



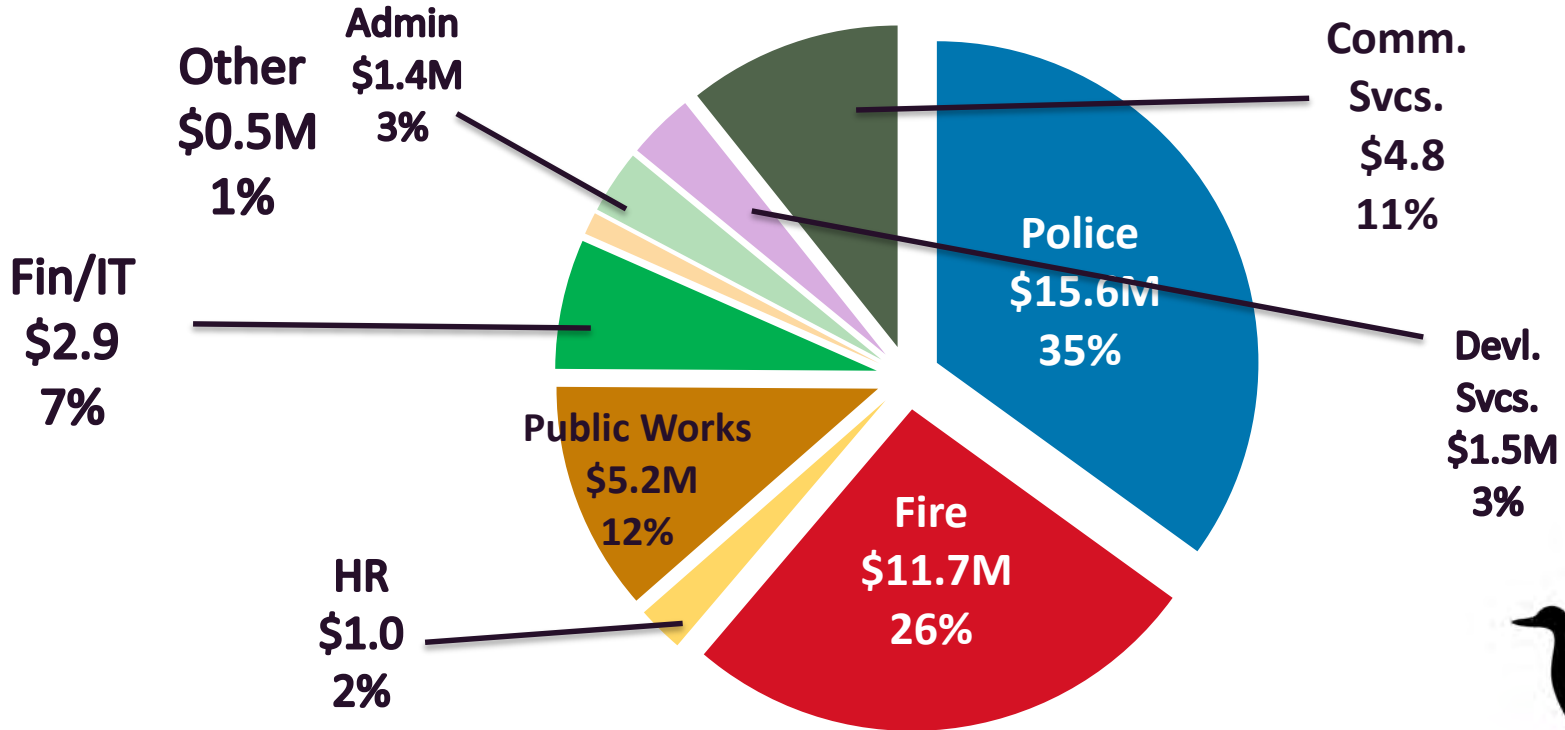
FY 2019/20 Budget Workshop—May 28, 2019

General Fund

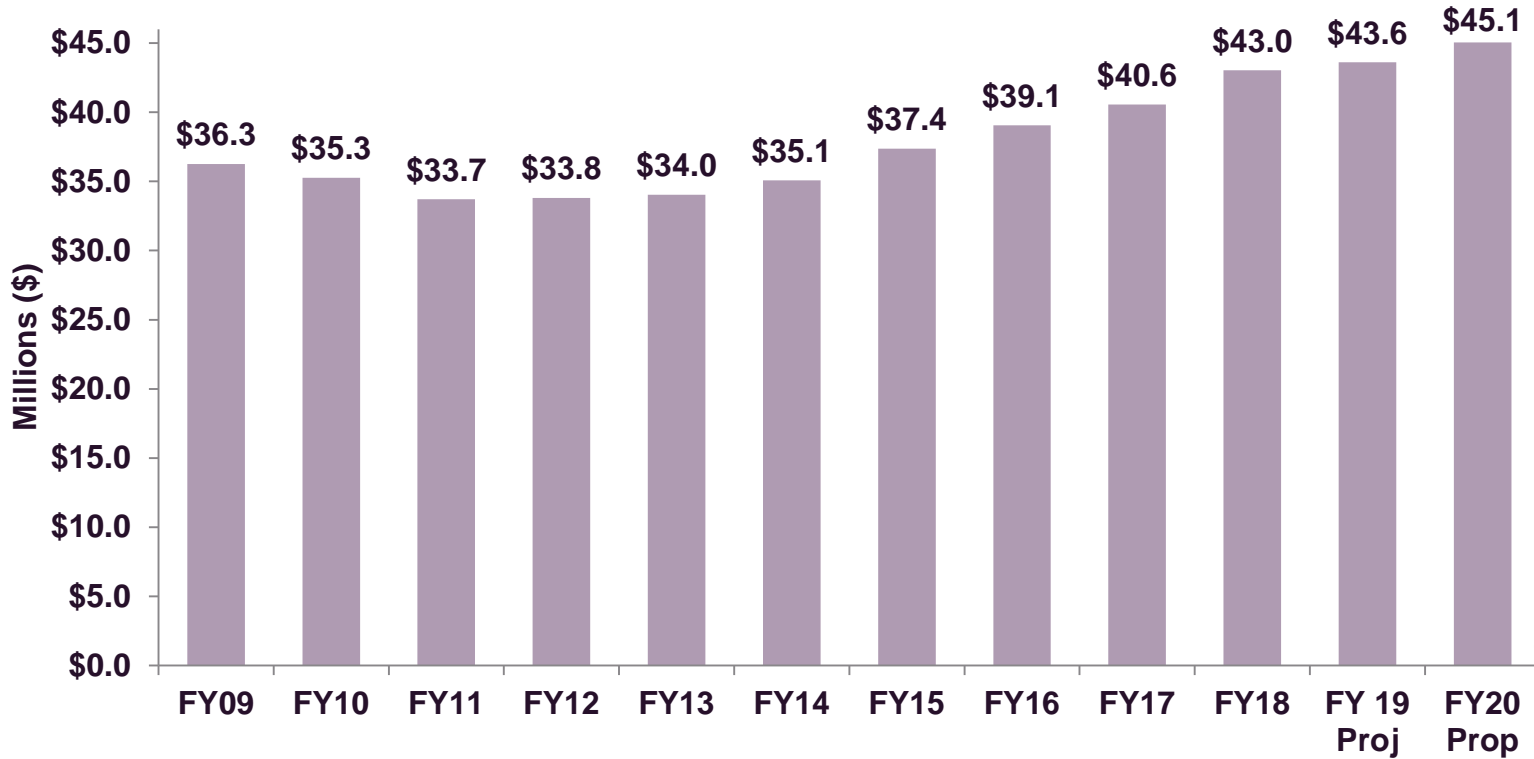


Yuba City Budget Allocations

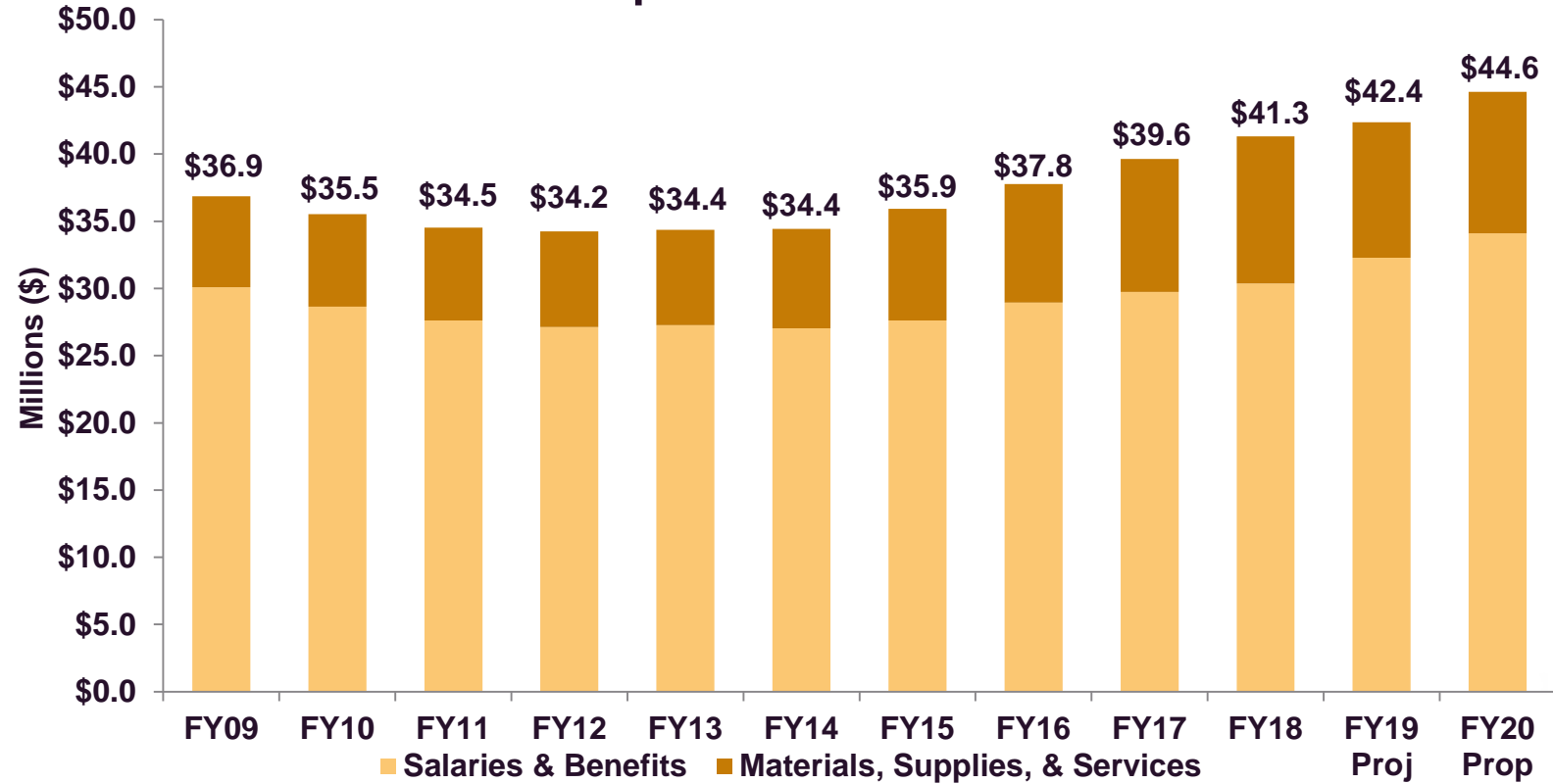
61% Public Safety



Revenues General Fund



Expenses General Fund



General Fund Summary Changes from FY 18-19 Adopted Budget to FY 19-20 Proposed

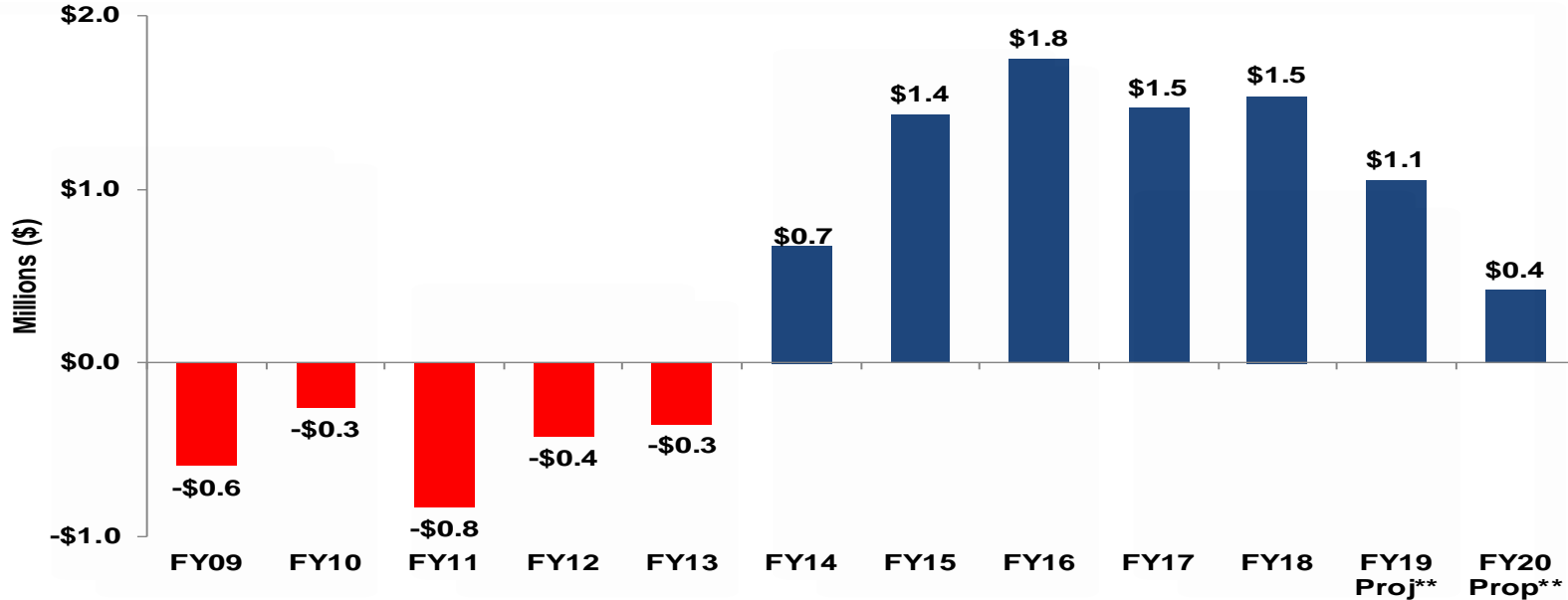
Operating Surplus Carried Over from FY 18-19	\$ 301,356
Revenue Increases	2,653,100
Salary & Benefit Increases	(2,381,251)
Materials, Supplies & Services Increases	(198,905)
Capital Acquisitions Decrease	45,900
Proposed Operating Budget Surplus FY 19-20	<u><u>\$ 420,200</u></u>



Net Operating Surplus or Deficit

General Fund Revenues Less Expenses

Net Operating Revenues (Excluding One-Time Reserve Fund Infusions)
FY2009 - FY2020 Budget



** The FY14 thru FY18 surpluses are due to vacant positions saving approximately \$1.2, \$1.6, \$1.9, \$1.7, and \$2.7 million respectively. This represents one-time savings that has been programmed for one-time uses such as capital projects and paying down pension liabilities.



Unmet Financing Needs—Previously Identified

