



**FY 2017-2018
Budget
Workshop**
May 3, 2017

Operating Budget Workshop Objectives



1. FY 2017-2018 Operating Budget Highlights for Major Funds
2. Review Summary of FY 2017-2018 General Fund Revenues and Expenditures
3. Review Multiple Year General Fund Revenues, Expenditures and Fund Balance
4. Summary of Water Fund Revenues and Expenditures
5. Summary of Sewer Fund Revenues and Expenditures
6. Summary of Gas Tax Fund Revenues and Expenditures
7. Detail Review of Expenditures and Requests by Department/Program
8. Review Supplemental Budget Requests and Proposed New Fees



FY 2017-2018 Operating Budget Highlights

General Fund Highlights



- Total estimated General Fund revenues of \$18.4 million and total estimated expenditures of \$19.7 million.
- **Structural deficit of \$1.3 million**
- Projected General Fund Expenditure budget is based on the following:
 - Maintains existing non-safety service levels; no new programs or employees
 - Provides for a 9% annual adjustments for Sheriff's services
 - ✦ Additionally, provides funding for (1) Traffic Enforcement Deputy and (1) Community Services Officer
 - Provides for annual contractual increase of 8.6% for CAL FIRE Services .

General Fund Highlights



- Continues to provide funding to pay down liability for post-retirement healthcare costs as well as pay-go retiree healthcare costs increases
- Provides funding to pay for pass-through employer pension rate increases
- City employees now paying their full share of employee portion of pension contribution
- Preliminary budget does not include salary adjustments for employees – ongoing negotiations
- Includes funding for increased water utility costs
- Discontinued \$75,000 transfer to National Pollutant Discharge Elimination System (NPDES) Fund due to available fund balance to address gap in FY 17-18.

General Fund Highlights



General Fund Revenue Budget is impacted by the following:

- Anticipates 2.11% or \$138,000 increase in sales tax revenue from FY 2016-2017 estimated year-end amount
- Projected 2.64% increase or \$43,000 in property tax due to slight increase in projected assessed values
- Projected increase of 3.8% in Vehicle License Fees – information from State
- Lease Income - anticipated increase in cell site revenues offset by loss of library lease income
- Overall franchise fee projected to increase by only 1.76% due to new provider for California Rehabilitation Center (CRC) waste collection services
- Overhead Reimbursements – anticipates loss of \$108,000 reimbursement for former Redevelopment (RDA) employees from State Department of Finance due to ongoing dispute
- Projected decrease of 23% in Community Development fees due to anticipated lower building activities. Traditionally, at mid-year these revenues are adjusted to confirmed development activities

Water Fund Highlights



- The Water Fund Operating Budget began FY 16-17 with a Working Capital Balance of (\$754,144) and will end the FY 16-17 with \$1,986,039 Working Capital Balance
- The financial outlook of the Water Budget improved due to the approval of restructured water rates, implemented January 2017, the sale of stored water to Fontana Water Company - \$1.1 million; transfer of \$700K from Water Capital Fund and expenditure reductions mainly from purchased water costs
- Including impact from rates changes, FY 17-18 Water Fund revenues of \$10.7 million and total projected expenditures of \$10 million
- Working capital balance is estimated to be \$2.7 million by June 30, 2018 before providing for minimum operating reserve, rate stabilization reserve and allocation for CIP
- Initial funding and allocation minimum operating reserve balance, rate stabilization reserve and CIP for Water Projects will be begin by June 30, 2018 based on available working capital
- July 1st rate increase on fixed charges and consumption
- Over \$31.9 million in outstanding Water Capital Improvement Plan (CIP) Projects

Sewer Fund Highlights



- Total projected Sewer Fund revenues of \$7.5 million
- Total projected expenditures of \$6.2 million
- Sewer Fund revenues are based on existing sewer rate structure
- Estimated Working Capital Balance of \$5.6 million and \$6.9 million as of June 30, 2017 and June 30, 2018, respectively
- Does not include transfer to Sewer Capital Projects Fund
- Over \$18.8 million in outstanding Sewer CIP Projects



