



Preliminary Budget Workshop - Mid-Year Budget Review, Presentation of Departmental Priorities, and Direction to Staff - January 24, 2023



Mid-year Budget Review

General Fund - Expenditures



	FY 21-22	FY 22-23	FY 22-23	Over/(Under)	% of
	Unaudited	Budget	Projected	Budget	Budget
Salaries & Benefits	\$ 67,264,731	\$ 73,792,133	\$ 73,349,090	\$ (443,043)	99.4%
O&M	28,416,256	24,786,669	26,030,358	1,243,689	105.0%
Capital Outlay	1,345,429	3,494,519	3,502,519	8,000	100.2%
Debt Service	259,649	349,393	349,393	-	100.0%
Subtotal Expenditures	\$ 97,286,065	\$ 102,422,714	\$ 103,231,360	\$ 808,646	101%
ARPA funds spent	885,159	415,633	415,633	-	
Total Expenditures	\$ 98,171,224	\$ 102,838,347	\$ 103,646,993	\$ 808,646	101%

FY 2022-23 General Fund Summary

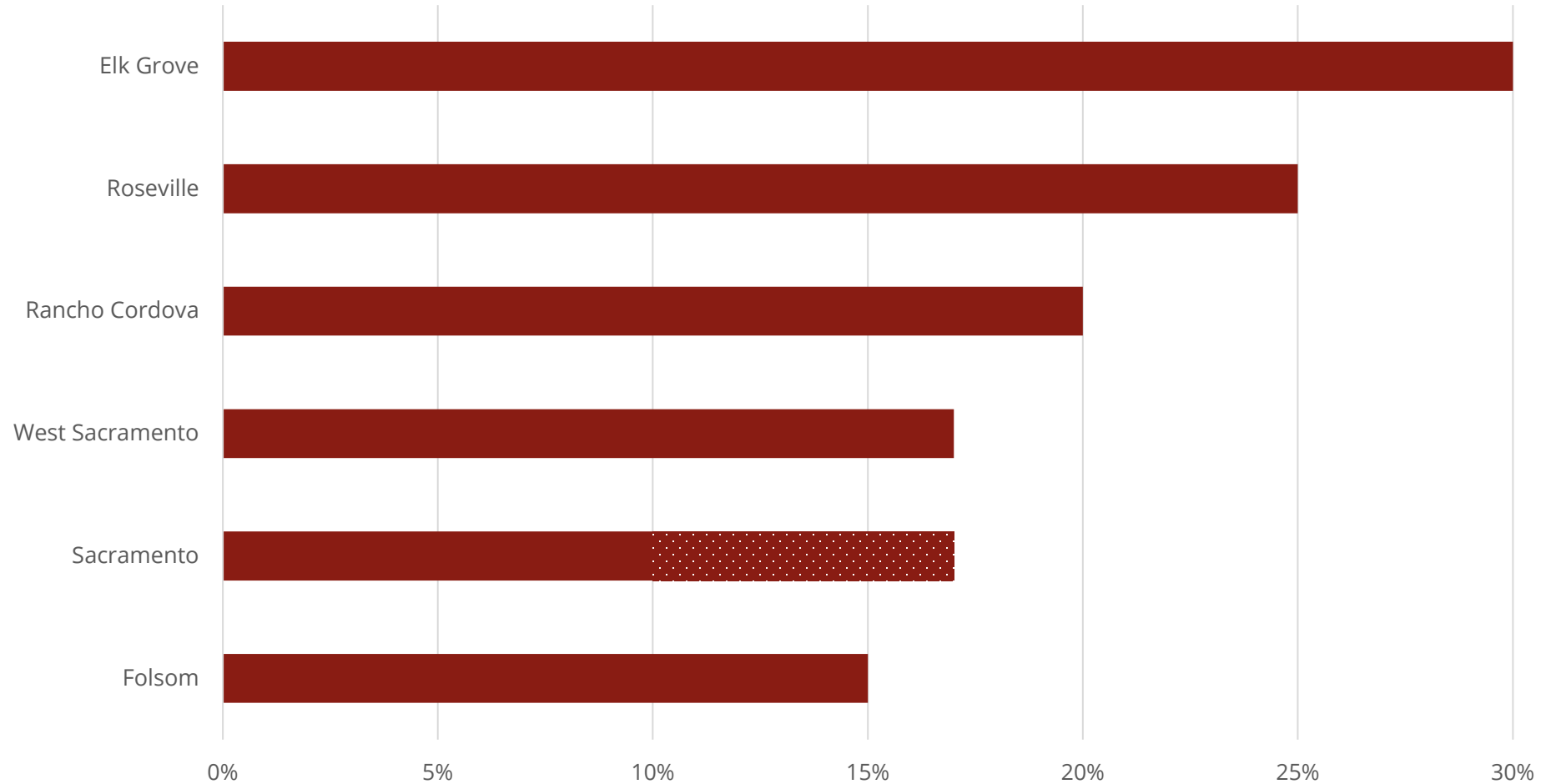


	FY 22-23 Budget	FY 22-23 Projected
Revenue	\$ 102,422,714	\$ 103,066,065
Expenditures	(102,422,714)	(103,646,993)
Revenues less Expenditures	\$ -	\$ (580,928)
Use of APRA Funds	-	415,633
Change to Total Fund Balance	\$ -	\$ (165,295)
Unassigned Fund Balance	\$ 23,260,485	\$ 23,095,190
Transfer to Internal Service Funds		(3,896,248)
Unassigned Fund Balance after Transfer		\$ 19,198,942
% of Expenditures		18.5%

Best Practice for Fund Balance

- The Government Finance Officers Association (GFOA) provides best practices for local government agencies.
- In their Fund Balance Guidelines for the General Fund, they state that a city should “at a minimum, maintain unrestricted budgetary fund balance in their general fund of **no less than two months (17%)** of regular general fund operating revenues or regular general fund operating expenses. Furthermore, a government’s particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level.”

Regional Reserve Policy Comparison



Fund Balance

- As expenditures grow, the fund balance must grow at the same pace to maintain the minimum balance required to be within the policy.
- To help with this, each budget year, the city has a budget line item totaling about 1% of expenditures to be used for contingencies (unexpected, urgent expenses). If this is not used during the year, it will roll into fund balance to help maintain the needed growth of the reserve.
- The contingency budget is \$900,000 in FY 2022/23.

Budget for Contingencies

- This year, with the Council's consensus, the City Manager will be bringing an item to an upcoming meeting to use the contingency budget for an emergency procurement to replace the Sports Complex and 405 Natoma Station roofs.
- With the use of the contingency budget for this purpose, it is likely the City will not be able to add to fund balance at the end of the fiscal year.

Policy for Use of Unassigned Fund Balance



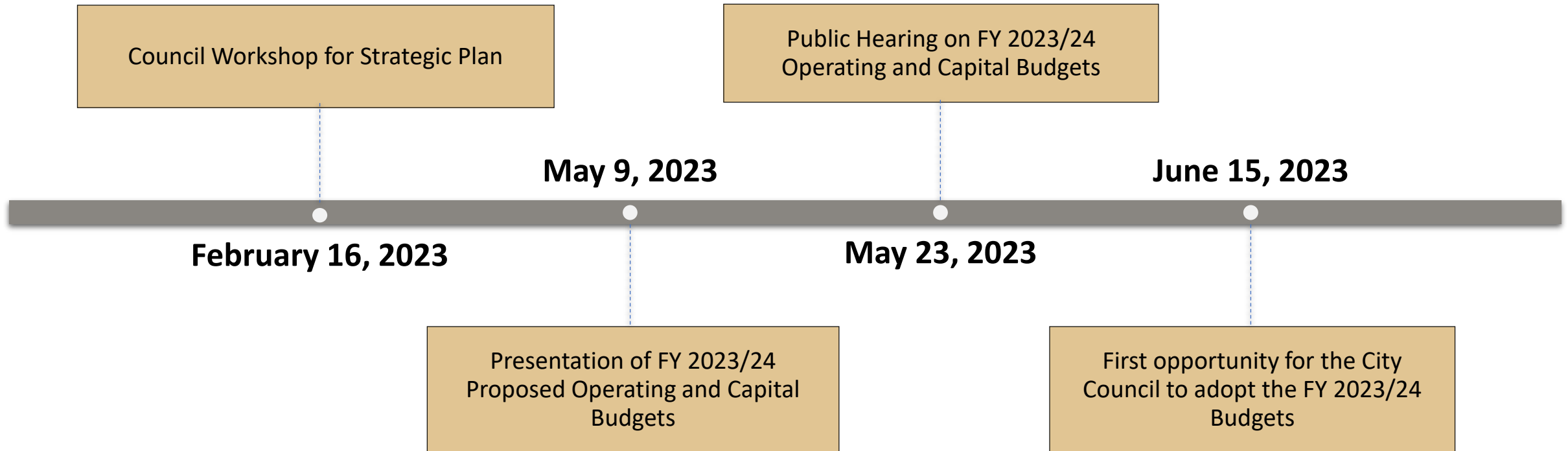
- The policy states: the undesignated fund balance will be used to provide for **temporary financing for unanticipated extraordinary needs of an emergency nature.**
- The policy is to ensure that the city maintains a prudent level of financial resources in order to protect against having to reduce service levels in the event of an emergency.

