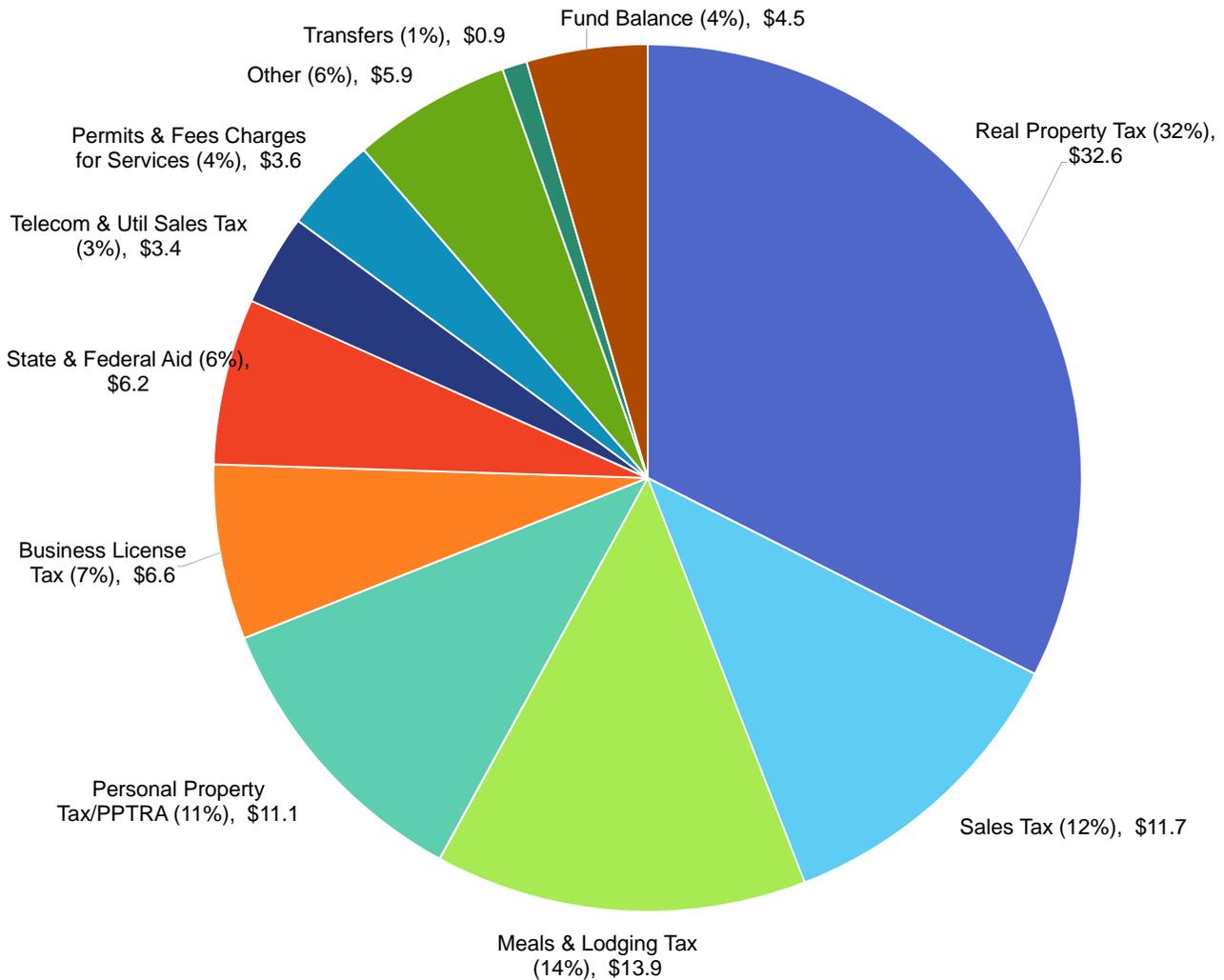


GENERAL FUND SUMMARY						
	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Rec Budget	Change FY20- FY19	% Change FY20-FY19
<u>Sources</u>						
Real Property Tax	30,044,758	31,257,752	31,225,000	32,600,000	1,375,000	4.4%
Sales Tax	11,376,302	11,476,687	11,500,000	11,700,000	200,000	1.7%
Meals Tax	11,141,603	11,765,352	11,500,000	12,300,000	800,000	7.0%
Lodging Tax	1,524,371	1,565,938	1,600,000	1,600,000	-	0.0%
Personal Property Tax	8,622,738	8,815,216	8,775,000	9,350,000	575,000	6.6%
PPTRA	1,728,833	1,728,833	1,728,000	1,728,800	800	0.0%
Business License Tax	6,320,104	6,382,570	6,445,000	6,555,000	110,000	1.7%
Telecommunication Sales Tax	1,682,625	1,632,557	1,650,000	1,575,000	(75,000)	-4.5%
Consumer Utility Tax	1,808,256	1,834,078	1,800,000	1,850,000	50,000	2.8%
Charges for Services	2,595,981	2,690,687	2,743,400	2,880,900	137,500	5.0%
Permits & Fees	677,060	786,182	662,600	684,200	21,600	3.3%
State Revenues	5,833,166	6,035,208	6,018,100	6,187,600	169,500	2.8%
Federal Aid	89,337	97,082	30,000	30,000	-	0.0%
Other	5,752,568	6,735,216	5,517,900	5,944,500	426,600	7.7%
Transfers	613,500	900,000	900,000	930,000	30,000	3.3%
Fund Balance	-	-	3,955,000	4,519,000	564,000	14.3%
Total	89,811,202	93,703,359	96,050,000	100,435,000	4,385,000	4.6%
<u>Uses</u>						
City Council	238,847	236,955	248,010	237,710	(10,300)	-4.2%
City Manager	814,983	962,247	942,368	1,005,443	63,075	6.7%
Clerk of the Council	117,448	121,341	112,330	114,041	1,711	1.5%
Clerk of the Circuit Court	783,129	746,767	850,260	889,511	39,252	4.6%
Commissioner of the Revenue	972,241	854,649	1,069,234	1,084,444	15,210	1.4%
Commonwealth's Attorney	1,329,459	1,289,165	1,441,104	1,541,446	100,342	7.0%
Courts	185,486	157,244	206,510	203,523	(2,987)	-1.4%
Economic Development	953,236	969,633	1,036,278	1,005,539	(30,739)	-3.0%
Fire	6,510,680	6,908,055	7,123,954	7,525,983	402,029	5.6%
Finance	841,140	872,082	929,803	953,678	23,875	2.6%
General Assessment	4,288	-	275,000	-	(275,000)	-100.0%
HR	357,012	368,985	433,705	468,139	34,435	7.9%
Insurance	858,574	826,525	969,000	983,000	14,000	1.4%
IT	1,257,026	1,361,579	1,609,362	1,777,080	167,719	10.4%
Legal Services	337,615	346,275	380,169	384,557	4,388	1.2%
Planning	680,458	658,121	759,490	721,149	(38,341)	-5.0%
Building	754,093	753,389	805,787	853,934	48,147	6.0%
ARB/BZA	19,895	230	5,200	5,200	-	0.0%
Parks, Recreation & Events	2,681,776	2,716,448	2,849,643	3,077,340	227,697	8.0%
Police	9,331,332	9,407,351	9,824,304	10,092,363	268,059	2.7%
Public Facilities	2,245,767	2,517,799	2,871,731	2,960,374	88,643	3.1%
Public Information				93,212	93,212	--
Public Works	8,341,703	6,644,835	6,895,008	7,335,558	440,550	6.4%
Safety	105,873	102,526	129,390	115,755	(13,635)	-10.5%
Sheriff	2,280,742	2,280,742	2,299,266	2,317,175	17,909	0.8%
