

# FY 2022-2023 BUDGET PUBLIC HEARING

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June 6, 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 2022-0223 Budget Workshop #3 on May 23, 2022
- 🌀 Subsequent discussions among city council members
- 🌀 FY 2022-2023 Budget public hearing during the June 6 city council meeting
- 🌀 Budget must be adopted prior to July 1, 2022

# 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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- ④ The city manager recommended a balanced budget with no change in property tax rate, solid waste fee, water/sewer rates, stormwater fee.
- ④ Inflation has huge impact to budget. CPI was 7.9% at beginning of budget process. It is now at 8.3%.
- ④ The city manager recommended staff COLA's of 7.9% to keep up with inflation.
- ④ New employees were requested to better deliver services to residents and customers.
- ④ City council had concerns about the economy next year. If sales tax does not come in next year as it did this year, then the city manager would delay discretionary capital projects.

# BUDGET WORKSHOP PROCESS

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- 🌀 During the second budget workshop, there was a long discussion about the level of salary increases for the city staff that the city council felt comfortable with. The city manager recommended a 7.9% COLA for all employees.
- 🌀 A majority of the city council agreed to a 4% COLA and merit increases up to 3%. This reduction from the manager's recommendation on salary increases resulted in \$83,011 being reallocated to other areas of the budget. This affected 0.28% of the budget.
- 🌀 Due to the mechanics of merit pay, this plan could result in \$194,100 of lower actual costs than what is budgeted. There are 27 employees who are not eligible for merit raises due to being on staff less for than one year.

# BUDGET WORKSHOP PROGRESS

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- ④ The city council also asked several of the department heads who had requested new positions about the need for the positions.
- ④ The city council decided on which of these new positions being requested to fund during the third budget workshop.
- ④ After the third budget workshop, several city council members discussed lowering the amount of merit raises from 3% to 2% and shifting the savings to the capital line items for the general fund, water and sewer fund, and stormwater fund.

# 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 up 1% over the current adopted budget amount.

# 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.



# PROPOSED FY2022-2023 OVERVIEW

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## Stormwater Fund

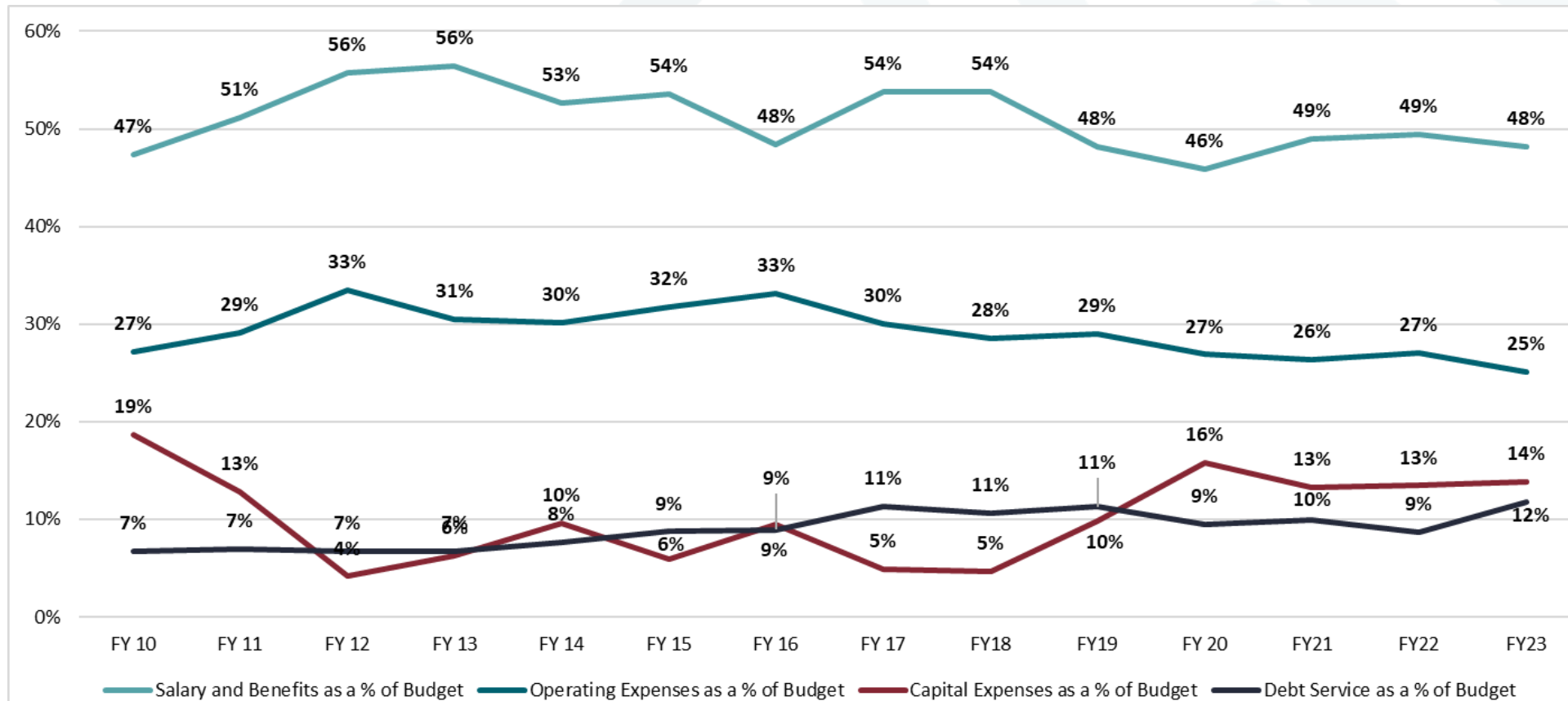
- Overall total is \$770,220, a decrease of \$72,318 or 9% over the FY 2021-2022 adopted budget. The stormwater fee is unchanged. Revenue estimate is based on current year performance.
- For expenditures, inflation has increased multiple operational line items for fuel, supplies, materials, and travel. Debt service increased slightly. Capital investments decreased slightly.

# DEBT SERVICE

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- ④ City Council debt management policy limits the percentage of the general fund expenditures to serve debt at 12%.
- ④ Proposed general fund budget has debt service at **11.8%** of expenditures.
- 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 BY FUNCTIONAL AREA



# NEW EMPLOYEE REQUESTS- GENERAL FUND

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- 🌀 Police- 2 officers
- 🌀 Fire- 3 firefighters
- 🌀 Marketing Manager- requested and paid by BTDA (City pays benefits)
- 🌀 Administration/Finance\*- 1 accountant
- 🌀 Parks and Recreation- 1 recreation specialist & 1 recreation supervisor requested for the recreation center

\*This position is shared with Water & Sewer

# NEW EMPLOYEE REQUESTS- WATER AND SEWER FUND

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- ① Water Treatment- 1 WTP operator & 1 senior utility maintenance technician
- ① Wastewater Treatment- 1 WWTP operator

# SUMMARY OF PROPOSED BUDGET

	City Manager Proposal	City Council Workshop Proposal	City Council Post-Workshop Proposal
Staff Salary Increases	7.9% COLA	4% COLA and 3% merit	4% COLA and 2% merit
New Positions	13, then 18	12	12
General Fund Capital	\$2,377,055	\$2,410,528	\$2,480,645
Water/Sewer Capital	\$1,206,224	\$1,304,570	\$1,338,395
Stormwater Capital	\$327,159	\$370,302	\$372,685
Total Budget	\$29,501,957	\$29,501,957	\$29,501,957

# BELMONT

MANY THREADS, ONE COMMUNITY