



**FISCAL YEAR 2024**

**City of San Marcos**

# **BUDGET WORKSHOP #2**

[sanmarcostx.gov](http://sanmarcostx.gov)

June 29, 2023



# **FY 2024 Budget Workshop Agenda**

- **Introductory Remarks from City Manager**
- **Budget Development Timeline**
- **General Fund**
  - Revenue Estimates
  - Cost Drivers and New Requests
  - Capacity
- **Overview of Other Funds**
  - Revenue Estimates
  - Cost Drivers and New Requests
  - Capacity



# Introduction

- Preliminary tax roll received and certified tax roll will be received July 25<sup>th</sup>
- Neighborhood Commission presentation on August 16<sup>th</sup>
  - First year budget is presented to the Neighborhood Commission
- Legislative special session is ongoing
  - Impact on property taxes is unknown
- Explore Federal funding opportunities
- City Council's Strategic Plan
- Classification and compensation study
  - Budget Policy authorized 5% increase to personnel costs
  - Requesting an additional 2% for implementation
  - Recruit and retain a talented workforce



# Budget Calendar

BUDGET EVENT	DATE	DONE
<del>Council Strategic Planning and Visioning</del>	<del>January 26 – 27</del>	✓
<del>Budget Policy Workshop</del>	<del>February 23</del>	✓
<del>Budget Policy Adoption</del>	<del>March 21</del>	✓
<del>Budget Workshop #1</del>	<del>May 16</del>	✓
Budget Workshop #2	June 29	✓
Proposed Budget Submitted to Council	August 15	✓
Maximum Proposed Tax Rate Set	August 15	
Neighborhood Commission Budget Presentation	August 16	
Budget Workshop #3 and #4 (If needed)	August 15 & 17	
Public Hearings on Budget and Tax Rate	September 5 & 19	
Budget and Tax Rate Adoption (1 <sup>st</sup> & 2 <sup>nd</sup> Reading)	September 5 & 19	

PRELIMINARY  
TAX ROLL:  
APRIL 30<sup>th</sup> ✓

CERTIFIED  
TAX ROLL:  
JULY 25<sup>th</sup>



# General Fund

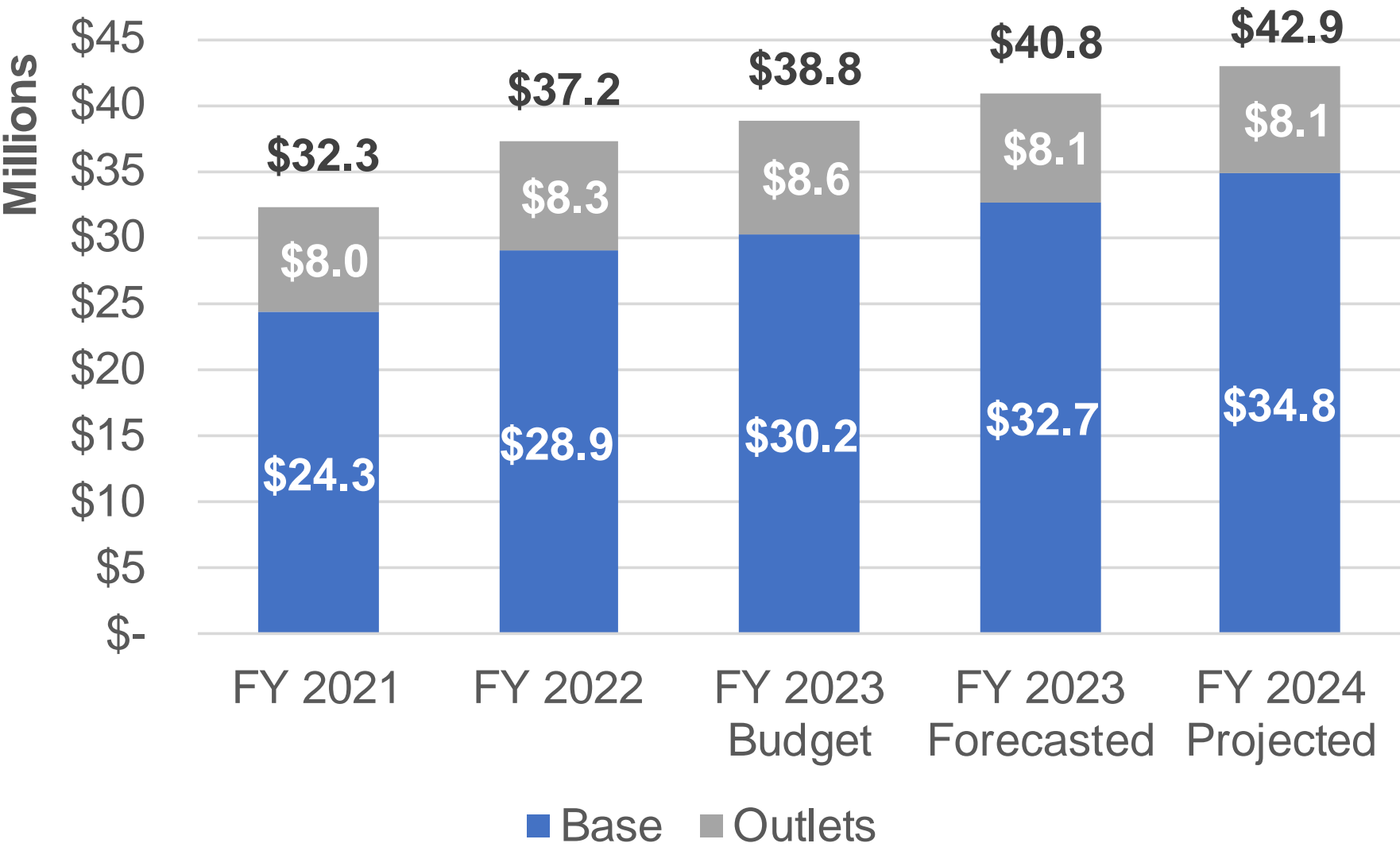


# General Fund

GENERAL FUND	FY 2022 ACTUALS	FY 2023 BUDGET	FY 2023 ESTIMATE	FY 2024 PRELIMINARY
<b>Beginning Fund Balance</b>	<b>\$ 33,405,089</b>	<b>\$ 41,930,414</b>	<b>\$ 41,930,414</b>	<b>\$ 35,247,527</b>
<b>Revenues</b>	<b>\$ 93,722,016</b>	<b>\$ 98,436,747</b>	<b>\$ 100,529,465</b>	<b>\$ 108,456,399</b>
Sales Tax	37,246,053	40,485,534	40,527,945	42,150,789
Property Tax	27,416,672	30,000,604	30,112,950	35,430,819
Other Revenue	29,059,291	27,950,609	29,888,570	30,874,791
<b>Expenses</b>	<b>\$ 85,196,690</b>	<b>\$ 110,611,485</b>	<b>\$ 107,212,352</b>	<b>\$ 110,702,657</b>
Personnel	56,151,381	67,261,438	65,442,010	77,361,804
Operating	23,882,418	30,233,263	29,309,869	31,791,980
One-time	5,162,892	13,116,784	12,460,473	1,548,873
<b>Ending Fund Balance</b>	<b>\$ 41,930,414</b>	<b>\$ 29,755,676</b>	<b>\$ 35,247,527</b>	<b>\$ 33,001,269</b>

