



# City of Homer

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## Memorandum 22-052

TO: Mayor Castner and Homer City Council  
FROM: Rob Dumouchel, City Manager  
DATE: March 24, 2022  
SUBJECT: FY22/23 Midbiennium Operating Budget Adjustment

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When the FY22/23 Operating Budget was approved, it was very conservative in its approach. We were just coming out of the pandemic, and experiencing a time of great uncertainty. While staff and Council both believed that we were on track for a very strong recovery from the pandemic, it was difficult to forecast that optimism in a reasonable way. Now that we are approximately three quarters into the biennium, the revenue picture is much clearer. Using current trends, we have reforecast sales tax revenues and this midbiennium adjustment proposes using a portion of those additional funds to move forward with the following:

1. Implement a 7% cost of living adjustment (COLA) for FY23
2. Add three new staff positions (IT Network Administrator, Two Special Projects Coordinators)
3. Make adjustments to specific line items for the Departments
4. Provide admin fee relief to the Enterprise and Utility funds
5. Remaining surplus to go to unassigned General Fund Fund Balance

The proposed adjustments are aggressive but realistic. They are also necessary to retain skilled employees to carry out the Council's goals and directions.

### Sales Tax Forecast

Sales tax is the biggest driver of Homer's annual revenues. In past years, we have used a linear regression model to forecast future sales tax revenue. For the FY22/23 Operating Budget, we used a modified linear regression model that minimized the impact of 2020 and the pandemic. With the strength of post-pandemic sales tax revenues, matched with the big dip in 2020, it has become very difficult to get a realistic forecast using traditional methods. For the midbiennium adjustment, we are using data for the fiscal year to date, matched with real data from truncated FY21 to make a composite forecast of FY22. We included a 5% escalation for FY23. The hope is that by the time we're adopting the FY24/25 operating budget, we can start to shift back to more traditional forecasting models.

With the updated methodology, we are seeing significant increases in the sales tax forecast. The impact to the General Fund is \$2.4M in FY22 and \$2.6M in FY23. The table below shows the impacts to all types of sales tax revenues.

**FY22 Sales Tax Revenue Impacts:**

<b>Fund Name</b>	<b>FY22 Adopted</b>	<b>FY22 Amended</b>	<b>Difference (\$)</b>
General Fund	5,837,403	8,285,547	2,448,144
HART-Roads	1,322,458	1,833,687	511,228
HART-Trails	146,940	203,743	56,803
HAWSP	1,469,398	2,037,430	568,031
Police Station	587,759	814,972	227,213
<b>TOTAL</b>	<b>\$9,363,958</b>	<b>\$ 13,175,377</b>	<b>\$3,811,419</b>

**FY23 Sales Tax Revenue Impacts:**

<b>Fund Name</b>	<b>FY23 Adopted</b>	<b>FY23 Amended</b>	<b>Difference (\$)</b>
General Fund	6,034,600	8,699,824	2,665,224
HART-Roads	1,366,100	1,925,371	559,270
HART-Trails	151,789	213,930	62,141
HAWSP	1,517,889	2,139,301	621,412
Police Station	607,156	855,720	248,565
<b>TOTAL</b>	<b>\$9,677,535</b>	<b>\$ 13,834,146</b>	<b>\$4,156,611</b>

**FY23 COLA**

I am proposing a 7% COLA for all staff<sup>1</sup> in FY23. This replaces the budgeted 0.8% COLA scheduled for FY23. The proposed 7% increase roughly splits the difference between the 7.9% rate of inflation declared by the Bureau of Labor Statistics and the 5.9% COLA implemented by Social Security in 2022.

Estimated Financial Impact of COLA for FY23:

General Fund	\$477,254
Utility Fund	\$88,043
Port & Harbor Fund	\$99,676
<b>TOTAL</b>	<b>\$664,973</b>

<sup>1</sup> This COLA excludes the City Manager. Per my contract, I do not receive staff COLAs.

This COLA request is in line with organizational goal 1.3 presented to Council at the recent visioning session: Provide fair, competitive, and equitable wages for all staff members. We are experiencing a time of high inflation which is negatively impacting our employees and their general purchasing power. Providing a reasonable COLA will help them maintain their households here in Homer and assist with retention of staff throughout the organization.

