

FACTORS AFFECTING FY 20/21 BUDGET

REVENUE:

- Property Tax: We are proposing a decrease in the property tax rate from \$.7869 per \$100 valuation to \$.7448. This is the lowest tax rate since 1996. It is a reduction of 4.21¢ or 5.4%. The proposed rate is the No-New-Revenue tax rate (the old effective tax rate) which means we are not increasing our tax revenue over the prior year. We will not be required to hold any public hearings on the tax rate. A residence valued at \$108,795 (average residential value this year) would see their City property tax go from \$856 to \$810 per year.
- Sales Tax: Because of the uncertainties related to the COVID-19 crisis, we are not projecting any increase in the sales tax budget and have built in a small cushion for potential reductions. We have set the FY 20/21 budget at \$5,671,000 which is a decrease of \$34,358 over FY 19/20.
- Water Revenue: Consumption Rate:
There are no increases being proposed to the water consumption rate even though the BCWID increased our wholesale treated water rate by 3%. This added \$46,650 in cost that we are absorbing into the current budget. To project consumption revenue for next fiscal year, we used a five-year average. The proposed water revenue budget is 3.6% higher than the FY 19/20 budget or \$218,790 because of increased consumption.
- Base Rate:
No increases are being proposed.
- Sewer Revenue: No increases are being proposed.
- Sanitation Revenue: No increases are being proposed.
- Landfill Gate Rate: No increases are being proposed.
- Landfill Revenue: The FY 20/21 budget includes \$305,000 for guaranteed buybacks of an articulated dump truck and a wheel loader,

EXPENSES:

- Pay Raises:** No pay raises are being proposed.
- Meet & Confer:** No negotiations took place at the request of the Associations.
- Bonus:** The FY 20/21 budget includes \$215,000 to go toward a one-time bonus for all city employees.
- Fleet Replacement:** Phase 3 of the Enterprise fleet replacement program will replace 20 vehicles in the current year, including 4 Tahoe police vehicles and 16 in the white fleet. The budget will increase by \$133,331 for the lease payments with \$40,000 coming back in from the sale of old vehicles.
- Police:** The FY 20/21 budget includes several significant changes from the prior year. These are as follows:
1. The bonds on the Joint Law Enforcement Center (JLEC), which we co-fund with Brown County, will pay off in September 2020. This will save \$240,000 to the FY 20/21 budget.
 2. The contract with Brown County for the funding of the JLEC included a provision for the City to provide central dispatching services for the County in return for the County providing jail space for City misdemeanor prisoners. This provision will not be renewed. The City will pay the County \$38,325 per year for dedicated jail space.
 3. A new Central Dispatch agreement will provide for a cost sharing arrangement with Brown County, Early, and Bangs for the costs associated with central dispatch including payroll, benefits, capital, and other costs. This will move those costs and the funding out of the Police Department into a new joint venture fund.
 4. Revenue items totaling \$230,000 for cost-sharing arrangements for 911 call-takers and School Resource Officers has been reclassified as reimbursements rather than revenue. This reduces total General Fund revenue and reduces the Police Department budget correspondingly.
 5. A major radio infrastructure and capital replacement project added \$153,000 to the budget for debt service and annual service fees. This is a joint venture and shared expense between Brown County, Early, and Bangs.
- Community Subsidies:** The City share of the cost for providing the Senior Citizens program (\$203,149 for FY 20/21) has been budgeted in the Community Subsidy account. This is being moved to Community Facilities to more accurately reflect the nature of the expense as providing a service funded jointly with Brown County, rather than a subsidy for an independent program.
- Street:** The Street Rehab budget was increased from \$240,000 to \$300,000.

Public Works: The City Engineer position has been eliminated from the budget. The professional services required from this position will be contracted instead.

Budget Adjustments: The budget process began with Department Head requests, which resulted in a beginning deficit of \$947,838. After meetings with Department Heads, expenditure requests were cut by \$1,134,885 and revenue was adjusted downwards by \$187,047. This resulted in a balanced budget.

Budget Totals: The proposed FY 20/21 budget is \$36,088,926. This is a reduction of \$191,942 from the FY 19/20 budget of \$36,280,868. The budget is being reduced by .53%.