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## MEMORANDUM

**To:** Council President Mary Sheffield  
**From:** John Naglick, Chief Deputy CFO/Finance Director/Controller  
Tanya Stoudemire, Interim CFO/Interim Budget Director  
**Date:** April 4, 2025  
**Re:** **Responses to Non-Departmental/Capital Budget/Debt Service/Pensions Budget Questions**

Please find below responses to your questions sent on March 26, 2025, regarding the proposed Fiscal Year 2026 Proposed Budget for Non-Departmental/Capital Budget/Debt Service/Pensions.

**1. On page B35-11, please explain the \$38,498,585 One-Time Expenditure for FY26.**

The one-time expenditures are primarily made up of: \$30M in Risk Management Contribution, \$4.5M in Centralized Payments such as rent and utilities, a \$3M DDOT Contribution, and a \$950k DTC Contribution.

**2. As of February 5, 2025, there were 6 FTE vacancies listed for the department.**

**a. Please list all the vacant positions under Non-Departmental.**

As of March 5<sup>th</sup> there are 2 vacancies under Media Services and 3 vacancies under Pension Administration.

**b. Will the department be able to fill the additional 7 FTE positions recommended for the FY26 budget?**

The goal and intention of the department is to fill each of the recommended positions within the FY26 Budget.

**c. What is the status of the five ARPA funded positions?**

There are no ARPA Funded Positions approved within the FY26 Budget. ARPA Funded positions have been reviewed and approved on a case-by-case basis. When approved, they are assigned within the most applicable departments. Non-Dept will not be a catch-all for ARPA-Related Positions.

**d. Has a permanent funding source been identified for the ARPA positions?**

ARPA Positions/Expenditures are being approved on a one-time, case by case level. Any ARPA related operational decisions during and beyond FY26 will require the guidance of the continuing administration.

- 3. On page B35-17, Cost Center #350220 – Claims Funds expenditures increase from \$12.1 million for FY25 to \$42.1 million for the proposed FY26 budget.**
- a. What is the reason for the \$30 million increase in Claims Fund expenditures?**  
The \$30M Contribution is being made to ensure stability in our Risk Management Funds with impending Wrongful Incarceration or other impending risks. The contribution is in line with our forecast planning.
  
  - b. Why does the expenditure decrease back to \$12.1 million for FY27?**  
The payment is a one-time payment that allows for stability over an extended time versus utilizing resources year-over-year regardless of the city's financial ability. It is best to supplement our risk funds well during positive periods.
- 4. In their report, LPD pointed out that over the past several years, more and more FTEs have been added to the Non-Departmental budget.**
- a. Does the administration have a list of Non-Departmental funded employees by City Department?**  
The Non-Dept headcount grows annually due to the expansion and increase of new programs and initiatives. There is no list of Non-Dept Funded Employees for outside Departments. That is not the intention or reality of Non-Departmental FTEs. Non-Dept is not a catch-all for department's employees that are utilized without the applicable expenses. It is more a designation for employees and programs that do not align with any singular department.
  
  - b. Has there been any consideration of restructuring departments so more FTEs are reflected under the department in which they work?**  
Each Fiscal Year the goal is to structure departments to be as transparent and aligned with the true operations of the department. It is always the goal to reflect FTEs in the true department they are working.
- 5. On page B35-16, Cost Center #350230 – Childhood Education & Enrichment Support decreases from \$1,000,000 in FY25 to \$500,000 for FY26.**
- a. Why has funding for this program been cut in half?**  
In FY25, there was a one-time expense of \$500,000 for the Childhood Education and Enrichment Support Cost Center. In addition, there was a \$500,000 recurring expense that has been continued into FY26 into FY29's forecast years. Funding has not been cut in half.
  
  - b. Will the funding gap be made up elsewhere?**  
FY25's recurring expense is very comparable to FY26 Mayor Proposed, so there will be no funding gap to account for.

6. On page B35-17, under Appropriation #21243 – Opioid Settlement Proceeds, the administration is recommending a nearly \$2 million increase in Other Operations Services.

a. Please specify what program this funding supports.

This funding supports various opioid remediation programs to address the opioid overdose epidemic.