# Adoption of the Fiscal Year 2014-15 Budget

June 24, 2014



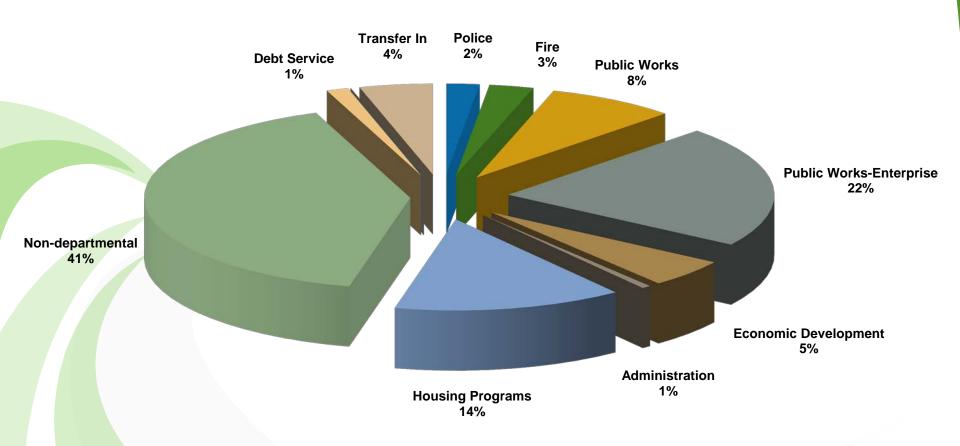
### Guiding Principles

- Maintain fiscally prudent reserves
- Conservatively project revenue growth
- Utilize Measure B revenues only to augment existing services or rebuild reserves
- Use a five-year financial forecast to look beyond the current fiscal year for future challenges
- Continue to address long-term liabilities and maintenance deficiencies

## FY 2014-15 City-wide Proposed Budget

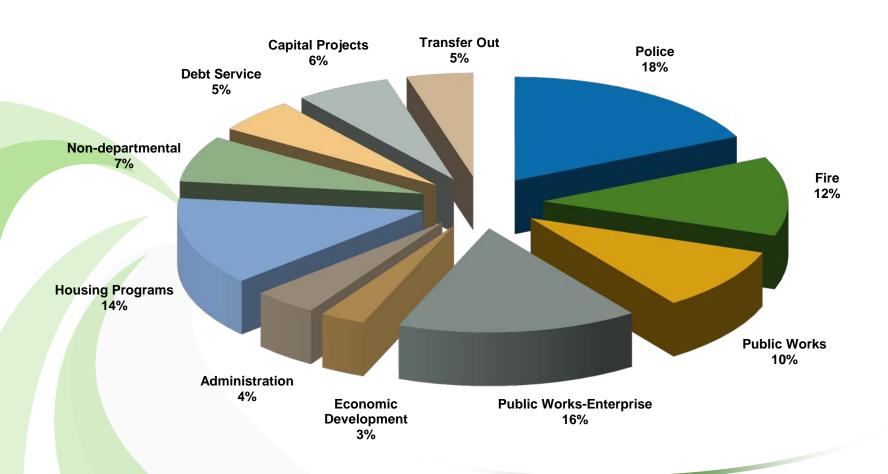
### Fiscal Year 2014-15 Proposed Budget

Citywide FY 2014-15 Projected Revenues Total Revenues \$197,269,361



### Fiscal Year 2014-15 Proposed Budget

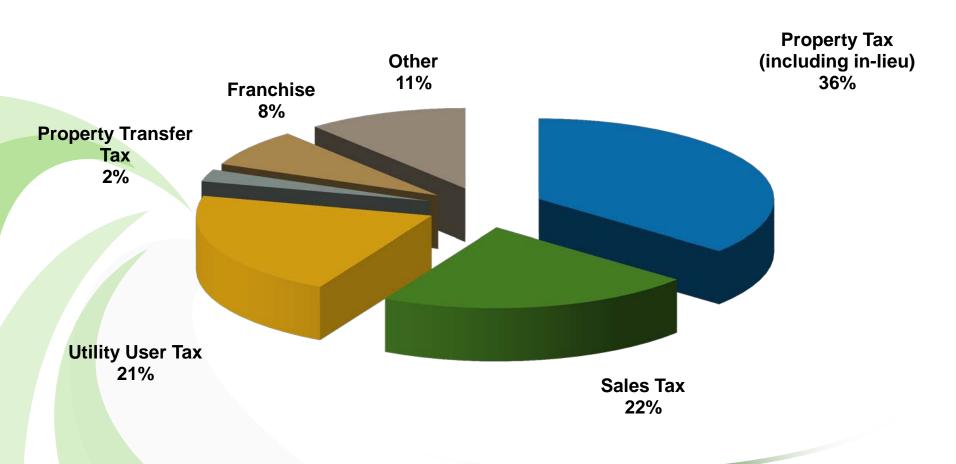
Citywide FY 2014-15 Projected Expenditures
Total Expenditures \$201,148,220



