

# FY 2018-2020 TWO-YEAR BUDGET: FY 2018/19 THIRD QUARTER UPDATE

Finance, Public Works, & Public Utilities  
Departments

City Council  
June 18, 2019

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## BACKGROUND



**June 2018**  
Budget Adopted  
by City Council



**December 2018**  
Carryover of prior year  
unexpended funds



**Third Quarter**  
Budget Engagement Commission  
Finance Committee



**June 2018** – Updated Spending Plan in adopted budget; new spending Items (Fire, Parks & Rec)

**December 2018** – Updated Spending Plan to reflect actual FY 2017/18 revenues recorded.

**April – May 2019** – Council actions setting a reserve policy and allocating additional funding.



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## LEGISLATIVE/JUDICIAL



Wayfair Ruling



### May Revision 2019-20

Gavin Newsom, Governor  
State of California

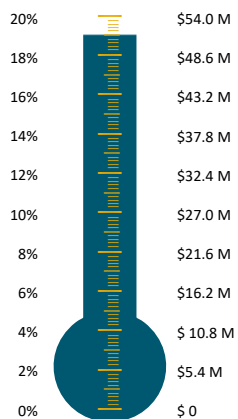


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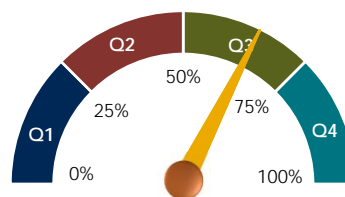
## GENERAL FUND SUMMARY

### Reserves

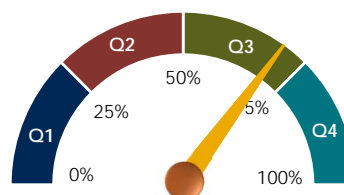


19%, computed as a % of the FY 2018/19  
Adopted Appropriations of \$269 million

### Revenue Recorded to Date



### Expenditures Recorded to Date



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## GENERAL FUND REVENUE ADJUSTMENTS

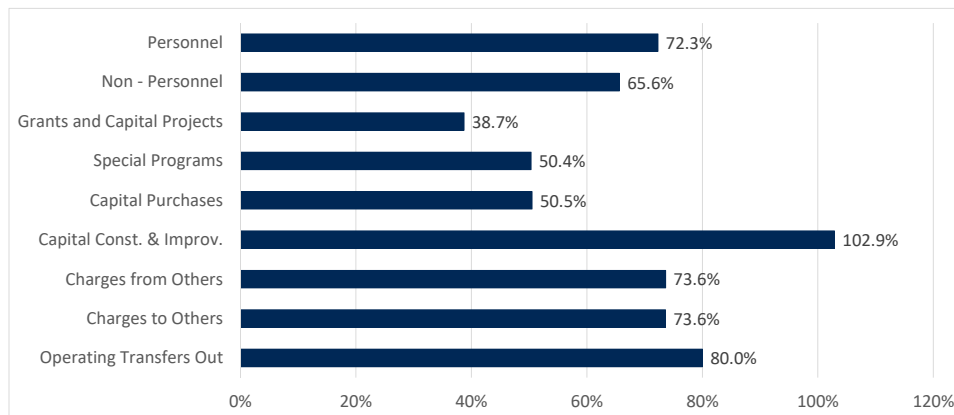
Summary of Third Quarter Revenue Adjustments				
Revenue Category	Amended Budget	Recommended Adjustments	Revised Budget	% Revised
Sales Taxes	\$ 65,504,489	\$ 1,500,000	\$ 67,004,489	2.3%
Intergovernmental	1,856,184	950,000	2,806,184	51.2%
Charges for Services	17,395,143	(350,000)	17,045,143	(2.0%)
Use of Money and Property	5,195,734	(1,000,000)	4,195,734	(19.2%)
<b>Total</b>	<b>\$ 89,951,550</b>	<b>\$ 1,100,000</b>	<b>\$ 91,051,550</b>	<b>1.2%</b>



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## GENERAL FUND EXPENDITURES % OF BUDGET EXPENDED



Supplemental Appropriation request: \$1.1 million Mutual Aid, fully offset by revenue reimbursement



