



CITY OF
SAN LUIS
A R I Z O N A

San Luis City Hall

10601

BUDGET OVERVIEW

| FISCAL YEAR 2020

San Luis Detention Facility



LEGAL SEPARATE COMPONENT

In Millions

FY	Detention Facility		
	Actual Revenues	Actual Expenditures	Net Result
FY 2014	13.9	16.8	(2.9)
FY 2015	13.9	15.3	(1.5)
FY 2016	14.9	15.6	(0.7)
FY 2017	17.0	16.2	0.8
FY 2018	17.2	17.7	(0.6)
FY 2019	29.4	29.0	0.4

FY 2020 REVENUES 29.6 M

FY 2020 EXPENDITURES 29.6 M

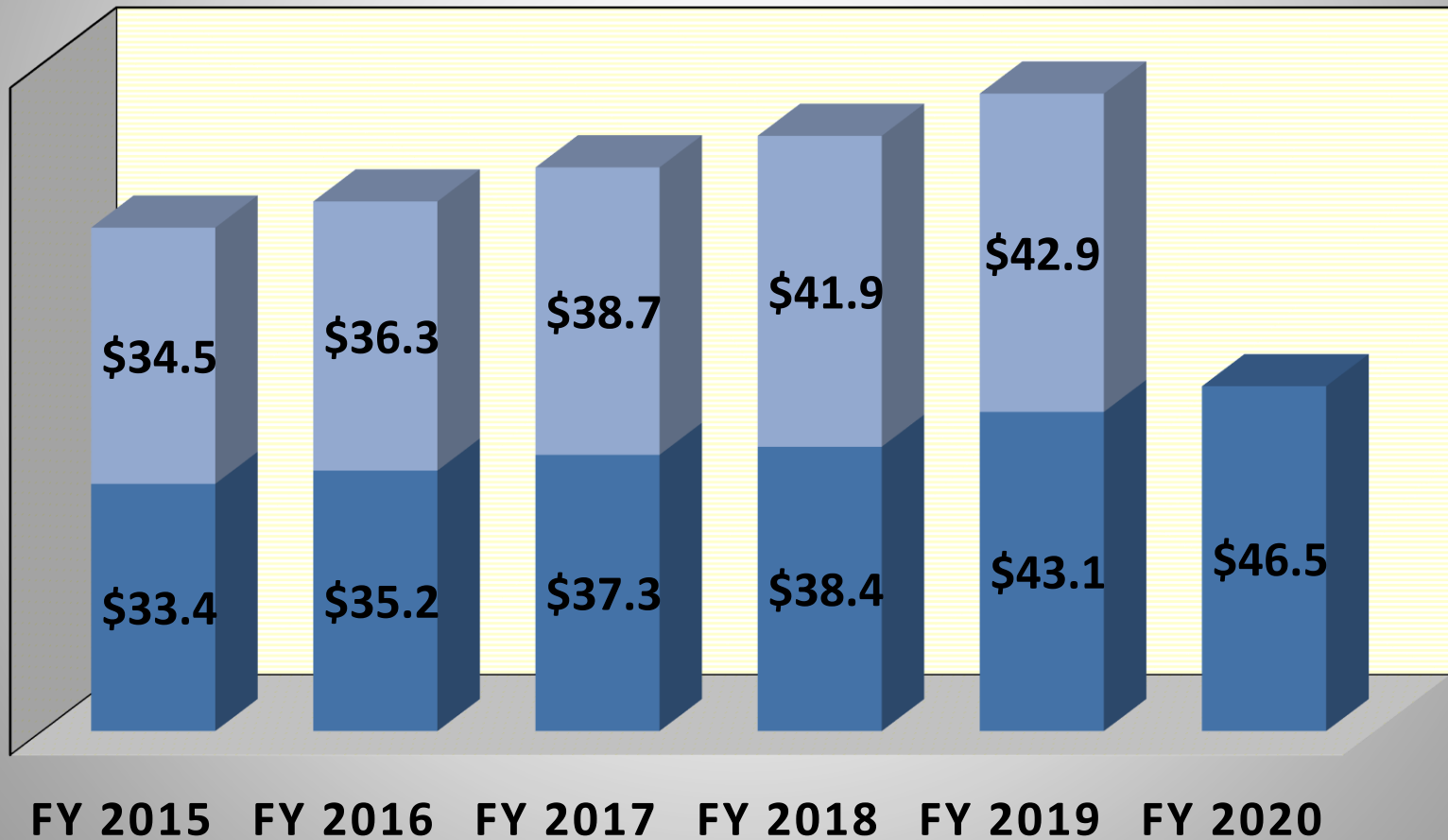
Non operating component

Revenues



REVENUES COMPARISON

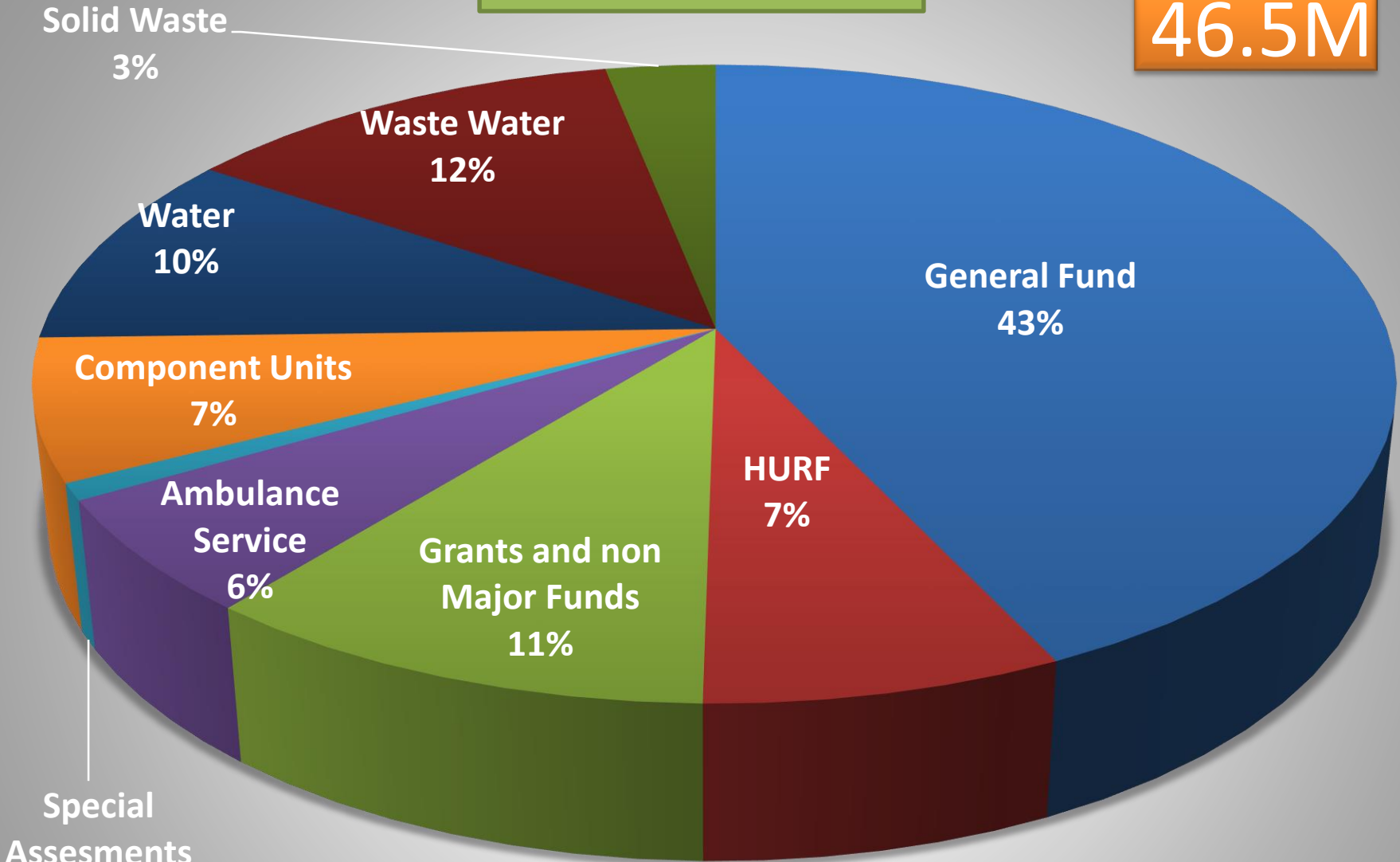
■ Budget ■ Actual



In millions

FUND REVENUE SHARE

46.5M



General Fund

HURF