FY 2017-2018 Summary of General Fund Revenues

FY 2017-2018

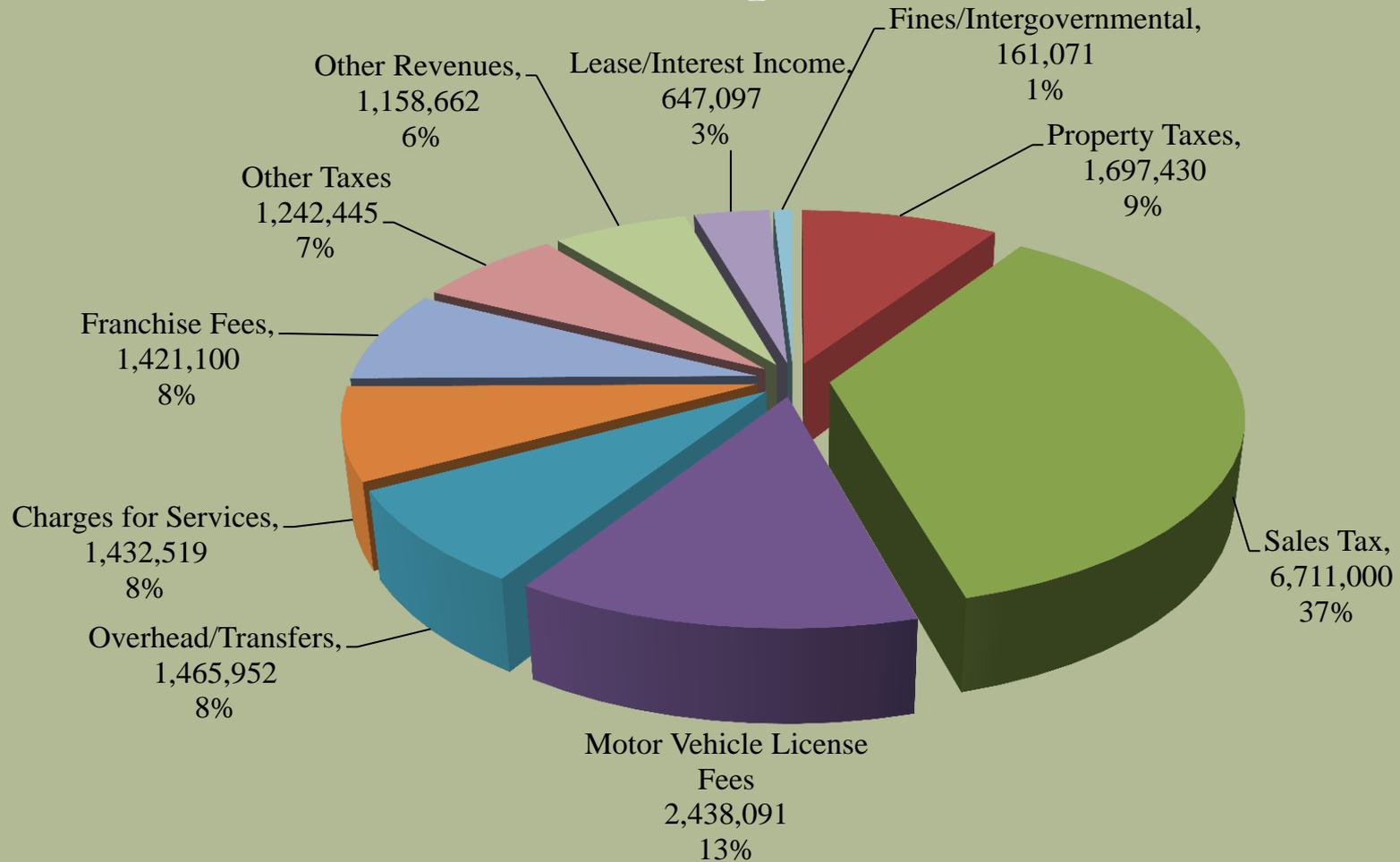
General Fund Revenues by Source



Revenue Category	FY 2016-2017 Amended Budget	FY 2016-2017 Year-End Estimate	FY 2017-2018 Preliminary Budget	Percentage Change from Year-end Estimate
Property Tax	\$ 1,653,753	1,653,753	1,697,430	2.64%
Sales Tax	6,572,130	6,572,130	6,711,000	2.11%
Other Taxes	1,198,460	1,216,165	1,242,445	2.16%
Franchise Fees	1,469,994	1,396,484	1,421,100	1.76%
Motor Vehicle License Fees	2,347,028	2,347,028	2,438,091	3.88%
Interest/Lease Income	627,675	629,758	647,097	2.75%
Charges for Services	1,468,359	1,648,900	1,432,519	-23.38%
Other Revenues	1,159,954	1,197,860	1,158,662	-3.27%
Overhead/Transfers	1,609,698	1,610,100	1,465,952	-8.95%
Fines/Intergovernmental	149,555	134,073	161,071	17.89%
Total	<u>\$ 18,256,606</u>	<u>18,406,269</u>	<u>18,375,367</u>	<u>-0.17%</u>

FY 2017-2018 General Fund Revenues by Source

\$18,375,367



General Fund Revenues



PROPERTY TAX:

- Includes secured and unsecured levies, residual tax increment and pass-through distribution, and penalties
- Assumes 2.6% increase due to increase in assessed value and estimated tax increment distribution

SALES TAX:

- Current sales tax revenues are trending higher due to auto sales and construction materials
- FY 2017-2018 estimated revenues based on Sales Tax Consultant's projections

General Fund Revenues



OTHER TAXES:

- Consists of Public Safety Sales Tax, Property Transfer Tax, Transient Occupancy Tax (TOT), and Business License
- Projected to increase by 2.1% due to increasing TOT revenue

FRANCHISE FEES:

- Includes cable television, electric, gas, and refuse franchise fees
- Projected net increase of 1.76% largely due to refuse franchise rate increase

General Fund Revenues



MOTOR VEHICLE LICENSE FEES:

- City's share of allocation of Motor Vehicle License (VLF) Fees collected by the Department of Motor Vehicles (DMV).
- MVL Fees is projected to increase by 3.8% from prior year based on the State's estimates

INTEREST AND LEASE INCOME:

- Consists of revenues derived from cell towers and SilverLakes
- Projected increase in cell tower revenues offset by loss of income from library building lease

General Fund Revenues



CHARGES FOR SERVICE:

- Includes Planning Division fees, Building fees, Engineering fees, and Parks and Recreation fees
- These fees are projected to decrease by 23.38 % as compared to year-end due to timing of permit activities and/or reduction in activities

OTHER REVENUES:

- Key revenues included in this category are Voluntary Emergency Medical Subscription (VEMS), dog licenses, penalties, fire inspection fees, fire plan check fees, etc
- Revenue projected to decrease by 3.27% due to anticipated reduction in 3-year dog license renewals

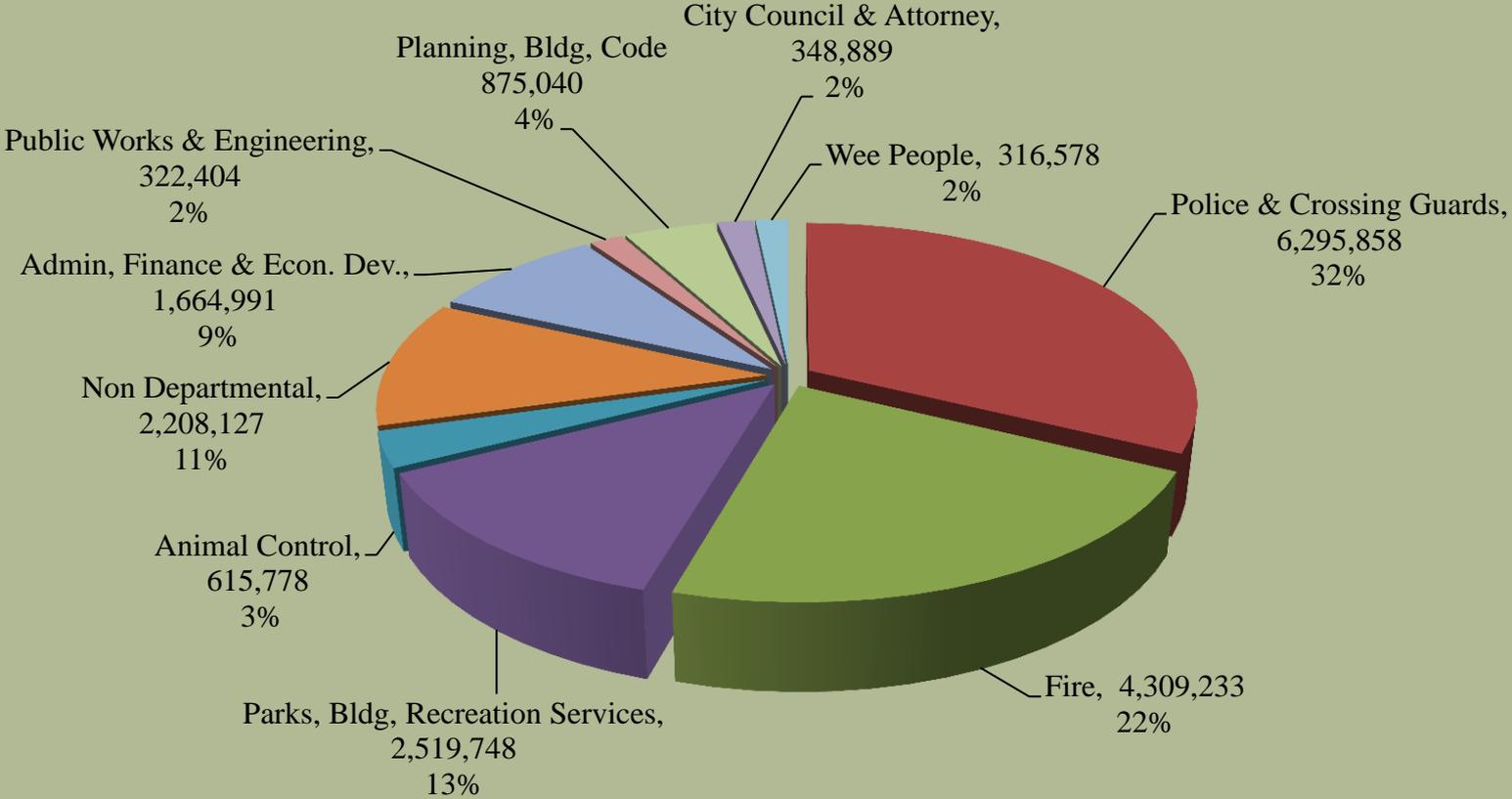
OVERHEAD/TRANSFERS:

