



# 1<sup>ST</sup> QUARTER BUDGET REPORT FISCAL YEAR 2020-2021



# Fiscal Year 2020-21 Budget Highlights

- Adopted budget for Fiscal Year 2020-2021 was balanced with no impact to the General Fund reserves.
- Adopted budget and assumptions were prepared in early March 2020, prior to the economic decline due to the COVID-19 crisis.
- Includes expansion of Measure A funded positions:
  - Fire Department: Addition of twelve Firefighter positions.
  - Police Department: Addition of nine various positions.
- Operating and personnel expenditures for the new Millenia Fire Station of approximately \$2.0 million.



# Fiscal Year 2020-21 Budgetary Highlights

- Property tax revenue anticipated to increase by approximately \$1.2 million or 3.3 percent over Fiscal Year 2019-2020.
- Both Measure A and Measure P Sales Tax are budgeted at \$20.0 million for each sales tax measure, an overall increase of \$1.8 million each or 9.6 percent over Fiscal Year 2019-2020.
- Approximately \$1.6 million transfer to Chula Vista Bayfront Finance Authority Fund for Fiscal Year 2020-2021.
- Increase of approximately \$1.6 million over Fiscal Year 2019 – 2020 for retirement costs based on latest CalPER's Actuarial Valuation Report.



# Fiscal Year 2020-21

## First Quarter Monitoring Report

### Fiscal Year 2020-2021 Adopted General Fund Budget

Description	FY 2021 Revised Budget		FY 2021 Projection	
<b>Revenues:</b>				
MAJOR DISCRETIONARY REVENUES	\$	160.7	\$	158.5
OTHER GENERAL FUND REVENUES		46.1		43.6
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>206.8</b>	<b>\$</b>	<b>202.1</b>
<b>Expenditures:</b>				
PERSONNEL SERVICES	\$	131.8	\$	131.8
OTHER EXPENDITURES		71.0		71.0
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>202.8</b>	<b>\$</b>	<b>202.8</b>
<b>TOTAL GENERAL FUND SURPLUS/(DEFICIT)</b>	<b>\$</b>	<b>4.1</b>	<b>\$</b>	<b>(0.7)</b>

#### First Quarter Financial Monitoring Report

- General Fund budget was decreased by \$3.9 million in July 2020 due to anticipated decline in revenues.
- Projections does not include CARES Act funds, which will be included in Q2.
- Projections does not include current economic conditions worsening due to increase in COVID-19 cases, continued lock down, and business closures.



# Fiscal Year 2021 General Fund Revenues

Revenue Category	FY 2021 Revised Budget	FY 2021 Projected Budget	Variance
Property Taxes	\$ 37,555,758	\$ 37,555,758	\$ -
Sales Tax	36,931,855	34,936,873	(1,994,982)
Measure P Sales Tax	20,020,000	20,020,000	-
Measure A Sales Tax	20,020,000	20,020,000	-
PT in lieu of Motor Vehicle License Fee (VLF)	23,591,939	24,950,254	1,358,315
Franchise Fees	12,404,935	12,404,935	-
Utility Users Tax	5,233,423	4,033,423	(1,200,000)
Transient Occupancy Taxes	4,926,832	4,531,374	(395,458)
Development Revenue	2,034,366	2,034,366	-
Licenses and Permits	1,466,670	1,466,670	-
Fines, Forfeitures, Penalties	1,230,253	1,230,253	-
Use of Money & Property	2,996,116	2,696,116	(300,000)
Other Local Taxes	4,125,339	3,628,874	(496,465)
Police Grants	981,317	981,317	-
Revenue from Other Agencies	1,418,747	1,418,747	-
Charges for Services	8,143,485	7,039,533	(1,103,952)
Interfund Reimbursements	10,099,919	10,099,919	-
Other Revenue	1,335,381	707,381	(628,000)
Transfers In	12,315,618	12,315,618	-
<b>TOTAL REVENUES</b>	<b>\$ 206,831,953</b>	<b>\$ 202,071,411</b>	<b>\$ (4,760,542)</b>



# Fiscal Year 2021

## General Fund Expenditures

Department	FY 2021 Revised Budget	FY 2021 Projected Budget	Variance
City Council	\$ 1,540,062	\$ 1,540,062	\$ -
Boards & Commissions	125,000	125,000	-
City Clerk	933,434	933,434	-
City Attorney	3,243,198	3,243,198	-
Administration	2,342,859	2,342,859	-
Information Technology	3,841,104	3,841,104	-
Human Resources	2,760,848	2,760,848	-
Finance	3,760,994	3,760,994	-
Non-Departmental	50,028,636	50,028,636	-
Animal Care Facility	2,848,513	2,848,513	-
Economic Development	1,795,524	1,795,524	-
Planning & Building	2,680,135	2,680,135	-
Engineering/Capital Project	9,928,285	9,928,285	-
Police	57,482,875	57,482,875	-
Fire	33,908,070	33,908,070	-
Public Works	11,954,413	11,954,413	-
Parks and Recreation	10,176,352	10,176,352	-
Library	3,427,834	3,427,834	-
<b>TOTAL EXPENDITURE BUDGET</b>	<b>\$ 202,778,136</b>	<b>\$ 202,778,136</b>	<b>\$ -</b>



# Fiscal Year 2020-21

## First Quarter Adjustments

### General Fund Significant Budget Adjustments

- Appropriate additional \$1.4 million for Property Tax in Lieu of Vehicle License Fee based on projections from the County of San Diego.
- Appropriate \$112,618 in revenues with the Human Resources Departments for the reimbursement from the Fire Department Transport Program to fund 1.0 FTE Human Resource Analyst position.
- Net cost **decrease** of \$1,390,598.



