

# BUDGET STUDY SESSION BIENNIAL FY 2018-19 & 2019-20

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May 14, 2018



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# Budget Process

## **January**

Measure V Survey Questions reviewed

## **February**

Measure V Survey posted & mailed

## **March**

Measure V Survey results revealed

Goal Setting

## **April**

Community Input – Budget 101

## **May**

Study Sessions (May 14 & May 17)

## **June**

Budget Adoption (June 4)

# CURRENT YEAR REVIEW – GENERAL FUND

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# Revenue Highlights

- **Sales Tax.** The City is expected to receive 100% of the budget, 4% more than last fiscal year. The City has seen a slight increase due to the fire disaster. The City contracts with HDL for sales tax projections.
- **Property Tax.** The City is expected to receive 100% of the adopted budget, 3% less than last fiscal year. A decrease of \$59,300 was related to the fire disaster. Per Revenue and Taxation Code Section 96.2 and 4707 all adjustments related to the fire are allocated using the countywide AB8 factors. That means, for the current fiscal year, property tax revenues were reduced for all Prop. 13 taxing agencies in the County based on the AB8 factor and not just for those taxing agencies that incurred a loss within their boundary.
- **RDA Residual Receipts.** The City is expected to receive 200% of the adopted budget, and 33% more than last fiscal year. While this revenue source will fluctuate with assessed valuations, the expenses of the Successor Agency also have an impact. This revenue should be fairly consistent going forward.



## Revenue Highlights, contd.

- **Development Related Permits.** This category includes building and planning plan check and permit revenue. The City is expected to receive 157% of the budgeted revenue, a 26% increase over last year. Over 589 permits issued year-to-date.
- **Charges for Services.** This category includes the fire services contract which includes a CPI inflator, the strike team reimbursements, and Successor Agency administrative cost reimbursements estimated at \$240,000/year. The City saw a significant increase in the strike team activity and therefore, reimbursement – overall 25% increase over FY 2016-17.
- **Transient Occupancy Tax.** The City is expected to receive 114% of the adopted budget, 10% more than last fiscal year.
- **Miscellaneous.** The budget of \$23,210 consists of \$23,000 from the garbage contract, \$200 from TOT late fees, and \$10 expected from the sale of miscellaneous surplus equipment. In addition, the City receives much more revenue in late fees, unanticipated prior year expense reimbursement, fee for copies and the Cal Card rebate. A review of the account activity notes no large single revenues. In FY 16-17 the City received larger amounts in expense reimbursements related to code enforcement cases and employee disability retirements.



# General Fund Revenue

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>% budget</b>	<b>% change PY vs CY</b>
Sales Tax	4,571,596	4,734,644	4,748,499	100%	4%
Property Tax In-Lieu of VLF	1,206,681	1,256,317	1,283,559	102%	6%
Property Tax	1,158,284	1,121,296	1,122,150	100%	-3%
Charges for Services	912,723	991,643	1,138,891	115%	25%
Development Related Permits	893,057	714,635	1,125,286	157%	26%
Transient Occupancy Tax	567,317	546,012	623,554	114%	10%
Franchise Fees	505,822	502,000	531,113	106%	5%
RDA Residual Receipts	752,965	500,000	1,000,000	200%	33%
Business License	270,145	250,000	265,000	106%	-2%
Intergovernmental	245,098	169,508	201,316	119%	-18%
Transfer Tax	128,236	100,000	136,702	137%	7%
Fines & Collections	138,760	87,000	181,068	208%	30%
Interest Earned & Rents Received	110,107	68,001	86,450	127%	-21%
Miscellaneous	168,737	23,210	83,150	358%	-51%
Transfers-in	461,391	541,563	476,297	88%	3%
<b>Total Revenue</b>	<b>\$ 12,090,920</b>	<b>\$ 11,605,829</b>	<b>\$ 13,003,035</b>	<b>112%</b>	<b>8%</b>



# General Fund Expenditure by Department

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>% budget</b>	<b>% change PY vs CY</b>
City Council	165,437	158,357	211,906	134%	28%
City Attorney	304,601	282,150	347,456	123%	14%
City Manager's Office	2,040,531	2,591,206	2,112,866	82%	4%
Finance	1,412,579	1,341,004	1,485,710	111%	5%
Planning and Building	1,718,094	1,691,720	1,713,569	101%	0%
Police	5,128,744	5,329,847	5,627,433	106%	10%
Fire	3,138,627	3,061,407	3,540,458	116%	13%
Insurance	264,000	264,000	264,000	100%	0%
Transfers-out	1,820,702	762,638	762,638	100%	-58%
G&A Allocation	(3,153,479)	(3,223,545)	(3,223,545)	100%	2%
<b>Total Expenditure</b>	<b>\$ 12,839,836</b>	<b>\$ 12,258,784</b>	<b>\$ 12,842,491</b>	<b>105%</b>	<b>0%</b>





