

Agenda

City of Visalia Measure N Oversight Committee

Esther Perez – Board of Realtors/Building Industry
Myron Sheklian – Downtown Visalians/Property Owners
Armondo Apodaca – Hispanic/Visalia Chamber
Garrett Lovell – Visalia Economic Development Council
Glen Stewart – Citizens Advisory Committee
Ed Jones – Citizens Advisory Committee

Lisa Alvarado – Council appointee
Mark Fulmer – Council appointee
Darlene Mata – Council appointee
Jason Osborn – Council appointee
Matt Seals – Council appointee

Thursday, May 9, 2024
5:30 p.m.

Visalia Administration Office
220 N. Santa Fe St.
Visalia, CA

1. Welcome and Public Comment.

This is a time set aside for the Committee to receive public comment on issues which are not already included on the agenda. Public comment regarding items on the agenda may be open to public comment prior to the committee's discussion of the agenda item and before any action is taken on the agenda item. Members ask that comments are kept brief and positive. In fairness to all who wish to speak, each speaker will be allowed three minutes. Please begin your comments by stating your name and providing your city of residence.

2. Receive and accept the FY 24-25 & FY 25-26 Measure N Proposed Budget

3. Future Meetings and Items for Discussion.

4. Good of the Order.

5. Adjourn.

Next meeting: TBD

In compliance with the American Disabilities Act, if you need special assistance to participate in meetings call (559) 713-4512 48-hours in advance of the meeting. For Hearing Impaired – Call (559) 713-4900 (TDD) 48-hours in advance of the scheduled meeting time to request signing services.

Any written materials relating to an item on this agenda submitted to the Measure N Oversight Committee after distribution of the agenda are available for public inspection in the Office of the City Clerk, 220 N. Santa Fe Street, Visalia CA 93292, during normal business hours.

MEASURE N
FY 24/25 & 25/26
PROPOSED BUDGET

MAY 6, 2024

MEASURE N

- **½ cent Sales Tax Override to provide essential City services (police, fire, recreation, parks, and roads)**
- **Uses a detailed 10 year plan**



MEASUREMENT REQUIREMENTS

Revenues:

- 10% of budgeted revenues must be maintained in Uncertainty Fund for a fiscal emergency;
- 10% of budgeted revenues must be deposited into the following categories:
 - 2% Youth Programs
 - 8% Maintenance and Emerging Needs

Expenditures:

- Money shall not be used for debt service payments;
- Expenditure plan and amendments must be approved as outlined in the plan.

BUDGET PROCESS

- Tonight is the second step in the 24/25 & 25/26 budget process for Measure N funds which requires the following actions to adopt the spending plan:
 - Step 1: City Manager makes recommendation to City Council and makes changes as requested;
 - Step 2: Comments and recommendation received by Sales Tax Oversight Board;
 - Step 3: Two public Hearings are held at regular Council Meetings to consider expenditure plan

FY 24/25 & 25/26 PROPOSED BUDGET

Revenue

	<u>FY 23/24</u>	<u>FY24/25</u>	<u>FY25/26</u>
• Sales Tax Projection	\$18.1 m	\$18.1 m	\$18.4 m
% Change	-7%	0%	1%

Expenditures

- Based on the plan and previous amendments
- Uses updated cost estimates
- Includes new amendments

NEW BUDGET POSITIONS PER PLAN

- FY 24/25
 - 1 Police Officer
 - 1 Digital Evidence Technician
- FY 25/26
 - 1 Police Officer
 - 1 CSO

NEW PROPOSED PLAN AMENDMENTS

1. Position Change from Battalion Chief to Deputy Chief (annual cost increase \$10,500)
 - To help with the administrative functions and assist the other BC's with operations
2. Increase street maintenance for FY 24/25 from \$3.8 million to \$4.0 million
 - With increased maintenance costs, its important to keep it consistent instead of reducing
3. Add back building maintenance of \$1.2 million for both years
 - Maintenance ended in the plan on year 6
4. Additional youth services at the Clubhouse (annual cost increase \$25,000)
 - Increase hours of service to add Saturday at the Manual Hernandez Center
5. Change Uncertainty fund calculation from 10% of budgeted revenues to 30% of operating expenditures
 - Current method is not typical and 30% matches the GF Reserve policy

FY 24/25 PROPOSED BUDGET

Police	26	Police Officers	4,871,700	2% Youth Programs	
	13	Professional Staff	1,377,500	Youth Programs	282,400
	1	Police Cars & Equipment	88,000		
		Operating Expenses	823,100	8% Maintenance & Emerging Needs	
		Body Cameras	373,400	Building Maintenance	1,184,900
			7,533,700	Emerging Needs*	-
				Total	1,184,900
Roads		Street Maintenance	4,000,000		
Parks & Rec	2	Park Maintenance Emp.	200,900		
	1	Urban Forest Emp.	102,700	Grand Total	
	1	Recreation Coordinator	124,300	15,805,500	
		Trailway Maintenance	57,000	*Note: Emerging Needs money will not be appropriated until staff returns to Council with a recommended policy/plan.	
		Tree Maintenance	57,000		
		Building Maintenance	57,000		
		New Park Maintenance	57,000		
		Operating Expenses	140,600		
			796,500		
Fire	9	Deputy Chief, Admin Capt, & Squad Staffing	1,436,700		
		Operating Expenses	310,900		
			1,747,600		
Other		State Fees, Audits, Accounting	260,400		
			260,400		
		Essential Services Total	14,338,200		

