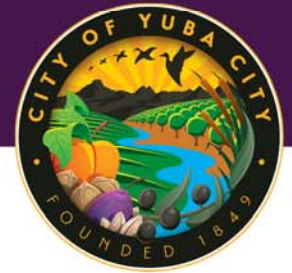




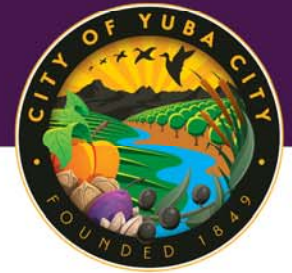
**FY 2020/21 Budget Workshop—May 25, 2021**

# ARPA (HR 1319) Funds



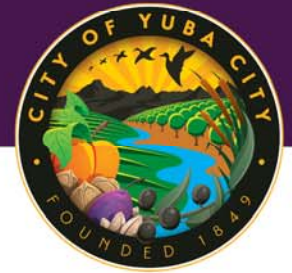
- \$15.6 million in two installments
- Must be spent to offset or recover from pandemic setbacks and boost the local economy
- These funds will be addressed separately.
- Staff will bring recommendations soon.
- All funds must be spent by 12/31/2024.

# Budget Process

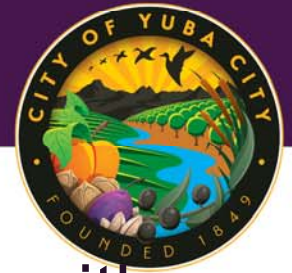


- Departments
  - Sound guidance
- Finance
  - Verify funds avail.
- Ad Hoc Committee
  - Add perspective
- City Manager Recommendations
  - Ensures vision
- Budget Study Session
  - Public review
- Budget Adoption
  - Plan in place

# General Fund

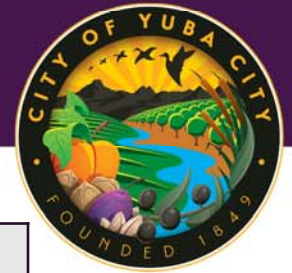


# Deficits & Surpluses



- Uncertainty was the tone in May, 2020
- Passed deficit budget FY 2020/21
- Early signs of strong sales tax revenues
- Ended 2019/20 with a surplus
- See continued sales and property tax strength
- Optimism is new tone

# Cash Flow Surplus - Onetime



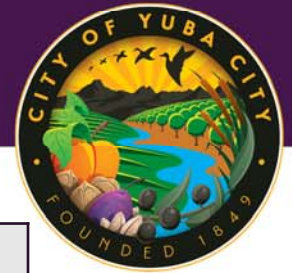
## Sources:

<b>Actual FY 19/20 Surplus</b>	<b>\$2,600,000</b>	
<b>Projected FY 20/21 Surplus</b>	<b>2,500,000</b>	
<b>Total Sources</b>		<b>\$5,100,000</b>

## Uses:

<b>FY 2021/22 CIP Requests</b>	<b>\$1,896,500</b>	
<b>Pension Stabilization</b>	<b>500,000</b>	
<b>Transfers &amp; Onetime Items</b>	<b>782,100</b>	
<b>Total Uses</b>		<b>\$3,178,600</b>

# Structural Surplus - Ongoing



## Revenues:

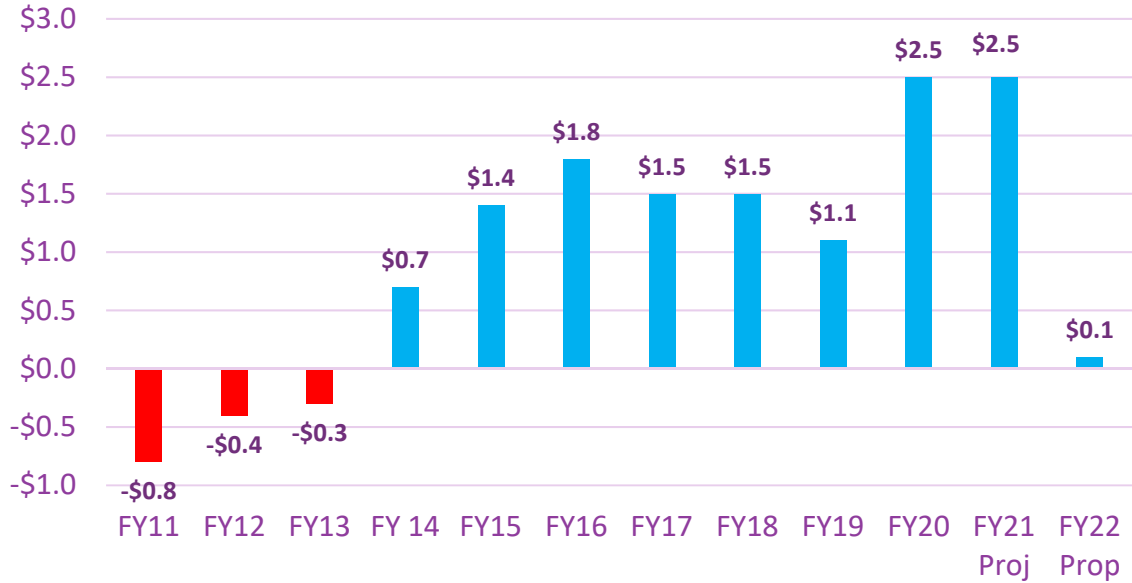
<b>FY 2020/21 Adopted Revenue</b>	<b>\$43,224,100</b>	
<b>FY 2021/22 Revenue Increase</b>	<b>5,487,500</b>	
<b>Proposed FY 2021/22 Revenues</b>		<b>\$48,711,600</b>

