



# City of Martinez City Council Workshop

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**FY 2023-24 and 2024-25  
Biennial Operating Budget**

# Presentation Outline



- Budget Calendar
- City Reorganization
- Staffing Trends
- City Goals
- Department Accomplishments & Objectives
- Budget Assumptions
- Budget Overview
- Decision Points for City Council



# Budget Calendar



JAN	FEB	MAR	APR	MAY	JUN
<ul style="list-style-type: none"> <li>Draft Budget Calendar created and discussed with City Council</li> </ul>	<ul style="list-style-type: none"> <li>City Council Workshop to discuss City Goals</li> </ul>	<ul style="list-style-type: none"> <li>Program revenue and operations budget worksheets distributed to Depts.</li> <li>Public Workshop to review CIP</li> </ul>	<ul style="list-style-type: none"> <li>Budget Narratives distributed to Depts.</li> <li>City Council approves City Goals</li> </ul>	<ul style="list-style-type: none"> <li>City Manager reviews draft Operating Budget</li> <li>City Manager reviews draft Budget Narratives</li> <li>Adoption of CIP</li> <li>Public Workshop to review the Operating Budget</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of Operating Budget</li> </ul>

# City Re-organization



## Key Positions Filled in FY23



Michael Chandler,  
City Manager



Lauren Sugayan  
Assistant City Manager



Andrew White  
Police Chief



Joe Enke  
City Engineer/Public Works  
Director



Michael Cass  
Planning Manager



Jill Bergman  
Community & Economic  
Development Director



# Staffing Trends (based City Reorganization)



DEPARTMENT	# Positions	Vacant 5/31/23	Vacancy Rate
Administrative Services	18	5	27.78%
Community and Economic Development	19	2	10.53%
Public Works/Engineering	34	4	11.76%
Water	23	2	8.70%
Police Department	53	8*	15.09%
<b>Citywide Vacancy Rate</b>	<b>147</b>	<b>21</b>	<b>14.29%</b>

Employees hired since 1/1/2023  
 15 FTEs, 12 PT  
 Separations-6 FTEs

**\*Police Vacancy Notes:**

As of 5/31 - 5 sworn vacancies + 3 underfilled POs (trainee) = 8 vacant/underfilled + 1 modified duty = 9 unavailable / 24.3%

As of 6/1 - 6 sworn vacancies + 4 underfilled POs = 10 vacant/underfilled + 1 modified duty = 11 unavailable / 29.7%

As of 6/16 - 5 sworn vacancies + 4 underfilled POs = 9 vacant/underfilled + 1 modified duty + 2 FTO + 1 FMLA = 13 unavailable / 35.1%

As of 5/31 - 2 of 4 Police Assistants injury leave

# City Goals



The City Council met on February 25 to discuss and agree on City Goals for this budget cycle.



**Staff Recruitment  
and Retention**



**Strong Downtown &  
Commercial Centers**



**Fiscal  
Sustainability**



**Vibrant, Sustainable  
Waterfront & Marina**





## General Government – Core Functions

- City Council
- City Clerk
- City Treasurer
- City Manager



# Department Accomplishments & Objectives



## General Government

FY 2021-23 Accomplishments	FY 2023-25 Objectives
<ul style="list-style-type: none"><li>• 2022 General Election/District 3 Appointment</li><li>• Launch of online City Clerk services</li><li>• Phase 1 Office Upgrades</li><li>• Citywide communications expanded</li><li>• Clean-up of Camp Hope</li><li>• User Fee Schedule update</li><li>• ARDPIE Community Engagement Process</li></ul>	<ul style="list-style-type: none"><li>• 2024 General Election</li><li>• Records archiving/scanning and destruction</li><li>• Phase 2 Office Upgrades</li><li>• Executive Assistant/Public Information Officer</li><li>• Workforce culture and teambuilding</li><li>• Industrial Safety Ordinance</li><li>• Risk Control and Employee Safety programs</li><li>• ARDPIE recommendations</li></ul>





## Police Department – Core Functions

- Investigative Services
- Field & Patrol Services
- Support Services
- Emergency Services
- Traffic Enforcement





