

# 2025 Budget Discussion

*(Continued from 9/3/2024 work session)*



September 16, 2024 Work Session





# Questions submitted

- Council members reviewed line item details and submitted questions to staff, responses were distributed to all council members.
- No discussion was held related to this, of course.
- The majority of questions asked for confirmation of where financial information is recorded in the chart of accounts.
- A few questions addressed information not in the presentation and will be disclosed publicly here..





# Council questions

- The cost of “uniforms” (clothing items) has increased significantly. In an effort to better “brand” the city and to encourage teamwork and a sense of pride, work shirts and jackets are distributed to employees.
- 2024 estimated registration revenue was underestimated in the line-item view and the 2025 budget was overstated (changed from \$60K to \$40K)
- Contract services at the aquatic center increased significantly due to the need to hire an outside janitorial firm.
- The City owns the Toubert Building with Chaffee County and \$60K is budgeted to handle potential building maintenance needs (matched by the County).



# Information Update

- As the budget progresses, changes will continue to be made.
- Estimates were used in the slide for the 2025 minimum reserve level based on 2023 audited numbers, but it is more conservative to calculate the numbers based on the estimated 2024 results.
- I previously reported that reserves are projected to be \$725,000 lower than minimum reserves per policy
- A better estimated amount is \$1,176,000.
- The next slide shows the corrections to the previously presented slide.



# Corrections to previously presented slide

- General & Capital Funds closely related
- No recommended capital projects in 2025
- As predicted, spending below fund balance policy level ✓
- Spending is better than FMP predicted ✓

Projected Beginning Fund Balance	\$ 3,953,000	
2025 Proposed Revenues	\$ 13,793,000	
2025 Proposed Expenses	\$ (15,671,000)	
Budgeted Ending Fund Balance	\$ 2,075,000	✓
FMP prediction for 2025	\$ 1,871,000	✓
Fund Balance policy level	<del>\$ 2,800,000</del>	\$3,251,000
Below policy minimum level	<del>\$ 725,000</del>	\$1,176,000

✓ Accurate!



# Discussion Points

Financial Management Plan, Increasing sustainability, Timing...





# Financial Management Plan Progress

- A fiscally conservative plan is being prepared with financial advisors from UMB Bank
- Early results are showing a longer recovery period than anticipated in existing plan
- New revenue or reduced spending may be necessary if growth is not sufficient
- Council anticipated to review plan in mid - October





# Commitment to Increase Sustainability

- Staff is fully aware that spending constraints and pressure to increase revenue in the General Fund are eminent
- Financial Management Plan will add clarity
- Staffing study is underway
- A financial sustainability strategy plan is underway
- Salida's tax base in comparison to other municipalities is being researched







# Other Considerations

- Treasurer and Finance Committee Recommendations
- Budget hearing is scheduled for October 1 and is slated to be adopted October 15
- Questions and further direction to staff?

