



TOWN OF JEROME

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Founded 1876
Incorporated 1899

STAFF SUMMARY REPORT

FROM: Brett Klein, Town Manager/Clerk

ITEM: **Item #10E: Discussion on FY 2023-2024 Budget Considerations**

MEETING DATE: March 14, 2023

Summary:

At this early point there was no need for a full Council Budget Work Session. However, in advance of the first budget work session, there is a need for staff to obtain some information. Attached is the Social Security Administration's Cost of Living Adjustment (SSA COLA) for 2023. Council policy is to provide staff wage adjustments for staff identical to the SSA COLA, but with the ability to modify it depending on the state of the budget, projected revenues, other priority expense requests, etc. We have also received our budget expense numbers for next year's health insurance, which came in at only a 1% overall increase.

I have reviewed the Council capital project goal prioritization exercise from a few months ago, and with our grant applications and prior designation of funds, we are doing well and making good progress. The first work session will focus on staff capital improvement proposals and how they relate to Council priorities in order to obtain Council direction for budget preparation on the higher cost items and needs. This agenda item will focus on wage and benefit adjustments for FY'24. In addition, another item to consider is that the Town is now and will be in the coming years recruiting for crucial staff members.

Fiscal Impact:

In order to recruit and retain qualified applicants and employees, along with expanding the candidate pool, the Town should consider increasing the amount it covers toward dependent health care premium costs. Currently the Town pays 50% of the dependent health insurance premiums, whereas most communities around us pay 70-90% + of dependent care in addition to the 100% employee coverage. If the Town provided a modest 5% wage adjustment in lieu of the SSA COLA of 8.7% and raised the dependent health care coverage from 50 to 65%, we would expand the candidate pool for positions open now and in the future, and still save the Town nearly \$20,000 / year.

Recommendation

This is a discussion / direction item only that staff will be seeking Council input and direction to proceed with the FY'24 budget formulation.