

# FY 2022-2023 BUDGET WORKSHOP #2

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May 16, 2022



# BUDGET PROCESS

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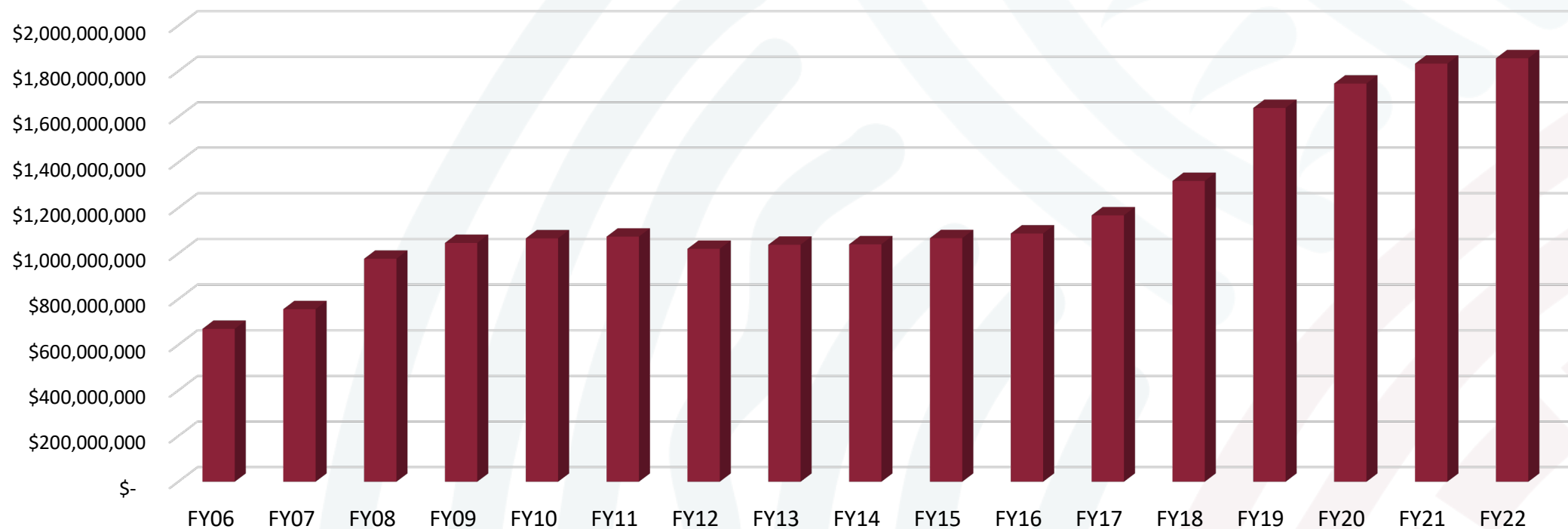
- 🌀 City Council planning retreat established city goals in January 2022
- 🌀 FY 2022-2023 budget preparation process with staff
- 🌀 FY 2022-2023 Budget Workshop #1 on April 11, 2022
- 🌀 FY 2022-2023 Budget Workshop #2 on May 16, 2022
- 🌀 FY 2022-2023 Budget public hearing during the June 6 city council meeting
- 🌀 Budget must be adopted prior to July 1, 2022

