

ITEM # 52
DATE: 5-26-20

COUNCIL ACTION FORM

SUBJECT: FINAL AMENDMENT TO FISCAL YEAR 2019/20 ADJUSTED BUDGET

BACKGROUND:

The Code of Iowa requires that city spending by program not exceed Council approved budget amounts at any time during the year. To maintain compliance, the City of Ames monitors spending against the approved budget, and prepares amendments to the budget several times during the fiscal year. In the fall, a first amendment is prepared to carry over unspent project amounts from the prior fiscal year. The current year budget is amended again as part of the adoption process for the next fiscal year's budget in March.

A final spring amendment is done to adjust for any significant changes that have occurred since the March amendment. This amendment typically is restricted to the early start of CIP projects approved for the following fiscal year, new grants that have been received and their associated project expenses, and any significant changes in CIP projects, operating expenses, or revenues.

The FY 2019/20 Final Amendments, however, are very different. Staff has estimated the potential impact of COVID-19 on City revenues through the end of the 2019/20 fiscal year. In response, City departments identified areas where expenditures could be decreased due to cancelled programs, closed facilities, postponed or cancelled conferences and training, salary savings, and delayed projects or other expenditures.

As a result of this effort, most funds now are projected to end FY 2019/20 with the same fund balances that were projected when the FY 2019/20 adjusted budget was approved in March. There are, however, several exceptions, including the Hotel/Motel Tax Fund, the Parking Fund, and the Ames/ISU Ice Arena Fund.

While the majority of final FY 2019/20 amendments are impacted by the COVID-19 outbreak, the amendments also include some of the more typical adjustments, such as changes to grant revenues and expenses, the early start of FY 2020/21 CIP projects, and the shifting of funding between capital projects.

A summary is attached describing the revenue and expenditure changes by fund. The final Fiscal Year 2019/20 budget includes a net decrease in revenues of \$6,273,682 and a net decrease in expenditures of \$5,768,703.

ALTERNATIVES:

1. Adopt a resolution amending the Fiscal Year 2019/20 budget by decreasing revenues by \$6,273,682 and decreasing expenditures by \$5,768,703.
2. Refer this item back to staff for additional information or other adjustments to the amendments.

CITY MANAGER'S RECOMMENDED ACTION:

Amending the FY 2019/20 budget reflects the revised estimates for revenues and expenditures that have been impacted by COVID-19 as well as other changes due to grants and changes to capital projects.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

