

FISCAL YEAR 21-22

Draft Operating Budget

City Council Meeting May 18, 2021



Agenda

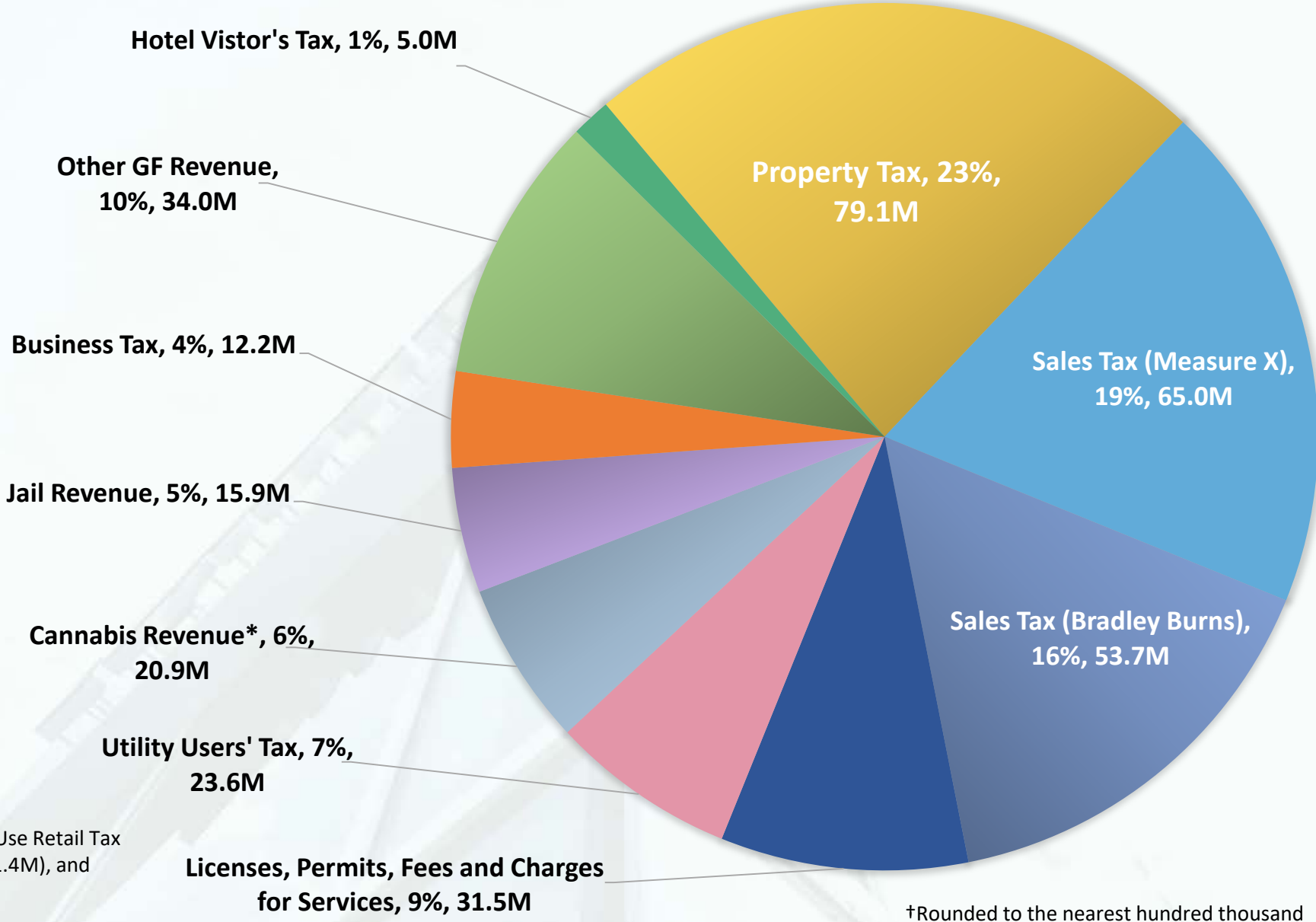
- General Fund Revenue
- General Fund Expenditures
- Citywide Budget Additions
- Proposed Workforce Changes
- General Fund Revenue and Expenditure Trends
- Capital Improvement Program
- Community Engagement
- Next Steps



