

# 2024 Budget Hearing #1: Budget Overview

2024 Budget  
August 16, 2023



# Strategic Priorities

**Strong  
Neighborhoods**

**Safe  
Community for  
Everyone**

**Robust,  
Sustainable  
Infrastructure**

**Equitable  
Access to  
Opportunity**

**Youth and  
Workforce  
Development**



# American Rescue Plan

Total Award:  
**\$58,910,047**

Total Allocated:  
**\$58,005,000**

Total Spent or Committed  
(as of 8/16/2023):

**\$46,406,251.95**  
(~79% of total award)

ARP Programs	Total Allocated	Total Spent / Encumbered	Total Committed Capital Project	Total Spent or Committed
<b>Strong Neighborhoods</b>	<b>18,170,000</b>			
Home Repair Assistance Programs (ARP001)	2,500,000	6,419.96		6,419.96
Housing Financing (ARP002)	2,500,000	1,924,778.00		1,924,778.00
Home Buying Assistance (ARP003)	1,000,000	55.45		55.45
Additional Neighborhood Infrastructure (ARP004)	2,500,000	2,388,202.30		2,388,202.30
City-wide Comprehensive Plan (ARP005)	500,000	305,464.35		305,464.35
Plan Implementation (ARP006)	300,000	280,650.00		280,650.00
Land Bank Startup Costs (ARP007)	250,000	47,300.00		47,300.00
Demolitions (Vacant & Abandoned / Commercial) (ARP008)	4,170,000	1,070,948.62	3,000,000.00	4,070,948.62
Neighborhood Development Assistance (ARP009)	150,000	-		-
Vacant Building Development Financing (ARP010)	2,000,000	1,500,000.00		1,500,000.00
Neighborhood Recovery Grants (ARP011)	200,000	80,000.00		80,000.00
Neighborhood Main Streets (Bike Racks, Trash Cans, etc.)	500,000	68,511.06		68,511.06
Athletic Court Repair (ARP013)	1,600,000	1,593,422.75	6,577.25	1,600,000.00
<b>Safe Community for Everyone</b>	<b>13,410,000</b>			
Homelessness Strategy Implementation (ARP014)	200,000	200,000.00		200,000.00
County Partnerships on Homelessness & Mental Health (ARP015)	5,800,000	5,762,500.00		5,762,500.00
Gun Violence Intervention (ARP016)	500,000	49,812.47		49,812.47
Public Safety Technology Upgrades (ARP017)	1,500,000	974,477.08		974,477.08
COVID Response (ARP018)	1,500,000	1,448,093.16		1,448,093.16
COVID Facilities Upgrades (ARP019)	2,000,000	1,236,676.35		1,236,676.35
ARP Premium Pay (ARP033)	1,910,000	1,889,659.66		1,889,659.66
<b>Robust, Sustainable Infrastructure</b>	<b>1,625,000</b>			
Green Infrastructure - Greener Homes (ARP020)	100,000	-		-
Green Infrastructure - Solarize, Switch & Save (ARP021)	300,000	297,000.00		297,000.00
Green Infrastructure - Commercial Recycling Partnership for CBD's	75,000	594.27		594.27
Green Infrastructure - EV Plan & Deployment (ARP023)	150,000	88,279.00		88,279.00
Green Infrastructure - Distributed Solar/Storage (ARP024)	1,000,000	150,000.00	850,000.00	1,000,000.00
<b>Equitable Access to Opportunity</b>	<b>8,950,000</b>			
Small Business Assistance (ARP025)	1,750,000	60,876.00		60,876.00
Utility Relief (ARP026)	5,500,000	4,631,794.45		4,631,794.45
Streamlined Assistance (ARP027)	600,000	460,542.19		460,542.19
Opportunity Fund (ARP028)	1,000,000	117,839.10		117,839.10
Immigration Support (ARP029)	100,000	100,000.00		100,000.00
<b>Youth and Workforce Development</b>	<b>15,850,000</b>			
Workforce Development (ARP030)	250,000	214,430.25		214,430.25
Dream Center (ARP031)	11,100,000	1,810,469.38	9,289,530.62	11,100,000.00
Pre-K Centers (ARP032)	4,500,000	2,600,486.35	1,899,513.65	4,500,000.00
<b>Grand Total</b>		<b>31,360,630.43</b>	<b>15,045,621.52</b>	<b>46,406,251.95</b>



