

# **BUDGET WORKSHOP FISCAL YEAR 2019-2020**

**JUNE 4, 2019**

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# BUDGET PROCESS

- January 29, 2019: Council Goal Setting and Priorities for FY 20
- February 19, 2019: Council FY 19 Mid-Year Budget Review
- April 30, 2019: Budget Training Session – FY 20 Preliminary Budget
- June 4, 2019: Preliminary Budget Study Session
- June 11, 2019: CIP to the Planning Commission
- June 18, 2019: Public Hearing and Final Budget Adoption

## COUNCIL & BUDGET GOALS

- Public Safety
- Fiscal Stability
- Quality of Life
- Facilities and Infrastructure
- Effective and Efficient Government
- Planned Managed Growth

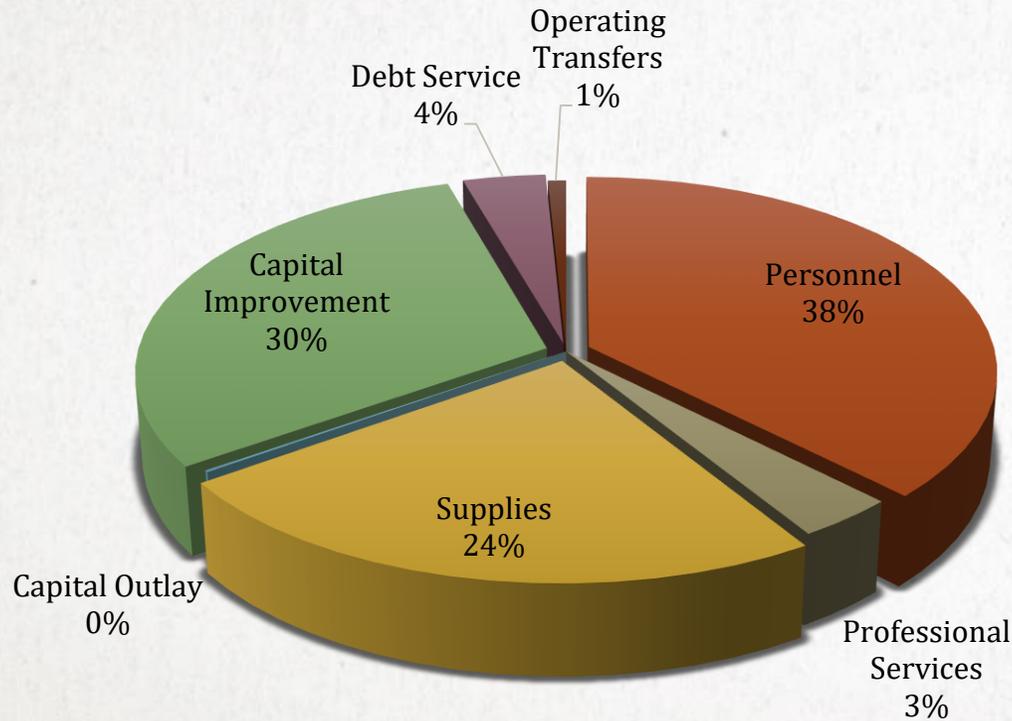


# CITYWIDE OVERVIEW

## FY 2019-2020

Projected Revenue	\$181,918,309
Projected Expenditures	(\$181,399,047)
Difference in Revenues/Expenditures	\$519,262
Projected Cash Fund Balance 06/30/19	\$148,994,610
Projected Cash Fund Balance 06/30/20	\$149,518,822

# CITYWIDE APPROPRIATION BY CATEGORY



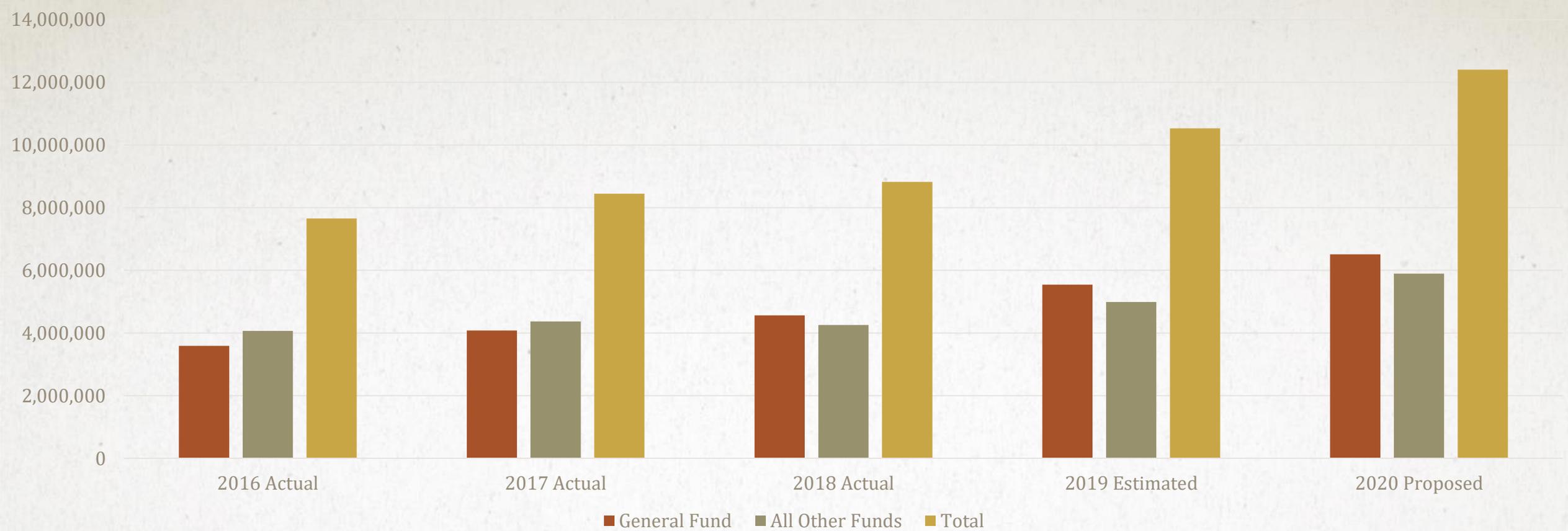
Personnel	\$68,199,876
Professional Services	\$6,394,126
Materials/Supplies	\$43,508,157
Capital Outlay	\$264,094
Capital Improvement	\$54,916,324
Operating Transfers	\$1,446,420
Debt Service	\$6,670,050
<b>Total</b>	<b>\$181,399,047</b>

