

**Personnel/Budget Committee
Meeting Agenda
City Council Chambers
July 12, 2021 - 4:30 p.m.**

1. Personnel Budget Committee July 12, 2021 4:30 p.m.
2. Review 2022 Budget Process / Goals.
3. Discuss potential allocation of American Recovery Plan funds.

Members Present: Councilors Paul Novotny & Mike Urban

Members Absent: None

Others Present: Kay Coe, Brian Burkholder, Joel Young.

2022 Budget Process: The committee reviewed the timeline proposed for the development of the 2022 city budget. They also reviewed the goals that will guide the development of the budget.

Bitcoin Transaction: Young explained that the City had recently been notified that a fraction of a Bitcoin has remained in an account for the City's behalf since 2015. Young explained that the bitcoin was left over from a ransomware attack upon the City at that time, and was currently valued at just over \$11,000.00. Young reported that the funds have been cashed out and deposited in the local bank, and credited to the Technology Reserve Fund.

Strategic Planning: The Committee discussed the potential participant list for the strategic planning event scheduled for late September.

MEMORANDUM

TO: PERSONNEL BUDGET COMMITTEE
FROM: JOEL YOUNG, CITY CLERK
SUBJECT: 2022 BUDGET PROCESS & GOALS
DATE: 6/10/2021
CC:

Action Requested: Review the attached budget development timeline and the following budget goals and provide direction.

The budget development timeline:

Budget Development Process 2021	
3-Jun	Distribute Budget Worksheets to Department Leaders
June 14 - 22	Submission of Worksheets to Kay
June 22 - 30	Inputting of submitted data
July 1 - 30	Revise and refine numbers
5-Aug	Distribute preliminary budget to Committee
9-Aug	Committee provide input
August 10 - 18	Revise and refine numbers
19-Aug	Distribute preliminary budget to Committee
23-Aug	Committee of the Whole review
13-Sep	City Council discuss preliminary budget
27-Sep	City Council adopt preliminary budget
10/25/2021	Capital Improvement Plan Workshop with Bubany
11/18/2021	Personnel-Budget Committee Input
13-Dec	Adoption of Final Tax Levy

The primary goals in preparing the City's 2022 Operating and Capital Budget are as follows:

1. Maintain a steady, predictable, local tax rate, with a long term goal of reducing the tax rate over time.
2. Reduce the City's current debt per capita level of approximately \$4,400 to \$3,500 or lower, over a period of years.
3. Maintain positive reserves in the City's enterprise funds (sewer and water)
4. Develop a budget based on specified needs and goals.
5. Develop work plans based on specific outcomes; i.e. "chip-sealing all streets every seven years," in an effort to develop result-based budgets.
6. Maintain public safety and public works programming that reasonably assures the public of their personal safety, convenience, and maintenance of property value.
7. Develop and maintain technology, communication, and administrative services that allow all interested parties to be well informed, while protecting the City's critical data and operating systems.

We will pursue those goals by:

1. Maintaining an updated Capital Improvement Plan and Capital Goods Replacement Plan to guide spending on capital equipment and improvements.
2. Developing short and long-term plans and benchmarks that guide the development of the community, and the services the City provides.
3. Investing in the personal and professional development of the City's elected officials and its regular employees.

The proposed budget for 2022 will provide services at a level similar to those provided in 2021, although capital improvements will be made through a planned Water Improvement Project and the replacement of the Highway 30 bridge. While there will be many relatively minor changes throughout the City's budget, the primary cost drivers are expected to be in the areas of equipment, technology, insurance, personnel, and inflation. Two notable factors on the revenue side of the budget would be funds from the American Rescue Plan Act and payments from Fillmore County and the Chatfield Public Schools in regard to the 2008 Improvement Project. As it relates to the City's utilities, it is expected that any rate adjustments will be minimal. The cost of operating the new swimming pool is still somewhat unknown, given that the facility has not had a typical year in which to operate.

