



1ST PUBLIC HEARING: 2020 BUDGET

2020 Budget Process

City Council Meeting September 17, 2019



Budget Philosophy

- The 2020 budget is being built using realistic, albeit conservative, revenue assumptions and matching expenses to those revenues. Matching revenues to desired expenditure levels is an unsustainable practice.
 - *Budgeting decisions should be made with an eye toward available on-going resources to fund operations. One-time resources, including accumulated fund balance, should only be used to fund one-time expenses.*
 - *The budget is being built using an incremental budgeting process where 2019 expenses, less one-time expenses, are used to build the base 2020 expense budget. Adjustments to those expenditure levels are dependent on available on-going revenue.*

Government Fund Structure

- Governmental Funds
 - *General Fund*
 - *Special Revenue Funds*
 - *Debt Service Funds*
 - *Capital Project Funds*

- Proprietary Funds
 - *Enterprise Funds*
 - *Internal Service Funds*

General Budget Assumptions - Expense

- Medical increase = 6%
- Dental increase = 4% (Washington Dental Plan) or 5% (Willamette)
- PERS Rate = 12.96% (set by the State)
- COLA Adjustment (based on West Region CPI) = 3%
- Nonlabor expenses will increase by CPI, except where contracted and known
- IPD > 1%, Council will adopt a Substantial Need Ordinance should IPD be less than 1%
- Council will approve the updated non-represented salary scale

Position Summary by Fund

	Budget 2018 Positions	Budget 2019 Positions	August 2019 Positions	Working 2020 Positions
General Fund:				
Legislative	7.55	7.80	7.80	7.80
Judicial	4.50	4.50	4.50	4.50
Administration (seperate HR & IT - August 2019)	8.60	6.40	3.40	3.40
Human Resources/Risk Management			3.00	2.85
Information Technology			2.00	2.15
Finance	10.65	9.85	9.85	9.85
Public Works Admin/Engineering	10.00	6.10	6.10	6.10
Police	20.50	21.50	21.50	21.50
Fire/EMS	-	-	-	-
Comm. Development/Parks/Recreation/Facilities	11.82	11.23	11.30	11.30
Total General Fund	73.62	67.38	69.45	69.45
Other General Government Operating Funds:				
Street Operating	3.31	3.70	3.65	3.65
Equipment Maintenance & Rental	1.05	1.20	1.20	1.20
Total Other General Gov't Operating Funds	4.36	4.90	4.85	4.85
Utility Funds:				
Water	8.02	8.42	8.40	8.40
Sewer	8.80	9.30	9.30	9.30
Solid Waste	-	-	-	-
Storm Drainage	3.00	3.50	3.50	4.50
Total Utilities	19.82	21.22	21.20	22.20

General Fund Revenue – Percent Change

<u>Revenue Rollup</u>	<u>% Change 19 Est to 20 Working</u>
Taxes	-0.2%
Charges for Goods/Service	0.2%
Intergovernmental Revenue	-38.1%
Licenses & Permits	0.0%
Fines & Penalties	-8.0%
Miscellaneous Revenue	-27.0%
Other Financing Sources	-100.0%
Grand Total	-3.0%

<u>Tax Type</u>	<u>% Change 19 Est to 20 Working</u>
B&O Tax	2.0%
Utility Tax - Non City	1.3%
Utility Tax - City	1.0%
Excise Taxes in Lieu of Property Tax	0.0%
Property Tax	1.3%
Retail Sales and Use Taxes	-2.9%
Grand Total	-0.2%

Budget Actions – Next Steps

- Next Steps:

- *Budget Committee is scheduled to meet one more time (previous meetings were Aug 9th, 30th, and Sept 13th).*
- *Finance will finalize revenue and expense assumptions.*
- *City Manager will make budget decisions by mid-September and propose to Council a balanced budget.*
- *Council will consider the proposed budget through November.*
- *Council will adopt a balanced budget in December.*

■ Opportunity for Public Comment