

Mayor's Budget Message

Fiscal Year 2019-2020

TO: Councilors and Residents of Tahlequah

The upcoming FY 2019-2020 annual budget of the City of Tahlequah is a bit different than those in the recent past in format. However, as in earlier years, the budget includes significant components that reflect our efforts to provide quality services while following good economic practices.

The budget presented contains the following highlights:

- Sales Tax Revenue reflects an estimated increase in tax receipts of 3% in the General Fund. At the same time, the 2009 Bonds will mature in September 2019, so tax collections to support repayment of those bonds will cease. There is a significant decrease in Sales Tax Revenue as a result.
- Raises of 3% are proposed for most full-time positions. The FOP contract negotiation continues, which means that a budget modification will be required when agreement is reached.
- This budget includes no new position requests. Salaries and Benefits within the General Fund are 89.3% of General Fund Revenue. For the budget as a whole, Salaries and Benefits are 79.5% of Revenue, excluding flow-through receipts for the Bond Funds.
- Transfers from the General Fund for grants and other obligations total \$617,619.
- Lease and other required expenditures total \$281,297. Required purchases include a new Emergency Siren and Fire Fighter FIT Testing.
- Budget for capital purchases and expenditures includes only those items that are critical to continued provision of good service and safety, keeping our priority of street repairs and trails/sidewalk development intact.
- Net Before Cash Reserve reflects the difference between projected revenue and projected expense.
- As is always the case, any deficit in any fund will require the use of Cash on Hand and Cash in Reserve to support operations. The total Estimated Cash Reserve of the City is \$7,296,719, which includes \$2.8 million invested in CD's. Great effort has been made to minimize the use of Cash Reserve.

While we have a belt-tightening year ahead, the City of Tahlequah is not broke. Our revenue will continue to increase as the city grows. We will be cautious with our expenditures and commitments as we reduce the need for Reserve funding. As we move through the coming year, we will be watching our finances carefully and modifying the budget mid-year if change is warranted.

Sue Catron, Mayor of Tahlequah