



AGENDA
FINANCE ADVISORY COMMITTEE
REGULAR MEETING
TUESDAY MARCH 19, 2024
6:00 PM
CITY HALL COMMUNITY ROOM
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CALL TO ORDER AND ROLL CALL

Committee Members: Mayor Kristen Brown, Vice Mayor Yvette Brooks, Chairperson Michelle Coffman, Vice Chairperson Anthony Rovai, Laura Alioto

ORAL COMMUNICATIONS *(No action may be taken)*

The Chair may announce and set time limits at the beginning of each agenda item.

The Committee Members may not discuss Oral Communications to any significant degree but may request issues raised be placed on a future agenda.

OTHER BUSINESS *The Chair may announce and set time limits for speakers at the beginning of each agenda item.*

Topic	Who	Min.
A. Approval of Minutes – Meeting of Jan. 16, 2024	All	5
B. FY 2024-25 Budget Prep & Schedule	Fin Dir	10
C. FY 2024-25 Budget Goals	Fin Dir	10
D. City Council Compensation	Fin Dir	25
E. Discussion of Items for Next Agenda	All	10

ADJOURNMENT

Notice: The Finance Advisory Committee meets on the Tuesday every other month at 6:00 PM in the Community Room in City Hall located at 420 Capitola Avenue, Capitola.

Agenda and Agenda Packet Materials: The Finance Advisory Committee Agenda is available on the City's website: www.cityofcapitola.org/ on Friday prior to the Tuesday meeting. If you need additional information, please contact the Finance Department at (831) 475-7300.

Americans with Disabilities Act: Disability-related aids or services are available to enable persons with a disability to participate in this meeting consistent with the Federal Americans with Disabilities Act of 1990. Assisted listening devices are available for individuals with hearing impairments at the meeting in the City Council Chambers. Should you require special accommodation to participate in the meeting due to a disability, please contact the City Clerk's office at least 24-hours in advance of the meeting at 831-475-7300. In an effort to accommodate individuals with environmental sensitivities, attendees are requested to refrain from wearing perfumes and other scented products.

Appeals: Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing and delivered to the City Clerk's Office within ten (10) working days from the time of the boards' decision. The notice of appeal shall set forth appellant's name, phone number, address to which notices may be sent to the appellant, and the grounds upon which the appeal is made.



MINUTES
FINANCE ADVISORY COMMITTEE
REGULAR MEETING
TUESDAY JANUARY 16, 2024
6:00 PM
CITY HALL UPSTAIRS CONFERENCE ROOM
420 CAPITOLA AVENUE, CAPITOLA, CA 95010

CALL TO ORDER AND ROLL CALL

Committee Members Present: Mayor Kristen Brown, Vice Mayor Yvette Brooks, Chairperson Michelle Coffman, Laura Alioto, Anthony Rovai

Committee Members Absent: None

ORAL COMMUNICATIONS

None

OTHER BUSINESS

None

Topic
<p>A. Approval of Minutes – Meeting of Dec. 19, 2023</p> <p>Minutes moved by Mayor Brown and seconded by committee chair Coffman. Minutes unanimously approved. Vice Mayor Brooks abstained.</p>
<p>B. Appointment of Chairperson and Vice Chairperson</p> <p>Staff provided a brief report on the appointment of a chairperson and vice chairperson. Vice Mayor Brooks made a motion that Chair Coffman and Vice Chair Rovai continue through the end of 2024. The motion was seconded by Mayor Brown and unanimously approved.</p>
<p>C. 2023 TOT Audit Update</p> <p>Staff reported the results of the 2023 TOT audit in which 3 hotels were found to have untaxed guest charges. After discussing the various options, Chair Coffman made a motion that the committee make a recommendation to the City Council to allow exemptions to stand during the audit period and require hotels to use updated forms with a standard checklist beginning Feb. 1, 2024. The motion was seconded by Vice Chair Rovai and unanimously approved. Mayor Brown & Vice Mayor Brooks abstained.</p>
<p>D. FY 2023-24 2nd Qtr. Investment Report</p> <p>Staff reported the following balances as of Dec. 31, 2023:</p> <ul style="list-style-type: none">➤ Local Agency Investment Fund (LAIF) - \$4.6 million➤ Wells Fargo - \$7.2 million➤ Investments - \$4.7 million➤ PERS Retirement Trust - \$1.5 million➤ Other Post Employment Benefits (OPEB) Trust - \$687,000
<p>E. Discussion of Items for Next Agenda</p> <p>FY 2024-25 Budget prep & schedule, FY 2024-25 budget goals, City Council Compensation</p>

ADJOURNMENT: Chairperson Coffman adjourned the meeting at 6:38 PM.