**New Positions**

I am requesting three additional staff positions in the midbiennium operating budget adjustment. The City is growing and Council has an ambitious vision for the future. To effectively carry out that vision, I will need to expand the team with a mix of staff positions and project-specific professional services contracts. The creation of these positions is in line with organizational goal 1.2: Recruit and retain sufficient staff to meet organizational needs and Council goals.

The positions requested are as follows:

**IT Network Administrator:** We have had extensive discussions at Council about the importance of IT to organizational success and how critically understaffed the IT division has been for many years. I have made organization design changes that have relieved some of the pressure on IT (i.e., teaming IT with the Library), but we still need to grow our IT team to meet the needs of the organization. The choice of a Network Administrator position was driven by months of discussion between the City Manager and Library Director around different ways we could most effectively and economically expand and improve IT services.

**Special Projects Coordinator (x2):** As Homer grows, we will see an increased need for highly skilled Special Projects Coordinators that can work collaboratively across departments to achieve high level goals and objectives set by Council. My intent is to attempt to recruit two Special Projects Coordinators with skill sets complementary to the existing team and the many special projects I anticipate we will be pursuing in the next few years. I expect these individuals to be involved in work related to fiscal policy, planning, preparation for adoption and implementation of a building code, volunteer program improvements, general project management, grant support, software migration and implementation, integration of the capital budget and various city plans, etc.

Estimated Financial Impact for FY22: \$98,914

Estimated Financial Impact for FY23: \$437,620 (includes COLA)

**Departmental Adjustments**

The proposed budget amendment includes a number of increases requested by the departments to keep pace with changes on the ground. These changes equate to an approximately 3.5% increase overall. We saw a lot of increases related to inflation, supply chain challenges, an abnormally snowy winter, and ongoing COVID impacts on staffing and overtime. There are also some small changes to account for things like an expanded Council travel budget for training and lobbying, training to support individuals promoted into advanced positions, increased advertising to support a strategic shift in methods of marketing and public outreach, etc. The specific line item requests are listed in an attachment to this memo.

	FY22 Adjustments (\$)	FY22 Adjustments (%)	FY23 Adjustments (\$)	FY23 Adjustments (%)
General Fund	455,188	3.4%	485,547	3.5%

Utility Fund	13,793	0.4%	14,015	0.4%
Harbor Fund	34,077	0.7%	13,577	0.3%

**Admin Fee Relief**

The proposed budget amendment increases the sales tax revenue to a point that we can accomplish a COLA, add positions, and take care of departmental adjustments while having sufficient funds available to waive the admin fees for the Enterprise and Utility Funds. Enterprise admin fees will instead flow into Harbor Reserves. Utility Fund admin fees will be redirected into the Utility CARMA fund.

**Admin Fees budgeted for FY22/23:**

	Utility Fund	Enterprise Fund
FY22	\$588,359	\$453,392
FY23	\$605,719	\$465,339

**Surplus**

In the past, any surplus funds were programmed into the various CARMA funds to balance the budget. For this budget adjustment, I am proposing that surplus funds be directed to the Unassigned General Fund Fund Balance. Council can decide at a future time where they would like to direct those funds.

**Overall Picture**

**General Fund:** In FY22 the General Fund, with all proposals contained in this memo, is forecasted to run a surplus of \$852,290. In FY23, the surplus is projected to be \$164,646.

**Utility Fund:** In FY22 the Utility Fund will eliminate a draw on fund balance (the original FY22 budget had a small deficit balanced by a draw from utility fund balance). With the removal of admin fees, it will also see a growth in the Utility CARMA fund balance of \$545,026. In FY23 we have a similar situation. The draw on fund balance is eliminated and \$340,970 will be directed to Utility CARMA.

**Enterprise Fund:** In FY22 the Enterprise will see a \$419,315 increase in transfers to reserves. In FY23, the increase will be \$352,085.

