



City of Chula Vista

Fiscal Year 2017-2018

Proposed Budget
Overview

May 23, 2017



PROPOSED BUDGET

FISCAL YEAR **2017-18**



Agenda

- Fiscal Year 2017-18 Proposed Budget
 - All Funds Summary
 - General Fund Summary
- Long Term Financial Plan
- Fiscal Year 2017-18 Capital Improvement Program

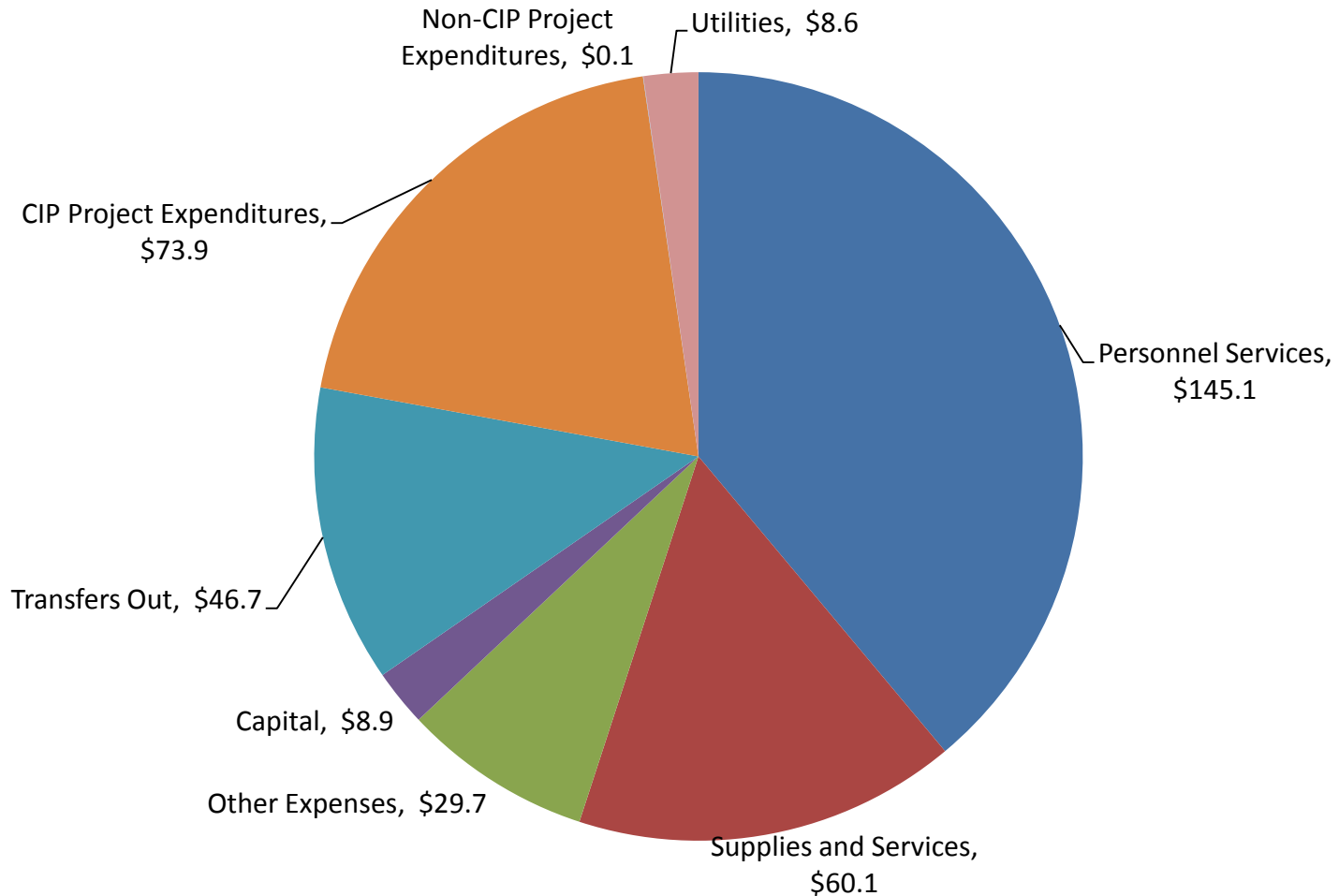


ALL FUNDS SUMMARY



All Funds Summary - \$373.0M

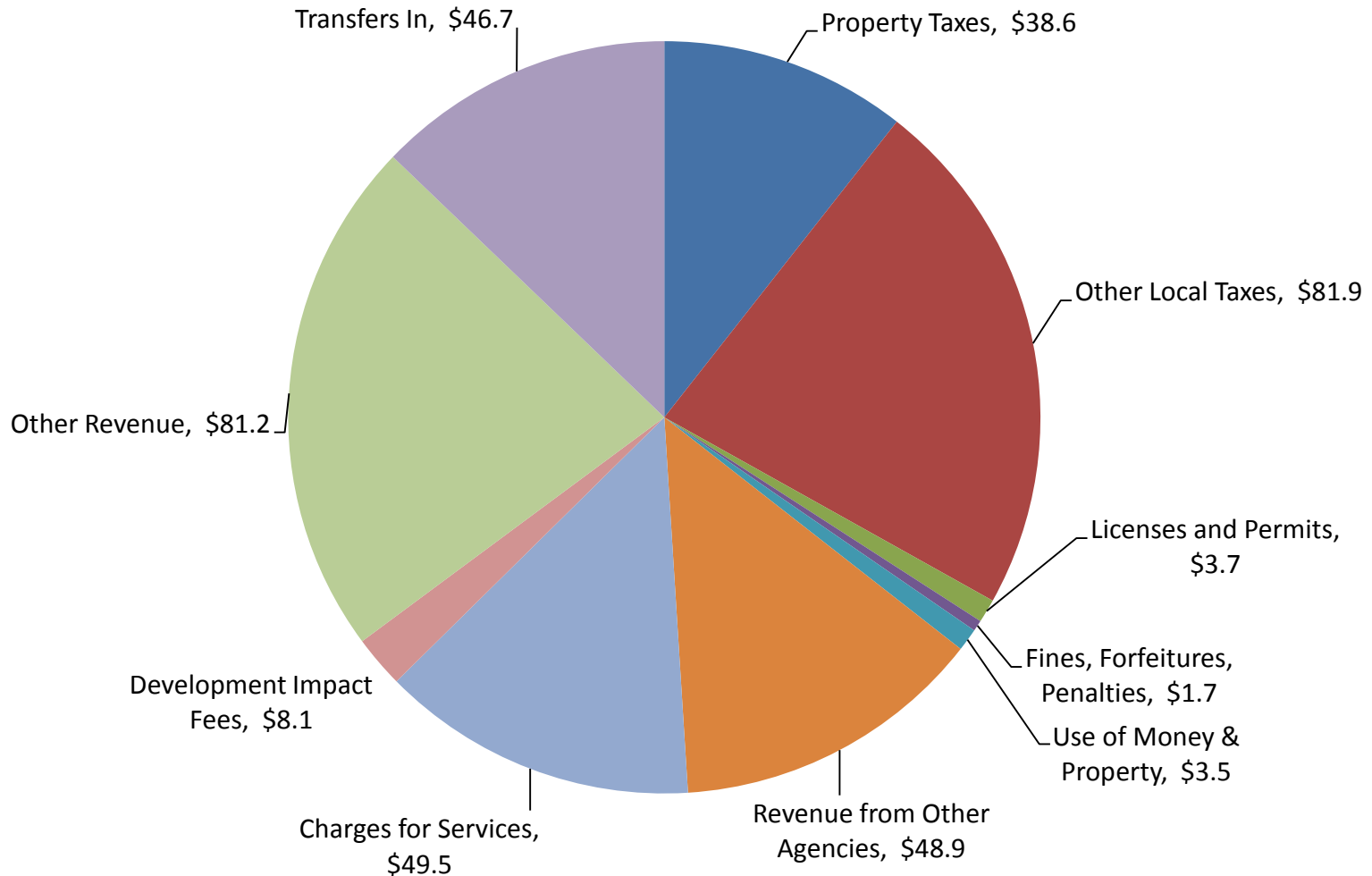
FY 2017-18 All Funds Projected Expenditures by Category





All Funds Summary - \$363.8M

FY 2017-18 All Funds Projected Revenues by Category





All Funds Summary

Description	FY 18 Proposed
Revenues	\$363.83
Expenditures	\$372.97
Surplus/(Deficit)	(\$9.1)
Reserves - Other Funds (Revenues collected in prior years)	\$9.1
Surplus/(Deficit)	\$ -



All Funds Staffing Summary

9.00 FTE Added Mid Year
9.50 FTE Net New Positions

Staffing by Fund	FY 2016-17 Council Adopted	FY 2017-18 Proposed	Change
General Fund	825.25	831.75	6.50
Police Grants/CBAG/Local Law Enforcement Block Grant	39.00	43.00	4.00
