

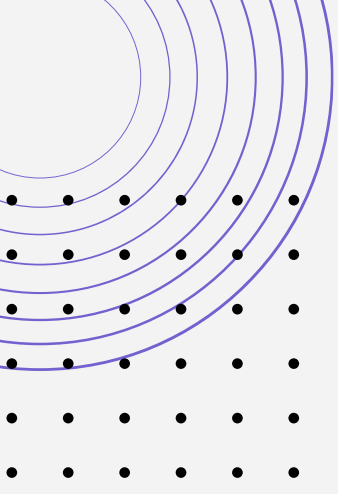


City of San Luis, Arizona

Budget Retreat

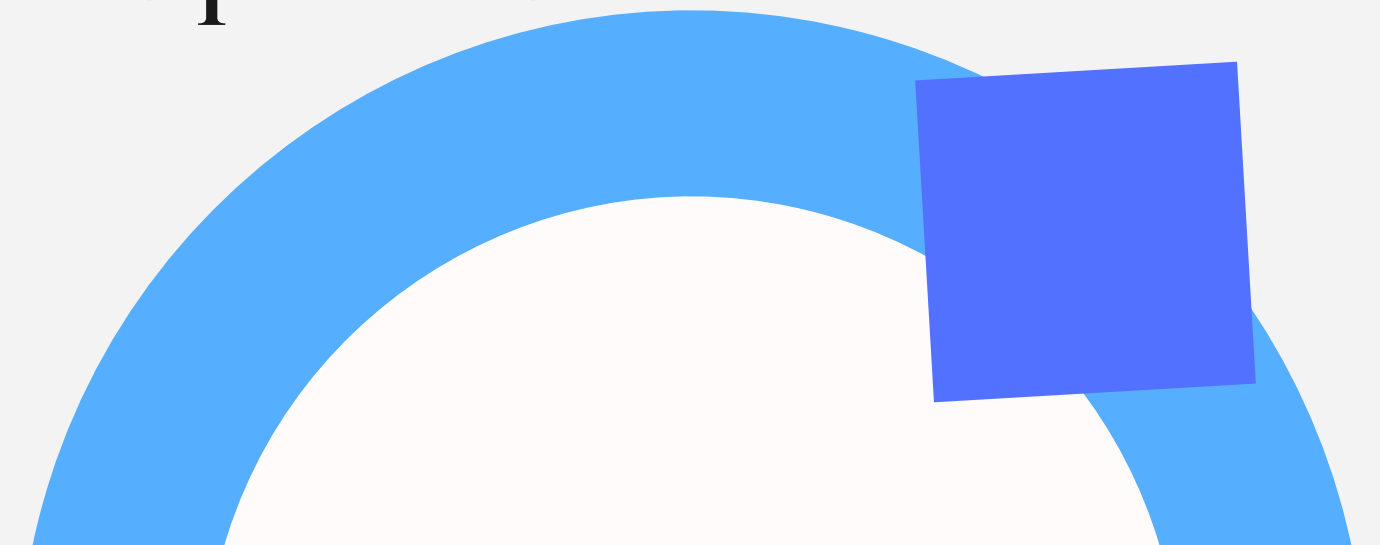
FY2025

FINANCE OVERVIEW



Budget Retreat objectives

- 01 Present Highlights of the proposed budget
- 02 Provide an overview of expenses and revenues for FY 2025
- 03 Department heads will provide an overview of their departments and capital projects for FY2025
- 04 Obtain Council input and reset priorities if needed
- 05 Plan for the future



