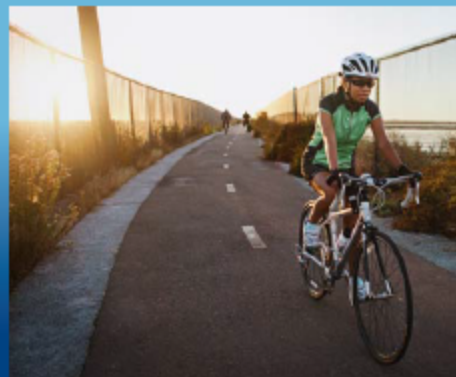


FY 2014-15
PROPOSED BUDGET



May 20, 2014



Agenda

- Fiscal Year 2014-15 Proposed Budget
 - All Funds Summary
 - General Fund Summary
- Fiscal Year 2014-15 Capital Improvement Program
- Next Steps

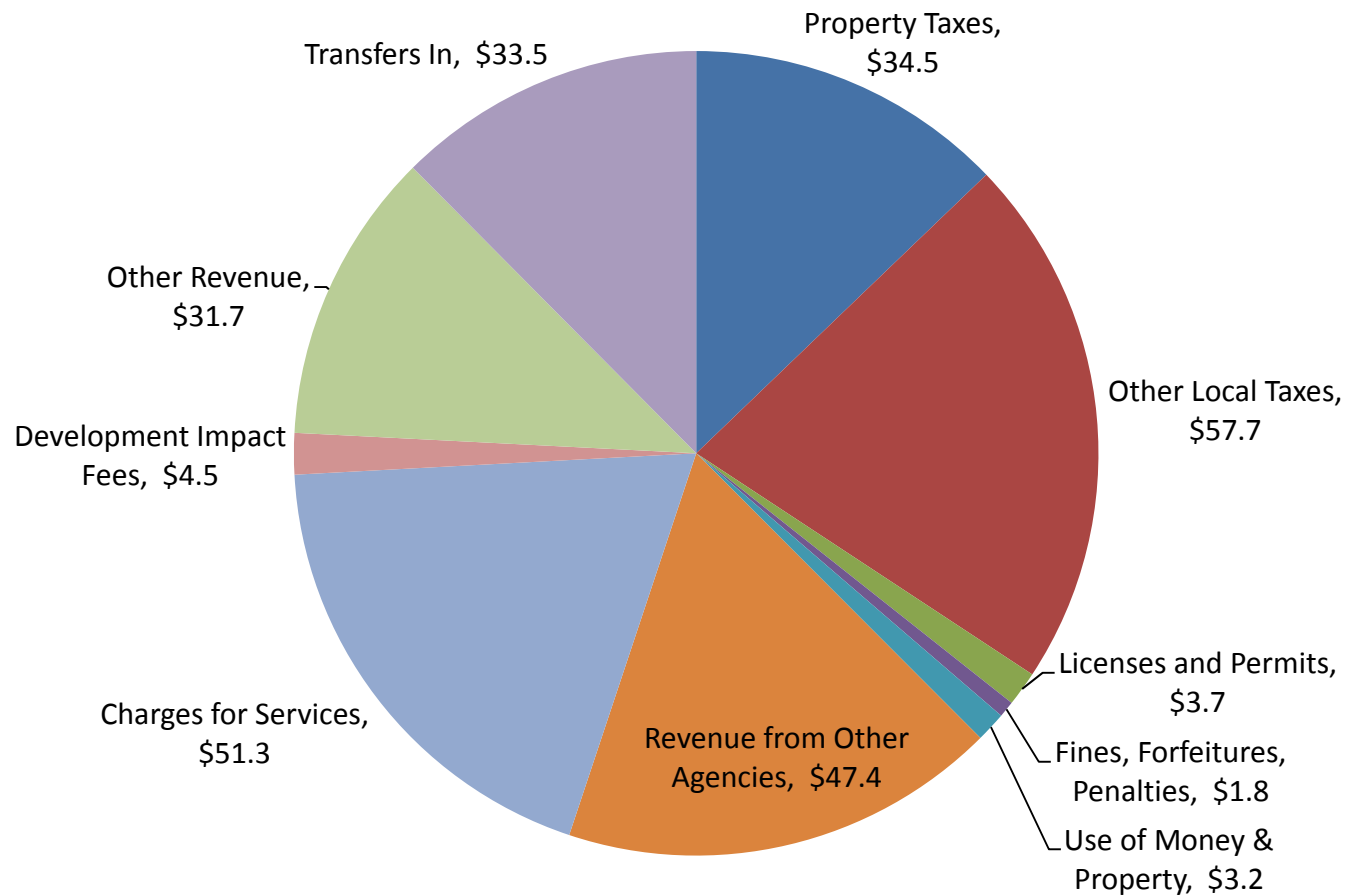


