



2024 Budget – Preliminary Session #1

Presentation 23-218

August 7, 2023

Agenda

- Strategic Plan
- Vision and Mission
- 2024 Budget Process Recap
- Budget Philosophy
- 2024 Budget Requests
- Draft CIP Presentation Follow-up
- Next Steps
- Questions?





Strategic Plan

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Strategic Plan

Purpose

Align City priorities across multiple years to achieve long-term outcomes.

How is this different from the Work Plan?

The Strategic Plan offers consistency wherein the Work Plan changes year-over-year. The Strategic Plan will remain flexible but should be the City's overall driving document.

For example, if Council wants to redirect priorities toward a new project, the Strategic Plan gives Council an understanding of the major work City Staff has already undertaken.



Strategic Plan

City Council's Six Goals

Infrastructure and Transportation

- Develop and maintain public infrastructure, facilities, and transportation to improve community appearance and encourage continued development.

Economic Development

- Promote a balanced, thriving, and inclusive city economy that cultivates, attracts, and retains business

Public Health and Safety

- Protect resident health, safety, and education by promoting public safety, environmental health, and sustainability.

Housing

- Address the full spectrum of housing needs, encourage sustainable development, and protect residents through enhanced oversight and balanced residential growth.

City Unity and Wellness

- Promote City unity and support our diverse community by encouraging community connectivity, fostering civic pride, and improving resident health and wellness

High-Performing Government

- Provide innovative, responsive, and transparent service to the community across all City departments by assessing and meeting service levels and demonstrating efficacy through key performance indicators and other metrics.

Strategic Plan

Budget Alignment

- The Multiyear Strategic Plan encourages a phased approach to large-scale priorities.
- Each year, budget requests should drive towards completion of the coming year's objectives and tactics on the Strategic Plan.
- Budgets make priorities. If you are budgeting for something, it should either be for operational work or related to the Strategic Plan.
- The City's Vision and Mission will be incorporated in this alignment, too, once approved by Council.





