Proposed General Fund Budget Fiscal Year 2025/2026

May 8, 2025

CALIFORNIA
NATIONAL CITY
1887
INCORPORATED

General Fund Revenues July 2024 to April 2025

	FY 2023 July to April Actual	FY 2024 July to April Actual	FY 2025 July to April Actual	FY 2025 Full Year Budget	FY 2025 Remaining Balance	FY 2025 Actual to Budg % Received
Property Tax	8,350,534	9,717,675	9,334,382	16,141,534	6,807,152	58%
Sales Tax	25,482,034	25,992,695	27,067,027	39,403,153	12,336,126	69%
Franchise Fees	2,152,190	2,795,898	2,459,339	2,974,138	514,799	83%
Business License	603,990	617,322	647,701	736,500	88,799	88%
Development Fees	1,400,000	1,048,871	932,861	1,247,850	314,989	75%
TOT	1,891,088	1,557,707	1,403,260	2,000,000	596,740	70%
Fines and Fees	1,392,730	1,346,241	921,351	1,231,136	309,785	75%
Other Revenues	4,653,599	7,111,693	7,415,900	7,399,387	(16,513)	100%
Transfers-in	1,504,125	1,504,125	2,750	5,500	2,750	50%
Total	47,430,291	51,692,227	50,184,572	71,139,198	20,954,626	71%

General Fund Expenditures
July 2024 to April 2025

By Departments:	FY 2023 July to April Actual	FY 2024 July to April Actual	FY 2025 July to April Actual	FY 2025 Full Year Budget	FY 2025 Remaining Balance	FY 2025 Actual to Budg % Used
Police	22,021,387	25,964,807	26,237,924	33,864,614	7,626,690	77%
Fire	10,124,902	11,447,721	12,282,049	13,985,338	1,703,289	88%
Engineering & Public Works	3,047,462	3,812,906	3,692,644	4,518,698	826,054	82%
Community Development	2,418,348	2,495,515	2,977,898	4,574,826	1,596,927	65%
Community Services	1,347,672	1,566,572	1,917,806	2,679,386	761,580	72%
Administration	4,716,272	5,567,574	6,067,549	8,714,772	2,647,222	70%
Non-Departmental	7,636,715	3,013,298	3,622,932	5,165,535	1,542,603	70%
Capital Improvements	1,627,171	1,199,954	1,113,676	1,000,000	(113,676)	111%
Total	52,939,929	55,068,347	57,912,478	74,503,169	16,590,691	78%

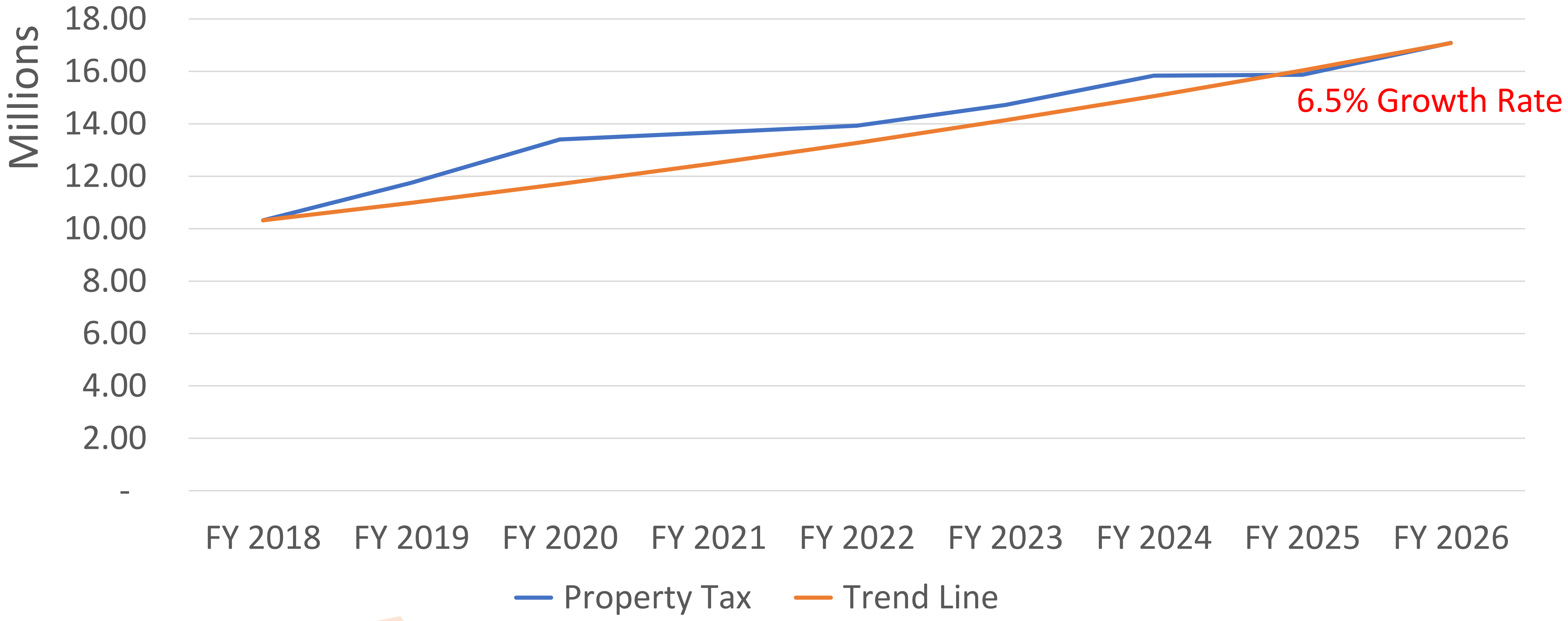
General Fund Expenditures
July 2024 to April 2025