All Funds Summary



All Funds Summary - \$269.3M

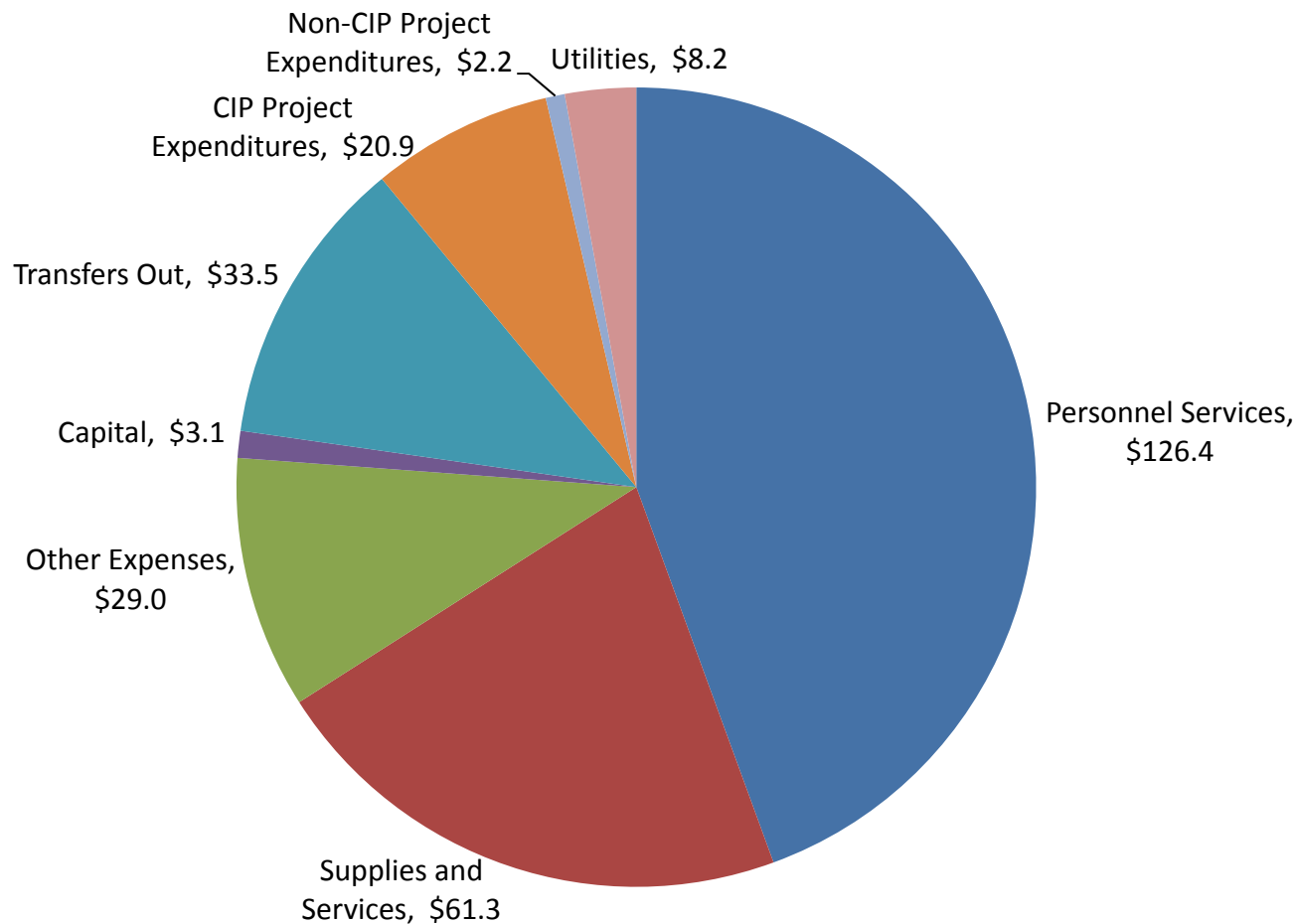
FY 2014-15 All Funds Projected Revenue





All Funds Summary - \$284.5M

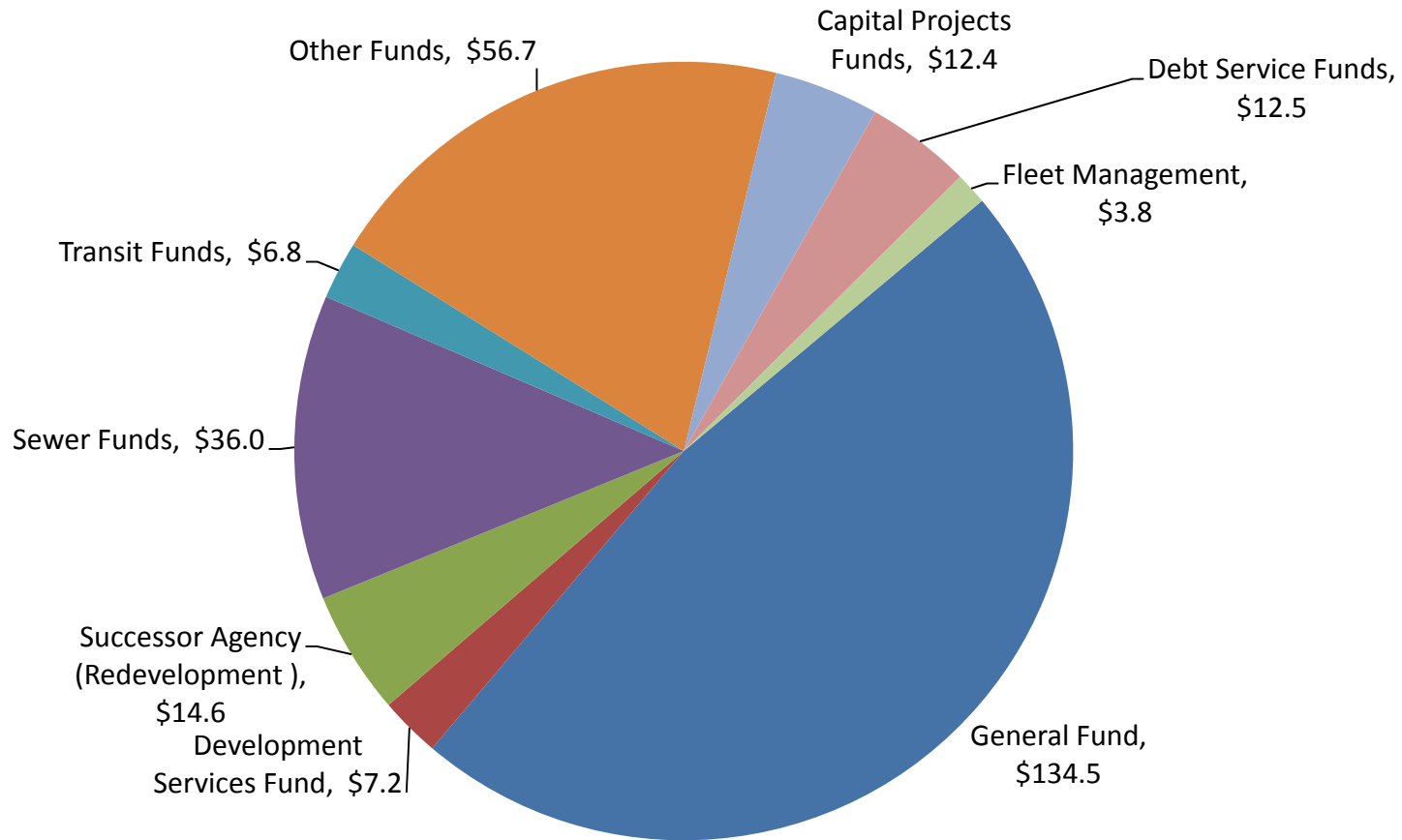
FY 2014-15 All Funds Projected Expenditures by Category