2024 Budget Process Recap

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2024 Budget Process Recap

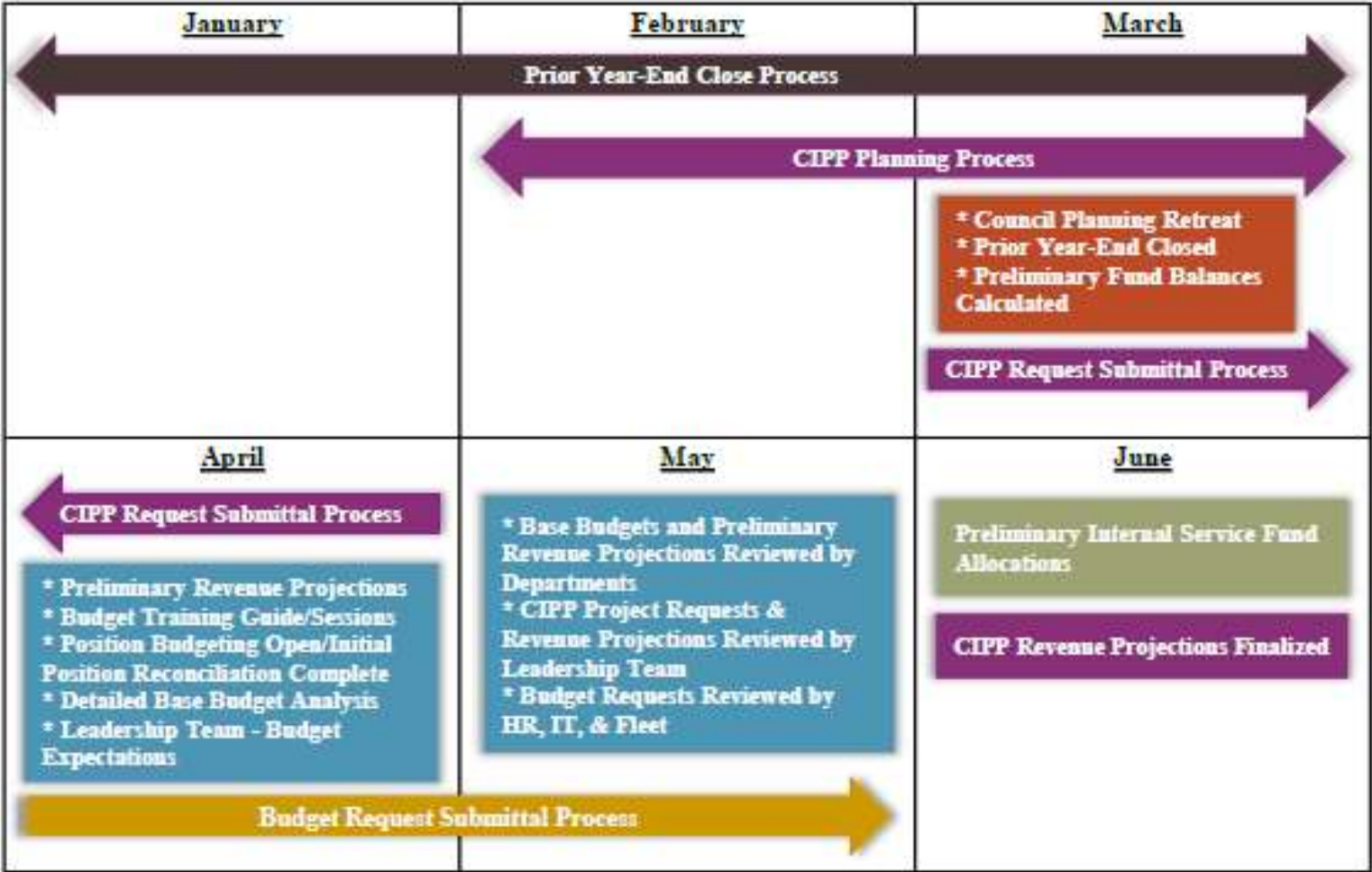
Key Components

- Revenue Projections
- Base Budget Development
- Position Budgeting
- Budget Requests
- Debt Payments
- Capital Needs





2024 Budget Process Recap

Budget Development Calendar



2024 Budget Process Recap

Budget Development Calendar

<u>July</u>	<u>August</u>	<u>September</u>
<ul style="list-style-type: none"> * Preliminary O&M Model and Source & Use Document Complete * Budget Requests Updated & Budget Request Book Built * Department Budget Meetings with CM/DCMs & Finance 	<ul style="list-style-type: none"> * Updated Requests Reviewed with Departments * Council Preliminary Budget Session(s) * Final Position Reconciliation Complete * Preliminary Valuations Received * O&M Model and Source & Use Document Revised 	<ul style="list-style-type: none"> * Council Budget Retreat * Final Budget Changes
		
<u>October</u>	<u>November</u>	<u>December</u>
<p>Open Public Hearing on Proposed Budgets (City, GIDs, and URA)</p>	<p>Close Public Hearing on Proposed Budgets (City, GIDs, and URA)</p>	<p>Prior Year-End Close Process </p> <ul style="list-style-type: none"> * Mill Levy Certifications * Budget at a Glance Document Prepared * Adopted Budget Book Printed & Posted On-line * Adopted Budget Filed with DOLA * GFOA Budget Book Award Submitted

2024 Budget Process Recap

Base Budget Development

- Base Budget
 - ✓ Analysis Framework used to review each line item
 - ✓ Use of actual data from prior three years
 - ✓ Management decisions/anomalies identified
 - ✓ Line items adjusted for inflation when appropriate
 - ✓ One time costs removed
- Budget Requests for additional needs beyond the status quo are considered outside of the base budget development



2024 Budget Process Recap

Base Budget Variances 2023 vs. 2024

General Fund	2023 Adopted Budget	2024 Base Budget	Variance
City Manager	\$ 6,417,866	\$ 7,587,105	\$ 1,169,239
Finance	\$ 10,187,412	\$ 10,311,130	\$ 123,718
Human Resources	\$ 2,100,086	\$ 2,439,226	\$ 339,140
Community Development	\$ 7,959,833	\$ 8,269,303	\$ 309,470
Public Safety	\$ 30,002,381	\$ 31,565,850	\$ 1,563,469
Public Works	\$ 21,772,036	\$ 23,146,353	\$ 1,374,317
Parks, Recreation & Golf	\$ 17,583,763	\$ 18,108,030	\$ 524,267
Legal	\$ 1,592,895	\$ 1,704,705	\$ 111,810
Legislative	\$ 835,273	\$ 881,010	\$ 45,737
Grand Total	\$ 98,451,545	\$ 104,012,712	\$ 5,561,167
Internal Services Funds	2023 Adopted Budget	2024 Base Budget	Variance
Information Technology	\$ 9,407,353	\$ 9,069,423	\$ (337,930)
Fleet	\$ 8,072,179	\$ 6,944,183	\$ (1,127,996)
Facilities	\$ 3,699,056	\$ 3,895,913	\$ 196,857
Grand Total	\$ 21,178,588	\$ 19,909,519	\$ (1,269,069)



2024 Budget Process Recap

Base Budget Variances Explained

City Manager's Office (Increase)

- * Salary and Benefit increase of \$1,055,613 for Regular and Part Time Salaries, Retirement Benefits, and Salaries Personal Vehicle Reimbursement due to the addition of several positions in 2023.

