



# CITY OF CARMEL-BY-THE-SEA

## Fiscal Year 2025-2026 Recommended Budget Overview Presentation

May 6, 2025



# Budget Timeline

FY 25-26 Budget Overview Presentation

May 6, 2025

FY 25-26 Budget Workshop on May 21, 2025  
@ 3:30pm

- Details provided on revenue, expenditures, staffing
- Responses to budget questions received as of May 18

May 21, 2025

May 6–18 2025

Submit budget questions

June 3, 2025

FY 25-26 Budget Adoption scheduled for  
June 3, 2025

- Inclusive of revisions per direction received on May 6 and May 21
- Responses to budget questions received through May 23



# Budget Process

- Department Manager requests based on the current year's experience.
- Revenues forecast based on consultation with industry experts.
- The Financial Stewardship Workgroup examined revenue assumptions and operations detail as the City seeks to 'trim the fat'
- Operations scrutinized in light of potential economic weaknesses and trends in increased costs, resulting in:
  - Modified assumptions
  - Cuts to existing staffing plans
  - Elimination of requested new positions
  - Cancellation or reduction of planned projects





# Budget Process – Examples of Analyzed Projects

Description (Department1)	Description (Eb Detail)	Description (Department1)	Description (Eb Detail)
City Clerk	Sy Tech - Vital records scanning and digitizing	CPB	GIS Updates & Main
City Clerk	Record/File migration project	CPB	Host Compliance, short term rental enforcement
City Clerk	CivicPlus Boards and Commissions Portal		Joe Shabram Conservation work needed on 7 pieces of City art on display
City Council	Mobile Meeting A/V Broadcast	Library	- Northeast Document Conservation Center (NEDCC) report, September 2024
Community Activities	New Stages SUPPLIES/EQUIP./MISC		Brett Trotter Transportation to and from for the conservation work to be completed
Community Activities	Event Photography NEW PROGRAM/EVENTS	Library	Underground Service Alert Nor Cal USA Tickets (increase for more sidewalks and tree planting and/or stumps)
Community Activities	Silent Dance Party NEW PROGRAM/EVENTS		
Finance	Revenue Specialist - Cost Study/Efficiency Study	PW Administration	FreshDesk add-on for Facilities
Finance	Web Dashboard Interface - Transparancy in Fiscal Reporting	PW Administration	AutoCad & Civil3D
Human Resources	Sy Tech - HR file scanning and digitizing project	PW Environmental Division	North Dunes Habitat Monitoring (DD&A)
Human Resources	NEOGOV - HR and timekeeping systems	PW Environmental Division	ASBS Watershed Monitoring
Human Resources	New HRMS Software	PW Environmental Division	CAWD Contract - Vactor CDS, Basin Cleanings
Information Technology	Plante Moran - IT Strategic Plan - Quote	PW Environmental Division	On-Call Environmental Services (CEQA, Permits, Biol)
Information Technology	Paid Internship Program - 1000 hrs @ \$25	PW Environmental Division	Climate Action/Adaptation Plan Initiatives
Information Technology	Network Security Planning - Tabletop	PW Environmental Division	North Dunes Volunteer Management (Native Solutions)
Information Technology	Smart Village - Wifi Planning	PW Facilities Maintenance	First Murphy House painting
Information Technology	Conduit System - Planning Phase	PW Facilities Maintenance	Emergency Generator Services
Information Technology	Wireless Access Point	PW Facilities Maintenance	Fire Station epoxy flooring
Information Technology	Computer Replacement Program - (5 year replacement) 15 of 85	PW Forest,Parks & Beach	Devil Mountain Wholesale Nursery trees, plants, native seeds
Vehicle & Equipment			Vineyard Rock Products (FY 25/26 Beautification project (First Murphy), irrigation, bordering, shrubs/flowers/grasses/plants)
Replacemnt	IT Network Refresh	PW Forest,Parks & Beach	Ausonio Outside Labor, Sidewalk repairs. Non CIP Projects
CPB	Safety Element Contract	PW Streets Division	Pressure washing
CPB	MND Addendum for HE6 Amendment	PW Streets Division	New concrete scarifier grinder



