

ADOPTION OF PROPOSED FY 2024-25 BUDGET

CITY COUNCIL MEETING

JUNE 12, 2024





BUDGET REVIEW

1. City Council Goals and Priority Projects
2. Budget Overview
3. FY 2024-25 Projects and Programs
4. American Rescue Plan Act (ARPA) Projects
5. Capital Improvement Program (CIP)
6. Other Considerations
7. Questions

CITY COUNCIL GOALS

Facilities and
Infrastructure

Environmental
Leadership

Sustainable
Development

Public Service

Residential and
Community
Health

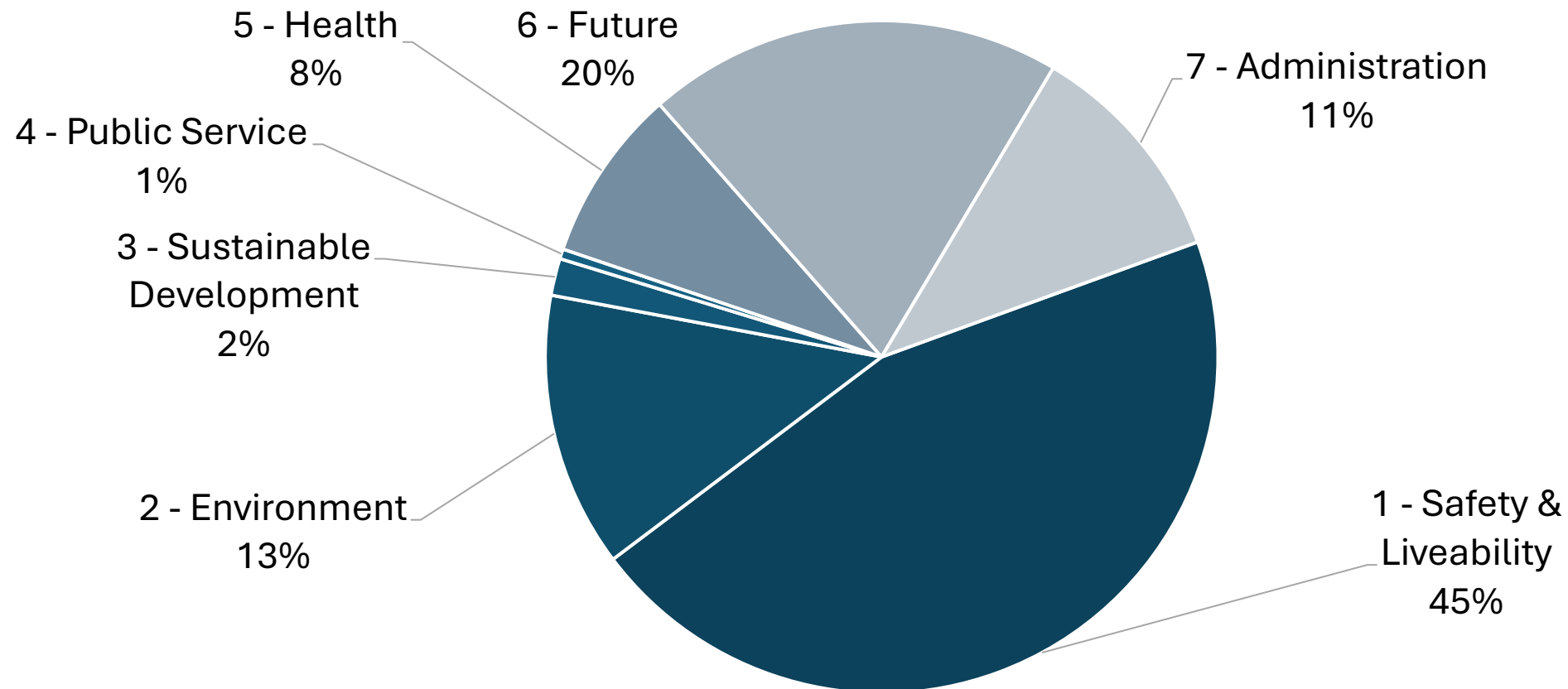
Prepare for
Future Needs



CITY COUNCIL PRIORITY PROJECTS

- | | |
|--|--|
| 1. Homelessness Reduction Strategy | 9. Climate Change & Climate Adaption |
| 2. Valley West Improvements | 10. Park Improvements |
| 3. Opportunities for Collaboration with Humboldt County and other agencies to increase mental health and social services | 11. Safe Streets: Transit and Alternative Transportation Systems |
| 4. Public Safety | 12. Strong Partnership with Cal Poly Humboldt |
| 5. Work to Improve Government Relationships with local Tribal Governments | 13. Support Spanish translation of Council meetings |
| 6. Economic Development Strategies | 14. Diversity, Equity and Inclusion |
| 7. Prioritize Future Planning | 15. Support Capital Improvement Program (CIP) |
| 8. Implement the Arcata Arts Strategic Plan | |

