

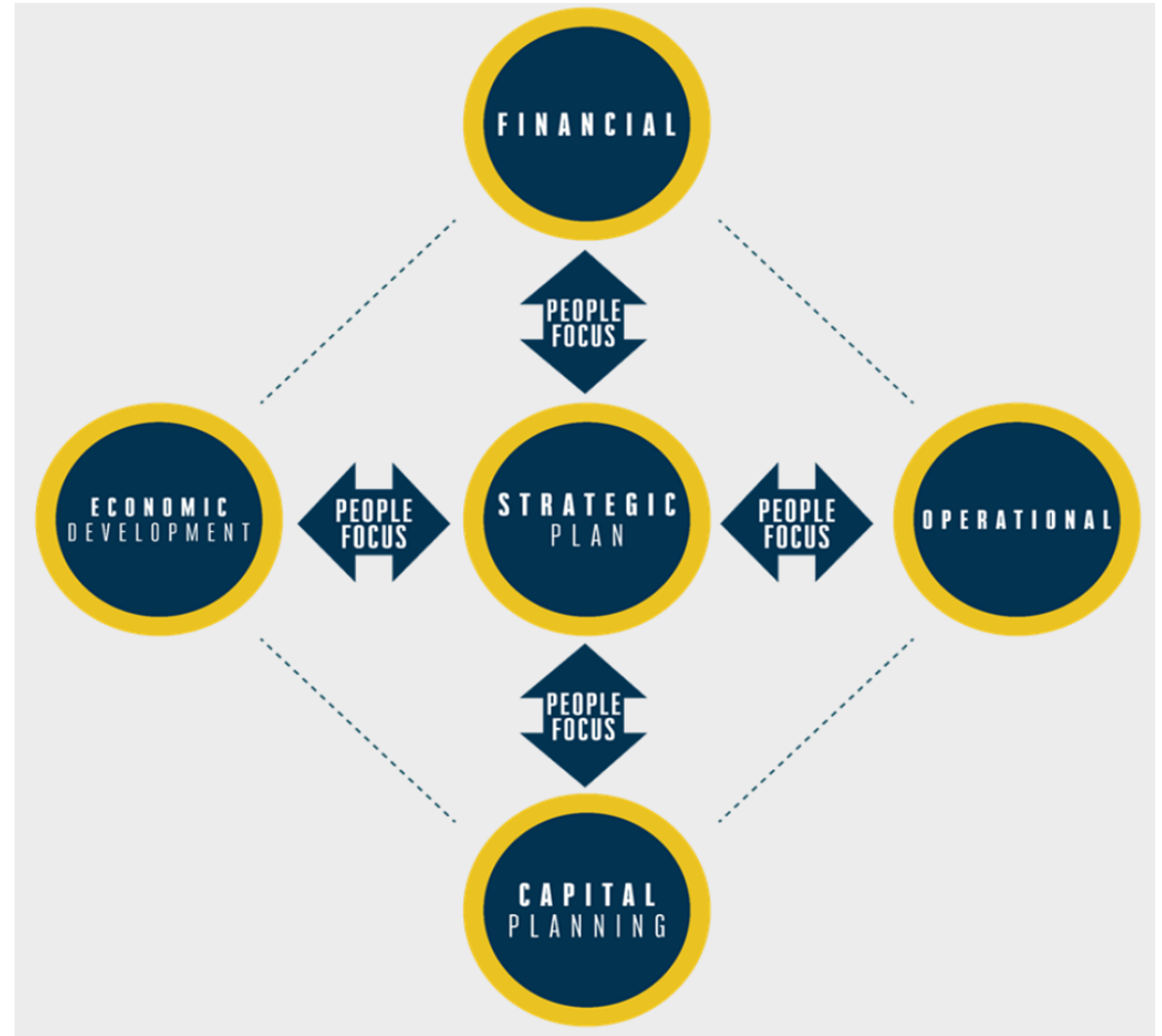


Budget Update

December 15, 2020

Our Vision

Develop a vibrant regional economy,
safe and beautiful neighborhoods and
exceptional recreational, cultural and
educational opportunities powered by
a high performing government.



