



PROPOSED BUDGET

FISCAL YEAR 2024-25



CITY OF CAPITOLA
Capitola, California



CITY COUNCIL

Kristen Brown, Mayor
Yvette Brooks, Vice Mayor
Joe Clarke
Margaux Morgan
Alexander Pedersen

Jamie Goldstein, City Manager

Andy Dally, Chief of Police
Jessica Kahn, Public Works Director
Jim Malberg, Finance Director / Treasurer
Katie Herlihy, Community Development Director
Nikki Bryant, Community Services & Recreation Director (Proposed)
Chloe Woodmansee, Assistant to the City Manager
Julia Gautho, City Clerk

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MISSION STATEMENT

MISSION

Our mission, as the employees of the City of Capitola, is to provide high quality service for our residents, visitors, businesses & employees.

VISION

Our vision is to be recognized as a model organization that provides excellent and responsive public service that values the people it employs and the community we serve and to always perpetuate a strong work ethic that fosters pride in the work that we do. We will maintain the highest trust and confidence of our City Council and our Community.

VALUES

- We believe in being open, honest and ethical.
- We believe in treating everyone with respect, courtesy and dignity.
- We believe in being responsive to all the people we work with and serve, and to act in a timely and sensitive manner.
- We believe in participatory management and teamwork. We are united in our belief to support, respect and encourage individual talents and contributions.
- We value innovation and creativity and believe in taking reasonable risks.
- We believe in a philosophy of constantly improving the services we provide.
- We believe in working with our residents & businesses to prepare for and resolve community issues.
- We believe in the vital nature of planning as a continuing process, to achieve the matching of expectations and resources.

In performing our mission, attaining our vision and adhering to our values, we will first look to our core values: *Upholding the Public Trust, Practicing Sound Financial Management and Maintaining a Safe & Healthy Environment.*

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TO: City Council

FROM: City Manager

SUBJECT: FY 2024-25 Proposed and FY 2025-26 Planned Budget.

CITY MANAGER'S MESSAGE - STATE OF THE CITY

On behalf of City staff, I am pleased to submit the proposed budget for Fiscal Year (FY) 2024-25. Staff was tasked with developing a budget that continues to deliver the high quality of services the community is accustomed to while also allocating available resources to City Council goals. The result is a balanced budget that maintains the minimum target general fund balance of more than \$500,000 as well as the \$100,000 designated for employee downpayment assistance. The proposed budget projects to end the year with a general fund balance of approximately \$727,400, contingent on the outcome of ongoing labor negotiations, as designated above.

The fund balance in the General Fund is projected to remain positive for the next fiscal year, however, based on known increases related to CalPERS pension costs and current assumptions regarding inflation, the General Fund will become structurally imbalanced in FY 2027-28 upon the sunset of Measure F. The budget provides ample resources to maintain a high level of services for Capitola residents this coming fiscal year. Nevertheless, the City must also remain focused on the long-term budget picture, which not only includes a great deal of uncertainty around general fund revenues but must continue to address increasing pension costs. The erratic revenue data, expiration of Measure F, and increasing pension costs will likely result in very challenging budgetary decisions for several years. In the coming fiscal year staff will continue to closely monitor general fund revenues, paying extra attention to sales and transient occupancy tax performance, and continue to report to the City Council on a regular basis. Additionally, staff will develop options for Council consideration to balance the near- and longer-term budgets as well as focus on the long-term structural budget issues.

During 2023 the City was heavily impacted by major storm events. Those events resulted in approximately \$3.5 million in damage to public infrastructure and significant impacts to private development adjacent to the ocean. In response, the City, State and Federal government declared a state of emergency, which enables the City to utilize Federal Emergency Management Agency (FEMA) and State disaster funding (Cal OES).

Strom damages were categorized into fourteen projects of which FEMA and Cal OES have approved ten for reimbursement totaling \$262,000 with the City responsible for matching funds of \$7,400. To date, we have received \$208,000 with \$54,000 still outstanding.

The remaining four projects and estimated damage amounts include:

- The Wharf - \$1 million – currently under review by FEMA
- Noble Gulch/Soquel Park - \$89,000
- Hoopers Ramp - \$15,000 – seeking mitigation to make ramp more resilient, under review by Cal OES
- Grand Ave. fence - \$7,500 – once all projects are approved, a credit for donated resources will be calculated and applied as City matching funds.

The Capitola Mall remains a major funding source for the City, however long-term national and local trends have put significant pressure on existing brick-and-mortar retailers to remain competitive with internet options. The Mall was purchased in 2016 by Merlone Geier Partners, which also acquired the old Sears building in 2018. In FY 2019-20 the new owners initiated a public process, including a public meeting and regional survey of residents to begin evaluating options to redevelop the Mall.

City staff remains actively engaged with Mall ownership to help them navigate the development review processes, however, the pandemic put the project on pause for the near term. Obviously, the long-term fiscal health of the City is closely related to a successful Mall that meets the community's needs. As the outcome of any potential Mall redevelopment is unknown at this time, the site remains a major opportunity, and challenge, as the City evaluates its long-term fiscal position.

In 2016 voters passed Measure F to extend a temporary quarter percent local sales tax for an additional 10 years. The City is committed to using this funding source to protect the wharf and beach from storms and rising sea levels, maintain police services, and improve sidewalks, parks, and bike safety. Staff anticipates Measure F revenues in FY 2024-25 to slightly increase and the proposed budget continues to implement these commitments.

The first major Measure F projects completed were renovations to the City's jetty and flume in 2020. Improvements to the jetty and rebuilding the flume that conveys water from the seasonal lagoon to the ocean, allows the City to maintain a world-class beach during the summer. The jetty sustained damages during the Jan. 5, 2023, storm which has been repaired and FEMA has approved reimbursement for those repairs.

The Wharf renovation project is the second important focus for the Measure F funding. Capitola's Wharf is a historic icon for the City, allowing countless residents and visitors to experience the Monterey Bay Marine Sanctuary in a unique way. The Wharf renovation project will focus on improving the Wharf's long-term resilience in the face of rising sea levels and powerful winter storms. The City completed environmental review in 2020 and began construction last summer with completion currently targeted for late summer / early fall 2024.

The \$10.5 million wharf project is funded with a \$3.5 million federal grant, \$2.4 million in state grants, \$3.0 million of Measure F funding, \$400,000 of local fund raising, and \$250,000 general fund. In addition, the wharf suffered approximately \$1 million in damages during the Jan. 5, 2023, storm. It is anticipated that those costs will be funded with a combination of insurance and FEMA reimbursements.

BUDGETARY GOALS AND PRINCIPLES

The FY 2024-25 General Fund budget was developed with an emphasis on financial stability and maintaining core programs and services for Capitola residents and visitors. As a first step in developing the Budget, the City Council identified its budget principles as well as key projects and programs for FY 2024-25. Those key projects and programs provide a tool for the City to clearly articulate its priorities to the community and to evaluate performance on an annual basis.

The following tables include the Council’s identified budget principles and a workplan for key projects and programs.

Budget Principles

Fiscal Policy	Public Service	Public Improvements
Maintain a balanced budget that ensures ongoing expenditures can be met with ongoing revenues	Maintain, and improve upon, the transparency of City operations and accessibility of government	Maintain the City's infrastructure by providing maximum funding for the pavement management system
Use one-time revenues for one-time expenditures	Recognize the high priority the community places on the public's safety	Maintain and improve Capitola's natural resources and sustainable green programs
Ensure the budget plans for future cost increases and attainable revenue estimates	Analyze future service level increases with their long-term financial impacts to ensure financial stability	Ensure maintenance and cleanliness of City facilities, sidewalks, and streets

Key Projects/Programs - Workplan

The City Council also proposed General fund allocations to the following projects:

Project	Funding
Employee Downpayment Assistance Program	\$ 100,000
Lifeguard Equipment Storage	25,000
PD Facility Improvements	65,000
Crosswalk Daylighting Citywide	10,000
Citywide digital applications	5,000
Employee engagement	6,000
Elections Outreach	4,000
Translation services	5,000
Website updates	7,000
Portable stage for events	7,000
Art & Cultural	13,000
Total	\$ 247,000

Additional FY 2024-25 and ongoing City Council Goals are listed below. Items shaded in gray are not funded or planned for in the FY 2024-25 Proposed Budget.

Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
PW	Wharf Resiliency Project	Very High	Funded		In Progress
PW	Jade Street UA Playground Project	Very High			In Design
PW	Community Center Renovation Project	Very High			In Design
PW	Update Climate Action Plan	High		\$50,000	Not Started
PW	Stockton Bridge Debris Mitigation Project	High	Funded		In Progress
PW	Cliff Drive Resiliency Project	High	Funded		In Progress
PW	41st Ave Median imprvmts. (Esplanade Park)	Medium	\$50,000		Not Started
PW	Complete/Additional Peery Bridge Repairs	Medium	Funded		In Progress
PW	2023 FEMA Projects (Stockton Bridge, Noble Gulch, Hooper's Stairs)	Medium	Funded		In Progress
PW	Upper lot eastern access pedestrian path	Medium	Funded		Not Started
PW	Bay Avenue Corridor Traffic Study	Medium	Funded		In Progress
PW	Finish the Park at Rispin Mansion Project	Medium	Funded		Finalizing Contract
PW	41st Ave pavement rehabilitation & multimodal improvements	Medium		1,000,000	Multi-Year Project
PW	Complete Streets Safety Assessments	Medium	Funded		Not Started
PW	Peery Park Bridge Maintenance Project	Medium	TBD		
PW	Storage solutions for Rec - lifeguard equipment	Medium	\$25,000		Not Started
PW	PD facility improvements (lockers, restrooms, meeting area)	Medium	\$65,000		Not Started
PW	Daylighting - Village and elsewhere (parking/pedestrian requirement)	Medium	\$10,000		In Progress
PW	Noble Gulch Pipeline Repairs	Low	Funded		In Progress
PW	Park Ave. traffic calming	Low	Funded		In Progress
PW	2025 Pavement Maintenance Project	Low		\$500,000	In Design
PW	Pump Track Renovation Project	Low	Funded		Not Started
PW	Esplanade Park improvements (moved to 41 st)	Medium	Unfunded (\$50,000)		Not Started
PW	Depot Hill encroachments	Very High	None		Not Started
PW	Storage solutions for Rec – softball shed	Low	\$10,000		Not Started
PW	PD motor shed	Low	\$20,000		Not Started
PW	Village Resiliency Study (circulation and sea level rise)	Very High	\$500,000		Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$100,000	\$1,550,000	
Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
CD	Wharf Re-Envisioning Plan & public outreach process & temporary structure CDPs	Very High	\$75,000		Not Started
CD	Complete Housing Element	Very High	Funded		In Progress

CD	Update 41st Ave. Visioning Plan	Very High		\$100,000	Not Started
CD	Create a Housing Rehab Grant/Loan Program	Very High		\$225,000	Not Started
CD	Code Update - Housing Element action item	High		\$65,000	Ongoing
CD	Create Homebuyer Assistance Program	High		\$150,000	Not Started
CD	City Hall Phase 2 - goal setting and alternatives analysis	Very High	\$67,000		Not Started
CD	Update tree ordinance	High		\$30,000	Not Started
CD	Historical guidelines	High	\$75,000		Not Started
	Total Potential FY 24/25 Dept Budget Allocation			\$75,000	\$540,000

Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
CM	5-Year Strategic Plan Project management	Very High	Funded		Paused until Fall 2024
CM	Employee contract negotiations	Very High			In Progress
CM	Citywide digital applications	High	\$5,000		Not Started
CM	UA Playground fundraising coordination	Medium			In Progress
CM	Risk Management & HR Policy updates	Medium		\$2,000	In Progress
CM	Revenue Tax Measure - Polling Research Project management and public information	Medium	Funded		In Progress
CM	Update Employee Downpayment Assistance Program	Low	Funded		Completed
CM	Employee engagement	Low	\$6,000		Ongoing
CM	Elections outreach	Low	\$4,000		Not Started
CM	Translation services	Low	\$5,000		Not Started
CM	Website updates	Low	\$7,000		Not Started
CM	Technology updates to improve hybrid meetings	Medium		\$25,000	Not Started
CM	Increase public outreach and information services	Medium	Funded		Budgeted annually
CM	Annexation/City Sphere Study	Medium	Funded		In Progress
CM	Memorial plaque program update	High	Unfunded		Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$27,000	\$2,000	

Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
Rec	Pilot "rapid wedding" event	High			Not Started
Rec	Equity Swim & Public Safety Outreach Program	Medium		\$20,000	Ongoing
Rec	Implementation of Park Use Permit Program	Medium	\$0		Not Started
A&C	Public Art Maintenance: 41st Ave. median art & utility box murals	Medium	\$10,000		
Rec	Purchase of portable stage for events	Low	\$7,000		Not Started
A&C	Banners for streetlights	Low	\$3,000		Not Started

Rec	Lifeguard Equipment (PWC)	Low	\$10,000		Not started
	Total Potential FY 24/25 Dept Budget Allocation		\$20,000	\$20,000	
Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
PD	FLOCK Cameras	High		\$35,000	Not Started
PD	High Surf Thresholds/Response Checklist	Medium			
PD	Electronic/online Police reporting	Medium		\$25,000	Not Started
PD	E-Citations	Medium		\$10,000	Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$0	\$70,000	
Department Assigned	Project	Staff Requirement	Potential FY24/25 General Fund	Potential FY24/25 Non-Gen Fund	Current Status
Finance	Updates to TOT Ordinance & outreach to operators	High	\$0		In Progress
Finance	City banking RFP	Medium	\$0		In Progress
Finance	Implementation of fee study recommendations	Medium	\$0		Not Started
	Total Potential FY 24/25 Dept Budget Allocation		\$0	\$0	
Total Potential FY 24/25 Budget Allocations			\$222,000	\$2,112,000	

Remaining FY 2023-24 Council Goals

The table below shows the funding allocated to the remaining FY 2023-24 City Council goals:

Project	Funding
LAFCO Sphere Study (\$15,000 match from LAFCO)	\$ 30,000
Long-term strategic plan	50,000
Community Center Renovation	1,650,000
41 st Ave. Medians (transferred from Esplanade Park mid-year)	50,000
Total	\$ 1,780,000

OTHER BUDGETARY HIGHLIGHTS AND PROPOSED CHANGES

While the budget was largely prepared to maintain core services and keep expenditures at the lowest level possible, several changes are identified in this budget.

New Community Services and Recreation Department

Following extensive community engagement, in 2019 the City adopted a comprehensive five-year strategic plan for the Capitola Recreation Division. Scheduled to conclude next Fiscal Year, this strategic roadmap has undergone refinement and adaptation, particularly in response to the challenges posed by the COVID-19 pandemic.

Prior to the implementation of this strategic plan, the Recreation Division's offerings included: Adult Classes, the Junior Guard Program, Camp Capitola, a softball league, and facility rentals. Today, the Division manages these same programs but has significantly expanded its portfolio to include:

- Serving more than 2,000 youth through the Junior Guard, Camp, After School, Parents Night Out and School Break Camps and Equity Swim programs.
- Offering over 135 classes to 1,400 youth and adults three times a year
- Coordinating all public art projects throughout the City and serving as staff to the Art and Cultural Commission.
- Protecting the public with the City's USLA-Certified Lifeguard Service through nearly 7,000 public interactions, including 84 rescues in their first season.
- Providing over \$35,000 in youth scholarship partially funded by Early Childhood and Youth Program funds.
- Maintaining two National Certifications for high quality professional standards in programs.
- Producing over 25 high quality community events annually including the Twilight Concert series, Food Truck Fridays, and single productions such as the Beyond the Flood Benefit Concert.

With these changes, the Division has grown from 3.75 FTE to 5.5 FTE and now supervises over 50 temporary seasonal staff each year. The program revenue remains strong and covers the direct cost of programs. Further the Division now supports numerous equity and accessibility initiatives for the community.

Given the scope and growth of the Division, I am recommending the establishment of the Capitola Community Services and Recreation Department. This proposed change will ensure the sustainability of the current programming by establishing a Director of Community Services and Recreation, developing the proposed organizational chart which delineates a clear chain of command, with program staff reporting to coordinators, who in turn report to the Director.

Furthermore, the integration of the Art & Cultural program Administrative Assistant into the new departmental structure as a Recreation Specialist II aims to centralize operational responsibilities for Art & Cultural events. These structural adjustments are intended to yield long-term benefits by fostering sustainability and efficiency across the Department's program areas. The change will solidify the City's long-term commitment to providing these services to our residents, maintaining public safety on our beaches, and continuing to build community through affordable, intergenerational and fun activities that support safety and personal well-being.

Youth Funding and Business Group Funding

With the passage of Measure J in 2018, Capitola became one of the first cities in the state to establish a children's fund that is supported by a dedicated tax measure. Transient Occupancy Tax (TOT) revenues perform well, and the proposed budget includes an allocation of \$65,000 from the children's fund to support early childhood and youth programming. The budget also includes approximately \$74,000 of funding for the Chamber of Commerce and the Village Business Improvement District, also using the restricted Measure J funding.

General Fund Balance

The general fund balance is estimated to end FY 2023-24 to be slightly below the minimum target of \$500,000. Additionally, both the Contingency and Emergency reserves are projected to be below their target balance amounts. This is primarily due to increased wharf project costs associated with the storm damage sustained in 2023. The FY 2024-24 Proposed Budget returns the general fund to the \$500,000 target balance while maintaining \$100,000 for the employee downpayment assistance program. Staff is still awaiting FEMA's determination of the damage cost reimbursement amount and once those funds are received it is proposed they are used to fund the reserves to their target balance amounts.

Current revenue and expenditure projections show revenues not keeping pace with expenditures, requiring usage of Measure F revenues to structurally balance the budget in the 5-year forecast. Staff will continue to closely monitor revenues, expenditures, and fund balance throughout FY 2024-25 and will report to Council during the mid-year budget report.

PRIOR YEAR ACCOMPLISHMENTS

In FY 2023-24 the City completed several significant projects, which provided residents and visitors with increased recreational and public art opportunities, while continuing to strengthen public safety and community development activities. Some of the City's accomplishments include:

- Implemented a new Council Chambers meeting video and audio system .
- Began city-wide comprehensive fee study.
- Upgraded Radio System to include a second radio channel for emergency operations and for seasonal lifeguard services.
- Upgraded Axon equipment to include Body Cameras, Tasers, and storage infrastructure.
- Conducted multiple bicycle safety and informational presentations at New Brighton Middle School and other locations.
- Introduced an Unmanned Aircraft Systems (UAS) drone program.
- Introduced the Flock Safety Program
- Upgraded Village pay stations with a new payment interface.
- Establish a computerized maintenance management system
- Completed Capitola Road Pavement Rehabilitation Project
- Completed Kennedy Drive Sidewalk Project
- Completed Bay/Hill Intersection Pedestrian Safety Quick Build
- Substantially completed the Wharf Resiliency and Public Access Project
- Substantially completed repairs from the January 2023 storms
- Adopt Housing Element update with a focus on public outreach, public hearings, adoptions, and working toward State of California Department of Housing and Community Development certification.
- Administered CDBG Grant of \$500,000 to provide food and transit services to low-income families through local nonprofits.

- Applied for CDBG Grant of \$3.3 million for renovation of the Jade Street Community Center.
- Implemented a 5-year Contract for a Regional Bikeshare Program with BCycle.
- City operated Lifeguard Service achieved United States Lifesaving Association (USLA) Certification as an Open Water Lifesaving Agency and hosted the California Surf Lifesaving Association (CSLSA) Spring Board of Directors Meeting.
- Recertified Camp Capitola as an American Camp Association (ACA) Accredited program and promoted from a 3-year cycle to a 5-year cycle.
- Expanded the learn to swim program for under resourced youth by doubling attendance for Spring 2024 and successfully enrolled Spring 2023 group in the Junior Guard Summer 2023 program.
- Provided, for the first time, School Break Camps and other Family Support programs.
- Installed 2024 annual exhibition “Little City Under Canvas” – The 150th Anniversary of Camp Capitola - March 2024.
- Installed three rotating exhibits at the Capitola Library.

CONCLUSION

The development of the annual budget takes a great amount of staff time and effort and must be completed in a compressed timeline. I sincerely appreciate all the department directors and departmental budget liaisons for their contributions. Special recognition is extended to the Finance Department for its efforts in coordinating the budget process and preparing the annual budget document.

As the new fiscal year approaches, I wish to express my thanks and appreciation to the Mayor, and members of the City Council for their leadership and support in planning and conducting the financial operations of the City in a responsible and progressive manner. I know that with continued citizen participation, City Council leadership, and ongoing efforts of dedicated employees, Capitola will continue to be a great place to live, work, and enjoy.

SUMMARY INFORMATION



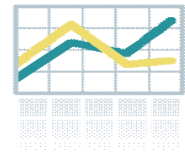
Budget Process Overview

Each year the City of Capitola prepares an Operating Budget, a Successor Agency Budget, and a five-year Capital Improvement Program (CIP) budget. The Operating Budget contains the summary and detail information for revenue and expenditure appropriations for the fiscal year (beginning July 1st and ending June 30th) for several funds as well as a projection for the second fiscal year. The information from the CIP is incorporated, in summary form, in the City's annual budget. The Successor Agency budget is included in its entirety in the City's annual budget.

Capitola municipal code (3.200.010 E.) defines a balanced budget as one in which "financing uses including expenditures, inter-fund transfers out, reserves and contingencies should equal financing sources including beginning available fund balance, revenues and inter-fund transfers in." A key concept in the developmental process for the General Fund Budget revolves around City fiscal policy that current year expenditures are balanced with current year revenue.

The City's budget process continues throughout the year, with quarterly financial updates published on the Finance Department website and at weekly department head meetings with the City Manager. An outline of the on-going budget process is listed below:

Month	Responsibility	Budget Function
December	Finance	Budget Cycle Begins
January	Finance	Finance prepares mid-year calculations
	City Manager / Departments	Review accomplishments related to prior year Budget Principles
	Finance / Departments	Provides year-end estimates
	Finance	Publishes quarterly reports for October - December
February	Finance / City Manager	Presents mid-year report to Council and FAC
	City Council	Establishes Budget Principles
	Finance	Projects non-departmental revenues and position costs
	Departments	Prepares budget and CIP
March	Finance / Departments	Continue budget projections
	Finance Advisory Committee	FAC discusses elements of the budget
April	City Manager	Reviews departments budget requests
	Finance	Adjusts proposed budget based on City Manager review
	Planning Commission	Reviews CIP
	Finance	Publishes quarterly reports for January - March
May	Finance Advisory Committee	Distributes proposed budget
	Finance / City Manager	Presents proposed budget and CIP to City Council
	Finance Advisory Committee	Provides recommendations to Council
	Community Organizations	Provides funding request information to Council
June	City Council	Deliberates
	City Council	Adopts Budget
July	Finance	Publishes quarterly reports for April - June
October	Finance	Publishes quarterly reports for July - September



Financial Policies

Basis of Accounting

The City's operating budget consists of governmental funds that include the General Fund, Special Revenue Funds, Internal Service Funds, Debt Service Funds and Capital Project Funds for both the City and the Successor Agency. Governmental fund types and agency fund budgets are developed using the modified accrual basis of accounting. This method is consistent with the presentation of the City's Annual Financial Statements. Under this basis, revenues are estimated for the fiscal year under the condition that they are identifiable and will be collected within sixty (60) days, and sales tax within ninety (90) days, of the close of the fiscal year. Principal and interest on general long-term debt are budgeted as expenditures when due, whereas other expenditures are budgeted for liabilities expected to be incurred during the current period or shortly thereafter.

Level of Budget Control

Both the City and the Successor Agency appropriate (control) the budget at the Budget Unit level. The Budget Unit level is defined as "department, fund, or other organizational unit whose financial activities are accounted for separately."

Expenditures for the General Fund are considered a Budget Unit at the Department level, with Community Grants controlled at the grantee level. The Successor Agency are considered Budget Units to be at the category level as defined in the budget document.

Budget Adjustments

After the budget is adopted, any supplemental appropriations of fund balance, or budget transfers over \$25,000 within a Budget Unit will require Council approval. Budget adjustments that are less than \$25,000 and within the same Budget Unit may be approved by the City Manager.

All requests for budget adjustments will include an explanation for the change along with a discussion of fiscal impact. This information will also be documented on a Budget Adjustment Form, which will be reviewed by the Finance Department for fiscal impact, correct account coding, and policy consistency prior to receiving City Council or City Manager approval.

Financial Committees and Boards

The following committees and boards assist the City in the budget review and development process:

Finance Advisory Committee

The Finance Advisory Committee (FAC) works closely with the Finance Director/Treasurer to make recommendations on financial projections or policies identified by the City Council or City Manager. The Committee consists of four Council-appointed members, the Mayor, and a Council Member. The FAC meets several times throughout the year and operates in an advisory capacity with the overall fiscal well-being of the City serving as its guiding principle.

General Fund Summary

The General Fund balance decreased as planned in FY 2023-24 due to implementation of City Council goals. The projected General Fund FY 2023-24 ending budgetary fund balance totals \$600,000. The FY 2024-25 Proposed Budget maintains the General Fund balance at the minimum target of \$500,000 while maintaining \$100,000 for the employee downpayment assistance program.

The chart below summarizes projected and historical General Fund revenues, expenditures, and fund balances. The table illustrates the effects the improving local economy has had on general fund revenue. Revenue variances primarily include an increase in sales and property tax revenues.

An overview of district taxes (Measure O and F), reserves, and internal service funds are provided within this summary section.

General Fund Summary

Major Categories	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
Revenues						
Taxes	\$ 14,514,218	\$ 14,709,173	\$ 14,643,970	\$ 14,521,871	\$ 15,106,270	\$ 15,632,013
Licenses and permits	718,935	650,188	664,159	695,854	740,409	743,597
Intergovernmental revenues	1,350,001	351,671	89,700	105,700	136,360	108,353
Charges for services	1,894,868	1,817,637	2,187,937	1,912,013	2,322,127	2,352,127
Fines and forfeitures	588,832	566,907	607,500	648,000	607,500	607,500
Use of money & property	31,722	70,527	198,495	183,200	199,195	199,195
Other revenues	891,204	240,413	115,403	135,953	117,206	119,053
Revenues Totals	\$19,989,781	\$18,406,515	\$18,507,164	\$18,202,591	\$19,229,066	\$19,761,838
Expenditures						
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract services	3,018,482	3,336,801	3,483,368	3,483,368	3,493,981	3,387,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants and Subsidies	43,650	101,650	125,000	125,000	125,000	125,000
Internal service fund charges	1,196,204	1,444,499	1,617,841	1,617,841	1,523,578	1,715,947
Other financing uses	3,608,343	3,271,324	2,288,788	2,288,788	287,568	287,344
Expenditures Totals	\$18,913,379	\$20,829,427	\$20,119,630	\$20,204,812	\$19,185,566	\$19,708,434
Impact on Fund Balance	\$ 1,076,402	\$ (2,422,912)	\$ (1,612,466)	\$ (2,002,221)	\$43,500	\$53,403
Budgetary Fund Balance	\$ 5,224,050	\$ 2,801,138	\$ 988,672	\$ 598,917	\$ 642,418	\$ 695,821
Designations						
Employee Downpayment					\$ (100,000)	\$ (100,000)
Infrastructure	\$ -	\$ -	\$ -	\$ -		
Revised Budgetary Fund Balance	\$ 5,224,050	\$ 2,601,138	\$ 988,672	\$ 598,917	\$ 542,418	\$ 595,821

Revenue Summary

	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
General Fund	\$ 19,989,781	\$18,406,515	\$18,507,164	\$18,202,591	\$19,229,066	\$19,761,838
Designated Reserves						
Contingency Reserve	-	131,000	172,000	172,000	-	-
PERS Contingency Reserve	(111,278)	250,000	260,000	260,000	10,000	10,000
Emergency Reserve	-	147,300	250,000	250,000	-	-
Facility Reserve	-	-	-	-	-	-
Total Designated Reserves	\$ (111,278)	\$ 528,300	\$ 682,000	\$ 682,000	\$ 10,000	\$ 10,000
Debt Service						
Pac Cove Lease Financing	165,074	165,066	670,000	670,000	-	-
Pacific Cove Park	88,211	88,002	87,788	87,788	87,568	87,344
Total Debt Service	\$ 253,285	\$ 253,068	\$ 757,788	\$ 757,788	\$ 87,568	\$ 87,344
Capital Improvement Fund	\$ 342,864	\$ 3,766,006	\$ 6,453,203	\$ 4,789,000	\$ 7,177,000	\$ 972,341
Internal Service Funds						
Stores Fund	\$ 20,010	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Information Technology	201,968	261,570	510,000	509,390	272,000	272,000
Equipment Replacement	461,000	185,000	570,000	710,000	65,000	200,000
Self-Insurance Liability	438,930	955,290	622,136	622,136	760,036	797,228
Workers Compensation	427,680	431,999	447,705	447,705	403,542	423,719
Compensated Absences	220,000	220,000	225,000	225,000	200,000	200,000
Total Internal Service Funds	\$ 1,769,588	\$ 2,080,859	\$ 2,401,841	\$ 2,541,231	\$ 1,727,578	\$ 1,919,947
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 101,541	\$ 107,082	\$ 100,500	\$ 103,044	\$ 104,000	\$ 104,000
TOT Restricted Revenue	99,483	96,497	100,833	100,157	102,842	104,878
Gas Tax	242,995	255,825	284,881	288,502	274,160	263,905
RTC Streets	385,691	381,953	371,000	260,779	374,000	385,000
SB1 RMRA	208,983	227,379	248,500	254,869	252,161	257,204
Wharf	119,189	72,310	-	2,620	20,500	32,500
General Plan Update and Maint	66,975	127,062	194,750	108,294	114,375	50,000
Green Building Education	13,273	13,459	3,000	43,457	15,000	15,000
Public Arts Fee	-	-	5,000	-	-	-
Parking Reserve	100,000	100,000	469,000	469,000	-	-
Technology Fee	17,845	14,659	11,500	14,309	14,500	14,500
PEG-Public Education and Gov.	14,249	13,437	16,000	6,261	16,000	16,000
BIA-Capitola Village-Wharf BIA	105,842	145,789	146,684	146,684	148,600	148,600
CDBG Grants	220,191	168,768	253,335	89,809	232,335	-
CDBG Program Income	171	1,151	250	1,000	-	-
Library	551,180	51,693	1,500	962	1,000	1,000
HOME Reuse	14,051	99,530	-	64,614	-	-
Housing Trust	7,131	50,377	10,000	61,148	14,000	14,000
PLHA	-	-	481,732	105,092	171,825	185,983
Cap Hsg Succ- Program Income	6,502	127,642	40,000	168,122	27,400	7,400
Total Special Revenue Funds	\$ 2,275,294	\$ 2,054,611	\$ 2,738,465	\$ 2,288,722	\$ 1,882,698	\$ 1,599,971
Total Revenues - All Funds	\$ 24,519,533	\$27,089,359	\$31,540,461	\$29,261,332	\$30,113,910	\$24,351,440