FY 25/26 PROPOSED BUDGET

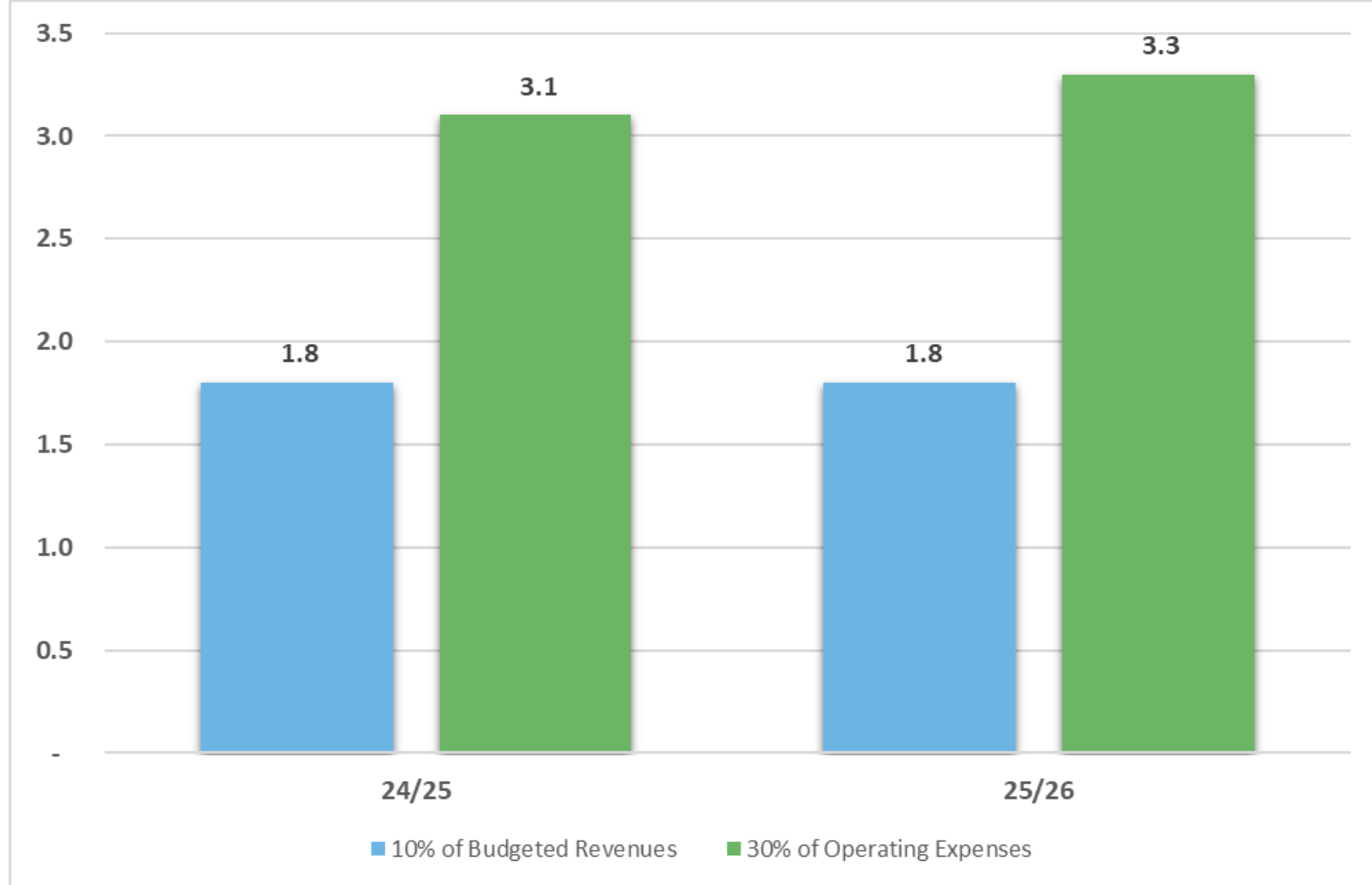
Police	27	Police Officers	5,220,100	2% Youth Programs	
	14	Professional Staff	1,527,900	Youth Programs	287,200
	1	Police Cars & Equipment	92,400		
		Operating Expenses	825,200	8% Maintenance & Emerging Needs	
		Body Cameras	384,800	Building Maintenance	1,243,000
			8,050,400	Emerging Needs*	-
				Total	1,243,000
Roads		Street Maintenance	4,000,000		
Parks &	2	Park Maintenance Emp.	207,500		
	1	Urban Forest Emp.	107,600	Grand Total	16,488,100
	1	Recreation Coordinator	131,500		
		Trailway Maintenance	59,000		
		Tree Maintenance	59,000	*Note: Emerging Needs money will not be appropriated until staff returns to Council with a recommended policy/plan.	
		Building Maintenance	59,000		
		New Park Maintenance	59,000		
		Operating Expenses	143,100		
			825,700		
Fire	9	Deputy Chief, Admin Capt, & Squad Staffing	1,498,800		
		Operating Expenses	316,000		
			1,814,800		
Other					
		State Fees, Audits, Accounting	267,000		
			267,000		
		Essential Services Total	14,957,900		

2024/25 - Year 8	Beginning Cash	Projected Revenues	Expenditures	Transfer	Ending Cash
Essential Services	11,906,230	16,691,300	14,338,200		14,259,330
8% Maint & Emerging Needs	6,455,920	1,449,900	1,184,900		6,720,920
2 % Youth Programs	1,419,390	362,500	282,400		1,499,490
Measure N Operating Funds	19,781,540	18,503,700	15,805,500		22,479,740
2025/26 - Year 9	Beginning Cash	Projected Revenues	Expenditures	Transfer	Ending Cash
Essential Services	14,259,330	16,854,400	14,957,900		16,155,830
8% Maint & Emerging Needs	6,720,920	1,464,400	1,243,000		6,942,320
2 % Youth Programs	1,499,490	366,100	287,200		1,578,390
Measure N Operating Funds	22,479,740	18,684,900	16,488,100		24,676,540

**PROJECTED FUND
BALANCE**

UNCERTAINTY FUND BALANCE

Current reserves = \$1.9 million or 21% of operating expenses



TONIGHT'S ACTION

Receive recommendation from the Measure N Committee on the proposed amendments and budget for FY 24/25 & 25/26.

Next steps in the budget process:

- May 20th– Hold 1st Public Hearing
- June 3rd – Hold 2nd Public Hearing

QUESTIONS



Finance & Technology
 Measure N-Police,Rds,Fire,Rec
 No Division

Budget Detail

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KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Resources							
Revenues							
1410 41010	Sales & Use Taxes	19,717,002	19,487,895	19,669,500	18,123,700	18,123,700	18,304,900
1410 45301	Investment Earnings	372,013	560,543	200,000	320,000	320,000	320,000
1410 45306	Investment Gain/Loss	(55,477)	67,387	9,000	0	0	0
1410 45326	Fair Market Value Gain/Loss	(1,155,055)	(310,377)	0	0	0	0
1410 48617	Rebate Revenue	30	58	0	0	0	0
1410 64281	Sale of Buildings/Land	144,938	0	0	0	0	0
Total Revenues		19,023,451	19,805,506	19,878,500	18,443,700	18,443,700	18,624,900
Total Resources		19,023,451	19,805,506	19,878,500	18,443,700	18,443,700	18,624,900
Expenditures							
Operating Expenditures							
1410 52990	Budget Estimates	0	0	115,700	0	0	0
1410 54310	Small Tools	16	0	0	0	0	0
1410 55100	Prof & Specized Service	6,437	15,195	5,000	100	100	100
1410 55210	Contracts-Audit	6,825	7,225	8,000	7,800	8,300	8,500
1410 57215	State Admin Fees	166,560	174,520	125,000	180,000	180,000	185,000
Total Operating Expenditures		179,838	196,940	253,700	187,900	188,400	193,600
Services Provided							
1410 69345	Conv Center	712	0	0	0	0	0
1410 69380	Investment Services Fee	5,580	8,408	4,500	0	0	0
Total Services Provided		6,292	8,408	4,500	0	0	0
Capital Improvements							
1410 72000	Capital Imprvmt Program	4,212,442	11,590,912	21,353,025	21,353,000	4,088,000	4,092,400
Total Capital Improvements		4,212,442	11,590,912	21,353,025	21,353,000	4,088,000	4,092,400
Allocations							
1410 98010	Alloc-Assist City Manag	138	134	100	0	0	0
1410 98101	Alloc-City Manager	265	286	300	400	400	400
1410 98102	Alloc-City Clerk	5,921	5,043	5,900	8,100	8,300	8,500
1410 98130	Alloc-G/G-Fin-Budget &	35,382	29,113	35,400	29,700	30,300	30,900
1410 98132	Alloc-G/G-Fin-Accounting	1,141	724	1,100	600	600	600
1410 98135	Alloc-G/G-Fin-Materials	19,303	15,467	19,300	19,800	20,200	20,600
Total Allocations		62,150	50,767	62,100	58,600	59,800	61,000
Total Expenditures		4,460,722	11,847,027	21,673,325	21,599,500	4,336,200	4,347,000
SURPLUS(SHORTFALL)		14,562,729	7,958,479	(1,794,825)	(3,155,800)	14,107,500	14,277,900

