



FY 2024 Mid-Biennial Update (FY 2024 Proposed Budget)

City Council
May 16, 2023

OVERVIEW

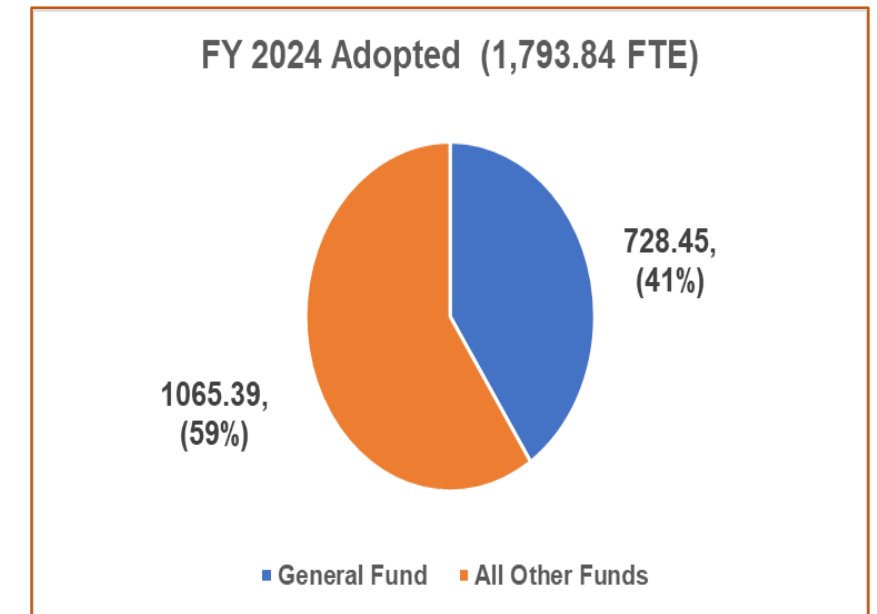
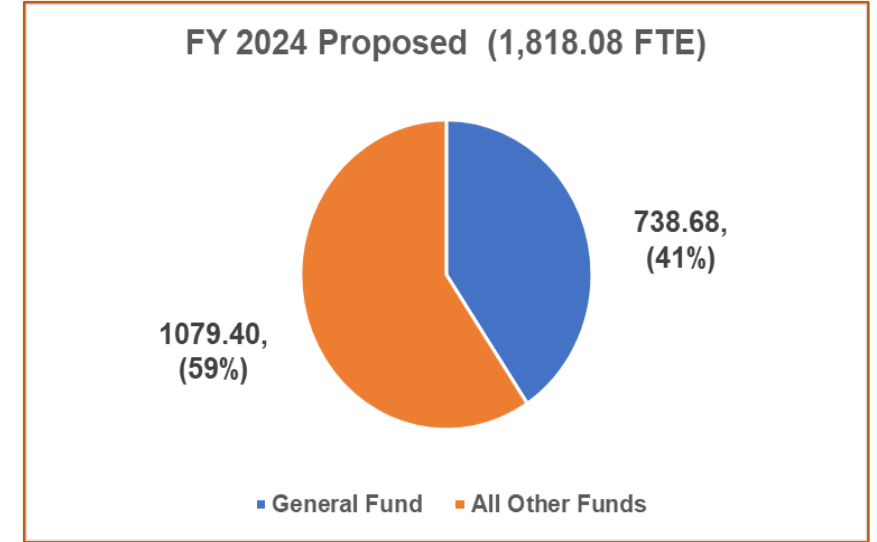
- **Citywide All Funds Update**
 - Summary of FY 2024 Adopted & Proposed
 - Summary of FY 2024 Expenditures by Department
- **General Fund Update**
 - General Fund Revenues
 - General Fund Expenditures by Department
 - Existing and New Funding Requests
- **Recommendations and Next Steps**
- **Discussion**

FY 2024 ALL FUNDS SUMMARY

	FY 24 Adopted	FY 24 Proposed
Revenues Total	\$603,820,083	\$615,840,590
Expenditures Total	725,972,990	718,142,498
Use of Fund Balance	122,152,907	102,301,908
Balanced Budget	0	0

