

REVENUE DESCRIPTIONS, ASSUMPTIONS AND PROJECTIONS

The purpose of this section is to provide the reader with an understanding of the major revenue sources for the City of Sun Valley, how revenue projections are calculated and how the projections are used in budget preparation. Included in this section is information identifying and describing the City's major revenue sources and a discussion of underlying assumptions with accompanying schedules and graphs. The schedules and graphs, intended to further the reader's understanding, depict historical collections and budgeted, estimated and projected revenue.

Analysis of Revenue Sources

To make revenue projections as reliable as possible, a variety of forecasting techniques are used depending on the characteristic of the revenue source. Both qualitative and quantitative methods are employed. Qualitative forecasting methods are based on judgments or opinions, and are subjective in nature. They do not rely on any mathematical computations. Quantitative forecasting methods are based on quantitative models, and are objective in nature. They rely heavily on mathematical computations. In practice, most revenue projections combine several methodologies. The following techniques and methods are utilized:

- **Deterministic Techniques-** Mathematical techniques based on the concept that future behavior can be predicted precisely from the past behavior of a set of data. This method ignores the existence of disturbances or external 'shocks' that may alter the data's future pattern.
- **Informed/Expert Judgment** – A qualitative method of forecasting that relies on the experience and advice of staff members familiar with a revenue source.
- **Naïve Forecasting** – A qualitative forecasting method well-suited for revenue sources that are fairly stable from year to year, a typical time period can be easily determined, the historical relationship remains constant for the period being forecast and all relevant factors affecting the revenue source have been included in the forecast.
- **Estimates provided by the Association of Idaho Cities ("AIC")** – AIC provides estimates for State Shared Revenue and the Highway Distribution Account.

Long Range Financial Planning

The Mayor and City Council recognize long-range financial integrity and stability as a policy priority. Managing, monitoring and analyzing the City's revenues are key components of implementing the policy. Early in the budget process each revenue source is analyzed and the current fiscal year's actual revenues are estimated in order to form a basis for the next fiscal year's budgeted revenues.

General Fund

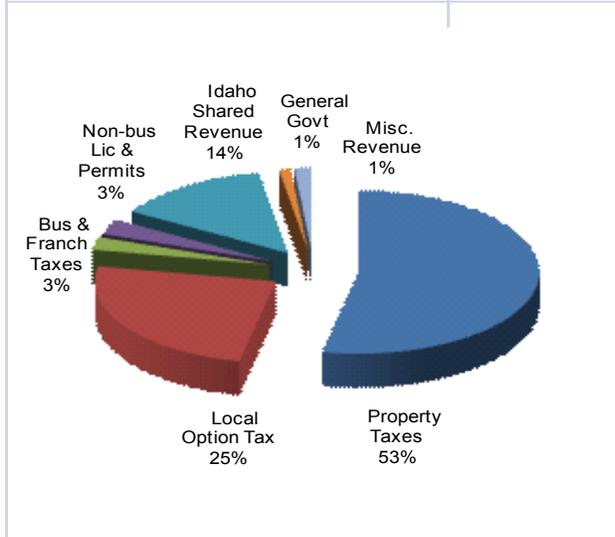
The General Fund is the City's primary operating fund and supports the City's key municipal services. Because of the significance of the General Fund, it is reviewed and presented discretely. The following two charts and graphs show the City's General Fund revenue sources and percentages represented by source for the FY 10 and 11 fiscal years. The amounts shown for FY 10 are estimated actual revenues whereas the amounts shown for FY 11 are budgeted revenues.

There is a difference between the two revenue calculations because during the year as revenue is collected; the amount of actual revenue is estimated. Actual revenue usually differs from budgeted revenue. During the year-end financial audit, the amount of actual revenue is determined. Budgeted, estimated actual and actual revenue is compared and used as a factor in budgeting revenue for future fiscal years.

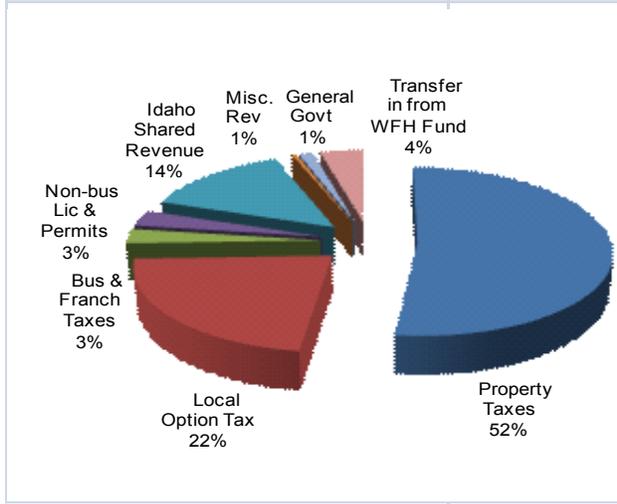
As shown in the graphs, the distribution of revenue among the variety of sources does not change significantly from year to year. However, the downturn in the economy in recent years has changed the relative distribution of revenue among the various revenue sources. Taxes currently represent a larger portion of revenues due to the decrease in revenue from other sources such as Business and Non-Business Licenses and Permits, Interest and Idaho Shared Revenue.

A factor to consider in reviewing historical General Fund revenue is that in FY 09 and in prior years property tax revenues were collected in funds other than the General Fund such as the Fixed Asset and Capital Improvement Fund. In FY 10 and in future years all property tax revenues will be received into the General Fund and the Debt Service Fund when necessary.

General Fund Estimated Actual Revenue FY 10	
Property Taxes	2,493,691
Local Option Tax	1,158,177
Bus & Franchise Taxes	117,884
Non-bus Lic & Permits	141,633
Idaho Shared Revenue	652,944
General Government	50,083
Misc. Revenue	70,414
Total	4,684,826



General Fund Budgeted Revenue FY 11	
Property Taxes	2,559,076
Local Option Tax	1,099,051
Bus & Franchise Taxes	136,000
Non-bus Lic & Permits	150,000
Idaho Shared Revenue	684,481
General Government	20,000
Misc. Revenue	66,100
Transfer in from WFH Fund	200,000
Total	4,914,708



It is the policy of the Sun Valley City Council to adopt a balanced budget while maintaining a fund balance within established policy (see the Budget and Appropriation Policy in this Budget Overview Section). A balanced budget requires that anticipated revenues equal the sum of budgeted expenditures for each fund. Revenues are derived from three sources: current revenue sources, new revenue sources and undesignated revenue carried forward from prior years (undesignated fund balances).

This policy is reflected in the difference in the presentation of revenue between FY 10 and FY 11. FY 10 does not show a transfer in from another fund as revenue, whereas a transfer in from the Work Force Housing Fund (“WFH”) is shown as revenue in FY 11. When preparing the budget, if a transfer from a fund balance is necessary to balance revenues and expenditures, the transfer will be shown as revenue. If the transfer is not necessary during the year, which can occur if actual revenues exceed actual expenditures, the transfer is not made. Additionally, during

the audit of the year-end financial statements the auditors may reverse the transfer of funds so that revenue is not counted twice as new revenue.

Taxes

The category of Taxes is comprised of property taxes, local option tax (“LOT”) and business and franchise taxes. Historically, taxes are the largest revenue source for the City representing approximately 63% of total revenues.

Property Taxes (Idaho Code § 63-802)

Revenue from property taxes is a relatively stable revenue source for the City. A qualitative forecasting method known as “Naïve Forecasting” is utilized to project property tax revenue. The Naïve Forecasting method is best suited for revenue sources like property taxes that are: fairly stable from year to year, a typical time period can be easily determined, the historical relationship remains constant for the period being forecast and all relevant factors affecting the revenue source have been included in the forecast.

Property Tax Determination

The amount of property tax is determined from the budget of the taxing jurisdiction. Many kinds of taxing jurisdictions exist in Idaho. Some, like cities and counties, levy taxes to provide a wide range of services. Others, like highways, schools, flood plain areas or fire protection districts, levy taxes for specific purposes.

Officials for each taxing jurisdiction determine the annual budget needed to provide the jurisdiction's services. The part of the approved budget to be funded by property tax (levy) is divided by the total taxable value of all properties within the jurisdiction (assessed valuation.) The result is the jurisdiction's tax rate. This rate, multiplied by the taxable value of a property, determines the amount of taxes paid by a property owner to that jurisdiction.

$$\text{Tax Rate} = \frac{\text{Levy}}{\text{Assessed Valuation}}$$

Each property is located within several independent taxing jurisdictions. A property tax bill includes taxes for all the jurisdictions where the property lies. The tax rate for a taxing jurisdiction is the same for all taxable properties within that taxing jurisdiction.

Property Taxes in Blaine County, Idaho

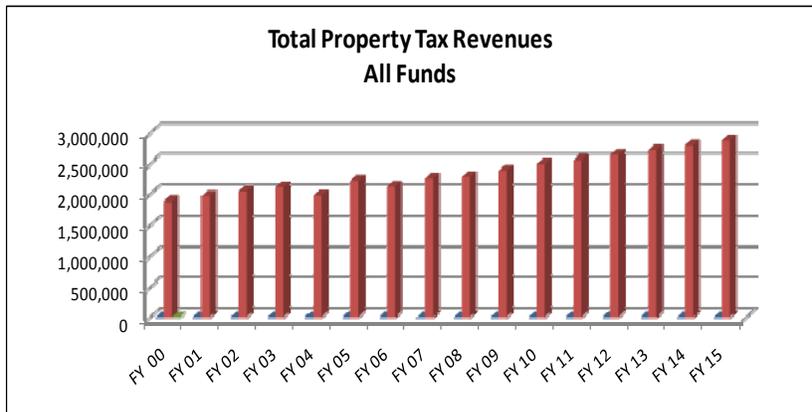
Blaine County divides the City of Sun Valley into 14 Code Areas. Depending on the location of property in the City in 2009, a Code Area had between 7 and 12 tax levies. The twelve tax levies within the City of Sun Valley in 2009, the associated levy rates and the percentage of the levy as a portion of the entire tax bill are set forth in the chart titled Sun Valley Tax Levies 2009. It should be noted that not all properties within the City of Sun Valley are subject to all twelve tax levies. For example, not all properties in Sun Valley are in the Ketchum Cemetery District or the Flood Plain Area #9.

Property Taxes in Sun Valley, Idaho

The City of Sun Valley has two tax levies identified in the chart below. First, the *SV City* tax levy is the annual property tax levied each year on all real property within the City. Second, the *SV Bond* is a tax levied on all real property in the City to repay a bond issue. The bond issue will be repaid in 2011 and, therefore, will no longer be levied. For real property subject to all twelve tax levies, the City's property tax levy represented less than 20% of a property owner's total property tax bill in 2009. Approximately 54% of property taxes paid by a property owner subject to all twelve levies in 2009 was paid to School District #61 and supported education. The remaining taxes paid went to the other taxing jurisdictions identified in the chart.

