

City Council Agenda Memo

From: Ashley Rentsch, Finance Director

Council Meeting: November 14, 2023

Subject: Ordinance 23-041: Budget Amendment No. 9 to the 2023 Budget

Presenter: Paul Briseno, City Manager

Summary:

City of Brookings Staff brings amendments to the City Council as necessary to account for circumstances not originally adopted appropriation ordinance. This ensures compliance with state and local laws and maintains transparency regarding the City's operational needs. This amendment will increase payroll budgets to accommodate a one-time sales tax incentive for all full-time employees and is offset by the increased sales tax realized. Staff recommends approval.

Background:

As part of the 2023 budget process, City leadership contemplated a one-time sales tax incentive contingent on the continued strong sales tax growth that the City has experienced over the past two years. It was determined any increase in sales tax greater than 2% budgeted for 2023 would be split in half between the City and its employees, up to 7%. Each 1% increase in sales tax greater than 2% would equate to \$280 to the employees for a maximum of \$1,400 per employee. Council approved this plan in 2023. As of October reporting, Sales Tax was 14.5% above budget, meaning employees would be eligible for the maximum amount.

Item Details:

A \$1,400 sales tax incentive for all full-time employees is proposed. This incentive would be given at the end of November for any employees working as of the first business day of October 2023. The below increases to departmental budgets will be necessary to accommodate the payments.

Fund/Department	Increase/Decrease	Description
City Clerk	\$2,800.00	Sales Tax Incentive
City Manager	\$7,000.00	Sales Tax Incentive
Human Resources	\$4,200.00	Sales Tax Incentive
Finance	\$4,200.00	Sales Tax Incentive
Information Technology*	\$2,548.00	Sales Tax Incentive
Community Development	\$11,200.00	Sales Tax Incentive
Police	\$54,600.00	Sales Tax Incentive
Fire	\$5,600.00	Sales Tax Incentive

Public Works	\$2,870.00	Sales Tax Incentive
Streets*	\$16,800.14	Sales Tax Incentive
Animal Control	\$1,400.00	Sales Tax Incentive
Recreation	\$5,600.00	Sales Tax Incentive
Parks	\$16,800.00	Sales Tax Incentive
Larson Ice Center	\$2,800.00	Sales Tax Incentive
Forestry	\$5,600.00	Sales Tax Incentive
Library	\$14,000.00	Sales Tax Incentive
E-911*	\$15,652.00	Sales Tax Incentive
Storm Drainage*	\$1,819.86	Sales Tax Incentive
Liquor	\$5,600.00	Sales Tax Incentive
Airport	\$2,800.00	Sales Tax Incentive
Golf Course	\$2,800.00	Sales Tax Incentive
Solid Waste Collection	\$7,700.00	Sales Tax Incentive
Solid Waste Landfill	\$8,610.00	Sales Tax Incentive
Total:	\$203,000.00	

*Includes certain employees split between departments.

Legal Consideration:

None.

Strategic Plan Consideration:

This action supports fiscal responsibility by increasing budget authority for anticipated expenditures and increasing transparency regarding City operational needs.

Financial Consideration:

This amendment increases the departmental expenditure budgets by a total of \$203,000 which is offset by sales tax revenue received in excess of the budget.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a Study Session
5. Discuss / take no action / table

Staff recommends approval of the resolution as presented.

Supporting Documentation:

Memo

Ordinance