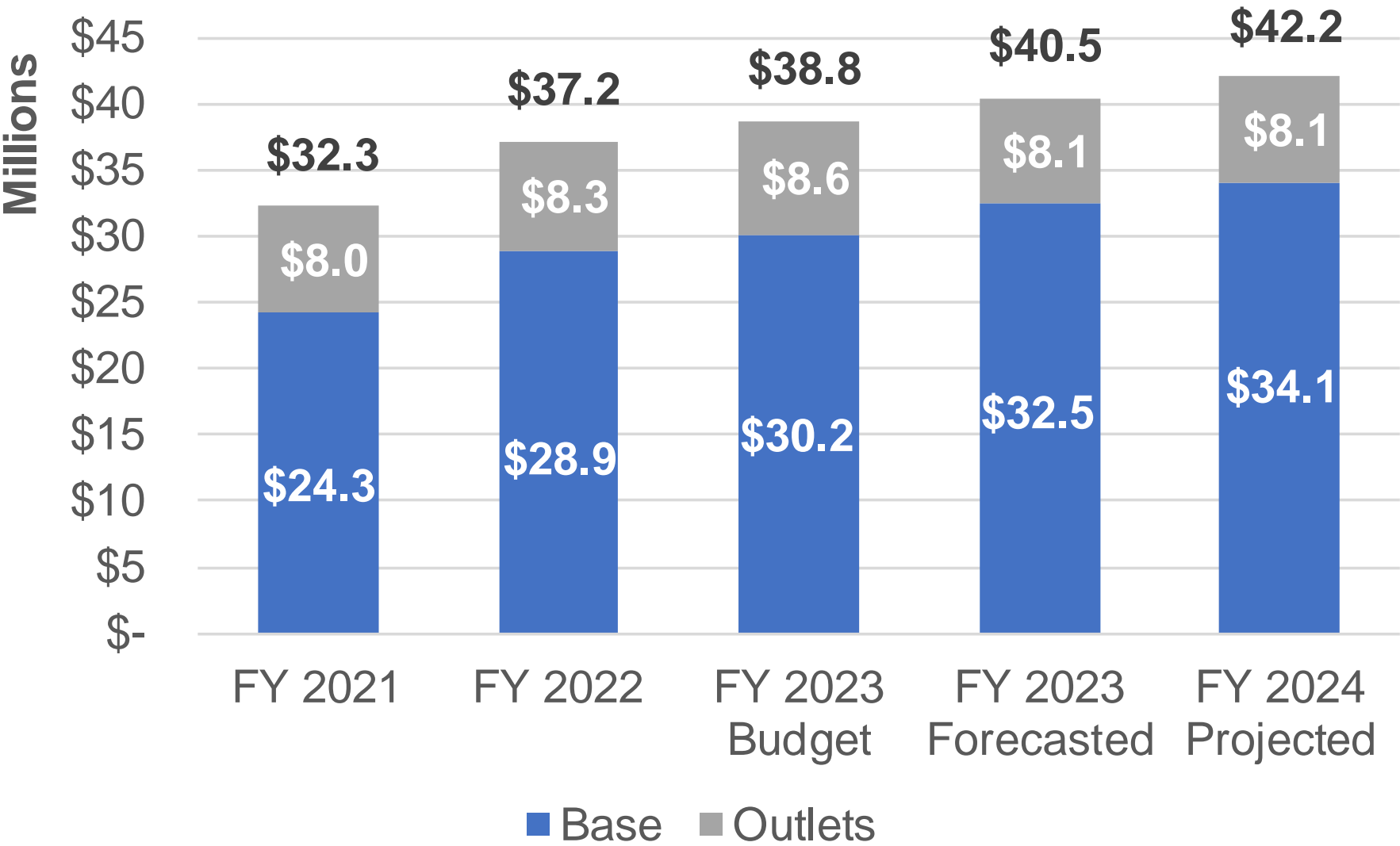


# May 16<sup>th</sup> Sales Tax Estimate





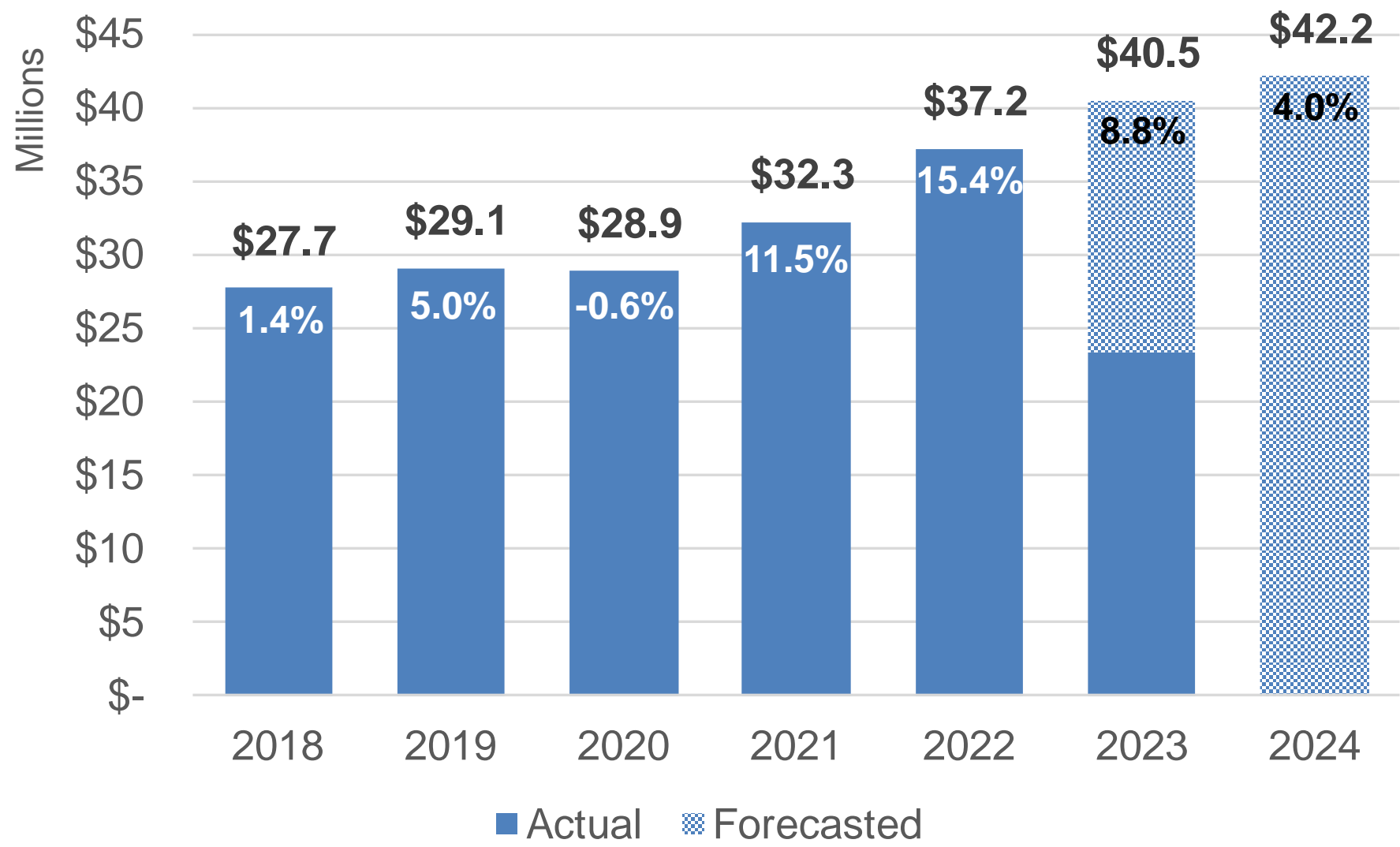
# Revised Sales Tax Estimate





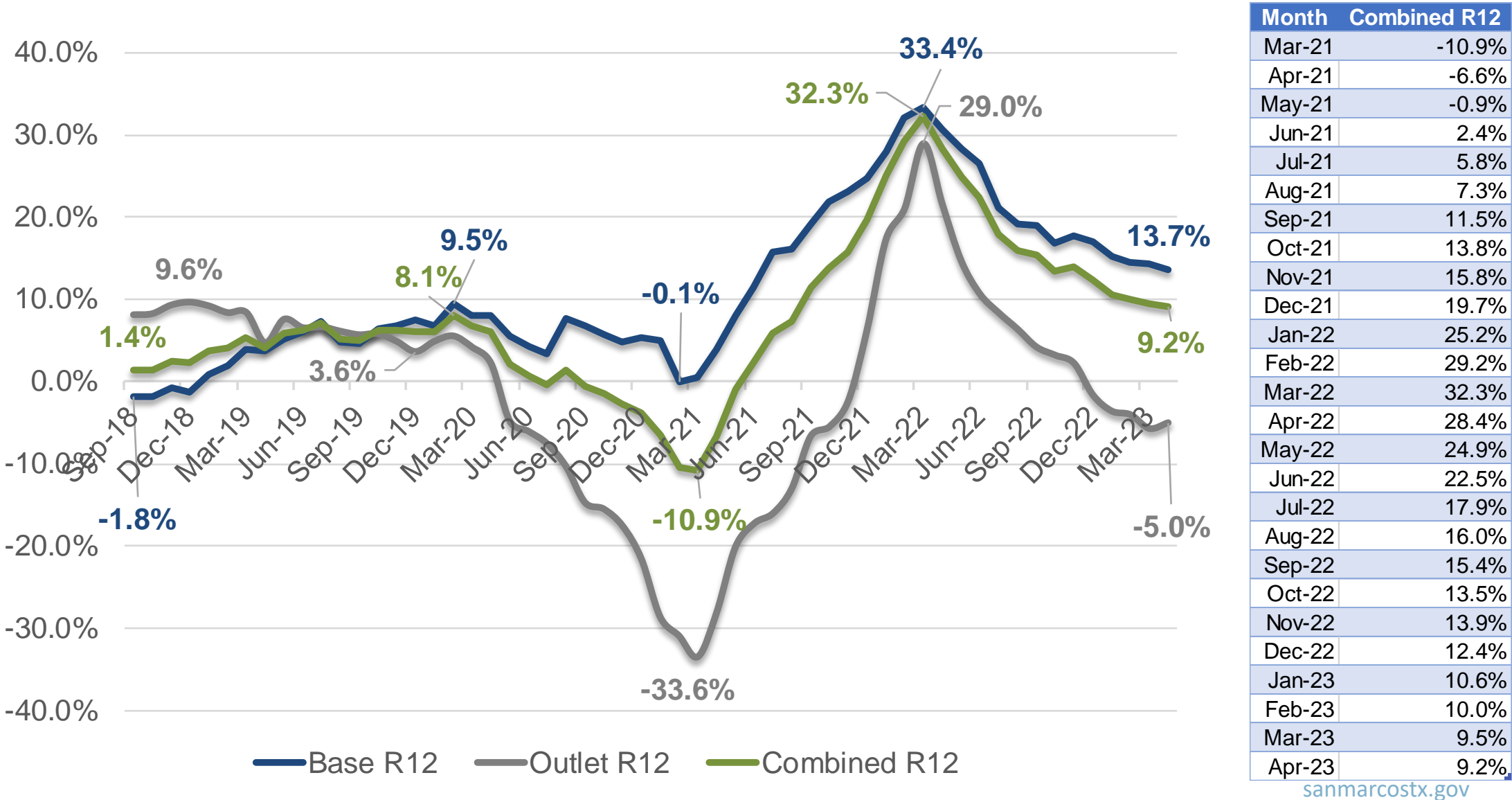


# Sales Tax Annual Growth





# Sales Tax Rolling 12-Month Percent Change





# FY 2024 General Fund Revenue Assumptions

- Sales tax = 39% of revenue
  - Estimating increase of 4% over forecasted FY 2023 collections
    - Base increase of 5%
    - Outlets increase of 0%
- Property tax = 33% of revenue
  - Using preliminary values
  - Staying at current tax rate of 60.30¢
- Franchise Fees = 11% of revenue
  - Estimating increase from revenue and population growth
  - May need adjustment depending on Citizen Utility Advisory Board's rate recommendation



# FY 2024 General Fund Revenue Assumptions

- Transfers = 7% of revenue
  - Transfers from other major funds
  - Based on cost allocation program
- Licenses and Permits = 5% of revenue
  - Evaluating impact from the development services cost recovery study
- All other revenue sources = 5%
  - Interest income largest single source, increase from \$150K to \$1.5 Million
  - Charges for services (recreation, library, animal shelter)
  - Fines (traffic and parking)



# FY 2024 General Fund Major Increases

## **COST DRIVERS** – *Personnel*

 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*

**Public Safety Personnel Increase** = \$2.9 million

### Police:

- Meet and Confer Contract Increase = \$734K
- +6.5 New Positions Added Mid-Year = \$400K
- +4 New Positions Proposed in FY24 = \$300K

### Fire:

- Estimated Contract Increase (upon approval) = \$879k
- +4 New Positions Added Mid-Year = \$160K
- +5 New Positions Requested in FY24 = \$387K



# Public Safety Staffing Shortages

- Completed Standards of Cover and Community Risk Assessment for Fire Department in 2020
  - Short 27 Firefighters
- Completed Police Staffing Study in 2021
  - Short 10 Police Officers