- CalPERS Unfunded Liability
- Deferred Infrastructure Maintenance & Replacement
- Beat 6 Start-Up Costs for Police Services
- Construction of Park Facilities in Tierra Buena Area
- Economic Development Initiatives



Unmet Financing Needs – Progress Made

- CalPERS Unfunded Liability
 - Pension Trust Fund Established
 - \$2 million set-aside in FY17; \$330,100 added FY17, \$611,900 added FY18, \$500,000 used in FY19 and \$500,000 proposed to be used in FY20
 - UAL Decreased from \$73.3 million to \$70.3 million (\$3.0 million)
- Deferred Infrastructure Maintenance & Replacement funded:
 - \$60,000 in CIP for playground replacement
 - \$260,000 in CIP for Blackburn Talley Field Lighting Replacement Project
 - \$1,538,000 in CIP for Harter Parkway Park and Bike Path
 - \$112,000 in CIP for improvements to buildings and grounds
 - \$1,115,300 in CIP for Fire Station 2 Remodel
 - \$150,000 in CIP for Sam Brannan restroom replacement
 - \$140,000 in CIP for Police Department work station modifications



Unmet Financing Needs – Progress Made

- Beat 6 Start-Up Costs for Police Services—Annexation process not completed; population insufficient to trigger transfer of revenues from Sutter County

- Construction of Park Facilities in Tierra Buena Area
 - CIP Budget includes a total of \$1,538,000 in funding for construction of Harter Parkway Park & Bike Path using grant funds and development impact fees

- Economic Development Initiatives
 - Provided funding for Tourism Business Improvement District Formation
 - Proposed Operating budget includes 1% (of the 10%)TOT on-going support of Yuba-Sutter Lodging Association



Unmet Financing Needs – Additional Item

- Vehicle Replacement-Additional Funding
 - Currently funding at \$800,000 per year for general fund
 - Recommended amount should be \$1,125,000



Largest Revenue Changes

Property Taxes	\$	664,600
SAFER Grant		363,100
Hotel/Motel Surcharge		171,300
Sales Tax		160,900
Business Licenses		97,500
Building Permits		52,000
CSA G Property Taxes		45,100
Real Property Transfer Tax		39,900
Other		(27,000)
Cost Allocations (next slide)		1,085,700
NET INCREASES IN REVENUE FY 19-20	\$	<u>2,653,100</u>

