City of Merced Budget 2019-20

City Manager's Future Outlook

- RDA Dissolution
- CalPERs Contributions
- Operational Increases
  - Workers Compensation
  - Vehicle Maintenance and Fuel costs
  - Deferred Maintenance
  - ERP Phased funding
- Special Revenue
  - Measure C Extension
  - Measure Y Receipts
- On-going Projects

FY 2019/20 Budget

- Budget Process
- Five Year Forecast Summary
- City Budget Overview
- General Fund
- Staffing Recommendations
- Pending Direction

Budget Process

- December - Budget Calendar distributed
- January/February – Town Hall meetings
- February/March
  - Council Priority Setting session
  - Department Heads submit budgets for consideration

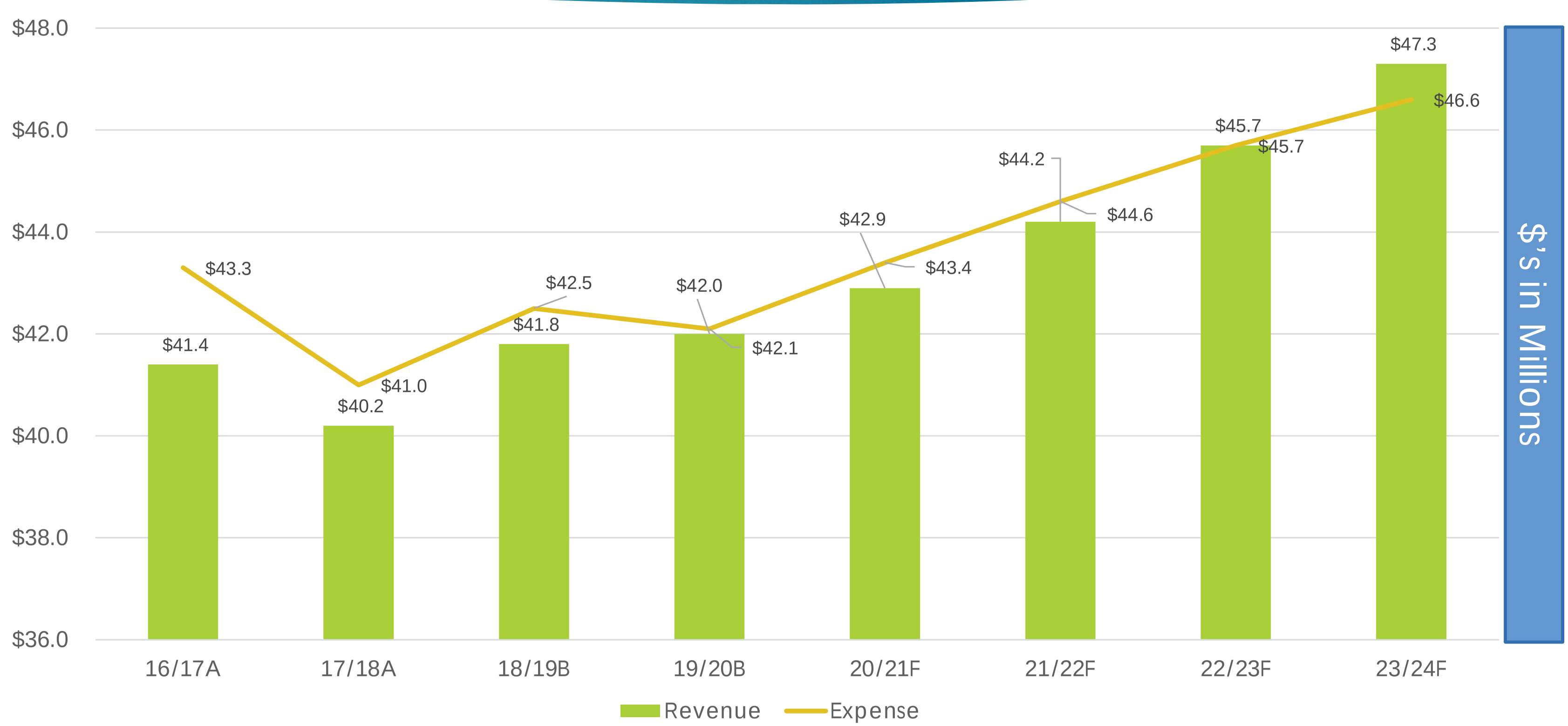
Budget Process (cont'd)

