

CITY OF SALISBURY
BUDGET WORK SESSION
APRIL 19, 2022

Public Officials Present

Council President John “Jack” R. Heath
Council Vice-President Muir Boda
Councilwoman Michele Gregory

Mayor Jacob R. Day
Councilwoman Angela M. Blake
Councilwoman April Jackson

In Attendance

City Administrator Julia Glanz, Deputy City Administrator Andy Kitzrow, Finance Director Keith Cordrey, City Clerk Kimberly Nichols, City Staff and Department Heads, and members from the press

The City Council convened in a hybrid Budget Session at 8:30 a.m. via Zoom and in Conference Room #306 to begin the FY22 Budget Review. Mayor Day said that revisiting the budget process this year was a reminder that personnel expenditures continued to rise and it was expensive to run the City and purchase things. Operating costs and property values were rising but property taxes were again not increasing. The proposed budget’s strength was built on the fact that the City received federal funds to get through the pandemic.

Salisbury Police Department (SPD) Personnel Committee

Cpl. Nicholas Amendolagine and Cpl. Dave Underwood represented the SPD Personnel Committee and thanked Council for everything they did for the SPD in the past year. They requested the Take Home Car Program be continued. Cars lasted longer and were better maintained when taken home, and the program was a big bonus in bringing hires in the door. Many other departments were losing people due to not having the program. It helped with morale, recruitment, retention, and also helped deter crime. They discussed shift differential and asked if it could be bumped by 25 cents per hour. Currently, they received 50 cents and 55 cents, when surrounding agencies received over a dollar.

Mr. Boda asked about the current fleet. Cpl. Amendolagine said the vehicles were much improved. Some of the older 2013 cars were take home cars and still used on patrols. If they were fleet cars they definitely would not still be in service today.

Ms. Jackson asked about the number of officers they needed and what Council could do to help. Cpl. Amendolagine said they were down nine or ten with seven frozen positions. All jurisdictions across the nation had recruitment problems and passing backgrounds was part of the problem, but they did not want to lower their standards. Because of lower staffing people were unable to take their time off, and the end of the year would bring about “use or lose” time. Ms. Glanz said that she was working with HR on a solution for using excessive time.

President Heath asked them to share Council’s appreciation for all they did for the community.

Salisbury Fire Department (SFD) Personnel Committee

FF/EMT Ryan Jones, President of Salisbury Career Fire Fighters Local #4246 and Vice-President Sgt. Brandon Records joined Council. The biggest concern was that a large portion of staff with ten years or greater seniority had fallen very far behind in their steps and pay. There was a large gap of where the senior members were ending up compared to the junior members. There had been a verbal agreement

to fix some of the compression issues after the Pay Predictability Plan (PPP) was implemented, but it never happened. Some of them could not retire after working a full career without getting another job.

Mr. Records stated that the PPP was great for the people coming in from five years ago until now since they would reach their full potential., but those employed five years and up would never reach their full potential. Both shared examples of what the compression had done to long-term employees. Most of them worked a second job to make ends meet. Compared to surrounding jurisdictions, the Fire Department lagged very behind. They were the busiest per capital Fire Department in the State of Maryland and were very understaffed. A ten-year FF/EMT made \$47,057 in Salisbury while the Snow Hill Volunteer Fire Department FF/EMT, which ran about 400 calls per year, made \$60,999. Salisbury ran 15,000 calls between the three stations. This affected the mental health and livelihood of their staff.

Ms. Jackson asked if they had any plans of how to help with their request. Mr. Jones said the American Rescue Plan funds were to pay premium pay for frontline workers.

President Heath asked if they had to choose between the new firemen hired and this plan, which would you choose. They answered both. He said to thank the men and women in their department.

Financial Health Report

The following is a synopsis of Mr. Cordrey's presentation of the Financial Health Report and Financial Overview. The presentations are attached and included as part of the minutes.

Financial Overview

- **Balance Sheet-Governmental Funds**
 - FY21 Cash: \$14.4 million in General Fund (\$10.7 million in the prior year)
 - FY21 Unassigned Fund Balance: \$12.6 million (\$10.7 million in the prior year)
 - Statement of Revenues over Expenditures- during the previous year the net change in fund balance was \$3.2 million.
 - Revenue Variances- received \$2.7 million in revenues that were not budgeted
 - Expenditure Variances- Some of the departments did not spend all of their budgeted funds to the amount of \$3.7 million
 - Total change in fund balance was \$3,194,000.

- **Water Sewer Fund Statement of Net Position**
 - \$805,260 decline in Cash;
\$6 million of restricted investment funds went into construction in process, current liabilities increased \$1.7 million; Total liabilities decreased \$2.8 million; Bond indebtedness reduced by \$5.7 million
Unrestricted net position declined by \$2.6 million (from \$748,000 to (\$2.6 million). The fund needed more revenue.
 - Statement of Revenues and Expenses- Charges for services (water and sewer billing) decreased by \$415,310; Total revenues declined by \$479,398; Total Operating Expense increased by \$1,458,995, Net Operating Income declined by \$2,083,767
 - Statement of Net Position Governmental (full accrual which shows our fixed assets and debt)- Cash (all funds) increased by \$4,371,407 in cash; Total Current Liabilities decreased by \$437,000; Total liabilities increased \$4.7 million
 - Statement of Net Position Total, both governmental and business-

Cash increased by \$3.5 million; OPEB liability last year was \$25 million, this year increased to \$28 million; Pension liability increased from \$34 to \$40 million

Benchmarks

General Fund- Total Fund Balance

- The Total Fund Balance went from 32.6% to 37.4% (strong)
- Unassigned Fund Balance- (uncommitted net assets)- The City had a decline but was coming back up. The ARA funds brought the City to 12.6 million.
- Debt to Market- Considered adequate at 3.84%
- Debt per capital - \$2.797 (needs improvement)
- Annual Debt Service declined from \$4,337,283 to \$4,140,183
- Ratio of 7.42% as it related to the General Fund + Capital Project Budget (adequate) (Under the benchmark of 8%)
- Water and Sewer Unrestricted Balance- -10%, needs improvement)
- Parking Authority Unrestricted Net Position- -67% (needs improvement)
- Mr. Cordrey stated the Benchmark Summary showed that everything stayed the same in places that were strong, adequate, and needed improvement last year.

FY23 Budget Highlights

Revenues

- Small increase to trash service (\$63 to \$67 per quarter)
- Tax rates- no change
- EMS Services- increased between 15% - 20%
- Water Sewer Rates- increased by 6%
- Urban Services – increased from 1.5X to 2X City rate
- Parking Fund Rates- permit parking rates increased by \$5 most lots and parking garage by \$10
- Tax Assessments went from \$2.3 billion to \$2.46 billion, and the tax levy went from \$27 million to \$28 million
- Top increases in General Fund Revenues included \$4.8 million in ARA Funds (\$3.7 million increase), Real Property (\$306,000 increase); EMS Services (\$179,000 increase); Trash Fees (165,000 due to \$4 increase); State increasing Police Grant to \$165,000 and Highway User to \$138,000.
- Top decreases in General Fund Revenues included debt proceeds of \$3.5 million, School Camera Zone funds down \$150,000, OBC decreased \$110,000, MDOT reimbursement down by \$106,000.

Personnel

- 6% step increase for all personnel except police officers who received a one-step increase
- Non-manager employees below step 5 and manager level employees below step 10 were reviewed for a market adjustment
- Market rate adjustments, Career Ladder updates, and merit increases
- Health Insurance increased by 8%

Transfers

- Transfers coming out of General Fund and going into other funds- \$337,500
- \$125,000 transferring out of General Fund into Special Revenue Fund for NFF
- Estimated Police Grants Match (\$60,000) and Community Development Grants Match (\$124,000)

- \$100,000 from General Fund to support the Homeless Program

Capital Outlay

- 3-ton dump truck (Field Ops)
- Replacement portable radios (Fire Department)
- Ford F350 1-ton dump truck – 2-door (Field Ops)
- Patrol vehicles (Police)

General Fund Capital Projects (see attachment for the list)

General Fund Debt Service went down in FY23 Budget by \$197,000. If everything in the CIP was funded, it would exceed the debt service for the debt service policy, but the City rarely ever funds everything in the CIP. In 2028 there will be a \$800,000 in Debt Service.

Increase FY23 vs FY12 by Function - The tax levy in FY12 was \$20.4 million vs. \$28 million in FY23 or an increase of \$7.6 million. Public Safety increased by \$10.9 million and does not include the cost of 12 Safer Grant employees.

FY23 Water Sewer Impact and Revolving Funds

A certain portion of every bill went into a fund dedicated to maintenance and increasing the capacity of water sewer services.

Takeaways

- The City's financial position, including cash on hand and unassigned fund balance, was **strong**.
- Some of the weaknesses included the General Fund and CIP. The City was unable to fund all of the projects it wanted to invest in. General Fund revenues were being outpaced by expenditures. Fire Services and the Tax Differential needed to be revisited. The Parking Fund Unrestricted Net Position needed to be addressed.

Mr. Kitzrow informed Council that the City was losing Operators at a record rate, and losing people in every department because the City was below where they needed to be on the pay scale. Retaining top talent was something that was going to be a continual struggle because of inflation and the market. People were either looking elsewhere to work or were being recruited away.

Council took a break from 10:00 a.m. to 10:10 a.m.

Department of Infrastructure & Development (DID) and Housing & Community Development (HCDD) Personnel Committees

Engineer Rachel Logan requested additional funding for positions either currently needed or soon would be needed in DID. The positions included an additional Engineer, Inspector, and Deputy Director. Ms. Glanz acknowledged the Deputy Director position was in the Proposed Budget, but the other two positions, although much needed due to the Here is Home, had not been funded in the budget.

Requests on behalf of the **HCDD** included:

- More money for training
- Additional personal day per year
- Increase in the 457 match

- Increase in annual time at 25 and 30 years
- Birthday off with pay
- Free cleanings at the dentist
- Recognition day with excused sick leave
- Internal childcare program
- Longevity increase
- Day off for Election Day
- Increased cost of living raise

Ms. Blake asked what the top three priorities would be and Ms. Hardesty answered training, free cleanings at the dentist, and an increase in annual time allotted for at 25 and 30 years.

Field Operations (Field Ops)/ Water Works Personnel Committee

Peter Torigo and Phillip Lawrence joined Council at the table and requested the rate of pay be raised for all employees. Mr. Torigo said that many low-skilled, low-risk, low-effort jobs were being offered to start at the pay that the City paid their skilled workers, without the risks. Many of the entry level positions were staying open a lot longer and it was more difficult to find candidates with the skills needed for some of the positions. Mr. Lawrence said that the Police and Fire received raises, and yet Field Ops employees had to get special licenses for the specialized work that they did. Ms. Glanz said that one of the challenges was that they could not officially get their license until they were with the City for three years, and then they were scooped away by another municipality or County, which could pay much more. It seemed the City had become the training ground for Water and Wastewater.

Mr. Torigo informed Council the State was changing the way CDL licenses could be acquired with a much more difficult and expensive process. With this, he could see many CDL license holders being poached away from the City by companies willing to pay sign on bonuses and higher wages. Ms. Glanz said the City was working with the City's Risk and Safety Manager Frank Ennis to bring training in house. The City could designate themselves as a training site and agreed that sign on bonuses should be considered.

Another request was compensation for on-call status. Employees had restrictions on personal time while on-call. Comp time would make employees very happy, and Administration would look into the matter.

Employee reviews were good to have but those with good reviews were not given any more incentive than those with bad reviews. Ms. Glanz said that the HR Director would look into the matter.

