

Council Business Meeting

Date: November 16, 2021

Agenda Item	Revised General Fund Forecast	
From	Alison Chan	Interim Finance Director
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SUMMARY

A General Fund forecast was presented as a part of the Biennium Budget process. In the budget document it is located on page 254. It showed the General Fund at a \$5.8 million deficit by the end of Fiscal year 2026. I have updated the forecast and have significantly improved the projected ending fund balance. The revised projection has a positive ending fund balance of \$6.1 million. However, that still reflects a spending down of ending fund balance from \$12,569,191 to \$6,055,219.

POLICIES, PLANS & GOALS SUPPORTED

Administrative/Governance goal:

“To ensure on-going fiscal ability to provide desired and required services at an acceptable level”

PREVIOUS COUNCIL ACTION

None

BACKGROUND AND ADDITIONAL INFORMATION

On page 254 of the Budget Document there was a 5-year forecast. The Forecast had a General Fund deficit of \$5,789,199 by the end of the fiscal year 2026. With the changes I made below, the new projected ending fund balance is a positive \$6,055,219. A significant improvement from the forecast in the budget document. However, that still reflects a spending down of ending fund balance from \$12,569,191 to \$6,055,219.

Changes I made to the forecast:

1. I removed the contingency from expenditures. On page 254 it has an *indicating that contingency is not included when in fact it was.
2. I added a \$500,000 expenditure to 2024 for a contribution to Parks and Recreation.
3. I removed \$1,000,000 of expenditures from 2024 for expenditures associated with a one-time grant.

FISCAL IMPACTS

None.

STAFF RECOMMENDATION

N/A

ACTIONS, OPTIONS & POTENTIAL MOTIONS

N/A

REFERENCES & ATTACHMENTS

Power point presentation

City of Ashland

Alison Chan
Interim Finance Director

NOVEMBER, 2021

Budget document

General Fund Forecast - presented on page 254 of the budget document						
		FY22	FY23	FY24	FY25	FY26
		Proposed	Proposed	Forecast	Forecast	Forecast
Revenue		36,224,348	33,196,460	34,716,133	36,472,289	37,817,191
Expenditure *		38,800,866	36,804,210	38,711,841	40,311,480	41,710,540
revenue less expenditure		(2,576,518)	(3,607,750)	(3,995,708)	(3,839,191)	(3,893,349)
Endng Fund Balance		9,549,799	5,942,049	1,946,341	(1,892,850)	(5,786,199)
*less contingency						

Expenditure Detail

General Fund Forecast - presented during the budget process						
	FY21	FY22	FY23	FY24	FY25	FY26
	Estimated	Proposed	Proposed	Forecast	Forecast	Forecast
Revenues		36,224,348	33,196,460	34,716,133	36,472,289	37,817,191
Expenditures						
Admin, HR, Court, Legal		3,499,053	3,488,516	3,636,778	3,791,341	3,952,473
IT		1,457,578	1,395,964	1,455,292	1,517,142	1,581,621
Parks contribution		5,552,939	3,539,072	3,510,785	3,617,605	3,585,340
Finance		2,887,875	2,955,807	3,081,429	3,212,390	3,190,035
City Recorder		175,787	180,004	187,654	195,629	203,944
Police		7,751,922	8,000,987	8,353,030	8,720,564	9,104,268
Fire		10,577,810	10,461,557	10,921,866	11,402,428	11,904,134
PW-support, cemetry, facilites		3,936,879	4,160,707	4,337,537	4,521,882	4,714,062
Com Dev		2,036,652	2,030,828	2,117,138	2,207,117	2,300,919
Other System-wide Adjustments		(195,358)	(512,890)			
Transfer out		500	500	500	500	500
Total Expenditure		37,681,637	35,701,052	37,602,009	39,186,598	40,537,296
Revenue less Expenditures		(1,457,289)	(2,504,592)	(2,885,876)	(2,714,309)	(2,720,105)
Contingency		(1,119,229)	(1,103,158)	(1,109,832)	(1,124,882)	(1,173,244)
		(2,576,518)	(3,607,750)	(3,995,708)	(3,839,191)	(3,893,349)
	12,126,317	9,549,799	5,942,049	1,946,341	(1,892,850)	(5,786,199)

Revised Forecast

General Fund Revised Forecast							
	FY21	FY22	FY23	FY24	FY25	FY26	
		Adopted	Adopted	Forecast	Forecast	Forecast	
Revenues		37,077,651	34,896,476	34,840,522	35,827,750	36,843,146	removed Fire grant revenue
Expenditures							
Admin, HR, Court, Legal		3,542,684	3,485,132	3,633,250	3,787,663	3,948,639	
IT		1,479,911	1,375,104	1,433,546	1,494,472	1,557,987	
Parks contribution		5,553,439	3,547,497	4,219,516	4,398,845	4,585,796	add 500,000 contribution to Parks
Finance		2,877,995	2,900,302	3,023,565	3,152,066	3,286,029	
City Recorder		173,192	175,183	182,628	190,390	198,482	
Police		7,999,399	7,944,996	8,294,576	8,659,537	9,040,557	
Fire		10,467,121	10,103,144	9,503,682	9,921,844	10,358,406	removed expenses for Fire grant
PW-support, cemetry, facilites		3,483,523	3,528,114	3,678,059	3,834,376	3,997,337	
Com Dev		2,185,963	2,063,573	2,151,275	2,242,704	2,338,019	
Total Expenditure		37,763,227	35,123,045	36,120,097	37,681,898	39,311,251	
Revenue less Expenditures		(685,576)	(226,569)	(1,279,574)	(1,854,148)	(2,468,105)	
Ending Fund Balance	12,569,191	11,883,615	11,657,046	10,377,472	8,523,324	6,055,219	