Transportation Division	81,213	145,079	157,292	157,470	179	0.1%
Treasurer	767,893	767,485	883,973	900,217	16,244	1.8%
Voter Registrar	268,323	213,750	307,136	333,772	26,636	8.7%
Schools	27,760,210	28,605,210	29,060,210	30,060,210	1,000,000	3.4%
Correction & Detention	4,576,070	4,696,765	4,192,000	4,434,471	242,471	5.8%
Outside Agencies	3,164,971	2,986,617	3,025,263	3,182,974	157,711	5.2%
OPEB	75,000	-	-	-	-	--
Debt Service	7,319,846	8,150,203	8,273,000	8,622,580	349,580	4.2%
Transfers	5,321,981	5,452,403	6,084,221	6,997,150	912,929	15.0%
TOTAL	91,338,310	92,120,455	96,050,000	100,435,000	4,385,000	4.6%

	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Rec Budget	Change FY20- FY19	% Change FY20-FY19
Other Funds - Expenditure Summary						
Special Revenue Funds						
Social Services Fund	5,260,232	5,502,743	6,126,905	6,411,125	284,220	4.6%
City Grants Fund	1,241,170	1,577,010	1,605,545	1,512,484	(93,061)	-5.8%
Children's Services Act Fund	1,874,432	2,289,641	2,794,989	3,924,510	1,129,521	40.4%
Central Park Special Tax District	-	-	262,000	-	(262,000)	-100.0%
Forfeited Asset Sharing Fund	16,711	49,511	-	-	-	--
Fredericksburg Opportunity Fund	-	-	75,000	75,000	-	0.0%
Blight Abatement	22,320	16,127	95,000	95,000	-	0.0%
Environmental (Stormwater)	192,566	434,564	581,323	898,304	316,981	54.5%
Stadium Fund				267,500	267,500	--
Component Unit Funds						
Schools						
<i>Operating</i>	42,120,900	43,773,137	44,626,789	46,849,053	2,222,264	5.0%
<i>Grants</i>	5,141,035	5,663,733	5,376,277	5,596,277	220,000	4.1%
Economic Development Authority	651,040	107,512	165,000	154,650	(10,350)	-6.3%
Enterprise Funds						
Water Operating Fund	3,406,393	3,515,476	5,193,594	5,735,209	541,615	10.4%
Wastewater Operating Fund	5,824,460	5,606,133	7,862,561	9,367,381	1,504,820	19.1%
Transit Fund	4,671,545	4,785,312	5,979,624	6,552,221	572,597	9.6%
Parking Fund	493,395	462,704	734,809	733,427	(1,382)	-0.2%
Capital Funds						
School Capital	395,484	789,203	1,090,000	1,193,000	103,000	9.4%
School Bond Funded Capital	9,279,165	2,343,333	0	1,000,000	1,000,000	--
Public Works	2,664,573	2,923,400	9,437,000	9,656,300	219,300	2.3%
Public Facilities	726,349	1,251,439	4,577,000	2,885,000	(1,692,000)	-37.0%
Public Safety	1,460,013	496,074	1,280,000	1,210,000	(70,000)	-5.5%
Courts	202,215	-	-	-	-	--
Water System Improvement			2,200,000	1,150,000	(1,050,000)	-47.7%
Wastewater System Improvement			7,875,000	3,775,000	(4,100,000)	-52.1%
Debt Service Funds						
General Obligation Bond	4,332,054	4,333,972	4,485,691	4,563,871	78,180	1.7%
Revenue Bond Fund				823,860	823,860	--
Education Bond	3,887,478	4,257,400	4,222,052	4,217,750	(4,302)	-0.1%
Trust Funds						
Riparian Lands	56,937	88,733	93,324	95,382	2,058	2.2%
Other Post Employment Benefits (OPEI)	1,348	1,857	5,000	5,000	-	0.0%