Federal Grants Fund	2.00	2.00	-
Advanced Life Support Fund	1.00	1.00	-
Environmental Services	7.00	7.00	-
CV Housing Authority	4.00	4.00	-
Fleet Management	10.00	9.00	(-1.00)
Development Services Fund	50.00	50.00	-
Sewer	46.00	46.00	-
Total Citywide	984.25	993.75	9.50



Staffing Highlights

- Mid-Year 2016-17 Net Changes (9.00 FTE)
 - General Fund (2.00 FTE):
 - Addition of funded 1.00 Latent Print Examiner in Police
 - Addition of funded 1.00 Sr Fiscal Office Specialist in Economic Development
 - Police Grants Fund (7.00 FTE):
 - Addition of 7.00 Fiscal Agent positions for HIDTA and SDLECC



Staffing Highlights

- Fiscal Year 2017-18 Proposed Budget Net Changes (0.50 FTE)
 - General Fund (4.50 FTE):
 - Reduction of vacant 0.50 FTE Custodian
 - Addition 5.00 Peace Officers
 - Police Grants Fund (-3.00 FTE):
 - Reduction of 3.00 Fiscal Agent positions
 - Fleet Management (-1.00)
 - Elimination of 1.00 Equipment Mechanic



GENERAL FUND SUMMARY



General Fund Summary

Description	FY 18 Proposed
Revenues	\$166.6
Expenditures	\$166.6
Surplus/Deficit	\$ -



