



FY 2024-25 Budget Adoption Public Hearing

JUNE 18, 2024

ALAN ALTON, CHIEF FINANCIAL OFFICER
VERONICA CONNER, BUDGET MANAGER

FY 2024-25 Budget Process



Chief Financial Officer's Comments

PROPOSED BUDGET FY 2024-25



Changes from Study Session – **General Fund**

- Increase of **\$7.9M** to account for anticipated cost of living increases
- Increase of **\$100K** for Metro Chamber Contract
- “Limited Term” designation removed from inRESPONSE Paramedics as program will be made permanent

Changes from Study Session – **General Fund**

- Moved funding for Clean Energy Manager from TPW to CMO; removed addition of FTE headcount
- Increased Violence Prevention Partnership by **\$8.4K** to reach baseline requirement
- Increased Transfers Out by **\$34K** to cover costs of COLAs in Homeless Services and Parking Enforcement

Changes from Study Session – **Other Funds**

Enterprise Funds Cost of Living Adjustment:

- Parking Fund increased by **\$155K**
- Water Funds & Storm Water Funds increased by **\$665K**

Homeless Services:

- Cost of Living Adjustment increase of **\$50K**
- Additional grant revenue of **\$35K**

Changes from Study Session – **Housing Authority**

- Housing Authority increased revenue by **\$80K** due to updated allocations from the Department of Housing and Urban Development
- Adjusted expenditures to account for administrative costs and loan repayments

Citywide Budget Overview

PROPOSED BUDGET FY 2024-25

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FY 2024-25 Citywide Revenues by Fund (in millions)

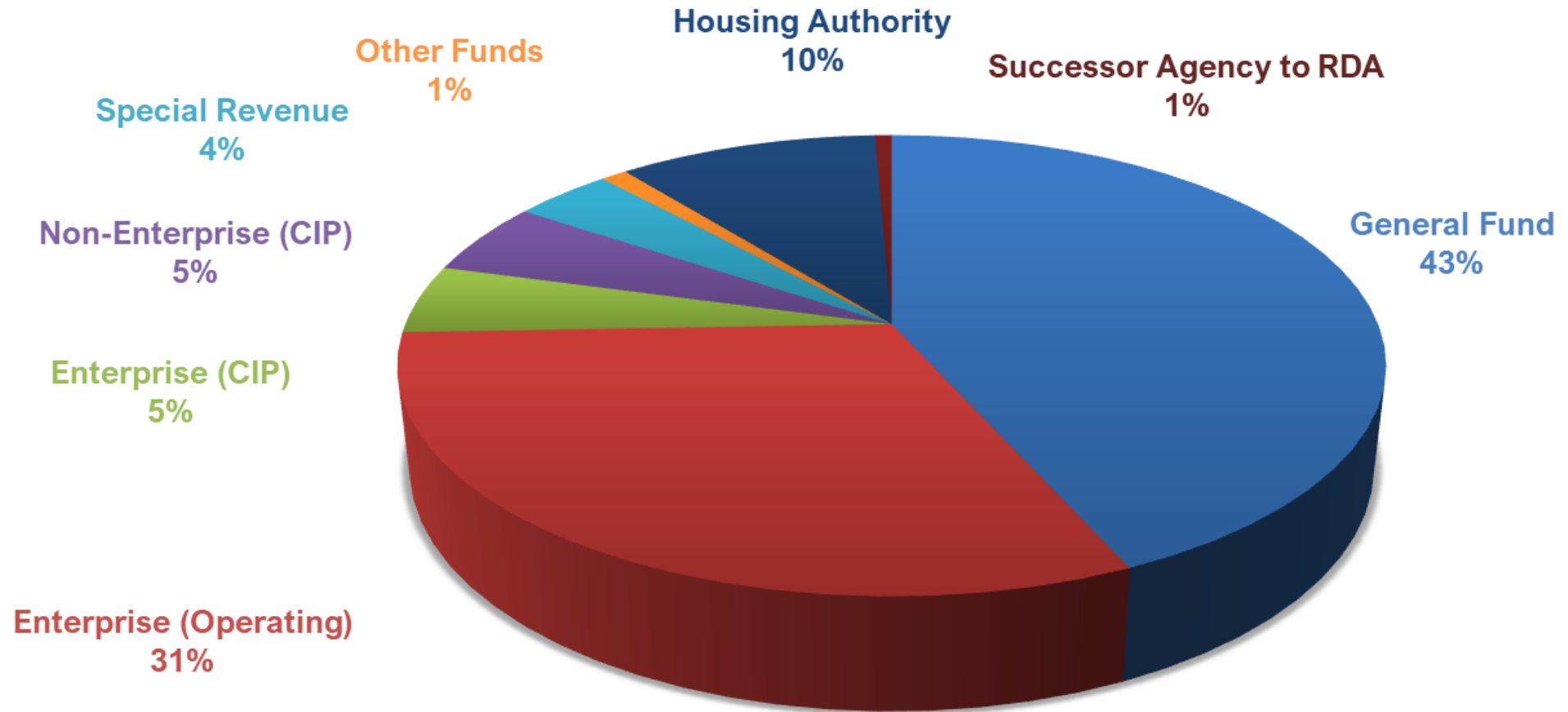
Fund Type	2023-24 Adopted Budget	2024-25 Proposed Budget	\$ Change	% Change
General Fund	\$201.9	\$213.0	\$11.1	5.5%
Enterprise Funds	182.0	187.0	5.0	2.8%
Special Revenue Funds	37.5	34.0	(3.5)	(9.3%)
Other Funds	5.2	5.3	0.1	1.4%
Housing Authority	69.6	49.2	(20.4)	(29.3%)
Successor Agency to RDA	3.0	3.3	0.3	8.1%
Total	\$499.2	\$491.8	(\$7.4)	(1.5%)