- Very Preliminary First Draft
- Not yet Proofed

	Total				Total		
	2021	2021	2022	2022	2022	2022	
	Oper/Trans	Revenues	Operations	Transfers	Oper/Trans	Revenues	
GENERAL FUND							GENERAL FUND
Ad Valorem	\$ -	\$ 1,604,439			\$ -	\$ 1,769,660	Ad Valorem
LGA / PERA Aid	\$ -	\$ 841,946			\$ -	\$ 841,946	LGA / PERA Aid
Interest Income		\$ 12,000				\$ 12,000	
General Services Transfer In		\$ 127,316				\$ 128,792	
Legislative Dept.	\$ 54,513		\$ 62,196		\$ 62,196		Legislative Dept.
Historical Society	\$ 900			\$ 900	\$ 900		Historical Society
Elections	\$ 5,000		\$ 5,300		\$ 5,300		Elections
Clerk/Finances	\$ 509,984	\$ 14,275	\$ 515,905	\$ 7,520	\$ 523,425	\$ 14,075	Clerk/Finances
Planning & Zoning	\$ 37,798	\$ 750	\$ 37,970		\$ 37,970	\$ 750	Planning & Zoning
Municipal Buildings	\$ 85,350	\$ 150	\$ 57,800	\$ 27,656	\$ 85,456	\$ 225	Municipal Buildings
Police Department	\$ 664,595	\$ 54,850	\$ 654,205	\$ 31,069	\$ 685,274	\$ 59,850	Police Department
Building Code	\$ 24,500	\$ 18,800	\$ 25,000		\$ 25,000	\$ 16,400	Building Code
Civil Defense	\$ 2,450		\$ 450	\$ 2,000	\$ 2,450		Civil Defense
Animal Control	\$ 950	\$ 1,300	\$ 750		\$ 750	\$ 1,300	Animal Control
Street Maintenance	\$ 471,179	\$ 7,900	\$ 291,441	\$ 217,061	\$ 508,502	\$ 7,900	Street Maintenance
Other					\$ -		Other
Summer Recreation	\$ 4,200		\$ 4,200		\$ 4,200		Summer Recreation
Swimming Pool	\$ 158,720	\$ 65,400	\$ 165,738	\$ 2,500	\$ 168,238	\$ 65,000	Swimming Pool
Band	\$ 1,600		\$ 1,600		\$ 1,600		Band
Parks	\$ 184,350	\$ 900	\$ 159,308	\$ 43,700	\$ 203,008	\$ 1,400	Parks
Heritage Preservation	\$ 13,378	\$ 1,000	\$ 14,330		\$ 14,330	\$ 1,000	Heritage Preservation
Community Development	\$ 16,300	\$ 10,700	\$ 17,000	\$ 2,100	\$ 19,100	\$ 10,300	Community Development
Parkland Acquisition	\$ -				\$ -		Parkland Acquisition
Transfer to Library Fund	\$ 176,604			\$ 187,509	\$ 187,509		Transfer to Library Fund
Transfer to Ambulance Fund	\$ 71,450			\$ 79,500	\$ 79,500		Transfer to Ambulance Fund
Transfer to EDA	\$ 50,000			\$ 74,000	\$ 74,000		Transfer to EDA
Transfer to Fire Dept.	\$ 65,405			\$ 70,390	\$ 70,390		Transfer to Fire Dept.
Transfer to WWTP Debt Service	\$ 75,000			\$ 75,000	\$ 75,000		Transfer to WWTP Debt Service
Center for the Arts	\$ 71,000			\$ 80,000	\$ 80,000		Transfer to Center for the Arts
Transfer to CCTV	\$ 16,500			\$ 16,500	\$ 16,500		Transfer to CCTV
Transfers to Other Funds	\$ -				\$ -		Transfers to Other Funds
Transfers to Capital Fund	\$ -				\$ -		Transfers to Capital Fund
General Fund Balance Inc.	\$ -	\$ -			\$ -	\$ -	General Fund Balance Inc.
TOTAL GENERAL FUND	\$ 2,761,726	\$ 1,157,287	\$ 2,013,193	\$ 917,405	\$ 2,930,598	\$ 1,160,938	TOTAL GENERAL FUND
		\$ 2,761,726				\$ 2,930,598	Total Revenues with Ad Valorem

Difference from First Draft:		2018	2019	2020	2021	Proposed	Expenses:
						2022	2022 Note: This levy includes:
General Levy	\$ 1,363,896	\$ 1,449,036	\$ 1,514,941	\$ 1,604,439	\$ 1,769,660		1. 3.50% Pay Grid Increase.
Special Levy							3. Swimming Pool Experience is yet unknown
2010A	\$ -				\$ -		
2012A	\$ 32,000	\$ 31,000	\$ 20,601	\$ 19,000	\$ 14,500		4. 2012A reduced by \$35,363 T.A.
2014A	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000		
2016A	\$ 113,000	\$ 111,000	\$ 114,345	\$ 112,350	\$ 110,355		
2017A	\$ 22,800	\$ 47,000	\$ 47,000	\$ 46,000	\$ 46,000		5. 2017A reduced by \$10,000 - Storm Water
2018A		\$ 284,000	\$ 319,000	\$ 319,000	\$ 318,000		
2019A			\$ -	\$ 35,801	\$ 37,000	\$ 38,000	
Difference from Preliminary:	Special Levy T	\$ 277,800	\$ 583,000	\$ 646,747	\$ 643,350	\$ 636,855	
Total Levy	\$ 1,641,696	\$ 2,032,036	\$ 2,161,688	\$ 2,247,789	\$ 2,406,515		Total Tax Levy
T.L. Change		\$ 390,340	\$ 129,652	\$ 86,101	\$ 158,726		Increase in Tax Levy
	5.85%	23.777%	6.380%	3.983%	7.061%		% increase in tax levy
Net Taxable Tax Capacity		\$ 1,813,195	\$ 2,040,768	\$ 2,143,126			Net Taxable Tax Capacity
			\$ 227,573	\$ 102,358			Increase in Tax Capacity
			12.551%	5.016%			% increase in tax capacity
City Tax Rate		112	106	105			City Tax Rate
		2019	2020	2021	2022		07.08.21