



BUDGET RETREAT

APRIL 28TH, 2023
FINANCE OVERVIEW



BUDGET RETREAT OBJECTIVES



PRESENT HIGHLIGHTS OF THE PROPOSED BUDGET.



PROVIDES AN OVERVIEW OF EXPENSES AND REVENUES FOR FY 2024.



DEPARTMENT HEADS WILL PROVIDE AN OVERVIEW OF THEIR DEPARTMENTS AND CAPITAL PROJECTS FOR FY 2024.



OBTAIN COUNCIL INPUT AND RESET PRIORITIES IF NEEDED.



PLAN FOR THE FUTURE.

BUDGET TIMELINE

START- Delivery of budget guidelines

- Dec 5th, 2022

Deadline to submit budget requests

- Feb 17, 2023

Department budget Reviews

- Mar 20th, 2023

CIP Session

- Apr 4th, 2023

Budget Retreat

- April 28th, 2023

Present Tentative Budget to Council

- Jun 14th, 2023

Public Hearing and Budget Adoption

- Jun 28th, 2023

EXECUTING

MONITORING

ADJUSTMENT



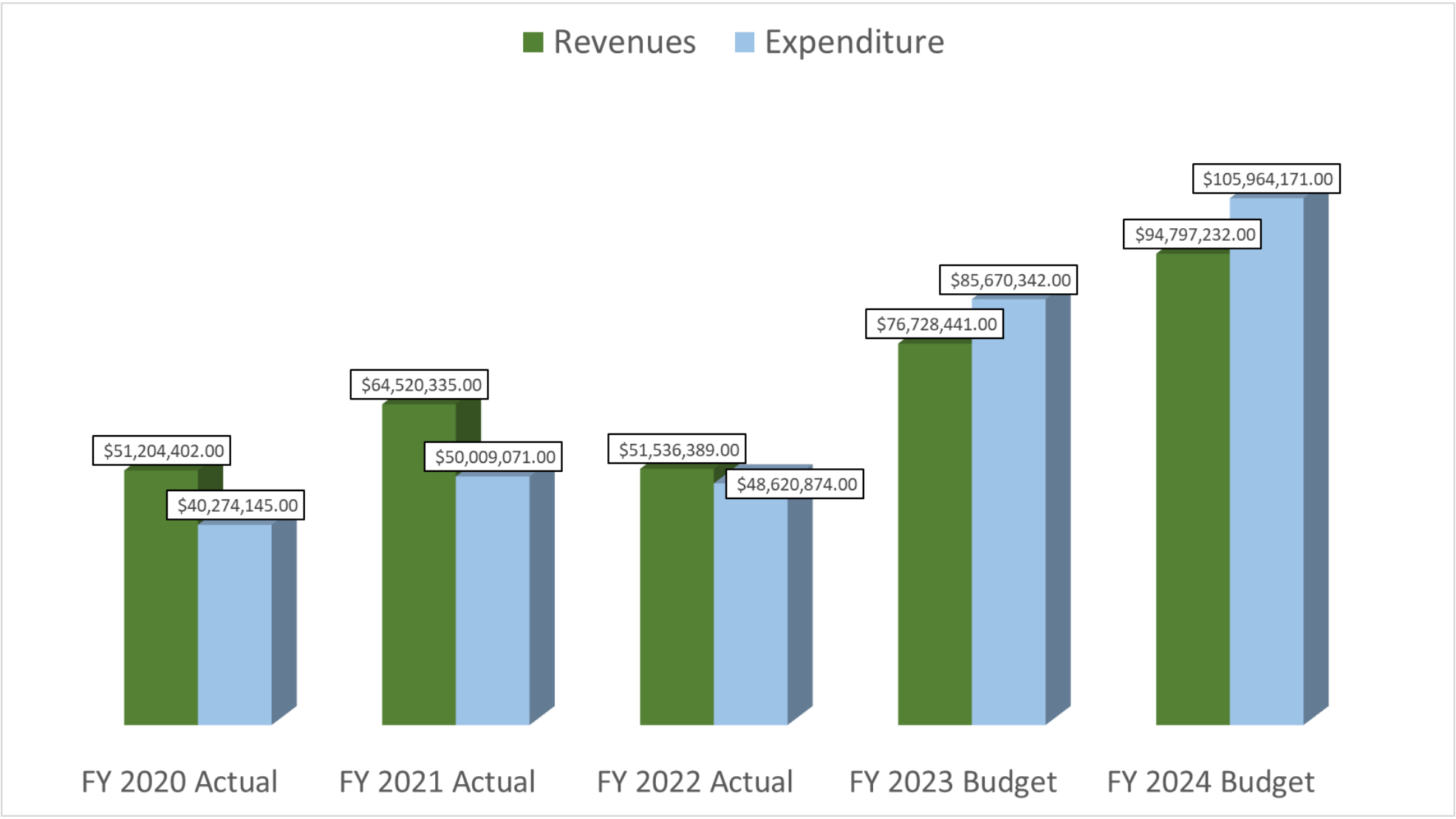
FY 2024 BUDGET PRIORITIES

- **MAINTAIN LEVEL OF SERVICE TO OUR RESIDENTS**
- **RETENTION AND ATTRACTION OF EMPLOYEES TO FILL VACANCIES**
- **ROAD INFRASTRUCTURE EXPANSION TO SUPPORT CITY OF SAN LUIS GROWTH.**
- **WASTEWATER/WATER EXPANSION**
- **INVEST IN PARKS AND RECREATION FOR OUR COMMUNITY**
- **FOSTER ECONOMIC DEVELOPMENT, CREATE JOBS AND IMPROVE QUALITY OF LIFE FOR RESIDENTS.**



