



City of Merced Budget 2025-26

FY 2025/26 Budget

- ▶ City Budget Overview
- ▶ General Fund
- ▶ Measure C
- ▶ Measure Y
- ▶ Other Departments
- ▶ Council Direction



Overview

Labor Negotiation Increases included 4%

Maintenance, Supplies, and Services <0%-2% increase

Maintenance and One-Time Acquisitions included in General Fund, Measure Y, Measure C, and CFD

Parks and Community Services – Sustainable Budget an ongoing challenge

PC and Fleet Replacement

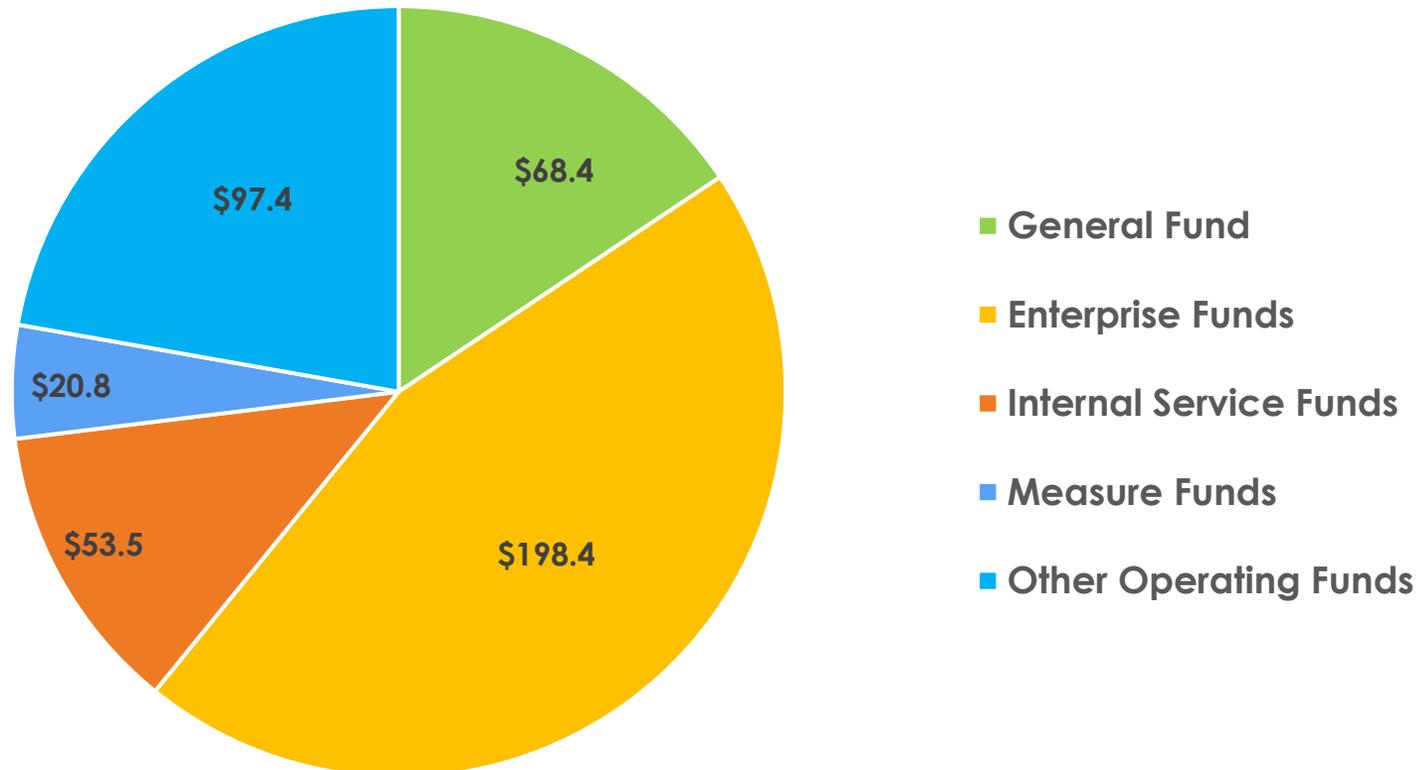
- Not included in the General Fund
- Included in Enterprise Funds and other Special Revenue Funds

No Funding Allocation:

- Community Funding
- Arts Funding

FY 2025-26 Budget Overview

Total City Budget \$438.5 million



FY 2025/26 General Fund

Estimated Beginning Balance – July 1, 2025	\$11,776,222
Budgeted Revenue	\$67,117,736
Operating Expenses	\$65,464,947
Operating Transfers	\$2,082,164
Total Operating Expenditures	\$67,547,111
Revenue over/under Expense	(\$429,375)
Below the Line (Non-operating)	\$442,313
Future Planning	\$5,274,280
Prior Year Projects	\$476,409
Recommended Ending Balance – June 30, 2026	\$5,153,845
Less Committed Funds-5% Contingency Reserve	\$3,377,356
Total Available Funds – June 30, 2026	\$1,776,489

General Fund Transfers



\$'s in Millions

Below the Line Expenses (Non-Operating)

Enterprise Resource Planning (ERP) System	\$ 147,352
City Clerk Remodel	\$ 100,000
Community Park 42 Maintenance	\$ 129,961
Civic Center Skylight Replacement	\$ 15,000
Civic Center Exhaust Replacement	<u>\$ 50,000</u>
Subtotal	\$442,313
Economic Development Opportunity Fund	\$ 675,000
Affordable Housing Fund	\$1,012,500
Trust 115-Pension	\$1,687,500
General Fund Reserve – 30% set aside	<u>\$1,899,280</u>
Total	\$5,716,593

Measure C

	Fund 2001-Old Measure C	Fund 2030-Public Safety	Fund 2031-Roads	Total
Beginning Balance 7/1/25	\$4,070,539	\$1,090,852	\$445,666	\$5,607,057
Sales and Use Tax	0	8,678,000	457,000	9,135,000
Other Revenue	214,840	104,898	1,070	320,808
Total Budgeted Revenue	214,840	8,782,898	458,070	9,455,808
Transfers	157,652	577	0	158,229
Operating Expenses	0	8,412,005	32,102	8,444,107
Acquisitions	200,000	412,933	300,000	912,933
Capital Improvements	1,812,386	0	0	1,812,386
Total Budgeted Expense	2,170,038	8,825,515	332,102	11,327,655
Ending Balance 6/30/26	\$2,115,341	\$1,048,235	\$571,634	\$3,735,210

*Meets GFOA Recommended Minimum

Measure Y

	Police-20%	Fire-20%	Parks & Rec-20%	Discretionary-40%	Total
Beginning Balance 7/1/25	\$140,496	\$449,693	\$66,890	\$0	\$657,079
Estimated Tax Revenue	337,300	337,300	337,300	674,600	1,686,500
Estimated Other Revenue	6,510	16,220	440	12,950	36,120
Estimated Transfers-In			311,155	(311,155)	0
Estimated Transfers-Out			385,646	337,300	722,946
Estimated Expenses	440,844	698,067	310,972	0	1,449,883
Ending Balance 6/30/26	\$43,462	\$105,146	\$19,167	\$39,095	\$206,870

Parks & Community Services

► Balancing the Operating Budget

- Measure Y 20% Parks and Recreation \$337,300
- Measure Y 50% of 40% Discretionary \$337,300
- General Fund Transfer
 - \$22,650 1.4% annual increase
 - \$1,642,003 Total GF Transfer
- New CP42 Maintenance \$83,440
 - Extra Help \$15,840
 - Utilities \$47,000
 - Paint, tools, etc. \$9,600
 - Turf Tank \$11,000

► Program Impacts

- Boys & Girls Club Lease-reduce \$25k
- Other Community Center leases-reduce \$5k
- Delete Full Time Zookeeper
- Eliminated Summer Camp
- Eliminated Stick to Fitness Sports Clinics
- Eliminated Block Party Trailer for Community Reservations
- MCSD Contributions for Youth Sports \$80k

Parks & CS

- ▶ Public Facilities Financing Plan (impact fees)
 - ▶ Community Park 42 \$200k
 - ▶ Fence and Water Infrastructure
 - ▶ Move Parks and Community Service Administration to Senior Center \$114k
 - ▶ \$28K (24.6%) PFFP
 - ▶ \$86k CY Operating Savings