Finance & Technology
 Measure N-Maint & Emergency
 No Division

Budget Detail

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KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Resources							
Revenues							
1420 45301	Investment Earnings	39,506	95,929	15,000	50,000	50,000	50,000
1420 45306	Investment Gain/Loss	(5,891)	11,532	0	0	0	0
1420 45326	Fair Market Value Gain/Loss	(122,662)	(53,117)	0	0	0	0
1420 48617	Rebate Revenue	0	81	0	100	100	100
Total Revenues		(89,047)	54,425	15,000	50,100	50,100	50,100
Total Resources		(89,047)	54,425	15,000	50,100	50,100	50,100
Expenditures							
Operating Expenditures							
1420 52990	Budget Estimates	0	0	1,521,700	0	0	0
Total Operating Expenditures		0	0	1,521,700	0	0	0
Services Provided							
1420 69380	Investment Services Fee	593	1,439	800	1,400	1,400	1,400
Total Services Provided		593	1,439	800	1,400	1,400	1,400
Capital Improvements							
1420 72000	Capital Imprvmt Program	63,920	445,599	1,558,527	1,558,500	1,184,900	1,243,000
Total Capital Improvements		63,920	445,599	1,558,527	1,558,500	1,184,900	1,243,000
Allocations							
1420 98010	Alloc-Assist City Manag	4	1	100	0	0	0
1420 98101	Alloc-City Manager	7	2	100	0	0	0
1420 98102	Alloc-City Clerk	1,366	1,308	0	0	0	0
1420 98130	Alloc-G/G-Fin-Budget &	5,380	3,925	5,400	3,700	3,800	3,900
1420 98132	Alloc-G/G-Fin-Accounting	205	153	200	100	100	100
1420 98135	Alloc-G/G-Fin-Materials	14,361	7,514	14,400	5,400	5,500	5,600
Total Allocations		21,323	12,903	20,200	9,200	9,400	9,600
Total Expenditures		85,836	459,941	3,101,227	1,569,100	1,195,700	1,254,000
SURPLUS(SHORTFALL)		(174,883)	(405,516)	(3,086,227)	(1,519,000)	(1,145,600)	(1,203,900)

Finance & Technology
 Measure N-2% Youth
 No Division

Budget Detail
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KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Resources							
Revenues							
1430 45301	Investment Earnings	7,719	18,960	4,000	10,000	10,000	10,000
1430 45306	Investment Gain/Loss	(1,151)	2,279	0	0	0	0
1430 45326	Fair Market Value Gain/Loss	(23,966)	(10,498)	0	0	0	0
Total Revenues		(17,398)	10,741	4,000	10,000	10,000	10,000
Total Resources		(17,398)	10,741	4,000	10,000	10,000	10,000
Expenditures							
Operating Expenditures							
1430 52990	Budget Estimates	0	0	130,200	0	0	0
Total Operating Expenditures		0	0	130,200	0	0	0
Services Provided							
1430 69380	Investment Services Fee	116	284	100	300	300	300
Total Services Provided		116	284	100	300	300	300
Allocations							
1430 98010	Alloc-Assist City Manag	0	0	0	0	0	0
1430 98101	Alloc-City Manager	0	0	0	0	0	0
1430 98102	Alloc-City Clerk	0	0	0	500	500	500
1430 98130	Alloc-G/G-Fin-Budget &	708	647	700	600	600	600
Total Allocations		708	647	700	1,100	1,100	1,100
Total Expenditures		824	931	131,000	1,400	1,400	1,400
SURPLUS(SHORTFALL)		(18,222)	9,810	(127,000)	8,600	8,600	8,600

Budget Detail

Fire

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Measure N-Police,Rds,Fire,Rec

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Measure N-Fire

1413

KEY OBJ	DESCRIPTION	2021-22	2022-23	2023-24	2023-24	2024-25	2025-26
		ACTUALS	ACTUALS	BUDGET	PROJECTED	PROPOSED	PROPOSED
Resources							
Revenues							
1413 46508	Fire Strike Team Fees	77,308	8,857	0	14,500	0	0
1413 48617	Rebate Revenue	144	167	0	200	0	0
Total Revenues		77,452	9,024	0	14,700	0	0
Total Resources		77,452	9,024	0	14,700	0	0
Expenditures							
Salaries and Benefits							
1413 51101	Sal & Wages-Regular	530,386	669,105	886,000	835,200	843,300	877,000
1413 51102	Sal & Wages-Acting Mgmt	15,299	20,496	12,000	21,000	21,000	21,000
1413 51103	Sal & Wg Lump Sum Non PERSable	12,000	9,000	0	0	0	0
1413 51130	Sal & Wages-Overtime	76,705	105,863	75,000	70,000	80,000	80,000
1413 51150	Sal & Wages-Holiday Pay	499	542	0	0	0	0
1413 51175	Sal & Wages-Incentv Pay	9,044	11,987	9,900	14,400	14,400	14,400
1413 51181	Sal & Wages-Flsa Ovrtime	416	227	0	200	200	200
1413 51190	Sal & Wages-Vac/Sick/Cm	198	46,992	0	10,000	200	200
1413 51196	Sal & Wages-Gift Certs-	214	0	0	0	0	0
1413 51210	F B-Employer Pers-Misc	18,601	25,845	40,800	39,600	40,700	43,700
1413 51211	F B-Employer Pers-Misc UFL	58,362	81,957	117,000	84,900	99,700	107,100
1413 51218	F B-Employer Pers-Sfty	47,279	48,944	52,000	55,600	54,500	57,700
1413 51219	F B-Employer Pers-Sfty UFL	65,498	70,905	70,000	72,000	74,000	78,800
1413 51220	F B-Worker'S Comp Misc	30,872	34,419	30,000	39,200	37,000	38,500
1413 51230	F B-Employer Health Benefits	88,749	121,189	142,500	148,400	154,000	161,700
1413 51235	F B Retiree Health Alloc	750	270	1,100	300	900	800
1413 51237	F B Health & Wellness	2,207	3,266	3,500	3,400	3,500	3,600
1413 51260	F B-F I C A	9,157	11,502	12,400	12,800	11,500	12,300
1413 51296	F B-Survivor Benefit	145	179	200	200	200	200
1413 51297	F B-Pub Sfty Survivor Benefit	114	0	100	200	200	200
1413 51350	Emp Ben-Cell Phone Reim	2,160	1,860	2,200	1,400	1,400	1,400
Total Salaries and Benefits		968,655	1,264,548	1,454,700	1,408,800	1,436,700	1,498,800
Operating Expenditures							
1413 52010	New Employee Expenses	0	8,906	0	0	0	0
1413 52020	Recruitment Costs	0	594	0	0	0	0
1413 52030	Education Assistance	2,436	0	400	0	0	0
1413 52040	Clothing & Prsnl Expens	6,269	7,821	5,000	5,000	5,000	5,000
1413 52060	Driver Physicals	132	0	0	0	0	0
1413 52080	Health screening/vacc	0	310	0	0	0	0
1413 52110	Membership-Employee	0	235	100	700	700	700
1413 52480	Safety Supplies	0	226	0	0	200	200
1413 52490	Standby Incidentals	0	10	0	0	0	0
1413 52520	Food/Drink/Breakroom Supplies	128	48	0	0	0	0
1413 52810	Conferences/Seminars	0	(187)	0	0	0	0
1413 52820	Training	1,303	4,785	3,500	3,500	3,500	3,500
1413 54010	Special Departmental Supplies	1,353	2,485	5,000	5,000	5,000	5,000
1413 54310	Small Tools	0	0	500	0	0	0
1413 54930	Laundry Expenses	748	385	1,000	1,000	1,000	1,000
1413 54940	Uniforms	1,115	6,511	2,000	2,200	5,000	5,000
1413 55100	Prof & Specized Service	0	0	6,000	0	0	0
1413 55910	Safety Program	660	0	500	0	0	0
1413 56157	Telephone-Cellular/Wireless	0	144	0	300	300	300
1413 57530	EMS Program FIRE	14,371	28,612	20,000	30,000	35,000	35,000
1413 71010	Equipment	752	4,273	0	0	0	0
1413 71040	Software	9	0	0	0	0	0
Total Operating Expenditures		29,276	65,158	44,000	47,700	55,700	55,700
Services Provided							
1413 69267	Risk Liability	0	13,541	0	13,500	13,800	14,100
1413 69333	Fleet Maint - Fuel	8,551	9,086	11,000	9,800	10,000	10,200
1413 69337	Fleet Sublet	83,429	6,318	8,000	6,300	6,400	6,500
1413 69338	Buildings Other	1,071	0	0	0	0	0
1413 69340	Fleet Labor	35,539	27,813	23,000	27,800	28,400	29,000
1413 69341	Fleet Parts	15,256	29,588	14,000	29,600	30,200	30,800

