



# PROPOSED BUDGET

## Fiscal Year 2024-25



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A GREAT AMERICAN STORY

# FY24-25 Proposed vs FY 23-24 Adopted

All Funds					
	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Proposed	% Difference (Adopted FY 23-24 to Proposed FY 24-25)
Salaries	\$117,429,659	\$125,922,617	\$125,367,172	\$128,919,969	2.4%
Retiree Health Insurance	5,911,430	5,744,940	6,291,500	6,935,237	20.7%
Operating Expenses	163,175,805	175,217,507	176,240,448	189,906,746	8.4%
Equipment	4,784,254	11,356,716	8,891,052	6,745,177	-40.6%
<b>Total Operating</b>	<b>\$291,301,149</b>	<b>\$318,241,780</b>	<b>\$316,790,171</b>	<b>\$332,507,128</b>	<b>4.5%</b>
Capital Improvements	16,467,763	56,595,746	34,121,804	57,802,103	2.1%
Debt Service	19,460,262	19,471,197	19,645,530	21,025,863	8.0%
Transfers Out	599,390	360,000	5,999,024	910,000	152.8%
Contingency	-	364,005	155,700	834,925	129.4%
<b>Total</b>	<b>\$327,828,564</b>	<b>\$395,032,728</b>	<b>\$376,712,229</b>	<b>\$413,080,019</b>	<b>4.6%</b>

## Reflecting on FY 23-24

- Several major development projects completed infrastructure improvements and several multi-family projects approved.
- Annual audit resulted in zero reportable conditions.
- Completed 1,088 permitted establishment inspections.
- Implemented digital timekeeping system.
- 50.83 lane miles addressed via preventative maintenance.
- Completed Tourism & Museum Master Plan
- Purchase of body cameras and other tech for IPD.
- Completion of Fire Strategic Plan.

# Setting the Stage For Progress

- Improved financial position.
- At a crossroads.
  - Charter Amendment
  - GO Bond
  - IPL Ownership/Governance
- FY 24-25 Budget builds on corrective actions already taken.

# REALLOCATING FOR PRIORITIES

- Council established a new Action Plan surrounding key areas of operations
- Simply cutting programs and services is not the answer
- Reallocation of resources from lower priority programs to higher priority (strategic alignment)

# STRATEGIC ACTION PLAN

- **An Engaged Community.** We foster a culture of engagement and civic leadership based on innovation and best practices involving community members of all backgrounds and perspectives.
- **An Innovative Economy.** We grow a diversified and innovative economy leveraging our community amenities, skilled and creative people, and educational resources to generate economic opportunities.
- **A Safe, Welcoming Community.** We embrace a safe, healthy, welcoming, and inclusive community.
- **A Well-Planned City.** We consistently improve our community's appearance and quality of life as it grows and changes, honoring our unique history and sense of place as we plan for a livable, affordable, more connected city.
- **A Financially Sustainable Organization.** We create long-term financial stability by using equitable and sustainable sources of funding for City services, and we deliver them in a lean and efficient manner.
- **A High-Performance Organization.** We operate as an ethical, high-performance organization anticipating future needs, utilizing best practices, and striving for continuous improvement.



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# Shaping the General Fund Picture

- Address General Fund shortfall (**\$4.3M**).
- Provide 2% across-the-board wage increase for non-represented employees.
- Accurately budget for obligated wage increases for represented employees.
- Accurately budget for Fire OT & other pays (**\$2.4M**).
- Account for loss of federal subsidy for transit.

# General Fund Revenues

General Fund					
	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Proposed	% Difference (Adopted FY 23-24 to Proposed FY 24-25)
Taxes	\$28,394,924	\$28,495,625	\$29,903,000	\$30,337,000	6.5%
Franchise Fees	9,228,632	8,333,000	8,815,000	8,967,000	7.6%
PILOTS	21,760,119	21,301,000	22,365,000	22,855,000	7.3%
Licenses and Permits	4,515,591	4,452,950	4,369,750	4,567,150	2.6%
Intergovernmental Revenue	7,044,053	5,960,000	7,159,000	6,907,000	15.9%
Charges for Services	2,519,199	2,034,900	2,479,679	2,099,150	3.2%
Fines and Court Fees	2,125,275	2,086,000	2,156,000	2,086,000	0.0%
Interfund Charges	2,354,600	4,469,287	4,469,287	4,604,802	3.0%
Investment Income	185,979	180,000	1,770,274	895,200	397.3%
Other Revenue	676,340	749,451	-	-	-100.0%
Transfers In	-	-	-	-	0.0%
<b>Revenue Total</b>	<b>\$78,804,711</b>	<b>\$78,062,213</b>	<b>\$83,486,990</b>	<b>\$83,318,302</b>	<b>6.7%</b>



