



# Fiscal Year 2020-21 Proposed Budget

May 27, 2020

# Key Numbers

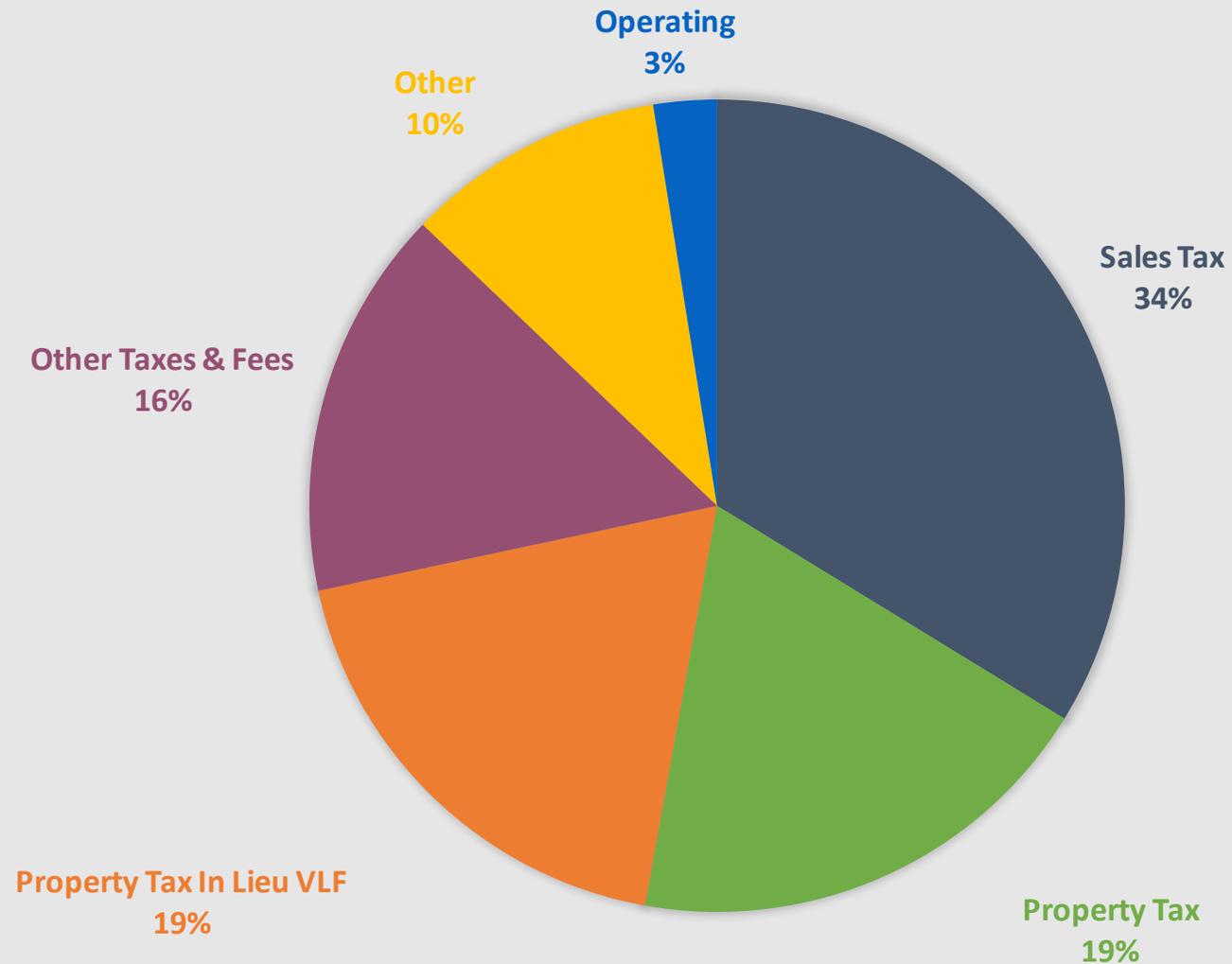
---

- Total Budget: \$305 million (\$14 million increase from current FY)
- General Fund: \$74.4 Million (\$3.5 million decrease from current FY, \$5.7 million decrease from last year projection.)
- Est. \$27 million General Fund(s) Balance as of June 30, 2021
  - \$17.9 million Reserve for Economic Uncertainty (25%)
