

**Personnel/Budget Committee
Meeting Agenda
Fillmore Conference Room
September 12, 2022 - 4:30 p.m.**

1. Personnel Budget Committee September 12, 2022 4:30 p.m.
2. 2023 Budget Overview
A. Budget At A Glance & Preliminary Tax Levy

Members Present: Councilor Paul Novotny and Mike Urban.

Members Absent: None

Others Present: Kay Wangen, Brian Burkholder & Joel Young.

Center for the Arts Agreement: The committee discussed the agreement that is proposed between the City and EDA, which would support an operating agreement between the EDA and the Chatfield Center for the Arts, Inc (CCA). The committee indicated support for the Agreement but also expressed questions as to how programming decisions are made at the CCA.

The committee also discussed how the new landscaping will be taken care of in regard to the financial responsibility and who will be the responsible party. If there is a potential that the City might bear the responsibility to replace the mulch and plants, the committee thought it might make sense to alter the Agreement now instead of working through unexpected problems later.

Budget 2023 Review: The committee reviewed the second draft of the 2023 budget, which would create a 5.67% levy increase if adopted as is. The changes since the first draft included a reduction in the debt service levy and a capital goods fund, and an increase in swimming pool chemicals. It was pointed out that the budget continues to include \$50,000 for a new full-time public works position, \$25,000 for an initiative of the HPC and an unallocated amount of \$20,000.

MEMORANDUM

TO: PERSONNEL BUDGET COMMITTEE
FROM: JOEL YOUNG, CITY CLERK
SUBJECT: 2023 TAX LEVY
DATE: 9/01/22
CC:

Request: Determine the level of tax levy increase to present to city council.

Background: There are two copies of the Budget At A Glance attached, with only one difference between the two.

The first copy assumes the purchase of the Peoples Cooperative property and includes \$35,000 to pay interest in 2023 and it assumes that would continue in 2024. Doing so would avoid using cash on hand, ARPA money, etc.

The second copy assumes the purchase of the Peoples property but it also assumes that we use cash on hand, ARPA money, etc., to cover the cost of the interest associated with the purchase.

In both cases, please notice that the proposal continues to carry \$20,000 of unallocated, \$25,000 for the HPC initiative and \$50,000 for public works.

If the committee is comfortable talking about these budget choices or the terms of the prospective purchase, you can certainly do so. In any event, we do need to select a maximum tax levy to present on September 26th.

Two other things: The increase in tax capacity and resulting tax rate is subject to refinement at the county offices. Based on the feedback I received from the members of the City Council, it is my intention to recommend the 8% pay increase for the elected officials.

