

FY 2018-2020 TWO-YEAR BUDGET: FY 2019/20 THIRD QUARTER UPDATE

Finance Department

City Council
June 16, 2020

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GENERAL FUND OVERVIEW

FY 2019/20 Adopted Budget

Revenue & Transfers In	\$279,136,415
Expenditures & Transfers Out	280,372,427
Surplus/(Deficit)	\$(1,236,012)

General Fund Reserves (in millions)

Emergency Reserves (15%)	\$42.0 M
Economic Contingency Reserves (5%)	14.0 M
Budgeted Use of Reserves	1.2 M
Pension Stabilization Reserves	9.4 M
Surplus Reserves	-

Quarter 3 Highlights



Revenues 66%



Expenditures 70%



Unknown COVID-19
Impacts



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GENERAL FUND: COVID-19 IMPACTS



Property Tax

- Home sales slowing
- Construction slowing
- Impact will be delayed



Licenses & Permits

- Business licenses at standstill
- Permanent business closures
- Impact is protracted



Sales Tax

- Business closures
- Fuel & vehicle sales down
- Impact is immediate
- Sales tax deferral



Non-development Charges for Services

- Parks and libraries closed
- Impact is protracted



Transient Occupancy Tax

- Hotel closures
- Consumer behavior
- Impact is immediate



Other Revenues/Rising Costs

- Building & Development Fees
- Utility User Fees & General Fund Transfer
- Operating subsidies for Convention Center, Visitor's Bureau, Fox, Box

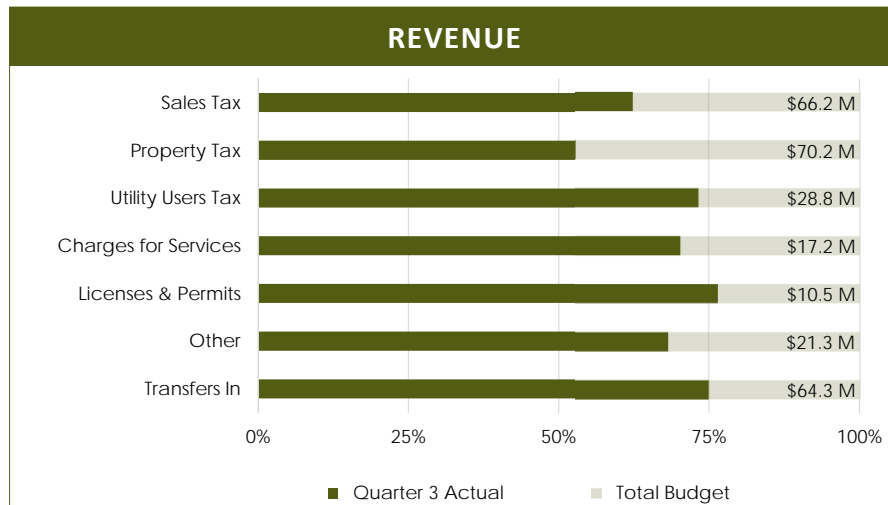


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GENERAL FUND REVENUE

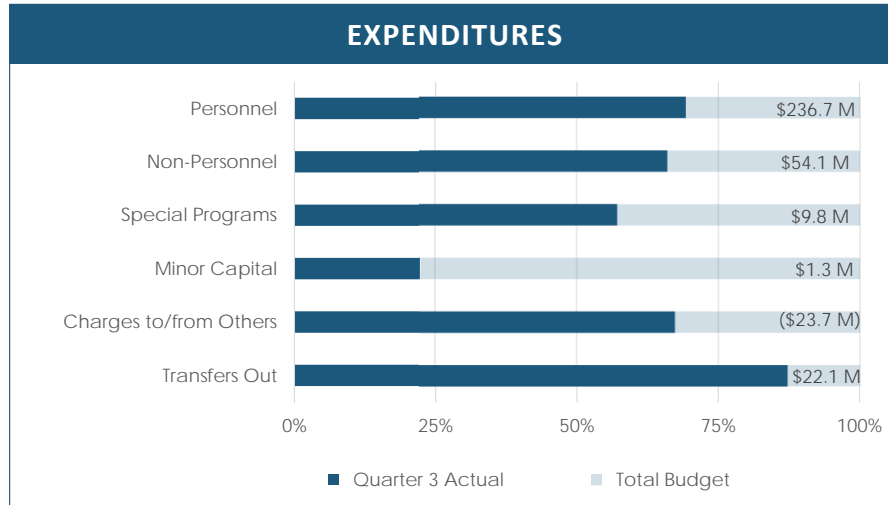


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GENERAL FUND EXPENDITURES



Includes prior fiscal year carryovers.