Sun Valley Tax Levies 2009		
12 Tax Levies	Levy rate	% of total
County	0.000722847	11.99%
Land, Water & Wildlife	0.000142500	2.36%
Ambulance	0.000133480	2.21%
Recreation	0.000085999	1.43%
SV City	0.000929414	15.42%
SV Bond	0.000233872	3.88%
School District # 61	0.003249762	53.90%
SV Water & Sewer	0.000260075	4.31%
SV Water & Sewer Bond 2004	0.000127497	2.11%
SV Water & Sewer Bond 2007	0.000127284	2.11%
Ketchum Cemetery	0.000007270	0.12%
Flood Plain Area # 9	0.000008964	0.15%
Total Tax Rate	0.006028964	100.00%

The graph titled Total Property Tax Revenues All Funds shows actual and projected annual property tax collections. These collections do not include taxes levied for the bond. The amounts shown for the years FY 00 through FY 09 are actual amounts collected. The amount for FY 10 is estimated actual and the amounts for FY 11 through FY 15 are projections. Property taxes historically represent approximately 33% of the City's total revenue. For FY 11, property taxes account for 52% of the City's total revenues.



Property Tax Assessment

Idaho law requires that all taxable property be assessed at fair market value each year. To do this, the county assessor develops valuation guidelines based on the sales prices of comparable homes in an area. Some factors that often influence what a buyer would pay for your home and land are: size, quality, age, condition, and location. The county assessor uses this information to estimate how much a buyer might reasonably pay for a home if it were to sell on January 1 of the current year.

The value of property may change each year depending on real estate market changes. An appraiser from the county assessor's office must visit property at least once in each five-year period. During the other four years, the county assessor will use information from property sales or from the inspections of other properties to estimate the current market value for property.

Tax Rates and Tax Caps

The City adopts its annual property tax levy in August of each year for revenues to be received in the following calendar year. The amount of the tax levy depends on the assessed valuation of the property and the tax rate. Tax rates are based on current levies, mills and percentages. One mill is equal to 1/1000 of a dollar or 1/10 of a cent. One mill (.001) is also equivalent to a tax rate of 1/10 of 1% (.001).

Idaho law sets a cap on the annual increase in the portion of a taxing district's budget funded by property tax. Cities may increase the property tax portion of the budget by up to 3% over the greatest of the previous three years plus an amount for new construction and annexation. The City of Sun Valley property tax collections has averaged 3% between FY 00 to FY 09. For purposes of projecting collection of property taxes in future years, a 3% increase is used for fiscal years FY 10 through FY 15.

The cap on property taxes does not limit the increase in the amount of an individual's property tax bill. If the market value of property increases while the other properties in the district decrease or do not change as rapidly, then a property tax bill may increase at a rate higher than 3%. The 3% allowable increase is based on the highest property tax budget for the prior three years. Additional property tax budget increases are allowed for taxing districts with new construction or annexation.

The property tax cap does not apply to the following funds:

- Bonds
- Plant facilities
- Voter-approved overrides and school supplemental levies
- Funds for refunds to taxpayers due to tax appeals
- Revenue from sources other than property tax
- School Emergency Funds

Homeowner Tax Relief

A homeowner can apply for an exemption on the value of an owner-occupied primary residence, including a manufactured home. The exemption applies to 50% of the value of the residence (including up to one acre of land) or \$100,938, whichever is less. Taxes are computed on the nonexempt value. A homeowner may also apply for this exemption on a home (not land) if the owner pays occupancy taxes.

When an application for homeowner tax relief is approved, the exemption is continuous as long as the owner owns and occupies the property. If the property is sold, the new owner must file a new application. No income or age restrictions exist, but an owner can qualify for an exemption on only one home at a time. An owner must own and occupy the home before April 15 of the current year and must apply for the exemption by April 15.

Homeowners may also qualify for a property tax reduction if they meet the income requirements and fit one of the following categories:

- Age 65 or older Widow(er)
- Blind
- Former POW
- Fatherless or motherless minor
- Qualifying disabled persons

Local Option Tax (“LOT”) (Idaho Code § 50-1044)

Local option taxation gives the authority to local voters to impose various forms of taxation on themselves. The statute provides the authority for resort city residents to approve and resort city authorities to adopt, implement and collect certain non-property taxes. The City of Sun Valley began collecting a Local Option Tax in 1990 after voter approval. A referendum was passed by Sun Valley residents in May 2007 which changed the amount of tax collected on certain items. The current collection rates are 3% on occupancy sales (lodging), food, beverage and liquor by the drink, golf memberships and green fees, auto leases and event admission sales; 2% on all other sales and 1% on ski lift tickets.

During FY 10 the Mayor and City Council devoted a significant amount of time to analysis and discussion of the reduction in revenue received through the City’s LOT. The analysis was conducted using constant (2009) dollars and revealed that sales tax revenue in Sun Valley is in a significant long-term decline. The data revealed that the City experienced declines in LOT revenue in each of the past eight years.¹

¹ Historic Analysis of Sun Valley and Ketchum Local Option Tax (LOT) Revenue and Benchmarking to Competitive Resort Economies, RA Youngman, January 2010.

City of Sun Valley LOT 2000-2009

The chart titled City of Sun Valley LOT 2000-2009 shows a cumulative percentage change (using 2001 as a basis) from 2000 to 2009 of a 23.47% decline. The graph titled Cumulative growth/decline of Sun Valley LOT revenue as a function of year demonstrates the 23.47% decline. The analysis concluded that the City of Sun Valley has lost millions in potential LOT dollars when adjusted for inflation over the past ten years.

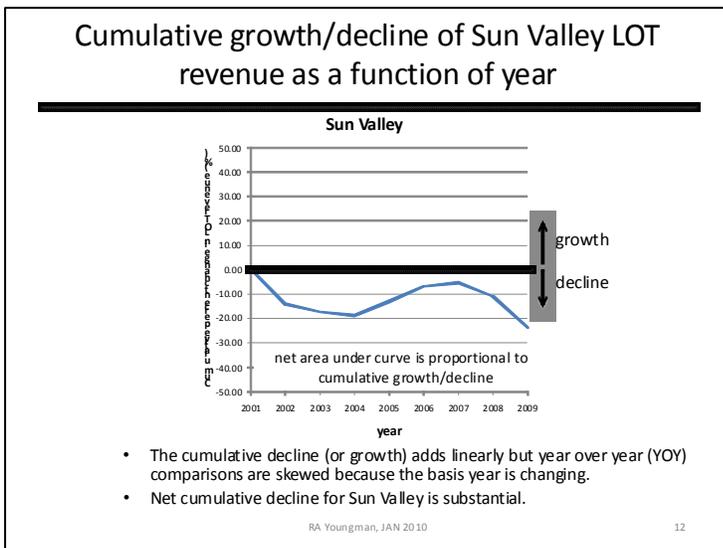
	SV LOT (raw)	uncorr %change YOY	SV LOT (2009\$)	% change YOY	cum % change (2001 basis)
2000/2001	\$1,318,013		\$1,611,005	0.00	0.00
2001/2002	\$1,153,708	-12.47	\$1,384,425	-14.06	-14.06
2002/2003	\$1,133,161	-1.78	\$1,331,149	-3.85	-17.37
2003/2004	\$1,144,144	0.97	\$1,309,353	-1.64	-18.72
2004/2005	\$1,278,146	11.71	\$1,404,556	7.27	-12.81
2005/2006*	\$1,393,376	9.02	\$1,503,222	7.02	-6.69
2006/2007	\$1,462,012	4.93	\$1,526,586	1.55	-5.24
2007/2008	\$1,443,262	-1.28	\$1,439,221	-5.72	-10.66
2008/2009	\$1,232,825	-14.58	\$1,232,825	-14.34	-23.47
8 year % change		-6.46		-23.47	

* \$240,000 in "one time occurrence" \$ removed from total

RA Youngman, JAN 2010

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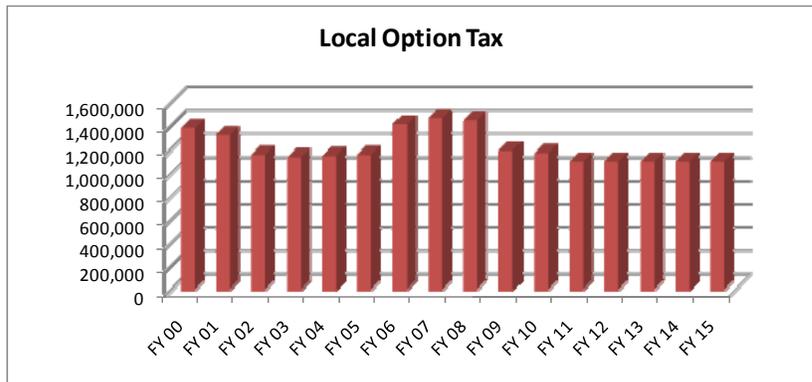
Additionally, this analysis was used to benchmark the economies of Sun Valley and neighboring Ketchum with competing resorts to understand Sun Valley/Ketchum's position among similar resort economies, to set expectations for market growth, and to critically evaluate the issues of transportation and accommodations. Within the limited number of competing benchmark resorts chosen, the Sun Valley/Ketchum economies were the poorest performing market.²



As a result of the research and analysis, the Mayor and Council along with the neighboring City Officials of Ketchum and the management of the Sun Valley Resort will work on developing a new set of strategies with the goal of increased visitors in order to increase LOT collections.

² Historical Analysis of Sun Valley and Ketchum Local Option Tax (LOT) Revenue and Benchmarking to Competitive Resort Economies, RA Youngman, January 2010.

LOT has historically represented approximately 30% of the City’s annual revenue. The chart titled Local Option Tax shows actual LOT collections from FY 00 to FY 09, estimated collections for FY 10, budgeted collections for FY 11 and projections for FY 12 through FY 15. The amounts shown in the chart are not adjusted for inflation. Based on the performance of the economy over the past several years and the trend in LOT collections, a conservative estimate of a 0% increase is used to project collections of LOT for years FY 12 through FY 15.



Intergovernmental

Intergovernmental revenue is the next largest revenue source historically representing 12% of the City’s total revenue. Included in the category of Intergovernmental revenue are State Shared Revenue, Highway Distribution Account and State Liquor Account. These three revenue sources are grouped together for purposes of revenue projections.

State Shared Revenue (Idaho Code § 63-3638)

Idaho’s property tax on business inventories was phased out in the late 1960s, following passage of a 3% sales tax by the Idaho Legislature in 1965. In order to replace the lost revenues to local governments, the legislature dedicated a portion of the new sales tax revenue to cities, counties and other non-school taxing districts. In addition to business inventory replacement revenues, the legislature created the City-County Revenue Sharing program in 1984 to distribute sales tax revenues to cities and counties as a replacement for federal general revenue sharing funds, which were eliminated by the Reagan administration in 1986.

In 2000, the legislature combined the business inventory replacement and city-county revenue sharing into a single revenue sharing program. Today, 11.5% of sales tax revenue is distributed through the revenue sharing program to cities, counties and non-school taxing districts. Of this amount, just over half (56.4%) is distributed through the “State Distribution” formula, divided equally among cities and counties. The cities’ portion is distributed according to city population (50%) and assessed market value (50%).

The remaining portion (43.6%) is allocated through the “County Distribution” formula. Because of a “hold harmless” provision in the county distribution, cities receive a base, which is the amount received in the fourth quarter of calendar year 1999. If sales tax collections fall below the 1999 level, payments to cities and counties are reduced proportionately. If sales tax receipts exceed this level, cities can see their base increase up to an additional five percent. Any excess in sales tax receipts over 105 percent of the base level is distributed half to cities and half to counties, and apportioned according to city population.

