



**Budget FY2019/20**  
**General Fund**  
**Preliminary Review**

City Council Agenda Item

May 15, 2019

# Themes

- General Fund Budget FY2019/20
- Departments
  - Planning & Building
  - Engineering
  - Public Works Streets/Parks
  - Fire
  - Police
- General Fund Revenues/Overview/Budget in Brief
- Challenges Ahead

# The General Fund Revenue Budget FY 2019/20

- Healthy economy plays into the budget assumption
  - 2019/20 Revenue projected \$17.8M
  - Property Values continue to rise
  - Sales Tax continues to be steady and strong
  - Franchise Fees trending strong

# The General Fund Operating Expenditures Budget FY 2019/20

- 2019/20 Expenditures \$17.9M
  - Includes Contractual Obligations
    - PERS – Normal cost & UAL
    - MOU's
      - Salary increase 3.5%
      - PERS employees pay an additional 1% of the employer share (now paying employee share plus 2% of employer share)

# The General Fund Operating Expenditures Budget FY 2019/20

- 2019/20 Expenditures \$17.9M
  - Reorganization of the Engineering Division
    - Remove Admin Assistant, replace with Admin Analyst
    - Bring PW inspection services in-house
    - Increase work week of four positions from 37.5 hours per week to 40 (employees have option to opt-out of offer)

# GENERAL FUND

|                           | 2017-18<br>ACTUAL    | 2018-19<br>Amended<br>BUDGET | 2019-20<br>Adopted<br>BUDGET | \$ INC/(DEC)      |
|---------------------------|----------------------|------------------------------|------------------------------|-------------------|
| <b>REVENUE</b>            |                      |                              |                              |                   |
| Property Taxes            | \$ 10,945,987        | \$ 10,911,096                | \$ 11,497,051                | \$ 585,955        |
| Sales Tax                 | 2,784,340            | 2,700,000                    | 2,800,000                    | 100,000           |
| Other Taxes               | 1,073,194            | 1,240,000                    | 1,270,000                    | 30,000            |
| Franchise Fees            | 1,457,997            | 915,000                      | 993,000                      | 78,000            |
| Licenses & Permits        | 553,167              | 472,000                      | 523,500                      | 51,500            |
| Penalties and Fines       | 79,174               | 51,000                       | 61,000                       | 10,000            |
| Use of money and property | 56,780               | 10,002                       | 10,002                       | -                 |
| Charges for Services      | 709,453              | 503,871                      | 605,826                      | 101,955           |
| Other Revenue             | 219,845              | 40,100                       | 20,100                       | (20,000)          |
| Other Agencies            | 152,883              | -                            | -                            | -                 |
| <b>TOTAL REVENUE</b>      | <b>\$ 18,032,820</b> | <b>\$ 16,843,069</b>         | <b>17,780,479</b>            | <b>\$ 937,410</b> |

# GENERAL FUND EXPENDITURES

| <u>EXPENSE</u>  | <b>2018-19</b>       |                      | <b>2019-20</b>    |                     |
|---|----------------------|----------------------|-------------------|---------------------|
| PERS AUL Lump Sum   | \$ 657,821           | \$ 855,070           | \$ 1,057,353      | 202,283             |
| City-wide Contract Services                                     | 212,072              | 307,065              | 308,500           | 1,435               |
| City-wide OPEB <sup>(1)</sup>                                   | 200,000              | 300,000              | -                 | (300,000)           |
| City Council  | 40,843               | 45,143               | 45,986            | 843                 |
| Administration <sup>(2)</sup>                                   | 1,540,350            | 1,628,315            | 1,922,299         | 293,984             |
| Building Maintenance <sup>(3)</sup>                             | 305,425              | 465,985              | 293,377           | (172,608)           |
| Planning  | 376,061              | 505,641              | 431,795           | (73,846)            |
| Fire  | 4,493,627            | 4,497,052            | 4,742,210         | 245,158             |
| Police  | 3,680,226            | 3,914,650            | 4,070,615         | 155,965             |
| Building Inspection   | 430,222              | 493,203              | 497,277           | 4,074               |
| Engineering   | 662,046              | 607,467              | 799,419           | 191,952             |
| Public Works - Streets  | 1,019,864            | 1,076,050            | 964,293           | (111,757)           |
| Public Works - Parks  | 518,192              | 718,612              | 704,947           | (13,665)            |
| Recreation  | 680,880              | 753,582              | 773,119           | 19,537              |
| Library   | 796,157              | 878,777              | 918,863           | 40,086              |
| Heritage Board  | 38,181               | 32,871               | 19,282            | (13,589)            |
| Debt Service <sup>(4)</sup>                                     | 379,801              | 380,034              | 380,034           | (0)                 |
| <b>TOTAL EXPENSE</b>  | <u>\$ 16,031,768</u> | <u>\$ 17,459,517</u> | <u>17,929,369</u> | <u>\$ 469,852</u>   |
| <b>EXCESS/DEFICIENCY OF REVENUE<br/>OVER/UNDER EXPENDITURES</b> | 2,001,052            | (616,448)            | (148,890)         | (467,558)           |
| Transfer In from Other Funds                                    | \$ 258,231           | \$ 270,000           | \$ 348,890        | \$ 78,890           |
| Transfers Out to Other Funds                                    | (868,355)            | (200,000)            | (200,000)         | -                   |
| <b>TOTAL TRANSFERS</b>  | <u>\$ (610,124)</u>  | <u>\$ 70,000</u>     | <u>\$ 148,890</u> | <u>\$ 78,890</u>    |
| <b>NET CHANGE IN FUND BALANCE</b>                               | <u>\$ 1,390,928</u>  | <u>\$ (546,448)</u>  | <u>\$ (0)</u>     | <u>\$ (546,448)</u> |

