



# Budget Presentation

Fiscal Year 2024-25 | June 11, 2024

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# Overview

## Operations and Maintenance Budget

### ■ General Fund

- Fiscal Year 2024-25 Revenue & Expenditure Overviews
- Replacement & Rehabilitation Funds
- General Fund Reserves
- Planning For the Future

## Capital Improvement Program Budget

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## FY 2024-25 Revenue Overview

Projected revenue increase of about 5% compared to Prior Year:

- Flat Sales Tax revenue anticipated.
- Property Tax increase anticipated due to recent housing market sales.
- Flat Charges for Service revenue anticipated
- Franchise fee growth anticipated

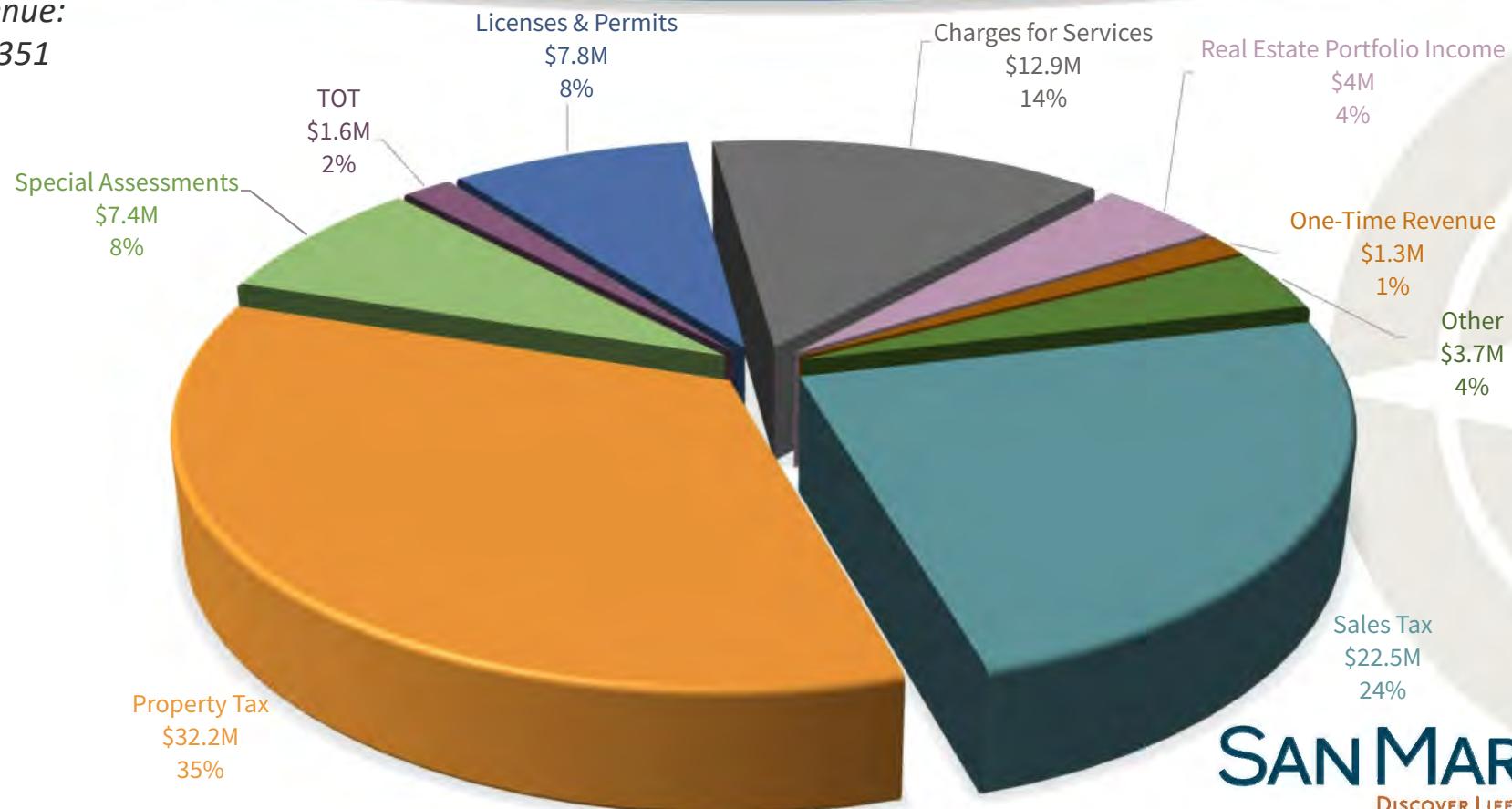
Percentage growth excludes 1-time revenue used to balance budget.