FY 2024-25 CITY EXPENSES BY COUNCIL GOAL



FY 2024-25 PROGRAMS INCLUDE

1. Sea Level Rise Vulnerability
2. Upgrades to the Arcata Ball Park
3. Traffic calming K & 11th St
4. Reconnecting Communities planning
5. Support for Climate Action Plan
6. Phase I Old Arcata Road
7. FT equity arcata coordinator
8. Economic Development Strategic Plan
9. Arcata China Town Project
10. Valley West Improvements
11. Adopt the General Plan Update
12. Potential West End Road property purchase
13. 3 Over-hire Officers approved
14. Dedicated downtown, Valley West, Marsh and parks patrols
15. Redevelopment Planning for Happy Valley & Little Lakes Properties
16. Complete solar & electrical updates to Arcata Community Center
17. Part-time position at the Marsh



FY 2024-25 BUDGET HIGHLIGHTS *(in millions)*



Total Budget -
\$87.6 M



Total Capital -
\$44.7 M -
\$39.8 is CIP



Total Payroll
& Benefits -
\$20.8 M



Inter-City
Payments -
\$5.1 M



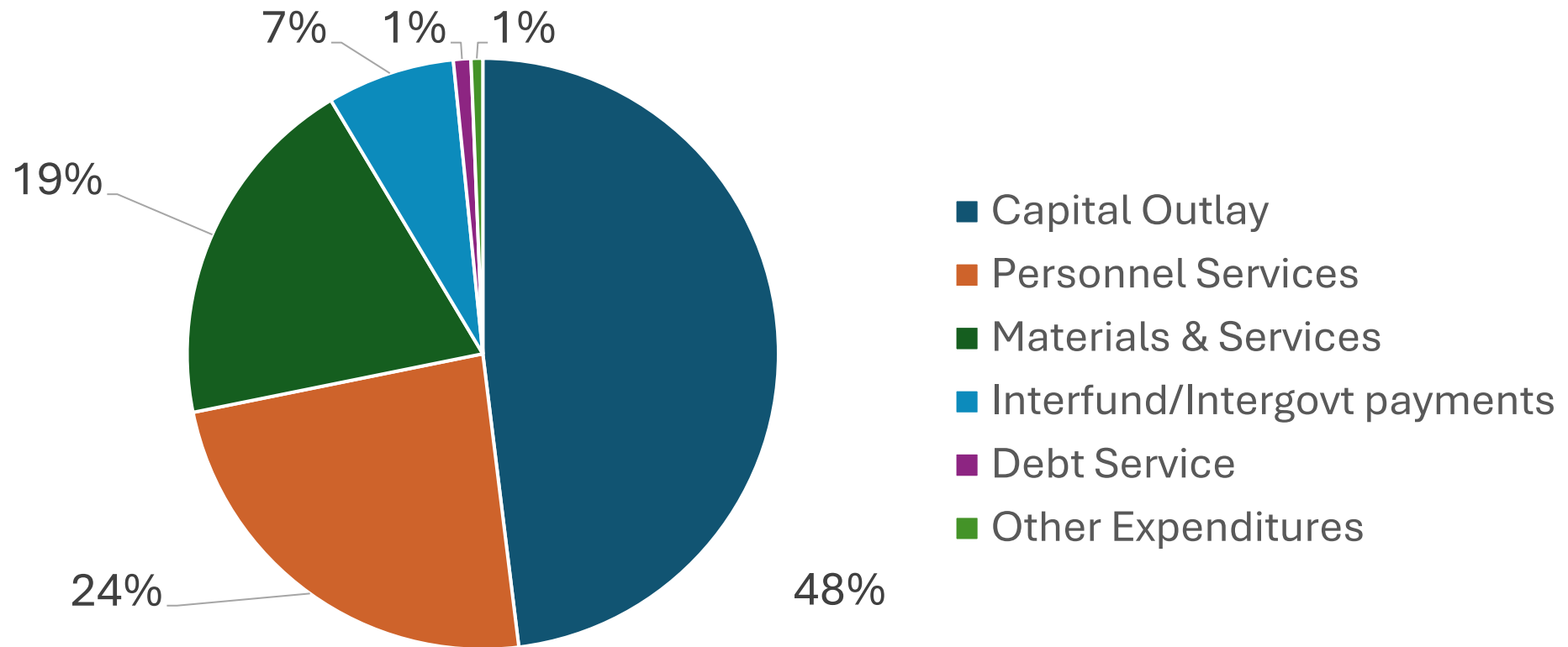
Full-time
Employees –
130 + 5 Council



General Fund
Budget - **\$24.4**

- Does not include any \$ for proposed Tax Measure
- Uses \$3.1 M of one-time funds
- Where feasible commits to Green Fleet
- Total Expense/Expenditure ↑ 2.1%
- General Fund – Fund Balance = 299 days of operations

