



GENERAL FUND



GENERAL FUND

FY 2006-07 BUDGET

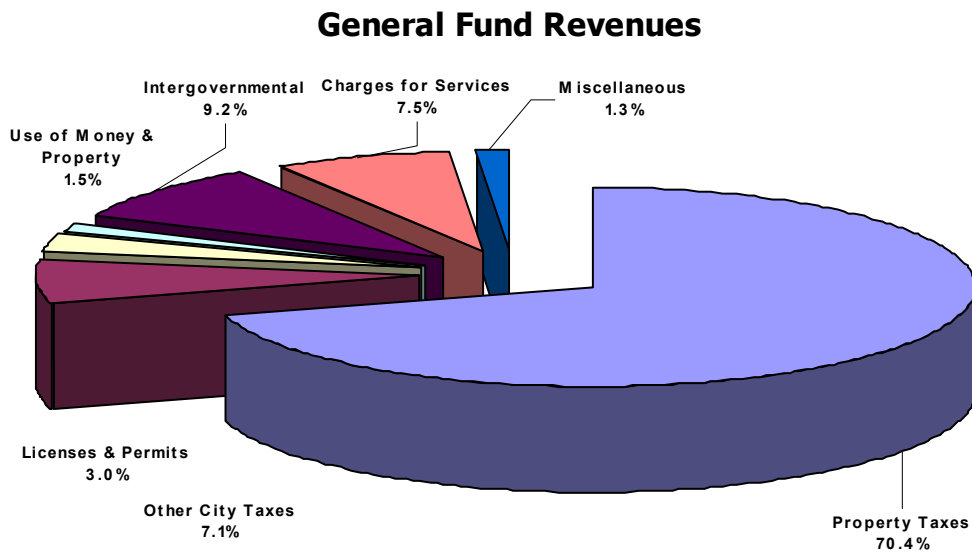
	ACTUAL FY 2003-04	ACTUAL FY 2004-05	REVISED BUDGET FY 2005-06	BUDGET FY 2006-07	INC(DEC) FY 2006-07 OVER FY 2005-06	% INC (DEC)
REVENUES						
Operating Revenues						
Property Taxes	\$18,847,792	\$20,998,460	\$21,679,119	\$23,198,046	\$1,518,927	7.01%
TIF Revenues						
Other City Taxes	2,178,245	2,305,013	2,240,464	2,353,568	113,104	5.05%
Licenses and Permits	1,072,584	1,320,158	967,500	981,700	14,200	1.47%
Use of Money and Property	250,552	646,385	377,200	482,200	105,000	27.84%
Intergovernmental	2,341,726	3,090,979	2,686,122	3,026,491	340,369	12.67%
Charges for Services	2,292,260	2,561,137	2,280,750	2,486,000	205,250	9.00%
Special Assessments						
Miscellaneous	750,643	587,095	754,650	441,300	(313,350)	(41.52%)
Sub-total Operating Revenues	\$27,733,802	\$31,509,226	\$30,985,805	\$32,969,305	\$1,983,500	6.40%
Other Financing Sources						
Proceeds of Long Term Debt		\$22,904	\$5,000	\$5,000		
Transfers In	4,883,849	5,523,797	6,702,709	8,652,850	1,950,141	29.09%
Sub-total Other Financing Sources	\$4,883,849	\$5,546,701	\$6,707,709	\$8,657,850	\$1,950,141	29.07%
TOTAL REVENUES & OTHER SOURCES	\$32,617,651	\$37,055,927	\$37,693,514	\$41,627,155	\$3,933,641	10.44%
EXPENDITURES						
Operating Expenditures						
Personal Services	\$20,446,617	\$22,770,893	\$24,158,140	\$27,367,157	\$3,209,017	13.28%
Supplies and Services	6,488,123	6,946,334	7,208,593	6,826,790	(381,803)	(5.30%)
Universal Commodities	1,772,610	1,847,817	1,760,896	2,024,165	263,269	14.95%
Non-Recurring/Non-Capital	329,962	666,722	372,943	419,128	46,185	12.38%
Capital	833,518	1,037,390	752,468	529,987	(222,481)	(29.57%)
Sub-total Operating Expenditures	\$29,870,830	\$33,269,156	\$34,253,040	\$37,167,227	\$2,914,187	8.51%
Lease/Purchase or Installment Contract Expenditures		\$71,567	\$145,547	\$138,663	(\$6,884)	(4.73%)
Total Operating Expenditures	\$29,870,830	\$33,340,723	\$34,398,587	\$37,305,890	\$2,907,303	8.45%
Capital Improvement Expenditures						
Total Expenditures	\$29,870,830	\$33,340,723	\$34,398,587	\$37,305,890	\$2,907,303	8.45%
Transfers Out	\$3,229,932	\$3,195,422	\$3,264,609	\$3,602,850	\$69,187	10.36%
TOTAL EXPENDITURES/TRANSFERS OUT	\$33,100,762	\$36,536,145	\$37,663,196	\$40,908,740	\$3,245,544	8.62%
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$483,111)	\$519,783	\$30,318	\$718,415	\$688,097	
BEGINNING FUND BALANCE	\$8,584,106	\$8,100,995	\$8,620,778	\$8,651,096	\$30,318	n/a
ENDING FUND BALANCE	\$8,100,995	\$8,620,778	\$8,651,096	\$9,369,511	\$718,415	n/a
FUND BALANCE % OF EXPENDITURES	27.12%	25.86%	25.15%	25.12%		



