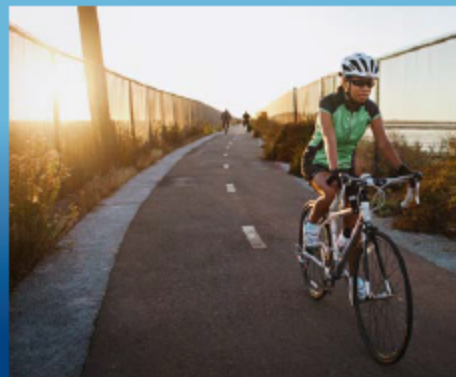


FY 2014-15
PROPOSED BUDGET



May 27, 2014



Agenda

- Fiscal Year 2014-15 Proposed Budget Summary
- May 20 Follow-Up
- Resolution



All Funds Summary

Description	FY 15 Proposed
Revenues	\$269.3
Expenditures	\$284.5
Surplus/(Deficit)	(\$15.2)
Reserves - Other Funds (Revenues collected in prior years)	\$15.2
Surplus/(Deficit)	\$ -



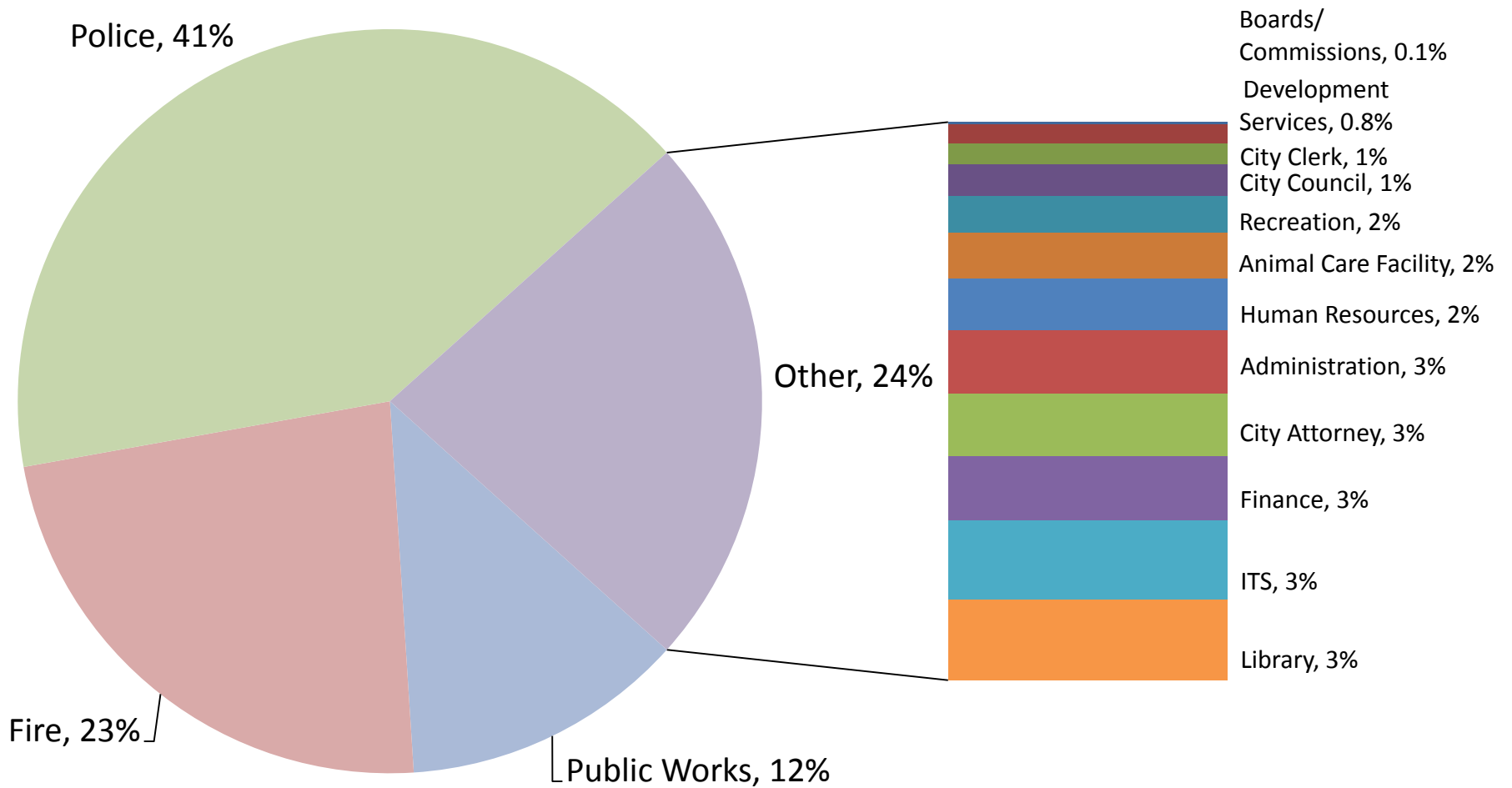
General Fund Summary

Description	FY 15 Proposed
Revenues	\$134.5
Expenditures	\$134.5
Surplus/Deficit	\$ -



General Fund Net Cost

(Allocation of Discretionary Revenues)





Employee Negotiations

- General Fund budget includes \$1 million to fund current negotiations
- Funding set aside by:
 - Reducing Public Liability funding by \$500,000
 - Insurance for:
 - Personal injury claims
 - Property damage
 - Errors and omissions
 - Employment practices liability
 - Increase salary savings above base of 1% (\$500,000)



Salary Savings

General Fund Only

- Assumes savings for anticipated vacancies or delays in hiring

Description	Amount
Budgeted Salary Savings	\$1.3M
Salary Savings to Fund Employee Negotiations	\$0.5M
<u>Total Salary Savings (FY2015 CM Proposed)</u>	<u>\$1.8M</u>

Note: 1% base totals \$0.9 million



Five-Year Forecast

Does not assume an economic downturn in this forecast period.

Description	CM Proposed FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019
Revenues:					
Property Taxes	\$ 28,032,214	\$ 29,125,470	\$ 30,248,774	\$ 31,416,176	\$ 32,650,865
