

# City of Merced Budget 2023-24



# FY 2023/24 Budget

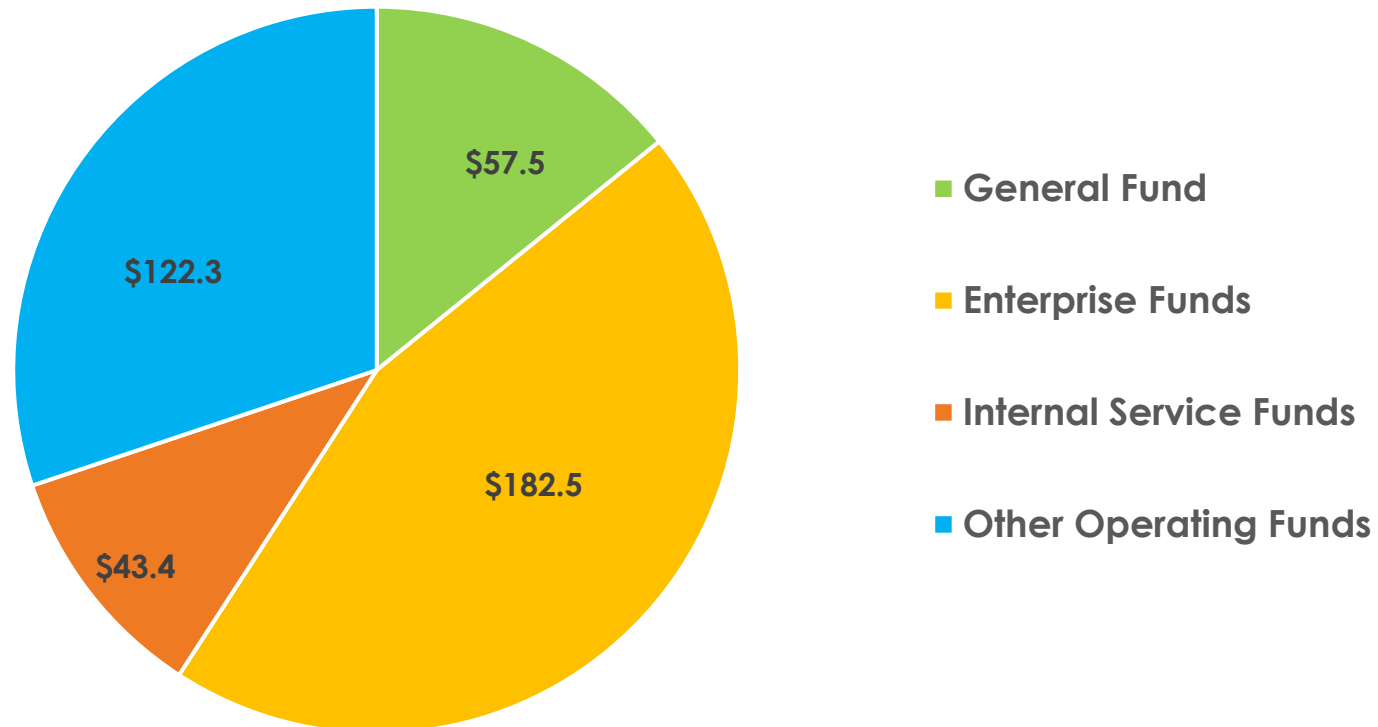
- ▶ City Budget Overview
- ▶ General Fund
- ▶ Measure C
- ▶ Measure Y
- ▶ Parks & Community Services
- ▶ Goals & Priorities
- ▶ Errata
- ▶ Pending Direction

2



# FY 2023-24 Budget Overview

**Total City Budget \$405.7 million**



# Expense Overview

Labor Negotiated  
Increases

Maintenance,  
Supplies, and Services  
at a 4% increase

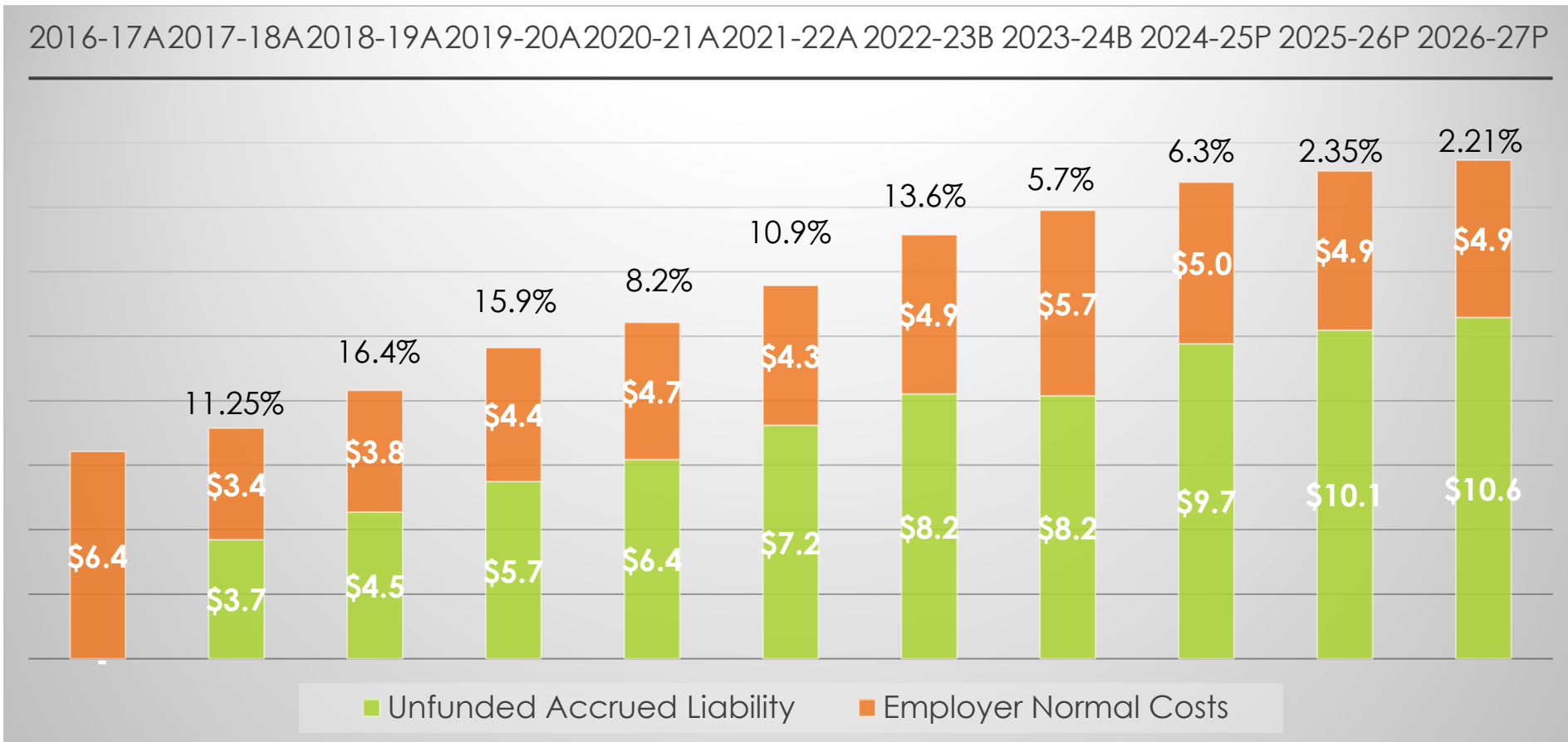
Maintenance and  
One-Time Acquisitions  
included in Measure Y  
and Measure C