## Expenditures:

<b>FY 20/21 Adopted Expenditures</b>	<b>\$45,020,000</b>	
<b>FY 21/22 Expenditure Increases</b>	<b>3,563,800</b>	
<b>Proposed FY 21/22 Expenditures</b>		<b>48,583,800</b>
<b>Structural Surplus</b>		<b>\$127,800</b>

# Net Operating Surplus or Deficit

## General Fund Revenues Less Expenses



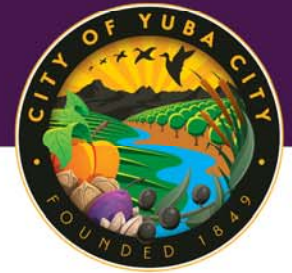
Net Operating Revenues (Excluding One-Time Reserve Fund Infusions)  
FY2011 - FY2022 Budget

Note: The FY14 thru FY19 surpluses are due to vacant positions saving approximately \$1.2, \$1.6, \$1.9, \$1.7, \$2.7, and \$2.3 million respectively. This represents one-time savings that has been programmed for one-time uses such as capital projects and paying down pension liabilities.





# General Fund Reserves

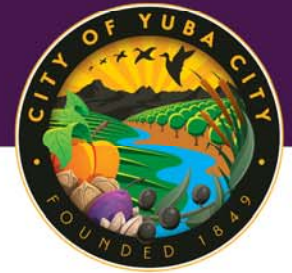


# Reserves & Discretionary Funds

Healthy Cities – 15% Required, FY 20-21	\$6,752,997
<b>Healthy Cities – 15% Required, FY 21-22</b>	<b>\$7,287,570</b>
Other Discretionary General Funds:	
Vehicle Replacement Fund, Projected	\$9,296,000
Pension Stabilization Fund, 3/31/21	2,806,500
Development Impact Fee Loans	1,592,000
General Fund CIP	3,817,000
<b>Total</b>	<b>\$24,799,000</b>

