

Budget Highlights

Total Budget: \$76,902,000 down \$6,272,800 from the amended 2016 budget due in large part to the substantial completion of the **final phase of improvements at the wastewater plant**.

Operating Budget is 24,856,300. The **General Fund** has a **\$209,600 Contingency** for unforeseen items.

Street maintenance, reconstruction, and new construction totals **\$5,463,700**, which **includes an additional \$100,000 from power franchise fees shifted from the general fund to streets**, \$125,100 in additional gas tax, and a large carryover from prior years.

Major street projects: reconstruct **center street from Main to 1st S**, reconstruct **5th West from 1st S to 4th S**, reconstruct **4th W from Main to 1st N**, and a **new traffic signal at 7th S/University** along w/other traffic signal upgrades. (pg. 2)

Property tax revenues increased about **\$232,900** to a **total of \$4,314,400**. The current City property tax levy rate is at **\$429 per \$100,000 of taxable value**, which is still one of the lowest for most cities in southeast Idaho and other similar size cities. (pg. 4)

Six new full-time personnel are funded (After removing 2 from the adopted budget) in: public works (3), Fire (2), Mayors Office.

There will be no **Increases in utility rates**. (pg. 4)

Major construction projects: (pg.3)
Water facilities: \$9,973,500 funded by operating reserves and a loan from the DEQ; **Wastewater treatment plant:** \$2,000,000, funded with current operating and capital reserves; **Baseball/softball fields:** \$1,600,000.

Mission Statement

As employees of the City of Rexburg, our goal is to **improve** the community.

We **serve** the citizens by striving to understand their needs and by responding with **quality work**.



CITY OF
REXBURG
America's Family Community



2017 Budget in Brief

October 2016 through September 2017

BUDGET PROCESS

Mayor's Recommended Budget

April through May

The Mayor recommends funding levels for employee wage and benefit cost increases to the City Council to base the new budget on with help from the Chief Financial Officer (CFO) and staff. The Mayor holds budget review meetings where three members of the Council are invited to participate with each Department Head and applicable Supervisors in the preliminary approval and cost cutting in their departments. If necessary, after all departments are reviewed, the Mayor and CFO will meet with Department Heads individually or collectively in a final review of the General Fund in order to prepare a recommended list of cuts in expenditures, so that the total expenditures equal the estimated revenue to be available in that fund.

City Council Budget Review and Development

June through August

The City Council reviews and discusses the Mayor's recommended budget and recommends changes. The City Council then approves the Tentative Budget and Estimated Revenues, including recommended utility fee increases, and sets a date and time for the public hearing on the budget and fee increases (if necessary), which are then advertised in the local newspaper. The budget and fee increases are then presented at the hearings and further decreases (not increases) in the budget amounts can be made at that time or until the budget is approved. The fee increases are usually approved at the hearing, but usually are not effective until the beginning of the new fiscal year, which starts October 1.

City Council Budget Adoption

September

The final budget is approved by the City Council upon the third reading and adoption of the Appropriation Ordinance, which must be completed by the first week in September.

THE CITY'S FUNDS

The accounts of the City are organized into funds. A fund is a group of related accounts used to control money that has been earmarked by the City Council or by State law for specific activities or objectives. About 86 percent of the City's revenue is dedicated for a specific use. That means, for example, that the city may not raise water bills to pay for Recreation Programs. This also means that, of the City's nearly \$77 million budget, most of the flexibility in spending occurs only with the City's \$10.8 million General Fund budget.

EXPENDITURES & REVENUES - CITYWIDE

EXPENSES

Public Works

The Public Works Departments account for 47% (\$36.1 million, most of which is for capital projects) of the City's total budget. This budget funds 42 full-time positions. The main tasks of Public Works include: offering safe transportation by maintaining streets and pathways; offering high-quality drinking water by managing the water and sewer systems in the city; collecting and disposing of garbage and recycling, and overseeing various city construction projects. Public Works includes the Sanitation, Water, Wastewater, Streets, Shop, and Engineering Departments.

