

PROPOSED OPERATIONS & CAPITAL BUDGET



FISCAL YEAR 2020-2021
JULY 2020

Agenda

Draft Budget Overview

Section 1 Introduction

- City Manager Comments

Section 2 People

- Full Time Equivalents by Department
- Compensation & Benefits

Section 3 Funds

- General Fund
- Enterprise Funds
- Committed, Restricted, and Special Revenue Funds
- Debt Service

Section 4 Other

- Transfer Schedule
- GAAN Limit

Section 5 Capital Improvements

- Capital Improvements
- Capital Projects

Section 5 Summary

- What to remember



Introduction

Section 1

Market Conditions

Expect Volatility

Essential vs Non-Essential

Ag
Grocery
Tech
Daily needs

Travel
Tourism
Events
Restaurants
Gyms

Cautiously Optimistic

Property Taxes are stable, so far...

CARES Act Funding

- \$164K

Another round of stimulus coming? Maybe...

Utility Users Tax stable

Measure O

Dispensary Revenue looking positive

Still able to do road and street projects

Areas of Concerns

General Fund

- Staffing levels

Wellness Center

- Drain on the General Fund, \$300K

Water / Sewer

- Meeting our capital project needs
- Insolvent
- \$8.3M needed for capital

Uncertain future with CalPERS

- Meeting their investment targets



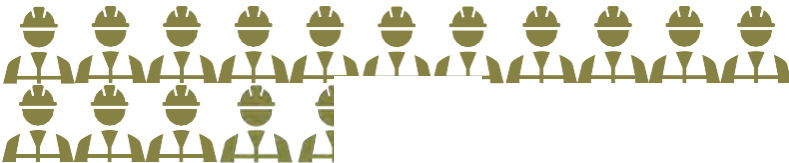





Staffing

Section 2

FTE by Department

- Includes New Employees
- 40 work hours in a week equals 1 FTE.
- A 20-hour-per-week part-time position equals 0.5 FTE (20/40 = 0.5).

City Manager's Office	2.1	
Finance	4.5	
City Services	15.5	
Public Safety	19.0	
Recreation	3.7	
Total	44.8	

Comp & Benefits

Salaries

- No city-wide increases

Health

- No changes to medical, dental or vision plans.
- Annual budgeted cost increase is 10%.

Retirement

- No changes to benefits

Compensation

- Minimum wage increases to \$14/hr in 2021.