BIG PICTURE – ALL FUNDS EXPENSES

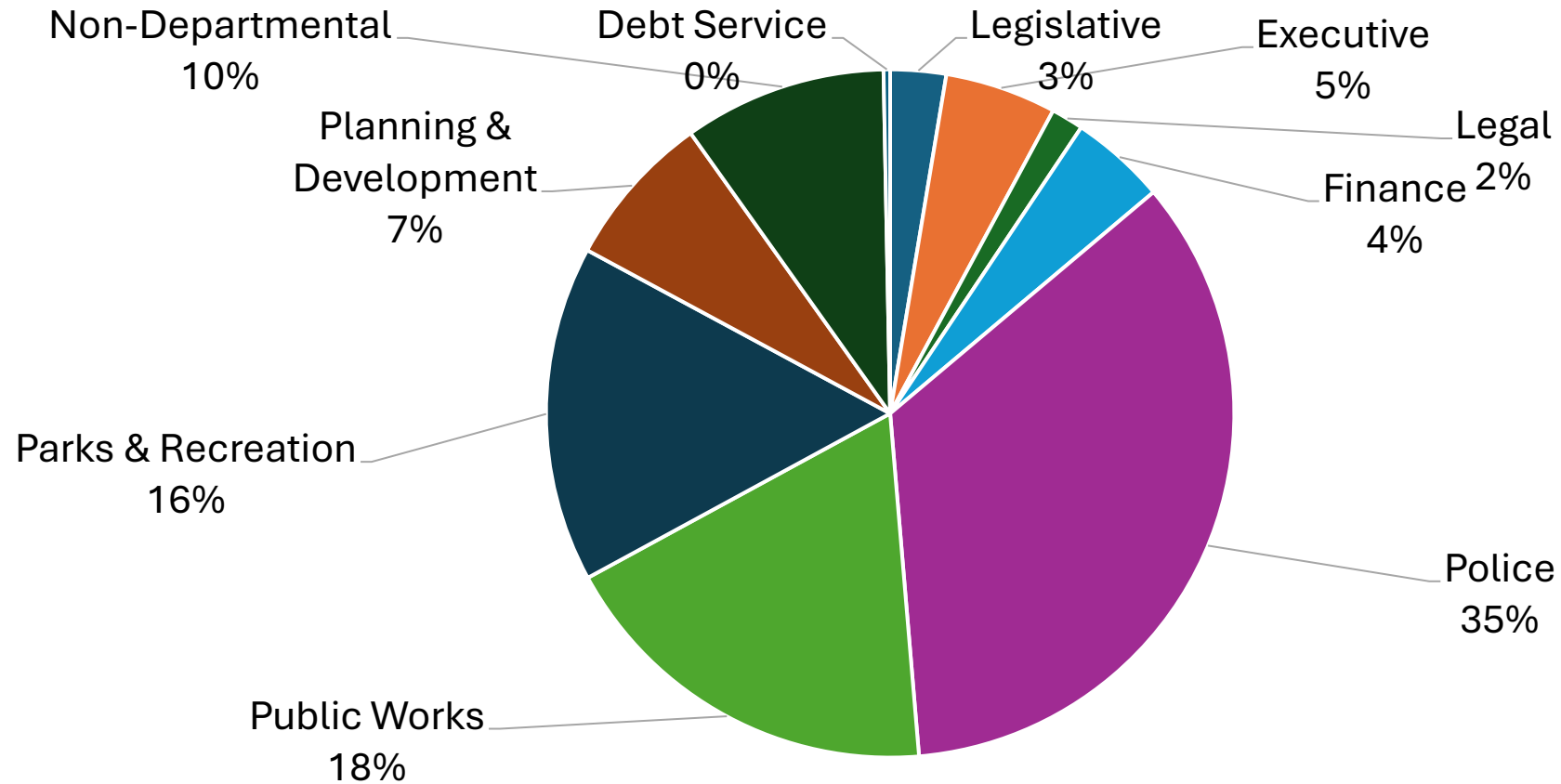


BIG PICTURE – ALL FUNDS *(in millions)*

	2022-23 Actual	2022-23 Revised Budget	2023-24 Revised Budget	2023-24 Actual	2024-25 Proposed Budget
Revenue Total	\$ 60.21	\$ 75.74	\$ 75.24	\$ 43.79	\$ 84.50
Intergovernmental Revenue	24.41	42.77	38.58	18.66	45.25
Charges for Services	15.03	14.39	15.59	11.81	15.92
Taxes	12.45	11.60	12.34	7.48	12.77
Interfund Charges	3.40	3.40	4.28	2.11	5.14
Use of Money & Property	1.81	1.38	2.59	2.44	3.02
Other Revenue	2.06	1.20	0.77	0.36	1.32
Licenses, Permits, Fines & Forfeitures	1.04	0.99	1.09	0.93	1.08
Expenses Total	\$ 46.28	\$ 81.57	\$ 92.98	\$ 47.53	\$ 87.61
Capital Outlay	4.59	33.83	46.54	21.54	42.10
Personnel Services	15.92	18.41	19.49	13.59	20.82
Materials & Services	11.40	14.87	14.66	8.08	17.16
Interfund/Intergovt payments	11.85	13.37	5.51	3.58	6.13
Debt Service	0.31	0.73	5.67	0.63	0.84
Other Expenditures	2.21	0.36	1.11	0.12	0.56
