

FISCAL YEAR

PROPOSED BUDGET 2016-17

City of Chula Vista

Fiscal Year 2016-2017

Proposed Budget Overview

May 24, 2016



California



Agenda

- Fiscal Year 2016-17 Proposed Budget
 - All Funds Summary
 - General Fund Summary
 - Amendments to Proposed Budget
- Long Term Financial Plan
- Fiscal Year 2016-17 Capital Improvement Program

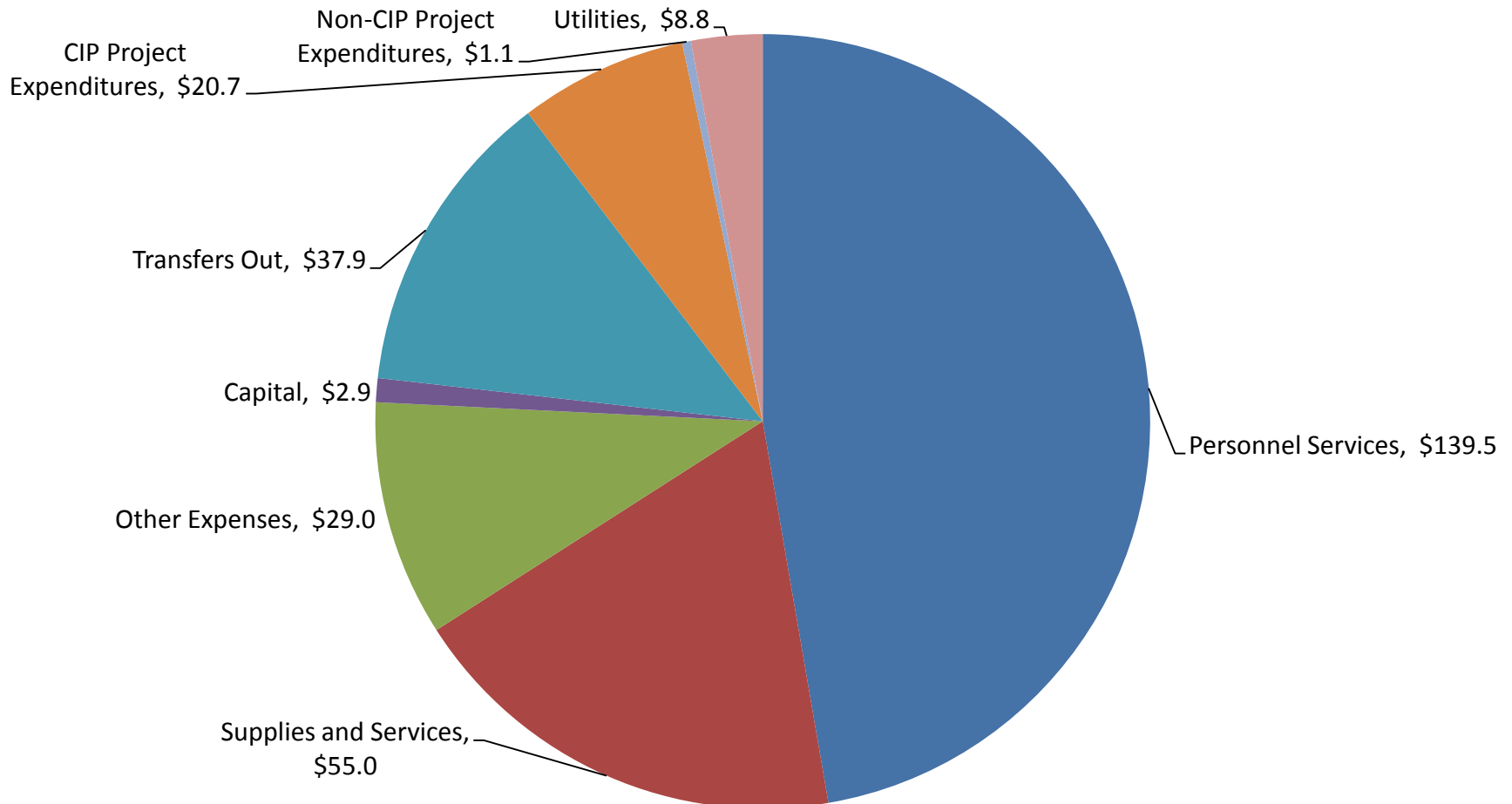


ALL FUNDS SUMMARY



All Funds Summary - \$294.9M

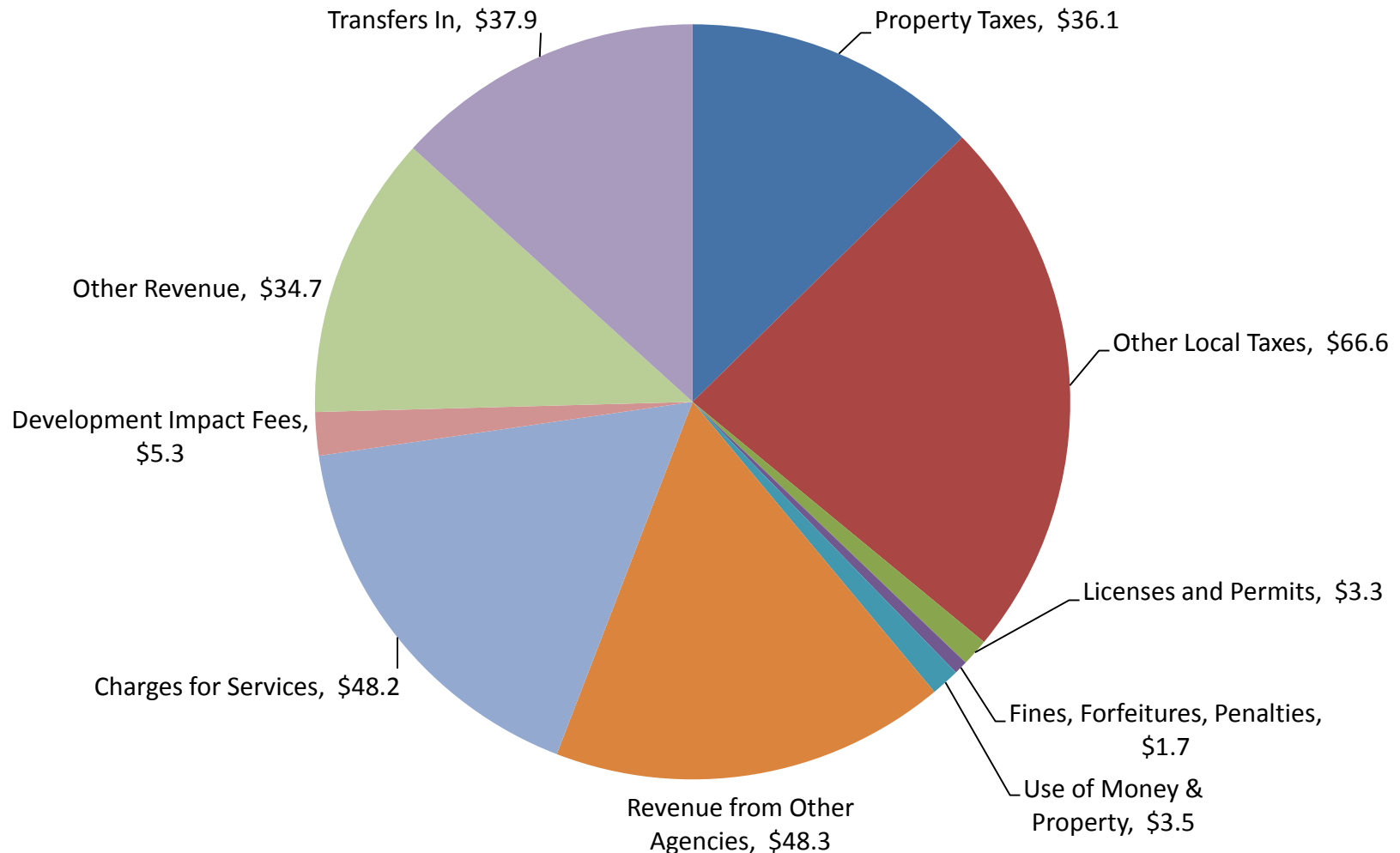
FY 2016-17 All Funds Projected Expenditures by Category





All Funds Summary - \$285.7M

FY 2016-17 All Funds Projected Revenue by Category





All Funds Summary

Description	FY 17 Proposed
Revenues	\$285.7
Expenditures	\$294.9
Surplus/(Deficit)	(\$9.2)
Reserves - Other Funds (Revenues collected in prior years)	\$9.2
Surplus/(Deficit)	\$ -



All Funds Staffing Summary

1.00 FTE Added Mid Year
18.00 FTE Net New Positions

Staffing by Fund	FY 2015-16 Council Adopted	FY 2016-17 Proposed	Change
General Fund	814.75	823.25	8.50
Police Grants/CBAG/Local Law Enforcement Block Grant	36.00	41.00	5.00
Federal Grants Fund	3.00	2.00	(1.00)
Advanced Life Support Fund	1.00	1.00	-
Environmental Services	6.00	7.00	1.00
CV Housing Authority	4.00	4.00	-
Fleet Management	10.00	10.00	-
Development Services Fund	44.50	50.00	5.50
Sewer	46.00	46.00	-
Total Citywide	965.25	984.25	19.00



Staffing Highlights

- General Fund:
 - Homeless Outreach Team– Added 2.0 Peace Officers and 1.0 Sr. Park Ranger to address chronic homeless matters
 - Traffic Engineer – Added 1.0 Principal Civil Engineer assigned to traffic engineering



Staffing Highlights

- Development Services Fund (DSF):
 - Building Services: 1.00 Building Inspector III
 - Land Development:
 - 1.00 Sr. Civil Engineer
 - 1.00 Associate Engineer
 - 1.50 Landscape Architect
 - 1.00 Management Analyst



GENERAL FUND SUMMARY



General Fund Summary

Description	FY 17 Proposed
Revenues	\$146.3
Expenditures	\$146.3
Surplus/Deficit	\$ -



