



**City of Martinez
City Council Meeting
June 28, 2023**

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

Presentation Outline



- City Goals and Objectives
- Key Budget Drivers
- All Funds Summary
- General Fund Recap
- ARPA Recap
- State of Staffing Update
- Recommendation



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**

City Objectives



- Impact Fee Study, Water Rate Study, and Recreation Fee Update
- Pine Meadows Park and the Hidden Valley Park Pickleball Project
- Watermain Replacement Project
- Waterfront and Marina Trust Lands Use Plan
- Alhambra Hills Phase One Land Management Plan
- ARDPIE Task Force recommendations
- C.A.R.E.S. Task Force Plan



City Objectives



- Municipal Fishing Pier Renovation Project
- Sixth Cycle Housing Element
- Marina Eastern Seawall Replacement
- Downtown Parking Study Phase Two and new parking meter technology and rate structure
- Update contracts with Chamber of Commerce and Downtown Martinez & Co.
- Citywide marketing and branding
- Business Recruitment and Retention Program





Key Budget Drivers



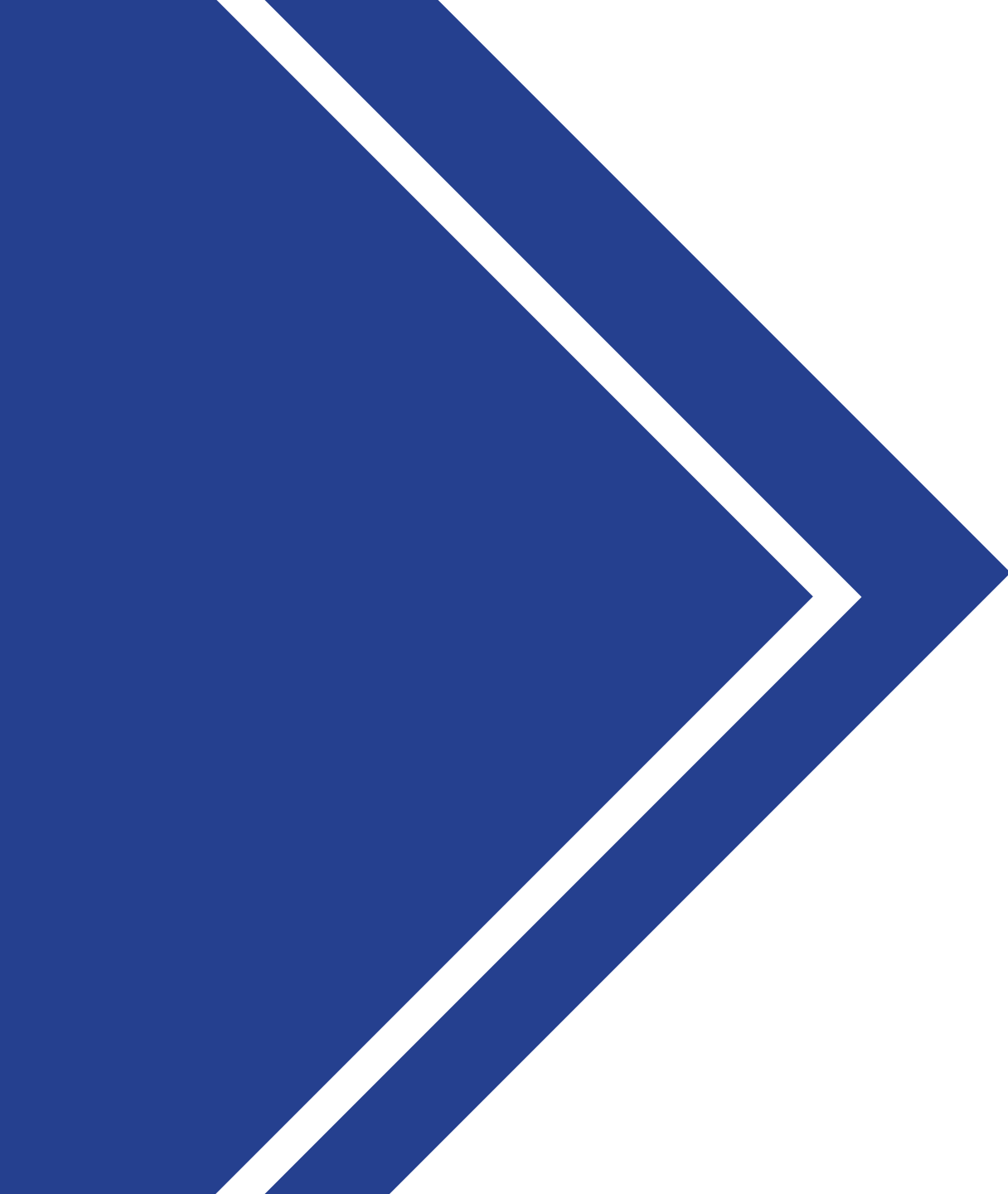
Expenditures:

