

Five Year Financial Forecast Fiscal Years 2010-2014



May 18, 2009

Why do we do long range forecasting

- Helps prevent surprises
- Helps Administration with Decision Making (What if we...How does this (change) Impact our Budget...).
- Identifies financial trends, shortfalls, and issues so the City can be *pro-active* instead of *re-active*.
- The Financial Forecast is *not* intended to be a budget, a proposed spending plan, or a policy recommendation to City Council for structural or cyclical deficits.
- It sets the stage for the upcoming budget process, aiding both the Mayor and City Council in establishing priorities and allocating resources appropriately.



ECONOMIC ASSUMPTIONS

- ***Economic Issues are Based on the Current Business Cycle (Currently in a Recession)***
 - Downturn in the housing market;
 - A tight credit market and continued weak financial institutions;
 - Falling consumer confidence and spending and
 - Rising unemployment.



Key Forecasting Points

● Revenues

- *Base Year is the Amended 2009 Budget and assumes no changes in programs, services or policies*
 - Taxable Values
 - Interest Rates
 - Current Millage Rates remain unchanged
 - No New Millage is introduced
 - State Shared Revenue
 - Act 51 Revenue



Forecasting Assumptions

- **Revenues**
 - Taxable Values
 - -3.79%, 2010
 - -8.00%, 2011
 - -5.00%, 2012
 - -3.00%, 2013
 - 0.00%, 2014
 - Interest Rates
 - 2.00%, 2010
 - 2.00%, 2011
 - 3.00%, 2012
 - 3.00%, 2013
 - 3.00%, 2014



Forecast Assumptions

● *Revenues Continued*

- New Millage is introduced
 - NO
- State Shared Revenue
 - 0.00%, 2010
 - 0.00%, 2011
 - -1.00%, 2012
 - -1.00%, 2013
 - -1.00%, 2014



Forecast Assumptions

● *Revenues Continued*

- Act 51 Revenue
 - -5.00%, 2010
 - -5.00%, 2011
 - -2.50%, 2012
 - -2.50%, 2013
 - -1.00%, 2014
- Current Millage Rates remain unchanged
 - YES



Key Forecasting Points

● **Expenditures**

- ***Base Year is the Amended 2009 Budget and assumes no changes in programs, services or policies***
 - Salary and Wages
 - Changes in the Number of Employees
 - Health Care and other Fringe Benefits
 - Pension (City's Share)
 - Inflation
 - Sheriff Contract



Forecast Assumptions

● *Expenditures*

● Salary and Wages

- 0.00%, 2010
- 0.00%, 2011
- 1.00%, 2012
- 1.00%, 2013
- 2.00%, 2014

● Changes in Number of Employees

- None. Vacant Positions remain vacant no new additions.



Forecast Assumptions

● *Expenditures Continued*

● Health Care (BC/BS)

- 30.00%, 2010
- 15.00%, 2011
- 15.00%, 2012
- 15.00%, 2013
- 15.00%, 2014

● Pension (City Share) Change

- 0.00%, 2010
- 0.00%, 2011
- 0.00%, 2012
- 0.00%, 2013
- 0.00%, 2014



Forecast Assumptions

- ***Expenditures Continued***
 - Inflation
 - General Citywide Inflation: Percent Change
 - 1.00%
 - Capital Project Inflation: Percent Change
 - 2.50%
 - Sheriff Contract
 - 3.00%, 2010
 - 3.00%, 2011
 - 2.50%, 2012
 - 2.50%, 2013
 - 2.50%, 2014



The All Fund Level (w/o W&S) Forecast

- The First Pass at the City's Fiscal Forecast is a High Level View.
- It incorporates all General Governmental Funds and gives an overall forecasted financial position of the City.
- But doesn't give the level of detail necessary for policy makers to make decisions related to service delivery and program offerings.
- Issues such as planned use of fund balance (for capital projects I.e. Major Roads, Green Space, etc.) and needed increases on debt related millage is not adjusted or reconciled with this high level forecast.



All Fund Level (w/o W&S) Forecast

| Model Updated April 8, 2009 | | | | | | | |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| | Actual * | 1st Qtr B/A | Estimated | Estimated | Estimated | Estimated | Estimated |
| TOTAL REVENUE w/o W&S | - | - | - | - | - | - | - |
| City Taxes | 33,326,549 | 33,249,870 | 32,035,720 | 29,454,065 | 27,450,063 | 26,621,105 | 25,743,462 |
| Licenses & Permits | 1,815,759 | 1,686,260 | 1,634,075 | 1,585,543 | 1,540,408 | 1,498,433 | 1,459,396 |
| Intergovernmental Revenue | 11,600,671 | 11,658,090 | 9,990,895 | 9,745,392 | 9,536,303 | 9,386,159 | 9,312,636 |
| Interfund Charges | 10,847,356 | 12,301,710 | 12,427,151 | 12,551,423 | 12,676,937 | 12,803,706 | 12,931,743 |
| Service Charges | 3,187,037 | 3,232,860 | 3,255,114 | 3,262,292 | 3,264,970 | 3,326,157 | 3,340,708 |
| Fines & Forfeitures | 471,195 | 355,000 | 355,120 | 355,242 | 355,367 | 355,495 | 355,624 |
| Investment Earnings | 3,970,313 | 3,052,170 | 1,773,482 | 1,647,900 | 2,215,633 | 1,980,814 | 1,693,760 |
| Other Revenue | 797,315 | 153,700 | 118,667 | 291,723 | 98,653 | 94,774 | 91,544 |
| Transfer-In | 14,285,182 | 13,655,200 | 11,060,923 | 11,513,184 | 12,198,021 | 12,657,666 | 13,257,638 |
| TOTAL REVENUE w/o W&S | 80,301,377 | 79,344,860 | 72,651,147 | 70,406,764 | 69,336,354 | 68,724,308 | 68,186,511 |
| TOTAL EXPENDITURE w/o W&S | - | - | - | - | - | - | - |
| Personnel Services | 21,390,768 | 22,397,570 | 23,148,017 | 23,647,025 | 24,406,414 | 25,249,522 | 26,381,406 |
| Operating Supplies | 1,049,073 | 1,283,850 | 1,296,689 | 1,309,655 | 1,322,752 | 1,335,979 | 1,349,339 |
| Professional Services | 10,869,263 | 12,764,810 | 12,713,975 | 12,990,713 | 13,188,838 | 13,454,574 | 13,749,740 |
| Interfund Charges | 7,986,191 | 8,750,740 | 8,837,007 | 8,924,137 | 9,012,139 | 9,101,020 | 9,190,790 |
| Other Expenses | 4,394,200 | 4,633,280 | 4,354,212 | 4,646,966 | 4,635,911 | 4,667,747 | 4,451,152 |
| Capital Outlay | 15,329,984 | 16,890,210 | 10,052,357 | 11,842,257 | 10,561,191 | 8,228,686 | 5,747,458 |
| Debt Service | 6,724,424 | 6,651,790 | 6,307,435 | 4,565,760 | 3,971,169 | 3,888,258 | 3,045,265 |
| Transfer Out | 16,336,263 | 15,579,450 | 12,916,964 | 13,220,811 | 13,820,309 | 14,231,311 | 14,831,283 |
| TOTAL EXPENDITURE w/o W&S | 84,080,165 | 88,951,700 | 79,626,656 | 81,147,324 | 80,918,723 | 80,157,097 | 78,746,435 |
| - | (3,778,788) | (9,606,840) | (6,975,509) | (10,740,560) | (11,582,370) | (11,432,789) | (10,559,924) |

The Fund Level Forecast

- To make the forecast more effective it is better and certainly more useful to look at the financial forecast at the *fund level*.
- Our current forecast model for General Fund reduces the amount being transferred to other funds to force expenditures to equal revenues.
- We use the Local Road Fund as the safety valve for General Fund because it is not funding a contract (like the Police Fund) and the transfer is a large enough to accomplish this forced balancing goal.

General Fund's Forecast

Model Updated April 8, 2009

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Fund | Actual * | Ist Qtr B/A | Estimated | Estimated | Estimated | Estimated | Estimated |
| Revenues | - | - | - | - | - | - | - |
| City Taxes | 14,041,621 | 13,645,920 | 13,098,850 | 12,689,945 | 12,059,223 | 11,700,091 | 11,700,969 |
| Licenses & Permits | 1,790,447 | 1,668,260 | 1,616,075 | 1,567,543 | 1,522,408 | 1,480,433 | 1,441,396 |
| Intergovernmental Revenue | 5,367,060 | 5,052,730 | 5,052,730 | 5,052,730 | 5,003,630 | 4,955,021 | 4,906,898 |
| Interfund Charges | 3,486,888 | 4,446,050 | 4,490,511 | 4,535,416 | 4,580,770 | 4,626,577 | 4,672,843 |
| Service Charges | 1,371,578 | 1,425,450 | 1,444,001 | 1,445,444 | 1,438,305 | 1,491,489 | 1,489,419 |
| Fines & Forfeitures | 119,319 | 8,000 | 8,120 | 8,242 | 8,367 | 8,495 | 8,624 |
| Investment Earnings | 886,379 | 660,000 | 369,000 | 365,467 | 540,331 | 537,579 | 534,481 |
| Other Revenue | 76,696 | 68,400 | 68,400 | 68,400 | 68,400 | 68,400 | 68,400 |
| Transfer-In | - | - | - | - | - | - | - |
| Total | 27,139,988 | 26,974,810 | 26,147,687 | 25,733,187 | 25,221,434 | 24,868,085 | 24,823,030 |
| Expenditures | - | - | - | - | - | - | - |
| Personnel Services | 10,902,311 | 11,462,580 | 11,861,757 | 12,112,072 | 12,496,165 | 12,922,849 | 13,497,845 |
| Operating Supplies | 309,704 | 364,870 | 368,519 | 372,204 | 375,926 | 379,685 | 383,482 |
| Professional Services | 1,293,279 | 1,709,520 | 1,725,188 | 1,741,012 | 1,756,995 | 1,773,138 | 1,789,442 |
| Interfund Charges | 2,704,669 | 2,595,250 | 2,621,203 | 2,647,415 | 2,673,889 | 2,700,628 | 2,727,634 |
| Other Expenses | 206,734 | 193,680 | 163,297 | 164,930 | 166,579 | 168,245 | 169,927 |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - |
| Transfer Out | 10,179,142 | 10,390,480 | 9,305,040 | 8,488,131 | 7,538,768 | 7,041,776 | 7,350,913 |
| Total | 25,595,839 | 26,716,380 | 26,045,002 | 25,525,764 | 25,008,321 | 24,986,321 | 25,919,243 |
| - | 1,544,150 | 258,430 | 102,685 | 207,423 | 213,112 | (118,235) | (1,096,213) |

