



Fiscal Year 2022-23 Proposed Budget

May 25, 2022

Key Numbers

- Total Budget: \$293 million (\$20 million increase from current FY)
- General Fund: \$86 million (\$7.3 million increase from current FY)

Major cost drivers

- Six new positions and the full-year cost of positions added during the current fiscal year
- General salary and benefit increases
- Operational program and service cost increases
- One-time equipment purchases
- Increased Small Business Incentive Program funding
- New debt service payments associated with City facility improvements and expansion
- Expansion of risk reserves



Balanced Budget



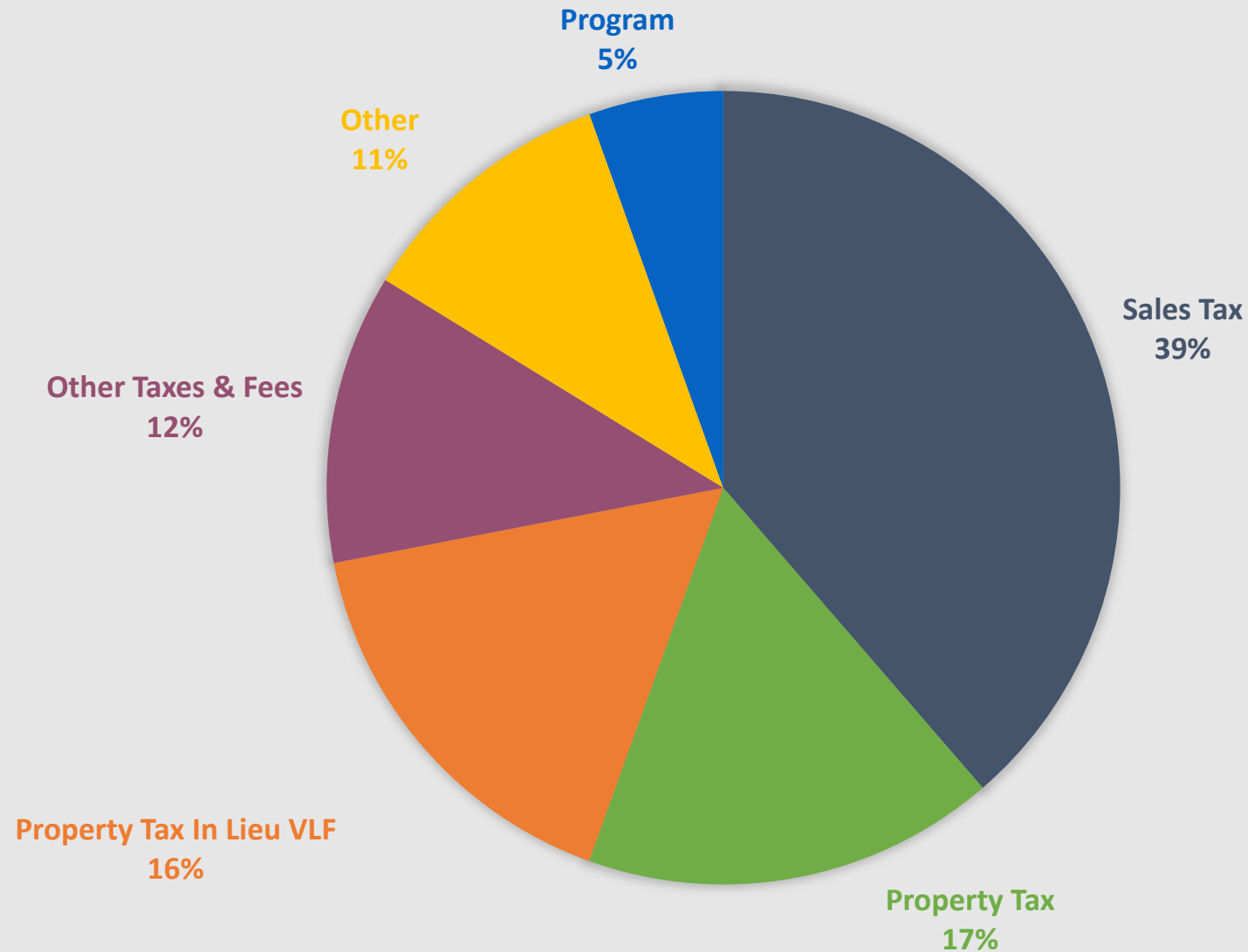
- Balanced budget with fully-funded reserves
 - \$20.6 million Reserve for Economic Uncertainty (25%)
 - \$4.1 million Opportunity Reserve (5%)
 - Continued contributions to Economic Development and Capital Reserves

Budget Overview

- Maintains and enhances levels of service to Elk Grove's residents, with continued focused efforts on public safety, affordable housing/homelessness, traffic, and economic development.
- Establishes a structurally-balanced and sustainable fiscal plan.
- Provides funding for and programming of City Council Priority Projects.
- Continues to increase reserves based on the Reserve Policy, reflecting fiscal best practices.