## Police Department

FY 2021-23 Accomplishments	FY 2023-25 Objectives
<ul style="list-style-type: none"><li>• Body-worn cameras</li><li>• Building improvements</li><li>• Citywide public safety camera system</li><li>• Citywide license plate readers</li><li>• Building improvements and new sleep room</li><li>• Streamline recruitment process</li><li>• Implemented state mandates (CIBRS/RIPA)</li></ul>	<ul style="list-style-type: none"><li>• Stabilize workforce, fill positions and specialty assignments</li><li>• Update policies and procedures</li><li>• Invest in smart policing technology, including in-car cameras and replace/upgrade police radios</li><li>• Develop crime analysis capacity and responsive strategies</li></ul>



# Department Accomplishments & Objectives

## Administrative Services – Core Functions

- Finance
- Human Resources
- Information Technology
- Community &  
Recreation Services



# Department Accomplishments & Objectives



## Administrative Services

FY 2021-23 Accomplishments	FY 2023-25 Objectives
<ul style="list-style-type: none"><li>• Purchase of Alhambra Highlands and Parcel Tax Implementation</li><li>• Issuance of Water Revenue Bonds</li><li>• Implementation of Employee Self Service</li><li>• Security Operations Center with 24/7 monitoring</li><li>• Labor contracts with MPOA and Local 324 (MPNSEA negotiations underway)</li><li>• Recovery of Recreation programs from COVID-19</li></ul>	<ul style="list-style-type: none"><li>• Development and implementation of employee-led "CARES" Task Force to enhance workplace culture</li><li>• Recruitment and retention incentive program</li><li>• Enhanced employee onboarding process</li><li>• Impact Fee Study and updated fees</li><li>• Water Rate Study and updated fees</li><li>• Fee schedule update for Recreation fees</li><li>• Cloud migration for financial systems</li><li>• Tech advancements to improve customer service</li></ul>





## Public Works – Core Functions

- Engineering
- Maintenance
- Water Plant
- Parking Services



# Department Accomplishments & Objectives



## Public Works

FY 2021-23 Accomplishments	FY 2023-25 Objectives
<ul style="list-style-type: none"><li>• Completion of ozone project</li><li>• Measure H Park projects</li><li>• Marina Dredge</li><li>• City Hall HVAC replacement</li><li>• Fishing Pier temporary repairs</li></ul>	<ul style="list-style-type: none"><li>• Pine Meadows Park</li><li>• Hidden Valley Park Pickleball Project</li><li>• Fishing Pier Renovation</li><li>• Pool heater replacement</li><li>• City Hall roof replacement</li><li>• Alhambra Hills land management plan</li><li>• Water main replacements</li><li>• Water Plant improvements</li></ul>





# Department Accomplishments & Objectives

## Community & Economic Development – Core Functions

- Planning
- Building
- Code Enforcement
- Economic Development
- Sustainability
- Marina Services



# Department Accomplishments & Objectives



## Community & Economic Development

FY 2021-23 Accomplishment	FY 2023-25 Objectives
<ul style="list-style-type: none"> <li>• Adopted General Plan 2035 Update</li> <li>• Initiated 6th Cycle Housing Element</li> <li>• Created and implemented Small Business Microgrant Program</li> <li>• Launched Outdoor Dining &amp; Retail Program</li> <li>• Provided Downtown Martinez &amp; Co and the Chamber with additional funding support</li> <li>• Hired Planning Manager &amp; filled planning staff positions</li> <li>• Completed Downtown Parking Study Phase 1 and initiated Phase 2 (rate structure and technology recommendations)</li> </ul>	<ul style="list-style-type: none"> <li>• Waterfront Master Plan Adoption</li> <li>• Housing Element Adoption (6th Cycle)</li> <li>• Permit Streamlining Assessment</li> <li>• Modernize ADU Regulations</li> <li>• Outreach &amp; Implementation (SB1383)</li> <li>• Strengthen Contracts and Strategic Partnerships with Chamber and Downtown Martinez &amp; Co</li> <li>• Initiate Development of Unified Marketing and Branding</li> <li>• Develop Business Recruitment, Retention and Concierge Program</li> <li>• Complete and implement Phase 2 of Downtown Parking Study</li> </ul>