(1) Council discussion

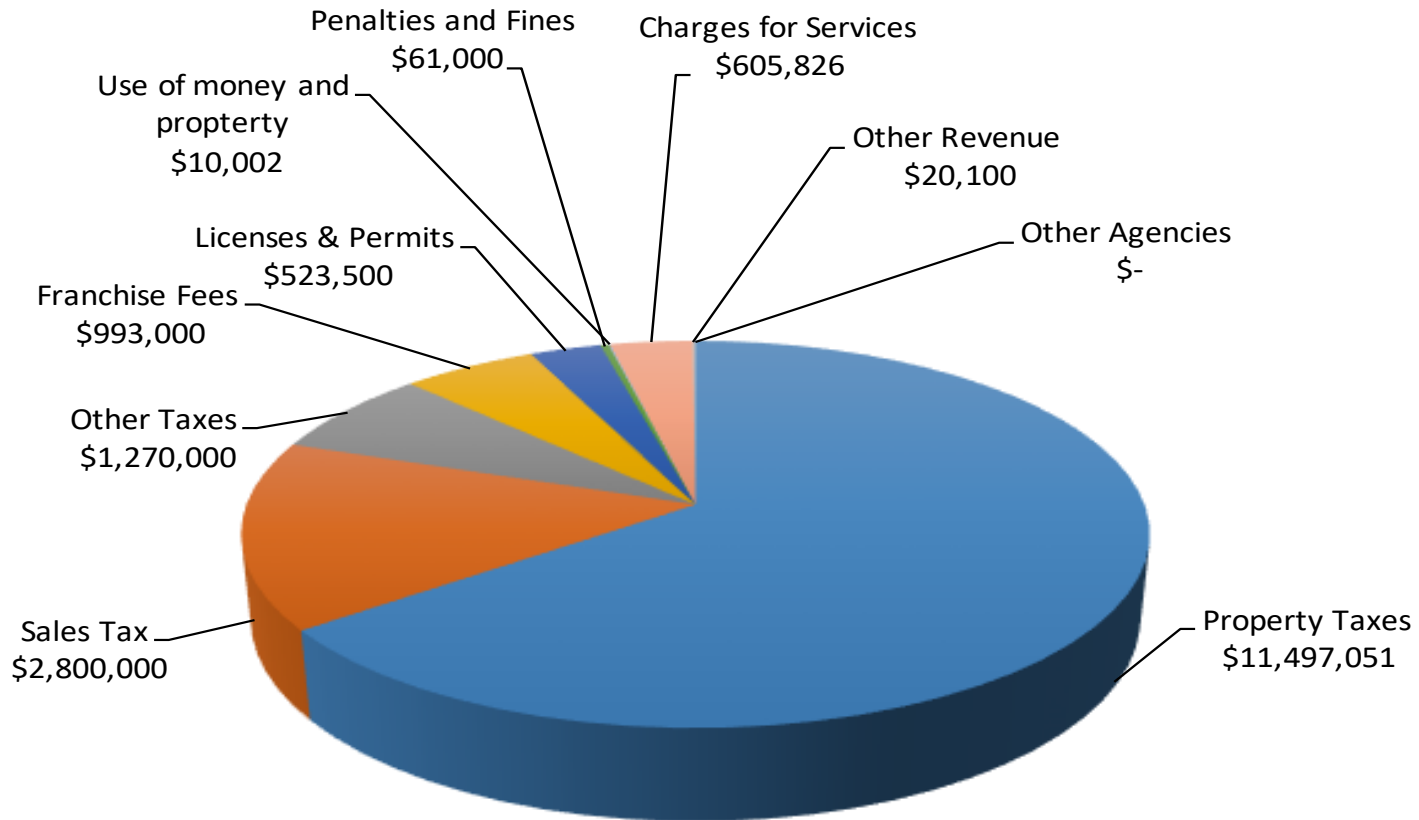
(2) Includes a 1/2 position for Administrative Assistant and a position for an IT professional