  - \$3.6 million Opportunity Reserve (5%)
  - \$800k Future Reserve Target Support
  - \$4.5 million Capital Reserve
  - \$39k million Economic Development Incentive Fund
  - \$43k Small Business Economic Incentive Fund

# Where the Money Comes From

---

## FISCAL YEAR 2020-21 GENERAL FUND REVENUES



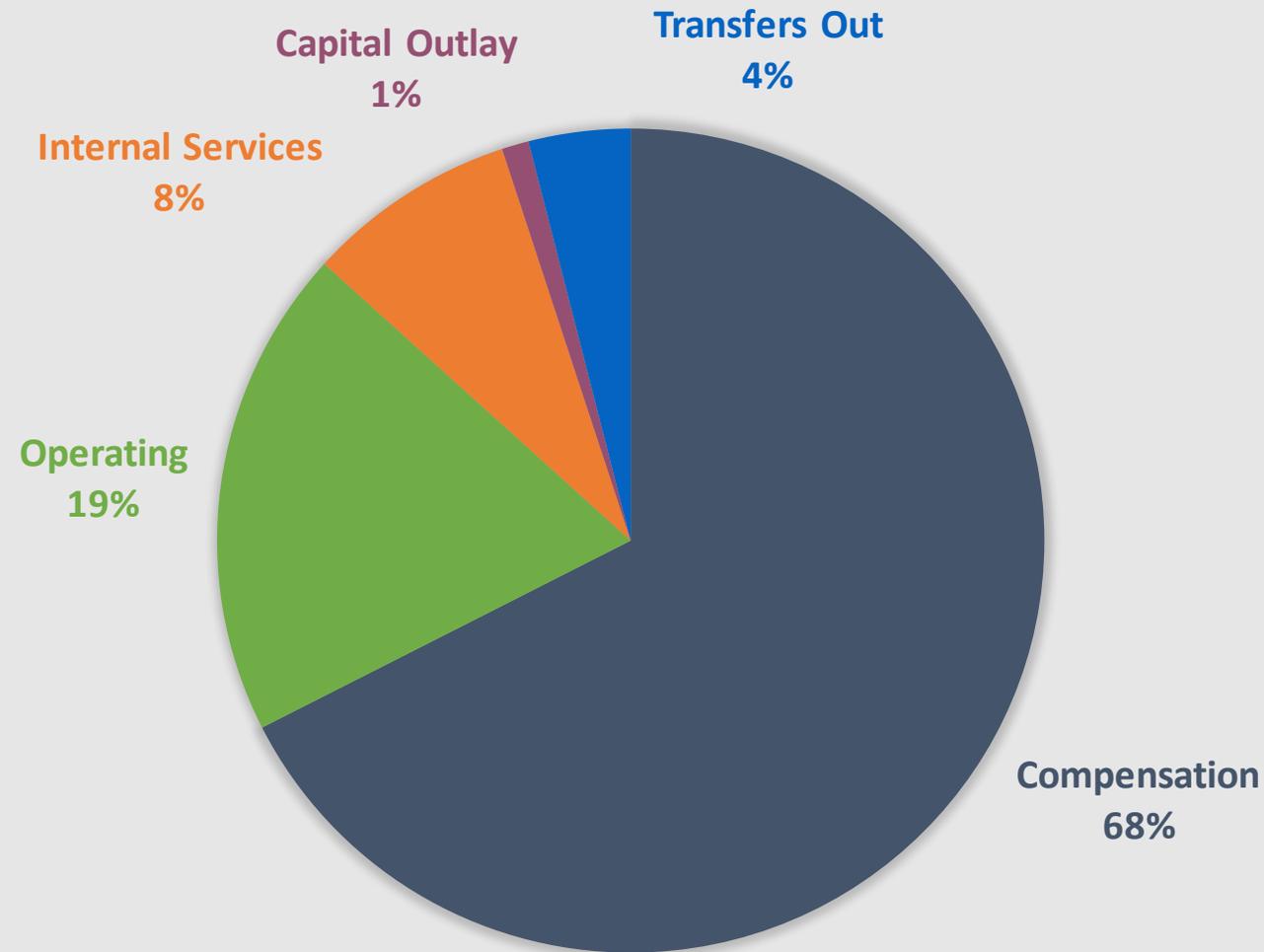
# FY 2020-21 Projected vs Budgeted Revenues