Fund 087-ARPA per  
Council Direction

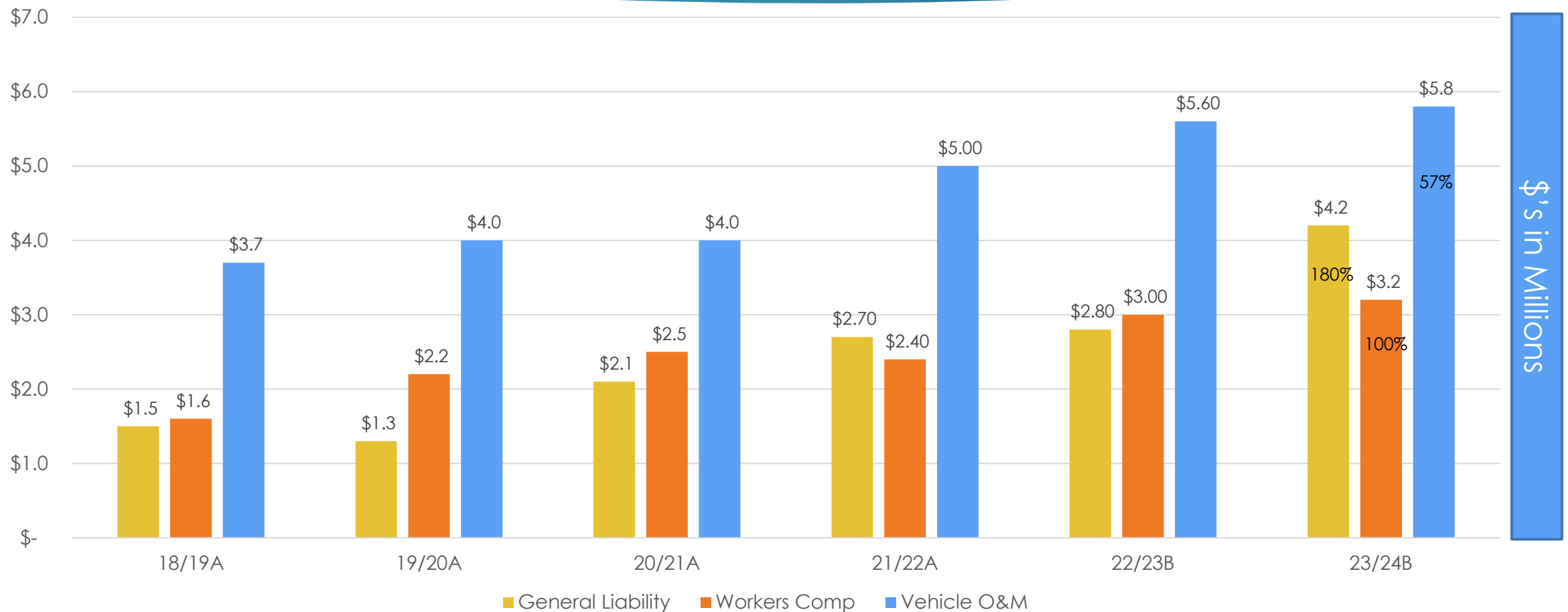
PC and Fleet  
Replacement

- Not included in the General Fund
- Included in Enterprise Funds

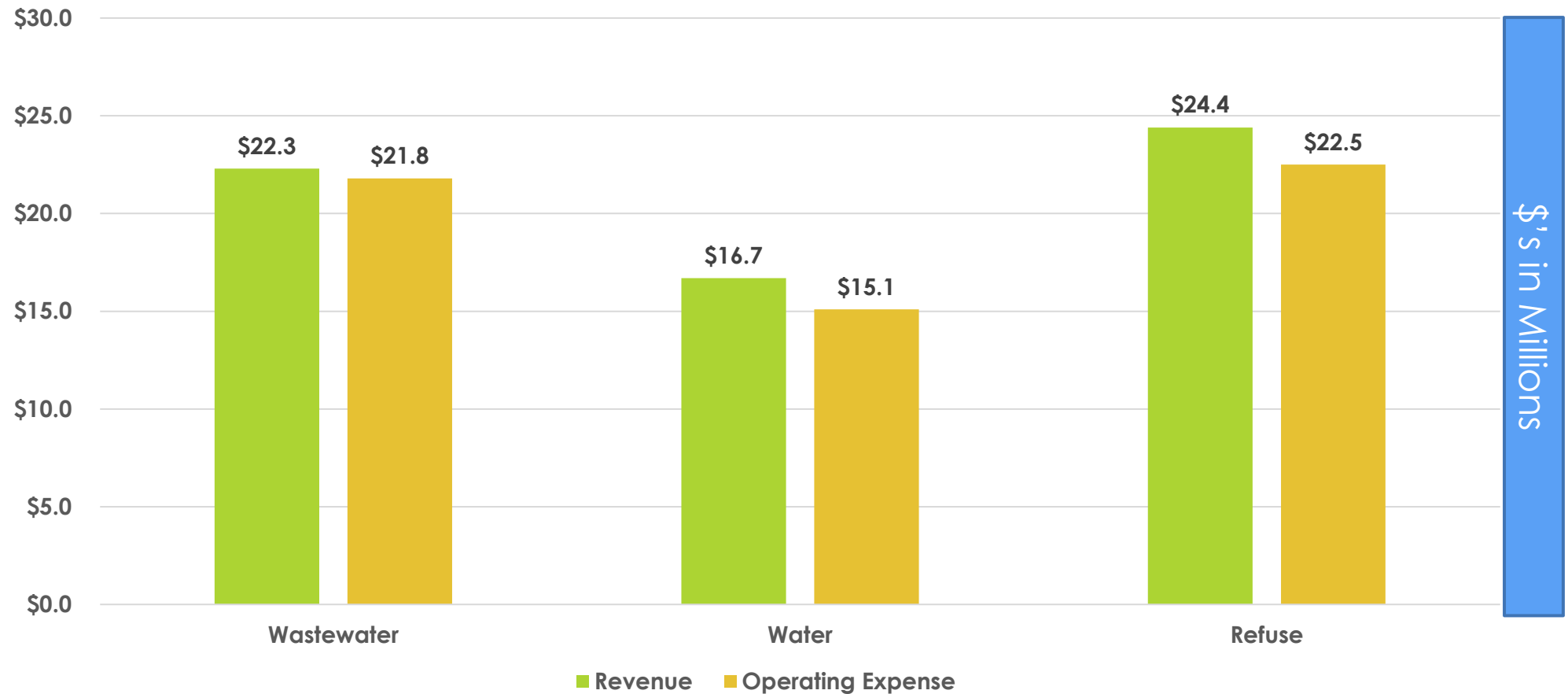
# CalPERS



# Citywide-Largest Cost Drivers



# Enterprise Fund Summary



# Recommended Staffing

| Functional Area      | Add | Delete | Total |
|----------------------|-----|--------|-------|
| Economic Development | .50 | (1)    | (.50) |
| Police               | 2   | (2)    | -     |
| Engineering          | 1   | (1)    | -     |
| Planning             | 1   | (2)    | (1)   |
| Streets              | 1   |        | 1     |
| Trees                | 1   | (1)    | -     |
| Facilities           | 1   |        | 1     |
| Airport              | .50 | (1)    | (.50) |
| Total                | 8   | (8)    | -     |

