



# Fiscal Year 18/19 Proposed Budget

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# Budget Overview

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- General Fund Overview
  - Highlights
  - Reserves
  - Revenues and Expenditures
    - PERS Unfunded Liability
- Capital Outlay
- Capital Improvements
- Updated Multi-Year Forecast
- Enterprise Funds
- Internal Service Funds



# Highlights

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- “Draft” Revised
  - Replacement Pages
  - Pending descriptions: Special revenue, internal service, other funds
  - Establishment of a General Fund CIP Fund
    - Facilitates stronger budgetary control
  - Includes descriptive capital project sheets
- General Fund Highlights
  - Finances
    - Revenues: \$23 million
    - Expenditures: \$25.1 million
    - Net impact to fund balance: \$2.1 million
      - Drawdown to fund capital projects or one-time expenditures
  - Positions
    - Addition of Recreation Program Manager to replace Senior Recreation Coordinator position
      - Funding includes six-month overlap
    - Reclassifications and minor restructuring: Police and Public Works
      - Net annual impact for both departments at less than \$12,000

# General Fund Overview

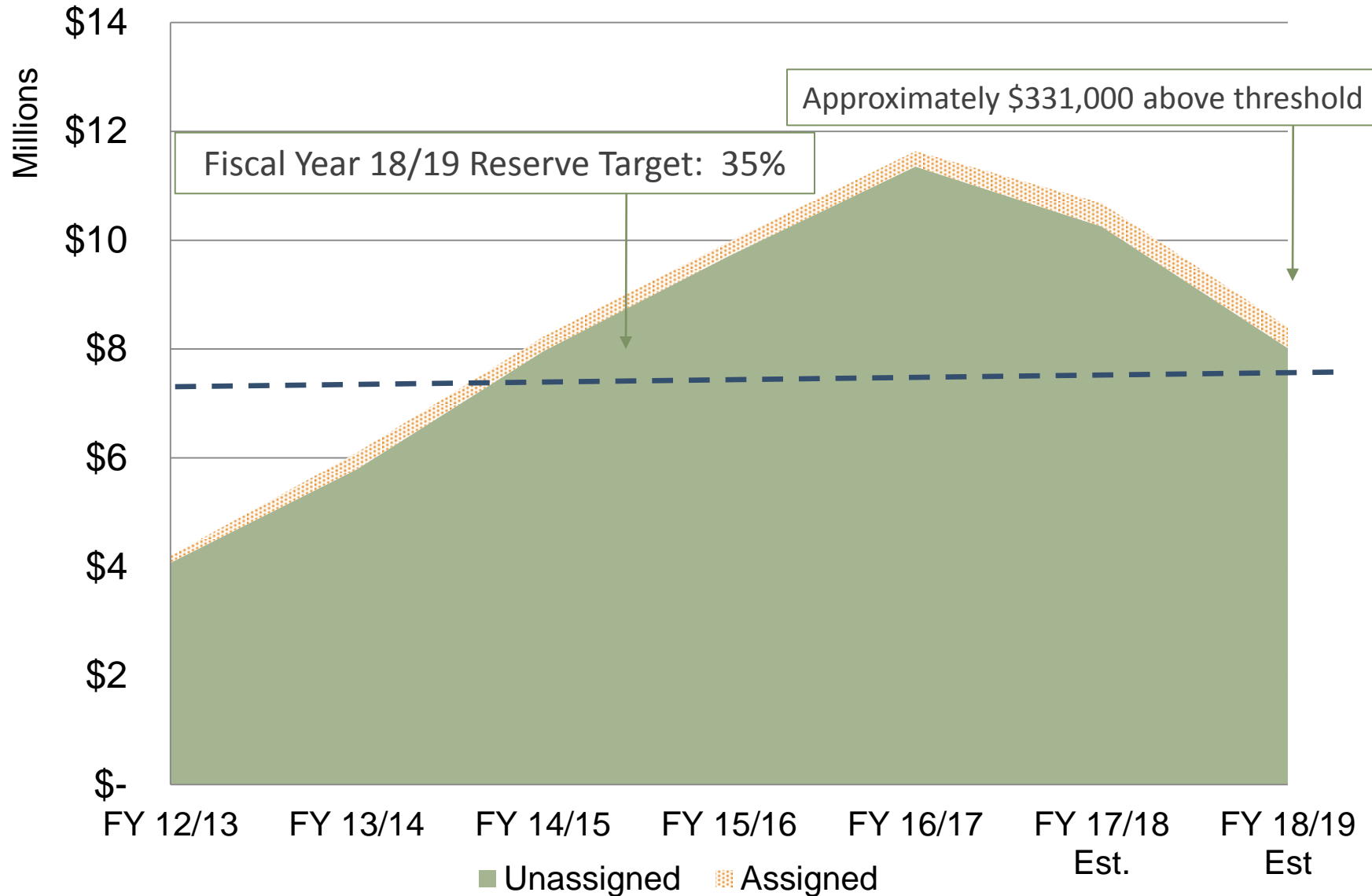
Fiscal Year 17/18	Adopted	Estimated <sup>(1)</sup>	Proposed
Beginning Fund Bal.	\$10,329,000	\$10,868,000	\$10,133,000
Revenues	22,051,000	22,301,000	22,994,000
Expenses			
Operating	17,960,000	17,860,000	19,972,000
Capital Imp. / Outlay	1,870,000	1,361,000	2,060,000
Debt Service	1,973,000	1,954,000	1,973,000
Transfers Out	2,116,000	1,861,000	1,110,000
<b>Total Expenses</b>	<b>\$23,919,000</b>	<b>\$23,036,000</b>	<b>25,115,000</b>
Net Difference	(1,868,000)	(735,000)	(2,121,000)
<b>Ending Fund Bal.</b>	<b>\$8,461,000</b>	<b>\$10,133,000</b>	<b>\$8,012,000</b>

(1) The Beginning Fund Balance was updated to reflect the audited financial statements for the General Fund Operating Fund. The sub-funds were excluded. They typically have minimal activity