# General Fund Expenditure by function

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>% budget</b>	<b>% change PY vs CY</b>
Wages & Benefits	9,806,960	10,373,075	10,922,418	105%	11%
Other Employee Related Expenses	150,475	193,600	153,409	79%	2%
Internal Service & Replacement Fees	1,610,072	1,636,129	1,636,129	100%	2%
Contracted Services	1,240,130	1,292,609	1,232,257	95%	-1%
Transfers-out	1,820,702	762,638	762,638	100%	-58%
Legal	304,061	282,150	347,456	123%	14%
Insurance	264,000	264,000	264,000	100%	0%
Other Operating Expense	109,511	113,656	145,665	128%	33%
Bank Fees	142,420	89,962	131,051	146%	-8%
Meetings Travel & Training	156,366	135,380	125,840	93%	-20%
Utility Services	101,354	98,146	89,446	91%	-12%
Maintenance & Supplies	125,846	72,092	52,324	73%	-58%
Telecommunication & Data Service	51,634	53,765	67,708	126%	31%
Support of Local Organizations	17,000	17,000	42,000	247%	147%
Government Fees	19,857	28,711	24,056	84%	21%
Licenses, Membership & Dues	25,198	25,274	22,238	88%	-12%
Election Expense	12,628	-	19,197	0%	0%
Noticing	15,185	10,263	16,300	159%	7%
Printing	19,916	33,879	11,904	35%	-40%
G&A Allocation	(3,153,479)	(3,223,545)	(3,223,545)	100%	2%
<b>Total Expenditure</b>	<b>\$ 12,839,836</b>	<b>\$ 12,258,784</b>	<b>\$ 12,842,491</b>	<b>105%</b>	<b>0%</b>



## General Fund – Fund Balance Analysis

	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 17-18 est to close</b>
Beginning Fund Balance	\$ 8,897,332	\$ 8,148,416	\$ 8,148,416
Total Revenue	12,090,920	11,605,829	13,003,035
Total Expenditure	(12,839,836)	(12,258,784)	(12,842,491)
Estimated Ending Fund Balance	<u>\$ 8,148,416</u>	<u>\$ 7,495,461</u>	<u>\$ 8,308,960</u>
Change in Ending Fund Balance	\$ (748,916)	\$ (652,955)	\$ 160,544
<b><u>Components of Fund Balance</u></b>			
Reserve Policy	\$ 3,851,951	\$ 3,677,635	\$ 3,852,747
Pension Stabilization	3,020,068	3,403,068	3,462,361
Unrestricted, Unreserved	1,276,397	414,758	993,852
Total	<u>\$ 8,148,416</u>	<u>\$ 7,495,461</u>	<u>\$ 8,308,960</u>

# CHANGES AFFECTING ALL BUDGETS

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# Changes Affecting All Budgets

1. Increased personnel costs
  - Wages – 3.6% increase (based on adopted MOUs)
  - Medical premiums – 5% increase
2. Internal Services funds – Information Technology, Building Maintenance and Vehicles Maintenance
  - IT Infrastructure upgrades - network and server
  - Electronic Records Policy Implementation
  - Asset Management Software – infrastructure tracking
  - Increased reliance on technology (ex. Live streaming public meetings)
  - Increased vehicle regulations



## Changes Affecting All Budgets, cont.

### 3. Insurance

- Increased workers compensation insurance costs – unfunded liability – premium increase 7.43%
- Increased general liability insurance costs – unfunded liability – premium increase 32.91%

### 4. Increased pension UAL payments

- Pension Expense – Normal Cost + Unfunded Accrued Liability (UAL)
- UAL increasing \$417,000 each year – 29% over FY 2017-18 and 22% over FY 2018-19

### 5. Increased POB debt payments – increased 3.2%

# PROPOSED GENERAL FUND BUDGET

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# General Fund Revenue

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Sales Tax	4,571,596	4,734,644	4,748,499	4,738,444	4,818,012
Property Tax In-Lieu of VLF	1,206,681	1,256,317	1,283,559	1,309,230	1,335,415
Property Tax	1,158,284	1,121,296	1,122,150	1,205,079	1,229,180
Charges for Services	912,723	991,643	1,138,891	916,587	922,709
Development Related Permits	893,057	714,635	1,125,286	1,689,720	1,119,500
Transient Occupancy Tax	567,317	546,012	623,554	852,852	931,223
Franchise Fees	505,822	502,000	531,113	557,669	585,552
RDA Residual Receipts	752,965	500,000	1,000,000	1,000,000	1,000,000
Business License	270,145	250,000	265,000	265,000	265,000
Intergovernmental	245,098	169,508	201,316	150,065	144,065
Transfer Tax	128,236	100,000	136,702	140,000	145,000
Fines & Collections	138,760	87,000	181,068	187,700	187,700
Interest Earned & Rents Received	110,107	68,001	86,450	86,450	86,450
Miscellaneous	168,737	23,210	83,150	83,000	83,000
Transfers-in	461,391	541,563	476,297	533,617	581,388
<b>Total Revenue</b>	<b>\$ 12,090,920</b>	<b>\$ 11,605,829</b>	<b>\$ 13,003,035</b>	<b>\$ 13,715,413</b>	<b>\$ 13,434,194</b>



# Revenue Assumptions

- **Sales Tax.** Using figures from HDL, revenue is expected to be flat in FY 2018-19 and a 2% increase in FY 19-20.
- **Property Tax.** ROPS residual receipts are expected to remain flat similar to this fiscal year, with the Prop 13 revenue increasing at a rate of 4% over FY 2017-18, and 2% over 2018-19. These numbers are conservative considering the couple of large developments in the City.
- **Transient Occupancy Tax.** TOT revenues are estimated to jump 37% in fiscal year 2018-19, with estimates received from Harmon Guest House and Trio, and an additional boost of 9% in FY 2019-20. Montage Healdsburg is not considered in these estimates.
- **Development Related Permits.** A boost in development related permits is expected in FY 2018-19 primarily due to Montage Healdsburg Annexation fees est. at \$572,220, with more conservative estimates in FY 2019-20.
- **Charges for Services.** This category includes the fire services contract which contains a CPI inflator, the strike team reimbursements, and Successor Agency administrative cost reimbursements estimated at \$240,000/year.





