



June 18, 2022

Honorable Mayor and City Council Members,

The Preliminary 2022-23 Budget responds to the challenges facing the City in recovering from the adverse economic and fiscal circumstances resulting from Covid-19 as well as new challenges resulting from mixed economic messages from inflationary pressures and possible recession. However, while these impacts are uncertain, the Budget assumes continued recovery. Moreover, the City enters into these difficult times with unique strengths compared with many other cities in California.

Given these challenges and uncertainties, the Budget is based on the following key principles:

- Is fiscally responsible and balanced in meeting the significant challenges ahead of us in recovering from the adverse fiscal impacts of Covid-19 and new economic and fiscal challenges.
- Preserves essential services, recognizing that delivery methods may change. This includes day-to-day operating services as well as adequately maintaining existing infrastructure and facilities.
- Reflects Council goal-setting from the April 2, 2022 workshop, consistent with the fiscal constraints facing us and remaining nimble with changing circumstances, opportunities and realities.

ECONOMIC AND FISCAL CHALLENGES AHEAD

Last year, the public health crisis presented by Covid-19, and its adverse impact on the economy, was the major fiscal threat facing the City. At this point, the public health crisis appears to be waning and revenue trends reflect continued recovery.

Budget Purpose

The City of Wasco's annual budget is a guidebook for achieving the goals for the year set by the Council during an annual strategic planning process. Its primary purpose is to link goals with the resources needed to achieve them. The Budget serves as a:

- **Policy document** setting forth goals and objectives to be accomplished and articulates fundamental principles upon which budget is prepared.
- **Fiscal plan** identifying and appropriating public resources.
- **Operations guide** describing basic organizational units and activities of the city.
- **Communications tool** providing the community with a blueprint of how public resources are being used.

Table 1 shows trends in average daily Covid-19 cases since March 2020 through June 2022. With the wide availability of vaccines, it appears that the public health crisis in California and Kern County is abating. (The trends for Kern County and the State track closely together.)

While cases have fluctuated significantly over the past two-plus years, as of June 2022, cases are far below their peak in the Winters of 2020 and 2021.

Moreover, as reflected Table 2, the severity of Covid-19 public health impacts has dropped significantly, where deaths per 100,000 population are effectively zero as of June 2022.

In short, with these improving trends, public health restrictions have been curtailed, and economic activity is beginning to return to pre-crisis levels.

But New Economic Challenges Surface

While Covid-19 impacts may be behind us, new economic challenges have surfaced in its wake, with mixed economic signals.

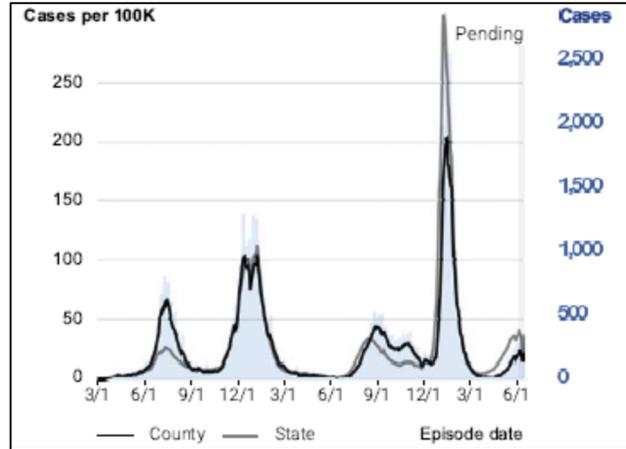
Rising inflation. Current trends are at the highest levels in forty years. As recovery continues, there is now high demand for limited supplies: supply chain shortages persist; and gasoline prices have surged with limited supplies, influenced by domestic policies and the war in Ukraine. This has also contributed to increasing interest rates.

Initially believed to be short-term by many leading economists, it now appears there may be longer-term impacts.

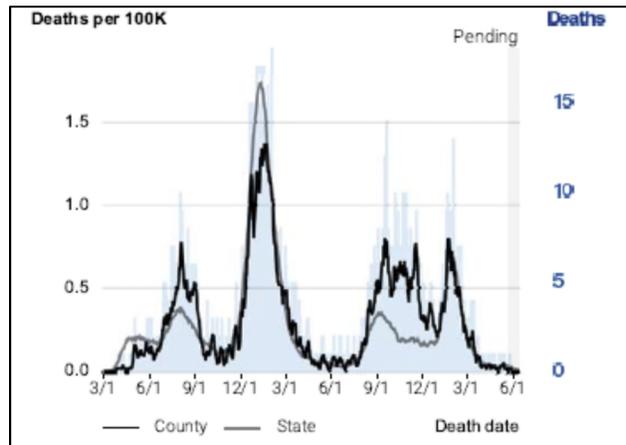
But there are notable strengths. While interest rates are rising, they are still low by historical standards, and the housing market remains strong for now.