The general fund functions as the chief operating fund for the City. All financial transactions of the City which pertain to general operations and the provision of services to the citizens are recorded in this fund, except those specifically required to be accounted for elsewhere (i.e., legal restrictions). Services within the general fund include police, fire, ambulance, building/grounds and street maintenance, parks and recreation, human services programs, library, and general administration of the City.

Major Revenue Sources

The FY 06-07 budget projects an increase in property tax revenue of approximately 7.01% over FY 05-06. As one of the fastest growing cities in Iowa, West Des Moines is experiencing substantial growth in property valuations, however, much of the new growth is located in Tax Increment Financing (T.I.F.) districts. The incremental growth in these districts does not contribute to general fund property taxes until after the district expires; generally three to twenty years following inception. In the following sections we further discuss the various sources of general fund revenue, along with key factors that are the driving forces behind the budget projections.



Property Taxes

Of the City's 356.85 full time equivalent positions, 98% of the City's personnel costs are funded by the general fund. Therefore, the general fund directly finances nearly all of the City's day to day operations. Property tax revenue constitutes 70% of all general fund revenue. Therefore, property taxes have a major influence on City operations. The components of the general fund property tax levy are described on the following page.



General Fund Levies

The City of West Des Moines has three operational levies that are levied within the general fund. These are the General Levy, Transit Levy, and Tort Liability Levy. The General Levy is the City's primary levy and is limited by state law to \$8.10 per \$1,000 of assessed valuation. The City is allowed to levy for the costs of operating a municipal transit system and tort liability costs, independent of the \$8.10 limitation. The Transit Levy is limited to \$.95 per \$1,000 of valuation. There is no limitation on the Tort Liability Levy. The City's combined rate for the General, Transit, and Tort Liability levies is projected to be \$8.2465 per \$1,000 of taxable property valuation for FY 06-07. Below is a brief description of the services these levies finance:

General Fund levies finance the following City services:

- Public Safety - which includes police and fire protection, as well as ambulance services
- Community Enrichment - which includes park operations, library services, and human services
- Public Services - which includes public works and community development services
- Support Services - which includes the administrative and support services functions of the City

Analysis of Property Tax Levy

Property tax revenue is projected to increase by 7.01% in FY 06-07 as a result of the following factors:

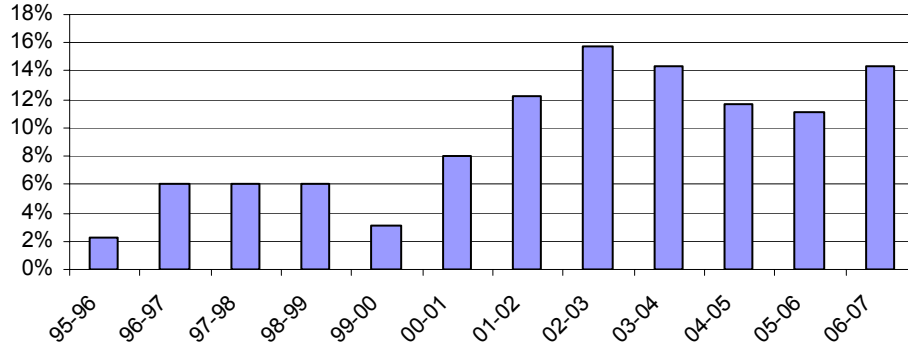
- In FY 06-07 the residential rollback percentage decreased the amount of property valuations that are taxable in comparison to the FY 05-06 state rollback percentage. Below is a historical chart of state rollback percentages (i.e. the percentage of a property's value that is taxable).

Fiscal Year	Residential	Commercial
1997-98	58.83%	100.00%
1998-99	54.91%	97.36%
1990-00	56.48%	100.00%
2000-01	54.85%	98.35%
2001-02	56.27%	100.00%
2002-03	51.67%	97.77%
2003-04	51.39%	100.00%
2004-05	48.46%	99.26%
2005-06	47.96%	100.00%
2006-07	45.99%	99.15%



- The portion of the City included in T.I.F. districts has increased, due to valuation growth in the Jordan Creek and Mills Parkway districts. Despite the termination of the Westtown IV district (\$46,000,000) and releases of \$11,000,000 and \$66,000,000 from Mills Parkway and Jordan Creek districts respectively. The ability to tax the incremental property valuation in these districts is lost by the general fund until these districts expire. (Taxes generated by the incremental valuations in these districts are captured in a special revenue fund for the financing of public improvements within the district.) Below is a ten-year history of T.I.F. valuations as a percentage of taxable property.

TIF Valuations as a Percentage of Taxable Property



- In FY 06-07 there is a change in the percentage of the property tax levy that is allocated to the general fund levy due to the increase in the employee benefits levy. The chart below is a ten-year comparison of the distribution of the property tax levy for City operations and debt service.

	Property Tax Rate	General Funds	% of Levy	Special Revenue Funds	% of Levy	Debt Service Fund	% of Levy	Total Levy
FY 97-98	\$10.90	\$13,952,152	72.01%	\$1,050,000	5.42%	\$4,373,703	22.57%	\$19,375,855
FY 98-99	\$10.90	\$14,384,683	71.90%	\$1,100,000	5.50%	\$4,522,107	22.60%	\$20,006,790
FY 99-00	\$10.90	\$16,429,767	74.58%	\$1,260,000	5.72%	\$4,338,488	19.70%	\$22,028,255
FY 00-01	\$10.90	\$16,610,809	74.02%	\$1,268,023	5.65%	\$4,561,298	20.33%	\$22,440,130
FY 01-02	\$10.90	\$16,943,451	71.80%	\$1,750,000	7.42%	\$4,905,339	20.79%	\$23,598,790
FY 02-03	\$11.60	\$18,459,986	71.20%	\$1,950,000	7.52%	\$5,516,588	21.28%	\$25,926,574
FY 03-04	\$11.60	\$19,287,254	70.54%	\$2,165,000	7.92%	\$5,890,000	21.54%	\$27,342,254
FY 04-05	\$11.73	\$21,463,280	71.08%	\$2,644,100	8.76%	\$6,086,514	20.16%	\$30,193,894
FY 05-06	\$11.73	\$22,079,583	70.22%	\$3,021,100	9.61%	\$6,340,796	20.17%	\$31,441,478
FY 06-07	\$11.95	\$23,582,677	67.06%	\$4,679,250	13.31%	\$6,905,976	19.64%	\$35,167,903