FINANCE HISTORICAL DATA

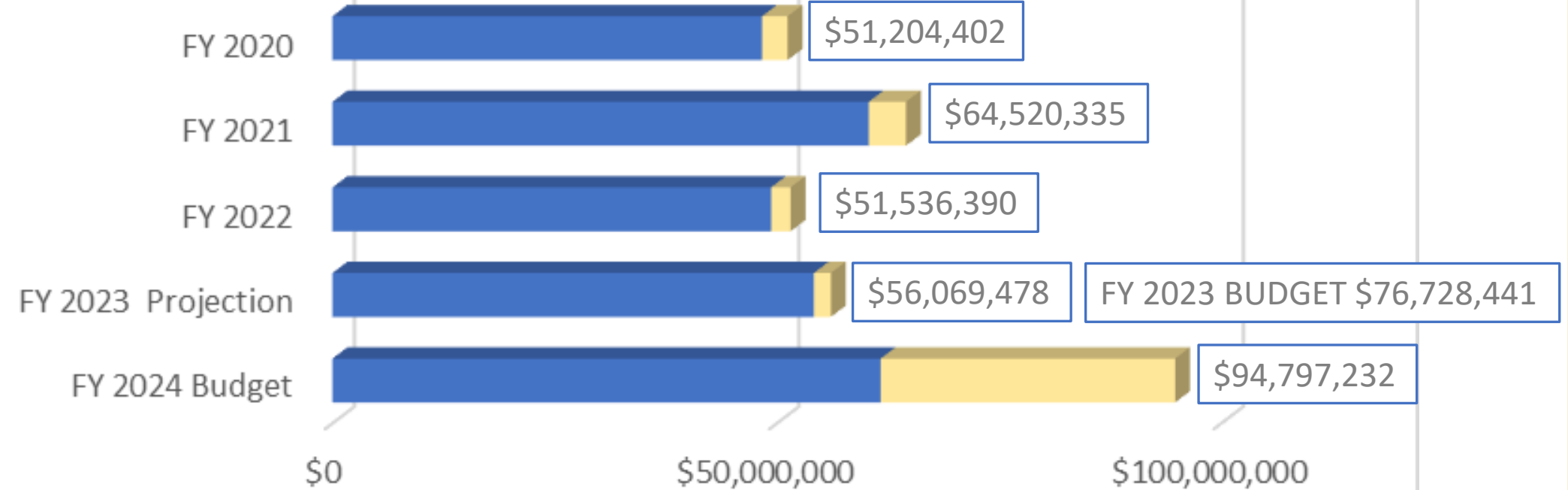
REVENUES AND EXPENDITURES HISTORY



The background features a light gray grid with a pen and a bar chart. The pen is positioned diagonally on the left side, and the bar chart is on the right side. The overall aesthetic is clean and professional.

