

General Fund FY 2021/22 Baseline Budget

	Projected FY 2019/20 ¹	Adopted FY 2020/21	Projected FY 2020/21	Baseline FY 2021/22
Revenue / Transfers In				
Property Taxes	\$ 70,805,354	\$ 70,854,729	\$ 75,291,284	\$ 77,173,000
Sales and Use Tax	66,273,220	59,644,285	65,647,100	68,273,000
Utility Users Tax	29,043,610	30,071,801	29,750,834	29,441,000
Transient Occupancy Tax	5,958,727	2,709,840	3,500,000	6,120,000
Franchise Fees	5,442,512	5,262,475	5,541,500	5,673,000
Licenses and Non-Developer Permits	8,569,067	6,824,948	8,342,500	8,493,000
Intergovernmental Revenues	3,191,575	1,624,668	1,392,200	1,392,000
Non-Development Charges for Services	8,862,836	9,900,958	7,620,711	9,398,000
Developer Fees and Charges for Services	8,012,906	7,247,148	6,970,600	7,250,000
Fines and Forfeits	1,929,997	1,656,390	1,799,100	1,805,000
Special Assessments	563,032	512,980	520,300	539,000
Miscellaneous Revenues	5,773,451	3,727,698	3,049,200	3,113,000
Other Financing Sources	856,321	-	-	1,000,000
General Fund Transfer	46,076,000	48,685,700	46,865,400	47,599,000
Measure Z Transfer In	18,266,026	24,266,026	24,266,026	24,266,000
Transfers In from Other Funds	46,257	-	-	-
Section 115 Trust Withdrawal	-	6,165,501	6,165,501	-
Contingency - Uncategorized Revenue Reduction for Potential COVID-19 Impact	-	(7,754,870)	-	-
Total Revenues/Transfers In	\$ 279,670,891	\$ 271,400,277	\$ 286,722,256	\$ 291,535,000
Expenditures / Transfers Out				
Personnel	\$ 195,974,569	\$ 200,077,718	\$ 200,077,718	\$ 208,662,000
CalPERS UAL - Safety	17,212,450	19,664,809	7,187,498	10,043,000
CalPERS UAL - Miscellaneous	9,791,845	10,219,179	3,858,403	4,974,000
POB Issuance – UAL Savings	-	(7,000,000)	-	-
Non-Personnel	47,129,940	54,363,783	54,363,783	53,461,000
Special Projects	6,237,469	6,442,058	6,442,058	6,659,000
Minor Capital	958,939	454,047	454,047	428,000
Debt Service	21,569,110	18,645,440	30,204,142	32,429,000
Charges To/From	(17,220,316)	(20,100,618)	(20,100,618)	(17,988,000)
Cost Allocation Plan	(26,319,140)	(23,075,760)	(23,075,760)	(21,260,000)
Special Districts Fund Subsidy	1,112,788	1,199,798	1,199,798	1,203,000
Convention Center Fund Subsidy	6,199,690	5,199,111	5,199,111	4,845,000
Entertainment Fund Subsidy	4,552,154	3,833,317	3,833,317	3,702,000
Cheech Marin Art Museum Subsidy	-	-	-	800,000
Transfers to Other Funds	13,276,960	1,477,395	1,477,395	689,000
Total Expenditures/Transfers Out	\$ 280,476,458	\$ 271,400,277	\$ 271,120,892	\$ 288,647,000
Five-Year Financial Plan Surplus/(Deficit)	\$ (805,567)	\$ -	\$ 15,601,364	\$ 2,888,000

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Fund Reserves				
Beginning General Fund Reserve	\$ 56,000,000	\$ 70,215,464	\$ 70,215,464	\$ 70,215,464
Five-Year Financial Plan Surplus/(Deficit)	(805,567)	-	15,601,364	2,888,000
Other Budgetary Fund Balances	15,563,283	-	-	-
Use of Designated Reserves		-	-	-
FYE Changes to Various Reserves	(542,252)	-	-	-
Ending General Fund Reserve	\$ 70,215,464	\$ 70,215,464	\$ 85,816,828	\$ 73,103,464
<i>Fund Balance to Spending Percentage</i>	26%	24%	30%	25%
15% minimum reserve target*	\$ 40,710,042	\$ 43,297,050	\$ 43,297,050	\$ 44,077,334
5% aspirational reserve target*	\$ 13,570,014	\$ 14,432,350	\$ 14,432,350	\$ 14,692,445
Total 20% reserves*	\$ 54,280,055	\$ 57,729,400	\$ 57,729,400	\$ 58,769,779
Projected Excess/Deficit of Budgetary Fund Balance¹	\$ 15,935,409	\$ 12,486,064	\$ 28,087,428	\$ 14,333,685

*Reserves are calculated as a percentage of the next fiscal year's projected budgeted expenditures.

