



FISCAL YEAR 2021 PHASE 1 BUDGET ADJUSTMENTS

PRESENTED AUGUST 4, 2020

Overview

- FY 2020/21 Adopted Budget was developed not taking into account COVID-19
- COVID-19 impacts on the national and local economy is constantly evolving, an increasing threat to public safety and quality of life
- The City has received CARES Act funding from the County and the State, but those funds are only to be utilized to address the costs related to COVID-19. CARES Act funds cannot be used for revenue shortfalls
- FY 2020 year-end process is currently underway



Staff Recommendations

Staff recommendation is to adjust the FY2020/21 budget in the following phases:

- Phase 1 budget adjustments due to overstated salary savings of \$1.5 million and anticipated loss of program revenues of \$2.5 million (\$4.1 million in total)
- Phase 2 budget adjustments will include updates to Major Revenues due to economic losses including: Sales Tax; Measure A and P; Transit Occupancy Taxes; program revenues; etc.
- Phase 3 budget adjustments will include budget adjustments not included in Phase 1 or Phase 2 and an updated 10-year outlook



FY 2021 Department Phase 1 Budget Adjustments

DEPARTMENT	PERSONNEL SERVICES	SUPPLIES & SERVICES	OTHER CAPITAL	UTILITIES	TOTAL EXPENSE	TOTAL REVENUE	NET COST
GENERAL FUND							
City Council	\$ (84,954)	\$ -	\$ -	\$ -	\$ (84,954)	\$ -	\$ (84,954)
Boards and Commissions	-	(8,911)	-	-	(8,911)	-	(8,911)
City Clerk	-	(89,800)	-	-	(89,800)	(5,800)	(95,600)
City Attorney	(98,210)	7,000	-	-	(91,210)	-	(91,210)
Administration	(105,413)	(117,039)	-	-	(222,452)	-	(222,452)
Information Technology Srvcs	-	(60,000)	-	-	(60,000)	-	(60,000)
Human Resources	(17,000)	-	-	-	(17,000)	-	(17,000)
Finance	-	(120,000)	-	-	(120,000)	-	(120,000)
Animal Care Facility	-	-	-	-	-	(25,814)	(25,814)
Economic Development	(71,659)	(62,610)	-	-	(134,269)	-	(134,269)
Development Services	(77,982)	(32,018)	-	-	(110,000)	-	(110,000)
Engineering & Capital Projects	(105,420)	(54,580)	-	-	(160,000)	-	(160,000)
Police	(800,000)	-	-	-	(800,000)	-	(800,000)
Fire	(199,231)	(63,769)	(60,000)	-	(323,000)	(27,000)	(350,000)
Public Works	(111,715)	(10,000)	(70,000)	-	(191,715)	(76,142)	(267,857)
Parks and Recreation	(725,000)	(155,000)	-	(40,000)	(920,000)	-	(920,000)
Library	(585,752)	-	-	-	(585,752)	-	(585,752)
TOTAL OTHER FUNDS	\$ (2,982,336)	\$ (766,727)	\$ (130,000)	\$ (40,000)	\$ (3,919,063)	\$ (134,756)	\$ (4,053,819)



FY 2021

Phase 1 Frozen Positions

Department	Position Title	FTE
City Council	Admin Secretary-Mayor	(1.00)
Administration	Executive Secretary	(1.00)
Administration	Sr. Graphic Designer	(1.00)
Economic Development	Sr. Fiscal Office Specialist	(1.00)
Development Services	Planning Technician	(1.00)
Engineering/Capital Projects	Engineering Technician II	(1.00)
Fire	Fire Prevention Specialist	(1.00)
Fire	GIS Specialist (Non-General Fund)	(1.00)
Library	Librarian III	(1.00)
Library	Cultural Arts Program Manager	(1.00)
TOTAL		(10.00)



FISCAL YEAR 2021 GENERAL FUND BUDGET PROJECTIONS



General Fund Projection Summary

General Fund Revenues and Expenditures Summary (In millions)

Category	FY2021		Variance
	Adopted	Projections	
Revenues	\$ 206.7	\$ 198.9	\$ 7.8
Expenditures	206.7	200.7	(6.0)
Surplus/(Deficit)	\$ -	\$ (1.8)	\$ 1.8

Includes Phase 1 Adjustments, Phase 2 Estimates, and does not include CARES Act funding.



