FY 2018-2019 Budget Workshop

May 2, 2018

Operating Budget Workshop Objectives

1. FY 2018-2019 Operating Budget Highlights for Major Funds
2. Review Summary of FY 2018-2019 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 potential General Fund Budget Cuts.

FY 2018-2019
Operating Budget Highlights

General Fund Highlights

General Fund Status

- Total estimated General Fund revenues of $19.3 million and total estimated expenditures of $21.2 million.
- **Projected structural deficit of $1.9 million**

Expenditures

- Projected General Fund Expenditure budget is based on the following:
  - Maintain existing non-safety service levels; no new programs or employees
  - Provides for a 6% annual adjustments for Sheriff's services
    - Continues to provide funding for (1) Traffic Enforcement Deputy and (1) Community Services Officer
  - Provides for annual contractual increase of 4% for CAL FIRE Services

General Fund Highlights

- Budget does <u>not</u> provide funding for District Election potential litigation
- 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 continue to pay their full share of employee portion of pension contribution
- Preliminary budget includes 3% salary adjustment for employees
- Includes funding for increased water utility costs
- Includes funding for a Comprehensive Fee Study to ensure costs of providing services are being recovered
- Provides funding for potential revenue measure and election

General Fund Highlights

- For the second year, discontinue $75,000 transfer to National Pollutant Discharge Elimination System (NPDES) Fund due to available fund balance to address gap in FY 18-19
- **Revenues**
- FY 18-19 General Fund Revenues are relatively flat as compared to FY 17-18
- Revenues are projected to increase by only $100,000 as compared to the Amended FY 17-18 Budget and $15,800 as compared to the estimated year-end FY 17-18 Budget
- Sales Tax is anticipated to decrease by 1% in FY 18-19

General Fund Highlights

- Property Tax is anticipated to increase by 1% in FY 18-19 with a slight increase in projected assessed values
- Refuse franchise fee is projected to increase due to the final implementation of the franchise fee with Waste Management
- Overhead Reimbursements – continues to anticipate loss of $108,000 reimbursement for former Redevelopment (RDA) employees from State Department of Finance due to ongoing dispute

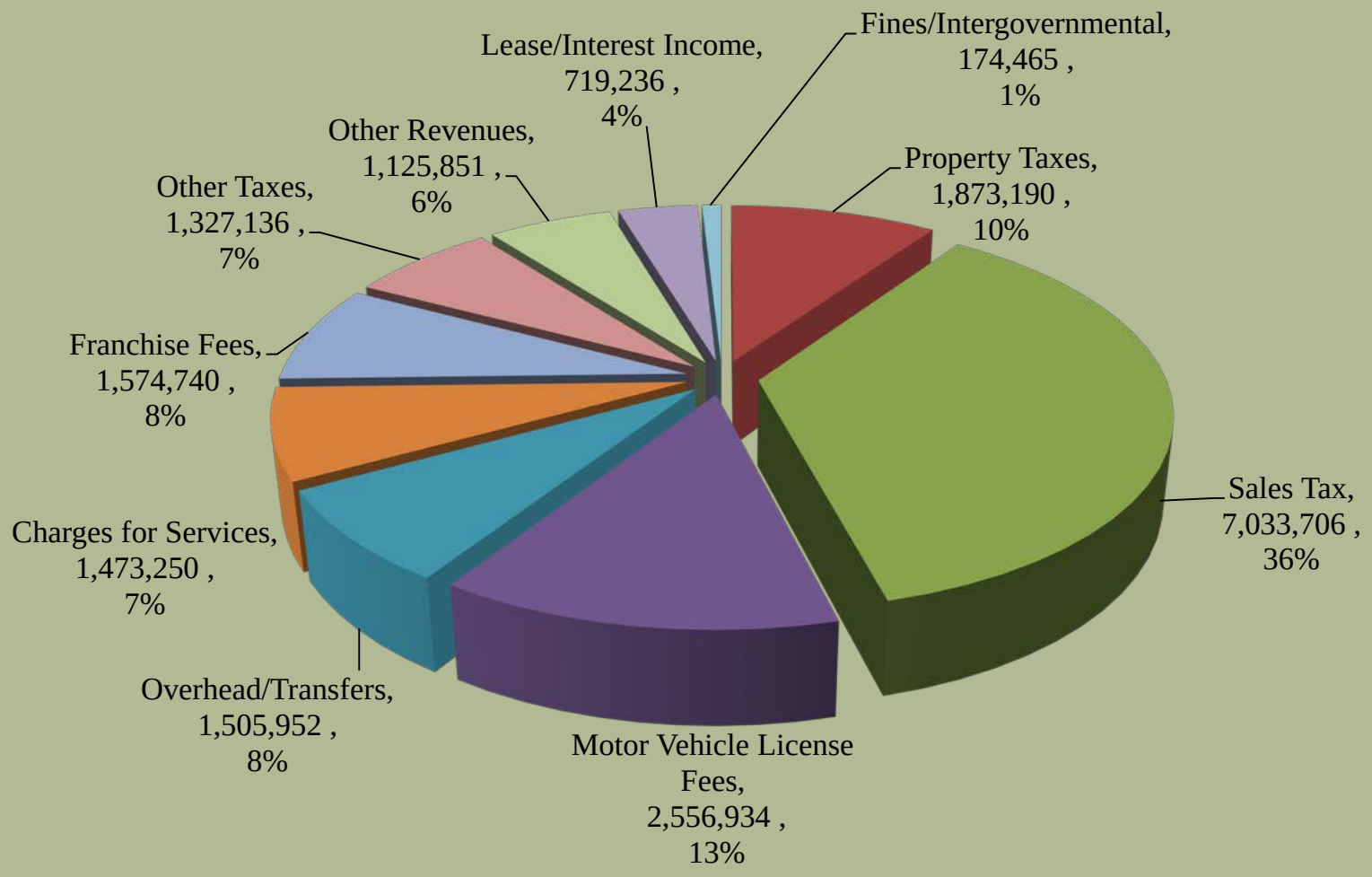
FY 2018-2019 Summary of General Fund Revenues

(Pages 21-24 in Budget Document)

FY 2018-2019
General Fund Revenues by Source

Revenue Category	FY 2017-2018 Amended Budget	FY 2017-2018 Year-End Estimate	FY 2018-2019 Preliminary Budget	Percentage Change from Year-end Estimate
Sales Tax	$ 7,095,000	$ 7,095,000	$ 7,033,706	-1%
Motor Vehicle License Fees	2,451,337	2,453,458	2,556,934	4%
Property Tax	1,859,740	1,857,435	1,873,190	1%
Franchise Fees	1,513,575	1,534,091	1,574,740	3%
Overhead/Transfers	1,465,952	1,466,675	1,505,952	3%
Charges for Services	1,537,589	1,516,761	1,473,250	-3%
Other Taxes	1,254,053	1,296,613	1,327,136	2%
Other Revenues	1,232,355	1,252,071	1,125,851	-10%
Interest/Lease Income	687,733	704,930	719,236	2%
Fines/Intergovernmental	165,846	170,884	174,465	2%
Total	$ 19,263,180	19,347,917	19,364,460	0.09%

