

# FY 2023 Budget Workshop #6

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SEPTEMBER 12, 2022

# FY 2023 Budget Workshop #6

## Revised Budget Highlights

- Budget is structurally balanced
  - Recurring revenues exceed recurring expenditures
  - Meets 60-day reserve requirement
- All “included” budget consideration items were considered in the foregoing structural balance computations

# FY 2023 Budget Workshop #6

## Table: General Fund Structural Balance

<i>in millions</i>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>07/18/22</b> Excess / (Deficit) Structural Balance	\$1.57	\$0.20	(\$0.18)	(\$0.47)	(\$0.62)	(\$0.43)
<b>09/12/22</b> Excess / (Deficit) Structural Balance	\$1.75	\$0.20	(\$0.19)	(\$0.48)	(\$0.63)	(\$0.44)
<b>07/18/22</b> Over / (Under) 60-Day Requirement	\$8.10	\$2.91	\$1.57	(\$0.14)	(\$1.68)	(\$3.03)
<b>09/12/22</b> Over / (Under) 60-Day Requirement	\$8.31	\$3.01	\$1.67	(\$0.06)	(\$1.60)	(\$2.96)

# FY 2023 Budget Workshop #6

## Table: Enterprise Fund Structural Balance

<i>in millions</i>	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
<b>07/18/22</b> Excess / (Deficit) Structural Balance	\$0.30	\$0.55	\$0.84	\$1.13	\$1.44	\$1.89
<b>09/12/22</b> Excess / (Deficit) Structural Balance	\$0.12	\$0.63	\$0.92	\$1.21	\$1.52	\$1.97
<b>07/18/22</b> Over / (Under) 60-Day Requirement	\$1.76	\$1.60	\$1.77	\$1.77	\$1.83	\$2.32
<b>09/12/22</b> Over / (Under) 60-Day Requirement	\$0.21	\$0.18	\$0.40	\$0.46	\$0.57	\$1.14

# FY 2023 Budget Workshop #6

Table: General Fund Summary

	Proposed 07/18/22	Proposed 09/12/22	Increase / (Decrease)
<b>Beginning Unassigned Fund Balance</b>	<b>\$ 11,737,148</b>	<b>\$ 11,917,074</b>	<b>\$ 179,926</b>
Recurring Revenues	23,934,337	24,296,917	362,580
Non-Recurring Revenues	-	-	-
Recurring Expenditures	23,696,234	24,104,016	407,782
Non-Recurring Expenditures	-	385,007	385,007
Transfers Out	4,700,000	4,700,000	-
<b>Ending Unassigned Fund Balance</b>	<b>\$ 7,275,251</b>	<b>\$ 7,024,968</b>	<b>\$ (250,283)</b>
60-Day Fund Balance Requirement	\$ 3,949,372	\$ 4,017,336	\$ 67,964
Over/(Under) 60-Day Requirement	\$ 3,325,879	\$ 3,007,632	\$ (318,247)
Structural Balance Factor	1.01	1.01	(0.00)
Excess Recurring Revenues	\$ 238,103	\$ 192,901	\$ (45,202)

# FY 2023 Budget Workshop #6

Table: General Fund Revenues

	Proposed 07/18/22	Proposed 09/12/22	Increase / (Decrease)
<b>Revenues</b>			
Property Taxes	\$ 15,221,000	\$ 15,221,000	\$ -
Franchise Fees	1,205,000	1,205,000	-
Sales Tax	3,052,000	3,173,000	121,000
Permits and Licenses	1,394,200	1,394,200	-
Fines	445,000	445,000	-
Recreation Fees	964,870	916,450	(48,420)
Investment Income	100,000	390,000	290,000
Public Safety	423,812	423,812	-
Miscellaneous	17,455	17,455	-
Business Enterprise Transfer	1,111,000	1,111,000	-
Recurring Budget Consideration Items		20,000	20,000
<b>Recurring Revenues</b>	<b>23,934,337</b>	<b>24,316,917</b>	<b>382,580</b>
Insurance Reimbursements	-	-	-
Reimbursement of Disaster Expenditures	-	-	-
Non-Recurring Budget Consideration Items		-	-
<b>Non-Recurring Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 23,934,337</b>	<b>\$ 24,316,917</b>	<b>\$ 382,580</b>