- Reimbursements of allocated costs by other Funds to the General Fund
- Estimate based on potential for loss of Successor Agency reimbursement of unfunded pension and retiree healthcare liabilities resulting in 8.95% reduction in revenue



FY 2017-2018 Summary of General Fund Expenditures

FY 2017-2018 Estimated General Fund Expenditures By Function \$19,706,736



FY 2017-2018

General Fund Expenditures By Program



Category	FY 16-17 Amended Budget	FY 16-17 Year-End Estimate	FY 17-18 Preliminary Budget	\$ Change from Amended to Preliminary	Percentage Change from Amended to Preliminary
Police Protection	5,591,249	5,415,863	6,295,858	704,609	12.60%
Fire Suppression & EMS	3,888,249	3,884,782	4,309,233	423,612	10.90%
Parks, Bldg, Recreation	2,289,909	2,362,457	2,519,748	229,839	10.04%
Animal Control	599,103	597,329	615,779	14,048	2.33%
Non-Departmental	2,059,214	2,071,140	2,208,127	148,913	7.23%
Admin, Finance, Econ. Dev	1,589,017	1,541,381	1,664,991	75,974	4.78%
Public Works/Engineering	287,583	262,441	322,404	34,821	12.11%
Plan, Bldg Safety, Code Enf.	801,423	821,232	875,040	73,617	9.19%
City Council and Attorney	345,706	335,776	348,889	3,183	.92%
Wee People/Teen	318,181	282,534	316,578	-1,603	-.50%
Sr. Citizens	188,405	195,375	230,090	41,685	22.13%
Total	17,958,039	17,770,310	19,706,736	1,748,697	9.74%

General Fund

Major General Fund Expenditure Increases



Expenditure Descriptions	FY 16-17 Amended vs FY 17-18 Proposed Differences
PERS Employer Unfunded Accrued Liability (UAL)	141,852
Employee Health Insurance	22,232
Utility Charges	249,039
CAL FIRE Contract	419,284
Sheriff Services	703,284
Contractual Services	114,111
Liability Insurance	<u>101,535</u>
Total	\$1,751,337

FY 2017-2018

General Fund Expenditures by Category

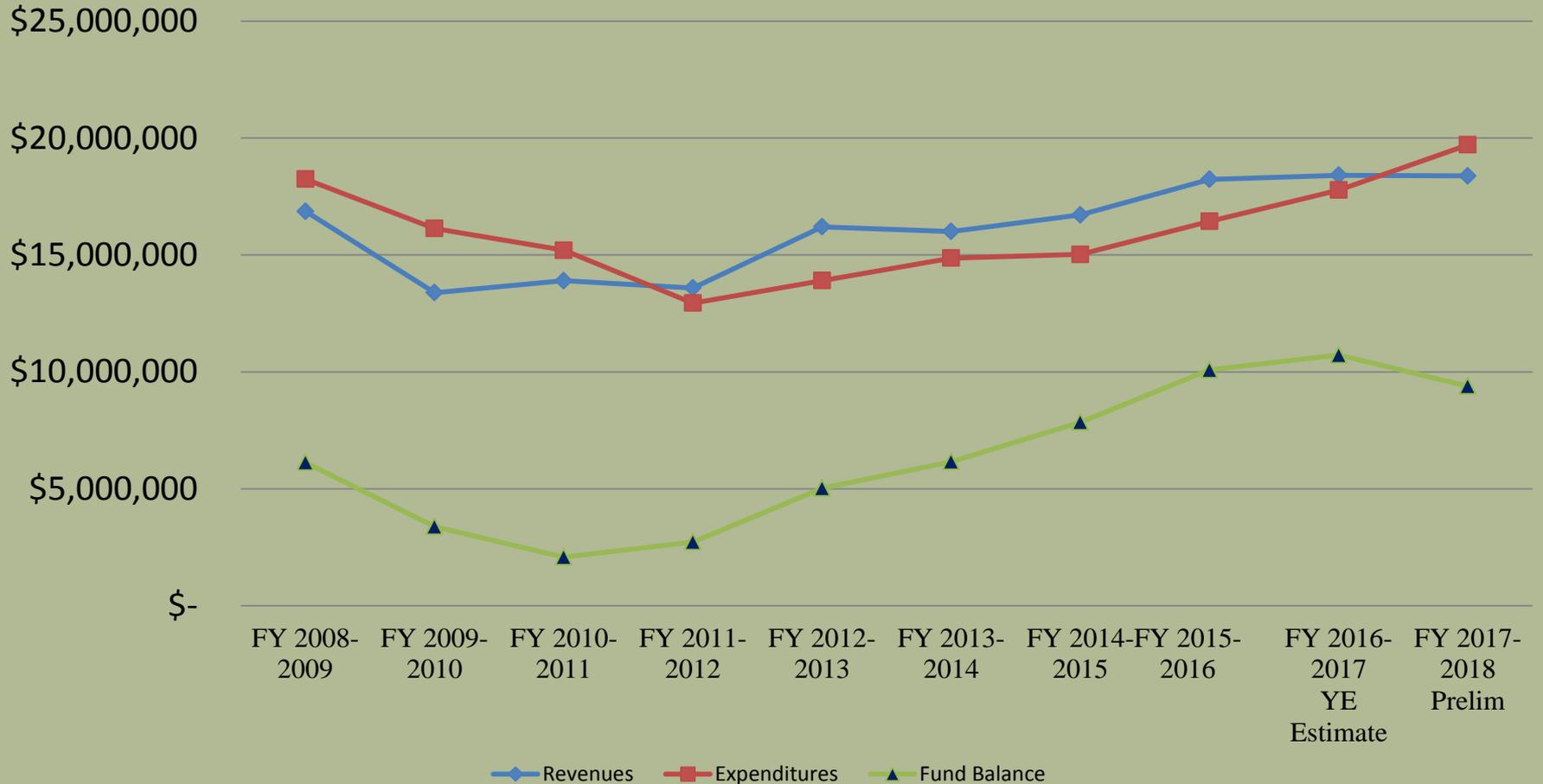


Category	FY 16-17 Amended Budget	FY 16-17 Year-End Estimate	FY 17-18 Preliminary Budget	\$ Change from Amended to Preliminary	Percentage Change from Amended to Preliminary
Salaries & Benefits	4,356,848	4,193,989	4,583,176	226,328	5.2%
Employee Related Expenses	82,397	76,112	108,277	25,880	31.4%
Supplies and Services	1,331,351	1,307,961	1,379,596	48,245	3.6%
Maintenance & Rentals	124,291	125,663	132,775	8,484	6.8%
Operations & Utilities	398,117	471,199	647,156	249,039	62.6%
Contractual & Prof. Services	10,711,173	10,656,812	11,950,089	1,238,916	11.6%
Miscellaneous	61,570	42,037	47,815	(13,755)	-22.3%
Internal Service Charges	731,502	733,437	836,852	105,350	14.4%
Capital Outlay	85,790	88,100	21,000	(64,790)	-75.5%
Transfer	75,000	75,000	0	(1,603)	-100%
Total	17,958,039	17,770,310	19,706,736	1,748,697	9.74%