- Increased labor and benefit costs associated with salary adjustments (aligned with Council goal of staff recruitment and retention)
- Rising insurance premiums
- Significant reduction in contract services

Revenues:

- Decrease in sales and use tax revenue
- Slowing of property tax revenue
- Flat cannabis revenues
- Increased cost recovery through updated user fee schedule



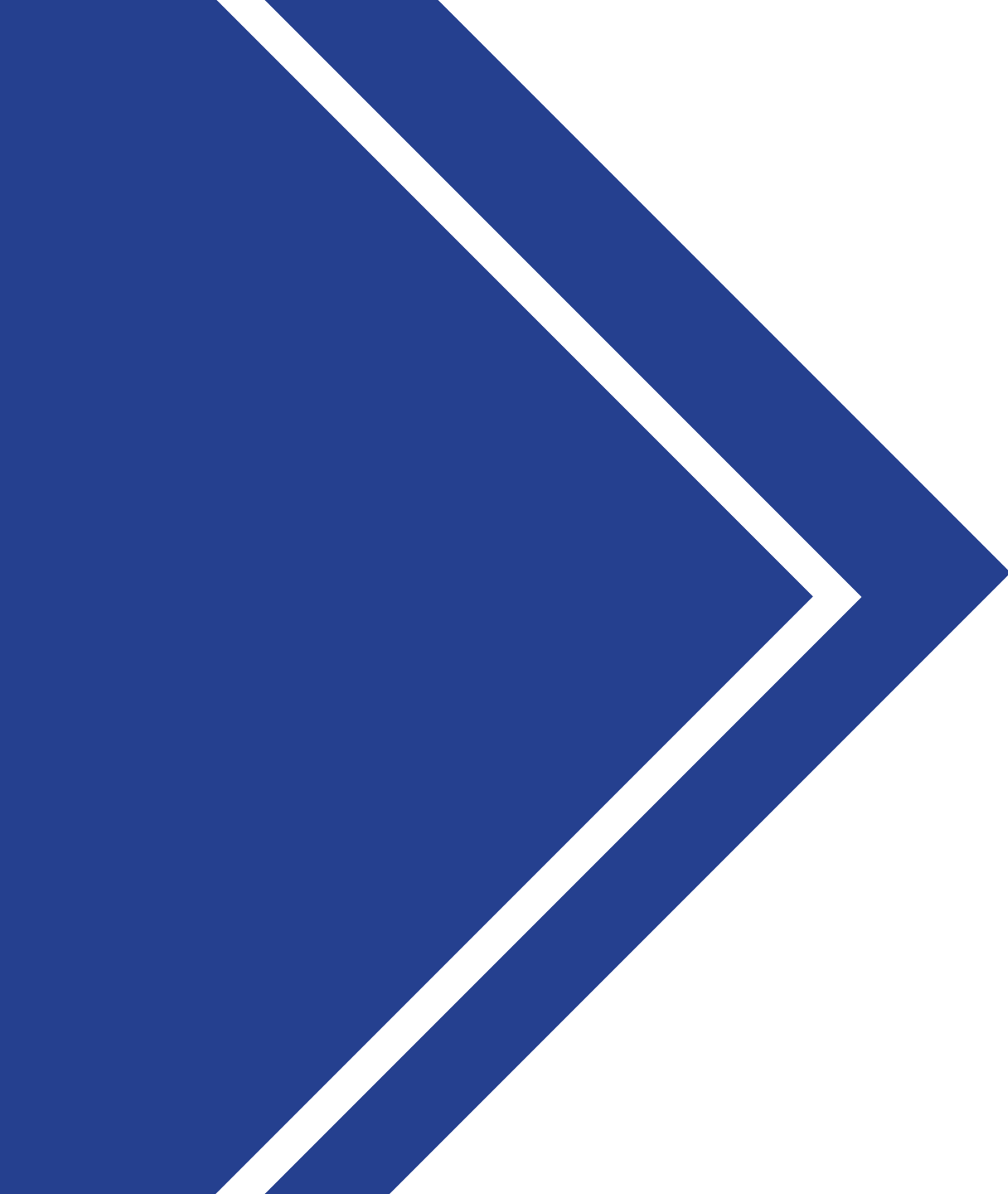


All Funds Summary

Budget Overview – FY 2023-24 All Funds



Fiscal Year 2023-24			Fiscal Year 2024-25		
General Fund	43%	41,572,174	General Fund	42%	37,328,724
Enterprise Funds	28%	27,128,359	Enterprise Funds	34%	29,751,417
Special Revenue Funds	11%	10,300,040	Special Revenue Funds	10%	9,268,497
Internal Service Funds	3%	3,339,243	Internal Service Funds	3%	2,988,760
Debt Service	1%	1,321,255	Debt Service	2%	1,345,355
Capital Projects	13%	12,515,000	Capital Projects	9%	7,675,000
Total All Funds	100%	\$96,176,071	Total All Funds	100%	\$88,357,753



General Fund Recap

General Fund Changes from May 31 Budget Workshop



- Increase of \$119,300 for the Engineering Technician position (ARPA FY 23/24 only)
- Increase of approximately \$17,400 to replace a Senior Civil Engineer position with the new Assistant City Engineer position (absorbed in operating budget)
- Savings of \$25,000 across all programs reflecting the final insurance premiums for worker compensation and liability insurance
- Savings of \$9,000 across all programs reflecting a reallocation of Management Information Systems (MIS) costs