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## MEASURE Z SPENDING PLAN SUMMARY

Category	FY 2016/17 Allocations	FY 2017/18 Allocations	FY 2018/19 Allocations
Revenue	\$12,606,428	\$56,222,806	\$58,000,000
Spending Allocations	9,973,447	46,624,826	57,653,903
<b>Net Change in Fund Balance</b>	<b>2,632,981</b>	<b>9,597,980</b>	<b>346,097</b>
Fund Balance Reserve	-	-	5,000,000
<b>Fund Balance</b>	<b>\$2,632,981</b>	<b>\$12,230,961</b>	<b>\$7,577,058</b>

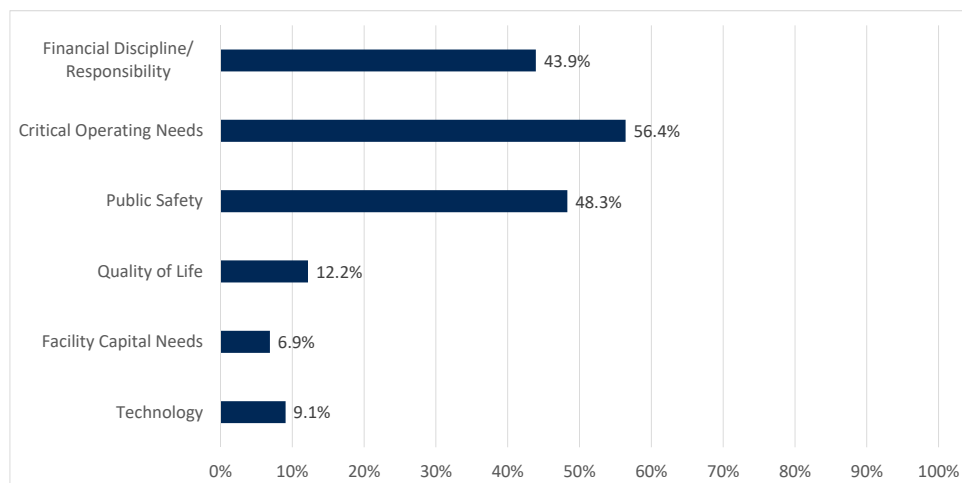
May 24, 2019 Spending Plan update, with revised FY 2018/19 revenue estimate (increase of \$1,440,000).



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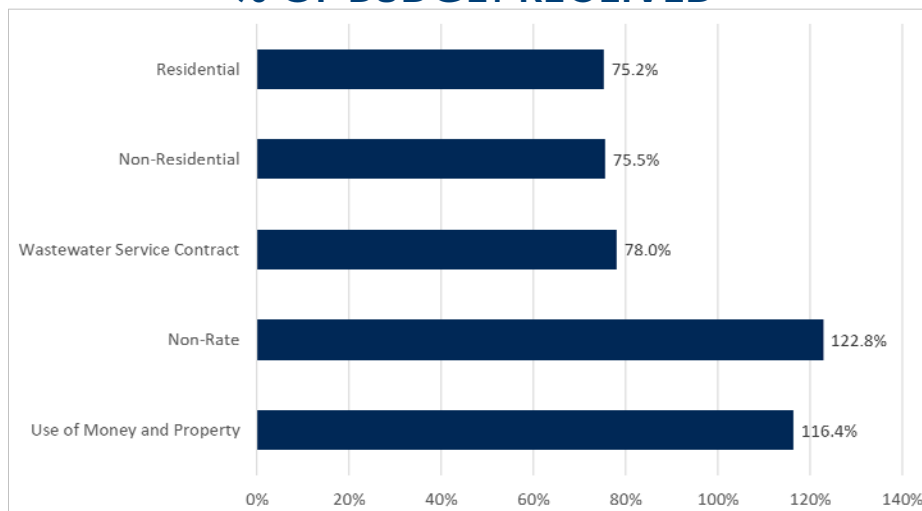
## MEASURE Z EXPENDITURES % OF BUDGET EXPENDED



