



Proposed Operating Budget FY 2024 – 2025



The City of Del Rey Oaks was incorporated on September 3, 1953. The city government includes City Council, Planning Commission, Police Department, City Clerk's Office and Public Works Department

City Council



Scott Donaldson
Mayor



John Uy
Vice Mayor



Jeremu Hallock
Council Member



Bill Ragsdale-Cronin
Council Member



Kim Shirley
Council Member

Submitted by



John Guertin
City Manager

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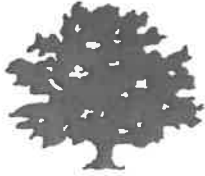
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CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

Staff Report

TO: Honorable Mayor and City Council Members
FROM: John Guertin, City Manager
BY: Roberto Moreno, RGS Senior Advisor
DATE: June 25, 2024
SUBJECT: Proposed Budget for Fiscal Year 2024-2025

Staff is pleased to present the Proposed Budget for FY 2024-25 for Council adoption. Due to flat revenue projections for the General Fund, the operating budget is basically a continuation of the 2023-24 budget, with some minimal changes. As such, staff would like to take this fiscal year to focus on policies for long-term financial planning in the following areas:

- Use of non-General Fund revenues
- Establishing a vehicle and equipment replacement reserve
- Establishing plans for handling of the City's debt
- Revising fund balance policies
- Developing financial policies

Economic Outlook for FY 2024-25

The latest projections for the City's economic outlook are flat. HdL, the City's consultant for Sales Tax information does not expect an increase in the City's sales tax due to continued inflation and high interest rates having a negative effect on consumer spending. Since Sales Tax makes up 27% of the City's revenue, sales tax growth or no growth, has a dramatic impact on the City's budget. As a result, staff is recommending a very conservative approach in developing the FY 24-25 budget. Services are being kept at the level that revenue can support.

Addressing fluctuations in sales tax revenue growth by managing or reducing expenditures annually is not a sustainable practice if the City is to maintain current service levels. This highlights the fact that the City needs to diversify its revenue base. The City's best opportunity for this is through thoughtful economic development of the former Fort Ord property. The development of a more diverse revenue base is an important aspect of the City's financial planning for the future.

General Fund Summary FY 2024-25

	2022-23 Actual	2023-24 Budget	2024-25 Proposed	Increase (Decrease)
Revenues	4,461,435	4,877,200	4,808,300	(68,900)
Expenditures	(4,327,022)	(4,683,052)	(4,808,300)	125,248
Operating Surplus (Deficit)	134,412	194,148	-	(194,148)
Transfers to Capital Projects	(35,000)	(198,900)	(80,000)	(118,900)
Net General Fund Surplus (Deficit)	99,412	(4,752)	(80,000)	(75,248)

As the table above shows, we are anticipating a 1.4% decrease in revenue and a 2.7% increase in expenditures, which will create a balanced budget for the year. In addition, staff recommends using \$80,000 for capital expenditures which will mean a decrease of \$80,000 in the General Fund fund balance. All the departments made adjustments to their budgets in order to live within the available revenue for the year, considering that some expenses, such as insurance and utilities are beyond the control of the City. This is an austere General Fund budget.

General Fund Revenues & Expenditures

Below is a brief description of the General Fund estimated revenue changes followed by a summary of the General Fund Budget by Departments.

	FY 2022-23 Actual 06/30/2023	FY 2023-24 Current Budget	FY 2024-25 Proposed	Increase (Decrease)	Percentage Change
Revenue:					
Property Taxes	774,674	770,100	780,800	10,700	1.4%
Sales Tax	1,305,062	1,313,000	1,313,000	-	0.0%
Other Taxes	481,457	500,650	511,500	10,850	2.2%
Licenses and Permits	308,381	286,300	281,300	(5,000)	-1.7%
Fines and Forfeitures	7,248	12,200	12,200	-	0.0%
Other Revenue	88,205	150,700	160,700	10,000	6.6%
Grants	238,261	232,730	219,200	(13,530)	-5.8%
Airport Police Services	1,083,650	1,376,500	1,345,700	(30,800)	-2.2%
Current Services	174,497	235,020	183,900	(51,120)	-21.8%
Total Estimated Revenue	4,461,435	4,877,200	4,808,300	(68,900)	-1.4%

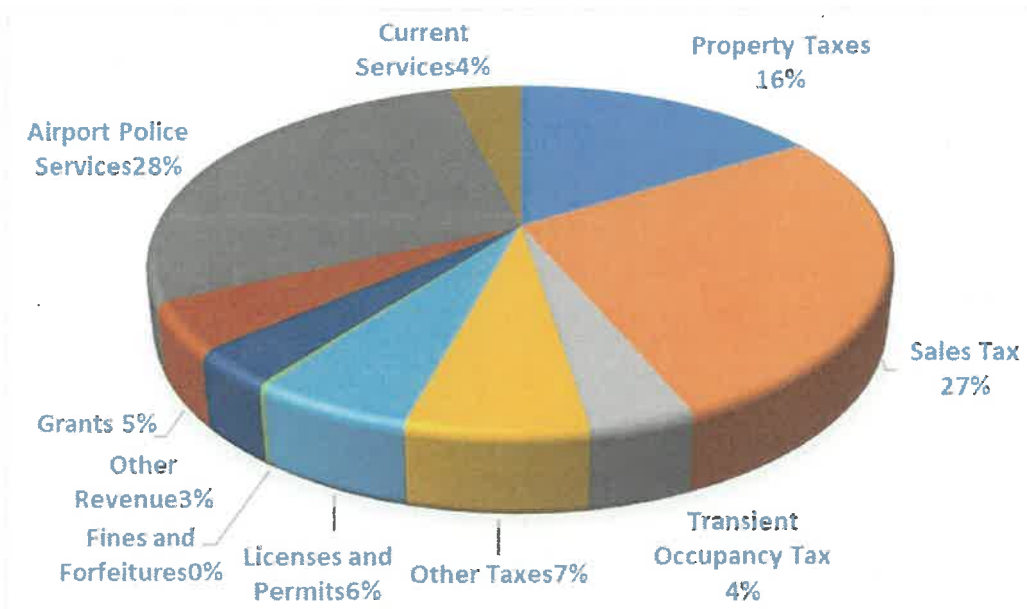
Revenue Highlights

General Fund revenues are estimated to decrease by \$68,900, a 1.4% decrease. Whereas Sales Tax has been increasing in the past, it is expected to remain flat for the coming year due to the current economy.

Airport Police Services revenue is projected to have a slight decrease since this fee is 50% of the Police Department budget with some minor adjustments, which is a decrease over the previous year. It should be noted that the Police Department budget was higher in FY 2023-24 due to the purchase of a replacement vehicle. No such purchase is included in the proposed budget.

Current Services is projected to have a decrease due to one-time reimbursement received in FY 2023-24. All other revenues are basically flat or will have a slight decrease. For the revenue detail refer to the FY 2024-2025 Proposed Budget Detail.

The pie chart below shows the percentage allocation of the City's revenues.



Expenditure Appropriations

The General Fund Operating Budget shows a 2.7% increase in expenditures.

Below is a General Fund summary by department followed by a brief discussion regarding the change in each department.

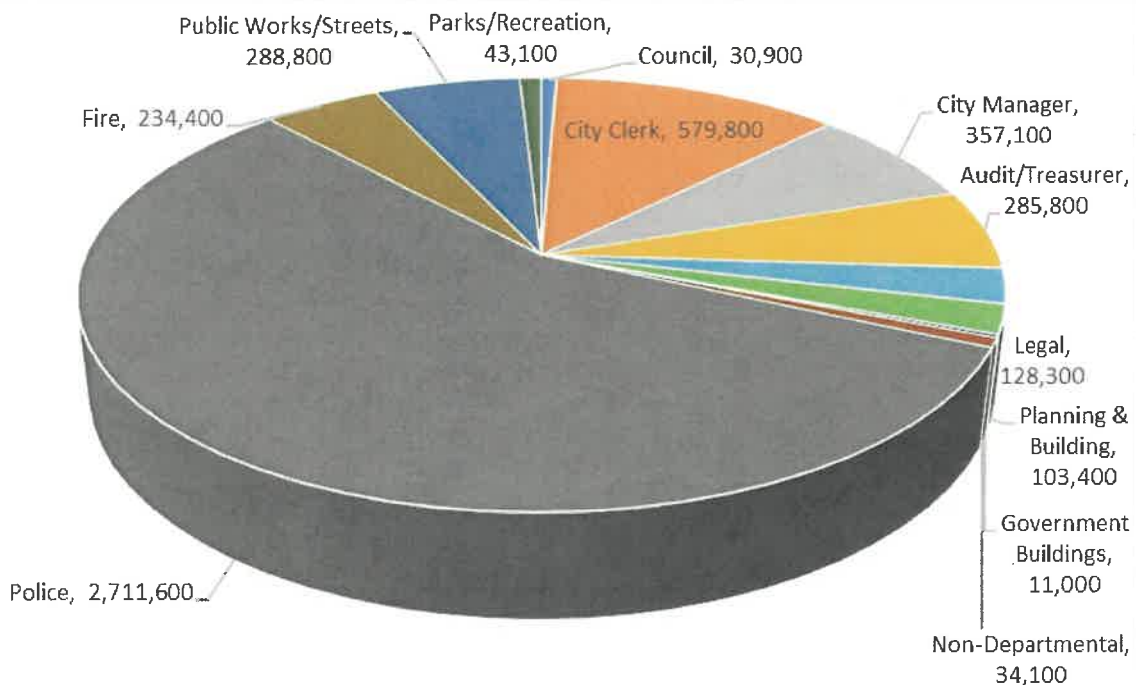
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)	Percent Change
100 - General Fund	-	-	-		
Totals Expenditures by Department					
Council	23,894	32,200	30,900	(1,300)	-4.0%
City Clerk	367,258	455,470	579,800	124,330	27.3%
City Manager	287,642	318,300	357,100	38,800	12.2%
Audit/Treasurer	271,604	303,852	285,800	(18,052)	-5.9%
Legal	139,898	153,300	128,300	(25,000)	-16.3%
Planning & Building	213,669	122,400	103,400	(19,000)	-15.5%
Government Buildings	10,494	19,100	11,000	(8,100)	-42.4%
Non-Departmental	32,256	42,700	34,100	(8,600)	-20.1%
Police	2,460,541	2,623,800	2,711,600	87,800	3.3%
Fire/Animal Control	219,102	227,600	234,400	6,800	3.0%
Public Works/Streets	252,945	340,830	288,800	(52,030)	-15.3%
Parks/Recreation	47,721	43,500	43,100	(400)	-0.9%
Total FY 2025 Appropriations	4,327,022	4,683,052	4,808,300	125,248	2.7%

Appropriation Increases (Decreases) by Department

- Council slight decrease is due to decrease in dental premiums.
- City Clerk increase is due to salary and benefits of one new position.
- City Manager increase is due to increase in liability insurance premium and inclusion of \$23,300 contingency appropriation.
- Audit/Treasurer decrease is due to elimination of \$30,000 for grant writing.
- Legal decrease is due to reduced use of legal services.
- Planning and Building decrease reflect moving the cost of the Housing Element to Capital Projects Fund.
- Government Building decrease is due to decreased repair and maintenance.
- Non-departmental decrease is due to moving Liability insurance to departments.
- Police increase is due to \$80,000 increase in Liability insurance premium.
- Fire slight increase is per the agreement with the City of Seaside.
- Public Works decrease is due to elimination of \$27,780 contingency and the one-time increase of \$21,000 in FY 2023-24 for purchase of a lawn mower.
- Parks and Recreation minimal decrease is due to reduced supplies.

For the line-item detail to the Appropriations refer to the attached FY 2024-25 Proposed Budget Detail.

The pie chart below shows the General Fund expenditures by department.



Highlights of Operating Appropriations

While the General Fund Operating Budget reflects a minimal increase, it does include the following major items:

- One new position (Administrative Services Technician) is added in the City Clerk's office to assist with the increasing workload. With the addition of this position and the Deputy City Clerk/Permit Clerk position created in FY 2023-24, most of the day-to-day finance and HR duties will eventually be brought back inhouse resulting in a reduction in the need for services, and the associated costs, currently provided by RGS.
- No Cost-of-Living increases
- New Educational Incentive and Longevity Pay benefits as follow:
 - \$100 per month for Associate's degree (2 employees)
 - \$200 per month for Bachelor's degree (5 employees)
 - 2% longevity pay for individual's working over 10 years (1 employees)
 - 4% longevity pay for individual's working over 20 years (2 employees)
- Salary step increases for all employees that still have steps on their salary range.
- Keeping one police officer position vacant.
- Liability insurance premium increase of \$111,680 (50%).

All Funds Budget Summary and Discussion

This table below shows the City's budget by fund.