BUDGET TIMELINE

START- Delivery of budget guidelines

- Dec 29, 2023

Deadline to submit Operating CIP and Personnel Requests

- Feb 16, 2024

Budget Reviews – Department Managers

- Mar 12, 2024

CIP Session – Department Managers

- Mar 28, 2024

Budget Retreat with Department Heads and Council

- April 26, 2024

Present Tentative Budget to Council

- Jun 12, 2024

Public Hearing and Budget Adoption

- Jun 26, 2024



FY 2025 Budget Priorities



Maintain level of service to our residents

Retention and attraction of employees to fill vacancies

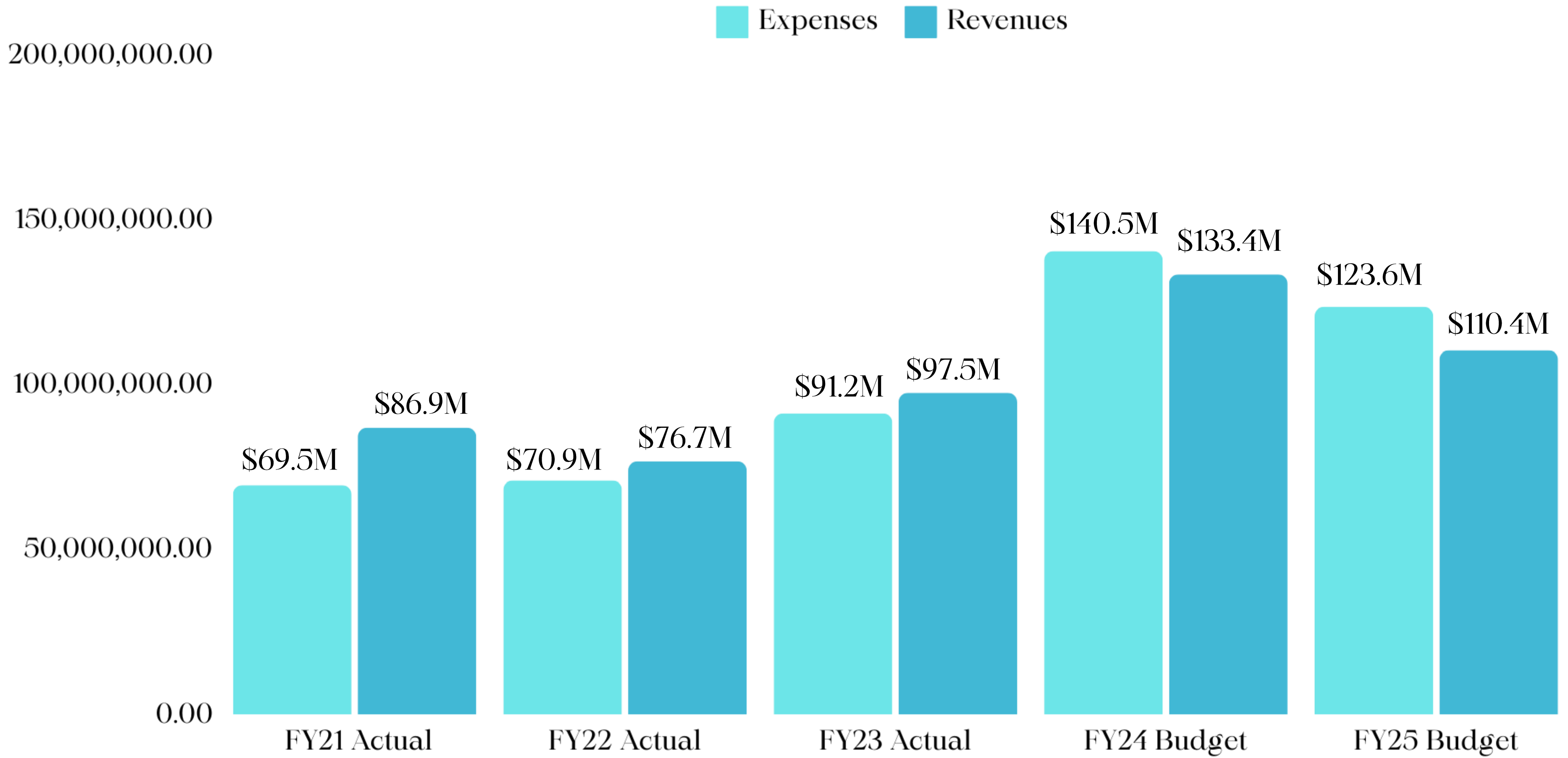
Road infrastructure expansion to support city of San Luis growth

Wastewater/Water expansion

Foster economic development, create jobs and improve quality of life for residents

FINANCIAL HISTORICAL DATA





REVENUES



	Actual Amount	Actual Amount	Actual Amount	Amended Budget	Proposed
Revenues by Fund	2021	2022	2023	2024	Continuation Budget 2025
Ambulance Service	2,709,874	2,429,824	2,529,251	3,350,000	3,350,000
Assessment Districts	488,533	584,632	640,224	826,270	1,000,000
Business Center	600,127	633,713	624,420	1,212,976	1,156,000
Business Incubator	43,843	90,076	107,250	124,169	124,300
Debt Service Fund	9,395,678	1,646,208	1,765,181	1,747,100	1,849,000
Employee Benefit Trust	2,915,066	2,966,618	3,022,284	3,344,200	3,419,170
General Fund	25,072,942	25,266,729	31,597,737	33,231,124	32,611,450
Highway User Fund	3,843,660	4,043,227	6,151,025	7,763,520	7,907,090
Impact Fees	1,379,012	609,100	642,051	603,000	680,000
Judicial Collection Enhancement	84,579	76,930	83,330	73,200	77,500
SL Community Facilities District	2,500	2,500	2,500	2,500	2,500
Solid Waste	1,579,493	1,640,763	1,715,316	2,004,609	2,406,000
Special Rev - Comm Development	840,360	1,327,736	7,737,190	40,842,523	11,383,260
Special Rev - Public Safety	3,353,764	868,442	1,184,533	2,110,000	3,625,580
Wastewater	5,205,333	4,479,185	6,378,390	5,440,078	6,300,000
Water	6,454,602	4,856,217	6,289,465	5,677,081	9,552,920
Grand Total	63,969,368	51,521,901	70,470,148	108,352,350	85,444,770