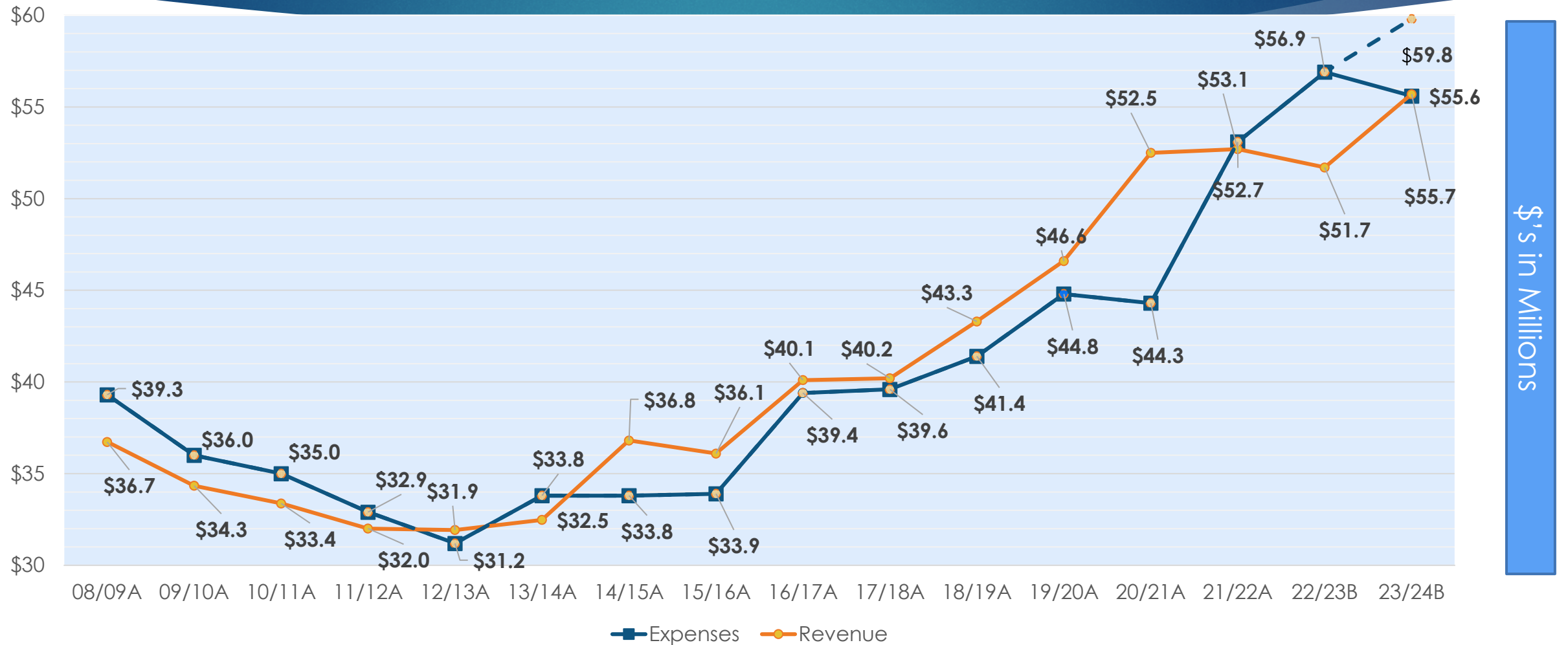
# FY 2023/24 General Fund

|                                                   |                     |
|---------------------------------------------------|---------------------|
| <b>Estimated Beginning Balance – July 1, 2023</b> | <b>\$11,488,571</b> |
| <b>Budgeted Revenue</b>                           | <b>\$55,667,921</b> |
| Operating Expenses                                | \$54,100,004        |
| Operating Transfers                               | \$1,462,975         |
| <b>Total Operating Expenditures</b>               | <b>\$55,562,979</b> |
| <b>Revenue over/under Expense</b>                 | <b>\$104,942</b>    |
| Below the Line (Non-operating)                    | \$1,529,807         |
| Future Planning                                   | \$2,271,567         |
| Prior Year Projects                               | \$440,493           |
| <b>Recommended Ending Balance – June 30, 2024</b> | <b>\$7,351,646</b>  |
| Less Committed Funds-5% Contingency Reserve       | \$2,778,149         |
| <b>Total Available Funds – June 30, 2024</b>      | <b>\$4,573,497</b>  |

