

2017 Five Year Financial Plan



Based upon our projections of revenues and expenditures, using historical data and other known factors, this financial plan was prepared using the following assumptions, considerations and recommendations.

Assumptions

- 2.5% annual sales tax collection growth in 2017, 2.0% in 2018 and 1.0% for years 2019-2021
- Assessed valuation increase of 5% for 2018 due to the Kansas Crossing Casino, the Hampton Inn Hotel, the La Quinta Hotel and the Tractor Supply Store
- 0.25% growth in assessed valuations for years 2019-2021
- Gaming revenue from the new Kansas Crossing Casino is projected at \$255k in 2017 and \$375k for years 2018-2021
- All other revenues project minimal growth
- Health Insurance costs have risen historically at an average rate of 5% annually therefore projecting a 5% increase for years 2017-2021
- Retirement costs and worker's compensation insurance will continue to increase
- Utility rates continue to rise (electricity will increase 5% in years 2017-2021)
- Property and liability insurance will continue to increase at an average rate of 3% annually

Considerations

- Increase revenues incrementally
- Monitor and control expenditures
- Increase reserves
- Continue to practice long term planning
- Make data driven decisions

Recommendations

- 2.0% salary increase in 2019 and 2021; no salary increase in 2018 or 2020
- No change in the General Fund mill rate for years 2018-2021
- Minimal changes to the Debt Service Fund mill rate for years 2018-2021
- Increase utility rates by 1% annually for years 2018-2021

Staff will continue to review the City's financial position each year and make recommendations to the Five Year Financial Plan for your consideration.