Grants and non Major Funds

Ambulance Service

Special Assesments

Component Units

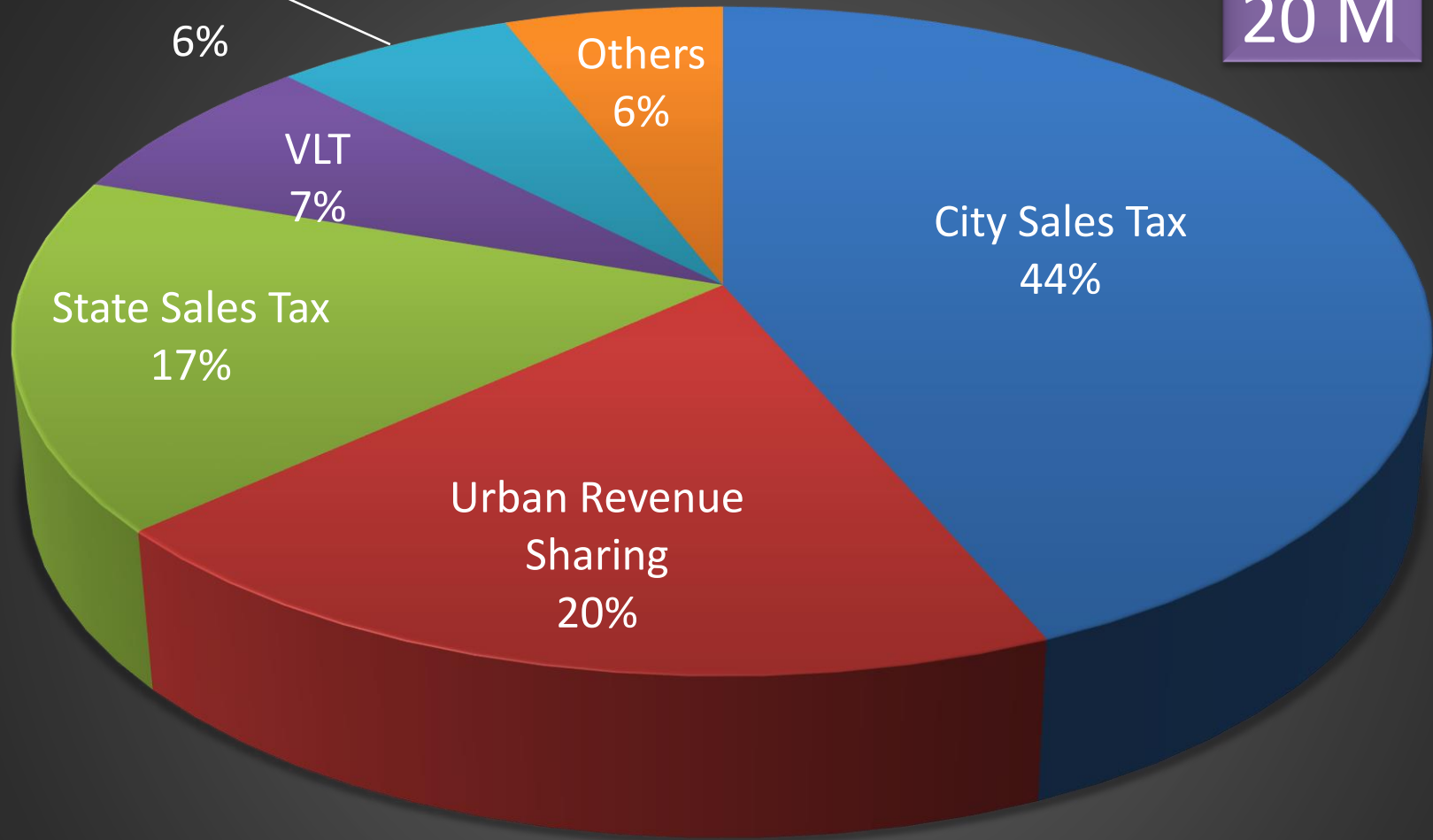
Water

Waste Water

Solid Waste

GENERAL FUND REVENUES

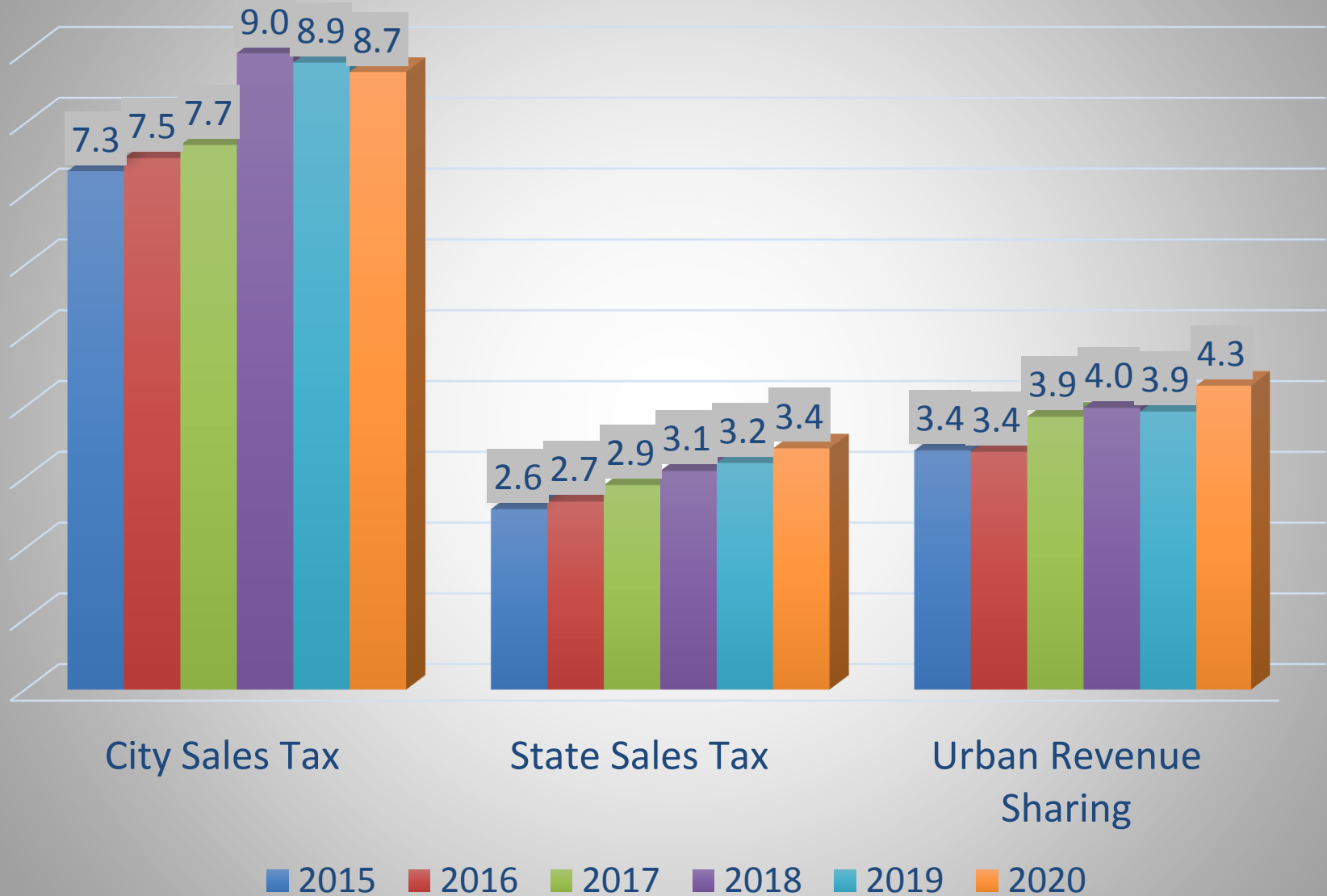
20 M



- City Sales Tax
- Urban Revenue Sharing
- State Sales Tax
- Vehicle Lic Tax
- Licenses & Permits
- Others

