

STAFF REPORT*CITY OF OCEANSIDE*

DATE: June 5, 2024

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **PUBLIC HEARING TO ADOPT THE FY 2024-25 OPERATING BUDGET, THE 2024-25 MEASURE X OPERATING BUDGET, AND THE FY 2024-25 CAPITAL IMPROVEMENTS PROGRAM BUDGET; AND AUTHORIZE A LUMP SUM PREPAYMENT TO CALPERS**

SYNOPSIS

Staff recommends that the City Council, the Community Development Commission, and the Harbor District Board take the following actions to adopt the FY 2024-25 Operating, Measure X, and Capital Improvement Program Budgets; and authorize a lump-sum prepayment to CalPERS:

1. Adopt a resolution approving the Appropriation Limitation as required by Article XIII-B of the State Constitution, as modified by Proposition 111 for FY 2024-25. (Attachment A)
2. Adopt a resolution approving the FY 2024-25 City of Oceanside Operating Budget. (Attachment B)
3. Adopt a resolution approving the FY 2024-25 City of Oceanside Measure X Operating Budget. (Attachment C)
4. Adopt a resolution approving the FY 2024-25 City of Oceanside Capital Improvements Program Budget. (Attachment D)
5. Adopt a resolution approving the FY 2024-25 Community Development Commission (CDC) Operating Budget. (Attachment E)
6. Adopt a resolution approving the FY 2024-25 Small Craft Harbor District Operating Budget. (Attachment F)
7. Adopt a resolution approving the FY 2024-25 Small Craft Harbor District Capital Improvements Program Budget. (Attachment G)
8. Approve a lump-sum prepayment to CalPERS estimated at \$21.91 million for the City's annual required Unfunded Liability contribution for both Safety and Miscellaneous Retirement Plans; prepayment will provide an estimated \$732,562 in savings which will be directly applied to the City's CalPERS Unfunded Liability. (Attachment H)

BACKGROUND

Presented for your consideration are the Fiscal Year 2024-25 budgets for the City of Oceanside, the CDC, and the Harbor District, inclusive of the Capital Improvement Program (CIP), and Measure X budgets.

A Budget Workshop was held on April 17, 2024. At that time, staff provided specific recommendations for inclusion in the City's FY 2024-25 budgets. The recommendations provided by staff maintain service levels and continue the focus on Council's collective priorities, including maintaining the quality of life for residents, public safety, economic development, and addressing homelessness.

The purpose of this public hearing is to provide the City Council and the public with an additional overview of the budgets, receive public comments, and give final consideration to the City's FY 2024-25 budgets.

The City's Appropriation Limitation resolution required for FY 2024-25 is also included for Council action. (Attachment A)

ANALYSIS

The City's budget represents the operating and capital spending plans for all of the City's funds including General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, Internal Service Funds, and Measure X Funds.

The FY 2024-25 total appropriations for all funds, including Measure X, is \$604,512,857. The operating appropriations on an all-funds basis are \$550,245,295 and the appropriations for the CIP are \$54,267,562. Please refer to Attachment I for details.

General Fund

The City's General Fund provides the majority of City services and comprises approximately 40 percent of the total operating appropriations on an all-funds basis. The General Fund revenues continue to be monitored each quarter. Revenues for FY 2024-25 are projected at \$216.28M. As compared to last year's budget, projections for property tax increased \$4.67M, sales tax decreased \$0.13M, and transient occupancy tax increased \$1.09M.

The General Fund proposed expenditures total \$218.68M. Of that amount, \$215.25M are ongoing expenditures and the remaining \$3.43M are one-time additions. The proposed budget uses the current year budget as the base for Maintenance & Operations (M&O) with an assumed cost of living increase of 3.5 percent. This 3.5 percent cost of living adjustment represents a modest increase to continue to account for current inflation trends. The prior year budget (FY 2023-24) also included a cost of living increase of 3.5 percent, and the year before that (FY 2022-23) the cost of living increase was 5 percent. Assumed cost of living increases have been between 0 percent and 2 percent over the ten years prior to that.

In terms of personnel cost, as shared in the Five-Year Forecast, the projected personnel expense includes a continued soft hiring freeze which requires City Manager approval for vacancies to be filled. The salary savings attributable to vacant positions is budgeted at 3 percent or \$4.08M in FY 2024-25. This is primarily the result of the lag time between a position becoming vacant and filled which is typically at least two to three months. In the last five fiscal years, salary savings has averaged \$4.74M annually, therefore, staff believes the forecasted number is reasonable and conservative.

The General Fund expenditure budget includes CalPERS actuarial assumptions and rate smoothing methods. As a result of the CalPERS rate changes, the total CalPERS costs in FY 2024-25 is budgeted at \$32.91M. CalPERS costs for the General Fund alone are expected to increase by \$10.97M over the next five years. To help mitigate the impact to the General Fund for the projected CalPERS rate increases, the City will continue to pre-pay the FY 2024-25 CalPERS Unfunded Liability contribution of \$21.91M which will create \$732,562 in savings that will be applied to the Unfunded Liability as an additional payment. Additional CalPERS Unfunded Liability payments will be made with half of the year-end budget surplus and a third of the quarterly investment interest earnings at the end of FY 2023-24, consistent with Council Policies 200-11 and 200-13.

As presented at the April 17, 2024 Budget Workshop, staff recommended \$1.69M in ongoing costs funded by the projected surplus; and \$3.17M in one-time items funded by reserves. With these proposed additions, the forecasted surplus for FY 2024-25 was estimated at \$1M. See Attachment K for Workshop materials. Since the Workshop, staff has identified a need for additional gopher control in parks as well as funding for the National Night Out event for a total of \$83,000 in additional one-time costs. An additional one-time cost of \$75,000 was also added for additional KOCT funding, as well as \$100,000 in seed money for a new Beach Restoration fund which staff intends to supplement in the future, subject to City Council approval. The projected expenditures also reflect other personnel changes such as retirements, step increases and reclassifications since the Budget Workshop in April. The net impact of updates since the Budget Workshop results in a revised \$1.02M estimated surplus. Attachment J summarizes the General Fund Revenue and Expenditure budget.

GENERAL FUND BUDGET			
	FY 2022-23	FY 2023-24	FY 2024-25
Revenues	\$188,909,187	\$204,019,076	\$216,277,872
Recurring Expenditures	<u>186,850,494</u>	<u>203,288,293</u>	<u>215,253,746*</u>
Surplus	\$ 2,058,693	\$ 730,783	\$ 1,024,126
One-time Costs (reserves)			\$ 3,433,144

*Includes the recommended ongoing budget additions presented during the Budget Workshop.

Measure X

The FY 2024-25 (Year 6) Spending Plan and seven-year preliminary expenditure plan was presented at the April 30, 2024 Measure X Citizens Oversight Committee (COC) meeting. The Spending Plan for FY 2024-25 continues the programs and infrastructure projects initiated in Year 1 through 5. The proposed \$26.40M Spending Plan for Year 6 includes \$9.90M for improved Public Safety Services including addressing homelessness; \$5M for Public Safety Infrastructure Projects, \$4M for Street & Road repairs/improvements; and \$7.5M for Beaches/Beachfront/Pier/Parks. Proposed new projects for Year 6 include Police Department firing range and tactical training center (\$5M) and Fire Department health and wellness program (\$150,000). Measure X revenue in FY 2024-25 is forecasted at \$18.80M. Additionally, \$7.64M in unspent funds from FY 2023-24 are being rolled over for reallocation in FY 2024-25. See attachment L for more information about the Measure X spending plan.

Capital Improvements Program (CIP)

The CIP budget for all funds (including water utilities) totals \$217M. Funding for the CIP budget is approved by the Council for the first year of the five-year program; the other four years are shown in the budget as a planning tool. Unused appropriations are re-budgeted in subsequent years when projects are not complete; the proposed FY 2024-25 CIP budget includes \$54.27M in "new money" including \$16.5M in Measure X funded projects and \$15.69M in Sewer Fixed Asset Replacement projects.

Community Development Commission

The appropriations for the Community Development Commission total \$30.57M for FY 2024-25. The CDC does not have any capital projects budgeted.

Harbor District

The appropriations for the Harbor District operating budget total \$9.8M for FY 2024-25 and \$2.53M in capital projects.

In summary, the collective budgets, which represent the City's spending plan and policy document, were created based on the Council's collective priorities with an emphasis on maintaining service levels and cost containment.

FISCAL IMPACT

Adoption of the attached resolutions will provide a balanced budget for all funds. The total appropriations are shown on Attachment I.

CITY ATTORNEY'S ANALYSIS

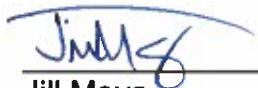
The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council, the Community Development Commission, and the Harbor District Board take the following actions to adopt the FY 2024-25 Operating, Measure X, and Capital Improvement Program Budgets; and authorize a lump-sum prepayment to CalPERS:

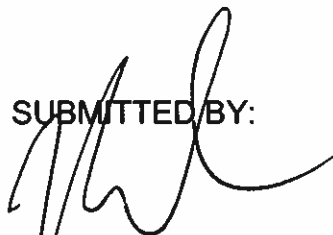
1. Adopt a resolution approving the Appropriation Limitation as required by Article XIII-B of the State Constitution, as modified by Proposition 111 for FY 2024-25. (Attachment A)
2. Adopt a resolution approving the FY 2024-25 City of Oceanside Operating Budget. (Attachment B)
3. Adopt a resolution approving the FY 2024-25 City of Oceanside Measure X Operating Budget. (Attachment C)
4. Adopt a resolution approving the FY 2024-25 City of Oceanside Capital Improvements Program Budget. (Attachment D)
5. Adopt a resolution approving the FY 2024-25 Community Development Commission (CDC) Operating Budget. (Attachment E)
6. Adopt a resolution approving the FY 2024-25 Small Craft Harbor District Operating Budget. (Attachment F)
7. Adopt a resolution approving the FY 2024-25 Small Craft Harbor District Capital Improvements Program Budget. (Attachment G)
8. Approve a lump-sum prepayment to CalPERS estimated at \$21.91 million for the City's annual required Unfunded Liability contribution for both Safety and Miscellaneous Retirement Plans; prepayment will provide an estimated \$732,562 in savings which will be directly applied to the City's CalPERS Unfunded Liability. (Attachment H)

PREPARED BY:



Jill Moya
Financial Services Director

SUBMITTED BY:



for Jonathan Borrego
City Manager

REVIEWED BY:

Michael Gossman, Assistant City Manager
Robert O'Brien, Deputy City Manager



ATTACHMENTS:

- A. Resolution Adopting Appropriation Limit for Fiscal Year 2024-25**
- B. Resolution Approving City of Oceanside Operating Budget for Fiscal Year 2024-25**
- C. Resolution Approving City of Oceanside Measure X Operating Budget for Fiscal Year 2024-25**
- D. Resolution Approving City of Oceanside Capital Improvement Program Budget for Fiscal Year 2024-25**
- E. Resolution Approving Community Development Commission Operating Budget for Fiscal Year 2024-25**
- F. Resolution Approving Oceanside Small Craft Harbor District Operating Budget for Fiscal Year 2024-25**
- G. Resolution Approving Oceanside Small Craft Harbor District Capital Improvements Program Budget for Fiscal Year 2024-25**
- H. CalPERS Safety and Miscellaneous Plan Actuarial Valuations FY 2024-25**
- I. Comparative Appropriations by Category, FY 2023-24 vs. FY 2024-25**
- J. General Fund Revenues by Category and Expenditures by Department**
- K. April 17, 2024 Budget Workshop Materials**
- L. March 21, 2024 Measure X Spending Plan and Update FY 2024-25 (YEAR 6)**

ATTACHMENT A

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OCEANSIDE, CALIFORNIA DETERMINING AND ADOPTING AN
APPROPRIATION LIMIT FOR THE FISCAL YEAR 2024-25 IN
ACCORDANCE WITH ARTICLE XIII-B OF THE CONSTITUTION
OF THE STATE OF CALIFORNIA**

WHEREAS, Article XIII-B was added to the Constitution of the State of California through a general election held on November 6, 1979; and

WHEREAS, Proposition 111 approved by the voters in June 1990, and SB 88 (Chapter 60/90) made modifications to Article XIII-B regarding the adjustment factors for inflation and population; and

WHEREAS, the City Council desires to select the factors that are more indicative of local conditions, or are considered more advantageous, as indicated in Exhibit "A"; and

WHEREAS, an annual appropriations limit must be determined for this City, effective for the Fiscal Year 2024-25, beginning July 1, 2024; and

WHEREAS, the appropriations limit must be adhered to in preparing and adopting this City's annual budget; and

WHEREAS, it is necessary for the orderly adoption and administration of this City's annual budget that the appropriations limits be determined and adopted in conjunction with the adoption of the annual budget.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. In accordance with Article XIII-B of the Constitution of the State of California, as modified by Proposition 111 and SB 88 (Chapter 60/90) the appropriation limit, as set forth in the attached Exhibit "A" is \$519,028,078 for FY 2024-25.

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ATTACHMENT A

SECTION 2. That the appropriation limits shall not be exceeded in the proposed budget nor by any proposed amendment to the budget.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this 5th day of June, 2024, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

CITY CLERK

CITY ATTORNEY

EXHIBIT "A"

CITY OF OCEANSIDE Schedule of Annual Appropriations and Limitation For Fiscal Year 2024-25

	<u>2024-25</u>
Cumulative Growth Rate	1.0362%
Appropriations Limit	\$519,028,078
Projected Revenues from Proceeds of Taxes	\$146,580,407
Amount of Projected Revenues Below the Maximum Revenue Allowed	\$372,447,671
Percentage under Appropriation Limitation	71.76%

Article XIII B of the California Constitution, more commonly known as the Annual Appropriation Limitation or "Gann Limit", specifies the amount of allowable revenue the City of Oceanside can appropriate from the proceeds of taxes. The City's Appropriation Limitation is projected to be approximately \$519.03 million or 71.76% below its Gann Limit for the Fiscal Year 2024-25. In accordance with Proposition 111 and SB 88 (Chapter 60/90) the Appropriation Limitation is calculated utilizing a format based on the percentage of growth in California Per Capita Income and City population.

ATTACHMENT B

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OCEANSIDE, CALIFORNIA APPROVING THE OPERATING
BUDGET FOR THE FISCAL YEAR 2024-25**

WHEREAS, an Operating Budget for Fiscal Year 2024-25 has been prepared by the City Manager and presented to this Council; and

WHEREAS, this City Council has examined said Operating Budget at a workshop held on April 17, 2024, and at a public hearing on June 5, 2024, and conferred with the City Manager and various department heads; and

WHEREAS, the City Council has, after due deliberation and consideration, made such amendments in the Operating Budget as they considered necessary.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. That the Operating Budget Appropriation Summary, attached hereto as Exhibit "A" and by this reference incorporated herein as if set forth in full, is hereby approved for Fiscal Year 2024-25, and effective as of July 1, 2024 said appropriations are hereby made.

SECTION 2. That the City Manager and the Director of Financial Services, acting concurrently, are hereby authorized to modify appropriations for continuing programs and projects that have been specifically considered in the budgeted amounts in Exhibit "A." Such appropriations are to be adjusted to actual remaining balances at June 30, 2024, and carried forward to the Fiscal Year 2024-25.

SECTION 3. That the Fiscal Year 2024-25 Operating Budgets on file with the City Manager are hereby approved.

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ATTACHMENT B

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this
5th day of June, 2024, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

CITY CLERK



CITY ATTORNEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OCEANSIDE, CALIFORNIA APPROVING THE OPERATING
BUDGET FOR THE FISCAL YEAR 2024-25

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
101 GENERAL FUND	\$ 218,686,890	\$ -	\$ -	\$ -	\$ 218,686,890
103 GENERAL FUND - Measure X	26,403,466	-	-	-	26,403,466
SPECIAL FUNDS					
102 Investment Clearing	\$ 1,277,780	\$ -	\$ -	\$ -	\$ 1,277,780
204 Asset Seizure	325,000	-	-	-	325,000
212 TransNet	4,309,834	5,275,000	-	-	9,584,834
213 Gas Tax	4,693,756	-	-	-	4,693,756
217 Supplemental Law Enforcement	143,240	-	-	-	143,240
218 State Asset Seizure	4,700	-	-	-	4,700
221 Oside Lighting District	1,594,709	-	-	-	1,594,709
237 CDBG	2,092,792	-	-	-	2,092,792
241 Sunset Hills	36,912	-	-	-	36,912
242 Mission Meadows	14,726	-	-	-	14,726
243 Sunburst Homes	22,276	-	-	-	22,276
244 Douglas Park	345,374	-	-	-	345,374
246 Rancho Hermosa	46,825	-	-	-	46,825
247 Santa Fe Mesa	370,196	-	-	-	370,196
248 Del Oro Hills	491,254	-	-	-	491,254
249 Mar Lado	82,586	-	-	-	82,586
250 Guajome Ridge	136,604	-	-	-	136,604
251 Peacock Hills	15,508	-	-	-	15,508
252 Vista Del Rio	21,205	-	-	-	21,205
254 El Camino Memory Care MD Fd	6,884	-	-	-	6,884
265 SB1 RMRA Gas Tax Fd	700,000	2,725,000	-	-	3,425,000
272 State & Local Grants	1,769,477	-	-	-	1,769,477
274 Federal Grants	41,119	-	-	-	41,119
276 Other Grants	24,000	-	-	-	24,000
277 HOME Grant	2,717,473	-	-	-	2,717,473
278 Inclusionary In Lieu	864,705	-	-	-	864,705
281 CDC SA Low & Mod Housing Fund	-	-	155,370	-	155,370
282 CDC Housing Rehab Loan	-	-	430,270	-	430,270
283 CDC Housing Section 8	-	-	29,601,165	-	29,601,165
284 CDC Admin/Program Development	-	-	225,022	-	225,022
286 CDC Housing Mortgage Rev Bond	-	-	143,212	-	143,212
288 Housing Mobile Home Rent Control	343,571	-	-	-	343,571
289 CDC Hsng CalHome Prog Fd	-	-	10,187	-	10,187
Total Special Funds	\$ 22,492,506	\$ 8,000,000	\$ 30,565,226	\$ -	\$ 61,057,732

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	
	Operating	Capital	Operating	Operating	Total
DEBT SERVICE FUNDS					
402 Ocean Ranch Corp CFD	\$ 1,701,758	\$ -	\$ -	\$ -	\$ 1,701,758
403 Pacific Coast Business Park CFD	677,822	-	-	-	677,822
420 City Debt Service	7,754,725	-	-	-	7,754,725
455 Morro Hills CFD	1,152,491	-	-	-	1,152,491
456 14 Morro Hills IA1 CFD	559,913	-	-	-	559,913
963 Oceanside Lighting Dist-DS	476,219	-	-	-	476,219
971 SA-Downtown Capital Fd	3,886,591	-	-	-	3,886,591
Total Debt Service Funds	\$ 16,209,519	\$ -	\$ -	\$ -	\$ 16,209,519
CAPITAL PROJECT FUNDS					
501 General Capital Projects	\$ 972,977	\$ 1,080,000	\$ -	\$ -	\$ 2,052,977
503 Public Facility Fees	83,600	871,100	-	-	954,700
516 Drainage DIF Fd	226,890	-	-	-	226,890
517 CIP - Measure X	-	16,500,000	-	-	16,500,000
561 Major Thoroughfare	5,000	1,460,000	-	-	1,465,000
562 Th-Fare/Traffic Signal DIF Fd	776,990	1,077,150	-	-	1,854,140
581 GF Community Facilities CIP	295,000	20,000	-	-	315,000
596 Municipal Golf Course Improv	422,160	-	-	-	422,160
598 Park Fees	211,918	260,000	-	-	471,918
Total Capital Projects Funds	\$ 2,994,535	\$ 21,268,250	\$ -	\$ -	\$ 24,262,785
ENTERPRISE FUNDS					
711 Water Operating	\$ 76,657,833	\$ -	\$ -	\$ -	\$ 76,657,833
712 Water F/A Replacement	1,363,266	-	-	-	1,363,266
715 Water Connection Fees	-	6,774,934	-	-	6,774,934
717 Water Debt Service	4,396,699	-	-	-	4,396,699
721 Sewer Operating	33,876,516	-	-	-	33,876,516
722 Sewer F/A Replacement	1,617,573	15,694,378	-	-	17,311,951
727 Sewer Debt Service	4,206,779	-	-	-	4,206,779
731 Solid Waste Disposal	2,201,511	-	-	-	2,201,511
741 Airport	98,239	-	-	-	98,239
742 Airport Debt Service	93,239	-	-	-	93,239
751 Harbor	-	2,530,000	-	9,796,212	12,326,212
Total Enterprise Funds	\$ 124,511,655	\$ 24,999,312	\$ -	\$ 9,796,212	\$ 159,307,179

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	
	Operating	Capital	Operating	Operating	Total
INTERNAL SERVICE FUNDS					
814 Risk Management	\$ 7,976,813	\$ -	\$ -	\$ -	\$ 7,976,813
817 Employee Benefits	55,912,609	-	-	-	55,912,609
818 Workers Compensation	6,637,052	-	-	-	6,637,052
831 Fleet Management	13,204,113	-	-	-	13,204,113
841 Information Services	7,760,080	-	-	-	7,760,080
851 City Building Services	6,580,102	-	-	-	6,580,102
871 General Services Fd	514,517	-	-	-	514,517
Total Internal Services Funds	\$ 98,585,286	\$ -	\$ -	\$ -	\$ 98,585,286
GRAND TOTAL	\$ 509,883,857	\$ 54,267,562	\$ 30,565,226	\$9,796,212	\$ 604,512,857

ATTACHMENT C

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE, CALIFORNIA APPROVING THE MEASURE X (SALES TAX) OPERATING BUDGET FOR THE FISCAL YEAR 2024-25

WHEREAS, a Measure X Operating Budget for Fiscal Year 2024-25 has been prepared by the City Manager and presented to this Council; and

WHEREAS, the Measure X Oversight Committee (COC) has examined said Measure X Operating Budget at a meeting held on March 21, 2024, and this City Council has examined at a public hearing on June 5, 2024, and conferred with the City Manager and various department heads; and

WHEREAS, the City Council has, after due deliberation and consideration, made such amendments in the Measure X Operating Budget as they considered necessary.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. That the Measure X Operating Budget Appropriation Summary, attached hereto as Exhibit "A" and by this reference incorporated herein as if set forth in full, is hereby approved for Fiscal Year 2024-25, and effective as of July 1, 2024 said appropriations are hereby made.