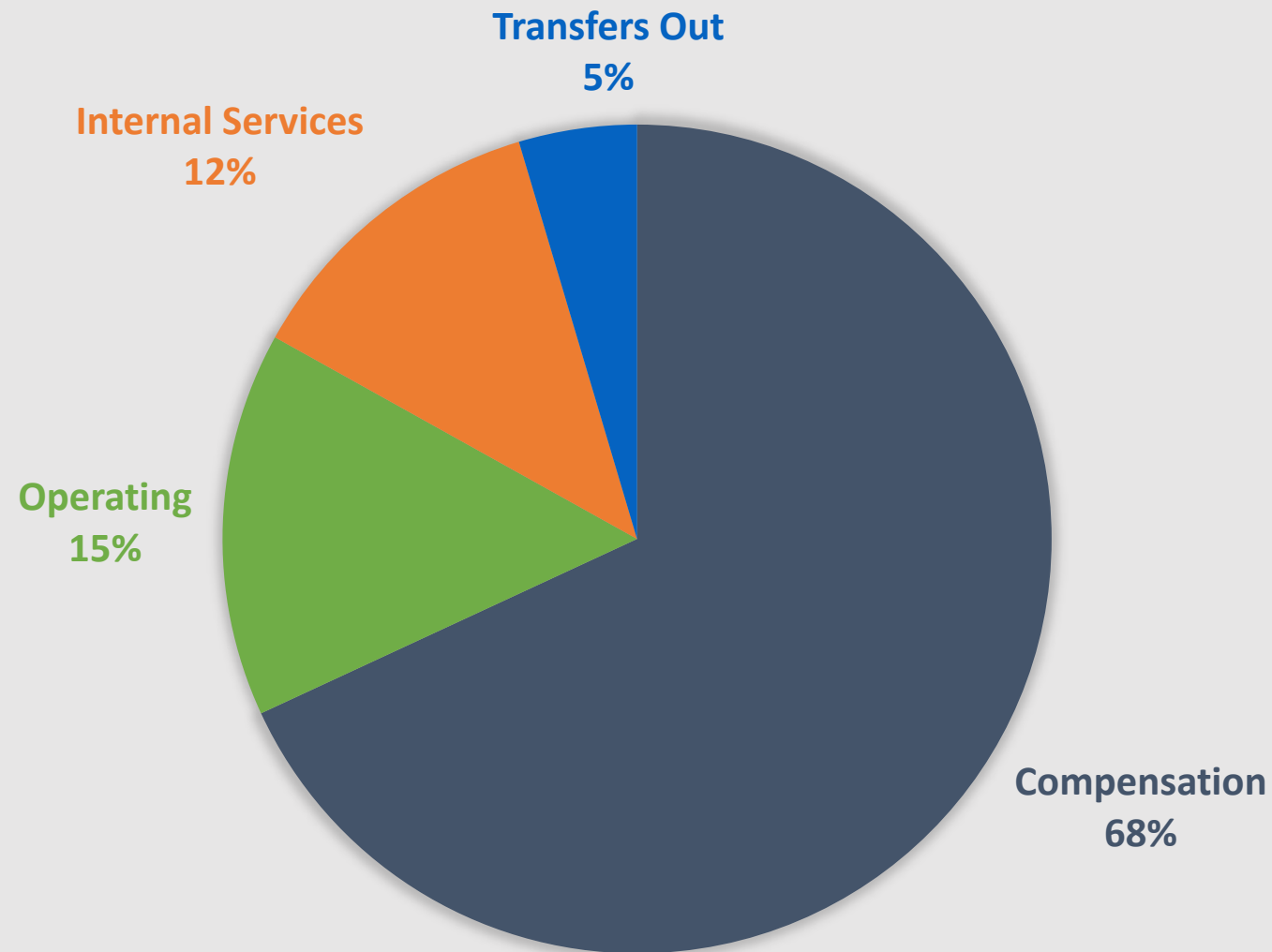
Where the General Fund Comes From

FISCAL YEAR 2022-23 GENERAL FUND REVENUES - \$98M



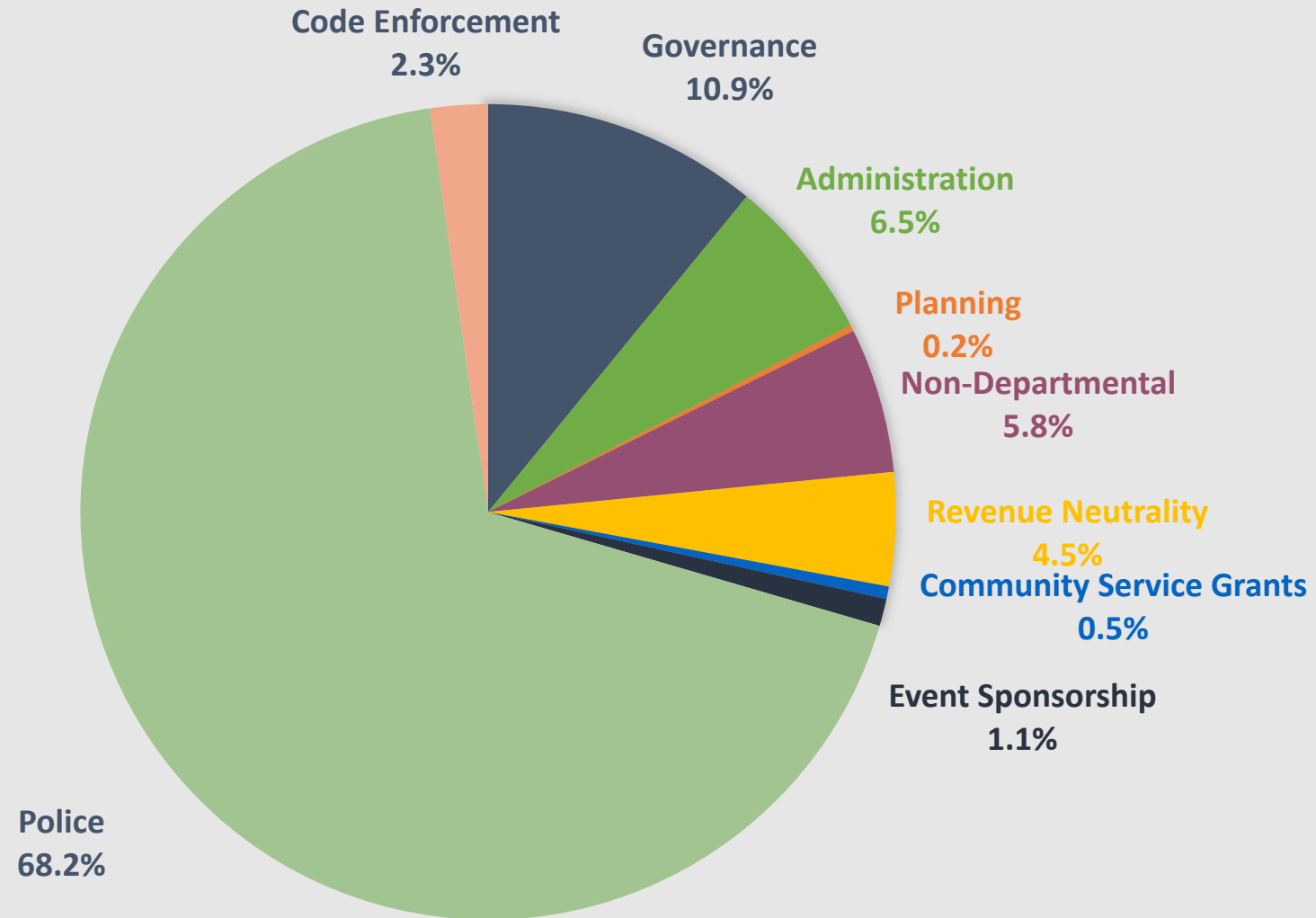
Where the General Fund Goes (By Category)

