

August 3 and 5 Workshop Agendas

- 2022 Directives; Workshop Recap
 - Mill Levy
 - COLA
 - Other programs
- Five-Year Plan
 - Consensus Direction
 - Budget Targets and Limits
 - Impact to Savings
 - Use of Permanent Fund
 - Earmarking of Existing Savings
- Procedures and Timelines
 - Requests, Observations
- Resolution for August 17th
 - Formalizes Council Direction
 - Include in Final Budget Document

2022 Operating Budget

Workshop Assumptions:

- Debt service reimb \$1MM
- New loan for sewer main \$1.6MM
- Personnel increase of 2.6%; \$500K (merit/longevity)
- No COLA (yet)
- All other expense categories frozen
- Use Permanent Fund 1.5%, \$3.8MM
- **\$1.2MM Surplus**

All Values in Millions

	General Fund
Beginning Fund Balance	39.7
Property Taxes	44.6
Other	4.2
Total Revenues	48.8
Transfer In (Out)	(4.3)
Operating Subsidy	(1.7)
Net of Transfer/Subsidy	(6.0)
Expense Category	
FTE Payroll	16.4
Education	11.7
Other Operating	3.2
Contracts	3.4
Debt Service	-
Equipment	-
Other Personnel	2.5
Utilities	0.8
CSO	1.8
Legal	1.7
Events	0.2
Projects	-
Total Expenses	42.4
Net Increase (Reduction)	1.2
Ending Fund Balance	40.9

2022 Operating Budget: revised assumptions

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- **\$1.2MM Surplus**

Revised Assumptions:

- Eliminate sewer project loan; \$1.6MM
- Eliminate use of Perm Fund; \$3.8MM
- COLA 1.7%; \$330K in 2022
- Merit reduced to 1.2%; \$230K
- **\$1.55MM Deficit**

2022 Budget: \$1.5MM Deficit

- Direct management to cut operating expenses
- Use permanent fund to cover the shortfall
- Cut Council-directed programming
 - Schools
 - CSOs
 - Energy Assistance
 - COLA
 - Subsidies to other funds and services
- All of the above, or...
 - Leave it and appropriate from fund balance savings (+/- \$40MM)

Five-Year Planning; 2022-2026

- If Permanent Fund is not used for operations, it may be used for Major Maintenance
 - Permanent Fund 1.5% PLUS annual carry-forward PLUS repurposed project funds is CLOSE to ongoing funding need through 2026
- Plan does NOT YET contemplate funding for new capital projects
 - Sewer Force Main
 - Harbor H-K
 - St Patrick Subdivision
 - New Well
 - \$30-\$35MM total from combination of savings and new debt

August 5 Workshop

- Discussion of five-year targets for savings and expenses
- Funding for highest-priority capital projects
- Retirement of Debt in 2026; improvement to overall picture
- Modeling based on Council input; analysis of bottom-line impact
- Consensus direction to City Manager
- Resolution on August 17th