FY 2020 City Manager's Recommended Budget - General Fund Revenues						
	FY 2017 Actual	FY 2018 Actual	FY 2019 Budget	FY 2020 Rec Budget	Change FY20- FY19	% Change FY20-FY19
<u>Sources</u>						
Real Property Tax	30,044,758	31,257,752	31,225,000	32,600,000	1,375,000	4.4%
Sales Tax	11,376,302	11,476,687	11,500,000	11,700,000	200,000	1.7%
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Lodging Tax	1,524,371	1,565,938	1,600,000	1,600,000	-	0.0%
Personal Property Tax	8,622,738	8,815,216	8,775,000	9,350,000	575,000	6.6%
PPTRA	1,728,833	1,728,833	1,728,000	1,728,800	800	0.0%
Business License Tax	6,320,104	6,382,570	6,445,000	6,555,000	110,000	1.7%
Telecommunication Sales Tax	1,682,625	1,632,557	1,650,000	1,575,000	(75,000)	-4.5%
Consumer Utility Tax	1,808,256	1,834,078	1,800,000	1,850,000	50,000	2.8%
Charges for Services	2,595,981	2,690,687	2,743,400	2,880,900	137,500	5.0%
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State Revenues	5,833,166	6,035,208	6,018,100	6,187,600	169,500	2.8%
Federal Aid	89,337	97,082	30,000	30,000	-	0.0%
Other	5,752,568	6,735,216	5,517,900	5,944,500	426,600	7.7%
Transfers	613,500	900,000	900,000	930,000	30,000	3.3%
Fund Balance	-	-	3,955,000	4,519,000	564,000	14.3%
Total	89,811,202	93,703,359	96,050,000	100,435,000	4,385,000	4.6%

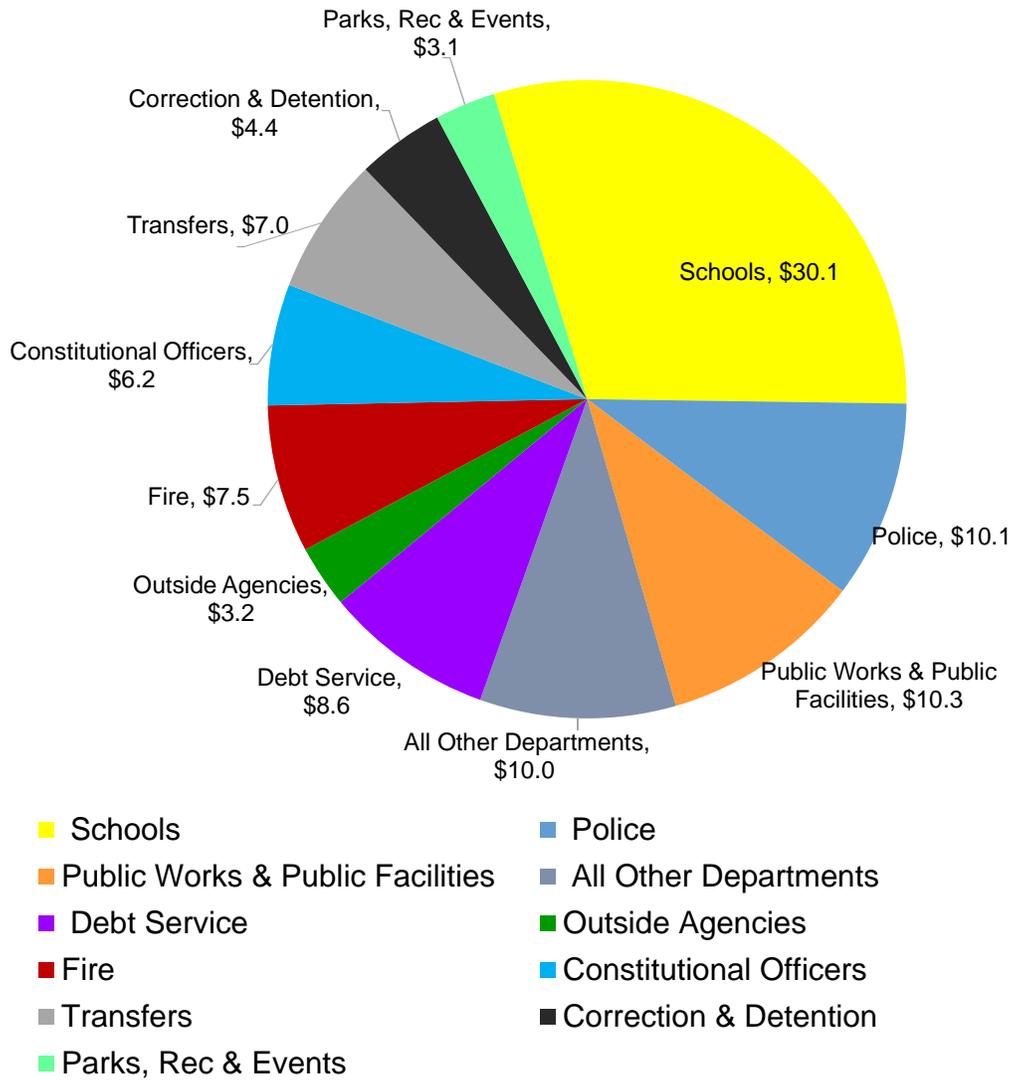
FY 2020 RECOMMENDED BUDGET GENERAL FUND REVENUE SUMMARY (\$ Millions)



