchases. (exceptions are Golf and the Arena which are subsidized)

FY 2021 Budget

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General Fund Budget Projections

► Considerations:

- Shelter In Place Order: Material reduction to Sales Taxes, Food Beverage, Video Gaming etc.
 - Assumed Monthly Reductions range from 50% (sales taxes) to 100% (video gaming)
- Ongoing Recessionary Effect: Residual reductions in economic activity
 - Assumed reduction of 8.5% based on 2008 recession economic effects, effects on City revenues during that time and various current forecasts.

► Scenario Review - Effects on General Fund - Net:

- Shelter lifted May 1st: \$5.0M (Recession effects only)
- Shelter lifted June 1st: \$7.3M (1 mo. Shelter, remainder of year affected by Recession)
- Shelter lifted July 1st: \$9.5M (2 mos. Shelter, remainder of year affected by Recession)

FY 2021 Budget

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General Fund Balancing Actions

FY2020 Capital Projects - not executed	1,700,000
Market Street Garage - partial delay	830,000
Police Parking Deck - savings	70,000
Arena Garage - delay	100,000
Equipment Purchase - delay	600,000
Contractuals / Commodities Managed Savings	500,000
Use of Fund Balance	1,250,000
Total	<hr/> 5,050,000

FY 2021 Budget

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General Fund - Summary

- ▶ The COVID-19 financial situation is fluid
- ▶ Staff recommendation is to avoid making global decisions now - given the degree of change needed is still yet to be determined
- ▶ However, preparations are being acted on:
 - ▶ Scenario Planning: Identified +5M in backup actions
 - ▶ Forward-Looking Commitment Review: Asphalt and Concrete bid reduction
- ▶ Strong Reserves - provides the flexibility to assess as we go
- ▶ Vigilant - Proactive approach to FY2021 - Confidence in the Process
 - ▶ Revenue charting
 - ▶ Department budget meetings / reviews
 - ▶ Council Memos / Procurement reviews