General Fund Revenues

(in thousands)

General Fund Revenues by Category

Category	FY2021 Adopted	FY2021 Projections	Variance
Major Revenues			
Property Taxes	\$ 37,556	\$ 38,715	\$ 1,159
Sales Tax	36,932	35,129	(1,803)
Sales Tax - Measure P	20,020	19,009	(1,011)
Sales Tax - Measure A	20,020	18,972	(1,048)
Franchise Fees	12,405	12,405	-
Utility Users Taxes	5,233	5,233	-
Transient Occupancy Taxes	4,927	2,531	(2,395)
Motor Vehicle License Fees	23,701	23,701	-
Major Revenues Total	160,794	155,695	(5,099)
Other General Fund Revenues	45,896	43,221	(2,675)
Total General Fund Revenues	206,690	198,916	(7,774)

Includes Phase 1 Adjustments, Phase 2 Estimates, and does not include CARES Act funding. 8



Revenue Projections by Department

Department Name	FY 2021 Revenue Adopted	FY 2021 Revenue Projection	Variance
City Council	\$ -	\$ -	\$ -
Boards and Commissions	-	-	-
City Clerk	19,785	25,585	5,800
City Attorney	844,215	844,215	-
Administration	193,847	193,847	-
Information Technology Svcs	122,085	122,085	-
Human Resources	376,386	376,386	-
Finance	1,442,751	1,442,751	-
Animal Care Facility	1,191,670	1,217,457	25,787
Economic Development	1,194,432	1,194,432	-
Development Services	2,169,772	2,169,772	-
Engineering & Capital Projects	8,728,599	8,728,599	-
Police	5,967,909	5,852,909	(115,000)
Fire	3,869,085	3,896,085	27,000
Public Works	7,185,857	7,261,999	76,142
Parks and Recreation	2,672,841	1,713,133	(959,708)
Library	831,560	717,560	(114,000)
Sub-total	\$ 36,810,794	\$ 35,756,815	\$ (1,053,979)
Non-Departmental	169,878,903	163,159,113	(6,719,790)
TOTAL ALL DEPARTMENTS	\$ 206,689,697	\$ 198,915,928	\$ (7,773,769)

Includes Phase 1 Adjustments, Phase 2 Estimates, and does not include CARES Act funding.



General Fund Expenditures

(in thousands)

General Fund Expenditures by Category

Category	FY2021 Adopted	FY2021 Projections	Variance
Personnel total	\$ 134,751	\$ 131,768	\$ (2,982)
Supplies and Services	14,807	14,040	(767)
Other Expenses	781	781	-
Internal Service Charges	3,153	3,153	-
Capital	237	107	(130)
Transfers Out	48,083	46,023	(2,060)
Utilities	4,879	4,839	(40)
Total General Fund Budget	\$ 206,690	\$ 200,711	\$ (5,979)

Includes Phase 1 Adjustments, Phase 2 Estimates, and does not include CARES Act funding.

Expenditure Projections by Department



Department Name	FY 2021 Exp Adopted Budget	FY 2021 Exp Projection	Variance
City Council	\$ 1,625,016	\$ 1,540,062	\$ (84,954)
Boards and Commissions	133,911	125,000	(8,911)
City Clerk	1,023,234	933,434	(89,800)
City Attorney	3,334,408	3,243,198	(91,210)
Administration	2,565,311	2,342,859	(222,452)
Information Technology Svcs	3,901,104	3,841,104	(60,000)
Human Resources	2,777,849	2,760,849	(17,000)
Finance	3,880,994	3,760,994	(120,000)
Animal Care Facility	2,841,013	2,841,013	-
Economic Development	1,929,793	1,795,524	(134,269)
Development Services	2,790,135	2,680,135	(110,000)
Engineering & Capital Projects	10,088,285	9,928,285	(160,000)
Police	58,282,874	57,482,874	(800,000)
Fire	34,231,070	33,908,070	(323,000)
Public Works	12,146,127	11,954,412	(191,715)
Parks and Recreation	11,096,351	10,176,351	(920,000)
Library	4,013,586	3,427,834	(585,752)
Sub-total	\$ 156,661,061	\$ 152,741,998	\$ (3,919,063)
Non-Departmental	50,028,636	47,969,030	(2,059,606)
TOTAL ALL DEPARTMENTS	\$ 206,689,697	\$ 200,711,028	\$ (5,978,669)

Includes Phase 1 Adjustments, Phase 2 Estimates, and does not include CARES Act funding. 11

Conclusion

- Recent economic data released shows that the economy is currently in a recession
- State shutdowns due to an increase of COVID-19 cases adds more uncertainty for residents and local businesses
- Future Federal legislative action may provide local governments some fiscal relief and support
- Additional budget adjustments may be required this fiscal year



City Council

Comments/Feedback