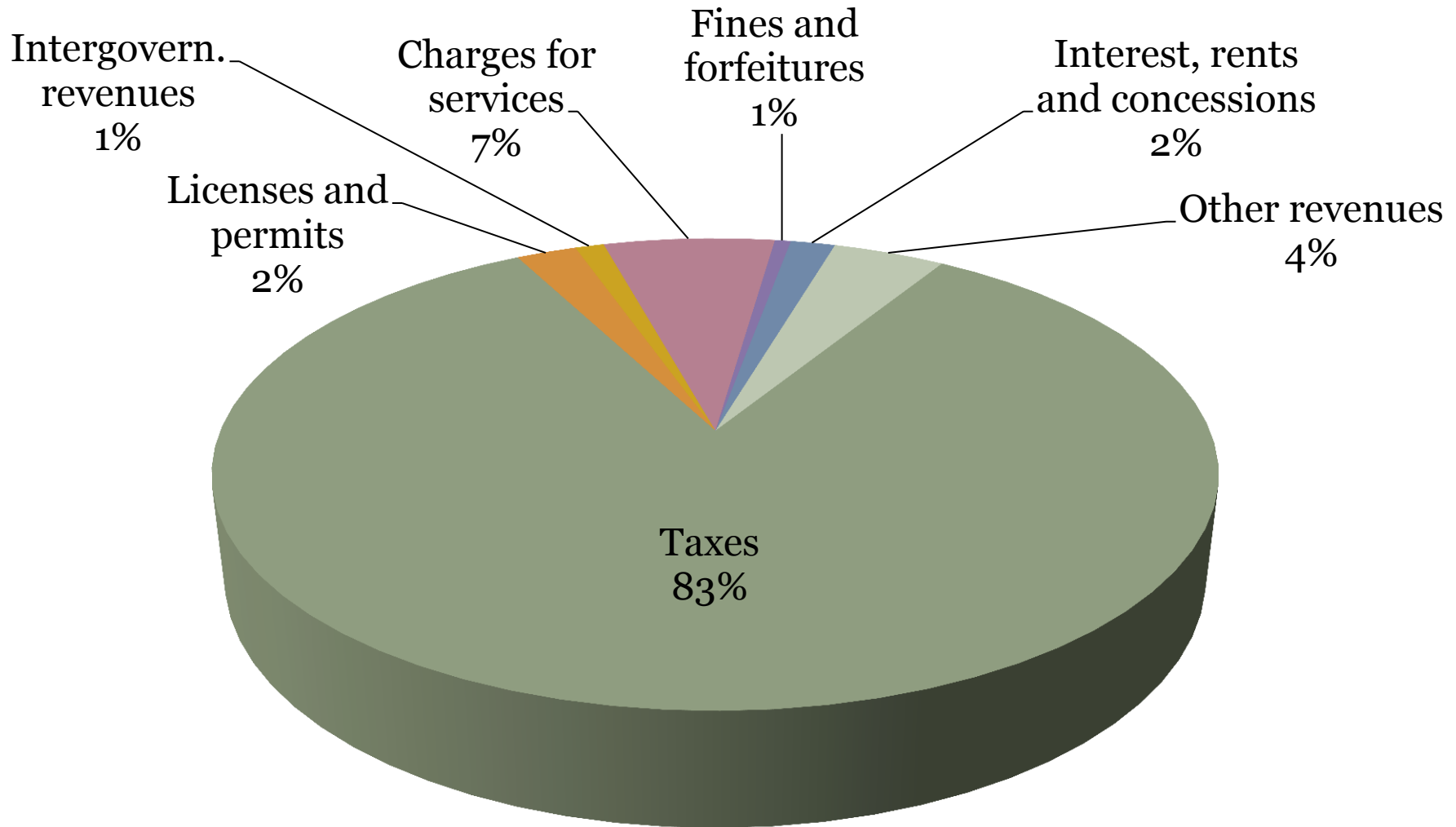
# General Fund Reserve Target

Fiscal Year 18/19	Percent	Amount
Estimated ending general fund balance		\$8,012,000
Operating Expense		\$19,972,000
Debt Service		1,973,000
Subtotal		\$21,945,000
Less capital outlay		-
<b>Net operating expenses</b>		<b>\$21,945,000</b>
<b>Reserve Calculation:</b>		
Cash Flow	20%	\$4,389,000
Fiscal Stability	10%	2,194,000
Contingency	5%	1,097,000
<b>Total Reserves</b>	<b>35%</b>	<b>\$7,681,000</b>