# FY 2023 Budget Workshop #6

Table: General Fund Expenditures

	Proposed 07/18/22	Proposed 09/12/22	Increase / (Decrease)
Salaries	\$ 12,485,763	\$ 12,460,172	\$ (25,591)
Benefits	5,096,769	5,024,670	(72,099)
Professional Services	1,927,714	1,927,714	-
Maintenance	1,637,415	1,663,943	26,528
Contractual Services	1,183,126	1,184,356	1,230
Materials and Supplies	1,259,947	1,237,947	(22,000)
Hardware and Software	75,000	75,000	-
Financial Services	30,500	30,500	-
Recurring Budget Consideration Items	-	499,714	499,714
Recurring Expenditures	23,696,234	24,104,016	407,782
Transfers Out	4,700,000	4,700,000	-
Non-Recurring Budget Consideration Items	-	385,007	385,007
Non-Recurring Expenditures	4,700,000	5,085,007	385,007
<b>Total Expenditures</b>	<b>\$ 28,396,234</b>	<b>\$ 29,189,023</b>	<b>\$ 792,789</b>

# FY 2023 Budget Workshop #6

Table: Enterprise Fund Summary

	Proposed 07/18/22	Proposed 09/12/22	Increase / (Decrease)
<b>Beginning Working Capital</b>	<b>\$ 1,762,922</b>	<b>\$ 1,589,922</b>	<b>\$ (173,000)</b>
Recurring Revenues	10,965,540	10,983,540	18,000
Non-Recurring Revenues	-	-	-
Recurring Expenditures	8,304,302	8,240,722	(63,580)
Non-Recurring Expenditures	-	-	-
Transfers Out	2,775,830	2,775,830	-
<b>Ending Working Capital</b>	<b>\$ 1,648,330</b>	<b>\$ 1,556,910</b>	<b>\$ (91,420)</b>
60-Day Working Capital Requirement	\$ 1,384,050	\$ 1,373,454	\$ (10,597)
Over/(Under) 60-Day Requirement	\$ 264,280	\$ 183,456	\$ (80,823)
Structural Balance Factor	1.05	1.06	0.01
Excess Recurring Revenues	\$ 545,408	\$ 626,988	\$ 81,580



# FY 2023 Budget Workshop #6

Table: Enterprise Fund Revenues

	Proposed 07/18/22	Proposed 09/12/22	Increase / (Decrease)
<b>Revenues</b>			
Water Revenue	\$ 15,221,000	\$ 15,221,000	\$ -
Wastewater Revenue	3,289,650	3,289,650	-
Solid Waste Revenue	1,867,800	1,867,800	-
Miscellaneous Revenue	141,640	141,640	-
Interest on Investments	2,500	20,500	18,000
Recurring Budget Consideration Items		-	-
<b>Recurring Revenues</b>	<b>23,934,337</b>	<b>24,296,917</b>	<b>18,000</b>
Non-Recurring Budget Consideration Items		-	-
<b>Non-Recurring Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenues</b>	<b>\$ 23,934,337</b>	<b>\$ 24,296,917</b>	<b>\$ 18,000</b>

# FY 2023 Budget Workshop #6

Table: Enterprise Fund Expenses

	Proposed 07/18/22	Proposed 09/12/22	Increase / (Decrease)
Salaries	\$ 1,483,568	\$ 1,407,077	\$ (76,491)
Benefits	833,982	808,393	(25,589)
Professional Services	759,400	759,400	-
Maintenance	629,576	629,576	-
Contractual Services	243,637	243,637	-
Materials and Supplies	3,143,139	3,129,639	(13,500)
Financial Services	100,000	100,000	-
Business Enterprise Transfer	1,111,000	1,111,000	-
Recurring Budget Consideration Items		52,000	52,000
Recurring Expenditures	8,304,302	8,240,722	(63,580)
Transfers Out	2,775,830	2,775,830	-
Non-Recurring Budget Consideration Items		-	-
Non-Recurring Expenditures	2,775,830	2,775,830	-
<b>Total Expenditures</b>	<b>\$ 11,080,132</b>	<b>\$ 11,016,552</b>	<b>\$ (63,580)</b>