Budget Detail

Fire

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Measure N-Police,Rds,Fire,Rec

141

Measure N-Fire

1413

KEY OBJ	DESCRIPTION	2021-22	2022-23	2023-24	2023-24	2024-25	2025-26
		ACTUALS	ACTUALS	BUDGET	PROJECTED	PROPOSED	PROPOSED
Total Services Provided		143,846	86,346	56,000	87,000	88,800	90,600
Allocations							
1413 94122	Alloc-G/G-Risk-Property	3,378	3,951	3,400	6,000	6,100	6,200
1413 94141	Alloc-G/G-Info Services	0	1,752	0	1,700	1,700	1,700
1413 94180	Alloc-P/W-Vehicle Repla	117,149	117,149	118,000	117,100	119,400	121,800
1413 94182	Alloc- IT Replacement	802	1,690	500	1,700	1,700	1,700
1413 98010	Alloc-Assist City Manag	1,901	2,167	1,900	0	0	0
1413 98020	Alloc-G/G-Risk-Mgmt	2,952	3,240	3,000	8,200	8,400	8,600
1413 98035	Alloc-Labor Relations	289	503	300	300	300	300
1413 98101	Alloc-City Manager	3,649	4,632	3,600	7,600	7,800	8,000
1413 98102	Alloc-City Clerk	1,366	0	1,400	0	0	0
1413 98125	Alloc-G/G-Human Resourc	8,467	8,898	8,500	13,300	13,600	13,900
1413 98130	Alloc-G/G-Fin-Budget &	1,693	1,659	1,600	2,100	2,100	2,100
1413 98132	Alloc-G/G-Fin-Accounting	340	579	300	600	600	600
1413 98135	Alloc-G/G-Fin-Materials	1,197	0	1,200	1,800	1,800	1,800
1413 98222	ALL-Fire Safety Program	10	10	100	100	100	100
1413 98228	Alloc-Fire Safety Prog	2,487	1,705	2,500	2,700	2,800	2,900
Total Allocations		145,680	147,935	146,300	163,200	166,400	169,700
Total Expenditures		1,287,457	1,563,987	1,701,000	1,706,700	1,747,600	1,814,800
SURPLUS(SHORTFALL)		(1,210,005)	(1,554,963)	(1,701,000)	(1,692,000)	(1,747,600)	(1,814,800)

