

# City of Lompoc

## *Budget Workshop #4 Operating Budget – A Deeper Dive Fiscal Years 2025 - 2027*

# AGENDA

- ▶ Quick Review
- ▶ Detailed Presentation: Operating Budget
  - Enterprise Funds
  - General Fund
    - General Fund Revenue
    - Expenditures & Personnel by Division
  - Roads/Streets Maintenance Option
- ~15 MIN BREAK~
- ▶ Discussion & Feedback: Questions/Changes
  - Fund by Fund - Enterprises
  - Public Comment: Enterprises
  - Division by Division - General Fund
  - Public Comment: General Fund
- ▶ Staff Summarize Discussion & Any Edits

# Quick Review

## ➤ INCREASED COSTS

- Insurance - Liability, Worker's Comp & Property
- CalPERS - UAL
- Merchant Fees - Volume & Cost
- Materials & Supply Costs - Chemicals, Copper, Equip, Bldg
- Contracted Services (Due to filling staffing gaps)

## ➤ CONSIDERATIONS DURING BUDGET PROCESS

- Positions
  - Division of labor & Efficiencies
  - Equity Adjustments - Retention, Vacancies, Quality
- Operational Costs
- Deferred Maintenance throughout City
- Vehicle replacements
- Continued service levels for all city-provided services

# OPERATING BUDGET DEEP-DIVE PRESENTATION

# ENTERPRISE FUNDS

# WATER FUND

REVENUES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Revenue Source						
Customer Revenues	\$11,838,637	\$12,189,909	\$12,355,399	1.40%	\$12,595,273	1.9%
Investments and Property Revenues	\$473,133	\$251,828	\$251,828	0%	\$256,865	2.0%
Other Revenue and Transfers	\$85,799	\$544,171	\$55,000	-534.24%	\$56,100	2.0%
<b>Total Revenue Source:</b>	<b>\$12,397,569</b>	<b>\$12,985,908</b>	<b>\$12,662,227</b>	<b>-2.50%</b>	<b>\$12,908,237</b>	<b>1.9%</b>
<b>EXPENSES</b>	<b>FY2024 Actuals</b>	<b>FY2025 Projected</b>	<b>FY 2026 Draft Operating</b>	<b>% Change FY25 to 26</b>	<b>FY 2027 Draft Operating</b>	<b>% Change FY26 v FY27</b>
Expense Objects						
Personnel	\$4,413,939	\$4,396,453	\$4,623,344	5.16%	\$4,695,265	2%
Other Expenses	\$9,155,907	\$9,977,494	\$9,786,909		\$10,129,704	
Debt Service	\$0	\$50,000	\$560,000	1020%	\$590,000	5.40%
Capital Projects	\$9,619	\$7,990,035	\$0	-100%	\$0	0%
<b>Total Expense Objects:</b>	<b>\$13,579,465</b>	<b>\$22,413,982</b>	<b>\$14,970,253</b>	<b>-33.21%</b>	<b>\$15,414,969</b>	<b>3%</b>
<b>Total Revenues Less Expenditures: Surplus (Deficit):</b>	<b>(\$1,181,896)</b>	<b>(\$9,428,074)</b>	<b>(\$2,308,026)</b>		<b>(\$2,506,732)</b>	
Post-budget Closing Entries (DS & Capital)	N/A	\$8,040,035	\$560,000		\$590,000	
<b>NET SURPLUS (DEFICIT)</b>	<b>(\$1,181,896)</b>	<b>(\$1,388,039)</b>	<b>(\$1,748,026)</b>		<b>(\$1,916,732)</b>	
<b>ENDING UNICRESTRICTED CASH BALANCE (Adjusted)</b>	<b>\$ 9,024,195</b>	<b>\$ 7,636,156</b>	<b>\$ 5,888,130</b>		<b>\$ 3,971,398</b>	
<b>RECOMMENDED CUTOFF FOR 2-YR CAPITAL PROJECTS with CASH</b>			<b>\$2,637,016</b>			

# WATER FUND - CIPs

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
Priority 1 of 1: Engineered Wetland/ Bioretention Feature for Stormwater Management	Fund Balance	\$ 500,000		\$ 250,000	\$ 250,000	\$ -
Uninterruptable Power Supplies (UPS)	Customer Revenues	\$ 65,000		\$ 25,000	\$ 10,000	\$ 30,000
Completion of Water Division Duty Vehicle	Customer Revenues	\$ 145,568	\$ 108,568	\$ 37,000		\$ -
Water Plant Maintenance Utility Vehicle	Customer Revenues	\$ 41,500	\$ 20,000	\$ 21,500		\$ -
Mini Excavator	Customer Revenues	\$ 115,000			\$ 115,000	\$ -
Influent & Effluent meter replacement	Customer Revenues	\$ 120,000		\$ 120,000		\$ -
Lime Slakers	Customer Revenues	\$ 1,925,000		\$ 1,925,000		\$ -
<b>Total of all Approved CIPs</b>		<b>\$2,912,068</b>	<b>\$128,568</b>	<b>\$2,378,500</b>	<b>\$375,000</b>	<b>\$30,000</b>