General Fund's Forecast

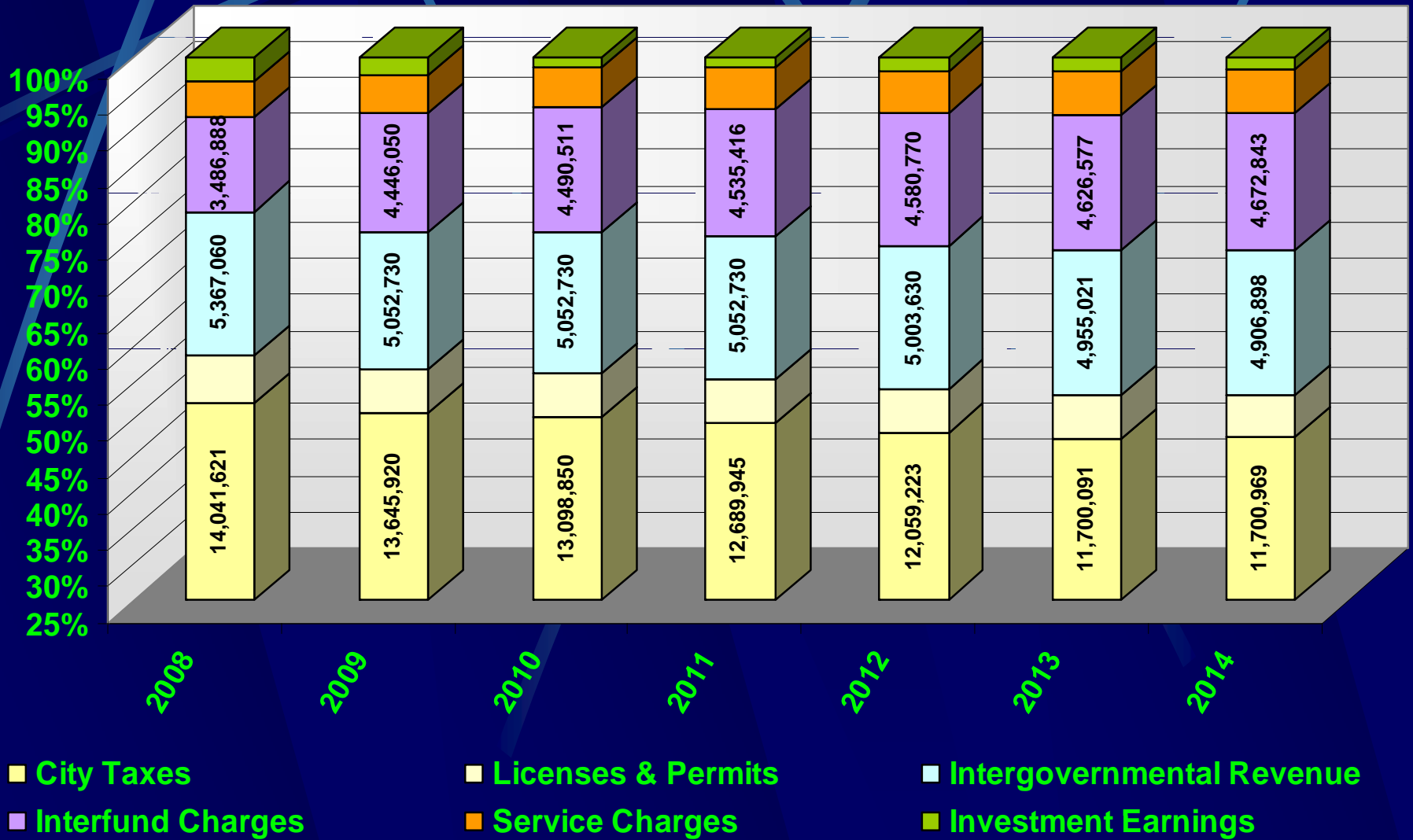
- *For this presentation*, we have adjusted our current forecasting model so that General Fund makes a transfer to Local Road Fund large enough to make sure that the Local Road Fund can have enough revenue to cover all **maintenance costs**.
- The General Fund transfer to the Local Road Fund **DOES NOT** provide for any capital projects in that fund.

General Fund's Forecast

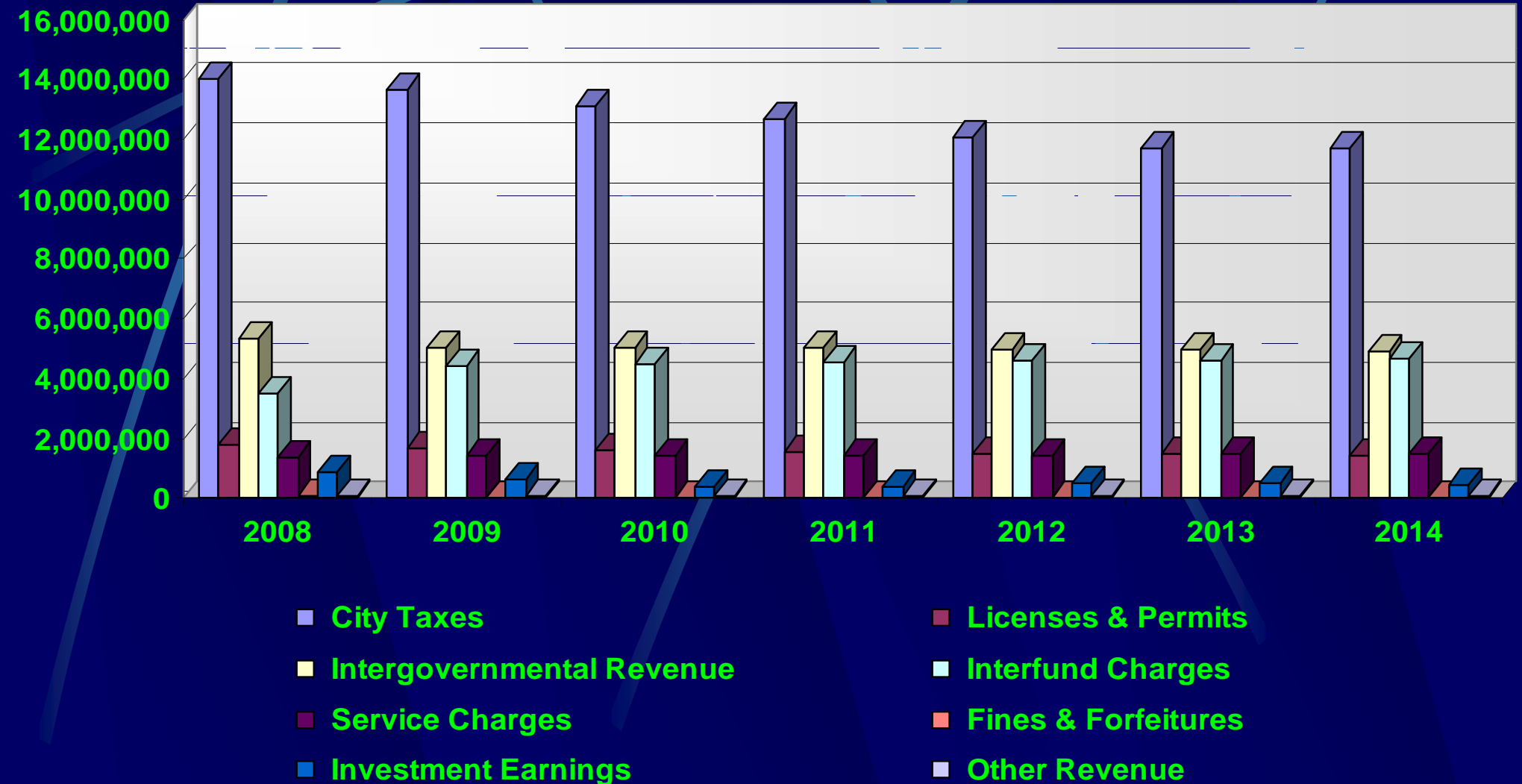
Model Updated April 8, 2009

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---------------------------|------------|-------------|------------|------------|-------------|-------------|-------------|
| General Fund | Actual * | 1st Qtr B/A | Estimated | Estimated | Estimated | Estimated | Estimated |
| Revenues | - | - | - | - | - | - | - |
| City Taxes | 14,041,621 | 13,645,920 | 13,098,850 | 12,689,945 | 12,059,223 | 11,700,091 | 11,700,969 |
| Licenses & Permits | 1,790,447 | 1,668,260 | 1,616,075 | 1,567,543 | 1,522,408 | 1,480,433 | 1,441,396 |
| Intergovernmental Revenue | 5,367,060 | 5,052,730 | 5,052,730 | 5,052,730 | 5,003,630 | 4,955,021 | 4,906,898 |
| Interfund Charges | 3,486,888 | 4,446,050 | 4,490,511 | 4,535,416 | 4,580,770 | 4,626,577 | 4,672,843 |
| Service Charges | 1,371,578 | 1,425,450 | 1,444,001 | 1,445,444 | 1,438,305 | 1,491,489 | 1,489,419 |
| Fines & Forfeitures | 119,319 | 8,000 | 8,120 | 8,242 | 8,367 | 8,495 | 8,624 |
| Investment Earnings | 886,379 | 660,000 | 369,000 | 365,467 | 524,779 | 482,869 | 425,077 |
| Other Revenue | 76,696 | 68,400 | 68,400 | 68,400 | 68,400 | 68,400 | 68,400 |
| Transfer-In | - | - | - | - | - | - | - |
| Total | 27,139,988 | 26,974,810 | 26,147,687 | 25,733,187 | 25,205,882 | 24,813,375 | 24,713,626 |
| Expenditures | - | - | - | - | - | - | - |
| Personnel Services | 10,902,311 | 11,462,580 | 11,861,757 | 12,112,072 | 12,496,165 | 12,922,849 | 13,497,845 |
| Operating Supplies | 309,704 | 364,870 | 368,519 | 372,204 | 375,926 | 379,685 | 383,482 |
| Professional Services | 1,293,279 | 1,709,520 | 1,725,188 | 1,741,012 | 1,756,995 | 1,773,138 | 1,789,442 |
| Interfund Charges | 2,704,669 | 2,595,250 | 2,621,203 | 2,647,415 | 2,673,889 | 2,700,628 | 2,727,634 |
| Other Expenses | 206,734 | 193,680 | 163,297 | 164,930 | 166,579 | 168,245 | 169,927 |
| Capital Outlay | - | - | - | - | - | - | - |
| Debt Service | - | - | - | - | - | - | - |
| Transfer Out | 10,179,142 | 10,390,480 | 9,305,040 | 9,524,933 | 10,133,744 | 10,633,327 | 11,144,994 |
| Total | 25,595,839 | 26,716,380 | 26,045,002 | 26,562,566 | 27,603,298 | 28,577,871 | 29,713,324 |
| - | 1,544,150 | 258,430 | 102,685 | (829,379) | (2,397,416) | (3,764,496) | (4,999,697) |

