

TRIAL BALANCED BUDGET

FINANCE COMMITTEE

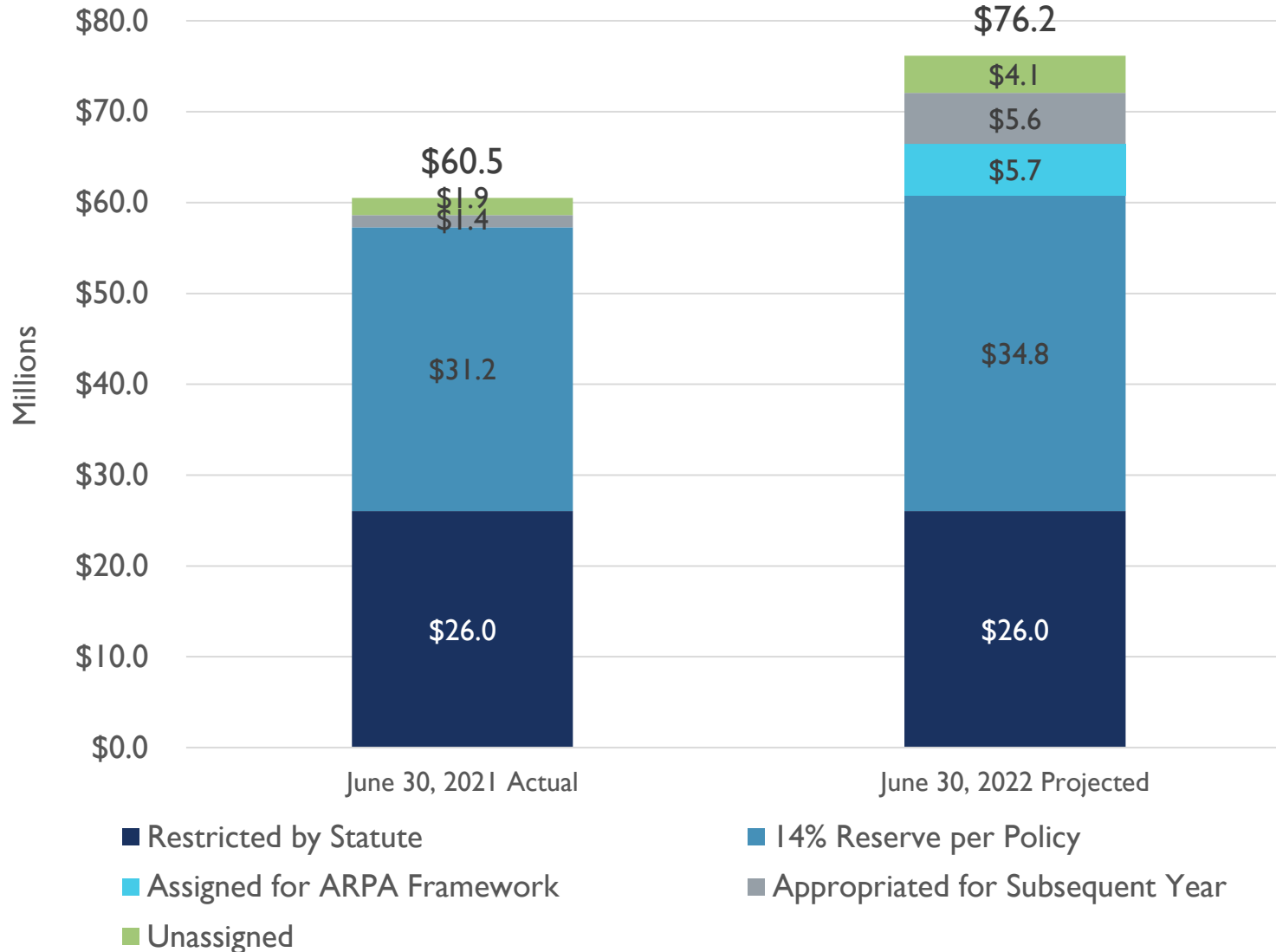
BUDGET AND PERFORMANCE MANAGEMENT DEPARTMENT
APRIL 2022



GENERAL FUND TRIAL BALANCED BUDGET

- Major Revenue Assumptions
- Base Budget Details
- Expansion Items
- Next Steps

