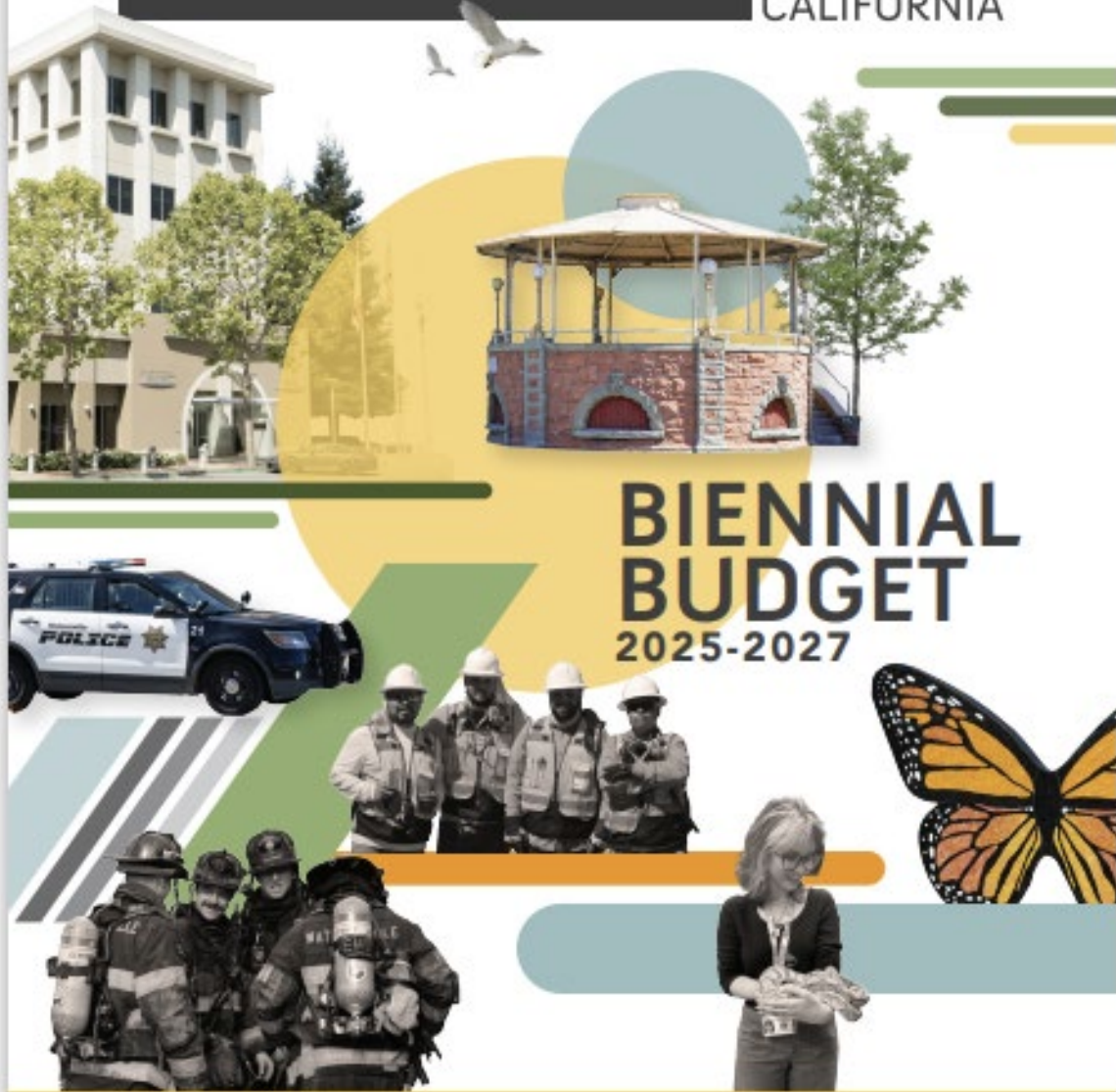


CITY OF WATSONVILLE

CALIFORNIA



**BIENNIAL
BUDGET**
2025-2027

watsonville.gov

DRAFT

City of Watsonville Finance Department June 24, 2025

Proposed Biennial Budget
FY 2025-27

Today's Actions

Appropriate motions:

The City Council and Successor Agency and Successor Housing Agency Board of the City of Watsonville will consider the following actions at its June 24, 2025, meeting:

