



# CITY COUNCIL WORK SESSION

448 E. 1st Street, Room 190 Salida, Colorado 81201

June 21, 2022 - 5:00 PM

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## AGENDA

Please register for the City Council Work Session

<https://attendee.gotowebinar.com/register/8054749917914710285>

After registering, you will receive a confirmation email containing information about joining the webinar.

### DISCUSSION ITEMS

- [1.](#) Discussion of potential November ballot questions
- [2.](#) 2023 Budget Discussion



## CITY COUNCIL ACTION FORM

DEPARTMENT	PRESENTED BY	DATE
City Attorney	Nina P. Williams - City Attorney	June 21, 2022

### ITEM

Discussion of potential November ballot questions

### BACKGROUND

- At the annual City Council retreat last month, various potential ballot questions were proposed.
- Staff is asking for further discussion and direction by City Council on the following questions, in order to draft the appropriate ordinances for Council consideration. City Attorney Williams will facilitate the conversation.

1) Conveyance of the Salida Community Center property to Senior Citizens, Inc.

**“SHALL THE CITY OF SALIDA CONVEY REAL PROPERTY LOCATED AT 305 F STREET, SALIDA, COLORADO, CURRENTLY KNOWN AND IN USE AS THE SALIDA COMMUNITY CENTER, FOR TEN DOLLARS (\$10.00) TO SALIDA SENIOR CITIZENS, INC., A COLORADO NON-PROFIT CORPORATION, TO BE UTILIZED IN PERPETUITY AS THE SALIDA COMMUNITY CENTER, OR FOR OTHER SIMILAR NON-PROFIT PURPOSES?”**

2) Occupation Tax on Short Term Rental licenses - for Affordable Housing (\$3,000-\$5,000 per license, per year?)

**“SHALL THE CITY OF SALIDA’S TAXES BE INCREASED BY AN ESTIMATED [\$X,XXX,XXX] ANNUALLY (FIRST FULL FISCAL YEAR INCREASE) AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER THROUGH THE ADOPTION OF AN ANNUAL OCCUPATION TAX OF [\$X,XXX] ON SHORT-TERM RENTAL LICENSE HOLDERS, WITH THE PROCEEDS OF SUCH TAX, TOGETHER WITH INVESTMENT EARNINGS THEREON, TO BE USED TO PROMOTE AFFORDABLE HOUSING EFFORTS IN THE CITY, AND SHALL THE CITY BE AUTHORIZED TO COLLECT AND SPEND SUCH REVENUES AS A VOTER-APPROVED REVENUE CHANGE, NOTWITHSTANDING ANY REVENUE OR EXPENDITURE LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?”**

3) Increasing per night Occupation Lodging Tax on Short Term Rentals only - for Affordable Housing

**SHALL THE CITY OF SALIDA’S TAXES BE INCREASED BY [\$XXX,XXX] ANNUALLY (FIRST FULL FISCAL YEAR INCREASE) AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER BY INCREASING THE OCCUPATIONAL LODGING TAX ON THE BUSINESS OF LEASING OR RENTING SHORT-TERM ACCOMMODATIONS FROM \$4.82 TO [\$X.XX] PER NIGHT, PER OCCUPIED ROOM, WITH THE ADDITIONAL REVENUE TO BE USED TO PROMOTE AFFORDABLE HOUSING WITHIN THE CITY, AND SHALL THE CITY BE AUTHORIZED TO COLLECT AND SPEND SUCH REVENUES AS A VOTER-APPROVED REVENUE CHANGE, NOTWITHSTANDING ANY REVENUE OR EXPENDITURE LIMITATION CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?”**



## CITY COUNCIL ACTION FORM

<b>Department</b> <b>Finance</b>	<b>Presented by</b> <b>Aimee Tihonovich - Finance Director</b>	<b>Date</b> <b>June 21, 2022</b>
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### ITEM

**2023 Budget Preparation Kick-off**

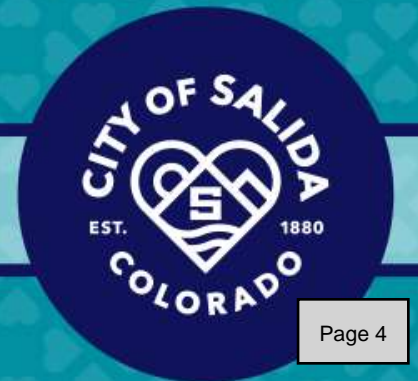
### BACKGROUND

City staff are gearing up to begin work on the 2023 proposed budget. A first step in this process is the development of “base budgets”. Base budget levels are provided for ongoing operating expenses and are designed to provide sufficient funds to continue the operations of existing programs. Reviewing the base budget provides an initial idea of how much may be available for capital, special projects and other new needs.

