



CITY OF CONCORD

Report to Council

FROM: Brian LeBrun – Deputy City Manager Finance

DATE: March 24, 2015

SUBJECT: Report on FY 2016 Proforma Model

Recommendation

Accept this report on the General Fund Proforma Model for FY 2016 – 2022.

Background

Each year City Administration has prepared the General Fund Proforma Model in advance of the up-coming fiscal year's budget presentation. This model presents the initial expense and revenue projections as well as a tax rate increase for next tax year.

Discussion

The March 2015 General Fund Proforma Model was distributed to FPAC and discussed at its March 17th meeting, where a quorum of the committee was present. The report projects a 14.1% tax rate increase for Fiscal Year 2016 and somewhat smaller increases for FY 2017-22. Included in this model are projections of revenue and expense changes in all categories of the City's General Fund budget. The expense and revenue assumptions and actual projected dollar amounts can be found on the attached spreadsheets.

A few of the cost/revenue drivers to this model are:

- 1) Motor Vehicle Registrations – increasing slightly but no major gains
- 2) State revenues – remaining flat
- 3) General wage and benefit increases
- 4) Outside Services increases
- 5) Utility increases
- 6) Debt Service increases
- 7) Transfers Out increases

In addition to increasing expenses and flat revenues, new real growth in assessed valuation is projected at no growth in FY16 and future years.

The result of these items is an ongoing need to manage expenditures including debt service costs with either none or only a small amount of real growth and stagnant revenue streams.

cc: City Manager