



Q1 FY2020-21 FINANCIAL PROJECTION

CITY COUNCIL MEETING

Jovan Grogan, City Manager

November 10, 2020

Objective



- Receive First Quarter Financial Update Report as of September 30, 2020 (No Action)
- Adopt Resolution Amending FY2020-21 Operating and Capital Improvement Budget by Approving the Carryover FY2019-20 Purchase Order Encumbrances & Budget Amendments (Action Required)



Agenda

- I. Q1 FY2020-21 Financial Projection
 - I. General Fund
 - II. Enterprise Funds
 - III. Internal Service Funds
- II. Purchase Order Encumbrance Carry Forward
- III. Additional Budget Amendments
- IV. Request to City Council

FY2020-21 General Fund Adopted Budget Overview



Item	FY2020-21 Adopted Budget
Revenues	\$48,761,458
<u>Expenditures</u>	<u>49,352,968</u>
Deficit	(591,510)
<u>Use of Fund Balance</u>	<u>591,510</u>
Balanced Budget	\$0

FY2020-21 Financial Projection

General Fund Revenues



	FY2020-21 Adopted Budget	FY2020-21 YTD as of 9/30/20	FY2020-21 % of Budget	FY2019-20 YTD as of 9/30/19	FY2019-20 % of Budget
Property Tax	\$12,091,981	\$680,532	6%	\$692,006	6%
Sales Tax	6,468,926	628,947	10%	669,460	8%
Hotel/Motel Occupancy Tax (TOT)	2,125,467	179,876	8%	638,060	18%
Motor Vehicle License Fee	4,958,046	0	0%	0	0%
Regulatory (Card Room) Tax	2,006,000	503,370	25%	493,745	25%
Business Taxes	1,780,910	1,881,907	106%	1,798,208	70%
Franchise Fees	1,871,561	267,934	14%	301,386	16%
Use of Money and Property	754,837	198,017	26%	298,198	34%
Charges for Services	4,184,957	1,046,241	25%	956,656	25%
Recoveries & One-time	4,720,501	28,893	1%	13,449	0%
Departmental Revenues	7,818,272	1,879,209	24%	1,772,397	18%
Total General Fund Revenues	\$48,781,458	\$7,294,927	15%	\$7,633,564	14%

FY2020-21 Financial Projection

General Fund Expenditures



	FY2020-21 Adopted Budget	FY2020-21 YTD as of 9/30/20	FY2020-21 % of Budget	FY2019-20 YTD as of 9/30/19	FY2019-20 % of Budget
Police	\$19,369,240	\$6,195,396	32%	\$6,155,118	31%
Fire	11,796,435	4,294,057	36%	3,713,833	32%
General Administration	5,694,638	1,662,883	27%	1,540,355	27%
Parks	3,300,243	960,014	29%	836,013	25%
Public Works	4,275,670	1,124,383	26%	1,222,347	29%
Library	2,400,474	720,394	30%	777,535	31%
Recreation	2,104,722	430,756	20%	782,275	30%
Community & Economic Dev	3,239,239	989,532	30%	1,089,945	30%
Senior Services	1,336,116	313,330	23%	345,585	26%
Non-Departmental	(3,893,350)	(942,644)	24%	(981,484)	26%
Last Round of Position Reductions	(729,000)	-	0%	-	0%
Total General Fund Expenditures	\$48,894,427	\$15,748,102	32%	\$15,481,522	30%

FY2020-21 Financial Projection

Enterprise Funds



	FY2020-21 Adopted Budget	FY2020-21 YTD as of 9/30/20	FY2020-21 % of Budget	FY2019-20 YTD as of 9/30/19	FY2019-20 % of Budget
Water Enterprise					
Revenue	\$17,027,955	\$5,013,465	29%	\$4,753,340	29%
Expenditure	10,471,911	2,279,150	22%	2,318,642	23%
Wastewater Enterprise					
Revenue	\$18,944,865	\$4,762,564	25%	\$4,845,122	26%
Expenditure	9,617,128	2,299,089	24%	2,321,706	25%
Cable Television Enterprise					
Revenue	\$10,837,377	\$2,268,418	21%	\$2,296,737	23%
Expenditure	9,333,341	1,869,932	19%	2,135,416	23%
Stormwater Enterprise					
Revenue	\$693,000	\$0	0%	\$0	0%
Expenditure	1,154,255	282,547	25%	247,602	20%

