



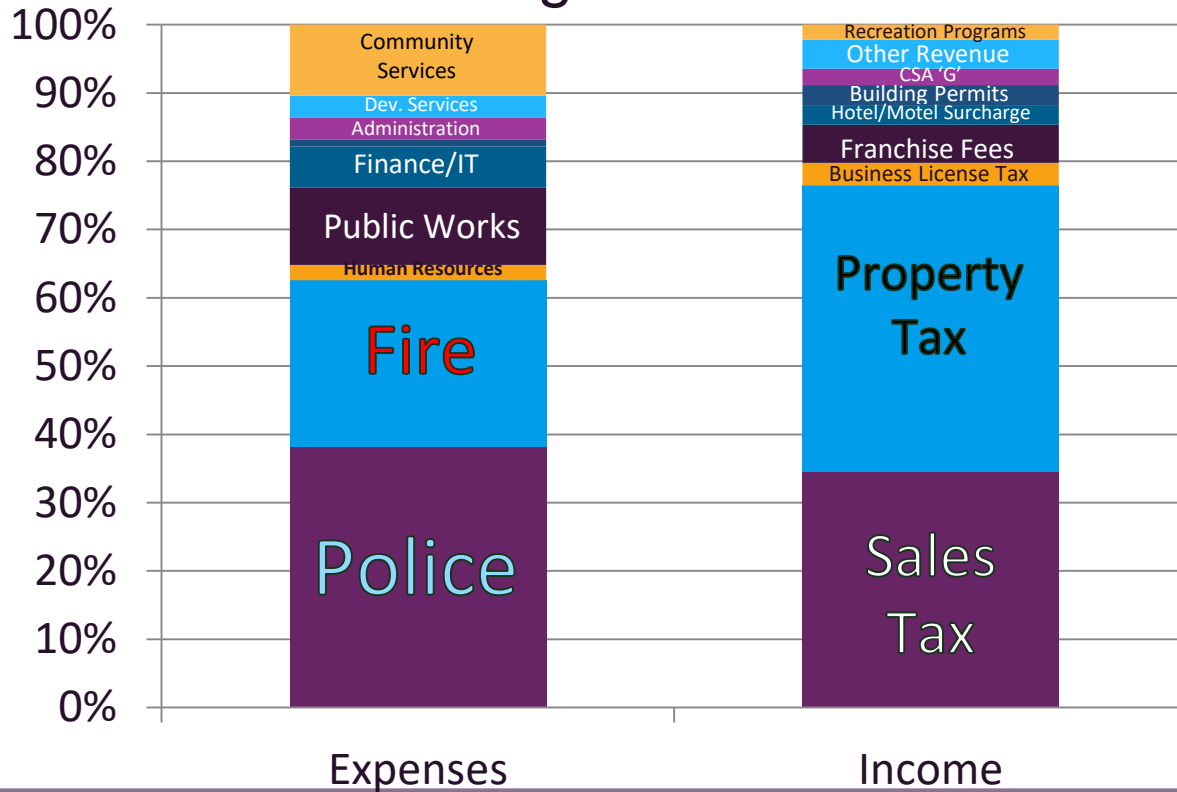
FY 2020/21 Budget Workshop—May 26, 2020

General Fund



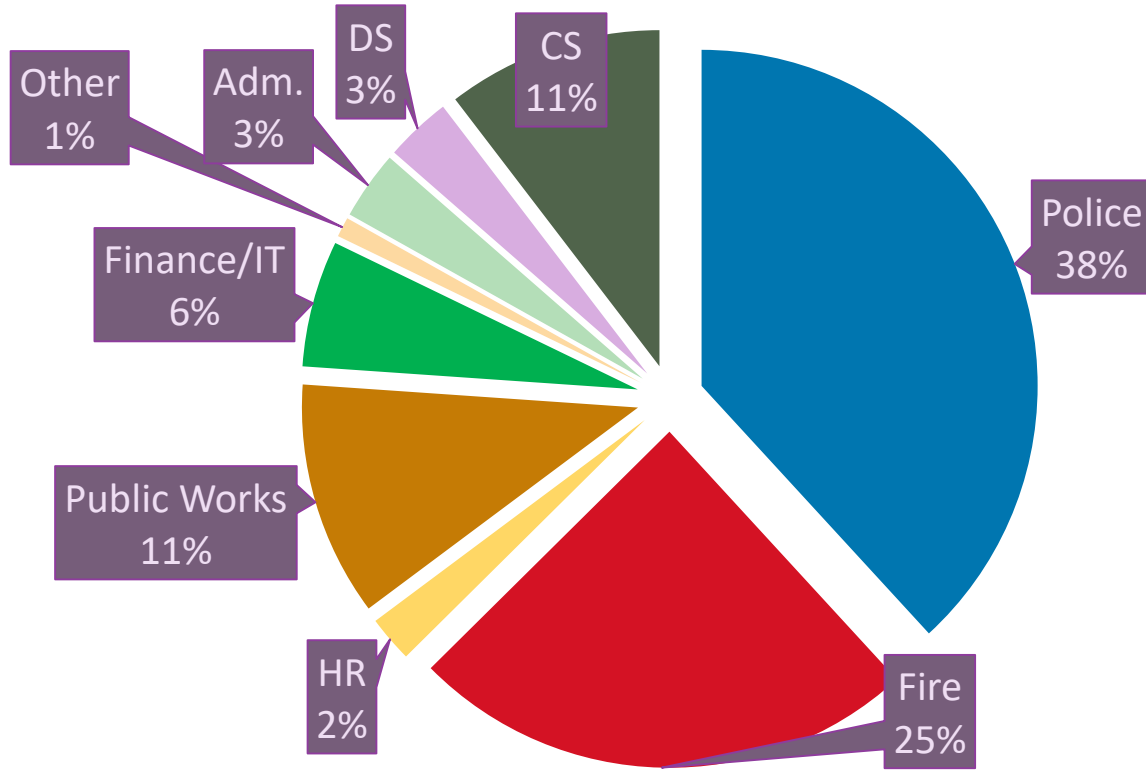
General Fund Budget Allocations

Making It All Work

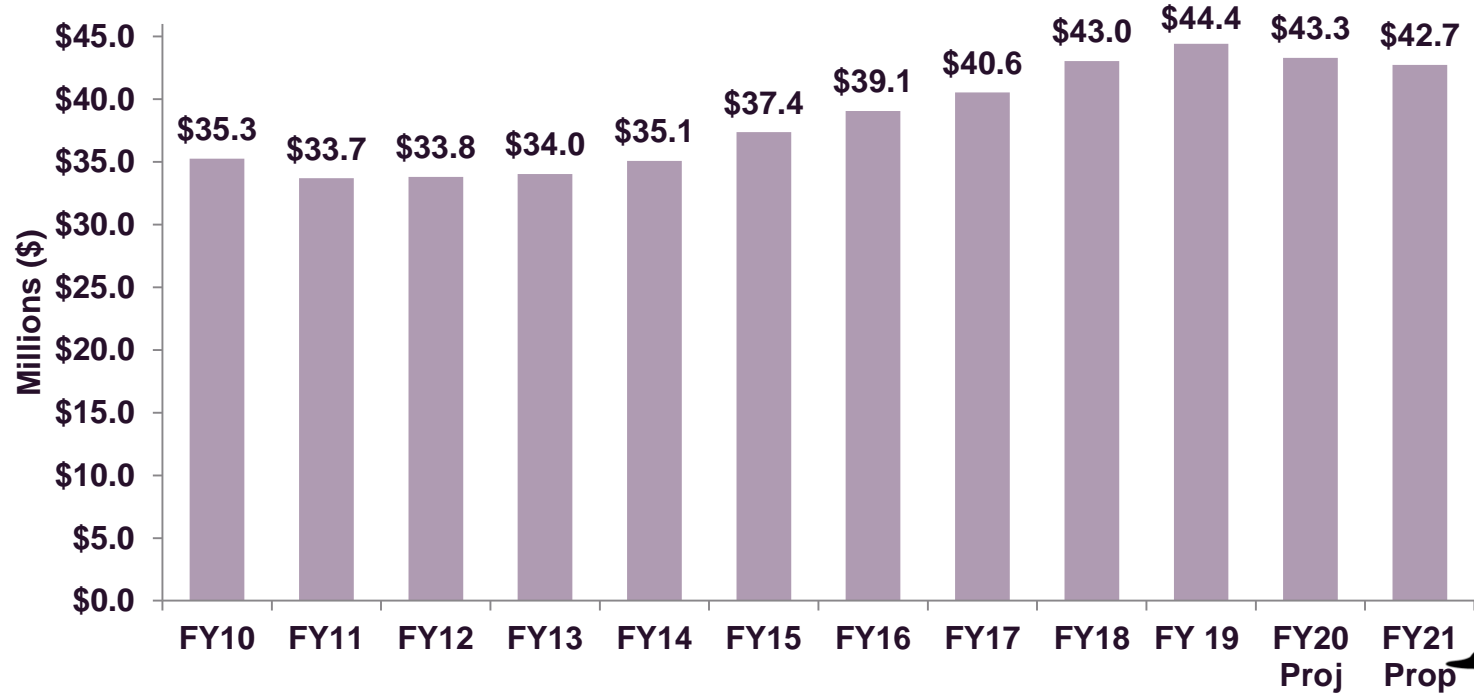