City of Del Rey Oaks						
FY 2024-25 Budget Summary by Fund						
Fund	Estimated Fund Balance 6/30/2023	Estimated Revenue FY 24-25	Interfund Transfers FY 24-25	Appropriations FY 24-25	Surplus (Deficit) FY 24-25	Est. Fund Bal. 6/30/2025
100 General Fund						
Available						
Unassigned-Economic Uncertainty	1,637,349					1,637,349
Unappropriated	1,238,100					1,158,100
Available Fund Balance	2,875,449	4,808,300	(80,000)	(4,808,300)	(80,000)	2,795,448.61
Special Revenue Funds						
210 Gas Tax Fund	106,946	48,500		(25,000)	23,500	130,446
211 SB1 Fund	160,731	40,800		(190,000)	(149,200)	11,531
212 Measure X	75,039	94,400	(74,100)	(94,400)	(74,100)	939
221 FORA Habitat Management Fund	701,905	-		-	-	701,905
223 ARPA Fund	61,872	-		(50,000)	(50,000)	11,872
231 BSCC Officer Wellness & Health	12,833	-		(2,000)	(2,000)	10,833
235 Asset Forfeitures	-	-		-	-	-
235 Asset Forfeitures	5,000	-		-	-	5,000
236 DEA Grant	-	44,000		(44,000)	-	-
242 REAP Grant	-	42,500		(42,500)	-	-
251 CalFIRE Grant	-	297,300		(297,300)	-	-
260 CDBG Grant Fund	-	90,000		(90,000)	-	-
Capital Project Funds						
301 Capital Projects Fund (GF Only)	950		80,000	(80,000)	-	950
321 SBR Engineering Fund	505,830			(300,000)	(300,000)	205,830
322 SBR/GJM Intersection Fund	1,056,168				-	1,056,168
323 SBR Construction Fund	7,268,813	-	-	-	-	7,268,813
331 FHWA Grant Fund	-	543,400	74,100	(617,500)	-	-
Total All Funds	12,831,535	6,009,200	-	(6,641,000)	(631,800)	12,199,735

The **General Fund** operating revenues and expenses are balanced. There is a slight use of fund balance for some capital improvement projects.

Special Revenue and Capital Project Funds Budgets (Non-General Fund)

The non-general fund revenues are used in accordance with the grant or legal requirements. Appropriations details are included in the FY 2024-25 Proposed Budget Detail. Below is a brief description of each fund and its use.

The following **Special Revenue Funds** are used to account for funds as required by law or agreement. These monies can be used only for specific purposes as noted below.

The **Gas Tax Fund** is used to account for gas tax revenues received. For FY 2024-25, the fund shows an operating surplus of \$21,500, with an estimated year-end balance of \$128,446. These funds can be used only for street maintenance and repair purposes. The City uses these monies for street sweeping and street lighting. The surplus funds are available to be used as a match for grants or built up for a major street project.

The **SB1 Fund** is used to account for gas tax revenues generated under Senate Bill 1 otherwise known as the Road Rehabilitation Maintenance Act which can be spent only on street related

purposes. For FY 2024-25 all funds are expected to be spent on street projects. The projects are listed in the Capital Improvement Plan (CIP) below.

The **Measure X Fund** was used in FY 2018-19 to pay for the major street resurfacing project for which the city borrowed against its future share of Measure X revenues. In FY 2018-19, the City received an advance of \$861,300 of future Measure X revenues to pay for the City's largest street improvement project budgeted at \$1.2 million. Over the next 10 years, TAMC will withhold the City's Measure X allocation to repay the advance, therefore the City will not receive any additional Measure X funds until the \$861,300 advance is paid in full. Measure X is administered by TAMC.

The funds are reflected on the City's budget even though the City does not receive the monies in order to track the amounts that are being paid toward the Measure X Loan.

The fund has a fund balance that staff recommends utilizing for the FHWA grant match requirement of \$74,100 for the Rosita Emergency Repairs project (in the CIP).

The **FORA Habitat Fund** is used to account for the monies received from FORA for the habitat management program the City agreed to manage. The funds can be spent only for this purpose.

The **American Rescue Plan Act (ARPA) Fund** is used to account for the \$395,672 in federal monies the City is received to mitigate revenue loss resulting from the pandemic. The remaining one-time monies in this account are recommended for use to fund the City Hall Parking Lot Improvements and City Hall Roof Repair projects, listed in the CIP.

The **BSCC Officer Wellness & Health Fund** and **Asset Forfeitures Fund** can be used only for police related expenditures as allowed by law and under the grant guidelines.

The **Drug Enforcement Administration (DEA) Grant** is used to account for the DEA grant reimbursements for overtime pay for police officers trained to work on the DEA Task Force. The grant runs through September 30, 2026.

The **REAP Grant** can be used only for developing and implementing the Housing Element.

The **CalFIRE Grant** project will be used for the reduction of wildfire fuels along Del Rey Park and Via Verde and in Work Memorial Park.

The following **Capital Project Funds** are used to account for funds as required by law or agreement for major capital improvements. These monies can be used only for specific purposes as noted below.

The **Capital Projects Fund** is used to account for the City's major capital projects that are funded by the General Fund. The budget process will deliberate on how much of the General Fund fund balance should be used to fund the City's upcoming major construction projects.

The **SBR/GJM Intersection Construction Fund** is used to account for the monies received from FORA for the construction of the Intersection at South Boundary Road (SBR) and General Jim Moore Road which is presently on hold.

The **SBR Construction Fund** is used to account for the monies received from FORA for the construction of South Boundary Road.

Capital Improvements

Below is a summary of the proposed capital improvement projects included in the Proposed Budget.

Project Description	Estimated Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Funded	Unfunded	Source
Saucito/Work Gutter & Curb	\$ 40,000	\$ 40,000					\$ 40,000	\$ -	SB 1
Angelus/Rosita Drainage Repairs	\$ 150,000	\$ 150,000					\$ 150,000	\$ -	SB 1
Rosita Emergency Repair (Prelim. Eng.)	\$ 49,400	\$ 49,400					\$ 49,400	\$ -	FHWA Grant
Rosita Emergency Repair (Const. Eng.)	\$ 74,100	\$ 74,100					\$ 74,100	\$ -	Measure X FB
Rosita Emergency Repair (Construction.)	\$ 494,000	\$ 494,000					\$ 494,000	\$ -	FHWA Grant
Wildfire Fuels Reduction	\$ 297,300	\$ 297,300					\$ 297,300	\$ -	Cal Fire Grant (2024 carryover)
City Hall Parking Lot Improvements	\$ 150,000	\$ 150,000					\$ 150,000	\$ -	ARPA (FY24 carryover)
City Hall Roof Repairs	\$ 47,446	\$ 47,446					\$ 47,446	\$ -	ARPA (FY24 carryover)
City Hall Fence Replacement	\$ 20,000	\$ 20,000					\$ 20,000	\$ -	GF Fund Balance
Council Chamber Technology Upgrades	\$ 10,000	\$ 5,000	\$ 5,000				\$ 10,000	\$ -	GF Fund Balance
Del Rey Park Accessibility Improvements	\$ 90,000		\$ 90,000				\$ 90,000	\$ -	2024-25 CDBG
Via Verde Curb & Gutter Repair	\$ 90,000		\$ 90,000				\$ 90,000	\$ -	Gas Tax
City Hall Sewer Upgrades	\$ 40,000		\$ 40,000				\$ 40,000	\$ -	GF Fund Balance
Adair Stairs Repairs	\$ 15,000		\$ 15,000				\$ 15,000	\$ -	GF Fund Balance
City Hall Chamber Renovation	\$ 50,000		\$ 50,000				\$ 50,000	\$ -	GF Fund Balance
Park Bathroom Water Efficiency	\$ 40,000			\$ 40,000			\$ 40,000	\$ -	GF Fund Balance
Tot Playground Replacement	\$ 170,000			\$ 170,000			\$ -	\$ 170,000	TBD
Street Resurfacing Program	\$ 1,000,000					\$ 1,000,000	\$ -	\$ 1,000,000	Measure X Loan
South Boundary Realignment Design	\$ 600,000	\$ 300,000	\$ 200,000	\$ 100,000			\$ 600,000	\$ -	SBR Engineering Fund
Totals	\$ 3,427,246	\$ 1,627,246	\$ 490,000	\$ 310,000	\$ -	\$ 1,000,000	\$ 2,257,246	\$ 1,170,000	

As the Funding Source summary shows below, of the \$3.4 million in projects over the next 5 years all projects are funded except for \$1,170,000 which are scheduled for future years.

Financing Source	Estimated Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Funded	Unfunded
ARPA Grant	\$ 197,446	\$ 197,446	\$ -	\$ -	\$ -	\$ -	\$ 197,446	\$ -
Community Development Block Grant	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000	\$ -
Gas Tax Fund	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -	\$ -	\$ 90,000	\$ -
General Fund Fund Balance	\$ 175,000	\$ 25,000	\$ 110,000	\$ 40,000	\$ -	\$ -	\$ 175,000	\$ -
Cal Fire Grant	\$ 297,300	\$ 297,300	\$ -	\$ -	\$ -	\$ -	\$ 297,300	\$ -
FHWA Grant	\$ 543,400	\$ 543,400	\$ -	\$ -	\$ -	\$ -	\$ 543,400	\$ -
Measure X Fund Balance	\$ 1,074,100	\$ 74,100	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 74,100	\$ 1,000,000
SB1 Fund Balance	\$ 190,000	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ 190,000	\$ -
SBR Engineering Fund	\$ 600,000	\$ 300,000	\$ 200,000	\$ 100,000	\$ -	\$ -	\$ 600,000	\$ -
To Be Determined	\$ 170,000	\$ -	\$ -	\$ 170,000	\$ -	\$ -	\$ -	\$ 170,000
Totals	\$ 3,427,246	\$ 1,627,246	\$ 490,000	\$ 310,000	\$ -	\$ 1,000,000	\$ 2,257,246	\$ 1,170,000

Budget Policy Changes

Over the course of the next several months, staff will work with the Finance Committee to develop and update the City's financial policies. Some areas of focus are recommended to include Establishing, Funding and Utilization of Reserve Funds; Use of Fund Balances; City Manager Signing Authority; Planning for Long-Range Capital Replacement Planning; Revenues; Capital Improvement Program.

City's Existing Debt

At June 30, 2023, the City had the existing debt shown below. The FY 2024-25 budget includes payments on the financed purchases in the Police Department budget. Payments of \$94,400 on the Measure X loan are budgeted in the Measure X fund.

	Amount Due	Term	Notes
Financed Purchases:			
Police body cameras	79,008	5 yrs	Included in operating budget
Police software	16,738	2 yrs	Included in operating budget
Loans Payable:			
Federal Group	1,200,000	Undetermined	To be paid from Fort Ord Development revenues
Federal Group Compound Interest	390,454	Undetermined	To be paid from Fort Ord Development revenues
TAMC Measure X Loan	543,979	10 years	Being paid from City's Measure X revenue ¹
Total Debt	2,230,179		

Of the total debt of \$2,230,179, the General Fund is responsible for only \$95,746 for the financed purchases which are included in the police department operating budget.

Federal Group International, LLC Loan Payable

The City has a promissory note with Federal Group International, LLC in the amount of \$1,200,000. Of that, \$700,000 is the City's obligation to pay for funds loaned by Federal/JER Associates I, LLC to the former Redevelopment Agency of the City of Del Rey Oaks. The remaining \$500,000 of the note is the City's obligation to pay the holder as settlement of claims between the City and Bellmont Rock Holdings, LLC. Interest is accrued at 5% per annum on the \$700,000 beginning June 1, 2014, until the entire outstanding loan amount, plus interest, is paid in full. Payments on the note, once they commence, shall be for a five-year period, however if the note is not paid in full at the end of the five-year term it shall automatically renew, once, for an additional five-year term. No payment shall be due under this loan until commencement of construction on the Fort Ord property. Additionally, the requirement to begin to repay the loan is based on an increase of 50% of City revenue through new revenues generated by the development of the entire property.

The stipulation in the agreement tying the repayment to revenue generated by future development was included to protect the City in the case that development is not done or feasible. At this time staff recommends following the original plan of paying the note off from the additional revenues generated when development takes place on the former Fort Ord property.

TAMC Measure X Loan Payable \$543,979 as of June 30, 2023

In December 2018, the City entered into an agreement with the Transportation Agency for Monterey County (TAMC) for the purpose of receiving advance funding for the Del Rey Oaks Slurry Seal (the project). TAMC advanced \$861,300 to the City. The loan is payable from Measure X revenue, which can only be estimated year to year, so no amortization schedule has been established at this time. An interest rate of 2.5% is fixed until such time as the Monterey County Pool Quarterly Rate rises above 2.0%, at which point the interest rate will be variable, tied to the Monterey County Pool Quarterly Rate plus 50 basis points, only becoming fixed again at 2.5% when the Monterey County Pool Quarterly Rate drops below 2.0%.

Repayment was originally estimated to take place over 10 years. The annual payment for FY 2024-25 is \$94,400 based on TAMC's estimate. Once the advance is paid off, then the City will begin to receive its annual share. Measure X is a county-wide sales tax measure. Measure X monies are restricted to transportation improvements.

Use of General Fund Fund Balance

At June 30, 2023, the General Fund had an available fund balance of \$2,880,201 of which \$1,637,349 was reserved by Council for Economic Uncertainties.

For FY 2024-2025, staff will work with the Finance Committee to establish a policy to guide the use of available General Fund balances.