REVENUE HISTORICAL DATA

MAJOR REVENUE SOURCE- GOVERNMENT



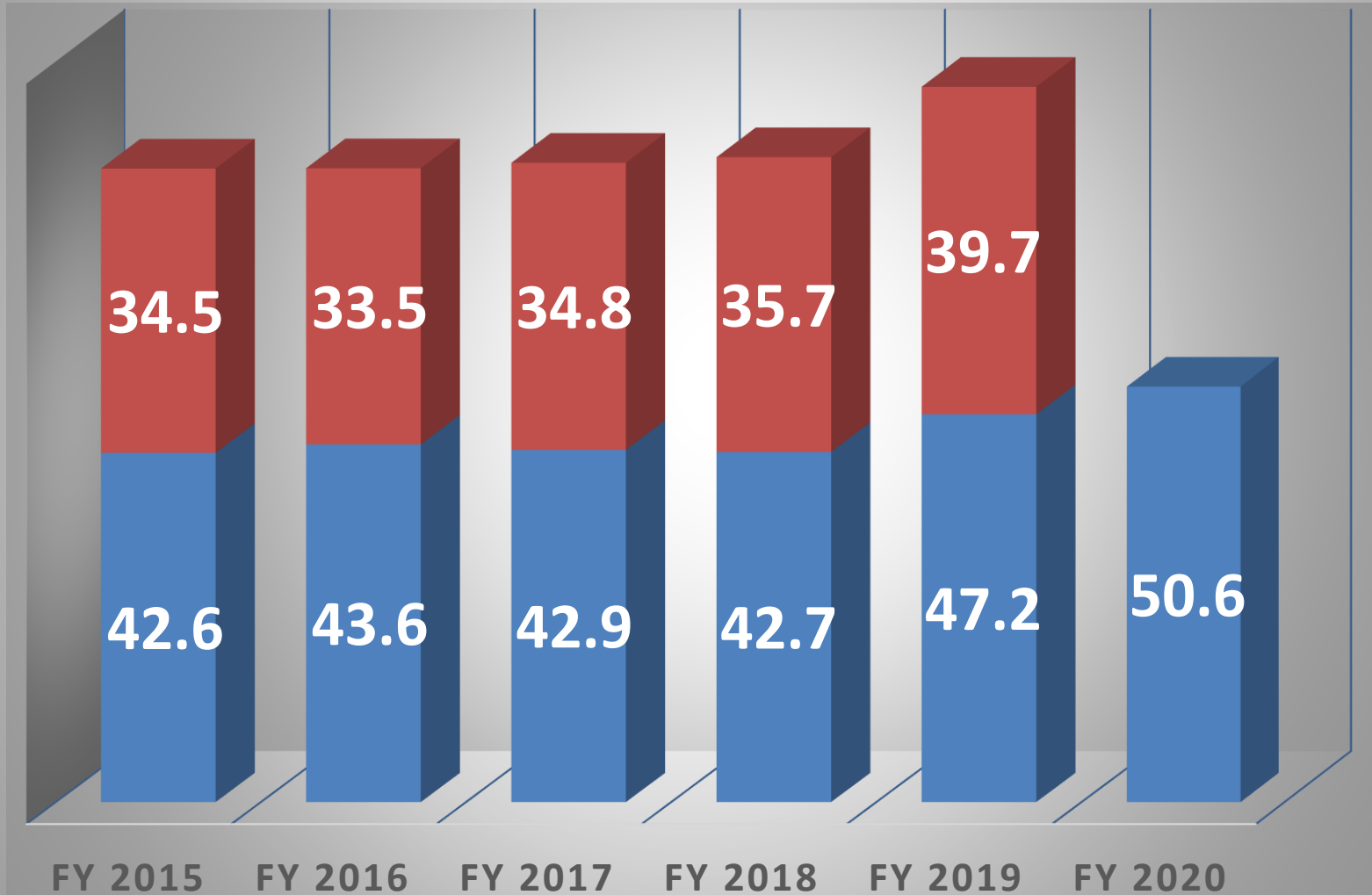
In Millions

Expenditures



EXPENDITURE COMPARISON

■ Budget ■ Actual



In millions

EXPENDITURE DISTRIBUTION-ALL FUNDS

Component Units

