

Budget Update



CINDY CZERWIN
ADMINISTRATIVE SERVICES DIRECTOR
FEBRUARY 9, 2020

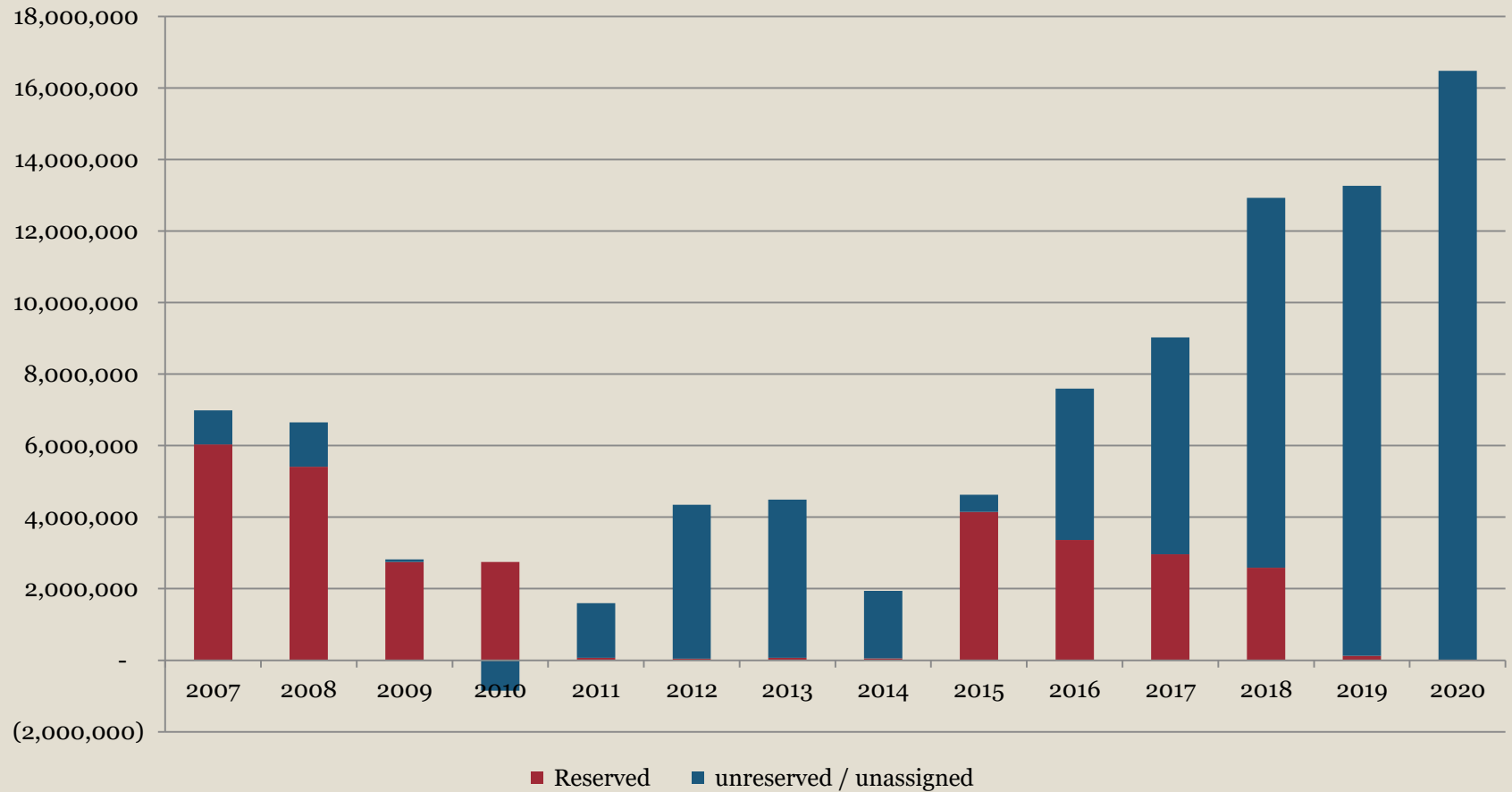
2020 CAFR



- Fiscal Year FY 2019-20 ended June 30, 2020
- Overall, City Increased its net position, but governmental activities decreased in net position
- Driven by declining value of Capital Assets and Increase in Long-term liabilities, mainly Pension