FY 2024-25 Citywide Expenditures by Fund Type

(in millions)

Fund Type	2023-24 Adopted Budget	2024-25 Proposed Budget	\$ Change	% Change
General Fund	\$201.6	\$220.2	\$18.6	9.2%
Enterprise (Operating)	150.7	158.3	7.6	5.1%
Enterprise (CIP)	38.6	24.6	(14.0)	(36.3%)
Non-Enterprise (CIP)	36.3	26.0	(10.3)	(28.3%)
Special Revenue	25.7	19.5	(6.2)	(24.0%)
Other Funds	5.5	5.3	(0.2)	(2.8%)
Housing Authority	75.7	51.6	(24.3)	(32.1%)
Successor Agency to RDA	3.0	3.3	0.3	8.1%
Total	\$537.0	\$508.8	(\$28.4)	(5.3%)
Operations (net of CIP)	\$462.1	\$458.2	(\$4.1)	(0.9%)
CIP only	\$74.8	\$50.6	(\$24.2)	(32.4%)

FY 2024-25 Citywide Expenditures by Fund



Parking Enterprise Fund Summary

	FY 2024-25 Proposed Budget
Revenue	\$3,910,881
Transfers In	1,584,712
Total	\$5,495,593
O&M Expenditures	5,825,207
CIP Expenditures	-
Transfers Out	121,338
Total	\$5,946,545
Use of Reserves	(\$450,952)

Water Enterprise Fund Summary

	FY 2024-25 Proposed Budget
Revenue	\$56,323,139
Transfers In	-
Total	\$56,323,139
O&M Expenditures	42,978,225
CIP Expenditures	9,468,705
Transfers Out	3,185,532
Total	\$55,632,462
Surplus	\$690,677

Local Wastewater Enterprise Fund Summary

	FY 2024-25 Proposed Budget
Revenue	\$80,219,317
Transfers In	-
Total	\$80,219,317
O&M Expenditures	14,035,227
CIP Expenditures	3,310,000
Transfers Out	62,891,330
Total	\$80,236,557
Use of Reserves	(\$17,240)

Regional Enterprise Fund Summary

	FY 2024-25 Proposed Budget
Partner Contributions	\$20,234,499
SRW Contributions	61,132,482
Miscellaneous Revenue	5,552,207
Total	\$86,919,188
O&M Expenditures	47,420,460
CIP Expenditures	11,000,000
Debt Service	26,959,828
Total	\$85,380,288
Surplus*	\$1,538,900

*Additional Operating Reserve Paid by Regional Partners

Storm Water Enterprise Fund Summary

	FY 2024-25 Proposed Budget
Revenue	\$3,264,319
Transfers In	-
Total	\$3,264,319
O&M Expenditures	3,883,551
CIP Expenditures	50,000
Transfers Out	-
Total	\$3,933,551
Use of Reserves	(\$669,232)

General Fund Budget Overview

PROPOSED BUDGET FY 2024-25

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FY 2024-25 General Fund Summary

(in millions)