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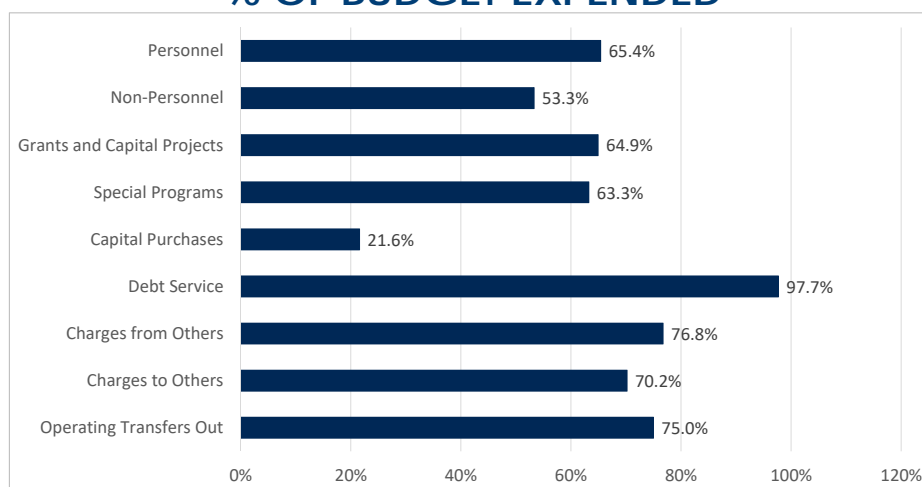
## SEWER FUND REVENUE % OF BUDGET RECEIVED



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## SEWER FUND EXPENDITURES % OF BUDGET EXPENDED



Supplemental Appropriation: \$2.5 million to reimburse CSD overpayments

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## REFUSE FUND REVENUE ADJUSTMENTS

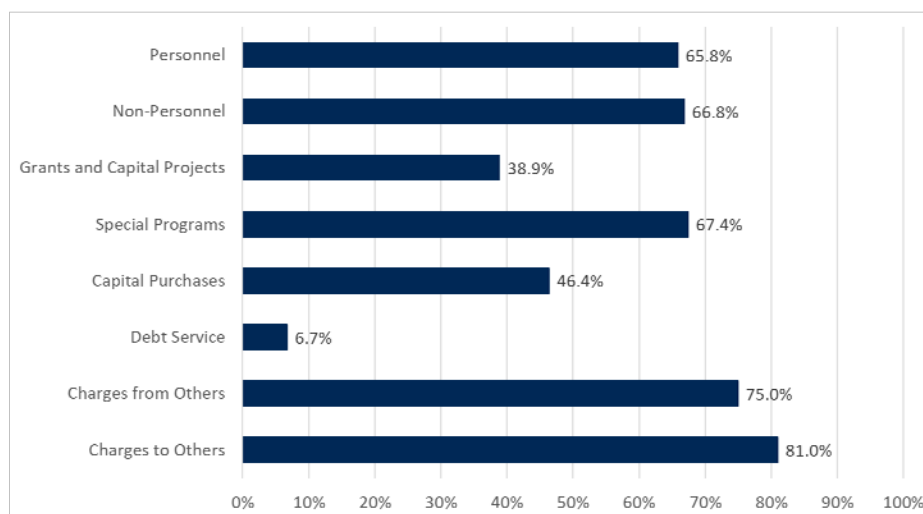
Summary of Third Quarter Revenue Adjustments				
Revenue Category	Amended Budget <sup>1</sup>	Recommended Adjustments	Revised Budget	% Revised
Residential – City Service	\$ 11,787,873	\$ 498,000	\$ 12,285,873	4.2%
Residential – Private Service	4,276,036	315,000	4,591,036	7.4%
Programs	5,385,406	699,000	6,084,406	13.0%
Fines and Forfeitures	1,207,200	(1,014,000)	193,200	-84.0%
Use of Money and Property	397,120	-	397,120	0.0%
<b>Total</b>	<b>\$ 23,053,635</b>	<b>\$ 498,000</b>	<b>\$ 23,551,635</b>	<b>2.2%</b>