- Real Property Tax (32%)
- Sales Tax (12%)
- Meals & Lodging Tax (14%)
- Personal Property Tax/PPTRA (11%)
- Business License Tax (7%)
- State & Federal Aid (6%)
- Telecom & Util Sales Tax (3%)
- Permits & Fees Charges for Services (4%)
- Other (6%)
- Transfers (1%)
- Fund Balance (4%)

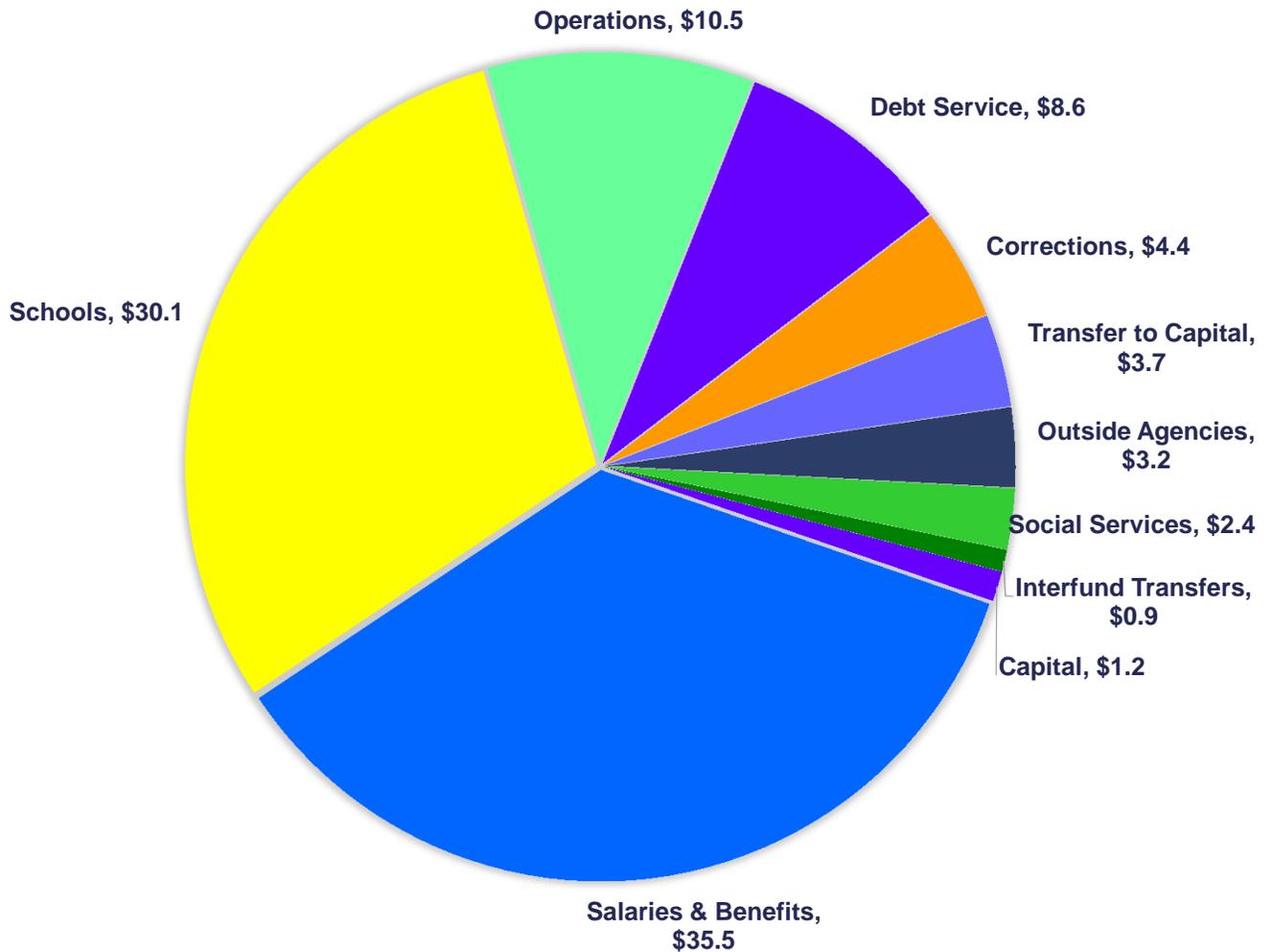
FY 2020 Recommended Budget - General Fund Expenditure Summary by Department							
Department	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Requested	FY 2020 Recommended	FY20-FY19 Variance	% Change
City Council	238,847	236,955	248,010	243,410	237,710	(10,300)	-4.2%
City Manager	814,983	962,247	942,368	1,043,465	1,005,443	63,075	6.7%
Clerk of the Council	117,448	121,341	112,330	116,203	114,041	1,711	1.5%
Clerk of the Circuit Court	783,129	746,767	850,260	932,532	889,511	39,252	4.6%
Commissioner of the Revenue	972,241	854,649	1,069,234	1,109,914	1,084,444	15,210	1.4%
Commonwealth's Attorney	1,329,459	1,289,165	1,441,104	1,603,599	1,541,446	100,342	7.0%
Courts	185,486	157,244	206,510	208,523	203,523	(2,987)	-1.4%
Economic Development	953,236	969,633	1,036,278	1,110,781	1,005,539	(30,739)	-3.0%
Fire	6,510,680	6,908,055	7,123,954	8,236,389	7,525,983	402,029	5.6%
Finance	841,140	872,082	929,803	1,043,389	953,678	23,875	2.6%
General Assessment	4,288	-	275,000	-	-	(275,000)	-100.0%
HR	357,012	368,985	433,705	514,924	468,139	34,435	7.9%
Insurance	858,574	826,525	969,000	981,000	983,000	14,000	1.4%
IT	1,257,026	1,361,579	1,609,362	1,825,146	1,777,080	167,719	10.4%
Legal Services	337,615	346,275	380,169	390,375	384,557	4,388	1.2%
Planning	680,458	658,121	759,490	739,247	721,149	(38,341)	-5.0%
Building	754,093	753,389	805,787	869,604	853,934	48,147	6.0%
ARB/BZA	19,895	230	5,200	5,200	5,200	-	0.0%
Parks, Recreation & Events	2,681,776	2,716,448	2,849,643	3,343,300	3,077,340	227,697	8.0%
Police	9,331,332	9,407,351	9,824,304	10,626,941	10,092,363	268,059	2.7%
Public Facilities	2,245,767	2,517,799	2,871,731	3,393,623	2,960,374	88,643	3.1%
Public Information				95,380	93,212	93,212	--
Public Works	8,341,703	6,644,835	6,895,008	8,000,169	7,335,558	440,550	6.4%
Safety	105,873	102,526	129,390	116,941	115,755	(13,635)	-10.5%
Sheriff	2,182,350	2,280,742	2,299,266	2,434,511	2,317,175	17,909	0.8%
Transportation Division	81,213	145,079	157,292	264,541	157,470	179	0.1%
Treasurer	767,893	767,485	883,973	913,692	900,217	16,244	1.8%
Voter Registrar	268,323	213,750	307,136	362,323	333,772	26,636	8.7%
Schools	27,760,210	28,605,210	29,060,210	31,185,725	30,060,210	1,000,000	3.4%
Correction & Detention	4,576,070	4,696,765	4,192,000	4,776,825	4,434,471	242,471	5.8%
Outside Agencies	3,164,971	2,986,617	3,025,263	3,469,238	3,182,974	157,711	5.2%
OPEB	75,000	-	-	-	-	-	--
Debt Service	7,319,846	8,150,203	8,273,000	8,868,000	8,622,580	349,580	4.2%
Transfers	5,321,981	5,452,403	6,084,221	17,052,326	6,997,150	912,929	15.0%
TOTAL	91,239,918	92,120,455	96,050,000	115,877,238	100,435,000	4,385,000	4.6%