Revenues Less Expenses	\$ 13.93	\$ (5.83)	\$ (17.74)	\$ (3.74)	\$ (3.10)



FY 2024-25 GENERAL FUND BY FUNCTION



GENERAL FUND *(in millions)*

	2022-23 Actual	2022-23 Revised Budget	2023-24 Revised Budget	2023-24 Actual	2024-25 Proposed Budget
Revenue Total	\$ 17.07	\$ 16.90	\$ 21.86	\$ 12.00	\$ 21.89
Taxes	11.32	10.56	11.04	6.53	11.30
Intergovernmental Revenue	2.45	2.82	5.08	1.59	5.12
Interfund Charges	1.69	1.69	2.07	1.01	2.12
Licenses, Permits, Fines & Forfeitures	0.92	0.93	1.03	0.84	0.99
Other Revenue	-0.15	0.22	1.56	0.81	1.33
Charges for Services	0.62	0.63	0.63	0.28	0.53
Use of Money & Property	0.23	0.05	0.46	0.94	0.50
Expense Total	\$ 15.24	\$ 18.30	\$ 25.42	\$ 13.01	\$ 24.42
Personnel Services	10.00	10.96	12.15	8.57	13.28
Capital Outlay	1.86	3.44	6.59	2.00	6.91
Materials & Services	2.84	3.35	3.40	2.01	3.49
Debt Service	0.07	0.07	2.57	0.06	0.07
Interfund/Intergovt payments	0.47	0.48	0.70	0.37	0.65
Revenues Less Expenses	\$ 1.82	\$ (1.40)	\$ (3.56)	\$ (1.01)	\$ (2.53)



