



## AGENDA SUMMARY EUREKA CITY COUNCIL

**TITLE:** FY2024-25 MID-YEAR BUDGET REVIEW

**DEPARTMENT:** Finance

**PREPARED BY:** Lane Millar

**PRESENTED FOR:** Action  Information only  Discussion/Direction

### **RECOMMENDATION**

1. Receive the FY2024-25 Budget Review Report and Mid-Year Budget Adjustments;
2. Adopt a resolution of the City Council amending the FY2024-25 Adopted Budget;
3. Create new Funds for the CAPE & CARE Divisions;
4. Appropriate \$477,666 of the opioid settlement funds to support the CAPE & CARE Divisions

### **FISCAL IMPACT**

No Fiscal Impact  Included in Budget  Additional Appropriation

### **COUNCIL GOALS/STRATEGIC VISION**

Financially stable, effectively run city with an engaged public

### **DISCUSSION**

The City's financial policies provide for the submittal of a report to the City Council on the financial status of the City during the course of the fiscal year. Although periodic financial reports are available to the Department Managers on an ongoing basis, the formal submittal of a review during the fiscal year provides an opportunity to identify and present any fiscal problem areas to the City Council, and to recommend corrective action or additional funding if required. We are not recommending any corrective action at this time, but there is additional funding being requested.

Staff is recommending relatively minor mid-year budget adjustments changes compared to previous years. Citywide revenues have been revised downward by \$166,123, a relatively small adjustment in the context of total revenues. However, Sales Tax

revenues in the General Fund are projected to be \$500,000 lower based on the most recent HDL update. Personnel budgets have been updated to reflect salary and benefit changes and the current budget forecast anticipates savings across most funds. That said, salary savings in the General Fund are expected to be significantly lower than in prior years.

Staff is recommending the CAPE and CARE programs be moved out of the General Fund to be tracked separately. Additionally, opioid settlement funds are proposed to provide gap funding, which would result in General Fund savings of approximately \$477,666 in FY 2024-25. Various position changes are also recommended, with a projected cost of \$38,259 for the current fiscal year.

Departmental requests are minimal, totaling \$165,413. One of the most significant adjustments is an increase in the police budget for training expenses, which is being funded through current and prior-year training reimbursements.

Supporting attachments provide additional details, including “FY2024-25 Mid-Year Adjustments by Line Item,” which breaks down budget adjustments by category; “FY2024-25 Amended Budget Fund Summaries,” which reflects updated revenues and expenditures; and “FY2024-25 Position Changes,” which outlines modifications to full-time equivalent (FTE) positions.

**REVIEWED AND APPROVED BY:**

- City Attorney
- City Clerk/Information Technology
- Community Services
- Development Services
- Finance
- Fire
- Human Resources
- Police
- Public Works

**ATTACHMENTS:**

- A. FY2024-25 Mid-Year Adjustments by Line Item
- B. FY2024-25 Amended Budget Fund Summaries
- C. FY2024-25 Position Changes