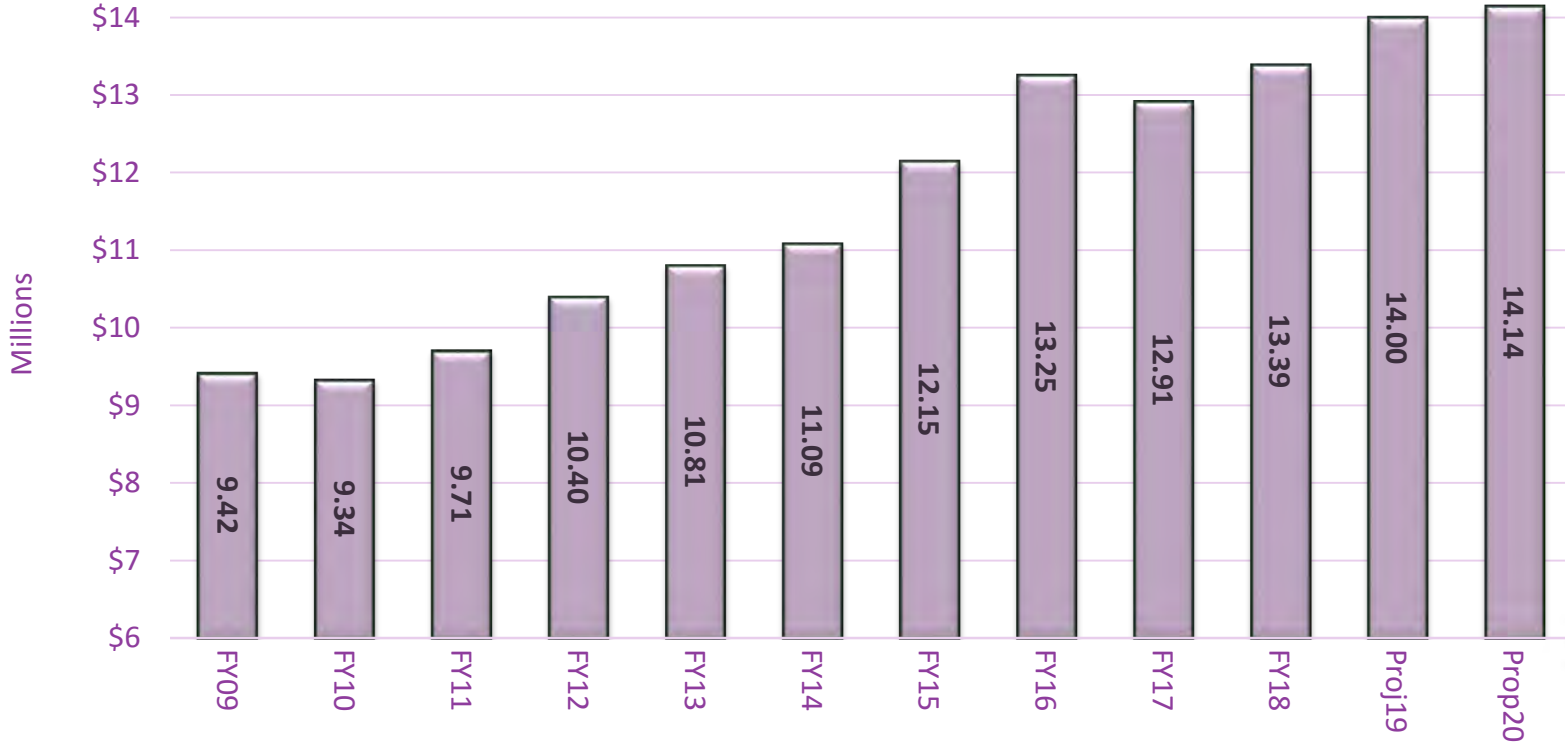


Changes In Cost Allocation Reimbursements

Streets & Roads/TDA Funds	\$	192,200
Wastewater		142,800
Water		130,200
Public Works Cost Allocation to CIP Project		(84,300)
Landscape & Lighting Districts		68,800
Traffic Safety Fund		50,000
STOP Fund		50,000
RDA Successor Agency		6,500
Other		29,500
Transfer In From Pension Stabilization		500,000
NET INCREASE IN COST ALLOCATIONS	\$	<u>1,085,700</u>