All Funds Summary - \$284.5M

FY 2014-15 All Funds Projected Expenditures by Fund





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)	\$ -



All Funds Summary

Summary of Net Impact to Reserves by Fund

Fund	Projected Reserve Balance (06/30/14)	FY15 City Manager Proposed Revenues	FY15 City Manager Proposed Expenditures	FY15 City Manager Proposed Net Impact	Projected Reserve Balance (06/30/15)
General Fund	\$ 13,076,151	\$ 134,536,744	\$ 134,536,744	\$ -	\$ 13,076,151
Development Services Fund	\$ (495,083)	\$ 7,160,836	\$ 7,160,836	\$ -	\$ (495,083)
SA and CV Housing Authority	\$ (30,028,852)	\$ 12,982,212	\$ 14,606,278	\$ (1,624,066)	\$ (31,652,918)
Sewer Funds	\$ 73,423,925	\$ 33,817,925	\$ 36,019,202	\$ (2,201,277)	\$ 71,222,648
Transit Funds	\$ 838,479	\$ 6,792,632	\$ 6,792,618	\$ 14	\$ 838,493
Environmental Services Fund	\$ 912,122	\$ 1,464,279	\$ 1,689,726	\$ (225,447)	\$ 686,675
Gas Tax	\$ 3,675,620	\$ 6,159,431	\$ 6,839,428	\$ (679,997)	\$ 2,995,623
Grants	\$ 3,522,163	\$ 15,622,689	\$ 14,234,486	\$ 1,388,203	\$ 4,910,366
Maintenance Districts & Open Space	\$ 16,391,146	\$ 12,062,234	\$ 12,062,234	\$ -	\$ 16,391,146
Other	\$ 5,772,778	\$ 9,673,319	\$ 12,651,383	\$ (2,978,064)	\$ 2,794,714
Public Liability Trust	\$ 1,319,252	\$ 744,000	\$ 1,653,439	\$ (909,439)	\$ 409,813
TUT Common Fund	\$ 4,228,219	\$ -	\$ 4,228,219	\$ (4,228,219)	\$ -
Workers Comp Fund	\$ 977,702	\$ 2,652,549	\$ 3,380,610	\$ (728,061)	\$ 249,641
Capital Projects Funds	\$ 62,410,563	\$ 8,413,185	\$ 12,434,206	\$ (4,021,021)	\$ 58,389,542
Debt Service Funds	\$ (25,719,165)	\$ 13,561,419	\$ 12,451,682	\$ 1,109,737	\$ (24,609,428)
Fleet Management	\$ 700,769	\$ 3,653,665	\$ 3,782,520	\$ (128,855)	\$ 571,914
TOTAL	\$131,005,789	\$269,297,119	\$284,523,611	\$(15,226,492)	\$115,779,297