- April
  - City Manager meets with Departments
  - City Manager meets with Finance Officer
  - Distribute Internal Calculation
  - City Manager meets with Finance Officer
- May
  - Finalize City Manager Recommended Budget
  - Hold Budget Study Session

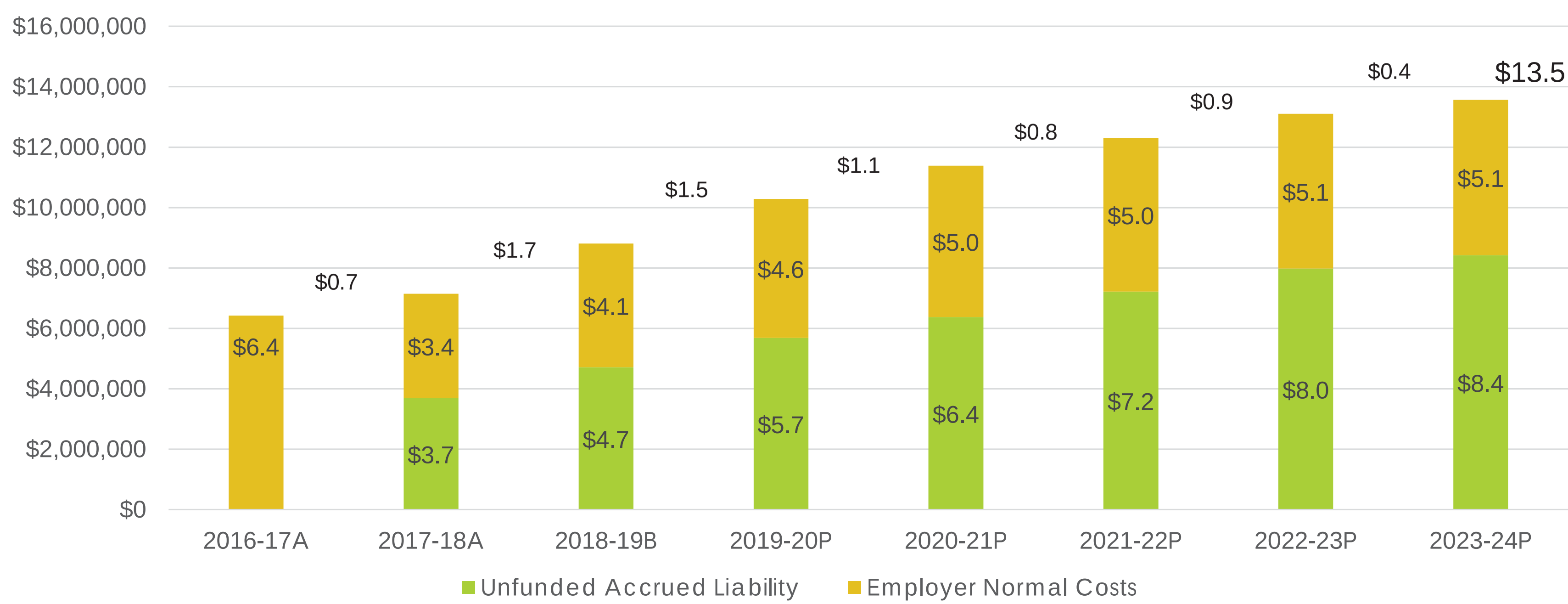
Five Year Forecast-General Fund

	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24
Revenue	$41.4	$42.8	$44.2	$45.7	$47.2
% of Change from Prior Year	1.51%	3.60%	3.21%	3.41%	3.34%
Expenditures	$42.0	$43.3	$44.6	$45.7	$46.6
% of Change from Prior Year	(1.03%)	3.22%	2.82%	2.40%	1.99%
Receipts over Expense	($0.6)	($0.5)	($0.4)	$0.0	$0.6
Fund Balance	$ 7.8	$ 7.7	$ 7.7	$ 8.2	$ 9.2
GFOA Recommended	$ 6.9	$ 7.2	$ 7.4	$ 7.6	$7.8
Difference	$ 0.9	$ 0.5	$0.3	$0.6	$1.4