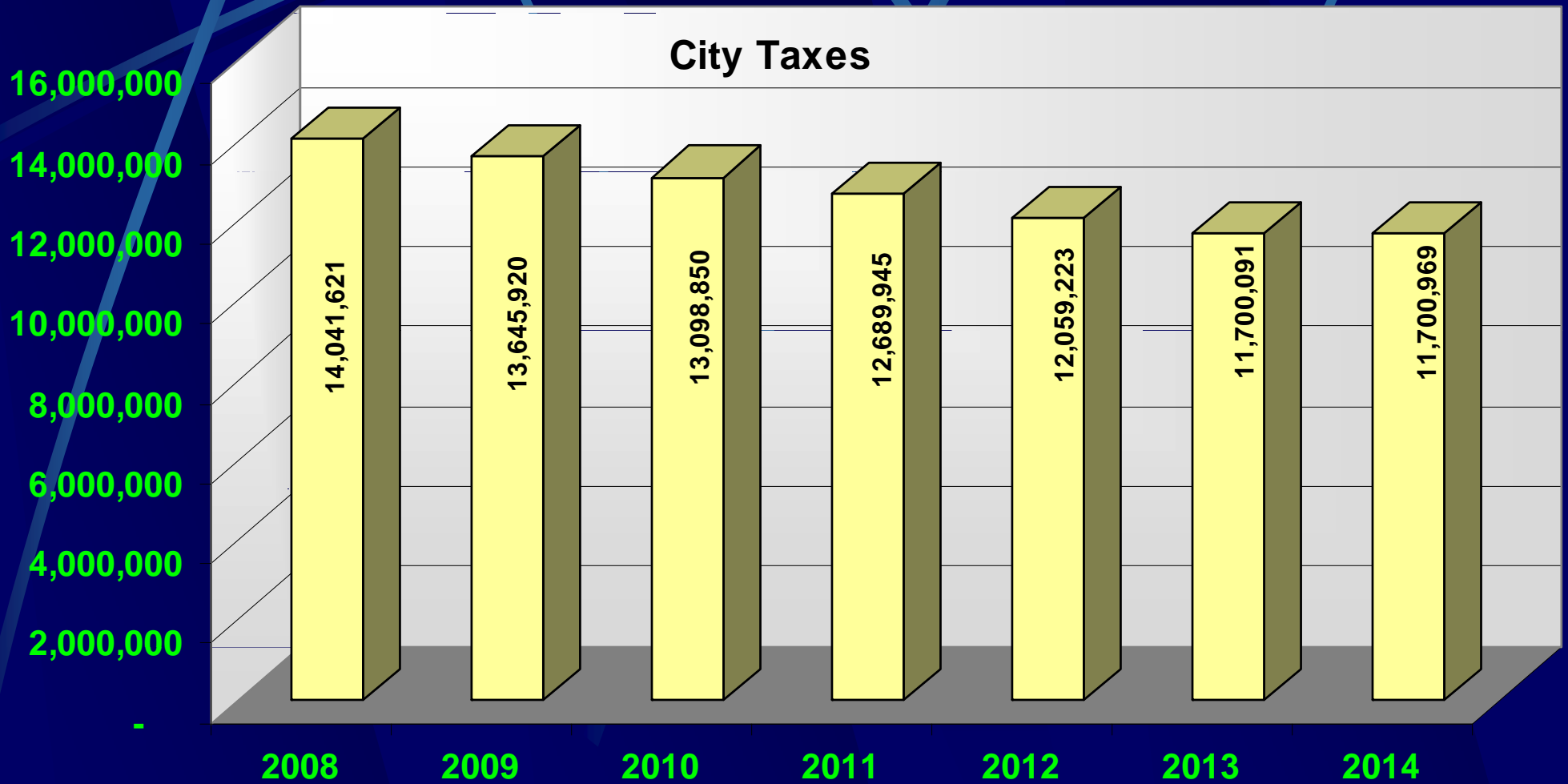
General Fund Revenue



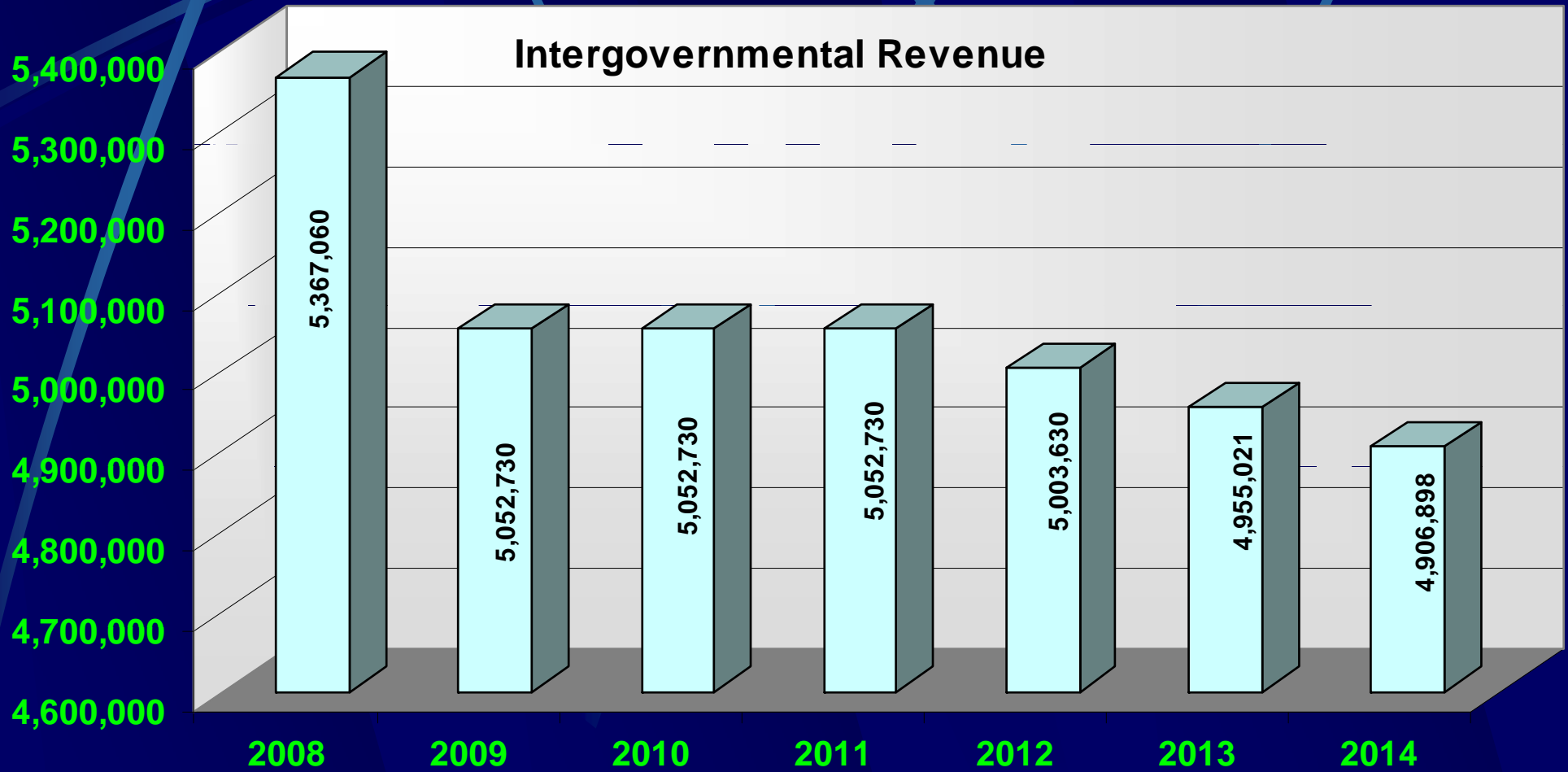
General Fund Revenue



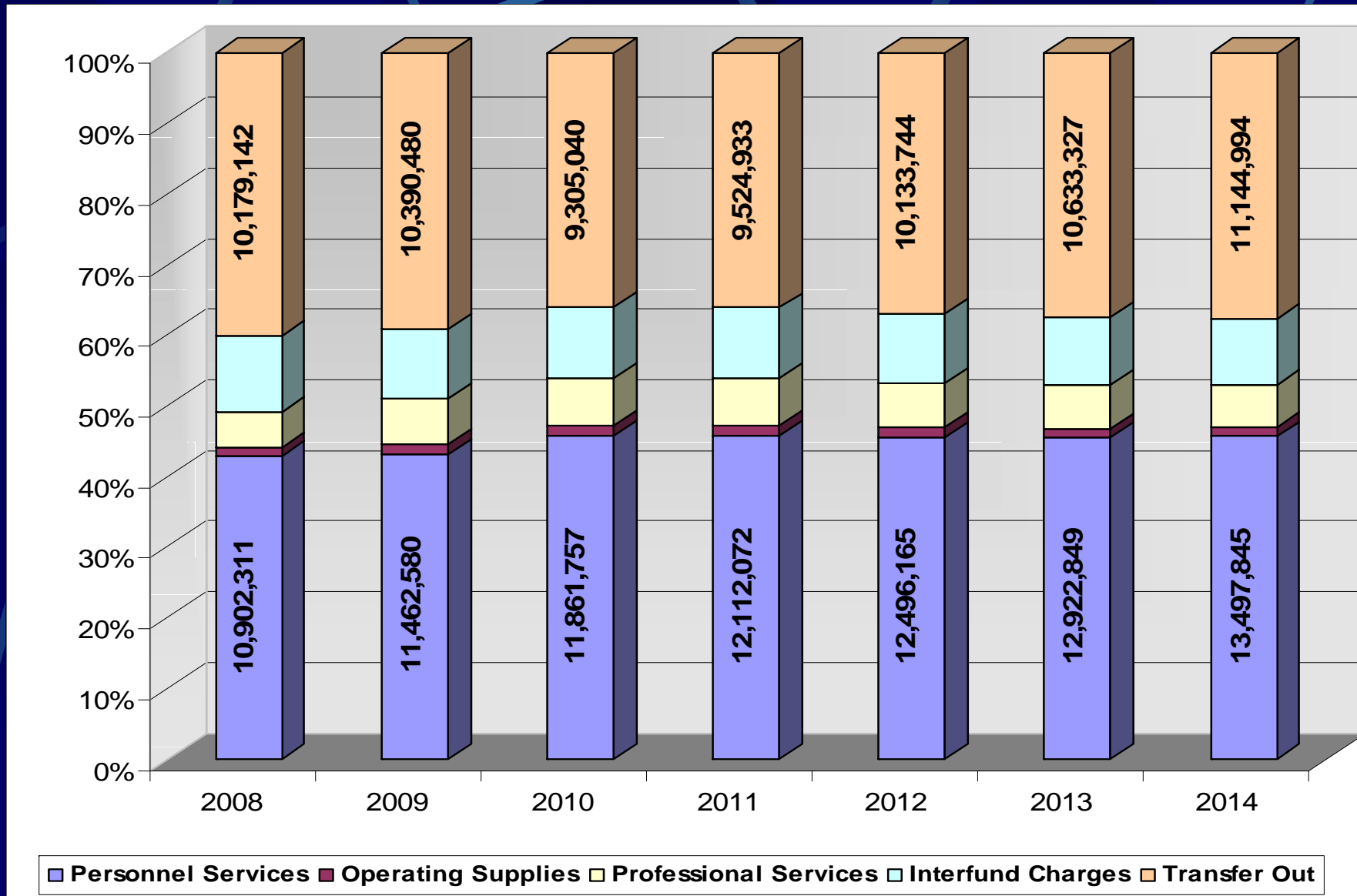
General Fund Revenue



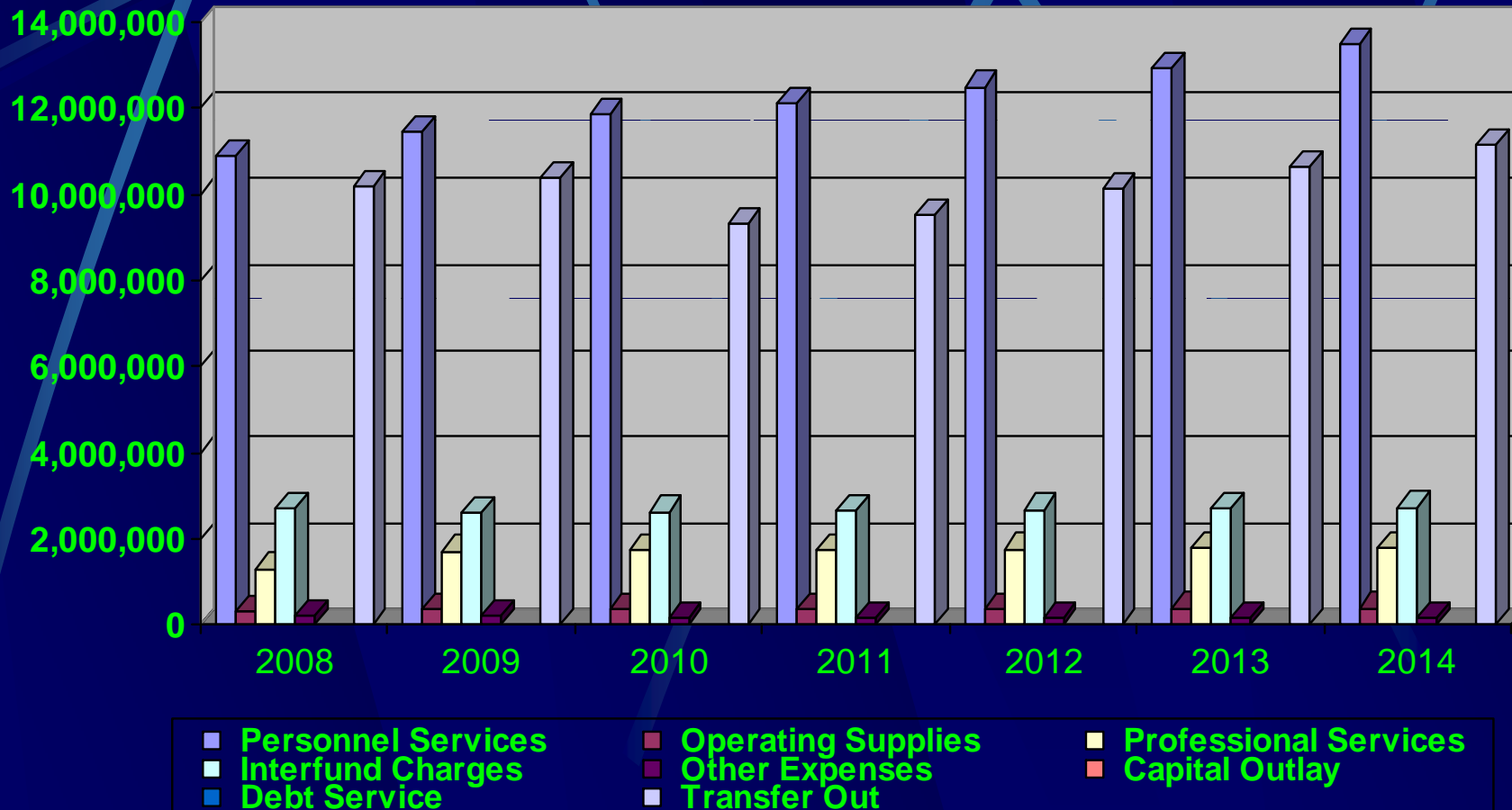
General Fund Revenue



General Fund Expenditures

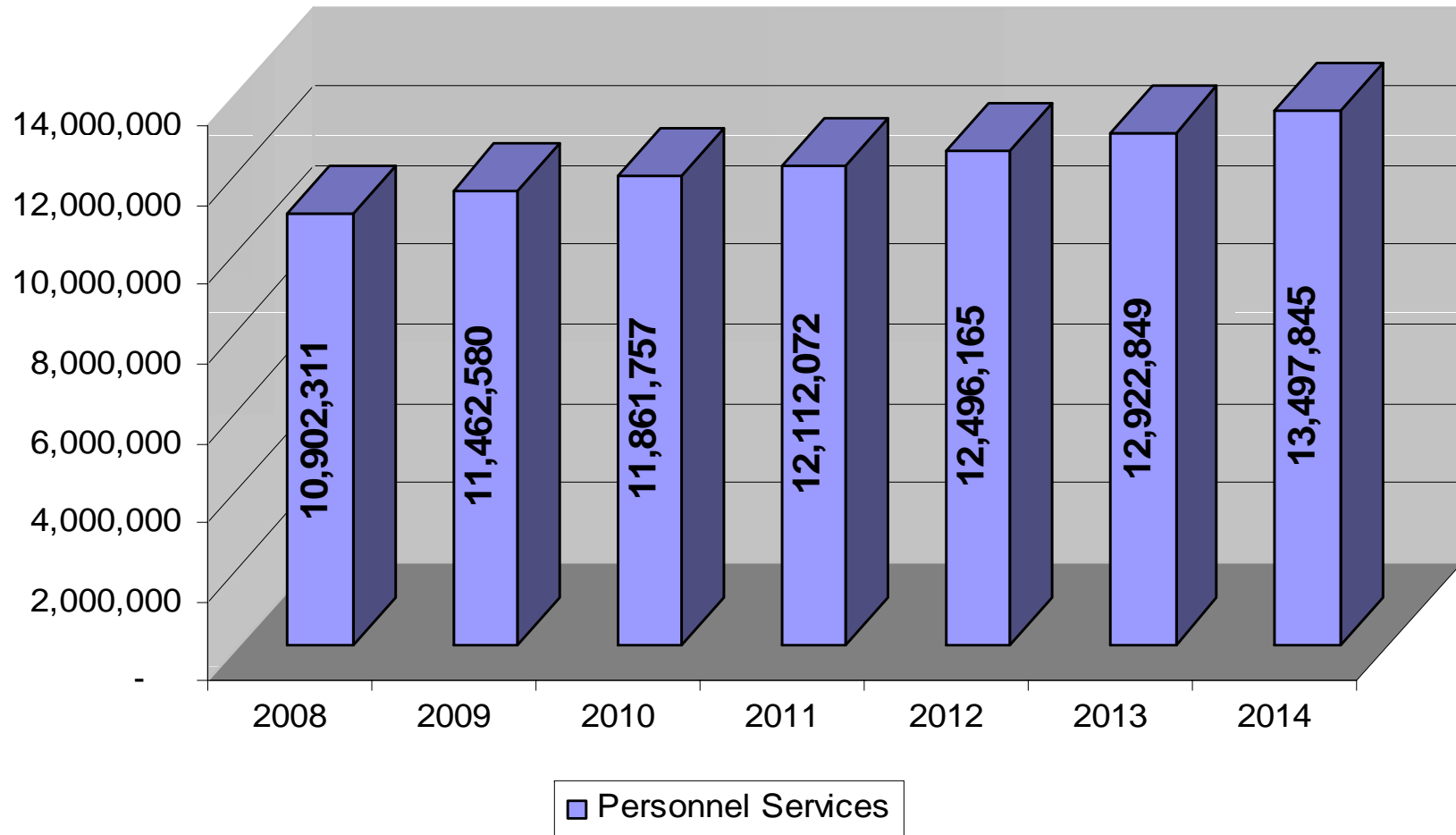


General Fund Expenditures



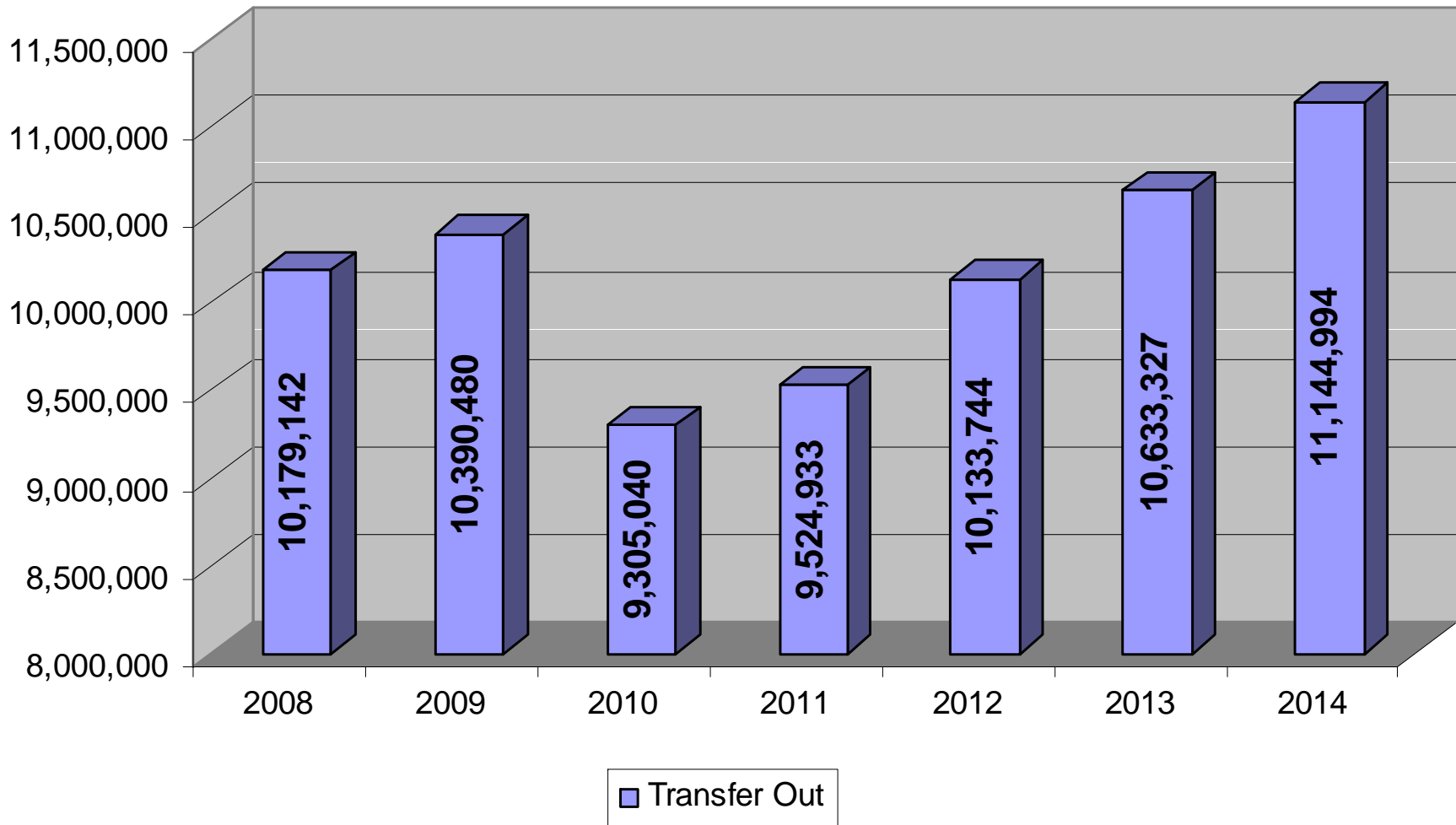
General Fund Expenditures

Personnel Services



General Fund Expenditures

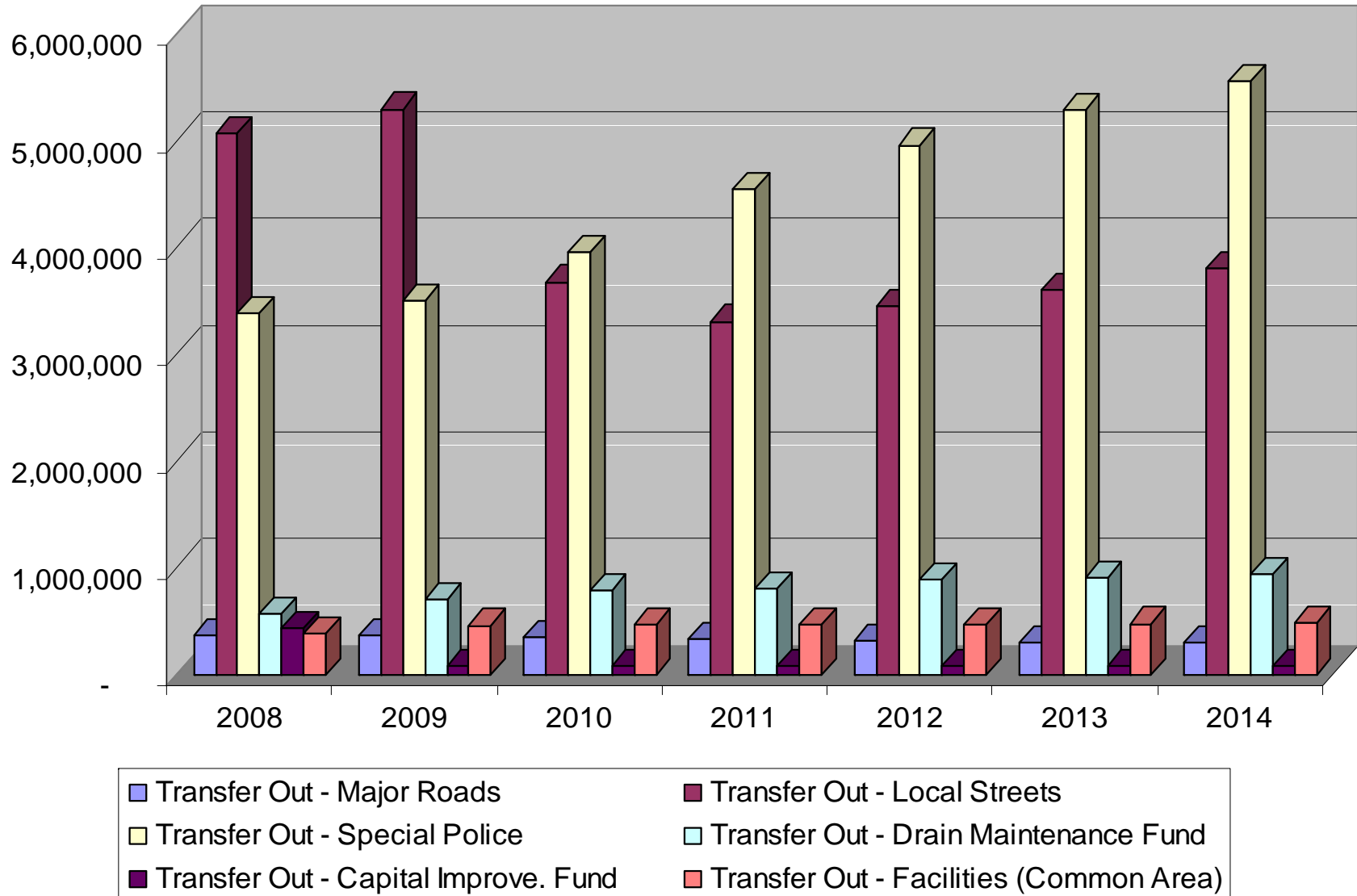
Transfer Out