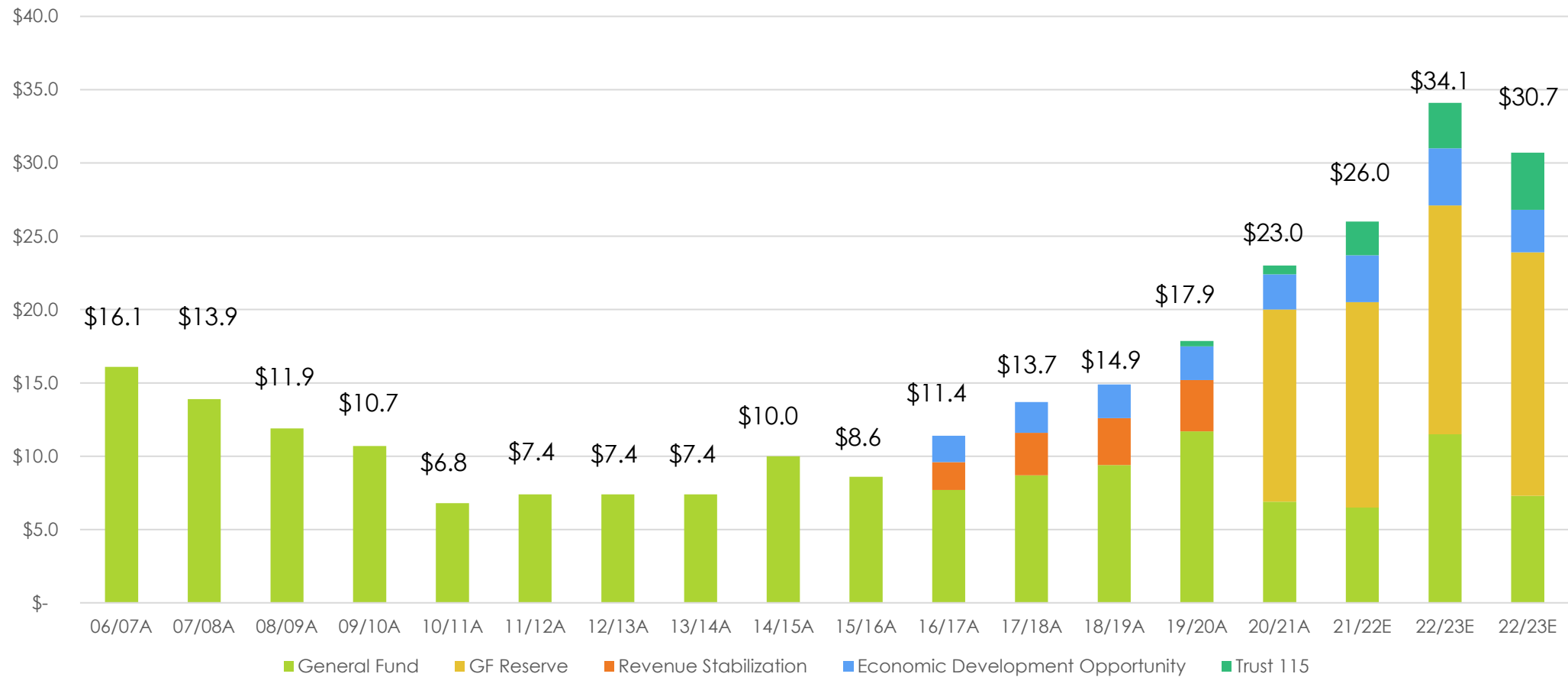
# FY 2022/23 General Fund

| General Fund                                         | 2022-23 Mid-Year   | 2023-24 CM Budget  | Difference           |
|------------------------------------------------------|--------------------|--------------------|----------------------|
| 6/30/2023 Estimated Ending Balance                   | \$9,555,624        | \$11,488,571       | \$1,932,947          |
| Operating Expense over Revenue                       |                    | 104,942            | 104,942              |
| Non-operating Costs                                  |                    | (1,529,807)        | <u>(1,529,807)</u>   |
| Project Carryover                                    |                    | (440,493)          | <u>(440,493)</u>     |
| Future Planning                                      |                    | (2,271,567)        | <u>(2,271,567)</u>   |
| General Fund Reserve-5% Contingency                  | <u>(2,602,054)</u> | <u>(2,778,149)</u> | <u>(176,095)</u>     |
| <b>Unreserved, Unencumbered General Fund Balance</b> | <b>\$6,953,570</b> | <b>\$4,573,497</b> | <b>(\$2,380,073)</b> |

