

CITY COUNCIL
MEETING
JUNE 18, 2018

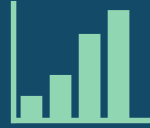
**FINAL
PROPOSED
OPERATING/CIP
BUDGET
FISCAL YEAR 2018-2019**



PRESENTATION AGENDA



**FY 17-18
Update**



**Financial
Trends and
Assumptions**



**FY 18-19
Proposed
City-wide
Operating
Budget**



**FY 18-19
Appropriations
Limit**



Adoption

WHAT IS STAFF SEEKING?

Update
FY 17-18
STATUS

Consider
Operating
Budget, CIP,
Goals based on
prior direction

Adopt
FY 18-19
BUDGET
CIP
Appropriations Limit

RECENT FY17-18 BUDGET CHANGES

Strike team reimbursements - offset additional Fire OT

Auto sales jumped during fall 2017;
no ongoing impact

Development-related fees flat

FOLLOW UP FOR FY 2017-2018

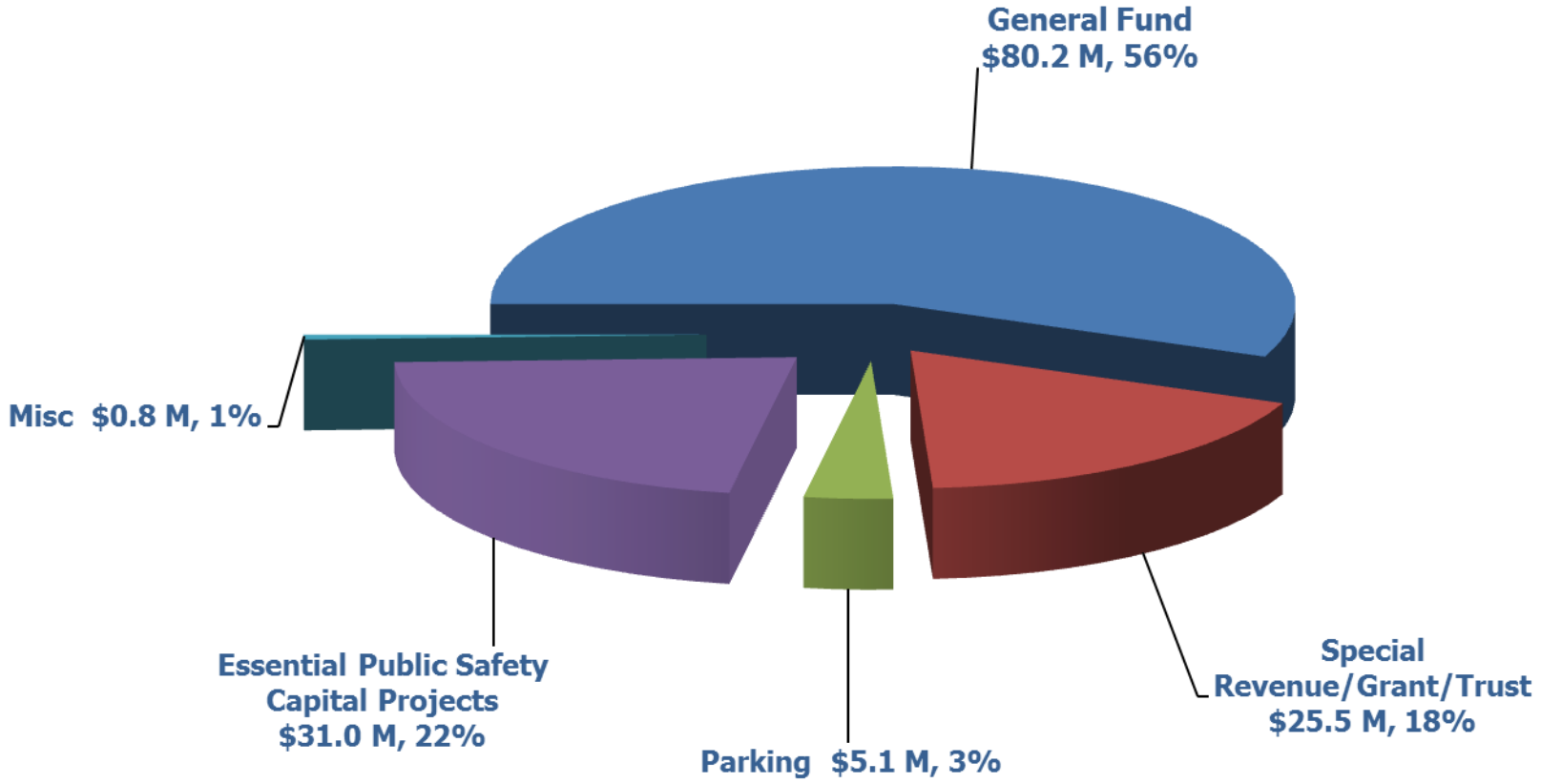
August 2018 – update on results (unaudited)

