



FY 22 Recommended Budget Discussion Part II

City Council Work
Session

February 2nd

RECOMMENDED WORK SESSION FOLLOW-UP ITEMS



Propose a budget scenario which maintains the property tax rate flat



Provide additional information new initiatives/studies



Review the recommended salary increases and how it compares to indexes of inflation

BUDGET PRIORITIES



Align funding to Strategic Plan Initiatives



Competitive Pay and Benefits

Salary Increases (2.5%)

Health Insurance Rate Increase (6%)



Maximize Technology Investments



Maintain Sustainable Rates for all Proprietary Funds

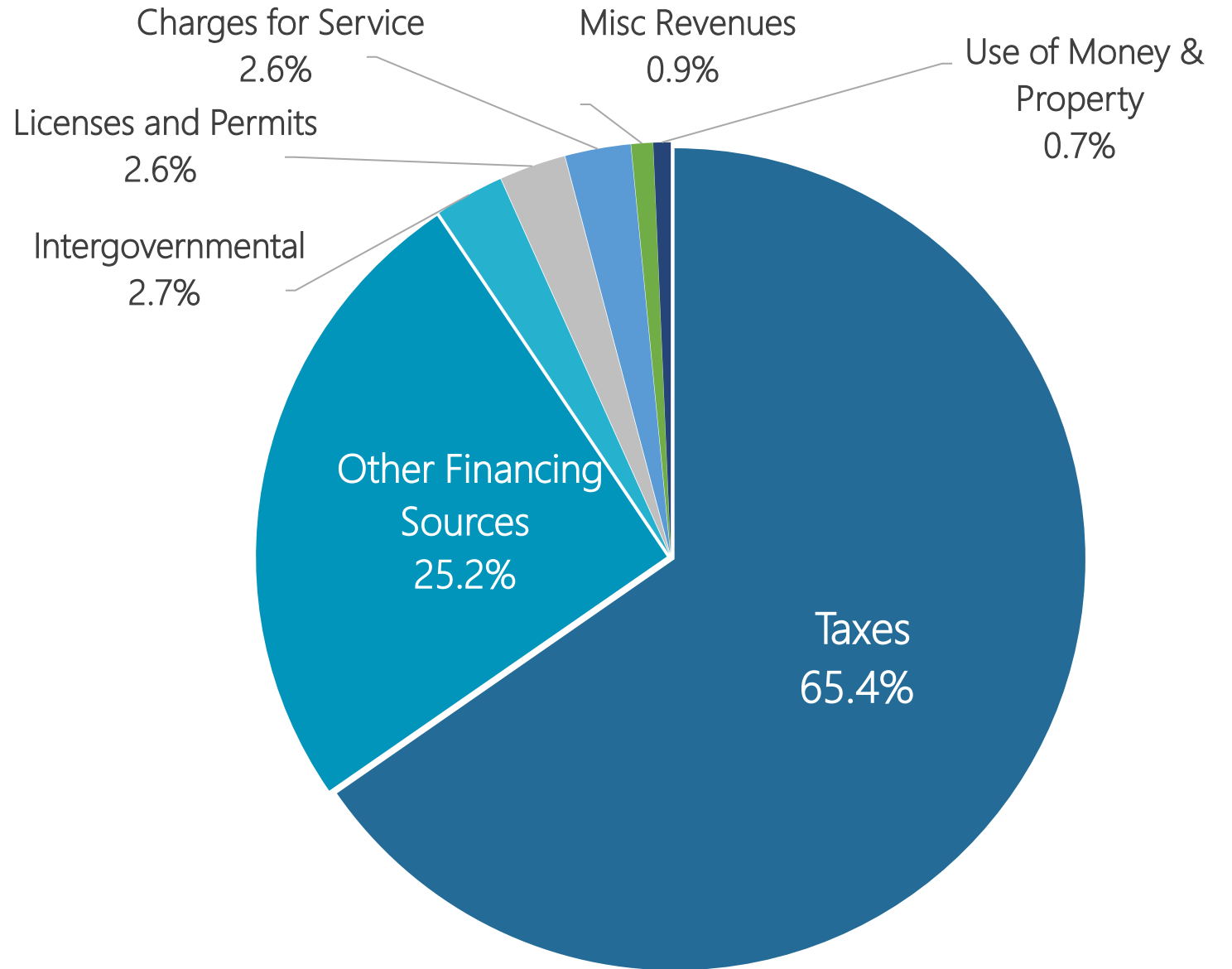


