

## Guide to the Document

This Guide to the Document gives a brief description of the document organization and the different sections within the document.

### Introduction

The introduction of the budget document introduces the reader to the **City Council**: Mayor, Vice-Mayor and Councilmembers that represent the citizens of the City of Santa Cruz. The Finance Department received the **GFOA Distinguished Budget Award** for the FY2024 budget document and our achievement is represented. The **City Organizational Chart** and a list of **Administrative Staff and Board, Commissions and Committee Chairpersons** is also provided.

### City Overview

The City Overview section of the budget document includes a timeline and a brief history of the City, climate, geography, and demographics. There is a description of the City's government structure and services, the budget process, the basis of accounting, and the City's fund structure.

### Budget Discussion

This section of the Annual Budget contains important information with regards to the City of Santa Cruz and the budget. The **City Manager's Message** gives an overview of the state of the City and the **General Fund Financial Outlook** is written by the Finance Director and focuses on the operating General Fund and projections for its revenues and expenditures in the upcoming years. The **Citywide Strategic Plan** outlines the City's priorities for the next five years. The **Budget in Brief** is a quick look at the General Fund budget by revenue and expenditures, property and sales tax allocation, City-wide expenditures, staffing levels, Capital Investment Program, and City "At a Glance" numbers. Next is the **Primary General Fund Budget and General Revenues**. This section of the budget document provides information about total expenditures, how much of those total expenditures are financed with program revenues and other allocated sources, and the resulting net expenditures which need to be supported by taxes and other general revenues. **Primary General Fund Budget and General Revenues Tax Trends and Charts** provide historical and comparative information about the City's Tax Revenues. Lastly, an overview of our **Climate Action Plan, Local Hazard Mitigation Plan-Climate Adaptation Plan, and Health in All Policies** programs are provided to share how the City of Santa Cruz continually plans to remain a leader in equity, sustainability, and public health, and how those important plans and policies are woven into the annual budget.

## Financial Summaries

This section of the budget document gives the reader an overall representation of the City and the budget. The **Consolidated Financial Schedule** summarizes major revenues and expenditures across fund types. The **Recap of Funds-Fund Balance** schedule highlights the beginning fund balance, adopted revenues and expenditures, and projected ending fund balance for funds by type. The **Summary of Projected Revenues and Other Financing Sources by Fund Type** provides information about each revenue source, both from a historical perspective and the next year adopted amounts. The **Summary of Projected Expenditures and Other Financing Uses by Fund Type** provides information about the operating budget for each fund including total Operating Budget, Debt Service, and Capital Outlay. The **Summary of Transfers** summarizes transfers between funds. The **Revenues and Other Financing Sources-Primary General Fund** provides information about each General Fund revenue source, both from a historical perspective and the next year adopted amounts. The **Operating Expenditures by Department-Primary General Fund** provides information about each General Fund account both from a historical perspective and the next year's adopted amounts.

## Personnel

This section provides an overview of personnel changes from year to year. The **Overview of Changes** is the narrative of personnel additions and deletions for FY 2027. The **Position Authorization** table lists the total City staff by department and job title as well as the changes over the past 4 years.

## Department Summaries

This section provides a cover page with a description of each department and the **Core Services** they provide. A chart of **Accomplishments and Goals** details the success of the department as well as indicating which Citywide Strategic Plan focus area it relates to. Icons for our Health in All Policies program is also added to highlight the areas that promote equity, sustainability, and public health. **Workload Indicators** and **Performance Measures** are provided to demonstrate the effectiveness of the functions of the department. The **Budget Summary** gives a financial breakdown of the department. The *Expenditures by Character* section gives an overview for the FY 2025 actual expenditures, the FY 2026 adopted budget, the FY 2026 amended budget, the FY 2026 estimated actuals, and the budget for FY 2027. The *Expenditures by Activity* section displays the same information by activity and fund, and *Resources by Fund* displays the total funding sources by fund followed by the *Net General Fund* cost. The *Total Authorized Personnel by Department* line shows the total number of positions authorized by the department. Next, a **Staffing history** list is provided for each department. This list shows the amended budget staffing number for the past 3 years and the FY 2027 staffing. Lastly, a departmental **Organization Chart** is provided.

## Capital Outlay

The capital outlay section lists the capital equipment items that are funded in the capital outlay accounts in the expenditure detail section of each activity and department. Capital Assets are defined by the City as assets having an estimated useful life of more than one year, and an initial, individual cost more than the capitalization thresholds of the City, as described in that section.

## Overview of Financial and Budgetary Policies

The Overview of Financial and Budgetary Policies Section provides a summary of the policies in the City of Santa Cruz that affect the budget: **Budgetary Policy, Debt Management Policy, General Fund Reserve Policy, Budget Appropriation and Control Policy, budget sections of the City Charter, Council Policy-Finance & Accounting, Grants Policy,** and the **Donations & Contributions Policy**. In addition to the summaries provided, links accompany each policy to allow our readers to access the policies in their full text.

## Capital Investment Program

The Capital Investment Program identifies major capital projects and funding sources. A project is considered a Capital Investment project if it is undertaken to acquire a capital asset (construction of public building, street improvements, fire trucks), will have a long service life and is nonrecurring or is an expensive project or considered major. A more detailed guide is included in the introductory section of the Capital Investment Program Budget document.

## Appendices

The Appendix Section provides additional, supporting information and documents to assist in understanding our budget document. First, readers will find an explanation of the **Differences Between the Comprehensive Annual Report and the Annual Budget** to assist in understanding the ways in which the City of Santa Cruz's Annual Comprehensive Financial Report differs from the annual budget. Included in this explanation is an example of a reconciliation between the Annual Report and the Annual Budget for fiscal year 2025 for the City's enterprise funds. Also included is the **resolution from the City Council** of the City of Santa Cruz to set the California Proposition 4 Appropriations Limit calculation factors for FY 2027. The City's **Debt Service and Pension Obligations** document shows current debt, future planned obligations, and unfunded liabilities (Pensions and Other Post Employment Benefit Obligations). A **Legal Debt Limit** schedule is presented with the most current assessed City of Santa Cruz real and personal property value. The **Acronyms and Glossary** sections provide definitions for many of the words and acronyms used throughout the document.