General Fund Revenues, Expenditures and Fund Balance Trends

General Fund Revenues, Expenditures and Fund Balance Trend FY 2009 to FY 2018



YE
Estimate

◆ Revenues ■ Expenditures ▲ Fund Balance

General Fund

Projected General Fund Balance



	Year-End Projections	Fund Balance
Audited Fund Balance June 30, 2016		10,083,161
Estimated Revenues	18,406,269	
Estimated Expenditures	<u>(17,770,310)</u>	<u>635,959</u>
Estimated Fund Balance July 1, 2017		10,719,120
Estimated Revenues	18,375,367	
Estimated Expenditures	<u>(19,706,736)</u>	<u>(1,331,369)</u>
Estimated Fund Balance June 30, 2018		9,387,751

- Over the last few years, revenues have exceeded expenditures resulting in increased Fund Balance. In the proposed budget, expenditures are projected to exceed revenues, resulting in a net decrease of Fund Balance since June 30, 2016 of \$695,410. The FY17-18 decrease in Fund Balance is \$1.3 million before supplemental requests and other adjustments.



Summary of Water Fund Revenues and Expenditures

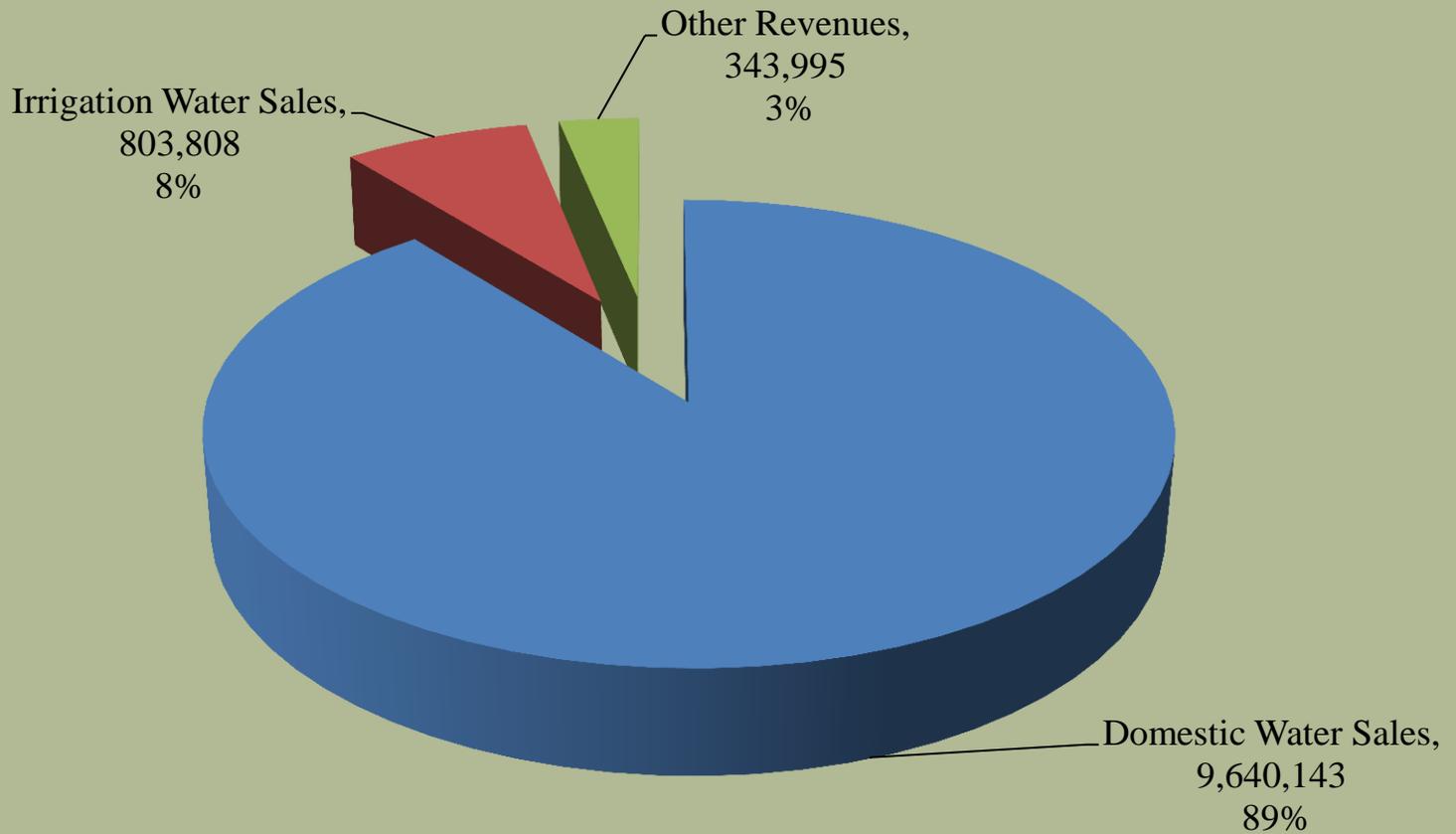
Water Fund Briefs



- FY 2017-2018 total Water Fund projected revenues of \$10.76 million. Total projected expenditures is \$10.0 million
- The projected revenues over expenditures of \$761,000 will be added to the estimated Working Capital for an estimated June 30, 2018 Working Capital total of \$2.7 million
- The Water Fund Working Capital Balance will, over the next five years, grow to provide CIP project funding, emergency or operating reserve and rate stabilization reserves
- Current CIP Projects : \$31.9 million
- Operating Reserve (3 months Operating O&M) : \$2.1 million
- Rate Stabilization Reserve: \$2 million target by 2026

Summary of Water Fund Revenues by Type

\$10,787,945



Water Fund Briefs



Projected FY 17-18 Water Fund expenditures are based on the following:

- Purchased water costs are estimated based on obligations under take-or-pay purchase water contracts
- Increase in contractual services for valve and hydrant maintenance, GIS maintenance, one-time increases in employee training and purchase of new water equipment
- Debt Service is decreasing by \$106,000 due to the payoff of an EDA or Drought Act Loan