# General Fund Reserves



# General Fund Projected Revenues: \$23 million



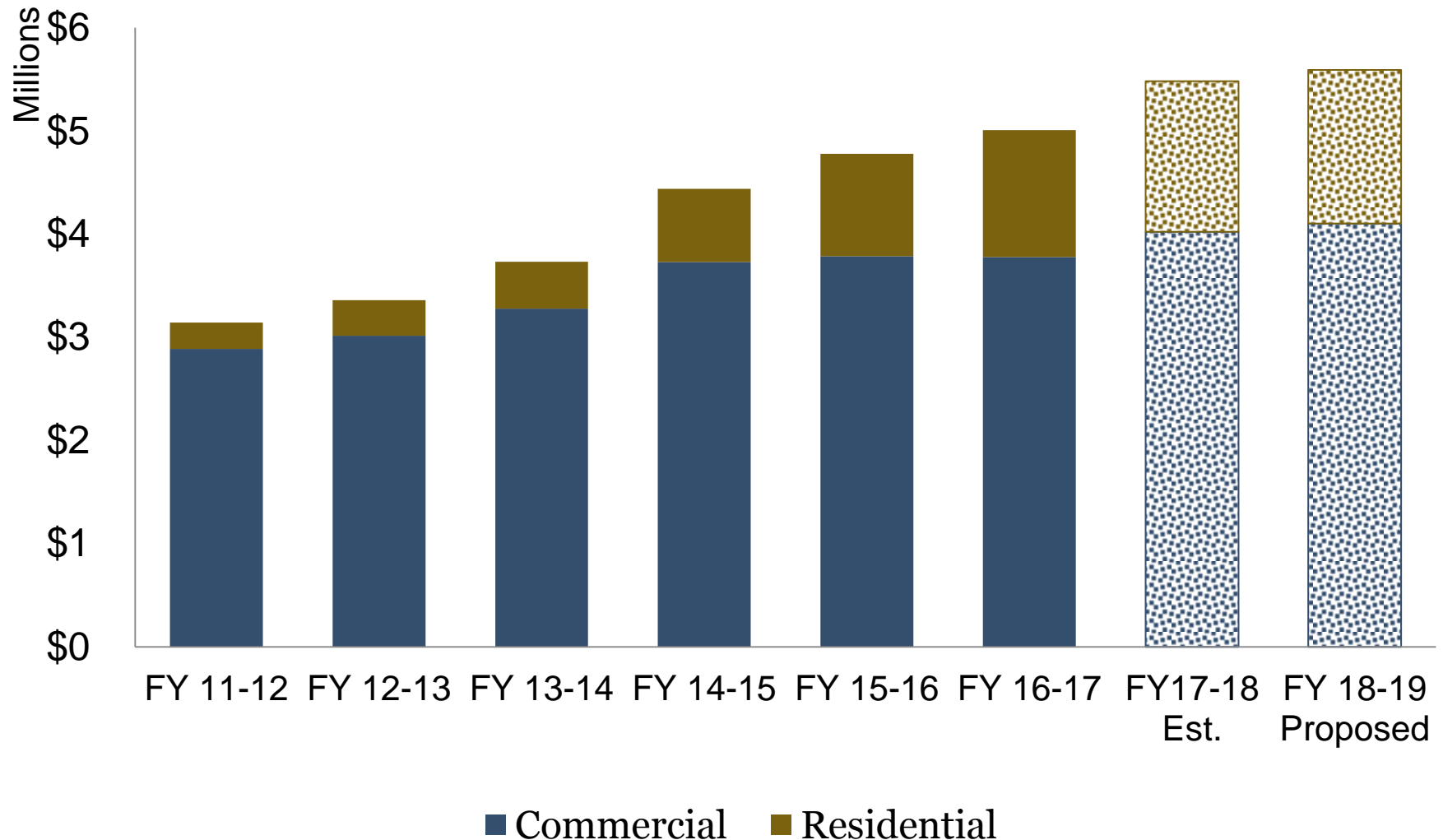
# General Fund Revenues

Source	Adopted	Estimated	Proposed	Change
Property Taxes	\$6,573,000	\$6,892,000	\$7,071,000	\$498,000
Sales & Use Tax	3,460,000	3,636,000	3,630,000	170,000
Franchise Tax	1,015,000	834,000	892,000	(123,000)
TOT, License, Fees	5,173,000	5,774,000	5,886,000	713,000
Utility Users Tax	1,675,000	1,837,000	1,995,000	320,000
Business licenses	332,000	344,000	351,000	19,000
Other Taxes	156,000	156,000	156,000	-
Intergovernmental	244,000	-	50,000	194,000
License,permits, imp.	511,000	642,000	600,000	89,000
Fines, Forfeiture	136,000	123,000	124,000	(12,000)
Charges for Services	1,451,000	1,406,000	1,462,000	11,000
Interest, rents, conc.	377,000	232,000	287,000	(90,000)
Other revenues	948,000	423,000	490,000	(458,000)
<b>Total</b>	<b>\$22,051,000</b>	<b>\$22,299,000</b>	<b>\$22,994,000</b>	<b>\$943,000</b>



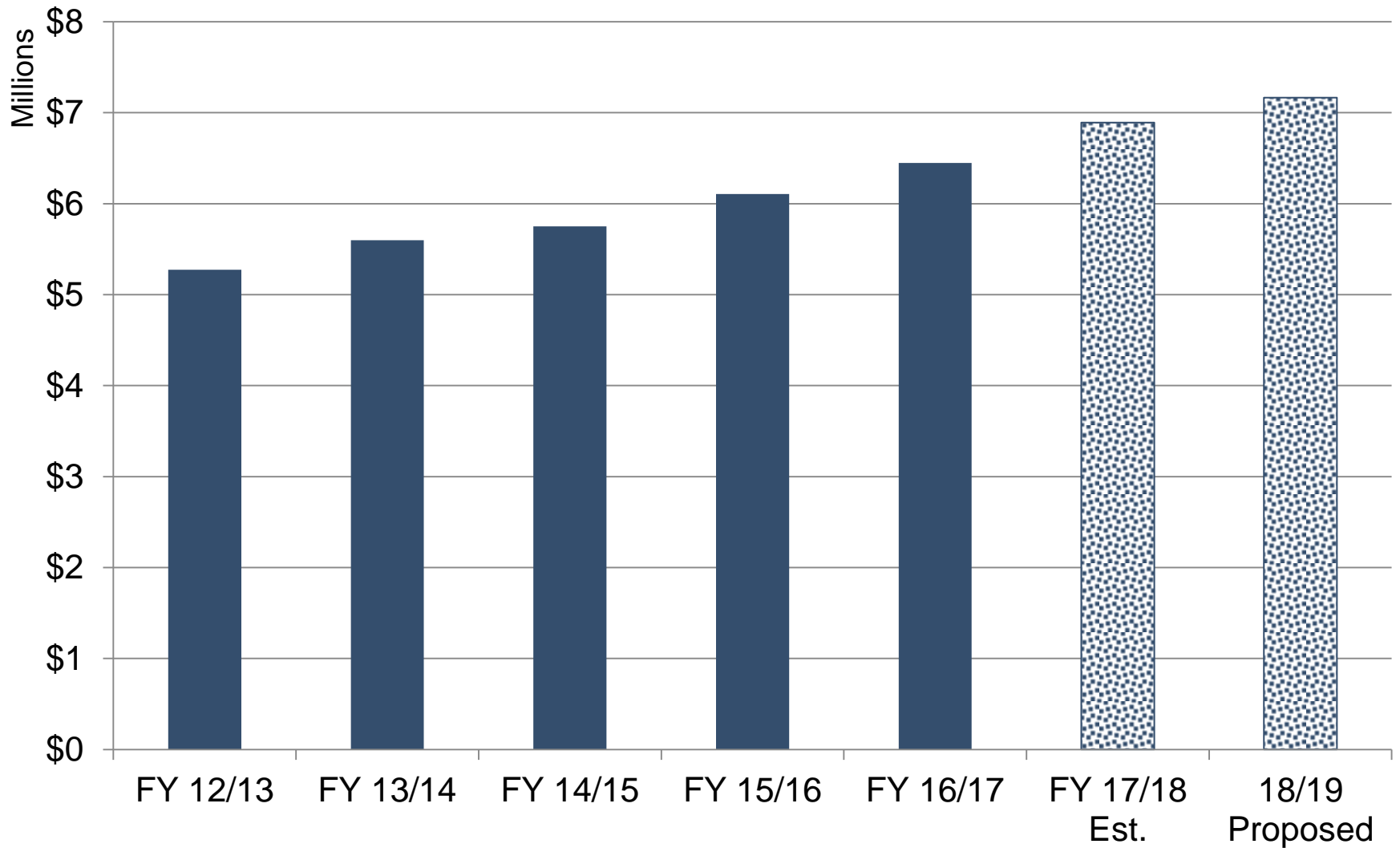
# Transient Occupancy Tax Trends

(Excludes licenses and application fees)