	Proposed General Fund Budget
Revenue	\$213.0
Transfers In	2.3
Total Revenues + Transfers In	\$215.3
Expenditures	220.2
Capital Improvement Projects	1.9
Transfers Out	6.5
Total Expenditures + Transfers Out	\$228.6
Use of Fiscal Stability Funds	(\$13.3M)

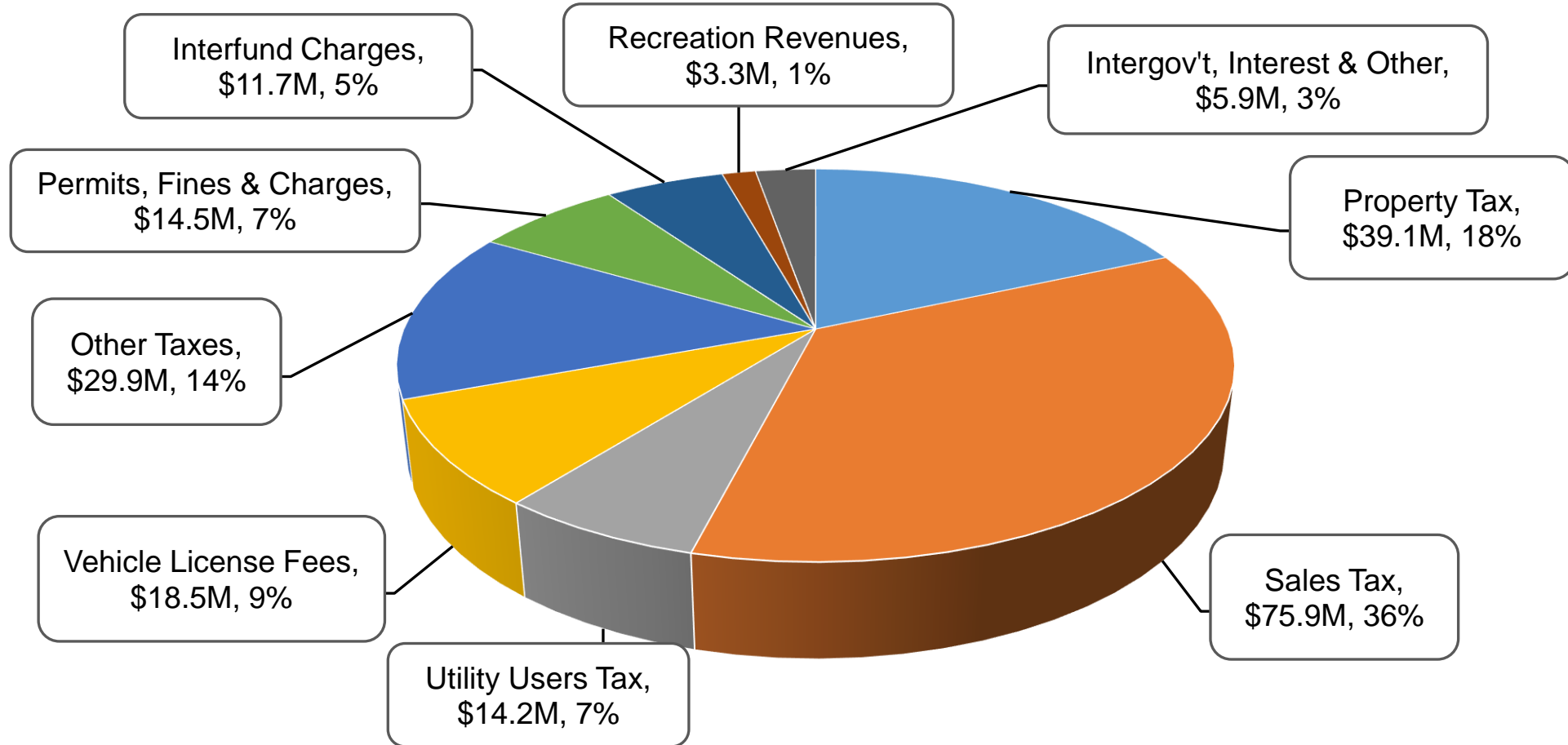
Budget Additions to General Fund

Description	Amount
Climate Action Manager	\$225K
Admin Analyst – Economic Development	\$80K
Metro Chamber Contract	\$100K
Police Overtime	\$400K
Total	\$885K

FY 2024-25 General Fund Revenues by Category (in millions)

