



FY 2020-21 Budget Year-End Update

October 13, 2021



FY 21 General Fund Final Amounts

Unreserved Fund Balance at 6/30/2020		\$ 8,069,119
FY 2020-21 Revenues	\$ 126,143,226	
FY 2020-21 Transfers In	8,500,000	
FY 2020-21 Expenditures	(106,040,313)	
Net Revenues & Transfers In over Expenditures		28,602,913
Total Transfers Out		(5,900,000)
Unreserved Fund Balance at 6/30/2021		30,772,032
General Fund Contingency Reserve at 6/30/2021		15,667,960
Total General Fund Balance at 6/30/2021		\$ 46,439,992



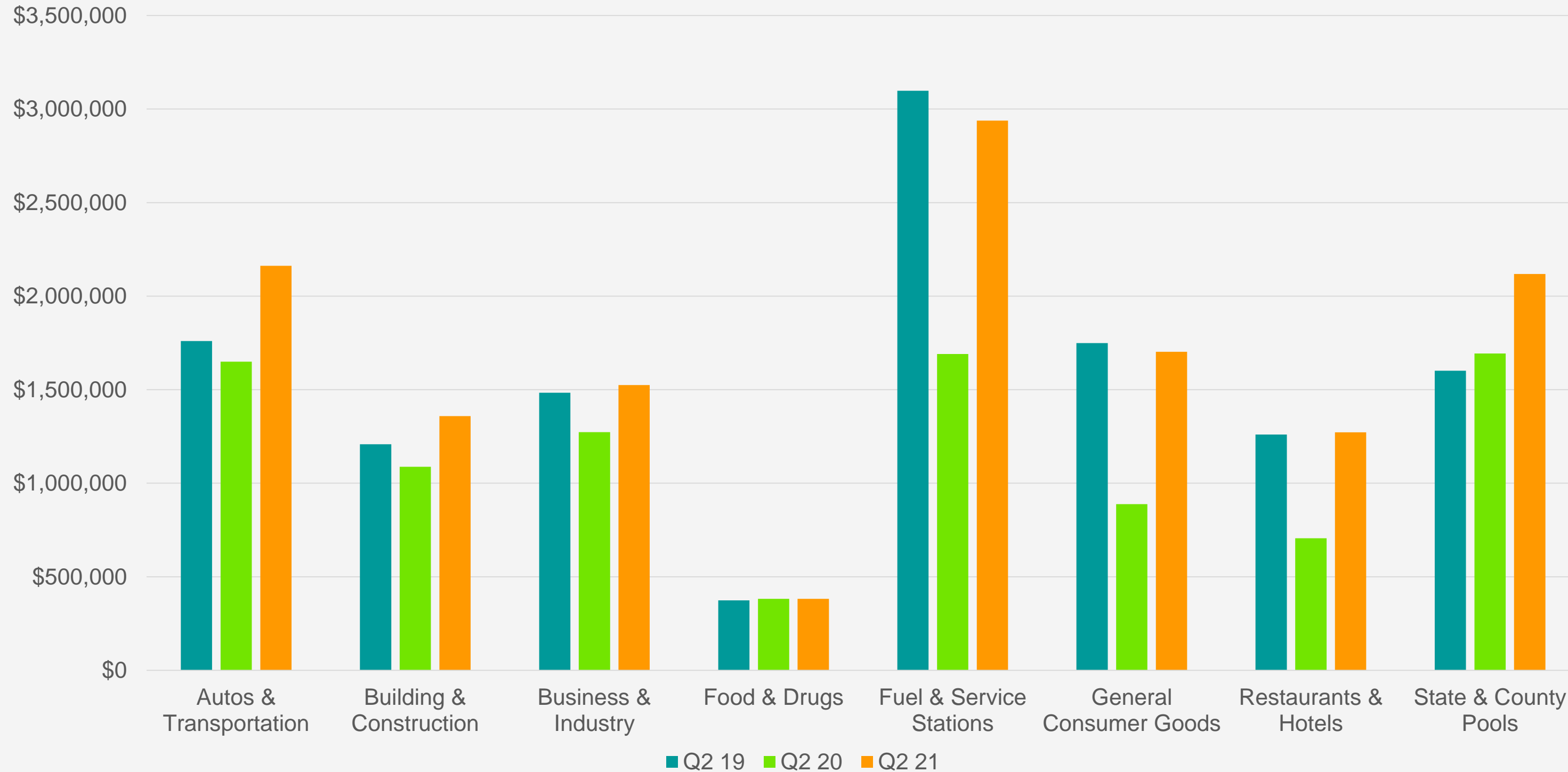
FY 21 General Fund Revenues

	FY 21 Budget	FY 21 Actual	% Difference
Sales Tax	\$ 40,619,959	\$ 52,503,661	29.3%
Property Tax	43,958,186	46,227,725	5.2%
Transient Occupancy Tax	1,900,000	1,834,447	(3.5%)
Licenses & Permits	4,694,693	5,479,863	16.7%
Fees for Services	5,526,243	5,269,038	(4.7%)
Fines & Forfeitures	1,940,010	1,485,230	(23.4%)
Revenue from Other Agencies	1,103,833	2,912,033	163.8%
Other Revenues	7,749,539	10,431,229	34.6%
Total Revenues	\$ 107,492,463	\$ 126,143,226	17.4%