FY 2024 SUMMARY STAFFING BY DEPARTMENT

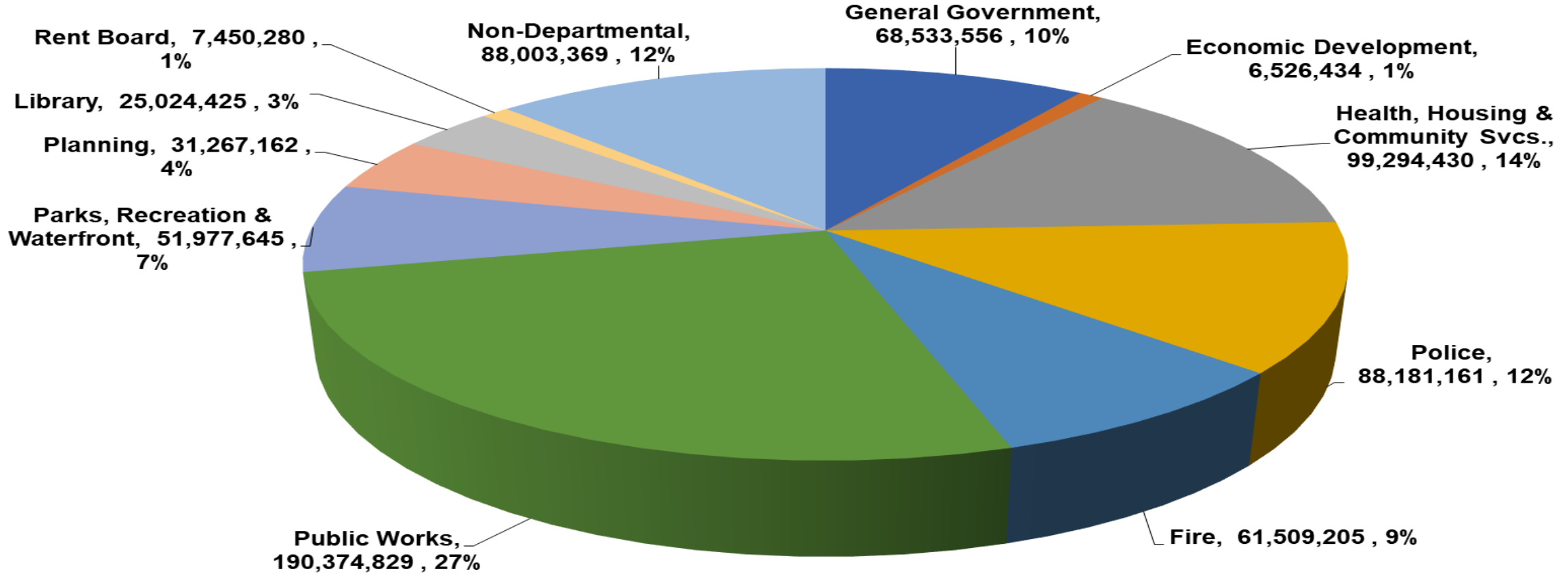
DEPARTMENT	FY 2024	FY 2024 Proposed		
	Adopted	Total	General Fund	All Other Funds
City Attorney	17.00	17.00	15.5	1.50
City Auditor	14.75	14.75	14.25	0.50
City Clerk	10.00	10.00	9.47	0.53
City Manager	45.50	46.50	45.50	1.00
Economic Development	8.00	8.00	7.12	0.88
Finance	56.00	56.00	45.75	10.25
Fire Department	203.00	203.00	129.11	73.89
Health, Housing & Community Services	265.58	274.68	79.37	195.31
Human Resources	22.00	25.00	16.70	8.30
Information Technology	52.00	51.00	0.00	51.00
Library	115.60	119.35	0.00	119.35
Mayor and Council	19.00	19.00	19.00	0.00
Office of the Director of Police Accountability	5.00	5.00	5.00	0.00
Parks, Recreation & Waterfront	165.62	166.62	28.74	137.88
Planning & Development	118.04	119.04	15.99	103.05
Police Department	313.20	313.20	282.00	288.02
Public Works	340.00	344.94	25.18	319.76
Rent Board	23.55	25.00	0.00	25.00
Full Time Equivalent Employee (FTE) Total	1793.84	1818.08	738.68	1079.40