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MEASURE Z OVERVIEW

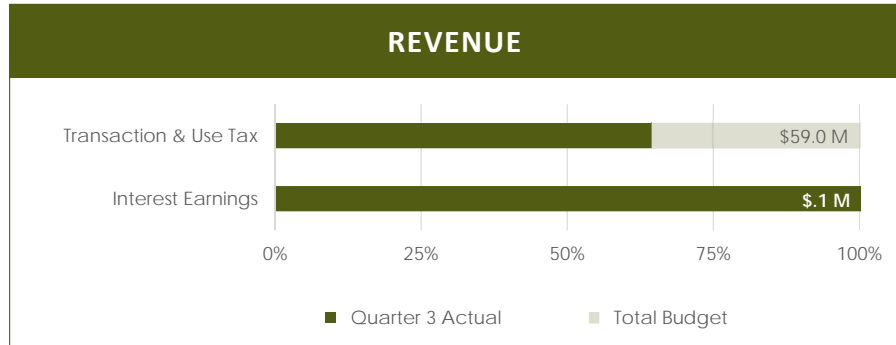
MEASURE Z SUMMARY				
	FY 2016/17 Actuals	FY 2017/18 Actuals	FY 2018/19 Actuals	FY 2019/20 Allocations
Revenue	\$12,606,428	\$56,222,806	\$62,826,127	\$56,026,000
Actuals / Allocations	9,973,447	36,134,811	61,702,430	65,024,239
(Unexpended) / Carryovers			(20,714,281)	20,714,281
Net Change in Reserves	\$2,632,981	\$20,087,995	\$21,827,978	\$(29,712,520)
Policy Reserve	-	-	5,000,000	-
Reserves	\$2,632,981	\$22,720,976	\$39,548,954	\$9,836,434

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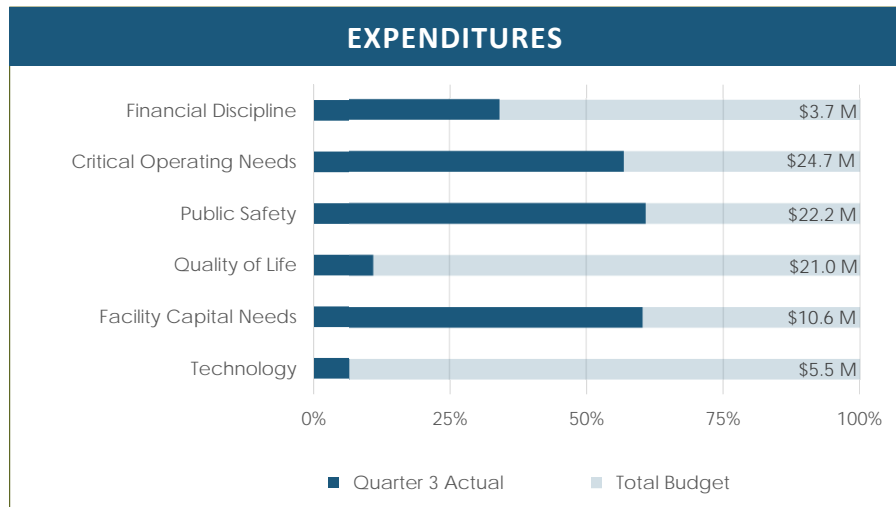
MEASURE Z REVENUE



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MEASURE Z EXPENDITURES



Includes prior fiscal year carryovers.



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SEWER FUND OVERVIEW

FY 2019/20 Adopted Budget

Revenue & Transfers In	\$68,439,438
Expenditures & Transfers Out	64,989,311
Surplus/(Deficit)	\$3,450,127

Fund Reserves

Beginning Balance	\$99,455,823
Estimated Revenues	68,439,438
Budgeted Expenditures*	99,313,151
Estimated Ending Reserves	\$68,582,110

Quarter 3 Highlights



Revenues 75%



Expenditures 74%

Expenditures occur unevenly throughout the year.



