

**FINANCE
COMMITTEE
06.27.2024**

CITY OF FAIRBANKS, ALASKA
General Fund Long-Range Financial Projections

	<u>2024 Budget Original</u>	<u>2024 Budget Amended</u>	<u>2025 Projected Budget</u>	<u>2026 Projected Budget</u>	<u>2027 Projected Budget</u>	<u>2028 Projected Budget</u>	<u>%</u>
Revenue							
Taxes	\$ 27,755,026	\$ 27,755,026	\$ 28,448,902	\$ 29,160,125	\$ 29,889,128	\$ 30,636,356	2.5%
Charges for services	6,809,500	7,199,500	7,307,493	7,417,105	7,528,362	7,641,287	1.5%
Intergovernmental	2,920,580	3,506,620	3,524,153	3,541,774	3,559,483	3,577,280	0.5%
Licenses and permits	2,202,760	2,380,260	2,404,063	2,428,104	2,452,385	2,476,909	1.0%
Fines and forfeitures	551,000	551,000	551,000	551,000	551,000	551,000	0.0%
Interest and penalties	1,665,000	1,915,000	1,119,250	1,063,288	1,010,124	959,618	-5.0%
Other revenues	363,559	463,544	370,000	370,000	370,000	370,000	0.0%
Total revenues	<u>42,267,425</u>	<u>43,770,950</u>	<u>43,724,861</u>	<u>44,531,396</u>	<u>45,360,482</u>	<u>46,212,450</u>	
Expenditures							
Mayor	780,030	968,030	997,071	1,026,983	1,057,792	1,084,237	2.5%
Legal	247,350	247,350	254,771	262,414	270,286	277,043	2.5%
City Clerk	613,905	613,905	635,392	657,631	677,360	694,294	2.5%
Finance	1,041,900	1,041,900	1,078,367	1,116,110	1,149,593	1,178,333	2.5%
Information Technology	2,615,117	2,698,877	2,833,821	2,975,512	3,124,288	3,280,502	5.0%
General Services	6,835,000	6,975,000	7,323,750	7,689,938	8,074,435	8,478,157	5.0%
Police	8,515,530	8,556,919	8,813,627	9,033,968	9,259,817	9,491,312	2.5%
Communications Center	3,523,770	3,523,770	3,629,483	3,720,220	3,813,226	3,908,557	2.5%
Fire	9,834,320	10,112,832	10,416,217	10,676,622	10,943,538	11,217,126	2.5%
Public Works	10,164,325	10,209,625	10,618,010	10,936,550	11,264,647	11,546,263	2.5%
Engineering	1,130,170	1,190,170	1,231,826	1,274,940	1,313,188	1,346,018	2.5%
Building	791,590	827,890	856,866	886,856	913,462	936,299	2.5%
Total expenditures	<u>46,093,007</u>	<u>46,966,268</u>	<u>48,689,201</u>	<u>50,257,744</u>	<u>51,861,632</u>	<u>53,438,141</u>	
Excess (deficiency) of revenues over expenditures	(3,825,582)	(3,195,318)	(4,964,340)	(5,726,348)	(6,501,150)	(7,225,691)	
Other financing sources (uses)							
Transfers in	5,679,938	5,666,085	5,850,000	5,904,000	5,895,000	6,120,000	3.8%
Transfers out	(464,800)	(7,464,800)	(343,400)	(346,834)	(350,302)	(353,805)	1.0%
Sale of capital assets	50,000	50,000	50,000	50,000	50,000	50,000	0.0%
Total other financing sources (uses)	<u>5,265,138</u>	<u>(1,748,715)</u>	<u>5,556,600</u>	<u>5,607,166</u>	<u>5,594,698</u>	<u>5,816,195</u>	
Net change in fund balances	1,439,556	(4,944,033)	592,260	(119,182)	(906,452)	(1,409,496)	
Fund Balance - beginning	20,501,247	20,501,247	15,557,214	16,149,474	16,030,292	15,123,840	
Fund Balance - ending	<u>\$ 21,940,803</u>	<u>\$ 15,557,214</u>	<u>\$ 16,149,474</u>	<u>\$ 16,030,292</u>	<u>\$ 15,123,840</u>	<u>\$ 13,714,344</u>	
Percent Change in Fund Balance	7%	-24%	4%	-1%	-6%	-9%	

GENERAL FUND LONG-RANGE FINANCIAL PLAN OVERVIEW 2024-2028

Revenue Assumptions

The following revenue assumptions are reflected on the General Fund Long-Range Financial Projections:

- ❖ Tax receipts are projected to increase annually by 2.5% due to consumer price index, new construction, and assessed value changes.
- ❖ Charges for services are projected to increase annually by 1.5% due to increases in fees and contractual changes.
- ❖ Intergovernmental revenues are projected to increase by .5% annually due to the addition of SEMT Funds, the declines in State revenue are reducing the impacts of this new revenue source.
- ❖ Licenses and permits are projected to increase 1.0% annually due to an increase in commerce.
- ❖ Fines and forfeitures are projected to remain the same due to limited public safety staff that generate most of the fees.
- ❖ Interest and penalties are projected to decrease annually by 5.0% based on interest rate forecasts and reduction of interest income associated with the capital fund account.
- ❖ Other revenues are projected to remain static due to revenue contracts that extend beyond 2028.

Expenditures Assumptions

The following expenditures assumptions are reflected on the General Fund Long-Range Financial Projections based on the current collective bargaining agreements and projected consumer price index:

- ❖ Mayor and Legal had a projected increase of 3.0% for 2025 to 2027 and 2.5% for 2028.
- ❖ Clerks, Finance, Engineering, and Building had a projected increase of 3.5% for 2025 to 2026, 3.0% in 2027, and 2.5% for 2028.
- ❖ IT and General Government had a projected increase of 5.0% for 2025 to 2028.
- ❖ Police, Communications Center, and Fire had a projected increase of 3.0% for 2025 and 2.5% for 2026 to 2028.
- ❖ Public Works had a projected increase of 4.0% for 2025, 3.0% for 2026 to 2027, and 2.5% for 2028.

Other Financing Sources (Uses) Assumptions

The following other financing sources assumptions are reflected on the General Fund Long-Range Financial Projections:

- ❖ The transfers from the permanent fund are based on Fairbanks General Code and projections provided by the investment manager. Additional transfers to the capital fund per Fairbanks General Code for ambulances and garbage trucks had a projected increase of 1.0%.
- ❖ Sales of capital assets are projected to remain static.