## Revenue Assumptions, contd.

- **Fines and Collections.** The City has seen a 4% increase in revenue primarily related to a changes in accounting for parking enforcement revenue. With this change comes an offsetting expense in the Police budget. The City may see an increase in revenue with the implementation of the Automated License Plate Reader. That increase was not considered in the estimates.
- **Transfers-In.** This line includes the funds transferred to the General Fund from Measure V to cover the public safety positions and the PILOT (Payment in Lieu of Taxes (1%) - \$130,917) from the Electric Fund based on a Council adopted resolution. Total Measure V transfer is \$392,700 for FY 2018-19 and \$450,471 for FY 2019-20.



# City Council

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Wages & Benefits	115,328	105,314	114,871	110,830	117,847
Contracted Services	3,829	-	24,500	20,000	10,000
Meetings Travel & Training	15,346	9,000	9,000	19,000	19,000
Telecommunication & Data Service	240	3,240	360	360	360
Printing	-	-	2,050	-	-
Government Fees	2,886	10,658	9,047	9,228	9,412
Noticing	211	-	-	-	-
Office Supplies	1,560	1,650	700	1,000	1,000
Licenses, Membership & Dues	9,038	11,495	9,378	10,000	10,000
Support of Local Organizations	17,000	17,000	42,000	17,000	17,000
<b>Total Expenditure</b>	<b>\$ 165,437</b>	<b>\$ 158,357</b>	<b>\$ 211,906</b>	<b>\$ 187,418</b>	<b>\$ 184,619</b>



## City Council

- **Wages and Benefits.** Includes stipend of \$1,800 per year, medical, vision, dental benefits and \$50,000 life insurance policy
- **Support of Local Organizations.** Current year includes \$25,000 support for Jazz Festival, FFA and American Legion Fireworks
- **Contracted Services.** Council meeting video services and Leadership Training consultant
- **Membership Dues.** ABAG and League of California Cities
- **Government Fees.** RCPA



## Legal

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Legal	304,601	282,150	347,456	310,000	310,000
	<u>\$ 304,601</u>	<u>\$ 282,150</u>	<u>\$ 347,456</u>	<u>\$ 310,000</u>	<u>\$ 310,000</u>



# City Manager's Office

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Wages & Benefits	1,390,504	1,612,050	1,399,540	1,469,285	1,552,129
Other Employee Related Expenses	59,314	100,000	60,000	65,000	65,000
Internal Service & Replacement Fees	190,986	193,436	193,436	204,943	217,107
Contracted Services	277,581	557,632	342,731	150,250	150,073
Meetings Travel & Training	32,176	40,350	25,381	21,300	21,300
Other Operating Expense	3,593	1,925	16,339	13,000	13,000
Utility Services	12,761	14,000	11,746	11,090	11,090
Maintenance & Supplies	16,104	17,100	5,100	5,500	5,500
Telecommunication & Data Service	5,977	11,000	8,224	7,317	7,433
Printing	13,031	18,250	5,154	5,000	7,500
Government Fees	12,761	18,053	14,983	34,767	18,035
Licenses, Membership & Dues	2,552	2,410	2,035	1,915	1,915
Election Expense	12,628	-	19,197	30,000	-
Noticing	10,564	5,000	9,000	10,000	10,000
<b>Total Expenditure</b>	<b>\$ 2,040,531</b>	<b>\$ 2,591,206</b>	<b>\$ 2,112,866</b>	<b>\$ 2,029,367</b>	<b>\$ 2,080,082</b>



## City Manager's Office

- **Department.** Includes Administration, City Clerk, Human Resources, Payroll and Community Housing with nine existing employees
- **Proposed Staff Adds.** HR Manager and Housing Administrator added mid-year, no additional positions requested
- **Contracted Services.** Scanning Services (Electronic Records Policy implementation), Public Outreach, Strategic Plan, and Spanish translation
- **Government Fees.** LAFCO (increased 137%)
- **Operational Expense.** Includes supplies & subscriptions



# Finance

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Wages & Benefits	898,002	888,511	923,521	1,236,506	1,313,236
Other Employee Related Expenses	951	-	22,773	-	-
Internal Service & Replacement Fees	222,021	225,884	225,884	237,090	251,501
Bank Fees	142,420	89,962	131,051	132,000	132,000
Contracted Services	92,136	71,060	127,380	78,092	95,342
Utility Services	21,875	24,146	17,217	17,803	18,408
Maintenance & Supplies	18,592	20,000	18,059	19,000	19,000
Printing	-	8,000	-	-	-
Meetings Travel & Training	4,467	7,000	11,600	11,000	11,000
Telecommunication & Data Service	4,548	5,000	4,500	4,900	5,000
Licenses, Membership & Dues	1,595	959	1,425	1,714	1,714
Other Operating Expense	1,762	482	2,300	300	300
Government Fees	4,210	-	-	-	-
<b>Total Expenditure</b>	<b>\$ 1,412,579</b>	<b>\$ 1,341,004</b>	<b>\$ 1,485,710</b>	<b>\$ 1,738,405</b>	<b>\$ 1,847,501</b>



## Finance

- **Department.** Includes Budget, Audit, Finance, Investments, Utility Billing, Business Licenses and Accounts Payable with nine existing employees
- **Other Employee Expenses.** Current year – temp agency costs – employee transitions and workers compensation leave
- **Staffing.** Administrative Services Director position added mid-year, no additional positions requested
- **Contracted Services.** Current year includes Master Fee Study and Cost Allocation Plan Update - Audit, Investment Advisory, Sales Tax Consultant, Actuarial services – GASB 45 and pension





