



# Introduction to FY 21 & FY 22 Budget



December 16, 2019

# Strategic Planning vs Budgeting



## Strategic Planning



## Budgeting

### Objective

Maximize long-term value creation

Quarterly/yearly financial projections & control

### Decisions Made

Where & How do we?  
What is the risk?

Are we on track ?  
What are variances and how can we control them?

### Decision Criteria

Stakeholder Value

Compliance

### Frequency

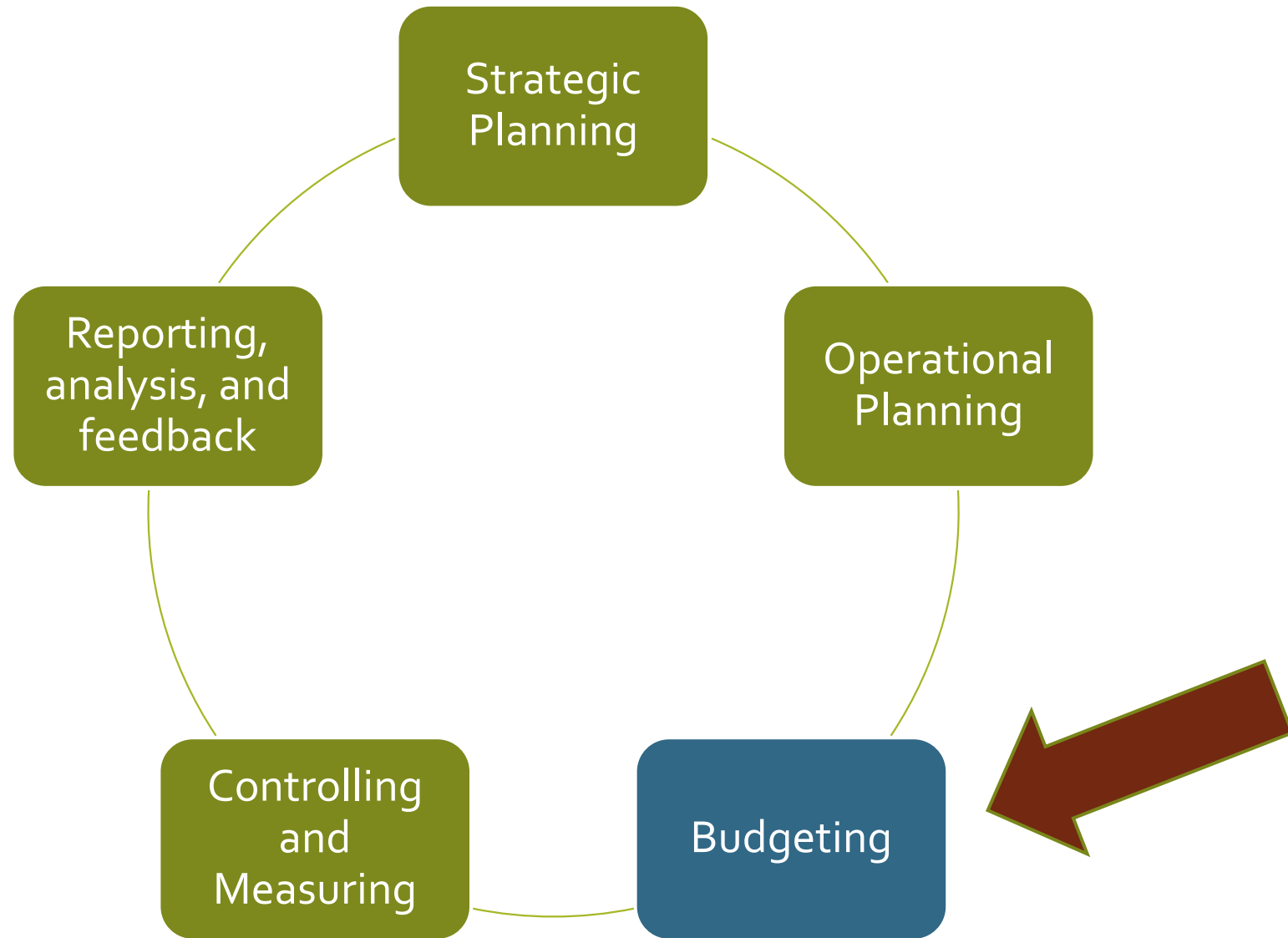
5-7 years  
Ongoing monitoring & review

Monthly / Quarterly  
Annually

