



City of San Ramon

**Fiscal Year 2025/26**  
**Budget Workshop #1**

April 15, 2025

# Fiscal Year 2025/26 Budget Workshop Presentation Outline

Historical Budget Context

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graph TD; A[Historical Budget Context] --> B[Then vs. Now]; B --> C[FY26 Projected Revenues]; C --> D[FY26 Projected Transfers In]; D --> E[Preview Budget Workshop #2];
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Then vs. Now

FY26 Projected Revenues

FY26 Projected Transfers In

Preview Budget Workshop #2

# Historical Budget Context

Fiscal Year	Amount of Deficit
FY21	\$7.8m
FY22	\$5.9m
FY23	\$7.5m
FY24	\$7.9m
FY25	\$17.6m
TOTAL	\$46.7m

# Historical Budget Context

(continued)

## How were the \$46.7m of deficits addressed?

Source	Amount
Deferred maintenance	\$2.7m
PARS Trust	\$4.8m
CERBT Trust	\$7.7m
Reduce department budgets	\$11m
Debt Service Reserves	\$1.6m
General Fund Reserves	\$5.2m
Unfunding vacant positions	\$3.1m
General Plan Fund	\$0.3m
ARPA Funds	\$8.2m
Master Fee Schedule Updates	\$2.1m

# Then vs. Now

- ▶ Ownership
- ▶ Communication
- ▶ Timing of Process Completion
- ▶ Definitions and Terminology

# Then vs. Now: Ownership

- ▶ Council Goal #2: Maintain a Secure Financial Base
- ▶ Finance Department and Director
- ▶ Responsibility to serve as financial hub for the organization and the community
- ▶ We will establish trust and respect through accuracy and transparency
- ▶ Process recommendations from consultant, MRG

# Then vs. Now: Communication

- ▶ Council Goal #5: Enhance Engagement and Communication with residents and Business Community
- ▶ Intentional engagement
  - ▶ Across organization
  - ▶ With Council and the community
- ▶ Audience-driven presentations
- ▶ Collaboration focus

# Then vs. Now: Timing of Process Completion

Process	Previous	New
<b>FY24 Audit Adoption</b>	April 2025	<b>January 2025</b>
<b>FY25 Mid-Year Budget</b>	March 2025	<b>January 2025</b>
<b>CY25 Council Goal Setting</b>	April 2025	<b>January /February 2025</b>
<b>FY26 Budget Development Kickoff</b>	September 2024	<b>March 2025</b>
<b>FY26 Budget Approval</b>	May 2025	<b>May 2025</b>



# Then vs. Now:

## Definitions and Terminology

- ▶ **Fiscal Year 2025/26 or FY26**
- ▶ **Budget:** a planning document that represents a set of priorities and tradeoffs, never static
- ▶ **General Fund:** tracks the essential services of the City
- ▶ **Balanced Budget**
- ▶ **Reserve Policy**

# Then vs. Now:

## Balanced Budget

Revenues, Expenditures and Other Financing Sources (Uses) net to zero or more, without the use of reserve balances