Sales Tax

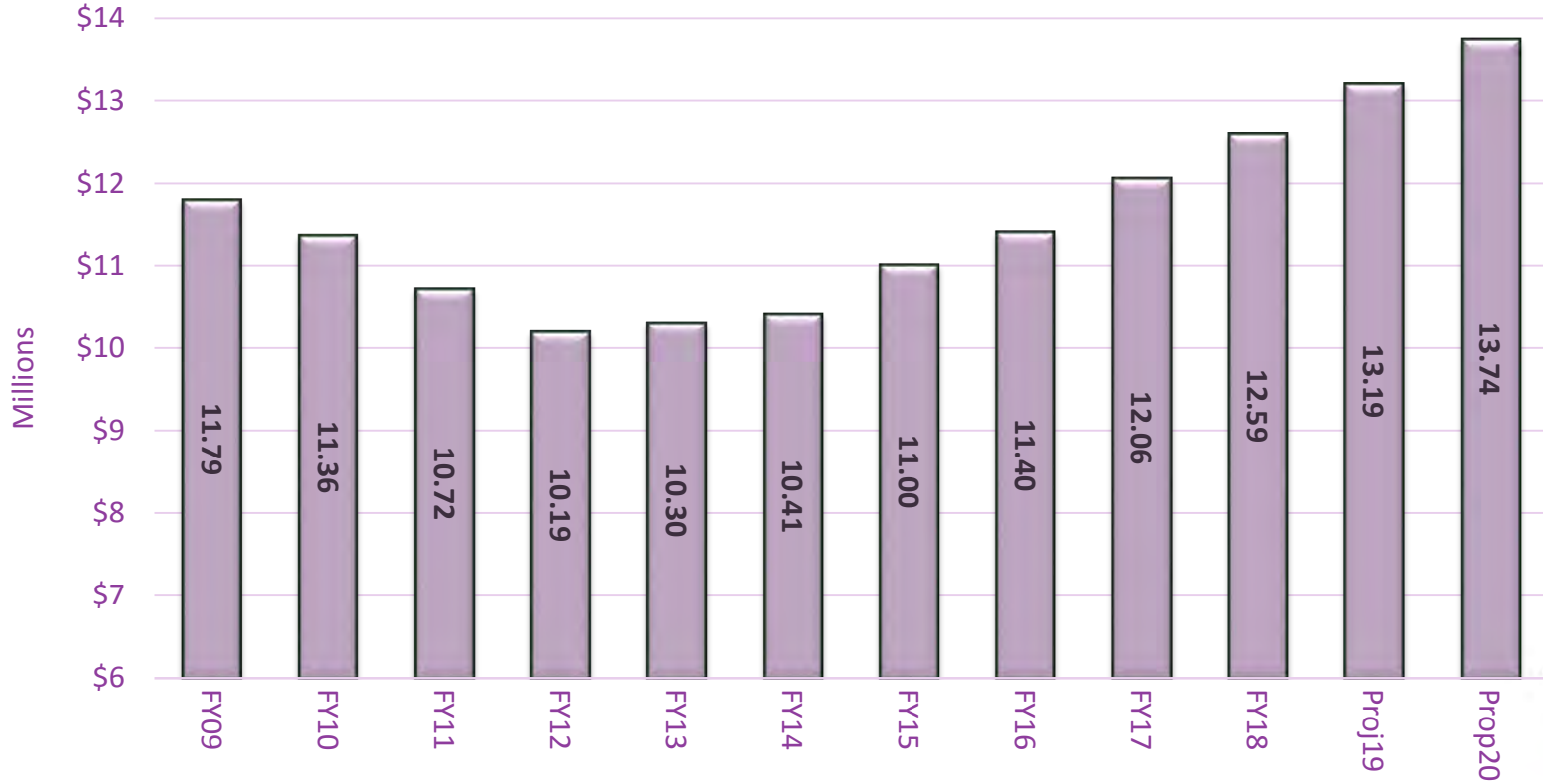


Most Recent 4 Quarter Results

3rd Qtr 17/18	-0.40%
4th Qtr 17/18	-10.00%
1st Qtr 18/19	15.90%
2nd Qtr 18/19	6.00%
Average Increase	2.88%
Budgeted Increase	3.00%
Est. Excess FY 18/19	\$ 10,500



Property Taxes



Largest Salary & Benefit Expenditure Changes

CalPERS Retirement Cost Increase	\$ 778,000
SAFER Grant Employees-9 Fire Recruits	554,200
Personnel Changes Approved with Budget	435,100
Negotiated Salary Adj. from FY 17-18	314,100
Worker's Compensation	(312,100)
Step Increases	277,600
Backfilling Vacancies at Lower Step & PEPRA	(168,600)
Limited Term Personnel removed	(130,800)



Largest Salary & Benefit Expenditure Changes

Projected 4% Healthcare Increase (1/2 year)	\$ 117,100
Healthcare Savings from FY 18-19	(73,100)
Unemployment Insurance Increase	21,200
Annual Required Retiree Health Funding (Dept. Heads & Police PEMCHA)	43,300
All Other S & B Changes	25,300
ADP Payment to CalPERS for UAL	500,000
Total S & B Personnel Cost Increase	<u><u>\$ 2,381,300</u></u>



Personnel Changes/Reclassifications

Dept. No.	Department/Division	Old Position/Title (If Applicable)	Action	New Position/Title	Change
<u>Administration</u>					
1305	City Manager		New	Community Coordinator	1.00
4120	Economic Development	Deputy City Manager, Economic Growth and Public Affairs	Delete		(1.00)
<u>Finance/IT</u>					
1510	Finance		New	Customer Service Rep I/II	1.00
1510	Finance	Customer Service Rep I/II (Limited Term)	Expires		(1.00)
1510	Finance	Administrative Analyst I	Reclass	Accountant I	
1530	Information Technology	Information Systems Tech I	Reclass (2)	Information Systems Tech II	
<u>Human Resources</u>					
1720	Human Resources		New	HR Technician I	1.00
1720	Human Resources	HR Technician II	Reclass	Administrative Analyst I	
1720	Human Resources	HR Technician I (Limited Term)	Expires		(1.00)



Personnel Changes/Reclassifications

Dept.

No.	Department/Division	Old Position/Title (If Applicable)	Action	New Position/Title	Change
<u>Development Services</u>					
1910	Building	Plans Examiner	Reclass	Building Inspector I/II	
<u>Public Works</u>					
1541	Facilities Maintenance	Building Maintenance Worker I/II	New		1.00
<u>Police Department</u>					
2140	Field Operations		New	Police Officer	1.00
2140	Field Operations		New	Police Officer (Homeless Liaison)	1.00
2140	Field Operations	Police Officer	Reclass	Police Officer (K-9 Unit)	
<u>Wastewater</u>					
8120	Wastewater Treatment	Plant Maintenance Mechanic	Reclass	Plant Maintenance Mechanic - Senior	
8120	Wastewater Treatment		New	Limited Term - Operator in Training	1.00
<i>Total Personnel Changes</i>					4.00



Summary-MS&S Expenditure Changes

FY 19-20 Special MS&S Requests--On-Going	\$ 409,681
FY 19-20 Special MS&S Requests--One-Time	48,300
Contingency-Used for Negotiations FY 18-19	(250,000)
Contingency-Reduction	(69,000)
Internal Service Funds Increased Costs	173,464
Animal Control (69% of FY 17-18 Negotiations)	35,370
Animal Control Increased Costs	63,539
Other (less than \$15,000 each)	(4,094)
Recreation Programs	(2,432)
FY 18-19 one-time MS&S Requests	(205,923)
<i>Total MS&S Cost Increases FY 19-20</i>	<u><u>\$ 198,905</u></u>



Detail On-Going-MS&S Changes by Department

General Services:

Professional Services-Facilities upkeep	\$	7,000
Madden House-Facility maintenance		8,000
City Hall HVAC-Compressor & condenser fan maintenance		25,000

City Clerk:

Professional Services-Updates to the Municipal Code		7,000
GovQA Online Public Records Request Software		6,100
ARI Investigations-Background checks on Commissioners		5,000

Human Resources:

Employee Events		2,000
Labor Relations-Lead		65,000
Labor Relations-Attorney		25,000
PARS Administration-increased fees		200
Project Arrow-Training and Build the Bench Materials		12,000
Oral Boards for Recruitments		2,500
Dues & Subscriptions increased costs		2,500



Detail On-Going-MS&S Changes by Department

Development Services:

LAFCO	12,000
Denis Cook Consulting Services	50,000
ECORP	7,500
Other Professional Planning Services	8,000
Sutter County Filing Fees	9,323

Police Department:

TOR Broadcasting Vault Rental	10,000
Sutter Buttes System Maintenance	10,000
LiveScan Fingerprint-new terminal support costs	2,100
Video Redaction Software-on-going support costs	500
Spillman Maintenance Software Support increases	21,389
Celebrite Annual Support	5,500
Magnet Forensics	1,000
Training Program/Aids	5,000



