

## 05-04-2022 Town Council Meeting Responses to Council Questions

### **ITEM #5: Presentation: Recommended Budget for FY 2022-23**

**Council Question:**

Recognizing that these are ballpark figures at this stage, could you share any available detail of what went into the estimated ARPA amounts - in other words what each bucket might be expected to cover?

**Staff Response:**

*Staff will provide additional information on each bucket at the May 11th work session as we seek Council's feedback to determine what projects to fund and how much to allocate to each Council priority.*

**Council Question:**

The slides with the draft ARPA estimates are very helpful. Could you please also include a slide by investment area that shows the amounts committed for excess fund balance plus draft ARPA estimates and FY23 budget investments so we can more readily evaluate the overall proposed investments in each area?

**Staff Response:**

	<b>FY 2021 Excess FB</b>	<b>FY 2023 Budget</b>	<b>ARPA Allocation</b>
Human Services Funding	\$ 0	\$ 573,825	\$ 1,000,000
Affordable Housing & Homelessness Initiatives	500,000	1,235,153	2,500,000
Parks & Recreation Capital	0	220,000	2,500,000
Bike/Ped/Greenway Infrastructure	250,000	125,000	1,000,000
Downtown Revitalization	0	100,000	1,000,000
Building Infrastructure/Maintenance	750,000	439,500	1,000,000
Digital Access / Community Project Funding	0	0	1,000,000
Climate Action	0	550,000	0
Vehicle Replacements	900,000	450,600	0
Fire Truck	750,000	0	0
Streets	600,000	568,515	0
Department Adds	250,000	200,000	0
<b>TOTAL</b>	<b>\$ 4,000,000</b>	<b>\$ 4,462,593</b>	<b>\$ 10,000,000</b>

## 05-04-2022 Town Council Meeting Responses to Council Questions

### **Council Question:**

What was the cause of needing to use fund balance for the Housing Fund? What unmet needs does the Housing Department have?

### **Staff Response:**

*Public Housing is one of the Town's four enterprise funds. The intent of an enterprise fund is for the cost of services to be covered primarily through user charges. For the Housing Fund, the user charges are the monthly tenant rents which are subsidized by federal revenues from the U.S. Department of Housing & Urban Development (HUD). The enterprise fund budget is determined by the amount of revenues generated from the rents and the Operating subsidies received from HUD. When those revenues are not sufficient to cover the necessary personnel and operating costs, we use fund balance to balance the fund. This is an extraordinary year for Housing personnel cost with the Council approved pay and compensation plan.*

*While revenues from HUD contributions and rental revenue are expected to increase for FY 2022-23, personnel increases are the driving force behind the need to appropriate fund balance in the Housing Fund for FY 2023. There are a number of factors leading to this increase. The FY 2023 budget absorbs the full year of the Phase 1 implementation of the Class & Comp that was approved in the current fiscal year. The budget also includes a 4/5% tiered pay increase effective July 1, 2022. Additionally, there was a 0.75% increase to retirement as well as a 2% health insurance increase.*

*Where allowed and as funds are available, unmet needs will be covered by the Capital Fund grant or potentially other Town funds allocated for affordable housing. Capital Funds will allow us to continue to make progress in the completion of tasks from the Public Housing Master Plan that were delayed due to COVID-19 and staffing shortages.*