RECOMMENDATION

Adopt the proposed budget for FY 2024-25.

CONCLUSION

The Finance Committee's recommendations for the FY 2024-25 budget are included in the proposed budget.

Respectfully submitted,

John Guertin
City Manager

Attachments:
FY 2024-2025 Proposed Budget Detail
FY 2024-2025 Proposed Capital Projects
FY 2024-2025 Appropriations Limit
FY 2024-2025 Salary Schedule
FY 2024-2025 Position Control List

RESOLUTION NO. 2024-10

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS APPROVING THE
BUDGET FOR FISCAL YEAR 2024-2025**

-oOo-

WHEREAS, the City of Del Rey Oaks staff is required to present a balanced budget prior to the start of each fiscal year which begins July 1 of the current year; and

WHEREAS, the City Staff works diligently to present a transparent, fiscally responsible, and balanced budget; and

WHEREAS, the Budget presented for Fiscal Year 2024-25 is transparent, fiscally responsible, and balanced.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Rey Oaks, California that the attached Budget for FY 2024-2025 is hereby approved along with the attached Salary Schedule, Position Control List and Appropriations Limit.

PASSED AND ADOPTED at a regular meeting of the Del Rey Oaks City Council duly held on June 25, 2024 by the following vote:

AYES:

NOES:

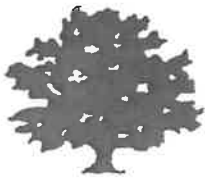
ABSENT:

ABSTAIN:

Scott Donaldson
Mayor

ATTEST:

Karen Minami
City Clerk



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

Staff Report

TO: Honorable Mayor and City Council Members

FROM: John Guertin, City Manager

DATE: June 25, 2024

SUBJECT: Establishing an Appropriations Limit for FY 2024-2025

CEQA:

This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378.

Discussion:

Article XIII B of the California Constitution provides that the total annual appropriations subject to limitations of each governmental entity, shall not exceed the appropriations limit of such entity of government for the prior year, adjusted for changes in population and inflation mandated by Proposition 4 (1979) and Proposition 111 (1990), except as otherwise provided in said Article XIII B and implementing state statutes. Pursuant to Article XIII B of the California Constitution, and Section 7900 et seq. of the California Government Code, the City is required to calculate and set its appropriations limit for each fiscal year.

Pursuant to Section 7910 of the California Government Code, the City has made available to the public the documentation used in the determination of the appropriations limit. The appropriations limit for FY 2023-2024 was calculated at \$5,563,197, and a new appropriations limit for Fiscal Year 2024-2025 has been calculated as \$5,572,676 using the inflation factor and annual percent change in population as required by state law.

Fiscal Impact:

There is no direct fiscal impact that would result from adopting the proposed annual Appropriations Limit.

Recommendation:

Staff recommends the adoption of the proposed appropriations limit for Fiscal Year 2024-2025 in the amount of \$5,572,676.

Respectfully submitted,

John Guertin
City Manager

Attachments:

Resolution for FY 2024-2025 Appropriation Limit
Schedule 1-3

RESOLUTION NO. 2024-11

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL REY OAKS
ESTABLISHING AN APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2024-2025
PURSUANT TO ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

WHEREAS, Article XIII B of the California Constitution provides that the total annual appropriations subject to limitation of each governmental entity, including this City, shall not exceed the appropriation limit of such entity of government for the prior year adjusted for changes in the cost of living or personal income and population, except as otherwise provided for in said Article XIII B and implementing State statutes; and

WHEREAS, pursuant to said Article XIII B of said California Constitution, and 7900 et seq. of the California Government Code, the City is required to set its appropriations limit for each fiscal year; and

WHEREAS, the City Council of the City of Del Rey Oaks has interpreted the technical provisions of said Proposition 4 computations and has caused a technical review to be made of the documentation for the City's said appropriation limitation, and has caused the numbers upon which the City's appropriation limit was and is based to be calculated on the basis of increase/decrease in city or county population; and

WHEREAS, based on such calculations the City Clerk has determined the said appropriation limit and pursuant to Section 7910 of said California Government Code has made available to the public the documentation used in the determination of said appropriation limit;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Rey Oaks, California that said appropriation limit for fiscal year 2024-2025 shall be and is hereby set in the amount of \$5,572,676 for said fiscal year. The Appropriations from Proceeds of Taxes Subject to the Limit is \$2,872,975.

Therefore, the City's Appropriations Subject to the Limit are under the Appropriations Limit.

PASSED AND ADOPTED at a regular meeting of the Del Rey Oaks City Council
duly held on June 25, 2024 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

Scott Donaldson
Mayor

ATTEST:

Karen Minami
City Clerk

CITY OF DEL REY OAKS
APPROPRIATIONS LIMIT CALCULATION
FY 2024-2025

SCHEDULE 1

FY 2023-24 Appropriation Limit		<u>\$5,343,792</u>
Add: 2024-25 Multiplier	x	<u>1.0428</u>
FY 2024-25 Appropriation Limit		<u><u>5,572,676</u></u>

Note: The multiplier is calculated based on information provided by the State Department of Finance as follows:

California per Capita personal Income 3.62 percent

Change in City's population: 0.64 percent

Convert the above percentages to factors and multiply

	1.0362
x	<u>1.0064</u>
FY 2024-25 Multiplier	<u><u>1.0428</u></u>

CITY OF DEL REY OAKS
SCHEDULE TO CATEGORIZE REVENUE
FY 2024-2025

SCHEDULE 2

	PROCEEDS FROM TAXES	NON-PROCEEDS FROM TAXES
<u>GENERAL FUND</u>		
<u>TAXES</u>		
PROPERTY TAXES	780,800	
SALES TAX	1,313,000	
OTHER TAXES	530,500	
FRANCHISE FEES		191,000
<u>LICENSES AND PERMITS</u>		72,300
<u>FINES AND PENALTIES</u>		12,200
<u>INTERGOVERNMENTAL</u>		239,200
<u>USE OF PROPERTY</u>		98,700
<u>CHARGES FOR SERVICES</u>		1,435,600
<u>OTHER REVENUE</u>		0
<u>MX - TRANSPORTATION SAFETY & INVESTMENT</u>	94,400	
<u>SB1 ROAD MAINTENANCE & REHAB</u>	40,800	
<u>SPECIAL GAS TAX FUND</u>	48,500	0
ARPA Fund		0
Asset Forfeitures		0
REAP Grant		297,300
Cal-Fire Grant		42,500
CDBG Grant		50,000
FHWA Grant		543,400
DEA		44,000
<u>ALL FUNDS</u>		
INVESTMENT EARNINGS	64,975	70,025
	<u>2,872,975</u>	<u>3,096,225</u>
<u>INVESTMENT EARNINGS DISTRIBUTION</u>		
PROCEEDS FROM TAXES	2,808,000	48.13%
NON-PROCEEDS FROM TAXES	3,026,200	51.87%
	<u>5,834,200</u>	<u>100.00%</u>
General Fund	135,000	
Measure X Transportation Fund	0	
SB1 Road Maintenance Fund	0	
Special Gas Tax Fund	0	
Total Investment Earnings	<u>135,000</u>	

CITY OF DEL REY OAKS
APPROPRIATIONS SUBJECT TO LIMITATION
FY 2024-2025

SCHEDULE 3

Proceeds of Taxes	2,872,975
Exclusions:	<u>0</u>
Appropriations Subject to Limitation	2,872,975
Appropriations Limit	<u>5,572,676</u>
Appropriations Over/(Under) Limit	<u><u>(2,699,701)</u></u>



CITY OF DEL REY OAKS

650 CANYON DEL REY BLVD., DEL REY OAKS, CALIFORNIA 93940
PHONE (831) 394-8511 FAX (831) 394-6421

The FY 2024-2025 Budget in Brief

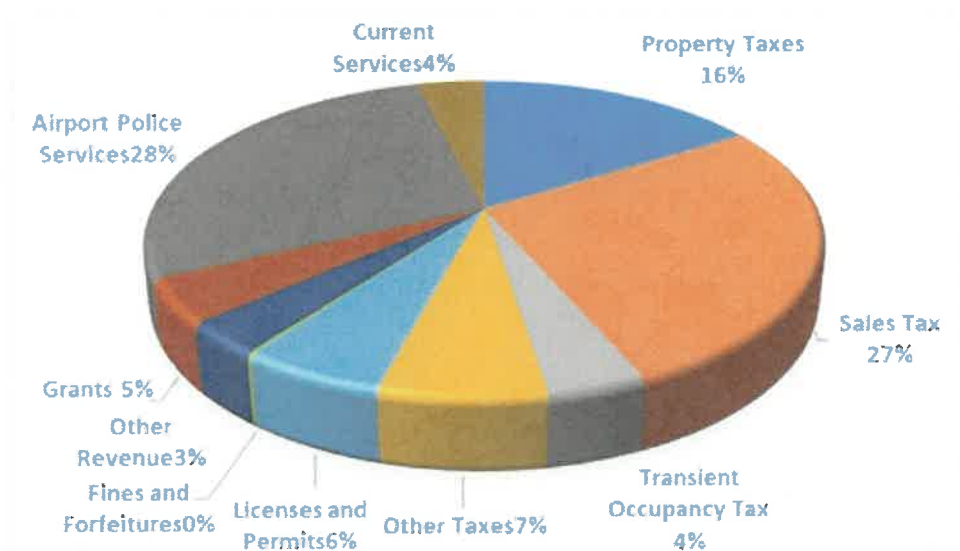
FY 2024-2025 General Fund Estimated Revenues

As shown in the table below, 71.5% of the General Fund revenue comes from three sources – Airport Police Services, Sales Tax and Property Taxes.

Revenue:

Airport Police Services	\$ 1,345,700	28.0%
Sales Tax	1,313,000	27.3%
Property Taxes	780,800.0	16.2%
Other Taxes	511,500	10.6%
Licenses and Permits	281,300	5.9%
Grants	219,200	4.6%
Current Services	183,900	3.8%
Other Revenue	160,700	3.3%
Fines and Forfeitures	12,200	0.3%
Total Estimated Revenue	\$ 4,808,300	100%

The pie chart below shows the percentage allocation of the City's revenues.



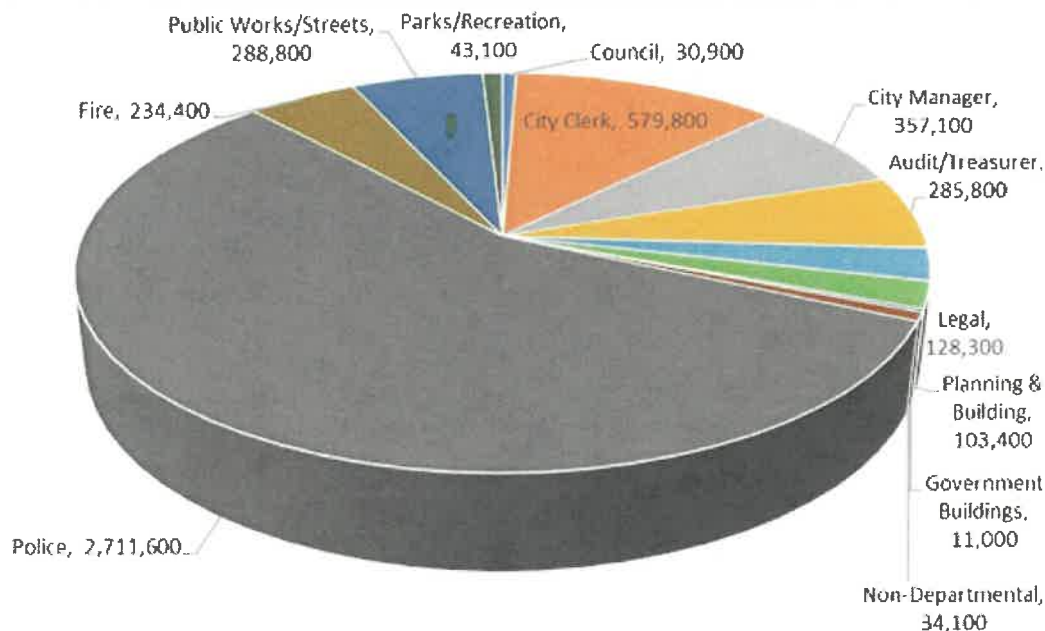
FY 2024-2025 General Fund Operating Budget

The FY 2024-2025 General Fund recommended operating budget totals \$4,808,300. Police department expenditures represent the largest expense at 56.6% of the operating budget. The proposed FY 2024-2025 General Fund operating budget, by department/service activity is as follows:

Expenditures:

Police	\$ 2,711,600	56.4%
City Clerk	579,800	12.1%
City Manager	357,100	7.4%
Public Works/Streets	288,800	6.0%
Audit/Treasurer	285,800	5.9%
Fire/Animal Control	234,400	4.9%
Legal	128,300	2.7%
Planning & Building	103,400	2.2%
Parks/Recreation	43,100	0.9%
Non-Departmental	34,100	0.7%
Council	30,900	0.6%
Government Buildings	11,000	0.2%
Total FY 2025 Appropriations	\$ 4,808,300	100.0%

The pie chart below shows the General Fund expenditures by department.



