Proposed Amendments to Budget Ordinances

July 24, 2006

Goal

- The Budget Team (Tony DePrima, Terry Tieman, and Donna Mitchell) met on Wednesday, July 19, 2006.

- Their goal was to transfer an additional $281,000 to the Pension Fund by reducing budget expenses.

Goal

- Each fund (General, Water/Wastewater, and Electric) should pay their proportional share, if possible, based on the number of employees in the pension fund.

- Desired fund proportions:
  - General Fund – reduce by $141,000
  - Water/Wastewater Fund – reduce by $40,000
  - Electric Fund – reduce by $100,000

Our Priorities:

- Maintain Electric Reserve due to new contract and rates.
- Maintain the Water/Wastewater Capital Asset Reserve for brown water solutions.
- Maintain Electric CIP projects because paid through Electric Reserve.
- Maintain the Library Reserve.
- Minimize the impact on existing projects and programs.

The Assumption:

- If funds are available, the budget would be restored to the original budget as soon as possible.

The Decision Process – First Consideration

Evaluate changed conditions since budget approval.

1) Assistant Engineer resigned – saves $19,000 in General Fund and $12,000 in Water/Wastewater Fund.

2) An error was found – $69,324 for Police HVAC was double budgeted.

The Decision Process – Second Consideration

Delay hiring of new or vacant position.

1) Fill vacant Electric Engineer II position three months later – saves $21,000.
2) Fill vacant Electric Engineer I position six months later – saves $38,226.
3) Hire new Meter Tech I three months later – saves $21,000.
4) Hire new Account Clerk III three months later – saves $15,000.

The Decision Process – Third Consideration

Postpone Capital Expense items.

1) Reduce Water/Wastewater Meter Reading Technology Upgrade from $200,000 to $175,000 – saves $25,000.

2) Reduce Streets division dump truck expense from $88,000 to $17,000 – saves $61,000.

   The $17,000 will remain in the General Fund to restore the truck, if possible.

Proposed Amendments to Budget

	Options	General	Water/Wastewater	Electric
Goal	**$281,000**	**$141,000**	**$40,000**	**$100,000**
Salary	Assistant City Engineer - vacant three months	$19,000	$12,000	
	Electric Engineer II - delayed three months			$21,000
	Electric Engineer I - delayed six months			$38,226
	Meter Tech I - delayed six months			$21,000
	Account Clerk III - delayed three months	$2,880	$3,075	$9,045
Capital	Dump Truck - $88,000 reduce $61,000	$61,000		CIP paid through reserves
	Water/Wastewater Meter Reading Technology Upgrade		$25,000	
	Police HVAC duplication	$69,324		
Total	**$281,000**	**$152,204**	**$40,075**	**$89,271**