A presentation is planned that will provide council an overview of the base budget and will be an opportunity for Council to give guidance on how to prioritize spending.

# 2023 Budget Development Kick-off

Presentation to Council





# Budget Development Calendar

## 2023 Budget Calendar

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Council retreat to set strategic goals for the upcoming year												
Finance Department develops base budget levels (with City Administrator & finance committee oversight).												
Departments set goals for the upcoming year (based on Council strategic goals) and develop budget to support those goals												
City Administrator, Finance Director and Treasurer meet with budget developers to gain full understanding of requests and to provide feedback												
Recommended budget developed and made available to the public												
Council Reviews recommended budget at public work sessions and provides direction to staff.												
Public Hearing of budget held												
Budget adopted by Council												
Budget document developed by Finance												
Budget document completed, posted to web site and submitted to state and to GFOA.												



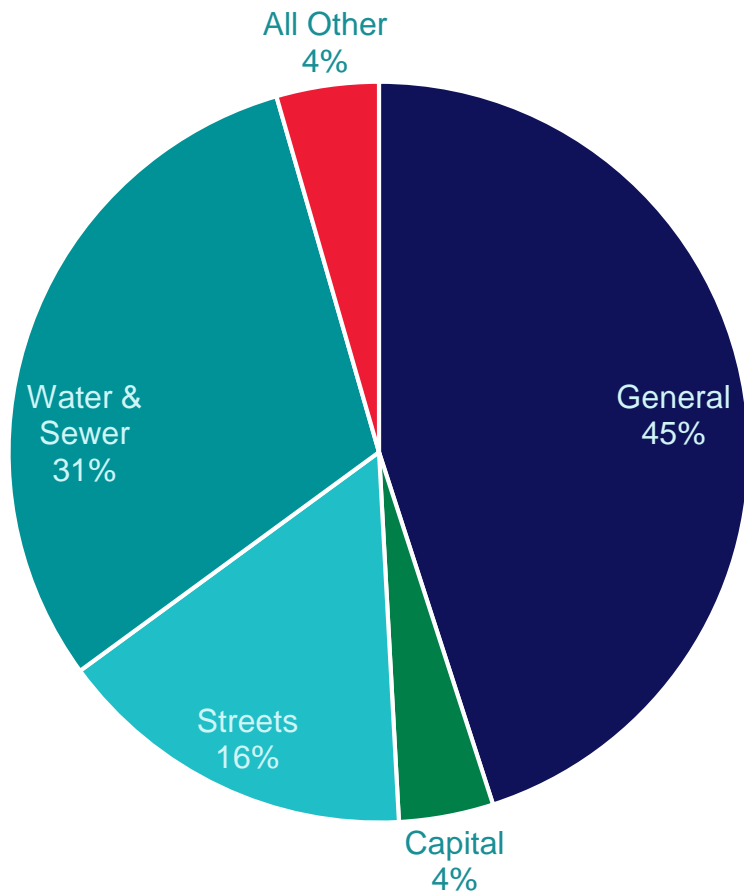
# Base Budget

Item 2.

- Starting point for budget development
- Sets the framework for initial planning
- Revenue base set conservatively for all ongoing revenue streams
- Expense base follows historical spending patterns
- Zero base for grants, capital and other “one-time only” budgets



# Budget areas of focus



- General and Capital Improvement Funds is where most of Council's attention is focused.
- Streets, Water and Sewer Funds having limited flexibility in how funds are spent.
- All other funds are narrow in scope with a minimal level of funding available





# General and Capital Improvement Funds





# Base Level Spending

Base spending level without any capital spending or new programs is \$10.8 million.

Sufficient funds are provided to keep all existing programs going.

