



Budget Work session FY2026-FY2027

City Administration

Shared Revenues	Population	Vehicle Licence Tax (VLT)	Highway Users Revenue Fund (HURF) (Gas Tax)	Transaction Privilege Tax (TPT) (Sales Tax)	State Income Tax (URS) (Income Tax)
FY-2022	34,778	\$ 1,673,641	\$ 2,965,575	\$ 4,083,471	\$ 4,537,693
FY-2023	35,257	\$ 2,079,173	\$ 3,673,533	\$ 5,046,509	\$ 6,804,907
FY-2024	35,770	\$ 2,065,423	\$ 3,624,942	\$ 5,320,989	\$ 9,478,747
FY-2025	37,966	\$ 2,138,532	\$ 3,768,997	\$ 5,737,514	\$ 8,076,061
FY-2026	40,064	\$ 2,263,982	\$ 4,099,343	\$ 6,049,249	\$ 7,809,148
FY-2027	40,064	\$ 2,397,377	\$ 4,044,183	\$ 6,022,520	\$ 8,432,505
FY 26-FY 27		\$ 133,395	\$ (55,160)	\$ (26,729)	\$ 623,357

State Shared Revenue

Economic Outlook

Financial Outlook

- State Shared Revenue
 - Tax conformity might reduce URS distribution (\$511k)
- City Sales Tax – Volatile
 - Contracting (\$625,849)
 - Retail Sales Tax Flat
- Residential and Commercial Development

Cost of Living

- Utility-Energy
- Housing
- Gasoline Prices
- Food and Groceries
- Utilities
- Benefits

Proposed Budget

HOME Rule Option

- Expenses \$156,177,47
- Exclusions \$79,322,260
- Expenditure Limitation \$78,855,18
- Amount subject to expenditure limitation \$68,711,500
- **Over Budget(\$8,143,618)**

Salary Adjustments Options Fiscal Year 2026-27

Option 1				Option 2			Option 3	Option 4
(SSI) <i>% based on Seniority</i>		Market Salary Adjustment (MSA) <i>% based on Market Study</i>		Cost of Living Adjustment (COLA) Service Salary Increase (SSI)			In-Range Progression (IRP)	No Changes
All Employees, except PS Without Public Safety		Public Safety (PD) Sworn Personnel	Public Safety (Fire) Certified Personnel	All Employees	Employees w/1+ yrs. of service - capped at 5%		All Employees	All Employees
Years of Service	% of Increase	Classes Included	Classes Included	COLA	SSI	Percentage		
0 - <1	2%	P. Officer	Firefighter	3%	1 Year	1%	This option would place all Employees at Midpoint	All Employees remain at their current rate.
1 - <5	3%	P. Sergeant	Fire Engineer		2 Years	2%		
5 - <10	4%	P. Lieutenant	Fire Captain		3 Years	3%		
10 - <15	5%	P. Chief	Battalion Chief		4 Years	4%		
15 - <20	6%		A. Chief		5+ Years	5%		
20+	7%		Chief					
Total Annual Adj.:	\$435,200			\$330,621		\$370,161	\$2,145,706	\$0
PS Total Annual Adj.:	\$69,553	\$299,707	\$249,227	\$267,548		\$309,520	\$2,038,462	\$0
Total OT Adj. (PD & Fire) 19%:	\$13,215	\$56,944	\$47,353	\$50,834		\$58,809	\$387,308	\$0
Total Annual Adj. w/EREs (17%):	\$606,022	\$417,282	\$346,999	\$759,333		\$864,033	\$5,348,627	\$0
Grand Total:	\$1,370,303			\$1,623,366			\$5,348,627	\$0

Salary Adjustment Options

Employees Placement within Salary Range

Employees <u>CURRENT</u> Placement w/in Salary Range					
	At Minimum	0-1% Above Minimum	1-10% Above Minimum	10-20% Above Minimum	20-30% Above Minimum
Currently	251	19	57	24	5

Employees <u>FUTURE</u> Placement w/in Salary Range - by Option				
	At Minimum	0-10% Above Minimum	10-20% Above Minimum	20-30+% Above Minimum
Option 1		293	48	15
Option 2		295	43	18
Option 3			9	347

Employees Placement within Salary Range

Employee Benefits Impact to Employees

FY 2026–27, projected total claims are approximately \$4,062,843, with fixed costs of \$1,278,840, resulting in a total funding requirement of **\$5,341,683**. To meet the projected funding needs, a **25.04%** increase in funding rates is recommended.

Option 1: 15% Increase in Contributions

Cost split: 80% City / 20% Employees

Employer contributions would increase by \$540,078

Employee contributions would increase by \$100,733

- Estimated impact to an employee enrolled in the Individual Benefits Plan (take-home pay):
 - An employee earning \$16.03/hour, receiving a 3% increase, would see an additional \$83.35 per month
 - The Benefits Plan contribution would increase by 15% (\$11.98 per month)
 - After the increase in benefits, the employee would still net an additional \$71.37 per month.

City Personnel

New Positions

- Assistant City Attorney
- GIS Technician
- Network Administrator
- Building Maintenance
 - Total Cost: \$387,512

Salaries

- 5-Year Projections- 2% increase
- Option 2
 - Cost-of-Living Adjustment
 - Service Salary Increase
 - Allocated \$1,282,055
 - Budget \$1,623,366
 - **Shortfall \$341,311**

Health Care Benefits

- Benefits increased by 25%
- Stop Loss of \$800,000- covered by Trust Reserve
- Allocated \$4,268,440
- Budget \$4,838,450
- **Shortfall \$570,010**

City of San Luis Budget Proposal			
City Reductions		City Increases	
Council Vehicle	\$ 65,000	Salary Increase	\$ 341,311
ADA Parking	\$ 25,000	Health Care	\$ 570,010
City Hall Landscaping	\$ 40,000	ACCT	\$ 600,000
PD Dispatch Console	\$ 30,000	Total	\$ 1,511,321
ROW Beutification	\$ 50,000		
Placer ID Program	\$ 20,000		
Doq Parks	\$ 34,540		
City Hall Signage	\$ 15,000		
City and Employee Events	\$ 314,000		
4fronted Contribution	\$ 18,500		
Senior Center Restrooms/flooring	\$ 133,900		
Cesar Chavez	\$ 185,381		
Highway User Storage	\$ 200,000		
City Hall Roof Repair	\$ 200,000		
City Hall Remodel	\$ 180,000		
Total	\$ 1,511,321		

Budget Proposal FY 26/27

Revenue Sources

Operations

- Budget Measures Implementation
 - Zero-Based Budgeting
- Capital Improvement Plan
- Internal Process Improvements (ERP System)
- 2nd Year limits of new positions
 - Hiring Freeze
 - Level of Service and Expectations
- City Facility Operations
 - 4/10- Monday-Thursday

Long Term Revenues

- Transportation Sales Tax \$3.8 million
- Primary Property Tax \$2.5 million
- Secondary Property Tax
- Hospitality Tax
- Heavy Industrial Users

City Fees

- Utility Rate Fees
- Impact Fees
- Business Incubator Fees
- Parks Fees
- Fire Fees
- Police Fees
- Development Services
 - Secondary dwelling units