General Fund Revenues



Fund	Proposed Budget 2025
General Fund	32,611,450.00
Charges For Services	44,650.00
Fines & Forfeits	277,400.00
Interest Revenue	250,000.00
Intergovernmental	15,216,490.00
Licenses & Permits	893,160.00
Other Revenue	106,000.00
Rent	173,300.00
Taxes	15,650,450.00
Grand Total	32,611,450.00

FY 2025 BUDGET

32.6 Million

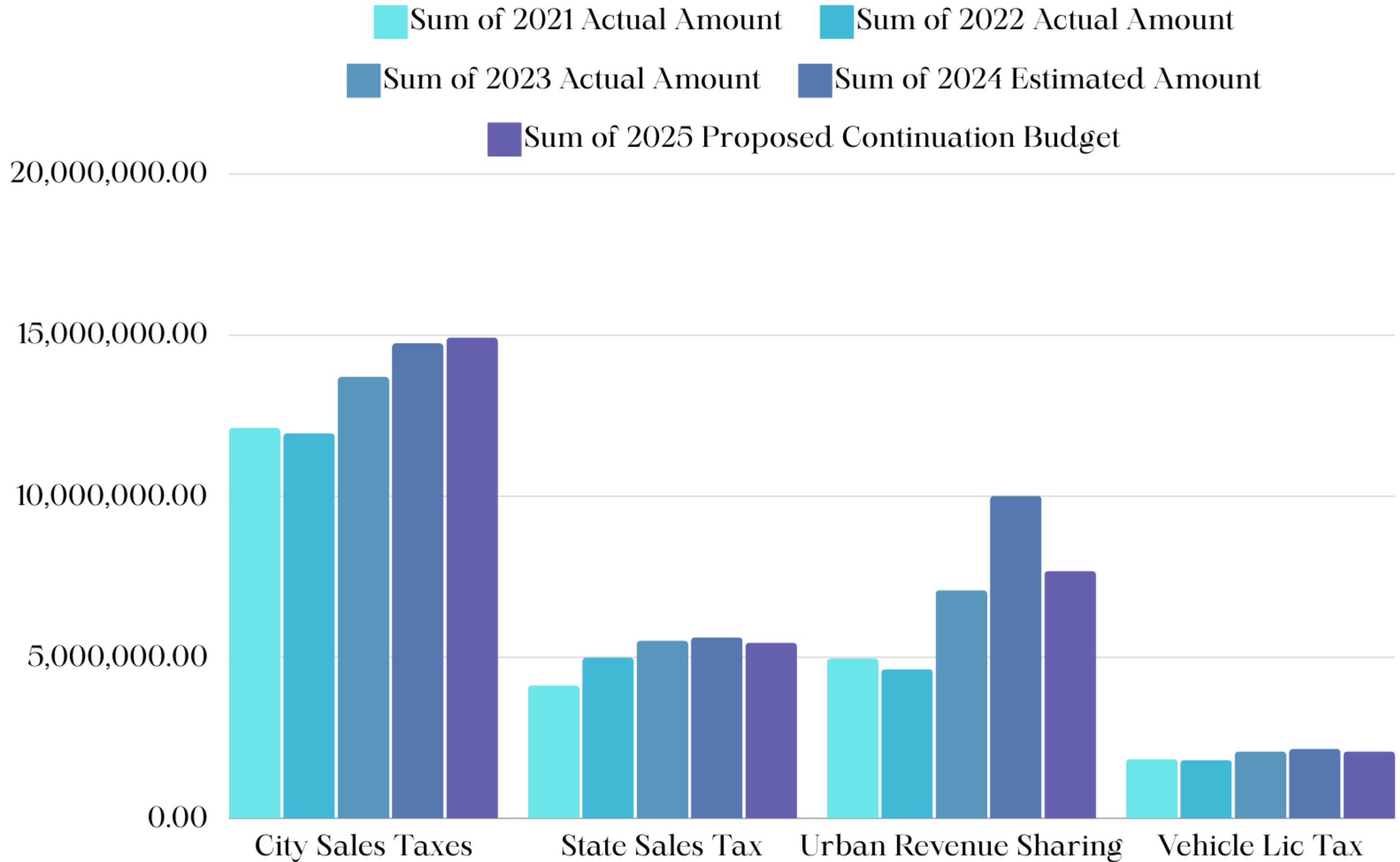
38% of total revenues



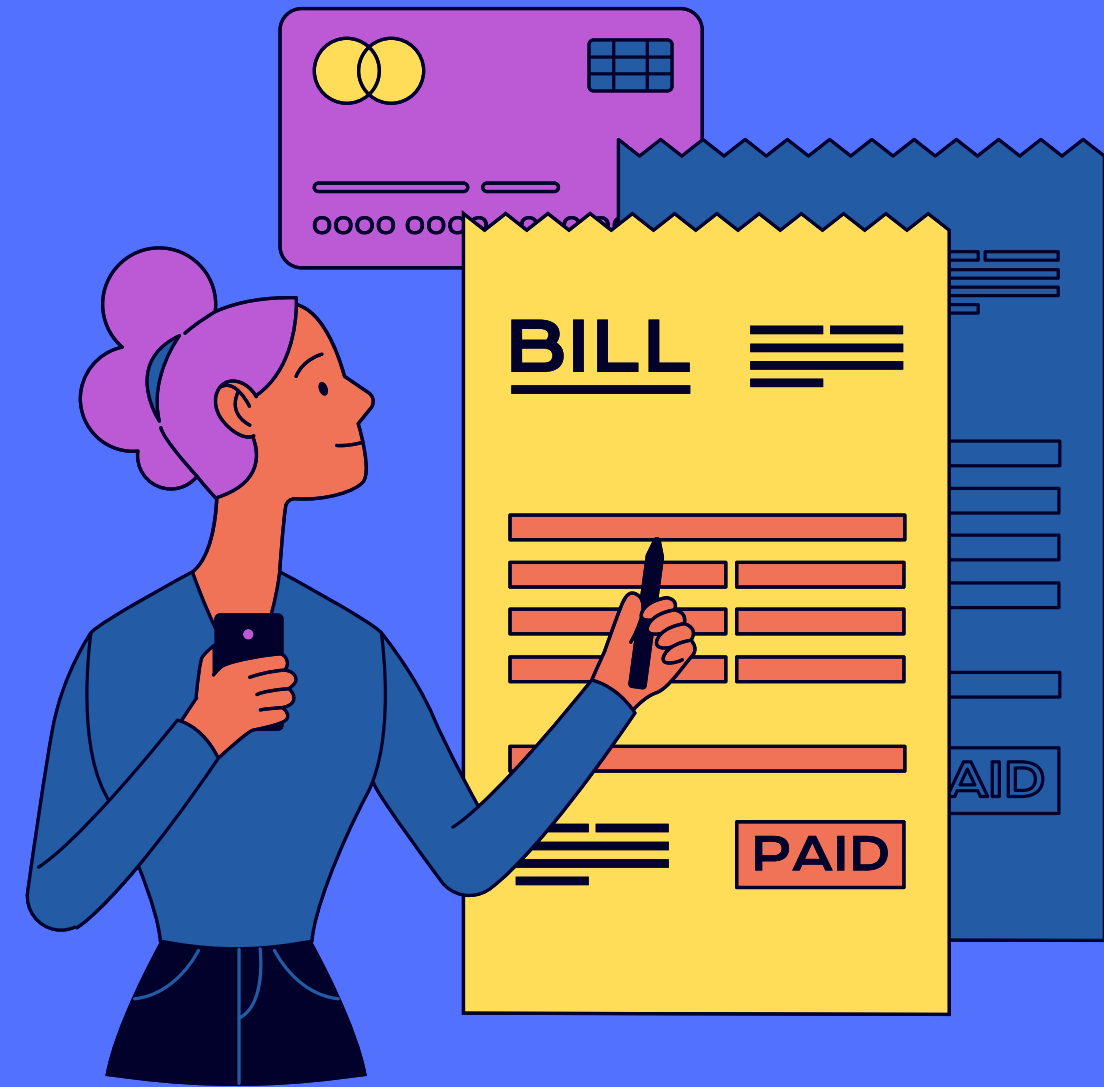
State Shared Revenues Comparison FY24 vs FY25



