

**NOTICE OF MEETING
CITY COUNCIL OF THE CITY OF GALVESTON
THURSDAY - SEPTEMBER 9, 2021 - 8:00 A.M.
ROOM 204 - CITY HALL
823 ROSENBERG, GALVESTON, TEXAS
TELEPHONE: (409) 797-3510**

Due to the increase in infections with variants of COVID-19 the wearing of masks is highly recommended if you are attending the meetings

Members of the public may participate in the meeting in the following ways:

1. Attend the Zoom meeting by registering in advance at the following web address:
https://us02web.zoom.us/webinar/register/WN_9f8uLiHQQVSG5crUC47xFQ
2. Attend the meeting in person at the above address.

WORKSHOP AGENDA

1. DECLARATION OF A QUORUM AND CALL MEETING TO ORDER
2. ROLL CALL
3. DISCUSSION ITEMS
 - 3.A. Discussion Of The FY2022 Budget And Capital Improvement Plan (M. Loftin - 30 Min)

Documents:

[FY22 BUDGET AND CIP PRESENTATION 8.26.2021.PDF](#)

- 3.B. Clarification Of Consent And Regular City Council Agenda Items - This Is An Opportunity For City Council To Ask Questions Of Staff On Consent And Regular Agenda Items (20 Minutes)
- 3.C. Interview Applicants For City Boards, Commissions, And Committees
 1. Wharves Board
 2. Planning Commission

4. ADJOURNMENT

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on September 3, 2021 at 12:05 P.M.

Janelle Williams

Janelle Williams, City Secretary

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT

THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TEXAS 77550
(409-797-3510).

FY 2022 Proposed Budget and CIP
City Council Workshop
Originally Presented August 26, 2021
Background Information for September 9, 2021



Mike Loftin
Assistant City Manager – Finance

See the Proposed Budget at

<https://www.galvestontx.gov/DocumentCenter/View/12727/FY2022-Proposed-Budget>

See the Proposed CIP at

<https://www.galvestontx.gov/DocumentCenter/View/12728/FY2022-FY2026-Proposed-Capital-Improvement-Plan>

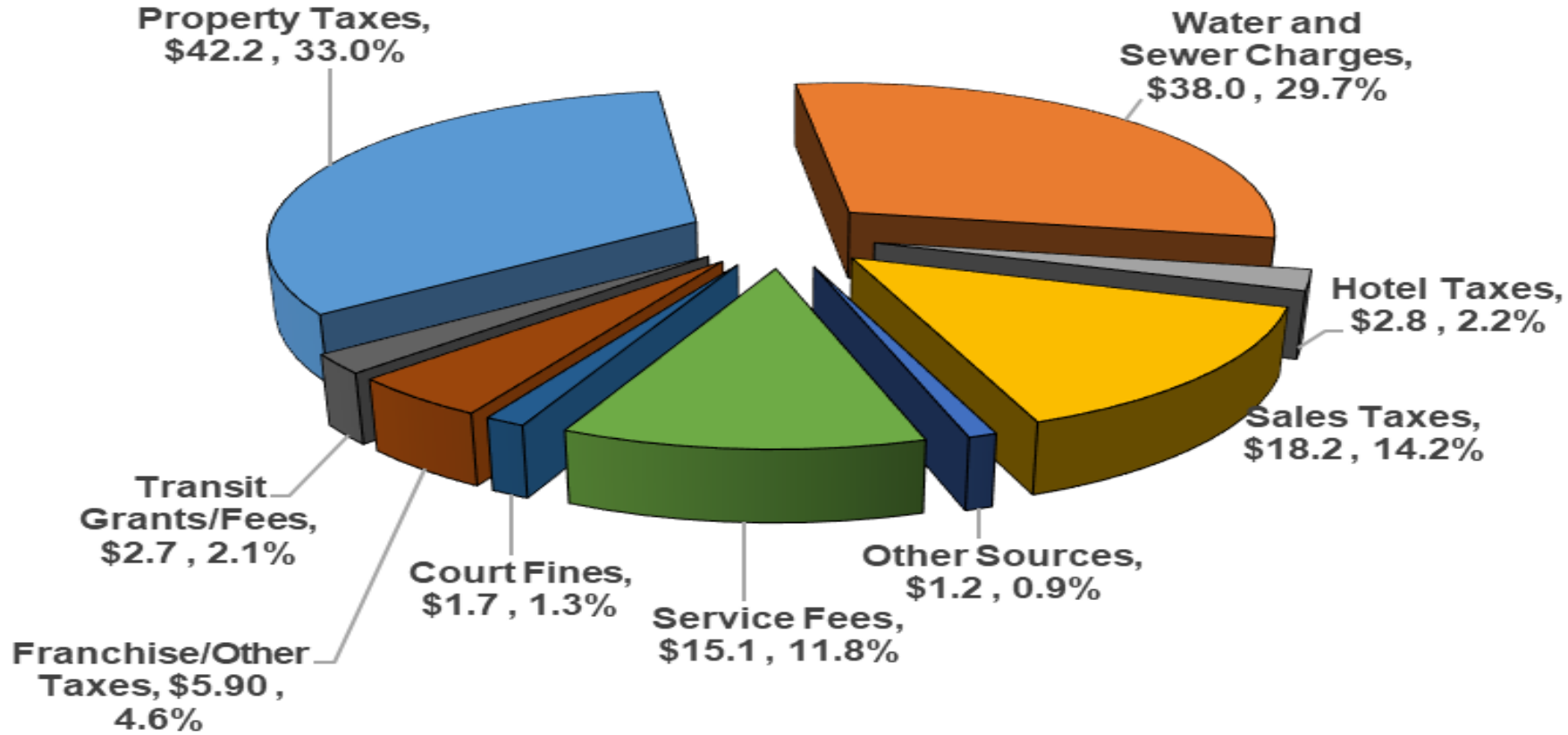
Or go to galvestontx.gov and look under “Financial Transparency”