## FY 2014-15 General Fund Proposed Budget

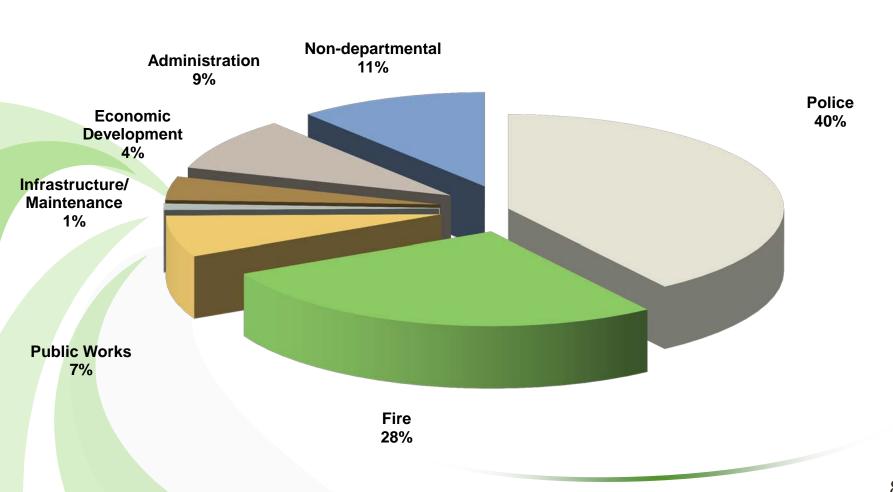
#### General Fund Revenue Overview

Percent of General Unrestricted Revenues (excludes Measure B & Program Revenues)



### General Fund Expenditure Overview

(excluding Measure B)



#### **Good News**

CalPERS has released the Health Care Premium rates effective January 2015

The FY 2014-15 Proposed Budget assumed an increase of 8.3%; Actual rate has decreased 3.81%

This will create additional savings in the five-year financial forecast of approximately \$247,000 for FY 2014-15 and approximately \$500,000 for the remaining years

### General Fund FY 2013-14 summary

(excluding Measure B)

- > Revenues up 2%, or \$1,192,964
- > Expenditures up 1%, or \$912,5597
- ➤ Total Reserves \$8,734,174 or 9.4% of General Fund Expenditures (includes \$4,000,000 from Measure B)

# General Fund Overview – Proposed FY 2014-15 Expenditures

Projected Beginning Balance	\$4,734,174
Projected Revenues	73,460,786
Total Funds Available	\$78,194,960
Projected Expenditures	\$73,411,319
Projected Ending Balance	\$4,783,641

Revenues Exceed Expenditures by \$49,467

#### 5-Year General Fund Financial Forecast

An updated 5-year plan with all changes will be included in the adopted budget

	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
Beginning Available Balance	4,734	5,031	3,948	2,158	(499)
Revenues					
Taxes	59,855	60,811	61,946	63,112	64,313
Program Revenue	13,606	11,381	11,206	11,165	11,188
	73,461	72,192	73,152	74,277	75,501
Expenditures					
Salaries/Benefits	67,160	66,692	68,434	70,063	71,205
Projected Health Savings	(247)	(500)	(500)	(500)	(500)
Other	17,702	18,476	18,396	18,765	18,810
Interfund reimbursements	(11,451)	(11,393)	(11,388)	(11,394)	(11,400)
	73,164	73,275	74,942	76,934	78,115
Annual Operating Results	297	(1,083)	(1,790)	(2,657)	(2,614)
Ending Available Balance	5,031	3,948	2,158	(499)	(3,113)
	6.9%	5.4%	2.9%	-0.6%	-4.0%