CITY OF AMES, IOWA

2019/20

FINAL AMENDMENTS

2019/20 Final Fund Balances by Fund

| | 2019/20 Adjusted Fund Balance | 2019/20 Final Revenue Change | 2019/20 Final Expense Change | 2019/20 Net Change | 2019/20 Final Fund Balance | Percentage Change from Adjusted |
|------------------------------------|--|---------------------------------------|---------------------------------------|--------------------------|-------------------------------------|--|
| <i>General Fund</i> | 9,865,175 | (1,610,790) | (1,610,790) | - | 9,865,175 | 0.0% |
| <i>Special Revenue Funds:</i> | | | | | | |
| Local Option Sales Tax | 2,061,120 | (507,749) | (507,749) | - | 2,061,120 | 0.0% |
| Hotel/Motel Tax | 1,136,131 | (759,500) | (651,000) | (108,500) | 1,027,631 | -9.6% |
| Road Use Tax | 3,571,508 | (405,384) | (405,384) | - | 3,571,508 | 0.0% |
| Animal Shelter Donations Fund | 221,292 | - | 34,116 | (34,116) | 187,176 | -15.4% |
| City-Wide Housing Programs | 473,208 | - | (73) | 73 | 473,281 | 0.0% |
| CDBG Program | 20,594 | - | - | - | 20,594 | 0.0% |
| HOME Program | - | - | - | - | - | - |
| Employee Benefit Property Tax | - | - | - | - | - | - |
| Police/Fire Retirement | 324,439 | - | - | - | 324,439 | 0.0% |
| Parks & Rec Grants/Donations | 898 | - | 20,000 | (20,000) | (19,102) | -2227.2% |
| Library Direct State Aid | - | - | - | - | - | - |
| Library Friends Foundation | 53,607 | - | - | - | 53,607 | 0.0% |
| Library Future Needs | 187,809 | - | - | - | 187,809 | 0.0% |
| Library Grants/Donations | 43,423 | - | - | - | 43,423 | 0.0% |
| Utility Assistance | 12,388 | - | - | - | 12,388 | 0.0% |
| Miscellaneous Donations | 1,737 | - | - | - | 1,737 | 0.0% |
| Developer Projects | 226,096 | - | - | - | 226,096 | 0.0% |
| Economic Development | 547,166 | - | - | - | 547,166 | 0.0% |
| Tax Increment Financing (TIF) | (329,398) | - | - | - | (329,398) | 0.0% |
| <i>Total Special Revenue Funds</i> | <u>8,552,018</u> | <u>(1,672,633)</u> | <u>(1,510,090)</u> | <u>(162,543)</u> | <u>8,389,475</u> | <u>-1.9%</u> |
| <i>Capital Project Funds:</i> | | | | | | |
| Special Assessments | (517,986) | - | - | - | (517,986) | 0.0% |
| Street Construction | 334,969 | (900,000) | (900,000) | - | 334,969 | 0.0% |
| Airport Construction | 481,563 | - | - | - | 481,563 | 0.0% |
| Park Development | 2,507,069 | - | 449,845 | (449,845) | 2,057,224 | -17.9% |
| General Obligation Bonds | 451,464 | - | (136) | 136 | 451,600 | 0.0% |
| <i>Total Capital Project Funds</i> | <u>3,257,079</u> | <u>(900,000)</u> | <u>(450,291)</u> | <u>(449,709)</u> | <u>2,807,370</u> | <u>-13.8%</u> |
| <i>Permanent Funds:</i> | | | | | | |
| Cemetery Perpetual Care | 1,017,523 | - | - | - | 1,017,523 | 0.0% |
| Furman Aquatic Center Trust | 1,170,468 | - | - | - | 1,170,468 | 0.0% |
| <i>Total Permanent Funds</i> | <u>2,187,991</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,187,991</u> | <u>0.0%</u> |

| | 2019/20 Adjusted Fund Balance | 2019/20 Final Revenue Change | 2019/20 Final Expense Change | 2019/20 Net Change | 2019/20 Final Fund Balance | Percentage Change from Adjusted |
|--------------------------------------|--|---------------------------------------|---------------------------------------|--------------------------|-------------------------------------|--|
| <i>Enterprise Funds:</i> | | | | | | |
| Water Utility | 11,797,687 | (282,200) | (282,200) | - | 11,797,687 | 0.0% |
| Water Construction | - | - | - | - | - | |
| Water Sinking | 352,425 | - | - | - | 352,425 | 0.0% |
| Sewer Utility | 9,101,740 | (479,000) | (479,000) | - | 9,101,740 | 0.0% |
| Sewer Improvements | - | - | - | - | - | |
| Sewer Sinking | 44,566 | - | - | - | 44,566 | 0.0% |
| Electric Utility | 34,639,654 | (4,549,597) | (4,549,597) | - | 34,639,654 | 0.0% |
| Electric Sinking | 80,776 | - | - | - | 80,776 | 0.0% |
| Parking | 110,700 | (289,900) | (283,228) | (6,672) | 104,028 | -6.0% |
| Parking Capital Reserve | 353,903 | (241,509) | - | (241,509) | 112,394 | -68.2% |
| Transit Operations | 4,899,435 | - | 91,101 | (91,101) | 4,808,334 | -1.9% |
| Transit Student Govt Trust | 763,053 | - | - | - | 763,053 | 0.0% |
| Transit Capital Reserve | 784,144 | 102,520 | - | 102,520 | 886,664 | 13.1% |
| Storm Water Utility | 1,202,222 | - | (35,391) | 35,391 | 1,237,613 | 2.9% |
| Storm Water Improvements | - | 3,747,450 | 3,747,450 | - | - | |
| Ames/ISU Ice Arena | 179,066 | (71,899) | (59,749) | (12,150) | 166,916 | -6.8% |
| Ice Arena Capital Reserve | 138,173 | - | 80,000 | (80,000) | 58,173 | -57.9% |
| Homewood Golf Course | 201,450 | (44,019) | (44,019) | - | 201,450 | 0.0% |
| Resource Recovery | 345,399 | - | (388,643) | 388,643 | 734,042 | 112.5% |
| <i>Total Enterprise Funds:</i> | <u>64,994,393</u> | <u>(2,108,154)</u> | <u>(2,203,276)</u> | <u>95,122</u> | <u>65,089,515</u> | <u>0.2%</u> |
| | | | | | | |
| <i>Debt Service Fund</i> | <u>1,220,541</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,220,541</u> | <u>0.0%</u> |
| | | | | | | |
| <i>Internal Service Funds:</i> | | | | | | |
| Fleet Services | 250,000 | - | (4,567) | 4,567 | 254,567 | 1.8% |
| Fleet Reserve | 9,832,775 | 3,000 | 33,243 | (30,243) | 9,802,532 | -0.3% |
| Information Technology | 122,544 | - | (12,685) | 12,685 | 135,229 | 10.4% |
| Technology Reserve | 1,971,130 | 14,895 | - | 14,895 | 1,986,025 | 0.8% |
| Shared Communications | - | - | - | - | - | |
| Risk Management | 2,733,755 | - | (2,699) | 2,699 | 2,736,454 | 0.1% |
| Health Insurance | 5,594,802 | - | (7,548) | 7,548 | 5,602,350 | 0.1% |
| <i>Total Internal Service Funds:</i> | <u>20,505,006</u> | <u>17,895</u> | <u>5,744</u> | <u>12,151</u> | <u>20,517,157</u> | <u>0.1%</u> |
| | | | | | | |
| <i>Totals</i> | <u>110,582,203</u> | <u>(6,273,682)</u> | <u>(5,768,703)</u> | <u>(504,979)</u> | <u>110,077,224</u> | <u>-0.5%</u> |

