

To: Mayor Taylor and the City Council
Fr: Ron Chandler
Dt: April 16, 2014
Re: Budget Workshop

Attached, please find the budget associated with the work meeting. A City budget is meant to reflect the City's policies and goals. The major changes in this year's budget are a result of policies implemented over the past two years and recent discussions with the City Council.

During the work meeting we will cover the following topics.

- 1) Garbage Collection – We received two bids for garbage collections. We would like to use you, the City Council, as the evaluation committee for choosing the contractor. Each proposal includes a base bid for the City's current collection program plus alternative bids for weekly recycling and green waste. I will deliver copy of the proposals to you.

We scheduled interviews with the two applicants for the first part of the meeting.

- 2) Motor Pool Funding – The motor pool funds act as an auto repair business whose clients are the City departments. During the recession the City relied on the motor pool fund balances to cover its expenses by not paying the motor pools for their services. In FY2014 the City implemented a three year policy to fully fund the motor pools. This budget is the second year of this plan. Budgetary impact: general fund = \$93,000; water fund = \$18,000; sewer fund = \$11,000; storm drain fund = \$12,000; solid waste fund = \$1,400
- 3) Special Revenue Funds – You have expressed a desire to separate the aquatic center from the general fund. You have also discussed creating funds for new street light installation and street projects. This budget creates special revenue funds for each of these services.
- 4) Salaries – This budget proposes modifications to the City's salary ranges and a 3.94% increase in the overall salary expense. Budgetary impact (salary and benefits): general fund = \$100,000; water fund = \$8,000; sewer fund = -\$61,000; solid waste fund = \$22,800;
- 5) New Employee Positions – This budget includes two new positions – a part-time mechanic and a part-time code enforcer. Budgetary impact (salary and benefits): motor pool fund = \$36,000; general fund = \$26,000.
- 6) Transfers to the Capital Project Fund – In FY2014 the City adopted a policy to transfer 50% of general fund excess revenue over expenditure to the capital project fund and transfer 50% of projected revenue increase to the capital projects fund. This budget includes these transfers. Budgetary impact: anticipated transfer of increase of revenue over expenses for FY2014 = \$262,000; transfer as a result of increase in revenue for FY2015 = \$166,000.
- 7) Public Works Facility – This budget includes \$2.7 million for the new public works buildings. Lundahl Construction is creating a new site plan based on recommendations made by the public works subcommittee and we will present an update on Lundahl's progress.
- 8) Capital projects – We will review the capital project requests for each fund.

9) Other line item request including

- Employee health insurance
- Employee retirement
- Conversion of street lights to LED lights
- Depreciation
- Enterprise fund reserves
- Preventative maintenance for park sprinkler systems

10) Questions/answers and other topics.