

General Fund Transfer: Recommendation Options by Subcommittee

Subcommittee Members Present: Ben Clymer Jr., Kori Norsell, Pete Benavidez, Alia Rodriguez

Members of the Public Present: Kevin Dawson, Tom Evans,

Date of Meeting: Monday, May 10, 2021 5:00pm – 7:00pm

Option 1: Agree what Council recommends. No changes	
Pros	Cons
Keeps the status quo of services, personnel and overall budgeting	Lack of transparency & accountability
	Potential of future law suits
	Does not fix the root of the problem
	No oversight of how this money is spent

Option 2: Recommend an incremental decrease over a certain period of time	
Pros	Cons
Residents pay less “taxes” (aka GFT)	Potential increase in utility rates to offset the loss of GFT funds
Puts the City on a fiscal “diet” as to increase financial efficiencies	Impacts the overall City budget

Option 3: Recommend a fixed dollar amount rather than a percentage	
Pros	Cons
Population related: each household will pay less over time because of population growth. Cost savings to residents.	Does not accommodate the prospective population growth.
Disincentivizes a utility rate increase for anything other than directly related services	
Possibly allow the City to “live within their means” (only works if there are no other RPU increases)	

Option 4: Eliminate the electric GFT altogether. Hard stop.	
Pros	Cons

Payment reduction	City would take a large fiscal hit in the negative
More affordable utility	Increases chance of City bankruptcy
Business attraction (i.e. IT based, agriculture, etc.)	

Option 5: Propose a “sliding scale” based on population not dollar amount (i.e. increase .5% based on 1,000 person population increase)	
Pros	Cons
Fair and equitable to residents	Create more complicated algorithms on how this “sliding scale” would work.
City could budget based on population	The language could be tricky

Option 6: Increase the GFT (fixed rate or percentage)	
Pros	Cons
Fund non-traditional programs (i.e. social, arts, etc.)	Residents do not want more taxes or rate increases
	Not equitable for all constituents
	Unused balance at fiscal year end - how/what will determine how this money is expended

Outstanding Questions/Points

- ** Bigger the City gets, the more services are needed
- ** Add the GFT as a line item on the utility bill (why isn't this currently done?)
- ** Identify what the City should NOT spend GFT funding on
- ** What does this really look like in terms of revenue? Month to month? (Brian S. to explore)