Finance Advisory Committee

Agenda Report



Meeting: March 19, 2024

From: Finance Department

Subject: Fiscal Year (FY) 2024-25 Budget Preparation and Schedule

Recommended Action: Receive report from staff.

Background: The Capitola Municipal Code requires the City to prepare and disseminate a budget calendar on or before March 1 of any fiscal year. The attached calendar provides dates for budget study sessions, hearings, meetings, and other significant budget events.

Discussion: City Council has approved the attached Budget Calendar for FY 2024-25. The budget cycle began with a City Council Goal Setting Workshop on March 6, 2024. This meeting focused on establishing the FY 2024-25 Budget Principles and Goals. The budgeting principles and goals will serve to guide staff's preparation of the Proposed Budget.

Pursuant to this calendar, the Proposed Budget will be distributed on Friday, May 3, 2024, and the presentation of the City Budget to the Finance Advisory Committee is scheduled for a Special Meeting on Tuesday, May 14, 2024. This is a tentative schedule that may be changed as necessary by the City Manager and/or City Council. Some meetings may be cancelled if they become unnecessary based on prior sessions.

Fiscal Impact: None

Attachments:

1. FY 2024-25 Adopted Budget Calendar

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director

CITY OF CAPITOLA BUDGET CALENDAR – 2024-25 FISCAL YEAR



The City Manager and/or the City Council may change this tentative schedule.

NOTE: Some meetings may be cancelled if they become unnecessary based on prior sessions.

Meeting Date 2024	Week/Day	Nature of Meeting	Description
March 6	1 st Wednesday	*Special City Council	Establish Budgeting Principles / mid-year presentation
March 19	3 rd Tuesday	Finance Advisory Committee	Finance Advisory Committee to discuss Budget Principles
April 4	1 st Thursday	Planning Commission	Planning Commission review of the Capital Improvement Program (CIP)
May 3	1 st Friday	N/A	Proposed budget distribution
May 14	2 nd Tuesday	Special Finance Advisory Committee	Finance Advisory Committee to discuss proposed Budget and draft recommendations to Council
May 16	3 rd Thursday	*Special City Council	Presentation of City Operating & CIP Budgets
May 21	3 rd Tuesday	Finance Advisory Committee	Finance Advisory Committee to discuss proposed Budget and make recommendations to Council
May 23	2 nd Thursday	*Regular City Council	
May 30	3 rd Thursday	*Special City Council	Finance Advisory Committee Presentation Council Deliberations
June 4	1 st Tuesday	Special Finance Advisory Committee (if necessary)	Finance Advisory Committee to discuss proposed Budget and draft presentation
June 6	1 st Thursday	*Special City Council <i>(if necessary)</i>	Council Deliberations
June 13	2 nd Thursday	*Regular City Council	Reports from Finance: Appropriations Limit Resolution and Investment Policy
June 20	3 rd Thursday	*Special City Council <i>(if necessary)</i>	Final City Council Budget deliberations <i>(If necessary)</i>
June 27	4 th Thursday	*Regular City Council	Final Adoption of the City Budget and Pertinent Resolutions

NOTE: The **Special** meeting on March 6th will begin at 4:00 p.m., all other Special and Regular meetings begin at 6:00 p.m. Meetings with an asterisk (*) are held in the City Hall Council Chambers and will be televised "Live" on Charter Communications Cable Channel 8. The Finance Advisory Committee Meetings begins at 6:00 pm and are scheduled to be held in the Community Room.

Finance Advisory Committee

Agenda Report



Meeting: March 19, 2024

From: Finance Department

Subject: Fiscal Year (FY) 2024-25 Budget Principles and Goals

Recommended Action: Receive report from staff.