Expenditure Summary

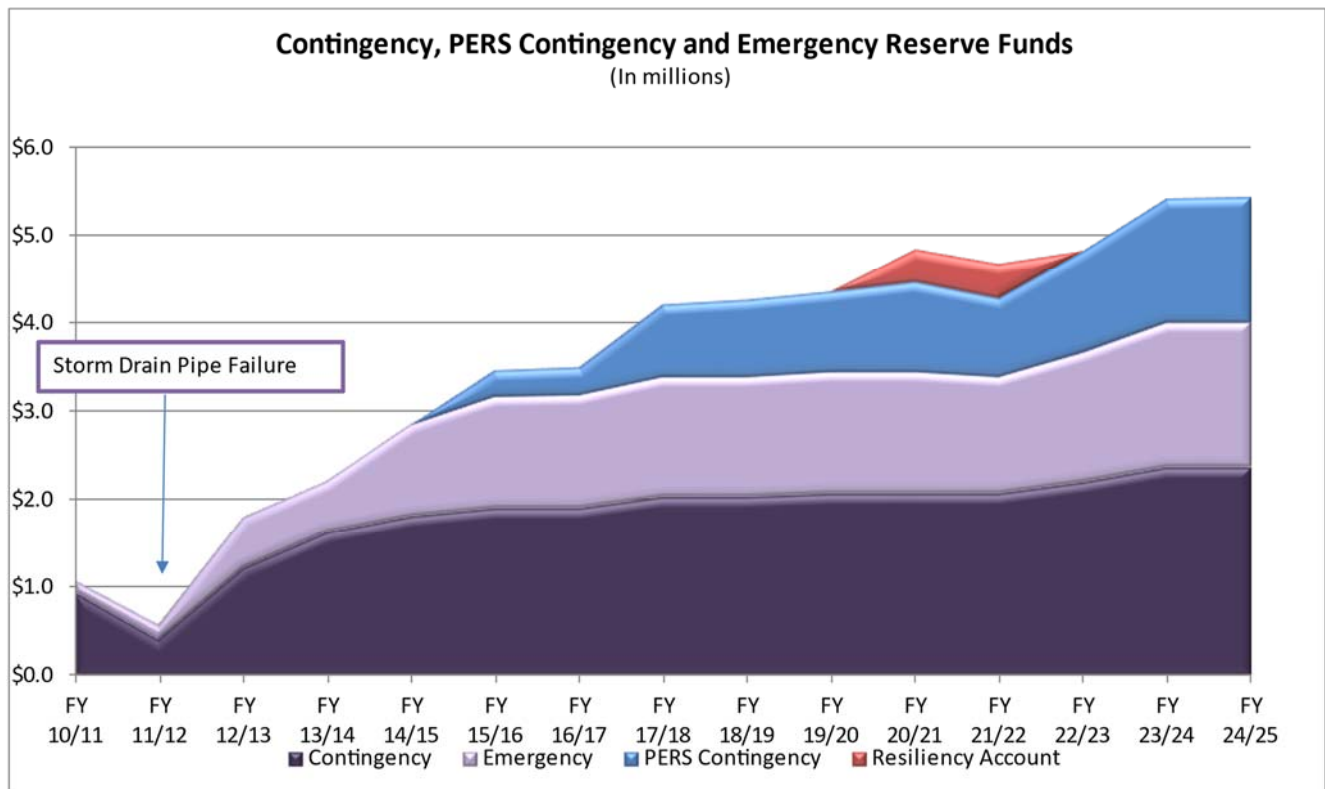
	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
General Fund	\$ 18,913,379	\$ 20,829,427	\$ 20,119,630	\$ 20,204,812	\$ 19,185,566	\$ 19,708,434
Designated Reserves						
Contingency Reserve	-	-	-	-	-	-
PERS Contingency Reserve	-	-	-	-	-	-
Emergency Reserve	60,000	-	80,000	80,000	-	-
Facilities Reserve	90,116	-	-	-	-	-
Total Designated Reserves	\$ 150,116	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -
Debt Service						
Pac Cove Lease Financing	165,066	165,066	725,000	649,940	-	-
Pac Cove Park	88,211	88,002	87,788	87,788	87,568	87,344
Total Debt Service Funds	\$ 253,277	\$ 253,068	\$ 812,788	\$ 737,728	\$ 87,568	\$ 87,344
Capital Improvement Fund	\$ 1,057,024	\$ 1,476,467	\$ 6,863,140	\$ 1,386,500	\$ 12,686,300	\$ 1,190,000
Internal Service Funds						
Stores	\$ 23,690	\$ 29,759	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Information Technology	174,084	299,723	626,000	650,000	272,000	272,000
Equipment Replacement	178,703	275,161	403,404	1,008,650	140,000	200,000
Self-Insurance Liability	586,251	656,222	622,138	720,406	760,036	797,228
Workers' Compensation	379,401	681,777	447,705	446,257	403,542	423,719
Compensated Absences	372,970	-	225,000	225,000	200,000	200,000
Total Internal Service Funds	\$ 1,715,100	\$ 1,942,641	\$ 2,351,247	\$ 3,077,313	\$ 1,802,578	\$ 1,919,947
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 46,117	\$ 109,954	\$ 221,000	\$ 221,230	\$ 101,500	\$ 101,500
TOT Restricted Revenue	105,167	100,783	151,667	137,333	119,133	105,774
Gas Tax	160,280	149,949	283,350	271,571	272,000	261,900
RTC Streets	96,915	1,129,884	386,345	386,345	369,000	380,000
SB1 RMRA	96,915	253,428	243,500	243,500	252,161	257,204
Wharf	98,523	61,003	17,500	44,796	141,250	31,605
General Plan Update and Maint.	22,493	125,760	401,412	76,130	209,375	45,000
Green Building Education	-	-	21,000	7,710	57,000	7,000
Public Arts Fee	-	5,031	78,000	11,000	66,500	26,000
Parking Reserve	100,000	100,000	469,000	469,000	-	-
Technology Fee	4,375	18,250	13,250	13,250	13,250	13,250
PEG-Public Education and Gov.	34,284	32,159	15,000	-	12,000	12,000
BIA-Capitola Village-Wharf BIA	95,849	140,940	157,500	157,500	155,900	155,900
CDBG Grants	265,954	220,884	273,335	20,000	235,530	20,000
CDBG Program Income	64,907	-	7,500	7,500	10,000	10,000
Library	1,305,325	1,085	-	-	-	-
HOME Reuse	3,200	3,700	64,100	64,100	4,100	4,100
Housing Trust	25,000	25,000	201,000	201,000	150,000	-
PLHA	-	-	256,800	99,837	171,825	185,983
Cap Hsg Succ- Program Income	97,969	92,316	405,807	293,610	1,324,025	74,025
Total Special Revenue Funds	\$ 2,623,272	\$ 2,570,126	\$ 3,667,066	\$ 2,725,413	\$ 3,664,549	\$ 1,691,241
Total Expenditures - All Funds	\$ 24,712,168	\$ 27,071,728	\$ 33,893,871	\$ 28,211,767	\$ 37,426,561	\$ 24,596,966

Emergency, PERS Contingency and Contingency Reserves

In 2000 the City adopted Financial Management policies, establishing a fifteen percent Contingency and a ten percent Emergency Reserve Fund. The Contingency Reserve provides a prudent level of financial resources to protect against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements. The Emergency Reserve protects against significant one-time costs, which might arise from major unpredictable emergency events.

As the 2011 pipe failure demonstrated, a sufficient Emergency Reserve Fund is needed to respond quickly to local disasters, as well as sustain low debt ratios. Due to the City's location in an active geologic region, adjacency to the ocean, and proximity to a major creek and highway, the City chose to also increase the Emergency Reserve funding level to ten percent of operating expenditures. In FY 15/16 the City implemented a PERS Contingency Reserve Fund to ensure future funding availability for potential CalPERS contribution increases.

The City was able to navigate the fiscal impacts associated the COVID-19 Pandemic without utilizing reserve funds, however, the atmospheric river storms on Jan. 5, 2023, has caused the City to utilize funds from the Emergency Reserve to make emergency repairs. Additionally, as the City continues to make storm damage repairs the general fund balance has been drawn down and therefore the FY 2024-25 Proposed Budget does not include any general fund transfers into the reserves. As storm damage repair costs are reimbursed through FEMA and Cal OES the City anticipates returning reserves to minimum target balances.



OPEB and PERS Trust Funds

The City has been proactive in planning for future liabilities. The City has established two trust funds for future retirement costs. The two trust funds are the OPEB (Other Post-Employment Benefits) Trust Fund, which is used for retiree health premiums, and the PERS Trust Fund, which is used for future PERS retirement costs.

OPEB Trust Fund:

Balance 6/30/2023	\$645,733
FY 2022/23 Contributions	67,050
<u>Estimated Interest Earned</u>	<u>5,000</u>
Estimated Balance 6/30/2024	\$717,783
FY 2023/24 Contributions	67,050
<u>Estimated Interest Earned</u>	<u>5,000</u>
Estimated Balance 6/30/2025	\$789,833

PERS Trust Fund:

Balance 6/30/2023	\$1,187,772
Estimated Interest Earned	10,000
<u>FY 2022/23 Contributions</u>	<u>250,000</u>
Estimated Balance 6/30/2023	\$1,447,772
<u>Estimated Interest Earned</u>	<u>10,000</u>
Estimated Balance 6/30/2024	\$1,457,772

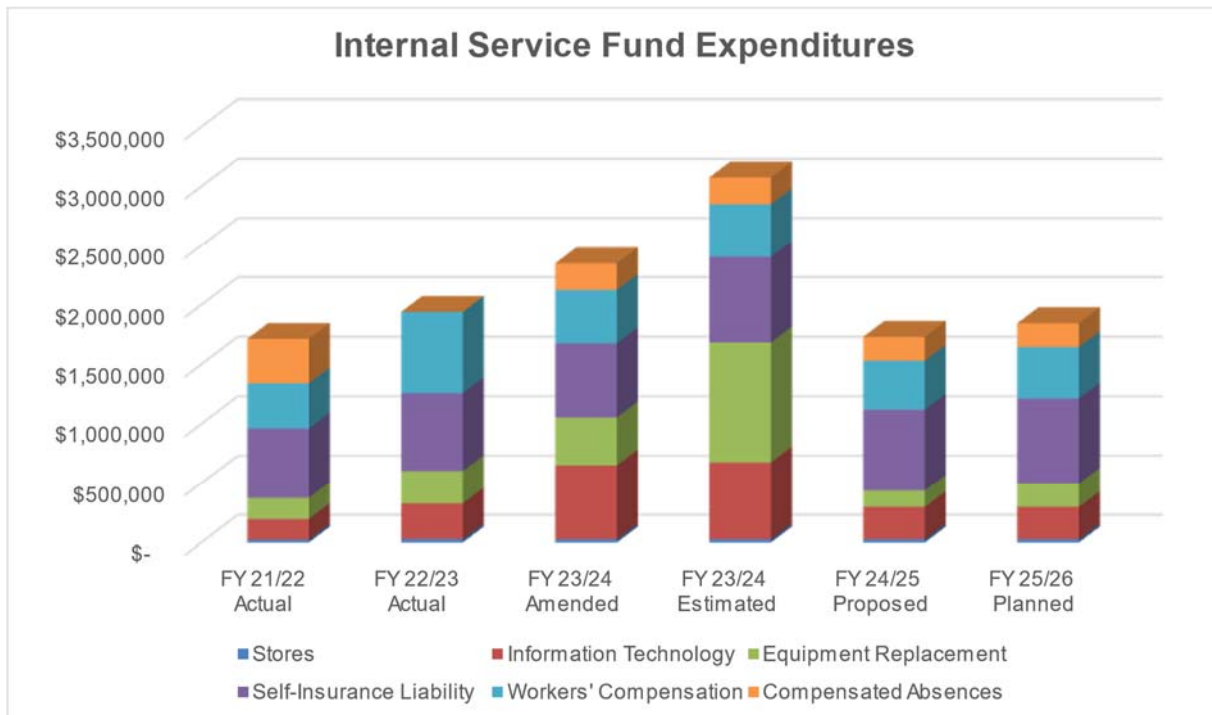
General Fund Resources

General Fund resources include reserve funds (Emergency, Contingency, PERS Contingency, Facilities) and Internal Service Funds designated for funding equipment purchases, risk management, workers' compensation, and compensated absences. The reserve funds have specific purposes and require a vote of the Council to expend.

The following table shows the estimated General Fund available resources:

Estimated Year End Fund Balance	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
General Fund	\$ 598,917	\$ 642,418	\$ 695,821
Designated Reserves			
Emergency	1,631,506	1,631,506	1,631,506
Contingency	2,364,346	2,364,346	2,364,346
PERS Contingency	1,414,275	1,424,275	1,434,275
Facilities Reserve	532,714	532,714	532,714
Internal Service Funds			
Stores	62,676	62,676	62,676
Information Technology	177,041	177,041	177,041
Equipment Replacement	577,318	502,318	502,318
Self-Insurance Liability	179,917	179,917	179,917
Workers' Compensation	118,749	118,749	118,749
Compensated Absences	330,886	330,886	330,886
Total General Fund Resources	\$ 7,988,344	\$ 7,966,845	\$ 8,030,248

The corresponding chart and graph illustrate internal service fund expenditures and the impact of transfers on the affected funds.



Fund Balance Summary

	Estimated Balance 7/1/2024	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2025
General Fund	\$ 598,917	\$19,229,066	\$ -	\$ 18,897,998	\$ 287,568	\$ 642,418
Designated Reserves						
Contingency Reserve	\$2,364,346	\$ -	\$ -			\$ 2,364,346
PERS Contingency Reserve	1,414,275	10,000	-	-	-	1,424,275
Emergency Reserve	1,631,506	-	-	-	-	1,631,506
Donations	-	-	-	-	-	-
Facility Reserve	532,714	-	-	-	-	532,714
Total Designated Reserves	\$ 5,942,840	\$ 10,000	\$ -	\$ -	\$ -	\$ 5,952,840
Debt Service						
Pac Cove Lease Financing	75,204	-	-	-	-	75,204
Pac Cove Park	12	-	87,568	87,568	-	12
Total Debt Service	\$ 75,216	\$ -	\$ 87,568	\$ 87,568	\$ -	\$ 75,216
Capital Improvement Fund	\$ 1,351,312	\$ 1,420,700	\$ -	\$ 2,600,000	\$ -	\$ 172,012
Internal Service Funds						
Stores	\$ 62,676	\$ 27,000		\$ 27,000	\$ -	\$ 62,676
Information Technology	177,041	275,000	-	272,000	-	180,041
Equipment Replacement	577,318	65,000	-	140,000	-	502,318
Self-Insurance Liability	179,917	760,036		760,036	-	179,917
Workers' Compensation	118,749	403,542		403,542	-	118,749
Compensated Absences	330,886	-	200,000	200,000	-	330,886
Total Internal Service Funds	\$ 1,446,587	\$ 1,530,578	\$ 200,000	\$ 1,802,578	\$ -	\$ 1,374,587
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 33,427	\$ 104,000		\$ 101,500		\$ 35,927
TOT Restricted Revenue	21,296	102,842		119,133		5,004
SB1 RMRA	300,518	252,161		252,161		300,518
RTC Streets	60,325	374,000		369,000		65,325
Gas Tax	273,397	274,160		272,000		275,557
Wharf	124,018	20,500		141,250		3,268
General Plan Update and Maint	280,571	114,375		209,375		185,571
Green Building Education	260,555	15,000		57,000		218,555
Public Art	155,236	-		66,500		88,736
Parking Reserve	737	-		-	-	737
Technology Fee	94,371	14,500		13,250		95,621
PEG-Public Education and Govt.	51,341	16,000		12,000		55,341
Capitola Village/Wharf BIA	33,426	148,600	-	155,900		26,126
CDBG Grants	(1,080)	232,335		235,530		(4,275)
CDBG Program Income	39,199	-		10,000		29,199
Library	51,569	1,000		-		52,569
HOME Reuse	780,264	-		4,100		776,164
Housing Trust	241,690	14,000		150,000		105,690
PLHA	5,255	171,825		171,825		5,255
Cap Hsg Succ- Program Income	1,925,511	27,400		1,324,025		628,886
Total Special Revenue Funds	\$ 4,731,626	\$ 1,882,698	\$ -	\$ 3,664,549	\$ -	\$ 2,949,774
Prelim. Fund Balance - All Funds	\$ 14,146,498	\$ 24,073,042	\$ 287,568	\$ 27,052,693	\$ 287,568	\$ 11,166,846
GF Fund Balance Designation	(100,000)					(100,000)
Total Fund Balance - All Funds	14,046,498					11,066,846

Fund Balance Summary

	Estimated Balance 7/1/2025	Revenues	Transfers In	Expenditures	Transfers Out	Estimated Balance 6/30/2026
General Fund	\$ 642,418	\$ 19,761,838	\$ -	\$ 19,421,090	\$ 287,344	\$ 695,821
Designated Reserves						
Contingency Reserve	\$ 2,364,346	\$ -	\$ -		\$ -	\$ 2,364,346
PERS Contingency Reserve	1,424,275	10,000	-	-	-	1,434,275
Emergency Reserve	1,631,506	-	-	-	-	1,631,506
Donations	-	-	-	-	-	-
Facility Reserve	532,714	-	-	-	-	532,714
Total Designated Reserves	\$ 5,952,840	\$ 10,000	\$ -	\$ -	\$ -	\$ 5,962,840
Debt Service						
Pac Cove Lease Financing	75,204	-	-	-	-	75,204
Pac Cove Park	12	-	87,344	87,344	-	12
Total Debt Service	\$ 75,216	\$ -	\$ 87,344	\$ 87,344	\$ -	\$ 75,216
Capital Improvement Fund	\$ 172,012	\$ -	\$ -	\$ -	\$ -	\$ 172,012
Internal Service Funds						
Stores	\$ 62,676	\$ 27,000	\$ -	\$ 27,000	\$ -	\$ 62,676
Information Technology	180,041	272,000	-	272,000	-	180,041
Equipment Replacement	502,318	200,000	-	200,000	-	502,318
Self-Insurance Liability	179,917	797,228	-	797,228	-	179,917
Workers' Compensation	118,749	423,719	-	423,719	-	118,749
Compensated Absences	330,886	-	200,000	200,000	-	330,886
Total Internal Service Funds	\$ 1,374,587	\$ 1,719,947	\$ 200,000	\$ 1,919,947	\$ -	\$ 1,374,587
Special Revenue Funds						
SLESF-Suppl Law Enforcmnt Svc	\$ 35,927	\$ 104,000		\$ 101,500		\$ 38,427
TOT Restricted Revenue	5,004	104,878		105,774		4,109
SB1 RMRA	300,518	257,204		257,204		300,519
RTC Streets	65,325	385,000		380,000		70,325
Gas Tax	275,557	263,905		261,900		277,562
Wharf	3,268	32,500		31,605		4,163
General Plan Update and Maint	185,571	50,000		45,000		190,571
Green Building Education	218,555	15,000		7,000		226,555
Public Art	88,736	-		26,000		62,736
Parking Reserve	737	-	-	-	-	737
Technology Fee	95,621	14,500		13,250		96,871
PEG-Public Education and Govt.	55,341	16,000		12,000		59,341
BIA-Capitola Village-Wharf BIA	26,126	148,600		155,900		18,826
CDBG Grants	(4,275)	-		20,000		(24,275)
CDBG Program Income	29,199	-		10,000		19,199
Library	52,569	1,000		-		53,569
HOME Reuse	776,164	-		4,100		772,064
Housing Trust	105,690	14,000		-		119,690
PLHA	5,255	185,983		185,983		5,255
Cap Hsg Succ- Program Income	628,886	7,400		74,025		562,261
Total Special Revenue Funds	\$ 2,949,774	\$ 1,599,971	\$ -	\$ 1,691,241	\$ -	\$ 2,858,504
Prelim. Fund Balance - All Funds	\$ 11,166,846	\$ 23,091,756	\$ 287,344	\$ 23,119,622	\$ 287,344	\$ 11,138,980
GF Fund Balance Designation	(100,000)				-	(100,000)
Total Fund Balance - All Funds	11,066,846					11,038,980

GENERAL FUND REVENUES

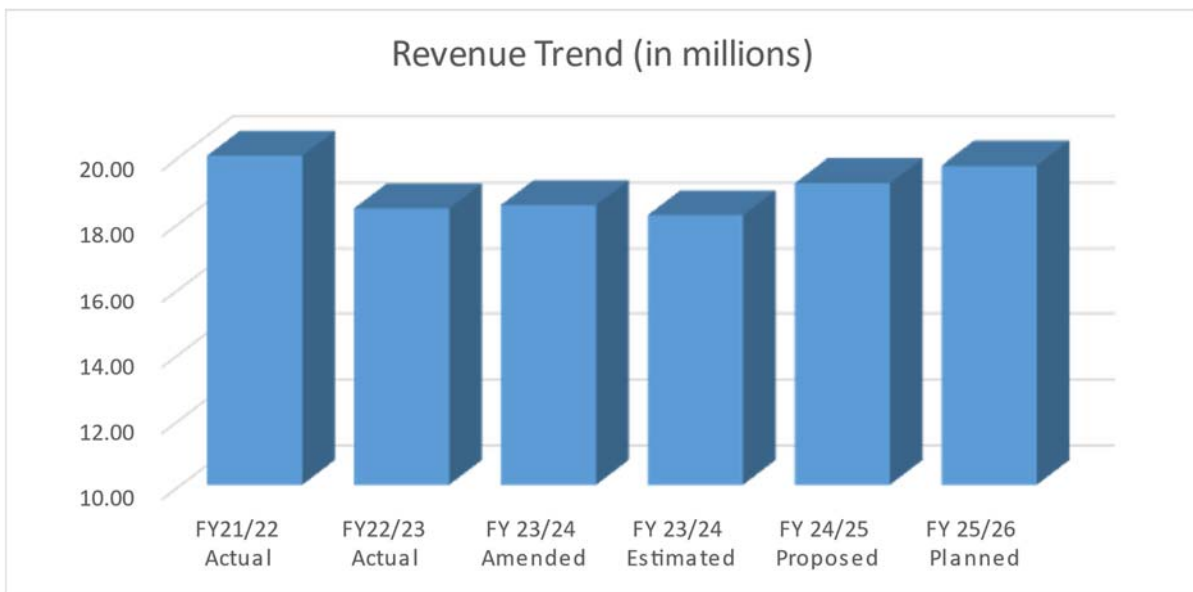


General Fund Revenues

Revenues for the FY 2024-25 General Fund operating budget total \$19.2 million, an increase of approximately \$661,000 or 3.6 percent above FY 2023-24 estimated revenue. Property tax revenues remain strong as assessed values (basis for property tax levies) continue to increase with changes in ownership and an additional 2% CPI increase per Prop 13 provisions. Staff anticipates sales tax revenue to increase around 2.3% over FY 2023-24 and transient occupancy tax to increase about 1% compared to prior year as hotels, motels, and short-term rentals continue strong operations.

A summary of major revenue changes between the FY 2023-24 adopted and FY 2024-25 proposed budgets is listed below:

General Fund Revenues						
	FY21/22	FY22/23	FY 23/24	FY 23/24	FY 24/25	FY 25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Taxes	\$ 14,514,218	\$14,709,173	\$14,643,970	\$14,521,871	\$15,106,270	\$15,632,013
Licenses and permits	718,935	650,188	664,159	695,854	740,409	743,597
Intergovernmental revenues	1,350,001	351,671	89,700	105,700	136,360	108,353
Charges for services	1,894,868	1,817,637	2,187,937	1,912,013	2,322,127	2,352,127
Fines and forfeitures	588,832	566,907	607,500	648,000	607,500	607,500
Use of money & property	31,722	70,527	198,495	183,200	199,195	199,195
Other revenues	891,204	240,413	115,403	135,953	117,206	119,053
General Fund Revenues	\$ 19,989,781	\$18,406,515	\$18,507,164	\$18,202,591	\$19,229,066	\$19,761,838



General Revenue Information

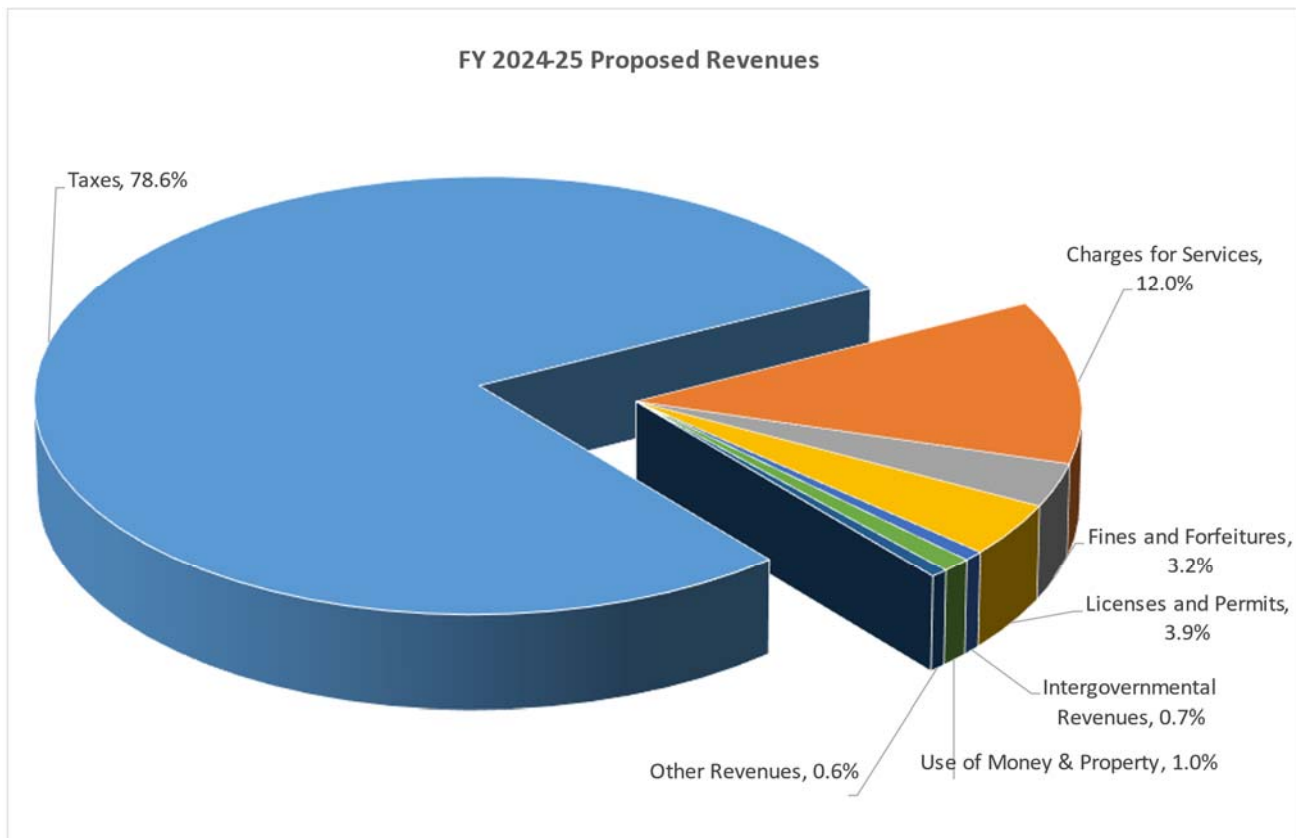
The City does not receive General Fund revenues in equal monthly increments. While the City receives some revenue regularly throughout the fiscal year, some is received quarterly or annually. The variable nature of these revenues results in an uneven cash flow. For example, the City of Capitola's lowest cash balances occur in April and again in mid-December prior to property tax revenue being received. The City developed a cash flow model to assist with on-going cash flow variability and to identify reserve requirements. While monitoring the City's cash flow has always been a priority, the need to identify patterns became more critical during the disaster recovery period when reserves were nearly depleted. In FY 2012-13 the City approved increasing the Contingency Reserve balance from 10 percent to 15 percent to assist in covering potential cash flow deficits.

Projections for each source of revenue include a review of historical trends, the local economy, new business development, and pending legislation. Due to significant changes, the City is closely monitoring the following five core revenues, which represent over 80 percent of the General Fund:

- Sales Tax \$8,508,650
- Transient Occupancy Tax 2,222,000
- Parking Meters 1,165,940
- Parking Fines 497,500
- Property Taxes 3,277,120

\$15,671,210

Additional information related to the five core revenues is detailed within this section. In addition, five-year trends for each revenue source are provided in the Revenue Summary.



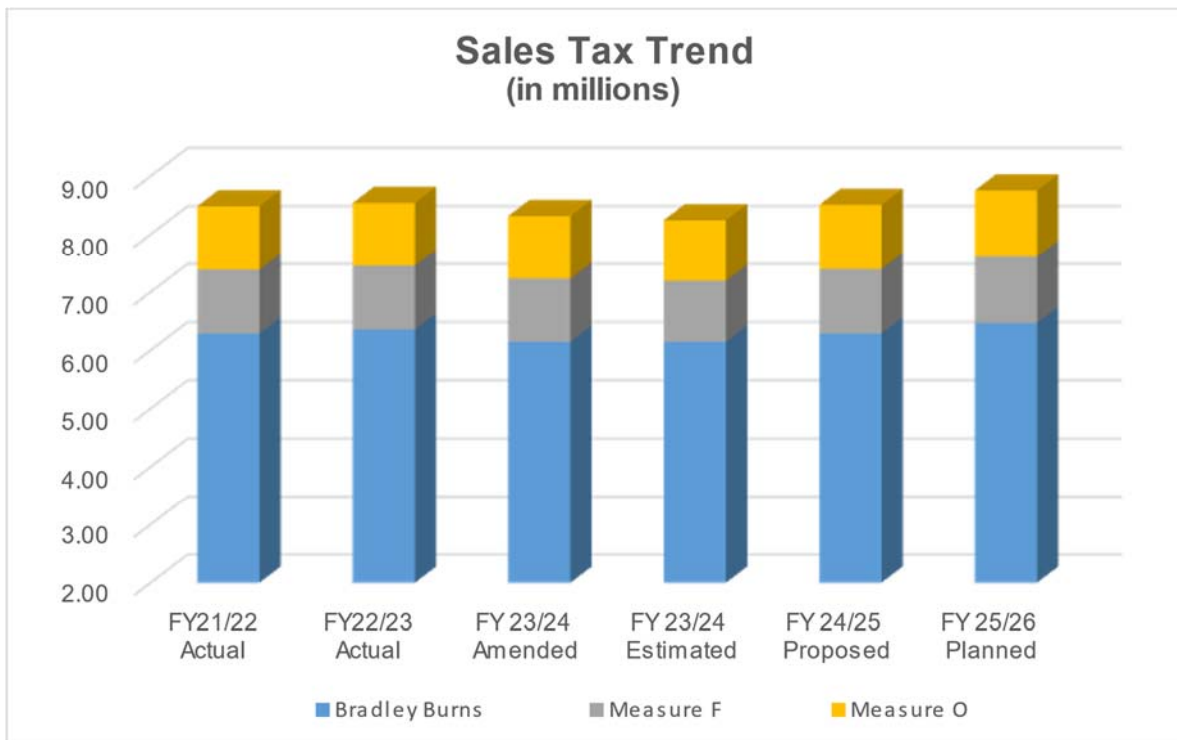
Sales Tax

The City of Capitola sales tax consists of one percent Bradley Burns, a quarter percent Capitola District Tax (Measure F), and a permanent quarter percent Capitola District Tax (Measure O). In FY 2023-24 annual sales tax revenue is estimated to be \$8.2 million, with approximately \$2.1 million in revenues contributed by Measure O, and Measure F.

Sales tax by Geographic Area	
Area	% of Total
41st Ave. Corridor	79.1%
Capitola Village	11.2%
Upper Village	6.9%
Light Industrial Distr.	2.8%
	<u>100.0%</u>

The Finance Department works closely with HdL, the City's sales tax consultant, on tax recovery, statistics, and projections. Sales tax projections are based on a combination of "most likely" estimates provided by HdL, internal quarter over quarter analyses, and the impact of one-time events. In FY 2024-25, Bradley Burns sales tax revenue is anticipated to increase by approximately 2.3 percent, or \$141,000, above the FY 2023-24 estimated sales tax receipts. The City's sales tax collections are heavily dependent on the top five generators.

The chart below illustrates sales tax performance including the sunset of Measure D and start of Measure F.



