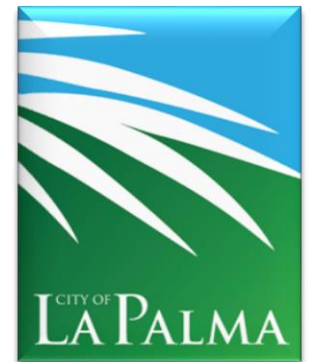

Fiscal Year 2018-19 Draft Budget, Long Term Fiscal Status & CIP

CITY COUNCIL

APRIL 17, 2018



Draft Fiscal Year 2018-19 Budget





FY 2018-19 General Fund Budget

Draft General Fund Budget

Projected Revenues

\$ 11,751,600

Proposed Expenditures

(10,649,200)

Transfers Out

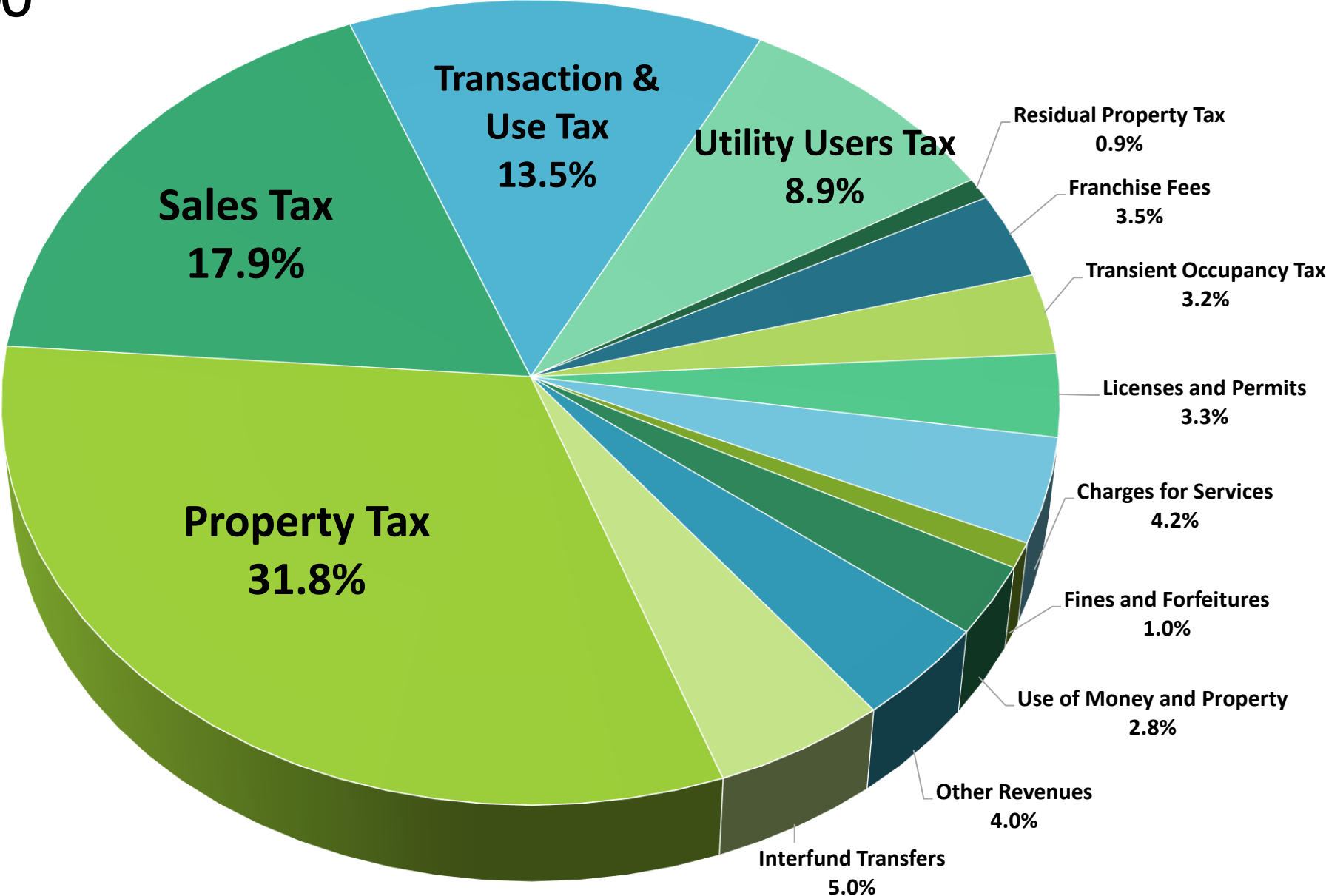
(644,600)

