

# Draft Annual Operating and Capital Improvement Budget Fiscal Year 2020 -2021

*May 27, 2020*

Agenda Item No. 12.1

Amanda Wells  
Finance Director/City Treasurer



# 2020-21

# Budget Approach

# 2020-21 Budget Approach

## 1. Balanced Budget

- City's Adopted Budget Policy
  - Total Appropriations shall not exceed Revenues
  - General Fund Unassigned Fund Balance appropriated only for one -time expenditures

## 2. Continuing Appropriations

- Unspent Capital Project and Grant Appropriations are carried forward to the next fiscal year
  - Fall 2020

## 3. Appropriations Limit

- Appropriations comply with the Calif. Constitution

**2020-21**

# **COVID-19 Impacts to Budgeting**

presented to Council April 22, 2020

# 2019-20 General Fund *Current* Projections **period ending June 30, 2020**

- **HdL Sales Tax Projections**
  - Governor's Deferral – \$417,857
  - Governor's Payment Plan – \$175,577
  - Projected Sales Tax Losses
    - Quarter 1 2020 - \$208,926
    - Quarter 2 2020 - \$805,859
- **Total Projected Sales Tax Loss through June 30, 2020 \$1,608,219**

# 2019-20 General Fund *Current* Projections period ending June 30, 2020

<b>Category</b>	<b>Mid Year</b>	<b>Current Projections</b>
Revenues	24,388,021	21,713,624
Expenditures	24,075,057	23,472,806
<b>Budget Surplus (Deficit)</b>	<b>312,964</b>	<b>(1,761,182)</b>

# 2020-21 General Fund

## Projections

period ending June 30, 2021

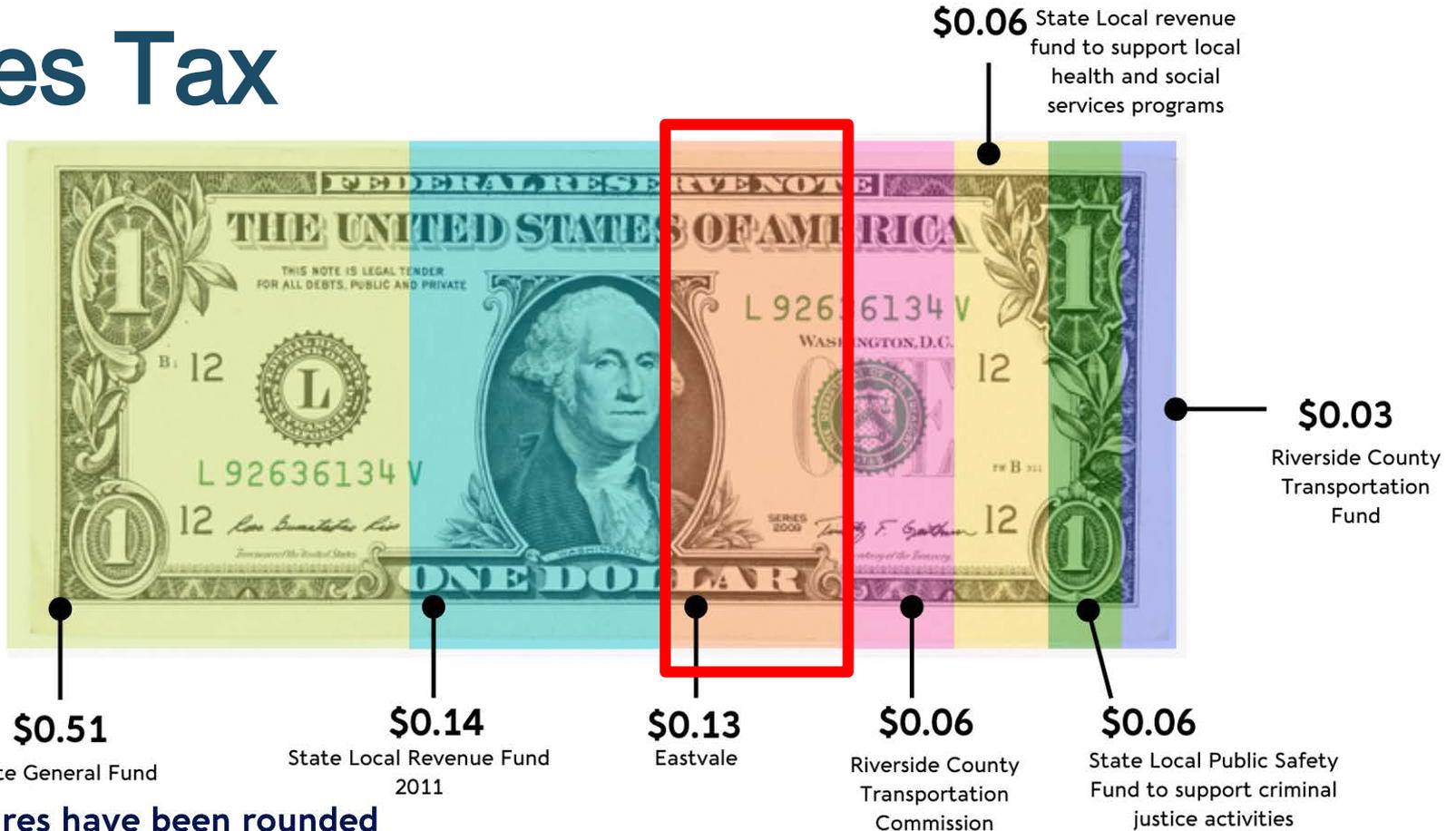
Category	Moderate	Severe
Revenues	21,466,959	19,840,640
Expenditures	24,812,000	24,757,315
<b>Budget Surplus (Deficit)</b>	<b>(3,365,041)</b>	<b>(4,916,675)</b>