REVENUES

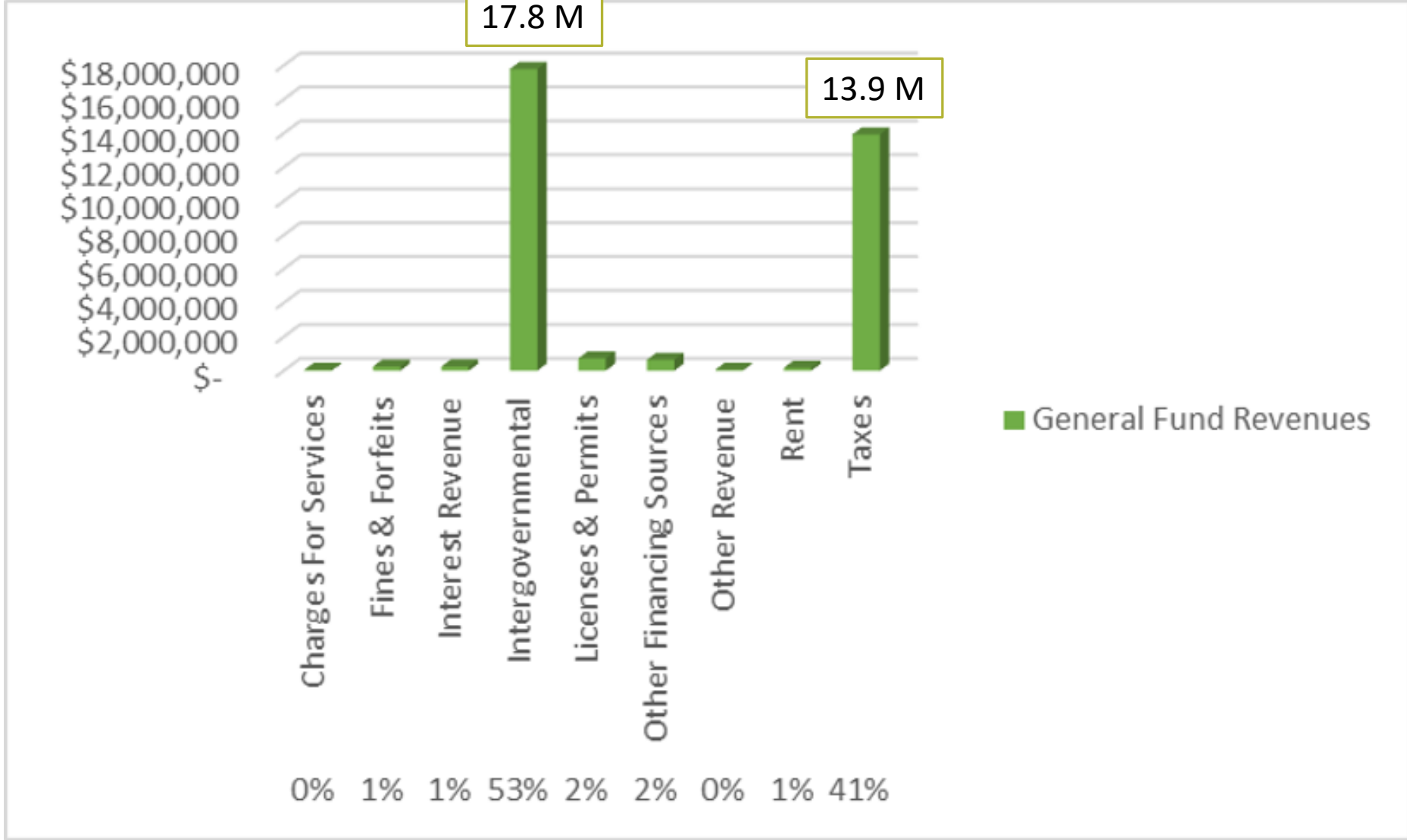
7% Increase average



	FY 2024 Budget	FY 2023 Projection	FY 2022	FY 2021	FY 2020
■ General Revenues	\$61,668,597	\$54,152,718	\$49,340,212	\$60,326,212	\$48,329,929
■ Grant Revenues	\$33,128,635	\$1,916,760	\$2,196,178	\$4,194,124	\$2,874,473

