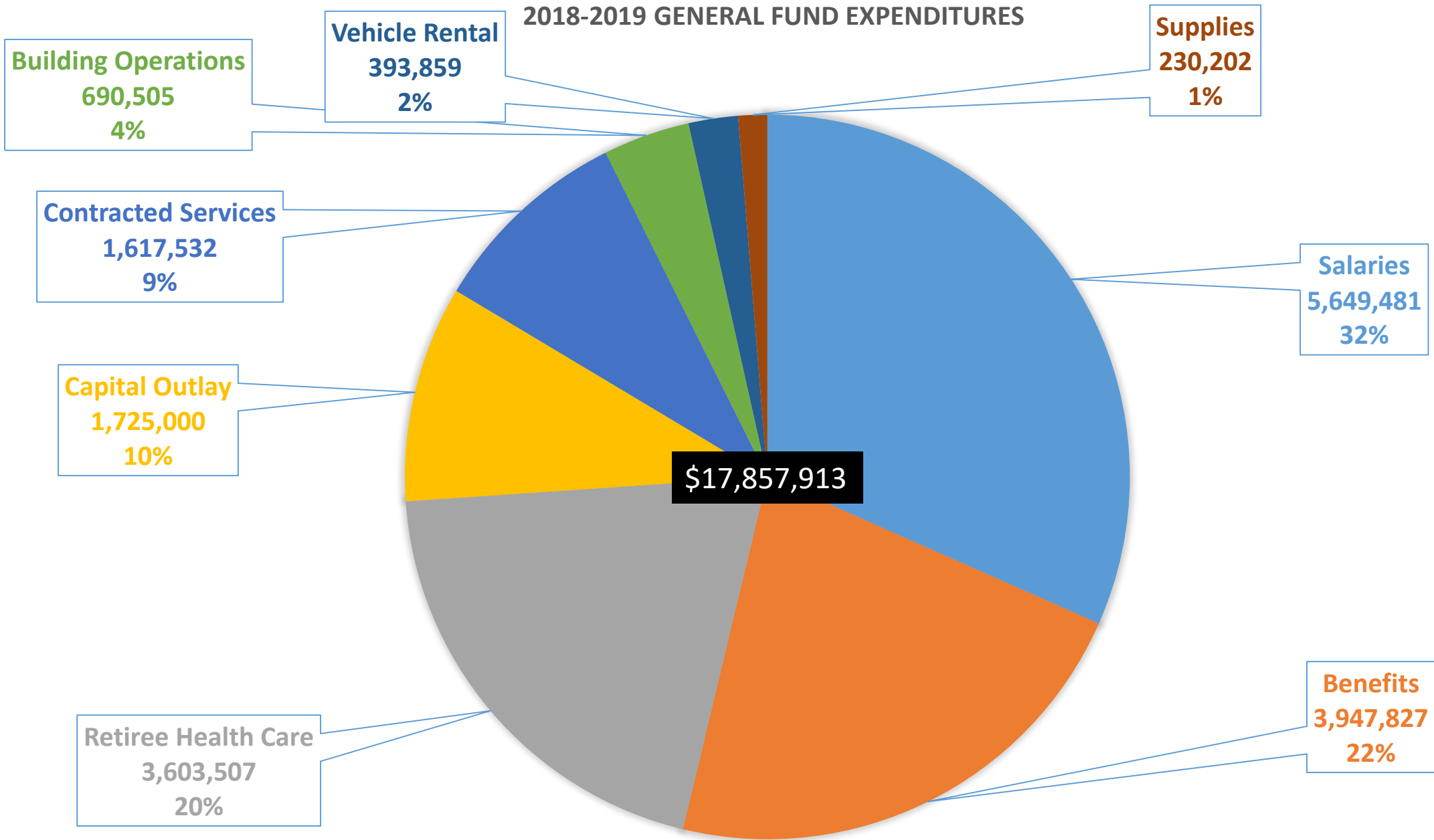


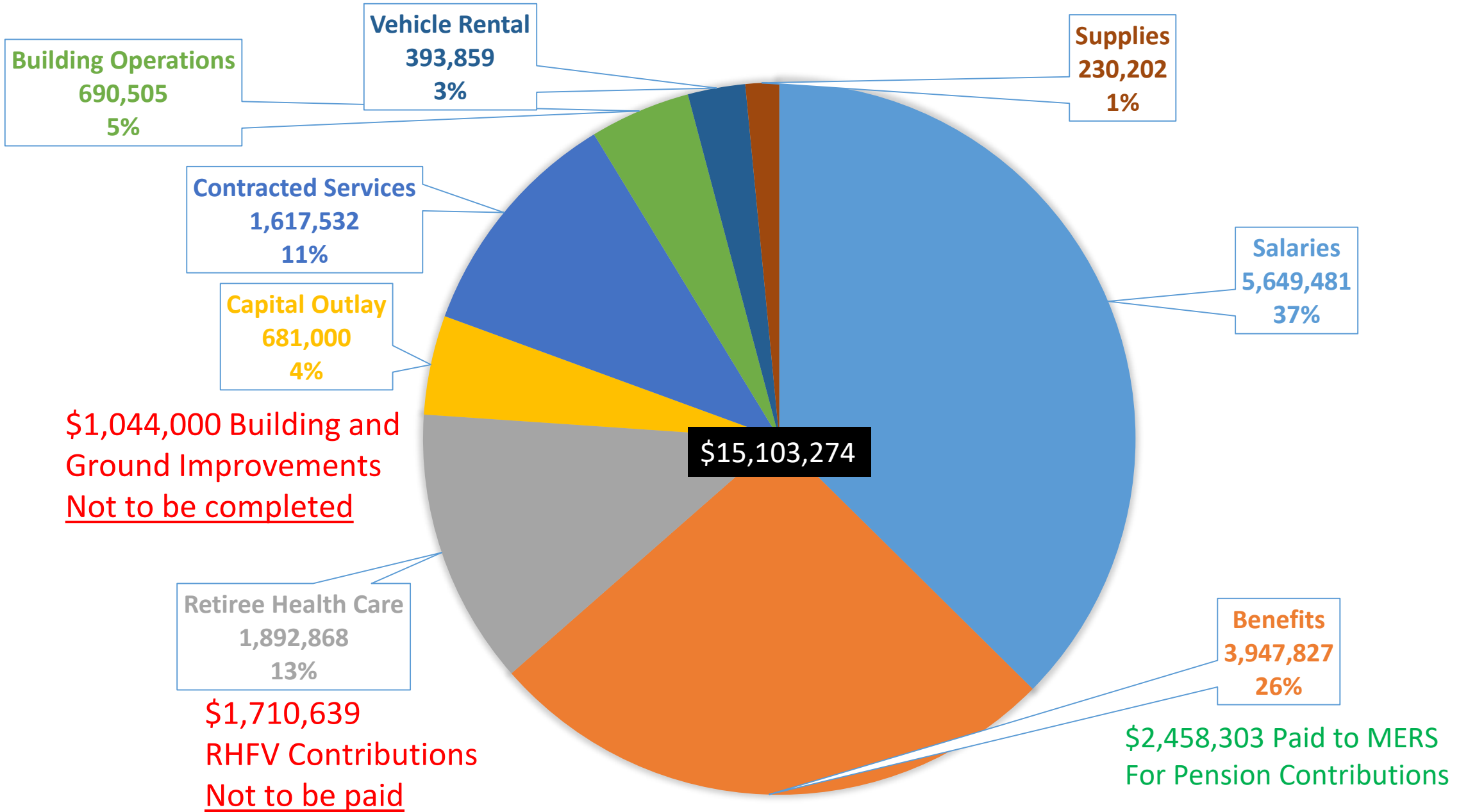
2018-2019 Budget Document

General Fund Overview

2018-2019 GENERAL FUND EXPENDITURES



2018-2019 GENERAL FUND EXPENDITURES WITH DEFERMENTS



Revenues to Expenditures Comparison

Adjusted Net Loss to Expenditures Comparison for Balanced Budget

• Adjusted Net Loss	(\$2,480,334)
• Supplies	\$230,202 (1%)
• Vehicle Rental	\$393,859 (3%)
• Building Operations	\$690,505 (5%)
• Capital Outlay	\$681,000 (4%)
• Contracted Services	\$484,768 (3%)

Going Concern

The City is approaching the point of financial distress. The City's operating revenues are roughly \$12.6 million and the City has little room to cut expenditures further. Management plans to conservatively manage expenditures to pay current expenditures; however, departments are currently reporting staffing at or below minimum staffing levels. The 2018-2019 Recommended Budget requests \$17,857,913 in General Fund Expenditures and allows for \$2,754,639 to be deferred without impacting essential services. Many of the listed deferred expenses are capital projects that have been already deferred numerous fiscal years and leaves \$0 towards the unfunded retiree healthcare obligation. To create substantial reductions in expenditures complete services would need to be contracted. An increase in the Public Safety Special Assessment under PA 33 has been voted down by the voters and requires an annual appropriation by a super majority of City Council which does not establish an ongoing long term stable financial plan. The City needs to establish a long term financial operating plan and financial forecast to maintain essential services, staffing, debt and contractual obligations.