**PROPERTY TAX SUPPORTED FUNDS**

**General Fund**
The proposed 2004 budget includes a 0% general wage adjustment for all full-time regular employees. Insurance, both employee health insurance and property insurance, became significant issues for the General Fund in planning for 2004. The City’s share of employee health benefits (insurance) will rise in 2004, from $5,853/employee to $6,475/employee. The impact to the General Fund is an increase from $2,650,577 for employees and retirees to $2,913,805, a $263,228 increase in 2004. Additional increases in property insurance are included in the 2004 budget due to insurance market changes since 9/11/01. Revenues for cemetery related services are recommended for 2004 due to rising costs of personnel and equipment to provide these services. Additionally, since our last fee increase in December of 1999, cemetery fees have dropped below the municipal owned cemetery averages for the Midwest.

**Library**
Non-tax fund revenues are anticipated to be relatively flat for the Library Fund, including interest income, state aid, and ongoing grant commitments. The Commission indicated an interest in utilizing the increased assessed property valuations as an avenue for increasing funding to the Library in 2004, resulting in a slightly lower mill levy for this fund. In 2004 there will not be a $200,000 transfer into the Library Expansion Fund due to revenue restrictions.

**Public Transportation**
There is an increase in the mill levy for 2004 for this fund. Balances accumulated in the first full year of operation (2001) have been expended and were the reason the mill levy for this fund decreased in 2003. An increase in the mill levy is necessary to provide adequate revenue for the projected expenditures of this fund in 2004, the majority of which are related to the service provider contract which was re-bid, approved by the City Commission, and will go into effect in December, 2003.

**Recreation**
This fund benefits from the increased assessed valuation and the recommended budget results in a decrease in the mill levy. Other revenue sources (costs for services and program, sales tax support) are anticipated to remain relatively flat for 2004. A recommended increase in pool fees (monthly swim passes and annual swim passes) as well as an increase in discount ticket booklets will provide additional revenue for the aquatics programs.

**Bond and Interest/Capital Improvements**
Multi-year capital improvement plans have been submitted to the City Commission for the Water and Wastewater, Stormwater, Sales Tax Program, and
non-enterprise capital projects. These plans are important tools for fiscal planning along with the debt policy approved in 2002 by the Commission. Maintenance of existing facilities is as important as expansion, and these plans reflect a number of projects related to restoring or replacing present facilities. The Bond and Interest mill levy remains stable, taking into consideration the increase in assessed property valuation, but is expected to rise in the next few years due to several City-at-large projects approved recently. Careful consideration of delaying some capital improvement projects with associated operating costs is recommended for 2005.