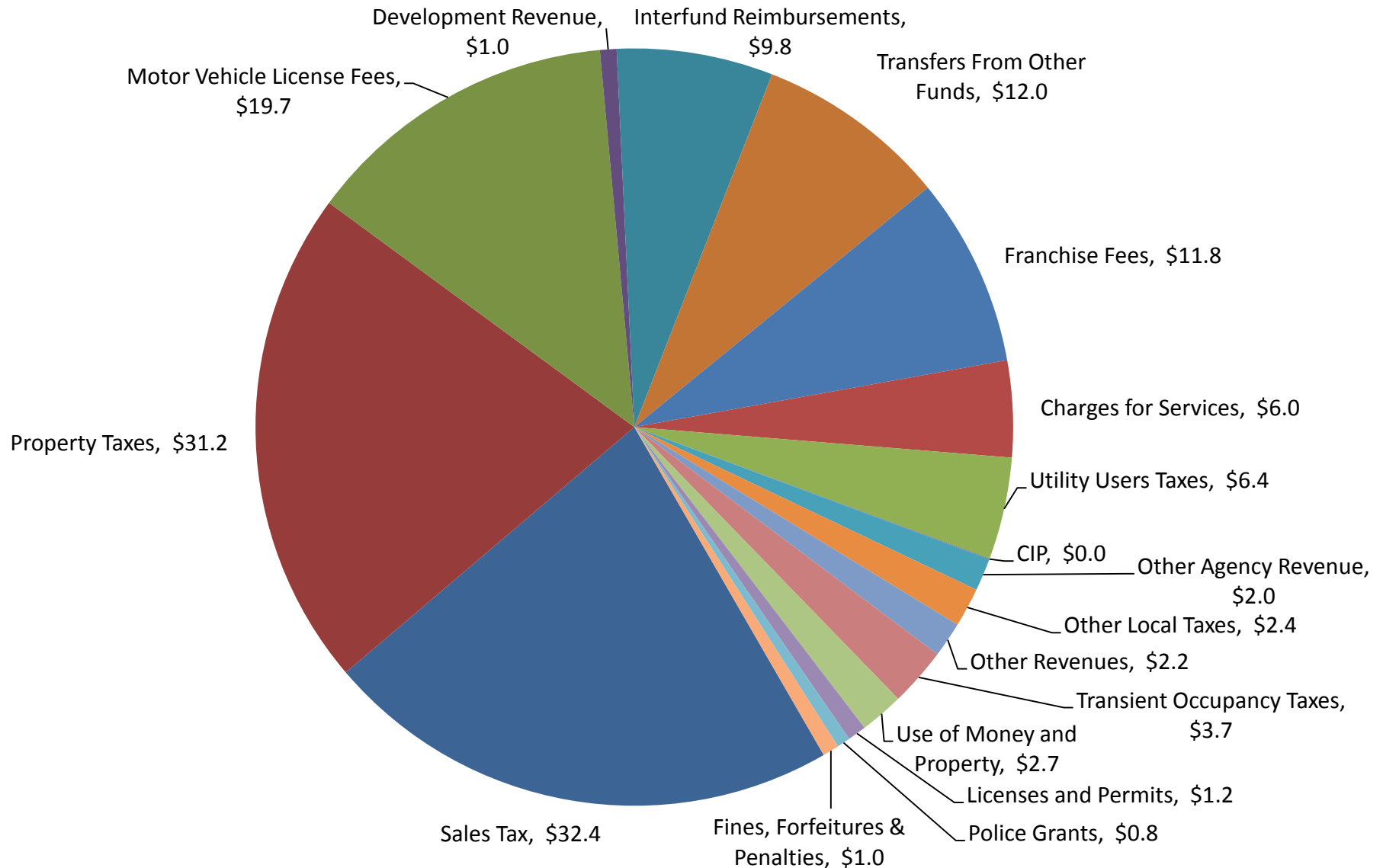
General Fund Revenues

(in thousands)

Category	FY15 Actuals	FY16 Adopted	FY17 Proposed	Change
Sales Tax	\$30,394	\$31,015	\$32,350	\$1,336
Property Taxes	\$28,617	\$29,897	\$31,175	\$1,278
Motor Vehicle License Fees	\$17,884	\$18,597	\$19,692	\$1,095
Transfers From Other Funds	\$10,551	\$10,022	\$11,976	\$1,954
Inter-fund Reimbursements	\$10,239	\$9,428	\$9,752	\$324
Franchise Fees	\$10,832	\$11,426	\$11,796	\$370
Utility Users Taxes	\$6,365	\$6,500	\$6,380	(\$120)
Charges for Services	\$6,678	\$6,476	\$6,024	(\$452)
Transient Occupancy Taxes	\$3,137	\$2,891	\$3,655	\$764
Use of Money and Property	\$2,832	\$2,677	\$2,732	\$55
Other Local Taxes	\$2,421	\$2,262	\$2,448	\$186
Other Agency Revenue	\$2,226	\$2,327	\$2,035	(\$292)
Police Grants	\$796	\$1,279	\$834	(\$444)
Development Revenue	\$1,363	\$1,399	\$1,036	(\$363)
Licenses and Permits	\$1,136	\$1,135	\$1,161	\$25
Fines, Forfeitures & Penalties	\$1,638	\$1,134	\$1,021	(\$113)
Other Revenues	\$2,255	\$941	\$2,194	\$1,253
Total Operating Budget	\$139,363	\$139,406	\$146,261	\$6,855
CIP Projects	\$1,274	\$400	\$40	(\$360)
GENERAL FUND TOTAL REVENUES	\$140,638	\$139,806	\$146,301	\$6,495