Budget Overview – FY 2023-24 General Fund



General Fund FY 2023-24

	Operating (Unassigned)	Operating Supplemental (ARPA Assigned)	Public Safety (Committed)	Total
Projected 7-01-23 Balances	7,202,211	5,637,189	100,477	12,939,877
Operating Revenues	35,381,856	-	-	35,381,856
Transfer in - Water Enterprise	522,500	-	-	522,500
Total Revenues & Transfers In	35,904,356	-	-	35,904,356
Operating Expenditures	(35,870,379)	(1,371,720)	(100,477)	(37,342,576)
Excess of Revenues/(Expenditures)	33,977	(1,371,720)	(100,477)	(1,438,220)
Return to ARPA		868,542		868,542
Available Balance for Allocation		868,542		868,542
Transfer to Other Funds	(614,000)	(3,615,598)	-	(4,229,598)
Excess of Revenues/(Expenditures) plus Return to ARPA less Transfers to Other Funds	(580,023)	(4,118,776)	-	(4,799,276)
Projected 6-30-2024 Balances	6,622,188	1,518,413	-	8,140,601

Budget Overview – FY 2024-25 General Fund



General Fund FY 2024-25

	Operating (Unassigned)	Operating Supplemental (ARPA Assigned)	Public Safety (Committed)	Total
Projected 7-01-24 Balances	6,622,188	1,518,413	-	8,140,601
Operating Revenues	36,032,329	-	-	36,032,329
Transfer in - Water Enterprise	522,500	-	-	522,500
Total Revenues & Transfers In	36,554,829	-	-	36,554,829
Operating Expenditures	(36,423,354)	(191,370)	-	(36,614,724)
Excess of Revenues/(Expenditures)	131,475	(191,370)	-	(59,895)
Transfer to Other Funds	(414,000)	(300,000)	-	(714,000)
Excess of Revenues/(Expenditures) less Transfers to Other Funds	(282,525)	(491,370)	-	(773,895)
Projected 6-30-2025 Balances	6,339,663	1,027,043	-	7,366,706



