



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

Finance Department

City Council
April 21, 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 2 Highlights

- ✓ Revenues 37%
- ✓ Expenditures 47%

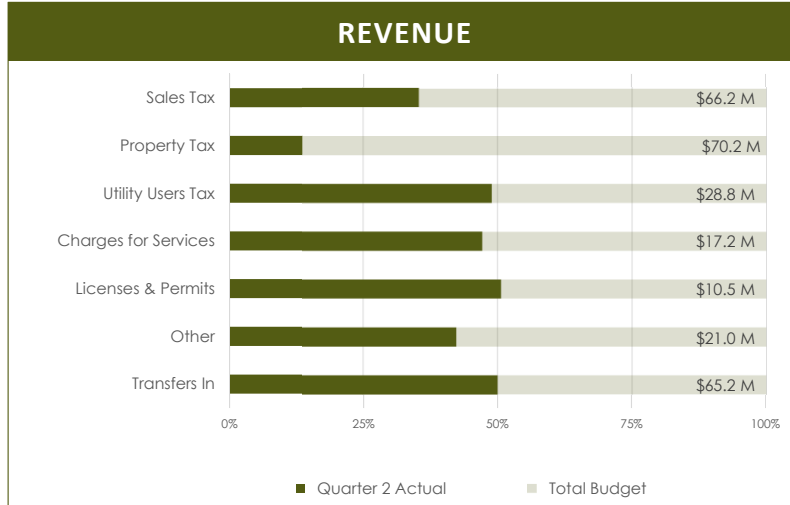


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GENERAL FUND REVENUE

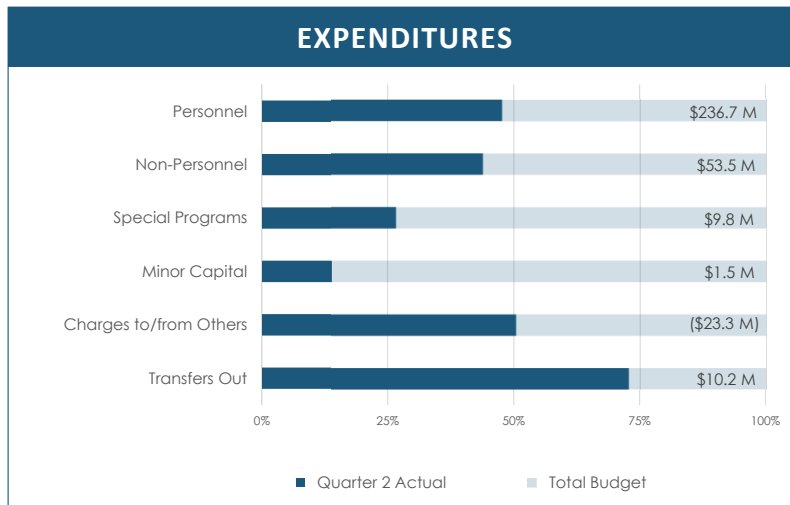


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GENERAL FUND EXPENDITURES



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	\$62,300,000
Spending Allocations	9,973,447	36,134,811	61,605,561	64,820,389
Carryovers			(20,617,412)	20,617,412
Net Change in Fund Balance	2,632,981	20,087,995	21,704,596	(25,104,904)
Fund Balance Reserve	-	-	5,000,000	-
Fund Balance	\$2,632,981	\$22,720,976	\$39,425,572	\$16,287,771



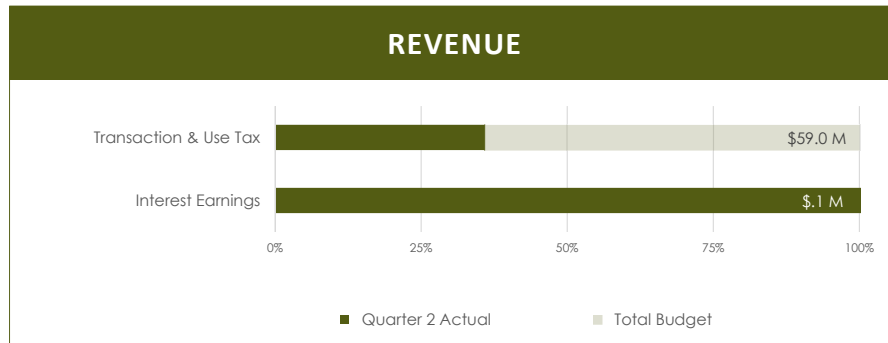
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MEASURE Z REVENUE