By Type	FY 2023 July to April Actual	FY 2024 July to April Actual	FY 2025 July to April Actual	FY 2025 Full Year Budget	FY 2025 Remaining Balance	FY 2025 Actual to Budg % Used
Wages & Benefits	31,665,532	37,834,338	40,068,533	51,265,557	11,197,024	78%
Operating & Maint.	5,540,269	4,265,038	7,310,833	8,942,957	1,632,124	82%
Capital Outlay	1,675,180	1,254,981	1,139,953	1,216,000	76,047	94%
Internal Svc Charge	6,984,853	9,464,405	7,635,668	10,305,890	2,670,223	74%
Transfers-Out	7,074,096	2,249,585	1,757,492	2,772,765	1,015,273	63%
Total	52,939,929	55,068,347	57,912,478	74,503,169	16,590,691	78%
Net Surplus/Deficit	(5,509,638)	(3,376,120)	(7,727,906)	(3,363,971)		

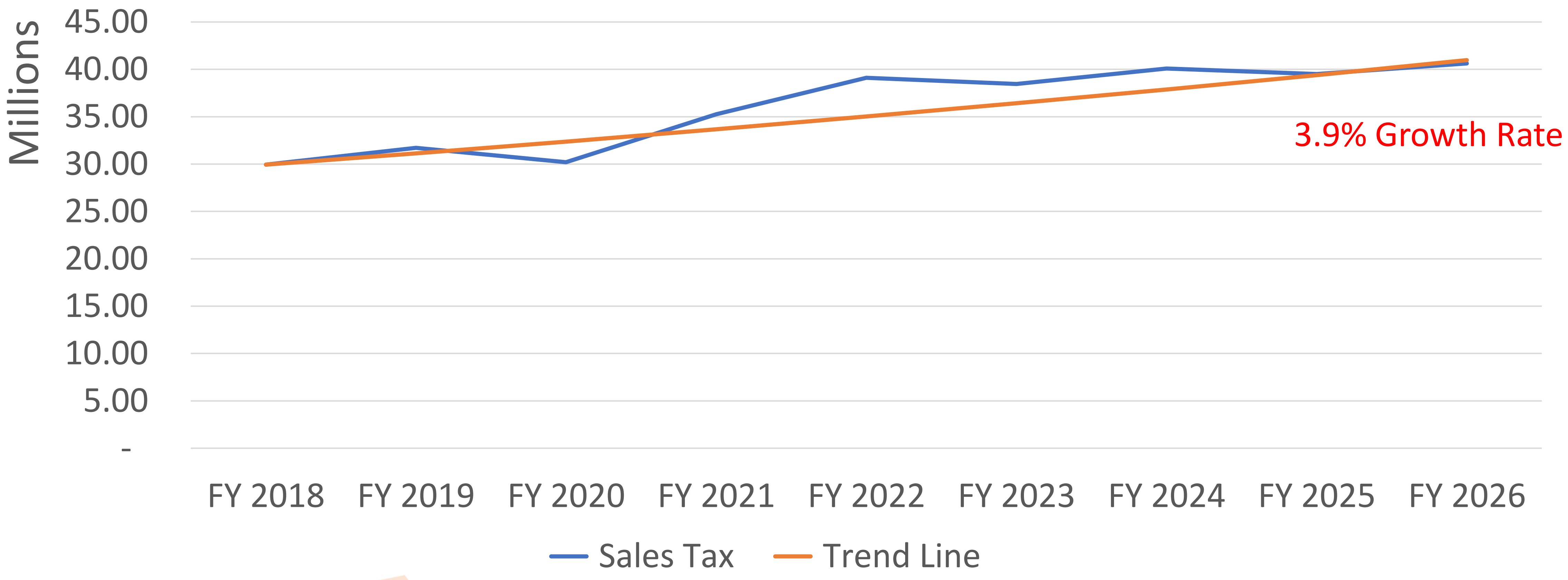
Budget Highlights

- Status Quo Budget No Additional Staffing or New Services/Programs
- $3.0 Million payment for the CalPERS Unfunded Actuarial Liability
- $1.0 Million Increase in General Liability Insurance Premiums
- $1.0 Million transfer to new CIP Fund
- $100,000 budget allocation for each City Council District
- $500,000 Cannabis Revenue
- Current budget reflects COLA increase for POA in September 2024 & the 6% COLA increase to FFA, MEA, Confidential Employees in January 2025

Property Tax Revenues



Sales Tax Revenues



General Fund Revenues
Proposed FY 2026 Budget

	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed Budget	FY 2025 Budget to FY 2026 Budget $ Change	FY 2025 Budget to FY 2026 Budget % Change
Property Tax	14,721,570	15,834,107	16,141,534	17,087,987	946,453	6%
Sales Tax	38,450,228	40,095,816	39,403,153	40,611,000	1,207,847	3%
Franchise Fees	2,490,692	3,082,215	2,974,138	2,976,000	1,862	0%
Business License	656,191	652,987	736,500	750,000	13,500	2%