Yuba City Budget Allocations

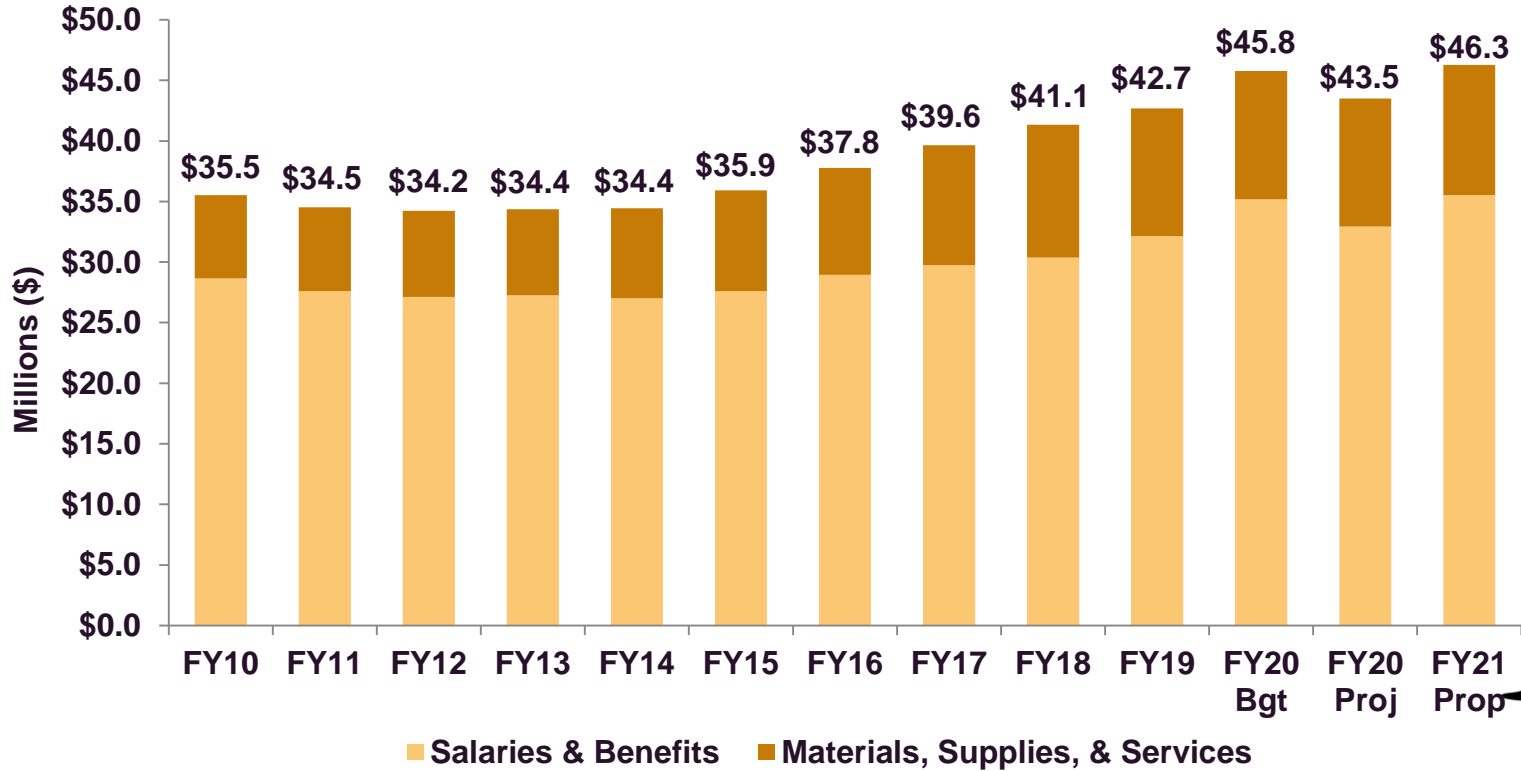
63% Public Safety



Revenues General Fund



Expenses General Fund



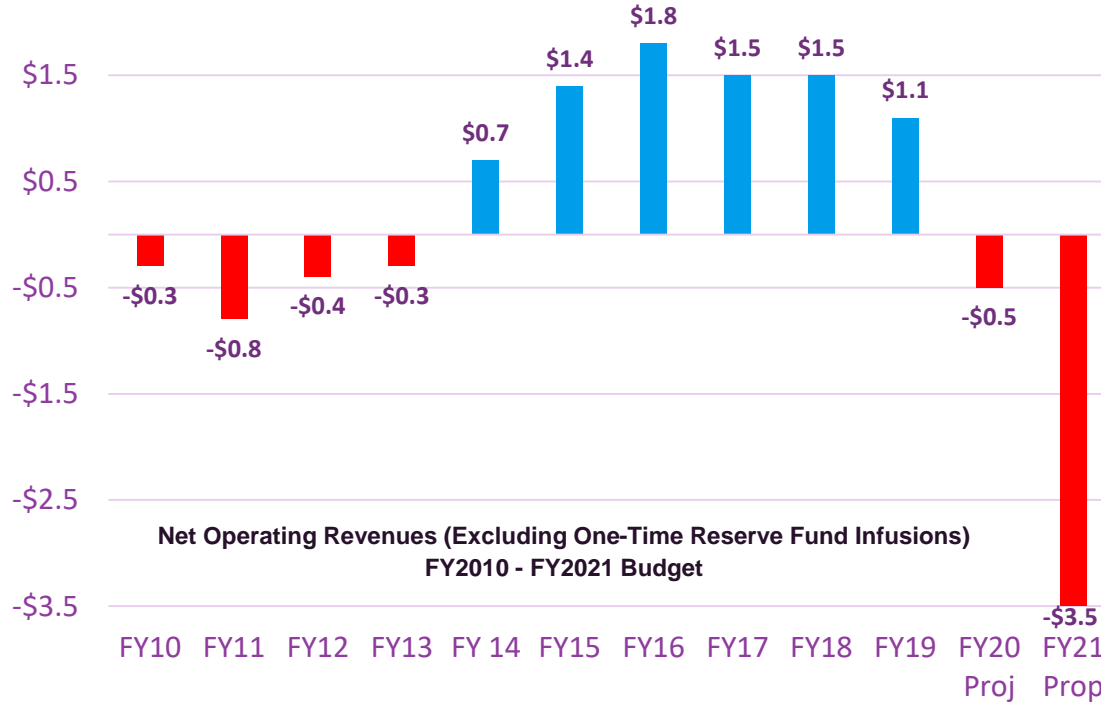
General Fund Summary Changes from FY 19-20 Adopted Budget to FY 20-21 Proposed