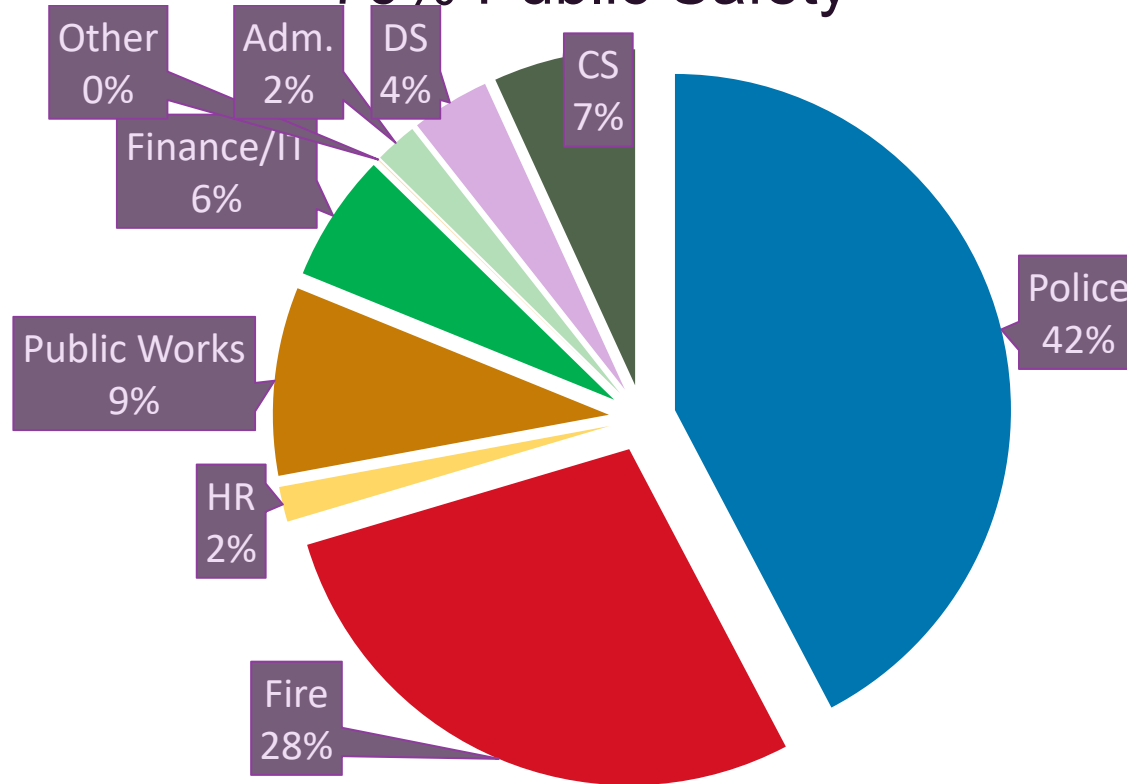


# Budget Details

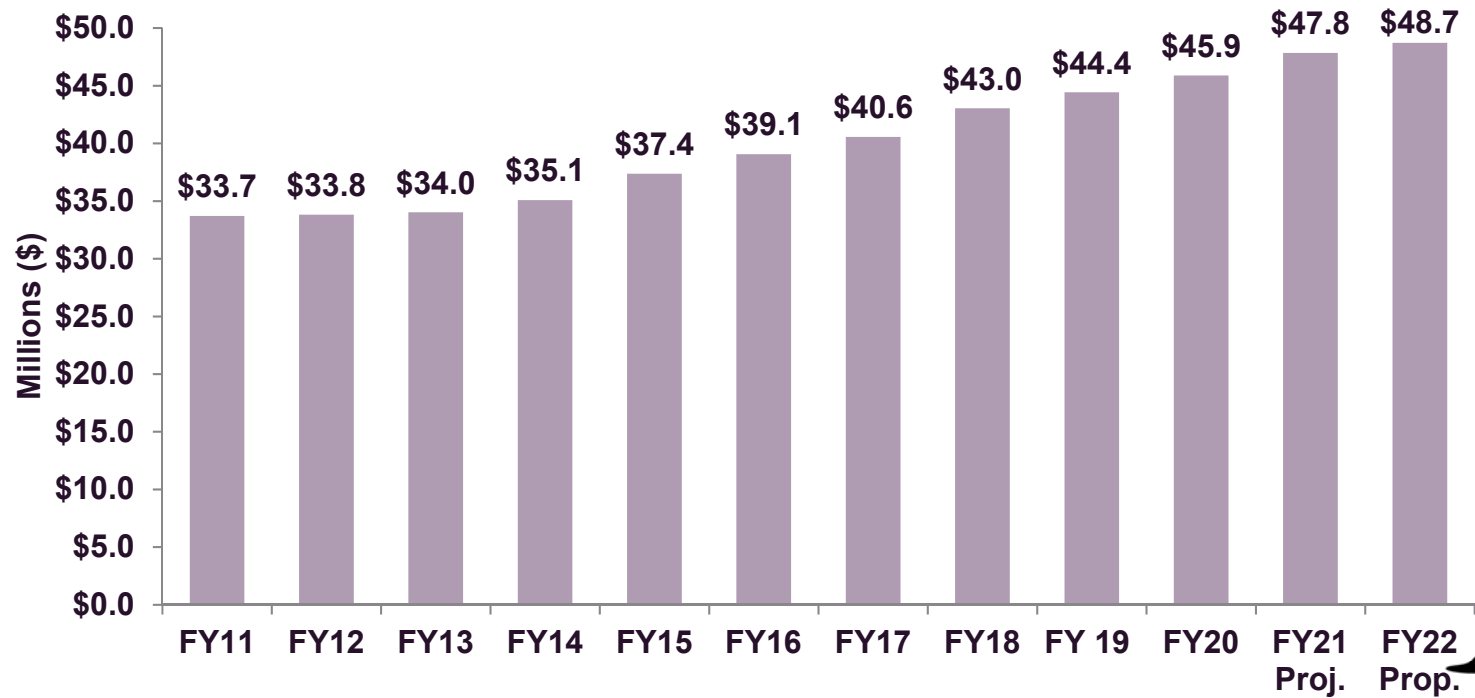


# Yuba City Budget Allocations

## 70% Public Safety



# Revenues General Fund



## Largest Revenue Changes

Sales Tax	\$4,335,800
Property Taxes	1,079,200
Interfund Transfers	512,900
Building Permits	200,000
Transfer Pension Stblizn.	(500,000)
Franchise Fees	(121,200)
Other Revenues	(19,200)
<b>Net Increases in Revenues</b>	<b>\$5,487,500</b>