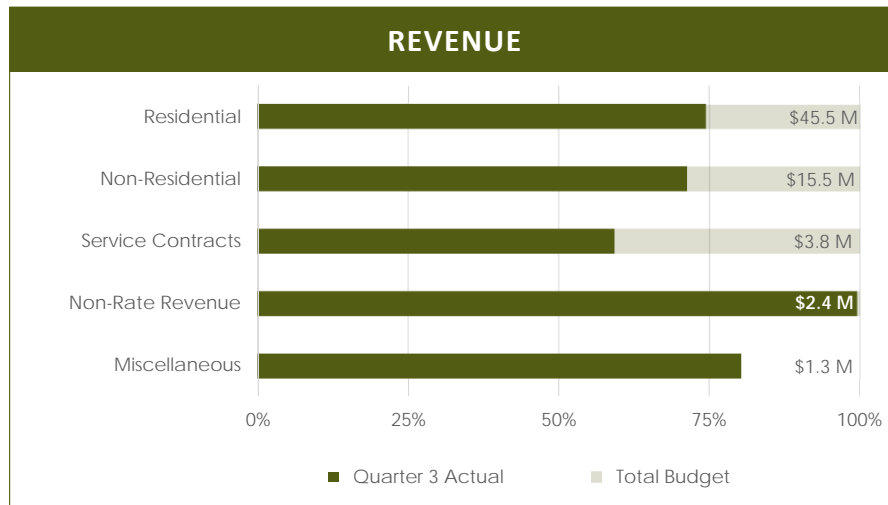
* Includes prior fiscal year carryovers.

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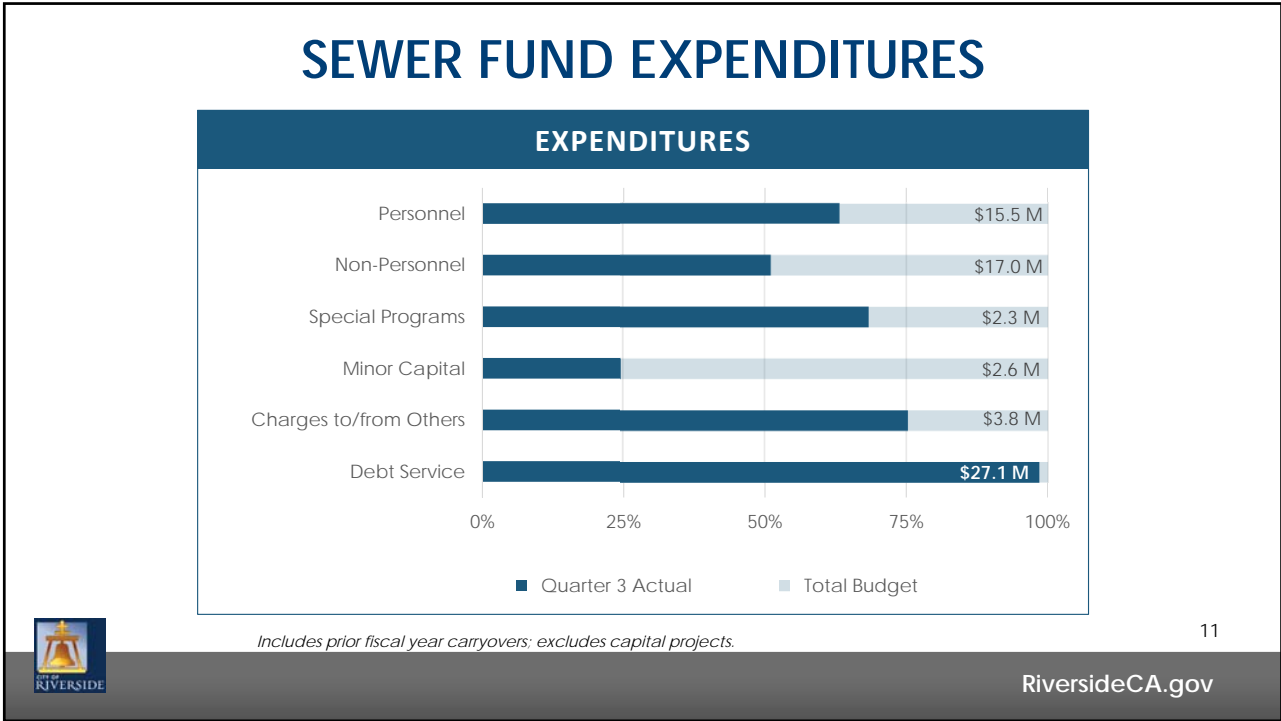
SEWER FUND REVENUE