# ELECTRIC FUND

REVENUES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Revenue Source						
Customer Revenues	\$32,058,113	\$30,729,662	\$32,820,925	6.80%	\$34,314,945	4.55%
Investments and Property Revenues	\$939,573	\$821,176	\$424,605	-48.30%	\$432,518	1.86%
Other Revenue and Transfers	\$1,594,909	\$1,089,739	\$981,327	-11.05%	\$982,447	0.11%
<b>Total Revenue Source:</b>	<b>\$34,592,595</b>	<b>\$32,640,577</b>	<b>\$34,226,857</b>	<b>4.86%</b>	<b>\$35,729,910</b>	<b>4.39%</b>
<b>EXPENSES</b>	<b>FY2024 Actuals</b>	<b>FY2025 Projected</b>	<b>FY 2026 Draft Operating</b>	<b>% Change FY25 to 26</b>	<b>FY 2027 Draft Operating</b>	<b>% Change FY26 v FY27</b>
Expense Objects						
Personnel	\$4,894,443	\$5,902,414	\$6,392,690	8.30%	\$6,638,275	3.84%
Other Expenses	\$27,318,179	\$26,132,162	\$27,731,592	6.12%	\$29,404,351	6.03%
Debt Service	\$0	\$32,478	\$260,462	702.00%	\$271,786	4.35%
Capital Projects	\$0	\$7,619,419	\$0	-100.00%	\$0	
<b>Total Expense Objects:</b>	<b>\$32,212,622</b>	<b>\$39,686,473</b>	<b>\$34,384,744</b>	<b>-13.36%</b>	<b>\$36,314,412</b>	<b>5.61%</b>
<b>Total Revenues Less Expenditures: Surplus (Deficit):</b>	<b>\$2,379,973</b>	<b>(\$7,045,896)</b>	<b>(\$157,887)</b>		<b>(\$584,502)</b>	
Post-budget Closing Entries (Debt Pmt & Capital)	N/A	\$7,651,897	\$260,462		\$271,786	
<b>NET SURPLUS (DEFICIT)</b>	<b>\$2,379,973</b>	<b>\$606,001</b>	<b>\$102,575</b>		<b>(\$312,716)</b>	
<b>ENDING UNICRESTRICTED CASH BALANCE (Adjusted)</b>	<b>\$3,586,589</b>	<b>\$4,192,590</b>	<b>\$4,295,165</b>		<b>\$3,982,449</b>	
<b>RECOMMENDED CUTOFF FOR 2-YR CAPITAL PROJECTS with CASH</b>			<b>\$609,048</b>			

# ELECTRIC FUND - CIPs

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
Development Projects - Developer Funded	Developer Funded	\$ 2,970,500	\$ 300,000	\$ 320,000	\$ 335,000	\$ 2,015,500
Advanced Metering Infrastructure Project	CARB Credits	\$ 4,516,977		\$ 1,603,815	\$ 1,838,010	\$ 1,075,152
Underground Electrical Renovation and Replacement Project O Street Reservoir	Customer Revenues	\$ 92,000		\$ 92,000		\$ -
Replacement project - three 115KV Circuit Switchers	Customer Revenues	\$ 225,000		\$ 75,000	\$ 75,000	\$ 75,000
115KV Power Circuit Breaker	Customer Revenues	\$ 300,000		\$ 300,000		\$ -
Disposal of two 4kv substation class transformers	Customer Revenues	\$ 60,000		\$ 60,000		\$ -
<b>Total of all Approved CIPs</b>		<b>\$8,164,477</b>	<b>\$300,000</b>	<b>\$2,450,815</b>	<b>\$2,248,010</b>	<b>\$3,165,652</b>

# WASTEWATER FUND

REVENUES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Revenue Source						
Customer Revenues	\$15,194,310	\$15,164,950	\$15,754,989	3.90%	\$15,778,918.00	0.20%
Investments and Property Revenues	\$615,481	\$208,870	\$58,288	-72.10%	\$59,454.00	2.00%
Other Revenue and Transfers	\$35,509	\$59,556	\$207,878	249.05%	\$212,035.00	2.00%
<b>Total Revenue Source:</b>	<b>\$15,845,300</b>	<b>\$15,433,376</b>	<b>\$16,021,155</b>	<b>-3.80%</b>	<b>\$16,050,407</b>	<b>-20.00%</b>
<b>EXPENSES</b>	<b>FY2024 Actuals</b>	<b>FY2025 Projected</b>	<b>FY 2026 Draft Operating</b>	<b>% Change FY25 to 26</b>	<b>FY 2027 Draft Operating</b>	<b>% Change FY26 v FY27</b>
Expense Objects						
Personnel	\$3,569,727	\$3,634,573	\$4,165,491	14.60%	\$4,290,178	3.00%
Other Expenses	\$11,928,147	\$8,578,671	\$8,649,859	0.83%	\$8,939,763	-2.50%
Debt Service	\$0	\$5,005,764	\$5,113,576	2.20%	\$5,242,817	2.50%
Capital Projects	(\$9,619)	\$10,785,745	\$0	-100.00%	\$0	0.00%
<b>Total Expense Objects:</b>	<b>\$15,488,255</b>	<b>\$28,004,753</b>	<b>\$17,928,926</b>	<b>-82.37%</b>	<b>\$18,472,758</b>	<b>3.00%</b>
<b>Total Revenues Less Expenditures: Surplus (Deficit):</b>	<b>\$357,045</b>	<b>(\$12,571,377)</b>	<b>(\$1,907,771)</b>		<b>(\$2,422,351)</b>	
Post-budget Closing Entries (Debt Pmt & Capital)	N/A	\$15,791,509	\$5,113,576		\$5,242,817	
<b>NET SURPLUS (DEFICIT)</b>	<b>\$357,045</b>	<b>\$3,220,132</b>	<b>\$3,205,805</b>		<b>\$2,820,466</b>	
<b>ENDING UNICRESTRICTED CASH BALANCE (Adjusted)</b>	<b>\$13,624,714</b>	<b>\$16,844,846</b>	<b>\$20,050,651</b>		<b>\$22,871,117</b>	
<b>RECOMMENDED CUTOFF FOR 2-YR CAPITAL PROJECTS with CASH</b>			<b>\$9,985,280</b>			

# WASTEWATER FUND - CIPs

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
Wastewater Distribution System Renovation and Replacement Program	Customer Revenues	\$ 88,900,000		\$ 3,200,000	\$ 3,300,000	\$ 82,400,000
West Central Ave sewer pipeline and manhole replacement	Customer Revenues / Fund Balance	\$ 2,150,000		\$ 200,000	\$ 800,000	\$ 1,150,000
Uplands Sewer Lift Station	Fund Balance	\$ 620,000		\$ 20,000	\$ 600,000	\$ -
Resiliency enhancement - Increased Backup Fuel Storage	Federal Grant / WCSD	\$ 155,000		\$ 16,500		\$ 138,500
Floradale Monitoring Station Improvement	WCSD / VSFB	\$ 550,000		\$ 50,000	\$ 500,000	\$ -
Headworks Improvement	Customer Revenues	\$ 5,280,000	\$ 1,795,000	\$ 300,000	\$ 2,200,000	\$ 985,000
Automated effluent monitoring system	Federal Grant / WCSD / Customer Revenues	\$ 180,000		\$ 15,000	\$ 165,000	\$ -
Emergency Holding Basin Liner	Federal Grant / Customer Revenues	\$ 636,000		\$ 36,000		\$ 600,000
Biosolids dewatering equipment	Fund Balance	\$ 750,000		\$ 50,000	\$ 700,000	\$ -
<b>Total of all Approved CIPs</b>		<b>\$99,221,000</b>	<b>\$1,795,000</b>	<b>\$3,887,500</b>	<b>\$8,265,000</b>	<b>\$85,273,500</b>