# Planning & Building

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Wages & Benefits	1,186,558	1,311,373	1,354,190	1,565,305	1,664,736
Other Employee Related Expenses	322	450	277	1,200	550
Internal Service & Replacement Fees	116,069	117,848	117,848	133,012	141,192
Contracted Services	360,659	220,000	190,956	199,000	154,000
Meetings Travel & Training	13,677	7,330	8,359	18,590	17,680
Other Operating Expense	7,910	750	7,767	1,550	4,870
Utility Services	3,353	2,500	2,983	2,990	2,990
Maintenance & Supplies	11,709	10,842	10,165	8,000	8,000
Telecommunication & Data Service	9,623	7,525	8,624	9,460	9,460
Printing	2,133	5,329	3,800	5,000	5,000
Licenses, Membership & Dues	1,785	2,510	1,300	2,620	2,620
Noticing	4,296	5,263	7,300	10,500	10,500
<b>Total Expenditure</b>	<b>\$ 1,718,094</b>	<b>\$ 1,691,720</b>	<b>\$ 1,713,569</b>	<b>\$ 1,957,227</b>	<b>\$ 2,021,598</b>



## Planning and Building

- **Department.** Includes planning and building inspection with ten existing employees.
- **Staffing.** Sr. Building Inspector added mid-year, no additional positions requested.
- **Contracted Services.** Includes plan check services, geologist peer review and geotechnical engineer peer review services, and implementation services for expanded use of the Energov software, focusing on the citizen access portal module
- **Meeting, Travel and Training.** Includes training for the Planning Commission.
- **Vehicle Purchases.** Replacing 2001 Ford Truck in FY 2019-20



# Police

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Wages & Benefits	3,864,792	4,157,370	4,359,306	4,426,147	4,673,561
Personal Protective Equipment	43,807	44,150	42,000	50,625	48,600
Internal Service & Replacement Fees	635,011	613,627	613,627	521,269	551,315
Contracted Services	414,766	359,000	439,000	414,700	415,700
Meetings Travel & Training	47,415	41,200	41,200	41,500	41,600
Other Operating Expense	47,039	50,200	50,000	52,825	53,050
Utility Services	45,335	39,000	39,000	40,170	41,375
Maintenance & Supplies	7,251	9,500	9,300	9,500	9,500
Telecommunication & Data Service	16,559	13,000	32,000	13,390	13,792
Printing	4,375	1,300	500	2,000	1,800
Licenses, Membership & Dues	2,393	1,500	1,500	1,750	1,800
<b>Total Expenditure</b>	<b>\$ 5,128,744</b>	<b>\$ 5,329,847</b>	<b>\$ 5,627,433</b>	<b>\$ 5,573,876</b>	<b>\$ 5,852,093</b>



## Police

- **Department.** Includes public safety, dispatch and code compliance with 26 existing employees.
- **Staffing.** No additional staff is proposed. Currently one police officer position and one dispatcher position are funded with Measure V funding.
- **Highlights.** Acquisition of an Automated License Plate Reader to enhance the parking enforcement program, and the continuance of the youth diversion program. The program was started last fiscal year with a one-time grant of seed money.



# Fire

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Wages & Benefits	2,351,085	2,298,457	2,770,990	2,500,266	2,659,626
Other Employee Related Expenses	47,722	49,000	51,132	52,000	50,500
Internal Service & Replacement Fees	445,985	485,334	485,334	383,565	401,472
Contracted Services	89,669	84,917	84,917	87,246	89,935
Meetings Travel & Training	43,286	30,500	30,500	30,500	30,500
Other Operating Expense	49,321	60,299	69,259	62,720	62,720
Utility Services	18,030	18,500	18,500	18,500	18,500
Maintenance & Supplies	70,629	13,000	9,000	9,000	9,000
Telecommunication & Data Service	14,687	14,000	14,000	14,000	14,000
Printing	377	1,000	400	1,000	1,000
Government Fees	-	-	26	-	-
Licenses, Membership & Dues	7,835	6,400	6,400	7,125	7,125
<b>Total Expenditure</b>	<b>\$ 3,138,627</b>	<b>\$ 3,061,407</b>	<b>\$ 3,540,458</b>	<b>\$ 3,165,922</b>	<b>\$ 3,344,378</b>



## Fire

- **Department.** Includes fire suppression, prevention and hazardous material compliance with 13 existing employees and an active reserve program
- **Staffing.** Currently one firefighter position is funded with Measure V funds. An additional firefighter funded with Measure V funds is proposed
- **Contracted Services.** REDCOM dispatch fees increased by over 3%

