

FY21 General Fund & Public Safety

Purpose

- Create clarity on financial position for 1-3 years
- Understand short-term options other than a mill levy
- Delay decision on 2020 public safety mill levy until late May or early June

FY21 General Fund & Public Safety Fund

- Estimated total beginning Fund Balance = \$19.5 Million
- Recommended minimum reserves = \$12.5 Million
- Assuming no tax revenue increase from FY20 to FY21
- State Entitlement Share increase 3%

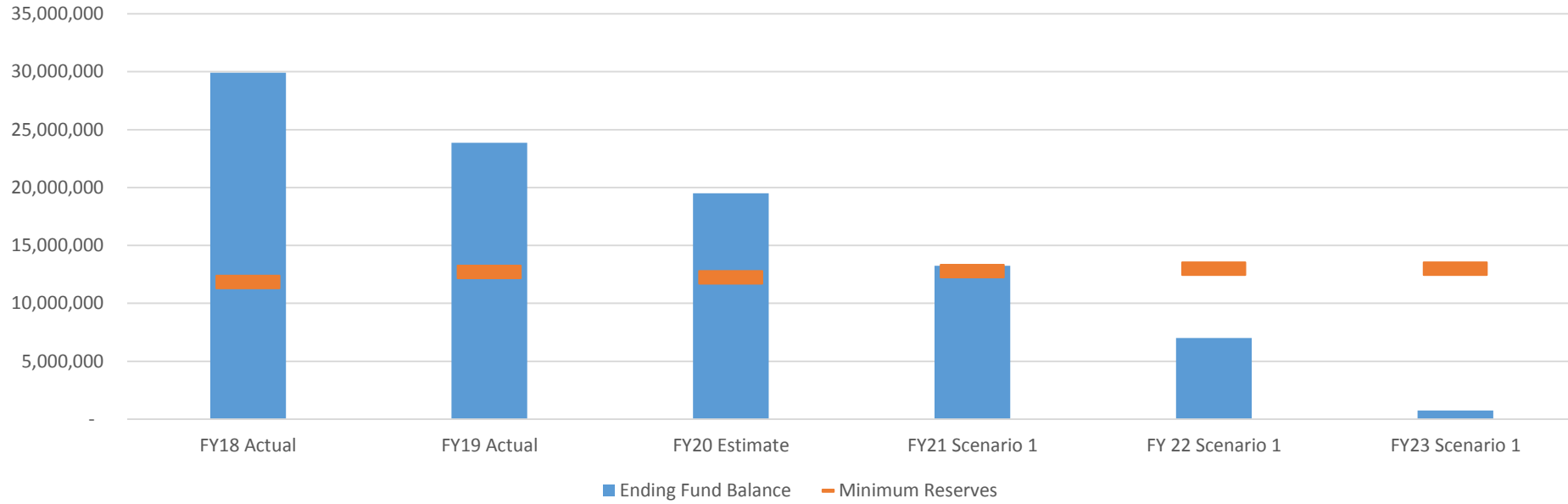
Scenario 1 – Do Nothing

- Assuming growth in expenses between 1-3%
- Use of reserves \$5.5-\$7 million to balance General Fund & Public Safety
- Limited investments in Capital & Deferred Maintenance, No Lean Six Sigma, No Public Information Officer, No law & justice space needs addressed
- End 2021 at or slightly below recommended minimum reserve
- Assumes no expense for response to COVID19 or other unanticipated costs (COVID19 expense up to ~\$500K)
- Will require additional funding and/or reduced expenses in FY22

