



Budget Presentation

Fiscal Year 2024-25 | June 11, 2024

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DISCOVER LIFE'S POSSIBILITIES



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



FY 2024-25 Revenue Overview

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

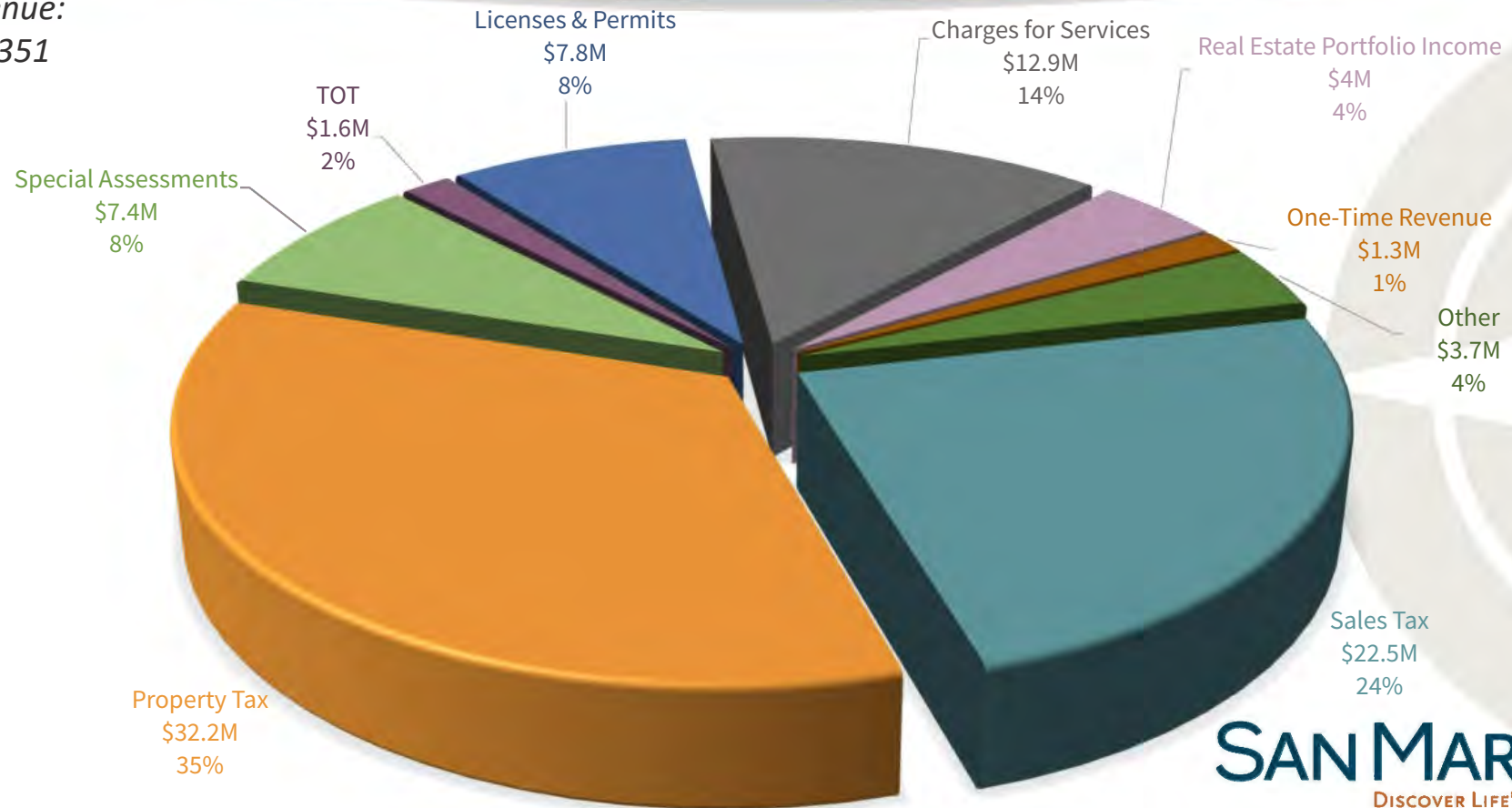
- Flat Sales Tax revenue anticipated.
- Property Tax increase anticipated due to recent housing market sales.
- Flat Charges for Service revenue anticipated
- Franchise fee growth anticipated

