



Budget Policies Stabilization Fund Amendments

May 10, 2022



Strategic Plan Alignment



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

Create and implement a plan to address long-term liabilities and sustain the City's Bond Rating



Purpose of the Budget Policies

- Sets guidelines for budgetary decision-making and set standards for **sound budgetary practices** and **fiscal performance**.
- Budget Policies that are consistently followed will assist the City in achieving its **current and future goals** in a fiscally responsible and sustainable manner.
- Policy spans areas of both **operating** and **capital** projects budgeting, revenue management, forecasting, internal controls, and reporting.

Stabilization Fund

- Originally recommended in December 2015
- Council approved on March 3, 2020 as a reserve of surplus revenue
- Amount of funds to be committed or planned uses require Council approval

Stabilization Fund Amendments

- Establishes the “Operating & Debt Stabilization Fund”
- Creates “Pension Stabilization Fund”

Operating & Debt Stabilization Fund

- Reserve of surplus revenues to be used with the purpose of:
 - Minimizing future tax rate impact for operating and debt service,
 - Protecting against raising charges for services and fees and,
 - Providing available funding for specific circumstances as needed to maintain the same levels of service
- Amount of funds to be committed or planned uses require Council approval



Pension Stabilization Fund

- To continue sound financial management of the City in a proactive manner
- Reduce current unfunded pension liability
- Sustain and improve City bond rating, resulting in taxpayer savings
- Plan is to fund additional annual contributions to the City Employees Retirement Trust and Firemen & Policemen's Pension Fund

FY 2022 General Fund



- General Fund revenue performance has exceeded budget projections
- Sales tax revenue growth in the current year is unprecedented, currently 18% higher compared to last year
- Expenditures projected below budget due to vacancies, however additional costs incurred with pay raises and sign-on incentives

FY 2022 General Fund



	<u>FY 2022 Budget</u>	<u>FY 2022 Actuals</u>	<u>FY 2022 Projected</u>	<u>Variance</u>
Revenue.....	\$476,230,863	\$362,725,850	\$502,180,588	\$25,949,724
Expenses.....	\$476,230,863	\$201,630,970	\$475,014,304	\$1,216,560
FY 2022 Projected Surplus.....				\$27,166,284

Requested Action

- Approve amendments to Budget Policies establishing:
 - Operating and Debt Stabilization Fund
 - Pension Stabilization Fund
- Approve recommendation to allocate:
 - \$20,000,000 from year-end projected General Fund surplus to Pension Stabilization Fund
 - \$5,000,000 from year-end projected General Fund surplus to Operating and Debt Stabilization Fund



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



Misión

Brindar servicios excepcionales para respaldar una vida y un lugar de alta calidad para nuestra comunidad



Visión

Desarrollar una economía regional vibrante, vecindarios seguros y hermosos y oportunidades recreativas, culturales y educativas excepcionales impulsadas por un gobierno de alto desempeño



Valores

Integridad, Respeto, Excelencia, Responsabilidad, Personas