Question 1: Does the City Council direct the City Manager to return with an item to use the contingency budget to replace the roof at the Sports Complex (\$725,000) and at 405 Natoma Station (\$60,000)?

Question 2: Does the City Council want to make a mid-year budget adjustment and use unassigned fund balance (emergency reserves) to pay for any additional General Fund expenditures?

FY 2023-24 Budget Kickoff

Preliminary Budget Calendar



Department Presentations

Request for 1 Deputy City Attorney Position

- Complex litigation cases require substantial more time to defend and respond to motions and discoveries, easily taking up all of the time of at least one attorney
- Internal personnel investigations and disciplinary actions require active legal guidance and assistance
- Requests for legal services from other departments must be met to meet ongoing City operations
- Projected cost = \$150,000 (with standard City employee benefits)

Departmental Priorities for 2023/2024

Procedural Innovation / Utilization of New Technology

1. Transparency / Public Access to Information

1. Utilize specialized software to facilitate public records requests

Benefit: *Streamline and automate processes, improved experience for users, greater efficiency for staff*

Cost: *Approximately \$11,000 annual/ongoing expense*

2. Fair Political Practices Commission (FPPC) Filings

1. Transition to improved financial filing software

Benefit: *Simplified and improved experience for filers, greater efficiency for staff, ensure transparency through public access to information, robust customer service for filers*

Cost: *Approximately \$7,500 annual/ongoing expense (approximate \$2,400 increase over current software)*

CDD Unfunded Requests for FY23-24

Total Cost ~\$445,000 one-time plus ~\$275,000 annually



New Staff Positions:

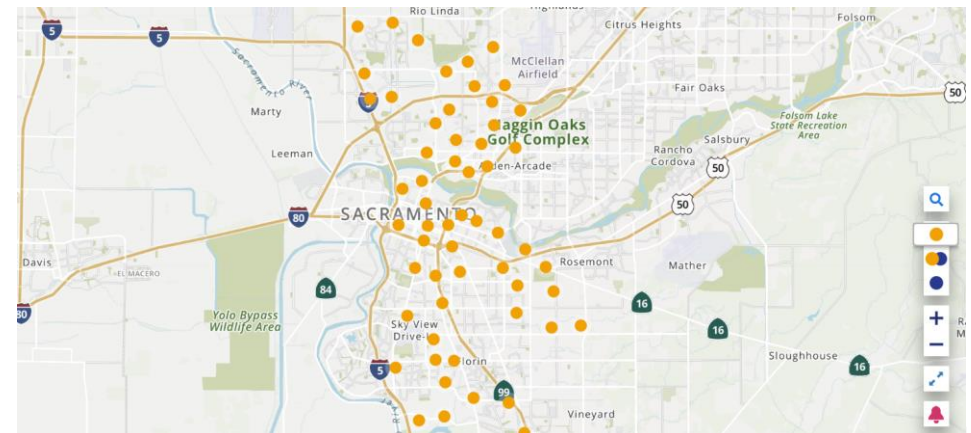
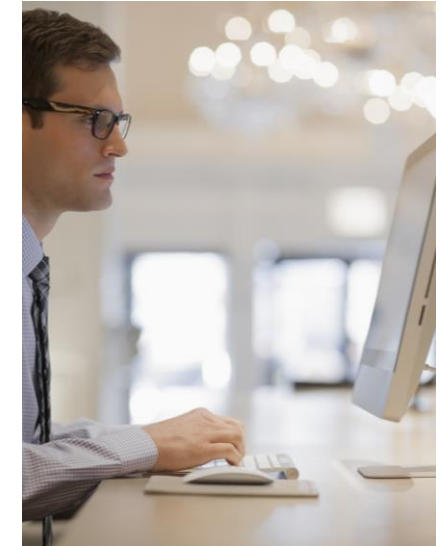
- Development Services Analyst OR Building Plans Coordinator
- Building Inspector II

New Technology:

- Agency Counter Software/Maintenance

New Equipment:

- Public Kiosk Computer Terminals (2)
- Field Inspection Vehicles (2)



CDD New Staffing Requests

1. Development Services Analyst **OR** Building Plans Coordinator

- Analyst: data and process specialist with financial expertise to maximize efficiencies in electronic permit and plan check systems, fee calculations, and improve customer access to information (Annual cost ~\$140,000)
- Coordinator: building permit and plan check process management overseeing pre-application and pre-construction meetings, streamlining minor permits, fee calculations, and permit software administration (Annual cost ~\$112,000)

2. Building Inspector II

- Experienced building inspector with minor permit and plan check experience to expedite residential and minor permits and inspections given new growth in the Folsom Plan Area (Annual cost ~\$118,000)

Agency Counter Software

- Improve transparency and access to current permit and project information with a modern, mobile-friendly, web-based mapping service providing an easy-to-use interface to access information throughout the process. Interacts/downloads daily with CDD new electronic permit system. Easy to search and get notifications and statistics. (Cost is ~\$52,000 one time)

<https://sacramento.agencycounter.com/>

Ongoing Annual Software Maintenance

- Starting in Year 2, annual maintenance cost is ~\$35,000

CDD New Equipment Requests

1. Public Kiosk Computer Terminals (2)

- Permit Counter renovations will create opportunity to establish two public kiosks for access to information/records and electronic submittals and payments (One time cost ~\$12,000)

2. Field Inspection Vehicles (2)

- Two new work trucks are necessary for building inspections and arborist field work to replace two vehicles that are ~15 years old (one time cost ~\$90,000)

Economic Development Research, Planning, and Implementation

Economic Development Market Analysis

\$40,000 to \$60,000

Economic Development Strategic Plan and Professional Services

Up to \$200,000

Examples of duties:

- Oversee the development of an economic development strategic plan and vision for economic vitality for the City of Folsom.
- Provide recommendation for how the City of Folsom should fund and provide economic development in the future.
- Provide economic impact analysis on private projects.
- Facilitate real estate negotiations on City facilities.
- Facilitate pre-application meetings.
- Serve as liaison between private developers and the City.
- Provide economic impact analysis on private projects.

