



**A CONTINUED MEETING OF
THE CITY COUNCIL
July 22, 2024, 12:00 Noon
Library Community Room**

AGENDA

A. CALL TO ORDER

1. Overview of the 2024-2025 Preliminary Budget

Presented by: Katie Ebner, Finance Director/Treasurer

2. Council Discussion
3. Council discussion regarding setting a date for Motion to appoint to the Mayor position.

B. ADJOURNMENT

CITY OF COEUR D'ALENE

BUDGET WORKSHOP

JULY 22, 2024





PRESENTATION
FOCUS

Revenues

- Follow-up on property tax information
- Property tax comparisons

Expenditures

- History of unfunded personnel requests
- Updates to expenditures

Fund Balance

- History
- Projection without 3% increase

PROPERTY TAX COMPARISONS

PROPERTY
TAX
PROJECTIONS

Comparison - Residential Property 1 (3%)

25 - Proposal	Net Taxable Value	% Increase in Valuation	Non-Exempt Taxes Paid	% Increase in Annual Taxes Paid	Monthly Cost	4% Annual Cost	Cost if 0% Taken
2025 - Projection	\$ 393,240.00	-4.95%	\$ 905.10	-1.0%	\$ 75.43	\$ 913.82	\$ 878.96
2024	413,720	-4.65%	915	-1.5%	76.21		
2023	433,908	54.84%	929	-4.8%	77.40		
2022	280,227	23.04%	976	9.2%	81.34		
2021	227,760	114.92%	894	95.7%	74.52		
2020	105,973	15.84%	457	4.1%	38.07		
2019	91,480	13.38%	439	2.3%	36.57		
2018	80,685		429		35.73		

Change in Monthly Cost if 0% taken 2.97 Savings
 Change in Monthly Cost if 3% taken 0.79 Savings
 Change in Monthly Cost if 4% taken 0.06 Savings

PROPERTY
TAX
PROJECTIONS

Comparison - Residential Property 2 (3%)

125 - Proposal	Net Taxable Value	% Increase in Valuation	Non-Exempt Taxes Paid	% Increase in Annual Taxes Paid	Monthly Cost	4% Annual Cost	Cost if 0% Taken
2025 - Projection	\$ 1,020,336.00	-0.2%	\$ 2,348.46	3.9%	\$ 195.71	\$2,371.07	\$2,280.63
2024	1,022,123	50.3%	2,260	55.2%	188.29		
2023	680,260	22.2%	1,456	-24.9%	121.34		
2022	556,701	-2.8%	1,939	-13.8%	161.58		
2021	572,715	28.5%	2,248	17.0%	187.37		
2020	445,642	10.9%	1,921	-0.4%	160.11		
2019	401,993	5.4%	1,928	-4.9%	160.69		
2018	381,358		2,027		168.89		

Change in **Monthly** Cost if 0% taken 1.76 Savings
 Change in **Monthly** Cost if 3% taken (7.41) Cost
 Change in **Monthly** Cost if 4% taken (9.30) Cost

PROPERTY
TAX
PROJECTIONS

Comparison - Residential Property 3 (3%)

25 - Proposal	Net Taxable Value	% Increase in Valuation	Non-Exempt Taxes Paid	% Increase in Annual Taxes Paid	Monthly Cost	4% Annual Cost	Cost if 0% Taken
2025 - Projection	\$ 353,358.00	-8.1%	\$ 813.31	-4.3%	\$ 67.78	\$ 821.14	\$ 789.82
2024	384,614	-12.2%	850	-9.4%	70.85		
2023	438,296	90.9%	938	17.3%	78.18		
2022	229,585	7.5%	800	-4.6%	66.64		
2021	213,496	9.2%	838	-0.6%	69.85		
2020	195,490	13.3%	843	1.8%	70.24		
2019	172,524	23.0%	828	11.0%	68.96		
2018	140,241		745		62.11		

Change in **Monthly** Cost if 0% taken 5.03 Savings
 Change in **Monthly** Cost if 3% taken 3.08 Savings
 Change in **Monthly** Cost if 4% taken 2.42 Savings

