

FY 2006-07

Proposed Budget Assumptions – FY 2006-07 only

1. Inflation for Materials & Services will be 3.0% for FY 2006-2007, with the exception of Fuel at 50%.
2. Population growth will be 1.0%.
3. Property tax goal: The rate will be held to the FY 2005-06 rate plus the addition of 0.1700 for the additional cost of \$288,000 for the proposed Associate Planner, 3 Police Officers, and CERT Coordinator positions. Bringing our estimated tax rate for the City to \$1.7919, and leaving the Parks at \$2.0928 for a total rate of \$3.8847. (Total authorized is \$4.29). A property tax rate increase will be the last resort to balance the General Fund.
4. Staff will ensure efficient and effective operations prior to recommending tax level increases.
5. Property assessed valuation growth will be 3% plus new construction of 2%.
6. Union contract provisions will be met and agreements reached for Police and Fire contracts prior to contracts expiring on June 30, 2006.
7. The budget will address the City Council's strategic plan goals and objectives.
8. The city will pay its contribution rate set by PERS. Additional amounts will be set aside when possible to offset future increases (Anticipated 80% increase for employer share on July 1, 2007) due to the unfunded liability.
9. Health care premiums will increase 7-9%. New labor contracts will include employee sharing the cost.
10. User fees will continue to support enterprise operations.
11. System development charges (SDCs) will be updated where applicable.
12. Existing physical assets of the city will be maintained at current levels.
13. The city will comply with Federal and State requirements.

Additional Industry Assumptions:

Long Term Assumptions:

FY 2006-07

Proposed Budget Assumptions – Long-Term (2007 – 2012)

1. Inflation will be 3% starting in 2007.
2. Population growth will be 1.2%.
3. A property tax rate increase will be the last resort to balance the General Fund.
4. Personal Services costs will increase 5% on average beginning in 2007.
5. Property assessed valuation growth will be 3% plus new construction of 2%.
6. Electric Utility Users Tax revenue will increase or decrease in proportion to the Electric Fund revenue except where exempted such as with a surcharge on rates.
7. Franchise revenues will increase consistent with rates.
8. Transient occupancy tax revenue will increase at 4% on average.
9. Food & Beverage Tax revenue will increase at 5% on average.
10. User fees will be adjusted as necessary to support enterprise operations.
11. Planning fees will fund approximately 75% of division activities.
12. Building permits will fund division activities.
13. Intergovernmental revenues will follow state projections or be conservatively trended at 2%.
14. Fund balance targets will be adhered to over the long-term.
15. The city will comply with Federal and State requirements.