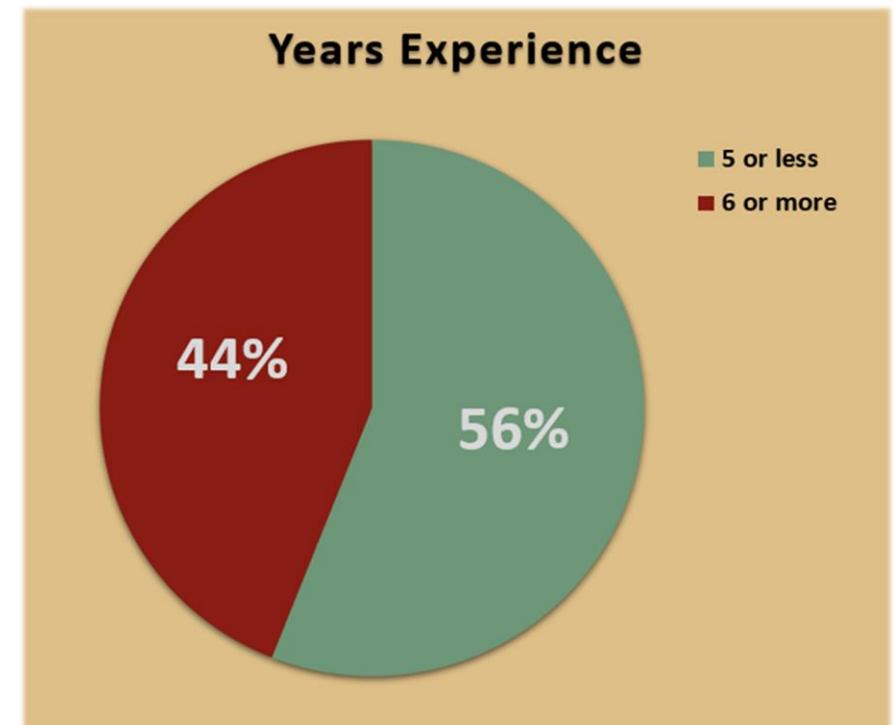
Proposed Level of Service Priority List

- | | |
|-----------------------------------|---------------------------------|
| 1. Division Chief – Training | \$345,259 (salary & benefits) |
| 2. Administrative Battalion Chief | \$269,716 (salary & benefits) |
| 3. Fire Prevention Officer | \$149,766 (salary & benefits) |
| 4. One Type 1 Engine | \$1,058,608 |
| 5. One Ambulance | \$370,000 |
| 6. Administrative Assistant | \$109,901 (salary & benefits) |
| 7. Nine Firefighters | \$1,397,202 (salary & benefits) |
| 8. Two Staff Vehicles | \$254,050 |

Division Chief – Training

The Training Division Chief involves administrative and supervisory work that includes researching, planning, developing, coordinating and/or delivering the training to all Folsom Fire Department personnel and ensuring compliance with state and federal guidelines and rules.

\$345,259 (salary & benefits)



Admin. Battalion Chief

\$269,716 (salary & benefits)

The Administrative Battalion Chief position is for succession planning in the administrative roles of the Division Chief to supplement oversight of Training, EMS, and Operations.

Four of the six current Chief Officers may be gone within two years.

Fire Prevention Officer

\$149,766 (salary & benefits)

The Fire Prevention Officer position provides assistance within the Prevention Division to complete state mandated inspections, annual life-safety inspections, and risk reduction for the community.

Administrative Assistant

\$109,901 (salary & benefits)

The Administrative Assistant position will provide clerical assistance to support Operations, Training, and EMS Divisions.

Nine Firefighters

\$1,397,202 (salary & benefits)

To staff Engine 35 at Station 35.
There are currently no suppression capabilities within the first response area for Station 35 in the event of a fire incident.



Fire Department

One Type 1 Engine
One Ambulance
Two Staff Vehicles

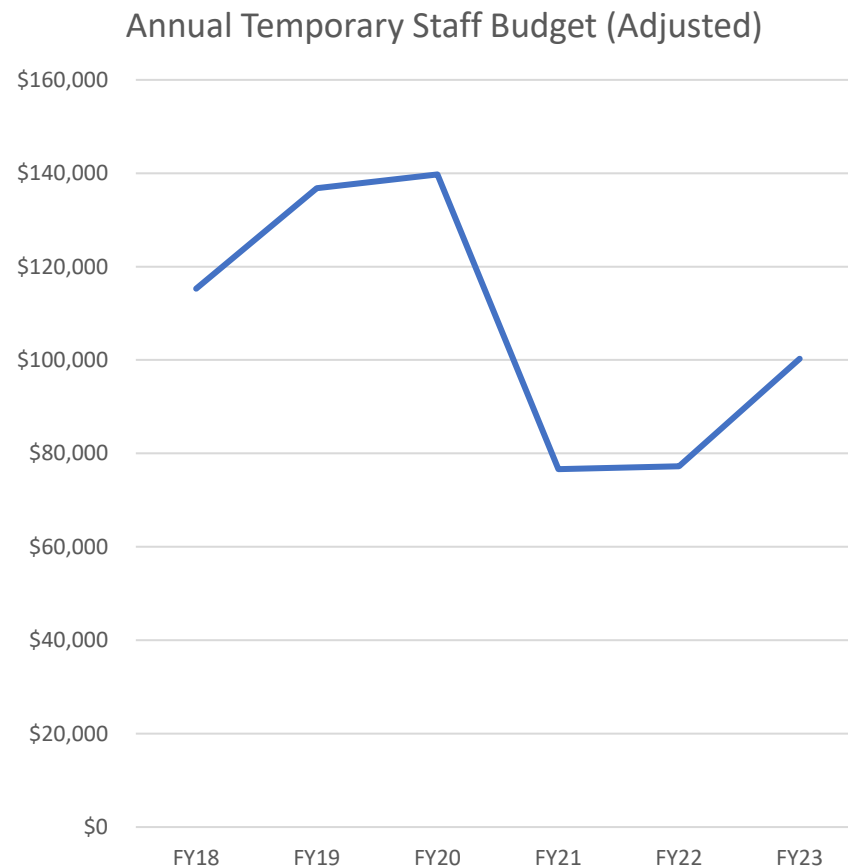
Prices have increased 20% over the last five years and delivery dates have exceeded two years.

\$1,058,608

\$370,000

\$254,050





Restore On-Call Staffing to Reopen 6 Days a Week

- Staff is seeking the restoration of the library's on-call funding to pre-pandemic levels, enabling it to reopen at 6 days per week.
- Estimated Additional Annual Cost: \$40,000/year.



Install security cameras

- The library currently has extremely limited security footage around its interior and exterior, presenting a safety concern to the public and staff.
- Estimated cost: \$16,250



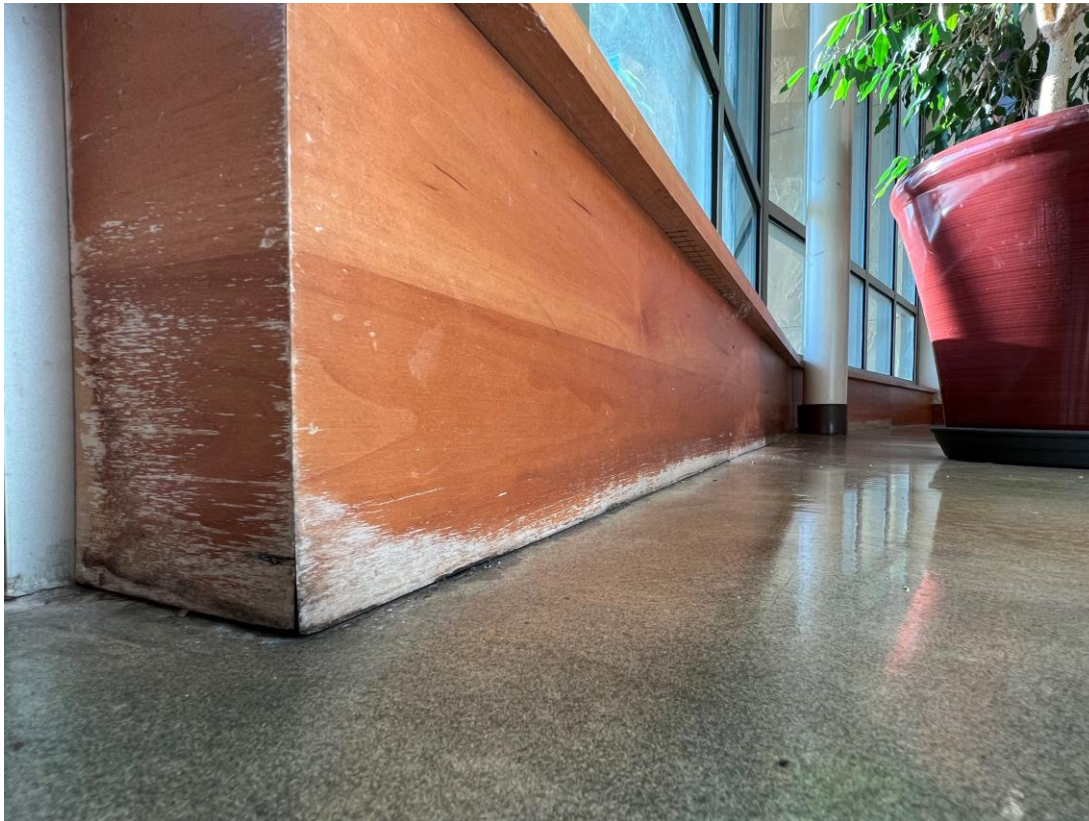
Targeted Collection Infusion – Community Languages

- Staff is requesting a one-time catch-up allocation of \$20,000 to increase community language holdings.
- The current adult community languages collection is only 4 bays of shelving, and includes materials in Bengali, Chinese, Hindi, Japanese, Panjabi, Russian, Spanish, Tamil, and Urdu.



