

2023-2024 Budget Forecast

- Key Assumptions for 2023 & 2024
 - Expenditures
 - Cost to continue budgets
 - Increase to Employer Pension Contribution
 - Regular growth in Salaries & Wages, Operating accounts, Equipment
 - Increase to Employee Health Care account
 - Revenues
 - No use of ARPA Revenue Loss or Pension Reserve Fund
 - 2% increase to Property Tax Levy
 - 2.25% increase to Charges for Services
 - No increase to Intergovernmental Revenues
 - Reduced use of reserves

2023-2024 Budget Forecast: No ARPA Revenue Loss

Year	Expenditures	Revenues	Structural Deficit	Annual Deficit
2023	\$925,819,476	\$831,072,213	(\$94,747,263)	(\$94,747,263)
2024	\$951,039,994	\$841,708,056	(\$109,331,938)	*(\$14,584,676)

*Annual Deficit in 2024 assumes deficit from 2023 was addressed in 2023 Budget

- No use of ARPA Revenue Loss funding or Pension Reserve Fund assumed in this forecast

ARPA Revenue Loss

- Most flexible category
 - Any government service can be funded from the Revenue Loss category
- 2022 Budget- \$30.4 million of Revenue Loss used for government services in 2022
- Guidelines for calculating Revenue Loss amount determined by Treasury
- Revenue Loss estimates for 2023 & 2024
 - 2023: \$80,000,000
 - 2024: \$80,000,000

2023-2024 Budget Forecast: Including Use of Revenue Loss

Year	Expenditures	Revenues	ARPA Revenue Loss	Structural Deficit	Annual Deficit
2023	\$925,819,476	\$831,072,213	\$80,000,000	(\$14,747,263)	(\$14,747,263)
2024	\$951,039,994	\$841,708,056	\$80,000,000	(\$29,331,938)	(\$14,584,676)*

*Annual Deficit in 2024 assumes deficit from 2023 was addressed in 2023 Budget

- Estimated average annual deficit of \$14.7 million remains in 2023 & 2024, even with use of entire \$80 million per year of ARPA Revenue Loss

Summary

- Using one-time revenues for ongoing operations is not best practice
- However, the administration believes that the highest and best use of ARPA Revenue Loss funding is to prevent reductions of core services for residents
- The administration will request a file next cycle to asking the Council set aside \$160 million from the second tranche of ARPA funds for fiscal sustainability