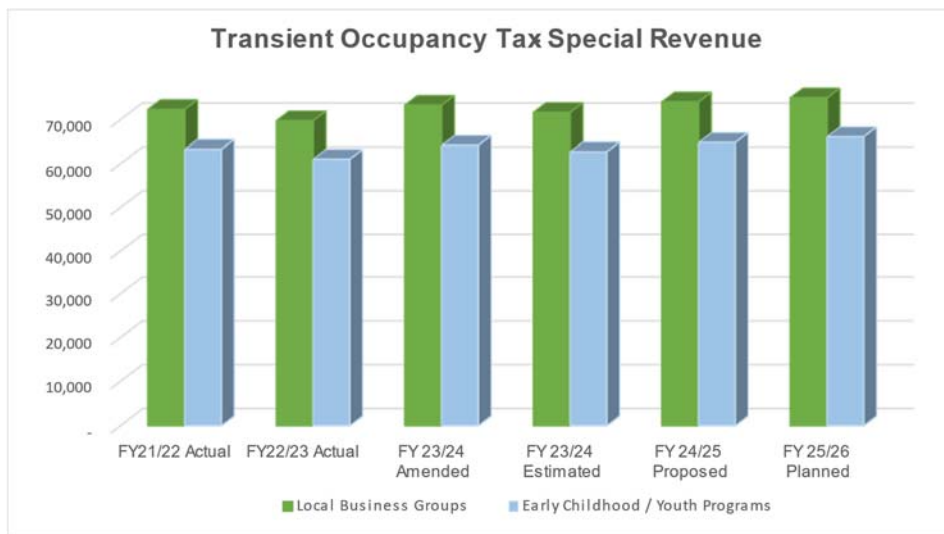
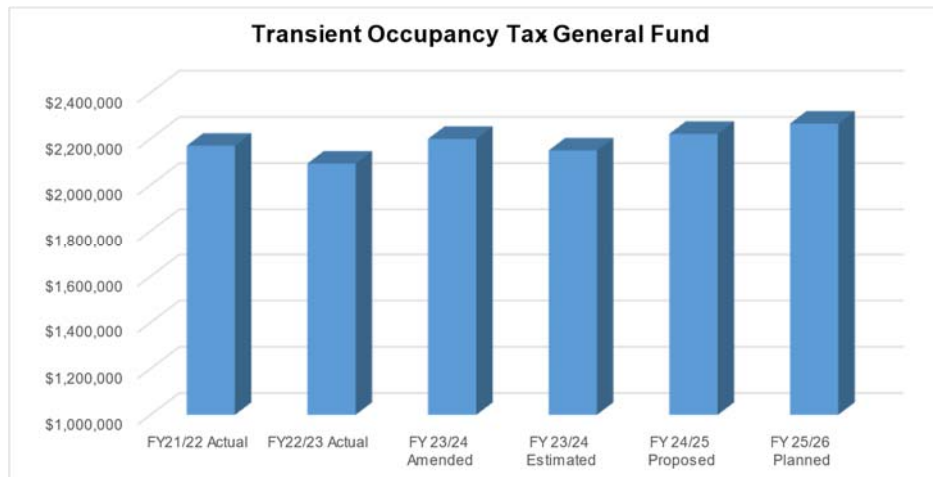
Transient Occupancy Taxes (TOT)

Hotel tax, also known as the Transient Occupancy Tax (TOT), charges rental accommodation of less than 30 days a 12 percent tax of which 0.75% is restricted for local business groups and early childhood and youth programs. In FY 2023-24 TOT tax generally accounts for approximately 11% of General Fund operating revenues. The City's TOT revenues come from the following sources:

- Hotels, Motels and Inns
- Other Rentals
 - Bed and Breakfasts
 - Vacation Rentals

TOT revenues are anticipated to increase 1% during FY 2024-25. For the last several years, hotels have experienced high occupancy rates leaving little room for increased TOT revenues. As the industry slows down little revenues are expected to continue to grow slightly as has been the case for the last couple of years.

The following chart illustrates TOT revenues within the City. Due to Capitola's seaside location, proximity to regional attractions, and continued signs of economic recovery, the City is continuing efforts to attract another hotel to the area.

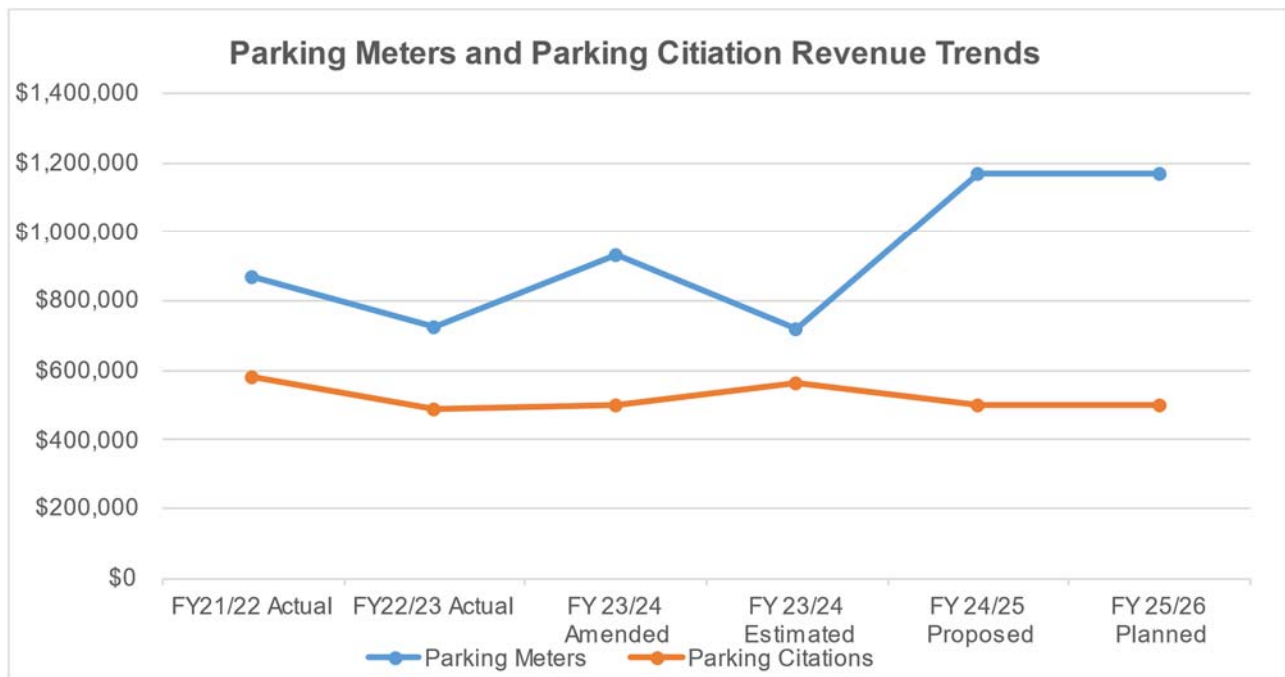


Parking Meters and Parking Fines

In FY 2024-25 parking meter and parking fine revenues are estimated to contribute approximately \$1.7 million to the General Fund. Revenue sources include fees collected from the meters and fines resulting from expired meters and improper parking. Factors affecting these revenues include tourism and seasonal trends. The FY 2024-25 proposed budget reflects a \$233,000 in parking meter revenue as a result of the parking meter rate increase effective Jan. 1, 2023. During the summer, the City offers shuttle bus service from the parking lots to the Village, beach, and Capitola Wharf. Projected revenues for each location are estimated below:

Location	Spaces	FY 24/25 Proposed	Avg. Meter Rev. per Space
Village	180	\$ 765,940	\$ 4,255
Cliff Drive	65	\$ 162,500	\$ 2,500
Pacific Cove - Upper Lot	232	\$ 175,000	\$ 754
Pacific Cove - Lower Lot	226	\$ 62,500	\$ 277

The following chart illustrates parking meter revenue and parking citation revenue trends within the City. Overall, the revenue trend reflects the previously mentioned parking meter rate increase while showing citation revenue remaining flat. In FY 2015/16 the City implemented 3-hour parking in the Village. The change has had a positive impact on meter revenue while decreasing citations.



Property Taxes

Property Taxes, an Ad Valorem Tax imposed on real property and tangible personal property, are levied at one percent of the assessed value of the property. The City receives 7.47 percent of each one percent, or 75 cents per \$1,000 of assessed property value.

In FY 2024-25 property tax revenue is estimated to be \$3.3 million, representing a six percent increase over the estimated collection amount from FY 2023-24. The City's collections are slightly higher than the information from the County Auditor-Controller's Office due to the increased cost of housing and a robust housing market.

In the FY 2024-25 proposed budget, base property tax revenues are projected to increase approximately six percent. The City based the projection on information from the Auditor-Controller's Office, historical trends, and a review of the current housing market. A growth factor of six percent of the assessed property valuation was used to estimate FY 2024-25 property tax revenue.

Property taxes are received based on the following distribution schedule:

- December: 50%
- April: 45%
- June: 5%

Property Taxes in-lieu-of Vehicle License Fees

Property Tax in-lieu-of Vehicle License Fee revenue has increased an average of six percent per year over the last several years. This increase continues to be consistent with the rising property values outlined by the Auditor-Controller's Office. Due to the relatively flat history associated with these revenues, conservative estimates of four percent have been applied to the upcoming fiscal years.



Revenue Summary

	FY21/22	FY22/23	FY 23/24	FY 23/24	FY 24/25	FY 25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
<u>Taxes</u>						
Property Taxes	\$ 2,782,322	\$ 2,959,208	\$ 3,091,621	\$ 3,091,621	\$ 3,277,120	\$ 3,473,747
Sales Tax- Bradley Burns	6,288,953	6,359,143	6,145,250	6,145,250	6,286,590	6,468,901
Sales Tax- Measure O	1,097,862	1,087,700	1,086,050	1,050,000	1,111,030	1,143,250
Sales Tax- Measure F	1,097,984	1,095,576	1,086,050	1,050,000	1,111,030	1,143,250
Document Transfer Tax	100,861	98,938	100,000	100,000	100,000	100,000
Franchise Tax	634,511	708,276	635,000	635,000	698,500	733,425
Transient Occupancy Tax	2,170,541	2,093,243	2,199,999	2,150,000	2,222,000	2,266,440
Cannabis Retail Tax	341,183	307,089	300,000	300,000	300,000	303,000
Total	\$ 14,514,218	\$ 14,709,173	\$ 14,643,970	\$ 14,521,871	\$ 15,106,270	\$ 15,632,013
<u>Licenses and permits</u>						
Business License	\$ 315,604	\$ 309,349	\$ 312,500	\$ 305,000	\$ 318,750	\$ 321,938
Building Permits	236,659	179,754	180,000	220,000	250,000	250,000
Cannabis Annual License Fee	5,188	5,354	5,000	5,354	5,000	5,000
Encroachment Permits	26,260	37,311	30,000	32,000	30,000	30,000
Special events permit	1,564	9,382	10,000	9,000	10,000	10,000
Entertainment permit	6,594	4,659	4,659	4,000	4,659	4,659
Parking Permits	43,068	42,098	45,500	45,500	45,500	45,500
Planning Permits	83,464	61,705	63,500	75,000	63,500	63,500
Other Permits	533	575	13,000	-	13,000	13,000
Total	\$ 718,935	\$ 650,188	\$ 664,159	\$ 695,854	\$ 740,409	\$ 743,597
<u>Intergovernmental revenues</u>						
Federal and State Grants	\$ 1,343,507	\$ 345,037	\$ 83,000	\$ 100,000	\$ 99,660	\$ 101,653
Gen gov't BIA - Fin. support svcs.	4,200	4,200	4,200	4,200	4,200	4,200
Gen gov't CVC - Fin. support svcs.	2,294	2,434	2,500	1,500	2,500	2,500
Total	\$ 1,350,001	\$ 351,671	\$ 89,700	\$ 105,700	\$ 106,360	\$ 108,353
<u>Charges for Svcs.</u>						
Gen gov't Pay stations-Village	\$ 562,881	\$ 452,741	\$ 612,750	\$ 400,000	\$ 765,940	\$ 765,940
Gen gov't Pay stations-Cliff Dr.	112,522	119,577	130,000	130,000	162,500	162,500
Gen gov't Pay station-upper Pac Cove	139,268	112,445	140,000	140,000	175,000	175,000
Gen gov't Pay stations-lower Pac Cove	56,676	38,089	50,000	50,000	62,500	62,500
Public safety Vehicle release fee	8,118	8,014	7,000	7,000	7,000	7,000
Public safety Police reports	631	667	500	500	500	500
Public safety Booking fees	-	-	250	250	250	250
Public safety DUI collections	5,772	2,133	6,000	3,000	6,000	6,000
Public safety Spec. events - Police Svcs.	4,145	41,141	40,000	40,000	40,000	40,000
Public works BIA - public works Svcs.	3,000	3,000	3,000	3,000	3,000	3,000
Public Works - Special Events	-	4,427	-	4,500	0	0
Public works Stormwater dev. Review	2,224	1,524	2,000	2,000	2,000	2,000
Building fees Building plan check fees	113,353	129,767	100,000	95,000	100,000	100,000
Bldg. Official Reimbursement	105,833	103,761	112,000	112,000	0	0
Comm dev Planning fee - Sr./Assoc plnr cost	11,981	46,479	45,000	40,000	50,000	50,000
Comm Planning fee - assist plnr cost	6,612	-	-	-	0	0
Comm dev Planning fee - director cost	17,544	18,575	10,000	20,000	10,000	10,000
Comm dev Subdivisions	-	-	-	-	0	0
Comm dev Planning plan check fee	10,992	19,708	10,000	7,500	30,000	30,000
Comm dev Planning application fee	1,731	-	-	-	0	0
Comm dev Planning - Gen Plan	-	-	25,000	25,000	25,000	25,000

	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY 23/24 Estimated	FY 24/25 Proposed	FY 25/26 Planned
Comm dev Planning - other fees	10,554	5,159	-	-	2,000	2,000
Comm dev Planning - Code Enforcement	-	-	-	-	-	-
Recr. fees Class fees	199,902	224,903	225,000	225,000	225,000	225,000
Recr. fees Jr. Guard fees	267,803	263,302	309,263	309,263	325,263	325,263
Recr. School Support Program	1,386	-	30,000	-	30,000	30,000
Recr. fees Sports fees	26,185	22,465	19,000	25,000	19,000	19,000
Recr. fees Camp Capitola fees	174,837	150,173	193,240	193,240	193,240	193,240
Recr. Afterschool Program	50,014	48,338	113,174	75,000	113,174	113,174
Recr. Events	904	1,249	4,760	4,760	4,760	4,760
Total	\$ 1,894,868	\$ 1,817,637	\$ 2,187,937	\$ 1,912,013	\$ 2,352,127	\$ 2,352,127
<u>Fines and forfeitures</u>						
Redlight camera enforcement	\$ -	\$ 37,924	\$ 40,000	\$ 25,000	\$ 40,000	\$ 40,000
Parking Citation	580,447	486,207	497,500	563,000	497,500	497,500
General Fines	8,386	42,776	70,000	60,000	70,000	70,000
Total	\$ 588,832	\$ 566,907	\$ 607,500	\$ 648,000	\$ 607,500	\$ 607,500
<u>Use of money & property</u>						
Investment earnings	\$ 12,390	\$ 7,596	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Rents Jade Street facility	6,700	11,081	11,000	10,000	11,000	11,000
Rents Esplanade restaurants	4,930	4,708	5,000	4,500	5,500	5,500
Rents Esplanade - surf trailer	1,785	2,281	1,800	1,700	2,000	2,000
Rents Esplanade bandstand	677	5,789	4,000	4,000	4,000	4,000
Rents Outdoor Dining	5,240	39,072	51,695	38,000	51,695	51,695
Total	\$ 31,722	\$ 70,527	\$ 198,495	\$ 183,200	\$ 199,195	\$ 199,195
<u>Other revenues</u>						
Donations - Recreation	\$ 21,250	\$ 29,250	\$ -	\$ 24,250	\$ -	\$ -
Grants, donations, contrib	1,700	2,600	2,000	2,600	2,000	2,000
Arts-Twilight Concert Sponsors	46,400	13,300	25,000	18,500	25,000	25,000
Arts-Movies at the Beach Sponsor	-	2,500	2,000	-	2,000	2,000
Arts-Art at the Beach Booth Fee	3,660	2,680	2,000	1,000	2,000	2,000
Arts-Sunday Art & Music Sponsors	-	-	-	-	-	-
Museum donations-Box Revenue	2,566	2,062	1,300	2,000	1,300	1,300
Museum Donations-Fundraising	5,819	8,028	3,000	7,000	3,000	3,000
Memorial plaques and benches	17,159	10,751	8,000	8,500	8,000	8,000
Miscellaneous revenues	44,495	169,242	72,103	72,103	73,906	75,753
Interfund Transfer In - Library	748,155	-	-	-	-	-
Total	\$ 891,204	\$ 240,413	\$ 115,403	\$ 135,953	\$ 117,206	\$ 119,053
Grand Totals	\$ 19,989,781	\$ 18,406,515	\$ 18,507,164	\$ 18,202,591	\$ 19,229,066	\$ 19,761,838

GENERAL FUND EXPENDITURES



General Fund Expenditures

The total FY 2024-25 General Fund expenditure budget proposes a decrease of approximately \$1.2 million from the FY 2023-24 Amended Budget as existing resources are programmed towards City Council Goals. Increases have been programmed in most major categories as inflation continues to impact City expenditures. Key differences between the two fiscal years include:

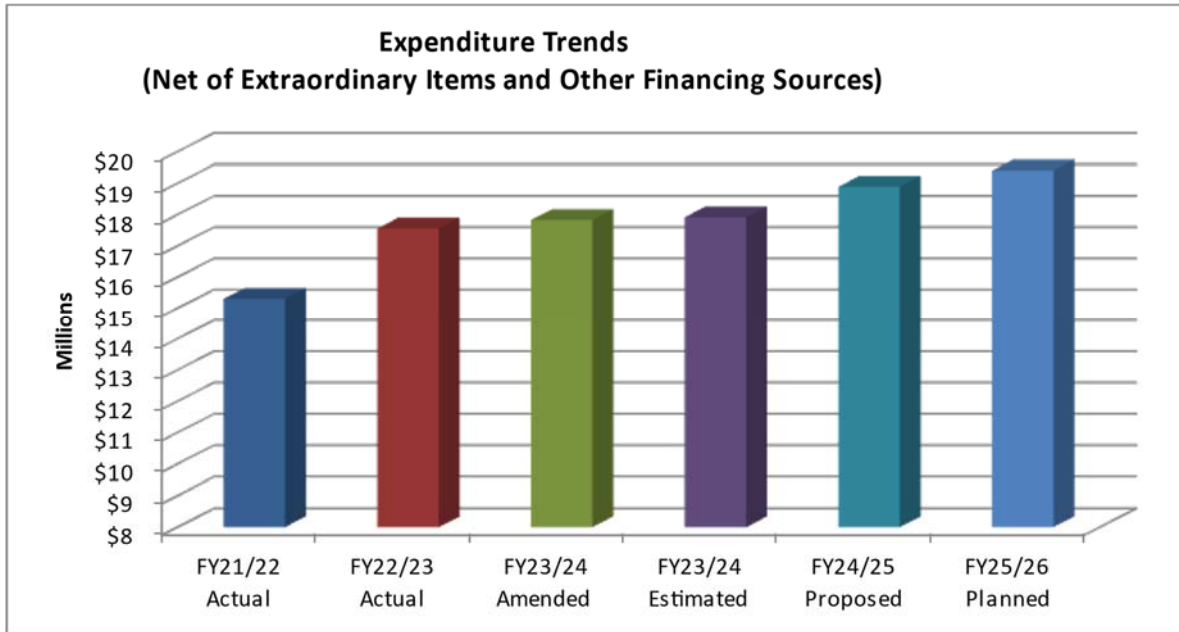
- Total personnel costs (salary and benefits) are estimated to increase \$978,000 from the FY 2023-24 Amended Budget due to significant increases in the annual Cal PERS Unfunded Actuarial Liability payment, cost of living adjustments, increased employee health care contributions, scheduled step increases, and a proposed reorganization of the Recreation Division.
 - Salary costs are estimated to be \$407,000 higher, however labor negotiations between the City and bargaining units are still on going.
 - Salary – Seasonal/Temp increased \$41,000 as summer recreations programs remain at full capacity.
 - Overtime is anticipated to decrease \$92,000 primarily in the Police. This past year was higher than normal due to several felony crime investigations and winter storms.
 - Specialty Pay – increased \$88,000 in part due to more bilingual employees serving the public.
 - Benefits – increased \$533,000, as a result of labor negotiations between the City and labor bargaining units.
- Contract services remained the same as the prior year.

The following chart provides an overview of expenditures for FY 2021-22 to FY 2025-26. A complete description of major changes will follow in the related expenditure detail pages.

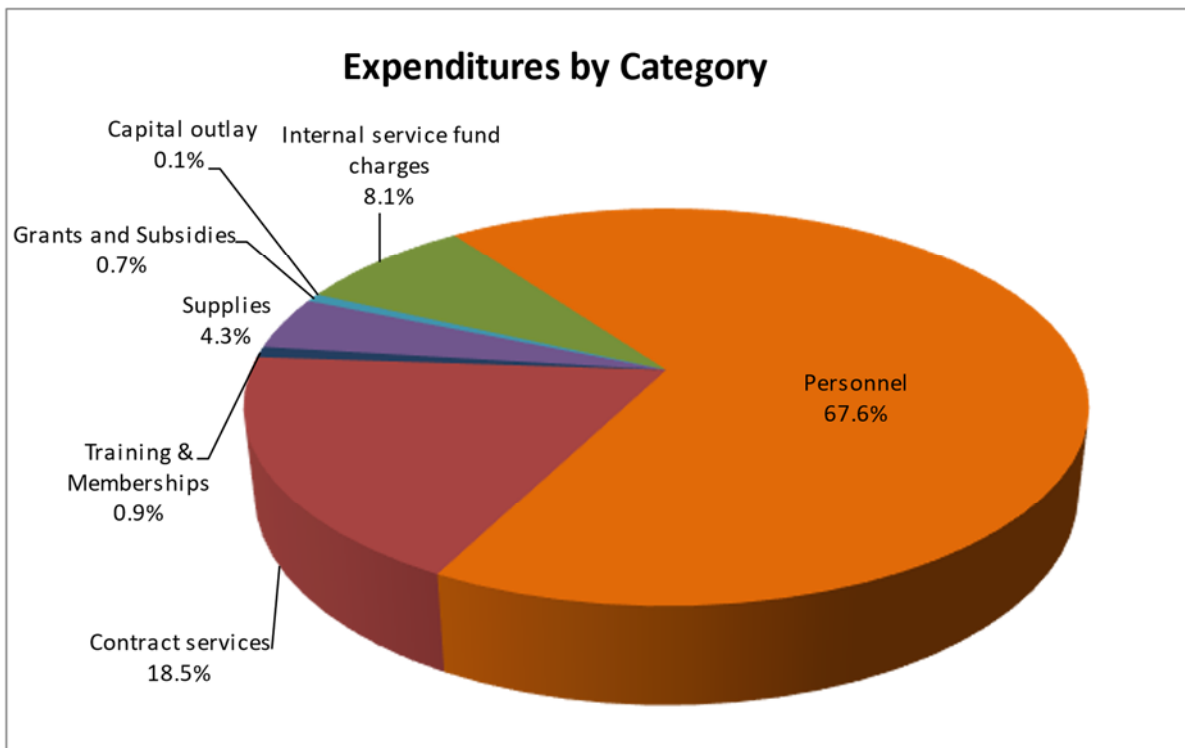
General Fund Expenditures Summary

Major Categories	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract services	3,018,482	3,336,801	3,483,368	3,483,368	3,493,981	3,387,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants and Subsidies	43,650	101,650	125,000	125,000	125,000	125,000
Internal service fund	1,196,204	1,444,499	1,617,841	1,617,841	1,523,578	1,715,947
Subtotal	\$15,305,036	\$17,558,103	\$17,830,842	\$17,916,024	\$18,897,998	\$19,421,090
Other financing uses	3,608,343	3,271,324	2,288,788	2,288,788	287,568	287,344
Expenditure Total	\$18,913,379	\$20,829,427	\$20,119,630	\$20,204,812	\$19,185,566	\$19,708,435

The following chart provides an overview of expenditure trends, excluding transfers. Expenditures are trending down as we complete several City Council goals utilizing one-time funding.



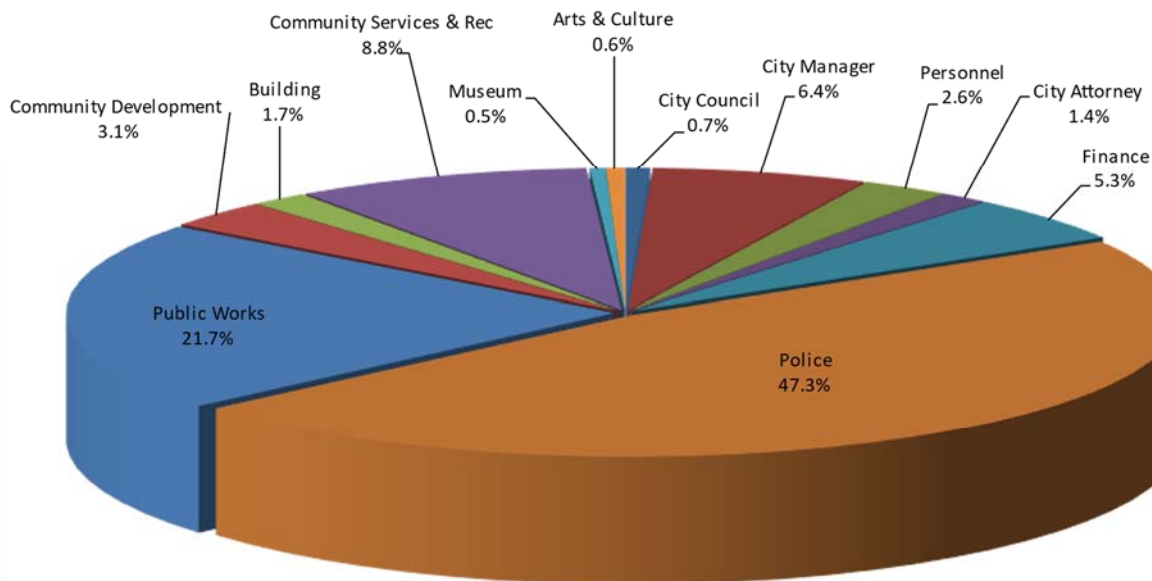
A chart displaying the percentage of expenditures by category is also provided for reference. Personnel costs are estimated to increase \$853,000 from the prior fiscal year causing the ratio of personnel services to total expenditures to increase from 66 percent to 68 percent. Other notable changes were in contract services, which decreased from 21.5 percent to 18.5 percent, and internal service charges, which decreased from 9.4 percent to 7.8 percent.



General Fund Department Expenditures

Department	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$98,851	\$107,274	\$202,431	\$193,309	\$136,007	\$118,476
City Manager	962,776	1,089,679	1,006,073	1,017,815	1,198,703	1,203,513
Personnel	363,511	362,138	458,273	453,803	483,692	496,860
City Attorney	281,956	371,305	288,000	296,766	270,000	270,000
Finance	780,845	824,038	967,309	937,451	987,445	1,020,696
Community Grants	63,648	110,075	133,425	125,000	125,000	125,000
Police - Law Enforcement	6,836,392	7,417,322	7,564,482	7,606,999	8,137,335	8,422,595
Police - Pkg. Enforcement	657,986	637,952	602,855	554,930	594,734	605,024
Police - Lifeguard Svcs.	88,413	0	0	0	0	0
Police - Animal Services	74,785	81,667	88,973	88,973	140,939	147,984
Public Works - Streets	1,738,211	1,990,454	2,349,613	2,355,700	2,265,311	2,468,697
Public Works-Storm Water	129,179	116,560	204,538	203,538	209,821	212,412
Public Works - Facilities	282,891	322,275	256,143	307,681	409,757	369,793
Public Works - Fleet	325,344	367,213	359,573	364,664	429,389	436,708
Public Works - Parks	458,374	673,019	659,126	712,545	754,746	723,429
Community Development	595,244	507,717	583,645	583,587	590,410	636,509
Building	397,021	511,540	476,365	411,266	321,676	297,134
Community Services & Rec	1,049,529	1,455,657	1,492,206	1,553,642	1,651,146	1,678,339
Museum	66,434	71,824	77,592	82,329	87,651	89,565
Art & Cultural	60,147	62,472	69,644	94,625	104,236	98,357
Subtotal	\$15,311,537	\$17,080,181	\$17,840,266	\$17,944,623	\$18,897,998	\$19,421,091
Transfers & Other	\$3,608,343	\$3,271,324	\$2,288,788	\$2,288,788	\$287,568	\$287,344
Expenditure Total	\$18,919,880	\$20,351,505	\$20,129,054	\$20,233,411	\$19,185,566	\$19,708,435

Expenditures by Department



General Fund Expenditures

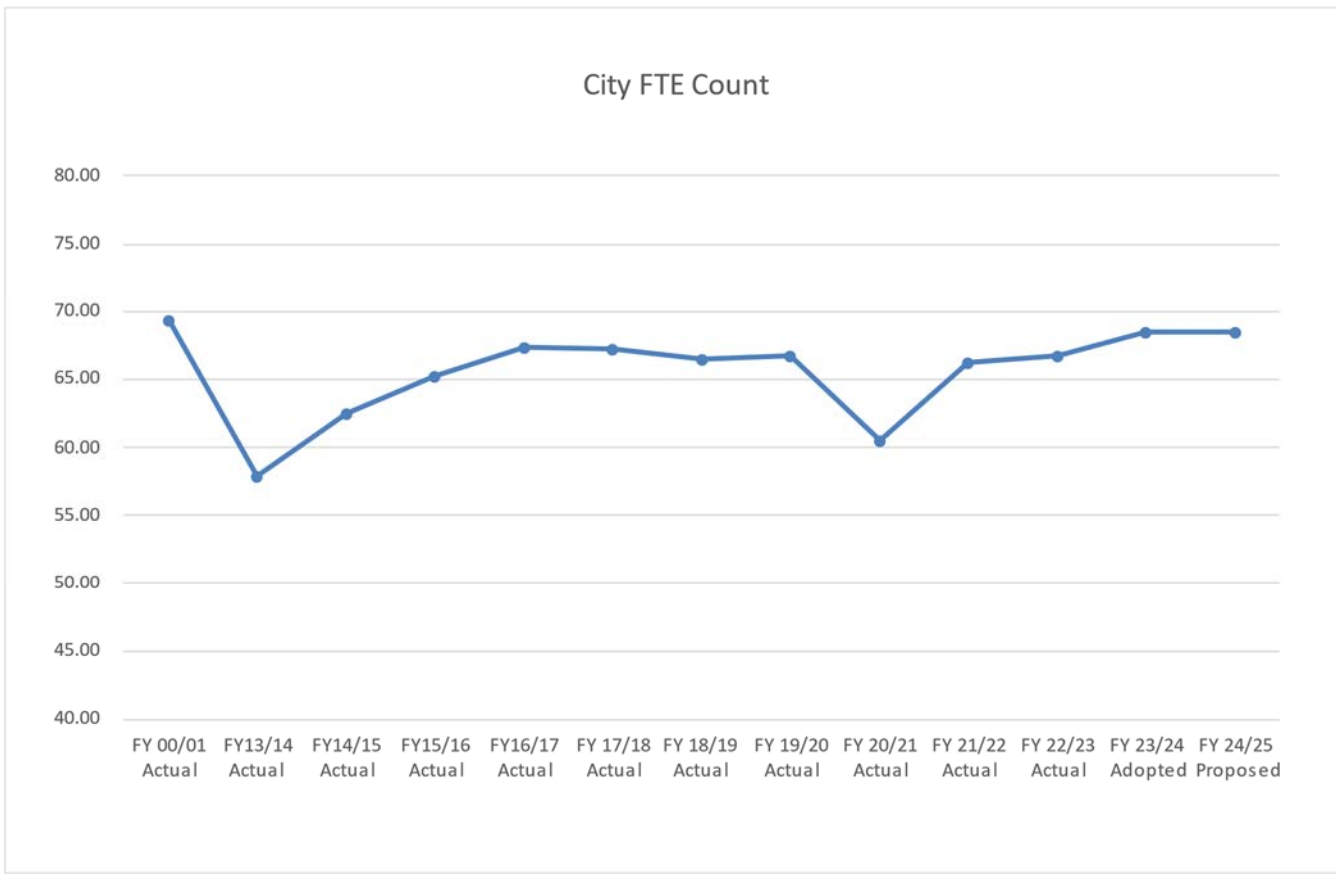
SALARIES & BENEFITS

All positions listed in the General Fund are fully funded with full benefit costing. Fully benefited positions are budgeted at their current step plus an assumption that they will move to the next step unless they are already at the top step of their classification. Specialty pays are budgeted as a separate line item.

Positions budgeted for in FY 2024-25 include the reorganization of the Recreation Division into the Proposed Community Services and Recreation Department while maintaining 68.5 full-time employees.

The table below summarizes the total FTE count by department, and the following page provides a detailed summary of the staffing budget changes.

General Fund	FY 00/01 Actual	FY13/14 Actual	FY14/15 Actual	FY15/16 Actual	FY16/17 Actual	FY 17/18 Actual	FY 18/19 Actual	FY 19/20 Actual	FY 20/21 Actual	FY 21/22 Actual	FY 22/23 Actual	FY 23/24 Adopted	FY 24/25 Proposed
Elected													
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Treasurer	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Elected - Total FTE's	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	5.00	5.00	5.00
Fully Benefited by Dept													
City Attorney	1	-	-	-	-	-	-	-	-	-	-	-	-
Finance	5.25	4.33	3.91	4.50	4.50	4.50	3.75	2.75	2.75	2.75	3.00	4.00	4.00
City Manager	5.50	7.00	6.90	6.00	7.00	6.00	6.00	7.00	5.00	5.50	5.50	6.50	6.50
Museum	0.75	0.75	0.75	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Police	31.30	27.59	30.65	31.50	31.65	31.50	30.50	30.50	29.50	30.50	30.50	31.00	31.00
CDD	6.67	3.12	4.50	5.00	5.00	5.00	6.00	6.00	5.00	5.50	5.75	5.00	5.00
Public Works	14.33	12.33	13.00	14.00	15.00	16.00	16.00	15.50	14.00	16.00	16.00	16.00	16.00
Community Services & Rec	4.50	2.75	2.75	3.75	3.75	3.75	3.75	4.50	3.75	5.50	5.50	5.50	5.50
Dept - Total FTEs	69.30	57.87	62.46	65.25	67.40	67.25	66.50	66.75	60.50	66.25	66.75	68.50	68.50
Change from prior year			4.59	2.79	2.15	(0.15)	(0.75)	0.25	(6.25)	5.75	0.50	1.75	-



General Fund Expenditures

SALARIES & BENEFITS

City services are primarily staff delivered; therefore, staffing is the most significant expenditure. The FY 2024-25 proposed budget estimated staffing costs total \$12.6 million. This represents a 7% increase from the prior year's amended budget. This is primarily due to significant increases in the Cal PERS Unfunded Actuarial Liability annual payment, estimated cost of living adjustments, scheduled step increases, and a reorganization of the recreation division.

