



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: JUNE 11, 2024

DEPARTMENT: FINANCE

FROM: RENE MENDEZ, CITY MANAGER

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DEPARTMENT DIRECTORS AND STAFF

TITLE: FISCAL YEAR 2024-25 OPERATING BUDGET AND CAPITAL
IMPROVEMENT PROGRAM AND ANNUAL APPROPRIATIONS
LIMIT

RECOMMENDATION:

Staff recommends City Council approve a resolution adopting:

- 1) the Fiscal Year 2024-25 Proposed Operating Budget for the City of Salinas and Successor Agency to the former Salinas Redevelopment Agency; and
- 2) the Fiscal Year 2024-25 Capital Improvement Program for the City of Salinas.

Staff also recommends the City Council approve a resolution establishing the appropriations limit for Fiscal Year 2024-25 at \$324,459,809.

EXECUTIVE SUMMARY:

The Proposed FY 24-25 Operating Budget and Capital Improvement Program were developed to continue efforts to address the highest community and organizational priorities. Guided by City Council's 2022-2025 strategic priorities, this Proposed Budget prioritizes and reallocates the City's limited General Funds and other fund resources for some of our most challenging issues – including community safety, addressing homelessness, and cleaning up our neighborhoods, while continuing work with other community services and addressing deferred infrastructure.

BACKGROUND:

The Fiscal Years 24/25 – 29/30 Proposed CIP Budget for the City of Salinas was delivered to City Council on May 7, 2024. The Fiscal Year 24-25 Proposed Operating Budget was distributed to City Council on May 14, 2024. Both of the proposed budgets were also posted on the City's website through this link: [Budget and Financial Reports - City of Salinas](#)

On June 4, 2024, the updated Fiscal Year 24-25 Proposed Operating Budget and Fiscal Years 24/25 – 29/30 Proposed CIP were posted on the City's website.

On May 21, 2024, City Council conducted a public hearing to discuss the Proposed FY 24-25 Operating Budget and the Proposed FY 24/25 – 29/30 Capital Improvement Program. At the public hearing, City Council considered public testimony, discussed both documents, and directed staff to bring back the documents for final approval. In addition, the majority of Councilmembers commented that the budget document and process was well structured. There was substantive discussion and comment on staff's recommendations, one of which included to freeze rather than eliminate certain vacant positions. However, no votes were taken to indicate a majority. The balanced FY 24-25 Proposed Budgets continue efforts to address the highest priority community and organizational needs, while appropriately positioning the City to weather forecasted future economic uncertainty.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378).

STRATEGIC PLAN INITIATIVE:

Development and adoption of the annual Operating and Capital Improvement Budgets achieves the Council 2022-2025 Strategic Goal of Effective Government.

DEPARTMENTAL COORDINATION:

This staff report has been coordinated with the City Manager's Office and the City Attorney's Office. However, as identified in the FY 24-25 Proposed Operating Budget, it was coordinated with all departments as well as the community via a process that began back in December upon the release of an online budget survey to the community and continued through the spring with community budget meetings and "pop-ups" where staff engaged the community in discussions about the budget and City services.

FISCAL AND SUSTAINABILITY IMPACT:

The FY 24-25 Proposed Operating Budget is \$241,518,952 and the FY 24-25 Capital Budget is \$18,234,000, resulting in a balanced budget for the next fiscal year.

ATTACHMENTS:

1. Fiscal Year 2024-25 Proposed Operating Budget
2. Fiscal Year 2024-25 Proposed Capital Improvement Program
3. Resolution
4. Appropriations Limit