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
	\$	\$	\$	\$	\$	\$
Current and other assets	80,610	77,941	48,407	45,170	129,017	123,111
Capital assets	113,339	114,316	99,375	95,132	212,714	209,448
Total Assets	193,949	192,257	147,782	140,302	341,731	332,559
Deferred outflows of resources	13,507	13,364	3,875	4,221	17,382	17,585
Total Deferred Resources	13,507	13,364	3,875	4,221	17,382	17,585
Long-term liabilities outstanding	67,835	63,437	29,758	28,226	97,593	91,663
Other Liabilities	11,762	12,149	4,350	3,304	16,113	15,453
Total Liabilities	79,597	75,586	34,109	31,530	113,706	107,116
Deferred inflows of resources	2,683	1,996	608	639	3,291	2,635
Total Deferred Resources	2,683	1,996	608	639	3,291	2,635
Net Position:						
Net investment in capital assets	109,660	110,033	97,119	92,296	206,779	202,329
Restricted	22,228	19,803	-	-	22,228	19,803
Unrestricted	(6,712)	(1,798)	19,821	20,058	13,109	18,260
Total Net Position	125,175	128,039	116,940	112,354	242,116	240,392

General Fund Balance



FY 2020-21



THIS IS DATA THROUGH DEC. 31

SALES TAX DATA THROUGH SEPT. 30

General Fund Revenues - Overall



- Property tax still showing little sign of being impacted, next year's CPI only 1.3%
- Utility tax seems to be normal
- Hotel tax is down by 50%, hoping it will come up in the Spring and with new hotel opening
- Department Revenues, Police and PCS are lower
- This will still be less than or at best flat from last year