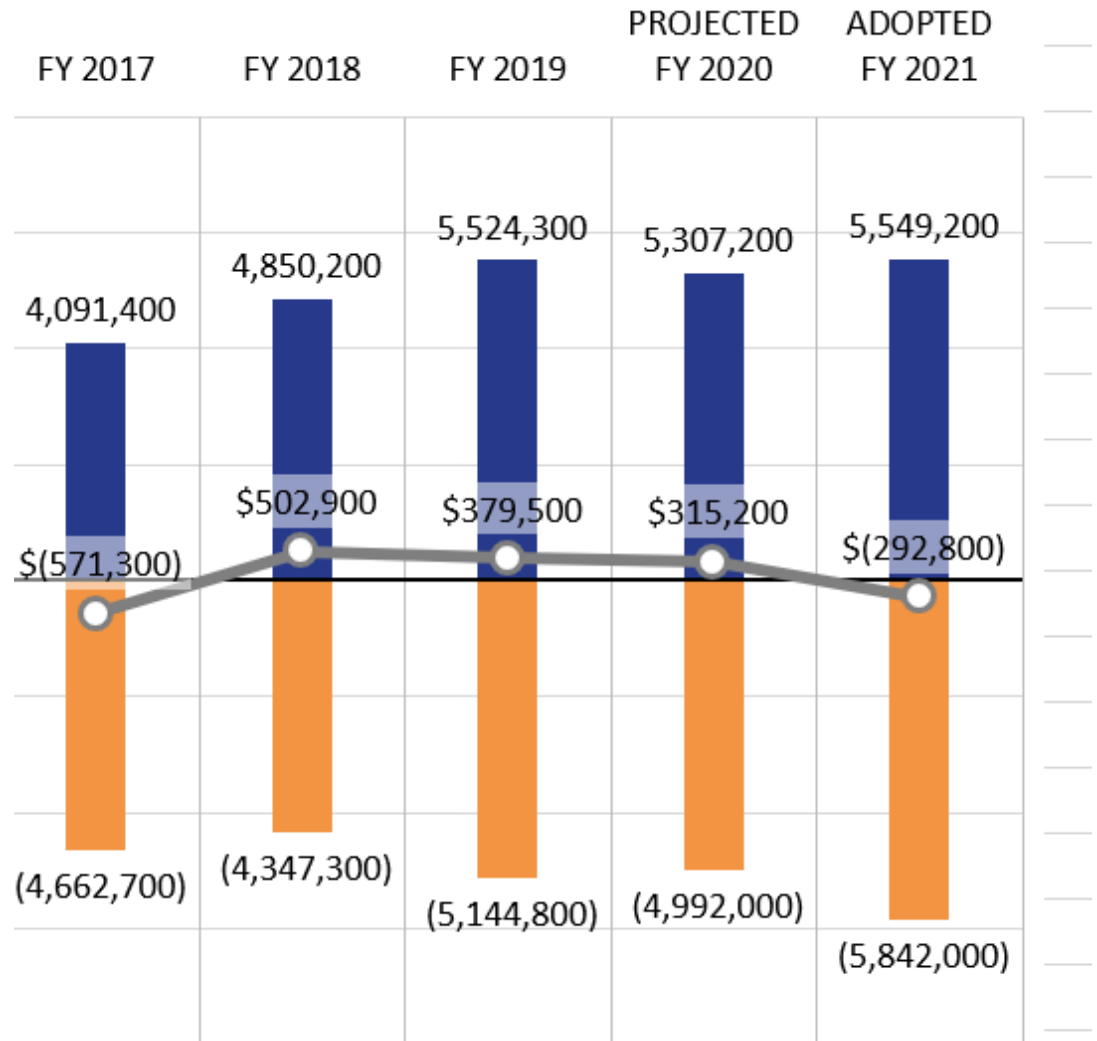


Funds

Section 3

General Fund

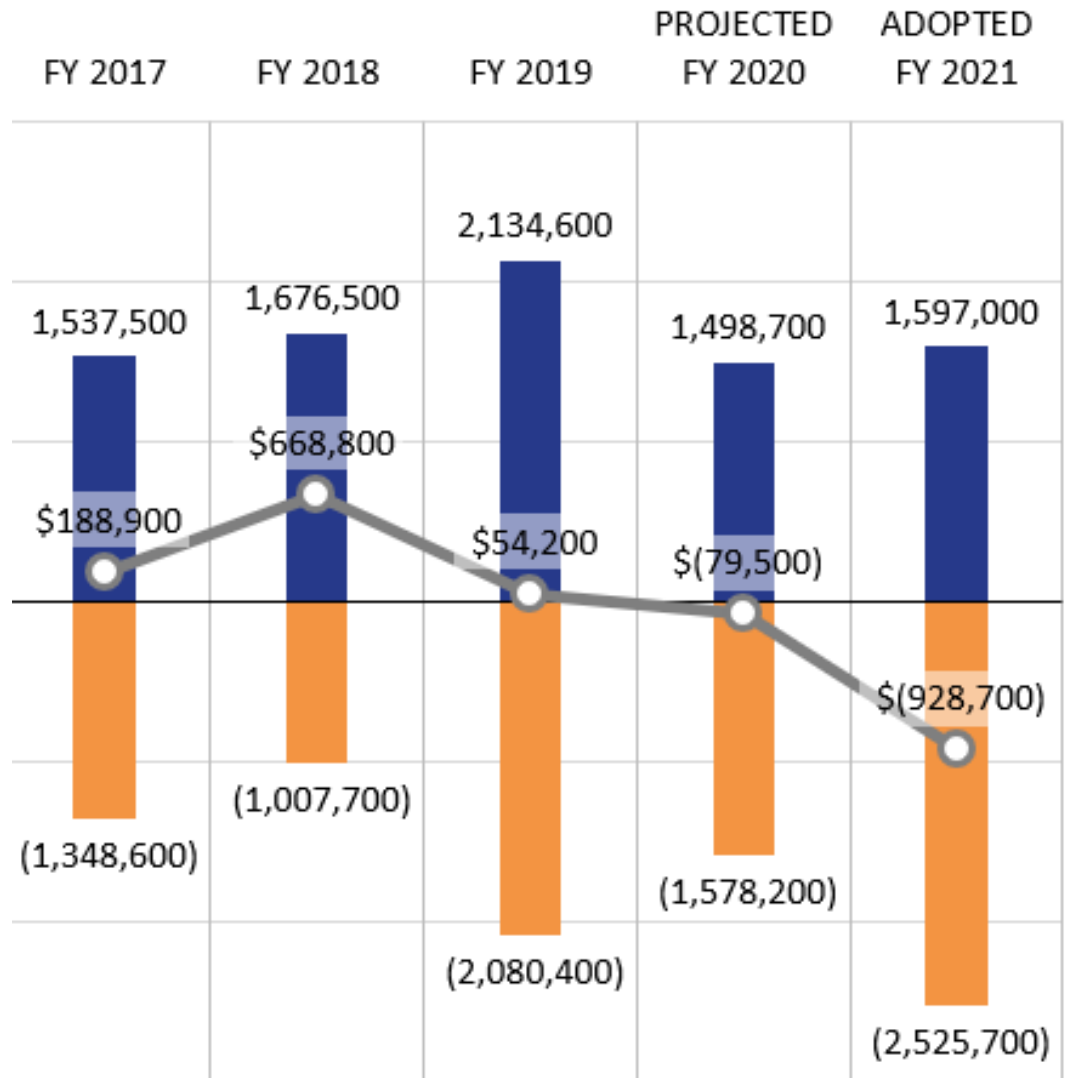
- General Fund continues to struggle.
- Sales taxes negatively impacted by COVID-19



○ Updated revenue projections, increased transfer to WC, and PS equipment need.