Budget Detail

Police 60
 Measure N-Police,Rds,Fire,Rec 141
 Measure N-Police 1411

KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Resources							
Revenues							
1411 42430	State Grants	8,231	16,092	0	0	0	0
1411 48617	Rebate Revenue	111	0	0	0	0	0
1411 48700	Reimb City Expenses	0	34,950	0	0	0	0
1411 48909	Temp Disability	40,165	15,556	0	14,300	0	0
Total Revenues		48,507	66,598	0	14,300	0	0
Total Resources		48,507	66,598	0	14,300	0	0
Expenditures							
Salaries and Benefits							
1411 51101	Sal & Wages-Regular	2,186,815	2,693,508	2,972,600	3,032,700	3,532,100	3,821,900
1411 51103	Sal & Wg Lump Sum Non PERSable	58,000	37,223	0	0	0	0
1411 51130	Sal & Wages-Overtime	221,171	291,921	60,000	413,000	200,000	200,000
1411 51131	Sal & Wages-On Call Com	28,047	30,939	24,000	33,000	25,000	25,000
1411 51150	Sal & Wages-Holiday Pay	37,546	48,059	38,200	45,000	47,000	47,000
1411 51161	Sal & Wages-W/C Safety	35,974	15,634	0	14,300	0	0
1411 51175	Sal & Wages-Incentv Pay	47,550	54,041	40,800	60,100	68,400	70,500
1411 51190	Sal & Wages-Vac/Sick/Cm	87,278	75,149	25,000	81,000	82,000	82,000
1411 51196	Sal & Wages-Gift Certs-	214	0	0	0	0	0
1411 51210	F B-Employer Pers-Misc	23,400	28,759	49,300	50,600	65,800	74,700
1411 51211	F B-Employer Pers-Misc UFL	73,467	90,140	142,100	118,000	161,300	183,100
1411 51218	F B-Employer Pers-Sfty	353,191	409,604	403,400	468,900	489,800	536,400
1411 51219	F B-Employer Pers-Sfty UFL	469,955	582,633	619,600	492,000	664,800	732,700
1411 51220	F B-Worker'S Comp Misc	135,727	136,766	125,900	150,000	155,000	161,400
1411 51230	F B-Employer Health Benefits	361,209	426,887	570,200	522,000	650,000	700,000
1411 51235	F B Retiree Health Alloc	3,523	1,283	4,500	1,400	3,900	3,500
1411 51237	F B Health & Wellness	11,403	12,700	14,100	12,700	15,200	16,400
1411 51250	F B-State Unemployment	178	0	0	0	0	0
1411 51260	F B-F I C A	36,766	44,581	43,100	49,700	50,000	53,300
1411 51296	F B-Survivor Benefit	695	777	900	800	900	1,000
1411 51297	F B-Pub Sfty Survivor Benefit	1,203	0	900	1,300	700	800
1411 51310	Emp Ben-Clothing/Unifor	29,351	33,167	32,400	35,700	37,300	38,300
1411 51375	Emp Ben-Referral Incentive	0	1,000	0	1,000	0	0
Total Salaries and Benefits		4,202,663	5,014,771	5,167,000	5,583,200	6,249,200	6,748,000
Operating Expenditures							
1411 52010	New Employee Expenses	987	0	0	0	0	0
1411 52040	Clothing & Prsnl Expens	4,144	3,433	15,000	4,000	4,000	4,000
1411 52060	Driver Physicals	264	0	0	0	0	0
1411 52080	Health screening/vacc	0	3,439	0	3,400	2,000	2,000
1411 52180	Meeting-P O S T	7,200	1,710	1,000	1,000	1,000	1,000
1411 52610	Meals	0	0	0	0	2,000	2,000
1411 52800	Business Meetings	0	0	0	2,000	0	0
1411 52820	Training	0	0	15,000	45,000	45,000	45,000
1411 54010	Special Departmental Supplies	0	665	17,000	10,000	12,000	12,000
1411 54420	Ammunition	0	7,952	5,000	12,000	24,000	25,000
1411 55530	Contracts-BWC	180,877	180,877	187,000	312,700	373,400	384,800
1411 55910	Safety Program	3,000	0	0	0	0	0
1411 56150	Telephone	0	0	100	0	0	0
1411 56157	Telephone-Cellular/Wireless	0	8	200	400	400	400
1411 71010	Equipment	2,071	13,695	61,432	61,400	50,000	50,000
Total Operating Expenditures		198,543	211,779	301,732	451,900	513,800	526,200
Services Provided							
1411 69267	Risk Liability	0	79,738	0	79,700	81,300	82,900
1411 69333	Fleet Maint - Fuel	93,488	105,359	79,000	107,000	109,100	111,300
1411 69337	Fleet Sublet	10,462	32,125	25,000	32,100	32,700	33,400
1411 69340	Fleet Labor	48,578	39,701	35,000	39,700	40,500	41,300
1411 69341	Fleet Parts	22,323	21,438	12,000	22,000	22,400	22,800
Total Services Provided		174,851	278,361	151,000	280,500	286,000	291,700
Allocations							
1411 94122	Alloc-G/G-Risk-Property	17,454	23,049	17,500	24,500	25,000	25,500
1411 94141	Alloc-G/G-Info Services	36,413	66,056	36,400	62,900	64,200	65,500

Police
 Measure N-Police,Rds,Fire,Rec
 Measure N-Police

Budget Detail

60
 141
 1411

KEY OBJ	DESCRIPTION	2021-22	2022-23	2023-24	2023-24	2024-25	2025-26
		ACTUALS	ACTUALS	BUDGET	PROJECTED	PROPOSED	PROPOSED
1411 94180	Alloc-P/W-Vehicle Repla	111,818	143,369	108,600	143,400	146,300	149,200
1411 94182	Alloc- IT Replacement	16,337	20,518	20,100	20,500	20,900	21,300
1411 98010	Alloc-Assist City Manag	10,533	11,786	10,500	0	0	0
1411 98020	Alloc-G/G-Risk-Mgmt	15,252	18,899	15,300	33,900	34,600	35,300
1411 98030	Alloc-Fin-Management	0	14,163	0	0	0	0
1411 98035	Alloc-Labor Relations	1,492	2,936	1,500	1,400	1,400	1,400
1411 98101	Alloc-City Manager	20,222	25,192	20,200	31,100	31,700	32,300
1411 98125	Alloc-G/G-Human Resourc	43,747	51,904	43,700	54,700	55,800	56,900
1411 98130	Alloc-G/G-Fin-Budget &	6,012	5,045	6,000	5,000	5,100	5,200
1411 98132	Alloc-G/G-Fin-Accounting	561	562	600	400	400	400
1411 98135	Alloc-G/G-Fin-Materials	5,984	5,010	6,000	0	0	0
1411 98222	ALL-Fire Safety Program	53	60	100	100	100	100
1411 98228	Alloc-Fire Safety Prog	12,850	9,944	12,900	11,000	11,200	11,400
Total Allocations		298,728	398,493	299,400	388,900	396,700	404,500
Total Expenditures		4,874,785	5,903,404	5,919,132	6,704,500	7,445,700	7,970,400
SURPLUS(SHORTFALL)		(4,826,278)	(5,836,806)	(5,919,132)	(6,690,200)	(7,445,700)	(7,970,400)

	Budget Detail
Police	60
Measure N-2% Youth	143
No Division	0000

KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Expenditures							
Operating Expenditures							
1431	57900	69,001	23,553	75,000	75,000	75,000	75,000
Total Operating Expenditures		69,001	23,553	75,000	75,000	75,000	75,000
Services Provided							
1431	69345	235	0	0	0	0	0
Total Services Provided		235	0	0	0	0	0
Allocations							
1431	98010	62	48	100	0	0	0
1431	98101	118	102	100	200	200	200
1431	98102	0	436	0	1,100	1,100	1,100
1431	98130	113	91	100	100	100	100
1431	98132	50	54	100	100	100	100
Total Allocations		343	731	400	1,500	1,500	1,500
Total Expenditures		69,579	24,284	75,400	76,500	76,500	76,500
SURPLUS(SHORTFALL)		(69,579)	(24,284)	(75,400)	(76,500)	(76,500)	(76,500)