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

General Fund Revenue Budget Overview

FY 2024-25 Revenue by Type

Total Revenue:
\$93,425,351





FY 2024-25 Expenditure Overview

Normal Annual Increases Totaling ~\$4M

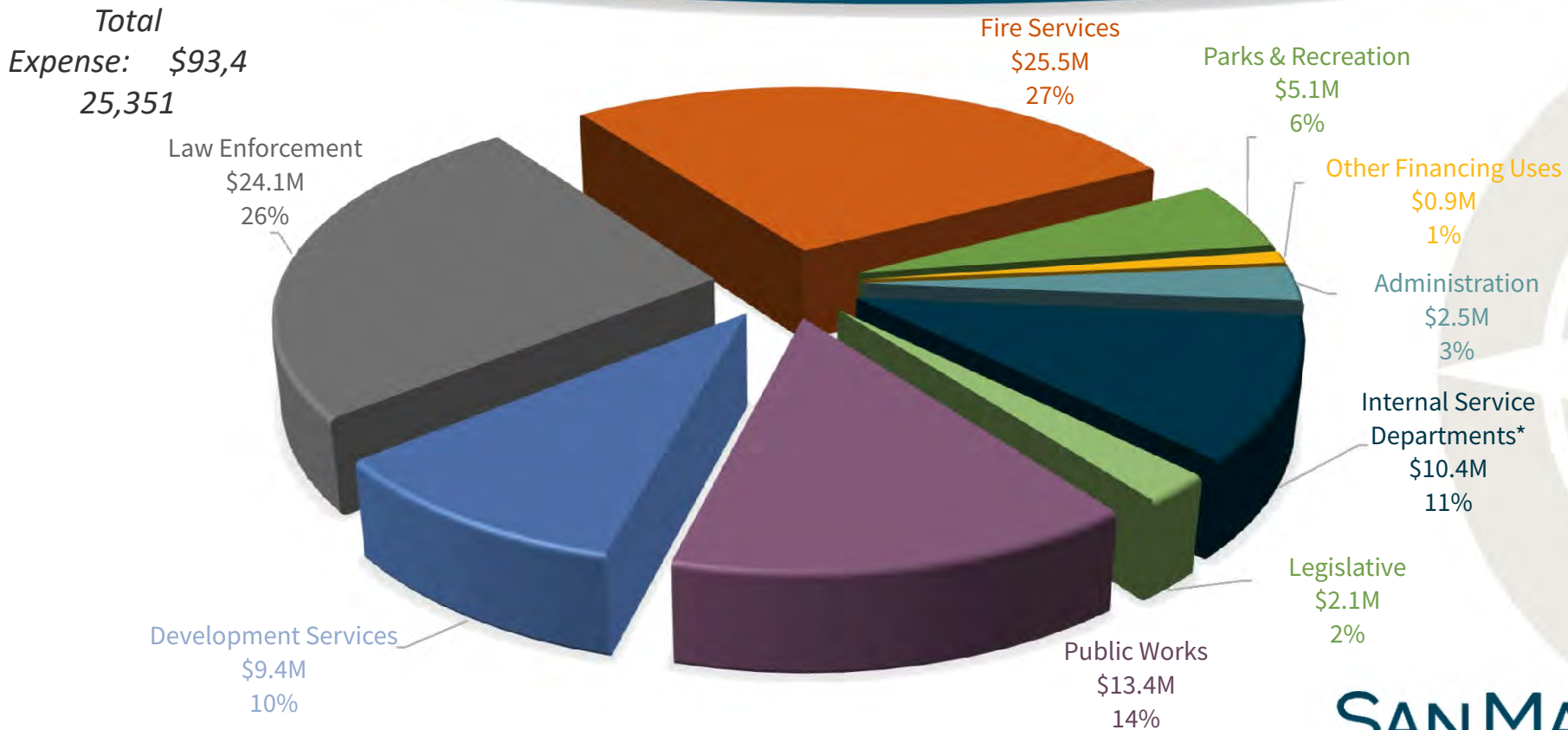
- Sheriff Contract Costs
- Employee Benefits & Contract Costs
- Inflationary service rate increases of 15+% for non-discretionary services such as insurance, utilities, and fuel

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

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 Replacement/ Rehabilitation	Facilities Replacement/ Rehabilitation	Infrastructure Replacement/ 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)
Projected Ending Balance, June 2025	\$0	\$784,992	\$1, 511,879

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

General Fund Reserve Balances

Fund	Adopted FY 2023-24	Projected FY 2023-24	Requested 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 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



Questions?

