



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

Finance Department

City Council  
February 11, 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	4.9 M
Surplus Reserves*	4.4 M

\* Budget Engagement Commission recommends allocation to Section 115 Pension Liability Trust



### Quarter 1 Highlights



Revenues 14%



Expenditures 23%



#### Watch Item

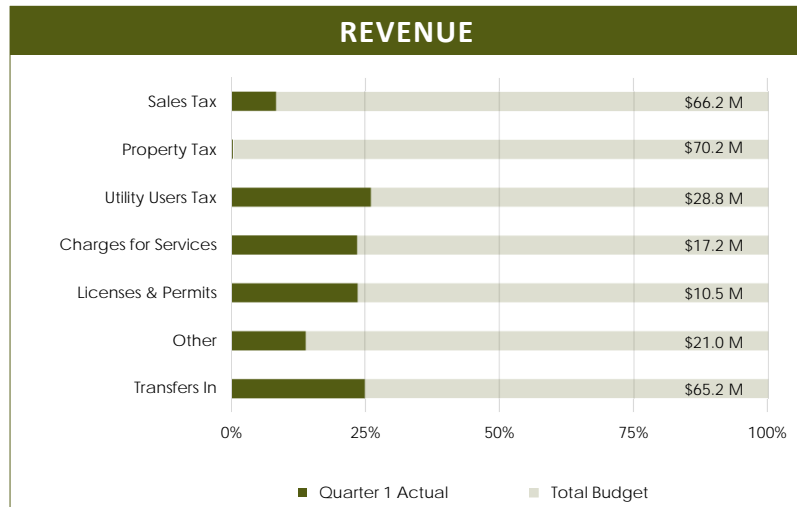
Police Department  
overtime trend:  
Potential \$4.4 M excess  
for the fiscal year

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## GENERAL FUND REVENUE

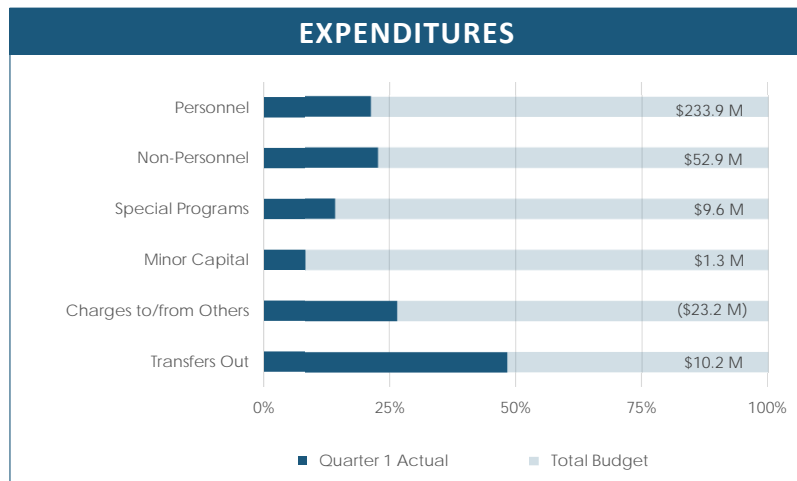


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## GENERAL FUND EXPENDITURES



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	\$62,692,745	\$59,000,000
Spending Allocations	9,973,447	36,134,811	61,702,430	62,360,436
Carryovers			(20,7147,281)	20,714,281
Net Change in Fund Balance	2,632,981	20,087,995	21,704,596	(24,074,717)
Fund Balance Reserve	-	-	5,000,000	-
<b>Fund Balance</b>	<b>\$2,632,981</b>	<b>\$22,720,976</b>	<b>\$39,425,572</b>	<b>\$15,350,855</b>