Sales Tax	\$ 30,455,693	\$ 31,064,807	\$ 31,996,751	\$ 32,956,654	\$ 33,945,353
Franchise Fees	\$ 8,903,174	\$ 9,091,031	\$ 9,282,852	\$ 9,478,720	\$ 9,763,082
Utility Users Taxes	\$ 7,175,000	\$ 7,246,750	\$ 7,319,218	\$ 7,392,410	\$ 7,466,334
Transient Occupancy Taxes	\$ 2,518,329	\$ 2,593,879	\$ 2,671,695	\$ 2,751,846	\$ 2,834,401
Motor Vehicle License Fees	\$ 17,450,125	\$ 18,147,041	\$ 18,871,801	\$ 19,625,518	\$ 20,409,349
Other Revenues	\$ 40,002,209	\$ 39,561,733	\$ 39,767,182	\$ 40,033,864	\$ 40,481,263
Total Revenues	\$ 134,536,744	\$ 136,830,711	\$ 140,158,272	\$ 143,655,188	\$ 147,550,647
Expenditures:					
Personnel Services	\$ 77,534,667	\$ 77,649,832	\$ 77,855,872	\$ 77,855,872	\$ 77,855,872
Flex/Insurance	\$ 11,577,264	\$ 12,423,952	\$ 13,336,883	\$ 14,324,646	\$ 15,393,901
PERS	\$ 19,849,844	\$ 21,326,333	\$ 22,519,129	\$ 23,643,408	\$ 24,731,946
Salary Savings	\$ (1,807,636)	\$ (840,946)	\$ (840,946)	\$ (840,946)	\$ (840,946)
Est. Pension Impact Due to Mortality Change	\$ -	\$ -	\$ 1,087,219	\$ 2,174,326	\$ 3,262,036
Workers Compensation GF Liability	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Other Expenditures	\$ 27,382,605	\$ 26,986,947	\$ 27,564,414	\$ 28,141,754	\$ 28,886,877
Total Expenditures	\$ 134,536,744	\$ 138,046,118	\$ 142,022,571	\$ 145,799,060	\$ 149,789,686
Subtotal Surplus/(Deficit)	\$ -	\$ (1,215,407)	\$ (1,864,299)	\$ (2,143,873)	\$ (2,239,039)



Five-Year Forecast

Other Items to be Considered

Does not assume an economic downturn in this forecast period.