# SOLID WASTE FUND

REVENUES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Revenue Source						
Customer Revenues	\$10,815,693	\$12,475,946	\$13,328,712	6.80%	\$14,807,164	11.10%
Investments and Property Revenues	\$312,197	\$673,291	\$122,438	-81.80%	\$124,887	2.00%
Other Revenue and Transfers	\$682,093	\$442,575	\$416,858	-6.17%	\$425,555	2.09%
<b>Total Revenue Source:</b>	<b>\$11,809,983</b>	<b>\$13,591,812</b>	<b>\$13,868,008</b>	<b>2%</b>	<b>\$15,357,606</b>	<b>10.70%</b>
<b>EXPENSES</b>	<b>FY2024 Actuals</b>	<b>FY2025 Projected</b>	<b>FY 2026 Draft Operating</b>	<b>% Change FY25 to 26</b>	<b>FY 2027 Draft Operating</b>	<b>% Change FY26 v FY27</b>
Expense Objects						
Personnel	\$4,133,883	\$4,332,914	\$4,512,473	4.10%	\$4,625,948	2.50%
Other Expenses	\$9,870,390	\$8,198,919	\$9,175,507	11.91%	\$9,576,441	4.37%
Debt Service	\$0	\$608,594	\$1,308,708	115.00%	\$1,353,932	3.50%
Capital Projects	\$0	\$11,049,004	\$0	-100.00%	\$0	0.00%
<b>Total Expense Objects:</b>	<b>\$14,004,273</b>	<b>\$24,189,431</b>	<b>\$14,996,688</b>	<b>-38.00%</b>	<b>\$15,556,321</b>	<b>3.73%</b>
<b>Total Revenues Less Expenditures: Surplus (Deficit):</b>	<b>(\$2,194,290)</b>	<b>(\$10,597,619)</b>	<b>(\$1,128,680)</b>		<b>(\$198,715)</b>	
Post-budget Closing Entries (Debt Pmt & Capital)	N/A	\$11,657,598	\$1,308,708		\$1,353,932	
<b>NET SURPLUS (DEFICIT)</b>	<b>(\$2,194,290)</b>	<b>\$1,059,979</b>	<b>\$180,028</b>		<b>\$1,155,217</b>	
<b>ENDING UNICRESTRICTED CASH BALANCE (Adjusted)</b>	<b>(\$2,370,428)</b>	<b>(\$1,310,449)</b>	<b>(\$1,130,421)</b>		<b>\$24,796</b>	
<b>RECOMMENDED CUTOFF FOR 2-YR CAPITAL PROJECTS with CASH</b>			<b>\$0</b>			

# SOLID WASTE FUND - CIPs

Solid Waste is not able to have any CIPs approved due to lack of funding. Any Projects or Vehicles needed will need to go through Debt Funding.

# AIRPORT FUND

REVENUES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Revenue Source						
Customer Revenues	\$231,472	\$208,230	\$251,000	20.50%	\$251,020	0.00%
Investments and Property Revenues	\$285,551	\$485,510	\$431,839	-11.10%	\$431,750	0.00%
Other Revenue and Transfers	\$4,349,418	\$237,259	\$13,500	-94.31%	\$13,554	0.40%
<b>Total Revenue Source:</b>	<b>\$4,866,441</b>	<b>\$930,999</b>	<b>\$696,339</b>	<b>-25.21%</b>	<b>\$696,324</b>	<b>0.00%</b>
EXPENSES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$81,811	\$137,584	\$120,601	-12.30%	\$124,287	3.1%
Other Expenses	\$1,155,959	\$479,064	\$516,315	7.78%	\$570,131	10.4%
Debt Service	\$0	\$27,326	\$27,326	0%	\$27,326	0.0%
Capital Projects	\$0	\$4,279,852	\$0	-100%	\$0	0.0%
<b>Total Expense Objects:</b>	<b>\$1,237,770</b>	<b>\$4,923,826</b>	<b>\$664,242</b>	<b>-86.51%</b>	<b>\$721,744</b>	<b>8.66%</b>
<b>Total Revenues Less Expenditures: Surplus (Deficit):</b>	<b>\$3,628,671</b>	<b>(\$3,992,827)</b>	<b>\$32,097</b>	<b>-100.80%</b>	<b>(\$25,420)</b>	<b>-179.20%</b>
Post-budget Closing Entries (Debt Pmt & Capital)	N/A	\$4,307,178	\$27,326		\$27,326	
<b>NET SURPLUS (DEFICIT)</b>	<b>\$3,628,671</b>	<b>\$314,351</b>	<b>\$59,423</b>		<b>\$723,650</b>	
<b>ENDING UNICRESTRICTED CASH BALANCE (Adjusted)</b>	<b>\$ 96,108</b>	<b>\$ 410,459</b>	<b>\$ 469,882</b>		<b>\$ 1,193,532</b>	
<b>RECOMMENDED CUTOFF FOR 2-YR CAPITAL PROJECTS with CASH</b>			<b>\$96,108</b>			

# AIRPORT FUND - CIPs

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
Hangar Rehabilitation Project	Fund Balance/ Federal Grant / State Grant	\$ 660,401	\$ -	\$ 660,401	\$ -	\$ -
Utility Vehicle for Airport Maintenance	Fund Balance	\$ 18,000	\$ -	\$ 18,000	\$ -	\$ -
<b>Total of all Approved CIPs</b>		<b>\$678,401</b>	<b>\$0</b>	<b>\$678,401</b>	<b>\$0</b>	<b>\$0</b>