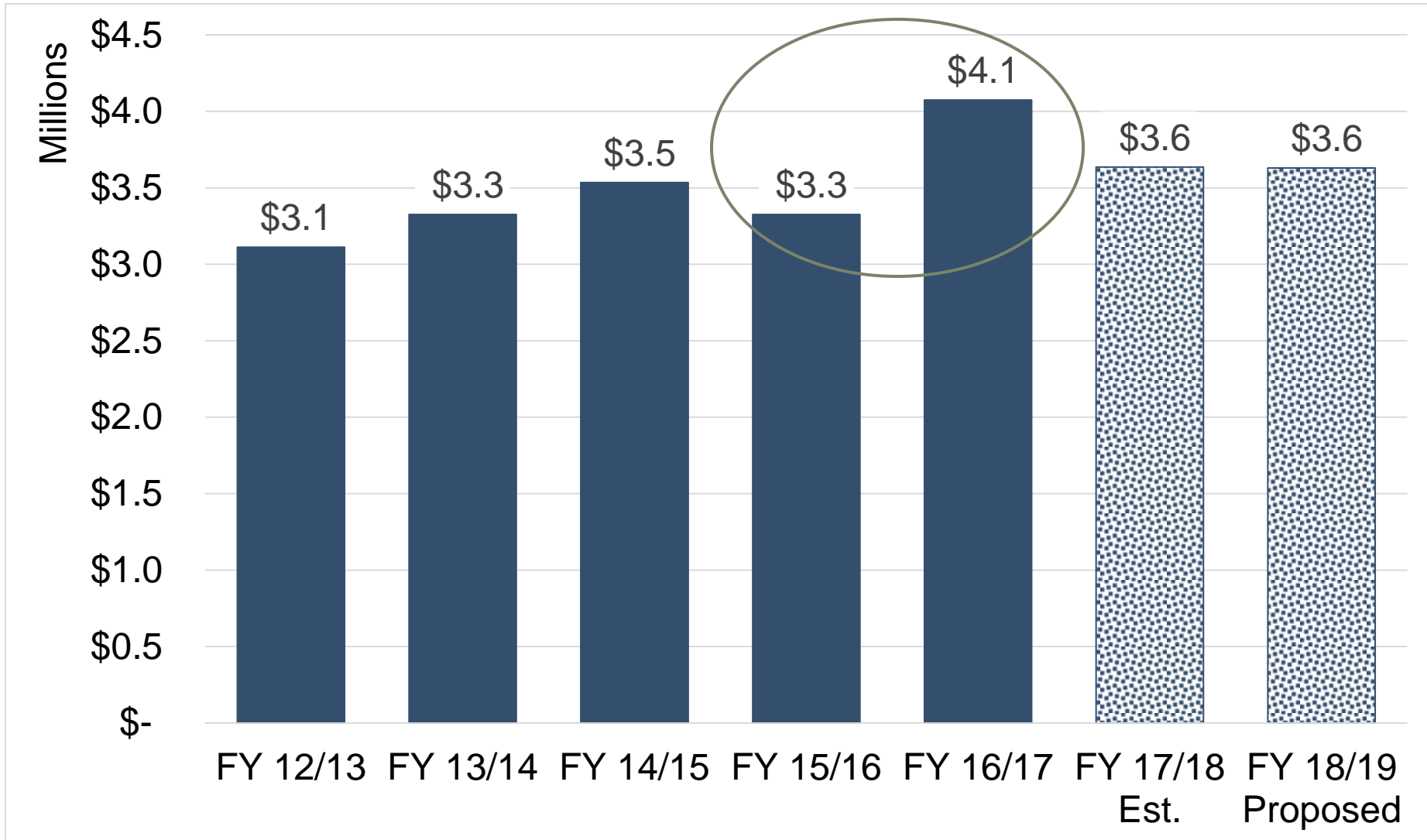


# Property Tax Trends

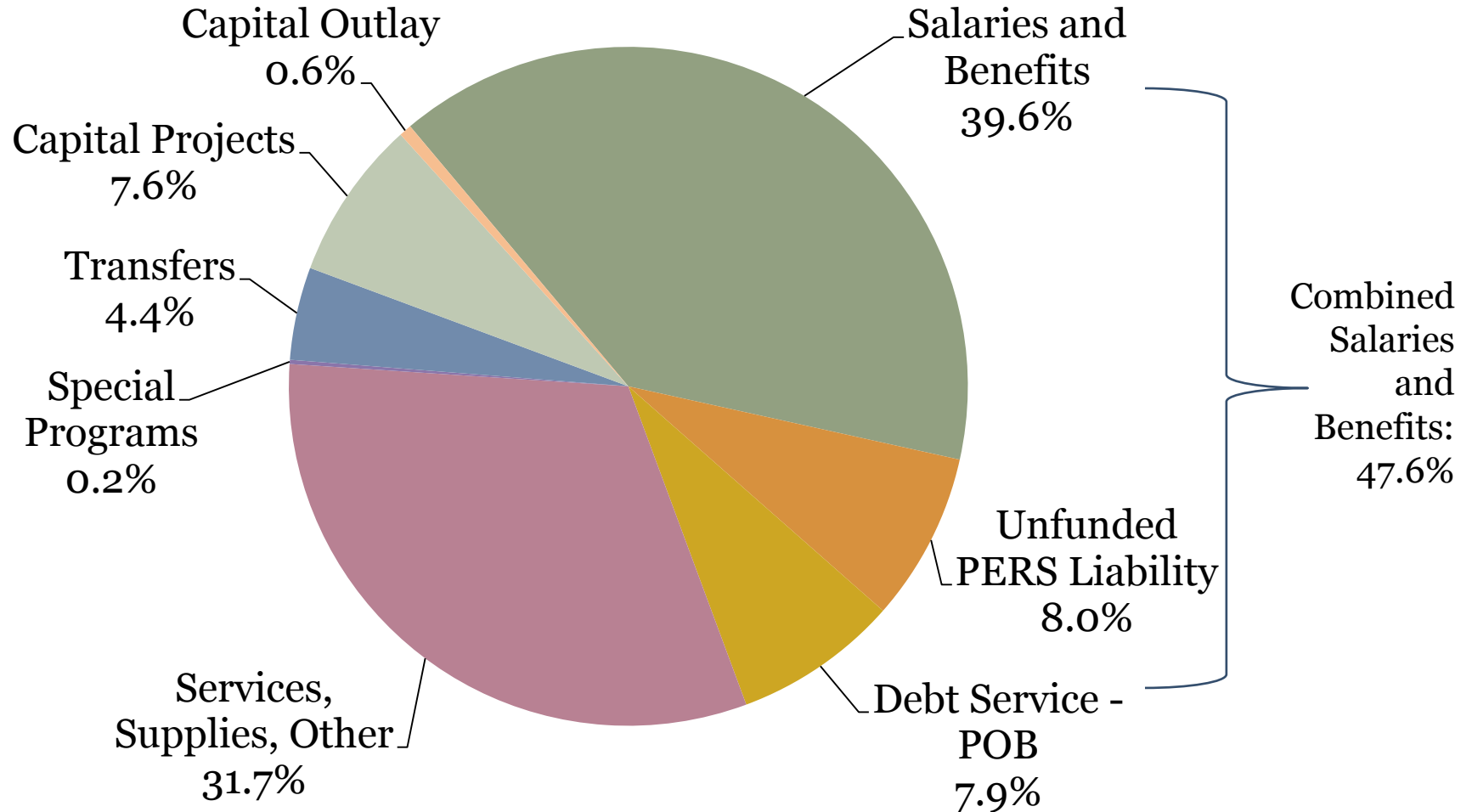
Projected growth at 4%



# Sales Tax Trends



# General Fund Expenditures & Transfers: \$25 million

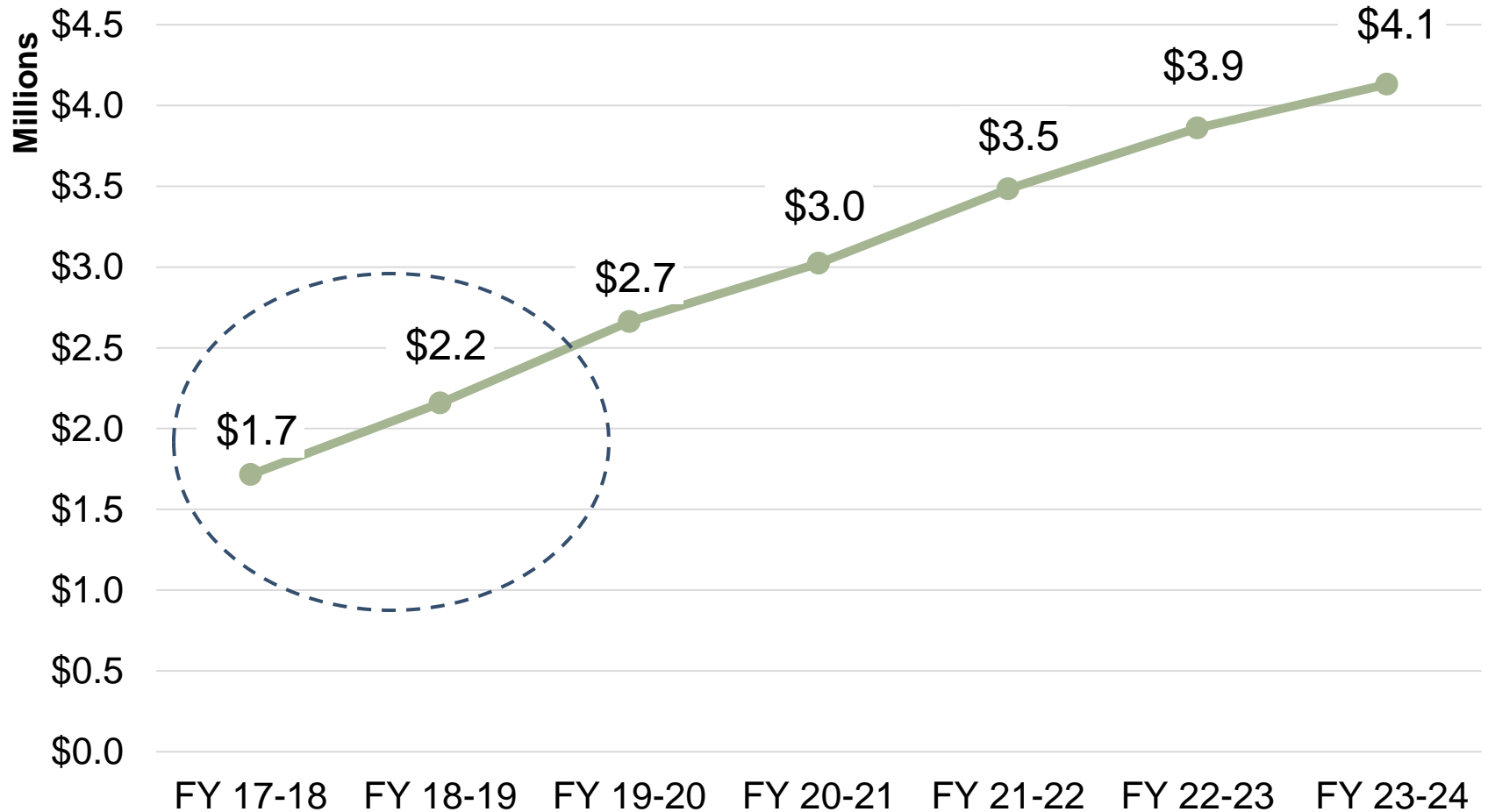


# General Fund Expenditures

	Adopted	Estimated	Proposed	Change
City Council	\$367,000	\$373,000	\$409,000	42,000
City Manager	821,000	832,000	958,000	137,000
City Attorney	287,000	376,000	429,000	142,000
Finance / IT	1,493,000	1,407,000	1,700,000	207,000
Police	5,796,000	5,379,000	5,934,000	138,000
Fire	3,069,000	2,991,000	3,128,000	59,000
Public Works	2,539,000	2,789,000	3,056,000	517,000
Community Dev.	1,800,000	1,893,000	2,163,000	363,000
Library	994,000	1,002,000	1,214,000	220,000
Recreation	564,000	582,000	729,000	165,000
Museum	229,000	237,000	252,000	23,000
<b>Subtotal</b>	<b>\$17,959,000</b>	<b>\$17,861,000</b>	<b>\$19,972,000</b>	<b>\$2,013,000</b>
Capital Outlay/Projects	1,870,000	1,361,000	2,060,000	190,000
Debt Service	1,973,000	1,954,000	1,973,000	-
Transfers	2,116,000	1,861,000	1,110,000	(1,006,000)
<b>Total</b>	<b>\$23,918,000</b>	<b>\$23,037,000</b>	<b>\$25,115,000</b>	<b>\$1,197,000</b>