General Fund Balance Projection



GENERAL FUND BALANCE

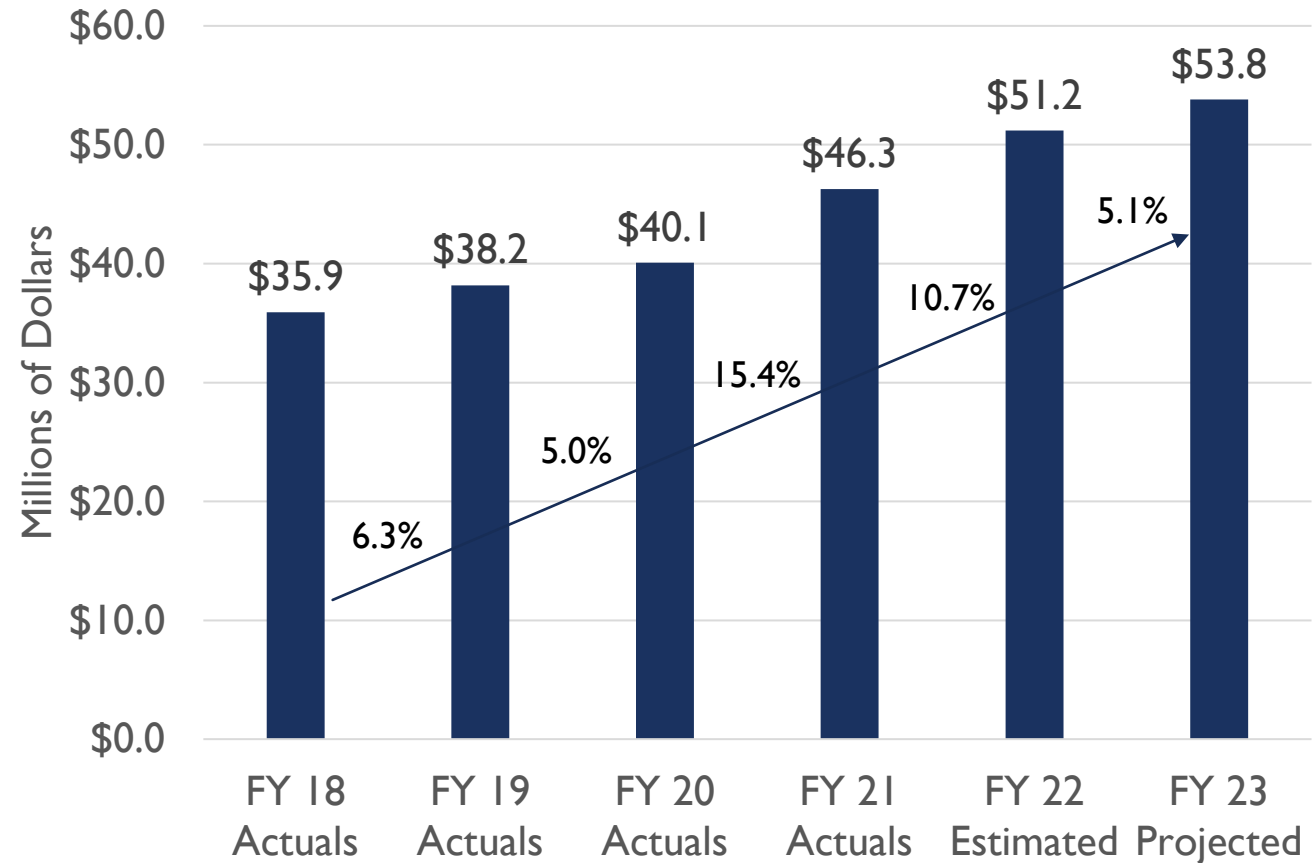
**Projection will be updated again during budget development*

SALES TAX REVENUE

- County-wide growth in FY 22:
 - Q1 – 13.3%
 - Q2 – 14.5%
 - January – 7.2%
 - Projected – 5% (Feb – June)