Category	2023-24 Adopted Budget	2024-25 Proposed Budget	\$ Change	% Change
Property Tax	\$36.3	\$39.1	\$2.8	7.7%
Sales Tax	75.9	75.9	-	-
Utility Users Tax	11.6	14.2	2.6	22.4%
Vehicle License Fees	17.5	18.5	1.0	5.7%
Other Taxes	27.8	29.9	2.1	7.6%
Permits, Fines & Charges	13.3	14.5	1.2	9.0%
Interfund Charges	11.0	11.7	0.7	6.4%
Recreation Revenues	3.0	3.3	0.3	10.0%
Intergov't, Interest & Other	5.5	5.9	0.4	7.3%
Total	\$201.9	\$213.0	\$11.1	5.5%

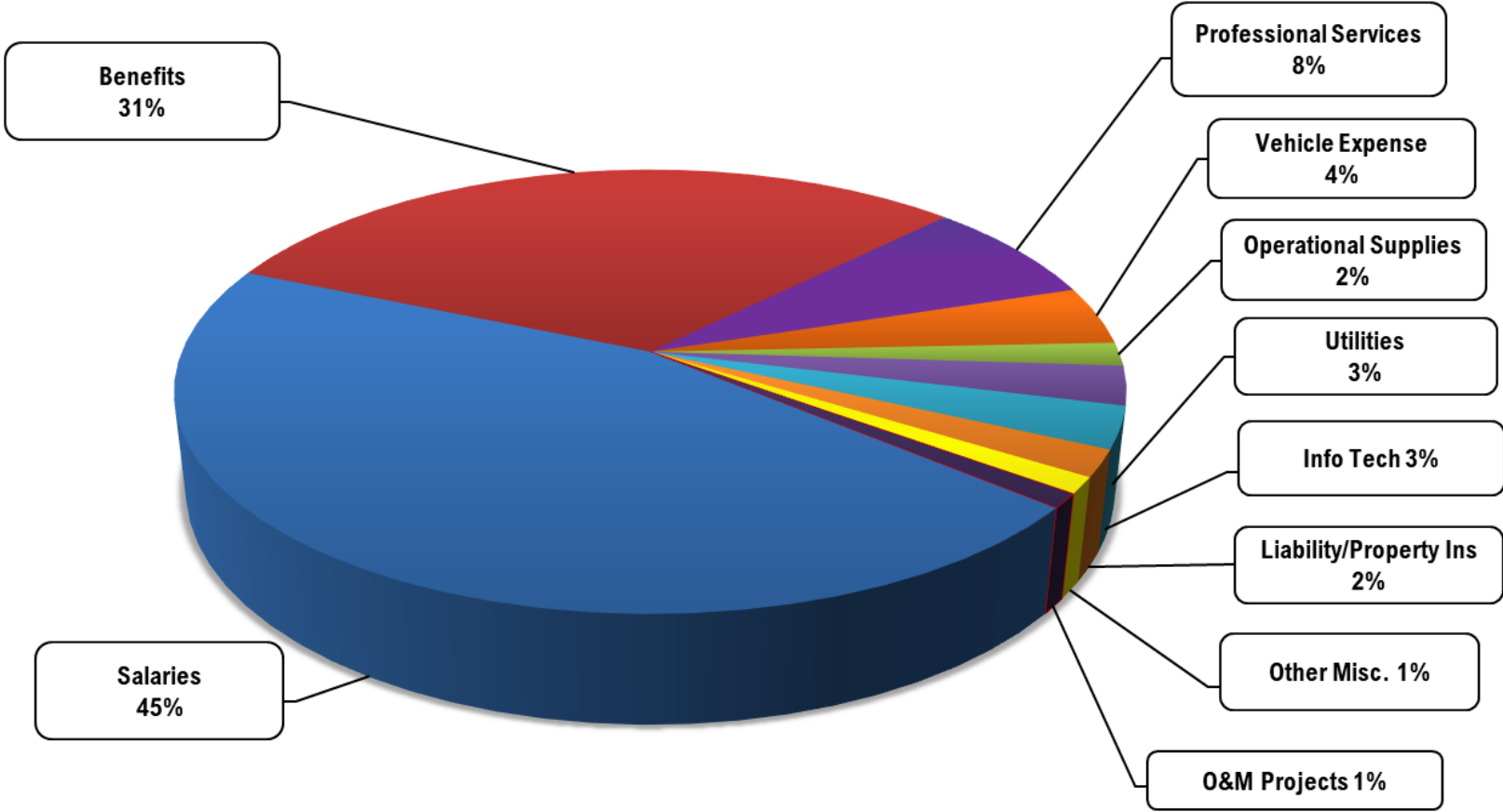
General Fund Revenues by Category



FY 2024-25 General Fund Expenditures by Category (in millions)

