

Legislation Text

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CC MEETING: March 2, 2021

DATE: February 24, 2021

TO: Erin Rinehart, City Manager

FROM: Diana Vaughn, Finance Director
Bob Scott, Assistant City Manager/CFO

Discuss **Multi-Year Budget and Financial Forecast.**

BACKGROUND:

In March each year, staff presents multi-year forecasts to the City Council, which includes emerging budget issues, in order to receive preliminary guidance regarding the preparation of the annual budget. The formal budget process for City Council will begin in late-July with the distribution of the preliminary budget and end with the adoption of the operating and capital budgets in the late summer.

Over the coming months, staff will be preparing the Fiscal Year (FY) 2022 annual operating and capital budget to be provided to City Council on or before July 31, 2021. This budget will also include forecasts for Fiscal Years 2023 and 2024 for the operating funds. The attached Multi-year Budget and Financial Forecast was prepared using certain assumptions related to revenue and expenditure growth, including the projected effects of planned program additions. The General Fund, Utility Operating Fund and Administrative Fund are included in this forecast.

The following attachments are included for Council review:

- Attachment A: Multi-year Budget and Financial Forecast Key Findings and Assumptions for General, Utility and Administrative Funds
- Attachment B: General Fund Multi-Year Budget and Financial Forecast
- Attachment C: Utility Fund Multi-Year Budget and Financial Forecast
- Attachment D: Administrative Fund Multi-Year Budget and Financial Forecast
- Attachment E: Budget Preparation Calendar
- Attachment F: Residential Municipal Cost of Service Comparison
- Attachment G: Tax Base Comparison

STAFF RECOMMENDATION/ACTION DESIRED:

Receive City Council policy direction on the following items related to the multi-year budget and operating budgets:

- Appropriateness of assumptions.
- The need for any additional budget briefings prior to the submission of the preliminary budget.
- Areas the City Council may want to consider reducing or increasing service levels.

- Taxation of personal use leased vehicles.
- Other priorities or concerns of City Council not previously discussed.