Staffing by Category	FY21/22 Actual	FY22/23 Actual	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Salary	\$5,747,198	\$6,646,360	\$6,646,360	\$7,053,832	\$7,353,619
Salary Temp	406,359	661,329	661,329	702,134	\$708,759
Overtime	181,832	360,802	360,802	269,000	269,000
Specialty Pay	287,026	265,321	265,321	353,654	368,684
Benefits	3,650,834	3,859,910	3,832,359	4,393,120	\$4,545,226
Total	\$10,273,250	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288

Staffing by Department	FY21/22 Actual	FY22/23 Actual	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$41,650	\$40,689	\$40,689	\$40,689	\$40,689
City Manager	764,298	788,744	795,681	954,730	992,374
Personnel	278,629	374,469	374,469	422,066	434,399
Finance	550,668	617,735	620,985	695,548	723,022
Law Enforcement	5,248,370	5,682,882	5,689,741	6,248,142	6,495,107
Pkg. Enforcement	238,424	222,291	222,291	208,494	216,850
Streets	1,291,950	1,540,503	1,550,503	1,603,273	1,665,852
Storm Water	84,105	59,888	59,888	65,821	68,412
Fleet	106,579	112,513	112,577	169,306	175,543
Parks	191,041	292,010	297,665	341,697	355,095
Planning	394,688	488,539	488,539	514,263	533,636
Building	333,397	418,176	327,627	189,193	196,753
Community Services & Rec	692,415	1,094,949	1,138,749	1,253,020	1,279,472
Museum	42,895	41,870	45,990	43,918	45,589
Art & Cultural	14,651	18,464	21,000	21,578	22,495
Total	\$10,273,249	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288

General Fund Expenditures

Salaries & Benefits - Salary Assumptions

There are five bargaining groups in the City. Management employees are hired by the City Manager pursuant to a City Council approved compensation plan. Hourly employees are not included in any of these groups and are not represented by a union. The following table lists the different groups and the start and end dates of their current agreements.

<u>Group</u>	<u>Current Agreement</u>	<u>Expiration Date</u>
Assoc. of Capitola Employees/Gen. Govt.	6/23/2024	6/30/2027
Confidential	6/23/2024	6/30/2027
Mid-Management	7/7/2024	6/30/2027
Police Captains	7/7/2024	6/30/2027
Police Officers Association (POA)	6/7/2021	6/30/2027

Overtime

The following table provides the details for the overtime budget. The overtime budget for the Police Department increases this year in anticipation of additional special events.

<u>Overtime</u>	<u>FY21/22</u> <u>Actual</u>	<u>FY22/23</u> <u>Actual</u>	<u>FY23/24</u> <u>Estimated</u>	<u>FY24/25</u> <u>Proposed</u>	<u>FY25/26</u> <u>Planned</u>
City Manager	\$1,399	\$1,000	\$119	\$1,000	\$1,000
Finance	317	0	0	0	0
Police*	247,176	321,802	321,802	230,000	230,000
Public Works	46,625	17,000	29,761	17,000	17,000
Community Development	422	3,000	2,750	3,000	3,000
Community Services & Rec	28,610	18,000	18,500	18,000	18,000
Total	\$324,548	\$360,802	\$372,932	\$269,000	\$269,000
<i>*Funding Sources for Police Overtime</i>					
General Fund	\$206,744	\$240,000	\$240,000	\$185,000	\$185,000
Grant Funded	40,432	81,802	81,802	45,000	45,000
	\$247,176	\$321,802	\$321,802	\$230,000	\$230,000

Specialty Pay

The FY 2024-25 proposed budget includes the following specialty pays in the calculation of staffing costs, which are also included in overtime calculations: education, longevity, bilingual, motorcycle, detective pay, senior officer, canine, and shift differential pay.

<u>Specialty Pay</u>	<u>FY21/22</u> <u>Actual</u>	<u>FY23/24</u> <u>Amended</u>	<u>FY23/24</u> <u>Estimated</u>	<u>FY24/25</u> <u>Proposed</u>	<u>FY25/26</u> <u>Planned</u>
City Manager	\$5,780	\$5,662	\$2,831	\$15,266	\$15,915
Finance	-	-	3,000	4,158	4,334
Police	257,707	235,619	235,619	315,325	328,727
Public Works	20,927	21,405	23,081	16,152	16,838
Community Dev.	177	2,635	1,976	2,838	1,972
Community Services & Rec	2,435	-	-	-	-
Total	\$287,026	\$265,321	\$266,507	\$353,738	\$367,786

General Fund Expenditures

Salaries & Benefits – Retirement Assumptions

Benefits – Post Retirement Medical Benefit

The City of Capitola contributes the minimum amount toward retired employees' health insurance premiums in accordance with Government Code Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA). This expenditure is accounted for in the City Manager's personnel department budget. Below is a table showing the PEMHCA minimum over the last 10 years.

• January 1, 2015	\$122
• January 1, 2016	\$125
• January 1, 2017	\$128
• January 1, 2018	\$133
• January 1, 2019	\$136
• January 1, 2020	\$139
• January 1, 2021	\$143
• January 1, 2022	\$149
• January 1, 2023	\$151
• January 1, 2024	\$157

Benefits – Public Employee Retirement System (PERS)

The City offers various defined benefit retirement plans to safety and miscellaneous employees. These retirement plans are administered by the California Public Employee Retirement System ("CalPERS" or "PERS"). The safety plan benefit formula is 3% @ 50, and the miscellaneous plan is 2.5% @ 55 for "classic" PERS members. For employees hired after January 1, 2013, who are subject to the Public Employees' Pension Reform Act (PEPRA), the safety benefit formula is 2.7% @ 57, and the miscellaneous plan is 2% @ 62. A CalPERS member becomes eligible for retirement benefits upon reaching the age of 50 with at least 5 years of service credit (total service across all CalPERS employers).

The City's retirement costs are defined as a percentage of payroll, along with a fixed dollar amount to address the City's Unfunded Actuarial Liability (UAL), which is actuarially determined annually by CalPERS. The UAL in FY 2023-24 was \$2,139,191 and is increasing to \$2,552,124 (19.3%) in FY 2024-25. The most recent CalPERS actuarial reports estimate the UAL through FY 2029-30 at an amount of \$3,505,000 which equates to an increase of approximately 137% over ten years from FY 2019-20.

PERS Rates. The FY 2024-25 PERS total rate for classic safety members is 36.3%, with employees paying 15% and the city 21.3%. Safety PEPRA members are responsible for 13.75% and the city pays 13.76%. For classic miscellaneous members, the total contribution rate is 22.1%, with employees paying 13.4% and the city 8.7%. Miscellaneous PEPRA employees pay 7.75% and the city pays 7.87%.

The FY 2023-24 PERS total rate for classic safety members was 36.1%, with employees paying 15% and the city 21.1%. Safety PEPRA members are responsible for 13.0% and the city pays 14.25%. For classic miscellaneous members, the total contribution rate was 20.0%, with employees paying 13.4% and the city 8.6%. Miscellaneous PEPRA employees pay 6.75% and the city pays 8.7%.

Public Employees' Pension Reform Act (PEPRA). On September 12, 2012, Governor Brown signed the California Public Employees' Pension Reform Act of 2013 (PEPRA) into law. PEPRA became effective on January 1, 2013, and requires all employees who are not previously members of the PERS reciprocal system to be placed in an alternate retirement plan. The City's PEPRA plan for Safety employees is 2.7% at 57 and 2% at 62 for Miscellaneous employees. This new plan requires that the City and plan members contribute an equivalent share of retirement costs. The rates for public safety and miscellaneous employees are 13.75% and 7.75%, respectively.

Retirement Costs Summary

Retirement Costs	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Ret. cost - PERS Safety	\$ 436,575	\$ 435,788	\$ 386,338	\$ 439,677	\$ 458,364
Ret. cost - PERS Safety UAL	1,002,849	1,121,718	1,107,637	1,324,947	1,469,000
Ret. cost - PERS Miscellaneous	281,723	291,538	279,615	292,860	305,306
Ret. cost - PERS Misc UAL	966,725	1,059,922	1,031,554	1,227,177	1,358,000
Ret. cost - Retirement PARS	3,890	5,651	6,169	8,332	8,332
Ret. health OPEB - Retiree health	39,482	44,684	38,750	38,750	38,750
OPEB Trust Fund	60,250	67,048	67,050	67,050	67,050
Total Retirement Costs	\$ 2,791,494	\$ 3,026,349	\$ 2,917,113	\$ 3,398,793	\$ 3,704,802
Total Employee Paid Costs	\$ 1,004,938	\$ 1,089,486	\$ 1,050,161	\$ 1,223,565	\$ 1,333,729
Total City Paid Costs	\$ 2,791,494	\$ 3,026,349	\$ 2,917,113	\$ 3,398,793	\$ 3,704,802
Total Costs Employee and City	\$ 3,796,432	\$ 4,115,835	\$ 3,967,274	\$ 4,622,358	\$ 5,038,530
Unfunded Actuarial Liability-Safety	13,594,061	14,685,285	11,169,617	17,213,533	18,074,210
Unfunded Actuarial Liability-Misc	12,422,127	13,354,880	9,924,040	15,324,728	16,090,964
Unfunded OPEB Liability	1,572,208	1,572,208	1,642,315	1,642,315	1,642,315
Funding Ratio PERS Safety	71.3%	72.40%	77.10%	66.60%	66.60%
Funding Ratio PERS Misc	69.7%	69.70%	77.40%	67.20%	67.20%

General Fund Expenditures - Contract Services (5 pages)

Department	Contract Description	FY23/24	FY24/25	FY25/26
		Amended	Proposed	Planned
City Council	Other contract services Legal notices	\$ -	\$ -	\$ -
City Council	Gen/Admin - Community TV	10,000	13,000	13,000
City Council	Gen/Admin Contracts - General	83,000	20,000	2,000
City Council	CS-Gen/Admin Beach Festival	5,000	5,000	5,000
	Total	\$ 98,000	\$ 38,000	\$ 20,000
City Manager	Gen/Admin Muni code - Codification Svcs.	\$ 4,000	\$ 4,000	\$ 4,000
City Manager	Gen/Admin Rcrd Mgmt-Doc. Imaging	1,000	4,550	4,550
City Manager	Gen/Admin Records Mgmt-Storage	6,500	8,000	8,000
City Manager	Gen/Admin Newsletter	10,000	6,000	6,000
City Manager	Gen/Admin Public Outreach	-	6,000	-
City Manager	Gen/Admin Council Election	-	29,700	-
City Manager	Gen/Admin Contracts - General	30,000	24,000	24,000
City Manager	Environ. Svcs Garage Sale Day	800	800	800
City Manager	Environ. Svcs SCC-Hzrds Waste Disp Fee	-	-	-
City Manager	Environ. Svcs Recycling Svcs.	7,820	-	-
City Manager	Environ. Svcs JPA-Pollution Control	-	-	-
City Manager	Other Contract services - Legal Notices	1,500	4,000	4,000
City Manager	Mosquito and Vector Control	-	-	-
City Manager	CS-Temp. Staff & Instr. Temporary staff	-	-	-
City Manager	Contract Svcs. Unanticipated Events	10,000	10,000	10,000
	Total	\$ 71,620	\$ 97,050	\$ 61,350
Personnel	Legal svcs Labor/Personnel	\$ -	\$ 5,000	\$ 5,000
Personnel	Personnel Svcs Recruitment Svcs.	-	1,000	1,000
Personnel	Personnel Svcs Bkgrnd Invest.	7,000	7,000	7,000
Personnel	Personnel Svcs Medical Exams	3,500	3,500	3,500
Personnel	Personnel Svcs Ed. Reimbrsmnt	10,000	-	-
Personnel	Contract Svcs. Flex-Hlth-Dntl-Vsn Admin	4,000	4,000	4,000
Personnel	Contract Svcs. Employee Training/Risk Mgmt	-	5,000	5,000
Personnel	Contract Svcs. Employee Engagement	-	8,000	8,000
Personnel	CS-Gen/Admin Contracts - general	31,000	1,000	1,000
	Total	\$ 55,500	\$ 34,500	\$ 34,500
City Attorney	Gen/Admin Contracts - General	\$ 10,000	\$ -	\$ -
City Attorney	Legal Svcs Legal Svcs. - General	210,000	210,000	210,000
City Attorney	Legal Svcs Special Svcs.	50,000	50,000	50,000
City Attorney	Legal Svcs Rent Control	-	-	-
City Attorney	Legal svcs Labor/Personnel	18,000	10,000	10,000
	Total	\$ 288,000	\$ 270,000	\$ 270,000

Department	Contract Description	FY23/24	FY24/25	FY25/26
		Amended	Proposed	Planned
Finance	Gen/Admin Contracts - General	\$ 50,000	\$ 3,000	\$ 3,000
Finance	Fin Svcs OPEB Valuation	4,000	1,000	4,000
Finance	Fin Svcs Audit-Annual Financial Audits	54,000	51,000	51,000
Finance	Fin Svcs Audit-Sales Tax	12,000	15,000	15,000
Finance	Fin Svcs State Mandated Claims Svcs	1,750	-	-
Finance	Fin Svcs HdL TOT Fees	20,000	20,000	20,000
Finance	Fin Svcs Credit Card Merchant Fees	4,000	4,000	4,000
Finance	Fin Svcs SCC-Property tax admin fee	12,000	-	-
Finance	Fin Svcs State Admin Fee - Bradley Burns	50,000	50,000	50,000
Finance	Fin Svcs State Admin Fee - Measure D/F	15,000	18,000	18,000
Finance	Fin Svcs State Admin Fee - SB 1186	500	500	500
Finance	Fin Svcs State Admin Fee - Measure O	15,000	18,000	18,000
Finance	Fin Svcs Bank fees	12,000	1,000	1,000
Finance	Fin Svcs St Admin fee	3,000	3,600	3,600
Total		\$ 253,250	\$ 185,100	\$ 188,100
Law Enforcement	Police Svcs SCC-Booking fees	\$ -	\$ 2,500	\$ 2,500
Law Enforcement	Police Svcs SCC-Blood alcohol trust fund	500	500	500
Law Enforcement	Police Svcs SCC-Anti-Crime Team	18,000	18,000	18,000
Law Enforcement	Police Svcs SCC-Sexual assault response prog	24,000	22,000	22,000
Law Enforcement	Other contract services Uniform cleaning services	12,000	12,900	12,900
Law Enforcement	Police Svcs Red light enforcement	20,000	20,000	20,000
Law Enforcement	Police Svcs SCC-Info svcs for SCAN chgs	5,500	7,200	7,200
Law Enforcement	Fin Svcs Collections-booking fees	75	75	75
Law Enforcement	Fin Svcs Collections-DUI cost recovery	1,000	2,000	2,000
Law Enforcement	Prop & equip Comm - local & long distance	8,000	8,000	8,000
Law Enforcement	Prop & equip Comm - T-1 line	39,000	18,000	18,000
Law Enforcement	Prop & equip Comm - mobile phone	30,000	30,000	30,000
Law Enforcement	Police Svcs Hazardous material response - SV	8,900	8,900	8,900
Law Enforcement	Police Svcs Towing service	3,000	4,000	4,000
Law Enforcement	Police Svcs SCCECC JPA-SCRMS	48,924	49,602	49,602
Law Enforcement	Police Svcs SCCECC-911 JPA	615,898	641,322	641,322
Law Enforcement	Prop & equip Property alarm service	1,200	1,500	1,500
Law Enforcement	Prop & equip Property repairs & maintenance	1,000	-	-
Law Enforcement	Prop & equip Equipment repairs & maintenance	10,000	12,000	12,000
Law Enforcement	Rental contracts Equipment and vehicles	3,000	3,000	3,000
Law Enforcement	Other contract services Outside security service	17,000	17,000	17,000
Law Enforcement	CS-Gen/Admin Contracts - general	4,000	4,000	4,000
Total		\$ 870,997	\$ 882,499	\$ 882,499

Department	Contract Description	FY23/24	FY24/25	FY25/26
		Amended	Proposed	Planned
Pkg. Enforcement	Police Svcs State of CA-DMV processing fee	\$ 6,000	\$ 6,000	\$ 6,000
Pkg. Enforcement	Police Svcs State of CA-Reg assess	58,000	58,000	58,000
Pkg. Enforcement	Police Svcs State of CA-Immed & Critical nd	20,000	20,000	20,000
Pkg. Enforcement	Police Svcs State of CA-St Court Facilities	10,000	10,000	10,000
Pkg. Enforcement	Police Svcs State of CA-Trial Court Trust Fd	20,000	20,000	20,000
Pkg. Enforcement	Police Svcs SCC-Citation processing	65,000	65,000	65,000
Pkg. Enforcement	Police Svcs SCC-Criminal Justice Fac surchg	11,000	11,000	11,000
Pkg. Enforcement	Police Svcs SCC-Courthouse surcharge	11,000	11,000	11,000
Pkg. Enforcement	Fin Svcs Courier-Cash & Coin	3,500	3,500	3,500
Pkg. Enforcement	Fin Svcs Credit card merchant fees	60,000	60,000	60,000
Pkg. Enforcement	Prop & equip Pay Station Repair & Maintenance	70,000	70,000	70,000
Total		\$ 334,500	\$ 334,500	\$ 334,500
Animal Svcs.	Police Svcs Animal Svcs.	\$ 87,793	\$ 139,497	\$ 146,472
Total		\$ 87,793	\$ 139,497	\$ 146,472
Streets	PW & Trans. Transportation-Beach shuttle svc	\$ 98,107	\$ 80,000	\$ 80,000
Streets	PW & Trans. Soquel Crk monitoring-fish	68,870	45,000	47,000
Streets	Other contract services Legal notices	-	1,500	1,500
Streets	Prop & equip Comm - mobile phone	15,000	15,000	15,000
Streets	Gen/Admin Contracts - general	21,500	30,000	30,000
Streets	PW & Trans. Lagoon grading	15,000	15,000	15,000
Streets	PW & Trans. PW Engineering services	-	-	-
Streets	Prop & equip Eucalyptus maintenance -Park Ave	111,400	95,985	95,985
Streets	Prop & equip Riparian Restoration	19,481	15,000	15,000
Streets	Rental contracts Union Pacific RR yearly	1,000	1,000	1,000
Streets	Temp. Staff & Instr. Temporary staff	85,000	85,000	87,000
Streets	Temp. Staff & Instr. Hope Services	16,000	24,000	24,000
Streets	Prop & equip Esplanade sidewalk cleaning	30,000	30,000	30,000
Streets	Other contract services Unanticipated events	10,000	10,000	10,000
Storm Water	Environmental Svcs Central coast recycling media	5,000	5,000	5,000
Storm Water	Environmental Svcs SCC-Hazardous waste disp	75,000	75,000	75,000
Storm Water	Environmental Svcs Mosquito & vector control	150	-	-
Storm Water	CS-Environmental Svcs Recycling services	7,500	7,500	7,500
Storm Water	CS-Environmental Svcs JPA-Pollution control	5,000	5,000	5,000
Storm Water	PW & Trans. Soquel Crk monitoring-water qual	10,000	5,000	5,000
Storm Water	PW & Trans. CA NPDES-storm water mgmt prog	40,000	40,000	40,000
Storm Water	PW & Trans. Regional Water Mgmt Foundation	500	5,000	5,000
Storm Water	Water Quality Testing and Equipment	-	-	-
Total		\$ 634,508	\$ 589,985	\$ 593,985

Department	Contract Description	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Facilities	PW & Trans. ADA compliance	\$ 15,000	\$ 15,000	\$ 15,000
Facilities	Gen/Admin Contracts - inspections	-	600	600
Facilities	Prop & equip Comm - local & long distance	1,500	2,200	2,200
Facilities	Prop & equip Comm - T-1 line	7,500	7,500	7,500
Facilities	Prop & equip Utility serv - gas & electric	86,000	87,200	112,200
Facilities	Prop & equip Utility serv - sanitation distr	5,500	6,900	7,100
Facilities	Prop & equip Utility serv - water	18,500	8,400	8,400
Facilities	Prop & equip Janitorial services	34,500	42,500	42,500
Facilities	Prop & equip Property alarm service	2,800	2,900	2,900
Facilities	Prop & equip Property repairs & maintenance	25,000	94,500	29,500
Facilities	Prop & equip Equipment repairs & maintenance	19,500	9,000	9,000
Facilities	Rental contracts Equipment and vehicles	5,000	5,000	5,000
	Total	\$ 220,800	\$ 281,700	\$ 241,900
Fleet	Prop & Equip Equipment Repair and Maint.	\$ 5,000	\$ 5,000	\$ 5,000
	Total	\$ 5,000	\$ 5,000	\$ 5,000
Parks	PW & Trans. Tree Svcs.	\$ 20,000	\$ 20,000	\$ 20,000
Parks	Prop & Equip Utility serv - gas and elec.	5,000	4,500	4,500
Parks	CS-PW & Trans Electrical Services	-	3,000	3,000
Parks	Prop & Equip Utility serv - sanitation distr	21,000	25,000	25,000
Parks	Prop & Equip Utility serv - water	125,000	154,400	159,400
Parks	Prop & Equip Janitorial Svcs.	32,500	37,500	37,500
Parks	Prop & Equip Property Repair and Maint.	8,000	26,000	1,000
Parks	Prop & Equip Equip. Repair and Maint.	8,500	4,000	4,000
Parks	Rental contracts Equipment and vehicles	10,000	8,700	8,700
Parks	Bike Track Maintenance	6,000	-	500
	Total	\$ 236,000	\$ 283,100	\$ 263,600
Planning	Plng & Hsg Hsg grant admin & CDD tech	\$ -	\$ -	\$ -
Planning	Contract Svcs. Legal notices	8,000	8,000	\$ 8,000
Planning	Gen/Admin Contracts - General	-	-	\$ -
Planning	CS-Plan Svc Admin Services	25,000	-	\$ 25,000
	Total	\$ 33,000	\$ 8,000	\$ 33,000
Building	Bldg Svcs Engineering & Inspections	\$ 10,000	\$ 5,000	\$ 5,000
Building	Bldg Svcs Bldg plan checks - outsourced	15,000	90,000	60,000
	Total	\$ 25,000	\$ 95,000	\$ 65,000

Department	Contract Description	FY23/24	FY24/25	FY25/26
		Amended	Proposed	Planned
Comm Svcs & Rec	Gen/Admin Contracts - General	\$ 15,500	\$ 26,000	\$ 26,000
Comm Svcs & Rec	CS-IT Contracts Recreation technology system	\$ 15,000	\$ 17,750	\$ 17,750
Comm Svcs & Rec	Fin Svcs Credit card merchant fees	7,000	15,000	15,000
Comm Svcs & Rec	PW & Trans. Transportation-Rec program	1,600	1,600	1,600
Comm Svcs & Rec	Temp. Staff/Instr. Rec contract inst/sports off	113,300	115,200	113,200
Comm Svcs & Rec	Prop & Equip Comm - local & long distance	2,500	-	-
Comm Svcs & Rec	Prop & Equip Comm - T-1 line	12,000	-	-
Comm Svcs & Rec	Prop & Equip Property Repair and Maint.	500	-	-
Comm Svcs & Rec	Rental contracts Equipment and vehicles	-	-	-
Comm Svcs & Rec	Contract Svcs. Events liability insurance	-	500	500
Comm Svcs & Rec	Contract Svcs. Advertising	-	3,000	3,000
Comm Svcs & Rec	Contract Svcs. Mailing Service	23,000	-	-
Comm Svcs & Rec	Contract Svcs. Copying, printing and binding	21,000	15,000	15,000
Comm Svcs & Rec	Contract Svcs. Photography	4,000	8,000	8,000
Total		\$ 215,400	\$ 202,050	\$ 200,050
Museum	Prop & Equip Comm - Local & Long Distance	\$ -	\$ -	\$ -
Museum	Rental contracts Land and Buildings	12,000	12,000	12,000
Museum	Other contract services Museum oral history	1,000	1,000	1,000
Total		\$ 13,000	\$ 13,000	\$ 13,000
Arts & Cultural	Events & Tourism Art at the Beach Coordinator	\$ 3,000	\$ -	\$ -
Arts & Cultural	Events & Tourism Twilight Concert-Sound Engr	10,000	12,000	12,000
Arts & Cultural	Events & Tourism Twilight Concert-Band Costs	15,000	15,000	15,000
Arts & Cultural	Contract Svcs. liability insurance	-	5,000	5,000
Arts & Cultural	Events & Tourism Art in Public Places	3,000	3,000	3,000
Arts & Cultural	Events & Tourism Sunday Art & Music	10,000	-	-
Total		\$ 41,000	\$ 35,000	\$ 35,000
Grand Total		\$3,483,368	\$3,493,981	\$3,387,956

Community Based Social Service Providers

Community Based Social Service Providers are funded by the General Fund and restricted Transient Occupancy Tax (TOT) revenue. Each year a determination is made regarding funds available and allocation. Due to COVID-19 the Community Grant program continues to be funded in FY 2024-25 with a combination of general fund, restricted TOT, and federal grants. The table below shows the general fund and restricted TOT funding while the federal grant funding is highlighted in the Community Development Block Grant Special Revenue funds.

AGENCY	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Community Services				\$ -	\$ -
Advocacy, Inc.	0		10,000	10,000	10,000
Blue Circle	0		5,000	5,000	5,000
Cabrillo College Stroke and Disability Center	7,779		10,000	10,000	10,000
Central Coast Center for Independent Living	0			0	0
Community Action Board, Inc.	0		10,000	10,000	10,000
Community Bridges	5,522			0	0
Community Bridges - Lift Line				0	0
Community Bridges - Live Oak				0	0
Community Resources				0	0
Community Bridges - Meals on Wheels				0	0
Companion for Life / Lifeline				0	0
Conflict Resolution Program	3,489			0	0
Arts Council of Santa Cruz County	0		2,500	2,500	2,500
Dientes Community Dental Care	1,524			0	0
Diversity Center	0			0	0
Encompass Santa Cruz AIDS Project				0	0
Family Service Agency of Santa Cruz	12,762		7,500	7,500	7,500
Grey Bears, Inc.	0			0	0
Homeless Svcs. Center	0			0	0
Hospice Caring Project	0		3,000	3,000	3,000
MidCounty Senior Center			7,500	7,500	7,500
Monarch Services Servidios Monarca			7,500	7,500	7,500
Monterey Bay National Marine Sanctuary	0		5,000	5,000	5,000
NAMI Santa Cruz County	0		12,000	12,000	12,000
Native Animal Rescue	1,303			0	0
Second Harvest Food Bank	0			0	0
Senior Citizens Legal Services	0			0	0
Senior Network Services	2,782		7,500	7,500	7,500
Srs Council - SCC/San Benito Co.	0		10,000	10,000	10,000
Survivors' Healing Center				0	0
United Way	5,000		7,500	7,500	7,500
United Way - 2-1-1 Help Line				0	0
Vista Center for the Blind	0		5,000	5,000	5,000
Volunteer Center of Santa Cruz County	3,489		7,500	7,500	7,500
Women Care				0	0
Cabrillo College Foundation	0			0	0
Community Grants-Unassigned		101,650		0	0
	\$ 43,650	\$ 101,650	\$ 117,500	\$ 117,500	\$ 117,500

AGENCY	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY24/25 Proposed	FY25/26 Planned
Children/Youth Services (General Fund)					
Big Brothers/Big sisters		\$0	\$0	-	-
Campus Kids Connection - After School				-	-
Community Bridges - Child Development Division			-	-	-
Court-Appointed Special Advocates		-	-	-	-
Encompass Youth Services Counseling			-	-	-
Families in Transition - Santa Cruz Co.			-	-	-
O'Neill Sea Odyssey		-	-	-	-
Parents Center, Inc.	-	-	7,500	7,500	7,500
Toddler Care Center		-	-	-	-
United Way - Community Assessment Project			-	-	-
Childcare Center Fee Grant			-	-	-
	\$0	\$0	\$7,500	\$7,500	\$7,500
General Fund Total	\$ 43,650	\$ 101,650	\$ 125,000	\$ 125,000	\$ 125,000

Early Childhood / Youth Services (TOT Children's Fund)					
Early Childhood & Youth Services			\$ -	\$ -	\$ -
Big Brothers/Big sisters	0	6,000	7,500	7,500	7,500
Community Bridges - Child Development Division	1,004			0	0
Diversity Center SC County	0	0	7,500	7,500	7,500
Court-Appointed Special Advocates			7,500	7,500	7,500
Encompass Youth Services Counseling	0			0	0
O'Neill Sea Odyssey	0		10,000	10,000	10,000
Monterey Bay National Marine Sancturary	0	0	7,500	7,500	7,500
Parents Center, Inc.	0	7,400		0	0
Toddler Care Center	0			0	0
United Way - Community Assessment Project	0	5,000		0	0
Santa Cruz Museum of Discovery	0	10,000	12,500	12,500	12,500
Casa of Santa Cruz	0	10,000		0	0
Boys and Girls Club of Santa Cruz County	0	10,000	7,500	7,500	7,500
Childcare Center Fee Grant				0	0
Recreation Programming	0	19,332		0	0
TOT Youth Funding Total	\$1,004	\$67,732	\$60,000	\$60,000	\$60,000
Estimated Children's Fund Revenue	\$45,401	\$62,049	\$60,000	\$64,000	\$60,000
Remaining Funds	\$44,397	-\$5,683	\$0	\$4,000	\$0
Total Social Service Program Funding	\$44,654	\$169,382	\$185,000	\$185,000	\$185,000

GENERAL FUND EXPENDITURES

SUPPLIES

The following table provides a history of the supply budgets by department. Additional information is available in the General Fund Department section.

Supplies	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$754	\$5,354	\$8,000	\$7,000	\$7,500	\$7,500
City Manager	5,856	13,857	12,500	17,443	9,000	9,000
Finance	2,400	4,105	4,600	4,500	4,600	4,600
Police Department	140,964	96,595	99,800	133,100	101,800	101,800
Public Works	453,235	539,117	429,600	500,391	533,750	507,700
Community Development	860	1,586	2,100	1,100	5,100	2,100
Community Services & Rec	46,995	83,801	55,575	65,398	91,800	90,800
Museum	10,118	13,718	14,800	18,250	21,500	21,500
Arts & Culture	10,766	9,978	5,000	32,445	42,000	35,000
Total	\$671,950	\$768,110	\$631,975	\$779,626	\$817,050	\$780,000

TRAINING AND MEMBERSHIPS

The following table provides a history of the training and memberships budgets by department. Refer to the General Fund Department section for additional information.

	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Council	\$24,495	\$21,502	\$38,761	\$30,639	\$31,650	\$31,650
City Manager	13,409	5,035	20,950	9,463	15,000	15,000
Finance	1,185	1,441	4,600	4,592	7,500	7,500
Police	52,741	56,831	73,200	73,200	73,200	73,200
Public Works	1,830	2,661	5,000	3,572	6,000	6,000
Community Development	2,601	10,435	17,700	3,150	17,700	17,700
Community Services & Rec	5,033	15,264	17,725	18,234	13,900	14,150
Museum	207	151	1,000	1,167	1,700	1,700
Total	\$101,501	\$113,320	\$178,936	\$144,018	\$166,650	\$166,900

INTERNAL SERVICES

Internal Service Funds finance special activities and services performed by one City department for another on a cost and reimbursement basis. These funds share costs, designate targeted reserves levels, and allocate costs to all departments benefiting from the activities and services. The methodology for cost allocation for each Internal Service Fund is described in the Internal Service Fund section.

The FY 2024-25 proposed budget provides funding for increased insurance premiums as well as equipment purchases for equipment funded in prior years.