General Fund Revenue



Estimated FY 21-22 General Fund Revenue: \$340.9M



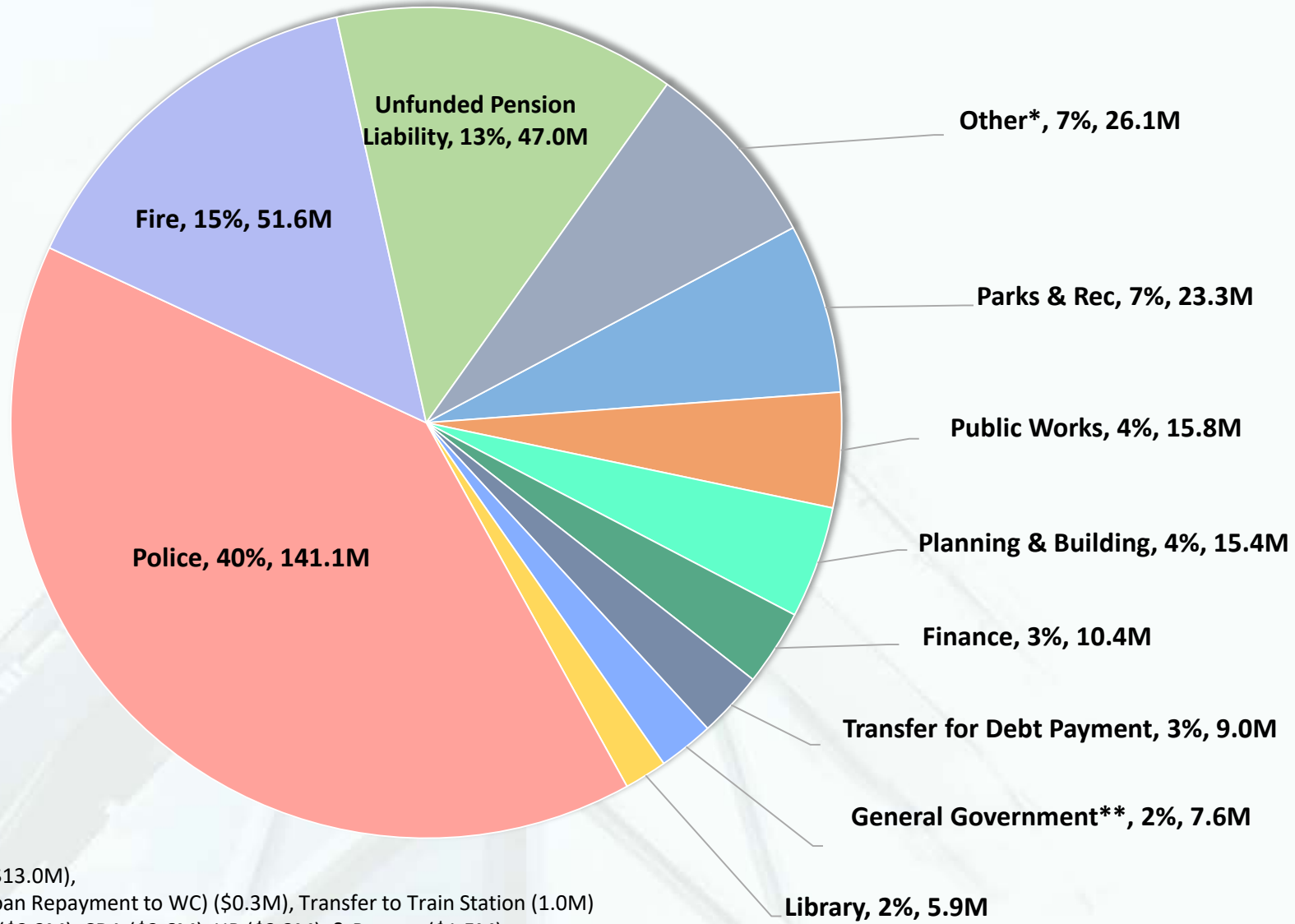
†Rounded to the nearest hundred thousand