# TRANSIT FUND

REVENUES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Revenue Source						
Customer Revenues	\$94,265	\$113,098	\$123,563	9.30%	\$126,034	2%
Investments and Property Revenues	\$445,234	\$244,856	\$243,745	-0.50%	\$248,620	2%
Other Revenue and Transfers	\$5,554,350	\$7,733,957	\$5,374,414	-30.51%	\$5,481,902	2%
<b>Total Revenue Source:</b>	<b>\$6,093,849</b>	<b>\$8,091,911</b>	<b>\$5,741,722</b>	<b>-29.00%</b>	<b>\$5,856,556</b>	<b>2.00%</b>
<b>EXPENSES</b>	<b>FY2024 Actuals</b>	<b>FY2025 Projected</b>	<b>FY 2026 Draft Operating</b>	<b>% Change FY25 to 26</b>	<b>FY 2027 Draft Operating</b>	<b>% Change FY26 v FY27</b>
Expense Objects						
Personnel	\$325,280	\$430,139	\$470,688	9.40%	\$481,538	2.30%
Other Expenses	\$3,239,740	\$3,293,840	\$4,050,882	22.98%	\$4,333,690	6.98%
Debt Service	\$-	\$-	\$-		\$-	
Capital Projects	\$-	\$20,449,623	\$-		\$-	
<b>Total Expense Objects:</b>	<b>\$3,565,020</b>	<b>\$24,173,602</b>	<b>\$4,521,570</b>	<b>-81.30%</b>	<b>\$4,815,228</b>	<b>6.50%</b>
<b>Total Revenues Less Expenditures: Surplus (Deficit):</b>	<b>\$2,528,829</b>	<b>(\$16,081,691)</b>	<b>\$1,220,152</b>		<b>\$1,041,328</b>	
Post-budget Closing Entries (Debt Pmt & Capital)	N/A	\$20,449,623	\$0		\$0	
<b>NET SURPLUS (DEFICIT)</b>	<b>\$2,528,829</b>	<b>\$4,367,932</b>	<b>\$1,220,152</b>		<b>\$1,041,328</b>	
<b>ENDING UNICRESTRICTED CASH BALANCE (Adjusted)</b>	<b>\$1,415,703</b>	<b>\$5,783,635</b>	<b>\$7,003,787</b>		<b>\$8,045,115</b>	
<b>RECOMMENDED CUTOFF FOR 2-YR CAPITAL PROJECTS with CASH</b>			<b>\$1,059,201</b>			

# TRANSIT FUND - CIPs

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
Transit Operations and Fleet Maintenance Facility	Federal Grant / State Grant / TDA	\$ 30,291,832	\$ -	\$ 1,462,656	\$ 27,676,984	\$ 1,152,192
Zero-Emission Bus Acquisition	State Grant / TDA	\$ 6,053,000	\$ -	\$ 2,014,000	\$ 2,014,000	\$ 2,025,000
Transit Support Vehicle	TDA	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -
<b>Total of all Approved CIPs</b>		<b>\$36,389,832</b>	<b>\$0</b>	<b>\$3,521,656</b>	<b>\$29,690,984</b>	<b>\$3,177,192</b>

# GENERAL FUND

# GENERAL FUND: REVENUES

Name	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	FY 2027 Draft Operating
<b>Beginning Fund Balance:</b>	N/A	N/A	N/A	N/A
<b>Revenues</b>				
Taxes and Franchises	\$30,195,963	\$30,720,284	\$32,251,087	\$33,556,278
Licenses, Permits, and Service Charges	\$343,017	\$656,996	\$420,072	\$422,473
Penalties and Fines	\$86,476	\$123,870	\$92,966	\$94,789
Investments and Property Revenues	\$759,295	\$469,736	\$510,918	\$514,456
Revenues from other agencies	\$1,671,930	\$2,851,484	\$999,043	\$1,028,284
Current Service Charges	\$1,296,526	\$965,130	\$931,135	\$966,344
Internal Service Charges	\$11,576,260	\$12,149,039	\$12,656,073	\$13,439,828
Other Revenue	\$2,391,655	\$2,087,080	\$1,911,070	\$2,195,914
Transfers from other funds	\$6,186,027	\$7,289,880	\$7,111,204	\$7,554,815
<b>Total Revenues:</b>	<b>\$54,507,150</b>	<b>\$57,313,499</b>	<b>\$56,883,567</b>	<b>\$59,773,181</b>



# GENERAL FUND: EXPENDITURES

Name	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	FY 2027 Draft Operating
<b>Expenditures</b>				
Personnel	\$35,738,639	\$39,844,300	\$40,099,376	\$40,934,374
Operating	\$1,788,589	\$1,883,200	\$1,884,761	\$1,875,036
Professional Services	\$10,820,446	\$10,861,071	\$10,994,510	\$11,560,063
Training & Travel, Insurance, Permits	\$1,004,367	\$1,142,691	\$1,373,180	\$1,486,195
Vehicles and Rentals	\$2,536,535	\$2,485,409	\$1,616,837	\$2,836,322
Internal Services	\$9,516	-\$56,920	-\$58,865	-\$62,343
Depreciation, Rebates	\$174,564	\$25,811	\$104,500	\$104,500
Interest	\$7,030	\$210	\$4,406	\$2,504
Credit Expenses	-\$722,395	-\$192,248	-\$612,823	-\$657,163
Debt Service	\$110,318	\$79,296	\$81,154	\$83,056
Capital Projects	\$1,005,625	\$4,501,567	\$165,000	\$165,000
Interfund Transfers	\$1,582,328	\$1,540,141	\$1,033,325	\$1,023,128
<b>Total Expenditures:</b>	<b>\$54,055,562</b>	<b>\$62,114,527</b>	<b>\$56,685,360</b>	<b>\$59,350,672</b>
<b>Total Revenues Less Expenditures:</b>	<b>\$451,588</b>	<b>-\$4,801,028</b>	<b>\$198,207</b>	<b>\$422,509</b>