- * Purchased Services & Charges increase of \$82,926 for Facility Services and Computer Allocations, Training, Printing, and Council Events.

Finance (Increase)

- * Salaries and Benefits increase of \$17,165 for Salaries Personal Vehicle Reimbursement, Overtime, and Life and Dental Insurance. \$76,760 increase for Benefits General Leave.

- * Purchased Services & Charges increase of \$64,248 for Facility Services and Computer Allocations and Outside Services Audit Printing.

Human Resources (Increase)

- * Salary and Benefits increase of \$196,794 for Regular and Part Time Salaries and Retirement Benefits.

- * Purchased Services & Charges increase of \$64,248 for Facility Services and Computer Allocations, Recruiting and Advertising, and Career Development Training.

Community Development (Increase)

- * Salary and Benefits increase of \$84,505 for Regular and Part Time Salaries and Retirement Benefits.

- * Navigator Position moved to department from PRG

- * Purchased Services & Charges increase of \$213,865 for Vehicle, Facility Services, and Computer Allocations. Other Operating Expenses/Credit Card Fees decrease of \$45,000 based on prior year actuals.

- * Materials & Supplies increase of \$11,100 for Office Supplies General and Operating Supplies General.

Public Safety (Increase)

- * Salary and Benefits increase of \$1,269,387 for Regular and Part Time Salaries and Retirement Benefits.

- * Increase of \$269,490 to large contract items (ADCOM, Victim Services).

- * Increase of \$54,750 to Operating Supplies and Equipment.

2024 Budget Process Recap

Base Budget Variances Explained

Public Works (Increase)

- * Salary and Benefit increase of \$372,591 for Regular and Part Time Salaries and Retirement Benefits.
- * MyC3 program added several positions and \$449,000 increases to outside services
- * Estimated \$250,000 increase to the Refuse removal contract
- * Inflationary increase of \$162,500 to Operating Materials and Supplies

Parks, Recreation & Golf (Decrease)

- * Salary and Benefit increase of \$373,808 for Regular and Part Time Salaries and Retirement Benefits.
- * Reduction of \$224,889 for Golf Course Restaurant operations due to renovation schedule.
- * Capital Outlay equipment increase of \$85,000 throughout the department.

Information Technology (Decrease)

- * Salary and Benefit increase of \$248,555 for Regular Salaries and Retirement Benefits (Position Reclasse)
- * Computer and Network Allocation increase of \$666,341 driven by increased operations and replacement costs
- * Increases offset by lowering of Transfer amount of \$1,300,000.

Fleet (Decrease)

- * Salary and Benefit increase of \$22,248 for Regular Salaries and Retirement Benefits.
- * Inflationary increase of \$162,200 for Operating Materials and Supplies.
- * Increases offset by decreases in Transfer amount (\$517,000), Depreciation (\$206,681) and Capital Outlay (\$318,750)

Facilities (Increase)

- * Salary and Benefit increase of \$14,757 for Regular Salaries and Retirement Benefits.
- * Inflationary increase of \$87,500 for Outside Services and \$21,000 for Operating Supplies
- * Decrease of \$75,000 in Capital Outlay Equipment Needs.



Budget Philosophy

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Budget Philosophy

The Four Building Blocks

1. Pragmatic moderate approach – **producing** measurable results
2. Fiscal discipline and accountability – **delivering** specific targets within available means
3. Resource allocation – balanced, long-term, **linking** to City’s vision, mission, and goals
4. Functional process – **blending** politics and competing visions to reach mutually beneficial solutions that serve the community





Next Steps



Next Steps

Key Budget Calendar Dates

Date	Activity
08/14/23	Preliminary Budget Session #2
08/21/23	Preliminary Budget Session #3
09/11/23	Council Budget Retreat
10/16/23	Open Public Hearing on Budget
11/06/23	Final Budget Hearing/Adoption



Next Steps

Preliminary Budget Session #2

- Fund Balance Review
- Revenue Projections/Trends
- Draft Source & Use Document
- More Detailed Budget Request Review
- Follow up from 8/7/23 Session



Next Steps

Preliminary Budget Session #3

- Legislative Budget
- Follow up from 8/14/23 Session
- Plans for 9/11/23 Council Budget Retreat





Draft CIP Presentation Follow-up

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CIP Project Follow-up

Council Winter Retreat (2/24/23) – List of 239 Projects

- 115 operational projects
- 124 capital projects
- See summary below for high level status report of the 124 capital projects
- See Capital Project Status List included in agenda packet for complete list of projects

Summary	
<u>Project Quantity</u>	<u>Project Status</u>
107	Active Projects
1	2K Project Contingency
3	Duplicate/Consolidated Projects
11	Closed/In Process of Being Closed Projects
2	Unfunded Projects
124	Total



Questions?

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Opportunity for questions and further discussion.