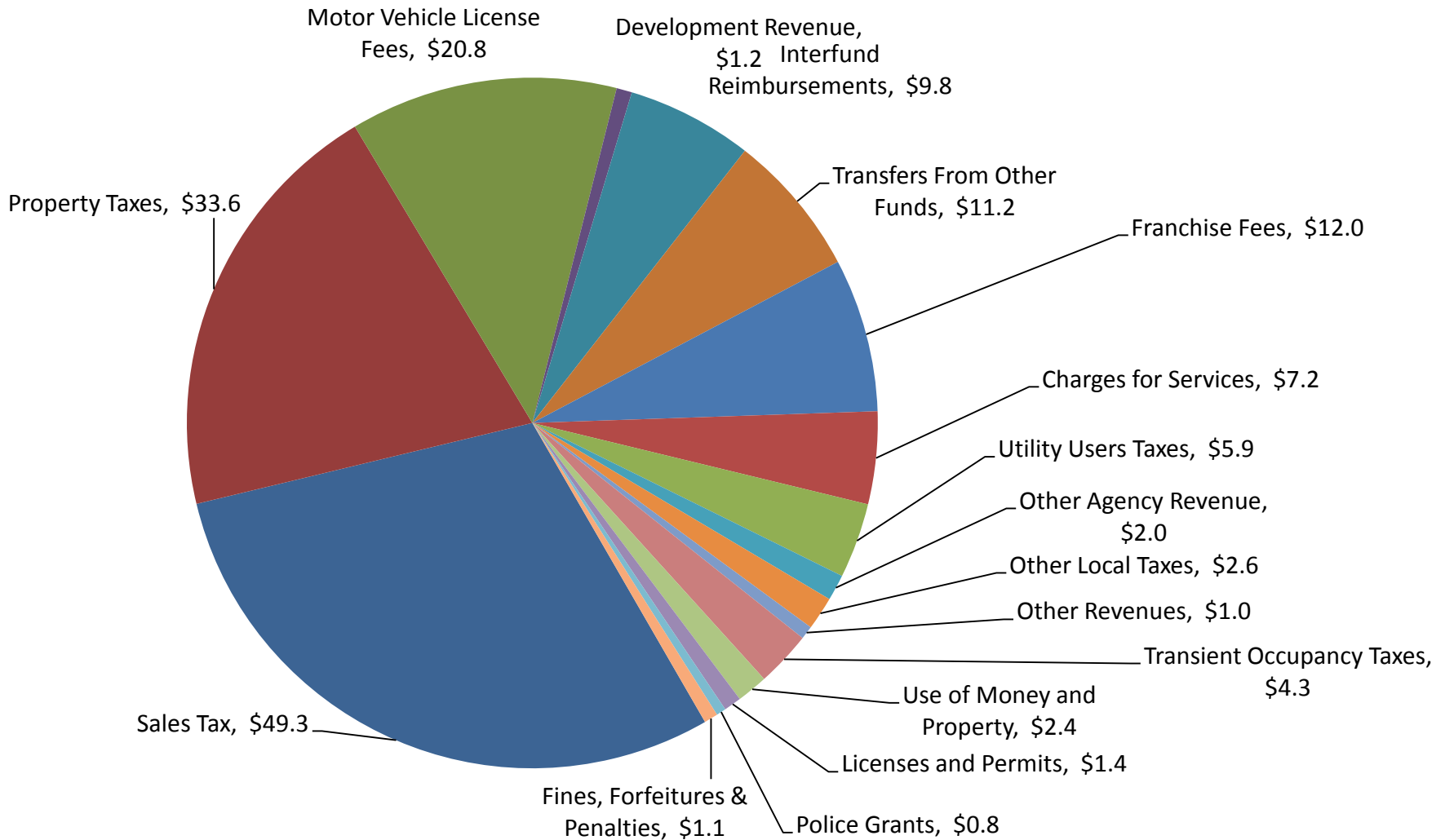
General Fund Revenues

(in thousands)

Category	FY16 Actuals	FY17 Adopted	FY18 Proposed	Change
Sales Tax	\$33,317	\$32,350	\$49,255	\$16,905
Property Taxes	\$30,220	\$31,175	\$33,621	\$2,446
Motor Vehicle License Fees	\$18,935	\$19,692	\$20,844	\$1,152
Transfers From Other Funds	\$9,838	\$11,937	\$11,207	(\$731)
Inter-fund Reimbursements	\$10,411	\$9,752	\$9,823	\$72
Franchise Fees	\$11,710	\$11,796	\$11,969	\$173
Utility Users Taxes	\$5,844	\$6,380	\$5,860	(\$520)
Charges for Services	\$6,714	\$6,204	\$7,211	\$1,007
Transient Occupancy Taxes	\$3,827	\$3,655	\$4,316	\$661
Use of Money and Property	\$2,880	\$2,732	\$2,421	(\$310)
Other Local Taxes	\$2,792	\$2,448	\$2,598	\$150
Other Agency Revenue	\$2,765	\$2,035	\$2,026	(\$9)
Police Grants	\$851	\$854	\$758	(\$97)
Development Revenue	\$1,210	\$1,036	\$1,205	\$169
Licenses and Permits	\$1,165	\$1,161	\$1,364	\$204
Fines, Forfeitures & Penalties	\$1,249	\$1,021	\$1,075	\$55
Other Revenues	\$1,925	\$2,194	\$1,034	(\$1,160)
Total Operating Budget	\$145,654	\$146,421	\$166,587	\$20,166
CIP Projects	\$31	\$40	\$40	(\$40)
GENERAL FUND TOTAL REVENUES	\$145,685	\$146,421	\$166,587	\$20,126