Revenue Source	FY 2021 Projected	FY 2021 Budget	\$ Change	% Change
Sales Tax	\$ 29,563,601	\$ 24,855,446	\$ (4,708,155)	-16%
Property Tax	\$ 14,816,479	\$ 14,020,518	\$ (795,961)	-5%
Property Tax in Lieu of VLF	\$ 14,625,000	\$ 13,840,241	\$ (784,759)	-5%
Property Transfer Tax	\$ 1,038,000	\$ 986,000	\$ (52,000)	-5%
Utility Users Tax	\$ 6,304,000	\$ 6,343,000	\$ 39,000	1%
Transient Occupancy Tax	\$ 2,718,938	\$ 1,713,939	\$ (1,004,999)	-37%
Franchise Fees	\$ 2,429,086	\$ 2,379,500	\$ (49,586)	-2%
Other	\$ 7,680,539	\$ 7,595,807	\$ (84,733)	-1%
Operating	\$ 1,477,072	\$ 1,847,234	\$ 370,162	25%
<b>Total</b>	<b>\$ 80,652,715</b>	<b>\$ 73,581,685</b>	<b>\$ (7,071,030)</b>	<b>-9%</b>

# Where the Money Goes

---

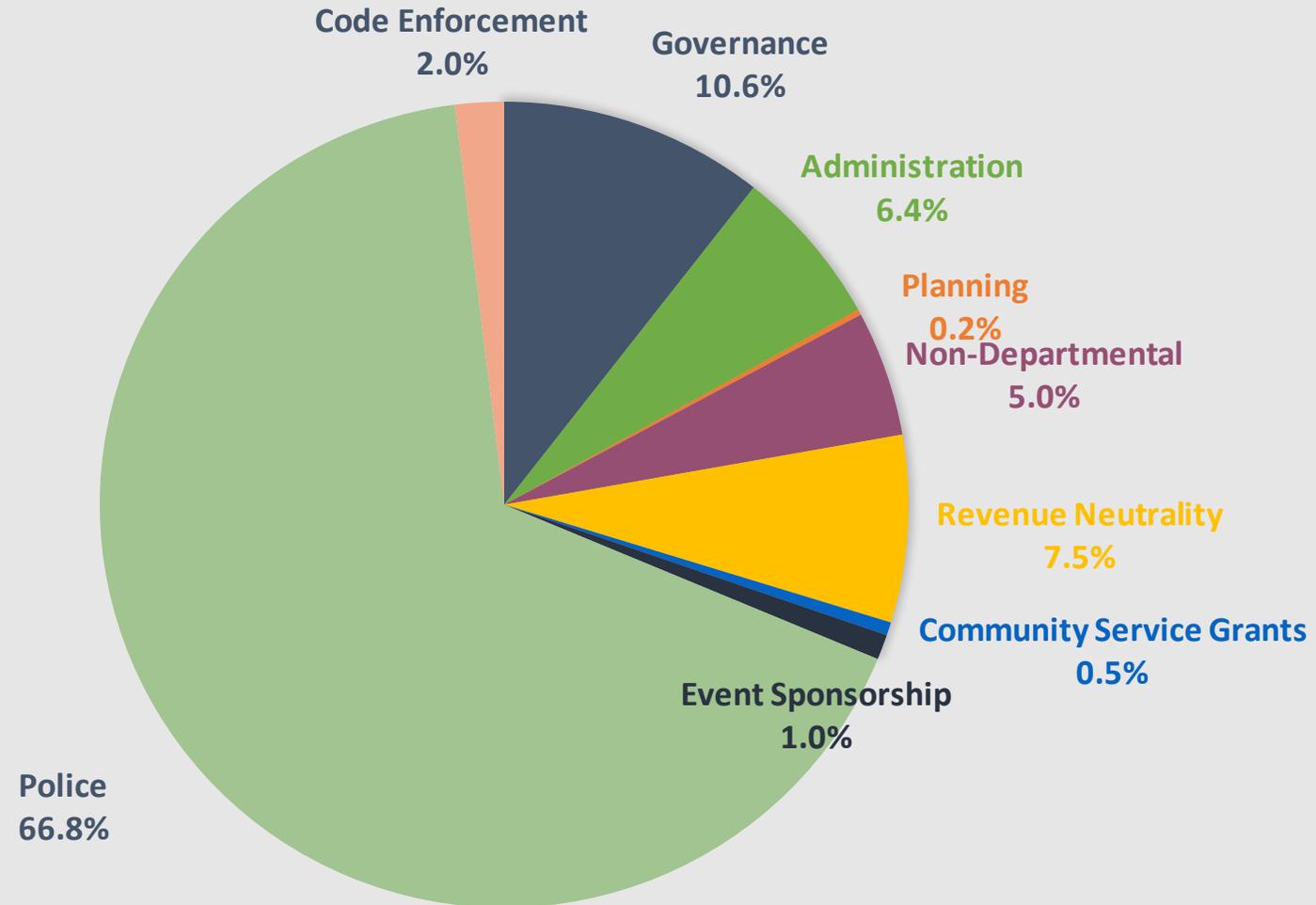
## FISCAL YEAR 2020-21 GENERAL FUND EXPENDITURES BY CATEGORY



# Where the Money Goes

---

## FISCAL YEAR 2020-21 GENERAL FUND EXPENDITURES BY FUNCTION



# FY 2020-21 Projected vs Budgeted Expenditures

---

- \$5.7 Million dollar reduction
- Major Reduction Areas:
  - Compensation: No new positions, 10 frozen positions (\$1.6 M)
  - Operations: Prof. svcs, travel etc. reduced (\$565k)
  - Eliminated accelerated PERS UAL payment (\$900k)
  - Transfer of R&W franchise fee revenue (\$1.2 M)
  - IT and machinery equipment (deferred) (\$600k)
  - Transit Deficit Forgiveness (\$835k)