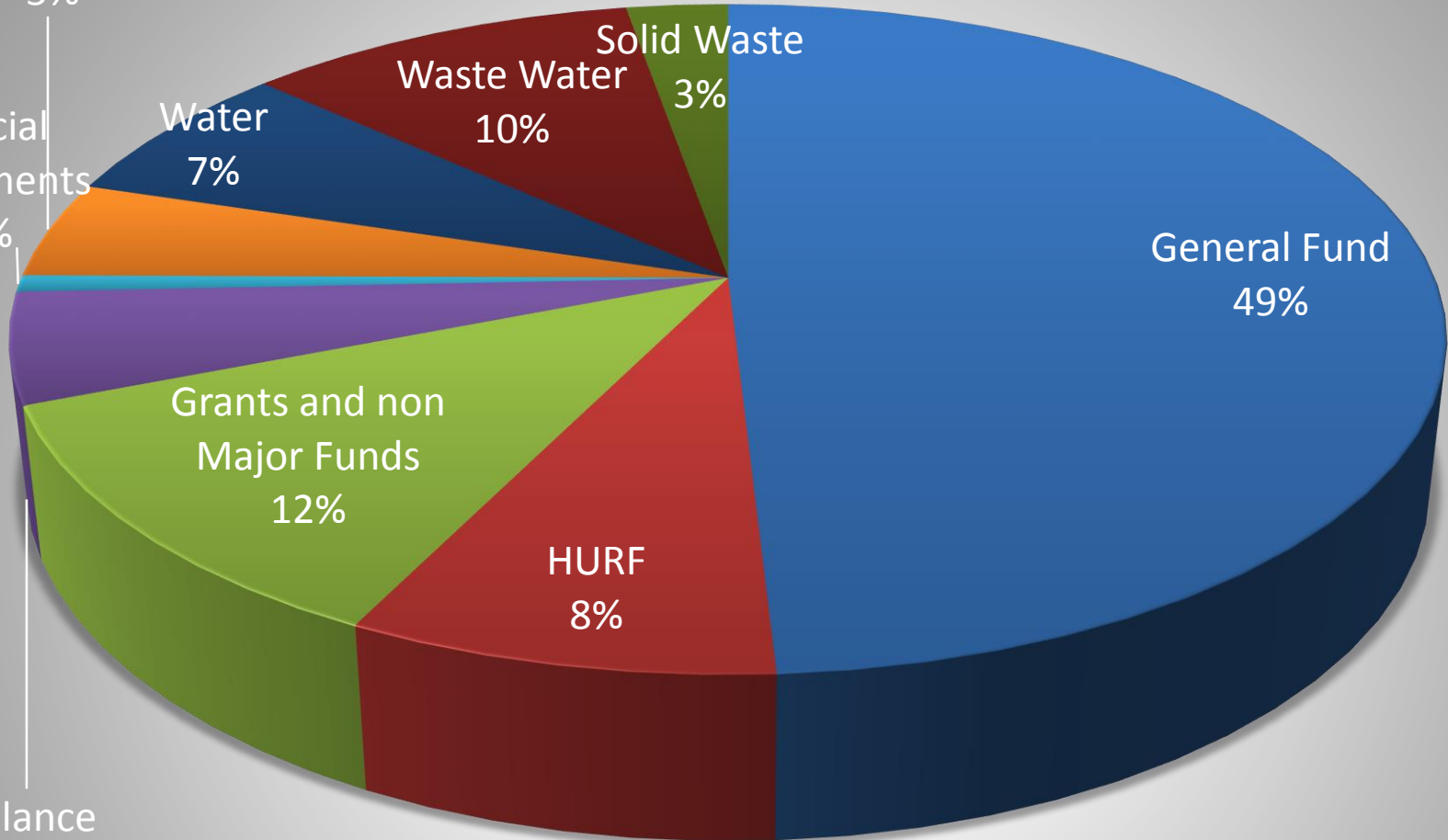
5%

Special
Assesments

1%

Ambulance
Service

5%



General Fund

Ambulance Service

Water

HURF

Special Assesments

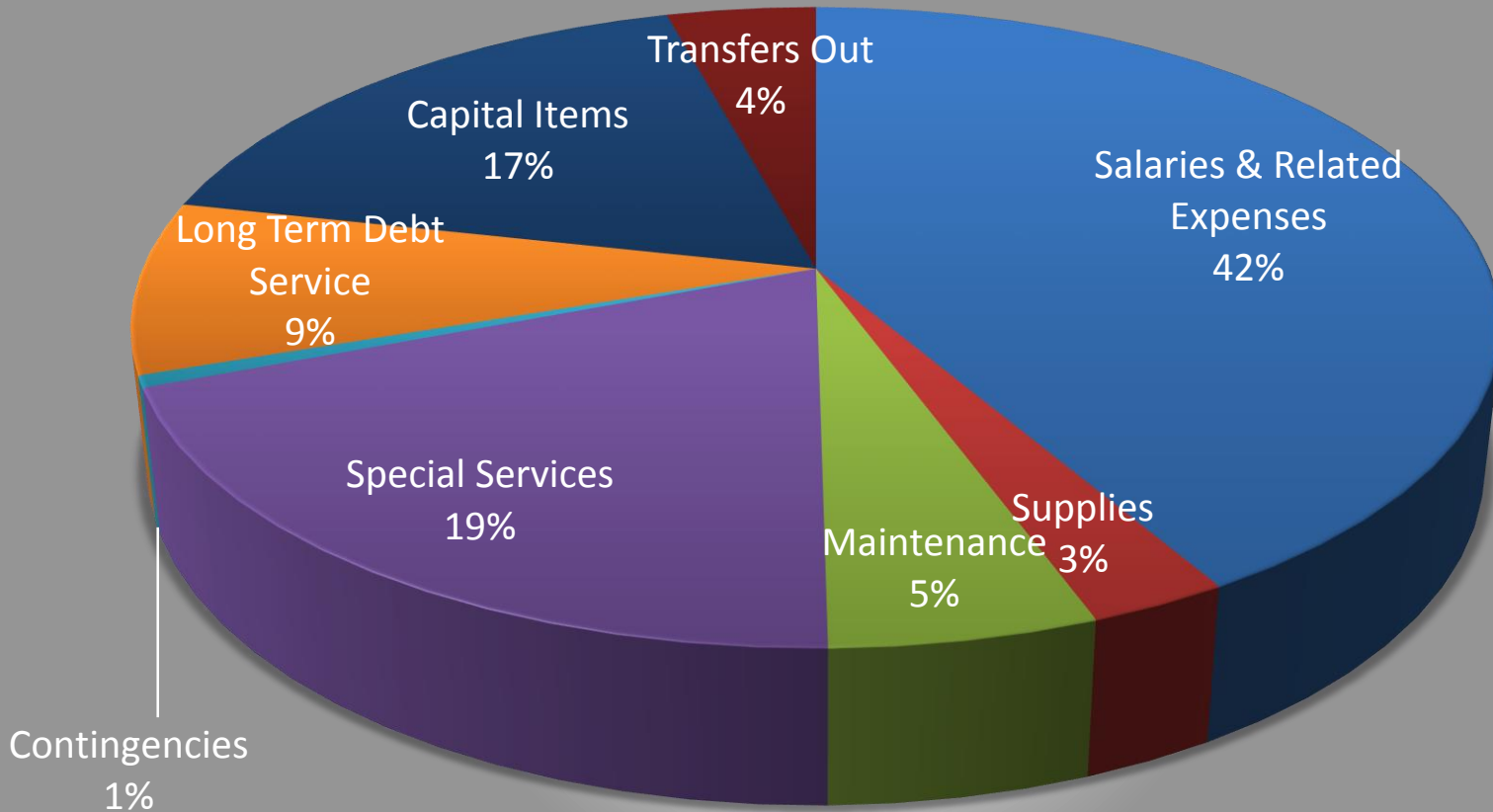
Waste Water

Grants and non Major Funds

