

## PROPOSED MID-CYCLE AMENDMENT TO FISCAL YEAR 2019/20 BUDGET

Finance Department

Budget Engagement Commission  
May 20, 2019

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### BACKGROUND

1. June 12, 2018: FY 2018-20 Two-Year Budget and FY 2018-2023 Capital Improvement Plan adopted.
2. Since budget adoption:
  - A. Quarterly reports:
    - i. FY 2017/18 Fourth Quarter
    - ii. FY 2018/19 First and Second Quarters
  - B. FY 2017/18 fiscal year ended and external audit completed



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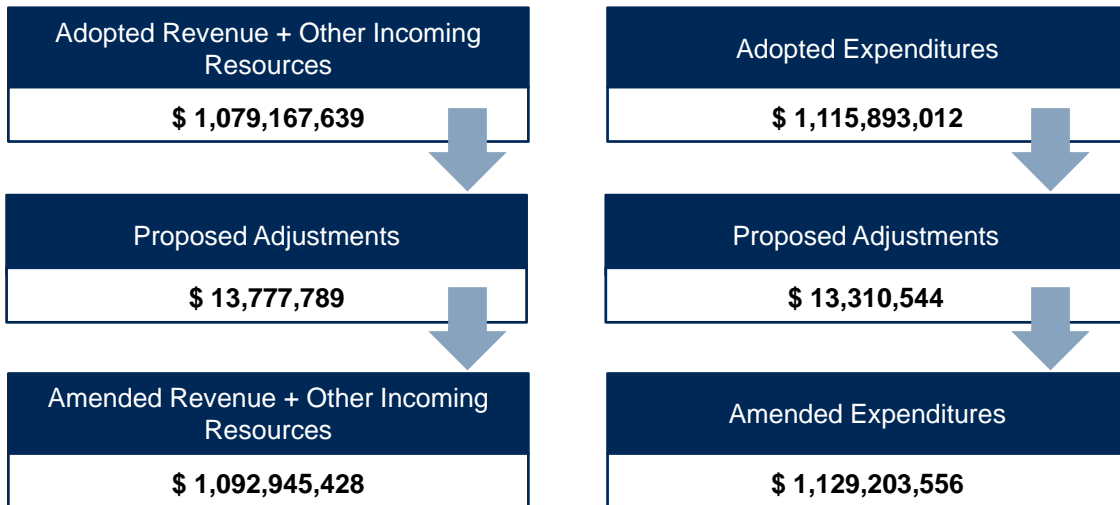
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## PURPOSE OF MID-CYCLE UPDATE

1. Review and adjust forecasts of major revenue sources;
2. Incorporate financial impacts of City Council approved actions;
3. Address new and significant changes in operating needs of City departments; and
4. Review and re-prioritize capital project funding.



## CITYWIDE FY 2019/20 BUDGET OVERVIEW



## GENERAL FUND OVERVIEW

General Fund Adopted Budget	FY 2018/19	FY 2019/20
Revenues & Other Resources	\$270,070,218	\$280,999,020
Expenditures & Transfers Out	268,834,151	282,235,032
<b>Surplus/(Deficit)</b>	<b>\$1,236,067</b>	<b>\$(1,236,012)</b>

### Summary of FY 2019/20 Proposed Mid-Cycle Adjustments

Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Other Resources	\$280,999,020	\$(1,862,605)	\$279,136,415	(0.7%)
Expenditures and Transfers Out	282,235,032	(1,862,605)	280,372,427	(0.7%)
<b>Total</b>	<b>\$(1,236,012)</b>	<b>\$-</b>	<b>\$(1,236,012)</b>	<b>- %</b>



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## GENERAL FUND REVENUE ADJUSTMENTS

### Summary of FY 2019/20 Revenue Adjustments

Revenue Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Property Taxes	\$67,465,561	\$2,729,335	\$70,194,896	4.0%
Transient Occupancy Tax	7,592,465	(433,505)	7,158,960	(5.7%)
Intergovernmental	2,085,079	114,094	2,199,173	5.5%
Charges for Services	17,825,452	(596,141)	17,229,311	(3.3%)
Fines & Forfeits	1,831,885	(641,551)	1,190,334	(35.0%)
Miscellaneous	5,945,779	(1,279,537)	4,666,242	(21.5%)
Other Financing Sources	1,769,101	(1,423,000)	346,101	(80.4%)
Operating Transfers In	65,492,026	(332,300)	65,159,726	(0.5%)
Other Revenues	110,991,672	-	110,991,672	- %
<b>Total</b>	<b>\$280,999,020</b>	<b>\$(1,862,605)</b>	<b>\$279,136,415</b>	<b>(0.7%)</b>



