Special Town Council Workshop

April 24, 2023

1:30 PM

Council Chambers

NOTICE: THE VIDEO AND AUDIO FOR THIS MEETING ARE STREAMED TO THE PUBLIC VIA THE INTERNET AND MOBILE DEVICES WITH VIEWS THAT ENCOMPASS ALL AREAS, PARTICIPANTS AND AUDIENCE MEMBERS. PLEASE SILENCE ALL ELECTRONIC DEVICES DURING THE MEETING

I. ZOOM LINK FOR PUBLIC PARTICIPATION

To join, click the link or copy to your browser: https://us02web.zoom.us/j/82566552414?pwd=eExmRXZTMHdRQlFCRTNXWGVCS1h2Zz09
If the link does not work, join at zoom.com with Webinar ID **825 6655 2414** Password: **83001**

or join by phone **+1 253 205 0468** with Webinar ID **825 6655 2414** and Password: **83001**

II. CALL TO ORDER AND ROLL CALL

III. ORDINANCES

A. Ordinance K: An Ordinance Establishing Encroachment Permits for Parklets (second reading)

IV. WORKSHOP ITEMS

A. FY24 Budget Discussion (Tyler Sinclair)

V. ADJOURN

Please note that at any point during the meeting, the Mayor and Council may change the order of items listed on this agenda. In order to ensure that you are present at the time your item of interest is discussed, please join the meeting at the beginning to hear any changes to the schedule or agenda.

ORDINANCE K

AN ORDINANCE ADDING CHAPTER 12.10 TO THE MUNICIPAL CODE OF THE TOWN OF JACKSON CREATING ENCROACHMENT PERMIT – PARKLETS AND PROVIDING FOR AN EFFECTIVE DATE.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF JACKSON, WYOMING, IN REGULAR SESSION DULY ASSEMBLED, THAT:

SECTION 1.

Chapter 12.10 of the Municipal Code of the Town of Jackson is hereby created and added as follows:

Chapter 12.10
PARKLETS

12.10.010 Purpose; Establishment of Encroachment Permit – Parklet.

A. The purpose of this chapter is to establish minimum standards pursuant to which the Town may allow parklets within the Town's public right-of-way. These standards have been developed to ensure that the space used for such parklets, at all times, promote the public health, safety, and welfare; allow for adequate pedestrian circulation; and standardize design, location, and operation in the right-of-way.
B. Nothing in this ordinance shall be deemed to grant a vested right to establish a parklet, operate a parklet, nor, if permitted hereunder, continue operation of a parklet.

(Ord. ____§ 1, 2023)

12.10.020 Encroachment Permit – Parklet Required.

A. It shall be unlawful to establish a parklet in the public right-of-way without first obtaining an encroachment permit - parklet as provided by this chapter.
B. No person shall operate a parklet on the public right-of-way without first obtaining such a permit from the Town Manager, or their designee, and paying the required permit fee.
C. It is the duty of each permittee to maintain a valid permit in conformance with the requirements of this chapter at all times during parklet operation.
D. The Town Manager, or their designee, may limit the number of permits that may be issued under this ordinance, if necessary, for public health or safety reasons, to help prevent vehicular or pedestrian traffic congestion, increase available Town parking, improve traffic flow, or for any other good cause.

(Ord. ____§ 1, 2023)

12.10.030 Definitions.

As used in this chapter:

A. *Parklet* shall mean a small public gathering space, utilizing one or more on-street parking spaces that combine elements such as seating, landscaping, shade, and/or lighting.

B. *Encroachment Permit – Parklet* or *Permit* shall mean the discretionary, revocable, suspendable permit issued by the Town allowing the temporary use of its right-of-way.

(Ord. ____§ 1, 2023)

12.10.040 Application for Encroachment Permit – Parklet.

A. Every person seeking to establish a parklet within the Town must complete an application pursuant to this chapter and no work within the right-of-way may begin before a permit is issued.

B. All applications shall be made in writing to the Town Manager, or their designee, on forms provided by the Town, which must be complete to be processed.

C. It shall be the duty of the applicant to seek any reviews, authorizations, permits and/or approvals from state, federal, Town or county authorities that may be required for the parklet in addition to the permit set forth in this chapter.

D. Each application submitted shall be affirmed as being true and correct to the best of the applicant's knowledge and shall affirm that the applicant understands information provided on and with the application may be investigated for accuracy.

(Ord. ____§ 1, 2023)

12.10.050 Permit Fee.

A. There shall be an encroachment permit – parklet fee. All fees for such permits shall be in an amount established by resolution and paid at the time application is made to the Town.

B. The permit fee is non-refundable if the permit was issued, notwithstanding if the permit is subsequently modified, suspended, or revoked. If an application for a permit is denied, the fee shall be refunded.

