



FY 2021-22 BUDGET THIRD STUDY SESSION

May 11, 2021

PRESENTATION OVERVIEW

- General Fund Update
- Other Major Funds
- Master Fee Schedule Update
- American Rescue Plan Guidance
- Work Plan Update

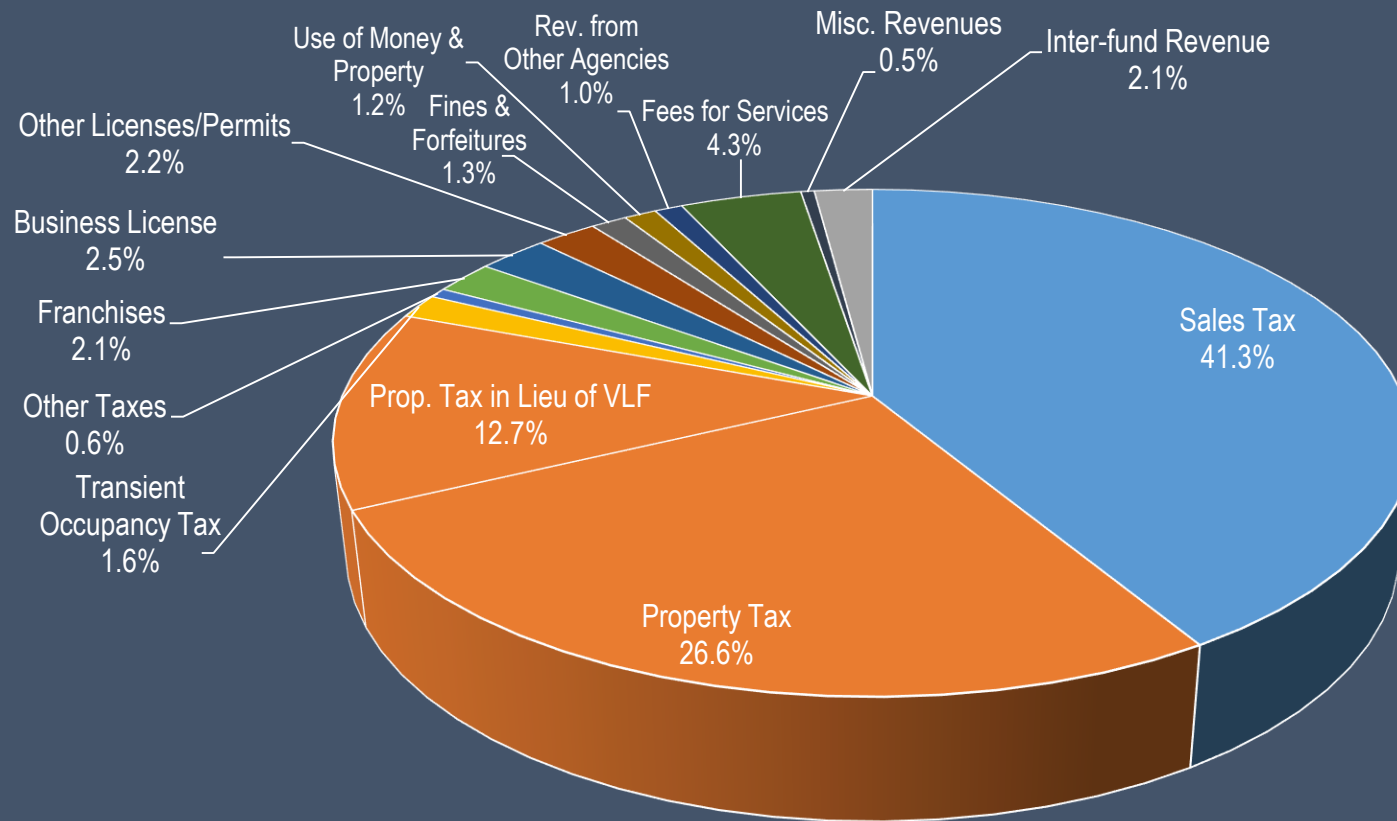


FY 22 GENERAL FUND UPDATE



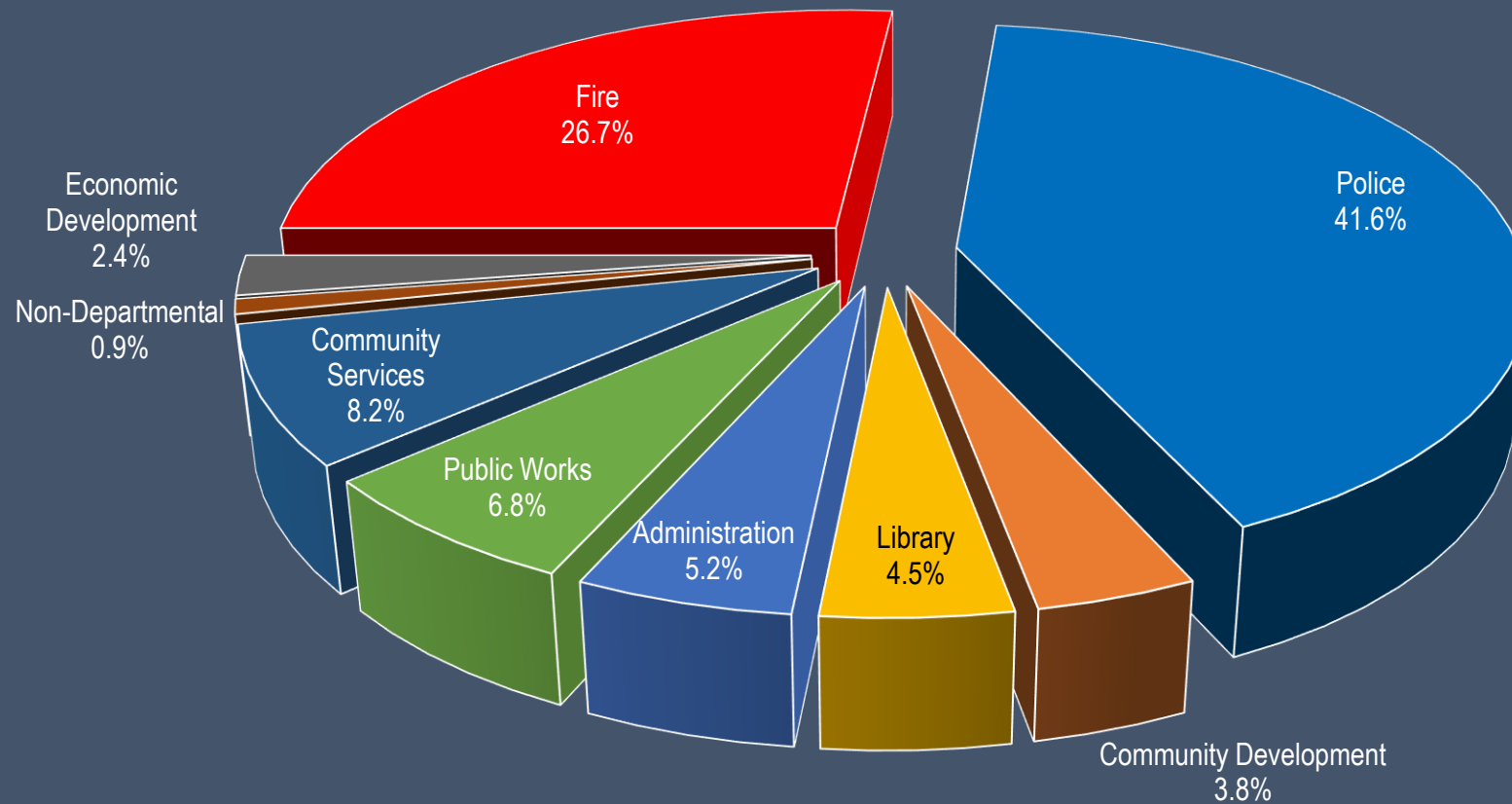
GENERAL FUND REVENUES

FY 2021-22 Revenue (\$120.1 Million)