* Cannabis Revenue Includes: Adult-Use Retail Tax (\$18M), Medical Marijuana Taxes (\$1.4M), and Commercial Cannabis Taxes (\$1.5M)



General Fund Expenditures

DRAFT FY 2021-22 General Fund Expenditure: \$353.2M †



†Rounded to the nearest hundred thousand

* Other includes: Transfer to Cannabis (\$13.0M), Transfer to Fund 051 (Fire Station #1 - Loan Repayment to WC) (\$0.3M), Transfer to Train Station (1.0M) Transfer to Fund 074 (0.7M), Non-Dept. (\$2.2M), CDA (\$3.6M), HR (\$3.3M), & Bowers (\$1.5M)
 ** General Government includes: City Attorney (\$0.5M), City Manager (\$2.5M), Clerk (\$1.1M) & Legislative (\$0.5M)



Citywide Budget Additions

Citywide Budget Additions

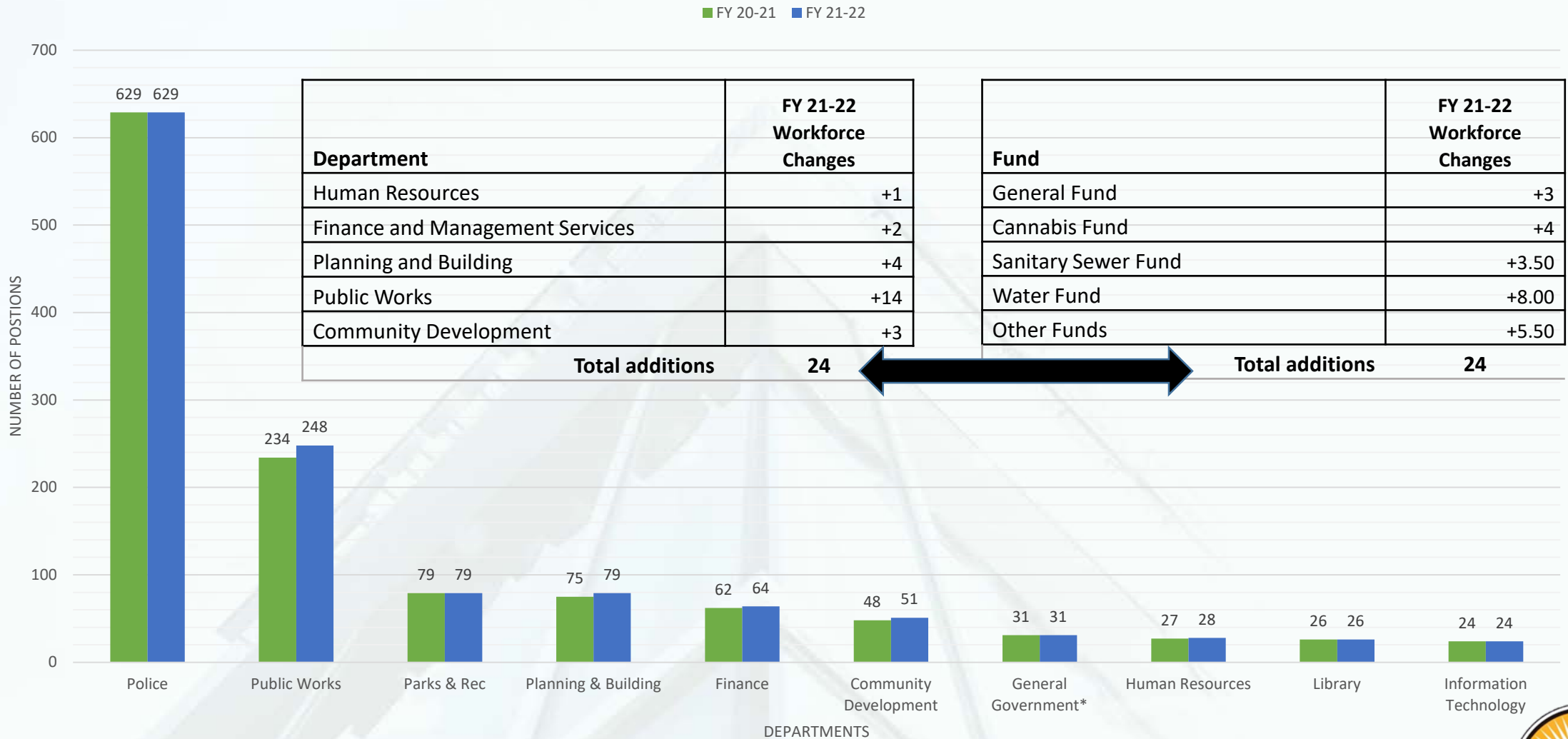
- New Park Facility Attendants \$300,000
- New Text Message Communication Platform \$100,000
- Redistricting \$365,000
- Replacement Dog License software & Business License software \$150,000
- Replacement vehicles, computers & flooring \$1.4 million
- Contractual obligations: Fire & ambulance service \$2.1 million, employee wages & benefits \$7+ million, pension debt \$6.4 million (\$5.4 million in General Fund), liability insurance coverage \$3 million, water supply \$3.6 million
- Additional traffic signal repairs \$856,000
- Increased roadway and median landscape maintenance \$640,000