SPECIAL REVENUE FUNDS *(in millions)*

	2022-23		2023-24		2024-25
	2022-23 Actual	Revised Budget	Revised Budget	2023-24 Actual	Proposed Budget
Revenue Total	\$ 18.75	\$ 22.86	\$ 12.24	\$ 3.12	\$ 13.82
Intergovernmental Revenue	16.25	23.37	11.20	2.30	12.76
Use of Money & Property	1.37	1.24	1.53	1.02	1.81
Taxes	0.32	0.28	0.30	0.11	0.29
Licenses & Permits	0.10	0.03	0.03	0.08	0.08
Charges for Services	0.00	0.00	0.00	0.00	0.28
Other Revenue	0.71	-2.07	-0.81	-0.38	-1.40
Expense Total	\$ 17.30	\$ 24.79	\$ 18.01	\$ 7.47	\$ 15.30
Interfund/Intergovt payments	9.78	11.23	3.01	1.79	3.17
Capital Outlay	2.59	6.42	8.79	3.11	5.15
Materials & Services	2.20	4.57	3.02	1.13	4.58
Personnel Services	1.82	2.27	2.10	1.32	1.93
Other Expenditures	0.90	0.31	1.10	0.11	0.48
Revenues Less Expenses	\$ 1.45	\$ (1.94)	\$ (5.77)	\$ (4.35)	\$ (1.48)



STORMWATER – ENTERPRISE UTILITY *(in millions)*

	2022-23 Actual	2022-23 Revised Budget	2023-24 Revised Budget	2023-24 Actual	2024-25 Proposed Budget
Revenue Total	382,850	406,699	597,373	287,513	516,467
Charges for Services	251,847	235,000	253,800	180,753	253,800
Intergovernmental Revenue	14,243	40,360	221,264	29,109	112,000
Use of Money & Property	88,327	84,339	78,509	55,310	99,167
Other Revenue	15,905	42,000	31,800	16,239	41,500
Licenses & Permits	12,528	5,000	12,000	6,103	10,000
Expense Total	571,090	779,978	935,152	529,354	964,170
Personnel Services	296,326	346,866	382,977	266,475	383,831
Interfund/Intergovt payments	123,801	166,499	203,861	121,886	267,421
Materials & Services	39,963	99,445	294,377	106,410	185,418
Capital Outlay	41,293	167,168	53,937	34,582	127,500
Depreciation	69,707	-	-	-	-
Revenues Less Expenses	(188,240)	(373,279)	(337,779)	(241,840)	(447,703)



WASTEWATER - ENTERPRISE UTILITY *(in millions)*

		2022-23	2023-24		2024-25
	2022-23	Revised	Revised	2023-24	Proposed
	Actual	Budget	Budget	Actual	Budget
Revenue Total	\$ 11.92	\$ 21.57	\$ 26.30	\$ 20.36	\$ 31.05
Intergovernmental Revenue	4.28	12.03	18.01	13.72	22.10
Charges for Services	8.07	7.63	8.16	6.60	8.81
Other Revenue	(0.43)	1.91	0.13	0.04	0.14
Expense Total	\$ 4.96	\$ 20.97	\$ 30.06	\$ 17.64	\$ 28.70
Capital Outlay	0.01	15.74	23.20	14.21	22.94
Materials & Services	2.05	2.31	2.55	1.38	2.81
Personnel Services	1.52	1.93	2.07	1.48	2.07
Interfund/Intergovt payments	0.75	0.76	0.75	0.57	0.88
Debt Service	0.01	0.23	1.50	-	-
Depreciation	0.62	-	-	-	-
Revenues Less Expenses	\$ 6.96	\$ 0.61	\$ (3.76)	\$ 2.73	\$ 2.35



WATER – ENTERPRISE UTILITY *(in millions)*

	2022-23 Actual	2022-23 Revised Budget	2023-24 Revised Budget	2023-24 Actual	2024-25 Proposed Budget
Revenue Total \$	6.61	\$ 8.25	\$ 9.33	\$ 4.74	\$ 11.20
Charges for Services	5.80	5.64	6.13	4.56	5.65
Intergovernmental Revenue	-	2.50	3.00	-	3.96
Other Revenue	0.76	0.11	(0.10)	(0.05)	1.29
Use of Money & Property	0.04	-	0.30	0.23	0.30
Expense Total \$	4.78	\$ 10.77	\$ 12.46	\$ 5.51	\$ 11.12
Capital Outlay	0.04	5.73	5.96	1.70	4.91
Materials & Services	2.72	2.80	3.18	2.03	3.67
Personnel Services	1.29	1.59	1.65	1.21	1.74
Interfund/Intergovt payments	0.50	0.51	0.54	0.46	0.67
Debt Service	0.06	0.14	1.14	0.11	0.14
Depreciation	0.17	-	-	-	-
Revenues Less Expenses \$	1.84	\$ (2.52)	\$ (3.13)	\$ (0.77)	\$ 0.08