General Fund Revenues - \$146.3M





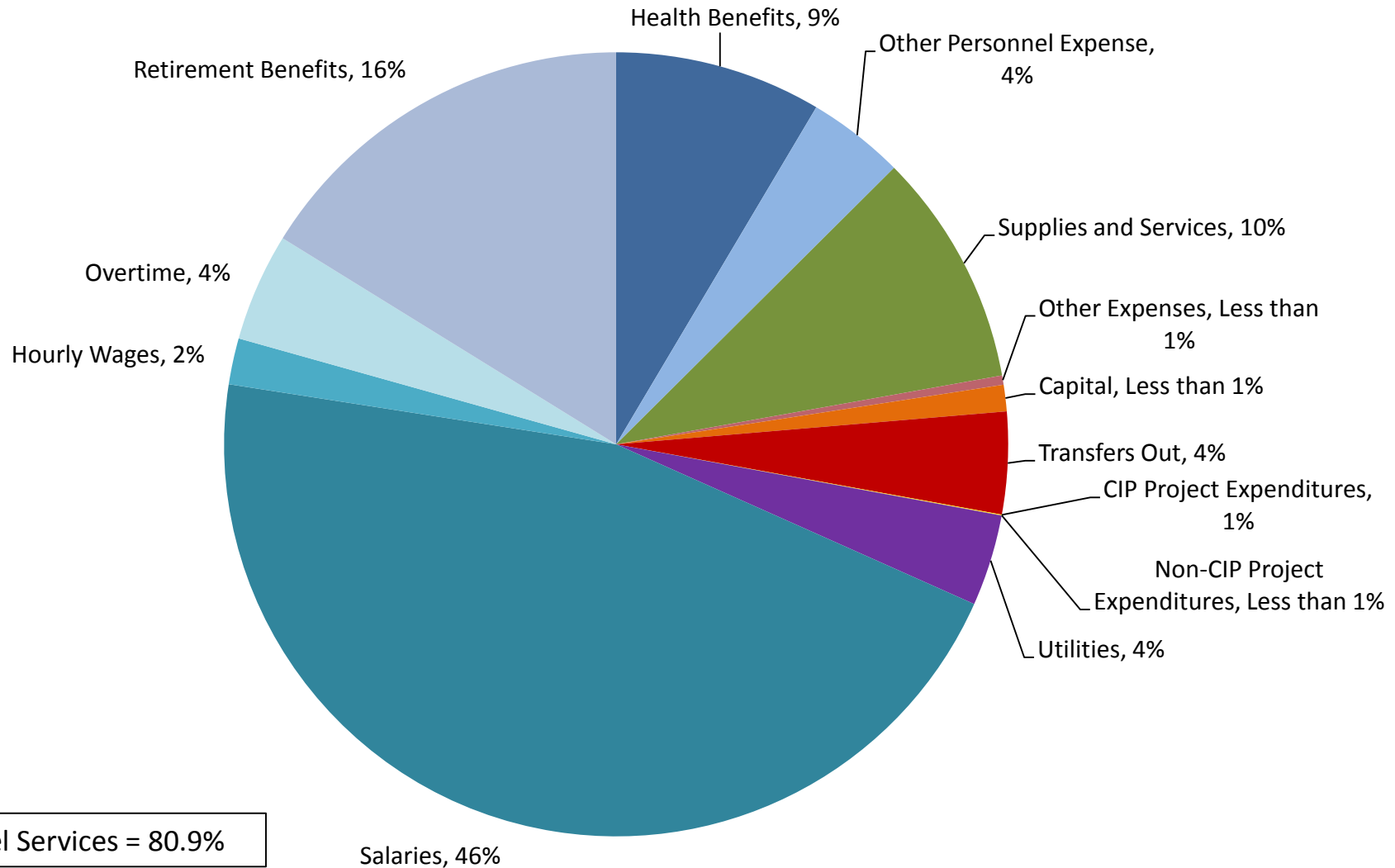
General Fund Expenditures

General Fund Expenditures by Category (in thousands)

Category	FY15 Actuals	FY16 Projected	FY17 Proposed	Change
Personnel Services	\$107,372	\$111,712	\$118,300	\$6,589
Supplies and Services	\$15,905	\$14,263	\$14,114	(\$149)
Other Expenses	\$840	\$551	\$559	\$8
Capital	\$962	\$266	\$1,595	\$1,329
Transfers Out	\$5,482	\$6,107	\$6,162	\$56
Non-CIP Project Expenditures	\$63	\$509	\$19	(\$490)
Utilities	\$5,001	\$5,889	\$5,512	(\$378)
Total Operating Budget	\$135,626	\$139,296	\$146,261	\$6,965
CIP Project Expenditures	\$503	\$510	\$40	(\$470)
TOTAL EXPENDITURES	\$136,129	\$139,806	\$146,301	\$6,495