# GENERAL FUND: CIP's

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
<b>Engineering</b>						
2025 Storm Drain Repair Project	Measure A Revenues	\$ 175,000	\$ -	\$ 175,000	\$ -	\$ -
Street and Alley Curb Ramp Upgrade and Sidewalk Repair Projects	Measure A Revenues	\$ 5,450,000	\$ -	\$ 2,150,000	\$ -	\$ 3,300,000
FYs 25-27 Street and Alley Pavement Cape Seal Project	Fund Balance / Measure A Revenues	\$ 5,500,000	\$ -	\$ -	\$ 5,500,000	\$ -
FYs 25-27 Street & Alley Pavement Digout and HMA Projects	Fund Balance / Measure A Revenues	\$ 2,750,000	\$ -	\$ -	\$ 2,750,000	\$ -
Bridge Evaluations, Design, and Repair Construction	Federal Grant / Measure A Revenues	\$ 400,000	\$ -	\$ -	\$ 100,000	\$ 300,000
Storm Drain Master Plan & Improvement Projects	Other Grant / Measure A Revenues	\$ 1,030,000	\$ -	\$ -	\$ 250,000	\$ 780,000
Street and Alley Pedestrian Crossing & Sidewalk Infill Improvement Projects	State Grant / Fund Balance	\$ 3,848,000	\$ 148,000	\$ 2,050,000	\$ -	\$ 1,650,000
<b>Facilities</b>						
Police Dept Boiler Replacement	Unfunded	\$ 39,000	\$ -	\$ 39,000	\$ -	\$ -
<b>Fire Services</b>						
Pierce Enforcer Fire Engine	Govt Fleet Replacement	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000	\$ -
Bauer Air Compressor	Unfunded	\$ 92,620	\$ -	\$ 92,620	\$ -	\$ -



# GENERAL FUND: CIP's

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
<b>Fleet</b>						
Abrasive Blasting Cabinet	Internal Service Charges	\$ 6,216	\$ -	\$ -	\$ 6,216	\$ -
CNC Press Brake	Internal Service Charges	\$ 11,948	\$ -	\$ -	\$ 11,948	\$ -
Hydraulic Shear	Internal Service Charges	\$ 16,281	\$ -	\$ -	\$ 16,281	\$ -
Edwards Jaws 55 Ton Ironworker for In-House Metal Fabrication	Internal Service Charges	\$ 16,878	\$ -	\$ -	\$ 16,878	\$ -
<b>Information Technology &amp; Communications</b>						
Installing Fiber to complete City Infrastructure	Internal Service Charges	\$ 1,587,000	\$ -	\$ 529,000	\$ 529,000	\$ 529,000
Moving Fiber to O St Reservoir Underground	Internal Service Charges	\$ 64,313	\$ -	\$ 64,313	\$ -	\$ -
Cyber Security Agreement	Internal Service Charges	\$ 688,400	\$ 112,400	\$ 96,000	\$ 96,000	\$ 384,000
<b>Library Services</b>						
Library HVAC Replacement	Fund Balance / State Grant	\$ 510,000	\$ -	\$ 510,000	\$ -	\$ -

# GENERAL FUND: CIP's

CIP Request	Funding Source	Project Total	Historical	FY2026	FY2027	Future
<b>Parks and Recreation</b>						
River Park RV Campsite Expansion	Unfunded	\$ 2,400,000	\$ -	\$ 400,000	\$ -	\$ 2,000,000
Ryon Park Stage ADA Improvements	CDBG Funds	\$ 400,000	\$ -	\$ 400,000	\$ -	\$ -
Ryon Park - ADA Restroom	CDBG Funds / Development Impact Fees	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ -
<b>Police Services</b>						
Men's Locker Room	Unfunded	\$ 187,217	\$ -	\$ -	\$ 187,217	\$ -
Police Motorcycle	Unfunded	\$ 46,120	\$ -	\$ 46,120	\$ -	\$ -
<b>Streets Maintenance</b>						
Replace Street Maintenance 3/4 ton pickup	Gas Tax Revenues	\$ 70,000	\$ -	\$ -	\$ 70,000	\$ -
Replace Street Maintenance Sweeper Truck	Gas Tax Revenues	\$ 350,000	\$ -	\$ 350,000	\$ -	\$ -
<b>Total of all Approved CIPs</b>		<b>\$27,938,993</b>	<b>\$260,400</b>	<b>\$6,902,053</b>	<b>\$11,833,540</b>	<b>\$8,943,000</b>



# OPERATING EXPENDITURES BY DIVISION

# CITY ADMINISTRATION

- City Council
- City Attorney
- City Manager
- City Clerk
- City Relations/PIO

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$ 1,529,746	\$ 1,652,685	\$ 1,862,206	12.70%	\$ 1,888,488	1.40%
Other Expenses	\$ 1,392,668	\$ 2,181,025	\$ 1,434,831		\$ 1,454,248	1.35%
CAP Interfund Transfers	(\$94,248)	(\$98,961)	(\$116,369)	17.60%	(\$122,185)	5.00%
Capital Projects	\$ -	\$ -	\$ -		\$ -	
<b>Total Expense Objects:</b>	<b>\$ 2,828,166</b>	<b>\$ 3,734,749</b>	<b>\$ 3,180,668</b>		<b>\$ 3,220,551</b>	

## POSITION ADJUSTMENTS SUMMARY:

	Additions/ (Deletions)	Position Description / Change	Yr 2 Fiscal Impact - PCR's & Equity*
<b>CITY ADMINISTRATION</b>	0.00	Combined Positions Change	
No Changes			



# HUMAN RESOURCES

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
<b>Expense Objects</b>						
Personnel	\$ 1,037,169	\$ 1,103,522	\$ 1,147,968	4.0%	\$ 1,161,352	1.2%
Other Expenses	\$ 219,200	\$ 198,624	\$ 209,915	9.6%	\$ 212,011	0.9%
CAP Interfund Transfers	(\$153,970)	(\$161,668)	(\$121,295)	-25%	(\$127,359)	5%
Capital Projects	\$ -	\$ -	\$ -		\$ -	
<b>Total Expense Objects:</b>	<b>\$ 1,102,399</b>	<b>\$ 1,140,478</b>	<b>\$ 1,236,588</b>	<b>8.4%</b>	<b>\$ 1,246,004</b>	<b>1.2%</b>