Fifteen full-time positions are proposed for FY 2024-2025. Eleven Police positions are authorized but only 10 positions are filled for FY 2024-2025 Budget.

SUMMARIES & SCHEDULES

Fund Balance

City of Del Rey Oaks						
FY 2024-25 Budget Summary by Fund						
Fund	Estimated Fund Balance 6/30/2023	Estimated Revenue FY 24-25	Interfund Transfers FY 24-25	Appropriations FY 24-25	Surplus (Deficit) FY 24-25	Est. Fund Bal. 6/30/2025
100 General Fund						
<u>Available</u>						
Unassigned-Economic Uncertainties	1,637,349					1,637,349
Unappropriated	1,238,100					1,158,100
Available Fund Balance	<u>2,875,449</u>	4,808,300	(80,000)	(4,808,300)	(80,000)	<u>2,795,448.61</u>
<u>Special Revenue Funds</u>						
210 Gas Tax Fund	106,946	48,500		(25,000)	23,500	130,446
211 SB1 Fund	160,731	40,800		(190,000)	(149,200)	11,531
212 Measure X	75,039	94,400	(74,100)	(94,400)	(74,100)	939
221 FORA Habitat Management Fund	701,905	-		-	-	701,905
223 ARPA Fund	61,872	-		(50,000)	(50,000)	11,872
231 BSCC Officer Wellness & Health	12,833	-		(2,000)	(2,000)	10,833
235 Asset Forfeitures	-	-		-	-	-
235 Asset Forfeitures	5,000	-		-	-	5,000
236 DEA Grant	-	44,000		(44,000)	-	-
242 REAP Grant	-	42,500		(42,500)	-	-
251 CalFIRE Grant	-	297,300		(297,300)	-	-
260 CDBG Grant Fund	-	90,000		(90,000)	-	-
<u>Capital Project Funds</u>						
301 Capital Projects Fund (GF Only)	950		80,000	(80,000)	-	950
321 SBR Engineering Fund	505,830			(300,000)	(300,000)	205,830
322 SBR/GJM Intersection Fund	1,056,168				-	1,056,168
323 SBR Construction Fund	7,268,813	-	-	-	-	7,268,813
331 FHWA Grant Fund	-	543,400	74,100	(617,500)	-	-
Total All Funds	<u>12,831,535</u>	<u>6,009,200</u>	<u>-</u>	<u>(6,641,000)</u>	<u>(631,800)</u>	<u>12,199,735</u>

SUMMARIES & SCHEDULES

General Fund Summary

	FY 2023 Actual 06/30/2023	FY 2024 Current Budget	FY 2025 Proposed Budget	Increase/ (Decrease)	Percent Change
Revenues:					
Airport Police Services	1,083,650	1,376,500	1,345,700	(30,800)	-2.2%
Sales Tax	1,305,062	1,313,000	1,313,000	-	0.0%
Property Taxes	774,674	770,100	780,800	10,700	1.4%
Other Taxes	481,457	500,650	511,500	10,850	2.2%
Licenses and Permits	308,381	286,300	281,300	(5,000)	-1.7%
Grants	238,261	232,730	219,200	(13,530)	-5.8%
Current Services	174,497	235,020	183,900	(51,120)	-21.8%
Other Revenue	88,205	150,700	160,700	10,000	6.6%
Fines and Forfeitures	7,248	12,200	12,200	-	0.0%
Total Revenues	4,461,435	4,877,200	4,808,300	(68,900)	-1.4%

	FY 2023 Actual 06/30/2023	FY 2024 Current Budget	FY 2025 Proposed Budget	Increase/ (Decrease)	Percent Change
Expenditures:					
Police	2,460,541	2,623,800	2,711,600	87,800	3.3%
City Clerk	367,258	455,470	579,800	124,330	27.3%
City Manager	287,642	318,300	357,100	38,800	12.2%
Public Works/Streets	252,945	340,830	288,800	(52,030)	-15.3%
Finance	271,604	303,852	285,800	(18,052)	-5.9%
Fire/Animal Control	219,102	227,600	234,400	6,800	3.0%
Legal	139,898	153,300	128,300	(25,000)	-16.3%
Planning & Building	213,669	122,400	103,400	(19,000)	-15.5%
Parks/Recreation	47,721	43,500	43,100	(400)	-0.9%
Non-Departmental	32,256	42,700	34,100	(8,600)	-20.1%
Council	23,894	32,200	30,900	(1,300)	-4.0%
Government Buildings	10,494	19,100	11,000	(8,100)	-42.4%
Total-General Fund	4,327,024	4,683,052	4,808,300	125,248	2.7%

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
100- General Fund				
Revenue				
Non Department Specific				
P/T-Secured	540,389	531,000	541,600	10,600
P/T-Unsecured	23,803	26,900	27,000	100
P/T-Prior Secured	4,510	6,100	6,100	-
Prior Unsecured	-	100	100	-
P/T-Unitary Tax	10,539	10,000	10,000	-
P/T-Supplemental Roll (SB813)	14,994	12,200	12,200	-
Property Tax - VLF	179,366	183,000	183,000	-
Prop Tax-Interest/Penalty	1,072	800	800	-
Sales Tax	455,955	470,000	470,000	-
Sales Tax - 145 (Measure S-1%)	508,336	562,000	562,000	-
Sales Tax -409 (Measure R 1/2%)	340,770	281,000	281,000	-
Cannabis Tax	103,668	99,000	100,000	1,000
Cannabis Tax-Delinquent	169,488	10,000	-	(10,000)
Transient Occupancy Tax	-	190,000	190,000	-
Property Transfer Tax	9,183	8,150	8,500	350
Sewer Impact	20,766	15,000	22,000	7,000
Business Licenses	205,750	210,000	210,000	-
Gas Franchises	8,071	8,000	8,000	-
Electric Franchises	21,570	21,500	22,000	500
Garbage Franchises	99,265	100,000	110,000	10,000
Cable Tv Franchises	26,580	26,000	26,000	-
Water Franchises	22,865	23,000	25,000	2,000
SB1186 Disability Access Fund	2,179	1,000	1,000	-
SB1473 Environmental Assessment Fe	86	100	100	-
Building Permits	51,083	40,000	40,000	-
Cannabis Business Permit	20,089	10,000	5,000	(5,000)
Plan Check Fees	23,853	17,000	17,000	-
Street Opening Permits Fees	3,500	5,000	5,000	-
Plumbing Permits	2,750	1,600	1,600	-
Electrical Permits	875	1,600	1,600	-
Other Licenses/Permits	395	1,000	1,000	-
Fines & Forfeitures	1,662	1,700	1,700	-
Vehicle Code Fines	275	3,500	3,000	(500)
Parking and Admin Fines	5,311	7,000	7,500	500
Interest Earned	93,965	120,000	120,000	-
Interest Earned-PARS	(28,823)	2,500	15,000	12,500

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Rental Income - Garden Center	30,700	36,000	36,000	-
Rental Income - Airport RV	34,200	35,000	35,000	-
Rental Income - PW Bldg (CHC Enterpr	17,547	24,000	24,000	-
HOPTR	2,060	1,200	1,200	-
Vehicle License Collection	2,930	-	2,500	2,500
COPS	165,271	165,200	185,000	19,800
AMBAG REAP Grant - Housing Element	19,971	20,980	-	(20,980)
HCD LEAP Grant - Housing Element	33,750	18,300	-	(18,300)
SB1383 Organics Recycling	6,292	9,000	9,000	-
Prop 172	12,576	25,000	20,000	(5,000)
Wellness Program	7,500	7,500	7,500	-
Police Grants & Other Reimbursement	-	6,250	10,700	4,450
POST Reimbursements	5,476	5,500	7,000	1,500
Grant Other Agencies	-	5,820	-	(5,820)
Police Service Fees	3,325	1,000	1,000	-
Police Services-Special Events	37,050	48,000	40,000	(8,000)
Public Events	-	7,500	7,500	-
Use Permits	31,680	20,000	22,000	2,000
Maps/Publications	-	100	100	-
Property Inspections	3,750	4,500	4,500	-
Miscellaneous Revenue	10,845	50,000	10,300	(39,700)
Rental - Park	5,400	3,100	3,500	400
Miscellaneous Refunds	3,318	1,000	1,000	-
Total Non Department Specific	3,377,784	3,500,700	3,462,600	(38,100)
Police				
Airport Police Services	1,083,650	1,376,500	1,345,700	(30,800)
Total Police	1,083,650	1,376,500	1,345,700	(30,800)
Total Revenue	4,461,435	4,877,200	4,808,300	(68,900)
Expense				
Council				
Council Member Stipend	7,400	7,500	7,500	-
Medicare-ER	107	200	200	-
Social Security-ER	459	500	500	-
Unemployment Ins-Fed & State	67	100	100	-
Dental Expense	5,167	10,750	8,900	(1,850)
Materials/Supply	-	150	200	50
Membership Dues-Professional Org	982	4,000	3,000	(1,000)
Strategic Planning	2,125	5,000	5,000	-

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Misc Expenses	-	-	1,500	1,500
Travel Expenses	7,587	4,000	4,000	-
Total Council	23,894	32,200	30,900	(1,300)
City Clerk				
Payroll	142,927	149,600	235,500	85,900
Overtime	8,013	20,000	10,000	(10,000)
PERS UAL	38,622	36,900	44,500	7,600
PERS Retirement	9,713	13,800	23,800	10,000
Medicare-ER	2,141	2,200	3,400	1,200
Unemployment Ins-Fed & State	196	200	100	(100)
Dental Expense	2,289	3,200	4,800	1,600
Health Insurance	40,601	60,500	99,400	38,900
Health Insurance -Retiree	-	1,800	1,000	(800)
Vision Ins	278	500	700	200
Workers Comp and EAP	11,091	9,100	14,100	5,000
Wellness Program	1,302	1,000	1,500	500
Materials/Supply	10,437	16,300	5,000	(11,300)
Office Supplies	6,322	11,200	10,000	(1,200)
Repair/Maintenance	3,341	1,000	1,000	-
Other Outside Services	-	3,000	5,000	2,000
Shredding Services	465	1,000	1,000	-
Telephone	8,527	7,700	7,000	(700)
Internet	-	-	2,000	2,000
Website Design & Maintenance	1,106	3,800	1,000	(2,800)
Postage / Shipping	4,861	3,000	3,000	-
Training	2,163	5,000	5,000	-
Insurance-Liability	13,266	17,370	42,600	25,230
Insurance-Property	-	1,300	-	(1,300)
Contract Services - IT	9,019	7,800	10,000	2,200
HR Services-RGS	51	31,500	-	(31,500)
Temporary Assistance	25,614	10,000	-	(10,000)
Software/Server Subscription	2,232	10,000	15,000	5,000
Agenda Management System	-	5,000	5,000	-
Document Management System	-	1,500	1,500	-
Municipal Code Service	6,221	10,000	5,000	(5,000)
Membership Dues-Professional Org	257	3,200	500	(2,700)
Membership Dues-Government Agenc	609	1,300	700	(600)
Printing / Publications	3,035	2,000	2,000	-
Misc Expenses	-	-	1,000	1,000
Election Cost	12,469	-	15,000	15,000

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Travel Expenses	90	700	2,700	2,000
Furniture & Equipment	-	3,000	-	(3,000)
Total City Clerk	367,258	455,470	579,800	124,330
City Manager				
Payroll	193,845	202,100	204,500	2,400
PERS UAL	893	1,000	400	(600)
PERS Retirement	12,353	14,800	15,900	1,100
Medicare-ER	2,806	2,800	2,900	100
Unemployment Ins-Fed & State	77	100	100	-
Dental Expense	2,319	1,600	2,400	800
Health Insurance	35,211	30,200	43,100	12,900
Vision Ins	296	200	400	200
Workers Comp and EAP	11,191	11,700	12,000	300
Wellness Program	614	500	500	-
Admin Leave	-	-	-	-
Auto Allowance	5,400	5,400	5,400	-
Office Supplies	154	1,500	1,500	-
Insurance-Liability	14,327	22,405	36,700	14,295
Insurance-Property	-	1,645	-	(1,645)
Membership Dues-Professional Org	1,510	2,800	3,000	200
Membership Dues-Government Agenc	609	-	700	700
Books and Periodicals	-	300	300	-
Travel Expenses	1,037	8,000	4,000	(4,000)
Contingency	5,000	11,250	23,300	12,050
Total City Manager	287,642	318,300	357,100	38,800
Finance				
Dental Expense	20	-	-	-
ADP Payroll Fees	1,400	7,000	7,000	-
Bank Service Charges	6,285	6,000	6,000	-
Grant Writing Services	-	30,000	-	(30,000)
Accounting Software	3,881	8,652	5,000	(3,652)
Audit-Finance	29,933	34,800	40,000	5,200
Audit -Sales Tax	-	5,000	5,000	-
Actuarial Services	4,800	4,500	4,500	-
Accounting Services-RGS	225,285	207,900	218,300	10,400
Total Finance	271,604	303,852	285,800	(18,052)
Legal				
Legal Services	137,632	150,000	125,000	(25,000)
Legal Advert	2,265	2,300	2,300	-
Misc Expenses	-	1,000	1,000	-