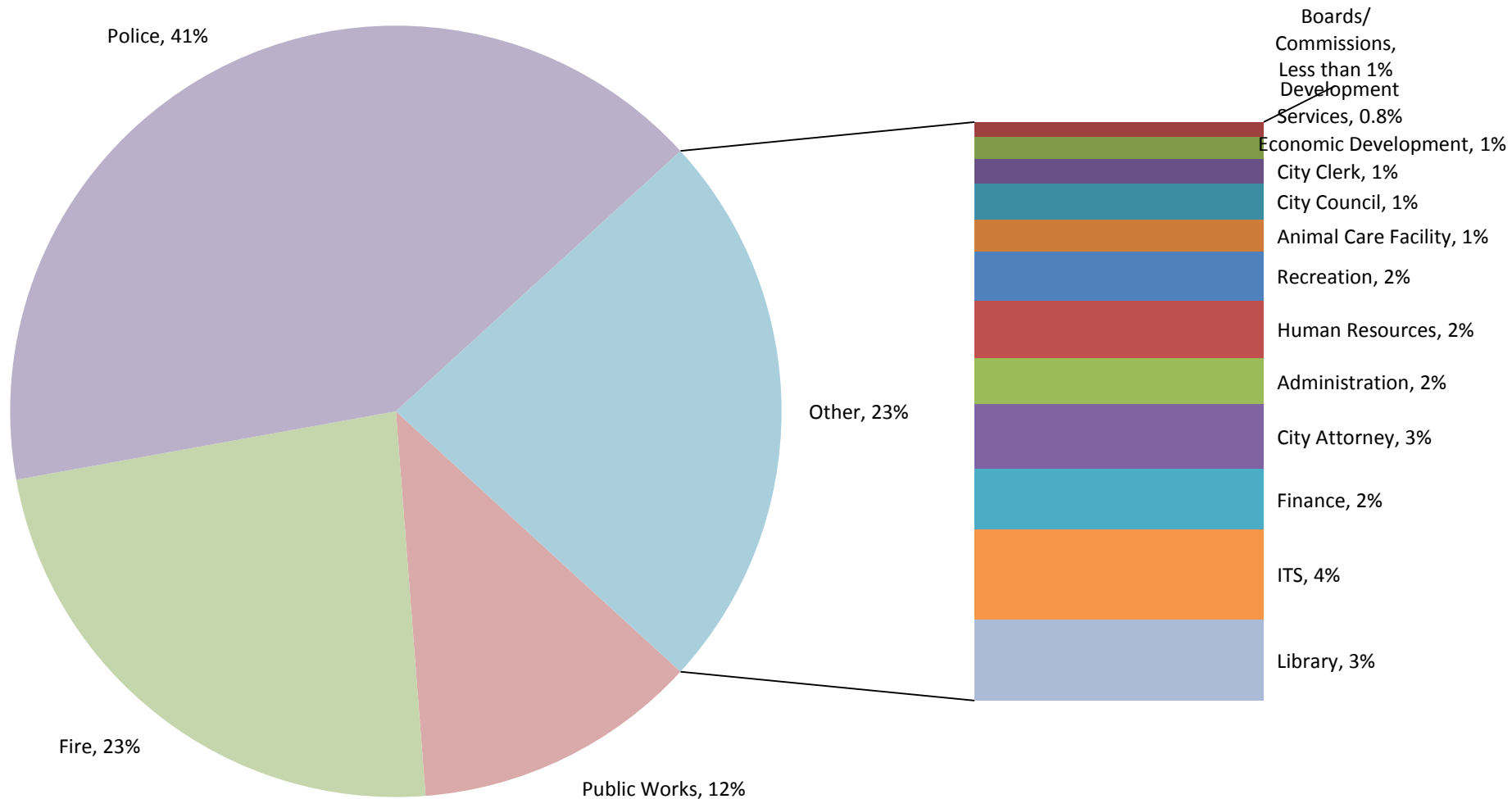
General Fund Expenditures - \$146.3M





General Fund Net Cost

(Allocation of Discretionary Revenue)



Public Safety = 64%



Budget Highlights

- The City Manager's Proposed Budget for Fiscal Year 2016-17 is balanced
- Fiscal Year 2016-17 Assumes a continued growth in the City's Major Discretionary revenues (Sales Tax, Property Tax, Motor Vehicle License Fees, Franchise Fees)



Budget Highlights

- Equipment Replacement
 - \$150,000 for new Engine replacement outfitting
 - \$120,000 for the lease of 200 additional computers
 - \$350,000 to transition to Microsoft Office 365
- Funding for Age Friendly Communities grant match



AMENDMENTS TO PROPOSED BUDGET



Staff Recommended Changes

Summary of Changes – General Fund

Description	Revenues		Expenditures		Net Impact
Transfer of SWBAMLA Positions from the Police Grants Fund	\$	199,083	\$	192,185	\$ 6,898
Worker's Comp Adjustments	\$	-	\$	(52)	\$ 52
Fire ALS Adjustment	\$	36,414	\$	(44,178)	\$ 80,592
HR Hourly Funding	\$	-	\$	12,117	\$ (12,117)
Reduce PFDIF loan repayment to the General Fund	\$	(75,425)	\$	-	\$ (75,425)
Updated General Fund	\$	160,072	\$	160,072	\$ -



Staff Recommended Changes (cont.)

Summary of Changes – Other Funds

Description	Revenues	Expenditures	Net Impact
DSF - Associate Engineer to Senior Engineer	\$ -	\$ 16,640	\$ (16,640)
CDBG - Holiday Estates Park Improvements CIP	\$ -	\$ 83,640	\$ (83,640)
HOME - Reduction of Capital expenses	\$ -	\$ (5,000)	\$ 5,000
ALS - ALS Program Adjustments	\$ -	\$ 1,451	\$ (1,451)
Public Liability Fund - Reductions due to available balance	\$ -	\$ (713,439)	\$ 713,439
Federal Grants - Supplies and Services to Capital (\$118,550)	\$ -	\$ -	\$ -
Central Garage - Fleet Maintenance Supplies and Services	\$ -	\$ 23,984	\$ (23,984)
Police Grants Fund - Conclusion of SWBAMLA Grant Funding	\$ (588,021)	\$ (597,383)	\$ 9,362
Sewer Service Revenue - Replacement Vehicles/Equipment	\$ -	\$ 1,322,200	\$ (1,322,200)
Open Space/Community Facilities District Adjustments	\$ (765,101)	\$ (765,101)	\$ -
Various - Loan Adjustments	\$ (2,020,425)	\$ (2,270,850)	\$ 250,425
Various - Worker's Comp Adjustments	\$ 26,838	\$ 18,279	\$ 8,559
Updated Other Funds	\$ (3,346,709)	\$ (2,885,579)	\$ (461,130)
TOTAL ALL FUNDS	\$ (3,186,637)	\$ (2,725,507)	\$ (461,130)



Staffing Changes

Description	FTE
Proposed Fiscal Year 2017 Staffing	984.25
General Fund - Transfer Police Lieutenant and Police Agent from Police Grants Fund	2.00
Police Grants Fund - Transfer Police Lieutenant and Police Agent to the GF	(2.00)
Development Services Fund - Senior Civil Engineer	1.00
Development Services Fund - Associate Engineer	(1.00)
Updated Proposed FY2017 Staffing	984.25