November – CAFR & Year-end financial/audit reports

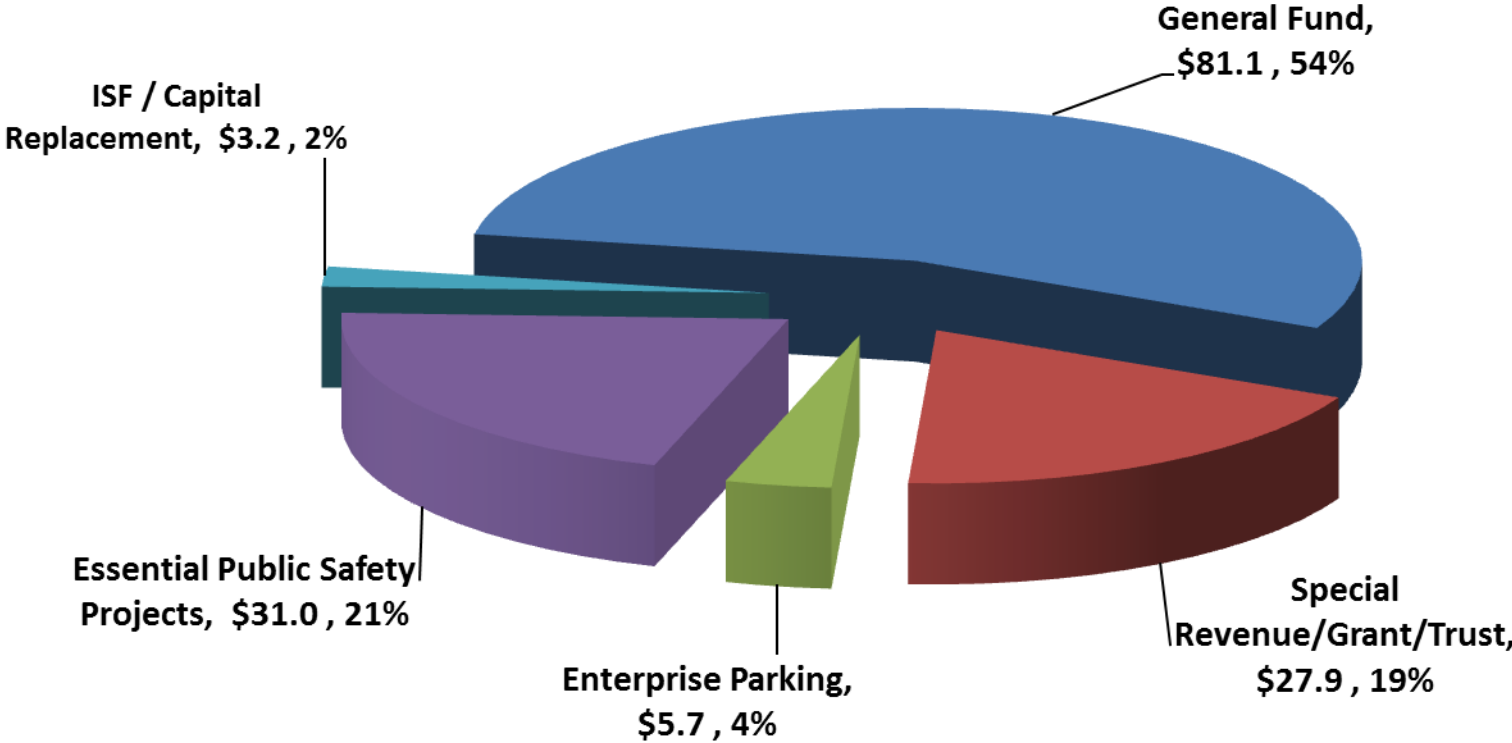
PROPOSED BUDGET FY 2018-2019



CITY-WIDE FUND SOURCES
Fiscal Year 2018-2019
\$142,532,576



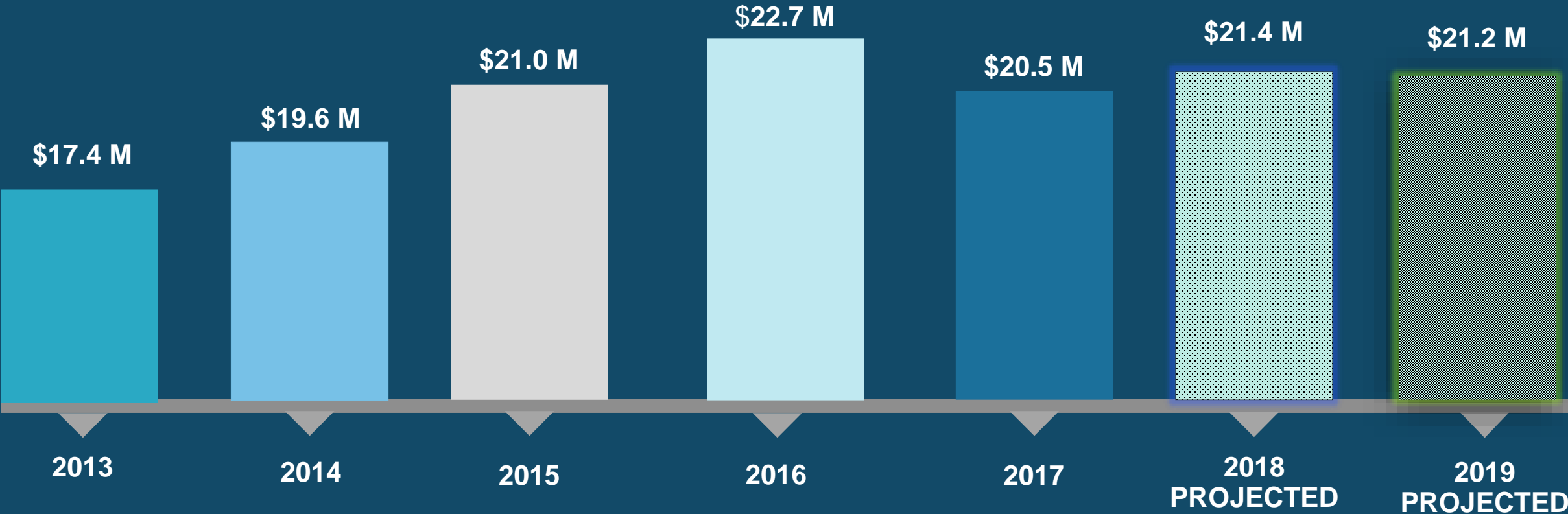
CITY-WIDE FUND EXPENDITURES
Fiscal Year 2018-2019
\$148,829,258



REVENUE ASSUMPTIONS FY18-19

Property Tax	+3.95%
Sales Tax	+0.00%
Measure E (Transactions & Use)	+0.00%