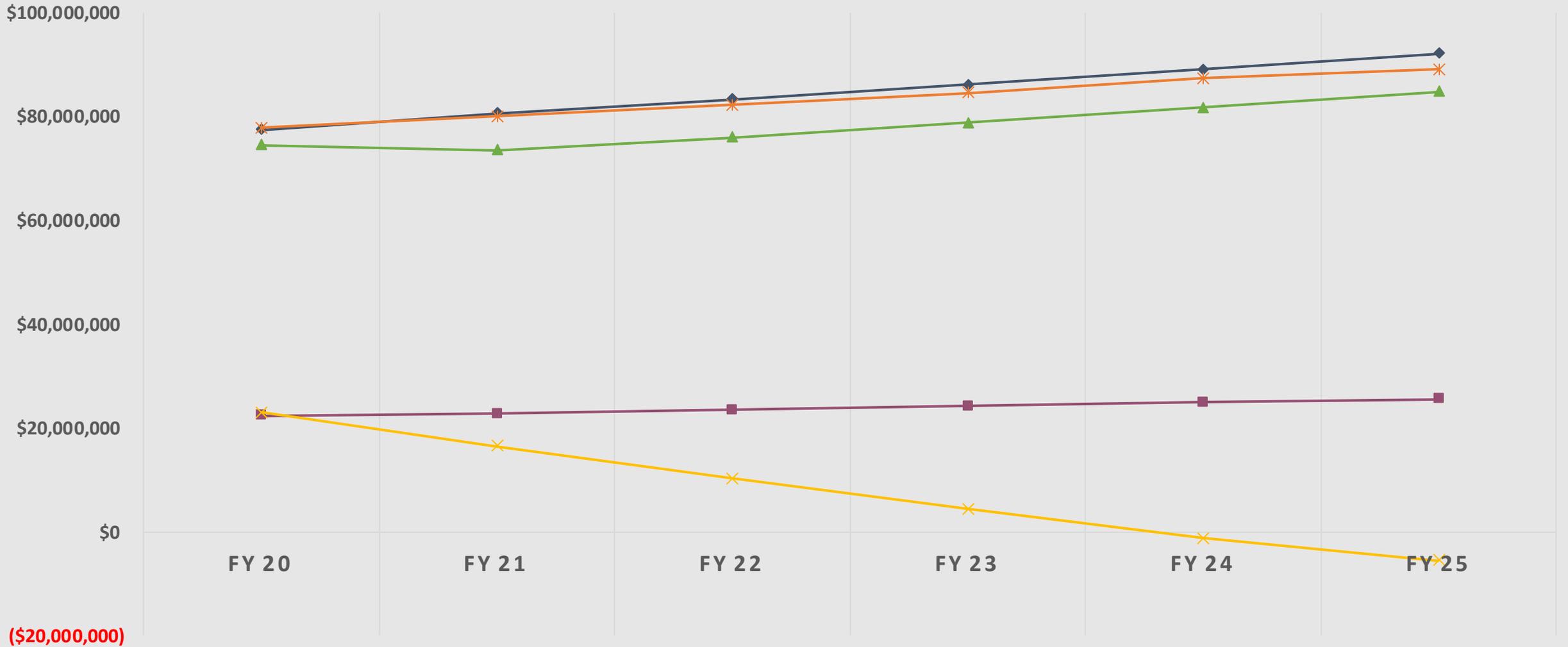
# Unfunded Staff Positions

---

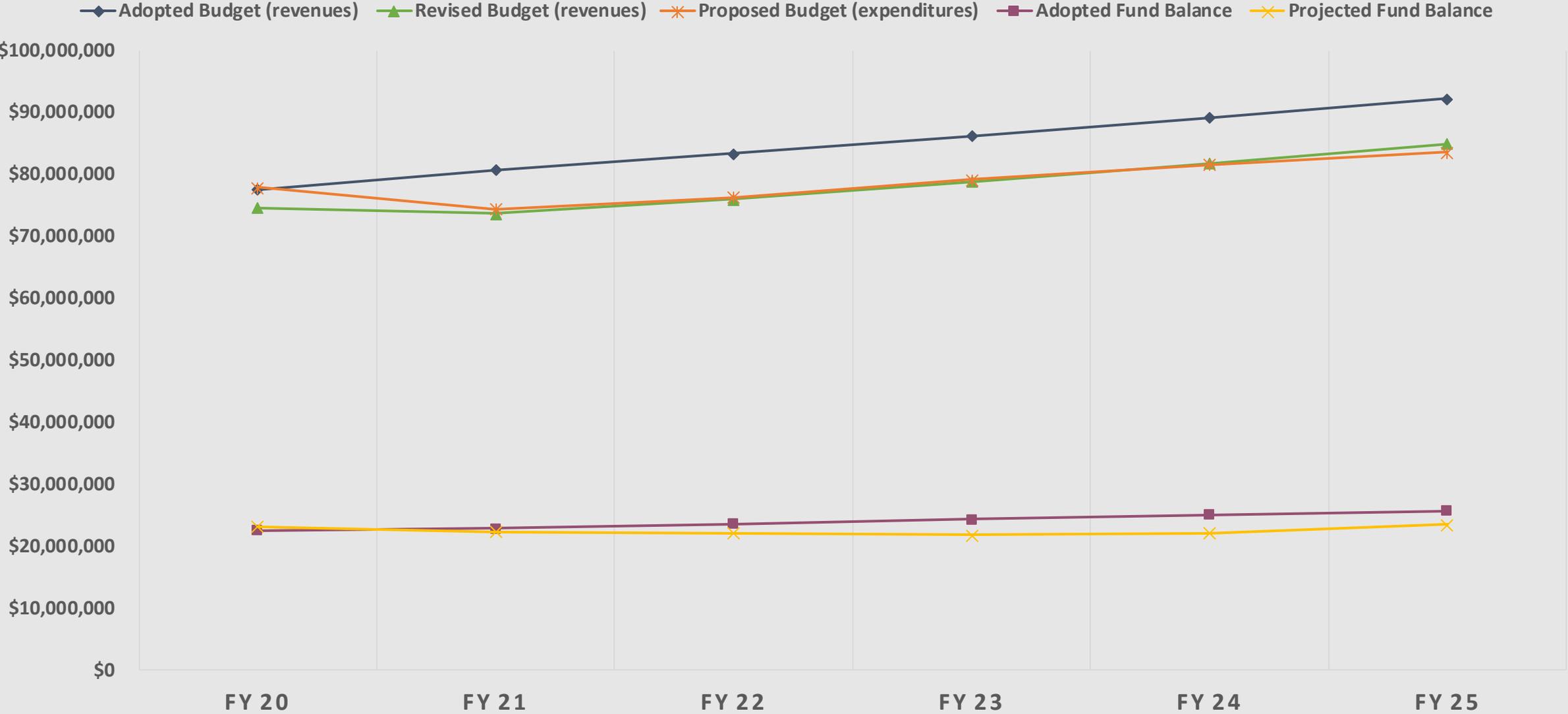
Department	Position(s)	Funding Source
City Manager	Assistant City Manager	Various
Police	5 Sworn Police Officers	General Fund
Police	Dispatcher	General Fund
Police	Sr. Animal Services Officer	General Fund
Police	Animal Services Officer	General Fund
Police	Animal Care Assistant	General Fund
<b>TOTAL</b>	<b>10 FTE</b>	

# General Fund – Do Nothing Scenario

◆ Adopted Budget (revenues)      ▲ Revised Budget (revenues)      ✖ Adopted Budget (expenditures)  
■ Adopted Fund Balance      ✖ Projected Fund Balance (do nothing scenario)



# General Fund - With Recommended Budget Reductions



# FY 2020-21 Projected vs Budgeted Revenues

Revenue Source	FY 2021 Projected	FY 2021 Budget	\$ Change	% Change
Transportation Funds	\$ 13,061,686	\$ 10,635,225	\$ (2,426,461)	-19%
Development Impact Fees Funds	\$ 23,128,446	\$ 16,919,503	\$ (6,208,943)	-27%
Development Services Fund	\$ 9,603,729	\$ 7,503,983	\$ (2,099,746)	-22%

# FY 2020-21 Projected vs Budgeted Expenditures

---

- Transportation Funds spending reductions:
  - CIP projects (deferred)
  - Signal Controllers (deferred)
  - Street light pole painting (deferred)
  - Preventative Maint/Repairs (deferred)
- Development Impact Fee Funds spending reductions:
  - CIP projects (deferred)
- Development Services Fund
  - New residential/commercial planning project and permit processing –reduction in revenues and expenses (contract model)

# Proposed Fiscal Year 2020-21 Budget Highlights

---

## Enhanced Policing Efforts

- Unmanned Aircraft System (UAS)
- Real Time Information Center
- Capturing Crime through Video (CCTV)



# Proposed Fiscal Year 2020-21 Budget Highlights

---

## **Economic Development Incentive and Financing**

- \$200,000 transfer from General Fund to Economic Development Incentive Fund
- \$100,000 transfer from General Fund to Small Business Incentive Fund

# Proposed Fiscal Year 2020-21 Budget Highlights

---

## Strategic Planning and Innovation

- Climate Action Plan Monitoring
- Resiliency Plan Implementation (grant funded)
- Smart City Action Plan



# Proposed Fiscal Year 2020-21 Budget Highlights

---

## Infrastructure Maintenance

- Computerized Maintenance Management System (CMMS) implementation
- Projected street maintenance est. annual funding gap reduced to \$2.3 million, but unknowns due to COVID-19.