Senior Center and McCombs Youth Center

FY 23/24 Senior Center

Rental Revenue		\$ 73,206
<i>Expense</i>		
Staffing	2 Temp Rec. Leaders at 960 @ \$16.00	31,565
Utilities	PG&E /MID/Wifi	27,375
AT&T	Annual total of Monthly Service	672
Inter/dept Facilities Fees	Custodial/Maintenance	93,384
Cleaning Fee(Service Masters)	Event cleaning fee	<u>10,613</u>
	Total Expense	163,609
	Expense over Revenue	\$ (90,403)

FY 23/24 McCombs

Youth Sports	Jr. Warriors	\$ 25,290
Sports Camps	Pickleball/Badminton	<u>5,245</u>
	Total Revenue	30,535
<i>Expense</i>		
Annual Lease Agreement	Boys&Girls Club	35,000
AT&T	Annual total of Monthly service	380
Inter/dept Facilities Fees	Custodial/Maintenance	<u>5,013</u>
	Total Expense	40,393
	Expense over Revenue	\$ (9,858)

Fitness Equipment in Parks

- ▶ Equipment Quote (YLI) \$200,000
 - ▶ Add installation costs
 - ▶ Add Field Prep costs

- ▶ PROS Plan
 - ▶ Identify Community Needs
 - ▶ Strategic Approach
 - ▶ Incorporate this request into plan

Police

▶ General Fund

- ▶ Deleting Lead Dispatcher
- ▶ Deleting Parking Enforcement Officer/Adding CSO
- ▶ Unfunded additional Police Officer (total of 4)
- ▶ Unfunded one Dispatcher
- ▶ Total Funded Positions = 109.30 (67.3 sworn/42 non-sworn)

▶ Measure C

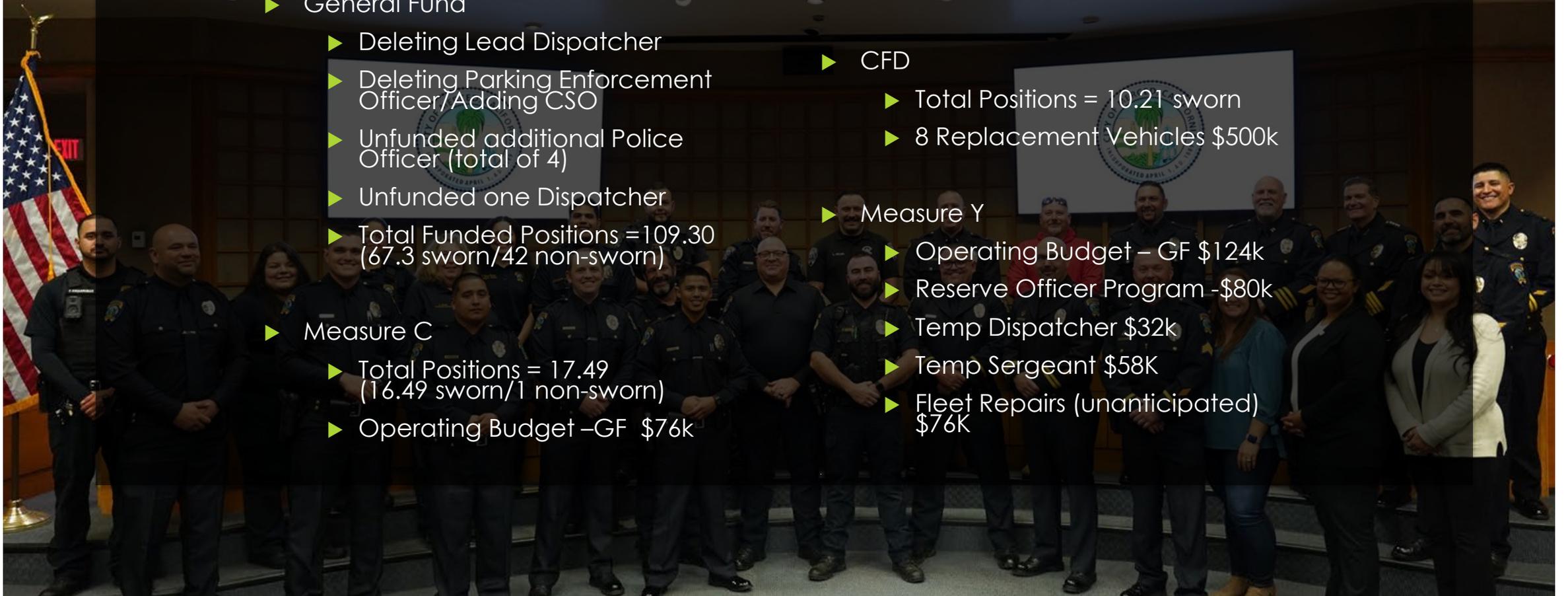
- ▶ Total Positions = 17.49 (16.49 sworn/1 non-sworn)
- ▶ Operating Budget –GF \$76k

