



Department of Finance

# Recommended Fiscal Year 2024 Operating Budget

May 8, 2023  
City Council Meeting Item 15





# Recommendation

## Department of Finance

- Find that the proposed action is not a project subject to the California Environmental Quality Act (CEQA) pursuant to Section 21065 of CEQA and Sections 15060(c)(2), 15060(c)(3), and 15378 of the State CEQA Guidelines
- Open the public hearing on City Manager's FY 2024 Recommended Operating Budget
- Continue the public hearing to the regular meeting of the City Council on June 5, 2023 until a formal recommendation to adopt the FY 2024 Recommended Operating Budget is presented to the City Council



# FY 2024 Budget Appropriations

Department of Finance

## Total Budgeted Appropriations

(including Affiliated Agencies and CIP)

in millions

	<b>FY 2022 Actuals</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Recommended</b>
General Fund	\$294.7	\$295.9	\$323.2
All Funds	\$959.6	\$955.7	\$1,243.0

## Full-Time Equivalent Positions

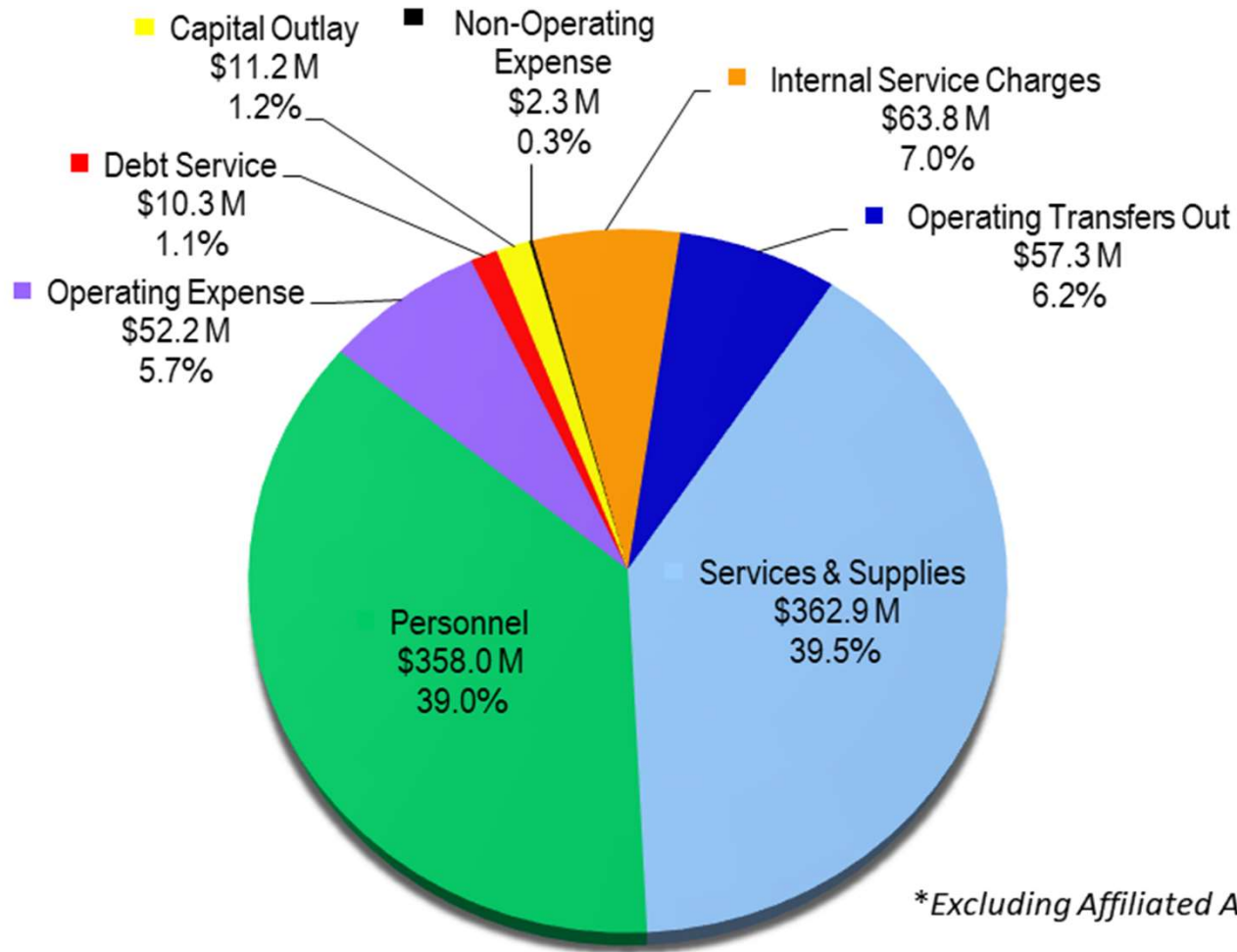
(including Affiliated Agencies)