Component Units

Solid Waste

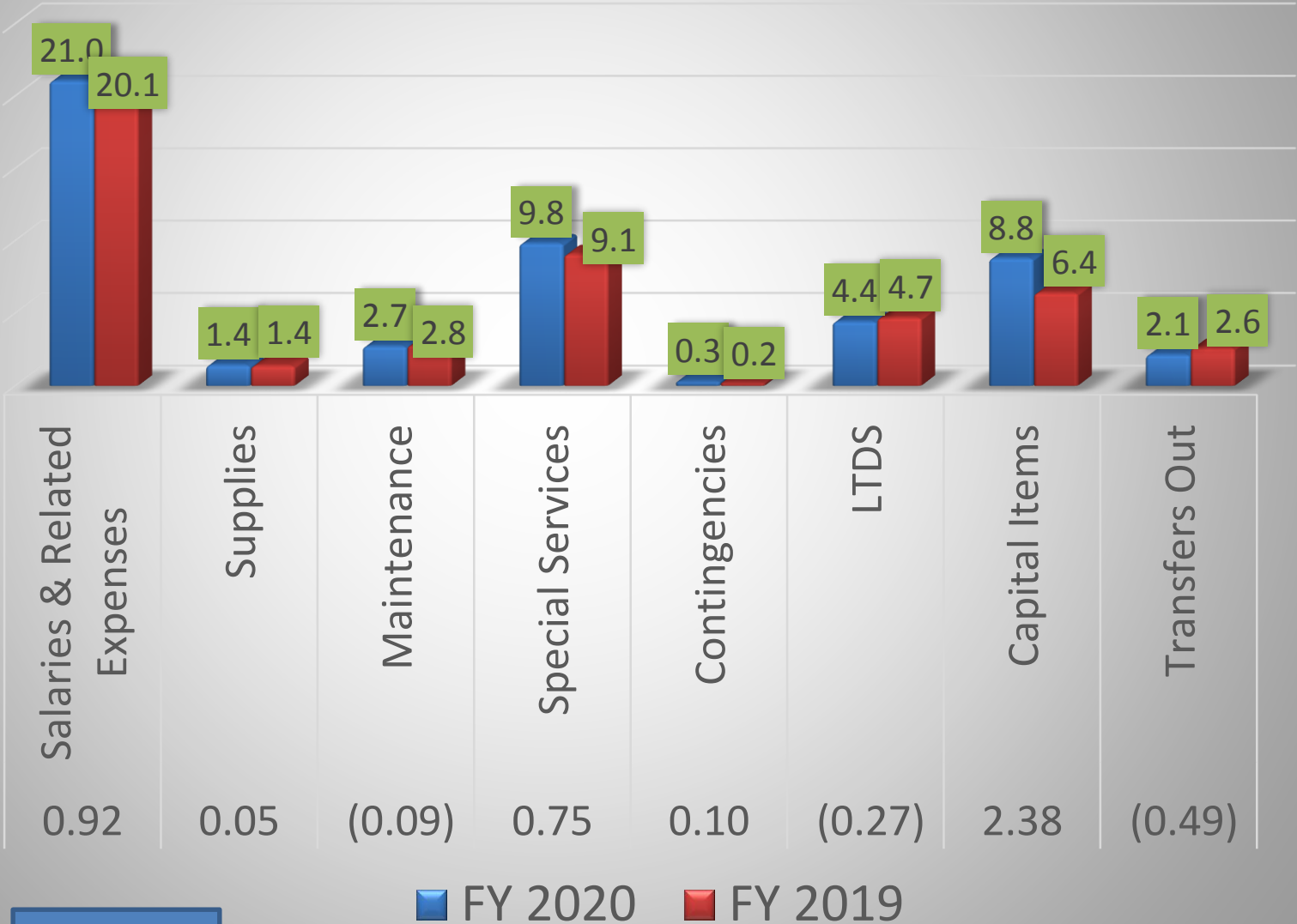
EXPENDITURES BY CATEGORY



- Salaries & Related Expenses
- Supplies
- Maintenance
- Special Services
- Contingencies
- Long Term Debt Service
- Capital Items