Business Tax	+3.00%
TOT (Hotel Tax)	+3.00%
Development-related (permits, inspections, fees)	+3.00%

SALES TAX REVENUE



FY 2018-2019 PROPOSED GENERAL FUND ALLOCATIONS

Continued service levels

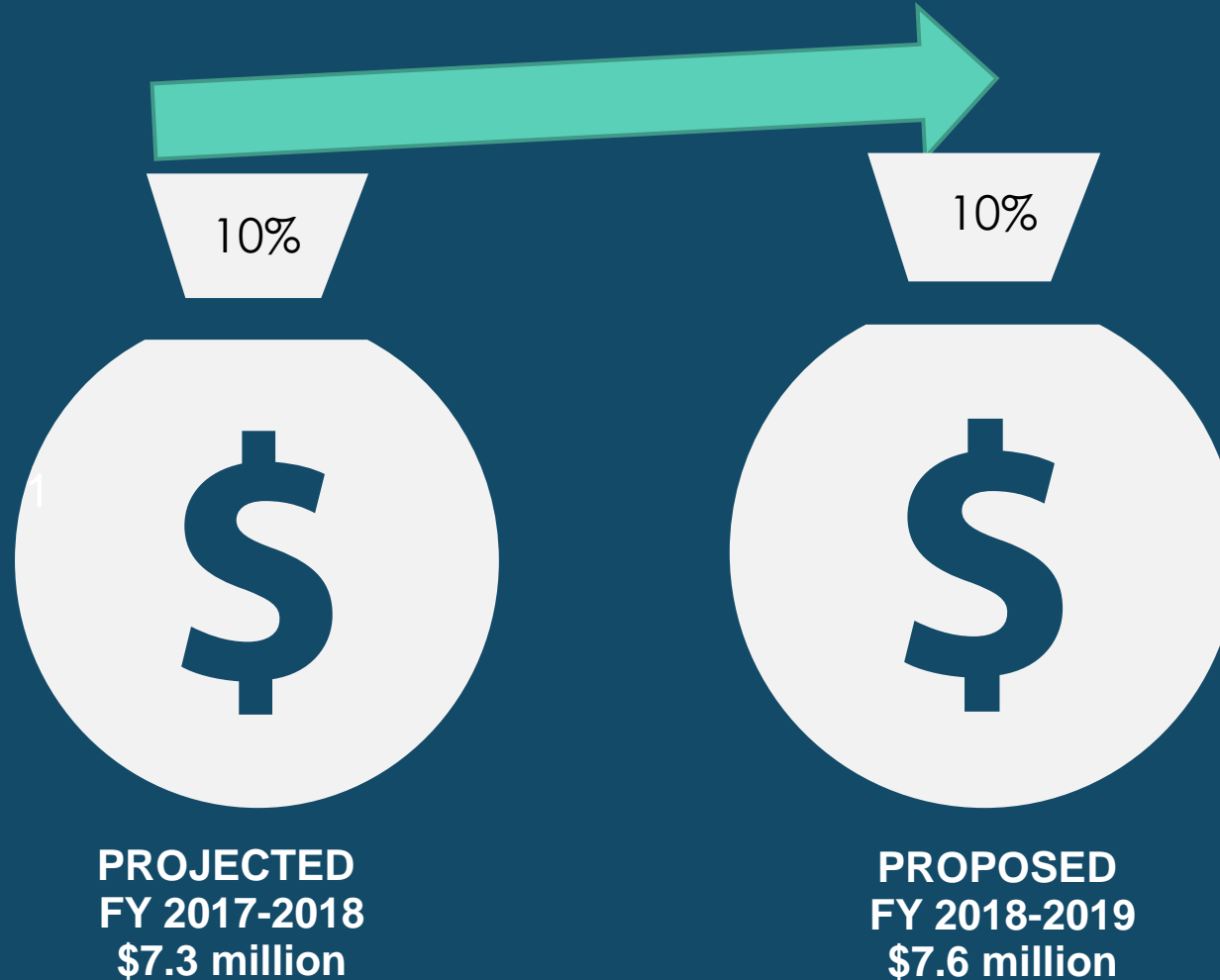
- Homeless Initiative
- 4th Street patrol continues
- Additional police officers
- Major Crimes Task Force
- Massage (follow up enforcement)
- Deep Green (est. \$20K)