Background: *General Budget Principles*

As outlined in Administrative Policy III-3: Financial Management (Attachment 1), the City of Capitola prioritizes the following budget principal categories:

- Fiscal Policy Principles
 - Maintain a balanced budget that ensures ongoing expenditures can be met with ongoing revenues.
 - Use one-time revenues for one-time expenditures.
 - Ensure the budget plans for future cost increases and attainable revenue projections.
- Public Service Principles
 - Maintain, and improve upon, the transparency of City operations and accessibility of government.
 - Recognize the high priority the community places on the public's safety.
 - Analyze future service level increases with their long-term financial impacts to ensure financial stability.
- Public Improvement Principles
 - Maintain the City's infrastructure by providing maximum funding for the pavement management system.
 - Maintain and improve Capitola's natural resources and sustainable green programs.
 - Ensure maintenance and cleanliness of City facilities, sidewalks, and streets.

Annual Budget

Each year the City prepares and adopts an annual budget. The annual budget drives the City's operations and gives the City Council direction to the City Manager regarding day-to-day functions. The budget not only outlines the City's financial plan but also establishes the framework in which the City will provide services to the community. Principles and goals identified in the budget establish metrics against which actual performance can be measured.

Discussion: To ensure the prepared draft budget is consistent with the City Council's direction, the City adopts budget principles and goals for each upcoming fiscal year. One important reason to adopt budget principles and identify key projects is to increase focus on the City Council's overall priorities and help to clearly articulate those priorities to Capitola residents and other stakeholders.

As staff begins preparation for upcoming budget years, both ongoing and one-time revenue along with employee bandwidth is considered. An estimated June 30, 2024, General Fund balance summary is provided in the table below.

Employee Down Payment Assistance Program	\$100,000
Future Capital Improvement Projects (allocated \$369,000 to wharf Feb. 26, 2024)	\$585,000
Operating Contingency Balance (allocated \$430,000 at mid-year Feb. 22, 2024)	\$116,000
Total Fund Balance	\$701,000
Historic Fund Balance Target Level	\$500,000
Keeping Employee Down Payment Assistance	\$100,000
Total Available Fund Balance	\$201,000

Fiscal Impact: The City Council provided the following direction in preparing the FY 2024-25 Proposed Budget:

- Reallocate \$50,000 from Esplanade Park Project (FY 2023-24 Goal)
 - \$25,000 towards the Wharf
 - \$25,000 towards medians on 41st Ave.
- Public Works - \$100,000
 - Lifeguard equipment storage - \$25,000
 - PD facility improvements - \$65,000
 - Daylighting cityside - \$10,000
- Community Development - \$75,000
 - Wharf Re-Envisioning Plan & Public Outreach - \$75,000
- City Manager - \$27,000
 - Citywide digital applications - \$5,000
 - Employee engagement - \$6,000
 - Elections outreach - \$4,000
 - Translation services - \$5,000
 - Website updates - \$7,000
- Recreation - \$20,000
 - Equity Swim & Public Safety Outreach Program - \$20,000

Attachments:

1. Administrative Policy III-3

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director



ADMINISTRATIVE POLICY

Number: III-3
Issued: June 8, 2000
Revised: March 14, 2013
June 13, 2013
October 27, 2016
Jurisdiction: City Council

FINANCIAL MANAGEMENT POLICIES

POLICY

The following financial policies (herein, the "Policies") assist the City with the management of its operating and capital budgeting processes and to standardize and rationalize the issuance of debt by the City. Updated policies insure the prudent use of the City's resources to meet its commitments, to provide needed services to the citizens of Capitola, and to maintain sound financial management practices. These Policies are guidelines for general use, and allow for exceptions in extraordinary conditions. The Policies serve their intended purpose if they stimulate an open debate about the City's operating and capital budget processes, existing and/ or proposed debt position, and they lead to informed decision-making by the City Council. In order to use the Policies properly, they should be applied in the context of the community's overall objectives and goals.

The Policies are divided into three sections: Capital Budgeting and Reserves, Operating Budgeting and Reserves, and Other Policies.

A. CAPITAL BUDGETING AND RESERVES; ISSUANCE OF DEBT

1. CAPITAL PLANNING -IN GENERAL:

To enhance creditworthiness and prudent financial management, the City of Capitola is committed to systematic capital planning, intergovernmental cooperation and coordination, and long-term financial planning, and implementation over a two-year period. Evidence of this commitment to systematic capital planning will be demonstrated through adoption of an annual review of the City's five-year capital improvement budget.