FISCAL YEAR 2022-23 GENERAL FUND SPENDING BY CATEGORY - \$86M



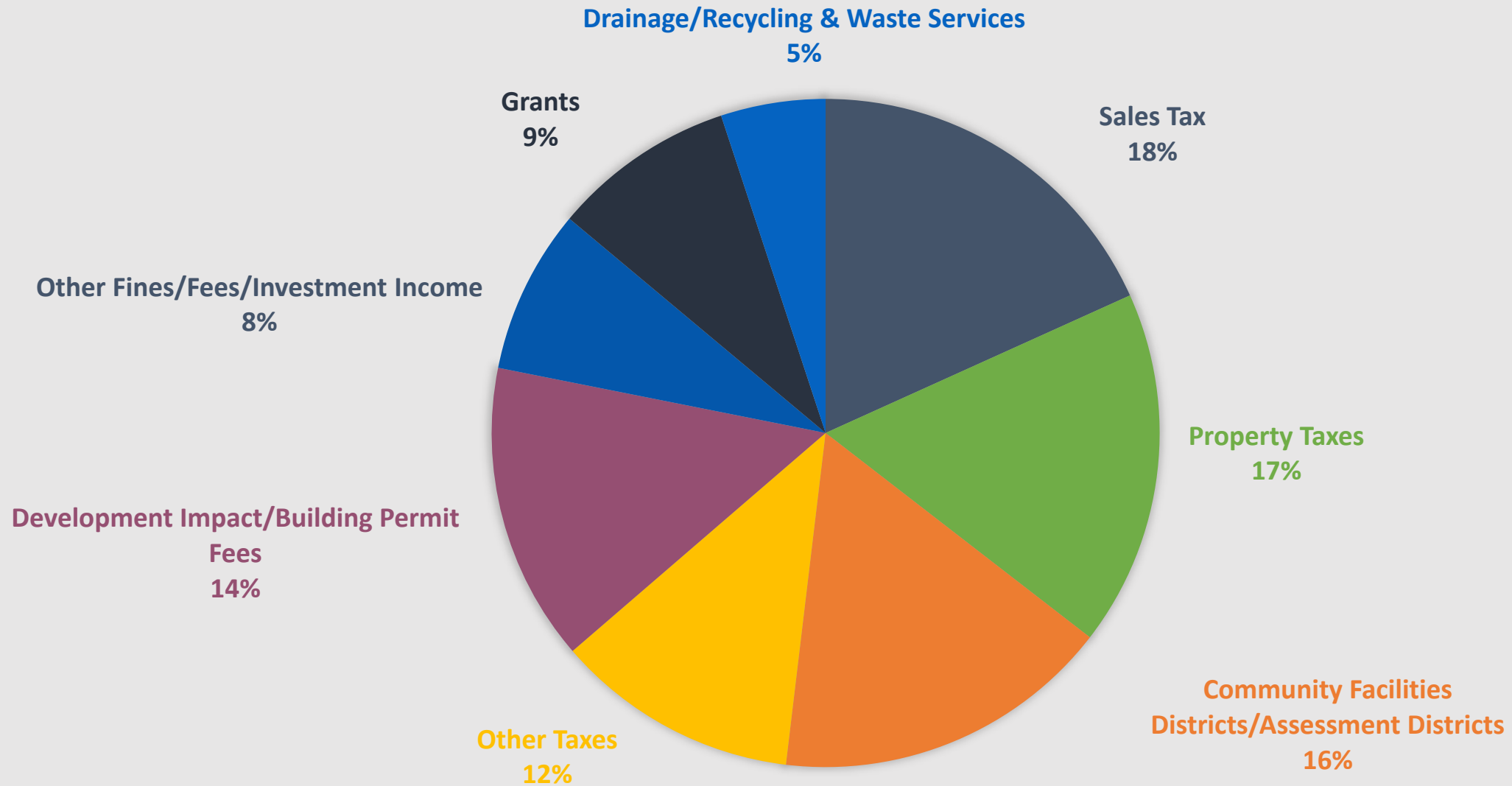
Where the General Fund Goes (By Function)