# FY 2023 Budget Workshop #6

## General Fund - Non-Recurring Budget Consideration Items (1 of 2)

Description	Strategic Focus Area	Expenditure	Offsets	Net Impact	Council Direction
<b>Finance</b>					
Laptops (a)	Governance	\$6,000		\$6,000	exclude
<b>Human Resources</b>					
Compensation Study	Governance	\$60,000		\$60,000	include-tag
Staff Model Study	Governance	\$40,000		\$40,000	include-tag
<b>Development Services</b>					
Professional Services Supplemental Request (b)	Public Safety	\$100,000		\$100,000	include
<b>Fire</b>					
2nd Medic Unit (equipment/Overtime-Training/Uniforms) (c)	Public Safety	\$170,000		\$170,000	exclude
Rescue Bags (b)	Public Safety	\$24,800		\$24,800	include
<b>Parks, Recreation &amp; Facilities</b>					
Painting exterior of Evelyn's Park Building	Quality of Life	\$23,000		\$23,000	exclude
<b>Police</b>					
Body-Worn Camera System (d)	Public Safety	\$335,207	(\$175,000)	\$160,207	include

# FY 2023 Budget Workshop #6

## ***General Fund - Non-Recurring Budget Consideration Items*** (2 of 2)

(a) Staff has determined these laptops can be absorbed in the operating budget. Therefore, staff has removed the item from consideration.

(b) This item was previously shown as recurring, but has been reclassified as non-recurring.

(c) This item also has a recurring personnel cost component of \$183,500. This item is expected to generate approximately \$70,000 in annual revenue. Council indicated this item should be excluded from the FY 2023 budget and could be the subject of a stand-alone budget workshop for consideration in the FY 2024 budget.

(d) This is a 5-year item, so the gross annual amount would be \$67,041, and the annual net impact amount would be \$32,041. After further staff review, the annual offset on this item is estimated to be approximately \$35,000 versus the originally estimated \$53,000. Therefore, the 5-year offset is estimated at \$175,000.



# FY 2023 Budget Workshop #6

General Fund - Recurring Budget Consideration Items (1 of 3)

Description	Strategic Focus Area	Expenditure	Offsets	Net Impact	Council Direction
<b>NON-PERSONNEL-RELATED RECURRING EXPENDITURES ITEMS</b>					
<b>City Manager's Office</b>					
Civic Plus Virtual Webmaster	Governance	\$5,700		\$5,700	include
Civic Plus Mobile Smartphone App	Governance	\$7,132		\$7,132	include
Recollect Recycling Smartphone App	Governance	\$8,300		\$8,300	include
<b>Library</b>					
Overdrive Advantage	Quality of Life	\$4,000		\$4,000	include
<b>Fire</b>					
Firefighter Bunker Gear (legal mandate)	Public Safety	\$28,812		\$28,812	include
<b>Human Resources</b>					
Workshield	Governance	\$7,560		\$7,560	include-tag
<b>Information Technology</b>					
Cybersecurity Tools	Governance	\$15,000		\$15,000	include
Business Continuity	Governance	\$120,000		\$120,000	include
Business Intelligence	Governance	\$85,000		\$85,000	include
Hardware Replacement (a)	Governance	\$75,000	(\$5,000)	\$70,000	include
Police Voice Recording - Additional Switch	Governance	\$9,000		\$9,000	include
Mobile Device Management	Governance	\$15,000		\$15,000	include
<b>Parks, Recreation, &amp; Facilities</b>					
Spring Youth Volleyball (b)	Quality of Life	\$5,000	(\$12,000)	(\$7,000)	include
Spring Break Camp Paseo (b) (c)	Quality of Life	\$4,000	(\$8,000)	(\$4,000)	include
BLIFE Bus Trips	Quality of Life	\$18,000		\$18,000	include
<b>Police</b>					
Flock Camera - Phase 2 (d)	Public Safety	\$25,000		\$25,000	include
Replace Active Shooter Plate Carriers (d)	Public Safety	\$19,000		\$19,000	include

# FY 2023 Budget Workshop #6

General Fund - Recurring Budget Consideration Items (2 of 3)

