



CITY OF BRENTWOOD

FISCAL YEAR 2024/25 BUDGET-IN-BRIEF



The Budget-in-Brief provides an overview of the City's Operating Budget and Capital Improvement Program. To view all of the City's financial documents visit the following web site: www.brentwoodca.gov/financialdocuments

Mission Statement
BRINGING BRENTWOOD'S VISION TO REALITY

City Council

JOEL BRYANT.....MAYOR
SUSANNAH MEYER.....VICE MAYOR
JOVITA MENDOZA.....COUNCIL MEMBER
TONY OERLEMANS.....COUNCIL MEMBER
PA'TANISHA PIERSON.....COUNCIL MEMBER

Executive Team

TIM OGDEN.....CITY MANAGER
KATHERINE WISINKSI.....CITY ATTORNEY
ALLEN BAQUILAR.....DIRECTOR OF ENGINEERING/CITY ENGINEER
SUKARI BESHEARS.....DIRECTOR OF HUMAN RESOURCES/RISK MANAGER
KERRY BREEN.....CITY TREASURER/DIRECTOR OF FINANCE AND INFORMATION SYSTEMS
DARIN GALE.....ASSISTANT CITY MANAGER
TIM HERBERT.....CHIEF OF POLICE
ALEXIS MORRIS.....DIRECTOR OF COMMUNITY DEVELOPMENT
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FY 2024/25 BUDGET-IN-BRIEF

This Budget-in-Brief is a condensed version of the City's fiscal year (FY) 2024/25 Operating Budget "Budget", which runs from July 1, 2024 to June 30, 2025. The City adopts a Budget every two years and included in this Budget is funding for completion of priority City Council Strategic Plan projects. A major component of the budget process is the development of a five-year Capital Improvement Program for infrastructure projects. The public is involved in the City's Budget process through public workshops and meetings. After the Budget is approved by the City Council, every six months the City's fiscal condition and Budget are reviewed at public meetings.

BUDGET

Development

BUDGET

Factors

The Operating Budget reflects stability as the U.S. economy remains resilient. The largest General Fund revenue sources are property and sales tax. As the housing market has cooled from rapid price and interest rate increases, property taxes are forecasted to grow at a slower pace in FY 2024/25. Sales tax growth is also expected to slow, as price inflation dampens consumer demand and revenue from the new Costco is not budgeted until FY 2025/26. On the expenditure side, the Budget includes funding necessary to complete Strategic Plan projects and maintain existing programs and service levels. Although inflationary pressures appear to be cooling, recent persistently high inflation levels have led to higher costs to provide services. The General Fund budget is balanced, with operating revenue projected to cover operating expenses for FY 2024/25. The City also maintains a 30% General Fund reserve to address economic challenges that may arise.