# Multi-Year Public Safety Staffing Plan

- FY23 Approved
  - FY23 Beginning: Added 4 Firefighters, 2 Fire Inspector-Investigators + 2 Police Officers
  - FY23 Mid-Year: Added 4 Firefighters + 2 Police Officers
- FY24 Proposed (Based on available revenue capacity)
  - FY24 Beginning: Add 4 Firefighters, 1 Fire Investigator + 3 Police Officers
  - FY24 Mid-Year: Add 4 Firefighters + 2 Police Officers
- FY25 Anticipated
  - Request additional Police Officer
  - Fire to apply for SAFER\* grants to increase required staffing

*\*SAFER stands for Staffing For Adequate Fire and Emergency Response*



# FY 2024 General Fund Major Increases

## **COST DRIVERS** – *Personnel continued...*

 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*

### **General Employees Personnel Increase**

- Compensation study implementation = \$4.3 Million
  - Budget policy = 5% increase
  - Requesting additional 2% of personnel costs to implement results of compensation study
- +16 New Positions Requested in FY24 = \$2.0 Million





# General Employee Turnover & Vacancies

City of San Marcos Vacancy Rate

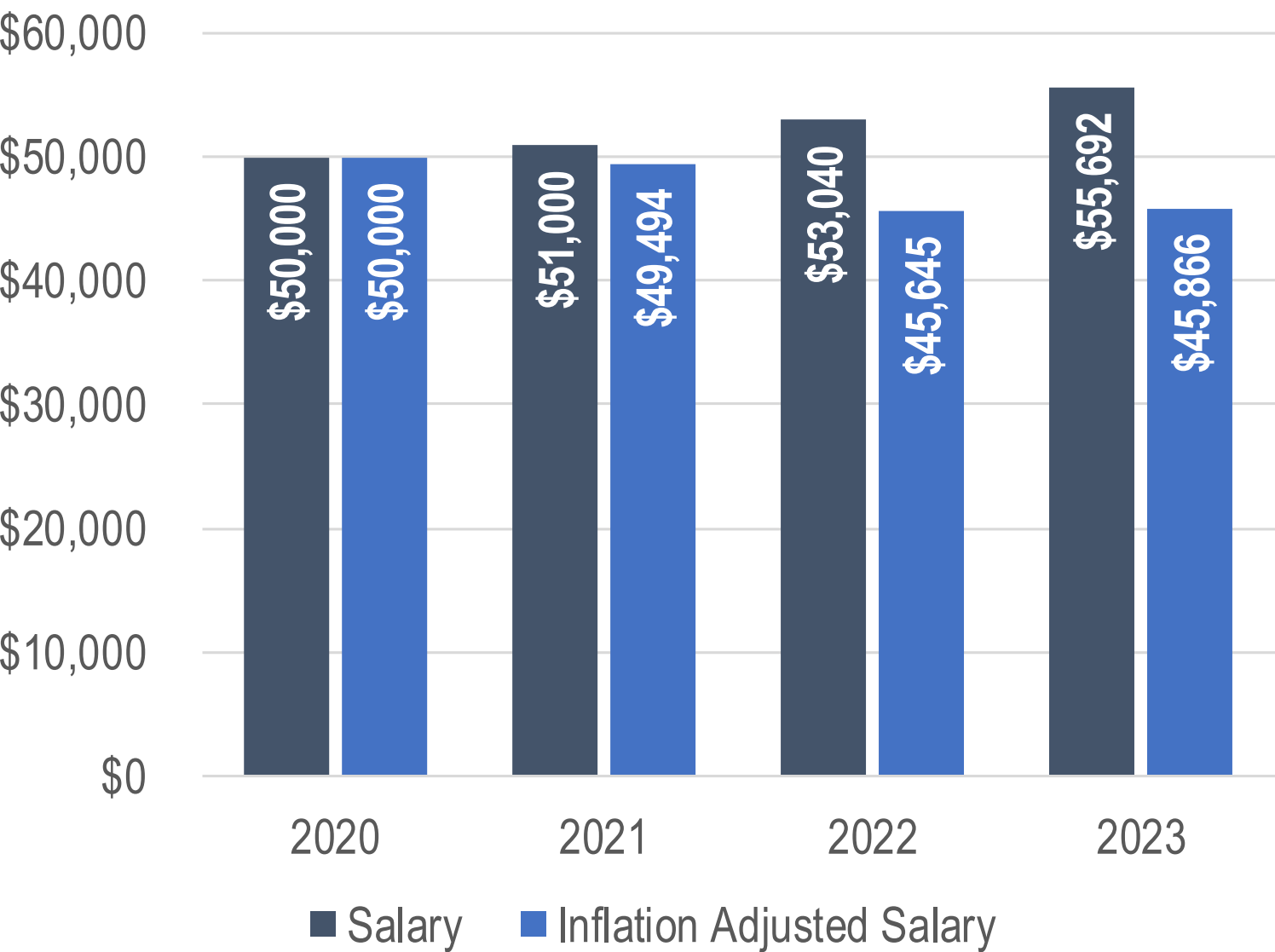
June 2023



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023*
Non-Civil Service	15%	14%	10%	16%	13%	16%	21%	19%
City-wide	13%	13%	10%	14%	11%	14%	17%	16%
Civil Service	5%	9%	8%	7%	6%	8%	6%	6%
Police	4%	13%	12%	11%	9%	10%	9%	9%
Fire	7%	3%	1%	1%	4%	5%	1%	2%



# Impact of Inflation on Salary



Fiscal Year	COLA	CPI*	Salary	Inflation Adjusted Salary
2020			\$50,000	\$50,000
2021	2%	3%	\$51,000	\$49,494
2022	4%	13%	\$53,040	\$45,645
2023	5%	4%	\$55,692	\$45,866

Competitive pay cited as a key issue for why City employees stay or leave their employment with the City based upon the 2022 Employee Engagement Survey



# FY 2024 General Fund Major Increases

## **OTHER COST DRIVERS** – *Operating*

- Citywide Janitorial Services - \$519K
  - 🌀 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*
- Municipal Court Lease – current lease \$92K and budgeting \$200K for new facility. May be overlap of lease terms.
  - 🌀 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*
- Street Maintenance - \$267K
  - 🌀 **Strategic Goal:** *Mobility & Connectivity*
- Historic Preservation - \$100K
  - 🌀 **Strategic Goal:** *Quality of Life & Sense of Place*
- City Facility Maintenance - \$100K
  - 🌀 **Strategic Goal :** *Public Safety, Core Services, & Fiscal Excellence*
- Human Services Advisory Board - \$550K up from \$500K (ARPA \$100K)
  - 🌀 **Strategic Goal :** *Public Safety, Core Services, & Fiscal Excellence*



# Current Historic Preservation Projects

 **Strategic Goal:** *Quality of Life & Sense of Place*

## National Register of Historic Places Nominations (Grant Funded)

- Dunbar Local Historic District
- Dunbar School Home Economics Building
- Estimated completion date: January 2024