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## GENERAL FUND EXPENDITURE ADJUSTMENTS

### Summary of FY 2019/20 Expenditure Adjustments

Expenditure Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Personnel Services	\$233,512,174	\$266,836	\$233,779,010	0.1%
Non-personnel Expenses	51,675,554	257,094	51,932,648	0.5%
Special Projects	7,105,549	(130,000)	6,975,549	(1.8%)
Equipment & Capital Outlay	587,746	-	587,746	- %
Charges to/from Others	(20,609,499)	(2,445,581)	(23,055,080)	11.9%
Operating Transfers Out	9,963,508	189,046	10,152,554	1.9%
<b>Total</b>	<b>\$282,235,032</b>	<b>\$(1,862,605)</b>	<b>\$280,372,427</b>	<b>(0.7%)</b>

Supplemental requests with no directly offsetting revenues or expenditure reductions:

- City Attorney \$75,050 increase in lease (for office expansion approved by Council on October 9, 2018)
- Mayor \$5,000 increase for travel related to Big City Mayor's and Inland Rising Task Force
- CEDD \$84,876 increase for 0.5 FTE missed in 2018-2020 budget development

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## MEASURE Z

Spending Plan Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Financial Discipline/Responsibility	\$3,674,490	\$-	\$3,674,490	- %
Public Safety	18,848,850	110,287	18,959,137	0.6%
Critical Operating Needs	20,454,126	-	20,454,126	- %
Facility Capital Needs	8,251,500	-	8,251,500	- %
Quality of Life	4,299,948	1,500,000	5,799,948	34.9%
Technology	2,000,000	-	2,000,000	- %
<b>Total Allocations</b>	<b>\$57,528,914</b>	<b>\$1,610,287</b>	<b>\$59,139,201</b>	<b>2.8%</b>
Revenue Forecast	\$55,085,400	\$4,014,600	\$59,100,000	7.3%
<b>Projected Unallocated Balance</b>	<b>\$(2,443,514)</b>	<b>\$2,404,313</b>	<b>\$(39,201)</b>	

Supplemental request:

- Library \$122,000 for security guards at City libraries

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## MISCELLANEOUS CITY FUNDS

1. New Grants and Restricted Programs fund  
Certified Unified Program Agencies (CUPA) activity moved here
2. Debt Service Fund  
Measure G/Fire Bond property tax revenue and debt activity moved here
3. Special Gas Tax & Measure A: \$2.1 million additional revenue
4. Workers' Compensation Trust: \$391K for rising mandated costs and claims costs



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## SEWER FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments				
Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$67,552,100	\$887,338	\$68,439,438	1.3%
Expenditures and Transfers Out	71,555,155	(6,646,350)	64,908,805	(9.3%)
<b>Use of Reserves</b>	<b>\$(4,003,055)</b>	<b>\$7,533,688</b>	<b>\$3,530,633</b>	<b>(188.2%)</b>

Overview:

- Refinancing of 2009B Sewer Bonds significantly reduced expenditures and eliminated projected draw on reserves in FY 2019/20
- Improved revenues in commercial & residential



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## SEWER FUND REVENUE ADJUSTMENTS

### Summary of FY 2019/20 Revenue Adjustments

Revenue Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Charges for Services	\$66,255,395	\$857,338	\$67,112,733	1.3%
Miscellaneous	1,296,705	30,000	1,326,705	2.3%
<b>Total</b>	<b>\$67,552,100</b>	<b>\$887,338</b>	<b>\$68,439,438</b>	<b>1.3%</b>



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## SEWER FUND EXPENDITURE ADJUSTMENTS