General Fund Expenditures Transfers Out

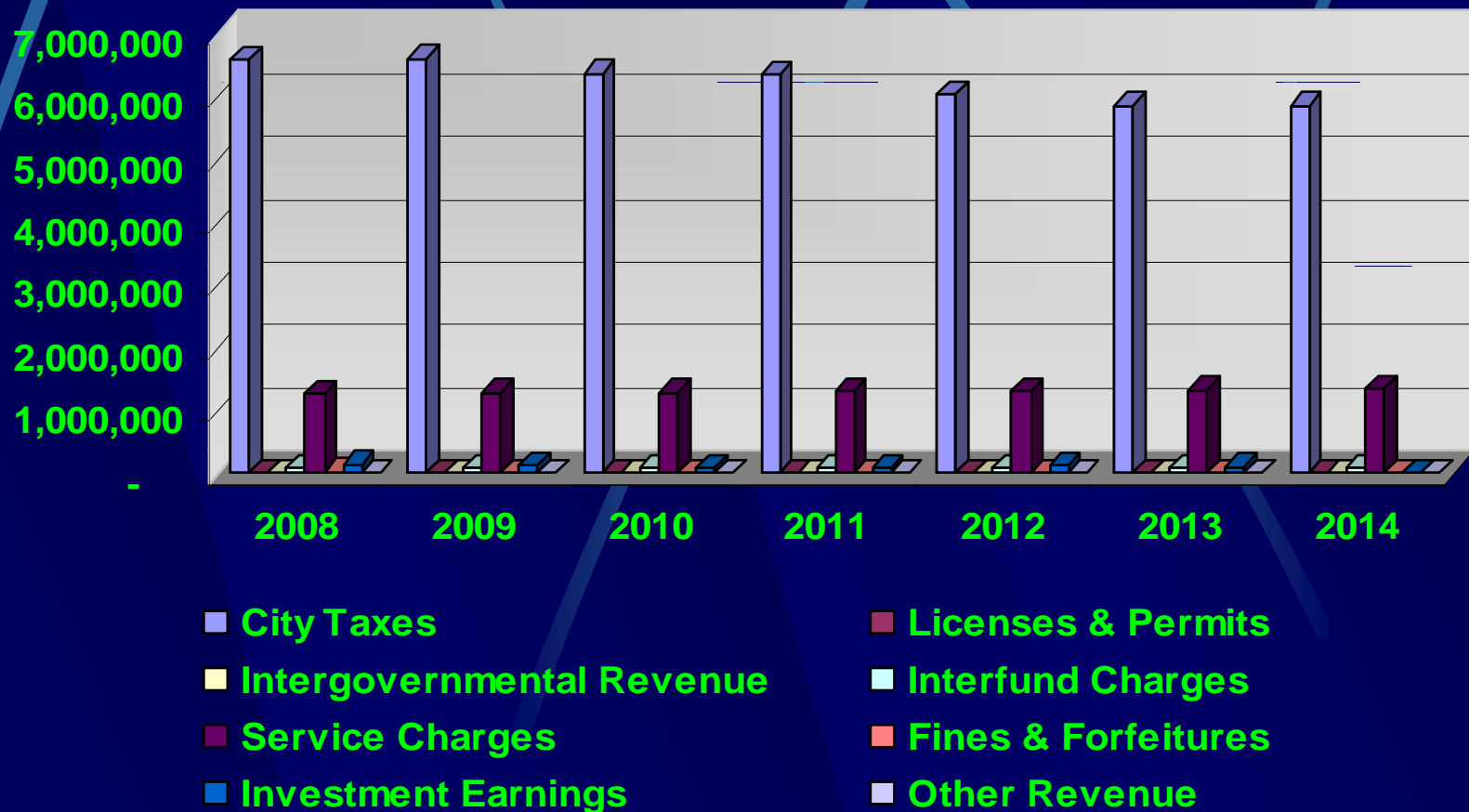
| General Fund Transfer Out | 2008 <i>Actual *</i> | 2009 <i>1st Qtr B/A</i> | 2010 Estimated | 2011 Estimated | 2012 Estimated | 2013 Estimated | 2014 Estimated |
|---|-------------------------|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Transfer Out - Major Roads | 364,792 | 366,780 | 352,890 | 324,659 | 308,426 | 299,173 | 299,173 |
| Transfer Out - Local Streets | 5,060,370 | 5,290,120 | 3,673,059 | 3,304,127 | 3,440,928 | 3,591,550 | 3,794,081 |
| Transfer Out - Special Police | 3,381,750 | 3,498,310 | 3,955,625 | 4,544,164 | 4,953,245 | 5,279,279 | 5,558,973 |
| Transfer Out - Drain Maintenance Fund | 558,320 | 697,630 | 781,270 | 805,186 | 879,700 | 907,186 | 931,887 |
| Transfer Out - Capital Improve. Fund | 429,200 | 82,040 | 82,040 | 82,040 | 82,040 | 82,040 | 82,040 |
| Transfer Out - Facilities (Common Area) | 384,710 | 455,600 | 460,156 | 464,758 | 469,405 | 474,099 | 478,840 |
| Total | 10,179,142 | 10,390,480 | 9,305,040 | 9,524,933 | 10,133,744 | 10,633,327 | 11,144,994 |