- 1) Approve a resolution adopting the Fiscal Year 2025-26 Budget, including the associated transfers of funds and approve the Five-Year Capital Improvement Program and position changes as highlighted and summarized in the staff report.
- 2) Resolution establishing the “Total Annual Appropriations” pursuant to State Constitution Article XIII-B for Fiscal Year FY 2025-26 (Proposition 4 GANN spending limit)
- 3) Ordinance instructing Santa Cruz County to levy and collect property tax on taxable property within the City of Watsonville for fiscal year beginning July 1, 2025, to June 30, 2026, at the levy rate of 0.077% and allocating proceed to the Retirement Fund
- 4) Successor Housing Resolution authorizing the expenditure of low and moderate-income housing funds.

Today's Actions - continued

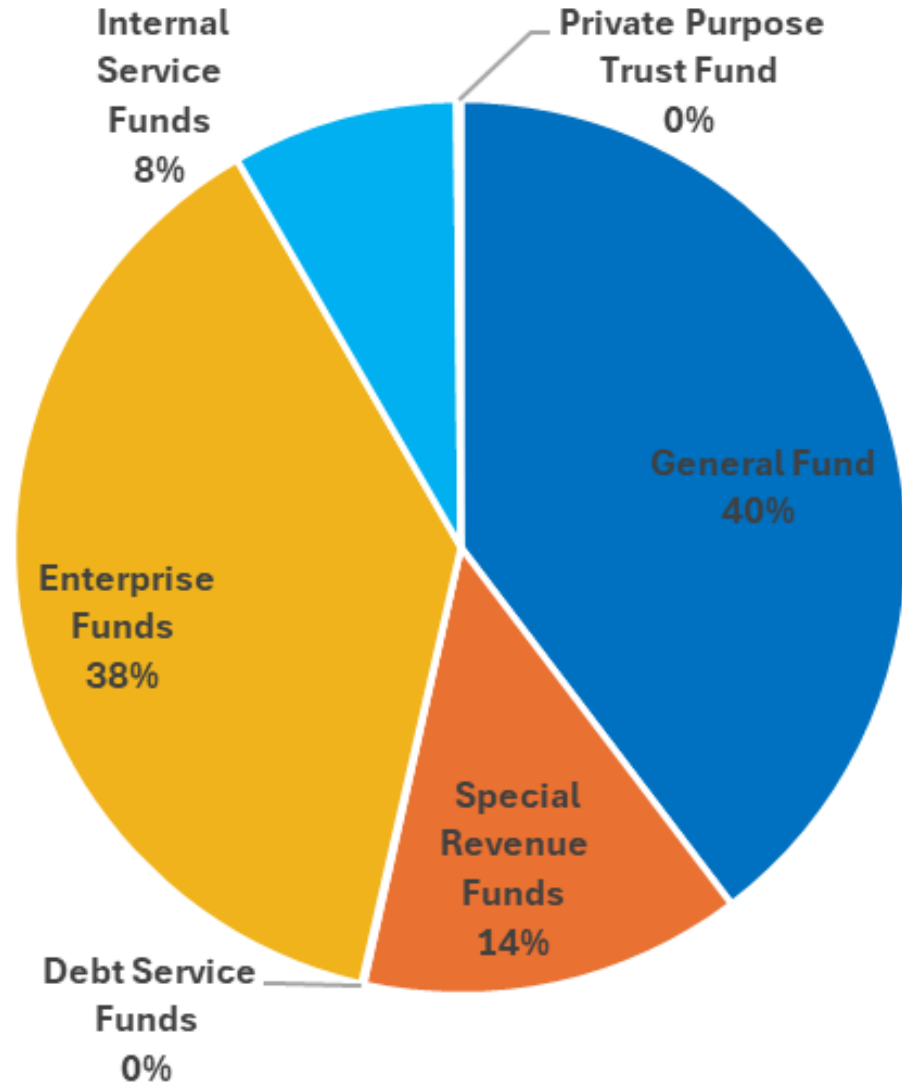
- 5) Successor Agency Resolution finds that the use of taxes allocated from the Watsonville 2000 Redevelopment Project outside the project area will be of benefit to the project area.
- 6) Approve a resolution adopting various rates and fees at the Airport
- 7) Approve a resolution adopting facility rental fee schedule for the Parks and Community Services Department

