

MEMORANDUM

June 26, 2023

To: City Council Members
From: Brian Kelley, Administrative Services Director
Subject: Implementation of FY24 Budget

The breakdown of FY 2024 ongoing general revenue to cover ongoing expenses is as follows:

General revenue growth	\$5,124,948
<u>Property tax increase</u>	<u>\$1,829,278</u>
Total ongoing revenues	\$6,954,226

Options

The Council may (1) direct Administration to begin implementing the FY24 Tentative Budget as amended, or (2) direct Administration to begin implementing the FY24 Tentative Budget as amended, except for items that are entirely dependent on the amount of the proposed tax increase such as:

1. General pay increases \$4.15M
2. Fire department specific pay adjustments \$636K
3. Fire department eight paramedic staffing expansion (hiring already in progress) \$875K
4. The balance of remaining items \$1.29M

As General Revenue Growth is \$5.1M, the risk of implementing items 1, 2, and 3 is that the total of those three items exceeds the amount of General Revenue Growth. Consequently, Administration would need to find ways to reduce budgets if the proposed increase is not approved on August 22nd. Also, item 3 is already underway. A certain combination of items 1-4 may be covered by the General Revenue Growth – for example, items 1 and 3, or items 2-4.

Other cities proposing property tax increases (see attached) are moving forward with implementation, but each city's circumstances are unique and may not be applicable to our situation.