Moreover, employment trends are also favorable. Nationally, unemployment rates continued at 3.6% for the third straight month, with 500,000 jobs created in April 2022 and 390,000 in May 2022. This is the 17th straight monthly gain. The unemployment rate was 3.6% for the third straight month, a touch away from a half-century low.

**Table 1
Average Daily Cases: Kern County and State**



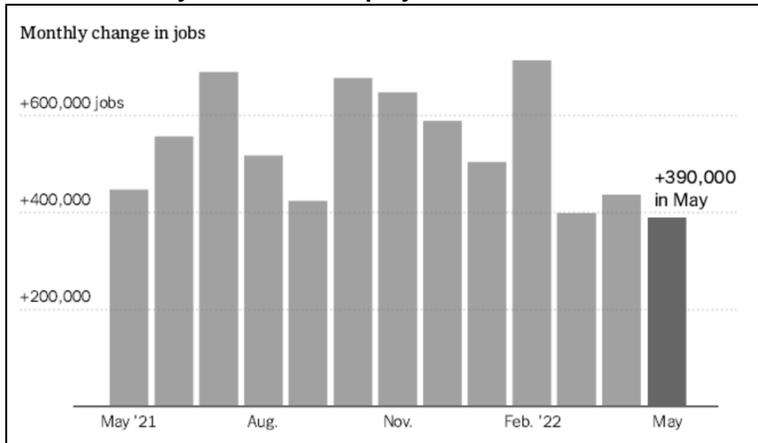
**Table 2
Deaths Per 100,000: Kern County and State
March 2020 to June 2022**



Source: State of California

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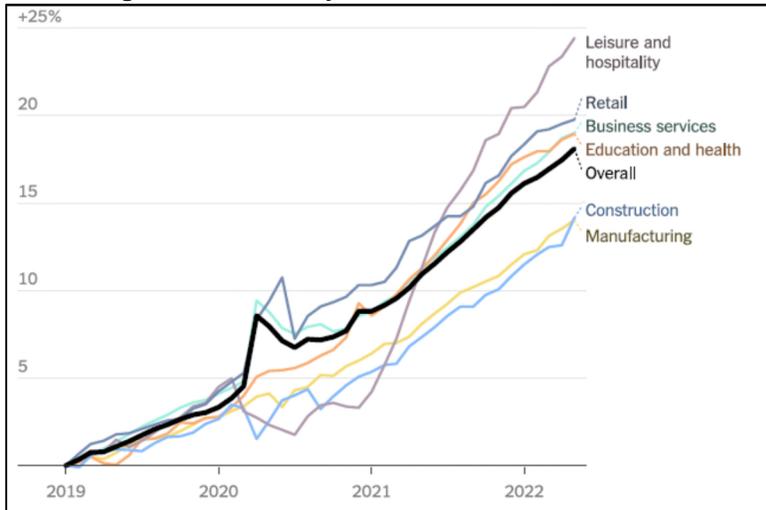
Table 3. Monthly Increase in Employment: Last 13 Months



Source: U.S. Bureau of Labor Statistics

Average hourly earnings are also on the rise, increasing by 5.2% from a year ago, with gains in virtually all industries from 2019.

Table 4. Percent Change in Average Hourly Earnings for Non-managers Since January 2019



Source: U.S. Bureau of Labor Statistics

What the experts say. In its recent California economic outlook (June 1, 2022), the highly regarded UCLA Anderson School of Management forecast concluded: “We expect the depth of this economic slowdown and the highest risk of recession to occur in the middle of 2023, although we still think a recession is unlikely at this time.” It also noted that supply chain disruptions are affecting consumers, business and agriculture; and that higher energy prices because of the Russian invasion of Ukraine add “additional headwinds to the state’s economic growth.”

General Fund revenue projections reflect this outlook. However, along with inflation and possible recession as the Federal Reserve raises interest rates, also looming are the potential impacts of: drought on the local agricultural economy; and prison closures both in terms regional employment and criminal justice/public safety costs associated with release and reduced sentences of incarcerated inmates.