General Fund-Revenue vs Expense



CalPERS-Current Forecast Estimate
(based on latest actuarial)

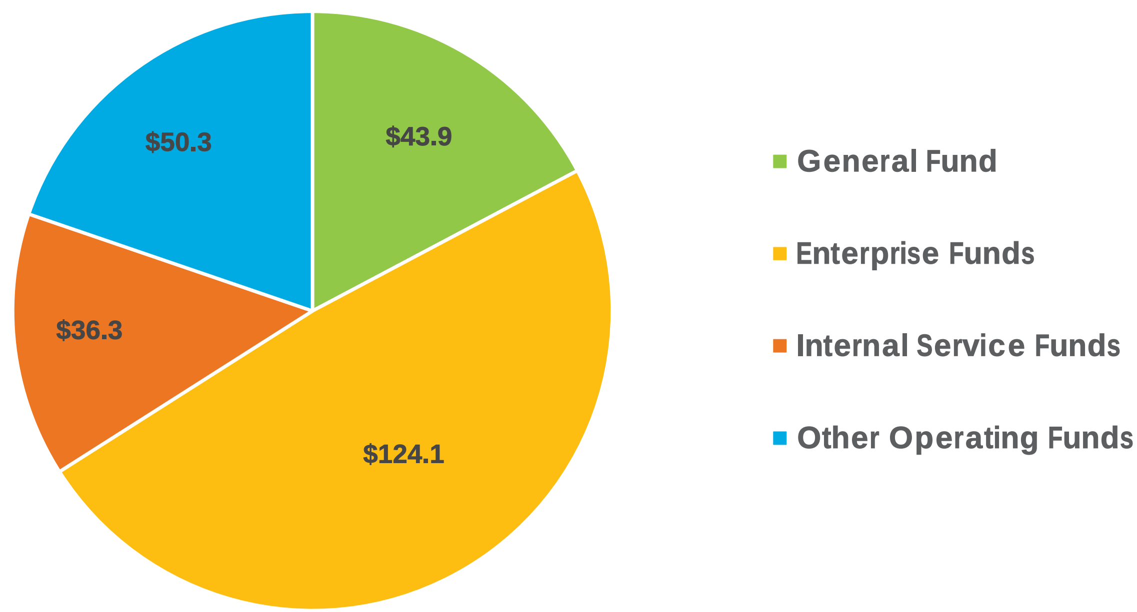


City Manager Adjustments

Department Head Budget Deficit			**$**	**(2,798,794)**
Expenses				
CalPERS correction	$	234,476		
Fire budget	$	656,447		
Police budget	$	319,583		
Parks budget	$	81,989		
Parks and Recreation transfer	$	47,826		
Airport transfer	$	19,958		
Transfer .50 Park Worker to CFD-Parks	$	34,506		
UAL Lump Sum vs. Monthly	$	99,691		
Workers Compensation	$	227,375		
Health Benefits	$	35,446		
Salary Refresh	$	180,156		
General Liability	$	76,412		
Information Technology	$	170,975		
Facilities	$	136,620		
Data Storage one-time cost	$	117,975		
Revenues				
Administration increase	$	87,549		
Direct Service Charges increase	$	202,002		
Total Adjustments			$	2,728,986
City Manager Budget Deficit			**$**	**(69,808)**