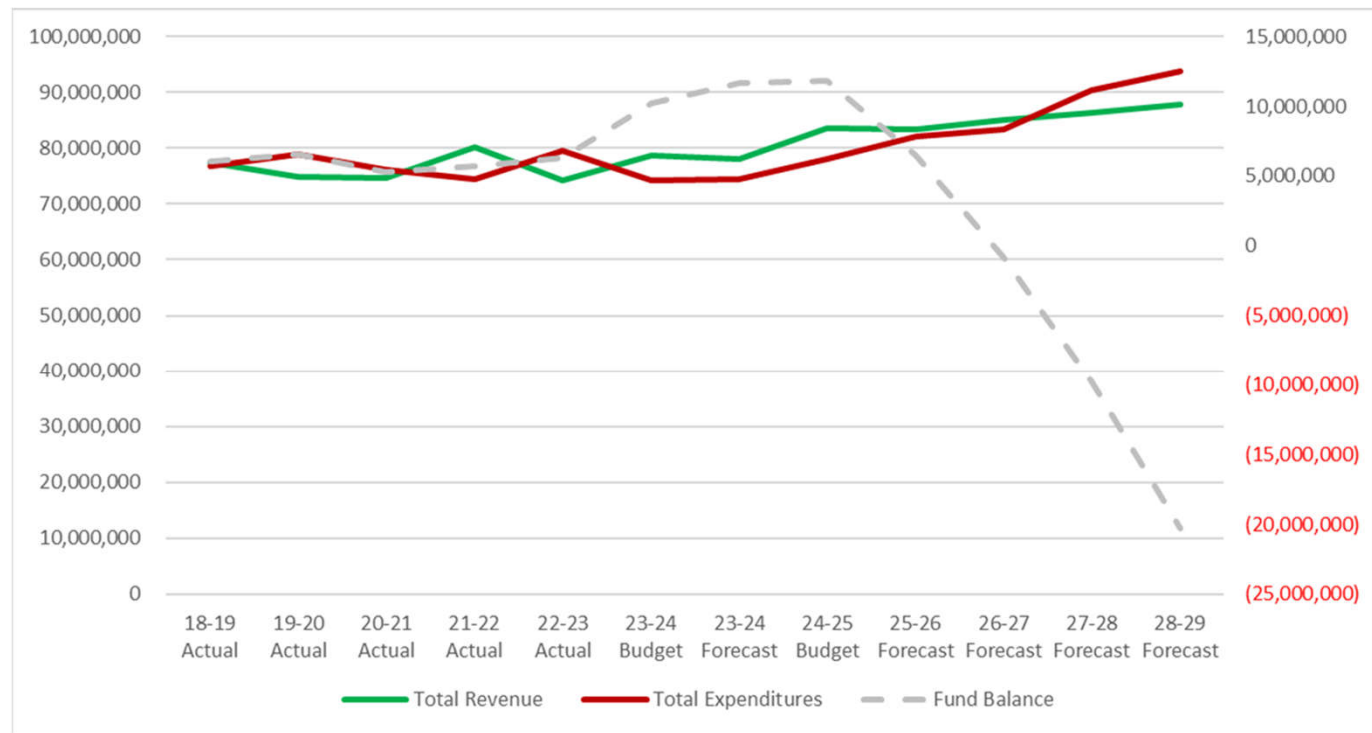
## General Fund

	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Proposed	% Difference (Adopted FY 23-24 to Proposed FY 24-25)
Salaries	\$59,714,925	\$59,846,703	\$63,700,443	\$60,109,189	0.4%
Retiree Health Insurance	3,549,049	3,405,903	3,894,600	4,286,700	25.9%
Operating Expenses	10,534,779	13,702,931	13,882,332	16,094,668	17.5%
Equipment	199,665	217,271	295,345	182,371	-16.1%
<b>Total Operating</b>	<b>\$73,998,419</b>	<b>\$77,172,808</b>	<b>\$81,772,720</b>	<b>\$80,672,928</b>	<b>4.5%</b>
Capital Improvements	-	-	-	260,000	0.0%
Debt Service	180,739	165,400	165,400	1,771,749	971.2%
Transfers Out	217,275	360,000	26,000	10,000	-97.2%
Contingency	-	364,005	-	603,626	65.8%
<b>Total</b>	<b>\$74,396,433</b>	<b>\$78,062,213</b>	<b>\$81,964,120</b>	<b>\$83,318,302</b>	<b>6.7%</b>