# Budget Assumptions



- Increased labor and benefit costs associated with salary adjustments aligned with Council goal of staff recruitment and retention
- Rising insurance premiums
- Decrease in sales and use tax
- Flat cannabis revenues
- Significant reduction in contract services
- Updated fees expected to enhance cost recovery



# Budget Assumptions



- Prioritization on building staff capacity to improve government performance
- Proposed budget covers baseline city services
- ARPA or General Fund Reserves will be needed to cover "nice to have" items





# Budget Overview – FY 2023-24 General Fund



## General Fund FY 2023-24

	Operating (Unassigned)	Operating Supplemental (ARPA Assigned)	Public Safety (Committed)	Total
<b>Projected 7-01-23 Balances</b>	<b>7,202,211</b>	<b>1,850,591</b>	<b>100,477</b>	<b>9,153,279</b>
Operating Revenues	35,381,856	-	-	35,381,856
Transfer in - Water Enterprise	522,500	-	-	522,500
<b>Total Revenues &amp; Transfers In</b>	<b>35,904,356</b>	<b>-</b>	<b>-</b>	<b>35,904,356</b>
Operating Expenditures	(35,886,559)	(1,252,420)	(100,477)	(37,239,456)
<b>Excess of Revenues/(Expenditures)</b>	<b>17,797</b>	<b>(1,252,420)</b>	<b>(100,477)</b>	<b>(1,335,100)</b>
Return to ARPA		868,542		868,542
<b>Net ARPA Allocations to General Fund Operating</b>		<b>(383,878)</b>		
Transfer to Other Funds	(614,000)	(129,000)	-	(743,000)
<b>Excess of Revenues/(Expenditures) plus Return to ARPA less Transfers to Other Funds</b>	<b>(596,203)</b>	<b>(512,878)</b>	<b>-</b>	<b>(1,209,558)</b>
<b>Projected 6-30-2024 Balances</b>	<b>6,606,008</b>	<b>1,337,713</b>	<b>-</b>	<b>7,943,721</b>



## Projected Reserve Fund Balance on June 30, 2024



\$6,606,008

**GENERAL FUND  
UNASSIGNED  
RESERVES**

\$1,337,713

**ARPA ASSIGNED/  
OPERATING  
SUPPLEMENTAL**



# Budget Overview – FY 2024-25 General Fund




## General Fund FY 2024-25

	Operating (Unassigned)	Operating Supplemental (ARPA Assigned)	Public Safety (Committed)	Total
<b>Projected 7-01-24 Balances</b>	<b>6,606,008</b>	<b>1,337,713</b>	-	<b>7,943,721</b>
Operating Revenues	36,032,329	-	-	36,032,329
Transfer in - Water Enterprise	522,500	-	-	522,500
<b>Total Revenues &amp; Transfers In</b>	<b>36,554,829</b>	-	-	<b>36,554,829</b>
Operating Expenditures	(36,395,715)	(191,370)	-	(36,587,085)
<b>Excess of Revenues/(Expenditures)</b>	<b>159,114</b>	<b>(191,370)</b>	-	<b>(32,256)</b>
<b>Transfer to Other Funds</b>	<b>(364,000)</b>	-	-	<b>(364,000)</b>
<b>Excess of Revenues/(Expenditures) plus Return to ARPA less Transfers to Other Funds</b>	<b>(204,886)</b>	<b>(191,370)</b>	-	<b>(396,256)</b>
<b>Projected 6-30-2025 Balances</b>	<b>6,401,122</b>	<b>1,146,343</b>	-	<b>7,547,465</b>