C. Receipt of payment does not constitute approval of an encroachment permit – parklet application.

D. There shall be no pro-rated reduction of the fee based on the time of year when a permit is applied for.

(Ord. ____§ 1, 2023)

12.10.060 Form and Conditions of the Encroachment Permit.

A. The permit issued shall be in a form provided by the Town Manager, or their designee.

B. Permits may be issued for a maximum of a three-year period and for a minimum of a one-year period.

C. Each encroachment permit – parklet authorizes operation only from April 30 to October 30 annually and shall terminate on October 30 of the applicable year, but in no case later than October 30 of the third year after it was issued.

D. The permit authorizes operation of a parklet only in sitemap depicted on the application approved by the Town Manager, or their designee, and attached to or made part of the permit.

E. The permit authorizes parklet operation only within the area depicted on the application approved by the Town Manager, or their designee, and attached to or made part of the permit.

(Ord. ____§ 1, 2023)

12.10.070 Personal Privilege.

A. Each permit issued shall be personal to the permittee and is not transferable, delegable, or assignable. Any attempted transfer, delegation, or assignment of the permit shall be void.

B. In the event that the permittee is a business and there is a transfer of the business, the transferee shall obtain a new permit prior to the effective date of the transfer.

(Ord. ____§ 1, 2023)

12.10.080 Bond.

A. Prior to issuance of any encroachment permit – parklet, the permittee shall post a bond with the Town to cover the cost of restoring the right-of-way to its original condition. The bond amount shall be determined by the Town.

B. The bond shall be released upon expiration of the permit and restoration of the right-of-way to the satisfaction of the Town Manager, or their designee. The Town shall deduct from the bond any costs to the Town to restore the right-of-way.

(Ord. ____§ 1, 2023)

12.10.090 Indemnity; Liability and Insurance.

A. Applicants shall execute an indemnity agreement indemnifying the Town prior to permit issuance.

B. The permittee shall, at its own cost and expense, procure and maintain in force policies of commercial general liability insurance with a combined single limit amount of at least one million dollars ($1,000,000.00) per occurrence covering the permittee's operations on the public right-of-way and sidewalk.

C. Such insurance shall:
   1. Be procured from an insurer authorized to do business in Wyoming;
   2. Be subject to the approval in writing from the Town;
   3. Name the Town, its officers and employees, and the property owner as additional insureds;
   4. Provide primary and non-contributory coverage to additional insureds; and
   5. Contain a provision for thirty days' prior written notice of cancellation to the Town in accordance with policy terms and conditions.

D. All applicants shall provide to the Town a current certificate of insurance along with proper policy endorsements and/or policy language evidencing the above required insurance coverage and terms prior to permit issuance.

(Ord. ____§ 1, 2023)

12.10.100 Standards for Location, Design and Operation.

A. All parklets shall comply with the following minimum standards:
   1. Parklets may be used as an accessory space for a nearby business or businesses, but they may not be used as a stand-alone place of business.
   2. Each parklet may occupy a maximum of 3 contiguous parking spaces. No portion or element of the parklet may intrude into the immediately adjoining spaces or areas.
   3. No parklet, nor portion or element thereof, may be erected or placed within the right-of-way prior to April 30.
   4. No parklet may obstruct, interfere with, or hinder the use of any restricted spaces or areas, to include but not be limited to, ADA spaces and their appurtenant areas, no parking "red curb" areas, bus parking zones, fire lanes, or fifteen-minute and loading/unloading spaces.
   5. An obstruction-free, clear sidewalk area for pedestrian traffic to pass the parklet shall be required.
   6. All Fire Department regulations and standards concerning the parklet shall be met.
   7. All Building Department regulations and standards concerning the parklet shall be met.
   8. Smoking, including vape products, shall not be permitted within five feet of any parklet, except while actively passing by on the way to another destination. Permittee shall be required to orally inform persons violating this chapter of the provisions thereof. The duty to inform such violator shall arise when such permittee or employee of permittee becomes aware of such violation.
   9. No amplified sound may be emitted from the parklet.
   10. Parklets may only be restricted to use by patrons of a particular establishment or group of cooperating businesses during their operating hours, and otherwise must be open to the general public for their

enjoyment. All parklets shall include signage, which indicates the hours of private operation and states that the parklet is open to the public at other times.

11. The Town, a utility company, or other person authorized by the Town may remove, without liability, any object authorized under this ordinance or the entire parklet if there is a lawful need for the parklet area or for access to the parklet area.

(Ord. ____§ 1, 2023)

12.10.110 Denial, Modification, Revocation, or Suspension of Permit.

A. The Town Manager, or their designee, may immediately deny a permit application, require modification(s) to an existing permitted parklet, or revoke or suspend an existing permit if:
   1. The Town finds that the provisions of this chapter have not been satisfied or have been violated; the operation of the parklet constitutes a public nuisance pursuant to state or local law; the operation of the parklet violates a federal, state, or local law or regulation; or the operation of the parklet violates any other state or local permit issued to the permittee.
   2. The applicant or permittee secured the permit by fraud, misrepresentation, a false or misleading statement, or evasion or suppression of a material fact in the application process.
   3. The conduct of the business puts the health, safety, or welfare of the public at risk.

