
MEMORANDUM



TO: Mayor Walker and Councilors
FROM: M McPherson, City Administrator
T Peters, Finance Director
SUBJECT: **Resolution to Certify the Levy and Set Public Input Meeting, Updated**
DATE: September 23, 2021

Background:

We have compiled the estimated/proposed expenses and revenues for 2022 and have determined the preliminary levy amount.

Attached:

- Resolution 21-59
- Operating Expense Comparison 2021 to 2022 (does not include capital or personnel expenses); this document highlights the changes, especially those areas where previous non-qualifying capital expenses were included in the operating budget.

Analysis:

The proposed levy increase is 11 percent (up \$296,387.00 from 2021). The majority of this increase lies in personnel:

- 2 percent COLA increase
- \$1.00 per hour increase for paid on-call firefighters
- Assumed 10 percent increase in health insurance premiums
- Payout of sick leave/comp time for those employees who moved from a non-exempt to an exempt position (approximately \$38,000)
- New or modified positions:
 - Fire Chief to $\frac{3}{4}$ time
 - Technology Services Manager or a change in service providers
 - Community Development Interns (2)
 - Finance Department Intern (1)

It should be noted that the current technology services expenditures in the operating budget were not removed, so the budget would be inflated in this area when taking the new position into consideration.

In addition to normal inflationary increases, the operating budget includes costs that were previously in the Capital Improvements Plan that did not qualify as a capital expense (\$72,395.00).

Recommendation:

While the proposed preliminary levy is significantly higher than what has been proposed in the past, additional information will be gathered and decisions made which will tighten the budget and reduce the final levy.

Staff recommends that the City Council adopt the attached resolution 21-59 to set the preliminary levy and establish the date of the public input meeting.