Internal Services	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Stores	\$ 20,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Information Technology	197,900	257,502	271,000	271,000	268,000	268,000
Equipment Replacement	100,000	105,000	250,000	250,000	65,000	200,000
Self-Insurance Liability	450,624	622,998	622,136	622,136	760,036	797,228
Workers' Compensation	427,680	431,999	447,705	447,705	403,542	423,719
Total	\$ 1,196,204	\$ 1,444,499	\$ 1,617,841	\$ 1,617,841	\$ 1,523,578	\$ 1,715,947

GENERAL FUND TRANSFERS

General Fund Transfers move funds from the General Fund to a specific fund for a designated purpose. The CIP is detailed in a separate section and debt issuances are detailed in the Multi-Year Assets and Obligations section. Below is a summary of the transfers from the General Fund to other funds/reserves.

General Fund Transfers	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Contingency Reserves	\$ -	\$ 131,000	\$ 172,000	\$ 172,000	\$ -	\$ -
Emergency Reserves	-	147,300	250,000	250,000	-	-
Facilities Fund	-	-	100,000	100,000	-	-
PERS Contingency Reserve	-	250,000	-	-	-	-
CIP Capital Projects	2,810,066	2,205,000	550,000	550,000	-	-
Stores ISF	-	-	-	-	-	-
Information Technology	-	-	235,000	235,000	-	-
Equipment Replacement	350,000	-	200,000	200,000	-	-
Interfund transfer Library fund	-	50,958	-	-	-	-
Compensated Absences	220,000	220,000	225,000	225,000	200,000	200,000
RTC Streets	-	-	-	-	-	-
Gas Tax	-	-	-	-	-	-
Wharf Fund	-	-	-	-	-	-
Parking Reserve	100,000	100,000	469,000	469,000	-	-
OPEB Trust Fund	-	-	-	-	-	-
Pacific Cove Lease	40,066	40,066	-	-	-	-
Pacific Cove Park	88,211	127,000	87,788	87,788	87,568	87,344
	-	-	-	-	-	-
Total	\$ 3,608,343	\$ 3,271,324	\$ 2,288,788	\$ 2,288,788	\$ 287,568	\$ 287,344

DEPARTMENTAL BUDGETS



CITY COUNCIL

GENERAL GOVERNMENT

DEPARTMENT PURPOSE

The City Council is composed of five generally elected Council Members, serving four-year staggered terms. Council members select a Mayor and Vice Mayor annually. In 2002, the voters approved a consecutive term limit of two terms for Council Members. The City's Municipal elections are held the first Tuesday of November in even-numbered years. The Council meets regularly twice monthly, on the second and fourth Thursday.

The City Council establishes local law, sets policy, approves programs, allocates funds, and provides direction to the City Manager and staff to implement its policy. Council also appoints members to local and regional committees, commissions, and boards. Capitola is a General Law City, organized under the general laws of the state. Local laws are established by ordinance, compiled in the Municipal Code, and enforceable by the City. Other directives and policies of the City Council are implemented through Council Resolutions and recorded in Council Minutes.

ESTABLISHED PRINCIPLES OF THE CITY

- **Fiscal Policy** – practice sound financial management
- **Public Service** – uphold the public trust.
- **Public Improvement** – maintain a safe and healthy environment.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Balanced budget while using resources for public improvements.
- Provided services, staff, and equipment to ensure public safety and trust.
- Approved projects and programs to maintain and enhance the quality of life in Capitola.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Provide services, staff, and equipment to ensure public safety and trust.
- Develop projects and programs to maintain and enhance the quality of life in Capitola.
- Finalize plans and begin construction for the Capitola Wharf Resiliency and Public Access Project (using Measure F funds)

CITY COUNCIL

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
1000-10-10-000						
Revenues						
General Fund	\$ 98,851	\$ 107,274	\$ 202,431	\$ 193,309	\$ 136,007	\$ 118,476
Revenue Total	\$ 98,851	\$ 107,274	\$ 202,431	\$ 193,309	\$ 136,007	\$ 118,476
Expenditures						
Personnel	\$ 41,650	\$ 44,053	\$ 40,689	\$ 40,689	\$ 40,689	\$ 40,689
Contract services	19,266	19,953	98,000	98,000	38,000	20,000
Training & Memberships	24,495	21,502	38,761	30,639	31,650	31,650
Supplies	754	5,354	8,000	7,000	7,500	7,500
Internal service fund charges	12,686	16,412	16,981	16,981	18,168	18,637
Expenditure Totals	\$ 98,851	\$ 107,274	\$ 202,431	\$ 193,309	\$ 136,007	\$ 118,476
Authorized Positions						
Mayor	1.00	1.00	1.00	1.00	1.00	1.00
Vice Mayor	1.00	1.00	1.00	1.00	1.00	1.00
Council Members	3.00	3.00	3.00	3.00	3.00	3.00
FTE Total	5.00	5.00	5.00	5.00	5.00	5.00

CITY ATTORNEY

GENERAL GOVERNMENT

DEPARTMENT PURPOSE

The City Attorney represents the City as primary Counsel in all legal matters. The City Attorney is appointed by the City Council. The City Attorney provides legal analysis and advice on interpretation and application of municipal code, State law, and Federal law, drafting legal documents, and labor-related issues. The City Attorney is currently a contract position with the firm of Burke, Williams & Sorensen

KEY CHANGES

Samantha Zutler of Burke, Williams & Sorensen is Capitola City Attorney

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Advised City on matters associated with pending legal actions.
- Advised City on legal matters related to City policies and procedures.
- Represented the City in litigation.
- Assisted City in labor negotiations.

FISCAL YEAR GOALS – 2024-25 and 2025-26

FISCAL POLICY

- Advise Council on potential and pending litigation.
- Assist and advise staff on contracts, labor relations, and other legal assessments.
- Resolve existing litigation.

CITY ATTORNEY						
1000-10-16-000	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$281,956	\$371,305	\$288,000	\$ 296,766	\$270,000	\$270,000
Revenue Totals	\$281,956	\$371,305	\$288,000	\$ 296,766	\$270,000	\$270,000
Expenditures						
Outside Legal Services	\$ 2,839	\$ 4,295	\$ 10,000	\$ 2,500	\$ -	\$ -
City Attorney Contract	236,230	265,077	210,000	210,000	210,000	210,000
City Attorney Special Services	42,888	31,084	50,000	60,000	50,000	50,000
City Attorney Rent Control	-	39,409	-	6,266	-	-
City Attorney - Labor & Personnel	-	31,441	18,000	18,000	10,000	10,000
Expenditure Totals	\$281,956	\$371,305	\$288,000	\$ 296,766	\$270,000	\$270,000

CITY MANAGER SUMMARY

GENERAL GOVERNMENT

MISSION STATEMENT

The City Manager serves the Council and the Community by bringing together resources to meet City needs, provide excellent customer service, and prioritize available resources.

DEPARTMENT PURPOSE

The City of Capitola is a Council-Manager form of government, under which the City Council appoints a City Manager who serves as the City's chief administrative officer and is responsible for implementing Council policies.

The City Manager Department is responsible for the overall administration of City objectives. The City Manager is the lead position within the City administrative structure and is appointed by the Council. The City Manager provides administrative direction and leadership to all City departments, and directly oversees Human Resources, City Clerk, Information Systems, and the Assistant to the City Manager.

KEY CHANGES

Recruited and hired new a new City Clerk, Deputy City Clerk, increased HR Analyst to full-time and promoted previous City Clerk to Assistant to the City Manager.

FISCAL YEAR 2023-24 ACCOMPLISHMENTS

- Implemented a new Council Chambers meeting video and audio system .
- Advised and informed the City Council on policy and action matters.
- Worked to improve risk management and reduce potential liability.

FISCAL YEAR GOALS – 2023-24 and 2024-25

FISCAL POLICY

- Evaluate potential revenue ballot measures.
- Work with Capitola Mall to improve the mall facility.
- Continue to work to create a safer work environment and reduce employee injuries.
- Review and prioritize City services.
- Support economic development.
- Seek opportunities to partner with other agencies for greater outcome or savings.

PUBLIC SERVICE

- Encourage and improve citizen participation and communication by increasing the availability of Spanish language city resources; update and improve the City website.
- Ensure programs in place to respond to public and private development projects.
- Continue to improve public meeting access.
- Continue efforts to increase transparency, with the website, public records, and outreach. Continue digitization efforts to improve transparency.
- Use dedicated children's fund for youth programming.

PUBLIC IMPROVEMENT

- Work to develop projects to protect and enhance valuable City resources.; including partnerships with outside agencies, such as the Friends of County Parks and the Capitola Wharf Enhancement Team, to facilitate the development of public spaces like Jade Street Park and the Wharf.
- Open Rispin Park to the public.
- Continue increased street and facility maintenance through use of Measure D resources.

CITY MANAGER SUMMARY

City Manager Summary	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 1,319,692	\$ 1,447,158	\$ 1,460,346	\$ 1,467,618	\$ 1,678,395	\$ 1,696,373
Licenses and permits	6,594	4,659	4,000	4,000	4,000	4,000
Revenue Totals	\$ 1,326,287	\$ 1,451,817	\$ 1,464,346	\$ 1,471,618	\$ 1,682,395	\$ 1,700,373

Expenditures						
Personnel	\$ 1,042,928	\$ 1,100,051	\$ 1,163,213	\$ 1,170,150	\$ 1,376,796	\$ 1,426,773
Contract services	159,350	197,016	127,120	133,999	131,550	95,850
Training & Memberships	13,409	5,035	20,950	9,463	15,000	15,000
Supplies	5,856	13,857	12,500	17,443	9,000	9,000
Internal service fund charges	104,743	135,858	140,563	140,563	150,049	153,750
Expenditure Totals	\$ 1,326,286	\$ 1,451,818	\$ 1,464,346	\$ 1,471,618	\$ 1,682,395	\$ 1,700,373

Authorized Positions	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
City Manager	1.00	1.00	1.00	1.00	1.00	1.00
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	0.50	1.00	1.00	1.00	1.00
Assistant to the City Manager	1.00	1.00	1.00	1.00	1.00	1.00
Executive Assistant	1.00	-	-	-	-	-
Human Resources Analyst	-	0.50	1.00	1.00	1.00	1.00
Information System Specialist	1.00	1.00	0.50	0.50	0.50	0.50
Records Coordinator	-	-	-	-	-	-
Receptionist	-	-	1.00	1.00	1.00	1.00
FTE Total	5.00	5.00	6.50	6.50	6.50	6.50

CITY MANAGER ADMINISTRATION

GENERAL GOVERNMENT

MISSION STATEMENT

The mission of the City Manager's Office is to ensure that all City programs and services are provided effectively and efficiently.

DEPARTMENT PURPOSE

The purpose of this division is to implement the policies of the City Council and provide leadership and direction to the city departments. Core services of the City Manager's Office are administrative direction and leadership for City departments, programs, and services to ensure the community receives a high level of service.

In addition, the City Manager's administrative arm oversees the Council agenda process, oversees public records, provides staff support to the Art and Cultural Commission and Library Advisory Commission, manages sustainability programs, manages the Community Grant process, and oversees Personnel, Information Systems, and the Historical Museum. The department maintains solid waste and recycling programs, management of franchise agreements, and human resources programs including risk management, employee training, safety programs, and benefits administration.

CITY MANAGER ADMINISTRATION

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-10-11-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$ 956,182	\$1,085,020	\$1,002,073	\$1,013,815	\$1,194,703	\$1,199,513
Licenses and permits	6,594	4,659	4,000	4,000	4,000	4,000
Revenue Totals	\$ 962,776	\$1,089,679	\$1,006,073	\$1,017,815	\$1,198,703	\$1,203,513
Expenditures						
Personnel	\$ 764,298	\$ 808,164	\$ 788,744	\$ 795,681	\$ 954,730	\$ 992,374
Contract services	90,957	150,719	71,620	88,496	97,050	61,350
Training & Memberships	13,409	3,457	19,250	6,463	13,000	13,000
Supplies	1,835	7,874	2,500	3,215	3,000	3,000
Internal service fund charges	92,276	119,466	123,959	123,959	130,923	133,790
Expenditure Totals	\$ 962,776	\$1,089,679	\$1,006,073	\$1,017,815	\$1,198,703	\$1,203,513
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
City Manager	0.80	0.80	0.80	0.80	0.80	0.80
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00
Deputy City Clerk	-	0.50	1.00	1.00	1.00	1.00
Assistant to the City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Human Resources Analyst						
Executive Assistant	1.00	0.50	-	-	-	0.00
Information System Specialist	1.00	1.00	0.50	0.50	0.50	0.50
Records Coordinator	-	-	-	-	-	-
Receptionist	-	-	1.00	1.00	1.00	1.00
FTE Total	4.30	4.30	4.80	4.80	4.80	4.80

CITY MANAGER PERSONNEL

GENERAL GOVERNMENT

MISSION STATEMENT

To provide excellent internal and external customer service and assist departments in recruiting and retaining exceptional employees.

DEPARTMENT PURPOSE

Personnel functions are the responsibility of the City Manager. Functions include employee recruitment and selection, benefits coordination, insurance and retirement programs, labor negotiations, compensation plan maintenance, regulatory training, and risk management.

CITY MANAGER PERSONNEL

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-10-12-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$363,511	\$362,138	\$458,273	\$ 453,803	\$483,692	\$496,860
Revenue Totals	\$363,511	\$362,138	\$458,273	\$ 453,803	\$483,692	\$496,860
Expenditures						
Personnel	\$278,629	\$291,887	\$374,469	\$ 374,469	\$422,066	\$434,399
Contract services	68,393	46,297	55,500	45,503	34,500	34,500
Training & Memberships	-	1,579	1,700	3,000	2,000	2,000
Supplies	4,021	5,984	10,000	14,227	6,000	6,000
Internal service fund charges	12,467	16,392	16,604	16,604	19,126	19,960
Expenditure Totals	\$363,511	\$362,138	\$458,273	\$ 453,803	\$483,692	\$496,860
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
City Manager	0.20	0.20	0.20	0.20	0.20	0.20
Human Resources Analyst	-	0.50	1.00	1.00	1.00	1.00
Assistant to the City Manager	0.50	0.50	0.50	0.50	0.50	0.50
Executive Assistant	0.50	-	-	-	-	0.00
FTE Total	1.20	1.20	1.70	1.70	1.70	1.70

MISSION STATEMENT

The Finance Department's mission is to present timely, accurate and transparent financial information to the public while providing City Management with financial data to facilitate informed decision-making on the allocation of City resources. The department strives to provide excellent customer service to the public, elected officials, and all departments within the City.

DEPARTMENT PURPOSE

The Finance Department oversees all financial transactions of the City to ensure legal and accounting policies are adhered to. The Department maintains all City funds and oversees budget development, the Comprehensive Annual Financial Report, accounts payable, payroll, accounts receivable, cash receipts, banking, business licenses, and transient occupancy tax. The Department provides quarterly and annual financial reports to the City Council and the public.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Continued TOT vacation rental audit and enforcement program.
- Entered 5-year agreement with new CPA firm for annual audits.
- Began city-wide comprehensive fee study.
- Issued RFP for Banking Services.
- Provided analytical support to operations departments.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Prepare and maintain a balanced budget.
- Plan for and meet future PERS increases.
- Implement new Fee Schedule.
- Work with the Finance Advisory Committee to identify future revenue opportunities and address increasing costs.
- Meet regulatory financial reporting requirements and provide reports on the City website.
- Develop long term financial plan for Measure F
- Continue partnerships with departments to maintain financial accountability and transparency.
- Continue to improve City financial transparency to the public.

FINANCE

1000-10-17-000	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 447,923	\$ 492,344	\$ 637,309	\$ 604,349	\$ 647,495	\$ 676,859
Licenses & Permits	315,604	309,349	312,500	317,691	318,750	321,938
Intergovernmental	6,494	6,634	6,700	3,529	6,700	6,700
Use of money & property	7,393	12,777	10,800	9,202	11,500	12,200
Other revenue	3,431	2,934	-	2,680	3,000	3,000
Revenue Totals	\$ 780,845	\$ 824,038	\$ 967,309	\$ 937,451	\$ 987,445	\$1,020,696

Expenditures						
Personnel	\$ 550,668	\$ 540,947	\$ 617,735	\$ 620,985	\$ 695,548	\$ 723,022
Contract services	161,542	192,920	253,250	220,250	185,100	188,100
Training & Memberships	1,185	1,441	4,600	4,592	7,500	7,500
Supplies	2,400	4,105	4,600	4,500	4,600	4,600
Internal service fund charges	65,049	84,624	87,124	87,124	94,697	97,474
Expenditure Totals	\$ 780,845	\$ 824,038	\$ 967,309	\$ 937,451	\$ 987,445	\$1,020,696

Authorized Positions	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Finance Director	1.00	1.00	1.00	1.00	1.00	1.00
Senior Accountant	1.00	1.00	1.00	-	-	0.00
Accountant II	-	-	-	-	-	-
Accountant I	-	-	-	2.00	2.00	2.00
Account Clerk	0.75	-	1.00	-	1.00	1.00
Account Technician	-	1.00	-	-	-	-
FTE Total	2.75	3.00	3.00	3.00	4.00	4.00

POLICE SUMMARY

POLICE

MISSION STATEMENT

The Capitola Police Department prides itself in providing the highest level of safety and service to enhance the quality of life of our community through professional, engaged, and empowered employees.

VISION STATEMENT

The Capitola Police Department is comprised of professional and dedicated members who strive to demonstrate high character, fairness, compassion, and the non-biased delivery of policing services.

CORE VALUES

We pride ourselves on representing the City of Capitola and providing policing services based upon these *values*:

- Human Life - Nothing is more valuable than the preservation of life.
- Loyalty - Simple loyalty to our best convictions
- Honesty - The essence of moral character
- Respect - Our success is measured by how we treat others.
- Integrity - Values, and morals that represent our sincerity and commitment.
- Diversity - We value differences.
- Ethics - Our commitment to principles that govern behavior.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Upgraded Radio System to include a second radio channel for emergency operations and for seasonal lifeguard services.
- Upgraded Axon equipment to include Body Cameras, Tasers, and storage infrastructure.
- Conducted multiple bicycle safety and informational presentations at New Brighton Middle School and other locations.
- Replaced Lidar/Radar units for traffic enforcement efforts.
- Replaced administration vehicle with EV vehicle and explored other hybrid models for fleet replacement.
- Introduced an Unmanned Aircraft Systems (UAS) drone program.
- Introduced ABLE Program
- Introduced the Flock Safety Program

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Purchase two patrol vehicles.
- PD locker room bathroom update/upgrade. (\$75,000 provided by Council)
- Electronic Citations for patrol personnel.
- Develop a program to enable a citizen to file police reports online.
- Examine alternative site for PD backup yellow channel.
- Research upgrades options for infrastructure, to include possible new antenna site and develop short-term plan pending larger County-wide radio project.
- Bicycle and pedestrian safety will remain our traffic goals for 2024/25. Seek grant opportunities to support our traffic goals, including speed and DUI grant opportunities.

POLICE SUMMARY

Police Department Summary	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 6,925,540	\$ 7,371,184	\$ 7,436,863	\$ 7,681,725	\$ 8,042,260	\$ 8,344,850
Licenses and permits	44,907	52,055	55,500	33,341	55,500	55,500
Intergovernmental revenues	58,956	137,649	121,002	62,071	83,000	83,000
Charges for services	23,854	57,309	58,750	50,114	58,750	58,750
Fines and forfeitures	588,832	566,907	607,500	474,720	599,500	599,500
Other revenues	592	292	20,000	1,433	-	-
Revenue Totals	\$ 7,642,681	\$ 8,185,395	\$ 8,299,615	\$ 8,303,403	\$ 8,839,010	\$ 9,141,600

Expenditures						
Personnel	\$5,486,794	\$5,925,880	\$5,905,173	\$5,912,032	\$6,456,637	\$6,711,957
Contract services	1,258,011	1,314,010	1,388,290	1,342,723	1,356,496	1,363,471
Training & Memberships	52,741	56,831	73,200	73,200	73,200	73,200
Supplies	140,964	96,595	99,800	133,100	101,800	101,800
Internal service fund charges	709,412	832,037	884,847	884,847	884,877	925,172
Expenditure Totals	\$ 7,647,921	\$ 8,225,354	\$ 8,351,310	\$ 8,345,902	\$ 8,873,010	\$ 9,175,600

Authorized Positions	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	2.00	2.00
Police Sergeant	5.00	5.00	5.00	5.00	4.00	4.00
Police Officer	15.00	15.00	15.00	15.00	15.00	15.00
Community Service Officer	2.00	2.00	2.00	2.00	2.00	2.00
Parking Enforcement Officer	2.00	2.00	3.00	3.00	3.00	3.00
Records Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Records Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Records Technician	1.75	1.75	2.00	2.00	2.00	2.00
Administrative Assistant	0.75	0.75	-	-	-	-
FTE Total	30.50	30.50	31.00	31.00	31.00	31.00

LAW ENFORCEMENT

POLICE

LAW ENFORCEMENT

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-20-20-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 6,699,698	\$ 7,089,319	\$ 7,199,230	\$ 7,382,821	\$ 7,840,087	\$ 8,125,342
Licenses and permits	44,907	52,055	55,500	33,341	55,500	55,500
Intergovernmental revenues	58,956	137,649	121,002	62,071	83,000	83,000
Charges for services	23,854	57,309	58,750	50,114	58,750	58,750
Fines and forfeitures	8,386	80,699	110,000	77,220	100,000	100,000
Other revenues	592	292	20,000	1,433	-	-
Revenue Totals	\$ 6,836,392	\$ 7,417,322	\$ 7,564,482	\$ 7,606,999	\$ 8,137,337	\$ 8,422,592
Expenditure						
Personnel	\$ 5,248,370	\$ 5,676,262	\$ 5,682,882	\$ 5,689,741	\$ 6,248,142	\$ 6,495,107
Contract services	729,425	802,152	870,997	873,355	882,499	882,499
Training & Memberships	52,741	56,831	73,200	73,200	73,200	73,200
Supplies	129,637	91,784	91,000	124,300	93,000	93,000
Internal service fund charges	676,220	790,292	846,403	846,403	840,496	878,786
Expenditure Totals	\$ 6,836,392	\$ 7,417,322	\$ 7,564,482	\$ 7,606,999	\$ 8,137,337	\$ 8,422,592

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
Authorized Positions	Actual	Actual	Amended	Estimated	Proposed	Planned
Chief of Police	1.00	1.00	1.00	1.00	1.00	1.00
Police Captain	1.00	1.00	1.00	1.00	2.00	2.00
Police Sergeant	5.00	5.00	5.00	5.00	4.00	4.00
Police Officer	15.00	15.00	15.00	15.00	15.00	15.00
Community Service Officer	2.00	2.00	2.00	2.00	2.00	2.00
Records Manager	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Records Analyst	1.00	1.00	1.00	1.00	1.00	1.00
Records Technician	1.75	1.75	2.00	2.00	2.00	2.00
Administrative Assistant	0.75	0.75	-	-	-	-
FTE Total	28.50	28.50	28.00	28.00	28.00	28.00

PARKING ENFORCEMENT

POLICE

DEPARTMENT PURPOSE

The Parking Enforcement Unit enforces California Vehicle Code regulations and Municipal Parking Ordinances to minimize parking problems, reduce traffic congestion, and maximize access to parking by visitors and residents alike.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Replaced nine pay stations.
- Upgraded Village pay stations with a new payment interface.
- Purchased hybrid truck for parking enforcement vehicle.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Maintain existing pay stations.
- Begin upgrading pay stations with a new payment interface.
- Explore hybrid vehicle options for parking enforcement vehicles.

PARKING ENFORCEMENT

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-20-21-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 72,300	\$ 111,785	\$ 53,660	\$ 114,931	\$ 61,234	\$ 71,524
Fines and forfeitures	580,447	486,207	497,500	397,500	499,500	499,500
Use of money & property	5,240	39,959	51,695	42,499	34,000	34,000
Revenue Totals	\$ 657,986	\$ 637,952	\$ 602,855	\$ 554,930	\$ 594,734	\$ 605,024
Expenditures						
Personnel	\$ 238,424	\$ 249,618	\$ 222,291	\$ 222,291	\$ 208,494	\$ 216,850
Contract services	380,066	346,699	334,500	286,575	334,500	334,500
Supplies	11,323	4,811	8,800	8,800	8,800	8,800
Internal service fund charges	28,173	36,824	37,264	37,264	42,940	44,874
Expenditure Totals	\$ 657,986	\$ 637,952	\$ 602,855	\$ 554,930	\$ 594,734	\$ 605,024
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Parking Enforcement Officer	2.00	2.00	3.00	3.00	3.00	3.00
FTE Total	2.00	2.00	3.00	3.00	3.00	3.00

ANIMAL SERVICES

POLICE

DEPARTMENT PURPOSE

The Animal Services Unit (ASU) promotes and protects public safety and animal care through sheltering, pet placement programs, education, and animal law enforcement. Our purpose is to provide responsive, efficient, and quality animal control services that preserve and protect the public and promote animal safety.

ANIMAL SERVICES

1000-20-23-000	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 74,785	\$ 81,667	\$ 88,973	\$ 88,973	\$ 140,939	\$147,984
Charges for services	-	-	-	-	-	-
Revenue Totals	\$ 74,785	\$ 81,667	\$ 88,973	\$ 88,973	\$ 140,939	\$147,984
Expenditures						
Contract services	\$ 73,855	\$ 80,492	\$ 87,793	\$ 87,793	\$ 139,497	\$146,472
Internal service fund charges	930	1,175	1,180	1,180	1,442	1,512
Expenditure Totals	\$ 74,785	\$ 81,667	\$ 88,973	\$ 88,973	\$ 140,939	\$147,984

MISSION STATEMENT

The Capitola Department of Public Works, through our valued employees, develops, maintains, and operates the City's infrastructure and natural resources and provides environmental stewardship for the benefit of our residents, businesses, and visitors.

DEPARTMENT PURPOSE

Public Works stewards Capitola's public infrastructure. We are dedicated to providing safe, functional and sustainable systems improving the quality of life for the residents, businesses and visitors of the City of Capitola in a responsive and cost-effective manner and in accordance with local, state and federal regulations.

To provide this stewardship, the department has three divisions.

The *Maintenance* Division is responsible for the day-to-day operations, maintenance, and repair of the public infrastructure and facilities including streets and medians, streetlights and traffic signals, street trees, sidewalks and pathways, parks, public buildings, and maintains the City's fleet of vehicles and equipment.

The *Engineering* Division designs and oversees the construction of all capital improvement projects for the City's public infrastructure systems and public buildings/facilities; prepares technical studies/reports; regulates construction activities within the public right-of-way by private entities and utility companies; and maintains infrastructure records. The Engineering Division also works closely with the Community Development Department and Building Division to perform plan review and inspection services of tract/parcel maps for subdivisions and grading and drainage improvements on private property; provides technical support to the Public Works Maintenance Division.

The *Environmental* Division provides environmental support services to Public Works and other City Departments to ensure compliance with federal, state, and local environmental laws, regulations, and policies. The Environmental Division also manages the City's Storm Water Management Program and Solid Waste Franchise Agreement which includes industrial, construction, and municipal activities and operations within the City; staffs the Commission on the Environment.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Establish a computerized maintenance management system
- Completed Capitola Road Pavement Rehabilitation Project
- Completed Kennedy Drive Sidewalk Project
- Completed Bay/Hill Intersection Pedestrian Safety Quick Build
- Substantially completed the Wharf Resiliency and Public Access Project
- Substantially completed repairs from the January 2023 storms

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Compete Park at Rispin Mansion Project
- Complete construction of Community Center Renovation Project
- Complete design and construction of Treasure Cove Playground
- Complete design of Cliff Drive Resiliency Project
- Update City Climate Action Plan
- Continue to move 15 additional funded CIP projects toward completion

PUBLIC WORKS SUMMARY						
Public Works Summary	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 2,815,514	\$ 3,412,508	\$ 3,785,993	\$ 3,881,230	\$ 4,025,024	\$ 4,167,039
Licenses and permits	26,260	37,311	30,000	30,000	30,000	30,000
Charges for services	5,224	8,951	5,000	9,818	6,000	6,000
Other revenues	41,039	10,751	8,000	11,445	8,000	8,000
Revenue Totals	\$ 2,933,999	\$ 3,469,521	\$ 3,828,993	\$ 3,944,128	\$ 4,069,024	\$ 4,211,039
Expenditures						
Personnel	\$ 1,673,675	\$ 1,895,349	\$ 2,004,914	\$ 2,020,633	\$ 2,180,098	\$ 2,264,902
Contract services	629,589	869,834	1,096,307	1,127,359	1,159,785	1,104,485
Training & Memberships	1,830	2,661	5,000	3,572	6,000	6,000
Supplies	453,235	539,117	429,600	500,391	533,750	507,700
Internal service fund charges	174,801	162,560	292,172	292,172	189,391	327,953
Expenditure Totals	\$ 2,933,130	\$ 3,469,520	\$ 3,827,993	\$ 3,944,128	\$ 4,069,024	\$ 4,211,040
Authorized Positions						
	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00
Engineer / Project Manager	1.00	1.00	1.00	1.00	1.00	1.00
Operations Maint. Supervisor	-	1.00	1.00	1.00	1.00	1.00
Field Supervisor	1.00	-	-	-	-	-
Maintenance Worker I & II	7.50	7.50	8.00	9.00	7.50	7.50
Maintenance Worker III	2.00	2.00	2.00	1.00	2.00	2.00
SR. Mechanic/Mechanic	1.50	1.50	1.00	1.00	1.50	1.50
Development Services Tech	-	1.00	1.00	1.00	1.00	1.00
Environmental Projects Manager	1.00	1.00	1.00	1.00	1.00	1.00
FTE Total	15.00	16.00	16.00	16.00	16.00	16.00

STREETS

PUBLIC WORKS

STREETS

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
1000-30-30-000						
Revenues						
General Fund	\$ 1,629,450	\$ 1,934,965	\$ 2,308,613	\$ 2,301,035	\$ 2,224,311	\$ 2,427,697
Licenses and permits	26,260	37,311	30,000	30,000	30,000	30,000
Intergovernmental revenues	45,963	-	-	11,635	-	-
Charges for services	3,000	7,427	3,000	6,318	3,000	3,000
Other revenues	33,539	10,751	8,000	6,712	8,000	8,000
Revenue Totals	\$ 1,738,211	\$ 1,990,454	\$ 2,349,613	\$ 2,355,700	\$ 2,265,311	\$ 2,468,697
Expenditures						
Personnel	\$ 1,291,950	\$ 1,443,455	\$ 1,540,503	\$ 1,550,503	\$ 1,603,273	\$ 1,665,852
Contract services	214,916	328,463	491,357	490,785	447,485	451,485
Training & Memberships	540	2,661	2,500	3,572	3,000	3,000
Supplies	108,178	121,921	92,500	88,087	103,000	105,000
Internal service fund charges	122,627	93,955	222,753	222,753	108,553	243,361
Expenditure Totals	\$ 1,738,211	\$ 1,990,454	\$ 2,349,613	\$ 2,355,700	\$ 2,265,311	\$ 2,468,697
Authorized Positions						
Public Works Director	1.00	1.00	1.00	1.00	1.00	1.00
Engineer / Project Manager	1.00	1.00	1.00	1.00	1.00	1.00
Operations Maint. Supervisor	-	1.00	1.00	1.00	1.00	1.00
Field Supervisor	1.00					
Maintenance Worker I & II	5.50	6.00	6.00	7.00	6.50	6.50
Maintenance Worker III	1.00	1.00	1.00	-	-	-
Development Services Tech	-	1.00	1.00	1.00	1.00	1.00
Environmental Projects Manager	1.00	1.00	1.00	1.00	1.00	1.00
FTE Total	10.50	12.00	12.00	12.00	11.50	11.50

STORMWATER

PUBLIC WORKS

STORM WATER

1000-30-30-301	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$ 126,955	\$ 115,036	\$ 202,538	\$ 200,038	\$ 206,821	\$ 209,412
Charges for services	2,224	1,524	2,000	3,500	3,000	3,000
Revenue Totals	\$ 129,179	\$ 116,560	\$ 204,538	\$ 203,538	\$ 209,821	\$ 212,412
Expenditures						
Personnel	\$ 84,105	\$ 76,831	\$ 59,888	\$ 59,888	\$ 65,821	\$ 68,412
Contract services	45,074	38,025	143,150	143,150	142,500	142,500
Training & Memberships	-	-	-	-	-	-
Supplies	-	1,704	1,500	500	1,500	1,500
Expenditure Totals	\$ 129,179	\$ 116,560	\$ 204,538	\$ 203,538	\$ 209,821	\$ 212,412

FACILITIES

PUBLIC WORKS

FACILITIES						
1000-30-31-xxx	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$275,391	\$322,275	\$256,143	\$ 307,681	\$409,757	\$369,793
Other revenues	7,500	-	-	-	-	-
Revenue Totals	\$282,891	\$322,275	\$256,143	\$ 307,681	\$409,757	\$369,793
Expenditures						
Contract services	\$157,467	\$181,425	\$220,800	\$ 194,119	\$281,700	\$241,900
Supplies	115,448	127,146	21,500	99,719	111,500	110,600
Internal service fund charges	9,975	13,704	13,843	13,843	16,557	17,293
Expenditure Totals	\$282,891	\$322,275	\$256,143	\$ 307,681	\$409,757	\$369,793

FLEET

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-30-32-000	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$325,344	\$367,213	\$359,573	\$359,931	\$429,389	\$436,708
Other revenues	-	-	-	4,733	-	-
Revenue Totals	\$325,344	\$367,213	\$359,573	\$364,664	\$429,389	\$436,708
Expenditures						
Personnel	\$106,579	\$112,333	\$112,513	\$112,577	\$169,306	\$175,543
Contract services	8,338	1,068	5,000	11,027	5,000	5,000
Training & Memberships	869	-	1,000	-	500	500
Supplies	195,762	235,393	222,500	222,500	232,500	232,500
Internal service fund	13,796	18,420	18,560	18,560	22,083	23,165
Expenditure Totals	\$325,344	\$367,213	\$359,573	\$364,664	\$429,389	\$436,708
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
Authorized Positions	Actual	Actual	Amended	Estimated	Proposed	Planned
Mechanic/Sr. Mechanic	1.50	1.00	1.00	1.00	1.50	1.50
FTE Total	1.50	1.00	1.00	1.00	1.50	1.50

PARKS

MISSION STATEMENT

The Public Works Parks Department is committed to developing and maintaining the City parks and other landscaped areas in such a manner as to allow all members of our community to enjoy these jewels. Using professional staff and technologies to maintain top rated playing surfaces, beautiful landscaping and safe facilities are top priorities for this department.