Category	2023-24 Adopted Budget	2024-25 Proposed Budget	\$ Change	% Change
Salaries	\$91.1	\$99.2	\$8.1	8.9%
Benefits	62.6	68.8	6.2	9.9%
Professional Services	15.1	16.8	1.7	11.3%
Vehicle Expense	8.5	10.0	1.5	17.6%
Operational Supplies	3.4	3.4	-	-
Utilities	5.7	5.7	-	-
Information Technology	6.1	6.4	0.3	4.9%
Liability/Property Insurance	3.9	4.9	1.0	25.6%
Other Miscellaneous	2.4	2.8	0.4	16.7%
Capital Outlay	0.1	-	(0.1)	-
O&M Projects	2.7	2.2	(0.5)	(18.5%)
Total	\$201.6	\$220.2	\$18.6	9.2%

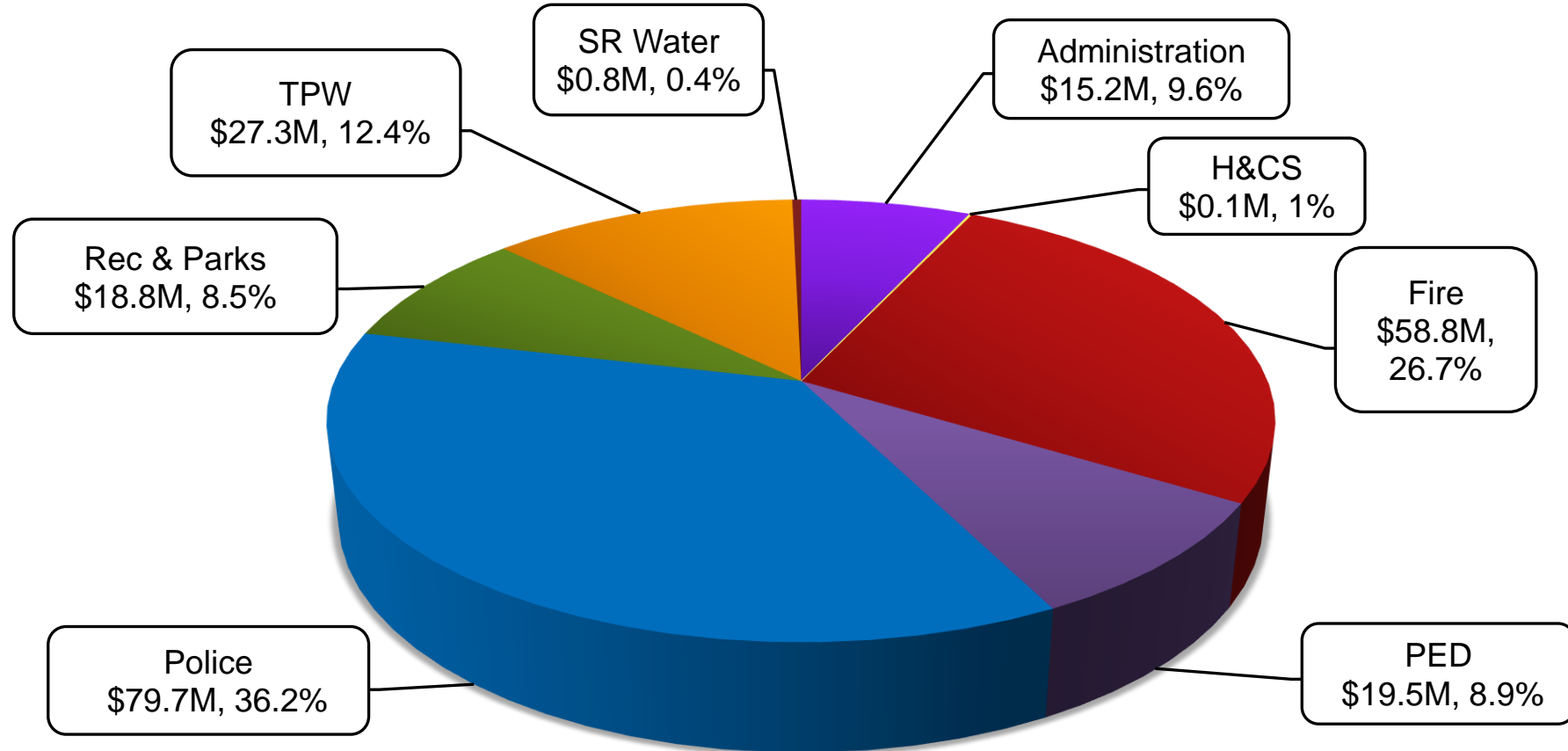
General Fund Expenditures by Category



FY 2024-25 General Fund Expenditures by Department (in millions)