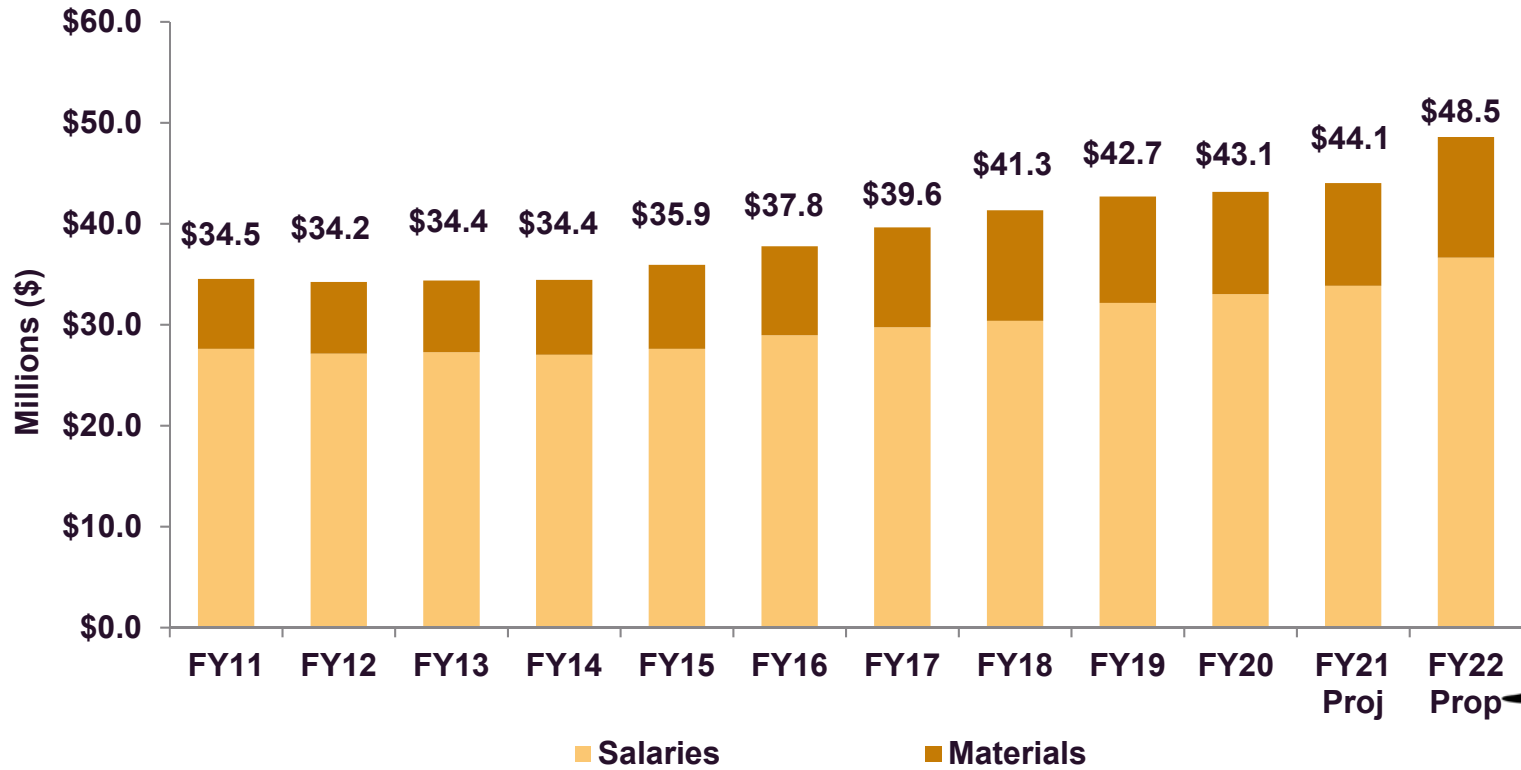


## Most Recent 4 Quarter Results

1 <sup>st</sup> Quarter 2020 over 2019	(4.1%)
2 <sup>nd</sup> Quarter 2020 over 2019	1.5%
3 <sup>rd</sup> Quarter 2020 over 2019	12.7%
4 <sup>th</sup> Quarter 2020 over 2019	10.1%
Average Increase	5.05%
Budgeted Decrease FY 20-21	(7.00%)
Staff/HdL Projection FY 20-21	\$15,682,000
Proposed Increase over FY 20-21 Projection	3.00%



# Expenses General Fund





## Largest Expenditure Changes

Restore 2.5% Reductions	\$1,238,100
Personnel Changes	1,196,400
Other Payroll Changes	794,800
Reducing Vacancies Budget 50%	(1,220,700)
ISF Changes	292,200
MS&S Increase—Ongoing/Onetime	682,900
Other Expenditure Changes	580,100
<b>Total Expenditure Changes</b>	<b>\$3,563,800</b>



# Capital Acquisition Requests-Maint./Vehicles

VEHICLE MAINTENANCE FUND - 619						
No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	6605	Fleet Maintenance	Vehicle Heavy Lift (DC MP-800-018)	Replacement	1	69,000
<b>Total Vehicle Maintenance Fund</b>						<b>\$ 69,000</b>
VEHICLE REPLACEMENT FUND - 620						
No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	7110	Water Distribution	1/2 Ton pick up (extended cab)	Replacement	1	30,000
2	7110	Water Distribution	F350 Utility Truck	Replacement	1	48,500
3	8110	Sewer Collection	Vac Con Sewer Jet	Replacement	1	500,000
4	8110	Sewer Collection	Freightliner 10-yard Dump Truck	Replacement	1	165,000
5	8120	Wastewater Treatment	F250 3/4 Ton pickup (4x4)	Replacement	1	37,000
6	8140	Wastewater Lab	1/2 Ton pick up (4x4 extended cab)	Replacement	1	30,000
<b>Total Vehicle Replacement Fund</b>						<b>\$ 808,500</b>



# Capital Acquisition Requests-Equipment

WASTEWATER FUND - 518						
No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	8140	Wastewater Lab	HACH Spectrophotometer	Replacement	1	7,500
2	8140	Wastewater Lab	Analytical Balance	Replacement	1	10,000
		<b>Total Wastewater Fund</b>				<b>\$ 17,500</b>