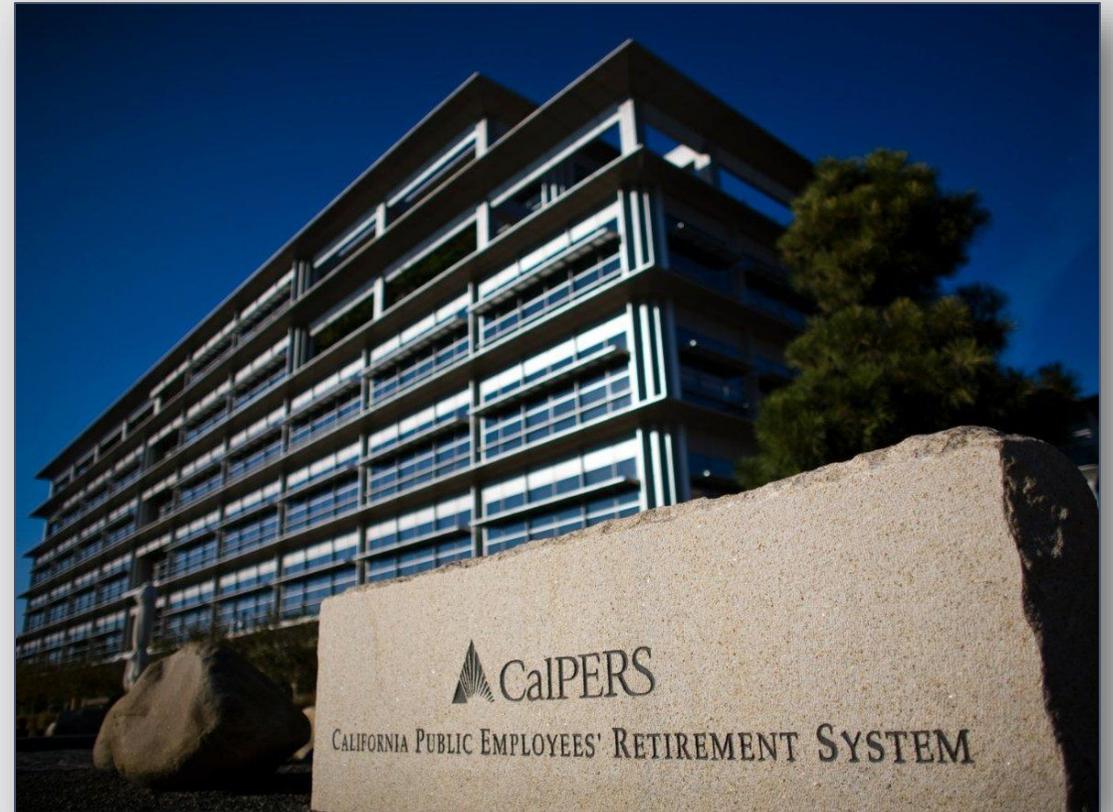


# Proposed Fiscal Year 2020-21 Budget Highlights

---

## **Continued strategy of addressing unfunded CalPERS liabilities**

- Prepayments made annually since FY 2015-16- \$8.36 million to date
- City plans are over 85% funded compared to statewide PERS funded at 68%



# Recommendation

---

- Ask questions and receive public comment
- Draft Budget document will be available soon on the City's website
- The more detailed budget will be presented at the June 10 Council meeting for consideration and possible adoption.