

Adopted Annual Operating and Capital Improvement Budget Fiscal Year 2020-2021

June 10, 2020

Agenda Item No. 11.1

Amanda Wells
Finance Director/City Treasurer



2020-21 Budget Approach

1. Adopted Budget Policy

- Total Expenditures 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. Gann Appropriations Limit

- Revenue Appropriations comply with the Calif. Constitution

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
Budget Surplus (Deficit)	(3,365,041)	(4,916,675)

Evaluating Cost Savings City Wide

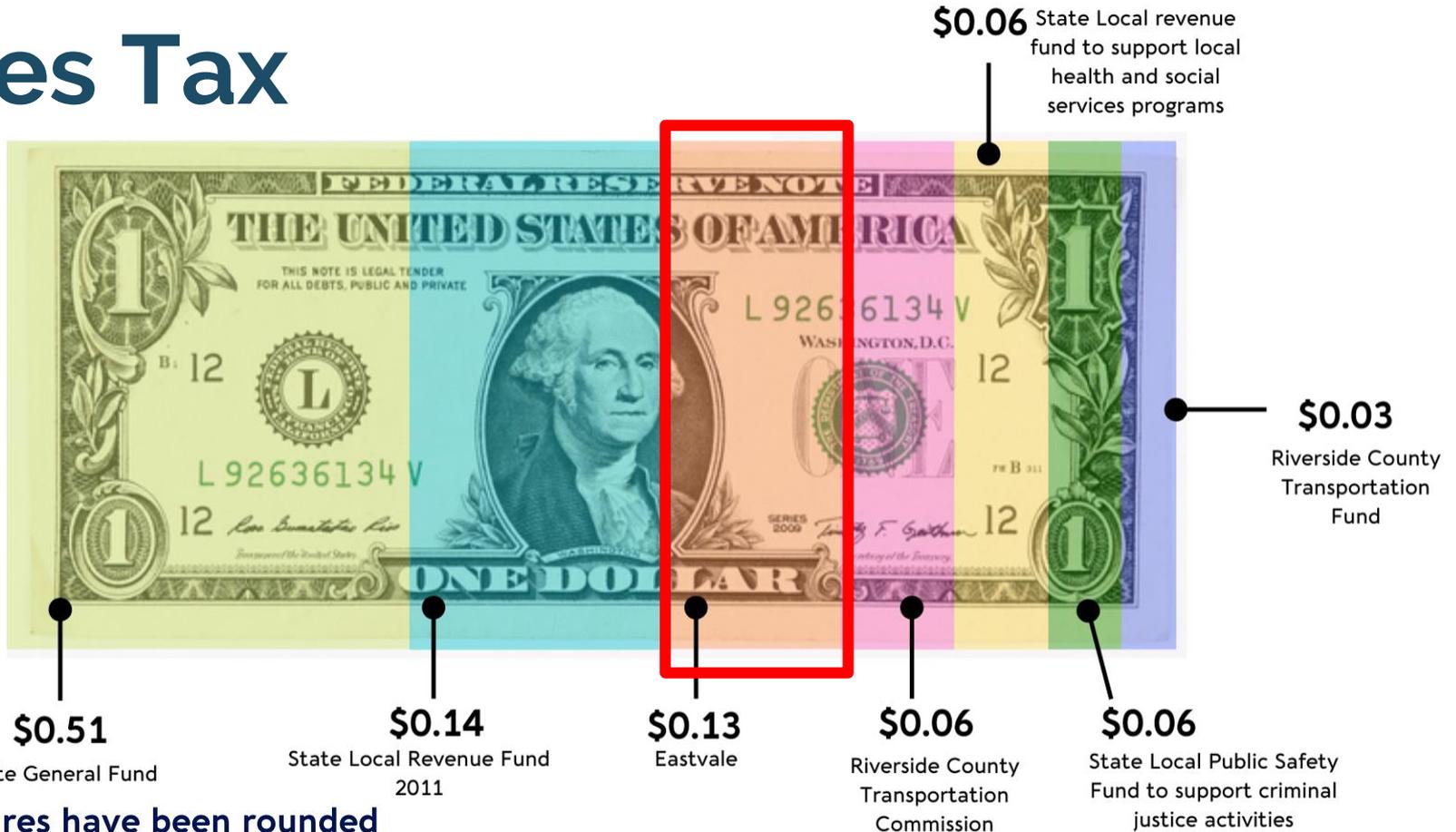
- **Personnel**
 - Layoffs – Spring 2020
 - Budget for actual costs (top step versus actual step + 5%)
 - No Merit Increases
 - Reduce travel & training, tuition reimbursement, professional development
- **Negotiate Contract Staff Savings and Reductions**
 - Bring Key Positions In-House
 - No CPI increases 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 Expenditures**