	<b>FY 2022 Adopted</b>	<b>FY 2023 Adopted</b>	<b>FY 2024 Recommended</b>
General Fund	1,011.30	1,028.10	1,058.65
All Funds	2,253.67	2,321.36	2,351.23



# Total Appropriations

FY24 APPROPRIATIONS BY CATEGORY – ALL FUNDS (\$918.0 Million)

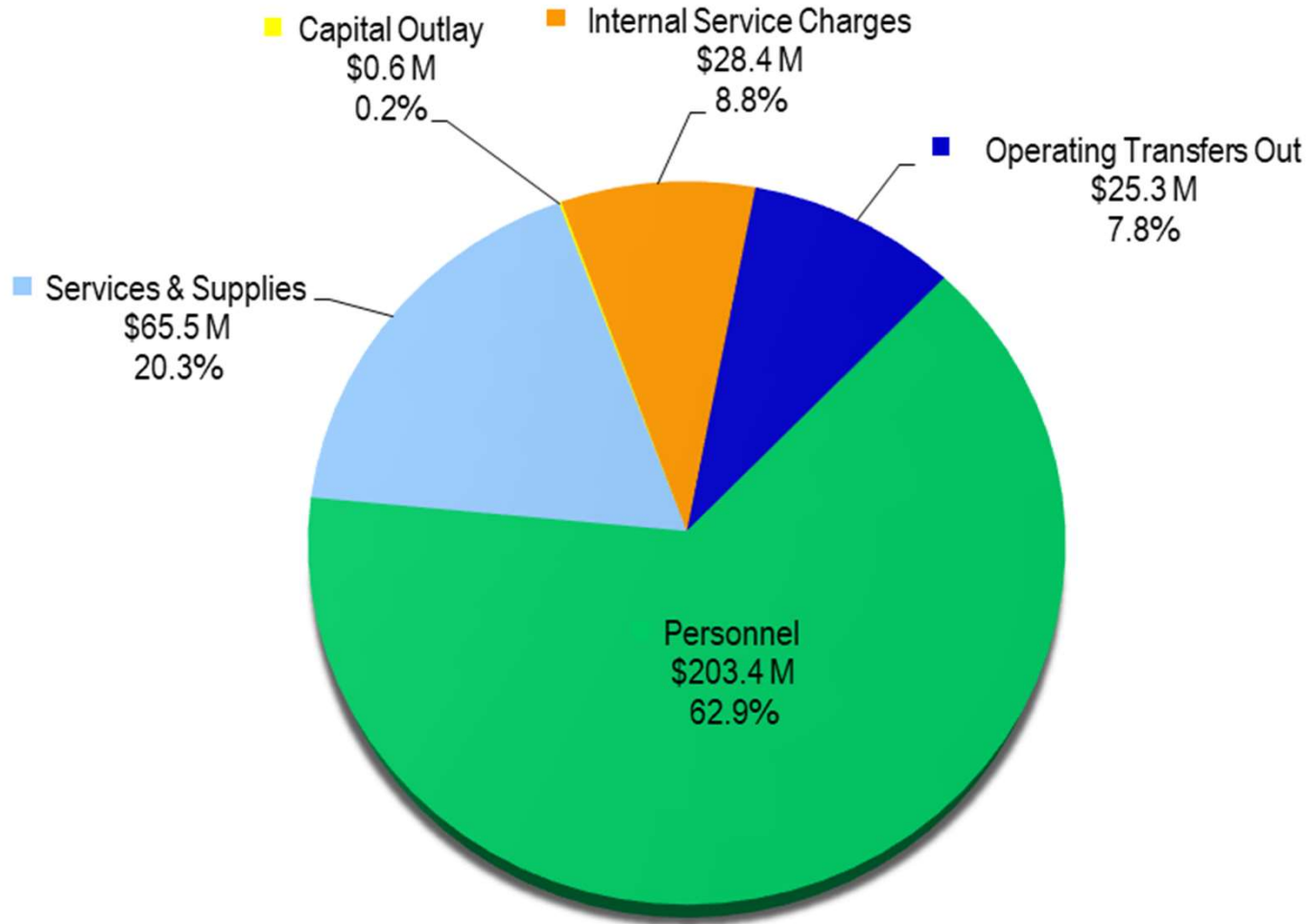


*\*Excluding Affiliated Agencies & CIP*



# General Fund Appropriations

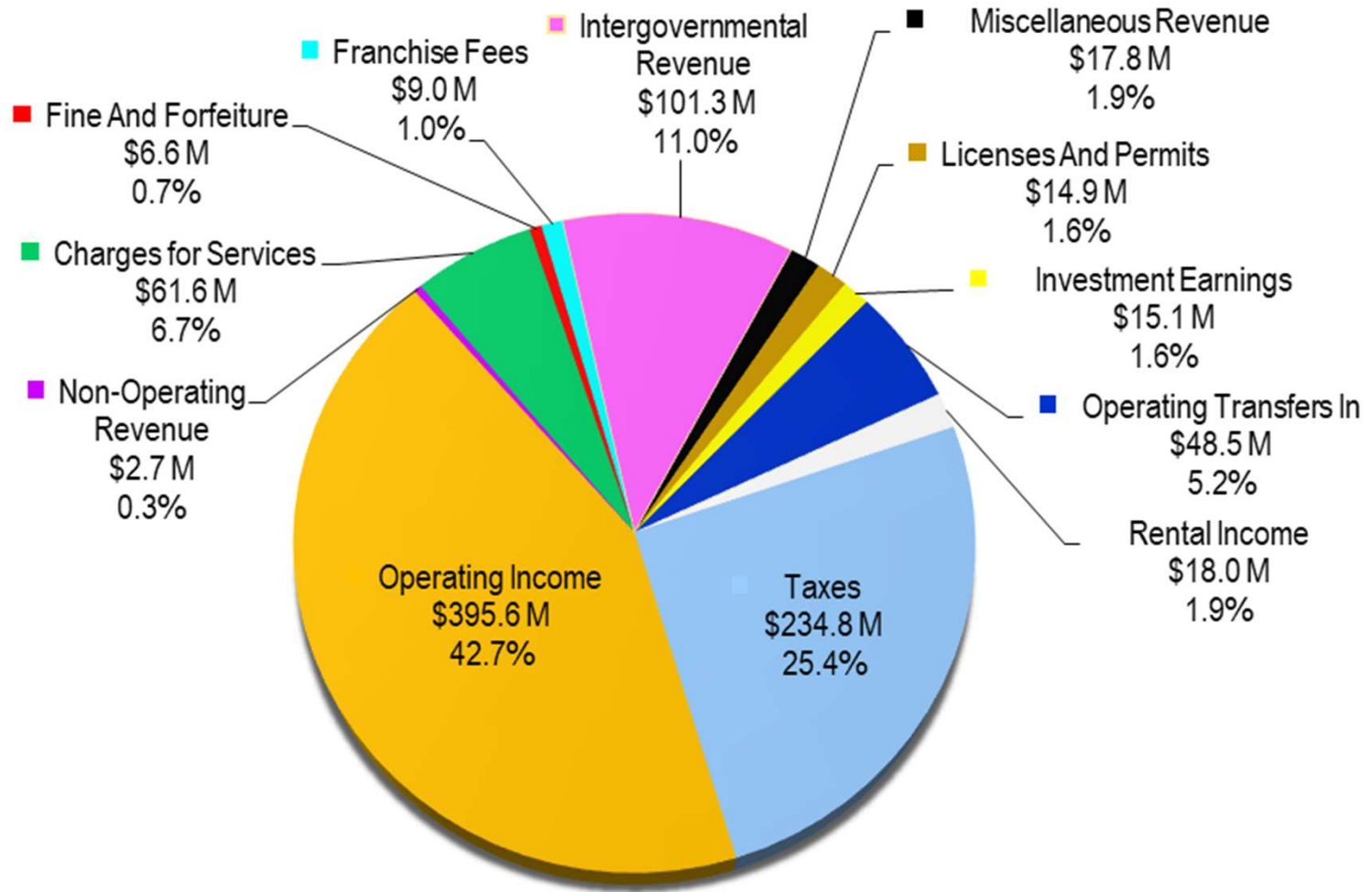
FY24 APPROPRIATIONS BY CATEGORY – GENERAL FUND (\$323.2 Million)