Adopted Operating Surplus from FY 19-20	\$ 454,800
Revenue Decreases	(2,346,200)
Salary & Benefit Increases	(1,332,800)
Materials, Supplies & Services Decreases	51,400
Capital Acquisitions Decrease	10,000
Internal Service Funds Increase	(348,909)
Recreation Program Cost Increase	(89,878)
Animal Services Cost Decrease	59,227
Debt Service Increase	(625)
Proposed Operating Budget Deficit FY 20-21	<u><u>\$ (3,542,985)</u></u>



Net Operating Surplus or Deficit

General Fund Revenues Less Expenses



Note: 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 – Additional Item

- Vehicle Replacement-Additional Funding
Currently funding at \$800,000 per year for general fund
Recommended amount should be \$1,107,000



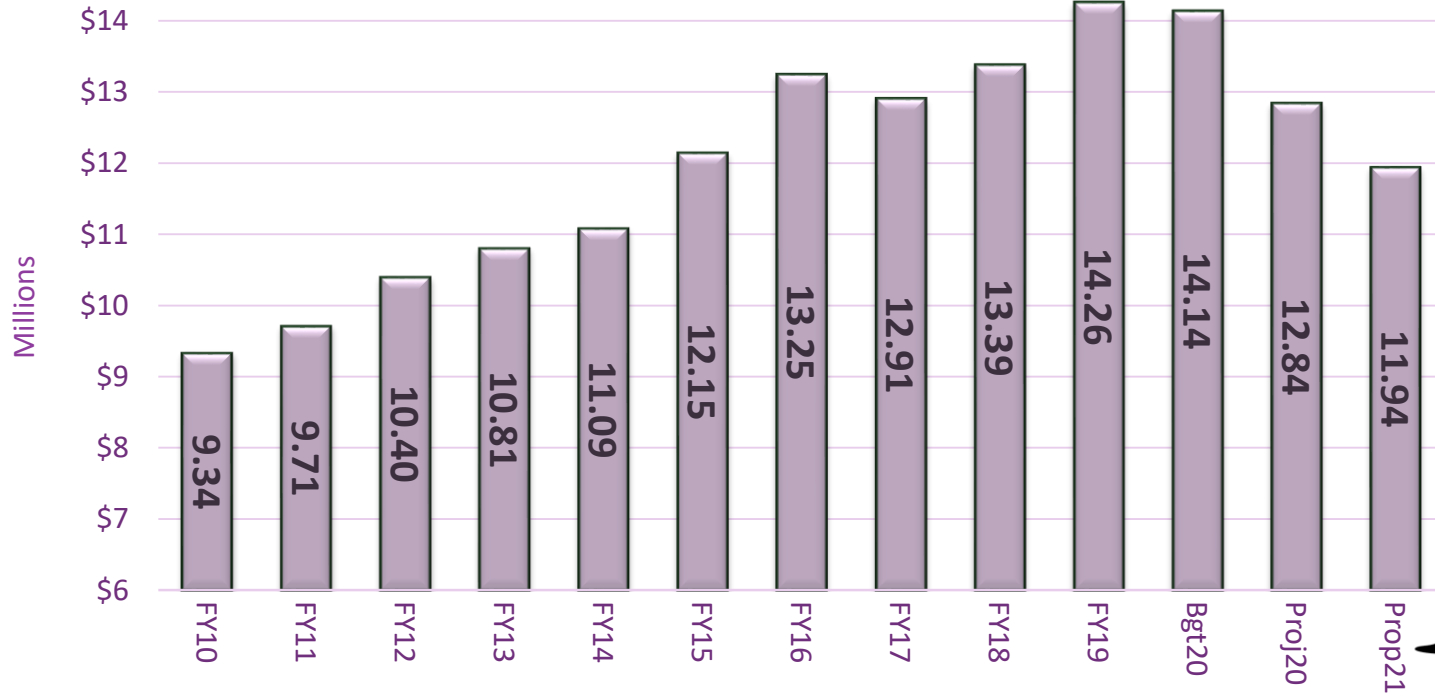
Largest Revenue Changes

Sales Tax	\$(2,224,700)
Property Taxes	473,800
Hotel/Motel Surcharge	(318,600)
Recreation Programs	(154,100)
Franchise Fees	111,000
Real Prop. Transfer Tax	(61,700)
Business Licenses	53,400

Building Permits	(30,200)
SAFER Grant	(22,700)
CSA 'G' Property Taxes	14,800
All Others	(93,200)
Cost Allocation (see next)	(94,000)
Net Decrease in Revenue	\$(2,346,200)



Sales Tax

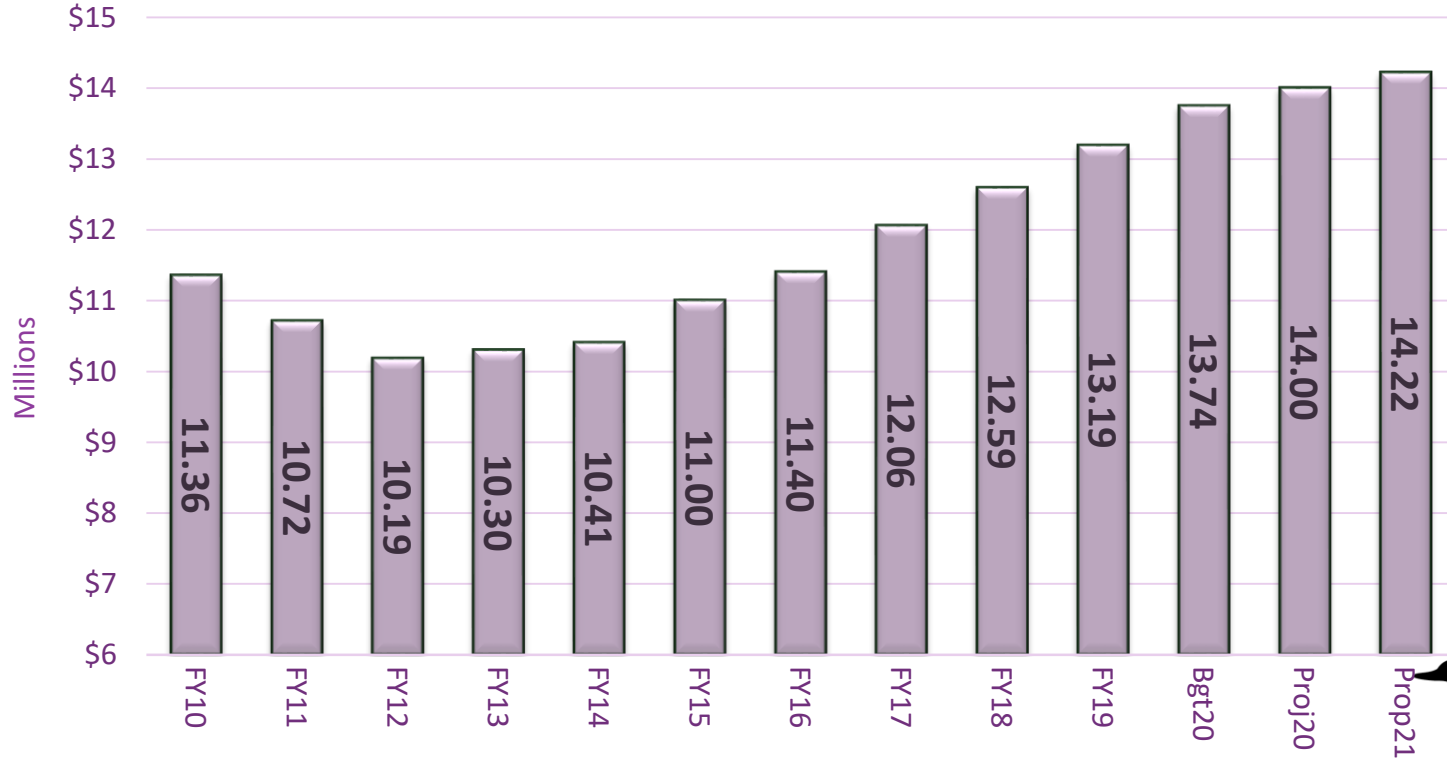


Sales Tax Outlook

City's Budgeted 19/20 Increase	\$616,100
City's Projected 19/20 Decrease	\$(1,296,200)
HdL Projected 19/20 Decrease on Jan. 2 nd	\$(48,672)
HdL Projected 19/20 Decrease on May 6 th	\$(1,469,148)
City's Budgeted 20/21 Decrease from 19/20	\$(2,195,300)
HdL Projected 20/21 Decrease from 19/20	\$(1,568,982)
<i>HdL Projected 21/22 Increase from 20/21</i>	<i>\$800,000</i>