Strategic Plan – Financial Focus



▪ **Vision Block**

- High Performing Government

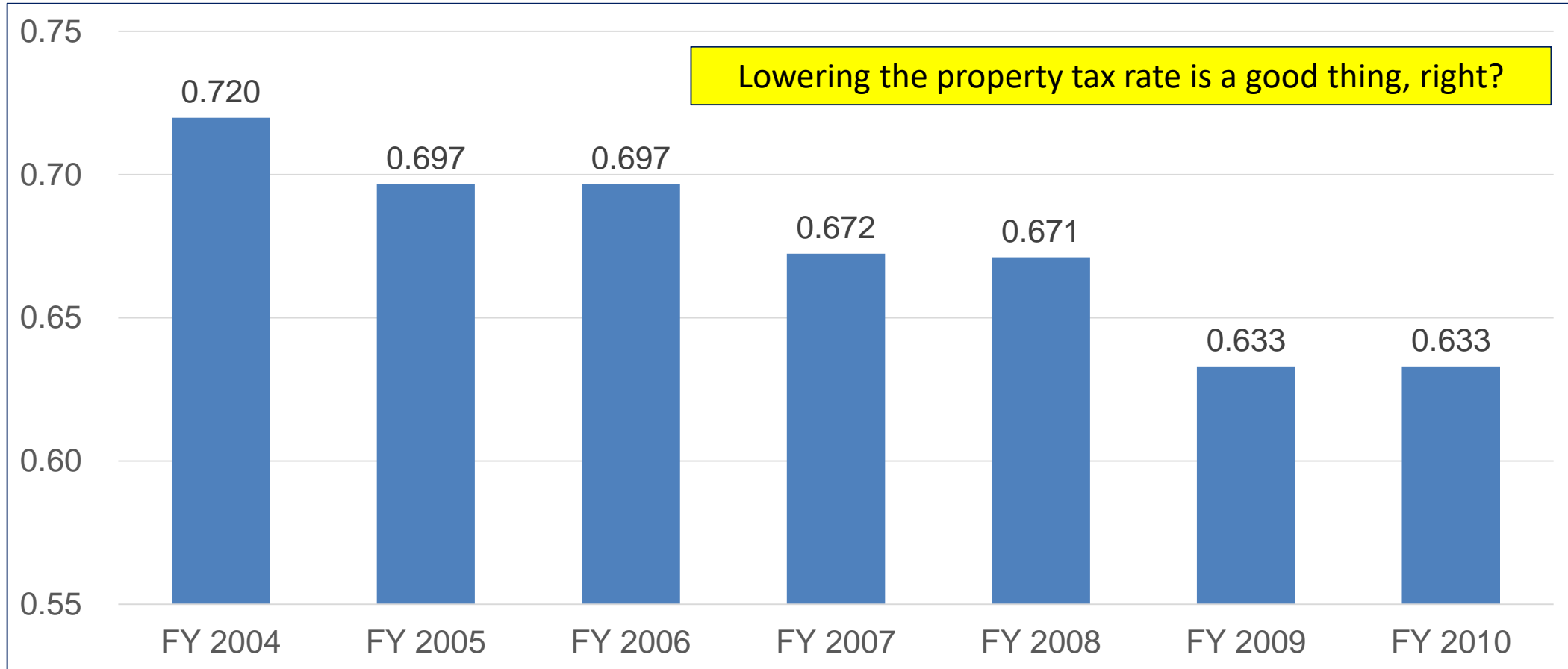
▪ **Goal**

- Set the Standard for Sound Governance and Fiscal Management

▪ **Strategy**

- Ensure continued financial stability and accountability through sound financial management, budgeting and reporting

A Look Back in Time.....Property Tax Rate



Pre-Strategic Plan - Organizational Challenges...