General Fund Expenditures



Falling Revenue and Raising Expenses Affects All Funds

Fire Fund Revenues

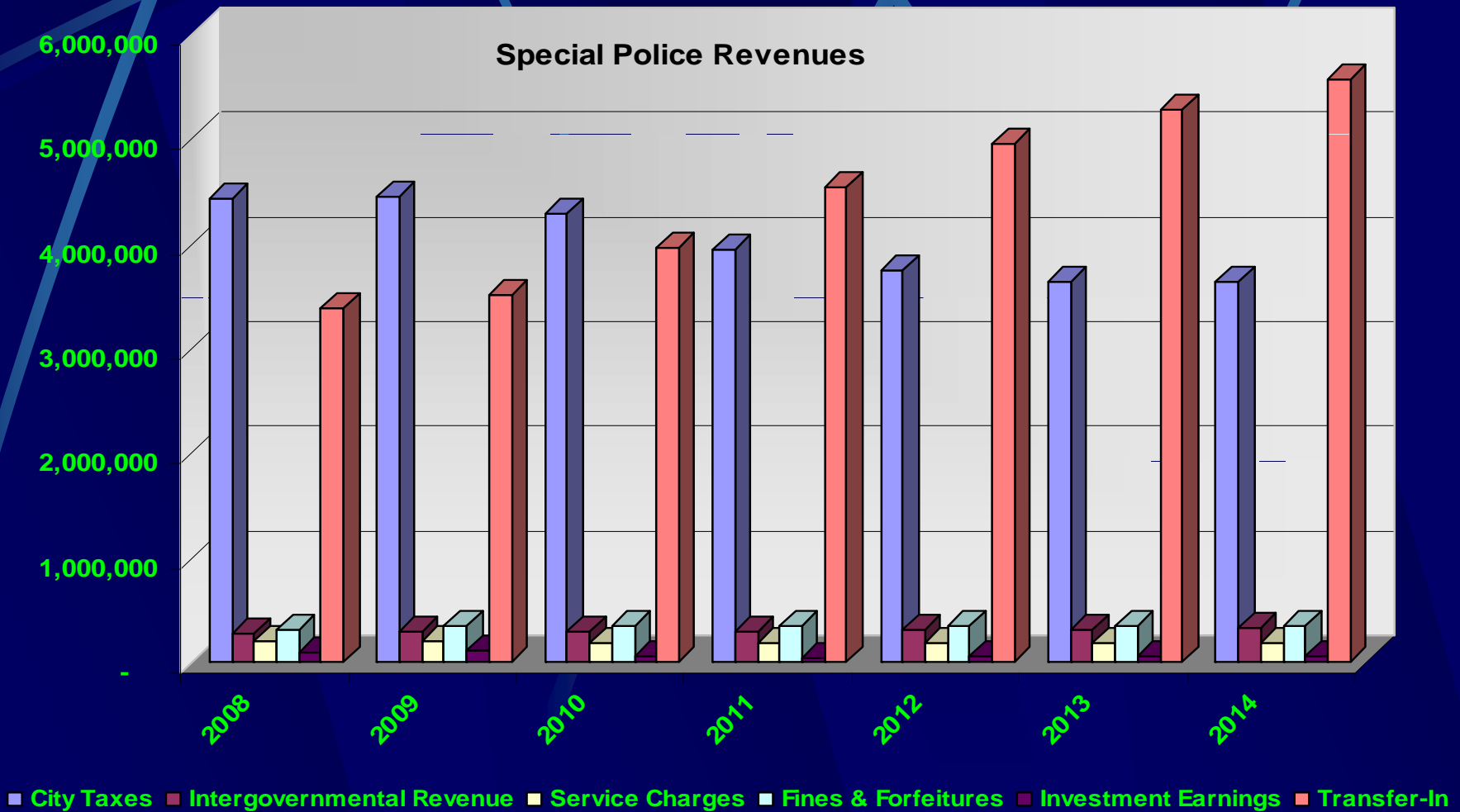


Falling Revenue and Raising Expenses Affects All Funds

Fire Fund Expenditures

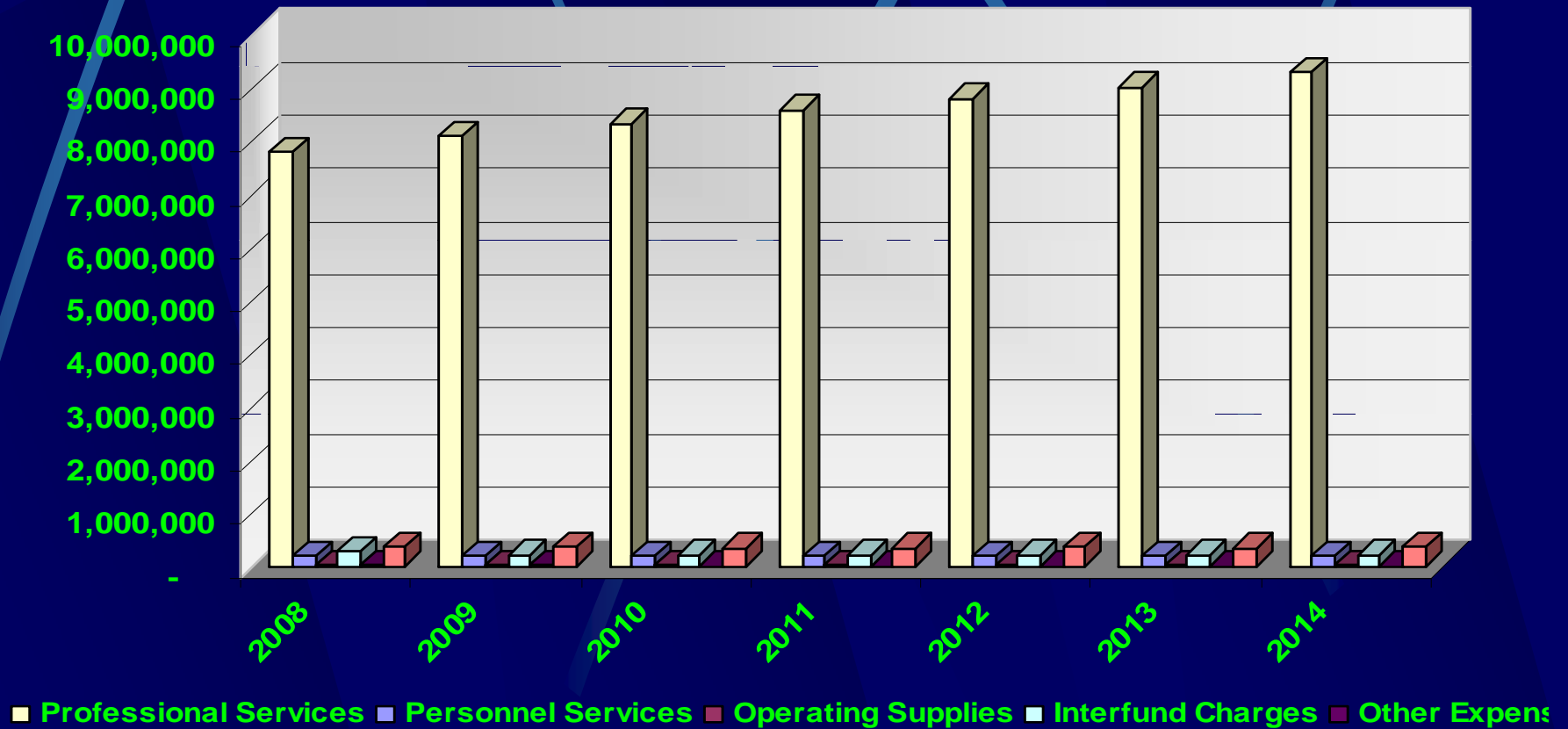


Falling Revenue and Raising Expenses Affects All Funds



Falling Revenue and Raising Expenses Affects All Funds

Special Police Expenditures



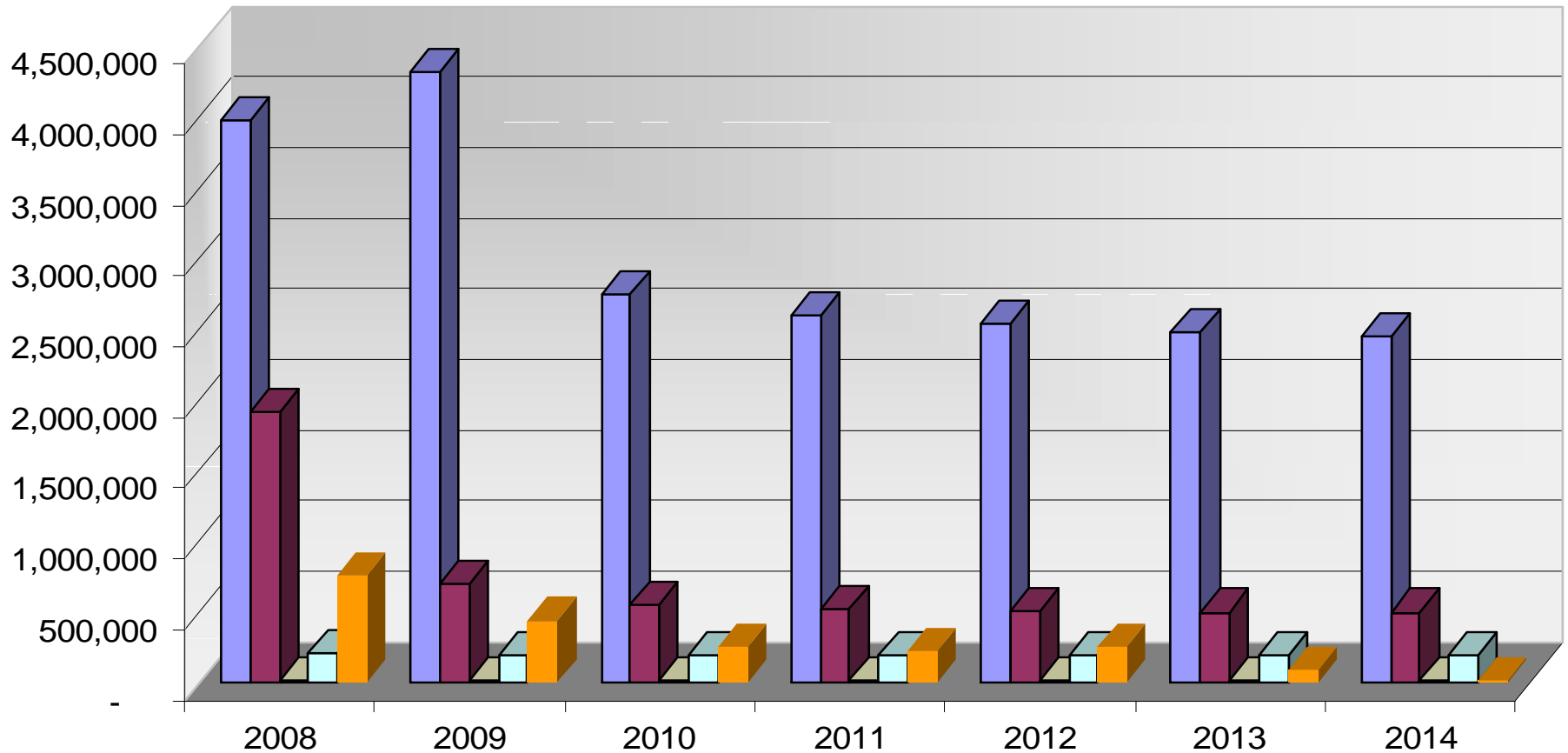
Falling Revenue and Raising Expenses Affects All Funds

Model Updated April 8, 2009

| 202 - Major Road Fund | 2008 Actual * | 2009 1st Qtr B/A | 2010 Estimated | 2011 Estimated | 2012 Estimated | 2013 Estimated | 2014 Estimated |
|--|-------------------|---------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| City Taxes | - | - | - | - | - | - | - |
| Licenses & Permits | - | - | - | - | - | - | - |
| Intergovernmental Revenue | 3,976,603 | 4,323,150 | 2,740,493 | 2,604,983 | 2,540,751 | 2,478,134 | 2,453,873 |
| Interfund Charges | 17,026 | 21,300 | 21,513 | 21,728 | 21,945 | 22,165 | 22,387 |
| Service Charges | 207,291 | 200,500 | 200,500 | 200,500 | 200,500 | 200,500 | 200,500 |
| Fines & Forfeitures | - | - | - | - | - | - | - |
| Investment Earnings | 754,262 | 440,000 | 256,583 | 219,913 | 250,174 | 87,859 | 12,416 |
| Other Revenue | 5,321 | - | - | 188,400 | - | - | - |
| Transfer-In | 1,916,792 | 701,780 | 552,890 | 524,659 | 508,426 | 499,173 | 499,173 |
| 202 - Major Road Fund - Revenues | 6,877,295 | 5,686,730 | 3,771,978 | 3,760,182 | 3,521,796 | 3,287,830 | 3,188,349 |
| Personnel Services | 749,657 | 780,880 | 804,313 | 822,654 | 850,044 | 880,509 | 921,054 |
| Operating Supplies | 128,403 | 146,280 | 147,743 | 149,220 | 150,712 | 152,220 | 153,742 |
| Professional Services | 259,877 | 434,030 | 344,743 | 348,191 | 351,673 | 355,189 | 358,741 |
| Interfund Charges | 642,314 | 958,220 | 967,802 | 977,480 | 987,255 | 997,128 | 1,007,099 |
| Other Expenses | 1,241 | 2,550 | 2,576 | 2,601 | 2,627 | 2,654 | 2,680 |
| Capital Outlay | 6,685,162 | 7,714,720 | 3,338,317 | 4,116,545 | 6,589,984 | 3,414,874 | 2,760,360 |
| Debt Service | - | - | - | - | - | - | - |
| Transfer Out | - | - | - | - | - | - | - |
| 202 - Major Road Fund - Expenditures | 8,466,654 | 10,036,680 | 5,605,494 | 6,416,691 | 8,932,296 | 5,802,573 | 5,203,676 |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - | - | - | - | - | - | - |
| | (1,589,359) | (4,349,950) | (1,833,516) | (2,656,509) | (5,410,500) | (2,514,742) | (2,015,328) |
| BEGINNING FUND BALANCE | 18,768,456 | 17,179,098 | 12,829,148 | 10,995,632 | 8,339,123 | 2,928,623 | 413,881 |
| | - | - | - | - | - | - | - |
| ENDING FUND BALANCE | 17,179,098 | 12,829,148 | 10,995,632 | 8,339,123 | 2,928,623 | 413,881 | (1,601,447) |