City Share of Derecho Clean Up

FY 22 General Fund Revenue by Class

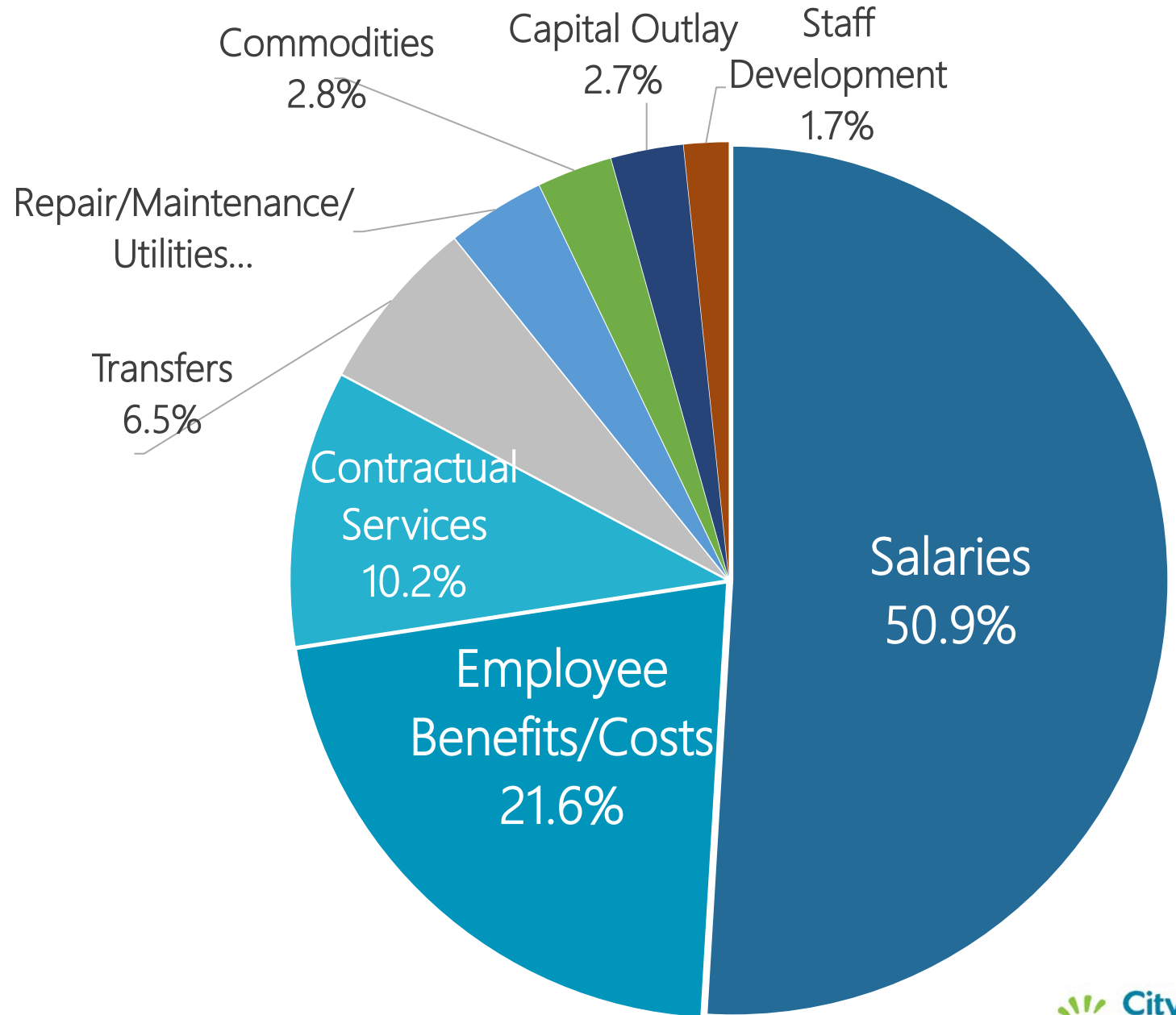
Property Taxes represent **81.5%** of General Fund revenue

FY 21 Revenue: \$26,930,284



FY 22 General Fund Expenditures by Classification

Personnel related expenditures represent **74%** of total expenditures.



Property Taxes Reduction Plan



Increased Revenue: **\$87K**
SRO agreement with school districts



Decrease Expenditures: **\$83K**
Remove Code Enforcement allotment



Remove Emergency Property Tax Levy: **(\$150K)**
Reduction in Employee Benefits Levy: **(\$27K)**



New Property Tax Rate

14.19976

New Property Tax Revenue (General Fund)