## Projected Reserve Fund Balance on June 30, 2025

	\$6,401,122	\$1,146,343
	<b>GENERAL FUND UNASSIGNED RESERVES</b>	<b>ARPA ASSIGNED/ OPERATING SUPPLEMENTAL</b>



## Transfers from General Fund Operating Unassigned Reserves

Project	Amount
Curb Ramp and Sidewalk Repair	50,000
Alhambra Creek VM & SR Plan	150,000
Annual Creek Repair & Maintenance Program	30,000
Alhambra Highlands Open Space Improvement Plan	100,000
Marina Eastern Seawall Improvements	250,000
Transfer to Water Fund – Lifeline	28,000
Transfer to Light & Landscaping Funds	6,000
<b>Total</b>	<b>614,000</b>

# Budget Overview – Revenues



	2022-23 Budget	2023-24 Proposed	2022-23 Budget vs. 2023-24 Proposed	2024-25 Proposed
Taxes	28,316,000	29,214,402	898,402	29,869,875
Fines and Forfeitures	68,600	154,900	86,300	204,900
Intergovernmental	5,468,928	913,413	(4,555,515)	703,413
Licenses and Permits	1,061,500	1,287,600	226,100	1,294,700
Charges for Services	1,399,541	1,641,041	241,500	1,688,941
Use of Money and Property	276,430	513,500	237,070	513,500
Other Revenue	1,762,000	1,657,000	(105,000)	1,757,000
Transfer From Water System	501,400	522,500	21,100	522,500
<b>Total Revenues</b>	<b>38,854,399</b>	<b>35,904,356</b>	<b>(2,950,043)</b>	<b>36,554,829</b>

# Budget Overview – Expenses



	2022-23 Budget	2023-24 Proposed	2022-23 Budget vs. 2023-24 Proposed	2024-25 Proposed
General Government	1,969,366	1,912,292	(57,074)	1,685,599
Administrative Services	5,588,796	5,646,825	58,030	5,376,136
Public Works Department	6,585,794	6,231,368	(354,426)	6,356,734
Public Safety	15,797,775	16,696,408	898,633	16,974,887
Community Development	2,423,001	3,540,087	1,117,086	3,514,049
Debt Service	534,327	534,003	(324)	-
Non-Departmental	2,942,518	2,678,473	(264,045)	2,679,680
Transfers Out	3,296,000	743,000	(2,553,000)	364,000
<b>Total Expenditures &amp; Transfers Out</b>	<b>39,137,577</b>	<b>37,982,456</b>	<b>(1,155,121)</b>	<b>36,951,085</b>

# Budget Overview – Position Changes & Funding Sources



Position	FTE #	Description	Funding Source
Executive Assistant/PIO (City Manager Office)	1	New Position; 2-year Limited Term	ARPA
Assistant City Engineer (Public Works)	1	Change from Sr. Civil Engineer	General Fund
Associate Engineer (Public Works)	1	New Position	General Fund (30%); Water Fund (30%); Measure J (40%)
Engineering Technician (Public Works)	1	New Position	General Fund
Planning Technician (Community & Economic Development)	1	Change from Assistant Planner	General Fund
Accountant (Administrative Services)	1	Change from Sr. Acct. Tech	Water Fund (85%); General Fund (18%); Parking fund (2%)
Senior Accounting Technician (Administrative Services)	1	Change from Acct. Tech III	General Fund (80%); Water Fund (18%); Parking Fund (2%)
Accounting Technician III (Administrative Services)	1	Change from Acct. Tech II	Water Fund (85%); General Fund (10%); Parking Fund (2%)
Accounting Technician III (Administrative Services)	2	New Positions	Position 1: General Fund (83%); Water Fund (15%); Parking Fund (2%)
			Position 2: Water Fund (90%); General Fund (5%); Parking Fund (5%)