# Budget Process – Examples of Analyzed Operations

Description (Department1)	Description (Eb Detail)	Description (Department1)	Description (Eb Detail)
Administration	Grant Writing	Finance	TOT Audit aprox 1800 per audit
Community Activities	Weekly Market FARMERS' MARKET	Fire	Spring water
Community Activities	3rd Thursday FARMERS' MARKET		Repairs/MaintNew engine coming but may also be delayed. Repair costs are
Community Activities	New Stages SUPPLIES/EQUIP./MISC	Fire	high and vehicles are needing more repairs
	Christmas Tree Lights Pros (Additional Lights) HOLIDAY TREE / MENORAH	Human Resources	Recruiting Firm & Candidate Travel Reimbursement
Community Activities	LIGHTING	Human Resources	Traffic Patterns - Vilcia Rodriguez- contract?
Community Activities	Christmas Tree Lights Pros (Tree) HOLIDAY TREE / MENORAH LIGHTING	Human Resources	Employee Appreciation
Community Activities	Glastonbury HOLIDAY TREE / MENORAH LIGHTING	Information Technology	IAMP - audio visual services
Community Activities	Event Photography NEW PROGRAM/EVENTS	Information Technology	Paid Internship Program - 1000 hrs @ \$25
Community Activities	Silent Dance Party NEW PROGRAM/EVENTS	Information Technology	ATT
Community Activities	Stage Rental HOLIDAY TREE / MENORAH LIGHTING	Information Technology	Verizon
Community Activities	Glastonbury VETERAN'S DAY	Information Technology	VOIP phone service
Community Activities	Banners for Ocean Avenue HOLIDAY TREE / MENORAH LIGHTING	Police	Comcast, Verizon, ATT air cards, internet
Community Activities	Pumpkins PUMPKIN ROLL	Police	contract services
Community Activities	Candy/Hot dogs/chips/water CITY BIRTHDAY/PARADE	PW Forest,Parks & Beach	Landscaping Citywide Town & Country
Community Activities	Misc SUPPLIES/EQUIP./MISC	PW Forest,Parks & Beach	West Coast Arborists - Tree work in the City
Community Activities	Replacement tents SUPPLIES/EQUIP./MISC	PW Forest,Parks & Beach	MTNP Drainage Project Town & Country
Community Activities	Tech for the band (Here&Now) CITY BIRTHDAY/PARADE	PW Forest,Parks & Beach	Landscaping Scenic Pathway Town & Country
	Decorations (replacements) (incl, candy giveaways) HOLIDAY TREE / MENORAH	PW Forest,Parks & Beach	MTNP Removal/Clean Up
Community Activities	LIGHTING	PW Forest,Parks & Beach	Landscaping First Murphy Town & Country
Community Activities	Halloween lights CITY BIRTHDAY/PARADE	PW Forest,Parks & Beach	Landscaping Mission Trails Town & Country
Economic		PW Forest,Parks & Beach	Devil Mountain Wholesale Nursery trees, plants, native seeds
Development	Sunset Cultural Center	PW Forest,Parks & Beach	Vineyard Rock Products (FY 25/26 Beautification project (First Murphy),
Economic		PW Forest,Parks & Beach	irrigation, bordering, shrubs/flowers/grasses/plants)
Development	MCCVB - 3% of TOT budget	PW Forest,Parks & Beach	Drought Resistant Nursery Trees and plants
Economic			
Development	Visit Carmel		
Economic			
Development	Chamber of Commerce		



# Comparison of Current and Prior Budget

Compared to the prior year's budget, this year is different:

- Revenues based on forecasts of collections, not past budgets
- Salaries are based on forecast actual, not “top step” worst case
- Most requested new and unfilled positions eliminated; remaining approved vacancies forecast for delayed hiring

Comparison of Budgets	FY 2025-2026	FY 2024-2025
<b>Recommended Revenues</b>	<b>\$34,714,265</b>	<b>\$31,431,249</b>
General Fund Operating Expenditures	28,626,319	28,413,593
Debt Service Expenditures	509,100	519,100
Pension Unfunded Liability Expenditures	2,708,158	2,375,351
Capital Outlay Expenditures	7,894,000	12,184,000
<b>Recommended Expenditures</b>	<b>\$39,737,577</b>	<b>\$43,492,044</b>
<b>Funded Full Time Equivalent (FTE) position:</b>	<b>96.50</b>	<b>97.25</b>



# FY 25-26 Budget at-a-Glance

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<b>FY25-26 Recommended Expenditures</b>	<b>\$39,737,577</b>
<b>Use of Fund Balance for Capital Projects</b>	<b>\$5,023,312</b>
<b>Funded Full Time Equivalent (FTE) positions</b>	<b>96.50</b>