Property Taxes



Changes In Cost Allocation Reimbursements and Interfund Transfers

Streets & Roads/TDA Funds	\$61,700
Wastewater	157,000
Water	132,500
Public Works Alloc. to CIP	29,600
Landscape and Lighting Dist.	(13,900)

Traffic Safety Fund	50,000
RDA Successor Agency	(11,900)
Other	1,000
Txfr. Pension Stblztn. Fund	(500,000)
Net Decr. in Cost Allocations	\$(94,000)



Largest Salary & Benefit Expenditure Changes

Approved MOU Contracts	\$1,309,825
FY 19/20 Changes	(1,270,104)
19/20 Healthcare Savings	(78,221)
PERS UAL Increase	1,294,101
PERS Normal Cost Incr.	178,684
Step Increases	284,706
Unemployment Cost Decr.	(16,211)
Section 415(b)/Pensions	5,800

Remove ADP	(500,000)
Vision/Dental	(14,194)
MS&S Transfer	8,000
ARC Contribution (OPEB)	(6,750)
20/21 Healthcare Increases	67,635
Work Comp Increases	69,527
Total	\$1,332,798



Detail of ISF Changes

Internet Charges	\$18,731
Vehicle Maintenance Fund	64,085
Vehicle Fuel Charges	21,500
Raw Water Charges	(39,518)
Liability Insurance Fund	335,537
Computer Replacement Fund	(46,685)
All Other Charges	(4,740)
Total ISF Changes	\$348,910



Capital Acquisition Requests-Vehicles

VEHICLE REPLACEMENT FUND - 620

No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	1920	Building Division	1/2 Ton pickup (super cab)	Replacement	1	26,500
2	1930	Engineering	Utility vehicle	Replacement	1	30,000
3	2110	Traffic Division	Police Motorcycles	Replacement	5	125,000
4	3130	Streets Division	1/2 Ton pickup (4x4 extended cab)	Replacement	1	30,000
5	3130	Streets Division	1/2 Ton pickup (extended cab)	Replacement	1	25,000
6	3130	Streets Division	Mechanical Sweeper	Replacement	1	320,000
7	5115	Parks Division	1/2 Ton pickup	Replacement	3	73,500
8	5115	Parks Division	Ariel Truck	Replacement	1	180,000
9	7110	Water Distribution	1/2 Ton pickup (extended cab)	Replacement	1	25,000
10	7110	Water Distribution	Utility Truck	Replacement	1	46,500
11	7110	Water Distribution	10-yard Dump Truck	Replacement	1	145,000
12	8120	Wastewater Treatment	3/4 Ton pickup (4x4)	Replacement	1	38,000
13	8140	Wastewater Lab	1/2 Ton pickup (4x4 extended cab)	Replacement	1	30,000
Total Vehicle Replacement Fund						\$ 1,094,500

Capital Acquisition Requests-Technology

TECHNOLOGY REPLACEMENT FUND - 622

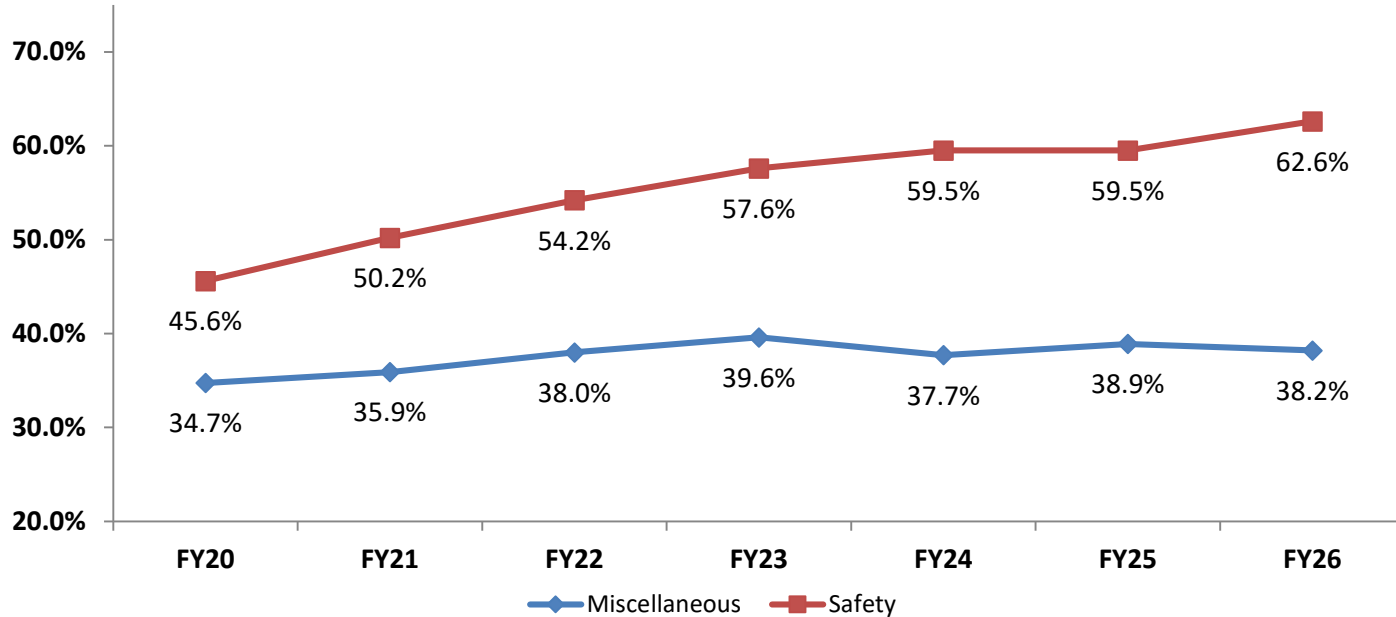
No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	6630	Information Technology	Network Switch	Replacement	3	15,000
2	6630	Information Technology	WiFi AP's	Replacement	1	50,000
3	6630	Information Technology	WTP Security Cameras	Replacement	1	60,000
4	6630	Information Technology	Patrol Car Computers	Replacement	27	202,500
5	6630	Information Technology	Backup Storage Array	Replacement	1	80,000
Total Technology Replacement Fund						\$ 407,500



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 FY 2026.



Sources: CalPERS Miscellaneous, Safety Tier 1, 2, 3 & PEPRA Actuarial Valuation Reports dated June 30, 2018.

