

# Fiscal Year 2017/18

## Mid-Year Financial Update



# GENERAL FUND MID-YEAR HIGHLIGHTS

- **FY17/18 Revenue Budget of \$38.5 million**
  - \$15.2 M at Mid-Year
    - 40% collected as of 12/31/17
    - Increase of \$303K from prior year
- **FY17/18 Expenditure Budget of \$36.5 million**
  - \$16.4 M at Mid-Year
    - 45% spent as of 12/31/17
    - Increase of \$309K over same time last year

# REVENUE TRENDS

## MID-YEAR FY17/18 VS. PRIOR YEAR

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GENERAL FUND REVENUES	FY17/18 ADOPTED BUDGET	FY17/18 YTD ACTUAL	FY16/17 ADOPTED BUDGET	FY16/17 YTD ACTUAL	FY17-18 YTD BUDGET TO ACTUAL %	FY16-17 YTD BUDGET TO ACTUAL %
PROPERTY TAX	20,132,700	7,355,534	19,176,182	6,919,708	37%	36%
SALES TAX	3,268,700	1,307,242	3,236,301	1,401,446	40%	43%
UTILITY USERS TAX	2,630,000	1,154,166	2,580,000	1,078,179	44%	42%
TRANSIENT OCCUPANCY TAX	2,626,500	1,212,959	2,550,000	1,221,920	46%	48%
COMMUNITY DEVELOPMENT	2,880,800	1,533,050	2,988,700	1,594,325	53%	53%
RECREATION FEES	2,176,000	867,985	2,167,000	870,515	40%	40%
REAL ESTATE TRANSFER TAX	535,000	323,784	535,000	207,913	61%	39%
BUSINESS LICENSE TAX	500,000	260,137	490,000	268,428	52%	55%
FRANCHISE FEES	2,006,400	625,811	1,948,000	595,465	31%	31%
INTEREST INCOME	195,000	321,452	185,000	(4,501)	165%	-2%
POLICE FEES	99,000	23,577	165,000	67,826	24%	41%
INTERNAL ADMIN FEES	918,500	-	918,500	459,250	0%	50%
ONE TIME REVENUE	-	-	125,000	-	0%	0%
ALL OTHER REVENUES	582,400	242,183	563,060	244,696	42%	43%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>\$ 38,551,000</b>	<b>\$ 15,227,879</b>	<b>\$ 37,627,743</b>	<b>\$ 14,925,170</b>	<b>40%</b>	<b>40%</b>

# EXPENDITURE TRENDS

## MID-YEAR FY17/18 VS. PRIOR YEAR

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DEPT	FY17/18 ADOPTED BUDGET	FY17/18 YTD ACTUAL	FY16/17 ADOPTED BUDGET	FY16/17 YTD ACTUAL	FY17/18 AVAILABLE BALANCE	FY17/18 % SPENT	FY16/17 % SPENT
LEGISLATIVE & ADMINISTRATION	2,120,286	888,701	1,977,021	856,011	1,231,585	42%	43%
ADMINSTRATION	3,227,097	1,941,622	3,158,692	1,877,068	1,285,475	60%	59%
PUBLIC SAFETY	17,427,998	7,282,012	17,433,841	7,510,221	10,145,986	42%	43%
COMMUNITY DEVELOPMENT	3,215,899	1,449,510	2,915,046	1,319,390	1,766,389	45%	45%
PUBLIC WORKS	8,201,712	3,629,271	7,689,495	3,322,937	4,572,441	44%	43%
RECREATION	2,275,472	1,169,049	2,572,680	1,165,560	1,106,423	51%	45%
<b>TOTAL EXPENDITURES</b>	<b>\$ 36,468,464</b>	<b>\$ 16,360,166</b>	<b>\$ 35,746,775</b>	<b>\$ 16,051,187</b>	<b>\$ 20,108,298</b>	<b>45%</b>	<b>45%</b>

# CIP BUDGET AT MID-YEAR

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- Progress Summary Distributed
- Completed Projects
  - City Hall Roof Replacement (CF-01004)
  - Covington Road Bicycle and Pedestrian Improvements (CF-01005)
  - Annual Pathway Rehabilitation (CF-01009)
  - Annual Street Resurfacing (TS-01001)
  - University Ave Crosswalk Improvements (TS-01035)