FY 2022 Budget and CIP Schedule



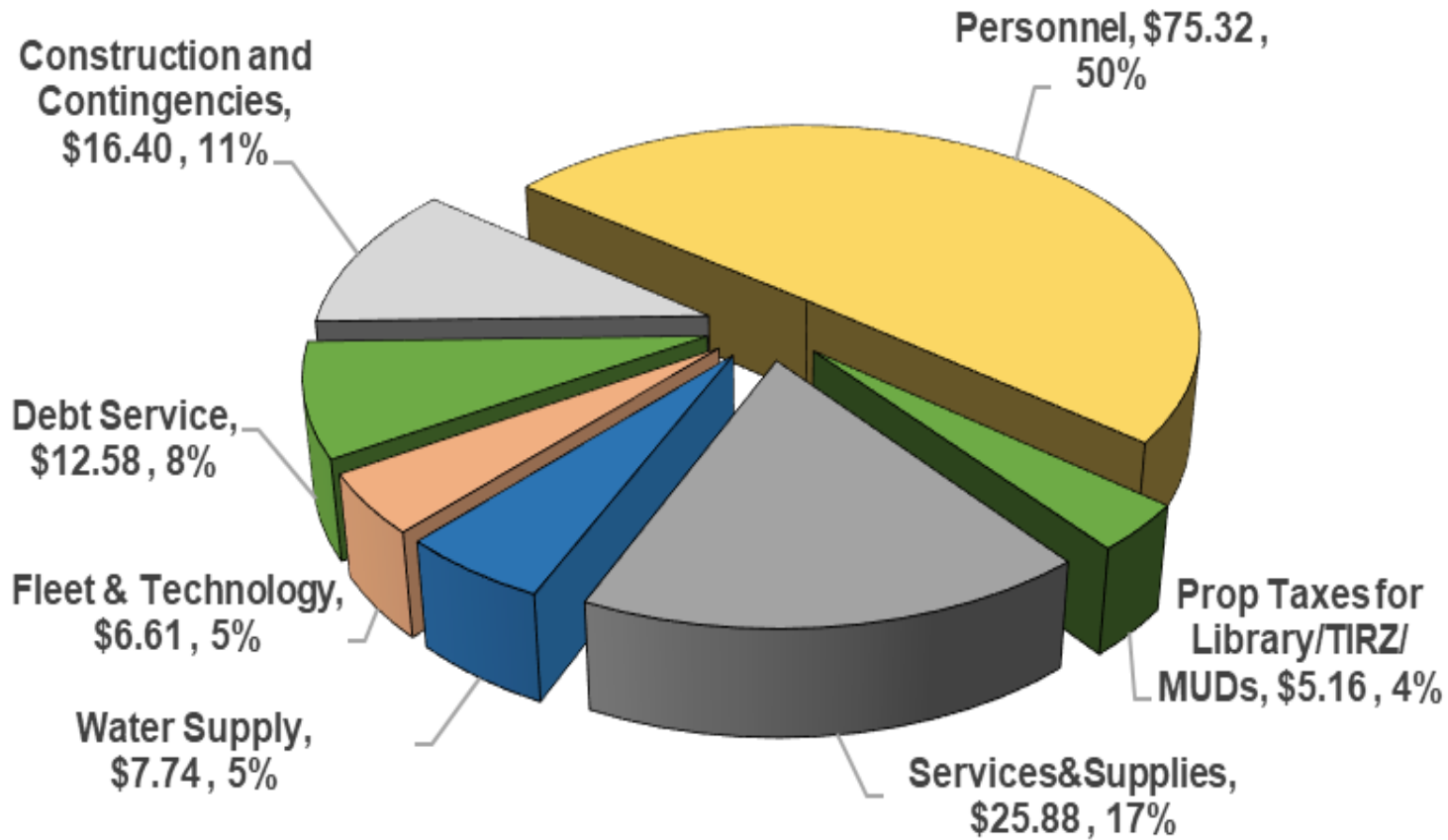
- June 24 – Overview of major issues and forecast
- July 22 – Discuss Budget and CIP
- August 11 (Wednesday) – File City Manager’s Proposed Budget and CIP with City Secretary and City Council
- August 12 Workshop – Discuss Proposed Budget and CIP
- August 12 Regular Meeting – Present property tax roll and adopt proposed tax rate, call public hearings on Budget and tax rate
- August 26 – Discuss Budget and CIP
- **September 9 – Conduct public hearings on budget and property tax rate, Consider adoption of both**
- September 16 – Consider adoption of Budget, CIP and property tax rate if necessary

Where the City's Revenue Comes From (Total: \$127.8 Million)





Where the Money Goes \$149.7 Million



Key Budget Items



- Proposed reduction of 6.15 cents in the Property Tax rate such that the increase in City property taxes is 6.29 percent overall including the Library – Offsets vast majority of a 20.3 percent in taxable value
- Pay increases for police and fire that bring both groups to an overall increase of approximately 33 percent since FY 2015 (including base pay and pension contribution by the City)
- Civilian employees: 2 percent COLA, funds for equity adjustments, and to bring everyone up to at least \$15/hour
- Net growth of four additional civilian staff citywide (pdf page 64): 12.5 new positions and 8.8 eliminated positions)
- Vehicles and equipment budget of \$6.6M
- Revenue not included in the budget: Library payment to share property taxes equitably, sanitation fee increases, tap fees increase, Moody Gardens payment that ended in FY 2021

Water and Sewer Overview



- No water and sewer rate increase in FY 22
- GCWA payments reduced by \$3.5M (from \$11.2M to \$7.7M) as GCWA bonds issued for the City's benefit are paid off
- Materials and supply costs including gasoline are up
- Annual debt service savings (\$665K) from refunding revenue bonds in FY22
- Proposed Budget also rebalances annual debt service on 2017 and 2019 bonds to have more debt paid by water fund and less by sewer fund (\$1,011,932, see Debt Service Highlight on pdf page 265 and 291)
- CIP bolstered with addition of \$27M American Rescue Plan grant used for water and sewer projects: AMI, Pirates Beach WWTP and Infiltration and Inflow.

Property and Sales Tax

Fund Major General Fund Commitments



- Revenue growth: \$2.0 million over FY 2021 Estimate for property and sales tax combined
- Other revenue: Annual payment (\$441,864) from Moody Gardens ended in FY 2021; Library payment not in budget because no agreement yet
- Public Safety- \$1.26 million total: Police and fire pay (\$973,000), EMS (\$97,000, civilian staffing in PD (two positions, \$132,400), 0.5 position in Emergency Management (\$62,700)
- Rising costs - Health Benefits (\$710,400 for General Fund personnel only), \$330,400(materials affected by supply shortages)
- Added positions - \$236,200 (City Auditor, Purchasing, Budget Office budgeted for one added position in each office)
- Infrastructure – Infrastructure set-aside increase to \$5.12 million (\$244,400);
- Projected Ending Fund Balance for FY 2022 is \$19.5M or 111 days of operating costs.

Budget Items of Interest

- Citywide personnel budget explained, pdf pages 63-4
- Property taxes explained, pdf pages 49-54
- General Fund Budget FY17-22, pdf pages 71-74
- Administrative overhead rate, pdf pages 79-80
- General Fund revenue detail, pdf pages 77-78
- Citywide revenue by line item, pdf page 523
- Citywide expenditures by line item, pdf page 526



