



2ND QUARTER BUDGET REPORT

FISCAL YEAR 2021



Fiscal Year 2021 Budgetary Notes

- Both Measure A and Measure P Sales Tax were each budgeted at \$20.2 million, and the revised revenue projection for each sales tax measure is \$21.6 million (overall projected increase of \$3.2 million).
- Decrease General Fund revenues to correspond with expense reductions made in July 2020.
- CARES Act funding (State and County) of approximately \$5.8 million included in projections for FY 2021.



Fiscal Year 2021

Second Quarter Monitoring Report

General Fund Budget

Description	FY 2021 Revised Budget	FY 2021 Projected Actuals	Variance
Revenues:			
MAJOR DISCRETIONARY REVENUES	\$ 162.0	\$ 163.8	\$ 1.8
OTHER GENERAL FUND REVENUES	50.0	48.1	\$ (1.9)
TOTAL REVENUES	\$ 212.0	\$ 211.9	\$ (0.1)
Expenditures:			
PERSONNEL SERVICES	\$ 131.9	\$ 133.4	\$ 1.5
OTHER EXPENDITURES	75.1	78.8	\$ 3.7
TOTAL EXPENDITURES	\$ 207.0	\$ 212.2	\$ 5.2
TOTAL GENERAL FUND SURPLUS/(DEFICIT)	\$ 5.0	\$ (0.3)	

General Fund Revenue Projections

Revenue Category	FY 2021 Revised Budget	FY 2021 Projected Actuals	Variance
Property Taxes	37,555,758	37,555,758	-
Sales Tax	36,931,855	36,529,356	(402,499)
Measure P Sales Tax	20,020,000	21,612,000	1,592,000
Measure A Sales Tax	20,020,000	21,591,000	1,571,000
PT in lieu of Motor Vehicle License Fee (VLF)	24,950,254	24,950,254	-
Franchise Fees	12,404,935	12,404,935	-
Utility Users Tax	5,233,423	4,651,423	(582,000)
Transient Occupancy Taxes	4,926,832	4,531,374	(395,458)
Development Revenue	2,034,366	1,744,823	(289,543)
Licenses and Permits	1,466,670	1,742,219	275,549
Fines, Forfeitures, Penalties	1,230,253	766,638	(463,615)
Use of Money & Property	2,996,116	2,239,603	(756,513)
Other Local Taxes	4,125,339	2,620,000	(1,505,339)
Police Grants	967,317	1,007,463	40,146
Revenue from Other Agencies	5,003,371	7,280,985	2,277,614
Charges for Services	8,143,485	5,918,790	(2,224,695)
Interfund Reimbursements	10,099,919	11,819,175	1,719,256
Other Revenue	1,335,381	395,663	(939,718)
Transfers In	12,555,198	12,555,198	-
TOTAL REVENUES	\$ 212,000,472	\$ 211,916,657	\$ (83,815)

General Fund Expenditure Projections

Department	FY 2021 Revised Budget	FY 2021 Projected Actuals	Variance
City Council	1,540,062	1,471,447	68,615
Boards & Commissions	125,000	125,000	-
City Clerk	933,434	1,038,724	(105,290)
City Attorney	3,243,198	3,149,335	93,863
Administration	2,475,733	2,451,374	24,359
Information Technology	3,841,104	3,875,693	(34,589)
Human Resources	2,873,466	2,752,298	121,168
Finance	3,760,994	3,760,097	897
Non-Departmental	50,597,264	55,404,991	(4,807,727)
Animal Care Facility	2,923,868	2,800,359	123,509
Economic Development	3,301,520	3,338,856	(37,336)
Planning & Building	3,838,038	3,707,173	130,865
Engineering/Capital Projects	9,928,285	9,723,558	204,727
Police	57,527,151	57,520,408	6,743
Fire	34,123,431	36,822,996	(2,699,565)
Public Works	12,178,316	11,969,120	209,196
Parks and Recreation	10,280,210	9,986,736	293,474
Library	3,472,699	2,271,723	1,200,976
TOTAL EXPENDITURES	\$ 206,963,773	\$ 212,169,890	\$ (5,206,117)

Fiscal Year 2021

Second Quarter Adjustments

General Fund Significant Budget Adjustments

- **Non-Departmental**
 - Increase Measure A and Measure P sales tax revenues (~\$1.6 million each) by \$3.2 million.
 - Increase transfer out expense by \$2.6 million to both Measure A Sales Tax Fund (\$1.3 million) and Measure P Sales Tax Fund (\$1.3 million).
 - Decrease cannabis excise tax revenue by \$850,000 due to delays in opening of cannabis businesses.
 - Increase expenses by \$798,969 for the State's administration/collection of all related sales tax revenues.
- **Fire Department**
 - Increase revenues and expenses by \$1.8 million to establish Fire's Strike Team appropriations.
- **Parks and Recreation**
 - Decrease departmental revenues by \$2.1 million due to closure of various city facilities due to COVID-19 and inability to operate City sponsored programs.
- **Library**
 - Decrease Passport Fees revenues by \$217,140 based on projections.

All proposed adjustments result in a net cost **increase** for the General Fund by **\$4,654,345**.



Fiscal Year 2021

Second Quarter Adjustments

Other Funds Significant Budget Adjustments

- **2016 Measure P Sales Tax Fund** - Increase transfer in revenues by \$1.3 million due to projected increase in sales tax revenues.
- **2018 Measure A Sales Tax** - Increase transfer in revenues by \$1.3 million due to projected increase in sales tax revenues.
- **State Grants** - Appropriate \$500,000 in revenues and expenses for the Local Early Action Planning Grant to accelerate planning for housing production.
- **Parkland Acquisition & Dev Fees Fund** - Appropriate \$57,160 from available fund balance to other expenses for refunding developer trust credits.

All proposed adjustment result in a net cost decrease for the Other Funds by \$2,580,243.

Next Steps

April	<ul style="list-style-type: none">• Preliminary City Manager Proposed Budget Council Discussion Item• Fiscal Year 2021 Third Quarter Financial Report
May	<ul style="list-style-type: none">• Hold public workshop to provide overview of proposed budget• City Manager Proposed Budget document submitted to Council• City Council: Present Fiscal Year 2022 All Funds Budget and CIP Overview
May/June	<ul style="list-style-type: none">• Public Hearing and Recommend Council adoption of Proposed FY 2022 Budget (All Funds)



City Council

Comments/Feedback