

2023 Budget Development Kick-off

Presentation to Council





| | <u>Jan</u> | <u>Feb</u> | <u>Mar</u> | <u>Apr</u> | <u>May</u> | <u>Jun</u> | <u>Jul</u> | <u>Aug</u> | <u>Sep</u> | <u>Oct</u> | <u>Nov</u> | <u>Dec</u> |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Council retreat to set strategic goals for the upcoming year | | | | | | | | | | | | |
| Finance Department develops base budget levels (with City Administrator & finance committee oversight). | | | | | | | | | | | | |
| Departments set goals for the upcoming year (based on Council strategic goals) and develop budget to support those goals | | | | | | | | | | | | |
| City Administrator, Finance Director and Treasurer meet with budget developers to gain full understanding of requests and to provide feedback | | | | | | | | | | | | |
| Recommended budget developed and made available to the public | | | | | | | | | | | | |
| Council Reviews recommended budget at public work sessions and provides direction to staff. | | | | | | | | | | | | |
| Public Hearing of budget held | | | | | | | | | | | | |
| Budget adopted by Council | | | | | | | | | | | | |
| Budget document developed by Finance | | | | | | | | | | | | |
| Budget document completed, posted to web site and submitted to state and to GFOA. | | | | | | | | | | | | |

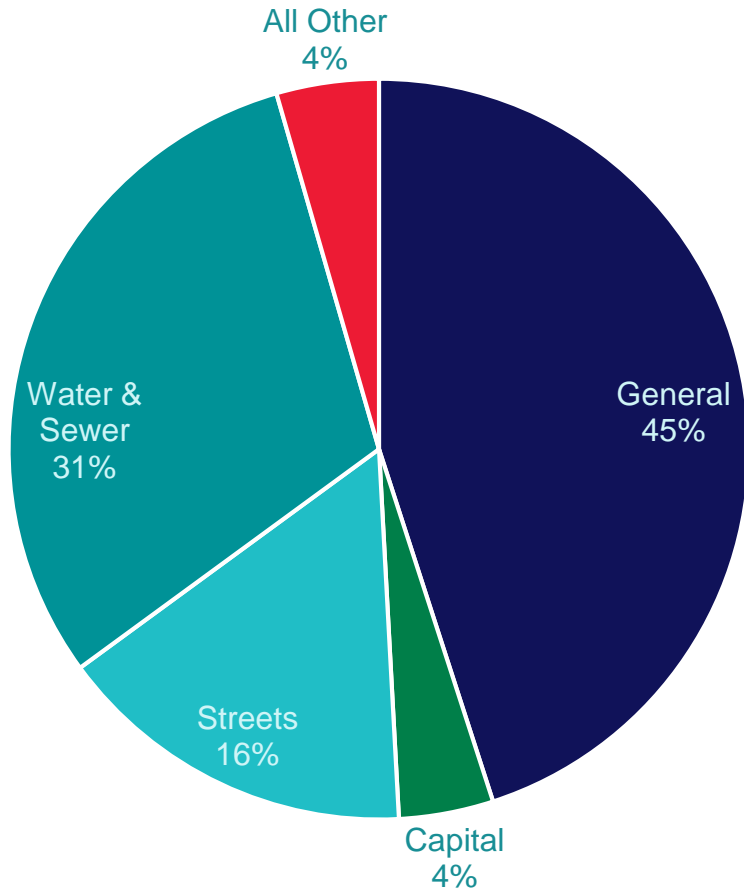


Base Budget

- Starting point for budget development
- Sets the framework for initial planning
- Revenue base set conservatively for all ongoing revenue streams
- Expense base follows historical spending patterns
- Zero base for grants, capital and other “one-time only” budgets



Budget areas of focus



- General and Capital Improvement Funds is where most of Council's attention is focused.
- Streets, Water and Sewer Funds having limited flexibility in how funds are spent.
- All other funds are narrow in scope with a minimal level of funding available