Key Budget Issues

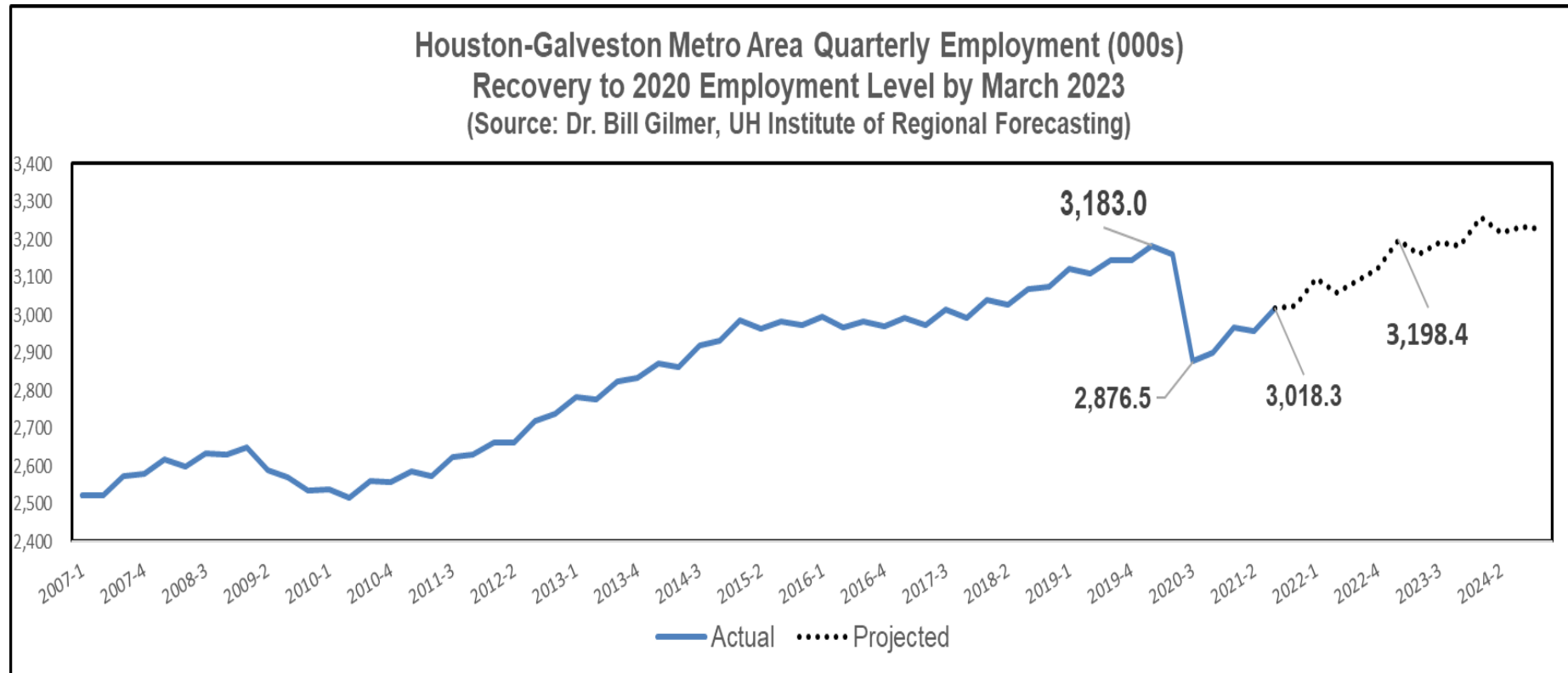
- Sales tax revenue is strong so we should be alright
 - Budget includes conservative estimates
- Property tax rate cut by 6.15 cents but taxes are still going up for many taxpayers
 - Taxes dropping slightly for homestead properties
- “The City has lots of money: why doesn’t the City just reallocate existing funds and live within their means.”
 - Almost 60% of the budget is restricted to specific, limited purposes
- Long-term debt is a concern: including the grand total and the annual debt service payout for principal and interest.
 - Galveston’s debt is less burdensome than for area cities and cities of 50,000 pop.





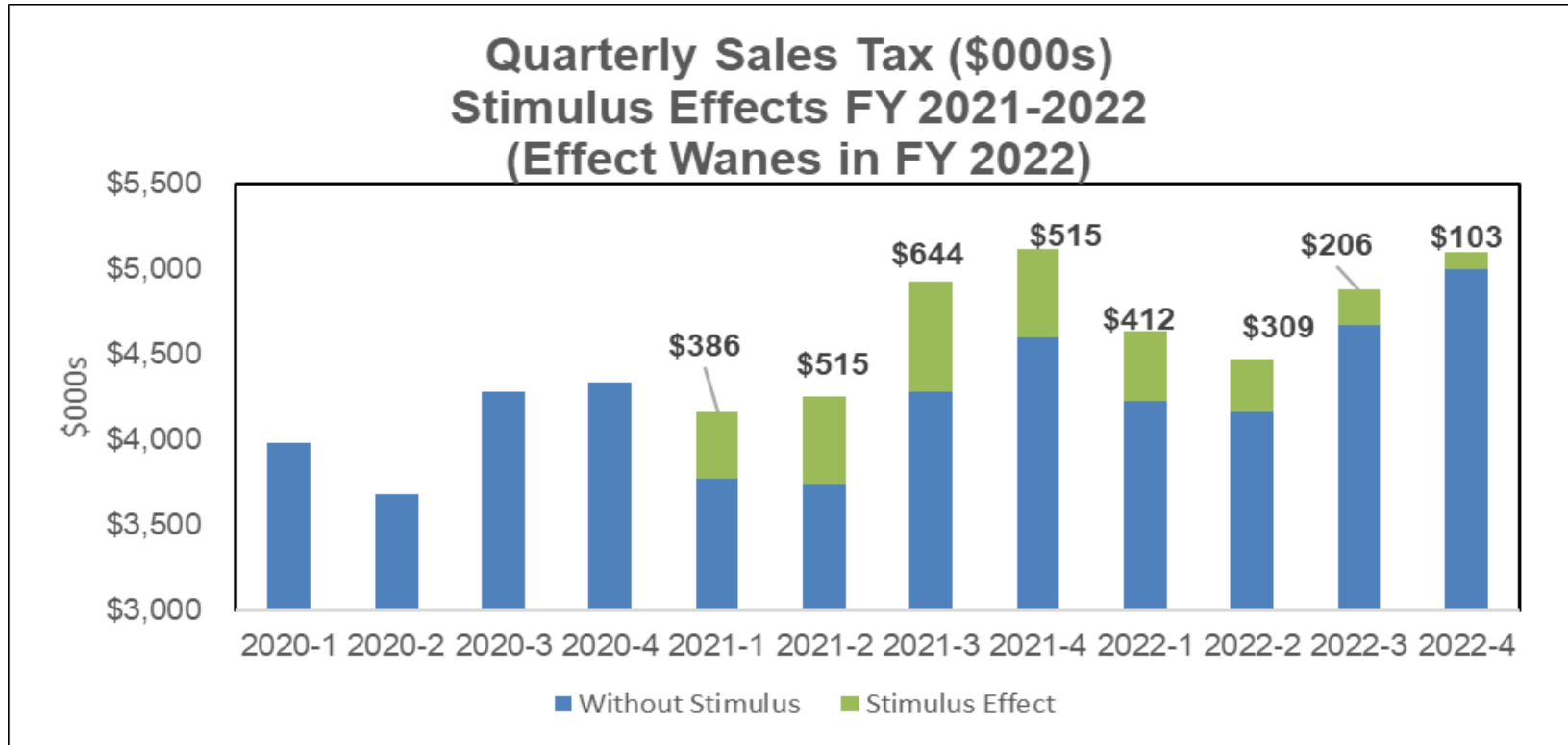
Sales Tax Revenue

Sales Tax Depends on Regional Employment and It Hasn't Fully Recovered



The region lost over 300,000 jobs in March and April of 2020: About half have been Recovered with recovery of the remainder projected by Spring of 2023.

Strong Sales Tax Revenue is Attributable to Government Stimulus



With \$2M of stimulus Effect in FY21, total will be around \$18M; notice how the “without stimulus bars look like the employment line graph on the previous page. FY21 Est. is \$17.25M And FY22 Proposed is \$18.2M; model projects \$18.4M in FY21 and \$19.1M in FY22.