Final Amendment Fund Changes

General Fund

The General Fund's revenues have been decreased by \$1,610,790 to reflect the impact of COVID-19 on City revenues. The revenues most significantly impacted are Hotel/Motel tax receipts (\$759,500), property tax relief revenue provided by Local Option Sales tax (\$278,609), and revenue reductions in Parks and Recreation due to cancelled programs and facility closures (\$460,259). The transfer from the Hotel/Motel Fund for its portion of property tax relief has also been decreased by \$65,100 due to the reduction in projected Hotel/Motel Tax revenue. Other anticipated revenue reductions include Fire revenue received from Iowa State University (\$27,720), fines and copying revenue at the Ames Public Library (\$32,839), Cemetery revenue (\$8,537), and Airport revenue (\$5,250). The projection for Building Permit revenue was increased by \$27,024.

Projected expenditures in the General Fund have been decreased by \$1,610,790. Operating expenditures were reduced by \$632,945, with the largest reduction in Parks and Recreation (\$330,720) due to cancelled programs and closed facilities. The remaining \$302,225 reduction in operating expenditures were spread between all City departments with General Fund funding and consisted largely of salary savings and conference and training savings.

Some specific CIP items that were removed from the budget include the Fire Station 2 relocation study (\$35,000), the Indoor Aquatic Facility study (\$75,000), Auditorium LED stage lights (\$34,000), and the replacement of the front doors at the Library (\$30,000). There were also savings from several completed Fire CIP projects (\$44,345).

Because of the decrease in Hotel/Motel tax revenue, the transfer to the Hotel/Motel Tax fund has also been decreased by \$759,500.

Because of the reductions to both revenues and expenditures, the ending balance for FY 2019/20 is projected to remain at \$9,865,175, the amount included in the FY 2019/20 adjusted budget.

Local Option Sales Tax

Local Option Sales Tax receipts are expected to be reduced by \$464,349. Because of the anticipated decrease in Hotel/Motel Tax receipts, the transfer of those funds to the Local Option Sales Tax fund for community betterment has also been decreased by \$43,400, resulting in an overall decrease to revenue in the Local Option Sales fund of \$507,749.

Expenditures in the fund have also been decreased by \$507,749, resulting in no net change to the projected ending fund balance. The largest estimated reduction is the

transfer of 60% of tax receipts to the General Fund for property tax relief (\$278,609). CIP reductions include unspent funding in the Neighborhood Improvement program (\$36,843), the Downtown Façade Grant program (\$29,150), the Campustown Façade Grant program (\$110,370), Fire Station signage (\$16,245), and the City Hall Improvements program (\$29,532). All of the on-going programs will have a new allocation to the program beginning on July 1.