# Evaluating Cost Savings City Wide

- **Personnel**
  - Layoffs – Spring 2020
  - Budget for actual costs (top step versus actual step + 5%)
  - No Merit Increases
  - Reduce travel & training, tuition reimbursement, professional development
- **Negotiate Contract Staff Savings and Reductions**
  - Bring Key Positions In-House
  - No CPI increases to Legal, Interwest, and Michael Baker contracts
- **Negotiate Professional Services Savings and Reductions**
- **Law Enforcement/Hybrid Staffing Model, Option 2 Selected**
- **Reduce business incentive loan budget from \$500K to \$200K**
- **Remove Contingency \$500K**
- **Use of reserves for One -Time Capital**

# 2020-21 General Fund Revenues

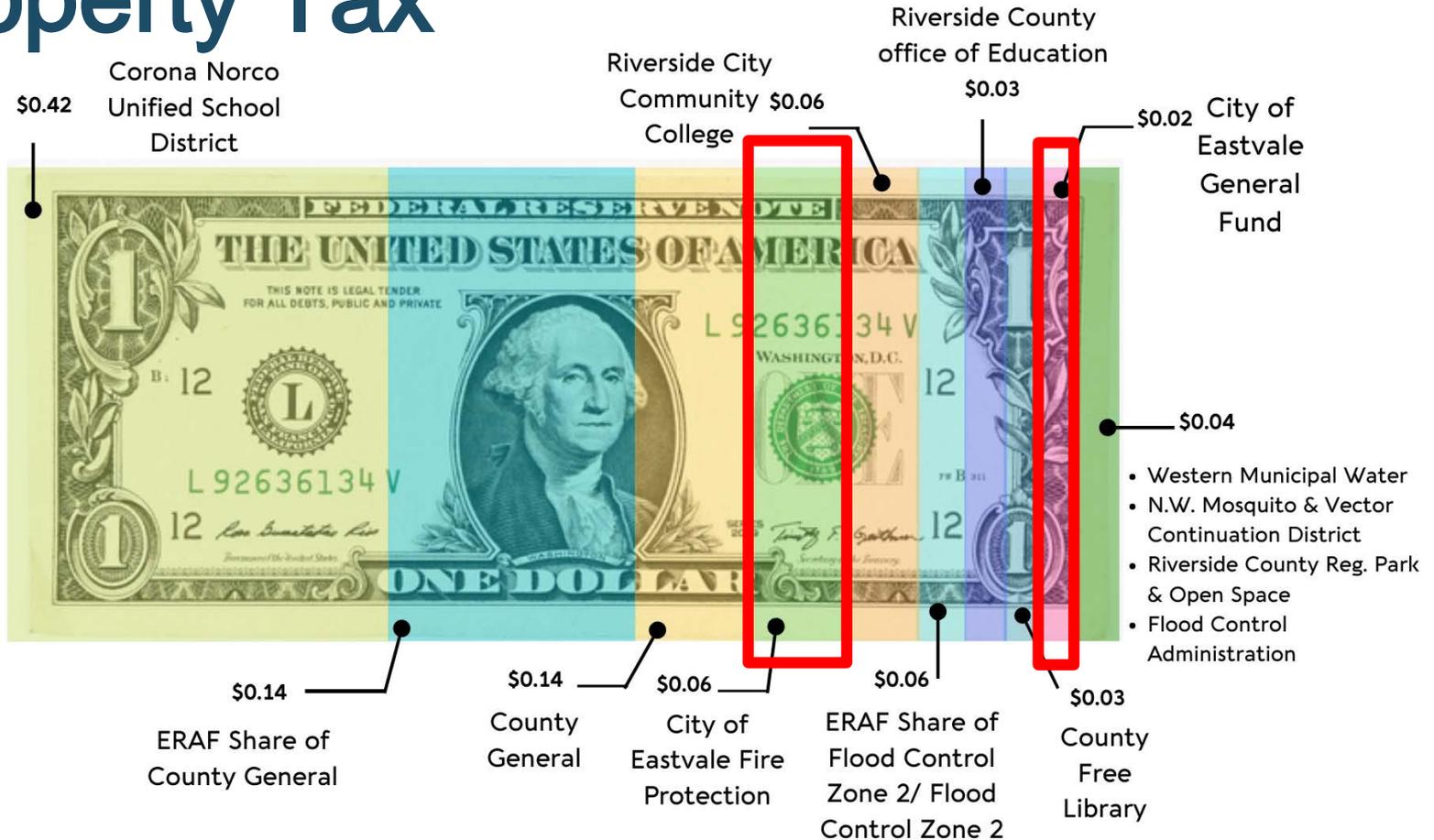
# Sales Tax



**Note: Figures have been rounded**

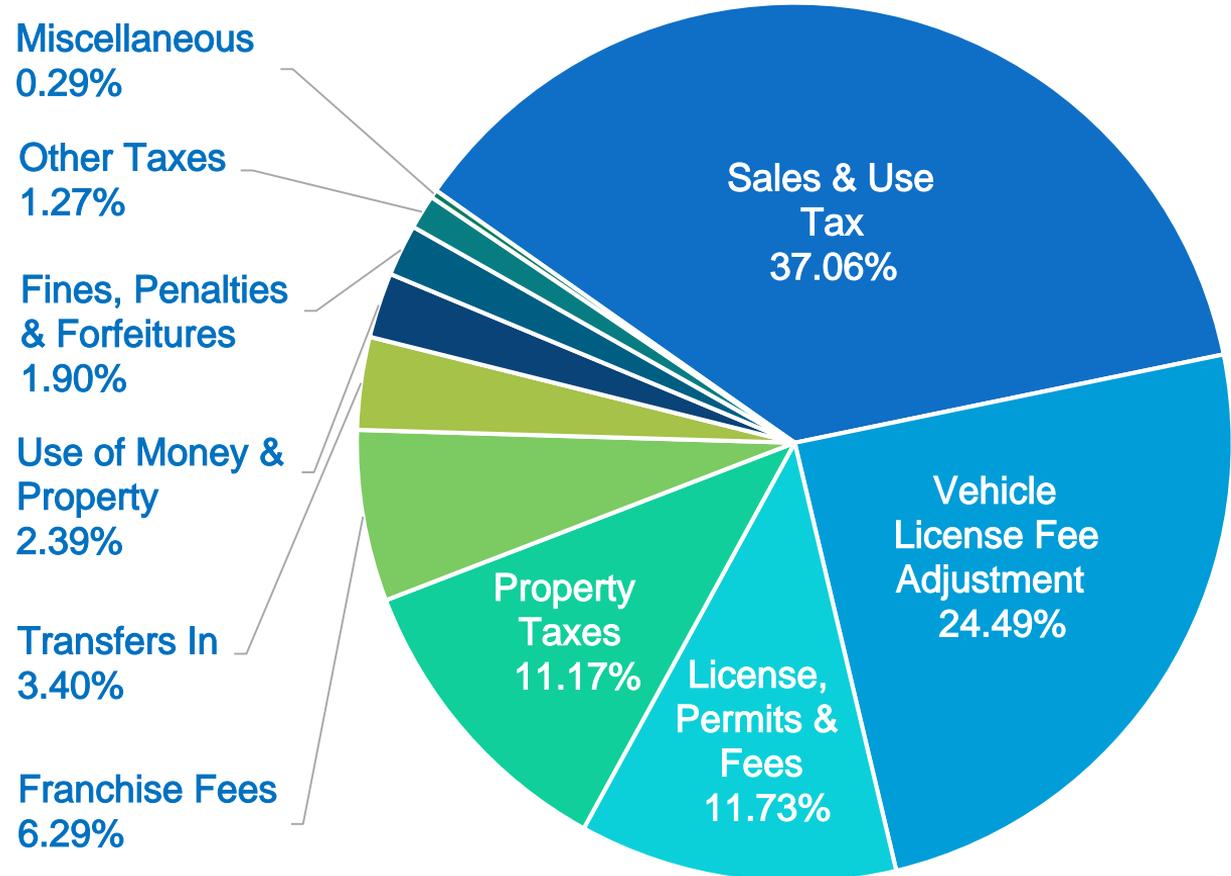
Source: <https://www.cdtfa.ca.gov/taxes-and-fees/sut-rates-description.htm>

# Property Tax



# 2020-21 GF Revenue Categories

Sales Tax  
equals  
37% of the  
general fund.