Highway Distribution Account (Idaho Code § 40-701)

In 1984, the legislature created the Highway Distribution Account for collection and distribution of revenues from fees, taxes, fines and forfeitures. After a number of statutory diversions, the revenues were apportioned to the State Highway Account, the Law Enforcement Account, and local governments. The original distribution formula allocated 61 2/3% of the account revenues to the State Highway Account, 6% to the Law Enforcement Account and 32 1/3% to local governments. Of the local government share, 30% was apportioned to cities, and 70% to counties and highway districts. The cities' portion was distributed on a per capita basis. Funds received from the highway distribution account are dedicated exclusively for the maintenance, construction and development of highways and bridges.

In 1988, the legislature increased highway distribution account revenues by raising the gas tax by 3 1/2 cents. The legislature also modified the distribution formula, lowering the amount received by the State Highway Account to 59 4/5%, and increasing the local government share to 34 1/5%. During the 1988 session, legislation was approved diverting a total of approximately \$1.5 million from the Highway Distribution Account to various state recreation and search and rescue accounts. On July 1, 1990, cities began receiving a share of virtually all of the highway user revenues (see Idaho Code §40-701). Formerly, cities received only 16 2/3% of gas tax revenues. Cities now share in vehicle registration fees, special fuels taxes, trip permits, etc. In 1991, the legislature increased the gas tax by three cents in response to requests from local officials to increase state investment in transportation infrastructure. The legislation also modified the highway distribution account formula, increasing the local government share to 35.77%, decreasing the amount received by the Idaho Transportation Department to 58.83%, and decreasing the state law enforcement share to 5.40%.

In 1993, cities received statutory authorization (already granted to counties) to expend funds from the highway distribution account to meet interest and sinking fund payments for the current year on any unpaid bonds issued for highway and bridge construction and/or maintenance, or for refunding such bonds. The 1996 legislature raised the state gas tax by four cents and increased vehicle registration fees. Of this increase, 50% went to local highway jurisdictions for road, bridge, and railroad crossing construction. In 1997, the legislature amended the Petroleum Clean Water Trust Fund Act, shifting 80% of the one cent per gallon "transfer fee" to the Restricted Highway Fund established in Idaho Code § 40-701A. The shift was prompted by an Idaho Supreme Court ruling that the "transfer fee" was a tax on motor vehicle fuels and, in accordance with the Idaho Constitution, must be dedicated "exclusively to the construction, repair, maintenance and traffic supervision of public highways." A portion of these funds was dedicated to road repairs necessitated by severe floods in several counties.

In 1999, the legislature eliminated the Restricted Highway Fund, and revised the formula to its current distribution, increasing the local government share to 38%, and decreasing the amounts received by the State Highway Account to 57% and the Law Enforcement Account to 5%.

State Liquor Account (Idaho Code § 23-404)

Idaho is one of 18 states where the sale of liquor is controlled by the state. The Idaho Liquor Division (formerly the Idaho Liquor Dispensary) was established in 1935 in the

wake of Prohibition to provide the state with control over the distribution and sale of distilled spirits. Today the Dispensary operates 66 state liquor stores throughout Idaho and contracts with an additional 103 private stores. The proceeds of the Liquor Division are distributed through the State Liquor Account to the state, cities and counties.

The distribution of liquor account revenues has changed as a result of the passage of Senate Bill 1388 by the 2006 Idaho Legislature.

- First, liquor account revenues are used to cover the operating expenses of the State Liquor Dispensary.
- Excess revenues are then split between the state (40%) and cities and counties (60%). These percentages remained in place until the end of the State’s 2009 fiscal year. Starting in state fiscal year 2010, the State’s share was increased 2% annually until fiscal year 2014, when the State’s share will be 50%.

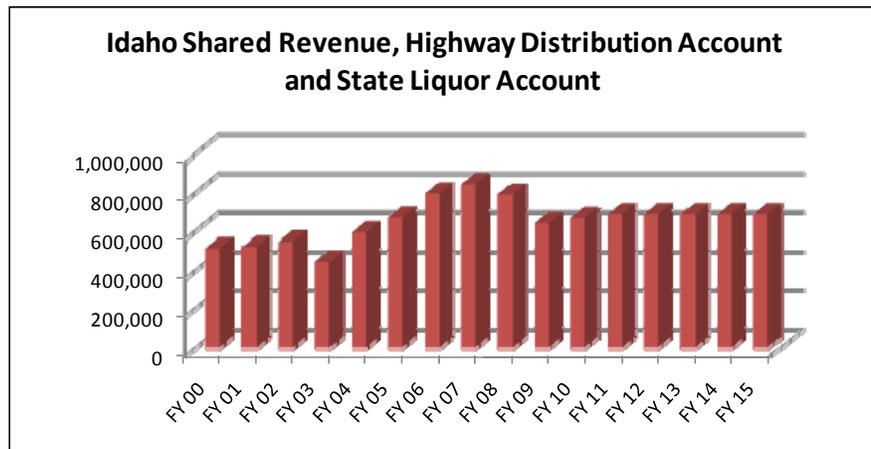
The state portion is allocated to the substance abuse treatment fund (\$2.08 million); community college account (\$600,000); public school income fund (\$1.2 million); cooperative welfare account (\$650,000); drug, mental health, and family court services fund (\$680,000); and drug and mental health court supervision fund (\$440,000) with the remaining revenues going to the state general fund. Out of the state’s share, \$1.8 million per year will be distributed to cities and counties through the state’s 2009 fiscal year, as payback for revenues diverted from cities and counties in 2005.

The local government share is split 60% to cities, 40% to counties. Ninety percent of the cities’ share is allocated to cities with liquor stores or distribution stations on the basis of the city’s share of statewide liquor sales. The remaining 10% is distributed to cities without liquor stores or distribution stations in proportion to the city’s share of the population of all cities throughout the state without a liquor store or distribution station within their limits. There is a “hold harmless” provision that guarantees cities will receive their “base,” established in the 1981 fiscal year. Association of Idaho Cities does not project State Liquor Account revenues.

Revenue Projections

Between FY 00 and FY 09 the increase in State Shared Revenue, Highway Distribution and State Liquor revenue averaged approximately 4%. There was a decrease in collections in FY 04, in FY 08 and a further decrease in FY 09. The Association of Idaho Cities “AIC” estimates collections and provides the estimates to Idaho cities for State Shared Revenue and Highway Distribution Account. As of August 2010, AIC had projected an increase for FY 11 of 2.86%.

The chart to the right shows actual revenue received from the three combined revenue sources; State Shared Revenue, Highway Distribution and State Liquor Account. The amounts from FY 00 to FY 09 are actual collections. FY 10 is



estimated actual revenue and fiscal years FY 11 through FY 15 are projected. Although AIC seems optimistic about collections, City staff is taking a conservative approach to projections. For the fiscal years FY 12 through FY 15 a 0% increase is used. Should collections prove to be higher, projections will be modified.³

Licenses, Permits and Franchises

The category of Licenses, Permits and Franchises is comprised of Business & Franchise Taxes and Business and Non-Business Licenses & Permits. The portion of Licenses, Permits and Franchises as a percentage of revenue has varied over the years ranging from 6% in FY 00 to 14.7% in FY 08. The variation is primarily due to the fluctuation in building permit fees which is explained below.

Business & Franchise Taxes

Business and franchise taxes include gas and cable franchise. This is a relatively small revenue source. FY 08 experienced the highest collections at \$141,980 which represented 3.1% of total revenue. This revenue source has, however, shown a slow but steady increase over the years until FY 09 when collections were down slightly. In FY 10 the estimated revenue is \$136,392. Prior year collections have averaged a 10% increase. City Staff is taking a conservative approach and estimated a 3% increase in FY 10, a 3% increase in FY 11 and a 5% increase for years FY 11 through FY 15.

Business and Non-Business Licenses & Permits

The City of Sun Valley does not issue business licenses except for Retail Alcohol Beverage licenses. A nominal fee is charged for issuance of the liquor license. The annual liquor licenses issued by the City are issued to the Sun Valley Resort, Elkhorn Golf Club and the Elkhorn Springs Market.

User Fees

The International City/County Management Association (“ICMA”) defines user fees as “municipal charges an individual can avoid by foregoing consumption of the goods or services being offered. If avoidance of the fee is difficult, or impossible, the fee cannot be classified as a user charge.”⁴ Typically cities receive revenue from user fees for water, sewer, sanitation, airports, cemeteries, parks and recreation, irrigation systems, libraries and other city services. User fees have increased in popularity in recent decades, largely due to citizen demands for property tax relief, and the concept of fairness that suggests that those who benefit from city services should bear the cost of providing the services.

Building Permit Fees and the Economy

Generally, building permit fees, a user fee, are good economic indicators. Housing starts typically precede economic rise by one to three months and conversely precede a fall.⁵ There are a number of studies that relate building permit fees to the economy as

³ Information taken from the Association of Idaho Cities, April 2010, City Budgeting Manual for FY 2011.

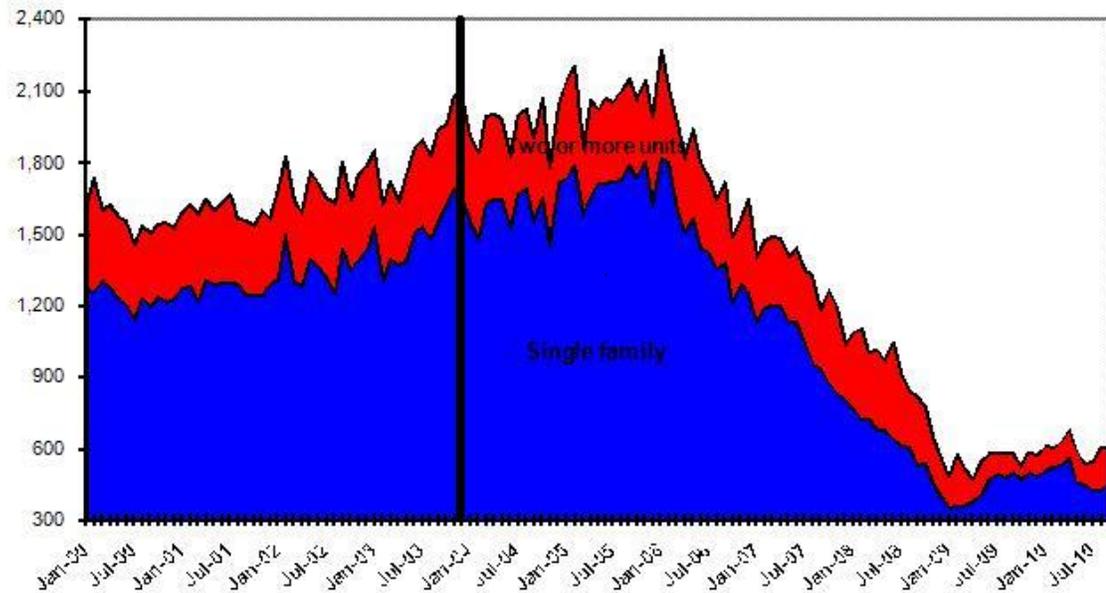
⁴ International City/County Management Association (1987, September) *Determining Appropriate User Fees* (MIS REPORT Volume 16, No. 9). Washington, DC. Author

⁵ B. Baumohl, *The secrets of Economic Indicators: Hidden Clues to Future Economic Trends and Investment Opportunities*. 2nd Ed.

reflected by the gross national product. The following charts are prepared by the U.S. Census Bureau and the U.S. Bureau of Economic Analysis respectively. The top chart titled New Housing Units Started in the United States shows housing starts over a ten year period from January 2000 to July 2010. The lower portion of the chart depicts single family units, representing approximately 80% of all housing starts, and the upper portion depicts two or more units, representing approximately 20% of all housing starts. The second chart titled Real Gross Domestic Product shows the nation's gross domestic product from 2004 to 2010. The charts show that housing starts and the Real Gross Domestic Product follow similar cycles in both increases and decreases.

