

Preview of 2019-2020 Biennial Budget



Presented to City Council on May 1, 2018
by Adé Ariwoola, Finance Director

Items That May Affect 2019/2020 Biennial Budget

- o Health Insurance
- o Retirement Rate Contribution
- o 2018 Budget
- o Five Additional Police Officers
- o Teamsters and Guild Union Contract
- o SCORE



Health Insurance

- o 15% Increase in Health Insurance
 - o Monthly payment by General Fund \$240,700
 - o Total annual payment \$2,888,400
 - o 15% increase \$433,260



Retirement Rate Contribution

o PERS increasing from 12.7% to 12.87% (\$12,026)

o Monthly @ 12.70% \$74,867

o Monthly @ 12.87% \$75,869

o Monthly Change \$ 1,002

o Annual Increase \$12,024



Retirement Rate Contribution

o LEOFF decreasing from 5.43% to 5.25% (\$168)

o Monthly @ 5.43% \$42,144

o Monthly @ 5.25% \$40,747

o Monthly Change \$ 1,397

o Annual Decrease \$16,764



2018 Budget

- o We used about \$300k in 2018
- o It will have to be repaid
- o Possibility of a shortage again
- o Replacement contribution of 5 new police cars



Full Year of 5 Additional Police Officers

- o City is responsible for about 40% of the salary - \$200,000 annually
- o City will be responsible for full amount in 3 years – About \$500k/year
- o Equipment and operation cost – gas, etc.



Teamsters and Guild

- o Contract for 2019 is 2%
- o Guild is negotiating



Conclusion

- Based on what we know now, our spending and budget requirement will increase next year.
- We may have to use up to \$1 million in fund balance per year beginning with the 2019/2020 budget.
- The City needs to prepare for this.
- The Mayor will not propose an unbalanced budget nor will he propose the use of fund balance.



Questions?