B. Notice of violation shall be provided in writing to the permittee, which may or may not include a cure period.

C. The Town Manager, or their designee may immediately require modification(s) to an existing permitted parklet, revoke, or suspend a permit at any time and for any other reason not stated in this section when in the best interest of the Town. Upon notification of revocation, the permittee shall have ten days to remove the parklet from the premises and restore the right-of-way to its original condition.

(Ord. ____§ 1, 2023)

12.10.120 Restoration of Right-of-Way.

On or before the expiration of the encroachment permit – parklet on October 30, the permittee shall remove, at its own expense, all personal property, furnishings, and equipment from the right-of-way. All outdoor barriers shall be removed and the right-of-way returned to its original condition.
(Ord. ____§ 1, 2023)

SECTION II.

All ordinances and parts of ordinances in conflict with the provisions of this ordinance are hereby repealed.

SECTION III.

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed as a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of the ordinance.

SECTION IV.

This Ordinance shall become effective after its passage, approval, and publication.

PASSED 1ST READING THE 17 DAY OF APRIL, 2023.
PASSED 2ND READING THE ________ DAY OF ____ , 2023.
PASSED AND APPROVED THE _______ DAY OF_________, 2023.

TOWN OF JACKSON

BY:_________________________
Hailey Morton Levinson, Mayor

ATTEST:

BY:___________________________
Riley Taylor, Town Clerk

ATTESTATION OF TOWN CLERK

STATE OF WYOMING)
) ss.
COUNTY OF TETON)

I hereby certify that the foregoing Ordinance No. _____ was duly published in the Jackson Hole News and Guide, a newspaper of general circulation published in the Town of Jackson, Wyoming, on the_________ day of____________, 2023.

I further certify that the foregoing Ordinance was duly recorded on page ________ of Book _________________of Ordinances of the Town of Jackson, Wyoming.

____
Riley Taylor, Town Clerk

STAFF REPORT

Meeting Date:	April 17, 2023	**Meeting Title:**	Special Workshop
Submitting Department:	Administration	**Presenter:**	Tyler Sinclair/Kelly Thompson
Agenda Item:	Budget Overview	**Public Comment:**	No

Purpose & Policy Considerations.
The Town Council reviews and approves the recommended budget pursuant to Wyoming Statute. The purpose of this meeting is to present an overview of the budget to Council. This item is informational only.

Requested Action.
No action requested at this meeting. This item is informational only.

Recommendations.
Staff have provided a recommended Fiscal Year 2024 (FY24) Budget.

Background.
Town staff continues to work to balance current needs while preparing for a positive future, recognizing our responsibility to future generations. Fiscal transparency is a key priority, and this budget was prepared in accordance with applicable Wyoming Statutes and Town Ordinances. The proposed FY24 budget strives to:

- Invest in the Town's incredible employees to retain and recruit staff that provide the services our community relies on.
- Work to complete capital projects to continue to provide important core services, enhance quality of life, and move us towards our transportation goals.
- Implement Council's two-year workplan.
- Rely on traditional funding resources, striving to keep increases modest wherever possible.
- Work to reorganize for the 21st Century and find internal efficiencies in the Town organization.

Analysis
The purpose of this first budget workshop is for staff to provide the Council with an overview of the proposed FY24 budget with a more detailed presentation and Council discussion coming at future meetings. For this first meeting staff suggest Council review the Town Manager's Message and Executive Summary and as time allows the complete recommended budget. Staff have provided a link to the recommended line-item budget below. Based upon discussion at the annual retreat staff will be completing the priority driven budget as an appendix this year, and plans to provide this information later next week.

Staff has prepared the following agenda for presentation to begin discussion at the workshop.

<u>Agenda:</u>
1. Budget Message
2. Executive Summary
3. Review Town Departments
4. Internal Service Funds
5. Review Joint Departments
6. Capital Budget and 5 Year Capital Improvement Plan (CIP)
7. Community Health and Human Services
8. Recommended Full Time Equivalents (FTE's) Changes.
9. Fee Schedule Review
10. Revenue projections: Recap direction on sales and lodging tax projections.
11. Discussion, Calendar, and Next Steps

The Council is encouraged to identify areas they would like to have additional discussion or information on at future meetings. The goal of the Council's Budget review process is to ensure that the budget reflects the Council's priorities and values on behalf of the community for FY24.

Next Steps
Below staff has provided the complete budget review schedule to assist the Council in preparing for future meetings. Staff will provide an overview of the purpose and goal of the proposed schedule at the meeting to ensure Council understands the opportunities to discuss all budget items, when discissions will be made along the way, and when action will be taken.