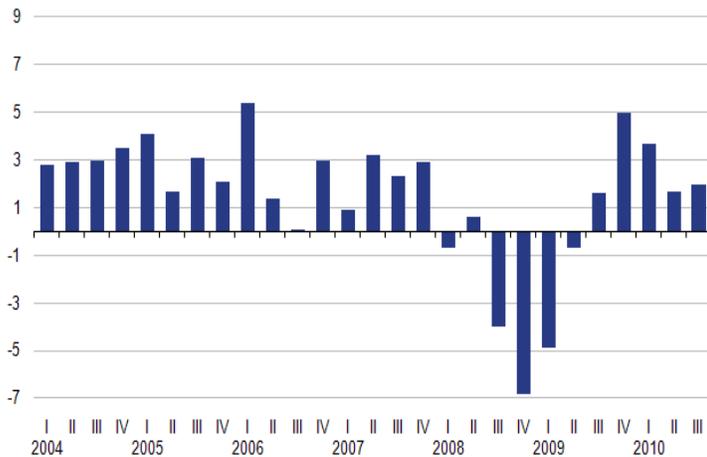
New Housing Units Started in the United States

Seasonally Adjusted Annual Rate



Real Gross Domestic Product

(Percent change, seasonally adjusted annual rate)



Note. Real GDP growth is measured at seasonally adjusted annual rates.

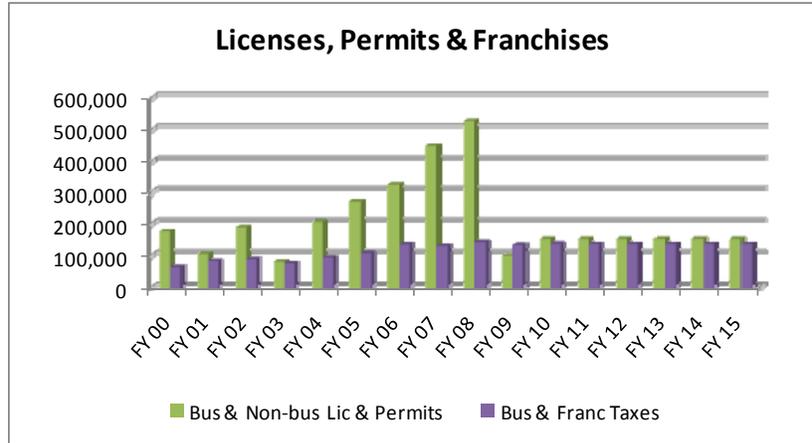
U.S. Bureau of Economic Analysis

Sun Valley Building Permit Fees

Building permit fees experienced a significant and steady increase from FY 00 to FY 08 reaching a peak in FY 08. In FY 00 collections were \$99,424 and in FY 08 collections were \$523,774. There were several projects in FY 07 and FY 08 that resulted in a significant increase in building permit fees during these years. Construction of the Sun Valley Music Pavilion and the Golf and Nordic Clubhouse by the Sun Valley Resort resulted in higher than usual building permit fees for those years. FY 09 building permit fees were expected to be less than FY 08; however, the downturn in the economy resulted in a bigger decrease than anticipated. Collections in FY 08 were only 18% of

collections in FY 09 totaling \$94,494. In FY 10 estimated collections are \$152,500 and in FY 11 budgeted collections for building permit fees are \$150,000. Anticipation of development of multi-family units by the Sun Valley Resort is factored into staff projections. Based on past collections, anticipated development, the condition of the economy and collections in FY 10, staff is projecting a 0% increase in years FY 11 through FY 15.

The chart titled Licenses, Permits & Franchises shows actual collections from FY 00 to FY 09, estimated collections in FY 10, budgeted collections in FY 11 and projected collections through FY 15.

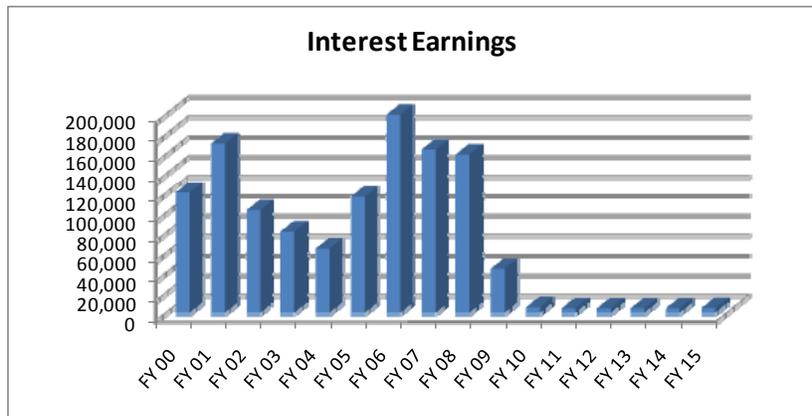


Use of Money & Property

Use of money and property has two components, interest and sale of city property.

Interest

Funds that are not necessary to the daily operation of the City are invested in interest bearing instruments. The amount of interest collected annually is dependent on the amount of funds maintained in the City's account and the current interest rate. Currently all City funds are



deposited with the Idaho State Investment Pool. In Prior years, the amount of interest collected was a significant revenue source. During the fiscal years FY 05 through FY 08 the City earned on average \$160,000 a year in interest. As interest rates declined and the amount the City had deposited with the State decreased, the amount collected in interest decreased. The amount deposited with the State declined because of planned capital expenditures by the City. An estimated collection for interest in FY 10 is approximately \$6,000. Projections for FY 11 through FY 15 are conservatively estimated at approximately \$5000 a year.

Sales of Property

Property that has value and is no longer useful to the City may be sold. Proceeds from the sale are recorded in the General Fund miscellaneous revenue. There is no anticipated sale of City property and, therefore, no revenue is estimated.

Remaining Revenue Sources

The remaining revenue sources, Other Financing Sources, Charges for Services (engineering and consultant reimbursable), Fines and Miscellaneous, referred to as General Government, constitute a small portion of the City's entire revenue collections at approximately 2%. These revenue sources can fluctuate widely but fortunately, because of the small amount, do not significantly impact the budget. These revenue sources have been projected to increase at less than 3% each year through FY 15.

2011 PROPERTY TAX LEVY

Idaho law sets a cap on the annual increase in the portion of a taxing district's budget funded by property tax. This portion of the budget may increase by up to 3% plus an amount for new construction and annexation.

The cap on property taxes does not limit the increase in the amount of an individual's property tax bill. If the market value of your property increases while the other properties in your district decrease or don't change as rapidly, then your property tax bill may increase at a rate higher than 3%.

City of Sun Valley Real Property Market Taxable Value
For the 2010 Tax Year: **\$ 2,516,568,674**

City of Sun Valley tax levy by fund:

	<u>2010</u>	<u>2011</u>
General Fund	2,471,868	2,630,404
Fixed Asset Fund	0	0
Debt Service Fund	0	0
Capital Improvement Fund	0	0
Street Fund	<u>0</u>	<u>0</u>
Subtotal	2,471,868	2,630,404
2003 General Obligation Bond	<u>623,400</u>	<u>619,500</u>
Grand Total	3,095,268	3,249,904

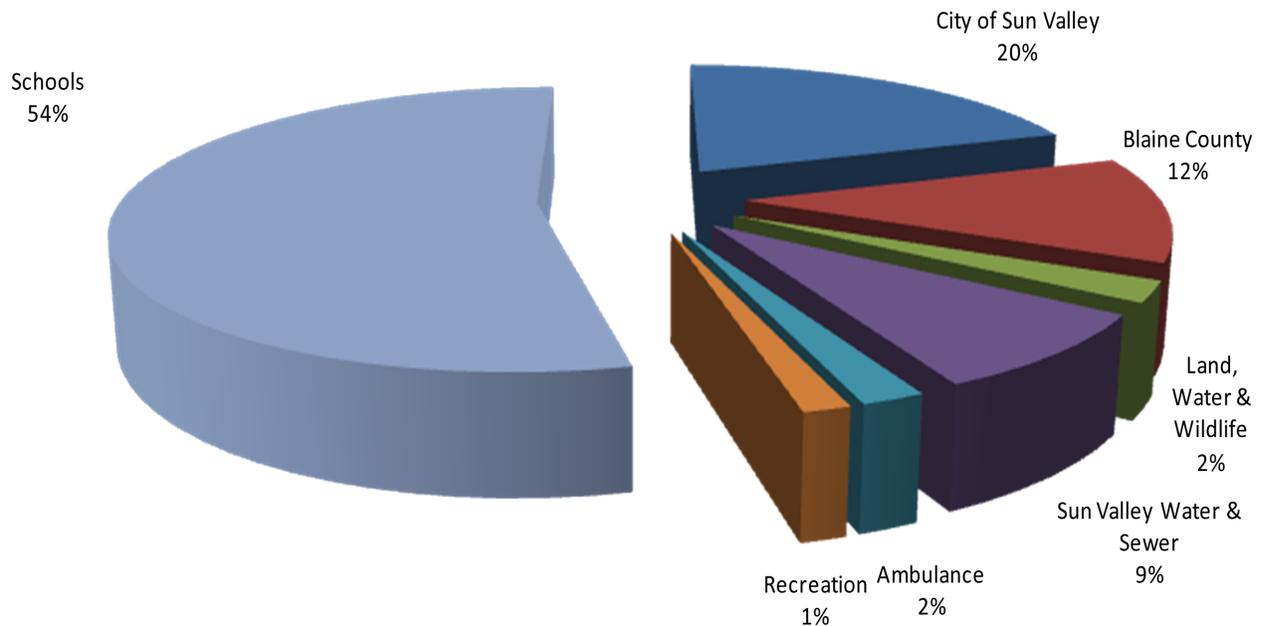
PROPERTY TAX DISTRIBUTION

Idaho law requires that all property be assessed at current market value, which is the value that a homeowner would receive if the home or property were sold. Once the current market value is determined by the Assessor's office, then a property tax rate, called a levy, is applied to that value to determine the taxes payable to the county, the city in which the property is located, the school district, fire district, etc. The levy is a function of the assessed values and the budgetary needs determined by each taxing district.

$$\text{Tax rate} = \frac{\text{Levy}}{\text{Assessed Value}}$$

Idaho Code §63-802 limits to 3% above the previous year the amount of revenue that any taxing district can collect from property taxes. Blaine County taxing districts have some of the lowest levy rates in Idaho. A lower levy rate means that even though property values are increasing, the percentage of the value of the property that each taxing district collects in property taxes is decreasing.¹

2009 Property Tax Paid in 2010*



*Blaine County Community Report, March 2010.

