



Annual Budgets & Related Items

Fiscal Years 2024-25 & 2025-26

June 10, 2024

Stephen Parker, Assistant City Manager

Overview

- **Annual Budgets for FY 24/25 and FY 25/26**
- **5-Year Fund Balance Projection**
- **Appropriations Limit**
- **General Fund Reserve Policy**
- **Personnel/Classification Plan**
- **Recommended Action**



FY 2024-25 Summary of Sources and Uses

FY 2024-25 SUMMARY OF SOURCES AND USES

| Fund | Estimated Fund Balance (Unassigned) 7/1/24 | FY 2024-25 Estimated Revenue | Transfers In | Available Sources | 2024-25 Operating Expenditures | Capital Improvement Projects | Transfers Out | Total Uses | Change in Fund Balance | Fund Balance 6/30/25 |
|----------------------------|--|------------------------------|-------------------|----------------------|--------------------------------|------------------------------|-------------------|----------------------|------------------------|----------------------|
| General Fund | \$ 9,585,260 | \$ 61,671,040 | \$ - | \$ 61,671,040 | \$ 61,458,170 | \$ - | \$ - | \$ 61,458,170 | \$ 212,870 | \$ 9,798,130 |
| Special Revenue Funds | 39,128,770 | 16,842,990 | - | 16,842,990 | 12,122,140 | 22,713,900 | - | 34,836,040 | (17,993,050) | 21,135,720 |
| Capital Project Funds | 26,528,100 | 4,451,710 | - | 4,451,710 | 73,920 | 10,624,950 | - | 10,698,870 | (6,247,160) | 20,280,940 |
| Enterprise Funds | 49,728,590 | 57,478,850 | 265,000 | 57,743,850 | 65,581,530 | 26,814,840 | 265,000 | 92,661,370 | (34,917,520) | 14,811,070 |
| Internal Service Fund | 2,761,540 | 20,865,350 | - | 20,865,350 | 22,112,350 | - | - | 22,112,350 | (1,247,000) | 1,514,540 |
| Private Purpose Trust Fund | (8,480,890) | 2,800,520 | - | 2,800,520 | 2,798,430 | - | - | 2,798,430 | 2,090 | (8,478,800) |
| Grand Total | \$119,251,370 | \$164,110,460 | \$ 265,000 | \$164,375,460 | \$164,146,540 | \$ 60,153,690 | \$ 265,000 | \$224,565,230 | \$ (60,189,770) | \$ 59,061,600 |



FY 2025-26 Summary of Sources and Uses

FY 2025-26 SUMMARY OF SOURCES AND USES

| Fund | Estimated Fund Balance (Unassigned) 7/1/25 | FY 2025-26 Estimated Revenue | Transfers In | Available Sources | 2025-26 Operating Expenditures | Capital Improvement Projects | Transfers Out | Total Uses | Change in Fund Balance | Fund Balance 6/30/26 |
|----------------------------|--|------------------------------|-------------------|----------------------|--------------------------------|------------------------------|-------------------|----------------------|------------------------|----------------------|
| General Fund | \$ 9,798,130 | \$ 63,331,790 | \$ - | \$ 63,331,790 | \$ 63,134,260 | \$ - | \$ - | \$ 63,134,260 | \$ 197,530 | \$ 9,995,660 |
| Special Revenue Funds | 22,635,720 | 16,414,510 | - | 16,414,510 | 10,603,510 | 13,691,670 | - | 24,295,180 | (7,880,670) | 14,755,050 |
| Capital Project Funds | 20,280,940 | 2,819,550 | 200,000 | 3,019,550 | 76,470 | 2,548,580 | - | 2,625,050 | 394,500 | 20,675,440 |
| Enterprise Funds | 26,811,070 | 61,526,490 | 265,000 | 61,791,490 | 67,224,780 | 6,550,000 | 265,000 | 74,039,780 | (12,248,290) | 14,562,780 |
| Internal Service Fund | 1,514,540 | 20,801,600 | - | 20,801,600 | 22,743,600 | - | 200,000 | 22,943,600 | (2,142,000) | (627,460) |
| Private Purpose Trust Fund | (8,478,800) | 2,812,390 | - | 2,812,390 | 2,810,870 | - | - | 2,810,870 | 1,520 | (8,477,280) |
| Grand Total | \$ 72,561,600 | \$167,706,330 | \$ 465,000 | \$168,171,330 | \$166,593,490 | \$ 22,790,250 | \$ 465,000 | \$189,848,740 | \$ (21,677,410) | \$ 50,884,190 |