Salisbury Police Department (21021)

Colonel Dave Meienschein joined Council to discuss the Police Department's budget. He reported the big question in the SPD budget was new legislation as it pertained to the medical accounts, particularly the new Psychological Services and PT Exams. It was unknown what they would cost. Most of the accounts slightly increased over last year, particularly Medical Professional Services and the increased price of hiring. Legal Services, accreditation costs, pest control, building maintenance remained flat from last year. There was a \$1,000 increase in alarm costs to secure the facilities. The Body Cam and In-Car Cam Maintenance contract increased, as well as a \$25,000 increase attributed to the CAD RMS System. In mental health, agility and implicit bias, the annual costs were estimated at \$40,000, not including the Countywide Accountability Board which was difficult to budget at a possible \$30,000 to \$50,000.

President Heath noted the increase in the total budget for employees was \$1.177 million from the projection of the previous year. \$101,000 was clerical salary, \$671,000 non-clerical salaries, \$113,000 health insurance, \$84,000 Workers Comp, and \$326,000 for LEOPS. He was concerned that there may be

needed budget amendments for the non-personnel side. Colonel Meienschein said they estimated \$300 per officer in Mental Health Services, \$100 per officer in Physical Agility, and \$10,000 total for Implicit Bias testing and training.

When Mr. Boda asked if he was comfortable with the Vehicle Maintenance budget of \$150,000, Colonel said he thought the number was low. They increased their take home fleet which had many advantages, but had an impact on maintenance. Ms. Jackson asked what the \$1,000 for the Youth Program funded, and he said it paid for the Badges for Baseballs program, working in the schools, and helping with National Night Out. She questioned whether it was enough to fund all they wanted to do, and asked about accepting donations, which Colonel said would be welcomed through the Personnel Committee. About three years ago the Major position was replaced with additional Lieutenant positions.

Police Communications (PCC) (21025)

Colonel Meienschein reviewed the budget requests for PCC.

Animal Control (21029)

Chief Duncan arrived to the meeting and said there were no major changes to the accounts.

President Heath asked Chief Duncan to share Council's appreciation for all they did.

City Clerk (11100)

City Clerk Kim Nichols presented the requested budget for the Clerks Office. Level funding was requested but because of the new laptop for Asst. Clerk Julie English, the amounts were adjusted in the accounts. There was enough funding in the Training account. Ms. English had been able to do all of her first-year trainings online this year, and took advantage of many free sessions.

City Council (11000)

Mrs. Nichols presented the requested level funded budget for the City Council's accounts. They discussed the Coffee With Your Council account and planned on having another event soon.

Volunteer Fire Department

Ms. Glanz presented the requests from the Volunteer Fire Department. Recruitment activity increased and 22,000 volunteer hours of calls and trainings were logged. They assisted in securing both the new Dive Trailer and Special Ops Trailer which were removed from the CIP. They continued to support the lease payment but it used up the entire \$40,000 that the City allocated to the Volunteer corporations. The Recruitment & Retention Coordinator was a 50/50 split this year. They would appreciate more than the \$40,000 the City could provide, were advocating for the Rescue Truck this year rather than next year, additional training in the amount of \$5,000 and for the City to continue funding LOSAP.

President Heath asked which department funded HAZMAT training and such, and would ask Fire Chief Tull later in the day. Ms. Glanz said the volunteers added tremendous value to the City.

Mayor's Office (12000)

Deputy Administrator Andy Kitzrow said that last year they did the mid-year budget amendment to add Nate Sansom's position to the Mayor's Office. Other funds were moved around to budget flat.

President Heath asked about the health insurance rebates and Mr. Cordrey said it would come in October. Workers Comp, which was based on the frequency modification factor, increased over the past year. Mr. Cordrey would not get a final bill until late May this year.

Department of Infrastructure & Development (DID)

Acting Director Rick Baldwin joined Council to present the requested budget.

Engineering (31000)

The budget was flat except for due increases. The funding was for 23 positions and one additional position.

Planning & Zoning (19000)

One person was added to the department, and it was level funded.

Building Permits (25100)

The funding for the four people in BPI was also level funded.

Stormwater and Stormwater Utility Fund (60850)

These accounts were level funded.

Water Engineering (81080)

The big change in the account was in Equipment for the new plotter requested for the past three years. It has been funded with a three-year maintenance agreement.

Sewer Engineering (84080)

This was also level budgeted.

CIP

The Impervious Surface Reduction Project was on Mt. Hermon Road and was a public-private partnership. It was formerly a Rite-Aid and now a doctor's office.

Finance Department (15000)

Mr. Cordrey discussed the \$14,000 increase in check fees. There was a standard fee associated with every check and every deposit, all set by the amount of money the City maintained in its checking account but the City's money was worth less than it did a year ago.

Water Billing (81570)

There was another \$2,000 in bank fees for the same reason as above.

Sewer Billing (85070)

There was a \$5,000 increase in bank fees. The Hardship Program was reduced but they would ask Council to add back funds to the program. The new Water Incentive Program (WIN) would need funding.

Fire Department (24030)

Fire Chief John Tull, Deputy Chief Darren Scott and Deputy Chief Chris O'Barsky joined the Council to discuss the Fire Department Budget. Chief Tull discussed items on the essential items list which included several new positions which were reclassifications for current positions to EMS Sergeants, funding for computer usage programs for the incident reporting software, and a Rescue Truck. There were not many changes in Operating, and the bulk of the changes in the budget were in Personnel Services.

Chief Tull discussed how compression impacted the pay of senior positions due to the years where there were no cost of living increases. As a solution, the America Rescue Plan had funds designed for emergency workers. Otherwise, the problem would have to be fixed a bit at a time.

Ms. Blake asked if this was ongoing or if we knew this existed, and President Heath said it had been ongoing for at least three years.

Ms. Glanz said that positions were underfunded compared to other jurisdictions. They tried to chip away over the years with the Predictability Plan. There was no easy way to fix the problem and it would cost millions of dollars, which the City did not have.

Chief Tull was concerned with the starting pay because it was no longer competitive in the market. The City was losing people to Snow Hill and Delmar because their starting pay was higher and their pay ranges got them farther much quicker. President Heath said if starting salaries were increased it would be worse for those senior employees who we couldn't do anything for. Ms. Glanz thought that discussing Chief Tull's idea of shifting the pay scale to increase starting pays had value. Chief Tull also said that electricity and fuel increased but natural gas decreased.

CIP items funded included the replacement of HVAC system at Station 16, beginning the replacing of the portable radios, and the Rescue Truck. The current Rescue Truck, an American LaFrance, was 20 years old and they could no longer find parts for it.

Water Works

Director Cori Cameron was joined by Utilities Superintendent Brian Lewis and discussed the essential items. She reported that there were 17 people advancing in the Career Ladders this year and the most essential item was the Chemical Budget. The price of chemicals have increased drastically and an additional \$145,000 was requested over last year. The ground storage tank at Paleo was budgeted to be painted for \$136,000. Ms. Cameron said they were struggling to hire and retain employees, and the Governor started a task force for Wastewater. Everybody was retiring and they could not get people to come into the business. They wanted to get into the high schools and community colleges to educate on the profession as a career. Once they obtain their three years of training, operators receive their certifications only to be hired by Tidewater, Artesian and other utilities for more than the City paid.

Water Administration (83000)

No changes as it was a level budget. Small things were moved around.

Water Treatment Plant (82075)

Grounds was increased by \$7,000 to keep the grounds cut. President Heath asked if the Chemicals Account was enough based on what they heard earlier from Ms. Cameron. She was unsure if it was enough – they could not project. They were put out for three-year bids, but currently they were not holding because some of the chemicals were going up quarterly. Procurement Director Jennifer Miller was able to hold them to contract for six months but they were not renewing right now with the City for three-year renewals. Some vendors held for a year, and some have increased quarterly. The market was still unstable at this point and the costs of shipping has increased.

Water & Sewer Water (82076)

Ms. Cameron requested a part-time admin but it was cut from the Proposed Budget. There were currently four vacant technician positions that they were actively trying to fill.

Wastewater Treatment Plant (86083)

\$1.4 million was requested for chemicals. Ms. Cameron said that chemicals, equipment and supplies had all increased in cost, and next year would be very challenging.

Water & Sewer Utilities (86085)

They attempted to start the Fines Account for sewer overflows at \$10,000 under Essential Items and requested to increase some of the Equipment Accounts because the costs of meters, fittings and everything had increased.

Pretreatment (86086)

Nothing changed in the budget.

Water Works 2nd Admin Account (87000)

She decreased Other Attorney by \$5,000 and moved it under City Attorney to deal with PFAS and pretreatment issues.

CIP

She reported IT was working on Software and Fiber. The Park Well Field was the rehabilitation of the City's wells. There was the Paleo Well Storage Tank painting for \$70,000. The Dump Truck was for the Wastewater Treatment Plant. The Structural Study was in addition to the money they already had. The study was completed and they were going to start construction to support the buildings that were falling, cracking and moving. She explained the reason the raw water line at Naylor Mill Road was defunded. They were at 30% on the engineering and design phase of the building and the initial numbers have come back at \$21 million and there was only \$3 million budgeted. They were trying to do it in a couple of phases and the first phase should be \$10 - \$11 million, and would attempt to secure federal funds for infrastructure for the construction.

President Heath asked Ms. Cameron to thank the Water Works staff for all they did.

Field Operations (Field Ops)

Field Ops Director Jana Potvin joined Council and discussed the essential items list, which included a Signal Light Tech. This position worked with electricity but was not a certified electrician. An electrician was on the list but was not essential for this year while other items were more important. One mechanic position was frozen and some of the funding utilized to increase the pay of the existing staff. Two people were brought in a higher pay grade, with two mechanics still needed to be brought up another grade. The Sanitation Supervisor would become the Sanitation Manager, and the Office Manager .

She explained Training was a large amount and needed \$6,000 additional for certifications, and the Safety Account could be used for some of the training. Building improvements included repairs to the pole building, fixing windows with bullet holes, doors replaced, and garage electrical upgrades. The traffic-water meter- carpentry building needed work on the back steps railings which had water damage, needed painting, and cracks in the concrete blocks needed sealing.

Sanitation frequently ran into overtime. Their days seemed to run long and equipment not working like it should did not help the matter. Three Sanitation workers were paid out of the Stormwater Sweeping Account. The Railroad Right-Of-Way lease was \$1,800 for the easement that went through the site and the agreement would need to be signed before they began construction on any of the new buildings on the site.

Traffic (22000)

Ms. Potvin discussed positions and vacancies in the division. \$2,000 was cut from the account, leaving \$10,000 for next year. As of April she spent \$7,052 in overtime.

What was not funded in the CIP that Ms. Potvin wanted consideration for was pavement markers for \$20,000. President Heath said that this could be placed in a budget amendment.

(30000)

The Office Manager's Career Ladder was left out. Overtime was reduced in this.

Streets (31150)

They still needed a vehicle to replace one that was surplus. Was appreciative of the Ford F350.

Sanitary Waste Collection (32061)

There was a frozen position that needed to be reallocated to Parks. An additional \$3,500 was requested in Comp Time.

There were two Fords F250 with snow plows that were placed on the list that were needed for Parks and Streets.

Recycling (32062)

This was flat budgeted, except for overtime which was cut from \$1,800 to \$500.

Fleet Management (34064)

\$500 was cut in overtime.

Carpentry (35000)

\$2,300 has been spent so far in comp and overtime. Only \$1,000 has been budgeted after a \$2,150 cut by Administration.

Parks (45000)

One of the Field Op's techs has transferred to Wastewater and it was the position that they proposed to freeze. One of the vacant positions, a crew leader, has been filled. \$7,900 was cut from overtime, leaving \$10,500 for next year. Currently, she has spent \$9,473 this year.

Parks & Rec (45001)

Mr. Kitzrow explained that as part of the Arts and Culture Department, they dedicated two staff members to the events. \$11,000 of overtime, \$27,000 out of part-time salaries, \$30,000 allocation to National Folk Festival, and salary savings from Bill Sterling's retirement were used to pay for the two staff members. They took a three-year average of overtime and used the excess. A lot of what Field Ops had done that was overtime, particularly with events, would be done with these two staff members. During COVID there was no overtime, and that was included in the 3 three-year averages.