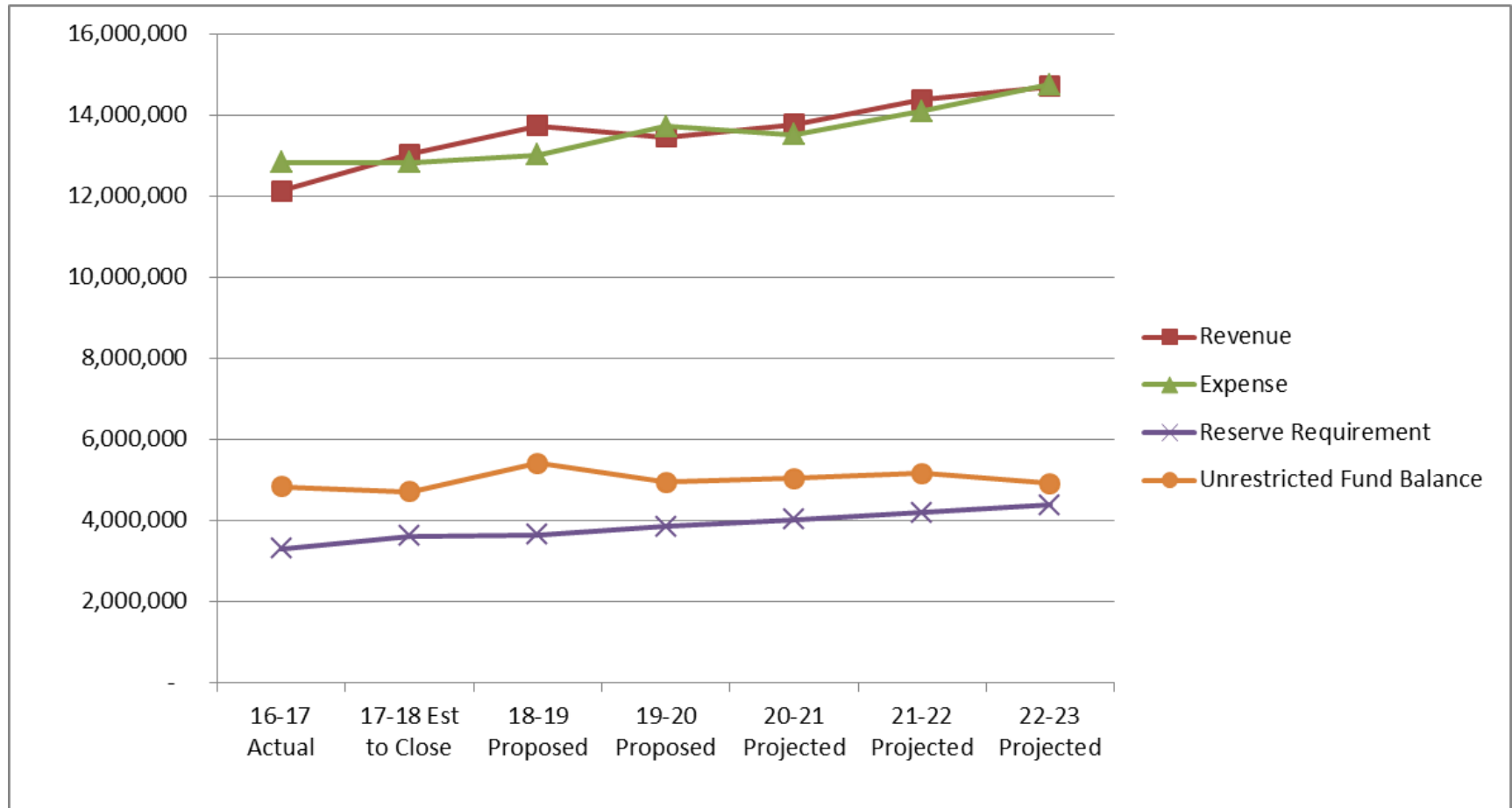


# Non-Departmental

	<b>FY 16-17 Actual</b>	<b>Amended Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Insurance	264,000	264,000	264,000	276,084	285,086
Transfers-out - Capital Replacement	1,219,155	-	-	-	-
Transfers-out - Streets	-	136,697	136,697	130,917	130,917
Transfers-out - Debt	601,547	625,941	625,941	722,055	743,649
G&A Allocation	(3,153,479)	(3,223,545)	(3,223,545)	(3,067,976)	(3,067,976)
<b>Total Expenditure</b>	<b>\$ (1,068,777)</b>	<b>\$ (2,196,907)</b>	<b>\$ (2,196,907)</b>	<b>\$ (1,938,920)</b>	<b>\$ (1,908,324)</b>



# General Fund



\* Reserve requirement – 30% of annual operating expense





# General Fund – Fund Balance Analysis

	<b>FY 16-17 Actual</b>	<b>FY 17-18 Budget</b>	<b>FY 17-18 est to close</b>	<b>FY 18-19 Proposed</b>	<b>FY 19-20 Proposed</b>
Beginning Fund Balance	\$ 8,897,332	\$ 8,148,416	\$ 8,148,416	\$ 8,308,960	\$ 9,001,079
Total Revenue	12,090,920	11,605,829	13,003,035	13,715,413	13,434,194
Total Expenditure	(12,839,836)	(12,258,784)	(12,842,491)	(13,023,295)	(13,731,948)
Estimated Ending Fund Balance	<u>\$ 8,148,416</u>	<u>\$ 7,495,461</u>	<u>\$ 8,308,960</u>	<u>\$ 9,001,079</u>	<u>\$ 8,703,325</u>
Change in Ending Fund Balance	\$ (748,916)	\$ (652,955)	\$ 160,544	\$ 692,119	\$ (297,754)
<b><u>Components of Fund Balance</u></b>					
Reserve Policy	\$ 3,851,951	\$ 3,677,635	\$ 3,852,747	\$ 3,906,988	\$ 4,119,584
Pension Stabilization	3,020,068	3,403,068	3,462,361	3,845,361	3,845,361
Unrestricted, Unreserved	<u>1,276,397</u>	<u>414,758</u>	<u>993,852</u>	<u>1,248,730</u>	<u>738,380</u>
Total	<u>\$ 8,148,416</u>	<u>\$ 7,495,461</u>	<u>\$ 8,308,960</u>	<u>\$ 9,001,079</u>	<u>\$ 8,703,325</u>



## Concerns?

- **Expiration of Measure V.** Four public safety positions are funded with Measure V funds – totaling \$450,500 annually. Measure V will expire in 2023 without action.
- **Unfunded Accrued Pension Liabilities.** While the City has taken steps to limit the impact, the next twenty years will be pivotal. Staff will return to Council in the Fall to present a funding policy plan.