▶ CFD

- ▶ Total Positions = 10.21 sworn
- ▶ 8 Replacement Vehicles \$500k

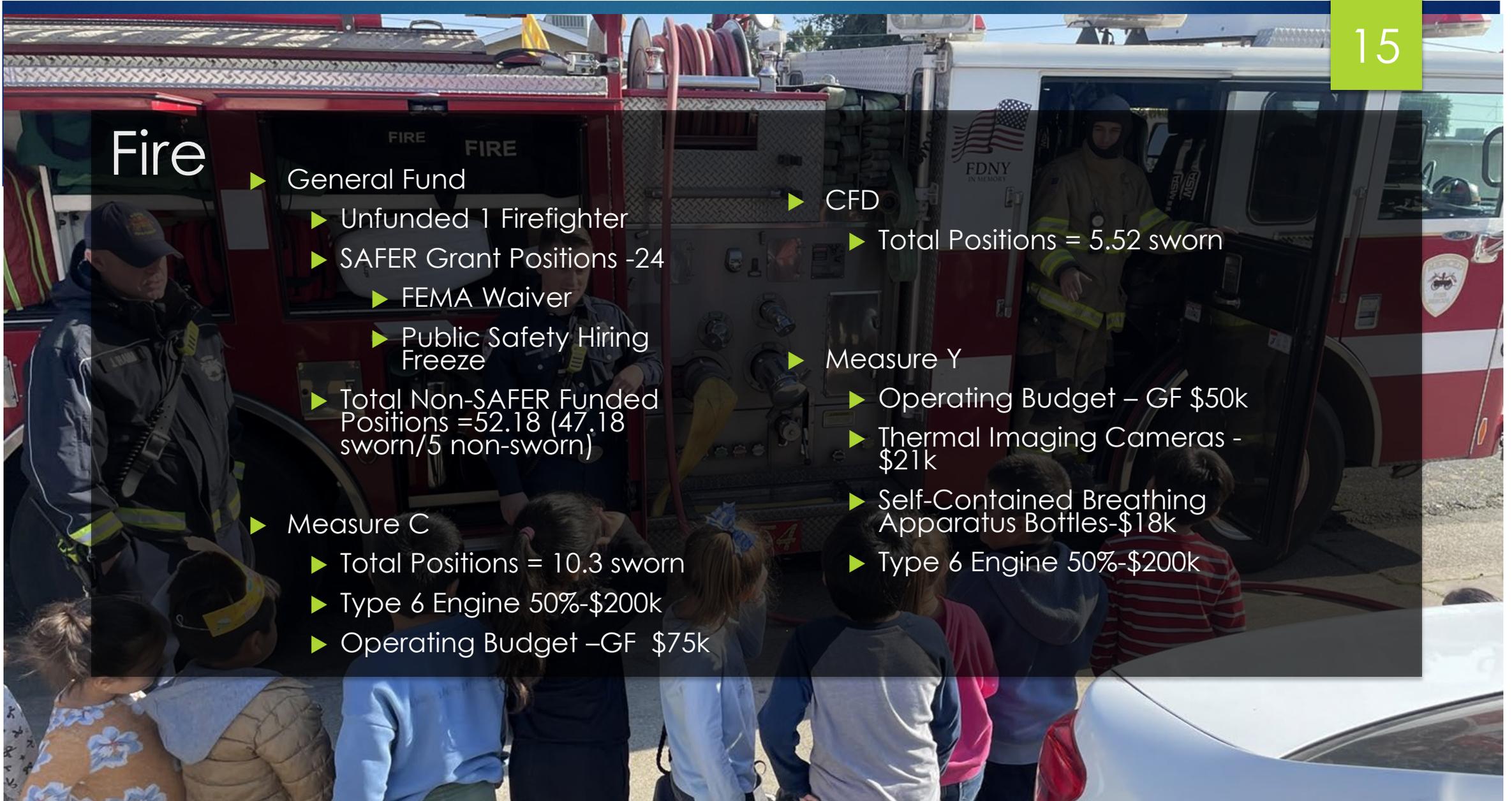
▶ Measure Y

- ▶ Operating Budget – GF \$124k
- ▶ Reserve Officer Program -\$80k
- ▶ Temp Dispatcher \$32k
- ▶ Temp Sergeant \$58K
- ▶ Fleet Repairs (unanticipated) \$76K



Fire

- ▶ General Fund
 - ▶ Unfunded 1 Firefighter
 - ▶ SAFER Grant Positions -24
 - ▶ FEMA Waiver
 - ▶ Public Safety Hiring Freeze
 - ▶ Total Non-SAFER Funded Positions =52.18 (47.18 sworn/5 non-sworn)
- ▶ Measure C
 - ▶ Total Positions = 10.3 sworn
 - ▶ Type 6 Engine 50%-\$200k
 - ▶ Operating Budget –GF \$75k
- ▶ CFD