Development Fees	1,693,419	1,304,978	1,247,850	1,279,000	31,150	2%
TOT	2,488,614	2,042,380	2,000,000	2,000,000	-	0%
Fines and Fees	1,684,058	1,646,809	1,231,136	1,301,400	70,264	6%
Other Revenues	7,331,000	8,632,820	7,399,387	6,853,509	(545,878)	-7%
Transfers-in	2,005,500	2,005,500	5,500	5,500		0%
Total	71,521,271	75,297,613	71,139,198	72,864,396	1,725,198	2%

Other Revenues

- $1.2 Million for Interest Income
- $900,000 for Billboard, Cell Towers & Land Rental Income
- $762,978 for Indirect Cost Recovery
- $620,000 for Fire Reimbursable Overtime
- $1.4 Million Port Authority Reimbursement
- $500,000 Cannabis Revenue
- $409,763 School District Contract Reimbursement
- $237,915 Prop 172 Public Safety Sales Tax
- $143,000 Las Palmas Golf Course Rental Income
- <u>$6.9 Million Total Other Revenues</u>

General Fund Expenditures
Proposed FY 2026 Budget

By Departments:	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed Budget	FY 2025 Budget to FY 2026 Budget $ Change	FY 2025 Budget to FY 2026 Budget % Change
Police	30,144,781	31,560,096	33,864,614	32,804,034	(1,060,580)	-3%
Fire	13,606,049	14,097,052	13,985,338	14,737,945	752,607	5%
Engineering & Public Works	4,693,168	5,003,729	4,518,698	4,265,636	(253,062)	-6%
Community Development	3,452,120	3,238,901	4,574,826	4,171,888	(402,937)	-9%
Community Services	1,724,496	2,170,674	2,679,386	2,762,068	82,682	3%
Administration	6,673,998	6,827,243	8,714,772	8,945,407	230,636	3%
Non-Departmental	3,480,709	5,353,205	5,165,535	13,379,134	8,213,599	159%
Capital Improvements	2,396,265	1,858,497	1,000,000	-	(1,000,000)	-100%
Total	66,171,587	70,109,397	74,503,169	81,066,114	6,562,945	9%

