

Significant Revenue, Expenditure, Staff & Program Notes - Fiscal Year 2021-22: (Continued)

General Fund and Public Safety fund balance combined – The fiscal year 2021-22 budget provides for the combined use of \$8,973,030 from fund balance as a revenue source to fund expenditures and transfers-out. The 2021-22 combined ending fund balance level is projected to be 10.5 percent / \$6,325,441, which is within the fund balance policy as the fund balance policy is 10 percent to 25 percent of expenditures. However, the projected forecast shows a continued structural deficit with use of fund balance between \$7 million to \$9 million annually. The forecast assumes the public safety millage is renewed and levied beginning fiscal year 2022-23.

The budget and forecast does not take into consideration the use of American Rescue Plan Act grant revenue which impact to this fund is unknown at the time of budget document publication. The city will be evaluating various resolutions to the structural deficit which includes consideration of a new millage request.

The balance of noteworthy program information can be found in the significant note section (an orange box) within each of the funds/cost centers.

Budget Summary

General Fund Summary	2020-2021 Estimated Year End	2021-2022 Adopted Budget	2022-2023 Projected Budget	2023-2024 Projected Budget	2024-2025 Projected Budget	2025-2026 Projected Budget
Unassigned Beginning Fund Balance	13,625,862	13,591,112	5,513,082	(1,450,748)	(9,010,388)	(17,068,118)
Revenues	35,633,970	37,444,310	38,246,820	38,981,310	39,545,780	40,324,230
Expenditures	37,007,830	46,259,340	45,947,650	47,277,950	48,340,510	49,862,090
Net	(1,373,860)	(8,815,030)	(7,700,830)	(8,296,640)	(8,794,730)	(9,537,860)
Transfers from other funds	1,339,110	737,000	737,000	737,000	737,000	737,000
Net Change in Fund Balance	(34,750)	(8,078,030)	(6,963,830)	(7,559,640)	(8,057,730)	(8,800,860)
Ending Fund Balance	13,591,112	5,513,082	(1,450,748)	(9,010,388)	(17,068,118)	(25,868,978)
Fund Balance as a percentage of Expenditures	36.72%	11.92%	-3.16%	-19.06%	-35.31%	-51.88%
Public Safety Beginning Fund Balance	1,611,509	1,707,709	812,359	741,569	293,389	417,189
Public Safety Revenues	15,798,850	12,464,990	12,736,820	13,015,490	13,301,160	13,594,000
Public Safety Expenditures	33,742,650	36,400,340	36,847,610	38,003,670	39,217,360	40,483,720
Net	(17,943,800)	(23,935,350)	(24,110,790)	(24,988,180)	(25,916,200)	(26,889,720)
Transfers from other funds	18,040,000	23,040,000	24,040,000	24,540,000	26,040,000	27,040,000
Net Change in fund balance	96,200	(895,350)	(70,790)	(448,180)	123,800	150,280
Public Safety Ending Fund Balance	1,707,709	812,359	741,569	293,389	417,189	567,469
General Fund and Public Safety combined Fund Balance as a percentage of Expenditures	28.73%	10.51%	-1.20%	-14.22%	-26.83%	-39.63%