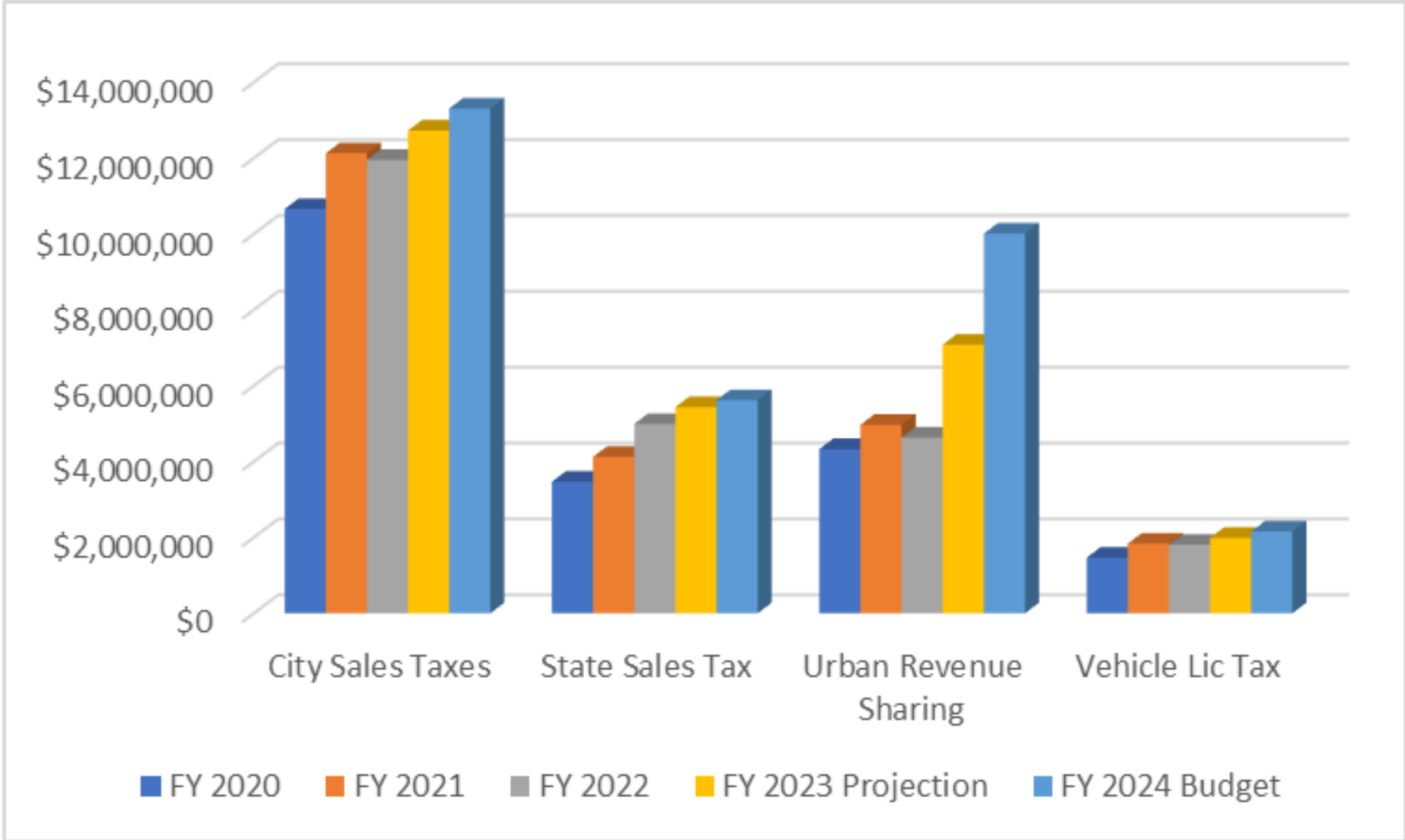
GENERAL FUND





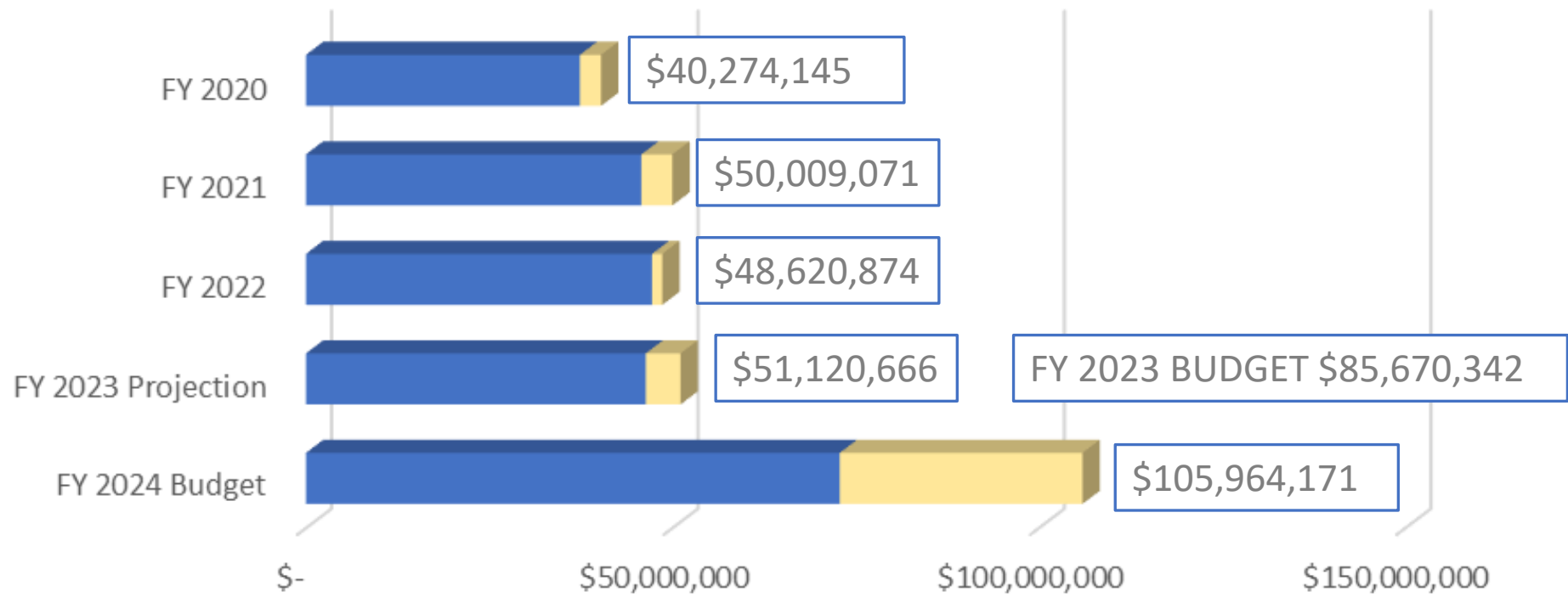
FY 2024
 Budget
 33.9 Million

94% of total revenue



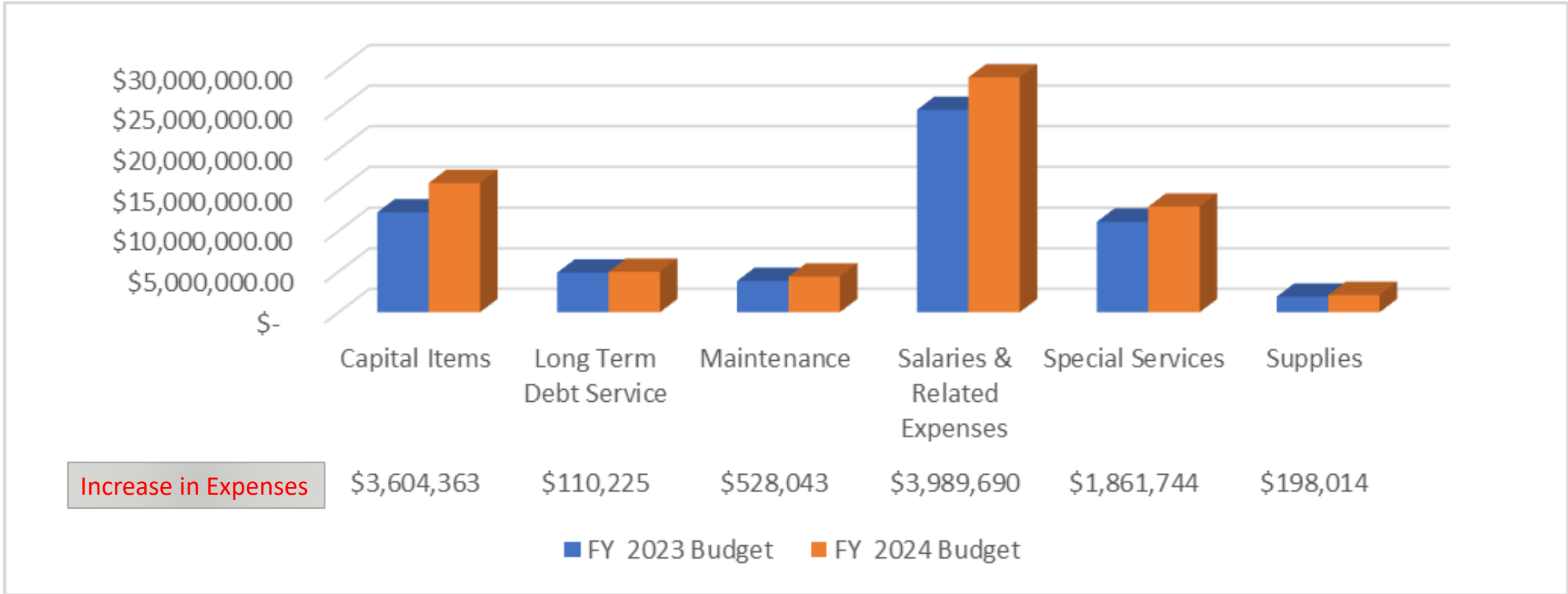
EXPENSES





	FY 2024 Budget	FY 2023 Projection	FY 2022	FY 2021	FY 2020
■ General Expenses	\$72,835,536	\$46,372,902	\$47,229,110	\$45,779,471	\$37,378,880
■ Grant Expenses	\$33,128,635	\$4,747,765	\$1,391,764	\$4,229,600	\$2,895,265

Expenses 10.2 Millions more than last year budget



Does not include grants

Can the City sustain these increases?

Water, Waste Water and Solid Waste rate increase was adopted so these funds have enough funds to cover their operational and CIP expenditure increases.

The funds that we are struggling to balance are the General Fund, and the HURF Fund.

For financial sustainability operating expenditure increases must be matched with recurring revenues streams.