2020-21

General Fund Revenues

\$22,734,841

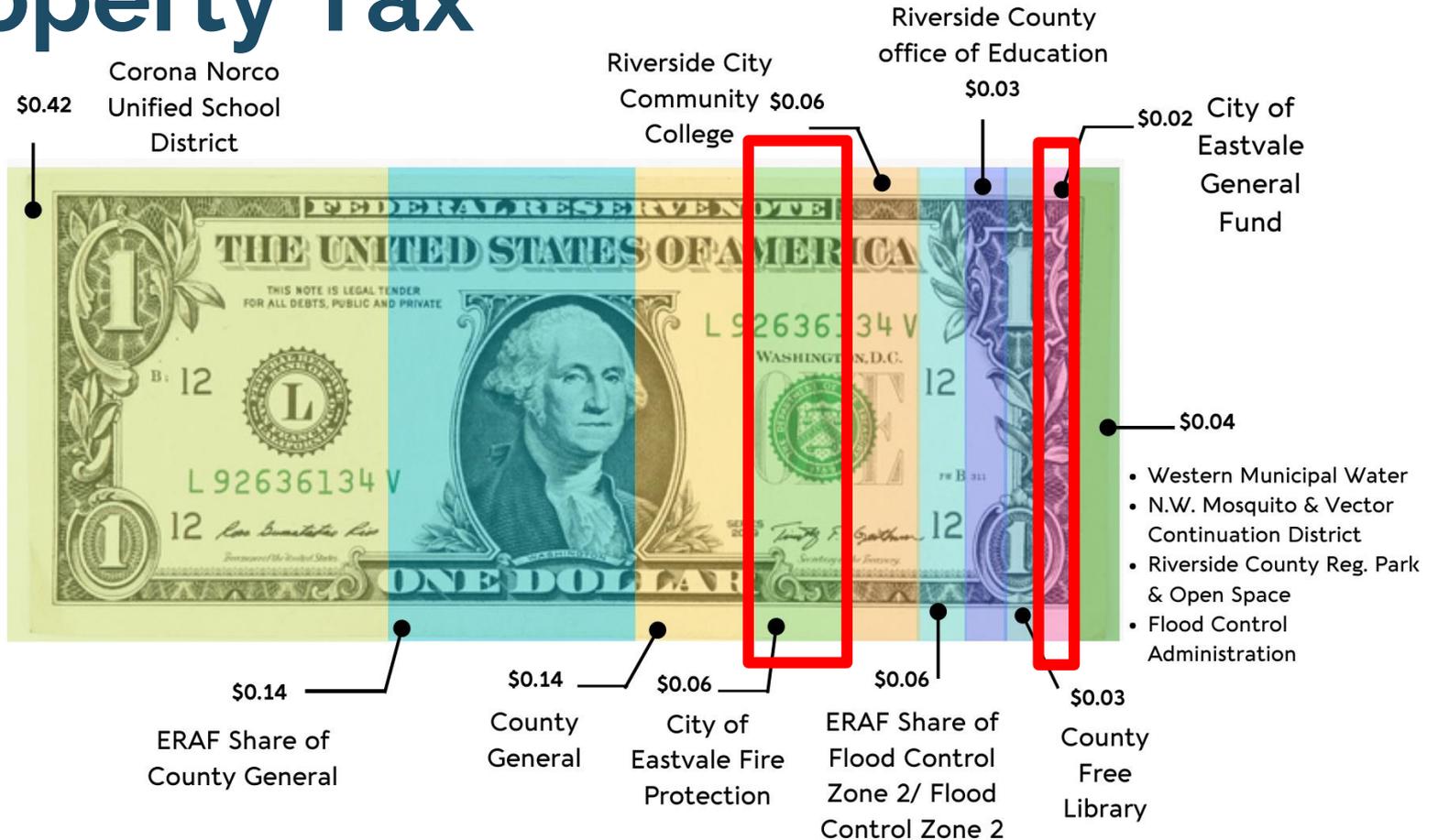
Sales Tax



Note: Figures have been rounded

