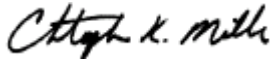


ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 05/12/2014
Item No.: 12.a

Department Approval



City Manager Approval



Item Description: Receive Preliminary Report on the 2015 Budget & Tax Levy Impact Items

BACKGROUND

At the February 24, 2014 City Council meeting the Council considered the proposed 2015 Budget Calendar which outlined a series of steps to establish an eventual budget. One of those steps included a preliminary review of the major budget impact items.

The information below is presented in two sections. The first section highlights the general budget impacts in the property tax-supported programs. There will be additional impacts that will be highlighted in the departmental budget presentations on May 22nd. The second section deals with programs that are supported by non-tax revenues; however Staff is recommending at this time that a separate discussion be held given the varied nature of these programs and their funding sources.

SECTION 1: Property Tax-Supported Programs

A summary containing an estimate of these impacts is presented below.

2015 Budget Impacts: Property Tax-Supported Programs

Budget Impact Item	Description / Comments	2015 Amount
Employer PERA Contribution	Mandated contribution increase for Employees	52,000
Employee COLA	Based on 2% cost-of-living-adjustment (COLA)	196,000
Employee wage step increases	Eligible employees under the Compensation Plan	100,000
Employee Healthcare	Increased healthcare premiums **	-
Capital replacements – New	Based on Staff recommendations (per memo)	55,000
General inflation - Capital	Inflation on scheduled capital replacements	5,000
General inflation - Operations	Inflation on supplies, professional services, etc.	100,000
Eliminate Use of Reserves	2014 Budget relied on reserves to balance the budget	346,000
POC Fire Employee Wages	Union formation and Fire Department reorg. Pending	unknown
POC Fire Employee Healthcare	Union formation and Fire Department reorg. Pending	unknown
Reduction - Debt Service	City Hall Bond Refunding Savings (annual)	(60,000)
Reduction - Debt Service	Street Bond #25 Paid Off	(160,000)
Reduction - Fire Relief Contribution	Projected decrease per revised actuarial study	(11,000)
	Total Minimum Impact	\$ 623,000

** The City is projecting a 3-5% increase in healthcare premiums; however these costs are expected to be offset by lower enrollments in the City's Healthcare Plan.

20 As shown in the table above, there is at least \$623,000 of potential tax-supported budgetary impacts in
21 2015. Each of these impacts is briefly described below.

22
23 Employer PERA Contribution Increase

24 The 2014 Legislature enacted mandatory employer *and* employee contribution increases in 2015 for all
25 employees covered by the Public Employees Retirement Association (PERA). The City contribution
26 rate for employees covered under the Police and Fire PERA Plan will increase from 15.3% of salary to
27 16.2%. The contribution for employees covered under the General PERA Plan will increase from
28 7.25% to 7.50%.

29
30 The contribution rate for the Police and Fire Plan is higher due to the fact that employees covered under
31 this plan do NOT receive employer-paid FICA (Social Security) of 6.2%.

32
33 The total financial impact is \$63,300, of which \$52,000 lies within the tax-supported funds.

34
35 Employee Cost-of-Living Adjustment (COLA)

36 The City has a long-standing practice of maintaining external and internal pay equity amongst all
37 employee groups including union and non-union employees. The Police Patrol, Police Sergeants, and
38 Maintenance Operators unions have all agreed to a 2% COLA for 2015. The 2% COLA is consistent
39 with pay adjustments provided by peer cities. As of this date, the Paid-on-Call Firefighters union has
40 not settled on a pay plan.

41
42 In the interest in keeping external and internal equity, it is recommended that all regular non-union
43 employees also receive a 2% COLA. The cost for this adjustment in the tax-supported funds is
44 approximately \$196,000.