Proposed Workforce Changes



FY 21-22 Proposed Workforce Changes



**Includes the City Manager's Office, City Attorney's Office and the Clerk of the Council*



Proposed Hiring Freeze

HIRING FREEZE SUMMARY		
Departments	FY 20-21	DRAFT FY 21-22
City Manager's Office	2	0
City Attorney's Office	2	2
Clerk of the Council	3	0
Finance and Management Services	5	1
Human Resources	1	0
Planning & Building Agency	11	7
Parks, Recreation & Community Services*	6	8
Library	3	0
Police Department	10	10
Public Works Agency	4	4
Number of Positions**	47	32
Hiring Freeze Value	\$ 5,443,330	\$ 2,987,550

**Includes four unfunded positions in FY 21-22*

***Reflects Initial number of positions as of 7/1/20*



General Fund Revenue Trends

Revenue Sources	FY 18-19 to FY 21-22 (Millions)															
Sales Tax (Bradley-Burns)	<p>Legend: —●— Actuals - - -●- - - Projected</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Actuals (Millions)</th> <th>Projected (Millions)</th> </tr> </thead> <tbody> <tr> <td>FY 18-19</td> <td>High</td> <td>-</td> </tr> <tr> <td>FY 19-20</td> <td>Low</td> <td>Low</td> </tr> <tr> <td>FY 20-21</td> <td>-</td> <td>Medium</td> </tr> <tr> <td>FY 21-22</td> <td>-</td> <td>High</td> </tr> </tbody> </table>	Fiscal Year	Actuals (Millions)	Projected (Millions)	FY 18-19	High	-	FY 19-20	Low	Low	FY 20-21	-	Medium	FY 21-22	-	High
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FY 18-19	High	-														
FY 19-20	Low	Low														
FY 20-21	-	Medium														
FY 21-22	-	High														