Administrative Departments

The Administrative Departments account for 4.4% (3.38 million) of the City's total budget. This budget funds 24 full-time positions. The administrative departments include: Mayor & Council (the Council is part-time), Customer Service, Financial Management, Human Resources, Technology Coordination Services, Economic Development, Legal, and Geographic Information Systems. The general fund contingency and other miscellaneous budgeted amounts are also included in this total budget.

Community Development

The Community Development Department accounts for about 2.4% (\$1.85 million) of the City's total budget. This budget funds 8 full-time positions. Community Development services all planning, zoning, building permits, and inspections.

Parks, Recreation, Golf and Cultural Arts

These Departments account for 6.4% (\$4.93 million) of the City's total budget. This budget funds 5 full-time positions and includes some budget for construction and remodel of facilities.

Police, Fire, and Ambulance

The Police, Fire and Ambulance Departments account for 13% (\$10 million) of the City's total budget. This budget funds 40 full-time Police officers and staff, and 19 Fire and Ambulance personnel. Madison County Ambulance District and the Madison County Fire Protection District share in the funding of the Fire and Ambulance services with the City of Rexburg, which provides some of the most efficient and effective funding of these services in the State of Idaho.

REVENUES

Property tax is a major source of revenue for the City. Of the total property tax bill you pay each year, only 25% of the total goes to fund the services provided by the City. See page 4.

Fund Balance Carryovers include \$1.46 million in sewer funds, \$3.35 million in water funds, and \$1 million in street funds that will all be spent on new water wells and storage tanks, water and sewer line extensions, sewer treatment plant improvements, and the repair and construction of streets. These funds are invested safely until used.

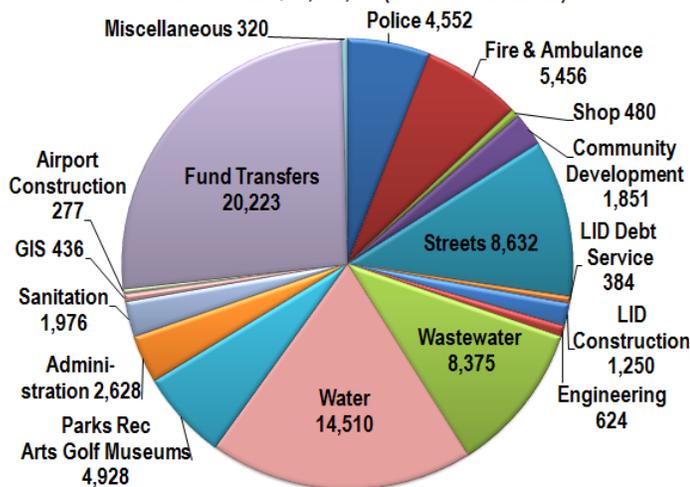
State Shared Revenue is money that comes from the State of Idaho as a share of sales tax, gas tax, and liquor tax. The City's share is calculated on a different formula for each type of tax, using population, property valuations, and other factors.

FUND TRANSFERS & SUBSIDIES

Fund Transfers/Subsidies are the transfers from one fund to another. For example, the Wastewater Capital Reserve Fund will transfer money to a construction fund to do a sewer project. Transfers must be budgeted, but are not a cash increase or decrease overall.

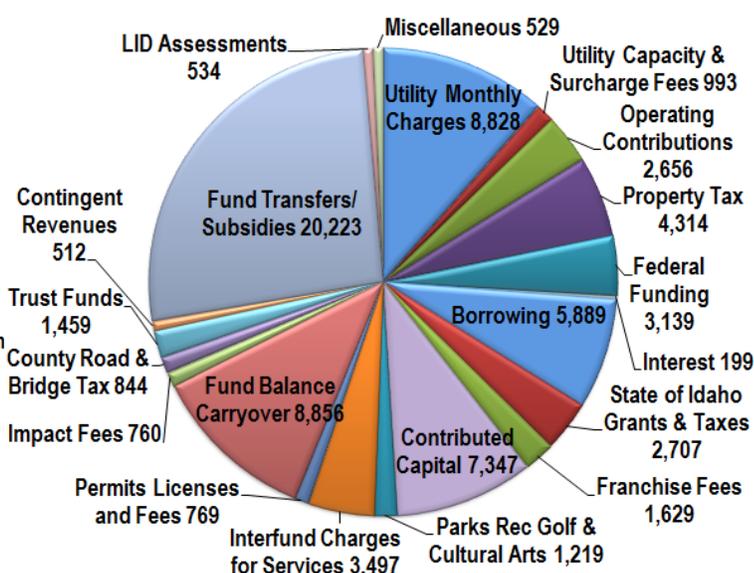
Total Expense Budget

FY 2017 Total: \$76,902,000 (below in thousands)



