

COUNCIL DECISION REQUEST

SUBJECT: 2009/10 Budget/Spending Plan

MEETING DATE: January 7, 2010

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: Cindy L. Smith

AMOUNT BUDGETED:

SUBMITTAL TO AGENDA

EXPENDITURE REQUIRED:

APPROVED BY TOWN MANAGER

CONT. FUNDING REQUIRED:



EXHIBITS (If Applicable, To Be Attached):

POSSIBLE MOTION

- 1) Move to approve selected options to increase revenues; and/or
- 2) Move to approve any one, or combination of the following expenditure reductions
 - a. Reduce departmental budgeted operating expenditures;
 - b. Reduce services;
 - c. Employee work furlough;
 - d. Employee salary reduction;
 - e. Employee lay-offs; and/or
 - f. Increase employee/retiree contribution to health insurance premiums.

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

None of the motions change the budget submitted to the State and adopted by the Town Council.

The 2009/10 budget was created using very conservative revenue estimates and large decreases in projected expenditures compared to the 2008/09 budget. However, the continued decline in the national, regional, and local economy has caused the projected revenues to again be below the original plan. Although the departments have been conservative in their spending, the Town will once again be in a position where there are more budgeted expenditures than revenues by June 30, 2010. Current estimates project a \$1.6 million revenue deficit (includes the \$1M loan from the Water Fund approved by Council for the FY2009/10 budget). Unfortunately, there are not enough operating expenditures alone to reduce and offset the projected deficit. In addition, the only capital projects at this time are those funded with grant monies. Like all other municipalities and private businesses, we are now left to consider reducing personnel costs in our attempt to balance the budget.

PROS: All options allow the Town to maintain a balanced budget.

CONS: Reductions to operating expenditures, a work furlough, and the lay-off options will all affect the level of service provided by the Town. The work furlough, salary reduction, lay-off, and health insurance premium options have a direct financial impact on employees. These options are likely to impact the morale, and productivity of staff.

PUBLIC INPUT (if any):

JAN 07 2010 I.4

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BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

FUNDING:

Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:
Acct:	Budget:	Available:	Expense:	Remaining:

BA: _____ Date: _____