Sales Tax (Measure X)	<p>Legend: —●— Actuals - - -●- - - Projected</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Actuals (Millions)</th> <th>Projected (Millions)</th> </tr> </thead> <tbody> <tr> <td>FY 18-19</td> <td>Low</td> <td>-</td> </tr> <tr> <td>FY 19-20</td> <td>High</td> <td>High</td> </tr> <tr> <td>FY 20-21</td> <td>-</td> <td>High</td> </tr> <tr> <td>FY 21-22</td> <td>-</td> <td>High</td> </tr> </tbody> </table>	Fiscal Year	Actuals (Millions)	Projected (Millions)	FY 18-19	Low	-	FY 19-20	High	High	FY 20-21	-	High	FY 21-22	-	High
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FY 18-19	Low	-														
FY 19-20	High	High														
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FY 21-22	-	High														
Property Tax	<p>Legend: —●— Actuals - - -●- - - Projected</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Actuals (Millions)</th> <th>Projected (Millions)</th> </tr> </thead> <tbody> <tr> <td>FY 18-19</td> <td>Low</td> <td>-</td> </tr> <tr> <td>FY 19-20</td> <td>Medium</td> <td>Medium</td> </tr> <tr> <td>FY 20-21</td> <td>-</td> <td>High</td> </tr> <tr> <td>FY 21-22</td> <td>-</td> <td>Very High</td> </tr> </tbody> </table>	Fiscal Year	Actuals (Millions)	Projected (Millions)	FY 18-19	Low	-	FY 19-20	Medium	Medium	FY 20-21	-	High	FY 21-22	-	Very High
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Revenue Sources	FY 18-19 to FY 21-22 (Millions)															
Business Tax Trend	<p>Business Tax Trend</p> <p>Legend: —●— Actuals - - -●- - - Projected</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Actuals (Millions)</th> <th>Projected (Millions)</th> </tr> </thead> <tbody> <tr> <td>FY 18-19</td> <td>~85</td> <td>~85</td> </tr> <tr> <td>FY 19-20</td> <td>~85</td> <td>~85</td> </tr> <tr> <td>FY 20-21</td> <td>~85</td> <td>~75</td> </tr> <tr> <td>FY 21-22</td> <td>~85</td> <td>~85</td> </tr> </tbody> </table>	Fiscal Year	Actuals (Millions)	Projected (Millions)	FY 18-19	~85	~85	FY 19-20	~85	~85	FY 20-21	~85	~75	FY 21-22	~85	~85