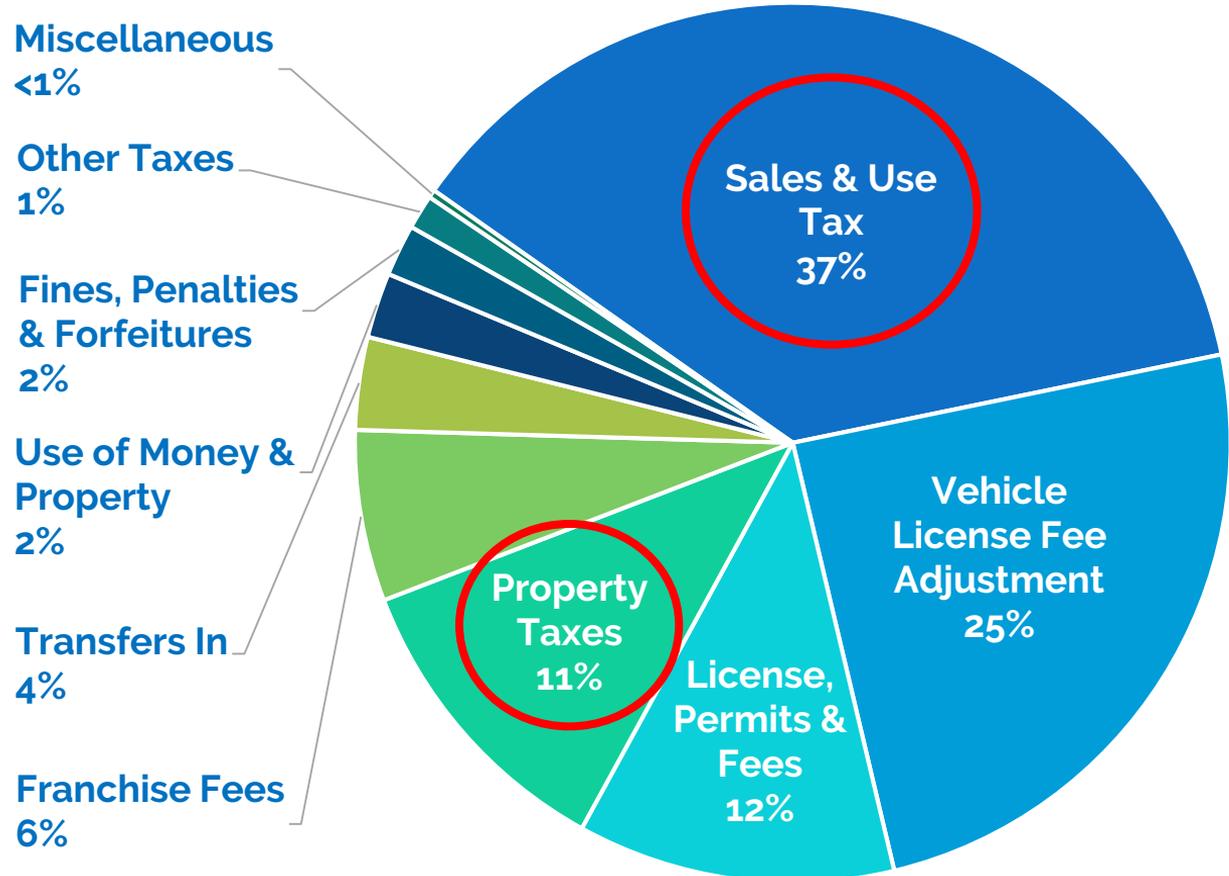
Source: <https://www.cdtfa.ca.gov/taxes-and-fees/sut-rates-description.htm>