# GENERAL FUND OVERVIEW

- Operating Budget : \$45,425,462
- Items included
  - Increase to CALPERS contributions. FY20 is the second of the three year phase in of lowering the discount rate. An estimated increase of \$970,000 from prior year
  - 6% Re-Opener increase from FY 17, 18, and 19 an estimated \$1 million to the FY 20 Budget
  - Addition of 1 Police Officer and 1 Dispatcher
  - Move 1 Fire Firefighter from the Endowment Fund
  - Grant Writing Services-California Consulting: \$48,000
  - Lobbyist – Thorn Run Partners: \$58,000

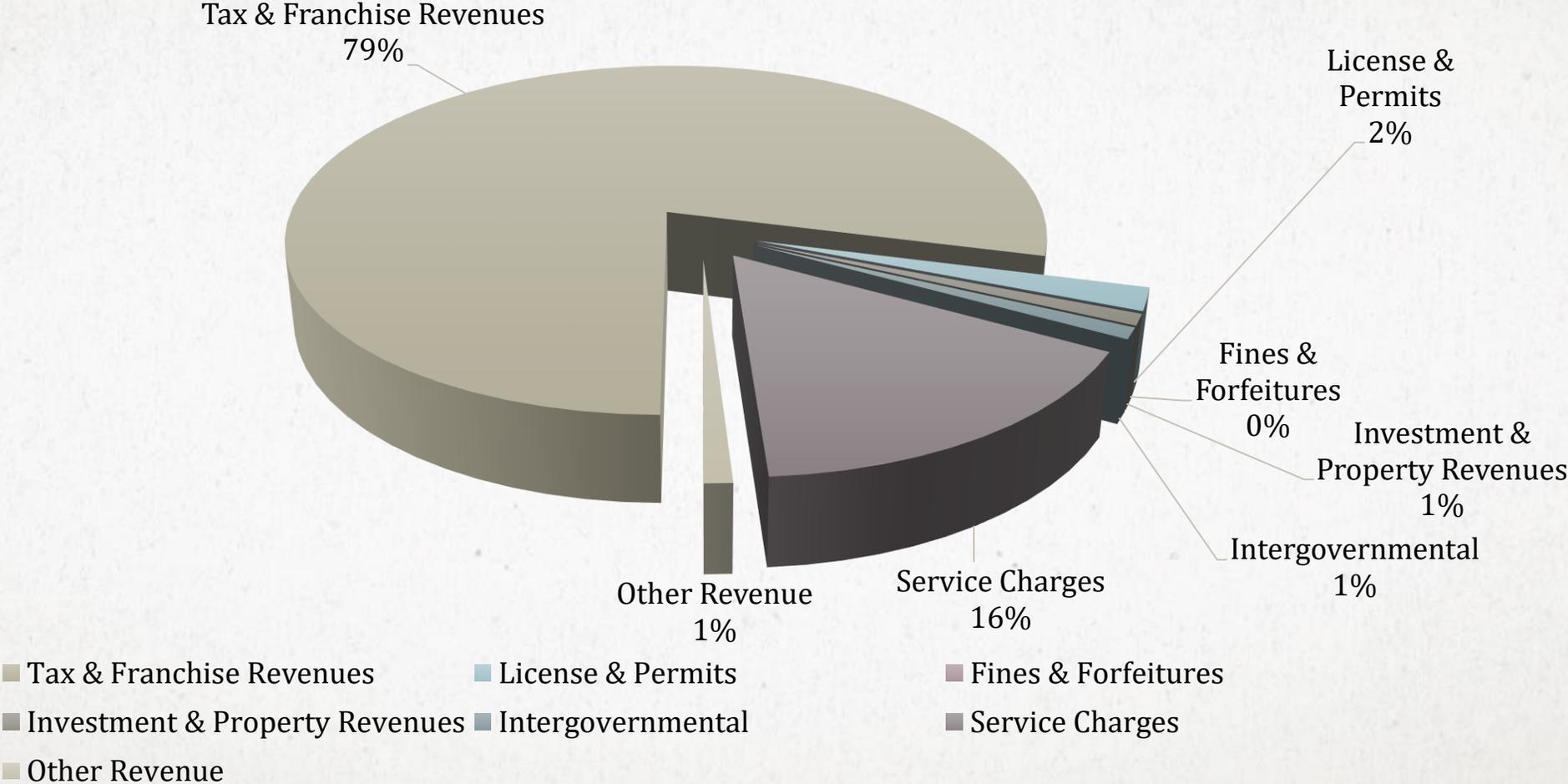
## GENERAL FUND OVERVIEW CONTINUED

- Chamber of Commerce-\$10,000
- Mural Society-\$15,000
- SJ County Economic Development-\$20,000
- Recreation Fund Subsidy: \$200,000
- Golf Fund Subsidy: \$150,000
- Contributions to the Vehicle Fund: \$186,000
- Contributions to the Equipment Fund: \$120,000
- Final Costco Sales Tax Incentive Agreement Payoff: \$65,000

