

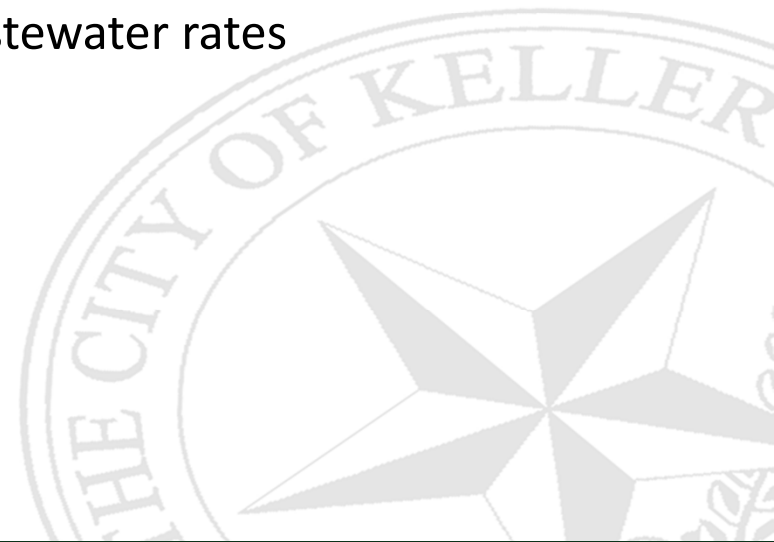
Item D-1

**FY 2018-19
Budget Intro**



FY 2018-19 Revenue Guiding Principles

- Increase homestead exemption by 2% (10% total)
- Consider tax rate decrease, if possible
- Estimate sales tax growth conservatively (~2.5%)
- Continue to monitor the development fees decrease
- Consider minimal increase to city portion of water/wastewater rates
- Budget pass-thru water/wastewater rates at 100%



FY 2018-19 Expenditure Guiding Principles

- Propose an operationally balanced budget
- Maintain current service levels
- Keep salaries competitive to the market
 - No change in health insurance
- All increases require justification
- Maintain 5-Year CIP program
- Maintain replacement funds
- Increase sidewalk funds (\$130K to \$160K)
- Consider LED light replacement program for parking lots



FY 2018-19 Expenditure Guiding Principles

- Propose an operationally balanced budget
- Maintain current service levels
- Keep salaries competitive to the market
 - Provided 5% market adjustment and step plan to Public Safety (\$605,118)
 - Remain 3.8% below market due to cities addressing shortages
 - No change in health insurance
- All increases require justification
- Maintain 5-Year CIP program
- Maintain replacement funds
- Increase sidewalk funds (\$130K to \$160K)
- Consider LED light replacement program for parking lots



Budget Process Changes

- FY 2016-17
 - Year-end projections not adopted
 - No automatic encumbrance rollovers
- FY 2017-18
 - Operational Budget Concept
 - Adjustment to Base Level
 - IT costs allocations to departments*
 - 5 Year Needs Assessments
- FY 2018-19
 - Maintain current process



Operational Budget Concept

- Finance has provided a Operational Budget
- Funds available to maintain departmental services
- Any changes must net to Zero

Operational Budget Calculation

FY 2017-18 Total Budget

Minus Personnel Costs

Minus “Lease Payments”

Minus Rollover Encumbrances

Minus One-Time Costs

Plus Known Adjustments

Total Operational Budget

BUDGET CALENDAR – Overview

| Calendar Item | Date(s) |
|---|--------------------|
| Departmental Requested Training | March 21-April 13 |
| IT to review requests with Departments | March 21-April 13 |
| HR Requests, Fleet Requests, & Fee Change Forms Due to Budget Analyst | Friday, April 13 |
| Fleet Committee to Review Requests | Thursday, April 26 |
| HR to review requests with Departments & City Manager | April 9-May 4 |
| Departmental Budgets Due | April 13-May 11 |
| Finance Meetings with Departments | April 20-May 18 |
| City Manager Meetings with Department | May 29-June 15 |

BUDGET CALENDAR – Strategic Planning

| Calendar Item | Date(s) |
|---|-----------|
| Budget Process Update | March 20 |
| Sales Tax Update | April 3 |
| CAFR Presentation & Fund Types | April 17 |
| TIRZ and Economic Development Update | May 1 |
| Finance Quarterly Update/ TBD | May 15 |
| Property Tax Calculations & Homestead Exemption | June 5 |
| CIP and Outstanding Debt | June 19 |
| Fee Adjustments | July 17 |
| Tax and Proposed Budget Update | August 7 |
| Compensation Update | August 21 |

BUDGET CALENDAR – Adoption Schedule

| Calendar Item | Date(s) |
|-------------------------------------|-------------------|
| <i>Budget Workshop with Council</i> | <i>June 26</i> |
| KDC and KCCPD Public Hearings | July 17 |
| Proposed Budget Published | August 7 |
| Proposed Budget Review | August 28 |
| First Public Hearing on Tax Rate | September 4 |
| Second Public Hearing on Tax Rate | September 11 (SC) |
| Budget and Tax Rate Adoption | September 18 |
| Fiscal Year Begins | October 1 |



Questions?

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