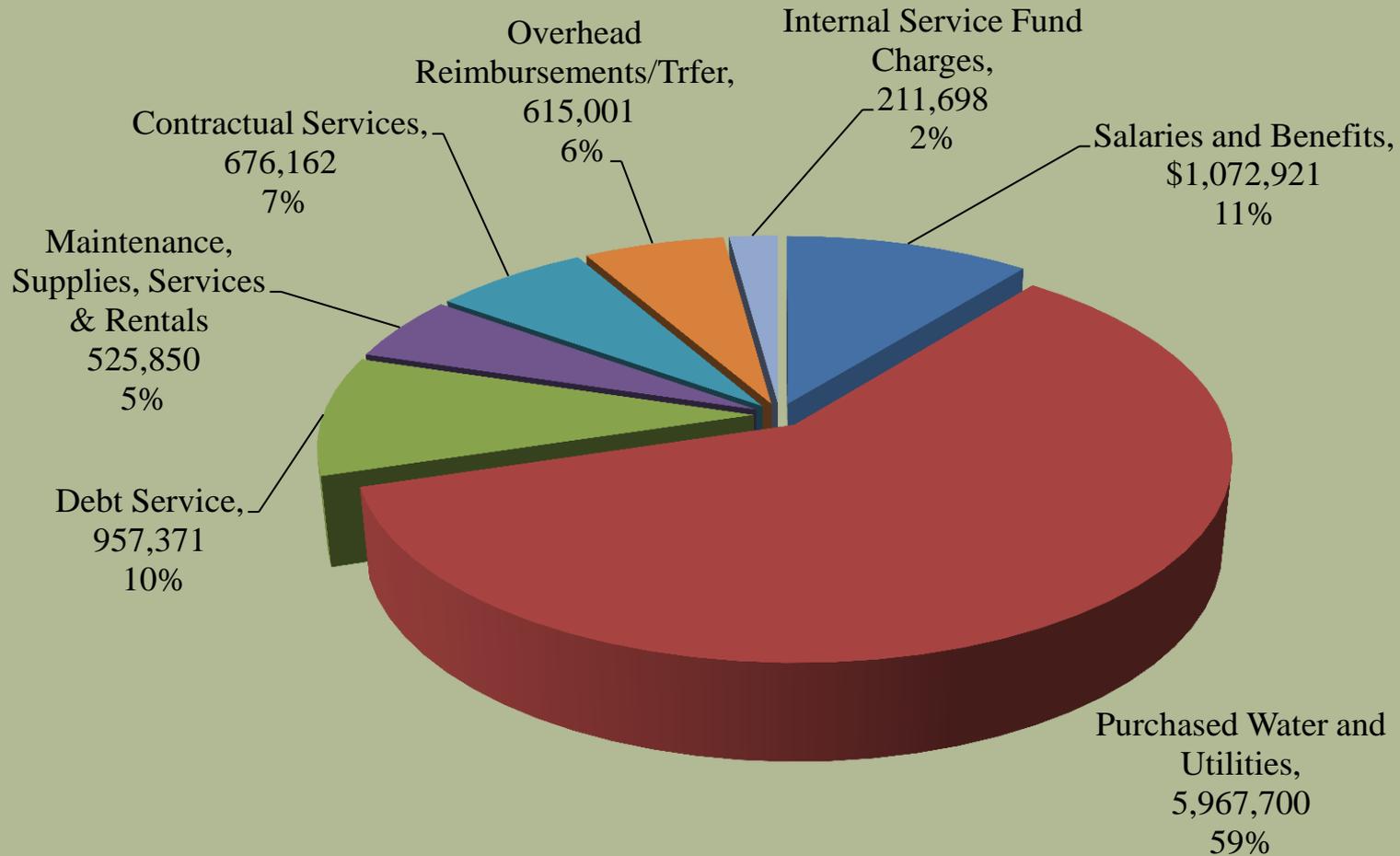
Summary of Projected Water Fund Expenditures by Category For Fiscal Years 2016-2017 and 2017-2018



Expenditure Category	FY 2016-2017 Estimated YEAR-END	FY 2017-2018 Preliminary BUDGET	Change
Salaries and Benefits	\$ 940,498	\$1,072,921	14.08%
Purchased Water and Utilities	5,007,700	5,967,700	19.17%
Debt Service	1,067,075	957,371	-10.28%
Maintenance, Supplies, Services & Rentals	365,090	525,850	44.03%
Contractual Services	415,332	676,162	62.80%
Overhead Reimbursements/Transfers	614,844	615,001	0.03%
Internal Service Fund Charges	163,911	211,698	29.15%
Totals	\$ 8,574,450	\$ 10,026,703	16.94%

FY 2017-2018 Estimated Water Fund Expenditures

Total \$10,026,703





Summary of Sewer Fund Revenues and Expenditures

Sewer Fund Briefs



- Total FY 2017-2018 projected Sewer Fund revenues is \$7.5 million.
- Projected increase in expenditures compared to FY 2016-2017 budget due to:
 - Increasing budget for sewer line cleaning, root chemical treatment, roach treatment, grease treatment, electrical maintenance, Geographic Information System (GIS) data collection, mapping services, purchase of new sewer equipment and employee training.
- Expansion of Western Riverside County Regional Wastewater Authority (WRCRWA) Treatment Plant is anticipated to be completed and operational in FY 2017-18. No impact of the treatment plant expansion is reflected in this preliminary budget.