CITY OF SUN VALLEY, IDAHO

ORDINANCE NO. 433

**ANNUAL APPROPRIATION ORDINANCE
FOR THE CITY OF SUN VALLEY, IDAHO
FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2010**

**ADOPTED BY THE CITY COUNCIL OF
OF THE CITY OF SUN VALLEY, IDAHO
THIS 17th DAY OF AUGUST 2010**

ORDINANCE NO. 433

AN ORDINANCE TITLED THE ANNUAL APPROPRIATION ORDINANCE FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2010, APPROPRIATING THE SUM OF FIVE MILLION FIVE HUNDRED AND FIFTY TWO THOUSAND NINE HUNDRED AND EIGHT DOLLARS (\$5,552,908) TO DEFRAY THE EXPENSES AND LIABILITIES OF THE CITY OF SUN VALLEY FOR SAID FISCAL YEAR, AUTHORIZING A LEVY OF A SUFFICIENT TAX UPON THE TAXABLE PROPERTY AND SPECIFYING THE OBJECTS AND PURPOSES FOR WHICH SAID APPROPRIATION IS MADE.

WHEREAS, the City of Sun Valley is a unit of local government organized and existing pursuant to Title 50 of the Idaho Code; and

WHEREAS, pursuant to Idaho Code Section 50-1001 the City of Sun Valley fiscal year begins on the first day of October; and

WHEREAS, pursuant to Idaho Code Title 50 Chapter 10 Section 50-1003 the city council shall adopt an annual appropriation ordinance prior to the commencement of each fiscal year, which in no event shall be greater than the amount of the tentative budget; and

WHEREAS, the annual appropriation ordinance is prepared in accordance with Idaho Code Title 50 Chapter 10 governing finance; and

WHEREAS, the Sun Valley City Council considered said budget and has conducted a public hearing thereon and determined that said budget should be adopted.

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF SUN VALLEY, IDAHO, COUNTY OF BLAINE, STATE OF IDAHO, AS FOLLOWS:

SECTION 1: That the sum of Five Million Five Hundred and Fifty Two Thousand Nine Hundred and Eight Dollars (\$5,552,908) be, and the same is appropriated to defray the necessary expenses and liabilities of the City of Sun Valley, Blaine County, Idaho for the fiscal year beginning October 1, 2010.

SECTION 2: The objects and purposes for which such appropriation is made, and the amount of each object and purpose is as follows:

General Fund	\$4,914,708
Debt Service Fund	\$620,500
Work Force Housing Fund	\$17,700
Total	\$5,552,908

SECTION 3: That a general tax levy on all taxable property within the City of Sun Valley be levied in an amount allowed by law for the general purposes for said City, for the fiscal year beginning October 1, 2010.

SECTION 4: All ordinances and parts of ordinances in conflict with this ordinance are hereby repealed.

SECTION 5: This ordinance shall take effect and be in full force upon its passage, approval and publication according to law.

PASSED BY THE CITY COUNCIL OF THE CITY OF SUN VALLEY AND APPROVED BY THE MAYOR THIS 17th DAY OF AUGUST, 2010.


Wayne Willich, Mayor of Sun Valley

ATTEST:

Kelly Ek, City Clerk

**DEPARTMENTAL EXPENDITURES
ALL FUNDS COMBINED**

	FY 09 Actual	FY 10 Budget	FY 10 Amended Budget	FY 10 Estimated Actuals	FY 11 Budget
GENERAL FUND					
LEGISLATION					
SALARIES AND WAGES	76,250	85,500	85,500	77,000	69,000
FRINGE BENEFITS	65,778	65,450	65,450	55,809	67,401
OPERATIONAL EXPENDITURES	23,399	23,228	23,228	17,632	15,300
EXTERNAL CONTRACTS	<u>741,558</u>	<u>748,900</u>	<u>748,900</u>	<u>710,054</u>	<u>737,900</u>
TOTAL LEGISLATION	906,984	923,078	923,078	860,495	889,601
ADMINISTRATION					
SALARIES AND WAGES	369,336	379,487	379,487	352,471	348,317
FRINGE BENEFITS	110,992	121,791	121,791	112,427	111,048
OPERATIONAL EXPENDITURES	<u>319,732</u>	<u>326,587</u>	<u>326,587</u>	<u>295,936</u>	<u>305,733</u>
TOTAL ADMINISTRATION	800,060	827,865	827,865	760,834	765,098
COMMUNITY DEVELOPMENT					
SALARIES AND WAGES	179,872	178,301	178,301	178,300	181,867
FRINGE BENEFITS	52,669	58,676	58,676	56,794	60,182
OPERATIONAL EXPENDITURES	<u>122,674</u>	<u>99,122</u>	<u>99,122</u>	<u>85,821</u>	<u>108,700</u>
TOTAL COMMUNITY DEVELOPMENT	355,215	336,099	336,099	320,916	350,749
POLICE					
SALARIES AND WAGES	649,011	679,985	679,985	667,698	693,585
FRINGE BENEFITS	252,655	273,136	273,136	255,689	302,411
OPERATIONAL EXPENDITURES	109,762	145,543	145,543	121,783	148,404
EXTERNAL CONTRACTS	<u>134,097</u>	<u>146,800</u>	<u>146,800</u>	<u>145,037</u>	<u>116,800</u>
TOTAL POLICE	1,145,525	1,245,463	1,245,463	1,190,208	1,261,199
FIRE					
SALARIES AND WAGES	336,750	401,853	401,853	349,217	348,852
FRINGE BENEFITS	91,662	131,337	131,337	118,791	116,747
OPERATIONAL EXPENDITURES	<u>178,949</u>	<u>172,379</u>	<u>172,379</u>	<u>198,254</u>	<u>172,550</u>
TOTAL FIRE	607,361	705,569	705,569	666,262	638,149
BUILDING					
SALARIES AND WAGES	94,739	121,250	121,250	102,010	123,675
FRINGE BENEFITS	21,210	24,405	24,405	25,131	25,916
OPERATIONAL EXPENDITURES	<u>13,563</u>	<u>31,188</u>	<u>31,188</u>	<u>20,621</u>	<u>29,300</u>
TOTAL BUILDING	129,511	176,842	176,842	147,762	178,891
OTHER GENERAL GOVERNMENT					
CONTINGENCIES	<u>362,842</u>	<u>200,000</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
TOTAL OTHER GEN GOVT	362,842	200,000	200,000	0	200,000

**DEPARTMENTAL EXPENDITURES
ALL FUNDS COMBINED**

	FY 09 Actual	FY 10 Budget	FY 10 Amended Budget	FY 10 Estimated Actuals	FY 11 Budget
STREET					
SALARIES AND WAGES	193,375	196,891	196,891	196,567	200,709
FRINGE BENEFITS	96,765	95,363	95,363	89,680	96,976
OPERATIONAL EXPENDITURES	<u>383,472</u>	<u>386,029</u>	<u>386,029</u>	<u>311,347</u>	<u>333,336</u>
TOTAL STREET	673,612	678,284	678,284	597,595	631,022
TOTAL GENERAL FUND	4,307,499	5,093,201	5,093,201	4,544,071	4,914,708
FIXED ASSET FUND					
POLICE DEPARTMENT	19,271	0	29,207	29,207	0
FIRE DEPARTMENT	30,674	0	1,030	1,029	0
STREET DEPARTMENT	23,131	0	0	0	0
TRANSIT - CITY	151,990	0	0	0	0
TECHNOLOGY	0	2,123	0	0	0
OTHER	<u>1,114</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FIXED ASSET FUND	226,180	2,123	30,237	30,236	0
DEBT SERVICE FUND					
PRINCIPAL EXPENDITURES	816,500	566,000	566,000	566,000	591,000
INTEREST EXPENDITURES	<u>92,475</u>	<u>57,750</u>	<u>57,750</u>	<u>57,750</u>	<u>29,500</u>
TOTAL DEBT SERVICE FUND	908,975	623,750	623,750	623,750	620,500
CAPITAL IMPROVEMENT FUND					
CAPITAL PROJECTS					
ROADS & INTERECTIONS	457,556	375,018	375,018	140,663	0
PATHS	275,171	0	0	0	0
BUILDINGS	25,365	0	0	0	0
TRANSIT, PARK & REC FACILITIES	2,795	0	0	0	0
CAPITAL IMPROVEMENT PROGRAM	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL IMPROVEMENT FUND	760,888	375,018	375,018	140,663	0

**DEPARTMENTAL EXPENDITURES
ALL FUNDS COMBINED**

	FY 09 Actual	FY 10 Budget	FY 10 Amended Budget	FY 10 Estimated Actuals	FY 11 Budget
STREET FUND					
SALARIES AND WAGES	193,375				
FRINGE BENEFITS	96,765				
OPERATIONAL EXPENDITURES	<u>383,472</u>				
		<i>Street fund incorporated into General Fund FY 10</i>			
TOTAL STREET FUND	673,612				
WORKFORCE HOUSING FUND					
OPERATING EXPENDITURES	6,213	7,696	7,696	6,538	7,696
CAPITAL PROJECTS	<u>0</u>	<u>10,004</u>	<u>10,005</u>	<u>0</u>	<u>10,004</u>
TOTAL WORKFORCE HOUSING FUND	6,213	17,700	17,701	6,538	17,700
GRAND TOTAL	6,883,366	6,111,792	6,139,907	5,345,258	5,552,908

**COMBINED STATEMENT OF BUDGETED REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENT FUNDS
BUDGET FY 11**

	General Fund	Debt Service Fund	Fixed Asset Fund	Workforce Housing Fund	Land Acquisition Fund	Capital Improvement Fund	Total Governmental Funds
Revenues:							
General Property Taxes	2,559,076	619,500	0	0	0	0	3,178,576
Local Option Taxes	1,099,051	0	0	0	0	0	1,099,051
Franchise Tax	136,000	0	0	0	0	0	136,000
Licenses	2,500	0	0	0	0	0	2,500
Building Permits	150,000	0	0	0	0	0	150,000
Idaho Shared Revenue	684,481	0	0	0	0	0	684,481
General Government	20,000	0	0	0	0	0	20,000
Fines	12,000	0	0	0	0	0	12,000
Interest	5,000	0	0	0	0	0	5,000
Miscellaneous	46,600	0	0	17,700	0	0	64,300
Total Revenues	4,714,708	619,500	0	17,700	0	0	5,351,908
Expenditures							
General Government	1,112,799	0	0	0	0	0	1,112,799
Building Safety	172,891	0	0	0	0	0	172,891
Police	1,130,634	0	0	0	0	0	1,130,634
Fire	630,149	0	0	0	0	0	630,149
Street	436,086	0	0	0	0	0	436,086
Community Development	347,750	0	0	0	0	0	347,750
Capital Outlay	229,701	0	0	17,700	0	0	247,401
External Contracts	854,699	0	0	0	0	0	854,699
Debt Service	0	620,500	0	0	0	0	620,500
Total Expenditures	4,914,708	620,500	0	17,700	0	0	5,552,908
Other Financing Sources (Uses)							
Transfers In	200,000						200,000
Transfers Out				(200,000)			(200,000)
Total Other Financing Sources (Uses)	200,000			(200,000)			0
Estimated Change in Fund Balance	0	(1,000)	0	(200,000)	0	0	(201,000)
Estimated Fund Balance 10/01/10	1,821,738	31,641	0	201,021	371,763	78,763	2,504,926
Estimated Fund Balance 9/30/11	1,821,738	30,641	0	1,021	371,763	78,763	2,303,926

As of September 30, 2010 the Work Force Housing Fund had an estimated \$201,021. The fund balance is unreserved and undesignated. In FY 11 \$200,000 of the Work Force fund balance will be transferred to the General Fund to balance the General Fund budget. The transfer creates a greater than 10% change in the Work Force Housing Fund fund balance.

