



**Memo**

To: City Manager's Office  
From: Budget Office  
CC: Senior Staff  
Date: September 3, 2021  
Re: FY22 Budget Follow-Up Memo #4 – General Fund

**Section 1: General Fund Directive**

On August 30<sup>th</sup>, 2021 the City Council requested staff adjust the FY22 proposed General Fund budget expenditures with the goal of redirecting between \$800,000 and \$1,000,000 in additional expenditures towards the compensation and classification implementation. Further, the direction was to meet this target via expenditure cuts – not tax increases. The City Council left the decision on which accounts to reduce up to staff. All staff involved acknowledge that this amount will bring the City closer to fully implementing the “100% Market– No Cap for Tenure Transition” plan outlined in the slide below. **While the proposed budget changes listed below bring the City much closer to full implementation, the remainder of the salary increases will be addressed in future budgets.**

## General Fund Cost Comparisons Between Two Plans



**100% Market with 10% Cap on Tenure Transition**

- An additional \$2,494,178 in salaries
- Total salary + benefits cost of **\$3,242,431**
- Provides room in budget to add staff that are needed by departments
- Included in FY22 Proposed Budget

**100% Market – No Cap for Tenure Transition**

- An additional \$3,953,754 in salaries
- Total salary + benefit cost of **\$5,137,274**
- **\$1,894,843 more in recurring costs than in proposed budget**

## Section 2: General Fund Cuts

The Budget Office has identified \$1,000,000 in expenditure reduction adjustments that meet City Council's goal. Of the \$1,000,000, ~\$700,000 will be designated to closing the gap in salaries and ~\$300,000 will be designated to cover the resulting benefit cost increases.

Item	Budget Reduction from FY22 Proposed Budget Book
Reduce vehicle replacements by a total of 3 vehicles in Streets and Drainage (2) and Public Works Right of Way (1).	\$320,000
FY22 Annual Budget Surplus reduced to \$0.	\$229,000
Leverage Tree Trust Fund to assist with Capital Project TR2203. The project's cost is unchanged, but instead of \$500,000 from the General Fund only \$300,000 will come from the General Fund. The other \$200,000 will be transferred in from the Tree Trust Fund.	\$200,000
Reduce City Utility Budget in departments to more closely align with FY21 estimates and new, more energy efficient buildings.	\$65,000
Removed Police Office Assistant, Senior position from Budget. This was a new position proposed in the FY22 Budget.	\$54,541
Delay the hiring of a new Police Officer to 4/1/22 (halfway through the fiscal year). This is a new position proposed in the FY22 Budget.	\$49,020
Professional Development Reductions in several departments.	\$41,823
Delay the hiring of a new Animal Shelter Attendant to 4/1/22 (halfway through the fiscal year). This is a new position proposed in the FY22 Budget.	\$26,284
Delay the hiring of a new GIS Analyst to 4/1/22 (halfway through the fiscal year). This is a new position proposed in the FY22 Budget and is funded with the cost split - 25% General Fund and 75% from the Enterprise Fund.	\$16,787
Reduced Other Services Credit Card Fees to more accurately reflect FY21 estimates.	\$15,000
Delay the hiring of a new GIS Technician to 4/1/22 (halfway through the fiscal year). This is a new position proposed in the FY22 Budget and is funded with the cost split - 50% General Fund and 50% from the Enterprise Fund.	\$7,699
Reduced Programs and Event Supplies.	\$3,000
<b>Total Reductions</b>	<b>\$1,028,154</b>

## Section 3: Use of Available Funds

The \$1,028,154 in budget reductions listed above will be applied to the salaries and benefits line items in the FY22 General Fund Budget as additional funding for the implementation of the compensation and classification study. The amount will *not* fully move every employee to where they would be placed according to their tenure. The remainder of the

compensation and classification study implementation will take place in future budgets. **Next week, the City Council will receive a memo detailing the results of the \$1,028,154 in additional funding for Classification and Compensation for the General Fund.**