State Revenues				
Revenue Description	Sum of 2024 Amended Budget	Sum of 2025 Department Request	Sum of 2025 Proposed Continuation Budget	State Tax Revenues Shortage
Revenues	21,593,674.00	18,967,830.00	18,845,120.00	
General Fund	17,789,274.00	15,367,830.00	15,216,490.00	
State Sales Tax	5,620,074.00	5,620,070.00	5,457,610.00	(162,464.00)
Urban Revenue Sharing	10,011,445.00	7,682,340.00	7,682,000.00	(2,329,445.00)
Vehicle Lic Tax	2,157,755.00	2,065,420.00	2,076,880.00	(80,875.00)
Highway User Fund	3,804,400.00	3,600,000.00	3,628,630.00	(2,572,784.00)
Highway User Revenues	3,804,400.00	3,600,000.00	3,628,630.00	(175,770.00)
Grand Total	21,593,674.00	18,967,830.00	18,845,120.00	(2,748,554.00)



EXPENSES

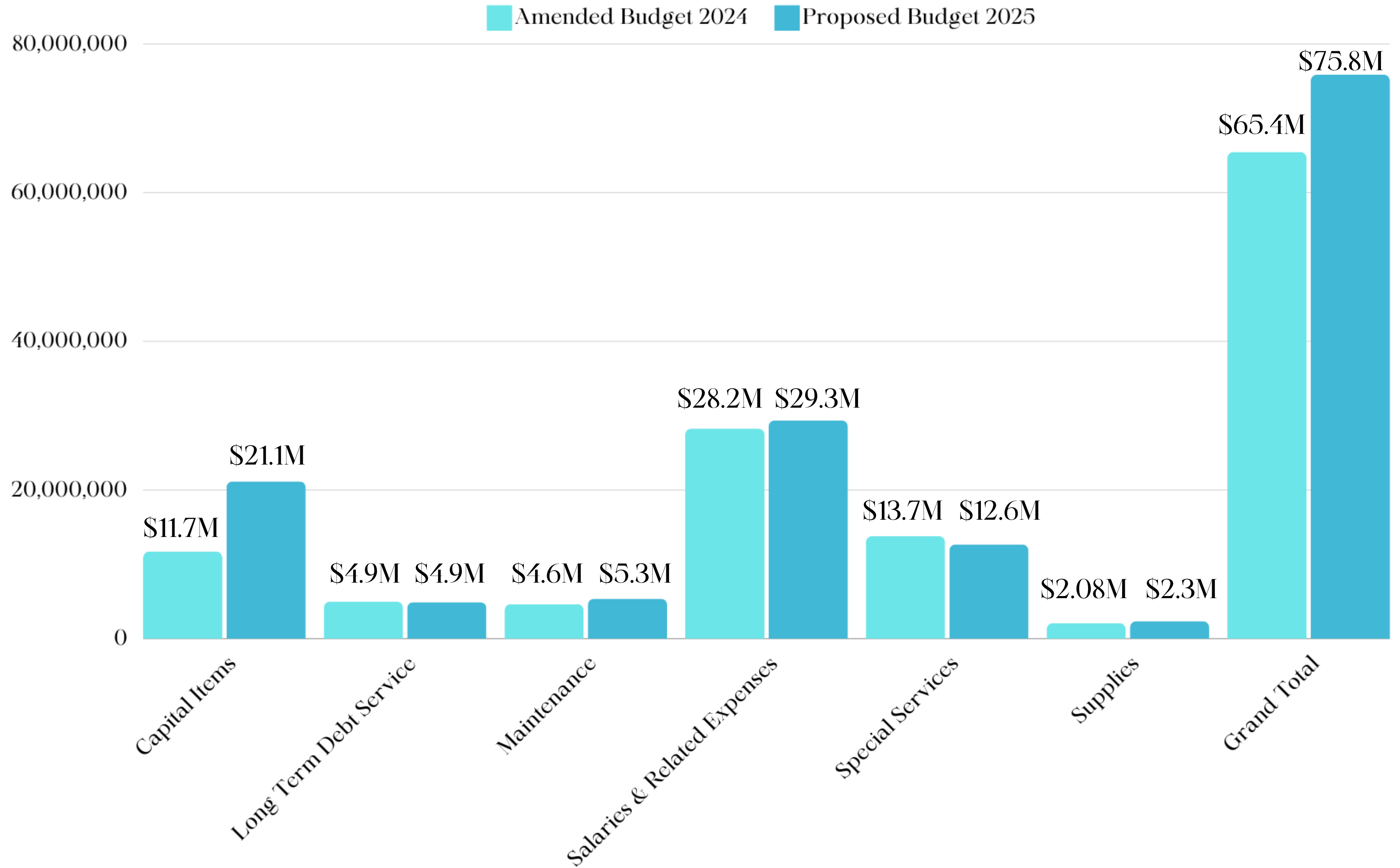


Expenses by Fund	Actual Amount	Actual Amount	Actual Amount	Sum of 2024	Sum of 2025	Variance Between
	2021	2022	2023	Amended Budget	Proposed Continuation Budget	Proposed Budget FY25 Vs Amended FY24
Ambulance Service	2,426,625	2,444,188	2,880,973	3,454,227	3,692,660	238,433
Assessment Districts	446,290	490,979	517,007	826,270	1,000,000	173,730
Business Center	651,827	652,573	624,743	1,214,727	1,206,000	-8,727
Business Incubator	189,965	183,739	143,150	135,405	147,410	12,005
Debt Service Fund	9,060,531	1,646,208	1,765,182	1,747,100	1,849,000	101,900
Employee Benefit Trust	2,541,140	3,474,599	3,098,519	3,344,200	3,419,170	74,970
General Fund	16,751,059	24,171,024	30,561,838	37,310,076	35,397,600	-1,912,476
Highway User Fund	2,968,634	3,574,181	6,182,106	6,111,635	7,350,090	1,238,455
Impact Fees	1,654,693	992,830	1,151,367	890,590	227,100	-663,490
Judicial Collection Enhancement	74,281	71,866	60,080	80,000	77,500	-2,500
Solid Waste	1,525,525	1,481,784	1,858,035	2,715,191	2,619,430	-95,761
Special Rev - Comm Development	863,272	833,867	7,981,318	40,500,223	11,383,260	-29,116,963
Special Rev - Public Safety	3,366,328	557,898	1,155,784	2,110,000	3,611,280	1,501,280
Wastewater	4,011,001	4,534,568	4,823,671	6,717,800	8,449,570	1,731,770