AMERICAN RESCUE PLAN ACT (ARPA) PROGRAMS AND PROJECTS

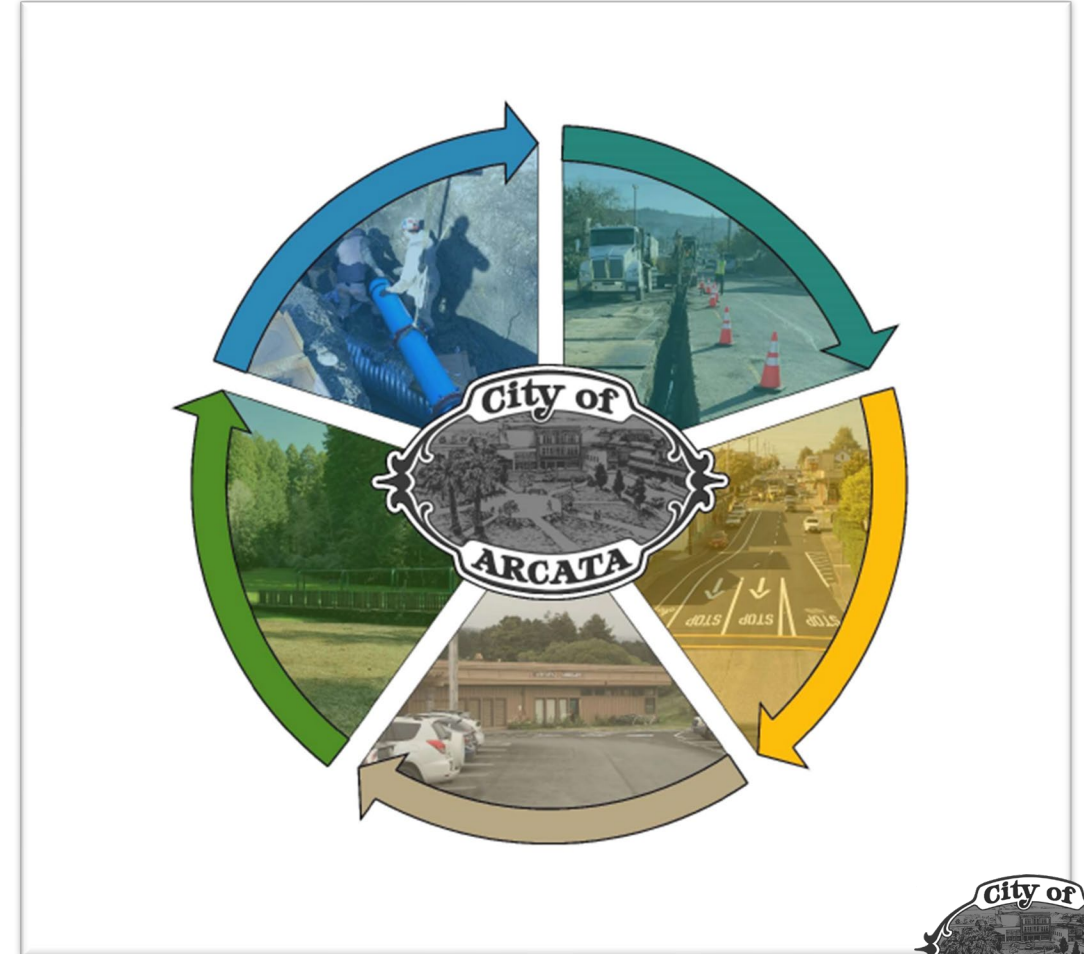
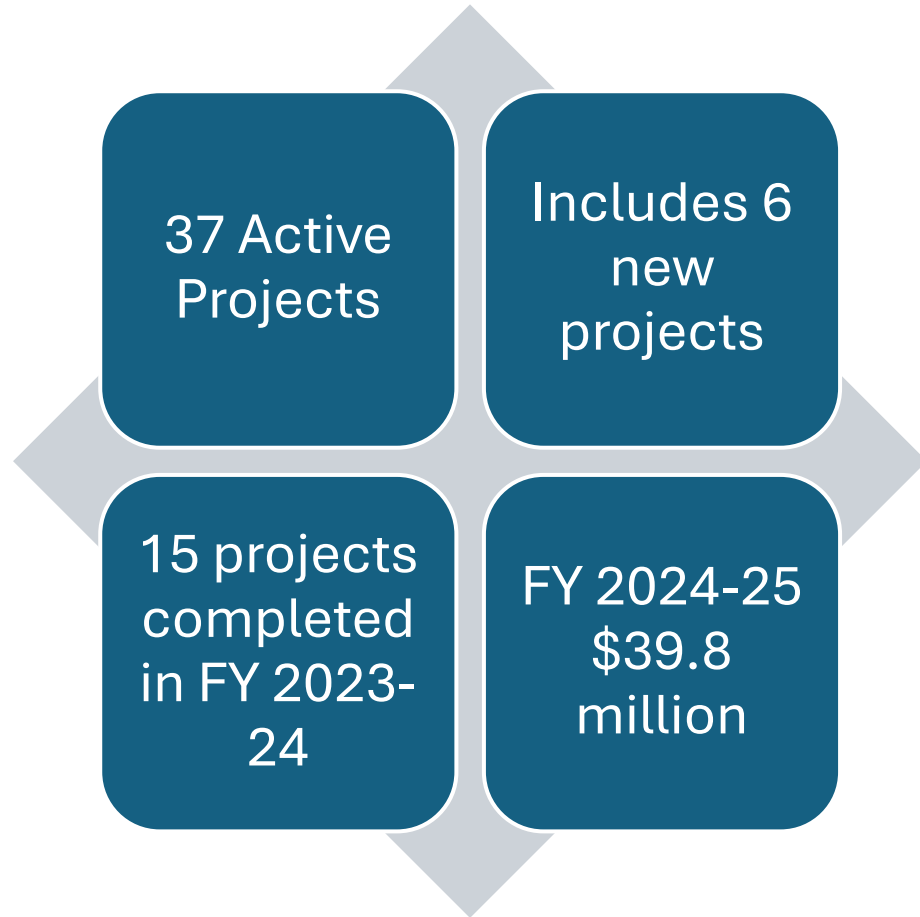
*Commit
Deadline
12.31.24*