GENERAL FUND EXPENDITURES

By Department (\$124.2 Million)



GENERAL FUND EXPENDITURES

By Department (\$124.2 Million)

Department	FY 21 Adopted	FY 22 Proposed	% Inc/(Dec)
City Attorney	\$ 951,433	\$ 1,130,173	18.8%
City Clerk	591,324	626,516	6.0
City Council	7,152	8,652	21.0
City Manager	1,211,153	1,416,275	16.9
Community Development	4,776,802	4,763,176	(0.3)
Community Services	9,282,409	10,152,154	9.4
Economic Development	224,509	2,943,811	1,211.2
Finance	3,373,595	3,358,213	(0.5)
Fire	30,588,490	33,119,085	8.3
Human Resources	1,525,220	1,671,261	9.6
Library	5,225,879	5,626,266	7.7
Non-Departmental	1,087,472	1,095,982	0.8
Police	50,663,587	51,646,453	1.9
Public Works	8,132,897	8,475,116	4.2
Vacancy Savings	(1,800,000)	(1,800,000)	0.0
TOTAL	\$ 115,841,932	\$ 124,233,133	7.2%



FY 22 GENERAL FUND ESTIMATE

Estimated Unreserved Fund Balance at 6/30/2021		\$ 11,289,756
FY 2021-22 Estimated Revenues	\$ 120,084,478	
FY 2021-22 Estimated Expenditures	(124,233,133)	
Net Revenues & Transfers In over Expenditures		(4,148,655)
Proposed Transfers Out		
Transfer to Equipment Replacement Fund (720)	(2,200,000)	
Transfer to Technology Replacement Fund (790)	(1,350,000)	
Transfer to Emergency Medical Transport Fund (725)	(300,000)	
Transfer to Business Investment Fund (115)	(1,800,000)	
Total Proposed Transfers Out		(5,650,000)
Estimated Unreserved Fund Balance at 6/30/2022		1,491,101
General Fund Catastrophic Reserve at 6/30/2022		15,667,960
Estimated Total General Fund Balance at 6/30/2022		\$ 17,159,061



OTHER MAJOR FUNDS



OTHER MAJOR FUNDS

Fund	Beginning Fund Balance	Revenues	Operating Expenditures	Capital Expenditures	Net Transfers	Ending Fund Balance
Water	\$ 8,754,740	\$ 38,191,562	\$ (39,162,833)	\$ (4,765,173)	\$ -	\$ 3,018,296
Sanitation	5,374,919	8,074,047	(4,945,240)	(6,621,137)	-	1,882,589
Emergency Medical Transport	(167,025)	2,417,080	(2,540,016)		300,000	10,039
Capital Projects	4,579,401	478,360	(300,000)	(1,770,000)	(237,500) ¹	2,750,261
Business Investment	724,918	2,764,201	(5,170,000)	-	1,800,000	119,119
Measure M	115,523	3,073,022	(559,859)	(2,615,000)	-	13,686
Gas Tax	119,583	3,542,837	(3,157,236)	(716,700)	-	(211,516) ²
SB 1 Gas Tax	313,412	2,780,831	-	(2,950,000)	-	144,243
Equipment Replacement	2,149,159	505,486	-	(2,702,078)	2,200,000	2,152,567
Technology Replacement	120,210	75,811	-	(1,209,529)	1,350,000	336,492

Note 1 – Transfer to Major Building Improvements Fund (725)

Note 2 – Gas Tax revenues based on January estimates. Updated estimates expected soon, likely to increase



MASTER FEE SCHEDULE UPDATE



FEE CHANGE HIGHLIGHTS

- In 2017, we updated the Master Fee Schedule for the first time in many years
 - Committed to annual adjustments to avoid large increases
- Weighted Average increase of 2.3%
 - 12-month CPI increase as of March is 2.6%
- Some fees are decreasing