# Capital Acquisition Requests-Technology

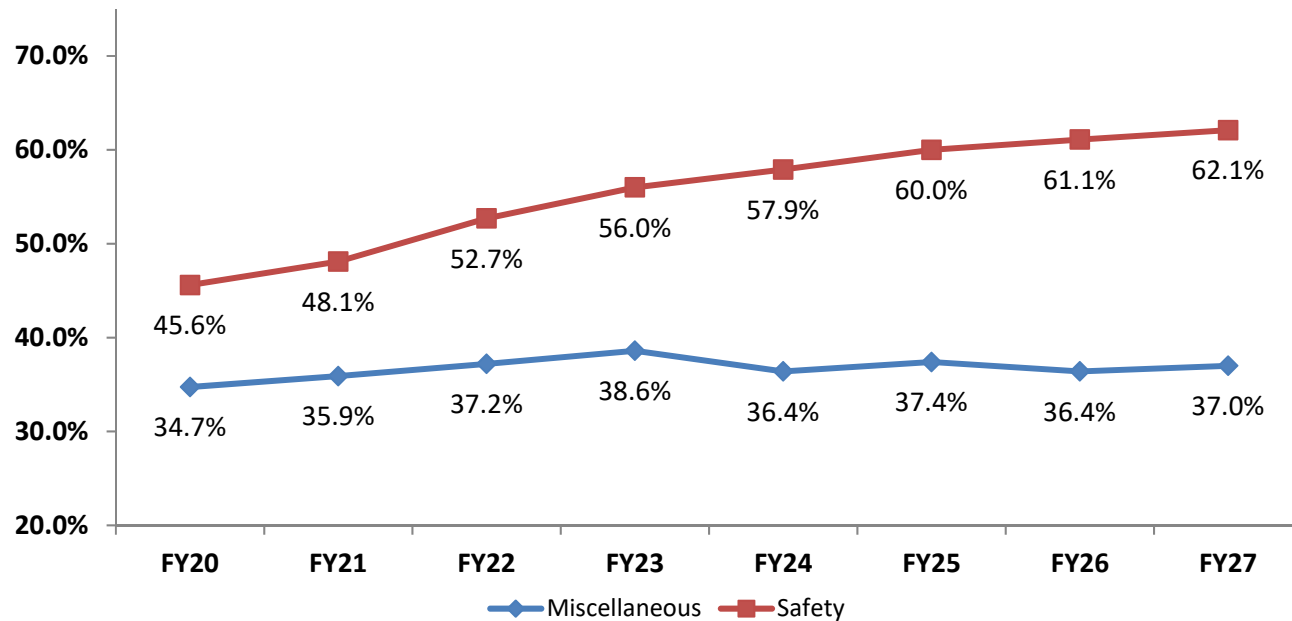
TECHNOLOGY REPLACEMENT FUND - 622						
No.	Acct.	Division/ Program	Description of Acquisition	Replacement/ New Addition	Quantity	Cost
1	6630	Information Technology	Surveillance Video System - Corpyard	Replacement	1	60,000
2	6630	Information Technology	Surveillance Video System - Gauche Aquatic Park	Replacement	1	70,000
3	6630	Information Technology	Police Handheld/Patrol Car Radios	Replacement	8	42,800
<b>Total Technology Replacement Fund</b>						<b>\$ 172,800</b>