Administration

City Council	City Attorney
City Clerk	HR
City Manager	Finance

Non-Department Expenditures

- $2.5 Million FY 2026 UAL Payment *
- $382,000 for 2017 Bond Payment
- $4.8 Million Transfer for 2021 POB Bond Payment*
- $2.2 Million Transfer to Library Fund
- $1.0 Million Transfer to Park Maintenance Fund
- $503,396 Transfer to Nutrition Fund
- $18,369 Transfer to Mile of Cars LMD
- $400,000 Transfer for Retiree Health Benefits Fund
- $1.0 Million Transfer to Capital Improvement Fund
- $540,000 General operating expenses
- <u>$13.4 Million Total Non-department Expenditures</u>

* Previously Part of Labor Costs

General Fund Expenditures
Proposed FY 2026 Budget

By Type	FY 2023 Actual	FY 2024 Actual	FY 2025 Budget	FY 2026 Proposed Budget	FY 2025 Budget to FY 2026 Budget $ Change	FY 2025 Budget to FY 2026 Budget % Change
Wages & Benefits	44,550,675	46,302,076	51,265,557	53,633,998	2,368,440	5%
Operating & Maint.	7,945,210	9,393,189	9,067,957	9,637,074	569,118	6%
Capital Outlay	2,726,671	1,939,246	1,216,000	255,773	(960,227)	-79%
Internal Svc Charge	8,381,822	9,455,299	10,180,890	7,620,478	(2,560,412)	-25%
Transfers-Out	2,567,210	3,019,586	2,772,765	9,918,791	7,146,026	258%
Total	66,171,587	70,109,397	74,503,169	81,066,114	6,562,945	9%
Net Surplus/Deficit	5,349,684	5,188,216	(3,363,971)	(8,201,717)		

Transfers to other Funds

- $4.8 Million Transfer for 2021 POB Bond Payment*
- $2.2 Million Transfer to Library Fund
- $1.0 Million Transfer to Park Maintenance Fund
- $503,396 Transfer to Nutrition Fund
- $18,369 Transfer to Mile of Cars LMD
- $400,000 Transfer for Retiree Health Benefits Fund
- $1.0 Million Transfer to Capital Improvement Fund
- <u>$9.9 Million Total Transfers</u>