FY2024 TOWN COUNCIL BUDGET MEETING SCHEDULE				
There may be many other meetings occurring during this time - the below list only reflects those associated with the				
Date	Day	Time	Event	Location
4/14/2023	Friday	n/a	Budget Distributed/Released to Town Council - Not a Meeting	n/a
4/17/2023	Monday	9:00 - 11:30	Special Town Council Workshop - Budget Introduction and Overview	Council Chambers
4/17/2023	Monday	1:30 - 3:30	Regular Town Council Workshop - Budget Introduction and Overview (continued)	Council Chambers
4/24/2023	Monday	9:00 - 11:00	Special JIM - Human Services 2 Hr Budget Window	Commissioner's Chambers
4/24/2023	Monday	1:30 - 3:30	Special Town Council Workshop - Budget Discussion	Council Chambers
4/25/2023	Tuesday	9:00 - 5:00	Special JIM - Joint Department Budget Presentations & Airport Budget Presentation	Commissioner's Chambers
5/1/2023	Monday	1:30 - 3:30	Regular JIM - Joint Department Budget Presentations (continued)	Commissioner's Chambers
5/8/2023	Monday	1:30 - 5:00	Special Town Council Workshop - Budget Discussion	Council Chambers
5/15/2023	Monday	1:30 - 5:00	Special JIM 1:30 - 3:30 Discussion on Final Decisions on Joint Departments, ECW and TTB Budget Presentations - Regular Town Council Workshop 3:30 - 5pm Budget Discussion	Council Chambers
5/22/2023	Monday	1:30 - 5:00	Special Town Council Workshop - Budget Discussion	Council Chambers
6/5/2023	Monday	3:00 - 5:00	Regular JIM - ECW, TTB, Airport Budget Action	Commissioner's Chambers
6/5/2023	Monday	6:00 P.M.	Regular Town Council Meeting - Budget Hearing and Adoption (must occur prior to/on 6/20)	Council Chambers

Possible Alternatives.
None

Comprehensive Plan & Priority Alignment.
To successfully implement the Comprehensive Plan, Council must set priorities, be strategic, and be disciplined. A critical component is prioritizing and identifying the necessary level of funding to address desired goals, policies, and strategies, which is all critical to the successful implementation of Town Priorities and the Comprehensive Plan. In addition, many of the programs and strategies called for in the Comprehensive Plan come at an additional cost to the community that current funding levels cannot accommodate. Chapter 8 - Quality Community Service Provision calls for *"Timely, efficient and safe delivery of quality services and facilities in a fiscally responsible and coordinated manner."*

Fiscal Impact.
None at this time.

Staff Impact.
The staff impact of preparing this information are estimated over 350 hours for all department members participating in preparing budget requests and internal staff meetings. Also, extensive, and ongoing staff time is spent preparing, reviewing, and adjusting the recommended budget.

Attachments or Links.
FY23 Budget Town Manager' Message and Executive Summary
Town of Jackson FY23 Budget Book – Link Provided, Paper Copy available upon request

Suggested Motion.
None

Honorable Mayor & Members of Town Council
Town of Jackson
Jackson, WY 83001

Dear Mayor Morton Levison and Members of Town Council:

Transmitted herein is the Town's recommended Budget for fiscal year 2024 (FY24) July 1, 2023 — June 30, 2024. Town staff continues to work to balance current needs while preparing for a positive future, recognizing our responsibility to future generations. Fiscal transparency is a key priority, and this budget was prepared in accordance with applicable Wyoming Statutes and Town Ordinances. The proposed FY2024 budget strives to:

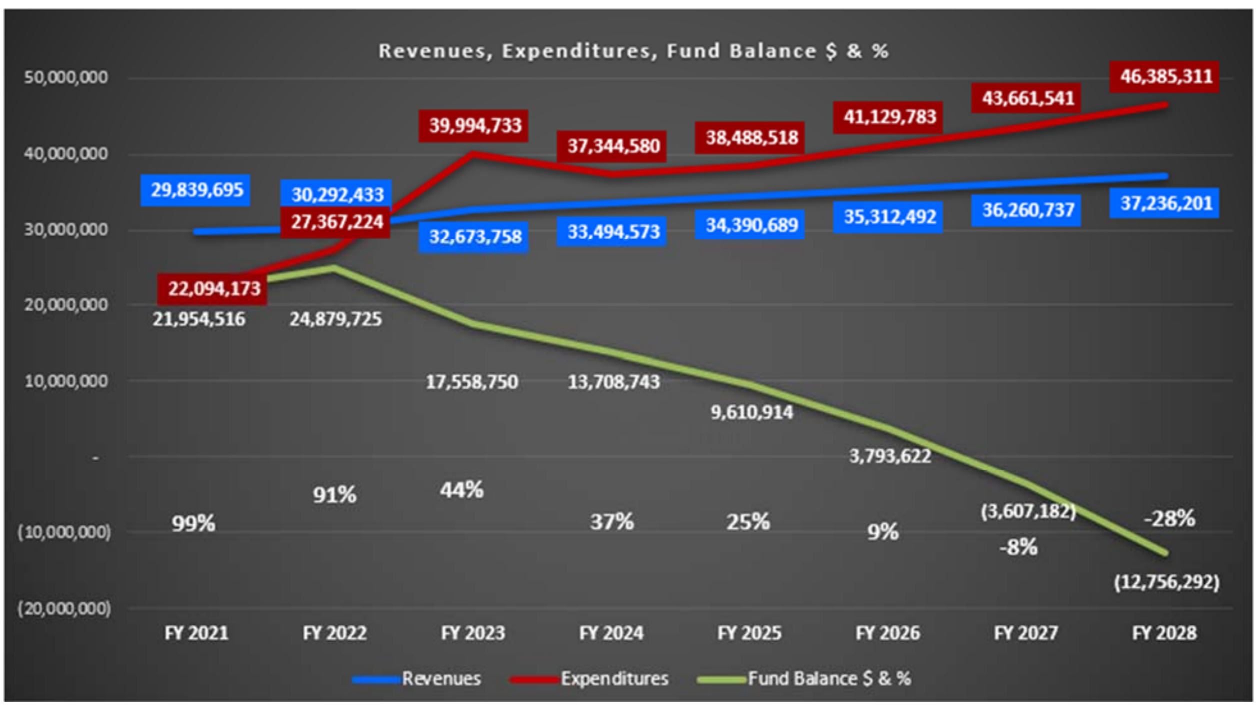
- Invest in the Town's incredible employees to retain and recruit staff that provide the services our community relies on.
- Work to complete capital projects to continue to provide important core services, enhance quality of life, and move us towards our transportation goals.
- Implement Council's two-year workplan.
- Rely on traditional funding resources, striving to keep increases modest wherever possible.
- Work to reorganize for the 21st Century and find internal efficiencies in the Town organization.

The proposed budget addresses the high value our organization places on our employees. After a comprehensive compensation study last year, the Town prioritized bringing employee compensation closer to the market, recognizing that our organization's employees are our greatest asset in continuing to provide quality municipal services. The new compensation program and pay philosophy strive to retain the incredible employees we have by fostering career progression and recruiting new talented staff through the provision of clear and transparent pay bands and competitive pay and benefits packages. Importantly, for the first time the Town has committed to regular cost of labor check-ins to guide annual market adjustments and assessment of compensation through studies at regular intervals. Prioritizing staff comes with a cost and the full impact of implementing our new compensation program is reflected in the proposed 2024 budget with increases across all departments and a career advancement program for many positions. Over the next year, the Town plans to review our overall benefit package to look at the balance of cost sharing between the organization and its employees and to ensure our benefits are accessible and equitable. In addition, the Town also plans to begin reviewing our employee evaluation process to further link accountability and performance to annual salary adjustments.

All of this said, a notable reason the Town has been able to provide a balanced recommended budget for FY2024 and in previous years is due to numerous unfilled positions totaling up to $800,000 in unrealized compensation in FY2023. Recruiting and retaining employees remains a challenge and these vacancies inevitably affect current staff who end up filling in and adjusting work plans to accommodate for the lack of capacity in various departments. Balancing the budget as a result of not being fully staffed is not desirable or sustainable. This leads to the necessity to reconsider the overall budget structure including expenditures and revenues to establish a clear and sustainable path for the future.

The historically high inflation levels we are experiencing are a double-edged sword in Jackson. On the one hand, we benefit from sales tax collections on high prices in our economy. On the other hand, many community members, businesses, and the Town itself must deal with the high cost of goods, materials, and labor, which have all risen dramatically. This includes capital projects already underway and previously approved Specific Purpose Excise Tax (SPET) projects, which are much more expensive than the original requests community members voted to support. Without a crystal ball, no one could have predicted the extreme gulf between the costs estimated when SPET items gained voters' support and real-time construction pricing, but the Town is committed to seeing these projects through. The Recreation Center is a much-anticipated community asset, which will bring an added quality of life to residents and visitors, including community members unable to access outdoor exercise options. The Fleet Maintenance Facility will provide much-needed space for maintaining, fixing, and updating vehicles including our ever-important snowplows, trucks to fix potholes, and many other unglamorous and very necessary pieces of equipment that also provide access across our community. In addition, the BUILD grant projects, including the Stilson Transit Center, are essential to help the Town and County meet our transportation goals. The FY2023 budget included significant financial commitments from the Town for these projects and seeing these through to completion will continue to be a primary goal guiding the FY2024 budget and limiting investment in other capital projects. These three important projects must be our primary focus for capital funding until the risk of potential related cost increases is behind us.

SPET dollars fund many capital projects and provide one time revenue to address community priorities, but do not support ongoing maintenance or upkeep once projects are built. As a result, the Town is stretched further to find ways to support these assets once construction ends. The result, along with other increases in expenses, is demonstrated in the chart below projecting out five years when revenues will no longer be able to cover the Town's expenditures. The opening of the Recreation Center is one example of impending increases in staffing, and ongoing expenses that will necessitate significant funding without equal revenue to support these new services.