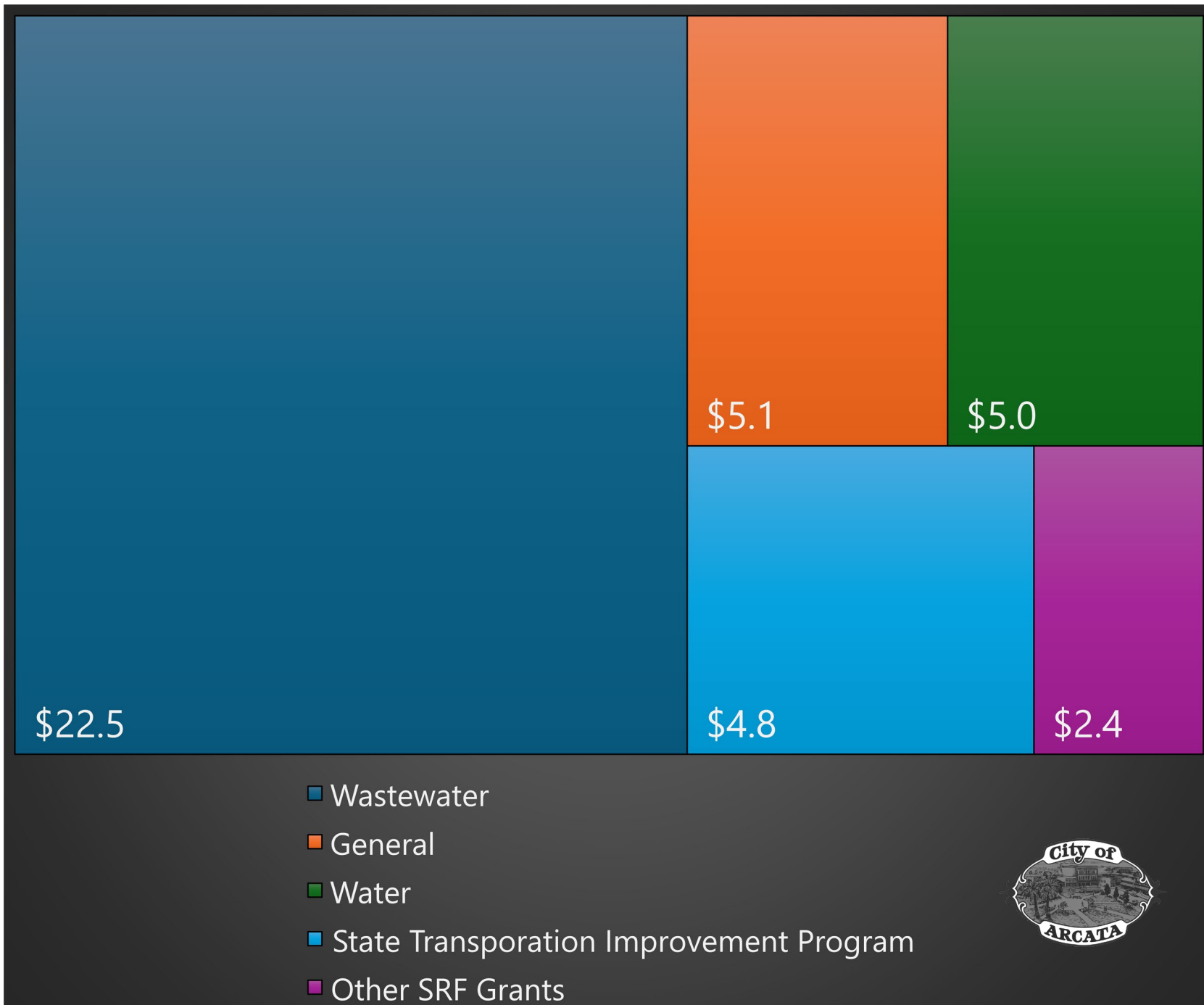
Program or Project	FY 2024-25
Community Ambassador Program	\$152,500
Joint Tribal Project	\$10,000
Mobile Intervention Services Team	\$75,000
Outreach Sergeant	\$231,733
Bike Storage	\$45,000
Valley West Community Center	\$189,200
Public Art – Call for the Arts	\$73,820
Green and Gold Crosswalks	\$15,000
Climate Action Plan Support	\$15,000
CUNA – Remaining Contract	\$40,000
Unspent Carry Forward	\$60,000
Total	\$907,253