REVENUE

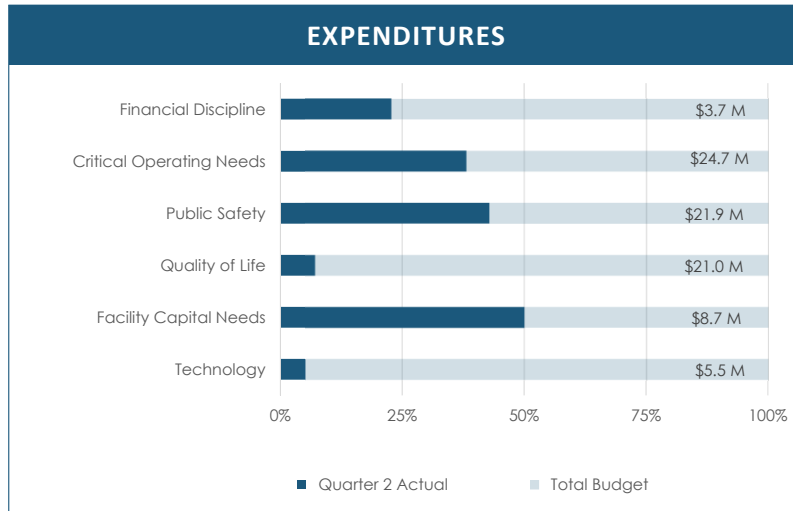


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MEASURE Z EXPENDITURES



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

** Includes prior fiscal year carryovers.*

Quarter 2 Highlights

- Revenues 52%
- Expenditures 49%

Expenditures occur unevenly throughout the year.

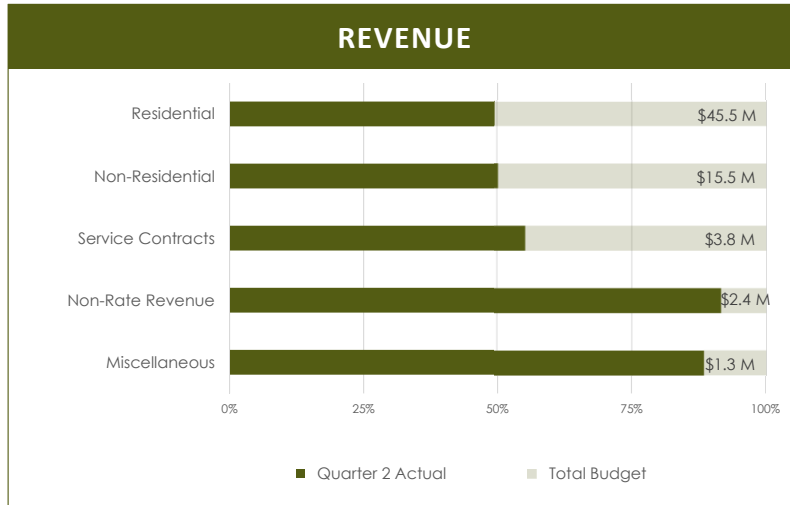
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SEWER FUND REVENUE