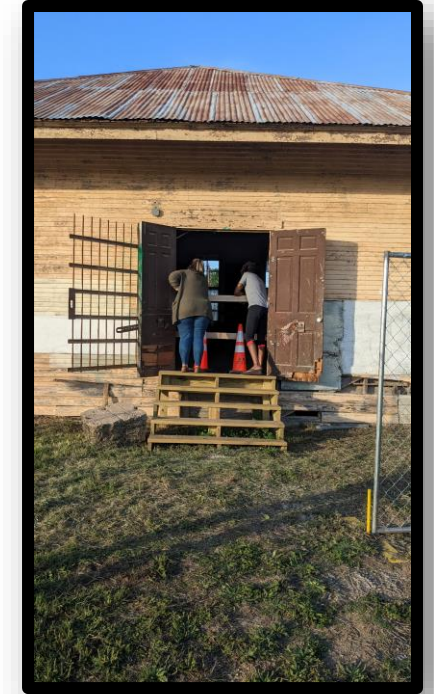
## Dunbar School Home Economics Building

- Preservation Plan has been completed for the building which includes immediate, mid- and long-term plans for stabilization & maintenance
- Future Funding could expedite the next steps for stabilization & maintenance

## Historic Preservation Plan

- Task-oriented plan with short- and long-term goals and objectives to provide guidance on telling the diverse history of San Marcos and grow the preservation program
  - A document specific to historic preservation has never been completed
- 2023 CIP included \$100,000 for Plan

**FY 2024 - Requested \$100K for Implementation/Grant Match**



[sanmarcostx.gov](http://sanmarcostx.gov)



# **FY 2024 General Fund Supplemental Requests**

## **RECURRING – \$2.0 Million estimated capacity**

- New Personnel Requests
  - 82 requests for \$8.0 Million
- New Operational Requests
  - 12 requests for \$1.2 Million

## **NONRECURRING – \$1.0 Million estimated capacity**

- New Capital Requests
  - 38 requests for \$2.1 Million



# General Fund – Fund Balance

 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*

- FY 2022 fund balance in excess of 25% - \$5.0 Million
- Proposed uses:
  - FY 2023 CIP - \$1.2 Million
  - FY 2024 Capital Outlay - \$1.0 Million
  - New City Hall – \$2.8 Million



# General Fund – Decision Points

- Budget FY 2024 sales tax at an overall increase of 4%
  - Base at 5%, Outlets at 0%
- Maintain property tax rate at current rate – 60.30¢
- Increase budget policy reserve for compensation study by 2%
- Use of fund balance in excess of 25% - \$5.0 Million
  - FY 2023 CIP - \$1.2 Million
  - FY 2024 capital outlay - \$1.0 Million
  - City Hall – \$2.8 Million
- Evaluating Airport's revenues & expenses to determine if a General Fund transfer is needed
- Other direction for staff





*other*  
**GOVERNMENTAL OPERATING FUNDS**  
**Special Revenue Funds**



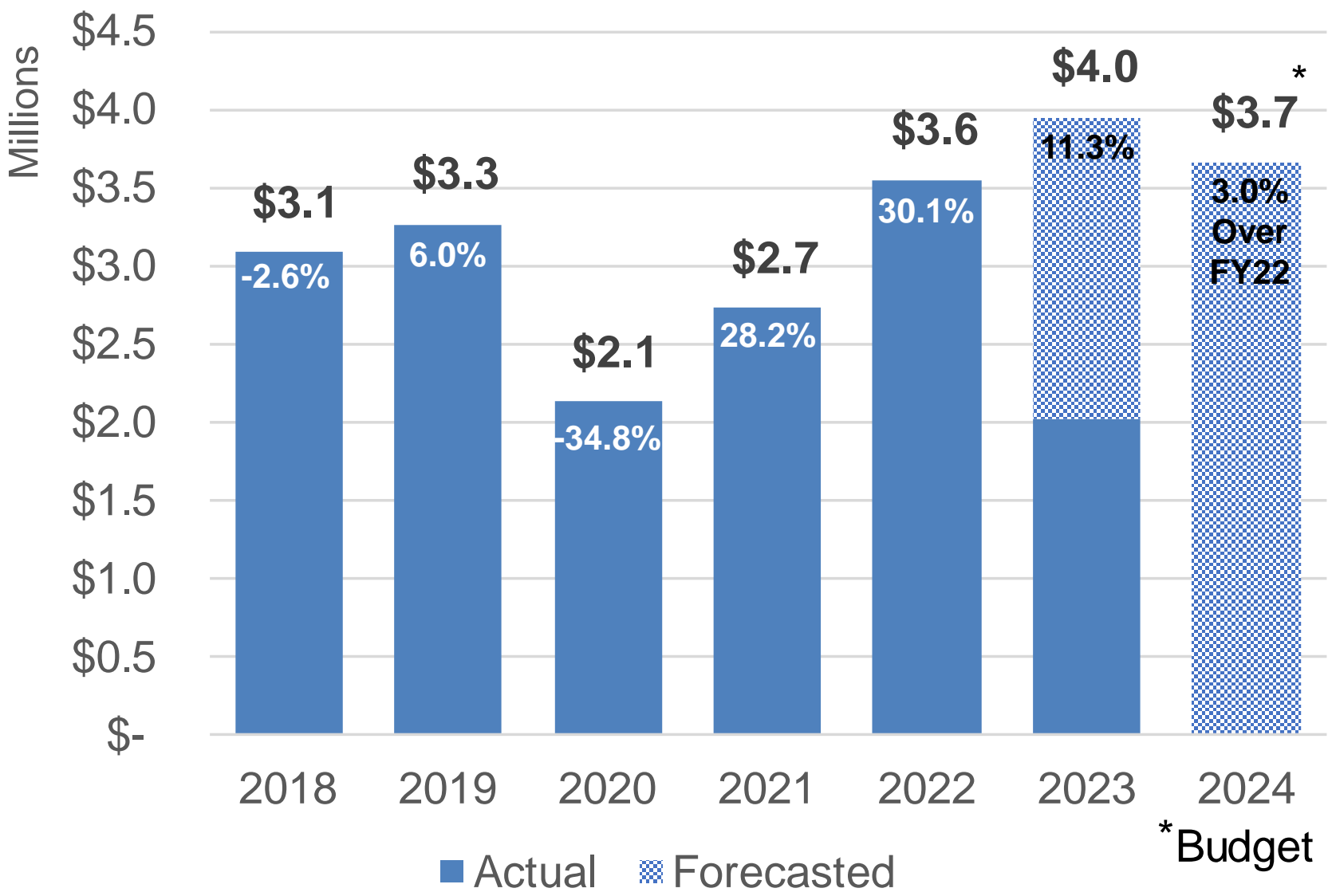


# Hotel Tax Fund

	FY 2022		FY 2023	FY 2023	FY 2024
SPECIAL REVENUE FUND	ACTUALS		BUDGET	ESTIMATE	PRELIMINARY
<b>Beginning Fund Balance</b>	<b>\$1,870,241</b>	<b>\$</b>	<b>3,465,054</b>	<b>\$3,465,054</b>	<b>\$ 3,264,215</b>
<b>Revenues</b>	<b>\$4,749,897</b>	<b>\$</b>	<b>4,369,418</b>	<b>\$5,272,281</b>	<b>\$ 4,900,933</b>
Hotel & Venue Tax	4,571,082		4,210,700	5,085,936	4,708,215
General Fund Transfer	166,850		147,718	147,718	147,718
Other Revenue	11,965		11,000	38,627	45,000
<b>Expenses</b>	<b>3,155,084</b>		<b>5,754,418</b>	<b>5,473,120</b>	<b>5,445,381</b>
Personnel	893,330		1,066,490	985,192	1,227,530
Operating	2,261,754		3,756,928	3,756,928	3,306,851
One-time	-		931,000	731,000	911,000
<b>Ending Fund Balance</b>	<b>\$3,465,054</b>	<b>\$</b>	<b>2,080,054</b>	<b>\$3,264,215</b>	<b>\$ 2,719,767</b>