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REFUSE FUND OVERVIEW

FY 2019/20 Adopted Budget	
Revenue & Transfers In	\$25,441,965
Expenditures & Transfers Out	26,815,371
Surplus/(Deficit)	\$(1,373,406)

Fund Reserves	
Beginning Balance	\$8,326,106
Estimated Revenues*	25,441,965
Budgeted Expenditures*	28,725,073
Estimated Ending Reserves	\$5,042,998

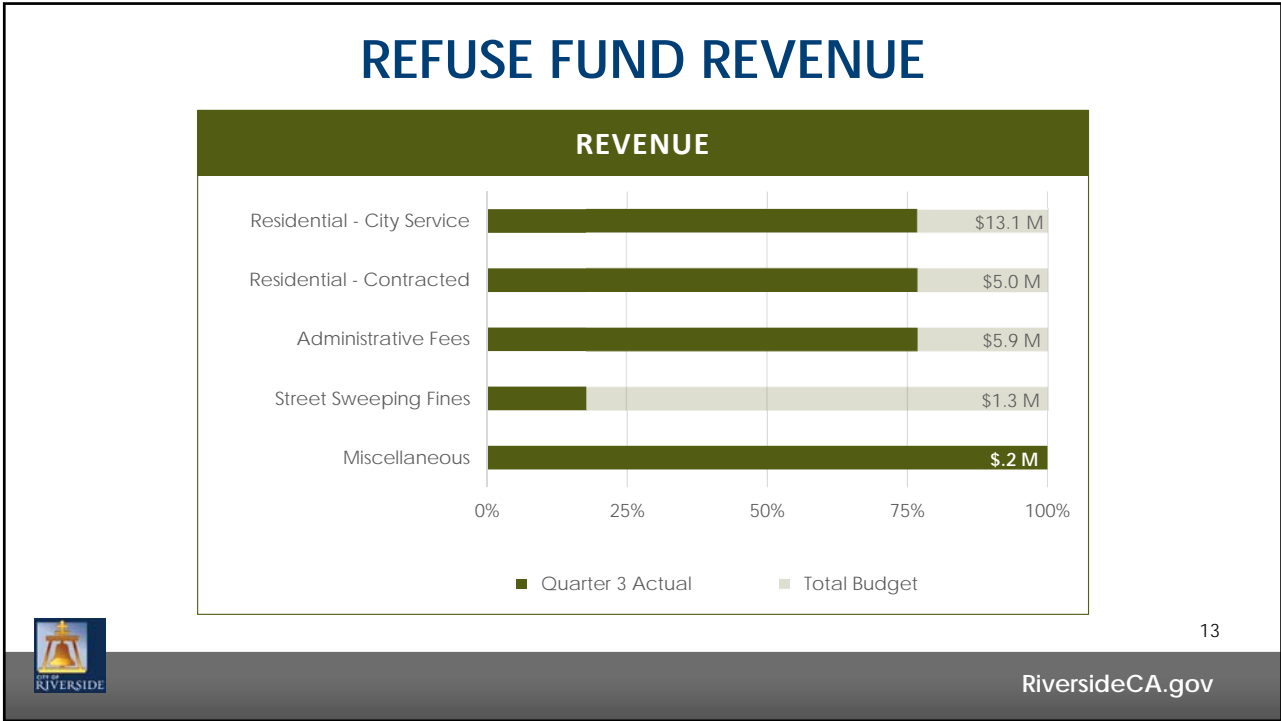
Quarter 3 Highlights

- ✔ Revenues 74%
- ✔ Expenditures 64%

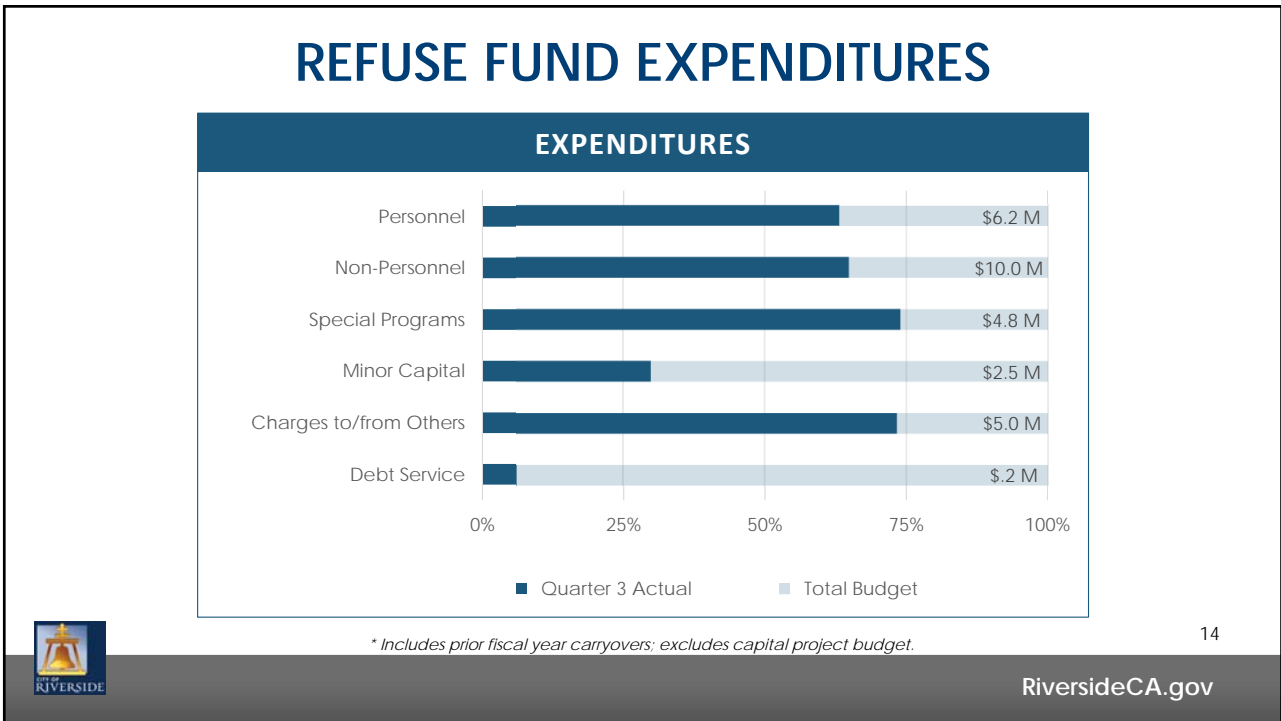
Expenditures occur unevenly throughout the year.

** Includes revenue adjustments and prior fiscal year expenditure carryovers.*

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ELECTRIC FUND OVERVIEW

FY 2019/20 Adopted Operating Budget

Revenue & Transfers In	\$382,074,694
Expenditures & Transfers Out	404,034,819
Surplus/(Deficit)*	\$(21,960,125)

Unrestricted, Undesignated Cash Reserves

Cash Reserves	\$185 M
Available Line of Credit	\$35 M
Minimum Reserve Level	\$131 M
Maximum Reserve Level	\$209 M

Quarter 3 Highlights



Revenues 75%



Expenditures 66%

Expenditures occur unevenly throughout the year.



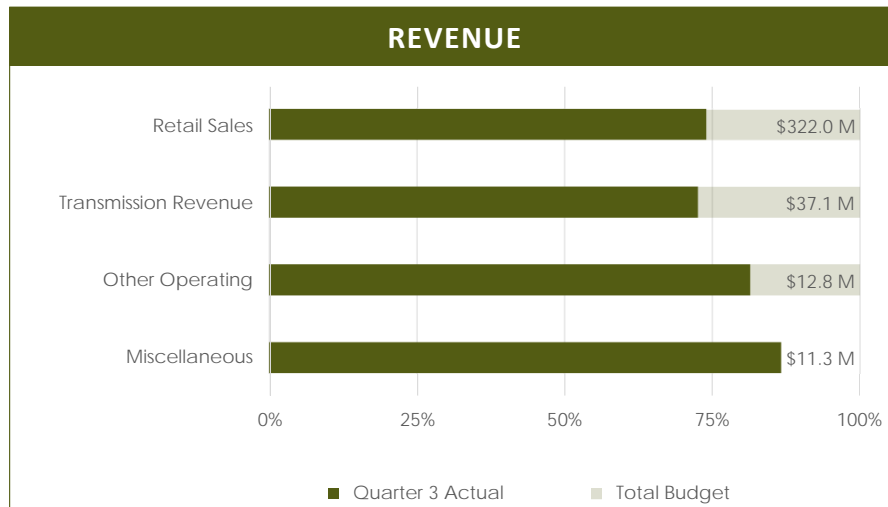
*Strategic drawdown of cash reserves.

