

# Fiscal Year 2024-2025

## Mid-Year Budget Update

Tuesday, February 18, 2025

# FY 24-25 Mid-Year Budget Summary

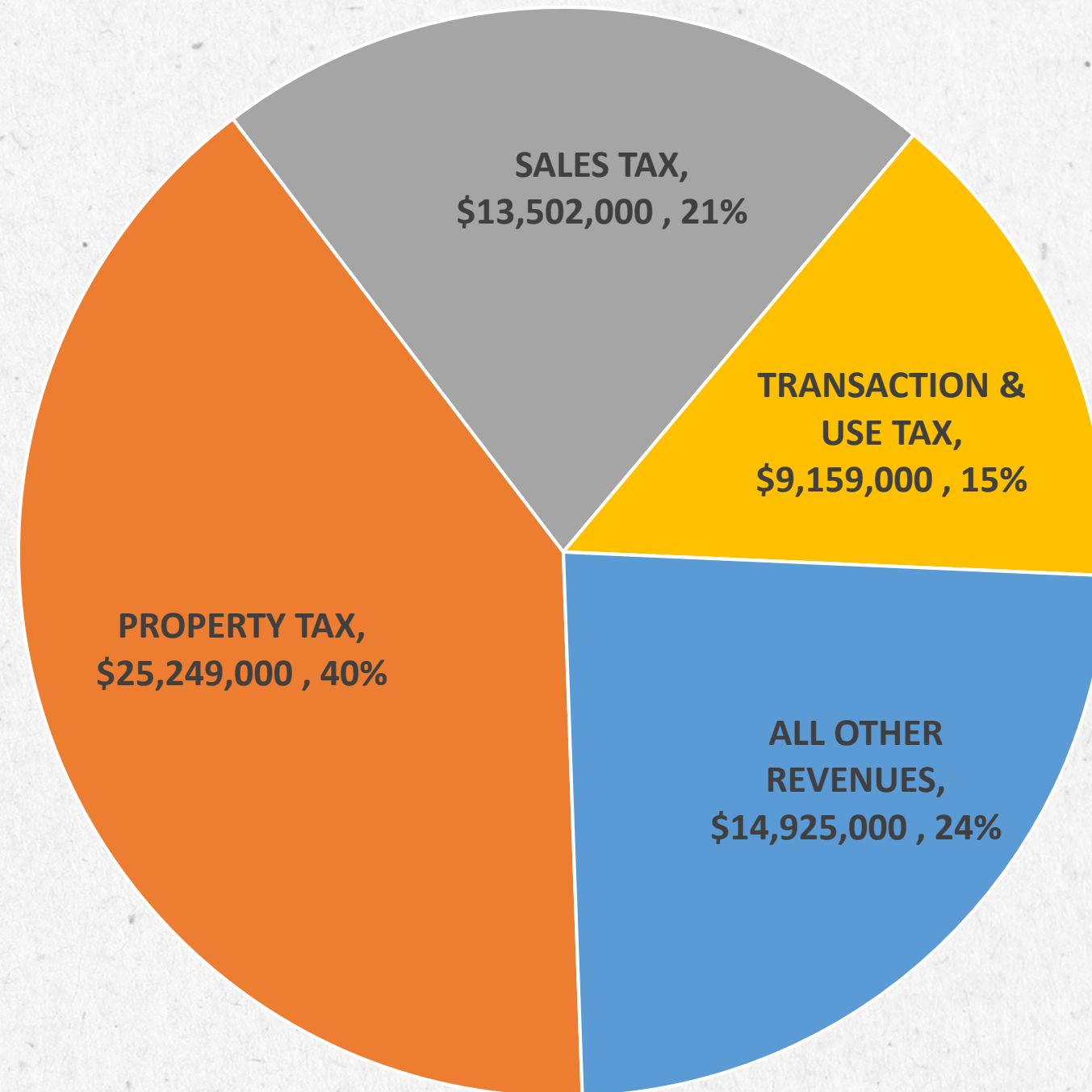
## GENERAL FUND

- The General Fund (GF), which is the City's main general government operating fund, is projected to end Fiscal Year 2024-2025 (FY 24-25) with approximately **\$1.9 million in year-end carryover**, largely as a result of vacant positions, some new Transaction and Use tax revenues as a result of the passage of Measure V, and the budgeted transfer from the City's Pension Stabilization Fund
- FY 24-25 Revenues are projected to end the fiscal year approximately \$925,000 (1.5%) more than the amended budget
- FY 24-25 Expenses are projected to end the fiscal year approximately \$953,000 (1.5%) below the amended budget, primarily due to savings from budgeted positions that are unfilled or had been frozen as part of the FY 24-25 budget