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FY 18-19	~85	~85														
FY 19-20	~85	~85														
FY 20-21	~85	~75														
FY 21-22	~85	~85														
Hotel Visitor Tax Trend	<p>Hotel Visitor Tax Trend</p> <p>Legend: —●— Actuals - - -●- - - Projected</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Actuals (Millions)</th> <th>Projected (Millions)</th> </tr> </thead> <tbody> <tr> <td>FY 18-19</td> <td>~95</td> <td>~95</td> </tr> <tr> <td>FY 19-20</td> <td>~85</td> <td>~85</td> </tr> <tr> <td>FY 20-21</td> <td>~75</td> <td>~75</td> </tr> <tr> <td>FY 21-22</td> <td>~75</td> <td>~80</td> </tr> </tbody> </table>	Fiscal Year	Actuals (Millions)	Projected (Millions)	FY 18-19	~95	~95	FY 19-20	~85	~85	FY 20-21	~75	~75	FY 21-22	~75	~80
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FY 18-19	~95	~95														
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FY 20-21	~75	~75														
FY 21-22	~75	~80														
Paramedic Service Charges	<p>Paramedic Service Charges</p> <p>Legend: —●— Actuals - - -●- - - Projected</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Actuals (Millions)</th> <th>Projected (Millions)</th> </tr> </thead> <tbody> <tr> <td>FY 18-19</td> <td>~65</td> <td>~65</td> </tr> <tr> <td>FY 19-20</td> <td>~80</td> <td>~80</td> </tr> <tr> <td>FY 20-21</td> <td>~65</td> <td>~65</td> </tr> <tr> <td>FY 21-22</td> <td>~65</td> <td>~70</td> </tr> </tbody> </table>	Fiscal Year	Actuals (Millions)	Projected (Millions)	FY 18-19	~65	~65	FY 19-20	~80	~80	FY 20-21	~65	~65	FY 21-22	~65	~70
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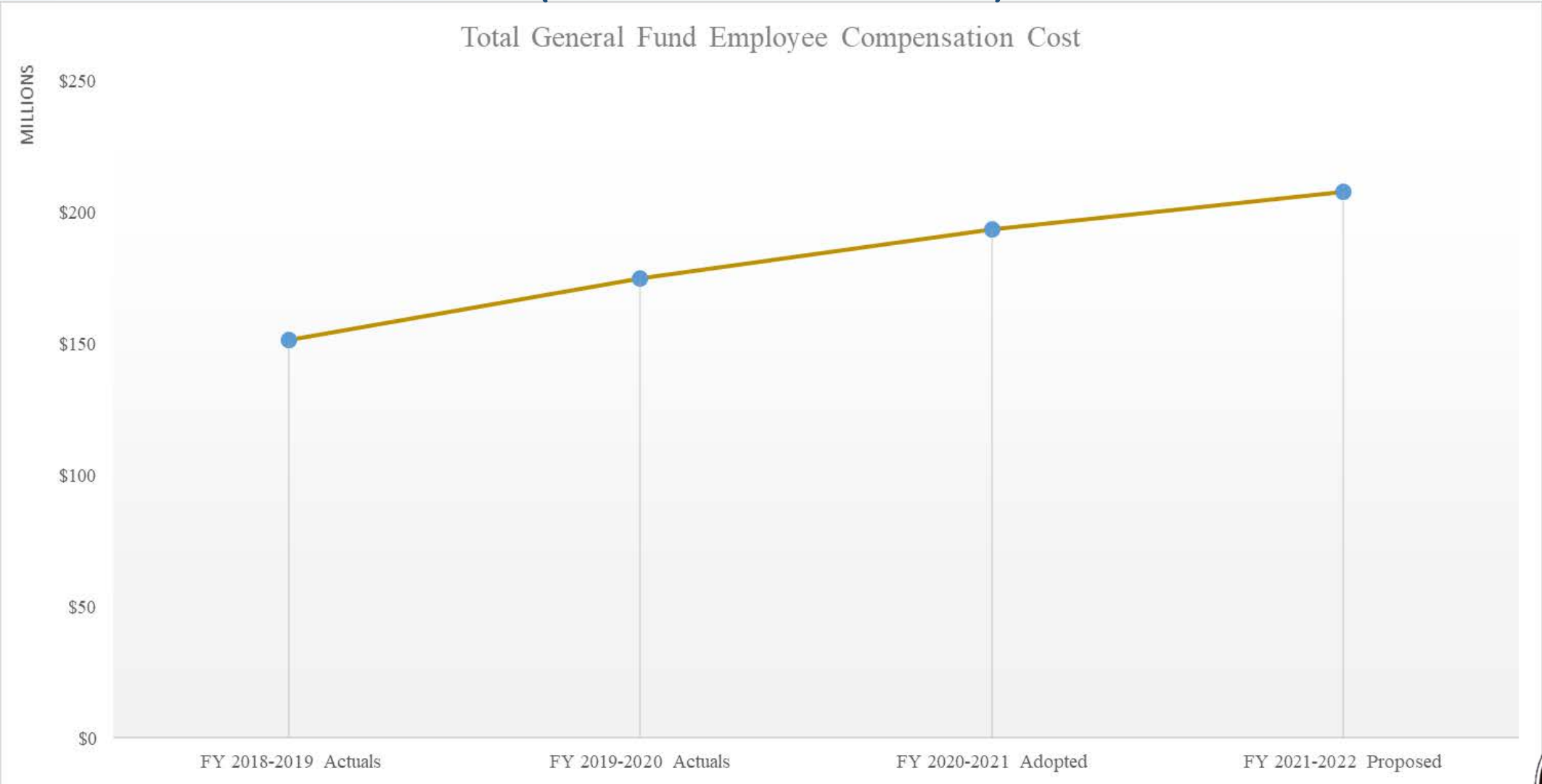