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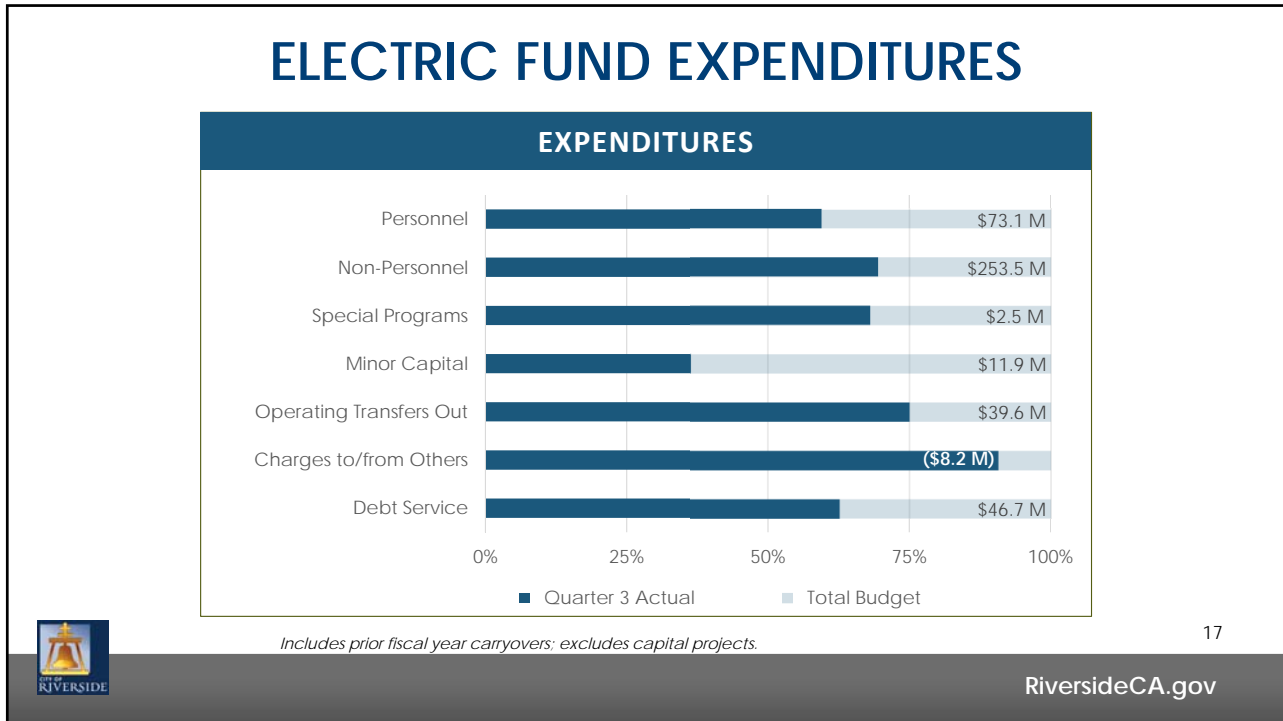
ELECTRIC FUND REVENUE