**Staff Recommendation:** Introduce and adopt Ordinance 22-20 amending the FY22/23 Operating Budget

FUND 100 - GENERAL FUND										
DEPT 0100 - MAYOR/COUNCIL										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5236	Transportation	4,000	5,500	1,500	38%	4,000	8,000	4,000	100%	FY22 - Increased to cover through winter conference in Juneau; FY23 - Increased to allow 3 people attending summer conference, mayor and full council at AML annual conference, and 3 people attending winter conference.
5237	Subsistence	3,500	5,000	1,500	43%	3,500	6,200	2,700	77%	FY22 - Increased to cover through winter conference in Juneau; FY23 - Increased to allow 3 people attending summer conference, mayor and full council at AML annual conference, and 3 people attending winter conference.
5603	Employee Training	2,500	3,000	500	20%	2,500	4,000	1,500	60%	FY22 - Increased to cover through winter conference in Juneau; FY23 - Increased to allow 3 people attending summer conference, mayor and full council at AML annual conference, and 3 people attending winter conference.
DEPT 0101 - CITY CLERK										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	10,000	13,000	3,000	30%	10,000	13,000	3,000	30%	OT increase due to add meetings requiring clerk presence to facilitate hybrid meetings and pay increases to Deputy Clerks.
5210	Professional Services	12,500	12,500	-	0%	12,500	17,000	4,500	36%	New agenda management software
5237	Subsistence	3,000	3,500	500	17%	3,000	3,500	500	17%	Increased subsistence to accommodate travel to IIMC annual conference.
5603	Employee Training	3,750	3,750	-	0%	3,750	5,000	1,250	33%	Increased training to cover conferences and an additional college/management type class.
DEPT 0110 - CITY MANAGER										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5101	Salary and Wages	268,206	279,206	11,000	4%	273,798	284,798	11,000	4%	Reso 21-061, should also result in changes to other related line items
5201	Office Supplies	1,200	3,200	2,000	167%	1,200	1,200	-	0%	One year increase to fund furniture update for Special Projects Coordinator
5227	Advertising	10,250	12,000	1,750	17%	10,250	12,000	1,750	17%	We have been making more use of advertising for City projects and issues (i.e., HERC redevelopment, recent snow events)
5236	Transportation	5,000	6,000	1,000	20%	5,000	6,000	1,000	20%	Market rates for costs for travel related to City business have increased
5237	Subsistence	2,700	4,000	1,300	48%	2,700	4,000	1,300	48%	Market rates for costs for travel related to City business have increased
DEPT 0113 - INFORMATION SYSTEM										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	2,000	4,500	2,500	125%	2,000	4,500	2,500	125%	Increased overtime as projects move forward and utilization of non-exempt staff skills
5201	Office Supplies	250	1,750	1,500	600%	250	1,750	1,500	600%	Requested increase is for items to better organize IT spaces--shelving, storage containers, etc.
5216	Freight and Postage	200	1,000	800	400%	200	1,000	800	400%	Anticipation of bringing in a number of major shipments through Fife.
5231	Tools and Equipment	1,500	5,500	4,000	267%	1,500	5,500	4,000	267%	Higher costs
5603	Employee Training	250	1,250	1,000	400%	250	2,250	2,000	800%	Additional training for non-exempt staff to increase the range of tasks they can do.
5633	Phones	7,500	10,000	2,500	33%	7,500	10,000	2,500	33%	Phone system across the entire city is due for upgrading, which will be a capital project. In the short term, there will be updates and partial replacements coming due in late 2022.
DEPT 0120 - FINANCE										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	12,220	15,000	2,780	23%	12,220	12,220	-	0%	Increased overtime associated with fiscal year change and additional audit related hours
5201	Office Supplies	6,000	7,000	1,000	17%	6,000	6,000	-	0%	Unexpected replacement of mailing equipment
5231	Tools and Equipment	2,500	5,500	3,000	120%	2,500	2,500	-	0%	Replacement of office furniture
5233	Computer Related Items	-	8,500	8,500	100%	-	-	-	0%	Purchase laptops for each member on finance staff to ensure finance operations can function outside of city facilities; improving COOP plans
DEPT 0130 - PLANNING										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5603	Employee Training	2,500	2,500	-	0%	2,500	5,000	2,500	100%	Support training related to expanded economic development mission