# Upcoming Highlights

- Full staffing level of officers (252)
- Real time crime center operations
- Homeless Strategy Implementation
- Customer Service Focus
- Rebuilding Our Streets 2.0 Plan
- Continued Investments in Climate Action Plan
- VPA and Neighborhood Capital Projects
- Community Initiatives Fully Integrated into VPA with GVI
- Adopting Latest Best Practices in Innovation & Technology
- PSCDA Projects in 2024
- Major water and sewer capital projects discussed during rates (2023)
- Continued cost of living adjustments to attract and retain talent



# Budget Takeaways

- Inflation has stabilized, prices remain high.
- Competitive wages continue to climb faster than revenue received.
- Budgeted deficit is not an actual deficit.
- Structural deficit makes new, ongoing expenditures unsustainable.
- Need to grow into this budget, making cuts wherever possible.
- Healthy reserves provide flexibility to navigate this transition.



# Financial Overview

## Proposed 2024 Budget



# Cash Reserve Requirements

Fund Category	12/31/2023 Projected Cash Balance	Cash Reserve Requirement	Variance	Reserve Requirement Explanation
General Plus Funds	92,144,579	69,876,492	22,268,087	50% of annual operating expenses
Other Operating Funds	23,691,012	17,953,156	5,737,856	Generally, 25% of annual operating expenses
Other Special Revenue Funds	20,808,064	11,353,357	9,454,707	Rainy Day Fund - 3% of total City expenses
Capital & Debt Service Funds	58,225,149	30,800,916	27,424,233	Debt service reserves
Internal Service Funds	17,831,195	7,244,420	10,586,775	Reserve requirement is for self-insured funds
All Other Funds	47,708,334	3,533,585	44,174,749	
<b>Grand Total</b>	<b>260,408,333</b>	<b>140,761,926</b>	<b>119,646,407</b>	



# Revenues

	2020 Actual	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
Property Taxes	80,188,143	87,866,397	88,670,960	91,383,556	94,996,997
Local Income Taxes	36,897,937	35,736,715	31,464,822	32,377,557	35,136,116
Charges for Services	101,247,133	105,060,688	110,825,456	114,555,260	123,481,642
Debt Proceeds	16,244,982	27,792,114	20,602,267	56,973,500	11,928,500
Donations	4,629,063	4,581,762	3,523,560	7,603,000	9,720,560
Fines, Forfeitures, and Fees	1,073,088	662,297	646,218	733,550	744,420
Interest Earnings	2,502,753	1,727,224	4,874,844	3,443,910	3,586,248
Interfund Allocation Reimb	20,960,750	25,124,917	25,996,674	26,659,591	31,507,592
Interfund Transfers In	54,052,369	61,843,919	49,177,864	62,287,807	62,297,371
Intergov./ Grants	10,051,021	40,813,139	39,961,550	4,387,255	4,332,568
Intergov./ Shared Revenues	25,155,512	25,978,557	25,873,341	28,863,886	31,800,200
Licenses & Permits	1,619,205	1,821,899	2,240,128	1,881,225	1,930,707
Other Income	6,340,335	5,414,593	6,362,370	3,107,411	3,108,272
PILOT	6,221,791	6,154,321	6,079,325	6,095,594	6,024,186
<b>Grand Total</b>	<b>367,184,081</b>	<b>430,578,541</b>	<b>416,299,378</b>	<b>440,353,102</b>	<b>420,595,379</b>