# Fiscal Year 2020-21

## First Quarter Adjustments

### Other Funds Significant Budget Adjustments

- **Measure P Sales Tax** – Appropriate \$1,113,327 from fund balance for various CIP Projects.
- **Transportation Grants-Gas Tax Fund** – Decrease appropriations by \$1,540,229 for various CIPs due to a decrease in revenues from FY2020.
- **Advanced Life Support Program Fund** – Appropriate \$1,023,454 in expenditures and \$1,014,487 in revenues.
- **Federal Grants** – Appropriate \$621,170 in expenditures and \$336,219 in revenues for various Development Services, Police, and Fire Department grants.
- **Transport Enterprise Fund** – Appropriate \$2,807,494 in expenditures.
- Net cost increase of \$3,121,918.





**GENERAL FUND  
LONG-TERM FINANCIAL PLAN (LTFP)  
FISCAL YEAR 2022 TO 2026**



# LTFP Forecast Summary (FY2022 – FY2026)

Description	Forecast FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025	Forecast FY 2026
<b>Revenue Projections</b>					
MAJOR DISCRETIONARY REVENUES	\$ 164.53	\$ 169.28	\$ 172.41	\$ 175.60	\$ 178.88
OTHER REVENUES	46.28	48.57	48.87	49.18	49.49
<b>TOTAL REVENUES (in millions)</b>	<b>\$ 210.81</b>	<b>\$ 217.85</b>	<b>\$ 221.28</b>	<b>\$ 224.78</b>	<b>\$ 228.37</b>
<b>Expenditure Projections</b>					
PERSONNEL SERVICES EXPENDITURES	\$ 142.29	\$ 147.00	\$ 151.16	\$ 155.55	\$ 158.76
OTHER EXPENDITURES	71.85	73.21	74.57	75.26	76.12
NEW DEVELOPMENT EXPENDITURES	-	-	0.69	0.72	0.74
<b>TOTAL EXPENDITURES (in millions)</b>	<b>\$ 214.14</b>	<b>\$ 220.21</b>	<b>\$ 226.42</b>	<b>\$ 231.52</b>	<b>\$ 235.62</b>
<b>TOTAL GF SURPLUS/(DEFICIT)</b>	<b>\$ (3.33)</b>	<b>\$ (2.36)</b>	<b>\$ (5.14)</b>	<b>\$ (6.74)</b>	<b>\$ (7.25)</b>
Peace Officer Funding <sup>1</sup>	\$ 0.53	\$ 1.06	\$ 1.68	\$ 2.34	\$ 3.03
<b>TOTAL GF SURPLUS/(DEFICIT)</b>	<b>\$ (3.86)</b>	<b>\$ (3.42)</b>	<b>\$ (6.82)</b>	<b>\$ (9.08)</b>	<b>\$ (10.28)</b>



# Fiscal Year 2022- 2026 Outlook

- LTFP projects expenditures to outpace revenues for every year throughout the term of the outlook.
  - FY 2022: \$3.9 million deficit
  - FY 2026: \$10.3 million deficit
- Pension costs one of primary drivers of growing expenses.
- A prolonged economic downturn will have negative impacts on the projections within the LTFP.
  - Potential long-term impacts of COVID-19 pandemic.

# Next Steps

January – February	<ul style="list-style-type: none"> <li>• Mid-Year Fiscal Year 2021 Budget Review (Second Quarter Financial Projections)</li> <li>• Develop Fiscal Year 2022 Baseline Budget; include changes from Mid-Year Budget Review</li> </ul>
March	<ul style="list-style-type: none"> <li>• City Council Workshop: FY 2022 Budget Projection Discussion, Updated LTFP Discussion</li> </ul>
April	<ul style="list-style-type: none"> <li>• Preliminary City Manager Proposed Budget Council Discussion Item</li> <li>• Fiscal Year 2021 Third Quarter Financial Report</li> </ul>
May	<ul style="list-style-type: none"> <li>• Hold two public workshops to provide overview of proposed budget</li> <li>• City Manager Proposed Budget document submitted to Council</li> <li>• City Council: Present Fiscal Year 2022 All Funds Budget and CIP Overview</li> </ul>
June	<ul style="list-style-type: none"> <li>• Public Hearing and Recommend Council adoption of Proposed FY 2022 Budget (All Funds)</li> </ul>



# City Council

## Comments/Feedback