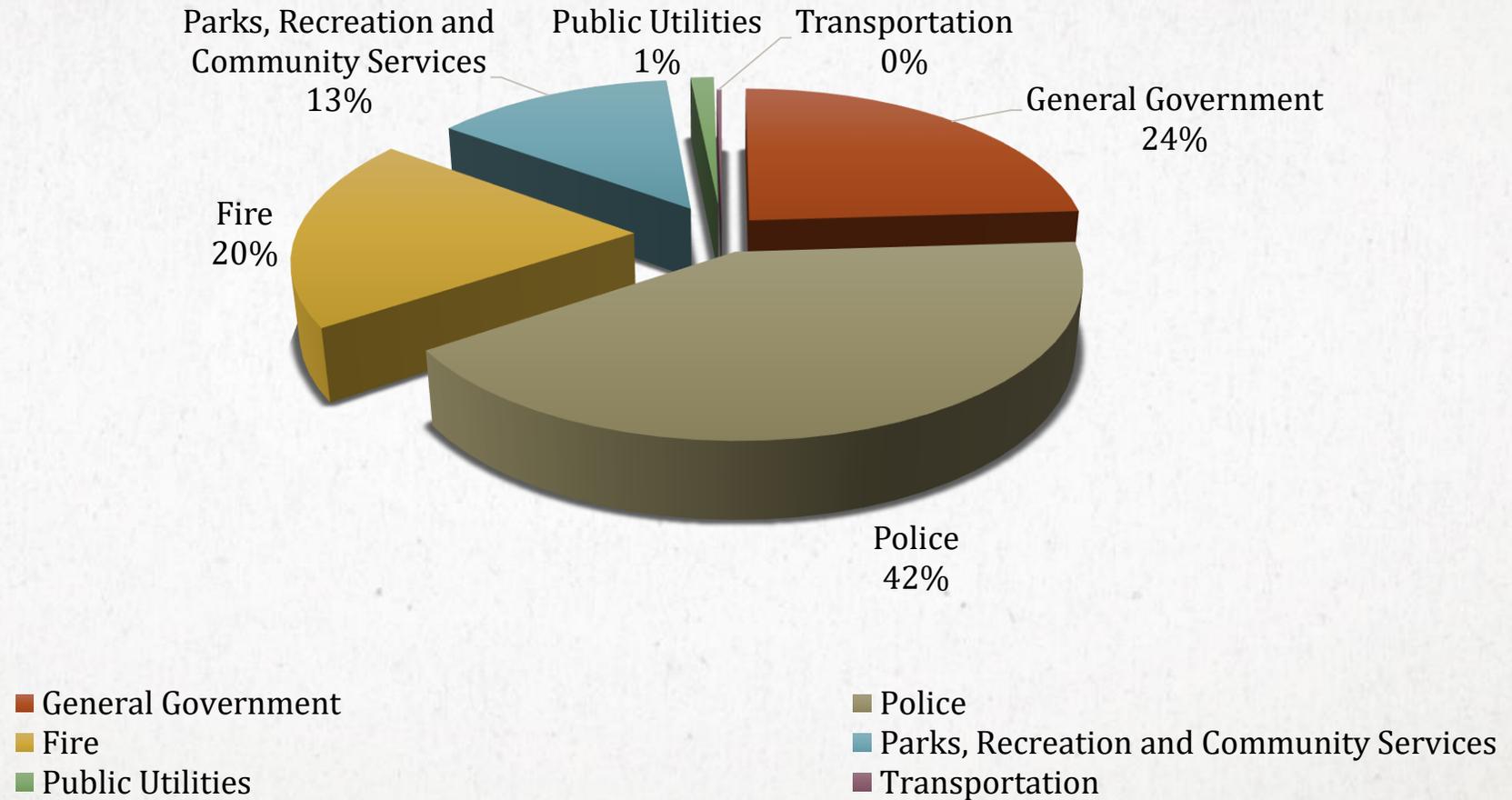


<b>CALPERS</b>	<b>2016 Actual</b>	<b>2017 Actual</b>	<b>2018 Actual</b>	<b>2019 Estimated</b>	<b>2020 Proposed</b>	<b>% Change 19 to 20</b>
General Fund	\$3,587,586	\$4,080,403	\$4,567,233	\$5,544,065	\$6,514,035	18%
All Other Funds	\$4,069,067	\$4,369,077	\$4,255,879	\$4,990,840	\$5,893,630	18%
<b>Total</b>	<b>\$7,656,653</b>	<b>\$8,449,480</b>	<b>\$8,823,112</b>	<b>\$10,534,905</b>	<b>\$12,407,665</b>	<b>18%</b>

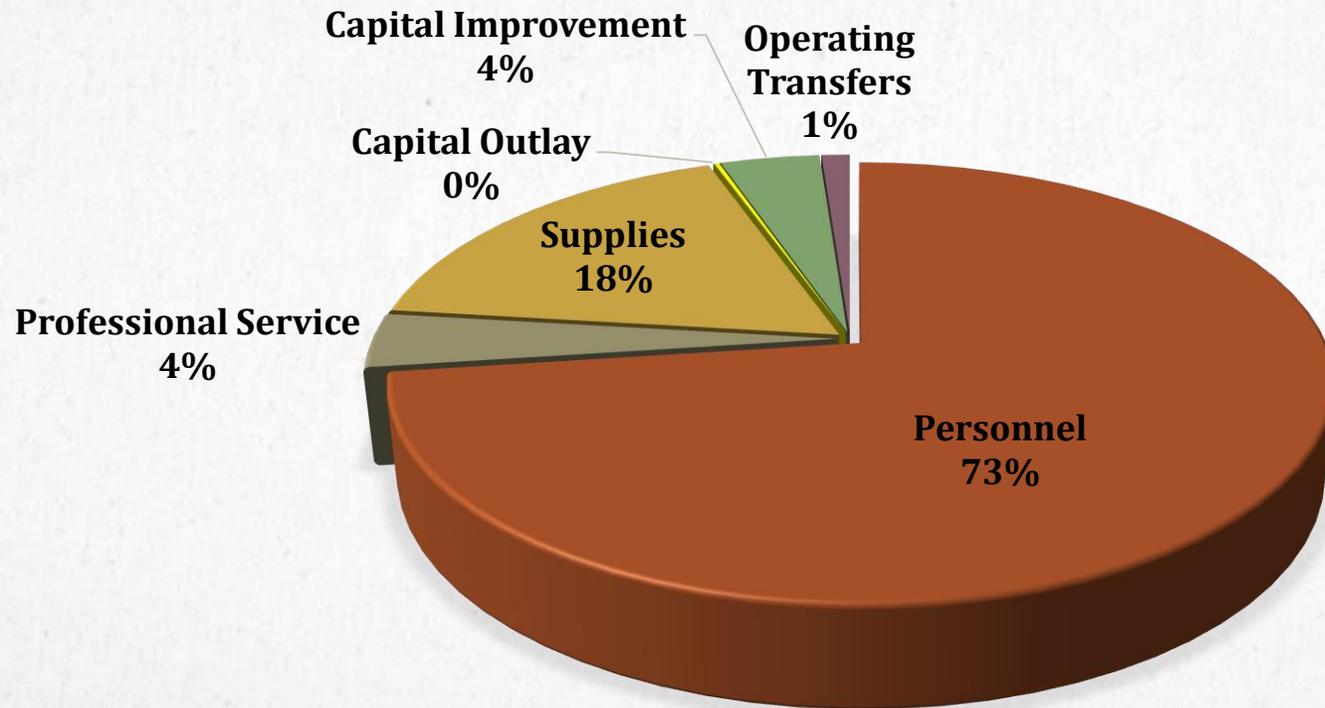
# GENERAL FUND REVENUES FY 2020 \$46,605,594