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 Property Transfer Tax	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%
Total	24,840,190	21,713,624	22,734,841	(2,105,349)	(8%)

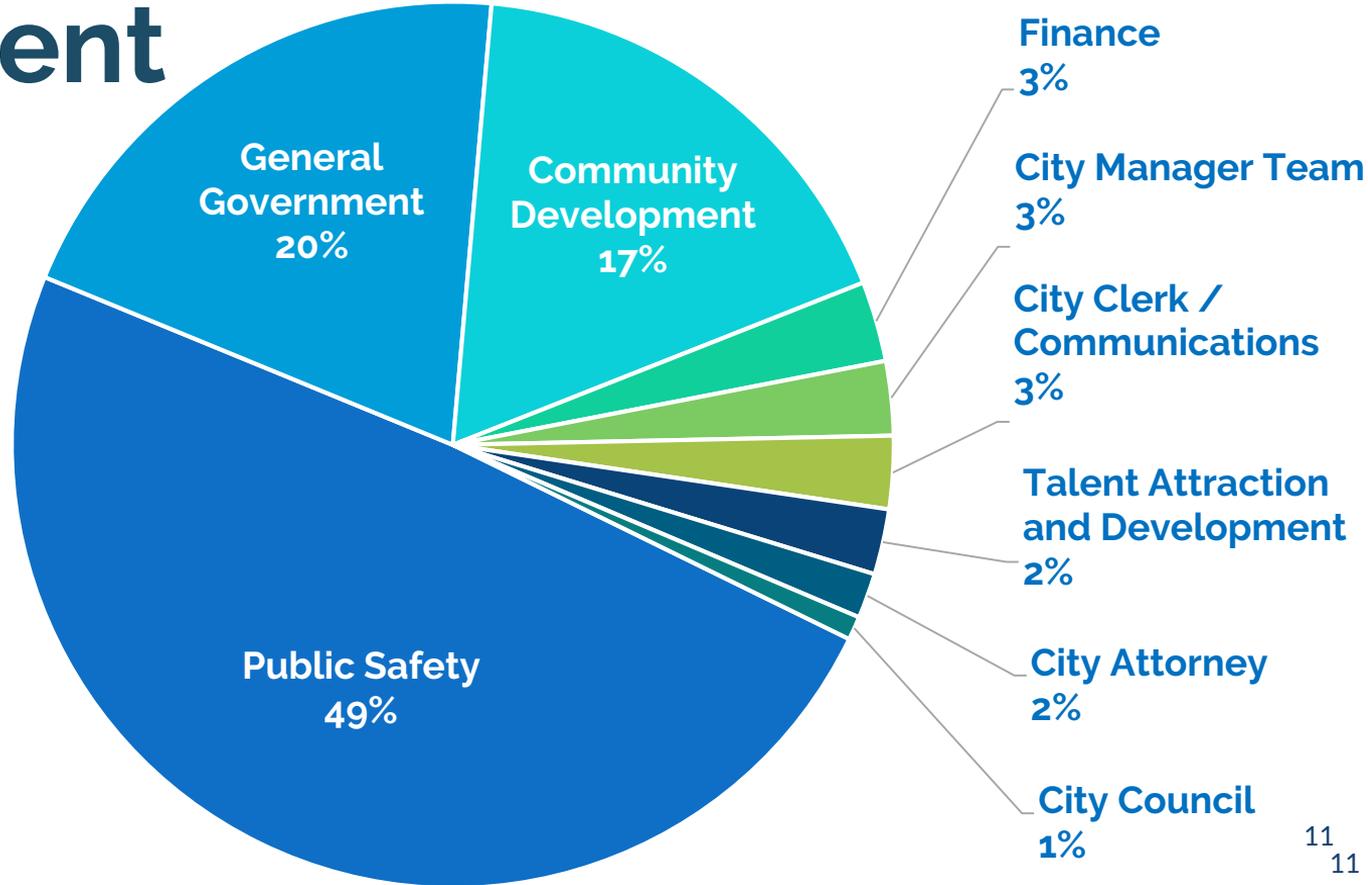
2020-21

General Fund Expenditures

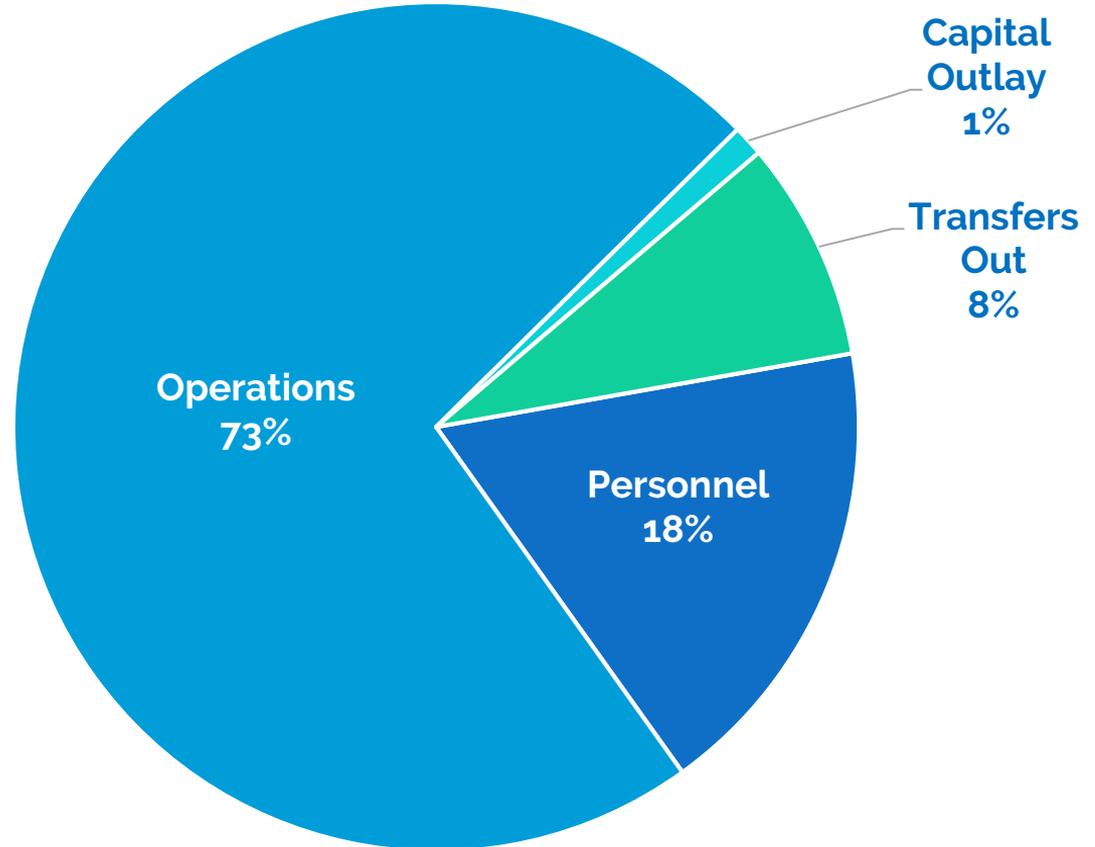
\$23,681,456

General Fund Expenditures by Department

Law Enforcement is **49% of the general fund.**



General Fund Expenditures by Category



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%)
Total General Fund Expenditures	26,189,149	23,681,456	(2,507,693)	(10%)