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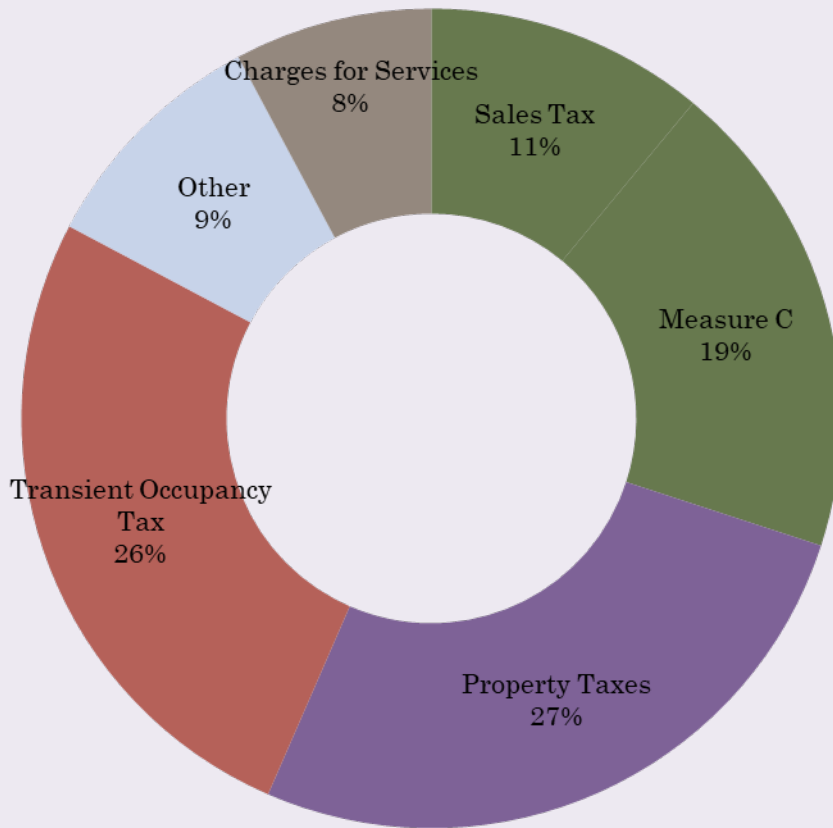
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# Revenues at-a-Glance

FY 25-26 Citywide Revenue Sources



Source	Budget	% of Budget
Sales Tax	\$3,828,119	11%
Measure C	6,595,056	19%
Property Taxes	9,198,405	27%
Transient Occupancy Tax	9,109,116	26%
Other	3,272,484	9%
Charges for Services	2,711,085	8%
<i>Building</i>	<i>1,006,537</i>	<i>37%</i>
<i>Ambulance</i>	<i>1,004,422</i>	<i>37%</i>
<i>Planning</i>	<i>259,705</i>	<i>10%</i>
<i>Other Departmental Charges</i>	<i>440,421</i>	<i>16%</i>
Total	\$ 34,714,265	100%



# Major Revenue Assumptions

Key Revenues	FY 21-22 Actual	FY 22-23 Actual	FY23-24 Actual	FY24-25 Estimated Actual	FY25-26 Recommended Budget
Property Taxes	\$7,694,722	\$8,136,928	\$8,770,848	\$8,974,083	\$9,198,405
Sales Tax	\$3,626,263	\$3,469,412	\$3,692,470	\$3,753,350	\$3,828,119
Measure C	\$5,970,464	\$5,868,695	\$6,386,122	\$6,484,814	\$6,595,056
TOT	\$7,787,643	\$8,455,742	\$8,579,344	\$9,295,016	\$9,109,116
Total	\$25,079,092	\$25,930,777	\$27,428,783	\$28,507,264	\$28,730,696

## Key Revenue Assumptions

Property Taxes: Assuming steady growth at 2.5% increase over FY24-25 Estimated Actual

Sales Tax: Projecting 2% increase over FY24- 25 Estimated Actual

Measure C: Predicting 1.7% increase over FY24-25 Estimated Actual

TOT: Guarded FY25-26 projections due to uncertainty of travel and consumer spending.

Projecting a 2% decrease over FY24-25 Estimated Actual





# Assumptions - Explained

- TOT Revenue:

- Forecast actual collections not previous budget
- Industry projected decrease
- No longer a conservative budget.