Sales Tax



Sales Tax by Major Industry Group

State & County Pools

Autos And Transportation

Count: 142

Building And Construction

Count: 53

General Consumer Goods

Count: 615

Restaurants And Hotels

Count: 184

Business And Industry

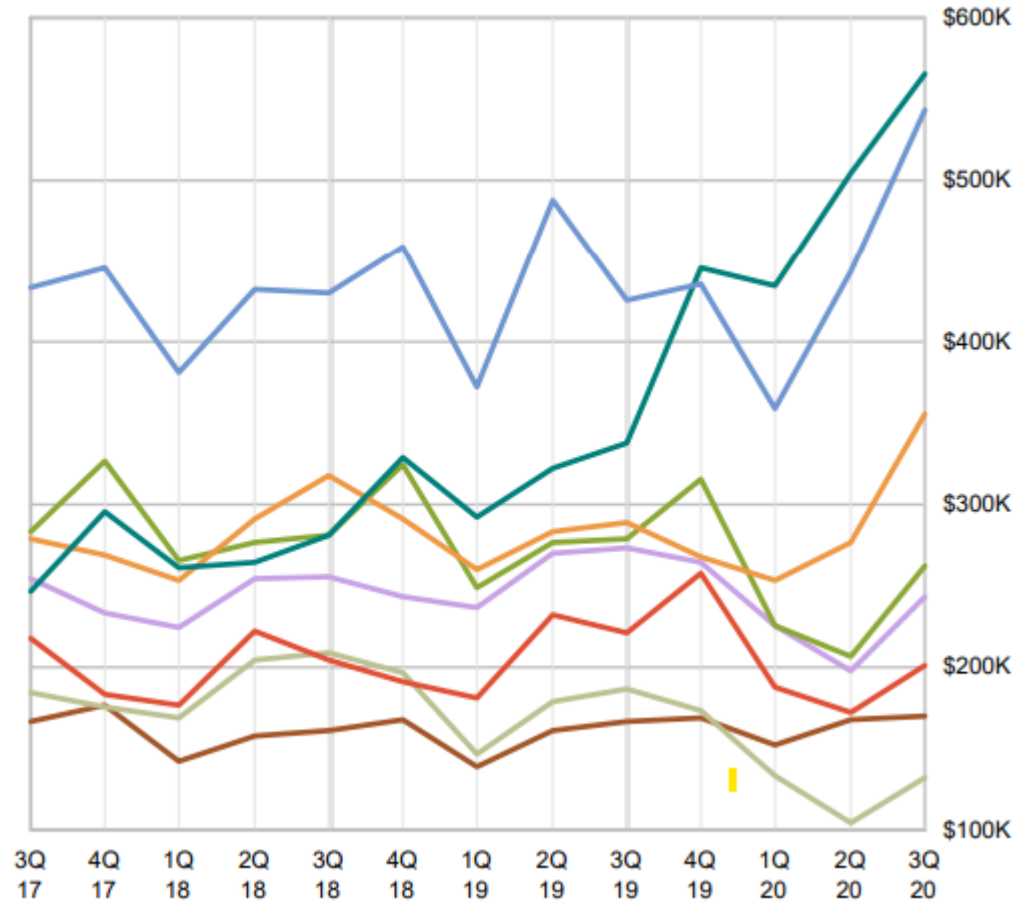
Count: 378

Food And Drugs

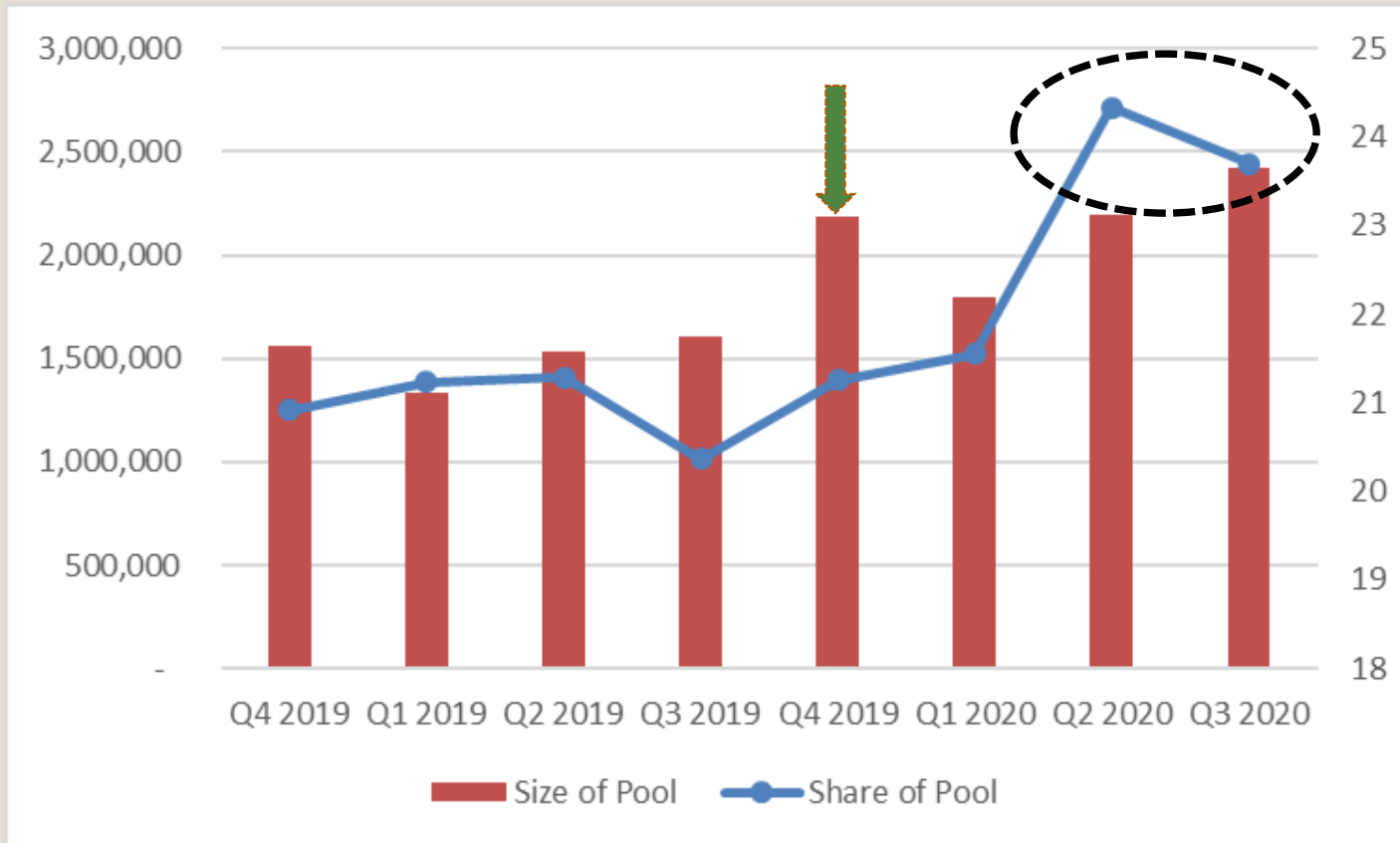
Count: 88

Fuel And Service Stations

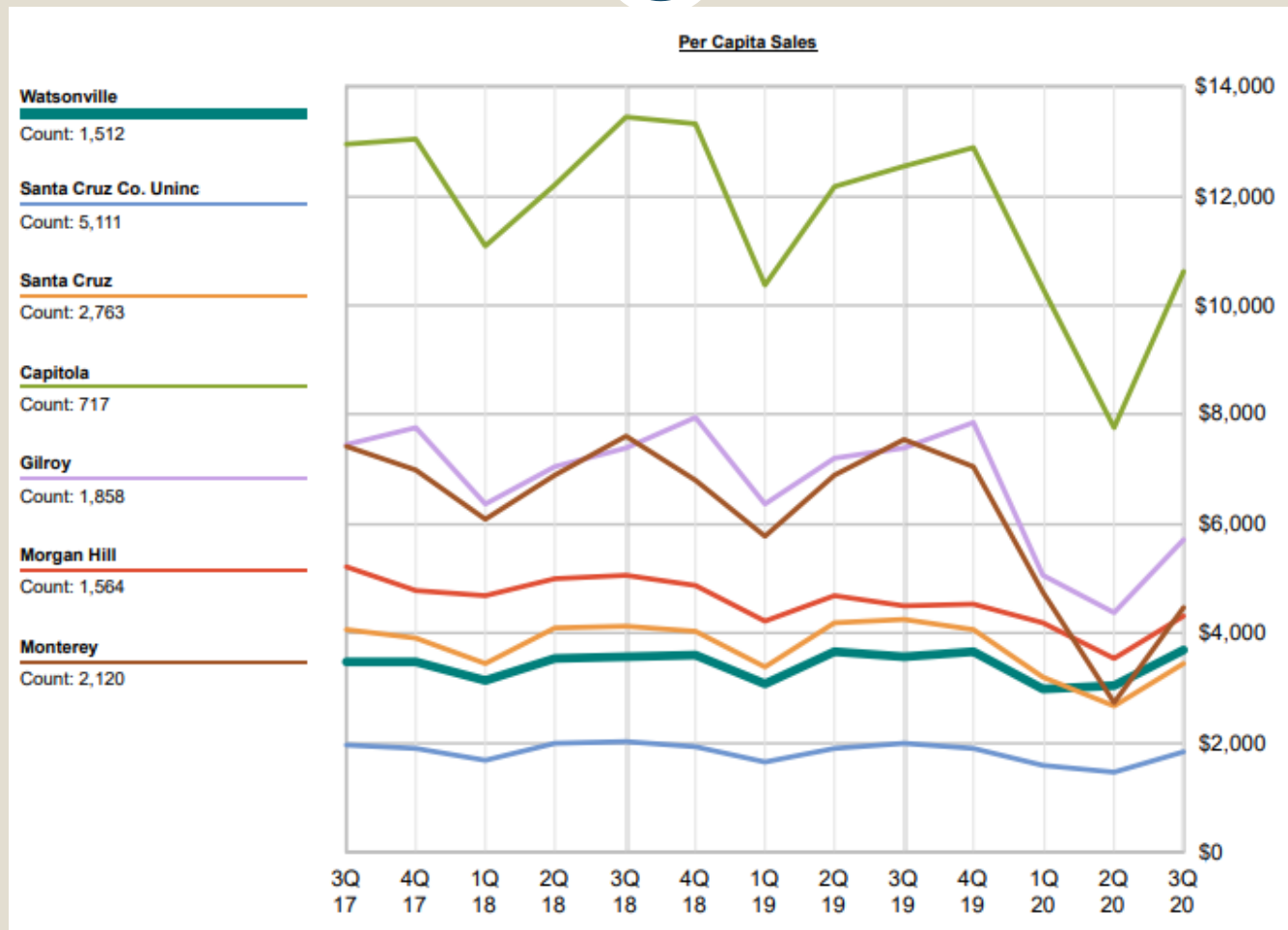
Count: 22



Sales Tax – County Pools



Per Capita Sales Surrounding Areas



General Fund Revenues



Revenues	Revised Budget	6 mo Actuals	6 mo % of Budget	Feb. Projection	better / (worse) than Budget
Property Tax	12,171,268	6,673,855	54.8%	13,093,361	922,093
Sales Tax	8,173,255	6,262,600	76.6%	11,458,159	3,284,905
Utility	3,852,945	1,854,740	48.1%	4,146,672	293,727
Hotel	586,720	380,957	64.9%	704,684	117,964
Transfer In	3,952,808	1,853,029	46.9%	3,952,808	-
Other Revenues	3,874,331	2,188,341	56.5%	4,364,690	490,359
	32,611,327	19,213,523	58.9%	37,720,374	5,109,047
CDD	1,071,985	685,650	64.0%	1,344,534	272,549
Police	1,437,500	417,035	29.0%	875,675	(561,825)
Fire	741,069	186,775	25.2%	813,587	72,518
PCS	536,818	204,668	38.1%	417,083	(119,735)
PW	274,056	70,534	25.7%	112,562	(161,494)
Other	2,711,972	823,632	30.4%	2,711,857	(115)
CARES Funding		530,053		530,053	530,053
Total GF Revenue	39,384,727	22,131,869	56.2%	44,525,724	5,140,997

Revenue - Uncertainty