# Budget Overview – Water Fund Summary



	2022-23 Budget	2023-24 Proposed	2022-23 Budget vs. 2023-24 Proposed	2024-25 Proposed
Use of Money and Property	120,000	135,000	15,000	135,000
Other Revenue	16,000	6,000	(10,000)	6,000
Utility Charges	16,737,870	18,111,067	1,373,197	19,922,174
Transfers In	246,000	1,685,382	1,439,382	28,000
<b>Total Revenues &amp; Transfers In</b>	<b>17,119,870</b>	<b>19,937,449</b>	<b>2,817,579</b>	<b>20,091,174</b>
Debt Service	135,690	135,528	(162)	-
Water Administration	4,567,295	4,902,821	335,526	4,943,628
Water Treatment	8,462,337	9,366,598	904,261	9,341,364
Water Distribution	2,736,469	2,922,020	185,551	2,931,578
Transfers Out	1,001,400	2,219,266	1,217,866	2,172,407
<b>Total Expenditures &amp; Transfers Out</b>	<b>16,903,191</b>	<b>19,546,233</b>	<b>2,643,042</b>	<b>19,388,977</b>
<b>Net</b>	<b>216,679</b>	<b>391,216</b>	<b>174,537</b>	<b>702,197</b>

# Budget Overview – Water CIP



## Water CIP – Funded Projects to be Returned to Fund Balance

Project	Amount
C7020 St. Mary's Pump Station Upgrade	\$268,649
C7041 St. Mary's Pressure Tank Replacement	\$500,000
C7032 Hillside Reservoir Access	\$105,745
C7037 Electrical Upgrade	\$40,500
C7042 WTP Seismic Upgrade	\$474,736
C7044 Flocculation Paddles	\$83,197
C7049 CCWD Intertie (Glacier)	\$100,000
C7030 5.2 Water System GIS	\$84,556
Total:	\$1,657,383



## ARPA Refunds

Reallocate Planning Positions - Senior and Associate	614,822
Reallocate Police Assistant 2 yr (50% Parking)	108,720
Return unspent money from Impact Fee Study	60,000
Return unspent money from Gift4Martinez	85,000
<b>Total</b>	<b>868,542</b>

# Budget Overview – ARPA Funding Requests



Fund Annex	26,500
Fund Implementation of ARPIE Task Force Recommendations	50,000
Fund CARES Task Force Plan*	50,000
Fund sustainability initiatives, such as EV charging	50,000
Fund fireworks	74,300
Fund MIS projects*	79,000
Fund Economic Development	140,000
Fund initial phase of Records Conversion*	200,000
Fund 2 Finance Positions (Acct.Tech III) for 1 year	220,250
Fund Executive Assistant to CM/Public Information Officer (Limited 2-year term)	274,020
<b>Total - New Requests</b>	<b>1,164,070</b>
Carryover funding for Unhoused	300,000
Carryover funding for Police Assistant (Limited 2-year term)	108,720
<b>Total - Carryover</b>	<b>408,720</b>
<b>Total</b>	<b>1,572,790</b>
*Could be funded from Operating Reserves	



# Questions?

# FY 2023-24 and 2024-25 Biennial Operating Budget



	2022-23 Budget	2023-24 Proposed	2022-23 Budget vs. 2023-24 Proposed	2024-25 Proposed
<b>Sales &amp; Use Tax</b>	5,733,200	5,522,500	(210,700)	5,681,300
<b>Transaction &amp; Use Tax</b>	4,478,300	4,596,132	117,832	4,690,232
<b>Real Property Tax</b>	10,695,500	11,229,398	533,898	11,566,850
<b>Vlf Property Tax Swap</b>	4,125,000	4,344,067	219,067	4,344,067
<b>Transient Occupancy Tax</b>	455,000	455,000	-	455,000
<b>Business Licenses</b>	835,000	950,000	115,000	950,000
<b>Franchise Fees</b>	1,883,400	2,083,400	200,000	2,153,400
<b>Document Transfer Tax</b>	220,000	220,000	-	220,000
<b>Property Tax Admin Fee</b>	(73,400)	(81,671)	(8,271)	(84,095)
<b>Sales &amp; Use Tax Audit Services</b>	(25,000)	(51,568)	(26,568)	(52,941)
<b>T&amp;U Tax Admin Fee</b>	(11,000)	(52,856)	(41,856)	(53,938)
<b>Taxes</b>	<b>28,316,000</b>	<b>29,214,402</b>	<b>898,402</b>	<b>29,869,875</b>