- Sales and Use Taxes:

- Budgeting for a modest increase in Sales taxes
- Unlike other cities in the area and throughout the State
- Based on advice from the City's professional sales tax consultants



# FY 25-26 Budget | \$39.7 MILLION



**\$19.5M**

## **EMPLOYEES**

Salaries & Benefits,  
Pension Unfunded  
Liability, Worker's Comp



**\$11.9M**

## **COMMUNITY**

Operating expenditures for  
services and supplies



**\$7.9M**

## **CIP**

public safety, hardscape and  
green infrastructure,  
technology for operations,  
environmentally friendly  
vehicles, facilities' deferred  
maintenance



**\$509K**

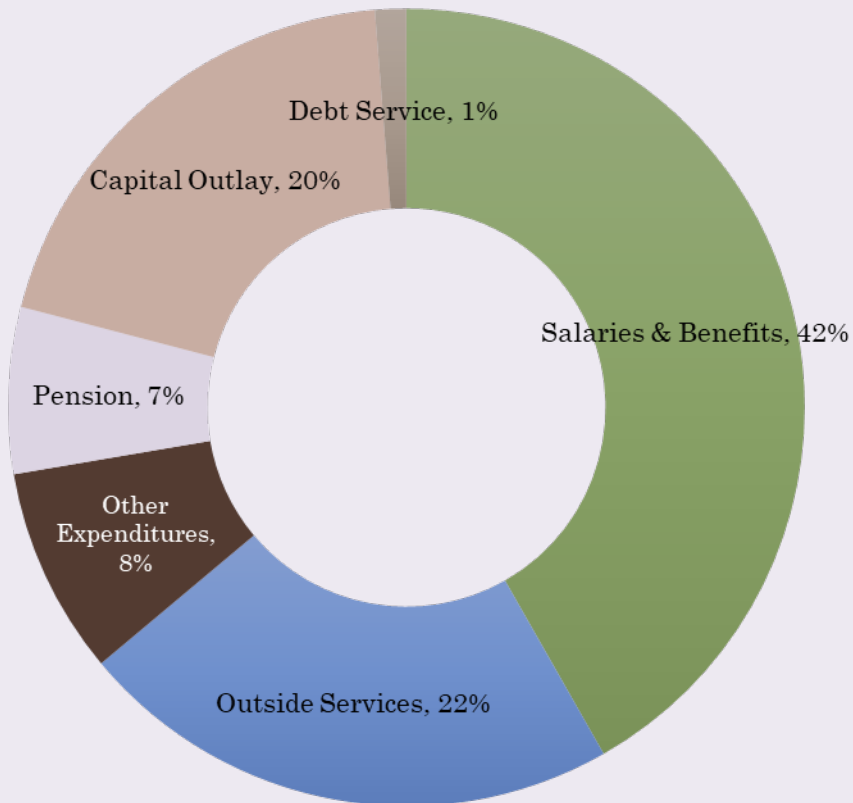
## **DEBT**

2020 Refunding Lease  
Revenue Bonds



# Expenditures at-a-Glance

FY 25-26 Expenditure by Type