2. USE OF LONG-TERM FINANCING METHODS:

Major capital improvements or acquisitions valued over \$250,000 may be made using long-term financing, methods, rather than out of operating revenue. The prioritization of capital projects eligible for debt financing is accomplished through a "needs assessments" undertaken in the formulation and development of the City's five-year capital improvement budget.

3. FISCAL ANALYSIS:

The City will require each capital appropriation request to include a fiscal analysis that identifies the amount of funds requested, the source of funds requested and the impact of the request on existing revenues and operations.

4. ASSET LIFE:

The City will consider long-term financing for the acquisition, maintenance, replacement, or expansion of physical assets (including land) only if they have a useful life of at least five years. City debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed.

5. CAPITAL FINANCING -IN GENERAL:

The City will rely first on internally generated funds and/or grants and contributions from other government sources to finance its capital improvement needs. Capital improvements will be financed through user fees, service charges, assessments, special taxes or developer exactions so long as the benefits the City will derive from such improvements can be attributed to the users of the improvements. Moreover, the City will specifically consider the costs associated with any borrowing in order to determine that the above funding sources are adequate to service the proposed debt. Accordingly, the Policies assume that development fees will be set at a level that is sufficient at all times to insure that new development pays its fair share of the cost of constructing new facilities in the community.

Debt will be issued for a capital improvement project only in the case of emergency or when it is an appropriate means to achieve an equitable allocation of costs between current and future beneficiaries as determined by the City Council. Debt shall not, in general, be used for projects solely because insufficient funds are budgeted at the time of acquisition or construction. Debt will only be undertaken when the City believes that project revenues or specific resources will be available and sufficient to service the debt over its life. Debt financing will not be considered appropriate for any recurring purpose such as operating or maintenance costs.

The City will evaluate the use of debt in-Lieu of "pay-as-you-go" financing based on the following criteria:

Factors Favoring "Pay-as-you-Go" Financing:

1. current fund balances or project revenues are Reliable adequate to fund the project;
2. existing or proposed debt levels would have a deleterious effect on the City's credit rating;
3. credit market conditions are unstable or present extraordinary difficulty in marketing the proposed debt.

Factors Favoring Use of Debt:

1. revenues are deemed to be stable & enough to support the proposed debt at investment grade ratings;
2. the nature of the financed project will support investment grade ratings;
3. credit market conditions present favorable interest rates and demand for financing such as the City's
4. the project being financed is mandated by the state or federal government and resources are insufficient or unavailable;
5. the project being financed is immediately required to meet or relieve capacity needs and current resources are insufficient or unavailable;
6. the estimated useful life of the asset to be financed is greater than 5 years.

6. GENERAL OBLIGATION DEBT:

General obligation bonds provide the lowest borrowing costs for major public assets. The source of repayment of a general obligation bond is from proceeds of specific taxes, the City's operating funds and its operating position are not impacted by the issuance of general obligation bonds. Though the use of the term "general obligation bond" implies that the City's "full faith and credit" would be pledged to the repayment of the bond, the bond is actually repaid from an ad valorem tax on real property.

Because of the absence of a limitation on the rate and amount of the tax that might be levied to pay a general obligation bond, state law requires the proposed debt to be approved by the electorate, by a two-thirds vote.

Cities in California may issue general obligation bonds only for the purpose of acquiring, improving or constructing real property.

7. USE OF OTHER DEBT, INCLUDING REVENUE BONDS, CERTIFICATES OF PARTICIPATION OR FINANCING LEASES:

Before issuing revenue debt or financing leases, the City will determine that the proposed facility is both necessary and desirable, and that no other financing method is practical to finance it. The City shall only use revenue debt or financing leases: if the project to be financed will generate positive net revenues after debt service; or, if the project will significantly reduce City operating costs; or, if an equal or greater amount of non-City matching funds will be lost if City's revenue or financing lease funds are not applied in a timely manner; or, in the case of a financing lease, if the project to be financed is less than \$250,000; or, if the project to be financed provides essential City services or would so advance core City policy objectives that its value overrides the value of obtaining voter approval.

B. OPERATING BUDGETING AND RESERVES

1. TWO YEAR OPERATING BUDGET:

The City will maintain a long-range fiscal perspective through the use of a two-year operating budget and a five-year capital improvement budget.