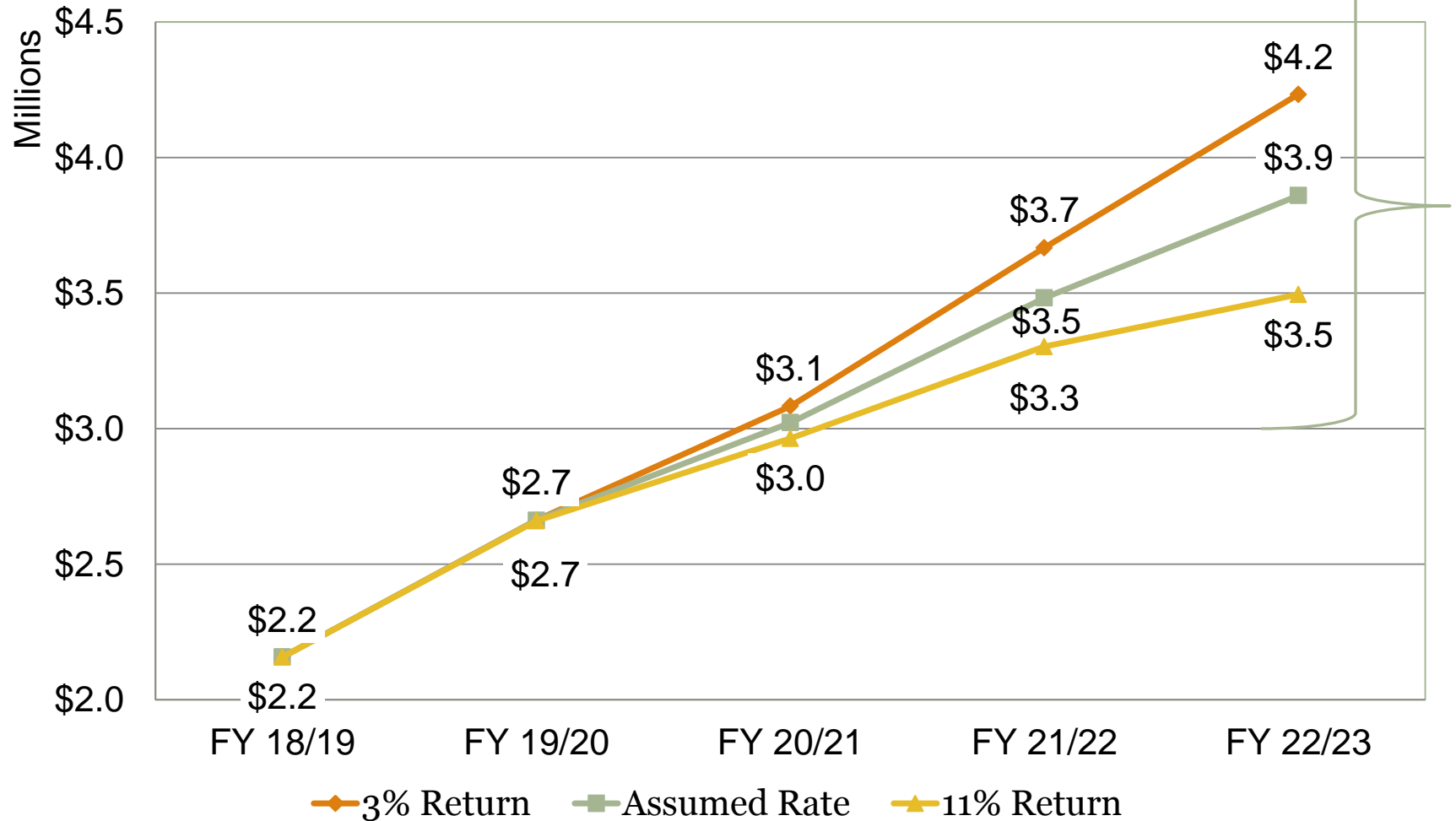
# PERS Unfunded Liability

Projections Based on 2016 Actuarial Valuation



# PER Sensitivity Rates

Variances Based on 2016 CalPERS Actuarial Valuation Report



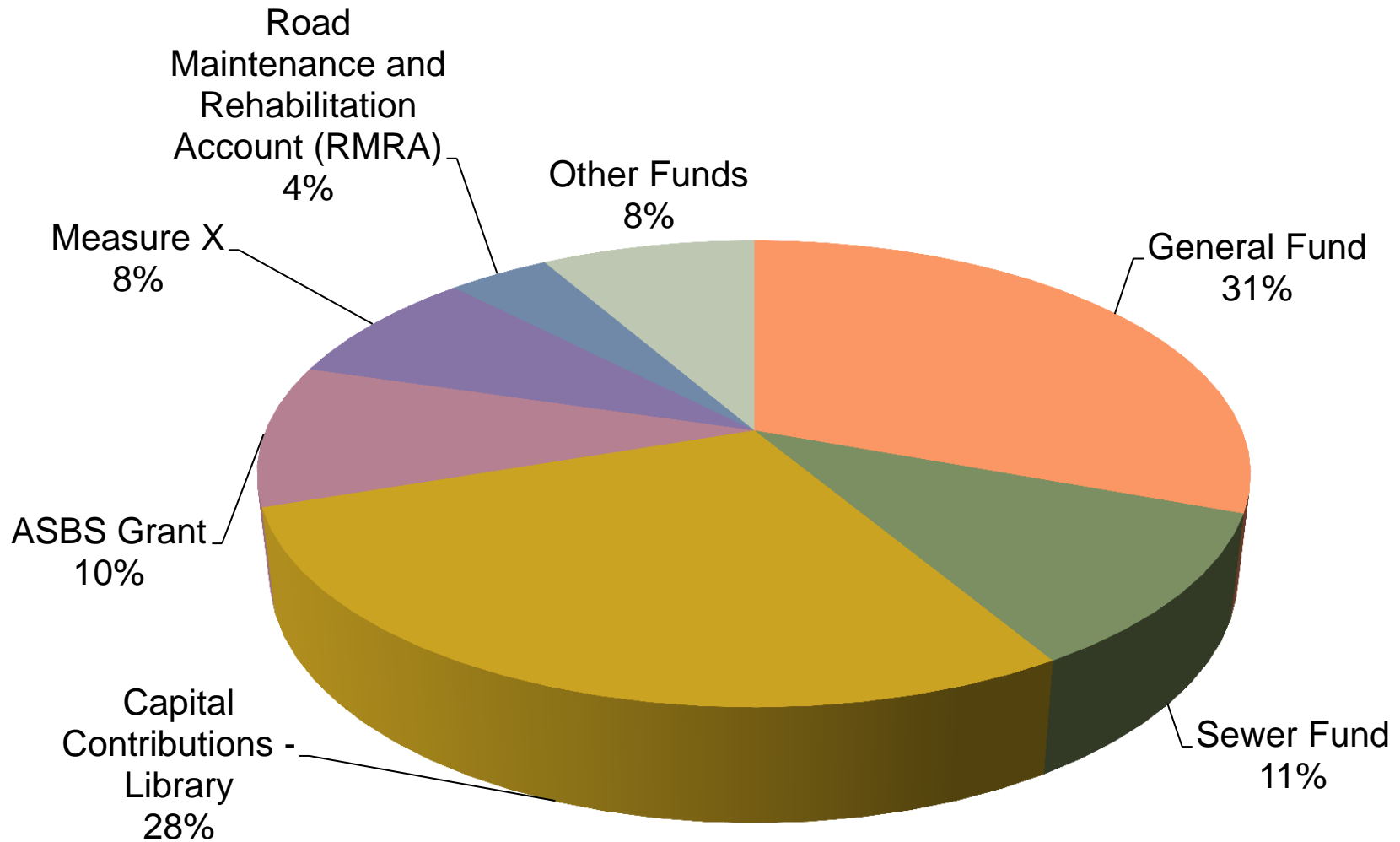
# Capital Outlay: \$905,000

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- **General Fund: 145,000**
  - Voice Over IP System
  - Information Equipment Data Closet
  - Abrasive Cleaning Station
  - CEDD Code Compliance Vehicle
- **Other Funds: \$760,000**
  - Sewer
    - One-ton dump truck
    - Vac-Con truck replacement
  - Supplemental Law Enforcement Services Fund
    - Police Department radios: 25 for officers, 5 for civil