 - ▶ Total Positions = 5.52 sworn
- ▶ Measure Y
 - ▶ Operating Budget – GF \$50k
 - ▶ Thermal Imaging Cameras - \$21k
 - ▶ Self-Contained Breathing Apparatus Bottles-\$18k
 - ▶ Type 6 Engine 50%-\$200k

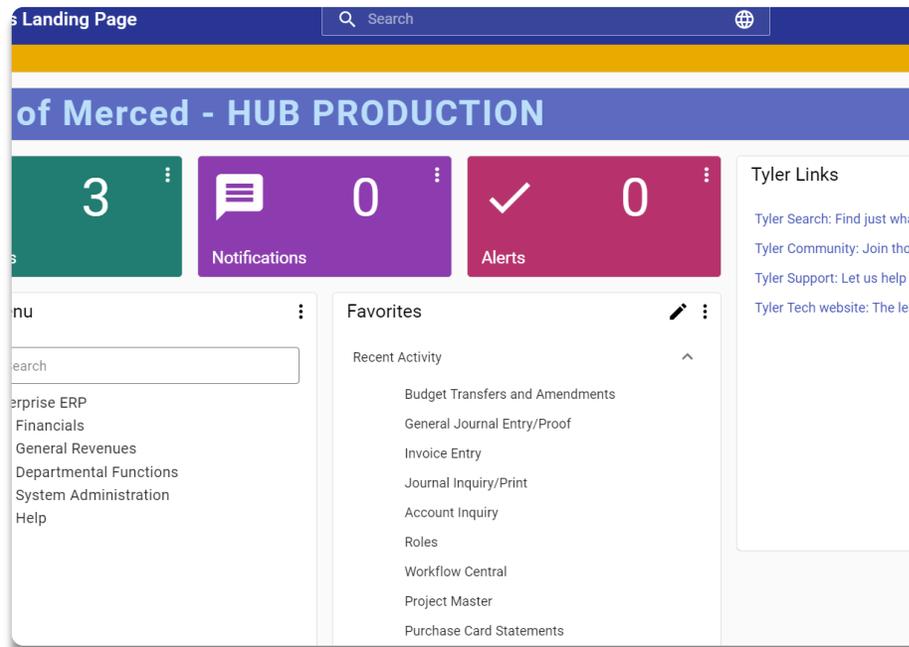


Administration



- ▶ City Manager
 - ▶ Unfund 2 (.5) Peer Support Specialists
 - ▶ Delete 2 Peer Support Specialist
 - ▶ Recreation Coordinator (Prop64)
 - ▶ CalVIP Grant Expires 06/30/25
- ▶ City Clerk
 - ▶ City Clerk Safety Improvements \$100k
- ▶ Finance
 - ▶ Add Assistant Buyer
 - ▶ 80% Admin Cost Recovery
 - ▶ Reduce Extra Help
 - ▶ Net \$6,000 additional GF costs