2. BALANCED OPERATING BUDGET:

The City will maintain a balanced operating budget for all governmental funds with on-going revenues equal to or greater than on-going expenditures and debt service. This policy requires that in any given fiscal year we do not budget proposed expenditures in excess of the revenue we expect to receive in the same time frame.

3. "ONE-TIME" REVENUE:

The City will use "one-time" revenues, including fund balance carry-forwards, to fund nonrecurring expenditures. "One time" revenues cannot be relied on in future budget periods and should be used to stabilize existing revenues, retire early debt or for capital purchases.

4. NORMAL REVENUE INFLATION WILL GO TO PAY NORMAL INFLATION EXPENSES:

The City will assume that normal revenue inflation will go to pay normal inflation expenses. Any new or expanded programs will be required to identify funding sources. If normal revenue inflation does not keep up with expense inflation, expenses will be decreased or a new revenue source will be found. If revenues grow at a rate faster than expense inflation, expanded service levels may be considered.

5. CONTINGENCY RESERVE APPROPRIATION:

For each fiscal year, the final adopted General Fund budget shall contain a funded Contingency Appropriation equal to 15% of normal General Fund Expenditures. The Contingency Appropriation "will provide a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements."

6. EMERGENCY RESERVES:

To protect against significant one-time costs, which might arise from major unpredictable emergency events, in addition to the Contingency Appropriation, the City shall maintain a funded emergency reserve equal to 10% of normal General Fund budgeted expenditures.

7. PERS CONTINGENCY FUND:

The City will maintain a PERS Contingency Fund to stabilize future pension contribution increases. The City will invest the funds in an irrevocable trust fund. The target funding level for this fund is one full year of PERS Contributions with additional money allocated to the fund when the City has available surplus funds.

8. REVENUE DIVERSIFICATION:

The City will endeavor to maintain a diversified and stable revenue base to minimize the effects of economic fluctuations on revenue generation and to protect it from short-term fluctuations in any revenue source.

9. REVENUE PROJECTIONS:

The City will prepare multi-year projections of revenues and other resources in order to understand the level of funding available for services and capital acquisition. The revenue projections will assist the City in understanding of revenue sensitivity to changes in assumptions and to controllable factors such as changes to tax rates or fees. The revenue projection will be for a period of at least two years into the future to evaluate how revenues may change over time, to isolate non-reoccurring revenues and to understand the impact of revenue growth. The major assumptions used in the revenue projection will be documented and identified and different scenarios may be developed to enable City Council to choose a preferred scenario.

10. EXPENDITURE PROJECTIONS:

The City will prepare multi-year projections of expenditures for each fund and for existing and proposed new programs. The expenditure projections will assist the City in determining whether projected expenditure levels can be sustained, whether new programs are affordable, and whether a program's current and future costs are

acceptable compared to program benefits and projected revenue availability. The expenditure projections will be for a period of at least two years into the future to evaluate how expenditures may change over time. All expenditure projections should identify service level assumptions and key issues that may affect actual expenditures.

11. COMMUNITY DEVELOPMENT FEES:

The City's development process costs and related administrative expenses should be offset by fees to the greatest extent possible. Fees will be reviewed and updated on a yearly basis to ensure that they keep pace with changes in the actual costs of service delivery as well as changes in the methods or levels of service delivery.

C. OTHER POLICIES

1. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES:

The City will comply with all the requirements of Generally Accepted Accounting Principles. The City will always conduct its financial affairs and maintain its records in accordance with GAAP as established by the Government Accounting Standards Board, so as to maintain accuracy and public confidence in its financial reporting systems.

2. COUNCIL ACTION TO BE A SCHEDULED BUSINESS ITEM, NOT CONSENT CALENDAR:

For all debt sales, the City will require that the action taken by the City Council to incur the debt will be taken as a scheduled business item, and at a regular or special City Council meeting, consistent with state law.