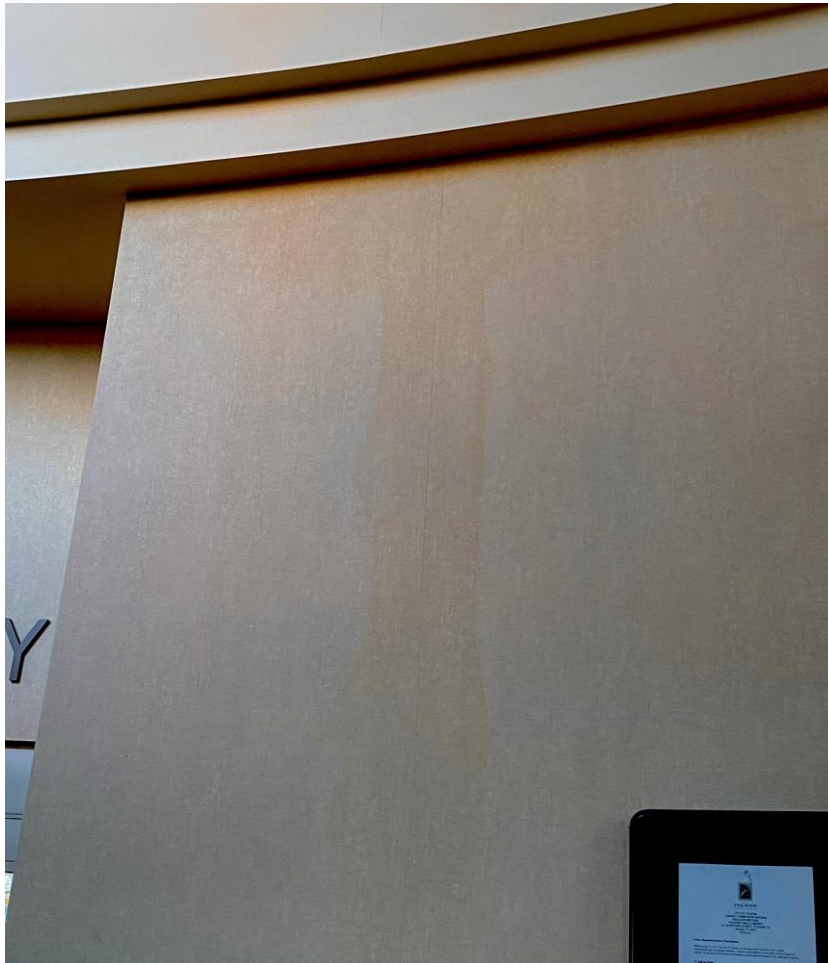
Upgrade exterior lighting

- Staff receive numerous resident complaints regarding the low level of lighting in the library's parking lot.
- Estimated Cost: \$11,000



Refinish base boards

- 15 years of cleaning have stripped baseboards throughout the library of their finish, causing visible damage.
- Estimated cost to refinish baseboards: \$9,750



Replace foyer wallpaper

- After 15 years, the wallpaper in the library's main foyer has become stained, scuffed, and is peeling.
- Estimate replacement cost: \$10,900



Replacing Aging AWE PCs

- The AWE All-In-One Learning Platforms are the most well-used PCs in the library.
- After years of faithful use, they have begun to fail.
- Estimated cost to replace three machines: \$10,500



Restore Teen PC Area

- The Teen PC area currently has been reduced to a single machine.
- The entire library benefits from the teens having their own PC area.
- Estimated cost to purchase three teen PCs: \$2,718



Replace Aging Public Printer Equipment

- In-use since before the construction of the current Georgia Murray Library Building, the library coin tower has begun to fail, requiring the purchase of replacement parts.
- Estimated cost to replace coin tower and public monochrome printer: \$3,575



Restroom fixtures

- Current public restroom fixtures are beginning to fail, requiring regular upkeep and maintenance while creating a less sanitary environment.
- Replacement cost: \$16,000

Information Systems:

Wireless Network Replacement - \$130,000

Network Storage Refresh - \$120,000

Network Immutable Storage - \$80,000

Network Switches Replacement - \$40,000

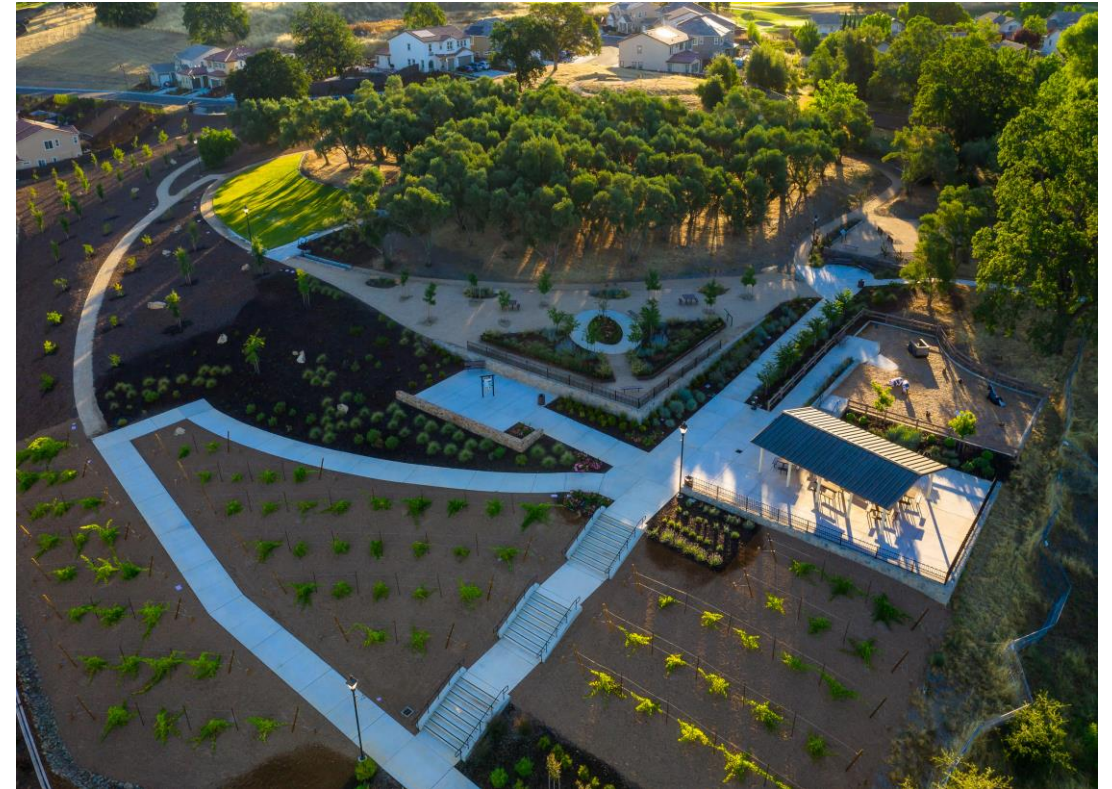
Network Equipment Rack - \$6,000

Finance:

ClearGov Budget Software - \$30,000

Overview of Needs:

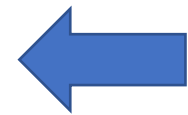
- Staffing
- Parks and Trails Maintenance
- Facilities and Buildings
- Compliance and Security
- Contract Funding
- Park and Trail Development
- Investments to Create Revenue