- Much of this is one time “filling in the dip”
- Do not yet know how much is base building, still a lot of uncertainty in the economy
 - Vaccination rate,
 - Schools opening
 - What will new economy look like
 - What will true unemployment rate be
 - How much have we been kept afloat by stimulus
 - Will spending patterns change when people return to work
- Likely to be many quarters before we settle into a new normal. Proceed with caution

General Fund Expenditures



Expenditures	Revised Budget	6 mo Actuals	6 mo % of Budget	Feb. Projection	better / (worse) than Budget
Police	18,951,725	11,387,207	60.1%	19,017,089	(65,364)
Fire	7,642,886	4,791,827	62.7%	7,858,886	(216,000)
PCS	3,487,976	1,983,280	56.9%	3,508,976	(21,000)
General Gov't	3,280,014	1,691,426	51.6%	3,421,184	(141,170)
Non Dept	2,460,237	1,121,404	45.6%	2,598,414	(138,177)
CDD	2,215,545	1,053,611	47.6%	2,340,934	(125,389)
Finance	1,590,665	896,084	56.3%	1,590,665	-
PW	1,410,113	755,799	53.6%	1,386,979	23,134
Library	541,484	270,742	50.0%	541,484	-
IT	-	-	-	-	-
Total Depts	41,580,645	23,951,380	57.6%	42,264,611	(683,966)
Capital	787,929	155,920	19.8%	553,015	234,914
COVID		88,571		98,571	(98,571)
Fires				56,784	(56,784)
Total Expenditures	42,368,574	24,195,871	57.1%	42,972,981	(604,407)

Fire / Police Overtime



- Fire Department

- Had Strike teams out helping with the fires around the state from July through October
- Turnover and vacant positions