FUND 100 - GENERAL FUND										
DEPT 0145 - LIBRARY										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5210	Professional Services	8,900	9,400	500	6%	8,900	9,400	500	6%	Budget is generally adequate but prices are rising due to inflation.
5215	Communications	29,000	29,000	-	0%	29,000	33,500	4,500	16%	Wireless hotspots have seen enormous demand already. The hotspot service is grant-funded through the rest of FY22 and the first three months of FY23. Communication costs thereafter depend on whether we continue the program and how many hotspots we keep in service, as well as whether we secure more grant funding.
5216	Freight and Postage	2,500	3,000	500	20%	2,500	3,000	500	20%	Rise in interlibrary loans and putting on more traveling exhibits, with added postage costs.
5244	Snow Removal	8,200	10,200	2,000	24%	8,200	10,200	2,000	24%	This year has unusually heavy snowfall, but snow-clearance costs exceeded projections in FY20 and FY21 as well.
5603	Employee Training	3,500	4,000	500	14%	3,500	4,000	500	14%	Increased demand for employee training courses.
DEPT 0150 - FIRE ADMINISTRATION										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	11,070	14,070	3,000	27%	11,070	14,070	3,000	27%	
5201	Office Supplies	3,000	3,500	500	17%	3,000	3,500	500	17%	Increased costs
5210	Professional Services	28,000	31,000	3,000	11%	28,000	31,000	3,000	11%	Increased costs
5215	Communications	20,000	25,000	5,000	25%	15,000	20,000	5,000	33%	Increased costs
DEPT 0151 - FIRE SERVICES										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5103	Part-time Wages	25,344	37,344	12,000	47%	25,546	61,546	36,000	141%	More part time help to meet the increases in run volume and the decrease of volunteer support.
5104	Part-time Benefits	2,923	4,423	1,500	51%	2,947	8,397	5,450	185%	More part time help to meet the increases in run volume and the decrease of volunteer support.
5105	Overtime	7,447	10,447	3,000	40%	7,447	14,447	7,000	94%	
5107	Part-time Overtime	1,350	1,850	500	37%	1,350	1,850	500	37%	
5207	Vehicle and Boat Maintenance	8,000	11,000	3,000	38%	8,000	11,000	3,000	38%	Age of the fleet is making cost of repairs/maintenance more expensive
DEPT 0152 - MEDICAL SERVICES										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5103	Part-time Wages	25,344	37,344	12,000	47%	25,546	61,546	36,000	141%	More part time help to meet the increases in run volume and the decrease of volunteer support.
5104	Part-time Benefits	2,923	4,423	1,500	51%	2,947	8,397	5,450	185%	More part time help to meet the increases in run volume and the decrease of volunteer support.
5105	Overtime	7,447	10,447	3,000	40%	7,447	14,447	7,000	94%	
5107	Part-time Overtime	1,350	1,850	500	37%	1,350	1,850	500	37%	
5202	Operating Supplies	20,000	21,000	1,000	5%	20,000	21,000	1,000	5%	Increased costs
DEPT 0160 - POLICE ADMINISTRATION										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5215	Communications	38,000	38,000	-	0%	39,000	43,000	4,000	10%	Telecommunications costs have been steadily increasing due to inflation and increased maintenance and repair costs associated with a larger dispatch system and more equipment.
5244	Snow Removal	8,000	12,000	4,000	50%	8,000	12,000	4,000	50%	The new police department has three different lots requiring plowing and sanding. They are also larger than those at our station resulting in higher costs.
5625	Impound Costs	3,000	5,500	2,500	83%	3,500	6,000	2,500	71%	Impounds have been steadily rising every year and the towing firms have been increasing the charges resulting in higher impound costs.
DEPT 0161 - DISPATCH										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	38,446	42,446	4,000	10%	38,446	42,446	4,000	10%	Staffing shortages and COVID related issues; expect continuation of staffing shortages and disruptions in FY23
DEPT 0163 - PATROL										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	108,901	183,901	75,000	69%	109,880	154,880	45,000	41%	Staffing shortages and COVID related issues; expect continuation of staffing shortages and disruptions in FY23