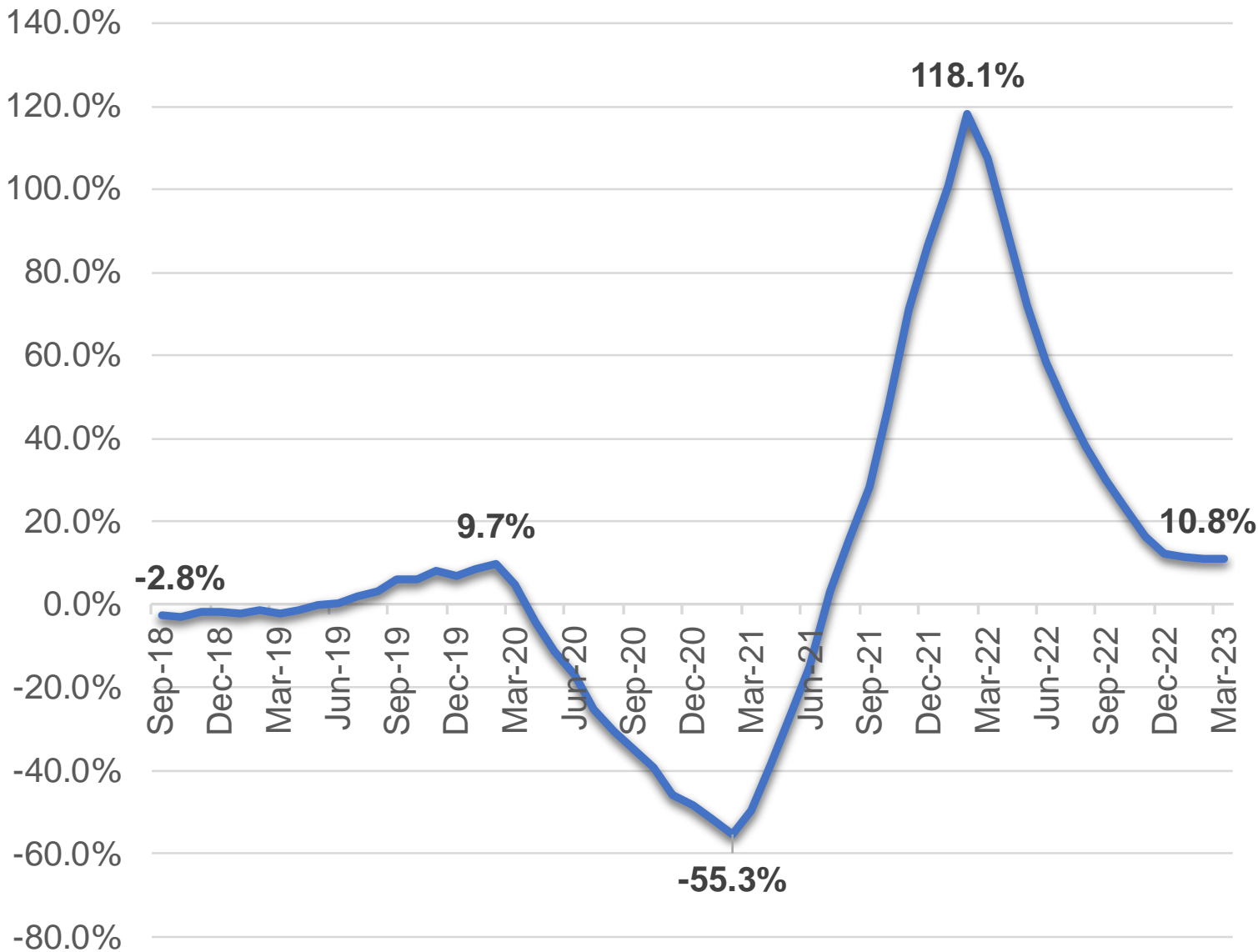


# Hotel Tax Annual Growth





# Hotel Tax Rolling 12-Month Percent Change



Month	R12
Feb-21	-55.3%
Mar-21	-49.6%
Apr-21	-39.0%
May-21	-26.7%
Jun-21	-15.0%
Jul-21	3.0%
Aug-21	15.5%
Sep-21	28.2%
Oct-21	47.5%
Nov-21	71.3%
Dec-21	86.3%
Jan-22	100.9%
Feb-22	118.1%
Mar-22	107.6%
Apr-22	90.5%
May-22	71.9%
Jun-22	58.5%
Jul-22	47.3%
Aug-22	38.3%
Sep-22	30.1%
Oct-22	23.2%
Nov-22	16.3%
Dec-22	12.4%
Jan-23	11.6%
Feb-23	11.1%
Mar-23	10.8%

[sanmarcostx.gov](http://sanmarcostx.gov)



# FY 2024 Hotel Tax Revenue Assumptions

- Hotel taxes (7% general) = 75% of revenue
  - Estimating 3% over actual FY 2022 collections
- Venue tax (2% Conference Center) = 21% of revenue
  - Estimating 3% over actual FY 2022 collections
- Other = 4% of revenue
  - Transfer from General Fund to cover Main Street expenses, interest, and late charges/penalties



# FY 2024 Hotel Tax Major Increases

 **Strategic Goal:** *Quality of Life & Sense of Place*

 **Strategic Goal:** *Economic Vitality*

## **Cost Drivers – Personnel**

- Compensation study implementation = \$75K
- New Position Requested in FY24 = \$66K
- New Intern Requested in FY24 = \$20K

## **Cost Drivers – Operating**

- Historical preservation = \$50K
- New Request: City Branding Design = \$80K
- New Request: Main St. Façade Grant = \$20K

## **Cost Drivers – One-time**

- Wayfinding Second Phase = \$500K
- Refurbish Conference Center Cooling Tower = \$411K



# FY 2024 Hotel Tax Fund Supplemental Requests

## NEW PERSONNEL REQUESTS

SPECIAL REVENUE FUND		AMOUNT
CONVENTION & VISITOR BUREAU	1	20,138
MAIN STREET	1	66,247
<b>GRAND TOTAL</b>	<b>2</b>	<b>\$ 86,385</b>

## NEW OPERATING REQUESTS

SPECIAL REVENUE FUND		AMOUNT
CONVENTION & VISITOR BUREAU	1	80,000
MAIN STREET	1	20,000
<b>GRAND TOTAL</b>	<b>2</b>	<b>\$ 100,000</b>



# City Branding

 **Strategic Goal:** *Quality of Life & Sense of Place*

## Brand Purpose and Promise

The San Marcos, Texas experience enriches all of life's journeys. As a place to live, learn, visit, work, play, shop and grow, San Marcos brings people together while still letting them follow their own path. The community's many assets – from the river to the university to the historic downtown – set the stage for a vibrant interplay of ideas and lifestyles.