### Summary of FY 2019/20 Expenditure Adjustments

Expenditure Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Personnel Services	\$15,368,292	\$108,755	\$15,477,047	0.7%
Non-personnel Expenses	14,576,591	(1,863)	14,574,728	- %
Special Projects	2,098,963	-	2,098,963	- %
Equipment Outlay	1,211,500	-	1,211,500	- %
Debt Service	33,092,534	(6,023,938)	27,068,596	(18.2%)
Capital Outlay	764,343	20,696	785,039	2.7%
Charges to/from Others	4,442,932	(750,000)	3,692,932	(16.9%)
<b>Total</b>	<b>\$71,555,155</b>	<b>\$(6,646,350)</b>	<b>\$64,908,805</b>	<b>(9.3%)</b>



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## REFUSE FUND OVERVIEW

### Summary of FY 2019/20 Proposed Mid-Cycle Adjustments

Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$23,096,435	\$2,345,530	\$25,441,965	10.2%
Expenditures and Transfers Out	26,191,876	593,109	26,784,985	2.3%
<b>Use of Reserves</b>	<b>\$(3,095,441)</b>	<b>\$1,752,421</b>	<b>\$(1,343,020)</b>	<b>(56.6%)</b>

#### Overview:

- 18-month rate plan (through June 2020) approved by City Council
- Disposal fee increase approved by Council; includes CIP adjustments and one-time extraordinary costs



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## REFUSE FUND REVENUE ADJUSTMENTS

### Summary of FY 2019/20 Revenue Adjustments

Revenue Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Charges for Services	\$21,449,315	\$2,527,510	\$23,976,825	11.8%
Fines & Forfeits	1,250,000	-	1,250,000	- %
Miscellaneous	397,120	(181,980)	215,140	(45.8%)
<b>Total</b>	<b>\$23,096,435</b>	<b>\$2,345,530</b>	<b>\$25,441,965</b>	<b>10.2%</b>



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## REFUSE FUND EXPENDITURE ADJUSTMENTS

Summary of FY 2019/20 Expenditure Adjustments				
Expenditure Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Personnel Services	\$6,193,369	\$-	\$6,193,369	- %
Non-personnel Expenses	8,700,586	581,778	9,282,364	6.7%
Special Projects	4,758,753	-	4,758,753	- %
Equipment Outlay	1,434,000	-	1,434,000	- %
Debt Service	167,402	-	167,402	- %
Capital Outlay	32,216	11,331	43,547	35.2%
Charges to/from Others	4,905,550	-	4,905,550	- %
<b>Total</b>	<b>\$26,191,876</b>	<b>\$593,109</b>	<b>\$26,784,985</b>	<b>2.3%</b>



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## PUBLIC PARKING FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments				
Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$6,649,218	\$364,593	\$7,013,811	5.5%
Expenditures and Transfers Out	6,833,697	(31,147)	6,802,550	(0.5%)
<b>Use of Reserves</b>	<b>\$(184,479)</b>	<b>\$395,740</b>	<b>\$211,261</b>	<b>(214.5%)</b>

### Overview:

- Adopted budget excluded revenue from Garage 3 due to anticipated sale. This sale is no longer planned, so Garage 3 revenues have been reinstated for FY 2019/20 amended budget.



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## PUBLIC PARKING FUND REVENUE ADJUSTMENTS

Summary of FY 2019/20 Revenue Adjustments				
Revenue Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Licenses & Permits	\$3,260,761	\$364,593	\$3,625,354	11.2%
Fines & Forfeits	2,604,835	-	2,604,835	- %
Miscellaneous	783,622	-	783,622	- %
<b>Total</b>	<b>\$6,649,218</b>	<b>\$364,593</b>	<b>\$7,013,811</b>	<b>5.5%</b>



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## PUBLIC PARKING FUND EXPENDITURE ADJUSTMENTS

Summary of FY 2019/20 Expenditure Adjustments				
Expenditure Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Personnel Services	\$1,552,275	\$-	\$1,552,275	- %
Non-personnel Expenses	3,863,476	(31,147)	3,832,329	(0.8%)
Debt Service	1,705,654	-	1,705,654	- %
Charges To/From Others	(287,708)	-	(287,708)	- %
<b>Total</b>	<b>\$6,833,697</b>	<b>\$(31,147)</b>	<b>\$6,802,550</b>	<b>(0.5%)</b>