FY2017 Proposed Budget

DESCRIPTION	REVENUES	EXPENDITURES	NET IMPACT
General Fund as Proposed in May 19 Budget Document	\$ 146,301,258	\$ 146,301,258	\$ -
General Fund Adjustments	\$ 160,072	\$ 160,072	\$ -
Updated General Fund	\$ 146,461,330	\$ 146,461,330	\$ -
Other Funds as Proposed in May 19 Budget Document	\$ 139,407,262	\$ 148,617,112	\$ (9,209,850)
Adjustments to Other Funds	\$ (3,346,709)	\$ (2,885,579)	\$ (461,130)
Updated Other Funds	\$ 136,060,553	\$ 145,731,533	\$ (9,670,980)
Updated All Funds - Appropriations for FY2017	\$ 282,521,883	\$ 292,192,863	\$ (9,670,980)
Use of Reserves (Excludes General Fund)	\$ 9,670,980	\$ -	\$ 9,670,980
TOTAL ALL FUNDS	\$ 292,192,863	\$ 292,192,863	\$ -



LONG-TERM FINANCIAL PLAN



LTFP | GOALS

The Long Term Financial Plan will:

- Lookout for a minimum of 10 years
- Will focus on General Fund and include Other Funds that could potentially impact the General Fund
- Be updated regularly to provide direction during budget process



LTFP | OBJECTIVES

- Provide a focused plan to address identified high priority needs
- Continue to improve City's Financial Position
- Maintain or improve level of service standards
- Achieve full cost recovery, when possible, for services rendered.



LTFP PROCESS

- City's Comprehensive Plan
 - Will be integrated with FY 2017 annual budget process.
- LTFP not a stand alone planning process
- Combines other planning processes



Other Planning Processes

- Fiscal Recovery and Progress Plan
- Five year forecast
- Citywide Strategic Plan
- Citizen Survey
- Master Fee updates
- 5 year CIP Plan
- Asset Management Planning
- New Development Financing Plans



Five-Year Forecast

(In Millions)

Description	Proposed FY 2017	Forecast FY 2018	Forecast FY 2019	Forecast FY 2020	Forecast FY 2021
Revenues:					
Property Taxes	\$ 31.17	\$ 33.01	\$ 33.90	\$ 34.82	\$ 35.77
Sales Tax	\$ 32.35	\$ 32.84	\$ 33.33	\$ 33.99	\$ 34.98
Franchise Fees	\$ 11.80	\$ 12.04	\$ 12.28	\$ 12.53	\$ 12.79
Utility Users Taxes	\$ 6.38	\$ 6.44	\$ 6.51	\$ 6.57	\$ 6.64
Transient Occupancy Taxes	\$ 3.65	\$ 3.77	\$ 3.91	\$ 4.06	\$ 4.21
Motor Vehicle License Fees	\$ 19.69	\$ 20.28	\$ 20.89	\$ 21.51	\$ 22.15
Other Revenues	\$ 41.25	\$ 38.81	\$ 39.02	\$ 39.27	\$ 39.53
TOTAL REVENUES	\$ 146.30	\$ 147.17	\$ 149.83	\$ 152.75	\$ 156.06
Expenditures:					
Personnel Services	\$ 84.04	\$ 84.81	\$ 86.24	\$ 86.73	\$ 88.00
Flex/Insurance	\$ 12.48	\$ 13.59	\$ 14.79	\$ 15.91	\$ 17.12
PERS	\$ 23.60	\$ 24.49	\$ 28.16	\$ 30.80	\$ 32.04
Salary Savings (On Going)	\$ (1.81)	\$ (0.93)	\$ (0.98)	\$ (1.01)	\$ (1.03)
Workers Compensation GF Liability	\$ -	\$ 0.06	\$ 0.06	\$ 0.06	\$ 0.06
Other Expenditures	\$ 28.00	\$ 28.58	\$ 30.35	\$ 32.08	\$ 34.00
TOTAL EXPENDITURES	\$ 146.30	\$ 150.60	\$ 158.62	\$ 164.58	\$ 170.19
Subtotal Surplus/(Deficit)	\$ -	\$ (3.43)	\$ (8.80)	\$ (11.82)	\$ (14.13)

LTFP PROCESS

MOBILIZATION PHASE

- Citywide Survey - Citizen Participation
- Citywide Strategic Plan - Council Input



DATA ANALYSIS

- Define Fiscal Environment
- Debt-Capacity Analysis
- Identify weaknesses and opportunities



DECISION MAKING

- Financial Strategy Development

IMPLEMENTATION

- Operationalize strategies in FY 2017 budget



Next Steps

- Include new Asset Management Plans in Ten Year Analysis
- Initiate Long Term Financial Workshops with City Council and staff
- Discuss Strategies to Balance Future Budgets
- Report to City Council and Community
- Implement Recommended Strategies

