

# LONG RANGE FINANCIAL PLANNING

*Planning for stable funding of city services*



City Council Work Session | Monday, 16 July 2018 | Joe Hannan, City Manager  
Matt Zook, Finance Director

The background features a blurred image of financial data. At the top left, there is a blue bar chart. Below it is a line graph with three lines in blue, red, and green, plotted against a grid with x-axis labels 3 through 9. At the bottom right, a gold coin is partially visible. The overall theme is financial planning and analysis.

# COUNCIL GOAL #6

Complete a 5-year  
financial plan &  
fiscal policies

# PRINCIPLES

- Transparency
- Foster long-term financial health
- Be fact-based
- Practice fiscal prudence
- Recognize that a plan is a process
- Inform, ask, & honor residents' service priorities
- Voter approval



# IMMEDIATE GOAL

Close \$1.4 million  
structural deficit  
in the General Fund

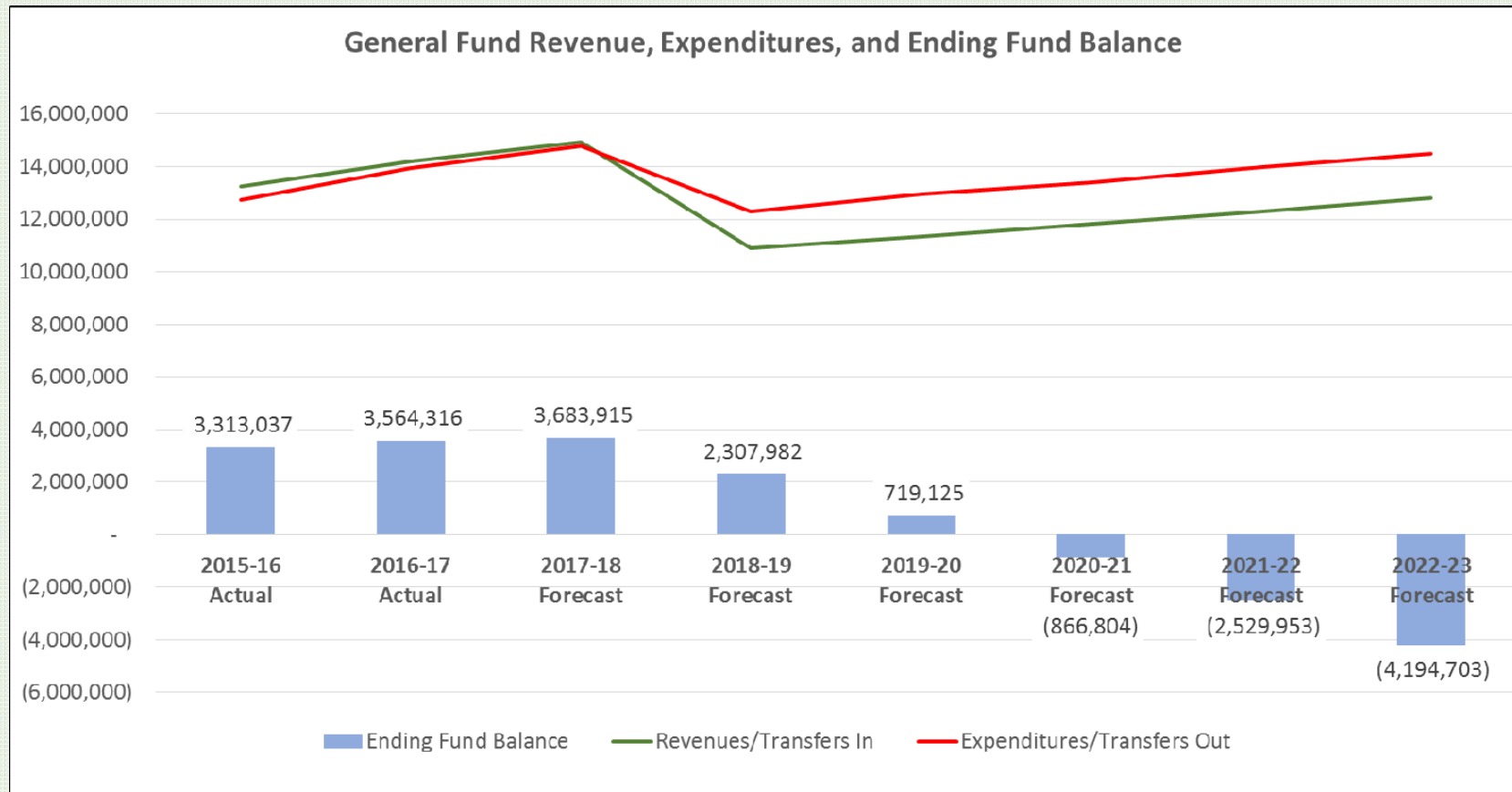
# GENERAL FUND

	2015-16 Actual	2016-17 Actual	2017-18 Forecast	2018-19 Budget	2019-20 Forecast	2020-21 Forecast	2021-22 Forecast	2022-23 Forecast