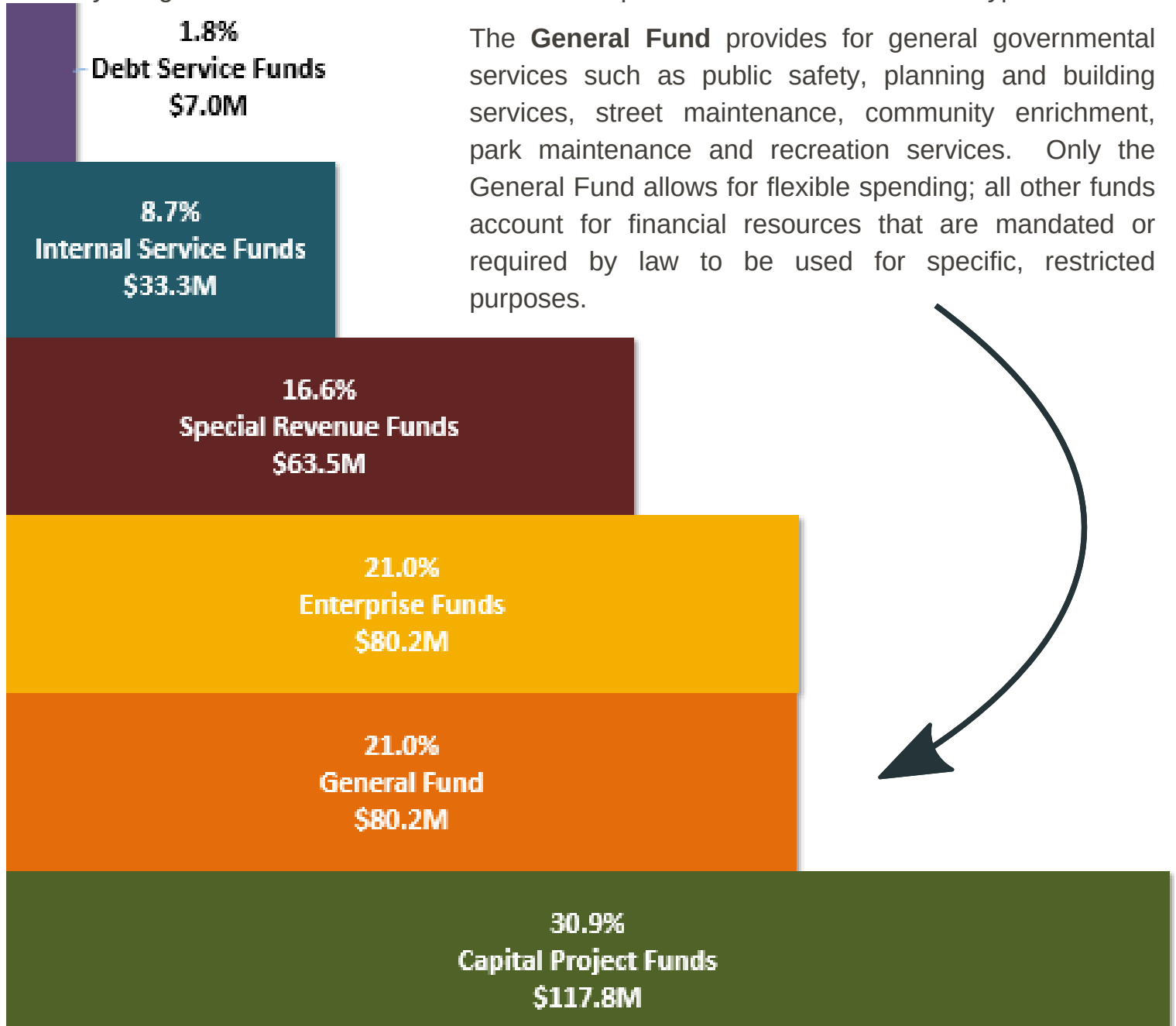
STRATEGIC PLAN FOCUS AREAS



Strategic Plan projects and initiatives being funded in the Budget center around six quality of life focus areas. One of the most exciting projects is the construction of the Sand Creek Sports Complex, a major recreational facility providing much needed sports fields and other amenities to the community. In addition, the City Council's commitment to developing an employment center is demonstrated by the planned construction of infrastructure at the Innovation Center @ Brentwood, a 373-acre project site located in the northwest corner of Brentwood and a focal point for jobs and mixed-use development. The full Strategic Plan can be found on the City's website at www.brentwoodca.gov/StrategicInitiatives.

FY 2024/25 BUDGETED EXPENDITURES - \$382.0M

The City budgets and accounts for revenues and expenditures in several different types of funds.