- Declining fund balance – budget accuracy & discipline
- Declining police department staffing due to irregular/cancelled academies
- No regular schedule for maintenance
- Operating costs for Quality of Life projects not factored in
- No regular replacement cycle for public safety vehicles/equipment
- No regular investment in preventative maintenance for facilities
- No regular maintenance for support courts and
- No regular funding for ADA on-demand request projects
- Majority of funding for economic incentives was committed to one project
- No compensation adjustments and increasing healthcare

Lowering the property tax rate was a good thing, right?

Powered by a High Performing Government

- As a **High-Performing Government**, we have implemented systems and processes focused on:
 - Alignment to the Strategic Plan - Financial, Operational, Capital Planning, and Economic Development
 - Implementing best practices (new revenue & cost savings)
 - Being proactive and not reactive
 - Short and long-term sustainability

Examples of Best Practices

To Achieve Results and Keep Taxes Low

- Alternative revenue sources – hotel, sales tax, franchise audits, bridges cash differential fee, utility franchise agreements
- Leveraging Federal and State funding – bridges capital projects, state sales tax rebates, MPO projects
- Developing and training staff – Lean Six Sigma and Baldrige training to drive efficiency and effectiveness
- Financial tools – debt refinancing, investment revenue, redesigning healthcare options

Addressing Organizational Challenges...