Total Revenue Budget

FY 2017 Total: \$76,902,000 (below in thousands)

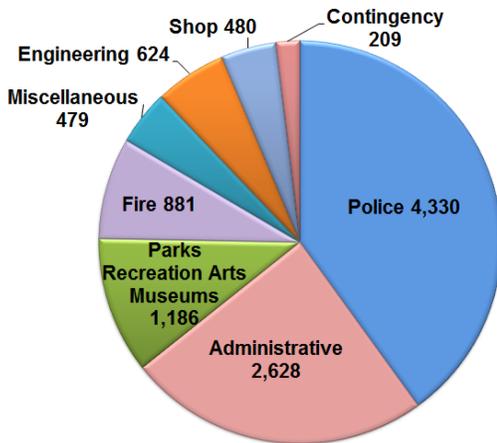


GENERAL FUND

The fund where the City has the most discretion in spending is the General Fund. The major sources of funding include property tax, state shared sales tax, franchise fees, and administrative overhead charges to other funds. The General Fund Budget is \$10.8 million, which is about 14% of the citywide budget. Below is a more detailed look at the General Fund. All revenues are generally very limited; therefore, increasing funding on one project or department will usually require reducing funding for others.

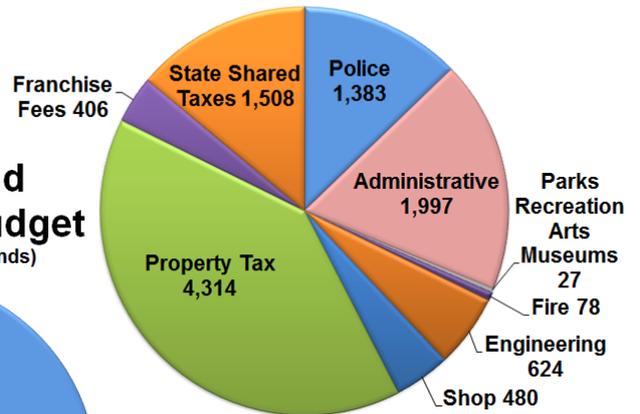
General Fund Expense Budget

FY 2017 \$10,816,700 (below in thousands)



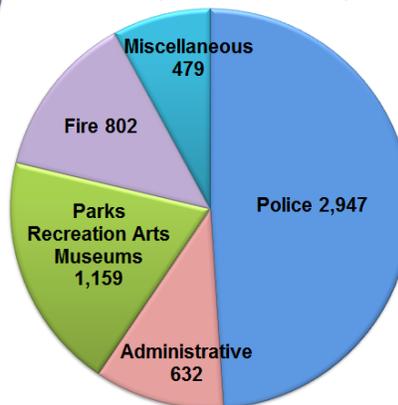
General Fund Revenue Budget

FY 2017 \$10,816,700 (below in thousands)



General Fund Tax Subsidy Budget

FY 2017 (below in thousands)



CAPITAL IMPROVEMENT PLAN

Every year, the City adopts a **Capital Improvement Plan** for the next five years. Capital improvements include any one-time expenditure over \$5,000 in the form of equipment or construction.

Major utility construction projects include a **major upgrade to our water facilities**, which will provide needed production, storage, and delivery capacity to meet the current water demands and future water demands as our population grows. The water upgrades will be funded with a combination of operating reserves and a loan from the Department of Environmental Quality (DEQ) of up to \$11,100,000, which includes **principal forgiveness of up to \$2,211,300**. We project to spend over \$12,000,000 on the water improvements over two years and complete these projects by the end of the calendar year 2017. A final phase at the wastewater treatment plant to eliminate odors, add new capacity, and help with the disposal of the bio-solids will continue. A new process of pasteurization will bring our end product to a Class A. The wastewater improvements should be completed by the end of the calendar year 2016.