Revenue Sources	FY 18-19 to FY 21-22 (Millions)
Permit & Plan Check Fees	<p>—●— Actuals —●— Projected</p>
Parks, Recreations & Community Services Fees	<p>—●— Actuals —●— Projected</p>

General Fund Expenditure Trends

Labor Trends*

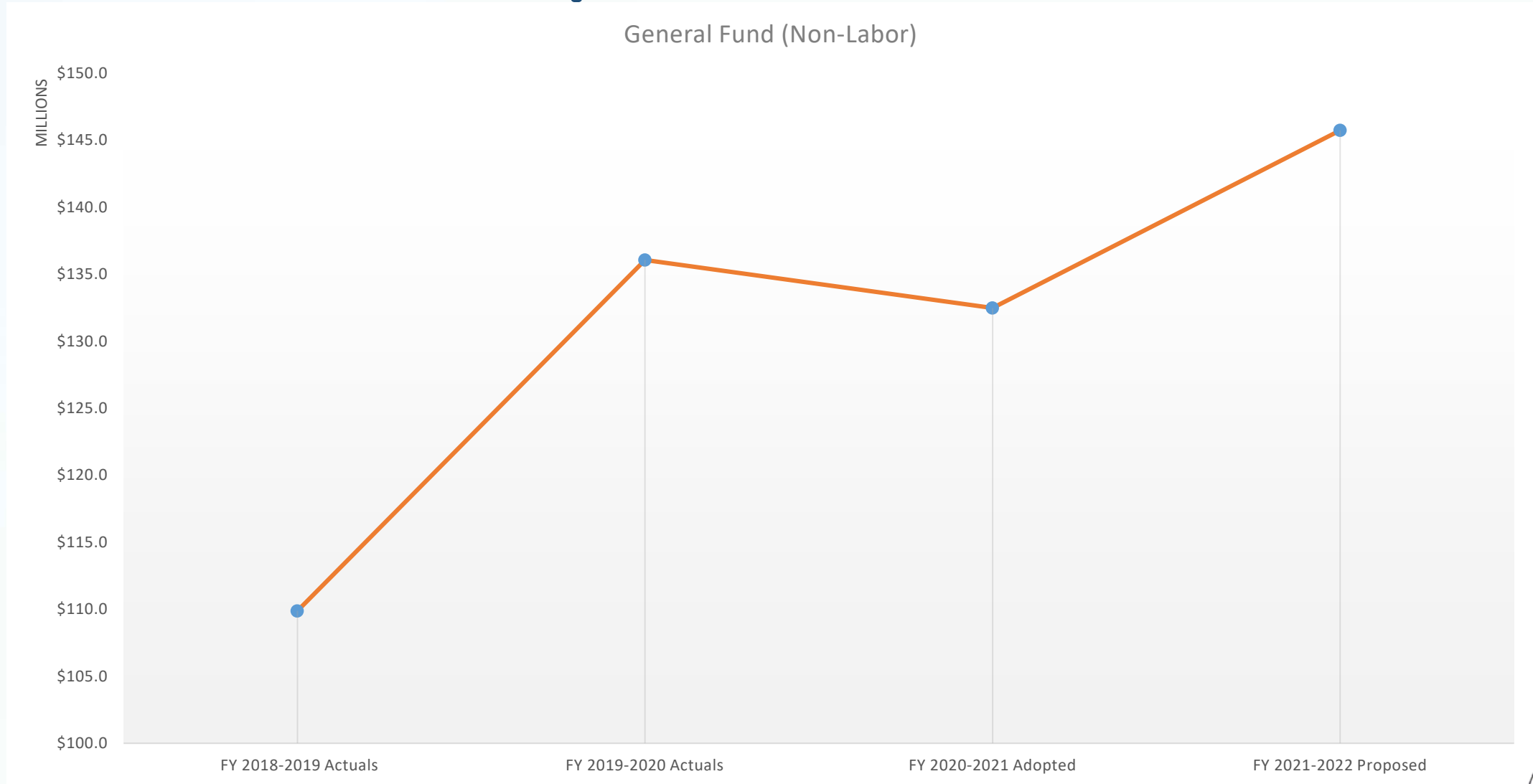
(Salaries and Benefits)