The only expenditure change in operations is a \$7,000 reduction in the Municipal Band budget. This reduction is for the remainder of FY 2019/20 only.

Hotel/Motel Tax

Hotel/Motel Tax receipts are projected to be reduced by \$759,500.

Corresponding expenditures that were reduced due to the revenue change include the passthrough to the ACVB (\$542,500), the property tax relief transfer to the General Fund (\$65,100), and the community betterment transfer to the Local Option Sales Tax fund (\$43,400).

As a result of the revenue and expenditure changes, the fund balance in the Hotel/Motel Tax fund is projected to be \$108,500 lower than what was approved in the FY 2019/20 Adjusted Budget in March.

Road Use Tax

Road Use Tax revenue is projected to be reduced by \$405,384 for FY 2019/20. Budgeted expenditures have also been reduced by \$405,384 to maintain the fund balance that was approved in the FY 2019/20 Adjusted Budget.

The operational budget supported by Road Use Tax funds was reduced by \$219,617. The largest expenditure reduction was from savings of \$142,987 in the Snow/Ice Control budget. The remaining \$76,630 in operational savings was identified in other Public Works divisions, as well as reductions to allocations of Finance and Human Resource charges.

CIP budget reductions of \$185,767 include a reduction to the Main Street Pavers program (\$165,697) and the Traffic Calming program (\$20,000).

Animal Shelter Donations

Additional funding of \$34,116 has been approved from available donations in the Animal Shelter Donations fund to purchase dog kennels for the Animal Shelter.

City-Wide Housing

Expenditures in the City-Wide Housing fund have been reduced by \$73 to reflect anticipated savings in the fund's allocation of Finance charges.

Parks and Recreation Donations/Grants

Funding of \$20,000 has been added to the budget from available donations for the Homewood Clubhouse project.

Street Construction

Street Construction revenues have been decreased by \$900,000 to reflect MPO funding that wasn't received for the 2019/20 Arterial Streets program for 13th Street. Project expenditures have also been reduced in the budget, resulting in no net change on the projected ending fund balance in the Street Construction fund.

Park Development

Funding of \$449,845 has been added to the budget from available funds in the Park Development fund balance for the Homewood Clubhouse project.

General Obligation Bonds

Expenditures in General Obligation Bond funds have been reduced by \$136 to reflect anticipated savings in the fund's allocation of Finance charges.

Water Utility

Water Utility revenues have been decreased by \$282,200 to reflect the impact of COVID-19 on City revenues. The two areas with projected reductions are in metered charges (\$210,000) and ISU contract sales (\$172,200). These two reductions are partially offset by a \$100,000 IDALS grant received for water improvements that will be included in the Campustown Improvements project.

Expenses in the Water Utility fund have also been reduced by \$282,200 to maintain the projected ending fund balance that was approved in March. Operating expenditure reductions of \$168,380 were identified in W & PC Administration, W & PC Lab Services, Water Treatment Plant Operations, Public Works Administration, Public Works Engineering, and allocations to the Water Utility fund of City Manager, Finance, Legal, and Human Resource charges.

CIP savings were identified in the South Skunk Well Field project (\$100,000) and the Water System Improvements program (\$113,820). Funding of \$100,000 was added for the IDALS grant funding received for the Campustown Improvements project.

Sewer Utility

Sewer Utility revenues have been decreased by \$479,000 to reflect the impact of COVID-19. Projected revenues were decreased in metered charges (\$157,000), ISU contract charges (\$307,000), and FOG surcharge revenue (\$15,000).

Expenses in the Sewer Utility fund have also been reduced by \$479,000 to maintain the projected ending fund balance that was approved in March. Operating expenditure reductions of \$167,287 were identified in W & PC Administration, W & PC Lab Services, Water Treatment Plant Operations, Public Works Administration, Public Works Engineering, and allocations to the Sewer Utility fund of City Manager, Finance, Legal, and Human Resource charges.

CIP savings were identified in the Watershed Nutrient Reduction program (\$120,000) and the Digester Improvements program (\$191,713).

Electric Utility

Electric Utility revenues have been decreased by \$4,549,597 to reflect the impact of COVID-19. The largest change is a projected reduction of \$3,687,500 in metered sales. Other revenue reductions are spread among many revenue classifications including natural gas sales, ISU transmission revenue, and renewable energy credits.