FY 2024-26 Total Expenditure Budget

| Fund Type | FY 2023-24 Amended Budget | FY 2024-25 Proposed Expenditures | % Change FY 23/24 Amended FY 24/25 Proposed | FY 2025-26 Proposed Expenditures | % Change FY 24/25 Proposed/ FY 25/26 Proposed |
|---------------------------|---------------------------------|--|---|--|---|
| General Fund | \$ 55,823,533 | \$ 61,458,170 | 10.1% | \$ 63,134,260 | 2.7% |
| Water Enterprise | 54,722,116 | 57,368,920 | 4.8% | 40,240,160 | -29.9% |
| Solid Waste Enterprise | 17,725,766 | 18,665,460 | 5.3% | 19,404,560 | 4.0% |
| Sewer Enterprise | 16,284,491 | 16,626,990 | 2.1% | 14,395,060 | -13.4% |
| Street Improvement Funds | 22,167,907 | 21,703,090 | -2.1% | 14,912,150 | -31.3% |
| All Other Funds | 61,297,045 | 48,742,600 | -20.5% | 37,762,550 | -22.5% |
| Total Use of Funds | \$ 228,020,858 | \$ 224,565,230 | -1.5% | \$ 189,848,740 | -15.5% |



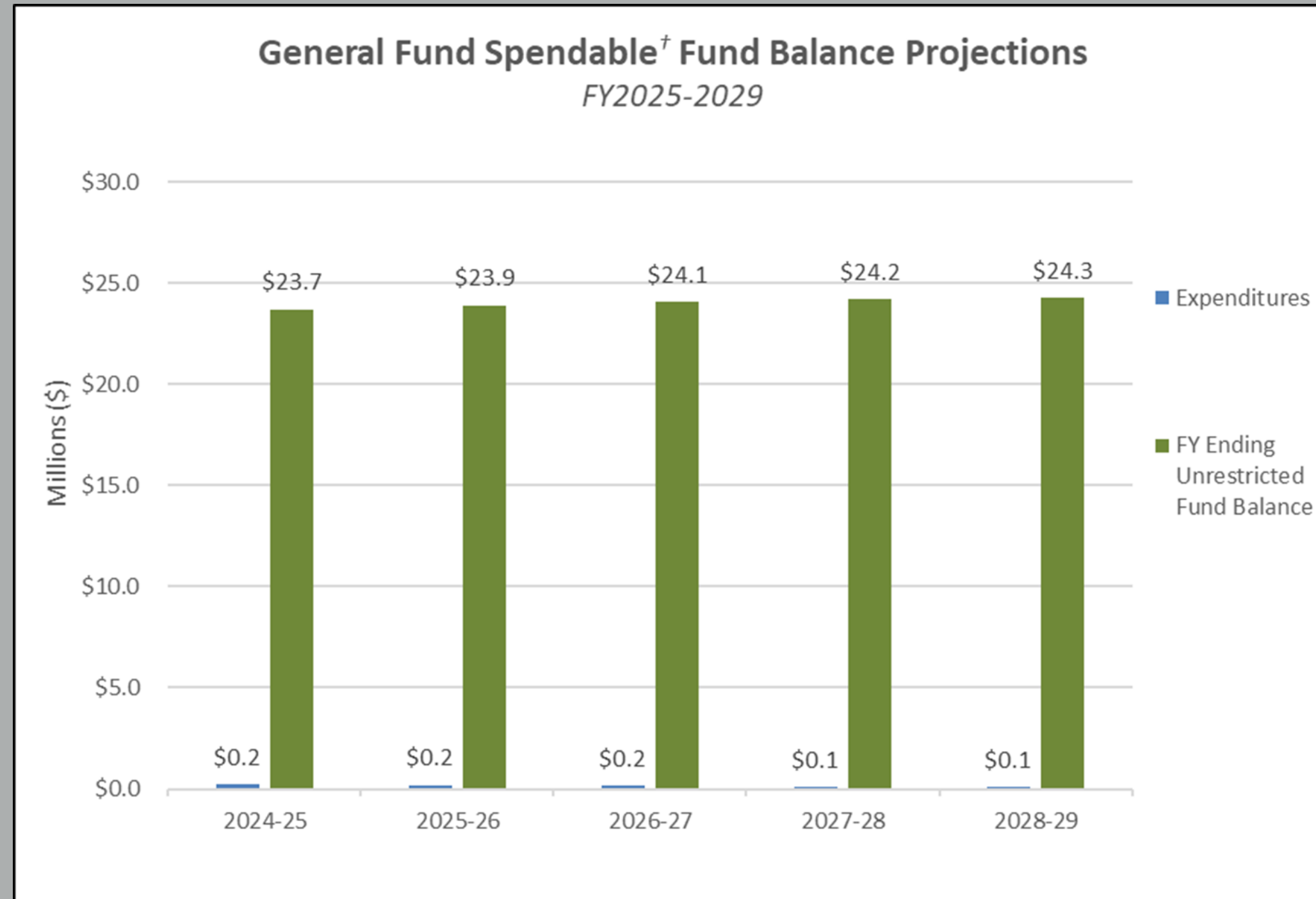
FY 2024-26 General Fund – Revenue by Source