Detail On-Going-MS&S Changes by Department

Fire Department:

Data Processing	5,800
Building, Office & Maintenance	3,800
Employee Physical Exams	5,000
Physical Fitness	2,200
Dues & Subscriptions	1,000
Special O&M-Pest Control	800
Safety First Aid	1,400

Economic Development:

Professional Services to join Yuba-Sutter EDC	52,000
Yuba-Sutter Lodging increase of 1% (TOT share)	17,170
Public Engagement Outreach	28,000
Graphic Design and Video for Communications Program	12,000
Software	5,899
Facebook Promotional Ads	1,200
Print Media	4,800



Detail On-Going-MS&S Changes by Department

Community Services:

Grant Writing Services	15,000
Phone System Support Maintenance Charges	2,700
Janitorial Services-GAP Facility	800
Aquatics Program expense reductions	(30,900)

Administration:

Professional Services-reduction	(35,000)
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Non-Departmental:

Community Contributions increase	1,400
Community Events increase	5,000

Total On-Going MS&S Increases Included

\$ 409,681



Detail One-Time-MS&S Changes by Department

Human Resources:

Workspace reconfiguration \$ 1,000

Police Department:

Video Redaction Software-purchase 2,000

PD Property & Evidence Room Comprehensive Audit 10,500

Fire Department:

Uniforms/Turnouts 5,300

OSHA Boots/Pants 3,000

Community Services

10' Drag Scraper; implement for Feather River Parkway 4,500

Trees-Carryover of unexpended PG&E funds from FY 18-19 22,000

Total One-Time MS&S Increases Included \$ 48,300



Detail ISF Changes

Vehicle Maintenance	\$ 107,323
Vehicle Fuel Charges	76,572
Liability Insurance	(24,798)
Technology Replacement Fund	11,179
All Other ISFs	3,188
<i>Total One-Time MS&S Increases Included</i>	<u><u>\$ 173,464</u></u>



Capital Acquisition Requests-General Fund

GENERAL FUND - 100

No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	1541	Facilities Maintenance	Plumas Street Flag Pole	Replacement	1	19,600
2	2140	Police Field Operations	Canine	New Addition	1	10,000
Total General Fund						\$ 29,600



Capital Acquisition Requests-Vehicles

VEHICLE REPLACEMENT FUND - 620

No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	2130	Police Investigations	SUV	Replacement	1	55,000
2	2140	Police Field Operations	SUV - Canine Unit	New Addition	1	76,000
3	2140	Police Field Operations	Patrol Vehicle	Replacement	2	115,000
4	2310	Fire Operations	SUV	Replacement	1	37,580
5	3130	Streets Division	Pickup Truck with Utility Bed	Replacement	1	45,000
6	5115	Parks Division	Infield Groomer	Replacement	1	20,000
Total Vehicle Replacement Fund						\$ 348,580



Capital Acquisition Requests-Technology

TECHNOLOGY REPLACEMENT FUND - 622

No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	6630	Information Technology	Network Switch	Replacement	1	25,500
2	6630	Information Technology	SASA Video Surveillance	Replacement	1	30,000
3	6630	Information Technology	YCPD Video Surveillance	Replacement	1	75,000
4	6630	Information Technology	Server - Domain Controller	Replacement	1	7,000
5	6630	Information Technology	Firewall - Palo Alto	Replacement	1	35,000
6	6630	Information Technology	Police Handheld & Patrol Car Radios	Replacement	8	42,800
7	6630	Information Technology	Police and Fire Radio System Uplift	Replacement	1	186,000
8	6630	Information Technology	PD/IT Server Room HVAC Upgrade	Replacement	1	95,000
9	6630	Information Technology	Palo Alto VM Firewall	New Addition	1	20,000
10	6630	Information Technology	Phone System	Replacement	2	56,000
Total Technology Replacement Fund						\$ 572,300



Capital Acquisition Requests-Utilities

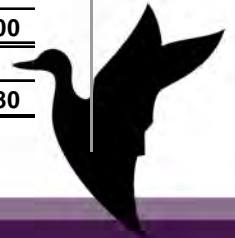
WATER FUND - 507

No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	7120	Water Treatment Plant	Fluoride Analyzer	Replacement	1	10,000
2	7120	Water Treatment Plant	Portable Flow Meter	New Addition	1	17,500
Total Water Fund						\$ 27,500

WASTEWATER FUND - 518

No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	8120	Wastewater Treatment Plant	Motor & Controls for Gates	Replacement	1	20,000
2	8120	Wastewater Treatment Plant	Operation Control Center Upgrade	New Addition	1	20,000
3	8120	Wastewater Treatment Plant	Sewer Bypass Plug System	New Addition	1	12,000
4	8120	Wastewater Treatment Plant	Waste Activated Sludge Pumps	Replacement	2	30,000
5	8120	Wastewater Treatment Plant	Dissolved Oxygen Meters for Reactor	New Addition	6	27,000
6	8140	Treatment Plant Laboratory	COD Spectrophotometer	Replacement	1	7,500
7	8140	Treatment Plant Laboratory	All-weather composite sampler	Replacement	1	7,500
Total Wastewater Fund						\$ 124,000