Parking (31154)

20% of the Deputy Director's salary was paid out of Parking and would now be paid 100% out of Traffic.

Marina (47000)

Mr. Kitzrow said that the Marina Fund and Parking Fund were separate entities with the revenue used to offset it and had adjustments made since they were supposed to be at least a break-even venture. That was why there were some parking rate increases proposed. Fees were also proposed for Marina slip rentals to help cover the increases in expenditures.

Ms. Potvin noted a large increase in the electricity rate, and they hoped the increases in the slip rentals and the 30 amp and 50 amp electrical rates would help. There were bulkhead and decking improvements needed at the Marina and asked how long before it was not considered a City asset.

Stormwater Sweeping (60820)

Overtime non-clerical was budgeted at \$500. The revised budget for the past several years was \$5,500 and so far this year spent \$3,100 in overtime and comp time. It was one they frequently had to pull for overtime. They were able to transfer salary from vacancies in the department but were close to being fully staffed and would not have the funds available.

Fuel budget

Mr. Kitzrow informed Council that fuel was initially budgeted at \$2.27 gallon and was revised to \$2.81/gallon which amounted to about \$38,000 throughout all the departments.

Housing and Community Development Department (HCDD)

HCDD Director Ron Strickler joined Council at the table and introduced Code Compliance Manager Dan Hogg, Office Manager Trish Warrington, Housing and Homelessness Manager Christine Chestnutt, and Community Relations Manager Rachel Manning.

Essential items for the department included: the addition of a deputy director; added cleaning services to the Newton Street Community; reclassification of the Housing and Homelessness Manager and Community Relations Manager to a Grade 10 from Grade 9; reclassification for the Community Programs Coordinator from a Grade 6 to Grade 7; Anne Street Village operational expenditures; and inclusion of at least five code enforcement officers into the LEOPS State Retirement system.

President Heath suggested checking with Dove Point and other businesses employing people with disabilities when Mr. Strickler made the decision to hire a cleaning company.

501006 Part Time Salaries

\$33,000 was allocated in 2022 and funds were pulled from Personnel Services, which paid for the Summer Youth Employment Program (SYEP). It was determined the best course of action was to bring the SYEP into a part time status as an employee versus a stipend position. It was effective and the money was allocated to part time salaries in '22 and they were paid like any other hourly employee of the City. \$9,000 was added from the AmeriCorps position which had not been filled. This was all grouped together into part time salaries which included the three part time employees for the Community Centers, coverage at both community centers for events, and eight FYEP positions.

Rubbish Removal (523261)

This account was increased. A Strategic Demolition Grant was received in FY21 that lasted two years. Did not know if the grant would be renewed.

Tree Cutting (523634)

This account was reduced to \$1,000 from \$1,500. They would be training in May on tree removal.

Janitorial Services reduced by \$3,820 knowing some of the funds would be allocated for the Newton Street Community Center cleaning.

Computer Software (534502)

Part of the account was the Code Enforcement Software they utilized currently. Knowing they would be transitioning to EnerGov, they needed to maintain the service to help with that transition.

Rent 554400

There was a 5% increase in rent due to the increase being built into the lease.

Cellular Phones (555402)

Increased \$1,000 to cover the additional line that was added for additional personnel.


Advertising (55501 and 90501)

Reduced by \$400 and requested an additional \$1,000 for Newton Street advertising.

CIP

Mr. Strickler discussed the one request for FY23 which was a replacement vehicle for a 2006 which was totaled and LGIT paid \$6,000 towards replacement. There was a trailer and equipment stolen from the City Yard, and with the \$10,000 deductible they had to move funds around to buy replacements.

With nothing further to discuss, the Budget Work Session adjourned at 4:09 p.m.



City Clerk



Council Vice President



City of
Salisbury

Financial Health

Presented April 2022



Table of Contents

□ **Benchmark Ratios**

Key financial ratios are compared to GFOA standards

- Total Fund Balance
- Unassigned Fund Balance
- Debt to Market Value
- Debt per Capita
- Annual Debt Service
- Water and Sewer Unrestricted Fund Balance
- Parking Authority
- Summary

□ **FY 23 Budget**

- Highlights
- Revenues
- General Fund Expenditures by Category
- General Fund Expenditures by Department
- Capital Projects



Benchmarks



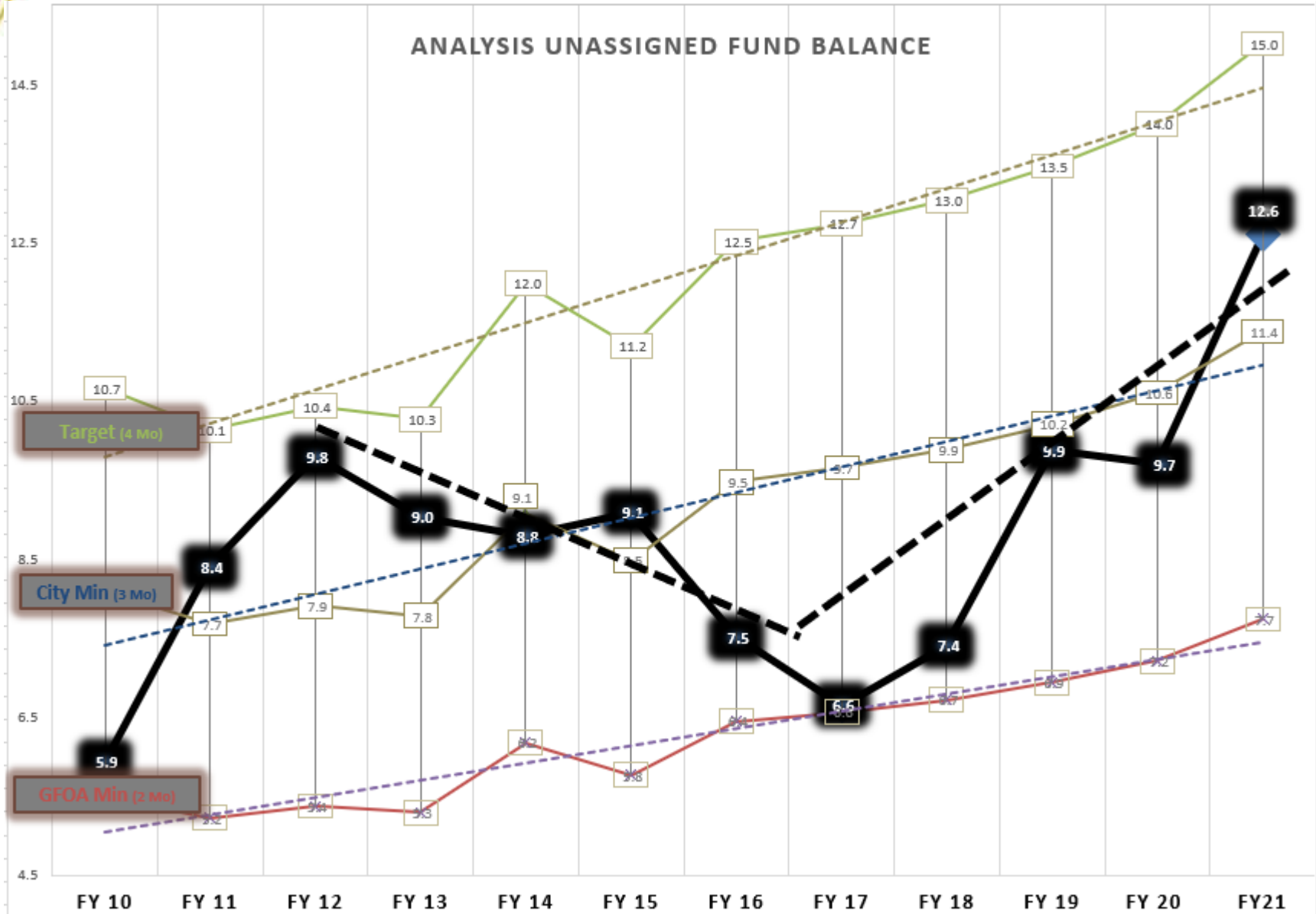
General Fund - Total Fund Balance

	FY 2020	FY 2021	FY 2022	FY 2023
Total Fund Balance	\$10,738,933 as of June 30, 2018	\$12,775,227 as of June 30, 2019	\$13,811,228 as of June 30, 2020	\$17,005,761 as of June 30, 2021
Budgeted Expenditures	38,992,253 2018	40,775,227 2019	42,386,053 2020	45,462,945 2021
Ratio	31.9% (Strong)	31.7% (Strong)	32.6% (Strong)	37.4% (Strong)

Strong	> 25 %
Adequate	10-25 %
Weak	< 10 %



General Fund - Unassigned Fund Balance





Debt to Market Value

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
General Obligation Debt	\$ 99,578,997	\$ 94,970,713	\$ 99,605,678	\$ 92,453,779
Market Value of Property	\$ 2,151,596,042	\$ 2,228,360,951	\$ 2,312,626,586	\$ 2,409,081,247
Ratio	4.63% (Adequate)	4.26% (Adequate)	4.31% (Adequate)	3.84 (Adequate)
		Strong	< 3 %	
		Adequate	3 – 6 %	
		Weak	> 6 %	



Debt Per Capita

	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Citywide General Obligation Debt	\$ 99,578,997	\$ 94,970,713	\$ 99,605,678	\$ 92,453,779
Population	33,000	33,000	33,000	33,050
Debt Per Capita	\$ 3,017 (Needs Improvement)	\$ 2,878 (Needs Improvement)	\$ 3,018 (Needs Improvement)	\$ 2,797 (Needs Improvement)

Strong	< \$1,000
Adequate	\$ 1,000 - \$2,500
Weak	> \$2,500



Annual Debt Service - General Fund

	FY 2020	FY 2021	FY 2022	FY 2023
Budget Debt Service	\$ 4,008,907	\$ 3,867,449	\$ 4,337,283	\$ 4,140,183
General Fund + Capital Project Budget	\$ 44,221,824	\$ 48,773,991	\$ 51,464,722	\$ 55,796,796
Ratio	9.07% (Adequate)	7.93% (Adequate)	8.43% (Adequate)	7.42% (Adequate)
Adequate <= 10%				



Water and Sewer Unrestricted Balance

	FY 19	FY 20	FY 21	FY 22	FY 23
Unrestricted Fund Balance	\$ (125,369) as of June 30, 2017	\$ 1,989,300 as of June 30, 2018	\$ 893,767 as of June 30, 2019	\$ 748,706 as of June 30, 2020	\$ (1,844,472) as of June 30, 2021
Water Sewer Operating Revenue	\$ 16,616,820 (FY19 Budget)	\$ 16,547,775 (FY20 Budget)	\$ 16,140,750 (FY21 Budget)	\$ 16,909,350 (FY22 Budget)	\$ 20,303,088 (FY23 Budget)
Ratio	- .75 % (Needs Improvement)	12% (Needs Improvement)	5.5% (Needs Improvement)	4.43% (Needs Improvement)	-10% (Needs Improvement)

Strong > 25%

Adequate 17 – 25%

Weak < 17%



Parking Authority Unrestricted Net Position

	FY 2020	FY 2021	FY 2022	FY 2023
Unrestricted Net Position	\$181,501 as of June 30, 2018	\$ (98,781) as of June 30, 2019	\$ (173,401) as of June 30, 2020	\$ (443,042) as of June 30, 2021
Revenue	\$678,200	\$675,000	\$782,810	\$661,447
Ratio	26.8% Strong	-14% Needs Improvement	-22% Needs Improvement	--67% Needs Improvement