# 2020-21 GF Revenue Assumptions

General Fund Revenue Sources					
Revenue Sources	Amended Budget 2019-2020	Projected Actuals 2019-2020	Proposed Budget 2020-2021	Budget Difference	% Change
Property Taxes	2,622,733	2,370,758	2,540,545	(82,188)	(3%)
Sales & Use Tax	9,735,138	8,126,919	8,425,000	(1,310,138)	(13%)
Franchise Fees	1,545,000	1,458,646	1,430,968	(114,032)	(7%)
Other Taxes	350,000	275,323	288,000	(62,000)	(18%)
License, Permits & Fees	3,617,500	2,576,120	2,666,130	(951,370)	(26%)
Fines, Penalties & Forfeitures	603,200	448,137	431,230	(171,970)	(29%)
Vehicle License Fee					
Adjustment	4,857,294	4,954,108	5,568,596	711,302	15%
Use of Money & Property	500,000	488,164	544,390	44,390	9%
Miscellaneous	466,418	472,542	66,500	(399,918)	(86%)
Transfers In	542,907	542,907	773,482	230,575	42%
<b>Total</b>	<b>24,840,190</b>	<b>21,713,624</b>	<b>22,734,841</b>	<b>(2,105,349)</b>	<b>(8%)</b>

# 2020-21 GF Revenues: Transfers In from Other Funds

## Cost Allocation Plan:

- Transfers In totals \$773,482
- Cost recovery to general fund for indirect services