General Fund Revenues - \$166.6M





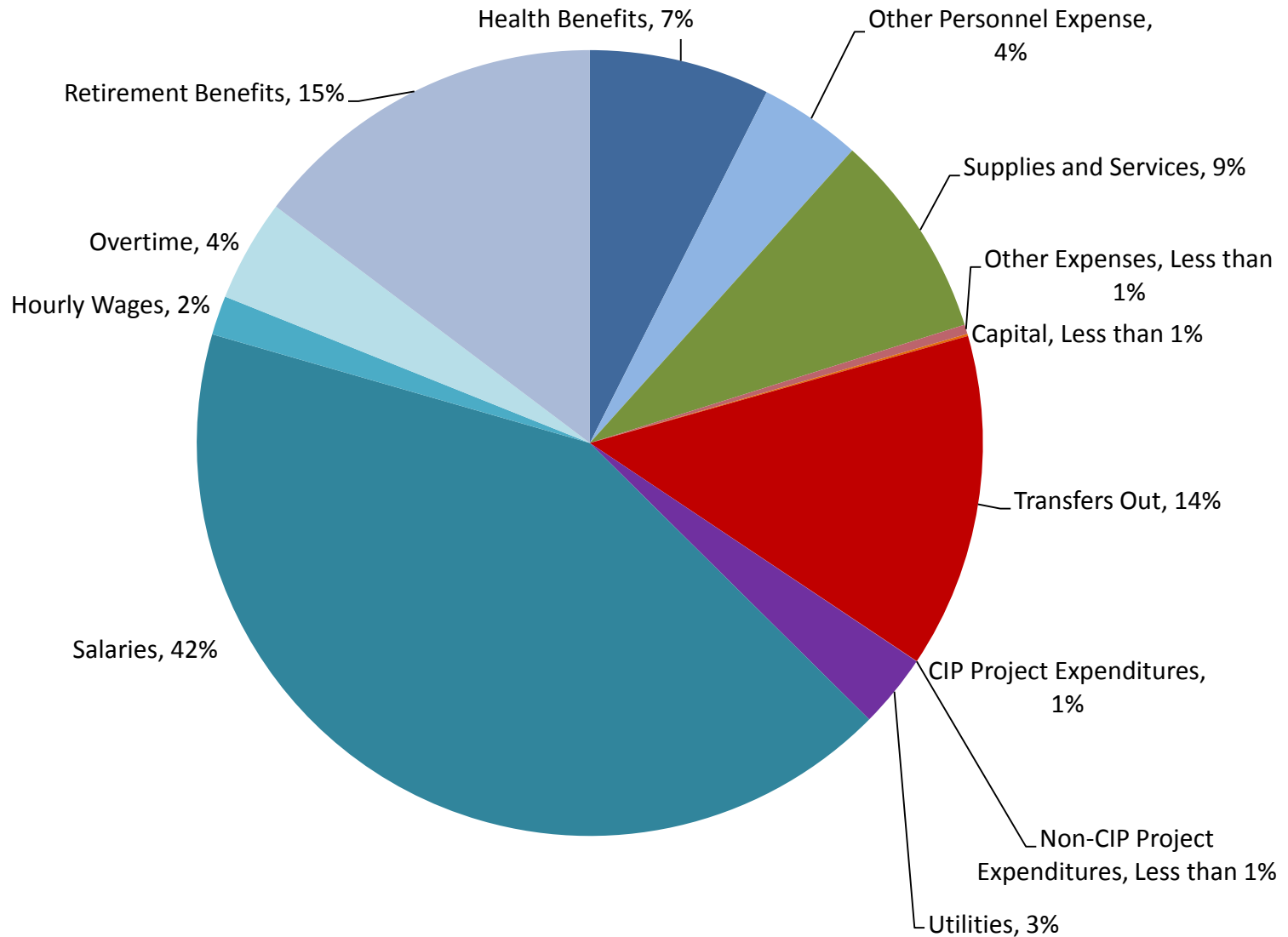
General Fund Expenditures

General Fund Expenditures by Category (in thousands)

Category	FY16 Actuals	FY17 Adopted	FY18 Proposed	Change
Personnel Services	\$112,647	\$118,623	\$123,556	\$4,933
Supplies and Services	\$16,322	\$14,114	\$14,214	\$100
Other Expenses	\$703	\$559	\$642	\$83
Capital	\$505	\$1,595	\$150	(\$1,445)
Transfers Out	\$6,775	\$5,999	\$22,943	\$16,943
Non-CIP Project Expenditures	\$359	\$19	\$19	\$-
Utilities	\$4,850	\$5,512	\$5,063	(\$449)
Total Operating Budget	\$142,162	\$146,421	\$166,587	\$20,166
CIP Project Expenditures	\$505	\$40	\$-	(\$40)
TOTAL EXPENDITURES	\$143,769	\$146,461	\$166,587	\$20,126



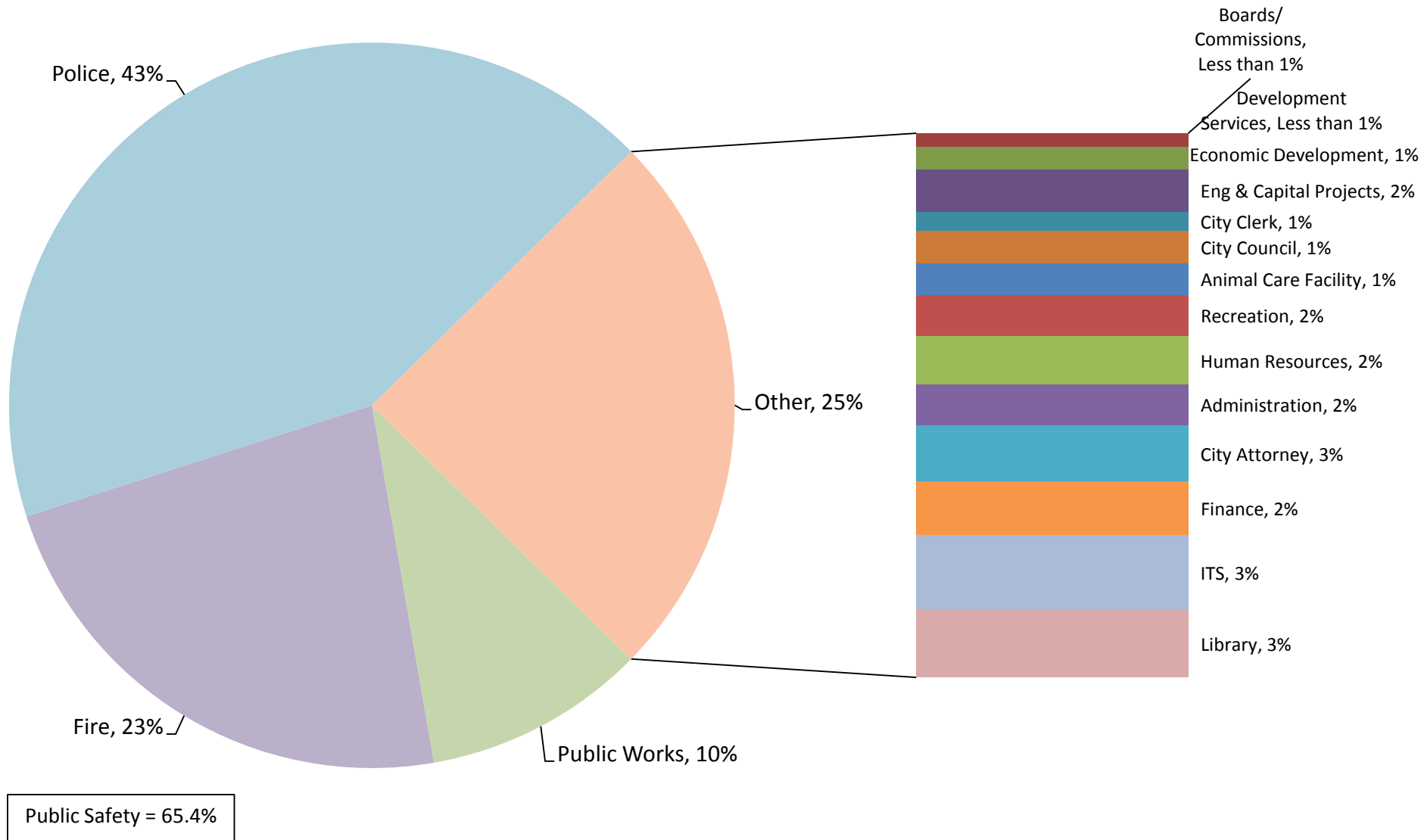
General Fund Expenditures - \$166.6M





General Fund Net Cost

(Allocation of Discretionary Revenue)