FISCAL YEAR 2022-23 GENERAL FUND SPENDING BY FUNCTION - \$86M



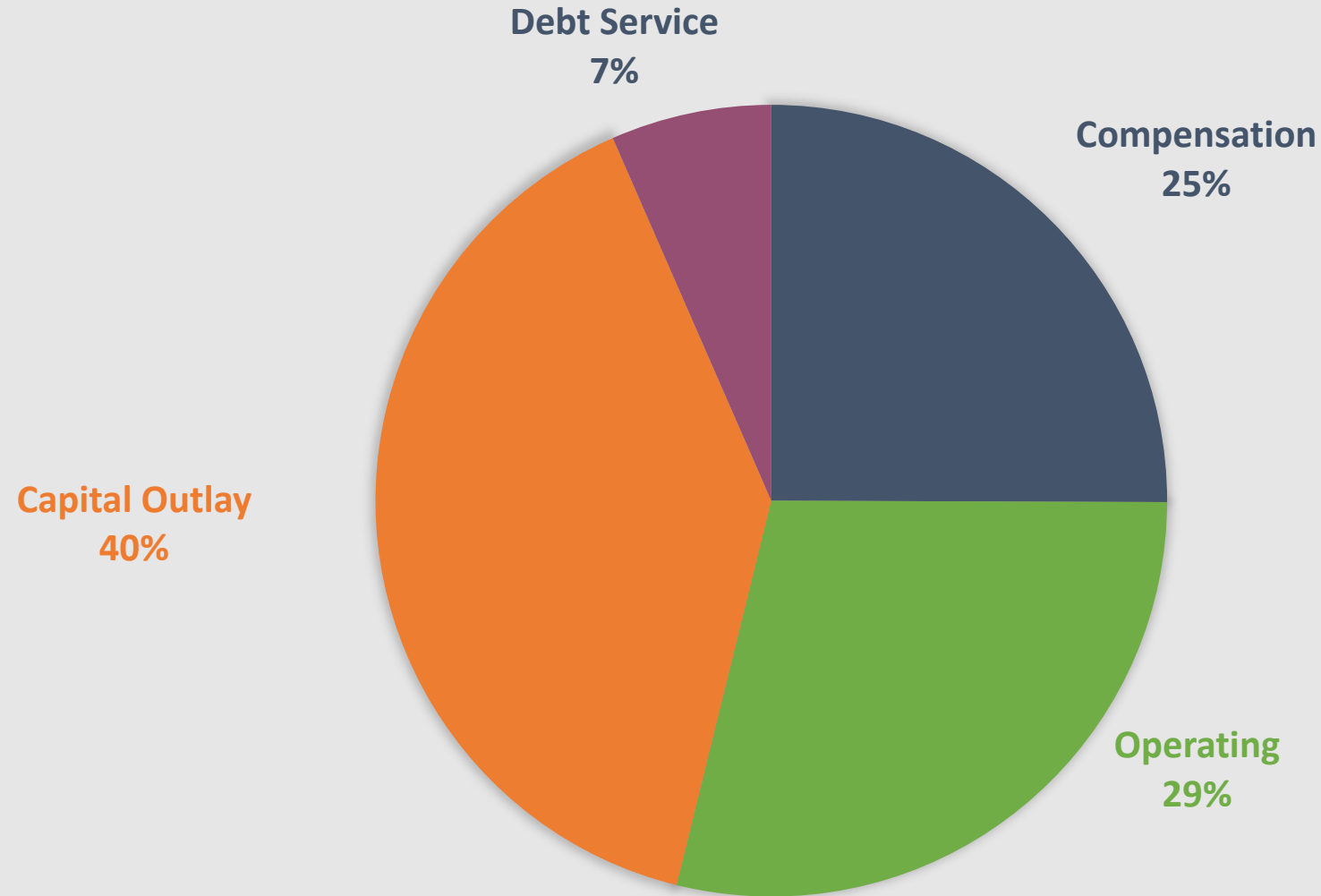
Where All the Money Comes From