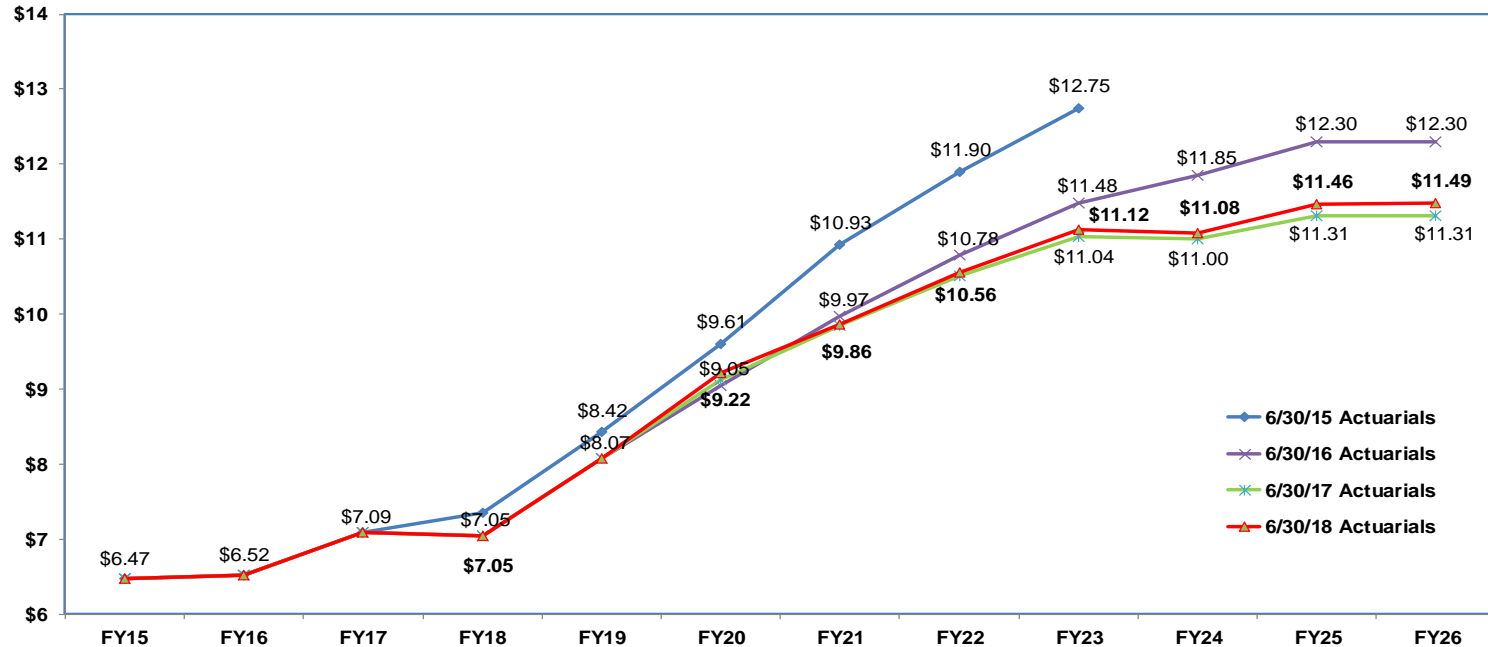
The Safety estimated rate is based on a composite rate of all tiers.



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 over 76% from FY16 to FY26



Sources: CalPERS Miscellaneous, Safety Tier 1, 2, 3 & PEPA Actuarial Valuation Reports dated 6-30-18.

General Fund Reserves



General Fund Reserves

Healthy Cities Reserve 7/1/19	\$ 6,836,022
FY 19-20 Projected Budget Shortfall	(458,400)
Total Projected General Fund Reserves 6/30/20	<u>\$ 6,377,622</u>
Healthy Cities Reserve 15% of FY 20-21 Appropriations	\$ 6,940,063



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 15-16 Surplus	330,111
6/30/17 Balance	<u>\$ 2,398,360</u>
Investment Earnings FY 17-18	55,328
Contribution from FY 16-17 Surplus	612,853
6/30/18 Balance	<u>\$ 3,066,541</u>
Contribution from FY 17-18 Surplus	145,699
Withdrawal FY 18-19 Additional Discretionary Payment	<u>(600,000)</u>
Investment Earnings FY 18-19	188,597
6/30/19 Balance	<u>\$ 2,800,837</u>
Contribution from FY 18-19 Surplus	146,418
Withdrawal FY 19-20 Pension Reimbursement	<u>(500,000)</u>
6/30/20 Projected Balance	<u><u>\$ 2,447,255</u></u>



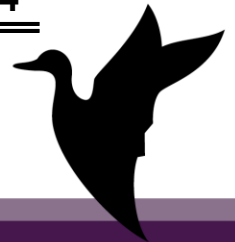
General CIP Fund Reserves

Total General CIP Funds Available	\$ 3,991,889
Already Allocated to Projects	(3,033,555)
Proposed General Fund CIP Projects FY 20-21	(40,000)
Recommended Designation for Unexpected Needs	(500,000)
General CIP Fund Unallocated Remaining 6/30/20	<u>\$ 418,334</u>



Vehicle Replacement Fund Reserves-General Fund Share Only

Projected General Fund Share 7/01/20	\$ 8,289,314
Contributions from Budget FY 20-21	800,000
Proposed Capital Acquisition Purchases FY 20-21	(810,000)
Proposed Transfer from General Fund 6/30/21	125,000
Projected General Fund Share VRP 6/30/21	<u>\$ 8,404,314</u>



General Fund – Next Steps

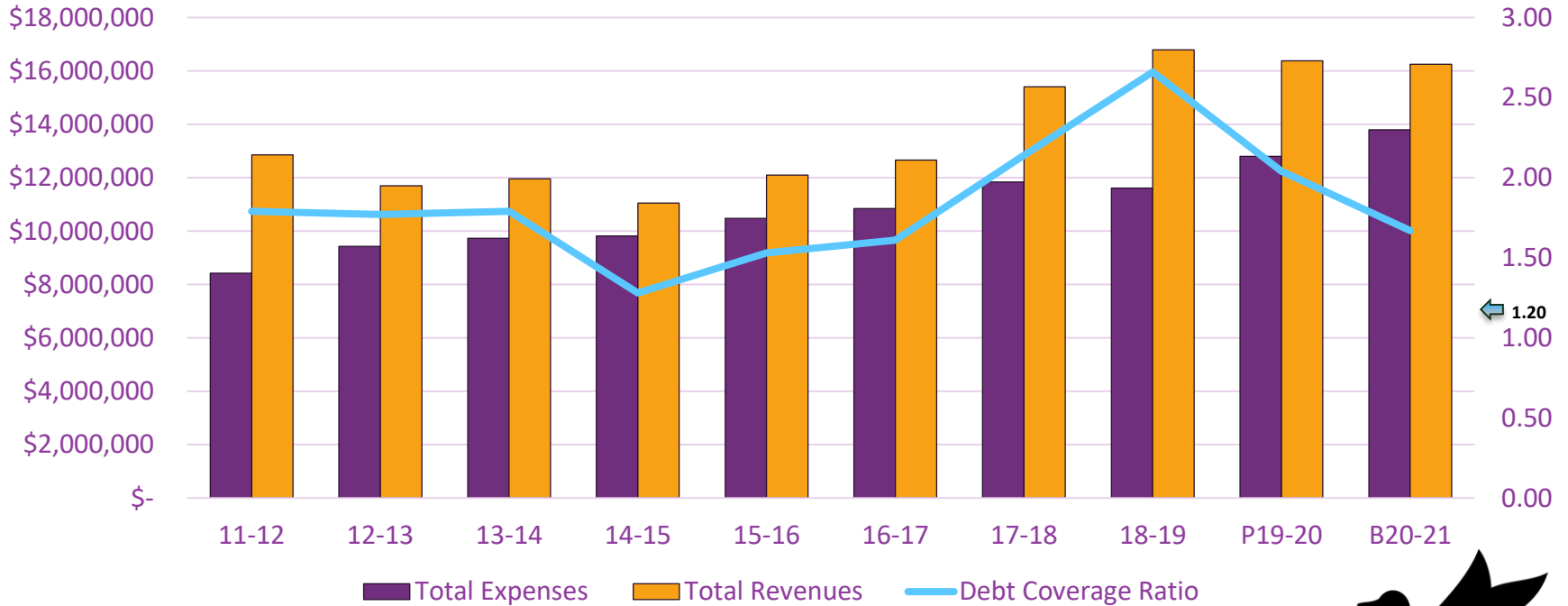
- Deficit Budget – Must address very soon
- Staff to bring reduction scenarios – June 2nd
- Quarterly review with amendments – Sep/Oct
- Additional direction or requests?