FY 2024 SUMMARY STAFFING CHANGES

Department	FTE Increase	Positions
City Manager's Office	1.0	Project Manager added during AAO#1
HHCS	9.1	Primarily positions related to MHSA Plan Associate Management Analyst; Community Services Specialist; Mental Health Nurse & Social Services Specialist
Human Resources	3.0	Assistant & Associate Human Resources Analysts added through Employer of Choice Initiative
PRW	1.0	Forestry Climbing Supervisor
Planning & Development	1.0	Building Plans Examiner
Public Works	4.94	Occupational Health & Safety Specialist; Mechanical Sweeper Operator; Associate Management Analyst; Solid Waste Supervisor

FY 2024 ALL FUNDS EXPENDITURES



FY 2024 ALL FUNDS EXPENDITURES

Department/Agency	FY 2024 Adopted	FY 2024 Proposed
Library	\$25,182,279	\$25,024,425
Rent Board	7,406,431	7,450,280
Mayor and Council	4,835,380	4,772,190
City Auditor	3,124,862	3,231,099
Office of Director of Police Accountability	1,374,911	1,142,593
City Attorney	8,553,021	8,106,984
City Manager	11,763,275	9,833,653
Office of Economic Development	6,380,895	6,526,434
City Clerk	3,190,547	3,159,486
Finance	11,669,774	10,607,143
Human Resources	5,124,741	5,442,688
Information Technology	22,500,474	22,237,720

FY 2024 ALL FUNDS EXPENDITURES

Department/Agency	FY 2024 Adopted	FY 2024 Proposed
Fire	\$63,450,868	\$61,509,205
Health, Housing & Community Services	93,913,527	99,294,430
Non-Departmental	96,618,910	88,003,369
Parks, Recreation & Waterfront	53,954,977	51,977,645
Planning	27,993,361	31,267,162
Police	88,658,439	88,181,161
Public Works	190,276,318	190,374,829
Total	725,972,990	718,142,498

CONTEXT ON GENERAL FUND BUDGET

FY 20-21 Budget

- Projected \$40M General Fund deficit
 - Hiring freeze/maintaining vacant positions
 - Delay capital
 - One-time use of \$11M in reserves

FY 22 Budget

- Projected General Fund deficit of \$27M
 - One-time use of \$23M in ARPA funds
 - \$4M in expenditure reductions

FY 23-24 Budget

- Projected General Fund deficit of \$22M in FY23 and \$12M in FY24
 - Salary savings target to 8.5% for most departments
 - Remaining use of ARPA funds
 - One-time use of fund balance

FY 2024 GENERAL FUND SUMMARY

BASELINE GENERAL FUND	FY 24 Adopted	FY 24 Proposed
Revenues Total	\$242,752,565	\$248,225,496
Fund Balance	9,860,280	0
Expenditures Total	252,612,845	247,825,076

MEASURE P	FY 24 Adopted	FY 24 Proposed
Revenues Total	\$14,073,750	\$14,073,750
Fund Balance	2,361,767	2,629,555
Expenditures Total	17,085,243	16,703,305*

MEASURE U1	FY 24 Adopted	FY 24 Proposed
Revenues Total	\$4,900,000	\$4,900,000
Fund Balance	1,016,963	952,006
Expenditures Total	5,916,963	5,852,006*