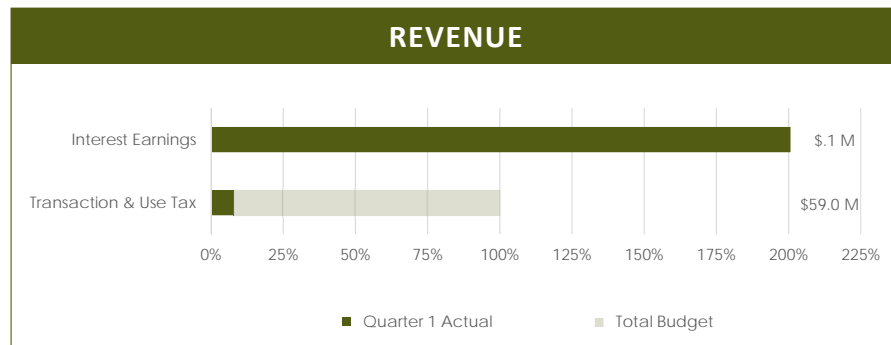


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## MEASURE Z REVENUE

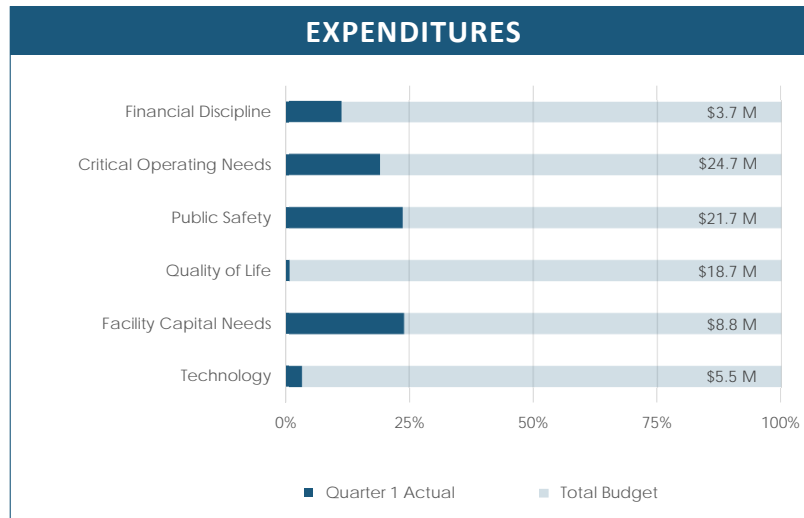


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## MEASURE Z EXPENDITURES



*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	\$68,582,109

*\* Includes prior fiscal year carryovers.*

### Quarter 1 Highlights



Revenues 26%



Expenditures 37%

Expenditures occur unevenly throughout the year.