FUND 100 - GENERAL FUND										
DEPT 0164 - JAIL										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	39,931	47,431	7,500	19%	39,931	47,931	8,000	20%	Staffing shortages and COVID related issues; expect continuation of staffing shortages and disruptions in FY23
DEPT 0165 - ANIMAL CONTROL										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5210	Professional Services	195,707	200,707	5,000	3%	195,707	208,707	13,000	7%	Reso 21-088, increase calendar year 2022 contract 5% and calendar year 2023 contract 3%
DEPT 0170 - PUBLIC WORKS ADMINISTRATION										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5201	Office Supplies	2,200	3,200	1,000	45%	2,200	3,200	1,000	45%	Inflation
5202	Operating Supplies	3,900	4,400	500	13%	3,900	4,400	500	13%	Inflation
5210	Professional Services	4,900	10,000	5,100	104%	4,900	10,000	5,100	104%	Needing a modest budget for exploring ideas before we commit full scale resources to them as well as professional help with public outreach, such as creating graphics, flyers, etc.
5215	Communications	10,000	11,040	1,040	10%	10,000	11,080	1,080	11%	New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge
5227	Advertising	500	1,000	500	100%	500	1,000	500	100%	Increased public service announcements (PSA's)
5231	Tools and Equipment	2,100	1,100	(1,000)	-48%	2,100	1,100	(1,000)	-48%	No longer needed in public works administration budget
5602	Safety Equipment	1,200	2,478	1,278	107%	1,200	2,200	1,000	83%	Inflation
DEPT 0171 - GENERAL MAINTENANCE										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5209	Building & Grounds Maintenance	14,500	20,316	5,816	40%	14,500	20,607	6,107	42%	Inflation
5215	Communications	-	1,560	1,560	100%	-	1,620	1,620	100%	New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge
5282	City Hall Building Maintenance	10,000	30,000	20,000	200%	10,000	10,000	-	0%	Replace glycol and pumps at City Hall
5287	Animal Control Building Maintenance	2,500	3,500	1,000	40%	2,500	2,500	-	0%	Replaced hot water tank
5603	Employee Training	3,000	5,000	2,000	67%	6,000	8,000	2,000	33%	Training for two employees (backflow in FY22 and boiler certification in FY23)
DEPT 0172 - GRAVEL ROADS										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5103	Part-time Wages	-	5,000	5,000	100%	-	5,000	5,000	100%	Temporary laborer for summer season to to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)
5107	Part-time Overtime	-	750	750	100%	-	750	750	100%	Temporary laborer for summer season to to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)
5204	Chemicals	57,150	82,150	25,000	44%	61,700	94,200	32,500	53%	Chemicals have a 30% price increase
5210	Professional Services	3,500	6,500	3,000	86%	3,500	6,500	3,000	86%	Occasional truck hauling for gravel hauling; increase for hydroseeding and tree trimming
5215	Communications	-	3,120	3,120	100%	-	3,240	3,240	100%	New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge
5603	Employee Training	-	1,500	1,500	100%	-	1,500	1,500	100%	CDL training for employee
DEPT 0173 - PAVED ROADS										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5103	Part-time Wages	-	5,000	5,000	100%	-	-	-	0%	Temporary laborer for summer season to to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)
5105	Overtime	1,693	3,693	2,000	118%	1,693	1,693	-	0%	Unforeseen emergencies
5107	Part-time Overtime	-	750	750	100%	-	-	-	0%	Temporary laborer for summer season to to help out while operator is working as construction inspector. Operator's time will be charged to relevant project(s)
DEPT 0174 - WINTER ROADS										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	18,175	38,175	20,000	110%	18,175	23,175	5,000	28%	FY22 - Winter storms; unforeseen plowing and sanding; FY23 - matching FY22 budget
5204	Chemicals	56,400	81,400	25,000	44%	60,900	93,400	32,500	53%	Chemicals 30% increase in cost.
5214	Rents & Leases	15,000	35,000	20,000	133%	15,000	50,000	35,000	233%	FY22 - Grader rental and snow haulers; FY23 - Snow haulers