# General Fund Summary

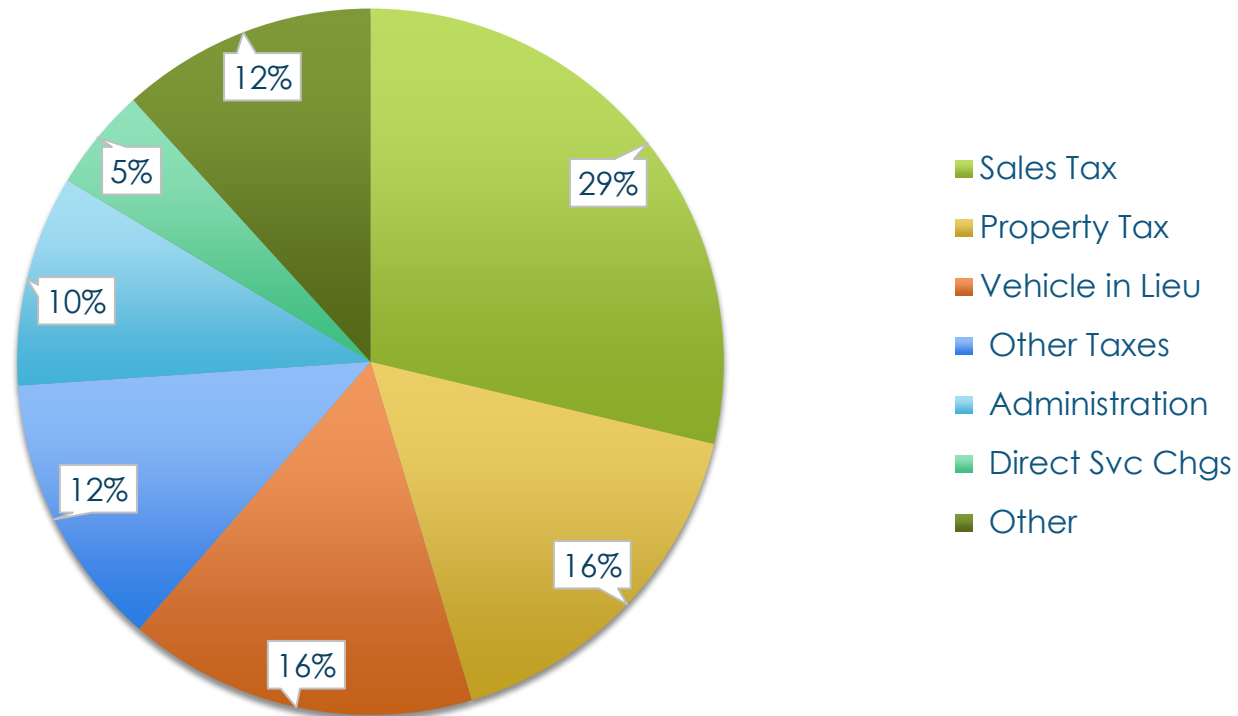


# General Fund Balance



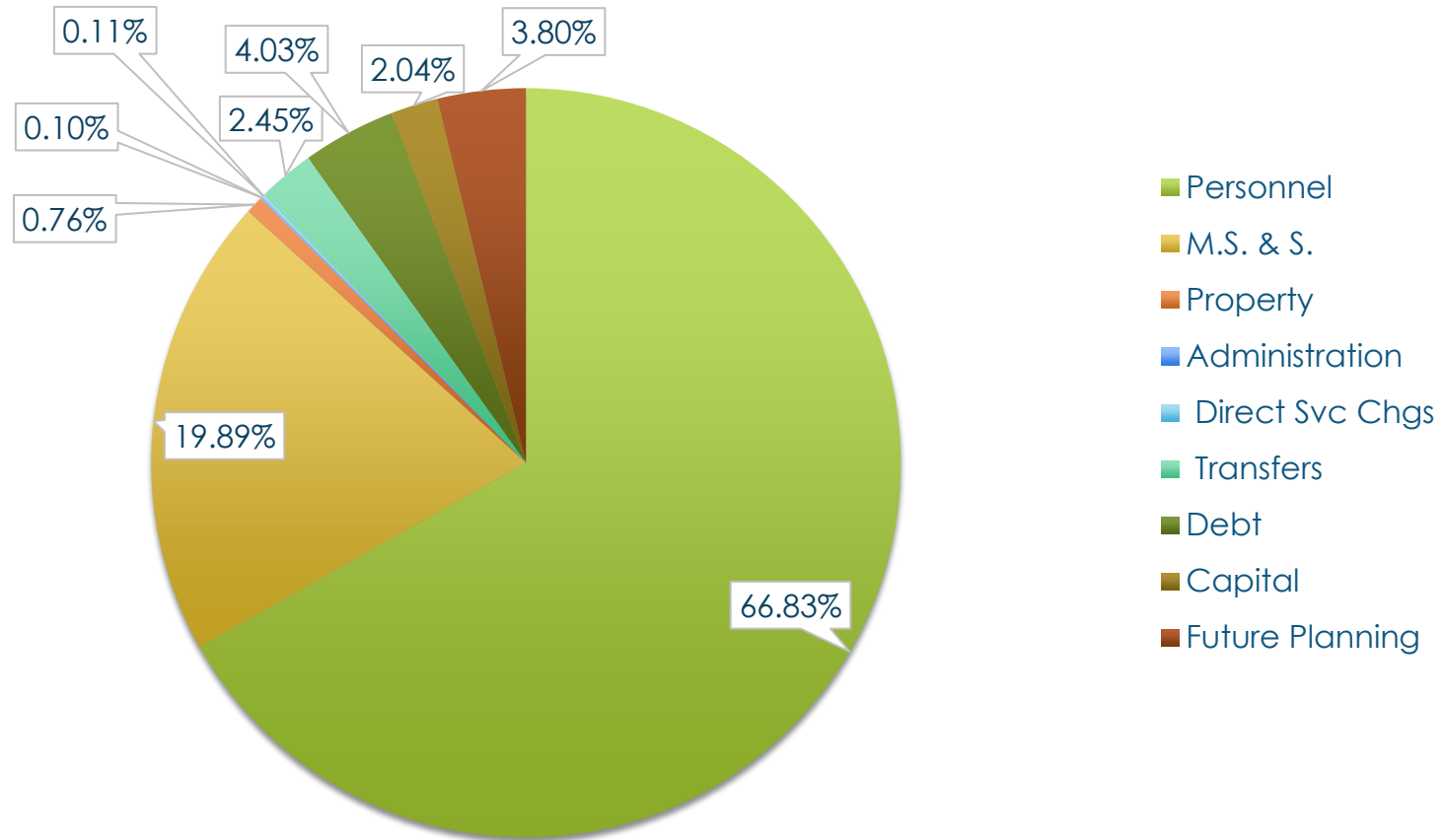
# General Fund Revenues

**Total Revenues of \$55.7 million**

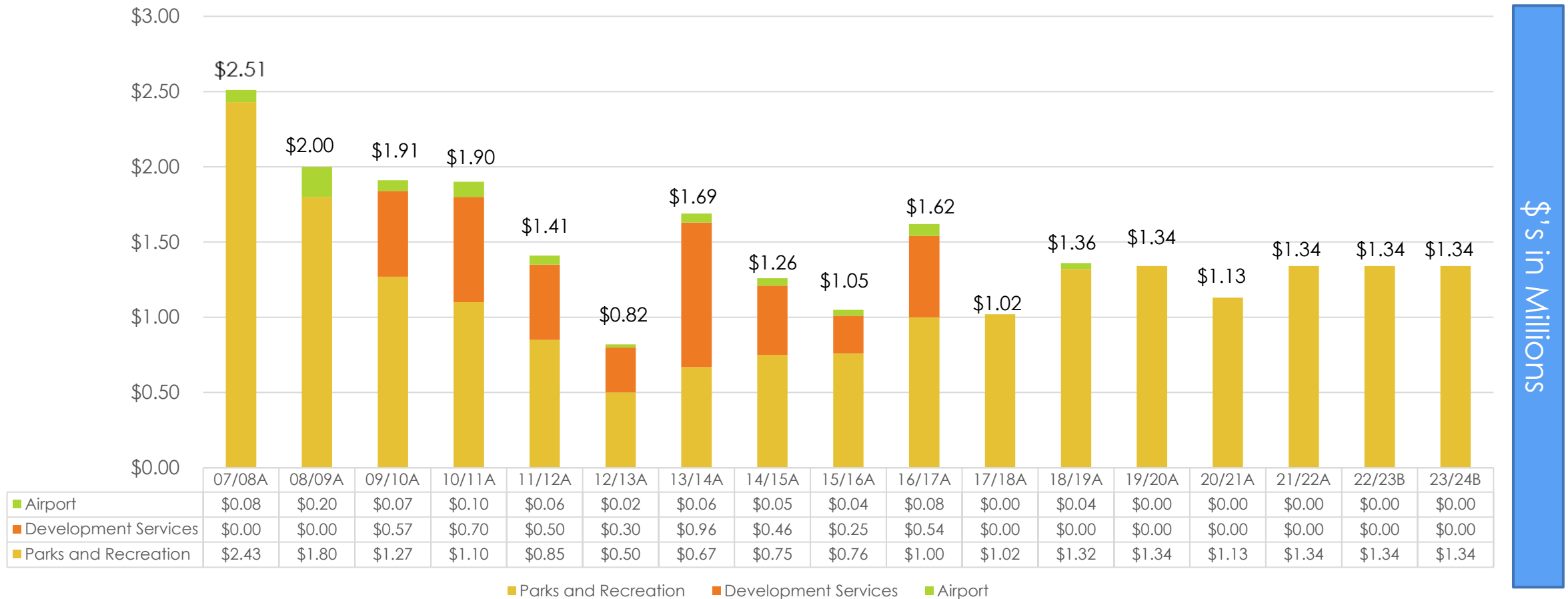


# General Fund Expenses

**Total Expenses \$56.9 million**



# General Fund Transfers



## Below the Line Expenses (Non-Operating)

|                                           |             |
|-------------------------------------------|-------------|
| Enterprise Resource Planning (ERP) System | \$ 428,589  |
| Community Funding                         | \$ 30,000   |
| Parks Vehicles                            | \$ 110,000  |
| Art Projects                              | \$ 100,000  |
| Dash Cams Hardware & Body Cam Storage     | \$ 77,410   |
| South Merced Improvements                 | \$ 350,000  |
| City Attorney Contract                    | \$ 165,766  |
| IT Replacement Generator                  | \$ 121,567  |
| IT Cyber Security Upgrade                 | \$ 40,162   |
| IT Website Update                         | \$ 106,313  |
| Trust 115-Pension                         | \$ 789,750  |
| Economic Development Opportunity Fund     | \$ 425,250  |
| General Fund Reserve – 30% set aside      | \$1,056,567 |

