

Budget Adoption Resolution

RESOLUTION NO. NS-30,347

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ ADOPTING A
BUDGET FOR FISCAL YEAR 2025

BE IT RESOLVED, by the City Council of the City of Santa Cruz, that the budget of the City of Santa Cruz for Fiscal Year (FY) 2025, including the Capital Investment Program (CIP), as proposed in that certain document entitled "City of Santa Cruz Proposed Annual Budget Fiscal Year 2025," on file with the City Clerk, is hereby adopted for FY 2025, effective July 1, 2024, with the addenda thereto as determined by the City Council and detailed in the attached Exhibits:

Exhibit A: Schedule of Administrative Budget Corrections

BE IT FURTHER RESOLVED that the Finance Director is authorized to create additional appropriations in order to provide for necessary commitments carried over from the prior fiscal year, including contract and purchase order encumbrances and unexpended project balances, so long as there is a sufficient fund balance to finance these commitments.

PASSED AND ADOPTED this 11th day of June, 2024, by the following vote:

AYES: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson;
Vice Mayor Golder; Mayor Keeley.

NOES: None.

ABSENT: None.

DISQUALIFIED: None.

APPROVED: _____

Fred Keeley, Mayor

ATTEST: _____

Bonnie Bush, City Clerk Administrator

Schedule of Budget Changes FY 2025 Proposed to Adopted

Revenue		Add/Reduce		Project #	Project Name	GL Account String	Account Description	Amount Inc/(dec)	One-time	Annual	Justification
Dept	Fund	New	Old								
	101	New		c152301	City ERP Replacement	101-00-00-0000-49184	Transfer in from Information Technology	711,841	x		Transfer in from ERP project to fund limited term positions
	101	Add				101-00-00-0000-4151X	Utility Users Tax	1,700,000	x		Increase in expected Utility Users Tax based on updated analysis
PD	101	Add				101-00-00-0000-41914	Admissions Tax	798,139	x		Increase in expected Admissions Tax based on updated analysis
	211	Reduce		m400819-400-4000-0	West Cliff Dr Multi-Use Maintenance	211-20-22-2103-43290	State grants - other State capital grants-TDA	(200,000)	x		grant budgeted twice Funds for project are coming from Fund 221 fund balance, not a TDA grant
PW	221	Reduce				221-40-64-9330-43251	Federal capital grants-HBRR	(300,000)	x		Revenues incorrectly budgeted in FY 2025, rolled over from FY 2024
PW	221	Reduce				221-40-62-9370-43167	State capital grants-TDA funds	(10,000,000)	x		Revenues incorrectly budgeted in FY 2025, rolled over from FY 2024
PW	221	Reduce				221-40-64-4227-43251	State capital grants-TDA funds	(42,000)	x		Revenues incorrectly budgeted in FY 2025, rolled over from FY 2024
PW	221	Reduce				221-40-64-9330-43251	State capital grants-TDA funds	(600,000)	x		Revenues incorrectly budgeted in FY 2025, rolled over from FY 2024
EDH	253	Add		h512503-105-1020-3015	Downtown Library & Affordable Housing Project	253-51-81-0000-43110	Federal operating grants & contributions	1,901,659	x		HUD program adjustments approved at 5/14/24 Council meeting
EDH	253	Add		h511403-105-1020-3015	Housing Authority HOME Security Deposit Program	253-51-81-0000-43110	Federal operating grants & contributions	20,000	x		HUD program adjustments approved at 5/14/24 Council meeting
	292	Reduce				292-00-00-0000-46110	Pooled cash and investment interest	(65,402)	x		Remove interest revenue from ARPA budget, fund balance will be depleted
	293	Reduce				293-00-00-0000-46110	Pooled cash and investment interest	(184,300)	x		Remove interest revenue from CA14 budget, fund balance will be depleted
PW	311	Add		c409452-926-0-0	Sidewalk/Access Ramp	311-00-00-0000-49135	From Sidewalk In-Lieu Fund	(90,000)	x		Funds should not have been budgeted in project
PW	311	Add		c401805	Swanton Blvd Multi-Use		Transfer in from Information Technology	155,000	x		Grant funds not yet budgeted in project
WT	711	Add		c152301	City ERP Replacement	711-00-00-0000-49184	Transfer in from Information Technology	284,329	x		Transfer in from ERP project to fund limited term positions
CMO	134	Add				134-00-00-0000-49191	Transfer in from General Fund	10,000	x		Additional General Fund contribution to the Cannabis Children's Fund
Total								(5,900,734)			
Proposed General Fund at Budget Hearings								148,210,482			
Updated Proposed General Fund								151,420,461			
Total GF change								3,209,979			
Proposed Total Funds at Budget Hearings								409,318,572			
Updated Proposed Total Funds								403,417,838			
Total change								(5,900,734)			