SECTION 2. That the City Manager and the Director of Financial Services, acting concurrently, are hereby authorized to modify appropriations for continuing programs and projects that have been specifically considered in the budgeted amounts in Exhibit "A." Such appropriations are to be adjusted to actual remaining balances at June 30, 2024, and carried forward to the Fiscal Year 2024-25.

SECTION 3. That the Fiscal Year 2024-25 Measure X Operating Budgets on file with the City Manager are hereby approved.

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ATTACHMENT C

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this
5th day of June, 2024, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

CITY CLERK

CITY ATTORNEY

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OCEANSIDE, CALIFORNIA APPROVING THE MEASURE X
OPERATING BUDGET FOR THE FISCAL YEAR 2024-25

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
101 GENERAL FUND	\$ 218,686,890	\$ -	\$ -	\$ -	\$ 218,686,890
103 GENERAL FUND - Measure X	26,403,466	-	-	-	26,403,466
SPECIAL FUNDS					
102 Investment Clearing	\$ 1,277,780	\$ -	\$ -	\$ -	\$ 1,277,780
204 Asset Seizure	325,000	-	-	-	325,000
212 TransNet	4,309,834	5,275,000	-	-	9,584,834
213 Gas Tax	4,693,756	-	-	-	4,693,756
217 Supplemental Law Enforcement	143,240	-	-	-	143,240
218 State Asset Seizure	4,700	-	-	-	4,700
221 Oside Lighting District	1,594,709	-	-	-	1,594,709
237 CDBG	2,092,792	-	-	-	2,092,792
241 Sunset Hills	36,912	-	-	-	36,912
242 Mission Meadows	14,726	-	-	-	14,726
243 Sunburst Homes	22,276	-	-	-	22,276
244 Douglas Park	345,374	-	-	-	345,374
246 Rancho Hermosa	46,825	-	-	-	46,825
247 Santa Fe Mesa	370,196	-	-	-	370,196
248 Del Oro Hills	491,254	-	-	-	491,254
249 Mar Lado	82,586	-	-	-	82,586
250 Guajome Ridge	136,604	-	-	-	136,604
251 Peacock Hills	15,508	-	-	-	15,508
252 Vista Del Rio	21,205	-	-	-	21,205
254 El Camino Memory Care MD Fd	6,884	-	-	-	6,884
265 SB1 RMRA Gas Tax Fd	700,000	2,725,000	-	-	3,425,000
272 State & Local Grants	1,769,477	-	-	-	1,769,477
274 Federal Grants	41,119	-	-	-	41,119
276 Other Grants	24,000	-	-	-	24,000
277 HOME Grant	2,717,473	-	-	-	2,717,473
278 Inclusionary In Lieu	864,705	-	-	-	864,705
281 CDC SA Low & Mod Housing Fund	-	-	155,370	-	155,370
282 CDC Housing Rehab Loan	-	-	430,270	-	430,270
283 CDC Housing Section 8	-	-	29,601,165	-	29,601,165
284 CDC Admin/Program Development	-	-	225,022	-	225,022
286 CDC Housing Mortgage Rev Bond	-	-	143,212	-	143,212
288 Housing Mobile Home Rent Control	343,571	-	-	-	343,571
289 CDC Hsng CalHome Prog Fd	-	-	10,187	-	10,187
Total Special Funds	\$ 22,492,506	\$ 8,000,000	\$ 30,565,226	\$ -	\$ 61,057,732

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
DEBT SERVICE FUNDS					
402 Ocean Ranch Corp CFD	\$ 1,701,758	\$ -	\$ -	\$ -	\$ 1,701,758
403 Pacific Coast Business Park CFD	677,822	-	-	-	677,822
420 City Debt Service	7,754,725	-	-	-	7,754,725
455 Morro Hills CFD	1,152,491	-	-	-	1,152,491
456 14 Morro Hills IA1 CFD	559,913	-	-	-	559,913
963 Oceanside Lighting Dist-DS	476,219	-	-	-	476,219
971 SA-Downtown Capital Fd	3,886,591	-	-	-	3,886,591
Total Debt Service Funds	\$ 16,209,519	\$ -	\$ -	\$ -	\$ 16,209,519
CAPITAL PROJECT FUNDS					
501 General Capital Projects	\$ 972,977	\$ 1,080,000	\$ -	\$ -	\$ 2,052,977
503 Public Facility Fees	83,600	871,100	-	-	954,700
516 Drainage DIF Fd	226,890	-	-	-	226,890
517 CIP - Measure X	-	16,500,000	-	-	16,500,000
561 Major Thoroughfare	5,000	1,460,000	-	-	1,465,000
562 Th-Fare/Traffic Signal DIF Fd	776,990	1,077,150	-	-	1,854,140
581 GF Community Facilities CIP	295,000	20,000	-	-	315,000
596 Municipal Golf Course Improv	422,160	-	-	-	422,160
598 Park Fees	211,918	260,000	-	-	471,918
Total Capital Projects Funds	\$ 2,994,535	\$ 21,268,250	\$ -	\$ -	\$ 24,262,785
ENTERPRISE FUNDS					
711 Water Operating	\$ 76,657,833	\$ -	\$ -	\$ -	\$ 76,657,833
712 Water F/A Replacement	1,363,266	-	-	-	1,363,266
715 Water Connection Fees	-	6,774,934	-	-	6,774,934
717 Water Debt Service	4,396,699	-	-	-	4,396,699
721 Sewer Operating	33,876,516	-	-	-	33,876,516
722 Sewer F/A Replacement	1,617,573	15,694,378	-	-	17,311,951
727 Sewer Debt Service	4,206,779	-	-	-	4,206,779
731 Solid Waste Disposal	2,201,511	-	-	-	2,201,511
741 Airport	98,239	-	-	-	98,239
742 Airport Debt Service	93,239	-	-	-	93,239
751 Harbor	-	2,530,000	-	9,796,212	12,326,212
Total Enterprise Funds	\$ 124,511,655	\$ 24,999,312	\$ -	\$ 9,796,212	\$ 159,307,179

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
INTERNAL SERVICE FUNDS					
814 Risk Management	\$ 7,976,813	\$ -	\$ -	\$ -	\$ 7,976,813
817 Employee Benefits	55,912,609	-	-	-	55,912,609
818 Workers Compensation	6,637,052	-	-	-	6,637,052
831 Fleet Management	13,204,113	-	-	-	13,204,113
841 Information Services	7,760,080	-	-	-	7,760,080
851 City Building Services	6,580,102	-	-	-	6,580,102
871 General Services Fd	514,517	-	-	-	514,517
Total Internal Services Funds	\$ 98,585,286	\$ -	\$ -	\$ -	\$ 98,585,286
GRAND TOTAL	\$ 509,883,857	\$ 54,267,562	\$ 30,565,226	\$9,796,212	\$ 604,512,857

ATTACHMENT D

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE, CALIFORNIA APPROVING THE CAPITAL IMPROVEMENTS PROGRAM BUDGET FOR FISCAL YEAR 2024- 25

WHEREAS, a Capital Improvements Program Budget for Fiscal Year 2024-25 has been prepared by the City Manager and presented to this Council; and

WHEREAS, this City Council has examined said Capital improvements Program Budget at a workshop held on April 17, 2024 and at a public hearing on June 5, 2024 and conferred with the City Manager and various department heads; and

WHEREAS, the City Council has, after due deliberation and consideration, made such amendments in the Capital Improvements Program Budget as they considered necessary.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. That the Capital Improvements Program Budget Appropriation Summary, attached hereto as Exhibit "A" and by this reference incorporated herein as if set forth in full, is hereby approved for Fiscal Year 2024-25, and effective as of July 1, 2024 said appropriations are hereby made.

SECTION 2. That the City Manager and the Director of Financial Services, acting concurrently, are hereby authorized to modify appropriations for continuing projects that have been specifically considered in the budgeted amounts in Exhibit "A". Appropriations for continuing projects are to be adjusted to actual remaining balances at June 30, 2024 and carried forward to the Fiscal Year 2024-25.

SECTION 3. That the Capital Improvements Program budget for Fiscal Year 2024-25 on file with the City Manager is hereby approved.

SECTION 4. For purposes of calculating the authorized debt limit pursuant to the provisions of the uncodified ordinance 84-19, section one, subsection (g), the City Council approves the use of the (United States Department of Labor, Bureau of Labor Statistics Data for the San Diego Area Consumer Price Index-All Urban Consumers) in place of the San Diego Area Construction Price Index for all Urban Consumers as compiled by the United States Department of Labor, Bureau of Statistics.

ATTACHMENT D

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this
5th day of June 2024, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

City Clerk



City Attorney

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
OCEANSIDE, CALIFORNIA APPROVING THE CAPITAL
IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2024-
25

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
101 GENERAL FUND	\$ 218,686,890	\$ -	\$ -	\$ -	\$ 218,686,890
103 GENERAL FUND - Measure X	26,403,466	-	-	-	26,403,466
SPECIAL FUNDS					
102 Investment Clearing	\$ 1,277,780	\$ -	\$ -	\$ -	\$ 1,277,780
204 Asset Seizure	325,000	-	-	-	325,000
212 TransNet	4,309,834	5,275,000	-	-	9,584,834
213 Gas Tax	4,693,756	-	-	-	4,693,756
217 Supplemental Law Enforcement	143,240	-	-	-	143,240
218 State Asset Seizure	4,700	-	-	-	4,700
221 Oside Lighting District	1,594,709	-	-	-	1,594,709
237 CDBG	2,092,792	-	-	-	2,092,792
241 Sunset Hills	36,912	-	-	-	36,912
242 Mission Meadows	14,726	-	-	-	14,726
243 Sunburst Homes	22,276	-	-	-	22,276
244 Douglas Park	345,374	-	-	-	345,374
246 Rancho Hermosa	46,825	-	-	-	46,825
247 Santa Fe Mesa	370,196	-	-	-	370,196
248 Del Oro Hills	491,254	-	-	-	491,254
249 Mar Lado	82,586	-	-	-	82,586
250 Guajome Ridge	136,604	-	-	-	136,604
251 Peacock Hills	15,508	-	-	-	15,508
252 Vista Del Rio	21,205	-	-	-	21,205
254 El Camino Memory Care MD Fd	6,884	-	-	-	6,884
265 SB1 RMRA Gas Tax Fd	700,000	2,725,000	-	-	3,425,000
272 State & Local Grants	1,769,477	-	-	-	1,769,477
274 Federal Grants	41,119	-	-	-	41,119
276 Other Grants	24,000	-	-	-	24,000
277 HOME Grant	2,717,473	-	-	-	2,717,473
278 Inclusionary In Lieu	864,705	-	-	-	864,705
281 CDC SA Low & Mod Housing Fund	-	-	155,370	-	155,370
282 CDC Housing Rehab Loan	-	-	430,270	-	430,270
283 CDC Housing Section 8	-	-	29,601,165	-	29,601,165
284 CDC Admin/Program Development	-	-	225,022	-	225,022
286 CDC Housing Mortgage Rev Bond	-	-	143,212	-	143,212
288 Housing Mobile Home Rent Control	343,571	-	-	-	343,571
289 CDC Hsng CalHome Prog Fd	-	-	10,187	-	10,187
Total Special Funds	\$ 22,492,506	\$ 8,000,000	\$ 30,565,226	\$ -	\$ 61,057,732

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
DEBT SERVICE FUNDS					
402 Ocean Ranch Corp CFD	\$ 1,701,758	\$ -	\$ -	\$ -	\$ 1,701,758
403 Pacific Coast Business Park CFD	677,822	-	-	-	677,822
420 City Debt Service	7,754,725	-	-	-	7,754,725
455 Morro Hills CFD	1,152,491	-	-	-	1,152,491
456 14 Morro Hills IA1 CFD	559,913	-	-	-	559,913
963 Oceanside Lighting Dist-DS	476,219	-	-	-	476,219
971 SA-Downtown Capital Fd	3,886,591	-	-	-	3,886,591
Total Debt Service Funds	\$ 16,209,519	\$ -	\$ -	\$ -	\$ 16,209,519
CAPITAL PROJECT FUNDS					
501 General Capital Projects	\$ 972,977	\$ 1,080,000	\$ -	\$ -	\$ 2,052,977
503 Public Facility Fees	83,600	871,100	-	-	954,700
516 Drainage DIF Fd	226,890	-	-	-	226,890
517 CIP - Measure X	-	16,500,000	-	-	16,500,000
561 Major Thoroughfare	5,000	1,460,000	-	-	1,465,000
562 Th-Fare/Traffic Signal DIF Fd	776,990	1,077,150	-	-	1,854,140
581 GF Community Facilities CIP	295,000	20,000	-	-	315,000
596 Municipal Golf Course Improv	422,160	-	-	-	422,160
598 Park Fees	211,918	260,000	-	-	471,918
Total Capital Projects Funds	\$ 2,994,535	\$ 21,268,250	\$ -	\$ -	\$ 24,262,785
ENTERPRISE FUNDS					
711 Water Operating	\$ 76,657,833	\$ -	\$ -	\$ -	\$ 76,657,833
712 Water F/A Replacement	1,363,266	-	-	-	1,363,266
715 Water Connection Fees	-	6,774,934	-	-	6,774,934
717 Water Debt Service	4,396,699	-	-	-	4,396,699
721 Sewer Operating	33,876,516	-	-	-	33,876,516
722 Sewer F/A Replacement	1,617,573	15,694,378	-	-	17,311,951
727 Sewer Debt Service	4,206,779	-	-	-	4,206,779
731 Solid Waste Disposal	2,201,511	-	-	-	2,201,511
741 Airport	98,239	-	-	-	98,239
742 Airport Debt Service	93,239	-	-	-	93,239
751 Harbor	-	2,530,000	-	9,796,212	12,326,212
Total Enterprise Funds	\$ 124,511,655	\$ 24,999,312	\$ -	\$ 9,796,212	\$ 159,307,179

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

INTERNAL SERVICE FUNDS

814 Risk Management
817 Employee Benefits
818 Workers Compensation
831 Fleet Management
841 Information Services
851 City Building Services
871 General Services Fd
Total Internal Services Funds

Council		CDC		Harbor	Total
Operating	Capital	Operating	Operating	Operating	
\$ 7,976,813	\$ -	\$ -	\$ -	\$ -	\$ 7,976,813
55,912,609	-	-	-	-	55,912,609
6,637,052	-	-	-	-	6,637,052
13,204,113	-	-	-	-	13,204,113
7,760,080	-	-	-	-	7,760,080
6,580,102	-	-	-	-	6,580,102
514,517	-	-	-	-	514,517
\$ 98,585,286	\$ -	\$ -	\$ -	\$ -	\$ 98,585,286
\$ 509,883,857	\$ 54,267,562	\$ 30,565,226	\$9,796,212		\$ 604,512,857

GRAND TOTAL

ATTACHMENT E

RESOLUTION NO.

**A RESOLUTION OF THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA
APPROVING THE OPERATING BUDGET FOR THE FISCAL
YEAR 2024-25**

WHEREAS, an Operating Budget for Fiscal Year 2024-25 has been prepared by the Executive Director and presented to this Commission; and

WHEREAS, this Commission has examined said Operating Budget at a workshop on April 17, 2024, and at a public hearing on June 5, 2024, and conferred with the Executive Director and various department heads; and

WHEREAS, this Commission has, after due deliberation and consideration, made such amendments in the Operating Budget as they considered necessary.

NOW, THEREFORE, the Community Development Commission of the City of Oceanside does resolve as follows:

SECTION 1. That the Operating Budget Appropriation Summary, attached hereto as Exhibit "A" and by this reference incorporated herein as if set forth in full, is hereby approved for Fiscal Year 2024-25, and effective as of July 1, 2024 said appropriations are hereby made.

SECTION 2. That the Executive Director and the Director of Financial Services, acting concurrently, are hereby authorized to modify appropriations for continuing programs and projects that have been specifically considered in the budgeted amounts in Exhibit "A." Such appropriations are to be adjusted to actual remaining balances at June 30, 2024 and carried forward to the Fiscal Year 2024-25.

SECTION 3. That the Fiscal Year 2024-25 Operating Budget on file with the City Manager is hereby approved.

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PASSED AND ADOPTED by the Community Development Commission of the City of Oceanside, California, this 5th day of June, 2024, by the following vote:

ATTACHMENT E

AYES:

NAYS:

ABSENT:

ABSTAIN:

CHAIRMAN OF THE COMMUNITY
DEVELOPMENT COMMISSION

ATTEST:

APPROVED AS TO FORM:

SECRETARY

GENERAL COUNSEL

A RESOLUTION OF THE COMMUNITY DEVELOPMENT
COMMISSION OF THE CITY OF OCEANSIDE, CALIFORNIA
APPROVING THE OPERATING BUDGET FOR THE FISCAL
YEAR 2024-25

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	
	Operating	Capital	Operating	Operating	Total
101 GENERAL FUND	\$ 218,686,890	\$ -	\$ -	\$ -	\$ 218,686,890
103 GENERAL FUND - Measure X	26,403,466	-	-	-	26,403,466
SPECIAL FUNDS					
102 Investment Clearing	\$ 1,277,780	\$ -	\$ -	\$ -	\$ 1,277,780
204 Asset Seizure	325,000	-	-	-	325,000
212 TransNet	4,309,834	5,275,000	-	-	9,584,834
213 Gas Tax	4,693,756	-	-	-	4,693,756
217 Supplemental Law Enforcement	143,240	-	-	-	143,240
218 State Asset Seizure	4,700	-	-	-	4,700
221 Oside Lighting District	1,594,709	-	-	-	1,594,709
237 CDBG	2,092,792	-	-	-	2,092,792
241 Sunset Hills	36,912	-	-	-	36,912
242 Mission Meadows	14,726	-	-	-	14,726
243 Sunburst Homes	22,276	-	-	-	22,276
244 Douglas Park	345,374	-	-	-	345,374
246 Rancho Hermosa	46,825	-	-	-	46,825
247 Santa Fe Mesa	370,196	-	-	-	370,196
248 Del Oro Hills	491,254	-	-	-	491,254
249 Mar Lado	82,586	-	-	-	82,586
250 Guajome Ridge	136,604	-	-	-	136,604
251 Peacock Hills	15,508	-	-	-	15,508
252 Vista Del Rio	21,205	-	-	-	21,205
254 El Camino Memory Care MD Fd	6,884	-	-	-	6,884
265 SB1 RMRA Gas Tax Fd	700,000	2,725,000	-	-	3,425,000
272 State & Local Grants	1,769,477	-	-	-	1,769,477
274 Federal Grants	41,119	-	-	-	41,119
276 Other Grants	24,000	-	-	-	24,000
277 HOME Grant	2,717,473	-	-	-	2,717,473
278 Inclusionary In Lieu	864,705	-	-	-	864,705
281 CDC SA Low & Mod Housing Fund	-	-	155,370	-	155,370
282 CDC Housing Rehab Loan	-	-	430,270	-	430,270
283 CDC Housing Section 8	-	-	29,601,165	-	29,601,165
284 CDC Admin/Program Development	-	-	225,022	-	225,022
286 CDC Housing Mortgage Rev Bond	-	-	143,212	-	143,212
288 Housing Mobile Home Rent Control	343,571	-	-	-	343,571
289 CDC Hsng CalHome Prog Fd	-	-	10,187	-	10,187
Total Special Funds	\$ 22,492,506	\$ 8,000,000	\$ 30,565,226	\$ -	\$ 61,057,732

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
DEBT SERVICE FUNDS					
402 Ocean Ranch Corp CFD	\$ 1,701,758	\$ -	\$ -	\$ -	\$ 1,701,758
403 Pacific Coast Business Park CFD	677,822	-	-	-	677,822
420 City Debt Service	7,754,725	-	-	-	7,754,725
455 Morro Hills CFD	1,152,491	-	-	-	1,152,491
456 14 Morro Hills IA1 CFD	559,913	-	-	-	559,913
963 Oceanside Lighting Dist-DS	476,219	-	-	-	476,219
971 SA-Downtown Capital Fd	3,886,591	-	-	-	3,886,591
Total Debt Service Funds	\$ 16,209,519	\$ -	\$ -	\$ -	\$ 16,209,519
CAPITAL PROJECT FUNDS					
501 General Capital Projects	\$ 972,977	\$ 1,080,000	\$ -	\$ -	\$ 2,052,977
503 Public Facility Fees	83,600	871,100	-	-	954,700
516 Drainage DIF Fd	226,890	-	-	-	226,890
517 CIP - Measure X	-	16,500,000	-	-	16,500,000
561 Major Thoroughfare	5,000	1,460,000	-	-	1,465,000
562 Th-Fare/Traffic Signal DIF Fd	776,990	1,077,150	-	-	1,854,140
581 GF Community Facilities CIP	295,000	20,000	-	-	315,000
596 Municipal Golf Course Improv	422,160	-	-	-	422,160
598 Park Fees	211,918	260,000	-	-	471,918
Total Capital Projects Funds	\$ 2,994,535	\$ 21,268,250	\$ -	\$ -	\$ 24,262,785
ENTERPRISE FUNDS					
711 Water Operating	\$ 76,657,833	\$ -	\$ -	\$ -	\$ 76,657,833
712 Water F/A Replacement	1,363,266	-	-	-	1,363,266
715 Water Connection Fees	-	6,774,934	-	-	6,774,934
717 Water Debt Service	4,396,699	-	-	-	4,396,699
721 Sewer Operating	33,876,516	-	-	-	33,876,516
722 Sewer F/A Replacement	1,617,573	15,694,378	-	-	17,311,951
727 Sewer Debt Service	4,206,779	-	-	-	4,206,779
731 Solid Waste Disposal	2,201,511	-	-	-	2,201,511
741 Airport	98,239	-	-	-	98,239
742 Airport Debt Service	93,239	-	-	-	93,239
751 Harbor	-	2,530,000	-	9,796,212	12,326,212
Total Enterprise Funds	\$ 124,511,655	\$ 24,999,312	\$ -	\$ 9,796,212	\$ 159,307,179

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

INTERNAL SERVICE FUNDS

814 Risk Management
817 Employee Benefits
818 Workers Compensation
831 Fleet Management
841 Information Services
851 City Building Services
871 General Services Fd
Total Internal Services Funds

Council		CDC		Harbor	Total
Operating	Capital	Operating		Operating	
\$ 7,976,813	\$ -	\$ -		\$ -	\$ 7,976,813
55,912,609	-	-		-	55,912,609
6,637,052	-	-		-	6,637,052
13,204,113	-	-		-	13,204,113
7,760,080	-	-		-	7,760,080
6,580,102	-	-		-	6,580,102
514,517	-	-		-	514,517
\$ 98,585,286	\$ -	\$ -		\$ -	\$ 98,585,286
\$ 509,883,857	\$ 54,267,562	\$ 30,565,226		\$9,796,212	\$ 604,512,857

GRAND TOTAL

ATTACHMENT F

RESOLUTION NO.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OCEANSIDE SMALL CRAFT HARBOR DISTRICT APPROVING
THE OPERATING BUDGET FOR THE FISCAL YEAR 2024-25**

WHEREAS, an Operating Budget for Fiscal Year 2024-25 has been prepared by the Administrative Officer and presented to this Board; and

WHEREAS, this Board has examined said Operating Budget at workshop on April 17, 2024, and at a public hearing on June 5, 2024, and conferred with the Administrative Officer and various department heads; and

WHEREAS, this Board has, after due deliberation and consideration, made such amendments in the Operating Budget as they considered necessary.