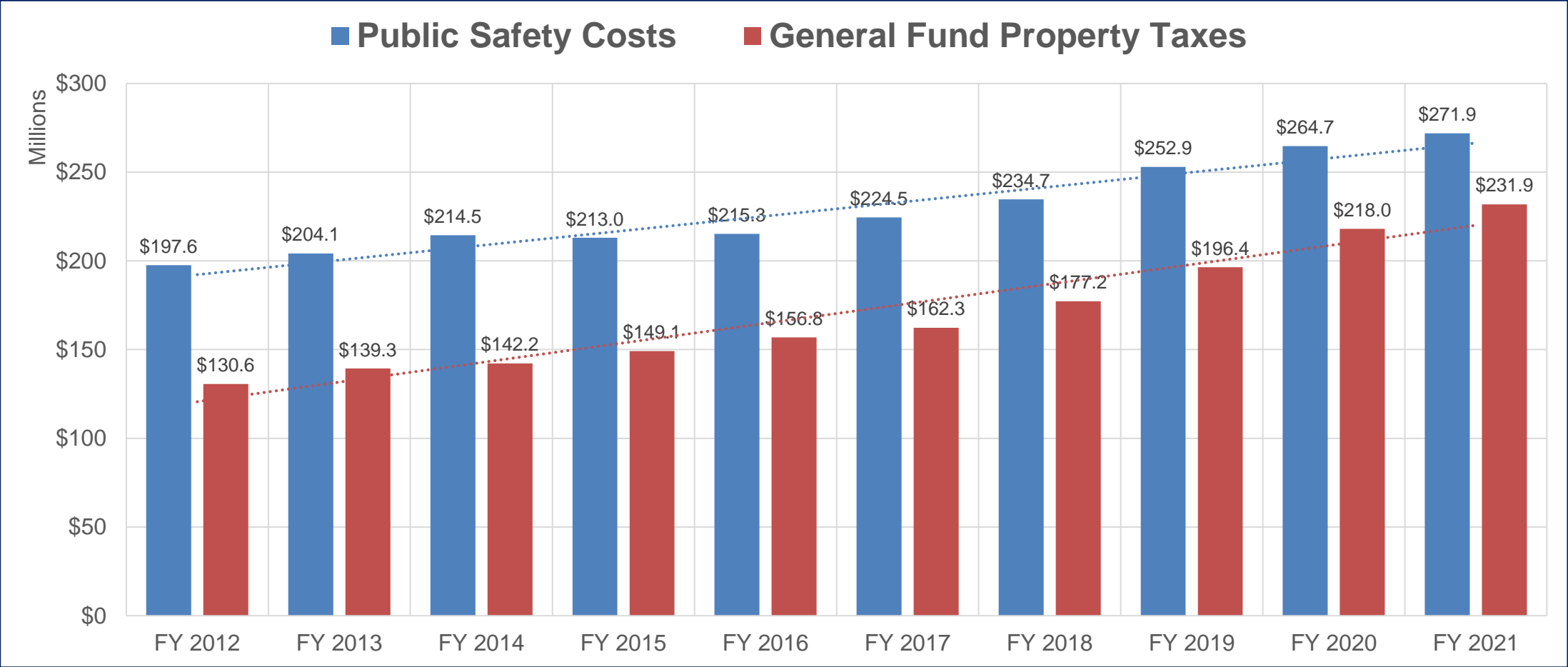
Challenge

- Declining fund balance – budget accuracy & discipline
- Declining police department staffing due to irregular/cancelled academies
- No regular schedule for street maintenance projects
- Operating costs for Quality of Life projects not factored in
- No regular replacement cycle for public safety vehicles/equipment

Result

- Increase of \$41.6 million and creation of budget stabilization fund
- 10 year staffing plan to add net increase of 300 officers (currently net increase of 145)
- \$10 million in annual pay-go funding for residential and collector street projects
- \$16 million built into annual budget over the last five years
- \$4 million in annual pay-go for public safety capital

Property Taxes and Public Safety



Addressing Organizational Challenges...

Challenge

- No regular investment in preventative maintenance for facilities
- No regular maintenance for sport courts and complexes
- No regular funding for ADA on-demand request projects
- Majority of funding for Economic incentives was committed to one project
- No compensation adjustments and increasing healthcare

Result

- \$1.5 million in annual pay-go funding for facility improvements
- \$1.9 million in annual pay-go for sport court resurfacing and complex maintenance
- \$500K in annual pay-go funding for ADA on-demand request projects
- \$10 million in additional annual funding dedicated for economic incentive projects
- Six consecutive years of compensation adjustments. No health care increases last year