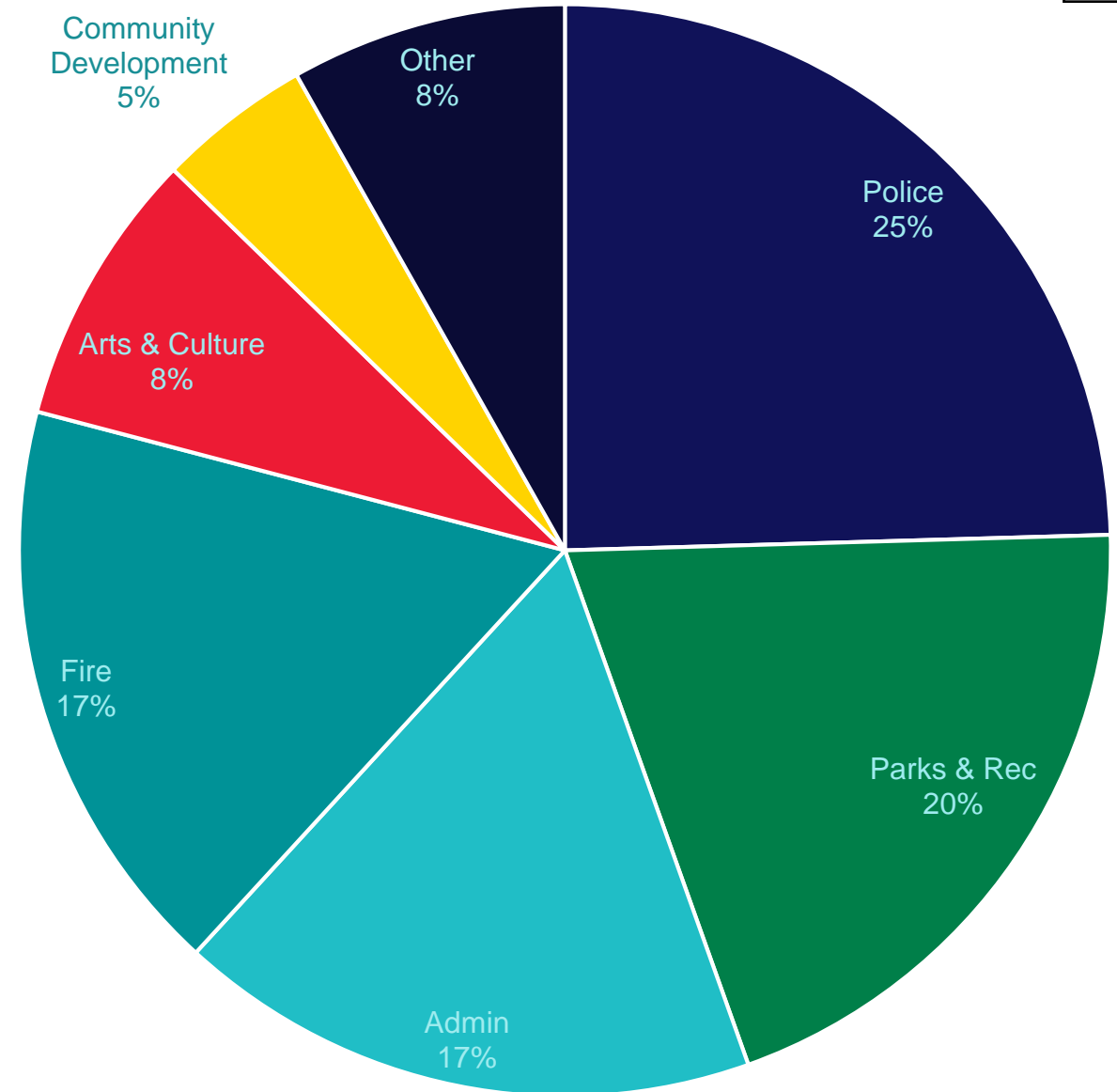
Includes a 3.5% increase in personnel Costs (i.e. COLA, medical insurance cost, promotions)

Not included in base are:

- Capital needs.
- Debt Service for Fire Station
- Any new programs or projects
- Any new employees