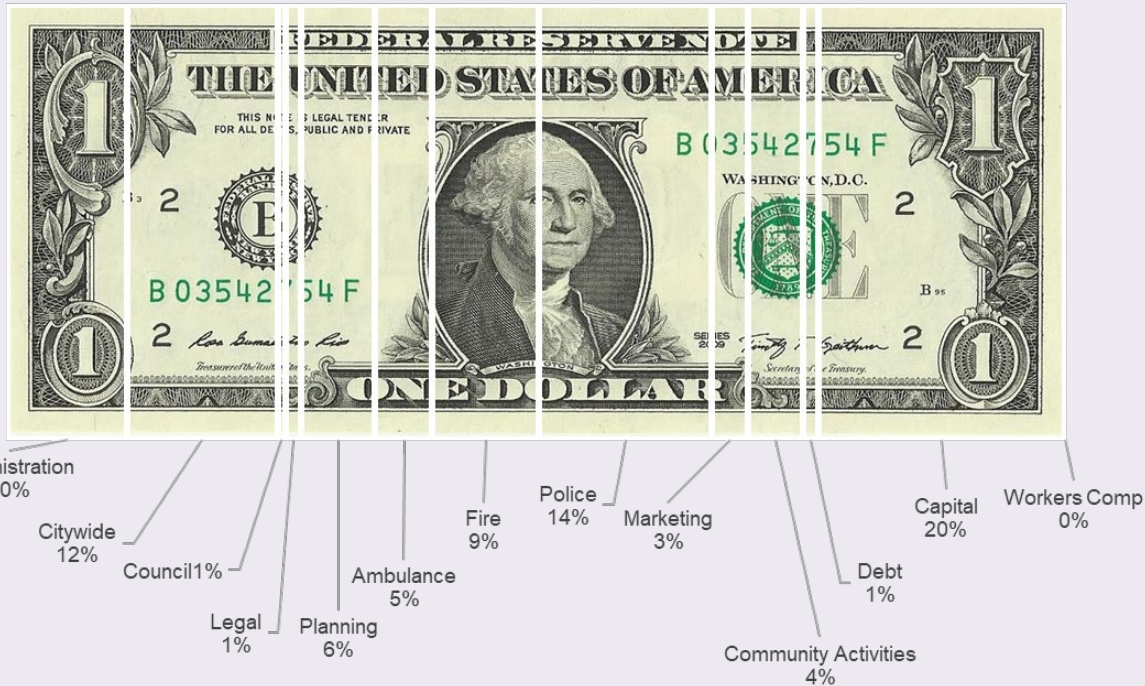


Type of Expenditure	Budget
Salaries & Benefits	\$16,757,971
Outside Services	8,889,601
Other Expenditures	2,978,747
Pension	2,708,158
Capital Outlay	7,894,000
Debt Service	509,100
Total	\$39,737,577



# Expenditures by Function

FY 25-26 Expenditures by Function



Total Expenditures	Budget	%
Administration	\$3,852,933	10%
Citywide	4,814,943	12%
Council	248,779	1%
Legal	517,000	1%
Planning	2,371,920	6%
Ambulance	1,832,358	5%
Fire	3,417,424	9%
Police	5,544,067	14%
Marketing	1,167,981	3%
Library	1,488,126	4%
Community Activities	247,190	1%
Public Works	5,831,756	15%
<b>Operating Budget</b>	<b>\$31,334,477</b>	<b>79%</b>
Debt	509,100	1%
Capital	7,894,000	20%
<b>Total</b>	<b>\$39,737,577</b>	<b>100%</b>



