BUDGET PRESENTATION

Agenda Item

TO: Mayor and City Council

FROM: Steve Rasmussen, City Manager and Carmen Weigand, Finance Director

DATE: August 15, 2022

RE: **Budget Public Hearing**

Purpose

The purpose of this presentation is to present the highlights of the budget committee's recommendations for the coming year's budget. This will be presented as an Ordinance at the City Council meeting on September 6th for a first reading, and on September 19th for a final reading.

The significant recommendations from the Finance Committee are as follows:

General Fund

- Transfer the Municipal Court to Clinton County for a savings of approximately $25,000 in FY23 and $46,000 in additional revenue thereafter.
- Temporarily suspend City Council salaries for a savings of $10,500.
- Provide a 3% COLA for City employees for a cost of approximately $60,750.
- Fund the currently vacant patrol officer position for a cost of approximately $55,000
- Not fill the currently vacant street department position at this time for a savings of approximately $45,000

These adjustments result in the General Fund having a negative balance of $66,257 or 1.2%. Staff feels this 1.2% is within the margin of error and is consistent with what the Council has approved in the last three years.

Utility Funds

In order to continue to provide utility services in light of increased cost of goods, particularly fuel and chemicals, the following rate adjustments in utility funds are proposed:

- Increase the solid waste fee from $11.50 to $18.00 per month with $1 to be retained by the City.
- Electric utility customer base cost-of-service increase from $7.95 to $12.00 per month.
- Water utility customer base cost-of-service increase from $14.52 to $20.00 per month.
- Sewer utility customer base cost-of-service increase from $14.00 to $20.00 per month and a rate increase of $4.88 to $5.36 per 1,000 gallons of water usage.

Recommendation

Staff recommends Council approve the Finance Committee's recommendation as per the attached Budget Summary.