Budget Highlights

- The City Manager's Proposed Budget for Fiscal Year 2017-18 is balanced
- Fiscal Year 2017-18 Assumes a continued growth in the City's Major Discretionary revenues (Sales Tax, Property Tax, Motor Vehicle License Fees, Franchise Fees)



Budget Highlights

- Community Patrol– Added 5.0 Peace Officers to the Police Department
- Funding for Age Friendly Communities grant match
- Equipment Replacement – Addition of funding for year 4 of Dell computer lease



Budget Highlights

- Includes the opening of a new hotel on the east side of Chula Vista (Residence Inn)
- First full-year of Measure P Funding
 - FY18 Proposed Budget was affirmed in compliance with the Expenditure Plan by the COC on 04/18/2017
 - Includes \$60.6M in Measure P Projects



FY2018 Measure P Proposed Budget

Item #	Project	PROPOSED Fiscal Year 2017-18
A	ESTIMATED REVENUES	\$ 60,559,992
Item #	Project	PROPOSED Fiscal Year 2017-18
B	Fire Vehicles	\$ 1,975,080
C	Police Vehicles	\$ 1,798,760
D	Non-Safety city Vehicles	\$ 3,818,000
E	Fire Equipment	\$ 1,202,000
F	Police Communications & Dipatch System	\$ 353,499
G	Regional Communications System (RCS)	\$ 350,000
H	Fire Stations Repair/Replacement	\$ 13,000,000
I	Police Facility Repairs	\$ 1,000,000
J	Recreation Centers and Senior Center	\$ 3,000,000
K	Civic Center and South Chula Vista Libraries	\$ 1,500,000
L	Other Public Bldgs (i.e. Animal Care Facility & Living Coast DC)	\$ 3,100,000
M	Sports Courts and Fields	\$ 3,000,000
N	Park Infrastructure	\$ 2,000,000
O	Street Pavement (Arterials/Collectors/Residential)	\$ 13,562,653
P	Traffic Signal System	\$ 3,000,000
Q	Other Infrastructure (Storm Drains, Sidewalks, Trees etc)	\$ 7,900,000
	TOTAL PROJECT EXPENDITURES	\$ 60,559,992
R	TOTAL EXPENDITURES	\$ 60,559,992
S	REMAINING FUNDS	\$ -



LONG-TERM FINANCIAL PLAN



LTFP Forecast Summary (FY2018 – FY2022)

Description	Proposed FY 2018	Forecast FY 2019	Forecast FY 2020	Forecast FY 2021	Forecast FY 2022
Major Revenues	\$ 125,865,568	\$ 127,622,000	\$ 131,867,000	\$ 135,052,000	\$ 138,317,000
New Development Revenues	\$ -	\$ 3,410,000	\$ 3,087,000	\$ 4,200,000	\$ 5,179,000
Other Revenues	\$ 40,721,691	\$ 40,682,000	\$ 40,945,000	\$ 41,211,000	\$ 41,039,000
TOTAL GENERAL FUND REVENUES	\$ 166,587,259	\$ 171,714,000	\$ 175,899,000	\$ 180,463,000	\$ 184,535,000
Personnel Services	\$ 87,587,001	\$ 90,696,000	\$ 91,992,000	\$ 93,740,000	\$ 95,524,000
Flex/Insurance	\$ 12,373,118	\$ 12,824,000	\$ 13,763,000	\$ 14,778,000	\$ 15,877,000
PERS	\$ 24,431,563	\$ 27,788,000	\$ 30,527,000	\$ 33,491,000	\$ 36,405,000
Salary Savings (On Going)	\$ (835,614)	\$ (860,000)	\$ (890,000)	\$ (921,000)	\$ (953,000)
New Development Expenditures	\$ -	\$ 2,860,000	\$ 3,818,000	\$ 4,866,000	\$ 8,362,000
Other Expenditures	\$ 43,031,191	\$ 45,647,000	\$ 47,104,000	\$ 48,978,000	\$ 50,840,000
TOTAL GENERAL FUND EXPENDITURES	\$ 166,587,259	\$ 178,955,000	\$ 186,314,000	\$ 194,932,000	\$ 206,055,000
Administrative Actions (Energy Efficiency Projects)	\$ -	\$ 825,000	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000
SURPLUS/(DEFICIT) WITH ADMINISTRATIVE ACTIONS	\$ -	\$ (6,416,000)	\$ (8,765,000)	\$ (12,819,000)	\$ (19,870,000)



LTFP Forecast Summary (FY2023 – FY2027)

