

2020 SPENDING PLAN

August 27, 2020 Update

OVERVIEW OF SPENDING PLAN

- ✓ Purpose is to identify areas of concern where revenue shortages in major funds may impact city services or budgeted expenditures
- ✓ Focus is to address funds most directly impacted by sales tax:
General Fund and Equipment Fund
- ✓ Includes adjustments made in early 2020 to immediately offset expected shortfalls
- ✓ Identifies additional areas where adjustments may occur if needed

PROJECTED SHORTFALL FOCUS

- ✓ Combined impact of \$ 398,485 (projected to be \$413,000 in July)
- ✓ Includes projected 25% shortfall in Sales Tax overall;
- ✓ Varying degree of impact from delayed Municipal Court revenue, reduced or delayed Property tax and Motor Vehicle collections, and miscellaneous revenue sources
- ✓ Unbudgeted increased cost of overtime and legal fees
- ✓ Special Assessment Delinquency estimated at 5% (collected 86% thru August)
- ✓ Deferred utility sales revenue

GENERAL FUND - IMMEDIATE STEPS IDENTIFIED TO OFFSET IMPACT

Adjustments currently impacting outcome (General Fund):	\$415,190
Beginning of Year Unbudgeted Fund Balance Rollover - General Fund	(\$175,000)
Position vacancy frozen - Public Works Director (4 months, June thru Sept) <i>50% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,560/month</i>	(\$22,240)
Position vacancy frozen - Accounting Supervisor position (12 months thru December) <i>100% Salary + Payroll Taxes + KPERS + Health Ins. = \$8,215/month</i>	(\$98,580)
Position vacancy frozen - Street Maintenance Worker position (12 months thru December) <i>100% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,310/month</i>	(\$63,720)
Vacant Police Officer I position (9 months, January thru Sept) <i>100% Salary + Payroll Taxes + KPF + Health Ins. = \$6,510/month</i>	(\$55,350)
Vacant Police Officer II position (10 months, January thru October) <i>100% Salary + Payroll Taxes + KPF + Health Ins. = \$7,510/month</i>	(\$75,100)
Vacant Street Superintendent position filled in April 2020 <i>100% Salary + Payroll Taxes + KPERS + Health Ins. = \$8,195/month</i>	(\$24,585)
Aquatic Closure for 2020 season	(\$116,740)
Adjust budget for Fuel - Fuel prices lower in 2020 than anticipated	(\$6,000)
Adjust budget for Crossing Guard services - Due to school closure in April & May 2020	(\$4,800)
Adjust budget for Kennel charges for Animal Control - use of only 6% thru July 2020	(\$3,000)
Increase budget for Police Department overtime <i>(\$51,500 OT spent thru August)</i>	\$29,925
Increase budget for general fund Legal Services <i>(Budget \$50,000, Spent thru June \$197,000, Cost thru December estimated at \$250,000)</i>	\$200,000
Additional delays of projects or purchases (Dependent on Sales Tax):	\$80,000
Delay Comprehensive Plan <i>(50% of total cost budgeted from Special County Sales Tax)</i>	(\$80,000)

ADDITIONAL MEASURES IDENTIFIED (IF NEEDED FOR GENERAL FUND)

Adjustments Available (If Needed):	\$238,500
Move 2019 YE Transfer from Equipment Fund back to General Fund	\$150,000
Suspend employee education reimbursement program	\$5,000
Temporarily suspend cost sharing of salt expenditure with Special Highway Fund	\$15,000
Defer 2020 equipment purchase - Steel salt spreader <i>Redirect funds to General Fund</i>	\$18,500
Budget cuts of overall budget of 5% or 10%	undecided
Redirect Special County Sales Tax from Equipment Reserve fund to General Fund	\$50,000

OTHER FUNDS REVIEW

Debt Service Fund:	(\$33,300)
Beginning of Year Unbudgeted Fund Balance Rollover	(\$95,000)
Special Assessment Delinquency estimated at 5% <i>86% collected thru August</i>	\$57,200
Property Tax Delinquency estimated at 3%	\$4,500

Water Utility Fund:	\$25,470
Water sales revenue deferred	\$35,850
Position vacancy frozen - Public Works Director (4 months, June thru Sept) <i>50% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,560/month</i>	(\$10,380)

Wastewater Utility Fund:	(\$259,730)
Beginning of Year Unbudgeted Fund Balance Rollover	(\$220,000)
Sewer sales revenue deferred	\$45,450
System Development Fees collected over budget	(\$27,010)
Position vacancy frozen - Utility Maintenance Worker position (9 months thru Sept) <i>100% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,310/month</i>	(\$47,790)
Position vacancy frozen - Public Works Director (4 months, June thru Sept) <i>50% Salary + Payroll Taxes + KPERS + Health Ins. = \$5,560/month</i>	(\$10,380)

DISCUSSION