P&R Department Budget

Department Budget: Approximately \$15 million

- 33% = City-Offered Amenities (about \$5 million)
 - Parks, Trails, Open Space
 - Zoo Sanctuary Operations
 - Planning and CIP Projects
- 40% = Programs, Services, Rentals (about \$6 million)
 - Classes, Lessons, Enrichment
 - Facility Rentals
 - Events/Sponsorships
- 27% = Building/Facility Maintenance/Administration (about \$4 million)
 - City Hall, Community Center, Police/Fire stations, Corp Yard, etc.
 - Security/Access, HVAC, Roofs, Doors, Painting, Cleaning



Annual revenue is about \$5 million

Parks and Recreation Staffing Needs

New Staff (9)–In General Priority Order:

- Volunteer Coordinator/Lead (CCS)~\$85k
- Irrigation System Coordinator (Parks)~\$90k
- Maintenance Worker: 2 needed (Parks)~\$72k each
- Recreation Coordinator II (FPA)~\$84k
- Building Trades Worker (Facilities/Zoo)~\$80k
- Park Planner II (Park Planning)~\$98k
- Recreation Coordinator I (Rentals)~\$68k
- Zookeeper I (Zoo)~\$60k

New Salaries: \$650,000

Top Three: \$247,000



Parks and Trails Upkeep and Scheduled Maintenance

Parks Renovation Projects (per Renovation Plan): **\$400k/year**

- Goal is to address asset repairs and replacements systematically (benches, tables, lighting, bollards, trash cans, restroom updates, etc.)
- Work with volunteers to assist where appropriate



Parks and Trails Upkeep and Scheduled Maintenance

Trail Repairs/Maintenance: \$250k/year

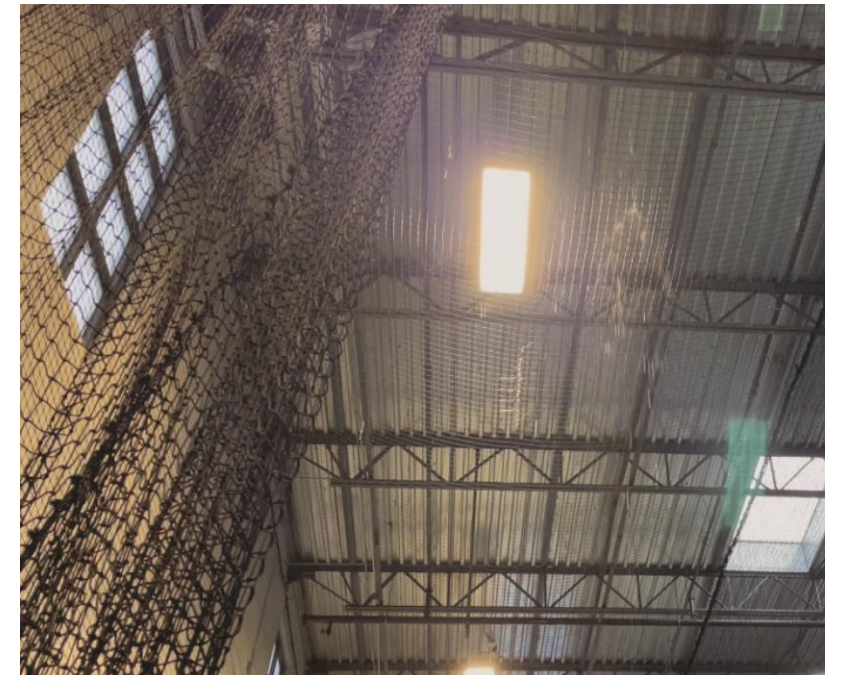
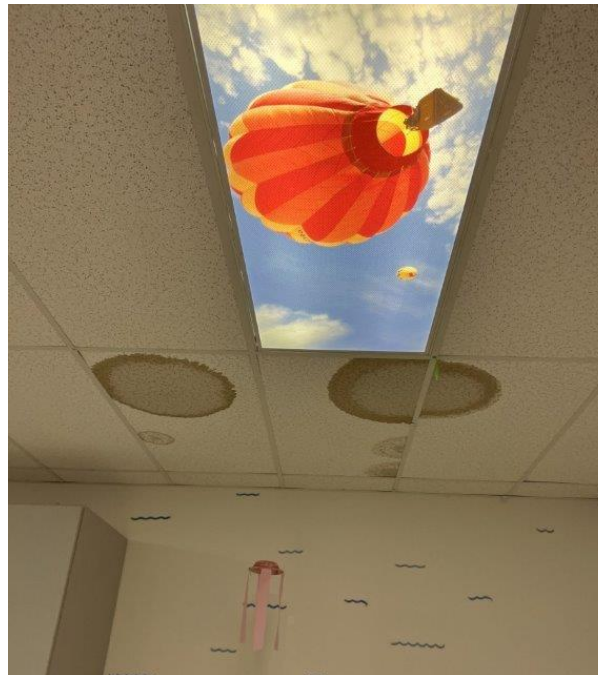
- Goal is to resurface 4 miles/year
- Work with volunteers to assist where appropriate



Parks and Trails Upkeep and Scheduled Maintenance

Facility Repairs/Maintenance: **\$100k/year**

- Goal is to maintain city buildings for longevity, appearance
- Proactive vs. Reactive Total for Parks, Trails, Facilities: \$750k/year-ongoing



Current Facility Repair Needs



Roofs

- Sports Complex: \$725,000* (Also on ARPA list)
- 405 Natoma Station: \$60,000
- VFW: \$75,000
- Community Center (low slope area): \$250,000

HVAC/Boilers

- Community Center: \$650,000
- 405 Natoma Station: \$250,000
- 48 Natoma: \$200,000
- Library: \$10,000

Other Facility Repairs

- Entry door repair/replacements (CH, CC, PD): \$225,000 (FY 24-25)
- Parking garage concrete work: \$45,000
- City Hall clock tower mechanisms: \$45,000
- 48 Natoma floor repairs: \$34,000
- Restroom at MLS shop: \$250,000

Roofs: \$1,110,000

HVAC/Boilers: \$1,110,000

Other Repairs: \$599,000

Total: \$2,819,000

Future New Facility Needs

Depot Building

- Yearly maintenance/repairs: \$50,000 to \$100,000

Superintendent's House/Property

- Year 1 renovation: \$200,000 to \$500,000
- Year 2 renovations: \$200,000 to \$500,000
- Year 3 renovations: \$200,000 to \$500,000



Compliance and Security Related

- Facility: Building access controls for all city buildings: \$350,000
- Zoo: perimeter fencing: USDA mandate with fines for non-compliance: \$1,200,000 (completed by March/April 2024)
- Zoo: Mountain Lion Exhibit–CDFW mandate (non-compliance = exhibit would be shuttered): \$750,000 FY 23-24; \$750,000 FY 24-25



One-time for FY 23-24: \$2,300,000

One-time for FY 24-25: \$750,000

Contract Funding Replenishment and Support



Landscape Maintenance

- Parks and Trails: **\$1,500,000**/year (cost could go up in a year)

Consultant Assistance

- Park Planning support: **\$100,000**
 - Grant review and preparation: \$40,000
 - Bike Park Renovation Plan/Project: \$500,000
- Total: \$1,720,000-essential
\$780,000-other**

Update of Plans

- Parks and Recreation Master Plan (2015): **\$120,000**
- Zoo Sanctuary Master Plan (2007): \$120,000
- Arts and Culture Master Plan (2006): \$120,000

Park and Trail Development and CIPs

New Park and Trail CIPs

- JCT Pick No. 2:
\$536,000 (GF)
- Trail Connections:
\$950,000 (impact/GF)
- Folsom/Placerville Rail Trail:
\$2.4m (also in for SACOG)
- Neighborhood Park #2 Design
(FPA impact fees): \$650,000
- Trail Development Design
(FPA impact fees): \$500,000



Investments to Create Revenue

- Community Center tables/chairs: \$60,000
- Rodeo Arena enhancements (lighting/bleachers): \$500,000
- Zittel Amphitheater fencing: \$50,000
- New light displays for Holiday Lights: \$40,000
- Zoo van for school/community outreach programs: \$60,000