**2020-21**

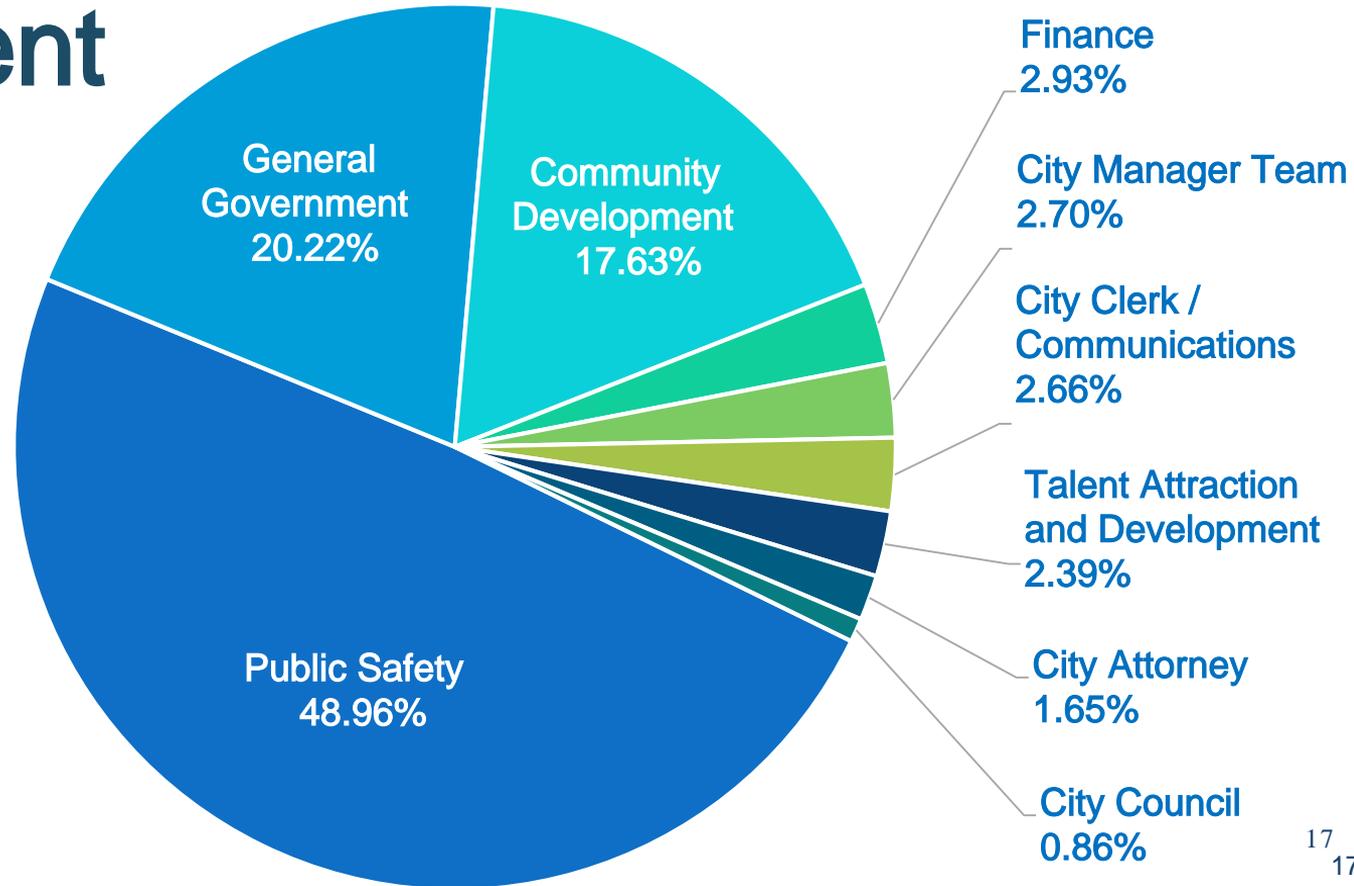
# **General Fund Expenditures**

# 2020-21 GF Expenditure Categories

General Fund Expenditure Categories				
Expenditure Category	Amended Budget 2019-20	Proposed Budget 2020-21	Budget Difference	% Change
Personnel	3,803,391	4,233,636	430,245	11%
Operations	18,091,138	17,178,621	(912,517)	(5%)
Capital Outlay	1,806,400	280,500	(1,525,900)	(84%)
Transfers Out	1,483,240	1,988,699	(505,459)	(34%)
<b>Total General Fund Expenditures</b>	<b>26,189,149</b>	<b>23,681,456</b>	<b>(2,507,693)</b>	<b>(10%)</b>

# General Fund Expenditures by Department

Law Enforcement is 49% of the general fund.



# 2020-21 General Government

## General Fund Expenditures

Description	Amended Budget 2019-20	Proposed Budget 2020-21	Budget Difference	Change
<b>General Services</b>				
City Council	203,463	203,652	189	0.09%
City Attorney	390,740	390,000	(740)	(0.19%)
City Clerk	475,578	335,606	(139,972)	(29.43%)
City Manager	762,653	640,531	(122,122)	(16.01%)
Finance	859,547	693,378	(166,169)	(19.33%)
Talent Attraction & Dev.	614,828	565,319	(49,509)	(8.05%)
Information Technology	446,000	477,758	31,758	7.12%
Communications	516,194	294,545	(221,649)	(42.94%)
General Government	3,006,744	3,253,041	246,297	8.19%
Building Maintenance	770,900	1,058,672	287,772	37.33%
<b>Total General Services</b>	<b>8,046,647</b>	<b>7,912,502</b>	<b>(134,145)</b>	<b>(1.67%)</b>

# 2020-21 Community Development

General Fund Expenditures				
Description	Amended Budget 2019-20	Proposed Budget 2020-21	Budget Difference	Change
<b>Community Development</b>				
Planning	1,121,000	631,776	(489,224)	(43.64%)
Administration	1,226,477	771,413	(455,064)	(37.10%)
Building & Safety	1,976,000	1,216,606	(759,394)	(38.43%)
Engineering	100,000	609,616	509,616	509.62%
Community Enhancement & Safety	1,047,391	787,735	(259,656)	(24.79%)
Public Works	1,574,689	158,199	(1,416,490)	(89.95%)
<b>Total Community Development</b>	<b>7,045,557</b>	<b>4,175,345</b>	<b>(2,870,212)</b>	<b>(40.74%)</b>

# 2020-21 Public Safety

## General Fund Expenditures

Description	Amended Budget 2019-20	Proposed Budget 2020-21	Budget Difference	Change
<b>Public Safety</b>				
Law Enforcement	10,684,888	11,168,609	483,721	4.53%
Animal Control	331,619	340,000	8,381	2.53%
Crossing Guards	80,438	85,000	4,562	5.67%
<b>Subtotal Public Safety</b>	<b>11,096,945</b>	<b>11,593,609</b>	<b>496,664</b>	<b>4.48%</b>

# 2020-21 Public Safety Law Enforcement Contract

## Hybrid Model: Option #2

- 7.66 Patrol Deputies
- 2 Traffic Deputies
- 2 Motor Officers
- 2 SET Deputies
- 2 Traffic CSOs
- 2 Patrol CSOs
- **17.66 Total Personnel**