Beginning Fund Balance	2,797,675	3,313,037	3,564,316	3,683,915	2,307,982	719,125	(866,804)	(2,529,953)
Revenue & Transfers In	13,266,735	14,212,032	14,924,302	10,920,321	11,355,252	11,816,166	12,304,681	12,824,198
Expenditures & Transfers Out	(12,751,373)	(13,960,753)	(14,804,703)	(12,296,254)	(12,944,108)	(13,402,095)	(13,967,830)	(14,488,948)
Annual Surplus/Shortfall *	515,361	251,279	119,599	(1,375,933)	(1,588,856)	(1,585,929)	(1,663,149)	(1,664,750)
Ending Fund Balance	3,313,037	3,564,316	3,683,915	2,307,982	719,125	(866,804)	(2,529,953)	(4,194,703)
<i>Fund Balance % (Target = 16%)</i>	25.98%	25.53%	24.88%	18.77%	5.56%	-6.47%	-18.11%	-28.95%

\* Annual Surplus/(Shortfall) Composition

Public Safety communication project debt payments	-	(372,575)	(372,575)	(372,575)	(372,575)	(372,575)	(372,575)	(372,575)
Operational surplus/(shortfall)	119,599	(1,003,358)	(1,216,281)	(1,213,358)	(1,213,354)	(1,213,354)	(1,290,574)	(1,292,175)
Annual Surplus/(Shortfall), as stated above	119,599	(1,375,933)	(1,588,856)	(1,588,856)	(1,588,856)	(1,585,929)	(1,663,149)	(1,664,750)