NOW, THEREFORE, the Board of Directors of the Oceanside Small Craft Harbor District does resolve as follows:

SECTION 1. That the Operating Budget Appropriation Summary, attached hereto as Exhibit "A" and by this reference incorporated herein as if set forth in full, is hereby approved for Fiscal Year 2024-25, and effective as of July 1, 2024 said appropriations are hereby made.

SECTION 2. That the Administrative Officer and the Director of Financial Services, acting concurrently, are hereby authorized to modify appropriations for continuing programs and projects that have been specifically considered in the budgeted amounts. Such appropriations are to be adjusted to actual remaining balances at June 30, 2024 and carried forward to the Fiscal Year 2024-25.

SECTION 3. That the Fiscal Year 2024-25 Operating Budget on file with the City Manager is hereby approved.

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ATTACHMENT F

PASSED AND ADOPTED by the Board of Directors of the Oceanside Small Craft Harbor District this 5th day of June, 2024, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

PRESIDENT OF THE BOARD OF
DIRECTORS OF THE OCEANSIDE
SMALL CRAFT HARBOR DISTRICT

ATTEST:

APPROVED AS TO FORM:

SECRETARY

Harbor District Board Attorney

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OCEANSIDE SMALL CRAFT HARBOR DISTRICT APPROVING
THE OPERATING BUDGET FOR THE FISCAL YEAR 2024-25

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
101 GENERAL FUND	\$ 218,686,890	\$ -	\$ -	\$ -	\$ 218,686,890
103 GENERAL FUND - Measure X	26,403,466	-	-	-	26,403,466
SPECIAL FUNDS					
102 Investment Clearing	\$ 1,277,780	\$ -	\$ -	\$ -	\$ 1,277,780
204 Asset Seizure	325,000	-	-	-	325,000
212 TransNet	4,309,834	5,275,000	-	-	9,584,834
213 Gas Tax	4,693,756	-	-	-	4,693,756
217 Supplemental Law Enforcement	143,240	-	-	-	143,240
218 State Asset Seizure	4,700	-	-	-	4,700
221 Oside Lighting District	1,594,709	-	-	-	1,594,709
237 CDBG	2,092,792	-	-	-	2,092,792
241 Sunset Hills	36,912	-	-	-	36,912
242 Mission Meadows	14,726	-	-	-	14,726
243 Sunburst Homes	22,276	-	-	-	22,276
244 Douglas Park	345,374	-	-	-	345,374
246 Rancho Hermosa	46,825	-	-	-	46,825
247 Santa Fe Mesa	370,196	-	-	-	370,196
248 Del Oro Hills	491,254	-	-	-	491,254
249 Mar Lado	82,586	-	-	-	82,586
250 Guajome Ridge	136,604	-	-	-	136,604
251 Peacock Hills	15,508	-	-	-	15,508
252 Vista Del Rio	21,205	-	-	-	21,205
254 El Camino Memory Care MD Fd	6,884	-	-	-	6,884
265 SB1 RMRA Gas Tax Fd	700,000	2,725,000	-	-	3,425,000
272 State & Local Grants	1,769,477	-	-	-	1,769,477
274 Federal Grants	41,119	-	-	-	41,119
276 Other Grants	24,000	-	-	-	24,000
277 HOME Grant	2,717,473	-	-	-	2,717,473
278 Inclusionary In Lieu	864,705	-	-	-	864,705
281 CDC SA Low & Mod Housing Fund	-	-	155,370	-	155,370
282 CDC Housing Rehab Loan	-	-	430,270	-	430,270
283 CDC Housing Section 8	-	-	29,601,165	-	29,601,165
284 CDC Admin/Program Development	-	-	225,022	-	225,022
286 CDC Housing Mortgage Rev Bond	-	-	143,212	-	143,212
288 Housing Mobile Home Rent Control	343,571	-	-	-	343,571
289 CDC Hsng CalHome Prog Fd	-	-	10,187	-	10,187
Total Special Funds	\$ 22,492,506	\$ 8,000,000	\$ 30,565,226	\$ -	\$ 61,057,732

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
DEBT SERVICE FUNDS					
402 Ocean Ranch Corp CFD	\$ 1,701,758	\$ -	\$ -	\$ -	\$ 1,701,758
403 Pacific Coast Business Park CFD	677,822	-	-	-	677,822
420 City Debt Service	7,754,725	-	-	-	7,754,725
455 Morro Hills CFD	1,152,491	-	-	-	1,152,491
456 14 Morro Hills IA1 CFD	559,913	-	-	-	559,913
963 Oceanside Lighting Dist-DS	476,219	-	-	-	476,219
971 SA-Downtown Capital Fd	3,886,591	-	-	-	3,886,591
Total Debt Service Funds	\$ 16,209,519	\$ -	\$ -	\$ -	\$ 16,209,519
CAPITAL PROJECT FUNDS					
501 General Capital Projects	\$ 972,977	\$ 1,080,000	\$ -	\$ -	\$ 2,052,977
503 Public Facility Fees	83,600	871,100	-	-	954,700
516 Drainage DIF Fd	226,890	-	-	-	226,890
517 CIP - Measure X	-	16,500,000	-	-	16,500,000
561 Major Thoroughfare	5,000	1,460,000	-	-	1,465,000
562 Th-Fare/Traffic Signal DIF Fd	776,990	1,077,150	-	-	1,854,140
581 GF Community Facilities CIP	295,000	20,000	-	-	315,000
596 Municipal Golf Course Improv	422,160	-	-	-	422,160
598 Park Fees	211,918	260,000	-	-	471,918
Total Capital Projects Funds	\$ 2,994,535	\$ 21,268,250	\$ -	\$ -	\$ 24,262,785
ENTERPRISE FUNDS					
711 Water Operating	\$ 76,657,833	\$ -	\$ -	\$ -	\$ 76,657,833
712 Water F/A Replacement	1,363,266	-	-	-	1,363,266
715 Water Connection Fees	-	6,774,934	-	-	6,774,934
717 Water Debt Service	4,396,699	-	-	-	4,396,699
721 Sewer Operating	33,876,516	-	-	-	33,876,516
722 Sewer F/A Replacement	1,617,573	15,694,378	-	-	17,311,951
727 Sewer Debt Service	4,206,779	-	-	-	4,206,779
731 Solid Waste Disposal	2,201,511	-	-	-	2,201,511
741 Airport	98,239	-	-	-	98,239
742 Airport Debt Service	93,239	-	-	-	93,239
751 Harbor	-	2,530,000	-	9,796,212	12,326,212
Total Enterprise Funds	\$ 124,511,655	\$ 24,999,312	\$ -	\$ 9,796,212	\$ 159,307,179

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
INTERNAL SERVICE FUNDS					
814 Risk Management	\$ 7,976,813	\$ -	\$ -	\$ -	\$ 7,976,813
817 Employee Benefits	55,912,609	-	-	-	55,912,609
818 Workers Compensation	6,637,052	-	-	-	6,637,052
831 Fleet Management	13,204,113	-	-	-	13,204,113
841 Information Services	7,760,080	-	-	-	7,760,080
851 City Building Services	6,580,102	-	-	-	6,580,102
871 General Services Fd	514,517	-	-	-	514,517
Total Internal Services Funds	\$ 98,585,286	\$ -	\$ -	\$ -	\$ 98,585,286
GRAND TOTAL	\$ 509,883,857	\$ 54,267,562	\$ 30,565,226	\$9,796,212	\$ 604,512,857

ATTACHMENT G

RESOLUTION NO.

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OCEANSIDE SMALL CRAFT HARBOR DISTRICT APPROVING
THE CAPITAL IMPROVEMENTS PROGRAM BUDGET FOR
FISCAL YEAR 2024-25**

WHEREAS, a Capital Improvements Program Budget for Fiscal Year 2024-25 has been prepared by the Administrative Officer and presented to this Board; and

WHEREAS, this Board has examined said Capital Improvements Program Budget at a workshop held on April 17, 2024, and at a public hearing on June 5, 2024, and conferred with the Administrative Officer and various department heads; and

WHEREAS, this Board has, after due deliberation and consideration, made such amendments in the Capital Improvements Program Budget as they considered necessary.

NOW, THEREFORE, the Board of Directors of the Oceanside Small Craft Harbor District does resolve as follows:

SECTION 1. That the Capital Improvements Program Budget, attached hereto as Exhibit "A" and by this reference incorporated herein as if set forth in full, is hereby approved for Fiscal Year 2024-25, and effective as of July 1, 2024 said appropriations are hereby made.

SECTION 2. That the Administrative Officer and the Director of Financial Services, acting concurrently, are hereby authorized to modify appropriations for continuing programs and projects that have been specifically considered in the budgeted amounts. Such appropriations are to be adjusted to actual remaining balances at June 30, 2024 and carried forward to the Fiscal Year 2024-25.

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ATTACHMENT G

PASSED AND ADOPTED by the Board of Directors of the Oceanside Small Craft Harbor District this 5th day of June, 2024, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

PRESIDENT OF THE BOARD OF
DIRECTORS OF THE OCEANSIDE
SMALL CRAFT HARBOR DISTRICT

ATTEST:

APPROVED AS TO FORM:

SECRETARY

Harbor District Board Attorney

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OCEANSIDE SMALL CRAFT HARBOR DISTRICT APPROVING
THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR
FISCAL YEAR 2024-25

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
101 GENERAL FUND	\$ 218,686,890	\$ -	\$ -	\$ -	\$ 218,686,890
103 GENERAL FUND - Measure X	26,403,466	-	-	-	26,403,466
 SPECIAL FUNDS					
102 Investment Clearing	\$ 1,277,780	\$ -	\$ -	\$ -	\$ 1,277,780
204 Asset Seizure	325,000	-	-	-	325,000
212 TransNet	4,309,834	5,275,000	-	-	9,584,834
213 Gas Tax	4,693,756	-	-	-	4,693,756
217 Supplemental Law Enforcement	143,240	-	-	-	143,240
218 State Asset Seizure	4,700	-	-	-	4,700
221 Oside Lighting District	1,594,709	-	-	-	1,594,709
237 CDBG	2,092,792	-	-	-	2,092,792
241 Sunset Hills	36,912	-	-	-	36,912
242 Mission Meadows	14,726	-	-	-	14,726
243 Sunburst Homes	22,276	-	-	-	22,276
244 Douglas Park	345,374	-	-	-	345,374
246 Rancho Hermosa	46,825	-	-	-	46,825
247 Santa Fe Mesa	370,196	-	-	-	370,196
248 Del Oro Hills	491,254	-	-	-	491,254
249 Mar Lado	82,586	-	-	-	82,586
250 Guajome Ridge	136,604	-	-	-	136,604
251 Peacock Hills	15,508	-	-	-	15,508
252 Vista Del Rio	21,205	-	-	-	21,205
254 El Camino Memory Care MD Fd	6,884	-	-	-	6,884
265 SB1 RMRA Gas Tax Fd	700,000	2,725,000	-	-	3,425,000
272 State & Local Grants	1,769,477	-	-	-	1,769,477
274 Federal Grants	41,119	-	-	-	41,119
276 Other Grants	24,000	-	-	-	24,000
277 HOME Grant	2,717,473	-	-	-	2,717,473
278 Inclusionary In Lieu	864,705	-	-	-	864,705
281 CDC SA Low & Mod Housing Fund	-	-	155,370	-	155,370
282 CDC Housing Rehab Loan	-	-	430,270	-	430,270
283 CDC Housing Section 8	-	-	29,601,165	-	29,601,165
284 CDC Admin/Program Development	-	-	225,022	-	225,022
286 CDC Housing Mortgage Rev Bond	-	-	143,212	-	143,212
288 Housing Mobile Home Rent Control	343,571	-	-	-	343,571
289 CDC Hsng CalHome Prog Fd	-	-	10,187	-	10,187
Total Special Funds	\$ 22,492,506	\$ 8,000,000	\$ 30,565,226	\$ -	\$ 61,057,732

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	Total
	Operating	Capital	Operating	Operating	
DEBT SERVICE FUNDS					
402 Ocean Ranch Corp CFD	\$ 1,701,758	\$ -	\$ -	\$ -	\$ 1,701,758
403 Pacific Coast Business Park CFD	677,822	-	-	-	677,822
420 City Debt Service	7,754,725	-	-	-	7,754,725
455 Morro Hills CFD	1,152,491	-	-	-	1,152,491
456 14 Morro Hills IA1 CFD	559,913	-	-	-	559,913
963 Oceanside Lighting Dist-DS	476,219	-	-	-	476,219
971 SA-Downtown Capital Fd	3,886,591	-	-	-	3,886,591
Total Debt Service Funds	\$ 16,209,519	\$ -	\$ -	\$ -	\$ 16,209,519
CAPITAL PROJECT FUNDS					
501 General Capital Projects	\$ 972,977	\$ 1,080,000	\$ -	\$ -	\$ 2,052,977
503 Public Facility Fees	83,600	871,100	-	-	954,700
516 Drainage DIF Fd	226,890	-	-	-	226,890
517 CIP - Measure X	-	16,500,000	-	-	16,500,000
561 Major Thoroughfare	5,000	1,460,000	-	-	1,465,000
562 Th-Fare/Traffic Signal DIF Fd	776,990	1,077,150	-	-	1,854,140
581 GF Community Facilities CIP	295,000	20,000	-	-	315,000
596 Municipal Golf Course Improv	422,160	-	-	-	422,160
598 Park Fees	211,918	260,000	-	-	471,918
Total Capital Projects Funds	\$ 2,994,535	\$ 21,268,250	\$ -	\$ -	\$ 24,262,785
ENTERPRISE FUNDS					
711 Water Operating	\$ 76,657,833	\$ -	\$ -	\$ -	\$ 76,657,833
712 Water F/A Replacement	1,363,266	-	-	-	1,363,266
715 Water Connection Fees	-	6,774,934	-	-	6,774,934
717 Water Debt Service	4,396,699	-	-	-	4,396,699
721 Sewer Operating	33,876,516	-	-	-	33,876,516
722 Sewer F/A Replacement	1,617,573	15,694,378	-	-	17,311,951
727 Sewer Debt Service	4,206,779	-	-	-	4,206,779
731 Solid Waste Disposal	2,201,511	-	-	-	2,201,511
741 Airport	98,239	-	-	-	98,239
742 Airport Debt Service	93,239	-	-	-	93,239
751 Harbor	-	2,530,000	-	9,796,212	12,326,212
Total Enterprise Funds	\$ 124,511,655	\$ 24,999,312	\$ -	\$ 9,796,212	\$ 159,307,179

EXHIBIT A

**CITY OF OCEANSIDE
Appropriations by Agency
Proposed FY 2024-25**

	Council		CDC	Harbor	
	Operating	Capital	Operating	Operating	Total
INTERNAL SERVICE FUNDS					
814 Risk Management	\$ 7,976,813	\$ -	\$ -	\$ -	\$ 7,976,813
817 Employee Benefits	55,912,609	-	-	-	55,912,609
818 Workers Compensation	6,637,052	-	-	-	6,637,052
831 Fleet Management	13,204,113	-	-	-	13,204,113
841 Information Services	7,760,080	-	-	-	7,760,080
851 City Building Services	6,580,102	-	-	-	6,580,102
871 General Services Fd	514,517	-	-	-	514,517
Total Internal Services Funds	\$ 98,585,286	\$ -	\$ -	\$ -	\$ 98,585,286
GRAND TOTAL	\$ 509,883,857	\$ 54,267,562	\$ 30,565,226	\$9,796,212	\$ 604,512,857

ATTACHMENT H

CalPERS Actuarial Valuation - June 30, 2022
Miscellaneous Plan of the City of Oceanside
CalPERS ID: 2578435041

Required Contributions

	Fiscal Year
Required Employer Contributions	2024-25
Employer Normal Cost Rate	11.52%
<i>Plus</i>	
Required Payment on Amortization Bases	\$11,252,238
<i>Paid either as</i>	
1) Monthly Payment	\$937,687
<i>Or</i>	
2) Annual Prepayment Option*	\$10,888,130
Required PEPPRA Member Contribution Rate	8.25%
<i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i>	
<i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i>	
<i>For additional detail regarding the determination of the required contribution for PEPPRA members, see "PEPPRA Member Contribution Rates" in the "Liabilities and Contributions" section. Required member contributions for Classic members can be found in Appendix B.</i>	

	Fiscal Year 2023-24	Fiscal Year 2024-25
Normal Cost Contribution as a Percentage of Payroll		
Total Normal Cost	19.81%	19.56%
Employee Contribution ¹	8.04%	8.04%
Employer Normal Cost ²	11.77%	11.52%
Projected Annual Payroll for Contribution Year	\$45,118,186	\$47,591,928
Estimated Employer Contributions Based On Projected Payroll		
Total Normal Cost	\$8,937,913	\$9,308,981
Offset Due to Employee Contributions	3,627,502	3,826,391
Employer Normal Cost	5,310,411	5,482,590
Unfunded Liability Contribution	9,535,095	11,252,238
% of Projected Payroll (illustrative only)	21.13%	23.64%
Estimated Total Employer Contribution	\$14,845,506	\$16,734,828
% of Projected Payroll (illustrative only)	32.90%	35.16%

¹ For classic members, this is the percentage specified in the Public Employees' Retirement Law, net of any reduction from the use of a modified formula or other factors. For PEPPRA members, the member contribution rate is based on 50% of the normal cost. A development of PEPPRA member contribution rates can be found in the "Liabilities and Contributions" section. Employee cost sharing is not shown in this report.

² The Employer Normal Cost is a blended rate for all benefit groups in the plan. For a breakout of normal cost by benefit group, see "Normal Cost by Benefit Group" in the "Liabilities and Contributions" section.

ATTACHMENT I

CalPERS Actuarial Valuation - June 30, 2022
Safety Plan of the City of Oceanside
CalPERS ID: 2578435041

Required Contributions

	Fiscal Year
Required Employer Contributions	2024-25
Employer Normal Cost Rate	22.29%
<i>Plus</i>	
Required Payment on Amortization Bases	\$11,386,534
<i>Paid either as</i>	
1) Monthly Payment	\$948,878
<i>Or</i>	
2) Annual Prepayment Option*	\$11,018,080
Required PEPPRA Member Contribution Rate	14.25%
<i>The total minimum required employer contribution is the sum of the Plan's Employer Normal Cost Rate (expressed as a percentage of payroll and paid as payroll is reported) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly (1) or prepaid annually (2) in dollars).</i>	
<i>* Only the UAL portion of the employer contribution can be prepaid (which must be received in full no later than July 31).</i>	
<i>For additional detail regarding the determination of the required contribution for PEPPRA members, see "PEPPRA Member Contribution Rates" in the "Liabilities and Contributions" section. Required member contributions for Classic members can be found in Appendix B.</i>	

	Fiscal Year	Fiscal Year
	2023-24	2024-25
Normal Cost Contribution as a Percentage of Payroll		
Total Normal Cost	34.02%	33.37%
Employee Contribution ¹	10.71%	11.08%
Employer Normal Cost ²	23.31%	22.29%
Projected Annual Payroll for Contribution Year	\$38,539,609	\$40,323,782
Estimated Employer Contributions Based On Projected Payroll		
Total Normal Cost	\$13,111,175	\$13,456,046
Offset Due to Employee Contributions	4,127,592	4,467,875
Employer Normal Cost	8,983,583	8,988,171
Unfunded Liability Contribution	8,969,147	11,386,534
% of Projected Payroll (illustrative only)	23.27%	28.24%
Estimated Total Employer Contribution	\$17,952,730	\$20,374,705
% of Projected Payroll (illustrative only)	46.58%	50.53%

¹ For classic members, this is the percentage specified in the Public Employees' Retirement Law, net of any reduction from the use of a modified formula or other factors. For PEPPRA members, the member contribution rate is based on 50% of the normal cost. A development of PEPPRA member contribution rates can be found in the "Liabilities and Contributions" section. Employee cost sharing is not shown in this report.