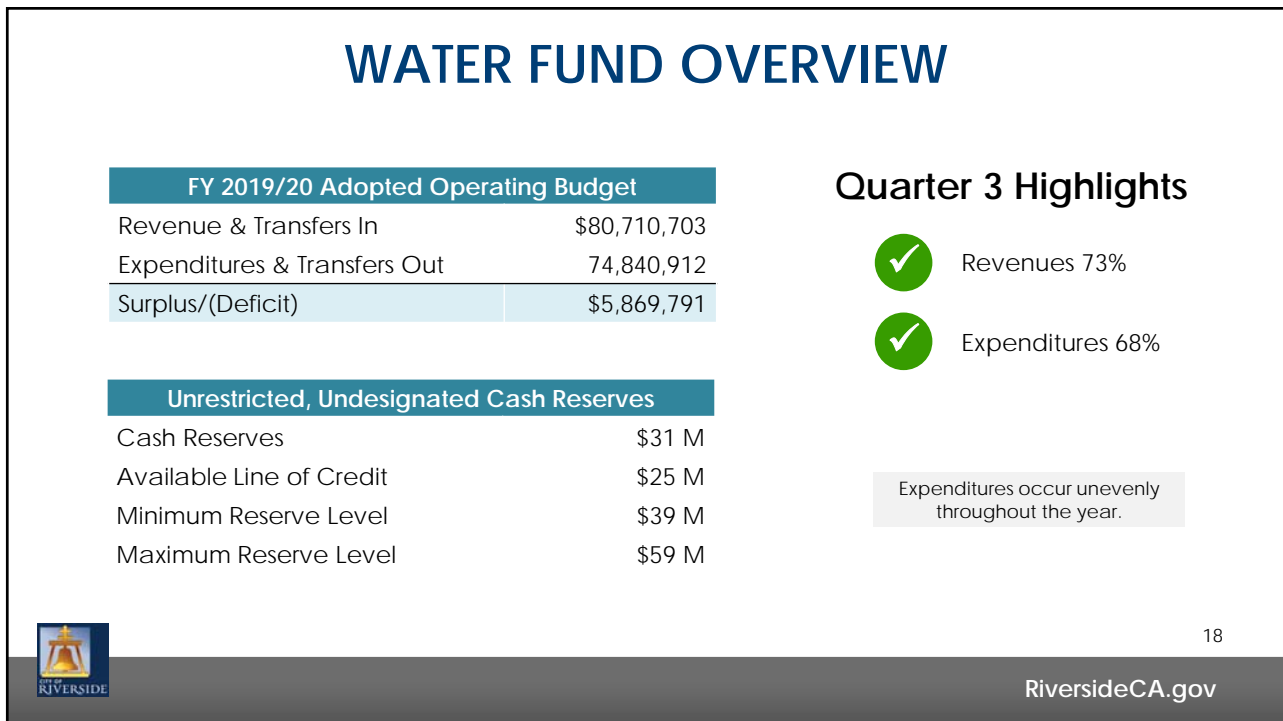
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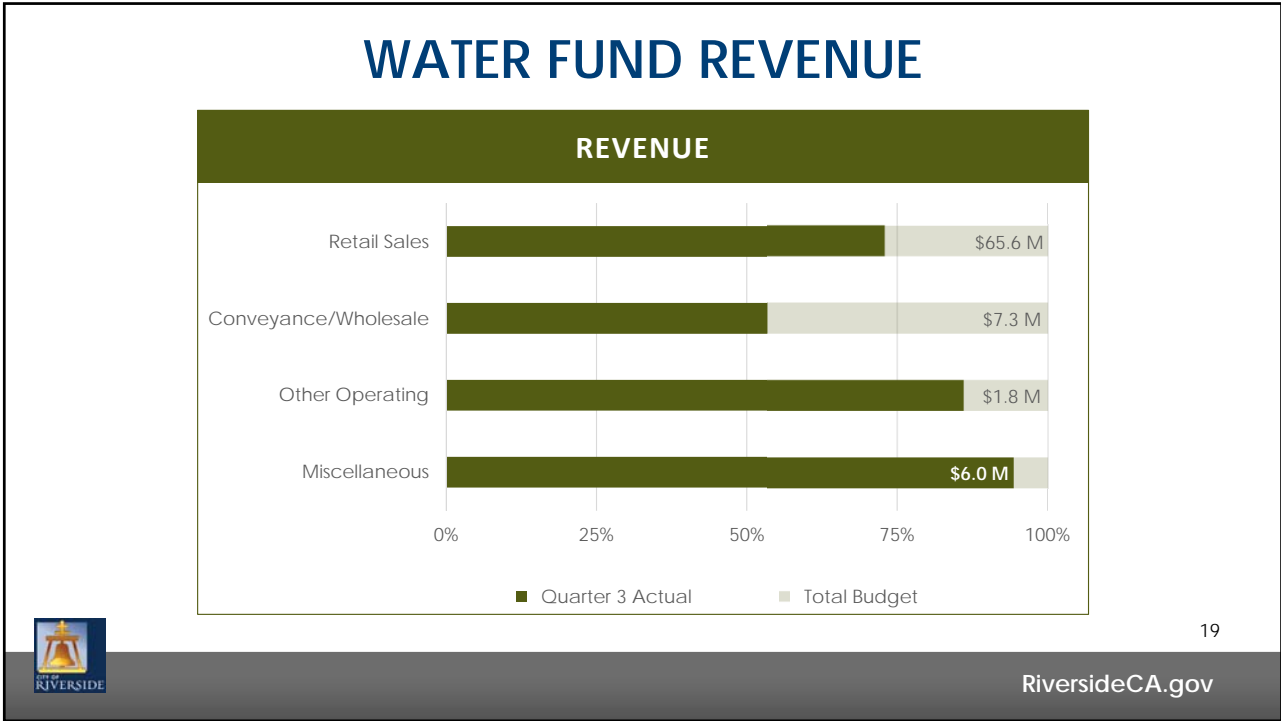
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