- Transfers Out

BUDGET EXPENDITURE COMPARISON

FY 2020 VS 2019

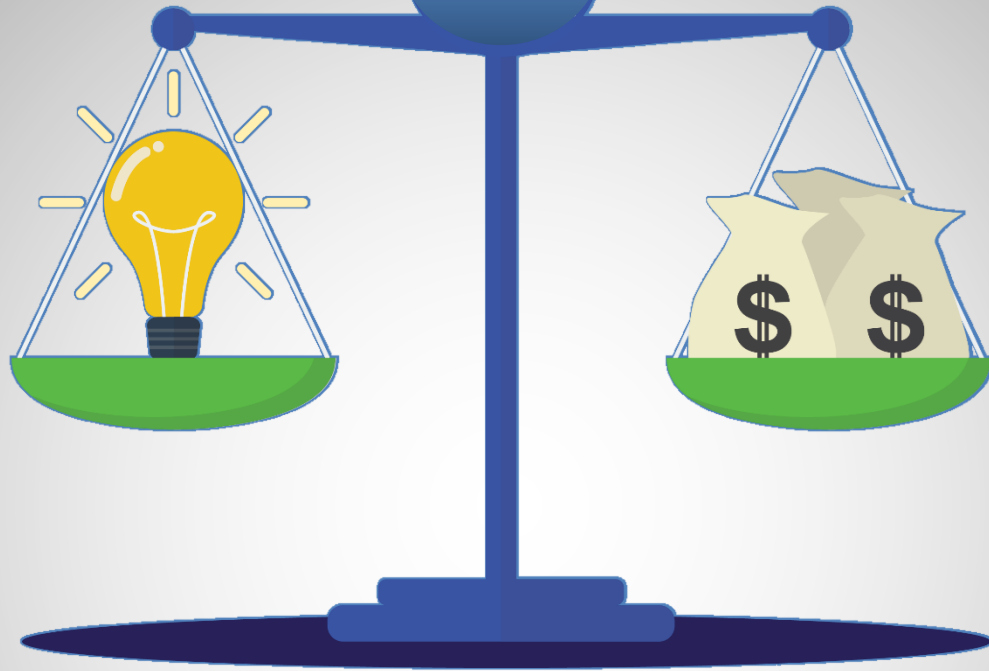


Increase/
Decrease

In millions

■ FY 2020 ■ FY 2019

Budget
Balancing
FY 2020



WHERE WE ARE NOW?





SURPLUS OR DEFICIT?