Other City Taxes

In 1984 West Des Moines voters approved the imposition of a hotel/motel tax of 7% on the rental of hotel rooms in our community. For a number of years, until the University Park Holiday Inn opened in 1987, annual revenue from this source was minimal. Thereafter, annual hotel/motel tax revenue held at the \$500,000 to \$600,000 range until the recent development of new hotels in the vicinity of Jordan Creek Parkway and I-80 interchange. FY 06-07 hotel/motel revenue is expected to be approximately \$1,700,000. However, West Des Moines has a contractual agreement that 2/7ths of revenue generated will be forwarded to the Greater Des Moines Convention and Visitors Bureau (CVB). Similarly, the City Council has agreed that an additional 2/7ths of hotel/motel tax revenue will be dedicated to metropolitan cultural and entertainment facilities/organizations, and debt payments for the reconstruction of Sec Taylor Stadium. The end result is that ultimately only 3/7ths of the hotel/motel taxes received annually by the City is available for distribution and/or expenditure.

As a precursor to utility deregulation, Iowa utility companies lobbied state legislators to discontinue taxing utility valuations in Iowa as property tax. Instead, all utilities providing service in the state would pay an excise tax based on profits. Taxing bodies, such as municipalities and school districts, were opposed to this as the amount that can be levied for debt is based on the property tax valuations that had included utilities. As a compromise, for three years the utility valuations will be included for debt levy purposes but the preponderance of revenue remitted to local governments will be in the form of excise taxes. This tax went into effect in FY 00-01 and is affected locally by the new revenue line item and increase in the Other City Taxes revenue category.

	ACTUAL FY 2003-04	ACTUAL FY 2004-05	REVISED BUDGET FY 2005-06	BUDGET FY 2006-07	INC(DEC) FY 2006-07 OVER FY 2005-06	% INC (DEC)
Other City Taxes						
Utility Tax Replacement	\$457,290	\$413,511	\$400,464	\$393,568	(\$6,896)	(1.72%)
Cable Television Commission	248,574	260,059	260,000	260,000		
Hotel/Motel Taxes	1,472,381	1,631,443	1,760,000	1,700,000	(60,000)	(3.41%)
Total Other City Taxes	\$2,178,245	\$2,305,013	\$2,420,464	\$2,353,568	(\$66,896)	(2.76%)



Licenses and Permits

As a rule, revenue received for the issuance of licenses and permits does not fluctuate significantly, with the exception of building and construction related permits.

	ACTUAL FY 2003-04	ACTUAL FY 2004-05	REVISED BUDGET FY 2005-06	BUDGET FY 2006-07	INC(DEC) FY 2006-07 OVER FY 2005-06	% INC (DEC)
<u>Licenses and Permits</u>						
Beer/Liquor/Cigarette Licenses	\$54,309	\$82,056	\$76,500	\$94,500	\$18,000	23.53%
Animal License	7,858	8,675	10,000	10,000		
Electrical/Heating/Plumbing License	4,258	34,050	6,000	32,200	26,200	436.67%
Building Permits	740,854	848,259	605,000	550,000	(55,000)	9.09%
Electrical Permits	88,345	92,549	76,000	90,000	14,000	18.42%
Heating Permits	46,187	61,652	44,000	60,000	16,000	36.36%
Plumbing Permits	61,095	59,702	50,000	50,000		
Miscellaneous License & Permits	20,670	58,293	31,000	23,000	(8,000)	(25.81%)
Dog Park Permit	10,080	19,739	15,000	22,000	7,000	46.67%
Alarm License/Permit	38,931	55,184	54,000	50,000	(4,000)	7.41%
Total Licenses and Permits	\$1,072,584	\$1,320,158	\$967,500	\$981,700	\$14,200	1.47%

Use of Money and Property

Interest income is generated by interest earned on public funds. Two factors that affect interest income are interest rates and cash balances available for investment. With the constant fluctuations in interest rates, staff regularly makes investments with the goal of maximizing the return on our asset base.