### Accuracy

Is used for direction setting

Used to measure achievement against guidance /forecast

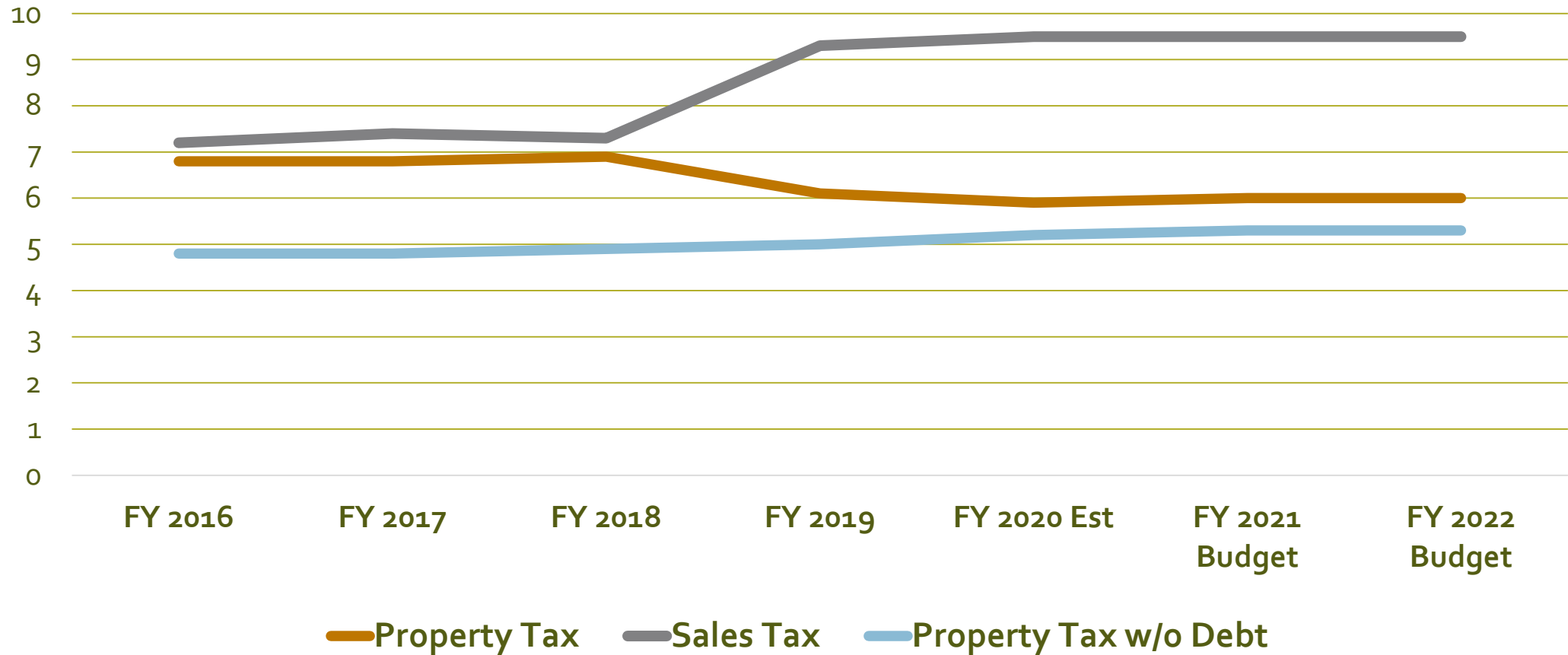


# Revenue Trends – General Fund

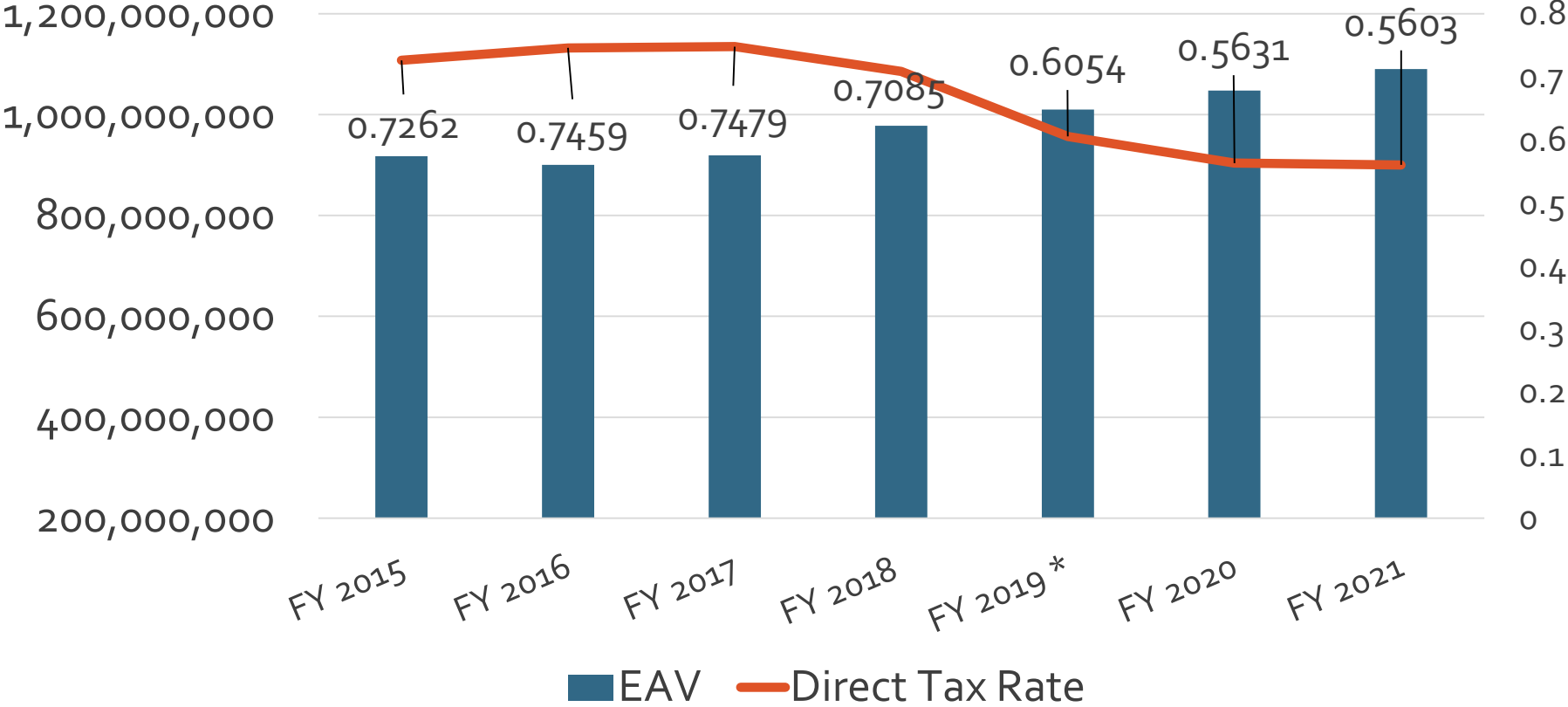


# Property and Sales Taxes

## Collections (in Millions)

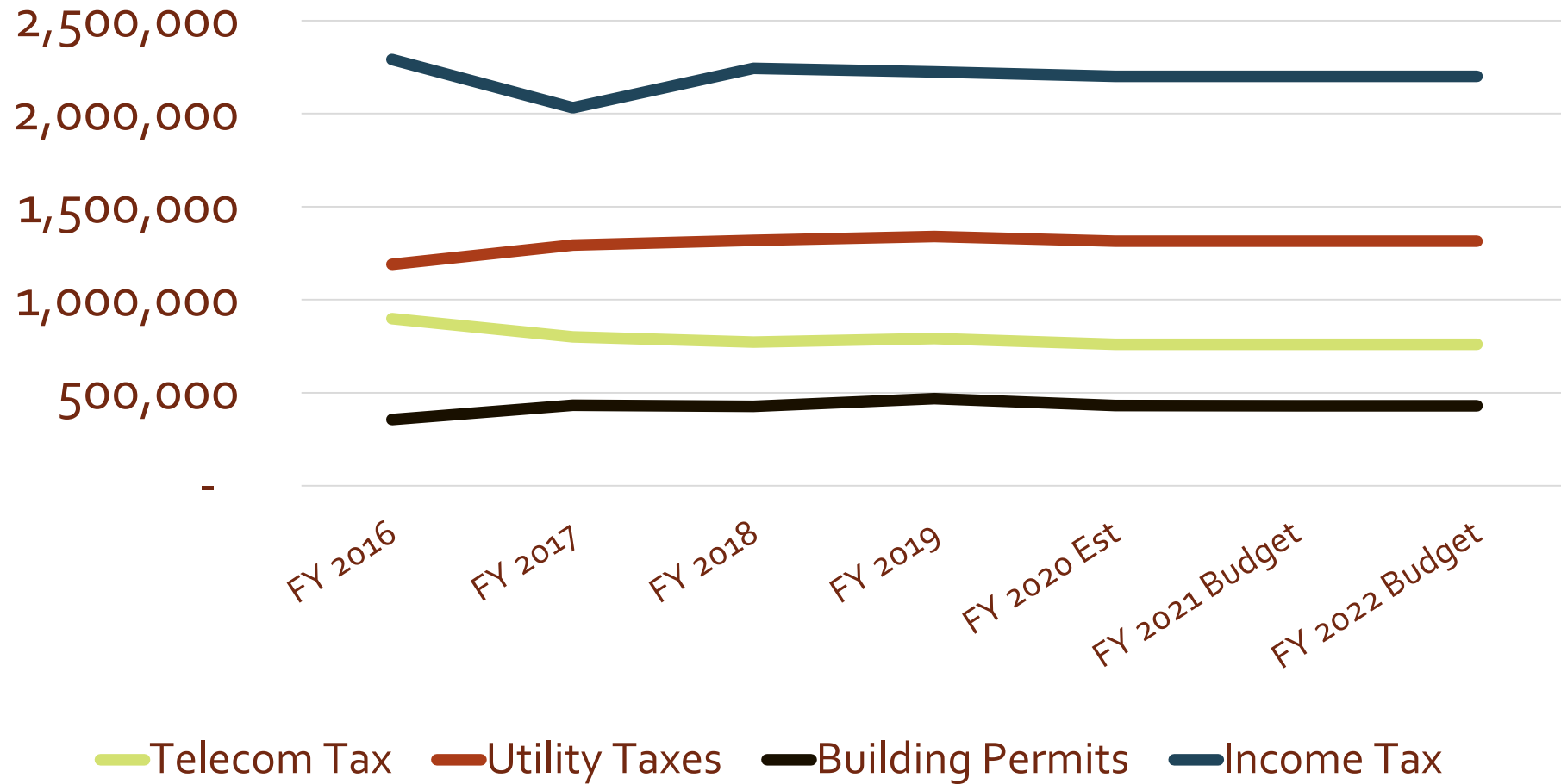


