

**To:** Mayor Chris Miller and City Council Members

**From:** Tara Dunford, CPA

**Date:** December 18, 2024

**Re:** Final 2025 Budget

**ATTACHMENTS:** Final 2025 Budget

**TYPE OF ACTION:** Action. Adoption of 2025 Budget.

**Discussion:** Attached is the Final 2025 Budget for discussion.

### **Related Actions**

The 2025 budget assumes Council will take the following related actions:

- Re-allocate ARPA funds budgeted in 2024 to cover 2024 expenses in the Current Expense fund. This will increase fund balance in the Current Expense fund. The Current Expense fund can transfer funds to the Street fund to cover grant matches at any time in the future, upon approval by Council.
- Adopt a resolution authorizing all interest revenue to be credited to the Current Expense fund. Assuming the City keeps an average balance of \$3 million in the Local Government Investment Pool (LGIP) at an interest rate of 2% this will generate an additional \$60,000 per year for the Current Expense Fund. The LGIP interest rate is currently averaging around 5%, however it is anticipated that interest rates will decrease in 2025.
- Adopt an ordinance increasing water, sewer, and stormwater utility tax by 1% (from 8.99% to 9.99%). This will generate approximately \$23,000 per year for the Current Expense Fund. This increase would cost customers less than \$2.00 per month on base utility rates.
- Authorize use of banked property tax levy capacity plus the allowable 1% increase when approving the 2025 property tax levy ordinance. This will generate approximately \$20,000 per year. *Done in November.*
- Authorize an increase of 9.75% to stormwater rates.
- Authorize an increase of 5% to electric rates.
- Freeze Council and Mayor travel in 2025.

### **Changes from prior version**

The following changes were made to the budget as presented and discussed on December 11:

- Remove \$200 of solar processing fee revenue from fund 401.
- Remove remaining .5 FTE Office Clerk. Net expenditure decrease is approx. \$50K, allocated per cost allocation plan.
- Remove Mayor/Council training. Net expenditure decrease is \$1,500 (Current Expense Fund).

### **Teamsters Contract/2025 Budget Amendment**

Salaries and benefits associated with Teamsters union positions are reflected at 2024 rates, pending settlement of the contract. A budget amendment will be necessary to increase expenditure and update the wage scale. The cost of a 4.1% increase is \$21,300, distributed as follows:

- Current Expense/Streets - \$3,100
- Light & Power - \$400
- Water - \$8,600
- Sewer - \$7,000
- Storm - \$2,200