All Funds Staffing Summary

6.0 FTE Added Mid Year
3.75 FTE Net New Positions

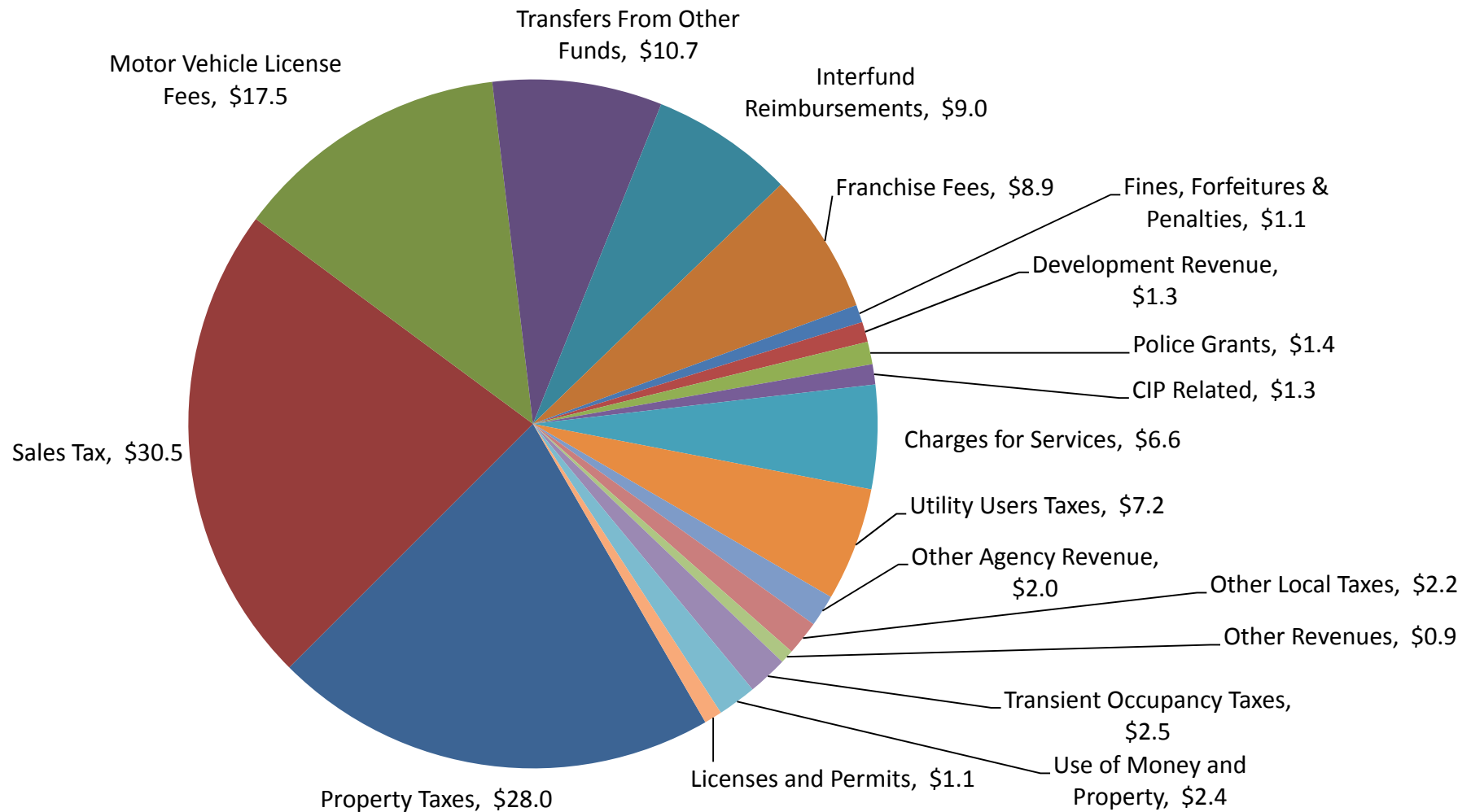
Staffing by Fund	FY2013-14 Council Adopted	FY 2014-15 Proposed	Change
General Fund	801.5	806.25	4.75
Police Grants/CBAG/Local Law Enforcement Block Grant	37.00	39.00	2.00
Advanced Life Support Fund	1.00	1.00	-
Federal Grants Fund	1.00	2.00	1.00
Environmental Services	5.00	5.00	-
CV Housing Authority	4.00	4.00	-
Successor Agency to the Redevelopment Agency	1.00	-	(1.00)
Fleet Management	8.00	10.00	2.00
Development Services Fund	44.50	45.50	1.00
Sewer	46.00	46.00	-
Transit	1.00	1.00	-
Total Citywide	950.00	959.75	9.75



General Fund Summary



General Fund Revenues \$134.5 M





General Fund Revenues

(in thousands)

Category	FY13 Actuals	FY14 Adopted	FY15 Proposed	Change
Sales Tax	28,628	29,855	30,456	601
Property Taxes	27,877	25,953	28,032	2,080
Motor Vehicle License Fees	16,254	16,488	17,450	962
Transfers From Other Funds	9,661	10,103	10,709	606
Inter-fund Reimbursements	10,285	9,304	9,023	-281
Franchise Fees	9,267	8,473	8,903	430
Utility Users Taxes	4,429	3,512	7,175	3,663
Charges for Services	7,266	6,529	6,556	27
Transient Occupancy Taxes	2,471	2,365	2,518	153
Use of Money and Property	2,188	2,282	2,439	158
Other Local Taxes	2,386	2,136	2,178	42
Other Agency Revenue	2,772	1,988	2,011	23
Police Grants	1,086	1,763	1,430	-333
Development Revenue	1,290	1,258	1,268	10
Licenses and Permits	1,197	1,135	1,135	-
Fines, Forfeitures & Penalties	1,003	1,111	1,111	-
Other Revenues	2,291	940	868	-72
Economic Contingency Reserves	-	2,298	-	-2,298
Total Operating Budget	130,351	127,493	133,262	5,770
CIP Projects	461	258	1,274	1,016
GENERAL FUND TOTAL REVENUES	130,812	127,751	134,537	6,786