# How GF Dollars are Spent



# GENERAL FUND UNASSIGNED BALANCE



# Notable General Fund Changes

- Personnel
  - 2% Increase for Non-Rep
  - Contracted Represented Increases
  - Elimination of OAP1 Health Insurance for active employees on January 1, 2025.
  - Accurately budget for Fire Department OT and Other Pays
  - Reduction in Force of 8 positions
- Loss of federal funding subsidizing public transportation
- Redirect cost allocations for Fire personnel expenses of \$2.7M
- Minimal fee increases
- Fund \$64,400 of the \$1.3M in new spending requests:
  - \$25,400 salary increases for Municipal Court Clerks
  - \$25,000 for GF portion of City's lobbying contract
  - \$10,000 for document shredding
  - \$4,000 for Emergency Preparedness computer replacement
- Contingency: \$603,626

## Sales Tax Fund Revenues

	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Proposed	% Difference (Adopted FY 23-24 to FY 24-25)
Street Improv Sales Tax (011)	\$14,606,748	\$10,980,000	\$13,191,700	\$11,239,000	2.4%
Park Improv Sales Tax (012)	6,107,837	6,095,080	6,533,697	6,018,405	-1.3%
Storm Water Sales Tax (013)	5,507,099	5,608,900	5,948,900	5,665,900	1.0%
Police Public Safety Sales Tax (013)	2,989,258	2,958,600	3,367,308	3,187,600	7.7%
Fire Public Safety Sales Tax (017)	11,997,538	11,769,000	12,344,000	12,178,000	3.5%
Marijuana Sales Tax Fund (065)	-	150,000	620,000	900,000	500.0%
<b>Revenue Total</b>	<b>\$41,208,479</b>	<b>\$37,561,580</b>	<b>\$42,005,605</b>	<b>\$39,188,905</b>	<b>4.3%</b>

Sales Tax Funds Revenues

## Special Revenue Funds

	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Proposed	% Difference (Adopted FY 23-24 to Proposed FY 24-25)
Salaries	\$15,647,774	\$18,637,424	\$17,820,691	\$20,579,337	10.4%
Retiree Health Insurance	201,553	165,000	191,900	226,500	37.3%
Operating Expenses	9,978,779	14,129,145	13,609,953	16,763,257	18.6%
Equipment	3,582,623	8,335,605	6,714,599	5,274,706	-36.7%
<b>Total Operating</b>	<b>\$29,410,729</b>	<b>\$41,267,174</b>	<b>\$38,337,143</b>	<b>\$42,843,799</b>	<b>3.8%</b>
Capital Improvements	10,397,420	27,468,746	16,586,210	24,883,103	-9.4%
Debt Service	1,925,445	1,883,781	2,028,130	1,842,497	-2.2%
Transfers Out	-	-	5,700	81,299	
Contingency	333,186	-	3,843,024	900,000	
<b>Total</b>	<b>\$42,066,779</b>	<b>\$70,619,701</b>	<b>\$60,800,207</b>	<b>\$70,550,698</b>	<b>-0.1%</b>

## Enterprise Funds

	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Proposed	% Difference (Adopted FY 23-24 to Proposed FY 24-25)
Salaries	\$42,066,960	\$47,438,490	\$43,846,038	\$48,231,443	1.7%
Retiree Health Insurance	2,160,828	2,174,037	2,205,000	2,422,037	11.4%
Operating Expenses	142,662,248	147,385,431	148,748,163	157,048,821	6.6%
Equipment	1,001,966	2,803,840	1,881,108	1,288,100	-54.1%
<b>Total Operating</b>	<b>\$187,892,002</b>	<b>\$199,801,798</b>	<b>\$196,680,309</b>	<b>\$208,990,401</b>	<b>4.6%</b>
Capital Improvements	6,070,343	29,127,000	17,535,594	32,659,000	12.1%
Debt Service	17,354,077	17,422,016	17,452,000	17,411,617	-0.1%
Transfers Out	-	-	150,000	150,000	
Contingency	48,929	-	2,130,000	-	
<b>Total</b>	<b>\$211,365,351</b>	<b>\$246,350,814</b>	<b>\$233,947,902</b>	<b>\$259,211,018</b>	<b>5.2%</b>

