

MEMORANDUM

To: Management Team
From: Todd Wolf, City Administrator
Date: July 25, 2022
Subject: Preparation of the 2023 City of Sheboygan Executive Budget

The Finance and Personnel Committee met and approved the goals and parameters for the 2023 Executive Budget.

Citywide Budget Assumptions:

1. General Fund Budget - retains eligibility for Wisconsin's Expenditure Restraint Program.
2. Equalized tax rate to increase no more than inflationary levels.
3. Maintain city services with no decrease in service level.
4. Leverage city resources through partnerships and shared services/facilities with other entities.
5. Leverage intergovernmental funding to help offset city cost for projects or programs that promote the City of Sheboygan Strategic Plan Focus Areas.
6. Funding for anticipated wage/benefit increase for the city workforce due to the compensation study and union contracts.
7. Review user fees including utility rates.
8. Identify planned borrowed funds to assist in maintenance of the city's current Aa2 bond rating and remain consistent with Debt Management plan.
9. Balance all Fund budgets, if necessary utilize applied fund balance or planned borrowed funds proceeds.
10. Incorporate 2023 projects, equipment, police vehicles and large vehicles identified in the 2023 – 2027 Capital Improvement Program.
11. Continue Garbage, Recycling and Vehicle Registrations fees at their current amounts.
12. Maintain a minimum of 25% unassigned Fund Balance in the General Fund budget.

Departmental Budget Assumptions:

13. Maintain all 2023 Non-Personal services in **budget to not exceed 2022 levels (FLAT)** – Any increase adjustments to line items(s) will require a reduction in another line item to offset the increase.
14. No changes in staffing levels – other than filling vacant positions pre-approved in 2022.
15. Review user fees for adequacy.
16. City Hall parking lots (including SSA lot) – Budget \$360 per employee (per year) for Parking Stalls under account 537100 - Vehicle & Parking Expenses (formerly 527100 Car Allowance).
17. IT Services charges – 6% increase applied to the following account:
 - a. 533105 – IT Services Fund Charges (formerly 523120-Computer Maintenance & 523125 IT Services)

18. Motor Vehicle Fund expense account 538150 – Motor Vehicle Service Fund Charges (formerly 528150 Vehicle Rental) – 2.5% increase.
19. Computer and related item replacements account 560255 Tools & Small Equipment (formerly 530259 - IT Small Equipment) – Refer to the Computer Upgrades and Computer Pricing guide in the S drive.
20. **2023 utility rate estimates** are listed below:
 - a. **Unleaded Fuel** (regardless of location) - **\$3.66 per gallon** (For 2022 Projected - \$4.07 per gallon)
 - b. **Ultra-Low Sulphur Diesel** (regardless of location) - **\$4.14 per gallon.** (For 2022 Projected - \$4.69 per gallon)
 - c. **Natural Gas – 8.3% increase in cost over 2022.** (For 2022 Projected – no adjustment needed)
 - d. **Electricity – 4.5% increase in cost over 2022.** (For 2022 Projected – 2% increase)

Departmental Budget pages: As a result of the recently completed General Ledger Chart of Accounts conversion, we are planning to issue the 2023 Annual Program Budget book similar to the 2022 Annual Program Budget book. The Departmental Budget pages will be used to present budgets to the respective Standing Committee for review, and ultimately inserted into the 2023 Annual Program Budget book. These pages will be provided by the Finance Department once initial budget submission review meetings are complete.

MUNIS Next Year Budget Entry (NYBE) – 2023 Budget entry will be entered in MUNIS Next Year Budget Entry (NYBE). Please follow the procedure provided. Please call Jessica or Carrie with any questions.

21. 2023 Budget can only be entered via the "Detail" or Line items portion of the screen, not from the main summary screen (center section). Please refer to the Budget entry instructions.
22. Salary & Benefit projections for all authorized positions (regular city staff) will be included within the budget projection.
 - a) Each Department will be provided a proof to review for accuracy.
 - b) After review and corrections - Salary & Benefit projection will be merged into the Budget projection.
 - c) **Overtime & all "special" salaries** (seasonal/temporary staff) – Will be included in the Salary & Benefit projections.
 1. **Provide the total amounts for each account below to Jessica & Carrie via email by Tuesday, August 2, 2022.**
 - i. Overtime (510111)
 - ii. Temporary Salaries (includes seasonal and temporary staff) (510130)
23. **Provide as much detail as possible via the "Description" and "Justification" fields relative to the budgeted amount.**
 - a) Example – a \$20,000 budget for Account 536125 (Employee Development) should **include clear detail** in the **"Description"** and **"Justification"** fields confirming all items which make up the \$20,000

- total budget. **More detail** in these 2 fields **provides better clarity** for all city staff and **improves internal communication** and **reduces errors**.
24. Accounts that have been compressed (several accounts merged together during the Chart of Accounts conversion) must have "detail" information entered, itemizing as much information as possible.
- a. **Contracted Services 531100** (formerly 521900) **must be itemized** under **"Description" and "Justification"** fields.
25. Revenues – After the Chart of Accounts conversion, all revenue accounts now have a 3-digit Org, followed by a 6-digit Object. These will appear in each department's respective accounts for budgeting purposes.
- a. Review revenues and adjust them accordingly
26. 2023 Capital Improvements Projects will be entered by the Finance Team.
27. Enter the **"2022 Estimated Budget"** amount in the NYBE on the summary screen (center of screen).
- e. 2022 Projected – enter the total estimated amount for the current year, using the "Update" in the ribbon.

Due date for 2023 Budget is Monday, August 29.

If completed early, please let Jessica & Carrie know so we can review.