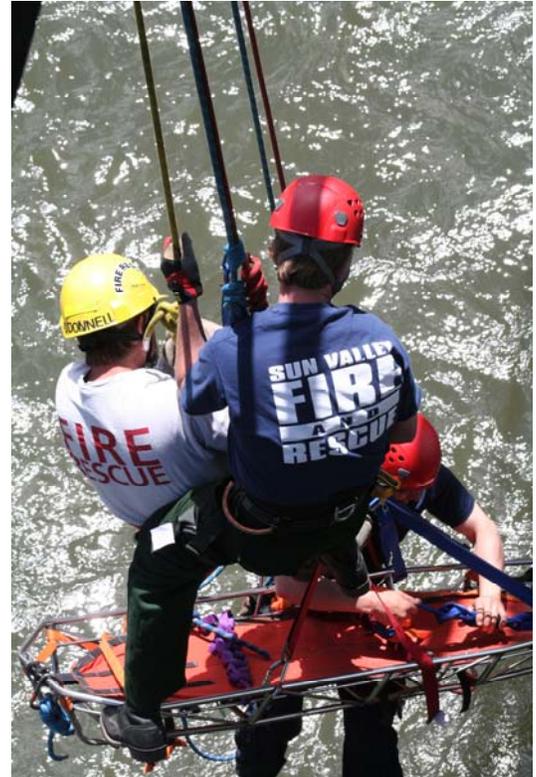
FULL TIME EQUIVALENT EMPLOYEES BY DEPARTMENT

	FY 08 Actual	FY 09 Budget	FY 10 Budget	FY11 Budget
Administration Department				
Administrator	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00
Finance Manager/Treasurer	1.00	1.00	1.00	1.00
Administrative Receptionist	1.00	1.00	1.00	1.00
Assistant to Finance Manager	<u>.50</u>	<u>1.00</u>	<u>1.00</u>	<u>.50</u>
Total Administration Department	4.50	5.00	5.00	4.50
Community Development				
Community Development Director	1.00	1.00	1.00	1.00
Principal Planner	1.00	1.00	1.00	1.00
Recording Secretary	0.10	0.10	0.10	0.10
GIS Analyst	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>
Total Community Development	2.30	2.30	2.30	2.30
Police Department				
Police Chief	1.00	1.00	1.00	1.00
Administrative Secretary	1.00	1.00	1.00	1.00
Assistant Police Chief	1.00	1.00	1.00	1.00
Sergeants	2.00	2.00	2.00	2.00
Corporal and Patrol Officers	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
Total Police Department	11.00	11.00	11.00	11.00
Fire Department				
Fire Chief	1.00	1.00	1.00	1.00
Assistant Fire Chief	1.00	1.00	1.00	1.00
Code Enforcement Officer	0	1.00	1.00	1.00
Training Officer	0	0	1.00	0
Paid on Call Firefighters	<u>3.30</u>	<u>3.30</u>	<u>3.30</u>	<u>3.30</u>
Total Fire Department	5.30	6.30	7.30	7.30
Building Department				
Building Official	1.00	1.00	1.00	1.00
Assistant	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>
Total Building Safety Department	1.35	1.35	1.35	1.35
Street Department				
Street Superintendent	1.00	1.00	1.00	1.00
Street Supervisor	1.00	1.00	1.00	1.00
Main Worker/Equip Operator	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Total Street Department	3.00	3.00	3.00	3.00
GRAND TOTAL	27.45	28.95	29.95	28.45

GENERAL FUND BUDGETS

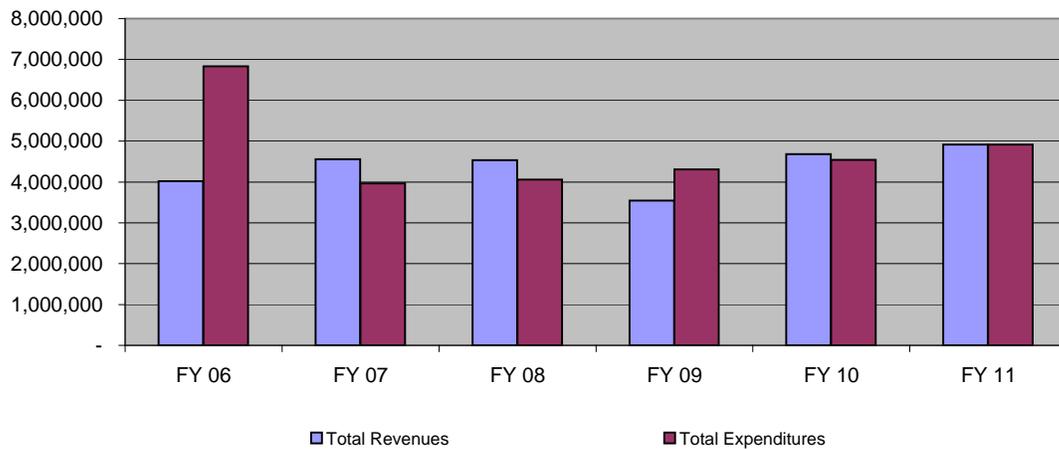


City of Sun Valley officials and staff participate in a variety of events and activities during the year.



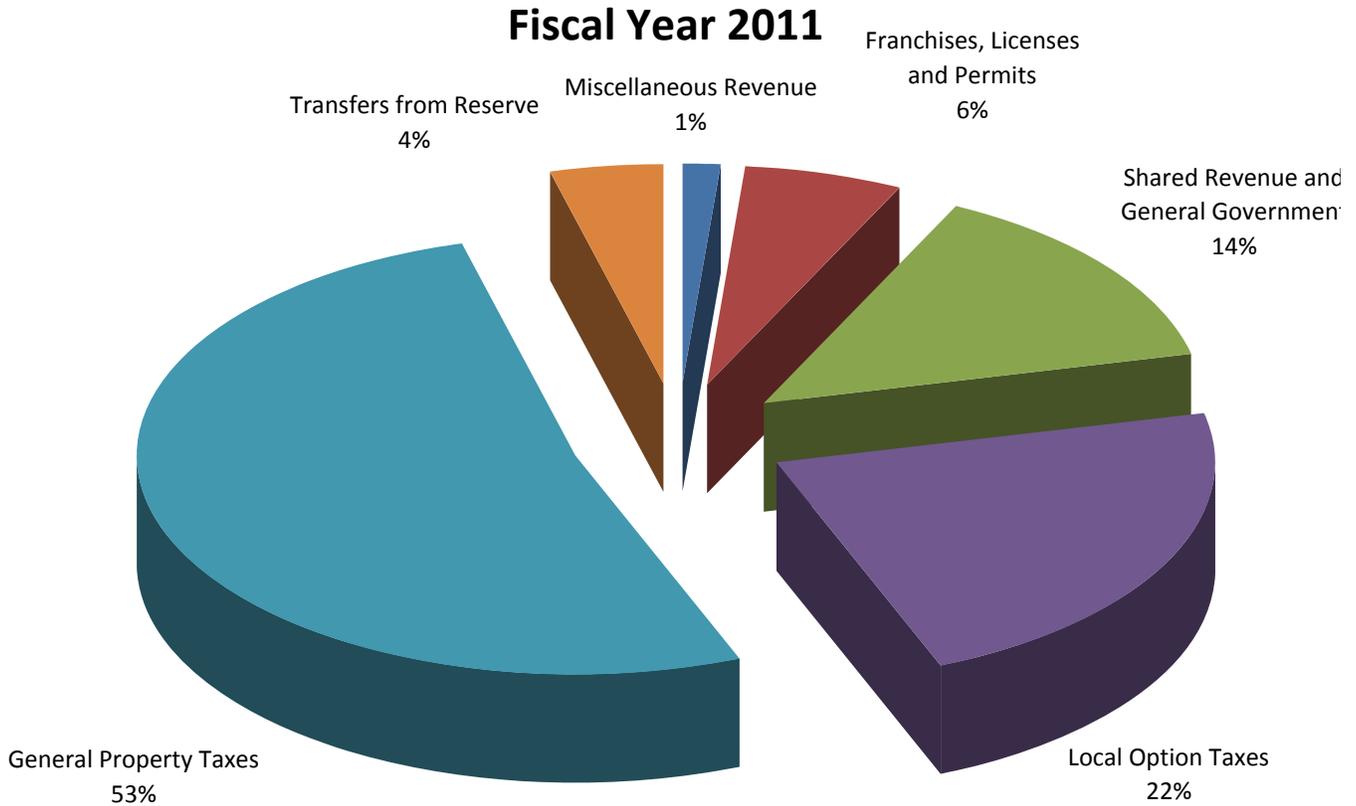
**STATEMENT OF GENERAL FUND
REVENUES BY SOURCE AND EXPENDITURES BY FUNCTION
LAST FIVE YEARS**

	FY 06 Actual	FY 07 Actual	FY 08 Actual	FY 09 Actual	FY 10 Estimated Actuals	FY 11 Budget
Revenues:						
General Property Taxes	1,009,339	1,319,930	1,262,829	1,314,159	2,493,691	2,559,076
Local Option Taxes	1,411,173	1,463,013	1,443,253	1,186,427	1,158,177	1,099,051
Franchises, Licenses and Permits	455,818	573,820	668,591	228,760	262,253	288,500
Shared Revenue -General Gov.	847,672	888,472	819,971	691,507	703,027	704,481
Miscellaneous Revenue	295,278	314,865	339,636	124,912	67,678	63,600
Transfers from Reserve	0	0	0	0	0	200,000
TOTAL Revenues	4,019,279	4,560,100	4,534,280	3,545,765	4,684,826	4,914,708
Expenditures						
Legislation	2,649,551	1,445,786	1,034,775	906,984	860,495	889,601
Administration	1,069,819	647,080	829,339	800,060	760,834	765,098
Community Development	541,259	357,937	301,142	355,215	320,916	350,749
Police	1,573,143	875,605	1,034,961	1,145,525	1,190,208	1,261,199
Fire	558,672	376,616	496,190	607,361	666,262	638,149
Building	177,690	128,800	122,956	129,511	147,762	178,891
Other Government	262,025	132,982	236,214	362,842	0	200,000
Street	0	0	0	0	597,595	631,022
TOTAL Expenditures	6,832,158	3,964,805	4,055,577	4,307,499	4,544,072	4,914,708
Excess (deficiency) of revenues over expenditures	(2,812,879)	595,295	478,703	(761,734)	140,754	0