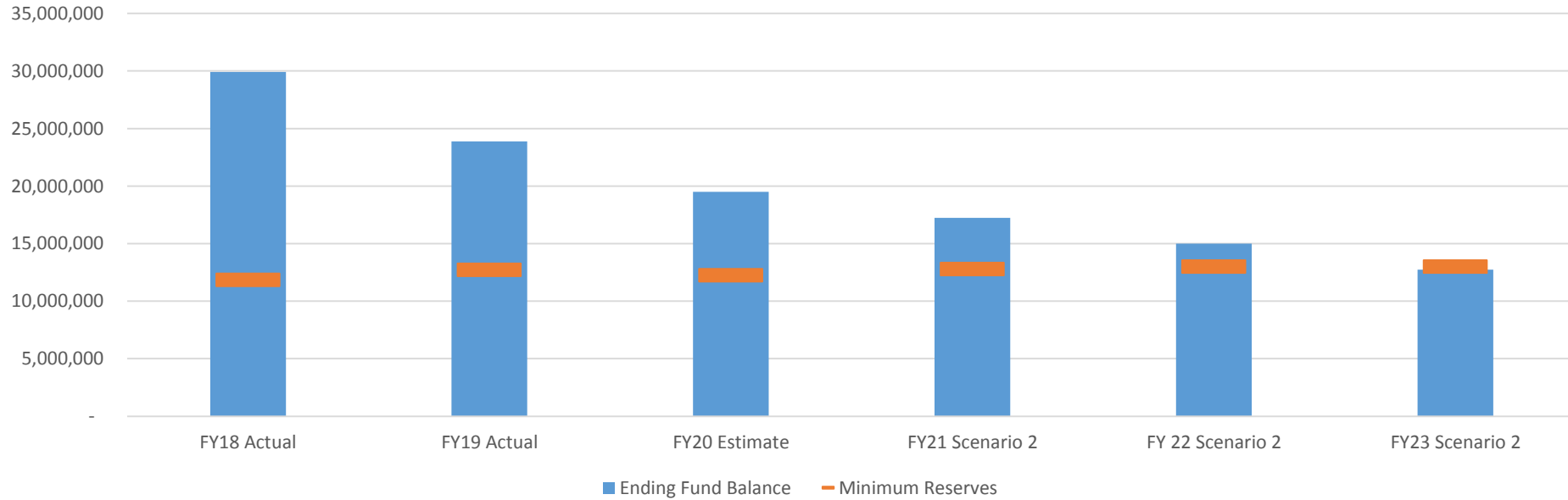
Scenario 2 – Move Parks and Rec entirely to PD1, do nothing else

- Moving Parks to PD1 reduces overall General Fund expenses from FY20 by 7% - 9%
- Use of reserves \$1.2-\$2.5 million to balance General Fund & Public Safety
- Limited investments in Capital & Deferred Maintenance, No Lean Six Sigma, No Public Information Officer, No law & justice space needs addressed
- End FY21 with \$4-\$5 million above minimum reserves
- Assumes no expense for response to COVID19 or other unanticipated costs (COVID19 expense up to ~\$500K)
- Requires increase in PD1 assessment of about \$60-\$65 for the median home. Current assessment is approximately \$28
- Will require additional funding and/or reduced expenses in FY22

General and Public Safety Fund Balance Scenario 1



General and Public Safety Fund Balance Scenario 2



Median Residential Property Cost

	FY20	FY21 Scenario 1	FY21 Scenario 2
City Property Taxes	\$ 456	\$ 455	\$ 455
Park District	28	28	93
Arterial Streets	51	52	52
Storm Sewer	47	48	48
Street Maint. Dist	129	132	132
Water	530	552	552
Solid Waste	135	138	138
<u>Wastewater</u>	<u>334</u>	<u>341</u>	<u>341</u>
Median Home Annual Cost	\$ 1,709	\$ 1,747	\$ 1,811
Median Home Monthly Cost	\$ 142	\$ 146	\$ 151

Mill Levy Necessary to Cover Imbalance

- Scenario 1:
 - Use of reserves \$6 -\$7 million
 - 30-35 mills needed to balance budget without relying on reserves
 - Cost to median home \$ 76 - \$100
 - No additional resources added to Public Safety
- Scenario 2:
 - Use of reserves \$1.2-\$2.5 million
 - 6 – 12 mills needed to balance budget without relying on reserves
 - Cost to median home \$17 - \$35 (Plus increase in PD1 assessment)
 - No additional resources added to Public Safety