Department	2023-24 Adopted Budget	2024-25 Proposed Budget	\$ Change	% Change
Administration	\$11.8	\$15.2	\$3.4	28.9%
Housing & Community Services	0.1	0.1	-	-
Fire	53.4	58.8	5.4	10.1%
Planning & Economic Develop.	17.6	19.5	1.9	10.8%
Police	72.9	79.7	6.8	9.3%
Recreation & Parks	18.0	18.8	0.8	4.4%
Transportation & Public Works	27.0	27.3	0.3	1.1%
SR Water (Storm Water GF only)	0.8	0.8	-	-
Total	\$201.6	\$220.2	\$18.6	9.2%

General Fund Expenditures by Department



General Fund Baseline

Public Safety and Prevention Tax

	Police: 34.3%	Fire: 23.7%	Violence Prevention: 0.4%
General Fund Department Budget	\$79,673,668	\$58,787,381	\$920,244
Baseline Calculation	\$75,569,826	\$52,226,281	\$920,175
Over (Under) Baseline	\$4,103,842	\$6,561,100	\$69

General Fund 5-Year Forecast

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Revenues	\$213.0	\$218.1	\$224.8	\$230.0	\$235.0
Transfers In	2.3	2.3	2.3	2.3	2.3
Total Revenues & TI	\$215.3	\$220.4	\$227.1	\$232.3	\$237.3
Expenditures	220.2	227.0	238.5	252.3	263.8
Transfers Out	8.4	9.8	13.2	10.3	9.8
Total Expenditures & TO	\$228.6	\$236.8	\$251.7	\$262.6	\$273.7
Budgeted Deficit	(\$13.3)	(\$16.4)	(\$24.6)	(\$30.3)	(\$36.4)
Use of Fiscal Stability Reserves - \$24M	(\$13.3)	(\$10.7)	-	-	-
Use of General Fund Reserves - \$15M	-	(\$5.7)	(\$9.3)	-	-

General Fund 5-Year Forecast

ARPA, New Tax Revenues

	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Revenues	\$213.0	\$218.1	\$224.8	\$230.0	\$235.0
TOT Tax Measure	-	\$2.0	\$2.0	\$2.0	2.0
Business Tax Measure	-	\$12.0	\$12.0	\$12.0	12.0
Transfers In	2.3	2.3	2.3	2.3	2.3
Total Revenues & TI	\$215.3	\$234.4	\$241.1	\$246.3	\$251.3
Expenditures	220.2	227.0	238.5	252.3	263.8
Safe Parking	ARPA	1.3	1.3	1.3	1.3
inRESPONSE	ARPA	2.8	2.8	2.8	2.8
Transfers Out	8.4	9.8	13.2	10.3	9.8
Total Expenditures & TO	\$228.6	\$240.9	\$255.8	\$266.7	\$277.8
Surplus (Deficit)	(\$13.3)	(\$6.5)	(\$14.7)	(\$20.4)	(\$26.5)

Staffing Summary

PROPOSED BUDGET FY 2024-25

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Authorized FTE Staff Summary

Dept.	FY 23-24	FTE Change	FY 24-25
CAO	15.90	-	15.90
CMO	11.00	-	11.00
Comm's & Intergovt Rel	9.00	-	9.00
Finance	62.60	-	62.60
Fire	157.00	12.00	169.00
H&CS	27.00	-	27.00
HR	23.00	-	23.00

Authorized FTE Staff Summary

Dept.	FY 23-24	FTE Change	FY 24-25
IT	33.00	-	33.00
PED	74.00	4.50	78.50
Police	264.00	-	264.00
Rec & Parks	74.00	2.15	76.15
TPW	261.00	-	261.00
Water	278.00	-	278.00
Total FTEs	1,289.50	18.65	1,308.15

Recommendation

The City Manager and the Finance Department recommend that Council approve, by resolution:

- Five (5) resolutions to adopt the FY 2024-25 Operations & Maintenance Budget and Capital Improvement Program Budget
- Amend the Public Safety and Prevention (Formerly Measure O) Transaction & Use Tax Implementation Plan to adjust for FY 2024-25 budget for all programs

Questions?