	ACTUAL FY 2003-04	ACTUAL FY 2004-05	REVISED BUDGET FY 2005-06	BUDGET FY 2006-07	INC(DEC) FY 2006-07 OVER FY 2005-06	% INC (DEC)
<u>Use of Money and Property</u>						
Interest Income	\$196,353	\$586,058	\$575,000	\$430,000	(\$145,000)	(25.22%)
ATM Fees Collected		1,316	1,000	1,000		
Other Land Rental	31,632	35,736	30,000	30,000		
Building/Land Lease Charge	22,567	23,276	24,500	21,500	(3,300)	(13.47%)
Total Use of Money and Property	\$250,552	\$646,385	\$630,500	\$482,200	(\$148,300)	(23.52%)

Intergovernmental

State Shared Revenue - Moneys & Credits, Bank Franchise Fees, and Personal Property Tax Replacement are shared revenues from the State general fund which were distributed to cities partially or totally based on population. These revenues are no longer passed onto local governments after the Iowa Legislature and Governor approved their elimination in FY 03-04.



GENERAL FUND

REVENUE SUMMARY

State/Federal Grants and Reimbursements - Each City department is encouraged to apply for state and/or federal grants to supplement City revenue. Historically, West Des Moines has been successful in receiving a number of grants. It is important to note that COPS grants and Local Law Enforcement Block Grants are no longer being funded.

	ACTUAL FY 2003-04	ACTUAL FY 2004-05	REVISED BUDGET FY 2005-06	BUDGET FY 2006-07	INC(DEC) FY 2006-07 OVER FY 2005-06	% INC (DEC)
<u>Intergovernmental</u>						
Bank Franchise Fee	\$189,009	\$117,463				
Clive - Animal Control	12,500	15,600	15,600	16,700	1,100	7.05%
Clive - Traffic Signals	12,598	2,098	4,000	3,800	(200)	(5.00%)
Clive - Westside Fire/EMS	413,438	453,871	417,200	435,011	17,811	4.27%
COPS Grant	152,628	264,984	114,750		(114,750)	(100.00%)
Dallas County Participation		299,071	429,031	611,282	182,251	42.48%
Dowling - Liaison Officer	25,632	35,335	38,000	40,000	2,000	5.26%
E911 Surcharge		17,743	39,000		(39,000)	(100.00%)
EMS - Dallas County	115,061	117,610	142,500	148,055	5,555	3.90%
FEMA Reimbursement	89,281	334,169	29,000		(29,000)	(100.00%)
Grants - Other	23,016	163,724	129,790		(129,790)	(100.00%)
Human Services - Polk County Trans	47,958	40,985	39,800	39,780	(20)	(0.05%)
Human Services - Red Rock	10,000	13,980	12,000	12,000		
LLEBG	14,584					
Metro Library Contract	7,823	11,312	7,900	10,000	2,100	26.58%
Misc. Federal - Cost Share	9,706	13,035	37,250		(37,250)	(100.00%)
Moneys & Credits	144,948	4,739				
Parks - Trees Forever		10,345	10,500		(10,500)	(100.00%)
Polk County	7,501	21,345				
Polk County Library	66	244	100	100		
Urbandale - HR Services			30,000	30,000		
Waukee - IS Services		40,000	41,200	40,000	(1,200)	(2.91%)
WDM Schools - 800 mHz	8,500	9,500	9,500	9,500		
WDM Schools - Crossing Guards	54,459	48,513	61,900	60,000	(1,900)	(3.07%)
WDM Schools - Liaison Officer	87,921	71,861	75,000	77,000	2,000	2.67%
WDM Schools - YJI			71,250	73,388	2,138	3.00%
WDM Water Works - IS Services	65,000	35,000	35,000	35,000		
WestCom - Clive	202,789	205,413	263,357	290,776	27,419	10.41%
WestCom - Urbandale	347,146	371,095	469,404	500,461	31,057	6.62%
WestCom Trf to WDM	171,121	178,204	197,040	196,568	(472)	(0.24%)
WestEMS Trf to WDM	23,511	25,209	27,560	29,990	2,430	8.82%
WestHelp Trf to WDM	64,687	133,374	106,390	367,080	260,690	245.03%
YJI Federal Grants	30,728	6,495				
YJI Local Grants	10,116	28,660				
Total Intergovernmental	\$2,341,726	\$3,090,979	\$2,854,022	\$3,026,491	\$172,469	6.04%