Budget Detail

Parks & Recreation

70

Measure N-Police,Rds,Fire,Rec

141

Measure N-Parks/Buildings

1412

KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Resources							
Revenues							
1412 48617	Rebate Revenue	54	55	0	400	0	0
Total Revenues		54	55	0	400	0	0
Reimbursements							
1412 99060	Charges-Captl Projects	304	0	0	0	0	0
Total Reimbursements		304	0	0	0	0	0
Total Resources		358	55	0	400	0	0
Expenditures							
Salaries and Benefits							
1412 51101	Sal & Wages-Regular	150,443	145,337	175,000	143,000	189,800	194,800
1412 51103	Sal & Wg Lump Sum Non PERSable	6,000	2,095	0	0	0	0
1412 51130	Sal & Wages-Overtime	630	1,034	0	1,200	0	0
1412 51190	Sal & Wages-Vac/Sick/Cm	(2,851)	(225)	900	0	0	0
1412 51210	F B-Employer Pers-Misc	9,974	9,674	11,600	12,000	13,900	14,900
1412 51211	F B-Employer Pers-Misc UFL	31,326	30,394	33,400	25,000	34,000	36,500
1412 51220	F B-Worker'S Comp Misc	10,274	7,877	9,600	7,600	10,300	10,700
1412 51230	F B-Employer Health Benefits	50,238	48,031	55,000	25,000	51,400	53,900
1412 51235	F B Retiree Health Alloc	373	112	400	100	300	300
1412 51237	F B Health & Wellness	1,104	1,404	1,200	1,000	1,200	1,200
1412 51260	F B-F I C A	2,130	2,044	2,500	2,000	2,600	2,700
1412 51296	F B-Survivor Benefit	72	68	100	100	100	100
Total Salaries and Benefits		259,713	247,845	289,700	217,000	303,600	315,100
Operating Expenditures							
1412 52040	Clothing & Prsnl Expens	0	0	100	0	0	0
1412 52080	Health screening/vacc	0	730	0	0	0	0
1412 52480	Safety Supplies	228	383	300	400	400	400
1412 52810	Conferences/Seminars	0	50	0	0	0	0
1412 52820	Training	0	250	300	300	300	300
1412 52900	Employee Certification	0	60	0	100	100	100
1412 53010	Office Supplies	0	205	0	200	200	200
1412 53200	Postage	0	9	0	0	0	0
1412 54010	Special Departmental Supplies	0	0	500	500	500	500
1412 54020	Supplies	1,190	0	0	0	0	0
1412 54200	Equip Sup & Maintenance	760	3,997	2,500	2,500	3,000	3,000
1412 54310	Small Tools	0	0	100	0	0	0
1412 54580	Project Materials & Sup	0	26	0	0	0	0
1412 54940	Uniforms	0	0	0	0	0	0
1412 55100	Prof & Specized Service	137,851	9,839	168,000	0	0	0
1412 55236	Contracts - Tree Mainte	54,000	55,000	56,000	56,000	57,000	59,000
1412 55238	Park Maintenance - Ms N	0	47,339	0	56,000	57,000	59,000
1412 55239	Building Maint Ms N	0	47,098	0	56,000	57,000	59,000
1412 55255	Bike Path Maint	0	54,949	0	56,000	57,000	59,000
1412 55910	Safety Program	420	0	0	0	0	0
1412 56130	Refuse/Sewer	617	0	0	0	0	0
1412 56157	Telephone-Cellular/Wireless	66	14	400	100	100	100
Total Operating Expenditures		195,132	219,949	228,200	228,100	232,600	240,600
Services Provided							
1412 69267	Risk Liability	0	6,772	0	6,800	6,900	7,000
1412 69333	Fleet Maint - Fuel	12,824	16,374	11,500	16,400	16,700	17,000
1412 69337	Fleet Sublet	95	8,053	800	8,100	8,300	8,500
1412 69338	Buildings Other	0	24,285	0	24,300	24,800	25,300
1412 69340	Fleet Labor	7,854	7,480	5,500	7,500	7,700	7,900
1412 69341	Fleet Parts	2,784	3,816	1,500	3,800	3,900	4,000
Total Services Provided		23,557	66,780	19,300	66,900	68,300	69,700
Allocations							
1412 94122	Alloc-G/G-Risk-Property	1,689	1,976	1,700	2,000	2,000	2,000
1412 94180	Alloc-P/W-Vehicle Repla	7,842	7,197	7,800	7,200	7,300	7,400
1412 98010	Alloc-Assist City Manag	1,049	1,063	1,000	0	0	0

Budget Detail

Parks & Recreation

70

Measure N-Police,Rds,Fire,Rec

141

Measure N-Parks/Buildings

1412

KEY OBJ	DESCRIPTION	2021-22	2022-23	2023-24	2023-24	2024-25	2025-26
		ACTUALS	ACTUALS	BUDGET	PROJECTED	PROPOSED	PROPOSED
1412 98020	Alloc-G/G-Risk-Mgmt	1,476	1,620	1,500	2,700	2,800	2,900
1412 98035	Alloc-Labor Relations	144	252	100	100	100	100
1412 98101	Alloc-City Manager	2,013	2,272	2,000	2,800	2,900	3,000
1412 98125	Alloc-G/G-Human Resourc	4,234	4,449	4,200	4,400	4,500	4,600
1412 98130	Alloc-G/G-Fin-Budget &	1,368	1,369	1,400	1,400	1,400	1,400
1412 98132	Alloc-G/G-Fin-Accounting	403	590	400	600	600	600
1412 98135	Alloc-G/G-Fin-Materials	7,180	1,252	7,200	5,400	5,500	5,600
1412 98222	ALL-Fire Safety Program	5	5	100	100	100	100
1412 98228	Alloc-Fire Safety Prog	1,244	852	1,200	900	900	900
1412 98601	Alloc-CS Director	13,707	16,584	13,700	10,400	10,600	10,800
1412 98605	Alloc-CS Admin Support	0	0	0	14,900	15,200	15,500
Total Allocations		42,354	39,481	42,300	52,900	53,900	54,900
Total Expenditures		520,756	574,055	579,500	564,900	658,400	680,300
SURPLUS(SHORTFALL)		(520,398)	(574,000)	(579,500)	(564,500)	(658,400)	(680,300)

Parks & Recreation
 Measure N-Police,Rds,Fire,Rec
 Measure N-Recreation

Budget Detail

70
 141
 1414

KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Expenditures							
Salaries and Benefits							
1414 51101	Sal & Wages-Regular	61,159	74,071	70,800	76,400	81,400	84,600
1414 51103	Sal & Wg Lump Sum Non PERSable	2,000	1,000	0	0	0	0
1414 51130	Sal & Wages-Overtime	0	0	0	1,800	1,800	2,000
1414 51175	Sal & Wages-Incentv Pay	381	900	0	900	900	900
1414 51190	Sal & Wages-Vac/Sick/Cm	5,323	5,289	0	5,000	0	0
1414 51210	F B-Employer Pers-Misc	4,080	4,851	4,700	5,700	6,000	6,500
1414 51211	F B-Employer Pers-Misc UFL	12,793	15,577	13,500	12,700	14,800	15,900
1414 51220	F B-Worker'S Comp Misc	1,974	1,550	1,500	1,600	1,700	1,800
1414 51230	F B-Employer Health Benefits	8,557	9,338	15,800	9,700	16,000	18,000
1414 51235	F B Retiree Health Alloc	109	40	100	100	100	100
1414 51237	F B Health & Wellness	368	363	400	400	400	400
1414 51260	F B-F I C A	934	1,127	1,000	1,100	1,100	1,200
1414 51296	F B-Survivor Benefit	23	24	100	100	100	100
Total Salaries and Benefits		97,701	114,130	107,900	115,500	124,300	131,500
Operating Expenditures							
1414 52010	New Employee Expenses	211	0	0	0	0	0
1414 52080	Health screening/vacc	0	240	0	0	0	0
1414 52820	Training	0	0	1,200	1,000	1,000	1,000
1414 54010	Special Departmental Supplies	0	0	1,500	1,500	1,500	1,500
1414 56157	Telephone-Cellular/Wireless	436	450	100	500	500	500
Total Operating Expenditures		647	690	2,800	3,000	3,000	3,000
Services Provided							
1414 69267	Risk Liability	0	2,407	0	2,400	2,400	2,400
Total Services Provided		0	2,407	0	2,400	2,400	2,400
Allocations							
1414 94122	Alloc-G/G-Risk-Property	563	659	600	700	700	700
1414 98010	Alloc-Assist City Manag	321	232	300	0	0	0
1414 98020	Alloc-G/G-Risk-Mgmt	492	540	500	900	900	900
1414 98035	Alloc-Labor Relations	48	84	100	100	100	100
1414 98101	Alloc-City Manager	615	495	600	800	800	800
1414 98125	Alloc-G/G-Human Resourc	1,411	1,483	1,400	1,500	1,500	1,500
1414 98130	Alloc-G/G-Fin-Budget &	479	201	500	300	300	300
1414 98132	Alloc-G/G-Fin-Accounting	145	46	100	100	100	100
1414 98222	ALL-Fire Safety Program	2	2	100	100	100	100
1414 98228	Alloc-Fire Safety Prog	414	284	400	300	300	300
1414 98601	Alloc-CS Director	4,569	5,528	4,600	3,500	3,600	3,700
Total Allocations		9,059	9,554	9,200	8,300	8,400	8,500
Total Expenditures		107,407	126,781	119,900	129,200	138,100	145,400
SURPLUS(SHORTFALL)		(107,407)	(126,781)	(119,900)	(129,200)	(138,100)	(145,400)