FY 2018-2019 General Fund Revenues by Source
$19,364,460



General Fund Revenues

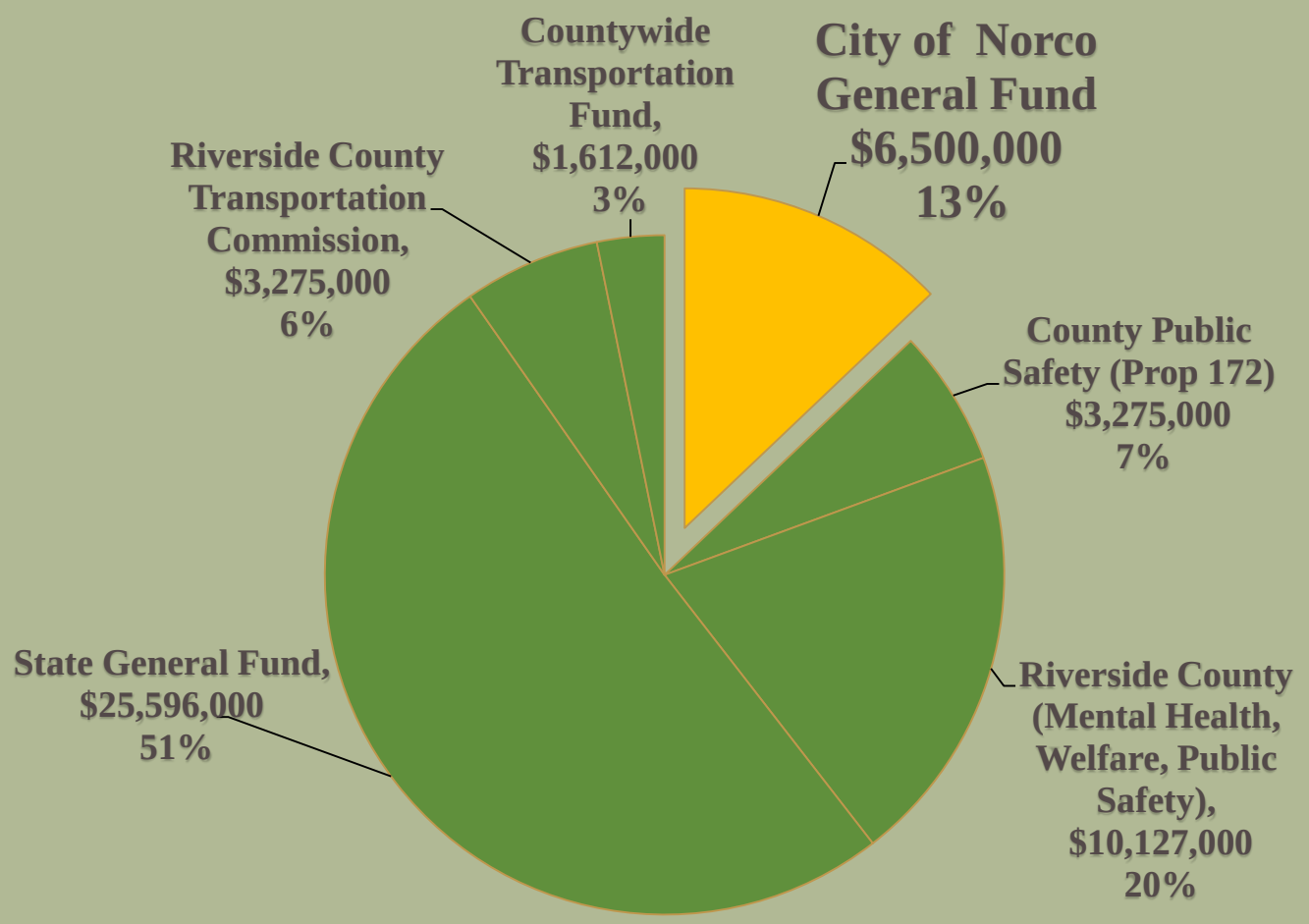
SALES TAX:

- Current sales tax revenues are anticipated to be lower than FY 17-18 projections as the high demand for autos over the last few years levels off
- FY 18-19 estimated revenues based on Sales Tax Consultant's projections with an estimate for Norco Village

PROPERTY TAX:

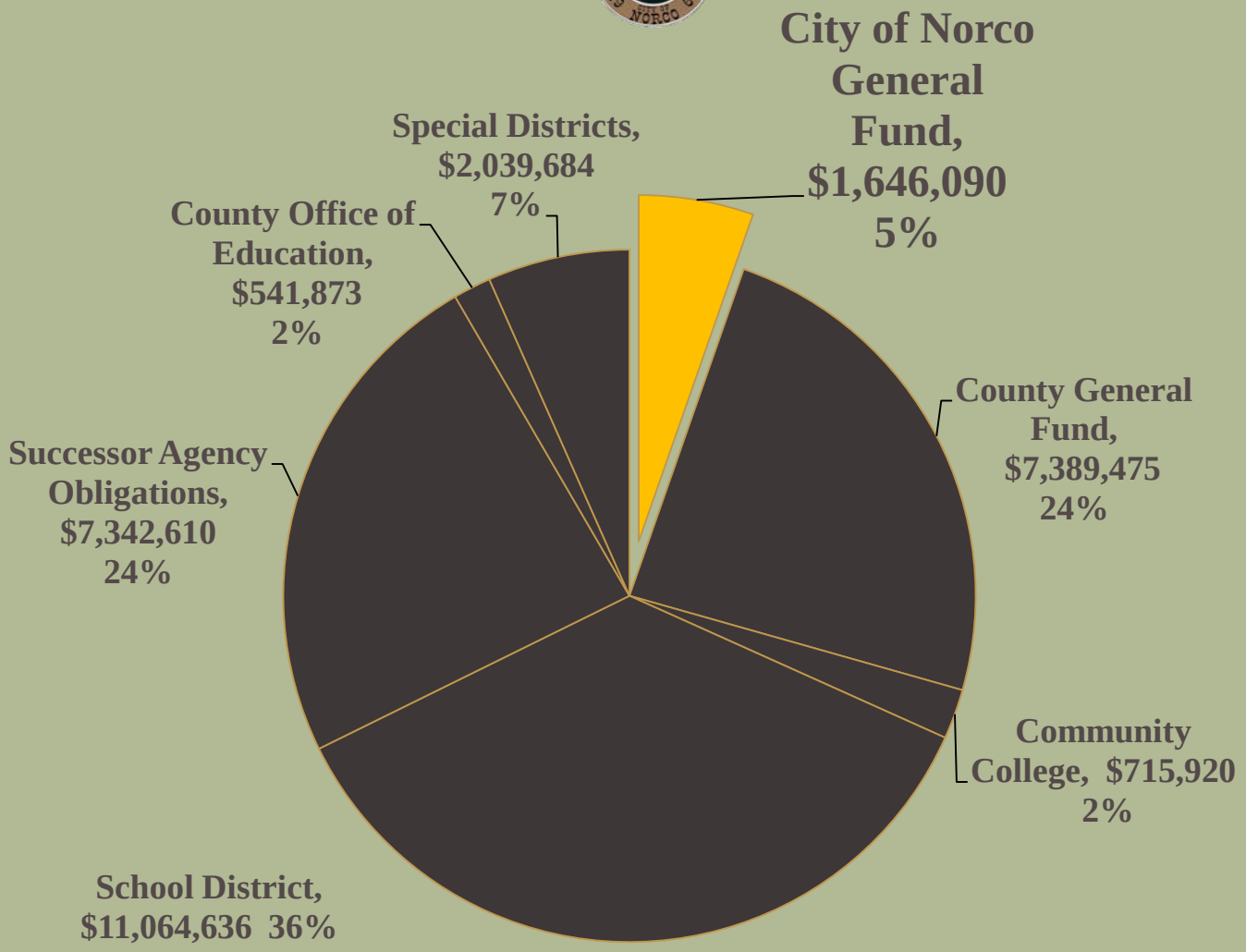
- Includes secured and unsecured levies, residual tax increment and pass-through distribution, and penalties
- Assumes a 1% increase due to increase in assessed value and estimated tax increment distribution