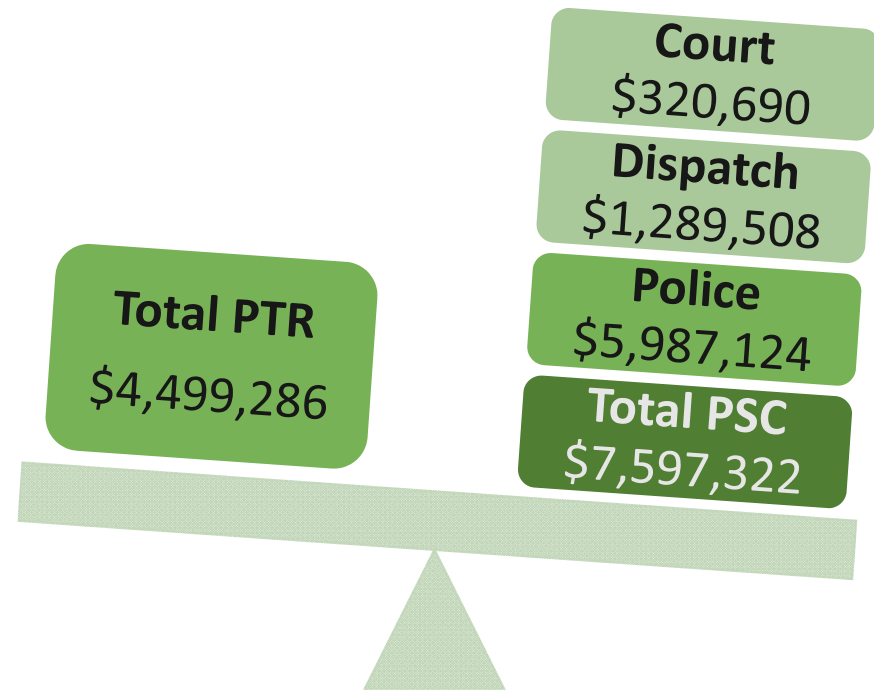
# GENERAL FUND



# 2018-19 Adopted Budget

*Property Tax  
Revenue (PTR)*

*Public Safety  
Costs (PSC)*

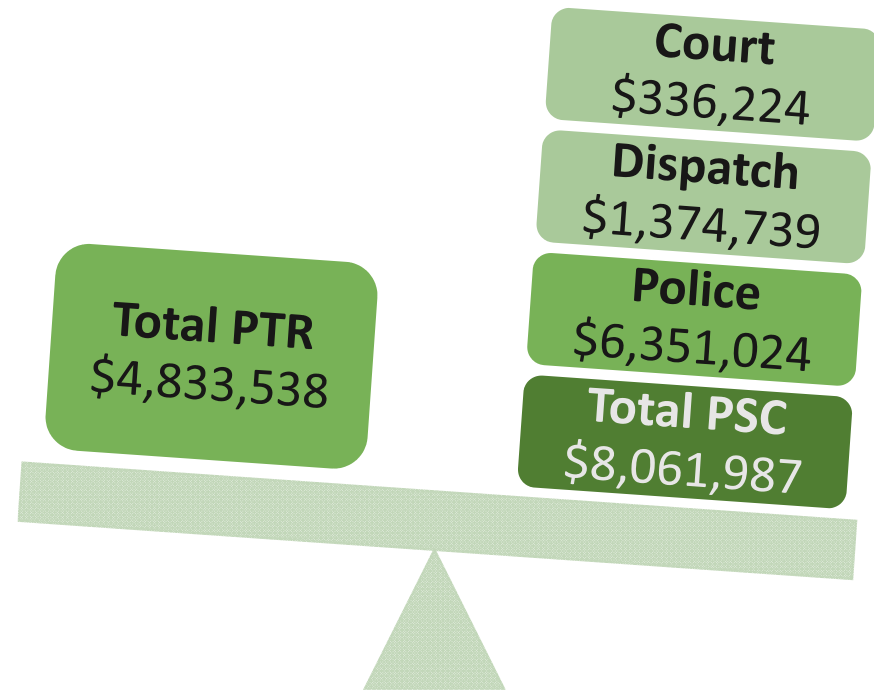




# 2019-20 City Forecast

*Property Tax  
Revenue (PTR)*

*Public Safety  
Costs (PSC)*



# Alternatives

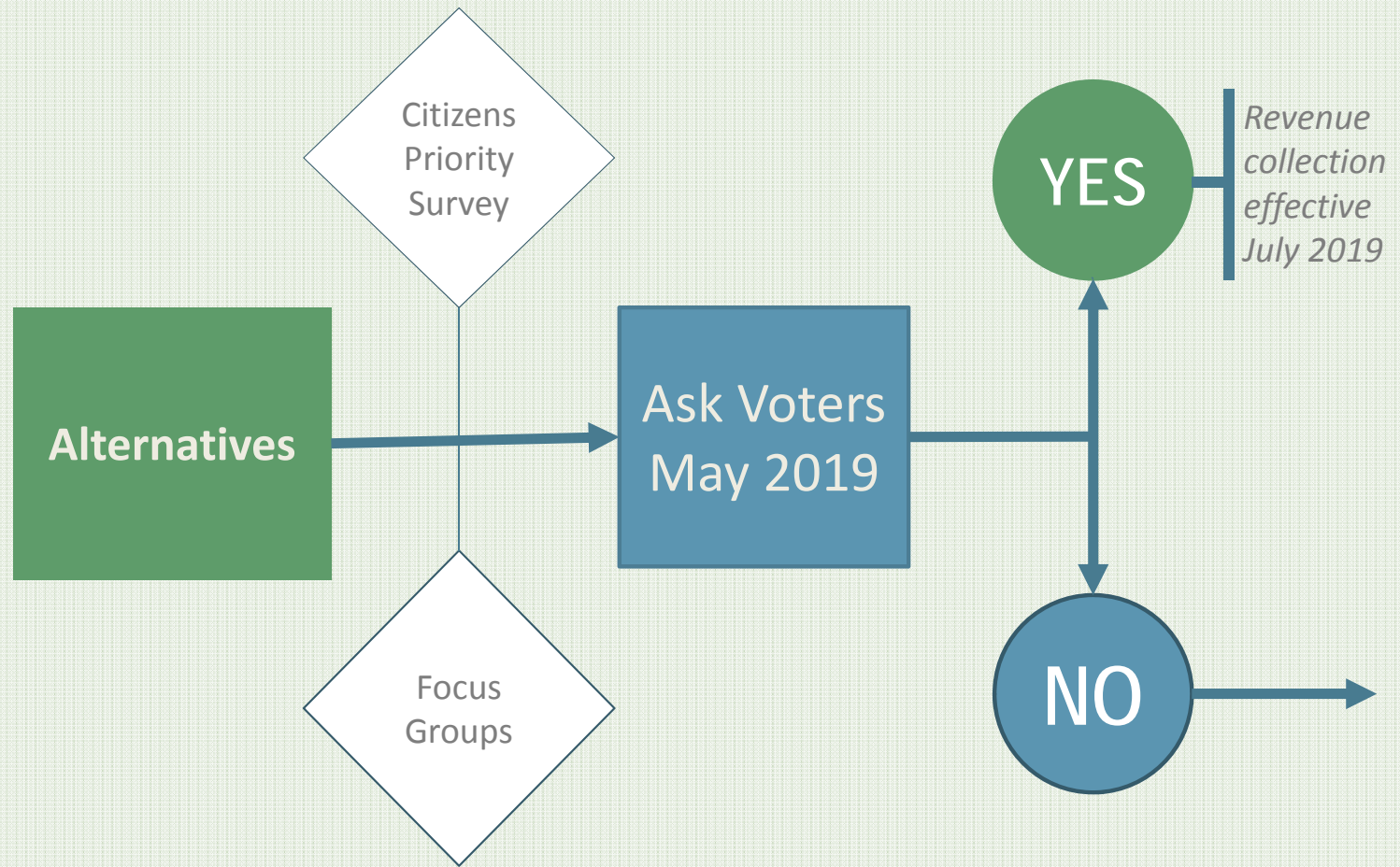
Increase property  
tax levy

OR

Increase Public  
Safety Fee

OR

Cut Services



# Alternatives

- 1) \$1.00 per \$1,000 of assessed value = \$1.9 million in 2019-20
- 2) \$19 additional Public Safety Fee = \$1.9 million in 2019-20

# Alternatives

Increase property  
tax levy

OR

Increase Public  
Safety Fee

OR

Cut Services

NO

**Reduce Programs:**  
Police Department  