# REVIEW OF BUDGET WORKSHOP #1

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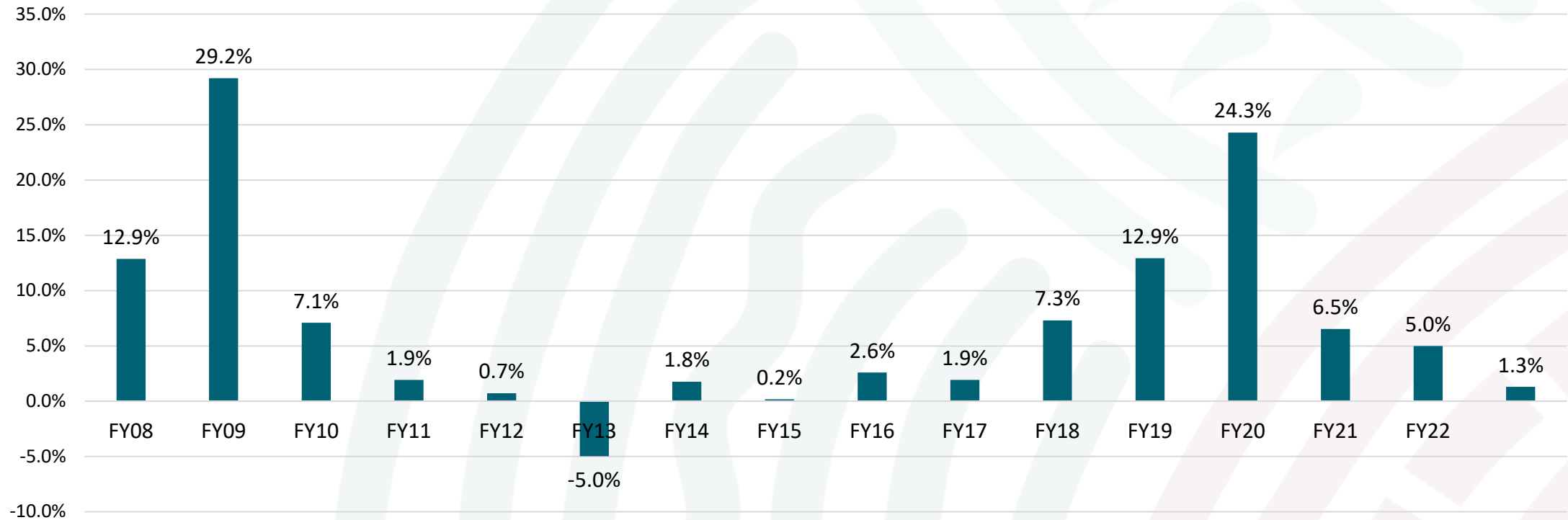
# BELMONT TAX BASE 2006-2022

Property Tax Valuation



# BELMONT TAX BASE 2006-2021

Change in Tax Valuation Over Prior Year



**OVERVIEW OF  
PROPOSED  
FY 2022-2023  
BUDGET**

## VISION STATEMENT

Belmont will be a vibrant, multi-generational community that incorporates small-town charm and heritage with an entrepreneurial spirit.

## MISSION STATEMENT

City of Belmont provides visionary leadership and high-quality city services to create a community of choice for our residents, visitors, and employees.

## CORE VALUES

- Uphold the Professionalism and Ethics Expected of Elected Officials
- Practice Mutual Respect Towards Fellow Council Members and City Staff
- Lead with Honesty, Vision and Responsibility
- Maintain Balance and Open-mindedness in Executing Duties
- Demonstrate Fairness and Accountability to All Residents and Stakeholders of Belmont

# CITY COUNCIL GOALS

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-  **Transportation**
  - Develop a multimodal transportation network that improves access, reduces congestion, and offers different mobility choices
  - Funding is included for pedestrian and bicycle safety at key intersections, for the Abbey Creek Greenway and the Belmont Rail Trail, and for sidewalk repairs and extensions.
-  **Infrastructure**
  - Invest and maintain infrastructure to support continuing growth
  - Funding is included for water and sewer, stormwater, and street improvements to provide better service to existing residents and utility customers and to respond to a growing city.
-  **Growth Management/Balanced Growth**
  - Manage growth to support economic and community development in line with the City's vision
  - Funding is included to update the City's Comprehensive Land Use Plan and to market Belmont as a top place to live and work in our region.
-  **Parks and Recreation**
  - Provide programs and facilities that engage and support multiple generations
  - Funding is included to complete the CityRec Center, which will provide spaces for programs to serve Belmont residents of all ages, as well as to enhance existing parks so that residents and families can continue to enjoy them.