² The Employer Normal Cost is a blended rate for all benefit groups in the plan. For a breakout of normal cost by benefit group, see "Normal Cost by Benefit Group" in the "Liabilities and Contributions" section.

CITY OF OCEANSIDE
Comparative Appropriations by Category
Fiscal Year 2023-24 vs Fiscal Year 2024-25

	Adopted FY 2023-24			Proposed FY 2024-25			Increase/(Decrease)		
	Operating	Capital	Total	Operating	Capital	Total	Operating	Capital	Total
101 GENERAL FUND	\$ 203,288,293	\$ -	\$ 203,288,293	\$ 218,686,890	\$ -	\$ 218,686,890	\$ 15,398,597	\$ -	\$ 15,398,597
103 GENERAL FUND - Measure X	19,234,414	-	19,234,414	26,403,466	-	26,403,466	7,169,052	-	7,169,052
SPECIAL FUNDS									
102 Investment Clearing	1,277,780	-	1,277,780	1,277,780	-	1,277,780	-	-	-
204 Asset Seizure	347,000	-	347,000	325,000	-	325,000	(22,000)	-	(22,000)
212 TransNet	1,501,039	4,530,000	6,031,039	4,309,834	5,275,000	9,584,834	2,808,795	745,000	3,553,795
213 Gas Tax	5,085,481	-	5,085,481	4,693,756	-	4,693,756	(391,725)	-	(391,725)
217 Supplemental Law Enforcement	139,638	-	139,638	143,240	-	143,240	3,602	-	3,602
218 State Asset Seizure	6,700	-	6,700	4,700	-	4,700	(2,000)	-	(2,000)
221 Oside Lighting District	1,661,500	-	1,661,500	1,594,709	-	1,594,709	(66,791)	-	(66,791)
237 CDBG	1,756,398	-	1,756,398	2,092,792	-	2,092,792	336,394	-	336,394
241 Sunset Hills	32,530	-	32,530	36,912	-	36,912	4,382	-	4,382
242 Mission Meadows	4,376	-	4,376	14,726	-	14,726	10,350	-	10,350
243 Sunburst Homes	8,026	-	8,026	22,276	-	22,276	14,250	-	14,250
244 Douglas Park	251,509	-	251,509	345,374	-	345,374	93,865	-	93,865
246 Rancho Hermosa	42,825	-	42,825	46,825	-	46,825	4,000	-	4,000
247 Santa Fe Mesa	414,196	-	414,196	370,196	-	370,196	(44,000)	-	(44,000)
248 Del Oro Hills	557,949	-	557,949	491,254	-	491,254	(66,695)	-	(66,695)
249 Mar Lado	71,086	-	71,086	82,586	-	82,586	11,500	-	11,500
250 Guajome Ridge	70,404	-	70,404	136,604	-	136,604	66,200	-	66,200
251 Peacock Hills	34,318	-	34,318	15,508	-	15,508	(18,810)	-	(18,810)
252 Vista Del Rio	14,455	-	14,455	21,205	-	21,205	6,750	-	6,750
254 El Camino Memory Care MD Fd	5,938	-	5,938	6,884	-	6,884	946	-	946
265 SB1 RMRA Gas Tax Fd	550,000	2,213,036	2,763,036	700,000	2,725,000	3,425,000	150,000	511,964	661,964
272 State & Local Grants	1,749,487	-	1,749,487	1,769,477	-	1,769,477	19,990	-	19,990
274 Federal Grants	35,509	-	35,509	41,119	-	41,119	5,610	-	5,610
276 Other Grants	43,500	-	43,500	24,000	-	24,000	(19,500)	-	(19,500)
277 HOME Grant	6,995,918	-	6,995,918	2,717,473	-	2,717,473	(4,278,445)	-	(4,278,445)
278 Inclusionary In Lieu	935,554	-	935,554	864,705	-	864,705	(70,849)	-	(70,849)
281 CDC SA Low & Mod Housing Fund	86,999	-	86,999	155,370	-	155,370	68,371	-	68,371
282 CDC Housing Rehab Loan	399,998	-	399,998	430,270	-	430,270	30,272	-	30,272
283 CDC Housing Section 8	25,782,763	-	25,782,763	29,601,165	-	29,601,165	3,818,402	-	3,818,402
284 CDC Admin/Program Development	229,869	-	229,869	225,022	-	225,022	(4,847)	-	(4,847)
286 CDC Housing Mortgage Rev Bond	180,995	-	180,995	143,212	-	143,212	(37,783)	-	(37,783)
288 Housing Mobile Home Rent Control	325,278	-	325,278	343,571	-	343,571	18,293	-	18,293
289 CDC Hsng CalHome Prog Fd	900,000	-	900,000	10,187	-	10,187	(889,813)	-	(889,813)
Total Special Funds	51,499,018	6,743,036	58,242,054	53,057,732	8,000,000	61,057,732	1,558,714	1,256,964	2,815,678

CITY OF OCEANSIDE
Comparative Appropriations by Category
Fiscal Year 2023-24 vs Fiscal Year 2024-25

		Adopted FY 2023-24			Proposed FY 2024-25			Increase/(Decrease)		
		Operating	Capital	Total	Operating	Capital	Total	Operating	Capital	Total
DEBT SERVICE FUNDS										
402	Ocean Ranch Corp CFD	1,701,200	-	1,701,200	1,701,758	-	1,701,758	558	-	558
403	Pacific Coast Business Park CFD	655,438	-	655,438	677,822	-	677,822	22,384	-	22,384
420	City Debt Service	6,049,470	-	6,049,470	7,754,725	-	7,754,725	1,705,255	-	1,705,255
455	Morro Hills CFD	1,168,550	-	1,168,550	1,152,491	-	1,152,491	(16,059)	-	(16,059)
456	14 Morro Hills IA1 CFD	537,286	-	537,286	559,913	-	559,913	22,627	-	22,627
963	Oceanside Lighting Dist-DS	476,219	-	476,219	476,219	-	476,219	-	-	-
971	SA-Downtown Capital Fd	30,021	-	30,021	3,886,591	-	3,886,591	3,856,570	-	3,856,570
Total Debt Service Funds		10,618,184	-	10,618,184	16,209,519	-	16,209,519	5,591,335	-	5,591,335
CAPITAL PROJECT FUNDS										
501	General Capital Projects	972,977	1,790,000	2,762,977	972,977	1,080,000	2,052,977	-	(710,000)	(710,000)
503	Public Facility Fees	77,000	1,612,570	1,689,570	83,600	871,100	954,700	6,600	(741,470)	(734,870)
516	Drainage DIF Fd	214,182	2,257,000	2,471,182	226,890	-	226,890	12,708	(2,257,000)	(2,244,292)
517	CIP - Measure X	-	9,300,000	9,300,000	-	16,500,000	16,500,000	-	7,200,000	7,200,000
561	Major Thoroughfare	5,500	2,152,350	2,157,850	5,000	1,460,000	1,465,000	(500)	(692,350)	(692,850)
562	Th-Fare/Traffic Signal DIF Fd	706,636	900,366	1,607,002	776,990	1,077,150	1,854,140	70,354	176,784	247,138
581	GF Community Facilities CIP	295,000	655,550	950,550	295,000	20,000	315,000	-	(635,550)	(635,550)
596	Municipal Golf Course Improv	322,160	-	322,160	422,160	-	422,160	100,000	-	100,000
598	Park Fees	196,469	5,159,567	5,356,036	211,918	260,000	471,918	15,449	(4,899,567)	(4,884,118)
Total Capital Projects Funds		2,789,924	23,827,403	26,617,327	2,994,535	21,268,250	24,262,785	204,611	(2,559,153)	(2,354,542)
ENTERPRISE FUNDS										
711	Water Operating	68,645,898	-	68,645,898	76,657,833	-	76,657,833	8,011,935	-	8,011,935
712	Water F/A Replacement	1,572,862	3,874,917	5,447,779	1,363,266	-	1,363,266	(209,596)	(3,874,917)	(4,084,513)
715	Water Connection Fees	-	48,317	48,317	-	6,774,934	6,774,934	-	6,726,617	6,726,617
717	Water Debt Service	4,316,693	-	4,316,693	4,396,699	-	4,396,699	80,006	-	80,006
721	Sewer Operating	30,067,598	-	30,067,598	33,876,516	-	33,876,516	3,808,918	-	3,808,918
722	Sewer F/A Replacement	1,793,064	23,235,785	25,028,849	1,617,573	15,694,378	17,311,951	(175,491)	(7,541,407)	(7,716,898)
726	Sewer Expansion/Improvement	-	-	-	-	-	-	-	-	-
727	Sewer Debt Service	10,169,172	-	10,169,172	4,206,779	-	4,206,779	(5,962,393)	-	(5,962,393)
731	Solid Waste Disposal	9,728,843	-	9,728,843	2,201,511	-	2,201,511	(7,527,332)	-	(7,527,332)
741	Airport	95,783	-	95,783	98,239	-	98,239	2,456	-	2,456
742	Airport Debt Service	89,198	-	89,198	93,239	-	93,239	4,041	-	4,041
751	Harbor	9,004,265	610,000	9,614,265	9,796,212	2,530,000	12,326,212	791,947	1,920,000	2,711,947
Total Enterprise Funds		135,483,376	27,769,019	163,252,395	134,307,867	24,999,312	159,307,179	(1,175,509)	(2,769,707)	(3,945,216)

CITY OF OCEANSIDE
Comparative Appropriations by Category
Fiscal Year 2023-24 vs Fiscal Year 2024-25

		Adopted FY 2023-24			Proposed FY 2024-25			Increase/(Decrease)		
		Operating	Capital	Total	Operating	Capital	Total	Operating	Capital	Total
INTERNAL SERVICE FUNDS										
814	Risk Management	6,684,535	-	6,684,535	7,976,813	-	7,976,813	1,292,278	-	1,292,278
817	Employee Benefits	50,611,849	-	50,611,849	55,912,609	-	55,912,609	5,300,760	-	5,300,760
818	Workers Compensation	6,349,593	-	6,349,593	6,637,052	-	6,637,052	287,459	-	287,459
831	Fleet Management	10,938,851	-	10,938,851	13,204,113	-	13,204,113	2,265,262	-	2,265,262
841	Information Services	7,185,747	-	7,185,747	7,760,080	-	7,760,080	574,333	-	574,333
851	City Building Services	6,420,500	-	6,420,500	6,580,102	-	6,580,102	159,602	-	159,602
871	General Services Fd	484,803	-	484,803	514,517	-	514,517	29,714	-	29,714
	Total Internal Services Funds	88,675,878	-	88,675,878	98,585,286	-	98,585,286	9,909,408.00	-	9,909,408
GRAND TOTAL		\$ 511,589,087	\$ 58,339,458	\$ 569,928,545	\$ 550,245,295	\$ 54,267,562	\$ 604,512,857	\$ 38,656,208	\$ (4,071,896)	\$ 34,584,312


City of Oceanside
FY 2024-25 Budget Worksheet
General Fund

	Adopted Budget FY 2022-23	Adopted Budget FY 2023-24	Proposed Budget FY 2024-25
Revenues			
Property Taxes	\$79,789,418	\$85,070,732	\$89,742,690
Sales & Use Taxes	27,547,840	29,384,717	29,245,572
Transient Occupancy Tax	11,005,165	14,641,517	16,437,145
All Other Taxes	4,323,295	4,585,000	4,900,000
Franchise Fees	4,256,319	4,336,000	4,395,000
Licenses and Permits	4,332,624	4,555,215	5,472,589
Fines and Forfeitures	3,842,598	3,929,123	4,184,100
Use of Money & Property	7,756,297	7,009,961	7,856,826
Intergovernmental	466,329	515,813	555,172
Ambulance Billing	5,570,600	7,511,638	8,530,000
Charges for Service	14,868,861	16,432,261	25,104,759
Other Revenue & Transfers	25,149,841	26,047,098	19,854,019
Total Recurring Revenues	\$188,909,187	\$204,019,076	\$216,277,872
Expenditures			
City Attorney	\$2,415,446	\$2,527,088	\$2,690,295
City Clerk	1,511,262	1,723,100	1,714,203
City Council	1,076,823	1,126,689	1,212,764
City Manager	1,918,444	2,071,850	2,504,725
City Treasurer	378,693	423,805	435,866
Development Services	14,165,889	15,314,715	17,712,533
Financial Services	6,675,669	6,909,419	7,433,116
Fire Department	40,073,296	48,121,677	51,261,371
Harbor	4,214,995	4,433,122	4,720,718
Human Resources	788,780	914,387	982,508
Library	6,172,858	6,582,100	6,877,199
Neighborhood Services	2,206,122	2,534,876	2,909,727
Non-Departmental	8,670,943	9,270,690	10,692,064
Parks and Recreation	6,885,646	7,795,699	8,303,773
Police Department	72,826,175	75,072,428	78,986,324
Public Works	16,872,407	18,466,649	20,174,705
	\$186,853,449	\$203,288,293	\$218,611,890
Transfer to Capital Improvement Program		945,550	75,000
Total Expenditure including one-time budget additions	\$186,853,449	\$204,233,843	\$218,686,890
Backout One-time cost from Fund Balance			(3,433,144)
Total Recurring Expenditures	\$186,853,449	\$204,233,843	\$215,253,746
Estimated Surplus	\$2,055,738	\$730,783	\$1,024,126

City of Oceanside

*Office of the City Manager***Memorandum**

To: Honorable Mayor and City Councilmembers

From: Jonathan Borrego, City Manager 

Date: March 13, 2024

Subject: **APRIL 17, 2024 BUDGET WORKSHOP**

Attached is the FY 2024-25 Draft General Fund Budget for review at the April 17, 2024 Budget Workshop (Attachment A). The proposed budget continues the focus on the Council's collective priorities, including maintaining the Quality of Life for residents, ensuring Public Safety, supporting Economic Development, and addressing Homelessness.

The General Fund Budget does not include any Measure X (sales tax) revenues or expenditures. The Measure X Citizens Oversight Committee (COC) will review the recommended FY 2024-25 Measure X Spending Plan at its March 21, 2024 meeting and there will be a separate budget action regarding Measure X funding at the Council's Budget Workshop. Likewise, the Capital Improvement Program (CIP) Budgets, Water Utilities Operating Budgets and Harbor Operating Budget will also be presented as separate agenda items.

General Fund Forecast Overview FY 2024-25

As presented to City Council on January 24, 2024, the Five-Year Forecast projected the following:

2024-25 Projected Revenues	\$216.02M
2024-25 Projected Expenditure	<u>213.08M</u>
Estimated Surplus FY 2024-25	\$2.94M
Estimated Surplus FY 2025-26	\$5.92M
Estimated Surplus FY 2026-27	\$5.02M

A copy of the Council-received Five-Year General Fund Forecast is provided in Attachment B.

Updates to Projected Revenues and Expenses

Staff has made updates to projected revenues and expenses subsequent to the Five-Year General Fund Forecast presented to Council in late January.

Projected revenues increased by \$200,000 from the last report, mostly due to an increase in the Ambulance Billing revenue projection based on updated rate schedules that were received after the Five-Year Forecast was prepared.

The FY 2024-25 Projected Expenditures have increased since the preparation of the Five-Year Forecast. This increase is primarily due to the approval of the Oceanside Police Officer’s Association Memorandum of Understanding. The projected expenses also reflect other personnel changes, such as retirements, step increases and promotions that occurred since the Five-Year Forecast was prepared.

These changes result in a revised projected surplus of \$2.69M as shown below. This is a decrease of \$0.25M from the projected surplus presented in the Five-Year Forecast.

FY 2024-25 Projected Budgets

Revenues	\$216.25M
Expenditures	\$213.56M
Estimated Surplus	<u>\$2.69M</u>
Recommended Budget Additions	
Ongoing costs	\$1.69M
One-Time costs	\$3.17M

The estimated \$2.69M surplus provides budget capacity to support the \$1.69 million in additional ongoing expenses proposed as part of the FY 2024-25 budget. The \$3.17 million in one-time expenses being proposed for FY 2024-25 budget will be funded with General Fund Assigned Infrastructure Reserves which has an available balance of \$23.8 million. The proposed ongoing expenses have been measured against future revenue forecasts to ensure we maintain a balanced budget in the next five years.

General Fund Proposed Budget FY 2024-25

The proposed General Fund (GF) budget for FY 2024-25 assumes that the current budget forms the base for Maintenance & Operations (M&O) with a CPI increase of 3.5%. This 3.5% CPI represents a reasonable increase as a means to account for current inflation trends. The prior year budget (FY 2023-24) included the same CPI increase rate of 3.5% while the FY 2022-23 CPI increase was 5%. In the past ten years prior to that, CPI increases have been between 0% and 2%.

Also included in the proposed budget:

- Pension cost increases and a discount for annual prepayment
- Actual, known bargaining agreement costs, scheduled step increases, and placeholders for future bargaining agreements
- Vacancy factor for salary savings attributable to lag time between a position becoming vacant and filled which is typically 2-3 months or more
- Estimated health insurance cap increases
- General Liability insurance increases

Pension costs continue to play a dominant role in all budget forecasting for the next few years. The City’s pension cost is projected to increase \$10.81M over the next five years. The City continues to pay down the unfunded liability with half of the year-end surplus and a third of the quarterly investment interest earnings consistent with Council Policies 200-11 and 200-13. Additionally, the City has \$21.87M saved for future pension costs; \$16.87M in the Section 115 Trust and \$5.0M in assigned general fund balance.

The proposed FY 2024-25 GF budget is a structurally balanced budget as recurring expenditures are covered by recurring revenues. As always, expenditures will be watched very closely to ensure that Departments do not exceed their budget allotment and to capitalize on any potential savings.

The proposed budget complies with City Council Policy 200-13; both the Healthy Cities Reserves (12% of GF operating expenditures) and Economic Stabilization Reserves (3% of GF operating expenditures) are fully funded for FY 2024-25 and exceed the minimum requirements.

My funding recommendations for FY 2024-25 are broken down into two categories as follows:

One-time Cost	\$3,175,144
Ongoing Costs	<u>1,688,283</u>
Total Recommendations	\$4,863,427

1. Proposed One-Time Funding

Upon review of all department budget requests, a one-time cost of \$3,175,144 is recommended, as listed below, based on department needs.

Department	One-time	Description
City Manager	\$ 1,568	M&O for new Sustainability Program Administrator position for Climate Action Plan
Development Services	150,000	Objective Design Standards Consultant Services
Financial Services	60,800	Various software upgrades
Fire Department	212,100 2,400	Structural Personnel Protective Equipment Replacement & Inspection M&O for new Beach Lifeguard Sergeant position
Housing Department	80,000	Training and software to respond to federal mandates
Parks and Recreation	81,000	Various City events and community engagement activities
Police Department	419,000 2,700 120,000 100,000 150,000 32,000	RMS conversion to Niche, countywide project M&O for new Police Services Administrator position Additional funding for training Recruiting and community engagement SWAT vests and helmets, 5-year replacement Rent – Pala shooting range
Public Works	166,334 400,000 140,495 20,000 68,520	Irrigation repair – Citywide Parks and Beaches Street Light Maintenance SALT (Lot 23) Common Area Costs Engineering Transportation Repair Maintenance Vehicle for new Parking Enforcement Officer II
City Treasurer	968,227	Engle General Fund Debt Service Payment
Total One-Time Costs	\$3,175,144	

Development Services is in need of consultant services to establish objective design standards for new residential development, ensuring that future developments, including density bonus projects, incorporate design elements that promote neighborhood compatibility.

To enhance operational efficiency in key areas such as Budget Management, Accounts Payable, and Account Receivable Invoicing within Financial Services, the City requires several software upgrades.

The replacement of Structural Personnel Protective Equipment (PPE) for the Fire Department is needed to adhere to California Code of Regulations, including updated standards, maintenance, and replacement protocols for firefighters' PPE.

Housing and Neighborhood Services Department needs funding to conduct training for all housing staff, ensuring compliance with new and updated HUD regulations. This funding would also cover the acquisition of corresponding software for implementing federal mandates like HOTMA for the Housing Choice Voucher program and Inspire for HCV, CDBG, and HOME initiatives.

Parks and Recreation needs additional funding to sustain ongoing services and host various community events at facilities like the John Landes Community Center, Joe Balderrama Recreation Center, and Country Club Senior Center, as well as citywide events such as Concerts in the Park, Tree Lighting, and Independence Day celebrations.

The Police Department requires funding for a countywide project system conversion involving reporting and evidence tracking systems. Additionally, increased funding is necessary for training and travel costs to enlist external consultants for mandated training sessions, as well as for recruiting and community engagement efforts. Moreover, every five years, the SWAT team must replace helmets and vests, and funds are needed to rent facilities for mandated training and shooting qualifications as per CA POST regulations.

The Public Works Department needs funding to continue irrigation repair work for parks and beaches citywide, as well as for street light maintenance due to insufficient funds in the Lighting District. Additionally, funds are needed in Lot 23 for upcoming maintenance costs, and in Transportation for radar feedback and traffic signal parts.

One-time funding is also needed for the first year of Engie General Fund Debt Service Payments. Once projects and energy retrofits are complete, the General Fund Debt Service Payments will be funded through energy expense savings resulting from the project.