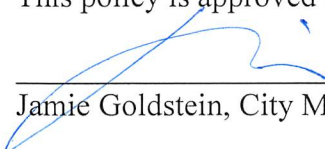
3. INTERNAL BORROWINGS:

Provided sufficient resources are available, liquidity will not be impaired, and a defined source of repayment is available, the City will favor internal over external borrowings to achieve short-term liquidity. In accordance with the City Council Resolution #2683, the Finance Director will initiate and the City Manager will approve inter-fund borrowings, except for year-end accounting entries that create temporary inter-fund loans for the financial statement presentation purposes, and the City Manager will report such borrowings to the Council at its next regular meeting. Interest on inter-fund loans will be recorded only when necessitated by state or federal program requirements, or other contractual or legal obligations.

4. EMPLOYEE COMPENSATION:

The City will continue to pay competitive market level compensation to our employees to ensure that the City has the ability to attract and retain well-qualified personnel while ensuring that the City's compensation practices are competitive and consistent with those of comparable employers.

This policy is approved and authorized by:



Jamie Goldstein, City Manager

Finance Advisory Committee

Agenda Report



Meeting: March 19, 2024
From: Finance Department
Subject: City Council Compensation

Recommended Action: Receive report and provide direction to staff.

Background: California Government Code Section 36516 allows the City Council to increase its compensation by an amount equal to 5 percent for each calendar year from the operative date of the last adjustment, provided that the City Council approves the increase by Ordinance and the increase does not go into effect until after the next General Municipal Election when new terms of office begin. For purposes of Government Code Section 36516, the operative date of the last salary adjustment was December 2022.

City Council Member salaries were initially established at \$75 per month by Ordinance No. 283 adopted February 14, 1966. Salaries were subsequently increased to \$150 per month by adoption of Ordinance No. 418 on July 11, 1977, \$300 per month by Ordinance No. 716 adopted July 11, 1991, and \$500 per month by Ordinance No. 901 adopted March 23, 2006, which also added section 2.04.275 to the Capitola Municipal Code allowing City Council salaries to be payable in the same manner as employees. On September 12, 2019, the City Council adopted Ordinance No. 1032 adjusting salaries to \$600 per month and requested that the Finance Advisory Committee review City Council compensation each election year. On Sept. 8, 2022, the Council adopted Ordinance 1054 adjusting salaries to \$660 per month upon the start of new terms following the November 2022 General Municipal Election.

Discussion: On June 29, 2023, Governor Newsom signed into law Senate Bill 329 (“SB 329”) which increases the maximum amount of salary that council members may receive. This legislation was intended to increase the compensation schedule for council members in general law cities, which have not kept pace with inflation. SB 329 allows cities to increase the compensation to adjust for inflation in order to help keep city councils more diverse by allowing people from across different income levels to serve the public and support their families.

Currently, Government Code section 36516 authorizes a city council to enact an ordinance to provide each member of the city council a salary, with a maximum limit based upon the population of the city in accordance with a specific schedule. Any increases in salary are also limited and cannot exceed 5% for each calendar year from the operative date of the last adjustment of the salary that is in effect when the increase is enacted.

SB 329 amended Government Code section 36516 to increase the maximum amount of salaries identified in the schedule. For example, for cities with up to and including 35,000 in population, the maximum salary for each council member has been increased from \$300 per month, which was established in 1984, to \$950 per month. SB 329 also authorizes the salary of council members to be increased beyond the specified maximum to an amount not exceeding the greater of **either** 5% for each calendar year from the operative date of the last adjustment of the

salary or an amount equal to inflation since January 1, 2024, based on the California Consumer Price Index (Not to exceed 10% per calendar year).

No ordinance can be enacted or amended to provide automatic future increases in salary and the electors can consider the question of whether city council members should receive a salary and the amount of the salary may be submitted to the electors. Any retirement, health and welfare, federal social security benefits, or reimbursement for actual and necessary expenses are not included for purposes of determining salary under section 36516.

SB 329 requires that an ordinance to increase council member compensation be considered in an open session with at least two regular meetings. The ordinance must include findings demonstrating the need for increased compensation and there must be at least **seven days** between the introduction and adoption of the ordinance.

SB 329 went into effect on January 1, 2024. However, it is important to note that pursuant to Government Code section 36516.5, any council salary increase may take effect only when at least one member of the council commences a new term.

Fiscal Impact: Adjusting City Council compensation from \$660 per month to \$950 per month would result in an increase of total salary cost of approximately \$18,000 annually.

Report Prepared By: Report Prepared By: Jim Malberg, Finance Director