Budget Overview


Fund Analysis

	<i>General Fund</i>			<i>Enterprise</i>	<i>Internal</i>	<i>Private Trust</i>	
	<i>Total</i>	<i>Special Total</i>	<i>Debt Total</i>	<i>Total</i>	<i>Total</i>	<i>Total</i>	<i>Total All Funds</i>
Projected Resources 2025-26							
Revenues	100,461,749	28,424,164	-	88,417,440	24,117,936	419,145	241,840,434
Transfers In	4,752,993	93,195	1,786,993	-	-	-	6,633,181
Total Gross Resources	105,214,742	28,517,359	1,786,993	88,417,440	24,117,936	419,145	248,473,615
Projected Expenditures							
Operations	61,917,745	13,625,502	-	59,659,557	24,527,036	77,742	159,807,582
Capital	59,016,926	24,034,029	-	55,800,851	1,250,552	-	140,102,358
Transfers Out	1,644,587	4,688,570	-	285,056	-	14,968	6,633,181
Debt Service	-	-	1,786,993	762,893	-	401,950	2,951,836
Total Gross Uses	122,579,258	42,348,101	1,786,993	116,508,357	25,777,588	494,660	309,494,957
Surplus / (Shortfall)	(17,364,516)	(13,830,742)	-	(28,090,917)	(1,659,652)	(75,515)	(61,021,342)