Falling Revenue and Raising Expenses Affects All Funds

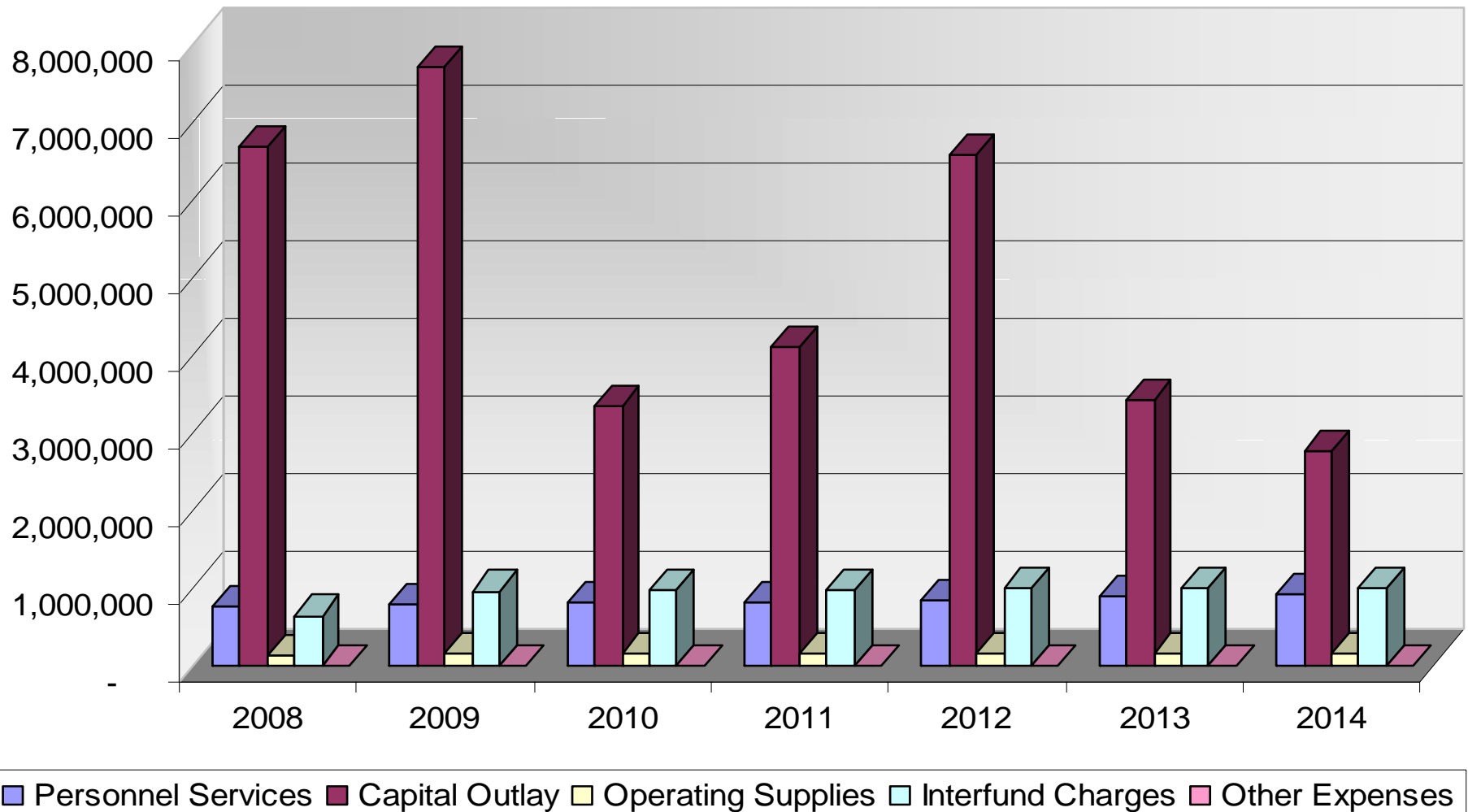
Major Road Fund Revenue



■ Intergovernmental Revenue ■ Transfer-In ■ Interfund Charges ■ Service Charges ■ Investment Earnings

Falling Revenue and Raising Expenses Affects All Funds

Major Road Fund Expenditures

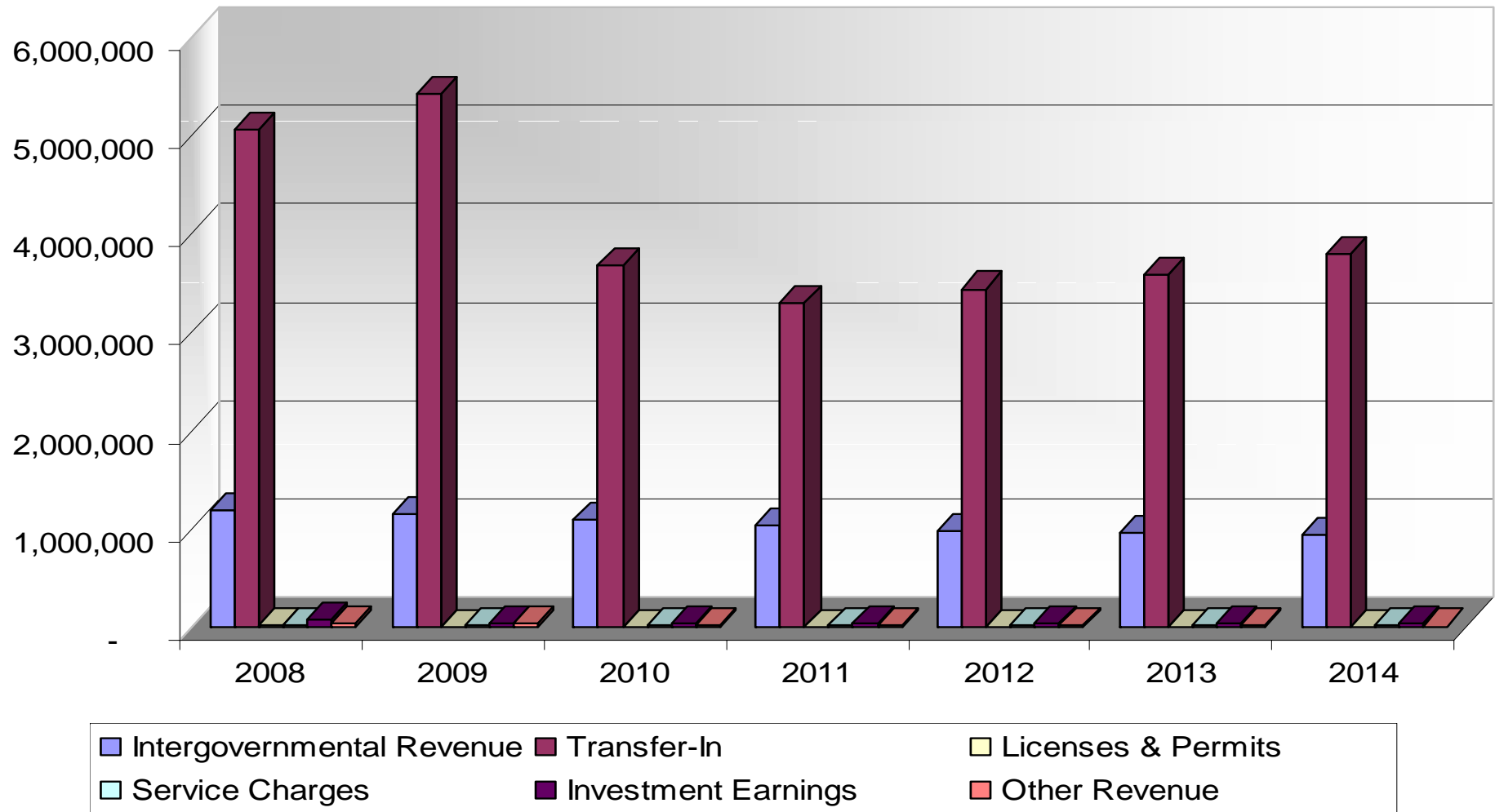


Falling Revenue and Raising Expenses Affects All Funds

| 203 - Local Road Fund | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|------------------|--------------------|------------------|------------------|------------------|------------------|------------------|
| | <i>Actual *</i> | <i>1st Qtr B/A</i> | <i>Estimated</i> | <i>Estimated</i> | <i>Estimated</i> | <i>Estimated</i> | <i>Estimated</i> |
| City Taxes | - | - | - | - | - | - | - |
| Licenses & Permits | 13,712 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Intergovernmental Revenue | 1,183,744 | 1,153,100 | 1,097,445 | 1,044,573 | 979,458 | 954,972 | 945,422 |
| Interfund Charges | - | - | - | - | - | - | - |
| Service Charges | 24,287 | 29,400 | 29,400 | 29,400 | 29,400 | 29,400 | 29,400 |
| Fines & Forfeitures | - | - | - | - | - | - | - |
| Investment Earnings | 71,401 | 47,100 | 34,564 | 33,925 | 47,437 | 46,920 | 46,454 |
| Other Revenue | 32,938 | 32,350 | 18,259 | 16,680 | 15,258 | 13,979 | 12,827 |
| Transfer-In | 5,060,370 | 5,424,680 | 3,673,059 | 3,304,127 | 3,440,928 | 3,591,550 | 3,794,081 |
| 203 - Local Road Fund - Revenues | 6,386,452 | 6,696,630 | 4,862,727 | 4,438,705 | 4,522,482 | 4,646,821 | 4,838,184 |
| Personnel Services | 1,364,055 | 1,495,670 | 1,552,422 | 1,594,178 | 1,653,745 | 1,720,282 | 1,806,892 |
| Operating Supplies | 242,217 | 315,500 | 318,655 | 321,842 | 325,060 | 328,311 | 331,594 |
| Professional Services | 175,326 | 297,930 | 178,152 | 179,933 | 181,733 | 183,550 | 185,386 |
| Interfund Charges | 1,564,340 | 1,770,110 | 1,787,811 | 1,805,689 | 1,823,746 | 1,841,984 | 1,860,403 |
| Other Expenses | 1,074 | 1,800 | 1,818 | 1,836 | 1,855 | 1,873 | 1,892 |
| Capital Outlay | 2,632,664 | 2,613,320 | 530,232 | 28,174 | 42,261 | 42,261 | 42,261 |
| Debt Service | - | - | - | - | - | - | - |
| Transfer Out | 296,130 | 409,500 | 493,637 | 507,052 | 494,082 | 528,560 | 609,756 |
| 203 - Local Road Fund - Expenditures | 6,275,807 | 6,903,830 | 4,862,727 | 4,438,705 | 4,522,482 | 4,646,821 | 4,838,184 |
| EXCESS OF REVENUE OVER (UNDER) EXPENDITURES | - 110,645 | - (207,200) | - | - | - | - | - |
| 0 | - | - | - | - | - | - | - |
| BEGINNING FUND BALANCE | 1,505,270 | 1,615,916 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 |
| 0 | - | - | - | - | - | - | - |
| ENDING FUND BALANCE | 1,615,916 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 |