| Revenue Source | FY 2021-22 Actual Collected | FY 2022-23 Actual Collected | FY 2023-24 Adopted Budget | FY 2023-24 Amended Budget | FY 2024-25 Proposed Budget | FY 2025-26 Proposed Budget | % Change FY 23/24 Amended/ FY 24/25 Proposed | % Change FY 24/25 Proposed/ FY 25/26 Proposed |
|---------------------------|-----------------------------------|-----------------------------------|---------------------------------|---------------------------------|----------------------------------|----------------------------------|--|---|
| Property Taxes | \$19,180,400 | \$20,481,660 | \$21,049,090 | \$21,994,530 | \$22,371,510 | \$23,065,040 | 1.7% | 3.1% |
| Sales Tax | 18,469,790 | 21,274,690 | 20,451,030 | 24,188,600 | 24,591,400 | 25,346,900 | 1.7% | 3.1% |
| Other Taxes | 3,637,140 | 3,669,660 | 3,442,380 | 3,580,280 | 3,709,420 | 3,746,330 | 3.6% | 1.0% |
| Charges For Services | 2,836,040 | 2,887,160 | 3,053,060 | 2,791,690 | 2,961,180 | 3,037,620 | 6.1% | 2.6% |
| Licenses and Permits | 2,071,970 | 2,820,350 | 2,150,320 | 1,985,930 | 1,981,030 | 2,017,790 | -0.2% | 1.9% |
| Intergovernmental | 117,020 | 66,460 | 49,000 | 49,000 | 49,000 | 49,900 | 0.0% | 1.8% |
| Fine & Forfeitures | 600,190 | 640,860 | 506,270 | 634,270 | 526,910 | 537,260 | -16.9% | 2.0% |
| Use of Money & Property | (38,520) | 994,190 | 1,556,920 | 2,237,720 | 2,223,640 | 2,266,070 | -0.6% | 1.9% |
| Other Revenue | 3,763,770 | 3,784,880 | 3,549,680 | 3,650,250 | 3,256,950 | 3,264,880 | -10.8% | 0.2% |
| Total General Fund | \$50,637,800 | \$56,619,910 | \$55,807,750 | \$61,112,270 | \$61,671,040 | \$63,331,790 | 0.9% | 2.7% |



5-Year Fund Balance Projection

Includes proposed net increase of 6 FTE's, but no other increase in service levels.
Does not provide for additional needs such as addressing deteriorating infrastructure



Appropriations Limit

- California Constitution requires “GANN” appropriations Limit be calculated annually
- Uses predetermined formula
- Limits the amount of proceeds of taxes that can be spent by all entities of government
- FY 24/25 appropriations limit is \$142,337,976
- Under limit by \$93,307,808 (proceeds of taxes less debt service payments = \$49,070,168)



General Fund Reserve Policy

Recommended Changes:

1. Increase Economic Uncertainty Reserve from 22.5% to 25.0%;
2. Increase General Plan Update Reserve target from \$1 million to \$2 million;
3. Remove PARS from the name of the Pension Stabilization Trust;



Personnel/Classification Plan

| Department | Action | Positions | Position Title |
|---|----------|------------|--|
| Administrative Services | | | |
| Human Resources | Add | 1.0 | Risk Management Coordinator |
| Development Services | | | |
| Administration | Reclass | 1.0 | Accounting Technician to Budget Specialist |
| Administration | Add | 1.0 | Administrative Assistant - Replace PT |
| Building | Unfreeze | 1.0 | Building Official - Bring in-house |
| Building | Unfreeze | 1.0 | Plans Examiner - Bring in-house |
| Public Works | | | |
| Operations | Add | 2.0 | Operations Supervisor |
| Operations | Freeze | 1.0 | Warehouse & Inventory Technician |
| Sewer | Freeze | 1.0 | Assistant/Associate Engineer |
| Police | | | |
| Patrol | Unfreeze | 1.0 | Police Officer - School District pays 1/2 |
| Patrol | Add | 1.0 | Police Officer - Asset Forfeiture-funded |
| Total Additions (Add and Unfreeze) | | 8.0 | |
| Total Reductions (Freeze) | | 2.0 | |
| Net Change | | 6.0 | |



Recommended Action

It is recommended that the City Council:

1. Approve a Resolution adopting the Fiscal Year 2024-2025 and 2025-2026 Annual Budgets;
2. Adopt a Resolution approving the appropriations limit for the Fiscal Year 2024-2025;
3. Adopt a Resolution approving the General Fund Reserve Policy;
4. Approve amending the City's Classification Plan to add the Risk Management Coordinator job description.