FY 2020 Recommended Budget General Fund Expenditures by Department



FY 2020 Recommended Budget - General Fund Expenditure Summary by Category								
Department	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Requested	FY 2020 Recommend	FY20-FY19 Variance	% Change
Salaries & Wages	22,042,662	21,695,569	22,717,744	23,411,791	25,512,107	24,430,898	1,019,107	4.4%
Fringe Benefits	10,803,377	10,653,632	9,667,663	10,918,745	11,831,233	11,083,101	164,356	1.5%
Dues & Membership	55,648	53,268	50,343	62,430	60,545	60,345	(2,085)	-3.3%
Joint Operations	223,501	1,397,134	273,615	302,000	357,000	357,000	55,000	18.2%
Materials & Supplies	1,748,979	1,764,678	1,814,039	2,014,188	2,230,575	2,085,255	71,067	3.5%
Other Non-Personal	156,786	158,661	155,538	173,820	173,020	169,020	(4,800)	-2.8%
Purchased Services	3,945,301	3,547,864	3,902,296	4,747,291	5,013,466	4,787,540	40,249	0.8%
Travel & Training	221,810	208,504	292,010	278,770	353,637	307,420	28,650	10.3%
Utilities, Comm., Rentals, Etc.	2,395,409	2,515,074	2,530,239	2,788,509	2,823,291	2,744,627	(43,882)	-1.6%
Correction & Detention	4,371,923	4,576,070	4,696,765	4,192,000	4,776,825	4,434,471	242,471	5.8%
Outside Agencies	2,957,864	3,164,971	2,986,617	3,025,263	3,469,238	3,182,974	157,711	5.2%
Interfund Transfers - DSS CSA	1,832,640	1,742,706	1,805,275	1,880,000	2,764,750	2,400,000	520,000	27.7%
Transfer to Capital	3,007,000	2,947,650	3,036,916	3,180,000	12,826,812	3,659,500	479,500	15.1%
Interfund Transfers - Other	562,104	631,625	610,212	984,221	1,420,764	867,650	(116,571)	-11.8%
Transfer to Schools	27,610,210	27,760,210	28,605,210	29,060,210	31,185,725	30,060,210	1,000,000	3.4%
Transfer to Debt Service	7,108,076	7,319,846	8,150,203	8,273,000	8,868,000	8,622,580	349,580	4.2%
Capital Outlay	<u>1,419,115</u>	<u>1,102,457</u>	<u>825,770</u>	<u>757,762</u>	<u>2,210,251</u>	<u>1,182,409</u>	<u>424,647</u>	56.0%
TOTAL	90,462,407	91,239,918	92,120,455	96,050,000	115,877,238	100,435,000	4,385,001	4.6%