How $50.4 Million in Sales Tax is Shared in Norco*



*FY 2016-2017

How $30.7 Million in Property Tax is Shared in Norco*



*FY 2016-2017

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 nearly 2% with TOT (Bed Tax) increasing by nearly 5%

FRANCHISE FEES:

- Includes cable television, electric, gas, and refuse franchise fees
- Projected net increase of 3% 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 4% from prior year based on the State's estimates

INTEREST AND LEASE INCOME:

- Consists of revenues derived from cell towers, interest income and SilverLakes rental and lease income.
- Projected 2% increase is based on existing cell tower agreements and projected interest income

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 3% 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 10% due primarily to a decrease in one-time revenue related to administrative reimbursement for bond refunding

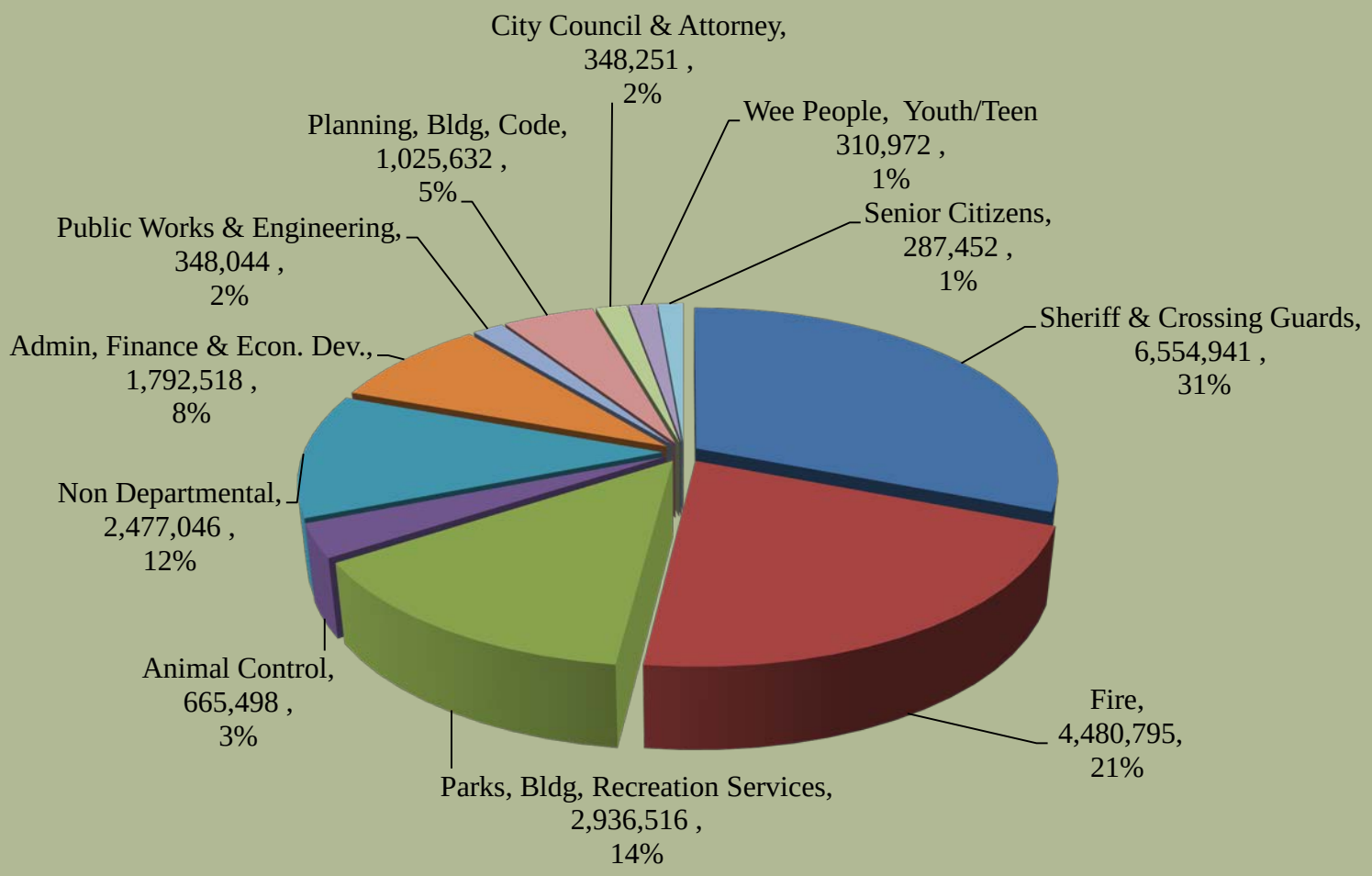
OVERHEAD/TRANSFERS:

- Reimbursements of allocated costs by other Funds to the General Fund
- Estimate continues to be based on potential for loss of Successor Agency reimbursement of unfunded pension and retiree healthcare liabilities

FY 2018-2019 Summary of General Fund Expenditures

(Pages 25-28 in Budget Document)