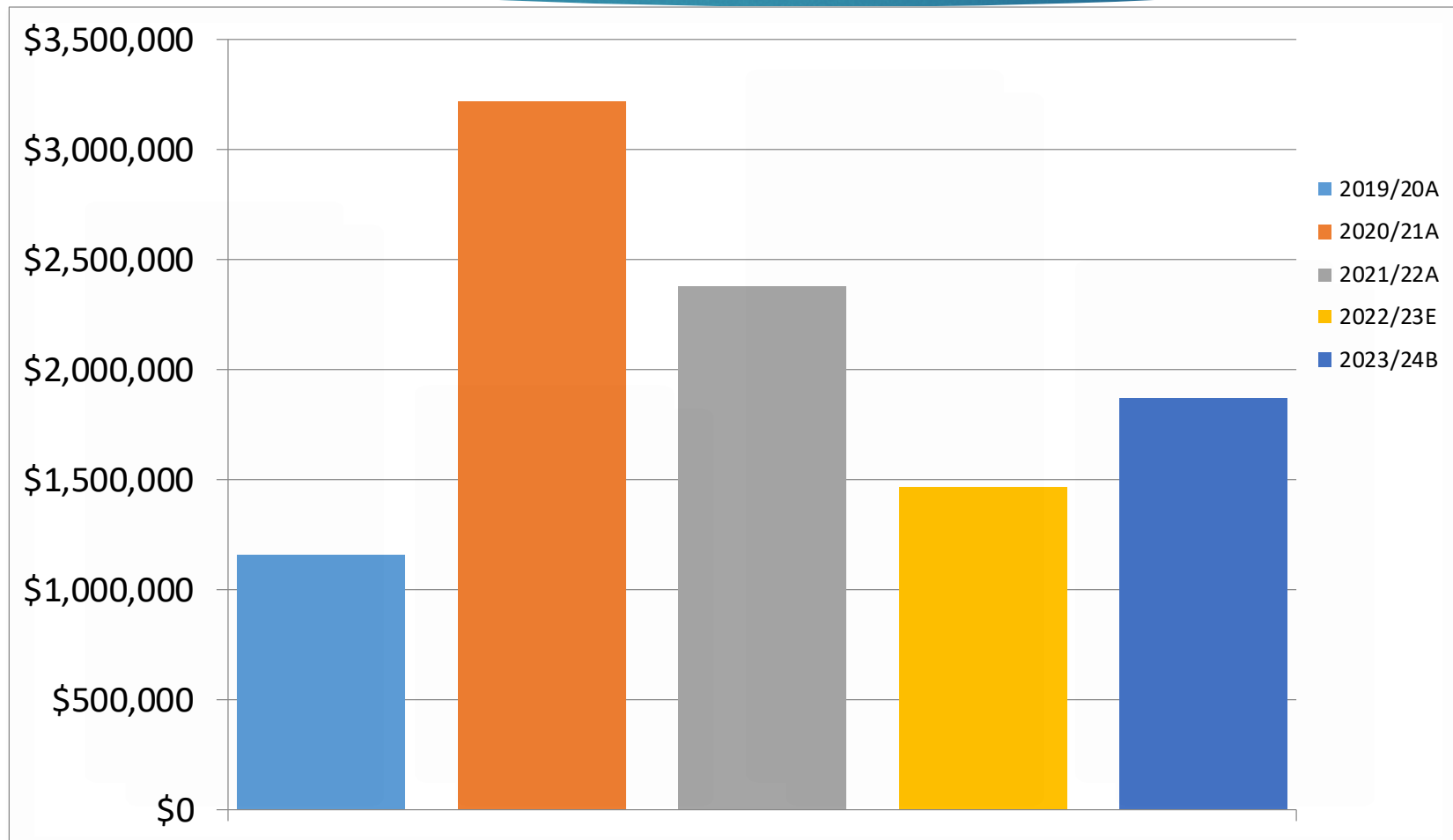
**Total**

**\$3,801,374**

# Measure Y

|                          | Police-20% | Fire-20%  | Parks & Rec-20% | Discretionary-40% | Total     |
|--------------------------|------------|-----------|-----------------|-------------------|-----------|
| Beginning Balance 7/1/23 | \$141,143  | \$434,025 | \$0             | \$0               | \$575,168 |
| Estimated Tax Revenue    | 373,760    | 373,760   | 373,760         | 747,520           | 1,868,800 |
| Estimated Other Revenue  | 4,600      | 7,080     | 8,850           | 11,730            | 32,260    |
| Estimated Transfers      |            |           | 385,957         | (385,957)         | 0         |
| Estimated Expenses       | 506,463    | 750,000   | 768,485         | 0                 | 2,024,948 |
| Ending Balance 6/30/24   | \$13,040   | \$64,865  | \$82            | \$373,293         | \$451,280 |

# Measure Y-Cannabis Tax by Fiscal Year



## Measure Y - Police/Fire

### ► Fire 20%

- Refurbish One Fire Reserve Engine
- Ambulance Purchases

### ► Police 20%

- Reserve Officer Program
- New K-9, Equipment & Training
- Parcade Office Utilities
- Real Time Crime Center Room
- Vests
- Quick Deploy Cameras (LPR's)
- Rifles and Scopes
- Laser Shot (Training Simulator)

## Measure C -

### ► Police

- Moved 1 Police Officer to CFD
- Ballistic & Night Vision Helmets \$49,500
- Record Management System Upgrade \$99,000
- Server Software \$32,000