# 2020-21 Transfers Out to Other Funds

## To Debt Service Fund:

- \$468,699 Streetlight Purchase and LED Retrofit annual debt payment

## To Capital Projects Fund:

- \$1,000,000 Hamner Place Infrastructure
- \$200,000 Eastvale 2040, General Plan Update
- \$30,000 New Police Traffic Motorcycle
- \$290,000 to cover fund balance deficit

**2020-21**

**General Fund Expenditures:  
Contracts and Personnel**

# 2019-20 Michael Baker Contract Savings

Amended 2019 -20 Budget	Forecasted Actuals	Savings
<i>Contract</i>		
1,208,100	634,090	(574,010)
<i>Personnel</i>		
Community Development Director		200,000
Planning Manager (half -year)		75,000
	<b>Net Savings</b>	<b>(299,010)</b>

# 2020-21 Total Personnel

Authorized Positions				
Department	Amended Budget 2017-18	Amended Budget 2018-19	Amended Budget 2019-20	Proposed Budget 2020-21
City Manager	4.50	9.50	6.50	6.00
City Clerk & Communications	2.00	3.75	5.75	4.00
Finance	4.50	5.50	5.75	4.75
Community Development	4.00	12.25	12.75	17.50
<b>Total Positions</b>	<b>15.00</b>	<b>31.00</b>	<b>30.75</b>	<b>32.25</b>

# 2020-21 Personnel Additions

## New Authorized Positions

Title	Department	FTE
Office Specialist (PT)	CD Administration/Building	0.75
City Engineer	Engineering	1.00
Senior Engineer	Engineering	1.00
Associate Engineer	Engineering	1.00
Building Official	Building	1.00
Community & Building Safety Supervisor	Building	1.00
Community & Building Safety Specialist	Building	1.00
Assistant Planner	Planning	1.00
Planning Technician (PT)	Planning	0.75
<b>Total</b>		<b>8.50</b>

# 2020-21 Personnel Additions

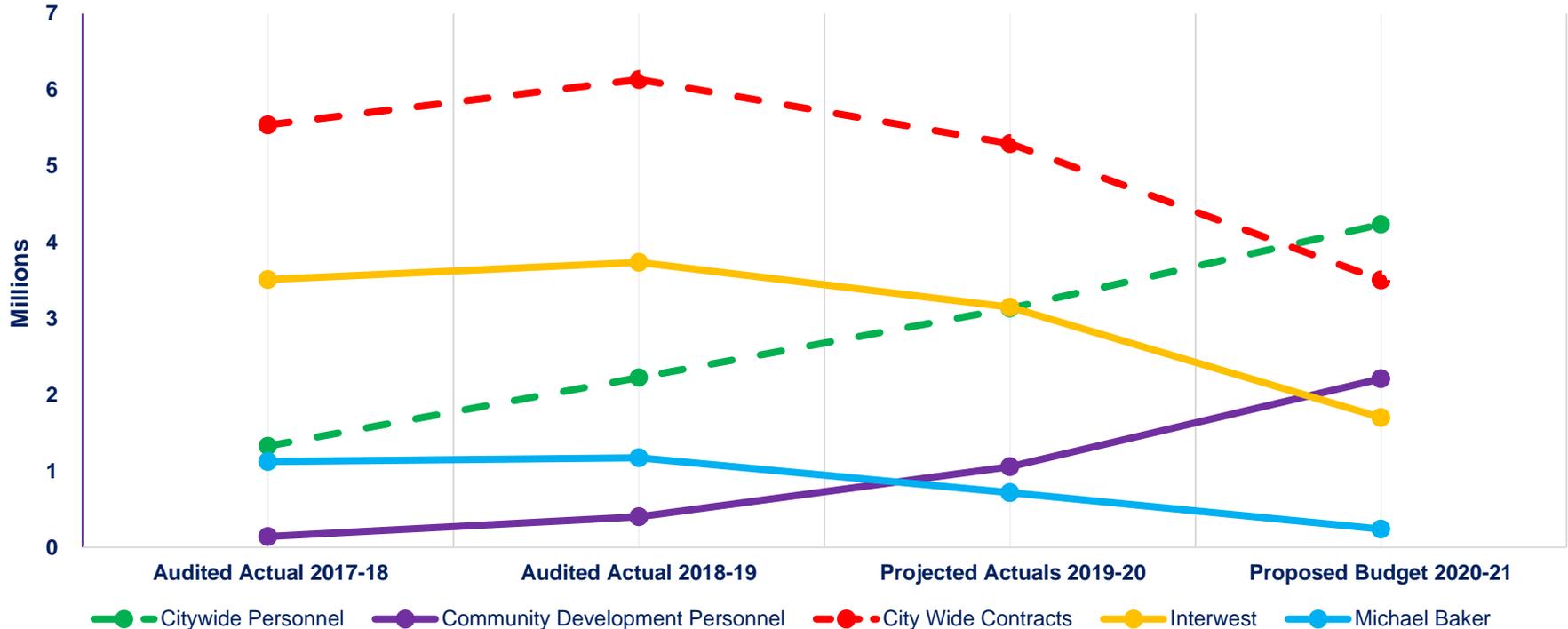
## Contract Services to City Positions

Title	Dept	Contract Title	Employee Costs 2020-21	Contract Costs 2020-21	Annual Cost (Savings)
Office Specialist (PT)	CD Admin.	Permit Technician	40,254	0	40,254
City Engineer	Eng.	City Engineer	226,159	304,200	(78,041)
Senior Engineer	Eng.	Associate Engineer	166,569	281,840	(115,271)
Associate Engineer	Eng.	Engineering Associate I	146,638	224,120	(77,482)
Building Official	Building	Building Official	189,642	304,200	(114,558)
Comm. & Building Safety Supervisor	Building	Permit Technician II	119,266	154,960	(35,694)
Comm. & Building Safety Specialist	Building	Permit Technician I	93,449	132,340	(38,891)
Assistant Planner	Planning	Assistant Planner	118,364	197,600	(79,236)
Planning Technician (PT)	Planning	Technician	59,548	156,000	(96,452)
<b>Total</b>			<b>1,159,888</b>	<b>1,755,260</b>	<b>(595,372)</b>