At its annual retreat, the Town Council developed a clear list of priorities and associated projects for the next two years. The proposed FY2024 budget complements this effort with funding identified for the creation of a Regional Transportation structure and transportation planning, a Sustainability and Climate Action Plan, Ecosystem monitoring and measures, Security Cameras that recognize License-Plates for added public safety, and continued work by the Equity Task Force, just to highlight a few items. Staff finds it reassuring to have these priorities laid out in advance, providing the opportunity to plan both financially and policy-wise.

The final focus of the FY2024 budget is to keep increases modest while working to reorganize and find internal efficiencies relying on the Town's traditional funding sources. The proposed budget represents largely status quo levels of service and provision of core services and Council Initiatives with the exception of implementation of the compensation study and increased staffing and expenditures associated with the Recreation Center and to a lesser degree the Fleet Maintenance facility. Without significant increases or new revenue, the challenge to balance the budget into the future is real and will need to be addressed. Looking at the current organizational structure and internal efficiencies over the upcoming year will be a key first step to show the community we have reviewed our internal operations first before considering more external changes.

In summary, the goals of the FY2024 proposed budget are to continue to work to ensure we can retain and recruit a quality workforce for years to come, to support the construction of the Recreation Center, Fleet Maintenance Facility and BUILD projects, and to keep increases modest in strategic areas while exploring organizational efficiencies.

With these overall goals in mind, the Town is making sure it is fiscally responsible with the proposed budget maintaining approximately 37% of total revenue in its reserve fund for emergencies, downturns, or other unforeseen challenges. Town Council has given policy direction to maintain a solid cushion in the reserve account while also putting revenue back to work in the community. As we enter potentially uncertain times ahead regarding sales tax collections and other revenues, the Town will monitor expenditures and revenues closely and report back to Council at least every quarter about how revenue projections (3% increase over last year) and expenditures are tracking with the approved budget to make adjustments as necessary.

The FY24 budget is the product of a considerable team effort, from front line employees through Department Directors and especially the amount of time and effort provided by Kelly Thompson, Finance Director. Thompson did an incredible job getting me up-to-speed this year while also crunching numbers, organizing data, and preparing spreadsheets and charts for analysis. I am immensely grateful for the Town's incredible staff and our commitment to serving our community.

This recommended FY24 budget is presented again in two formats, the line-item budget and the Priority Driven Budget with 40 programs for your review and consideration. We look forward to presenting the recommended budget and facilitating meaningful Council dialogue about changes, updates, and edits you would like to see.

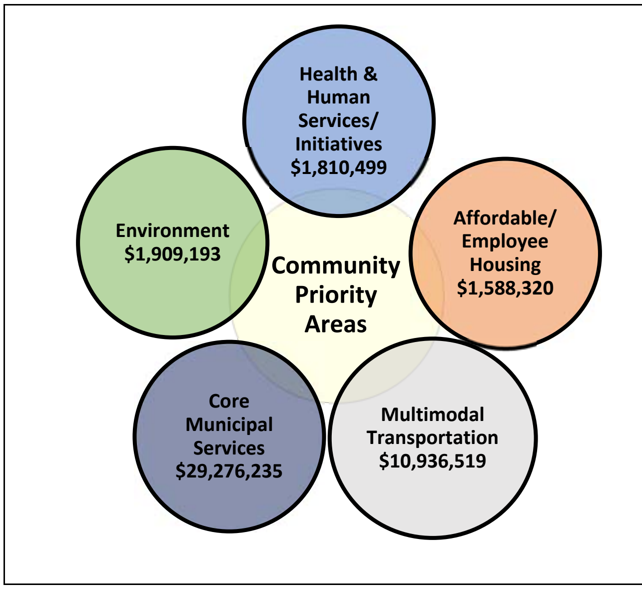
Sincerely,

Tyler Sinclair
Interim Town Manager

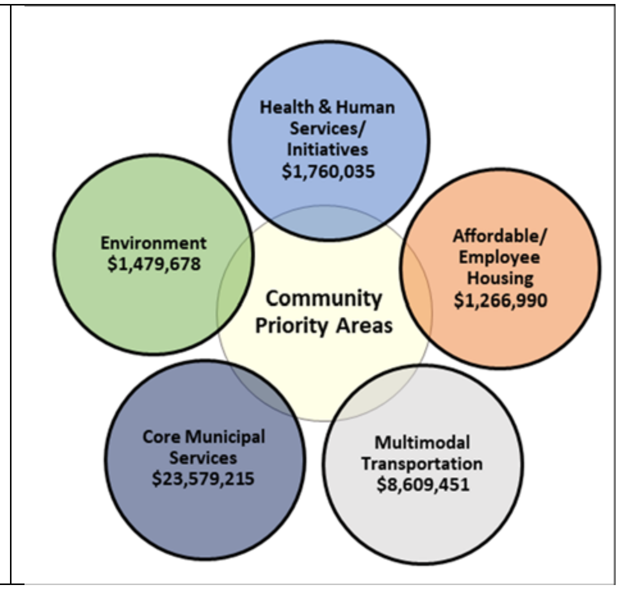
EXPENDITURE FUNDS

The chart below provides a comparison of the Community Priority Framework used last year comparing FY23 and FY24. As shown, the Town continues to support and invest in: Core Services, the Environment, Health & Human Services, Multimodal Transportation, and Workforce Housing.