# 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 2027.

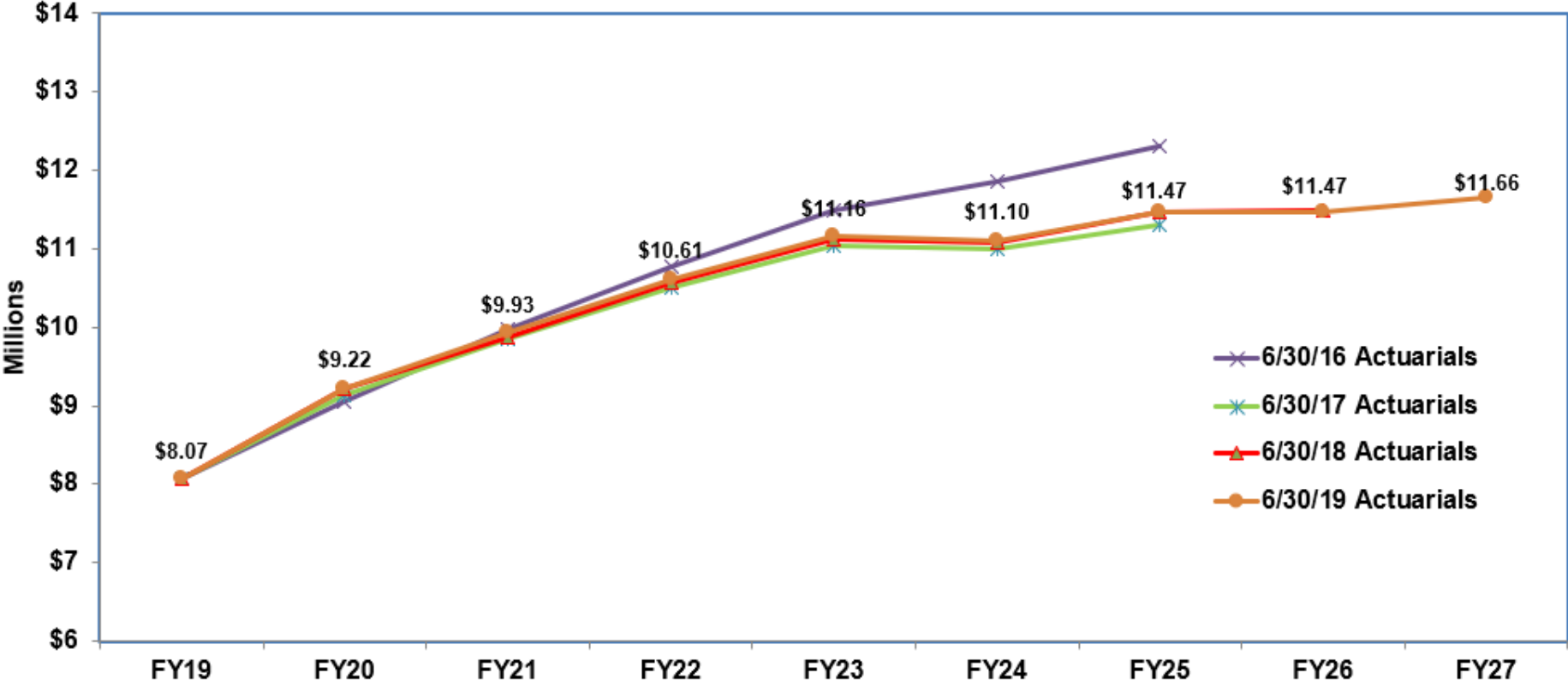


Sources: CalPERS Miscellaneous, Safety Tier 1, 2, 3 & PEPRA Actuarial Valuation Reports dated June 30, 2019.  
The Safety estimated rate is based on a composite rate of all tiers.



# CalPERS Pension Expenses on the Rise

*Employer Cost in total dollars—Updated for FY 20-21*



# Ad Hoc Recommendations

- Reallocate pooled Prof. Development
- Set travel budgets for CM & Council
- Restore Fly the Mission budget for 1 yr.
- Create equipment replacement fund
- Restore Stroll contribution
- Clean up use of Prof. Services accounts
- Use internal service charges consistently



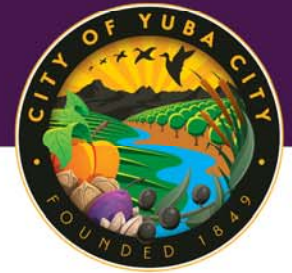
## Other Recommendations

- Repay \$500k withdrawn from Pension Stabilization trust
- Make ADP to CalPERS, \$500k
- Enterprise Fleet Leasing of light vehicles
- Lease financing of heavy vehicles
- Evaluate property insurance options