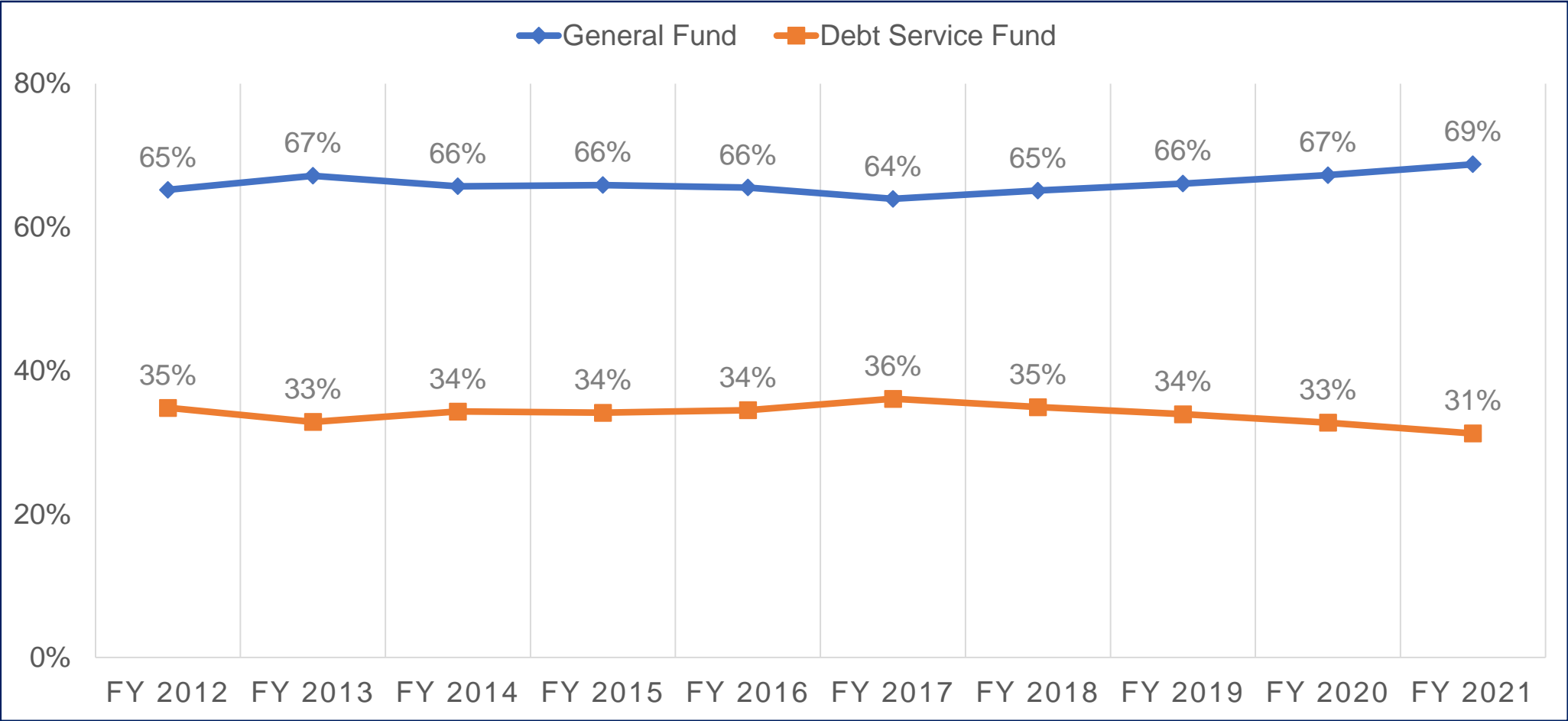
FY 2021 Budget – Dealing with COVID-19

- Protect residents and businesses by maintaining same tax rate
- Focused on the basics (police, fire, health, workforce)
- Unfunded all vacant non-essential positions
- Delayed opening of new amenities
- Deferred completion of capital projects (no debt issuance)
- Utilize CARES Act Federal funding
- Increased Budget Stabilization Fund

Tax Rate Breakdown

	FY 2020	FY 2021
General Fund	\$0.610139	\$0.623847
Debt Service Fund	<u>\$0.297162</u>	<u>\$0.283454</u>
Total Tax Rate	\$0.907301	\$0.907301

Property Tax Rate Breakdown



Best Practices - Capital Projects Funding

- *Refinancing existing debt*

- Structuring issuances with “call dates” for refunding opportunities
- \$47 million in savings since 2016