The Electric Utility fund's operating expenses have been decreased by \$3,118,015 to partially offset the revenue reduction. The largest projected expense reduction is in Fuel and Purchased Power, which is projected to be lower by \$2,401,286. Additional operating savings of \$716,340 were identified in Electric Administration, Electric Production, Electric Distribution, Electric Technical Services, and allocations to the Electric Utility fund of City Manager, Finance, Legal, and Human Resource charges.

To balance the revenue reduction, the budget for the Unit 8 Superheat Replacement project was reduced by \$1,431,582. The additional funding needed for this project will be reprogrammed into the Electric CIP as part of the budget process in FY 2020/21.

Parking

Parking revenues are projected to be \$289,900 lower than the revenues included in the 2019/20 Adjusted Budget. The major reductions are in illegal parking revenue (\$82,500),

Downtown meter and parking rental revenue (\$124,950), and Campustown meter and parking rental revenue (\$82,450).

Operational expense reductions of \$41,719 were identified and included in final amendments. The transfer to the Parking Reserve Fund was also reduced by \$241,509 to meet the Parking Fund's target balance of 10% of operating expenses. The net effect on the fund balance is a \$6,672 decrease compared to the FY 2019/20 adjusted budget approved in March.

Parking Capital Reserve

Parking Capital Reserve revenues have been decreased by \$241,509 to reflect the lower transfer from the Parking Fund due to decreased revenue in that fund.

Transit

Operating expenses in the Transit fund have been reduced by \$11,419 to reflect the fund's reduced share of Finance, Legal, and Human Resources allocations.

An additional transfer of \$102,520 from the Transit fund to the Transit Capital Reserve fund has been included. The transfer is for local funding for three new buses that the Transit Board approved from the Transit fund balance.

The net effect of the expense reduction and the additional transfer is a \$91,101 decrease to the Transit Fund balance compared to the FY 2019/20 Adjusted Budget.

Transit Capital Reserve

The Transit Capital Reserve fund's revenues will increase by \$102,520 due to the additional transfer from the Transit fund, which will increase the fund balance by the same amount.

Storm Water Utility

Projected expenses in the Storm Water Utility fund have been decreased by \$35,391. Operating expenses were reduced by \$26,361, mostly in the Storm Water Permit program. CIP savings of \$9,030 were also identified for completed projects.

Storm Water Improvements

Storm Water Improvement revenues have been increased by \$3,747,450 to reflect FEMA grant funding that was received for the River Flooding Mitigation project. The project expense has also been added to the budget, resulting in no net change on the projected ending fund balance in the Storm Water Improvement Fund.

Ames/ISU Ice Arena

Revenues at the Ames/ISU Ice Arena have been reduced by \$71,899 to reflect the facility being closed due to COVID-19. Revenues have been reduced in all categories, including ice rink rental, skate rentals, daily admissions, and concessions.

Expenses reductions of \$59,749 were identified, resulting in a \$12,150 net reduction to the projected ending fund balance.

Ice Arena Capital Reserve

Expense have been increased in the Ice Arena Capital Reserve fund to allow for the early start of two FY 2020/21 CIP projects. Work will begin on the reconstruction of the parking lot (\$75,000) and improvements to the concession/office area (\$5,000).

Homewood Golf Course

Homewood Golf Course's revenues have been reduced by \$44,019 to reflect the later opening and more limited usage of the golf course. Expense reductions of \$44,019 were also identified to keep the projected ending fund balance at the same level.

Resource Recovery

Resource Recovery operating expenses have been reduced by \$77,394. CIP expenses were also reduced by \$311,249, resulting in an increase of \$388,643 to the projected ending fund balance.

Fleet Services

Operating expenses in the Fleet Services fund have been decreased by \$4,567.

Fleet Reserve

Revenues in the Fleet Reserve fund have been increased by \$3,000 for additional funding needed from the Public Works Department for an equipment purchase.

Expenses in the Fleet Reserve fund have been increased by \$33,243 for additional or increased equipment costs. The net effect on the ending fund balance is a reduction of \$30,243.

Information Technology

Operating expenses in the Information Technology fund have been decreased by \$12,685.