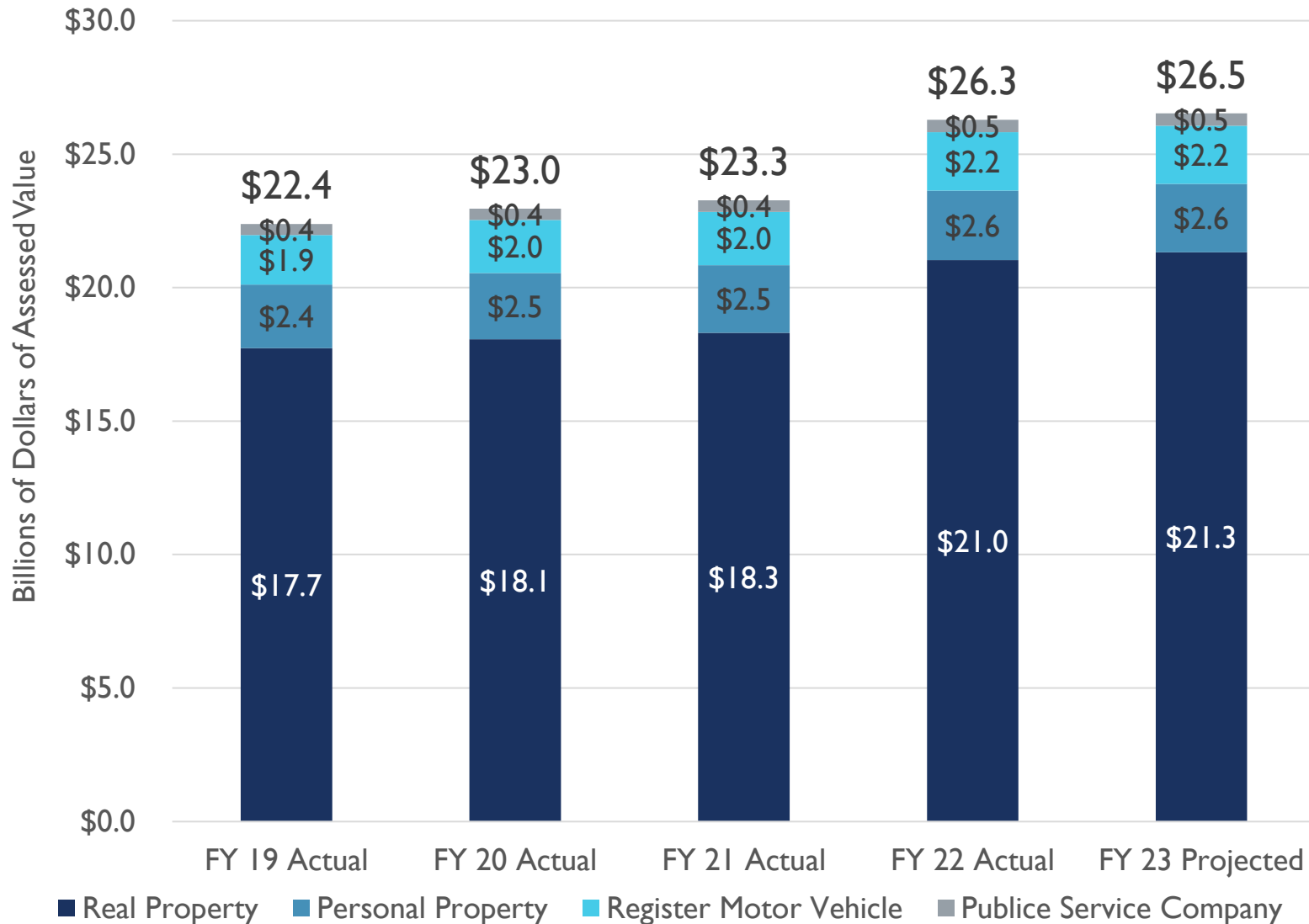
- FY 2023 Budget includes 3% growth in distributions from projected year-end

General Fund Sales Tax Revenues



Note: Projection includes 3% growth in county-wide distributions in FY 23. The 5.1% growth in chart reflects changes in ad valorem distribution.