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Expenditures		Add/Reduce	Fund	Dept	Project #	Project Name	GL Account String	Account Description	Amount Inc/(dec)	One-time	Annual	Justification
												Credit incorrectly budgeted twice for .5 ED Coord I deletion
EDH	101	Reduce					101-51-80-5401-51111	Regular part time	71,214	x		
FN	101	Add					101-14-11-1241-51XXX	Salary and benefits	372,201	x		Add Limited Term positions for ERP implementation
HR	101	Add					101-12-00-1230-51XXX	Salary and benefits	130,000	x		Add Limited Term positions for ERP implementation
PW	101	Add					101-40-62-4102-51XXX	Salary and benefits	209,640	x		Add Limited Term positions for ERP implementation
EDH	253	Add				HOME Admin & Planning	253-51-81-5207-52121	Interfund labor - charge	59,944	x		Expenditure budget accidentally not added in Proposed Budget
EDH	253	Add				Downtown Library & Affordable Housing Project	253-51-81-5201-56960	Loans and grants	1,901,659	x		HUD program adjustments approved at 5/14/24 Council meeting
EDH	253	Add				Housing Authority HOME Security Deposit Program	253-51-81-5201-56960	Loans and grants	20,000	x		HUD program adjustments approved at 5/14/24 Council meeting
PL	295	Add					295-00-00-0000-57901	Software Transfer out to	161,600	x		Technology fee surcharge revenues were budgeted in the fund, but not expenditures
341	New					City ERP Replacement	341-00-00-0000-59101	General Fund Transfer out to Water	711,841	x		Transfer out to General Fund to fund limited term positions
341	Add					City ERP Replacement	341-00-00-0000-59112	Fund	284,329	x		Transfer out to Water fund to fund limited term positions
711	Add					City ERP Replacement	711-70-92-7103-51XXX	Salary and benefits	284,329	x		Limited Term positions for ERP project
711	Add					Maintenance Workshop at BSR	711-70-XX-XXXX-51199	Salary savings	(1,364,923)	x		Increase Salary savings per dept request
711	Reduce						711-70-95-7159-57302	Water systems	(150,000)	x		Funds moved to the project in a FY 2024 administrative budget adjustment
PW	721	Add					721-40-62-7209-52199	Other professional & technical services	205,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52227	Vehicle fuel island charges - internal	2,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52230	Vehicle pool car charges - internal	2,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52302	Travel and meetings	4,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52304	Training	5,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52960	Advertising	500	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52961	Dues and memberships	1,500	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52971	Printing and binding-internal	2,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-52972	Printing and binding-outside	2,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-53101	Postage charges	500	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-53102	Office supplies	2,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-53105	Small tools and equipment	300	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add					721-40-62-7209-53106	Books and periodicals	500	x		New Engineering activity within the Wastewater Enterprise budget

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PW	721	Add	721-40-62-7209-53108	Safety clothing and equipment	1,500	x	New Engineering activity within the Wastewater Enterprise budget			
Expenditures (continued)										
Dept	Fund	/New/Move	Project #	Project Name	GL Account String	Account Description	Amount Inc/(dec)	One-time	Annual	Justification
PW	721	Add			721-40-62-7209-53109	Copier supplies	500	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add			721-40-62-7209-53110	Computer supplies	4,500	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add			721-40-62-7209-53122	Software licenses	20,000	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add			721-40-62-7209-54202	Equipment purchases - non capital	2,500	x		New Engineering activity within the Wastewater Enterprise budget
PW	721	Add			721-40-62-7209-54203	Computer equipment - non-capital	2,500	x		New Engineering activity within the Wastewater Enterprise budget
CMO	101	Add			101-00-00-0000-59191	Transfer out to Cannabis Children's Fund	10,000	x		Additional General Fund contribution to the Cannabis Children's Fund
CC	101	Add			101-01-01-1110-54990	Miscellaneous supplies and services	25,000	x		Additional tenant legal services budget per City Council request at May 2024 Budget Hearings
CMO	101	Reduce			101-10-00-2401-52199	Other professional & technical services	(21,375)	x		5-year payback for animal shelter contract billing adjustment
Total							2,964,259			
Proposed General Fund at Budget Hearings							150,623,782			
Updated Proposed General Fund							151,420,461			
Total GF change							796,679			
Proposed Total Funds at Budget Hearings							431,697,876			
Updated Proposed Total Funds							434,662,135			
Total change							2,964,259			

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CHANGES TO BUDGET NARRATIVE - CORRECTING THE NARRATIVE

City Overview

Added new fund Technology Surcharge to Special Revenue Funds listing (page 24)
Added new fund Technology Surcharge to Planning Department listing (page 26)

Budget Discussion

Updated the City Manager's Message (pages 29 and 31) and the General Fund Financial Outlook (page 32 and 33) to reflect a balanced Adopted budget
Updated General Fund Financial Outlook to remove "General Fund Budget Summary" chart since that can be found on the City Manager's Message and add General Fund Reserves chart (page 36)

Personnel

Increase FTE for 2 years due to grant funding received for HRT

Department Summaries

Paragraph added to "Guide to Department Summaries" to explain the types of employee pay that is not included in salary savings (page 100)
There was (71.214) mistakenly left in the EDH budget from the deletion of the .5 Economic Development Coordinator I position (page 124)
Adjusted FY 2025 Goal in ED&H Dept to remove redundant word (page 121)
EDH activity titles changed in the Budget Summary for 1504 and 1505; 1504 now reads "Café Extensions" and 1505 now reads "Kiosks" (page 124)
Adjusted FY 2025 Goals in Parks and Rec Dept in response to City Council suggestions at May 2024 Budget Hearing (page 172)
Adjusted FY 2025 Goals in Planning Dept in response to City Council suggestions at May 2024 Budget Hearings (page 183)
Added FY 2025 Goal in Police Dept in response to City Council suggestion at May 2024 Budget Hearings (page 193)

Financial and Budgetary Policies

Changed "Budgetary Policy" FY 2025 rating from yellow to green since the Adopted Budget will be balanced (page 237)

Capital Investment Program

Added City ERP Replacement CIP project to CIP section (page 287)
Remove \$150K of funding in c702402 as this was done with an administrative BA in FY 2024 (page 365)
Added West Cliff Reinforced Concrete Pipe Repair project (c402409) to Stormwater CIP (page 347)

Appendices

Updated Water debt based on revised amortization schedules (pages 377 and 380)