FUND	FY 2020 Budget Revenues	FY 2020 Budget Expenditures	Surplus/ Deficit	Credit Salary Adj currently budgete d in	Estimate d Salary Adj FY 2020	Estimated Surplus/Def after Adj.
General Fund	\$ 28.62	\$ 33.55	\$ (4.92)	\$ 0.80	\$ (0.63)	\$ (4.75)
HURF	3.38	4.13	(0.75)		(0.07)	(0.82)
Ambulance Service	2.69	2.70	(0.00)		(0.05)	(0.06)
Water	4.65	3.52	1.12		(0.05)	1.07
Waste Water	5.76	5.31	0.45		(0.06)	0.39
Solid Waste	1.43	1.38	0.05		(0.01)	0.04
Total	\$ 46.54	\$ 50.59	\$ (4.06)		\$ (0.87)	\$ (4.13)

In millions

General Fund Analysis

						Carrying balance Surplus/ Deficit		
Net change in Fund Balance	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019		FY 2020	Proposed Reduction
General Fund Net Position	(\$0.72)	(\$0.96)	\$0.72	\$1.92	\$3.20	\$4.14	(\$4.75)	(\$0.61)

Points for consideration:

- Prior years are not considered for this analysis. Those balances are part of the safety reserves we have in the General fund for any unexpected downturn in the economy.
- Areas to find the 610K reductions would be capital projects, and supplies.
- We need to start strategizing for the Enterprise funds that requires subsidizing from General fund. It is critical we increase revenues or reduce expenditures for these funds.

HURF Analysis

	Fund Balance Prior FY 2015	FY 2015	FY 2016	FY 2017	FY2018	FY 2019	Carrying balance Surplus/ Deficit	FY 2020	Proposed Reduction
Net change in Fund Balance	1.50	(0.29)	(0.43)	(0.13)	(0.62)	(0.03)	0.00	(0.82)	(0.82)
HURF									

Points for consideration:

- 5 years of continuing deficits have finally depleted this fund.
- Proposed budget for FY 2020 projects a deficit of 820 K.
- We cannot continue on the trajectory we have in the past years. We do not have more cushion to support expenditures over revenues.

Recommendation

- Split projects in two years to spend funds as they are available. We will reduce FY 2020 HURF Budget by 820K and projects will be made up to the availability of funds.

Or

- Give up capital projects in General funds in the amount of 820K so that General fund can subsidize HURF projects, or eliminate salary adjustment for FY 2020.

Ambulance Fund Analysis

Net Change in Fund Balance	Revenues	Expenditures	Surplus /Deficit	Salary Adj FY 2020	Surplus/Def after Adj.
Ambulance Service	\$2.69	\$2.70	(\$0.004)	(\$0.05)	(\$0.06)

Points for consideration:

- We have positive balance from prior years to offset this small deficit.
- For long term sustainability we need to develop strategy to ensure next year, and the following we can be able to operate without Deficits.
- The objective will be to build a positive balance that can help this fund in the event of a downturn in economy to ensure no interruptions in service and no reduction in workforce.

Recommendations:

- Move billing service to the City of San Luis. This will reduce expenditures by 150K. Billing Service agreement will end Fall of FY 2020.
- Submit Rate adjustment request to Department of Health Services. This is a common practice among municipalities with ambulance services. We have not done it in the past, so this is long overdue.

Property Tax Budget



PROPERTY TAX BUDGET

Proposed Projects:

- Construction of Fire Station
- Construction of Police Station
- Construction of Park Infrastructure

Debt 11.1 million

- Impact Fees Revenues Projection
- Stick to estimated expenditures and Disbursement plan

City of San Luis

Estimated Revenues & Expenses Property Tax

In Millions	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
REVENUES											
Property Tax	0.68	1.35	1.38	1.40	1.43	1.46	1.49	1.52	1.55	1.58	1.61
Impact Fees Projections	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85	0.85
Bond Proceeds	5.65	2.24	1.10	0.90	1.20	-	-	-	-	-	-
	7.18	4.44	3.32	3.15	3.48	2.31	2.34	2.37	2.40	2.43	2.46
EXPENSES BY CATEGORY											
Salaries & Related Expenses	-	-	0.79	0.88	0.98	1.01	1.04	1.07	1.10	1.14	1.17
Supplies	-	-	0.21	0.15	0.16	0.16	0.17	0.17	0.18	0.18	0.19
Maintenance	-	-	0.06	0.07	0.08	0.09	0.09	0.09	0.09	0.10	0.10
Special Services	-	-	0.09	0.13	0.18	0.18	0.19	0.19	0.20	0.21	0.21
Non-Departmental Cost Allocation	-	-	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Long Term Debt Service	-	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81	0.81
Capital Items	5.65	2.24	1.10	0.90	1.20	-	-	-	-	-	-
	5.65	3.05	3.07	2.95	3.42	2.26	2.31	2.35	2.40	2.45	2.49
Net change Surplus/Deficit	1.52	1.39	0.25	0.20	0.06	0.05	0.03	0.02	0.00	(0.02)	(0.03)

CONCLUSION

- We have a healthy financial situation, with the capability to face a possible a down turn in the economy.
- We do not want to get comfortable. It is critical to address the deficits of the funds that can affect the long term sustainability of the City.
- Long term sustainability can be achieved by identifying priorities, and strive to maintain expenditures aligned with revenues.
- This year we would be able to offset some of the budgeted deficit, due to positive carryover balances. However, there is still 1.64 million budgeted for next year that need to be considered for reduction so the financial health of the city is not compromised.
- Population is growing, and current revenues are not enough to provide services needed. Property Taxes will bring additional revenues to be able to fund several projects that the community needs.

THANK YOU