Strong	> 25%
Adequate	17 – 25%
Weak	< 17%



Benchmark Summary

	FY 2020	FY 2021	FY 2022	FY 2023
General Fund Balance	Strong	Strong	Strong	Strong
Unassigned Fund Balance	Adequate	Adequate	Adequate	Adequate
Debt to Market Value	Adequate	Adequate	Adequate	Adequate
Annual Debt Service	Adequate	Adequate	Adequate	Adequate
Overall Debt per Capita	Needs Improvement	Needs Improvement	Needs Improvement	Needs Improvement
Unrestricted Net Position Water/Sewer	Needs Improvement	Needs Improvement	Needs Improvement	Needs Improvement
Unrestricted Net Position Parking Fund	Strong	Needs Improvement	Needs Improvement	Needs Improvement



FY23 Budget Highlights



FY 23 Budget Highlights - Revenue

General Fund - Rates and Fees

- Trash Service – increased from \$63.00 to \$67.00 per Qtr.
- Tax Rates – no change
- Fire Dept. fees:
 - EMS Service – increase between 15%-20%
- Others – see Fee Schedule in Fee Ordinance



FY 23 Budget Highlights - Revenue

Tax Rates

- No change

Water Sewer Rates

- Water Sewer Rates – increase 6%
- Water Sewer Urban Services – increase from 1.5x to 2.0x

Parking Fund Rates

- Permit parking rates – increase by \$5 most lots and parking garage by \$10

Storm Water Rates

- Storm Water Fee – no change



FY 23 Tax Assessments

Fiscal Year	Assessments				Tax Rate		
	Real	Personal	Corporations	Total	Personal Property	Real Property	Tax Levy
2008	1,782,450,011	3,215,350	294,114,320	2,079,779,681	2.04	0.819	18,724,251
2009	2,015,985,078	2,966,990	281,162,310	2,300,114,378	2.04	0.819	19,880,167
2010	2,219,277,746	2,697,220	279,352,590	2,501,327,556	2.04	0.819	21,148,255
2011	2,050,805,168	2,058,140	277,866,040	2,330,729,348	2.04	0.819	21,004,804
2012	1,988,451,318	2,513,100	263,974,200	2,254,938,618	2.04	0.819	20,417,152
2013	1,963,683,547	2,029,930	262,591,170	2,228,304,647	2.04	0.819	19,659,327
2014	1,775,307,203	2,397,520	268,737,410	2,046,442,133	2.21	0.884	22,274,445
2015	1,748,436,713	2,467,580	265,493,170	2,016,397,463	2.21	0.937	21,289,136
2016	1,787,044,569	3,017,040	279,087,700	2,069,149,309	2.21	0.937	21,838,233
2017	1,793,459,946	2,866,060	283,109,800	2,079,435,806	2.21	0.943	22,017,568
2018	1,852,099,222	3,105,050	296,391,770	2,151,596,042	2.40 PP 2.81 RR	0.983	24,127,199
2019	1,930,891,071	3,058,170	294,411,710	2,228,360,951	2.40 PP 2.81 RR	0.983	25,059,823
2020	2,009,236,346	3,247,210	300,143,030	2,312,626,586	2.40 PP 3.51 RR	0.983	26,436,227
2021	2,113,819,337	2,561,790	292,700,120	2,409,081,247	2.40 PP 3.51 RR	0.983	27,245,705
2022 (EST)	2,070,388,160	2,541,667	245,324,074	2,318,253,901	2.40 PP 3.51 RR	0.983	27,737,423
2023 (EST)	2,220,913,883	1,958,333	243,589,744	2,466,461,960	2.40 PP 3.51 RR	0.983	28,020,025



FY 23 General Fund Revenues

	2022 Revised	MAYOR	Increase (decrease)
Top Increases:			
Federal Recovery Funds	1,052,710	4,800,000	3,747,290
Real Property	20,966,423	21,273,025	306,602
Lifequest Revenue	1,820,837	2,000,000	179,163
Trash Fees	2,062,391	2,228,000	165,609
Municipal	177,450	342,700	165,250
Capital Lease Proceeds	534,000	678,532	144,532
Highway User	1,317,857	1,456,434	138,577
Local Income Taxes	2,100,000	2,200,000	100,000
Railroad/Utilities	2,600,000	2,700,000	100,000
Building Permits	350,000	430,000	80,000
Admission Amusement Tax	50,000	120,000	70,000
Fire Prevention - Plan Rev	125,000	185,000	60,000
Billboard Licenses	21,000	69,000	48,000
Top Decreases:			
Debt Proceeds	3,586,387	-	(3,586,387)
School Zone Camera	750,000	600,000	(150,000)
OBC - Current Year	4,110,000	4,000,000	(110,000)
MDOT Reimbursements	148,311	41,570	(106,741)
Zoo Commission FT	93,408	-	(93,408)
Transfer In - Drain Impv F	75,952	-	(75,952)
Donations	100,000	50,000	(50,000)



FY 23 Budget Highlights – Personnel

- A 6% step increase is included for all personnel with the exception of the police officers who received a one step increase
- Non-manager level employees below step 5 and manager level employees below step 10 were reviewed for a market adjustment
- Market Rate adjustments
- Career Ladder Updates
- Merit increases
- Health insurance increased by 8%



FY 23 Budget Highlights – Personnel

Department	Position	Grade
New Positions		
Bus Dev	ABC Director	14
Bus Dev	Culture & Events Manager	10
Mayor	Special Assistant for Intergov Affairs	8
HR	Human Resource Coordinator	8/10/11
DID	Deputy Director	14
Parks	Events Technical Manager	10
Parks	Events Technical Specialist	7
FO	Signal & Lighting Technician II	8
Fire	Assistant Fire Chief	PS7
Fire	4 Lieutenants	PS5
Fire	2 Paramedics	PS1P-3P
Fire	6 EMT's	PS1-3
Eliminated Positions		
FO	Traffic Supervisor	8
FO	Deputy Director Field Ops	16
Fire	Captain	PS6
Frozen Positions		
FO	Field Ops Tech	4/5/6
WW	Utility Locator	5/6



FY 22 Budget Highlights – Personnel

Department	Position	Grade	Grade	Notes
		From	To	
Reclassifications				
FO	Field Ops Tech - Crew Leader (Streets)	6	7	
FO	Garage Supervisor	8	9	
FO	Automotive Mechanic I/II/III/SR	4/5	6/7	Added a Senior career ladder
FO	Carpenter I/II/III	4	5	Added II/III career ladders
FO	Logistics Coordinato/Specialist/Administrator	5	6	
FO	Zookeeper I/II/III/IV/SR	4/5/7	5/7	Eliminated grade 4
FO	Parks Manager	8	10	Changed name from Parks Supervisor
FO	Traffic Systems Manager	10	11	
FO	Asset & Facilities Manager	8/9/10	11	Changed name fro Asset Management & Facilities Specialist I/II/III
FO	Deputy Director Field Ops	13	14	
FO	Sanitation Manager	10	10	Changed name from Sanitation Superintendent
FO	Field Ops Tech - Crew Leader (Sanitation)	7	7	Changed name from Sanitation Supervisor
FO	Parking Supervisor	7/9	7	Eliminated career ladder I/II
FO	Parking Enforcement Officer I/II	3	3	Eliminated career ladder III
FO	Parking Maintenance Worker I/II/II	3/4/5	3/4	Eliminated grade 5
FO	Field Ops Admin Assistant	5	5	Moved from Utilites Water Admin Assistant
HCDD	Housing & Homeless Manager	9	10	
HCDD	Community Relations Manager	9	10	
HCDD	Community Programs Coordinator	6	7	
HR	Risk Manager	11	11	Moved from FO
HR	Human Resource Director	14	16	
HR	HR Coordinator/Specialist/Administrator	5/9/10	8/10/11	Changed name from Assistant/Associate/Sr Specialist
Procurement	Contract Specialist I/II/III	9	11/12	
Procurement	Buyer I/II/III	7	8/9	



FY 23 Budget Highlights -Transfers

PayGO for General Capital Projects	337,500
Transfer – Special Revenue Fund NFF	125,000
Police Grants Match	60,000
Community Development Grants Match	124,000
Homeless Program	100,000
TOTAL Org 91001 >>	\$ 746,500



FY23 General Fund Capital Outlay

		General Fund - Capital Outlay			
		Account		Funding Source	
Dept	Project Description	Org	Acct	General Revenues	Lease Proceeds
Field Op	3-Ton Dump Truck	45000	577025		200,000
Fire	Portable Radio Replacement	24035	577030		103,532
Field Op	Ford F350 1-Ton Dump Truck - 2 Door	31150	577025		75,000
Police	Patrol Vehicle	21021	557025		300,000
General Fund				-	678,532



FY23 Water Sewer Capital Projects

Schedule B: General Capital Projects						
Project Description	Funding Source					FY 24 Bond
	Approved Amount	PayGO Gen Fund	PayGO Storm Water	Grants	Reallocation	
Comprehensive Plan	150,000				150,000	
TownSquare	900,000					900,000
Mill Street Bridge Rehabilitation	60,000	-			60,000	
Impervious Surface Reduction	145,000		145,000			
Stream Restoration along Beaverdam Creek	120,000		120,000			
Schumaker Pond	10,000		10,000			
Storm Drain Main Lining	25,000		25,000			
North Prong Park Improvements	200,000			200,000		
Street Reconstuction (Milling and Paving)	45,000			45,000		
Rail Trail Master Plan Implementation	500,000			500,000		
Mill Street Bridge Rehabilitation	240,000			240,000		
Computer Aided Dispatch (CAD) Replacement	1,105,000					1,105,000
GOB HVAC Return Air Fans	37,500	37,500				
GOB Repair to West Wall	30,000				30,000	
GOB Ceiling and Lighting Replacement	22,500				22,500	
Station #16 HVAC Replacement	130,000					130,000
Rail Trail Master Plan Implementation	700,000					700,000
Downtown Street Scaping	775,000					775,000
Field Operations Facility Plan - Phase IIIB	1,100,000					1,100,000
General Fund & Capital Projects	6,295,000	37,500	300,000	985,000	262,500	4,710,000