# PROPOSED BUDGETS – COMMUNITY SERVICES

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# Community Services Highlights

Recreation, Parks, Trails & Open Space, Senior Services, After School Program, Swim Center, Arts & Culture, Community Center, Special Events

- New service areas:
  - Volunteer program/transportation for older adults
  - Special needs programming
  - Roundabout maintenance
  - Arts and Culture plan\*
  - Banner Program Replacement
  - PEG operations/video taping commissions
  - Development park fee study\*
  - Downtown holiday décor
  - Open space management (additional funding)
  - Open space enforcement

\*One-time expense



## Community Services Highlights, contd.

- TOT Revenue Increase: Hotel Trio and Harmon Guest House
  - Invest proceeds in new services, add capacity, capital project funding
- Meeting Council set reserve requirements – 30% of annual operating expenditure
- Building maintenance upgrades: keyless entry & video surveillance
- Vehicle replacement: truck replacements – over two years – 2001 trucks (3), trailer and mule



# Community Services Fund Staffing

Full-time Staffing – 11 existing + 3 proposed additions

- Volunteer Coordinator
  - Coordinates volunteer program and transportation program for older adults
  - Housed at Senior Center
- Park Lead/Foreman
  - Adds a maintenance worker to the parks team; moves City toward five park maintenance workers, as identified in the Parks and Open Space Plan
  - Allows increased focus on turf and landscaping maintenance
  - Removes superintendent from day-to-day work direction to focus on project planning and delivery
  - Oversees or assists with special projects
- Recreation Manager
  - Originally proposed as administrative analyst; Recreation Manager provides greater leadership for program and service enhancement and development
  - Oversees or assists with special projects; helps address capacity issues in moving projects forward more timely



# Community Services Fund - Revenue

REVENUE	2016-17 ACTUAL	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATE TO CLOSE	2018-19 PROPOSED BUDGET	2019-20 PROPOSED BUDGET
Transient Occupancy Tax	\$ 2,836,586	\$ 2,683,654	\$ 3,117,769	\$ 4,264,261	\$ 4,656,115
Program Revenue	343,331	409,600	357,696	438,000	438,000
Grant Proceeds	190,092	134,066	193,420	166,000	166,000
Facility and Field Rents	221,257	136,852	213,787	201,015	204,275
School District Field Maintenance	95,898	109,220	95,000	100,000	100,000
Special Events	8,646	27,100	25,000	29,450	32,440
Programs Sponsorships	40,502	50,000	45,000	80,000	80,000
Admission and Passes	44,985	38,000	34,000	37,000	37,000
Miscellaneous	6,196	13,700	7,750	8,000	8,000
Interest Income	19,066	12,000	27,000	25,000	25,000
Donations	25,113	-	5,000	5,000	5,000
<b>TOTAL REVENUE</b>	<b>\$ 3,831,673</b>	<b>\$ 3,614,192</b>	<b>\$ 4,121,422</b>	<b>\$ 5,353,726</b>	<b>\$ 5,751,830</b>



# Community Services Fund – Expense

<b>EXPENSE</b>	2016-17 ACTUAL	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATE TO CLOSE	2018-19 PROPOSED BUDGET	2019-20 PROPOSED BUDGET
Wages	\$ 1,083,285	\$ 1,308,646	\$ 1,317,214	\$ 1,724,669	\$ 1,792,523
Overtime & Standby Pay	5,199	3,500	17,429	19,257	19,812
Fringe Benefits	465,958	316,007	440,712	588,064	657,433
Personal Protective Equipment	4,956	10,300	10,200	16,000	16,000
Information Services Service Fee	195,751	186,081	186,081	295,394	321,399
Building Maintenance Service Fee	34,009	34,009	34,009	79,254	91,714
Vehicle Service Fee	21,843	22,627	22,627	19,006	20,337
Vehicle Replacement Fee	44,530	44,530	44,530	26,258	84,454
Insurance	52,000	52,000	52,000	54,380	56,153
Telecommunication & Data Service	18,056	18,970	18,535	19,350	19,850
Utility Services	159,471	158,310	176,299	177,959	183,358
Property Tax	1,554	190	1,610	-	-
Support of Local Organizations	766	1,000	400	40,000	40,000
Contracted Services	436,651	530,000	534,601	809,000	749,720
Meeting, Travel, and Training	9,129	16,200	21,343	29,600	29,100
Printing	23,412	25,000	22,968	33,950	27,325
Repairs and Maintenance	41,177	50,500	41,000	49,000	49,500
License, Dues, Memberships	1,150	3,150	2,300	2,650	2,650
Rentals and Leases	801	2,000	400	400	400
Office Supplies	11,435	25,800	10,075	15,900	16,500
Government Fees	-	1,000	380	262	265
Operational Expense	163,839	150,580	187,580	285,655	291,713
Debt Service	316,743	319,353	319,353	335,795	341,115
Overhead Allocation	443,602	464,952	464,952	544,796	544,796
Transfers-out to Other Fund	26,425	-	-	-	-
Transfers-out to Capital	516,025	253,000	253,000	-	250,000
<b>TOTAL EXPENSE</b>	<b>\$ 4,077,767</b>	<b>\$ 3,997,705</b>	<b>\$ 4,179,599</b>	<b>\$ 5,166,599</b>	<b>\$ 5,606,117</b>





# Community Services Fund – Expense

<b>EXPENSE</b>	<b>2016-17 ACTUAL</b>	<b>2017-18 ADJUSTED BUDGET</b>	<b>2017-18 ESTIMATE TO CLOSE</b>	<b>2018-19 PROPOSED BUDGET</b>	<b>2019-20 PROPOSED BUDGET</b>
Administration	\$ 132,446	\$ 117,814	\$ 178,731	\$ 321,316	\$ 300,427
Recreation Programs	526,700	560,531	682,952	636,565	656,495
After School Education & Safety	226,992	200,696	228,675	239,407	243,962
Community Center	549,800	525,662	457,391	499,645	522,733
Senior Services	285,860	316,424	311,711	578,171	612,428
Parks & Trails	1,059,339	1,196,799	1,108,196	1,440,843	1,600,497
Open Space	79,188	96,440	144,639	254,012	264,320
School Facility Maintenance	105,732	120,823	114,544	134,955	140,001
Swim Center	140,259	203,735	173,994	232,061	246,992
Arts and Culture	67,266	75,508	108,433	376,260	302,135
Contracted Facility Maintenance	14,448	8,000	14,500	47,430	50,634
Special Events	30,352	-	80,351	66,719	70,957
Non-departmental	859,384	575,273	575,483	339,216	594,536
<b>TOTAL EXPENSE</b>	<b>\$ 4,077,767</b>	<b>\$ 3,997,705</b>	<b>\$ 4,179,599</b>	<b>\$ 5,166,599</b>	<b>\$ 5,606,117</b>