Water	3,444,780	3,476,626	3,785,576	8,291,502	18,195,680	9,904,178
Grand Total	49,975,950	48,586,929	66,589,349	115,448,946	98,625,750	-16,823,196

Expenses 10.3 Million more than last year budget

Expenses by Classification	Sum of 2024 Amended Budget	Sum of 2025 Proposed Continuation Budget	Increase / Decrease
Capital Items	11,723,280.00	21,160,200.00	9,436,920.00
Long Term Debt Service	4,978,990.00	4,921,200.00	-57,790.00
Maintenance	4,640,838.00	5,383,770.00	742,932.00
Salaries & Related Expenses	28,260,660.00	29,372,390.00	1,111,730.00
Special Services	13,784,739.00	12,681,544.00	-1,103,195.00
Supplies	2,085,277.00	2,346,096.00	260,819.00
Grand Total	65,473,784.00	75,865,200.00	10,391,416.00

This chart does not include Special Revenue Funds / Grants



Budget Revenues and Expenses Distribution by Fund FY 2025

Fund	Revenues	Expenses	Balance
	Budget FY25	Budget FY25	Budget FY25
Ambulance Service	3,350,000	3,692,660	(342,660)
Assessment Districts	1,000,000	1,000,000	-
Business Center	1,156,000	1,206,000	(50,000)
Business Incubator	124,300	147,410	(23,110)
Debt Service Fund	1,849,000	1,849,000	-
Employee Benefit Trust	3,419,170	3,419,170	-
General Fund	32,611,450	35,397,600	(2,786,150)
Highway User Fund	7,907,090	7,350,090	557,000
Impact Fees	680,000	227,100	452,900
Judicial Collection Enhancement	77,500	77,500	-
SL Community Facilities District	2,500		2,500
SLDF-Detention Facility Corp	25,000,000	25,000,000	-
Solid Waste	2,406,000	2,619,430	(213,430)
Special Rev - Comm Development	11,383,260	11,383,260	-
Special Rev - Public Safety	3,625,580	3,611,280	14,300
Wastewater	6,300,000	8,449,570	(2,149,570)
Water	9,552,920	18,195,680	(8,642,760)
	110,444,770	123,625,750	(13,180,980)



STREETS

Revenues	3,703,630
Expenses	7,350,090
	(3,646,460)
Transfer In From General Fund	3,646,460
Budget Balance FY2025	-
FY Budget CIP	3,022,780
FY Budget Grants Matching	1,355,550

HURF has over 4 million in CIP Projects. HURF funds are not enough to complete them. For FY 2025, General Fund might be able to fund them with positive reserves.