45
46 Employee Wage Step Increases

47 Under the City's Compensation Plan(s), eligible employees that meet satisfactory performance
48 standards are advanced to a higher step within their position pay grade. The higher step is in
49 recognition of the added skills and institutional knowledge that the employee has obtained. It also
50 reflects the increased value the employee creates for the City. This approach is coupled with the
51 general practice of hiring less experienced employees at a lower pay step or introductory wage.

52
53 About half of all full-time employees are still progressing through these wage steps. The total financial
54 impact in the tax-supported funds is approximately \$100,000

55
56 Capital Replacements

57 As previously recommended by the CIP Committee; the CIP Funding Plan calls for an \$80,000 increase
58 in the 2015 tax levy to strengthen the City's Pathways program. It is suggested however, that the City
59 Council consider a funding increase of only \$55,000 for General Facilities instead. This is explained
60 further in a separate Staff Memo.

61
62 General Inflation

63 The City is projecting a general inflationary impact of approximately 2% on all non-personnel related
64 costs. This would include any capital purchases as well as supplies, materials, and contractual services
65 needed for day-to-day operations. The estimated impact in the tax-supported funds is \$105,000.

66

67 Use of Cash Reserves

68 The 2014 General Fund Budget relied on the use of \$346,000 of cash reserves to achieve a balanced
69 budget. While the use of cash reserves for one-time purposes is generally accepted, the Council-
70 adopted financial policies call for balanced and sustainable budgets.

71

72 To eliminate the reliance on the use of cash reserves for day-to-day operations, a permanent funding
73 source will need to be identified.

74

75 Paid-on-Call Firefighter Wages and Healthcare

76 As of this date, the Paid-on-Call Firefighters union has not settled on a 2015 Contract. It is conceivable
77 that a significant impact on the 2015 Budget and tax levy will result from these discussions.

78

79 Debt Service Reductions Savings

80 The bonds originally issued to finance the renovation and expansion of City Hall and Public Works
81 Building was refunded in 2013 to take advantage of lower interest rates. The annual savings was
82 \$60,000 which takes effect in 2015.

83

84 In addition, one of the City's street replacement bonds will be fully paid by the end of 2014 which will
85 allow us to eliminate the dedicated tax levy that was said aside for this purpose.

86

87 Other Legislative Impacts

88 City Staff continues to monitor other legislative impacts including the recently passed changes to the
89 State's minimum wage laws. Beginning August 1, 2014, the minimum wage will be \$8 per hour for
90 large employers including the City of Roseville and will rise to \$9 per hour on August 1, 2015. This is
91 not expected to have any significant impact on the budget for 2015 given that most City employees are
92 already making more than these amounts, or are exempted from the new law.

93

94 A more serious impact could result if the Legislature forgoes any changes to the current LGA formula.
95 Based on preliminary LGA projections provided by the MN House Research Department, Roseville
96 would lose its entire LGA appropriation of \$225,000 annually in 2015. Only a handful of cities would
97 lose their entire appropriation under the formula. Ironically, the City is a 'victim' of its own success
98 under the LGA formula. With the recent population gains from Applewood II, Sienna Green, and
99 Josephine Woods development projects, along with an expanding tax base; the LGA formula
100 recognizes that Roseville has the means to financially support itself without state assistance.

101

102 The LGA monies are currently earmarked for general facility capital replacements. Given the sizeable
103 budget pressures being faced for 2015, it is suggested that this be addressed further in conjunction with
104 a broader discussion on the City's long-term capital facility needs.

105

106 **Budgetary Impact on Property Taxes**

107 For 2015 the total projected budget and tax levy impact from the items noted above will be at least
108 \$623,000. This will result in an increase of 3.5% over the current tax levy. Based on preliminary
109 estimates of our 2015 market values which includes an 11% increase in the value of a median valued
110 home, this will result in an estimated tax impact on a median single-family home of \$6.40 per month.