* Previously Part of Labor Costs

Police & Fire Overtime

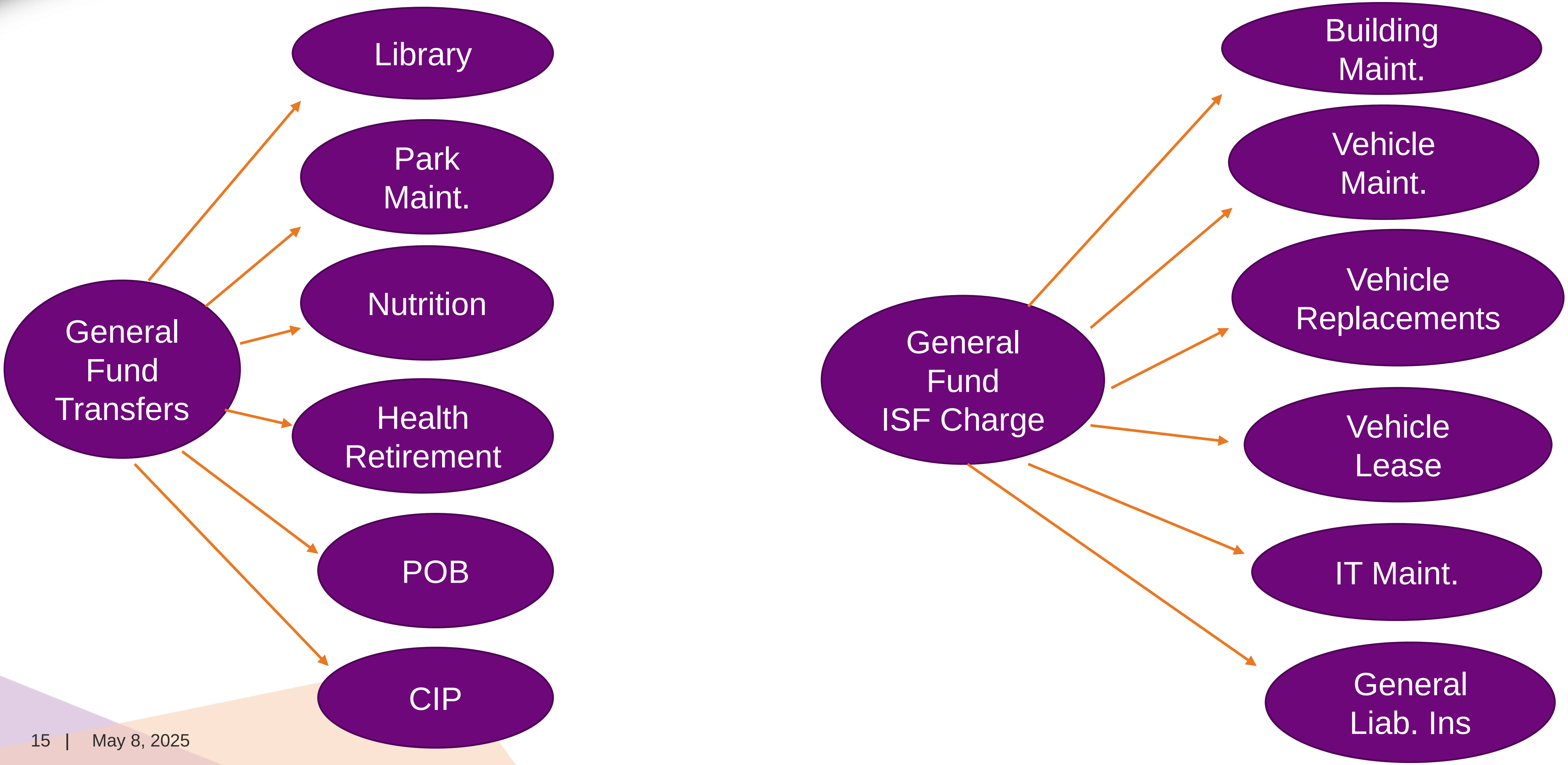
	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 YTD Actual	FY 2025 Budget	FY 2026 Proposed
Police Overtime	1,208,157	1,176,191	1,426,517	1,583,227	1,372,221	800,000	1,300,000
Fire Overtime	2,907,829	2,034,296	2,220,905	2,162,951	1,393,092	800,000	1,800,000
Fire Reimb Overtime			101,204	198,197	1,100,255	723,490	500,000

FY 2026 Budgeted Fire Reimbursable Overtime Expense $500,000

FY 2026 Budgeted Fire Reimbursable Overtime Revenue $620,000

The City Recovers 24% of every Dollar of Actual Overtime Costs to cover Administrative Overhead Costs

Transfers and ISF Charges



General Liability & Workers Comp Ins Funds

	FY 2025	FY 2026	Difference
General Liability Ins Premium	1,643,500	2,662,300	1,018,800
Workers Comp Ins Premium	325,000	377,000	52,000
Claims (W/C & Gen Liab.)	4,140,000	4,248,000	108,000
Labor	85,953	129,793	43,840
Operating Expenses	175,450	170,850	(4,600)
Total	6,369,903	7,587,943	1,218,040