\$975K

Total Property Tax Revenue

\$899K



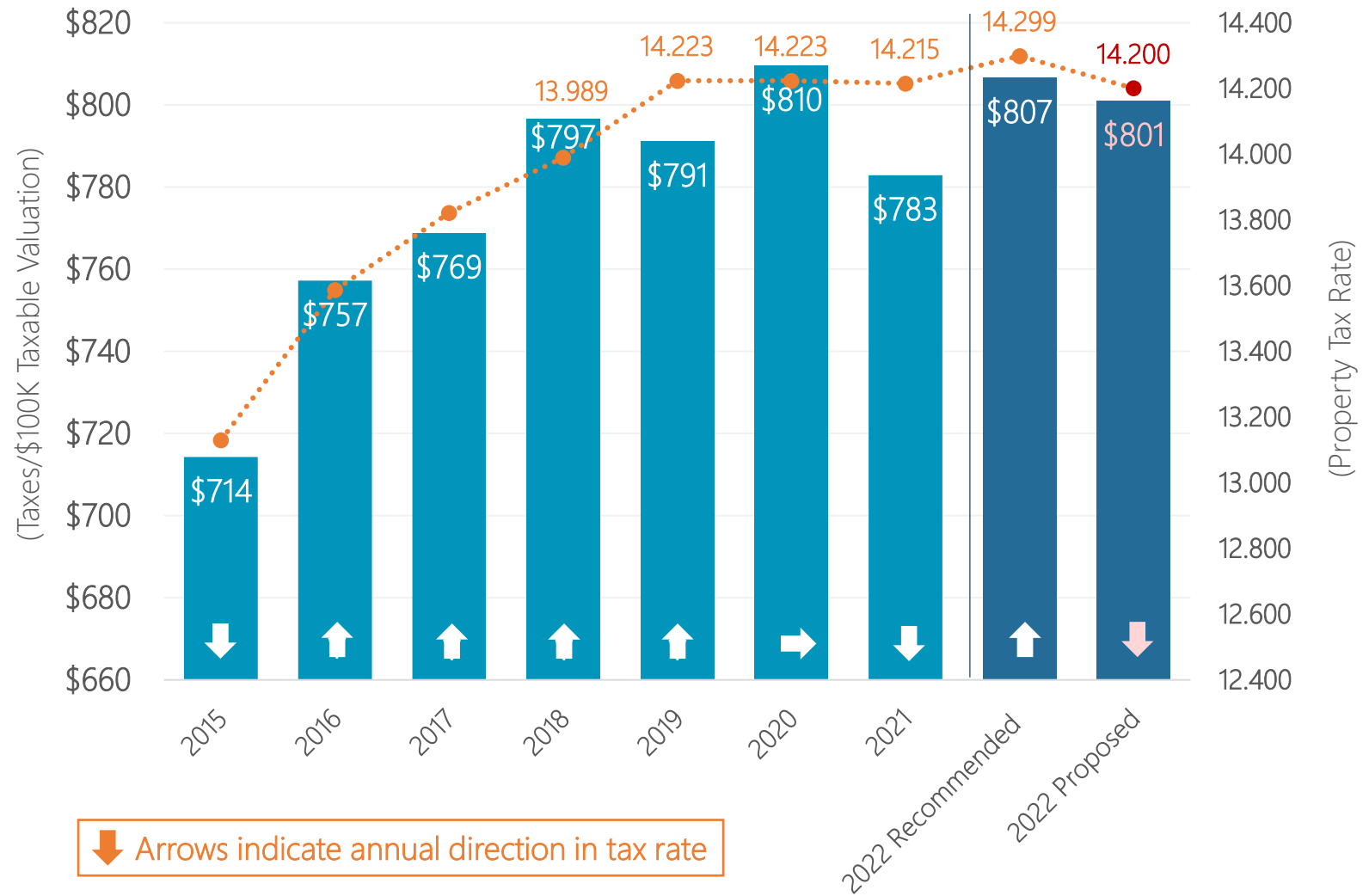
Property Taxes Impact

2nd year of a property tax reduction (1.5¢)

\$6 less than the Recommended rate of 14.299

Increase of \$18 per \$100K of Taxable Valuation (🏠 residential)

