



PRELIMINARY BUDGET
Fiscal Year 2020
May 21, 2019



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Director of Finance

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Budget Analyst



General Fund



Operating & Capital Budget FY 20 Preliminary vs FY 19 Adopted

General Fund

	FY 20		FY 19		
	Revised Preliminary		Adopted		Difference
<u>Revenues</u>					
Sales & Use Tax	\$	18,690,000	\$	18,078,000	\$ 612,000
District Transaction & Use Tax ("Prop 'D'")		11,965,000		11,359,000	606,000
Property Tax		4,033,720		3,933,720	100,000
Property Tax Allocated		(1,832,827)		(1,787,009)	(45,818)
Property Tax In Lieu of VLF		7,000,000		6,661,664	338,336
Other Revenues		15,201,825		16,360,401	(1,158,576)
Total Revenues	\$	55,057,718	\$	54,605,776	\$ 451,942
Transfer(s) In		6,000		8,606	(2,606)
Total Financing Sources	\$	55,063,718	\$	54,614,382	\$ 449,336
<u>Expenditures</u>					
Personnel	\$	41,479,048	\$	38,190,898	\$ 3,288,150
Maintenance & Operations		6,691,406		6,511,208	180,198
Capital Outlay		638,827		113,508	525,319
CIP		4,600,000		5,000,000	(400,000)
Internal Service Charges		7,255,695		7,596,545	(340,850)
Total Expenditures	\$	60,664,976	\$	57,412,159	\$ 3,252,817
Transfer(s) Out		1,924,479		1,858,192	66,287
Total Financing Uses	\$	62,589,455	\$	59,270,351	\$ 3,319,104
<u>Summary</u>					
Revenues	\$	55,057,718	\$	54,605,776	\$ 451,942
Transfer(s) In		6,000		8,606	(2,606)
Expenditures		(60,664,976)		(57,412,159)	(3,252,817)
Transfer(s) Out		(1,924,479)		(1,858,192)	(66,287)
Projected Use of Fund Balance *	\$	(7,525,737)	\$	(4,655,969)	\$ (2,869,768)

Transfer(s) In/Out for all funds equal (net) \$0

* Includes the use of \$3.3M of committed fund balance in FY 20 and %500,000 in FY 19 (Facilities Maintenance Reserve).



Operating & Capital Budget FY 20 Preliminary Changes

General Fund

	FY 20		FY 20		
	Revised Preliminary		Preliminary		Difference
<u>Revenues</u>					
Sales & Use Tax	\$	18,690,000	\$	18,690,000	\$ -
District Transaction & Use Tax ("Prop 'D'")		11,965,000		11,965,000	-
Property Tax		4,033,720		4,033,720	-
Property Tax Allocated		(1,832,827)		(1,832,827)	-
Property Tax In Lieu of VLF		7,000,000		7,000,000	-
Other Revenues		15,201,825		15,091,825	110,000
Total Revenues	\$	55,057,718	\$	54,947,718	\$ 110,000
Transfer(s) In		6,000		6,000	-
Total Financing Sources	\$	55,063,718	\$	54,953,718	\$ 110,000
<u>Expenditures</u>					
Personnel	\$	41,479,048	\$	41,663,160	\$ (184,112)
Maintenance & Operations		6,691,406		6,642,220	49,186
Capital Outlay		638,827		582,827	56,000
CIP		4,600,000		2,300,000	2,300,000
Internal Service Charges		7,255,695		7,493,228	(237,533)
Total Expenditures	\$	60,664,976	\$	58,681,435	\$ 1,983,541
Transfer(s) Out		1,924,479		2,144,668	(220,189)
Total Financing Uses	\$	62,589,455	\$	60,826,103	\$ 1,763,352
<u>Summary</u>					
Revenues	\$	55,057,718	\$	54,947,718	\$ 110,000
Transfer(s) In		6,000		6,000	-
Expenditures		(60,664,976)		(58,681,435)	(1,983,541)
Transfer(s) Out		(1,924,479)		(2,144,668)	220,189
Projected Use of Fund Balance *	\$	(7,525,737)	\$	(5,872,385)	\$ (1,653,352)

Transfer(s) In/Out for all funds equal (net) \$0

* Includes the use of \$3.3M of committed fund balance in FY 20 revised preliminary and \$1.3M in FY20 preliminary and (Facilities Maintenance Reserve).