# Community Services Fund

	2016-17 ACTUAL	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATE TO CLOSE	2018-19 PROPOSED BUDGET	2019-20 PROPOSED BUDGET
Beginning Fund Balance	\$ 2,460,512	\$ 2,214,418	\$ 2,214,418	\$ 2,156,241	\$ 2,343,368
Total Revenue	\$ 3,831,673	\$ 3,614,192	\$ 4,121,422	\$ 5,353,726	\$ 5,751,830
Expense					
Operating	3,535,317	3,744,705	3,926,599	5,166,599	5,356,117
Transfers-out	542,450	253,000	253,000	-	250,000
Total Expense	\$ 4,077,767	\$ 3,997,705	\$ 4,179,599	\$ 5,166,599	\$ 5,606,117
Change in Fund Balance	(246,094)	(383,513)	(58,177)	187,127	145,713
Ending Fund Balance	\$ 2,214,418	\$ 1,830,905	\$ 2,156,241	\$ 2,343,368	\$ 2,489,080
Reserve - 30% Operating Expense	1,060,595	1,123,412	1,177,980	1,549,980	1,606,835
Remaining Fund Balance	<u>\$ 1,153,823</u>	<u>\$ 707,493</u>	<u>\$ 978,262</u>	<u>\$ 793,388</u>	<u>\$ 882,245</u>

Note: Operating Reserve = 30% of Operating Expenses



# Community Services Capital Fund

	2016-17 ACTUAL	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATE TO CLOSE	2018-19 PROPOSED BUDGET	2019-20 PROPOSED BUDGET
Beginning Fund Balance	\$ -	\$ 404,214	\$404,214	\$ 603,773	\$ 200,473
Revenue:					
Grant Proceeds	117,858	-	73,259	-	300,000
Developer Funding	-	700,000		-	150,000
Bond Proceeds	63,584	1,235,914	77,405	100,000	1,058,509
Other Proceeds				-	2,150,000
Transfers-in	516,025	294,328	253,000	-	650,000
Total Revenue	697,467	2,230,242	403,664	100,000	4,308,509
Expense:					
Administration	37,214	-	-	-	-
ADA Improvements	-	25,000	25,000	25,000	25,000
Badger Park Redevelopment	-	-	-	50,000	400,000
Community Center Synthetic Turf	-	274,840	-	-	-
Community Center Upgrades	-	-	-	50,000	-
Fitch Mtn Park/Open Space Preserve	167,110	87,000	76,700	88,300	630,000
Montage Park Development	-	700,000	-	-	150,000
Park Maintenance Equipment	-	-	-	45,000	-
Parks & Recreation Facilities Assessment	-	-	25,000	95,000	-
Pavilion at 3 North Street	88,929	1,363,821	77,405	100,000	3,208,509
Recreation Park Outfield Turf Replacement	-	195,000	-	-	-
Villa Chanticleer Maintenance	-	-	-	50,000	-
Total Expense	293,253	2,645,661	204,105	503,300	4,413,509
Ending Fund Balance	\$ 404,214	\$ (11,205)	\$603,773	\$ 200,473	\$ 95,473

# PROPOSED CAPITAL IMPROVEMENT PROGRAM

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Community Services



# Community Services Projects

- Parks & Recreation Facilities Assessment
- Fitch Mountain Park and Open Space Preserve
- ADA – Age Friendly Community Improvements
- Community Center Upgrades
- Villa Chanticleer Maintenance
- Parks Maintenance Equipment
- Badger Park Redevelopment
- Montage Healdsburg Park and Development
- Pavilion at 3 North Street

# Community Services Projects

	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>Total</b>
Fitch Mountain Park and Open Space Preserve	88,300	630,000	-	-	-	718,300
Parks & Recreation Facilities Assessment	95,000	-	-	-	-	95,000
Pavilion at 3 North Street	100,000	3,208,509	3,250,000	-	-	6,558,509
Community Center Upgrades	50,000	-	-	-	-	50,000
Montage Healdsburg Park Development	-	150,000	4,917,100	-	-	5,067,100
Parks Maintenance Equipment	45,000	-	-	-	-	45,000
ADA - Age Friendly Improvements	25,000	25,000	25,000	25,000	25,000	125,000
Villa Chanticleer Maintenance	50,000	-	-	-	-	50,000
Badger Park Redevelopment	50,000	400,000	-	-	-	450,000
<b>Total</b>	<b><u>503,300</u></b>	<b>4,413,509</b>	<b>8,192,100</b>	<b>25,000</b>	<b>25,000</b>	<b>13,158,909</b>

## Proposed Capital Project:

### Parks and Recreation Facilities Assessment



- This project was referred to in the FY16-21 CIP as the Parks and Open Space Plan Update. This project has been revised to a facilities assessment that would assess the current condition of the City's parks and recreation facilities, determine lifecycle, estimate replacement costs, and identify deficiencies in the city's parks and open space system. The project would also build a GIS database of all system components for integration into an asset management program.
- Begin Date – FY 2018-19
- Total Project Amount - \$95,000
- Funding Source:
  - Community Services Fund - \$95,000