# FY17/18 MID-YEAR ADJUSTMENTS OPERATING BUDGET

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- **Police Department**

- Support Services (\$50,000)
  - For 24/7 coverage 9-1-1 Communications Center

- **Assistant City Manager**

- Part-time Emergency Preparedness Coordinator (\$40,000)
  - Support and enhance compliance of City ordinances for disaster emergency workers and provide community outreach

- **Recreation Department**

- Junior High Sports (\$150,000)
  - To correct omission from FY16/17 Budget

# FY17/18 MID-YEAR ADJUSTMENTS CAPITAL BUDGET

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- **Community Development**

- Downtown Vision (\$30,000)
  - Additional workshops, meetings and community outreach efforts

- **City Clerk / City Manager's Office**

- Council Chambers (\$623,000 PEG + \$50,000 CIP)
  - Upgrade and replace all A/V equipment and software

- **Public Works**

- In-road Light System Maintenance (\$75,000)
  - Repair existing malfunctioning in-road light systems at various intersections
- Electric Vehicle Stations Replacement (\$12,680 Downtown Parking Fund)
  - 3 units replaced

# ALLOCATION OF UNASSIGNED FUND BALANCE

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<b>Assigned Fund Balance</b>	<b>As of June 30, 2017</b>	<b>FY17/18 Mid Year Proposed</b>	<b>Reserves after Mid Year</b>
Emergency and Operating	\$ 6,905,000	\$ 345,645	\$ 7,250,645
OPEB	1,500,000	0	1,500,000
PERS Reserve	3,000,000	1,000,000	4,000,000
Technology Reserve	2,403,554	0	2,403,554
Capital and Equipment	25,814,240	4,802,712	30,616,952
<b>Total Unassigned Fund Balance</b>	<b>\$ 39,622,794</b>	<b>\$ 6,148,357</b>	<b>\$ 45,771,151</b>



# UPCOMING ITEMS

## FY2018/19 BUDGET CONSIDERATIONS

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- CalPERS unfunded liability and policy changes
- Re-prioritization of CIP projects
- Community Center Project and funding
- Storm Drain program funding
- Restructure of Reserves (nomenclature and purpose)
- Other