Mill Levy to address Space Needs

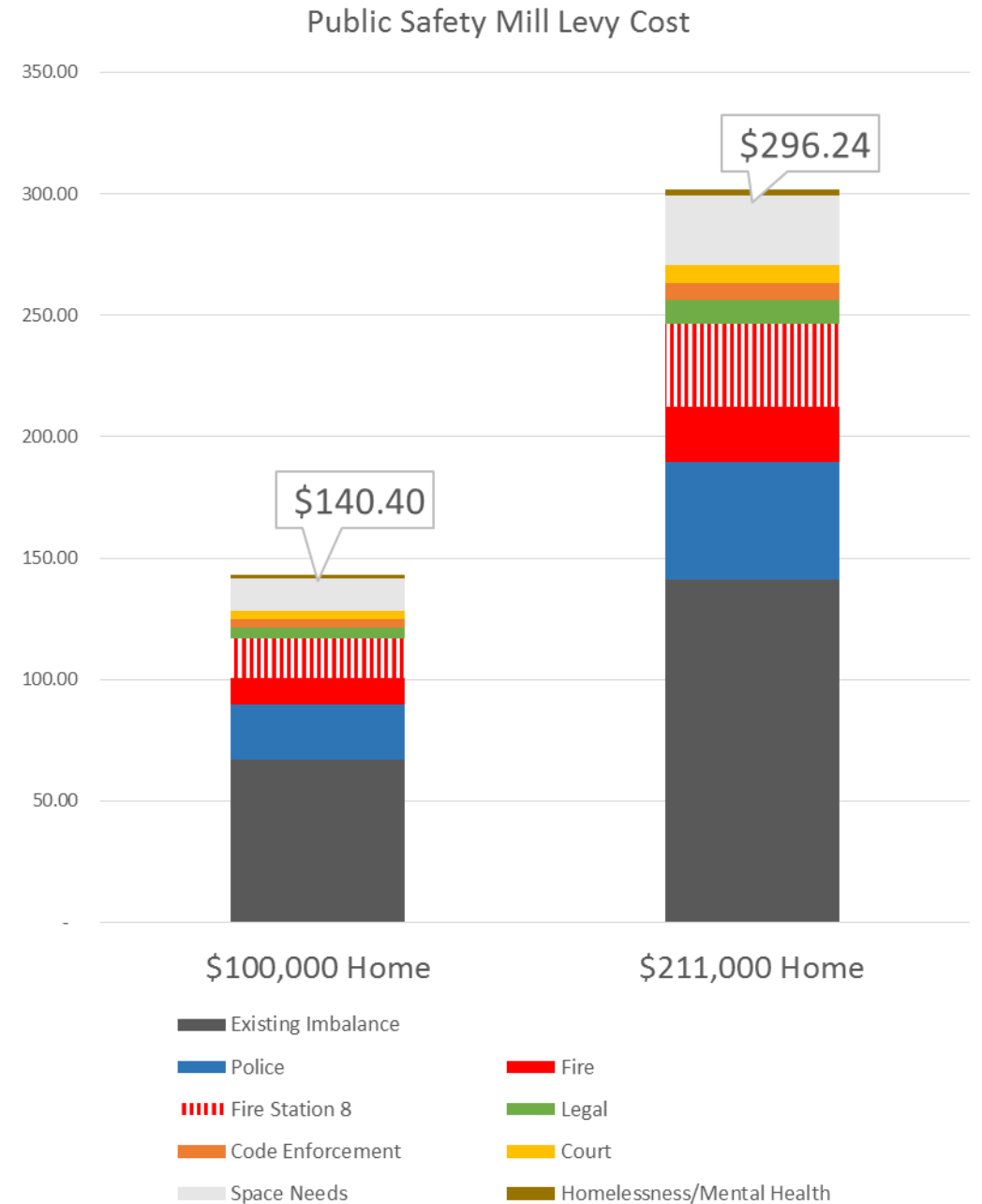
- Estimated lease costs for Public Safety (Law & Justice) at the Stillwater building \$1.1 million annually
- Requires additional 5.5 mills
- Cost to median home \$15
- Only solves space needs, does not add any staff or funding for additional Public Safety resources

Discussion

- Create clarity on financial position for 1-3 years
- Understand short-term options other than a mill levy
- Delay decision on 2020 public safety mill levy until late May or early June

Full Implementation Annual Cost

	\$100,000 Home	\$211,000 Home
Existing Imbalance	66.83	141.00
BUFSA Adjustment	(2.70)	(5.70)
Police	22.95	48.42
Fire	10.80	22.79
Fire Station 8	16.20	34.18
Legal	4.73	9.97
Code Enforcement	3.38	7.12
Court	3.38	7.12
Space Needs	13.50	28.49
Homelessness/Mental Health	<u>1.35</u>	<u>2.85</u>
Total	\$ 140.40	\$ 296.24



General Fund & Public Safety Fund Combined