### ► Other

- Ballot Measure \$70,000

### ► Fire

- Female Academy \$10,000
- Paint Fire Station 51 \$25,000

### ► Streets

- GPS Opticom \$210,000
- Phase 2 Safe Streets Project – \$1 million

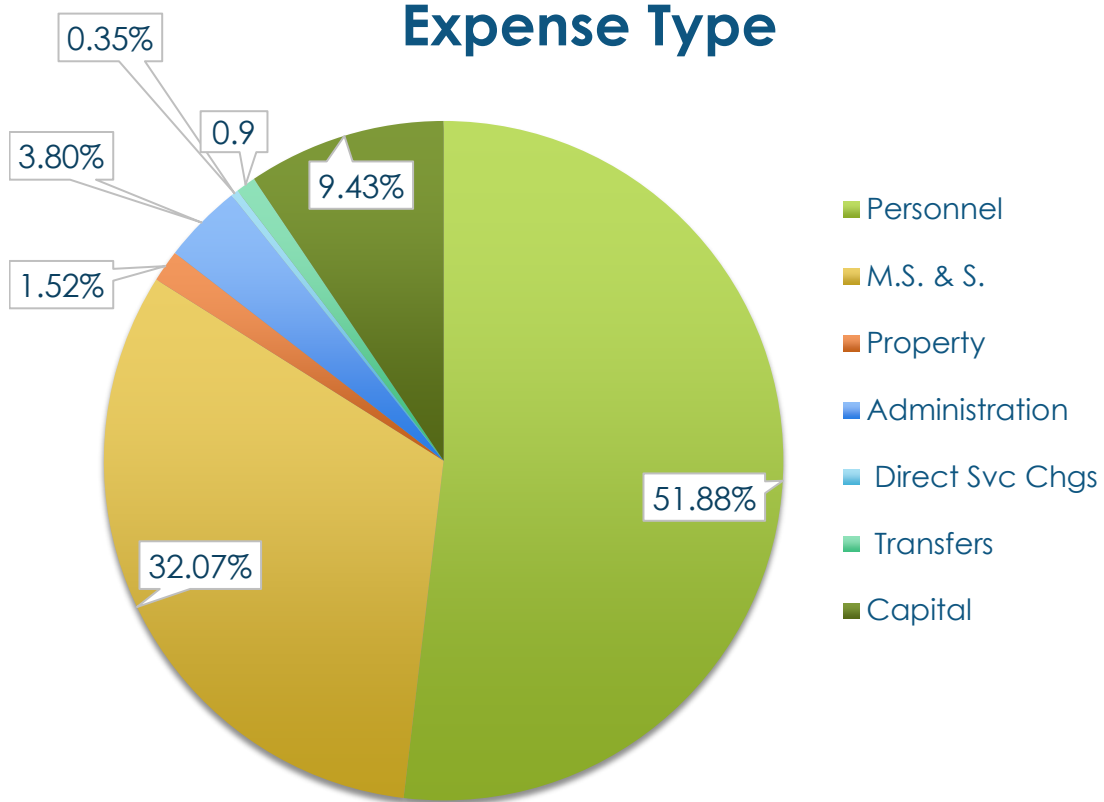
# Parks & Community Services

|                          | Parks & Community Services | Parks & Rec- 20% | Total            |
|--------------------------|----------------------------|------------------|------------------|
| Beginning Balance 7/1/23 | \$161,803                  | \$0              | \$161,803        |
| Cannabis Tax             | 0                          | 759,717          | 759,717          |
| Program Revenues         | 340,792                    | 8,850            | 349,642          |
| General Fund Transfer    | 1,335,600                  | 0                | 1,335,600        |
| Prop 64 Grant            | 336,043                    | 0                | 336,043          |
| CFD Revenues             | <u>175,556</u>             | <u>0</u>         | <u>175,556</u>   |
| <i>Total Revenues</i>    | 2,187,991                  | 768,567          | 2,956,558        |
| <i>Total Expenses</i>    | <u>2,861,414</u>           | <u>768,485</u>   | <u>3,629,899</u> |
| Ending Balance 6/30/24   | (\$511,620)                | \$82             | (\$511,538)      |

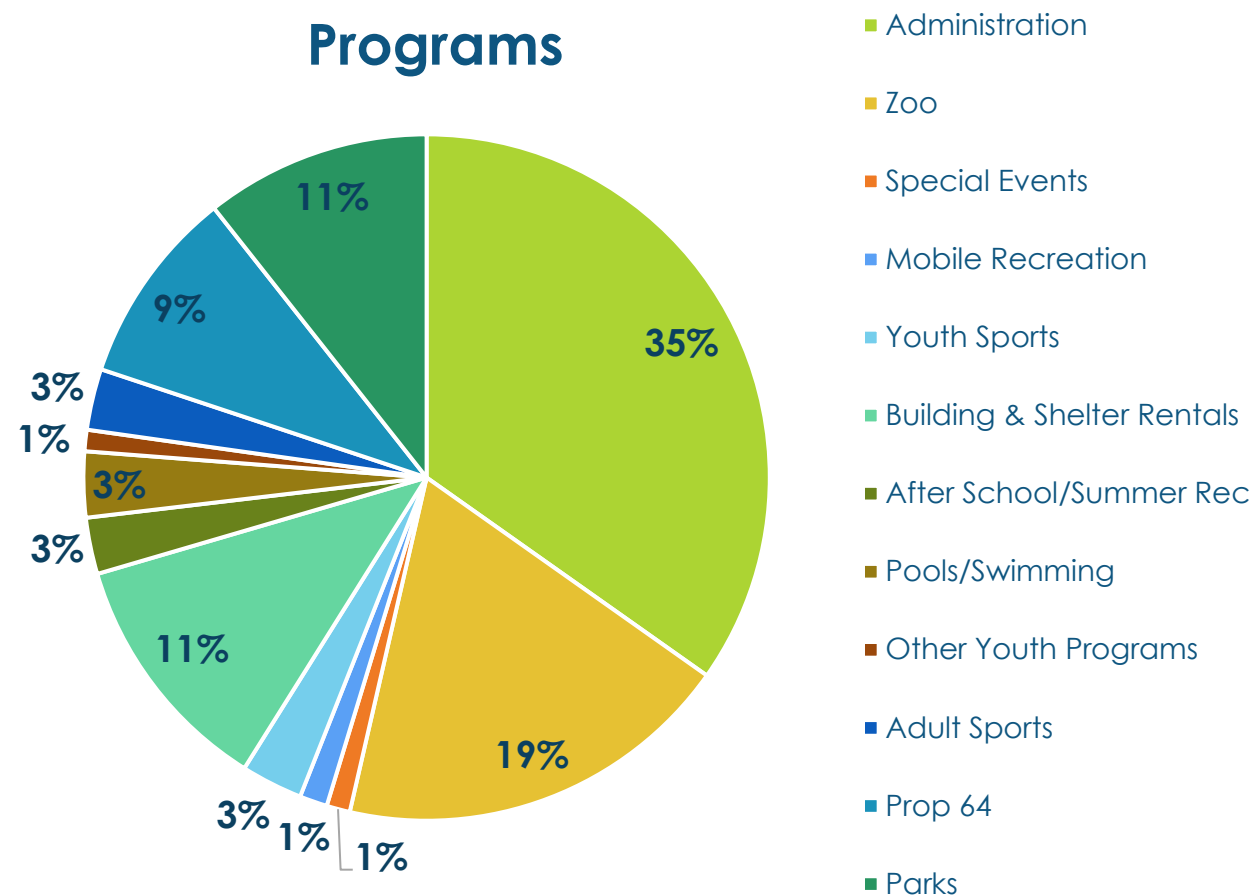
# Parks & Community Services Expenses

Total Expenses \$3.6 million

## Expense Type



## Programs



# Parks & Community Services-Options

- ▶ General Fund Transfer
  - ▶ Base increase \$1,335,600
  - ▶ Base with CPI \$1,430,695
  - ▶ Other amount?
- ▶ Measure Y-Discretionary 40%
  - ▶ Available \$373,293
- ▶ Program Revenue Increases
  - ▶ Estimated \$110,000
- ▶ Budget Cuts
  - ▶ Parks and Community Services
  - ▶ Other General Fund Expenses