Budget By Fund




General Fund




WATSONVILLE
CALIFORNIA


CITY OF WATSONVILLE
BUDGET PRESENTATION
GENERAL FUND DEPARTMENTS




POLICE




FIRE




PARKS & COMMUNITY SERVICES




COMMUNITY DEVELOPMENT / PLANNING




CITY ATTORNEY



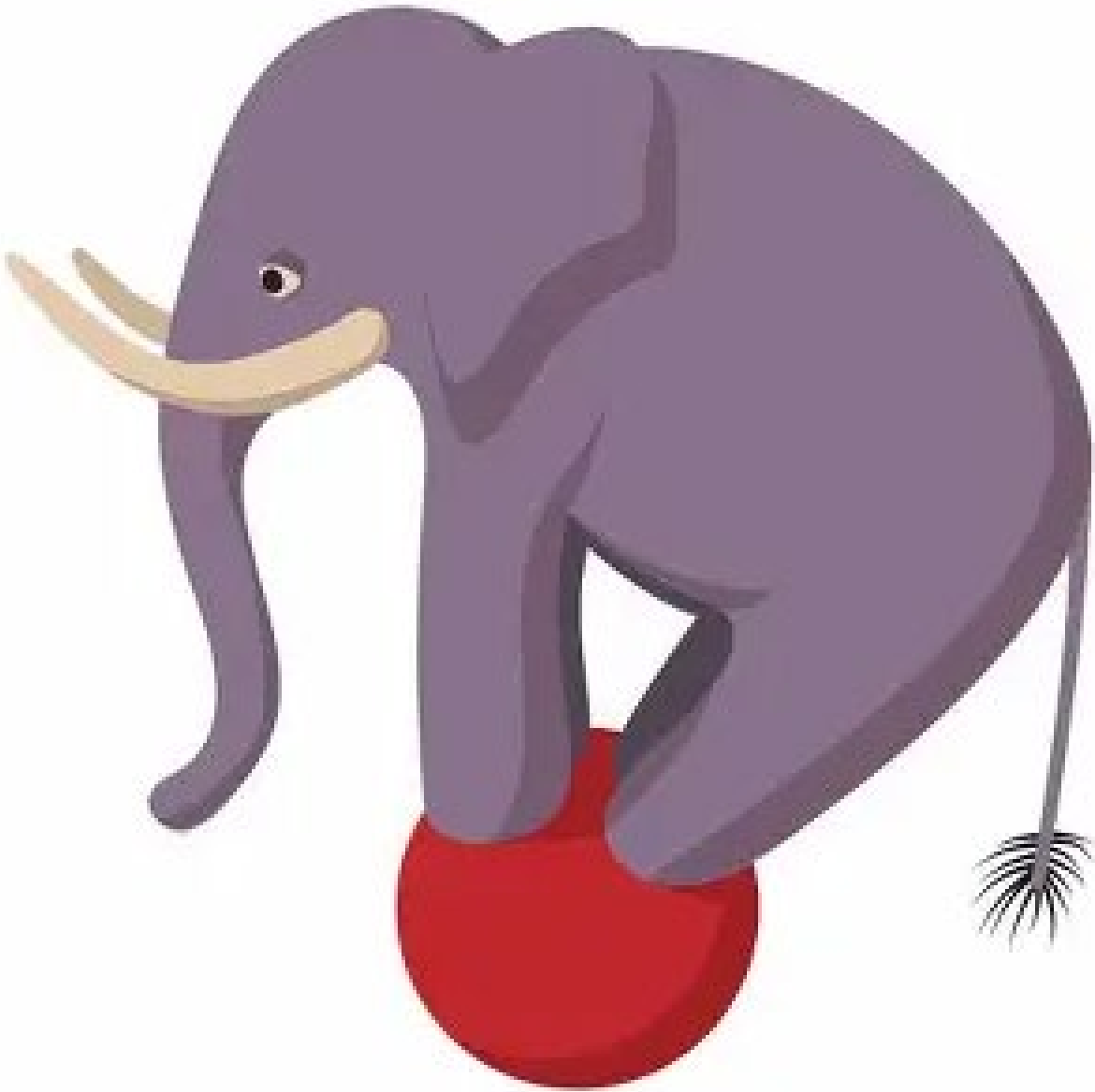
FINANCE



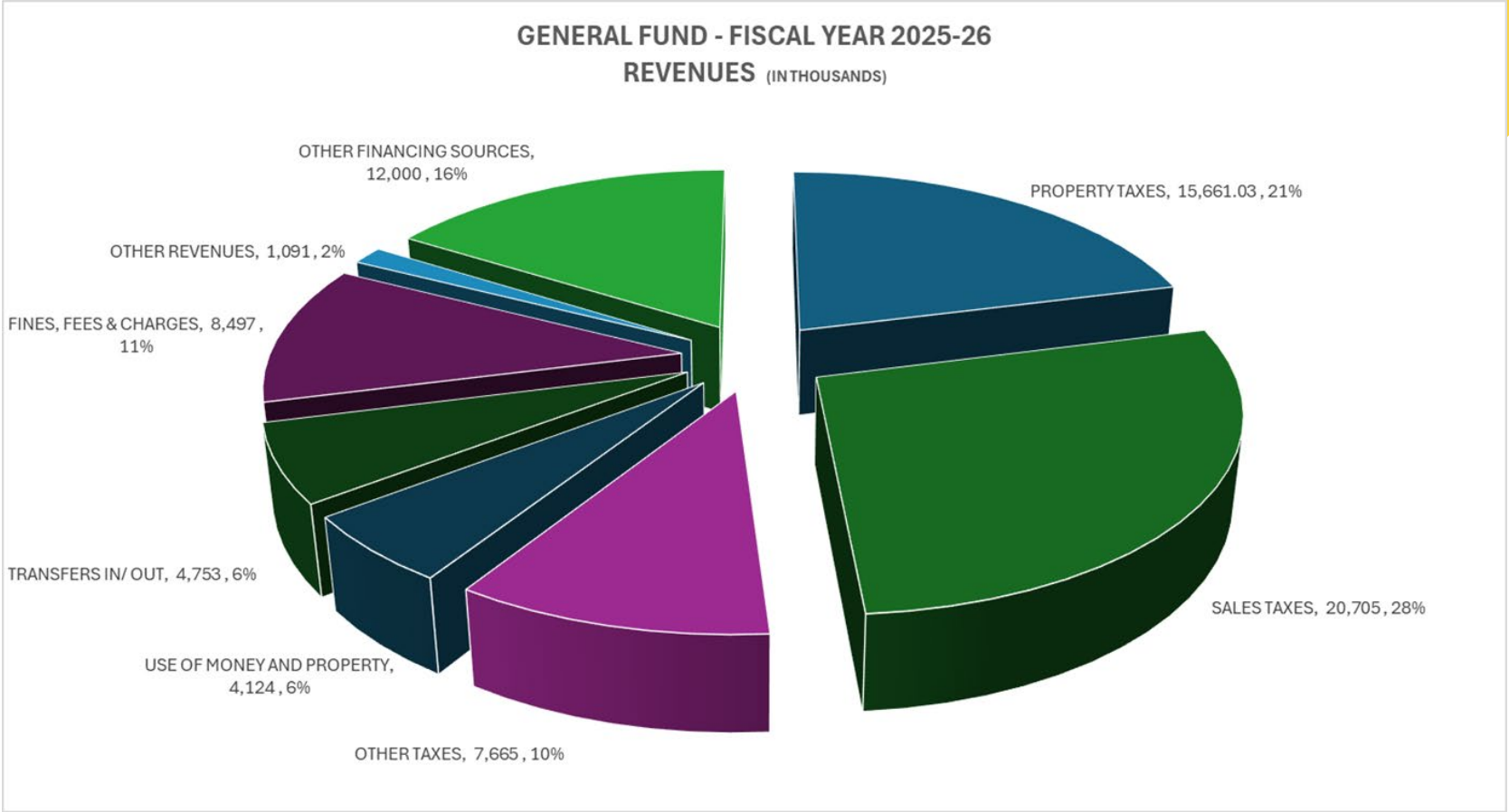
HUMAN RESOURCES



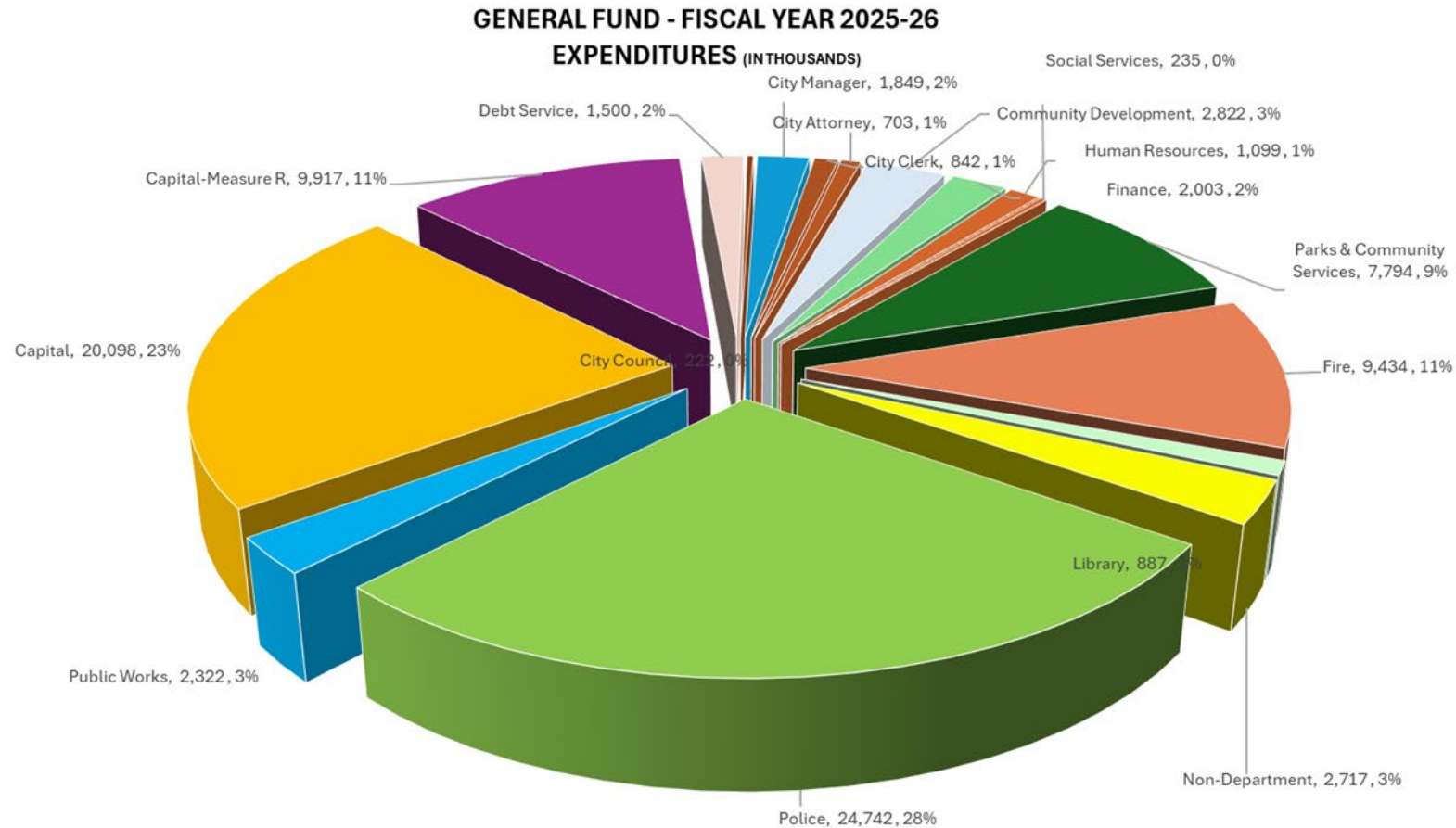
INFORMATION TECHNOLOGY



General Fund Revenues



General Fund by Department



Key Items to Balance Operational Budget

*Remove 11 Vacant Positions from Budget for FY 25/26, previously on a hiring pause

*Implement a contingent budget for a 1% reduction of operational expenditures for fiscal year, approximately \$450,000 across general fund departments