Capital projects and one time expenditures may be funded with one time increases or positive fund balances.



INCREMENTAL REVENUES
GENERAL FUND \$2,800,000

INCREMENTAL EXPENSES
GENERAL FUND \$4,200,000

SHORTFALL
\$1,400,000

Incremental Expenses	General Fund
23 New FT positions	\$1,300,000
Promotions	\$ 186,900
Salary Adjustment	\$ 834,000
Public Safety incentive Program	\$ 223,805
Operational-Maintenance	\$ 280,733
Operational-Supplies	\$ 109,144
Operational-Special Services	\$1,300,000
Total	\$4,234,582

2.5 millions

1.7 millions

Does not include Capital Projects

FOR THE PAST YEARS WE HAVE BEEN ALLOCATING 10% OF REVENUES TO CIP

CHANGING THE ALLOCATION STRATEGY IS TO REDUCE THE CIP BUDGET ALLOCATION TO 7% MOVING FORWARD

TO ACHIEVE THIS WE NEED TO REDUCE 1.4 MILLION IN CIP GENERAL FUND PROJECTS

THE CIP BUDGET ALLOCATION WILL INCREASE ONLY IF THERE ARE ADDITIONAL SOURCES OF REVENUES THAT CAN ENSURE LONG TERM SUSTAINABILITY.