Changes FY20 Preliminary Budget

General Fund

Council-Directed Changes

Expenditures

Restoration of City Council Personnel	\$	36,064
Restoration of City Council M&O		10,786
Addition to South County Economic Development Council contribution		9,500
Addition for Cannabis Study		28,900
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Total	\$	85,250



Changes FY20 Preliminary Budget

General Fund

Staff Corrections and Adjustments

Revenues

Set-aside for MISC one-time revenues	\$ 110,000
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Expenditures

Personnel Compensation	(\$ 216,676)
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Internal Service Funds	(237,533)
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Capital Improvement Program	2,300,000
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Capital Outlay	56,000
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Total	\$ 1,901,791
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Transfer(s) Out

Library Fund	(70,391)
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Parks Maintenance Fund	(149,799)
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Total	\$ 220,190
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Deficit Spending – Previous General Fund

Total estimated use of General Fund fund balance, FY 20 Preliminary Budget \$ **5,872,385**

Use is split between unassigned and committed as shown below:

Unassigned Fund Balance at 6/30/18	\$	12,731,294
Less: projected use of fund balance, FY 19		(1,784,342)
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Projected Unassigned Fund Balance at 6/30/19		10,946,952
Less: estimated use of fund balance, FY 20 Preliminary Budget		(4,872,385)
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Estimated Unassigned Fund Balance at 6/30/20	\$	6,074,567
Committed Fund Balance - Facilities Maintenance Reserve at 6/30/18	\$	2,000,000
Less: projected use of fund balance, FY 19		(700,000)
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Projected Committed Fund Balance - Facilities Maintenance Reserve at 6/30/19		1,300,000
Less: estimated use of fund balance, FY 20 Preliminary Budget		(1,000,000)
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Estimated Committed Fund Balance - Facilities Maintenance Reserve, 6/30/20	\$	300,000
Recap		
Estimated use of Unassigned Fund Balance, FY 20 Preliminary Budget	\$	4,872,385
Estimated use of Committed Fund Balance, FY 20 Preliminary Budget	\$	1,000,000



Deficit Spending – Revised General Fund

Total estimated use of General Fund fund balance, FY 20 Preliminary Budget	\$ 7,525,737
Use is split between unassigned and committed as shown below:	
Unassigned Fund Balance at 6/30/18	\$ 12,731,294
Less: projected use of fund balance, FY 19	(1,784,342)
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Projected Unassigned Fund Balance at 6/30/19	10,946,952
Less: estimated use of fund balance, FY 20 Preliminary Budget	(4,225,737)
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Estimated Unassigned Fund Balance at 6/30/20	\$ 6,721,215
Committed Fund Balance - Facilities Maintenance Reserve at 6/30/18	\$ 2,000,000
Less: projected use of fund balance, FY 19	(700,000)
Add: reclassification of fund balance at 6/30/19	4,400,000
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Projected Committed Fund Balance - Facilities Maintenance Reserve at 6/30/19	5,700,000
Less: estimated use of fund balance, FY 20 Preliminary Budget	(3,300,000)
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Estimated Committed Fund Balance - Facilities Maintenance Reserve, 6/30/20	\$ 2,400,000
Recap	
Estimated use of Unassigned Fund Balance, FY 20 Preliminary Budget	\$ 4,225,737
Estimated use of Committed Fund Balance, FY 20 Preliminary Budget	\$ 2,300,000



Total Budget



Operating & Capital Budget FY 20 Preliminary vs FY 19 Adopted

All Funds

	FY 20		FY19		Change
	Revised Preliminary		Adopted		
General Fund					
Revenues	\$	55,057,718	\$	54,605,776	\$ 451,942
Transfers In		6,000		8,606	(2,606)
Expenditures		(60,664,976)		(57,412,159)	(3,252,817)
Transfers Out		(1,924,479)		(1,858,192)	(66,287)
Projected Use of Fund Balance	\$	(7,525,737)	\$	(4,655,969)	\$ (2,869,768)
Other Funds					
Revenues	\$	41,185,229	\$	38,481,497	\$ 2,703,732
Transfers In		2,503,603		2,528,399	(24,796)
Expenditures		(45,387,755)		(41,950,255)	(3,437,500)
Transfers Out		(585,125)		(678,813)	93,688
Projected Use of Fund Balance	\$	(2,284,048)	\$	(1,619,172)	\$ (664,876)
All Funds					
All Revenues	\$	96,242,947	\$	93,087,273	\$ 3,155,674
All Expenditures		(106,052,731)		(99,362,414)	(6,690,317)
Projected Use of Fund Balance	\$	(9,809,784)	\$	(6,275,141)	\$ (3,534,643)