# Capital Improvements: \$6.5 million



Detailed Projects on Budget Pages: 146-172

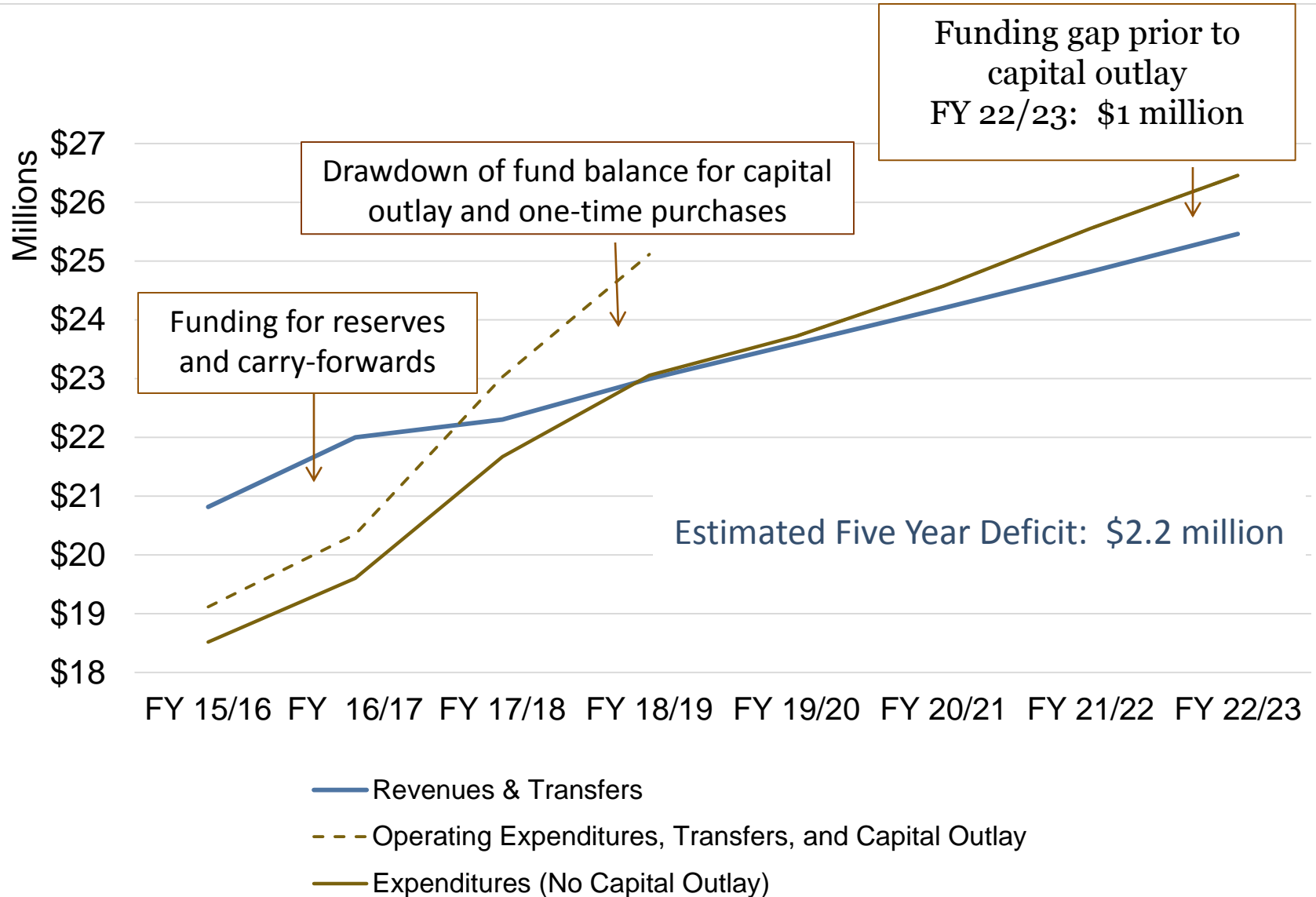
# Select Major Projects



Project Title	Amount
Congress Avenue Road Rehabilitation	\$ 908,000
Stormwater Capture and Diversion, ASBS Grant	640,000
Annual Street Rehabilitation	630,000
14 <sup>th</sup> Street Sewer Line Project	525,000
Lovers Point Coast Access Project/RTCAP	500,000
Pine Avenue Safety Project	300,000
Point Pinos Trail Project	250,000
Trash Enclosures at Fandango's Parking Lot	125,000
Sewer Line, Bathroom: Monarch Butterfly Sanctuary	195,000
Library Renovation	\$ 2,050,000
Library renovation primarily funded through capital contributions and \$200,000 General Fund contribution	

Detailed Projects on Budget Pages: 146-172

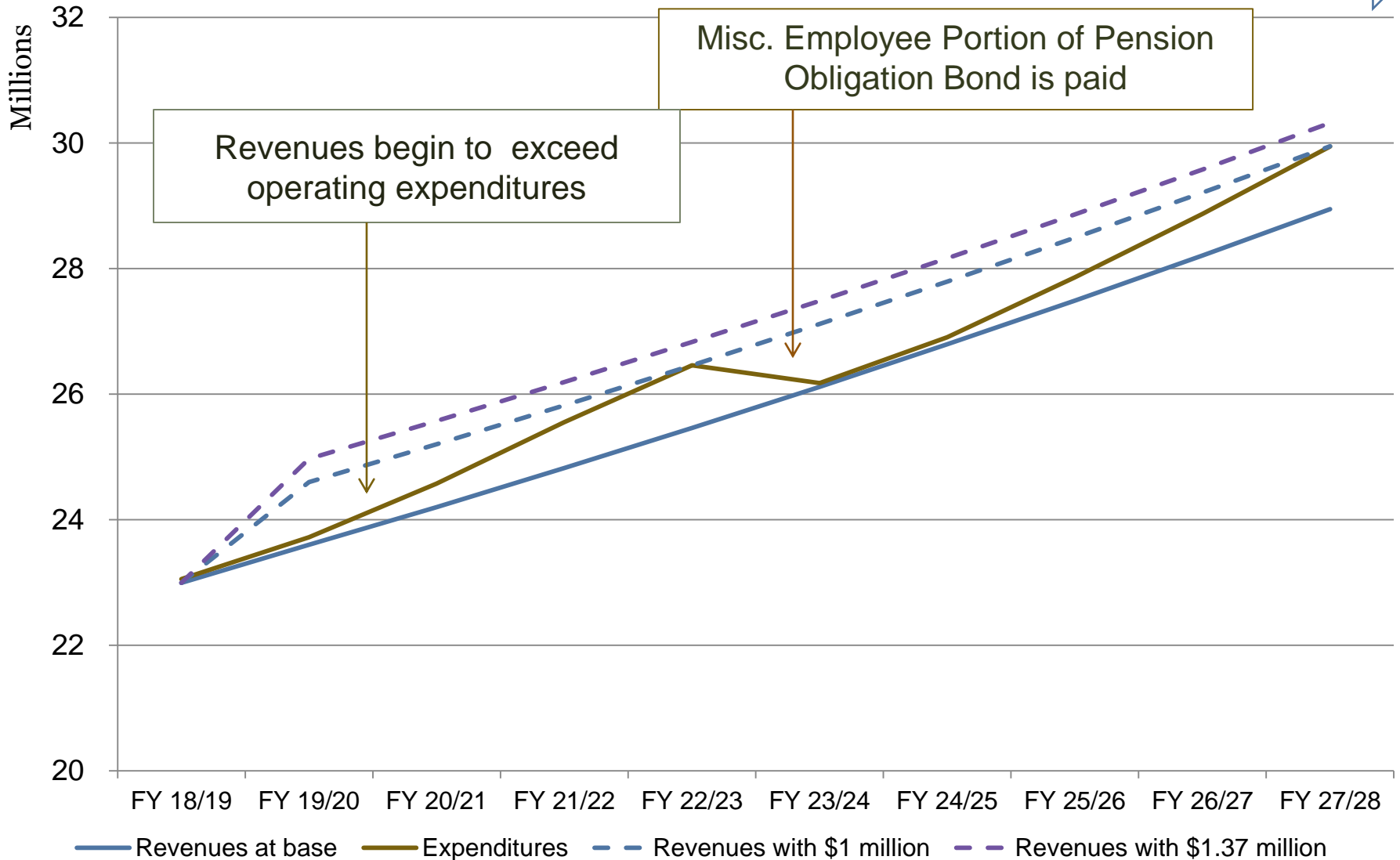
# Five-Year Forecast



# Ten Year Forecast

(Excludes capital outlay)

Pension Obligation Bond is retired in FY 28/29



# Enterprise Funds

	Beginning Fund Balance	Revenues	Expenditures / Transfers	Projected Ending Fund Balance
Cemetery	\$ 272,000	\$ 363,000	\$ 422,000	\$ 214,000
Golf	2,805,000	376,000	371,000	2,811,000
Local Water Project	376,000	532,000	488,000	420,000
Sewer	17,130,000	3,231,000	3,482,000	16,879,000
<b>Combined</b>	<b>\$20,583,000</b>	<b>\$4,502,000</b>	<b>\$4,763,000</b>	<b>\$20,324,000</b>



# Internal Service Funds

	Beginning Fund Balance	Revenues	Expenditures / Transfers	Projected Ending Fund Balance
Employee Benefits	\$ 113,000	\$ 289,000	\$ 306,000	\$ 97,000
Liability	308,000	458,000	456,000	308,000
OPEB	222,000	101,000	-	322,000
Workers Comp	272,000	707,000	707,000	273,000
Combined	\$915,000	\$1,555,000	\$1,469,000	1,000,000

# Questions

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