

2018 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. Staff will continue to review the City's financial position each year and make recommendations to the Five Year Financial Plan for your consideration.

Assumptions

- 2.0% annual sales tax collection growth in 2018 and 2019 and 1.0% for years 2020-2022
- Assessed valuation increase of 0.25% for years 2019 thru 2022
- Gaming revenue from the Kansas Crossing Casino is projected at \$325k in 2018 and \$335k for years 2019-2022
- All other revenues project minimal growth
- The City's Health Insurance costs will increase 3.3% annually based on the City's last seven years average
- Retirement costs will continue to rise with a 0.6% KPERS increase and a 2.54% KPF increase in 2019, one-half percent increases per year are projected for both KPERS and KPF in years 2020-2022
- Worker's compensation insurance will continue to increase at a rate of 3% annually
- Electric utility rates will continue to rise
- Property and liability insurance will continue to increase at an average rate of 3% annually
- Contractual and Commodities expenses are projected to increase 2.5% annually for years 2020-2022

Considerations

- Adjust revenues based upon historical trends
- Monitor and control expenditures
- Maintain minimum reserve levels
- Continue to practice long term planning
- Make data driven decisions

Recommendations

- 1% cola increase in years 2019-2022
- 2.0% merit increase in years 2019 and 2021
- Minimal changes to the Debt Service Fund mill rate for years 2019-2022
- Increase utility rates by 1% annually for years 2019-2022