“Without Stimulus” is actuals through FY 2021-3 and modeled estimates thereafter. See pdf pages 55-58 in FY 2022 Proposed Budget.



Property Taxes

Increases in Taxable Value and Property Tax Revenue



- What happened to taxable values?
 - Single Family Residences – Up \$949M or 18.3%
 - Multifamily Residences – Up \$144M or 33.3%
 - Commercial Real Property – Up \$325M or 40.5%
 - Vacant lots and Land Tracts – Up 57.4M or 21.1%
 - All other properties – Net zero change overall
- Average homestead taxable property value went up \$182,902 to \$202,019, but the 6.15 cent rate reduction means tax bill went down from \$1,024.25 to \$1,007.06, a \$17.19 reduction (1.68%). (Source: GCAD and TAC, public hearing announcement)
- However, non-homestead single family residences are seeing increased taxes in FY 2021 based on the overall increase in that category of 18.3%
- Multifamily and commercial property owners will likely experience the largest increases on average

**THE INCREASE IN TAXABLE VALUE
ESTIMATED BY CATEGORY**
(Source: City of Galveston Finance Department)

Description	Taxable Value	Percent Chg.
2020 Tax Roll Total	\$7,255,400,000	
2021 Tax Roll Total (Estimated)	\$8,728,600,000	
Increase over Last Year	\$1,473,200,000	20.30%
Allowable Growth in Value over 2020	\$253,940,000	3.50%
Value Lost to Cap (Rate Reduction of 6.15 cents)	\$796,800,000	10.98%
New Construction in 2021	\$141,900,000	1.96%
Growth in Freeze Account Values	\$88,940,000	1.23%
Change in Sales Tax Adjustment	\$36,300,000	0.50%
Unused Incremental Rate (\$0.003121)	\$54,600,000	0.75%
Growth in TIRZ Value	\$23,200,000	0.32%
Net Other Adjustments	\$77,520,000	1.07%
Total	\$1,473,200,000	20.31%



See pdf page 51
In the FY2022
Proposed Budget
Online.

THE INCREASE IN GRAND TOTAL TAX REVENUE*
ESTIMATED BY CATEGORY
 (Source: City of Galveston Finance Department)



See pdf page 52
 In the FY2022
 Proposed Budget
 Online.

Description	Tax Revenue	Percent Chg.
FY 2021 Total Tax Revenue	\$39,730,700	
FY 2022 Total Tax Revenue	\$42,211,800	
Increase over Last Year	\$2,481,100	6.24%
Allowable Growth in Value over 2020	\$1,390,000	3.50%
New Construction in 2021	\$707,000	1.78%
Freeze Account Taxes Paid expected to drop	(\$150,000)	-0.38%
Unused Incremental Rate (\$0.003121)	\$272,000	0.68%
Growth in TIRZ Tax Increment	\$45,400	0.11%
Reduction in Delinquent and P&I	(\$170,800)	-0.43%
Collection Rate Difference with Rate Calculation	\$377,000	0.95%
Other Adjustments	\$10,500	0.03%
Total	\$2,481,100	6.24%

*Grand Total Tax Revenue includes amounts collected and then rebated to TIRZ 13 and MUD 30. Estimated at \$1,000,400 in FY22.

Property Tax Revenue (page 49 online)



**PROPERTY TAX REVENUE GROWTH
PROPOSED FY 2022 BUDGET
Net of Tax Rebates to TIRZ 13 and MUD 30**

By Fund	FY 2021 Estimate	FY 2022 Proposed	Amount of Increase	Percent Increase Over FY 2021
General Fund Operations	\$31,668,800	\$32,734,000	\$1,065,200	3.36%
Rosenberg Library	\$3,444,100	\$4,114,400	\$670,300	19.46%
Debt Service Fund	\$3,617,400	\$4,317,600	\$700,200	19.36%
Total	\$38,730,300	\$41,166,000	\$2,435,700	6.29%

Based on the requirement to maintain the Library's five cent tax rate allocation, and the requirement to reduce the overall tax rate, **the General Fund share of total property tax revenue increasing 3.36% while the Library share is going up 19.46%. The entire 6.15 cent tax rate cut is coming off of the General Fund's share of the tax rate and reducing it from 45.75 cents to 39.6 cents while the Library rate stays at 5 cents.**

The proposal to the Rosenberg Library, if accepted, would result in a payment by the Library of \$453,000. **The Library would then net \$3,660,700, a \$216,600 increase (6.29%) over FY 2021.** The Library has made a counterproposal that limits the use of these funds to Library purposes.