The **Airport Relocation Master Plan Study** will continue through 2017 and will help determine the future airport needs and projects. Projects are funded approximately 90% by the FAA, up to 5% by the State of Idaho, and the rest by the City and the County. The City is setting aside reserve funds to meet their portion of any match if a final decision to relocate the airport is made. The city projects to have \$535,000 of reserve set aside by the end of Fiscal Year 2017.

The City has budgeted **\$1,600,000 to construct a new baseball/softball quad** at Community Fields and the projected completion date of this project is Fall 2017. Funding from the Urban Renewal Agency and the Parks Impact fees will help make this project possible. \$170,000 is also budgeted from Park Impact fees for the **lighting of 1 field at Riverside Park**.

In the **Community Safety Lighting Fund**, a project to light center street downtown is budgeted.

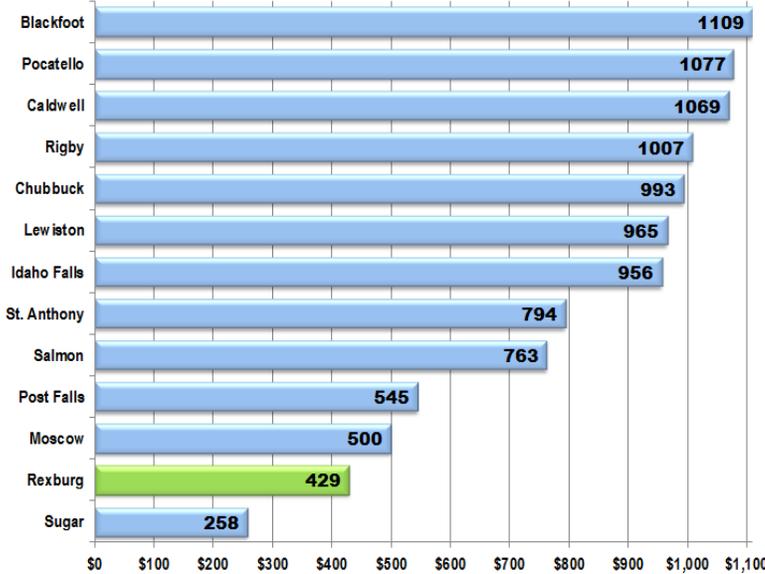
DEBT SERVICE AND BONDS

Currently the City has no general obligation bonds outstanding. In December of 2010, it sold \$10 million in **Sewer Revenue Bonds** at an average 3.2% interest rate, which will be paid back over 15 years from monthly sewer user revenues and new construction capacity fees. **The current balance owed is \$6,525,000**. The City also has **\$315,000 in Local Improvement District (LID) Warrants**, which are not a general obligation of the City, but are a lien on individual properties for needed improvements that have been made on or next to those properties. The City usually creates an LID each year to support needed private improvements, such as sidewalks and curb and gutter, along a street that needs other public improvements and periodically sells interest bearing warrants to cover that LID. As mentioned above, the City is expecting to receive in 2017 a **DEQ loan for water upgrades** at an interest rate of 1.75% for up to 30 years and a **total repayment obligation of up to \$8,888,700**.

PROPERTY TAX BREAKDOWN & COMPARISONS

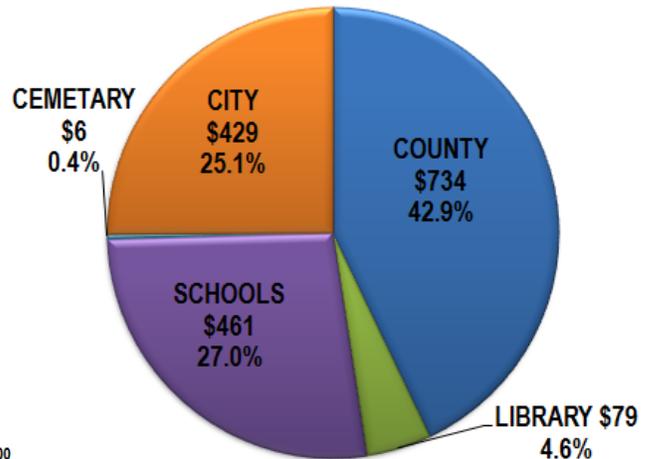
Your property tax dollars paid to the City of Rexburg are generally dedicated to Police and Fire services, because they are less than the budgets of those departments. The total estimated property tax for the City in this fiscal year is \$4,314,400, which equals 25.1% of each city resident's total tax bill. Here are some comparisons of 2015 levies (received in FY 2016) with other entities. This year's levies are very similar in comparison.