FISCAL YEAR 2022-23 TOTAL REVENUES - \$208M



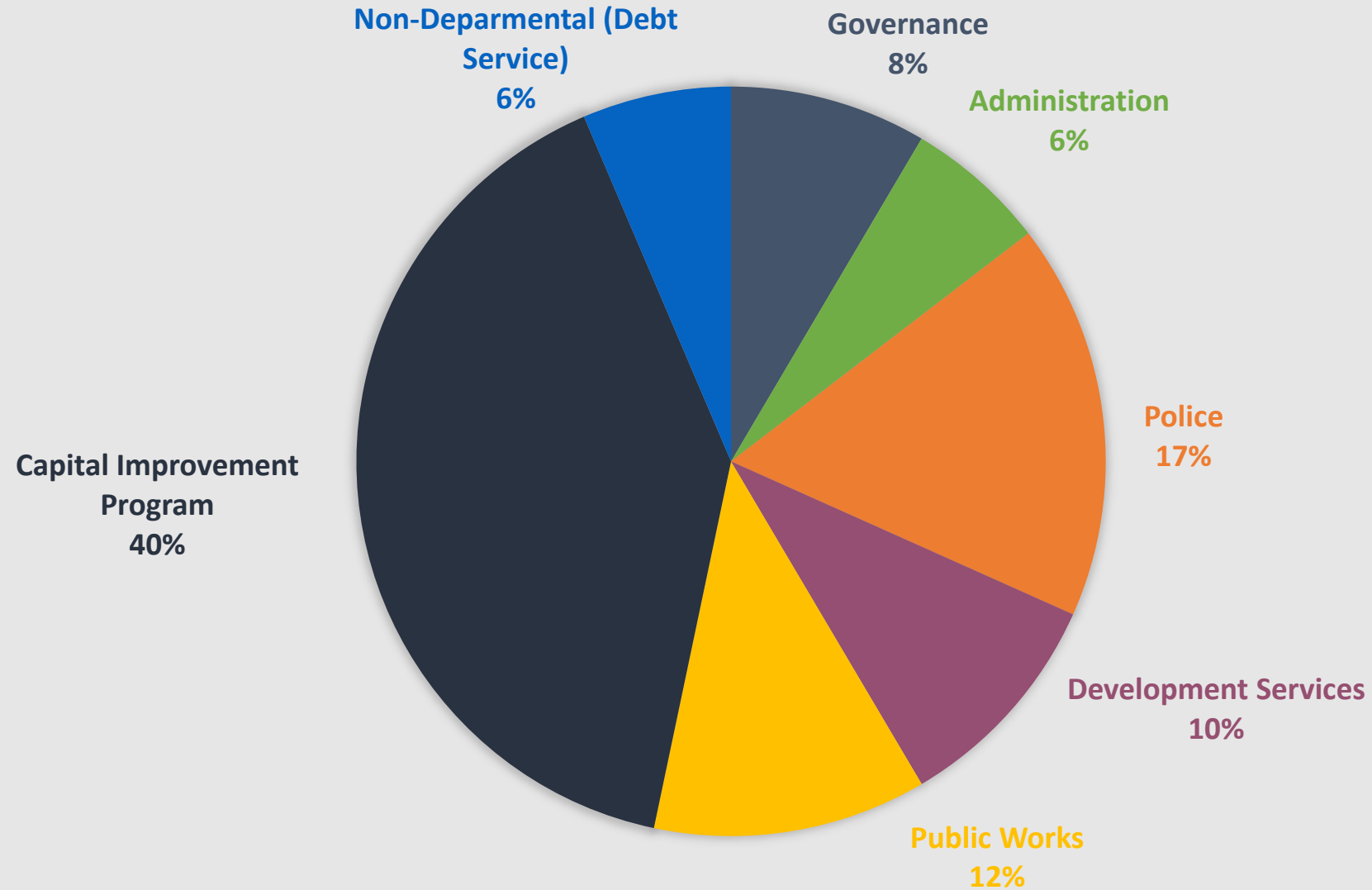
Where All the Money Goes (By Category)