FY 2022 Proposed Budget General Fund Revenue \$64 Million

Property Taxes,
\$32.73 , 51%

Sales Taxes,
\$18.20 , 29%

Other Taxes,
\$5.90 , 9%

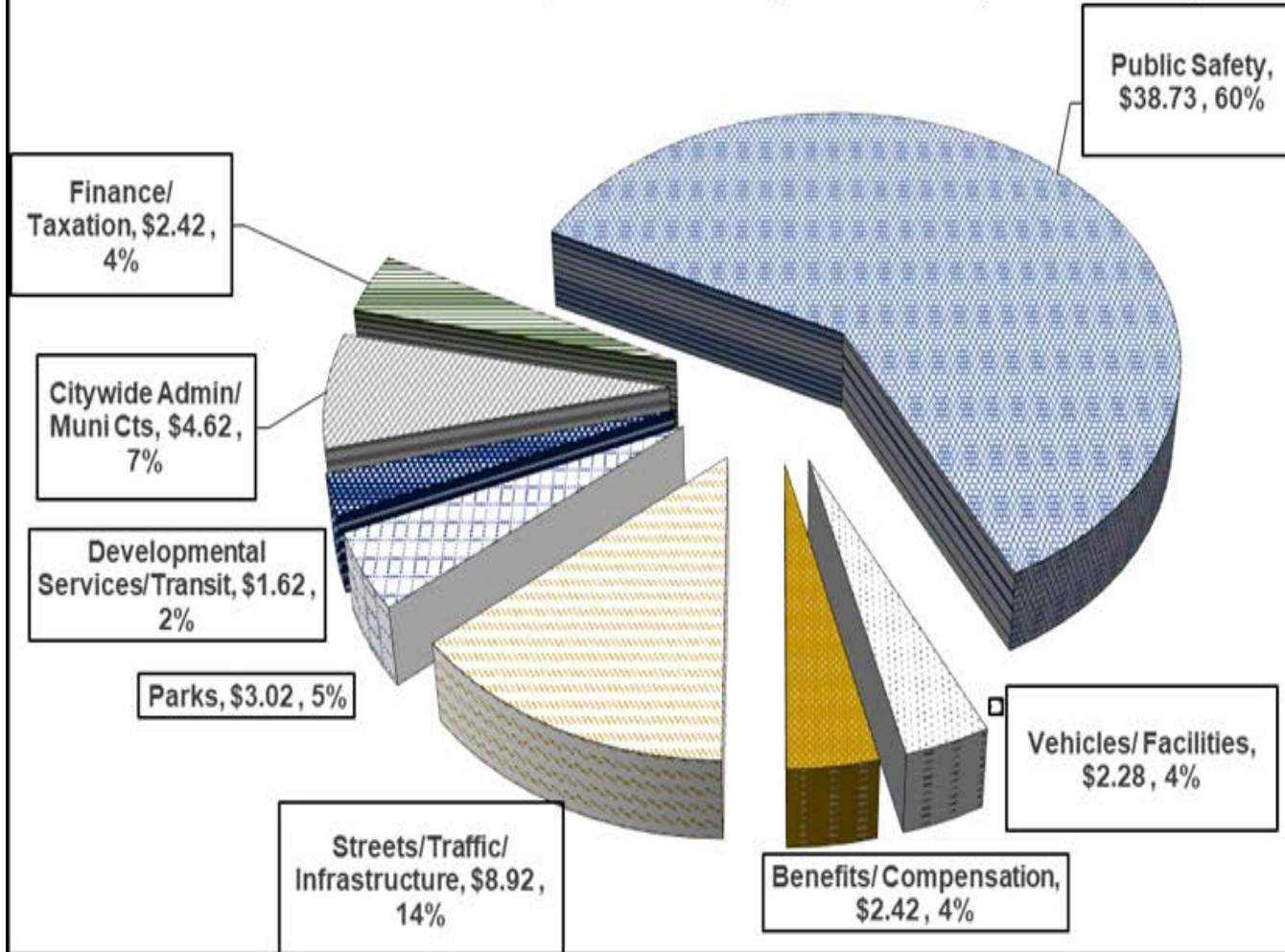
Other, \$0.91 , 1%

Fines, \$1.58 , 3%

Permits and
Service, \$4.71 ,
7%

Property and sales taxes not only comprise 80% of total General Fund revenues, they provide all of the General Fund revenue growth.

FY 2022 Proposed Budget General Fund Expenditures by Function (\$64 Million)



Public Safety and Infrastructure Comprise 74% of total General Fund spending and provide \$8.6M of new funding needs from FY 2017 to FY22: Property and sales tax revenue Growth is needed for these Purposes.



Restricted Funds are
the Majority of the City Budget:
Reallocating \$2.5 Million to offset revenue lost to the No
New Revenue Rate is a lot harder than it sounds

Majority of the City Budget is legally restricted



RESTRICTED FUNDS		
Special Revenue Funds	\$36.6 million	State and federal law and city ordinance: 24 funds in all.
Debt Service Fund	\$5.3 million	State and federal law and city ordinance
Enterprise Funds	<u>\$49.9 million</u>	State and federal law and city ordinance
RESTRICTED FUNDS TOTAL	\$91.8 MILLION	59% of \$155 million is restricted

Services like public safety and infrastructure are a “public good” that cannot be funded with fees. General taxation is the only way to fund such services, this is collected in the General Fund.

After Funding Public Safety and Infrastructure, there's not much left to reallocate or cut



RESTRICTED FUNDS		
Special Revenue Funds	\$36.6 million	State and federal law and city ordinance: 24 funds in all.
Debt Service Fund	\$5.3 million	State and federal law and city ordinance
Enterprise Funds	\$49.9 million	State and federal law and city ordinance
RESTRICTED FUNDS TOTAL	\$91.8 MILLION	59% of \$155 million is restricted
GENERAL FUND		
Public Safety	\$38.7 million	Police, Fire, EMS, EOC, City Marshal
Infrastructure Transfer and Streets and Traffic M&O	\$8.9 million	Charter mandate (8% of budget), streets and traffic
Police & Fire Pay Raises	\$0.97 million	Approved by Council through Collective bargaining 8-12-21
Priority Subtotal	\$48.6 million	
Remainder of General Fund	\$15.4 million	
Administrative Departments (including facility maintenance)	\$7.3 million	\$2.2 million recovered from Enterprise Funds; Provide support for public safety and infrastructure priorities
Parks, Planning, Building Inspections, Courts, Transit Subsidy	\$5.6 million	Cuts would reduce revenue, community standards and neighborhood protections.
Vehicles, civilian COLAs and equity pay, separation pay (largely police and Fire), vehicle purchases (much is police and fire)	\$2.5 million	Civilian pay is the only easily targeted cut)



Galveston and Other Cities: Long-Term Debt

Sources: U.S. Census and FY 2020 Annual
Comprehensive Financial Reports

Debt Comparison Findings

- Galveston has less debt burden than the other cities studied
- Our annual debt service payments are 9.8% of expenses while area cities average 20.3% and 50K cities average 13.3% of expenses.
- Galveston's debt service tax rate 5.25 cents is far below the average rates for both groups (19.7 cents for area cities and 15.7 cents for 50K cities).
- The standout stat: Galveston's Residential Occupancy Rate of 65.9% is far below area cities (92.8%) and cities of 50,000 population (94.2%).
- One other obvious disparity between Galveston and every other city is the proportion of our infrastructure program funded with grants both previously and ongoing.
- New debt issues and the annual payout for debt service can be increased incrementally without overburdening the City.



-23,114 single family residential properties total
-9,662 homesteads
-3,500 to 4,000 short term rentals
-Approx. 10,000 second homes or long-term rentals

Facts: Area/Peer Cities



Area/Peer Cities	2019 Population	2019 Housing Units	2019 Occupancy Rate	Total Debt (Principal Only) \$000s	FY20 Debt Tax Rate	FY20 Expenses (\$000s)	FY20 Principal & Interest Payments	FY20 Fed Grants Expenses (\$000s)
Sugar Land	118,023	41,046	95.7%	\$497,451	\$0.134950	\$219,860	\$51,773	\$0
Pearland	127,500	43,490	95.4%	\$802,746	\$0.434000	\$229,686	\$62,776	\$0
League City	106,803	38,128	95.3%	\$272,268	\$0.144400	\$118,972	\$35,336	\$0
Pasadena	153,520	52,914	90.7%	\$165,874	\$0.119600	\$195,620	\$19,033	\$0
Baytown	92,679	29,212	90.6%	\$189,639	\$0.341100	\$185,511	\$23,915	\$8,990
San Marcos	65,234	25,472	90.9%	\$412,679	\$0.206900	\$229,711	\$67,966	\$0
Pflugerville	71,200	21,911	96.7%	\$250,060	\$0.187200	\$99,014	\$19,922	\$0
Conroe	87,654	34,363	90.3%	\$424,667	\$0.125000	\$151,389	\$32,163	\$3,629
Texas City	49,153	19,872	87.6%	\$33,487	\$0.082904	\$77,396	\$6,690	\$0
Average of Area Cities	96,863	34,045	92.8%	\$338,763	\$0.197339	\$167,462	\$35,508	\$1,402
Galveston	50,241	31,500	65.9%	\$174,477	\$0.052500	\$138,746	\$13,653	\$15,649

Galveston is **different** in several respects: (1.) A fraction the size in population, total debt, debt tax rate and annual P&I payments (2.) Two thirds of housing units are occupied versus 93% average (3.) Grant spending is in class of our own.

Galveston is **similar** in one respect: Number of housing units.

Facts: Cities of 50,000 Pop.



