



# PROPOSED BUDGET FISCAL YEAR 2024-25



CITY OF CAPITOLA  
Capitola, California

# Budget Process

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Proposed Budget distributed:  
May 3<sup>rd</sup>

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FAC Meetings:  
May 14<sup>th</sup> and May 21<sup>st</sup>

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City Council Meetings:  
May 16<sup>th</sup> and May 30<sup>th</sup>

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City Council provided direction  
for budget adoption tonight

# General Fund & City Council Goals

- Updated ending funding balance
- Proposed & Planned Budget balanced
  - Maintaining estimated balance of \$642,000
    - \$500,000 target fund balance
    - \$100,000 employee downpayment assistance
    - \$42,000 undesignated
- Utilizing \$239,000 of general fund resources for City Council Goals
  - Employee downpayment assistance - \$100,000
  - PD facility improvements - \$65,000
  - Lifeguard equipment storage- \$25,000
  - Crosswalk daylighting - \$10,000

# General Fund & City Council Goals

- Utilizing \$239,000 of general fund resources for City Council Goals (cont.)
  - Citywide digital applications - \$5,000
  - Elections outreach - \$4,000
  - Translation services - \$5,000
  - Website updates - \$7,000
  - Portable stage for events - \$7,000
  - Art & Cultural - \$5,000

# Proposed FY 2024-25 Capital Improvement Program

## Prior Year Appropriations

- 10 Projects
- \$16.6M

## Recommended Appropriations

- 1 project
  - \$621k – special revenue (pavement)
- Council Goals
  - 3 Projects FY24-25 \$100k

## Not Inclusive of

- Storm Damage Repairs
  - 2 Individual Projects \$400k

# Mid-Year Budget Review

- Revenues:
  - Potential sales tax increase related to ballot measure
  - Review performance of other key revenue sources
    - TOT, Cannabis tax, building permits, etc.
- Expenditures:
  - Potential amendments related to ballot measure
  - Review expenditures
    - Tracking on budget
    - Possible cost savings

# Summary

## General Fund structurally balanced

- FY 2024-25 and FY 2025-26: general fund structurally balanced utilizing Measure F funding
- FY 2027-28: sunset of Measure F Dec. 2027, causes general fund to become imbalanced
- Reserves remain at target levels

## General Fund Revenues

- Sales Tax & TOT revenue growth slowing
  - Staff will continue to closely monitor sales tax, TOT, parking, and cannabis business tax revenues

## General Fund Expenditures

- Maintaining high service levels
- Continued funding for Community Grant program
  - Combination of general fund and CDBG-CV grant funding

# Recommended Action

1. Approve the Resolution adopting Fiscal Year 2024-2025 Operating Budget and Capital Improvement Program
2. Approve the Resolution adopting the associated salary schedule and new job descriptions.