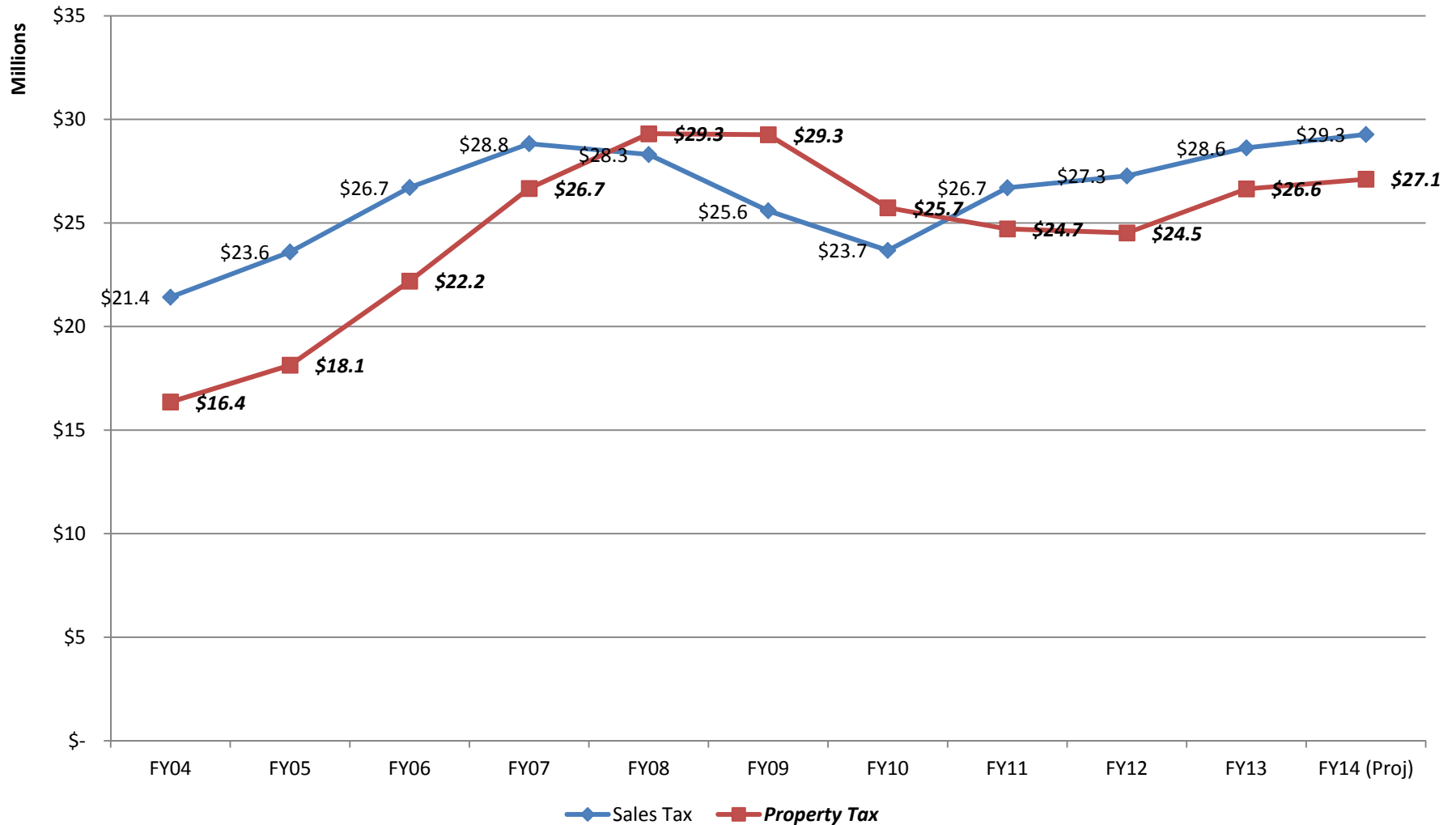
Major Revenue Assumptions

- Property Tax adjusted to reflect a 4% growth in assessed value
- Sales Tax reflects a 4% increase from the most recent FY 2014 quarterly projections
- TOT and Franchise Fees revenue have been adjusted based on an estimated 2% increase when compared to FY 2014 quarterly projections
- UUT includes \$3.6 million in wireless telecommunication revenue