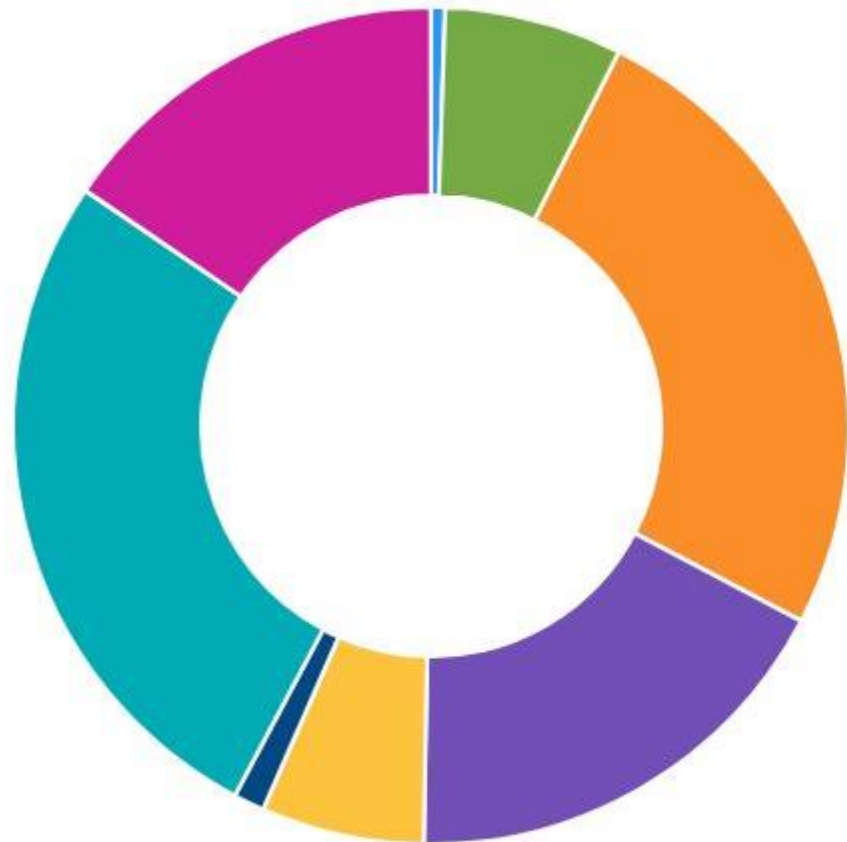
The positive reserves will run out soon. We need to plan ahead.

FY 2024 CAPITAL PROJECTS FUNDING SOURCE



General Fund (8%)	\$2,638,932.00
Grant (40%)	\$13,911,188.00
Highway User Fund (9%)	\$3,022,790.00
Impact Fees (0%)	\$100,000.00
Solid Waste Fund (1%)	\$378,600.00
Wastewater Fund (9%)	\$3,064,420.00
Water Fund (33%)	\$11,634,350.00
TOTAL	\$34,750,280.00

6 YEAR CAPITAL PROJECTS FUNDING SOURCE



Ambulance Services Fund (1%)	\$750,000.00
General Fund (7%)	\$9,596,052.00
Grant (25%)	\$35,226,388.00
Highway User Fund (18%)	\$24,464,130.00
Impact Fees (6%)	\$8,766,570.00
Solid Waste Fund (1%)	\$1,682,600.00
Wastewater Fund (27%)	\$37,214,420.00
Water Fund (15%)	\$21,564,350.00
TOTAL	\$139,264,510.00

