



Date: June 14, 2022

Honorable Mayor and Council Members:

Author and title: Regina Wise, Finance Manager

Title: **Town of Truckee, Fiscal Year 2023 Operating and Capital Improvement Plan Budget**

Approved By: \_\_\_\_\_ Jen Callaway, Town Manager

**Recommended Action:** That Town Council approves Resolution 2022-36 to:

- 1) Adopt the Town of Truckee Fiscal Year 2023 Operating and Capital Improvement Plan Budget, including proposed personnel changes, and adopt the estimated actuals for Fiscal Year 2022 Capital Improvement Projects as amended budget amounts; and
- 2) Adopt the town of Truckee Job Classification list effective for Fiscal Year 2023 pursuant to the requirements of the California Code of Regulations, title 2, section 570.5.

**Discussion:** Attached for Council's consideration is the proposed Fiscal Year (FY) 2023 Town of Truckee Annual Operating and Capital Improvement Plan Budget. The proposed budget maintains operations at levels similar to prior years (pre-pandemic) while including funding for 58 capital projects (a total of \$33.0 million of expenditures in FY2023 for Capital Improvements).

**Budget Preparation Process:** In preparation of this budget, staff had an initial meeting with Council on February 1<sup>st</sup> to receive policy direction. Subsequently, there have been two public meetings held to discuss budget details, including an initial budget overview on April 18<sup>th</sup> and an over six-hour workshop with Council on May 31<sup>st</sup> in which the details of the entire proposed budget were discussed. Council provided staff with input and direction at each meeting and that direction is incorporated into the final budget document presented in this report.

**Changes to the Budget from the Workshop Meeting May 31, 2022:** Since the May 31<sup>st</sup> **workshop** the general fund undesignated cash balance at the end of the five-year budget horizon has decreased from \$5.6 million to \$4.6 million due to the following changes; following:

- Staff added \$200K of General Fund expense in updated fuel cost projections.
- Staff unfunded C1814 Community Housing Commitments that were not specifically aligned with a project at this time that returned approximately \$1.2M to the Measure K fund balance; and
- Staff added an unfunded grant source of \$250K annual to C2018 Roadway Vegetation Management Project for FY2024 and FY2025.

**Additional Changes to the Budget:** Since the meeting on May 31, 2021, staff has also done a final review and corrected some additional items including;

- Staff added \$109K of General Fund revenue for surplus vehicles to the proposed FY2023 budget.
- Staff updated the expected Snow Removal reimbursement revenue that comes through Gas Tax Revenues have reducing General Fund revenue approximately \$300K.

- Staff added \$500K of General Fund expenditure for FY2022 for Canyon Springs Stewardship Fund managed by Truckee Donner Land Trust (C2207).
- Staff added \$112K of revenue and associated expense to the Public Transit estimated actuals for FY2022 to align with the budget amendment that is necessary to re-coop Transit Development Act (TDA) funding for the operating deficit identified in FY2021 audit. The budget amendment associated with this item is presented as a separate staff report at this meeting as it requires a separate resolution for the TDA.

These adjustments have resulted in changes in numbers than were previously presented at the May 31, 2022, meeting, but the substance of the budget remains the same.

**Salary Matrix:** Staff is recommending approval of the updated Job Classification List based on clarification of Government Code section 20636 and California Code of Regulations section 570.5, which requires the governing body to “duly approve and adopt” the publicly available pay schedule (Wage Matrix).

All but two ranges in the FY2023 Wage Matrix has been updated to increase the wage classification ranges by 1.5% in accordance with the memorandums of understanding (MOU) with the Town’s Department Head, Mid-Management and General Employee groups. The Town is currently in negotiations with the Truckee Police Officer’s Association (TPOA) as the MOU with the TPOA expires June 30, 2022. No adjustment has been included to the position covered by this MOU in the attached matrix (17P - Police Officer and 21P - Police Sergeant). Once the Town and the group have reached an agreement that has been approved by Council, a separate adjustment to the Job Wage Matrix will be brought to Council for those changes.

One position classification, the Diversity Equity and Inclusion Program Manager has been added to the Wage Matrix in Range 19. This position was proposed and budgeted in the FY2023 Annual Operating Budget also presented for approval.

**Conclusion**

Pending further Council discussion, staff is recommending adoption of Resolution No. 2022-36, which authorizes the Fiscal Year 2023 Operating and Capital Budgets and the FY2023 Town of Truckee Job Wage Matrix. Any amendments made during the Council meeting will be incorporated into the final budget document.

**Priority:**

<input type="checkbox"/> Enhanced Communication	<input type="checkbox"/> Climate and Greenhouse Gas Reduction	<input type="checkbox"/> Housing
<input type="checkbox"/> Infrastructure Investment	<input type="checkbox"/> Emergency and Wildfire Preparedness	<input checked="" type="checkbox"/> Core Service

**Fiscal Impact:** Refer to the attached budget document.

**Public Communication:** Public participation at budget workshops is encouraged and any public comment related to the budget is welcome. Both budget meetings mentioned above were streamed to increase public access and the Council priority setting session was open to the public, although no public attended.

**Attachments:**

Attachment A – Resolution 2022-36

Attachment B – Proposed FY2023 Town of Truckee Annual Operating Budget and Five-Year Capital Improvement Plan

Attachment C – Town of Truckee Job Wage Matrix for FY2023