Total: \$710,000



Summary

Ongoing/Yearly

- Staffing (new): \$650,000 + \$400,000 (benefits): \$1,150,000
 - Parks/Trails/Facilities Repairs: \$750,000
 - Landscape Maintenance Contracts: \$1,500,000*
 - Planning Support: \$100,000
- Total: \$3,500,000

One-Time for FY 23-24

- Facility Needs: \$2,819,000
 - Compliance/Safety: \$2,300,000
 - Investments: \$710,000
 - JCT Pick No. 2: \$540,000
- Total: \$6,369,000

Other Items

- Invest in Bike Park: \$500,000
- Depot Building Maintenance: \$50,000 to \$100,000
- Begin work on Superintendent's House: \$200,000 to \$500,000
- Update Master Plans (Zoo and Arts/Culture): \$240,000

Total: \$1,340,000

Total of all: \$11,209,00

Prioritized

Ranking		Cost	
1	Sports Complex Roof	\$750,000	Also on new ARPA list
2	Zoo Perimeter Fencing	\$1,200,000	Mandate. Complete by March 2024
3	405 Natoma Roof	\$60,000	
4	VFW Roof	\$75,000	
5	Contracts	\$1,720,000	Landscape Maintenance & Consultants
6	Volunteer Coordinator	\$150,000	Rec II or Supervisor
7	Irrigation System Coordinator	\$150,000	Parks
8	Maintenance Worker	\$130,000	Parks
9	Parks Reno Plan	\$400,000	On-going/yearly
10	Trail Renovations	\$250,000	On-going/yearly
11	Facilities Upkeep	\$100,000	On-going/yearly
12	Park and Trail Development	\$536,000	JCT Pick No. 2
13	Investments for Revenue	\$710,000	CC chairs/tables, lighting, etc.
		\$6,231,000	
14	All other	\$4,978,000	
		\$11,209,000	

Police 23/24 Budget Requests



Priority 1

Additional 8 Sworn Police Officers

Police Officers – Patrol (100% related to Folsom Plan Area)

4 Police Officers	Salary: \$82,380	Benefit: \$65,904	\$593,136
1 Police Corporal	Salary: \$88,802	Benefit: \$70,465	\$158,547
2 Vehicles & Other Equipment			\$224,000
		Total:	\$975,683

Police Officers – Community Crime Suppression Unit Addition

2 Police Officers	Salary: \$82,380	Benefit: \$65,904	\$296,568
1 Police Corporal	Salary: \$88,802	Benefit: \$70,465	\$158,547
Other Equipment			\$14,400
		Total:	\$469,515

Complete Total: \$1,445,198

Police 23/24 Budget Requests



Priority 2

Additional 2 Community Service Officers (CSO)

Community Service Officers (50% related to Folsom Plan Area)

2 CSO's	Salary: \$57,790	Benefit: \$46,232	\$208,044
1 Vehicle & Other Equipment			\$93,000
		Total:	\$301,044

Priority 3

Workspace

Workspace for Neighborhood Services Division

Facility rental on Natoma Street to house NSD (14 staff)	Total:	\$207,987
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Police 23/24 Budget Requests



1 Mechanic / Fleet Upfitter

1 Mechanic II
Other Equipment

Salary: \$65,592	Benefit: \$51,473	\$115,815
		\$50,000
	Total:	\$165,815

Priority 4 1 Mechanic

Priority 5 Replacement Vehicles

Fleet

Replace police vehicles exceeding 75,000 miles	Total:	\$1,200,000
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Police 23/24 Budget Requests



Priority 6 Records Technician

Records Technician (25% related to Folsom Plan Area)

1 Records Technician
Other Equipment

Salary: \$48,086

Benefit: \$38,469

\$86,555

\$2,500

Total: \$89,055

Priority 7 Computers

In-Car Computers for Patrol fleet

17 Dell rugged in-car computers
17 Vehicle mounts

\$59,500

\$34,000

Total: \$93,500

Police 23/24 Budget Requests



Dispatch

1 Police Dispatcher I
Other Equipment

Salary: \$71,782 Benefit: \$54,787

\$126,569
\$2,900

Total: \$129,469

Priority 8

Communications

Priority 9

Information Technology

Information Systems Technician

1 Information Systems Tech
Other Equipment

Salary: \$66,048 Benefit: \$52,838

\$118,886
\$5,000

Total: \$123,886

Public Works (Engineering/Streets/Fleet)



No.	Section	Category	Item	Amount
1	Streets	Personnel	PW Section Manager - Operations	\$202,000.00
2	Streets	Personnel	Traffic Operations Supervisor	\$162,000.00
3	Streets	Personnel	Maintenace Specialist (Street Sweeper Operator)	\$136,000.00
4	Streets	Equipment	Street Sweeper	\$400,000.00
5	Admin/Eng	Personnel	GIS Technician	\$138,000.00
6	Streets	Personnel	Maintenance Worker I/II (Storm Drain) x2	\$242,000.00
7	Streets	Personnel	Maintenance Worker I/II (Signs)	\$120,000.00
8	Streets	Equipment	F-250 Service Trucks	\$225,000.00
9	Admin/Eng	Personnel	Construction Inspector II	\$138,000.00
10	Fleet	Equipment	Heavy Vehicle Mobile Lifts, Brake Lathe	\$82,500.00

Public Works (Solid Waste/Recycling)



No.	Fund\Division	Description	Amount
1	General Fund	Edible Food Recovery Regional Program	\$94,094
2	Collections (540.3501)	Residential Collection Vehicles	\$1,933,619
3	Collections (540.3501)	Commercial Collection Vehicles	\$815,232
4	Collections (540.3501)	Light & Medium Duty Vehicles	\$140,791
5	Collections (540.3501)	Electric Vehicle Infrastructure	\$200,000
6	Collections (540.3501)	Electric Refuse Truck Charger	\$145,000
7	Collections (540.3501)	Refuse Driver	\$113,000
8	Collections (540.3501)	Senior Refuse Drivers - reclass x3	\$3,400
9	Collections (540.3501)	Solid Waste Operations Manager	\$207,000
10	Recycling/HHW (540.3502 & 540.3503)	Recycling Specialist	\$124,938