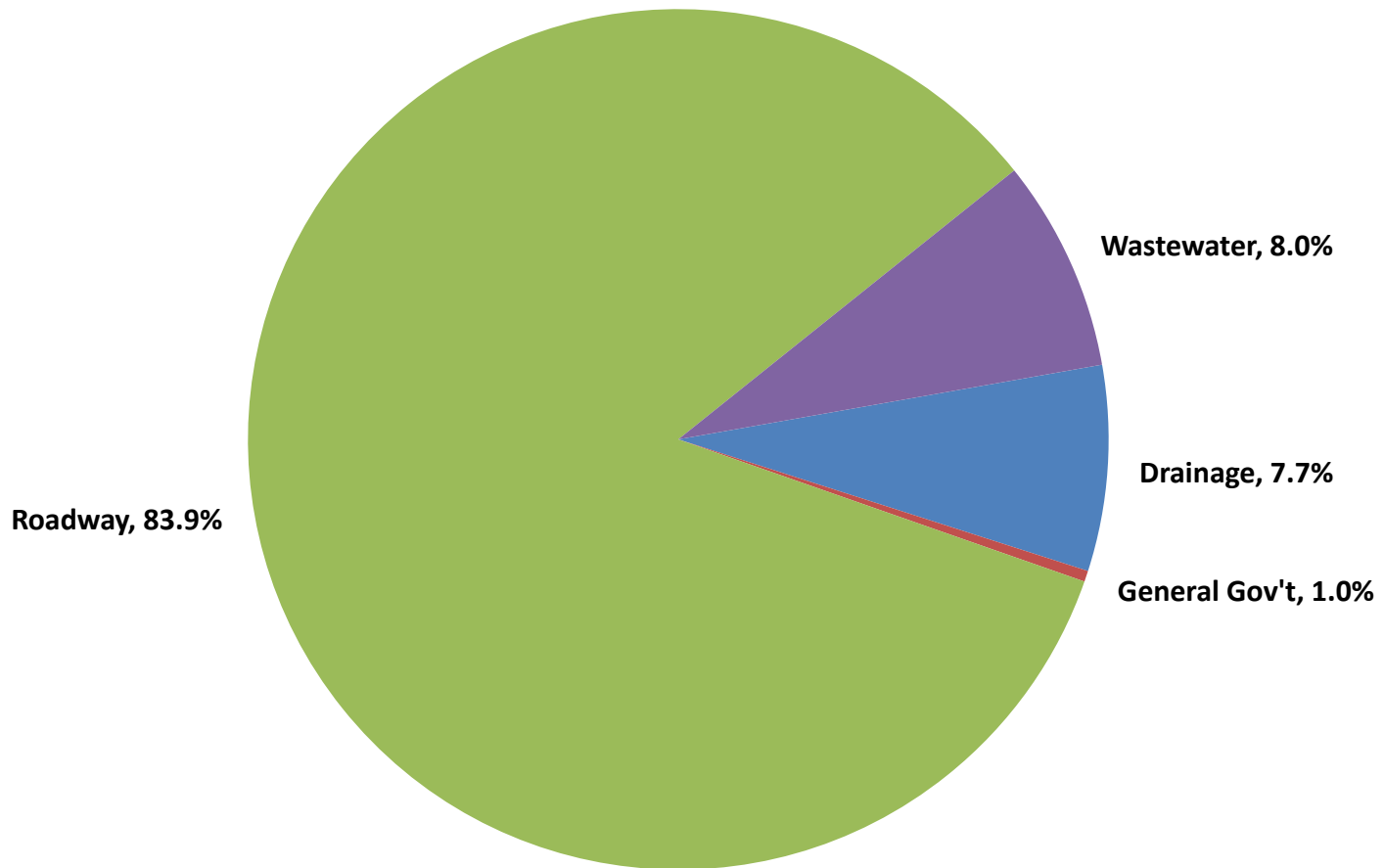


CAPITAL IMPROVEMENT PROGRAM SUMMARY



Capital Improvement Program - \$20.7M

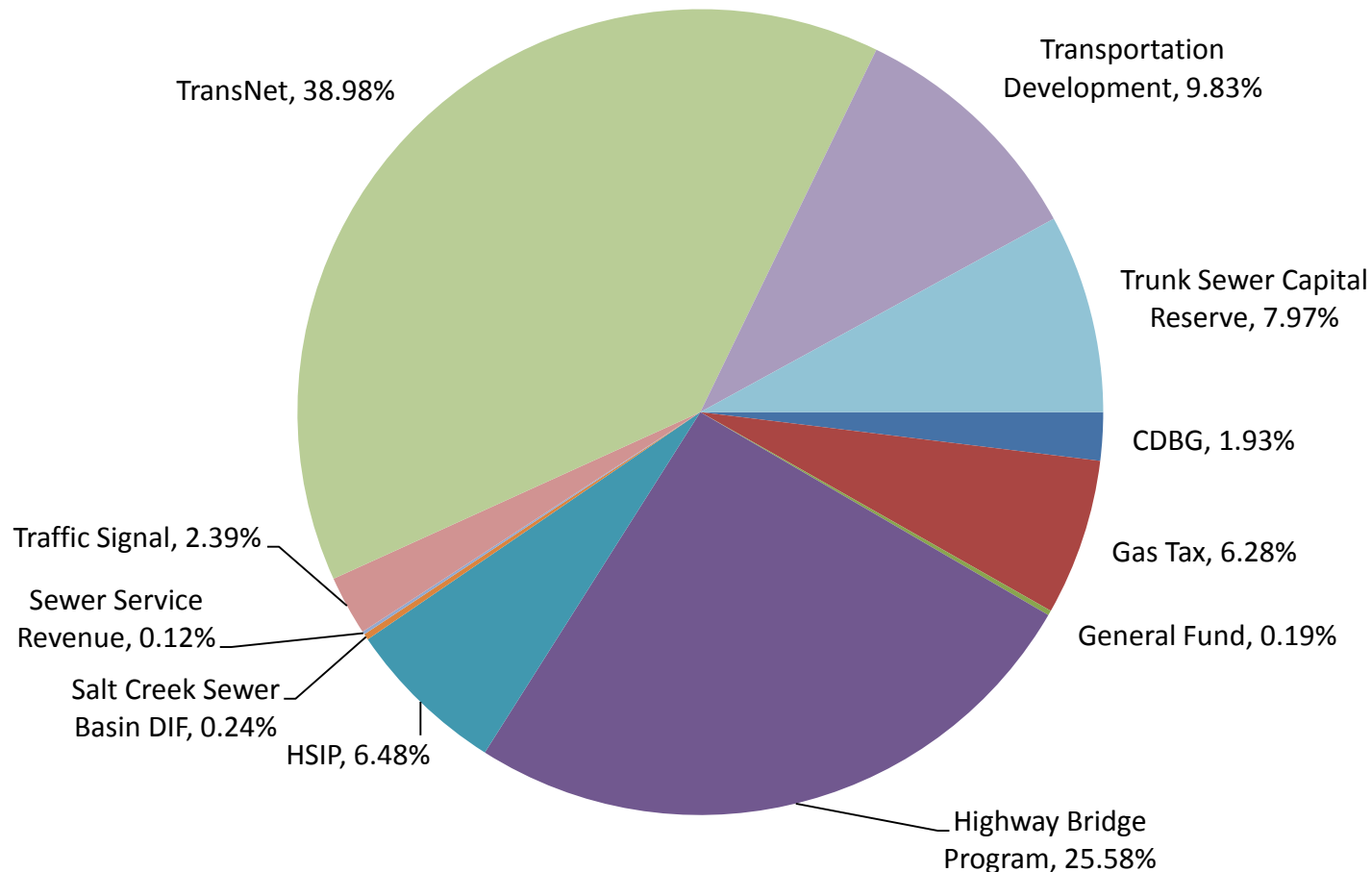
by Asset Management System





Capital Improvement Program - \$20.7M

by Funding Source



CIP Highlights (FY2016)

- Third Avenue Streetscape Project, Phase 2
 - SANDAG: Smart Growth Incentive Program (\$1.3M)
 - Bond Funds (\$1.3M)



CIP Highlights (FY2016)

- Orange Park
 - Prop 84 Statewide Park Funding (\$2.8M)