- Now helping with vaccination efforts
- \$216,000 – One-time. Partially revenue backed

- Police

- Also dealing with vacancies and turnover
- Recently Approved Labor agreement with Sergeants
- \$89,041, primarily one-time



Community Development Department



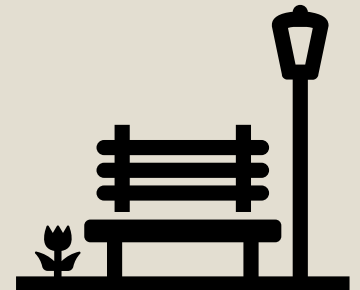
- They are seeing no decline in revenue or work.
- We had reduced the department by 3 positions and a large amount of contract money.
- We are requesting a further build back of this department basically to their previous levels in both positions and contracts
- \$150,310 – Revenue Backed, mix of ongoing and one-time



Parks and Community Services



- Department still unable to offer normal recreation or Special event services
- However, still maintaining parks and managing many capital projects
- Requesting salary dollars to pay for recently approved labor contract
- One-time money to do parks maintenance while they have lower utilization
- One-time money for impact fee studies to look for new sustainable funding sources.
- \$131,000, primarily one-time



Non – Departmental



- **COVID Spending**

- We continue to spend on PPE, cleaning, and reconfiguring public spaces.
- We will be applying to FEMA to request reimbursement but the process is long and unclear

- **CZU Fires**

- Overall City Spent \$482,678
- The vast majority will be reimbursed. We are requesting the balance, \$56,784 which will not be reimbursed.