# GENERAL FUND EXPENDITURES BY OPERATION FY 2020 \$45,956,462



# GENERAL FUND EXPENDITURES BY CATEGORY FY 2020 \$45,956,462



# PROJECTED FY20 GENERAL FUND RESERVE BALANCES

<b>General Fund Reserve</b>	<b>Balance at June 30, 2020</b>
Fiscal Stability	\$13,327,424
Pension Stabilization	\$2,221,237
Capital Facilities	\$1,332,742
Technology Reserves	\$1,332,742
Economic Development	\$2,500,000
<b>Total Assigned Reserves</b>	<b>\$20,714,145*</b>
<b>Total Undesignated Reserves</b>	<b>\$450,077</b>
<b>Total General Fund</b>	<b>\$21,164,222</b>

\*excluding restricted reserves

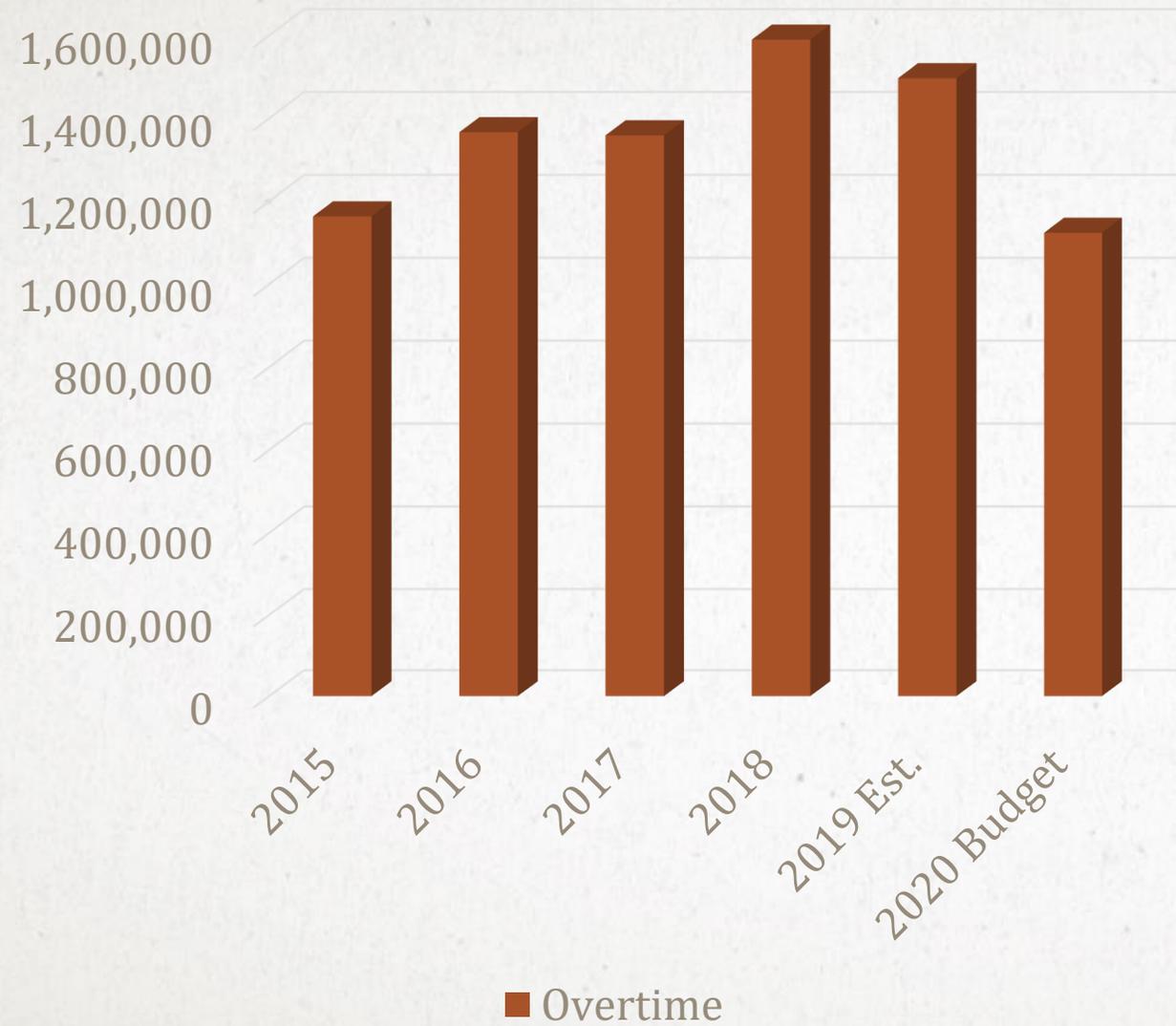
# PROJECTED FY20 GENERAL FUND RESTRICTED RESERVE BALANCES

General Fund Reserve	Balance at June 30, 2020
Public Facilities Oversizing	\$1,537,625
Asset Seizure	\$77,985

# POLICE OVERTIME

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Estimated	2020 Budget
GF Police	842,398	1,005,252	1,029,302	1,267,481	1,217,820	845,000
PSST Police	231,927	257,181	256,094	322,384	279,145	279,145
Endowment Police	89,309	104,008	73,602	0	0	0
<b>Total Police</b>	<b>1,163,634</b>	<b>1,366,440</b>	<b>1,358,998</b>	<b>1,589,865</b>	<b>1,496,965</b>	<b>1,124,145</b>

- Police Overtime
  - New positions should assist in OT continuing to decrease
    - Addition of 2 Police Officers (one given end of FY 19 and one in FY 20 budget)
    - Addition of 1 Public Safety Dispatcher