# Total Revenues

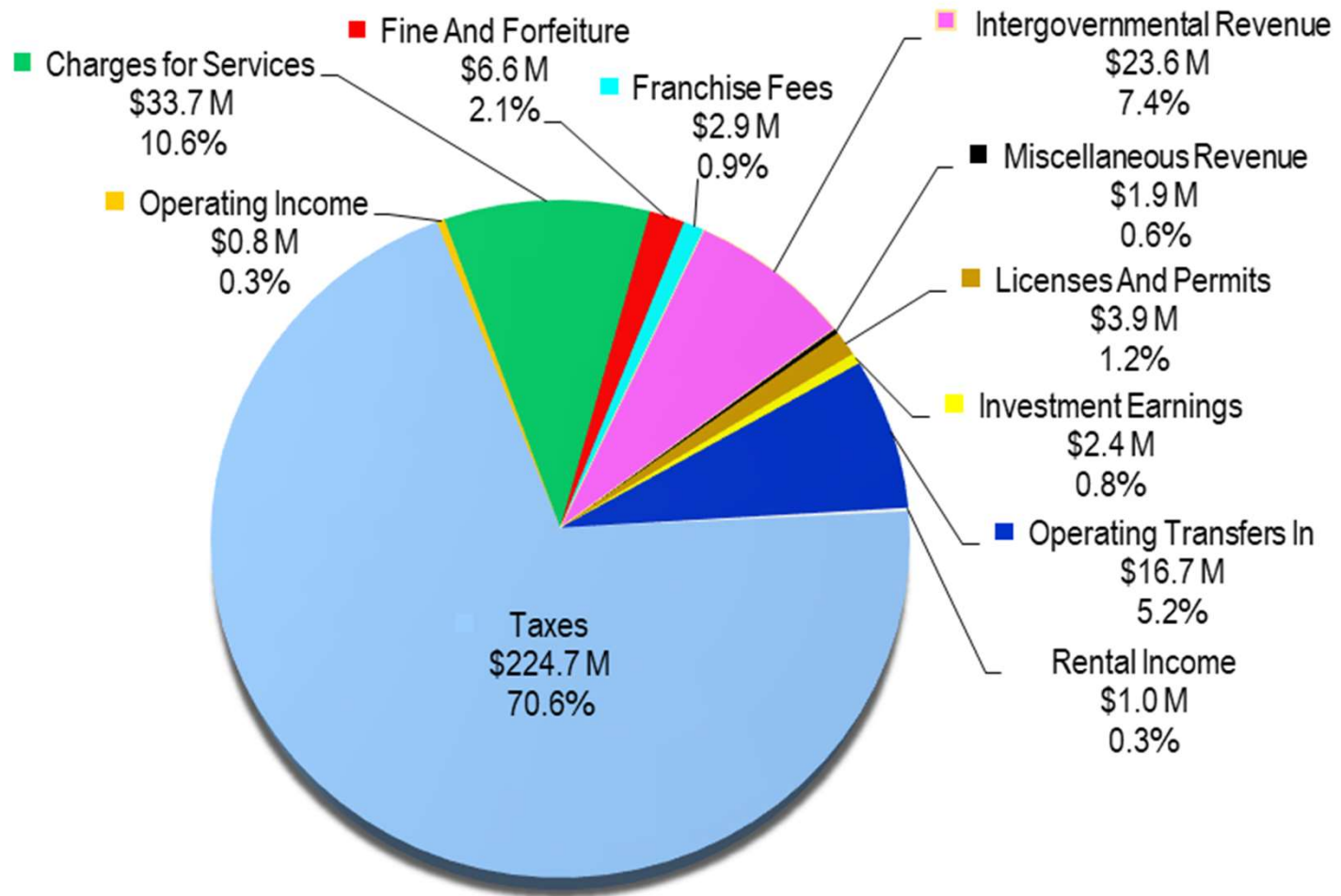
FY24 OPERATING REVENUES BY CATEGORY – ALL FUNDS (\$925.9 Million)





# General Fund Revenues

FY24 OPERATING REVENUES BY CATEGORY – GENERAL FUND (\$318.2 Million)





# Proposed Enhancements

- Additional Rescue Ambulance In-Service
  - > Add a 6<sup>th</sup> RA to the fleet
  - > Staff voluntarily with OT until next academy
- Add Emergency Medical Services Program Fire Captain
  - > Dedicated 40-hour Captain focused on EMS program management/improvement
  - > Special event planning





# Proposed Enhancements

- Expand Robinson Park Pool to Year-Round
  - > Beginning September 2023, operate pool Monday – Friday from 10:00a.m. – 7:00p.m.
  - > City’s first year-round aquatics program
- Planning & Community Development Staffing Increase
  - > Add a Film Coordinator
  - > Add a Code Compliance Officer for short-term rentals and complaint response



# Proposed Enhancements

- Tree Infrastructure Maintenance
  - > Additional funding to ensure regular tree maintenance.
  - > City tree inventory exceed 60,000
- Police Dept. Records Division Staffing Increase
  - > Add 1 Police Supervisor – Records
  - > Add 2 Police Records Technicians
  - > Create the Digital Media Evidence Team