# 2020-21 GF Contract Reductions

General Fund Contract Reductions					
Account	Description	Amended Budget 2019-20	Projected Actuals 2019-20	Proposed Budget 2020-21	Budget Difference
100-310-6432	Building & Safety	575,000	525,000	233,000	(342,000)
100-310-6433	Private Development	1,400,000	1,164,542	576,000	(824,000)
100-300-6431	Planning	610,000	334,090	61,920	(548,080)
100-300-6433	Private Development	500,000	300,000	178,400	(321,600)
100-320-6430	Engineering Services	100,000	121,300	65,000	(35,000)
<b>Total</b>		<b>3,185,000</b>	<b>2,444,932</b>	<b>1,114,320</b>	<b>(2,070,680)</b>

# 2020-21 Citywide Contracts vs Personnel

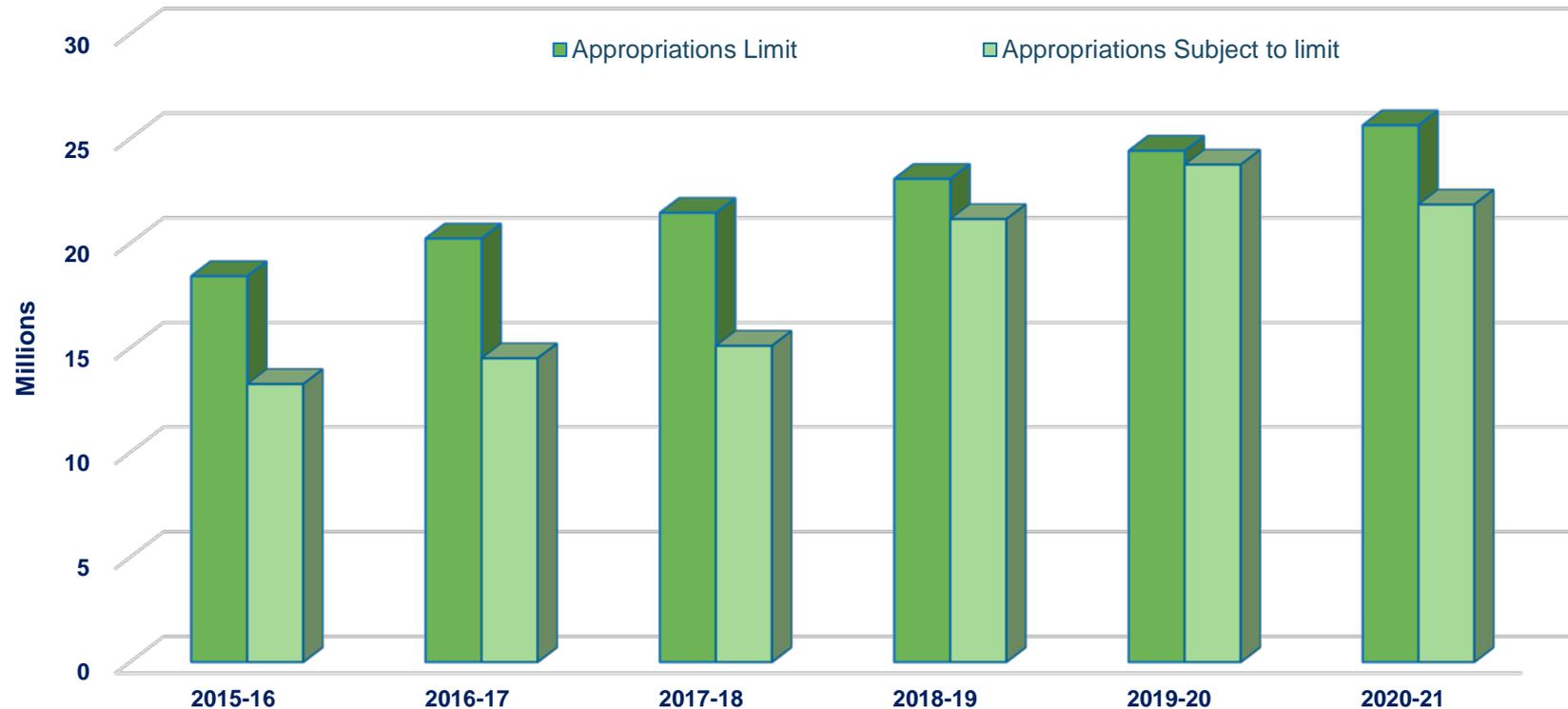


# 2020-21

# Appropriations Limit

# 2020-21 Appropriations Limit

Appropriations Limit Fiscal Year 2015 -16 to 2020-21



# 2020-21

# Available Resources

# 2020-21 General Fund Balance

2020-2021 Revenues	\$22,734,841
2020-2021 Expenditures	<u>- 23,681,456</u>
<b>General Fund Deficit</b>	<b>(946,614)</b>

# 2020-21 General Fund Balance

<b>General Fund Deficit</b>	<b>(\$946,614)</b>
<b>One-Time Expenditures:</b> Transfers to CIP Fund	<b>+</b>
Hamner Place Infrastructure	\$1,000,000
General Plan	200,000
Police Traffic Motorcycle	30,000
Fund Balance Deficit	<u>290,000</u>
<b>Total One -Time Expenditures</b>	<b>1,520,000</b>
<b>General Fund Operating Surplus</b>	<b>573,386</b>

# 2020-21 General Fund Balance

## Committed Fund Balance

Emergency Contingency	\$11,840,728
Civic Center & Library	8,000,000
Public Safety Rate Increase Stabilization	1,000,000
Pension Liability	<u>1,500,000</u>
<b>Total Committed</b>	<b>22,340,728</b>