FISCAL YEAR 2022-23 TOTAL SPENDING BY CATEGORY - \$293M

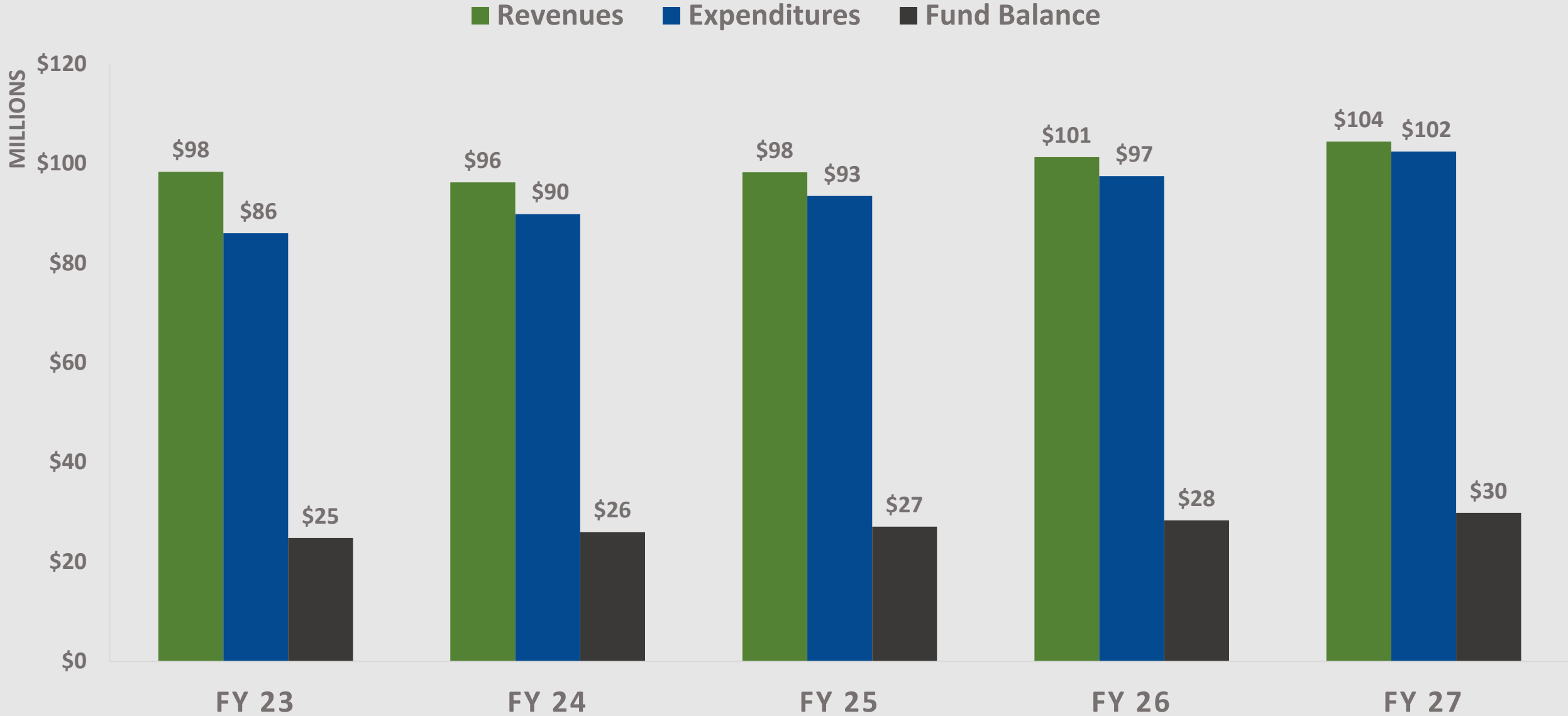


Where All the Money Goes (By Function)

FISCAL YEAR 2022-23 TOTAL SPENDING BY FUNCTION - \$293M



General Fund Five Year Forecast Looks Good...



