



Resolution No. 11210 – A Resolution Adopting the Fiscal Year 2024-25 Operating and Capital Budgets for the City of Folsom, the Successor Agency, the Folsom Public Financing Authority, and the Folsom Ranch Public Financing Authority– June 11, 2024





# General:

## Question #1 of 3

*I would like to have the salary savings for the past five years for each department before it was used elsewhere in these departments. This is before they used the monies for other things in their budget. Please provide that number for all major departments.*

# General:

## Question #1 of 3 (Salary Savings)

### Salary and Benefits Over (Under) Budget by Department

	<b>Fire Department</b>	<b>Parks and Recreation</b>	<b>Police Department</b>	<b>Public Works</b>
FY 2018-19	\$ 973,315	\$ (298,799)	\$ (658,421)	\$ (327,924)
FY 2019-20	1,199,217	(569,065)	48,695	(631,826)
FY 2020-21	2,012,877	(804,323)	(893,928)	(286,213)
FY 2021-22	1,362,464	114,033	(497,163)	(623,442)
FY 2022-23	965,554	(411,791)	(1,575,778)	(445,342)
<b>5-year average</b>	<b>\$ 1,302,685</b>	<b>\$ (393,989)</b>	<b>\$ (715,319)</b>	<b>\$ (462,949)</b>

# General:

## Question #2 of 3

*It looks like property tax may be becoming a greater share of our General Fund revenue than in the past. [It] looks like for 2024-25 it will account for 38.72% of General Fund revenue versus 34.76% in 2023-24. It might be interesting to present a 10-year history showing what percentage of our revenue is property tax versus sales tax versus other. What does it mean if property tax as a percentage share is growing? More stability? Is there a downside?*

# General:

## Question #2 of 3 (Property Tax)



	Actual 2015-16	Actual 2016-17	Actual 2017-18	Actual 2018-19	Actual 2019-20	Actual 2020-21	Actual 2021-22	Actual 2022-23	Projected 2023-24	Estimated 2024-25
Property Tax	28%	28%	28%	29%	33%	33%	32%	33%	35%	39%
Sales Tax	29%	30%	26%	27%	26%	27%	27%	25%	24%	25%
All Other Revenue	43%	42%	46%	44%	41%	40%	41%	41%	41%	36%

# General:

## Question #3 of 3

*Could you explore two-year budgets with your colleagues?*

# General:

## Question #3 of 3 (Two-Year Budgets)



### ***Potential Advantages:***

- Reduces time spent on budgeting over two-year period (freeing up time for other projects in year two)
- Encourages the jurisdiction to think strategically over multiple years
- De-politicizes the Budget

# General:

## Question #3 of 3 (Two-Year Budgets)



### ***Potential Disadvantages:***

- More time and effort to develop Budget in year one
- More difficulty and uncertainty in forecasting revenues and expenditures further into the future
- Some jurisdictions spending too much time on Budget amendments and adjustments (defeating the purpose)



# General:

## Question #3 of 3 (Two-Year Budgets)



- Would not require a Charter amendment
- Folsom's Charter already allows for the substitution of a two-year operational Budget for the required annual Budget if desired.

*What apparatus for Fire is the \$1.4 million budgeted for?*

- A Type 1 Engine to replace Engine 37

*Beat 5 really needs to be covered every shift as it's [Folsom Plan Area] money that is buying these officers, and they've bought five previously. Are officers picking up the overtime shifts [for Beat 5]?*

*Should we consider contracting out to another agency to staff Beat 5?*

*How do staffing Beat 5 and adding the Homeless Outreach Team the City Manager has proposed for the FY2024-25 Budget interrelate, if at all?*

*There are officers out and positions vacant right now, which affects overall coverage. Can you explain the situation and how/when it will improve?*

# Patrol Staffing



PATROL OFFICERS ON DUTY							
	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
DAY	4	5 (plus 4)*	5 (plus 10)*	5 (Plus 10)*	5 (Plus 10)*	4 (Plus 6)*	4
EVENING	4	5	5	5	5	4	4
NIGHT	5	5	5	5	5	5	5

8 officers off work – 3 expected back by the end of the month

1 officer in training, 4 more officers will begin training following their academy graduation on June 20th

*\* Monday through Friday, additional officers assigned to School Resources, POP, and Traffic are also on duty and frequently respond to assist patrol officers when the volume of calls exceeds the available patrol units.*

# Parks and Recreation Department: Question #1 of 5



*What's planned for the renovation of Kids Play Park?*



# Folsom Kids Play Park – Playground Replacement



The \$1M+ includes a **custom design replacement** of the entire play structure.