FY 2019-20 Budget Overview

Total City Budget $255 million

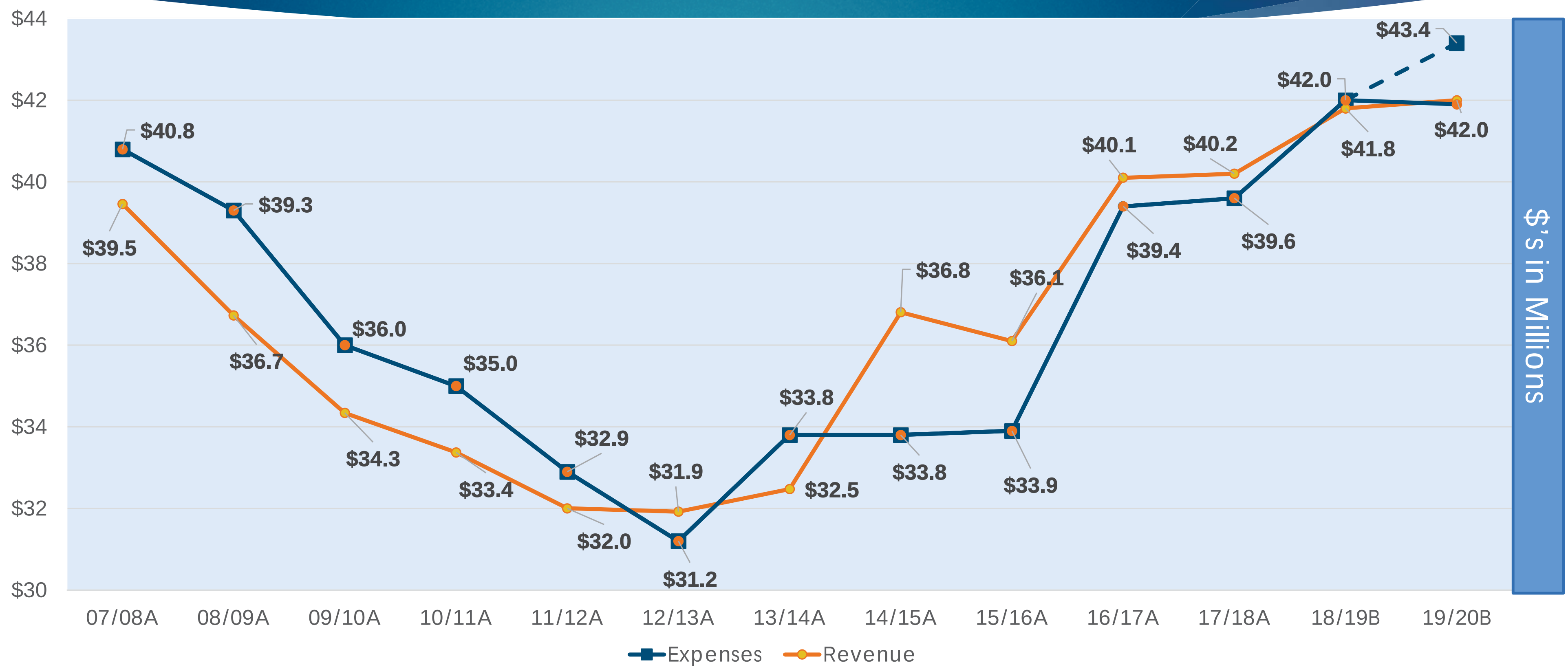


FY 2019/20 General Fund

Est. Fund Balance – July 1, 2019*	**$9,280,900**
Budgeted Revenue	**$42,014,881**
Budgeted Expenses	$40,451,510
Budgeted Transfers	$1,633,179
Total Operating Expenditures	**$42,084,689**
Revenue over (under) Expense	**$(69,808)**
Below the Line (Non-operating)	$624,594
Future Planning	$900,000
Prior Year Projects	$327,098
Adj. Fund Balance – June 30, 2020*	**$7,359,400**