# BIG PICTURE OVERVIEW

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- 🌐 No change in property tax rate, solid waste fee, water/sewer rates, stormwater fee
- 🌐 Inflation has huge impact to budget
  - Cost of materials, projects, supplies, chemicals, fuel increased
  - Latest CPI from February 2022 is 7.9% increase over last year. This increased to 8.3% in April 2022.
  - COLA of 7.9% recommended (no merit to make up for this)
  - Fee schedule increase of 7.9% of cover these costs
  - Health insurance cost decreased 3%
- 🌐 New employee requests to better deliver services to residents and customers

# UPDATE TO BUDGET FROM WORKSHOP #1

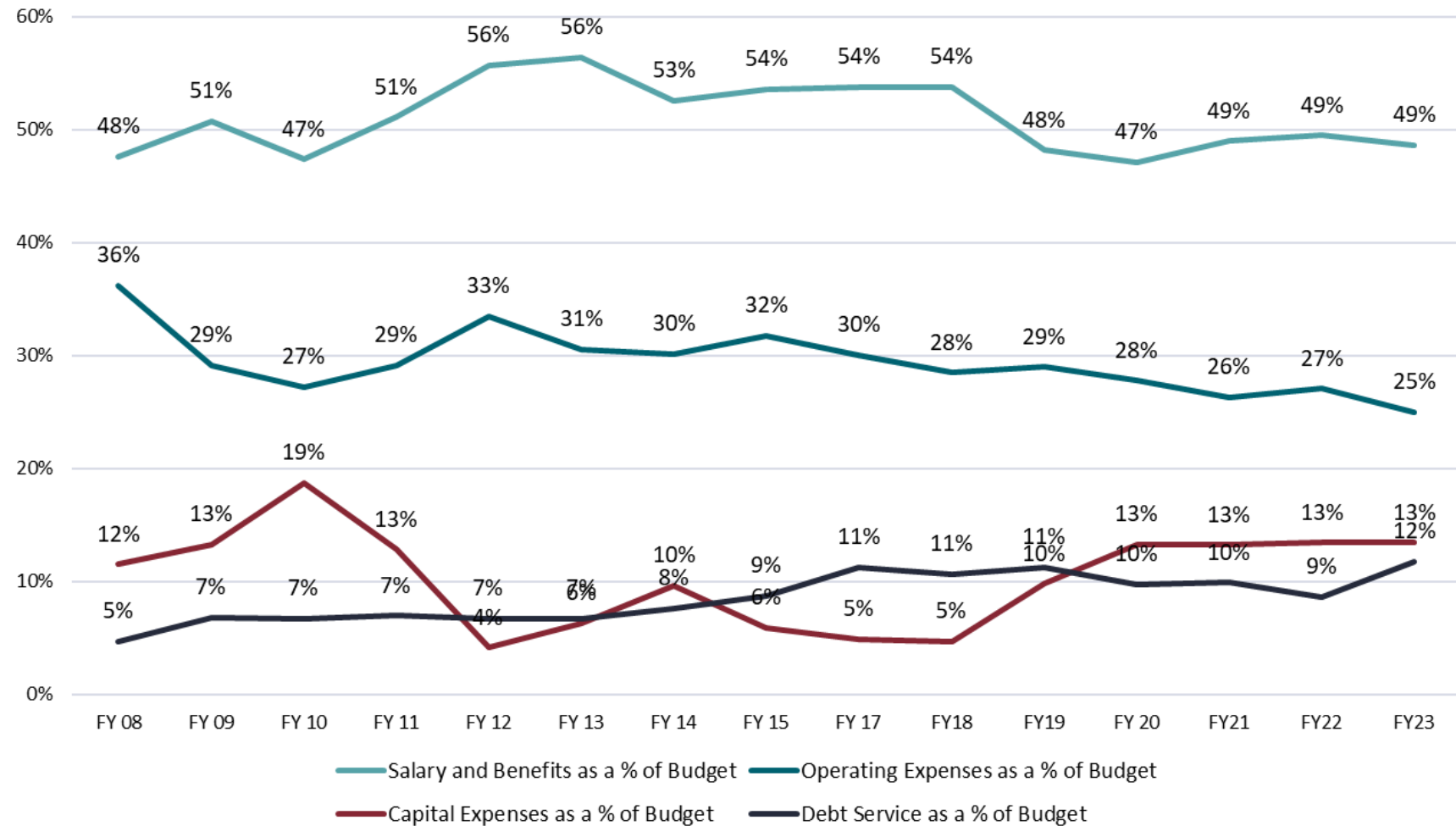
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# PERSONNEL COSTS