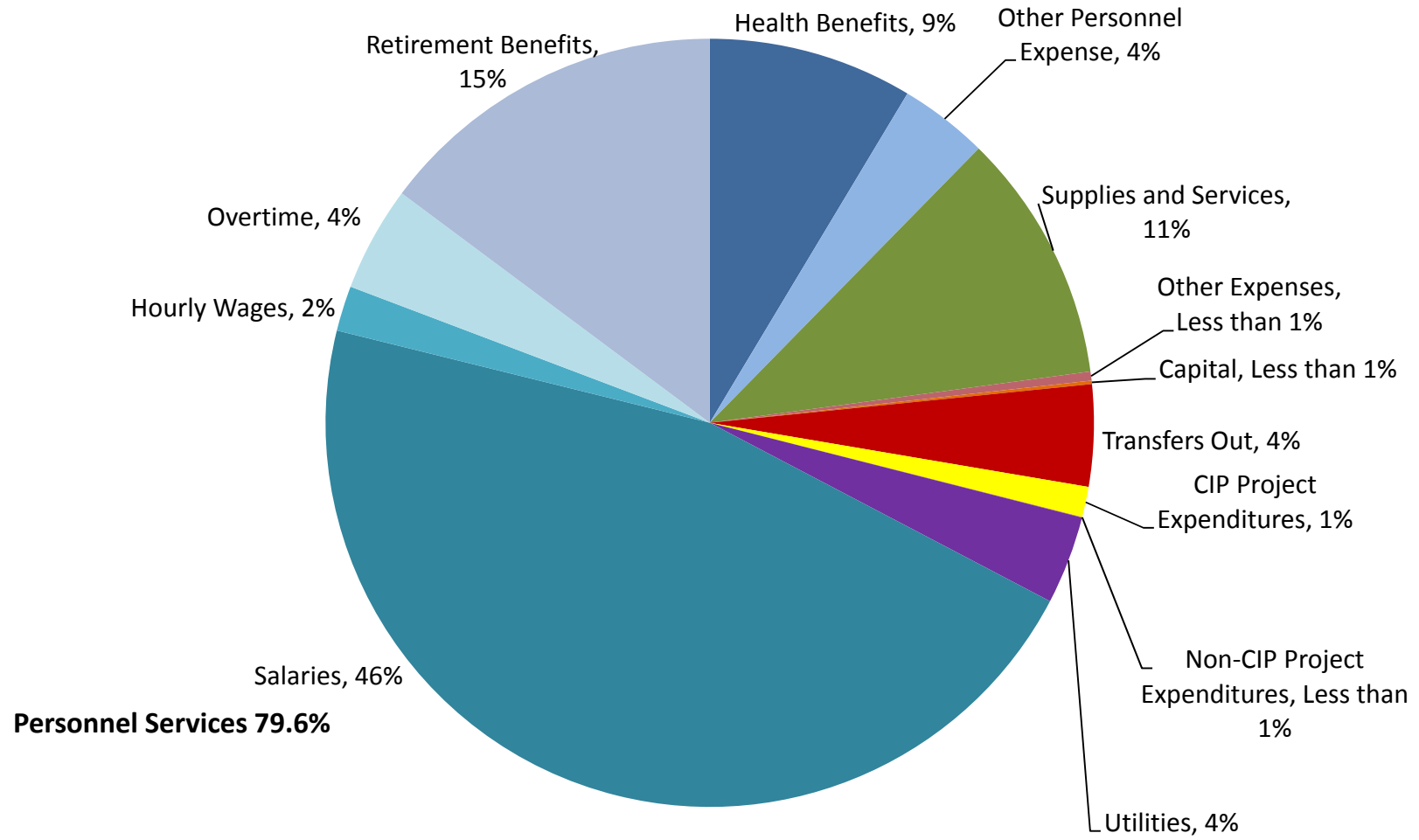
Sales Tax and Property Tax

Year-over-Year Actual Revenues





General Fund Expenditures \$134.5M





General Fund Expenditures

General Fund Expenditures by Category (in thousands)

Category	FY13 Actuals	FY14 Adopted	FY15 Proposed	Change
Personnel Services	99,234	102,815	107,154	4,339
Supplies and Services	14,309	13,193	14,161	967
Other Expenses	451	464	517	53
Capital	1,569	137	196	59
Transfers Out	6,011	6,263	5,755	(508)
Non-CIP Project Expenditures	100	19	19	-
Utilities	4,681	4,601	5,011	410
Total Operating Budget	126,354	127,493	132,813	5,320
CIP Project Expenditures	1,173	258	1,724	1,466
TOTAL EXPENDITURES	127,527	127,751	134,537	6,786



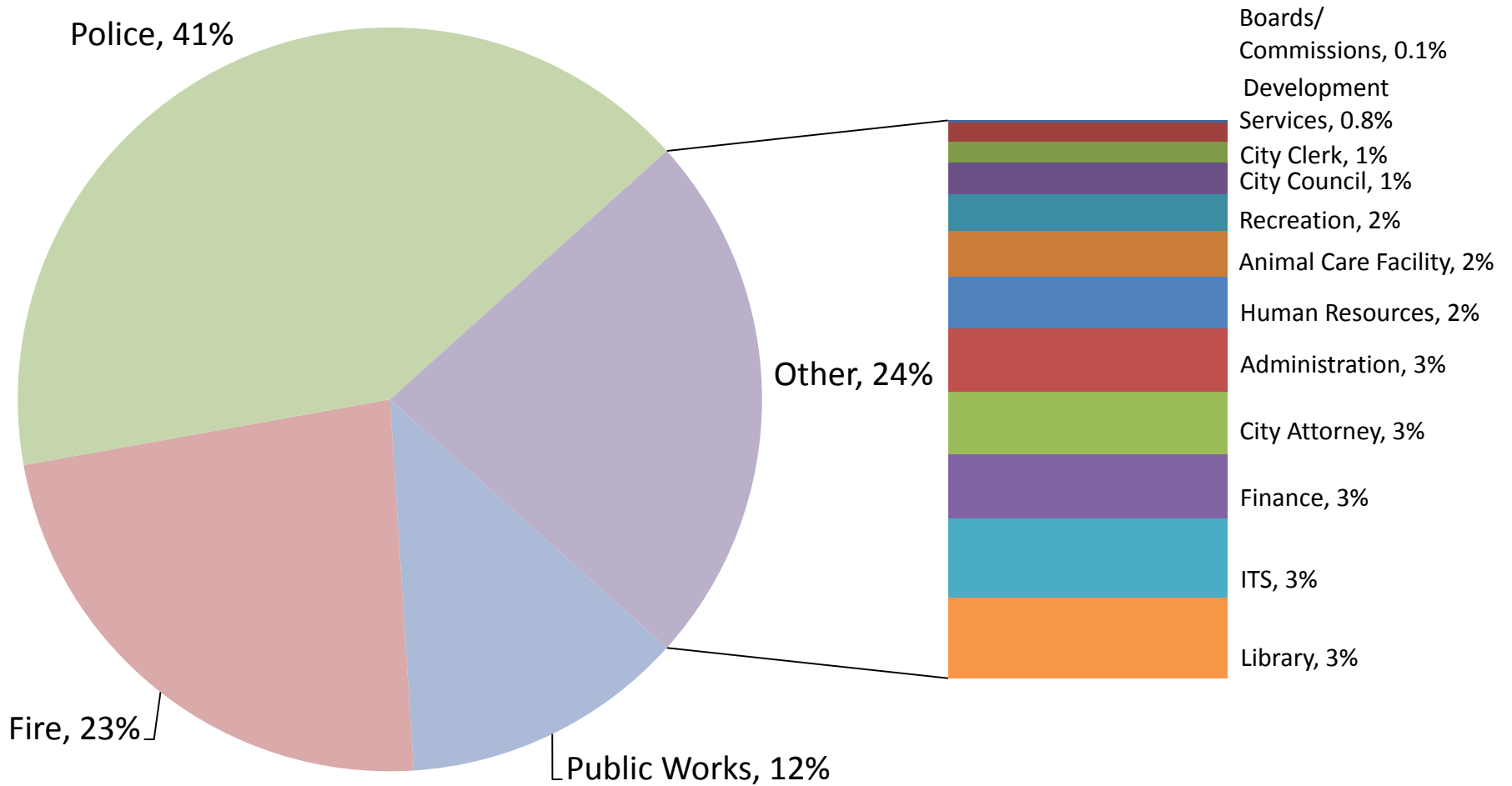
General Fund Summary

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



General Fund Net Cost

(Allocation of Discretionary Revenues)





