



**FISCAL YEAR 2024  
BUDGET WORKSHOP**

June 12, 2023



# Workshop Agenda

- ❖ Summary of Direction from May 23<sup>rd</sup> Workshop
- ❖ Final Touches
  - ❖ Revisit Revenue
  - ❖ Contract & Professional Service Expenditures
  - ❖ Updated Forecast
  - ❖ Options to Balance Operating Revenue & Operating Expenditures





# Direction from May 23<sup>rd</sup> Workshop





# Process and Schedule

- January - City Council interviews on Individual Goals & Expectations
- Feb 1-3 - New Mayor & Councilmembers Academy by CA League of Cities
- Feb 21 - Regular Meeting - Goal Setting and Budgeting Kick-Off
- March 7 – Recruitment/Retention Update
- March 21 – Initial 5-year Financial Forecast & Current Priorities from Staff
- March 24 –Facilitated Workshop on Council Priorities and Teamwork
- April 18 – Budget Workshop: Presentation of Preliminary Budget
- May 5 – Budget Workshop: Operating Enhancement Items
- May 16 – Budget Workshop: Capital Enhancement Items
- May 23 – Budget Workshop: Decide on Enhancement Items
- June 12 – Budget Workshop: Final Decision Points
- June 20 – Budget Adoption

**TOGETHER  
WE  
CAN!**

# One-Time Enhancement Decision Items

Item	FY24	Decision
Street Signs Replacement	\$25,000	Yes
Communications Plan	\$100,000	No
Chamber of Commerce	\$50,000	Yes
Fund Reserves	\$430,000	No
Las Palmas Wellness Center & Restrooms	\$2,700,000	Yes
Granger Hall Relocation Plan	\$100,000	No
City Hall Seismic Upgrade	\$4,000,000	No
Civic Center/Kimball Rec Master Plan	\$250,000	Yes
Clean NC – Plaza & Harbison	\$100,000	Yes
PW Quality of Life Overtime	\$32,000	Yes
Pavement Rehab	\$500,000	Yes
Storm Drain Rehab	\$300,000	Yes
<b>TOTAL TO BE IN FY24 BUDGET</b>	<b>\$3,957,000</b>	

# On-Going Enhancement Decision Items

Item	FY24	FY25	FY26	FY27	FY28
4 New Police Staff	\$498,037	\$445,315	\$461,353	\$477,886	\$494,933
3 New Firefighters & 4-0 Staffing	\$139,313	\$513,777	\$529,190	\$545,066	\$561,418
After School Programming	\$175,000	\$196,744	\$255,253	\$262,911	\$270,798
Tree Trimming	\$92,700	\$95,481	\$98,345	\$101,296	\$104,335
Engineering Permit Technician	\$91,200	\$93,936	\$96,754	\$99,657	\$102,646
Amortization	\$80,000	\$50,000	\$50,000	\$50,000	\$50,000
District/Council Budget	\$330,000	\$330,000	\$330,000	\$330,000	\$330,000
Reduce Recreation Fees	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>TOTAL</b>	<b>\$1,407,250</b>	<b>\$1,726,253</b>	<b>\$1,821,895</b>	<b>\$1,867,815</b>	<b>\$1,915,130</b>



# Revisit Revenue & Expenditures



# Revenue

## CANNABIS REVENUE

- Reviewed assumption in forecast
- Increased by \$50,000 per business = additional \$300,000 of revenue in FY28

## FEE SCHEDULE

- Comprehensive update in FY24 for implementation in FY25

## TRANSIENT OCCUPANCY TAX (TOT) AUDIT IN FY24

## PARTNERSHIPS WITH OTHER AGENCIES

- Contracts in place for FY24, but exploring potential for future contracts

CAN CONTINUE TO PURSUE REVENUE GROWTH OPPORTUNITIES DURING  
FY24 FOR FY25 & BEYOND





# Contract & Professional Services

## EACH DEPARTMENT REVIEWED THEIR CONTRACT SERVICES & PROFESSIONAL SERVICES BUDGETS

- In total, staff identified \$275,000 in expenditures in FY24 that can be one-time expenditures with little impact on current service levels
- Reduces on-going operating expenditures
- Moves towards balanced budget at end of forecast period (FY28)



# Updated Forecast

General Fund Forecast	FY2024	FY2025	FY2026	FY2027	FY2028
<b>Total GF Revenue</b>	\$ 69,172,461	\$ 69,294,535	\$ 71,268,892	\$ 74,040,554	\$ 76,702,983
<b>Total GF Expenditures</b>	\$ 73,278,622	\$ 71,179,277	\$ 73,096,266	\$ 74,809,387	\$ 76,783,953
<b>Net GF Revenues (Expenditures)</b>	\$ (4,106,161)	\$ (1,884,742)	\$ (1,827,374)	\$ (768,833)	\$ (80,971)
<b>Unassigned GF Balance</b>	\$ 19,350,135	\$ 17,465,393	\$ 15,638,019	\$ 14,869,186	\$ 14,788,215



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# Options to Balance

- **ANY ONE OF THE FOLLOWING OPTIONS WILL BALANCE THE FORECASTED BUDGET IN FY28**
  - Hire 2 police dispatchers & 1 officer (3 total) instead of 2 dispatchers & 2 officers (4 total)
  - Hire 3 new firefighters without 4-0 staffing requirement
  - Continue status quo tree trimming
  - Reduce new council budgets from \$100,000 per member to \$75,000 per member





# Budget Next Steps

- FORMALLY ADOPT BUDGET ON JUNE 20<sup>TH</sup>
- HOLD RECRUITMENTS FOR NEW STAFF POSITIONS
- COUNCIL BUDGET
  - Each Councilmember to allocate budget between PT hourly staff, events, training/travel, supplies, etc.
    - Suggested budget breakdown will be provided & put in adopted budget as placeholder
    - Can adjust for your Council seat with direction to Finance/City Manager
  - Mayor's M&O budget reduced from previous \$31,000 to \$15,000
  - Develop spending policy
  - Explore staffing options, potential need to create new job classification
  - Revisit annually as part of budget process, like other department do for M&O costs



# In Conclusion

- STAFF REVISED REVENUE ASSUMPTIONS AND FOUND COST SAVINGS TO BRING FORECAST ALMOST WITHIN BALANCE
- ADJUSTING AN ENHANCEMENT ITEM TO CLOSE THE REMAINING GAP
- FY24-FY27 WILL REQUIRE USE OF UNASSIGNED FUND BALANCE, AND RETURN TO BALANCED BUDGET IN FY28
- FY24 BUDGET WILL INCLUDE APPROXIMATELY \$4M IN NEW ONE-TIME PROJECTS AND UP TO 10 NEW FULL-TIME STAFF POSITIONS