DEPARTMENT PURPOSE

To maintain City parks and landscaped areas throughout the City in a safe manner while conserving water and other resources.

KEY CHANGES

Maintaining the status quo.

PARKS

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
1000-30-33-xxx	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenues						
General Fund	\$ 458,374	\$ 673,019	\$ 659,126	\$ 712,545	\$ 754,746	\$ 723,429
Revenue Totals	\$ 458,374	\$ 673,019	\$ 659,126	\$ 712,545	\$ 754,746	\$ 723,429
Expenditures						
Personnel	\$ 191,041	\$ 262,731	\$ 292,010	\$ 297,665	\$ 341,697	\$ 355,095
Contract services	203,794	320,853	236,000	288,278	283,100	263,600
Training & Memberships	1,290	-	2,500	-	2,500	2,500
Supplies	33,846	52,954	91,600	89,586	85,250	58,100
Internal service fund charges	28,403	36,481	37,016	37,016	42,199	44,134
Expenditure Totals	\$ 458,374	\$ 673,019	\$ 659,126	\$ 712,545	\$ 754,746	\$ 723,429
Authorized Positions						
Maintenance Worker I & II	3.00	2.00	2.00	2.00	1.00	1.00
Maintenance Worker III	1.00	1.00	1.00	1.00	2.00	2.00
FTE Total	4.00	3.00	3.00	3.00	3.00	3.00

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT

MISSION STATEMENT

The Community Development Department (CDD) promotes safe and orderly development which provides economic vitality while preserving Capitola's unique cultural and historic character. The Department is dedicated to providing responsive, high-quality services and programs which enhance the quality of life for the City's residents, businesses, and visitors.

DEPARTMENT PURPOSE

The CDD administers the City's land use policies and standards adopted by the City Council including Zoning Code (Title 17), Housing and Development Administration (Title 18), General Plan, Housing Element, Local Coastal Program, and other regulations. The Department's key functions include review of development applications, application of CEQA, maintenance of aforementioned regulatory and long-range planning documents, building plan check and inspection services, building and zoning code compliance, and administration of the affordable housing programs. The Department manages grants related to community planning, housing, economic development, and public services through regional, state, and federal opportunities. The Department provides staff support to the City Council, Planning Commission, and the Design and Development Review Committee.

KEY CHANGES

During the past fiscal year, the Department ended the shared Building Official contract with Scotts Valley. Training is a focus in the FY2024-25 within the Building Department.

FISCAL YEAR ACCOMPLISHMENTS – FY 2023-24

- Adopt Housing Element update with a focus on public outreach, public hearings, adoptions, and working toward State of California Department of Housing and Community Development certification.
- Administered CDBG Grant of \$500,000 for to provide food and transit services to low-income families through local nonprofits.
- Applied for CDBG Grant of \$3.3 million for renovation of the Jade Street Community Center.
- Implemented a 5-year Contract for a Regional Bikeshare Program with BCycle.
- Awarded Permanent Local Housing Allocation Grant (\$630,557) and utilized first year of funding toward region homeless efforts.
- Planning approval of a 52 unit 100% affordable housing development at 1098 38th Avenue.
- Building permit for a 36-unit 100% affordable housing development at 4401 Capitola Road.
- 120 planning permit applications submitted July 1, 2023, through May 1, 2024.
- 286 building permit applications submitted July 1, 2023, through May 1, 2024.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Certification of the 6th Cycle Housing Element by State of California Department of Housing and Community Development.
- Issue building permits and begin construction of new hotel at 720 Hill Street and 52-unit affordable housing development at 1098 38th Avenue.
- Oversee construction and occupancy of 36-unit 100% affordable housing development at 4401 Capitola Road.
- Plan for long-term use of the Capitola Wharf with a focus on public engagement, environment, and climate resiliency.
- Initiate economic development strategy study for the 41st Avenue corridor.
- Explore public/private partnership opportunities toward redevelopment of the Capitola Mall.
- Administer grants to support Capitola residents with food services (CDBG) and housing production (PLHA).
- Provide training opportunities for all staff to encourage growth, job satisfaction, and longevity.

COMMUNITY DEVELOPMENT

	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
Community Development	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 393,543	\$ 454,348	\$ 514,510	\$ 555,161	\$ 381,586	\$ 443,143
Licenses and permits	320,123	241,459	243,500	265,820	313,500	283,500
Charges for services	278,599	323,450	302,000	173,872	217,000	207,000
Fines and forfeitures	-	-	-	-	-	-
Revenue Totals	\$ 992,265	\$1,019,257	\$ 1,060,010	\$ 994,853	\$ 912,086	\$ 933,643
Expenditures						
Personnel	\$ 728,084	\$ 877,933	\$ 906,715	\$ 816,166	\$ 703,456	\$ 730,389
Contract services	204,020	55,157	58,000	98,942	103,000	98,000
Training & Memberships	2,601	10,435	17,700	3,150	17,700	17,700
Supplies	860	1,586	2,100	1,100	5,100	2,100
Internal service charges	56,699	74,146	75,495	75,495	82,829	85,455
Expenditure Totals	\$ 992,264	\$1,019,257	\$ 1,060,010	\$ 994,853	\$ 912,086	\$ 933,643
Authorized Positions						
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Community Dev. Director	1.00	1.00	1.00	1.00	1.00	1.00
Senior Planner	-	-	1.00	1.00	1.00	1.00
Associate Planner	-	1.00	1.00	1.00	1.00	1.00
Assistant Planner	2.00	1.00	-	-	-	-
Building Official	1.00	1.00	1.00	1.00	1.00	1.00
Building Inspector	1.00	1.00	-	-	-	-
Development Services Tech	0.50	0.75	1.00	1.00	1.00	1.00
FTE Total	5.50	5.75	5.00	5.00	5.00	5.00
Officials Positions						
Planning Commissioners	5.00	5.00	5.00	5.00	5.00	5.00
Arch & Site Committee	2.00	2.00	-	-	-	-
Total	7.00	7.00	5.00	5.00	5.00	5.00
Officials Annual Pay						
Planning Commissioners	\$ 9,250	\$ 9,250	\$ 7,500	\$ 7,500	\$ 8,750	\$ 8,750
Arch & Site Committee	6,000	6,000	-	-	-	-
Total	\$ 15,250	\$ 15,250	\$ 7,500	\$ 7,500	\$ 8,750	\$ 8,750

PROPOSED COMMUNITY SERVICES AND RECREATION

CULTURE & LEISURE

MISSION

The City of Capitola Proposed Community Services and Recreation Departments mission is to enhance recreation, healthy lifestyles, and quality of life for Capitola and the surrounding neighbors through affordable and fun activities and opportunities. The Department has a commitment to excellence, safety and continually strives to improve its programs, procedures, and services, to best meet the needs and interests of the community.

DEPARTMENT PURPOSE

The Proposed Community Services and Recreation Department manages recreation and leisure services offered to residents of Capitola and the broader community as well as the USLA Certified Lifeguard Division which protects beach goers in the Capitola Beach area during from Memorial Day Weekend to the end of October. These services include City-staffed programs such as Junior Lifeguards, Camp Capitola, and community events, as well as over 500 classes offered by contracted instructors. Youth Programs have enrollment of over 2,000 children annually. The Department also manages the Capitola Community Center, Jade Street Park, and Monterey Park.

The Proposed Community Services and Recreation Department represents the City through Lifeguards at the beach, programs offered, class instructors selected, seasonal youth hired and trained, and condition of facilities. The department programs provide job training for young people through the Junior Lifeguard Captains Corps and Camp Capitola Junior Leader Program and provide scholarships for under resourced youth.

KEY CHANGES

Following extensive community engagement, in 2019 the City adopted a comprehensive five-year strategic plan for the Capitola Recreation Division. The division has grown from 3.75 FTE to 5.5 FTE and now supervises over 50 temporary seasonal staff each year. The program revenue remains strong and covers the direct cost of programs. Further the Division now supports numerous equity and accessibility initiatives for the community. Given the scope and growth of the Division and final key initiative of the strategic plan, the establishment of the Capitola Community Services and Recreation Department is proposed for the upcoming budget.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- City operated Lifeguard Service achieved United States Lifesaving Association (USLA) Certification as an Open Water Lifesaving Agency and hosted the California Surf Lifesaving Association (CSLSA) Spring Board of Directors Meeting.
- Recertified Camp Capitola as an American Camp Association (ACA) Accredited program and promoted from a 3-year cycle to a 5-year cycle.
- Expanded the learn to swim program for under resourced youth by doubling attendance for Spring 2024 and successfully enrolled Spring 2023 group in the Junior Guard Summer 2023 program.
- Hosted a community event for JoJo's 80th Birthday in collaboration with other City Departments and community members.
- Provided, for the first time, School Break Camps and other Family Support programs.
- Integrated Art & Cultural and Recreation program staff for efficiency in implementing events.
- Coordinated a County wide public advertising for July IS Park & Rec Month Campaign

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Continue to provide quality recreation services with minimal program interruption during displacement due to the Community Center and Treasure Cove at Jade St Playground remodel
- Implement a Park Space Reservation Permit for small groups to host gatherings such as birthday parties in City Parks.

- Provide programming on the Wharf during the temporary use phase of the project.
- Engage Middle School age youth in ocean safety program during the school year.
- Further develop county recreation agency partnerships to provide regional programs, Park Rx, Family Fun Day and other programs.

PROPOSED COMMUNITY SERVICES AND RECREATION

Recreation Summary 1000-50-50-xxx	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 286,144	\$ 702,322	\$ 586,769	\$ 481,769	\$ 721,196	\$ 748,389
Recreation Classes	\$ 199,902	\$ 224,903	\$ 225,000	\$ 224,945	\$ 200,000	\$ 200,000
Capitola Junior Guards	267,803	272,552	309,263	443,101	354,800	354,800
OST Program	1,386	574	-	-	-	-
Sports	26,185	22,465	19,000	14,435	26,900	26,900
Camp Capitola	181,466	150,173	193,240	229,091	216,867	216,867
Afterschool Program	72,838	68,338	143,174	143,174	121,483	121,483
Events	7,104	3,249	4,760	2,347	7,900	7,900
Total Charges for Svcs.	\$ 756,685	\$ 742,254	\$ 894,437	\$1,057,092	\$ 927,950	\$ 927,950
Jade St. Rentals	\$ 6,700	\$ 11,081	\$ 11,000	\$ 14,781	\$ 2,000	\$ 2,000
Revenue Totals	\$1,049,529	\$1,455,657	\$1,492,206	\$1,553,642	\$1,651,146	\$1,678,339
Expenditures						
Personnel	\$692,415	\$877,308	\$1,094,949	\$1,138,749	\$1,253,020	\$1,279,472
Contract services	241,126	353,537	215,400	222,705	202,050	200,050
Training & Memberships	5,033	15,264	17,725	18,234	13,900	14,150
Supplies	46,995	83,801	55,575	65,398	91,800	90,800
Internal service fund charges	63,960	125,747	108,557	108,557	90,376	93,868
Expenditure Totals	\$1,049,529	\$1,455,657	\$1,492,206	\$1,553,642	\$1,651,146	\$1,678,339
Authorized Positions						
	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Community Svcs. & Culture Director					1.00	1.00
Recreation Division Manager	1.00	1.00	1.00	1.00	-	-
Recreation Coordinator	3.00	3.00	3.00	3.00	3.00	3.00
Customer Svcs./Off. Coord.	1.00	1.00	1.00	1.00	1.00	1.00
Rec. Facilities Custodian	0.50	0.50	0.50	0.50	0.50	0.50
FTE Total	5.50	5.50	5.50	5.50	5.50	5.50
Hourly Allocation						
Beach Lifeguard Captain				-	-	-
Beach Lifeguard/JG Instructor	7,200	7,200	7,536	7,536	12,648	12,648
Jr. Lifeguard Coordinator	1,200	1,200	-	-	-	-
Lifeguard Lieutenant/ JG Asst. Cord.	-	-	400	400	1,296	1,296
Recreation Leader I			3,855	3,855	3,503	3,503
Recreation Leader II	4,800	4,800	3,614	3,614	2,952	2,952
Recreation Coordinator	1,200	1,200	-	-	-	-
Recreation Asst. Coordinator	500	500	1,039	1,039	857	857
Youth Program Coordinator	720	720	-	-	687	687
Youth Program Leader	2,880	2,880	-	-	-	-
Recreation Admin Temps	1,560	1,560	-	-	-	-
Sports Scorekeepers	900	900	900	900	-	-
Recreation Facilities Assistant	-	-	280	280	-	-
Hours Total	20,960	20,960	17,624	17,624	21,943	21,943

MISSION

The Capitola Historical Museum preserves and promotes the history of Capitola through creating exhibitions, maintaining a collection of historic photographs and artifacts, conducting oral histories, and participating in special events.

DEPARTMENT PURPOSE

To promote, through the establishment and maintenance of a museum and allied projects, a program that will bring a better understanding and appreciation by the Capitola community of its history, architecture, culture, technology, and its creative and natural environments.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Continued 2023 exhibition “Capitola – Signs of the Times” – July to December 2023.
- Installed 2024 annual exhibition “Little City Under Canvas” – The 150th Anniversary of Camp Capitola - March 2024.
- Installed three rotating exhibits at the Capitola Library.
- Community Involvement:
 - Coordinated museum participation in 2023 Car Show, 2023 Art & Wine Festival (9& 10), 2023 Beach Festival, Plein Air Finale (11/5), and Laura Hecox Day at the Santa Cruz Natural History Museum (1/27). Historic Landmark Committee Blue Plaque Awards (5/11) and Santa Cruz County History Fair (5/18), and the Capitola Car Show (6/8).
 - Co-sponsored the 2024 Santa Cruz County History Fair.
 - Coordinated building of float for the 2023 Beach Festival Lighted Nautical Parade, awarded 3rd place with trophy and check for \$500.
 - Funded video of JoJo Urbancic Birthday Party.
- New Landscape Project; Coordinated with:
 - Eagle Scout candidate Owen Lawson on museum landscape project (January through April);
 - Amah Mutsun Land Trust;
 - Public Works: new ADA walkway to the Bathhouse; fumigation of historic Beach Cottage, painting, and redevising opening of Bathhouse doors; reorienting the museum sign; installing a concrete pad behind the photo-op.
- Public Outreach:
 - Wrote more than 4 articles for various publications including the Capitola-Soquel Times
 - 55 posts on the museum Facebook page; gained 300 new followers from September 2023 to May 2024

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Continue 2024 exhibition “Little City Under Canvas” The 150th Anniversary of Camp Capitola through December 2024
- Continue to recognize the 75th Anniversary of city incorporation and the 100th anniversary of the Venetian Court.
- Develop and install 2025 annual exhibition (theme – fashion – proposed title “The Naughty Surf – 19th-20th Century Resort Fashions in Capitola” by mid-March 2025.
- Continue to participate in annual festivals and history events.
- Write a historical essay on Capitola history – article on Olaf Palm for the MAH History Journal No. 10 in the summer of 2024.
- Initiate proposal for new book, *Capitola – Then & Now* with Arcadia Publishing.

MUSEUM

Capitola Museum 1000-50-51-000	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Revenue						
General Fund	\$ 58,049	\$ 61,735	\$ 73,292	\$ 73,339	\$ 77,651	\$ 79,565
Other revenues	8,385	10,089	4,300	8,991	10,000	10,000
Revenue Totals	\$ 66,434	\$ 71,824	\$ 77,592	\$ 82,329	\$ 87,651	\$ 89,565
Expenditures						
Personnel	\$42,895	\$43,210	\$41,870	\$45,990	\$43,918	\$45,589
Contract services	7,983	8,017	13,000	10,000	13,000	13,000
Training & Memberships	207	151	1,000	1,167	1,700	1,700
Supplies	10,118	13,718	14,800	18,250	21,500	21,500
Internal service fund charges	5,231	6,728	6,922	6,922	7,533	7,776
Expenditure Totals	\$ 66,434	\$ 71,824	\$ 77,592	\$ 82,329	\$ 87,651	\$ 89,565
	FY21/22	FY22/23	FY 23/24	FY23/24	FY24/25	FY25/26
Authorized Positions	Actual	Actual	Amended	Estimated	Proposed	Planned
Museum Curator	0.50	0.50	0.50	0.50	0.50	0.50
FTE Total	0.50	0.50	0.50	0.50	0.50	0.50

ART & CULTURE

MISSION

The mission of the Art & Cultural Commission is to foster, assist, and plan events for the City of Capitola and its residents to enhance the community’s cultural fabric, support local artists, create an interesting environment for art and cultural growth, and allow residents and visitors to experience local flavor.

DEPARTMENT PURPOSE

The first Arts Commission was created in 1984. The commission was reorganized by Ordinance #851 effective May 10, 2003, under the new title of Art & Cultural Commission. With the adopted Arts & Cultural Master Plan, the Commission develops and reviews Public Art projects and creates opportunities for a variety of art and cultural experiences for City Council approval. The Commission continues to offset nearly 50% of its budget by obtaining sponsors for the events.

FISCAL YEAR ACCOMPLISHMENTS – 2023-24

- Summer Twilight Concerts at Esplanade Park.
- Capitola Plein Air Event largest ever.
- Recommended public art project to the City Council.

FISCAL YEAR GOALS – 2024-25 and 2025-26

- Evaluate Art in the Park Event.
- Explore new Cultural events for the City.
- Continue to look at public art opportunities.

ART & CULTURE

Art & Cultural Commission 1000-50-52-000	FY21/22 Actual	FY22/23 Actual	FY 23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Revenue						
General Fund	\$ 8,387	\$ 29,260	\$ 38,644	\$ 39,707	\$ 50,236	\$ 44,357
Other revenues	51,760	21,080	31,000	54,918	54,000	54,000
Revenue Totals	\$ 60,147	\$ 50,340	\$ 69,644	\$ 94,625	\$104,236	\$ 98,357
Expenditures						
Personnel	\$14,651	\$16,152	\$18,464	\$21,000	\$21,578	\$22,495
Contract services	30,760	31,293	41,000	36,000	35,000	35,000
Supplies	10,766	9,978	5,000	32,445	42,000	35,000
Internal service fund charges	3,971	5,049	5,180	5,180	5,658	5,862
Expenditure Totals	\$ 60,147	\$ 62,472	\$ 69,644	\$ 94,625	\$104,236	\$ 98,357

INTERNAL SERVICE FUNDS



INTERNAL SERVICE FUNDS

Stores (City Manager): The Stores Fund accounts for general supplies, postage, and rental of office equipment.

Information Technology (City Manager): The Information Technology Fund provides funding for the replacement and upgrade of the existing computer network. The number of personal computers, laptops, printers, and servers each department uses forms the basis for department allocations.

Equipment Replacement (Public Works): The Equipment Replacement Fund provides funding for the replacement of city vehicles, including passenger cars, parks maintenance vehicles, police vehicles and other specialty vehicles. Departments contribute to this replacement fund based on the depreciation expense of existing vehicles. This fund also receives the revenue received from the sale, or trade-in, of surplus vehicles.

Self-Insurance Liability (City Manager): The Self-Insurance Liability Fund collects funding from departments to pay for self-insured liability and property protection insurance premiums provided through the Monterey Bay Area Self Insurance Authority (MBASIA) joint powers authority.

Workers' Compensation (City Manager): The Workers' Compensation Fund collects funding from departments to pay for Workers' Compensation coverage through the MBASIA.

Compensated Absences (Finance): The Compensated Absences Fund accumulates money to pay future employee benefit costs, such as vacation and sick leave payouts, at termination or retirement. The City Council sets the policy to ensure the City can fulfill future obligations.

STORES FUND

The Stores Fund accounts for general supplies and postage. This also includes the rental of the postage machine and the repair and maintenance of shared office equipment.

SOURCES AND USES						
Fund - 2210	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 69,115	\$ 65,435	\$ 62,676	\$ 62,676	\$ 62,676	\$ 62,676
Revenue						
Other Revenues	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -
Internal Service Charges	20,000	27,000	27,000	27,000	27,000	27,000
General Fund Transfers	-	-	-	-	-	-
Revenue Totals	\$20,010	\$27,000	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Expenditures						
Contract Services	\$ 6,866	\$ 6,842	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000
Supplies	16,825	22,917	20,000	20,000	20,000	20,000
Expenditure Totals	\$23,690	\$29,759	\$ 27,000	\$ 27,000	\$ 27,000	\$ 27,000
Fund Balance at 06/30	\$65,435	\$62,676	\$ 62,676	\$ 62,676	\$ 62,676	\$ 62,676

INFORMATION TECHNOLOGY FUND

The Information Technology Fund collects and designates funds for the future replacement of citywide hardware and software. Annual on-going information technology costs are allocated based on the distribution of resources.

SOURCES AND USES						
Fund - 2211	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 327,920	\$ 355,804	\$ 317,651	\$ 317,651	\$ 177,041	\$ 177,041
Revenue						
Other Revenues	\$ 4,068	\$ 4,068	\$ 4,000	\$ 3,390	\$ 4,000	\$ 4,000
Internal Service Charges	197,900	257,502	271,000	271,000	268,000	268,000
Other Financing Sources	-	-	235,000	235,000	-	-
Revenue Totals	\$201,968	\$261,570	\$ 510,000	\$ 509,390	\$ 272,000	\$ 272,000
Expenditures						
Contract Services	\$ 107,974	\$ 194,690	\$ 201,000	\$ 210,000	\$ 196,000	\$ 196,000
Training & Memberships	-	-	-	-	-	-
Supplies	66,111	83,298	70,000	85,000	76,000	76,000
Capital Outlay	-	21,735	355,000	355,000	-	-
Expenditure Totals	\$174,084	\$299,723	\$ 626,000	\$ 650,000	\$ 272,000	\$ 272,000
Fund Balance at 06/30	\$ 355,804	\$ 317,651	\$ 201,651	\$ 177,041	\$ 177,041	\$ 177,041

Contract services: on-going technology licenses

Supplies: replacement technology equipment

EQUIPMENT REPLACEMENT FUND

The Equipment Replacement Fund is designed to provide funding for replacement of City vehicles, including passenger cars, maintenance vehicles, police vehicles and other specialty vehicles. Departments contribute to this replacement fund based on the depreciation costs of existing vehicles. This fund receives revenue from trade-ins and surplus equipment sales. The General Fund charges for services based on the prior year fleet depreciation costs adjusted by the CPI index. The FY 2021-22 depreciation totaled approximately \$210,000 however that is anticipated to approach \$300,000 as we complete previously approved purchases and add the electric street sweeper to the fleet.

During the annual budget process, the Public Works and the Police Department review the current vehicle inventory listing and make recommendations for vehicle acquisitions and replacements, considering on-going maintenance costs. In FY 2021-22, \$300,000 was transferred from the General Fund to assist in restoring the Equipment Fund's balance and to purchase an electric street sweeper. Typically, new street sweepers are financed with gas tax revenues. However, to take advantage of a grant of \$250,000, the General Fund assisted with the purchase of the equipment.

FY 2024-25 CAPITAL OUTLAY

2 PD Patrol vehicles \$ 140,000

FY 2025-26 CAPITAL OUTLAY

Electric / Hybrid Fleet \$ 200,000

SOURCES AND USES						
Fund - 2212	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 683,833	\$ 966,130	\$ 875,969	\$ 875,969	\$ 577,318	\$ 502,318
Revenue						
Other revenues	\$ -	\$ 6,000	\$ 120,000	\$ 260,000	\$ -	\$ -
Internal Service Charges	100,000	105,000	250,000	250,000	65,000	200,000
Other Financing Sources	361,000	74,000	200,000	200,000	-	-
Revenue Totals	<u>461,000</u>	<u>185,000</u>	<u>570,000</u>	<u>710,000</u>	<u>65,000</u>	<u>200,000</u>
Expenditures						
Capital Outlay	\$ 178,703	\$ 275,161	\$ 403,404	\$ 1,008,650	\$ 140,000	\$ 200,000
Expenditure Totals	<u>\$ 178,703</u>	<u>\$ 275,161</u>	<u>\$ 403,404</u>	<u>\$ 1,008,650</u>	<u>\$ 140,000</u>	<u>\$ 200,000</u>
Fund Balance at 06/30	\$ 966,130	\$ 875,969	\$ 1,042,565	\$ 577,318	\$ 502,318	\$ 502,318

SELF-INSURANCE LIABILITY FUND

The Self-Insurance Liability Fund accumulates funds for deductible expenditures and excess incidents above the City's liability coverage. The fund pays for the following expenses:

- Excess Insurance Premiums - The City belongs to the Monterey Bay Area Self Insurance Authority (MBASIA) joint powers authority. MBASIA covers all liability expenses, fire, property protection, and general liability claims up to \$10,000 per occurrence.
- Property Insurance – The City receives property insurance through the Public Entity Property Insurance Program and is insured by Lexington. The City's premium is \$100,000.
- Vehicle and Equipment Insurance Coverage - Coverage for vehicles and equipment with a purchase value of \$25,000 or more. The annual premium is \$7,500 with a \$2,000 deductible.
- Unemployment Insurance - The California Employment Development Department (EDD) defines the City as a "State Unemployment Insurance Reimbursement Client." The City does not pay unemployment insurance premiums to the State. When an employee files for and receives unemployment benefits from the State, the City is responsible for that benefit.

Charges for services are allocated to each General Fund department based on their percentage of the total operating budget from the prior fiscal year less the budget for unanticipated events.

SOURCES AND USES						
Fund - 2213	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 126,440	\$ (20,881)	\$ 278,187	\$ 278,187	\$ 179,917	\$ 179,917
Revenue						
Other Revenue	\$ (11,694)	\$ 82,292	\$ -	\$ -	\$ -	\$ -
Internal Service Charges	450,624	622,998	622,136	622,136	760,036	797,228
Other Financing Sources	-	250,000	-	-	-	-
Revenue Totals	\$ 438,930	\$ 955,290	\$ 622,136	\$ 622,136	\$ 760,036	\$ 797,228
Expenditures						
Contract Services	\$ 586,251	\$ 651,920	\$ 622,138	\$ 720,406	\$ 760,036	\$ 797,228
Other Financing Uses	-	4,302	-	-	-	-
Expenditure Totals	\$ 586,251	\$ 656,222	\$ 622,138	\$ 720,406	\$ 760,036	\$ 797,228
Fund Balance at 06/30	\$ (20,881)	\$ 278,187	\$ 278,185	\$ 179,917	\$ 179,917	\$ 179,917

WORKERS' COMPENSATION FUND

The Workers' Compensation Fund satisfies the requirements of Capitola municipal code section 3.24.030, which states, "The City Manager and City Treasurer shall establish a reserve fund for purposes of paying future workers' compensation claims and shall, hereafter, make such annual deposits into that fund as the city is advised are actually necessary to provide a suitable reserve." This program also covers City volunteers.

The City belongs to a Joint Powers Authority (JPA), Monterey Bay Area Self Insurance Authority, composed of several local agencies: Del Rey Oaks, Gonzales, Greenfield, Hollister, King City, Marina, Sand City, Scotts Valley, and Soledad. The City retains exposure to temporary disability payments as long as the injured worker remains an employee of the City. MBASIA purchases excess coverage beyond \$500,000 per occurrence up to statutory requirements.

The annual premium that is assessed to each of the participating cities in the JPA is based on three primary factors: the number of employees in each of the two major categories (Safety & Miscellaneous), the experience rate (cost incurred) of each participating agency, and debt service allocation.

When an employee files a claim, the City pays the employee's salary portion directly from the general fund based upon the standard workers' compensation formula, for the "temporary" claim. The formulas for employees receiving workers' compensation are as follows:

1. Public Safety: Compensation is 100% of salary, non-taxable.
2. Miscellaneous: Compensation is 2/3 of salary with a cap of \$840 per week, non-taxable.

For non-safety staff, City policy allows that accruals (i.e., sick, vacation, etc.) may be used to supplement workers' compensation payments. If the person becomes "permanently disabled" then the JPA picks up the salary portion. The JPA pays all other costs including legal and medical. While on workers' compensation status, the safety and non-safety staff continue to accrue sick and vacation leave balances.

Distribution to General Fund Departments:

The allocation methodology for workers' compensation charges to the General Fund Departments corresponds closely to the cost allocation method used by the JPA. The City divides employees into three classifications: Sworn, Non-Sworn and Volunteers, with cost per FTE calculated. A fund balance accommodates future premium fluctuations, deductibles, and excess liability.

SOURCES AND USES						
Fund - 2214	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 318,800	\$ 367,079	\$ 117,301	\$ 117,301	\$ 118,749	\$ 118,749
Revenue						
Other Revenue	-	-	-	-	-	-
Internal Service Charges	\$ 427,680	\$ 431,999	\$ 447,705	\$ 447,705	\$ 403,542	\$ 423,719
Revenue Totals	\$ 427,680	\$ 431,999	\$ 447,705	\$ 447,705	\$ 403,542	\$ 423,719
Expenditures						
Contract Services	\$ 379,401	\$ 431,777	\$ 447,705	\$ 446,257	\$ 403,542	\$ 423,719
Other Financing Uses	-	250,000	-	-	-	-
Expenditure Totals	\$ 379,401	\$ 681,777	\$ 447,705	\$ 446,257	\$ 403,542	\$ 423,719
Fund Balance at 06/30	\$ 367,079	\$ 117,301	\$ 117,301	\$ 118,749	\$ 118,749	\$ 118,749

COMPENSATED ABSENCES LIABILITY FUND

The Compensated Absences Liability Fund accumulates reserves to pay for employee cash-outs, such as accumulated sick leave and vacation, due to employees upon termination or retirement. The following is an itemized description of the various liabilities of this fund.

Vacation > 360 hours: An employee who has accumulated more than 360 hours (504 hours for POA) as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly rate for hours exceeding 360 (504 for POA). The hourly rate includes specialty pays.

Vacation - Voluntary Cash Out: In accordance with various memoranda of understanding between the employee bargaining groups and the City of Capitola, employees may elect voluntary cash outs up to 80 hours of vacation.

Police Captain Cashable Sick Leave: Refer to contract.

Final Pay: Upon resignation, employees are eligible for vacation cash outs.

