

## **DDA 2023/2024 GENERAL FUND BUDGET NARRATIVE**

### **DDA General Fund**

The DDA General Fund is where all staffing costs are included, from administrative staff to parking staff. Contracts with the City for Parking as well as the DTCA for marketing and communication continues through the general fund budget.

### **Traverse City Parking Services**

The Parking System has always taken a conservative approach to budgeting. This is reflected in the past budget cycles. We do not move forward with planned projects unless we have the right resources and information to do so, and we do as much as we can in-house before contracting out work. Over the past three budgets, the use of surplus funds was included in the budget in order to complete projects and navigate system-wide usage changes caused by the pandemic. This is the first budget cycle where we have reduced expenses in order to eliminate the use of surplus funds. Additionally, this budget is reflective of the new use patterns that have been consistent throughout the pandemic, and will likely continue as office environments have shifted to hybrid options.

There are four revenue sources for the enterprise fund: 1) parking permit revenue, 2) hourly meter revenue, 3) hourly parking structure revenue, and 4) parking citations. Pre-pandemic parking revenues were near \$3.5 M. The past three budget cycles revenues have been near \$2.5 M, and the projection for the coming 2023-24 budget is estimated to remain the same as 1) surface permit sales will be reduced due to the sale of 145 W Front and 103 Pine, 2) reduced metered spaces in Lots J south of the Boardman River and Lot K north of the Boardman River for FishPass construction, 3) consistent seasonal transient use.

### **Parking Capital Improvements**

#### Hardy Parking Deck

1. Pedestrian stair tower window maintenance, paint handrails and repair walls

#### Old Town Parking Structure

1. Pedestrian stair tower window maintenance, paint handrails and repair walls

#### General Parking Fund

1. Lot C Resurfacing (surface lot near Traverse Connect) – carried over from 2020-2021 budget
2. Cut and patch work in parking lot T (corner of Union and Grandview Parkway)
3. Curb cut in-fill for parking lot G (next to Mode's)

#### Professional and Contractual and Information Technology

The city added an Information Technology line item. The purpose of this item is to separate contractual expenses from recurring software and technology expenses. The decrease from

Professional and Contractual is reflected in Information Technology along with additional expenses for recent software agreements.

### City Fee

The City Fee was changed near 2010 to 10% of all enterprise revenues from Parking General, Hardy and Old Town funds. This year, the City Fee will be reduced from a 10% administrative fee to align with the 5% fee applied to all other enterprise funds.

### **Arts Commission**

The Arts Commission budget focuses on a handful of art installations along the TART Trail and Boardman Loop Trail, a mural festival (planned for 2024), a mini-grant program, a collaboration with Parks and Recreation to bring art into city parks and painted bump-outs at Front and Pine/Boardman as part of the two-way pilot project. In addition, the Arts Commission will be working to complete a series of administrative activities outlined in the strategic plan work plan.

City of Traverse City, Michigan  
 DDA COMPONENT UNIT  
 DDA GENERAL FUND  
 For the Budget Year 2023-24

	FY 21/22 Audited	FY 22/23 Budgeted	FY 22/23 Projected	FY 23/24 Requested
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<b>REVENUES</b>				
Taxes	\$ 129,683	\$ 129,000	\$ 129,000	\$ 130,000
Grants and Reimbursements	1,947,124	1,200,000	1,200,000	\$ 100,000
Reimbursements	1,465,333	1,236,600	1,236,600	1,585,359
Rental Income	0	90,000	90,000	115,000
Interest Income	915	600	600	1,000
Miscellaneous	0	0	0	0
<b>TOTAL REVENUES</b>	<u>3,543,055</u>	<u>2,656,200</u>	<u>2,656,200</u>	<u>1,931,359</u>
<b>EXPENDITURES</b>				
Salaries and Wages	874,456	955,400	998,709	1,060,134
Fringe Benefits	273,587	320,000	296,151	390,382
Office Supplies and Utilities	104,960	64,000	45,800	63,000
Professional Services	677,286	306,800	325,000	265,000
Travel and Conferences	13,415	25,000	25,000	30,000
Repairs and Maintenance	0	0	0	0
Grants	1,672	96,000	96,000	45,000
Civic Square	1,758,802	1,050,000	1,050,000	50,000
<b>TOTAL EXPENDITURES</b>	<u>3,704,178</u>	<u>2,817,200</u>	<u>2,836,660</u>	<u>1,903,516</u>
<b>EXCESS OF REVENUES OVER/UNDER EXPENDITURES</b>	<b>(161,123)</b>	<b>(161,000)</b>	<b>(180,460)</b>	27,843
Beginning Fund Balance	897,307	736,184	736,184	555,724
Ending Fund Balance	<u>\$ 736,184</u>	<u>\$ 575,184</u>	<u>\$ 555,724</u>	<u>\$ 583,567</u>