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Total Legal	139,898	153,300	128,300	(25,000)
Planning & Building Regulation				
Economic Development Services	7,656	20,000	10,000	(10,000)
Planning Services	101,223	40,000	50,000	10,000
Contract Services - Housing Element	42,847	17,000		(17,000)
Building Inspections Services	56,299	32,400	32,400	-
Engineering Services	300	5,000	5,000	-
Code Enforcement Services	5,344	5,000	5,000	-
Travel Expenses	-	3,000	1,000	(2,000)
Total Planning & Building Regulation	213,669	122,400	103,400	(19,000)
Government Buildings				
Materials/Supply			2,000	2,000
Repair/Maintenance	7,594	15,100	5,000	(10,100)
Other Outside Services	-	1,000	1,000	-
Janitorial Services	2,900	3,000	3,000	-
Total Government Buildings	10,494	19,100	11,000	(8,100)
Non-Departmental				
Materials/Supply	1,957	5,800	500	(5,300)
Telephone	67	1,000	-	(1,000)
Insurance-Liability	12,066	12,830	-	(12,830)
Insurance-Property	-	1,880	10,000	8,120
Membership Dues-Professional Org	6	2,590	4,800	2,210
Membership Dues-Non Profit Agency	8,054	11,800	12,000	200
Membership Dues-Government Agency	4,450	5,500	5,500	-
Misc Expenses	5,434	1,000	1,000	-
S.M.I.P.	173	200	200	-
SB 1473	49	100	100	-
Total Non-Departmental	32,256	42,700	34,100	(8,600)
Police				
Payroll	980,695	1,036,000	1,120,900	84,900
Overtime	164,023	140,000	140,000	-
Reserves Payroll	92,325	95,000	95,000	-
PERS UAL - After 06/30/18	-	1,050	13,400	12,350
PERS UAL	105,353	101,950	110,200	8,250
PERS Retirement	106,666	136,500	150,200	13,700
PERS 457 Expense	30,600	32,400	32,400	-
Medicare-ER	17,971	15,700	16,200	500
Social Security-ER	4,444	1,600	-	(1,600)
Unemployment Ins-Fed & State	10,500	10,500	11,000	500
Dental Expense	14,692	17,900	16,200	(1,700)

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Health Insurance	233,815	296,400	304,800	8,400
Health Insurance -Retiree	1,738	2,000	-	(2,000)
Vision Ins	2,441	2,900	2,500	(400)
Workers Comp and EAP	166,139	172,400	142,000	(30,400)
Wellness Program	6,106	5,300	5,000	(300)
Uniform Allowance	6,250	10,000	10,000	-
Materials/Supply	37,525	18,670	15,000	(3,670)
Ammunition	4,931	5,000	5,000	-
Body Armor Vests	-	12,150	1,500	(10,650)
Office Supplies	4,268	5,000	5,000	-
Auto Operations - Supplies / Equip	1,806	2,500	2,500	-
Auto Operations - Fuel	31,311	30,000	30,000	-
Repair/Maintenance	17,585	14,000	2,000	(12,000)
Other Outside Services	-	-	5,000	5,000
Shredding Services	465	1,000	1,000	-
Telephone	23,522	14,000	13,000	(1,000)
Internet	868	6,500	6,500	-
Annual Maintenance-Records Manage	6,014	6,020	6,500	480
Annual Maintenance	3,276	3,400	3,400	-
Annual Maintenance-MDT	-	3,300	-	(3,300)
Postage / Shipping	585	500	500	-
Training	12,796	15,000	5,000	(10,000)
Insurance-Liability	120,653	125,435	205,800	80,365
Insurance-Property	-	10,075	10,000	(75)
Audit-Finance	4,500	4,500	5,000	500
Contract Services - IT	9,250	12,900	12,900	-
Contract Services-Others	-	4,200	4,200	-
HR Services-RGS	-	3,000	-	(3,000)
Janitorial Services	2,900	3,000	3,000	-
911-Radio Dispatch	73,698	58,500	59,350	850
911-Inform MDT Terminal Service	-	1,500	900	(600)
911-Notification System	-	400	400	-
911-NGEN O&M	-	8,000	13,400	5,400
911-NGEN Debt	-	5,200	7,700	2,500
911-NGEN Phase II Upgrade	-	-	7,000	7,000
Auto Repair/Maintenance	14,735	14,000	14,000	-
Parking & Admin Citations Services	4,508	5,000	5,000	-
Animal Regulation Fire	-	500	500	-
Fund Jail & Prisoner	28	200	200	-
ACJIS System	11,006	9,000	9,000	-

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Software/Server Subscription	12,428	14,000	20,000	6,000
Computer Server	3,455	3,500	2,500	(1,000)
Personnel Recruit & Pre-Employment	3,191	3,000	3,000	-
Membership Dues-Professional Org	4,568	5,000	9,000	4,000
Books and Periodicals	719	900	900	-
Printing / Publications	2,655	3,000	2,000	(1,000)
Misc Expenses	-	-	1,000	1,000
Travel Expenses	22,318	13,000	13,000	-
Principal-Motorola Lease-Cameras	19,752	21,350	21,350	-
Principal-Sunridge Records Mgmt	7,949	-	8,500	8,500
Interest-Sunridge Records Mgmt	2,331	-	300	300
Equipment	51,185	-	-	-
Computers	-	-	-	-
Vehicle Replacement	-	80,000	-	(80,000)
Total Police	2,460,541	2,623,800	2,711,600	87,800
Fire/Animal Control				
Fire Seaside	219,102	227,600	234,400	6,800
Total Fire/Animal Control	219,102	227,600	234,400	6,800
Public Works/Streets				
Payroll	82,966	83,600	84,800	1,200
Overtime	-	3,000	3,000	-
PERS UAL	893	1,000	400	(600)
PERS Retirement	5,672	6,500	6,600	100
Medicare-ER	1,198	1,300	1,300	-
Unemployment Ins-Fed & State	77	100	100	-
Dental Expense	1,524	1,600	1,600	-
Health Insurance	27,086	30,300	33,200	2,900
Vision Ins	198	300	300	-
Workers Comp and EAP	4,578	5,200	5,500	300
Wellness Program	614	600	500	(100)
Materials/Supply	13,853	16,500	12,000	(4,500)
Office Supplies	540	1,500	1,500	-
Auto Operations - Supplies / Equip	2,050	2,500	2,500	-
Auto Operations - Fuel	6,819	6,000	6,000	-
Repair/Maintenance	40,364	38,260	30,000	(8,260)
Other Outside Services	-	1,000	1,000	-
Gabilan Crew	-	5,000	5,000	-
Utilities - PG&E	15,712	20,000	20,000	-
Utilities - Water	4,457	5,000	5,000	-
Telephone	-	300	300	-

**City of Del Rey Oaks
FY 2025 Proposed Budget**

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Training	-	5,000	4,000	(1,000)
Insurance-Liability	9,999	10,660	15,600	4,940
Insurance-Property	-	780	-	(780)
Insurance-Vehicles	-	4,500	5,000	500
Organic Waste Regs Services (SB 1383)	-	9,000	9,000	-
Auto Repair/Maintenance	4,336	8,300	8,300	-
Printing / Publications	1,897	1,250	1,300	50
Storm Water Project - Phase 4	21,037	23,000	23,000	-
Storage Shed	7,075	-	-	-
Equipment	-	21,000	2,000	(19,000)
Contingency	-	27,780	-	(27,780)
Total Public Works/Streets	252,945	340,830	288,800	(52,030)
Parks/Recreation				
Materials/Supply	7,006	15,400	14,000	(1,400)
Office Supplies	-	-	1,000	1,000
Repair/Maintenance	30,018	25,000	25,000	-
Utilities - Water	3,622	3,000	3,000	-
Travel Expenses	-	100	100	-
Storage Shed	7,075	-	-	-
Total Parks/Recreation	47,721	43,500	43,100	(400)
Total Expense	4,327,022	4,683,052	4,808,300	125,248
Other Financing Sources and Uses:				
Transfers Out to FHA Grant-Match	00	-	-	
Transfers Out to CIP :				
Transfers Out to CIP (From Fund Balance) :	(35,000)	(198,900)	(80,000)	
Total Other Financing Sources and Uses	(35,000)	(198,900)	(80,000)	
TOTAL GENERAL FUND	4,362,022	4,881,952	4,888,300	
Excess(Deficit) of Revenue Over Expenditures	99,412	(4,752)	(80,000)	
Beginning Fund Balance		2,851,378	3,031,268	
Ending Fund Balance		3,031,268	2,791,268	
210 - Gas Tax Fund	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Revenue				
Non Department Specific				
Gas Tax 2103	12,852.72	14,600.00	15,100	500
Gas Tax 2105	8,976.92	10,000.00	10,500	500
Gas Tax 2106	9,704.91	9,000.00	9,500	500
Gas Tax 2107	11,220.56	11,900.00	12,400	500
Gas Tax 2107.5	1,000.00	1,000.00	1,000	
Total Non Department Specific	43,755.11	46,500.00	48,500	2,000
Total Revenue	43,755.11	46,500.00	48,500	2,000
Expense				
Public Works/Streets				
Street Sweeping	12,156.20	10,000.00	10,000	-
Street Lighting	12,304.09	15,000.00	15,000	-
Total Public Works/Streets	24,460.29	25,000.00	25,000	-
Total Expense	24,460.29	25,000.00	25,000	-
Excess(Deficit) of Revenue Over Expenditures	19,294.82	21,500.00	23,500	
Beginning Fund Balance		85,446.00	106,946	
Ending Fund Balance		106,946.00	130,446	

	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
211 - SB1 Fund-RMRA				
Revenue				
Non Department Specific				
SB 1 Funds	32,186.29	38,900.00	40,800	
Total Non Department Specific	32,186.29	38,900.00	40,800	
Total Revenue	32,186.29	38,900.00	40,800	
Expense				
Curb Repair				
Curb and Gutter Repair	-	-	-	Not Included in
Total Curb Repair	-	-	-	
Saucito/Work Gutter & Curb				
Curb and Gutter Repair	-	-	40,000	

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Total Saucito/Work Gutter & Curb Angelus/Rosita Drainage Repairs	-	-	40,000	
Drainage Repairs	-	-	150,000	
Total Saucito/Work Gutter & Curb Via Verde Curb & Gutter Repair	-	-	150,000	
Curb and Gutter Repair	-	13,200.00		
Total Via Verde Curb & Gutter Repair	-	13,200.00	-	
Total Expense	-	13,200.00	190,000	
Excess(Deficit) of Revenue Over Expenditures	32,186.29	25,700.00	(149,200)	
Beginning Fund Balance		135,031.00	160,731	
Ending Fund Balance		160,731.00	11,531	

	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
212 - Measure X Fund				
Revenue				
Non Department Specific				
Measure X	99,031.32	94,400.00	94,400	
Total Non Department Specific	99,031.32	94,400.00	94,400	
Total Revenue	99,031.32	94,400.00	94,400	
Expense				
Via Verde/Los Encinos Street Repair				
Street Improvements	-	39,500.00		
Total Via Verde/Los Encinos Street Repa	-	39,500.00	-	
Angelus/Rosita Storm Drain Repair (Engineering)				
Street Improvements	-	-		
Total Angelus/Rosita Storm Drain Repair	-	-	-	
Angelus/Rosita Storm Drain Repair (Construction)				
Street Improvements	-	-	74,100	Grant Match
Total Angelus/Rosita Storm Drain Repair	-	-	74,100	
Debt Service - Measure X				
Principal - Measure X Loan	82,690.99	80,400.00	80,400	
Interest - Measure X	16,340.36	14,000.00	14,000	
Total Debt Service - Measure X	99,031.35	94,400.00	94,400	
Total Expense	99,031.35	133,900.00	168,500	

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Excess(Deficit) of Revenue Over Expenditures	(0.03)	(39,500.00)	(74,100)	
Beginning Fund Balance		114,539.00	75,039	
Ending Fund Balance		75,039.00	939	
221 - FORA Habitat Management Fund	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
Expense				
Planning & Building Regulation				
Contract Services - Habitat Management	-	34,536.50		
Total Planning & Building Regulation	-	34,536.50	-	
Total Expense	-	34,536.50	-	
Excess(Deficit) of Revenue Over Expenditures	-	(34,536.50)	-	
Beginning Fund Balance		736,441.00	701,905	
Ending Fund Balance		701,904.50	701,905	
223 - ARPA Fund	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
Revenue				
Non Department Specific				
ARPA Grant	197,836.00	-		
Total Non Department Specific	197,836.00	-		
Total Revenue	197,836.00	-	-	
Expense				
City Clerk				
Agenda Management System	8,070.00	-		
Document Management System	-	-		
Council Chamber Technology	626.09	-		
Computer Server	9,988.72	-		
Total City Clerk	18,684.81	-	-	
Police				
Mobile Data Terminals	12,217.49	5,998.17		

