



CITY COUNCIL WORK SESSION MEMORANDUM

TO: Matthew R. Schmitz, MPA - City Manager

FROM: Susi Lampe, IaCMC, IaCFO – City Clerk/Treasurer

DATE OF MEETING: January 2, 2024

ITEM TITLE: Department Operating Budgets – FY 2025

DISCUSSION:

These are the proposed operating budgets for all departments. Please note that the CIP account lines may show up as this is how the report format was set up. The day-to-day operations will be discussed tonight, and CIP budgets will be discussed at the January 15, 2024, work session.

As we went through this budget process this year to prepare an initial draft, at the direction of the City Manager, staff were asked to include the items needed to operate their departments – even if that meant increasing budget authority for individual line items, etc. As we met with Department Heads, the City Manager also reminded all Department Heads that due to the changes made at the State Level with HF718, as well as the residential rollback being reduced further, there was a very high likelihood that these amounts would need to be decreased to align with expected revenues for FY2025. Those modifications will still need to be made, but the City Manager wanted to put a budget that truly shows what is needed, in front of the Council for discussion with the clear understanding that cuts will likely be needed.

Below is a table that shows the FY2024 Budgeted Amount for each Department, the expended FY2023 amount, and the proposed FY2025 Budgeted amount. These are ONLY for operating expenses and do not include Employee Benefits, or CIP for each department (except those denoted with an *).

Department Name	FY2023 Expended	FY2024 Budgeted	FY2025 Proposed Budget
Airport	\$213,256.04	\$245,177.00	\$321,246.00
Building Codes	\$100,584.09	\$98,641.00	\$121,369.00
City Admin	\$522,609.54	\$586,800.00	\$723,302.00
Animal Control	\$854.18	\$2,700.00	\$1,000.00
Garbage	\$635,640.72	\$642,853.00	\$661,402.00
Fire	\$362,951.88	\$342,397.00	\$552,371.00
Library	\$418,348.06	\$455,464.00	\$488,661.00
Parks & Recreation	\$1,085,406.35	\$1,060,012.00	\$1,355,416.00
Police	\$1,231,447.74	\$1,251,263.00	\$1,452,401.00
Streets	\$732,409.53	\$730,253.00	\$808,731.00
Storm Water*	\$57,248.49	\$147,997.00	\$303,242.00

Utilities*	\$1,303,026.06	\$2,734,266.00	\$2,109,312.00
Water*	\$871,550.00	\$1,124,801.00	\$1,368,840.00

* behind Department Name denotes departments that include Benefits and CIP in the totals listed.

It should be noted that as staff developed the budget for FY2025, we included a 5% projected increase in salaries across the board. It is the City Manager's intention to do a 3% market adjustment increase across the board, and then employees would be eligible for up to an additional 3% merit adjustment based on their reviews. More information on the structure of that will be forthcoming in the near future, including exactly what each rating would mean in terms of the merit adjustment, etc.

RECOMMENDATION:

Staff recommends discussion of this topic. No action is needed at this meeting, as any decision items needed would be brought forward to a City Council meeting for approval.