PROPERTY TAX PROJECTIONS

Comparison - Rental Property

125 - Proposal	Net Taxable Value	% Increase in Valuation	Non-Exempt Taxes Paid	% Increase in Annual Taxes Paid	Monthly Cost - 3% Taken	4% Annual Cost	Cost if 0% Taken
2025 - Projection	961,425	-0.13%	2,213	3.99%	184.41	2,234.17	\$2,148.96
2024	962,644	13.71%	2,128	17.4%	177.34		
2023	846,573	34.04%	1,812	-17.6%	151.00		
2022	631,599	12.33%	2,200	-0.3%	183.32		
2021	562,292	8.56%	2,208	-1.1%	183.96		
2020	517,949	6.66%	2,233	-4.1%	186.09		
2019	485,593	6.39%	2,329	-4.0%	194.11		
2018	456,410		2,426		202.13		

Change in **Monthly** Cost if 0% taken (1.74) Cost

Change in **Monthly** Cost if 3% taken (7.07) Cost

Change in **Monthly** Cost if 4% taken (8.85) Cost

PROPERTY
TAX
PROJECTIONS

Comparison - Commercial Property 1 (3%)

2025 - Proposal	Net Taxable Value	% Increase in Valuation	Non-Exempt Taxes Paid	% Increase in Annual Taxes Paid	4% Annual Cost	Cost if 0% Taken
2025 - Projection	\$ 1,862,436.00	-0.1%	\$ 4,286.69	4.0%	\$ 4,327.96	\$ 4,162.88
2024	1,864,446	40.8%	4,122	45.4%		
2023	1,324,451	25.6%	2,835	-22.8%		
2022	1,054,360	1.4%	3,672	-10.0%		
2021	1,039,475	-0.8%	4,081	-9.7%		
2020	1,047,692	8.3%	4,517	-2.6%		
2019	967,030	10.5%	4,639	-0.2%		
2018	874,851		4,649			

Change per **year** if 0% taken (41.31) Cost
 Change per **year** if 3% taken (165.12) Cost
 Change per **year** if 4% taken (206.39) Cost

PROPERTY
TAX
PROJECTIONS

Comparison - Commercial Property 2 (3%)

2025 - Proposal	Net Taxable Value	% Increase in Valuation	Non-Exempt Taxes Paid	% Increase in Annual Taxes Paid	4% Annual Cost	Cost if 0% Taken
2025 - Projection	\$ 2,220,709.00	0.0%	\$ 5,111.31	4.1%	\$ 5,160.52	\$ 4,963.68
2024	2,220,801	16.3%	4,909	20.1%		
2023	1,909,655	40.6%	4,088	-13.6%		
2022	1,358,342	0.0%	4,731	-11.3%		
2021	1,358,704	1.5%	5,334	-7.6%		
2020	1,339,243	2.7%	5,774	-7.7%		
2019	1,304,011	8.4%	6,255	-2.1%		
2018	1,202,417		6,390			

Change per **year** if 0% taken (54.36) Cost
 Change per **year** if 3% taken (201.98) Cost
 Change per **year** if 4% taken (251.19) Cost

PROPERTY
TAX
PROJECTIONS

Comparison - Commercial Property 3 (3%)

2025 - Proposal	Net Taxable Value	% Increase in Valuation	Non-Exempt Taxes Paid	% Increase in Annual Taxes Paid	4% Annual Cost	Cost if 0% Taken
2025 - Projection	\$ 21,447,059.00	0.1%	\$ 49,363.75	4.2%	\$49,838.99	\$47,938.03
2024	21,420,363.00	24.7%	\$ 47,352.09	28.8%		
2023	17,174,459.00	33.2%	\$ 36,761.17	-18.1%		
2022	12,890,071.00	0.4%	\$ 44,895.89	-11.0%		
2021	12,844,062.00	-0.4%	\$ 50,425.98	-9.3%		
2020	12,901,242.00	15.4%	\$ 55,623.11	3.7%		
2019	11,178,734.00	6.9%	\$ 53,622.27	-3.5%		
2018	10,452,378.00		\$ 55,548.91			