FY 2018-2019 Estimated General Fund Expenditures By Function $21,227,667



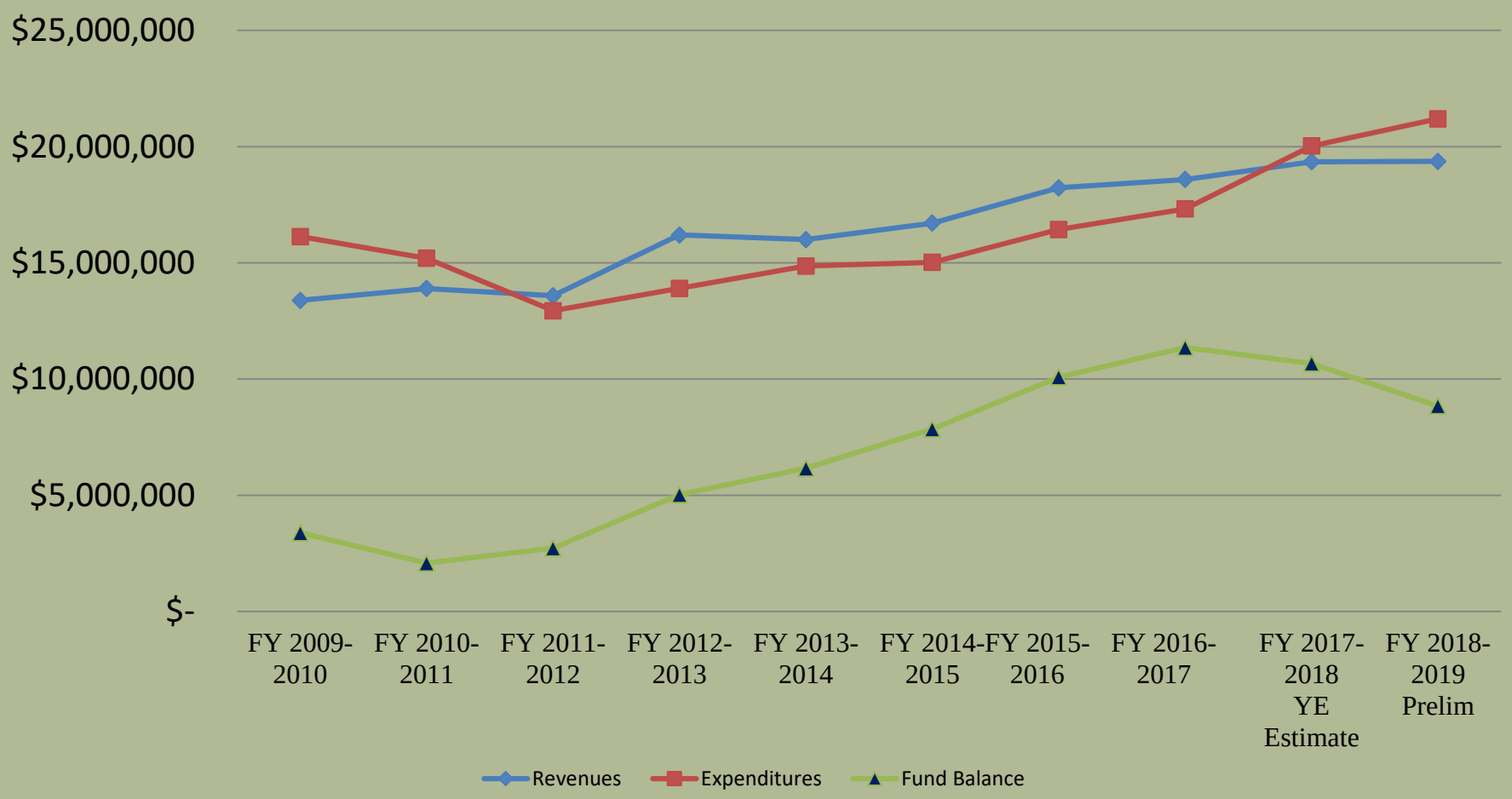
FY 2018-2019
General Fund Expenditures By Program

	FY 2017-2018 Amended Budget	FY 2017-2018 Year-End Estimate	FY 2018-2019 Preliminary Budget	Dollar Change Budget to Budget	Percentage Change Budget to Budget
Sheriff Protection	$ 5,983,499	5,821,939	6,554,941	$ 571,442	10%
Fire Suppression & EMS	4,309,232	4,305,363	4,480,795	171,563	4%
Parks, Bldg, Recreation Services	2,711,877	2,787,804	2,936,516	224,639	8%
Non Departmental	2,859,952	2,848,184	2,477,046	(382,906)	-13%
Administration, Finance & Economic Dev.	1,697,368	1,581,716	1,792,518	95,150	6%
Planning, Bldg. Safety, Code Compliance	983,661	917,253	1,025,632	41,971	4%
Animal Control	625,247	609,263	665,498	40,251	6%
City Council & Attorney	348,681	342,636	348,251	(430)	0%
Public Works & Engineering	334,657	287,540	348,044	13,387	4%
Wee People/Teen Program	292,216	296,970	310,972	18,756	6%
Senior Citizens	239,117	233,142	287,452	48,335	20%
Total	$ 20,385,507	20,031,810	21,227,667	$ 842,160	4%

General Fund Revenues, Expenditures and Fund Balance Trends

(Page 29 in Budget Document)

General Fund Revenues, Expenditures and Fund Balance Trends
FY 2010 to FY 2019



General Fund
Projected General Fund Balance

	Year-End Projections	Fund Balance
Audited Fund Balance June 30, 2017		11,357,613
Estimated Revenues	19,347,917	
Estimated Expenditures	(20,031,810)	(683,892)
Estimated Fund Balance July 1, 2018		10,673,720
Estimated Revenues	19,364,460	
Estimated Expenditures	(21,227,667	(1,863,207)
Estimated Fund Balance June 30, 2019		8,810,513

- The original (adopted) deficit for FY 17-18 was $1.99 million. The deficit was reduced by $826,000 in net revenues and $400,000 in net expenditure savings with $479,000 from the delay in filling the Sheriff's contract.

Summary of Water Fund Revenues and Expenditures

(Pages 33-40 in Budget Document)

Water Fund Highlights

Projected FY 18-19 Water Fund assumptions are based on the following:

- Approved water rates effective July 1, 2018
- Purchased water costs are estimated based on obligations under take-or-pay purchase water contracts
- Increase in contractual services for one-time reservoir inspection, cleaning and on-call contractor assistance for street paving after main breaks.

Water Fund Highlights

- FY 2018-2019 total Water Fund projected revenues are $12.9 million. Total projected expenditures is $10.7 million. The difference between revenues and expenditures, or $2.2 million, is added to Working Capital Balance.

- The Water Fund's Working Capital Balance will annually be reviewed for the ability to make transfers to the Operating and Rate Stabilization Reserves and Water Capital Fund for the funding of capital projects.

- The Operating Reserves equates to 3 months of the cost of Water Operations. The current goal is $2.6 million in reserves within five years or FY 20-21.

- The Rate Stabilization Reserve's target is $2 million by 2026. This equates to $222,222 allocated per year.