CAPITAL IMPROVEMENT PROGRAM



CIP
EXPENDITURES
(\$39.8) BY FUND
(in millions)





CIP Projects

- **Project Name:** Old Arcata Road
- **Construction Cost:** \$6.0 M
- **Funding Source:** Measure G, Highway Infrastructure Program (HIP), State Transportation Improvement Program (STIP), Senate Bill 1 (SB1), General Funds (Measure G)
- **Benefit to the City:** Safety improvements for pedestrians, bicyclists and motorists between Buttermilk Road and Jacoby Creek Road. Meets City's Complete Street Policy





CIP Projects

- **Project Name:** Annie & Mary Trail
- **Cost:** \$350,000 (Design)
- **Funding Source:** State Transportation Improvement Program (STIP) ,Affordable Housing Sustainable Communities (AHSC) & Active Transportation Program (ATP)
- **Benefit to the City:** Safe walking and biking route connecting downtown Arcata to Valley West and Humboldt Bay Municipal District Park.



CIP Projects

- **Project Name:** Tank 1C
- **Cost:** \$3.4 M
- **Funding Source:** Infill & Infrastructure Grant (IIG), & Wastewater Funds
- **Benefit to the City:** 1 million gallons of additional water storage for potable water, wastewater and fire protection.





CIP Projects

- **Project Name:** Redwood Park
- **Cost:** \$1.6 M
- **Funding Source:** State Parts Grant, Infill & Infrastructure Grant, Parkland in Lieu, & Open Space Tax
- **Benefit to the City:** New playground equipment and bicycle pump track offering additional recreational opportunities and improving public health





CIP Projects

- **Project Name:** Carlson Park
- **Cost:** \$1.4 M
- **Funding Source:** State Parks Rural Recreation & Tourism Grant, WCB River Access Grant, & State Budget Allocation
- **Benefit to the City:** Carlson Park enhancements improving recreational opportunities and public health



OTHER CONSIDERATIONS

- Adding Grant Management program to City Council priority projects
- Adding Economic Development Program to the City Council goals
- Later consideration - Stormwater rate study outcome and fiscal solutions to structural deficit expected in late 2024
- Setting aside 25% of FY 2022-23 General Fund Surplus for Pension Section 115 Trust Fund (\$484,000)
- Incorporates new labor agreements, except Arcata Police Association (APA)
- Adjusting ARPA funded projects to ensure commitment and spending deadlines are met
- Others?



QUESTIONS?

QUESTION