Environmental and Water Resources



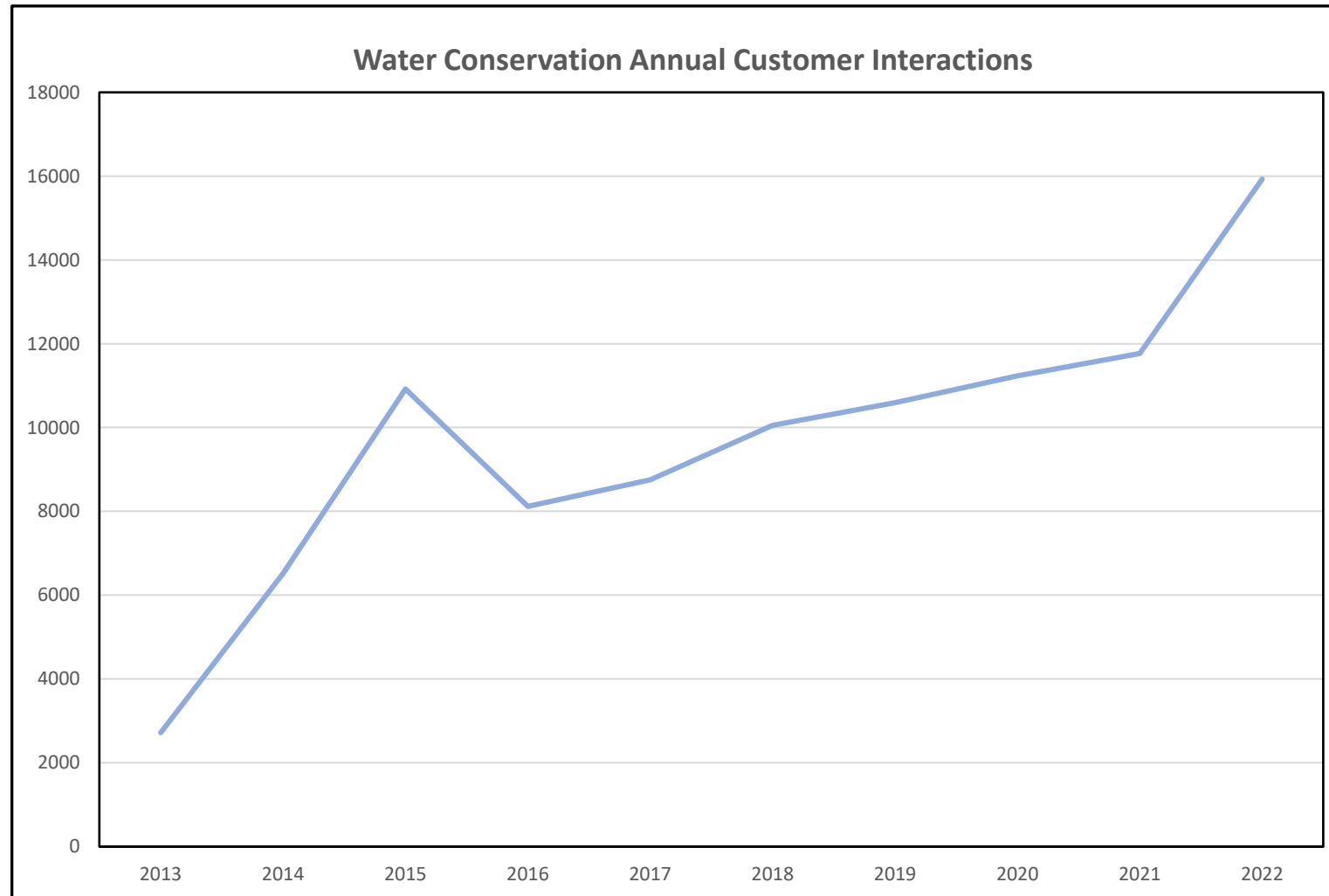
Description	Division	Fund	Salary	Benefits	Uniform	Vehicle	Computer	Total
Water Distribution Operator III	Water Quality	520	\$77,907	\$61,391	\$600	\$70,000	\$0	\$209,898
Water Utility Worker III	Utility Maintenance	520	\$77,907	\$61,391	\$600	\$80,000	\$0	\$219,898
Increase Rebate Funding	Water Conservation	520						\$110,000
WTP Chemicals	Water Treatment	520						\$50,000
WTP Utilities	Water Treatment	520						\$35,000
Water Meter Replacement	Water Meters	520						\$150,000
WTP Superintendent Classification	Water Treatment	520	\$21,519	\$17,293	\$0	\$0	\$0	\$38,812
WQ Superintendent Classification	Water Quality	520	\$18,212	\$14,635	\$0	\$0	\$0	\$32,847
WWC Superintendent Classification	Wastewater Collections	530	\$18,212	\$14,635	\$0	\$0	\$0	\$32,847
Principal Engineer Classification	Eng. & Admin	520/530	\$10,423	\$8,376	\$0	\$0	\$0	\$18,799
Water Management Specialist II	Water Conservation	520	\$69,769	\$54,766	\$0	\$35,000	\$2,500	\$162,035
Office Assistant	Water Conservation	520	\$41,453	\$29,644	\$0	\$0	\$2,500	\$73,597
							Fund 520 total	\$1,091,487
							Fund 530 total	\$42,247

The highlighted rows were included in the most recent rate study

- **Service area expansion**
 - Pipes and appurtenances
 - Pumps
 - Tanks
- **Lead and Copper Rule revisions**
 - Increased sampling
 - School and childcare locations now included
- **Leak and loss detection - water loss standards**
 - SB 555, SB 606 and AB 1668

- Service area expansion
- Rebate program expansion
- Customer programs
- Water Use Efficiency Standards
 - SB 606 and AB 1668
 - Water use targets
 - Indoor and outdoor components

Water Conservation



Economic Outlook and Budgetary Concerns

Economic Outlook

“Early in the second half of last year, consumers proved surprisingly resilient, maintaining and even increasing spending activity in some cases as households found themselves (still) awash in pandemic savings and fiscal support. **Now, however, as savings dwindle, fiscal support fades and the weight of rising prices continues to undermine nominal wage growth, consumer activity is beginning to slow.**”

The bigger concern, however, is the sustainability of positive momentum into 2023. Without consumers happy and healthy out spending in the marketplace, against the backdrop of a presumably continued upward trajectory for rates, **negative growth will likely return sooner than later, increasing the possibility of recession.**”

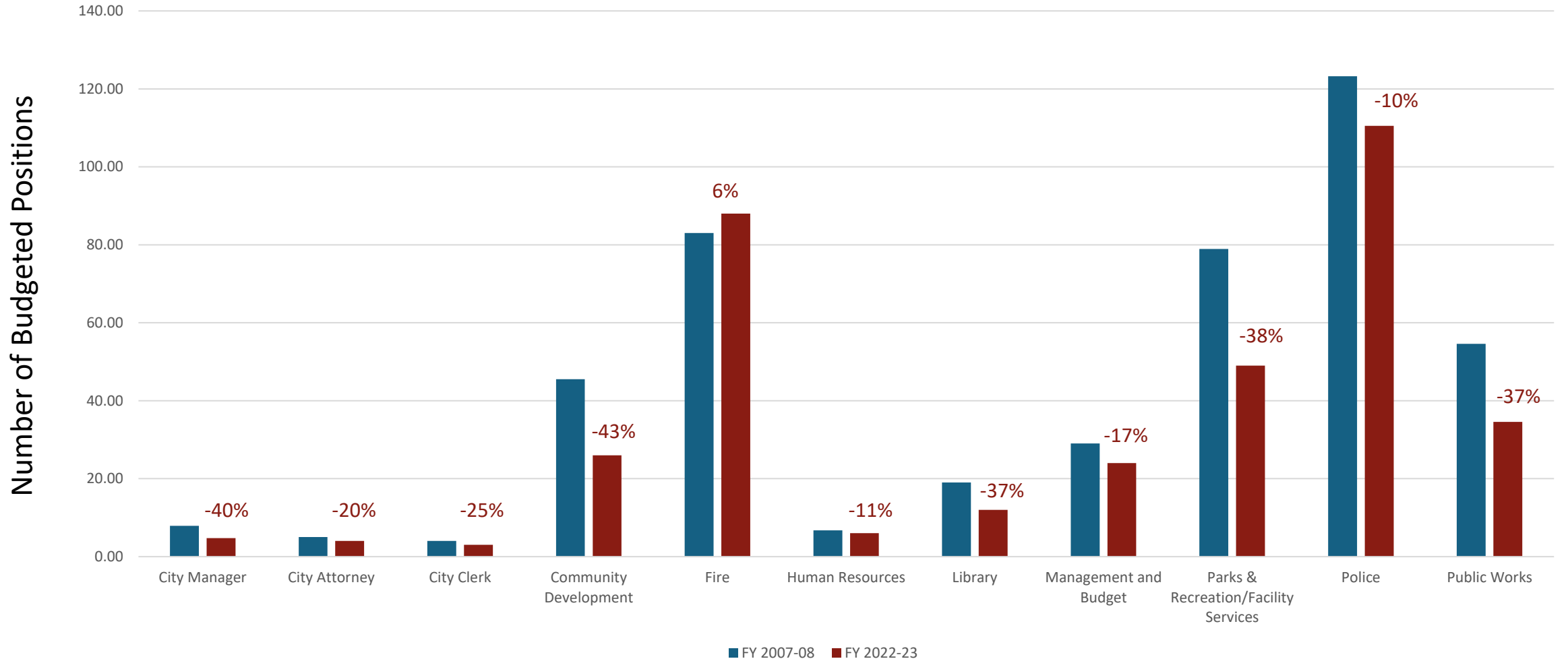
Major Budgetary Concerns

1. The five-year forecast predicts an upcoming **structural deficit** as the cost to provide our current level of service grows at a faster pace than revenues. This will potentially require cuts to City services.
2. **Sales tax** growth is declining. The recent projection from the sales tax consultant is for sales tax to grow by only 0.4% in FY 2023/24.
3. Although we are meeting all our current obligations, there are millions of dollars (estimated at \$20 million annually) of **unfunded or underfunded infrastructure and facility maintenance** that the city has deferred, year after year. This includes storm drainage, roads, parks, trails and City facilities.