General and Capital Improvement Funds





Base Level Spending

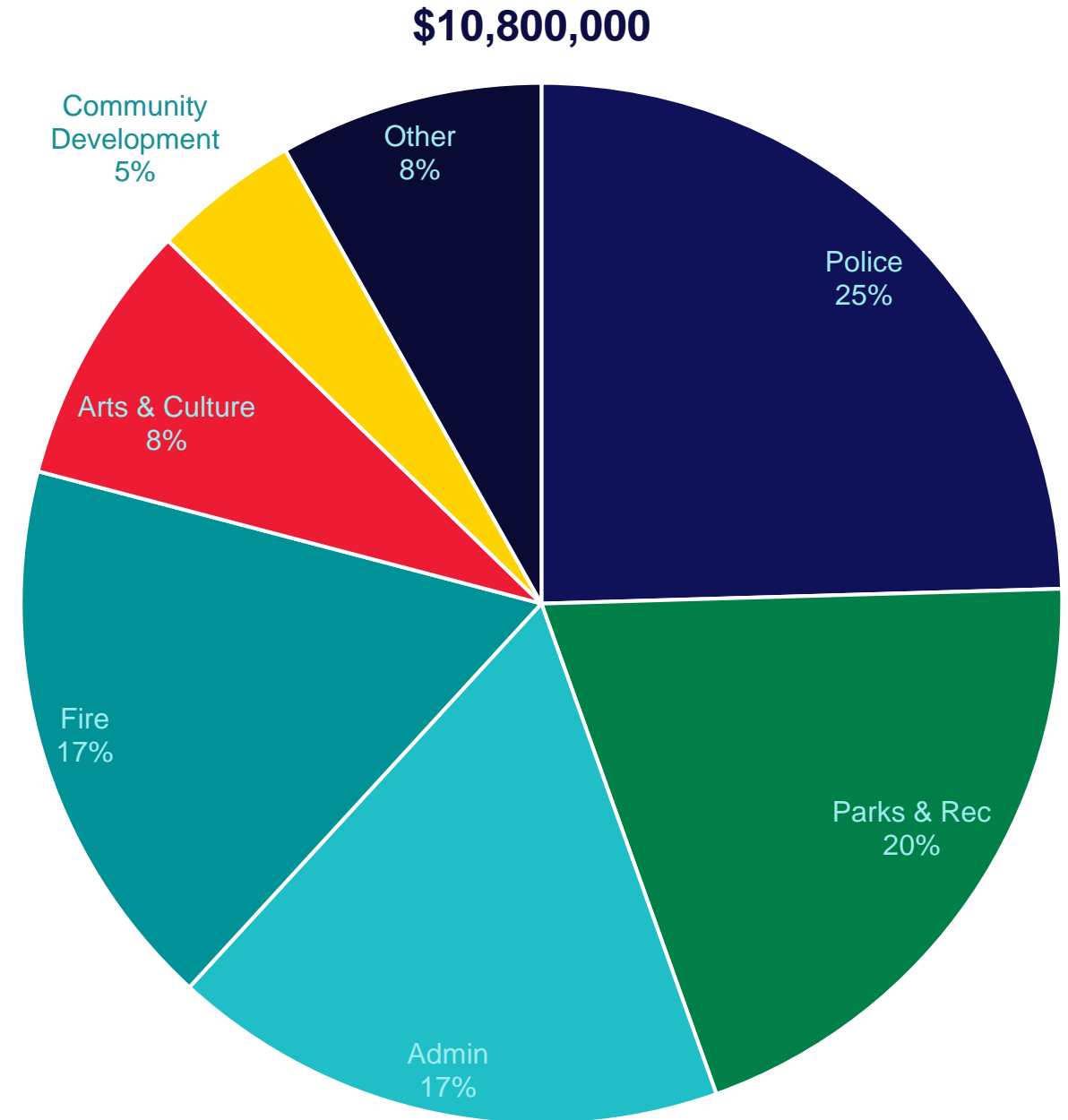
Base spending level without any capital spending or new programs is \$10.8 million.

Sufficient funds are provided to keep all existing programs going.

Includes a 3.5% increase in personnel Costs (i.e. COLA, medical insurance cost, promotions)

