



FY23 Recommended Fiscal Plan

Milton Dohoney Jr., Interim City Administrator
April 18, 2022

Plan for This Presentation

- Provide an overview of the City Administrator's recommended FY23 Fiscal/Budget Plan.
- By City Charter, Council is required to adopt the budget at its second meeting in May.
- This presentation, detailed budget documents, and subsequent questions from Council and staff responses are available to the public on the City's website ([here](#)).

Overview

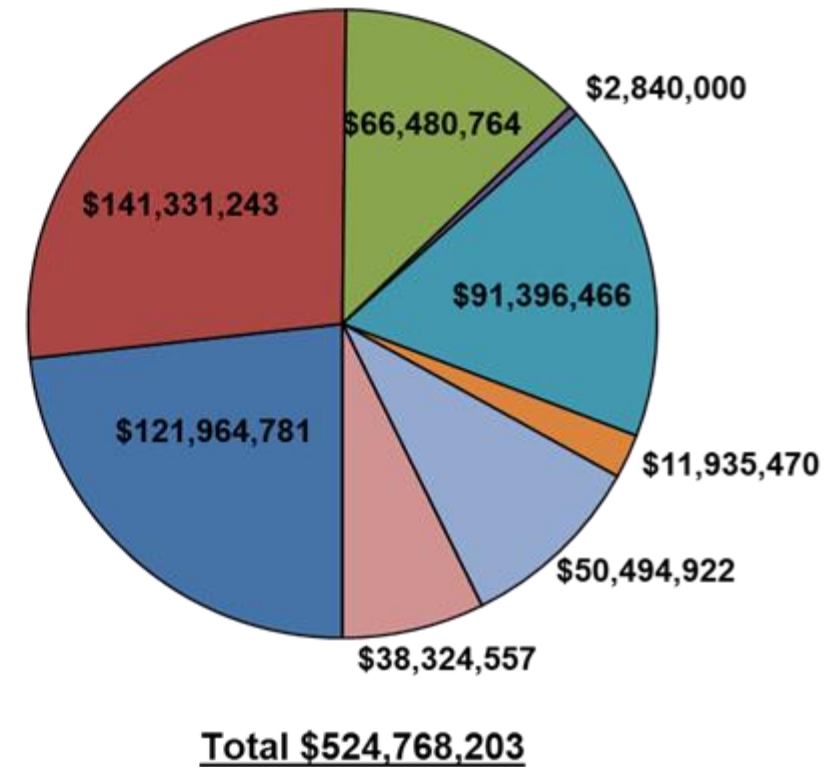
- As a financially well managed city, the General Fund is projected to have a healthy reserve (17% of adjusted expenditures) at the close of FY 22.
- The American Rescue Plan allocations are not included in the recommended budget. A separate budget action will be brought for approval.
- This budget proposes converting six temporary position to full-time positions – including four Solid Waste collection positions, a Parks Recreation Supervisor and a Parks Maintenance Technician.

Overview

- General Fund Recurring Revenues are projected to increase by 4.5%.
 - Property tax receipts are expected to increase by 4.65%.
 - Constitutional and City, Village, & Township Revenue Sharing (CVTRS) is projected to increase by 3.0%.
 - City revenues related to parking are projected to continue to increase; however, remain below pre-pandemic levels.
- General Fund One-Time revenues total \$1.0M representing funding from the Fire Protection Grant.
- The City expects to receive \$2.7M from the County Public Safety and Community Mental Health millage for maintaining its own police force. These unrestricted funds were allocated 40%/40%/20% per existing council direction.
- Proposed utility rates reflect the cost to deliver services, meet regulatory requirements, and complete capital projects. The average residential proposed increases for water, sewer, and stormwater combined increase is 2.67%.

