



**FY 2019-2020
Budget
Workshop
June 5, 2019**

General Fund

Projected General Fund Balance



	Year-End Projections	Fund Balance
Audited Fund Balance June 30, 2018		11,734,042
Estimated Revenues	20,752,119	
Estimated Expenditures	<u>(20,094,211)</u>	<u>657,908</u>
Estimated Fund Balance July 1, 2019		12,391,950
Estimated Revenues	20,623,535	
Estimated Expenditures	<u>(21,610,273)</u>	<u>(986,738)</u>
Estimated Fund Balance June 30, 2020		11,405,212

- The original (adopted) deficit for FY 18-19 was \$1.3 million. At Mid-year, the deficit was reduced by \$923,000 primarily from new development and one-time Sales Tax revenue reducing the deficit to \$422,000. An additional \$374,000, primarily from one-time Sales Tax and \$700,000 in expenditure savings from reduced public safety programs is projected to eliminate the deficit. An estimated \$657,000 resulting from revenues over expenditures is projected for FY 18-19. The revenue and expenditure savings are one-time.*

General Fund Update



General Fund Status for FY 19-20

- **FY 18-19 YEAR-END STATUS**
 - GF Revenue: Overhead Charge to Storm Drain Fund \$209,000
 - GF Expenditures: Reduction in estimated CalFire projections \$190,000
- **FY 19-20 PROPOSED BUDGET:**
 - GF Revenue : Increase due to Fee Study \$153,000
 - GF Expenditures:
 - Reduction in estimated CalFire projections : \$200,000
 - CPI increase \$80,000
 - FEMA reimbursement \$49,000
 - Misc. Adjustments \$25,000

General Fund

Projected General Fund Balance



	Year-End Projections	Fund Balance
Audited Fund Balance June 30, 2018		11,734,042
Estimated Revenues	20,961,705	
Estimated Expenditures	<u>(19,904,259)</u>	<u>1,057,446</u>
Estimated Fund Balance July 1, 2019		12,791,488
Estimated Revenues	20,777,480	
Estimated Expenditures	<u>(21,570,579)</u>	<u>(793,099)</u>
Estimated Fund Balance June 30, 2020		11,998,389



Parks, Recreation, Community Services & Animal Control

FY 2019-2020 Operating Budget Expenditure Review



General Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Recreation Services (730)	\$805,688	\$790,111	\$825,307	2%
Revenues	\$142,750	\$152,218	\$137,300	-4%

- FY 2018-2019 estimated expenditures are lower mainly due to adjustments of estimated salaries and associated benefits.
- FY 2018-2019 estimated revenues are higher due to a projected increase in Field Lights revenue.
- FY 2019-2020 budgeted expenditures are 2 % or \$19,619 higher due to increases in information technology charges and utility costs.
- FY 2019-2020 budgeted revenues are 4% lower due to a conservative revenue projection. A decrease in anticipated registrations for Leisure classes based on current trends. In addition, revenue from Community Center rentals was moved to Youth & Teen 731 where expenditures are represented.

FY 2019-2020 Operating Expenditure Review



General Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Youth and Teen Services (731)	\$310,972	\$275,178	\$345,548	11%
Revenues	\$321,377	\$275,272	\$345,824	8%

- FY 2018-2019 estimated expenditures and revenue are lower due to lower registrations in programs and activities.
- FY 2019-2020 budgeted expenditures and revenues are traditionally budgeted to recover costs. Additional revenues are expected in Adult Sports, programs and rentals and the Wee People Program. Adjustments may be made at mid-year.

FY 2019-2020 Operating Expenditure Review



General Fund	FY 18-20 Amended Budget	FY 18-20 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Park Maintenance (733)	\$853,677	\$855,736	\$871,715	2%
Revenues	\$204,014	\$187,598	\$192,556	-6%

- FY 2018-2019 year-end estimated expenditures are higher than amended budget due to lower initial budget estimates for water usage.
- FY 2019-2020 budgeted revenues are slightly lower than amended budget due to conservative donation projections. New communication site leases are included in the preliminary budget projection.
- FY 2019-2020 budgeted expenditures are higher as an increase in vehicle replacement charges and utility rate increases.

FY 2019-2020 Operating Expenditure Review



General Fund RCTC Grants Fund Riverside County Transportation Commission	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Senior Services (735)	\$195,178	\$197,092	\$187,200	-4%
Senior Services -Match	\$79,152	\$39,089	\$81,728	3%
Senior Services RCTC	\$116,000	\$76,010	\$121,000	4%
Senior GF Revenues	\$5,632	\$7,974	\$4,410	-22%
RCTC Grant Revenue	\$116,000	\$76,010	\$121,000	4%

- The City's match for the vehicle purchase is \$40,000. The vehicle is expected to be delivered in the new year. Funds are available from accumulated depreciation in the vehicle replacement fund.
- The FY 19-20 expenditures are higher due to the expansion of the transportation program which also has higher revenue from RCTC Grant Revenue.
- There will be an additional \$25,355 in FY 18-19 in Year End Revenue due to a reimbursement from a damage claim.