FEES BY DEPARTMENT

Department	Revenue at Current Fee	Total Annual Cost	Annual Surplus/ (Deficit)	Cost Recovery %	Revenue at Staff Proposed	Change in Revenue	New Cost Recovery %
City Clerk	\$ 91,075	\$ 135,489	\$ (44,414)	67%	\$ 92,575	\$ 1,500	68%
Community Development	1,335,759	1,434,309	(98,550)	93%	1,358,959	23,200	95%
Community Services	874,701	2,229,496	(1,354,795)	39%	874,701	0	39%
Finance	499,901	1,693,844	(1,193,943)	30%	499,901	0	30%
Fire	982,605	1,019,642	(37,037)	96%	1,018,735	36,130	100%
Library	62,647	152,092	(89,445)	41%	62,647	0	41%
Police	313,416	421,001	(107,585)	74%	322,603	9,187	77%
Public Works	850,622	1,048,757	(198,135)	81%	896,526	45,904	85%
TOTAL	\$ 5,010,726	\$ 8,134,630	\$ (3,123,904)	62%	\$ 5,126,647	\$ 115,921	63%



AMERICAN RESCUE PLAN



AMERICAN RESCUE PLAN GUIDANCE

- Updated Allocation - \$28,018,188
 - Funds have been requested – 50% should be received in the next week or two
 - Other 50% will come some time next year
- Interim Final Rule released Monday, May 10
 - Clarified specific uses based on legislation
 - Defined how revenue reduction is calculated
- Replenishment of reserves is specifically prohibited
- Costs must be incurred beginning March 3, 2021 through December 31, 2024



AMERICAN RESCUE PLAN GUIDANCE

- Revenue Recovery (based on “general revenues”)
 - Baseline is last full fiscal year prior to pandemic (FYE 6/30/2019)
 - Revenue growth factor is larger of:
 - Average annual growth over previous three full fiscal years prior to pandemic (4.8%)
 - 4.1%
 - Revenue recovery funds can be used to cover the cost of “providing government services”
 - Revenue check points are 12/31/20, 12/31/21, 12/31/22, and 12/31/23



AMERICAN RESCUE PLAN GUIDANCE

Fund (eligible revenues only)	Baseline (FY 19)	CY 2020 (Actual)	CY 2021 (Projected)	
General Fund	\$ 116,520,419	\$ 109,777,678	\$ 118,015,061	
Proposition 172 Fund	1,030,688	999,274	893,272	
Emergency Medical Transport Fund	2,279,997	2,096,525	2,165,000	
Gas Tax Funds	5,520,239	5,570,732	6,409,231	
Measure M Fund	2,964,925	2,953,988	2,550,363	
Total Revenues	\$ 128,316,268	\$ 121,398,197	\$ 130,032,927	
Growth Adjusted Revenues	N/A	137,665,033	144,272,955	
Revenue Loss	N/A	\$ 16,266,836	\$ 14,240,028	\$ 30,506,864

NOTE: Growth factor for CY 2020 is 7.2% since it is 18 months after 6/30/2019



FY 22 GENERAL FUND HYPOTHETICAL

Based on ARP Funds

Estimated Unreserved Fund Balance at 6/30/2021		\$ 18,396,685
FY 2021-22 Estimated Revenues	\$ 120,084,478	
FY 2021-22 Estimated Expenditures	(116,107,968)	
Net Revenues & Transfers In over Expenditures		3,976,510
Proposed Transfers Out		
Transfer to Equipment Replacement Fund (720)	(2,200,000)	
Transfer to Technology Replacement Fund (790)	(1,350,000)	
Transfer to Emergency Medical Transport Fund (725)	(300,000)	
Transfer to Business Investment Fund (115)	(1,800,000)	
Total Proposed Transfers Out		(5,650,000)
Estimated Unreserved Fund Balance at 6/30/2022		16,723,195
General Fund Catastrophic Reserve at 6/30/2022		15,667,960
Estimated Total General Fund Balance at 6/30/2022		\$ 32,391,155



WORK PLAN DISCUSSION



NEXT STEPS

- Budget Adoption
 - Public Hearing tentatively scheduled for June 8



ADDITIONAL QUESTIONS & COMMENTS