Water

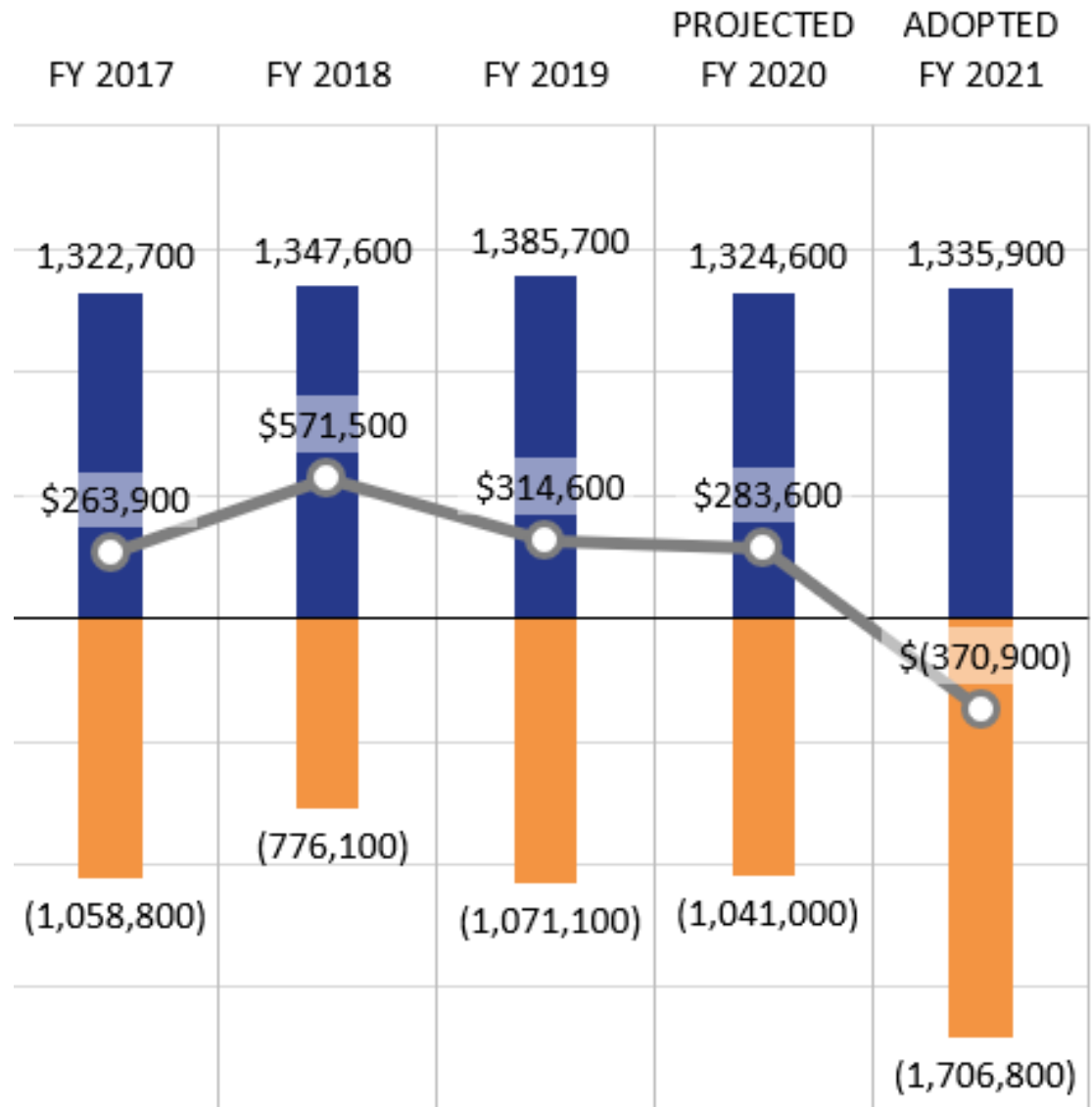
- The Water Fund does not generate enough revenue to cover its capital improvement needs.
- General Fund condition prevents City from borrowing for CIP.



○ Updated salary allocation schedule.

Sewer

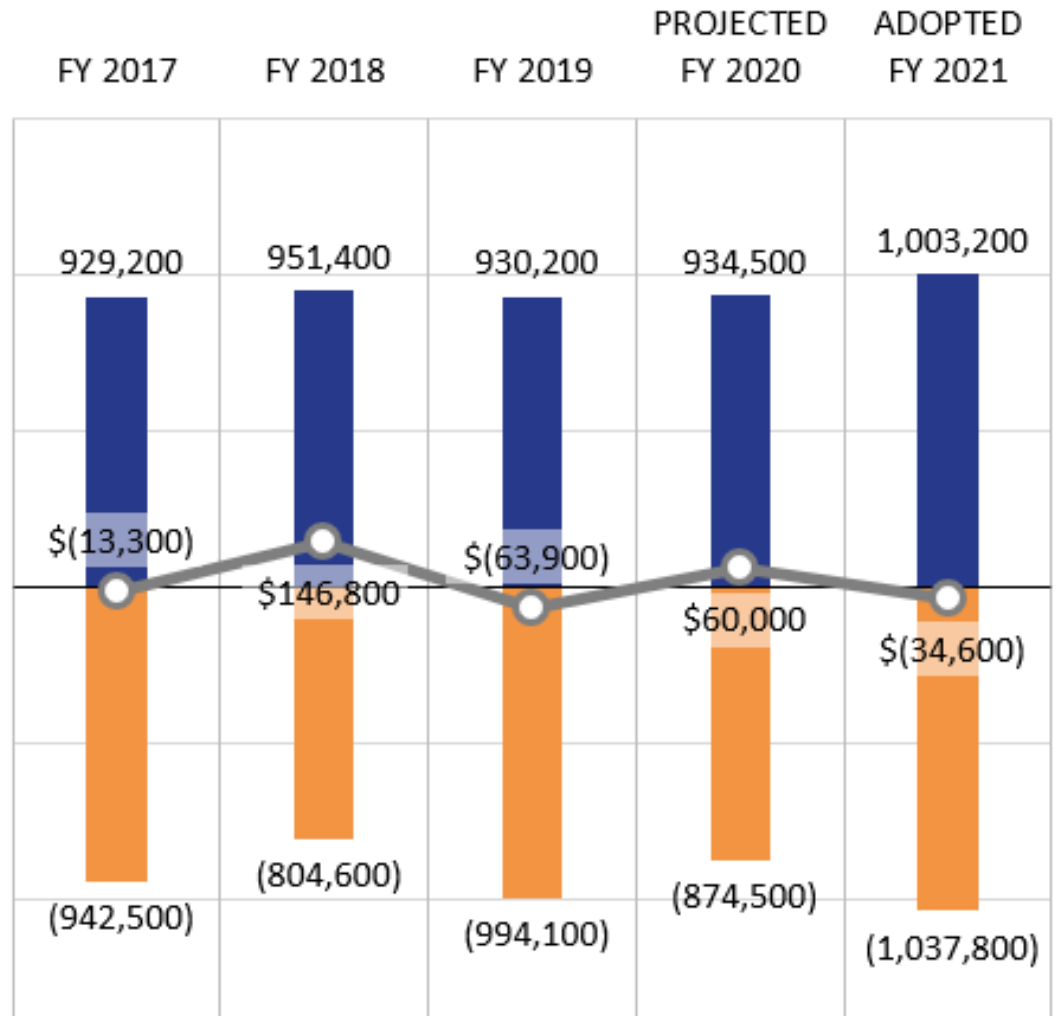
- General Fund condition prevents City from borrowing for CIP.



○ Updated salary allocation schedule.