Property Taxes Per \$100K of Taxable Valuation



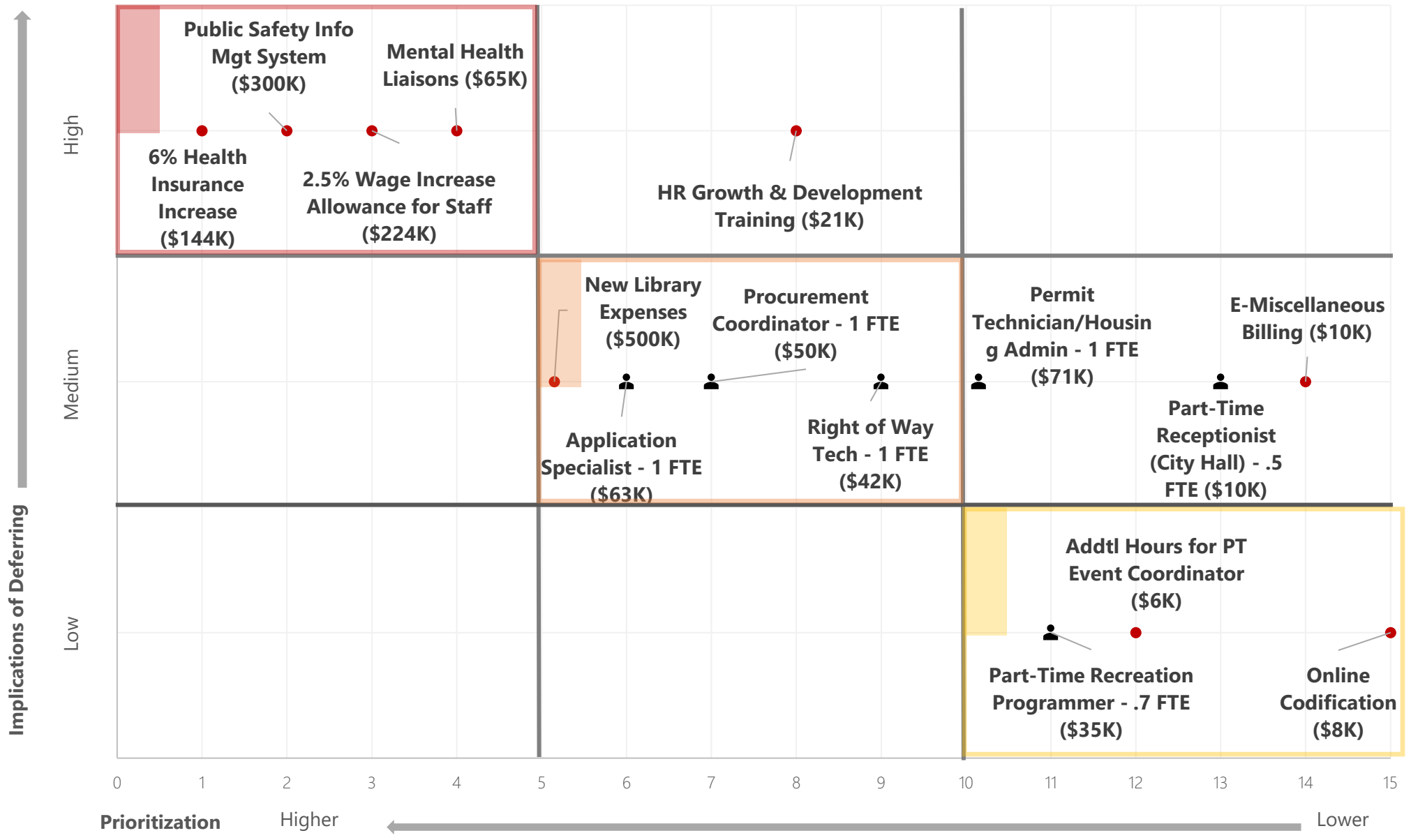


Budget Priorities & Rankings

FY 22 Budget Priorities (*Ranked*)

FY 22 RECOMMENDED BUDGET PRIORITIES						
Priority Rank	FY 22 Budget Initiative/Position (FTE = Full Time Equivalency)	Cost (Fund)	Department	Budget Priority Category	Strategic Plan Alignment	Implications of Deferring
General & Equipment Replacement Funds		<i>Only Includes General & Equipment Replacement Fund Costs</i>				
1	6% Health Insurance Increase	\$144K	All	Employee Invstmt		High
2	Public Safety Info Mgt System	\$300K	Police	Strat Plan Align	Safe Communities	High
3	2.5% Wage Increase Allowance for Staff	\$224K	All	Employee Invstmt		High
4	Mental Health Liaisons	\$65K	Police	Strat Plan Align	Safe Communities	High
5	New Library Expenses	\$500K	Library	Strat Plan Align	Vibrant Communities	Medium
6	Application Specialist - 1 FTE	\$63K	IT	Maximize Tech	Efficient & Effective Gov	Medium
7	Procurement Coordinator - 1 FTE	\$50K	Finance	Strat Plan Align	Efficient & Effective Gov	Medium
8	HR Growth & Development Training	\$21K	City Mgr (HR)	Strat Plan Align	Efficient & Effective Gov	High
9	Right of Way Tech - 1 FTE	\$42K	Engineering	Strat Plan Align	Sustainable Infrastructure	Medium
10	Permit Technician/Housing Admin - 1 FTE	\$71K	Comm Dev (Bldg)	Enhance Srv Delvy		Medium
11	Part-Time Recreation Programmer - .7 FTE	\$35K	Parks & Recreation	Strat Plan Align	Vibrant Communities	Low
12	Addtl Hours for PT Event Coordinator	\$6K	City Mgr (Comm)	Strat Plan Align	Vibrant Communities	Low
13	Part-Time Receptionist (City Hall) - .5 FTE	\$10K	Finance	Enhance Srv Delvy		Medium
14	E-Miscellaneous Billing	\$10K	Finance	Maximize Tech		Medium
15	Online Codification	\$8K	City Mgr (Clerk)	Enhance Srv Delvy		Low
Proprietary Funds		<i>All Non-General Fund Cost</i>				
1	Environmental Specialist - 1 FTE	\$84K	Engineering	Strat Plan Align	Sustainable Infrastructure	High
2	Equipment Operator - 1 FTE	\$79K	Road Use	Strat Plan Align	Sustainable Infrastructure	High
Priority Rank	FY 22 Budget Plans/Studies	Cost (Fund)	Department	Budget Priority Category	Strategic Alignment	Implications of Deferring
1	Solid Waste Management Study	\$150K	Public Services	Strat Plan Align	Sustainable Infrastructure	High
2	Master Planning -Tower Terrace	\$60K	Community Dev	Enhance Srv Delvy		High
3	Master Planning Fernow East	\$30K	Community Dev	Enhance Srv Delvy		High

FY 22 GF Initiatives by Priority & Implications of Deferring



FY 21 Initiatives & Studies

FY 21 Initiatives	Type	Project Status	Next Step
Compensation and Classification Rec Desk Software for Parks & Recreation	Study	Complete	Compensation System Redesign
Aquatic Feasibility Study	Software	Complete	Full Integration
Development Impact Model	Study	Complete	Review of Study
Pavement Condition Index Model	Model	Complete	Validation
Sewer Capacity Model	Model	Complete	Target Condition Levels
Payroll Automation	Study	Complete	Incorporate into Planning
Agenda Management	Software	On-Going	Full Transition
Strategic Plan Implementation	Software	On-Going	Full Transition
Uptown Master Plan	Plan	On-Going	Quarterly Reports (Monitoring)
Derecho Recovery-Clean up	Plan	On-Going	Plan Adoption
FEMA Assistance Grant	Other	On-Going	Waterway Cleanup
Housing Inspection Software	Other	On-Going	Reimbursement Documentation
	Software	Budgeted FY 22	Process Analysis and RFP Development