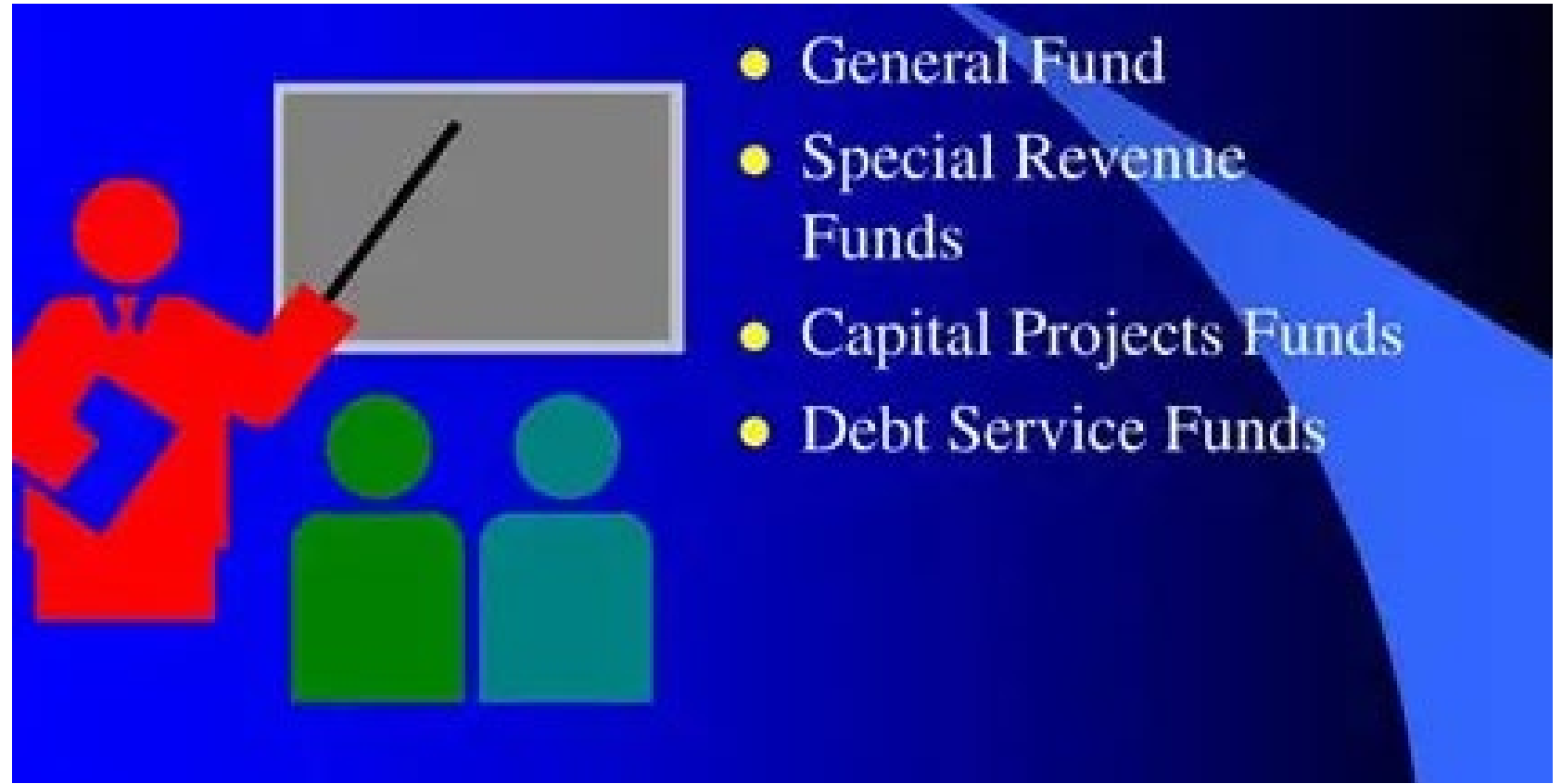
FY
25/26
through
FY
29/30

Capital Improvement Program

FY 25/26 through FY
29/30

FUNDING SOURCE	FY25/26 Requests	2026/27	2027/28	2028/29	2029/30
GENERAL FUND	\$ 13,126,062	\$ 3,096,062	\$ 4,458,062	\$ 9,426,062	\$ 1,571,062
MEASURE R	\$ 4,800,000	\$ 400,000	\$ 300,000	\$ 300,000	\$ 300,000
TOTAL GENERAL FUND	\$ 17,926,062	\$ 3,496,062	\$ 4,758,062	\$ 9,726,062	\$ 1,871,062
<u>SPECIAL REVENUE FUNDS</u>					
CDBG	\$ 225,000	\$ -	\$ -	\$ -	\$ -
CIVIC CENTER	\$ 445,000	\$ 1,035,000	\$ 75,000	\$ -	\$ -
LIBRARY	\$ 106,000	\$ -	\$ -	\$ -	\$ -
GRANTS	\$ 10,541,000	\$ 6,863,000	\$ -	\$ -	\$ -
GAS TAX	\$ 555,000	\$ 555,000	\$ 555,000	\$ 555,000	\$ 555,000
SB1	\$ 3,725,000	\$ 1,325,000	\$ 1,325,000	\$ 1,325,000	\$ 1,325,000
MEASURE Y	\$ 514,000	\$ 1,198,614	\$ 1,164,000	\$ 500,000	\$ 115,000
MEASURE D	\$ 1,750,000	\$ 1,180,000	\$ 1,180,000	\$ 1,180,000	\$ 1,180,000
UNDERGROUND UTILITY	\$ -	\$ -	\$ 350,000	\$ -	\$ -
STORM DRAIN	\$ 70,000	\$ 2,000,000	\$ -	\$ -	\$ -
CITY-WIDE TRAFFIC	\$ 900,000	\$ -	\$ -	\$ -	\$ -
MANABE OW IMPACT FEE	\$ 190,000	\$ -	\$ -	\$ -	\$ -
TOTAL SPECIAL REVENUE FUNDS	\$ 19,021,000	\$14,156,614	\$ 4,649,000	\$ 3,560,000	\$ 3,175,000
<u>ENTERPRISE FUNDS</u>					
AIRPORT	\$ 80,000	\$ 887,200	\$ 420,000	\$ 1,587,000	\$ -
WASTEWATER	\$ 10,515,000	\$ 12,725,900	\$ 19,089,454	\$ 13,550,000	\$ 7,550,000
WATER	\$ 10,510,145	\$ 19,310,402	\$ 19,588,106	\$ 29,978,158	\$ 11,287,632
SOLID WASTE	\$ 1,290,000	\$ 1,580,808	\$ 935,808	\$ 1,500,000	\$ 100,000
LANDFILL CLOSURE	\$ 300,000	\$ 200,000	\$ 100,000	\$ 100,000	\$ 100,000
INFORMATION TECHNOLOGY	\$ 840,000	\$ 340,000	\$ 340,000	\$ 340,000	\$ 200,000
TOTAL ENTERPRISE FUNDS	\$ 23,535,145	\$35,044,310	\$40,473,368	\$47,055,158	\$19,237,632
TOTAL CIP	\$ 60,482,207	\$52,696,986	\$49,880,430	\$60,341,220	\$24,283,694