# FY 25-26 Expenditures by Function



Administration  
10%

Citywide  
12%

Council  
1%

Legal  
1%

Planning  
6%

Ambulance  
5%

Fire  
9%

Police  
14%

Marketing  
3%

Community Activities  
4%

Debt  
1%

Capital  
20%

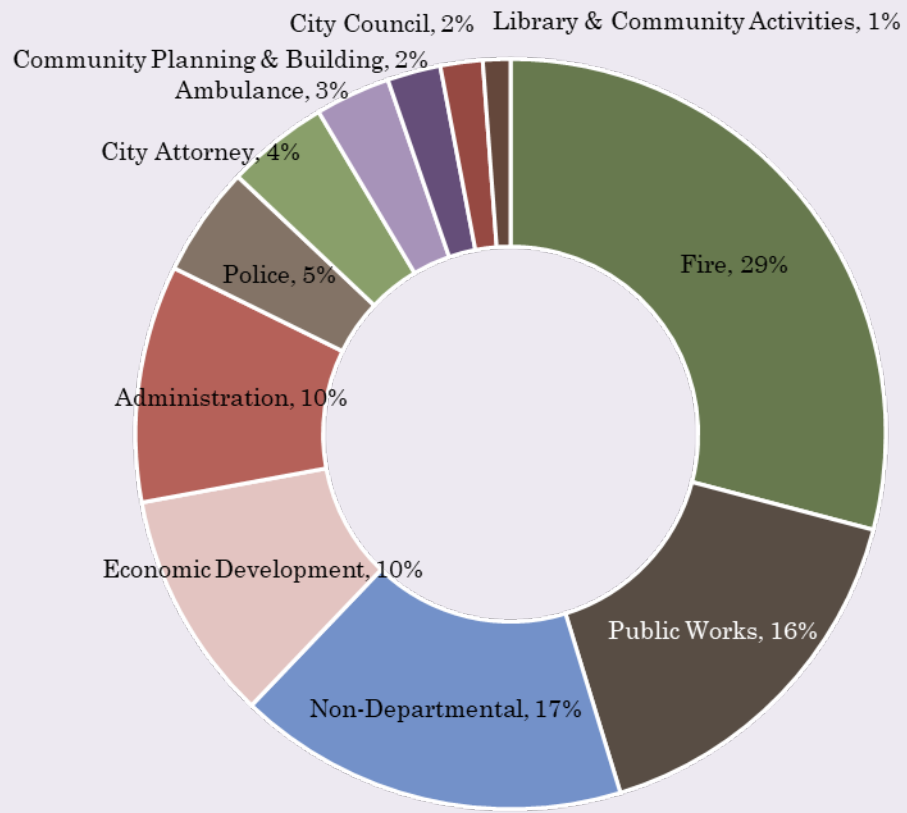
Workers Comp  
0%





# Operating Budget | \$11.7 M

## FY 25-26 Services & Supplies by Department



Department	FY25-26 Recommended Budget	% of Budget
Fire	\$3,417,424	29%
Public Works	1,898,235	16%
Non-Departmental	1,979,785	17%
Economic Development	1,167,981	10%
Administration	1,199,330	10%
Police	557,520	5%
City Attorney	517,000	4%
Ambulance	380,650	3%
Community Planning & Building	270,388	2%
City Council	213,565	2%
Library & Community Activities	139,470	1%
<b>Total</b>	<b>\$11,741,348</b>	<b>100%</b>



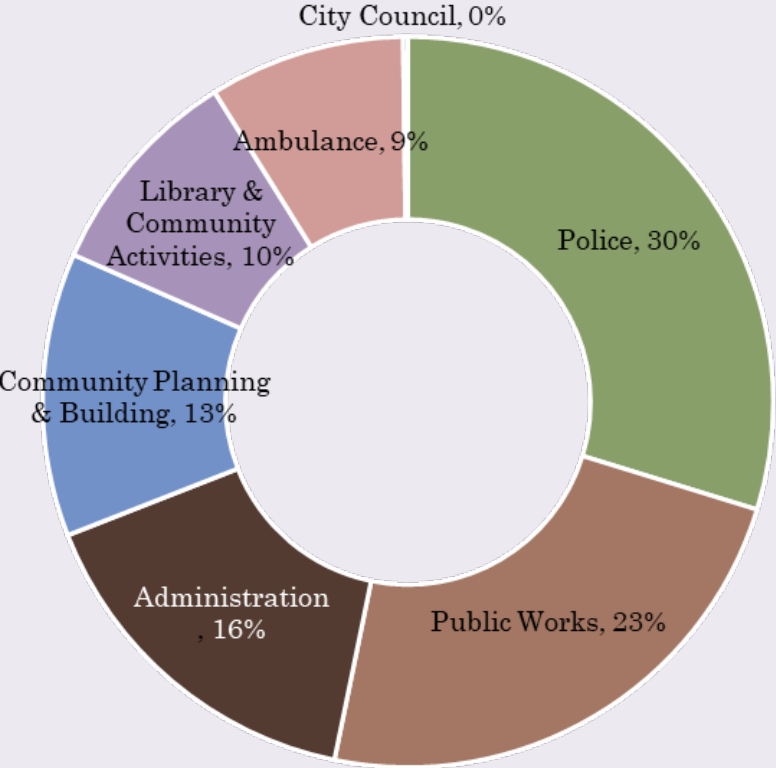
# Key Changes to Operating Budget

- Key positions to be filled by current year-end put pressure on budget
- Contract services and overtime are budgeted at reduced levels
- Other operating Costs unchanged (no CPI increases)



# Salaries & Benefits Budget | \$16.8 M

**FY 25-26 Salaries & Benefits Expenditure by Department**



FY25-26 Recommended		
Department	Budget	% of Budget
Police	\$4,986,547	30%
Public Works	3,933,521	23%
Administration	2,653,603	16%
Community Planning & Building	2,101,532	13%
Library & Community Activities	1,595,846	10%
Ambulance	1,451,708	9%
City Council	35,214	0%
Total	\$16,757,971	100%



# Staffing and Salary Assumptions

- **Projected Salaries:** at actual step for FY25/26 vs top step.

Ramification – no “salary savings” if unexpected expenses arise.

- **Vacant Positions:** as not filled for an average of 4 months.