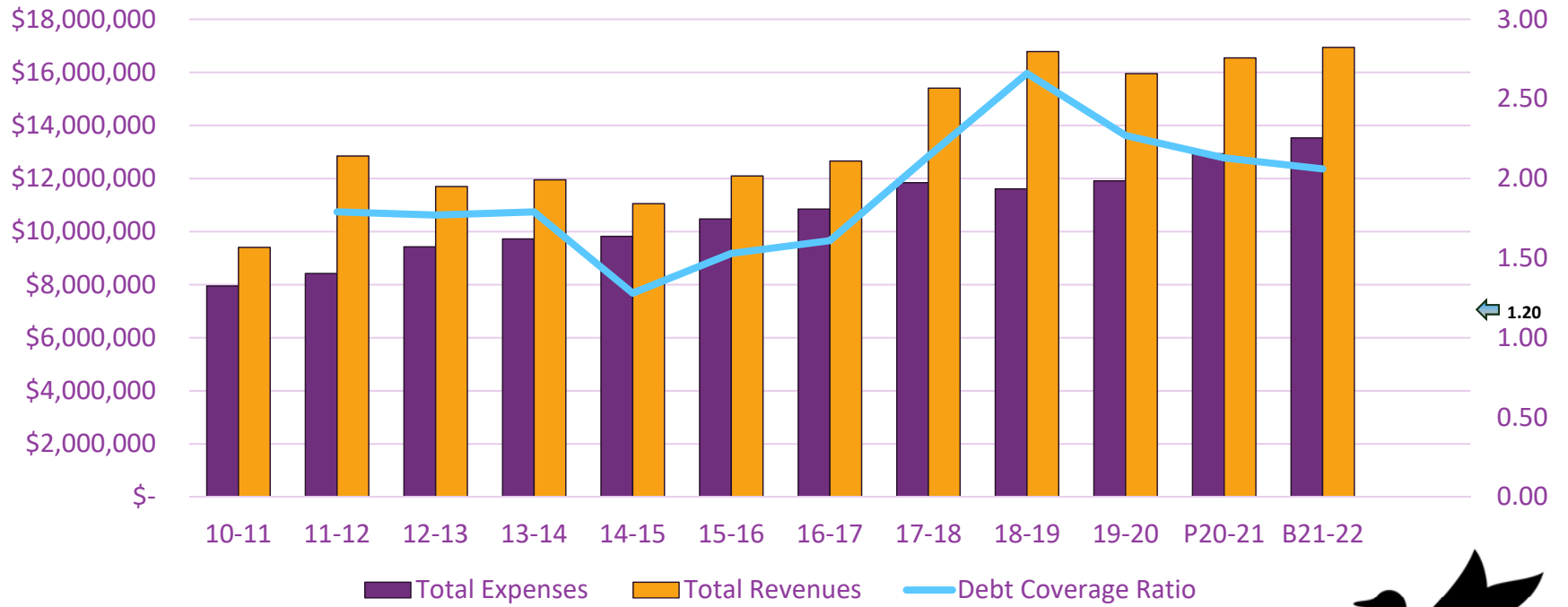




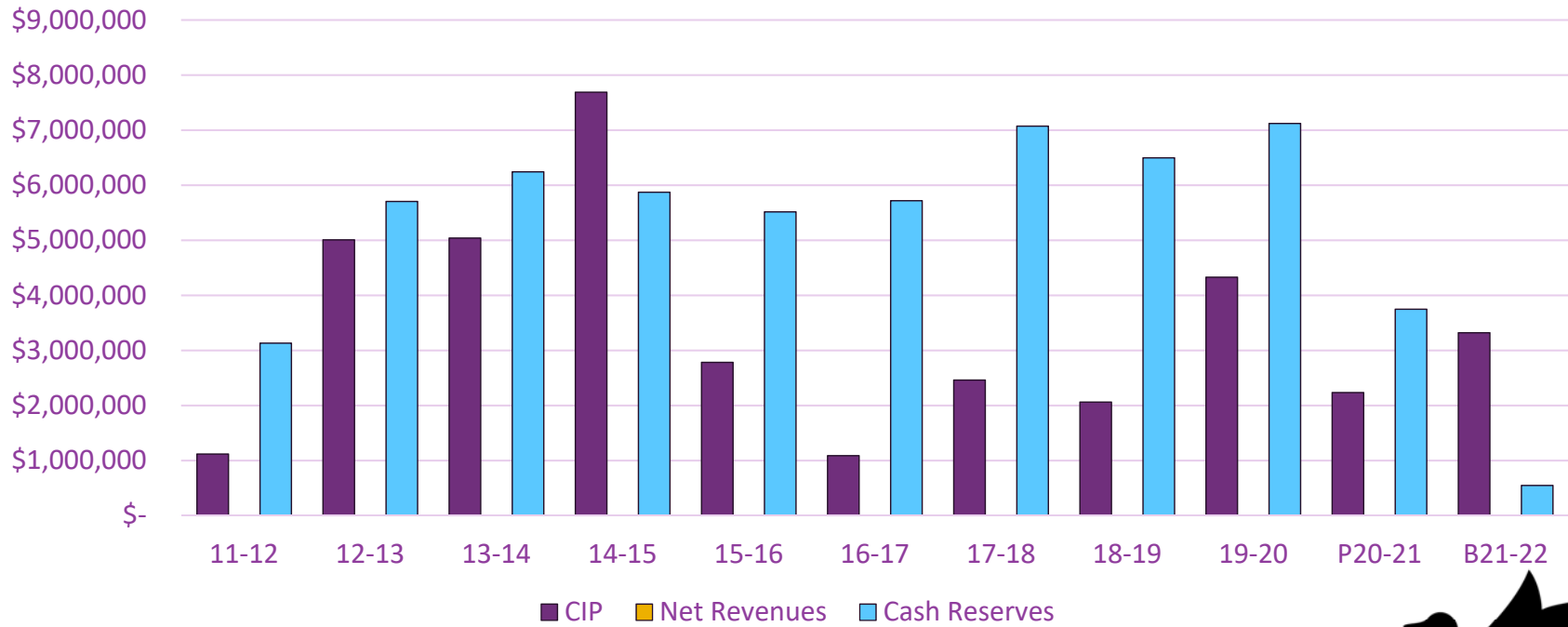
# Enterprise Funds



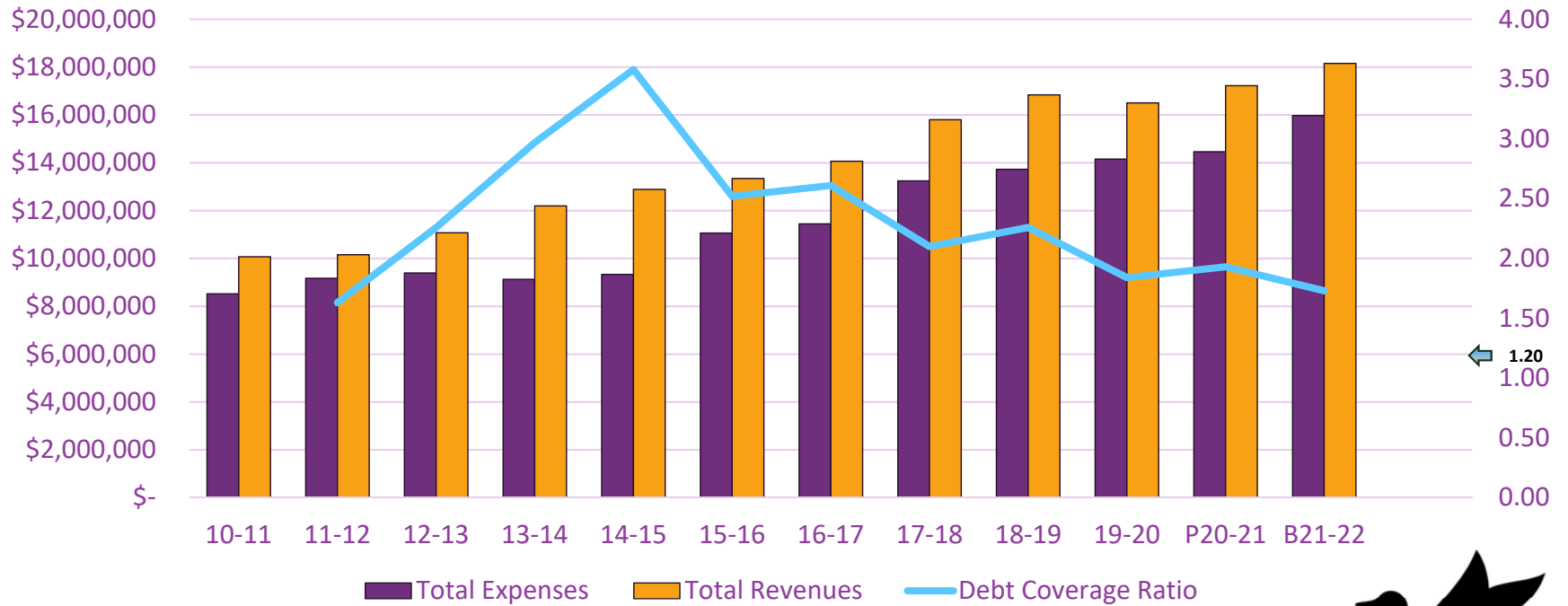
# Water Revenues, Expenses & Debt Coverage