FY 2020 RECOMMENDED BUDGET
 GENERAL FUND EXPENDITURES BY CATEGORY
 (\$MILLIONS)



■ 35.7% Salaries & Benefits	■ 30.3% Schools	■ 10.8% Operations
■ 8.6% Debt Service	■ 4.4% Corrections	■ 3.3% Transfer to Capital
■ 3.1% Outside Agencies	■ 2.0% Social Services	■ 1.0% Interfund Transfers
■ 0.8% Capital		

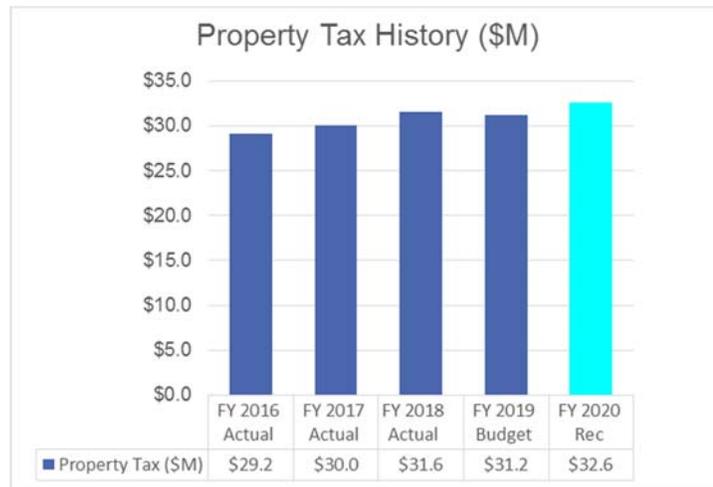
GENERAL FUND REVENUE DISCUSSION & ANALYSIS

The following Discussion and Analysis will highlight some of the major developments for certain revenue sources in the General Fund. The FY 2020 General Fund forecast for all sources, including revenue and use of fund balance, is \$100,435,000. This represents a 4.6% increase over the FY 2019 original adopted budget of \$96,050,000.

The City's base revenues, excluding the use of fund balance, are forecasted to be \$95,916,000, an increase of 4.1% over the prior year's original budget forecast of \$92,095,000. This includes a real estate tax increase. Overall revenue growth for the City is forecasted to be strong. The overall revenue growth, less the use of fund balance and the recommended increase in the real estate tax, is an increase of \$2,621,000, or 2.8%.

Real Estate Taxes

The City's largest revenue source is the real property tax. The FY 2020 City Manager's Recommended Budget proposes a three cent real estate property tax increase for general government purposes and a one cent increase for stormwater. The current rate for general government purposes is 79 cents per \$100 of valuation. An additional 1 cent per \$100 of real estate value is levied for stormwater purposes. The revenue generated from the 82 cent General Fund levy is forecasted to generate \$32.6 million. This is an increase of 4.4% or \$1,350,000 increase over FY 2019.

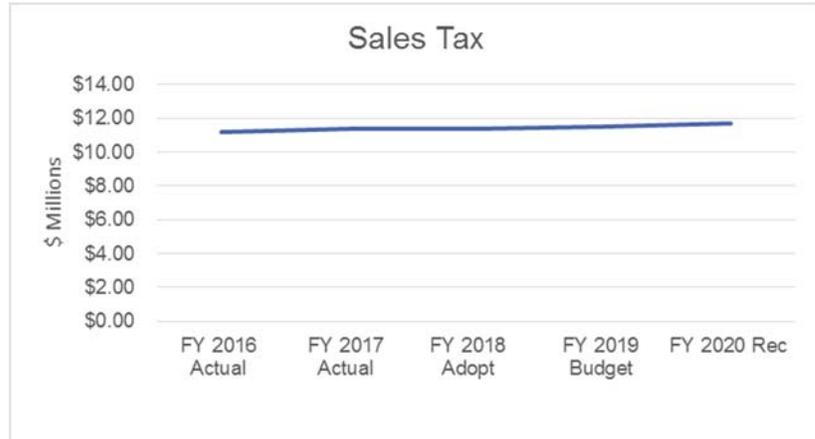


Real property in the City is reassessed on a four-year cycle. The last reassessment was effective July 1, 2016 for FY 2017. The reassessment will take place beginning in FY 2019 and continuing through FY 2020. The new property values will be used to set the property tax rate effective July 1, 2020 for FY 2021. The corresponding table is a history of the City's property tax rates.