CIP Highlights (FY2017)



Sewer Rehabilitation - \$1.6 million



Storm Drain Repairs - \$1.6 million



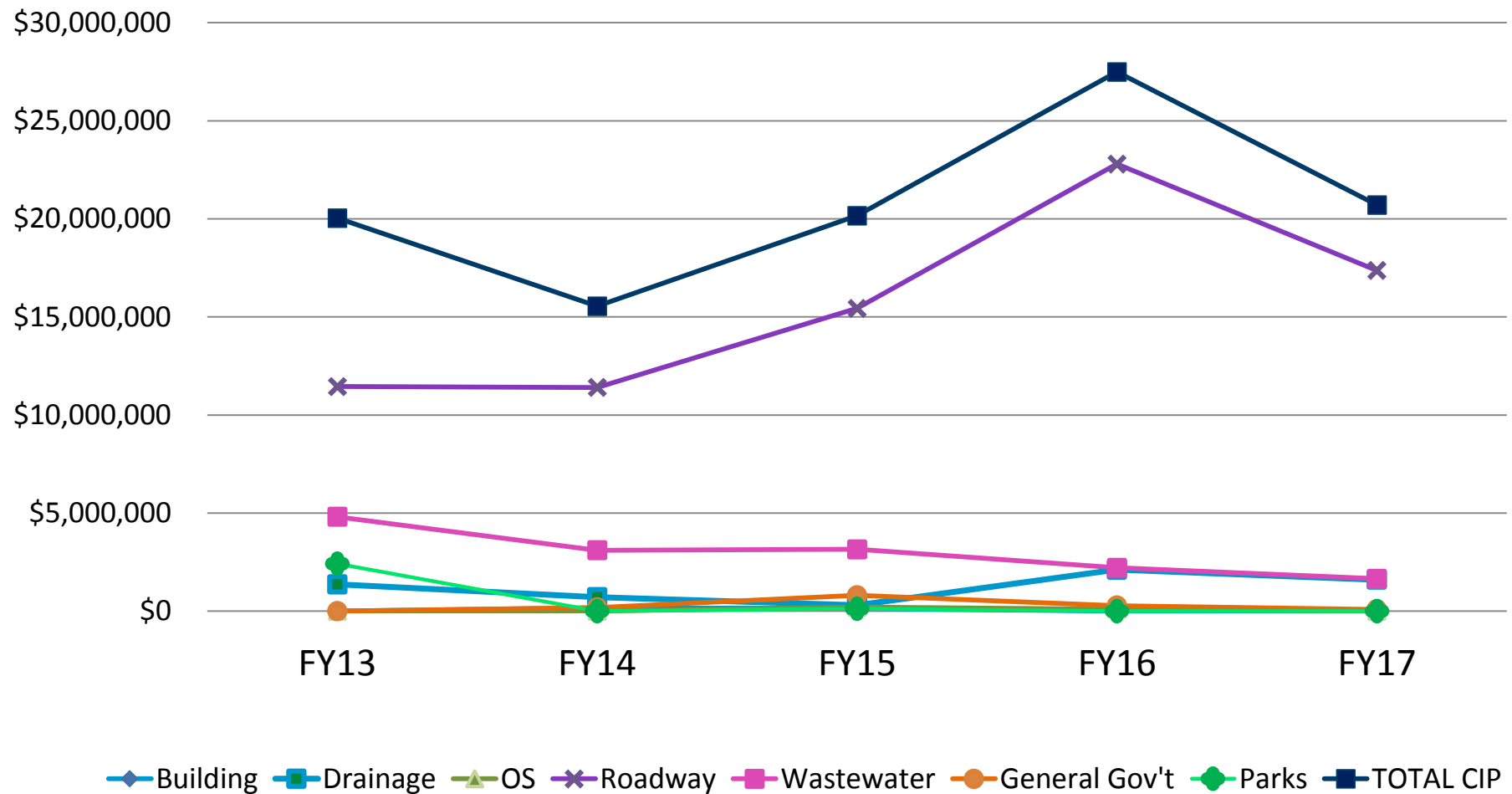
Pavement Rehabilitation - \$4.5 million



Willow Street Bridge - \$6.2 million



Capital Improvement Program 5-Year Period





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 2016-17 AS THEIR PROPOSED BUDGETS, RESPECTIVELY, AND SETTING THE TIME AND PLACE FOR A PUBLIC HEARING FOR FINAL CONSIDERATION AND ADOPTION OF SAME