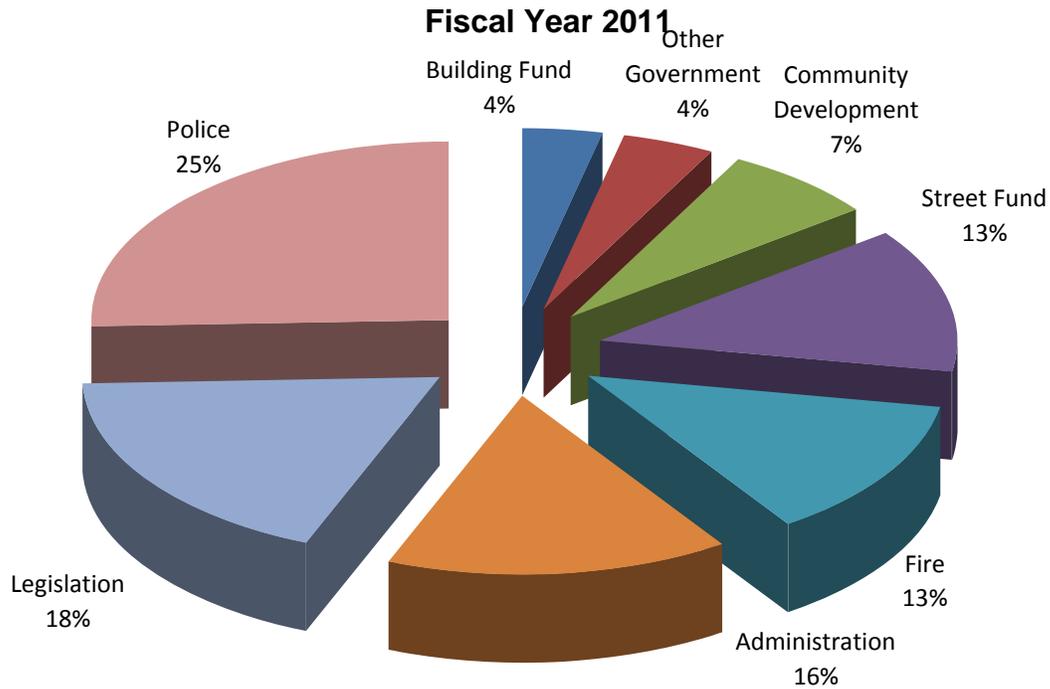
**ANTICIPATED REVENUE TO BE RECEIVED IN FY 11
GENERAL FUND SUMMARY BY REVENUE**

	FY 09 ACTUAL	FY 10 BUDGET	FY 10 AMENDED BUDGET	FY 10 ESTIMATED ACTUALS	FY 11 BUDGET
General Property Taxes	1,314,159	2,471,868	2,471,868	2,493,691	2,559,076
Local Option Taxes	1,186,427	1,232,825	1,232,825	1,158,177	1,099,051
Franchises, Licenses and Permits	228,760	392,284	392,284	262,253	288,500
Shared Revenue and General Government	691,507	715,299	715,299	703,027	704,481
Miscellaneous Revenue	124,912	98,403	98,403	67,678	63,600
Transfers from Reserve	0	182,523	182,523	0	200,000
Total General Fund Revenue	3,545,765	5,093,202	5,093,202	4,684,826	4,914,708



GENERAL FUND BUDGETS FY 11

	FY 09 ACTUAL	FY 10 BUDGET	FY 10 AMENDED BUDGET	FY 10 ESTIMATED ACTUALS	FY 11 BUDGET
Legislation	906,984	923,078	923,078	860,495	889,601
Administration	800,060	827,865	827,865	760,834	765,098
Community Development	355,215	336,099	336,099	320,916	350,749
Police	1,145,525	1,245,463	1,245,463	1,190,208	1,261,199
Fire	607,361	705,569	705,569	666,262	638,149
Building	129,511	176,842	176,842	147,762	178,891
Other Government	362,842	200,000	200,000	0	200,000
Street	0	678,284	678,284	597,595	631,022
TOTAL GENERAL FUND	4,307,499	5,093,201	5,093,201	4,544,071	4,914,708



**GENERAL FUND BUDGET FY 11
SUMMARY BY LINE ITEM REVENUE**

<u>LINE CODE</u>	<u>REVENUE CLASSIFICATION</u>	<u>FY 09 ACTUAL</u>	<u>FY 10 BUDGET</u>	<u>FY 10 AMENDED BUDGET</u>	<u>FY 10 ESTIMATED ACTUALS</u>	<u>FY 11 PROPOSED BUDGET</u>
General Property Taxes						
10-311-100	General Property Taxes	1,294,723	2,461,868	2,461,868	2,461,868	2,549,076
10-311-200	General Property Taxes-new construction	15,596	10,000	10,000	10,000	10,000
10-311-300	Property TaxesInt & Penalty	<u>3,840</u>	<u>0</u>	<u>0</u>	<u>24,194</u>	<u>0</u>
	TOTAL Property Taxes	1,314,159	2,471,868	2,471,868	2,496,062	2,559,076
Local Option Taxes						
10-313-100	Local Option Tax - Liquor	72,584	60,886	60,886	56,015	54,466
10-313-200	Local Option Tax - Lodging	474,528	531,966	531,966	489,408	473,553
10-313-300	Local Option Tax - Retail	<u>639,315</u>	<u>639,973</u>	<u>639,973</u>	<u>588,775</u>	<u>571,032</u>
	TOTAL Local Option Taxes	1,186,427	1,232,825	1,232,825	1,134,198	1,099,051
Business & Franchise Taxes						
10-316-110	Gas Franchise	91,389	95,000	95,000	95,000	95,000
10-316-120	Cable Franchise	<u>40,932</u>	<u>42,159</u>	<u>42,159</u>	<u>41,392</u>	<u>41,000</u>
	TOTAL Business & Franchise Taxes	132,321	137,159	137,159	136,392	136,000
Business Licenses & Permits						
10-321-100	Beer, Liquor & Wine Licenses	<u>1,945</u>	<u>5,125</u>	<u>5,125</u>	<u>2,696</u>	<u>2,500</u>
	TOTAL Business Licenses & Permits	1,945	5,125	5,125	2,696	2,500
Non-Business Licenses & Permits						
10-322-110	Building Permits	<u>94,494</u>	<u>250,000</u>	<u>250,000</u>	<u>150,000</u>	<u>150,000</u>
	TOTAL Non-Business Licenses & Permits	94,494	250,000	250,000	150,000	150,000
State of Idaho Shared Revenue						
10-335-100	State Liquor Apportionment	9,373	7,500	7,500	6,860	5,488
10-335-500	State Sales Tax	629,901	638,450	638,450	605,514	629,351
10-355-200	State Highway User Fees	<u>0</u>	<u>49,349</u>	<u>49,349</u>	<u>53,076</u>	<u>49,642</u>
	TOTAL State of Idaho Shared Revenue	639,274	695,299	695,299	665,450	684,481
General Government						
10-341-100	Engineering & Consultant Reimbursables	42,013	10,000	10,000	35,289	10,000
10-341-110	Application Fees	<u>10,220</u>	<u>10,000</u>	<u>10,000</u>	<u>15,000</u>	<u>10,000</u>
	TOTAL General Government	52,233	20,000	20,000	50,289	20,000
Fines						
10-361-901	Traffic Fines	1,525	1,094	1,094	1,094	1,000
10-361-902	Motor Vehicle Tax	<u>17,264</u>	<u>15,709</u>	<u>15,709</u>	<u>11,000</u>	<u>11,000</u>
	TOTAL Fines	18,789	16,803	16,803	12,094	12,000
Interest Earnings						
10-371-100	Interest Earnings	<u>44,563</u>	<u>35,000</u>	<u>35,000</u>	<u>6,167</u>	<u>5,000</u>
	TOTAL Interest Earnings	44,563	35,000	35,000	6,167	5,000
Miscellaneous						
10-379-100	Police Security Income	0	0	0	520	0
10-379-150	Nextel Lease	23,400	21,600	21,600	21,600	21,600
10-379-252	Police Trust Account	8,703	5,000	5,000	5,000	5,000
10-379-259	2009- Fire Dept Grants- Radios	0	0	0	4,350	0
10-379-300	Other Revenues	<u>29,457</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	TOTAL Miscellaneous	61,560	46,600	46,600	51,470	46,600
Transfers From Reserve						
10-381-001	Trans From GF Fund Balance	0	182,523	182,523	120,135	0
10-381-002	Transfer in From Workforce House Fund	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>200,000</u>
	TOTAL Fines	0	182,523	182,523	120,135	200,000
	TOTAL Other Costs and Trans. to other funds	3,545,765	5,093,202	5,093,202	4,824,953	4,914,708
	GRAND TOTAL	3,545,765	5,093,202	5,093,202	4,824,953	4,914,708