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Capital Improvement Program (CIP)

Fiscal Year 2024-2025

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Capital Improvement Program Overview

CIP Focus

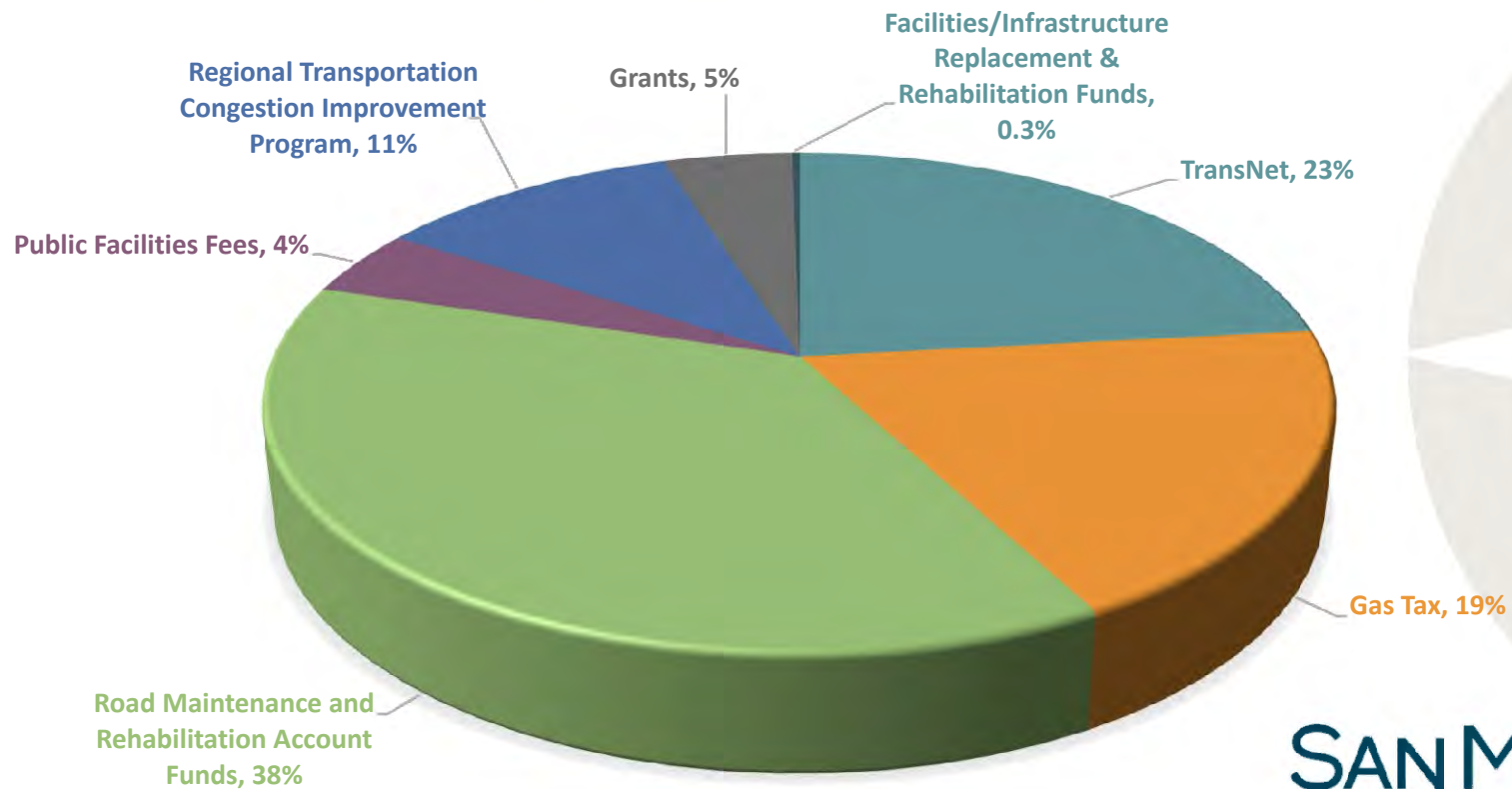
- Delivery of public infrastructure projects for the enhancement of the community and retain the functionality of the existing infrastructure.

CIP 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



Key Projects Completing

Bradley Bike Park



Traffic Management Center



Discovery Street Extension



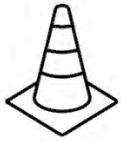
Connors Synthetic Turf Replacement



Creek Infrastructure Project



Project Highlights in FY 25



Annual Streets Program

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



Fire Station 3

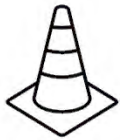
Activities for FY 25 include construction of auxiliary storage structure and renovations



Fire Station 5

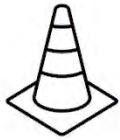
Activities for FY 25 include the seeking out of viable land to situate Fire Station No. 5

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.