# Proposed Enhancements

- General Fund Support of Public Health
  - > Grant funding no longer sufficient to cover overhead costs
  - > Public Health responsible for duties with an outside funding source – complaint investigations



# Use of Operating Reserves

- Utilize \$5 in General Fund Operating Reserves to offset reduced GFT in FY 2024.
  - > Due to rapid increase in wholesale electric prices, Power Fund will not have sufficient net income to make the planned \$18m transfer.
  - > FY 2024 transfer is expected to be \$13m and then will increase as provided in the Charter to \$23m in FY 2025.
  - > The increase in FY 2025 will be used to replenish the Operating Reserve.



# General Fund Five-Year

## General Fund Five-Year Forecast

	FY 2022	FY 2023	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
	Final	Budget	Forecast	Budget	Forecast	Forecast	Forecast	Forecast
<b>Beginning Amount Available for Appropriations</b>	<b>0</b>	<b>2,862,525</b>	<b>1,047,527</b>	<b>500,465</b>	<b>582,948</b>	<b>1,426,696</b>	<b>1,659,353</b>	<b>1,435,939</b>
<b>Revenues</b>								
Tax Revenues	235,450,392	233,807,300	238,636,652	250,636,000	258,650,643	266,786,014	274,424,438	282,328,752
Other Revenues	38,773,949	43,419,712	46,285,810	50,921,413	52,149,695	53,409,206	54,700,758	56,025,181
Contributions/Svs. From Other Funds	30,734,245	20,715,438	20,715,438	16,690,438	26,690,438	21,690,438	21,690,438	21,690,438
<b>Total Revenues</b>	<b>304,958,586</b>	<b>297,942,450</b>	<b>305,637,900</b>	<b>318,247,851</b>	<b>337,490,776</b>	<b>341,885,659</b>	<b>350,815,633</b>	<b>360,044,371</b>
<b>Expenses</b>								
Personnel	172,168,785	186,860,271	185,451,679	203,411,665	209,204,051	216,094,198	222,608,655	227,992,373
Debt Service	20,646,499	11,597,702	11,597,702	11,702,452	12,322,553	12,323,966	12,317,139	11,290,184
Contributions To Other Funds	20,774,735	14,629,784	16,189,784	13,558,017	13,479,177	13,748,761	14,023,736	14,304,211
Other Expenses	79,473,305	82,852,050	84,128,156	94,493,234	96,641,247	99,486,076	102,089,517	104,769,576
<b>Total Expenses</b>	<b>293,063,323</b>	<b>295,939,806</b>	<b>297,367,321</b>	<b>323,165,368</b>	<b>331,647,028</b>	<b>341,653,001</b>	<b>351,039,047</b>	<b>358,356,343</b>
<b>Operating Income/(Loss)</b>	<b>11,895,262</b>	<b>2,002,644</b>	<b>8,270,580</b>	<b>(4,917,517)</b>	<b>5,843,748</b>	<b>232,658</b>	<b>(223,414)</b>	<b>1,688,028</b>
<b>Ending Amount Available for Appropriations</b>	<b>11,895,262</b>	<b>4,865,169</b>	<b>9,318,107</b>	<b>(4,417,052)</b>	<b>6,426,696</b>	<b>1,659,354</b>	<b>1,435,940</b>	<b>3,123,967</b>
Reserve for Capital & Other Funds	(5,616,537)	-	(5,000,000)	-	-	-	-	-
Reduction/(Contribution) to Policy Reserve	(3,416,200)	(3,817,642)	(3,817,642)	5,000,000	(5,000,000)			
<b>Net Income/(Loss) with Reserve Contribution</b>	<b>2,862,525</b>	<b>1,047,527</b>	<b>500,465</b>	<b>582,948</b>	<b>1,426,696</b>	<b>1,659,354</b>	<b>1,435,940</b>	<b>3,123,967</b>



# ARPA Funding

- Utilize remaining ARPA funds to support and fund the following:
  - > Rental Housing Board start up costs – \$500,000
  - > Acquisition of property for future affordable housing, mental health, and public health services at N. Lake & Villa - \$12m
  - > Street infrastructure improvements - \$6m
  - > Various operational needs including PORT and HOPE teams, bad weather shelter, public health and fire safety equipment - \$1.25m



# ARPA Funding

- All funds to be committed to the General Fund under the Revenue Loss category in FY 2023 to ensure the City retains all ARPA allocations.
- Any projects identified to be funded by ARPA will be set aside as Assigned Fund Balance at year-end.