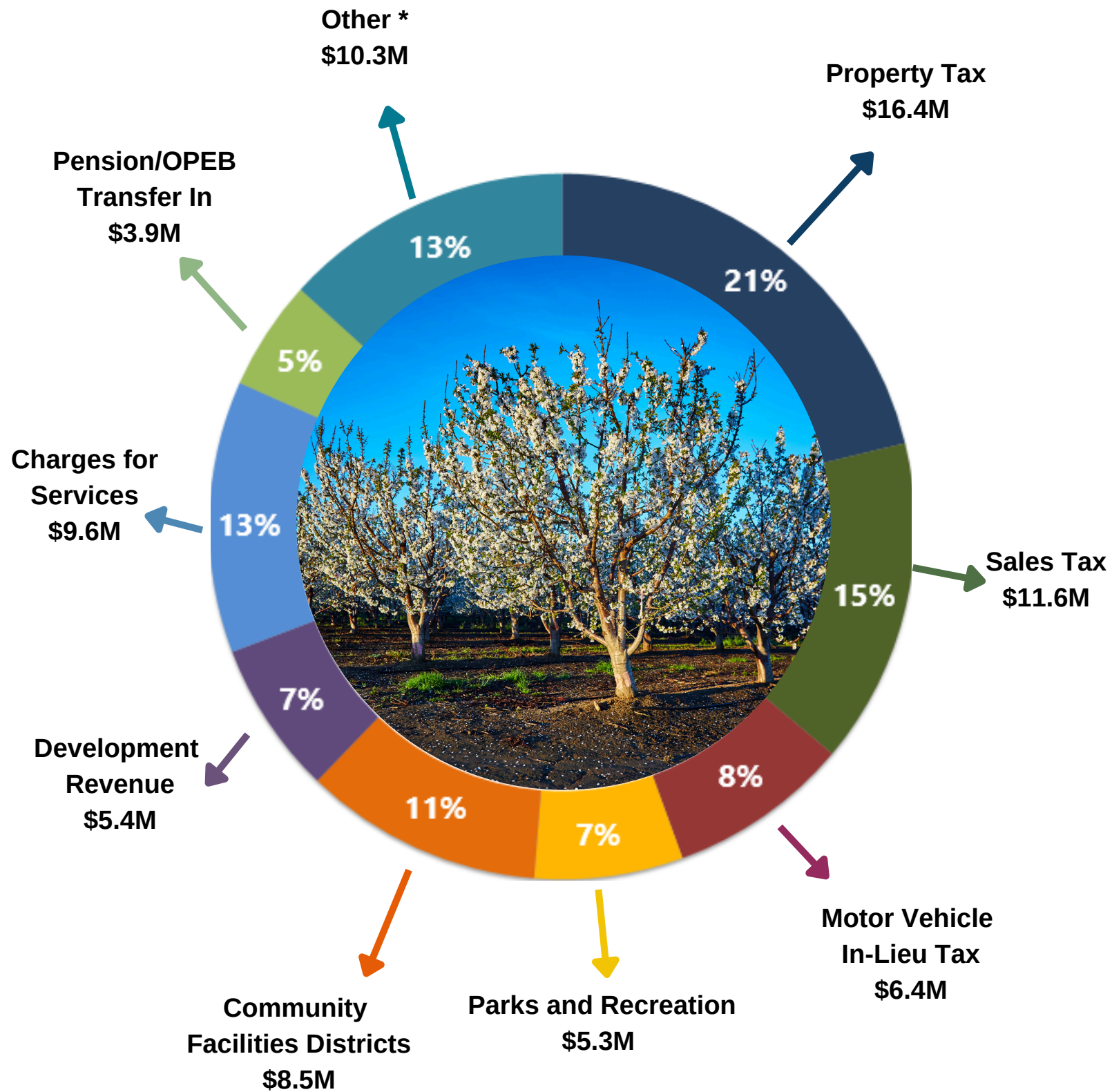


The **General Fund** provides for general governmental services such as public safety, planning and building services, street maintenance, community enrichment, park maintenance and recreation services. Only the General Fund allows for flexible spending; all other funds account for financial resources that are mandated or required by law to be used for specific, restricted purposes.