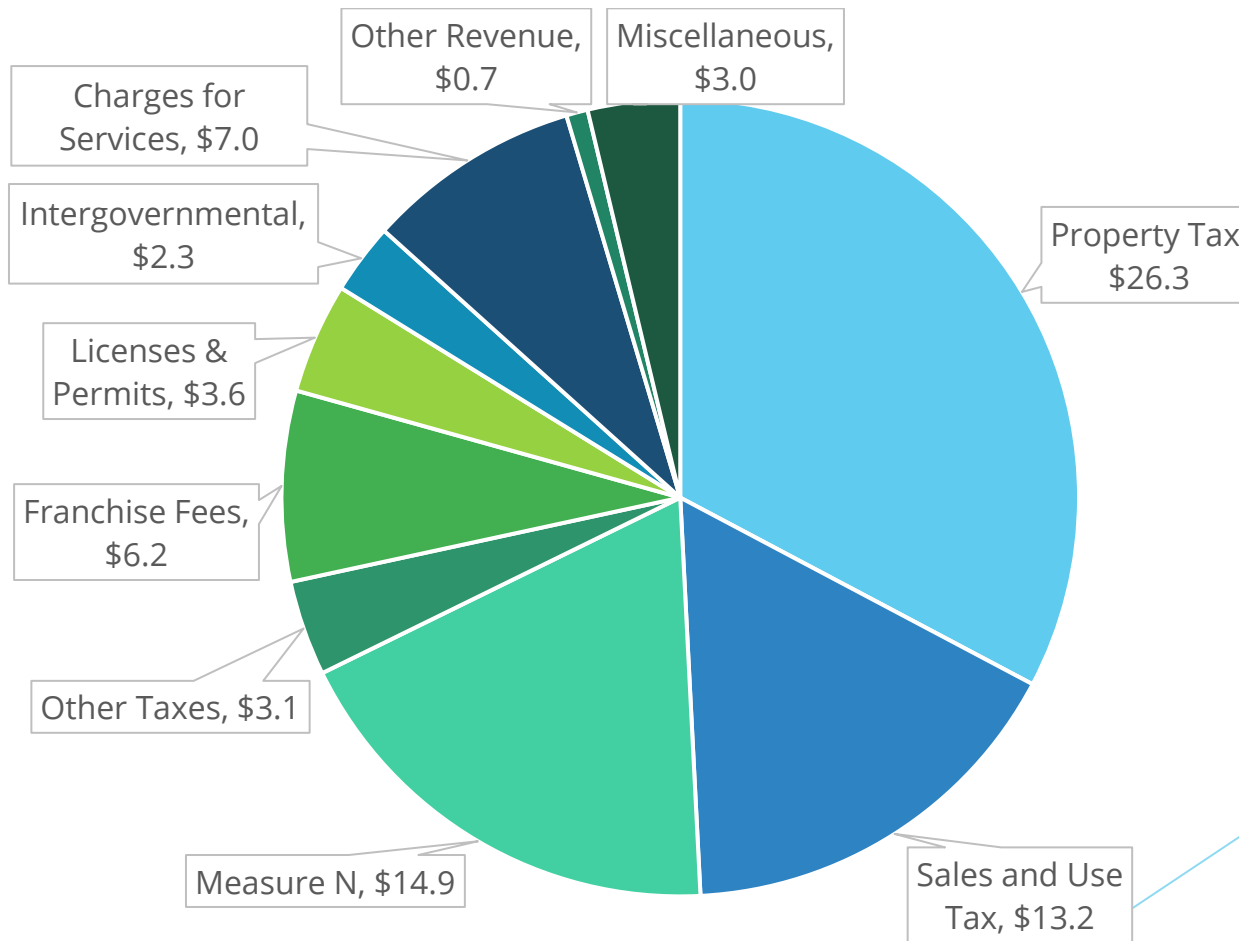
FY25 Mid-Year Operating Budget (\$ in millions)	
Revenues	\$66.2
Expenditures	(65.0)
Subtotal	1.2
Other Financing Sources (Uses)	(2.5)
<b>Net Change in Fund Balance</b>	<b>(\$1.3)</b>
Fund Balance at July 1 (ACFR)	\$27.3
Net Change in Fund Balance	(1.3)
<b>Estimated Fund Balance at June 30</b>	<b>\$26.0</b>

# Then vs. Now: Reserve Policy

Compares expected fund balance with a target reserve calculation

(\$ in millions)	
Estimated Fund Balance at June 30	\$26.0
	38.2%
Reserve Policy	
General Fund Expenditures	\$65.0
General Fund Transfer Out to Dougherty Valley Fund	3.1
Total	\$68.1
Target Reserve of 36%	\$24.5
Excess Fund Balance to Reserve Target	\$1.5
	+2.2%

# FY26 General Fund Projected Revenue: \$80.3 million



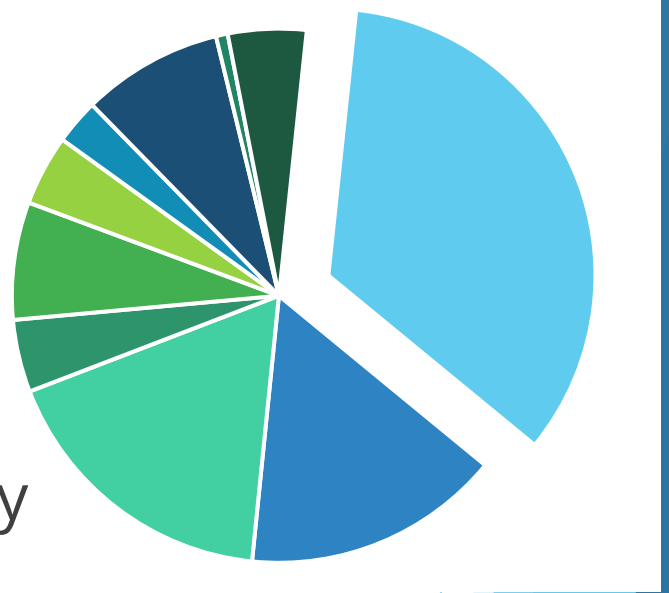
# Top 3 General Fund Revenues- Ongoing

- ▶ **Property Tax (\$26.3m)**
- ▶ **Sales and Use Tax (\$13.2m)**
- ▶ **Charges for Services (\$7.0m)**