Challenges Ahead but Begin with Key Strengths

As discussed above, while the City is facing significant fiscal challenges, it does so with significant strengths:

- **“Clean” (unqualified) audited financial statements.** The City has a long history of receiving clean audits.
- **No unfunded retiree health care obligations.** This is a significant fiscal-health factor for the City. To put the potential impact of unfunded retiree health costs in perspective compared with other agencies, for the State of California, its unfunded retiree health care liabilities are larger than its unfunded pension obligations.
- **No General Fund debt obligations.** The City begins 2022-23 with no General Fund debt service obligations.
- **Strong General Fund reserves.** The unassigned General Fund balance is projected to end 2022-23 with 70% of operating expenditures, compared with the City’s minimum policy target of 35%. (Note that \$9.3 million continues to be “assigned” for the Labor Housing Complex project. As noted below, the California High-Speed Rail Authority has committed to fund this cost if the City is not successful in attaining Grants to cover any specific phase of the demolition. However, the agreement has not been signed yet; and until that occurs, it is prudent to keep the assignment.)
- **Clear budget and fiscal policies.** These provide the City with an essential foundation for effective financial decision-making and in protecting the City’s fiscal health, in both the short and long-term. Included in the Budget document, they cover a broad range of areas, including budget purpose and organization; revenue management; minimum fund balance and reserves; financial reporting and budget administration; and capital financing and debt management.
- **Long-standing tradition of responsible financial management and prudent stewardship of community assets.** This core value will serve the City well in meeting the challenges ahead in a fiscally responsible way that preserves essential services.

Two Key Bright Spots

Despite the uncertainties ahead, there are three significant bright spots for 2022-23:

- **Labor Housing Complex Project.** This has an estimated cost of \$9.3 million. While the City has an obligation to seek-out other grant opportunities, the High-Speed Rail Authority has committed to funding this cost if the City is not successful attaining Grants to cover these costs.
- **SWRCB Grant Rather Than Loan for Key Water CIP Projects.** The State Water Resources Control Board (SWRCB) has committed to funding \$25.3 million in critically-needed water CIP projects as a grant rather than low-interest loan. This will have a significant positive impact in mitigating water rate increases and preserve funds for other purposes.

- **American Rescue Plan Act ARPA.** The City is estimated to receive the second and final tranche totaling \$3.4 million. These funds can be used for Water, Sewer Infrastructure and One-Time Essential Premium Payment.
 - From a policy perspective the Fiscal Recovery Funds are intended to:
 - Support urgent COVID-19 response efforts to continue to decrease spread of the virus and bring the pandemic under control;
 - Replace lost revenue for eligible state, local, territorial, and Tribal governments to strengthen support for vital public services and help retain jobs;
 - Support immediate economic stabilization for households and businesses;
 - Address systemic public health and economic challenges that have contributed to the unequal impact of the pandemic.
 - From an operational standpoint, funds may be used:
 - To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;
 - To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
 - For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency;
 - To make necessary investments in water, sewer, or broadband infrastructure.
 - The current regulations from the U.S. Treasury permits the funds to be used to cover costs incurred beginning on March 3, 2021. All funds must be obligated to their specific use by December 31, 2024 and fully expended by December 31, 2026.

COUNCIL BUDGET REVIEW

The following summarizes the Council budget review process, with adoption scheduled for June 27, 2022.

Council Budget Review Process

Date	Purpose
March 1	Mid-Year Budget Review
April 2	Strategic Planning Workshop: Council goal-setting
June 20	Budget Workshop #1
June 21	Budget Workshop #1 Recap
June 22	Budget Workshop #2
June 27	Adopt Annual Operating Budget Adopt Capital Improvement Program Adoption of Appropriations Limit

ALIGNMENT WITH COUNCIL GOALS

As reflected above, the Budget process began with Council goal-setting in on April 2, 2022. The workshop began with an assessment of departmental strengths, weakness, opportunities and threats; 2021-22 accomplishments; overview of ongoing and new projects; and department priorities for 2022-23. The Council then set goals for 2022-23 organized into six major themes:

- Enhance financial stability and sustainability
- Enhance and modernize City facilities
- Improve and maintain the City's infrastructure
- Implement strategic economic development
- Enhance employee development and retention
- Define and prioritize community building initiatives

The commitment to these goals is reflected throughout the Budget, most notably in the Capital Improvement Program (CIP) in addressing sustainable infrastructure. However, the operating programs also address these issues, as outlined in the objectives and significant operating cost changes in each of Departments/Divisions.