FY2020-21 Financial Projection

Internal Service Funds



	FY2020-21 Adopted Budget	FY2020-21 YTD as of 9/30/20	FY2020-21 % of Budget	FY2019-20 YTD as of 9/30/19	FY2019-20 % of Budget
Central Garage					
Revenue	\$575,000	\$143,754	25%	\$202,509	23%
Expenditure	703,553	212,418	30%	173,055	24%
Building & Facilities Maintenance					
Revenue	\$1,724,000	\$431,001	25%	\$378,773	21%
Expenditure	1,562,651	384,200	25%	409,112	27%
Self Insurance					
Revenue	\$2,846,554	\$711,642	25%	\$561,642	25%
Expenditure	2,656,591	1,422,410	54%	1,421,254	58%
Technology					
Revenue	\$1,058,000	\$264,507	25%	\$208,248	21%
Expenditure	1,036,753	270,166	26%	254,428	26%

Takeaways



□ General Fund

- Hotel Tax (TOT) is coming in much lower than budget. YTD receipts are down 72% from last year for first quarter. Budget based on only a 40% decline. We will need to further review during mid-year.
- Sales tax revenue should be at budget
- ½ cent use tax; not sufficient data yet, but sales tax consultant HdL believes current budget is still good for this year;
- Property Tax projected for an increase of \$282K for FY2020-21 over budget

Takeaways



□ General Fund

- Building Plan Check Revenue up; more YouTube activity than estimated;
- Vehicle In Lieu Taxes estimated to be down \$530K from budget, reflecting less funds in County, as more school districts become Basic Aid (siphons from same pot of funding)
- Recreation Revenues are expected to decline, as pandemic prevents re-opening programs. Somewhat offset by lower Recreation expenditures

Takeaways



□ Enterprise & Internal Service Funds

- CityNet and Utility accounts have increased delinquencies as a result of the pandemic.
- Worker's Compensation claims continue to exceed budget. We will review further during midyear.
- All else: normal, expected activity



Carryover Purchase Order Encumbrances

General Fund	Amount
General Fund	\$255,648
Restricted Revenues Fund	114,170
Emergency Disaster Fund	41,617
Parks Capital Fund	868,678
Facilities Capital Fund	2,009,179
Police Capital Fund	132,606
Streets Capital Fund	39,541
Water Fund	5,767,970
Stormwater Fund	137,383
Wastewater Fund	4,188,229
Facility Maintenance Fund	2,880
General Equipment Revolving Fund	355,735
Total	\$13,913,636



FY2020-21 Budget Amendments

Amount	Fund/Dept/ Request	Explanation
\$50,000	General Fund, New Management Analyst II Position in CED Dept.	Staffing augmentation due to significant and sustained increase in workload for Building & Planning Divisions
\$75,000	(Insert Funds for all) Safe & Equitable Policing Review	Review of policing policies and practices to address nationwide concerns after George Floyd's death
\$150,000	Downtown Parking Meters	Use Centrum Settlement funds rather than General Fund Capital Improvement Fund
\$187,000	New CIP "Replacement of City's Phone System"	Use dollars from current Cybersecurity CIP Project to fund Replacement of City's Phone System
\$72,000	Pedestrian Safety & Traffic Calming Program, Caltrans Grant Funded	Use State Highway Safety Improvement Program funds for Local Roadway Safety Plan (LSRP)



FY2020-21 Budget Amendments

Amount	Fund/Dept/ Request	Explanation
\$23,000	Pedestrian Safety & Traffic Calming Program	Matching funds (10%) of the above State Highway Funding Program
\$145,000	Senior Center Trash Enclosure	Bequest funds to replace garbage receptacles project at the Senior Center
\$300,000	Senior Center Parking Lot Improvements	Bequest funds to repave, repair and repainting of parking lot at the Senior Center
\$100,000	Water Fund/Sweeney Ridge Tank Replacement CIP	Sweeney Ridge Tank Replacement for design phase staff costs and overhead
\$20,000	Water Fund/ Truck Replacement	Increased cost of truck replacement
\$20,000	Review of CityNet Revenues and Finance Staffing	Consultant studies of CityNet revenue and Finance Department staffing

FY2020-21 Budget Amendments



Fund	Net Budget Change:
General Fund	\$ 70,000
Equitable Sharing/Asset Forfeiture Fund	\$ 75,000
General Fund Capital Improvement Fund	\$ (150,000)
Street Special Revenue Fund (From Centrum Settlement dollars)	\$ 150,000
Measure A Fund	\$ 23,000
Restricted Revenues Fund/Senior Bequest Funds	\$ 445,000
Water Fund	\$ 120,000



Request to Council

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Questions