City	2019 Population	2019 Housing Units	2019 Occupancy Rate	Total Debt (Principal Only)	FY20 Debt Tax Rate	FY20 Expenses	FY20 Principal & Interest Payments	FY20 Fed Grants Expenses (\$000s)
Grapevine	52,486	21,700	95.1%	\$172,224	\$0.142700	\$168,631	\$20,437	\$0
Wylie	49,759	15,692	96.7%	\$83,408	\$0.182534	\$76,524	\$12,164	\$0
DeSoto	53,090	20,481	94.5%	\$80,202	\$0.151390	\$75,822	\$9,498	\$1,080
Texas City	48,569	19,872	87.6%	\$33,487	\$0.082904	\$77,396	\$6,690	\$0
Bedford	49,323	21,359	95.9%	\$144,155	\$0.184367	\$64,138	\$12,059	\$0
Kyle	42,706	14,592	96.0%	\$98,414	\$0.241000	\$97,597	\$8,170	\$0
Burleson	45,862	16,383	95.9%	\$171,307	\$0.209400	\$82,558	\$17,541	\$2,431
Farmers Branch	39,039	15,447	92.5%	\$60,929	\$0.072200	\$97,956	\$8,894	\$0
Average of 50K Cities	47,604	18,191	94.2%	\$105,516	\$0.158312	\$92,578	\$11,932	\$439
Galveston	50,241	31,500	65.9%	\$174,477	\$0.052500	\$138,746	\$13,653	\$15,649

Galveston is different in a number of ways: (1.) Two thirds of housing units are occupied versus 93% average (2.) Total debt, assets, income and spending are Grant spending is in class of our own.

Galveston is similar in two key respect: Population and occupied housing units (not shown)

Area/Peer Cities: Debt Comparison Stats



Peer Cities	2019 Population	Total Debt per Capita (Principal Only)	2019 Occupancy Rate	Total Debt per Housing Unit (Principal Only)	FY20 Debt Service as Percent of Expenses	FY20 Debt Tax Rate
Sugar Land	118,023	\$4,215	95.7%	\$12,119	23.5%	\$0.134950
Pearland	127,500	\$6,296	95.4%	\$18,458	27.3%	\$0.434000
League City	106,803	\$2,549	95.3%	\$7,141	29.7%	\$0.144400
Pasadena	153,520	\$1,080	90.7%	\$3,135	9.7%	\$0.119600
Baytown	92,679	\$2,046	90.6%	\$6,492	12.9%	\$0.341100
San Marcos	65,234	\$6,326	90.9%	\$16,201	29.6%	\$0.206900
Pflugerville	71,200	\$3,512	96.7%	\$11,413	20.1%	\$0.187200
Conroe	87,654	\$4,845	90.3%	\$12,358	21.2%	\$0.125000
Texas City	49,153	\$681	87.6%	\$1,685	8.6%	\$0.082904
Average of Area Cities	96,863	\$3,506	92.8%	\$9,889	20.3%	\$0.197339
Galveston	50,241	\$3,473	65.9%	\$5,539	9.8%	\$0.052500

Galveston is similar to the area/peer cities shown in one respect only: total debt per capita. The dissimilarities should serve to address concerns as to whether we are overreaching with our debt service issued and CIP. Galveston pays just under 10% of expenses for debt service while the average for rest of these cities is twice that. On a debt per housing unit basis, we are barely sixty percent of the average for the rest of the group.

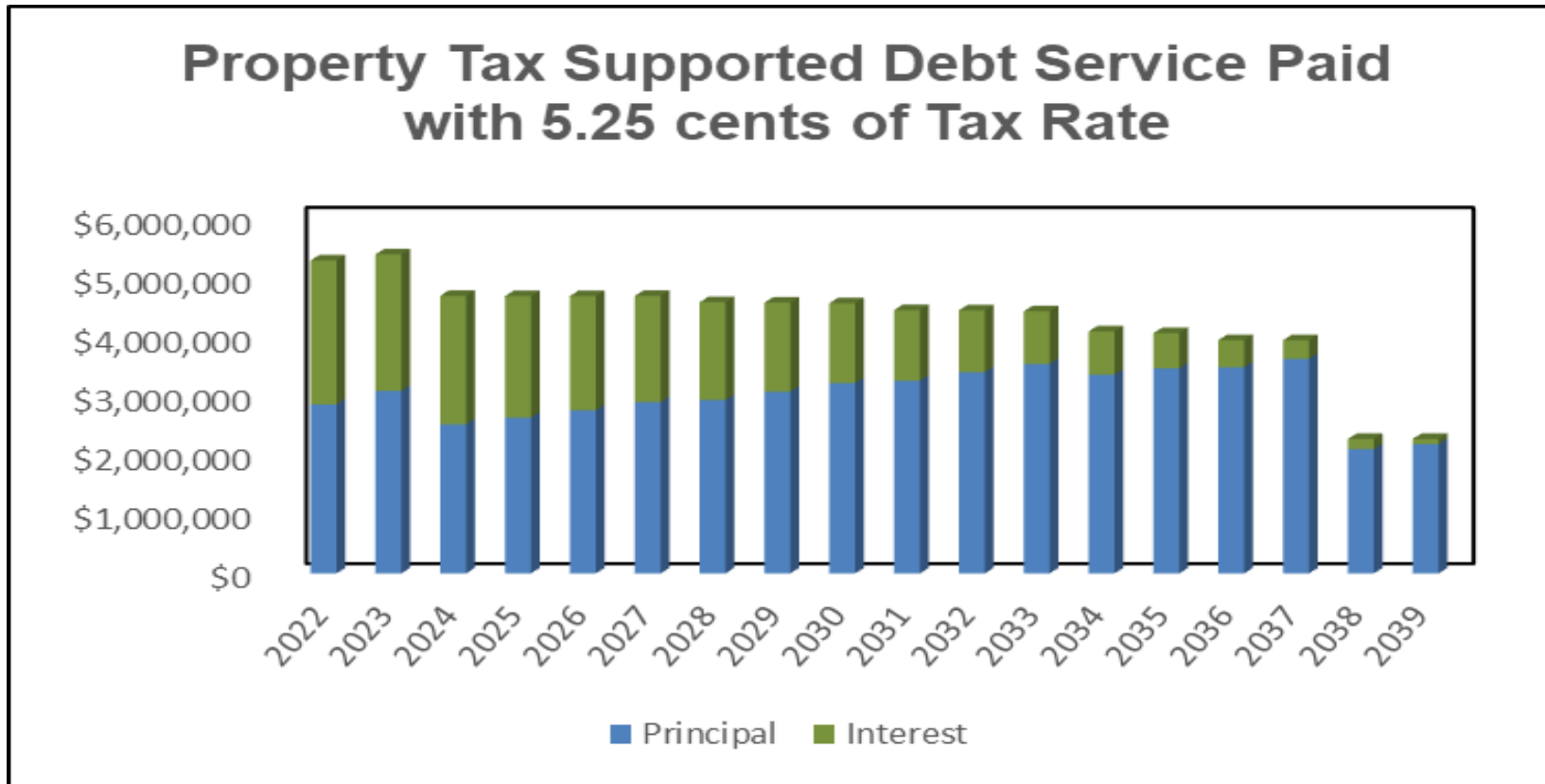
Cities of 50K Pop: Debt Comparison Stats



