# **EXPLAINING THE GAP**

General Fund spending is outpacing the growth in revenue. In Fiscal 2018, the City is projecting revenue of \$1.82B coupled with spending of \$1.84B to maintain current service levels. The projected budget gap is \$20M. The City must adopt a balanced budget.

CHANGE IN PROJECTED

\$56M 3.1% INCREASE IN REVENUE







### **Planned Growth**



\$20M

2% pay increase for all employees.



\$5N

General inflation of 2.2% for all non-personnel spending.



Increase in the City's Staterequired contribution to City Schools.

#### Investments



Dedicate \$0.03 of every \$100 of assessed property value to services for youth and children.



Preliminary estimate of costs resulting from the Department of Justice review.



\$2M

Debt service increase to support fleet modernization.

## **Extraordinary Inflation**



\$9M

Increase in pension contributions due to low investment returns.



Increase in employee health benefit plan costs.



Increased cost of medical supplies used for treatment of known or suspected opioid overdose.

CHANGE IN PROJECTED
EXPENDITURES

\$76M

4.3% INCREASE IN SPENDING

# General Fund Budget \$1.84B



Fixed costs (e.g. retiree benefits, debt service, school funding) limit the City's options for reducing the budget.