	Total				Total		
	2022	2023	2023	2023	2023	2023	
	Oper/Trans	Revenues	Operations	Transfers	Oper/Trans	Revenues	
GENERAL FUND							GENERAL FUND
Ad Valorem	\$ -	\$ 1,698,522			\$ -	\$ 1,926,108	Ad Valorem
LGA / PERA Aid	\$ -	\$ 849,832			\$ -	\$ 868,530	LGA / PERA Aid
Interest Income		\$ 12,000				\$ 12,000	
General Services Transfer In		\$ 128,792				\$ 128,792	
Legislative Dept.	\$ 62,196		\$ 72,556		\$ 72,556		Legislative Dept.
Historical Society	\$ 900		\$ 900		\$ 900		Historical Society
Elections	\$ 5,300		\$ 6,450		\$ 6,450		Elections
Clerk/Finances	\$ 522,710	\$ 14,075	\$ 535,910	\$ 18,536	\$ 554,446	\$ 17,575	Clerk/Finances
Planning & Zoning	\$ 67,970	\$ 750	\$ 70,820		\$ 70,820	\$ 1,500	Planning & Zoning
Municipal Buildings	\$ 85,456	\$ 225	\$ 52,200	\$ 28,500	\$ 80,700	\$ 300	Municipal Buildings
Police Department	\$ 689,938	\$ 59,850	\$ 692,249	\$ 37,005	\$ 729,254	\$ 58,750	Police Department
Building Code	\$ 25,000	\$ 16,400	\$ 26,100		\$ 26,100	\$ 16,525	Building Code
Civil Defense	\$ 2,450		\$ 2,450		\$ 2,450		Civil Defense
Animal Control	\$ 750	\$ 1,300	\$ 750		\$ 750	\$ 1,300	Animal Control
Street Maintenance	\$ 488,502	\$ 7,900	\$ 308,723	\$ 202,250	\$ 510,973	\$ 6,700	Street Maintenance
Unallocated	\$ 20,000		\$ 20,000		\$ 20,000		Unallocated
Summer Recreation	\$ 4,200		\$ 4,300		\$ 4,300		Summer Recreation
Swimming Pool	\$ 160,637	\$ 79,600	\$ 167,722	\$ 2,500	\$ 170,222	\$ 80,200	Swimming Pool
Band	\$ 1,600		\$ 1,600		\$ 1,600		Band
Parks	\$ 203,008	\$ 1,400	\$ 158,262	\$ 45,000	\$ 203,262	\$ 1,950	Parks
Property Purchase			\$ 35,000		\$ 35,000		Property Purchase
Heritage Preservation	\$ 14,330	\$ 1,000	\$ 39,330		\$ 39,330	\$ 500	Heritage Preservation
Community Development	\$ 19,100	\$ 10,300	\$ 21,000	\$ 2,100	\$ 23,100	\$ 7,731	Community Development
Public Works Employee Net	\$ -		\$ 50,000		\$ 50,000		Public Works Employee Net Additional Cost
Transfer to Library Fund	\$ 187,509			\$ 193,401	\$ 193,401		Transfer to Library Fund
Transfer to Ambulance Fund	\$ 79,500			\$ 79,500	\$ 79,500		Transfer to Ambulance Fund
Transfer to EDA	\$ 74,000			\$ 76,230	\$ 76,230		Transfer to EDA
Transfer to Fire Dept.	\$ 70,390			\$ 70,117	\$ 70,117		Transfer to Fire Dept.
Transfer to WWTP Debt Service	\$ -				\$ -		Transfer to WWTP Debt Service
Center for the Arts	\$ 80,000			\$ 90,000	\$ 90,000		Transfer to Center for the Arts
Transfer to CCTV	\$ 16,500			\$ 17,000	\$ 17,000		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	\$ 2,881,946	\$ 2,881,946	\$ 2,266,322	\$ 862,139	\$ 3,128,461	\$ 1,202,353	TOTAL GENERAL FUND
		\$ 4,580,468				\$ 3,128,461	Total Revenues with Ad Valorem

Difference from First Draft:						Proposed	Expenses:
(\$77,609) in Debt Service		2019	2020	2021	2022	2023	Note: This levy includes:
\$4,500 Pool Chemicals	General Levy	\$ 1,449,036	\$ 1,514,941	\$ 1,604,439	\$ 1,698,522	\$ 1,926,108	1. 8.00% Mayor - City Council Pay Increase.
(\$10,000) Capital Goods							2. 5.00% Pay Grid Increase.
\$35,000 Property Purchase	Special Levy						3. Includes \$50,000 additional Public Works Empl
	2012A	\$ 31,000	\$ 20,601	\$ 19,000	\$ -	\$ -	4. Did not increase General Services Charge
	2014A	\$ 110,000	\$ 110,000	\$ 110,000	\$ 110,000	\$ 63,000	5. Includes \$20,000 Unallocated
	2016A	\$ 111,000	\$ 114,345	\$ 112,350	\$ 110,355	\$ 99,000	6. Includes \$25,000 HPC Initiative
	2017A	\$ 47,000	\$ 47,000	\$ 46,000	\$ 36,000	\$ 36,000	
	2018A	\$ 284,000	\$ 319,000	\$ 319,000	\$ 318,000	\$ 318,000	
	2019A	\$ -	\$ 35,801	\$ 37,000	\$ 38,000	\$ 38,000	
	2022A						
Difference from Preliminary:	Special Levy T	\$ 583,000	\$ 646,747	\$ 643,350	\$ 612,355	\$ 554,000	
	Total Levy	\$ 2,032,036	\$ 2,161,688	\$ 2,247,789	\$ 2,310,877	\$ 2,480,108	Total Tax Levy
	T.L. Change	\$ 390,340	\$ 129,652	\$ 86,101	\$ 63,088	\$ 169,231	Increase in Tax Levy
		23.780%	6.380%	3.983%	2.807%	7.323%	% increase in tax levy
Net Taxable Tax Capacity		\$ 1,813,195	\$ 2,040,768	\$ 2,143,126	\$ 2,281,405	\$ 2,908,489	Net Taxable Tax Capacity
			\$ 227,573	\$ 102,358	\$ 138,279	\$ 627,084	Increase in Tax Capacity
			12.551%	5.016%	6.452%	27.487%	% increase in tax capacity
City Tax Rate		112%	106%	105%	101.292%	85%	City Tax Rate
		2019	2020	2021	2022	2023	08.25.22

NOTE: This assumes purchase of the Peoples Property and includes an additional \$35,000 to pay interest in 2023.

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