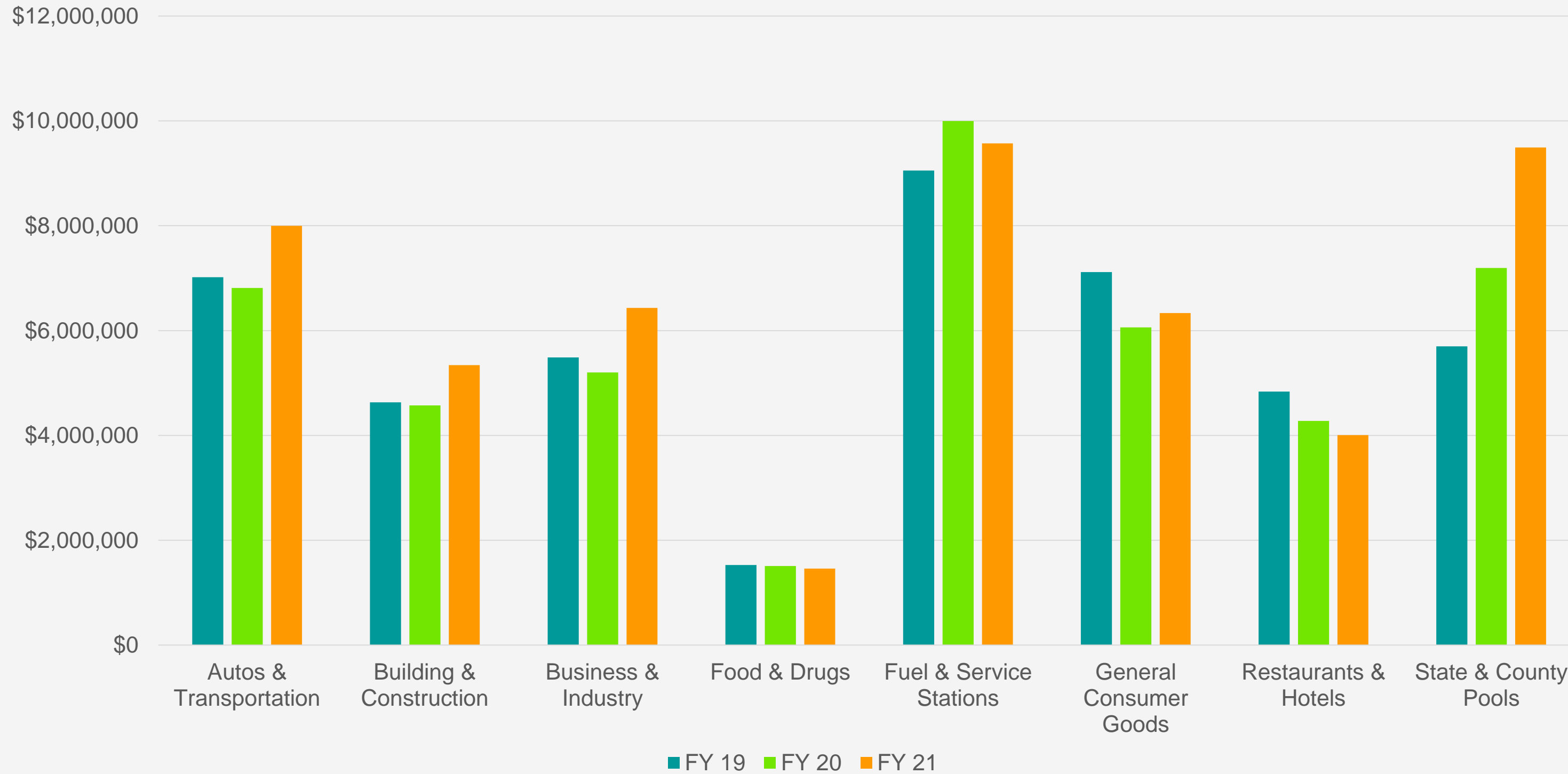
2nd Calendar Quarter Sales Tax

By Major Industry Category



Sales Tax by Fiscal Year

By Major Industry Category



FY 21 Expenditures

General Fund	FY 21 Final Budget	FY 21 Actual	Savings
Salaries & Benefits	\$ 102,988,158	\$ 88,155,948	\$ 14,832,210
Maintenance & Operations	15,602,451	13,653,811	1,948,640
Internal Costs	4,230,554	4,230,554	-
Total General Fund Expenditures	\$ 122,821,163	\$ 106,040,313	\$ 16,780,850