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- ④ During the first budget workshop, the salaries of part-time staff were included in the salary line items of departments utilizing part-time staff. The amount was calculated as a maximum amount they could earn in a year.
- ④ These departments also have a line item for part-time staff, and the amount is based on projected needs.
- ④ Removing the part-time salaries from salary line item saved \$613,198 in personnel costs. This was moved to capital.
- ④ The effect is that personnel costs are 49% of the General Fund and 47% of the overall combined budget. This meets the benchmark of keeping personnel costs at or below 50% of the budget discussed in the first workshop.

# GENERAL FUND BY FUNCTIONAL AREA



# MARKETING POSITION

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- Since the first workshop, the Belmont Tourism Development Authority met and recommended that you include a “marketing manager” position. The salary would be paid for by BTDA funds and the benefits would be paid for by City funds.
- The BTDA recommended that this position be placed with the Main Street program with input on direction from the BTDA.
- Funding for the position is included in the overall BTDA budget.
- Where the position is housed is an administrative decision.

# PROPOSED FY2022-2023 OVERVIEW

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## General Fund

- Overall total is \$18,953,375, an increase of \$2.7 million over the FY 2021-2022 adopted budget. Difference is primarily due to \$1 million of ARPA funding and \$1.2 million in additional sales tax estimated due to recent performance. Property tax revenue projected to be flat from current adopted budget due to current year's performance and only 1.3% increase to tax base.
- For expenditures, inflation has increased multiple operational line items for fuel, supplies, materials, and travel. Debt service increased to account for \$1 million paving program and recreation center. Capital investments are flat.
- To keep up with the CPI, salaries are recommended to increase 7.9%. This would be implemented as a COLA on July 1. We will forego merit increases to help pay for this. Health insurance costs decreased by 3% as well.

# PROPOSED FY2022-2023 OVERVIEW

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## Water and Sewer Fund

- Overall total is \$9,778,382, an increase of \$615,657 over the FY 2021-2022 adopted budget. Water and sewer rates are unchanged. Difference is not budgeting a transfer from capital reserve (\$2 million this year) and instead budgeting \$1 million in ARPA funding.
- For expenditures, inflation has increased multiple operational line items for fuel, supplies, materials, and travel. Debt service increased slightly. Capital investments decreased slightly.
- To keep up with the CPI, salaries are recommended to increase 7.9%. This would be implemented as a COLA on July 1. We will forego merit increases to pay for this. Health insurance costs decreased by 3% as well.

# PROPOSED FY2022-2023 OVERVIEW

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## Stormwater Fund

- Overall total is \$770,220, a decrease of \$72,318 or 9% over the FY 2021-2022 adopted budget. The stormwater fee is unchanged. Revenue estimate is based on current year performance.
- For expenditures, inflation has increased multiple operational line items for fuel, supplies, materials, and travel. Debt service increased slightly. Capital investments decreased slightly.
- To keep up with the CPI, salaries are recommended to increase 7.9%. This would be implemented as a COLA on July 1. We will forego merit increases to pay for this. Health insurance costs decreased by 3% as well.