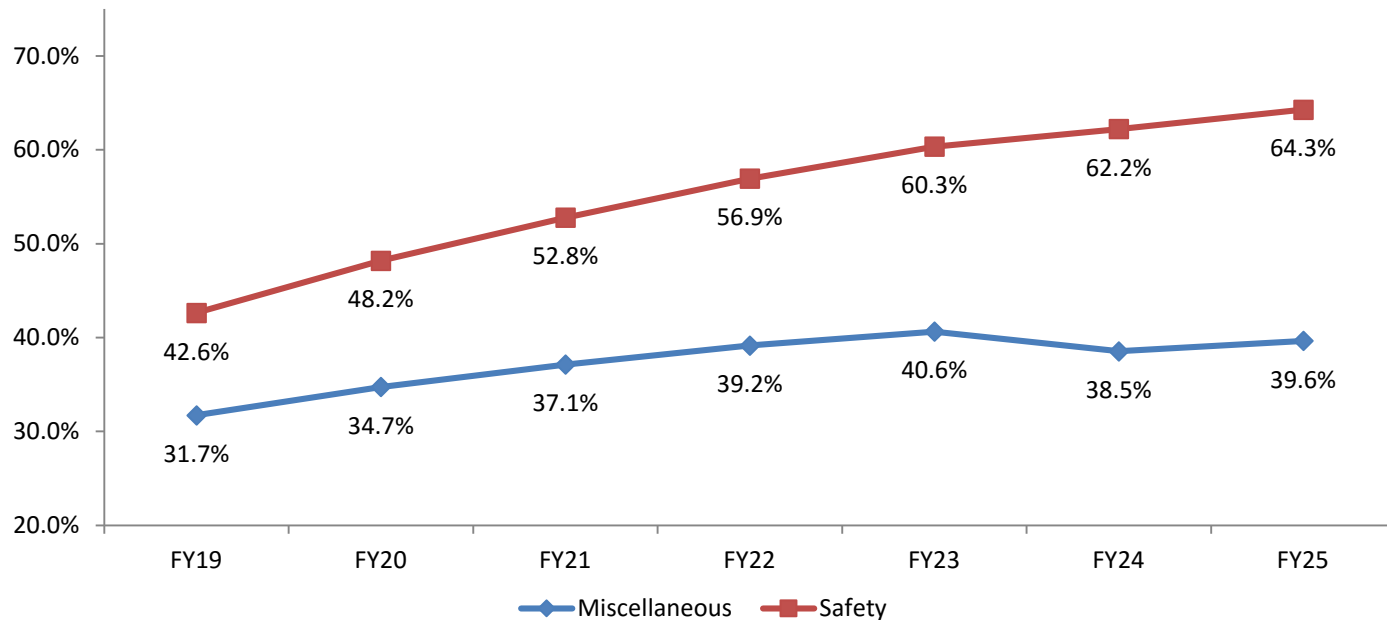
TOTAL CITYWIDE						\$ 1,101,980
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CalPERS Pension Expenses on the Rise

Employer Cost as a Percentage of Payroll

The CalPERS employer contribution rate for Yuba City is projected to increase significantly through FY25.



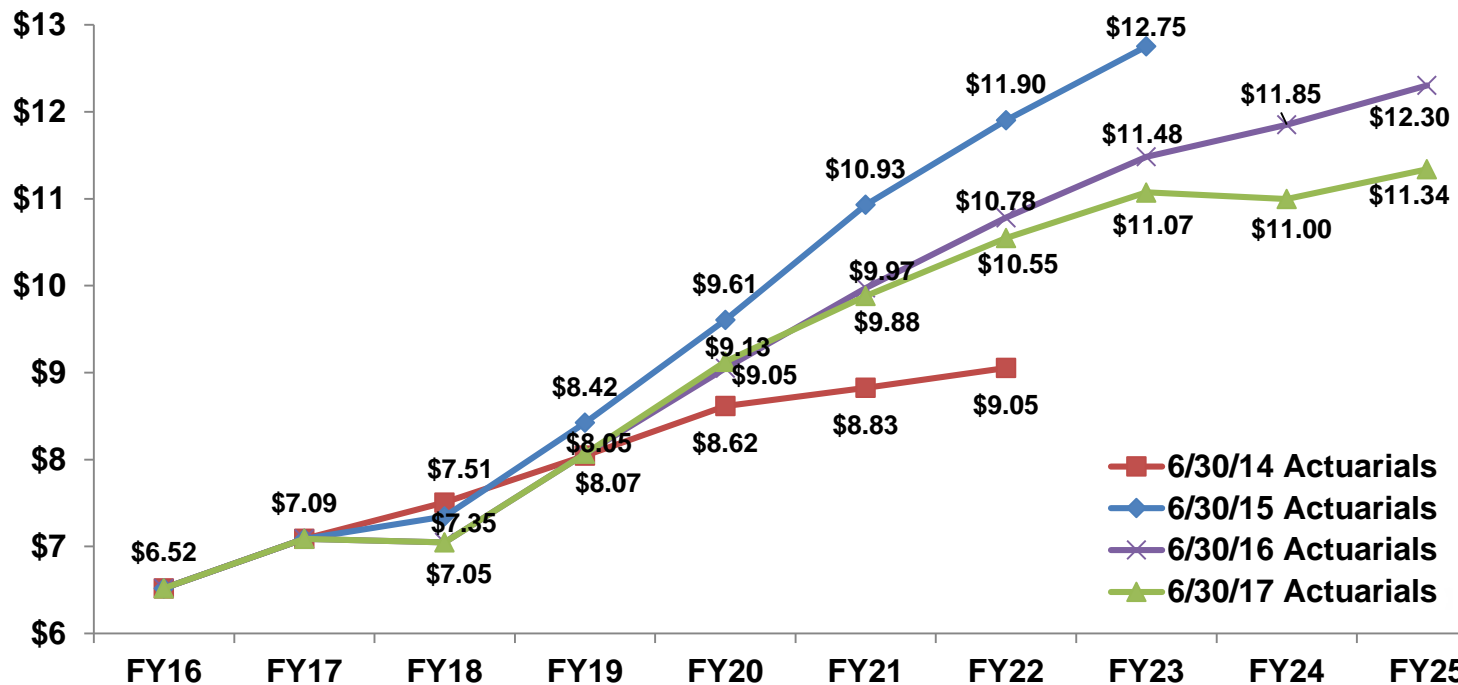
Sources: CalPERS Miscellaneous, Safety Tier 1, 2, 3 & PEPRA Actuarial Valuation Reports dated June 30, 2017.
The Safety estimated rate is based on a composite rate of all tiers.



CalPERS Pension Expenses on the Rise

Employer Cost in total dollars—Updated for FY 19-20

The CalPERS employer contribution is projected to increase by 75% from FY16 to FY25



Sources: CalPERS Miscellaneous, Safety Tier 1, 2, 3 & PEPR Actuarial Valuation Reports.