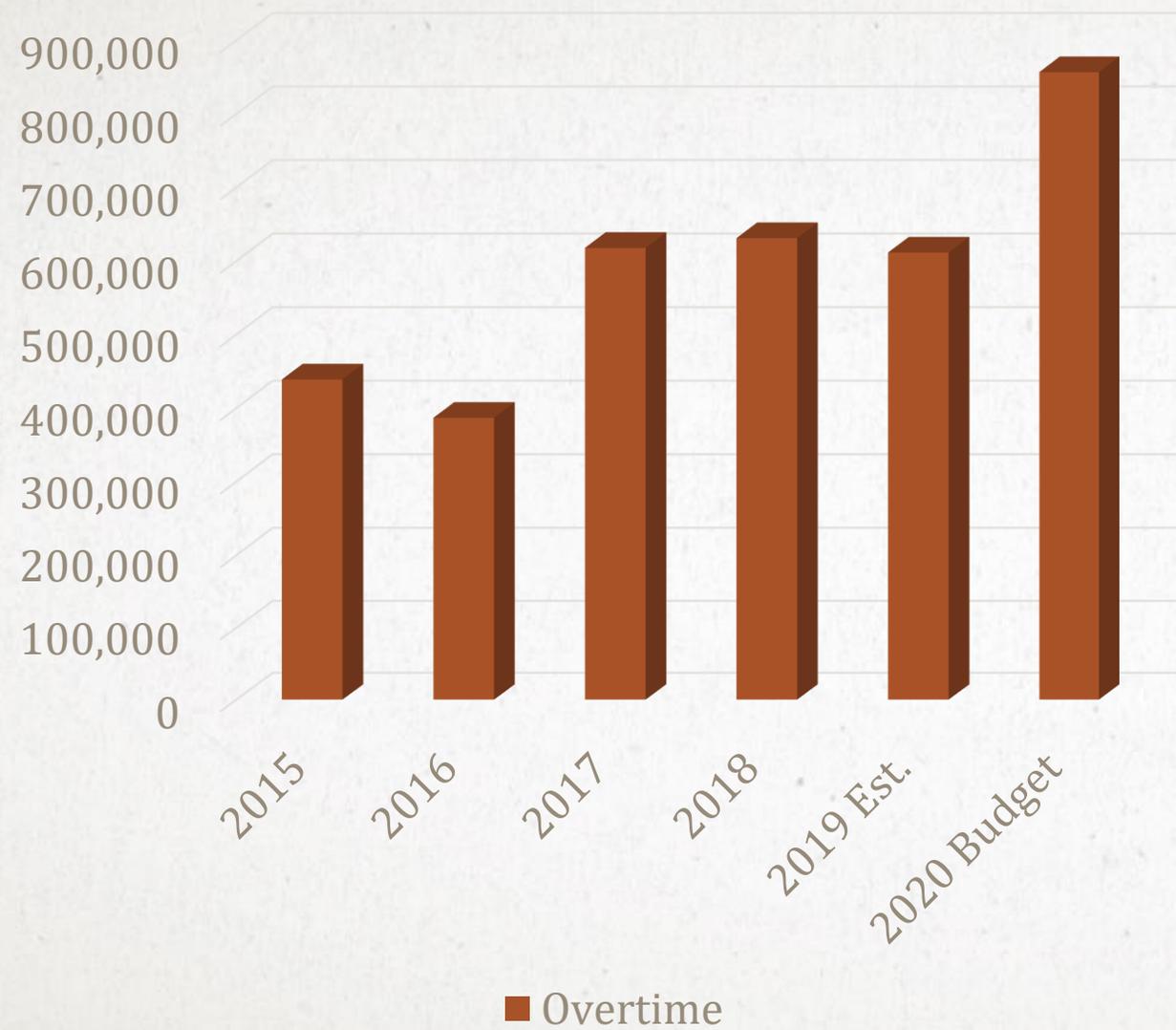


## POLICE OVERTIME

# FIRE OVERTIME

	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Estimated	2020 Budget
GF Fire	52,803	59,450	366,590	388,248	599,435	560,000
SAFER Fire	0	546	30,699	28,326	0	0
PSST Fire	386,022	326,759	220,406	203,460	202,900	263,000
Endowment Fire	0	0	0	10,970	30,000	33,600
<b>Total Fire</b>	<b>438,825</b>	<b>386,755</b>	<b>617,695</b>	<b>631,006</b>	<b>832,335*</b>	<b>856,600</b>

- FY 2019 includes a two-year settlement of potential litigation regarding MOU negotiated Holiday Pay that increased the OT rate.
- FY 2020 increases due to higher salaries and OT rates.



## FIRE OVERTIME

## OTHER PUBLIC SAFETY FUNDING

	<b>Public Safety Sales Tax</b>	<b>Endowment</b>
Proposed Operating Revenues	\$7,139,130	\$12,000
Proposed Operating Expenses	(7,049,990)	(1,490,885)
Gain/Loss	89,140	(1,478,885)
Projected Cash Fund Balance- 06/30/20	\$4,844,723	\$92
Reserve Balance (50% of Op Exp)	\$3,524,995	
Undesignated Fund Balance - 06/30/20	\$1,319,728	

Plan to spend the Endowment Fund to zero in FY 20 and move the 3 fire fighters to permanent funding in FY 21

## CAPITAL IMPROVEMENT PLAN

- City's five year plan of capital improvement needs
- **\$ 224,042,101** in total projects
  - \$174,291,609 existing projects that will carryover in FY 20
  - \$45,148,657 in new project budget requests with \$1,755,800 from Gen Fund.
- June 11<sup>th</sup> Planning Commission meeting for General Plan consistency

# GENERAL FUND-CAPITAL FACILITIES RESERVE

FY 2019 Projects-\$389,000	FY 2020 Projects-\$480,000
Diamond Oaks Playground Replacement	Senior Center Refrigeration Upgrade
Tidewater Resurfacing	Lincoln Pool Maintenance
Lincoln Pool Maintenance	Golf Clubhouse Renovations
Fire Station 2 Security Gate	
Air Conditioning – Dispatch Office	