FY 2019-2020 Operating Expenditure Review



General Fund Nancy Newman Trust Fund / CDBG	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Party Pardners (131-735)	\$0	\$0	\$38,489	100%
Revenues	\$0	\$0	\$38,489	100%
CDBG	\$311,400	\$188,440	\$159,645	-49%
Grant Revenue	\$311,400	\$188,440	\$159,645	-49%

- The Nancy Newman Trust Fund reserve totals \$133,326. FY 19-20 recognizes \$38,489 for the requested Party Pardners expenditures.
- CDBG programs include Senior Rec Leader part-time salaries (Senior Center) and an additional capital amount for capital project of ADA Parking spaces at the George Ingalls Equestrian Event Center as well as the rehabilitation of the Senior Center parking lot.

FY 2019-2020 Operating Expenditure Analysis



General Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Building Maintenance/ George Ingalls Equestrian Event Center (GIEEC) (737)	\$1,050,009	\$1,048,402	\$1,110,541	6%
Revenues	\$169,799	\$222,901	\$229,344	35%

- FY 2018-2019 estimated year-end revenues are higher due to new communication site leases and projected events at Ingalls South.
- FY 2019-2020 budgeted expenditures are 6% higher due to increased water utility rate increases, vehicle replacement costs and information technology increases.

FY 2019-2020 Operating Expenditure Analysis



General Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Animal Control (765)	\$640,283	\$639,563	\$692,674	8%
Revenues	\$198,872	\$233,367	\$208,600	5%

- FY 2019-2020 expenditures are increasing by 8 % primarily due to increasing internal fund cost related salary and benefit, and information technology rate increases.
- FY 2019-2020 revenues fluctuate from year to year due to the cyclical dog license renewal program and Animal Control Officers routinely canvassing for unlicensed dogs.

FY 2019-2020 Operating Expenditure Analysis



General Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Special Events (720)	\$94,201	\$84,016	\$101,837	8%
Revenues	\$61,600	\$37,670	\$36,000	-42%

- FY 2019-2020 budgeted expenditures are increasing by 8 % primarily due increased events and increase in costs associated with events.
- Amended budgeted revenues included higher projections for Horsetown Parade and Concerts in the Park. Preliminary revenues for FY 19-20 based on FY 18-19 trends.



**Planning
Building & Safety
Code Enforcement**

Planning Department

FY 2019-2020 Operating Expenditure Review



General Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Planning Division	\$468,515	\$427,184	\$581,163	24%
Code Enforcement	\$146,996	\$142,356	\$140,038	-5%
Building & Safety	\$436,986	\$427,867	\$430,991	-1%

- Savings in FY 18-19 is primarily attributed to salary savings for P/T planner position.
- The FY 19-20 Planning Division includes \$100,000 or a Circulation Element. Revenue from the General Plan Maintenance/Update Fee will be used to pay for it.
- Code Enforcement Legal Services has been reduced for next year. At mid-year, this expenditure will be adjusted if necessary.



Public Works/Engineering

FY 2019-2020 Operating Expenditure Review



General Fund Water Fund Sewer Fund Gas Tax Fund NPDES Fund National Pollutant Discharge Elimination System	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Public Works Inspection	\$135,864	\$122,848	\$141,359	4%

- FY 2018-2019 estimated expenditures are below amended budgeted due to salary and benefit savings.
- FY 2019-2020 proposed will be \$5,495 higher or 4% than prior year budget due to salary adjustments and pension related costs.

FY 2019-2020 Operating Expenditure Review



General Fund Water Fund Sewer Fund Gas Tax Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Engineering	\$600,817	\$578,567	\$627,007	4%

- FY 2018-2019 estimated expenditures are below amended budgeted amounts due to salary and benefit savings.
- FY 19-20 proposed expenditures are increasing by 4% due to the one-time inclusion of a City-wide Speed Survey for \$40,000.

FY 2019-2020 Operating Expenditure Review



General Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Parkway Maintenance	\$104,796	\$84,254	\$116,861	12%

- FY 2018-2019 estimated expenditures are estimated to be lower than budget due less than anticipated weed removal and less than expected trail maintenance and repairs after storm events.
- FY 2019-2020 budgeted expenditures are increasing by \$12,065 or 12% due to allocation of salaries at the highest step for each position charge to this fund.