FY23 General Fund Debt Service

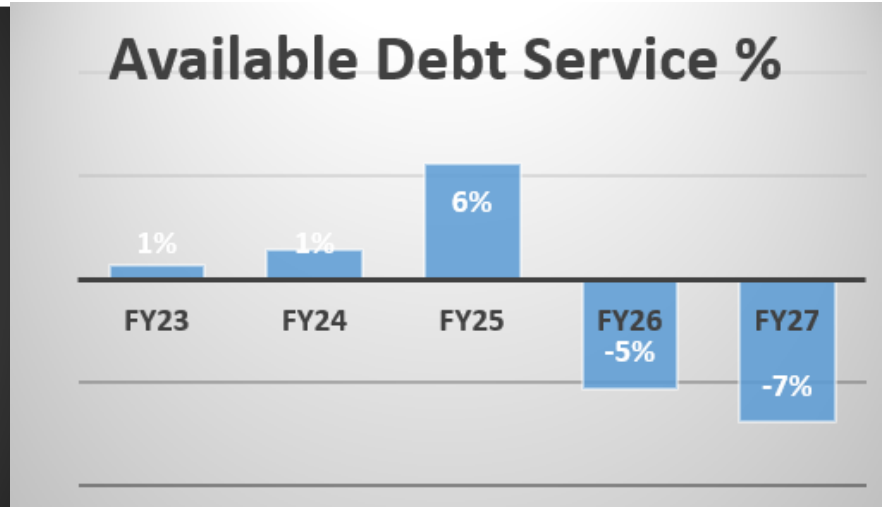
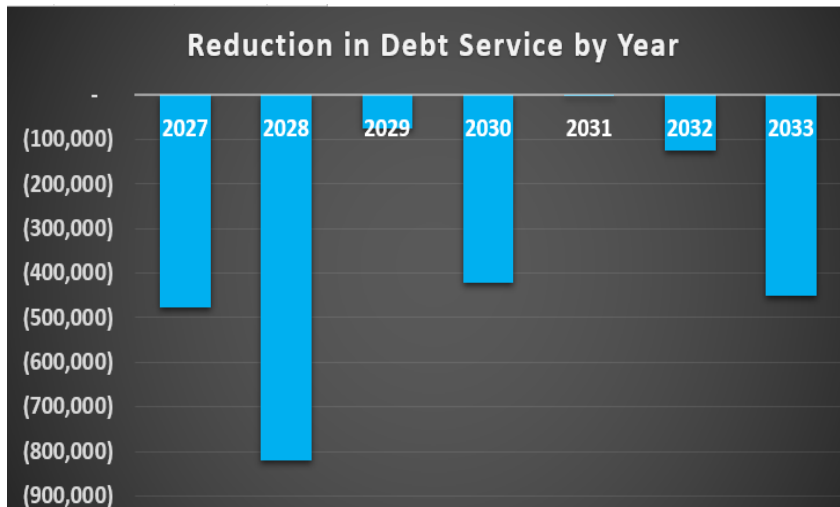
			21 Actual	22 Approved	23 Mayor	Increase (Decrease)
Principal						
70101	588111	Principal - FY 11	327,822	338,804	-	
70101	588114	Principal - 2011B	257,666	213,300	221,176	
70101	588117	Principal - FY13	204,000	210,000	-	
70101	588122	Principal - 2016	367,911	375,938	384,133	
70101	588123	Principal - 2017	900,756	945,535	903,092	
70101	588124	Principal - 2018	331,322	339,647	348,172	
70101	588131	Principal - Waverly WQ Inlet	4,667	4,714	4,761	
70101	588140	Principal - 2019	487,600	515,200	538,200	
70101	588141	Principal - 2022			840,000	
		Total Principal	2,881,744	2,943,138	3,239,534	296,396
Interest			-	-	-	
70101	588211	Interest 2011	79,555	68,389		
70101	588214	Interest 2011B	19,005	12,085	6,138	
70101	588217	Interest 2013	58,544	52,248	-	
70101	588222	Interest 2016	46,813	38,705	30,421	
70101	588223	Interest 2017	275,065	229,222	182,720	
70101	588224	Interest 2018	114,791	106,478	97,953	
70101	588231	Interest Waverly WQ Inlets	521	474	427	
70101	588240	Interest 2020	391,920	366,850	341,290	
70101	588241	Interest 2022	-	519,694	241,700	
70101	588900	Bond Issuance Cost	8,700	-	-	
		Total Interest	994,914	1,394,145	900,649	(493,496)
		Total Debt Service	3,876,658	4,337,283	4,140,183	(197,100)



FY23 General Fund Debt Service

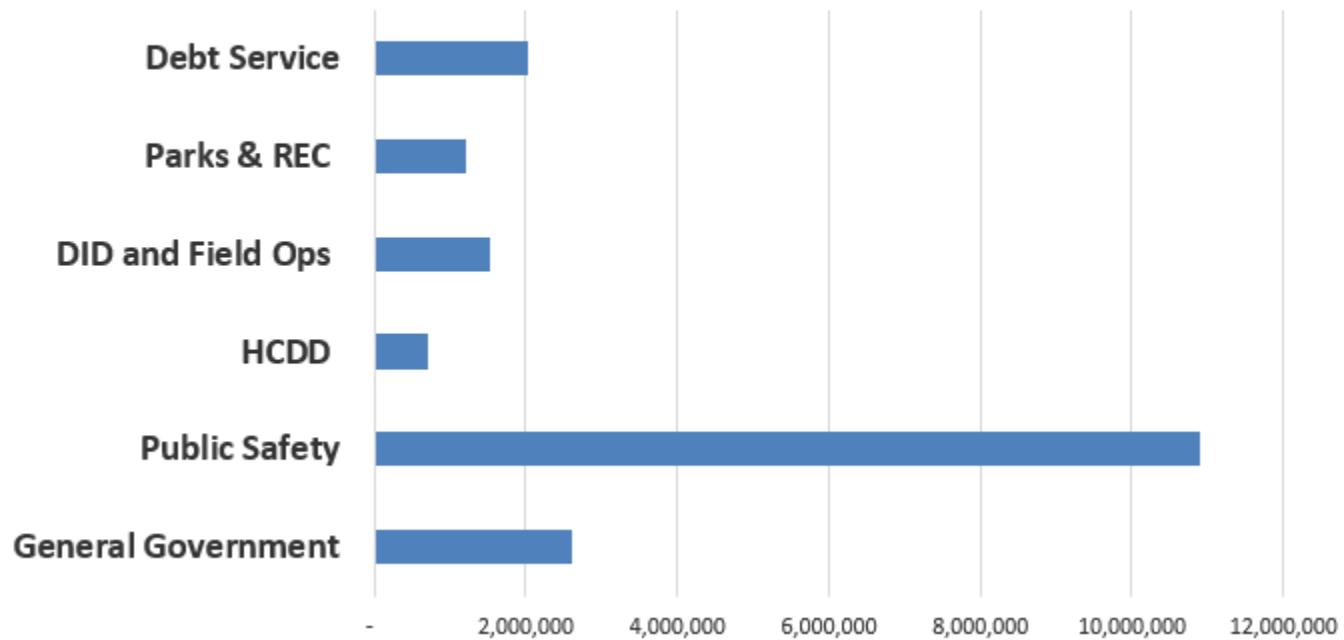
The schedule below was developed during the construction of our FY23-FY27 CIP plan. It assumes all items included in the CIP plan to be funded by bond were approved in annual budget going forward and then compares the estimated debt service to the max debt service per the City’s Financial Policy.

	FY23	FY24	FY25	FY26	FY27
Additional Debt Service - General Fund	744,807	470,611	340,542	462,825	739,684
<i>Ending Debt Service</i>	5,334,438	5,909,998	5,683,250	6,134,557	6,394,701
Max Debt Service per Financial Policy 10%	5,370,000	5,996,923	6,020,107	5,827,332	5,983,564
<i>Available Debt Service Amount</i>	35,562	86,925	336,856	307,225	411,137
<i>Available Debt Service Percentage</i>	1%	1%	6%	-5%	-7%





Increase FY23 vs FY12 by Function



	Change	FY12	Fy23
General Government	2,610,708	2,437,121	5,047,829
Public Safety	10,906,479	17,914,856	28,821,335
HCDD	708,514	622,568	1,331,082
DID and Field Ops	1,534,808	4,037,212	5,572,020
Parks & REC	1,200,722	1,436,425	2,637,147
Debt Service	2,041,567	2,098,616	4,140,183
	19,002,798		

The Tax Levy in FY12 was \$ 20.4M vs. \$ 28M in FY23 or an increase of **\$ 7.6M**. This tax revenue increase pales in comparison to the **\$ 19** increase of major departments and debt service costs during that period. Public Safety alone has increased by **\$ 10.9M** and that does not include the cost of 12 safer grant employees.



FY23 Water Sewer Impact and Revolving Funds

Description	Water Sewer Impact and Revolving Funds			
	Capacity	Capacity	Maintenance	
	Water Impact	Sewer Impact	W S Revolving	Total
	10800	10900	60200	
Checking	465,511	1,696,297	115,640	2,277,448
Transfer per FY22 Scd B		(740,000)	740,000	
PNC Investment	313,586	275,211	853,709	1,442,506
Sub total before Trf	779,097	1,231,508	1,709,349	3,719,954
<i>Fy23 Transfer</i>		<i>(700,000)</i>	<i>700,000</i>	-
FY23 Projects			<i>(900,000)</i>	<i>(900,000)</i>
Min	(500,000)	(500,000)	(1,500,000)	(2,500,000)
Actual Over (Under) Min	279,097	31,508	9,349	319,954



Takeaways...Strengths

- **Financial Position**

Presently the City enjoys a strong Financial Position. This status is based on the financial data as of the FY21 Audit.

- **Unassigned Fund Balance**

The General Fund's Unassigned Fund Balance is strong as of 6/30/21.

- **Water / Sewer Project Status**

Many Water and Sewer Projects have either been recently completed or funded. Few have been deferred which if so would have resulted in infrastructure liabilities.



Takeaways... Weaknesses

- **General Fund CIP**

The inability to fund many of the improvements mapped for FY23 in our recent Capital Improvement plan could be seen as small crack in our financial framework. It has been getting harder to fit CIP into the General Fund budgets. Should CIP pile up they are the equivalent of unfunded liabilities.

- **General Fund Revenues**

We can count on rising expenses. Medical cost are expected by many to rise 6-8% per year. The predictable pay plan along represents a \$500k+ increase per year in the General Fund. Finding revenues to match these rising cost is expected to become increasingly difficult.

- **Fire Services**

The county's contributions for fire services do not represent their true share. A new framework, to recover the true cost of fire services, is essential.

- **Tax Differential**

The citizen's of Salisbury deserve Tax Differential as recommended by past studies.

- **Parking Fund**

The Parking Fund Unrestricted Net Position is a deficit. This requires a new path to be mapped.



Questions

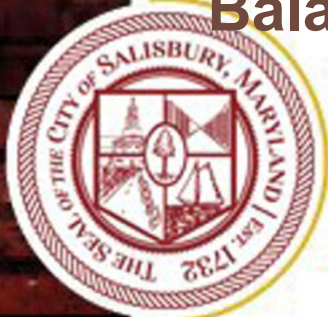




City of
Salisbury

Financial Overview

Presented April 2022



Balance Sheet – Governmental Funds

FY20

Cash FY21 \$14.4M vs FY20 \$10.7M

FY21

	<u>General Fund</u>
ASSETS	
Cash	\$ 2,028,504
Investment pool	8,663,398
Taxes receivable	2,630,727
Less allowance for uncollectibles	(1,062,468)
Due from other governmental units	518,488
Due from other funds	1,166,727
Sundry accounts receivable	4,415,449
Less allowance for uncollectibles	(2,536,977)
Inventory	871,433
Other assets	21,306
Restricted cash	207,214
Restricted investment pool	559,765
	<u>\$ 17,483,566</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 1,673,534
Due to other funds	-
Unearned revenue	-
Deposits and advance payment of taxes	88,100
Compensated absences	211,668
Total Liabilities	<u>1,973,302</u>
Deferred Inflows of Resources	
Unavailable revenue	1,699,036
Total Deferred Inflows of Resources	<u>1,699,036</u>
Fund Balances:	
Nonspendable	892,739
Restricted	-
Committed	2,202,194
Assigned	1,020,426
Unassigned	9,695,869
Total Fund Balances	<u>13,811,228</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
	<u>\$ 17,483,566</u>

	<u>General Fund</u>
ASSETS	
Cash	\$ 5,760,274
Investment pool	8,602,985
Taxes receivable	2,425,310
Less allowance for uncollectibles	(1,015,790)
Due from other governmental units	933,210
Due from other funds	632,859
Sundry accounts receivable	4,519,655
Less allowance for uncollectibles	(2,765,835)
Inventory	771,896
Other assets	105,871
Restricted cash	207,444
Restricted investment pool	1,321,751
	<u>\$ 21,499,630</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
Liabilities:	
Accounts payable and accrued expenses	\$ 1,628,133
Due to other funds	-
Unearned revenue	-
Deposits and advance payment of taxes	158,443
Compensated absences	216,485
Total Liabilities	<u>2,003,061</u>
Deferred Inflows of Resources	
Unavailable revenue	2,490,808
Total Deferred Inflows of Resources	<u>2,490,808</u>
Fund Balances:	
Nonspendable	877,767
Restricted	-
Committed	2,378,100
Assigned	1,103,080
Unassigned	12,646,814
Total Fund Balances	<u>17,005,761</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
	<u>\$ 21,499,630</u>

Unassigned FB \$12.6M vs \$10.7M

REVENUES OVER (UNDER) EXPENDITURES

\$3,194,533

Revenues exceed expenditures during FY21 by \$3,194,533.

Total Fund Balance was increased by the same amount.