## Proposed Capital Project:

### Fitch Mountain Park and Open Space Preserve



- This project establishes public access to Fitch Mountain, including trail access and improvements and natural resource restoration work as guided by the Fitch Mountain management plan, fire management plan, and other sources. Design would occur in FY17-18 and 18-19 with construction to follow during the dry season in two phases, with Phase 1 in FY19-20. The timing of Phase 2 is to be determined.
- Begin Date – FY 2018-19
- Remaining Project Amount - \$718,300
- Funding Sources:
  - Community Services Fund - \$418,300
  - Grant - \$300,000



## Proposed Capital Project:

### ADA – Age Friendly Community Improvements



- This project implements improvements over time to ensure Healdsburg is an accessible and age friendly community. Improvements would include replacing benches with age-friendly designs, addressing barriers on walkways, better signage, and other hard scape improvements that are identified in accessibility evaluation and age friendly community audit.
- Begin Date – FY 2018-19
- Project Amount - \$125,000 over a 5-year period
- Funding Source:
  - Community Services Fund - \$125,000

## Proposed Capital Project:

### Community Center Upgrades



- This project includes retrofitting locks and handles on doors and installing a PA system.
- Begin Date – FY 2018-19
- Project Amount - \$50,000
- Funding Source:
  - Community Services Fund - \$50,000

## Proposed Capital Project:

### Villa Chanticleer Maintenance



- This project includes replacing exterior doors to a facility that have or are near failure.
- Begin Date – FY 2018-19
- Total Project Amount - \$50,000
- Funding Sources:
  - Community Services Fund - \$50,000

## Proposed Capital Project:

### Park Maintenance Equipment



- This project includes the purchase of a Ventrac aerator.
- Begin Date – FY 2018-19
- Project Amount - \$45,000
- Funding Sources:
  - Community Services Fund - \$45,000

## Proposed Capital Project:

### Badger Park Redevelopment



- This project would redevelop Badger Park:
- FY18-19: Conduct community process to develop master plan and determine river access opportunities.
- FY19-20: Construct restrooms.
- TBD: Initiate construction including playground replacement with shade structure, trail work, river access, dog park improvements, and other site work.
  
- Begin Date – FY 2018-19
- Project Amount - \$450,000
  
- Funding Sources:
  - Community Services Fund - \$50,000
  - Park Impact Fund - \$400,000



## Proposed Capital Project:

### Montage Healdsburg Park Development



- This project includes the planning, design, and construction of the Montage Resort development. The park will feature active and passive areas, trails, picnicking, parking, and restroom facilities.
- FY18-20: Community master planning process; develop plans and specifications.
- FY20-21: Construct park
  
- Remaining Project Amount - \$5,067,100
  
- Funding Source:
  - Developer Proceeds - \$2,850,000
  - Community Service Fund - \$2,000,000
  - Park Dedication Fund - \$142,600
  - Park Impact Fund - \$74,500

## Proposed Capital Project:

### Pavilion at 3 North Street

- FY 2018-19: Design review
- FY 2019-20: CEQA, construction plans, and redevelopment of the former Purity building. Site has been identified for home of the Farmers Market, community event facility, and parking facilities.
  
- Remaining Project Amount - \$6,558,509
  
- Funding Source:
  - Bond Proceeds - \$1,158,509
  - Other Proceeds - \$5,400,000



# PROPOSED BUDGET – MEASURE V

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## Measure V

- On November 6, 2012, the voters approved Measure V by a vote of 2,800 to 2,235. The tax was effective April 1, 2013 and automatically terminates ten years after it became operative unless extended by the voters.
- After reviewing the public survey results and two public meetings, on February 26, 2018 the Council provided direction to staff as to the proposed allocation for fiscal year 2018-19.
- Four public safety positions are funded with Measure V funds – totaling \$450,500 annually.



# Measure V Fund

	2016-17 ACTUAL	2017-18 ADJUSTED BUDGET	2017-18 ESTIMATE TO CLOSE	2018-19 PROPOSED BUDGET	2019-20 PROPOSED BUDGET
Beginning Fund Balance	\$ 1,754,522	\$ 382,211	\$ 382,211	\$ 988,193	\$ 307,187
Revenue:					
Transaction Tax Revenue	1,955,622	2,007,000	2,073,000	2,023,949	2,074,971
Interest	10,676	-	3,000	3,000	3,000
Total Revenue	1,966,298	2,007,000	2,076,000	2,026,949	2,077,971
Expense:					
Pavement Preventative Maintenance	-	-	-	787,755	-
Overlay-neighborhood streets	-	484,200	-	600,000	-
Curb gutter sidewalk	-	250,000	-	500,000	-
Firefighter Funding	105,000	105,000	105,000	197,700	222,088
Police Officer Funding	97,100	97,100	97,100	110,500	136,665
Police Radio Replacement Set Aside	-	-	-	100,000	100,000
Chamber of Commerce Agreement	100,000	100,000	100,000	100,000	-
Security & Keyless Access Systems	-	-	-	100,000	-
Dispatcher Funding	72,500	72,500	72,500	84,500	91,717
Automated License Plate Reader	-	-	-	70,000	-
Low Income Utility Discounts	39,097	47,500	55,403	47,500	-
Latino Outreach and Support	-	50,000	40,000	10,000	-
Prior Year Projects	2,924,912	836,510	1,000,015	-	-
Total Expense	3,338,609	2,042,810	1,470,018	2,707,955	550,471
Ending Fund Balance	\$ 382,211	\$ 346,401	\$ 988,193	\$ 307,187	\$ 1,834,687



# Budget Process – Next Steps

**May 17**

Study Session

- Revisit General Fund, if necessary
- Streets & Utility Funds

**June 6**

Budget Adoption



Questions?