111

112

113 **SECTION 2: Non Tax-Supported Programs**

114

115 ****** Given the varied nature of each individual NON tax-supported program and their distinct funding
116 sources, broad-based impacts such as those detailed above cannot be compiled in a meaningful way.
117 There will be more specific discussions on the major non tax-supported programs later in the budget
118 process. ******

119 **POLICY OBJECTIVE**

120 Evaluating major budget impacts prior to establishing preliminary spending and tax levy target levels is
121 consistent with industry-recommended practices, and prior years' budget-development process.

122 **FINANCIAL IMPACTS**

123 Not applicable.

124 **STAFF RECOMMENDATION**

125 Not applicable.

126 **REQUESTED COUNCIL ACTION**

127 For information purposes only. No formal Council action is required. However, the Council is asked
128 to provide general guidance on spending and tax levy target levels for next year's budget.

129

Prepared by: Chris Miller, Finance Director

Attachments: A: For reference purposes: Staff Memo on 2013 Cash Reserves
B: For reference purposes: Staff Memo on 2012 Cash Reserves
C: For reference purposes: Cash Reserve Summary and Projections

130



Memo

To: Mayor and City Council
Pat Trudgeon, City Manager
From: Chris Miller, Finance Director
Date: April 4, 2014
Re: Summary of City Cash Reserves

Introduction

The purpose of this memo is to provide a summary of the City's current cash reserve levels, as well as an overview on why the City maintains cash reserves.

Reserves are oftentimes referred to as cash, rainy day funds, contingency funds, or fund balance. In many instances these terms can be used interchangeably. However, for purposes of this discussion we'll refer to them as 'cash reserves' - or monies that the City can draw upon to provide for; day-to-day operations, capital replacements, one-time expenditures, or unforeseen circumstances.

One further distinction is made with regard to the City's cash reserves. All municipalities are required to distinguish between *restricted* reserves and *unrestricted* reserves. These categories are described in further detail below.

The Role of Cash Reserves

Municipalities maintain reserves for the following reasons:

- ❖ Provide cash flow to support current operations in between revenue collection periods
- ❖ To address unforeseen circumstances
- ❖ To provide for future capital expenditures
- ❖ Strengthen overall financial condition, and bond (credit) rating

Most municipalities in Minnesota, including Roseville, rely heavily on the property tax to provide for its General Fund operations. However, property taxes are received by the City only twice per year. Therefore, the City must maintain reserves to offset the lengthy period of time during which property taxes are not being collected. Reserves are also held to address unforeseen circumstances such as weather-related damage to City facilities, or to offset an unexpected loss in revenues like state-aid.

In addition, reserves are also systematically established to provide for future expenditures that are expected to occur in the future, such as reconstructing a road or replacing a fire truck. Finally, reserves are held to strengthen a City's overall financial condition. Simply put, the greater the reserves, the stronger the City's overall financial condition will be. Strong reserve levels allow cities to respond better to changing circumstances, and preserve a greater number of options as compared to weaker reserve levels.

A strong reserve level can also produce a better bond rating. Currently, the City enjoys an 'Aaa' rating from Moody's, and an 'AAA' rating from Standard & Poor's, which places the City in the upper 3% nationally. If our bond rating should fall, it would translate into higher borrowing costs. A bond rating that is reduced by just one tier from 'Aaa' to Aa1' could result in an additional \$25,000-\$35,000 in interest costs for each \$1 million issued in today's markets.

Restricted vs. Unrestricted

As noted above, all municipalities must distinguish between *restricted* and *unrestricted* cash reserves. *Restricted* reserves are monies that have constraints placed on them by either external entities such as debt covenants, grantors, or laws and regulations of another government; or by laws through constitutional provisions or enabling legislation.

Examples of *Restricted* Funds include:

- a) Community Development (building permit fees)
- b) Communications (franchise fees)
- c) Water, Sanitary Sewer, Storm Sewer (fees)

Because these funds are restricted, they are unavailable for general purposes such as police, fire, streets, etc. They can only be used for the purpose in which the fees were imposed.