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# General Fund Revenue Budget Overview

FY 2024-25 Revenue by Type

**Total Revenue:**  
**\$93,425,351**



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# FY 2024-25 Expenditure Overview

Normal Annual Increases Totaling ~\$4M

- Sheriff Contract Costs
- Employee Benefits & Contract Costs
- Inflationary service rate increases of 15+% for non-discretionary services such as insurance, utilities, and fuel

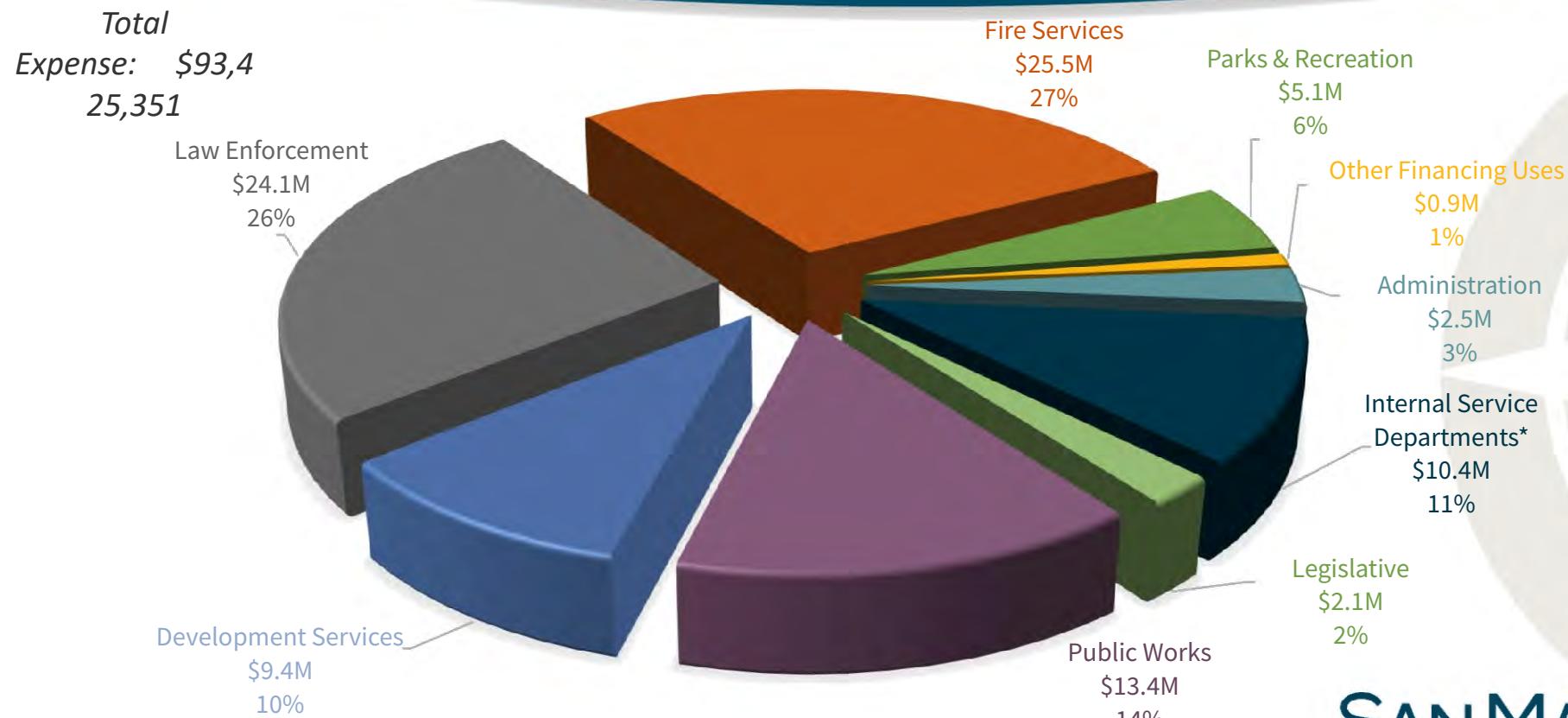
Projected **BALANCED BUDGET** after taking the following actions:

- Continued department reorganizations & restructuring; including realized savings resulting from best value analyses and associated efficiencies
- Decrease to operating expenses where possible
- No additional Infrastructure Funds Transfers

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# General Fund Expenditure Budget Overview