FY 22 Budgeted Salary Allowances

Invest in Dedicated Employees

2.5%

Employee Investments

General Fund Salary and Benefits

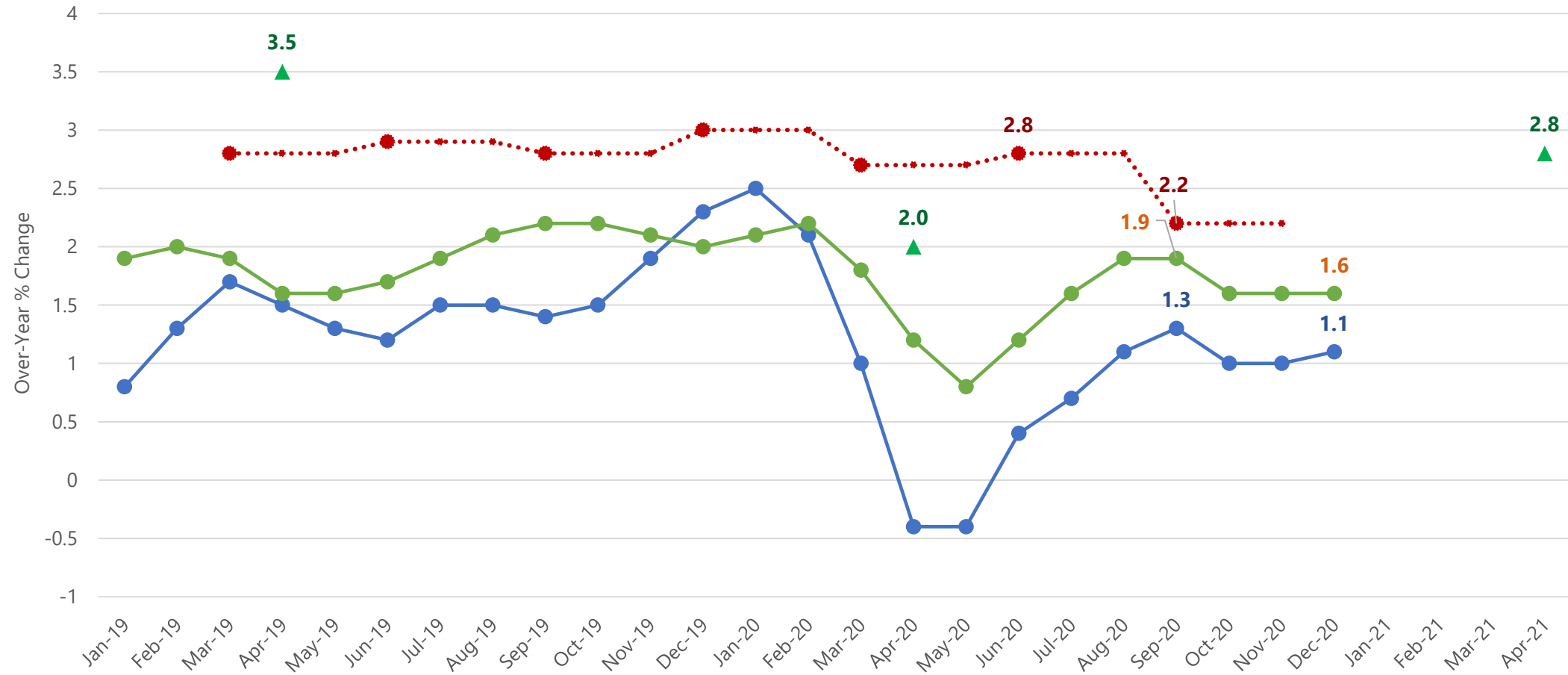
Personnel Expenditure Changes from FY 21	General Fund
FY 21 Amended Salary and Benefit Expenditures	\$19.6M
Fully Fund New FY 21 Pay Increases and Staff Realignment	\$256K
New Indirect Position Changes (OT, PT and Existing Staff)	\$56K
Impact of 2.5% Salary Increases (Existing Positions)	\$224K
Medical Health Plan Increase (6%)	\$149K
New Positions Added	\$297K
Engineering Allocation to Road Use	(\$184K)
FY 22 Recommended Salary and Benefit Expenditures	\$20.4M
<i>Change</i>	<i>\$798K</i>
<i>% Change</i>	<i>4.1%</i>

Salary Increases: Cost per .5% Increment

FY 22 WAGE INCREASE REVIEW		FY 22 Recommended Increase		2.00%		1.50%		1.30%		1.00%		0.50%		0.00%	
Wage Increase %	3.50%	3.00%	2.50%	2.00%	1.50%	1.30%	1.00%	0.50%	0.00%						
Total FY 22 Cost Estimate	\$314K	\$269K	\$224K	\$179K	\$134K	\$116K	\$90K	\$45K	\$0						

Consumer Price Index (CPI) & Employment Cost Index (ECI)

Over-Year Percent Change of CPI and ECI (Employment Cost Index)



Note:
 CPI = Consumer Price Index
 ECI = Employment Cost Index

- CPI (All Items), Midwest Region
- CPI (Less Food & Energy), Midwest Region
- ECI (Wages & Salaries), State and Local Government - Public Administration
- ▲ Non-Bargaining Wage Increase Allowance (April each year)

FY 22

Wage Increase Allowance:

Impact on Average Employee

Increases for non-bargaining staff based upon annual performance

Salary Increase sets the ceiling for individual salary increase

FY 22 Recommended Increase: **2.5%**

Wage Increase Example - Median Salary Staff Member

	Median Salary	Recommended Increase	ECI Over-Year % Change	CPI Over-Year % Change
	66,000	2.50%	2.20%	1.30%
\$ Change Year		\$1,650	\$1,452	\$858
\$ Change/Month		\$138	\$121	\$72
\$ Chg/Paycheck		\$63	\$56	\$33

Note: These figures do not account for the expected monthly increase in medical health insurance of \$4 to \$11 a month (employee share estimates)



Proprietary Funds Revenue

- Sanitary Sewer
- Sanitary Sewer Replace**
- Solid Waste
- Stormwater Management
- Urban Forest Utility

Sanitary Sewer Revenue

Collections



FY 21
\$5.0M

FY 22
\$5.8M
+16.1%

Previous 7/1/19

Sewer Monthly Service Charge: \$2.00

Sewer Variable per 100 c.f.: \$3.80

Sanitary Sewer Service Charge: \$2.00

Current 7/1/20

Sewer Monthly Service Charge: \$2.00

Sewer Variable per 100 c.f.: \$4.10

Hook-up Fees: \$2,000 each
\$310K in new revenue (Annualized)

Proposed FY 22

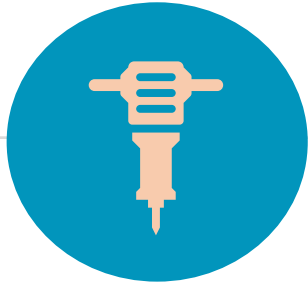
Sewer Monthly Service Charge: \$2.00

Sewer Variable per 100 c.f.: \$4.39
7% Increase

Hook-up Fees: \$2,000 each
\$310K in new revenue

Sanitary Sewer Replacement Revenue

Collections



FY 21
\$250K

FY 22
\$450K
+80%

Previous
7/1/19

Monthly Sanitary Sewer Replacement
Service Charge: \$2.00

Current
7/1/20

Monthly Sanitary Sewer Replacement
Service Charge: \$2.00

Proposed
FY 22

No Change

Monthly Sanitary Sewer Replacement
Sanitary Sewer Service Charge: \$3.00
50% Increase (proposed to begin
on 1/1/22)

Solid Waste Revenue

Collection & Drainage Fees



FY 21
\$2.5M

FY 22
\$2.7M
+7.7%

Previous
7/1/19

Monthly Rate: \$15.50

Current
7/1/20

Monthly Rate: \$17.50

Proposed
FY 22

Monthly Rate: \$18.75
7% Increase

Stormwater Management Revenue

Collection & Drainage Fees



FY 21
\$1.05M

FY 22
\$1.06M
+1.1%

Previous

8/25/15

Monthly Service Charge: \$3.33

Variable Charge: \$1.59

Current

12/1/17

Monthly Service Charge: \$3.50

Variable Charge: \$1.67

Proposed

FY 22

No Change

Urban Forest Utility Revenue

Collections



FY 20
\$524K

FY 21
\$528K
+.8%

Previous
7/1/15

Monthly Rate: \$2.25

Current
(7/1/20)

Monthly Rate: \$3.00

Proposed

No Change

Estimate Annual Impact to Residents

(Utility Rates and Property Taxes 14.29856)

City of Marion Residential Utility Bill Statistics (Nov, 2020)

Residential Accounts	Solid Waste	Sanitary Sewer Replace	Sanitary Sewer	Stormwater	Urban Forest	Water	Water Excise Tax	Monthly Bill (Avg consumption)	Bi-Monthly Bill (Avg consumption)	Annual Bill (Avg consumption)	Property Taxes (14.29856)	Total Proposed
FY 21 Fee Structure (monthly)	\$ 17.50	\$ 2.00	Flat: \$2.00 Variable: \$4.10/100 c.f.	Flat: \$3.50 Variable: \$1.67	\$ 3.00	Variable	6%				Based on \$168,700 Property	
FY 21 Avg Residenti	\$ 17.50	\$ 2.00	\$ 27.79	\$ 5.17	\$ 3.00	\$ 24.33	\$ 1.46	\$ 81.25	\$ 162.51	\$ 975.03	\$ 1,321.00	2,296
FY 22 Proposed Fee Structure (monthly)	\$ 18.75	\$ 3.00	Flat: \$2.00 Variable: \$4.39/100 c.f.	Flat: \$3.50 Variable: \$1.67	\$ 3.00	5%-8% increase (modeled at 8%)	6%					
FY 22 Avg Residenti	\$ 18.75	\$ 3.00	\$ 29.74	\$ 5.17	\$ 3.00	\$ 26.28	\$ 1.58	\$ 87.51	\$ 175.02	\$1,050.14	\$ 1,361.00	2,411
\$ Change	\$ 1.25	\$ 1.00	\$ 1.95	\$ -	\$ -	\$ 1.95	\$ 0.12	\$ 6.26	\$ 12.52	\$ 75.10	\$ 40.00	\$ 115.10
% Change	7.1%	50.0%	7.0%	0.0%	0.0%	8.0%	8.0%	7.7%	7.7%	7.7%	3.0%	5.0%