GENERAL FUND BUDGET OUTLOOK

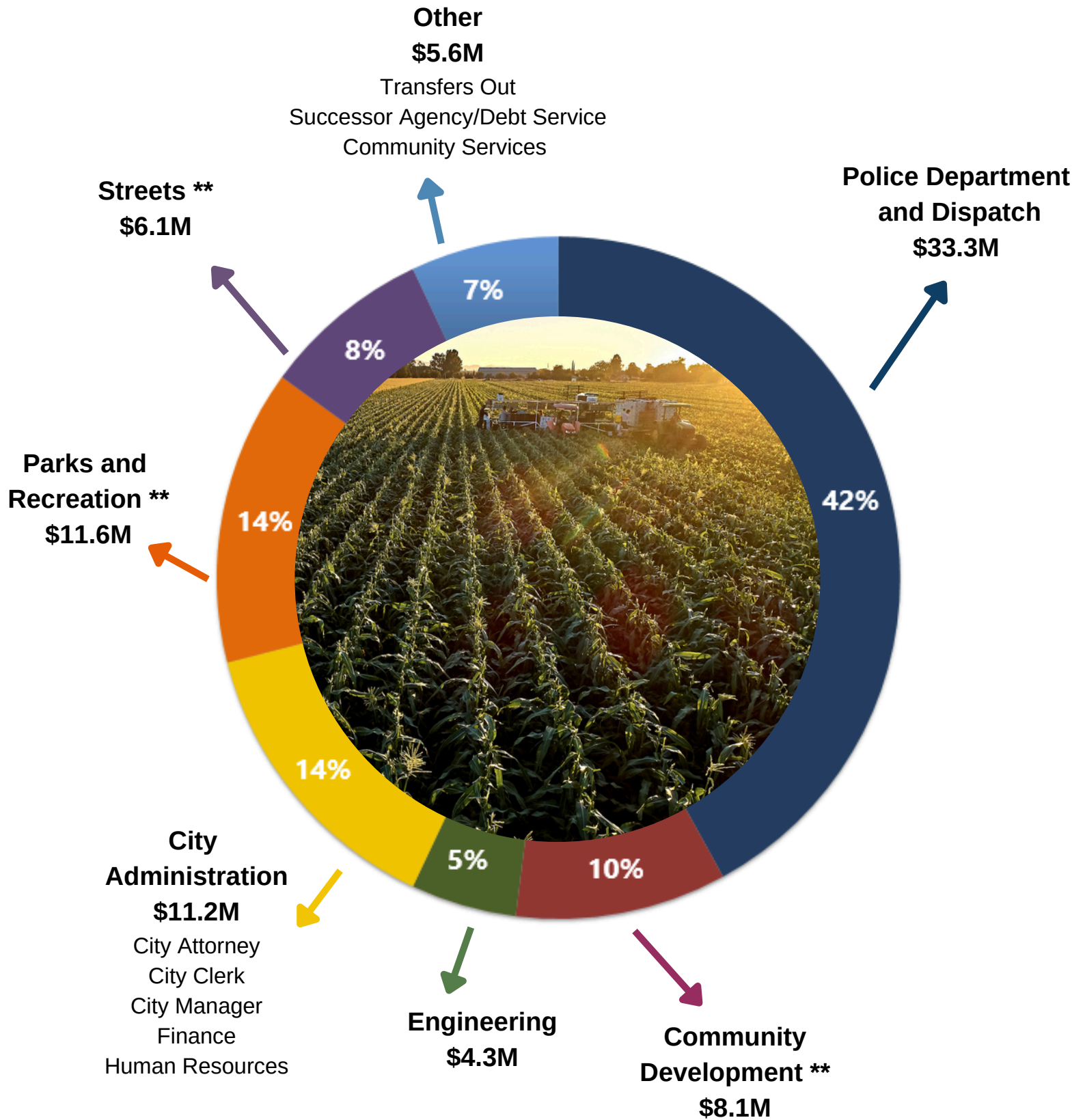
Fiscal strength and long-term financial stability are key components of the City's Budget and Fiscal Policies. The City utilizes a ten-year General Fund Fiscal Model ("Fiscal Model") to ensure it is on a financially sustainable path. The Fiscal Model provides detailed analysis of projected revenues, expenses and fund balance for the next ten fiscal years. This analysis provides the ability to identify trends that could point to future potential economic challenges, allowing sufficient time to develop solutions to minimize impacts to residents. The FY 2024/25 Operating Budget is sustainable, maintains a 30% reserve of operating expenditures in the General Fund and fully funds critical services.

GENERAL FUND OPERATING REVENUES - \$77.4 MILLION



* Includes Gas Tax and Franchise Fees

GENERAL FUND OPERATING EXPENDITURES - \$80.2 MILLION*



*The difference between General Fund revenues and expenditures is a result of using reserves set aside in prior fiscal years to cover certain FY 2024/25 costs.

**Streets and Parks and Recreation expenditures include amounts transferred to other funds for annual pavement management and parks replacement, respectively. Community Development includes Economic Development.

ENTERPRISE OVERVIEW



The City provides Solid Waste, Water and Wastewater services to residents and businesses. The charges for these services, along with the costs for providing the services, are accounted for in individual Enterprise Funds. These funds must be self-supporting and do not receive any General Fund support. Charges to customers are set in accordance with Proposition 218, which requires charges be set to cover the cost of the service and that customers are given the opportunity to provide feedback on the proposed rates.