Other – Funds



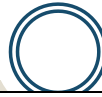
- Airport – Airport put themselves on a very lean plan this year, like general fund are not seeing declines in revenues but are seeing the operational squeeze, requesting one additional Operations Specialist position. Still will end the year positive
- Utility Funds
 - All – requesting to add a Safety Coordinator position, a position that had been eliminated but they feel they need
 - Sewer and Water are realigning their budget with their updated capital plan, reducing their appropriations
 - MSC, shop asking for a number of increases that reflect true costs that will be shared across the City

Appropriations Summary



Department	Fund	One-time	Ongoing	Revenue	Total Impact
Fire	General	216,000	-	(50,099)	165,901
Police	General	50,000	39,041	-	89,041
Non-Dept	General	156,784	-	-	156,784
CDD	General	100,000	50,310	(150,310)	-
PCS	General	110,000	21,000		131,000
Airport	Airport	-	19,074	(19,074)	-
Public Works - MSC	MSC		531,800	(531,800)	-
Public Works - Admin	Utilities		69,836		69,836
Public Works	Water	(407,000)	400,000		(7,000)
Public Works	Sewer	(942,180)			(942,180)

Measure G



		FY 19-20			FY 20-21			
		BUDGET	ACTUALS	Variance Positive / (Negative)	BUDGET	ACTUALS	Projected	Variance Positive / (Negative)
Police	Tax Revenue	2,371,200	2,411,999	40,799	1,566,000	1,234,635	2,214,215	648,215
	Interest	5,000	-	(5,000)	20,000		20,000	-
	Other Revenue	600	8,970	8,370	100	26,231	26,231	26,131
Fire	Tax Revenue	1,580,800	1,607,999	27,199	1,102,000	868,817	1,558,152	456,152
	Interest	5,000	46,723	41,723	15,000		15,000	-
PCS	Tax Revenue				232,000	182,909	328,032	96,032
	Interest				-		-	
	Total Revenues	3,962,600	4,075,691	113,091	2,935,100	2,312,591	4,161,630	1,226,530
Police	Operations	2,369,144	2,077,430	291,714	1,914,596	817,753	1,656,019	258,577
	Equipment / Facilities (police)	1,390,770	1,113,386	277,384	254,235	2,820	204,235	50,000
Fire	Operations	1,429,370	1,083,273	346,097	1,417,446	690,461	1,415,922	1,524
	Equipment / Facilities	419,000	394,036	24,964	75,000	-	75,000	-
PCS	Operations				208,800	10,558	208,800	-
	Equipment / Facilities							
	Totals Expenses	5,608,284	4,668,125	940,159	3,870,077	1,521,591	3,351,176	518,901
Change in Fund Balance		(1,645,684)	(592,434)	1,053,250	(934,977)	791,000	810,453	1,745,430
Reserve Police as of July 1		2,345,887	2,345,887		1,576,040		1,576,040	
Reserve Fire as of July 1		1,058,876	1,058,876		1,236,290		1,236,290	
Reserve PCS as of July 1					-			
Reserve Police as of June 30		962,773	1,576,040	613,267	993,309		1,976,232	982,923
Reserve Fire as of June 30		796,306	1,236,290	439,984	860,844		1,318,519	457,676
Reserve PCS as of June 30					23,200		119,232	96,032

Summary



- Still many unknowns, proceed with caution
 - Local economy floating on sales tax bubble and stimulus
 - Likely be ups and downs before things settle down
 - Unclear what the new normal will be
- Next Steps
 - March – Budget Outlook
 - May – If needed a 9 month update
 - June – Budget Hearings

Today's Actions



- Accept by motion, the Comprehensive Financial Report for FY 2019-20, and
- Accept by motion, the mid-year financial report for the 2020-21 Fiscal Year:
- Accept by motion, the Annual Measure G Audit Report for FY 2019-20, and
- Approve a resolution appropriating \$414,665 into various funds as described in Attachment 1.

Any
1.1
Questions