## FY2024-25 Expenditures by Function



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\*CalPERS UAL payment split between all staff departments for salary cost illustration, but recorded in Administration budget

\*\*Internal Service Departments include Finance, Real Property Services, IT, Human Resources, Communications and Economic Development

\*\*\*Other Financing Uses includes transfers to LLMD and Sr. Nutrition fund

# Replacement & Rehabilitation Funds

**Fiscal Year 2024-25 proposed budget expenditures include:**

- **Vehicle and Equipment Replacement/Rehabilitation**

- Ongoing lease of white fleet and fire vehicles.
  - One (1) EMS Ambulance Re-chassis
  - One (1) Toro Mower

- **Facilities Replacement/Rehabilitation**

- Gym Floor re-sanding
  - FS 3 Carpet Replacement

- **Infrastructure Replacement/Rehabilitation**

- Parks Lighting LED Conversion
  - Playground Replacements

# Replacement & Rehabilitation Funds

## Transfers and Reserved Balances

| Fund Activity                                      | Vehicle & Equipment<br>Replacement/<br>Rehabilitation | Facilities Replacement/<br>Rehabilitation | Infrastructure<br>Replacement/<br>Rehabilitation |
|----------------------------------------------------|-------------------------------------------------------|-------------------------------------------|--------------------------------------------------|
| FY 2024-25 Projected Beginning Balance             | \$0                                                   | \$3,531,610                               | \$4,224,401                                      |
| FY 2024-25 Proposed Transfers/Adjustments          | \$1,474,486                                           | \$(1,474,487)                             | \$0                                              |
| FY 2024-25 Proposed Expenses Over (under) Revenues | (\$1,474,486)                                         | \$39,000                                  | (\$632,000)                                      |
| Restricted for CIP Appropriations                  | \$0                                                   | (\$1,311,131)                             | (\$2,080,522)                                    |
| <b>Projected Ending Balance, June 2025</b>         | <b>\$0</b>                                            | <b>\$784,992</b>                          | <b>\$1,511,879</b>                               |

**Projected Total Ending Balance, June 2025 - \$2,296,871 (not included in GF Reserves)**

# General Fund Reserve Balances

| Fund                                                    | Adopted<br>FY 2023-24 | Projected<br>FY 2023-24 | Requested<br>FY 2024-25 |
|---------------------------------------------------------|-----------------------|-------------------------|-------------------------|
| Operating Expenditure Budget                            | \$90,582,910          | \$90,949,526            | \$93,425,351            |
| Unassigned (Liquid) Reserves*                           | \$37,270,218          | \$38,367,510            | \$38,367,510            |
| Unassigned (Liquid) Reserves<br>as Percentage of Budget | 41%                   | 42%                     | 41%                     |

\*Unassigned (Liquid) Reserves are broken into categories:

- 1) Catastrophic/Emergency Reserves (FY24-25 \$12.8M);
- 2) One-time Recurring Savings/Opportunity Reserves (FY24-25 \$12.8M);
- 3) Economic Contingency/Pension Stabilization Reserves, which includes Pension Stabilization Reserves restricted for Section 115 (FY24-25 \$12.8M).



## Planning For the Future

The following economic indicators are contributing to ongoing advanced planning efforts:

- Costs to maintain services at the level expected by the community continue to surpass available revenue
- Non-discretionary operational expenditure increases given current inflation rate of about 3.2%
- Revenue sources experiencing slower growth, with limited revenue-raising options outside of voter measures.
- Use of one-time revenues are not fiscally prudent.
- Future Unfunded Infrastructure Needs:
  - Increased costs and risks due to delayed infrastructure improvements
  - Infrastructure Funding projected to be depleted after FY26
  - Fire Station #5

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# Questions?

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# Capital Improvement Program (CIP)

Fiscal Year 2024-2025

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# Capital Improvement Program Overview