# Relationship between EAV and City Property Tax Rates



\* Estimate per levy presented tonight

# Other Major Revenues

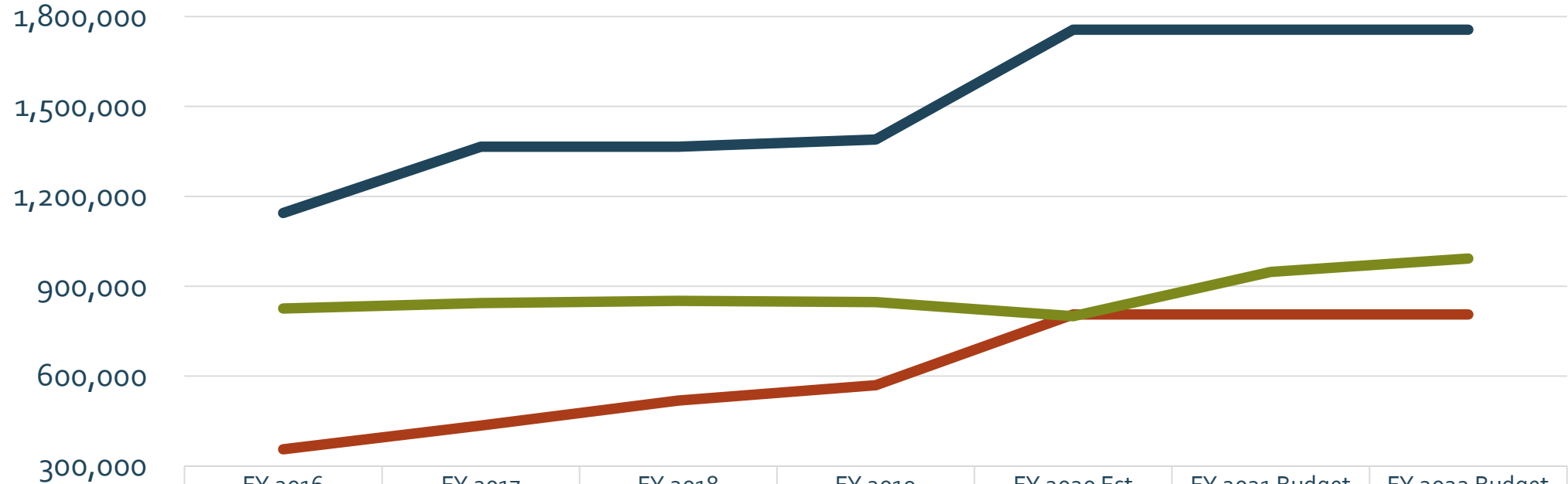


# Expense Trends – General Fund





# Annual Pension Expense



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020 Est	FY 2021 Budget	FY 2022 Budget
Police Pension	1,144,355	1,365,906	1,365,906	1,389,261	1,756,100	1,756,100	1,756,100
Fire Pension	355,690	434,791	518,475	569,824	805,975	805,975	805,975
IMRF	825,909	844,023	851,644	847,223	799,738	947,673	992,293