Severance Pay: The City provides the following severance payout packages:

City Manager	12 months
Police Chief	6 months
Public Works Director	4 months
Community Development Director	4 months
Finance Director	4 months

SOURCES AND USES

Fund - 2216	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 263,856	\$ 110,886	\$ 330,886	\$ 330,886	\$ 330,886	\$330,886
Revenue						
Other financing sources	\$220,000	\$220,000	\$ 225,000	\$ 225,000	\$ 200,000	\$200,000
Revenue Totals	<u>\$220,000</u>	<u>\$220,000</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 200,000</u>	<u>\$200,000</u>
Expenditures						
Personnel	\$372,970	\$ -	\$ 225,000	\$ 225,000	\$ 200,000	\$200,000
Expenditure Totals	<u>\$372,970</u>	<u>\$ -</u>	<u>\$ 225,000</u>	<u>\$ 225,000</u>	<u>\$ 200,000</u>	<u>\$200,000</u>
Fund Balance at 06/30	\$ 110,886	\$ 330,886	\$ 330,886	\$ 330,886	\$ 330,886	\$ 330,886

SPECIAL REVENUE FUNDS



SPECIAL REVENUE FUNDS

Supplemental Law Enforcement Services (Police): Funds provided by a State of California COPS grant to provide funding for Community Oriented Policing & Problem Solving (COPPS) programs.

Restricted Transient Occupancy Tax (TOT) (City Council): Capitola voters passed Measure J in 2018 increasing the TOT from 10% to 12% and restricting 0.4% for local business groups and 0.35% for early childhood and youth programming.

Road Maintenance and Rehabilitation Act (SB1) (Public Works): Funds received from the state and used for road maintenance, rehabilitation, and critical safety projects on local streets and roads.

Regional Transportation Commission (RTC) Streets (Public Works): Santa Cruz County voters passed a 0.5 percent user sales tax to fund local roads. The RTC Streets fund will be utilized to increase the City's Street program.

Gas Tax (Public Works): Funds received from gasoline tax revenue from the state and used for new construction, maintenance, and the reconstruction of City streets.

Wharf (Public Works): Accounts for rental income generated from wharf operations and expended on operations and major repairs and improvements.

General Plan Update and Maintenance (Community Development): Funds received as General Plan Maintenance Fee to support future updates to the City's General Plan, implementing ordinances and plans.

Green Building (Community Development): Green Building funds are solely for program management, training, publications, public educational purposes, incentive programs, materials, and supplies to promote sustainable development, water conservation, storm water pollution prevention, and climate action planning.

Public Art (City Manager): This fund accumulates money received as public art fees to acquire works of art to be displayed in or about public places within the city.

Parking Reserve (Public Works): In 2009 the Council authorized a special reserve fund from the Village parking meters for parking-related projects.

Technology Fee (Community Development): 5% of building permit fee funds permit processing technology.

Public Education & Government Cable TV Access (City Manager): This special revenue fund accounts for PEG cable television fees. The expenditures are restricted to PEG access-related activities.

Capitola Village & Wharf Business Improvement Area (Finance): Established to generate revenue for the exclusive purpose of promoting business in the Capitola Village and Wharf Business Improvement Area.

Community Development Block Grants (Community Development): This fund accounts for active CDBG reimbursement grants that are awarded to the City on a project-by-project basis.

Community Development Block Grant Program Income (Community Development): This fund accounts for income from housing loans that are funded with Community Development Block Grant funds. Loans and interest repaid to the fund are restricted to CDBG approved uses.

Library (City Manager): The new Capitola Branch Library opened in June 2021. The Friends off the Capitola Branch Library raised over \$600,000 of donations for project enhancements with approximately \$50,000 remaining in the Library fund.

HOME Program Reuse (Community Development): This fund accounts for housing loans due to the City from the recipients of previous HOME Program grants. Receipts in the Home Program Reuse Fund are restricted to affordable housing activities in accordance with the federal HOME program re-use guidelines.

Housing Trust (Community Development): The City Council adopted an Inclusionary Housing Ordinance in November 2004, which created an Affordable Housing Trust Fund. It is funded from in-lieu fees, which can be used for new affordable housing and rehabilitation of existing affordable housing.

Permanent Local Housing Allocation (PLHA): In 2017, Senate Bill 2 (SB 2) established a \$75 recording fee on real estate documents and created the Permanent Local Housing Allocation Fund (PLHA). PLHA funds are allocated to local governments for eligible housing and homelessness activities and provide a permanent, on-going source of funding for housing-related projects and programs that address the unmet housing needs of communities.

Capitola Housing Successor (Community Development): When the Capitola Redevelopment Agency dissolved, the City elected to become the Housing Successor to the former Low- and Moderate-Income Housing Fund of the RDA.

SUPPLEMENTAL LAW ENFORCEMENT SERVICES

POLICE

In 1996, California's state legislature (AB 3229) established the Citizens Options for Public Safety (COPS) program, allocating \$100,000,000 annually to local governments for front-line law enforcement. These funds are administered through the Supplemental Law Enforcement Services Fund (SLESF) program. The COPS program received its initial funding in the 1996-1997 California state budget and has been consistently funded since then. Section 30061 (c) (1) of the Government Code outlines the future funding details for the COPS program through SLESF.

SLESF funds are grants, and the legislation requires that each municipality receive annual funds to be used for "front-line law enforcement services." These funds cannot be used to replace existing resources but must be used to enhance them. Eligible expenses include salaries, services, supplies, equipment, and administrative costs.

Furthermore, SLESF funds cannot be redirected to a municipality's general fund but must be exclusively used for front-line law enforcement services. The total award to each recipient entity is based on population size, with a minimum annual award of \$100,000 for all entities. For example, the Capitola Police Department receives an annual award of \$100,000. Fund distributions are made regularly throughout the year.

SOURCES AND USES

Fund - 1300 SLESF	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 99,060	\$ 154,484	\$151,613	\$ 151,613	\$ 33,427	\$ 35,927
Revenue						
Intergovernmental revenues	\$101,325	\$ 103,114	\$100,000	\$ 100,000	\$100,000	\$100,000
Use of money & property	217	3,968	500	3,044	4,000	4,000
Revenue Totals	\$101,541	\$ 107,082	\$100,500	\$ 103,044	\$104,000	\$104,000
Expenditures						
Contract services	\$ 1,352	1,344	\$ 1,000	\$ 1,230	\$ 1,500	\$ 1,500
Supplies	33,765	86,797	35,000	35,000	33,000	33,000
Capital outlay	-	21,813	65,000	65,000	67,000	67,000
Other financing uses	11,000	-	120,000	120,000	-	-
Expenditure Totals	\$ 46,117	\$ 109,954	\$221,000	\$ 221,230	\$101,500	\$101,500
Fund Balance at 06/30	\$154,484	\$ 151,613	\$ 31,113	\$ 33,427	\$ 35,927	\$ 38,427

Contract Services – Utility services – Gas & Electric

Supplies – Front line law enforcement – includes \$5,000 for wellness grant.

Capital Outlay – Flock cameras, online report writing, electronic ticket writing.

RESTRICTED TRANSIENT OCCUPANCY TAX (TOT)

CITY COUNCIL

This fund accounts for the 0.75% of restricted Transient Occupancy Tax (TOT) as approved by Capitola voters in 2018. The Restricted TOT Fund is used to receive and distribute half of the 0.40% of restricted TOT revenues for local business groups with the other half going directly to the Capitola Village & Wharf Business Improvement Area fund and the 0.35% of restricted TOT revenue dedicated to early childhood and youth programming.

SOURCES AND USES

Fund - 1305	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
TOT Restricted Revenue	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 68,442	\$ 62,758	\$ 58,473	\$ 58,473	\$ 21,296	\$ 5,004
Revenue						
Transient Occupancy Tax	99,483	95,940	100,833	98,542	101,842	103,878
Other revenue	-	557	-	1,615	1,000	1,000
Revenue Totals	\$ 99,483	\$ 96,497	\$100,833	\$100,157	\$ 102,842	\$ 104,878
Expenditures						
ECYP Supplies	\$ 19,332	\$ -	\$ 16,300	\$ 16,300	\$ -	\$ -
ECYP Enrichment	-	-	11,700	11,700	8,600	8,000
ECYP Scholarships	-	-	27,000	13,500	13,500	-
Chamber of Commerce	36,176	34,887	36,667	35,833	37,033	37,774
ECYP Community Grants	49,660	65,895	60,000	60,000	60,000	60,000
Expenditure Totals	\$105,167	\$100,783	\$151,667	\$137,333	\$ 119,133	\$ 105,774
Fund Balance at 06/30	\$ 62,758	\$ 58,473	\$ 7,639	\$ 21,296	\$ 5,004	\$ 4,109
Local Business Groups ⁽¹⁾	\$ 36,176	\$ 34,887	\$ 36,667	\$ 35,833	\$ 37,033	\$ 37,774
Early Childhood/Youth Programs	\$ 63,307	\$ 61,053	\$ 64,167	\$ 62,708	\$ 64,808	\$ 66,104
	\$ 99,483	\$ 95,940	\$100,833	\$ 98,542	\$ 101,842	\$ 103,878

(1) Does NOT include portion paid directly to the BIA (50% of Local Business Groups amount)

ECYP Enrichment

- Field Trips and similar activities

ECYP Scholarships

- Camp & Jr. Guard - \$13,500 (year 2 of two-year \$27,000 program)

Community Grants – Early Childhood & Youth Community Grants - \$60,000

Other financing uses – payment to Capitola-Soquel Chamber of Commerce - \$37,033

- Equal amount distributed directly to Capitola BIA fund.

ROAD MAINTENANCE & REHABILITATION ACT (SB1)

PUBLIC WORKS

This fund accounts for receipt and expenditure of revenue as provided by state law. The Road Maintenance & Rehabilitation Act Fund is primarily used to cover the expenses related to street maintenance and rehabilitation projects on City roads and streets.

SOURCES AND USES

Fund - 1308 RMRA SB 1	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 203,131	\$ 315,199	\$ 289,149	\$ 289,149	\$ 300,518	\$ 300,518
Revenue						
Intergovernmental revenues	\$ 202,344	\$ 218,001	\$ 248,500	\$ 248,500	\$ 252,161	\$ 257,204
Other financing sources	6,640	9,378	-	6,369	-	-
Revenue Totals	\$ 208,983	\$ 227,379	\$ 248,500	\$ 254,869	\$ 252,161	\$ 257,204
Expenditures						
Contract services						
Capital outlay	\$ 96,915	\$ 253,428	\$ 243,500	\$ 243,500	\$ 252,161	\$ 257,204
Expenditure Totals	\$ 96,915	\$ 253,428	\$ 243,500	\$ 243,500	\$ 252,161	\$ 257,204
Fund Balance at 06/30	\$ 315,199	\$ 289,149	\$ 294,149	\$ 300,518	\$ 300,518	\$ 300,519

Capital Outlay – Annual pavement management plan.

REGIONAL TRANSPORTATION COMMISSION (RTC) STREETS

PUBLIC WORKS

This fund accounts for receipts and expenditures of money received from the Santa Cruz County Regional Transportation Commission. A description of proposed projects is listed in the summary section of this budget.

SOURCES AND USES

Fund - 1309 RTC Streets	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 645,046	\$ 933,823	\$ 185,891	\$ 185,891	\$ 60,325	\$ 65,325
Revenue						
Intergovernmental revenues	\$ 384,195	\$ 368,521	\$ 371,000	\$ 250,682	\$ 369,000	\$ 380,000
Other financing sources	1,497	13,432	-	10,097	5,000	5,000
Revenue Totals	\$ 385,691	\$ 381,953	\$ 371,000	\$ 260,779	\$ 374,000	\$ 385,000
Expenditures						
Contract services	\$ 96,915	\$ 1,129,884	\$ 386,345	\$ 386,345	\$ 369,000	\$ 380,000
Capital outlay	-	-	-	-	-	-
Expenditure Totals	\$ 96,915	\$ 1,129,884	\$ 386,345	\$ 386,345	\$ 369,000	\$ 380,000
Fund Balance at 06/30	\$ 933,823	\$ 185,891	\$ 170,546	\$ 60,325	\$ 65,325	\$ 70,325

Capital Outlay – Annual pavement management plan.

GAS TAX

PUBLIC WORKS

This fund accounts for receipt and expenditure of gasoline tax revenue as provided by state law. The Gas Tax Fund is primarily used to cover the expenses related to maintenance and operation of the City's traffic signals and streetlights. Other Gas Tax Fund programs include street maintenance patching and striping project, street sweeper lease payments, and engineering.

The Gas Tax funds must be spent within 5 years of receipt. Future Gas Tax funds cannot be pledged for current projects with future repayment; therefore, the funds can only be spent once they have been received.

SOURCES AND USES

Fund - 1310	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Gas Tax	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 67,875	\$150,590	\$256,466	\$ 256,466	\$273,397	\$275,557
Revenue						
Intergovernmental revenues	\$242,775	\$250,805	\$283,381	\$ 283,381	\$272,660	\$262,405
Use of money & property	220	5,020	1,500	5,121	1,500	1,500
Other revenues	-	-	-	-	-	-
Revenue Totals	\$242,995	\$255,825	\$284,881	\$ 288,502	\$274,160	\$263,905
Expenditures						
Contract Services	\$160,280	\$149,949	\$283,350	\$ 271,571	\$272,000	\$261,900
Debt service	-	-	-	-	-	-
Interfund Transfer	-	-	-	-	-	-
Expenditure Totals	\$160,280	\$149,949	\$283,350	\$ 271,571	\$272,000	\$261,900
Fund Balance at 06/30	\$150,590	\$256,466	\$257,997	\$ 273,397	\$275,557	\$277,562

Contract Services:

- Admin & Engineering - \$50,000
- Streetlights & traffic signals - \$127,000
- Street & sidewalks - \$35,000
- Street painting - \$30,000
- Street sweeper maintenance - \$30,000

WHARF

PUBLIC WORKS

The Wharf Fund accounts for rental income generated from wharf operations and expended on operating costs as well as major repairs and improvements. The Wharf Fund accumulates these revenues in order to help meet the majority of its expenditure demands. Major repairs that tend to occur in a 3–5-year cycle require occasional general fund support in order to keep this key public facility open.

With the passage of Measure F, the City will begin to design and construct an improved wharf. The Measure F funds are accounted for in the Capital Improvement Fund (CIP). The Wharf Funds are for maintenance and repair of the current Wharf.

SOURCES AND USES						
Fund - 1311	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Wharf	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$134,220	\$154,886	\$166,194	\$166,194	\$124,018	\$ 3,268
Revenue						
Use of money & property	119,189	72,310	-	2,620	20,500	32,500
Other financing sources	-	-	-	-	-	-
Revenue Totals	\$119,189	\$ 72,310	\$ -	\$ 2,620	\$ 20,500	\$ 32,500
Expenditures						
Contract services	\$ 82,474	\$ 53,189	\$ 17,500	\$ 44,708	\$101,250	\$ 26,605
Supplies	16,049	7,814	-	88	-	5,000
Capital Outlay	-	-	-	-	40,000	-
Expenditure Totals	\$ 98,523	\$ 61,003	\$ 17,500	\$ 44,796	\$141,250	\$ 31,605
Fund Balance at 06/30	\$154,886	\$166,194	\$148,694	\$124,018	\$ 3,268	\$ 4,163

Contract Services:

- Wharf Revisioning Plan - \$75,000
- Utilities - \$6,750
- Janitorial services - \$7,000
- Property & Equipment repairs & maintenance - \$4,500
- Rentals (portable toilets) - \$8,000

Capital – Buildings & Improvements

- Temporary structures / fuel storage - \$40,000

GENERAL PLAN UPDATE & MAINTENANCE

COMMUNITY DEVELOPMENT

In 2002, the State Legislature passed AB 2936 to enable cities to collect fees “reasonably necessary to prepare and revise the plans and policies that a local agency is required to adopt before it can make any necessary findings and determinations”. The General Plan Maintenance Fee is currently 0.5% of the total building valuation with a cap of \$100,000 to cover the cost of a future comprehensive update of the City’s General Plan.

Valuation is calculated on a cost per square foot basis. The City of Capitola uses \$200/square foot valuation for the average house, and \$300/square foot for houses with increased values.

The City adopted a comprehensive update to the Zoning Code which was certified by the California Coastal Commission in 2021. The City is currently working on the final stage of 6th Cycle Housing Element Update pending certification by the state. The adopted budget provides adequate resources to fund consultant contracts and staff time to finalize the Housing Element efforts and initiate implementation efforts in FY 24/25.

SOURCES AND USES

Fund - 1313	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
General Plan	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$202,623	\$247,105	\$248,407	\$248,407	\$280,571	\$185,571
Revenue						
Intergovernmental revenues	\$ -	\$ 65,000	\$153,750	\$ -	\$ 64,375	\$ -
Charges for services	66,532	55,838	40,000	103,743	50,000	50,000
Use of money & property	444	6,224	1,000	4,551	-	-
Revenue Totals	\$ 66,975	\$127,062	\$194,750	\$108,294	\$114,375	\$ 50,000
Expenditures						
Contract services	\$ 22,443	\$125,614	\$400,912	\$ 76,130	\$209,375	\$ 45,000
Supplies	50	146	500	-	-	-
Expenditure Totals	\$ 22,493	\$125,760	\$401,412	\$ 76,130	\$209,375	\$ 45,000
Fund Balance at 06/30	\$247,105	\$248,407	\$ 41,745	\$280,571	\$185,571	\$190,571

Contract services:

- Ben Noble - \$64,375 – Housing Element
- RRM design – Housing Element - Rollover prior year encumbrance - \$120,000
- City Staff time – Housing Element - \$25,000

GREEN BUILDING

COMMUNITY DEVELOPMENT

The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. The program is funded through the Federal Department of Housing and Urban Development (HUD) and Capitola participates in the competitive Small Cities Grant Program administered by the California Department of Housing and Community Development.

In recent years, the City has been awarded CDBG grants to fund the City's Local Hazard Mitigation Plan (LHMP), Safety Element of the General Plan Update, and CARES Act funding in response to the pandemic. In 2021, the City was awarded with a \$497,000 CDBG grant for public food assistance and transit including funds for Second Harvest Food Bank (\$119,840), Meals on Wheels/Lift Line (\$299,720), Grey Bears (\$52,950), and administration of the grant. The City has an active application submitted to HCD for \$3.3 million to assist in the rehabilitation of the Jade Street Community Center.

SOURCES AND USES

Fund - 1314	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Green Building	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$198,076	\$211,349	\$224,808	\$224,808	\$260,555	\$218,555
Revenue						
Charges for services	\$ 13,273	\$ 13,459	\$ 3,000	\$ 43,457	\$ 15,000	\$ 15,000
Revenue Totals	\$ 13,273	\$ 13,459	\$ 3,000	\$ 43,457	\$ 15,000	\$ 15,000
Expenditures						
Contract services	\$ -	\$ -	\$ 20,000	\$ 2,710	\$ 55,000	\$ 5,000
Training & Memberships	-	-	-	-	-	-
Supplies	-	-	1,000	5,000	2,000	2,000
Expenditure Totals	\$ -	\$ -	\$ 21,000	\$ 7,710	\$ 57,000	\$ 7,000
Fund Balance at 06/30	\$211,349	\$224,808	\$206,808	\$260,555	\$218,555	\$226,555

Contract services: Update Green Building Code

PUBLIC ART

CITY MANAGER

The City established a Public Arts fee in 2004. The purpose is to ensure that 2% of the cost of eligible municipal capital improvement, renovation, or restoration projects funded in whole or in part by the City of Capitola or any private, non-residential development project with a total building permit valuation of \$250,000 or more is set aside for the acquisition of works of art to be displayed in or about public places within the City. For a private development, there is an in-lieu option to contribute 1% of the total budget to the Public Art Program. As part of the program expenses, up to 20% of the art allocations may be expended on program administration, project management and community outreach activities.

Works in progress

- Cypress Tree Stump Project
- Monterey Ave Railing Project
- Begonia Commemorative Art Project

SOURCES AND USES

Fund - 1315	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Public Art	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$171,267	\$ 171,267	\$166,236	\$166,236	\$155,236	\$ 88,736
Revenue						
Charges for services	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Revenue Totals	\$ -	\$ -	\$ 5,000	\$ -	\$ -	\$ -
Expenditures						
Personnel	\$ -	\$ -	\$ -			
Contract services		5,031	75,500	10,000	65,500	25,000
Supplies		-	2,500	1,000	1,000	1,000
Expenditure Totals	\$ -	\$ 5,031	\$ 78,000	\$ 11,000	\$ 66,500	\$ 26,000
Fund Balance at 06/30	\$171,267	\$ 166,236	\$ 93,236	\$155,236	\$ 88,736	\$ 62,736

Contract services: Contracts with artists on various projects - \$65,500

PARKING RESERVE

PUBLIC WORKS

In 2009, as part of a parking meter rate increase, the City Council established the Parking Reserve Fund. Revenues deposited into this fund represent 16% of parking meter revenues from the Village area (Parking Meter Zone A1). The fund was established to fund parking improvement projects throughout the Village. As part of the FY 2023-24 City Council Goals this debt was paid off.

SOURCES AND USES

Fund - 1316	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Parking Reserve	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737
Revenue						
Other financing sources	\$100,000	\$100,000	\$469,000	\$469,000	\$ -	\$ -
Revenue Totals	\$100,000	\$100,000	\$469,000	\$469,000	\$ -	\$ -
Expenditures						
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing uses	100,000	100,000	469,000	469,000	-	-
Expenditure Totals	\$100,000	\$100,000	\$469,000	\$469,000	\$ -	\$ -
Fund Balance at 06/30	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737	\$ 737

TECHNOLOGY FEE

COMMUNITY DEVELOPMENT

On November 12, 2009, the City of Capitola adopted a resolution establishing the Technology Fee. The fee is 5% of the Community Development and Public Works permit fees. The City has updated building, planning, and public works permitting software. The system better coordinates plan review activities among departments and will allow the public to inquire and search records and monitor progress of applications through the internet. The City will continue to make changes to the system in order to provide better service to the public and to improve internal processes. The zoning update process and its implementation will also benefit from the system's data resources and enhanced reporting capabilities.

SOURCES AND USES

Fund - 1317	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Technology Fee	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 83,433	\$ 96,903	\$ 93,312	\$ 93,312	\$ 94,371	\$ 95,621
Revenue						
Charges for services	\$ 17,845	\$ 14,659	\$ 11,500	\$ 14,309	\$ 14,500	\$ 14,500
Revenue Totals	\$ 17,845	\$ 14,659	\$ 11,500	\$ 14,309	\$ 14,500	\$ 14,500
Expenditures						
Contract services	\$ 4,375	\$ 18,250	\$ 13,250	\$ 13,250	\$ 13,250	\$ 13,250
Supplies	-	-	-	-	-	-
Expenditure Totals	\$ 4,375	\$ 18,250	\$ 13,250	\$ 13,250	\$ 13,250	\$ 13,250
Fund Balance at 06/30	\$ 96,903	\$ 93,312	\$ 91,562	\$ 94,371	\$ 95,621	\$ 96,871

Contract Services:

- iWorQ annual fee – Public Works - \$3,500
- iWorQ annual fee – Community Development - \$9,750

PUBLIC EDUCATION/GOVERNMENT CABLE TV ACCESS (PEG)

CITY MANAGER

This Special Revenue Fund accounts for Public, Education & Government (PEG) cable television fees. The PEG Access fee from all cable service providers is 64 cents per subscriber and is due to the City concurrent with the Franchise Fee Payments. The City is required to segregate PEG access fees and related purchases.

The funds received through PEG fees are retained by the City and utilized for capital equipment purchases in support of PEG access only. PEG channels are set aside for the following purposes:

- Public - available for use by the public
- Education - available for use by educational institutions for educational programming
- Government – available for programming by local governments

SOURCES AND USES

Fund - 1320	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Public Education & Gov't.	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 83,836	\$ 63,802	\$ 45,080	\$ 45,080	\$ 51,341	\$ 55,341
Revenue						
Licenses and permits	\$ 14,085	\$ 11,903	\$ 16,000	\$ 5,400	\$ 15,000	\$ 15,000
Use of money & property	165	1,534	-	860	1,000	1,000
Revenue Totals	\$ 14,249	\$ 13,437	\$ 16,000	\$ 6,261	\$ 16,000	\$ 16,000
Expenditures						
Contract services	\$ -	\$ 14,777	\$ -	\$ -	\$ 12,000	\$ 12,000
Supplies	9,526	-	-	-	-	-
Capital Outlay	24,758	17,382	15,000	-	-	-
Expenditure Totals	\$ 34,284	\$ 32,159	\$ 15,000	\$ -	\$ 12,000	\$ 12,000
Fund Balance at 06/30	\$ 63,802	\$ 45,080	\$ 46,080	\$ 51,341	\$ 55,341	\$ 59,341

Capitola Outlay – Technology upgrades – City Council Chambers

CAPITOLA VILLAGE/WHARF BUSINESS IMPROVEMENT AREA (BIA)

FINANCE

In June 2005, the City of Capitola adopted Ordinance No. 889, which added Chapter 5.10 to the Capitola Municipal Code establishing the Capitola Village and Wharf Business Improvement Area (BIA). It was established to generate revenue for the sole purpose of promoting business in Capitola village and on the wharf. State law requires certain annual actions and public hearing to continue this assessment district. The program is run with the assistance of a BIA Board of Directors, which provides city council with an annual budget proposal.

SOURCES AND USES

Fund - 1321 CVWBIA	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 29,401	\$ 39,394	\$ 44,242	\$ 44,242	\$ 33,426	\$ 26,126
Revenue						
Charges for services	\$ 51,619	\$ 53,384	\$ 53,584	\$53,584	\$ 55,000	\$ 55,000
Use of money & property	15,485	54,177	56,600	56,600	56,600	56,600
Restricted TOT	38,738	38,227	36,500	36,500	37,000	37,000
Revenue Totals	\$105,842	\$145,789	\$146,684	\$146,684	\$148,600	\$ 148,600
Expenditures						
Contract services	\$54,426	\$49,631	\$78,800	\$78,800	\$141,900	\$141,900
Supplies	41,423	91,310	78,700	78,700	14,000	14,000
Expenditure Totals	\$ 95,849	\$140,940	\$157,500	\$157,500	\$155,900	\$ 155,900
Fund Balance at 06/30	\$ 39,394	\$ 44,242	\$ 33,426	\$ 33,426	\$ 26,126	\$ 18,826

Contract services and supplies: Capitola Village & Wharf Business Improvement Area annual report to be submitted to the Capitola City Council in late May or early June.

COMMUNITY DEVELOPMENT BLOCK GRANTS (CDBG)

COMMUNITY DEVELOPMENT

The Community Development Block Grant (CDBG) program is a flexible program that provides communities with resources to address a wide range of unique community development needs. The program is funded through the Federal Department of Housing and Urban Development (HUD) and Capitola participates in the competitive Small Cities Grant Program administered by the California Department of Housing and Community Development.

In recent years, the City has been awarded CDBG grants to fund the City's Local Hazard Mitigation Plan (LHMP), Safety Element of the General Plan Update, and CARES Act funding in response to the pandemic. In 2021, the City was awarded with a \$497,000 CDBG grant for public food assistance and transit including funds for Second Harvest Food Bank (\$119,840), Meals on Wheels/Lift Line (\$299,720), Grey Bears (\$52,950), and administration of the grant. The City has an active application submitted to HCD for \$3.3 million to assist in the rehabilitation of the Jade Street Community Center.

SOURCES AND USES						
Fund - 1350	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
CDBG Grants	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 26,990	\$ (18,773)	\$ (70,889)	\$ (70,889)	\$ (1,080)	\$ (4,275)
Revenue						
Intergovernmental revenues	\$ 220,191	\$ 168,768	\$ 253,335	\$ 89,809	\$ 232,335	\$ -
Revenue Totals	\$ 220,191	\$ 168,768	\$ 253,335	\$ 89,809	\$ 232,335	\$ -
Expenditures						
Contract services	\$ 265,954	\$ 192,873	\$ 40,000	\$ 20,000	\$ 35,530	\$ 20,000
Supplies	\$ -					
Grants and subsidies	-	28,012	233,335	-	200,000	-
Expenditure Totals	\$ 265,954	\$ 220,884	\$ 273,335	\$ 20,000	\$ 235,530	\$ 20,000
Fund Balance at 06/30	\$ (18,773)	\$ (70,889)	\$ (90,889)	\$ (1,080)	\$ (4,275)	\$ (24,275)

Contract Services – CDBG Preliminary Award

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM INCOME

COMMUNITY DEVELOPMENT

This special revenue fund accounts for issuance and repayment of CDBG-funded housing loans made by the City to income-qualifying households. These funds are referred to as CDBG Program Income. CDBG Program Income must be used for CDBG-approved purposes. The three primary sources of CDBG Program Income are the payoff of Loma Vista Mobile Home Park resident loans, CDBG-funded First Time Homebuyer Program loans, and CDBG-funded Rehabilitation Program loans.

If the total amount of Program Income received in any fiscal year is less than \$25,000, the funds received are not subject to Federal CDBG regulations. If the amount exceeds \$25,000, all Program Income received during that fiscal year is restricted to CDBG-approved Federal spending guidelines. Since the FY 2022-23 Program Income had no loan payoffs, there are no funds to reallocate in the current budget cycle. The adopted budget provides adequate resources to fund consultant services to apply for future CDBG grants.

SOURCES AND USES

Fund - 1351 CDBG Program Income	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 109,284	\$ 44,548	\$ 45,699	\$ 45,699	\$ 39,199	\$ 29,199
Revenue						
Loan pymt Principle	\$0	\$0	\$0	\$0	\$0	\$0
Use of money & property	171	1,151	250	1,000	0	0
Revenue Totals	\$ 171	\$ 1,151	\$ 250	\$ 1,000	\$ -	\$ -
Expenditures						
Contract services	\$64,907	\$0	\$7,500	\$7,500	\$10,000	\$10,000
Supplies	0	0	0	0	0	0
Expenditure Totals	\$ 64,907	\$ -	\$ 7,500	\$ 7,500	\$ 10,000	\$ 10,000
Available Fund Balance at 06/30	\$ 44,548	\$ 45,699	\$ 38,449	\$ 39,199	\$ 29,199	\$ 19,199

Contract Services – Future applications

LIBRARY

CITY MANAGER

This special revenue fund accounts for revenue and expenses related to the design and construction of the new Capitola Branch Library. The former Redevelopment Agency contributed \$2.6 million to the County of Santa Cruz which was held in a trust fund for the future construction of a new branch library.

The Voters of Santa Cruz County authorized the Santa Cruz Libraries Facilities Financing Authority to issue general obligation bonds in an aggregate principal amount not exceeding \$67 million. The City of Capitola will receive \$10.0 million from the bonds to be used towards the construction of the new branch library, bringing the City's total available funds to \$12.6 million.

The City started utilizing the County Trust Fund money in FY 2016/17 to hire a project manager to oversee the development of plans and ultimately the construction of the Library. Under the trust fund agreement, the City can utilize 15 percent of the funds for pre-construction activities.

In addition to the funding sources mentioned above, the Friends of the Capitola Branch Library (Friends) conducted a fundraising campaign raising over \$600,000. The funds donated to the Friends were utilized for enhancement projects throughout the Library. The City completed construction of the new Library in June 2021, however, there remains approximately \$50,000 of donated funds that the Friends are evaluating for the best use of those remaining funds.

SOURCES AND USES

Fund - 1360 Library	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 754,145	\$ -	\$ 50,608	\$ 50,608	\$ 51,569	\$ 52,569
Revenue						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other financing sources	551,180	51,693	1,500	962	1,000	1,000
Revenue Totals	\$ 551,180	\$ 51,693	\$ 1,500	\$ 962	\$ 1,000	\$ 1,000
Expenditures						
Construction Services	557,170	1,085	-	-	-	-
Supplies	-	-	-	-	-	-
Other financing uses	748,155	-	-	-	-	-
Expenditure Totals	\$1,305,325	\$ 1,085	\$ -	\$ -	\$ -	\$ -
Fund Balance at 06/30	\$ -	\$ 50,608	\$ 52,108	\$ 51,569	\$ 52,569	\$ 53,569

HOME PROGRAM REUSE

COMMUNITY DEVELOPMENT

This special revenue fund accounts for revenue from the repayment of Federal Home Investments Partnership Program (HOME) loans. Expenditures in this fund must be used for affordable housing activities in accordance with the Federal HOME Program Reuse Guidelines, including first-time homebuyer loans, owner-occupied rehabilitation projects, and affordable housing assistance projects. As loans are paid off, those funds are returned to the Home Program Reuse Fund and become available for affordable housing activities.

Annual revenue represents principal and interest payments on the 30-year \$238,000 Wharf Road Manor Mobile Homeowners Association Acquisition and Rehabilitation Project loan from 2004 as well as other HOME loan payoffs.

In January 2009, the City of Capitola entered a Standard Agreement with the California Department of Housing and Community Development for a HOME grant in the amount of \$2,000,000 for rehabilitation expenses related to the 109-unit Bay Avenue Senior Apartments Project. Construction of the project was completed in May 2011. The grant was provided to First Community Housing, the Bay Avenue Senior Apartments project developer, as a residual receipts loan at 3% interest. In May 2011, the HOME program increased the grant award by \$1.2 million dollars to cover additional costs related to required rent level revisions, which are lower than estimated in the original pro-forma. The grant funds have been received and dispersed. In recent years, multiple loans have been paid off creating a healthy fund balance for future HOME projects.