GENERAL FUND BALANCING STRATEGY



REDUCE 1.4 MILLION OPERATIONAL EXPENSES



REDUCE CIP ALLOCATION STRATEGY



REDUCE IN OPERATIONAL EXPENSES AND CIP (50/50)

Is 1.2 million
enough?

STREETS

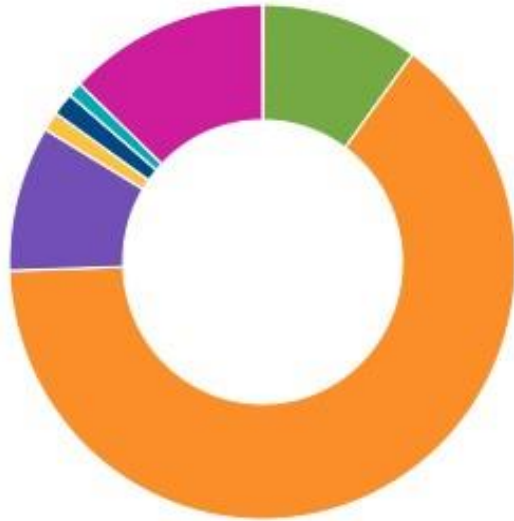
The positives
reserves will run
out soon. We need
to plan ahead

REVENUES	\$4,286,200	
EXPENSES	\$3,073,840	
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AVAILABLE FOR CIP	\$ 1,212,360	
FY BUDGET CIP	\$4,425,600	} \$5,513,063
FY GRANTS MATCHING	\$1,087,463	
SHORTFALL	(\$4,300,703)	

HURF HAS OVER 4 MILLION IN CIP PROJECTS. HURF FUNDS ARE NOT ENOUGH TO COMPLETE THEM.

FOR FY 2024 GENERAL FUND MIGHT BE ABLE TO FUND THEM WITH POSITIVE RESERVES.

FY 2024
Capital Projects
Funding Source



Ambulance Services Fund (0%)	\$29,000.00
General Fund (10%)	\$4,886,907.75
Grant (64%)	\$31,396,678.00
Highway User Fund (9%)	\$4,458,300.00
Impact Fees (1%)	\$584,370.00
Solid Waste Fund (1%)	\$701,500.00
Wastewater Fund (1%)	\$446,620.00
Water Fund (13%)	\$6,258,620.00
TOTAL	\$48,761,995.75

5 Year
Capital Projects
Funding Source



Ambulance Services Fund (0%)	\$29,000.00
Debt (2%)	\$3,800,000.00
General Fund (23%)	\$35,603,674.41
Grant (30%)	\$45,515,652.00
Highway User Fund (9%)	\$14,358,300.00
Impact Fees (5%)	\$7,844,370.00
Solid Waste Fund (1%)	\$1,561,500.00
Wastewater Fund (21%)	\$32,256,846.00
Water Fund (8%)	\$11,938,620.00
TOTAL	\$152,907,962.41

Does not include:

Full costs for East Park,
Veterans Park, City Hall
and Court Expansions, East
Police Station

Other projects pending to
add in the CIP plan

*No recurring revenue to
fund a 2.1 million debt
service*



GENERAL FUND AND HURF ONLY

General Fund and HURF CIP over 5 years	\$49,961,974
Reserves 32 million (minus 4 month operational expenses)	\$22,000,000
Bond Issuance	\$27,961,974
Debt Service for \$28 Million	\$2,100,000
CIP and Non CIP General Fund (For vehicle replacement, new vehicles, equipment, building improvements)	\$3,500,000
CIP HURF Fund (For improvement and maintenance of streets, replacement and acquisition of new equipment, vehicles.	\$1,200,000
Total for CIP and Debt Service Fund	\$6,600,000

The background is a light gray collage of financial-related items. It includes a pair of sunglasses in the top right, several coins in the center, and various documents and receipts scattered throughout. One document on the left has text like 'DEP DUN', 'ARR CPT', and 'TIME 1246'. Another document at the bottom has 'TOWN 00', '09', and 'DEPARTMENT'. A large '5' is visible on a document in the bottom center, along with some alphanumeric codes like 'X23542X' and 'X2002X'.

TENTATIVE BUDGET

FINANCIAL POLICIES

Operational reserve of 4 months of operational expenses

PSPRS Fund Reserve Contingency – 500 K to offset investment performance

Debt Service Reserve –12 months of interest and principal payments.

Ongoing expenditures must be funded with recurring revenues

One time revenues are used to fund one time expenditures

Adherence to State Statute.