	<u>General Fund</u>
REVENUES	
Taxes	\$ 30,361,776
Other revenue	4,091,504
Intergovernmental revenues	6,284,412
Charges for services	4,791,812
TOTAL REVENUES	<u>45,529,504</u>
EXPENDITURES	
Current:	
General government	4,121,549
Public safety	24,452,125
Public works	4,302,605
Recreation and culture	2,158,032
Nondepartmental	1,039,769
Capital outlays	657,247
Debt service:	
Principal	1,039,082
Interest	3,686,563
TOTAL EXPENDITURES	<u>41,456,972</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>4,072,532</u>
OTHER FINANCING SOURCES (USES)	
Operating transfers in (out)	(1,326,022)
Proceeds from bond and capital lease issuance	352,896
Proceeds from sale of capital assets	95,127
TOTAL OTHER FINANCING SOURCES (USES)	<u>(877,999)</u>
NET CHANGE IN FUND BALANCES	3,194,533

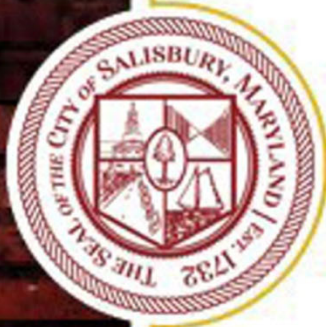
REVENUES OVER (UNDER) EXPENDITURES

	FY21
Use of Surplus	
Original Budget	2,291
Encumbrances from Prior Year	973
Ordinances	47
Final Budget	3,311
Revenue Variances	
Taxes	798
School Zone Camera	(404)
Charges for Services	80
Landlord Licenses	(146)
Health Care Rebate	348
American Recovery Program	3,269
Other	114
Debt Proceeds	(1,275)
Total Revenue Variances	2,784
Expenditure Variances	
Mayors Office	19
Municipal Buildings	307
General Government Other	335
Police	801
Traffic	85
Fire	1,372
PW Engineering	222
PW Roads	2
PW Sanitation	13
Recreation	318
Insurance	13
Transfer	35
Debt Service	-
Other	199
Total Expenditure Variances	3,721
Change in Fund Balance	(3,194)
<i>* All amounts shown in thousands</i>	

\$3,194,533

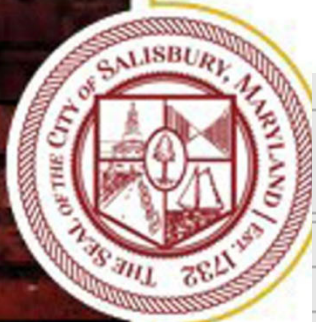
Revenues exceed expenditures during FY21 by \$3,194,533.

Total Fund Balance was increased by the same amount.



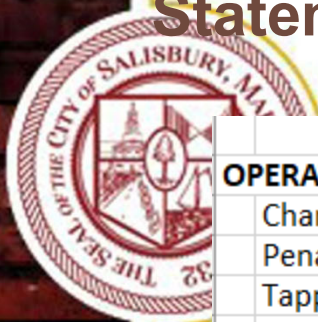
Water Sewer Fund Statement of Net Position

	FY20	FY21	Increase (Decrease)
ASSETS			
Current assets:			
Cash	\$ 4,096,055	\$ 3,290,795	\$ (805,260)
Investment pool	3,173,789	3,177,398	3,609
Accounts Receivable	2,879,986	2,789,968	(90,018)
Less allowance for uncollectible	-	-	-
Due from other governmental units	986,298	183,145	(803,153)
Inventory	404,063	401,365	(2,698)
Total current assets	11,540,191	9,842,671	(1,697,520)
Noncurrent assets:			
Restricted cash	-	-	-
Restricted investment pool	15,461,737	9,321,751	(6,139,986)
Construction-in-progress	3,767,459	9,175,264	5,407,805
Land	301,703	301,703	-
Buildings, equipment, and improvements	167,771,600	168,829,382	1,057,782
Less accumulated depreciation	(43,152,909)	(47,488,183)	(4,335,274)
Total noncurrent assets	144,149,590	140,139,917	(4,009,673)
Total assets	155,689,781	149,982,588	(5,707,193)
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension contributions & outflows	667,484	1,044,567	377,083
Deferred outflows OPEB	658,780	931,754	272,974
Total deferred outflows of resources	1,326,264	1,976,321	650,057
Total assets and deferred outflows of resources	\$ 157,016,045	\$ 151,958,909	\$ (5,057,136)



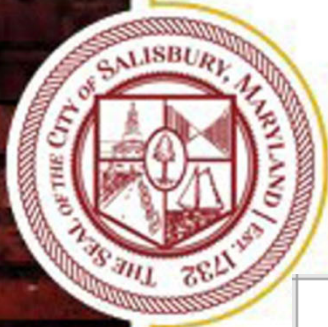
Water Sewer Fund Statement of Net Position

	FY20	FY21	Increase (Decrease)
LIABILITIES			-
Current liabilities:			-
Accounts payable and accrued expenses	2,082,600	1,179,500	(903,100)
Accrued payroll	128,890	152,778	23,888
Accrued interest payable	136,077	118,195	(17,882)
Unavailable revenue	111,953	1,324,705	1,212,752
Bonds, notes and capital leases payable	4,405,636	5,869,560	1,463,924
Compensated absences	26,733	30,222	3,489
Total current liabilities	6,891,889	8,674,960	1,783,071
Noncurrent liabilities:			-
Bonds, notes and capital leases payable	65,374,211	59,603,909	(5,770,302)
Post-employment benefits	5,021,074	5,614,240	593,166
Net Pension Liability	3,953,875	4,450,355	496,480
Compensated absences	240,601	271,997	31,396
Total noncurrent liabilities	74,589,761	69,940,501	(4,649,260)
Total liabilities	81,481,650	78,615,461	(2,866,189)
DEFERRED INFLOWS OF RESOURCES			-
Deferred inflows pension	377,008	384,196	7,188
Deferred inflows - OPEB	38,938	137,276	98,338
Total deferred inflows of resources	415,946	521,472	105,526
Total liabilities and deferred inflows of resources	81,897,596	79,136,933	(2,760,663)
NET POSITION			-
Net investment in capital assets	58,908,006	65,344,697	6,436,691
Restricted for:	15,461,737	9,321,751	(6,139,986)
Unrestricted	748,706	(1,844,472)	(2,593,178)
Total net position	\$ 75,118,449	\$ 72,821,976	\$ (2,296,473)



Statement of Revenues Expenses and Changes in Net Position Water Sewer Fund

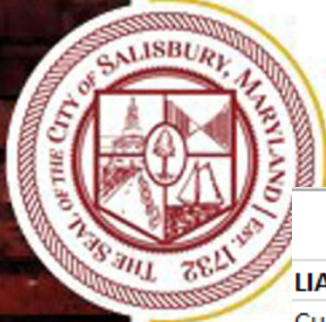
	<u>FY 19</u>	<u>Change</u>	<u>FY 20</u>	<u>Change</u>	<u>FY21</u>
OPERATING REVENUES					
Charges for services	\$ 15,991,643	\$ (318,365)	\$ 15,673,278	\$ (415,310)	\$ 15,257,968
Penalties	75,774	(26,994)	48,780	(13,295)	35,485
Tapping charges and connection fees	13,520	242,272	255,792	(45,406)	210,386
Sundry income	212,015	(41,337)	170,678	(41,594)	129,084
Pretreatment monitoring fee	180,295	1,686	181,981	76,015	257,996
Impact Fees	740,407	(527,979)	212,428	(39,808)	172,620
TOTAL OPERATING REVENUES	17,213,654	(670,717)	16,542,937	(479,398)	16,063,539
OPERATING EXPENSES					
Salaries	4,121,496	62,844	4,184,340	149,375	4,333,715
Personnel benefits	1,731,684	443,350	2,175,034	88,148	2,263,182
Professional and skilled services	1,072,337	(309,798)	762,539	(264)	762,275
Other operating expenses	4,837,665	70,230	4,907,895	(200,498)	4,707,397
Equipment	30,690	30,094	60,784	1,422,234	1,483,018
TOTAL OPERATING EXPENSES	11,793,872	296,720	12,090,592	1,458,995	13,549,587
Operating income (loss) before depreciation	5,419,782	(967,437)	4,452,345	(1,938,393)	2,513,952
Depreciation	4,587,216	47,663	4,634,879	145,374	4,780,253
NET OPERATING INCOME (LOSS)	832,566	(1,015,100)	(182,534)	(2,083,767)	(2,266,301)
NON-OPERATING REVENUES (EXPENSES)					
Grants	259,232	195,202	454,434	(42,721)	411,713
Gain on Sale of Fixed Assets	-	-	-	58,423	58,423
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
Interest income	456,198	(112,374)	343,824	(323,612)	20,212
Interest expense	(649,763)	70,125	(579,638)	59,118	(520,520)
TOTAL NONOPERATING REVENUES	65,667	152,953	218,620	(248,792)	(30,172)
CHANGE IN NET ASSETS	898,233	(862,147)	36,086	(2,332,559)	(2,296,473)



Statement of Net Position Governmental

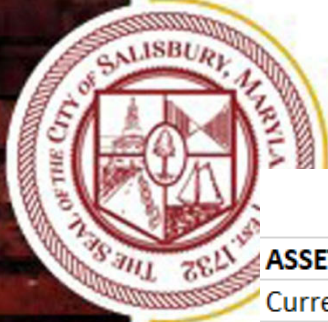
	<u>FY19</u>	<u>Change</u>	<u>FY20</u>	<u>Change</u>	<u>FY21</u>
ASSETS					
Current assets:					
Cash and Investment Pool	11,581,457	(525,183)	11,056,274	4,371,407	5,427,681
Taxes receivable net	1,284,584	283,675	1,568,259	(158,735)	1,409,520
Accounts receivable, net	1,813,085	296,900	2,109,985	(125,777)	1,984,208
Due from other governmental units	1,286,972	944,719	2,231,691	(623,658)	1,608,033
Due from other funds	229,154	20,499	249,653	316,132	565,785
Inventories	794,462	76,971	871,433	(99,537)	771,896
Other assets	5,233	16,073	21,306	84,565	105,871
Total current assets	16,994,947	1,113,654	18,108,601	3,764,393	21,872,994
Noncurrent assets:					
Restricted cash	5,619,198	6,664,760	12,283,958	(4,114,115)	8,169,843
Construction -in-progress	9,482,079	5,872,033	15,354,112	(7,430,139)	7,923,973
Land and art	8,594,735	81,403	8,676,138	(1,045)	8,675,093
Capital assets at cost	70,488,813	2,213,315	72,702,128	11,761,176	84,463,304
Less accumulated depreciation	(32,100,791)	(3,057,716)	(35,158,507)	(2,769,922)	(37,928,429)
Total noncurrent assets	62,084,034	11,773,795	73,857,829	(2,554,045)	71,303,784
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension contributions	6,428,479	(832,323)	5,596,156	1,666,038	7,262,194
Deferred outflow - pensions	1,560,169	1,074,946	2,635,115	1,091,901	3,727,016
Total deferred outflows of resources	7,988,648	242,623	8,231,271	2,757,939	10,989,210
Total assets and deferred outflows	87,067,629	13,130,072	100,197,701	3,968,287	104,165,988