# 2024 Proposed Budget

	2021 Actual	2022 Actual	2023 Adopted Budget	2024 Proposed Budget
01 Mayor's Office	(1,716,896)	(2,132,797)	(1,036,452)	(1,114,306)
02 City Clerk	(477,787)	(433,836)	(453,901)	(492,180)
03 Common Council	(538,882)	(509,239)	(607,587)	(836,294)
04 Administration & Finance	(35,073,661)	(52,290,061)	(43,629,245)	(47,588,191)
05 Legal Department	(1,227,132)	(1,303,534)	(1,604,576)	(1,809,768)
06 Public Works	(93,949,799)	(82,035,216)	(142,580,721)	(107,531,245)
07 Innovation & Technology	(9,183,704)	(9,298,919)	(10,078,207)	(14,204,771)
08 Police Department	(42,044,556)	(43,031,323)	(47,335,169)	(51,624,654)
09 Fire Department	(35,767,842)	(37,766,018)	(40,474,070)	(44,618,382)
10 Dept of Community Investment	(34,246,266)	(45,085,414)	(28,398,300)	(49,029,978)
11 Venues, Parks & Arts	(22,403,068)	(36,464,143)	(37,033,164)	(35,379,154)
Net Surplus / (Deficit)	(276,629,592)	(310,350,500)	(353,231,392)	(354,228,923)



# 2024 Proposed Budget

Total Revenue (City):	420,550,561
Total Expenditures (City):	<u>(447,213,320)</u>
<b>Net Surplus/(Deficit):</b>	<b>(26,662,759)</b>

- Deficit Breakdown:
  - General Plus Fund Deficit: \$18,471,576
  - Enterprise Funds Deficit: \$8,998,724



# 2024 Proposed Budget

- General Plus Fund Deficit: **\$18,471,576**
  - \$5.5million for streets capital
  - \$6.0 million to cover Parks operations
  - Subsidizing of various City operations and programs.
  - \$ Increased costs due to inflation and increased salaries and wages

- General Plus Fund History:

General Plus Funds Budget					
2021		2022		2023	
Budget	Actual	Budget	Actual	Budget	6/30/2023 Actual
<b>\$5.0 Million Deficit</b>	<b>\$9.9 Million Surplus</b>	<b>\$6.3 Million Deficit</b>	<b>\$2.7 Million Surplus</b>	<b>\$13.1 Million Deficit</b>	<b>\$2.0 Million Deficit</b>

- Stronger than expected revenue
- Cost savings (particularly in personnel)



# Personnel Assumptions

- **Non-bargaining personnel:** 3.00% raise
  - City Residency Incentive: \$1,000 → \$2,000
- **Sworn Firefighters:** 2.50% raise (per contract)
- **Teamsters:** 2.00% raise (per contract)
  - City Residency Incentive: \$1,000 → \$2,000
- **Sworn Police Officers:** 4.50% raise (per contract)



# Format of Budget Hearings

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2024 Budget



# Budget Hearing Schedule

Date	Time	Topic
Wednesday, August 16, 2023	5:30 PM	2024 City-Wide Budget Overview
Wednesday, August 23, 2023	5:30 PM	Police Department & Fire Department
Wednesday, August 31, 2023	5:30 PM	Venues Parks & Arts
Wednesday, September 6, 2023	5:30 PM	Council Working Session #1
Wednesday, September 13, 2023	5:30 PM	Department of Community Investment
Wednesday, September 20, 2023	5:30 PM	Public Works
Monday, September 25, 2023	5:30PM	Public Hearing on 2024 Budget (@ 7:00pm Council Meeting)
Thursday, September 28, 2023	5:30 PM	Mayor's Office, Diversity & Inclusion, City Clerk, Common Council
Tuesday, October 3, 2023	5:30 PM	Public Hearing on 2023 Budget (@ 7:00 pm Council Meeting)
Thursday, September 28, 2023	5:30 PM	Mayor's Office, Legal Department, Clerk & Council
Thursday, October 3, 2023	5:00 PM	Transpo, Budget Wrap-up, and Final Questions

# Format of 2024 Budget Packets

- Copy of each PowerPoint Presentation
- Budget Summary Sheet
  - Summary of Spending
- Line-Level Budget Detail
- High-level summary of proposed personnel changes

