



**BUDGET  
NEW METHODOLOGY**

APRIL 24, 2023



# 25 YEARS

1999

- General Fund        \$7,130,511
- Enterprise Funds   \$20,524,365
- Projects over \$100k     15
- FTE                     175

2024

- General Fund        \$29,662,550     **416%**
  - Enterprise Funds   \$54,726,369     **267%**
  - Projects over \$100k     42                 **280%**
  - FTE                     333                 **190%**
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- Inflation            96%    (CPI-W)
  - Growth               79%



## NEW METHOD - SAME LOOK

- OLD
  - CIP
  - Operations
  - New Programs and Employees
  - Revenues largely projected by Finance
  - Budget makers work back to zero
- NEW
  - CIP
  - New Service Levels
  - Revenues largely produced by Directors
  - Base Budget Allocations provided
  - Directors spend allocation on operations, programs and employees within allocation
  - Guidance comes from Admin and Finance as budget is already balanced



# THOUGHTS FROM DIRECTORS

- *It was an escape from the path dependence to which the former process felt subject.*
- *I think one of the biggest positives in the new process is ownership.*
- *The Directors know their departments intimately, hence nuances necessitating change that may not have been fully understood by you or Bruce can now be addressed directly. I do appreciate your continued high-level oversight, which provides a critical “checks & balances” layer as the overall City budget is crafted.*
- *The new process helped/forced me to learn more about my budget. I will also be more motivated to track my budget throughout the year.*



# POSITIVES

- Directors have significantly more control over their budget.
- Directors are much more focused on their revenue streams.
- Directors understand their entire budget much more.
- Directors have multiple incentives to identify their service levels and to maintain or improve them.
- Savings from service level reductions are quickly identified and these savings can be reallocated to increase other service levels.
- Granting control to the directors makes the process more scalable as the City grows.



# RISKS

- The risk is spread. (This is technically a positive!)
- With choice comes accountability (and consequences.)



KUDOS