## GENERAL FUND – TECHNOLOGY RESERVE

FY 2019 Projects-\$418,500	FY 2020 Projects-\$579,500
Backup System Migration and Expansion	Council Chamber Upgrades
Data Storage Capacity Expansion	Network Switches
Citywide Records Management Program	Citywide Records Management Program
Central Irrigation Control Software Upgrade	Network Firewall
Taser Body Camera Upgrade	Taser Body Camera Upgrade
Rec Trac 3.1 Software Upgrade	Axon Fleet Video System

# CAPITAL IMPROVEMENT PLAN

- General Government
  - City Hall Assessment #20057 - \$100,000
  - Family Entertainment Zone Fiscal Study and Marketing # 20058- \$150,000
  - Network Fire Wall #20061-\$50,000
  - Network Switches #20062 -\$51,000
  - Council Chamber Technology Upgrade #20055 - \$250,000
  - Citywide Records Management # 18041 - \$100,000

# CAPITAL IMPROVEMENT PLAN

- Public Safety
  - Fire Engine #19002-\$600,000
  - Emergency Response Vehicle Fire #19046-\$58,000
  - Medium Duty Response Unit # 20046 - \$350,000
  - Portable Radio Replacement # 20047 -\$239,000
  - Radio Tower for Emergency Communications #20048 - \$135,000
  - Taser Body Camera Upgrade and Maintenance #18015 -\$35,500
  - 2 Marked Police Cars #20022 - \$140,000
  - 3 Unmarked Police Cars #20023 -\$105,000
  - 2 Traffic Motorcycles #20024 -\$70,000
  - Axon Fleet Video System #20025-\$93,000
  - SWAT Equipment Vehicle #20027-\$150,000

# CAPITAL IMPROVEMENT PLAN

- Parks, Recreation and Golf
  - Senior Center Refrigeration Upgrade #20012 -\$250,000
  - Golf Clubhouse Renovations #19019 -\$160,000
  - Northgate Picnic Area Renovations #16004-\$600,000
  - Lincoln Pool Maintenance #19023 -\$70,000
  - Ballot Tax Measure Polling #19024-\$140,000
  - Large Turf Wing Mower #19030 -\$120,000
  - Morenzone Field Improvements #20021 -\$82,500
  - LMD Turf Sweeper #20060-\$50,000

# CAPITAL IMPROVEMENT PLAN

- Development Services
  - Building Safety Vehicle #17020-\$37,500
  - Building Safety Vehicle #20002-\$45,000
  - Engineering Construction Inspection Vehicle #20003-\$45,000
- Storm Drain
  - Storm Drain Zones 36 & 39 Backbone Design #20004-\$400,000
  - Trash Capture Inserts #20030-\$36,300

# CAPITAL IMPROVEMENT PLAN

- Solid Waste
  - Giant Fork Truck #19056 -\$160,000
  - Fork Truck #19057 -\$80,000
  - Sideloader Replacement #20035 -\$458,500
  - Sideloader Replacement #20036 -\$458,500
  - Sideloader Replacement #20037 -\$458,500
  - Front Loader Replacement #20038 -\$265,500

# CAPITAL IMPROVEMENT PLAN

- Wastewater
  - North Sewer Trunk Zone 22 # 11007 - \$10,440,000
  - Sewer Links 6-10 Commissioning # 19008 - \$400,000
  - Sewer NPDES Discharge Permit Renewal # 19012 - \$100,000
  - Replacement ICP-MS Trace Metals Analyzer # 19034 - \$200,000

# CAPITAL IMPROVEMENT PLAN

- Water
  - Water Line Replacement Area 3 #12010 -\$698,000
  - Water Line Replacement Area 4 #13004 -\$1,097,000
  - Woodward Av Surface Water Pipeline Ph 1 #14008-\$735,000
  - Water Master Plan #16041 -\$50,000
  - Public Works Consolidation #17033 -\$113,500
  - Alternative Fuel Vehicle #19006 -\$20,000
  - Potable Test Wells #20031-\$1,500,000
  - 2 Vehicle Replacements #20032 -\$58,012

# CAPITAL IMPROVEMENT PLAN

- Transportation
  - 120/McKinley Interchange #11034-\$21,917,745
  - Yosemite (Main to Cottage) #13028-\$450,000
  - 120/Union Interchange #14037 -\$2,000,000
  - Main Street (Northgate to Alameda) #20005 -\$2,149,600
  - Yosemite (Walnut to Main) #20006 -\$757,300
- Transit
  - Parking Lot Expansion #20008-\$25,000
  - Replacement Vehicle #20009 -\$35,000
  - Transit Bus Facility #20010 -\$3,144,000
  - Transit Center Security Projects #20056 -\$300,000

# PERSONNEL ADDITIONS

- 17 funded new positions/reclassifications

- Police: 2
- Community Development: 2
- City Manager staff: 1
- Public Works General: 4
- Public Works Utilities: 4
- Parks & Recreation: 4
- Total Gen Fund: \$463,675 \*
- Total All Funds: \$676,215\*

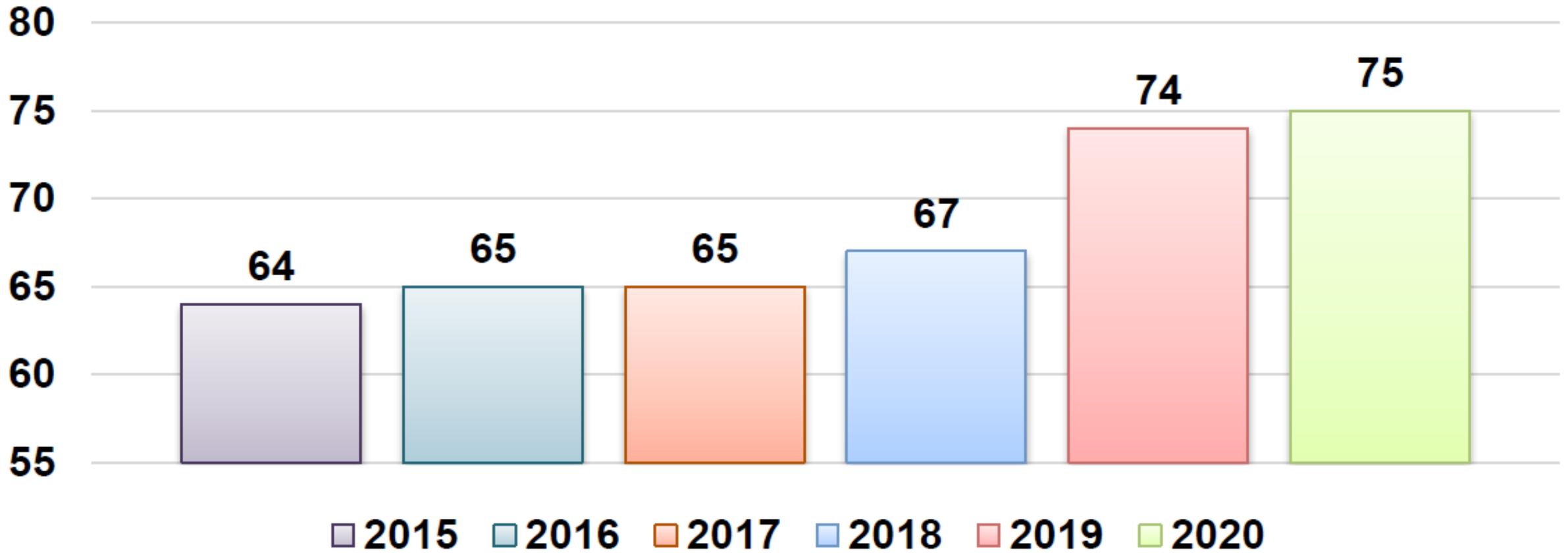
- 22 unfunded positions/reclassifications