# 2020-21 General Fund Balance

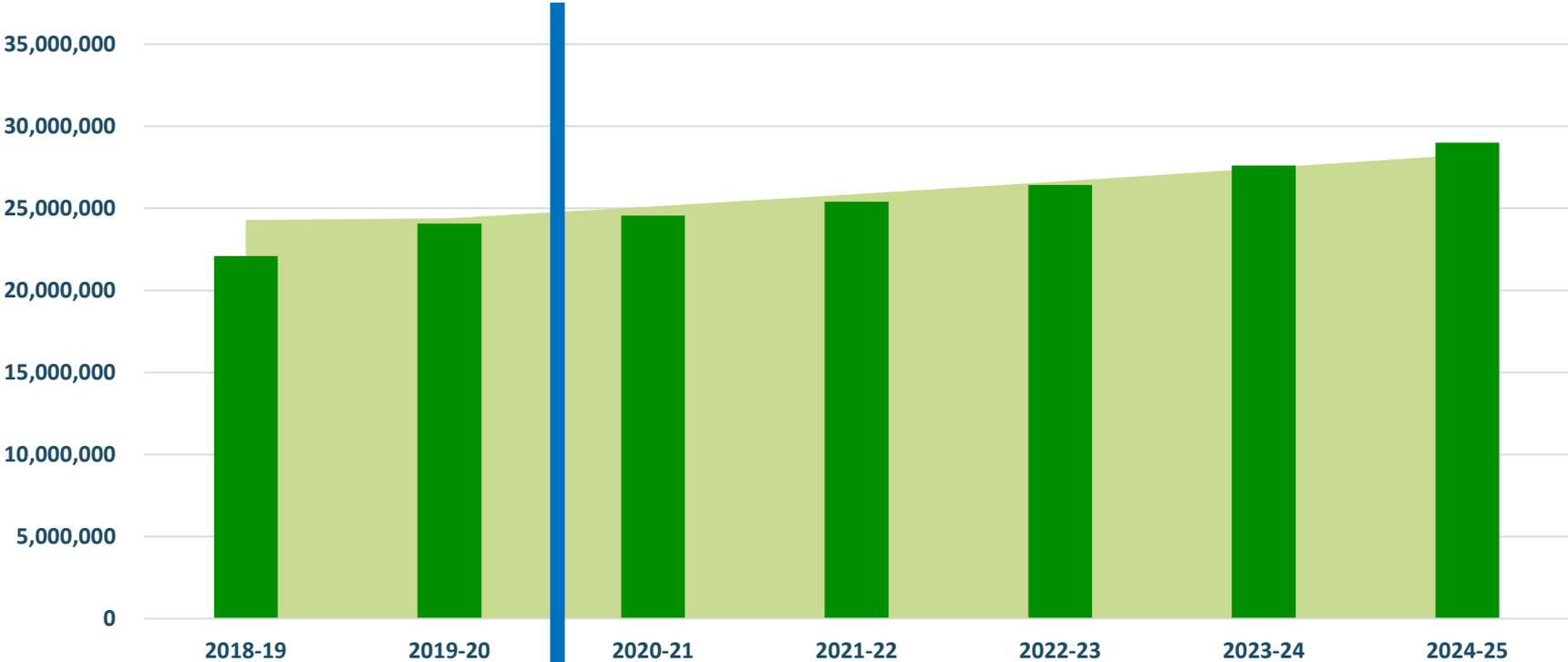
Estimated Fund Balance 06/30/20	\$29,976,710
General Fund Deficit	<u>+ (946,614)</u>
Estimated Fund Balance 06/30/21	29,030,095
Committed Reserves	<u>- 22,340,728</u>
General Fund Estimated Unassigned Fund Balance @ 06/30/21	6,689,368