# City Branding

## Current Logo







# City Branding

## Current Logo



## Current Logo with Alterations





# Community Enhancement Fund

SPECIAL REVENUE FUND		FY 2022 ACTUALS		FY 2023 BUDGET		FY 2023 ESTIMATE		FY 2024 PRELIMINARY
<b>Beginning Fund Balance</b>	<b>\$</b>	<b>804,042</b>	<b>\$</b>	<b>731,846</b>	<b>\$</b>	<b>731,846</b>	<b>\$</b>	<b>362,416</b>
<b>Revenues</b>	<b>\$</b>	<b>685,805</b>	<b>\$</b>	<b>667,000</b>	<b>\$</b>	<b>667,571</b>	<b>\$</b>	<b>681,445</b>
Community Enhancement Services		652,133		667,000		667,571		681,445
Donations		33,672		-		-		-
<b>Expenses</b>	<b>\$</b>	<b>758,001</b>	<b>\$</b>	<b>1,137,704</b>	<b>\$</b>	<b>1,037,001</b>	<b>\$</b>	<b>1,087,368</b>
Personnel		298,320		380,244		374,016		470,698
Operating		459,681		757,460		662,985		616,670
One-time		-		-		-		-
<b>Ending Fund Balance</b>	<b>\$</b>	<b>731,846</b>	<b>\$</b>	<b>261,142</b>	<b>\$</b>	<b>362,416</b>	<b>\$</b>	<b>(43,507)</b>



# FY 2024 Community Enhancement Budget Considerations

## Revenues

- Community Enhancement Fee = 100% of revenue
  - Rate adjustment is needed
  - Increase in revenue from growth

## Cost Drivers – *Personnel*

- Compensation study implementation = \$27K



# Community Enhancement Fund

- Options to address the \$405,923K shortfall:
- Increase monthly fee by \$1 for residential and commercial accounts
  - Residential increase from \$1.50 to \$2.50 = \$386,538 more revenue
  - Commercial increase from \$5.50 to \$6.50 = \$21,520 more revenue
  - Total additional revenue from \$1 increase = \$408,058
- Cover the shortfall with the General Fund
- Combination of the two



# Community Enhancement Fee Covers

🌀 **Strategic Goal:** *Quality of Life & Sense of Place*

🌀 **Strategic Goal:** *Economic Vitality*

- **Community Enhancement Technicians:** Graffiti abatement, illegal signs, dumping, and flyers/stickers, and abandoned homeless camps
- **Keep San Marcos Beautiful:** Adopt a spot, environmental educational outreach, river cleanups, monthly and special litter cleanups, beautification maintenance and projects, and citywide certifications (Bird City, Scenic City, Bee City)
- **Horticultural Team:** Maintain 90,000 square feet of public beds with two-person team, create pollinator beds (supports the Mayor's Monarch Pledge), and Certified Habitat Stewardship Program
- **Easter Seals:** Roadway litter pickup, maintain medians, downtown sweeping, weekend/holiday litter pickup at river parks, mowing neighborhood parks and extra I-35 mowing
- **Code Enforcement Officers:** Funds two Code Enforcement Officers that address unsafe structures and blight

[sanmarcostx.gov](http://sanmarcostx.gov)



# Special Revenue Funds – Decision Points

- Budget FY 2024 hotel tax revenues at an increase of 3% over FY 2022 actual
- Approve hotel tax supplemental requests based on available capacity
- City branding options:
  - Keep current logo and brand
  - Make alterations to current logo
  - Move forward with creating a new brand and logo
- Community Enhancement shortfall options:
  - Adjust the Community Enhancement Fee by \$1 increasing Residential from \$1.50 to \$2.50 and Commercial from \$5.50 to \$6.50
  - Cover the shortfall in full or partially with the General Fund
- Other direction for staff



*other*

# **MAJOR OPERATING FUNDS**

## **Enterprise**



# Electric Utility

	FY 2022	FY 2023	FY 2023	FY 2024
UTILITIES FUND - ELECTRIC	ACTUALS	BUDGET	ESTIMATE	PRELIMINARY
<b>Beginning Fund Balance</b>	<b>\$ 14,771,502</b>	<b>\$ 14,441,688</b>	<b>\$ 14,441,688</b>	<b>\$ 13,043,541</b>
<b>Revenues</b>	<b>\$ 66,296,364</b>	<b>\$ 65,127,871</b>	<b>\$ 64,663,729</b>	<b>\$ 73,448,024</b>
Electric Services	59,565,580	60,947,985	60,040,136	67,948,024
Other Revenue	6,730,784	4,179,886	4,623,593	5,500,000
<b>Expenses</b>	<b>\$ 66,626,178</b>	<b>\$ 67,461,283</b>	<b>\$ 66,061,876</b>	<b>\$ 73,447,024</b>
Personnel	6,115,920	8,422,706	7,023,299	9,121,220
Operating	51,564,217	48,491,960	48,491,960	56,653,086
Debt Service	5,135,693	6,300,113	6,300,113	6,957,718
One-time	3,810,348	4,246,504	4,246,504	715,000
<b>Ending Fund Balance</b>	<b>\$ 14,441,688</b>	<b>\$ 12,108,276</b>	<b>\$ 13,043,541</b>	<b>\$ 13,044,541</b>





# FY 2024 Electric Utility Revenue Assumptions

- Electric services = 94% of revenue
  - Rate adjustment will be needed
- Transfers from funds = 3.5% of revenue
  - Transfers from other enterprise funds
  - Based on cost allocation of Utility Billing
- Other = 2.5% of revenue
  - Ferguson revenue, pole attachment and line maintenance, and interest income



# FY 2024 Electric Utility Major Increases

 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*

## **Cost Drivers – Personnel**

- Compensation study implementation = \$590K
- New Position Requested in FY24 = \$109K

## **Cost Drivers – Operating**

- Power costs: fuel = \$5.3 Million
- Power costs: transmission = \$288K

## **Cost Drivers – One-time**

- Vehicle replacement = \$272K
- New Requests: +3 vehicles and equipment = \$760K

