

Key Factors

- Aligning budget to actual needs and costs
- Realistic onboarding of vacant positions
- Conservative revenue given economic climate
- Increased labor costs

Key Investments

- Human Capital
- Infrastructure Assessment
- Revenue Exploration
- Community Engagement
- Housing and Homelessness
- Housing and Economic Development
- Public Safety

Citywide Budget

(\$ in millions)

	FY 2023-24		FY 2024-25	
	Revenues	Expenditures	Revenues	Expenditures
General Fund	138.0	143.3	140.9	146.8
Other Funds	82.0	75.1	80.2	77.0
Total - All Funds	220.0	218.4	221.1	223.8

Annual Appropriation Limit (Gann Limit)

- Prop 4 (November 1979) established an annual appropriation limit (Gann Limit)
- Restricts amount of taxes that can be appropriated annually
- Adjusted annually based on population and personal income growth
- City's FY 2023-24 Gann Limit is \$310,026,805

General Fund 5-Year Forecast

(\$ in 000)	2023-24	2024-25	2025-26	2026-27	2027-28
Revenue					
Property Tax	28,959	29,807	30,946	32,128	32,722
Sales Taxes	55,848	57,416	59,290	58,153	58,394
Utility Users Tax	11,281	11,400	11,082	11,205	11,330
Other Tax/Franchise	28,119	28,369	29,875	33,512	33,449
Other Revenue	13,787	13,948	13,339	13,174	13,093
Total Revenue	137,993	140,939	144,532	148,172	148,988
Expenditures					
Salaries & Benefits	65,608	70,769	70,294	73,106	75,299
Operating Expenses	77,728	76,053	75,225	77,000	78,540
Total Expenditures	143,337	146,822	145,519	150,106	153,839
Transfer In From Available Undesignated Funds	5,343	5,883	987	1,934	4,851
Total Fund Balance	72,859	61,633	60,646	58,712	53,860
Available Undesignated Funds	11,711	10,229	3,649	2,922	71
Undesignated Funds after draw	6,368	4,346	2,662	988	(4,781)
Change to Economic Uncertainties Reserve	3,861	(697)	261	(917)	(747)
Net Available Undesignated Funds	10,229	3,649	2,922	71	(5,527)

General Fund Estimated Fund Balance

(in thousands)

	FY 2022-23 Adjusted Budget	FY 2023-24 (Projected)	FY 2024-25 (Projected)	FY 2025-26 (Projected)	FY 2026-27 (Projected)	FY 2027-28 (Projected)
Fund Balance By Category						
<i>Beginning Balance</i>	101,415	72,859	67,516	61,633	60,646	58,712
Revenues	134,083	137,993	140,939	144,532	148,172	148,988
Expenditures	(162,639)	(143,337)	(146,822)	(145,519)	(150,106)	(153,839)
Net	(28,556)	(5,343)	(5,883)	(987)	(1,934)	(4,851)
<i>Ending Fund Balance</i>	72,859	67,516	61,633	60,646	58,712	53,860
Fund Balance By Category						
Nonspendable	7,219	7,219	7,219	7,219	7,219	7,219
Restricted	5,692	5,692	5,692	5,692	5,692	5,692
Assigned	9,437	9,437	9,437	9,437	9,437	9,437
Unassigned*	50,511	45,168	39,285	38,298	36,364	31,512
	72,859	67,516	61,633	60,646	58,712	53,860
Unassigned*	50,511	45,168	39,285	38,298	36,364	31,512
Set Assigned for:						
Compensated Absences	(1,272)	(1,272)	(1,272)	(1,272)	(1,272)	(1,272)
Economic Uncertainties	(32,528)	(28,667)	(29,364)	(29,104)	(30,021)	(30,768)
Emergencies	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
	(38,800)	(34,939)	(35,636)	(35,376)	(36,293)	(37,040)
Available Undesignated Funds	11,711	10,228	3,649	2,922	71	(5,527)

Budget Task Force Recommendations

	Recommendation	Implementation Status
1.	Create Navigation Center	In Progress
2.	Create Civilian Police Review Board	Completed/Ongoing
3.	Look Into Mental Health Crisis Response Team	In Progress
4.	Redirect Activities Handled by Sworn Officers to Other Staff	Completed/Ongoing
5.	Hire Grant Writer to Expand Grant Program	In Progress
6.	Prioritize and Increase Funding for City Buildings and Roads	In Progress
7.	Study Potential Revenue Options for Capital Projects	In Progress
8.	Establish Performance Measures for Each Department	Completed/Ongoing
9.	Create Community Engagement in the Budget Process	Completed/Ongoing
10.	Pilot Safety Liaison/Ambassador Program	Completed/Ongoing
11.	Increase Funding for Community Resiliency	Completed/Ongoing



Performance Measures

- Began the process of metrics and measurement
- Empower departments to own and convey what should be measured
- Understand what data is available
- Periodic review of metrics and reporting
- Process improvement

Performance Metrics Next Steps

- Monitor metrics
- Work with departments on data
- Incorporate review with budget monitoring
- Provide updates to Finance Committee and City Council



Questions