In contrast, *unrestricted* cash reserves such as those held in the General Fund can be used for any public purpose. It should be noted however that these funds are oftentimes segregated or earmarked for specific programs and services. Re-purposing these funds will likely have an impact on service levels.

Current Cash Reserve Levels

The following table depicts the City's current cash reserve levels as of 12/31/13 (the last year for which audited financial statements are available) for key operating funds:

Fund	2014 Budget	12/31/2013 Reserves	Target Pct.	Actual Pct.	\$\$ Over (Under)
General (unrestricted)	\$ 13,429,235	\$ 5,766,481	40%	43%	\$ 394,787
Parks & Recreation	4,134,050	1,111,161	25%	27%	77,649
Community Development	1,190,995	595,148	35%	50%	178,300
Communications	420,195	584,645	20%	139%	500,606
Information Technology	1,639,000	359,115	20%	22%	31,315
License Center	1,310,075	925,567	20%	71%	663,552
		\$ 9,342,117			

As indicated in the chart, the City has approximately \$9.3 million in cash reserves in its key operating funds which generally provide for day-to-day activities. It should be noted that some of these reserves; including the amounts in the Communications, Information Technology, and License Center funds are also set aside for future capital replacements. In addition, the 2014 General Fund Budget relied on the use of \$346,000 of cash reserves to close a funding gap, so the reserve levels shown above are expected to decline this year.

Some of these reserves are unrestricted and could potentially be re-purposed. However, doing so could come at great expense to existing programs and service levels.

In addition, the City also maintains cash reserves in separately-held capital replacement funds. These funds do not provide for any day-to-day-activities. A separate memo regarding these reserves will be forthcoming in conjunction with the discussion on the 20-Year Capital Improvement Plan.

Relationship between Reserves & Property Taxes

In addition to the roles identified above, cash reserves also play a role in determining what the City's property tax levy needs to be. In 2013, the City's operating cash reserves earned approximately \$300,000 in interest earnings. These interest earnings were used to provide funding for current operations, thereby reducing the amount needed from property taxes or fees.

A significant portion of these earnings were contained in the Street Replacement Fund and were used to finance the annual Mill and Overlay Program for neighborhood streets.

Holding all other factors constant, if reserve levels drop by 10%, the City would have earned only \$270,000 in earnings; a decrease of \$30,000. This would have necessitated a corresponding increase in the tax levy and/or fees to keep funding levels the same.

Final Comments

It is recognized that the City's overall financial condition is strong in large part due to its healthy reserve levels. However, the Council is advised to refrain from unsustainable practices such as using reserves to support day-to-day operations for successive years. In addition, to remain strong, cash reserve levels need to continue growing in proportion with the operating budget.

City of Roseville
Fund Balance Levels
For Key Capital Replacement Funds

Current

<u>Fund</u>	<u>12/31/2013</u> <u>Reserves</u>	<u>Target</u> <u>Pct.</u>	<u>Actual</u> <u>Pct.</u>	<u>\$\$ Over</u> <u>(Under)</u>
Police Vehicles & Equipment	\$ 362,353	n/a	n/a	n/a
Fire Vehicles & Equipment	702,332	n/a	n/a	n/a
Parks & Rec. Vehicles & Equipment	119,075	n/a	n/a	n/a
Public Works Vehicles & Equipment	669,569	n/a	n/a	n/a
Administration Equipment	5,157	n/a	n/a	n/a
Finance Equipment	9,845	n/a	n/a	n/a
Central Services Equipment	84,930	n/a	n/a	n/a
Building Replacement	808,623	n/a	n/a	n/a
Pathway Maintenance	268,515	n/a	n/a	n/a
Parks Improvement Program	359,880	n/a	n/a	n/a
Park Dedication	1,337,837	n/a	n/a	n/a
Street Replacement	11,874,976	n/a	n/a	n/a
* Water	(685,012)	n/a	n/a	n/a
* Sanitary Sewer	1,297,506	n/a	n/a	n/a
* Storm Water	4,241,930	n/a	n/a	n/a
* Recycling	234,017	n/a	n/a	n/a
* Golf Course	259,258	n/a	n/a	n/a
	<u>\$ 21,950,791</u>			