(3) Removed \$100K for the elevator repair. The elevator repair is included in a capital project

(4) Includes \$97K for Fire Truck

# General Fund Revenue FY2019/20

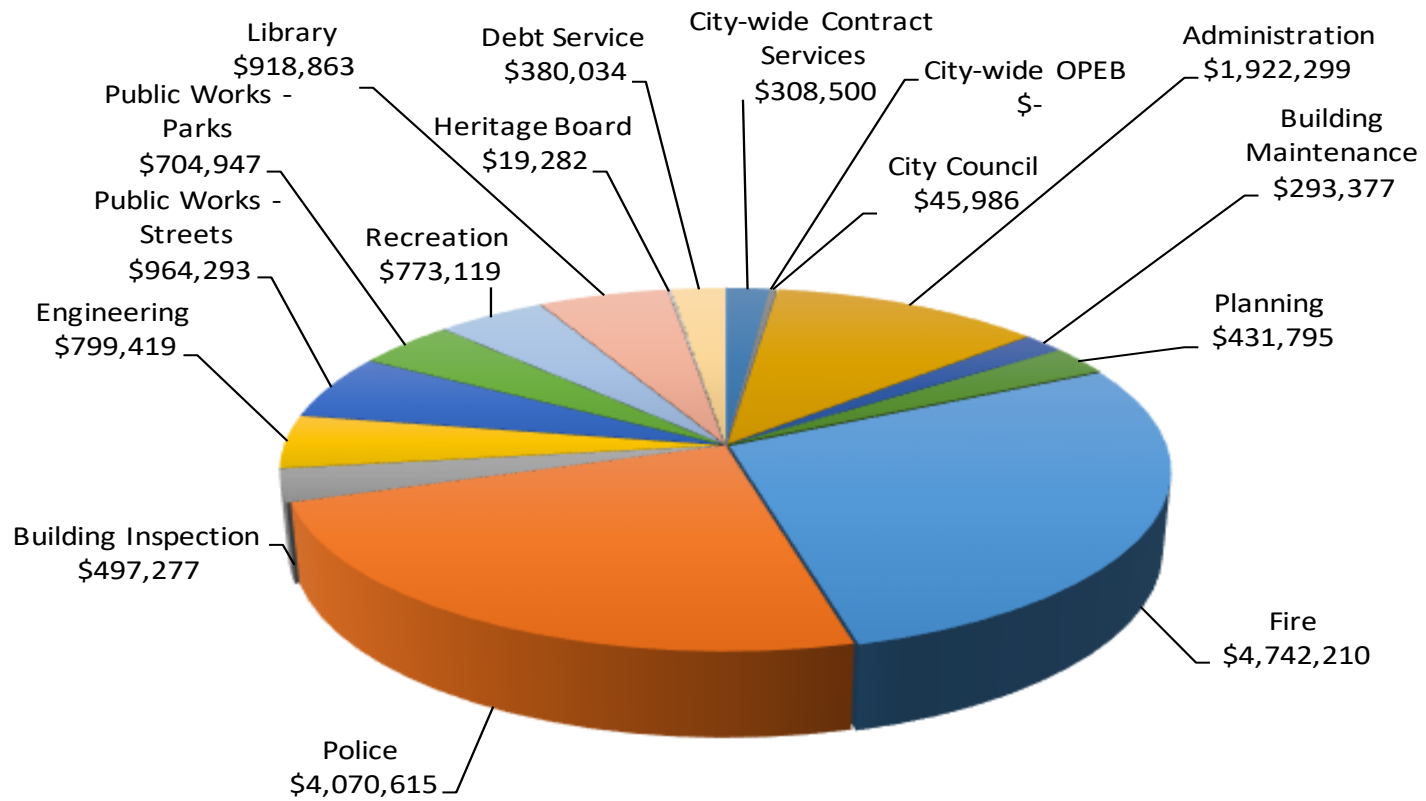
## \$17.8M





# General Fund Expenditures FY2019/20

## \$17.9M



# Challenges Ahead

- Managing Pension Costs
- Meeting OPEB Obligations
- Increasing employment Costs
- Expiring MOU with employee association
- Maintenance and infrastructure needs
  - City Hall Seismic Retrofit
  - Fire Houses 15 & 16
  - Storm Drain Citywide upgrades



Questions?