# Property Tax

## \$26.3m; 33%

- ▶ Ad valorem tax imposed on real and tangible personal property annually on January 1st by County Assessor
- ▶ Proposition 13 limits the real property tax rate to 1% of the property's value-assessed value increases annually by the change in CPI, not to exceed 2%
- ▶ Additional rates may be imposed if approved by the voters
- ▶ Teeter Plan

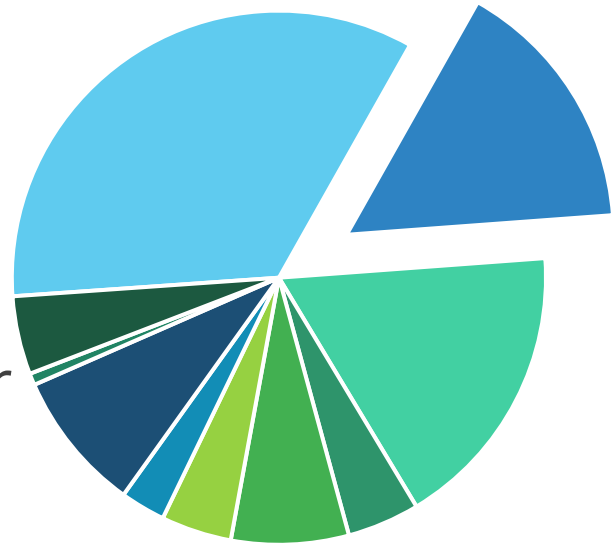


# Sales and Use Tax

## \$13.2m; 16%

(Does not include Measure N)

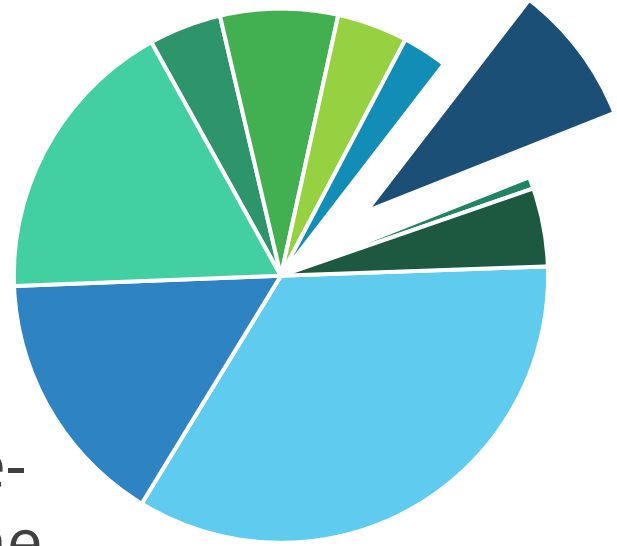
- ▶ Sales tax imposed on retailers for the privilege of selling tangible personal property
- ▶ Use tax imposed on purchaser of tangible property where the retailer has no nexus in California
- ▶ Current rate is 9.75%
  - ▶ State 6%
  - ▶ County 0.75%
  - ▶ City 2%
  - ▶ BART/CCTA 1%



# Charges for Services

## \$7.0m; 9%

- ▶ User fees are paid by a person to receive a particular public service—limited to the cost of providing the service
- ▶ Development impact fees are charged to compensate for new demands on public resources
- ▶ Regulatory fees are imposed on a regulated action to pay for the cost of public programs or facilities





# FY26 General Fund Projected Transfers In

Source	Amount	Purpose
Capital Improvement Fund	\$100,000	Allocation of interest earnings
Assessment Districts and Special Revenue Funds	\$1,661,567	Administrative overhead
Pension Obligation Bonds	\$3,488,750	Funding for debt service
Other	\$3,971	
<b>TOTAL</b>	<b>\$5,254,288</b>	

# **Fiscal Year 2025/26 Budget Workshop #2 Preview – April 23, 2025**

- ▶ **FY26 General Fund Projected Expenditures**
- ▶ **FY26 General Fund Projected Transfers Out**
- ▶ **Capital Improvement Program (CIP)**
- ▶ **Measure N**
  - ▶ Basis for projections
  - ▶ Identification of use
  - ▶ 10-year plan

City of San  
Ramon

**Fiscal Year  
2025/26**

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QUESTIONS