



FY 2022-23 Budget Work Session May 19, 2022

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Budget & Evaluation Division | Financial Services Department

WORK SESSION TOPICS

- Property Tax Relief Programs
- Cost of Additional Tax Decrease
- Potential Reductions for an Additional Tax Decrease
- Major Total Budget Drivers

PROPERTY TAX RELIEF



- Elderly or Disabled Exclusion
 - Excludes first \$25,000 or 50% of appraised value
 - Owner must be 65+ years old or permanently disabled
 - Cannot have previous year income exceeding \$31,900
- Disabled Veteran Exclusion
 - Excludes first \$45,000 of appraised value
 - No age or income limitation

PROPERTY TAX RELIEF



- Circuit Breaker Property Tax Deferment
 - Taxes limited to a percentage of qualifying owner's income
 - Owner must be 65+ years old or permanently disabled
 - Income does not exceed \$31,900 = taxes limited to 4% of owner's income
 - Income exceeds \$31,900, but less than 150% of income eligibility limit (\$47,850) = taxes limited to 5% of owner's income
 - Taxes over the limitation amount are deferred and remain a lien on the property
 - Last three years of deferred taxes (and interest) due after a disqualifying event (death of owner, transfer of property, failure to use property as owner's permanent residence)

ADDITIONAL TAX DECREASE



- Proposed property tax rate: 61.75 cents per \$100 of valuation
- 1 cent = \$1,275,482 in revenue
- Additional 2 cent decrease
 - 59.75 cent property tax rate
 - \$2,550,964 reduction in general fund revenues

ADDITIONAL TAX DECREASE



- Additional 2 cent decrease

	Amount
Assistant City Attorney (2) positions	\$228,238
Paralegal position	60,956
Battalion Fire Chief (2) positions	137,158
Reduce outside agency funding to FY 2021-22 level	87,722
General capital projects	1,422,000
Engine Replacement for Fire Department	751,400
	\$2,687,474

MAJOR TOTAL BUDGET DRIVERS



	Amount
<u>Personnel</u>	
2.5% COLA (approved in FY 2021-22)	\$2,484,000
Increase to \$15/hour (approved in FY 2021-22)	722,000
Average 3% mid-year merit pay adjustment	1,860,000
Increased benefits contributions (LGERS retirement, health plan, etc.)	4,456,000
New positions (11 full-time and 3 part-time)	1,203,000
<u>Operating</u>	
Fuel	\$3,800,000
Fleet charges for replacement vehicles/rolling stock	1,100,000
Utilities (electric, water/sewer, phone lines, natural gas, etc.)	709,000
Inflationary increases (supplies, chemicals, etc.)	833,000

MAJOR TOTAL BUDGET DRIVERS



	Amount
<u>Capital and Capital Outlay</u>	
Fire Apparatus (dive truck and engine replacement)	\$851,000
Additional fleet/rolling stock replacement	1,000,000
Restoration of general capital	2,547,000
Other fund capital (water/sewer, electric, solid waste, etc.)	6,910,000
<u>Other Expenses</u>	
Debt Service	\$1,101,000
Reimbursements	1,359,000
Interfund Transfers	11,594,000

NEXT STEPS



- Monday, May 23, 2022, 3-5 pm – Budget Work Session (if necessary)
- Monday, June 6, 2022, 5:30 pm – Budget Adoption at City Council meeting

QUESTIONS?