BUDGET AND FISCAL POLICIES

As noted above, budget and fiscal policies provide an essential foundation for effective financial decision-making and in protecting the City's fiscal health, in both the short and long-term. They are the City's "north star" in guiding the preparation and implementation of budgets and financial plans. They help make tough decisions easier by stating our organizational values before they are placed under stress by adverse circumstances. The City may choose to do something different – effective policies are guides, not straightjackets – but they are a powerful starting point: but for "this," the City should do what?

They are both preventative and curative: clearly articulated policies help prevent problems from arising in the good times; and help respond to bad times when they do occur. They also help provide financial management continuity as elected officials and staff change. Lastly, they are most powerful when it put in place before the need for them arrives.

Stated simply, articulating and then following prudent fiscal policies is the most effective and proven way for the City to ensure its long-term fiscal health and its ability to consistently deliver quality services to it residents.

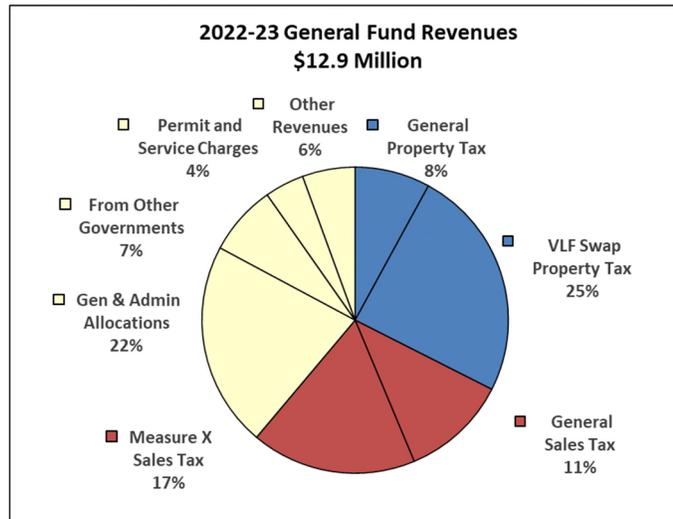
FINANCIAL HIGHLIGHTS

General Fund Revenues

The forecast generally assumes continued recovery in all key General Fund revenues.

Sources used in developing General Fund revenue projections include:

- Long and short-term trends in key City revenues and expenditures.
- Economic trends as reported in the national media.
- State and regional economic forecasts prepared by the University of California, Los Angeles; California Economic Forecast; and Beacon Economics.
- Economic and fiscal information developed by the State Legislative Analyst’s Office (LAO), State Department of Finance and State Controller.
- Fiscal and legislative analysis by the League of California Cities.
- Analysis by the City’s sales tax advisor (HdL).



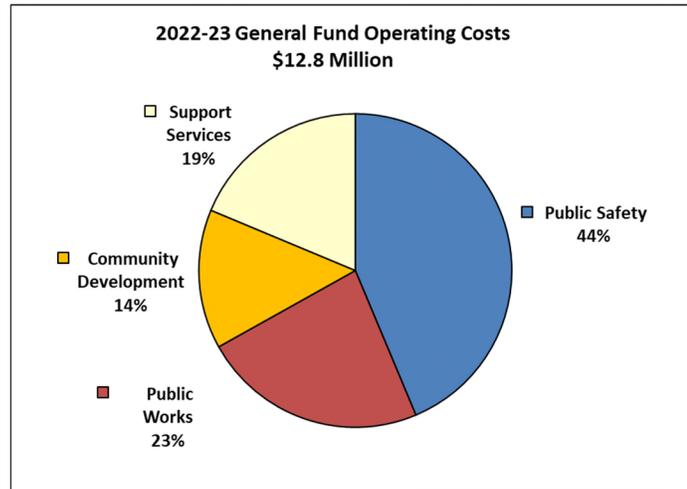
Ultimately, the General Fund revenue projections reflect our best judgment about the performance of the local economy and how that will affect General Fund revenues.

Top Four Revenues. The following describes the assumptions for the General Fund’s top four revenues, which account for over 60% of total revenues: general property taxes, VLF swap property taxes, general sales tax and Measure X sales tax.