2020-21

**General Fund Expenditures:
Contracts and Personnel**

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
Sr. Community & Building Safety Specialist	Building	1.00
Community & Building Safety Specialist	Building	1.00
Assistant Planner	Planning	1.00
Planning Technician (PT)	Planning	0.75
Total		8.50

2020-21 Personnel Additions

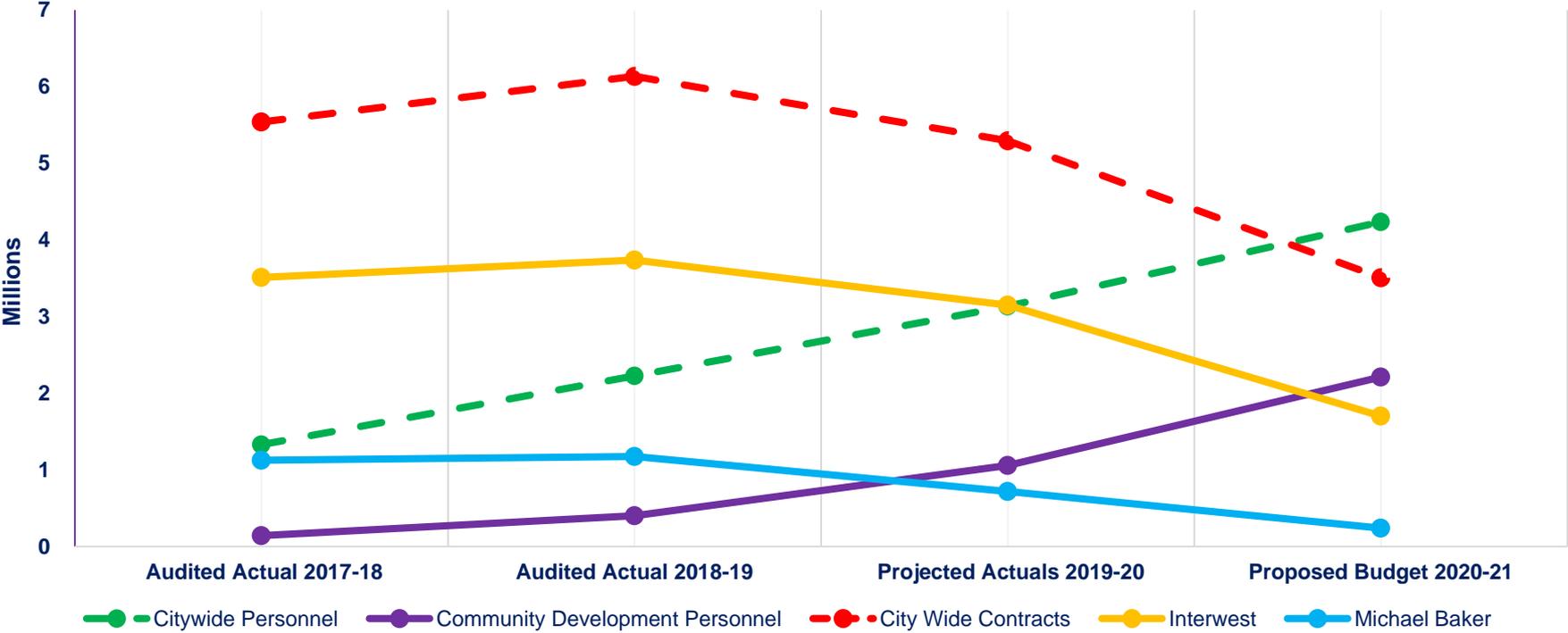
Contract Services to City Positions

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)
Senior Comm. & Building Safety Specialist	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)
Total			1,159,888	1,755,260	(595,372)

