Legislation Details (With Text)

File #:	21-2262	**Version:**	1	**Name:**	
Type:	Action Item			**Status:**	Agenda Ready
File created:	4/30/2021			**In control:**	Town Council Meeting
On agenda:	5/17/2021			**Final action:**	
Title:	Consider Unfreezing Portion of 2021-22 Budget				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. GF fct 4-30-21, 2. budget reserve, 3. Required Police Training, 4. 1 Regulatory Requirements for Agenda - unfreeze budget				

Date	Ver.	Action By	Action	Result
5/17/2021	1	Town Council Meeting	approved	Pass

Subject:
Consider Unfreezing Portion of 2021-22 Budget

EXPLANATION AND SUMMARY :

During the uncertainty surrounding the economic impact of the Coronavirus during the 2020-21 budget season, the Town cut all salary increases out of the budget, with the intent to reinstate them later during the fiscal year if a surplus existed.

The 2021-22 adopted budget includes a 3% increase for FY 2020-21 plus a 1% increase effective July 1, 2021, a 4% increase in total. This amount ($359,300 for salary and benefits) is reserved as a hedge against future economic impacts of the Coronavirus, plus $75,000 in reserved education, training and travel costs and $97,000 for increased parks and recreation expenditures.

Currently, due to extraordinary efforts of staff to conserve costs, fulfill duties with vacant positions and due to unexpected budget surpluses in business license and State revenues, the Town is forecasted to have a surplus for FY 2020-21 of $294,000.

Further, the Town expects to be able to recapture some of the lost 2020 and 2021 revenue with the proceeds of the American Rescue Plan (ARPA) funds that will be received in early FY 2022 and 2023. These funds, plus successful vaccination programs in the US, plus the availability of County resources for the pandemic plus other potential federal funding sources leads to the conclusion that the Town is sufficiently reserved against future economic impacts of the Coronavirus.

Therefore, staff recommends unfreezing the total compensation reserve at this time and granting a 3% increase to all eligible employees retroactive to April 1, 2021. This has an approximate cost of $125,000 for FY 2020-21, that would be paid out of the estimated $294,000 surplus.

Staff also recommends unfreezing education and training costs reserved of $75,000 at this time for July 1, 2021, while still reserving $97,000 for parks and recreation expenditures, pending the relaxation of gathering limits by the Governor. Releasing the $97,000 reserve will come to Council for action when gathering limits have been lifted to allow for a full roster of parks and recreation activities.

Education and training for employees is essential to meeting our strategic plan goal of Vienna as an influential and well-governed community. It is also required for a variety of positions, such as CPA's, licensed engineers, water works operators, commercial drivers, notaries, required safety training including CPR and almost two dozen separate courses for police training and certification, many involving fees and travel (see separate attachment).

Strategic Plan Initiative: *Vienna is a fiscally responsible community; Vienna is an influential and well-governed community.*

Departmental Recommendation : Recommend unfreezing $359,300 for compensation increases and $75,000 for education, training and travel from the FY 2021-22 budget. Further recommend granting eligible employees a salary increase of 3% retroactive to April 1, 2021.

Finance Recommendation : Recommend unfreezing $359,300 for compensation increases and $75,000 for education, training and travel from the FY 2021-22 budget. Further recommend granting eligible employees a salary increase of 3% retroactive to April 1, 2021.

Purchasing Recommendation : N/A

Town Attorney Recommendation : The Town Council may approve and authorize the proposed expenditure of funds in its discretion.

Town Manager's Recommendation : I recommend the Town Council unfreeze $434,300 from the Fiscal Year 2021-2022 budget representing salary increases and education, training and travel costs, as presented.

Cost and Financing: $434,300
Account Number: various
Decision Needed by This date: May 17, 2021

PROPOSED/SUGGESTED MOTION
" I move to unfreeze $434,300 from the FY 2021-22 budget representing salary increases and education, training and travel costs",

And

"I further move to award a salary increase of 3% to eligible employees retroactive to April 1, 2021"

Or
Other action deemed necessary by Council.