- **General and VLF swap property tax.** These revenue sources are driven by changes in assessed value. Both are projected to grow strongly in 2022-23 from 2021-22 estimates: general property tax by 16% and VLF swap property tax by 9%.
- **General sales tax.** This is based on 2022-23 projections by the City’s sales tax advisor (HdL), reflecting a 7% increase from 2021-22 estimates.
- **Measure X sales tax.** The 2022-23 projections were also developed by the City’s sales tax advisor (HdL) and reflect an increase of 6% from 2021-22 estimates.

General Fund Operating Costs

Except for limited circumstances where new funding is required in preserving essential services, departments have “held the line” in their requests, with budgets in some cases at current levels or lower. A summary of significant operating cost changes – both up and down – follows the Budget Message for the General Fund as well as other funds.



The most significant of these are “freezing” vacant positions for cost savings and new position requests:

“Freezing” Vacant Positions. There are currently nine vacant positions. Of these, only one is recommended to remain vacant: Senior Planner in Community Development. This will result in \$107,200 in General Fund savings.

Requested New Positions. To support the priorities and initiatives identified by Council, seven added regular positions are proposed in delivering essential City services:

Position	Division	Fund					Total
		General	Wastewtr	Water	Sanitation	Transit	
Staff Accountant	Finance	19,500	19,500	19,500	19,500		78,000
Administrative Assistant	Code Enforcement	71,600					71,600
Facilities Maint Tech*	Facilities	74,400					74,400
Human Res Analyst	Human Resources	77,500					77,500
Transit Driver (Part-Time)	Transit					45,000	45,000
Mechanic I*	Fleet	77,500					77,500
Street Maint Worker I	Streets	75,800					75,800
Total		396,300	19,500	19,500	19,500	45,000	499,800

* Cost attributable to other funds will be reimbursed via transfers based on Cost Allocation Plan.

CIP Support. \$500,000 is requested for professional engineering services in supporting an aggressive CIP, which is alignment with the Council’s goal of improving and maintaining the City’s infrastructure. Most importantly, these funds are to employ two consultant engineers to manage five High Speed Rail street projects totaling \$6.3 million.

Capital Improvement Program (CIP)

The City prepares a separate, comprehensive five-year CIP document that provides the following information for each project.

- Project description
- Justification
- Graphic of the project or its location
- Goal and policy links
- Project cost by phase: study, design, environmental review, acquisition, construction, construction management
- Project funding source(s)

The CIP also provides a summary of all projects by type and funding source, which is provided in CIP section of the Budget. The first year of the CIP is adopted with the operating budget.

Ambitious program for improvements. In alignment with the Council’s high-priority goals for 2022-23 for improving and maintaining infrastructure, the CIP presents an ambitious program of improvements for 2022-23 and next the four years, summarized by funding source and category as follows:

CIP Summary By Funding Source

CIP SUMMARY BY FUNDING SOURCE AND CATEGORY BY YEAR								
Funding Sources	Project Total	Costs Incurred to Date	Prior Years CarryForward	2022-23	2023-24	2024-25	2025-26	2026-27
Capital Outlay Fund								
General Fund	11,064,650	117,166	1,056,834	560,650	870,000	2,000,000	6,460,000	-
General Fund Measure X	11,589,286	177,777	1,561,509	830,000	1,495,000	6,775,000	375,000	375,000
Grants	26,402,275	74,978	11,018,999	10,934,322	3,598,976	775,000	-	-
Gas Tax/TDA/SB 1	6,216,831	5,664	1,751,167	785,000	1,254,000	886,000	785,000	750,000
Community Development Block Grant	714,794	-	714,794	-	-	-	-	-
Park Impact Fee Fund	773,313	136,443	-	356,443	280,427	-	-	-
Traffic Impact Fee Fund	500,563	198,538	302,025	-	-	-	-	-
Enterprise Funds								
Wastewater	1,742,550	83,485	366,068	777,446	165,550	350,000	-	-
Water	38,984,000	15,501	2,107,500	3,174,500	14,643,300	7,426,300	11,616,900	-
Sanitation	3,642,650	6,250	781,250	468,500	1,556,650	415,000	415,000	-
CNG Station	195,000	-	-	-	195,000	-	-	-
Transit	772,000	-	-	772,000	-	-	-	-
TOTAL	\$ 102,597,911	\$ 815,801	\$19,660,146	\$18,658,861	\$24,058,903	\$18,627,300	\$19,651,900	\$1,125,000