FY 2017-18 Surplus/(Deficit)

\$457,800

FY 2018-19 General Fund Revenues

\$11,751,600

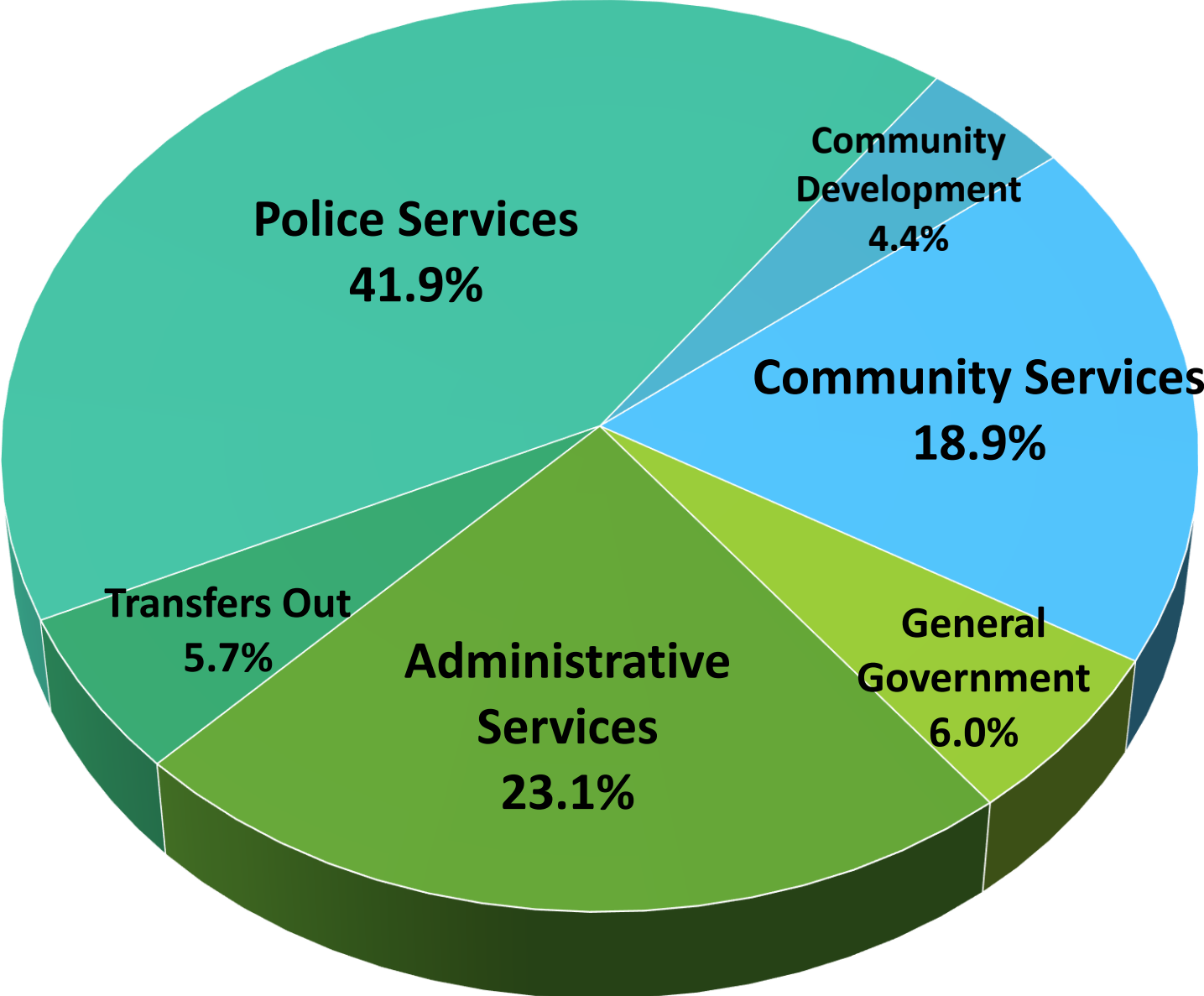




FY 2018-19 General Fund Revenues

Revenues by Type:	FY 2017-18 Projected	FY 2018-19 Proposed	% Change
Property Tax	\$ 3,631,500	\$ 3,733,600	2.8
Sales Tax	2,400,000	2,100,000	-12.5
Transaction & Use Tax	1,450,000	1,590,000	9.7
Utility Users Tax	1,050,000	1,050,000	-