# General Fund 5 -Year Projections

# General Fund Five - Year Projection

No COVID-19 Impacts

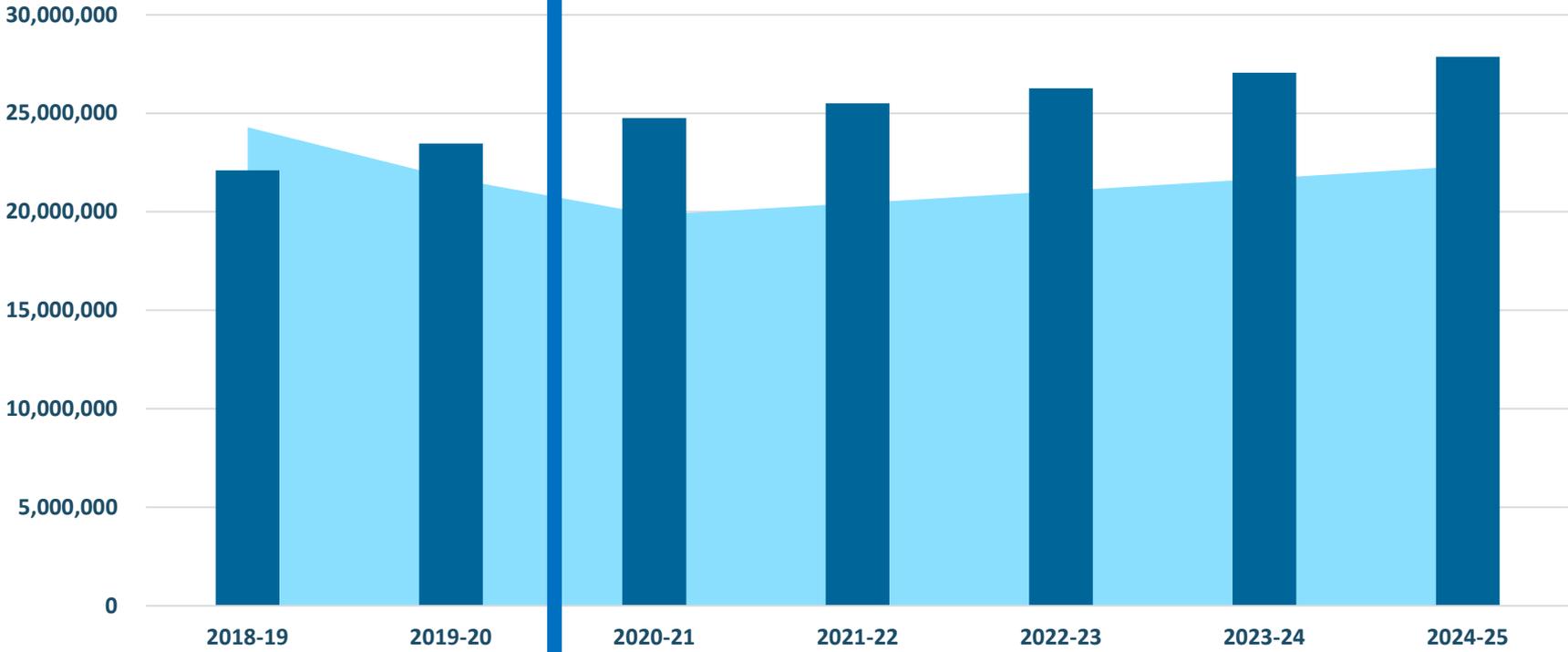
Revenues Expenditures



# General Fund Five - Year Projection

With COVID-19 Impacts

Revenues Expenditures



# 2020-21

## Other Funds

# 2020-21 Fire Fund Highlights

- **4.9% Contract Increase** **\$ 294,813**
- **Total Contract** **\$6,359,988**
- **Revenue Neutrality** **\$ 250,000**
- **Third Fire Station Reserve** **\$8,000,000**

# 2020-21 Fire Fund: Contract

- Station 27
  - Medic Engine - 3 Staff
  - Medic Squad – 2 Staff
- Station 31
  - Medic Engine -3 Staff
- 0.5 FTE Fire Systems Inspector
  - New construction inspections
- 0.5 FTE Fire Safety Specialist
  - Assists new construction inspections

# 2020-21 Fire Fund: Contract

## Business Inspection Program (Fire Prevention)

- Presented to Council February 26, 2020
- Contract with CAL FIRE/Riverside County Fire
  - Add 0.5 FTE Fire Systems Inspector
  - Annual Cost \$65,000, plus one time start up cost \$10,000
  - Every business will receive annual inspection
  - Ensure safety of Employee's, Guests, and ensure business operates safely and efficiently and remains open
  - Continue to generate sales tax
- City Funded through Fire Fund Until User Fee Study Complete

# 2020-21 Fire Fund Balance

<b>Estimated Fund Bal 06/30/2020</b>	<b>\$9,810,435</b>
Total Revenues	\$6,630,233
Total Expenditures	<u>\$6,863,738</u>
<b>Change in Fund Balance</b>	<b>(\$233,505)</b>
Committed Reserve	<u>\$8,000,000</u>
<b>Fire Fund Estimated Unassigned Fund Balance @ 06/30/2021</b>	<b>\$1,576,930</b>

# 2020-21 Measure A Fund

■ Total Revenues	\$1,265,008
■ Total Expenditures	\$3,874,900
■ Change in Fund Balance	(\$2,609,892)
■ Total Projected Fund Bal*	\$669,531

\* @ June 30, 2021

# 2020-21 Gas Tax Fund

▪ Total Revenues	\$1,363,155
▪ Total Expenditures	\$6,732,050
▪ Change in Fund Balance	(\$5,368,895)
▪ Total Projected Fund Bal*	\$652,430

\* @ June 30, 2021

# 2020-21 Miscellaneous Grants Fund

▪ Total Revenues	\$1,647,872
▪ Total Expenditures	\$2,255,793
▪ Change in Fund Balance	(\$607,921)
▪ Total Projected Fund Bal*	(\$1,292,242)

\* @ June 30, 2021

# 2020-21 Development Impact Fee Funds

▪ Total Revenues	\$478,264
▪ Total Expenditures	\$895,899
▪ Change in Fund Balance	(\$417,625)
▪ Total Projected Fund Bal*	\$1,428,840

\* @ June 30, 2021

# 2020-21 Assessment Districts

■ Total Revenues	\$176,086
■ Total Expenditures	\$123,977
■ Change in Fund Balance	(\$233,505)
■ Total Projected Fund Bal*	\$52,109

\* @ June 30, 2021

# 2020-21 Debt Service Fund

■ Total Revenues	\$468,699
■ Total Expenditures	\$468,699
■ Change in Fund Balance	\$0
■ Total Projected Fund Bal*	(\$2,252)

\* @ June 30, 2021

# 2020-21 Capital Projects Fund

■ Total Revenues	\$1,522,678
■ Total Expenditures	\$2,310,000
■ Change in Fund Balance	(\$787,322)
■ Total Projected Fund Bal*	\$197

\* @ June 30, 2021

**2020-21**

# **Capital Improvement Plan**

# 2020-21 Capital Improvement Plan

## Annual Overlay

\$2.0 million + \$2.3 million in continuing appropriations

## Funded by:

Gas Tax, SB1 Funds, Cal Recycle Grant, Measure A

# 2020-21 Capital Improvement Plan

## Limonite Gap Closure

\$1.3 million + \$950K in continuing appropriations

Funded by:

TUMF

# 2020-21 Capital Improvement Plan

## Hamner Place

\$4.0 million + \$1.5 million in continuing appropriations

Funded by:

General Fund, DIF, Gas Tax

# Questions & Discussion