



City of Maricopa

Legislation Text

File #: BDGT 14-03, **Version:** 1

The Mayor and City Council shall discuss and possibly take action to authorize the City Manager to process year-end budget adjustments for amounts necessary to cover salary and benefit costs related to merit-based compensation increases, budgeted as non-departmental, and health insurance and other benefit costs due to normal staff turnover/coverage changes. Discussion and Action.

Staff is seeking approval for General Fund, year-end budget adjustments necessary for a) the merit-based program for compensation increases (Merit Program) and b) benefit adjustments necessary to cover health insurance and other benefit costs due to normal staff turnover/coverage changes occurring during the fiscal year. These budget adjustments would not increase the overall General Fund budget.

The City of Maricopa budgets salary and benefits expenditures several months prior to the beginning of each fiscal year. As these budgeted amounts are estimates and the City maintains tight control over the budgeted salary and benefits, year-end adjustments are necessary for the following.

Merit Program

The City of Maricopa's Merit Program awards compensation increases based on performance. While it is not possible to predict the increases prior to the passage of the budget, staff recommended expenditures for the Merit Program be appropriated as Non-Departmental expenditures totaling \$621,622 as follows:

- > Police Personnel - \$156,264
- > Fire Personnel - \$170,072
- > Non-Public Safety Personnel - \$295,286

As we are nearing the end of FY13-14, it is now possible to more accurately predict the impact adjustments necessary for the impact of the Merit Program. If departments are able to absorb the costs of these impacts, no adjustment will be processed.

Benefit Adjustments

The budget for health insurance and related benefits are also predicted prior to the beginning of each fiscal year. Similar to the Merit Program, it is not possible to predict employee turnover and the impact of benefit changes during the year. In most cases, departments are able to absorb these changes within their departmental budgets. However, there are departments that are unable to absorb these costs. Therefore, staff is requesting approval of budget adjustments from either a) unutilized amounts in the Merit Program budget or b) departmental savings recognized in other departments.

Per the current City of Maricopa financial policies, budget adjustments between departments, requires approval from Mayor and Council. As FY13-14 amounts budgeted for the Merit Program were adopted as Non-Departmental expenditures and inter-departmental adjustments are being requested, Council approval is necessary for this action.

This item will be presented by Brian A. Ritschel, Finance Director.

Staff recommends the Mayor and City Council authorize the City Manager to process year-end budget adjustments for amounts necessary to cover salary and benefit costs related to merit-based compensation increases, budgeted as non-departmental, and health insurance and other benefit costs due to normal staff turnover/coverage changes.