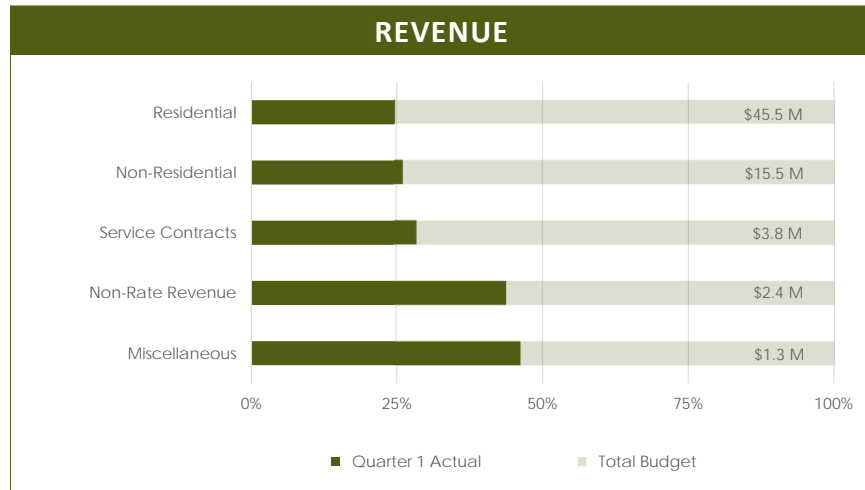


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## SEWER FUND REVENUE

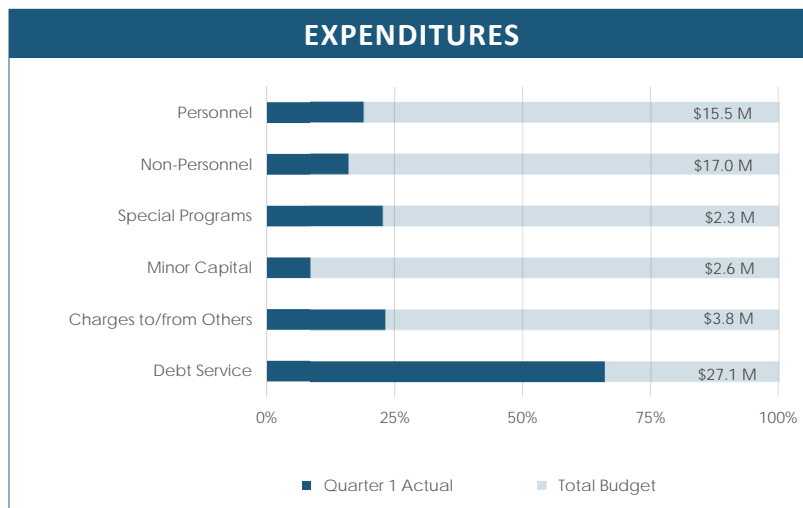


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## SEWER FUND EXPENDITURES



*Includes prior fiscal year carryovers; excludes capital projects.*

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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*	24,638,821
Budgeted Expenditures*	28,772,255
Estimated Ending Reserves	\$4,192,672



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

### Quarter 1 Highlights



Revenues 23%



Expenditures 19%



Revenue  
Reduced

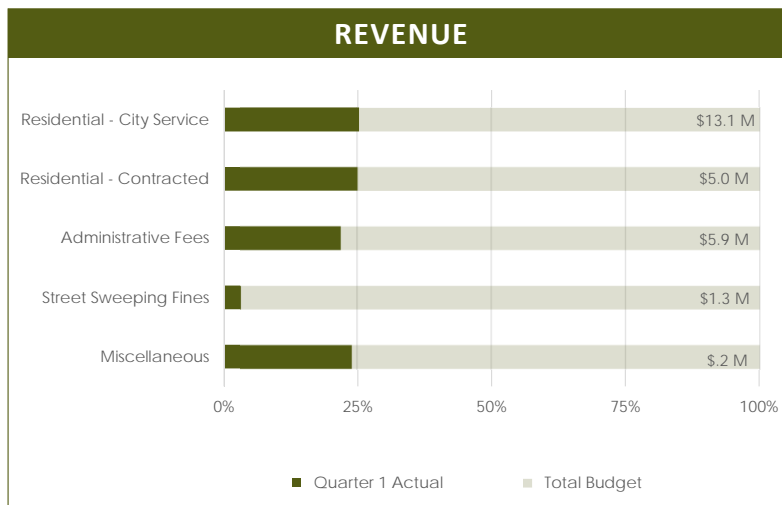
Expenditures occur unevenly throughout the year.

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## REFUSE FUND REVENUE



### Revenue Reductions

- Parking Fine revenue reduced \$668,000 due to the suspension of street sweeping fines during a sign replacement program.
- Curbside Material Revenue (Recyclables) reduced from \$135,000 to \$0 due to changes in the recycling market.

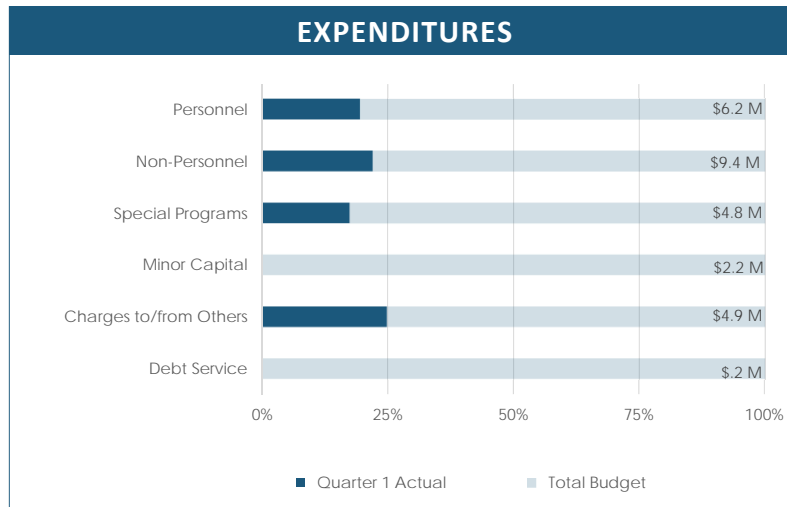


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## REFUSE FUND EXPENDITURES



\* Includes prior fiscal year carryovers; excludes capital project budget.