## POSITION ADJUSTMENTS SUMMARY:

	Additions/ (Deletions)	Position Description / Change	Yr 2 Fiscal Impact - PCR's & Equity*
<b>HUMAN RESOURCES</b>	0.00	Combined Positions Change	
No Changes			

# POLICE

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
<b>Expense Objects</b>						
Personnel	\$13,802,554	\$14,695,760	\$14,026,006	-4.60%	\$14,191,143	1.20%
Other Expenses	\$2,157,398	\$2,440,121	\$2,511,703	2.93%	\$2,926,840	16.53%
CAP Interfund Transfers	(\$333,328.00)	\$255,900.00	\$255,900.00	0.00%	\$255,900.00	0.00%
Capital Projects	\$58,466	\$1,469,154	\$-	-100.00%	\$-	
<b>Total Expense Objects:</b>	\$15,685,090	\$18,860,935	\$16,793,609	-11%	\$17,373,883	4%

## POSITION ADJUSTMENTS SUMMARY:

<b>POLICE</b>	<b>0.00</b>	Combined Positions	
SUBTRACTIONS:			
	(1.00)	Community Service Officer	
ADDITIONS:			
	1.00	Property & Evidence Specialist	
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>			<b>\$ 15,996.65</b>

# FIRE

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
<b>Expense Objects</b>						
Personnel	\$ 7,538,628	\$ 8,136,687	\$ 7,794,007	-4.20%	\$ 7,957,498	0.21%
Other Expenses	\$ 2,028,816	\$ 1,267,702	\$ 1,449,238	14.32%	\$ 2,358,607	62.75%
CAP Interfund Transfers	\$0	\$0	\$0	0.00%	\$0	0.00%
Capital Projects	\$ 186,003	\$ 207,187	\$ 65,000	-68.63%	\$ 65,000	0.00%
<b>Total Expense Objects:</b>	<b>\$ 9,753,447</b>	<b>\$ 9,611,576</b>	<b>\$ 9,308,245</b>	<b>-3.16%</b>	<b>\$ 10,381,105</b>	<b>11.53%</b>

## POSITION ADJUSTMENTS SUMMARY:

<b>FIRE</b>	<b>0.00</b>	Combined Positions
	0.00	
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>		<b>\$ 37,007.79</b>

# TREASURY/UTILITY BILLING

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$1,053,269	\$1,095,260	\$1,259,827	15.00%	\$1,388,254	10.20%
Other Expenses	\$2,673,694	\$2,094,066	\$2,410,259	15.10%	\$2,489,713	3.30%
CAP Interfund Transfers	(\$6,591)	(\$6,922)	\$0	-100.00%	\$0	
Capital Projects	0	0	0		0	
<b>Total Expense Objects:</b>	<b>\$3,720,372</b>	<b>\$3,182,404</b>	<b>\$3,670,086</b>	<b>15.30%</b>	<b>\$3,877,967</b>	<b>5.70%</b>

## POSITION ADJUSTMENTS SUMMARY:

### Treasury/Utility Billing

#### SUBTRACTIONS:

- (0.05) Financial Service Manager (title change)
- (0.05) Accounting & Revenue Manager (title change)

#### ADDITIONS:

- 0.05 Financial Services & Accounting Manager (title change)
- 0.30 Assistant Finance Director
- 1.00 Senior Treasury Clerk

**TOTAL FISCAL IMPACT, including Equity Adjustments** **\$ 157,536.59**

# FINANCE

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$1,632,326	\$1,690,256	\$2,080,162	23.10%	\$2,162,906	4.00%
Other Expenses	\$221,721	\$269,460	\$274,938	2.03%	\$242,842	2.70%
CAP Interfund Transfers	(\$155,754)	(\$163,542)	(\$112,466)	-31.23%	(\$118,090)	5.00%
Capital Projects	\$130,090	\$0	\$0		\$0	
<b>Total Expense Objects:</b>	<b>\$1,828,383</b>	<b>\$1,796,174</b>	<b>\$2,242,634</b>	<b>24.90%</b>	<b>\$2,287,658</b>	<b>2.00%</b>

## POSITION ADJUSTMENTS SUMMARY:

Finance	
SUBTRACTIONS:	
(0.95)	Financial Service Manager (title change)
(0.75)	Accounting & Revenue Manager (title change)
ADDITIONS:	
0.95	Financial Services & Accounting Manager (title change)
0.95	Budget & Revenue Manager (title change)
0.60	Assistant Finance Director
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>	
	<b>\$ 188,849.41</b>

# PURCHASING

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$573,888	\$572,552	\$722,955	26.30%	\$736,506	1.90%
Other Expenses	\$135,770	\$160,880	\$120,729	-25.00%	\$151,210	25.20%
CAP Interfund Transfers	(\$18,584)	(\$19,514)	(\$89,793)	360.10%	(\$94,283)	5.00%
Capital Projects	0	0	0	0%	0	0%
<b>Total Expense Objects:</b>	<b>\$691,074</b>	<b>\$713,918</b>	<b>\$753,891</b>	<b>5.60%</b>	<b>\$793,433</b>	<b>5.20%</b>

## POSITION ADJUSTMENTS SUMMARY:

<b>Purchasing</b>			
ALLOCATION CHANGES:			
Purchasing	0.08	OSA IV	
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>			<b>\$ 8,054.34</b>



EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
<b>Expense Objects</b>						
Personnel	\$1,113,189	\$1,237,297	\$1,311,345	6.00%	\$1,336,256	1.90%
Other Expenses	\$605,088	\$587,587	\$479,713	-18.40%	\$498,154	3.80%
CAP Interfund Transfers	\$0	\$0	\$0		\$0	
Capital Projects	\$0	\$793,622	\$0	-100.00%	\$0	0.00%
<b>Total Expense Objects:</b>	<b>\$1,718,277</b>	<b>\$2,618,506</b>	<b>\$1,791,058</b>	<b>-31.60%</b>	<b>\$1,834,410</b>	<b>2.40%</b>

## POSITION ADJUSTMENTS SUMMARY:

### Children's Library - All Changes Limited to Special Revenue Funds

ADDITIONS:

1.00 Children's Library Assistant I / II

TOTAL FISCAL IMPACT, including Equity Adjustments \$ 98,927.94

# PARKS & RECREATION

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$3,248,123	\$3,510,033	\$3,892,944	10.90%	\$3,937,571	1.10%
Other Expenses	\$1,903,376	\$2,012,292	\$2,198,705	9.26%	\$2,456,760	11.74%
CAP Interfund Transfers	\$75,104	\$95,178	\$98,033	3.00%	\$100,974	3.00%
Capital Projects	\$441,489	\$539,540	\$0	-100.00%	\$0	0.00%
<b>Total Expense Objects:</b>	<b>\$5,668,092</b>	<b>\$6,157,043</b>	<b>\$6,189,682</b>	<b>0.50%</b>	<b>\$6,495,305</b>	<b>4.90%</b>

## POSITION ADJUSTMENTS SUMMARY:

Parks & Recreation	
SUBTRACTIONS:	
(1.00)	Building Maintenance Worker
ADDITIONS:	
1.00	Park Maintenance Worker
ALLOCATION CHANGES:	
0.06	OSA IV
0.20	Community Development Director
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>	
	<b>\$ 77,178.63</b>



# PLANNING

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
<b>Expense Objects</b>						
Personnel	\$692,037	\$686,926	\$816,685	18.90%	\$828,393	1.40%
Other Expenses	\$553,045	\$254,298	\$248,362	-2.33%	\$159,432	-35.80%
CAP Interfund Transfers	0	0	0	0.00%	0	0.00%
Capital Projects	0	0	0	0.00%	0	0.00%
<b>Total Expense Objects:</b>	<b>\$1,245,082</b>	<b>\$941,224</b>	<b>\$1,065,047</b>	<b>13.20%</b>	<b>\$987,825</b>	<b>-7.30%</b>

## POSITION ADJUSTMENTS SUMMARY:

<b>Planning</b>	
ALLOCATION CHANGES:	
	0.10 OSA IV
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>	<b>\$ 48,373.66</b>



# BUILDING

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$762,042	\$756,816	\$835,110	10.30%	\$843,213	1.00%
Other Expenses	\$285,253	\$286,364	\$260,748	-8.95%	\$276,909	6.20%
CAP Interfund Transfers	0	0	0		0	
Capital Projects	0	0	0		0	
<b>Total Expense Objects:</b>	<b>\$1,047,295</b>	<b>\$1,043,180</b>	<b>\$1,095,858</b>	<b>5.00%</b>	<b>\$1,120,122</b>	<b>2.00%</b>

## POSITION ADJUSTMENTS SUMMARY:

<b>Building Inspection</b>	
ALLOCATION CHANGES:	
	0.10 OSA IV
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>	<b>\$ 35,311.70</b>

# FACILITIES

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$983,687	\$797,065	\$990,428	24.30%	\$1,064,426	7.50%
Other Expenses	\$775,360	\$863,031	\$875,086	1.40%	\$930,248	6.30%
CAP Interfund Transfers	(\$321,311)	(\$337,375)	(\$431,927)	28.00%	(\$453,525)	5.00%
Capital Projects	\$186,488	\$1,310,970	\$0	-100.00%	\$0	0.00%
<b>Total Expense Objects:</b>	<b>\$1,624,224</b>	<b>\$2,633,691</b>	<b>\$1,433,587</b>	<b>-45.60%</b>	<b>\$1,541,149</b>	<b>7.50%</b>

## POSITION ADJUSTMENTS SUMMARY:

### Building & Facilities

SUBTRACTIONS:

(1.00) Senior Custodian

ADDITIONS:

1.00 Lead Custodian

TOTAL FISCAL IMPACT, including Equity Adjustments \$ 7,752.23



# URBAN FORESTRY

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$264,442	\$1,153,544	\$1,164,250	0.90%	\$1,192,317	2.40%
Other Expenses	\$1,017,669	\$1,079,562	\$825,995	-23.49%	\$845,730	2.39%
CAP Interfund Transfers	(\$191,871)	(\$87,200)	(\$86,904)	-0.30%	(\$86,904)	0.00%
Capital Projects	0	0	0		0	
<b>Total Expense Objects:</b>	<b>\$1,090,240</b>	<b>\$2,145,906</b>	<b>\$1,903,341</b>	<b>-11.30%</b>	<b>\$1,951,143</b>	<b>2.50%</b>

## POSITION ADJUSTMENTS SUMMARY:

<b>URBAN FORESTRY</b>	<b>0.00</b>	<b>Combined Positions Change</b>
No Changes		

# ENGINEERING

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
Expense Objects						
Personnel	\$1,167,489	\$1,254,803	\$1,184,948	-5.60%	\$1,200,383	1.30%
Other Expenses	\$481,792	\$691,328	\$480,893	-30.40%	\$611,025	27.06%
CAP Interfund Transfers	0	0	0	0.00%	0	
Capital Projects	\$172,479	\$7,660,781	\$0	-100.00%	\$0	
<b>Total Expense Objects:</b>	<b>\$1,821,760</b>	<b>\$9,606,912</b>	<b>\$1,665,841</b>	<b>-82.70%</b>	<b>\$1,811,408</b>	<b>8.70%</b>

## POSITION ADJUSTMENTS SUMMARY:

Engineering	
ALLOCATION CHANGES:	
(0.10)	Assistant Public Workers Director/City Engineer
(0.10)	OSA IV
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>	
	<b>\$ (25,502.67)</b>



# STREETS MAINTENANCE

EXPENDITURES	FY2024 Actuals	FY2025 Projected	FY 2026 Draft Operating	% Change FY25 to 26	FY 2027 Draft Operating	% Change FY26 v FY27
<b>Expense Objects</b>						
Personnel	\$420,161	\$1,589,797	\$1,098,232	-30.92%	\$1,133,345	3.20%
Other Expenses	\$3,764,683	\$4,192,224	\$4,855,535	15.82%	\$4,555,415	-6.18%
CAP Interfund Transfers	0	0	0		0	
Capital Projects	\$106,394	\$623,556	\$0		\$0	\$0
<b>Total Expense Objects:</b>	<b>\$4,291,238</b>	<b>\$6,405,577</b>	<b>\$5,953,767</b>	<b>7.10%</b>	<b>\$5,688,760</b>	<b>-4.50%</b>