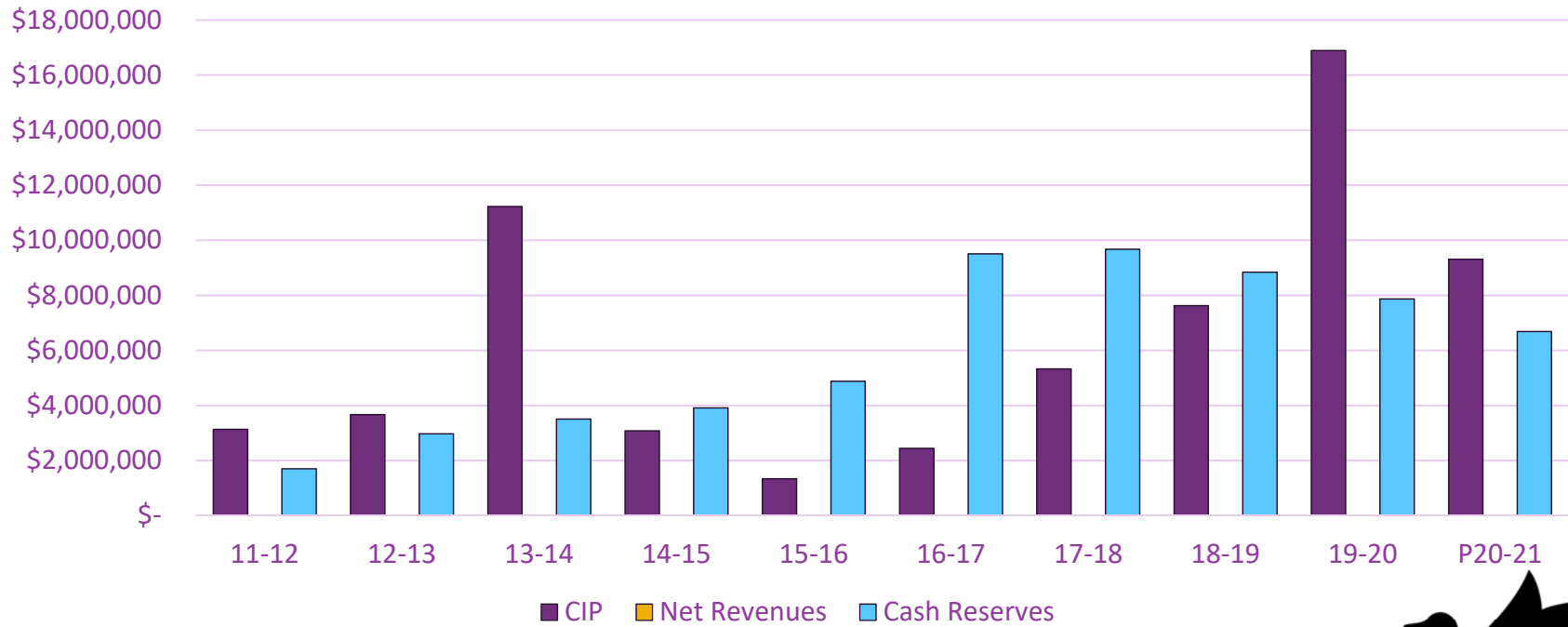
# Water CIP, Cash Reserves & Net Revenues



# Wastewater Revenues, Expenses & Debt Coverage



# Wastewater CIP, Cash Reserves & Net Revenues



Questions?