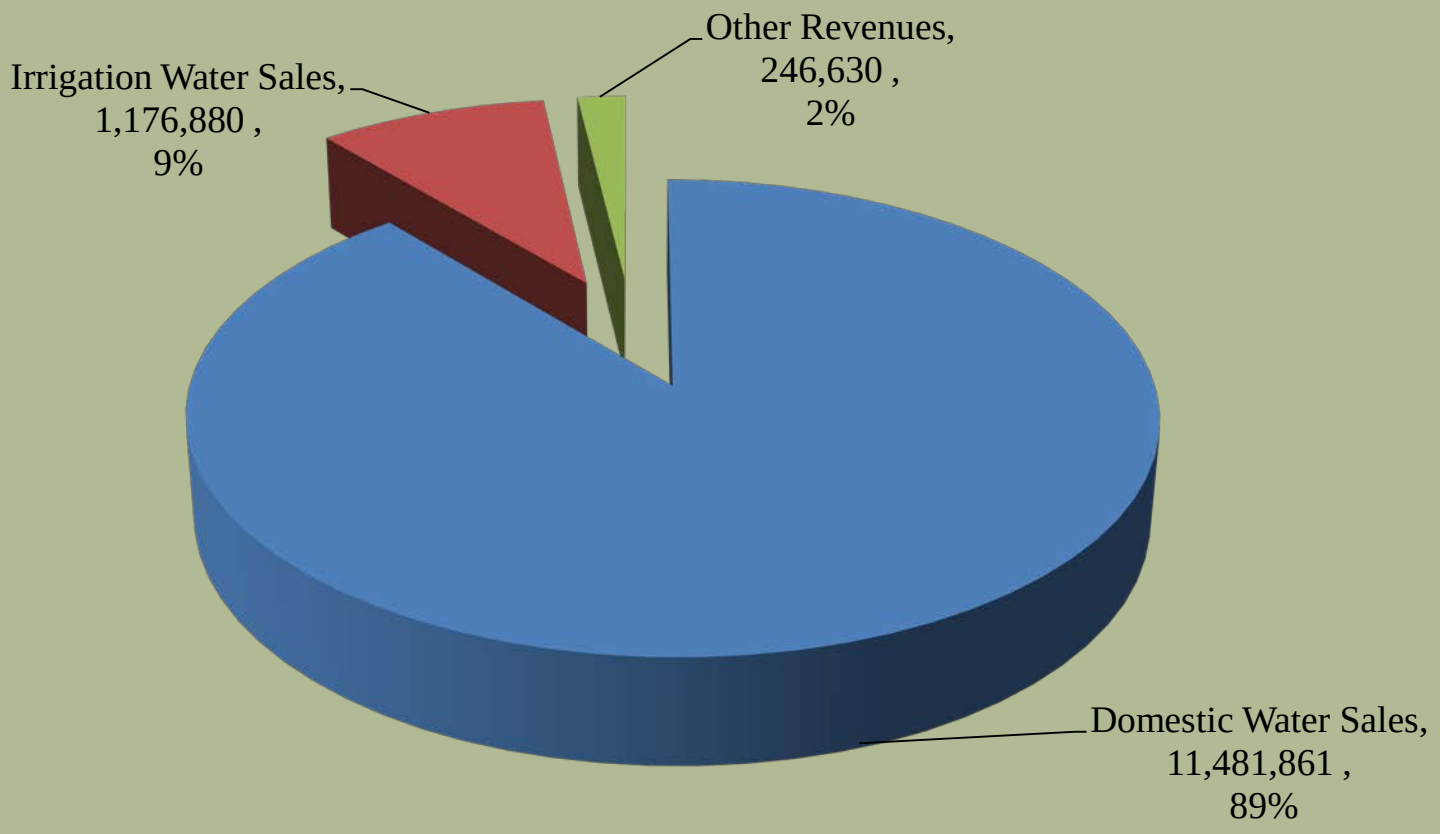
Water Fund Highlights

- Estimated Working Capital Balance of $5.2 million at the end of June 30, 2018

- Estimated Working Capital Balance of $2.2 million at the end of June 30, 2019

- A total of $1.5 million will be allocated for operating reserves, $444,444 for rate stabilization, and a total of $5.4 million will be available for capital allocation for sewer projects.

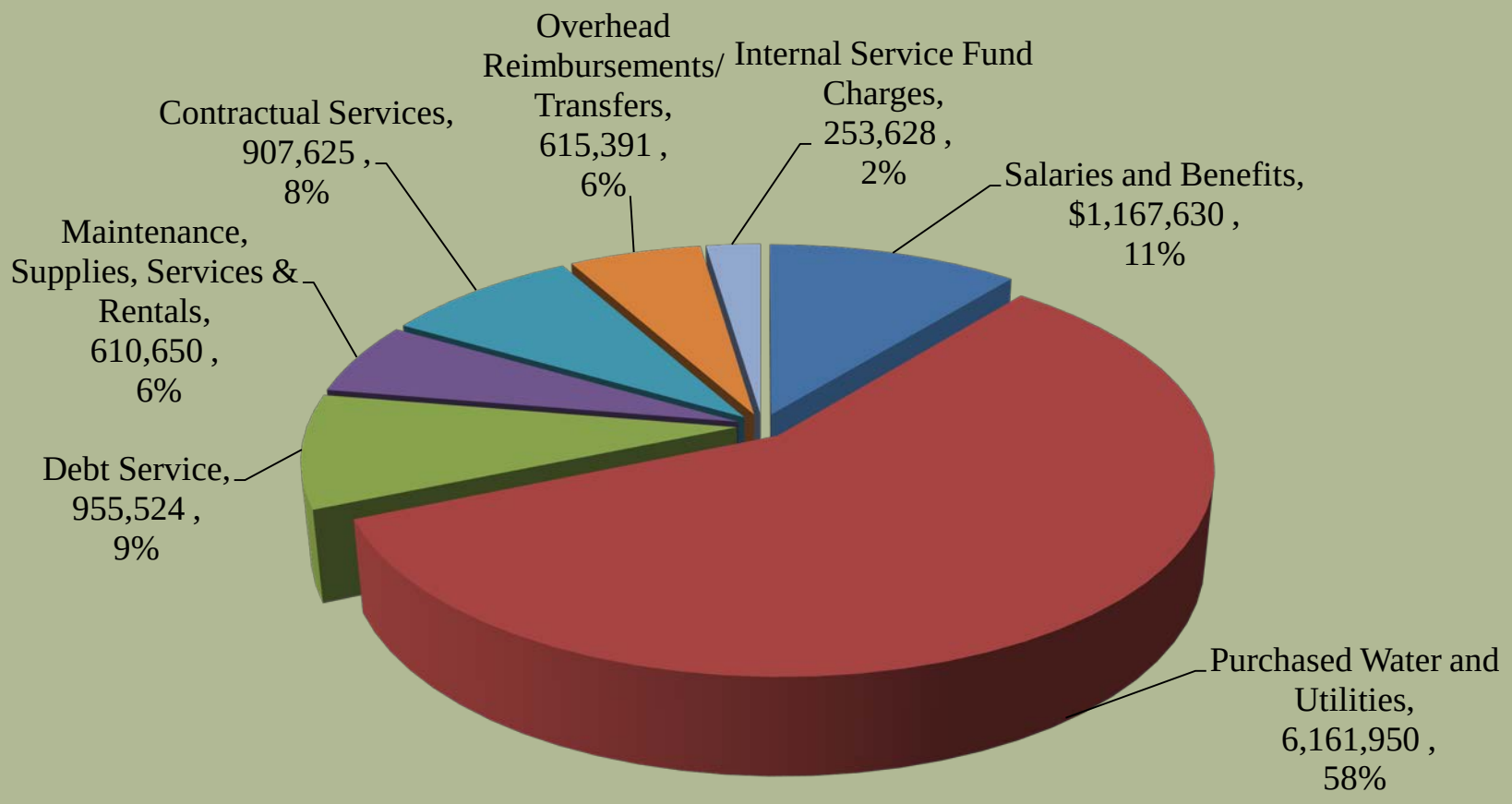
Summary of Water Fund Revenues by Type
$12,905,371