- Police: 2
- Fire: 8
- Community Development: 2
- City Manager staff: 1
- Public Works Utilities: 1
- Parks & Recreation: 5
- City Clerk: 3
- Total Unfunded: \$1,317,915\*

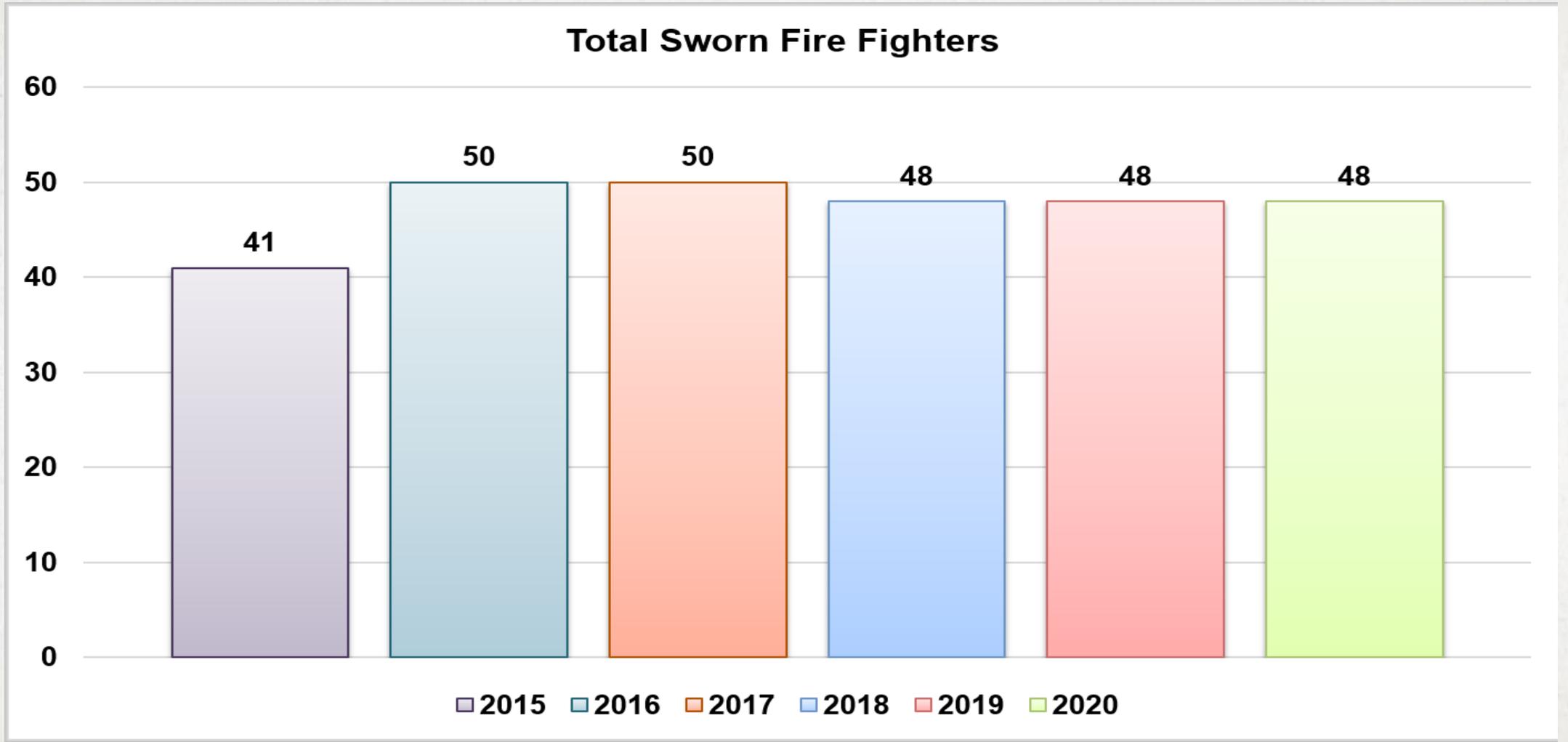
\*does not include cost of vehicles if necessary for the new position. See pg D4