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)
Total		3,185,000	2,444,932	1,114,320	(2,070,680)

2020-21 Citywide Contracts vs Personnel



2020-21
Available Resources

2020-21 General Fund Balance

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

2020-21 General Fund Balance

Operating Statement:

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

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>
Total Committed	22,340,728

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**

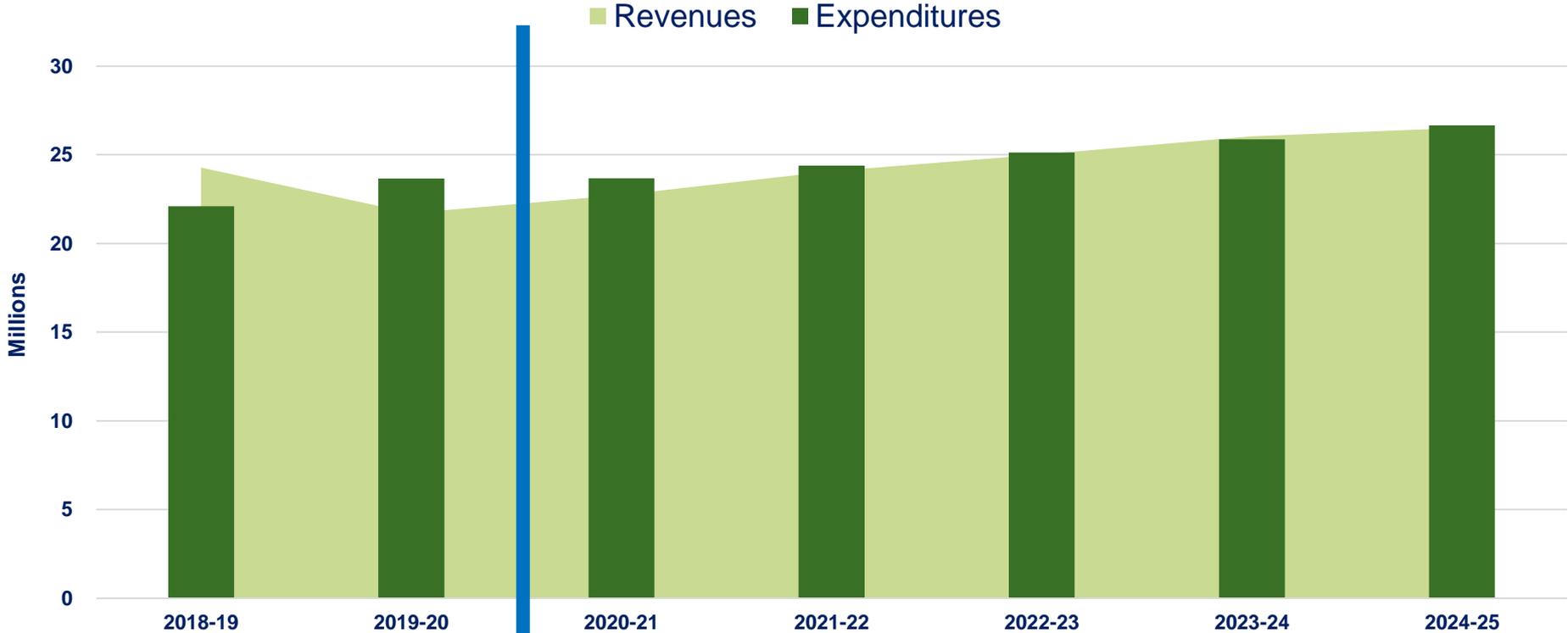
2020-21 Fire Fund Highlights

- **4.9% Contract Increase** **\$ 294,813**
- **Total Contract** **6,359,988**
- **Revenue Neutrality** **250,000**
- **Business Inspection Program** **75,000**
- **Third Fire Station Reserve** **8,000,000**