Summary of Projected Water Fund Expenditures by Category For Fiscal Years 2017-2018 and 2018-2019

Expenditure Category	FY 2017-2018 BUDGET	FY 2018-2019 Preliminary BUDGET	Change
Salaries and Benefits	$ 1,099,606	$ 1,167,630	6%
Maintenance, Supplies, Services & Rentals	525,850	610,650	16%
Purchased Water and Utilities	5,967,700	6,161,950	3%
Contractual	676,162	907,625	34%
Overhead Reimbursements/Transfers	615,001	615,391	0%
Debt Service	957,371	955,524	0%
Internal Service Fund Charges	211,698	253,628	20%
Totals	$ 10,053,388	$ 10,672,398	6%

FY 2018-2019 Estimated Water Fund Expenditures
Total $10,672,398



Summary of Sewer Fund Revenues and Expenditures

(Pages 43-49 in Budget Document)

Sewer Fund Briefs

Projected FY 18-19 Sewer Fund assumptions are based on the following:

- Sewer Fund revenues are based on existing sewer rate structure
- Projected increase in expenditures compared to FY 2018-2019 budget due to:
  - Increasing budget for sewer line cleaning, root chemical treatment, roach treatment, grease treatment, electrical maintenance and employee training.
- Expansion of Western Riverside County Regional Wastewater Authority (WRCRWA) Treatment Plant is now completed and the budget does include an increase in managing and operating the new treatment plant as well as the payment of the City's portion of the construction loan.

Sewer Fund Highlights

- FY 2018-2019 total Sewer Fund projected revenues are $7.9 million. Total projected expenditures is $6.7. The difference of between revenues and expenditures, or $1.2 million, is added to the Working Capital Balance.

- The Sewer Fund's Working Capital Balance will annually be reviewed for the ability to make transfers to the Operating Reserve and Sewer Capital Fund for the funding of capital projects.

- The Operating Reserves equates to 3 months of the cost of Sewer Operations. The current goal is $1.6 million in reserves.

Sewer Fund Highlights

- Estimated Working Capital Balance of $7.7 million at the end of June 30, 2018

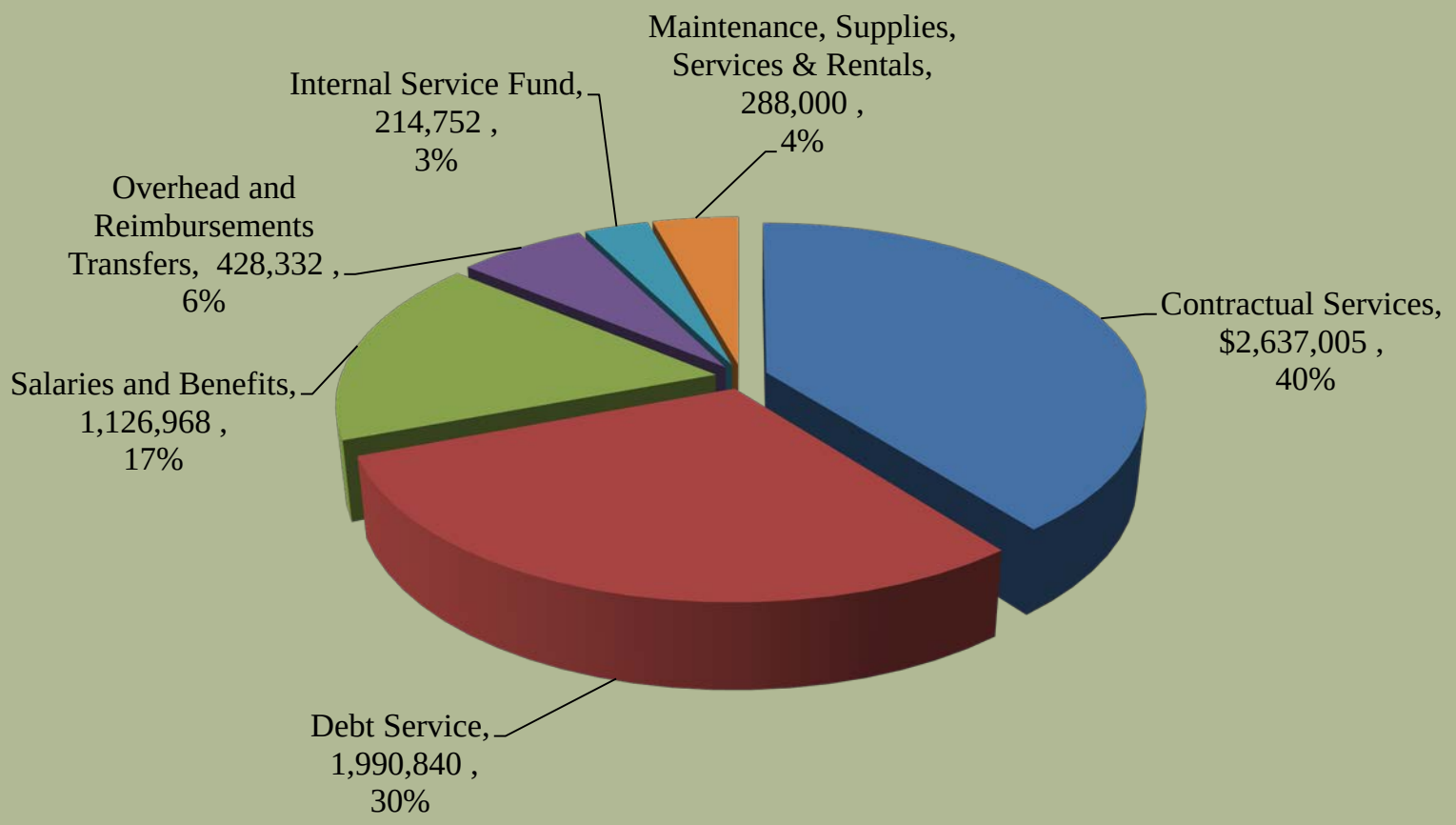
- Estimated Working Capital Balance of $2.7 million at the end of June 30, 2019

- The total reserve requirement of $1.6 million will be allocated for operating reserves and a total of $7.2 million will be available for capital allocation for sewer projects.