* Reserves are used for operations and capital replacements



Memo

To: Mayor and City Council
Pat Trudgeon, Interim City Manager

From: Chris Miller, Finance Director

Date: August 15, 2013

Re: Summary of City Cash Reserves

Introduction

The purpose of this memo is to provide a summary of the City's current cash reserve levels, as well as an overview on why the City maintains cash reserves.

Reserves are oftentimes referred to as cash, rainy day funds, contingency funds, or fund balance. In many instances these terms can be used interchangeably. However, for purposes of this discussion we'll refer to them as 'cash reserves' - or monies that the City can draw upon to provide for; day-to-day operations, capital replacements, one-time expenditures, or unforeseen circumstances.

One further distinction is made with regard to the City's cash reserves. All municipalities are required to distinguish between *restricted* reserves and *unrestricted* reserves. These categories are described in further detail below.

The Role of Cash Reserves

Municipalities maintain reserves for the following reasons:

- ❖ Provide cash flow to support current operations in between revenue collection periods
- ❖ To address unforeseen circumstances
- ❖ To provide for future capital expenditures
- ❖ Strengthen overall financial condition, and bond (credit) rating

Most municipalities in Minnesota, including Roseville, rely heavily on the property tax to provide for its General Fund operations. However, property taxes are received by the City only twice per year. Therefore, the City must maintain reserves to offset the lengthy period of time during which property taxes are not being collected. Reserves are also held to address unforeseen circumstances such as weather-related damage to City facilities, or to offset an unexpected loss in revenues like state-aid.

In addition, reserves are also systematically established to provide for future expenditures that are expected to occur in the future, such as reconstructing a road or replacing a fire truck. Finally, reserves are held to strengthen a City's overall financial condition. Simply put, the greater the reserves, the stronger the City's overall financial condition will be. Strong reserve levels allow cities to respond better to changing circumstances, and preserve a greater number of options as compared to weaker reserve levels.

A strong reserve level can also produce a better bond rating. Currently, the City enjoys an 'Aaa' rating from Moody's, and an 'AA' rating from Standard & Poor's, which places the City in the upper 5% nationally. If our bond rating should fall, it would translate into higher borrowing costs. A bond rating that is reduced by just one tier from 'Aaa' to Aa1' could result in an additional \$25,000-\$35,000 in interest costs for each \$1 million issued in today's markets.

Restricted vs. Unrestricted

As noted above, all municipalities must distinguish between *restricted* and *unrestricted* cash reserves. *Restricted* reserves are monies that have constraints placed on them by either external entities such as debt covenants, grantors, or laws and regulations of another government; or by laws through constitutional provisions or enabling legislation.

Examples of *Restricted* Funds include:

- a) Community Development (building permit fees)
- b) Communications (franchise fees)
- c) Water, Sanitary Sewer, Storm Sewer (fees)

Because these funds are restricted, they are unavailable for general purposes such as police, fire, streets, etc. They can only be used for the purpose in which the fees were imposed.

In contrast, *unrestricted* cash reserves such as those held in the General Fund can be used for any public purpose. It should be noted however that these funds are oftentimes segregated or earmarked for specific programs and services. Re-purposing these funds will likely have an impact on service levels.

