


## COUNCIL COMMUNICATION

	Number:	<b>22-100</b>	Meeting:	<b>March 7, 2022</b>
	Agenda Item:	<b>36 &amp; 37</b>	Roll Call:	<b>22-0327</b>
	Submitted by:	<b>Nickolas Schaul, Finance Director</b>		

### AGENDA HEADING:

Set Public Hearings, on March 21, 2021, for:

1. Adoption of the Capital Improvement Program (CIP) for fiscal year (FY) 2021-22 through FY 2025 26.
2. Amendment to the annual operating budget for the current FY ending June 30, 2022.
3. Adoption of the recommended annual budget for the FY ending June 30, 2023.

### SYNOPSIS:

Recommend approval of the set hearing for FY 2021-22 through FY 2025-26 CIP, amendment to the current year budget for FY 2021-22, and recommended annual budget for FY 2022-23. Budget documents were distributed to Council and posted on the City website February 1, 2022. A budget public meeting was conducted on December 15, 2021, and December 21, 2021, and budget presentations were made to the City Council at a work session on February 9, 2022.

### FISCAL IMPACT:

#### Amount:

- FY2021-22 Amended Budget = \$1,141,572,276 (including a \$300,736,281 capital budget)
- FY2022-23 Recommended Budget = \$ 1,022,748,596 (including a \$214,305,512 capital budget)

Funding Source: The total \$1,022,748,596 budget would be the appropriation authority across all City funds.

### ADDITIONAL INFORMATION:

- After the documents were distributed on February 1, 2022, and the Council Workshop on February 9, 2022, the Finance Department has been working on the following changes to the budget. The changes that have been made from the budget document distribution include corrective changes, which includes items overlooked during creation, errors made in data entry, or other coding discrepancies. Changes have no impact on the overall proposed tax levy.

- In addition to corrective changes, several additions to budget have been added since the distribution of the books. These changes are listed below in FY 2023 unless otherwise noted:
  - A commitment of \$9.5 million of possible ARPA for the Northside Community Center (Grubb YMCA replacement) that would free up LOSST funds through FY 2025. There is total funding of \$14.23 million with funding of \$4.5 million of LOSST and \$230,000 of G.O. Bonds issued.
  - Increase funding of \$2 million per year for Birdland Marina starting in FY 2024 from LOSST funds.
  - Park maintenance staff to start spring of 2022 funded by LOSST.
  - Park volunteer position to start January 2023 funded by LOSST.
  - Neighborhood associations grants funded by LOSST.
  - Increase of Public Art Contribution from \$100,000 to \$200,000 funded by G.O. Bonds.
  - Additional \$1,000,000 funding for Sidewalk Capital Projects from LOSST reserve funds.
  - Additional \$250,000 funding for Tree Care and Planting from LOSST funds.
  - Funding for planned 5-year review of neighborhood conditions, funding for and progress with InvestDSM neighborhoods indicates capacity to work in additional areas from LOSST funds.
  - Increase in employee wellness with Ethos Program.
- Also, there were changes to some of the funding for different programs/initiatives noted below:
  - CDBG funding (82/18 split) for the Property Improvement Program to free up LOSST funds.
  - Moving funding of about \$150,000 from the General Fund to LOSST funds for the Fire Departments Carcinogen Reduction Initiative that gets a second set of firefighter PPE to limit their exposure to carcinogens.
  - Moving Human Resources employee costs that relate to health cost to Health Fund.
- These changes are listed in Appendix A and will be incorporated into a final Adopted Budget document, which will be posted online after adoption of the budget.

**PREVIOUS COUNCIL ACTION(S):**

Date: February 7, 2022

Roll Call Number: [22-0193](#)

Action: [To](#) adopt a resolution establishing the total maximum property tax dollars certified for levy for the fiscal year ending June 30, 2023. Requires five affirmative votes. ([Council Communication No. 22-039](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Nays: Sheumaker.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Hold public hearing on March 21, 2021.
- Printed adopted budget documents will be created and distributed to City Council and staff after approval of a finalized budget by request.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).