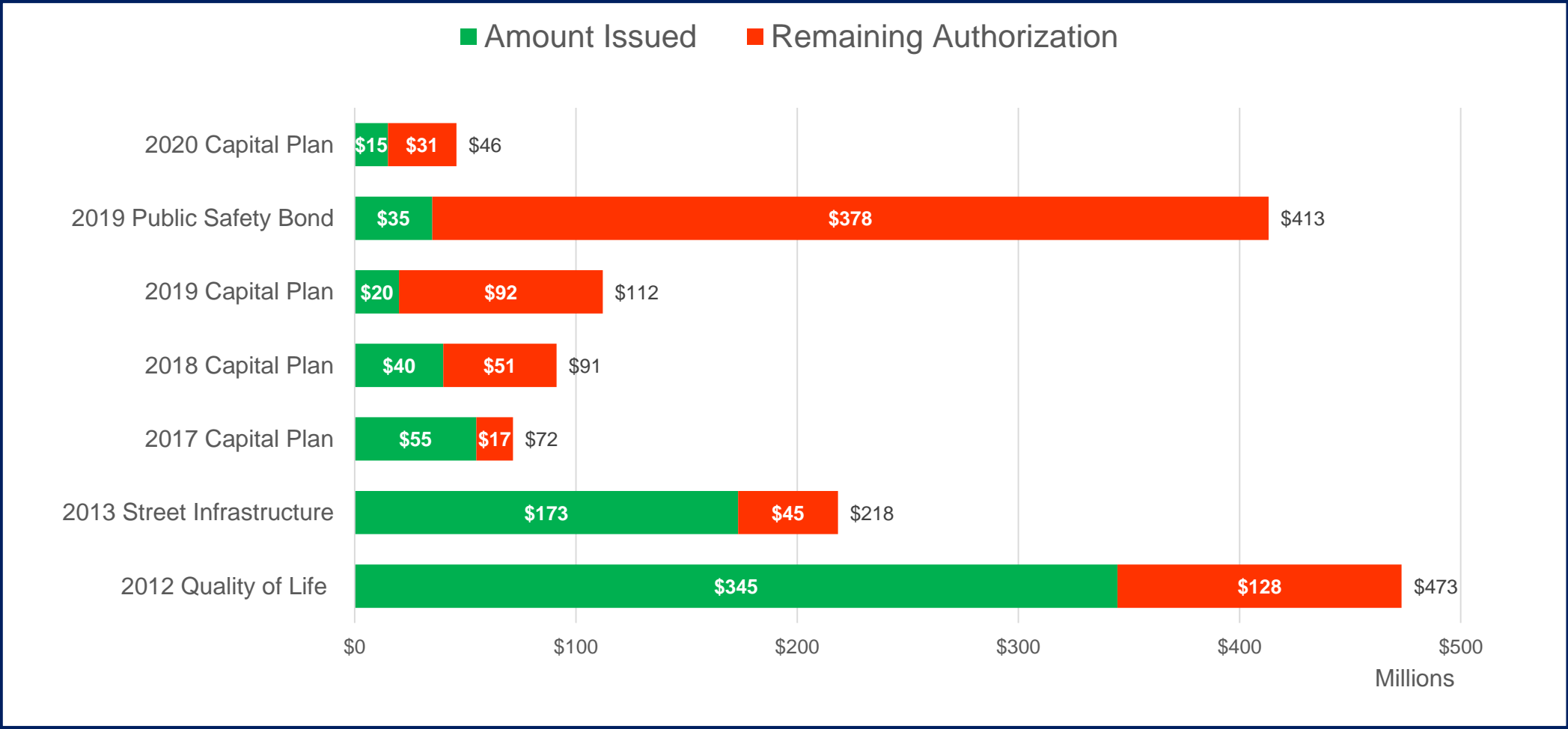
- *Investment Interest Revenue*

- Maximizing funds for projects
- \$29 million since 2017

- *Annual Pay-Go Funding*

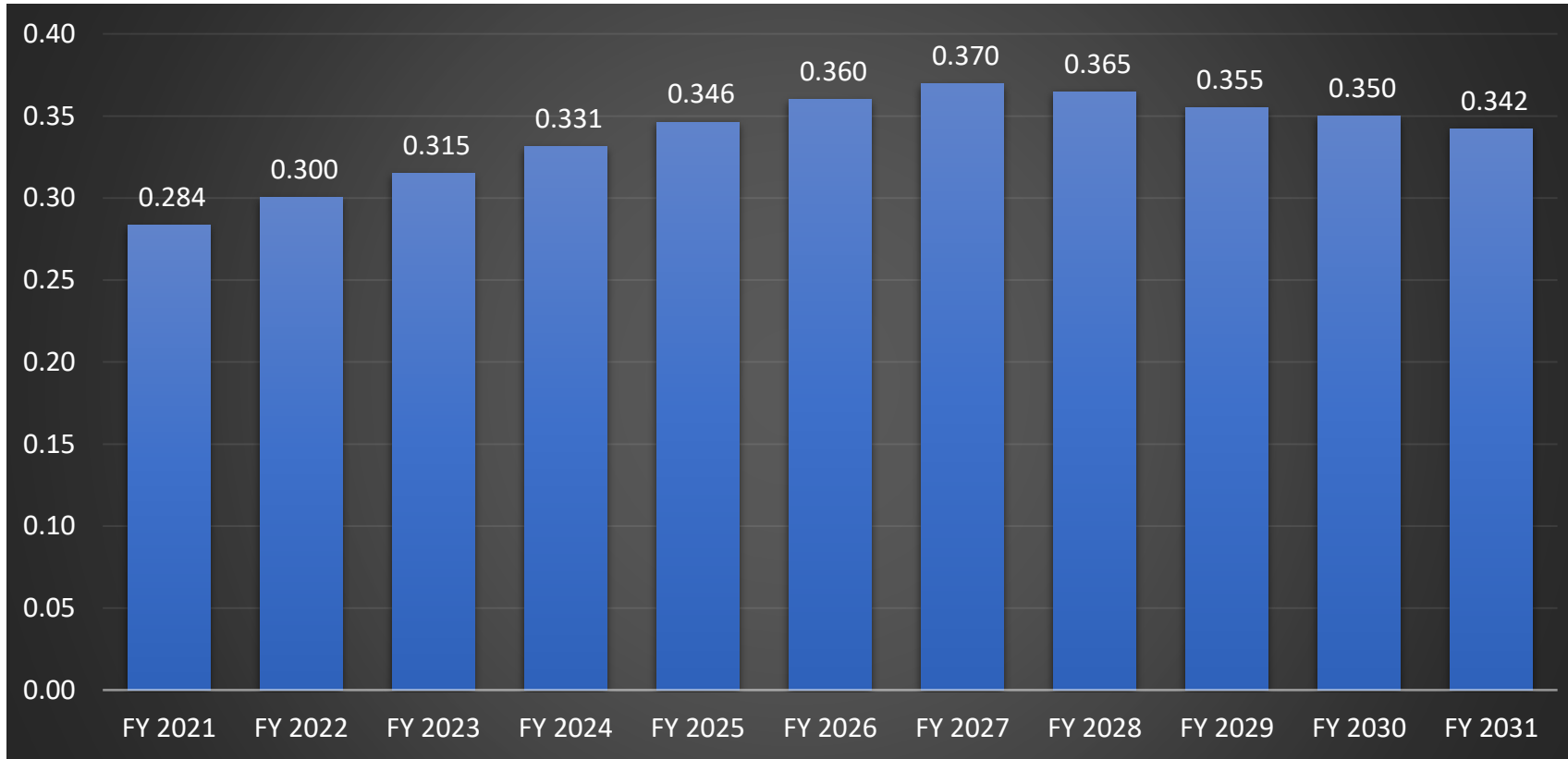
- Minimize use of debt and address Council and community priorities
- \$30 million annually since 2018

CIP Authorizations



Projected Debt Service Tax Rate

Based on Planned Issuances (Cents per \$100 valuation)



Assumptions

- Stays below \$0.40 maximum debt rate per policy
- Taxable value growth rate
- Interest rates
- Planned authorizations amounts
- Length of debt
- Does not include future potential refunding opportunities
- Does not include potential future changes to federal tax law allowing tax-exempt advance refunding bonds

Next Steps

- Financial analysis being conducted on refinancing opportunities on existing debt
- Potential issuance of new money in early 2021 could be funded from refinancing and debt service savings
- Working closely with Capital Improvement to determine priority projects that would be funded



Mission

Deliver exceptional services to support a high quality of life and place for our community



Vision

Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government



Values

Integrity, Respect, Excellence, Accountability, People