FY 2018-19 General Fund Expenditures - \$11,293,800





FY 2018-19 General Fund Expenditures

- **\$347,300 increase in Department Budgets from FY 2017-18**
 - **\$165,350 Labor Agreements**
 - **\$86,700 Increase allocation to Risk Management Fund**
 - **\$30,000 Biennial Community Survey**
 - **\$11,700 Patriots Day Event**
 - **\$15,000 November Election**
 - **\$38,550 Various including increased contract costs per agreements**



FY 2018-19 General Fund Expenditures

- **Transfer Out - \$644,600**
 - **Capital Outlay Reserve (COR) - \$350,000**
 - **Civic Center Replacement Fund - \$50,000**
 - **Emergency Reserve Fund - \$244,600**
 - **\$5,324,600 = 50% of Draft Budget Expenditures**

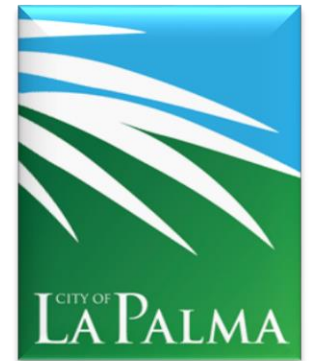


Proposed Personnel Updates

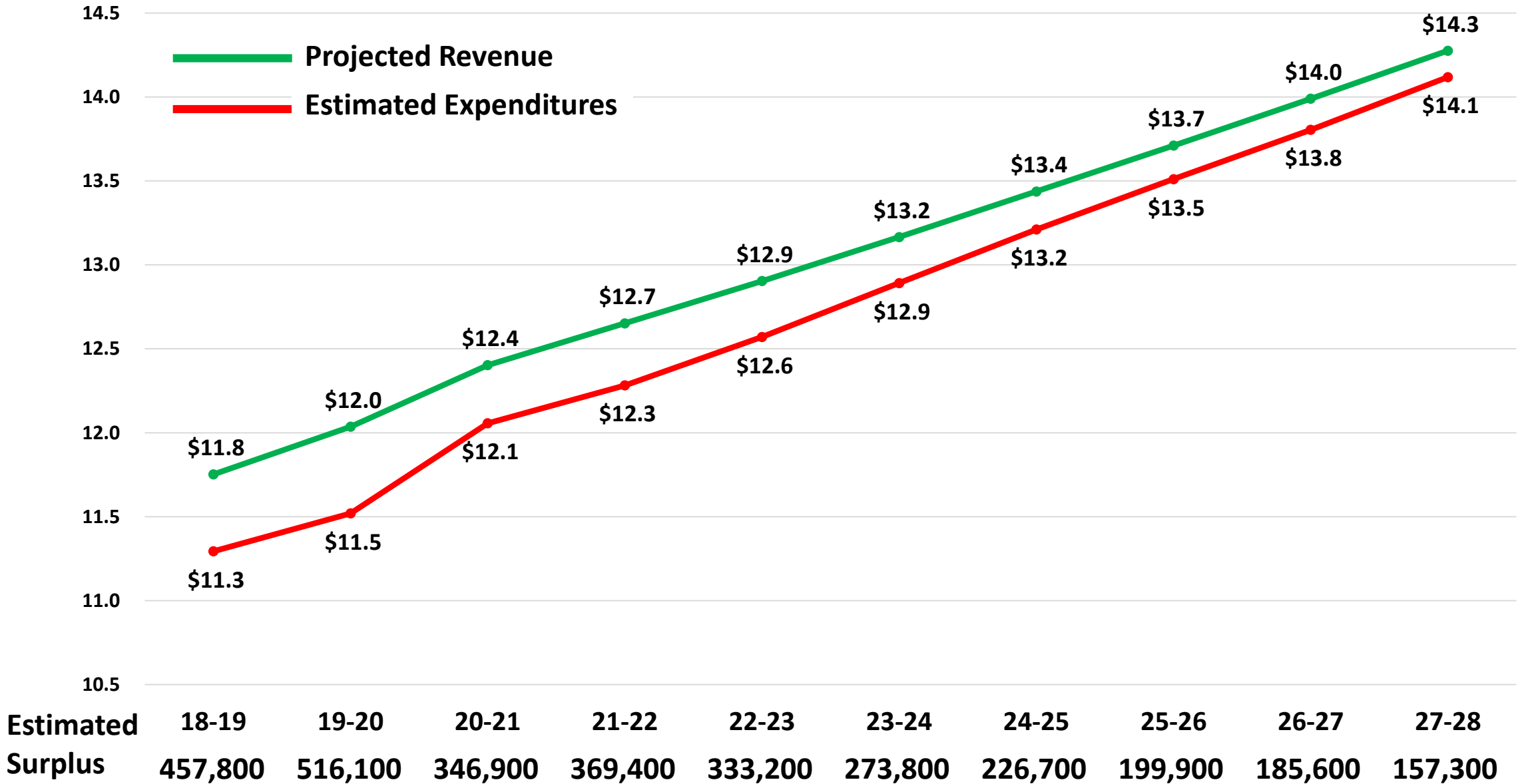
Community Development Department

- **Do not fill Community Development Director**
 - General Fund Savings: \$86,300
 - Successor Agency Savings: \$93,500
- **Add Fulltime Business License/Permit Technician & Convert Business License/Code Enforcement Officer to Fulltime Code Enforcement**
 - Cost to General Fund: \$80,100
- **Retain Consultant Services for special projects**
 - Cost to General Fund: \$25,000
 - Allocate additional personnel costs to Successor Agency to make cost neutral

Long Term Financial Forecast



10 Year General Fund Financial Forecast





Long Term Forecast Assumptions

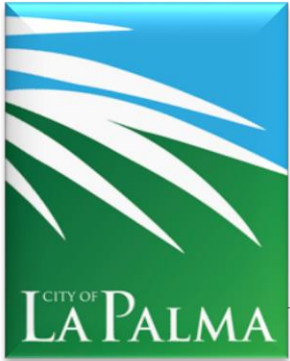
Revenues

Property Tax

- Increase 3.5% through FY 2020-21
- 3.0% in FY 201-22
- 2.5% from FY 2022-23 and Beyond

Sales Tax

- Decrease 12.5% in FY 18-19
- Increase 4.8% in FY 19-20
- From 2020-21 and beyond increase by 2.0%



Long Term Forecast Assumptions Revenues

Transaction & Use Tax (Measure JJ)

- Increase 9.7% in FY 18-19
- 2.5% in FY 19-20 and FY 20-21