Statement of Net Position Governmental



	<u>FY19</u>	<u>Change</u>	<u>FY20</u>	<u>Change</u>	<u>FY21</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	1,600,726	1,396,410	2,997,136	(1,104,146)	1,892,990
Unearned revenue	389,800	79,413	469,213	380,975	850,188
Due to other governmental units		-		-	
Deposits and advance payments of taxes	71,979	103,544	175,523	19,263	194,786
Compensated absences	182,314	29,354	211,668	4,817	216,485
Accrued interest payable	119,433	144,914	264,347	(21,331)	243,016
Bonds, notes & cap leases (short term)	3,194,446	492,683	3,687,129	282,914	3,970,043
Total current liabilities	5,558,698	2,246,318	7,805,016	(437,508)	7,367,508
Noncurrent liabilities:					
Compensated absences	1,640,824	264,191	1,905,015	43,354	1,948,369
Post-employment health benefits	17,747,638	2,336,657	20,084,295	2,372,667	22,456,962
Net Pension Liability	29,648,006	527,488	30,175,494	5,409,863	35,585,357
Bonds, notes, and capital leases payable	21,938,616	8,353,357	30,291,973	(2,715,641)	27,576,332
Total noncurrent liabilities	70,975,084	11,481,693	82,456,777	5,110,249	87,567,020
Total liabilities	76,533,782	13,728,011	90,261,793	4,672,735	94,934,528
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	3,593,069	(99,796)	3,493,273	(1,206,234)	2,287,039
Deferred inflows - OPEB	184,734	(28,979)	155,755	393,348	549,103
Total deferred inflows of resources	3,777,803	(128,775)	3,649,028	(812,886)	2,836,142
Total liabilities and deferred inflows	80,311,585	13,599,236	93,910,821	3,859,849	97,770,670
NET POSITION					
Net investment in capital assets	31,331,775	(3,737,006)	27,594,769	3,992,797	31,587,566
Restricted for:	5,619,199	6,664,759	12,283,958	(4,114,115)	8,169,843
Unrestricted	(30,194,930)	(3,396,917)	(33,591,847)	229,756	(33,362,091)
Total net position	\$ 6,756,044	(469,164)	\$ 6,286,880	108,438	\$ 6,395,318

Statement of Net Position Total



	<u>FY19</u>	<u>Change</u>	<u>FY20</u>	<u>Change</u>	<u>FY21</u>
ASSETS					
Current assets:					
Cash and Investment Pool	\$ 19,107,045	(219,248)	\$ 18,887,797	3,527,347	\$ 22,415,144
Taxes receivable net	1,284,584	283,675	1,568,259	(158,739)	1,409,520
Accounts receivable, net	4,500,055	621,490	5,121,545	(186,622)	4,934,923
Due from other governmental units	4,258,452	(1,040,463)	3,217,989	(1,426,811)	1,791,178
Inventories	1,162,635	92,314	1,254,949	(96,734)	1,158,215
Other assets	5,233	36,620	41,853	96,440	138,293
Total current assets	30,318,004	(225,612)	30,092,392	1,754,881	31,847,273
Noncurrent assets:					
Restricted cash	24,163,254	4,855,844	29,019,098	(10,326,597)	18,692,501
Construction -in-progress	14,193,835	5,410,386	19,604,221	(2,045,840)	17,558,381
Land and art	10,793,238	81,403	10,874,641	(1,045)	10,873,596
Capital assets at cost	243,223,965	6,030,228	249,254,193	12,683,414	261,937,607
Less accumulated depreciation	(76,529,272)	(7,924,466)	(84,453,738)	(7,178,786)	(91,632,524)
Total noncurrent assets	215,845,020	8,453,395	224,298,415	(6,868,854)	217,429,561
DEFERRED OUTFLOWS OF RESOURCES					
Deferred pension contributions	7,259,006	(960,055)	6,298,951	2,063,068	8,362,019
Deferred outflow - pensions	1,950,212	1,343,683	3,293,895	1,364,875	4,658,770
Total deferred outflows of resources	9,209,218	383,628	9,592,846	3,427,943	13,020,789
Total assets and deferred outflows	255,372,242	8,611,411	263,983,653	(1,686,030)	262,297,623

Statement of Net Position Total



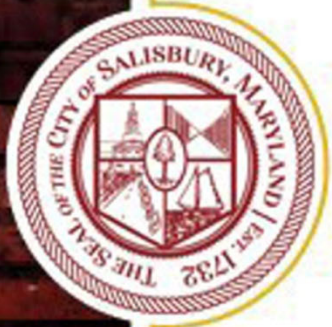
	<u>FY19</u>	<u>Change</u>	<u>FY20</u>	<u>Change</u>	<u>FY21</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accrued expenses	5,728,142	(361,871)	5,366,271	(1,968,923)	3,397,348
Unearned revenue	691,355	(110,189)	581,166	1,593,727	2,174,893
Due to other governmental units		-		-	
Deposits and advance payments of taxes	83,858	105,973	189,831	16,795	206,626
Uninsured absences	205,809	32,592	238,401	8,306	246,707
Accrued interest payable	274,009	142,345	416,354	(40,203)	376,151
Notes and capital leases (short term)	7,685,028	657,350	8,342,378	1,746,838	10,089,216
Current liabilities	14,668,201	466,200	15,134,401	1,356,540	16,490,941
Long-term liabilities:					
Uninsured absences	1,852,277	293,339	2,145,616	74,750	2,220,366
Employment health benefits	22,184,547	2,920,822	25,105,369	2,965,833	28,071,202
Pension Liability	33,546,168	792,361	34,338,529	5,932,608	40,271,137
Notes, and capital leases payable	93,814,615	4,933,354	98,747,969	(8,727,212)	90,020,757
Noncurrent liabilities	151,397,607	8,939,876	160,337,483	245,979	160,583,462
Total liabilities	166,065,808	9,406,076	175,471,884	1,602,519	177,074,403
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	4,103,440	(213,215)	3,890,225	(1,198,666)	2,691,559
Deferred inflows - OPEB	230,917	(36,224)	194,693	491,686	686,379
Deferred inflows of resources	4,334,357	(249,439)	4,084,918	(706,980)	3,377,938
Liabilities and deferred inflows	170,400,165	9,156,637	179,556,802	895,539	180,452,341
NET POSITION					
Investment in capital assets	90,182,124	(1,993,154)	88,188,970	10,438,117	98,627,087
Accrued for:	24,163,255	4,855,843	29,019,098	(10,326,597)	18,692,501
Deferred	(29,373,302)	(3,407,915)	(32,781,217)	(2,693,089)	(35,474,306)
Net position	\$ 84,972,077	(545,226)	\$ 84,426,851	(2,581,569)	\$ 81,845,282

☐ OPEB Liability

- FY16 \$ 21.3M
- FY17 \$ 22.2M
- FY18 \$ 19.2M
- FY19 \$ 22.2M
- FY20 \$ 25.1M
- FY21 \$ 28.1M

☐ Pension Liability

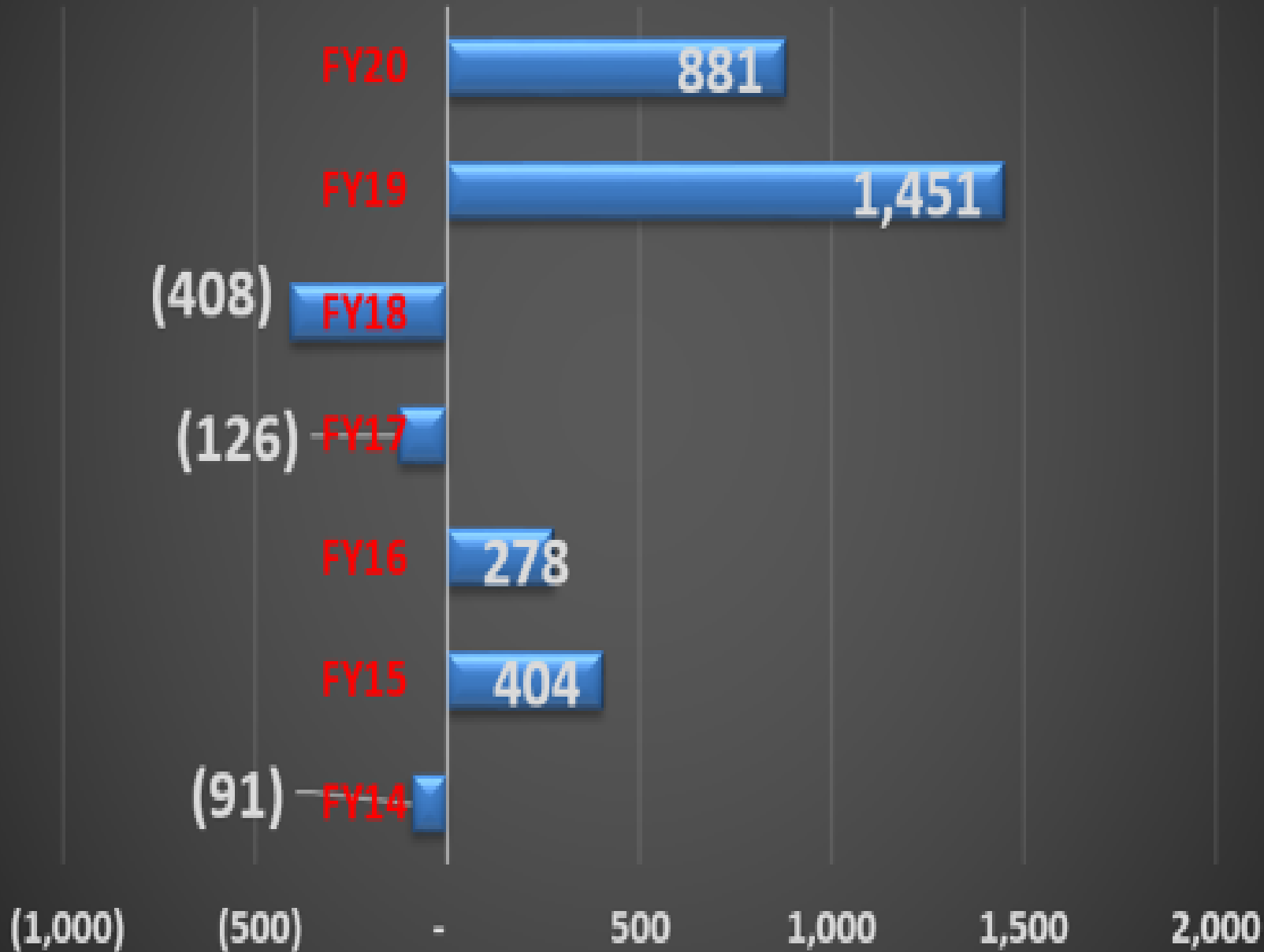
- GASB 68 requires the City to record its share of the States Unfunded Pension Liability
- FY16 \$ 29M
- FY17 \$ 37M
- FY18 \$ 32M
- FY19 \$ 33M
- FY20 \$ 34M
- FY21 \$ 40M