Property Tax Rates				
Fiscal Year	General Government	Stormwater	Total	
2016	\$ 0.82		\$ 0.82	
2017	\$ 0.77		\$ 0.77	Reassessment Year
2018	\$ 0.79	\$ 0.01	\$ 0.80	
2019	\$ 0.79	\$ 0.01	\$ 0.80	
2020	\$ 0.82	\$ 0.02	\$ 0.84	Recommended

Sales Taxes The Commonwealth of Virginia allows a local option sales tax of 1%, which is collected along with the state sales tax of 4.3% and remitted to the localities by the State Department of Taxation, based upon the location of the sale. Sales taxes, meals taxes, and BPOL taxes all fluctuate with the City's economic conditions.

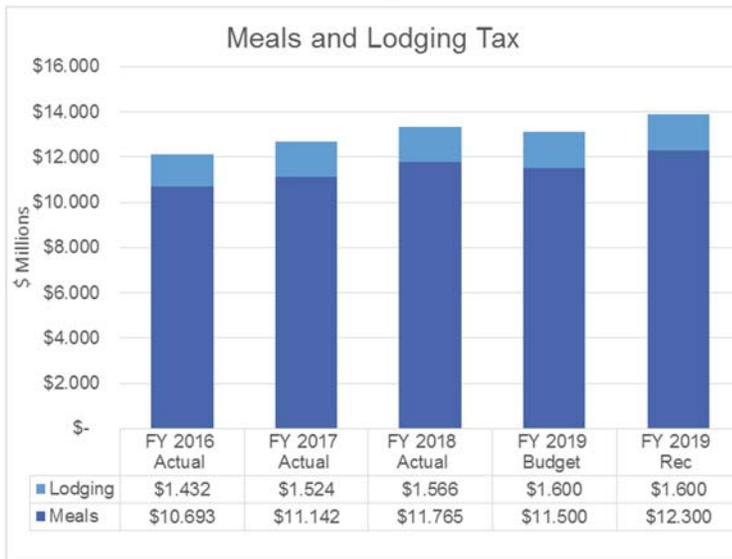
The City's sales tax collections are growing at a slow rate after declining for several years. The FY 2020 budget of \$11.70 million is a modest increase of 1.7% over the FY 2019 budget and a 2.0% increase over FY 2018 actual collections.



Meals and Lodging Tax

Tax collections for the City's meals tax and lodging tax have been strong over the past few years. Both the meals tax and the lodging tax are set at 6% in the City, and the FY 2020 Recommended Budget maintains these rates. The City is fortunate to have a strong base of hotels. The City also has a successful restaurant community that meets high demand from both residents and visitors. In the five year period from FY14 to FY18, meals tax increased by \$2 million or 20% and lodging tax increased by \$374,000 or 33%. The trend in meals tax collections is expected to continue in the near future.

Meals Tax collections are budgeted at \$12.3 million in FY 2020, an increase of \$800,000 or 7.0% over the FY 2019 budget.



The lodging tax estimate for FY 2020 is \$1.6 million which is equal to FY 2019. Collections to date are consistent with budgeted revenues.

Personal Property

Tangible personal property, such as cars, trucks, trailers, and boats, are subject to the City's personal property tax. Unlike the real estate tax, personal property taxes are assessed and billed on a calendar year basis. The tax rate remains the same for FY 2020 at \$3.40 per \$100 in assessed value. Personal Property is forecasted to be \$9.4 million, a

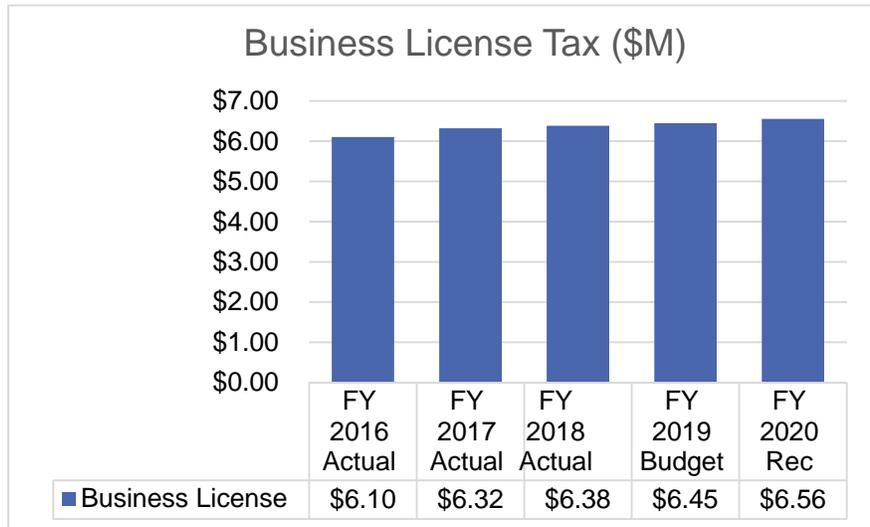
6.6% increase over the FY 2019 budgeted forecast.

Business License Tax

Businesses operating in the City are required to obtain a business license. This license must be renewed every year. The business license tax is based on the gross receipts in the prior calendar

year. The vast majority of revenues are received in March.

Revenues from this source fluctuate from year to year based on business activity. However, the recent trend, based on actual revenues, has been positive. The FY 2020 budget forecast of \$6.56 million is a 1.7% increase over the FY 2019 budget.



Refuse Collection Fees

The budget forecast for refuse collection fees for FY 2020 is \$1,100,000, which represents an increase of 9.1% over the FY 2019 forecast of \$1,100,000. This forecast includes a 10% solid waste fee increase to help meet increases in costs for this program.