## Internal Service Funds


	FY 2022-23 Actual	FY 2023-24 Adopted	FY 2023-24 Estimated	FY 2024-25 Proposed	% Difference (Adopted FY 23-24 to Proposed FY 24-25)
Salaries	\$6,066,380	\$7,537,542	\$7,546,570	\$7,633,165	1.3%
Retiree Health Insurance	273,157	222,000	247,000	288,200	29.8%
Operating Expenses	35,984,808	39,310,436	39,844,093	40,931,360	4.1%
Equipment	311,780	1,259,834	1,095,919	83,050	-93.4%
<b>Total Operating</b>	<b>\$42,636,125</b>	<b>\$48,329,812</b>	<b>\$48,733,582</b>	<b>\$48,935,775</b>	<b>1.3%</b>
Capital Improvements	-	-	-	1,018,334	
Debt Service	-	-	-	-	
Transfers Out	-	-	-	-	
Contingency	-	-	-	-	
<b>Total</b>	<b>\$42,636,125</b>	<b>\$48,329,812</b>	<b>\$48,733,582</b>	<b>\$49,954,109</b>	<b>3.4%</b>

- Includes city-wide technology expenses
  - Munis
  - Phone Systems
- Risk Management
- Work Comp
- Staywell
- Internal Service Departments Personnel
  - Finance
  - Human Resources
  - Tech Services
  - Communications





# Internal Service Fund Budgetary Changes

- Personnel
    - Same changes as GF
    - Reduction in Force of one filled and two vacant positions in Finance Department
    - Reduction in Force of three filled positions in Communications Department
    - Addition of one position in Technology Services
  - Reduction of several software items
- 

## Use Tax Receipts

	FY 2022-23 Actual	FY 2023-24 Estimated	FY 2024-25 Proposed
Animal Shelter Use Tax (010)	\$782,000	\$855,000	\$893,000
Police Use Tax (018)	4,100,000	4,483,000	4,683,000
<b>Waterfall</b>			
General Fund (002)	1,023,612	2,000,000	2,040,000
Street Improv Sales Tax (011)	511,806	800,000	877,000
Park Improv Sales Tax (012)	255,895	500,000	438,000
Storm Water Sales Tax (013)	255,895	500,000	438,000
Police Public Safety Sales Tax (016)	127,948	275,000	219,000
Fire Public Safety Sales Tax (017)	511,806	1,000,000	877,000
<b>Total Revenue (All Funds)</b>	<b>\$7,568,962</b>	<b>\$10,413,000</b>	<b>\$10,465,000</b>

# Enterprise Fund Overview

		FY 2022-23 Actual	FY 2023-24 Projected	FY 2024-25 Proposed Budget
Power & Light (020)	Revenue	158,599,523	151,027,379	159,106,500
	Expenditure	149,438,432	157,091,586	169,873,760
	Net	<b>\$9,161,091</b>	<b>(\$6,064,207)</b>	<b>(\$10,767,260)</b>
Water (040)	Revenue	39,213,190	40,986,510	36,940,800
	Expenditure	29,637,029	42,116,520	48,542,960
	Net	<b>\$9,576,161</b>	<b>(\$1,130,010)</b>	<b>(\$11,602,160)</b>
Sanitary Sewer (030)	Revenue	36,727,547	37,820,609	36,309,112
	Expenditure	32,289,890	34,739,795	40,894,298
	Net	<b>\$4,437,657</b>	<b>\$3,080,814</b>	<b>(\$4,585,186)</b>



# HEALTH INSURANCE UPDATES

- Health Insurance rates are expected to decrease
- Federal funding to subsidize Staywell eliminated
- No changes to Retiree Health Insurance
- No changes to plans



## PREPARING FOR FUTURE GENERATIONS

- Begin implementation of projects for Public Safety
- Looking outside of the box for creative, innovative solutions.
- Begin reallocation of existing resources in absence of revenue growth



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# NEXT STEPS

- Official Public Budget Hearing, May 20, 2024
- First Reading of Operating and Capital Budgets on June 3, 2024
- Adoption of the Operating and Capital Budgets on June 17, 2024



ROGER T SERMON COMMUNITY CENTER



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# QUESTIONS?