



Introduction to Police, Fire, and Libraries

Budget Reduction Scenarios

Steering & Rules Committee
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Why is this exercise necessary?

- The 2024 projected budget gap is \$156 million
- \$93 million of American Rescue Plan Act (ARPA) grant funding remains unallocated
- Future budget gaps will be even larger
- Without revenue adjustments from the state, cuts on this scale (10-25%) will likely be necessary by 2025
- Cuts on that scale are operationally devastating in all departments if implemented, and fiscally impossible, i.e. unimplementable, in most large departments

Why focus on these three departments?

- These three departments - Police, Fire, and Libraries - are the only large departments not majority funded by grants, fees, or other non-levy revenues
- The other three of the biggest six departments (excluding fully self-funded enterprise funds) can't be cut at the same scale
 - DPW is majority funded by user charges
 - DNS is majority funded by permit and violations revenue
 - MHD is majority funded by grants

Summary of Methodology

- 2023 Adopted Budget used as a baseline
 - Excluded grant and capital funding
 - 2023 across the board 2% wage increase added
 - This was budgeted outside of departments for 2023, but will be included in all future budgets
- Fringe benefits included in this analysis
 - FTE reductions do not lead to proportionate and immediate pension and health savings
 - However, portions of health and pension costs do reduce with each FTE reduction: premiums and social security/medicare copays
 - The larger portions of fringe costs - actual medical expenses and normal pension obligations - should be reduced in the case of large FTE cuts