Description	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026	Forecast FY 2027
Major Revenues	\$ 141,668,000	\$ 145,108,000	\$ 148,637,000	\$ 152,258,000	\$ 151,097,000
New Development Revenues	\$ 6,122,000	\$ 7,094,000	\$ 8,017,000	\$ 8,990,000	\$ 10,501,000
Other Revenues	\$ 41,312,000	\$ 41,585,000	\$ 41,865,000	\$ 42,144,000	\$ 42,429,000
TOTAL GENERAL FUND REVENUES	\$ 189,102,000	\$ 193,787,000	\$ 198,519,000	\$ 203,392,000	\$ 204,027,000
Personnel Services	\$ 97,344,000	\$ 99,202,000	\$ 101,098,000	\$ 103,033,000	\$ 105,008,000
Flex/Insurance	\$ 17,067,000	\$ 18,356,000	\$ 19,753,000	\$ 21,268,000	\$ 22,912,000
PERS	\$ 39,065,000	\$ 41,279,000	\$ 43,890,000	\$ 45,169,000	\$ 47,169,000
Salary Savings (On Going)	\$ (984,000)	\$ (1,013,000)	\$ (1,045,000)	\$ (1,070,000)	\$ (1,100,000)
New Development Expenditures	\$ 9,709,000	\$ 11,118,000	\$ 12,669,000	\$ 14,262,000	\$ 16,005,000
Other Expenditures	\$ 51,981,000	\$ 53,063,000	\$ 54,166,000	\$ 55,311,000	\$ 51,382,000
TOTAL GENERAL FUND EXPENDITURES	\$ 214,182,000	\$ 222,005,000	\$ 230,531,000	\$ 237,973,000	\$ 241,376,000
Administrative Actions (Energy Efficiency Projects)	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000	\$ 1,650,000
SURPLUS/(DEFICIT) WITH ADMINISTRATIVE ACTIONS	\$ (23,430,000)	\$ (26,568,000)	\$ (30,362,000)	\$ (32,931,000)	\$ (35,699,000)



LTFP Revenue Assumptions

- Major Discretionary increases assumed:
 - Property Tax and MVLF base 3% AV growth per year
 - Sales Tax 2.5% per year
 - Franchise Fees average of 2% per year
 - UUT 1% per year
 - TOT average of 2% per year



LTFP Revenue Assumptions (cont.)

- Development revenues are included based on Pro Forma Advisors LLC revenue forecast
- Property Tax revenues include projected RPTTF payments for SERAF loan of approx. \$1.0 million per year beginning in FY2019
- The use of Economic Contingency funds is not assumed. The forecast does not assume a recession.



LTFP Expenditure Assumptions

- Personnel Services
 - Includes a 2% wage inflation per year
 - PERS costs reflect estimated contribution rates provided by Bartel and Associates (06/30/15 valuation)
 - Salary savings is calculated at 1% per year (Salaries/PERS/Medicare)
 - Assumes 4.0 fire staffing for Millenia and Bayfront in FY2019 and FY2022 respectively
 - Projected funding of 5.0 Peace Officers per year beginning in FY2019. Frozen positions will be funded before adding any new FTE. (Estimated and not a budget commitment.)



LTFP Expenditure Assumptions

- Personnel Services (cont.)
 - Includes assumed 10% healthcare premium increases
 - An increase in Workers Compensation contributions
- Supplies and Services
 - Assumes Millenia and Bayfront fire stations in FY2019 and FY2022



LTFP Expenditure Assumptions

- Other expenditure categories:
 - Utilities at 5% per year
 - Other expenses at 2% per year
 - Equipment at 1% per year
 - Transfers Out includes expenditures related to debt service payments and anticipated transfers to other funds