Budget Detail

Parks & Recreation
 Measure N-2% Youth
 No Division

70
 143
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KEY OBJ	DESCRIPTION	2021-22 ACTUALS	2022-23 ACTUALS	2023-24 BUDGET	2023-24 PROJECTED	2024-25 PROPOSED	2025-26 PROPOSED
Resources							
Revenues							
1432 48617	Rebate Revenue	17	379	0	300	300	300
Total Revenues		17	379	0	300	300	300
Total Resources		17	379	0	300	300	300
Expenditures							
Salaries and Benefits							
1432 51103	Sal & Wg Lump Sum Non PERSable	0	3,200	0	0	0	0
1432 51120	Sal & Wages-Hourly	21,877	78,556	85,400	60,000	99,900	104,500
1432 51220	F B-Worker'S Comp Misc	446	1,668	400	1,000	1,600	1,700
1432 51250	F B-State Unemployment	0	3,591	0	2,000	0	0
1432 51260	F B-F I C A	317	1,185	1,200	800	1,200	1,200
1432 51290	F B-Defrd Comp Tm	438	1,635	1,700	1,000	1,600	1,700
Total Salaries and Benefits		23,078	89,835	88,700	64,800	104,300	109,100
Operating Expenditures							
1432 52010	New Employee Expenses	50	179	0	0	200	200
1432 52040	Clothing & Prsnl Expens	275	380	400	400	400	400
1432 52080	Health screening/vacc	0	1,040	0	0	0	0
1432 52100	Membership-Organization	0	0	100	0	0	0
1432 52500	Transportation	0	1,138	0	0	4,000	4,000
1432 52520	Food/Drink/Breakroom Supplies	2,724	9,160	700	6,000	6,500	6,500
1432 52820	Training	0	0	1,500	1,500	1,500	1,500
1432 52900	Employee Certification	0	0	100	0	0	0
1432 53010	Office Supplies	0	15	500	500	100	100
1432 53350	Brochures	0	336	200	0	0	0
1432 53400	Publications/Subscripti	13	437	3,500	500	500	500
1432 54010	Special Departmental Supplies	3,594	14,740	21,000	21,000	21,000	21,000
1432 54200	Equip Sup & Maintenance	0	0	14,865	5,000	5,000	5,000
1432 54590	Licensing Fees	1,794	2,835	12,500	3,000	3,000	3,000
1432 54860	Maint-Computer Equipmnt	0	0	15,000	3,000	3,000	3,000
1432 55010	Rents & Leases	0	0	0	500	500	500
1432 55100	Prof & Specized Service	0	692	200	700	20,000	20,000
1432 55250	Contracts-Alarm Service	948	1,338	600	1,400	1,400	1,400
1432 55410	Contracts-Copier Leases	1	0	400	0	0	0
1432 55520	Computer Software Suppt	0	0	13,900	0	0	0
1432 55910	Safety Program	300	0	0	0	0	0
1432 56459	Internet	3,854	4,559	3,000	4,500	5,000	5,000
1432 57810	Box Office Ticket Purch	0	1,897	0	2,000	10,000	10,000
1432 71010	Equipment	0	0	5,000	0	16,000	16,000
Total Operating Expenditures		13,553	38,746	93,465	50,000	98,100	98,100
Allocations							
1432 94182	Alloc- IT Replacement	0	0	3,200	0	0	0
1432 98010	Alloc-Assist City Manag	66	20	100	0	0	0
1432 98101	Alloc-City Manager	126	43	100	100	100	100
1432 98102	Alloc-City Clerk	455	0	500	0	0	0
1432 98130	Alloc-G/G-Fin-Budget &	2,635	364	2,600	1,000	1,000	1,000
1432 98132	Alloc-G/G-Fin-Accounting	1,177	214	1,200	600	600	600
1432 98135	Alloc-G/G-Fin-Materials	0	0	0	1,800	1,800	1,800
Total Allocations		4,459	641	7,700	3,500	3,500	3,500
Total Expenditures		41,090	129,222	189,865	118,300	205,900	210,700
SURPLUS(SHORTFALL)		(41,073)	(128,843)	(189,865)	(118,000)	(205,600)	(210,400)

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File #:	24-0156	Version: 1	
Type:	Work Session Item	Status:	Agenda Ready
File created:	4/17/2024	In control:	Visalia City Council
On agenda:	5/6/2024	Final action:	
Title:	Review and discuss the proposed Fiscal Year 2024/25 & 25/26 Measure N Budget and continue with the amended expenditure plan previously approved.		

[History \(0\)](#)[Text](#)**Agenda Item Wording:****title**

Review and discuss the proposed Fiscal Year 2024/25 & 25/26 Measure N Budget and continue with the amended expenditure plan previously approved.

body

Deadline for Action: 6/30/2024

Submitting Department: Finance and Technology Services

Contact Name and Phone Number: Renee Nagel, Finance and Technology Director; Ameer Swearingen, Budget Analyst

Department Recommendation:

City Council review and provide comments on the City Manager's recommended Measure N budgets for FY 2024/25 and 2025/26.

The Measure N Budget has to be adopted by June 30, 2024 to be able to spend in FY 2024/25. The City does a biannual budget and is currently in the process of preparing a two-year budget to bring forward to Council in June for adoption. In order for staff to incorporate the Measure N budget in with the rest of the City's budget, staff has prepared a recommended budget for FY 2024/25 and FY 2025/26 for Council's review. If approved, staff will then continue with the Measure N budget process as outlined in the report.

Background Discussion:

In November of 2016, the voters of Visalia passed a ½ cent Sales Tax Override, Measure N - The Visalia Essential City Services Measure. Sales Tax from Measure N will provide for essential city services such as police and fire, as well as maintenance of parks and roads. The measure uses a detailed, 10-year plan which includes hiring of personnel, construction of capital projects and equipment purchases.