Summary of Projected Sewer Fund Expenditures by Category

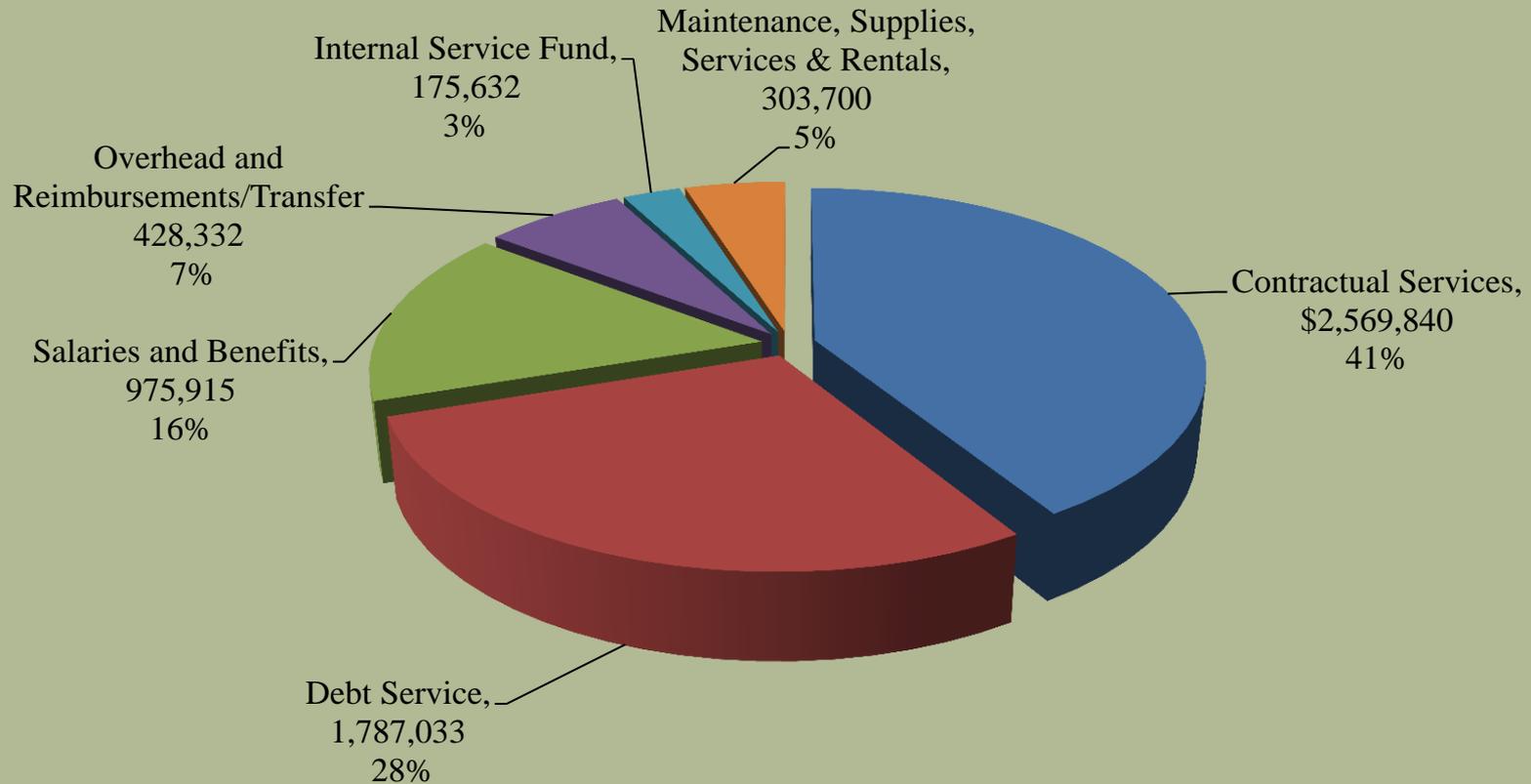
FY 2016-2017 and FY 2017-2018



<u>Expenditure Category</u>	<u>FY 2016-2017 Estimated YEAR-END</u>	<u>FY 2017-2018 Preliminary BUDGET</u>	<u>Change</u>
Contractual Services	\$ 2,070,532	2,569,840	24.11%
Debt Service	1,791,494	1,787,033	-0.25%
Salaries and Benefits	820,641	975,915	18.92%
Overhead and Reimbursements/Transfers	428,333	428,332	0.00%
Internal Service Fund	127,241	175,632	38.03%
Maintenance, Supplies, Services & Rentals	164,940	303,700	84.13%
Totals	<u>\$ 5,403,181</u>	<u>6,240,452</u>	<u>15.50%</u>

FY 2017-2018 Estimated Sewer Fund Expenditures

Total \$6,240,452





Summary of Gas Tax Fund Revenues and Expenditures

Gas Tax Fund Revenue and Expenditures



- City's share of State allocation of gas tax revenues
- Use of revenue is restricted to eligible streets and road work such as signal maintenance, pothole repairs, traffic lights utilities, tree trimming, etc.
- Total estimated revenues of \$764,688 is based on information from the League of California Cities
- Estimated FY 2017-2018 revenues reflects a 41% or \$223,132 mainly due to Road Repair and Accountability Act of 2017 or SB1. Total estimated expenditures of \$737,754 provides increased funding for tree trimming and removal
- Projected FY 2017-2018 Fund Balance as of June 30, 2018 is \$661,385



Expenditures by Department/Programs



Police

FY 2017-2018 Operating Expenditure Review

General Fund SLESF Grant (Supplemental Law Enforcement Services Fund)	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Changes
Sheriff Contract	\$5,236,860	\$5,080,714	\$5,940,144	13.4%
Total GF Budget	\$5,591,249	\$5,415,863	\$6,295,858	12.6%
Total All Funds	\$5,691,249	\$5,515,863	\$6,395,858	12.6%

- FY 2016-2017 Amended Budget includes \$139,503 for the Traffic Enforcement program proposed at Mid-Year. The funds will not be expended in the current year. FY16-17 contract included a 7% increase for projected costs whereas a 5.13% increase is projected by the County. The GF portion of the contract is reduced by \$100,000 that is charged to SLESF grant funds.
- The projected base contract increase is estimated at 9% for FY17-18.
- FY 2017-2018, includes a full year of a new Traffic Enforcement Deputy and Community Service Officer. The annual cost is \$414,606.
- Overall, when comparing amended budget to preliminary, the increase is \$704,609 or 12.6% increase.



Fire

FY 2017-2018 Operating Expenditure Review

General Fund Equipment Replacement Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Changes
Fire Contract	\$3,823,245	\$3,823,245	\$4,242,793	10.9% Amended 8.6% Adopted
Total GF Budget	\$3,888,249	\$3,884,782	\$4,309,233	10.8%
Total All Funds	\$3,938,911	\$3,935,444	\$4,359,895	10.8%

- FY 2016-2017 estimated expenditures for CAL FIRE will be lower than the adopted budget due to delayed MOU increases providing a savings of \$84,296 that was recognized in a Mid-Year Amendment.
- FY 2017-2018 budgeted expenditures are increasing by \$420,984 as compared to amended budget due to projected MOU increases.
- Additional funding of \$50,662 for fire engine replacement is provided through Equipment Replacement Fund.



Fiscal & Support Services

FY 2017-2018 Operating Expenditure Review



General Fund Water Fund Sewer Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Fiscal & Support Services	\$1,336,563	\$1,295,358	\$1,364,423	2%

- FY 2016-2017 estimated expenditures are below amended budget amounts due to salary and benefit savings.
- FY 2017-2018 budgeted expenditures are \$27,860 2% higher than FY 2016/2017 budget primarily due to increased training and contractual services.



City Manager/Administration
City Manager
City Clerk
Economic Development
Human Resources

FY 2017-2018 Operating Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
City Manager	\$336,564	\$339,547	\$357,169	6.12%

- FY 2016-2017 estimated expenditures are higher than budget due to increasing benefit costs.
- FY 2017-2018 budgeted expenditures are \$20,605 or 6.12% higher primarily due to pension costs and internal service fund or computer replacement charges.

FY 2017-2018 Operating Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
City Clerk	\$286,704	\$284,959	\$306,387	6.87%

- FY 2016-2017 estimated expenditures are below budgeted amounts due to savings in salary and benefits.
- FY 2017-2018 budgeted expenditures are \$19,683 or 6.87% more than the amended budget due to increased pensions, training and municipal code publishing costs.

FY 2017-2018 Operating Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Economic Development	\$267,801	\$239,078	\$262,566	-2.52%

- FY 2016-2017 estimated expenditures are below amended budgeted amounts because of conservative management of marketing resources.
- FY 2017-2018 budgeted expenditures are $-\$5,235$ or -2.52% lower than FY 2016-2017 budget, a net decrease, largely due to conservative management of marketing resources offset by a slight increase in Gateway Sign costs due to anticipated increased participation.
- Budget includes funding for continued attendance of International Council of Shopping Centers (ICSC) Conference.

FY 2017-2018 Operating Expenditure Review



General Fund Water Fund Sewer Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Human Resources	\$120,850	\$114,520	\$143,283	19%

- In FY 2016-2017, Human Resources is lower than amended budget due to benefit savings.
- FY 17-18 is \$22,433 or 19% higher due to increased salary and benefits from staff reclassification.



Non-Departmental

FY 2017-2018 Operating Expenditure Review



General Fund	FY 2016-2017 Amended Budget	FY 2016- 2017 Estimated Year-End	FY 2017- 2018 Preliminary Budget	Percentage Change Budget to Budget
Non-Departmental	\$2,059,214	\$2,071,140	\$2,208,127	7.23%

- Expenditures budgeted in non-departmental are not directly associated with specific operating departments. They include unemployment claims, Citywide dues and memberships, hiring costs, retiree medical insurance (pay-go and set aside for Unfunded Accrued Liability) insurance premiums, claim settlements, and professional services .
- Estimated increase in FY 2017-2018 budget is largely due to increasing UAL , Pay-Go retiree healthcare and general liability insurance costs.