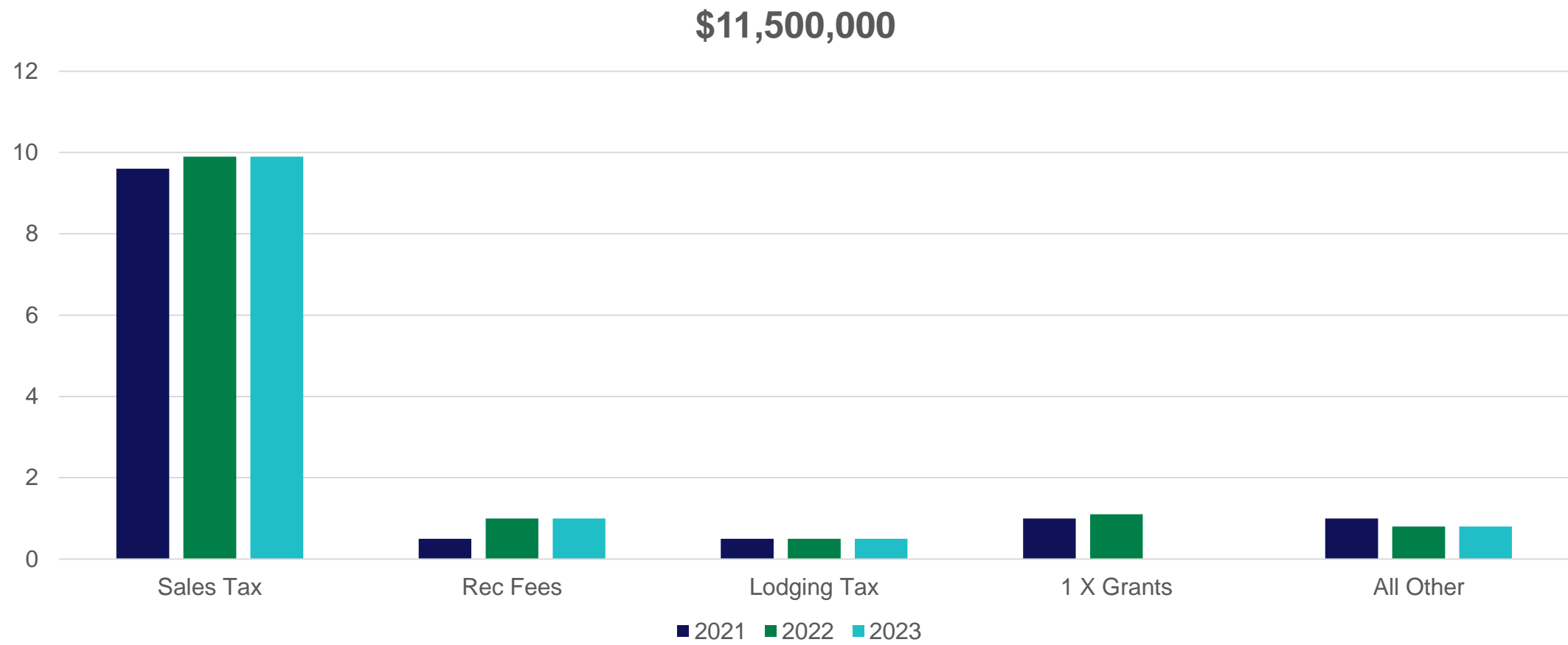
**\$10,800,000**

Item 2.





# Revenue Base Budget





# Summary

Base Revenues	\$ 11,500,000
Base Spending	(10,800,000)
Available for capital and new spending needs	<u>\$ 700,000</u>
Typical capital replacement needs	\$ 400,000
Anticipated Vandaveer planning	\$ 200,000
Potential debt service on fire station	\$ 1,000,000
Anticipated availability of reserves	\$ 3,700,000



# Discussion: Priorities for 2023 Budget

## Suggestions:

- Seek new revenue sources
- Vandaveer planning will take time and energy from all and should address future affordable housing, open space, recreational amenities, etc.
- Fire station project will be the primary funding priority
- Consider budget reductions for programs that are no longer deemed effective thereby making room for new priorities
- Any new projects/programs should address sustainability and ways to keep Salida beautiful and inclusive
- Plan to stay firm with adopted budgets and scrutinize “out-of-cycle” spending requests carefully



# Public Works (Streets, Water, Sewer)



# Base Level Funding-Public Works

	Streets	Water	WasteWater (Sewer)
Revenues			
Taxes	\$3,030,471	\$0	\$0
Fees for Service	0	1,923,527	\$1,863,899
All Other	<u>255,000</u>	<u>616,500</u>	<u>800,000</u>
TOTAL Revenue	3,285,471	2,540,027	2,663,899
Operating Expenses	<u>-630,908</u>	<u>-1,558,636</u>	<u>-1,907,797</u>
Net anticipated for projects	<b>\$2,654,563</b>	<b>\$981,391</b>	<b>\$756,102</b>



# Discussion: Priorities for 2023 Budget

## Suggestions:

- Seek grant revenues
- Update long-term plan, consider fee schedule
- Projects should address sustainability initiatives and aesthetics
- Highest priority projects are those that replace aging infrastructure and/or address safety issues





# All Other Funds





# Housing, Economic Development & Conservation Trust

Spending within these funds is dictated by City Code or State Statute. The budget matches revenues available.

Fund	Anticipated Revenue
Housing	\$ 20,000
Economic Development	\$189,404
Conservation Trust	\$ 74,000