Refuse

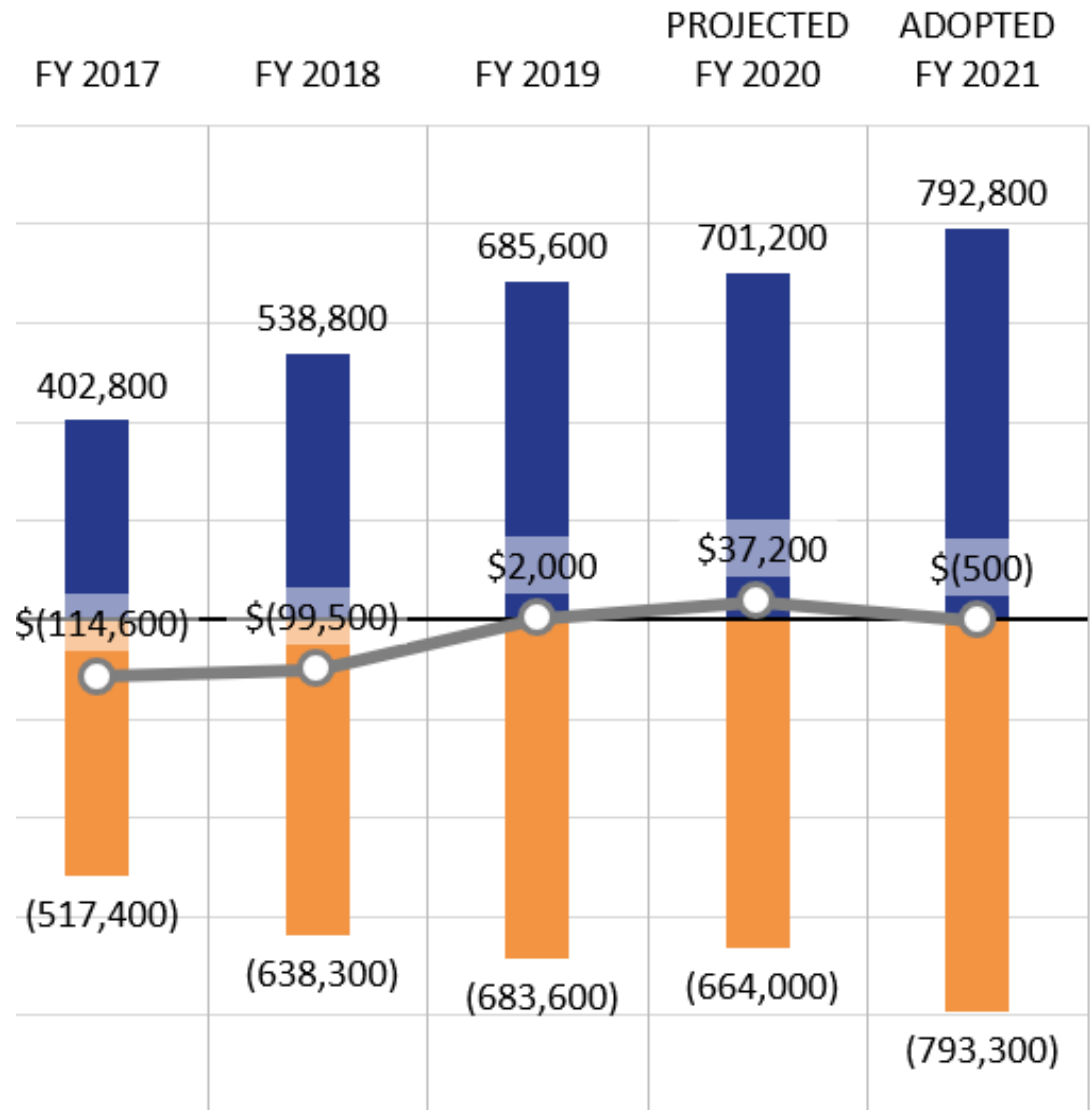
- Positive ending balance for FY 20 due to no CIP projects being completed in the fiscal year.
- Overall, service fees do not meet the cost for the service.



○ Updated salary allocation schedule.

Wellness & Aquatic Center

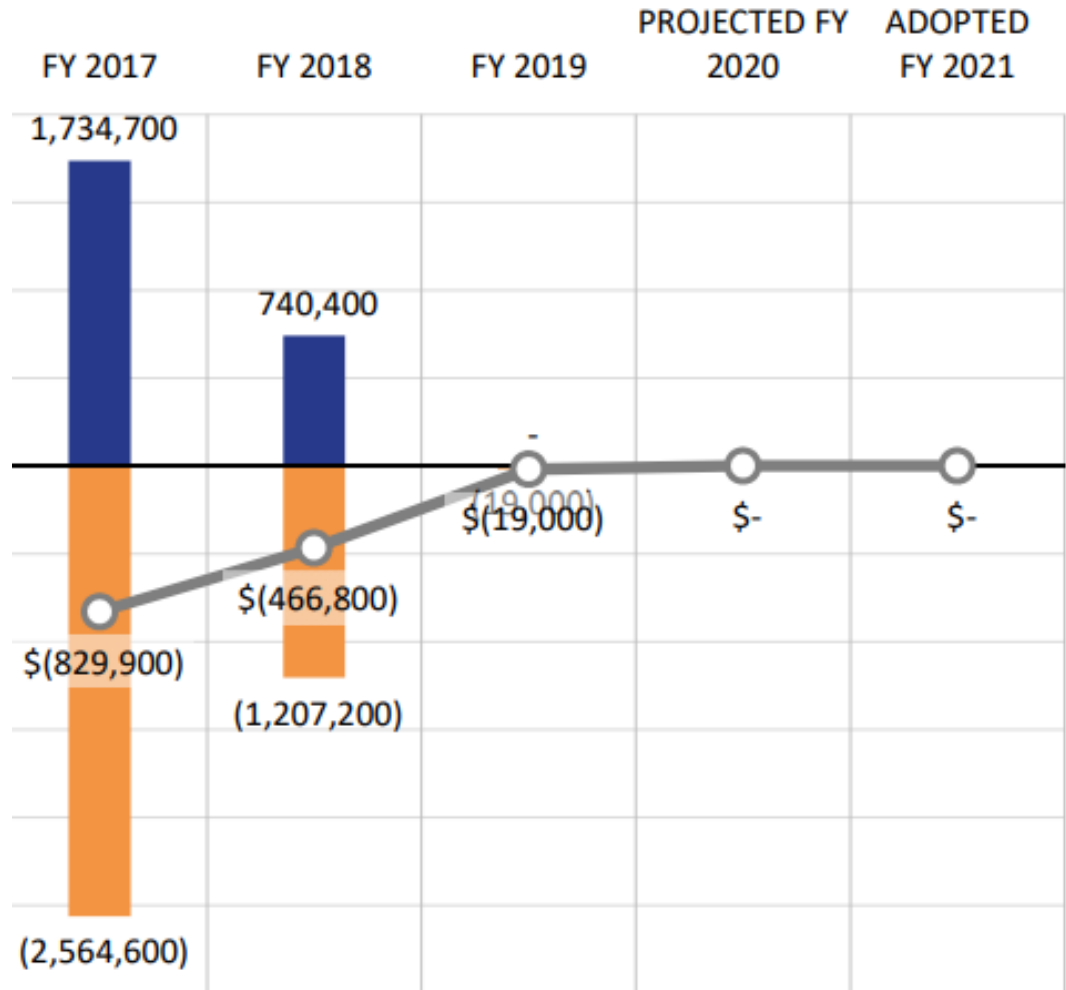
- General Fund must transfer \$100,000 more than budgeted in 2019 - 2020
- Risk of Lindsay Hospital District Board significantly reducing funding support.