Administration



- ▶ Human Resources
 - ▶ Delete HR Technician-vacant
- ▶ Info Technology
 - ▶ Delete GIS Coordinator/Add IT Manager
 - ▶ Net increase \$9,000
 - ▶ Delete GIS Technician/Add Systems Technician I/II/III
 - ▶ No cost difference
 - ▶ Data Center Floor Replacement \$135k
 - ▶ Microsoft Software Licenses \$461k (15% increase)
 - ▶ ERP Allocation \$272k
 - ▶ GF Allocation \$147k
- ▶ Other
 - ▶ \$1 million RDA Residual revenue
 - ▶ No allocation of Community Funding
 - ▶ No allocation for Arts Projects

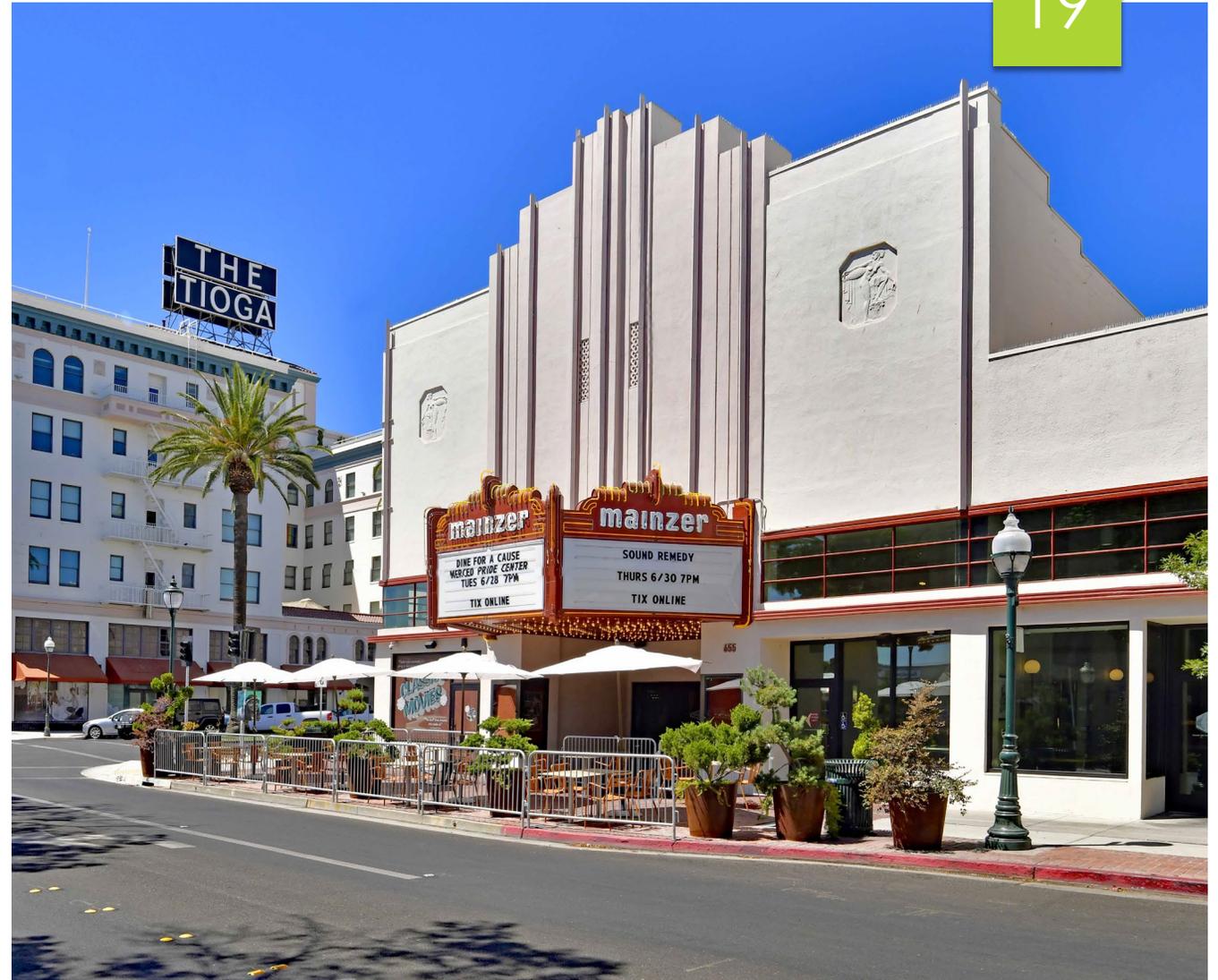
Development Services/Housing

- ▶ Remove Deputy Development Services Director for Planning Manager
- ▶ Use of Fund Balance \$1.3 million
 - ▶ Fee Study in progress
- ▶ Housing Deficit
 - ▶ Current Year FY 24/25 **(\$292,000)**
 - ▶ Revise Affordable Housing Policy
- ▶ Federal Budget Proposed Cuts
 - ▶ CDBG \$1-\$2.6M
 - ▶ HOME \$447k-\$2.8M



Downtown/Economic Dev/Airport

- ▶ Property Based Improvement District (PBID)
- ▶ Tourism Based Improvement District (TBID)
- ▶ Small Business Grant
- ▶ Airport Deficit
 - ▶ FAA-Cares Act Grant Expired
 - ▶ Landing Fees increase \$60k
 - ▶ GF Transfer \$367k
 - ▶ Other Opportunities to increase revenue





City PBID Assessments

FUND 9100-PARKING AUTHORITY \$34,642

FUND 6000-WATER OPERATIONS \$312

FUND 1000-GENERAL \$31,947

(INCLUDES 2% PUBLIC BENEFIT ASSESSMENT)