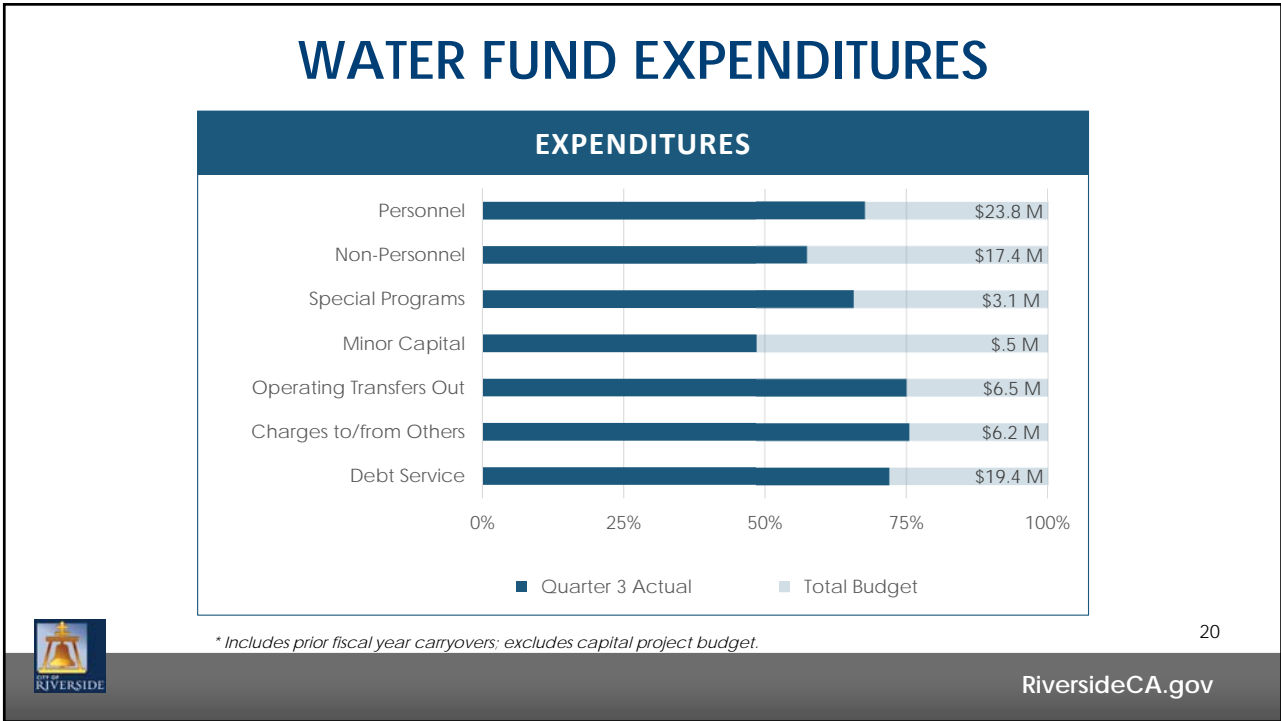
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COVID-19 CITYWIDE EXPENDITURES (May 31, 2020)