Current Cash Reserve Levels

The following table depicts the City's current cash reserve levels as of 12/31/12 (the last year for which audited financial statements are available) for key operating funds:

Fund	2013 Budget	12/31/2012 Reserves	Target Pct.	Actual Pct.	\$\$ Over (Under)
General	\$ 12,836,937	\$ 5,568,600	40%	43%	\$ 433,825
Parks & Recreation	4,008,105	922,537	25%	23%	(79,489)
Community Development	1,045,990	367,417	35%	35%	1,321
Communications	374,698	591,108	20%	158%	516,168
Information Technology	1,562,060	226,365	20%	14%	(86,047)
License Center	1,195,295	790,951	20%	66%	551,892
Water	n/a	-	n/a	n/a	n/a
Sewer	n/a	1,476,000	n/a	n/a	n/a
Stormwater	n/a	2,974,000	n/a	n/a	n/a
Recycling	n/a	264,000	n/a	n/a	n/a
Golf Course	n/a	315,000	n/a	n/a	n/a
		<u>\$ 13,495,978</u>			

As indicated in the chart, the City has approximately \$13.5 million in cash reserves in its key operating funds which generally provide for day-to-day activities. It should be noted that some of these reserves, such as the amounts depicted in the information technology, communications, and water & sewer funds also provide for capital replacements.

In addition, the City also maintains cash reserves in separately-held capital replacement funds. These funds do not provide for any day-to-day-activities. The following table depicts the City's current cash reserve levels as of 12/31/12 (the last year for which audited financial statements are available) for key capital replacement funds:

<u>Fund</u>	<u>12/31/2012</u> <u>Reserves</u>	<u>Target</u> <u>Pct.</u>	<u>Actual</u> <u>Pct.</u>	<u>\$\$ Over</u> <u>(Under)</u>
Police Vehicles & Equipment	\$ 249,435	n/a	n/a	n/a
Fire Vehicles & Equipment	582,719	n/a	n/a	n/a
Parks & Rec. Vehicles & Equipment	148,710	n/a	n/a	n/a
Public Works Vehicles & Equipment	426,938	n/a	n/a	n/a
Administration Equipment	4,930	n/a	n/a	n/a
Finance Equipment	4,930	n/a	n/a	n/a
Central Services Equipment	(516)	n/a	n/a	n/a
Building Replacement	691,644	n/a	n/a	n/a
Pathway Maintenance	250,025	n/a	n/a	n/a
Parks Improvement Program	349,136	n/a	n/a	n/a
Street Replacement	10,245,976	n/a	n/a	n/a
	<u>\$ 12,953,927</u>			

As indicated in the chart, the City has approximately \$12.9 million in cash reserves in its key capital replacement funds – funds set aside for future capital.

Nearly all of these reserves are unrestricted meaning they could be re-purposed. However, doing so could come at great expense to existing programs and service levels. The Council is strongly advised to look at the 20-year Capital Improvement Plan (CIP) to fully ascertain whether the reserves held in these funds are sufficient to meet the City's long-term capital asset needs.

Relationship between Reserves & Property Taxes

In addition to the roles identified above, cash reserves also play a role in determining what the City's property tax levy needs to be. In 2012, the City's operating cash reserves earned approximately \$400,000 in interest earnings. These interest earnings were used to provide funding for current operations, thereby reducing the amount needed from property taxes or fees.

A significant portion of these earnings were contained in the Street Replacement Fund and were used to finance the annual Mill and Overlay Program for neighborhood streets.

Holding all other factors constant, if reserve levels drop by 10%, the City would have earned only \$360,000 in earnings; a decrease of \$40,000. This would have necessitated a corresponding increase in the tax levy and/or fees to keep funding levels the same.

Final Comments

It is recognized that the City's overall financial condition is strong in large part due to its healthy reserve levels. However, the Council is advised to refrain from unsustainable practices such as using reserves to support day-to-day operations for successive years. In addition, to remain strong, cash reserve levels need to continue growing in proportion with the operating budget.