Summary of Projected Sewer Fund Expenditures by Category FY 2017-2018 and FY 2018-2019

Expenditure Category	FY 2017-2018 BUDGET	FY 2018-2019 Preliminary BUDGET	Change
Contractual Services	$ 2,569,840	2,637,005	3%
Debt Service	1,787,033	1,990,840	11%
Salaries and Benefits	1,000,994	1,126,968	13%
Overhead and Reimbursements/Transfers	428,332	428,332	0%
Internal Service Fund	175,632	214,752	22%
Maintenance, Supplies, Services & Rentals	303,700	288,000	-5%
Totals	$ 6,265,531	6,685,897	7%

FY 2018-2019 Estimated Sewer Fund Expenditures
Total $6,685,897



Summary of Gas Tax Fund Revenues and Expenditures

(Pages 53-56 in Budget Document)

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 $694,674 is anticipated for FY 18-19.
- Total estimated expenditures of $878,579 provides increased funding to begin 5 year tree trimming schedule throughout the City.
- Projected FY 2018-2019 Fund Balance as of June 30, 2019 is $323,789

Expenditures by Department/Programs

(Pages 89-272 in Budget Document)

Police

(Pages 135-142 in Budget Document)

FY 2018-2019 Operating Expenditure Review

General Fund SLESF Grant (Supplemental Law Enforcement Services Fund)	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Sheriff Contract	$5,626,018	$5,470,546	$6,177,051	10%
Total GF Budget	$5,919,771	$5,754,056	$6,483,576	10%
Total All Funds	$6,083,499	$5,961,355	$6,654,941	9%

- FY 2017-2018 Amended Budget includes $137,395 for Traffic Enforcement overtime. The budget was amended to reduce the Sheriff's contract by $314,126 due to the delay in adding the additional staff for Traffic Enforcement and Community Service Officer.

- The projected base contract increase is estimated at 6% for FY18-19 and includes a Traffic Enforcement Deputy and Community Service Officer.

- Overall, when comparing amended budget to preliminary, the increase is $571,442 or 12% increase.

Fire

(Pages 143-149 in Budget Document)

FY 2018-2019 Operating Expenditure Review

General Fund Equipment Replacement Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Fire Contract	$4,242,793	$4,242,793	$4,413,456	4%
Total GF Budget	$4,306,604	$4,302,735	$4,478,167	4%
Total All Funds	$4,323,069	$4,319,200	$4,480,795	4%

- FY 2018-2019 CalFire contract is increasing by $170,663 as compared to amended budget due to projected MOU increases between the State and CalFire.

- Additional funding of $51,600 for fire engine replacement is provided through Equipment Replacement Fund.

Fiscal & Support Services

(Pages 127-133 in Budget Document)

FY 2018-2019 Operating Expenditure Review

General Fund Water Fund Sewer Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Fiscal & Support Services	$1,385,052	$1,340,548	$1,477,310	7%

- FY 2017-2018 estimated expenditures are below amended budget amounts due to salary and benefit savings.

- FY 2018-2019 budgeted expenditures for the General Fund are increasing $31,266 or 5% primarily due to pension related costs and internal fund charges.
- Base Budget includes conferences and training for new manager and staff as well as funding for more efficient modifications to the financial system and resulting reports.

City Manager/Administration
City Manager
City Clerk
Economic Development
Human Resources
(Pages 101-122 in Budget Document)

FY 2018-2019 Operating Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
City Manager	$355,203	$354,071	$368,064	4%

- FY 2018-2019 budgeted expenditures are $12,861 or 4% higher than amended budget primarily due to pension costs and internal service fund charges.

FY 2018-2019 Operating Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
City Clerk	$326,326	$305,109	$390,553	20%

- FY 2017-2018 estimated expenditures are below budgeted amounts due to savings in salary, benefits and conferences.
- FY 2018-2019 budgeted expenditures are $64,227 or 20% more than the amended budget primarily due to the inclusion of $45,000 in election costs.
- The remaining $20,000 is related to salary, benefit adjustments and pension cost.

FY 2018-2019 Operating Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Economic Development	$264,252	$214,883	$243,713	-8%

- FY 2017-2018 estimated expenditures are below amended budgeted amounts because of the use of City staff for production of marketing resources in-house.
- FY 2018-2019 budgeted expenditures are -$20,539 or -8% lower than FY 2017-2018 budget, largely due to reduction in contractual services. Gateway Sign participation has plateaued but more aggressive marketing options are being explored. Advertising and promotion has also been reduced due to City staff providing marketing resources.
- Budget includes funding for continued attendance of International Council of Shopping Centers (ICSC) Conference but at a reduced scale.

FY 2018-2019 Operating Expenditure Review

General Fund Water Fund Sewer Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Human Resources	$146,285	$133,269	$155,861	7%

- In FY 2017-2018, Human Resources is lower than amended budget due to salary and benefit savings.
- FY 18-19 is $9,576 or 7% higher due to scheduled salary adjustments and pension related costs.

Non-Departmental

(Pages 123-126 in Budget Document)

FY 2018-2019 Operating Expenditure Review

General Fund	FY 2017-2018 Amended Budget	FY 2017-2018 Estimated Year-End	FY 2018-2019 Preliminary Budget	Percentage Change Budget to Budget
Non-Departmental	$2,859,952	$2,848,184	$2,477,046	-13%

- 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.
- The decrease as compared to FY 17-18 is due to the one-time transfer to capital projects for the Wayne Makin Electrical Project. The total transfer in FY 17-18 for one-time capital projects was $674,824.
- One-time expenditures included in the FY 18-19 budget include $125,000 for consulting services for outreach and public education pertaining to potential ballot measure and $25,000 for a Comprehensive Fee Study.

Parks, Recreation, Community Services & Animal Control

(Pages 165-227 in Budget Document)

FY 2018-2019 Operating Budget Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Recreation Services (730)	$780,378	$773,951	$809,688	4%
Revenues	$156,272	$150,345	$155,037	-1%

- FY 2017-2018 estimated expenditures are lower mainly due to adjustments of estimated salaries and associated benefits.
- FY 2017-2018 estimated revenues are lower partly due to loss of church rental at Community Center.
- FY 2018-2019 budgeted expenditures are 4 % or $29,310 higher due to increases in pension and utilities costs.
- FY 2018-2019 budgeted revenues are 1% lower due to lower estimated rentals at Community Center and lower sports field light use.

FY 2018-2019 Operating Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Youth and Teen Services (731)	$292,216	$296,970	$310,972	6%
Revenues	$288,691	$289,442	$312,418	8%

- FY 2017-2018 estimated expenditures are higher due to Workers' Comp related costs.
- FY 2018-2019 budgeted expenditures and revenues are traditionally budgeted to recover costs . Adjustments may be made at mid-year.

FY 2018-2019 Operating Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Park Maintenance (733)	$821,962	$832,087	$900,876	10%
Revenues	$174,302	$156,758	$156,891	-10%

- FY 2017-2018 year-end estimated expenditures are higher than amended budget due to lower initial budget estimates for water usage.
- FY 2018-2019 budgeted revenues are 10% lower than FY 17-18 budget due the Norco Library moving to a different location.
- FY 2018-2019 expenditures are higher as a result of water rate increase.

