

# Financial & Budget Update



Dean Albro, Management Services Director

# Financial & Budget Update

April 7<sup>th</sup>

- NHA Advisor consulting firm - CalPERS payment options
- Comprehensive Annual Financial Reports (CAFR) 2018-19
- Mid-Year Update Fiscal Year 2019-20 (Year1)

April 21<sup>st</sup>

- CalPERS Update & Repayment Options

# Tonight's Agenda

## 2019-21 Biennial Budget Update

- General Fund – FY 2019-20 (Year 1)
- General Fund – FY 2020-21 (Year 2)

# General Fund – 2019-21 Two-Year Budget

	2019-20 Year 1	2020-21 Year 2	2019-21 Budget
Revenues	\$ 36,770,331	\$ 37,879,206	\$ 74,649,537
Expenditures	37,085,838	37,864,225	74,950,063
Excess of revenues (under) expenditures	<u>\$ (315,507)</u>	<u>\$ 14,981</u>	<u>\$ (300,526)</u>

# General Fund – FY 2019-20 (Year1)

	Original Budget	Projected	Variance
<b>Revenues</b>	\$ 36,770,331	\$ 35,517,437	\$ (1,252,894)
<b>Expenditures</b>	37,085,838	36,736,307	349,531
Excess of revenues (under) expenditures	<u>\$ (315,507)</u>	<u>\$ (1,218,870)</u>	<u>\$ (903,363)</u>
<b>One-time Transactions</b>			
<b>Pool Demo</b>		\$ 448,700	\$ 448,700
<b>Police HVAC</b>		119,000	119,000
<b>Library (Restrooms &amp; Carpet)</b>		18,000	18,000
<b>Net change in fund balance from Operations</b>	<u>\$ (315,507)</u>	<u>\$ (633,170)</u>	<u>\$ (317,663)</u>

# Original Budget to Estimates FY 2020

<b>Revenues</b>	<b>Variances</b>	
Property tax	\$	85,000
Cannabis		250,000
Transient Occupancy Tax		(410,000)
Business Licenses		(39,609)
Building permits		(112,000)
River Park RV		(50,000)
Engineer Internal Services		(80,000)
Recreation (Pool, DeWees, Revolving)		(78,000)
Jail Services		(25,000)
Other revenues		(3,621)
Streets & Road Transfers		(789,664)
<b>Total</b>	<b>\$</b>	<b>(1,252,894)</b>

# Original Budget to Estimates FY 2020

<b>Expenditure</b>		<b>Variances</b>
General government	\$	456,516
Planning		(1,877)
Building		(65,456)
Police		318,830
Fire		(387,500)
Recreation		49,185
Parks		153,500
Non-departmental (Held Positions)		(713,804)
Library		(56,606)
City engineer and streets		1,026,798
Building and Facilities		138,645
Police HVAC		(120,000)
Pool Demo		(448,700)
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<b>Total</b>	<b>\$</b>	<b>349,531</b>

# General Fund – Coronavirus Impact FY 2020

## Projected Losses from Covid-19

Transient Occupancy Tax (TOT)	(425,000)
Sales Tax	(205,000)
DeWees Senior Center	(15,336)
Recreation Programs	(86,140)
Aquatic Center Programs	(113,394)
River Park Campground RV Rentals	(22,029)
Permits	(137,809)
Interest Income	(4,000)
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Loss Estimates from Covid-19	<b><u><u>\$ (1,008,708)</u></u></b>
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Unassigned Fund Balance 6-30-2019	1,581,561
Projected Change in Unassigned Fund Balance	(1,760,878)
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Projected Fund Balance Deficit	<b><u><u>(179,317)</u></u></b>





# General Fund – Biennial Budget

	2019-20 Year 1	2020-21 Year 2	2019-21 Budget
Revenues	\$ 36,770,331	\$ 37,879,206	\$ 74,649,537
Expenditures	37,085,838	37,864,225	74,950,063
Excess of revenues (under) expenditures	<u>(315,507)</u>	<u>14,981</u>	<u>(300,526)</u>

# General Fund – 2020 (Year One)

## Starting Deficit

\$ (315,507)