- Public hearing, adoption of tentative and final budget.
- Adopt a balanced budget. Expenditures must not exceed revenues.
- Adhere to state expenditure limitations

EXPENDITURE LIMITATION

\$55,028,022

FY 2024

\$1.3 MILLION
OVER

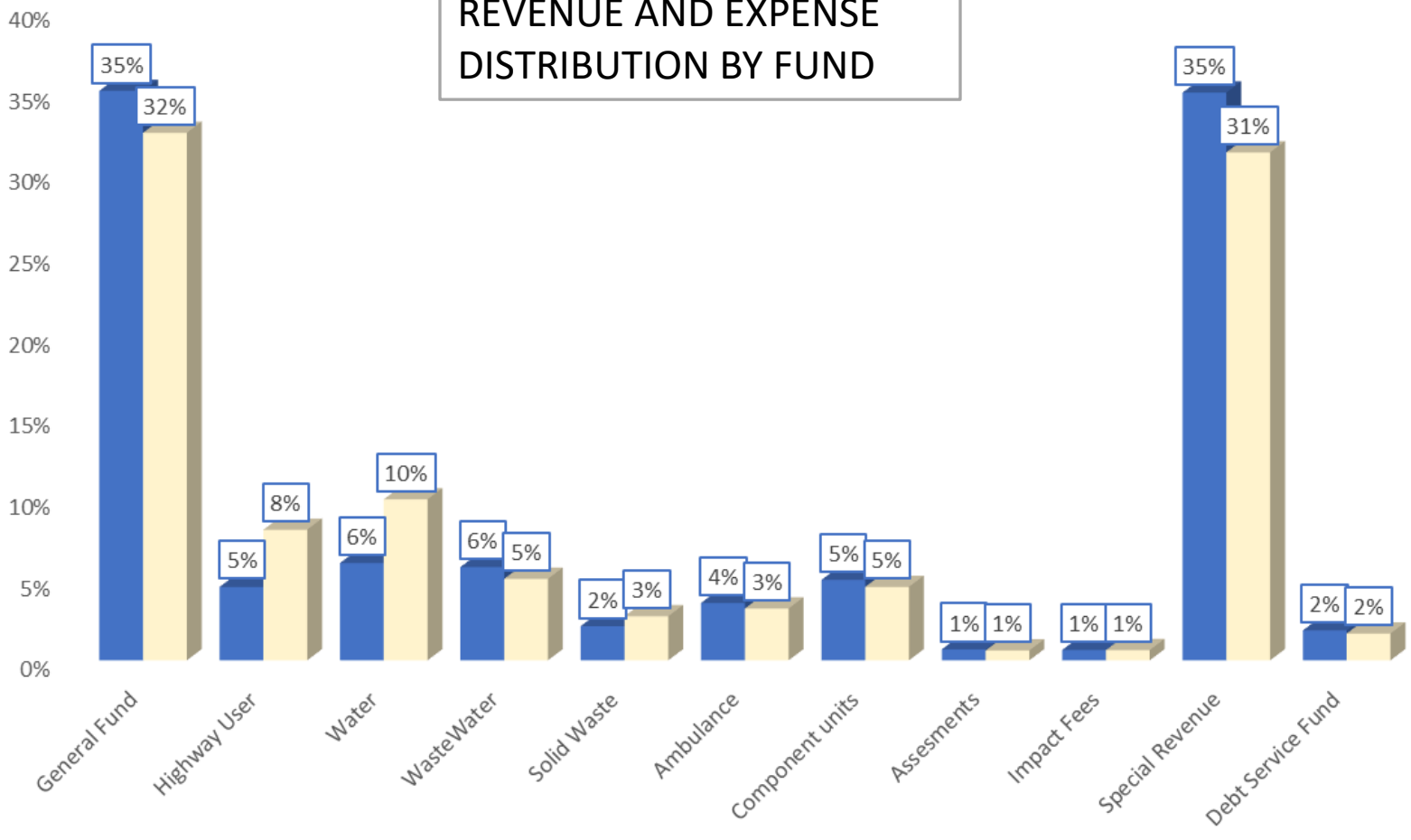


EXPENDITURE LIMITATION

Directs the commission to determine expenditure limitation for cities	The penalties for municipalities for exceeding the expenditure limit are severe.	For fiscal year 2024 the preliminary expenditure limitation for San Luis is \$55 million
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REVENUE AND EXPENSE DISTRIBUTION BY FUND