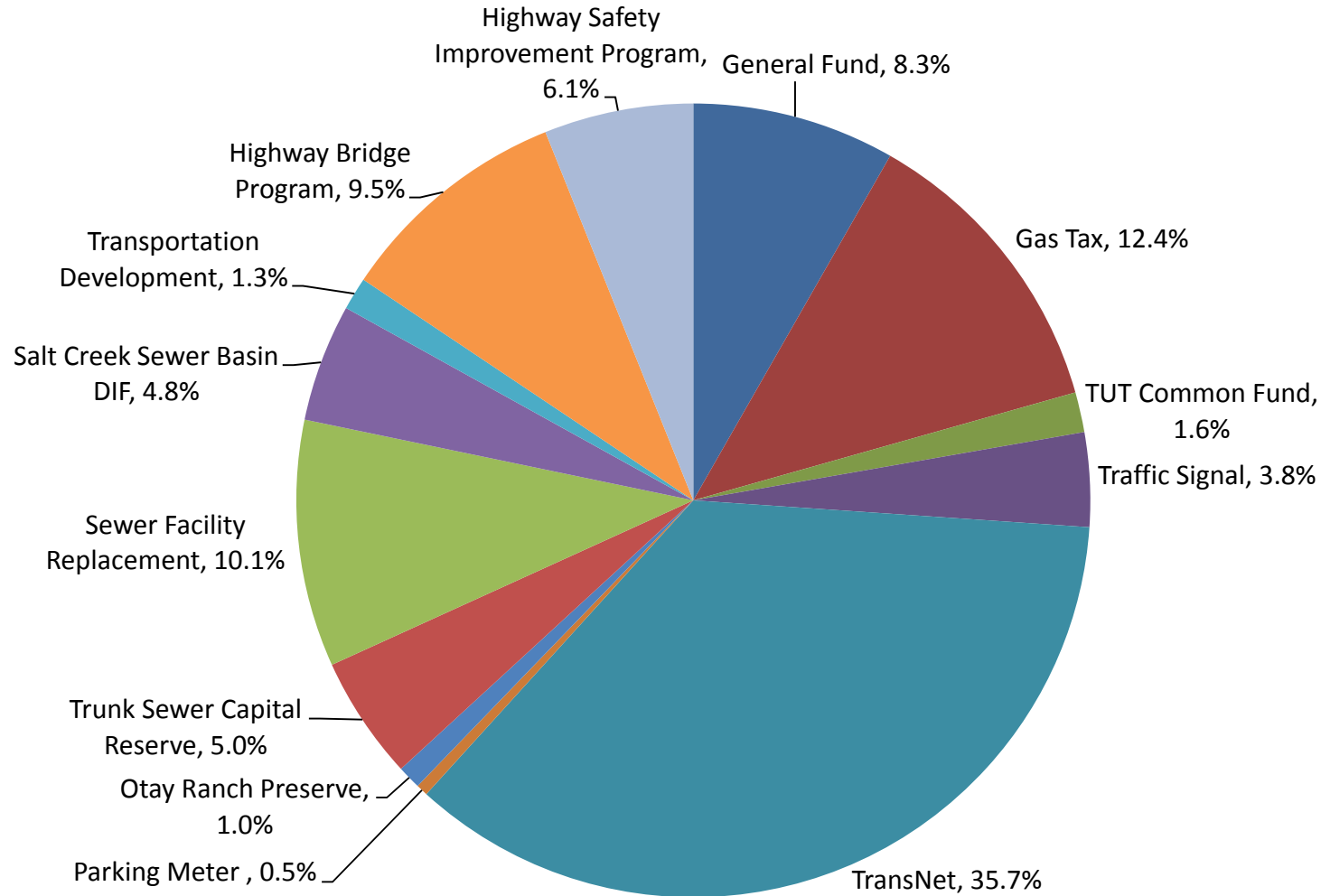
Description	CM Proposed FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019
Other Items to Be Considered:					
Regional Communication System (RCS Financing)	\$ -	\$ -	\$ 400,000	\$ 400,000	\$ 400,000
RCS Radios	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -
Fire Breathing Apparatus	\$ -	\$ 600,000	\$ -	\$ -	\$ -
Technology Replacement	\$ -	\$ 239,884	\$ 89,884	\$ 89,884	\$ 89,884
Vehicle Replacement	\$ -	\$ 1,268,500	\$ 1,134,500	\$ 1,069,000	\$ 1,009,000
Building Maintenance	\$ -	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Total Other Items	\$ -	\$ 2,308,384	\$ 3,324,384	\$ 1,758,884	\$ 1,698,884
SURPLUS/(DEFICIT) WITH ADDITIONAL IMPACTS	\$ -	\$ (3,523,791)	\$ (5,188,683)	\$ (3,902,757)	\$ (3,937,923)