Change per **year** if 0% taken \$ (585.94) Cost
 Change per **year** if 3% taken (2,011.66) Cost
 Change per **year** if 4% taken \$ (2,486.90) Cost

HISTORY OF UNFUNDED PERSONNEL REQUESTS

HISTORY OF
UNFUNDED
PERSONNEL
REQUESTS

Dept	FY22-FY24 FTE Budget Request	FY22-FY24 Funded
Admin	1.00	0.00
Bld Maint	-2.06	-2.06
Fire	4.00	4.00
Legal	1.00	0.00
Municipal Svc	1.00	0.00
Parks	1.81	-0.19
Police	6.00	3.00
Streets	5.87	2.87
Grand Total	18.62	7.62

*These are positions included in the budget, but some are currently on hold.

HISTORY OF UNFUNDED PERSONNEL REQUESTS

Interactive table will be linked here to dig into detailed changes in each dept.

BUDGETED
POSITIONS
CURRENTLY
HELD

Job title	Dept	Approved FTE Held	Cost with Benefits
IT Technician	Municipal Svc	1.00	\$ 91,978
Heavy Equip Operator	Streets	1.00	87,675
Maintenance	Parks	1.00	94,461
Department Support	Parks	1.00	82,809
Recreation Specialist	Recreation	1.00	92,478
Total Savings		5.00	449,401

- Savings in FY24
- Some savings possible in FY25



UNFILLED
POSITIONS
AND
TURNOVER

Historically, the city has experienced significant savings in staffing for two primary reasons:

1. **Unfilled Positions:** Due to a limited number of applicants positions.
2. **Holding Positions:** Not allowing directors to fill a vacant position.
3. **Staff Turnover:** Experienced staff leaving and being replaced by less experienced, lower-cost staff.

These factors have consistently contributed to savings over the years. However, recent changes to the labor market:

1. **Competitive Lateral Hires:** The city is now hiring experienced staff from other organizations to remain competitive. This approach helps us find needed staff but eliminates the potential for savings.
2. **Decrease in Holding Positions:** Departments are feeling the pressure to fill these positions.

UPDATES TO EXPENDITURES

UPDATES TO EXPENDITURES

Revenues

General Fund Revenues

FY25 Projected Revenues		\$ 56,521,863
Less: Onetime Revenues		
ARPA Funds - Police Expansion	(2,798,978)	
Impact Fees - Police Expansion	<u>(478,000)</u>	<u>(3,276,978)</u>

Total Ongoing Revenues **\$ 53,244,885**

Expenditures

General Fund Expenditures

FY25 Proposed Expenditures		\$ 60,640,030
New Cost - Placeholder for Fire Dept wage increase proposed by city		\$ 300,000
New Cost - Insurance increase is expected to be 7%, not 3%		\$ 175,000
Less: Onetime Expenditures		
Police expansion	(4,440,978)	
Opioid expenditures funded from	(248,628)	
Streets overlay Project	<u>(500,000)</u>	<u>(5,189,606)</u>

Total Ongoing Expenditures **\$ 55,925,424**

Ongoing deficit in general fund **\$ (2,680,539)**

Assumptions for this calculation:

Revenues include a 3% property tax increase.

Expenditures include budget requests from directors prior to administration recommended cuts.

SCENARIO: 0%
INCREASE TO
PROPERTY TAX

Revenues

General Fund Revenues

FY25 Projected Revenues		\$ 55,724,566
Less: Onetime Revenues		
ARPA Funds - Police Expansion	(2,798,978)	
Impact Fees - Police Expansion	(478,000)	(3,276,978)

Total Ongoing Revenues **\$ 52,447,588**

Expenditures

General Fund Expenditures

FY25 Proposed Expenditures		\$ 60,640,030
New Cost - Placeholder for Fire Dept wage increase proposed by city		\$ 300,000
New Cost - Insurance increase is expected to be 7%, not 3%		\$ 175,000
Less: Onetime Expenditures		
Police expansion	(4,440,978)	
Opioid expenditures funded from	(248,628)	
Streets overlay Project	(500,000)	(5,189,606)