But Risks Are Real

- Recession is not anticipated in 5-year budget forecast
- Headwinds include:
 - Historically-high inflation
 - Can the Fed thread the needle?
 - Russia-Ukraine conflict
- Staff has developed recession scenarios to be able to respond to declining revenues
- Staff would present recommended budget adjustments to Council during the fiscal year if needed.



Proposed Fiscal Year 2022-23 Budget Highlights

Economic Development

- Zoo
- Project Elevate
- Small Business Incentive Program
- Façade Improvement Program
- 1 new Economic Development Specialist position
- Expansion of Startup program
- Job training/Workforce Development program
- Infrastructure support for Grant Line Business Park
- Wide Open Walls



Proposed Fiscal Year 2022-23 Budget Highlights

Sustainability Efforts

- GHG Inventory
- Fleet Electrification Plan
- Environmentally friendly purchasing
- Bike Share Program
- Climate Action Plan Update
- Building Code Update – energy efficiency update
- Regional Cooperation



Proposed Fiscal Year 2022-23 Budget Highlights

Enhanced Policing Efforts

- Continued Real Time Information Center enhancements including congressional earmark
- PD campus improvements
- Staffing Study/4 new positions
- Animal Services will offer a low-cost spay/neuter program for Elk Grove residents
- New wellness programs for officers and staff
- Expansion of camera and license plate reader network
- Funding for domestic violence family support
- Increased community engagement efforts (BBQ on the beats)
- New laser scanner for investigation of major collisions and crime scenes



Proposed Fiscal Year 2022-23 Budget Highlights

Capital Projects (separate presentation)

- Kammerer Road Widening/Extension
- Laguna Creek Inter-Regional Trail System
- City Facility Improvements
- Citywide Traffic Signal Enhancements and Congestion Relief Project



Enhanced Services - Public Works

- Operation Improvements

- In-House Street Sweeping Services (2 FTE)

- 2 Street Sweeper Operators & Equipment
 - \$400,000 Annual Savings (after conversion)
 - Equivalent Service, with opportunity for enhanced/reactive services



- Enhanced Storm Drain Cleaning Services (4 FTE)

- Staff & Equipment
 - 1 Senior Maintenance Technician
 - 3 Maintenance Technicians I/II
 - Vactor Truck
 - TVI Van
 - \$500,000 Annual Savings City Staff vs Contractor
 - Improved Cleaning and Inspection Program
 - Crew Performs Additional Services
 - Storm Response, Catch Basin & Cross-Culvert Cleaning



Street Sweeping Services – Public Works

- **Benefits of In-House Street Sweeping**
 - Department of Industrial Relations Findings
 - Street Sweeping now Prevailing Wage
 - Costs doubled
 - Approximately \$425,000 to \$900,000
 - Conversion to City Operation
 - Estimate saving \$2.2 million in the drainage fund in the first 5 years
 - Improve operational control
 - Existing level of service maintained
 - Flexible Equipment and Response
 - Catch Basin Cleaning



Storm Drain Maintenance Program – Public Works

- Storm Drain Cleaning and Inspection

- Current Program

- 44-Year Cycle
 - Increasing Street Flooding
 - Pipe Failures (less than 30 years)
 - \$1,500 to \$2,500 a linear foot
 - Excessive Trash & Debris

- Proposed Program

- 10-Year Cycle
 - \$1.2 Million if contracted
 - Reduced Street Flooding
 - Relining vs Full Replacement
 - \$200 to \$300 a linear foot
 - Reduced Trash & Debris