FY 18-19 Surplus Policy Discussions

Projected Revenues FY 18-19	\$ 43,604,475
Grants Included in Revenues (will be spent or carried over)	(225,000)
Projected Expenditures FY 18-19	(42,326,559)
Sub-Total Projected Surplus FY 18-19	\$ 1,052,916

Other Items for Consideration:

One-Time Funds Set Aside combined with Fund Balance	317,594
Less Needed to Achieve 15% Healthy Cities Reserve	(305,138)
Advance to DIF for 10% of Loans	(398,086)
Technology Replacement Purchases-Cash Shortage FY 19-20	(268,800)
Police Vehicle Purchases-Cash Short FY 19-20	(132,212)
Available for One-Time Purposes	\$ 266,274



General Fund Reserves



General Fund Reserves

Healthy Cities Reserve 7/1/18	\$ 6,209,409
One-Time Money Designation requested to move to Fund Balance Unreserved	317,594
Projected Remaining Funds from FY 18-19 Surplus	266,274
Total Projected General Fund Reserves 6/30/19	<u><u>\$ 6,793,277</u></u>



Pension Stabilization Trust

Contribution from City's former ESR FY 15-16	\$ 2,000,000
Investment Earnings FY 16-17	68,249
Contribution from FY 16-17 Surplus	330,111
6/30/17 Balance	<u>\$ 2,398,360</u>
Investment Earnings FY 17-18	55,328
Contribution from FY 17-18 Surplus	611,859
6/30/18 Balance	<u>\$ 3,065,547</u>
Withdrawal FY 18-19 Additional Discretionary Payment	(500,000)
Investment Earnings FY 18-19	189,353
6/30/19 Projected Balance	<u><u>\$ 2,754,900</u></u>



General CIP Fund Reserves

Total General CIP Funds Available	\$ 4,768,200
Already Allocated to Projects	(2,704,300)
Proposed General Fund CIP Projects FY 19-20	(1,149,500)
Recommended Designation for Unexpected Needs	(500,000)
General CIP Fund Unallocated Remaining 6/30/19	<u>\$ 414,400</u>

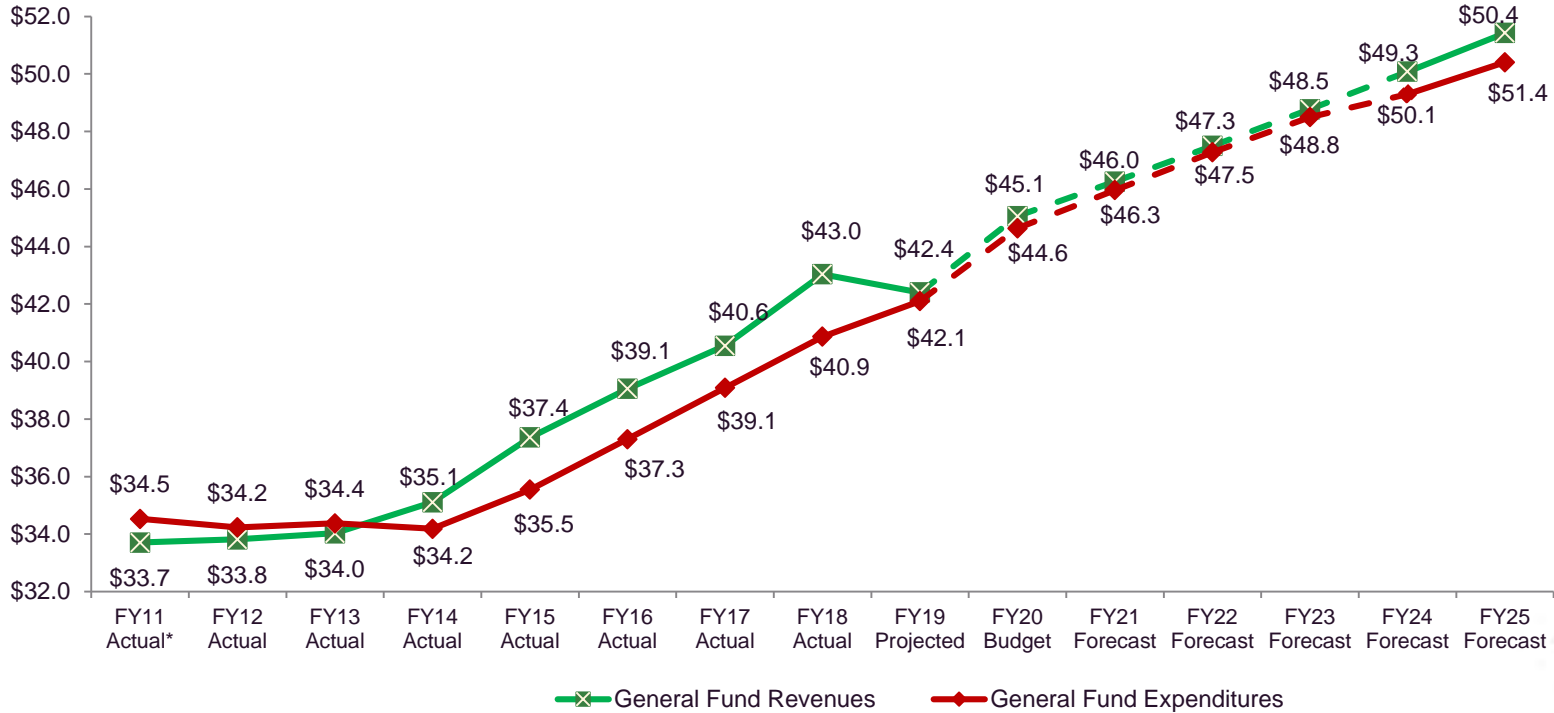


Vehicle Replacement Fund Reserves- General Fund Share Only

Projected General Fund Share 7/01/19	\$ 7,786,725
Contributions from Budget FY 19-20	800,000
Proposed Capital Acquisition Purchases FY 19-20	(348,580)
Proposed Transfer from General Fund 6/30/19	132,212
Projected General Fund Share VRP 6/30/20	<u><u>\$ 8,370,357</u></u>



General Fund-Historical Financial Performance and Future Year Projections



* Revenues Exclude One-Time Reserve Fund Infusions



Questions?



Wrap-Up Items for Discussion and Consideration

- Transfers requested as of 6/30/19 to fund items included in FY20 budget:
 - A) \$268,800 Technology Replacement
 - B) \$132,212 Vehicle Replacement Fund
- Developer Impact Fee Fund Loans (Police & Fire)-continue 10% loan of negative balances?
- Combine \$317,594 “Reserve for Operations Fund” with “Fund Balance Unreserved”?
- Make \$500,000 general fund ADP to CalPERS; total all funds would be \$837,808?