Five-Year Forecast

Assumes continued economic recovery throughout 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

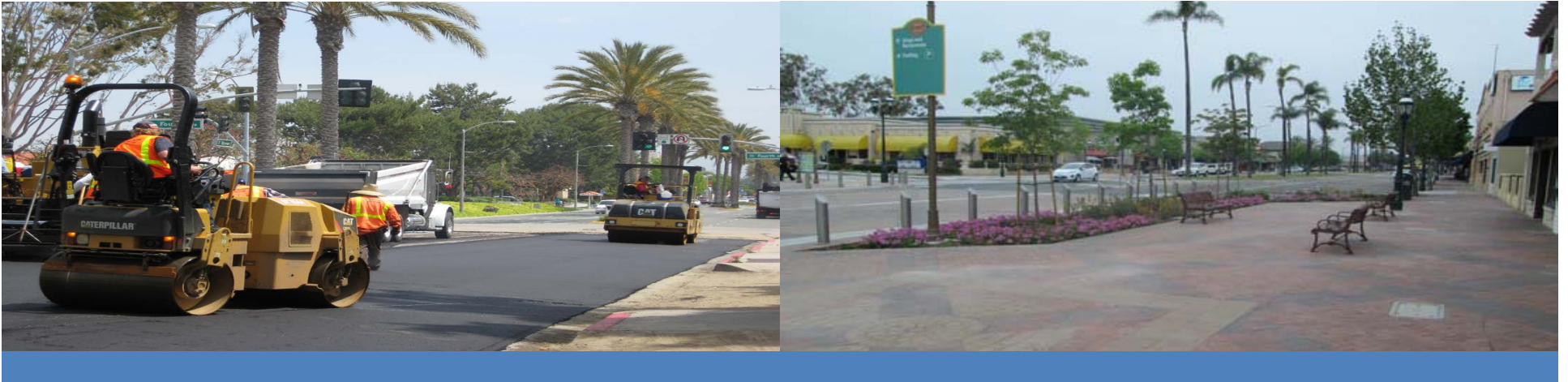
Other Items to be Considered

Assumes continued economic recovery throughout 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 and asset management program/study to identify Citywide Infrastructure needs and develop a financing plan.



Capital Improvement Program Summary



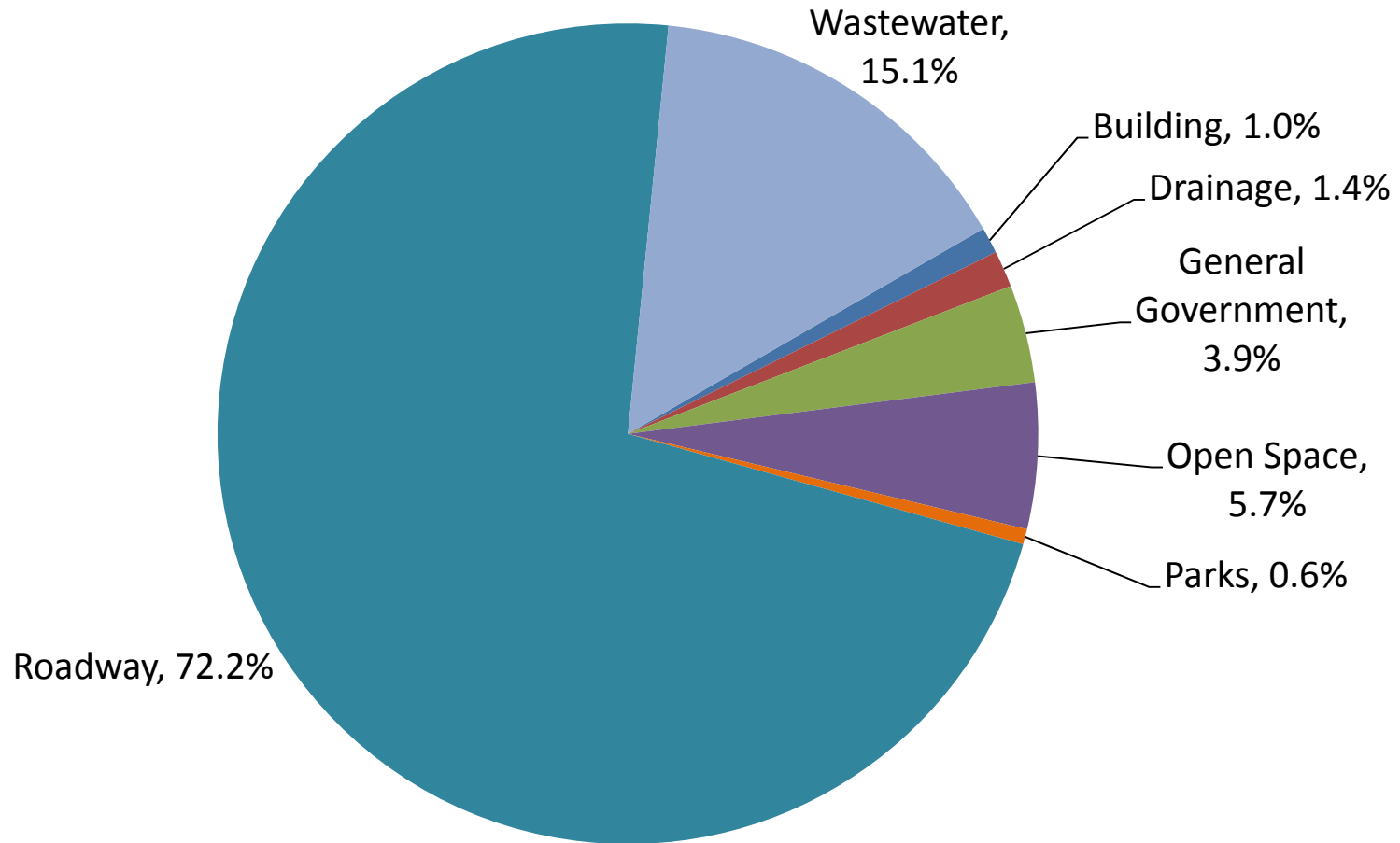
Infrastructure Scorecard

2014

GREEN	Open Space Management System
GREEN	Wastewater Management System
YELLOW	Parks Management System
YELLOW	General Government Management System
RED	Building Management System
RED	Drainage Management System
RED	Fleet Management System
RED	Roadway Management System
RED	Urban Forestry Management System