General Fund 5-Year Projections

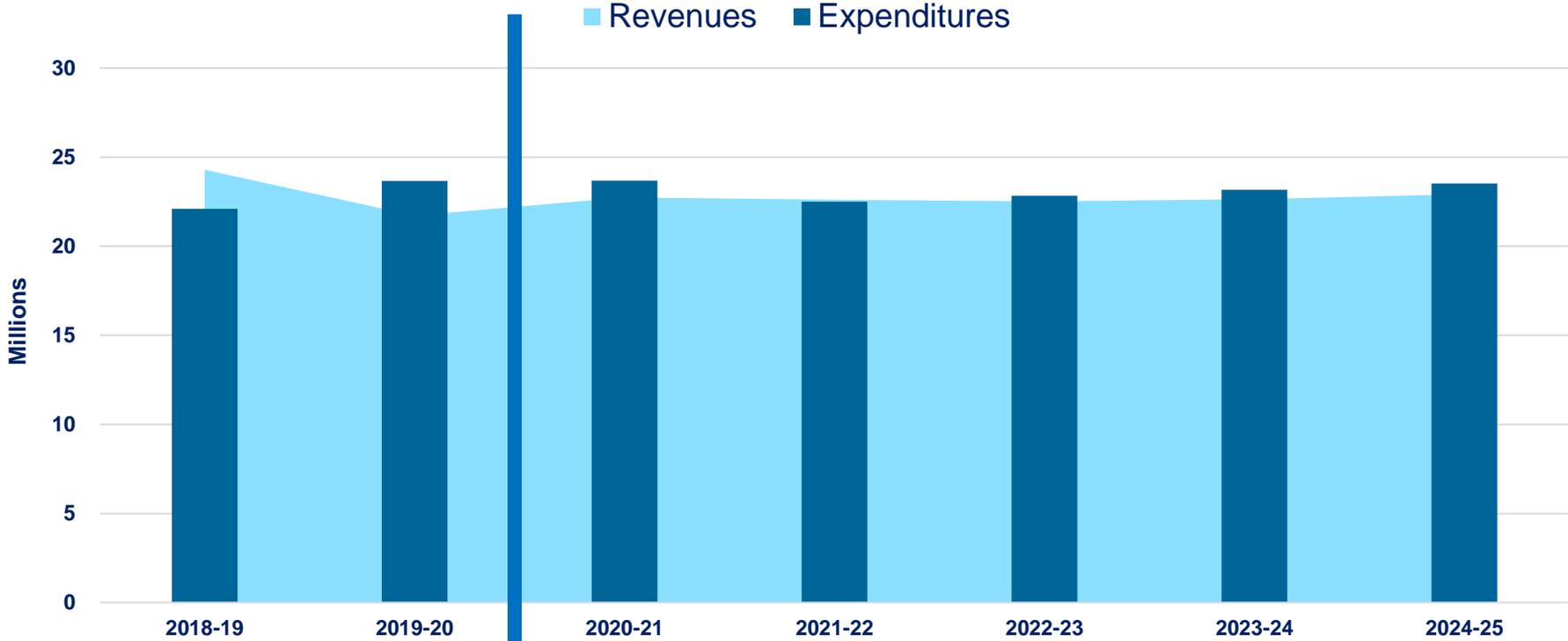
General Fund Five-Year Projection

COVID-19 Recovery: Short-Term Recovery



General Fund Five-Year Projection

COVID-19 Recovery: Long-Term Recovery



Recommendations

- **Conduct Public Hearing**
- **Adopt the Following Resolutions**
 - Adopting Operating and Capital Improvement Budget
 - Approving and Adopting the Annual (Gann) Appropriations Limit
 - Approving the Commitment of Fund Balance Pursuant to GASB54
 - Establishing Authorized Positions
 - Establishing the Salary Schedule and Range Table

Questions & Discussion