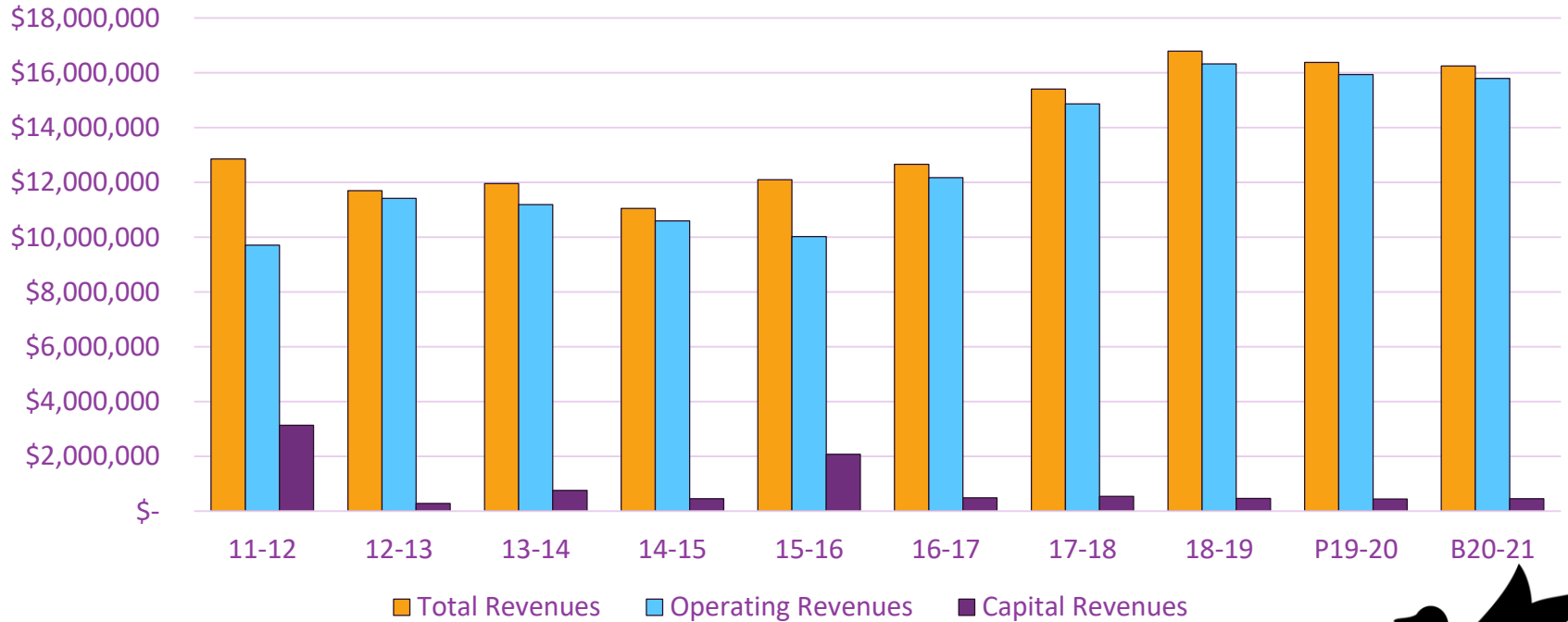
Enterprise Funds



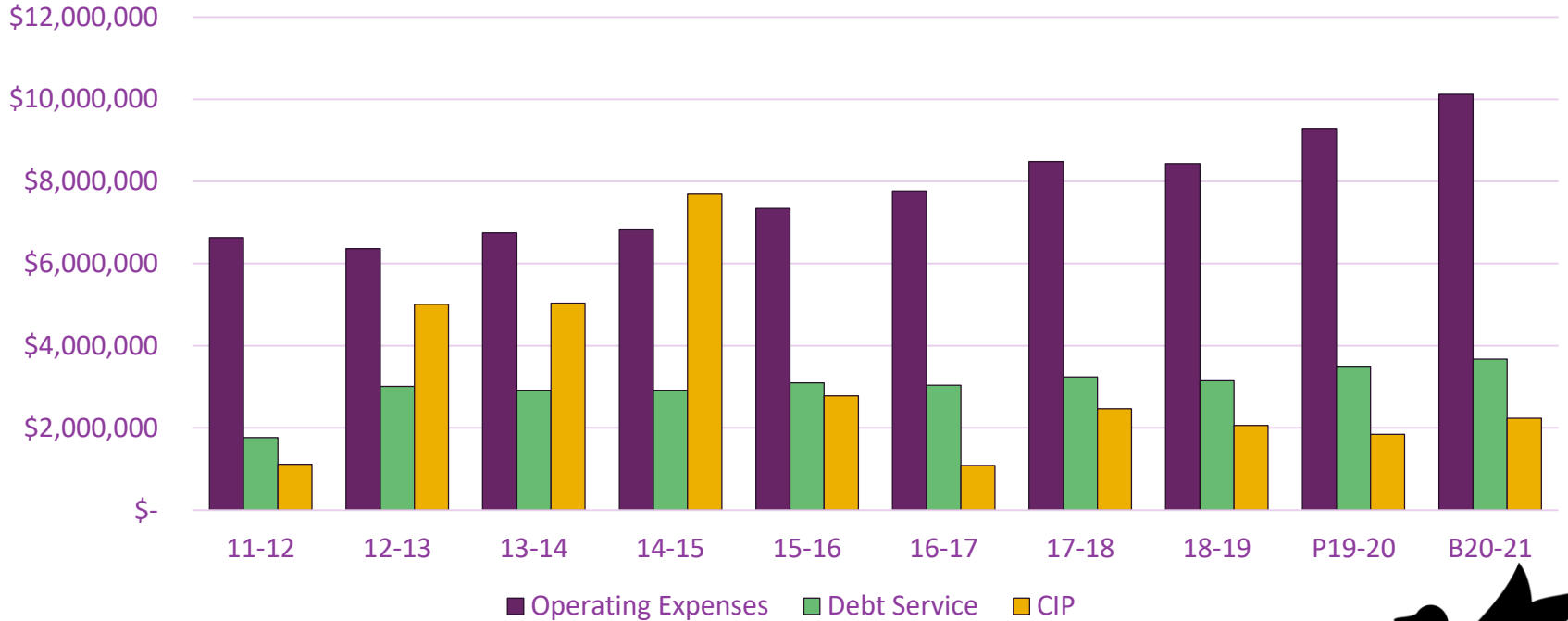
Water Revenues, Expenses & Debt Coverage