Questions

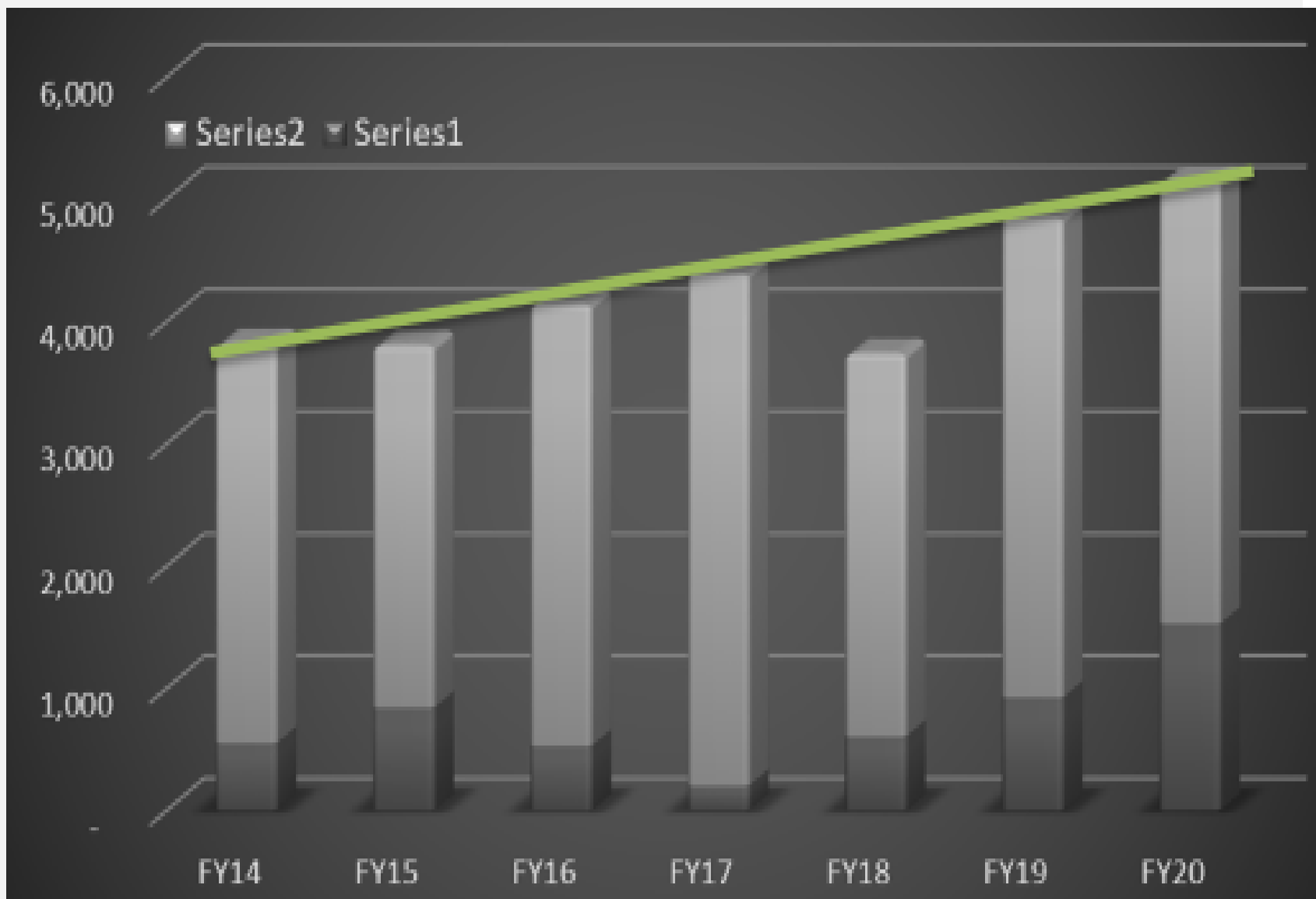


Change in Fund Balance



Avg. \$ 341k
per year or
.76% of \$ 45M

REVENUE & EXPENDITURE VARIANCES



ORIGINAL BUDGET VS. FINAL BUDGET

FY20 original Budget includes a use of surplus of \$1.6M. At then end of the year the budgeted use of surplus increased to \$4.2M due to Encumbrance Carryforward from the prior year of \$1.2M and ordinances passed during the year of 1.4M.

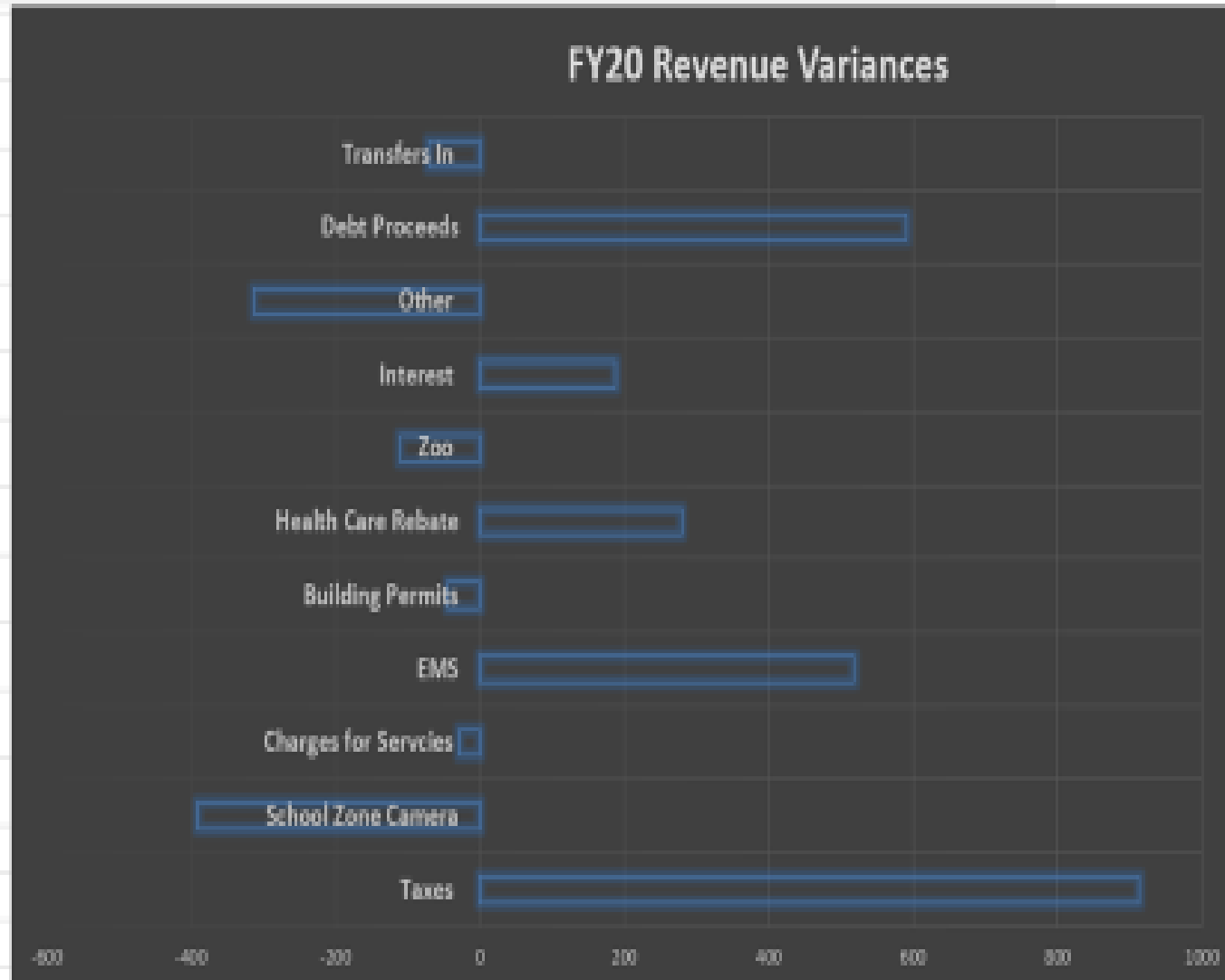
	FY14	FY15	FY16	FY17	FY18	FY19	FY20
Use of Surplus							
Use of Surplus per Original Budget	(2,084)	(1,635)	(2,592)	(2,564)	(2,192)	(1,783)	(1,647)
Encumbrances from Prev Year	(1,570)	(1,481)	(946)	(2,156)	(3,011)	(848)	(1,212)
Ordinances		(351)	(325)	(1,097)	(243)	(766)	(1,409)
Grant Adj	(255)						
Final Budget	(3,909)	(3,467)	(3,863)	(5,817)	(5,446)	(3,397)	(4,268)

Stipend Front Line	151
Breathing Apparatus	740
Community Center PayG	150
	1041

REVENUE VARIANCES

FY20 Actual Revenues exceeded budget by \$1.5M

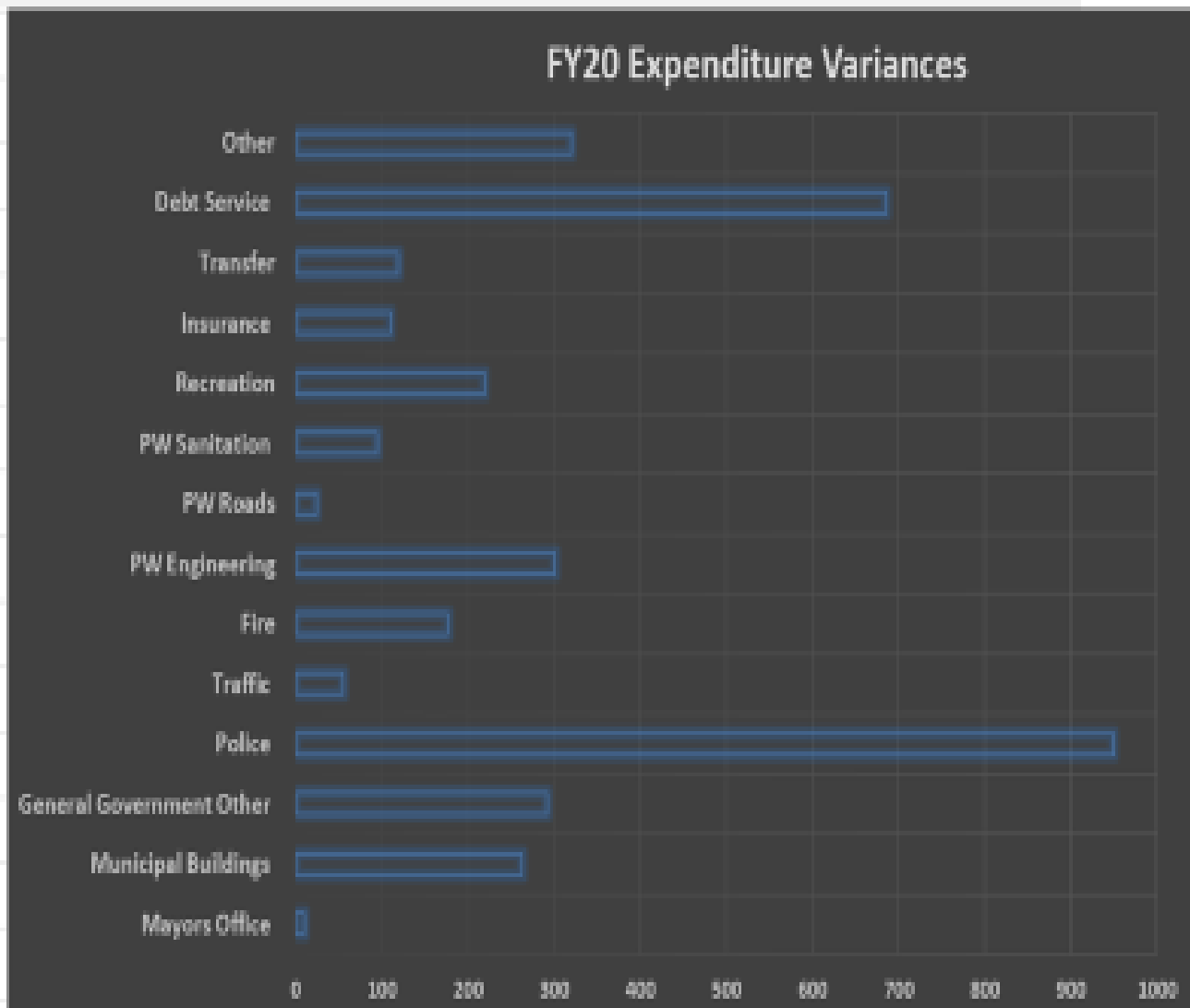
Taxes	913
School Zone Camera	-391
Charges for Services	-28
EMS	518
Building Permits	-45
Health Care Rebate	280
Zoo	-111
Interest	188
Other	-313
Debt Proceeds	591
Transfers In	-71
Total	1531



EXPENDITURE VARIANCES

FY20 Expenditures were under budget by \$3.6M

Mayors Office	10
Municipal Buildings	263
General Government	292
Police	949
Traffic	55
Fire	176
PW Engineering	301
PW Roads	24
PW Sanitation	94
Recreation	219
Insurance	110
Transfer	119
Debt Service	686
Other	320
Total	3618



REVENUES OVER (UNDER) EXPENDITURES

\$ 881,074

- Revenues exceeded expenditures during FY20 by \$881,074
- Total Fund Balance is increased by the same amount.

	Revenues Over (under)
Original Budget	(1,647)
Ordinances	(1,409)
Encumbrance Cfwd	(1,212)
Revised Budget	(4,268)
Variances:	
Revenues	1,531
Expenditures	3,618
Total	5,149
FY20 Total	881