Major Budgetary Concerns

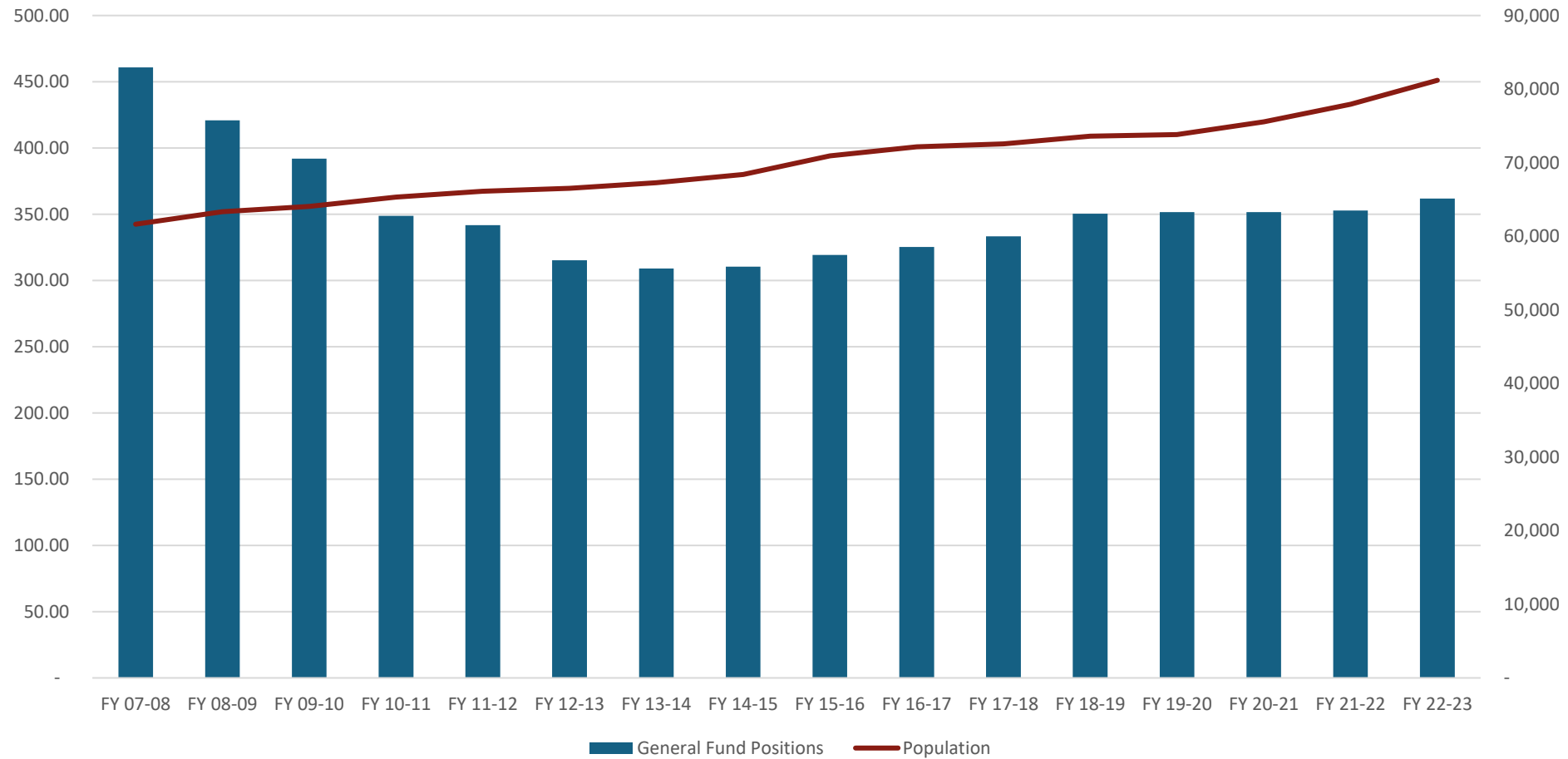
4. With current resources, there is little ability to sustain **competitive employee compensation** when compared to others in the region
5. The City currently does not have a policy or the resources to provide consistent funding of a **Capital Renovation fund** and the establishment and funding of an **IT Infrastructure fund**
6. Growing **service level needs** in the Folsom Plan Area will require additions to future budgets
7. Uncertainty of future **CalPERS contribution** requirements

Staffing Levels – FY 08 to FY 23

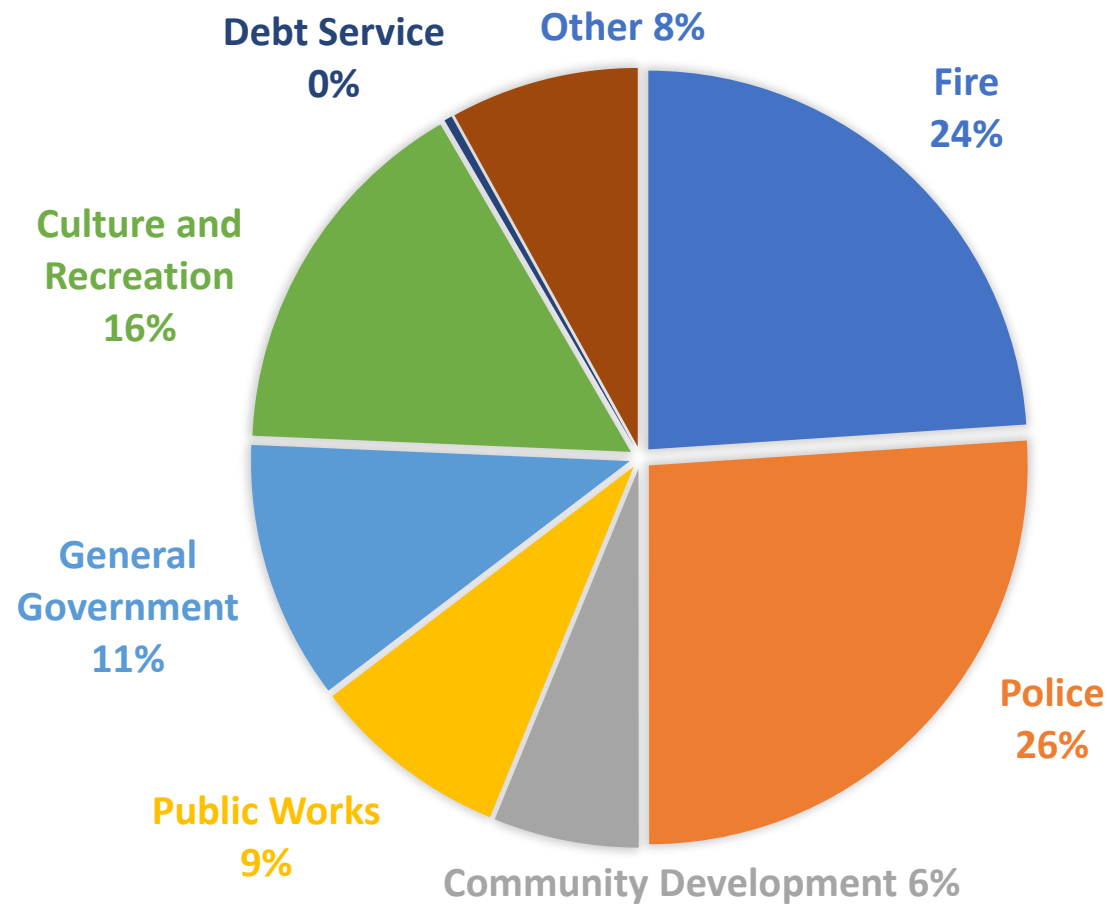


Staffing Levels – FY 08 to FY 23

Population Growth vs. GF Positions



Allocation of General Fund Budget



Does the City Council want the FY 2023-24 budget to reflect a similar allocation of funds?