Charges for Services

Several city departments charge fees for some services/programs that are offered such as ambulance fees, recreation program fees, library fines and fees, and fees for housing inspection. It is important that the City continue to monitor the fees charged as a way to recoup, from the actual user(s) of a service, revenues to offset the expenses incurred by the City. Development related revenues drive the fluctuation from year to year.

	ACTUAL FY 2003-04	ACTUAL FY 2004-05	REVISED BUDGET FY 2005-06	BUDGET FY 2006-07	INC(DEC) FY 2006-07 OVER FY 2005-06	% INC (DEC)
<u>Charges for Services</u>						
Ambulance Charges	\$801,725	\$831,679	\$930,000	\$1,020,000	\$90,000	9.68%
Animal Control	5,583	7,070	5,000	5,500	500	10.00%
Community Center Rental	18,006	16,326	25,000	15,000	(10,000)	(40.00%)
Community Development Charges	33,357	27,197	23,650	16,000	(7,650)	(32.35%)
Developer Paid Inspection	325,397	456,017	281,000	260,000	(21,000)	(7.47%)
False Alarm Charges	34,450	25,300	20,000	25,000	5,000	25.00%
Fire Charges	17,526	32,044	22,000	21,000	(1,000)	(4.55%)
Housing Inspection	38,448	49,960	69,000	40,000	(29,000)	(42.03%)
Miscellaneous Park Charges	22,262	20,443	22,500	25,000	2,500	11.11%
Miscellaneous Service Charges	40,744	40,181	42,250	43,000	750	1.78%
Police Charges	5,830	9,130	5,000	5,000		
Pool Admission	399,844	497,743	391,500	426,000	34,500	8.81%
Recreation Fees	354,760	356,781	318,000	344,500	26,500	8.33%
RRP Nature Lodge	50,703	44,101	65,000	50,000	(15,000)	(23.08%)
RRP Softball	143,625	147,165	145,000	135,000	(10,000)	(6.90%)
Traffic Studies				55,000	55,000	
Total Charges for Services	\$2,292,260	\$2,561,137	\$2,364,900	\$2,486,000	\$121,100	5.12%



Miscellaneous

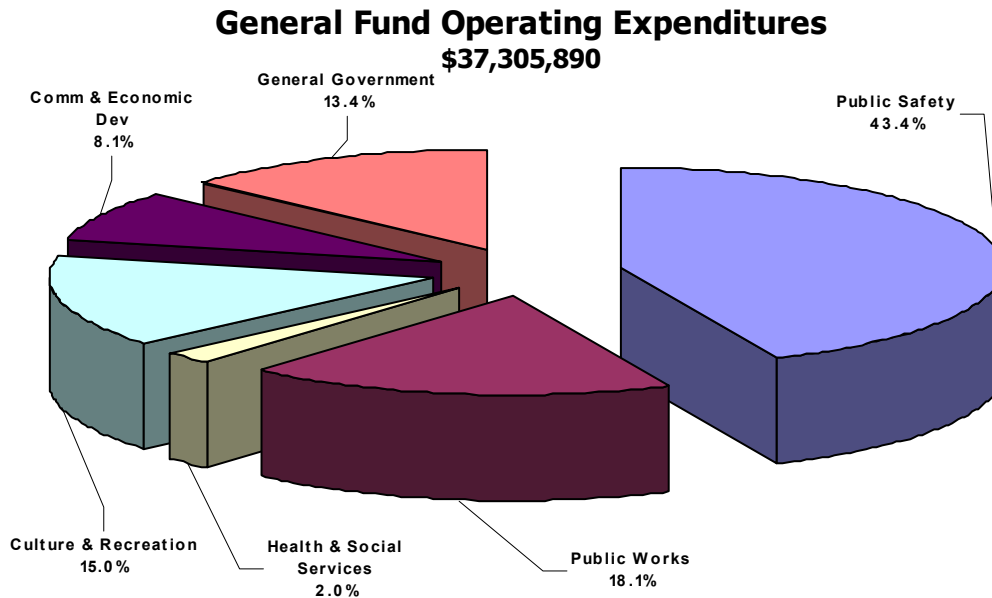
State regulations require that revenue be placed in one of the revenue categories specified above; if there is not a perfect fit to one of the categories listed, the revenue is then placed in a miscellaneous category.