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## REFUSE FUND EXPENDITURES % OF BUDGET EXPENDED



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## OTHER FUNDS

### Public Parking Fund:

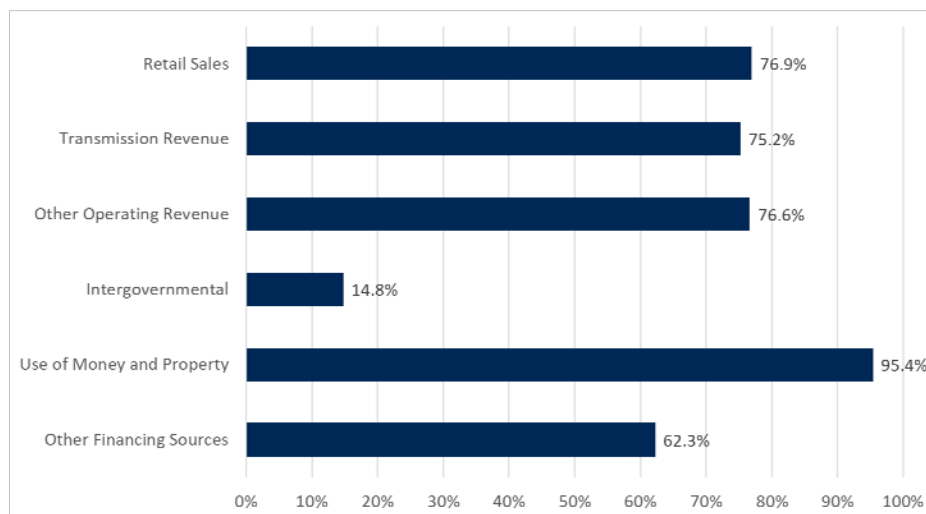
1. Reduced street sweeping fines, new revenue reduction of \$762,000
2. Projected expenditure savings of \$653,000



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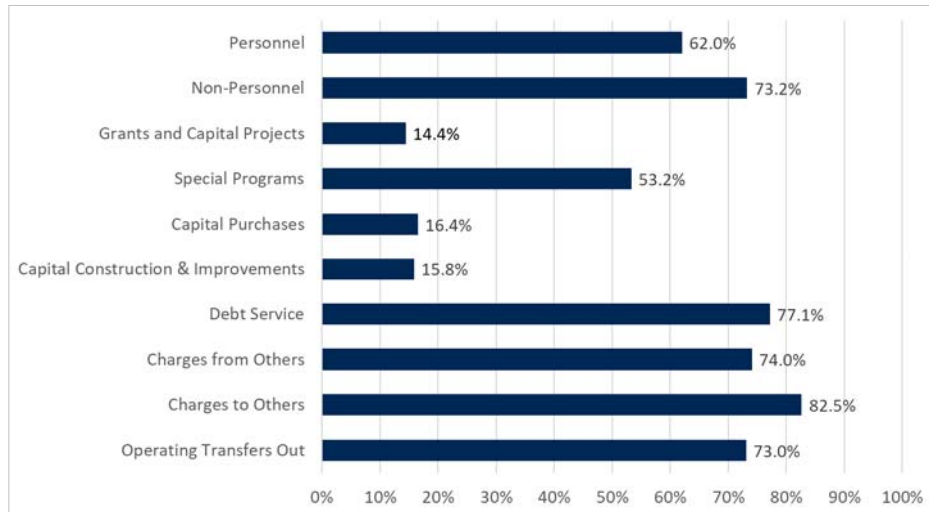
## ELECTRIC FUND REVENUE % OF BUDGET RECEIVED