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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 1 Highlights



Revenues 28%



Expenditures 23%

Expenditures occur unevenly throughout the year.



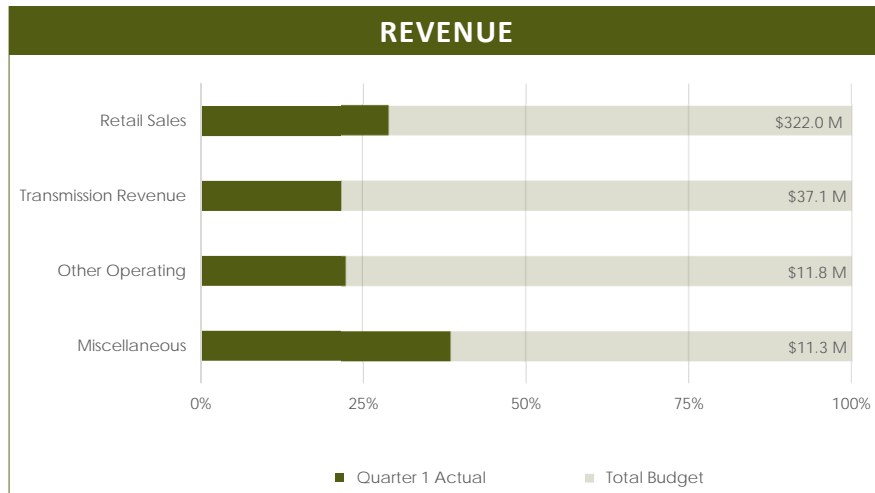
\*Strategic drawdown of cash reserves.

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## ELECTRIC FUND REVENUE

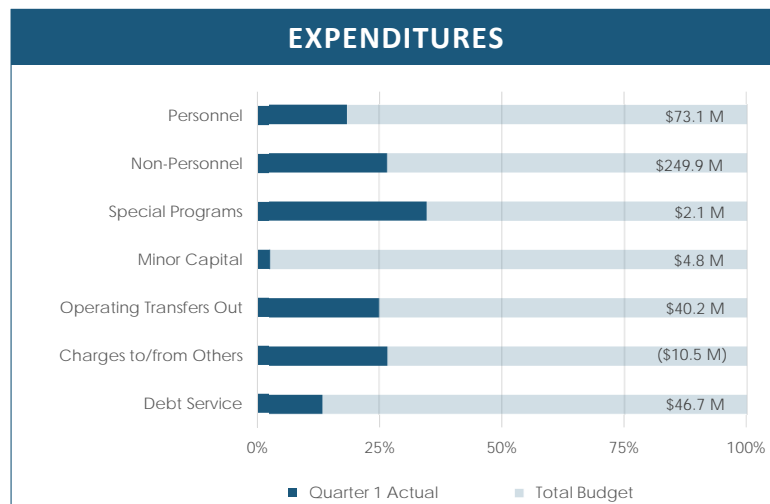


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## ELECTRIC FUND EXPENDITURES



*Includes prior fiscal year carryovers; excludes capital projects.*



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## WATER FUND OVERVIEW

### FY 2019/20 Adopted Operating Budget

Revenue & Transfers In	\$80,710,703
Expenditures & Transfers Out	74,840,912
Surplus/(Deficit)	\$5,869,791

### Unrestricted, Undesignated Cash Reserves

Cash Reserves	\$31 M
Available Line of Credit	\$25 M
Minimum Reserve Level	\$39 M
Maximum Reserve Level	\$59 M

### Quarter 1 Highlights



Revenues 29%



Expenditures 20%

Expenditures occur unevenly throughout the year.