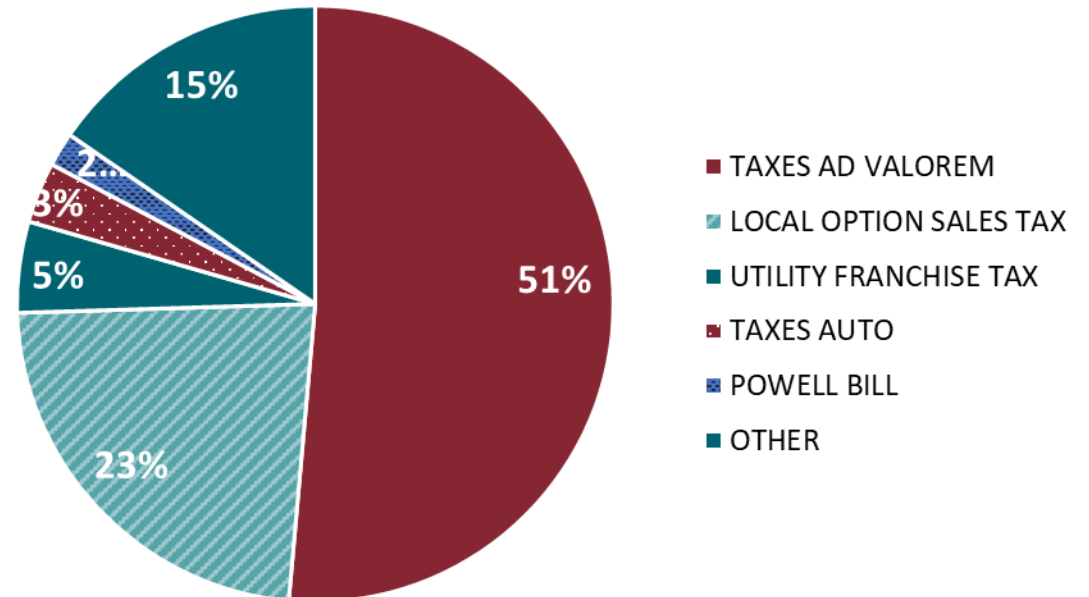
# DEBT SERVICE

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- ④ City Council debt management policy limits the percentage of the general fund revenues to serve debt at 12%.
- ④ Proposed general fund budget has debt service at **11.8%** of revenues.
- ④ Total debt service is proposed at \$2,233,287. It includes current debt obligations and proposed debt payment for new \$13 million recreation center and the \$1.1 million paving program.
- ④ Water and Sewer debt service is proposed at **7%** of revenues. The policy limits this debt service to 25% of water and sewer revenues.