## CP Focus

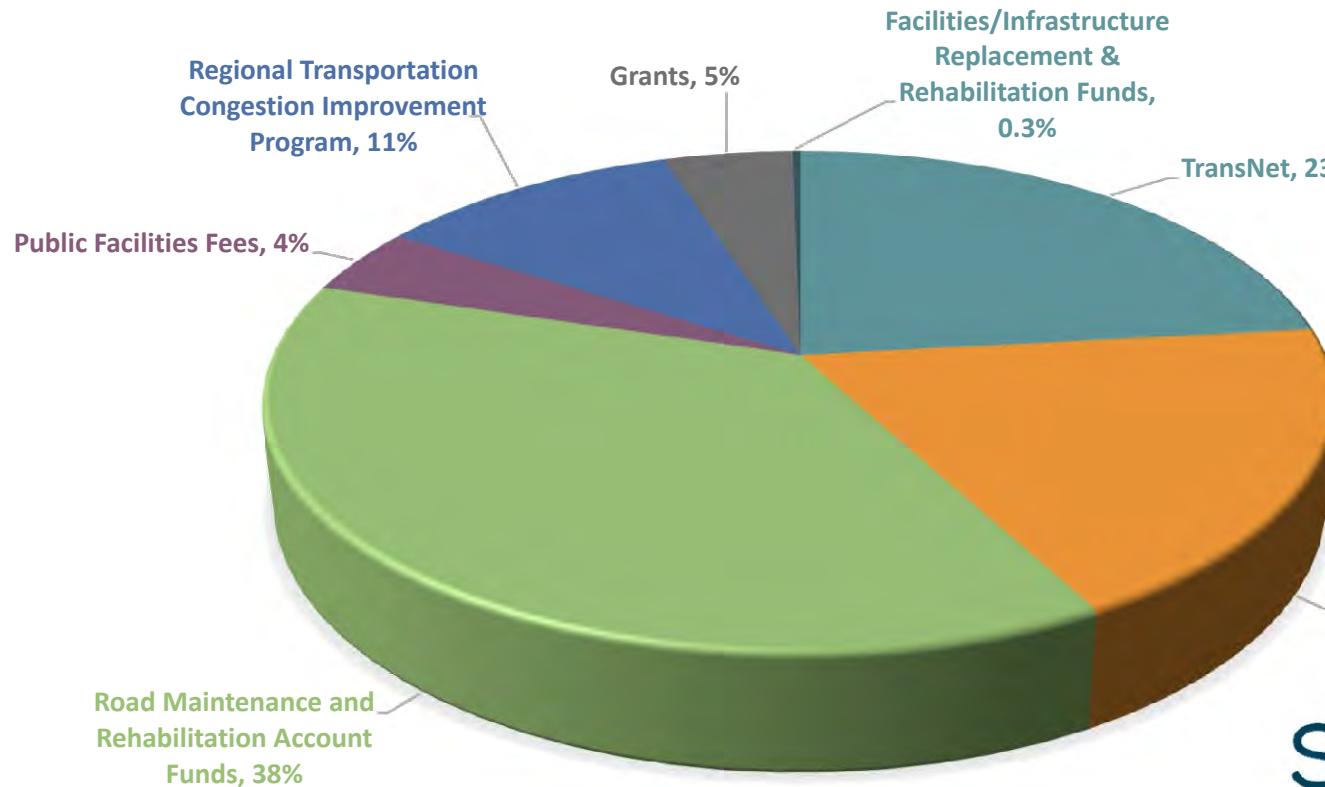
- Delivery of public infrastructure projects for the enhancement of the community and retain the functionality of the existing infrastructure.

## CP Budget

- A 5-Year Plan
- 54 Projects
- Appropriated Annually, \$16.9M for FY 25
- 9 New Projects Proposed

# Budget Summary

## CURRENT BUDGET BY FUNDING SOURCE



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# Key Projects Completing

Bradley Bike Park



Traffic Management Center



Discovery Street Extension



Connors Synthetic Turf Replacement

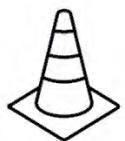


Creek Infrastructure Project



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# Project Highlights in FY 25



## Annual Streets Program

Increase annual appropriations into the program from \$2M to \$4M



## Fire Station 3

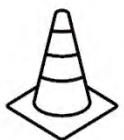
Activities for FY 25 include construction of auxiliary storage structure and renovations



## Fire Station 5

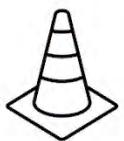
Activities for FY 25 include the seeking out of viable land to situate Fire Station No. 5

# Project Highlights in FY 25



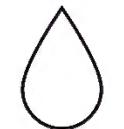
## Rancho Santa Fe Road

Activities for FY 25 include the reconstruction of Rancho Santa Fe Road from Lake Ridge to Melrose



## San Marcos Boulevard

Activities for FY 25 include finalizing design to reconstruct the roadway and signal systems from Bent to Rancho Santa Fe Road for construction in Summer of 2025



## La Mirada Storm Drain

Activities for FY 25 will include design to install storm drain along La Mirada connecting into mains in Las Posas.