As part of the measure, Council adopted an Accountability Ordinance (Ordinance 16-21) to establish accountability measures as outlined:

Revenues:

- 10% of budgeted revenues must be deposited in an Uncertainty Fund. Money can only be accessed during a fiscal emergency;
- 10% of budgeted revenues must be deposited into the following categories:
 - 2% Youth Programs
 - 8% Maintenance and Emerging Needs

Expenditures:

- Money shall not be used for debt service payments;
- Uncertainty Fund shall be maintained at 10% of the budgeted revenues;
- Annual expenditure plan must be approved by Council after the following has occurred:
 - City Manager makes a recommendation to City Council and makes changes as requested (tonight's discussion);
 - Comments and recommendation received by Sales Tax Oversight Board;
 - Two public hearings are held at regular Council Meetings to consider expenditure plan

To ensure that the Measure N budget will be adopted with the rest of the City funds in June; staff is presenting the recommended fiscal year 2024/25 & 2025/26 budgets to start the approval process.

2024/25 & 2025/26 Proposed Budget

The budget includes the amended expenditure plan that includes changes over the past 7 years as shown in Table 1 2024/25 Proposed Measure N Plan (Year 8). The recommended budget for the 2024/25 budget is \$15.8 million. This budget does not include any expenditures for the Emerging Needs category which will be brought back to Council and the Oversight Committee once a policy and/or plan has been established.

**Table 1
2024/25 Proposed Measure N Amended Plan (Year 8)**

FY 24/25 Ammended Plan (Year 8)					
Police	26	Police Officers	4,871,700	2% Youth Programs	
	13	Professional Staff	1,377,500	Youth Programs	282,400
	1	Police Cars & Equipment	88,000		
		Operating Expenses	823,100	8% Maintenance & Emerging Needs	
		Body Cameras	373,400	Building Maintenance	1,184,900
			7,533,700	Emerging Needs*	-
				Total	1,184,900
Roads		Street Maintenance	4,000,000		
Parks & Rec	2	Park Maintenance Emp.	200,900		
	1	Urban Forest Emp.	102,700	Grand Total	15,805,500
	1	Recreation Coordinator	124,300		
		Trailsway Maintenance	57,000		
		Tree Maintenance	57,000	*Note: Emerging Needs money will not be appropriated until staff returns to Council with a recommended policy/plan.	
		Building Maintenance	57,000		
		New Park Maintenance	57,000		
		Operating Expenses	140,600		
			796,500		
Fire	9	BC, Admin Capt, & Sqaud Staffing	1,436,700		
		Operating Expenses	310,900		
			1,747,600		
Other		State Fees, Audits, Accounting	260,400		
			260,400		
		Essential Serivces Total	14,338,200		

In FY 2024/25, the plan adds 1 professional staff and 1 police officer. The professional staff position will be an additional digital evidence technician for the Police Department. In addition, staff is requesting three additional amendments to the plan. One is a position change for the Fire Department from a Battalion Chief (BC) to Deputy Chief. The Battalion Chief in Measure N is the Administrative Battalion Chief. Currently, all BC's rotate every 2 years and that is not enough time to become reliably competent in the administrative functions. This position change will help ensure that the Deputy Chief is well versed in all administrative functions. It will also help the Fire Chief in large projects as well as assisting the other BC's with operations.

Second is to increase the street maintenance from \$3.8 million to \$4.0 million. Over the years, the street maintenance budget has fluctuated between \$3.6 million and \$4.1 million. With maintenance costs rising over the last few years, staff feels it is important to keep the higher budget versus reducing.

Third is to add back the building maintenance project in the Maintenance and Emerging Needs Fund (8%). As outlined in the plan, the building maintenance project was funded in the first five years and was not funded in years 6-10. Staff recommends funding the building maintenance project in FY 2024/25 for \$1.2 million. This project was originally established to replace and update facilities that are funded by the General Fund. Unfortunately, the 5 years of funding was not enough to cover the high costs to replace/repair roofs, replace HVACs, and repair facilities.

The recommended budget for FY 2025/26 is \$16.5 million as shown in Table 2, 2025/26 Proposed Measure N Plan (Year 9).

**Table 2
2025/26 Proposed Measure N Amended Plan (Year 9)**

In order to meet the requirements and to be able to track revenues and expenditures, per the plan categories, Measure N is tracked in 4 separate funds. Essential Services, 2% Youth Programs, 8% Maintenance and Emerging Needs, and the Economic Uncertainty. All funds but the Essential Services Fund receive their revenues as a percentage of budgeted revenues. The Essential Services Fund would receive any of the additional. Table 4 Measure N Fund Balance Summary, shows each funds ending cash for both years based on the proposed 2 year budget.

**Table 4
Measure N Fund Balance Summary**

2024/25 - Year 8	Beginning Cash	Projected Revenues	Expenditures	Transfer	Ending Cash
Essential Services	29,179,250	16,691,300	14,338,200		31,532,350
8% Maint & Emerging Needs	6,455,920	1,449,900	1,184,900		6,720,920
2 % Youth Programs	1,419,390	362,500	282,400		1,499,490
Measure N Operating Funds	37,054,560	18,503,700	15,805,500		39,752,760
2025/26 - Year 9	Beginning Cash	Projected Revenues	Expenditures	Transfer	Ending Cash
Essential Services	31,532,350	16,854,400	14,957,900		33,428,850
8% Maint & Emerging Needs	6,720,920	1,464,400	1,243,000		6,942,320
2 % Youth Programs	1,499,490	366,100	287,200		1,578,390
Measure N Operating Funds	39,752,760	18,684,900	16,488,100		41,949,560

Measure N Economic Uncertainty Fund

The plan calls for the economic uncertainty fund to be maintained at 10% of budgeted revenues. As mentioned above, staff is projecting sales tax to be down 7% this fiscal year, no growth next year (FY 24/25), and 1% growth in FY 25/26. The negative sales tax projection for this fiscal year lowers the base line that is being used in the next two years. This causes the economic uncertainty fund to be overfunded and will require no additional funds for the next two years. This method is not typically used when calculating an emergency reserve to fund operations. Staff is recommending changing this method to a percentage of operating expenditures. If changed to a percentage of operating expenditures, the current amount in the fund would equal approximately 19%. The General Fund’s emergency reserve policy was recently increased to be no more than 30% of operating expenditures. Staff is requesting to amend the Measure N policy for the economic uncertainty fund to be 30% of operating expenditures instead of 10% of budgeted revenues. This would equal a projected transfer of \$1.1 million for FY 24/25 and \$0.2 million for FY 25/26.

Once the recommended budget is approved by Council, staff will present the 2 year budget to the Measure N Oversight Committee. Staff will return to Council with comments and will hold two public hearings.

Fiscal Impact:
None

Prior Council Action: None

Other: N/A

Alternatives: N/A

Recommended Motion (and Alternative Motions if expected):
recommendation

Move to approve the recommended Measure N budgets for FY 2024/25 & 2025/26, approve recommended plan changes, and continue with the expenditure plan process end

Environmental Assessment Status: N/A

CEQA Review: N/A

Attachments: None