Total Property Tax Base



PROPERTY TAX BASE

- April 1st County Tax Office estimate includes 0.9% growth
- Growth rates:
 - FY 19 – 2.14%
 - FY 20 – 2.56%
 - FY 21 – 1.38%
 - FY 22 – 12.97%*

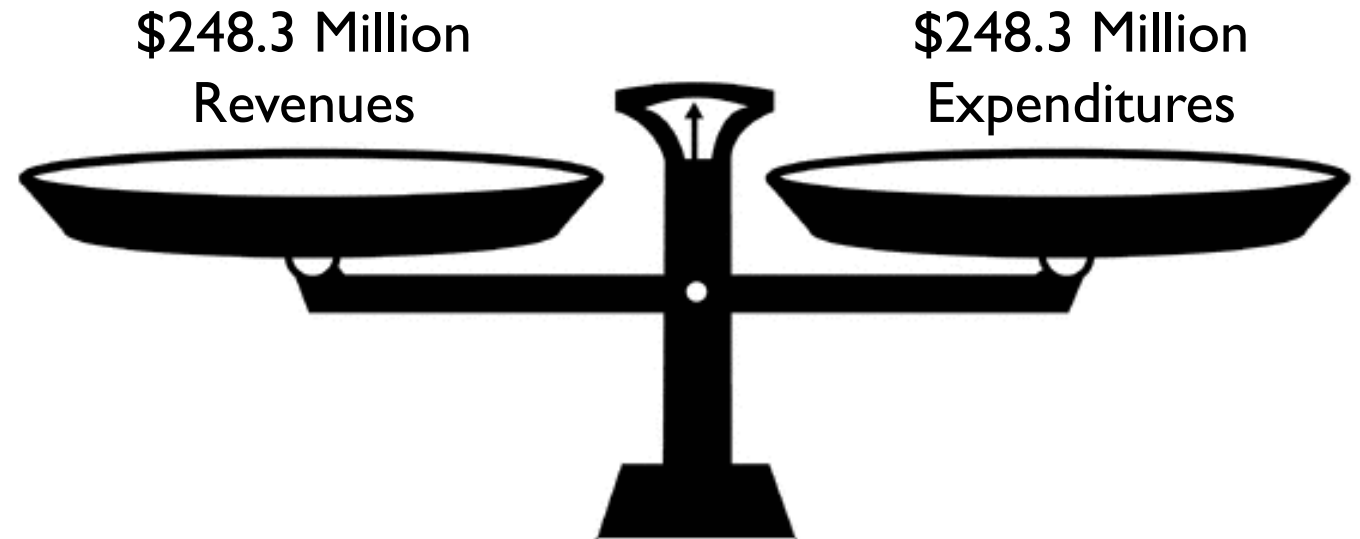
*FY 22 was a revaluation year.

FY 2022-23 GENERAL FUND

PROJECTED BALANCED BUDGET



- **General Fund Balanced**
 - Includes fund balance use for one-time capital needs of \$5.6 million



FY 2022-23 INCLUDED IN THE BASE BUDGET



BUDGET TO BUDGET PERSONNEL CHANGES	FY 22	FY 23	CHANGE	% CHANGE
Salary, Wages, and Benefits	\$156.7 million	\$171.4 million	\$14.7 million	9.4%
Salary Savings Adjustment	-3.1 million	-4.0 million	-0.9 million	29.0%
TOTAL	\$153.6 million	\$167.4 million	\$13.8 million	9.0%

- Includes average 3.8% merit adjustments for non-sworn and non-certified personnel*
- Includes required contributions for retirement benefits
- Includes \$7.2 million for sworn and certified Police and Fire pay adjustments*
- Includes 15 new positions (details on next page)
- Includes removal of flat rate pay plan (took effect in FY 2022 mid-year)

**Personnel increases effective at different times*

NEW POSITIONS FOR FY 2023

POSITION DESCRIPTION	ESTIMATED AMOUNT
(5) Recreation and Veg. Mgmt. Positions for Maintenance	\$354,590
(4) CD Positions for Housing	331,110
(3) CD Positions for Rapid Response Abatement Crew	288,160
(2) PDS Positions for Inspections Workload Increases	233,300
(1) Language Access Coordinator – Hispanic Community Outreach	93,410
TOTAL	\$1,300,570

Note: Amounts above include required supplies and equipment.

