

MEMORANDUM

TO: City Council

FROM: John J. Caulfield, City Manager

DATE: November 17, 2011

SUBJECT: **6-Year Financial Forecast**

This report presents the City's 6-Year Financial Forecast for the years 2011 through 2016 (detailed financials and PowerPoint presentation attached). The financial forecast includes facts and assumptions to enable a more accurate forecast of the financial future of the city.

This forecast combines the elements of fiscal impact and forecast assumptions to produce a forecast that reflects whether adequate revenues will be available to maintain current and projected city service levels with a particular focus on the impact of current economic conditions. The forecast is divided into three key components: General Government Funds, Capital Improvement Funds and Utility Funds.

General Government Funds, which accounts for municipal services such as police, jail, court, fire, EMS, streets, parks, recreation, land use and zoning, planning, development services, debt service, and general administration such as finance, information services and community outreach and information consists of the following funds: General; Street Operations; Recreation; Debt Service; Strategic Reserve; Fleet Management; Hotel/Motel Tax; Solid Waste Service; Housing Needs; and Accumulated Leave Reserve.

The City's Capital Improvement Funds, which include street and sidewalk construction, facilities, parks improvements, information technology investments, and traffic control investments, are accounted for in the following funds: Real Estate Excise Tax (REET); Street Construction; and Capital Improvement.

The City operates three utilities: storm water, sewer, and water. Each utility is a stand-alone enterprise fund financed with user fees collected from the customers of each system (i.e., residential property owners, commercial property owners, etc.). These revenue sources are collected to finance both the ongoing maintenance and operations of each system, as well as construction projects in support of system rehabilitation and expansion.

In summary, the City continues to hold its own financially and we currently are projected to meet our bottom-line financial and operational objectives through 2016. This reflects sound financial and management policies practiced by the City. This will allow the City to ensure that basic municipal services that are provided to our citizens are not reduced and ensures the City's short- and long-term financial integrity and stability.

Attachments

- 6-Year Financial Report (PowerPoint presentation)
- Financial Report Detail by Fund
- Adopted Financial Policies
- 2011 Organization Chart
- 2011 Adopted Budget summarized by FTE and Program – All Fund
- 2011 Adopted Budget summarized by FTE and Program – General Fund
- Cities tackle the new normal head on (from AWC, November 2011)

- Maps
 - #A1 Overlap Program
 - #A2 Chip Seal Program
 - #A3 New Signal/Intersection Improvements
 - #A4 Street Reconstruction and Trail Projects
 - #A5 Existing Sidewalks
 - #A6 Possible Sidewalk Improvements
 - #A7 Possible Sidewalk Improvements – Top 13
 - #A8 Bicycle Plan
 - #A9 Traffic Calming Petition Areas
 - #A10 Sewer Construction
 - #A11 Storm Water Construction
 - #A12 Water Construction
 - #A13 Recreation Services
 - #A14 Parks Services
 - #A15a Property Management
 - #A15b Property Management

 - #B 2012 Federal & State Funding Requests

 - #C1 Prioritized Unfunded Capital Projects
 - #C2 Aging Public Facilities (Unfunded)