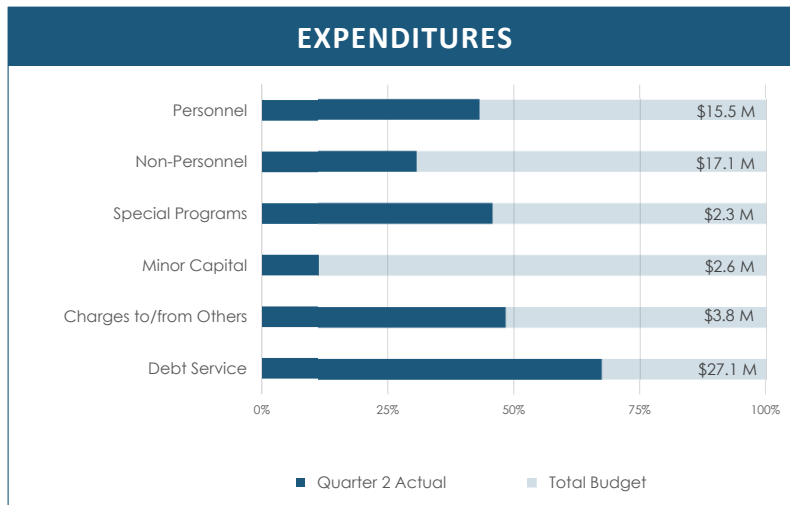


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SEWER FUND EXPENDITURES



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*	25,441,965
Budgeted Expenditures*	28,725,073
Estimated Ending Reserves	\$5,042,998

Quarter 2 Highlights



Revenues 50%



Expenditures 40%

Expenditures occur unevenly throughout the year.



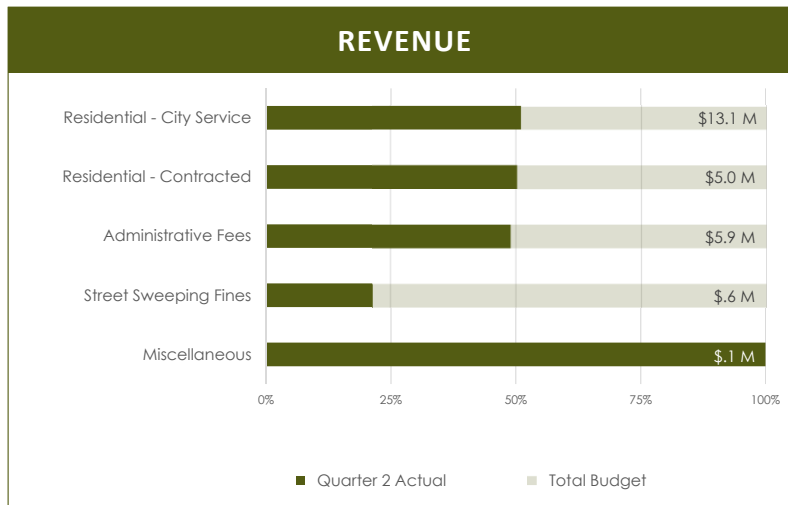
* Includes revenue adjustments and prior fiscal year expenditure carryovers.

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REFUSE FUND REVENUE

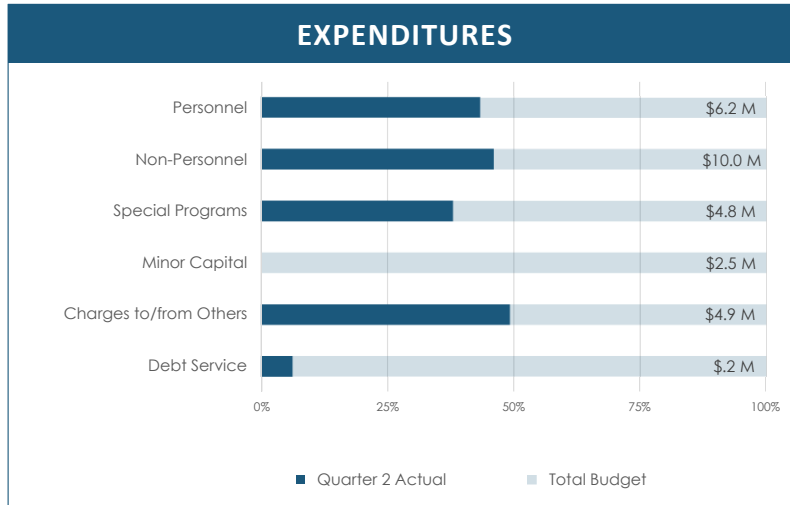


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REFUSE FUND EXPENDITURES



* 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 2 Highlights

- ✓ Revenues 53%
- ✓ Expenditures 48%

Expenditures occur unevenly throughout the year.

