

Five Year General Fund Salary Savings Narrative

General Fund Target Savings is budgeted in department budgets and the savings is realized immediately. This means that there is an account code in the financial system for salary savings with a negative amount and this amount is deducted from a department's budget thereby reducing total expenditures. For example, a department's original budget of \$ 3,513,623 is reduced by \$236,377, the Target Savings, to a new budget of \$3,277,246.

The Target Savings is based upon a formula that multiplies the total General Fund personnel (salaries and benefits) budget by a percentage. From FY 2018 through FY 2022, most departments were budgeted with a 3 percent target savings and Police was budgeted at 1 percent. For FY 2023, General Fund Target Savings was increased to 8.5 percent for most departments and Police was budgeted at 5 percent. The FY 2024 Target Savings is a strategy to negate the cost of some ongoing and one-time funding requests in various departments. For the FY 2024 Proposed, the General Fund Target Savings are noted below:

FY 2024							
Department	General Fund Payroll	Target Savings (3%)	Estimated Savings	Target Savings (5%)	Estimated Savings	Target Savings (8.5%)	Estimated Savings
Mayor and Council	4,399,099	0%	-	0%	-	0%	-
Auditor	2,831,908	0%	-	0%	-	0%	-
Police Accountability	926,442	0%	-	0%	-	0%	-
City Manager	9,888,972	3%	296,669	5%	494,449	8.5%	840,563
City Attorney	3,932,110	0%	-	0%	-	0%	-
City Clerk	1,602,672	3%	48,080	5%	80,134	8.5%	136,227
Information Technology*	-	3%	-	5%	-	-	-
Finance	7,097,048	3%	212,911	5%	354,852	8.5%	603,249
Human Resources	2,769,611	3%	83,088	5%	138,481	8.5%	235,417
HHCS	14,621,007	3%	438,630	5%	731,050	8.5%	1,242,786
Parks, Rec and Waterfront	3,679,570	3%	110,387	5%	183,979	8.5%	312,763
Planning	2,780,911	3%	83,427	5%	139,046	8.5%	236,377
Public Works	4,647,061	3%	139,412	5%	232,353	8.5%	395,000
Fire	33,251,068	0%	-	0%	-	5.5%	1,828,809
Police	76,095,033	1%	760,950	3%	2,282,851	5.5%	4,185,227
Total	168,522,513		2,173,556		4,637,194		10,016,418
IT Target savings of 5%, or \$431,223, paid through transfer from the IT Cost Allocation Plan to General Fund							

Actual Salary Savings, on the other hand, is the dollar amount that is realized at the end of the year after the year-end financials are closed and audited. It compares the budgeted personnel costs of salaries and benefits to the actual expenditures in these personnel costs. The savings are primarily the result of vacancies. However, the use of overtime impacts salary savings. In addition, throughout the course of the fiscal year, departments may use salary savings to offset other operational expenses, such as professional services in lieu of staffing and unplanned increase in other services and supplies, that will impact projections.

The attached chart shows budgeted General Fund Target Savings compared to the Actual General Fund Salary Savings for FY 2018 through FY 2022. As illustrated on the chart, Actual Salary Savings was realized in FY 2018 (\$3.1 million) and in FY 2022 (\$272,000). In FY 2021, the Target Savings were -\$2,104,108; however, the budget also included -\$15,814,799 in Personnel Deferrals. Salaries and benefit costs were \$10.5 million over budget in FY 2021, assumingly attributed to overtime and other impacts of the pandemic on the budget.

Five Year General Fund Salary Savings Narrative

In FY 2022, Target Savings were -\$2,166,665 and the budget included -\$8,388,085 in Personnel Deferrals. Actual Savings were approximately \$272,000. The FY 2023 salary savings is a projection based on personnel costs incurred to date and will be impacted by changes in staffing and overtime that occur in May and June. The actual salary saving achieved will be known after the FY 2023 financial audit has been completed and will be part of the discussion on the FY 2023 Excess Equity calculation.

General Fund Target and Actual Salary Savings
FY 2018 - FY 2023

Department	FY 2018		FY 2019		FY 2020		FY 2021		FY 2022		FY 2023	
	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Actual	Budgeted	Projected Actual
Mayor and Council	-	26,300	-	(101,698)		57,932		60,934		432,666		875,698
Auditor	-	208,721	-	40,952		190,851		143,664		137,662		263,424
City Manager	(259,135)	693,140	(171,402)	(217,990)	(181,434)	(80,284)	(478,475)	(77,960)	(278,769)	704,544	(774,258)	(101,656)
PRC	-	1,936	-	(11,519)		(193)						
Police Accountability								(3,251)		235,126		114,749
City Attorney	(65,671)	101,990	(58,659)	(39,215)	(65,335)	276,946	(506,555)	(151,033)	(90,383)	72,261		1,082,665
City Clerk	(110,093)	188,477	(111,415)	(116,125)	(114,062)	126,567	(114,494)	(126,777)	(114,400)	107,346	(145,932)	131,956
Information Technology	(369,005)	109,157	(373,223)	3,622,613	-	(9,680)						
Finance	(149,812)	784,083	(161,153)	623,709	(165,651)	649,198	(1,144,083)	(437,959)	(758,380)	658,600	(615,647)	1,084,469
Human Resources	(53,691)	144,486	(54,315)	181,668	(58,495)	299,924	(365,296)	217,769	(103,299)	530,956	(204,136)	(96,146)
HHCS	(367,281)	(125,869)	(364,610)	114,186	(380,699)	(207,171)	(2,652,851)	(279,698)	(873,137)	2,343,378	(1,257,302)	2,577,705
Public Works	(213,731)	205,654	(213,969)	(547,690)	(218,086)	(90,605)	(219,032)	(629,251)	(228,320)	194,901	(324,483)	(436,441)
Parks and Waterfront	(79,412)	284,902	(80,098)	110,299	(82,781)	410,979	(198,270)	(116,245)	(209,227)	542,208	(274,747)	354,828
Fire	-	257,332	-	(1,956,588)		(807,981)	(3,504,292)	(3,730,256)	(145,345)	(3,882,400)		(2,723,550)
Police	(572,512)	(101,617)	(580,915)	(3,085,519)	(639,574)	(4,773,691)	(8,286,869)	(5,420,927)	(7,394,498)	(2,483,259)	(3,738,019)	118,849
Planning	(56,809)	135,244	(56,599)	255,400	(58,495)	162,005	(413,206)	23,380	(322,423)	167,520	(227,198)	74,304
Economic Development	(33,404)	144,205	(31,811)	(115,603)	(34,926)	(64,176)	(35,484)		(36,569)			
Non-Departmental		(6,187)		(250,338)		(308,706)		10,182		510,038	(1,992,070)	(162,536)
Totals	(2,330,556)	3,051,954	(2,258,169)	(1,493,458)	(1,999,538)	(4,168,085)	(17,918,907)	(10,517,427)	(10,554,750)	271,549	(9,553,792)	3,158,318

Notes:

Budgeted Salary Savings is built into department budgets and is taken off the top from department General Fund personnel budgets

Actual Salary Savings is what is realized at the end of the year after the year end financials are closed and audited.

Information Technology moved to IT Cost Allocation Fund during FY 2019.

FY 2021 Budgeted Salary Savings was -\$2,104,108 and also included -\$15,814,799 in Personnel Deferrals

FY 2022 Budget Salary Savings was -\$2,166,665 and also included -\$8,388,085 in Personnel Deferrals