CIP Summary By Category

CIP Projects By Category								
Category	Project Total	Costs Incurred to Date	Prior Years CarryForward	2022-23	2023-24	2024-25	2025-26	2026-27
City Buildings and Facilities	19,141,650	79,472	1,278,528	1,263,650	1,660,000	8,400,000	6,460,000	-
Park Improvements	3,623,313	141,233	790,210	2,411,443	280,427	-	-	-
Streets & Transportation	36,103,248	508,610	14,546,840	10,628,822	6,097,976	2,036,000	1,160,000	1,125,000
Wastewater System	1,409,050	77,235	298,318	517,946	165,550	350,000	-	-
Water System	38,544,500	9,251	2,033,750	2,815,000	14,643,300	7,426,300	11,616,900	-
Sanitation System	2,809,150	-	712,500	250,000	1,016,650	415,000	415,000	-
CNG Station	195,000	-	-	-	195,000	-	-	-
Transit	772,000	-	-	772,000	-	-	-	-
TOTAL	\$ 102,597,911	815,801	19,660,146	\$ 18,658,861	\$ 24,058,903	\$ 18,627,300	\$ 19,651,900	\$ 1,125,000

Enterprise Funds

As the Council is aware, the City's three major enterprise funds – wastewater, water and sanitation – are facing major fiscal challenges in aligning revenues with needed operating and capital costs in delivering these essential services. Each will face rate increases during 2022-23:

- **Wastewater.** Council consideration of a comprehensive review of wastewater costs, revenues and related rate requirements is scheduled for July 2022.
- **Water.** Council consideration of a comprehensive review of water costs, revenues and related rate requirements is scheduled for June 2022.
- **Sanitation.** The Council has already reviewed a comprehensive analysis of sanitation revenue requirements and approved rate increases. In accordance with Proposition 218 notice requirements, is scheduled for July 2022 but since a final agreement with American Refuse has not been reached, the City is freezing the rates until the agreement is in place and curb-side recycling service can begin. The agreement will be brought before the Council later this year.

Revenues in the Preliminary Budget are based on current rates.

SUMMARY

The preparation of the Annual Operating Budget and the CIP was truly a collaborative effort. I am proud of this achievement and the effort from the Finance Director and Department, each of the Department Heads and their staff. Special recognition goes to our employees for continuing to work hard and serve the citizens of our community with a high level of public service, despite challenging circumstances.

While there are significant challenges ahead, we believe the Budget navigates them in a prudent and fiscally responsible manner.

Lastly, it is through the support of the City Council that staff is able to advance quality service, innovation, and leadership in the community; that support is greatly appreciated. Thank You.

Respectfully,

M. Scott Hurlbert
City Manager

SIGNIFICANT OPERATING BUDGET CHANGES		Increase (Decrease)
City Council		
<i>Increase</i>		
Professional Services - Election Services (\$5,500 to \$8,000)		2,500
Unfunded Retirement Liability (\$2,000 to \$4,971)		2,971
Health Ins. (\$39,900 to \$45,000)		5,100
City Manager		
<i>Increase</i>		
Computer Software (\$1,500 to \$5,750)		4,250
Unfunded Retirement Liability(\$56,133 to \$62,745)		6,612
Retirement (\$27,984 to \$36,836)		8,852
Salary - Cola increases and Reclass of Communication& Marketing Specialist (\$263,640 to \$307,118)		43,477
City Clerk		
<i>Increase</i>		
Professional Services - Records Retention and Translation for Residents (\$9,000 to \$16,850)		7,850
Computer Software - Licensing of Laserfiche, Adobe, DocuSign, Code Publishing (\$0 to \$8,000)		8,000
Salary - COLA Increases and Promotion of Executive Assistant II (\$67,847 to \$89,033)		21,186
Finance		
<i>Increase</i>		
Retirement (\$13,808 to \$20,225)		6,417
Training and Travel (\$5,500 to \$15,000)		9,500
Unfunded Retirement Liability(\$24,704 to \$34,451)		9,747
Salary - Staff Accountant Position Request (\$149,483 to \$168,627)		19,144
Administration Fees (\$0 to \$25,000)		25,000
Professional Services (\$75,000 to \$100,000)		25,000
<i>Decrease</i>		
Group Insurance (\$24,700 to \$22,000)		(2,700)
Computer Hardware (\$7,000 to \$5,000)		(2,000)
Travel and Training (\$30,000 to \$25,000)		(5,100)
Operating Transfers (\$25,700 to \$0)		(25,700)
Human Resources		
<i>Increase</i>		
Physicals (\$2,550 to \$6,000)		3,450
Training and Travel (\$5,000 to \$9,000)		4,000
FICA - HR Analyst Position Request (\$1,800 to \$5,999)		4,199
Dues (1,000 to \$6,500)		5,500
Retirement (\$2,257 to \$9,360)		7,103
Job Recruitment (\$5,000 to \$15,000)		10,000
Unfunded Retirement Liability(\$4,817 to \$16,055)		11,238
Salary - HR Analyst Position Request (\$22,069 to \$78,000)		10,371
Planning		
<i>Increase</i>		
Physicals (\$2,550 to \$6,000)		3,450
Computer Hardware (\$0 to \$3,500)		3,500
FICA (\$11,600 to \$19,895)		8,295
Unfunded Retirement Liability(\$31,195 to \$42,874)		11,679
Retirement (\$18,553 to \$31,042)		12,489
Extra Help (\$39,629 to \$50,000)		45,000
Salary - Cola increases & Partial Allocation of Admin Assistant request for Code, Planning, and UB on water turnoff days (\$142,056 to \$194,148)		52,092
<i>Decrease</i>		
Freeze Senior Planner Position		(107,203)