*Strategic drawdown of cash reserves.

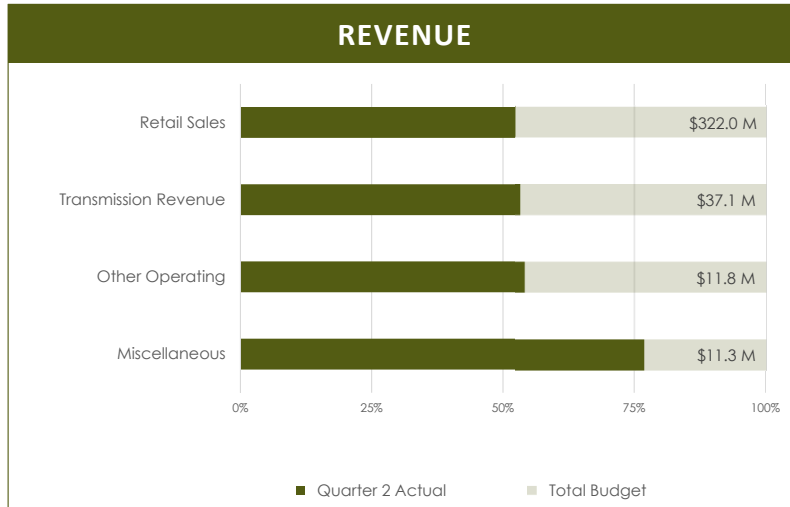
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ELECTRIC FUND REVENUE

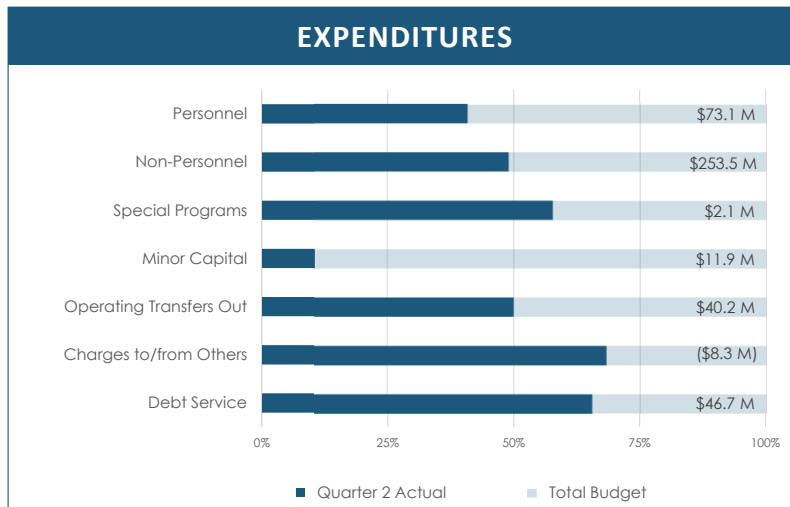


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ELECTRIC FUND EXPENDITURES



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 2 Highlights

- ✓ Revenues 53%
- ✓ Expenditures 47%

Expenditures occur unevenly throughout the year.