TOTAL \$66,901

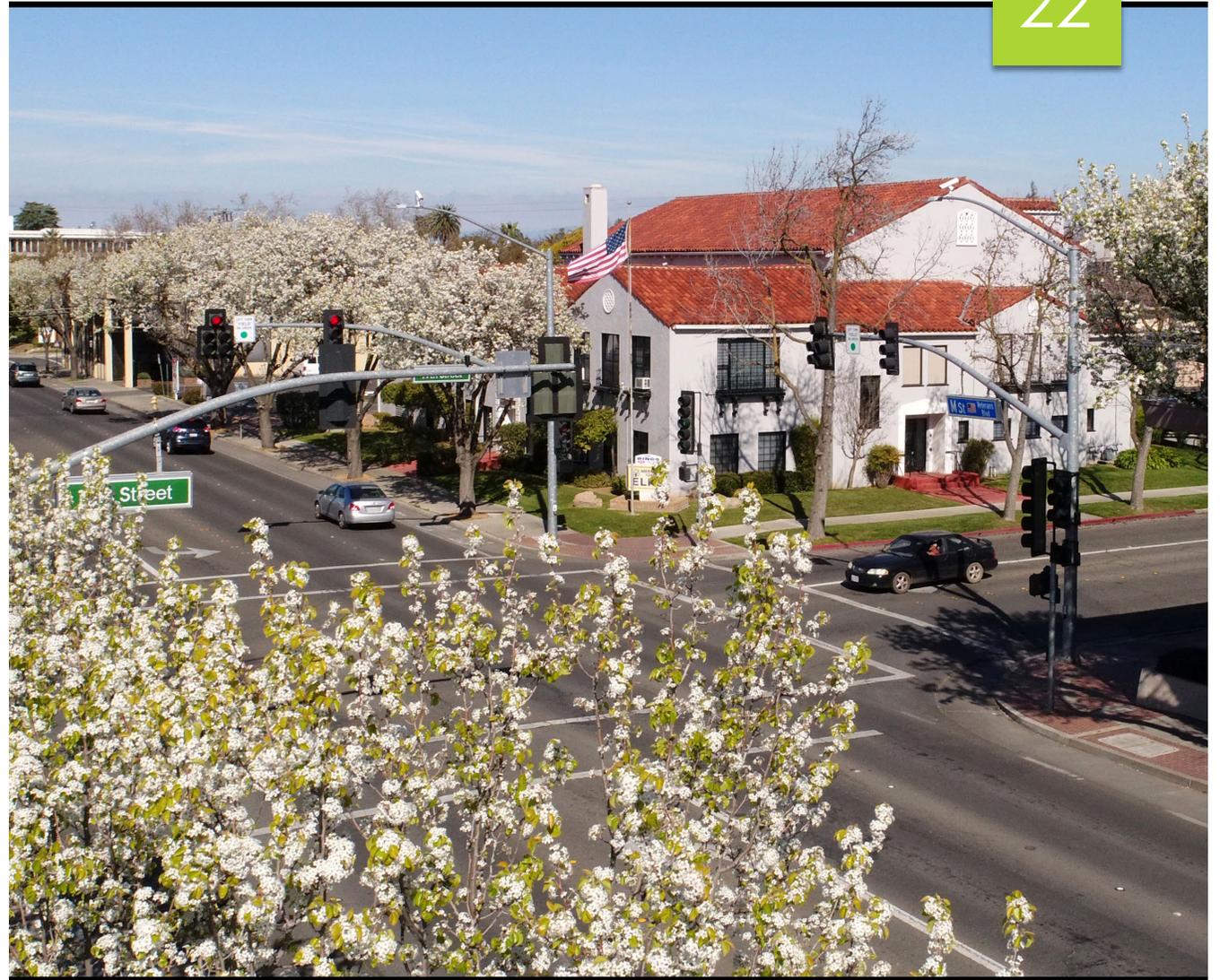
Public Works-Staffing



- ▶ Delete 1 Park Worker
- ▶ Add 2 Maintenance Worker I/II-Streets and Refuse
- ▶ Delete Sewer/Storm Drain Worker and add Lead-Sewer/Storm Drain
- ▶ Delete Instrumentation Control/Electrician Tech and add Lead-WWTP Maintenance
- ▶ Add 1 Lead Instrumentation Control/Electrician Tech (water)
- ▶ Add 1 Water Distribution Quality Assurance Tech
- ▶ Add 1 Tree Trimmer
- ▶ Add 1 Custodian I/II

Public Works

- ▶ Admin & Corp Yard Building Repairs \$166k
- ▶ Fleet Building Improvements \$80k
- ▶ Civic Center Skylight Replacement \$15k
- ▶ Civic Center Exhaust Replacement \$50k



Public Works

- ▶ Road Grinder \$300k (M.C.)
- ▶ Vehicle Acquisitions
 - ▶ Streets-1 Truck \$75k
 - ▶ Facilities-1 Van \$43k
 - ▶ Water-3 Trucks \$270k
 - ▶ Refuse-1 Rear Loader for Organics \$225k



PW Parks-Measure Y Discretionary

- ▶ Tree Trimming \$100,000
- ▶ Bike Path Maintenance \$60,000
- ▶ Park Improvements
 - ▶ Park Maintenance \$50,000
 - ▶ Zoo Roof Repair \$6,000
 - ▶ Joe Herb Upper \$25,000
 - ▶ Park Restroom partitions, security latches, and handle replacements city-wide \$69,000



Capital Projects



- ▶ Streets
 - ▶ Replace School Flashing Beacons-add \$120k
 - ▶ APS Polara-Push Buttons @ Schools-add \$100k