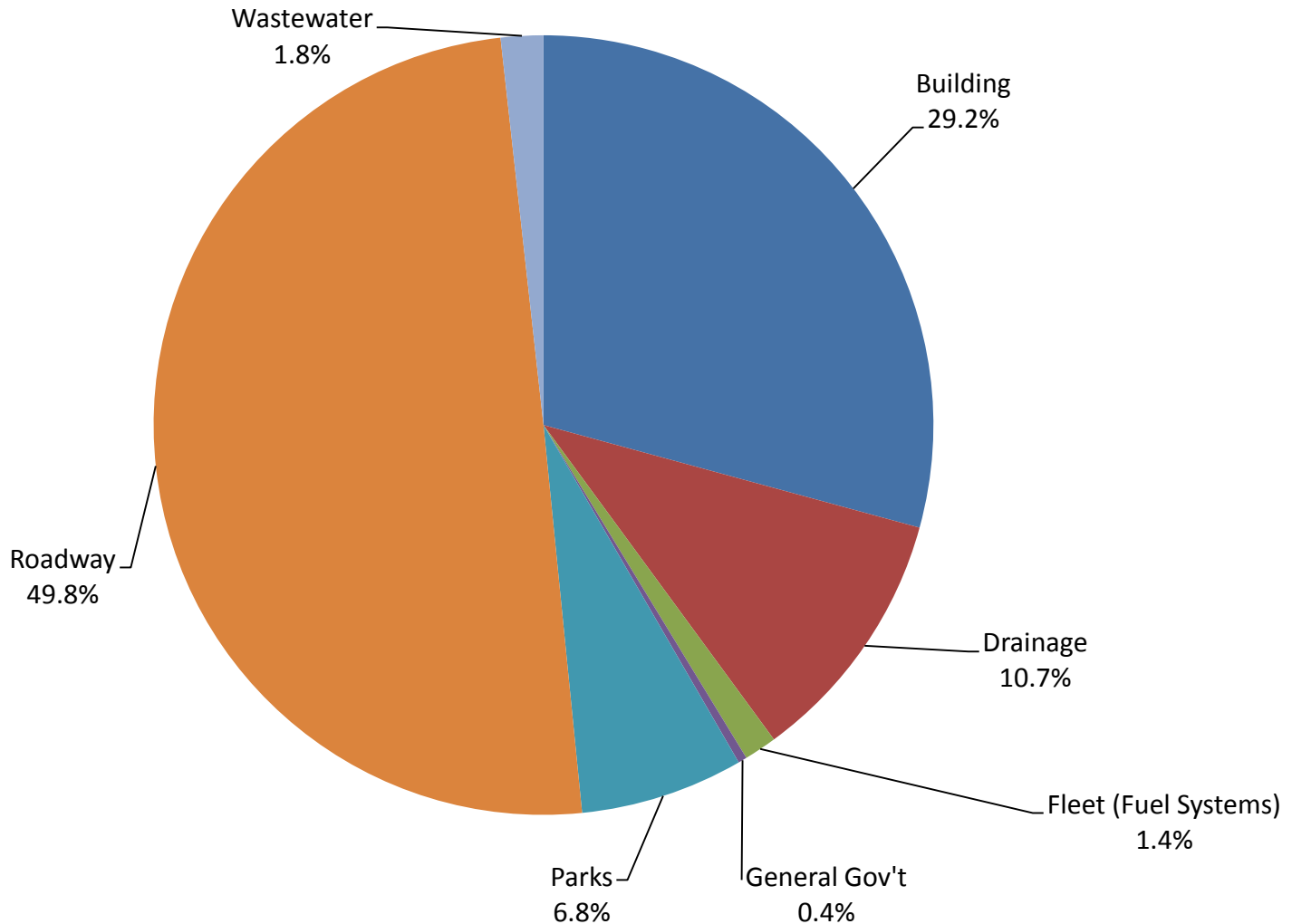


CAPITAL IMPROVEMENT PROGRAM SUMMARY



Capital Improvement Program - \$73.8M

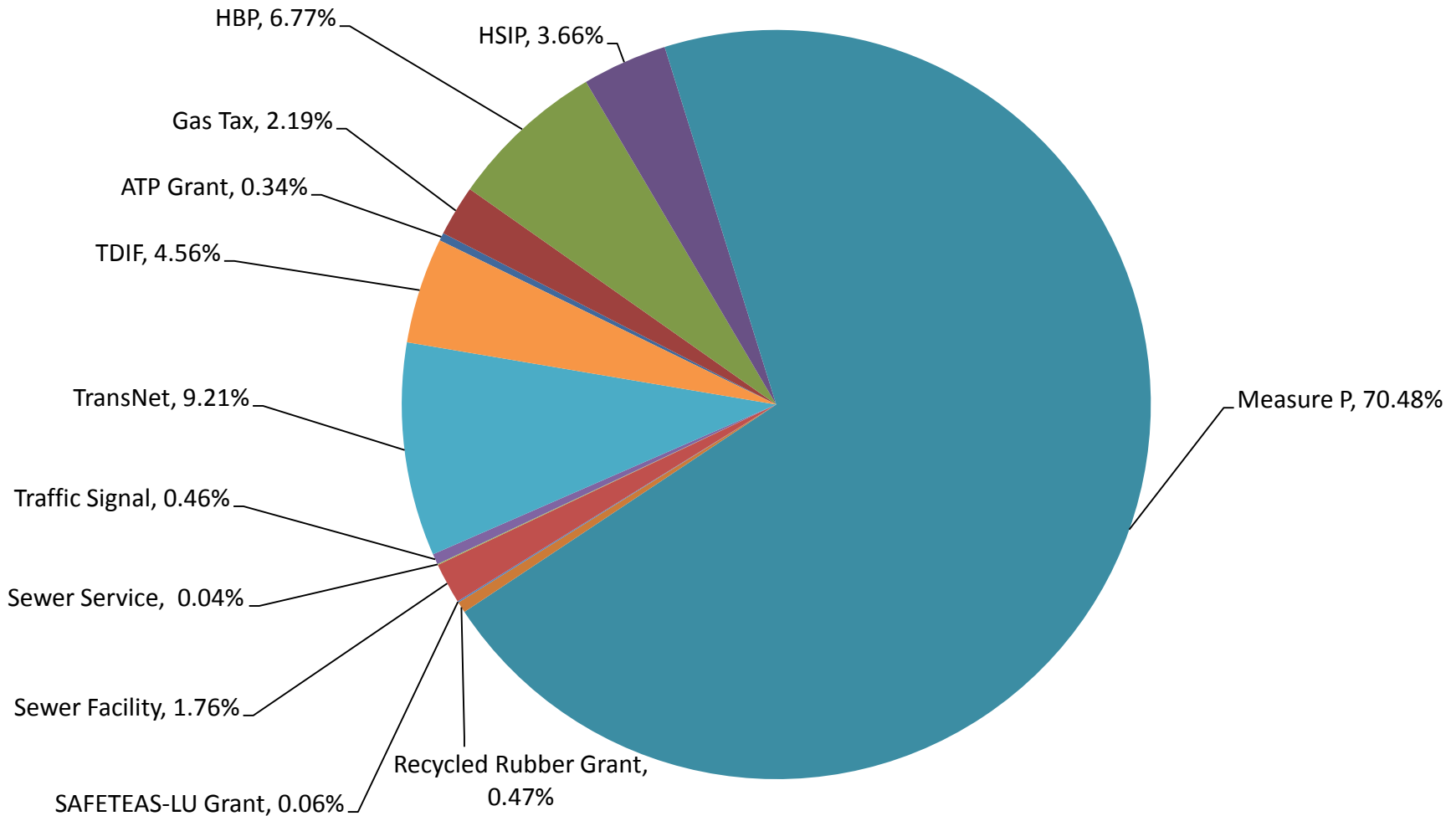
by Asset Management System





Capital Improvement Program - \$73.8M

by Fund Source



- Public Safety Facilities Projects
 - Measure P (\$14m)
 - Fire Stations #5 & #9 Replaced
 - Initial funding
 - Design/Architectural
 - Repairs at various Fire Stations
 - Police Facility Repairs
 - Heating & Air Conditioning System



- Public Buildings Repairs (Measure P - \$8.6m)



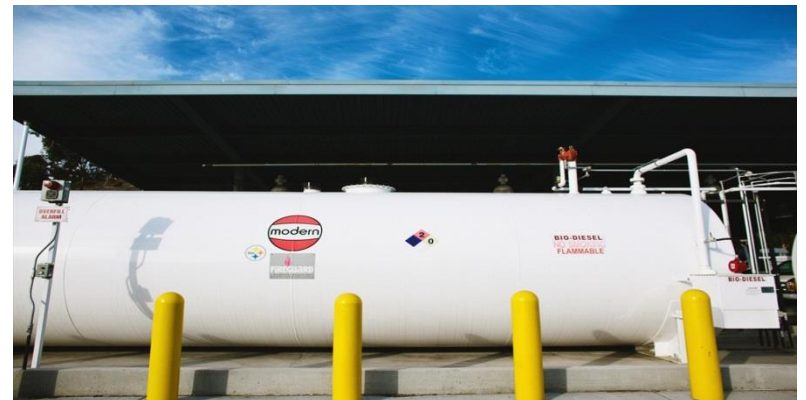
Senior & Rec Centers Repairs - \$3 million



