

2020 Budget

Background

The FY 2020 Budget reflects a commitment by the City, which was ratified by Westwood voters in May 2018, to provide increased funding levels for needed city infrastructure improvement projects. In 2019, over \$3 million in capital projects are being constructed in Westwood. \$3,410,000 in General Obligation Temporary Notes, Series 2019A were issued in March of 2019 to pay for these construction costs. Final General Obligation Bonds will be issued in early 2020 to retire the temporary note, and pay for these needed capital projects over a longer period of time. The proposed FY 2020 Budget reflects the first and subsequent bond payments for these projects.

Starting with the FY 2020 budget, several different revenues sources will be utilized in the Debt Service Fund for expenditures. The revenue stream for the Debt Service Fund is being structured into multi-funding approach as a means of diversifying future funding source risks to the City. The proposed FY 2020 Budget includes \$14,812 of ad valorem property tax revenues specifically for the Debt Service Fund, which equates to a 0.5 mill rate based on the June 15th preliminary valuation estimate for Westwood. The proposed FY 2020 Budget also includes \$15,000 in General Fund revenue transfers into the Debt Service Fund. Altogether, this equates to about 1 mill of property tax revenues going into the fund. Revenue from the city's special ½-cent sales tax will be transferred from the Capital Improvement Fund to service part of the final bond debt payments. Storm Water Utility Funds will also be transferred into the Debt Service Fund to pay for Debt Service Fund expenditures.

The proposed FY 2020 Westwood city budget also continues to sufficiently fund daily operational expenses for desired city services, while addressing other long term expense matters, like on-going staff compensation needs. The proposed FY 2020 Budget is based on a conservative estimate of anticipated on-going revenue sources, and it proposes to hold the overall Ad Valorem tax mill rate level at 21.307 – 0.5 mills for the Debt Service Fund, and 20.807 for the General Fund.

Mill Rate / Ad Valorem & Other Revenues

The proposed FY 2020 Budget calls for the overall mill level to be maintained at a rate of **21.307** mills for FY 2020. The amount of Ad Valorem Tax revenue (property tax) anticipated to be collected will increase from the \$584,532 amount approved in the city's FY 2019 Budget, to a proposed **\$631,183** for FY 2020 Budget.

Utilizing the same overall 21.307 mill rate, or a 20.807 rate for the General Fund will generate a net amount of about \$587,622 in Ad Valorem Tax revenue for the 2020 General Fund budget, after Westwood’s share of Woodside Village TIF increment property taxes is allocated. \$616,371 is the FY 2020 budgeted total Ad Valorem General Fund revenues, including Westwood’s share of the Woodside Village TIF property taxes.

General Fund Expenditures

The proposed FY 2019 budget is based on 16-full time staff positions (FTE) – 9 in the Police department, 3 in Administration, and 4 in Public Works and includes a budgeted pool amount for salary increases.

Woodside Village TIF

The 2019 increment valuation for the Woodside Village Tax Increment Financing (TIF) district reflects that the construction of this mixed-use project is mostly complete. The increment valuation within the Woodside Village TIF District is included in the city’s total real estate valuation amount in estimating the city’s mill levy rate for FY 2020.

For the 2019 property tax budget cycle, **\$2,788,967** of assessed increment real estate valuation from both the Woodside Village North project and from the Woodside Club properties will be captured by TIF District. 100% of the increment property tax revenues collected from the properties within the Woodside Village TIF district will be deposited into the Woodside Village TIF Fund.

Supporting Documents

2020_budget.pdf 3.37 MB