Internal Service Fund Charge
Cost to the General Fund

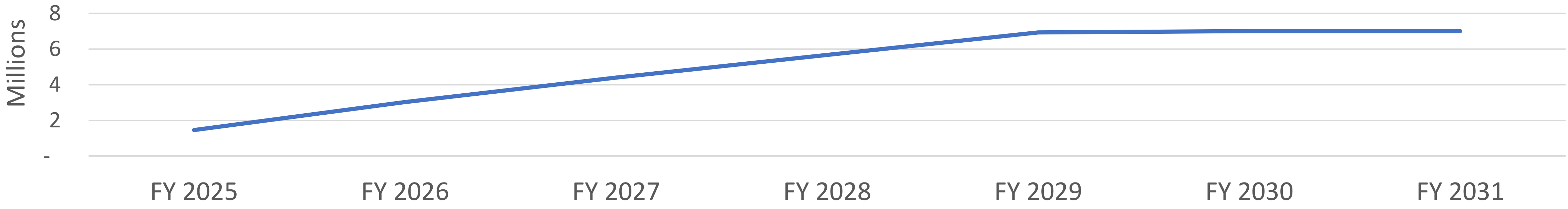
	FY 2025	FY 2026	Difference
Building Maintenance Charge	2,978,963	3,033,285	54,322
Vehicle Maintenance Charge	1,124,282	1,113,781	(10,501)
Vehicle Replacement Charge	623,870	623,870	-
Vehicle Lease Charge	377,500	377,500	-
IT Maintenance Charge	2,858,504	2,472,042	(386,462)
General Liability Charge	2,217,771	3,400,429	1,182,658
Total	10,180,890	11,020,907	840,017

Transfers to Other Funds

	FY 2025	FY 2026	Difference
Library	1,452,519	2,150,474	697,955
Park Maintenance	627,238	1,028,759	401,521
Nutrition Fund	219,599	503,396	283,797
Retirement Fund	360,000	400,000	40,000
Mile of Cars LMD	18,369	18,369	-
Subtotal	2,677,725	4,100,998	1,423,273
POB	5,247,982	4,817,793	(430,189)
CIP/Transfer	1,000,000	1,000,000	-
Total	8,925,707	9,918,791	993,084

CalPERS UAL Projections

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Safety	907,678	1,824,693	2,680,000	3,474,000	4,269,000	4,313,000	4,313,000
Misc	549,456	1,205,212	1,719,000	2,192,000	2,665,000	2,691,000	2,691,000
Total UAL	1,457,134	3,029,905	4,399,000	5,666,000	6,934,000	7,004,000	7,004,000



City Council Budget FY 2026

	Mayor	District 1	District 2	District 3	District 4	ISF	Total
Full-Time Wages	174,858	20,416	20,416	20,416	20,416		256,522
Hourly Wages	40,000	60,000	60,000	60,000	60,000		280,000
Overtime	10,000						10,000
Allowances & Stipends	14,306						14,306
Employee Benefits	54,757	17,671	17,671	17,671	17,671		125,440
Governmental Purposes	30,000	28,000	28,000	28,000	28,000		142,000
Training, Travel & Subsistence	10,000	8,000	8,000	8,000	8,000		42,000
Materials & Supplies	5,000	4,000	4,000	4,000	4,000		21,000
Internal Service Charges						183,047	183,047
Total	338,921	138,087	138,087	138,087	138,087	183,047	1,074,315