Notes:

1. Personnel Services: the City is currently negotiating with five bargaining units. The estimated cost for Personnel Services reflects current staffing adjusted to reflect the City's most recent wage proposals. No new staff is assumed during the forecast period.
2. PERS cost reflect the estimated contribution rates as provided by CalPERS in the October 2013 Annual Valuation Report and assumes a 7.5% Return on Investment (ROI).
3. FY2015 reflects a higher than normal salary savings in order to balance. Starting in FY2016 salary savings is based on 1% of Salary/PERS/Medicare.
4. The City is undertaking an asset management program/study to identify Citywide Infrastructure needs and develop a financing plan.



Capital Improvement Program \$20.9 M by Funding Source





May 20 Follow-Up



May 20 Follow-Up

Fire Command Staff Vehicles

FY 2015 CM Proposed Budget \$290,000

Vehicle #	Current Mileage
1932 – Fire Chief	96,000
1921 – Deputy Chief	160,000
2325 – Battalion Chief*	105,000
2327 – Battalion Chief*	106,000

*Battalion Chief reserve vehicles:

- 1999 year model – 106,000
- 2002 year model – 120,000



May 20 Follow-Up

Fire Truck Replacement

- Official City vehicle replacement policy calls for replacement of fire trucks after 20 years of front-line service
- Oldest Fire Truck at 15 years, with second oldest at 13 years
- One fire pumper on order which will displace the oldest truck on the front-line and one truck on loan from the Office of Emergency Services (OES)



May 20 Follow-Up

- FY 2014 Stephan/Mary Birch Foundation Donation - \$52,488
 - Appropriated on 03/11/2014 for the purchase of:
 - 2 pair single layer fire resistant pants per firefighter (120)
 - 1 Class “B” Dress shirt for each



May 20 Follow-Up

- FY 2014 California Firefighter Joint Apprenticeship Committee (JAC) - \$41,460
 - Appropriated on 05/20/2014 for:
 - Reimbursement training overtime in training division
 - Reimbursement for training travel expenses



May 20 Follow-Up

- Economic Development
 - Council approved enhancements to Economic Development last Fall
 - Proposed budget reflects the implementation of the enhancements including the addition of a Senior Economic Development Specialist that will report to the Director of Economic Development



Resolution



Resolution

Resolution of the City Council, Successor Agency to the Redevelopment Agency, and Housing Authority of the City of Chula Vista accepting the Operating and Capital Improvement Budgets for the City of Chula Vista for Fiscal Year 2014-15 as their Proposed Budgets, respectively, and setting the time and place for a public hearing on the budget and their final consideration and budget adoption