2. Ongoing Costs

Departments collectively submitted \$5.73M in ongoing GF requests. Upon review of these requests, an ongoing cost increase of \$1,688,283 is recommended by the City Manager, as listed in the table below, based on articulated Department needs and unavoidable cost increases beyond the 3.5% M&O inflation adjustment in the forecast.

Maintenance & Operations and Personnel

Department	Ongoing	Description
City Attorney	\$ 6,076	Subscription to Westlaw, additional AI tools cost
City Clerk	7,750	Reclass an Administrative Secretary to Program Specialist
City Manager	164,580 (65,840)	Sustainability Program Administrator for Climate Action Plan (1 FTE) 40% charged to Utilities
Development Services	672,167	Increase in existing contract for homeless encampment-related trash removal- Council approved
Financial Services	21,480 11,750 14,466	Software subscriptions Postage and training LSL Contract for auditing services– Council approved
Fire Department	170,259 (170,259) 137,861 (62,037)	Beach Lifeguard Sergeant (1 FTE); eliminate 13 Hourly Extra Help Beach Lifeguard positions to offset cost Emergency Disaster Preparedness Coordinator (1 FTE) 35% charged to Utilities, 10% charged to Harbor
Housing and Neighborhood Svcs	161,743 20,000	Homeless Services Manager (1 FTE) John Landes Community Center funding
Library	112,851 (27,418) 68,152	Librarian I –Early Learning Hub (1 FTE) Eliminate 2 Library Associates HXH to offset cost Building Lease cost for Literacy Program
Parks and Recreation	17,000	Pool chemicals
Police Department	173,029 34,000	Police Services Administrator (1 FTE) Dispatch AT&T voice recorder and maintenance
Public Works	165,656 (34,154) 89,171 93,536 (93,536)	Fleet Manager (1 FTE) 21% charged to other Funds via Internal Service All State Security Parking Enforcement Officer II (1 FTE) Anticipated revenue generated by Officer
Total Ongoing Costs	\$1,688,283	

As noted in the table above, some of the recommended ongoing costs have corresponding offsets that can reduce the impact to the General Fund such as anticipated increase in revenues, elimination of positions, or charging to Non-General Fund. Several software

upgrades for Legal, Budget Management, Accounts Payable, and Accounts Receivable invoicing are necessary for City operations which require ongoing increased maintenance and support costs.

Ongoing increases in the maintenance and operations beyond the 3.5% inflation adjustment include the need to increase existing contract for homeless encampment-related trash removal, postage and training, contract for auditing services, materials and supplies for John Landes Community Service, lease cost for Literacy Program, chemicals for city pools, Police dispatch voice recorder maintenance and upgrade, and contract for All State Security.

New positions recommended for this budget year are as follows:

1. Sustainability Program Administrator for Climate Action Plan
2. Emergency/Disaster Preparedness Coordinator
3. Beach Lifeguard Sergeant
4. Homeless Services Manager
5. Librarian I
6. Police Services Administrator
7. Fleet Manager
8. Parking Enforcement Officer II
9. Active Transportation Coordinator (100% Funded by TransNet)

The City Council requested the addition of a Sustainability Program Administrator during the FY 2023-24 Budget Workshop. This role will encompass the administration and management of the City's Climate Action Plan, as well as the development and implementation of environmental sustainability and resiliency goals.

The Emergency/Disaster Preparedness Coordinator position is crucial for the City of Oceanside due to its unique geographical and environmental challenges. Oceanside, being a coastal city in California, is prone to a variety of natural disasters such as earthquakes, floods, wildfires, and potential tsunamis. The role involves developing and implementing comprehensive emergency plans, which are essential for mitigating the risks associated with these disasters. The position would also be responsible for seeking state and federal reimbursements when damage does occur. By preparing the city for such events, the specialist ensures the safety and resilience of the community, reduces potential damage to critical infrastructure, and enhances the city's capacity to effectively respond and recover from emergencies. This role not only safeguards the lives and property of residents but also ensures the continuity of essential city services during crises. 55% of this position will be funded by the General Fund, 35% by Utilities and 10% by Harbor.

The Fire Department is requesting the addition of a Beach Lifeguard Sergeant position to ensure balanced supervision throughout the week. This would maintain an equal number of supervisors on both sides of the week, addressing the need for enhanced supervision. The request is cost-neutral, achieved through the elimination of 13 part-time Beach Lifeguard positions, with minimal projected future cost increase due to PERS.

The homelessness situation in Oceanside continues to pose a challenge, necessitating immediate and focused intervention. While the City has assigned various Departments and staff to address this issue, it has yet to establish a lead staff person to coordinate these collective efforts. This position would be responsible for creating and managing comprehensive programs, policies, and funding strategies, ensuring a cohesive operation with rental subsidy and other housing programs. The Manager's responsibilities would include developing strategic plans to address homelessness, establishing and monitoring benchmarks for success, managing focused coordination, collaborating with key stakeholders, and managing over \$11 million in diverse funding sources.

A Librarian I position is recommended to support an existing role initially established through the Early Learning Hub grant. Following the conclusion of the grant, funding has been sustained through ARPA, which is now concluding. This position oversees a program focusing on early learning for children up to age five.

The Police Department is undergoing a departmental restructure, including the creation of a fourth Division. Under this restructure, the majority of civilian units will report to the Police Services Manager, a non-sworn position, streamlining operational efficiency and optimizing resource utilization.

The addition of a Fleet Manager position within the Public Works Department is recommended to oversee the administration, budgeting, procurement, and disposal of fleet assets. This position would also be responsible for ensuring compliance with the ever-increasing number of government mandates related to fleet operations, including the transition to clean air vehicles. Additionally, the department requires a Parking Enforcement Officer due to a significant increase in parking-related complaints and violations over the last few years, which has strained existing resources and impacted the effectiveness of parking enforcement efforts.

An Active Transportation Coordinator position with an estimated cost of \$103,250 is also being recommended. This role will play a pivotal role in tackling existing traffic congestion, enhancing bike and pedestrian facilities across the City, collaborating with school districts on Safe Routes to School Programs, conducting bicycle riding classes, and actively seeking and applying for grants to further support sustainable transportation initiatives. This position will not affect the general fund, as it will be 100% funded by TransNet. By adding this position, the City aims to promote active transportation options, improve

community health, and reduce traffic congestion, aligning with our commitment to enhancing residents' Quality of Life and fostering a sustainable environment.

After considering these recommended additions, the proposed FY 2024-25 GF budget is expected to maintain a surplus of \$1M and \$2.40M in Year 2 (FY 2025-26).

Recommendation

Staff requests that the City Council provide feedback and direction regarding the proposed FY 2024-25 budget in conjunction with the April 17, 2024 Budget Workshop. Presentation of the final budget will take place during a public hearing scheduled for June 5, 2024.

Attachments:

- A) General Fund Proposed Budget Summary
- B) Five-Year General Fund Financial Forecast
- C) FY 2024-25 Budget Worksheet

CC: Department Directors



ATTACHMENT A

	Adopted Budget FY23-24	Proposed Year 1 FY24-25	Forecast Year 2 FY25-26	Forecast Year 3 FY26-27	Forecast Year 4 FY27-28	Forecast Year 5 FY28-29
RECURRING REVENUES						
Property Taxes	\$ 85.07	\$ 89.74	5.5%	\$ 94.00	4.7%	\$ 98.61
Sales & Use Taxes	29.38	29.25	-0.4%	30.10	2.9%	30.97
Transient Occupancy Tax	12.49	13.58	8.7%	13.98	3.0%	15.02
Beachfront TOT	2.15	2.86	33.2%	2.95	3.0%	3.04
All Other Taxes	4.59	4.90	6.8%	4.96	1.2%	5.02
Franchise Fees	4.34	4.40	1.4%	4.37	-0.7%	4.34
Licenses & Permits	4.50	5.47	21.6%	5.48	0.2%	5.48
Fines & Forfeitures	3.93	4.09	4.1%	4.09	0.0%	4.09
Use of Money & Property	7.76	7.86	1.3%	7.96	1.3%	8.06
Intergovernmental	0.52	0.56	7.7%	0.56	0.0%	0.56
Ambulance Billing	7.51	8.53	13.6%	9.51	11.5%	9.69
Charges for Services	15.73	25.15	59.9%	25.15	0.0%	25.15
Transfers In & Other Revenues	26.05	19.86	-23.8%	20.28	2.1%	20.63
TOTAL RECURRING REVENUES	\$ 204.02	\$ 216.25	6.0%	\$ 223.39	3.3%	\$ 230.66
RECURRING EXPENDITURES						
Personnel						
Compensation Cost	76.50	79.38	3.8%	83.35	5.0%	86.86
Overtime	7.64	7.62	-0.3%	7.64	0.3%	7.60
PERS	29.15	32.67	12.1%	35.42	8.4%	37.89
Pension Bond	4.38	4.55	3.8%	0.26	-94.2%	
Health Insurance	11.20	12.84	14.7%	14.43	12.3%	15.02
Workers Comp	5.63	5.77	2.3%	6.06	5.1%	6.35
Other Benefits	4.16	4.17	0.5%	4.31	3.1%	4.42
Personnel Cost Subtotal	\$ 138.65	\$ 147.00	6.0%	\$ 151.46	3.0%	\$ 158.13
Maintenance & Operations	31.01	32.58	5.1%	33.01	1.3%	33.46
Rebate for OBR	2.15	2.10	-2.5%	2.16	3.0%	2.22
Rebate for Carmax	0.86	0.59	-32.0%	0.61	3.5%	0.63
Transfers Out & Internal Service Charges	29.68	31.30	5.5%	32.02	2.3%	33.22
TOTAL RECURRING EXPENDITURES	\$ 202.34	\$ 213.56	5.5%	\$ 219.25	2.7%	\$ 227.66
Transfer to Capital Improvement Program	\$ 0.95					
Surplus/(Shortfall)	\$ 0.73	\$ 2.69		\$ 4.14	\$ 3.00	\$ 3.34
Recommended Budget Additions						
Ongoing costs		1.69		1.74		1.88
Expected Remaining Surplus (Shortfall)	\$ 1.00		\$ 2.40		\$ 1.12	
One-time costs		\$ 3.17				

STAFF REPORT*CITY OF OCEANSIDE*

DATE: January 24, 2024

TO: Honorable Mayor and City Councilmembers

FROM: Financial Services Department

SUBJECT: **GENERAL FUND FIVE-YEAR FINANCIAL FORECAST**

SYNOPSIS

Staff submits the FY 2024-25 through FY 2028-29 General Fund Five-Year Financial Forecast for review and requests direction to proceed with developing a fiscally sustainable budget strategy.

BACKGROUND

The financial forecast is a forward look at the City of Oceanside's General Fund revenues and expenditures. Its purpose is to identify financial trends, shortfalls and issues so the City can proactively address them. It does so by projecting the fiscal results of continuing the City's current service levels, policies, and any new or anticipated changes to the City's revenue streams or expenses. It provides a snapshot of what the future will look like as a result of decisions made in the recent past. It also recaps historical data to indicate the financial status of the past. This forecast includes historical data to offer a comparison to previous financial statuses.

If the results are positive, the balance remaining is available to fund new initiatives and projects; if negative, it shows the likely budget gap. Throughout the five-year forecast period, staff is projecting a positive balance, with a projected surplus of \$2.94M forecast for Fiscal Year 2024-25, based on projected revenues of \$216.02M and expenditures of \$213.08M.

It is important to stress that this financial forecast is not a budget, nor is it a proposed financial plan for achieving City or City Council objectives. The forecast is a projection based on currently available economic data, consultant reports, and staff analysis of current trends; it represents a staff consensus on likely revenues and expenses.

Year one of the forecast is used to develop the general fund annual operating budget, which will be presented to City Council during the budget workshop on April 17th. The final budget adoption is scheduled for June 5th.

The Measure X revenues and expenditures are placed in a separate fund and are not included in the Five-Year Forecast.

FISCAL IMPACT

There is no fiscal impact.

INSURANCE REQUIREMENTS

Does not apply.

COMMISSION OR COMMITTEE REPORT

Does not apply.

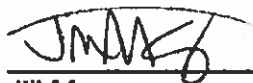
CITY ATTORNEY'S ANALYSIS

Does not apply.

RECOMMENDATION

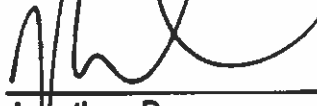
Staff submits the FY 2024-25 through FY 2028-29 General Fund Five-Year Financial Forecast for review and requests direction to proceed with developing a fiscally sustainable budget strategy.

PREPARED BY:



Jill Moya
Financial Services Director

SUBMITTED BY:



XOR Jonathan Borrego
City Manager

REVIEWED BY:

Michael Gossman, Assistant City Manager



ATTACHMENTS:

A – General Fund Five-Year Financial Forecast

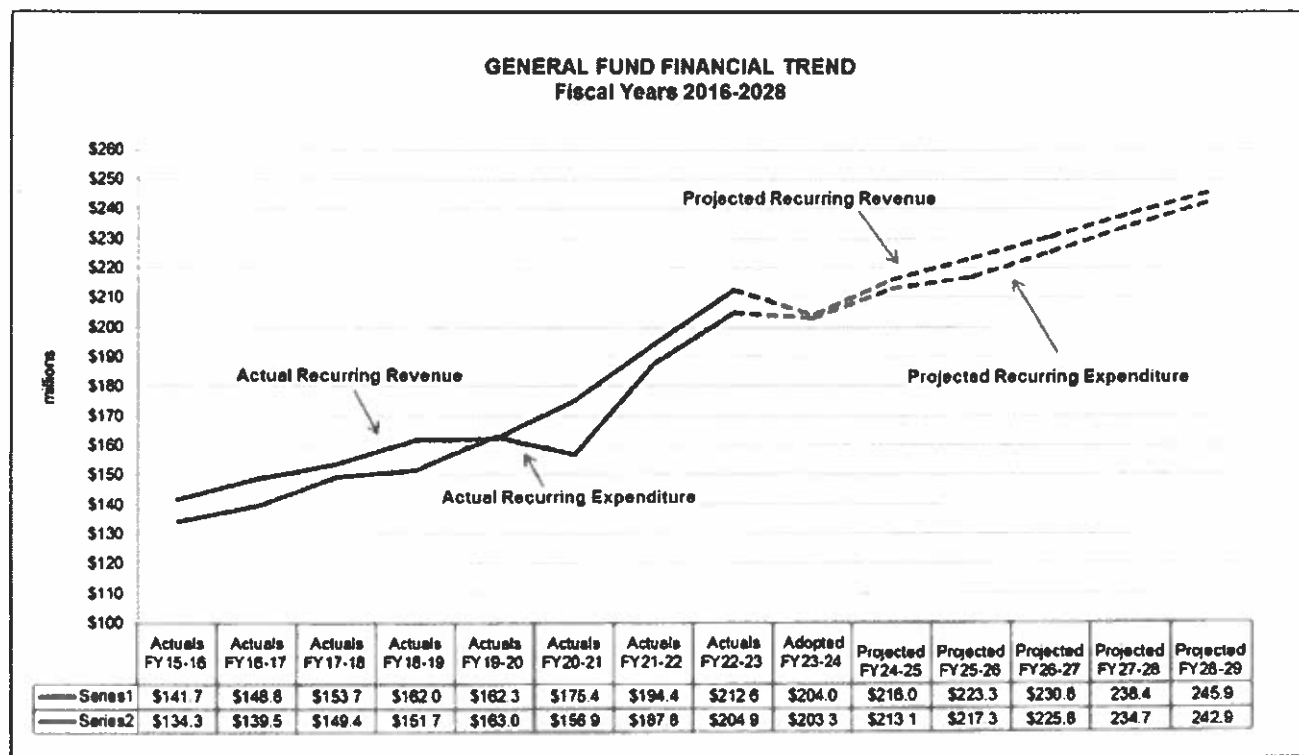
GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

PURPOSE OF THE FORECAST

The purpose of the financial forecast is to anticipate forthcoming trends, shortfalls, and concerns within the City of Oceanside's General Fund revenues and expenditures. This proactive approach enables the City to address these matters preemptively. The forecast achieves this by projecting future fiscal outcomes based on the continuation of the City's present service levels and policies. It provides insight into the prospective impact of recent decisions and also presents historical data, reflecting the financial state of the past.

Positive results signify a surplus that can be allocated towards new initiatives, while negative outcomes highlight potential budgetary gaps. The National Advisory Council on State and Local Budgeting (NACSLB) has endorsed both revenue and expenditure forecasting as part of their Recommended Budget Practices.

It is crucial to emphasize that this financial forecast should not be mistaken for a budget, nor is it a proposed financial strategy aimed at achieving City or Council objectives.



GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

Table 1 shows the next five years as forecasted in January 2024. The FY 2024-25 General Fund forecast includes \$216.02M in revenues and \$213.08M in expenditures with an anticipated surplus of \$2.94M.

Table 1
General Fund Five-Year Forecast Summary

<i>In millions</i>	Adopted Budget FY23-24	Forecast Year 1 FY24-25	Forecast Year 2 FY25-26	Forecast Year 3 FY26-27	Forecast Year 4 FY27-28	Forecast Year 5 FY28-29
RECURRING REVENUES						
Property Taxes	\$ 85.07	\$ 89.74	\$ 94.00	\$ 98.61	\$ 103.47	\$ 108.64
Sales & Use Taxes	29.38	29.25	30.10	30.97	31.84	32.73
Transient Occupancy Tax	12.49	13.58	13.98	15.02	15.77	16.07
Beachfront TOT	2.15	2.86	2.95	3.04	3.13	3.22
All Other Taxes	4.59	4.90	4.96	5.02	5.09	5.15
Franchise Fees	4.34	4.40	4.37	4.34	4.32	4.30
Licenses & Permits	4.50	5.47	5.48	5.48	5.48	5.48
Fines & Forfeitures	3.93	4.09	4.09	4.09	4.09	4.09
Use of Money & Property	7.76	7.86	7.96	8.06	8.16	8.27
Intergovernmental	0.52	0.56	0.56	0.56	0.56	0.56
Ambulance Billing	7.51	8.00	8.98	9.16	9.43	9.71
Charges for Services	15.73	18.23	18.23	18.23	18.23	18.23
Transfers In & Other Revenues	26.05	27.08	27.61	28.21	28.81	29.47
TOTAL RECURRING REVENUES	\$ 204.02	\$ 216.02	\$ 223.27	\$ 230.79	\$ 238.38	\$ 245.92
RECURRING EXPENDITURES						
Personnel						
Compensation Cost	76.50	80.08	84.17	87.91	91.73	95.28
Overtime	7.64	7.63	7.65	7.61	7.63	7.65
PERS	29.15	33.00	34.98	37.19	39.53	42.03
Pension Bond	4.38	4.55	0.26	-	-	-
Health Insurance	11.20	11.29	12.10	12.60	13.15	13.67
Workers Comp	5.63	5.86	6.16	6.44	6.73	7.01
Other Benefits	4.16	4.20	4.34	4.46	4.58	4.70
<i>Personnel Cost Subtotal</i>	\$ 138.65	\$ 146.60	\$ 149.66	\$ 156.21	\$ 163.35	\$ 170.34
Maintenance & Operations	31.01	32.50	32.90	33.48	34.08	34.68
Rebate for OBR	2.15	2.10	2.16	2.22	2.29	2.36
Rebate for Carmax	0.86	0.59	0.61	0.63	0.65	0.67
Transfers Out & Internal Service	29.68	31.30	32.02	33.22	34.34	34.86
TOTAL RECURRING EXPENDITURES	\$ 202.34	\$ 213.08	\$ 217.35	\$ 225.77	\$ 234.71	\$ 242.92
Transfer to Capital Improvement Program	\$ 0.95	\$ -				
Surplus/(Shortfall)	\$ 0.73	\$ 2.94	\$ 5.92	\$ 5.02	\$ 3.67	\$ 3.00

GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

Table 2
General Fund Revenues Projected Percent Changes

	Year 1	Year 2	Year 3	Year 4	Year 5
	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Property Taxes	5.5%	4.7%	4.9%	4.9%	5.0%
Sales & Use Taxes	-0.4%	2.9%	2.9%	2.8%	2.8%
Transient Occupancy Tax	8.7%	3.0%	7.4%	5.0%	1.9%
Beachfront TOT	33.2%	3.0%	3.0%	3.0%	3.0%
All Other Taxes	6.8%	1.2%	1.2%	1.4%	1.2%
Franchise Fees	1.4%	-0.7%	-0.7%	-0.5%	-0.5%
Licenses & Permits	21.6%	0.2%	0.0%	0.0%	0.0%
Fines & Forfeitures	4.1%	0.0%	0.0%	0.0%	0.0%
Use of Money & Property	1.3%	1.3%	1.3%	1.2%	1.3%
Intergovernmental	7.7%	0.0%	0.0%	0.0%	0.0%
Ambulance Billing	6.5%	12.3%	2.0%	2.9%	3.0%
Charges for Services	15.9%	0.0%	0.0%	0.0%	0.0%
Transfers In & Other Revenues	4.0%	2.0%	2.2%	2.1%	2.3%
TOTAL RECURRING REVENUES	5.9%	3.4%	3.4%	3.3%	3.2%

ECONOMIC OUTLOOK

Recent economic growth can be noted by the increase in the National Gross Domestic Product (GDP). According to the Bureau of Economic Analysis, the GDP in the third quarter of 2023 increased at an annual rate of 4.9 percent compared to 3.2 percent in the third quarter of 2022. The increase is primarily due to increases in consumer spending, inventory investment, exports, state and local government spending, federal government spending, residential fixed investment, and nonresidential fixed investment. For the next couple years, the US economy is expected to continue modestly growing coupled with the gradual easing of inflation. The labor market is expected to remain stable, despite slowing job growth.