## **Cost Drivers – Debt Service**

- Estimated new debt service for FY 2023 CIP = \$650K



# Water-Wastewater Utility

	FY 2022	FY 2023	FY 2023	FY 2024
UTILITIES FUND - W-WW	ACTUALS	BUDGET	ESTIMATE	PRELIMINARY
<b>Beginning Fund Balance</b>	<b>18,629,958</b>	<b>\$ 22,666,086</b>	<b>\$ 22,666,086</b>	<b>\$ 23,265,207</b>
<b>Revenues</b>	<b>\$ 59,889,453</b>	<b>\$ 57,798,512</b>	<b>\$ 56,867,095</b>	<b>\$ 62,697,674</b>
Water & Wastewater Services	55,079,109	52,452,700	50,880,825	57,197,674
Other Revenue	4,810,344	5,345,812	5,986,270	5,500,000
<b>Expenses</b>	<b>\$ 55,853,325</b>	<b>\$ 58,536,369</b>	<b>\$ 56,267,974</b>	<b>\$ 62,697,674</b>
Personnel	5,273,548	7,153,501	\$ 6,185,106	\$ 8,155,113
Operating	28,924,740	29,116,806	29,116,806	31,555,900
Debt Service	17,977,568	20,988,609	19,688,609	19,440,001
One-time	3,677,469	1,277,453	1,277,453	3,546,660
<b>Ending Fund Balance</b>	<b>\$ 22,666,086</b>	<b>\$ 21,928,229</b>	<b>\$ 23,265,207</b>	<b>\$ 23,265,207</b>



# FY 2024 W/WW Utility Revenue Assumptions

- Water/Wastewater services = 91% of revenue
  - Rate adjustment will be needed
- Other = 9% of revenue
  - Wholesale water sales, reuse sales, sewer surcharges, and interest income



# FY 2024 W/WW Utility Major Increases

🎯 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*

🎯 **Strategic Goal:** *Environmental Protection*

## **Cost Drivers – Personnel**

- Compensation study implementation = \$501K
- New Positions Requested in FY24 +3 = \$501K

## **Cost Drivers – Operating**

- Alliance Regional Water Authority contract = \$1.4 Million
- Surface water treatment plant contract = \$233K
- Canyon Regional Water Authority contract = \$175K
- Wastewater treatment plant contract = \$170K

## **Cost Drivers – One-time**

- New Requests: +6 vehicles and equipment = \$1.9 Million
- New Requests: +6 other equipment and infrastructure = \$1.6 Million



# Stormwater

	FY 2022	FY 2023	FY 2023	FY 2024
STORMWATER UTILITY FUND	ACTUALS	BUDGET	ESTIMATE	PRELIMINARY
<b>Beginning Fund Balance</b>	<b>\$ 1,404,014</b>	<b>\$ 1,916,577</b>	<b>\$1,916,577</b>	<b>\$ 1,893,185</b>
<b>Revenues</b>	<b>\$7,993,356</b>	<b>\$ 8,873,960</b>	<b>\$8,837,421</b>	<b>\$ 9,277,013</b>
Stormwater Utility Fees	7,888,938	8,773,960	8,740,012	9,177,013
Other Revenue	104,417	100,000	97,409	100,000
<b>Expenses</b>	<b>7,480,793</b>	<b>8,912,602</b>	<b>8,860,813</b>	<b>9,072,841</b>
Personnel	1,152,539	1,589,042	1,537,253	1,814,492
Operating	2,396,475	2,987,859	2,987,859	2,918,945
Debt Service	3,871,829	4,335,701	4,335,701	4,339,404
One-time	59,950	-	-	-
<b>Ending Fund Balance</b>	<b>\$1,916,577</b>	<b>\$ 1,877,935</b>	<b>\$1,893,185</b>	<b>\$ 2,097,356</b>



# FY 2024 Stormwater Budget Considerations

## Revenues

- Stormwater fees = 99% of revenue
  - No rate adjustment will be needed
  - Increase in revenue from growth
- Other = 1% of revenue
  - Penalties and interest income

## Cost Drivers – *Personnel*

- Compensation study implementation = \$111K
- New Position Requested in FY24 = \$114K



# Resource Recovery

RESOURCE RECOVERY	FY 2022 ACTUALS	FY 2023 BUDGET	FY 2023 ESTIMATE	FY 2024 PRELIMINARY
<b>Beginning Fund Balance</b>	<b>\$ 1,993,460</b>	<b>\$ 2,452,121</b>	<b>\$ 2,452,121</b>	<b>\$ 2,230,258</b>
<b>Revenues</b>	<b>\$ 6,146,310</b>	<b>\$ 7,086,735</b>	<b>\$ 6,903,390</b>	<b>\$ 7,086,735</b>
Residential Garbage Collection Fee	4,062,228	4,837,500	4,562,729	4,837,500
Recycling Collection Fee	1,884,156	2,083,500	1,945,786	2,083,500
Other Revenue	199,926	165,735	394,875	165,735
<b>Expenses</b>	<b>\$ 5,687,649</b>	<b>\$ 7,339,914</b>	<b>\$ 7,125,253</b>	<b>\$ 7,011,166</b>
Personnel	364,835	676,510	461,849	723,866
Operating	5,322,814	6,466,739	6,466,739	6,287,300
One-Time	-	196,665	196,665	-
<b>Ending Fund Balance</b>	<b>\$ 2,452,121</b>	<b>\$ 2,198,942</b>	<b>\$ 2,230,258</b>	<b>\$ 2,305,827</b>





# FY 2024 Resource Recovery Budget Considerations

🎯 **Strategic Goal:** *Public Safety, Core Services, & Fiscal Excellence*

🎯 **Strategic Goal:** *Environmental Protection*

## Revenues

- Solid waste collection = 66% of revenue
  - No rate adjustment will be needed
- Recycling collection = 28% of revenue
- Other = 6% of revenue
  - Penalties, solid waste surcharge, and interest income

## Cost Drivers – Personnel

- Compensation study implementation = \$47K

## Cost Drivers – Operating

- Solid waste residential contract = \$205K



# FY 2024 Enterprise Funds Supplemental Requests

## NEW PERSONNEL REQUESTS

SUMMARY by FUND		AMOUNT
WATER-WASTEWATER FUND	3	500,867
STORMWATER	3	317,044
ELECTRIC UTILITY FUND	1	108,924
GRAND TOTAL	7	\$ 926,836

## NEW CAPITAL REQUESTS

SUMMARY by FUND		AMOUNT
WATER-WASTEWATER FUND	12	3,546,660
ELECTRIC UTILITY FUND	3	760,000
GRAND TOTAL	15	\$ 6,437,680

ONE TIME, NON-RECURRING COSTS\*



# Enterprise Funds – Decision Points

- Bring back recommended rate adjustments from the Citizen Utility Advisory Board?
  - Electric Utility
  - Water and Wastewater
- Approve supplemental requests in enterprise funds based on capacity from rate models and recommended rate adjustments?
- Other direction for staff



# Thank You

**Stephanie Reyes**

**City Manager**

**Joe Pantalione**

**Assistant City Manager**

**Laurie Moyer**

**Assistant City Manager**

**Chase Stapp**

**Assistant City Manager**

**Jon Locke**

**Finance Director/CFO**