Description	Strategic Focus Area	Expenditure	Offsets	Net Impact	Council Direction
<b>PERSONNEL-RELATED RECURRING EXPENDITURES ITEMS</b>					
<b>Fire</b>					
New Position - One Part Time Fire Marshall/Fire Inspector	Public Safety	\$25,000		\$25,000	include
New Positions - Two Paramedics to Staff 2nd Medic Unit (e)	Public Safety	\$183,456	(\$70,000)	\$113,456	exclude
<b>Human Resources</b>					
New Position - One Senior HR Coordinator (f)	Governance	\$112,184		\$112,184	exclude
<del>Reclassification - One HR Coordinator Reclassified to Senior HR Coordinator (g)</del>	<del>Governance</del>	<del>\$4,836</del>		<del>\$4,836</del>	<del>removed</del>
<b>Information Technology</b>					
New Position - One IT Technician (f) (h)	Governance	\$83,502	(\$30,000)	\$53,502	exclude
<b>Parks, Recreation, &amp; Facilities</b>					
<del>Reclassification - One Recreation Supervisor - BLIFE/Special Events Reclassified to Recreation Supervisor II (g)</del>	<del>Quality of Life</del>	<del>\$5,000</del>		<del>\$5,000</del>	<del>removed</del>
<b>Police</b>					
Reclassification - Two Sergeants Reclassified to Lieutenants (i)	Public Safety	\$24,560		\$24,560	include
Reclassification - One Criminal Investigations Division Detective Reclassified to Sergeant	Public Safety	\$3,650		\$3,650	include
New Position - One Telecommunicator (f)	Public Safety	\$54,980		\$54,980	exclude
Reclassifications - Four Telecommunicators Reclassified to Lead Telecommunicators (f)	Public Safety	\$16,810		\$16,810	exclude
<b>All Departments in the General Fund</b>					
4% COLA in lieu of 1.5% COLA and 3.5% STEP (j)	Governance	(\$2,416)		(\$2,416)	include



# FY 2023 Budget Workshop #6

## **General Fund - Recurring Budget Consideration Items** (3 of 3)

- (a) Scheduled hardware replacement should reduce the upkeep costs associated with older equipment.
- (b) This program is expected to generate more revenue than its additional cost.
- (c) Staff reduced the gross cost from \$7,600 shown in the original presentation to \$4,000.
- (d) This item was inadvertently excluded from the slides for Budget Workshop #5; however, given the relatively small cost, the nature of the item, and the direction provided by council on other items, we believe council would have directed staff to "include" this item in the budget, so staff as marked it as "include." Should council indicate it disagrees with this classification, staff will revise it.
- (e) This item also has a non-recurring start-up cost of \$170,000. Staff has reduced the preliminary \$120,000 revenue estimate to \$70,000 after consulting with our ambulance billing firm. Council indicated this item should be excluded from the FY 2023 budget and could be the subject of a stand-alone budget workshop for consideration in the FY 2024 budget.
- (f) Council direction was to exclude this item from the FY 2023 budget, as this item should be incorporated into the budgeted compensation/staffing study.
- (g) Council direction was that this item should be a City Manager decision item, not a City Council decision item, so we have removed the item.
- (h) A full-time IT Technician would reduce utilization of consultants.
- (i) This formalizes and ratifies actions already taken.
- (j) This item was added due to discussions in Budget Workshop #4.

# FY 2023 Budget Workshop #6

## *Enterprise Fund - Recurring Budget Consideration Items*

Description	Strategic Focus Area	Expense	Offsets	Net Impact	Council Direction
<b>PERSONNEL-RELATED RECURRING EXPENDITURES ITEMS</b>					
<b><i>Solid Waste</i></b>					
New Positions - Two new Laborers (a)	Community	\$117,000	(\$65,000)	\$52,000	include
<b><i>All Departments in the Enterprise Fund</i></b>					
4% COLA in lieu of 1.5% COLA and 3.5% STEP (b)	Governance	(\$1,915)		(\$1,915)	include

(a) Additional full-time positions would reduce the use of contract labor. Contract labor budget would be reduced from \$75,000 to \$10,000.

(b) This item was added due to discussions in Budget Workshop #4.