Estimate Annual Impact to Residents

(Utility Rates and Property Taxes 14.19976)

City of Marion Residential Utility Bill Statistics (Nov, 2020)											Property Taxes (14.19976)	Total Proposed
Residential Accounts	Solid Waste	Sanitary Sewer Replace	Sanitary Sewer	Stormwater	Urban Forest	Water	Water Excise Tax	Monthly Residential Bill (based on avg consumption)	Bi-Monthly Residential Bill (based on avg consumption)	Annual Residential Bill (based on avg consumption)		
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\$ Change	\$ 1.25	\$ -	\$ 1.95	\$ -	\$ -	\$ 1.95	\$ 0.12	\$ 5.26	\$ 10.52	\$ 63.10	\$ 30.00	\$ 93.10
% Change	7.1%	0.0%	7.0%	0.0%	0.0%	8.0%	8.0%	6.5%	6.5%	6.5%	2.3%	4.1%

Decrease of \$1 a month and \$22 a year

DECISION POINT - Sanitary Sewer Revenue

Collections



FY 21
\$5.0M

FY 22
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+16.1%

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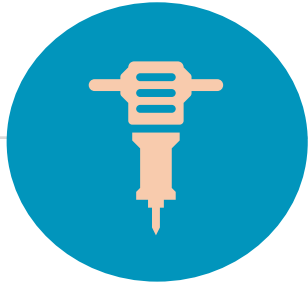
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DECISION POINT - Sanitary Sewer Replacement Revenue

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Proposed
FY 22

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Monthly Sanitary Sewer Replacement
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50% Increase (proposed to begin
on 1/1/22)

DECISION POINT - Solid Waste Revenue

Collection & Drainage Fees



FY 21
\$2.5M

FY 22
\$2.7M
+7.7%

Previous
7/1/19

Monthly Rate: \$15.50

Current
7/1/20

Monthly Rate: \$17.50

Proposed
FY 22

Monthly Rate: \$18.75
7% Increase

DECISION POINT Estimate Annual Impact to Residents

(Utility Rates and Property Taxes 14.19976)

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Decrease of \$1 a month and \$22 a year

DECISION POINT - Salary Increases

Salary and Benefits

FY 22 WAGE INCREASE REVIEW

			FY 22 Recommended Increase						
Wage Increase %	3.50%	3.00%	2.50%	2.00%	1.50%	1.30%	1.00%	0.50%	0.00%
Total FY 22 Cost Estimate	\$314K	\$269K	\$224K	\$179K	\$134K	\$116K	\$90K	\$45K	\$0