ADDITIONAL POLICE/FIRE COMPENSATION



- Compensation Type
 - Career Ladder and/or Step Plan
 - Potential creation of additional Police Officer and Firefighter levels (e.g., PO 2 and Senior PO)
- Funding
 - Merit and public safety supplement would have equaled \$3.25 million
 - Additional 1.5 cents on property tax rates generates \$3.96 million (included in base budget)
 - Total funding of \$7.21 million

FY 2022-23

BUDGET-TO-BUDGET CHANGES (GENERAL FUND)

- Recycling transition to in-house collection will have additional one-time costs in FY 2023
 - Will include 14 new positions budgeted for part of the year
- Vehicle replacement leasing expenses represent \$5,000,000 in acquisition
- City building security includes City Hall and Bryce A. Stuart Buildings

MAJOR NON-PERSONNEL EXPENDITURE CHANGES	COST INCREASE
Recycling Contract (not including in-house collection)	\$2.9 million
Contract and Unavoidable Expense Increases	1.2 million
Vehicle Replacement	1.1 million
Fuel (Regular Unleaded and Diesel)	1.0 million
Sanitation Tipping Fees	800,000
City Building Security (including metal detection services)	592,000
Fire Dispatch Services	404,000
Increased Economic Development Project Incentives	302,000
SUBTOTAL	\$8.3 million

FY 2022-23

BUDGET-TO-BUDGET CHANGES (GENERAL FUND)



- FY 23 sales tax growth rate: 3%
- Property tax rate increase to fund public safety pay changes
- Bi-monthly recycling fee of approximately \$5.00 (\$2.50 per month)
 - Equivalent of \$0.0085 on the property tax rate (9/10 penny)

REVENUES	FY 23 INCREASE
Sales Taxes	\$9.7 million
Property Taxes (1.0% base growth and 1.5 cent tax rate change)	\$6.3 million
Recycling Fee (incremental increase only)	\$2.25 million
Recycling Commodities	\$1.1 million
Construction Permits	\$910,000
Alcoholic Beverage Control	\$430,000
Indirect Cost Allocation	-287,000
TOTAL	\$20.4 million

TRIAL BALANCED BUDGET SUMMARY

	<u>FY 22</u>	<u>FY 23</u>	<u>Change</u>	<u>% Change</u>
Property Taxes	122,298,370	128,600,600	6,302,230	5.2%
Sales Taxes	44,131,910	53,810,600	9,678,690	21.9%
Other Revenues	55,291,940	60,251,960	4,960,020	9.0%
Fund Balance	1,350,000	5,600,000	4,250,000	314.8%
Total Revenues	223,072,220	248,263,160	25,190,940	11.3%
Personnel	153,669,320	167,441,720	13,772,400	9.0%
Supplies & Services	60,112,270	66,559,270	6,447,000	10.7%
Intradep. Credits	(7,780,420)	(7,709,520)	70,900	-0.9%
Lease Payments	7,427,920	8,491,380	1,063,460	14.3%
Transfers	9,643,130	13,480,310	3,837,180	39.8%
Total Expenses	223,072,220	248,263,160	25,190,940	11.3%

WHAT'S NOT IN THE TRIAL BALANCED BUDGET

<u>Request Type</u>	<u>Amount</u>	<u>Tax Rate Equivalent*</u>
Additional Vehicle/Equipment Replacement**	5,229,330	0.020
Additional Position Requests	6,260,900	0.024
Recruitment/Retention Incentives	TBD	N/A
Total	\$11,490,230	\$0.044

*Tax rate equivalent expressed in dollars. Total tax rate equivalent above is an additional 4.4 cents on the tax rate.

**Lease payment costs; represents approximately \$26 million in equipment.

<u>Department</u>	<u># of Positions</u>	<u>Total Cost</u>
Fire Operations	54	\$ 3,919,440
Fire Admin	8	\$ 636,710
Recreation and Parks	10	\$ 524,350
Sanitation	3	\$ 377,760
Police (Including Public Safety IS)	4	\$ 340,900
Human Resources	3	\$ 218,660
City Link	3	\$ 154,920
Emergency Management	1	\$ 88,160
Total	86	\$ 6,260,900

UNFUNDED POSITION REQUESTS

FY 2022-23

PRELIMINARY BUDGET REVIEW CALENDAR



Date/Location	Event/Topic
Tuesday, May 31 (4:00 p.m.) City Hall	Presentation of Proposed Budget to the Mayor and City Council Budget Overview, Budget Document
Thursday, June 2 (5:00 p.m.) City Hall	Finance Committee Budget Workshop Community Agencies Highlights
Thursday, June 2 (7:00 p.m.) City Hall	Finance Committee Public Hearing
Thursday, June 9 (4:00 p.m.) City Hall	Finance Committee Meeting/Workshop Consideration of a recommended budget and property tax rate
Tuesday, June 21 (7:00 p.m.) City Hall	FY 2022-23 Budget Adoption 2 nd Public Hearing and Budget Adoption