According to the Beacon Economics Outlook, the data from 2023 indicates that the current state of the US economy is stronger than a year earlier, as evidenced by solid GDP growth, continuous job growth, sustained high levels of industrial production, rising profits and wages, and relatively stable US debt markets signify this strength. Despite these positive indicators, the Beacon Economics economists noted that they are less optimistic today than they were 12 months ago. "The Fed's excessive \$5 trillion in quantitative easing and the 40% jump in the money supply that resulted, created massive government deficits and a large asset bubble. The U.S. economy has weathered rising interest rates over the last year largely because of these imbalances, but they also imply that inflationary pressures are not behind us."

The October 2023 UCLA Anderson Forecast foresees a weak US economy in 2024 but not a recession. Similarly, they foresee that the California economic outlook to be much the same.

GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

"The state's economy keeps chugging along, thanks in part to consumers who want to spend and stimulative fiscal policy" ... and they noted that they do not anticipate a recession in the near term. The UCLA Anderson's economists explained that "In spite of the higher interest rates, the continued demand for a limited housing stock, coupled with state policies inducing new homebuilding, should result in the beginning of a recovery this year followed by solid growth in new home production thereafter."

This Five-Year Forecast was developed keeping these economic indicators and industry expert forecasts in mind. For example, the forecast was developed using a consumer price index (CPI) of 3.5% for material and supplies budgets for FY 2024-25, due to expected continued inflation. Materials and supplies budgets were increased by 5% and 3.5% in the last two years to keep up with inflation as well.

It is important to note that these forecasts are for the overall economy and may not mirror the forecast for Oceanside. Oceanside continues to grow with strong home sales and construction of new commercial properties and hotels which will result in consistent incremental increases in property tax and transient occupancy tax over the next several years.

KEY POINTS

- The financial forecast does not address any future adverse budget impacts from State or Federal actions beyond the CalPERS July 2023 Actuarial Report.
- For year one, as a percent of compensation, Safety personnel CalPERS costs as a percentage of salary is 64% and Miscellaneous personnel CalPERS costs as a percentage of salary is 36%.
- Assumptions used to forecast revenue and expenditures are noted in a separate section of the report.
- The financial forecast is updated on an annual basis to accommodate adjustments in economic trends and operational costs.

DEMOGRAPHIC TRENDS

Population - Oceanside's 2023 population per the California Department of Finance is 171,063.

Inflation — The City monitors the Consumer Price Index for All Urban Consumers (CPI-U) for San Diego, CA, as reported by the US Department of Labor. It is a measure of change in prices paid by consumers for goods and services and reflects spending patterns. The most recent data released in November 2023 shows the CPI at 3.2 percent at the end of October 2023. The CPI has decreased compared to 7.1 percent the previous year in November 2022. The major decreases were energy prices, specifically fuel and utility gas service, and used vehicles.

GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

Consumer Confidence Index — This index is a barometer of the health of the US economy from the perspective of the consumer. The index is based on consumers' perceptions of current business and employment conditions, as well as their expectations for six months hence regarding business conditions, employment and income. The Consumer Confidence index as of November 2023 is at 102 which is an increase from 99.1 from the previous month.

Unemployment Rate – According to the Employment Development Department, as of October 2023, Oceanside's unemployment rate is at 4.2 percent, the same rate as the San Diego unemployment rate of 4.2 percent. The State of California unemployment rate is 4.8 percent.

REVENUES

Property Tax – The City of Oceanside contracts with HdL Companies for property tax management services. HdL Companies reports the median sale price of a single-family home in Oceanside at \$805,000 in 2023, a 1.83 percent decrease from 2022. However, Oceanside continues to experience commercial and residential construction growth. The City's taxable assessed value increased by 7% in FY 2023-24, or \$2.1 billion, from FY 2022-23. Forecasted revenues based on market trends and timing of future construction project an average increase of 5% each year of the next five years.

Sales & Use Tax –The City of Oceanside contracts with HdL Companies for sales tax management services. Oceanside's FY 2022-23 sales increased 3.45 percent above the prior year. Looking ahead statewide, sustained sales tax growth is still anticipated through the end of the 2023 calendar year. Households face tight budgets, and various industries grapple with challenges like labor costs, inventory issues and competition. Spending generating sales taxes is expected to dip slightly in fiscal year 2024-25 with limited expansion anticipated in the following year, resulting in slower growth, which has been factored into our projections.

Projections based on historical data and projected growth are as follows: Year 1, -0.4 percent; Years 2-3, 2.9 percent; Years 4-5, 2.8 percent.

Transient Occupancy Tax (TOT) – City's transient occupancy tax revenues (not including the beachfront hotels) are projected to increase 8.7 percent in Year 1 over the FY 2023-24 adopted budget. The revenue projection for Year 1 is based on the actual revenue received in the prior year (FY 22-23) of \$13.5M. Year 2 is projected to increase 3 percent as Home 2 Suites hotel is expected to open in January 2026 with 136 rooms. Years 3 through 4 is projected to increase an average of 6.2 percent due to Marriott Residence Inn opening with 117 rooms in January 2027 and Fairfield Inn & Suites opening with 99 rooms in January 2027. Year 5 is projected to increase 1.9 percent.

Beachfront Hotels (TOT) - City's transient occupancy tax revenues for the Seabird and Mission Pacific hotels are projected to increase 33.2 percent in Year 1 which is based on the actual revenue received in the prior year (FY 2022-23) of \$2.86M. Years 2 through 5 is expected to increase an average of 3 percent.

GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

All Other Taxes: This category includes business license and card room revenues. Year 1 is expected to increase 6.8 percent. Business license tax, the largest contributor to this category, is projected to increase an average of 1.3 percent in Years 2-5 due to moderate economic growth and ongoing new commercial buildings. Card Room fees are projected to increase 2 percent Years 2-5. Measure M Cannabis business tax is projected to increase 1 percent Years 2-5.

Franchise Fees: Includes fees from SDG&E, Cox, and AT&T. Overall revenues are projected to decline due to decreasing numbers of cable subscribers and an increase in internet-based options. Year 1 is projected to increase 1.4 percent based on actual SDG&E revenues received in the prior year, then decreasing an average of 0.6 percent in Years 2 through 5 based on historical trends.

Licenses & Permits: A majority of these permits are development and parking related, with the largest portion for building permits and annual parking permits. The forecast projects a 21.6 percent increase in Year 1 due to building trending upward and based on prior year revenues of \$5.17M. Years 2 through 5 is projected to remain relatively flat.

Fines & Forfeitures: The majority of these revenues collected by the City are for parking citations and traffic fines. The forecast projects a 4.1 percent increase in Year 1. Years 2 through 5 is projected to remain relatively flat.

Use of Money and Property: The revenues collected in this category are from investment returns, leases and rentals. This category is projected to increase 1.3 percent in the next five years.

Intergovernmental: The revenue in this category relies on State and Local programs which can be difficult to project. Year 1 is projected to have an increase of 7.7 percent. Years 2 through 5 remains flat.

Ambulance Billing: Rates are adjusted annually each July. Revenues are expected to increase 6.5 percent in Year 1 due to expanded EMT services. Year 2 is projected to increase by 12.3 percent due to the new AB 1705 Medical Transport program which provides increased reimbursements for public providers of ground emergency medical transportation; Years 3-5 is projected to increase an average of 2.6 percent due to Measure X EMT services possibly ending.

Charges for Services: This category of revenue includes development-related revenues, fire inspections, parking machine collection and general administration charges. The forecast assumes revenues will increase 15.9 percent in Year 1 due to an increase in construction activity and an increase in plan review revenue for projects such as the SIFI and Ubiquity citywide fiber workload projects. Years 2-5 are projected to remain flat.

GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

Transfers In & Other Revenue: Transfers are projected to increase 4.0 percent in Year 1. Years 2-5 is projected to increase an average of 2.1 percent.

EXPENDITURES

Personnel: Year 1 total costs are projected to increase 5.7 percent. Costs for years 2-5 is expected to increase an average of 4.3 percent. An estimate was used for increases for the future bargaining unit agreements throughout the five-year term of the forecast. The estimate was based on recently completed bargaining group's negotiations. All bargaining group's costs approved by Council prior to December 2023 have been included in the forecast.

Other assumptions:

1. Applicable step increases were included for each year of the forecast.
2. Includes a vacancy factor of 3 percent Years 1-5.
3. PERS normal cost pickup by employees included.
4. Estimated health cap increases for inflation.

The primary issue that the City must contend with is the continued CalPERS rate increases which are based on actuarial assumptions and investment returns.

CalPERS recalculates the costs on an annual basis so the City cannot rule out further increases. The rates are impacted annually by investment returns, retiree longevity, payroll growth and any actuarial assumption changes by CalPERS.

Over the next five years, the total General Fund CalPERS increase is estimated at \$12.88M. The yearly increases are as follows: \$3.85M Year 1, \$1.98M Year 2, \$2.21M Year 3, \$2.34M Year 4 and \$2.5M Year 5.

CalPERS annual required contribution increases have been a concern for some time. Consequently, since FY 2015-16, monies have been "set aside" specifically for this reason. To date, the General Fund has accumulated \$5.1M to provide reserves to help offset costs should there be an unexpected increase in rates or a reduction in General Fund revenues.

In addition, during FY 2017-18, an IRS Section 115 Trust was created to earmark funds to be used only for CalPERS expenses. To date, the City has \$15.3M in this trust. No funds have been withdrawn from the trust.

Maintenance & Operations – Expenditures in this category include such items as professional and contractual service, equipment maintenance and rental, memberships and subscriptions, training, utilities and a variety of other operating costs for departments funded by the General Fund. The FY 2024-25 budget is based on the prior year with a CPI increase of 3.5 percent for Year 1, and 2 percent for Years 2-5. Departments will have to justify any new expenditure requests.

GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

Beachfront Hotels Rebate – Under the terms of the TOT sharing agreement with the developer of Oceanside Beach Resort (OBR), the developer will receive 100 percent of the TOT revenue for the first three years after the hotel opens. Thereafter, the City and the Developer share in TOT at varying levels for a total period of 15 years on the Seabird Hotel and 14 years on the Mission Pacific Hotel or until total payments of \$11,335,250 (Net Present Value) are made to the Developer. Starting in May 2024 the City will begin to keep a share of the TOT revenues. To date, a total of \$6.3M has been paid.

Carmax Rebate – The agreement with the developer of Carmax allows for an abatement of new taxable gross retail sales tax above \$100,000, increasing by 3 percent per year, within each fiscal year up to an aggregate of \$5,000,000, of the 10-year term of the agreement. This agreement expires November 28, 2028. To date, a total of \$0.48M has been paid.

Pension Bond – the 2015 Refunding Taxable Pension Obligation Bonds (2005 Taxable Pension Obligation Bonds) debt payments ending August 2025, are reflected in the Personnel category.

Internal Service Charges/Transfers – the City has five internal service funds that provide services to the City as a whole. Included in each department operating budget is an amount to pay for these services. The services are risk management, fleet management, information services, general services and city building services. Collectively they are known as "internal service charges." Transfers to these internal service funds are allocated based on usage formulas as defined in various Administrative Directives, and encompass costs for the materials, equipment and the overhead of providing these services.

Risk management costs continue to increase. According to our broker, PRISM, the liability, property and cyber insurance markets have hardened in response to increased claims costs. FY 2024-25 assumes a 13 to 59 percent rate increase for excess insurance layers. These cost increases have been built into the forecast.

Fleet rate increases are an ongoing concern as fuel costs create challenges for planning and budgeting. Vehicle acquisition costs have also increased due to supply interruptions and a global microchip shortage has caused a lack of availability for specific vehicles and equipment.

Additionally, in FY2019-20 the 2019 Lease Revenue Bonds were issued to fund the El Corazon Aquatics Center. The maturity date for these bonds is November 2049. Because of the nature of Lease Revenue Bonds, the debt service payments are collected through Civic Center building rent internal services charges across departments using the Civic Center.

GENERAL FUND FIVE-YEAR FINANCIAL FORECAST

FUND BALANCE

As of June 30, 2023, the total General Fund balance was \$110.8M. In accordance with the Healthy City Reserve Fund Policy #200-08, a minimum of 12 percent of the General Fund operating expenditure budget (currently at \$24.4M) is identified as a committed fund balance. The General Fund Unassigned Fund Balance available for future capital projects or other City projects/services had \$5.1M as of June 30, 2023.

**City of Oceanside
FY 2024-25 Budget Worksheet
General Fund**

	Adopted Budget FY 2022-23	Adopted Budget FY 2023-24	Proposed Budget FY 2024-25
Revenues			
Property Taxes	\$79,789,418	\$85,070,732	\$89,742,690
Sales & Use Taxes	27,547,840	29,384,717	29,245,572
Transient Occupancy Tax	11,005,165	14,641,517	16,437,145
All Other Taxes	4,323,295	4,585,000	4,900,000
Franchise Fees	4,256,319	4,336,000	4,395,000
Licenses and Permits	4,332,624	4,555,215	5,472,589
Fines and Forfeitures	3,842,598	3,929,123	4,090,500
Use of Money & Property	7,756,297	7,009,961	7,856,826
Intergovernmental	466,329	515,813	555,172
Ambulance Billing	5,570,600	7,511,638	8,530,000
Charges for Service	14,868,861	16,432,261	25,153,559
Other Revenue & Transfers	25,149,841	26,047,098	19,856,389
Total General Fund Revenues	\$188,909,187	\$204,019,076	\$216,235,442
Expenditures			
City Attorney	\$2,415,446	\$2,527,088	\$2,680,324
City Clerk	1,511,262	1,723,100	1,703,375
City Council	1,076,823	1,126,689	1,207,484
City Manager	1,918,444	2,071,850	2,340,031
City Treasurer	378,693	423,805	435,001
Development Services	14,165,889	15,314,715	16,748,951
Financial Services	6,675,669	6,909,419	7,300,301
Fire Department	40,073,296	48,121,677	50,907,144
Harbor	4,214,995	4,433,122	4,705,806
Human Resources	788,780	914,387	979,397
Library	6,172,858	6,582,100	6,760,906
Neighborhood Services	2,206,122	2,534,876	2,732,817
Non-Departmental	8,670,943	9,270,690	9,940,069
Parks and Recreation	6,885,646	7,795,699	8,183,217
Police Department	72,826,175	75,072,428	77,779,538
Public Works	16,872,407	18,466,649	19,153,096
Total	\$186,853,449	\$203,288,293	\$213,557,456
Surplus	\$2,055,738	\$730,783	\$2,677,986
Recommended Budget Additions			
Ongoing expenditure			1,688,283
Expected Remaining Surplus			\$989,703
One-time costs			\$3,175,144

BUDGET WORKSHOP

General Fund Proposed Budget Fiscal Year 2024-25



April 17, 2024
Financial Services Department

GENERAL FUND PROPOSED BUDGET FY 2024-25 - OVERVIEW

- Balanced budget - reserves or one-time monies are not used to cover ongoing costs
- Meets all reserve obligations (e.g., Healthy Cities and Economic Stabilization Reserves)

GENERAL FUND PROPOSED BUDGET FY 2024-25

Proposed Revenues	\$ 216.25M
<u>Proposed Expenditures</u>	<u>213.56M</u>
Projected Surplus	\$2.69M

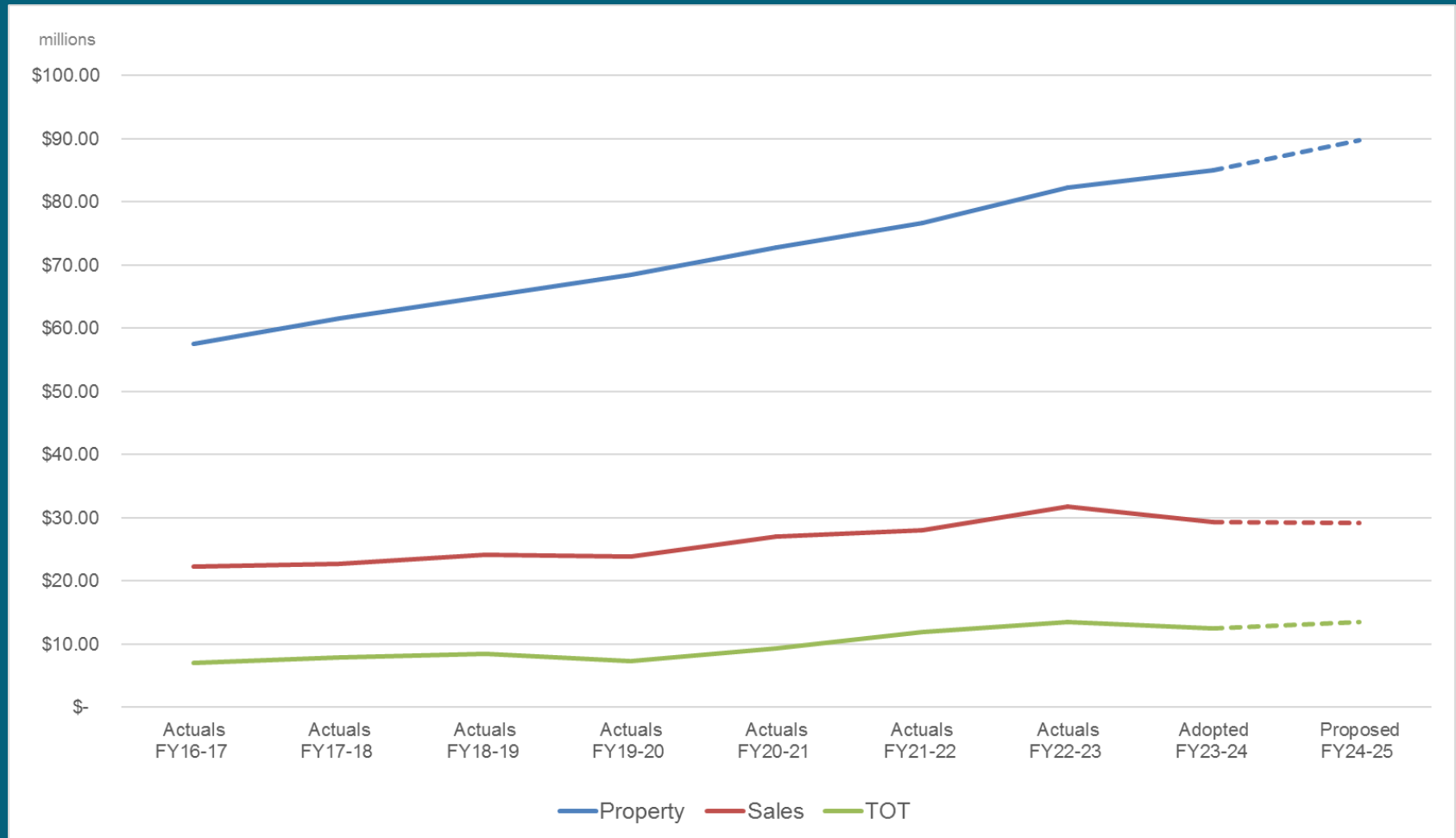
<u>Recommended Ongoing Additions</u>	<u>\$1.69M</u>
Projected Surplus	\$1.0M

GENERAL FUND PROPOSED BUDGET FY 2024-25

Proposed Revenue: \$216.25M
(6% Increase over FY 2023-24)

<u>Major Categories</u>	<u>Actuals FY 2020-21</u>	<u>Actuals FY 2021-22</u>	<u>Actuals FY 2022-23</u>	<u>Adopted FY 2023-24</u>	<u>Proposed FY 2024-25</u>	<u>% Increase</u>
Property Tax	\$72.75M	\$76.75M	\$82.33M	\$85.07M	\$89.74M	5.49%
Sales Tax	\$27.02M	\$28.01M	\$31.80M	\$29.38M	\$29.25M	-0.44%
TOT	\$9.28M	\$11.91M	\$13.50M	\$12.49M	\$13.58M	8.7%

REVENUE TRENDS



GENERAL FUND PROPOSED BUDGET FY 2024-25

Proposed Expenditures: \$215.25M

(5.9% Increase over FY 2023-24)

<u>Recurring Expenditures</u>	<u>Adopted FY 2023-24</u>	<u>Proposed FY 2024-25</u>	<u>% Increase</u>
Personnel	\$138.65M	\$147.00M	6.0%
Maintenance & Operations	31.01M	32.58M	5.1%
Rebate for OBR	2.15M	2.10M	-2.5%
Rebate for Carmax	0.86M	0.59M	-32.0%
Transfers Out & Internal Service Charges	30.62M	31.30M	5.5%
Recommended Ongoing Additions	<hr/>	<u>1.69M</u>	
Total Expenditures	<hr/> \$203.29M	\$215.25M	5.9%

Recommended One-time Additions

\$3.17M

GENERAL FUND PROPOSED ADDITIONS

FY 2024-25

One-time Costs	\$3,175,144
Ongoing Costs	<u>1,688,283</u>
Total Recommendations	\$4,863,427

GENERAL FUND PROPOSED BUDGET

One-time Costs

City Manager	\$1,568	M&O for new Sustainability Program Administrator position
Dev’p Services	150,000	Objective Design Standards Consultant Services
Finance	60,800	Various software upgrades
Fire	212,100	Structural Personnel Protective Equipment Replacement & Inspection
	2,400	M&O for new Beach Lifeguard Sergeant position
Housing	80,000	Training and software to respond to federal mandates
Parks and Rec	81,000	Various City events and community engagement activities

GENERAL FUND PROPOSED BUDGET

One-time Costs (con't)