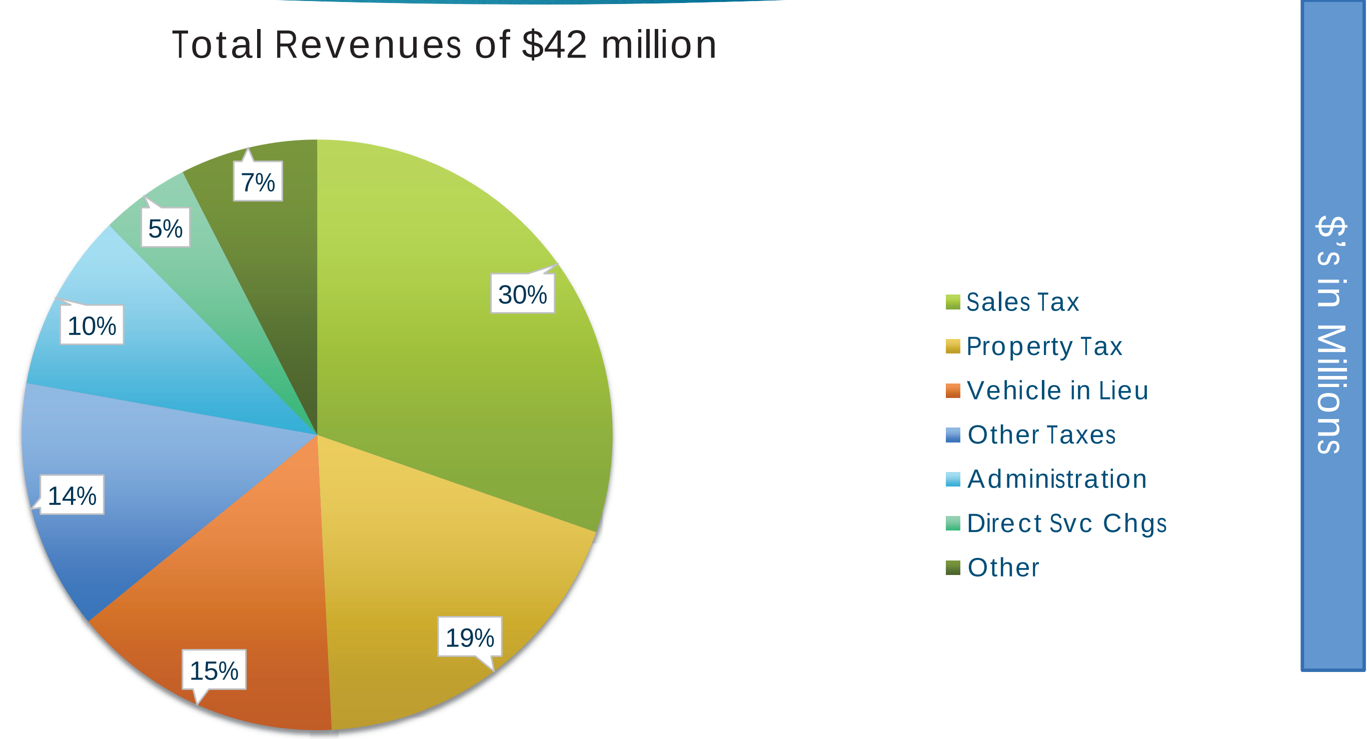
*Meets GFOA recommended minimum

General Fund Summary

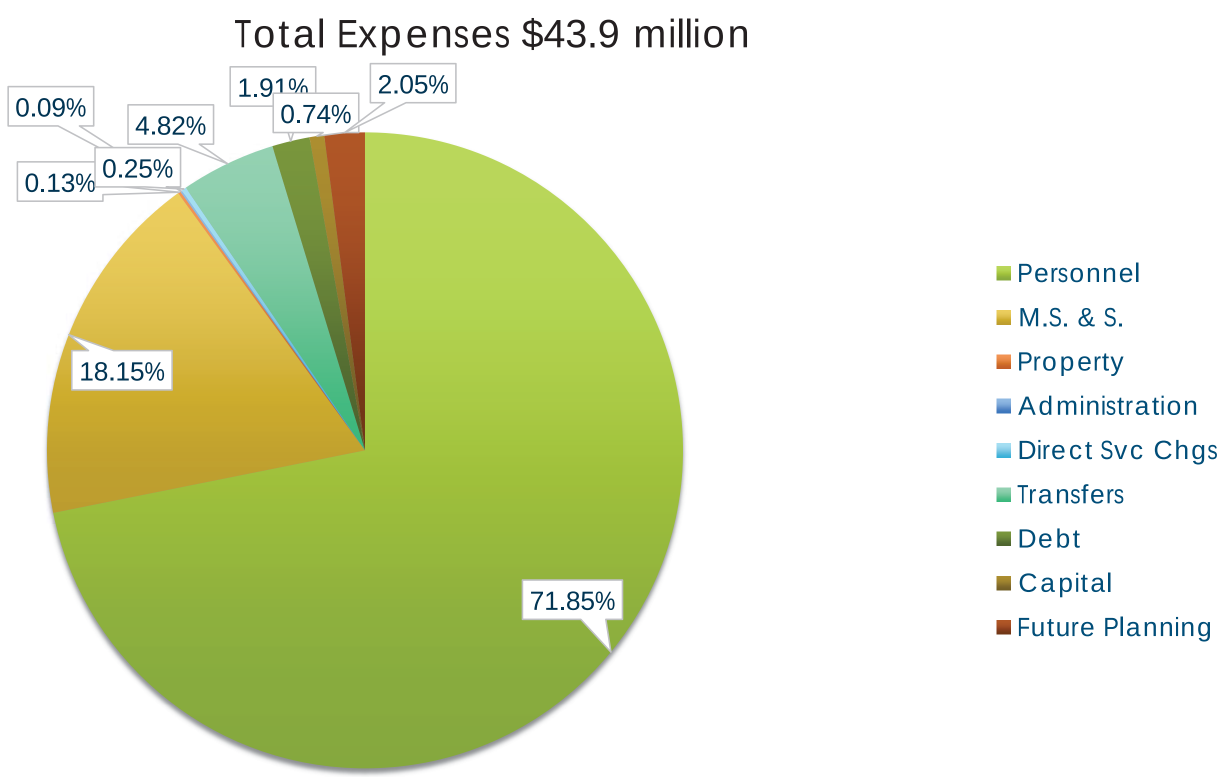


General Fund Balance

General Fund Revenues

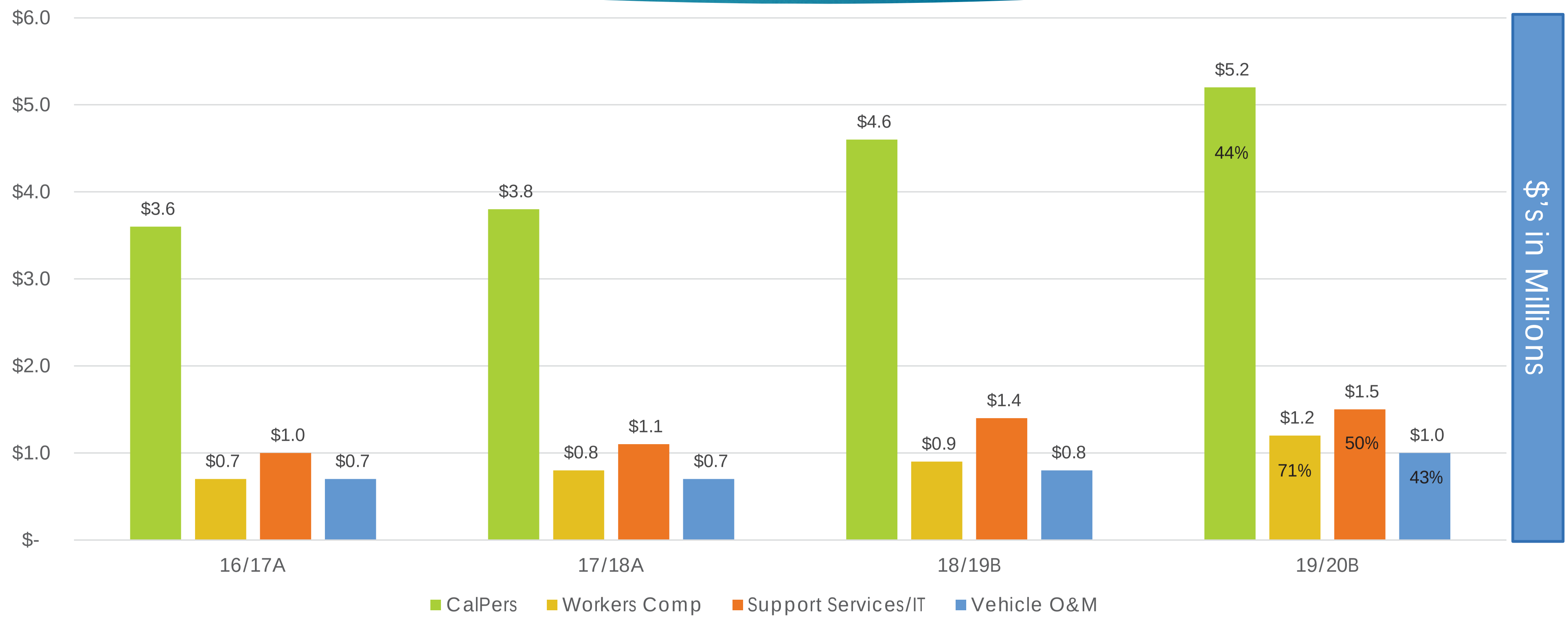


General Fund Expenses