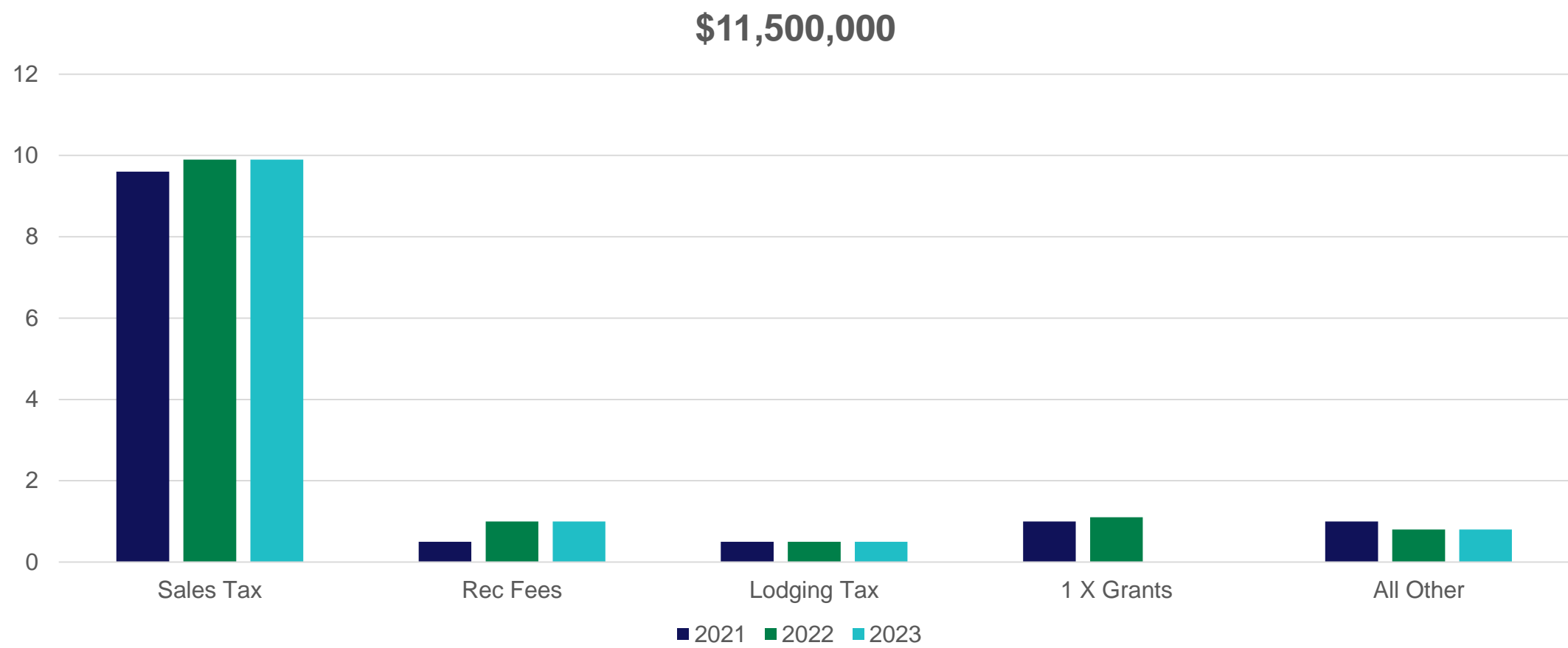
Not included in base are:

- Capital needs.
- Debt Service for Fire Station
- Any new programs or projects
- Any new employees





Revenue Base Budget





Summary

| | |
|--|-------------------|
| Base Revenues | \$ 11,500,000 |
| Base Spending | (10,800,000) |
| Available for capital and new spending needs | <u>\$ 700,000</u> |
| Typical capital replacement needs | \$ 400,000 |
| Anticipated Vandaveer planning | \$ 200,000 |
| Potential debt service on fire station | \$ 1,000,000 |
| Anticipated availability of reserves | \$ 3,700,000 |



Discussion: Priorities for 2023 Budget

Suggestions:

- Seek new revenue sources
- Vandaveer planning will take time and energy from all and should address future affordable housing, open space, recreational amenities, etc.
- Fire station project will be the primary funding priority
- Consider budget reductions for programs that are no longer deemed effective thereby making room for new priorities
- Any new projects/programs should address sustainability and ways to keep Salida beautiful and inclusive
- Plan to stay firm with adopted budgets and scrutinize “out-of-cycle” spending requests carefully



Public Works (Streets, Water, Sewer)





Base Level Funding-Public Works

| | Streets | Water | WasteWater (Sewer) |
|------------------------------|--------------------|-------------------|--------------------|
| Revenues | | | |
| Taxes | \$3,030,471 | \$0 | \$0 |
| Fees for Service | 0 | 1,923,527 | \$1,863,899 |
| All Other | <u>255,000</u> | <u>616,500</u> | <u>800,000</u> |
| TOTAL Revenue | 3,285,471 | 2,540,027 | 2,663,899 |
| Operating Expenses | <u>-630,908</u> | <u>-1,558,636</u> | <u>-1,907,797</u> |
| Net anticipated for projects | \$2,654,563 | \$981,391 | \$756,102 |



Discussion: Priorities for 2023 Budget

Suggestions:

- Seek grant revenues
- Update long-term plan, consider fee schedule
- Projects should address sustainability initiatives and aesthetics
- Highest priority projects are those that replace aging infrastructure and/or address safety issues





All Other Funds





Housing, Economic Development & Conservation Trust

Spending within these funds is dictated by City Code or State Statute. The budget matches revenues available.

| Fund | Anticipated Revenue |
|----------------------|---------------------|
| Housing | \$ 20,000 |
| Economic Development | \$189,404 |
| Conservation Trust | \$ 74,000 |