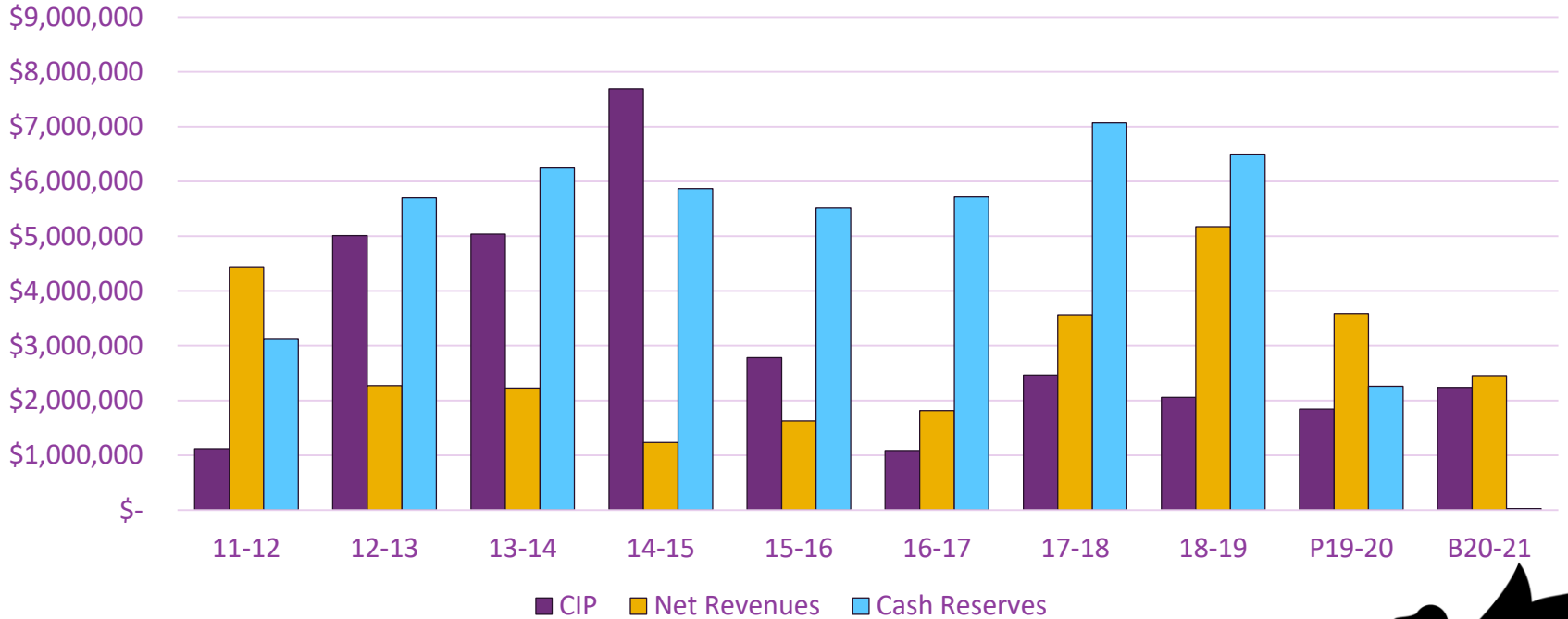
Water Revenues



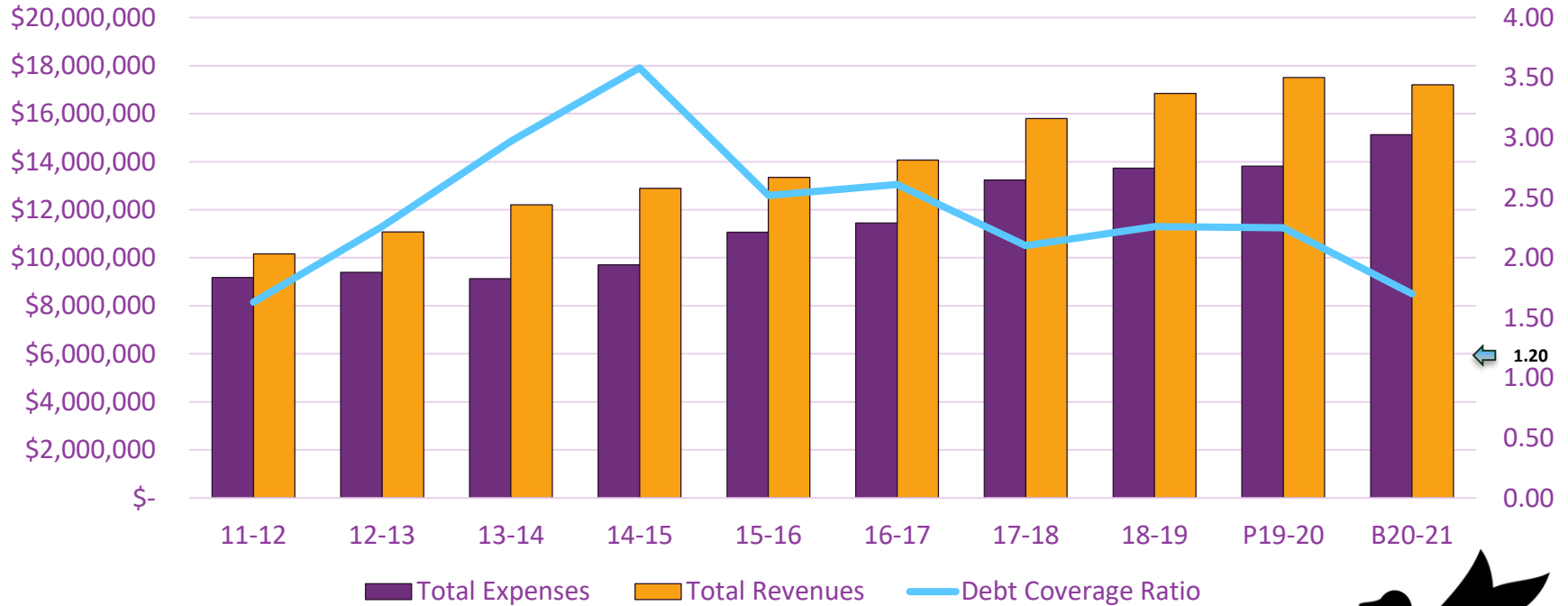
Water Expenses



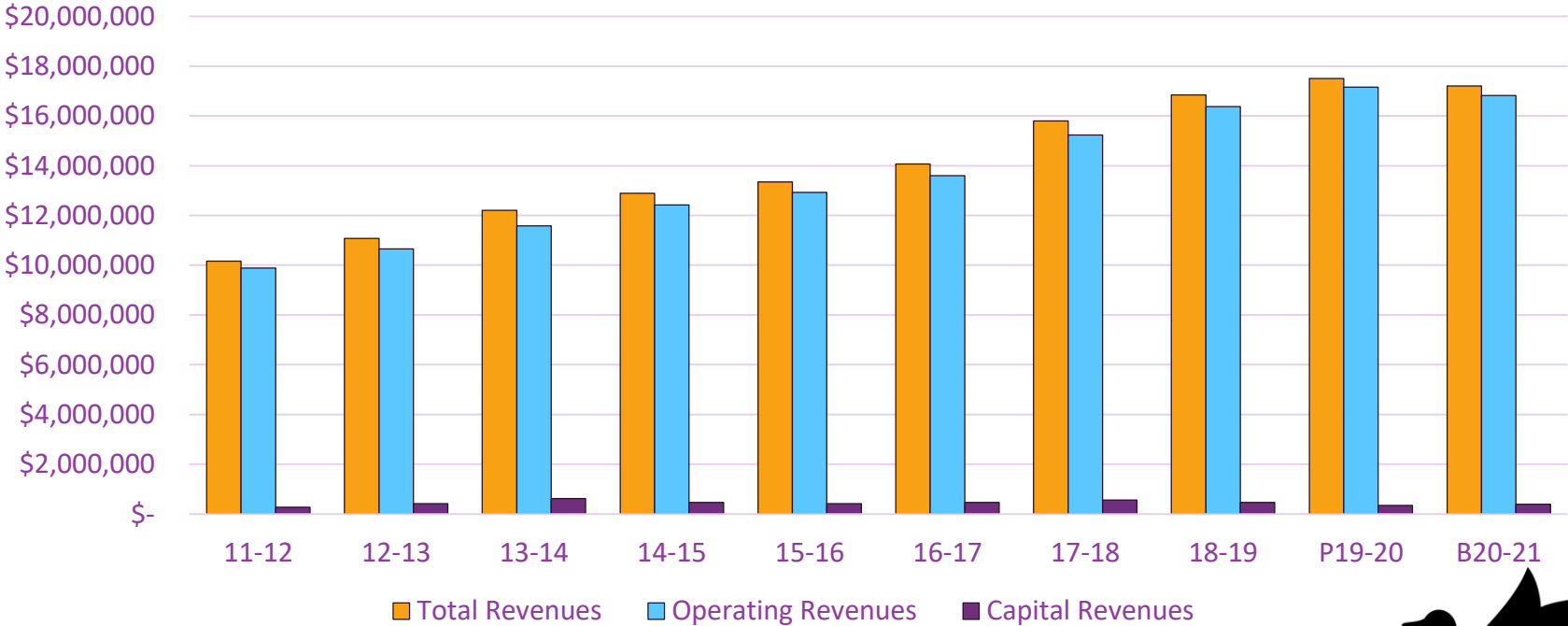
Water CIP, Cash Reserves & Net Revenues



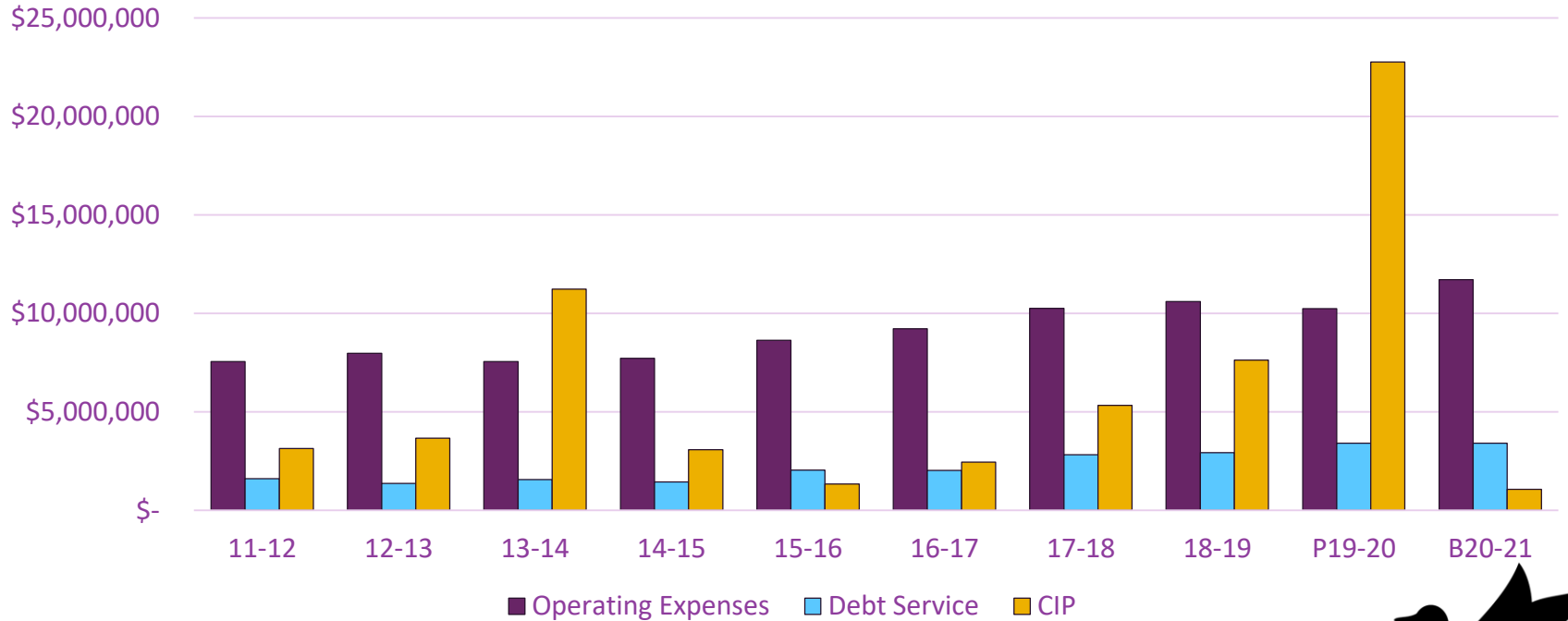
Wastewater Revenues, Expenses & Debt Coverage



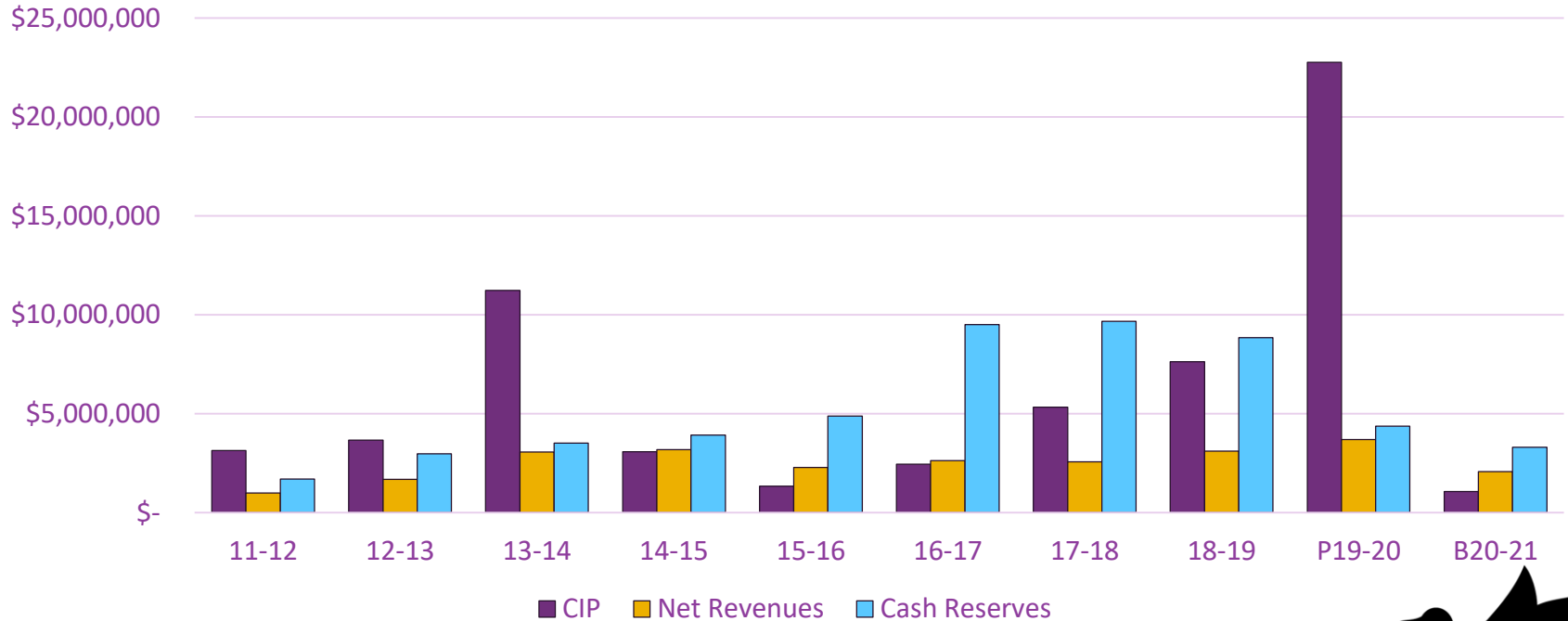
Wastewater Revenues



Wastewater Expenses



Wastewater CIP, Cash Reserves & Net Revenues



Questions?



Wrap-Up Items for Discussion and Consideration

- Requested in FY20-21 budget in addition to rollover:
 - A) \$200,000 City Attorney Budget
 - B) \$125,000 Vehicle Replacement Fund from General Fund
- June 2nd: Review Budget Reduction Scenarios and Provide Additional Direction or Concerns