	ACTUAL FY 2003-04	ACTUAL FY 2004-05	REVISED BUDGET FY 2005-06	BUDGET FY 2006-07	INC(DEC) FY 2006-07 OVER FY 2005-06	% INC (DEC)
<u>Miscellaneous</u>						
Traffic/Court Fines	\$94,219	\$127,690	\$100,000	\$100,000		
Parking Violations/Fines	36,375	24,700	29,500	25,000	(4,500)	15.25%
Police - Accident Reports	12,243	18,035	10,000	15,000	5,000	50.00%
Human Services - Miscellaneous	9,293	6,481	5,200	5,200		
Sale of Magazine Ads	13,050	37,900	31,250	45,000	13,750	44.00%
Library -Miscellaneous	70,587	71,708	73,100	67,100	(6,000)	8.21%
Sales Tax Refunds	432,808	122,686	44,000	50,000	6,000	13.64%
Unanticipated/Miscellaneous	82,068	177,895	215,850	134,000	(81,850)	(37.92%)
Total Miscellaneous	\$750,643	\$587,094	\$508,900	\$441,300	(\$67,600)	(13.28%)



Expenditure Highlights

General Fund operating expenditures for FY 06-07 are projected to increase by approximately 8.45% over FY 05-06. The primary reason for this increase is the projected increase in personnel services. This increase includes the pay increases for existing staff as well as the additional employees approved by the Mayor and City Council.



Public Safety

One of the principle functions of the City of West Des Moines is to safeguard and protect the lives, health, and property of its citizens. The FY 06-07 budget continues the City's longstanding tradition of providing public safety services that are second to none. Public Safety represents the largest appropriations category, accounting for over 43% of the General Fund budget. Included in this category are appropriations for Police, Fire, Emergency Medical Services and WestCom.

Supplemental Requests include:

- Five replacement squad cars have been included at a cost of \$117,500.
- \$25,000 is allocated for the purchase of miscellaneous capital items which may include mobile data computers, LED squad car light bars, in-car video cameras, in-car printers, in-car bar scanners and tasers; the specific purchases will be determined by Police department staff."The addition of twelve full-time fire fighters, which will allow for three out of five public safety facilities to be staffed with full-time fire fighters 24 hrs. per day/7 days a week.
- \$75,000 is recommended for miscellaneous equipment purchases yet to be determined by Fire department staff.
- Also included in the proposed document is the hiring of three additional full-time paramedic specialists.
- The EMS department has also been allocated \$25,000 for miscellaneous equipment; the specific items to be purchased are yet to be determined.

Public Works

The Department of Public Works provides services through two internal divisions: Operations and Engineering. The Operations Division addresses street and sewer maintenance, street cleaning, drainage facilities, City building and equipment maintenance, snow removal, street and sewer repair, dust control and mosquito spraying. The Engineering Division addresses the design and construction of new roads and sewers, review of subdivision plats, traffic engineering and oversees the construction and contract administration for all public improvements in the City. Their mission is to provide first class operations, maintenance, repair, engineering, and construction services for all City public infrastructure and improvements. Public Works constitutes 18.1% of the General Fund budget.