## NON-GENERAL FUND

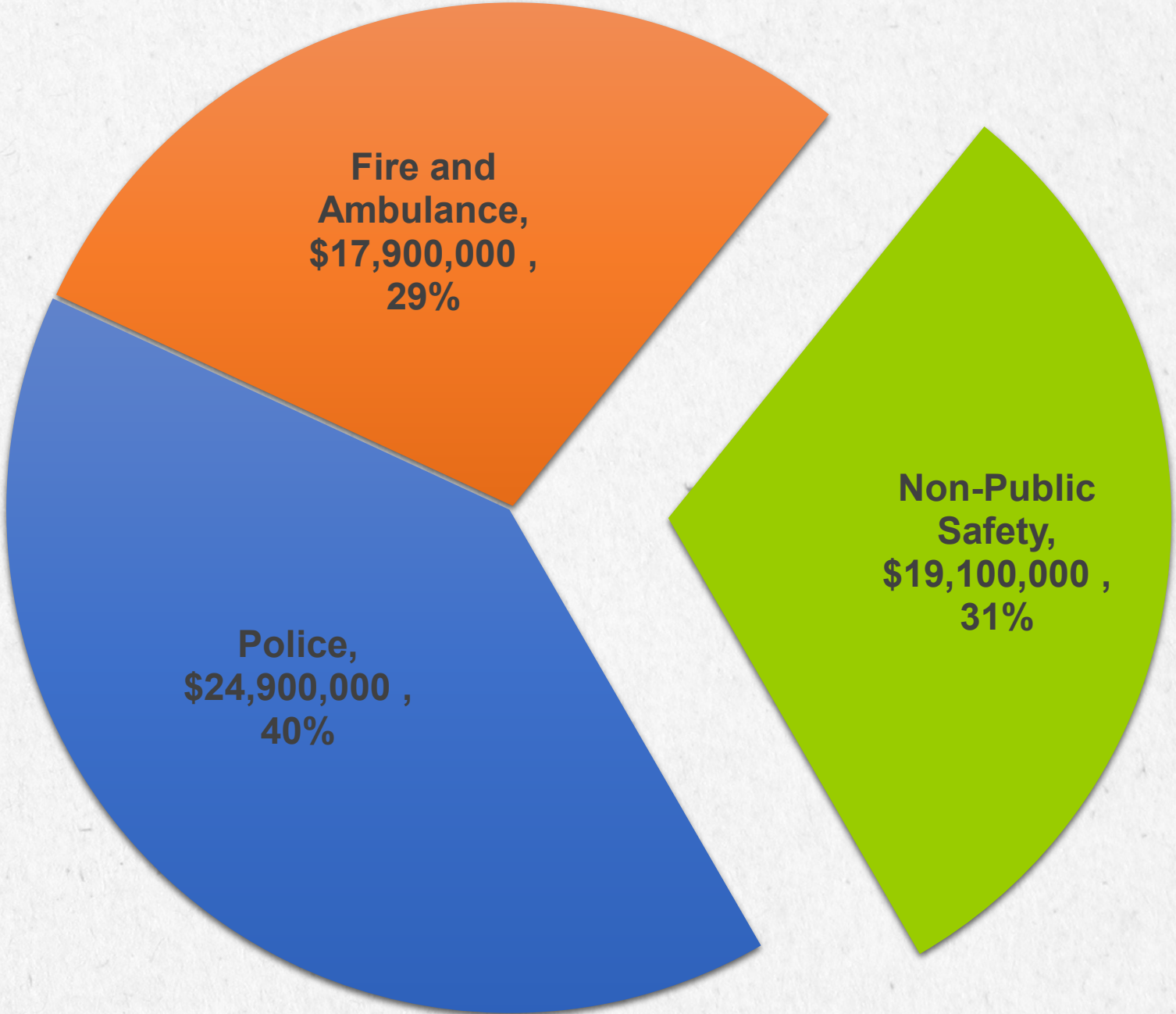
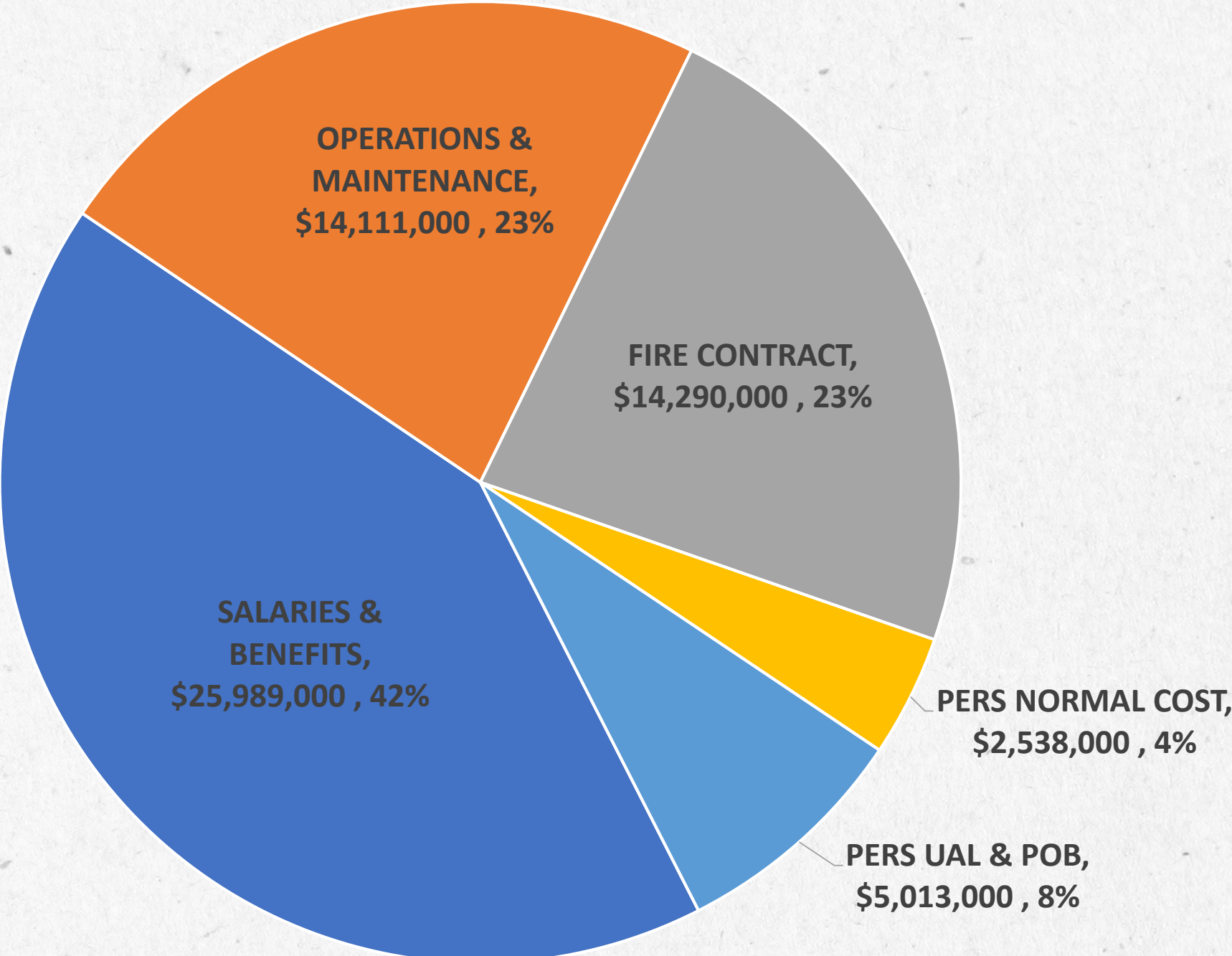
- Non-General Fund operating budgets are expected to end the fiscal year at or below their approved expenditure budgets, with associated revenues tracking to budget projections.