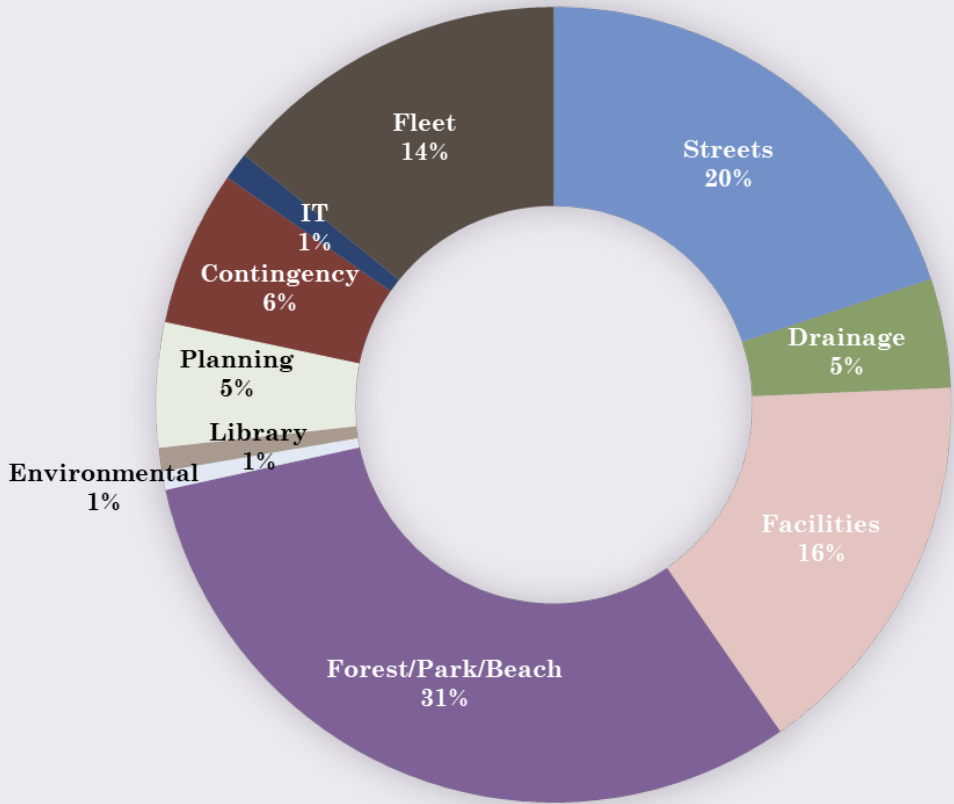
Ramification - salaries over budget if recruitments occur faster.

Department and Title	Adopted	Proposed	Change
Community Services Assistant	1.00	0.50	-0.50
Library Associate	0.00	3.00	3.00
Library Assistant (full-time)	4.00	1.00	-3.00
Librarian II (Local History)	1.00	0.00	-1.00
Hourly Library Assistant	3.25	2.00	-1.25
Senior Planner	0.00	1.00	1.00
Assistant Planner	1.00	0.50	-0.50
Code Compliance Coordinator	2.00	1.50	-0.50
Sergeant	2.00	3.00	1.00
Police Officer	9.00	10.00	1.00
<b>Citywide Total Funded Positions</b>	<b>97.25</b>	<b>96.50</b>	<b>-0.75</b>



# Capital Projects at-a-Glance

FY 25-26 CIP Funding by Category



Category	Amount of Budget	
Streets	\$1,570,000	20%
Drainage	\$350,000	4%
Facilities	\$1,265,000	16%
Forest/Park/Beach	\$2,464,000	31%
Environmental	\$60,000	1%
Library	\$75,000	1%
Planning	\$400,000	5%
Contingency	\$500,000	6%
IT	\$90,000	1%
Fleet	\$1,120,000	14%
Total	\$7,894,000	100%

Note, new Capital Outlay Funding above does not include carryover for uncompleted projects of \$3,460,000.





# Budget Timeline – Next Steps

FY 25-26 Budget Overview Presentation

May 6, 2025

FY 25-26 Budget Workshop on May 21, 2025  
@ 3:30pm

- Details provided on revenue, expenditures, staffing
- Responses to budget questions received as of May 18

May 21, 2025

May 6–18 2025

Submit budget questions

June 3, 2025

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# Recommendation

Receive FY 25-26 Budget Overview Presentation

Submit budget questions to all the following on or before May 18:

[budget@ci.carmel.ca.us](mailto:budget@ci.carmel.ca.us)



# Questions?