Supplemental Requests include:

- The addition of a new principal engineer for traffic analysis.
- \$50,000 for miscellaneous equipment; the specific items to be purchased are yet to be determined by Public Works staff.
- Additional funding necessary for two vehicle replacements is included in the amount of \$31,000.

Health & Social Services

West Des Moines Human Services has been assisting low-income, elderly, and disabled residents since 1979. We currently provide assistance to 1500 households (nearly 4000 individuals) in WDM and surrounding western suburbs. Human Services provides emergency assistance to households in need including food, clothing, transportation, emergency rent and utility assistance, subsidies for day care, and youth scholarships to eligible households.

Culture & Recreation

The Parks and Recreation Department operates and maintains twenty parks, two special use facilities, one natural resource area, a citywide greenbelt system, and 34.8 miles of multi-purpose trails. The department provides a wide variety of recreational services including operating a full service community center, softball complex, two outdoor aquatic centers, and nature lodge. Program areas include adult sports, aquatics, fitness, youth, seniors, and cultural arts.

Supplemental Requests include:

- Dog park maintenance is proposed to increase by \$6,000 to cover the cost of providing visitors with biodegradable waste bags and additional waste tank cleaning.
- Two seasonal maintenance workers have been added to assist on night and weekend shifts with shelter and rest room cleaning.
- Additional cleaning of portable toilets has been budgeted for \$3,000.
- \$3,500 is included to replace ten folding tables in the south dining room at the community center.
- \$1,000 has been included as additional funding necessary for vehicle replacements.



The West Des Moines Public Library provides access to informational, educational and recreational resources to the community, and encourages children to develop a lifelong appreciation for the rewards of self directed reading and learning.

Supplemental Requests include:

- An increase in library materials funding of \$35,000.

Community & Economic Development

The Community Development department works with the City Council, Plan and Zoning Commission, and the Board of Adjustment to address development and construction needs within the community. The department is comprised of two divisions, Planning and Building Inspection.

Supplemental Requests include:

Funds to add an associate planner position; this position will assist with addressing, planning and technology issues.

General Government

It is the responsibility of the City Manager's Office to provide the overall direction for the City organization in accordance with policies established by the City Council. Other responsibilities are to assure that the City operations are conducted economically, efficiently, and effectively and that the Council and citizens' concerns are addressed. This office also develops recommendations to the City Council for changes in programs, operations, and policies. In addition, the City Manager prepares a recommended annual budget for the Council's consideration. Other departments in the general government area are Administrative Services, Legal, Human Resources and Information Services.

Supplemental Requests include:

- The proposed supplemental request listing includes two items from the Human Resources department. First, \$37,450 is recommended to implement a more formalized Wellness program. With the recent increase in health insurance costs the intent of the program is to reduce health benefit expenditures while increasing employee productivity and improve health. Second, \$2,000 is included to fund the City's on-going commitment to the quality initiative by providing training and recertification for the City's quality trainers.
- A position upgrade is included for an end user support specialist in the Information Services department.
- Included in the proposed supplemental request listing are two items for the Administrative Services department. First, a position upgrade is proposed for the part-time accounts payable clerk. As the City has grown so have the number of invoices processed by this position, \$5,000 would allow this position to go from half-time to three-quarter time status. Second, \$3,000 is budgeted for a laser check printer. With the Human Resource Information System (HRIS) project, it is anticipated that the City will make the switch to laser payroll checks.



Ending Fund Balance

One measure of a City's financial strength is the level of fund balance, i.e. accumulated revenues in excess of expenditures. For the City to operate from July 1 through October 10th, when we receive our first substantial payment, a 25% fund balance is necessary. The 25% level is strongly recommended by rating agencies Moody's and Standard & Poor's, both firms cited the importance of ample reserves in their most recent ratings of Aa1 and AAA respectively. Staff estimates, when all anticipated expenditures and transfers are accounted for, the City's unrestricted cash balance or fund balance, will be \$9,369,511 at June 30, 2007, which is approximately 25% of FY 06-07 operating expenditures.

General Fund Balance
As of June 30,