COVID-19 Personnel

■ Productive ■ Unproductive



COVID-19 Non-Personnel



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COVID-19 RESPONSE

IMMEDIATE FISCAL ACTIONS



Restrict spending to emergency and essential needs



Recruitment suspension

SECONDARY FISCAL ACTIONS



Seek Emergency Funding



Emergency Budget with contingency measures

NEXT STEPS



Monitoring, reporting, and intracycle adjustments



Priority Based Budgeting



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TRANSFERS AND SUPPLEMENTALS

- 1. General Fund \$883,172 interfund transfer to the Grants and Restricted Programs Fund:** As part of the ongoing General Fund restructuring to remove non-operating activity out of the General Fund, restricted Library donations (\$56,475) and asset forfeiture funds (\$826,697) were transferred to the Grants and Restricted Programs Fund.
- 2. General Fund \$400,426 interfund transfer to the General Capital Project Fund:** The Corporation Yard Security Camera project was approved by City Council on October 22, 2019 and the related video storage equipment purchase was approved on February 4, 2020. Interfund transfers are needed to appropriately establish and account for the project.



RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2019/20 Third Quarter Financial Report and Measure Z update; and
2. Approve General Fund interfund transfers and supplemental appropriations of \$1,283,598 required for General Fund restructuring and capital project accounting, with a net zero effect on total citywide appropriations.