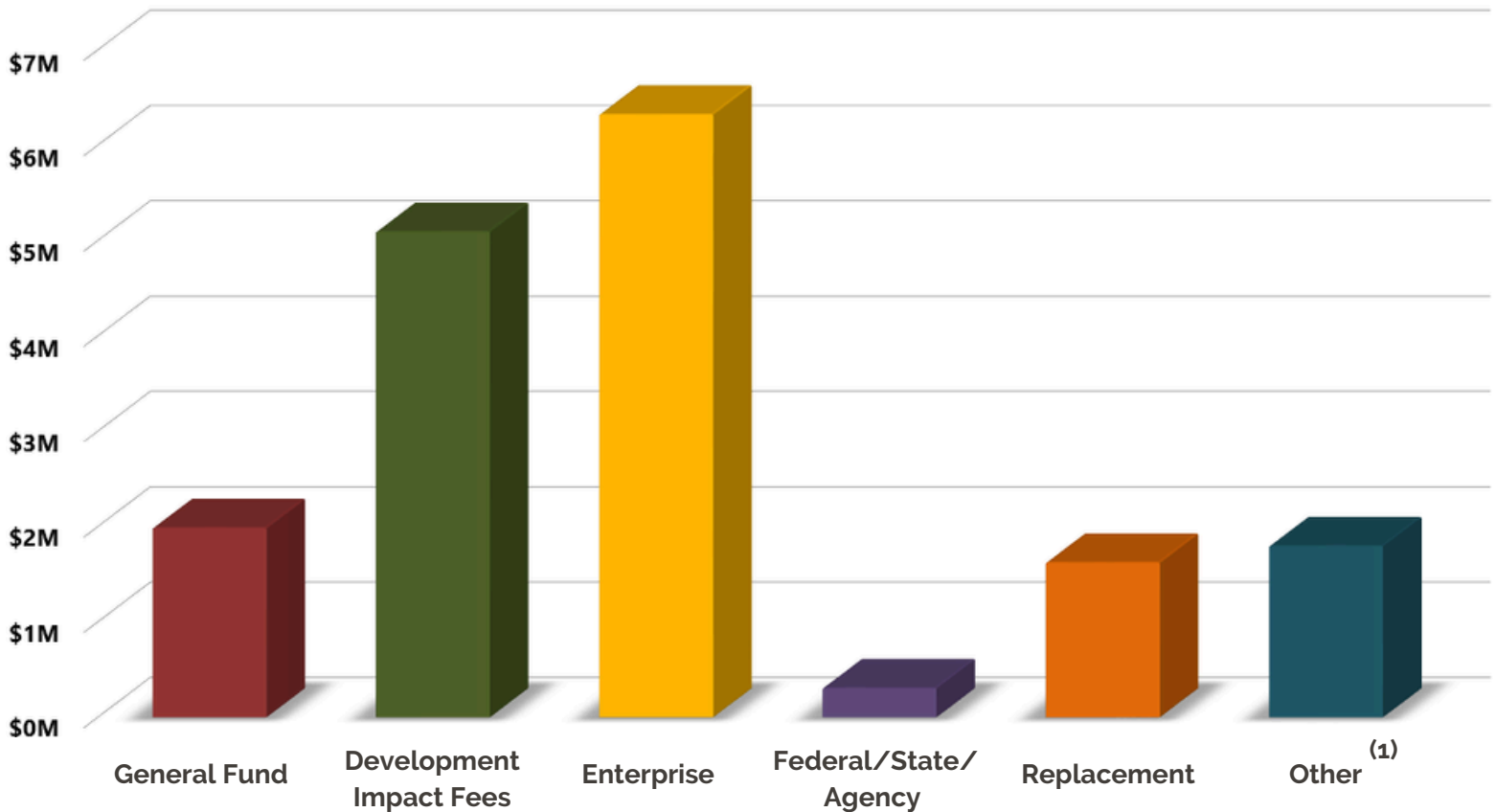


CAPITAL IMPROVEMENT PROGRAM

The City's Capital Improvement Program (CIP) is a five-year capital plan that consists of 52 City projects that cover Roadway, Parks and Trails, Water, Wastewater and Community Facilities Improvements. The chart below shows the CIP funding sources budgeted for FY 2024/25. The "Other" funding source for FY 2024/25 is entirely comprised of Road Maintenance and Rehabilitation Account funds. The chart shows that the vast majority of the City's upcoming capital projects are funded by Enterprise and Development Impact Fee funds. All CIP projects have been carefully evaluated and approved by the City Council to ensure the current and future infrastructure needs of the City are met and the projects align with the General Plan and two-year Strategic Plan. The CIP can be found on the City's website at www.brentwoodca.gov/CapitalImprovementProgram.