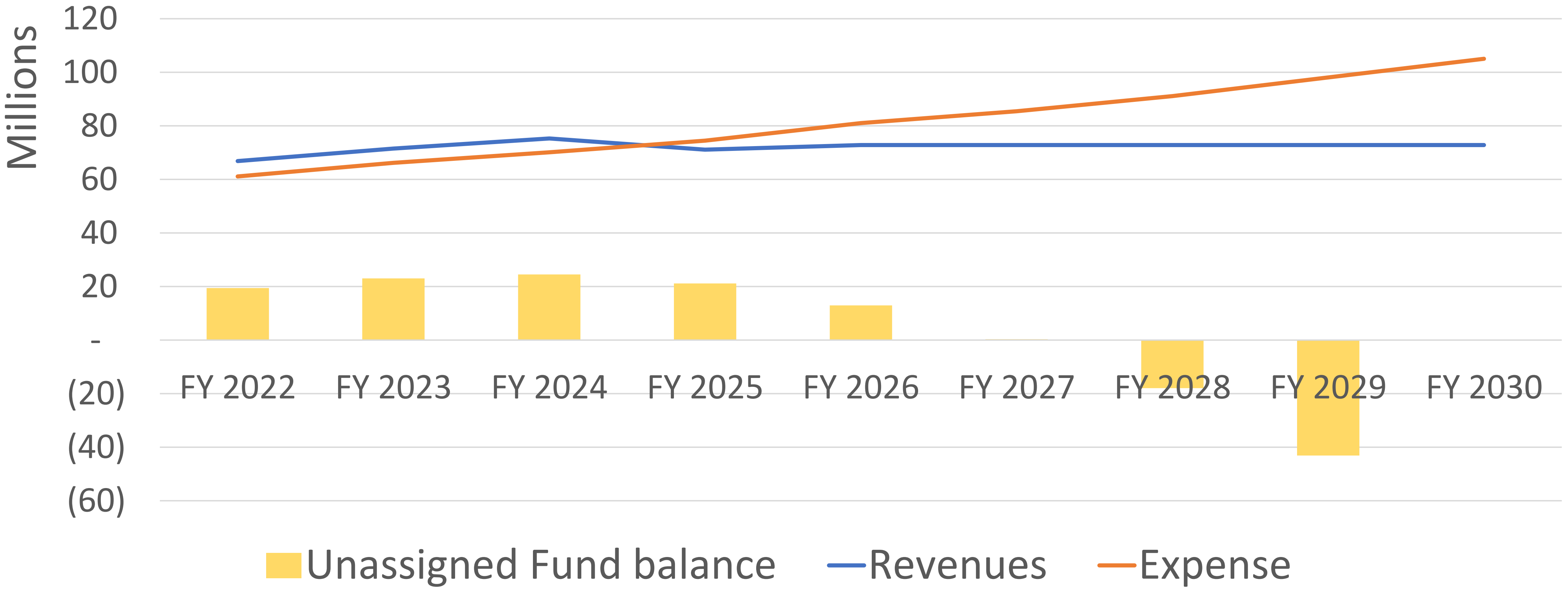
Current Vacant positions

Title	Count	Annual Total Cost
PROPERTY AGENT	1	52,042
COMMUNITY SERVICES DIRECTOR	1	227,037
HUMAN RESOURCES MANAGER	1	153,949
POLICE DISPATCHER	4	377,436
ASSISTANT ENGINEER-CIVIL	1	72,582
CITY ENGINEER	1	75,468
MANAGEMENT ANALYST III/PIO	1	113,812
SENIOR CRIME & INTELLIGENCE ANALYST	1	135,628
POLICE OFFICER	9	1,371,564
FIREFIGHTER	2	256,402
Grand Total	22	2,835,920

General Fund Unassigned Fund Balance

FY 2023 Unassigned Audited Financial Statements	$	23,040,220
Unaudited Preliminary FY 2024 Increase in Unassigned Fund Balance		1,499,671
Projected Ending Unassigned Fund Balance FY 2024		24,539,891
Projected Deficit FY 2025		(3,363,971)
Projected Deficit FY 2026		(8,201,717)
Projected Unassigned Fund Balance FY 2026	$	12,974,203

General Fund Unassigned Fund Balance



Reserve Balance as of June 30, 2024

OPEB Trust	3,539,380
Pension Trust	7,222,427
Facility Maintenance Reserve	2,880,000
Economic Contingency Reserve	12,800,000
Unassigned Fund Balance	24,539,891

Capital Improvement Programs

Revenue Opportunities we are Exploring

1. **Taxes**
   - Vacant Property Tax
   - Sales Tax Adjustment
   - Transit Occupancy Tax
2. **Fees/ Insourcing**
   - Parking Districts
   - Shared Parking
   - Franchise Fees
   - Medical Transport
   - Recreation Activity Opportunities
   - New Senior Center
   - Update Service Fees
   - Update DIF Fees
3. **Economic Development**
   - Additional Mixed Zoning
   - Additional Hotels
   - Cannabis Licensing
   - Sidewalk Right-of-Way Dining
   - Public-Private Partnerships
4. **Additional Grant Revenues**
5. **City Land Sales and Leases**
6. **Negotiate New MSA with PORT**
7. **Sponsorship of City Services/Activities**
8. **Billboard Signage Expansion Program**

Cost Saving Measures we are Exploring

- Fleet Evaluation – Purchase vs. Lease
- Technology (PRA)
- Energy Efficiency
- Departmental Optimization & Strategic Reorganization
- Nutrition Center Service Levels

Discussion and Questions

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