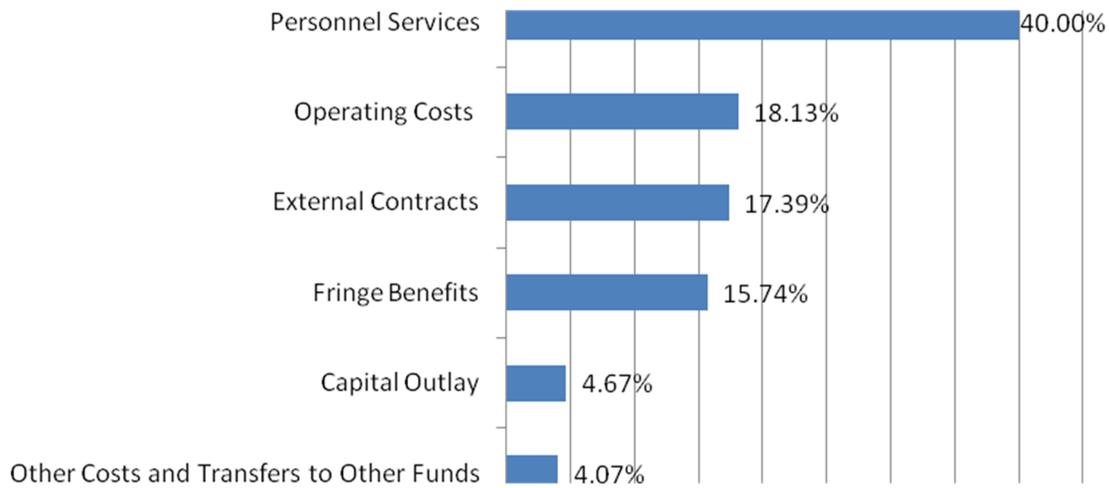
**GENERAL FUND BUDGET FY 11
SUMMARY BY LINE ITEM EXPENDITURE**

<u>LINE CODE</u>	<u>EXPENDITURE CLASSIFICATION</u>	FY 09 ACTUAL	FY 10 BUDGET	FY 10 AMENDED BUDGET	FY 10 ESTIMATED ACTUALS	FY 11 PROPOSED BUDGET
Personnel Services						
110, 120	Employee Salaries	1,636,958	1,974,267	1,974,267	1,848,515	1,897,005
411-110	Elected Official Salary	69,000	69,000	69,000	69,000	69,000
	TOTAL Personnel Services	1,705,958	2,043,267	2,043,267	1,917,515	1,966,005
Fringe Benefits						
210	FICA Expense	126,989	157,005	157,005	156,125	154,442
220	PERSI Expense	169,023	203,015	203,015	209,510	200,450
200	Wellness Benefit	6,911	20,150	20,150	10,442	20,300
250	Health, Dental & Life Insurance	292,043	381,587	381,587	330,646	398,288
	TOTAL Fringe Benefits	594,965	761,758	761,758	706,723	773,480
Operating Costs						
240	Workers Compensation	33,890	51,314	51,314	41,007	60,374
280	State Unemployment	5,044	1,000	1,000	525	1,500
285	P & Z Expense Reimbursement	13,502	25,875	25,875	12,000	29,250
290	Housing Allowance	6,000	14,900	14,900	12,600	13,700
418-290	Planning Bus Exp	1,327	1,700	1,700	294	1,700
310	Office/Operating Supplies	19,924	27,190	27,190	18,183	21,500
315	Janitorial Supplies	3,117	4,100	4,100	1,616	3,600
320	Operating Supplies	17,110	30,890	30,890	27,839	31,000
321	Police Trust Account	2,487	5,000	5,000	6,133	5,000
325	Medical Safety Supplies	10,353	7,000	7,000	5,011	7,000
340	Minor Equipment	9,852	10,865	10,865	7,909	10,865
345	Safety Equipment	173	1,350	1,350	1,154	1,350
347	Records Mgmt System - Police/fire	20,369	24,550	24,550	20,369	24,550
350	Motor Fuels & Lubricants	27,685	42,250	42,250	49,570	48,750
370	Postage	2,572	3,225	3,225	1,423	3,225
421	Audit	9,250	9,250	9,250	10,750	15,000
423	Contract Labor	18,212	21,000	21,000	16,662	21,000
425	Attorney Fees	71,120	80,000	80,000	82,754	60,000
426	Investigative Expert Svcs	12	2,500	2,500	0	2,500
427	Computer Consultants	26,572	25,000	25,000	15,685	20,000
328	MOBILE HEALTH SERVICES	0	9,582	9,582	8,098	0
430	Newsletter & Annual Reports w/ postage	1,030	3,000	3,000	3,227	3,000
434	Supp Allowance - City Administrator	12,000	12,000	12,000	12,500	13,500
435	Website	856	1,000	1,000	1,041	3,500
437	Comp Plan	0	2,500	2,500	0	5,000
440	Advertising & Legal Publishing	11,758	18,000	18,000	12,731	16,500
441	Informational Services	0	500	500	0	500
465	Insurance - Liability Fund	58,109	60,448	60,448	56,111	65,933
470	Travel, Training and Meetings	38,702	44,850	44,850	26,697	42,450
475	Meetings, Conventions & Conf	2,977	2,500	2,500	2,046	2,500
476	City Functions	12,930	12,000	12,000	11,911	12,000
480	Dues/Subscriptions/Memberships	17,373	20,075	20,075	17,800	20,075
491	Advertising & Recruitment	35	1,000	1,000	0	0
493	Physical Examinations	0	500	500	0	500
500	Custodial & Cleaning Services	15,686	15,500	15,500	12,975	15,500
510	Telephone & Communications	25,985	26,800	26,800	25,759	29,400
521	Utilities	28,857	28,000	28,000	29,748	28,000
536	Sanding/Mag Chloride	0	12,000	12,000	10,106	13,000
540	Rental - Office Furn & Equip	3,558	3,750	3,750	3,961	4,250
555	Rental - Equipment	2,915	3,500	3,500	2,640	0
570	Rental Prop & Equip - other	3,788	4,788	4,788	1,739	3,900
576	Turnouts - Replacement & Maint	5,323	6,200	6,200	3,896	6,200
580	Repair/Maint - Office Furn/Equip	3,831	2,160	2,160	2,483	3,100
585	Repair & Maint - Buildings	15,271	23,500	23,500	33,326	13,500
590	Repair/Maint - Grounds	3,832	1,000	1,000	2,705	1,500

**GENERAL FUND BUDGET FY 11
SUMMARY BY LINE ITEM EXPENDITURE**

		FY 09	FY 10	FY 10	FY 10	FY 11
		ACTUAL	BUDGET	AMENDED BUDGET	ESTIMATED ACTUALS	PROPOSED BUDGET
591	Repair/Maint/Cleaning Streets	0	4,500	4,500	3,658	5,000
592	Striping	0	25,000	25,000	18,733	27,000
595	Repair & Maint - Equipment	28,203	36,000	36,000	27,131	36,000
596	Repair/Maint Small Equipment	0	2,000	2,000	363	2,000
600	Repair/Maint - Automotive Equip	28,977	27,800	27,800	44,533	35,800
610	Repair/Maint - other	266	2,250	2,250	2,015	2,500
614	Repair & Maint - Buildings	0	3,000	3,000	15,045	6,000
615	Repair/Maint - Radio Service	11,553	11,500	11,500	13,533	13,900
620	Landscape Services	0	2,000	2,000	2,263	2,000
621	Noxious Weed Control	0	15,000	15,000	7,750	15,000
630	Laundry	4,377	5,300	5,300	4,805	5,000
631	Uniforms - Fire and Stree	4,375	5,500	5,500	5,036	5,700
665	Uniforms - Police	3,679	5,100	5,100	2,926	5,100
680	Bank Charges	2,658	2,400	2,400	2,065	2,400
695	Vehicle Towing	0	250	250	0	250
800	Elections	911	500	500	839	500
420/429	Professional Fees	23,740	45,500	45,500	17,251	30,500
421-424	Medical Services	0	500	500	0	500
422/423	Engineering-City General	63,517	10,000	10,000	33,908	10,000
	TOTAL Operating Costs	735,642	908,211	908,211	814,836	890,823
	External Contracts					
348	Communications-Police/Fire Dispatch	110,892	122,800	122,800	121,832	92,800
428	Prosecution of Misdemeanors	23,205	24,000	24,000	23,205	24,000
605	Community Housing Services	0	0	0	5,000	5,000
692	Econ Develop, Cul & Infor Ser	328,100	336,000	336,000	342,154	400,000
694	Public Transit Services	380,558	380,000	380,000	330,000	300,000
603	Recreational Services	30,000	30,000	30,000	30,000	30,000
698	USGS Study	2,900	2,900	2,900	2,900	2,900
	TOTAL External Contracts	875,654	895,700	895,700	855,091	854,700
	Capital Outlay					
740	Office Furniture & Equipment	24,020	19,165	19,165	26,593	27,665
741	Machinery	0	6,000	6,000	2,585	6,000
753	Radios - Handheld	4,639	3,600	3,600	0	3,600
770	Animal Control	2,042	2,000	2,000	2,000	2,000
780	Drug Dog Program	1,737	1,500	1,500	4,102	2,500
780	Roads and Path Maintenance	0	250,000	250,000	214,157	185,436
790	Land Maintenance 5 Acre Parcel	0	2,000	2,000	470	2,500
	TOTAL Capital Outlay	32,437	284,265	284,265	249,907	229,701
	Other Costs and Transfers to Other Funds					
800	Contingency	0	200,000	200,000	0	200,000
951	Transfer out Capital Improvement Fund	315,168	0	0	0	0
952	Transfer out Fixed Asset Replacement Fund	47,674	0	0	0	0
	TOTAL Other Costs and Trans. to other funds	362,842	200,000	200,000	0	200,000
	GRAND TOTAL	4,307,499	5,093,201	5,093,201	4,544,072	4,914,708

TOTAL FY 11 BUDGETED EXPENDITURES GENERAL FUND



Total \$4,914,708

Personnel Services: Salaries of employees in permanent, temporary, full-time and part-time positions and elected officials.

Fringe Benefits: Compensation to individuals other than salary such as health insurance, retirement, and employee assistance programs.

Operating Costs: Costs and expenses for direct operating expenditures associated with the management and operation of the City.

External Contracts: Contracted outside agencies to provide programs and services.

Capital Outlay: Purchase of machinery and equipment items which have an estimated useful life of more than two years.

Other Costs and Transfers to Other Funds: Expenses that do not fall within an established category such as contingency and transfers from the General Fund to another City fund.

GENERAL FUND LEGISLATION DEPARTMENT



Program Description

The Mayor and City Council are the elected representatives of the City and act as the policy-making legislative body. The Mayor and Council act on the City's laws known as resolutions and ordinances which reflect policy positions and authorize City actions. Each year the City Council adopts a fiscal budget of appropriations and retains control over transfers or supplements between the various activities of that budget. The Mayor and Council are elected at-large for staggered four-year terms on a biennial basis. The City Council normally holds regular meetings on the third Thursday of each month.

Major Objectives

Annually, the City Council and Mayor discuss and adopt Council Priorities for the year. There are five goal areas including Financial Planning, Community Development, Economic Development, Communication and Collaboration and Organizational Leadership. Within each goal area, objectives have been identified and placed in a time frame of either short-term within the budget year, mid-term within the calendar year, or long-term within the election term. Each goal area is supported by a strategic foundation. The FY 11 Council Priorities are included in the Supplemental Section of this budget document.

LEGISLATION DEPARTMENT BUDGET FY 11

		FY 09	FY 10	FY 10	FY 10	FY 11
		ACTUALS	BUDGET	AMENDED	ESTIMATED	BUDGET
				BUDGET	ACTUALS	
GENERAL FUND 400						
411	LEGISLATION					
	SALARIES AND WAGES					
10-411-110	SALARIES AND WAGES	69,000	69,000	69,000	63,250	69,000
10-411-121	CITY ADMIN COMPENSATION	<u>7,250</u>	<u>16,500</u>	<u>16,500</u>	<u>8,000</u>	<u>-</u>
	TOTAL SALARIES AND WAGES	76,250	85,500	85,500	71,250	69,000
	FRINGE BENEFITS					
10-411-200	PHYSICAL INCENTIVE PROGRAM	350	2,250	2,250	700	2,250
10-411-210	FICA CONTRIBUTION	5,615	5,279	5,279	4,941	5,451
10-411-220	RETIREMENT CONTRIBUTION	7,169	7,169	7,169	6,897	7,335
10-411-250	HEALTH INSURANCE	<u>52,644</u>	<u>50,753</u>	<u>50,753</u>	<u>43,271</u>	<u>52,365</u>
	TOTAL FRINGE BENEFITS	65,778	65,450	65,450	55,809	67,401
	OPERATIONAL EXPENDITURES					
10-411-240	WORKERS COMPENSATION	228	228	228	201	300
10-411-429	PROFESSIONAL FEES	3,274	7,000	7,000	7,583	7,000
10-411-475	METGS, CONV & CONF.	2,977	2,500	2,500	2,046	2,500
10-411-476	CITY FUNCTIONS	12,930	12,000	12,000	11,911	4,000
10-411-740	OFFICE FURN & EQUIPMENT	3,079	1,000	1,000	801	1,000
10-411-800	ELECTIONS	<u>911</u>	<u>500</u>	<u>500</u>	<u>839</u>	<u>500</u>
	TOTAL OPERATIONAL EXPENDITURES	23,399	23,228	23,228	23,381	15,300
	EXTERNAL CONTRACTS					
10-411-603	RECREATIONAL SERVICES	30,000	30,000	30,000	30,000	30,000
10-411-605	COMM HOUSING SERVICES	0	0	0	5,000	5,000
10-411-692	ECON DEVELOP, CULTURAL & INFORMATIONAL SERVICES	328,100	336,000	336,000	342,154	400,000
10-411-694	PUBLIC TRANSIT SERVICES	380,558	380,000	380,000	330,000	300,000
10-411-698	USGS STUDY	<u>2,900</u>	<u>2,900</u>	<u>2,900</u>	<u>2,900</u>	<u>2,900</u>
	TOTAL EXTERNAL CONTRACTS	741,558	748,900	748,900	710,054	737,900
LEGISLATION TOTALS		906,985	923,078	923,078	860,494	889,601