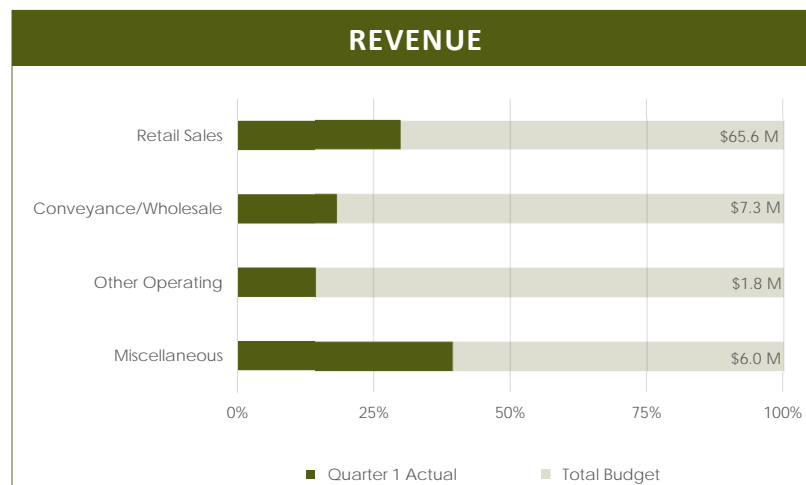


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## WATER FUND REVENUE

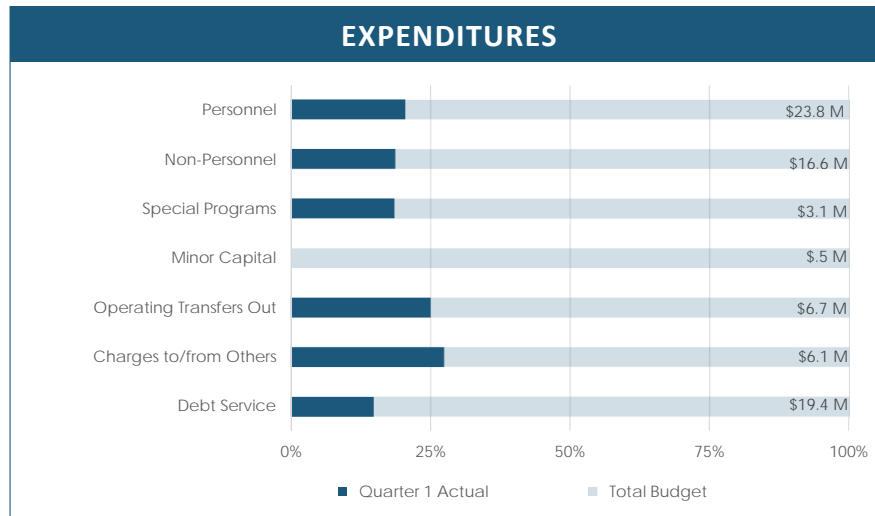


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## WATER FUND EXPENDITURES



\* Includes prior fiscal year carryovers; excludes capital project budget.



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## TRANSFERS AND SUPPLEMENTALS

1. General Fund \$2,200,043 Million Interfund Transfer to the Debt Service Fund: Move fund reserves related to Fire debt to Debt Service Fund.
2. General Fund \$7,500 Interfund Transfer and Supplemental Appropriation: Use of funds on hand in the Debt Administration Fees deposit account for Debt Division staff training.
3. General Fund \$161,193 Interdepartmental Transfer: Transfer Senior Performance Analyst from City Manager's Office to Innovation & Technology.
4. General Fund \$4.4 Million Supplemental Appropriation to Section 115 Pension Liability Trust.



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## RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2019/20 First Quarter Financial Report and Measure Z update;
2. Approve General Fund interfund and interdepartmental transfers in the amount of \$2,368,736;
3. Approve a supplemental appropriation in the amount of \$7,500 from the Special Deposits Fund to the General Fund; and
4. Approve the allocation of General Fund surplus reserves in the amount of \$4.4 million to the Section 115 Pension Liability Trust.

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