Civic Center & South Libraries Repairs - \$1.5m



Other Public Building Repairs - \$3.1 million



Fleet Infrastructure Repairs - \$1 million

- Pavement Rehabilitation (Citywide)
 - Measure P (\$13.6m)
 - Residential Streets
 - PCIs 0-25
 - Repair Sidewalks (\$1m)
 - TransNet/Gas Tax (\$4.3m)
 - Major (Overlays)
 - Minor (Slurry Seals)



- Traffic Signal Projects (Citywide)
 - Measure P (\$3m)
 - Repair Failing/Obsolete TS
 - Repair Control & Comm. Systems
 - Smart Technologies
 - Other Funding (\$6.4m)
 - Pedestrian
 - Retiming
 - Fiber Optic
 - Upgrades



CIP Highlights

- Storm Drain Rehabilitation (Citywide)
 - Measure P (\$6.9m)
 - CMP Repairs Outside ROW
 - TransNet/Gas Tax (\$1m)
 - CMP Repairs Inside ROW



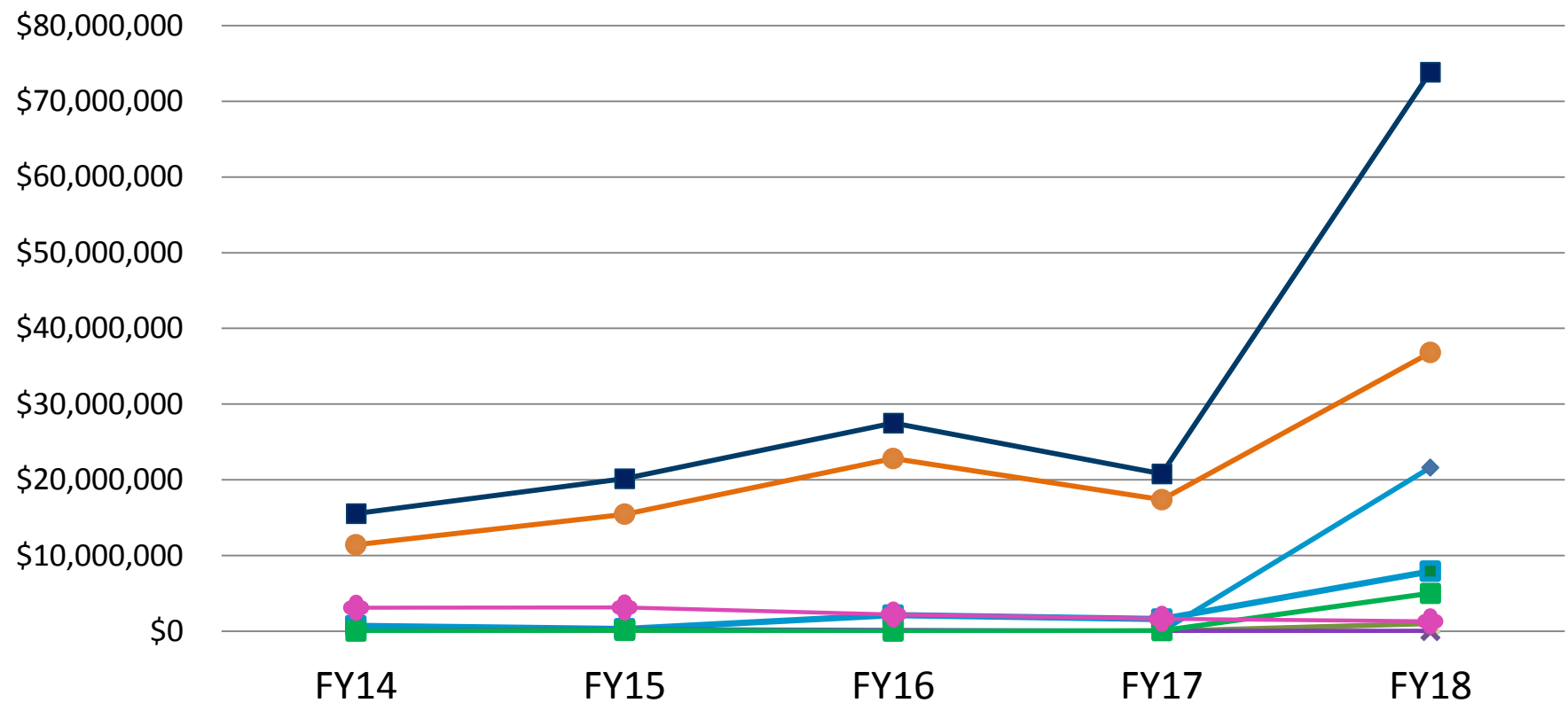
- Park Projects (Citywide) - Measure P (\$5m)
 - Park Infrastructure (\$2m)
 - Sports Courts & Fields (\$3m)





Capital Improvement Program 5-Year Period

by Asset Management System



◆ Building ■ Drainage ▲ Fleet — General Gov't ✕ OS ■ Parks ● Roadway ◆ Wastewater ■ TOTAL CIP



Next Steps

- City Council to accept City Manager's Proposed Budget as their own and set a time for Public Hearing and adoption of the budget
- Additional comments can be submitted on City's website



Resolution

RESOLUTION OF THE CITY COUNCIL/SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY/ HOUSING AUTHORITY OF THE CITY OF CHULA VISTA ACCEPTING THE CITY MANAGER'S PROPOSED OPERATING AND CAPITAL IMPROVEMENT BUDGETS FOR FISCAL YEAR 2017/18 AS THEIR PROPOSED BUDGETS, RESPECTIVELY, AND SETTING THE TIME AND PLACE FOR A PUBLIC HEARING FOR FINAL CONSIDERATION AND ADOPTION OF SAME