# Measure Y – Parks & Recreation

## ► Parks & Recreation – 20%

- Need Council Direction to address the shortfall in operating budget

## ► Discretionary-40%

- Tree Trimming
- Bike Path Maintenance



# General Fund Staffing/Admin



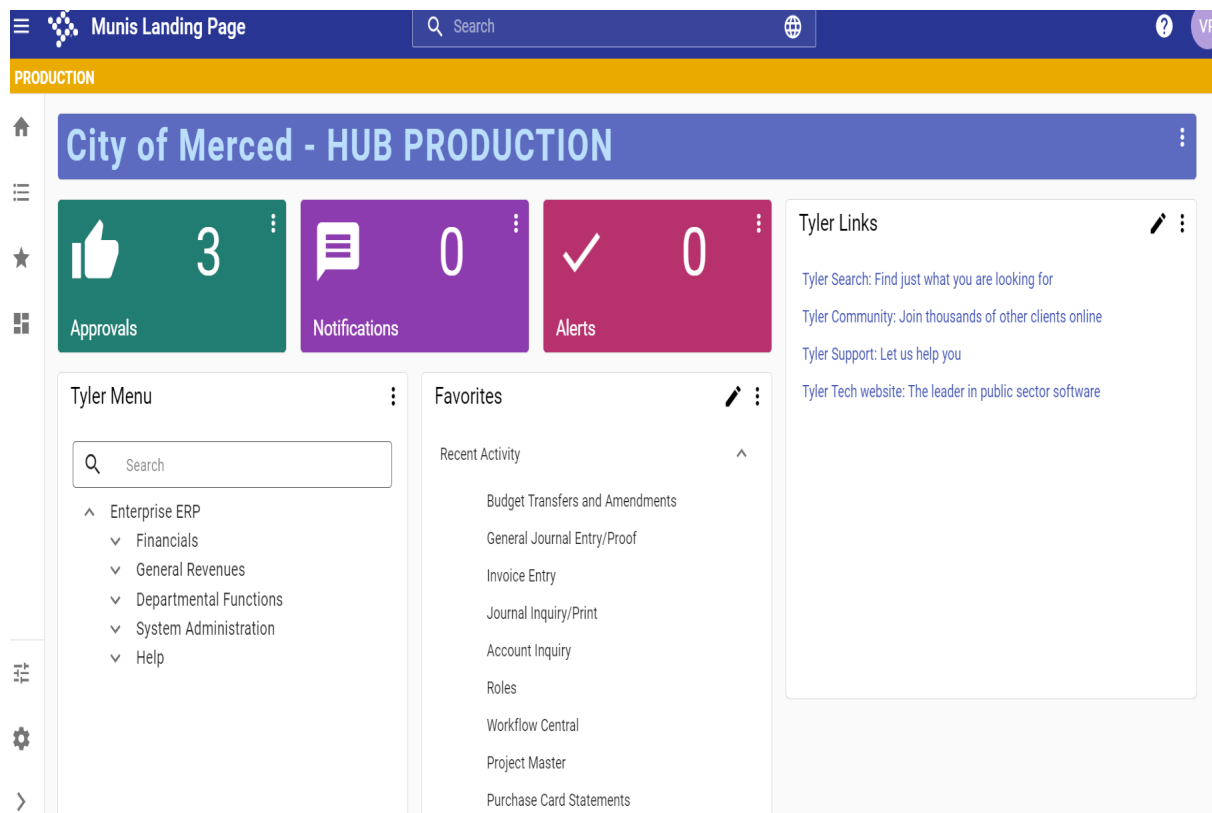
## ► Police

- Added 1 Police Lieutenant
- Deleted 1 Police Captain
- Added 1 Community Services Officer
- Deleted 1 Police Records Clerk

## ► Outside City Attorney

- Positions and Contract Attorney  
\$1M

# Administration



- ▶ Info Technology
  - ▶ Replacement Generator \$300k
  - ▶ Cyber Security Enhancements \$180k
  - ▶ Website Update \$225k
- ▶ ERP Allocation \$1 M

# Downtown/Economic Dev/Airport

- ▶ Property Based Improvement District (PBID)
- ▶ ARPA
  - ▶ Bob Hart Square Expansion \$800k
  - ▶ Streetscaping \$200k
  - ▶ Main St one-way redesign \$750k
- ▶ South Merced Industrial Park Study
- ▶ Small Business Grant
- ▶ Remove 1 Economic Development Manager
- ▶ Remove 1 Airport Manager
- ▶ Add 1 Business & Aviation Manager

27



# Development Services/Housing

- ▶ Remove Engineering Project Manager for Senior Engineer
- ▶ Remove Planning Manager and Associate Planner for Deputy Development Services Director
- ▶ Additional \$1M for General Plan Update
- ▶ First Time Homebuyers Program \$2.5M
- ▶ 67 unit Affordable Housing Project \$1.3M
- ▶ 95 unit motel conversion \$24M
- ▶ 21 unit container housing \$4.2M.
- ▶ ARPA Allocation \$7.5M



# Public Works/Beautification

- ▶ Staffing
  - ▶ Added 1 Maintenance Worker-Streets
  - ▶ Remove 1 Tree Trimmer for Maintenance Worker-Trees
  - ▶ Added 1 Custodian-Facilities



# Public Works/Beautification

- ▶ Wastewater /Water
  - ▶ Wastewater Rate Study
  - ▶ Water Rate Study
  - ▶ Water Rate Increase (July 2023)
    - ▶ 6% Increase
    - ▶ Staff recommend no increase
    - ▶ Council Direction



# Public Works/Beautification

- ▶ Streets
  - ▶ Over \$2.3M new Measure V and SB1 Project Funding
    - ▶ Collins Dr Rehab
    - ▶ M St/Buena Vista Roundabout Design
    - ▶ Fiber Slurry various arterials
  - ▶ Public Art \$100k
  - ▶ Murals on CalTrans Facilities \$350k
  - ▶ South Merced Improvements \$350k



# Community Funding



Historically, the City Council has awarded an average of \$23,000 to community groups for one-time projects, last year \$60,000 was awarded



Council direction was to establish a transparent process to evaluate proposals from the Community



Proposals were received April 1<sup>st</sup> through April 28<sup>th</sup>



Applications are being reviewed by the Budget Sub-Committee, report on June 5th

# Summary of Proposals

| Organization Name                                  | Project Description                                  | Term   | Amount        |
|----------------------------------------------------|------------------------------------------------------|--------|---------------|
| League of United African American Citizens (LUAAC) | anti-bullying / fentanyl awareness                   | 1 year | \$ 35,000.00  |
| Merced Youth Soccer Association (MYSA)             | help high school students prepare for college/career | 1 year | \$ 25,650.00  |
| Merced Lao Family Community                        | Hmong traditional music & cultural instruction       | 1 year | \$ 15,000.00  |
| Calvary Assembly                                   | Isaiah Project                                       | 1 year | \$ 5,200.00   |
| Robert Rojas Foundation                            | opiate education & training                          | 1 year | \$ 119,481.60 |
| Merced County Nut Festival                         | 2023 Merced County Nut Festival                      | 1 year | \$ 7,000.00   |
| Total                                              |                                                      |        | \$ 207,331.60 |

# Errata



General Fund  
ARPA-Administration \$65,000



ARPA Adjustments  
-Affordable Housing \$1M  
-Job Training \$1.175M  
-Applegate Restroom \$425k  
-Community Park 42 \$3.35M  
-Stimulus Payments (\$230K)  
-Water Infrastructure (\$2.5M)  
-Broadband Infrastructure (\$1.5M)  
-Administration (\$288K)

# Council Direction

Water Rates

Parks and Community Services Fees and Shortfall

Community Funding

Council Budget Direction