- Design and Engineering Consultants
- Community Engagement to gather input on play structures
- Site work including demolition, topographic survey, geotechnical report and construction staking
- Concrete work to fix ADA issues, replace spalling concrete damaged by tree roots
- Replacement of subsurface drainage system
- All pre-construction design work, project management, construction documents
- Labor and construction costs
- Materials: engineered wood fiber surfacing, recycled composite lumber, offering the same aesthetic wood with reduced maintenance and extended lifespan
- Inspections and playground safety certification

# Rainbow City Park – Davis, CA

Examples of custom design playgrounds made of recycled composite lumber:



# Folsom Kids Play Park - \$1.1M



**Pre-construction** **\$ 81,450**

- All design work, topographic survey, geotechnical report, construction documents, project management/construction coordination, demolition, drainage systems, and staking.

**Construction** **\$490,990**

- Labor, tools, concrete work, etc.

**Materials** **\$395,000**

- Includes all materials to construct the 11,000 SF play structure

**Final Inspection & Certification** **\$ 4,500**

**Contingency (10% per FMC)** **\$ 97,194**

# Parks and Recreation Department: Question #2 of 5



*What's planned for the improvements at Davies Park?*



# Bud and Artie Davies Park

The build-out of Davies Park is outlined in the Parks and Recreation Implementation Plan 2015 Update and approved by the Parks and Recreation Commission and the City Council in 2018.

Improvements will include:

- Youth ballfield (softball/baseball)
- Parking lot
- Santa Juanita Road frontage improvements
- Various site furnishings (bench/picnic tables)

***Project Budget:***

FY 2023-2024 Appropriated Project Budget	1,104,113
<b>FY 2024-2025 Budget - Proposed Change</b>	-
<b>Total Project Budget through FY 2024-2025</b>	<b>1,104,113</b>
FY 2023-2024 Projected Expenditures	20,137
<b>FY 2024-2025 Proposed Est Budget Balance</b>	<b>1,083,976</b>



# Davies Park Build-Out Master Plan



# Parks and Recreation Department: Question #3 of 5



*Capital Project Funds: Park Improvement: \$8,055,258. Can you break that down as to what parks this is designated for, if at all?*

# Capital Project Funds



- The \$8,055,258 represents the estimated fund balance as of June 30, 2025 for Fund 412, the City-Wide Park Improvement fund.
- The fund was established for the collection of a park improvement impact fee.
- The impact fee is collected at the time of permit for park and recreation facilities under the requirements that new development bear the cost for park and recreation infrastructure which is needed to serve such development.
- The following park projects are currently budgeted to be paid for from Fund 412:

Benevento Family Park

Bud & Artie Davies Park

Hazel McFarland Community Garden

Sutter Middle School Gym

# Benevento Family Park



This park is located at the corner of Broadstone Parkway and Carpenter Hill Road (Adjacent to Vista Del Lago High School)

This is the development of nine acres of parkland.

Design Development and CEQA are currently underway.

Anticipate project out to bid in early 2025.