# SWORN POLICE PERSONNEL

## Total Sworn Police Officers



# SWORN FIRE PERSONNEL



# CITY ATTORNEY & CONTRACT SERVICES

Vendor	FY 2016	FY 2017	FY 2018	FY 2019 Est	FY 20 Proposed
<b>McFall, Burnett &amp; Brinton</b>	<b>\$195,092</b>	<b>\$331,479</b>	<b>\$299,130</b>	<b>\$294,459</b>	<b>\$314,459</b>
Contract Retainer	\$153,289	\$154,459	\$154,459	\$154,459	\$154,459
Litigation	\$41,803	\$177,020	\$144,671	\$140,000	\$160,000
<b>Richards, Watson, Gershon</b>	<b>\$50,574</b>	<b>\$265,438</b>	<b>\$234,430</b>	<b>\$75,000</b>	<b>\$136,000</b>
<b>Liebert, Cassidy, Whitmore</b>	<b>\$5,076</b>	<b>\$6,673</b>	<b>\$3,264</b>	<b>\$4,160</b>	<b>\$4,000</b>
<b>Kronick, Moskovitz, Tiedermann &amp; Girard</b>	<b>\$115,305</b>	<b>\$190,430</b>	<b>\$60,522</b>	<b>\$225,000</b>	<b>\$150,000</b>
<b>Claims Liability</b>	<b>\$4,419</b>	<b>\$8,116</b>	<b>\$3,491</b>	<b>\$25,000</b>	<b>\$60,000</b>
<b>Misc</b>	<b>\$0</b>	<b>\$2,892</b>	<b>\$378</b>	<b>\$50,000</b>	<b>\$128,000</b>
<b><u>Total</u></b>	<b><u>\$370,466</u></b>	<b><u>\$805,028</u></b>	<b><u>\$601,215</u></b>	<b><u>\$673,619</u></b>	<b><u>\$792,459</u></b>

# RECREATION FUND

	<b>FY 18 Actual</b>	<b>FY 19 Estimated</b>	<b>FY 20 Proposed</b>
Beginning Balance	\$513,754		
Revenue	\$1,191,745	\$1,320,135	\$1,348,950
Expenditures	\$1,640,373	\$1,743,160	\$1,860,600
General Fund Subsidy	\$250,000	\$200,000	\$425,000*
Fund Balance	\$315,126	\$92,101	\$5,451

\*Anticipated Big League Dreams Revenue

# DEVELOPMENT FEE FUND

	FY 19 Estimated
Air Quality	\$110,200
Affordable Housing	\$825,500
Ag Preservation	\$451,000
Police Enhancement	\$18,000
Co-Op Sewer	\$12,500
<b>Development Agreement Fee (Bonus Bucks)</b>	<b>\$592,200</b>
Public Facilities Fee	\$1,295,500
Recreation Amenities	\$4,500
Storm Drain	\$80,700
Development Services	\$3,800

## FUTURE CONSIDERATIONS

- Continue to monitor CALPERS and the effects it will have on the City's Budget
  - Phased in implementation of lowering the discount rate beginning in FY 2018-19
    - 2019 – 7.375%
    - **2020 – 7.25%**
    - 2021 – 7.00%
- Other Post Employment Benefits (OPEB)
  - Retiree Health Annual Cost \$1,494,110
  - 62% funded by the General Fund

# FUTURE CONSIDERATIONS

- Fire Station #5
  - To fund Station #5 in FY 2019 Council approved an inter-fund loan between the Development Agreement Fund and the Fire Facility Fee Fund.
  - \$1,850,000 is scheduled to be repaid from the Fire Facility Fee beginning in FY 20 and continuing until the loan has been paid in full. (estimated 5 years)
  - Staff submitted a SAFER grant to initially staff the station
- Public Safety Sales Tax / Endowment Fund
  - Depleting the Endowment Fund
  - Proposed Measure M Expenditure Plan amendment in August

# GENERAL FUND RECOMMENDED CHANGES

- Unfund Thorn Run Partners (lobbyist) contract: \$58,000 Gen Fund
- Unfund County Library Services Subsidy: \$51,000 Gen Fund
- Unfund San Joaquin Partnership: \$35,000 Gen Fund
- Fund Security for Downtown: \$12,000 Gen Fund
- Postpone CIP 20021 Morezone Baseball Field Improvements to FY21: \$82,500 Development Agreement Fees
- Swap CIP 19019 Golf Clubhouse Renovations: \$82,500 Development Agreement Fees; for \$82,500 Gen Fund. Total CIP remains at \$160,000.
- Recreation Program Subsidy: \$200,000 Gen Fund for a total subsidy of \$425,000
- Add UNFUNDED CIP 20065 Downtown Veteran's Memorial (Yosemite/Main St) \$750,000

# GENERAL FUND RECOMMENDED CHANGES

- Postpone CIP 20046 Medium Duty Response Unit: \$350,000 Public Safety Endowment Fund
- Swap CIP 20047P Portable Radio Replacement \$239,000 Gen Fund to Public Safety Endowment Fund
- Fund CIP 19049 Standards of Cover/Operations Study: \$50,000 Gen Fund
- Unfund SIR contribution of \$175,000 for FY 20 only
- Increase revenue for Manteca Unified School District cost of School Resource Officer: ~ \$100,000 Gen Fund

# FY 20 GENERAL FUND EXPENDITURE CHANGE SUMMARY

Projects	Fund	Unfund
Thorn Run lobbyist contract		\$58,000
County Library Subsidy		\$51,000
Downtown Security	\$12,000	
SJ Partnership		\$35,000
CIP Morezone Fields FY21/Golf Clubhouse Renovation Swap		\$82,500
CIP Standards of Cover Study FY20	\$50,000	
CIP Portable Radio Replacement Swap (to fund by Endowment)		\$239,000
SIR Fund Adjustment		\$175,000
Recreation Programs Subsidy	\$225,000	
	<u>Subtotal</u>	<u>\$640,500</u>
	<b>Total</b>	<b>353,500</b>

# FY 20 GENERAL FUND REVENUE CHANGE SUMMARY

<b>Projects</b>	<b>Additions</b>
MUSD SRO Revenue	\$100,000
Sales Tax Revenue	\$300,000
	<u>Total</u> <u>\$400,000</u>

# PROJECTED FY20 GENERAL FUND WITH RECOMMENDATIONS

General Fund Reserve	Balance at June 30, 2020
Fiscal Stability	\$13,327,424
Pension Stabilization	\$2,221,237
Capital Facilities	\$1,332,742
Technology Reserves	\$1,332,742
Economic Development	\$2,500,000
<b>Total Assigned Reserves</b>	<b>\$20,714,145*</b>
<b>Total Undesignated Reserves</b>	<b>\$450,077</b>
Additional Revenue	\$400,000
Net Expenditures Fund/Unfund	\$353,500
<b>Estimated Undesignated Reserves</b>	<b>\$1,203,507</b>
<b>Estimated General Fund Balance</b>	<b>\$21,917,652</b>

\*excluding restricted reserves

**QUESTIONS?**

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