**Includes Unfunded Pension Liability related to the General Fund*

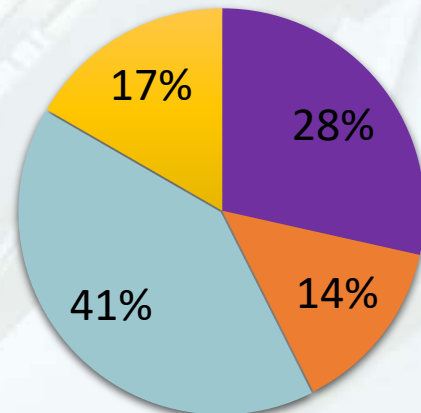
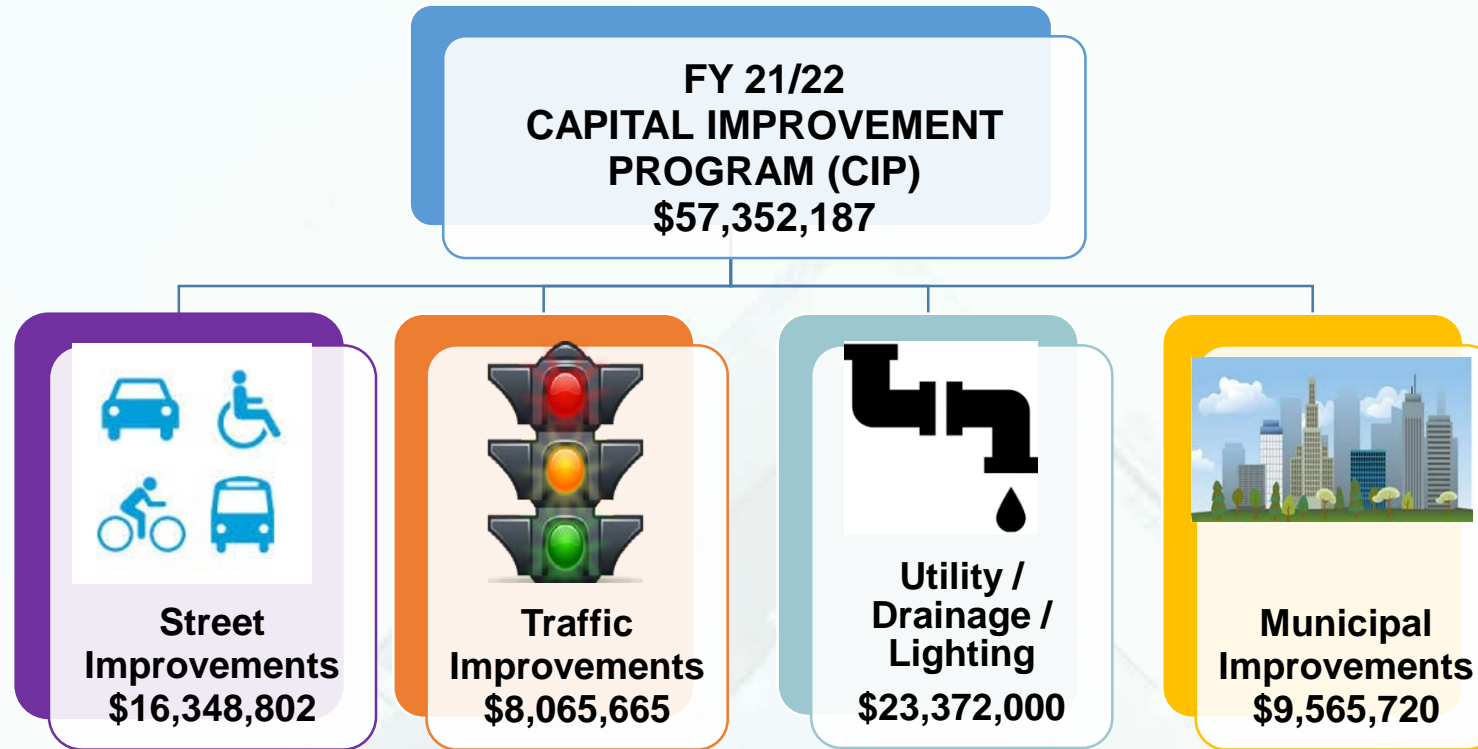


Other Expenditure Trends



CAPITAL IMPROVEMENT PROGRAM

FY 21-22 Proposed Capital Improvement Program



- Street Improvements
- Traffic Improvements
- Utility / Drainage / Lighting Improvements
- Municipal Facilities

Community Engagement

Community Engagement

- March 16 Early Budget Direction - City Council Meeting
- March 25 Virtual Com-Link Meeting
- April 23 – May 16 Public Opinion Survey
- May 4 Budget Workshop – City Council Meeting
- May 18 Budget Workshop – City Council Meeting
- May 24 CIP Presentation at Planning Commission Meeting
- June 1 Budget Public Hearing – City Council Meeting



Public Opinion Survey Results

Rank Priorities for the City Budget (1307 responses, not a scientific survey)

1. Increase public safety resources
2. Restore staffing for City services to the community
3. Increase the General Fund Reserve (City's savings account)
4. Attract and retain City employees with competitive wages
5. Refinance the City's pension debt at a lower rate



Next Steps

June 1

**Budget Public
Hearing**

June 15

**Adopt Budget
Ordinance**

July 1

**Beginning of
New Fiscal Year**



Questions?

