

May 19, 2023

To: The Honorable Mayor and City Council

From: Kenneth A. Mix, City Manager

Subject: Changes to the Proposed Fiscal Year 2023-24 Budget

The following changes to the Proposed Fiscal Year 2023-24 Budget seemed to have City Council consensus:

General Fund

1. Eliminate proposed salary increases to Mayor and City Council

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
A.1010.0110 Salaries	\$59,256	\$53,256	(\$ 6,000)
A.1010.0810 Retirement	\$ 1,985	\$ 1,784	(\$ 201)
A.1010.0830 Social Security	\$ 4,532	\$ 4,076	(\$ 456)
			<b><u>(\$ 6,657)</u></b>

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
A.1210.0110 Salaries	\$19,253	\$17,753	(\$ 1,500)
A.1210.0810 Retirement	\$ 2,990	\$ 2,757	(\$ 233)
A.1210.0830 Social Security	\$ 1,473	\$ 1,358	(\$ 115)
			<b><u>(\$ 1,848)</u></b>

2. Eliminate Deputy City Comptroller position (see follow-up proposal below)

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
A.1315.0110 Salaries	\$202,486	\$135,557	(\$ 66,929)
A.1315.0810 Retirement	\$ 45,758	\$ 39,065	(\$ 6,693)
A.1315.0830 Social Security	\$ 28,280	\$ 23,160	(\$ 5,120)
A.1315.0850 Health Insurance	\$ 43,083	\$ 25,972	(\$ 17,111)
			<b><u>(\$ 95,853)</u></b>

Total General Fund changes to date **(\$104,358)**

City staff is recommending the following changes to the Proposed Budgets:

General Fund

1. Increase City Comptroller's part-time Accountant position from 20 hours per week to 30 hours per week

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
A.1315.0110 Salaries	\$ 29,865	\$ 44,798	\$ 14,933
A.1315.0830 Social Security	\$ 2,285	\$ 3,427	\$ 1,143
			<b><u>\$ 16,076</u></b>

2. Decrease property tax levy and increase fund balance to keep the property tax rate the same

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
A.0000.1001 Property Tax	\$10,099,517	\$9,903,017	(\$196,500)
A.0000.0909 Fund Balance	\$ 2,011,860	\$2,120,077	(\$108,217)

#### Water Fund

1. Move high-lift pump rebuild to Fiscal Year 2024-25 Capital Budget plan

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
F.8320.0250 Equipment	\$ 55,000	\$ -	(\$ 55,000)

2. Delete water meter dials

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
F.8340.0465 Misc. Equip.	\$ 56,800	\$ -	(\$ 56,800)

3. Reduce scope of the Water Administration HVAC Upgrade project

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
F.9950.0900 Transfer to Capital	\$ 50,000	\$ -	(\$ 50,000)
F.8310.0430 Water Administration – Contracted Services	\$ 0	\$ 5,000	\$ 5,000

4. Delay the Water Administration building drainage project until Fiscal Year 2024/25

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
F.9950.0900 Transfer to Capital	\$ 75,000	\$ -	(\$ 50,000)

These adjustments reduce the proposed water rate increase of 10% to 6%.

#### Sewer Fund

1. Sewer Fund portion of reduced HVAC project

G.8110.0430 Sewer Administration – Contracted Services	\$ 0	\$ 5,000	\$ 5,000
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2. Delete water meter dials

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
G.8120.0465 Misc. Equip.	\$ 56,800	\$ -	(\$ 56,800)

3. Delay lift station generators until Fiscal Year 2024-25

	<u>Proposed</u>	<u>Adjusted</u>	<u>Change</u>
G.8130.0250 Equipment	\$ 436,000	\$ 236,000	(\$200,000)

These adjustments reduce the proposed sewer rate increase of 10% to 3.50%.

Impact to residential family of four quarterly bill:

	Currently	Increase	New Amount	Increase
Water	\$ 76.78	6.00%	\$ 81.38	\$ 4.60
Sewer	<u>\$ 64.04</u>	3.50%	<u>\$ 66.28</u>	<u>\$ 2.24</u>
Total	<u>\$140.82</u>		<u>\$147.66</u>	<u>\$ 6.84 or 4.64% per quarter</u>

Impact to minimum quarterly charge:

	Currently	Increase	New Amount	Increase
Water	\$ 36.83	6.00%	\$ 39.04	\$ 2.21
Sewer	<u>\$ 32.32</u>	3.50%	<u>\$ 33.45</u>	<u>\$ 1.13</u>
Total	<u>\$ 69.15</u>		<u>\$ 72.49</u>	<u>\$ 3.34 or 4.83% per quarter</u>

Pending items:

- Establish pool fees