Overview

- Total budgeted expenditures are \$524.7M
 - \$121.9M in the General Fund
 - \$141.3M in Enterprise Funds
 - \$50.4M in Trust Funds
 - \$211.1M in Other Categories
- Fund balances remain within City policy guidelines.
- GO Bond rating is AA+ (S&P)



FY23 General Fund Projections

FY2023 Financial Outlook

	FY2022	FY2023	
	Budget	Initial	Projected
	(Mils.)	(Mils.)	(Mils.)
<u>Recurring</u>			
Revenues	\$ 113.6	\$ 117.0	\$ 118.6
Expenditures	(113.9)	(118.4)	\$ (118.1) [▲]
Net Surplus/(Deficit)	\$ (0.3)	\$ (1.4)	\$ 0.5
<u>One-time</u>			
Revenues	\$ 1.7	\$ 1.7	\$ 1.0
Expenditures	(4.8)	(3.0)	\$ (4.1)
Net Surplus/(Deficit)	\$ (3.1)	\$ (1.3)	\$ (3.1)
Net Surplus/(Deficit)	\$ (3.4)	\$ (2.7)	\$ (2.6)
Unassigned Fund Balance	\$ 18.2		\$ 15.6
Policy range (15% to 20%)	20.4%		16.9%

Funding for One-time Priorities (\$000)

	FY23
Capital for Electric Vehicle Transition	129,919
Fire Engine Replacement	1,669,001
Contracted Services with former City Attorney	20,000
City Administrator's Contingency	387,000
Sustainability – Software, sensors, & 10,000 trees	50,000
Sustainability – Training	10,000
Sustainability – Feasibility studies, rate analysis, & technical assistance	250,000
City Clerk – Election equipment – secure storage	35,000
Master Plan Update	700,000
Over hires – Facilities, Recreation Supervisor, Deputy Planning Mgr.	293,988
Superior Dam Coating & Steel Repairs	250,000
Geological Services Gauging Station upstream of Barton Pond	160,000

Road Bond

- FY2023 budget contains the road bond initiative that was introduced during our December planning session.
- It takes advantage of our current Street, Bridge, and Sidewalk millage, as well as our Major and Local Street Funds using current funding to finance debt service to support \$15M transaction.
- April 18: Bond transaction approval requested 45-60 days for Finance to execute the transaction.
- Next steps:
 - Public Services works on a revised paving schedule.
 - Public Services develops FY2024 construction schedule.
 - Communications strategy developed.
 - City staff seeks to leverage program with infrastructure funding.
 - Dashboard created.
 - Program updates posted on dashboard.
 - Bond program commences.

Projects

- Sidewalk Clearance Pilot
- Livable Wage
- Marijuana Fund proceeds under separate cover

Staffing Adjustments (FTEs)

POSITION/ACTION	General Fund	All Other Funds
Police – Community Standards Officer	1.0	
Fire – Fire Recruit	1.0	
Fire – Emergency Management Specialist	.50	
Building – Development Services Inspector	1.0	1.0
City Attorney – FTE re-allocations	.50	
Engineering – Administrative Assistant		1.0
Water Treatment Plant – Water Utility Technician		1.0
Public Works – Solid Waste Collection		4.0
Parks – Parks Recreation Supervisor/Acquisition Supervisor		2.0
Parks – Maintenance Technician		1.0
Downtown Development Authority – Planning & Accounting		1.75
Public Services – FTE re-allocations		.5
TOTAL ADJUSTMENTS (Excludes Over Hire Program – 10 FTEs)	4.0	12.25

800.85
Total
FTEs

FY23 Utility Rate Plan

	Current	Proposed July 1, 2022
Average Quarterly Residential Customer Bill (18 CCF Usage/Storm Tier 2 with on-time discount)	Water: \$75.27 Sewer: \$129.90 Storm: \$62.21 Total: \$240.64	Water: \$79.84 Sewer: \$129.90 Storm: \$64.61 Total: \$246.92

	FY23	FY24	FY25	FY26	FY27
Water	6%	6%	6%	6%	6%
Sewer	0%	0%	3%	3%	3%
Storm	4%	4%	3%	3%	3%

Next Steps

- April 18th Council Meeting – Public Hearings on Rate Changes
- May 5th (Thurs.) City Council Meeting – Public Hearings Budget and Fee Adjustments
- Please submit any *budget questions* to Sara Higgins with copies to Milton Dohoney Jr., Marti Praschan, and Kim Buselmeier by **Friday, May 6th**.
- Please submit any *budget amendment requests* to Marti Praschan and Kim Buselmeier by **Wednesday, May 11th** with copies to Milton Dohoney Jr.
- May 16th Council Meeting – Council considers adoption of the City Administrator’s recommended FY23 budget.

Present Action / Future Focus

- Organizational Stability
- Equity & Inclusion Dividends
- Economic Development
- Downtown Upgrades
 - Roads
 - Cleanliness
 - Public Restrooms
- Brand Elevation
- Engagement

THANK YOU!

