

MEMORANDUM

TO : *Mayor Toby Barker, Members of City Council*
FROM : *Connie Everett, Interim Chief Financial Officer*
DATE : *September 1, 2021*
SUBJECT : *FY 2022 Budget*

In this binder is the detailed budget report for FY 2022. Behind this summary memo, you will find an Excel spreadsheet summarizing the budget to the four major categories required for the published budget format. Next is a Manpower budget report reflecting the proposed salaries for FY 2022.

Again this year, we have worked diligently to produce the FY 2022 budget for the General Fund that is structurally balanced, i.e., new revenue equals new expenditures. This is the second consecutive budget to achieve structural balance in the General Fund.

Below is a list of some of the more significant items:

- Parks & Recreation improvements are continuing to be supported with proceeds of the 1% sales tax on restaurants and motels.
- The sales tax budget for FY 2022 is set at \$23,500,000. This is less than the anticipated total for FY 2021. We will evaluate actual sales tax proceeds after the close of FY 2021 to determine how we can best utilize any revenue collected in excess of the budgeted amount, as well as any unspent General Funds budgeted in FY 2021. Any such proposal would be presented in the form of a budget amendment in FY 2022.
- Phase II of general obligation bonds for the Public Safety Complex were issued in August 2020 and are budgeted for overpass construction. This project is extending into FY 2022.
- The paving budget is set at \$2,600,000.
- Wage and salary adjustments are included for several departments during FY 2022, which include:
 - Department directors
 - Years of service raises for employees in Public Works and Parks & Recreation
 - Raising minimum wage for Water & Sewer employees to \$15/hour, as well as years of service raises for those employees already over the minimum
 - Code enforcement officers and permit techs
 - Raising the starting salary and adjusting pay scale for sworn police officers
 - Step raises for firefighters
- Addition of several positions, some of which were eliminated during the May 2020 reduction in force
 - Innovative Programs Coordinator within Parks & Recreation
 - Additional code enforcement officer position within Urban Development
 - Electrician/HVAC position within construction division of Public Works
 - Two equipment operator positions within Parks & Recreation

Other items of note:

- Total City millage of 53.13 mills will remain the same for FY 2022. A half mill was shifted from the General Fund to the debt service fund in anticipation of beginning debt service payments on the Public Safety Complex bonds. There was a .03 mill increase in the certified rate for the Police & Fire Municipal System, and that was shifted from the General Fund.
- Total school millage for those residents living in the Hattiesburg Public School District will not increase for FY 2022. Forrest County was scheduled for reappraisal of property this year, and total roll adjustments are estimated to generate sufficient revenue to cover the school district's requested funding at the current millage rate.

The following projects are also slated for construction, in some phase, during FY 2022.

Ward 1 – Campbell Loop bridge

Ward 2 – East Jerusalem water and sewer improvements; Longleaf North water and sewer improvements; Hall Avenue East Overpass project; Public Safety complex

Ward 3 – Lamar Boulevard road project

Ward 4 – Hardy Street improvements and roundabout; Longleaf North water and sewer improvements; Hall Avenue sewer improvements

Ward 5 – Country Club Road project; Hall Avenue sewer improvements

The above information will be presented for public information and comment during the public hearing on the proposed FY 2022 budget on September 7.