CIP Funding Sources

FY 2024/25



(1) Excludes Other funding for the Solid Waste Organics Diversion project.

FY 2024/25 SIGNIFICANT CIP PROJECTS

DOWNTOWN ALLEY REHABILITATION - MIDWAY AND PARK WAY -

This \$3.7M project will rehabilitate the Midway and Park Way alleys in Downtown and consists of the installation of new water, sewer and storm drain facilities and either the removal or replacement of existing infrastructure to correct existing operations and maintenance constraints due to the age of the facilities. This will allow the City to accommodate anticipated development of the Downtown area and, where feasible, bring the aging facilities up to current standards.

INNOVATION CENTER @ BRENTWOOD INFRASTRUCTURE -

This \$11.8M project, formerly named Priority Area 1 Infrastructure Improvements, will construct infrastructure improvements within Priority Area 1. The improvements include Jeffery Way roadway extension from Amber Lane to Empire Avenue, the extension of wet utilities (water, sewer, and non-potable water) on Empire Avenue under State Route 4 to Heidorn Ranch Road, widening Lone Tree Plaza Drive between Heidorn Ranch Road and Canada Valley Road, and all associated improvements and land acquisition.

LONE TREE WAY ROADWAY IMPROVEMENTS -

Phase I of this project will provide temporary pedestrian access and pedestrian safety improvement on Smith Road, O'Hara Lane, and Lone Tree Way (from O'Hara Avenue to Tilton Lane). This project is mandatory to support a new K-8 school opening for the 24-25 school year. Phase 2 of the project is currently unfunded. The construction phase of this project is currently underway.



PARKING GARAGE SECURITY AND SAFETY ENHANCEMENTS -

This project will install a vehicle gate, one-way traffic control enforcement, vehicle counter system and display to the City Hall parking structure, limiting vehicular access to the structure during off hours and times when the structure is not needed for downtown or community events.

SAND CREEK SPORTS COMPLEX -

This \$19.2M project (Site I) consists of the design and construction of the 14.50 acres of City owned property at the north side of Sand Creek Road and west of Fairview Avenue. Site I will include 3 full size artificial turf soccer fields that will also be lined for lacrosse, a parking lot, restrooms, picnic areas and other amenities such as children's play areas, a basketball court, a multi-sport court and a BMX pump track. Site II is made up of the Contra Costa County Flood Control detention basin, which consists of 19.24 acres, and will potentially add 2 soccer fields.

SOLID WASTE ORGANICS DIVERSION -

This \$90.0M project will allow the City to comply with regulatory requirements associated with the passage of AB 1826 and SB 1383. The City will be required to recycle organic wastes and divert them away from landfills. In particular, SB 1383 requires a 75% reduction in the disposal of organic waste by 2025. In order to comply with SB 1383 requirements, the City will construct a facility to mechanically separate and recover organic material, digest the organic material to produce biogas, and capture the biogas to generate renewable natural gas which will be sold to generate revenue. The initial planning and design work is in process and it is anticipated construction project funding will come through debt financing.

VINEYARDS AT MARSH CREEK EVENT STAGE PHASE I & FUTURE AMPHITHEATER/EVENT CENTER -

This Phase 1 \$4M event lawn with an event stage project is within the Vineyards at Marsh Creek development. Phase II will consist of an Amphitheater, box office with amenities and an enlarged parking lot estimated to cost \$14M. Phase III will consist of an Event Center estimated to cost \$6M. Construction of Phase I is anticipated to begin in FY 2025/26.

WASTEWATER TREATMENT PLANT EXPANSION - PHASE II -

This \$93.6M project that is under construction, expands the existing 5 Millions of Gallons per Day (MGD) tertiary treatment facility to treat 6.4 MGD, which will accommodate the planned and approved development within the City. The project includes the addition of one diffused air oxidation basin, retrofit of existing oxidation ditches to diffused air, secondary clarifiers, converting chlorine contact facilities to free chlorine disinfection, solids dryer and pyrolysis system, Electrical Distribution System Upgrade and all related appurtenances. This project is necessary to keep the City in compliance with more stringent discharge requirements.

FY 2024/25 BUDGET-IN-BRIEF