DECISION POINT

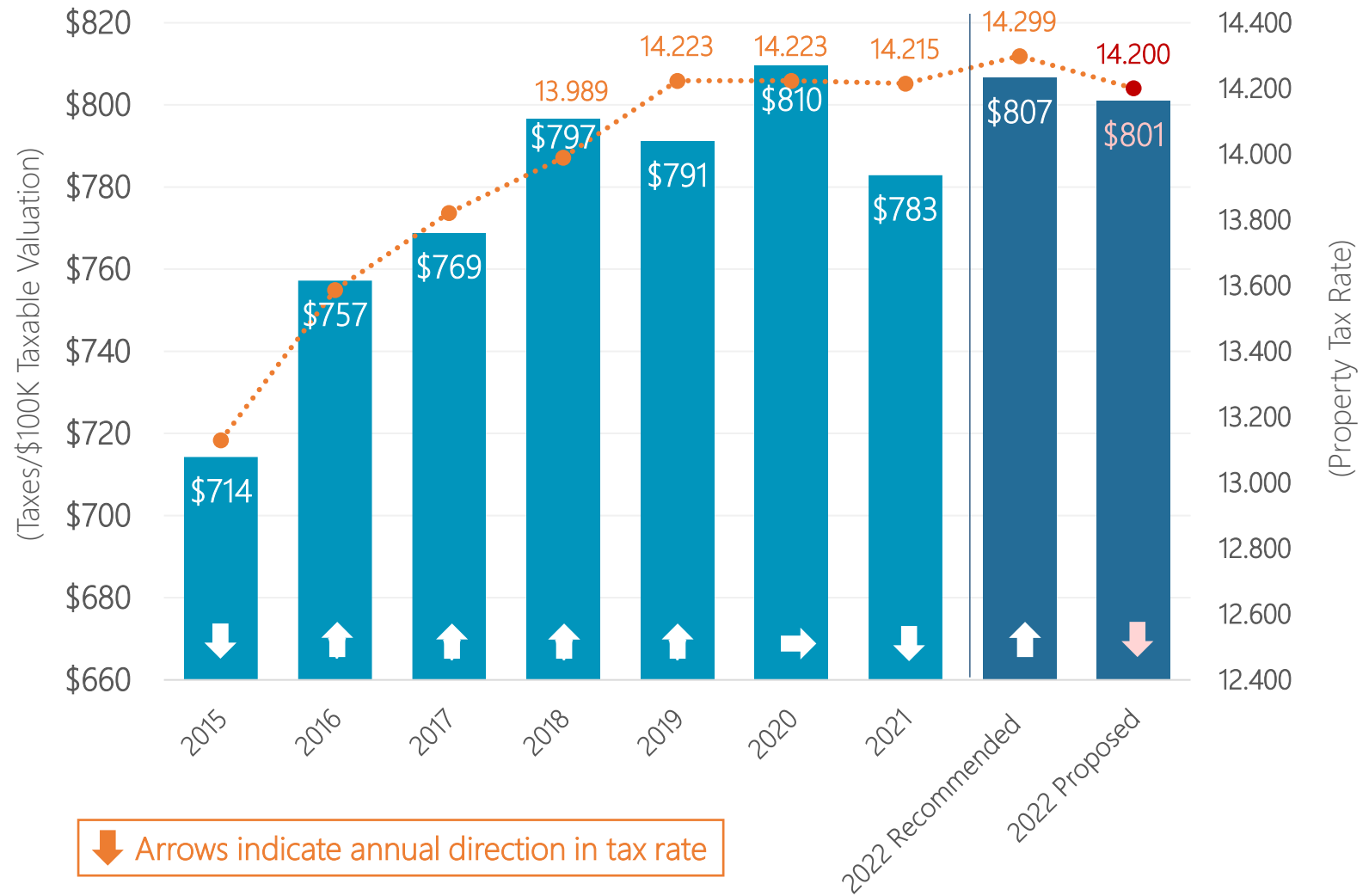
Property Taxes Impact

2nd year of a property tax reduction (1.5¢)

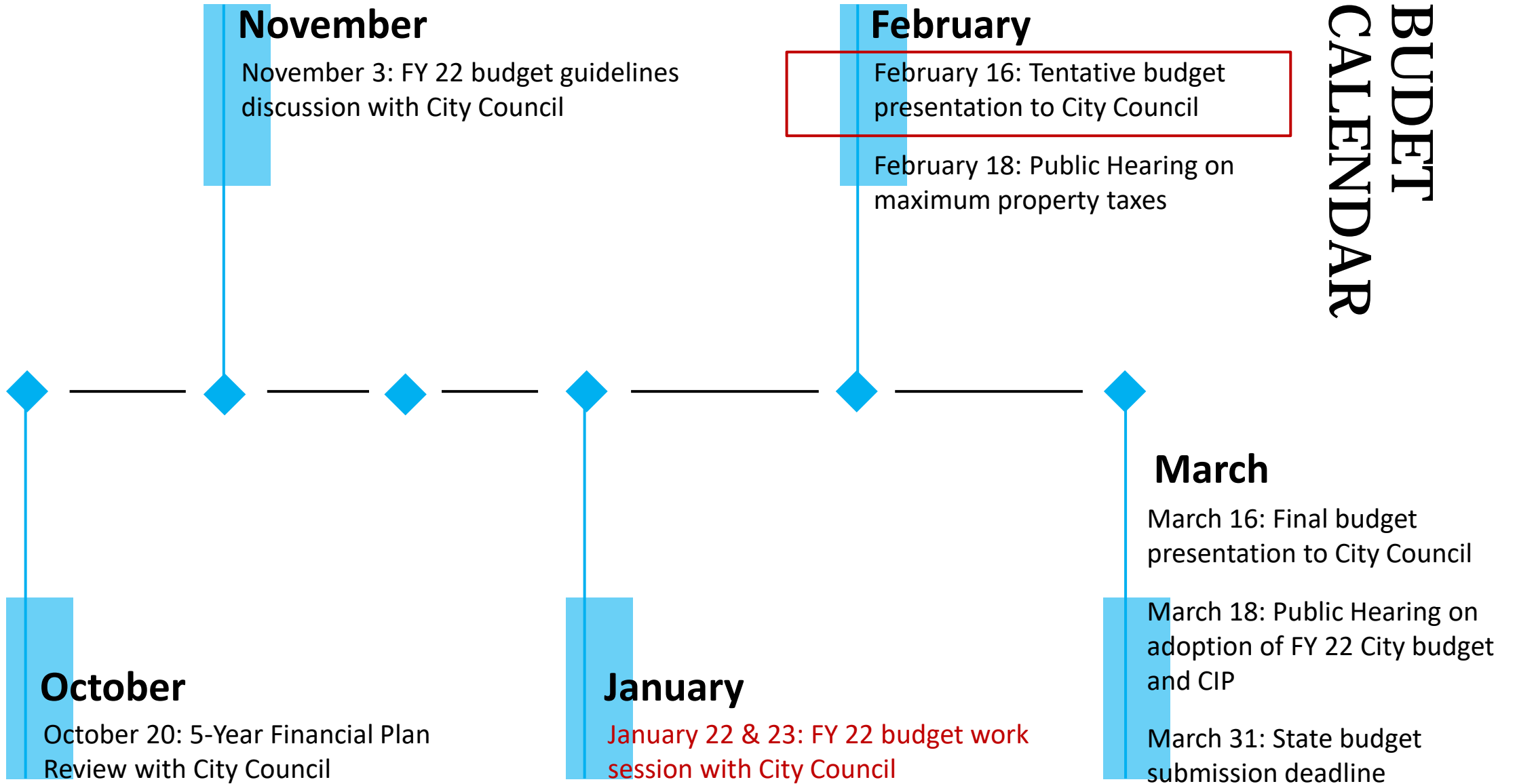
\$6 less than the Recommended rate of 14.299

Increase of \$18 per \$100K of Taxable Valuation ( residential)

Property Taxes Per \$100K of Taxable Valuation



BUDGET CALENDAR





Questions