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Portable Radios	57,931.66	2,589.89		
Total Police	70,149.15	8,588.06	-	
City Hall Parking Lot Imp				
Parking Lot Improvements & Repairs	97,556.27	100,000.00	50,000	
Total City Hall Parking Lot Imp	97,556.27	100,000.00	50,000	
Total Expense	186,390.23	108,588.06	50,000	
Excess(Deficit) of Revenue Over Expenditures	11,445.77	(108,588.06)	(50,000)	
Beginning Fund Balance		170,460.00	61,872	
Ending Fund Balance		61,871.94	11,872	
	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
231 - BSCC-Wellness & Mental Health Gr				
Revenue				
Police				
Officer Wellness & Mental Health Gra	15,000.00	-		
Total Police	15,000.00	-	-	
Total Revenue	15,000.00	-	-	
Expense				
Police				
Law Enforcement Wellness App	166.58	2,000.00	2,000	
Total Police	166.58	2,000.00	2,000	
Total Expense	166.58	2,000.00	2,000	
Excess(Deficit) of Revenue Over Expenditures	14,833.42	(2,000.00)	(2,000)	
Beginning Fund Balance		14,833.00	12,833	
Ending Fund Balance		12,833.00	10,833	
	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
235- Asset Forfeitures				
Revenue				
Police				

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Police Grants & Other Reimbursement	-	5,000.00		
Total Police	-	5,000.00	-	
Total Revenue	-	5,000.00	-	
Excess(Deficit) of Revenue Over Expenditures	-	5,000.00		
Beginning Fund Balance		-	5,000	
Ending Fund Balance		5,000.00	5,000	

	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
236 - Drug Enforcement Administration				
Revenue				
Police				
DEA Reimbursements	-	44,000.00	44,000	
Total Police	-	44,000.00	44,000	
Total Revenue	-	44,000.00	44,000	
Expense				
Police				
Overtime-DEA	615	44,000	44,000	-
Total Police	615.20	44,000.00	44,000	
Total Expense	615.20	44,000.00	44,000	
Excess(Deficit) of Revenue Over Expenditures	-	-		
Beginning Fund Balance		-	-	
Ending Fund Balance		-	-	

	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
242 - REAP Grant				
Revenue				
Planning				
REAP Grant	-		42,500	
Total	-	-	42,500	
Total Revenue	-	-	42,500	
Expense				

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Planning				
Planning Services	-		42,500	
Total Police	-	-	42,500	
Total Expense	-	-	42,500	
Excess(Deficit) of Revenue Over Expenditures	-	-	-	
Beginning Fund Balance		-	-	
Ending Fund Balance		-	-	
	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
251 - Cal Fire Grant				
Revenue				
Recreation & Parks				
Cal Fire Grant	-	20,632.00	297,300	
Total	-	20,632.00	297,300	
Total Revenue	-	20,632.00	297,300	
Expense				
Recreation & Parks				
Tree Service	51		297,300	
Equipment	-	20,632.00	-	
Total Police	-	20,632.00	297,300	
Total Expense	-	20,632.00	297,300	
Excess(Deficit) of Revenue Over Expenditures	-	-	-	
Beginning Fund Balance		-	-	
Ending Fund Balance		-	-	
	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed	
260 - CDBG Grant				
Revenue				
Grants & Contributions				
CDBG Grant	-	-	90,000	
Total	-	-	90,000	

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Total Revenue	-	-	90,000	
Expense				
Recreation & Parks				
Del Rey Park Accesssibility Improvern	-	-	90,000	
Total Police	-	-	90,000	
Total Expense	-	-	90,000	
Excess(Deficit) of Revenue Over Expenditures	-	-	-	
Beginning Fund Balance		-	-	
Ending Fund Balance		-	-	
	FY 22-23 Actual		FY 2024-25	
	As of	FY 23-24 YTD		
	06/30/2023	Budget - Revised	Proposed	
301 - Capital Projects				
Expense				
Housing Element 6th Cycle				
Housing Element Cost - 6th Cycle	-	138,900.00		
Total Housing Element 6th Cycle	-	138,900.00	-	
Vehicle Replacement				
Vehicle Replacement	-	40,000.00	45,000	Set-Aside
Total Vehicle Replacement	-	40,000.00	45,000	
PD Radio Replacement				
PD Radio Replacement	-	-	10,000	Set-Aside
Total PD Radio Replacement	-	-	10,000	
Safeway Repairs				
Parking Lot Improvements & Repairs	34,050.50	-		
Total Safeway Repairs	34,050.50	-	-	
City Hall Facility Repairs & Upgrades				
Repairs and Improvements	-	10,000.00	20,000	
Total City Hall Facility Repairs & Upgrades	-	10,000.00	20,000	
Council Chamber Technology Project				
Technology Upgrades	-	10,000.00	5,000	
Total Council Chamber Technology Project	-	10,000.00	5,000	
Total Expense	34,051	198,900	80,000	
Other Financing Sources and Uses				
Safeway Repairs				
Transfers In from GF (IFT-DO NOT USE	35,000.00	-		

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Total Safeway Repairs	35,000.00	-	-	
Housing Element 6th Cycle				
Transfers In from GF	-	138,900.00		
Total Housing Element 6th Cycle	-	138,900.00	-	
Vehicle Replacement				
Transfers In from GF-Fund Balance	-	40,000.00	45,000	for set-aside
Total Vehicle Replacement	-	40,000.00	45,000	
PD Radio Replacement				
Transfers In from GF-Fund Balance	-	-	10,000	fro set-aside
Total PD Radio Replacement	-	-	10,000	
City Hall Facility Repairs & Upgrades				
Transfers In from GF	-	10,000.00	20,000	
Total City Hall Facility Repairs & Upgrades	-	10,000.00	20,000	
Council Chamber Technology Project				
Transfers In from GF	-	10,000.00	5,000	
Total Council Chamber Technology Project	-	10,000.00	5,000	
Total Other Financing Sources and Uses	35,000.00	198,900.00	80,000	
Excess(Deficit) of Revenue Over Expenditures	949.50	-	-	
Beginning Fund Balance		950.00	950	
Ending Fund Balance		950.00	950	
	FY 22-23 Actual		FY 2024-25	
	As of	FY 23-24 YTD		
	06/30/2023	Budget - Revised	Proposed	
311 - Prop 68 Grant Fund				
Revenue				
Non Department Specific				
Prop 68 Grant	177,952.00	-		
Total Non Department Specific	177,952.00	-	-	
Total Revenue	177,952.00	-	-	
Expense				
Park Improvements	24,049.72	-		
Total Park Parking Lot/Accessibility Project	24,049.72	-		
Total Expense	24,049.72	-	-	
Other Financing Sources				

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
Non Department Specific				
Transfers In from Other Funds (IFT-DO)	30,000.00	-		
Total Non Department Specific	30,000.00	-		
Total Other Financing Sources	30,000.00	-		
Excess(Deficit) of Revenue Over Expenditures	183,902.28	-	-	
Beginning Fund Balance		-	-	
Ending Fund Balance		-	-	

	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed
321 SBR Engineering Fund			
Revenue			
Non Department Specific			
Prop 68 Grant	-	-	
Total Non Department Specific	-	-	-
Total Revenue	-	-	-
Expense			
SBR Engineering			
Contract Services - Engineering	-	-	300,000
Total SBR Engineering	-	-	300,000
Total Expense	-	-	300,000
Excess(Deficit) of Revenue Over Expenditures		-	(300,000)
Beginning Fund Balance		505,830.00	505,830
Ending Fund Balance		505,830.00	205,830

	FY 22-23 Actual As of 06/30/2023	FY 23-24 YTD Budget - Revised	FY 2024-25 Proposed
331 - FHWA Grant Fund			
Revenue			
Non Department Specific			

City of Del Rey Oaks
FY 2025 Proposed Budget

	FY 2022-2023	FY 2023-2024	FY 2024-25	
	Actual 06/30/2023	Current Budget	Proposed Budget	Increase (Decrease)
FHWA Grant	-	-	543,400	
Total Non Department Specific	-	-	543,400	
Total Revenue	-	-	543,400	
Expense				
Rosita Emergency Repairs				
Contract Services - Prelim Engineering	-	-	49,400	
Contract Services - Const. Engineering	-	-	74,100	
Road Construction	-	-	494,000	
Total Rosita Emergency Repair	-	-	617,500	
Total Expense	-	-	617,500	
Other Financing Sources and Uses				
Rosita Road Repairs				
Transfers In from Measure X fund	-	-	74,100	
Total Council Chamber Technology Project	-	-	74,100	
Total Other Financing Sources and Uses	-	-	74,100	
Excess(Deficit) of Revenue Over Expenditures	-	-	-	
Beginning Fund Balance		-	-	
Ending Fund Balance		-	-	

**City of Del Rey Oaks
5 Year Capital Improvement Plan**

Project Description	Estimated Cost	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	Funded	Unfunded	Source
Saucito/Work Gutter & Curb	\$ 40,000	\$ 40,000					\$ 40,000	\$ -	SB 1
Angelus/Rosita Drainage Repairs	\$ 150,000	\$ 150,000					\$ 150,000	\$ -	SB 1
Rosita Emergency Repair (Prelim. Eng.)	\$ 49,400	\$ 49,400					\$ 49,400	\$ -	FHWA Grant
Rosita Emergency Repair (Const. Eng.)	\$ 74,100	\$ 74,100					\$ 74,100	\$ -	Measure X FB
Rosita Emergency Repair (Construction.)	\$ 494,000	\$ 494,000					\$ 494,000	\$ -	FHWA Grant
Wildfire Fuels Reduction	\$ 297,300	\$ 297,300					\$ 297,300	\$ -	Cal Fire Grant (2024 carryover)
City Hall Parking Lot Improvements	\$ 150,000	\$ 150,000					\$ 150,000	\$ -	ARPA (FY24 carryover)
City Hall Roof Repairs	\$ 47,446	\$ 47,446					\$ 47,446	\$ -	ARPA (FY24 carryover)
City Hall Fence Replacement	\$ 20,000	\$ 20,000					\$ 20,000	\$ -	GF Fund Balance
Council Chamber Technology Upgrades	\$ 10,000	\$ 5,000	\$ 5,000				\$ 10,000	\$ -	GF Fund Balance
Del Rey Park Accessibility Improvements	\$ 90,000		\$ 90,000				\$ 90,000	\$ -	2024-25 CDBG
Via Verde Curb & Gutter Repair	\$ 90,000		\$ 90,000				\$ 90,000	\$ -	Gas Tax
City Hall Sewer Upgrades	\$ 40,000		\$ 40,000				\$ 40,000	\$ -	GF Fund Balance
Adair Stairs Repairs	\$ 15,000		\$ 15,000				\$ 15,000	\$ -	GF Fund Balance
City Hall Chamber Renovation	\$ 50,000		\$ 50,000				\$ 50,000	\$ -	GF Fund Balance
Park Bathroom Water Efficiency	\$ 40,000			\$ 40,000			\$ 40,000	\$ -	GF Fund Balance
Playground Replacement	\$ 170,000			\$ 170,000			\$ -	\$ 170,000	TBD
Street Resurfacing Program	\$ 1,000,000					\$ 1,000,000	\$ -	\$ 1,000,000	Measure X Loan
South Boundary Realignment Design	\$ 600,000	\$ 300,000	\$ 200,000	\$ 100,000			\$ 600,000	\$ -	SBR Engineering Fund
Totals	\$ 3,427,246	\$1,627,246	\$ 490,000	\$ 310,000	\$ -	\$ 1,000,000	\$ 2,257,246	\$ 1,170,000	

SUMMARIES & SCHEDULES

Fund Transfers

Account Number				Transfers In	Transfers Out
To fund Capital Projects					
301	532	49101	Transfers In-Housing Element		
301	533	49101	Transfers In-Vehicle Replacement	45,000	
301	543	49101	Transfers In-PD Radio Replacement	10,000	
301	541	49101	Transfers In-City Hall Facility Repairs & Upgrades	20,000	
301	542	49101	Transfers In-Council Chamber Technology Upgrades	5,000	
100			Transfers Out from General Fund		80,000
Total-All Funds				80,000	80,000

City of Del Rey Oaks
Position Control List for FY 2024-2025

	Actual	Budget	Proposed
Position	2022-23	2023-24	2024-25
City Manager	1	1	1
Deputy City Clerk & Assistant to the City Manager	1	0	0
City Clerk		1	1
Administrative Services Technician			1
Deputy City Clerk/Permit Clerk	0	0	1
Administrative Assistant	1	1	0
Assistant City Manager and Chief of Police	1	0	0
Chief of Police	0	1	1
Commander	1	1	1
Sergeant	3	3	3
Police Officer *	5	5	5
Public Works Supervisor	1	1	1
Total Positions	14	14	15

*Police Officer positions are authorized at 6 but only 5 positions are filled for FY 24-25 Budget