# General Fund Revenue Performance by Major Revenue Category



**Combined Sales Tax and Transaction Tax (Measure T and Measure V) is expected to generate approximately 36% of total General Fund revenues this fiscal year.**

# FY 24-25 GF Estimated Year-End Expenditures



**More than 75% of what the City spends in the General Fund goes to pay for labor to provide public safety, programs and services to the community.**

**Approximately 69 cents of every General Fund dollar is spent by the City for Police, Fire and Ambulance services**

# What We've Built – FY 24-25 Capital Projects

## Completed Projects

- Steve Simonian Old Reservoir Park
- Monte Vista Street Rehabilitation
- Euclid Water Main Line Project
- Bishop Storm Drain Project
- Euclid Emergency Water Main Repairs
- Child Development Center Emergency Roof Repairs
- Children's Museum Roof and HVAC



## In Progress

- La Reinas Woman's Club Park
- Vin Scully Centennial Park
- Euclid Street Improvements Project
- Harbor/Arbolita Intersection Safety Improvements
- Coyote Creek and Imperial Channel Repairs
- Highway Safety Improvements
- Child Development Center Building Improvements



# Other Major Non-General Fund Budgets

- Major Non-General Fund operating budgets are expected to end the fiscal year at or below their approved expenditure budgets, with associated revenues tracking to budget projections.

Agency/Authority	FY 24-25 Amended Budget	FY 24-25 Year-End Estimates	Variance in \$	Variance as %
Utility Authority - Water	\$23,246,381	\$22,141,235	\$1,105,146	4.8%
Utility Authority - Sewer	\$4,301,107	\$3,931,860	\$369,247	8.6%
Housing Authority	\$2,343,716	\$2,343,716	\$0	0.0%
<b>Total</b>	<b>\$29,891,204</b>	<b>\$28,416,811</b>	<b>\$1,474,393</b>	<b>4.9%</b>

Enterprise Funds	FY 24-25 Amended Budget	FY 24-25 Year-End Estimates	Variance in \$	Variance as %
Refuse Fund	\$10,108,914	\$9,708,914	\$400,000	4.0%
Children's Museum Fund	\$1,187,637	\$1,068,772	\$118,865	10.0%
Mobile Home Fund	\$3,638,262	\$3,319,359	\$318,903	8.8%
<b>Total</b>	<b>\$14,934,813</b>	<b>\$14,097,045</b>	<b>\$837,768</b>	<b>5.6%</b>

Internal Service Funds	FY 24-25 Amended Budget	FY 24-25 Year-End Estimates	Variance in \$	Variance as %
Risk Management Fund	\$4,929,235	\$4,329,235	\$600,000	12.2%
Information Technology/Replc Fund	\$2,664,256	\$2,664,256	\$0	0.0%
Fleet Replacement Fund	\$1,637,708	\$1,637,708	\$0	0.0%
Fleet Maintenance Fund	\$1,699,947	\$1,699,947	\$0	0.0%
<b>Total</b>	<b>\$3,337,655</b>	<b>\$3,337,655</b>	<b>\$0</b>	<b>0.0%</b>

# Future Budget Challenges and Planning

- Uncertainty in the market and economy along with impacts from high interest rates, weaker consumer confidence, lower household discretionary spending, and reduced demand and pricing for gasoline are affecting Sales Tax and Transactions and Use Tax (TUT) revenues.
- Vacancies have created pressure on staff and service provision, resulting in higher amounts of overtime, higher than anticipated contract labor costs, and continual recruitment and training of new employees.
- Staff will continue to monitor all revenues and recommend budget adjustments accordingly, and will continue to aggressively pursue grants and other funding to help offset demands on the City's General Fund.

# Recommendation

- Receive and File the Fiscal Year 2024-2025 Mid-Year Budget Update;
- Approve an appropriation in the amount of \$218,000 from available General Fund revenues to the Community Development Department's professional services budget account 100402-52500; and
- Approve A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA HABRA AMENDING RESOLUTION NO. 2024-18 PERTAINING TO A COMPENSATION PLAN FOR THE LA HABRA MUNICIPAL EMPLOYEES ASSOCIATION (FIELD/MAINTENANCE SERVICES EMPLOYEES' GROUP) to approve job title changes for the Mechanic and Sr. Mechanic to Mechanic I and Mechanic II, respectively

Q & A