○ Updated transfer from General Fund.

McDermont Field House

- McDermont Field House is now McDermont X.
- Privately operated
- The City is the landlord.
- The General Fund pays the debt service.



Committed & Restricted Funds

Net Performance

COMMITTED FUNDS

200-STREET IMPROVEMENT FUND	1,377,700	1,065,000	10,000	9,700	11,200
471-PARK IMPROVEMENTS	8,500	41,100	11,300	3,900	3,300

RESTRICTED FUNDS

260-SB1 ROAD MAINTENANCE & REHAB	-	-	57,700	(4,100)	-
261-GAS TAX FUND	(53,400)	58,700	39,500	11,000	(49,700)
263-MEASURE R	62,600	(1,106,600)	71,300	79,800	(16,500)
264-GAS TAX-TRANSIT FUND	100	100	300	(400)	(200)
265-STP HWY FUNDS	129,500	131,000	-	1,500	-
266-LTF-ART 8 STREETS & ROADS	437,700	1,187,600	499,100	1,700	-

Special Revenue Funds

- VITA-PAKT
- Landscape & Lighting assessment districts

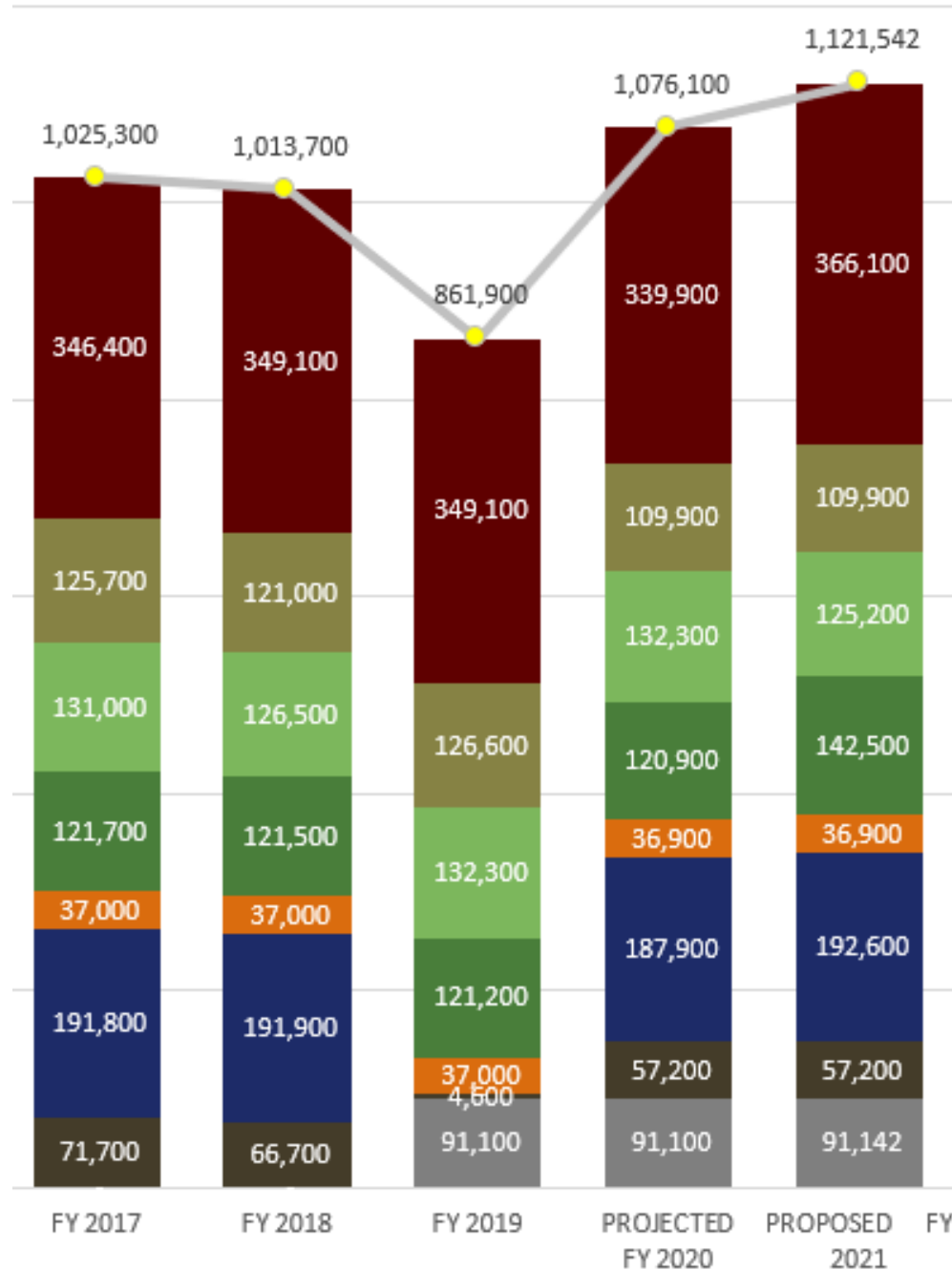
Net Performance

SPECIAL REVENUE FUNDS

556-VITA-PAKT	900	24,200	14,500	11,400
883-SIERRA VIEW	(1,000)	(2,800)	3,200	900
884-HERITAGE PARK	900	(5,000)	3,300	2,400
886-SAMOA	700	(1,200)	(900)	1,200
887-SWEETBRIER TOWNHOUSES	(1,700)	3,500	(2,600)	1,800
888-PARKSIDE ESTATES	1,300	(1,000)	1,900	2,100
889-SIERRA VISTA	(1,300)	27,100	(700)	6,900
890-MAPLE VALLEY	-	(3,000)	(200)	(3,400)
891-PELOUS RANCH	8,500	7,700	(6,200)	300

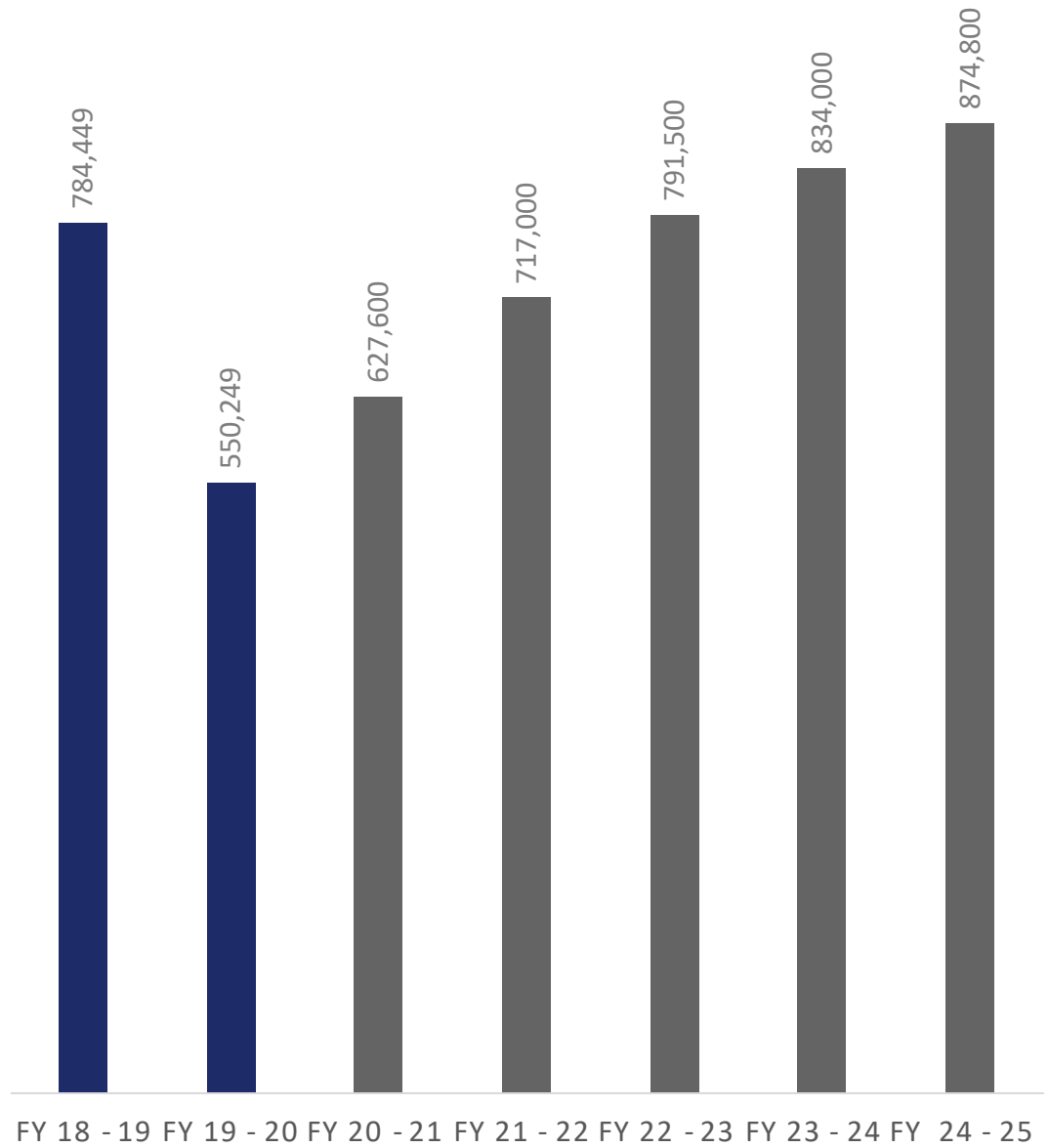
Debt Service

- Annual Cost in Debt Service
- City pays debt service according to schedule
- GF = General Fund
- RES = Restricted Fund



CalPERS

- Unfunded Liability





Capital Improvements

Section 4

General

- The City does not have enough funding to complete all CIP.