CITY OF DEL REY OAKS
SALARY SCHEDULE FOR FISCAL YEAR 2024-2025

Title	Step 1	Step 2	Step 3	Step 4	Step 5	Contract
City Manager	Per Contract					
Monthly						16,844.50
Bi-weekly						7,774.40
Hourly Rate						97.18
Annual						202,134.00
Chief of Police	Per Contract					
Monthly						13,333.33
Bi-weekly						6,154.00
Hourly Rate						76.93
Annual	-	-	-	-	-	160,000.00
City Clerk						
Monthly	6,974.92	7,323.33	7,689.08	8,073.83	8,477.75	
Bi-weekly	3,219.20	3,380.00	3,548.80	3,726.40	3,912.80	
Hourly Rate	40.24	42.25	44.36	46.58	48.91	
Annual	83,699.00	87,880.00	92,269.00	96,886.00	101,733.00	
Deputy City Clerk/Permit Clerk						
Monthly	5,286.67	5,551.83	5,829.17	6,120.42	6,427.17	
Bi-weekly	2,440.00	2,562.40	2,690.40	2,824.80	2,966.40	
Hourly Rate	30.50	32.03	33.63	35.31	37.08	
Annual	63,440.00	66,622.00	69,950.00	73,445.00	77,126.00	
Administrative Services Technician						
Monthly	5,286.67	5,551.83	5,829.17	6,120.42	6,427.17	
Bi-weekly	2,440.00	2,562.40	2,690.40	2,824.80	2,966.40	
Hourly Rate	30.50	32.03	33.63	35.31	37.08	
Annual	63,440.00	66,622.00	69,950.00	73,445.00	77,126.00	
Police Commander						
Monthly	8,526.67	8,952.58	9,400.33	9,869.83	10,363.08	
Bi-weekly	3,935.40	4,131.96	4,338.60	4,555.32	4,782.96	
Hourly Rate	46.85	49.19	51.65	54.23	56.94	
Annual	102,320.00	107,431.00	112,804.00	118,438.00	124,357.00	
Police Sergeant						
Monthly	7,525.67	7,902.42	8,297.42	8,712.33	9,147.33	
Bi-weekly	3,473.40	3,647.28	3,829.56	4,021.08	4,221.84	
Hourly Rate	41.35	43.42	45.59	47.87	50.26	
Annual	90,308.00	94,829.00	99,569.00	104,548.00	109,768.00	
Police Officer						
Monthly	6,490.08	6,814.08	7,154.42	7,513.00	7,887.92	
Bi-weekly	2,995.44	3,144.96	3,302.04	3,467.52	3,640.56	
Hourly Rate	35.66	37.44	39.31	41.28	43.34	
Annual	77,881.00	81,769.00	85,853.00	90,156.00	94,655.00	
Public Works Supervisor						
Monthly	5,655.83	5,938.42	6,234.83	6,546.83	6,964.50	
Bi-weekly	2,610.40	2,740.80	2,877.60	3,021.60	3,214.40	
Hourly Rate	32.63	34.26	35.97	37.77	40.18	
Annual	67,870.00	71,261.00	74,818.00	78,562.00	83,574.00	
Temporary/Part Time EE	At the discretion of the City Manager					
Hourly Rate					50.00	

CITY OF DEL REY OAKS
SALARY SCHEDULE FOR FISCAL YEAR 2024-2025

- 1.** Mayor and City Council Members shall be paid the sum of \$100.00 per month for attendance at all regular and special council meetings unless previously granted a leave of absence with pay, or unless excused by the Mayor.
- 2.** The Mayor is paid an additional \$125 per month for promoting and advertising the City.
- 3.** All employees of the City pay the full employee paid percent contribution to each employee's PERS account.
- 4.** The Police Chief and the City manager's salaries are per individual contract.
- 5.** Police Reserve officers are paid at a rate of \$35.66 per hour worked (1st step Police Officer).
- 6** Police Officers Uniform Allowance \$1,000 annually
- 7** City Manager: Auto Allowance \$450/month (\$5,400 annual)
- 8** PD works 84 hours/ pay period
- 9** Educational Incentive:
 - \$100 per month for Associate's degree
 - \$200 per month for Bachelor's degree
- 10** Longevity Pay:
 - 2% longevity pay for individual's working over 10 years
 - 4% longevity pay for individual's working over 20 years

Chart of Accounts

Account Code Account Title

FUNDS:

- 100 General Fund
- 210 Gas Tax Fund
- 211 SB1 Fund-RMRA
- 212 Measure X Fund
- 213 Corona Virus Relief Fund
- 221 FORA Habitat Management Fund
- 223 ARPA Fund
- 231 BSCC-Officer Wellness & Mental Health Grant
- 235 Asset Forfeitures
- 236 Drug Enforcement Administration (DEA)
- 242 REAP Grant
- 251 Cal Fire Grant
- 260 CDBG Fund
- 301 Capital Projects
- 310 TAMC Street Projects
- 311 Prop 68 Grant Fund
- 321 SBR Engineering Fund
- 322 SBR/GJM Intersection Construction Fund
- 323 SBR Construction Fund
- 810 PARS 115 Trust
- 910 Government Wide
- 920 General Long-Term Debt

DEPARTMENT/PROJECTS:

- 000 Non Department Specific
- 100 General Government (Header)
- 110 Council
- 111 City Clerk
- 120 City Manager
- 130 Finance
- 140 Administration
- 150 Legal
- 160 Planning & Building Regulation
- 180 Government Buildings
- 190 Non-Departmental
- 210 Police
- 211 Cops
- 220 Fire/Animal Control
- 300 Public Works (Header)
- 311 Public Works/Streets
- 411 Parks/Recreation
- 500 Capital Projects**

Chart of Accounts

Account Code Account Title

FUNDS:

511 Street Slurry
512 Traffic Calming
513 Hwy 218 Corridor Planning
514 Street Reconstruction
515 Three Cedars, LLC
516 SBR Sewer Design
517 Solar City Hall
518 SBR Engineering
519 JCFA HCP Funds
520 Portola/Work Walkway
521 Street Curb Replacement
522 Park Improvements
523 Street Improvements
524 Via Verde/Los Encinos Street Repair
525 Angelus/Rosita Storm Drain Repair (Engineering)
526 Angelus/Rosita Storm Drain Repair (Construction)
527 City Hall Parking Lot Imp
528 Park Parking Lot
529 Park Play Structure
530 Basketball Court Reconstruction
531 Park Parking Lot/Accessibility Project
532 Housing Element 6th Cycle
533 Vehicle Replacement
534 Safeway Parking Improvements (Sinkhole)
535 Safeway Repairs
536 Curb Repair
537 Saucito/Work Gutter & Curb
538 Via Verde Curb & Gutter Repair
541 City Hall Facility Repairs & Upgrades
542 Council Chamber Technology Project
610 Debt Service - Measure X
700 Transfer In/Out
999 Government-Wide

REVENUE ACCOUNTS:

41000 Taxes
41110 P/T-Secured
41120 P/T-Unsecured
41130 P/T-Prior Secured
41140 Prior Unsecured
41150 P/T-Unitary Tax
41160 P/T-Supplemental Roll (SB813)

Chart of Accounts

Account Code Account Title

FUNDS:

41170 Property Tax - VLF
41180 Prop Tax-Interest/Penalty
41190 P/T - Administrative Fee
42000 Other Taxes
42210 Sales Tax
42220 Sales Tax - 145 (Measure S-1%)
42221 Sales Tax -409 (Measure R 1/2%)
42222 Cannabis Tax
42223 Cannabis Tax-Delinquent
42230 Transient Occupancy Tax
42235 Less Sales Tax Admin Fee
42250 Property Transfer Tax
42290 Sewer Impact
42310 Business Licenses
42700 Franchise Fees
42761 Gas Franchises
42762 Electric Franchises
42763 Garbage Franchises
42764 Cable Tv Franchises
42765 Water Franchises
43000 Licenses & Permits
43311 SB1186 Disability Access Fund
43312 SB1473 Environmental Assessment Fee
43320 Building Permits
43325 Cannabis Business Permit
43330 Plan Check Fees
43340 Street Opening Permits Fees
43350 Plumbing Permits
43360 Electrical Permits
43390 Other Licenses/Permits
45000 Fines & Forfeitures
45510 Vehicle Code Fines
45512 Parking and Admin Fines
46100 Interest Earned
46101 Interest Earned-PARS
46200 Interest Income-GASB 87
46815 Rental Income - Garden Center
46816 Rental Income - Airport RV
46817 Rental Income - PW Bldg (CHC Enterprise)
47000 Other Agency Revenue
47010 Gas Tax 2103
47020 Gas Tax 2105

Chart of Accounts

Account Code Account Title

FUNDS:

47030 Gas Tax 2106
47040 Gas Tax 2107
47050 Gas Tax 2107.5
47110 Motor Vehicle License Fee(Mvlf)
47130 HOPTR
47140 Vehicle License Collection
47240 COPS
47241 AMBAG REAP Grant
47242 HCD LEAP Grant
47243 SB1383 Organics Recycling
47340 CARES Act
47520 FEMA Reimbursement
47521 ARPA Grant
47750 Prop 172
47751 Prop 68 Grant
47760 Wellness Program
47761 Officer Wellness & Mental Health Grant
47765 CDBG Grant
47767 FORA Caretaker Grant
47768 Cal Fire Grant
47770 Traffic Congestion Relief-Ab438
47771 FORA Contribution for SBR/GJM Intersection
47772 FORA Contribution for SBR Construction
47774 Measure X Loan/Advance
47775 Measure X
47776 RSTP Funds
47777 SB 1 Funds
47778 SBR Engineering
47779 JCFA HCP Funds
47780 Police Grants & Other Reimbursements
47781 POST Reimbursements
47782 DEA Reimbursements
47783 Grant Other Agencies
47910 FORA Caretaker Grant
48000 Current Services
48210 Police Service Fees
48211 Police Services-Special Events
48212 Public Events
48220 Airport Police Services
48250 Pd Donations
48805 Use Permits
48810 Maps/Publications

Chart of Accounts

Account Code Account Title

FUNDS:

48825 Property Inspections
48840 Miscellaneous Revenue
48844 Donations
48910 Rental - Park
48920 Rental Income - PW Bldg
48925 Lease Revenue-GASB 87
48930 Miscellaneous Refunds
48950 Bank Reconciliation Adjustments
48960 Restitution
48970 MBASIA Contribution

EXPENDITURE ACCOUNTS:

61000 Salaries & Benefits
61105 Payroll
61107 Temp Payroll
61110 Overtime
61111 Overtime-DEA
61112 Overtime-Cannabis Tax Fund Grant
61115 Council Member Stipend
61120 Reserves Payroll
61123 PERS UAL - After 06/30/18
61124 PERS UAL
61125 PERS Retirement
61126 PERS 457 Expense
61127 Dental Exp - City Council
61130 Medicare-ER
61131 Social Security-ER
61132 Unemployment Ins-Fed & State
61135 Dental Expense
61140 Health Insurance
61141 Health Insurance -Retiree
61145 Vision Ins
61150 Workers Comp and EAP
61155 Wellness Program
61160 Uniform Allowance
61165 Deferred Compensation
61170 Opeb
61171 PARS
61175 Admin Leave
61180 Auto Allowance
61195 Reimbursements
61196 Reimbursements - Exp

Chart of Accounts

Account Code Account Title

FUNDS:

61199 Compensated Absences
62000 Supplies
62310 ADP Payroll Fees
62320 Bank Service Charges
62325 Bank Reconciliation Adjustments
62327 Grant Writing Services
62410 Materials/Supply
62420 Ammunition
62422 Body Armor Vests
62430 Office Supplies
62431 Accounting Software
62432 MuniCode Updates
62440 Special Supply Police
62450 Radio System Lease - Principal
62451 Radio System Lease - Interest
62460 PD Safety Equip Lease - Principal
62461 PD Safety Equip Lease - Interest
62710 Auto Operations - Supplies / Equip
62720 Auto Operations - Fuel
63000 Outside Services
63200 Payroll Expense
63300 Bank Service Charges
63505 Repair/Maintenance
63508 Other Outside Services
63509 Shredding Services
63510 Street Sweeping
63515 Gabilan Crew
63520 Utilities - PG&E
63525 Utilities - Water
63530 Telephone
63531 Internet
63535 Website Design & Maintenance
63537 Annual Maintenance-Records Management Software
63538 Annual Maintenance
63539 Annual Maintenance-MDT
63540 Postage / Shipping
63605 Training
63610 Other Permits PW Engineering
63611 Contract Services - Engineering
63615 Equipment Maint
63620 Insurance-Liability
63621 Insurance-Property

Chart of Accounts

Account Code Account Title

FUNDS:

63622 Insurance-Vehicles
63625 Audit-Finance
63626 Audit -Sales Tax
63627 Actuarial Services
63630 Contract Accounting DNU
63635 Contract Services - IT
63636 Contract Services - MIP
63637 Contract Services-Others
63638 Housing Element Cost - 6th Cycle
63639 Economic Development Services
63640 Planning Services
63641 Contractual Services - Cop
63642 Contract Services - Housing Element
63643 Contractual Services - Icop
63644 Contractual Services - PW
63645 Accounting Services-RGS
63646 Contract Services - Habitat Management Plan
63647 Contract Services - Cannabis
63648 Building Inspections Services
63649 Engineering Services
63650 Legal Services
63651 Contract Services -Finance
63652 HR Services-RGS
63653 Contract Services - PM
63654 Organic Waste Regs Services
63655 XContrl Retainer Legal DNU
63656 Code Enforcement Services
63657 Temporary Assistance
63660 Janitorial Services
63665 911-Radio Dispatch
63666 911-Inform MDT Terminal Service
63667 911-Notification System
63668 911-NGEN O&M
63669 911-NGEN Debt
63670 Comm Hum Serv Non-Dept
63694 Mpp - Planning Services
63695 Mpp - Legal Services
63730 Auto Repair/Maintenance
63800 Police And Fire
63810 Fire Seaside
63812 Parking & Admin Citations Services
63820 Animal Regulation Fire