\$94,797,232

■ Revenues ■ Expenses

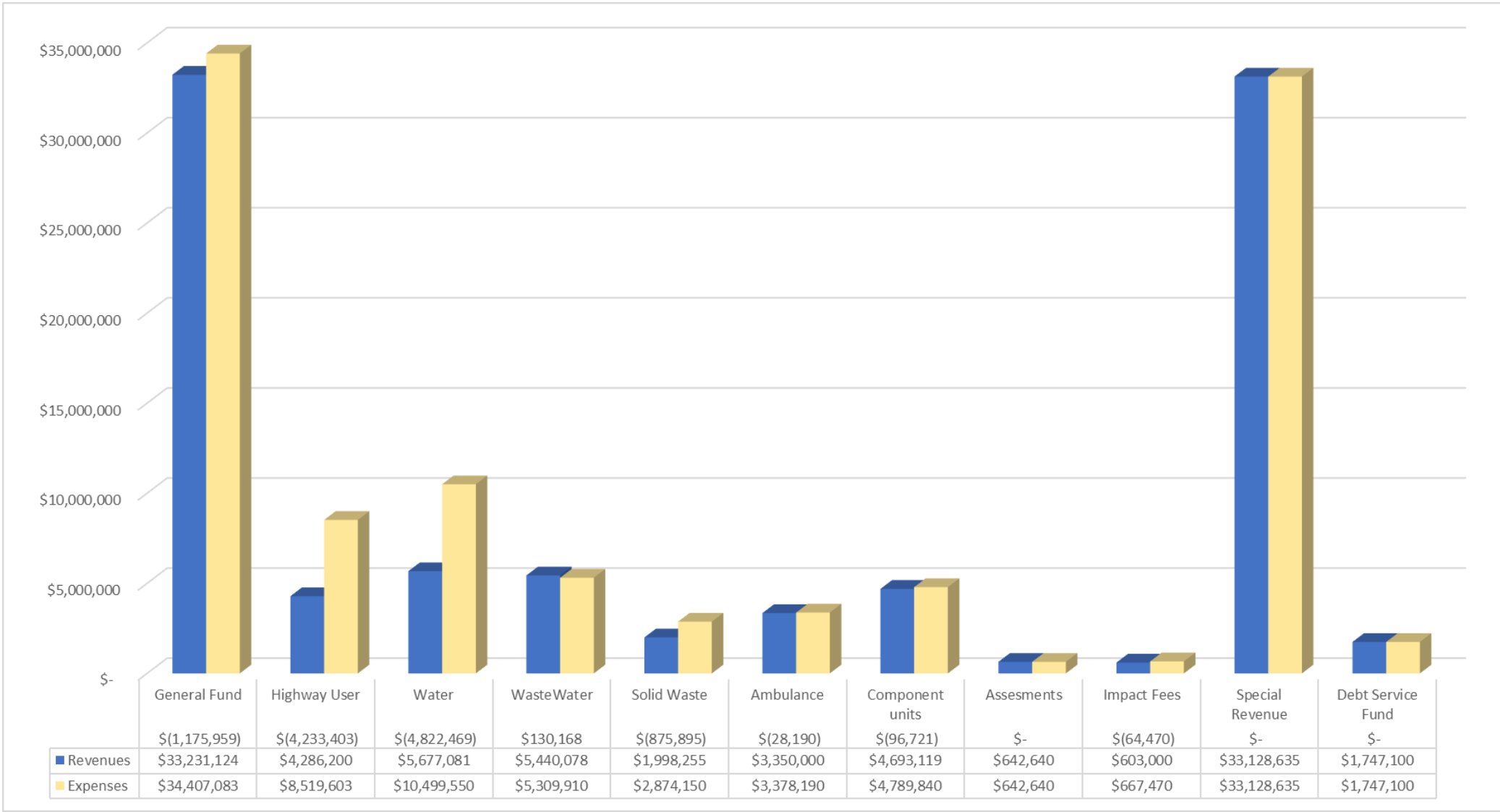
\$105,964,171

\$94,797,232

REVENUES

EXPENSES

\$105,964,171





BY STATE STATUTE WE NEED A
BALANCED BUDGET.

BUDGET 2024 IS NOT
BALANCED

WE NEED YOUR DIRECTION ON
WHERE TO REDUCE 1.4
MILLION.



PLANNING FOR THE FUTURE

POINTS FOR CONSIDERATION



DIVERSIFY AND INCREASE REVENUES



RESERVES AND CARRYOVERS. NEED TO HAVE A PLAN BEFORE THEY ARE GONE.



RETENTION OF PERSONNEL AND FILLING OF VACANCIES. 59 VACANCIES FY 2022. 46 VACANCIES FY 2023.



NEED TO SET STRATEGY ON WHAT WE WANT TO ACHIEVE.



NEED TO REVISE OUR CIP TO ENSURE FEASIBILITY AND COMPLETION.
CIP Budget FY 2023 28.5 Million CIP Projection FY 2023 8.7 Million.



WE ARE LOOKING FORWARD TO THE FUTURE OF SAN LUIS



BY 2040, THE POPULATION OF SAN LUIS IS PROJECTED TO BE OVER 70,000 RESIDENTS.



PLAN FOR WATER AND WASTE- WATER INFRASTRUCTURE THAT CAN SUPPORT THE GROWTH AND DEVELOPMENT OF THE COMMUNITY.



RESPONSIVE LAW ENFORCEMENT, FIRE AND EMERGENCY MEDICAL SERVICES.



QUALITY PARKS FOR OUR COMMUNITY.



PLAN FOR ROAD INFRASTRUCTURE, AND ENSURE CLEAN AND MAINTAINED STREETS.



MAINTAIN AN ADEQUATE FINANCIAL BASE TO SUPPORT APPROPRIATE PUBLIC SERVICE LEVELS AND MAINTAIN QUALITY OF LIFE IN SAN LUIS.

LOOKING AHEAD OF FY 2024



WORKING TOGETHER EVERYTHING
IS POSSIBLE.

THANK YOU!