# FY 2023 Budget Workshop #6

## General Fund

Forecast Category (figures shown in millions, except tax rate)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Fund Balance	\$6.05	\$11.92	\$7.03	\$5.86	\$4.32	\$2.97
Recurring Revenue - per July 18 fiscal forecast	\$23.30	\$23.93	\$24.61	\$25.43	\$26.44	\$27.85
Recurring Revenue - budget consideration items		\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
Recurring Revenue - other updates to July 18 fiscal forecast	\$0.08	\$0.34	\$0.34	\$0.34	\$0.34	\$0.34
Recurring Expenditures - per July 18 fiscal Forecast	\$21.73	\$23.70	\$24.76	\$25.87	\$27.03	\$28.25
Recurring Expenditures - budget consideration items		\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Recurring Expenditures - other updates to July 18 fiscal forecast	(\$0.10)	(\$0.09)	(\$0.09)	(\$0.09)	(\$0.09)	(\$0.09)
<b>Structural Balance Factor</b>	<b>1.08</b>	<b>1.01</b>	<b>0.99</b>	<b>0.98</b>	<b>0.98</b>	<b>0.98</b>
Non-recurring Revenues - per July 18 fiscal forecast	\$4.90	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Non-recurring Revenues - other updates to July 18 fiscal forecast	\$0.01					
Non-recurring Exp. - per July 18 fiscal forecast	\$0.79	\$4.70	\$0.98	\$1.06	\$0.72	\$0.72
Non-recurring Exp. - budget consideration items		\$0.39				
Non-recurring Exp. - other updates to July 18 fiscal forecast	\$0.00					
Ending Fund Balance	\$11.92	\$7.03	\$5.86	\$4.32	\$2.97	\$1.81
60-day Fund Balance Requirement	\$3.60	\$4.02	\$4.19	\$4.38	\$4.57	\$4.78
<b>Over/(Under) 60-day Fund Balance Requirement</b>	<b>\$8.31</b>	<b>\$3.01</b>	<b>\$1.67</b>	<b>(\$0.06)</b>	<b>(\$1.60)</b>	<b>(\$2.96)</b>
<b>Excess/(Deficit) Structural Balance</b>	<b>\$1.75</b>	<b>\$0.20</b>	<b>(\$0.19)</b>	<b>(\$0.48)</b>	<b>(\$0.63)</b>	<b>(\$0.44)</b>



# FY 2023 Budget Workshop #6

## Enterprise Fund

Forecast Category (figures shown in millions)	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Beginning Working Capital Balance	\$1.71	\$1.59	\$1.56	\$1.82	\$1.92	\$2.08
Recurring Revenue - per July 18 fiscal forecast	\$10.50	\$10.97	\$11.54	\$12.10	\$12.69	\$13.30
Recurring Revenue - other updates to July 18 fiscal forecast	\$0.06	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02
Recurring Expense - per July 18 fiscal forecast	\$8.07	\$8.30	\$8.56	\$8.83	\$9.11	\$9.41
Recurring Expense - budget consideration items		\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Recurring Expense - other updates to July 18 fiscal forecast	\$0.23	(\$0.12)	(\$0.12)	(\$0.12)	(\$0.12)	(\$0.12)
Recurring Expense - Debt Service (previously non-recurring)	\$2.13	\$2.12	\$2.13	\$2.13	\$2.13	\$2.01
<b>Structural Balance Factor</b>	<b>1.0</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>
Transfer to Vehicle and Equipment Replacement Fund	\$0.05	\$0.00	\$0.36	\$0.36	\$0.36	\$0.36
Transfer to Capital Improvement Fund	\$0.20	\$0.66	\$0.30	\$0.75	\$1.00	\$1.00
Ending Working Capital Balance	\$1.59	\$1.56	\$1.82	\$1.92	\$2.08	\$2.69
60-Day Reserve Requirement	\$1.38	\$1.37	\$1.42	\$1.46	\$1.51	\$1.56
<b>Over/(Under) 60-Day Reserve</b>	<b>\$0.21</b>	<b>\$0.18</b>	<b>\$0.40</b>	<b>\$0.46</b>	<b>\$0.57</b>	<b>\$1.14</b>
<b>Excess/(Deficit) Structural Balance</b>	<b>\$0.12</b>	<b>\$0.63</b>	<b>\$0.92</b>	<b>\$1.21</b>	<b>\$1.52</b>	<b>\$1.97</b>

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SEPTEMBER 12, 2022