¹ UNAUDITED AND SUBJECT TO CHANGE; includes projected prior year carryovers (budgeted but unexpended amounts that may be spent in the future).

General Fund FY 2021/22 Baseline Budget Assumptions and Methodology

Revenue / Transfers In	Projected FY 2019/20	Projected FY 2020/21	Baseline FY 2021/22
Property Taxes	9.6% growth in Successor Agency; 4.3% growth in all others.	HdL's updated November 2020 projections (5.7% growth over FY 2019/20 actuals) based on actual tax rolls.	2.5% projected growth over HdL's FY 2020/21 projections.
Sales and Use Tax	-3.1% as compared to FY 2018/19 actuals.	-1% loss as compared to FY 2019/20 actuals due to the pandemic; HdL projects a loss of -0.02%.	4% growth over FY 2020/21 revised projection; HdL projects a 5.7% growth.
Utility Users Tax	As compared to FY 2018/19, 3.3% growth in RPU; 4.6% growth in non-RPU.	72% of revenue is RPU UUT; RPU UUT projection is based on updated RPU estimates. Non-RPU updated based on trend analysis.	RPU UUT projection is based on updated RPU estimates. Non-RPU updated based on trend analysis.
Transient Occupancy Tax	Due to pandemic, 17% decline from 2019 actuals of \$7.2M.	Due to potential pandemic impacts, projected 2021 at \$3.5M, approximately 50% of 2018/19 actuals.	Set to 85% of FY 2018/19 actuals due to potential impacts of the pandemic.
Franchise Fees	3.5% growth as compared to 2018/19 actuals.	1.8% growth based on trend analysis and observation of declining revenues.	Based on trend analysis and observation of declining revenues; projected at 2.4% versus average 4.2% for FYs 2018-2020.
Licenses and Non-Developer Permits	-0.3% as compared to FY 2018/19 actuals	-2.6% decline projected largely due to County discontinuing part of Animal License program. Business Tax projected flat against FY 2019/20 actuals due to potential pandemic impacts.	85% of category is Business Tax which averaged 3.3% growth in 2016-2020; projection set to 3% growth over FY 2020/21 projections. Remaining revenues fluctuate and were set to 0.5% growth based on line item trend analysis.
Intergovernmental Revenues	No applicable analysis - impacted by General Fund restructuring and unpredictable expenditure reimbursements.	Very specific revenue sources; projected accordingly based on trends or contracts. Unpredictable expenditure reimbursements not projected.	Projected flat against FY 2020/2021. Unpredictable expenditure reimbursements not budgeted.