NOTE: 1. Numbers are in thousands

2. Measure B is excluded

# Measure B Overview – Proposed FY 2014-15 Expenditures

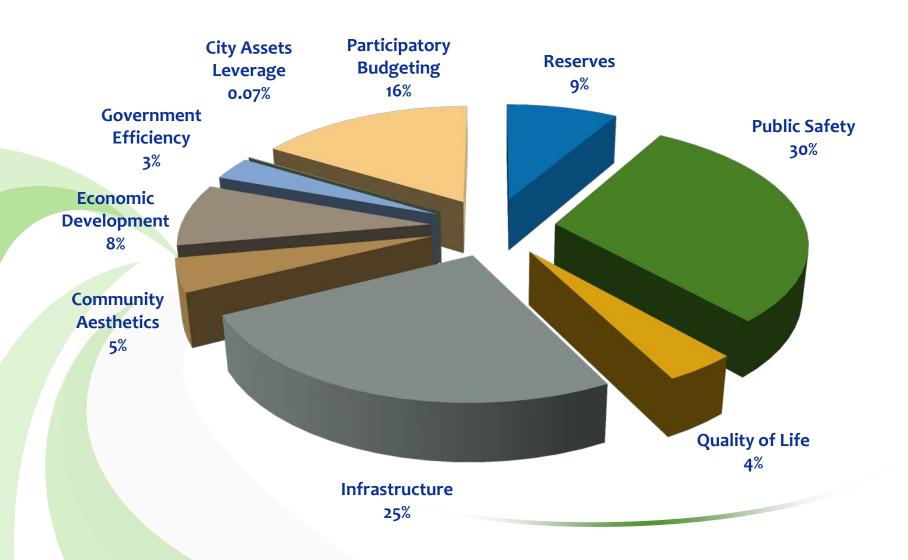
Projected Beginning Balance (includes additional un-appropriated Revenues & unspent PB Funds)	\$ 5,254,505
Projected Revenues (\$2,442,553 unspent PB Funds & \$12,431,100 Projected Revenue)	14,873,653
Total Funds Available	\$20,128,158

### Measure B – Proposed FY 2014-15 Expenditures

Projected Expenditures	
Rebuilding Reserves	1,500,000
Preserving/Enhancing Public Safety	5,326,191
Preserving/Enhancing Quality of Life	696,600
Enhancing and Reconstructing Infrastructure	4,482,214
Improving Community Aesthetics	800,000
Setting the Stage for Economic Development	1,490,000
Enhancing Government Efficiency	555,000
Leveraging City Assets	15,000
Participatory Budgeting*	<u>5,263,153</u>
Projected Ending Balance	\$0

<sup>\*</sup>Includes \$2,383,000 re-appropriated for Cycle 1 (FY 2012-13) projects Includes \$2,442,553 re-appropriated for Cycle 2 (FY 2013-14) projects

### Measure B Expenditure Categories



## FY 2014-15 Changes to the May 15, 2014 Proposed Budget

#### General Fund Revenues (excluding Measure B)

• Increase revenue for expected rebate \$325,000

#### General Fund Expenditures (excluding Measure B)

- Adoption of CalPERS Benefit Change \$17,785
- Deputy Fire Chief funded by Measure B net change (\$79,300)
- Additional support for Economic Development \$200,000
- Reduced subsidy for Golf \$32,000
- Added Contingency for variations in Program Revenue \$300,000
- Transfer un-appropriated balance to Un-appropriated Reserve Fund \$4,702,156

#### Un-appropriated Reserve Fund Revenues

- Transfer-in from General Fund \$4,702,156
- Transfer-in from General Fund Measure B \$4,000,000

#### General Fund – Measure B Revenues

Transfer-in from Capital Outlay \$2,442,553

#### General Fund – Measure B Expenditures

- Re-appropriate Cycle 2 funds \$2,442,553
- Transfer-out funds from rebuilding reserves \$4,000,000
- Increase staff allocated to Economic Development \$220,900
- Reduced contracted support for Economic Development now funded in General Fund (\$220,900)
- Reduce funding for fire station now funded in General Fund (\$233,750)
- Added LED Street Lighting Project \$1,732,214

#### Mare Island CFD

 Staff is continuing discussions with Lennar Mare Island and will return to Council July 8, 2014 with a Resolution of Intent to amend the budget as currently proposed

#### Gas Tax Fund

Reduced expenditures due to LED project (\$98,191)

#### Capital Outlay Fund

 Transfer PB Cycle 2 funds to General Fund – Measure B \$2,442,553

#### Golf Fund

 Reduced expenditures and General Fund subsidy by \$32,000

#### Water Fund

 Replace Drafting Technician with Engineering Technician – no effect

### Next Steps

- Resolution of Intent to Amend the Mare Island
   CFD Budget will be brought back July 8, 2014 with a Resolution amending the budget on July 22, 2014
- CalPERS Health Premium rate decrease will be brought back at mid-year with an updated fiveyear financial forecast

## Questions / Comments