Parks, Recreation, Community Services & Animal Control

FY 2017-2018 Operating Budget Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Recreation Services (730)	\$707,561	\$716,026	\$739,919	4.57%
Revenues	\$154,228	\$165,948	\$164,148	6.43%

- FY 2016-2017 estimated expenditures are greater than budget due to projected equipment purchases for scoreboards and swamp coolers at the gym before June 30th.
- FY 2017-2018 budgeted expenditures are 4.57% or \$32,358 higher due to increases in pension and utilities costs. However, a portion is offset due to increased revenue.

FY 2017-2018 Operating Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Youth and Teen Services (731)	\$318,181	\$282,534	\$316,578	-.50%
Revenues	\$318,531	\$285,074	\$318,942	0%

- Youth and Teen Services consists of PT Salaries including one PT at 32 hours resulting in minimal pension or benefit impacts. PT hours are based on program demand.
- FY 2016-2017 estimated expenditures and revenues decreased due to lower program participation.
- FY 2017-2018 budgeted expenditures and revenues are traditionally budgeted to recover costs . Adjustments may be made at mid-year.

FY 2017-2018 Operating Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Park Maintenance (733)	\$651,126	\$685,293	\$820,646	26.03%
Revenues	\$150,045	\$120,362	\$156,758	4.5%

- FY 2016-2017 year-end estimated expenditures are higher than amended budget due to lower initial budget estimates for water.
- FY 2017-2018 budgeted expenditures are 4.5% higher than FY 16-17 budget due the budgeting of a full year of water utility costs or \$235,000.

FY 2017-2018 Operating Expenditure Review



General Fund RCTC Grants Fund Riverside County Transportation Commission	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Senior Services (735)	\$248,405	\$255,534	\$290,089	17%
Revenues	\$27,521	\$48,645	\$19,922	-28%
RCTC Grant Revenue	\$59,932	\$60,000	\$60,000	0%

- FY 2016-2017 year-end budgeted expenditure are higher due to increased expenses associated with Party Partners and utilities.
- FY 2017-2018 year-end budgeted expenditure are higher due to minimum wage changes, benefit costs, Spectrum rate increases and internal fund costs related to vehicle replacement.
- FY 2017-2018 revenues are 28% less than FY 2016-2017 due to the elimination of Party Partners Program donation.

FY 2017-2018 Operating Expenditure Analysis



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Building Maintenance/ George Ingalls Equestrian Event Center (GIEEC) (737)	\$880,711	\$915,007	\$903,393	2.5%
Revenues	\$192,975	\$223,152	\$208,734	8.2%

- FY 2016-2017 estimated year-end expenditures are higher due to unforeseen contractual expenditures for building maintenance such as A/C, plumbing and Live Scan room.
- FY 2017-2018 budgeted expenditures are 2.5% higher due to increased water utility costs, contractual services and anticipated building repairs.
- FY 2016-2017 revenues are 8.2% higher due to Communication (Cell) Site revenue at Ingalls Park.

FY 2017-2018 Operating Expenditure Analysis



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Animal Control (765)	\$599,103	\$597,329	\$615,779	2.33%
Revenues	\$195,571	\$217,001	\$189,600	-3%

- FY 2016-2017 estimated year-end expenditures are slightly lower than amended budget due to salary and benefit savings.
- FY 2017-2018 expenditures are increasing by 2.3 % or \$16,676 pension and utility costs.
- FY 2017-2018 revenues decreased 3% due the cyclical dog license renewal program where most three year licenses were renewed in the prior year.



Public Works/Engineering

FY 2017-2018 Operating Expenditure Review



General Fund Water Fund Sewer Fund Gas Tax Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Engineering	\$524,702	\$473,211	\$527,585	0.55%

- FY 2016-2017 estimated expenditures are below amended budgeted amounts due to positions being partially filled or unfilled during the year.

FY 2017-2018 Operating Expenditure Review



General Fund Water Fund Sewer Fund Gas Tax Fund NPDES Fund National Pollutant Discharge Elimination System	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Public Works Inspection	\$109,777	\$114,914	\$121,514	10.7%

- FY 2016-2017 estimated expenditures will be higher than the amended budget due to overtime and pension costs.

FY 2017-2018 Operating Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Parkway Maintenance	\$71,780	\$69,674	\$97,026	35.17%

- FY 2016-2017 estimated expenditures were fairly consistent with amended budgeted amounts.
- FY 2017-2018 budgeted expenditures are 35.17% or \$27,352 higher due increasing costs for CRC crews for trail maintenance and maintenance materials, purchase of additional equipment (weed eaters, chain saws) and more herbicide for weed removal.

FY 2017-2018 Operating Expenditure Review



Gas Tax Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Street Maintenance	\$680,614	\$629,328	\$705,522	3.7%

- FY 2016-2017 estimated expenditures are below amended budgeted amounts due to late implementation of street striping contract and reduced contractual pavement patching.
- FY 2017-2018 budgeted expenditures are \$24,908 or 3.7% higher due to increased utilities, traffic signal maintenance costs, safety equipment and street supplies.

FY 2017-2018 Operating Expenditure Review



NPDES National Pollutant Discharge Elimination System	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Storm Drain Operations	\$127,025	\$98,591	\$130,192	2.5%

- FY 2016-2017 estimated expenditures on contractual services were less than the amended budget.
- FY 2017-2018 preliminary budgeted expenditures are expected to remain flat.
- Existing fund balance and increasing revenue does not require a General Fund transfer in FY 17-18.

FY 2017-2018 Operating Expenditure Review



Public Works Only Water Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Water Operations	\$9,329,807	\$8,017,780	\$9,445,100	1.2%

- FY 2016-2017 estimated expenditures are below amended budgeted amounts due to less than anticipated purchased water and contractual costs.
- FY 2017-2018 budgeted expenditures are \$115,293 or 1.2% higher than FY 2016-2017 budget due to the addition of annual valve and hydrant maintenance program, Geographic Information System (GIS) maintenance, one-time employee training services, and purchase of new water equipment.

FY 2017-2018 Operating Expenditure Review



Public Works Only Sewer Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Sewer Operations	\$5,863,284	\$4,884,286	\$5,698,140	-2.82%

- FY 2016/2017 estimated expenditures are below amended budgeted amounts due to less than anticipated use of contractual services.
- FY 2017/2018 budgeted expenditures is -\$165,144 or -2.82% lower than FY 2016/2017 due to a decrease in anticipated contractual costs related to Western Riverside County Regional Wastewater Agency (WRCRWA).



**Planning
Building & Safety
Code Enforcement**

Planning Department

FY 2017-2018 Operating Expenditure Review



General Fund	FY 16-17 Amended Budget	FY 16-17 Estimated Year-End	FY 17-18 Preliminary Budget	Percentage Change Budget to Budget
Planning Division	\$359,625	\$356,553	\$372,240	3.51%
Code Enforcement	\$104,976	\$103,502	\$141,862	35.14%
Building & Safety	\$336,822	\$361,178	\$360,938	7.16%

- The Planning Division's FY 2017-2018 is higher due to increased pension and benefit costs.
- The Code Enforcement Division FY 2017-2018 budget is higher due the addition of a PT Code Enforcement Officer for a full year and increase in pension costs and contractual services for code enforcement.
- The FY 2017-2018 Building & Safety Division budget is 7.16% or \$24,116 budget due to increases in health benefits and fully budgeted salaries in the General Fund and reallocation of costs.