SIGNIFICANT OPERATING BUDGET CHANGES		Increase (Decrease)
Non-Departmental		
<i>Increase</i>		
Liability Insurance + Cyber (\$24,000 to \$35,000)		11,000
Utilities Cost Increases (\$55,000 to \$74,000)		19,000
<i>Decrease</i>		
Miscellaneous (\$5,000 to \$750)		(4,250)
Engineering		
<i>Increase</i>		
Unfunded Liability (\$9,932 to \$12,432)		2,500
G&A Cost Allocation (\$46,500 to \$51,600)		5,100
Penalty Charge (\$0 to \$224,699)		224,699
<i>Decrease</i>		
Retirement (\$10,577 to \$8,077)		(2,500)
Grading Plan Check (\$19,500 to \$15,000)		(4,500)
Improvement Plan Check (\$42,000 to \$35,000)		(7,000)
LLA Parcel Maps-PM Waivers (\$25,000 to \$15,000)		(10,000)
Professional Services (\$30,000 to \$15,000)		(15,000)
Sheriff		
<i>Decrease</i>		
Special Events (\$30,000 to \$15,000)		(15,000)
Supplemental Contract (\$43,500 to \$20,000)		(23,500)
Sheriff-Contract Salary (\$4,355,518 to \$4,300,000)		(55,518)
Animal Control		
<i>Increase</i>		
Group Insurance (\$11,400 to \$15,000)		3,600
Unfunded Liability (\$24,847 to \$28,471)		3,624
Retirement Benefit (\$13,069 to \$16,715)		3,646
Salary (\$135,313 to \$139,357)		4,044
Small Tools/Equipment (\$2,000 to \$10,000)		8,000
Building		
<i>Increase</i>		
Retirement Benefit (\$22,328 to \$28,014)		5,686
Unfunded Liability (\$41,316 to \$47,717)		6,401
Salaries - Cola Increases (\$211,393 to \$243,564)		32,171
Professional Services (\$7,500 to \$40,000)		32,500
<i>Decrease</i>		
Group Insurance (\$50,300 to \$47,500)		(2,800)
Code Enforcement		
<i>Increase</i>		
Weed Abatement (\$8,750 to \$15,000)		6,250
Group Insurance (\$35,400 to \$43,500)		8,100
Retirement (\$19,396 to \$22,500)		3,104
Salary (\$168,224 to \$198,812)		30,588
Measure X		
<i>Increase</i>		
Westside Park Dog Park		200,000

