



Legislation Text

File #: 18-205, **Version:** 1

ACTION REQUESTED:

Communication from the City Manager with a Request for a DISCUSSION of the 2017 MID-YEAR BUDGET ADJUSTMENTS with a Request to RECEIVE AND FILE.

BACKGROUND: On May 22, 2018, the Finance Director presented the First Quarter 2018 Financial Report. In that report, the Council was informed that instead of increasing the Undesignated fund balance by \$2 million, the City was on pace to spend \$1.5 million of reserves, eroding reserves for the third year in a row. Staff has spent the past month preparing mid year budget adjustments to minimize the negative financial condition and to get the City budget back on the financial plan adopted in December 2017.

At this time, staff is still finalizing the proposed adjustments and will update the proposed adjustments prior to the Council Meeting. Attached is a financial presentation that was given to the USEPA and USDOJ as part of the CSO negotiations this week in Peoria.

FINANCIAL IMPACT: Over the past two years, the undesignated General Fund Balance has dropped from \$15 million to just over \$3 million. The City needs to rebuild its reserves while still maintaining as many services as possible.

NEIGHBORHOOD CONCERNS: Reductions to the City budget affect the services delivered in the neighborhoods.

IMPACT IF APPROVED: Discussion Only

IMPACT IF DENIED: Discussion Only

ALTERNATIVES: Staff will discuss alternatives with Council

EEO CERTIFICATION NUMBER: NA

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Financially Sound City Government, Effective City Organization

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Have an efficient government.
2. Keep taxes and fees competitive.
3. Invest in our infrastructure and transportation.

DEPARTMENT: City Manager's Office