FY 2017-2018 Proposed Supplemental Requests



**Parks, Recreation
&
Community Services**

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 733– PARK MAINTENANCE

Request: Add Two (2) PT positions to enhance beautification of the City to include oversight of dedicated Work Release Workers for: Horse trails, City entry points, weed abatement throughout the City.

Budget Line Item: Part Time Salaries

Funding Source: General Fund

Items:

Adds Part Time Personnel

Total Cost \$31,186

- Allows for horse trail maintenance to be completed on the weekends.
- More efficient use of Work Release workers with a dedicated PT employee overseeing the program.
- Horse trail maintenance will be done throughout the parks as well as throughout the City.
- Completion of these tasks will improve the beautification of the City entryways and parks.

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 737– BUILDING MAINTENANCE

Request New PT Administration position to assist Supervisor

Budget Line Item: Part-Time Salaries

Funding Source: General Fund

Items:

Adds a PT Facilities Coordinator

Total Cost \$15,593

Revenues \$3,000

Total Net Cost \$12,593

- Based on existing facility (7) day a week demand at the George Ingalls Equestrian Event Center (GIEEC), a part time operation coordinator is needed to assist the Facility Supervisor for coverage to maintain the facility and meet clients needs. This position will support the supervisor handling and resolving current client needs, bookings, insurance coverage, event inspections and meet with potential clients as the facility continues to book.
- This position will have some off setting revenue as the facility grows and allows workflow to continue so supervisor can move forward with marketing the event center.
- This position will enhance and increase customer service to our clients.

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 737– BUILDING MAINTENANCE

Request New PT Maintenance Worker

Budget Line Item: Part-Time Salaries

Funding Source: General Fund

Items:

Adds a PT Maintenance Worker to GIEEC

Total Net Cost \$15,593

- This part time maintenance worker position will have an increasing focus on maintaining our facilities.
- In the past, less resources and additional rentals created an accumulative workload that impacts the facility infrastructure and appearance.
- This position, under direct supervision, will perform the necessary maintenance to safeguard our facilities and will identify, prioritize and complete maintenance work by utilizing sheriff work release program workers.
- This worker will also assist George Ingalls Equestrian Event Center (GIEEC) volunteers with the installation and removal of approximately 1500-2500 pipe panel stalls annually and address general rental maintenance including setup and teardown.

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 737 – BUILDING MAINTENANCE

Request: Add existing John Deere Tractor back to Vehicle Replacement
Budget Line Item: Vehicle Replacement & Vehicle Operations and Maintenance

Funding Source: General Fund

Items:

Add additional tractor to inventory Vehicle Replacement fund and funding for Equipment Operations Maintenance

Total Net Cost \$15,455
Per year for 5 years for replacement.

- Due to expanded activity at Moreno and Clark Arenas, as well as event facility, (2) tractors are needed to maintain operation.
- The back up John Deere unit is approximately 17 years old. It is necessary to start accumulating funds in the Vehicle Replacement Fund for future replacement.

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 737 – BUILDING MAINTENANCE

Request: Purchase Spider Boxes and cords to distribute power at event center

Budget Line Item: Capital Outlay

Funding Source: General Fund

Items:

Purchase Spider Boxes and Cords for power distribution

Equipment Replacement

Total Capital Cost \$20,000

Revenues per year \$6,000

Replacement Fund Annually \$1,000

- Distribute power to vendors and RV/Camping clients.
- With revenues collected, full recovery within 4 years.
- Place \$1,000 annually in the Vehicle/Equipment Replacement Fund.

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 730– RECREATION AND COMMUNITY SERVICES

Request: Install electrical infrastructure backbone to an aged, antiquated and inefficient lighting system at Wayne Makin Sports Complex. The field is home to Norco Girls Softball, Norco Little League and Norco Junior All-American Football

Funding Source: General Fund

Items:

Add new electrical infrastructure to Wayne Makin Sports Complex

Total Cost \$530,000

- Replaces underground electrical infrastructure that is deficient and bring it to current code standards.
- Will eliminate power interruptions for youth sports groups throughout seasons and reduce ongoing temporary “fixes”.
- Provides new technology to be energy efficient.
- Enhance public safety.

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 737 – BUILDING MAINTENANCE

Request: New fee request for the George Ingalls Equestrian Event Center.

“Event /Show Grounds Fee” : Revenue budget 121-737

Funding Source: General Fund

Collection and facility infrastructure revenue fee for maintenance of grounds and operations to sustain facility and arenas and to help offset utility cost increases.

- Event/Grounds fee is only charged outside of multi-year lease/permit fees.

Total Revenue projections
per year= \$92,000

RECREATION SUPPLEMENTAL REQUESTS



DIVISION 737 – BUILDING MAINTENANCE

Request: New fee request for the George Ingalls Equestrian Event Center.

“Vehicle Surcharge for Events when a parking fee is charged

Revenue budget: 121-737

Funding Source: General Fund

Collect additional revenue associated to a Surcharge when a parking concession fee is charged. Fees to off set operational cost and maintenance of DG parking lots and event parking as well as traffic control measures.

- Fee is only charged when parking concession is charged.

Total Revenue projection
per/year= \$15,000
Fee will be \$1.00 to \$5.00 Surcharge
based on concession charge by
vendors.



Public Works

PUBLIC WORKS SUPPLEMENTAL REQUESTS



DIVISION 800 – PUBLIC WORKS - ENGINEERING

Request: Add P/T Permit Tech

Budget Line Item: Part-Time Salaries

Funding Source: Water, Sewer, Engineering and Streets

Items:

Adds P/T Permit Tech

Total Net Cost \$28,567

- Will provide assistant to the F/T Permit Tech for the following:
 - Engineering Counter
 - Answering phones
 - Scanning documents
 - Sort and distribute mail
 - Clerical support
 - Public records request research
 - Work orders



Planning

PLANNING SUPPLEMENTAL REQUEST



Division: Planning

Request: Circulation Element

Budget Line Item: Contractual Services

Funding Source: General Fund

Items:

Circulation Element

Total Cost \$75,000

- The City is mandated by the State of California to have a General Plan.
- Every ten years the City is required to update the elements of the General Plan.
- The current Circulation Element was last updated 17 years ago.

Supplemental Request & Fee Summary



Item	Funding Source	Budget Impact	Revenue	Action
(2) PT Park Maintenance	General Fund	\$ 31,186	N/A	Recommended
(1) PT Facilities Coordinator	General Fund	15,593	3,000	Recommended
(1) PT Maintenance Worker -GIEEC	General Fund	15,593	N/A	Recommended
Tractor Replacement -5 Yrs	General Fund	15,455	N/A	Recommended
Spider Boxes	General Fund	20,000	6,000	Recommended
Wayne Makin Electrical Project	General Fund	530,000	N/A	Recommended
(1) PT Permit Tech	Various	28,567	N/A	Recommended
Circulation Element	General Fund	75,000	N/A	Recommended
Event/Show Grounds Fee	General Fund	N/A	96,000	Recommended
Vehicle Surcharge	General Fund	N/A	15,000	Recommended
	Total	\$ 731,394	\$ 120,000	

Net Total is \$611,394



**FY 2017-2018
Budget
Workshop**

Next Workshop - May 17, 2017