2015 Property Tax Levy per \$100,000 Value



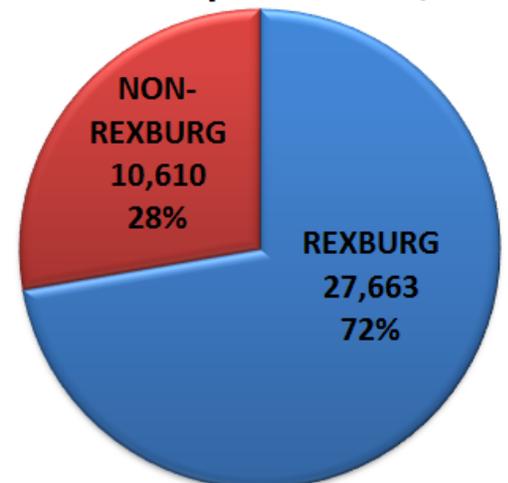
Where do my 2015 Property Taxes go if I live in the City of Rexburg?

Total \$1,709 per \$100,000 Taxable Value

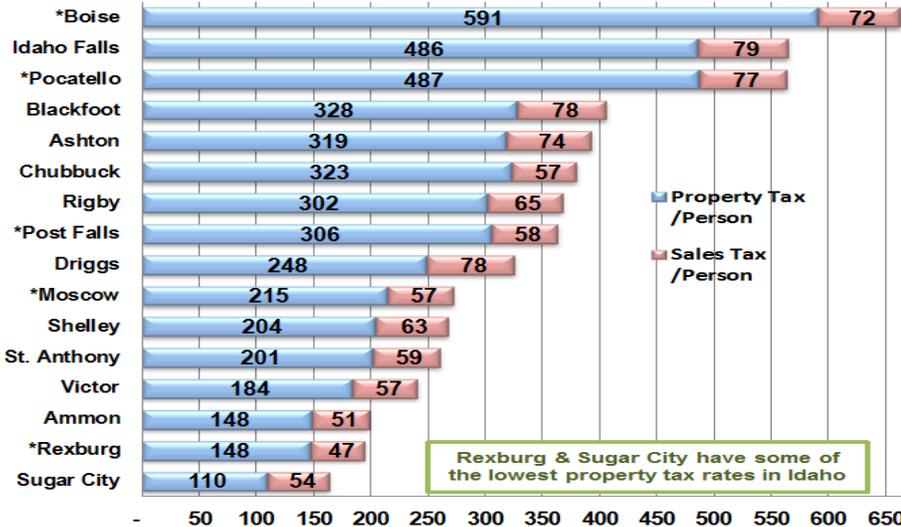


2015 Madison County Census Population 38,273

Census Population 38,273



How does Rexburg compare in 2016 City Property & Sales Tax Revenues Per Person (*University City)



UTILITY RATES

The City charges for utilities: water, sewer, garbage/recycling and community safety lighting. In this budget, utility rates for an average home will not increase.

REXBURG RESIDENT -SAMPLE BILL

3/4 Inch Meter	AVERAGE	OLD	NEW	INCREASE	INCREASE
SEWER (Gallons x 1000)	6	35.06	35.06	0.00	0.0%
WATER (Gallons x 1000)	19	27.80	27.80	0.00	0.0%
GARBAGE	90 G Weekly	20.54	20.54	0.00	0.0%
LIGHTING	1	1.65	1.65	0.00	0.0%
TOTAL		85.05	85.05	0.00	0.0%

If you have any questions about any of the material presented in this brochure, please call the Mayor or Chief Financial Officer at 208-359-3020 or email us at finance@rexburg.org or visit or write us at 35 North 1st East, Rexburg, Idaho 83440.

For more information you can also visit us online at www.rexburg.org.