Police	\$ 419,000	RMS conversion to Niche, countywide project
	2,700	M&O for new Police Services Administrator position
	120,000	Additional funding for training
	100,000	Recruiting and community engagement
	150,000	SWAT vests and helmets, 5-year replacement
	32,000	Rent – Pala shooting range
Public Works	166,334	Irrigation repair – Citywide Parks and Beaches
	400,000	Street Light Maintenance
	140,495	SALT (Lot 23) Common Area Costs
	20,000	Engineering Transportation Repair Maintenance
	68,520	Vehicle for new Parking Enforcement Officer II
City Treasurer	968,227	Engie General Fund Debt Service Payment
Total One-Time Costs		\$3,175,144

GENERAL FUND PROPOSED BUDGET

Ongoing Costs – M&O

City Attorney	\$ 6,076	Subscription to Westlaw
Development Services	672,167	Increase in existing contract for homeless encampment-related trash removal- Council approved
Finance	21,480	Software subscriptions
	11,750	Postage and training
	14,466	LSL Contract for auditing services– Council approved
Housing	20,000	John Landes Community Center funding
Library	68,152	Building Lease cost for Literacy Program

GENERAL FUND PROPOSED BUDGET

Ongoing Costs – M&O (continued)

Parks and Rec	\$ 17,000	Pool Chemicals
Police	34,000	Dispatch AT&T voice recorder and maintenance
Public Works	89,171	All State Security
M&O Subtotal	\$954,262	

GENERAL FUND PROPOSED BUDGET

Ongoing Costs – New Positions

Nine new positions are recommended for this budget year:
(excluding Water Utilities)

1. Sustainability Program Administrator – City Manager's Office
2. Emergency/Disaster Preparedness Coordinator - Fire
3. Beach Lifeguard Sergeant - Fire
4. Homeless Services Manager – Housing
5. Librarian I - Library
6. Police Services Administrator - Police
7. Fleet Manager – Public Works
8. Parking Enforcement Officer II – Public Works
9. Active Transportation Coordinator– Public Works

GENERAL FUND PROPOSED BUDGET

Ongoing Costs – New Positions

City Clerk	\$ 7,750	Reclass an Administrative Secretary to Program Specialist
City Manager	164,580	Sustainability Program Administrator for Climate Action Plan
	<u>(65,840)</u>	40% charged to Utilities
	\$98,740	
Fire	170,259	Beach Lifeguard Sergeant
	<u>(170,259)</u>	Eliminate 13 hourly extra help Beach Lifeguards
	-	
	137,861	Emergency Disaster Preparedness Coordinator
	<u>(\$62,037)</u>	35% charged to Utilities; 10% to Harbor
	75,824	
Housing	161,743	Homeless Services Manager

GENERAL FUND PROPOSED BUDGET

Ongoing Costs – New Positions

Library	\$ 112,851	Librarian I – Early Learning Hub
	<u>(27,418)</u>	Eliminate 2 Library Associates HXH to offset cost
	85,433	
Police	173,029	Police Services Administrator
Public Works	165,656	Fleet Manager
	<u>(34,154)</u>	21% charged to Internal Service Funds
	131,502	
	93,536	Parking Enforcement Officer II
	<u>(93,536)</u>	Anticipated revenue generated by officer
	-	
	103,250	Active Transportation Coordinator
	<u>(103,250)</u>	100% funded by TransNet
	-	
Position Subtotal	\$734,021	
Total Ongoing Costs	\$1,688,283	

RECOMMENDATION

Staff recommends that the City Council:

Direct staff to return on June 5, 2024, for final budget adoption and include all recommendations outlined in the proposed General Fund Budget for FY 2024-25

LATE DISTRIBUTION OF MATERIALS

DATE: April 16, 2024

TO: Honorable Mayor and Councilmembers

FROM: Maddison Zafra, City Manager's Office

SUBJECT: APRIL 17, 2024 CITY COUNCIL BUDGET WORKSHOP

Items #1-5 – The PowerPoint presentations for all items have been edited for formatting and consolidated into one presentation.

To view the presentation electronically, please go to:

<https://records.ci.oceanside.ca.us/civicax/filebank/blobdload.aspx?BlobID=61665>

STAFF REPORT*CITY OF OCEANSIDE*

DATE: March 21, 2024

TO: Members of the Measure X Citizens Oversight Committee

FROM: City Manager's Office

SUBJECT: FY 2024-25 (YEAR 6) MEASURE X SPENDING PLAN AND UPDATED SEVEN YEAR PRELIMINARY EXPENDITURE PLAN

SYNOPSIS

Staff recommends that the Measure X Citizens Oversight Committee (COC) endorse the FY 2024-25 (Year 6) Spending Plan (Attachment 1) and recommend approval to the City Council.

BACKGROUND

The role of the Measure X COC is to provide public review and comment on the City Manager's Measure X Spending Plan prior to City Council consideration of the City's annual budget. The Measure X Ordinance approved by the voters, codified as Chapter 34 of the Oceanside City Code, states:

"It is the intent that the Measure X funds be used to improve infrastructure and the delivery of public safety services and the plan (the "Measure X Spending Plan") shall reflect these priorities and include specific proposals for near term expenditures as well as a plan for expenditures throughout the seven (7) year term of the tax, and finance options for larger-scale projects that may require the pledge of Measure X revenues. After review and recommendation by the COC, the Measure X Spending Plan shall be presented to the City Council for its consideration and final decision, in its discretion, as part of the City's annual budget process." (34.6.16 B.)

Staff presented the FY 2023-24 (Year 5) Spending Plan to the Measure X COC on March 9, 2023. The COC voted to endorse the Year 5 Spending Plan and recommend approval to the City Council (5-0-1 (Leonesio – absent)). The City Council approved the Year 5 Spending Plan and Preliminary Plan for Expenditures for Years 6-7 at the City Council Budget Hearing on June 7, 2023.

On August 2, 2023, staff brought a revised spending plan to the COC with these additional allocations:

- 1) Increased Budget for Gang Diversion and Youth Programming - \$200,000
- 2) Additional Staff to Support Homelessness Related Activities - \$120,000
- 3) EMT Program Preceptor Pay - \$5,000

- 4) Enhanced Traffic Calming Program - \$200,000
- 5) Funding of El Corazon Park Site 1 Development - \$1,000,000

The City Council approved this revised spending plan on September 13, 2023.

The approved Year 5 Spending Plan includes the following components:

Improved Public Safety Services including Addressing Homelessness	\$10,173,200
Improved Infrastructure:	
Public Safety Infrastructure Projects	(3,900,000)*
Street & Road Repairs/Improvements	4,000,000
Beaches/Beachfront/Pier/Parks	6,500,000
TOTAL SPENDING PLAN FOR YEAR FIVE	\$16,773,200

* This reflects a reduction in Measure X Spending from grant offsets and cost savings (both at Fire Station 1)

City Council's approval of the Spending Plan represents the fifth year of expenditure authority. Each year if actual expenditures come in lower than the budgeted amount, the funds will flow forward into the balance available for budgeting in the following years.

Staff provided an update on implementation of the Year 5 Spending Plan to the COC and City Council on February 14, 2024, and that memo is attached to this report for reference (Attachment 2).

ANALYSIS

The City Manager developed the prior years' Spending Plans in consultation with staff based on the priorities outlined in Measure X to improve public safety and infrastructure. To that end, the prior years' Measure X Spending Plan focused on improved public safety services including programs to address homelessness, and infrastructure improvements focused on roads, public safety and beachfront improvements. These priorities ranked highly in the initial survey and citizen feedback during the Measure X process. The Measure X ballot question also specifically listed "police patrols, crime, drug, and gang prevention, fire, paramedic and 9-1-1 response, pothole repair, street maintenance, improved infrastructure, maintain safe, clean parks and beaches, and address homelessness" as examples of general city services that could be funded by Measure X.

Proposed Year 6 Spending Plan for FY 2024-25. The Year 6 Spending Plan continues the programs and infrastructure projects initiated in prior years with the following adjustments:

Revenue. The City's Sales Tax Consultant, HdL Companies, has estimated Year 6 revenue of \$18,803,500 (net of State administrative fees). This compares to the original projection of \$11,776,769 for Year 6 revenue. The additional revenue is primarily based on increased internet Sales/Use Tax receipts following the United States Supreme Court

decision in *South Dakota v. Wayfair, Inc.*, 138 S.Ct. 2080 (2018) and California's enactment of AB 147 implementing this decision. This court decision and law expanded the collection of state sales and use taxes from out-of-state businesses that sell to California residents and businesses over the internet.

Additionally, an estimated \$7,638,367 in unspent funds from prior years are being rolled over for reallocation in Year 6. As a result of these changes, the total amount available for budgeting in Year 6 is \$26,441,867.

Expenses from Ongoing Projects and Programs. The Year 6 Spending Plan continues the programs and projects initiated in Years 1 through 5:

1. **Homeless Outreach Team (HOT).** The Spending Plan continues to fund two additional staff serving as the City's second HOT team. The Year 6 budget is increased to \$482,542 based on actual costs for the personnel on this team. These are positions that can be moved into other police programs after seven years should Measure X revenues end since retirements will create new vacancies in the Department.
2. **The Crime Suppression Team.** The Plan provides \$500,000 in Year 6 funding for the Police Department to deploy officers on an overtime basis to engage in additional crime suppression focused on the downtown and transient/homeless issues.
3. **Community Services Officer Program.** This proposed Year 6 spending plan includes \$649,963 to continue implementation of the Community Services Officer Program, but at a reduced scope and size than what had originally been envisioned. The original program was planned to be made up of 28 Community Services Officer positions. This reduction is proposed for two reasons: 1) difficulty in recruitment and hiring of suitable candidates prior to the sunset of Measure X and 2) the immediate need to build a new firing range and tactical training center for the Police Department (discussed later in this report).

This reduced scope will fund a total of eight CSOs. This program is designed to create a pipeline of future police officers, dispatchers, forensic technicians, and analysts when vacancies occur. An added benefit is the increased staff capacity throughout the Department which allows sworn police officers to more quickly respond to emergencies and focus more on policing versus administrative duties.

This program would continue to be on-going for the duration of Measure X and has been included in the preliminary seven-year spending plan. Note: this program is made up of provisional positions that could be eliminated following the sunset of Measure X should other funding sources not be identified.

4. **Police Department: Equipment, Training, and Operational Studies.** The Year 6 plan includes \$650,000 for equipment, training, planning, and operational studies designed to increase response time and effectiveness of the Police Department.
5. **Youth Programming and Gang Diversion.** The Plan continues funding to support the Oceanside Community Safety Partnership (OCSP) – Gang

Intervention and Youth Prevention Programs at a cost of \$1,000,000 in Year 6. This programming is focused in the Mesa Margarita/Libby Lake, Mesa Margarita/Back Gate, Eastside, Crown Heights, and John Landes/Tri-City areas of Oceanside which are prone to gang-related violence.

6. **Homeless Diversion/Prevention, Homeless Reunification Program, and Homeless Hiring Programs.** This line item funds services such as emergency rent, security deposit, and first/last months' rent, bridge housing, and funding to reunite homeless persons with family members as needed in order to keep people from becoming homeless or to rehouse those experiencing homelessness. In order to fund these programs, \$400,000 would be allocated in Year 6. Originally a Homeless Hiring Program was envisioned but after two failed RFPs the City no longer intends to implement such a program with Measure X funding.
7. **Homeless Staffing.** In Year 5 of Measure X, the City Council added \$120,000 in funding for hourly extra help staff to increase the resources available to match those looking for housing up with available resources in order to house the unhoused or those at risk of homelessness. This spending plan continues that funding.
8. **Additional HOT Social Worker.** The Plan continues funding for an additional contract social worker to partner with the additional HOT team, at a cost of \$157,715 in Year 6.
9. **Enhanced Downtown Security Presence.** The Plan continues to fund the contract with MainStreet Oceanside to provide an enhanced, proactive security presence in the downtown, beachfront, and Oceanside Transit Center areas at a cost of \$1,366,108 in Year 6. Main Street Oceanside has been able to successfully increase the footprint and scope of this work and it is largely seen as a successful initiative in the community. Creating a safer environment for residents, businesses, tourists, and the homeless.
10. **Enhanced Emergency Service Delivery Model (EMT Program).** This program successfully launched in September 2019. The Year 6 budget is increased to \$2,501,789. This also includes the absorption of three EMTs that were added with American Rescue Plan Act monies during the COVID-19 Pandemic. This absorption has been included in the seven-year spending plan since that time. This program can be scaled back after seven years when the Measure X revenues end since the additional staff will be hired on limited contracts and other positions will open up through retirements.
11. **Paramedic Squad.** The Plan continues funding for a Paramedic Squad that provides EMS Response to the Downtown/Coastal Core of Oceanside at a cost of \$1,560,735 in Year 6. This unit handles lower acuity calls in its designated response area and reduce the hospital "wall times" currently being experienced.
12. **EMT Retention Incentives.** The Plan continues funding for six \$1,500 stipends for EMT's to attend a Fire Academy and another six \$8,000 stipends for EMT's to attend paramedic school. Additionally, the Plan continues funding to allow up to four EMT's per fiscal year to complete their two and a half-month paramedic field internship as paid employees versus having to take a leave of absence without pay. This allows the Fire Department to evaluate the paramedic level performance of the EMT employees before investing significant time and money once they're

hired as a Firefighter-Paramedic. The total cost of these incentives is \$115,000 annually.

13. **Fire Department: Equipment, Training, and Operational Studies.** The Year 6 plan includes \$250,000 for equipment, training, planning, and operational studies designed to increase response time and effectiveness of the Fire Department.
14. **Road Repairs/Overlays/Slurry Seals.** The plan includes another \$3.5 million for road repairs, overlays, and slurry seals. So far Measure X has allocated \$16.6 million toward this work and improving the City's transportation infrastructure remains a top priority for Measure X
15. **Traffic Calming Measures.** The plan includes \$500,000 in Year 6 funding to implement traffic calming measures throughout the City to improve safety for motorists, pedestrians and cyclists. Measures such as speedhumps, roundabouts, median islands, and intersection turn restrictions are proven to encourage safer, more responsible driving. The enhanced funding is focusing such improvements near schools and parks.
16. **Pier View Bridge Rehab.** Staff recommends an allocation of \$6.5 million in Year 6. To date \$7.75 million has been allocated to this project and staff will continue recommending significant funding for this project in future years. Oceanside's Pier is one of its most cherished assets and strongest public attractions. The concrete bridge between "The Strand" and the wooden bridge is in need of complete reconstruction. The design process has started and these funds will help pay for its construction which will cost in excess of \$20 million. Staff is also seeking grant funds to assist in the cost.
17. **El Corazon Park Site 1 Development.** The total cost of construction of Park Site 1 is estimated to be \$10 million. This additional \$1,000,000 allocation (for a total of \$2 million from Measure X) would help the City fully fund this development along with various other sources of funding including the General Fund and Parks funds.

Proposed New Projects for Year 6:

- **Police Department Firing Range and Tactical Training Center:** The Oceanside Police Department Firing Range and Training Center is currently located at the San Luis Rey Wastewater Treatment Facility. This location has historically presented limitations due to its outdoor location and proximity to residential neighborhoods. It precludes any nighttime training and is not set up for rifle training. Moreover, its current location is a fair distance from the OPD headquarters and even farther from any proposed location for a new headquarters.

Additionally, the land that the current range is located on is owned by the Water Utility Enterprise and is needed for an upcoming capital project. The Police Department would need to vacate by November of this year.

This spending plan proposes \$5 million to construct a new modern indoor firing range and tactical training center at the City's City Operations Center (COC).

- **Fire Department Health and Wellness Program:** The spending plan includes \$150,000 for a new Fire Department Health and Wellness program. The issues of

physical and mental health, post-traumatic stress, and suicides among first responders have elevated the need for programs that build psychological resilience and provide industry-specific resources and counseling. As most cancers and post-traumatic stress disorder are now considered presumptively caused by fire department, rescue, and EMS work, a robust health and wellness program is now considered a core service.

This program would improve employee health and wellness, improve the performance of the department and personnel, reduce worker's compensation costs, and reduce overtime costs. Components of the enhanced programs will provide full cancer screening, a physical assessment performed by a medical provider, and a full body scan/ultrasound, among others. This program will also improve psychological resources, including resilience training (preventative behavioral tools), onsite counseling for significant incidents, critical incident stress debriefing, and professional assistance to the peer support team.

Preliminary Seven Year Expenditure Plan. The Spending Plan also includes a preliminary plan for expenditures for the seven-year duration of Measure X (through March 2026). This plan anticipates continuance of the public safety and homelessness programs throughout the duration of the Measure, including cost escalators where appropriate, and completion of the infrastructure improvements initiated during Years 1 through 6. The total cost to continue/complete these items is estimated to be \$14,246,252 which is fully covered by the anticipated revenue leaving a positive balance of \$347,000. This is a change from the initial Seven Year Expenditure Plan, where revenues were not projected to cover expenses. Attachment 1 is a detailed spreadsheet illustrating the preliminary plan for the full seven years of Measure X.

Construction costs for infrastructure improvements are based on current projections and will not be fully known until projects are bid. Staff will continue to look for State and Federal grant opportunities and local funds generated from developer fees and CIP funds to complete infrastructure projects. As Measure X funds are budgeted in the latter years, project funding will need to be adjusted to match projected revenues. For example, some of the projects are scalable, such as the funding for road and street repairs, which means that a larger amount could be allocated in the final year to match the available revenue. Staff has also identified additional high priority capital projects that could be funded in whole or part from Measure X funds, should projects come in under estimates such that additional capacity becomes available.

Summary of Year 6 Spending Plan.

Improved Public Safety Services including Addressing Homelessness	\$9,903,852
Improved Infrastructure:	
Public Safety Infrastructure Projects	5,000,000
Street & Road Repairs/Improvements	4,000,000
Beaches/Beachfront/Pier/Parks	7,500,000
TOTAL SPENDING PLAN FOR YEAR SIX	\$26,403,852

REVENUE AVAILABLE FOR YEAR SIX **\$26,441,867**

BALANCE TO BE CARRIED FORWARD TO YEAR SEVEN **\$38,015**

Next Steps. After review by the Citizens Oversight Committee, the Spending Plan will be presented to the City Council at its budget workshop on April 17, 2024. A public hearing will be conducted in June 2024 where the City Council is expected to review and approve a FY 2024-25 budget, including Measure X spending.

RECOMMENDATION

Staff recommends that the Measure X Citizens Oversight Committee (COC) endorse the FY 2024-25 (Year 6) Spending Plan (Attachment 1) and recommend approval to the City Council.

PREPARED BY:



Michael Gossman
Assistant City Manager

SUBMITTED BY:



Jonathan Borrego
City Manager

REVIEWED BY:

Jill Moya, Financial Services Director



ATTACHMENTS:

1. FY 2024-25 Measure X Spending Plan
2. Measure X Projects Update Memo Dated 02/14/2024


Measure X Seven Year Spending Plan
Year 6

		Budget	Actual	Actual	Actual	Actual	Adopted Budget	Amended Budget (Incl. Carry Fwds)	Projected	Proposed	Proposed	
	YEAR	1	1	2	3	4	5	5	5	6	7	
	REVENUES	FY 19-20	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 23-24	FY 23-24	FY 24-25	FY 25-26	TOTAL
	1/2 Cent Sales Tax	\$ 13,885,672	\$ 15,973,347	\$16,359,706	\$17,128,000	\$18,754,380	\$18,300,000	\$18,450,000	\$18,450,000	\$19,003,500	\$14,680,204	\$ 157,099,137
	Admin Fees	-	(121,310)	(128,110)	(125,880)	(175,200)	(150,000)	(150,000)	(175,000)	(200,000)	(125,000)	(1,350,500)
	Net available consultant projection years 2, 3 & 4, 2% increase years 6 & 7	13,885,672	15,852,037	16,231,596	17,002,120	18,579,180	18,150,000	18,300,000	18,275,000	18,803,500	14,555,204	155,748,637
	Carryforward & revenue above budget			4,930,290	10,365,682	9,797,119	9,797,119	5,664,415	5,664,415	7,638,367	38,015	
	Amount available for budgeting			21,161,886	27,367,802	28,376,299	27,947,119	23,964,415	23,939,415	26,441,867	14,593,218	
	EXPENSES											
	POLICE											
	Additional Homeless Outreach Team (HOT)*	456,477	366,388	378,069	402,242	508,523	450,232	450,931	450,232	482,542	508,663	3,997,822
	Crime Suppression Team (Downtown/Homeless Related)*	650,000	649,357	502,302	354,385	553,887	500,000	996,113	972,637	500,000	500,000	5,528,681
	Community Service Officer Model Implementation				150,000	166,797	2,131,817	3,559,112	450,000	649,963	683,628	7,791,317
	Police - Equipment and Studies to Increase Emergency Response Capability			344,240	655,760	590,599	650,000	919,993	919,993	650,000	650,000	5,380,585
	POLICE SUB TOTAL	1,106,477	1,015,746	1,224,611	1,562,387	1,819,806	3,732,049	5,926,149	2,792,862	2,282,505	2,342,291	22,698,406
	Community Programs											
	Youth Programming/Gang Diversion	456,477	-	-	-	83,563	800,000	1,566,437	1,000,000	1,000,000	1,000,000	5,450,000
	COMMUNITY PROGRAMS SUB TOTAL	456,477	-	-	-	83,563	800,000	1,566,437	1,000,000	1,000,000	1,000,000	5,450,000
	HOMELESS											
	Enhanced Homeless Diversion & Prevention & Hiring Programs*	500,000	91,154	306,512	374,507	368,423	400,000	533,921	420,847	400,000	400,000	3,295,364
	Staff Dedicated to Homelessness Coordination (Hourly - Extra Help)							120,000	-	120,000	120,000	360,000
	Additional HOT Contract Social Worker*		-	49,854	77,000	-	155,000	157,015	157,715	157,715	157,715	912,015
	Downtown Security Presence (Contract via MainStreet Oceanside)					1,018,739	1,366,108	1,697,688	1,697,688	1,366,108	1,055,318	8,201,649
	Contract Sobering Services for Homeless/Hotel Voucher Program*	500,000	-	327,004	373,444	313,979		303,121	166,520	-	-	1,484,068
	HOMELESS SUB TOTAL	1,000,000	91,154	683,370	824,952	1,701,141	1,921,108	2,811,746	2,442,770	2,043,823	1,733,033	14,253,096
	*Denotes Homeless Related Expenditure											
	FIRE											
	Enhanced Emergency Service Delivery Model	1,386,726	1,359,268	1,413,398	1,733,344	1,836,769	1,932,342	1,926,390	1,926,390	2,501,789	2,540,567	17,170,257
	Paramedic Squad					204,069	812,701	1,507,957	884,026	1,560,735	1,615,361	6,584,849
	EMT Retention Incentives					-	400,000	405,000	405,000	115,000	115,000	1,440,000
	Health and Wellness Program									150,000	150,000	300,000
	Fire Equipment and studies to enhance emergency response			300,000	300,000	566,536	250,000	421,095	250,000	250,000	250,000	2,587,631
	FIRE SUBTOTAL	1,386,726	1,359,268	1,713,398	2,033,344	2,607,374	3,395,043	4,260,442	3,465,416	4,577,524	4,670,928	28,082,737
	SUBTOTAL PUBLIC SAFETY/HOMELESS	3,493,203	2,466,168	3,621,379	4,420,683	6,211,884	9,848,200	14,564,773	9,701,048	9,903,852	9,746,252	70,484,239
	INFRASTRUCTURE											
	Infrastructure budget balances to roll fwd	Budget	Allocated	Allocated	Allocated	Allocated	Adopted Budget	Amended Budget	Projected	Proposed	Proposed	
	YEAR	1	1	2	3	4	5	5	5	6	7	
	Public Safety Capital Projects											
	New Fire Station #1 (\$17.1 million)	1,600,000	1,600,000	2,125,000	7,500,000	5,875,000	(1,000,000)	(3,900,000)	(3,900,000)	-	-	8,300,000
	Fire Training Tower & Drafting Pit & Asphalt (\$600K)	600,000	600,000	-	-			-		-	-	600,000
	Police HQ Relocation Study (\$149,825)	100,000	100,000	49,825	-			-		-	-	149,825
	Police HQ Relocation Design (\$2 million)					2,000,000		-				2,000,000
	Police Training Center & Firing Range									\$5,000,000		5,000,000
	Streets & Roads/Traffic/Storm Drains											
159419517	Road Repairs - Overlays/Slurry Seal	2,590,422	2,590,422	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	3,500,000	30,590,422
	Traffic Calming Measures (including safe routes to school)					300,000	500,000	500,000	500,000	500,000	500,000	2,800,000
	South Strand Rehabilitation (\$3.6 million)	400,000	400,000	-	700,000	2,500,000	-	-		-	-	3,600,000
	Beaches/Beachfront/Pier/Parks											
	Beachfront Improvement Project Including Police Substation, State grant obtained in lieu of Measure X funding (\$2,555,158)	2,555,158	2,555,158	-	775,000	-	-	-		-	-	3,330,158
	Funding for Pier View Bridge Rehabilitation/Concrete Portion/Lifeguard HQ - Addl construction funds needed (\$17 - 26 M)	250,000	250,000	1,500,000	-	500,000	5,500,000	5,500,000	5,500,000	6,500,000	500,000	25,750,000
	El Corazon Park Site #1							1,000,000	1,000,000	1,000,000		2,000,000
	Buccaneer Beach Park Facilities Study/Project (\$2.86 million)	360,000	360,000	-	675,000	1,825,000				-	-	2,860,000
	INFRASTRUCTURE SUBTOTAL	8,455,580	8,455,580	7,174,825	13,150,000	16,500,000	8,500,000	6,600,000	6,600,000	16,500,000	4,500,000	87,980,405
	TOTAL	\$11,948,783	\$10,921,748	\$ 10,796,204	\$ 17,570,683	\$ 22,711,884	\$ 18,348,200	\$ 21,164,773	\$ 16,301,048	\$ 26,403,852	\$ 14,246,252	\$ 158,464,644
	Overage (Shortfall)	\$1,936,889	\$4,930,290	\$ 10,365,682	\$ 9,797,119	\$ 5,664,415	\$ 9,598,919	\$ 2,799,642	\$ 7,638,367	\$ 38,015	\$ 346,966	

City of Oceanside
Office of the City Manager

Memorandum

To: Mayor and City Councilmembers
Measure X Citizens Oversight Committee

From: Jonathan Borrego, City Manager
Michael Gossman, Assistant City Manager 

Date: February 14, 2024

Subject: **MEASURE X PROJECTS UPDATE**

Measure X was a November 2018 ballot initiative that passed with 55.7% of Oceanside's vote. Measure X increased Oceanside's sales tax 1/2 cent to 8.25% for a period for seven years, beginning on April 1, 2019 and is set to expire in April 2026.

In an effort to ensure that both the City Council and the Measure X Citizens Oversight Committee (COC) are informed about all Measure X initiatives, staff provides quarterly updates outlining the status of projects and programs funded by Measure X.

The expenditures per category included in this report are inclusive of funds spent this fiscal year through December 31, 2023.

Revenue received since the tax went into effect on April 1, 2019, is \$70.9 million. Each year, unspent operating funds go back into the Measure X account for reallocation in subsequent spending plans. Capital Improvement Project and one-time allocations roll forward into the next Fiscal Year for the identified projects/equipment.

The Measure X Fund is audited annually by an independent auditor. This audit was last reviewed and approved by the COC on December 14, 2023.

Communications staff conducts an ongoing awareness and education campaign on Measure X-funded projects and programs. [Measure X project updates](#) are shared in the City's newsletter, social media, and website. Additionally, Measure X is highlighted on signage placed at all infrastructure projects being funded with this revenue, and most recently on the road repair trucks themselves. Articles by the City are being submitted to the [Best of](#)

[Oceanside Chamber](#) magazine, as well. The first of four planned communications appeared in December:

INVESTING IN A STRONGER, SAFER OCEANSIDE: The Impact of Measure X

In 2018, Oceanside's voters made a significant decision to positively shape our community's future. Measure X, the ballot initiative that raised the City's sales tax by a half-cent for seven years starting in 2019, was a forward-thinking effort aimed at increasing public safety, improving roads, bolstering infrastructure, and addressing homelessness.

One of the most remarkable outcomes of Measure X has been the enhancement of vital public safety initiatives. In response to the need for faster emergency medical services, Oceanside implemented an Emergency Medical Technician (EMT) program designed to reduce response times, while ensuring that residents receive top-notch medical aid. Measure X also funded an additional paramedic squad for advanced life support, further reinforcing emergency response services.

Miles of Oceanside's streets are undergoing improvement due to Measure X with many miles to



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go. Measure X has expanded road repairs, funding complete reconstruction, pavement overlays, and slurry seals. Upcoming projects will include repairs to larger roads like Vista Way and Oceanside Boulevard. Measure X has also provided a renewed focus on traffic-calming measures, including things like speed bumps and radar feedback signs aimed at slowing neighborhood traffic while prioritizing the safety of pedestrians, cyclists, and motorists.

Measure X funds have also been pivotal in strengthening our Police Department with crime suppression programs and equipment. In fact, Oceanside's overall crime rate has fallen 17% since 2021.

Measure X funds have also been pivotal in strengthening our Police Department with crime suppression programs and equipment. In fact, Oceanside's overall crime rate has fallen 17% since 2021. In addition, a Community Services Officer (CSO) program was initiated. These CSOs are able to take crime reports and respond to minor traffic accidents, freeing-up police officers to focus on patrols and addressing more serious crimes.

Homelessness is a challenge that many cities face, and Oceanside has employed multi-pronged approach towards addressing it. For example, Measure X funds an additional Police Homeless Outreach Team with two social workers and a dedicated vehicle. The funds also support temporary bridge housing, a family reunification program, and a landlord incentive program, all aimed at helping those in need of housing support.

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Additionally, Measure X has contributed to the City's cultural and recreational landscape. Infrastructure investments are being made in community spaces, including the new beachfront plaza, the Pier View Bridge reconstruction, a new park at El Corazon and planned improvements to South Oceanside's Buccaneer Park.

Engaging Oceanside youth in positive activities is essential, and Measure X recognizes this by supporting a wide variety of youth intervention/gang diversion programs. These programs serve over 800 Oceanside youth annually, providing mentorship and positive activities that provide an alternate path from gang and drug activity while enhancing community safety and fostering brighter futures for our kids.

Crucially, Measure X has been marked by transparency and accountability which is why it garnered the support of the San Diego County Taxpayers Association. An appointed Citizen Oversight Committee regularly reviews expenditures and makes spending recommendations to the City Council, ensuring that the funds are utilized effectively and in line with community needs. All revenue and expenditure reports are posted online.

The City has commissioned a professional survey to gauge residents' sentiment towards extending the half-cent tax beyond its current April 2026 sunset. This survey will allow residents to voice their opinions and help inform future decisions on whether to extend the tax, which would be subject to approval by a majority of Oceanside voters.

As the sunset of Measure X approaches, it's important to reflect on the profound impact of this initiative. Nearly \$120 million in supplemental funding will have been invested in Oceanside when the half-cent tax ends, elevating our quality of life now and into the future.



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The Measure X Fiscal Year 2023-24 Budget and Spending Plan was adopted by the City Council on June 7, 2023 and new programs were approved by the City Council on September 13, 2023, respectively. This year-five spending plan includes the following new programs to Measure X:

- \$500,000 a year for traffic calming measures
- \$1.7 million for implementation of a new Community Services Officer program in the Police Department
- A contract with Main Street Oceanside to provide Downtown security
- \$800,000 a year for at-risk youth activity programming

More information on these programs can be found in the [COC staff report](#).

POLICE

Additional Homeless Outreach Team (HOT) including Social Worker

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$262,907	\$605,231	\$607,946

Over the course of the second quarter of FY 2023-24, HOT personnel made a total of 183 contacts with homeless individuals (this count is unduplicated). During those interactions, the officers were able to assist with 100 service referrals such as transportation, hygiene kits, Medi-Cal enrollment, mental health referrals, detox, and more. Twenty-one unsheltered people were helped into shelters.

Crime Suppression Team OT

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$362,631	\$500,000	\$596,113

To summarize the statistics for crime suppression and encampment details for the second quarter of FY 2023-24:

Felony Arrests:	6	Misdemeanor Arrests:	20
Citations Issued:	178	Additional Field Contacts:	61
Encampments Removed:	50	Calls for Service:	116

Equipment/Studies to Increase Emergency Response Capabilities

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$416,157	\$650,000	\$919,993

These funds are used for equipment, training, planning, and operational studies designed to increase response time and effectiveness of the Police Department. In Quarter 2, the Police Department used this funding source to purchase equipment for the Community Service Officer program, purchase equipment for enhanced community engagement, pay for in-car cameras for their patrol vehicles, and ongoing costs associated with software purchased to capture and process law enforcement data.

Community Service Officers

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$184,565	\$2,150,313	\$3,959,112

The Community Service Officer (CSO) program has five working in the Patrol Division. Four of those five successfully completed their probation period and now at Step B. One of the four has just started field training. The Police Department is currently in the process of interviewing nine other applicants.

Downtown Security

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$707,933	\$1,366,108	\$1,697,688

In September 2023, the City Council approved an amended contract with MainStreet Oceanside to continue funding enhanced security downtown for a period of 15 months and expand the service area. During Q2, Gatekeepers' activities remained consistent with the prior quarter with over a thousand contacts with approximately 150 unique individuals for a variety of issues including public intoxication, illegal camping, theft, vandalism and loitering. On an ongoing basis, incidents are handled by security officers at the time of the incident, or individuals are detained and referred to OPD as appropriate. Security officers also coordinate with OPD's Homeless Outreach Team (HOT) to connect individuals experiencing homelessness with appropriate resources. A report of monthly Gatekeepers activity covering November/December 2023 was provided to City Council earlier this month, and reports will continue to be provided monthly for the duration of the contract.

HOMELESSNESS – GENERAL AND YOUTH PROGRAMMING

Homeless Diversion/Prevention Program & Homeless Reunification Program

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$133,253	\$402,345	\$653,921

The programs described below are used to address homelessness in combination with other federal and state funds.

- **Reunification Program:** In the second quarter, the City successfully coordinated the return of 16 individuals to their relatives for the Year. The City ensured that all

the referrals came from locations other than Oceanside and that the families agreed to provide a safe and stable living environment.

- **Bridge Housing:** Bridge Housing is a Transitional Housing program that provides temporary accommodation in a shared apartment for up to 90 days. The Program targets people who are homeless and actively looking for permanent housing. The Program helps them achieve this goal within 90 days by offering support and guidance from staff and volunteers. In FY 2023-24, Bridge Housing assisted 12 households needing transitional housing.
- **Landlord Incentive Program:** At this time, 9 landlords have participated in the landlord incentive program for leasing up their units to eligible housing voucher holders.

Motel Voucher Program

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$52,854	\$0	\$303,121

The Motel Program was a temporary emergency lodgings initiative in the City that provided unsheltered residents with a safe place to stay. At the same time, it sought more suitable and long-term housing options. The Program accepted referrals from the Oceanside Homeless Outreach Team (HOT), Oceanside Housing Authority, and internal outreach services. The Program ended its operations at the end of the first quarter, during which it served 182 participants, demonstrating its vital role in supporting the homeless community.

The Oceanside Navigation Center began operations at the start of the first quarter and has served 223 individuals as of December 31, 2023. The Navigation Center offers 50 beds and a comprehensive range of services, including case management, health care, mental health counseling, substance abuse treatment, employment assistance, and other services as needed. The center operates near or at capacity, reflecting the community's ongoing need for such services.

Staff will be recommending operationalizing additional services in partnership with the San Diego Rescue Mission to implement a community-based outreach program. This model includes the introduction of an Outreach Coordinator and an Outreach Worker, forming a dedicated team that will operate seven days a week. This approach ensures continuous coverage and consistent support for the unsheltered individuals in the community.

Youth Programming

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$186,294	\$800,000	\$1,566,437

Measure X-Youth Programming is continuing to manage and support 11 current youth service providers, for an estimated contract amount of \$523,749. Staff is currently reviewing 10 new youth program proposals, totaling an additional estimated \$681,000, to address gaps in services and/or the additional of arts/cultural programs.

Youth programs funded by Measure X-Youth Services have enrolled, assisted and/or engaged over 1300 Oceanside youth in the new programs to include: afterschool youth development programs; basketball skills/league play; student support; step classes; homework assistance; and housing for homeless youth. Specific activities and beneficiaries include the following:

Description	Beneficiaries
Increase stability in the home for academic success by supporting chronically absent students and their parents with assistance for food, rent and academics, case management, and referrals to outside resources.	150 home visits
Raising quality of life by building on life skills: Cooking, homework assistance/tutoring, gang diversion, mental health, and arts/culture	200 skills groups
Promote positive behaviors and increase social awareness through community service projects: Food distribution to the needy, park and beach clean-ups, and mural painting for fire victims in Lahaina.	15 community service projects
Strengthen academic performance with tutoring	150 sessions of academic assistance, 300+ hours over 14 weeks to over 100+ students
Housing stability for unhoused youth through case management to a pathway for short and/or long-term housing	24+ unhoused youth

In November 2023, the community completed a mural project at John Landes Community Center to beautify the Center and to provide an opportunity to engage and bring together neighbors.

- 100+ youth painted canvas murals offering support to the victims of the Lahaina fires
- 3 community outreach meetings to solicit feedback on the John Landes Mural
- 4 youth artists who worked with contractor & developed the mural concept
- 15 Senior Citizen volunteers

- 170 community member volunteers (majority youth ages 4-21 years) painted the John Landes mural

In addition to the above-mentioned allocation, OPD was able to sign a PSA with Transformational Consulting (Youth Development Programs) to provide ongoing services to youth participating in the OYP and conduct up to 12 months of follow-up for youth that graduated or exited the program. OPD currently has 23 participants enrolled in their FY 2023-24 cohort.

FIRE

Enhanced Emergency Service Delivery Model

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$1,166,299	\$2,331,390	\$2,331,390

The Enhanced Emergency Service Delivery Model employs Emergency Medical Technicians (EMTs) to provide basic and advanced life support. The EMTs also handle basic life support medial aid calls and transports. Expenditures aim to provide the City of Oceanside with a higher level of service and reduce response times. Specific actions taken this quarter include the following:

The third EMT/BLS ambulance, in service for nearly a year, has statistically reduced the workload of the other two. All three are operating at high call volumes, as appropriate. The program has issued stipends to EMT's for paramedic schools and fire academies, to have these individuals ready for upcoming firefighter/paramedic recruitments. The first graduates with these stipends are targeted for hiring in late 2024.

Downtown Paramedic Squad

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$290,731	\$879,026	\$1,507,957

The paramedic squad continues to reduce the response volume for the adjacent engines and paramedic ambulances in the downtown corridor. Since this is a new program in the region, dispatching has been a challenge. The Department is analyzing the last six months data to determine program changes in preparation for more of these units in the future.

Equipment Purchases

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$104,926	\$250,000	\$421,095

For FY 2023-24 an additional \$250,000 in one-time funds was provided to purchase necessary equipment to support Fire, EMS, and Lifeguard operations. These funds will be used to purchase services or training, rescue, and response equipment to enhance the Fire Department's emergency operations.

Services currently underway include:

- Standard of Cover study to identify whether the Fire Department's deployment model meets industry standards. The draft document has been submitted to the Fire Department and is under review by staff. The final document is due in February.
- The Strategic Plan is still in the development stage with formal work due to begin after the Standard of Cover.

INFRASTRUCTURE

Public Safety Projects

New Fire Station 1

Note: Estimated cost is \$16.5M

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$4,042,545	\$0	\$6,887,104

The work on the interior continues with final wall board and painting and internal utility work on both floors moving to completion. The exterior will be painted white to match the Civic Center building in the coming weeks once the weather is warm and stable enough for the paint to properly adhere to the exterior. Work is on track to be completed in the Spring of 2024.

Training Tower/Drafting Pit/Asphalt

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$0	\$0	\$117,893

The project is 99% complete, and staff is working to close it out.

Police Headquarters Expansion/Relocation

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$121	\$0	\$2,020,525

Staff is working with the consultant to review an additional location with the goal of reducing the construction and design cost. A location has been selected for review, and staff will be bringing forth an amendment to the Professional Services Agreement to perform a feasibility analysis of the facility.

Streets & Roads/Traffic

Road Repairs/Overlays/Slurry Seals

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$1,996,668	\$3,500,000	\$5,941,957

Storm damaged streets were repaired during this quarter. Work on delayed areas has now begun with the completion of the ADA ramps and other concrete work required prior to overlay and slurry seal. See Attachment for an overview map of the slurry seal and overlay project.

South Strand Rehabilitation Study

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$11,382	\$0	\$2,653,670

A draft assessment of the street subgrade and seawall has been prepared by the City's consultant; it is currently being reviewed by staff. Staff has also engaged the services to perform ground penetrating radar analysis to supplement the draft report regarding recommendations for The Strand. Once the analysis and report have been completed, staff will bring forth a recommendation for consideration.

Traffic Calming Measures

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$6,455	\$300,000	\$665,025

Public Works staff is currently working with some neighborhoods that have met the criteria to move forward in the petition process of the traffic calming program. As of current, only

one neighborhood has the required number of signatures of support to move forward to the final stage of having a speed humps installed. Staff is currently working on identifying locations for approximately 10 to 11 speed humps and providing CIP with the information to add in their next overlay project. Also, \$200,000 of the budget will go towards installing rapid flashing beacons at various uncontrolled crosswalks at school locations.

Beaches/Beachfront/Pier/Parks

Beachfront Improvements Phase 1

(Includes Police Substation)

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$21,576	\$0	\$72,744

Staff is finalizing the requested paperwork from the State in an effort to close out the project.

Pier Rehab – Concrete – Design

Note: Estimated cost is \$17M - \$26M

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$382,934	\$5,500,000	\$6,978,565

Staff presented the preferred design option to the City Council at its August 23, 2023 meeting and obtained authorization to proceed with preliminary design plans and commence environmental review of the proposed project in coordination with Beachfront Improvement Feasibility Study Phase II efforts. A kick-off meeting for the Pier Bridge Project was held on 9/19/23. The consultant team commenced initial environmental and preliminary design efforts, however, the majority of the remaining work for the Preliminary Environmental Impact Report (PEIR) was contingent on the PSA amendment for the Beachfront Feasibility Study which was approved by the City Council on October 18, 2023. With this subsequent approval, a second project kick off meeting was held with both project teams to discuss the coordinated efforts and overall schedule for the PEIR. Efforts were focused on scheduling a project scoping meeting which was targeted in late January/ early February. Therefore, Quarter 2 activities included the preparatory work for the pending Notice of Preparation (NOP) for the PEIR scoping meeting. Additionally, the preparation of the required geotechnical investigation permit submittal to the California Coastal Commission is still ongoing.

Buccaneer Beach Park Facilities Study

EXPENDITURES 7/1/23 – 12/31/23	BUDGETED FOR YEAR 5	BUDGETED FOR YEAR 5 + CARRYOVERS
\$12,032	\$0	\$2,552,175

Staff met with the Coastal Commission to discuss the project and received preliminary comments related to the project. Staff also met internally to discuss the project in preparation of a final community meeting to be scheduled in the first quarter of 2024.

The next quarterly update will cover the third quarter of the Year 5 Spending Plan (January 1, 2024 – March 31, 2024).

Attachment: Overview Map of Slurry Seal and Overlay Project

Cc: Department Directors