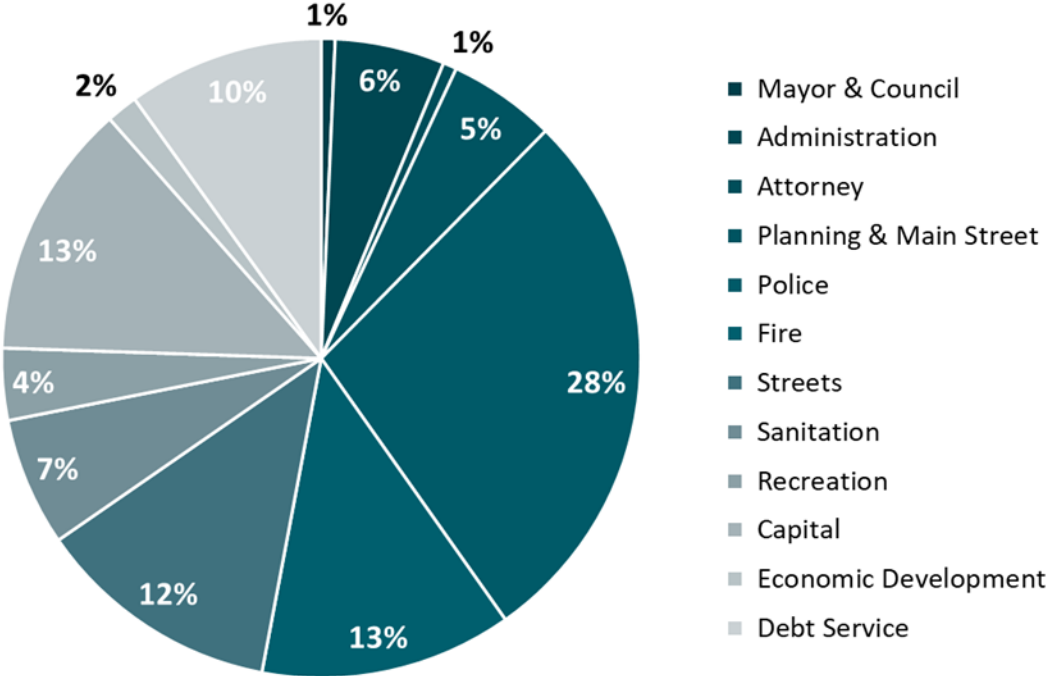
# GENERAL FUND REVENUE PROJECTIONS

- Ad Valorem Revenue is projected at \$9,745,000 (the same as the FY22 budget).
- Sales Tax Revenue is projected at \$4,379,000 (39% higher than FY22 budget estimate, but similar to the projected FY22 collection).
- Most revenue line items are similar to FY 2021-2022 levels.
- \$1 million of APRA funding is included to pay for capital projects



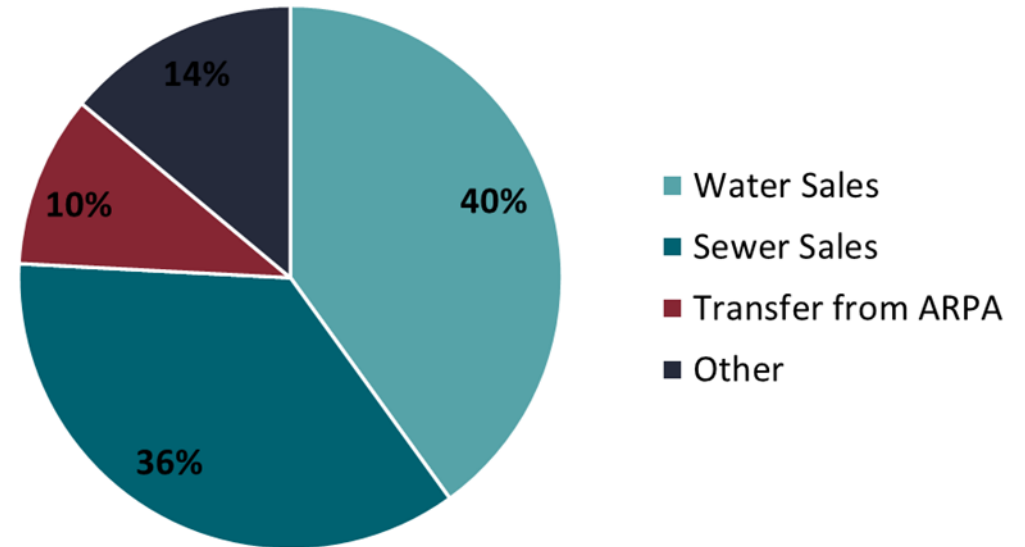
# GENERAL FUND EXPENDITURE PROJECTIONS

- Total revenue and expenditures are projected at \$18,953,375.
- The percent of the budget going to each department/area is roughly the same as this year.
- Capital is at 13% of the budget, and debt service is at 11.8%.
- Personnel costs are at 49% of the general fund budget, 45% of the water and sewer budget, and 41% of the stormwater budget.