Dispatch  
Library (one-day loss or  
entire dept)  
IT / Court / HR / Payroll

Increase  
Employee  
Contributions  
to Health  
Insurance

Reduce  
City Staff  
(6 added in  
2016)

Freeze  
Hiring

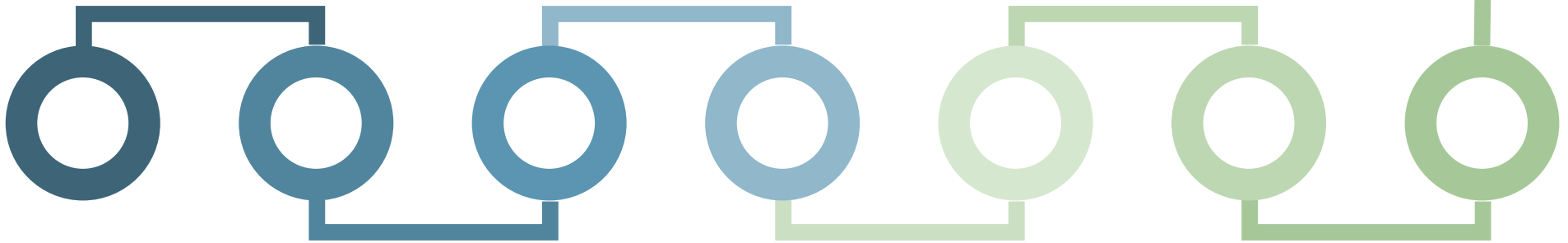
Eliminate  
COLA

**JUL 18**  
Council Work  
Session

**SEP-NOV 18**  
Inform Community  
Focus groups | Town Halls  
| Surveys

**DEC 18**  
Long Range Financial  
Plan Update & Policy  
Adoption

**MAY 19**  
Newberg Votes



**AUG 18**  
Council Business  
Session

**NOV 18**  
Council  
Decision Point

**JAN-APR 19**  
FY19-20  
Budget Process

# NEXT STEPS:

- Questions?
- Follow-up at Council Business Session on August 20, 2018