Transfer(s) In/Out for all funds equal (net) \$0



Operating & Capital Budget FY 20 Preliminary Changes

All Funds

	FY 20 Revised Preliminary		FY 20 Preliminary		Change
General Fund					
Revenues	\$	55,057,718	\$	54,947,718	\$ 110,000
Transfers In		6,000		6,000	-
Expenditures		(60,664,976)		(58,681,435)	(1,983,541)
Transfers Out		(1,924,479)		(2,144,668)	220,189
Projected Use of Fund Balance	\$	(7,525,737)	\$	(5,872,385)	\$ (1,653,352)
Other Funds					
Revenues	\$	41,185,229	\$	41,271,894	\$ (86,665)
Transfers In		2,503,603		2,758,793	(255,190)
Expenditures		(45,387,755)		(46,216,713)	828,958
Transfers Out		(585,125)		(620,125)	35,000
Projected Use of Fund Balance	\$	(2,284,048)	\$	(2,806,151)	\$ 522,103
All Funds					
All Revenues	\$	96,242,947	\$	96,219,612	\$ 23,335
All Expenditures		(106,052,731)		(104,898,148)	(1,154,583)
Projected Use of Fund Balance	\$	(9,809,784)	\$	(8,678,536)	\$ (1,131,248)

Transfer(s) In/Out for all funds equal (net) \$0



Significant Changes FY20 Preliminary Budget

Other Funds

	FY 20 Revised Preliminary	FY 20 Preliminary	(\$) Change
Revenues			
Community Development Block Grant Fund (301)	\$ 842,964	\$ 884,000	\$ (41,036)
HOME Fund (505)	\$ 511,487	\$ 499,000	\$ 12,487
Transfer(s) In			
Library Fund (104)	\$ 1,061,970	\$ 1,132,361	\$ (70,391)
Parks Maintenance Fund (105)	\$ 602,168	\$ 751,967	\$ (149,799)
Vehicle Replacement Fund (644)	\$ 87,500	\$ 122,500	\$ (35,000)
Expenditures			
Library Fund (104)	\$ 1,913,442	\$ 1,983,833	\$ (70,391)
Parks Maintenance Fund (105)	\$ 1,594,523	\$ 1,744,321	\$ (149,798)
Gas Taxes Fund (109)	\$ 2,619,089	\$ 2,704,594	\$ (85,505)
Sewer Service Fund (125)	\$ 9,931,849	\$ 10,030,635	\$ (98,786)
Nutrition Fund (166)	\$ 790,924	\$ 828,173	\$ (37,249)
Community Development Block Grant Fund (301)	\$ 842,964	\$ 1,058,310	\$ (215,346)
Home Fund (505)	\$ 626,578	\$ 529,273	\$ 97,305
Transfer(s) Out			
Sewer Service (125)	\$ 87,500	\$ 122,500	\$ (35,000)

*Not all Other Funds are listed.



Staff Recommendation

Replacing 2 Deputy City Manager positions with 1 Assistant City Manager position

\$	(378,035)	Freeze 2 Deputy City Managers
	237,098	Fund 1 Assistant City Manager
\$	(140,937)	Net Expense (Savings)

Freeze the Senior Office Assistant Position to fund Internship Program

\$	(65,072)	Freeze Office Assistant Position
	50,000	Internship Program
\$	(15,072)	Net Expense (Savings)

Changes to the Community Development department

\$	(200,782)	Freeze Director of Neighborhood Services
	220,535	Fund Director of Community Development
	(106,321)	Freeze Code Conformance Officer II
	129,348	Fund Neighborhood Service Manager
\$	42,780	Net Expense (Savings)

\$	(113,229)	Total Net Expense (Savings)
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Request for Direction

Staff seeks formal direction from the City Council regarding staff recommendations to be incorporated for the fiscal year 2020 proposed budget.



Public Comments



Council Comments



Council Direction