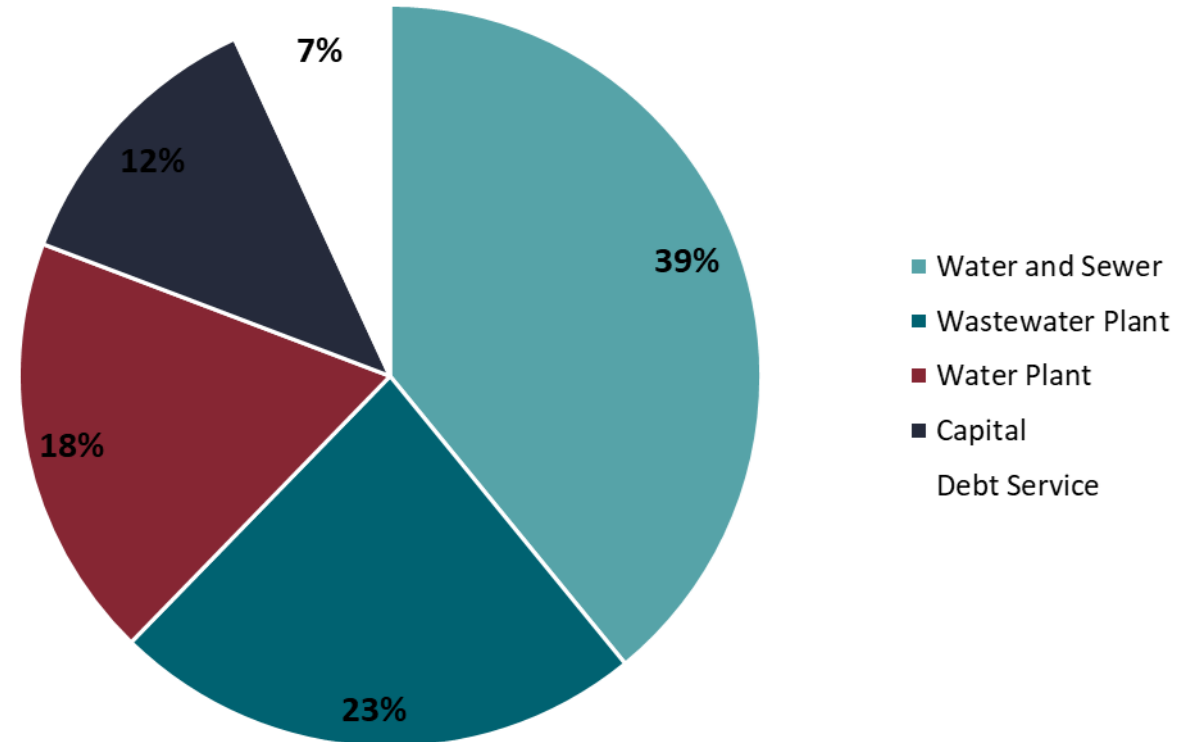
# WATER AND SEWER FUND REVENUE PROJECTIONS

- Water and sewer rates unchanged.
- Water Sales is projected at \$3,915,000 (6% lower than current year).
- Sewer Sales is projected at \$3,500,000 (2% lower than current year).
- Decreases in water and sewer sales are due to coding in financial software.
- To pay for capital projects, \$1 million is budgeted from ARPA funds.



# UTILITY FUND EXPENDITURE PROJECTIONS

- ① The Water & Sewer Department budget is \$3,821,997 (28% increase from the current year, primarily from professional services for grant projects).
- ① The Wastewater Treatment Plant budget is \$2,268,709 (14% higher than current year, due to higher costs of treatment processes).
- ① The Water Treatment Plant budget is \$1,808,908 (19% increase from the current year, due to higher costs of treatment processes).



# NEW EMPLOYEE REQUESTS

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Department Heads

# NEW EMPLOYEE REQUESTS- GENERAL FUND

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- 🌀 Police- 2 officers requested
- 🌀 Fire- 3 firefighters requested
- 🌀 Administration/Finance\*- 1 accountant, 1 human resources specialist, & 1 customer service specialist requested, all recommended
- 🌀 Parks and Recreation- 1 recreation specialist & 1 recreation supervisor requested
- 🌀 Streets- 2 maintenance technicians requested

\*These three positions are shared with W/S and Stormwater

# NEW EMPLOYEE REQUESTS- WATER AND SEWER FUND

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- ① Water & Sewer- 1 IT specialist requested
- ① Water Treatment- 1 WTP operator & 1 senior utility maintenance mechanic requested
- ① Wastewater Treatment- 1 WWTP operator & 1 utility maintenance technician requested



# BELMONT

MANY THREADS, ONE COMMUNITY