FY 2019-2020 Operating Expenditure Review



Gas Tax Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Street Maintenance	\$810,602	\$748,065	\$798,296	-2%

- FY 2018-2019 estimated expenditures are below amended budgeted amounts due to less overtime required, contracted services, and special department spending versus budgeted amount.
- FY 2019-2020 budgeted expenditures are \$12,306 or -2% lower due to reduction in budgeted overtime expected.

FY 2019-2020 Operating Expenditure Review



NPDES National Pollutant Discharge Elimination System	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Storm Drain Operations	\$139,837	\$108,897	\$186,662	33%

- FY 2018-2019 expenditures are expected to be below budget due to reduced expenditures in contract services and less than expected salary expenditures.
- FY 2019-2020 budgeted expenditures are expected to increase by \$46,825 or 33% due to contract services required to assist the City in monitoring and compliance reporting related to NPDES and partial salary allocation of new position created to help oversee NPDES compliance.

FY 2019-2020 Operating Expenditure Review



Public Works Only Water Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Water Operations	\$10,026,769	\$8,974,010	\$10,079,749	1%

- FY 2018-2019 expenditures are expected to be below budget due to reduced expenditures in contract services, salaries, utilities, and special departmental.
- FY 2019-2020 overall budgeted expenditures are expected to increase by \$52,000 or 1% due to offsetting changes in reduced utility costs, contractual services and increasing vehicle replacement charges, overhead charges and salaries and benefits.

FY 2019-2020 Operating Expenditure Review



Public Works Only Sewer Fund	FY 18-19 Amended Budget	FY 18-19 Estimated Year-End	FY 19-20 Preliminary Budget	Percentage Change Budget to Budget
Sewer Operations	\$5,741,362	\$5,090,587	\$6,493,034	13%

- FY 2018-2019 budgeted expenditures are expected to be below budget due to reduced expenditures in contract services, salaries, and vehicle replacement fund.
- FY 2019-2020 budgeted expenditures are expected to increase by \$751,672 or 13% due to increased allocation of staff salaries, debt service payments, administrative overhead, and one-time vehicle replacement charges.



Supplemental Budget Requests FY 19-20

ECONOMIC DEVELOPMENT



ECONOMIC DEVELOPMENT

Request: Naming Rights

Funding Source: General Fund

Item:

Consulting Fees for Ingalls Event Center
Sponsorship Valuation

Estimated Cost \$25,000

Consultant will provide the following components in a Property Valuation Analysis Report:

- 1) An evaluation of prospective corporate interest in sponsorship opportunities;
- 2) Determination of the market value of various levels of sponsorship; and
- 3) A marketing strategy that when implemented, can create a revenue stream to fund future improvements and amenities at Ingalls

PUBLIC WORKS BUDGET REQUEST



PUBLIC WORKS

Request: Recycling and Organics Outreach SB 1383

Funding Source: General Fund

Item:

Consulting Fees

Estimated Cost \$30,000

Consultant will provide the following components for compliance:

- 1) Conduct inspections expected by CalRecycle
- 2) Conduct outreach expected by CalRecycle



Equipment Replacement Schedule for FY 19-20 (Memo Only)

PUBLIC WORKS - Updated



PUBLIC WORKS

Request: Replacement of Vehicles

Funding Source: Equipment Replacement Fund

Items:

Various Vehicles

Estimated Cost \$636,800
\$352,340 from Water/Sewer
Operating Fund FY 19/20
Budget

- The following vehicles will be replaced for Water & Sewer Divisions:
 - (2) Utility Service Crane Trucks \$344,000
 - (1) Big Tow Tiltbed Equipment Trailer \$28,000
 - (1) Crew Cab Flatbed Dump Truck \$71,000
 - (1) Backhoe Loader - \$100,000
 - (1) Bob Cat Loader-\$65,000
 - (1) Forklift-\$28,340

MEASURE R FUND



	Projections	Est. Status
Estimated Fund Balance June 30, 2018		-
FY 18-19 Estimated Revenues	1,095,000	
FY 18-19 Estimated Expenditures	<u>(185,000)</u>	<u>910,000</u>
Estimated Fund Balance July 1, 2019		910,000
FY 19-20 Estimated Revenues	4,500,000	
FY 19-20 Possible Expenditures - Sheriff Staffing	(478,817)	
Public Safety cost increases	(744,357)	
Trail Maintenance/Fencing	(600,000)	
Streets	(1,500,000)	
Public Facilities	<u>(2,041,125)</u>	<u>(864,299)</u>
Estimated Remaining Funds		45,701



Upcoming City Council Budget Actions:

June 19, 2019: FY 19-20 Budget Adoption