Capital Improvement Program



Other Funds

Special Revenue Funds

	2 SPECIAL REVENUE FUNDS					
	0250	0262	0305	0306	0310	0312
		<u>ARPA FUND- AMERICAN RELIEF</u>		<u>SB 1 - GAS TAX</u>	<u>SALES TAX</u>	<u>MEASURE D -</u>
Projected Resources 2025-26	<u>LIBRARY</u>	<u>PLAN</u>	<u>GAS TAX</u>	<u>FUNDING</u>	<u>MEASURE Y</u>	<u>TRANSPORTATION FUND</u>
Revenues	4,699,264	7,891,503.00	1,455,601.00	1,100,000.00	5,212,100	1,178,000
Transfer In	-					
Total Gross Resources	4,699,264	7,891,503	1,455,601	1,100,000	5,212,100	1,178,000
Operations	4,543,943	-	1,084,038.00	-	5,435,589	-
Capital	386,000	7,891,503.00	1,285,094.00	4,446,374.00	1,940,630	5,700,525
Transfer Out	180,648		-		-	
Debt Service					-	
Grand Total	5,110,591	7,891,503	2,369,132	4,446,374	7,376,219	5,700,525

Enterprise Funds

	4 ENTERPRISE FUNDS				
	0710	0720	0730	0740	0789
Projected Resources 2025-26	<u>WASTE WATER</u>	<u>WATER</u>	<u>AIRPORT</u>	<u>SOLID WASTE</u>	<u>FIBER OPTIC FUND</u>
Revenues	36,232,690	27,174,548	4,636,463	20,231,889	141,850
Transfer In					
Total Gross Resources	36,232,690	27,174,548	4,636,463	20,231,889	141,850
Operations	19,544,209	18,656,764	4,346,395	16,883,985	77,443
Capital	20,810,995	31,198,256	171,000	2,990,055	
Transfer Out	202,513	31,651	5,056	45,836	
Debt Service	182,013	4,118	28,796	547,966	
Grand Total	40,739,730	49,890,789	4,551,247	20,467,842	77,443

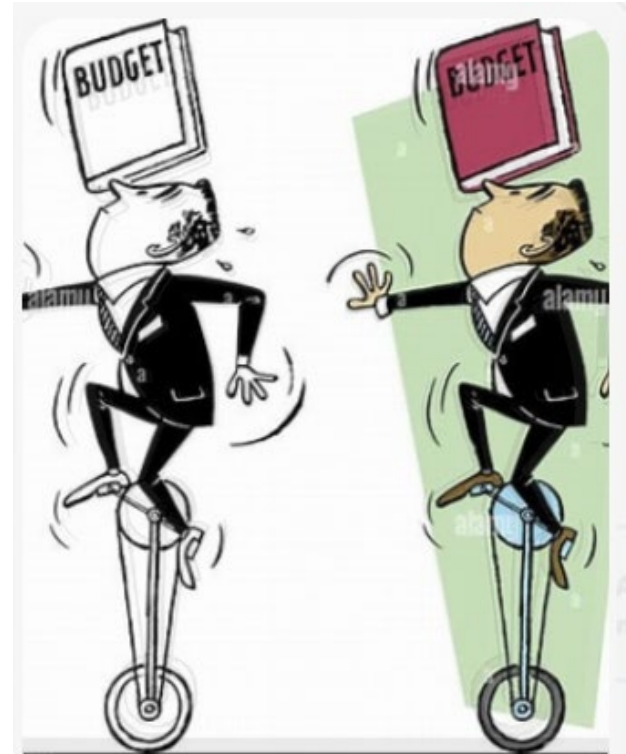


	5 INTERNAL SERVICE FUND			
	0760	0780	0787	0790
	<u>MSC INTERNAL SERVICE FUND</u>	<u>WORKERS COMP/ LIABILITY</u>	<u>HEALTH INSURANCE</u>	<u>INFORMATION & TECHNOLOGY ISF</u>
Projected Resources 2025-26				
Revenues	3,309,096.00	6,714,151.00	11,105,689.00	2,989,000.00
Transfer In		-	-	
Total Gross Resources	3,309,096	6,714,151	11,105,689	2,989,000
Operations	3,210,988.00	6,554,151.00	11,105,689.00	3,656,208.00
Capital				1,250,552.00
Transfer Out				
Debt Service				
Grand Total	3,210,988	6,554,151	11,105,689	4,906,760

Internal Service Funds

Current Risks/Considerations

- *Potentially Volatile General Fund Revenues
- *UAL Payments projected to increase
- *Currently working on Class and Compensation Study for all bargaining groups
- *Overtime Costs for Fire and Police



Opportunities



Questions

- Marissa Duran, Finance Director
- 831-768-3471
- Marissa.duran@watsonville.gov
- watsonville.gov/DocumentCenter/View/26527/Budget-FY-2025-27-Draft