Technology Reserve

Revenues in the Technology Reserve fund have been increased by \$14,895 for the transfer of replacement funds from the Police Department for body-worn cameras.

Risk Insurance

Operating expenses in the Risk Insurance fund have been decreased by \$2,699.

Health Insurance

Operating expenses in the Health Insurance fund have been decreased by \$7,548.

**NOTICE OF PUBLIC HEARING
AMENDMENT OF FY2019-2020 CITY BUDGET**

Form 653.C1

The City Council of Ames in STORY County, Iowa
will meet at City Hall, 515 Clark Avenue, Ames, IA
at 6:00 PM on 5/26/2020
(hour) (Date)

,for the purpose of amending the current budget of the city for the fiscal year ending June 30, 2020
(year)

by changing estimates of revenue and expenditure appropriations in the following programs for the reasons given. Additional detail is available at the city clerk's office showing revenues and expenditures by fund type and by activity.

| | Total Budget as certified or last amended | Current Amendment | Total Budget after Current Amendment |
|--|---|----------------------|--|
| Revenues & Other Financing Sources | | | |
| Taxes Levied on Property | 1 30,953,786 | 0 | 30,953,786 |
| Less: Uncollected Property Taxes-Levy Year | 2 0 | 0 | 0 |
| Net Current Property Taxes | 3 30,953,786 | 0 | 30,953,786 |
| Delinquent Property Taxes | 4 0 | 0 | 0 |
| TIF Revenues | 5 1,110,876 | 0 | 1,110,876 |
| Other City Taxes | 6 11,019,093 | -1,223,849 | 9,795,244 |
| Licenses & Permits | 7 1,651,604 | 27,024 | 1,678,628 |
| Use of Money and Property | 8 10,145,460 | 273,484 | 10,418,944 |
| Intergovernmental | 9 40,806,648 | 2,542,066 | 43,348,714 |
| Charges for Services | 10 308,690,333 | -6,636,066 | 302,054,267 |
| Special Assessments | 11 321,415 | 0 | 321,415 |
| Miscellaneous | 12 1,217,943 | 11,362 | 1,229,305 |
| Other Financing Sources | 13 27,434,093 | 0 | 27,434,093 |
| Transfers In | 14 17,354,144 | -1,388,118 | 15,966,026 |
| Total Revenues and Other Sources | 15 450,705,395 | -6,394,097 | 444,311,298 |
| Expenditures & Other Financing Uses | | | |
| Public Safety | 16 20,721,124 | -112,366 | 20,608,758 |
| Public Works | 17 6,513,817 | -226,677 | 6,287,140 |
| Health and Social Services | 18 1,490,659 | 0 | 1,490,659 |
| Culture and Recreation | 19 9,821,663 | -376,866 | 9,444,797 |
| Community and Economic Development | 20 6,227,857 | -555,649 | 5,672,208 |
| General Government | 21 3,211,419 | -96,461 | 3,114,958 |
| Debt Service | 22 12,074,254 | 0 | 12,074,254 |
| Capital Projects | 23 53,196,535 | -1,056,543 | 52,139,992 |
| Total Government Activities Expenditures | 24 113,257,328 | -2,424,562 | 110,832,766 |
| Business Type / Enterprises | 25 348,155,613 | -2,076,438 | 346,079,175 |
| Total Gov Activities & Business Expenditures | 26 461,412,941 | -4,501,000 | 456,911,941 |
| Transfers Out | 27 17,354,144 | -1,388,118 | 15,966,026 |
| Total Expenditures/Transfers Out | 28 478,767,085 | -5,889,118 | 472,877,967 |
| Excess Revenues & Other Sources Over (Under) Expenditures/Transfers Out for Fiscal Year | 29 -28,061,690 | -504,979 | -28,566,669 |
| Beginning Fund Balance July 1 | 30 772,342,931 | 0 | 772,342,931 |
| Ending Fund Balance June 30 | 31 744,281,241 | -504,979 | 743,776,262 |

Explanation of increases or decreases in revenue estimates, appropriations, or available cash:

This is the Council-approved amendment per the City Manager's recommendation.

There will be no increase in tax levies to be paid in the current fiscal year named above. Any increase in expenditures set out above will be met from the increased non-property tax revenues and cash balances not budgeted or considered in this current budget. This will provide for a balanced budget.

Diane R. Voss

City Clerk/Finance Officer