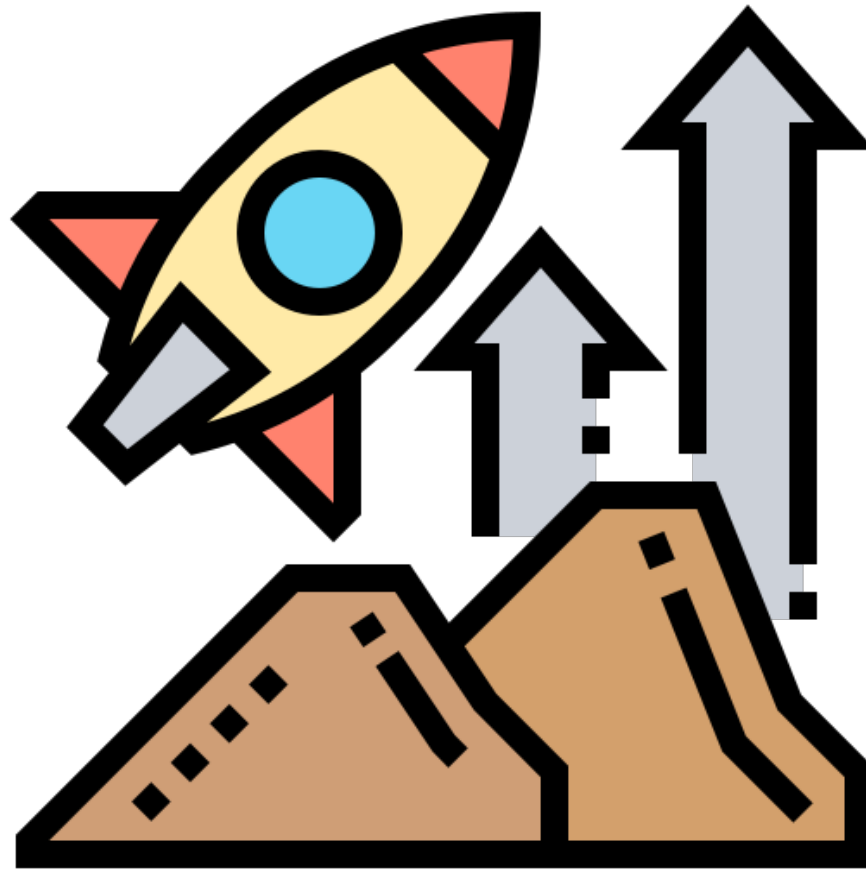
— Police Pension
 — Fire Pension
 — IMRF

# Contributions as a % of pensionable payroll

Fund	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Police Pension	30.87	39.64	36.55	41.94	39.05	41.67
Fire Pension	14.12	19.34	18.71	23.04	27.86	28.37
IMRF *	12.81	12.62	12.26	11.62	11.71	9.24




\* As of December 31 of the previous year

# Council Priorities and Direction



# Identified Priorities – Strategic Planning Workshop

## November 1, 2019



 <p><u>Economic Vitality</u> Stimulating Strong and Competitive Opportunities</p>	<p>Develop a resilient local economy through the development of new commercial and industrial opportunities that add to the City's tax base.</p> <p>Maintain an economically healthy population through support of new housing opportunities and changes that may allow for greater diversity of housing.</p>
 <p><u>Environmental Stewardship</u> Preserving the Natural Environment</p>	<p>Take actions to promote long-term sustainability and reduce the City's carbon footprint.</p>
 <p><u>Strong Governance</u> Setting Vision and Valuing Collaboration</p>	<p>The City regularly seeks opportunities to increase transparency, solicit feedback and educate its community members.</p>

Additional topics identified for policy discussions: the future of SSA #1, Home Rule, and the City efforts as it relates to the Greenest Regions Compact

# What to expect. . .

- A recommended draft budget will be distributed to the City Council on or about January 6, 2020. Highlights from the General Fund include:
  - Recommended addition of a police officer
  - Recommended increase in funding for the Mental Health Board
  - Recommended increase in transfer from General Fund to Capital Equipment
  - Personnel Expenses

# Updated Budget Calendar

Date	Action Description	Status
November 1, 2019	Strategic Planning Workshop – Budget kickoff	
Month of November	Staff submits draft budgets to City Administrator and team for review	
December 16, 2019	Present Introduction/Overview to City Council	
January 6, 2020	Draft budgets provided to City Council for review	
January 13, 2020 (additional dates as necessary)	Special Committee of the Whole Discuss and Review Budget with City Council	
February 3, 2020	Public Hearing for FY 2021 Budget & Budget Adoption	

# Next Budget Discussion January 13, 2019