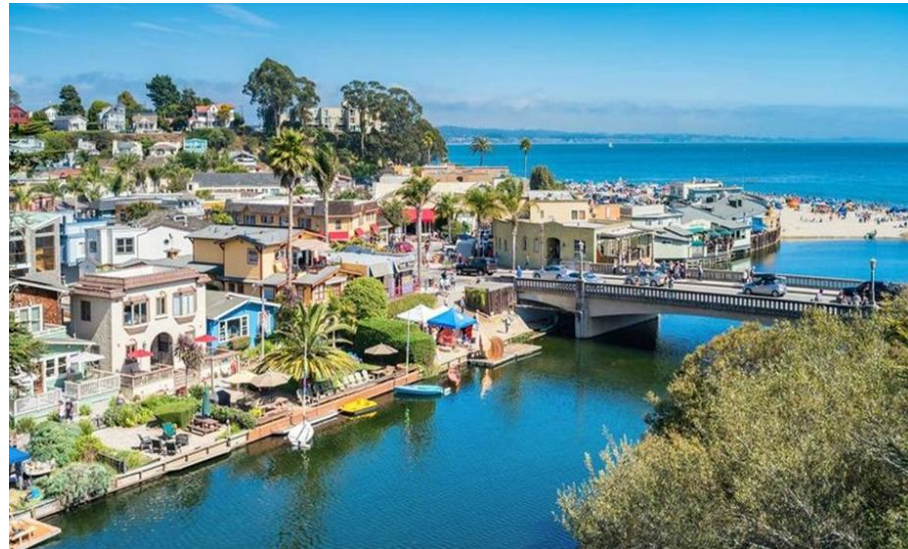




PROPOSED BUDGET

FISCAL YEAR 2025-26



CITY OF CAPITOLA
Capitola, California

Budget Process

Proposed Budget distributed: May 2nd

FAC Meetings:
May 13th, May 20th, and June 17th

City Council Meetings:
May 15th and May 29th

City Council provided direction for
budget adoption tonight

General Fund & City Council Goals

- Maintaining estimated balance of \$603,000
 - \$500,000 target fund balance
 - \$100,000 employee downpayment assistance
 - \$3,000 undesignated
- Utilizing \$150,000 of general fund resources for City Council Goals
 - RRFB Crosswalk- \$10,000
 - Esplanade Park - \$50,000
 - Park Avenue - \$60,000
 - Monterey Park Playground - \$10,000
 - Economic Development - \$20,000

General Fund & City Council Goals

- Administrative amendments
 - Update City Council goals to include reviewing and updating, if necessary, the City Council Code of Conduct.
 - Update City Attorney goals to include review and recommendation, if any, regarding the PRA process
 - Updated City Manager Department goals to include additional educational opportunities for the public to learn about Capitola's government.
 - Update City Manager economic development goals to include red tree and village theater properties.
 - Updated Police Department goals to include seeking Department of Justice Tobacco Grant funding.
 - Rebranding of Community Development Department to the Building, Planning & Economic Development Department.

Proposed FY 2025-26 Capital Improvement Program

Prior Year Appropriations

- 7 Active Projects
- \$11M

Recommended Appropriations

- Measure D (RTC) & SB1 RMRA
 - \$656k
 - Programmed to 41st Ave.
Pavement & Multimodal
- Council Goals
 - 5 Projects - \$150k

Not Inclusive of

- Storm Damage Repairs
 - 1 Individual Project \$400k

Mid-Year Budget Review

- Revenues:
 - Potential sales tax volatility related to national economy
 - Review performance of other key revenue sources
 - TOT, Cannabis tax, building permits, etc.
 - Measure Y
- Expenditures:
 - Potential amendments related to actual revenue receipts
 - Review expenditures
 - Tracking on budget
 - Possible cost savings

Job Descriptions

Administrative Services Director

- Manage Finance, Human Resources, and Information Technology
 - Deleted Art & Cultural, Museum, and Risk Management

Assistant to the City Manager

- Increased level of support in the overall administration of City operations and the development of city-wide goals, policies, and procedures
- Plan, organize, direct, and coordinate public outreach initiatives and the communication of public information
- Maintains oversight of Museum, Risk Management, and labor negotiations

Summary

General Fund

- Next three years: general fund structurally balanced utilizing Measure Y funding
- FY 2028-29 and beyond: current forecasts show general fund imbalanced
- Reserves below target levels awaiting reimbursements

General Fund Revenues

- Revenue could be impacted by national economy
 - Staff will continue to closely monitor sales tax, TOT, parking, and cannabis & business tax revenues

General Fund Expenditures

- Maintaining high service levels
- Continued evaluation of contract service costs

Recommended Action

1. Approve Resolution adopting Fiscal Year 2025-26 Operating Budget and Capital Improvement Program
2. Approve new job descriptions