FY 2018-2019 GENERAL FUND

General Fund	Projected FY 2017-18	Proposed FY 2018-19	\$ Change from previous year	% Change from previous year
Revenues	\$77,562,000	\$78,503,000	\$941,000	1.2%
Transfers in	1,356,344	1,686,911		
Total Resources	\$78,918,344	\$80,189,911	\$1,271,567	1.6%
Expenditures	\$72,633,000	\$75,188,636	\$2,555,636	3.5%
Transfers out – operating	2,350,000	1,850,000		
Total Operating Uses	\$74,983,000	\$77,038,636	\$2,055,636	2.7%
Capital Transfers (Measure E for Essential Public Facilities)	\$4,025,000	\$4,025,000		
Net Results before Allocations	\$ (89,656)	\$ (873,725)		
(Allocations) / Use of reserved funds				
Emergency reserve	\$ (120,000)	\$ (260,000)		
Purchase Order rollover	50,581			
Total Results	\$ (159,075)	\$ (1,133,725)		
Allocation of unassigned funds	159,075	1,133,725		
Net After Allocations	\$ -	\$ -		

GENERAL FUND EMERGENCY RESERVES

PROJECTED TO INCREASE BY \$260K



OTHER FUNDS

- **Successor Agency**
- **Emergency Medical Services (Approved May 7)**
- **Capital Project Funds (Presented May 21)**
- **Measure A - Open Space (Approved May 21)**
- **Measure D - Library Parcel Tax (2nd year)**
- **Parking Enterprise Fund**
- **Community Services - Recreation**
- **Community Services - Childcare/Preschool**

Capital Improvement Program

FY 2018-19

FY 2018-2019

CIP FUNDING SOURCES

Measure E – Essential Public Safety Facilities

Stormwater Fee

Gas Tax

Measure A – Open Space

Traffic Mitigation Fees

General Fund contribution to building fund

New CIP Projects

	FY 2018-19 Projects
City-Owned Properties	\$ 618,000
Parks	\$ 90,000
Drainage	\$ 190,000
Right-of-Way	\$2,016,863

**In addition to \$93.0 million in active projects;
including \$72.3 Essential Public Safety Facilities**

STAFFING

- **Full Time Equivalent 410.48**
- **No change from current levels**

GANN APPROPRIATIONS LIMIT

- **New, calculated limit: \$133,688,947**
- **Appropriations subject to limit: \$77,599,200**
- **Staff recommends adoption**

PENSION FUNDING

- City's Pension Funding policy requires annual report out
- Composite contribution rate for FY18-19 increasing by .72% to 61.76%
- Short-term contribution rate forecast is stable
- City reserve for unforeseen rate increases and POB principal repayment - \$ 2 million

OPEB FUNDING

- **City policy is to make full actuarially determined contribution (ADC)**
- **FY18-19 will be seventh consecutive year full contribution is made (\$3.6 million)**

RECOMMENDED ACTIONS

**Resolution adopting Fiscal Year 2018-2019 Budget
(including Capital Improvement Program)**

Resolution approving GANN Appropriations Limit