$'s in Millions

Largest Cost Drivers



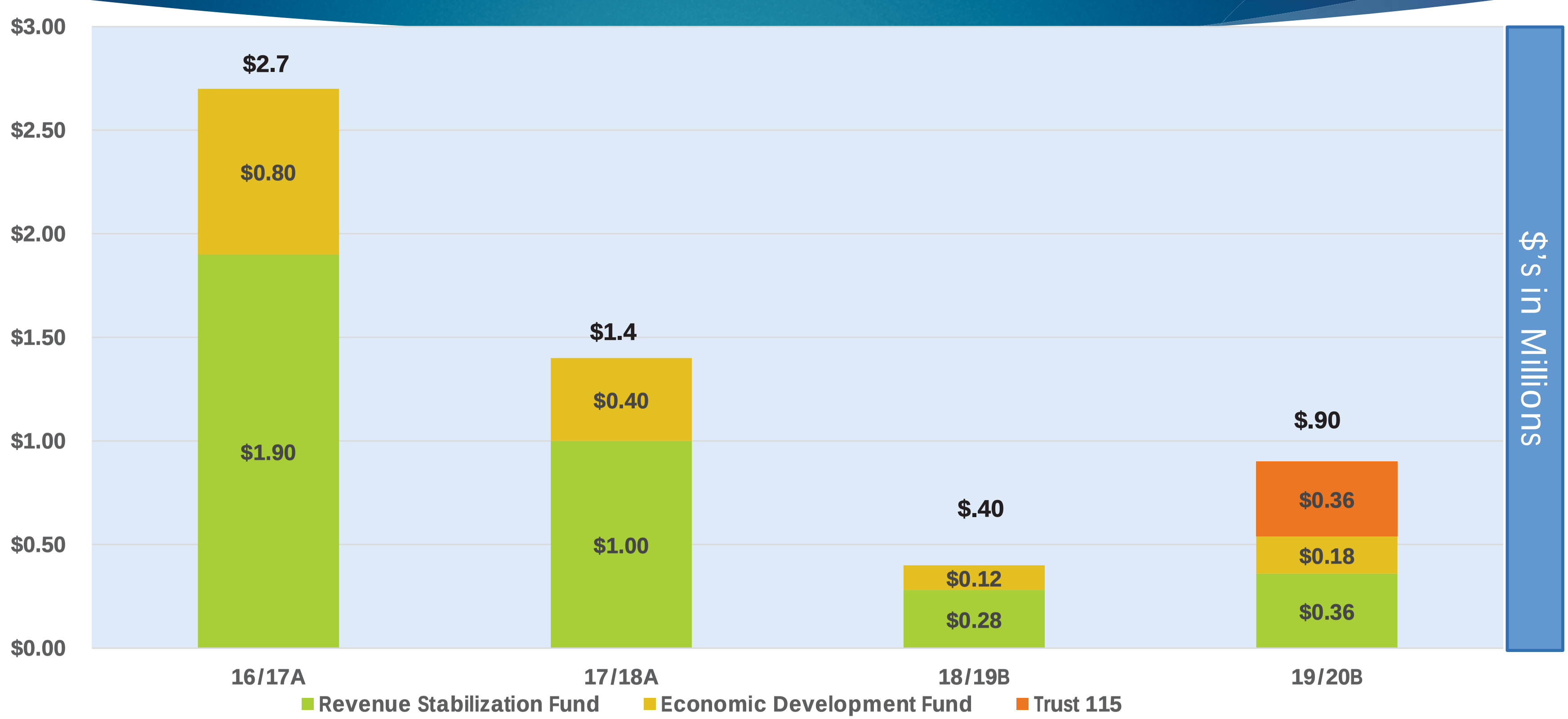
General Fund Transfers

	07/08A	08/09A	09/10A	10/11A	11/12A	12/13A	13/14A	14/15A	15/16A	16/17A	17/18A	18/19B	19/20B
Airport	$0.08	$0.20	$0.07	$0.10	$0.06	$0.02	$0.06	$0.05	$0.04	$0.08	$0.00	$0.04	$0.06
Parks and Recreation	$2.43	$1.80	$1.27	$1.10	$0.85	$0.50	$0.67	$0.75	$0.76	$1.00	$1.02	$1.39	$1.45
Development Services	$0.00	$0.00	$0.57	$0.70	$0.50	$0.30	$0.96	$0.46	$0.25	$0.54	$0.00	$0.03	$0.00