Capital Improvement Program \$20.9 M by Asset Management System



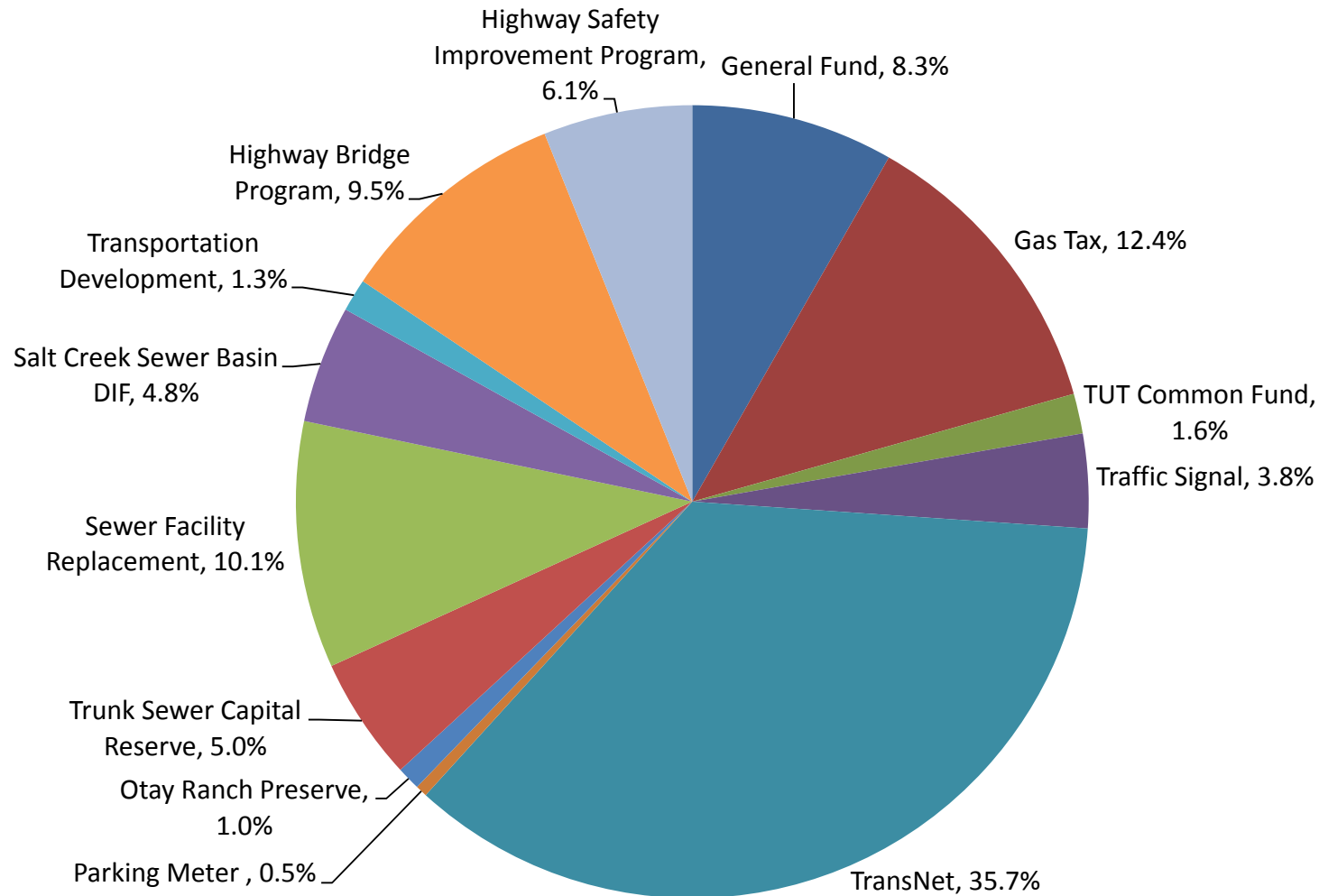


Proposed CIP Highlights

- Third Avenue Streetscape Improvement Project, Phase 2
- Prop 84 Statewide Park Funding for Orange Park
- Highway Bridge Program (HBP) Funding
 - Willow Street Bridge
 - Heritage Road Bridge
- Major & Minor Pavement Rehabilitation Projects (Citywide)
- Sewer Rehabilitation Projects (Citywide)



Capital Improvement Program \$20.9 M by Funding Source





Public Input & Next Steps



Public Input

- Infrastructure
 - Drainage Improvements
 - Street improvement repairs
 - Fund Bikeway Master Plan and Broadway Bike Lane Study
 - Provide more funding for building maintenance
- Library
 - Improve Civic Center Library Auditorium
 - Provide more funding for library books, materials, technology



Next Steps

- ✓ April 29 & 30: Community Workshops
- ✓ May 16: City Manager Proposed Budget document submitted to Council
- May 20: Staff presentation of City Manager Proposed Budget
- May 27: Consideration of FY15 Budget and approval of City Manager Proposed Budget
- May 28: Release City Council Proposed budget for 10 day public review period per Charter requirement
- June 10: Public Hearing and Council Adoption of the budget