 - ▶ Controllers 2070 Replacement-add \$48k
 - ▶ Downtown Concrete Light Poles-new \$40k

- ▶ Engineering
 - ▶ McKee Road Rehabilitation \$1.2 million

Roads Projects Funding

Fund	Funding Source	PTBD	Unappropriated	Total
2007	Gas Tax-SB1	\$ 1,511,935		\$1,511,935
2008	Measure V-Alternative Modes	416,297		416,297
2009	Measure V-Local Transportation	2,175,946		2,175,946
2031	Measure C-Roads		\$571,634	571,634
3006	Surface Transportation Program (STP)	1,693,791		1,693,791
3007	Local Transportation	71,017		71,017
	Total	\$5,868,986	\$571,634	\$6,440,620

Council Direction

Community Funding

- Historically \$28k-\$50k
- Non-operating/does not impact deficit
- Will reduce amount projected to be available at the end of the fiscal year.

Arts Projects

- Historically \$100k
- \$92k from current year carrying over into next year.
 - \$64.5k allocated/\$27.5 unallocated
- Non-operating/does not impact deficit
- Will reduce amount projected to be available at the end of the year.

Council Directions

Police Positions

- Police Officer \$155,869 each
- Four Police Officers = \$623,476
- Dispatcher \$106,082
 - Increases deficit

Fire Position

- Firefighter \$143,145
 - Increases deficit

Deficit

- Leave out of balance
- Add Trust 115
- Other identified expense reductions

Questions?

Council Budget Direction