Total Ongoing Expenditures **\$ 55,925,424**

Ongoing deficit in general fund **\$ (3,477,836)**

Scenario with a 0% Tax Increase

FUND BALANCE

ASSUMPTIONS USED FOR FUND BALANCE PROJECTIONS

Base Costs

Ongoing Revenues with no Increase at FY26	\$	53,244,885
Ongoing Expenditures at FY25	\$	55,925,424

Annual Adjustments (cumulative for years after FY26)

Estimated annual increase from state and new construction	\$	950,000
Estimated annual increase in personnel costs	\$	1,019,351
Estimated 0.5% in Non-personnel Costs	\$	101,000

PROJECTION
WITH NO TAX
INCREASE

Projection Model for Tax increases after FY25: 0%

Includes
recommended
3% in FY25

	FY25	FY26	FY27	FY28	FY29
Beginning Balance	\$ 13,778,766	\$ 9,660,599	\$ 6,645,594	\$ 6,357,364	\$ 5,069,134
Projected Revenues	56,521,863	54,194,885	55,144,885	56,094,885	57,044,885
Added Revenue	-	-	-	-	-
Projected Expendiures	61,115,030	57,045,775	58,166,126	59,286,477	60,406,828
Deficit	(4,593,167)	(2,850,890)	(3,021,241)	(3,191,592)	(3,361,943)
Ending Balance	9,185,599	6,809,709	3,624,353	3,165,772	1,707,191
	15%	12%	6%	5%	3%

PROJECTION
WITH NO TAX
INCREASE

Projection in NO tax increase is taken in FY25

	FY25	FY26	FY27	FY28	FY29
Beginning Balance	\$ 13,778,766	\$ 9,660,599	\$ 6,645,594	\$ 6,357,364	\$ 5,069,134
Projected Revenues	55,621,863	53,294,885	54,244,885	55,194,885	56,144,885
Projected Expendiures	61,115,030	57,045,775	58,166,126	59,286,477	60,406,828
Deficit	(5,493,167)	(3,750,890)	(3,921,241)	(4,091,592)	(4,261,943)
Ending Balance	8,285,599 13.6%	5,909,709 10.4%	2,724,353 4.7%	2,265,772 3.8%	807,191 1.3%

Includes 0%
increase in FY25
and thereafter

3% INCREASE
TAKEN EACH
YEAR

Projection Model for Tax increases after FY25: 3%

	FY25	FY26	FY27	FY28	FY29
Beginning Balance	\$ 13,778,766	\$ 9,660,599	\$ 6,645,594	\$ 6,357,364	\$ 5,069,134
Projected Revenues	56,521,863	54,194,885	55,973,046	57,776,053	59,604,649
Added Revenue for % Tax Increase	-	828,161	853,006	878,596	904,954
Projected Expendiures	61,115,030	57,045,775	58,166,126	59,286,477	60,406,828
Deficit	(4,593,167)	(2,022,729)	(1,340,073)	(631,828)	102,775
Ending Balance	9,185,599 15.0%	7,637,870 13.4%	5,305,521 9.1%	5,725,536 9.7%	5,171,909 8.6%

4% INCREASE
TAKEN EACH
YEAR

Projection Model for Tax increases after FY25: 4%

	FY25	FY26	FY27	FY28	FY29
Beginning Balance	\$ 13,778,766	\$ 9,660,599	\$ 6,645,594	\$ 6,357,364	\$ 5,069,134
Projected Revenues	56,521,863	54,194,885	56,249,100	58,347,484	60,491,803
Added Revenue for % Tax Increase	-	1,104,215	1,148,384	1,194,319	1,242,092
Projected Expendiures	61,115,030	57,045,775	58,166,126	59,286,477	60,406,828
Deficit	(4,593,167)	(1,746,675)	(768,642)	255,326	1,327,067
Ending Balance	9,185,599	7,913,924	5,876,952	6,612,690	6,396,201
	15.0%	13.9%	10.1%	11.2%	10.6%

COUNCIL Q&A / DISCUSSION