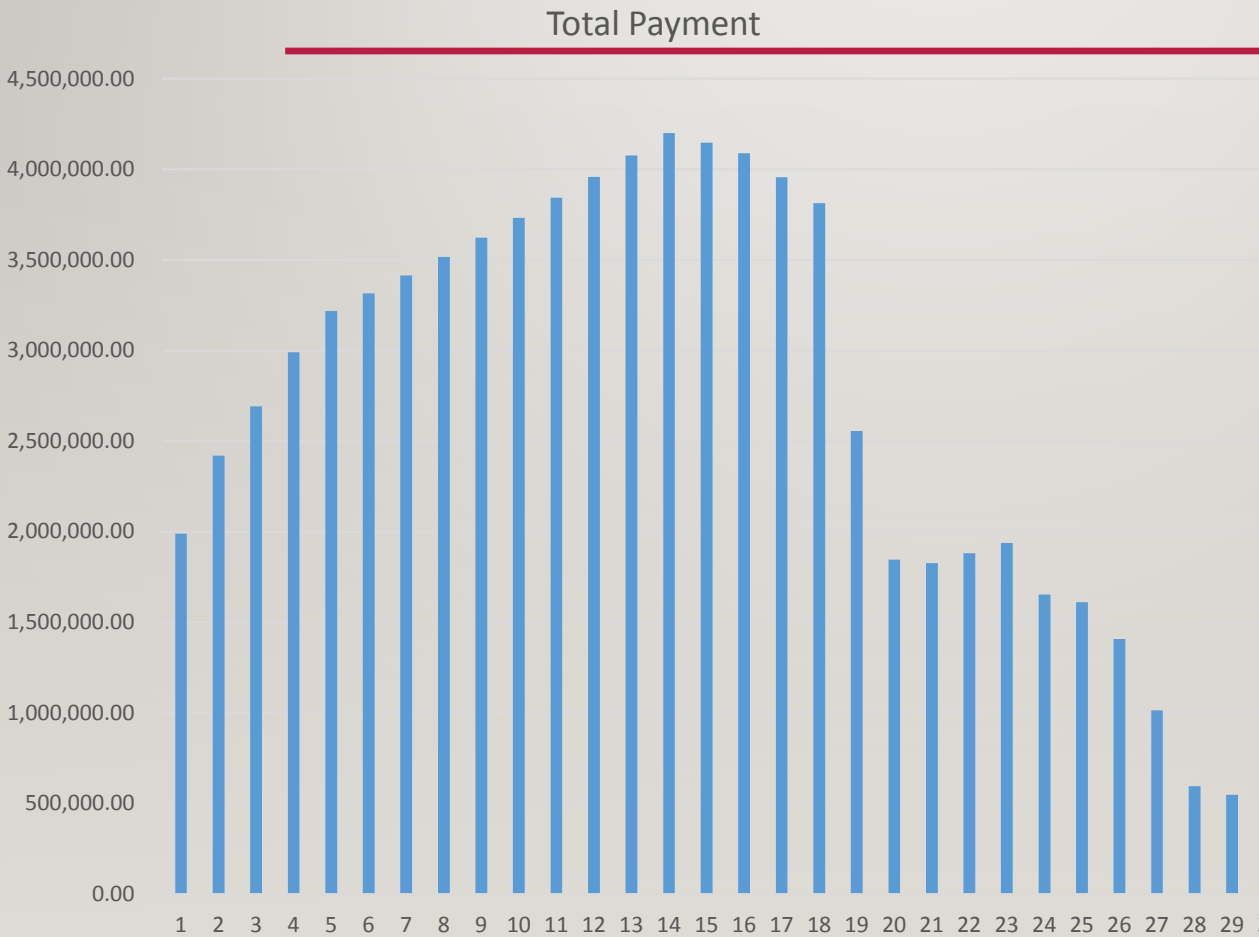
# CALPERS POLICY CHANGES

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- Unfunded Liability
  - 7.5% Discount Rate lowered to 7.0%
  - Reviewed every 2 years
  - Expected to be reduced in the future
- Amortization Policy Change
  - New liabilities only
  - Effective FY2021-22
  - Eliminates “Ramp Down” of future payments
- Financial Commission Analysis

# CALPERS INCREASES

BEFORE AMORTIZATION POLICY CHANGE



Total Payment	Total Increase	Date
1,989,084.00	0.00	Jun-18
2,420,781.00	431,697.00	Jun-19
2,692,180.00	703,096.00	Jun-20
2,990,012.00	1,000,928.00	Jun-21
3,218,918.00	1,229,834.00	Jun-22
3,315,485.00	1,326,401.00	Jun-23
3,414,950.00	1,425,866.00	Jun-24
3,517,398.00	1,528,314.00	Jun-25
3,622,920.00	1,633,836.00	Jun-26
3,731,608.00	1,742,524.00	Jun-27
3,843,556.00	1,854,472.00	Jun-28
3,958,863.00	1,969,779.00	Jun-29
4,077,629.00	2,088,545.00	Jun-30
4,199,958.00	2,210,874.00	Jun-31
4,148,185.00	2,159,101.00	Jun-32
4,089,524.00	2,100,440.00	Jun-33
3,957,193.00	1,968,109.00	Jun-34
3,813,241.00	1,824,157.00	Jun-35
2,556,125.00	567,041.00	Jun-36
1,845,992.00	(143,092.00)	Jun-37
1,826,617.00	(162,467.00)	Jun-38
1,881,415.00	(107,669.00)	Jun-39
1,937,858.00	(51,226.00)	Jun-40
1,652,937.00	(336,147.00)	Jun-41
1,611,021.00	(378,063.00)	Jun-42
1,408,144.00	(580,940.00)	Jun-43
1,014,173.00	(974,911.00)	Jun-44
595,296.00	(1,393,788.00)	Jun-45
548,071.00	(1,441,013.00)	Jun-46
193,928.00	(1,795,156.00)	Jun-47

# NEXT STEPS

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- Prepare FY18/19 Budget
- Set project budget for Community Center by Fiscal Year
- Financial Commission subcommittees
  - Debt Capacity
  - CalPERS
- Potential Revenue Measures
  - TOT, Business License, other