FY 2018-2019 Operating Expenditure Review

General Fund RCTC Grants Fund Riverside County Transportation Commission	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Senior Services (735)	$208,206	$202,231	$208,300	-0%
Senior Services -Match	$30,911	$30,911	$79,152	156%
Revenues	$13,877	$14,880	$7,000	-50%
RCTC Grant Revenue	$60,000	$60,000	$116,000	93%

- FY 2018-2019 expenditures are higher in matched funds due to RCTC Grant awarded which incudes expansion of senior transportation program to include a new PT Driver and a new vehicle. The City's match for the vehicle purchase is $40,000 and is available from accumulated depreciation from the vehicle replacement fund.
- FY 2018-2019 revenues are anticipated to be 50% less than FY 2017-2018 due to lower donations received.

FY 2018-2019 Operating Expenditure Analysis

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Building Maintenance/ George Ingalls Equestrian Event Center (GIEEC) (737)	$1,052,569	$1,105,005	$1,131,692	8%
Revenues	$219,638	$209,207	$204,681	-7%

- FY 2017-2018 estimated year-end expenditures are higher due to Worker's Compensation expenses.
- FY 2017-2018 estimated year-end revenues are down due to cancellation of three major rentals at Nellie Weaver Hall.
- FY 2018-2019 budgeted expenditures are 8% higher due to increased minimum wage, salary adjustments and pension related costs, contractual services and water utility rate increases as well as anticipated Capital Outlay expenses.
- FY 2018-2019 revenues are 7% lower due to reduced rentals at Nellie Weaver Hall.

FY 2018-2019 Operating Expenditure Analysis

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Animal Control (765)	$625,247	$609,263	$665,498	6%
Revenues	$198,931	$197,800	$192,900	-3%

- FY 2017-2018 estimated year-end expenditures are slightly lower than amended budget due to salary and benefit savings.
- FY 2018-2019 expenditures are increasing by 6 % due to salary costs associated with minimum wage increases, salary adjustments and related expenses.
- FY 2018-2019 revenues decreased 3% due the cyclical dog license renewal program where most three year licenses were renewed two years prior.

Public Works/Engineering

(Pages 229-272 in Budget Document)

FY 2018-2019 Operating Expenditure Review

General Fund Water Fund Sewer Fund Gas Tax Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Engineering	$566,698	$518,194	$600,817	6%

- FY 2017-2018 estimated expenditures are below amended budgeted amounts due to salary and benefit savings.
- FY 18-19 proposed expenditures are increasing by 6% due to salary adjustments and pension related costs.

FY 2018-2019 Operating Expenditure Review

General Fund Water Fund Sewer Fund Gas Tax Fund NPDES Fund National Pollutant Discharge Elimination System	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Public Works Inspection	$122,951	$115,087	$135,863	11%

- FY 2017-2018 estimated expenditures are below amended budgeted due to salary and benefit savings.
- FY 2018-2019 proposed will be $12,912 higher or 11% than prior year budget due to salary adjustments and pension related costs.

FY 2018-2019 Operating Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Parkway Maintenance	$97,554	$67,224	$94,796	-3%

- FY 2017-2018 estimated expenditures are estimated to be lower than budget due lack of available court crews for weed removal and less than expected trail maintenance and repairs after storm events.
- FY 2018-2019 budgeted expenditures are decreasing due to lack of availability of court crews for weed maintenance.

FY 2018-2019 Operating Expenditure Review

Gas Tax Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Street Maintenance	$706,569	$689,930	$810,602	15%

- FY 2017-2018 estimated expenditures are below amended budgeted amounts due to less overtime required versus budgeted amount.
- FY 2018-2019 budgeted expenditures are 15% higher due to staff's recommendation to implement a 5-year tree trimming program.

FY 2018-2019 Operating Expenditure Review

NPDES **National Pollutant Discharge Elimination System**	**FY 17-18 Amended Budget**	**FY 17-18 Estimated Year-End**	**FY 18-19 Preliminary Budget**	**Percentage Change Budget to Budget**
Storm Drain Operations	$130,705	$78,484	$139,836	7%

- FY 2017-2018 preliminary budgeted expenditures are expected to be below budget due to reduced expenditures in contract services.
- FY 2018-2019 budgeted expenditures are expected to increase due to additional monitoring and compliance reporting related to NPDES.

FY 2018-2019 Operating Expenditure Review

Public Works Only Water Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Water Operations	$9,454,990	$8,606,216	$10,026,769	6%

- FY 2017-2018 estimated expenditures are below amended budgeted amounts due to less than anticipated purchased water, contractual costs and utility expenditures.

- FY 2018-2019 budgeted expenditures are projected higher due to increases in purchase water costs, one time inspection and cleaning of all reservoirs, and salary adjustments and pension related costs.

FY 2018-2019 Operating Expenditure Review

Public Works Only Sewer Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Sewer Operations	$5,707,319	$5,245,209	$6,085,986	7%

- FY 2017-2018 estimated expenditures are below amended budget amounts due to less than anticipated use of contractual services.
- FY 2018-2019 budgeted expenditures are projected higher due to increases in contractual and debt service costs related to the completed expansion of the Western Riverside County Regional Wastewater Agency (WRCRWA) treatment plant and salary and benefit adjustments.

Planning
Building & Safety
Code Enforcement
(Pages 151-164 in Budget Document)

Planning Department
FY 2018-2019 Operating Expenditure Review

General Fund	FY 17-18 Amended Budget	FY 17-18 Estimated Year-End	FY 18-19 Preliminary Budget	Percentage Change Budget to Budget
Planning Division	$418,746	$375,147	$441,649	5%
Code Enforcement	$143,719	$133,244	$146,997	2%
Building & Safety	$421,196	$408,861	$436,986	4%

- The FY 18-19 Planning, Code Enforcement and Building & Safety Division budgets are higher due the salary adjustments.

Equipment Replacement Schedule for FY 18-19 (Memo Only)

PUBLIC WORKS

PUBLIC WORKS

Request: Replacement of Vehicles
Funding Source: Equipment Replacement Fund

Items:	
Various Vehicles	Estimated Cost $369,353

- The following vehicles will be replaced for Water & Sewer Divisions:
  - (1) 1997 Skiploader John Deere
  - (1) 1998 Low Boy Trailer
  - (1) 2005 Ford F550 w/ Rugby Small Dump Body
  - (1) 2006 ¾ Ton GMC Pickup
  - (1) 2007 GMC Truck w/ Crane and Compressor
  - (1) Message Board

RECREATION

RECREATION **Request: Replacement of Vehicles** **Funding Source: Equipment Replacement Fund**	
Items: Various Vehicles	Estimated Cost $78,000

- The following vehicles will be replaced:
  - (1) 2006 Ford F-150 – Building Maintenance
  - (1) 2005 GMC Truck and Box –Animal Control

FY 2018-2019 Budget Workshop

Next Workshop - May 16, 2018