City of Roseville
Fund Balance Levels
For Key Operating Funds

Fund	Current					Projected							
	2014 Budget	12/31/2013 Reserves	Target Pct.	Actual Pct.	\$\$ Over (Under)	2015 Budget	Actual Pct.	2016 Budget	Actual Pct.	2017 Budget	Actual Pct.	2018 Budget	Actual Pct.
** General (unrestricted)	\$ 13,429,235	\$ 5,766,481	40%	43%	\$ 394,787	\$ 13,832,112	42%	\$ 14,247,075	40%	\$ 14,674,488	39%	\$ 15,114,722	38%
Parks & Recreation	4,134,050	1,111,161	25%	27%	77,649	4,258,072	26%	4,385,814	25%	4,517,388	25%	4,652,910	24%
Community Development	1,190,995	595,148	35%	50%	178,300	1,226,725	49%	1,263,527	47%	1,301,432	46%	1,340,475	44%
Communications	420,195	584,645	20%	139%	500,606	432,801	135%	445,785	131%	459,158	127%	472,933	124%
Information Technology	1,639,000	359,115	20%	22%	31,315	1,688,170	21%	1,738,815	21%	1,790,980	20%	1,844,709	19%
License Center	1,310,075	925,567	20%	71%	663,552	1,349,377	69%	1,389,859	67%	1,431,554	65%	1,474,501	63%
		\$ 9,342,117											

** NOTE - \$346K in GF Reserve Spending was budgeted in 2014

Inflation rate 3.0%

City of Roseville
Fund Balance Levels
For Key Capital Replacement Funds

Fund	Current				Projected **				
	12/31/2013 Reserves	Target Pct.	Actual Pct.	\$\$ Over (Under)	2014	2015	2016	2017	2018
Police Vehicles & Equipment	\$ 362,353	n/a	n/a	n/a	332,353	283,010	310,635	267,365	274,995
Fire Vehicles & Equipment	702,332	n/a	n/a	n/a	601,000	449,000	447,980	708,940	654,618
Parks & Rec. Vehicles & Equipment	119,075	n/a	n/a	n/a	56,000	(205,000)	(158,500)	14,000	(10,720)
Public Works Vehicles & Equipment	669,569	n/a	n/a	n/a	621,000	554,200	228,784	156,860	329,497
Administration Equipment	5,157	n/a	n/a	n/a	11,157	13,000	21,260	29,685	38,279
Finance Equipment	9,845	n/a	n/a	n/a	11,845	15,000	21,300	27,726	34,281
Central Services Equipment	84,930	n/a	n/a	n/a	83,930	81,160	79,943	78,702	77,436
Building Replacement	808,623	n/a	n/a	n/a	408,000	127,700	(192,746)	(346,446)	(603,446)
Pathway Maintenance	268,515	n/a	n/a	n/a	258,000	248,000	232,960	217,691	201,972
Parks Improvement Program	359,880	n/a	n/a	n/a	379,000	399,000	(1,148,690)	(2,625,810)	(4,146,110)
Park Dedication	1,337,837	n/a	n/a	n/a	1,337,837	1,337,837	1,337,837	1,337,837	1,337,837
Street Replacement	11,874,976	n/a	n/a	n/a	10,500,000	8,225,000	7,314,500	6,285,790	5,136,506
* Water	(685,012)	n/a	n/a	n/a	(600,000)	(554,000)	(854,000)	(764,000)	(743,000)
* Sanitary Sewer	1,297,506	n/a	n/a	n/a	1,000,000	575,000	436,500	370,230	342,635
* Storm Water	4,241,930	n/a	n/a	n/a	4,000,000	3,074,000	2,835,480	2,964,190	3,038,473
* Recycling	234,017	n/a	n/a	n/a	234,017	234,017	234,017	234,017	234,017
* Golf Course	259,258	n/a	n/a	n/a	190,000	100,500	(10,990)	(84,490)	(164,990)
	<u>\$ 21,950,791</u>				<u>\$ 19,424,139</u>	<u>\$ 14,957,424</u>	<u>\$ 11,136,270</u>	<u>\$ 8,872,287</u>	<u>\$ 6,032,280</u>

* Reserves are used for operations and capital replacements

** Projected reserve levels are based on current funding sources and scheduled capital replacements