




Thomas P. McNamara
Mayor
Office of the Mayor

DATE: 9/6/24

TO: Kevin Frost, Chair
Members of the Finance and Personnel Committee

FROM: Todd Cagnoni, City Administrator
Carrie Hagerty, Finance Director 

RE: 2023 Surplus Recommendation

The 2023 budget year resulted in an operating surplus of \$23 million, primarily due to better than anticipated performance in income and replacement taxes and vacancies in the Police Department. As the City is currently in compliance with our fund balance policy in the general fund, we recommend spending down this surplus.

City Council had raised a number of priorities for consideration when the 2022 surplus plan was reviewed and approved. Taking into consideration previously discussed items, below are a number of recommendations formulated around three priorities: stabilize the general fund to reduce property tax burden and avoid increases in the property tax levy; invest in infrastructure; invest in the community through economic development projects.

Stabilize General Fund/Avoid Tax Increases

1. Address negative TIF balances: four TIF funds are currently projected to close with negative balances that will require transfers to close. We propose using surplus funds to close two of those TIFs, Garrison (\$450,216) and Hope 6 (\$831,148).

Amount: \$1,281,364

2. Fund pending legal claims: At any time, the City has a number of outstanding legal claims pending. We propose transferring funds to the Risk Management Fund for the purposes of paying future pending legal claims.

Amount: \$2,000,000

Invest in Infrastructure

1. CIP ward funds: One-time additional \$250,000 per ward for public infrastructure.

Amount: \$3,500,000

2. Alpine Road resurfacing from Spring Creek to Highcrest.

Amount: \$1,500,000

3. Mulford Road resurfacing from Fincham to Guilford and Gale to Churchview.

Amount: \$4,500,000



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4. Spring Creek Road

Amount: \$3,000,000

5. Riverside Boulevard

Amount: \$3,000,000

Economic Development

1. Infrastructure to support construction of a spec industrial facility at South Main Street and Bypass 20.

Amount: \$2,500,000

2. Stabilization of the City-owned Chick Hotel building.

Amount: \$550,000

3. Façade repairs at City-owned Coronado Theater (supplemented by grant funds).

Amount: \$1,000,000

4. Pedestrian improvements at PCI facility on Linden Road

Amount: \$50,000

5. Discovery Museum

Amount: \$100,000

TOTAL INVESTMENT: \$22,981,364