Below the Line Expenses (Non-Operating)

Ballot Measure	$20,000
Citywide Data Storage System	$117,975
Enterprise Resource Planning (ERP) System	$486,619
Revenue Stabilization Fund	$360,000
Economic Development Opportunity Fund	$180,000
Trust 115 - Pension	$360,000
Total	**$1,524,594**

Future Planning (Reserves)



Recommended Total Staffing

Functional Area	Add	Delete	Total
Finance	2	(1)	1
Public Works Administration	1	(2)	(1)
Development Services	2	(2)	0
Storm Drains	1	(1)	0
Water	1	(1)	0
Fleet	1	(1)	0
Total	8	(8)	0

Recommended Total Staffing

- Finance Administration
  - Remove Accountant III
  - Add Revenue and Customer Service Supervisor
  - Add Accountant I
- Public Works Administration
  - Remove Account Clerk
  - Remove Clerk Typist
  - Add Secretary I

Recommended Total Staffing

- Development Services
  - Remove Two Engineering Technicians
  - Add Associate Engineer
  - Add Development Services Technician II
- Public Works
  - Remove Collection Systems Worker–Storm Drains
  - Add Maintenance Electrician-Storm Drains
  - Remove Mechanic-Fleet
  - Add Lead Mechanic-Fleet
  - Remove Water Engineer-Water
  - Add Backflow Technician-Water

Enterprise Fund Summary

$’s in Millions

Public Safety

- Measure C – Transfer .50 of a Police Officer to CFD
- Measure C – Transfer .50 of a Firefighter to CFD
- One full-time position transitioned out of Measure C

Parks/Parks & Recreation

- Parks –Transfer .50 of a Park Worker from General Fund to CFD
- Community Funding - $23,000
  - Multicultural Arts Center $5,000
  - Bicycle Coalition $5,000
  - UC Merced STEM $2,500
  - Boys & Girls Club $2,500
  - Play Adventure $2,500
  - Youth Connect $2,500
  - Youth Scholarships $3,000

Administration

- Ballot Measure for March Primary
- Replace Data Storage System $405K
  - $117k – General Fund
  - $288k – Other Funds
- Enterprise Resource Planning System (Phase 2) $1.3 m
  - $486k – General Fund
  - $814k – Other Funds

Public Works Department

- Refuse- Purchase two refuse trucks due to growth
- Water-Implementation of Backflow Program
- Wastewater- Bloss Ranch Annexation

Recommended Measure V Projects

- Glen Ave (Santa Fe to Bear Creek) Improvement
- 18^{th} St. (R to V) Improvement
- R St. (Olive to Northwood) Improvement
- 26^{th} St (Glen to $7^{th)}$ Improvement
- Yosemite Ave (Parsons to Mansionette) Grind and Overlay
- M St (13^{th} to Childs) Grind and Overlay
- Road Maintenance & Rehab at Various Locations
- Crack Filling Phase I at Various Locations

Council Direction

- Options to Balance
- Council Requests
- Next Steps

Options to Balance General Fund

	Option 1	Option 2	Option 3
City Manager Budget Deficit	**$ (69,808)**	**$ (69,808)**	**$ (69,808)**
Remove Community Funding		23,000	
Reduce Maintenance, Supplies, and Services			
City Council	1,842	1,235	
City Manager	3,454	2,316	
City Attorney	1,413	948	
Finance	9,534	6,393	
Police	27,498	18,438	
Fire	10,175	6,823	
Parks	7,800	5,230	
Economic Development	2,016	1,352	
Parks and Recreation	4,515	3,027	
Airport	1,560	1,046	
Move operating budget to Measure C			
Police			50,953
Fire			18,855
City Council Approved Deficit	$ -	$ -	$ -