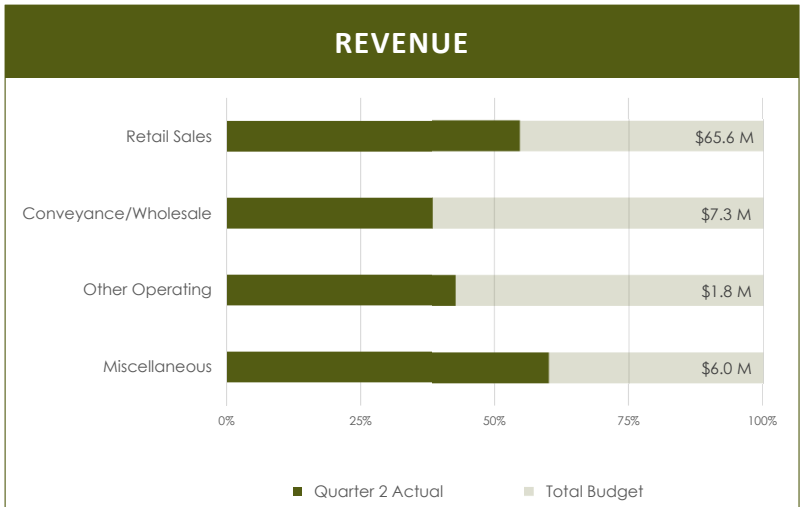


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WATER FUND REVENUE

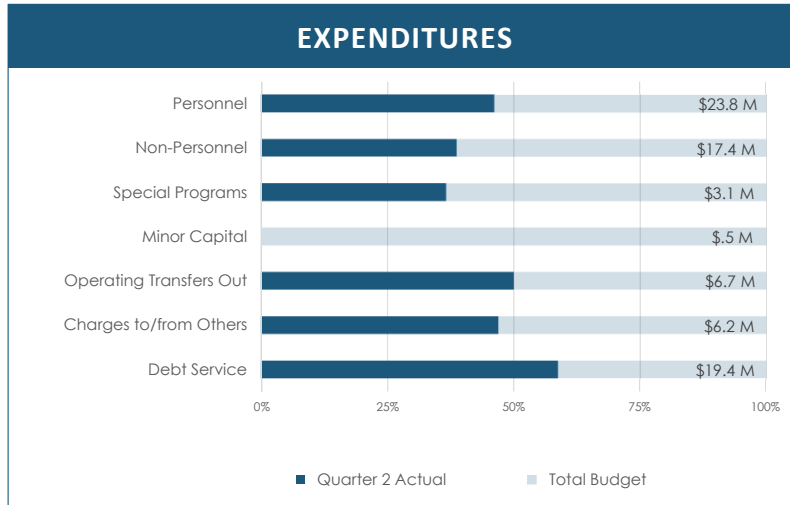


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WATER FUND EXPENDITURES



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

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TRANSFERS AND SUPPLEMENTALS

1. **General Fund \$9,353,990 Transfer to the Pension Stabilization Fund:** Transfer the amount previously approved by Council for investment in the Section 115 Pension Trust to a new, separate Pension Stabilization fund (Fund 115).
2. **Electric Fund \$23,000 Interfund Transfer to the General Fund:** Transfer \$23,000 from Electric Administration to the City Attorney due to an inadvertent charge to the City Attorney's budget for the Mission Square 6th floor ADA restroom in FY 2019/20
3. **General Fund \$200,000 Supplemental Appropriation:** Appropriate excess IP Address sale revenues to the Innovation & Technology Department to fund critical needs: software asset management and infrastructure monitoring.
4. **General Fund \$189,046 Budget Correction:** Residual effect of General Fund restructuring; eliminate a budgeted credit charging restricted funds, which will cause a resulting increase in General Fund appropriations.
5. **Air Quality Improvement Fund \$29,763 Supplemental Appropriation:** Appropriate bus pass revenues for the purchase of bus passes for the City Pass Program.

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RECOMMENDATIONS

That the City Council:

1. Receive and provide input on the attached Fiscal Year 2019/20 Second Quarter Financial Report and Measure Z update;
2. Approve an interfund transfer of \$9,353,990 from the General Fund to the Pension Stabilization Fund, representative of the amount previously approved for investment in the Section 115 Pension Trust;
3. Approve an interfund transfer of \$23,000 from the Electric Fund to the General Fund to reimburse the General Fund for a prior year accounting error;
4. Approve an increase in revenues of \$200,000 and a supplemental appropriation of \$200,000 in the General Fund Innovation & Technology department for critical technology needs;



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RECOMMENDATIONS

5. Eliminate a budgeted transfer of costs in the amount of \$189,046 from General Fund Fire Prevention to the Grants and Restricted Programs Fund, Certified Unified Program Agency account, effectively increasing General Fund appropriations; and
6. Approve a supplemental appropriation of buss pass revenues in the amount of \$29,763 to the Air Quality Improvement Fund, City Pass Program account.



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