FUND 100 - GENERAL FUND										
DEPT 0175 - PARKS										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5202	Operating Supplies	32,000	40,000	8,000	25%	32,000	40,000	8,000	25%	Inflation
5210	Professional Services	90,000	170,000	80,000	89%	90,000	170,000	80,000	89%	Unexpected increases in contractor snow removal. Additional needs of contracting for restroom custodial services.
5215	Communications	-	1,000	1,000	100%	-	1,000	1,000	100%	New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge
5220	Refuse and Disposal	3,000	3,500	500	17%	3,000	3,500	500	17%	Increased costs
5231	Tools and Equipment	4,000	4,500	500	13%	4,000	4,500	500	13%	Increased costs
5252	Credit Card Expenses	7,400	8,150	750	10%	7,400	8,150	750	10%	Increased costs
DEPT 0176 - MOTOR POOL										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	2,194	2,794	600	27%	2,338	2,838	500	21%	Mechanics support equipment operators when there is a call out after hours.
5215	Communications	-	1,560	1,560	100%	-	1,620	1,620	100%	New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge
5603	Employee Training	3,500	5,000	1,500	43%	3,500	3,500	-	0%	CDL training for employee
DEPT 0177 - ENGINEERING INSPECTION										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5210	Professional Services	3,500	8,500	5,000	143%	3,500	8,500	5,000	143%	We need a modest budget for conceptual engineering & other technical information gathering to ascertain the viability of projects before committing full scale resources to the ideas.
5215	Communications	-	1,040	1,040	100%	-	1,080	1,080	100%	New city phones for key staff; FY22 increases include initial purchase and monthly service charge; FY23 includes new ongoing monthly service charge
5233	Computer Related Items	3,000	5,194	2,194	73%	3,000	3,000	-	0%	Purchase cameras and laptops to allow more people to participate in Zoom meetings as well as work remotely.

	<u>FY22</u>		<u>FY23</u>
	\$ 455,188	<b>Total Proposed Amendments</b>	\$ 485,547



FUND 200 - UTILITY FUND										
DEPT 0402 - WATER SYSTEM TESTING										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5202	Operating Supplies	5,900	6,608	708	12%	6,500	7,300	800	12%	Vendor price increases
5208	Equipment Maintenance	4,000	4,500	500	13%	4,500	5,050	550	12%	Vendor price increases
DEPT 0501 - SEWER PLANT OPERATIONS										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5204	Chemicals	55,000	66,000	11,000	20%	55,000	66,000	11,000	20%	Vendor price increases
5234	Record and Permits	8,075	9,000	925	11%	8,075	9,000	925	11%	Vendor price increases
DEPT 0502 - SEWER SYSTEM TESTING										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5202	Operating Supplies	5,500	6,160	660	12%	5,500	6,240	740	13%	Vendor price increases

	<u>FY22</u>		<u>FY23</u>
	\$ 13,793	Total Proposed Amendments	\$ 14,015

FUND 400 - PORT AND HARBOR ENTERPRISE FUND										
DEPT 0600 - ADMINISTRATION										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5213	Survey and Appraisal	5,000	33,000	28,000	560%	5,000	12,500	7,500	150%	Amend the budget to account for the upcoming cost of land appraisals. We had a long term relationship with Derry and Derry but when they retired we had to go out for proposals. We awarded the contract to North Pacific Advisors and because we have a backlog of properties to be appraised we are looking at a big catch up year, hence the large budget increase for 2022. This information was not available in June when we were setting up the new budget.
DEPT 0604 - DEEP WATER DOCK										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5627	Port Security	-	2,500	2,500	100%	-	2,500	2,500	100%	The Port is required to have a Facility Security Plan (FSP) by DHS and we must have it reviewed by a creditable outside source prior to our annual FSP audit by CG MSD. I recommend adding this annual expense to our Port Security line 0604-5627 for this expenditure.
DEPT 0606 - FISH GRINDER										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5235	Membership Dues	-	2,500	2,500	100%	-	2,500	2,500	100%	DEC has indicated that there will be an annual permit instead of the 5 year permit of the past. At this point we are estimating that the cost will be \$2,500 per year.
DEPT 0611 - HARBOR MAINTENANCE										
A/C NUMBER	EXPENSE DESCRIPTION	FY22 ADOPTED BUDGET	FY22 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	FY23 ADOPTED BUDGET	FY23 AMENDED BUDGET	PROPOSED AMENDMENTS \$	PROPOSED AMENDMENTS %	NOTES
5105	Overtime	1,923	3,000	1,077	56%	1,923	3,000	1,077	56%	Increasing budget line to \$3,000 total based on trends

<u>FY22</u>		<u>FY23</u>
\$ 34,077	Total Proposed Amendments	\$ 13,577