Position Management – Public Works

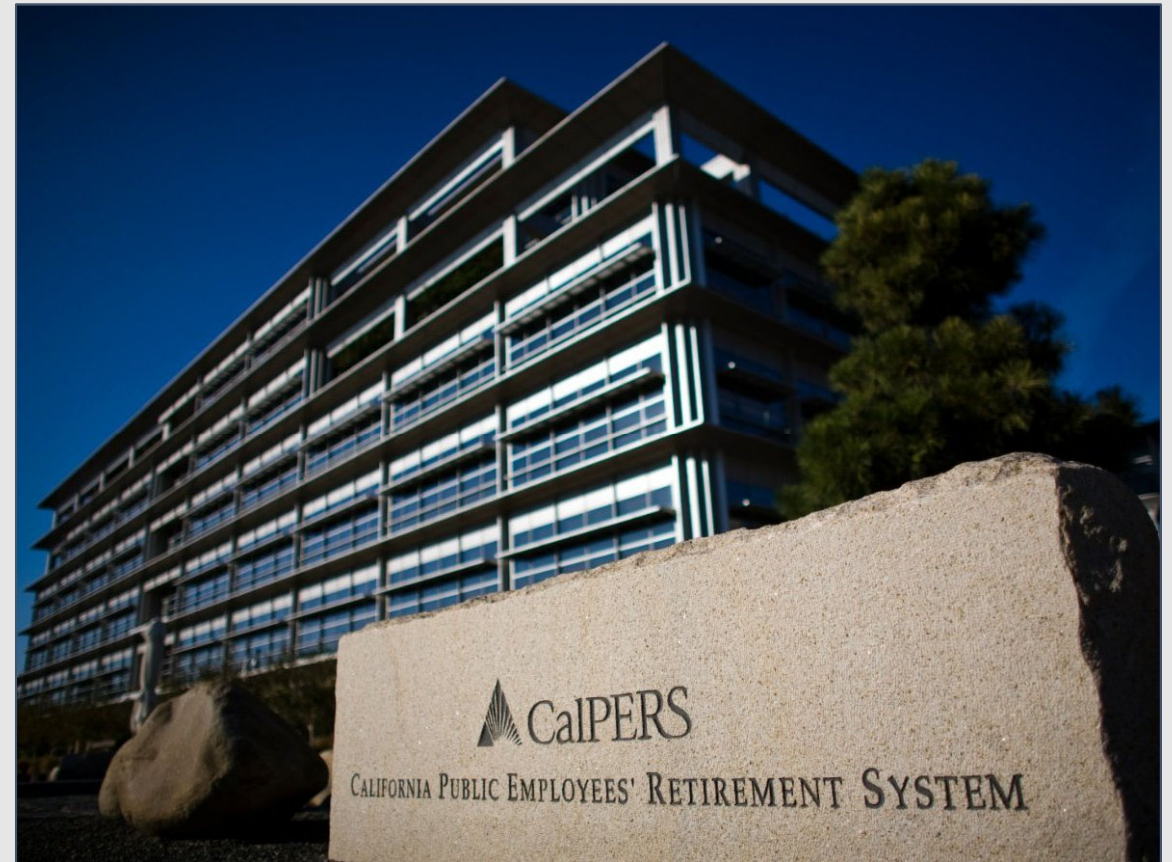
- Enhanced Services
 - Increase Service Level
 - Improve Maintenance Efficiencies
 - Reduce Maintenance Costs
 - Maintenance Staff Flexibility
 - Reduced Local Flooding and Future Capital Costs



Proposed Fiscal Year 2022-23 Budget Highlights

CalPERS liabilities

- Prepayments made annually since FY 2015-16, \$11 million to date
- City plans are over 87% funded compared to statewide PERS funded at 71%
- \$900k in additional payments budgeted in FY 23
- Every \$1 paid in advance saves the City nearly a \$1 in interest



New Positions

Department	Position(s)	Funding Source
City Manager	Community Event Specialist	General Fund
City Manager	Economic Development Specialist	General Fund
Development Services	Administrative Analyst I/II (affordable housing/homelessness)	Housing Funds
Police	2 Community Service Officers	General Fund
Police	Records Supervisor	General Fund
Police	Lieutenant	General Fund
Public Works	Administrative Analyst I*	Public Works Admin Fund
Public Works	Administrative Assistant*	Public Works Admin Fund
Public Works	3 Maintenance Technicians I/II*	Drainage Fund
Public Works	Senior Maintenance Technician*	Drainage Fund
Public Works	2 Street Sweeping Operators*	Drainage Fund
TOTAL	15 FTE	

An “*” to the right of a position title indicates that the position is being converted from Contract staff to City staff

Assessing Community Priorities

- Current Community Engagement Efforts: Accountable and Responsive Planning
- City has been asking and listening to resident's feedback on long-term community needs and priorities
- For future planning, impacts for which this current budget doesn't fully encompass:
 - Full Police Staffing Study
 - Street Maintenance deficit
 - Comprehensive Homelessness strategies
 - Other community priorities
- Outreach has included:
 - 31 community meetings completed or scheduled- more to follow
 - Community survey in December
 - Mailer to residents to encourage feedback
- Provide your feedback at www.elkgrovelife.com

Tell Us YOUR Priorities
A COMMUNITY CONVERSATION

How Can We Better Serve You?

We Want To Hear From You
elkgrovelife.com

The flyer features a collage of four images: a yellow construction loader on a road, police officers looking at a laptop, a person handing a blue bag to a police officer, and firefighters next to a red fire truck. Logos for CSD and Elk Grove are in the top left.

Recommendation

- Ask questions and receive public comment
- Further details on the budget will be presented at the June 8 Council meeting for consideration and possible adoption.
- Public Hearing notice will be sent 10 days in advance.
- Agenda item will be promoted on social media platforms.