The adopted budget provides adequate resources to apply for a larger rehabilitation project for the Dakota Apartments in FY24/25. The 25-unit, 100% affordable housing development is approaching 30 years in age and in need of upgrades for the roof, heating system, and main lobby area. The budget also covers long-term monitoring of the Bay Avenue Senior Apartments.

SOURCES AND USES

Fund - 1370 HOME Reuse	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 673,070	\$ 683,920	\$ 779,750	\$ 779,750	\$ 780,264	\$ 776,164
Revenue						
Use of money & property	\$ 14,051	\$ 99,530	\$ -	\$ 64,614	\$ -	\$ -
Revenue Totals	\$ 14,051	\$ 99,530	\$ -	\$ 64,614	\$ -	\$ -
Expenditures						
Contract services	\$ 3,200	\$ 3,700	\$ 64,100	\$ 64,100	\$ 4,100	\$ 4,100
Other financing uses	-	-	-	-	-	-
Expenditure Totals	\$ 3,200	\$ 3,700	\$ 64,100	\$ 64,100	\$ 4,100	\$ 4,100
Available Fund Balance at 06/30	\$ 683,920	\$ 779,750	\$ 715,650	\$ 780,264	\$ 776,164	\$ 772,064

Contract Services: HOME Program long-term monitoring – Bay Avenue Senior Apartments

HOUSING TRUST

COMMUNITY DEVELOPMENT

In November 2004, the City Council adopted an inclusionary housing ordinance as part of the City’s ongoing efforts to provide affordable housing. This ordinance created the Affordable Housing Trust Fund to use as a flexible local source of funding for the creation of new affordable housing, rehabilitation of existing affordable housing, funding of local programs to assist lower and moderate-income buyers purchase affordable housing, or as leverage of local funds for larger State and Federal grants. This housing activity is funded through in-lieu fees collected from development projects and does not impact the General Fund.

The Affordable Inclusionary Housing Ordinance refers to a City Municipal Code Section that requires that fifteen percent (15%) of the units in a new for-sale residential construction project be made available to low or moderate-income buyers. Condominium conversion projects are also covered under this ordinance. As outlined in the ordinance, project developers provide affordable set-aside units or under certain conditions can pay an in-lieu fee.

The City’s Housing Trust Fund allows for up to \$75,000 per year to be spent on affordable housing program administration. This includes working with developers on fee collection, administration of the Housing Trust Fund, and implementation of the Inclusionary Ordinance.

The adopted budget provides adequate resources to initiate a new down payment assistance program.

SOURCES AND USES

Fund - 1372	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Housing Trust	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$374,034	\$356,165	\$381,542	\$381,542	\$ 241,690	\$ 105,690
Revenue						
Charges for services	\$ 6,391	\$ 41,240	\$ 10,000	\$ 53,818	\$ 10,000	\$ 10,000
Other revenue	740	9,137	-	7,330	4,000	4,000
Revenue Totals	\$ 7,131	\$ 50,377	\$ 10,000	\$ 61,148	\$ 14,000	\$ 14,000
Expenditures						
Contract services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Financing Uses	25,000	25,000	201,000	201,000	150,000	-
Expenditure Totals	\$ 25,000	\$ 25,000	\$201,000	\$201,000	\$ 150,000	\$ -
Available Fund Balance at 06/30	\$356,165	\$381,542	\$190,542	\$241,690	\$ 105,690	\$ 119,690

Contract Services:

- \$25,000 to create program and \$25,000 per household. 5 household’s total. \$150,000 in 8-year period
- Down Payment Assistance

PERMANENT LOCAL HOUSING ALLOCATION

COMMUNITY DEVELOPMENT

In 2017, Senate Bill 2 (SB 2) established a \$75 recording fee on real estate documents and created the Permanent Local Housing Allocation Fund (PLHA). PLHA funds are allocated to local governments for eligible housing and homelessness activities and provide a permanent, on-going source of funding for housing-related projects and programs that address the unmet housing needs of communities.

On May 10, 2023, the City of Capitola was awarded \$481,732 in PLHA funds for the first three years of the allocation (2019-2021) and a total five-year estimate of \$630,557. The City anticipates additional funding on an annual basis. The first PLHA activity approved is for predevelopment cost related to affordable housing developments. The second activity is to fund the very low income homeless through an annual contribution of \$35,000 to the Housing for Health Partnership to support year-round emergency shelter operations in Santa Cruz County. A portion of the funding will cover administrative expenses.

The Adopted budget proved adequate resources to support the development of the 52-unit 100% affordable housing development project at 1098 38th Avenue.

SOURCES AND USES

Permanent Local Housing Allocation (PLHA)	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ 5,255	\$ 5,255
Revenue						
Intergovernmental revenues	\$ -	\$ -	\$481,732	\$105,092	\$ 171,825	\$ 185,983
Other revenue	-	-	-	-	-	-
Revenue Totals	\$ -	\$ -	\$481,732	\$105,092	\$ 171,825	\$ 185,983
Expenditures						
Contract services	\$ -	\$ -	\$256,800	\$ 99,837	\$ 171,825	\$ 185,983
Other Financing Uses	-	-	-	-	-	-
Expenditure Totals	\$ -	\$ -	\$256,800	\$ 99,837	\$ 171,825	\$ 185,983
Available Fund Balance at 06/30	\$ -	\$ -	\$224,932	\$ 5,255	\$ 5,255	\$ 5,255

Contract services: Affordable housing and homelessness program development and activities.

CAPITOLA HOUSING SUCCESSOR

COMMUNITY DEVELOPMENT

In 2011, the California State Legislature passed ABX1 26 to dissolve redevelopment agencies. The legislation was contested and upheld by the California Supreme Court. It requires a number of actions to be taken by the city in the winding down of the RDA. Among other things, it allows cities to elect to retain the former RDA Low- and Moderate-Income Housing Fund. The Capitola City Council elected to retain the former RDA Housing with the following new city special revenue fund, the Capitola Housing Successor.

A further requirement of the legislation is the establishment of a program income fund to segregate loan payoffs received by the Housing Successor after the dissolution of the Redevelopment Agency. These funds were initially restricted in their use, repayment, and reuse and the Housing Successor continues this restriction. As payments are received on loans associated with the original RDA Low- and Moderate-Income Housing Fund or the Capitola Housing Successor it will be applied to the Capitola Housing Successor.

Newly implemented SB341 requires annual reporting on the Housing Successor Assets to be included with the Annual Financial Statements and the Housing and Community Development (HCD) Annual Progress Report on the Housing Element of the General Plan.

The Adopted budget provides adequate resources to continue supporting security deposit assistance, emergency rental assistance, administration of the City’s affordable housing program, and the MidPen loan to help fund the preconstruction for the 52-unit 100% affordable development at 1098 38th Avenue. New to the FY 24/25 will be the creation of a Housing Rehab program for city residents . Staff also anticipates a construction loan to further assist the development at 1098 38th Avenue in FY24/25 following future discussions with the developer and City Council.

SOURCES AND USES						
Fund - 5552	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Capitola Housing	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 2,107,141	\$ 2,015,673	\$2,051,000	\$2,051,000	\$1,925,511	\$ 628,886
Revenue						
Use of money & property	6,502	127,642	40,000	98,122	27,400	7,400
Other revenues	-	-		70,000		
Revenue Totals	\$ 6,502	\$ 127,642	\$ 40,000	\$ 168,122	\$ 27,400	\$ 7,400
Expenditures						
Personnel	\$ -	\$ -	\$ 21,782	\$ -	\$ -	\$ -
Contract Services	59,684	50,955	51,525	34,860	41,525	41,525
Supplies						
Grants and Subsidies	38,285	41,361	332,500	258,750	1,282,500	32,500
Expenditure Totals	\$ 97,969	\$ 92,316	\$ 405,807	\$ 293,610	\$1,324,025	\$ 74,025
Available Fund Balance at 06/30	\$ 2,015,673	\$ 2,051,000	\$1,685,193	\$1,925,511	\$ 628,886	\$ 562,261

Contract Services:

- \$25,000 to create program and \$25,000 per household. 5 household’s total. \$150,000 in 8-year period - Down Payment Assistance
- MidPen funding – preconstruction - \$1,000,000

RESERVES



RESERVES

Emergency Reserves (Finance Department): The City Council established the Emergency Reserve Fund to accumulate funds to meet future unanticipated needs. The City of Capitola Administrative Policy III-3, Financial Management Policy, amended on February 28, 2013, to increase the required level of emergency reserves from five to ten percent of operating expenditures.

Contingency Reserve (Finance Department): The City Council established the Contingency Reserve Fund to accumulate a prudent level of financial resources to protect the City against temporary revenue shortfalls or unanticipated operating costs, and/or to meet short-term cash flow requirements. The City of Capitola Administrative Policy III-3, Financial Management Policy, amended on February 28, 2013, to increase the level of contingency reserves from 10 to 15 percent of operating expenditures.

PERS Contingency Reserve (Finance Department): The City Council established the PERS Contingency Reserve Fund in FY 2015/16. The Council discussed possible uses of a General Fund positive ending balance and wanted to set aside funds for future PERS increases. In FY 2022-13 an additional \$500,000 was deposited into the Trust to add to the previously deposited \$800,000.

Facilities Reserve (Finance Department): The City Council established the Facilities Reserve Fund to serve as a resource to fund capital improvements and major repairs on City facilities. Based on the National Research Council Stewardship of Federal Facility guidelines, the City's goal is to provide annual contributions equal to two percent of the facility replacement values. This annual contribution will be determined each budget year.

EMERGENCY RESERVES

The City of Capitola adopted an Emergency Reserve Policy as part of the City's Financial Management Policies. This reserve protects against significant one-time costs that arise from major unpredictable emergency events. In FY 2012/13, the City amended the Financial Management Policies to increase the funding level of Emergency Reserves from five to ten percent of the General Fund budgeted expenditures, or approximately \$1.6 million in FY 2024-25.

The Emergency Reserve fund was nearly depleted in March of 2011 due to an underground storm drain failure that flooded Capitola Village and the surrounding area. The City was required to recognize a \$1.4 million extraordinary loss on the FY 2010/11 and FY 2011/12 financial statements. An additional \$200,000 was needed to fund a related retaining wall project. In FY 2012/13, a settlement was reached with the City's insurance carrier to pay \$1.35 million in damages to the City.

The March 2011 pipe failure repairs were paid from the City's Emergency Reserve Fund. As funding in the Emergency Reserve Fund fell short of the flood-related costs, additional funding to respond to the flood event was provided through interfund loans from the Contingency Reserve Fund and Capital Improvement Fund. In FY 2011/12, the Emergency Reserve Fund balance was \$410,000 lower than the targeted balance. In FY 2012/13, funds were transferred from the internal service funds, Measure O revenue receipts, and the General Fund operating balance to assist in replenishing the reserves.

In FY 2014/15 and FY 2015/16, \$465,100 and \$213,000, respectively, were budgeted for transfer to the fund to prepare for any unforeseeable emergencies and to meet the new Emergency Reserve targeted levels. As the chart below shows, the reserve balance is currently below the target level for FY 2024-25 in part due to the transfer of \$80,000 for damages from the Jan. 2023 storms. The City anticipates receiving reimbursements from FEMA and Cal OES and plans to fund reserves to target balances once received.

SOURCES AND USES						
Fund - 1020	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 1,374,206	\$ 1,314,206	\$ 1,461,506	\$ 1,461,506	\$ 1,631,506	\$ 1,631,506
Revenue						
Other Financing Sources	\$ -	\$ 147,300	\$ 250,000	\$ 250,000		
Revenue Totals	\$ -	\$ 147,300	\$ 250,000	\$ 250,000	\$ -	\$ -
Expenditures						
Other Financing Uses	\$ 60,000	\$ -	\$ 80,000	\$ 80,000		\$ -
Expenditure Totals	\$ 60,000	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -
Fund Balance at 06/30	\$ 1,314,206	\$ 1,461,506	\$ 1,631,506	\$ 1,631,506	\$ 1,631,506	\$ 1,631,506
Reserve Target equals 10% of General Fund expenditures excluding transfers and internal service charges						
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract Services	3,018,482	3,336,801	3,483,368	3,483,368	3,487,981	3,381,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants	43,650	101,650	125,000	125,000	125,000	125,000
Total GF Expenditures	\$14,108,832	\$16,113,604	\$16,213,001	\$16,298,183	\$17,368,420	\$17,699,144
Target Balance (10%)	\$ 1,410,883	\$ 1,611,360	\$ 1,621,300	\$ 1,629,818	\$ 1,736,842	\$ 1,769,914
Over / (Short) of Target	\$ (96,678)	\$ (149,855)	\$ 10,205	\$ 1,687	\$ (105,336)	\$ (138,409)

CONTINGENCY RESERVES

The City of Capitola adopted a Contingency Reserve Policy as part of the City's Financial Management Policies. This reserve was established to provide a prudent level of financial resources to protect against temporary revenue shortfalls, unanticipated operating costs, and/or to meet short-term cash flow requirements. In FY 2012/13, the City amended the Financial Management Policies to increase the Contingency Reserve target from 10 to 15 percent of General Fund budgeted expenditures, or approximately \$2.6 million in FY 2024-25.

Due to the expenses associated with the March 2011 pipe failure, a loan was made from the Contingency Reserves Fund to the Emergency Reserves Fund. As a result, Contingency Reserves were \$727,000 below their Financial Management Policy funding goal in FY 2011/12. In FY 2012/13, funds were transferred from the Internal Service Funds, Measure O revenue receipts, and the General Fund operating balance to assist in replenishing and building the reserves.

In FY 2014/15 and FY 2015/16, a total of \$182,600 and \$89,400 were transferred to the fund to meet the new Contingency Reserve targeted levels. As the chart below shows, the reserve balance is currently estimated to be below the target level for FY 2024-25. The City anticipates receiving reimbursements from FEMA and Cal OES and plans to fund reserves to target balances once received.

SOURCES AND USES

	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Fund - 1010	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 2,061,346	\$ 2,061,346	\$2,192,346	\$2,192,346	\$2,364,346	\$2,364,346
Revenue						
Other Financing Sources	\$ -	\$ 131,000	\$ 172,000	\$ 172,000		
Revenue Totals	\$ -	\$ 131,000	\$ 172,000	\$ 172,000	\$ -	\$ -
Expenditures						
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditure Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance at 06/30	\$ 2,061,346	\$2,192,346	\$2,364,346	\$2,364,346	\$2,364,346	\$2,364,346
Reserve Target equals 15% of General Fund expenditures excluding transfers and internal service charges						
Personnel	\$10,273,249	\$11,793,722	\$11,793,722	\$11,766,171	\$12,771,739	\$13,245,288
Contract Services	3,018,482	3,336,801	3,483,368	3,483,368	3,487,981	3,381,956
Training & Memberships	101,501	113,320	178,936	144,018	166,650	166,900
Supplies	671,950	768,110	631,975	779,626	817,050	780,000
Grants	43,650	101,650	125,000	125,000	125,000	125,000
Total GF Expenditures	\$14,108,832	\$16,113,604	\$16,213,001	\$16,298,183	\$17,368,420	\$17,699,144
Target Balance (15%)	\$ 2,116,325	\$ 2,417,041	\$ 2,431,950	\$ 2,444,727	\$ 2,605,263	\$ 2,654,872
Over / (Short) of Target	\$ (54,979)	\$ (224,695)	\$ (67,604)	\$ (80,382)	\$ (240,917)	\$ (290,526)

PERS CONTINGENCY RESERVES

The City of Capitola established a PERS Contingency Reserve as part of the FY 2015/16 Budget process. The fund was set up to help stabilize the City's finances and help manage future increases in PERS contributions.

The PERS Contingency Fund was initially funded with a \$300,000 transfer from the General Fund. The \$300,000 allows for two years of PERS projected increases and time to evaluate options to address the larger unfunded liability and yearly obligations.

In December 2016, \$300,000 was invested in a moderately conservative trust fund with Public Agency Retirement Services (PARS). The FY 17/18 budget transferred an additional \$500,000 into the PERS trust fund to offset rising pension costs. During the FY 2022-23 goal setting session the City Council allocated \$500,000 of existing fund balance to the PERS Trust reserve.

SOURCES AND USES						
Fund - 1015	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 1,015,553	\$ 904,275	\$ 1,154,275	\$ 1,154,275	\$ 1,414,275	\$ 1,424,275
Revenue						
Use of money & property	(111,278)		10,000	10,000	10,000	10,000
Other Financing Sources	-	\$ 250,000	250,000	250,000	-	-
Revenue Totals	\$ (111,278)	\$ 250,000	\$ 260,000	\$ 260,000	\$ 10,000	\$ 10,000
Expenditures						
Other Financing Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expenditure Totals	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balance at 06/30	\$ 904,275	\$ 1,154,275	\$ 1,414,275	\$ 1,414,275	\$ 1,424,275	\$ 1,434,275

FACILITIES RESERVES

The Facilities Reserve Fund was established in FY 2014-15 to serve as a resource to fund capital improvements and major repairs on City facilities. The National Research Council Stewardship of Federal Facilities recommends setting aside two to four percent of building replacement costs to preserve or extend the life of facilities. The estimated replacement value of the City's facilities is \$17.5 million.

The Facilities Reserve is used to fund future facility needs of the City. The Proposed FY 2024-25 Budget does not include any funding for the Facilities Reserve.

SOURCES AND USES

Fund - 1025	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 522,830	\$ 432,714	\$ 432,714	\$ 432,714	\$ 532,714	\$ 532,714
Revenue						
Other Financing Sources	0	0	100,000	100,000	-	-
Revenue Totals	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures						
Contract Services	\$ 90,116				\$ -	\$ -
Other Financing Uses	-	-			-	-
Expenditure Totals	<u>\$ 90,116</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund Balance at 06/30	\$ 432,714	\$ 432,714	\$ 532,714	\$ 532,714	\$ 532,714	\$ 532,714

MULTI-YEAR ASSETS & OBLIGATIONS



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MULTI-YEAR ASSETS & OBLIGATIONS

City & Joint Powers Authority (JPA) Multi-Year Obligations: The City of Capitola has six multi-year obligations, two of which are part of a Joint Powers Authority. The obligations are paid from various funding sources.

Pacific Cove Lease Financing: In March 2011, a pipe failure flooded the City-owned Pacific Cove Mobile Home Park. The City of Capitola entered into a \$2,390,000 lease/sublease agreement to finance the relocation of mobile home residents and close the park.

Beach and Village Parking Lot II: The City of Capitola initiated a \$1,372,500 California Infrastructure and Economic Development Bank (I-Bank) loan to fund the development of a parking lot and related improvements at the site of the former Pacific Cove Mobile Home Park.

CITY/JOINT POWERS AUTHORITY MULTI-YEAR ASSETS & OBLIGATIONS

GENERAL GOVERNMENT

The City of Capitola has seven multi-year obligations, three of which are part of a Joint Powers Authority. The obligations are paid from various funding sources. All obligations are shown in the budgets of the applicable funds and all payments are current.

City Multi-Year Obligations	Principal balance June 30, 2024	Form of payment	Original Obligation	Other Terms
Current employee compensated absences (a)	\$ 915,544	Accrual	Ongoing	On-going. No interest due. (Refer to Compensated Absence Fund)
Net Pension Liability	\$ 30,056,602	Actuarial	N/A	Pension Liability to CalPERS.
Pacific Cove Lease Financing	\$ -	Financing Lease	20 years	\$2,390,000 loan - 20 year term beginning 9/2012, 3.25% fixed rate through 10 years, then resets to 10 Yr. T-Bill + 1.5%. (PAID OFF FY 2024)
Beach & Village Parking Lot II Lease Financing	\$ 829,917	Tax Exempt Lease	20 years	\$1,372,500 I-Bank loan - 20 year term beginning FY 2013/14, 2.26% interest.
Total City Multi-Year Obligation	\$ 31,802,063			

(a) Compensated absences and Net Pension Liability are as of June 30, 2023.

JPA Bond Obligations	Original Principal	Form of payment	Original Obligation	Other Terms
Santa Cruz Consolidated Emergency Communications Center (SCCECC) JPA Bond	\$ 3,965,000	JPA membership and paid via premiums	22 years	In 2002, SCCECC issued \$5.76 million in lease revenue refunding bonds, which were refinanced in April 2012, at \$3,965,000. Payments are made to Santa Cruz Regional 911 from the Police Department's contracts services budget. The Use Agreement between Capitola and SCCECC is effective through June 15, 2034.

PACIFIC COVE LEASE FINANCING

DEBT SERVICE

The City of Capitola owns 426 Capitola Avenue, which formerly housed the 41 mobile home Pacific Cove Mobile Home Park. On March 24, 2011, a 72" storm drain that carries Noble Gulch Creek water from Bay Avenue to Soquel Creek catastrophically failed following a heavy rain storm. This resulted in flooding of the Pacific Cove Mobile Home Park, City Hall and village residences and businesses. The initial estimate to bring the park up to code was \$1.33 million. Due to the high cost and potential for future liability, Capitola City Council approved a Relocation Impact Report (RIR) for the closure of Pacific Cove Mobile Home Park in January 2012. The RIR provided a cost estimate for relocating residents and professional relocation consultants to help displaced residents find suitable replacement housing. The City executed a \$2.39 million lease/sublease agreement using the existing City Hall site and adjacent upper parking lot as the pledged property. The City verified income status as part of the relocation process and determined that a percentage of Housing Trust Fund monies could be used to repay the debt service at a proportion no greater than the number of low income mobile home occupants that were relocated. The funding sources for debt service payments will be determined annually. Any General Fund monies for the share of allowable costs from other funding sources may be reimbursed in subsequent years as funds become available.

At the time the loan was issued, there was some uncertainty as to whether the property would be developed for public or private use. This resulted in the City entering into a 20-year taxable lease/sublease agreement at an interest rate of 5.14%. In FY 12/13, the City determined that the site would be converted to a public parking lot, now named Beach & Village Parking Lot II (BVPL II). This public use allows the City to refinance the existing debt at a 3.25% tax-exempt interest rate with a 10-year Treasury Bill reset + 1.5% in year 10. As a result of the refinancing, annual loan payments were reduced by approximately \$28,000, with an estimated nine-year interest savings of approximately \$350,000. In FY 12/13 the City reached a \$1.35 million insurance settlement related to the pipe failure. This resulted in a principal reduction of \$476,200, with a prepayment penalty of \$23,800. During the FY 2023-24 City Council Goal setting the Council allocated \$725,000 to pay off the outstanding balance saving approximately \$150,000 of interest costs over the next several years.

SOURCES AND USES						
Fund - 1420	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ 55,135	\$ 55,143	\$ 55,143	\$ 55,143	\$ 75,204	\$ 75,204
Revenue						
Use of money & property	\$ 8		\$ -	\$ -	\$ -	\$ -
Other Financing Sources	165,066	165,066	670,000	670,000	-	-
Revenue Totals	\$ 165,074	\$ 165,066	\$ 670,000	\$ 670,000	\$ -	\$ -
Expenditures						
Contract Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	165,066	165,066	725,000	649,940	-	-
Other financing uses	-	-	-	-	-	-
Expenditure Totals	\$ 165,066	\$ 165,066	\$ 725,000	\$ 649,940	\$ -	\$ -
Fund Balance at 06/30	\$ 55,143	\$ 55,143	\$ 143	\$ 75,204	\$ 75,204	\$ 75,204

Pacific Cove Financing Lease Debt Service

Payment Date	Principal	Interest /Prepmt penalty	Total	Fiscal Year
9/1/2012	\$ 30,815	\$ 53,893	\$ 84,708	
3/1/2013	35,871	60,632	96,503	
6/28/2013	476,200	23,810	500,010	\$ 681,221
9/1/2013	42,440	22,843	65,283	
3/1/2014	53,207	29,326	82,533	147,816
9/1/2014	46,196	36,337	82,533	
3/1/2015	46,947	35,586	82,533	165,066
9/1/2015	47,710	34,823	82,533	
3/1/2016	48,485	34,048	82,533	165,066
9/1/2016	49,273	33,260	82,533	
3/1/2017	50,074	32,459	82,533	165,066
9/1/2017	50,887	31,645	82,533	
3/1/2018	51,714	30,819	82,533	165,066
9/1/2018	52,555	29,978	82,533	
3/1/2019	53,409	29,124	82,533	165,066
9/1/2019	54,277	28,256	82,533	
3/1/2020	55,159	27,374	82,533	165,066
9/1/2020	56,055	26,478	82,533	
3/1/2021	56,966	25,567	82,533	165,066
9/1/2021	57,891	24,641	82,533	
3/1/2022	58,832	23,701	82,533	165,066
9/1/2022	59,788	22,745	82,533	
3/1/2023	60,760	21,773	82,533	165,066
9/1/2023	61,747	20,786	82,533	
3/1/2024	62,751	19,782	82,533	165,066
9/1/2024	63,770	18,763	82,533	
3/1/2025	64,807	17,726	82,533	165,066
9/1/2025	65,860	16,673	82,533	
3/1/2026	66,930	15,603	82,533	165,066
9/1/2026	68,017	14,515	82,533	
3/1/2027	69,123	13,410	82,533	165,066
9/1/2027	70,246	12,287	82,533	
3/1/2028	71,387	11,145	82,533	165,066
9/1/2028	72,548	9,985	82,533	
3/1/2029	57,304	7,887	65,191	147,724
9/1/2029	-	-	-	
3/1/2030	-	-	-	-
9/1/2030	-	-	-	
3/1/2031	-	-	-	-
9/1/2031	-	-	-	
3/1/2032	-	-	-	-
TOTAL	\$2,390,000	\$897,681	\$3,287,681	\$ 3,287,681

BEACH & VILLAGE PARKING II – LEASE FINANCING

DEBT SERVICE

In April 2013, the City of Capitola received \$1,372,000 in funding from the California Infrastructure and Economic Development Bank (I-Bank) for development of a parking lot on the former Pacific Cove Mobile Home Park site. The funding was used to create the 226 space Beach & Village Parking Lot II. The project included grading, pay station installation, shuttle bus stops, landscaping, pedestrian walkways, and pay stations for the upper parking lot. The I-Bank loan is 2.26% tax exempt reimbursement financing.

This project improved parking capacity for Capitola Village, Capitola Beach, and Capitola Wharf, and is especially helpful during peak seasons. The additional parking spaces are also anticipated to facilitate the development of a hotel. The parking lot contributes about \$44,000 annual revenue to the General Fund and the I-Bank annual debt service of \$87,568 is paid with funds transferred from the General Fund.

SOURCES AND USES						
Fund - 1421	FY21/22 Actual	FY22/23 Actual	FY23/24 Amended	FY23/24 Estimated	FY24/25 Proposed	FY25/26 Planned
Beginning Fund Balance	\$ (38,986)	\$ (38,986)	\$ 12	\$ 12	\$ 12	\$ 12
Revenue						
Interfund Transfers	\$ 88,211	\$ 127,000	\$ 87,788	\$ 87,788	\$ 87,568	\$ 87,344
Other Financing Sources	-	-	-	-	-	-
Revenue Totals	\$ 88,211	\$ 127,000	\$ 87,788	\$ 87,788	\$ 87,568	\$ 87,344
Expenditures						
Construction Svcs. & Supplies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	88,211	88,002	87,788	87,788	87,568	87,344
Expenditure Totals	\$ 88,211	\$ 88,002	\$ 87,788	\$ 87,788	\$ 87,568	\$ 87,344
Fund Balance at 06/30	\$ (38,986)	\$ 12	\$ 12	\$ 12	\$ 12	\$ 12

**Beach & Village Parking Lot II Lease Financing
Debt Service**

Payment Dates	Principal	Interest	Total	Fiscal Year
8/1/2014	\$ 55,040	15,922	70,962	
2/1/2015		14,887	14,887	\$ 85,849
8/1/2015	56,284	18,840	75,124	
2/1/2016		14,251	14,251	89,375
8/1/2016	57,556	18,035	75,591	
2/1/2017		13,601	13,601	89,192
8/1/2017	58,857	17,212	76,069	
2/1/2018		12,936	12,936	89,004
8/1/2018	60,187	16,370	76,557	
2/1/2019		12,256	12,256	88,812
8/1/2019	61,547	15,509	77,056	
2/1/2020		11,560	11,560	88,616
8/1/2020	62,938	14,629	77,567	
2/1/2021		10,849	10,849	88,416
8/1/2021	64,360	13,729	78,089	
2/1/2022		10,122	10,122	88,211
8/1/2022	65,815	12,809	78,624	
2/1/2023		9,378	9,378	88,002
8/1/2023	67,302	11,868	79,170	
2/1/2024		8,618	8,618	87,788
8/1/2024	68,823	10,905	79,728	
2/1/2025		7,840	7,840	87,568
8/1/2025	70,379	9,921	80,300	
2/1/2026		7,045	7,045	87,344
8/1/2026	71,969	8,915	80,884	
2/1/2027		6,231	6,231	87,116
8/1/2027	73,596	7,886	81,482	
2/1/2028		5,400	5,400	86,881
8/1/2028	75,259	6,833	82,092	
2/1/2029		4,549	4,549	86,641
8/1/2029	76,960	5,757	82,717	
2/1/2030		3,680	3,680	86,396
8/1/2030	78,699	4,657	83,356	
2/1/2031		2,790	2,790	86,146
8/1/2031	80,478	3,531	84,009	
2/1/2032		1,881	1,881	85,890
8/1/2032	82,297	2,380	84,677	
2/1/2033		951	951	85,627
8/1/2033	84,156	1,204	85,360	85,360
Total	\$ 1,372,500	\$ 375,736	\$ 1,748,236	\$ 1,748,236

CAPITAL IMPROVEMENT PROGRAM



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CAPITAL IMPROVEMENT PROGRAM

PUBLIC WORKS

The City of Capitola's Capital Improvement Program oversees planning, design, and construction of the City's improvement projects. The CIP program is broken into facilities, parks, streets, creek enhancement, and neighborhood traffic projects. The projects are prioritized through the collaborative effort of City staff, City Council, and the community. Maintaining the City infrastructure requires long range planning and prioritizing to plan for necessary improvements, funding needs, and funding availability.

The City's facilities include City Hall, Police Station, Corporation Yard, Jade Street Park Community Center, Upper and Lower Pacific Cove Park Parking Lots, Capitola Municipal Wharf, and the Library. Parks include McGregor Park complex (dog, skate, pump track), Monterey Park, Rispin/Peery Park, Cortez Park, Esplanade Park, Nobel Gulch Park, Soquel Creek Park, Library Tot-lot, Hihn Park, and multiple City medians, streetscapes, and public art displays.

The Street system includes 9.3 miles of arterial roads, 3.4 miles of collector roads, and 13.5 miles of local roads. The City utilizes a Pavement Management Program to track pavement conditions and plan maintenance efforts on 112 individual roads.

The City currently has the Wharf Rehabilitation project as well as several other projects including the Community Center and Universal Design playground that will be rolled forward into FY 2024-25.

SOURCES AND USES

Fund - 1200	FY21/22	FY22/23	FY23/24	FY23/24	FY24/25	FY25/26
Capital Improvement Program	Actual	Actual	Amended	Estimated	Proposed	Planned
Beginning Fund Balance	\$ 1,472,661	\$ 3,762,200	\$ 5,401,312	\$ 5,401,312	\$ 1,351,312	\$ 172,012
Revenue						
Intergovernmental revenue	\$ 812,774	\$ 27,616	\$ 6,420,700	\$ 5,000,000	\$ 1,420,700	\$ -
Other revenues	(6,834)	890,264		-		-
Other financing sources	2,960,066	2,205,000	2,450,000	2,450,000	-	-
Revenue Totals	\$ 3,766,006	\$ 3,122,880	\$ 8,870,700	\$ 7,450,000	\$ 1,420,700	\$ -
Expenditures						
Contract services	\$ 14,515	\$ 186,348	\$ 1,257,126	\$ 1,000,000	\$ 300,000	\$ -
Construction services	\$ 1,455,818	\$ 1,223,420	\$12,843,366	\$10,500,000	\$ 2,300,000	
Other financing uses	\$ 6,134	\$ 74,000	\$ -	\$ -	\$ -	\$ -
Expenditure Totals	\$ 1,476,467	\$ 1,483,768	\$14,100,492	\$11,500,000	\$ 2,600,000	\$ -
Fund Balance at 6/30	\$ 3,762,200	\$ 5,401,312	\$ 171,520	\$ 1,351,312	\$ 172,012	\$ 172,012