Projected Reserve Fund Balances

Fiscal Year	General Fund Unassigned Reserves	ARPA Assigned/Operating Reserves
23/24	\$6,622,188	\$1,518,413
24/25	\$6,339,663	\$1,027,043



ARPA Recap



ARPA Refunds

ARPA Item	Cost
Reallocate Planning Positions – Senior & Associate	\$614,822
Reallocate Police Assistant (two years, now 50% Parking)	\$108,720
Return unspent money from Impact Fee Study	\$60,000
Return unspent money from Gift4Martinez	\$85,000
Total	\$868,542

ARPA Non-Capital Funding Requests



Item	Cost
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
Fund Engineering Technician (1 year)	119,300
Total – New Non-Capital Requests	1,283,370
Carryover Funding for Unhoused	300,000
Carryover Funding for Police Assistant (two years at 50%)	108,720
Total Carryover Funding	408,720
Total	\$1,692,090

ARPA Capital Funding Requests



Project	Cost
City Hall Improvements	200,000
City Hall Roof Repairs	850,000
Hidden Valley Pickleball Courts	1,562,446
Park at Pine Meadows – Phase One	874,153
Mountain View Park Basketball Court Resurfacing*	300,000
Total – ARPA Capital Improvement Projects FY 2023-25 *to be funded in FY 2024-25	\$3,786,599

General Fund Reserve Capital Funding Requests



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 Lighting & Landscaping Funds	6,000
Total	614,000



State of Staffing Update

- 6 full-time employees departed since March 2023
- 13 full-time employees hired since March 2023
- 55 seasonal or temporary hires and rehires since March 2023
- Recruitments in progress: Accountant, Chief Building Official
- Upcoming recruitments
 - Recreation Manager
 - Engineering Tech
 - Executive Assistant
- 148 positions total with 20 vacancies



Changes to Budgeted Positions FY 2023-25



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	Reclassification 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	Reclassification from Assistant Planner	General Fund
Accountant (Administrative Services)	1	Reclassification from Sr. Acct. Tech	Water Fund (85%); General Fund (18%); Parking fund (2%)
Senior Accounting Technician (Administrative Services)	1	Reclassification from Acct. Tech III	General Fund (80%); Water Fund (18%); Parking Fund (2%)
Accounting Technician III (Administrative Services)	1	Reclassification 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%)



Recommendation

Adopt a resolution approving the Biennial Budget for July 1, 2023 through June 30, 2025



Additional Slides for Q&A

General Fund – Revenues and Transfers In



	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
Total Revenues	38,854,399	35,904,356	(2,950,043)	36,554,829

General Fund – Expenditures & Transfers Out



	2022- 23 Budget	2023-24 Proposed	2022-23 Budget vs. 2023-24 Proposed	2024-25 Proposed
General Government	1,969,366	1,931,567	(37,799)	1,736,665
Administrative Services	5,588,796	5,650,804	62,009	5,361,522
Public Works Department	6,585,794	6,343,343	(242,451)	6,438,246
Public Safety	15,797,775	16,670,715	872,940	16,931,055
Community Development	2,423,001	3,529,196	1,106,195	3,485,846
Debt Service	534,327	534,003	(324)	-
Non-Departmental	2,942,518	2,682,948	(259,570)	2,661,390
Transfers Out	3,296,000	4,229,598	933,598	714,000
Total Expenditures & Transfers Out	39,137,577	41,572,174	2,434,597	37,328,723

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
Total Revenues & Transfers IN	17,119,870	19,937,449	2,817,579	20,091,174
Debt Service	135,690	135,528	(162)	-
Water Administration	4,567,295	4,892,607	325,312	5,150,499
Water Treatment	8,462,337	9,396,216	933,879	9,371,906
Water Distribution	2,736,469	2,907,423	170,954	2,982,414
Transfers Out	1,001,400	2,219,266	1,217,866	2,172,407
Total Expenditures & Transfers Out	16,903,191	19,551,040	2,647,849	19,677,225
Net	216,679	386,409	169,730	413,949

Budget Overview – Water CIP



Water CIP – Funded Projects to be Returned to Fund Balance/Redistributed

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