- 2.0% from FY 21-22 and beyond

Utility User Tax

- Flat in FY 18-19
- Increase 2.0% from FY 19-20 and beyond



Long Term Forecast Assumptions Expenditures

Non-Personnel Expenditures

- As known for the next three years
- 2% increase beyond FY 20-21 unless longer term contracts are in place.

Personnel Expenditures

- In Years 1-3, personnel costs include tentative labor agreements
- Increase 2% for years 4 and beyond.

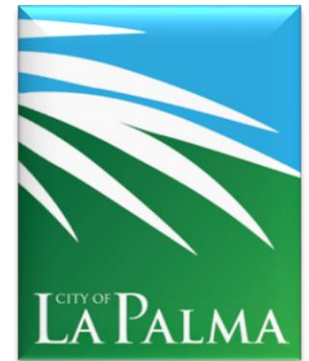


Long Term Forecast Assumptions Expenditures

Pension Costs

- **Unfunded liability payments**
 - **Include proposed labor agreement base salary increases and the reduction in the CalPERS discount rate to 7.0%**
- **The normal cost payments (employer rate x CalPERS reportable wages) is per the expected employer rate through FY 2020-21 and then increases by 2.5% thereafter.**

Capital Improvement Program





Capital Improvement Program

\$5.7 million proposed for FY 2018-19

- **Water**

- **OC 54 Connection Rehabilitation**
- **Large Meter Replacement**

- **Facilities**

- **Dog Park**
- **Exercise Par Course**



Capital Improvement Program

■ Streets

- Traffic Signal Battery Backups
- Traffic Signal Cabinet Replacements
- Street Banner Replacements
- Street Medians

CIP Summary by Project Type

Project	FY 2018-19
Water System Improvements	\$ 1,529,500
Sewer System Improvements	335,700
Arterial Street Rehabilitation	1,605,000
Residential Street Rehabilitation	375,000
Intersection Improvements	390,000

CIP Summary by Project Type

Project	FY 2018-19
City Yard	201,800
Community Center & Parks	350,000
City Hall	775,000
Police Facilities	180,000
TOTAL CIP	\$ 5,742,000



FY 2018-19 BUDGET SCHEDULE

- **May 1—Proposed FY 2018-19 Budget Workshop**
- **May 15—Proposed FY 2018-19 Budget Discussion**
- **June 5—FY 2018-19 Budget Discussion & Adoption**