Chart of Accounts

Account Code Account Title

FUNDS:

63830 Fund Jail & Prisoner
63840 ACJIS System
63910 Street Lighting
63913 Tree Service
63955 Capital Improvements
63956 2019 Resurface Project
64310 Software/Server Subscription
64314 Law Enforcement Wellness App
64315 Agenda Management System
64316 Document Management System
64317 Council Chamber Technology
64318 Computer Server
64320 Municipal Code Service
64330 Records Retention Services
64545 Personnel Recruit & Pre-Employment
64550 Membership Dues-Professional Org
64551 Membership Dues-Non Profit Agency Contrib
64552 Membership Dues-Government Agency
64555 Ad Promotion City Council
64560 Legal Advert
64565 Books and Periodicals
64570 Strategic Planning
64575 Printing / Publications
64580 Misc Expenses
64581 Personnel Manual
64588 Election Cost
64610 Travel Expenses
64920 Storm Water Project - Phase 4
64930 S.M.I.P.
64940 SB 1473
65000 Debt Service
65101 Principal - Fora Loan
65102 Principal - Mbasia Loan
65103 Principal - Measure X Loan
65104 Principal-Motorola Lease-Cameras
65106 Principal-Sunridge Records Mgmt
65107 Interest-Sunridge Records Mgmt
65201 Interest - Fora Loan
65202 Interest - Mbasia Loan
65203 Interest - Measure X
65204 Interest-Motorola Lease-Cameras
65310 Land Payments To Fora

Chart of Accounts

Account Code Account Title

FUNDS:

65740 Principal-Auto Lease
65741 Interest-Auto Lease
65750 Mbasia Principal Payments
65971 Interest Expense
65972 LAIF Interest Exp
66000 Capital Outlays and Projects
66210 Storage Shed
66300 Furniture & Equipment
66302 Equipment
66305 Mobile Data Terminals
66306 Portable Radios
66310 Habitat Management Planning
66322 Repairs and Improvements
66323 Technology Upgrades
66327 Curb and Gutter Repair
66410 Street Improvements
66420 Park Improvements
66425 Parking Lot Improvements & Repairs
66735 Vehicle Replacement
66905 Contingency

CITY OF DEL REY OAKS

Staff Report

DATE: June 25, 2024
TO: Honorable Mayor and City Council
FROM: John Guertin, City Manager
SUBJECT: Approve City Investment Policy

CEQA: This action does not constitute a "project" as defined by the California Environmental Quality Act (CEQA) guidelines section 15378 as it is an organizational activity of the City that will not result in direct or indirect physical changes in the environment.

RECOMMENDATION

Staff recommends that the City Council approve the City Investment Policy by resolution.

BACKGROUND

California Government Code Section 53646(a) (2) states that the treasurer or chief fiscal officer of a local agency may render annually to the legislative body of the local agency an investment policy, which the legislative body shall consider at a public meeting. State law further requires the Treasurer or Chief Financial Officer to submit detailed information on all securities, investments, and monies of an agency on a quarterly basis.

SUMMARY AND DISCUSSION

The recommended action is routine in nature and will become part of our annual budget adoption process. The Investment Policy allows investment in all investment vehicles permitted by State law. However, in actual practice the funds managed by the City have historically been invested in the Local Agency Investment Fund (LAIF). Staff will look for higher yielding investments than LAIF that meet the criteria of Safety, Liquidity, and Yield in that order. Staff does not anticipate making any investment until the end of the Fiscal Year.

FISCAL IMPACT

The City's LAIF balance of \$3,964,111 is currently returning 4.33%. By becoming a more active, but still conservative, participant in the investment market, the City should net modestly higher yields resulting in more revenue for the City.

RECOMMENDED ACTION

Staff recommends that the City Council adopt a City Investment Policy by resolution.

ATTACHMENT(S)

1. Resolution
2. Investment Policy

RESOLUTION NO. 2024-13

**A RESOLUTION OF THE CITY OF DEL REY OAKS
ESTABLISHING THE INVESTMENT POLICY**

WHEREAS the City of Del Rey Oaks may invest surplus monies not required for the immediate necessities of the local agency in accordance with the provisions of California Government Code Sections 5921 and 53630 et seq.; and

WHEREAS it is necessary to establish the policy and guidelines for the City of Del Rey Oaks City Council to invest public funds in a manner which will provide a high level of safety and security of principal; and

WHEREAS the City Manager of the City of Del Rey Oaks shall annually prepare and submit a statement of investment policy and such policy, and any changes thereto, shall be considered by the legislative body at a public meeting; and

WHEREAS the City of Del Rey Oaks Investment Policy has been developed and presented to this City Council on June 27, 2024.

NOW, THEREFORE, BE IT RESOLVED by the City of Del Rey Oaks City Council that it does hereby adopt the attached Investment Policy, marked "Exhibit A," and authorizes and directs the City Manager to use said Policy in the investment of City funds.

PASSED AND ADOPTED by the City of Del Rey Oaks City Council at the regular meeting duly held on the 25th day of June 2024 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Karen Minami
City Clerk

Scott Donaldson
Mayor

CITY OF DEL REY OAKS INVESTMENT POLICY

PURPOSE

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment process and to organize and formalize investment-related activities. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The ultimate goal is to enhance the economic status of the City while protecting its invested cash.

The investment policies and practices of the City of Del Rey Oaks are based on state law and prudent money management. All funds will be invested in accordance with the City of Del Rey Oaks and the authority governing investments for local governments as set forth in the California Government Code, Sections 53601 through 53686. The provisions of relevant bond documents restrict the investments of bond proceeds.

OBJECTIVE

The City has a fiduciary responsibility to maximize the productive use of all the assets entrusted to its care and to invest and wisely and prudently manage those public funds. As such, the City shall strive to maintain the level of investment of all idle funds as near 100% as possible through daily and projected cash flow determinations, investing in those investment vehicles deemed prudent and allowable under current legislation of the State of California and the ordinances and resolutions of the City of Del Rey Oaks.

SCOPE

It is intended that this policy cover all funds and investment activities of the City of Del Rey Oaks. This investment policy applies to all City transactions involving the financial assets and related activity of all funds. Any additional funds that may be created from time to time shall also be administered with the provisions of this policy and comply with current State Government Code.

The City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

AUTHORIZATION

The City of Del Rey Oaks City Council has delegated investment authority to the City Manager. This delegation is further authorized by Section 53600, et seq. of the Government Code of the State of California, which specifies the various permissible investment vehicles, collateralization levels, portfolio limits, and reporting requirements.

GUIDELINES

Government Code Section 53600.5 states: "When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds, the primary objective of the trustee shall be to safeguard the principal of funds under its control. The secondary objective shall be to meet the liquidity needs of the depositor. The third objective shall be to achieve a return on the funds under its control."

Simply stated, *safety of principal* is the foremost objective, followed by *liquidity* and *return on investment* (known as yield). Each investment transaction shall seek to first ensure that capital losses are avoided, whether they are from market erosion or security defaults.

1. Government Code Section 53601 authorizes the following investment vehicles:

<u>Permitted Investments/Deposits</u>	<u>Maximum Percentages of Portfolio</u>	<u>Maximum Maturity</u>	<u>Minimum Quality Requirements</u>
U.S. Treasury Obligations	Unlimited	5 Years*	None
U.S. Agencies Obligations ^(g)	Unlimited	5 Years*	None
Certificates of Deposit	Unlimited	5 Years*	None
Negotiable Certificates	30%	5 Years*	None
Bankers Acceptances	40% ^b	180 Days	None
Commercial Paper	25% ^c	270 Days	A-1/P-1/F-1
L.A.I.F.	40 Million ^a	N/A	None
CalTRUST Investment Pool ^(h)	Unlimited	N/A	None
Repurchase Agreements	Unlimited	1 Year	None
Reverse Repurchase Agreements	20%	92 Days	None
Mutual Funds and Money Market			
Mutual Funds	20%	n/a	Multiple ^{d,e}
Medium Term Notes ^f	30%	5 Years*	"A" rating

*Maximum term unless expressly authorized by Governing Body and within the prescribed time frame for said approval

(a) Limit set by LAIF Governing Board, not the Government Code.

(b) No more than 30 percent of the agency's money may be in Bankers' Acceptances of any one commercial bank.

(c) 10 percent of the outstanding commercial paper of any single corporate issuer.

(d) A mutual fund must receive the highest ranking by not less than two nationally recognized rating agencies or the fund must retain an investment advisor who is registered with the SEC (or exempt from registration), has assets under management in excess of \$500 million, and has at least five years' experience investing in instruments authorized by Government Code sections 53601 and 53635.

(e) A money market mutual fund must receive the highest ranking by not less than two nationally recognized statistical rating organizations or retain an investment advisor registered with the SEC or exempt from registration and who has not less than five years' experience

investing in money market instruments with assets under management in excess of \$500 million.

(f) "Medium-term notes" are defined in Government Code Section 53601 as "all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating with the U.S. or by depository institutions licensed by the U.S. or any state and operating within the U.S."

(g) Includes U.S. Government Sponsored Enterprise Obligations

(h) Investment Trust of California dba CalTRUST

2. Criteria for selecting investments, and the order of priority, are:

- A) Safety. The safety and risk associated with an investment refers to the potential loss of principal, interest or a combination of these amounts. Investments of the City of Del Rey Oaks shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. The City only invests in those instruments that are considered very safe.
 - B) Liquidity. This refers to the ability to "cash in" at any moment with a minimal chance of losing some portion of principal or interest. Liquidity is an important investment quality especially when the unexpected need for funds occurs. The City of Del Rey Oaks investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated. It is the City's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.
 - C) Yield. Yield is the potential dollar earnings an investment can provide, and sometimes is described as the rate of return. The City of Del Rey Oaks investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and the cash flow characteristics of the portfolio.
3. An amount of money deemed sufficient to meet one payroll and two weeks claims shall be maintained in highly liquid investment vehicles such as the State Local Agency Investment Fund, or other similar investment instrument
4. The City will attempt to obtain the highest yield obtainable when selecting investments, provided that criteria for safety and liquidity are met. Ordinarily, through a positive yield curve, (i.e., longer term investment rates are higher than those of shorter maturities), the City attempts to ladder its maturities to meet anticipated cash maturities that carry a higher rate than is available in the extremely short market of 30 days or less.
5. Most investments are highly liquid, with the exception of certificates of deposit held by banks and savings and loans. Investments in Certificate of Deposit shall be fully insured or collateralized. When insurance is pledged, it shall be through the FDIC. Collateralization shall be in the amount of 110% of principal when government securities are pledged or 150% of principal when backed

by first deeds of trust. Maturities are selected to anticipate cash needs, thereby obviating the need for forced liquidation.

6. When investing in Bankers Acceptances, Treasury Bills and Notes, Government Agency Securities and Commercial Paper, securities for these investments shall be conducted on a delivery-versus-payment basis. Securities are held by a third party custodian designated by the City Manager and evidenced by safekeeping receipts when such delivery directly to the City would be impractical.
7. With the exception of Treasury Notes and other government Agency Issues, the maturity of any given investment shall not exceed 1 year.
8. Bond Proceeds shall include any notes, bonds or other instruments issued on behalf of the City of Del Rey Oaks for which the members of the Board of Directors serve as the governing body. Should the City of Del Rey Oaks elect to issue bonds for any purpose, the Indenture of Trust shall be the governing document specifying allowable investments for the proceeds of the issue as prescribed by law.
9. Investment income shall be shared by all funds on a proportionate ratio of each funds balance to total pooled cash with investment income distributed accordingly on a quarterly basis.
10. Investments in any other vehicle like Repurchase and Reverse Repurchase Agreements shall not be authorized unless the investment is made through the pooled money portfolio of the Local Agency Investment Fund.
11. The City Manager shall annually render to the City Council for consideration at a public meeting, a statement of investment policy. The City Manager will also render an investment report to the City Council within 30 days following the end of each calendar quarter. The quarterly report shall include type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the City of Del Rey Oaks. The report shall state compliance with the investment policy or manner in which the portfolio is not in compliance. It shall also include a statement denoting the ability to meet the City's expenditure requirement for the next six months or provide an explanation as to why sufficient money shall, or may, not be available.
12. Any State of California legislative action, that further restricts allowable maturities, investment type or percentage allocations, will be incorporated into the City of Del Rey Oaks Policy and supersede any and all previous language.
13. Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or that could impair their ability to make impartial decisions.

The basic premises underlying the City's investment philosophy are, and will continue to be, to safeguard principal, to meet the liquidity needs of the organization and to return an acceptable yield.

June 27, 2023