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## ELECTRIC FUND EXPENDITURES % OF BUDGET EXPENDED

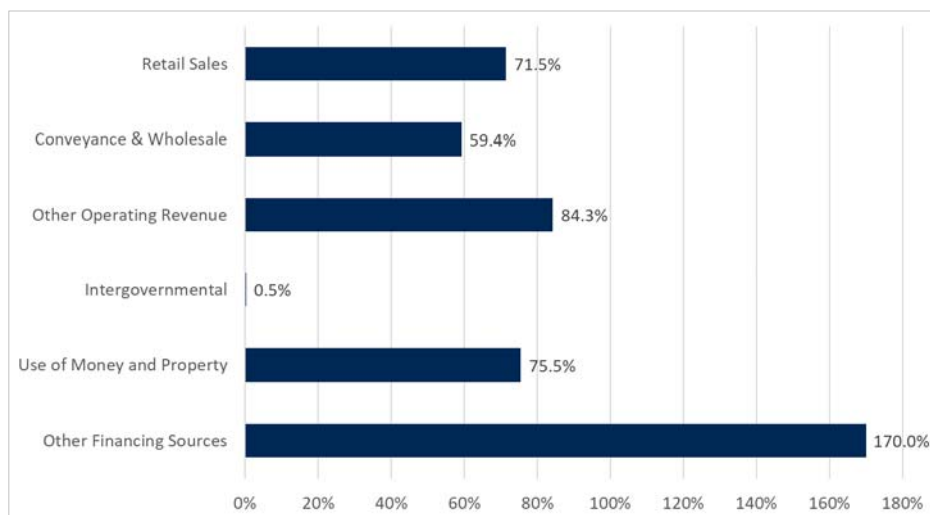


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## WATER FUND REVENUE % OF BUDGET RECEIVED



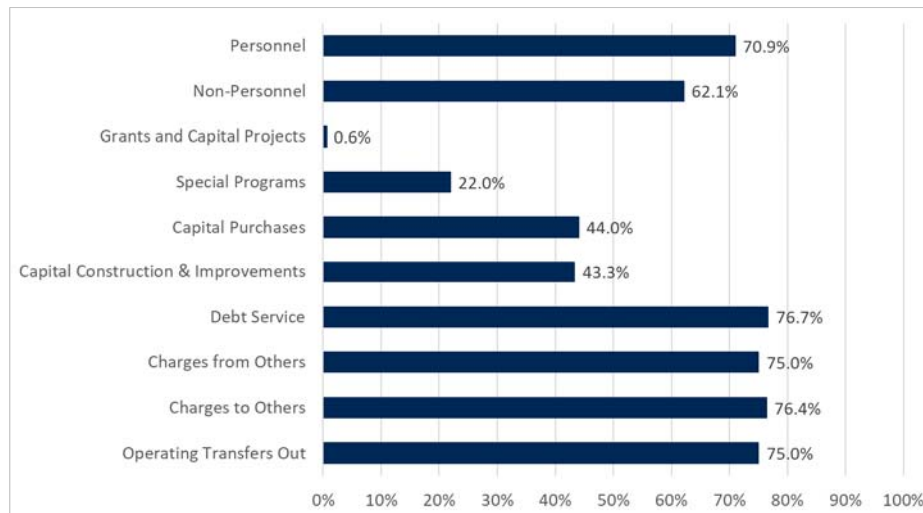
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## WATER FUND EXPENDITURES % OF BUDGET EXPENDED



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## TRANSFERS AND SUPPLEMENTALS

Fund	Revenue	Expense	Net Increase/ (Decrease)
101 - General Fund	\$ (1,917,018)	\$ (1,903,944)	\$ (13,074)
110 - Measure Z Operating	3,459,823	(17,385)	3,477,208
215 - Grants and Restricted Programs	3,114,447	3,101,373	13,074
390 - Debt Service Fund	-	3,566,715	(3,566,715)
420 - Measure Z Capital	99,220	-	99,220
550 - Sewer Fund	-	2,500,000	(2,500,000)
<b>Total Budget Adjustments</b>	<b>\$ 4,756,472</b>	<b>\$ 7,246,759</b>	<b>\$ (2,490,287)</b>



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## RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2018/19 Third Quarter Financial Report and Measure Z Update; and
2. Approve interfund and interdepartmental transfers of \$4,746,759 as detailed in Attachment 2, and related supplemental appropriations in the same amount required to effectuate the interdepartmental transfers, and a net budget reduction of \$9,713 across city funds; and



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## RECOMMENDATIONS (CON'T)

3. Approve a \$2.5 million supplemental appropriation in Sewer Fund account 4125200-425900 to reimburse Community Service Districts (CSDs) for overpayments made during fiscal years 2016/17 and 2017/18.



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