General Fund FY 2021/22 Baseline Budget Assumptions and Methodology

	Projected FY 2019/20	Projected FY 2020/21	Baseline FY 2021/22
Non-Development Charges for Services	-14.9% compared to FY 2018/19 actuals. 40% decline in Parks & Recreation due to pandemic: FY 2018/19 actuals were \$3.5M while FY 2019/20 actuals were \$2.1M.	Projections updated based on trend analysis and Parks & Recreation projections of pandemic impact: a further 30% decline as compared to 2020 actuals (\$1M total Parks & Recreation projection).	Some predictable contract revenues projected accordingly; Parks & Recreation projected at approximately \$2.6M as compared to pre-pandemic revenues of \$3.5M in FY 2018/19; other line items projected on trend.
Developer Fees and Charges for Services	3.1% growth as compared to 4% growth in each of the two prior years. Planning revenue approximately \$1.4M.	-13% decline projected from FY 2019/20 actuals based on Planning's revised projections of 50% loss in Planning revenue due to pandemic. Line item trend analysis of other revenues.	Projected recovery of Planning revenue to \$1.3M, still below FY 2019/20 actuals due to potential pandemic impacts. Line item trend analysis for other revenues.
Fines and Forfeits	-6.8% decline as compared to FY 2018/19 actuals.	Updated line item trend analysis, approximately 7% decline as compared to FY 2019/20 actuals.	Based on trend analysis; 0.3% growth over FY 2020/21 projection.
Special Assessments	5.1% growth as compared to FY 2018/19 actuals.	-7.6% decline as compared to FY 2019/20 actuals based on long-term trend analysis and smoothing out impact of unusual revenue growth in FYs 2018-2020.	3.6% growth over FY 2020/21 projection based on long-term trend analysis.
Miscellaneous Revenues	-4.5% decline as compared to FY 2018/19 actuals.	-47.2% decline as compared to FY 2019/20 actuals due to General Fund restructuring, non-cash adjustment of investments to market value, conservative interest projection, and modified Festival of Lights event.	Based on trend analysis and modified Festival of Lights event (reduced to \$55,000 due to pandemic impacts); overall growth of 2.1% projected as compared to FY 2020/21 projection.
Other Financing Sources	\$856,000 compared to \$101,000 in FY 2018/19 due to sale of land, buildings, and equipment.	Unpredictable one-time revenue from potential sales of City property was not budgeted.	Conservative \$1M projected based on ongoing discussions regarding the sales of City property.
General Fund Transfer	-0.8% decline as compared to FY 2018/19 actuals.	Based on updated projections from Public Utilities.	Based on updated projections from Public Utilities.
Measure Z Transfer In	As per adopted Measure Z plan.	As per adopted Measure Z plan.	As per adopted Measure Z plan plus an additional \$6M balancing measure to offset potential impacts of the pandemic on General Fund revenues.

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Transfers In from Other Funds	Miscellaneous General Fund restructuring effects.	N/A	N/A
Section 115 Trust Withdrawal	N/A	Staff will recommend using FY 2019/20 savings to eliminate the budgeted \$6.2M withdrawal.	N/A
Contingency - Uncategorized Revenue Reduction for Potential COVID-19 Impact	N/A	Re-projected line item revenues with potential pandemic impacts incorporated; removed unclassified revenue contingency.	N/A - Potential pandemic impacts incorporated into line item revenue projections.
Expenditures / Transfers Out			
Personnel	\$13.6M savings	As adopted	New personnel budget created based on current employee demographics, MOUs, 2% CPI, CalPERS rates, new Worker's Compensation rates, etc. Includes \$12M vacancy savings as a balancing measure .
CalPERS UAL - Safety	Required CalPERS UAL payment.	Updated with impacts of 2020 POB issuance.	Set to CalPERS required payment amount.
CalPERS UAL - Miscellaneous	Required CalPERS UAL payment.	Updated with impacts of 2020 POB issuance.	Set to CalPERS required payment amount.
POB Issuance – UAL Savings	N/A	Projected savings removed and applicable line items (UAL and Debt Obligation) updated with impacts of 2020 POB issuance.	N/A
Non-Personnel	No applicable analysis due to open Purchase Orders and the carryover of unexpended funds to FY 2020/21 - these items are shown as a reduction of fund balance, rather than as actuals.	As adopted	Flat against FY 2019/20 adopted budget, with known and unavoidable adjustments such as updated insurance rates and increases in citywide software maintenance costs.
Special Projects			
Minor Capital			

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Debt Service	Debt payments made as per debt service schedules.	Updated with impacts of 2020 POB issuance.	Debt payments budgeted as per debt service schedules.
Charges To/From	Missed budget target by \$1.8M, primarily due to charges to capital projects not occurring as expected.	No change from adopted.	Updated based on trends and potential impact of pandemic on planned capital projects.
Cost Allocation Plan	As adopted	As adopted	Updated against baseline expenditures of internal service departments; amount is offset by an estimated 20% impact of vacancy savings target.
Special Districts Fund Subsidy	No subsidy required.	As adopted	Based on trend analysis and anticipated revenue from levy.
Convention Center Fund Subsidy	\$1.3M over budget	As adopted	Projections are from original development of the FY 2020-2022 budget, with no pandemic impacts incorporated.
Entertainment Fund Subsidy	\$1.1M over budget	As adopted	Projections are from original development of the FY 2020-2022 budget, with no pandemic impacts incorporated.
Cheech Marin Art Museum Subsidy	N/A	N/A	Based on staff estimates of the difference between projected revenues and expenditures, plus maintenance and utility costs.
Transfers to Other Funds	Miscellaneous General Fund restructuring effects; CUPA repayment.	As adopted	Final payment to CUPA and annual transfer of savings generated by RUSD/AUSD share of crossing guard contract to Section 115 Trust.