

**FIRCREST CITY COUNCIL
SPECIAL MEETING AGENDA**

**MONDAY, OCTOBER 14, 2019
6:00 P.M.**

**COUNCIL CHAMBERS
FIRCREST CITY HALL, 115 RAMSDELL STREET**

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. AGENDA MODIFICATIONS**
- 5. PRELIMINARY 2020 BUDGET – 3rd BUDGET WORK SESSION**
Budget review:
 - 1% Property Tax Discussion
 - Final Questions/Changes
- 6. ADJOURNMENT**

Memo

To: City Council
 From: Scott Pingel, City Manager
 Date: October 14, 2019
 Re: 2020 Preliminary Budget – 1% Property Tax Increase

At the October 7, 2019 Budget Session and further at the October 8, 2019 Regular City Council meeting, the City Council discussed the possibility of banking the 1% Property Tax increase for 2020. This option would affect the 2020 budget by removing about \$11,500 (\$9,500 from Regular Prop. Tax and \$2,000 from EMS Levy) from the increase in property tax revenue. The preliminary budget for the General Fund showed operating revenue exceeding operating costs by about \$16,000. So, banking the 1% increase would decrease revenues over expenditures to \$4,500, which is a little tighter than we like to be.

There are a few adjustments, however, that can be made to the 2020 preliminary budget that would allow the City to bank the 1% property tax increase and still have 2020 budgeted revenues exceed 2020 budgeted expenses at a comfortable level.

First, as the City Council is now aware, we received our 2019 renewal quote for our liability insurance from CIAW this past week, which was about \$157,000 for 2019. This is down from about \$208,000 in 2018. Generally, we budget for a 15% increase in liability rates, which would be about \$181,000 we should budget for 2020. That line item currently sits at \$190,000 in the preliminary budget. Second, we have budgeted General Fund revenues conservatively, especially expected retail sales tax revenues. We can adjust sales tax revenues up by \$5,000 and still be in a sufficiently conservative position. All of these adjustments have the following affect on the General Fund’s bottom line:

2020 Preliminary Budget Revenues Over Expenditures			\$16,000
Revenues			
Line Item	2020 Prelim	2020 Adjusted	Net Change
Property Tax	\$1,612,111	\$1,602,611	(\$9,500)
EMS Tax	\$334,686	\$332,686	(\$2,000)
Sales and Use Tax	\$525,000	\$530,000	\$5,000
Total			(\$6,500)
Expenditures			
Line Item	2020 Prelim	2020 Adjusted	Net Change
Insurance	\$190,000	\$181,000	\$9,000
Total			\$9,000
Adjusted Revenues Over Expenditures			\$18,500