City	2019 Population	Total Debt per Capita (Principal Only)	2019 Occupancy Rate	FY20 Debt per Housing Unit (Principal Only)	FY20 Debt Service as Percent of Expenses	FY20 Debt Tax Rate
Grapevine	52,486	\$3,281	95.1%	\$7,937	12.1%	\$0.142700
Wylie	49,759	\$1,676	96.7%	\$5,315	15.9%	\$0.182534
DeSoto	53,090	\$1,511	94.5%	\$3,916	12.5%	\$0.151390
Texas City	48,569	\$689	87.6%	\$1,685	8.6%	\$0.082904
Bedford	49,323	\$2,923	95.9%	\$6,749	18.8%	\$0.184367
Kyle	42,706	\$2,304	96.0%	\$6,744	8.4%	\$0.241000
Burleson	45,862	\$3,735	95.9%	\$10,456	21.2%	\$0.209400
Farmers Branch	39,039	\$1,561	92.5%	\$3,944	9.1%	\$0.072200
Average of 50K Cities	47,604	\$2,210	94.2%	\$5,843	13.3%	\$0.158312
Galveston	50,241	\$3,473	65.9%	\$5,539	9.8%	\$0.052500

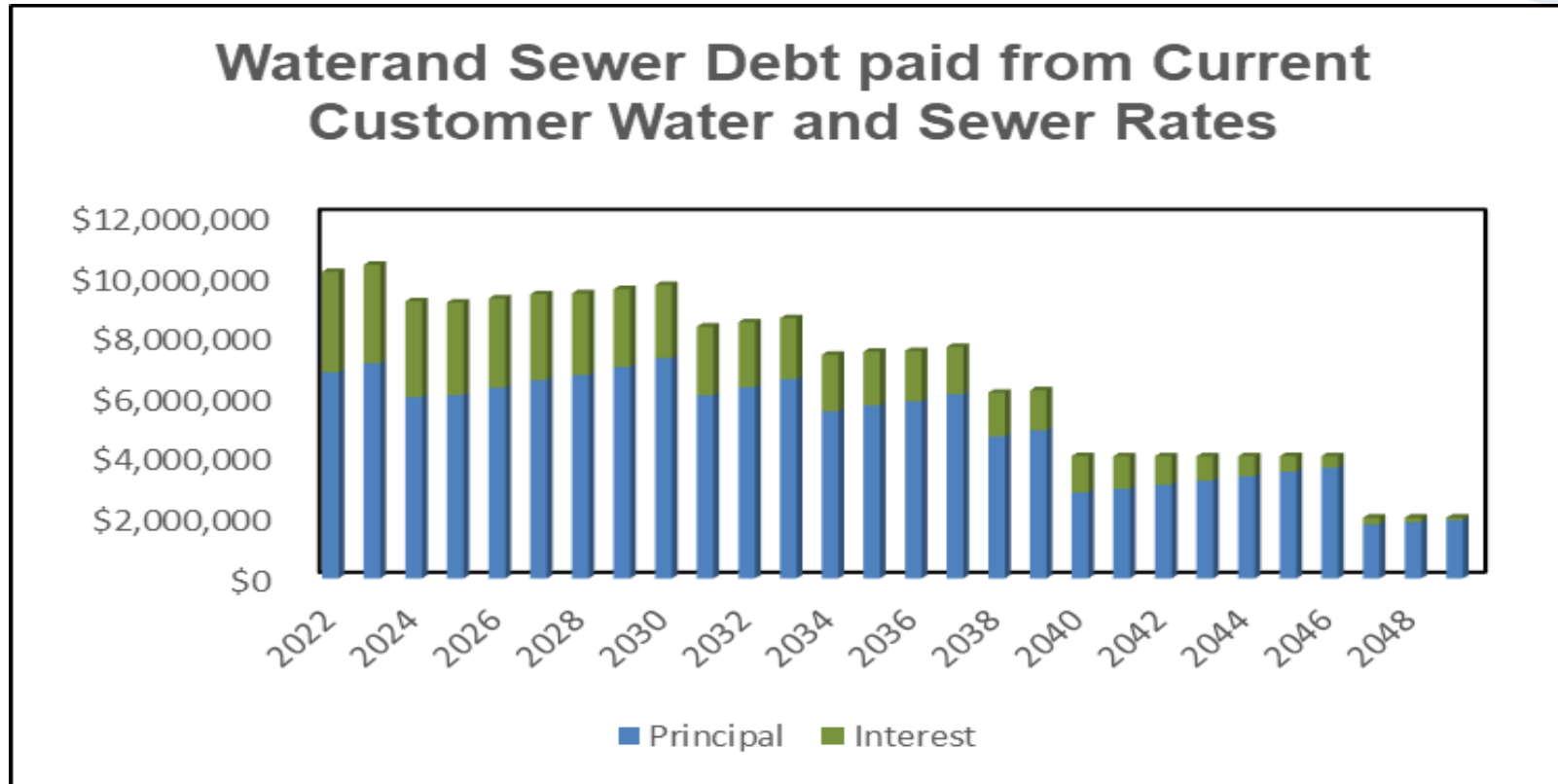
Galveston appears to be significantly above the group in debt per capita, but is virtually even in debt per housing unit. This group is above the 10% mark for debt service as a percentage of total expense at 13.3%, while the average Debt property tax rate is almost three times that for Galveston.

General Obligation Debt

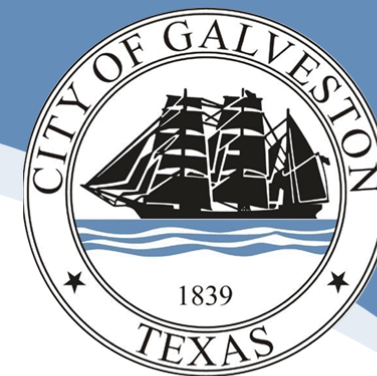


Declining debt structure because property tax revenue is somewhat subject to economic swings; .
GO debt authorized by voters in 2017 will be paid off in 2039
\$82M total, \$56.9M principal and \$25.1M interest (See pdf page 234 online)