\$Million	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Adopted	FY 2020 Rec
Refuse Collection Fees	\$0.99	\$1.00	\$1.02	\$1.10	\$1.20

Community Planning & Building Fees

The Recommended Budget for FY 2020 includes some slight variations in certain categories of Community Planning and Building Fees. If approved these adjustments will be effective July 1, 2019. In FY 2018, the City implemented development review fee increases in several categories, including subdivision review, special use permits, site plan review permits, and a variety of other development review fees. These revenues may vary significantly from year to year based upon the amount of construction activity and the size and scope of development proposals that are brought for review. The increase in the building permit fee is estimated to generate \$465,000, a \$15,000 or 3.33% increase over FY 2019.

Intergovernmental Revenues

The intergovernmental revenues for the General Fund consist almost exclusively of state-shared rather than federal revenues. The City obtains budget estimates for some revenue forecasts from the state – for example, for the law enforcement assistance funds commonly known as the “HB 599” funds. In addition, the City also forecasts street maintenance payments based upon a combination of historical trends and additions to the lane mileage for new streets or roads. Street Maintenance payments constitute the largest source of intergovernmental revenue in the General Fund, as the Virginia Department of Transportation shares maintenance funds with the City for the maintenance of streets and roads on a per-lane mile basis.

The City also receives state funds to support costs for the City’s constitutional officers, which perform duties both for the City and for the State. The City’s constitutional officers include the Commissioner of the Revenue, the Treasurer, the Commonwealth’s Attorney, the Sheriff, and the Clerk of the Circuit Court. For the purposes of this estimate, the Voter Registrar is also included.

The FY2020 Recommended Budget estimates State Revenues at \$6.2 million, an increase of \$169,500 or 2.8% over the FY 2019 Budget.

Transfers from Other Funds

The revenues in the FY 2020 Adopted Budget include the transfers from other funds to the General Fund totaling \$930,000. A transfer of \$315,000 from the Water Utility Fund and \$315,000 from the Wastewater Utility Fund are related to overhead. In addition there is a \$300,000 transfer from the Schools to support debt service on the bonds issued for the Walker Grant Center. FY 2020 is the third of five years that this transfer will occur.

ANALYSIS OF FUND BALANCE USE IN THE GENERAL FUND

The FY 2020 Adopted Budget, includes the use of \$ 4,519,000 of fund balance. Of this amount, \$661,000 is budgeted to be used from the \$1,000,000 of fund balance assigned for school capital projects. Also budgeted is \$2,723,000 of fund balance assigned for capital and \$635,000 of fund balance assigned for detention stabilization. The remaining \$500,000 of budgeted fund balance is unassigned. The unassigned balance will be used to fund the \$500,000 included in the budget as contingency. This use is within the City's financial policies for the use of fund balance.

The City's total General Fund Balance at the close of FY 2018 was \$24,275,393. The fund balance consists of five categories: Non-spendable, Restricted, Committed, Assigned, and Unassigned.

General Fund Balance FY 2018 Year End		
Category	<u>FY 2017</u>	<u>FY 2018</u>
Non-spendable	\$427,347	\$349,361
Restricted	\$100,466	\$0
Committed		
Future Capital Projects	\$6,198,550	\$5,188,550
School Capital Projects		\$1,000,000
Other Committed	<u>\$698,652</u>	<u>\$1,026,207</u>
Subtotal: Committed	\$6,897,202	\$7,214,757
Assigned		
Detention Stabilization	\$976,619	\$976,619
Other Assigned	\$19,653	
Economic Development		\$150,000
OPEB Trust Contribution	<u>\$ 0</u>	<u>\$ 200,000</u>
Subtotal: Assigned	\$996,272	\$1,326,619
Unassigned	<u>\$15,854,106</u>	<u>\$16,944,452</u>
Total General Fund Balance	\$24,275,393	\$25,835,189

The City appropriated the \$200,000 assigned for OPEB Trust Contribution mid-year in FY 2019 for a \$200,000 payment to the Other Post-Employment Benefits (OPEB) Trust.

The level of Unassigned Fund Balance in the General Fund will remain compliant with the Council's current policy target of 12% of the prior year revenues in FY 2019 and FY 2020. If the City Council raised the target to 15% of the prior year revenues, the level of Unassigned Fund Balance in the FY 2020 Recommended Budget would still be compliant with the new target.

Total Use of Fund Balance

The City has drawn on fund balance reserves in the past several years, primarily to fund one-time capital projects, plus a one-time contribution to establish a trust fund for Other Post-Employment Benefits in FY 2016. Historically, the City uses less fund balance at the close of the fiscal year than planned for in the budget. Nevertheless, staff and Council will need to carefully monitor the

use of fund balance in the upcoming fiscal years to ensure sufficient balances are available to meet operational and capital needs, and to fund the planned cash-funded capital maintenance and improvement projects for the next several years.

Actual Use of General Fund Balance

	Total Sources	Total Uses	Change in Fund Balance	Total General Fund Balance
FY 2014	\$81,043,840	\$81,244,910	(\$201,070)	\$27,285,105
FY 2015	\$85,408,565	\$84,555,654	\$852,911	\$28,471,009
FY 2016	\$87,700,184	\$90,466,738	(\$2,766,554)	\$25,704,455
FY 2017	\$89,810,850	\$91,239,912	(\$1,429,062)	\$24,275,393
FY 2018	\$92,766,946	\$91,207,150	\$1,559,796	\$25,835,189