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## ELECTRIC FUND OVERVIEW

### Summary of FY 2019/20 Proposed Mid-Cycle Adjustments

Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$394,686,484	\$(3,309,000)	\$391,377,484	(0.8%)
Use of Bond Proceeds for Capital	27,586,000	-	27,586,000	0 %
Expenditures and Transfers Out	449,005,362	7,266,300	456,271,662	1.6%
<b>Use of Reserves</b>	<b>\$(26,732,878)</b>	<b>\$(10,575,300)</b>	<b>\$(37,308,178)</b>	<b>39.6%</b>

- Proposed budget adjustments are primarily in the area of:
  - power supply
  - safety
  - operating efficiency



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## ELECTRIC FUND REVENUE ADJUSTMENTS

### Summary of FY 2019/20 Revenue Adjustments

Revenue Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Charges for Services	\$383,261,738	\$(3,309,000)	\$379,952,738	(0.9%)
Miscellaneous	11,007,746	-	11,007,746	- %
Other Financing Sources	417,000	-	417,000	- %
<b>Total</b>	<b>\$394,686,484</b>	<b>\$(3,309,000)</b>	<b>\$391,377,484</b>	<b>(0.8%)</b>



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## ELECTRIC FUND EXPENDITURE ADJUSTMENTS

Summary of FY 2019/20 Expenditure Adjustments				
Expenditure Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Personnel Services	\$74,775,506	\$-	\$74,775,506	- %
Non-personnel Expenses	247,133,402	4,603,269	251,736,671	1.9%
Special Projects	13,096,666	(17,253)	13,079,413	- %
Equipment Outlay	200,000	2,400,000	2,600,000	- %
Debt Service	46,660,101	-	46,660,101	0.2%
Capital Outlay	34,876,602	82,678	34,959,280	(2.1%)
Charges to/from Others	(7,937,615)	197,606	(7,740,009)	(2.5%)
Operating Transfers Out	40,200,700	-	40,200,700	- %
<b>Total</b>	<b>\$449,005,362</b>	<b>\$7,266,300</b>	<b>\$456,271,662</b>	<b>1.6%</b>



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## WATER FUND OVERVIEW

Summary of FY 2019/20 Proposed Mid-Cycle Adjustments				
Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Revenues and Transfers In	\$81,706,486	\$-	\$81,706,486	- %
Use of Bond Proceeds for Capital	12,899,000	5,098,000	17,997,000	39.5%
Expenditures and Transfers Out	94,186,907	7,830,088	102,016,995	8.3%
<b>Use of Reserves</b>	<b>\$418,579</b>	<b>\$(2,732,088)</b>	<b>\$(2,313,509)</b>	<b>(652.7)%</b>

- Proposed budget adjustments are primarily in the area of:
  - replacing critical infrastructure
  - professional services



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## WATER FUND REVENUE ADJUSTMENTS

### Summary of FY 2019/20 Revenue Adjustments

Revenue Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Charges for Services	\$75,661,703	\$-	\$75,661,703	- %
Miscellaneous	3,702,671	-	3,702,671	- %
Rents	2,264,512	-	2,264,512	- %
Other Financing Sources	77,600	-	77,600	- %
<b>Total</b>	<b>\$81,706,486</b>	<b>\$-</b>	<b>\$81,706,486</b>	<b>- %</b>



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## WATER FUND EXPENDITURE ADJUSTMENTS

### Summary of FY 2019/20 Expenditure Adjustments

Expenditure Category	Adopted Budget	Proposed Adjustments	Amended Budget	% Amended
Personnel Services	\$24,117,210	\$-	\$24,117,210	- %
Non-personnel Expenses	17,306,433	1,366,968	18,673,401	7.9%
Special Projects	1,443,038	-	1,443,038	- %
Debt Service	19,846,914	(400,000)	19,446,914	34.0%
Capital Outlay	18,903,354	6,419,420	25,322,774	14.0%
Charges to/from Others	5,544,658	776,000	6,320,658	(4.7%)
Operating Transfers Out	7,025,300	(332,300)	6,693,000	(4.7%)
<b>Total</b>	<b>\$94,186,907</b>	<b>\$7,830,088</b>	<b>\$102,016,995</b>	<b>8.3%</b>



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## RECOMMENDATIONS

That the Budget Engagement Commission receive and provide input on the proposed mid-cycle update to Fiscal Year 2019/20 of the previously adopted Fiscal Year 2018-2020 Two-Year Budget.