Water and Sewer Debt

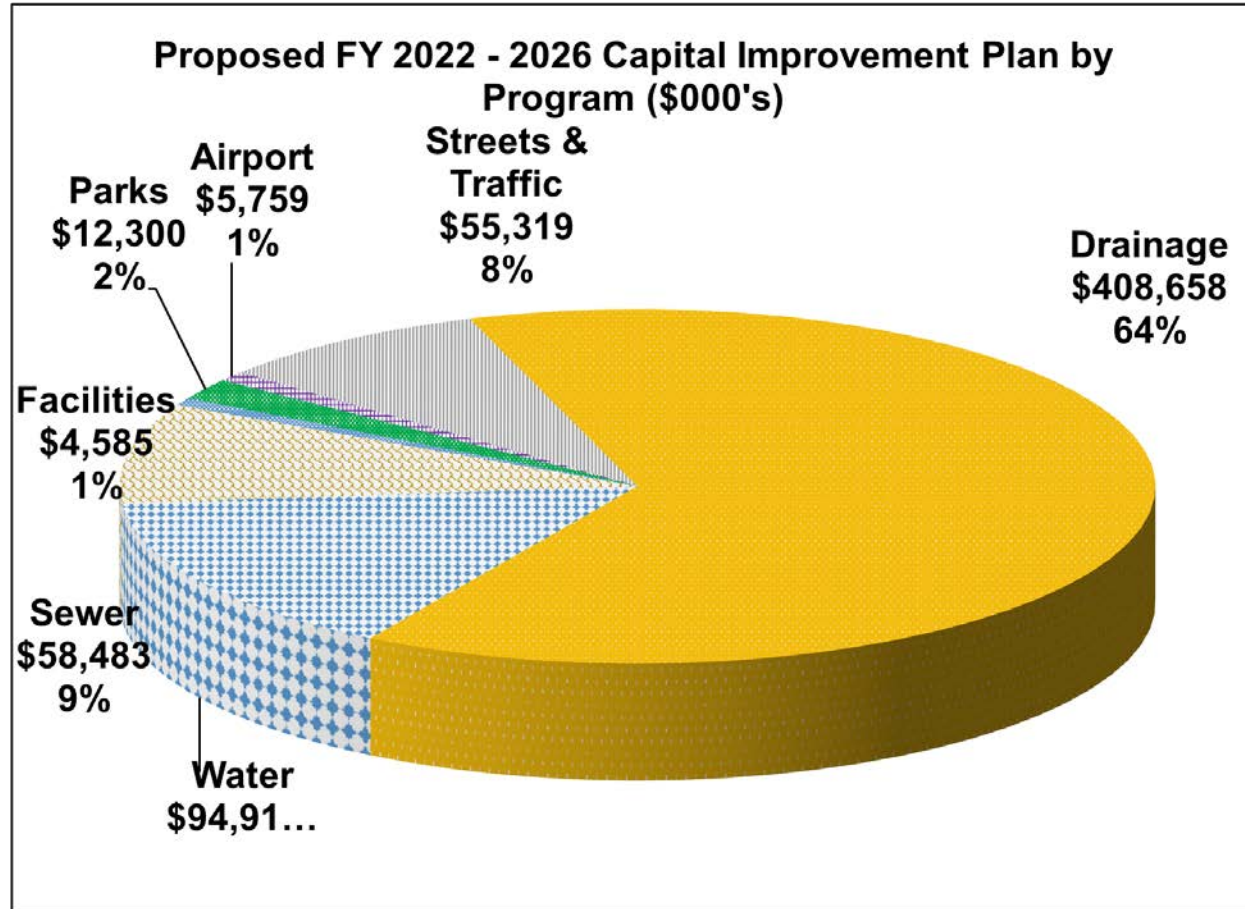


Level payments for each bond sale results in a debt structure that declines with time
Issued to fund fifty-year improvements in water and sewer system
\$134.2M total, \$85.8M principal and \$48.4M interest (see pdf page 238 online)



FY 2022-2026 CIP

FY 2022-2026 Proposed CIP



FY 2022 Capital Budget versus FY 2021: By Program



PROGRAM	FY 2021	FY 2022	FY22 Over/ (Under) FY21
Streets and Traffic	\$22,938,867	\$39,728,629	\$16,789,762
Drainage	1,101,750	73,476,698	\$72,374,948
Water	22,775,415	19,351,330	(\$3,424,085)
Sewer	16,025,400	15,524,887	(\$500,513)
Facilities	2,165,202	1,205,431	(\$959,771)
Parks & Recreation	3,425,501	5,600,000	\$2,174,499
Airport	1,123,682	4,659,096	\$3,535,414
TOTAL	\$69,555,817	\$159,546,071	\$89,990,254

Water and Sewer CIP Overview

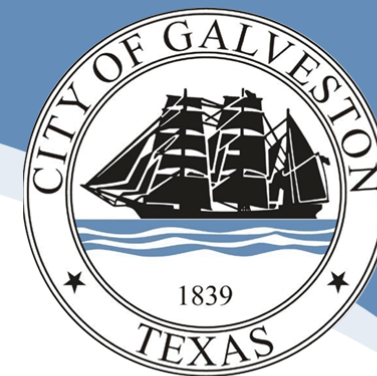


- Uncommitted Balance in Water and Sewer Bond funds - \$16.2M
- Previously Estimated Funding Needs may be 15-20% higher because of larger economy and rising prices
 - \$4.7M for water/sewer lines for 37th Street project
 - \$6.5M for water/sewer lines for County Street Bond Projects (23rd St and Avenue S)
 - Port (\$400K) and TxDOT Broadway (\$200K) projects
 - Contingencies and inspections for ongoing projects
- FY 2021 CIP anticipated water and sewer CO sale
- FY 2022 includes AMI, Pirates Beach WWTP and I&I funded with ARP Grant (\$27M)

Streets and Drainage CIP Overview



- Uncommitted Balance in Street and Drainage Bond funds
 - \$16.2M
- Previously Estimated Funding Needs may be 15-20% higher because of larger economy and rising prices
 - \$8.2M for 37th Street project (Broadway to P and P to Seawall)
 - \$6.5M for County Street Bond Projects (23rd St and Avenue S)
 - Potential matching requirement for South Shore Pump Station (\$1.5M may be grant funded)
 - Contingencies and inspections for ongoing projects
- Completes 2017 Bond election list of projects



Questions and Follow up

Recommended Approach to Budget Review



- Table of Contents (TOC) is indexed – pdf page 5 online: Click the section you want to review
- Start with City Manager’s Transmittal in Introduction Section (IS-1 or pdf page 14)
- Next the Budget Summary section starts on pdf page 38, including a consolidated view of the budget for all revenue and expenditures total (Economic Outlook pdf page 42; Revenue Summary pdf page 48; and Expenditure Summary pdf page 62)
- Next use the TOC to toggle around the budget

Budget as Management Plan



- Each department's proposed budget is a management plan – (see pdf page 87 online)
- Planning (FY22 Goals and FY21 Accomplishments)
- Management (Performance indicators, expenditure summary, Highlights explaining budget differences by category)
- Control (Personnel roster and line item expenditure detail)

General Budget Process



- Major tax revenue sources are monitored and forecast for current and subsequent years
- Departments are provided spending targets by line item at start of the process and afforded opportunity to ask for different levels of resources
- City Manager proposes City budget that stays within available revenue and presents a comprehensive financial and operations management plan – State law (see pdf page 451) and City Charter (pdf page 436-7)
- City Council adopts the Proposed Budget as a plan, amended or otherwise, and approves appropriations by ordinance at the fund and department level – State law (see pdf page 453 online) and City Charter (see pdf page 437 online)
- City Manager manages the budget in each department so as to achieve goals and objectives as directed by City Council; This includes year ending projections presented quarterly; Amendments across departments are proposed to City Council throughout the year

Major Budget Principles



- Fund current expense with current income – “Structural balance”
- City revenue is not fungible: Legal restrictions exist for \$90M of \$154M budget
- When funding options exist: Use most flexible funding source last
- City has only one truly flexible fund, the General Fund: 74% for public safety and infrastructure
- Make budget decisions based on the long view
- Be as accurate as possible in individual line items and departments
 - No padding or contingencies at department level
- Fund balance: For use in one-time costs, cashflow for Hurricane season, pay up front costs for grant funded projects and programs