## POSITION ADJUSTMENTS SUMMARY:

Streets		
ALLOCATION CHANGES:		
	(0.50)	Solid Waste Code Enforcement Officer
<b>TOTAL FISCAL IMPACT, including Equity Adjustments</b>		<b>\$ (58,173.90)</b>



# STREETS MAINTENANCE - EVALUATION OF OPTIONS

# IMPACT OF UP TO 3 ADDITIONAL STAFF

## ➤ LEGAL PARAMETERS

- Per CA Public Contract code (PCC) and opt-in to CA UPCCAA, City Staff are allowed to pave:
  - Less than 1-inch thick without limitation (too thin for City overlays), or
  - Each Project (>1 inch) must cost less than \$75k
  - Projects must not be near other projects which sum >\$75k during same paving season
- All other projects must be contracted

## ➤ ANTICIPATED BENEFITS

- Paving Production: Patch and place thin cold-mix asphalt overlays over about 20 residential/low volume street blocks per year
- Estimated effect on PCI - 20 blocks of overlays should increase the citywide average PCI ~1.1 points per year (not including annual 2-point decrease)

## ➤ ESTIMATED COSTS

- Additional Staff & Equipment: ~\$900k annually
- Paving Material & delivery: ~\$600k annually
- Combined 2-year cost: ~\$3.0 Million

# IMPACT OF UP TO 3 ADDITIONAL STAFF

## ➤ REDUCES COST-EFFECTIVE CAPITAL PAVING PROJECTS

- Proposed FYs 25-27 budget includes \$8.25M for larger-scale paving projects
  - 3 Additional Staff would reduce this to \$5.25M (36% reduction)
- Example: 2024 Cape Seal Project cost \$3M
  - 89 blocks (47,167 linear feet) of 3-step & cape seal
  - Several additional blocks received only slurry seal
  - Increased citywide average PCI ~4.5 points
- Capital Project costs include cost of temporary traffic control, replacing all permanent traffic striping and markings, and adjusting many utility covers to new pavement surfaces.

## ➤ OVERALL ANALYSIS

- PROS of adding 3 Street Maintenance Workers:
  - Increase speed of pothole patching and responsiveness to particular paving needs.
  - Increase staff available for other brief time commitments that don't impact their primary paving schedule.
- CONS of adding 3 Street Maintenance Workers at current funding levels:
  - Reduce cost-effective capital paving projects from \$3M per year to \$1.5M per year.
  - Reduce resulting PCI gains from ~2.5 per year to ~1.35 per year.

# SIDE BY SIDE EVALUATION

## Investment in Capital Projects

- ▶ >2 times more cost effective due to specialized contractors and economies of scale
- ▶ More control on what you get for the money (specific product being purchased via contract)
- ▶ One-time: can control the timing
- ▶ Measurable changes to PCI and to extension of useful life
- ▶ Ability to pool costs over 2-yr budget cycle
- ▶ Availability is not “just-in-time”

## Investment in Personnel

- ▶ Quicker response to routine & urgent maintenance needs
- ▶ More flexible with scope and schedule changes
- ▶ Non-discretionary, less control
- ▶ Ongoing costs - no control on timing (Paying for time, not project)
- ▶ Fills an essential role
- ▶ More regularly visible and accessible to public input

➤ **NEED BOTH PERSONNEL AND CAPITAL INVESTMENTS**

- Balancing Act to find best combination

# STAFF RECOMMENDATION

- **SUSTAIN CORE STAFFING OPERATIONS IN STREET MAINTENANCE DIVISION**
  - Allows staff to perform urgent and routine street maintenance work
  - Continue to complement capital projects through partnered work
  
- **SUSTAIN COST-EFFECTIVE CAPITAL PAVING PROJECT PROGRAM**
  - Recommended Annual capital expenditure target of \$3.0M
  - Ensures progress toward efficiently improving citywide pavement conditions, measured in terms of citywide average PCI
  
- **EVALUATE INCREASING OPERATIONS WITHOUT DEPLETING CAPITAL IF REVENUES INCREASE SUBSTANTIALLY ABOVE CURRENT PROJECTIONS**

COMING UP...

# Upcoming Dates

- **JUNE 4<sup>TH</sup> CITY COUNCIL MEETING**
  - Fiscal Policies Document Review
  - Draft Budget Book with CIP merged into operating
  - Draft CIP Book
  
- **JUNE 17<sup>TH</sup> CITY COUNCIL MEETING**
  - Final Draft of Budget Book
  - Budget Resolution
  
- **LAST-CHANCE BUDGET MEETINGS IF REQUIRED**
  - June 24<sup>th</sup>
  - June 30<sup>th</sup>
  
- **FUTURE CITY COUNCIL MEETING**
  - “Where has I2020 revenue gone?”

# STAFF REQUESTS TONIGHT

# For During Discussion

- Consensus on Streets/Roads Positions
- Consensus on Any Other Position Changes
- Consensus on 2 Contribution Requests
  - Human Services Commission: \$30k/year
  - Mural Society: Up to \$50k/year
- Any other Questions, Comments, Changes

15 MIN BREAK

DISCUSSION:  
UTILITIES  
FUND BY FUND

DISCUSSION  
GENERAL FUND  
DIVISION BY DIVISION

# Budget Dates

Date	Topic
<b>Budget Workshops</b>	
Tuesday, April 22 at 5:00pm	Capital Improvement Plan
Tuesday, April 29 at 5:00pm	Operating Budget
<b>Additional Dates (if needed)</b>	
Tuesday, May 13	Did not meet
Tuesday, May 27	Today's Workshop #3
Tuesday, June 10	Hold/TBD
Tuesday, June 24	Hold/TBD
<b>Regular City Council Meetings</b>	
Tuesday, June 3; 6:30pm	Draft Budget Presentation & Further Discussion
Tuesday, June 17; 6:30pm	Final Budget Adoption
Monday, June 30	Budget Adoption Legal Deadline