FY24



FY23



The recommended budget for all funds excluding transfers out for FY24 is $99,851,161, down from an estimated $77,561,146 in FY23. Please see Figure 1 below which illustrates Town reserves, revenues, and expenditures for Fiscal Years 2022, 2023 and 2024.

The General Fund Budget for FY24 is $37,344,580, a $2,650,153 decrease from FY23's estimated expenditures. This is due to a decrease in transfers out to Capital Projects Fund. The General Fund supports programs and services traditionally associated with government (public safety, street maintenance, general government, planning, etc.), which legally do not need to be accounted for in another fund.

For Personnel the recommended budget includes two new FTE requests to help maintain current core levels of service including a Senior Planner and Facilities/Street Maintenance Technician.

Regarding Employee Benefits, the proposed draft budget includes a 7.3% wage increase comprised of 4.8% cost of labor adjustment per compensation plan and a 2.5% merit increase.

Health care costs are projected to increase approximately 16%. This cost increase is being driven by claims, reinsurance and an increase in FTE participants. This fund has a healthy fund balance, so these costs can be absorbed by the fund without impacting our operational outlook this year. Staff notes that the Town will be reviewing our overall benefits over the next year which could lead to changes in this area for FY25. In addition, staff notes that should the Town be successful in filling vacant positions we expect increased expenditure in this area for claims and premiums which will lead to a reduced fund balance.

Special Revenue Funds include the START Fund, Employee Housing Fund, Affordable Housing Fund, Park Exaction Fund, Animal Care Fund, Parking Exactions Fund, and the Lodging Tax Fund. The largest Special

Revenue Fund is the START Fund, accounting for revenues and expenditures for the transit system. Significant items include $350,000 for Miller Park dog leash improvements, $8,000,000 for 8 bus replacements (Town local share $969,910), $1,552,250 for the Stilson and Transit Signal Prioritization BUILD grant projects (Town local share $339,384), and $1,000,000 for Housing Supply Plan.

Enterprise Funds account for revenues and expenses related to Water and Wastewater utility systems. Enterprise funds are legally required to be supported with user fees and revenues. The Water and Wastewater Funds account for both operating and capital costs for each of these utility funds. The budget plans for $3.7M in water including waterline repairs and replacement, a new Federally required lead/copper inspection and replacement program, continued replacement of meters and $2.0M in wastewater capital improvements including sewer line repair and replacement and plant upgrades.

Internal Service Funds provide support services on a cost-reimbursement basis. These include Fleet Maintenance, Employee Insurance, Information Technology Services, and Central Equipment including all Town vehicles and heavy equipment. Examples of equipment include: police cars, snowplows, front-end loaders, and work trucks. These funds have little or no external revenue but receive revenue from departmental charges and interfund transfers. Significant capital investments totaling $2.1M include 5 police patrol vehicles, 3 public works heavy equipment machines and IT server upgrades.