IMPROVEMENTS	ADOPTED FY 2021	POTENTIAL FY 2022	POTENTIAL FY 2023	POTENTIAL FY 2024	POTENTIAL FY 2025
SCBA EQUIPMENT	110,000	-	-	-	-
HVAC - CITY HALL COMPLEX & YARD / PS HEATER	15,000	100,000	-	-	-
PS / CS CARPORT REROOF	100,000	-	-	-	-
PUBLIC SAFETY FACILITY STUDY	-	-	50,000	-	-
CORPORATION YARD IMPROVEMENTS	-	250,000	-	-	-
CITY HALL & PS RENO. (ELEC. / MECH.)	15,000	150,000	200,000	250,000	-
CITY PROPERTY IMPROVEMENTS	-	50,000	50,000	-	150,000
TOTAL COSTS	240,000	550,000	300,000	250,000	150,000

TOTAL RESOURCES	ADOPTED FY 2021	POTENTIAL FY 2022	POTENTIAL FY 2023	POTENTIAL FY 2024	POTENTIAL FY 2025
FUND 101: GENERAL FUND	240,000	240,000	240,000	240,000	240,000
TOTAL RESOURCES	240,000	240,000	240,000	240,000	240,000

NET GENERAL CAPITAL PROJECTS	0	(310,000)	(60,000)	(10,000)	90,000
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Streets

- The City plans to complete ~\$1.4M in street projects per year.
- Committed and Restricted funds pay for street projects.

IMPROVEMENTS

	ADOPTED FY 2021	POTENTIAL FY 2022	POTENTIAL FY 2023	POTENTIAL FY 2024	POTENTIAL FY 2025
SEAL PROJECTS	379,200	325,000	250,000	250,000	250,000
CAPE SEAL PROJECTS	155,000	-	-	-	-
REHABILITATION PROJECTS	562,700	1,235,000	-	-	-
ADA TRANSITION / SELF-EVAL. PLAN	55,000	-	-	-	-
ALLEY PROJECT	50,000	50,000	50,000	50,000	50,000
INTERSECTION REHAB: BUREM/FOOTHILL/TULARE	100,000	-	-	-	-
BUREM LANE RENOVATION	85,000				
PEDESTRIAN PATHWAYS STUDY	25,000	-	-	-	-
PROJECT VALUES IN YEAR 3-5	-	-	1,140,000	1,145,000	1,150,000
TOTAL OUTFLOWS FOR STREET PROJECTS	1,411,900	1,610,000	1,440,000	1,445,000	1,450,000

SOURCES

	ADOPTED FY 2021	POTENTIAL FY 2022	POTENTIAL FY 2023	POTENTIAL FY 2024	POTENTIAL FY 2025
FUND 200: STREET IMPROVEMENT FUND	450,600	570,000	575,000	580,000	585,000
FUND 260: SB1 ROAD MAINTENANCE & REHAB	140,000	175,000	175,000	175,000	175,000
FUND 263: MEASURE R SPECIAL PROJECTS	80,000	-	-	-	-
FUND 265: SURFACE TRANSPORTATION	130,700	130,000	130,000	130,000	130,000
FUND 266: LTF & ROADS	560,600	475,000	475,000	475,000	475,000
FUND 554: REFUSE	50,000	50,000	50,000	50,000	50,000
TOTAL RESOURCES FOR STREET PROJECTS	1,411,900	1,400,000	1,405,000	1,410,000	1,415,000

NET STREET CAPITAL PROJECTS	0	(210,000)	(35,000)	(35,000)	(35,000)
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Water

- Water Fund is not sustainable.
- \$(5,915,000) in unfunded projects in next four years.

OUTLAY

LANDSCAPE IRRIGATION WATER WELL	-	250,000	-	-	-
WELL 14 FILTRATION PROJECT	-	-	-	1,025,000	-
WTP FILTER BANK RENOVATION	250,000	275,000	-	-	-
DBP MITIGATION	350,000	-	-	-	-
WATER MAIN LINE REPLACEMENT	150,000	200,000	200,000	205,000	215,000
URBAN WATER MANAGEMENT PLAN	40,000	-	-	-	100,000
AVE 240 WATER SERVICE PROJECT	100,000	-	-	-	-
TURBIDAMETER REPLACEMENT (WTP)	45,000	45,000	-	-	-
SCADA EXPANSION	25,000	25,000	25,000	-	-
WATER STORAGE TANK RENOVATION	-	350,000	-	-	-
FIRE FLOW STUDY	-	50,000	-	-	-
CANAL TURNOUT UPGRADES	-	-	100,000	100,000	100,000
WATER PLANT UPGRADES	-	50,000	50,000	-	-
WELL 11 BIOLOGICAL TREATMENT PLANT	-	-	-	-	2,750,000
WATER CONSERVATION PROJECTS	-	-	1,250,000	-	-
TOTAL OUTLAY	960,000	1,245,000	1,625,000	1,330,000	3,165,000
RESOURCES	960,000	375,000	375,000	350,000	350,000
NET	-	(870,000)	(1,250,000)	(980,000)	(2,815,000)

Water

- 2021 Priority of Projects.

OUTLAY

URBAN WATER MANAGEMENT PLAN	\$	40,000	<i>in order to qualify for grants, we must have started this process</i>
WTP FILTER BANK RENOVATION	\$	250,000	Filter Bank A
WATER MAIN REPLACEMENT	\$	150,000	Lafayette/Sycamore
AVE 240 WATER SERVICE PROJECT	\$	100,000	
TURBIDAMETER REPLACEMENT (WTP)	\$	45,000	
SCADA EXPANSION	\$	25,000	
DBP MITIGATION	\$	350,000	<i>Pursue grants for this and SCADA expansion (adds time however)</i>

TOTAL OUTLAY	960,000
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RESOURCES	960,000
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Sewer

- Sewer Fund is not sustainable.
- \$(1,355,000) in unfunded projects in next five years.