American Rescue Plan	FY 21 Final Budget	FY 21 Actual	Savings
Police Salaries & Benefits	\$ 17,133,093	\$ 8,270,377	\$ 8,862,716
Fire Salaries & Benefits	10,616,859	5,513,610	5,103,249
Total ARP Expenditures	\$ 27,749,952	\$ 13,783,987	\$ 13,965,965

NOTE: ARP savings are applied to FY 22 police & fire expenditures



FY 22 General Fund Transfers

Transfers Out	Adopted with Budget	Proposed for Mid-Year	TOTAL
Vehicle Replacement Fund (720)	\$ 3,200,000	\$ -	\$ 3,200,000
Computer Replacement Fund (790)	2,350,000	-	2,350,000
Emergency Medical Transportation Fund (125)	300,000	-	300,000
Business Investment Fund (115)	1,800,000	4,800,000	6,600,000
General Fund Contingency Reserve	5,000,000	-	5,000,000
Pension Stabilization Fund (760)	-	3,500,000	3,500,000
Capital Projects Fund (500)	-	7,000,000	7,000,000
Total Transfers Out	\$ 12,650,000	\$ 15,300,000	\$ 27,950,000



FY 22 General Fund Update

Actual Unreserved Fund Balance at 6/30/2021		\$ 30,772,032
FY 2021-22 Estimated Revenues	\$ 120,084,478	
FY 2021-22 Estimated Expenditures	(109,997,916)	
Encumbrances, Carryovers, Add'l Appropriations	(2,461,253)	
Net Revenues over Expenditures		7,625,309
Transfers Out Approved at Budget Adoption		(12,650,000)
Transfers Out Proposed for Mid-Year		(15,300,000)
Estimated Unreserved Fund Balance at 6/30/2022		10,447,341
General Fund Catastrophic Reserve at 6/30/2022		20,667,960
Estimated Total General Fund Balance at 6/30/2022		\$ 31,115,301



Reserve Policy

Reserve	FY 22 Policy Minimum	6/30/22 Projected with Proposed Transfers
General Fund Contingency Reserve	\$ 20,617,395	\$ 20,667,960
Building Records Management Fee Fund	-	384,646
Business Investment Fund	-	3,289,039
Capital Projects Fund	1,032,046	8,428,281
Vehicle Replacement Fund	2,224,236	4,334,455
Major Building Improvements Fund	-	50,179
Computer & Technology Replacement Fund	1,084,081	1,553,616
Pension Stabilization Fund/EE Accrued Liability	-	7,765,334
Unreserved General Fund Balance	-	10,447,341
City Council Discretionary Reserve	\$ 37,260,353	\$ 56,920,851



FY 23 Preliminary Expenditures

FY 2021-22 Budgeted Expenditures	\$ 110,000,000
Known Cost Changes:	
Negotiated Labor Cost Increases	1,950,000
POB Debt Service Increase	860,000
CalPERS Normal Cost Decrease	(190,000)
Add Back Police/Fire Salaries & Benefits Paid by ARP	14,200,000
Preliminary FY 2022-23 Expenditures	\$ 126,820,000



Pension Obligation Bond Performance

Fiscal Year	UAL Payment with No POB	POB + Revised UAL Payment	Savings
2020-21	\$ 19,300,000	\$ 19,300,000	\$ -
2021-22	21,525,000	15,760,000	5,765,000
2022-23	23,650,000	18,160,000	5,490,000
2023-24 (projected)	24,850,000	17,750,000	7,100,000
TOTAL SAVINGS			\$ 18,355,000

Updated for June 30, 2020 actuarial valuation and projected effect of FY 20-21 CalPERS investment return of 21.3% and expected decrease in discount rate to 6.8%.



Recommended Actions

- **Fiscal Year 2020-21 Clean Up Items**

- Appropriation of \$551,773 for Navigation Center Funding from SB 2 Funds
 - Prior City Council action authorized City's participation – appropriation was not adopted
- Appropriation of \$95,965 for Countywide 800 MHz System
 - Cost increases in the system – received FY 21 bill as part of year-end close
- Transfer of \$805,003.02 to move costs associated with the Fire Station HQ project from former RDA funds to the City Infrastructure Bond fund
 - To move costs reimbursed by the bond prior to its issuance

- **Fiscal Year 2021-22**

- Appropriation of \$138,000 to unfreeze Police Sergeant position (General Fund)
 - Appropriation of \$29,163 to add part-time position in City Clerk's office (General Fund)
 - Appropriation of \$573,935 for FY 22 Navigation Center operation costs (SB 2 Fund)
- **Actions related to proposed transfers will be recommended at mid-year**