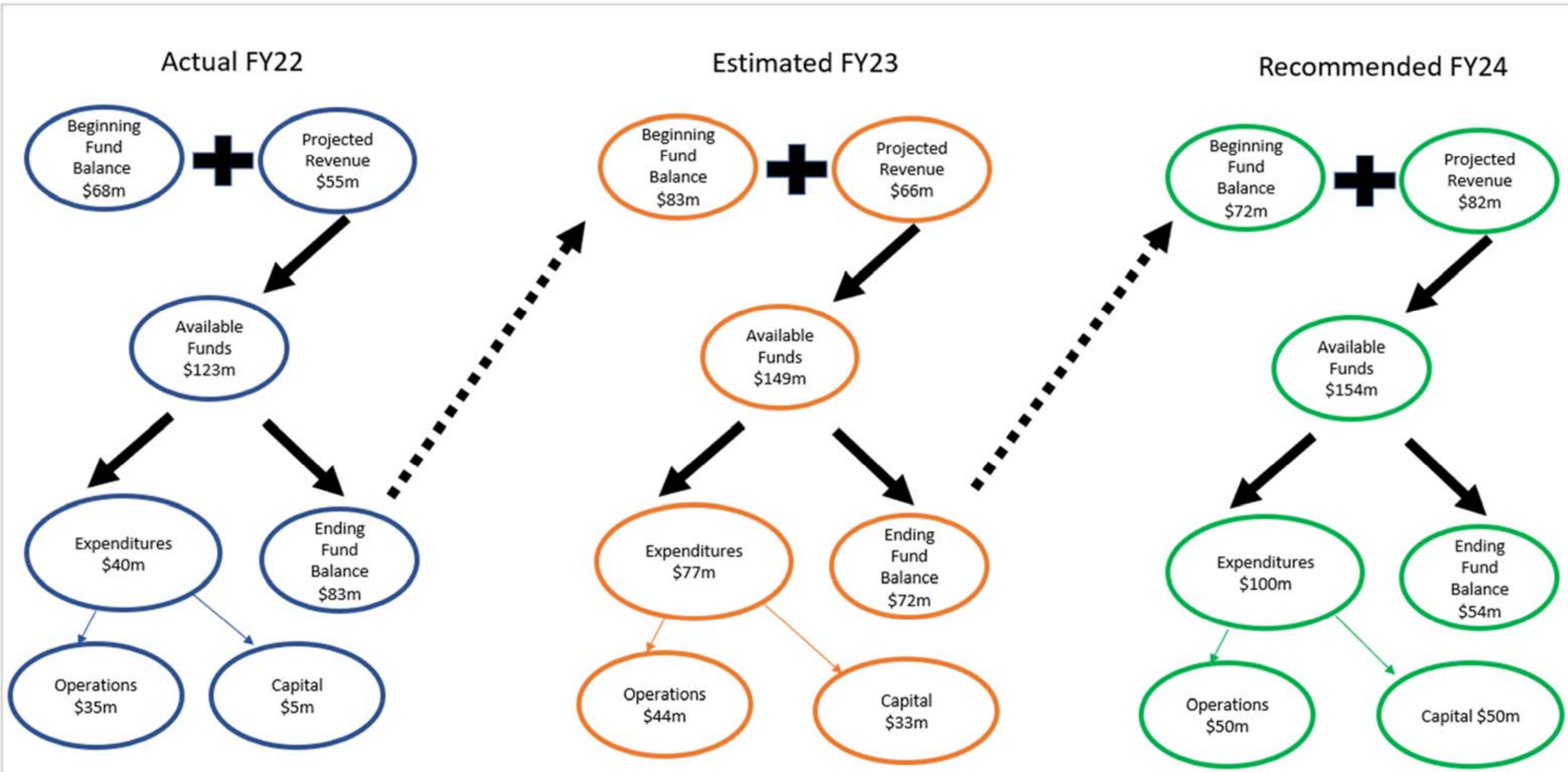
For our Capital Improvement Program (CIP) the 5th cent local option sales tax revenue will be split evenly between the General Fund and the Capital Projects Fund to build new projects and preserve, protect, and extend the life of current public infrastructure and assets. The General Fund will also transfer an additional $1,000,000 to the Capital Projects Fund to reestablish the fund balance drawn down in previous years. This budget includes $29,495,899 in capital expenditures. Significant projects include:

- $15,492,764 for Core Services Fleet Maintenance Facility,
- $7,301,753 will be spent on the Recreation Center,
- $593,105 for Teton County Public Radio System and
- $900,000 for Annual Street Maintenance.

To fund these large projects, as noted the Town will be deferring existing Town capital projects for the next few years.

Joint Departments continue to increase at a greater percentage rate than Town Departments and continue to make up a greater portion of the Town overall budget. Each year the Town has the option to: 1) fund the requested amount for each Joint Department; 2) determine a fixed amount the Town is able to pay for each Joint Department (with this approach the County may choose to fund the difference to fully fund the department request or the overall department budget can be reduced); or 3) amend the Joint Power Agreements or other agreements establishing the current 54/46 funding split. Specifically of note, in FY23 the Town/County added 7 new FTEs to the Fire Department funded largely through use of one-time reserve funding. This year the Town will need to fund this ongoing operational expense for the first time as there are no longer reserves to cover this expense. In addition, this year Parks and Recreation is requesting to add 12 new FTEs associated with the opening of the new Recreation Center. For FY24 these new positions will add approximately $460,000 to ongoing reoccurring expenditures with employees only being hired for a portion of FY24 and the full cost of approximately $1,013,000 being realized in the FY25 budget. These increases are not completely offset by new or increased revenue or a reduction in expenditure. Continued discussions about levels of service, growth, and how joint departments are funded is necessary.

Figure 1


Actual FY22
Beginning Fund Balance $68m
Projected Revenue $55m
Available Funds $123m
Expenditures $40m
Ending Fund Balance $83m
Operations $35m
Capital $5m
Estimated FY23
Beginning Fund Balance $83m
Projected Revenue $66m
Available Funds $149m
Expenditures $77m
Ending Fund Balance $72m
Operations $44m
Capital $33m
Recommended FY24
Beginning Fund Balance $72m
Projected Revenue $82m
Available Funds $154m
Expenditures $100m
Ending Fund Balance $54m
Operations $50m
Capital $50m