FY 2024 GENERAL FUND REVENUES

	Adopted FY 2024	Proposed FY 2024	Projected FY 2025	Projected FY 2026	Projected FY 2027
Secured Property	\$78,691,517	\$81,859,450	\$84,724,531	\$86,689,889	\$90,759,035
Unsecured Property	3,516,000	3,516,000	3,516,000	3,516,000	3,516,000
Supplemental Taxes	2,000,000	2,300,000	2,300,000	2,300,000	2,300,000
Property Transfer Tax	18,000,000	18,000,000	16,000,000	16,000,000	16,000,000
Property Transfer Tax for Capital Improvements	16,462,172	10,962,172	13,541,415	13,541,415	14,132,244
<i>Property Transfer Tax - Measure P</i>	<i>14,073,750</i>	<i>14,073,750</i>	<i>14,073,750</i>	<i>14,073,750</i>	<i>14,073,750</i>
Sales Tax	19,790,997	19,391,714	20,231,914	21,146,495	22,043,410
Soda Tax	990,210	1,025,800	1,025,800	1,025,800	1,025,800
Business License	19,000,000	19,000,000	19,380,000	19,767,600	19,767,600
Business License - Cannabis Recreation	1,400,000	1,400,000	1,428,000	1,456,560	1,456,560
<i>Measure U1</i>	<i>4,900,000</i>	<i>4,900,000</i>	<i>4,998,000</i>	<i>5,097,960</i>	<i>5,097,960</i>
Utility Users Tax	13,800,000	15,000,000	15,000,000	15,000,000	15,000,000
Hotel Tax	4,900,000	7,725,000	7,956,750	8,195,453	8,441,316
Vehicle In-Lieu	16,563,215	17,208,584	17,810,884	18,434,265	19,079,464
Parking Fines	4,326,450	4,800,000	4,800,000	4,800,000	4,800,000
Moving Violations	132,600	132,600	135,252	137,957	137,957
Interest	6,000,000	7,000,000	7,000,000	7,000,000	7,000,000
Ambulance Fees	3,880,779	5,350,779	3,880,779	3,880,779	3,880,779
Franchise Fees	1,613,283	1,720,056	1,720,056	1,720,056	1,720,056
Other Revenue	10,661,418	18,251,417	18,251,418	19,251,418	17,738,518
Transfers	21,023,924	13,581,924	4,472,621	4,562,074	4,562,074
TOTAL	\$261,726,315	\$267,199,246	\$262,247,170	\$267,597,471	\$272,532,523

FY 2024 GENERAL FUND EXPENDITURES

Department	FY 2024 Adopted	FY 2024 Proposed
Mayor and Council	4,835,380	4,772,190
City Auditor	3,124,862	3,136,323
Office of Director of Police Accountability	1,374,911	1,142,593
City Attorney	4,741,679	4,304,039
City Manager	11,763,275	9,433,592
Office of Economic Development	3,343,968	3,4522,094
City Clerk	2,676,728	2,547,276
Finance	9,213,830	8,179,370
Human Resources	3,113,206	3,467,541
Information Technology	1,526,760	1,526,760

FY 2024 GENERAL FUND EXPENDITURES

Department/Agency	FY 2024 Adopted	FY 2024 Proposed
Fire	\$42,304,032	\$39,546,063
Health, Housing & Community Services	27,412,701	31,679,102
Non-Departmental	55,945,792	53,112,659
Parks, Recreation & Waterfront	9,353,573	9,136,433
Planning	3,380,891	3,277,246
Police	83,845,693	83,606,570
Public Works	6,504,892	6,558,529
Total	273,948,362	269,428,380

FY 2024 OTHER FUNDING NEEDS

- City General Liability & Property Insurance Premium Increases
- Personnel/Labor Costs
- Measure T1 Funding Shortfall
- Department Funding Requests and Council budget referrals
- Additional funding for actuarial recommendation of Section 115 Trust (Additional \$3.5M over current \$2.0M in budget for goal of \$5.5M)
- Additional funding for actuarial recommendation to fully-fund OPEB (Additional \$8.8M over current \$6.5M in budget for goal of \$15M)

RECOMMENDATIONS AND NEXT STEPS

Recommendations

- Defer General Fund funding requests until AAO#1 unless critical to fund on 7/1

Next Steps

- Update FY 23 Projections for Revenues and Expenditures
- Review and update FY 24 Revenue Projections
- **Budget and Finance Policy Committee**
 - May 16, June 8 and June 22 scheduled meetings
 - Discuss budget, Measure P & U1 Recommendations
 - Review and prioritize funding requests and budget referrals
- **Council**
 - Budget hearing on June 13
 - FY 24 AAO Adoption on June 27