OUTLAY

SEWER MAIN LINE REPLACEMENT	150,000	175,000	300,000	275,000	250,000
WWTP - CLARIFIER GATE VALVES (3)	42,500	-	-	-	-
SCADA EXPANSION	50,000	-	-	-	-
TERRTIARY TREATMENT STUDY	-	50,000	-	-	-
WWTP - DRYING BEDS RENOVATION	-	150,000	-	-	-
WWTP - CLARIFIER REPAIRS	-	75,000	-	-	-
OXIDATION DITCH REPAIRS (2)	-	200,000	-	-	-
WWTP - BUILDING RENOVATION	-	150,000	150,000	-	-
WWTP - EQUIPMENT REPLACEMENT	-	125,000	125,000	-	-
ORANGE AVENUE / HARVARD PARK	100,000	-	-	-	-
STORM DRAIN PROJECTS	75,000	80,000	-	-	-
UPDATE MASTER PLANS	-	-	500,000	-	-
INFLUENT FLOW CONTROL	50,000	-	-	-	-
EFFLUENT FLOW CONTROL	50,000	-	-	-	-
TOTAL OUTLAY	517,500	1,005,000	1,075,000	275,000	250,000

RESOURCES	517,500	350,000	325,000	325,000	300,000
NET	-	(655,000)	(750,000)	50,000	50,000



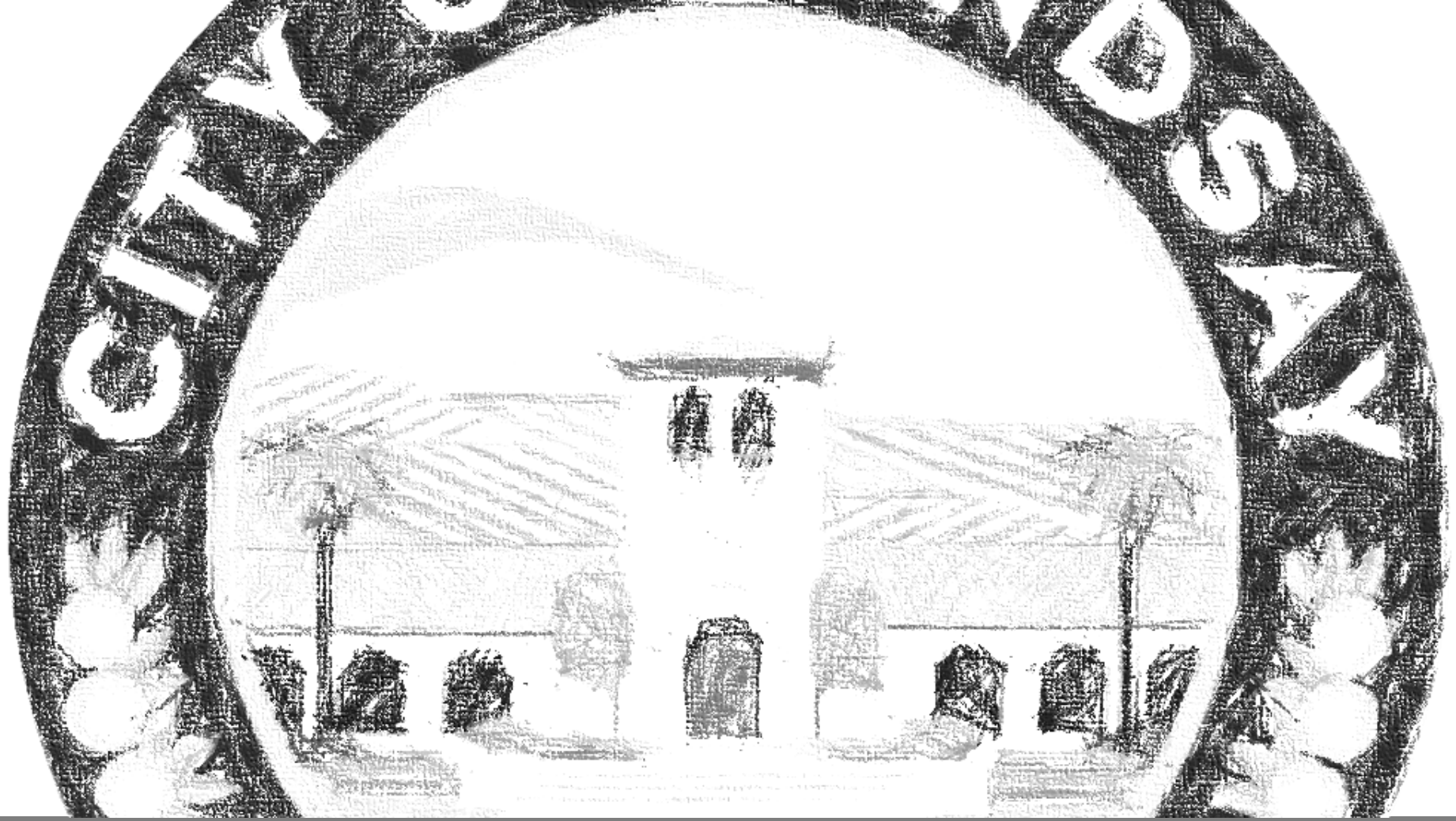
Other

Section 5

Transfers

- GF = General Fund
- WC = Wellness Center
- SIP = Street Improvement Fund
- CIP = Capital Improvement Fund

FROM	TO	AMOUNT	PURPOSE
GF	WC & CIP	300,000 (WC) 240,000 (CIP)	Wellness Center Operations; General CIP
SIP	GF & CIP	349,400 (GF) 450,600 (CIP)	Streets Department in GF; Street Projects
Gas Tax	CIP	140,000	Street Projects
Transport.	CIP	80,000	Street Projects
STP	CIP	130,000	Street Projects
LTF	CIP	560,000	Street Projects
Refuse	CIP	50,000	Street (Alley) Projects
		\$2.3M	



Summary

Section 6

Summary

- Successes
- Concerns

Successes

- Satisfying debt service.
- Maintaining services.

Concerns

- Risk of reduced funding to Wellness Center from Lindsay Hospital District.
- Insufficient funds to replace equipment.
- Insufficient funds for water and sewer projects.
- CalPERS costs pose significant threat in the future.