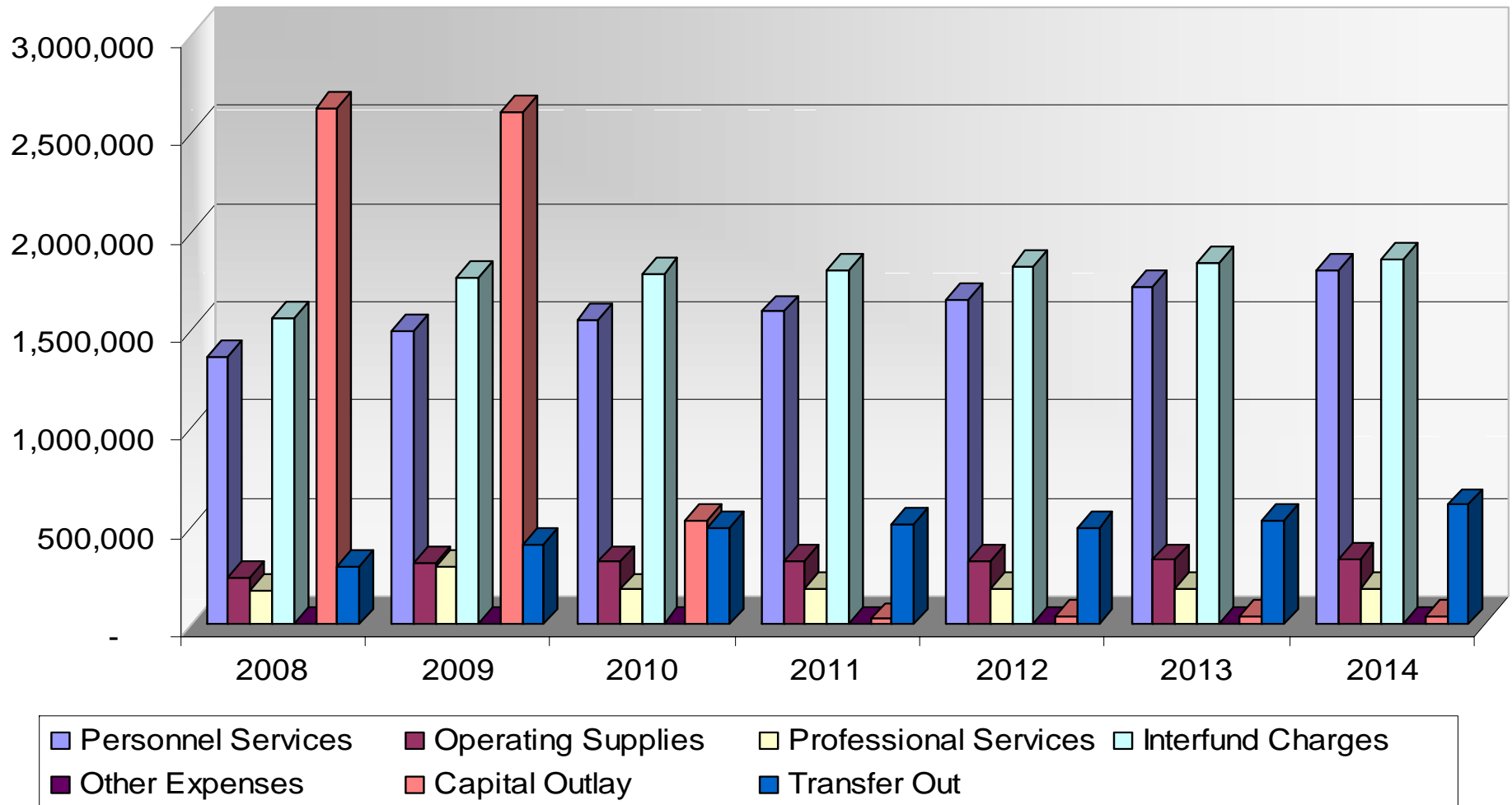
Falling Revenue and Raising Expenses Affects All Funds

Local Road Fund Revenue

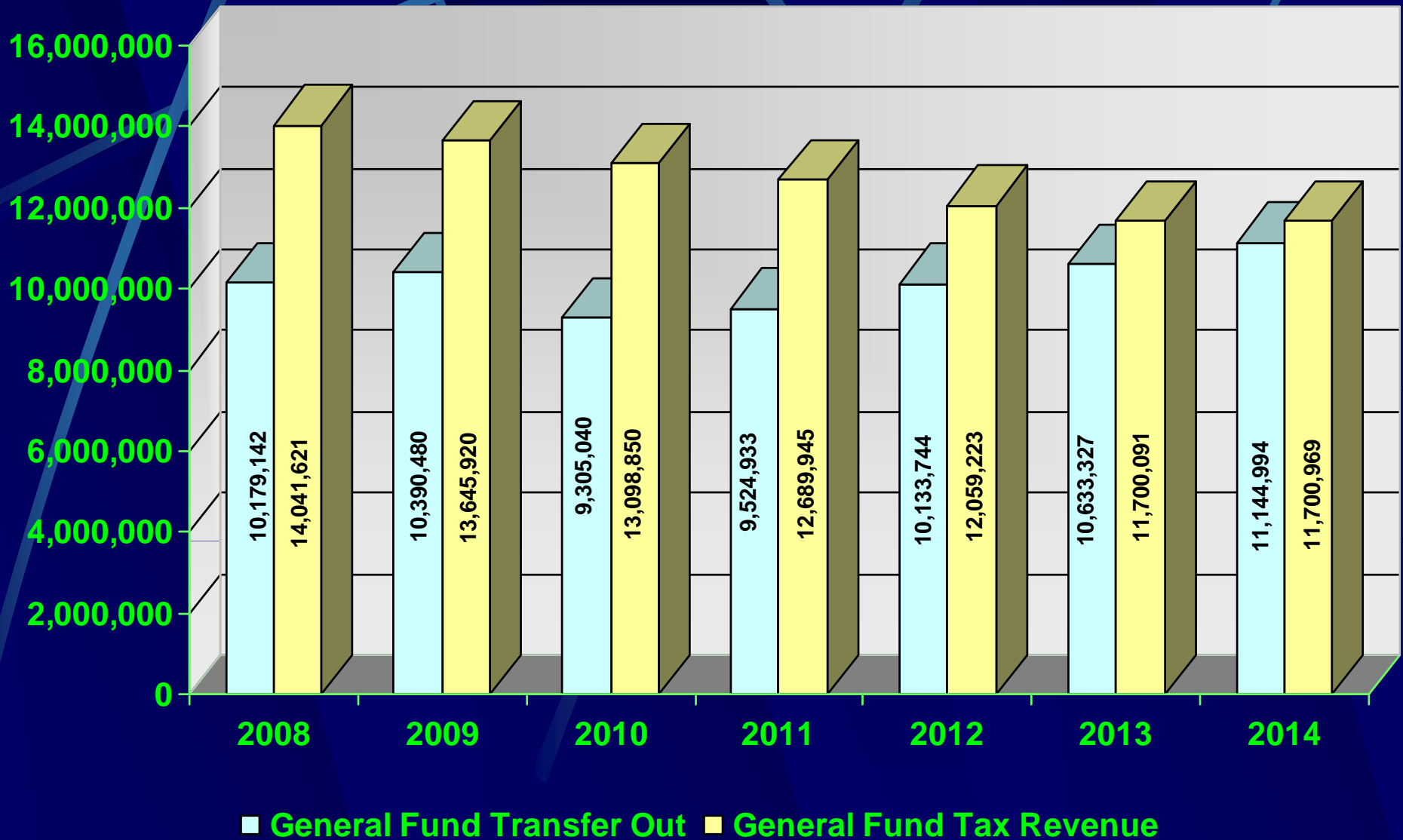


Falling Revenue and Raising Expenses Affects All Funds

Local Road Fund Expenditures



General Fund Observation



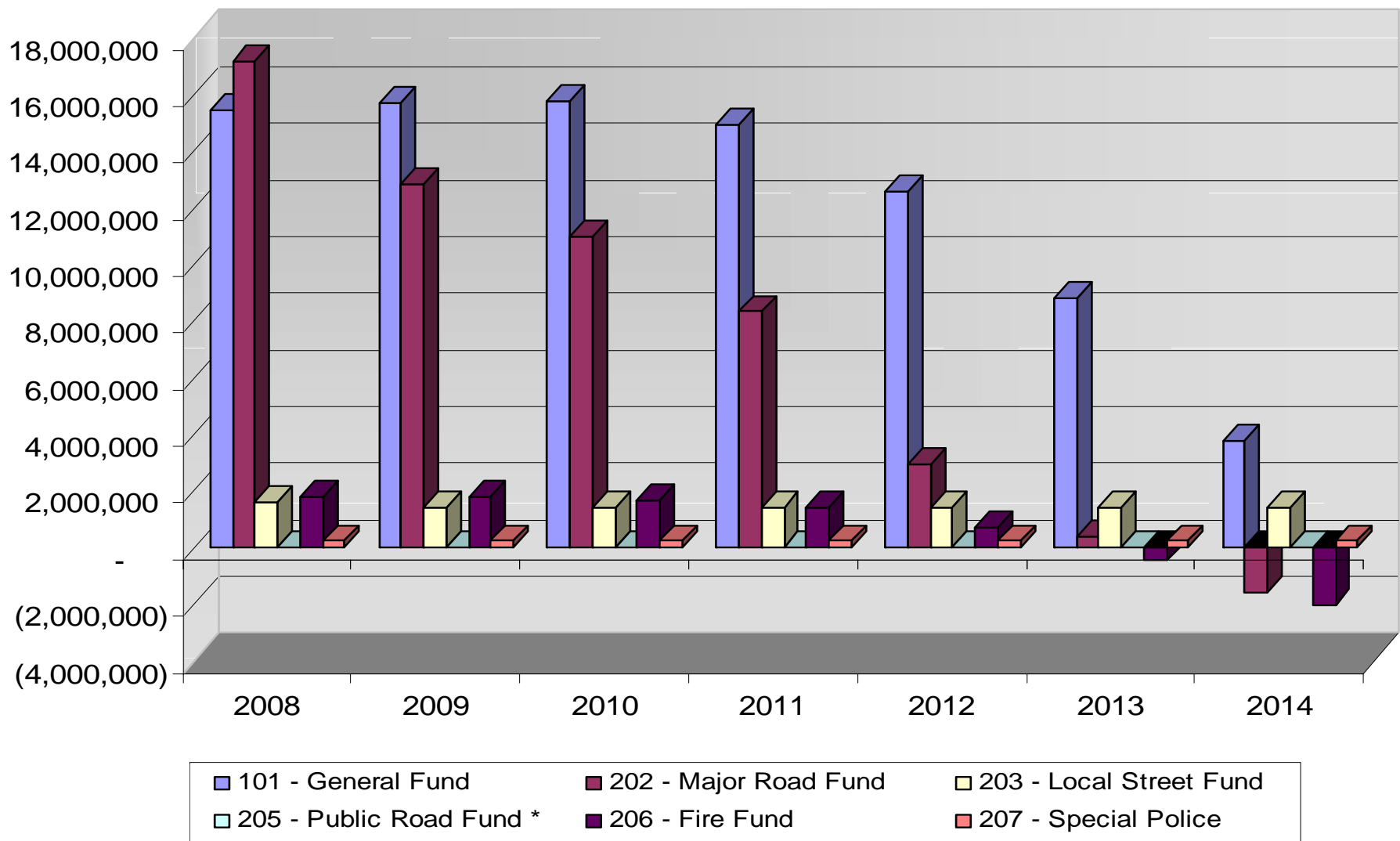
Fund Balances - Major Operating Funds

Model Updated April 8, 2009

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------|-----------------|--------------------|------------|------------|------------|-----------|-------------|
| Fund Balance Summary | <i>Actual *</i> | <i>Ist Qtr B/A</i> | Estimated | Estimated | Estimated | Estimated | Estimated |
| - | - | - | - | - | - | - | - |
| 101 - General Fund | 15,429,937 | 15,688,367 | 15,791,052 | 14,961,673 | 12,564,257 | 8,799,761 | 3,800,064 |
| 202 - Major Road Fund | 17,179,098 | 12,829,148 | 10,995,632 | 8,339,123 | 2,928,623 | 413,881 | (1,601,447) |
| 203 - Local Street Fund | 1,615,916 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 | 1,408,716 |
| 205 - Public Road Fund * | - | - | - | - | - | - | - |
| 206 - Fire Fund | 1,794,465 | 1,794,465 | 1,680,785 | 1,430,904 | 698,622 | (461,156) | (2,025,233) |
| 207 - Special Police | 245,991 | 245,991 | 245,991 | 245,991 | 245,991 | 245,991 | 245,991 |

NOTE: Remember that in our assumptions millage rates were **NOT** adjusted but were left unchanged. That assumption is effecting our operating funds, like Fire. Also remember that taxable values are falling and personnel costs are raising across all our funds (Police, Fire, Debt Service, etc.) which also effect their Fund Balances.

Fund Balances - Major Operating Funds



SUMMARY

- Like many governments, the City is faced with an economic downturn that will put pressure on tax revenues that support City programs and services.
- Economic downturn will last for several more years.
- Increases in expenditures, mainly from health care costs and transfers to other funds, will add to the pressure that General Fund and other funds will be under during this downturn.
- Careful prioritization of services and programs will be needed.
- Our Strategic Plan will be more important than ever.