## Master Plan includes:

- Eight Lighted Sand Volleyball Courts
- Two Parking Lots
- Concrete and Decomposed Granite Pathways
- Four Lighted Pickleball Courts
- Children’s Play Area including Hillside Play
- Two All-Gender Restroom Buildings
- Four Shade Structures
- Wood Bridge Pathways
- Multi-Use Field
- Two Bocce Courts
- Dock/Stock Pond Access
- Green Space
- Native/Drought Tolerant Planting

## *Project Budget:*

FY 2023-2024 Appropriated Project Budget	6,323,288
<b>FY 2024-2025 Budget - Proposed Change</b>	<b>1,650,000</b>
<b>Total Project Budget through FY 2024-2025</b>	<b>7,973,288</b>
FY 2023-2024 Projected Expenditures	493,288
<b>FY 2024-2025 Proposed Est Budget Balance</b>	<b>7,480,000</b>



# Benevento Family Park





# McFarland Park Community Garden



- The community garden project will be located on the undeveloped area surrounding the parking lot along E. Natoma Street.
- The project would provide rentable garden plots for people to grow vegetables. The adjacency to Broder Family Homestead Park, with its agricultural theme, is a natural complement.
- A program would need to be developed to run the garden plot rentals and also staffing to run the program.
- The project includes completion of streetscape frontage along E. Natoma, low decorative fencing, rentable garden plots and garden equipment storage areas.

### ***Project Budget:***

FY 2023-2024 Appropriated Project Budget	350,000
<b>FY 2024-2025 Budget - Proposed Change</b>	-
<b>Total Project Budget through FY 2024-2025</b>	<b>350,000</b>
FY 2023-2024 Projected Expenditures	-
<b>FY 2024-2025 Proposed Est Budget Balance</b>	<b>350,000</b>

# McFarland Park Community Garden

Community  
Garden



# Parks and Recreation Department: Question #4 of 5



*Can you summarize what our park maintenance scope was before we downgraded last year, what we downgraded to last year, and what it will be in the coming year?*

## **2023 Level of Service – Before Downgrade:**

- Regular herbicide and fertilizer applications (4x annually)
- Regular weekly mow frequency
- Bi-weekly edging
- Weekly shrub bed maintenance
- Irrigation technician support
- Weekly trail maintenance

# Landscape Maintenance Contract



## **January 2024 Downgrade of Service:**

- Reduced herbicide applications (pre-emergent, post-emergent, and selective)
- Reduced fertilizer applications
- Reduced mow frequency
- Reduced edging to monthly
- Removed regular trail maintenance from contract (doing some in-house)



# Landscape Maintenance Contract

## Proposed Level of Service:

### 50% service reduction (MOW ONLY)

- No irrigation technician support
- No chemical applications/weed control
- No fertilizer application
- No shrub maintenance
- No edging
- Re-evaluate mow schedules



# Parks and Recreation Department: Question #5 of 5



*What is the cost recovery set at for Parks and Rec? I heard it was minimum 50%.*

# Cost Recovery

- The cost recovery ranges for services are outlined in the User Fees and Charges Policy that was adopted in 2007 (Resolution No. 8054).
- The services provided by recreation meet or exceed ranges.
- Cost recovery includes direct and indirect charges.
- Revenues should NOT exceed the cost of providing that type of service.
- Rate structures should be sensitive to the market.

# Cost Recovery: Establishing User Fees

## **Three levels of cost recovery:**

1. High Cost Recovery (Fee-Based): 75% -100%
2. Moderate Cost Recovery: (Fee-Based) 50% - 75%
3. Low Cost Recovery: (Service) 0-50%

# Cost Recovery: Recreation Activities

Activity	Cost Recovery Range
Adult Sports and Classes	High Cost Recovery: 75% - 100%
Day Care Services	High Cost Recovery: 75% - 100%
Youth Sports & Classes	Moderate Cost Recovery: 50% - 75%
Facility Rentals	Moderate Cost Recovery: 50% - 75%
Fee-based Special Events	Moderate Cost Recovery: 50% - 75%
Senior Programs	Low Cost Recovery: 0% - 50%
Teen Services	Low Cost Recovery: 0% - 50%
Service Oriented Programs	Low Cost Recovery: 0% - 50%
Outdoor Facility Rentals	Low Cost Recovery: 0% - 50%