## Revenues

Property Tax & Property Tax In-Lieu	85,000
Sales & Use Tax	(205,000)
Transient Occupancy Tax (TOT)	(835,000)
Cannabis Taxes	250,000
Licenses, Permits, and Service Charges	(249,809)
Business License Taxes	(39,609)
Other Revenues (Jail, Engineering Services)	(112,621)
Streets and Roads Transfers	(789,664)
Recreational Program (Recreation, Aquatic Center, DeWees)	(432,870)
River Park Campground	(72,029)

**Total Revenue Adjustments** \$ (2,401,602)

## Expenditures

Operating Budget (Includes Salaries)	31,433
City Engineering and streets	1,026,798
Pool Demo	(448,700)
Police HVAC	(120,000)

**Total Expenditure Adjustments** \$ 489,531

## Use of Fund Balance Reserves

\$ (2,227,578)

## Projected Change in Unassigned Fund Balance

\$ (1,760,878)

# General Fund – 2019-21 Two-Year Budget

	2019-20 Year 1	2020-21 Year 2	2019-21 Budget
Revenues	\$ 36,770,331	\$ 37,879,206	\$ 74,649,537
Expenditures	37,085,838	37,864,225	74,950,063
Excess of revenues (under) expenditures	<u>(315,507)</u>	<u>14,981</u>	<u>(300,526)</u>

# General Fund – 2021 (Year Two)

## Starting Surplus

**\$ 14,981**

## Revenues

Property Tax & Property Tax In-Lieu	178,000	
Sales & Use Tax	(370,685)	
<b>Sales Transaction Use Tax (1%) - Ballot Measure I2020</b>	<b>4,900,000</b>	<b>Recommended Appropriations</b>
Transient Occupancy Tax (TOT)	(610,000)	
Cannabis Taxes	350,000	
Business License Taxes	(42,165)	
Other Revenues (Interest, Permits)	(59,628)	
Program Revenues (Recreation, Aquatic Center, DeWees, Library)	(278,931)	
River Park Campground	(71,934)	
<b>Total Revenue Adjustments</b>	<b>\$ 3,994,657</b>	

## Expenditures - Recommended Appropriations

MOU - Supplemental Appropriation MOU	406,121	Approved City Council - COLA
<b>Decrease projected Salary Savings from Vacancies (Budgeted \$796,818)</b>	<b>400,000</b>	<b>Recommended Appropriations</b>
<b>Held Police Officer Positions (3)</b>	<b>300,000</b>	<b>Recommended Appropriations</b>
<b>Held Parks Positions (1.75)</b>	<b>113,728</b>	<b>Recommended Appropriations</b>
<b>Increase UAL Payment - Public Safety (15 yr.)</b>	<b>599,985</b>	<b>Recommended Appropriations</b>
<b>Increase UAL Payment - Misc. (15 yr.) GF Only</b>	<b>402,142</b>	<b>Recommended Appropriations</b>
<b>Total Expenditure Adjustments</b>	<b>\$ 2,221,976</b>	

Projected Saving Part-time (Recreation & Library) 120,000

## Use of Fund Balance Reserves - Surplus

**\$ 1,907,662**

# General Fund – 2019-21 Two-Year Budget

	2019-20 Year 1	2020-21 Year 2	2019-21 Budget
<b>Revenues</b>	\$ 34,368,729	\$ 41,873,863	\$ 76,242,592
<b>Expenditures</b>	36,596,307	39,966,201	76,562,508
Excess of revenues (under) expenditures	<b>\$ (2,227,578)</b>	\$ 1,907,662	<b>\$ (319,916)</b>
<b>One-time Transactions</b>			
<b>Pool Demo</b>	\$ 448,700		\$ 448,700
<b>Library (Restrooms &amp; Carpet)</b>	18,000		18,000
<b>Net change in fund balance from Operations</b>	<b>\$ (1,760,878)</b>	<b>\$ 1,907,662</b>	<b>\$ 146,784</b>

# Conclusion

- Recommend Adopting Resolution 6338(20)
- and Approve Appropriations FY 2020-21



# Questions