SIGNIFICANT OPERATING BUDGET CHANGES		Increase (Decrease)
Streets		
<i>Increase</i>		
Storm Drain (\$3,500 to \$7,500)		4,000
Patching Material (\$2,000 to \$6,000)		4,000
Crack Sealing Materials (\$4,000 to \$8,000)		4,000
Group Insurance (\$110,800 to \$115,000)		4,200
FICA Paid (\$28,500 to \$33,000)		4,500
Fuel (\$15,000 to \$22,000)		7,000
Traffic Signal Maintenance (\$10,000 to \$18,000)		8,000
Retirement Benefit (\$41,950 to \$50,504)		8,554
Unfunded Liability (\$66,657 to \$86,025)		19,368
Street Lighting (\$116,000 to \$140,000)		24,000
Salaries - Cola Increases and Street Maintenance I (\$373,079 to \$431,069)		57,989
<i>Decrease</i>		
Overtime (\$3,000 to \$0)		(3,000)
Shop		
<i>Increase</i>		
FICA Paid (\$9,500 to \$14,203)		4,703
Training and Travel (\$64 to \$7,099)		7,035
Retirement Benefit (\$11,994 to \$22,160)		10,166
Unfunded Retirement Liability (\$24,568 to \$37,746)		13,178
Salaries - Mechanic I New Position Request and Cola Increases (\$124,454 to \$184,758)		60,304
<i>Decrease</i>		
Group Insurance (\$41,800 to \$38,500)		(3,300)
Facilities		
<i>Increase</i>		
Building Repair & Maintenance - PW (\$8,000 to \$12,000)		4,000
FICA Paid (\$8,200 to \$13,000)		4,800
Fuel (\$6,000 to \$12,500)		6,500
Retirement Benefit (\$12,032 to \$20,000)		7,968
Janitorial Services (\$55,000 to \$65,000)		10,000
Unfunded Retirement Liability (\$21,684 to \$34,000)		12,316
Salaries - Facilities Tech I position request (\$110,004 to \$166,978)		56,974
<i>Decrease</i>		
Janitorial Supplies (\$11,000 to \$7,500)		(3,500)

SIGNIFICANT OPERATING BUDGET CHANGES		Increase (Decrease)
ENTERPRISE FUNDS		Increase (Decrease)
WasteWater		Amount
<i>Increase</i>		
Equipment Repair (\$64,000 to \$73,000)		9,000
Biosolid Disposal (\$58,920 to \$70,000)		11,080
Unfunded Retirement Liability (\$107,512 to \$129,023)		21,511
Utilities/ Pumping Stations Added		85,000
Training and Travel (\$1,200 to \$7,000)		5,800
Chemicals and Testing (\$53,000 to \$60,000)		7,000
<i>Decrease</i>		
Banking Charges (\$30,500 to \$27,000)		(3,500)
Overtime (\$22,000 to \$15,000)		(7,000)
Salary (\$650,549 to \$632,943)		(17,606)
Group Insurance (\$111,700 to \$90,000)		(21,700)
Professional Services (\$180,000 to \$155,000)		(25,000)
Water		Amount
<i>Increase</i>		
Meter Reading Service (\$70,000 to \$74,000)		4,000
Dues (\$2,750 to \$7,500)		4,750
FICA Paid (\$52,000 to \$57,752)		5,752
Chemicals and Testing (\$48,000 to \$60,000)		12,000
Retirement Benefit (\$76,462 to \$90,111)		13,649
Unfunded Retirement Liability (\$112,382 to \$153,489)		41,107
Salary - promotion of Water III Staff to Supervisor, Cola increases & Staff Accountant position request (\$680,013 to \$751,284)		71,121
<i>Decrease</i>		
Overtime (\$35,000 to \$30,000)		(5,000)
Banking Charges (\$30,000 to \$25,000)		(5,000)
Professional Services (\$211,000 to \$180,000)		(31,000)
Sanitation		Amount
<i>Increase</i>		
Street Sweeping Disposal (\$30,000 to \$ 36,000)		6,000
Retirement Benefit (\$110,893 to \$122,769)		11,876
Fuel (\$138,500 to \$150,000)		11,500
Computer Software (\$3,500 to \$30,000)		26,500
Unfunded Retirement Liability (\$170,487 to \$209,116)		38,629
Salary - promotion of Water III Staff to Supervisor, COLA increases & Staff Accountant position request (\$981,223 to \$1,023,565)		42,342
Equipment Repair (\$300 to \$100,000)		99,700
County Gate Fee - Landfill - County Increase in Rates (\$270,000 to \$375,000)		105,000
<i>Decrease</i>		
Professional Services (\$105,000 to \$75,000)		(30,000)
Compressed Natural Gas- CNG		Amount
<i>Increase</i>		
Salary - Cola Increases (\$8,469 to \$15,285)		6,816
Transportation		Amount
<i>Increase</i>		
Training and Travel (\$1,000 to \$6,400)		5,400
Unfunded Retirement Liability (\$25,440 to \$31,058)		5,618
Dues and Subscriptions (\$1,300 to \$9,000)		7,700
Fuel (\$26,000 to \$35,000)		9,000
<i>Decrease</i>		
Group Insurance (\$57,800 to \$55,000)		(2,800)
Computer Software (\$18,793 to \$9,793)		(9,000)