# Cost Recovery: Aquatic Center

Activity	Cost Recovery Range
Overall Aquatic Center Operations	Moderate Cost Recovery: 50% - 75%
Recreation Swim Programs	High Cost Recovery: 75% - 100%
Swim Lesson Programs	High Cost Recovery: 75% - 100%
Swim Team Programs	Low Cost Recovery: 0% - 50%
Joint Use School Programs	Low Cost Recovery: 0% - 50%



# The County and the City Abide by *State Tax Law*



- Our sales tax growth rate has dropped considerably, and some of that trend relates to how sales from online purchases translate into revenues for Folsom; those dollars go into a County pool.
- The bottom line is that we get less sales tax revenue when a purchase is made online by a Folsom resident versus at a Folsom brick and mortar store.
- The law that governs the way sales tax is distributed via a County pool comes from the State level via what's called the Bradley-Burns Act.
- Sales tax is administered at the State level via the California Department of Tax and Fee Administration.
- The County is just a recipient, as we are.

# General Fund Proposed Budget Additions



## **FY 2024-25 Proposed Additional Positions:**

\$ 140,997	Park Planner II – Folsom Plan Area
100,539	Parks Maintenance Worker I – Folsom Plan Area
238,450	Two Public Works Streets Maintenance Worker I/II – Folsom Plan Area
242,472	Police Sergeant
215,690	Police Corporal
183,995	Four Police Officers (One funded in budget, three funded by annual vacancy savings)
<u>387,216</u>	Fire Division Chief to oversee training
\$1,509,339	

## **FY 2024-25 Proposed Budget Additions:**

\$ 155,000	Community Development software upgrades
<u>60,000</u>	Election costs
\$ 216,000	

# General Fund Proposed Use of Unassigned Fund Balance



\$1,100,000 - Renovation of Kids Play Park

497,599 - Replace kitchen equipment, tables, and chairs at the Folsom Community Center

80,000 - Replace malfunctioning doors and lighting control system at the Folsom Public Library

60,000 - Replace City's primary data storage system that has reached end of life

\$1,737,599

- The City Manager proposed a use of the unassigned fund balance for ***one-time expenditures only*** that were particularly urgent (among many competing urgencies).
- The City Manager proposed a use of unassigned fund balance that (if approved) ***would keep the City's fund balance within the City Council's newly adopted financial policy***. That policy says that the City shall maintain an unassigned fund balance (reserve) for the General Fund within a range of 17 to 20 percent of the annual operating expenditures.

# General Fund Cost of Service Increases



## Cost of Service Increases – Personnel Costs:

\$ 4,000,495 Salary and benefit increases

## Cost of Service Increases – Operations and Maintenance:

\$ 279,910	HVAC loan - annual payment
186,865	Software contract increases
123,500	Training and education (Fire and Police Departments)
80,000	Hazard tree work and structural pruning
75,000	Vehicle maintenance
70,000	Vet bills increase
70,000	Recreation guide printing and postage costs
59,400	Annual physical exams (Fire Department)
50,000	Park maintenance contract increase
41,800	Department supplies increase (Fire and Public Works (Fleet) Departments)
33,600	Fleet inventory management and household hazardous waste disposal contract increases
30,000	Annual PPE inspection (Fire Department)
30,000	Open space weed abatement costs
78,350	All other budget “true-ups” across all General Fund departments

# Next Steps

**May 28, 2024:** Presentation of the City Manager's Proposed Budget

**June 11, 2024:** Public hearing and first opportunity for Budget adoption by the City Council

- Per the City's municipal code, a balanced Budget must be adopted by at least a majority vote the last day of the fiscal year (June 30, 2024).
- *Note: Last year at about this time, the current (FY2023-24) Budget was adopted by all five of the current Council Members unanimously, more than meeting the City's majority vote requirement.*
- If the City Council does not adopt the Budget by June 30<sup>th</sup>, the Budget as proposed by the City Manager shall be deemed adopted.

# Staff Recommendation



Staff recommends that the City Council pass and adopt Resolution No. 11210 – A Resolution Adopting the Fiscal Year 2024-25 Operating and Capital Budgets for the City of Folsom, the Successor Agency, the Folsom Public Financing Authority, and the Folsom Ranch Public Financing Authority.