Expenditure Limitation for FY25 \$ 60,007,542

Directs the commission to determine expenditure limitation for cities

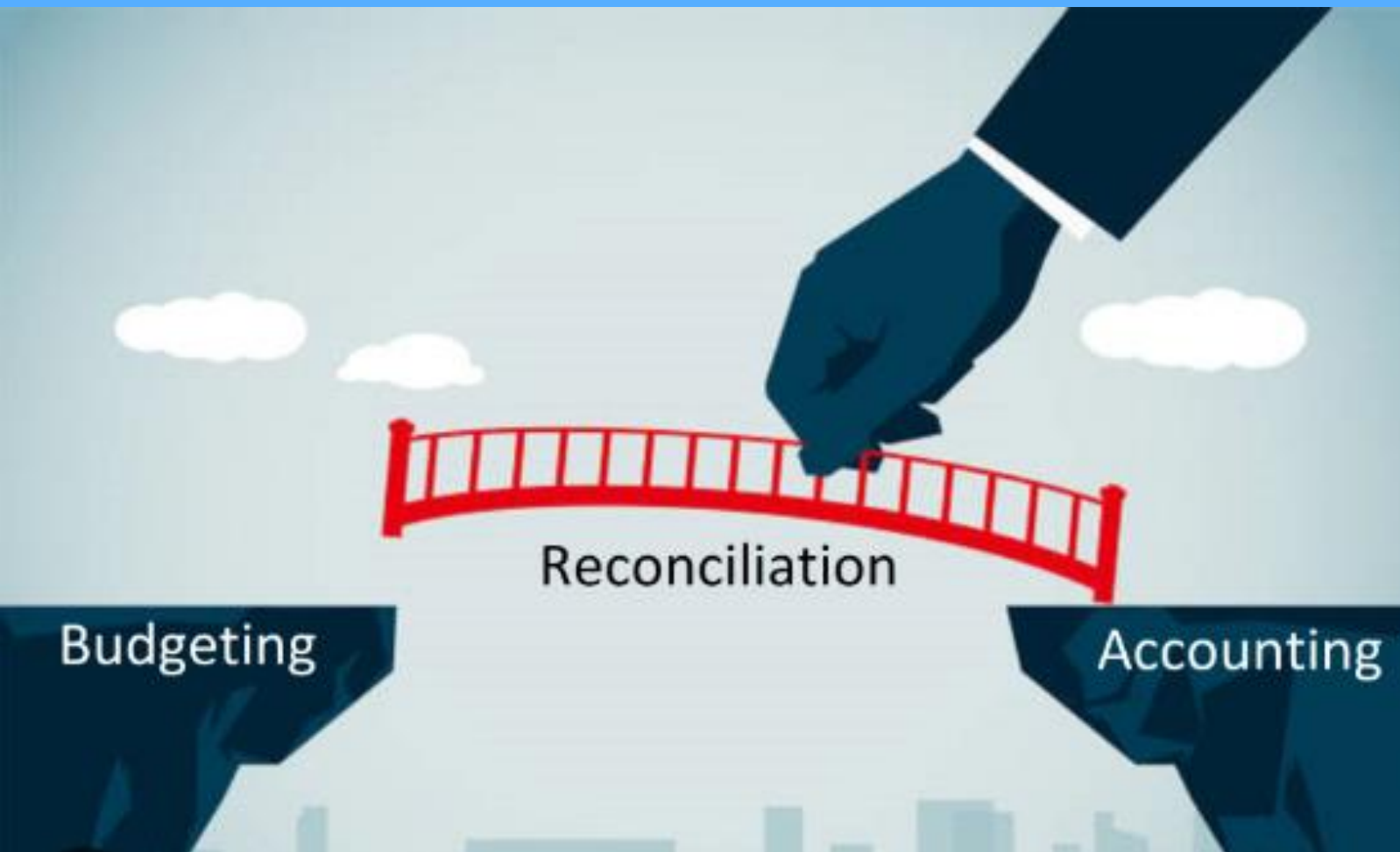
The penalties for municipalities for exceeding the expenditure limit are severe

For fiscal year 2025 the expenditure limitation for the City of San Luis is \$60 million

Acting City Manager met with department heads to reduce capital projects to meet this amount



Reconciliation of the Budget Expenses FY25 with the Annual Expenditure Limitation Amount by State Statute



Expenses	Sum of 2025 Department Request	Sum of 2025 Proposed Continuation Budget
Salaries & Benefits		
Current	28,021,610.00	28,021,580.00
New Personnel Requests	2,217,830.00	1,185,510.00
Reclassifications/Promotions	157,290.00	165,290.00
Salary Study	-	850,000.00
Total Salaries & Benefits	30,396,730.00	30,222,380.00
Operational Count towards AELR	18,487,330.00	17,356,240.00
Capital Outlay		
Projects Funded by the City	36,978,980.00	19,220,430.00
Grants	13,305,010.00	15,189,460.00
Total Capital Outlay	50,283,990.00	34,409,890.00
Total Expenses	85,863,040.00	66,799,050.00
Estimated Exclusions		
HURF Revenue	3,628,630.00	3,628,630.00
Water Project Highway 95 Water & Sewer	1,200,000.00	
Water Meters Replacement	2,000,000.00	
Exclusion Revenues Governmental & Enterprise		3,162,878.00
	6,828,630.00	6,791,508.00
Expenditure Limitation Amount	60,007,542.00	60,007,542.00
Over/Short Budget Amount Subject to AELR	19,026,868.00	-



WE ARE LOOKING FORWARD TO THE FUTURE OF SAN LUIS



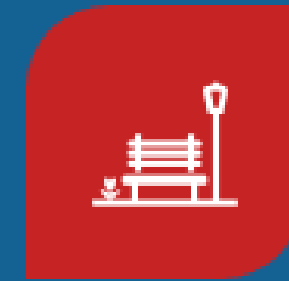
BY 2040, THE POPULATION OF SAN LUIS IS PROJECTED TO BE OVER 70,000 RESIDENTS.



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 2025

Everything is possible by working together.

Thank you!

