

City of Merced Budget 2019-20

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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

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



Budget Process

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- ▶ 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)

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- ▶ 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

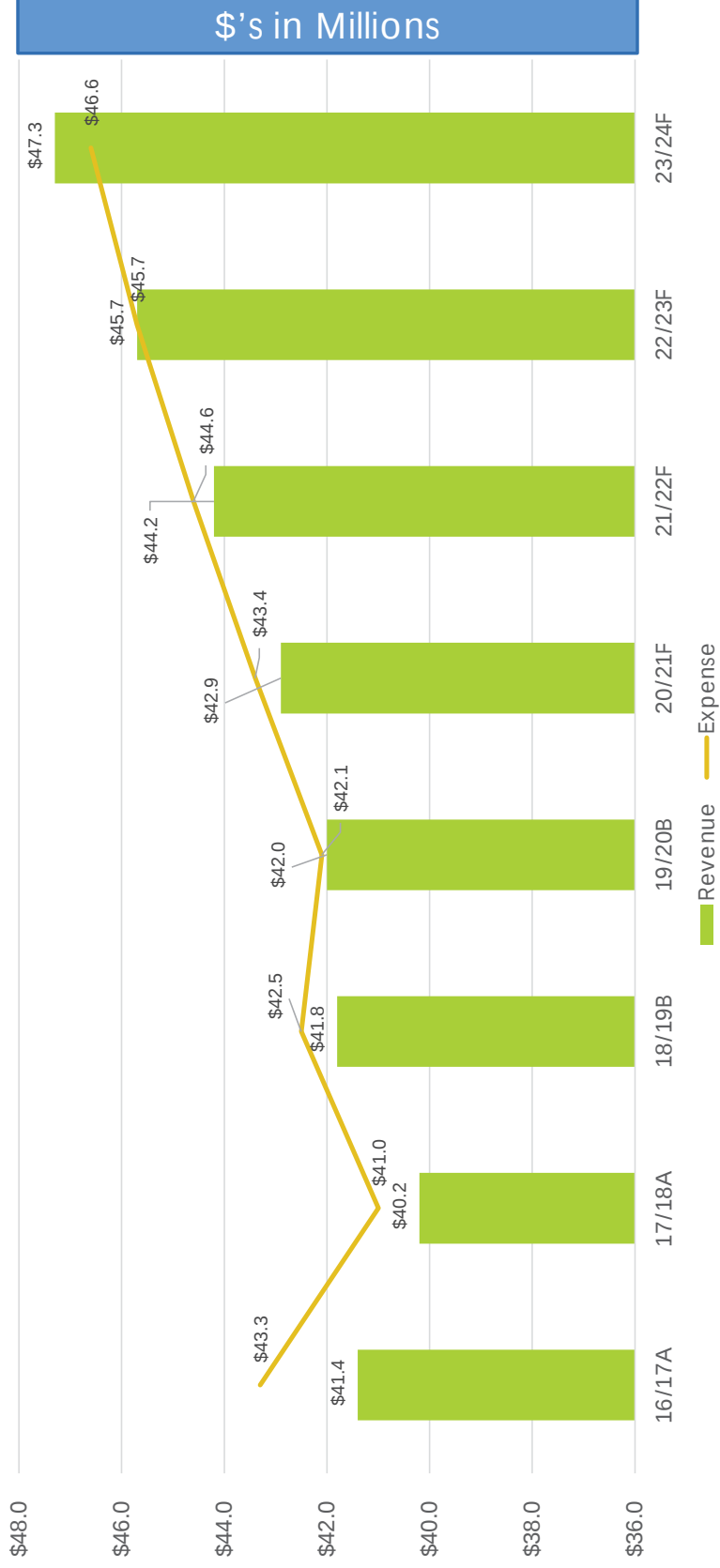
Five Year Forecast-General Fund

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	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

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CalPERS-Current Forecast Estimate

(based on latest actuarial)

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City Manager Adjustments

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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

\$ 2,728,986

Total Adjustments

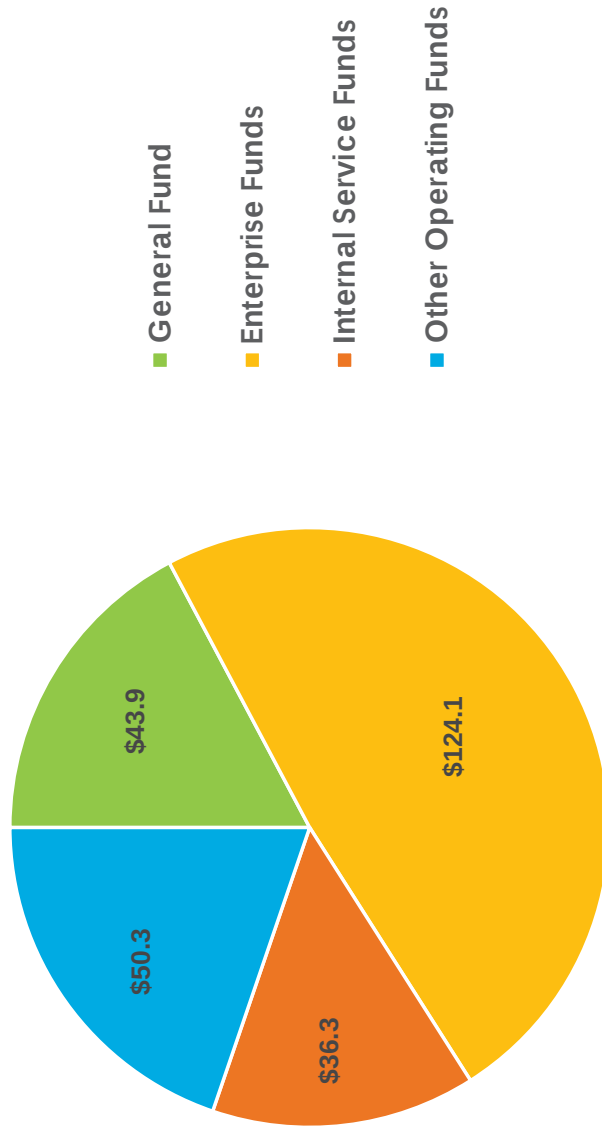
City Manager Budget Deficit

\$ (69,808)

FY 2019-20 Budget Overview

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Total City Budget \$255 million



FY 2019/20 General Fund

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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

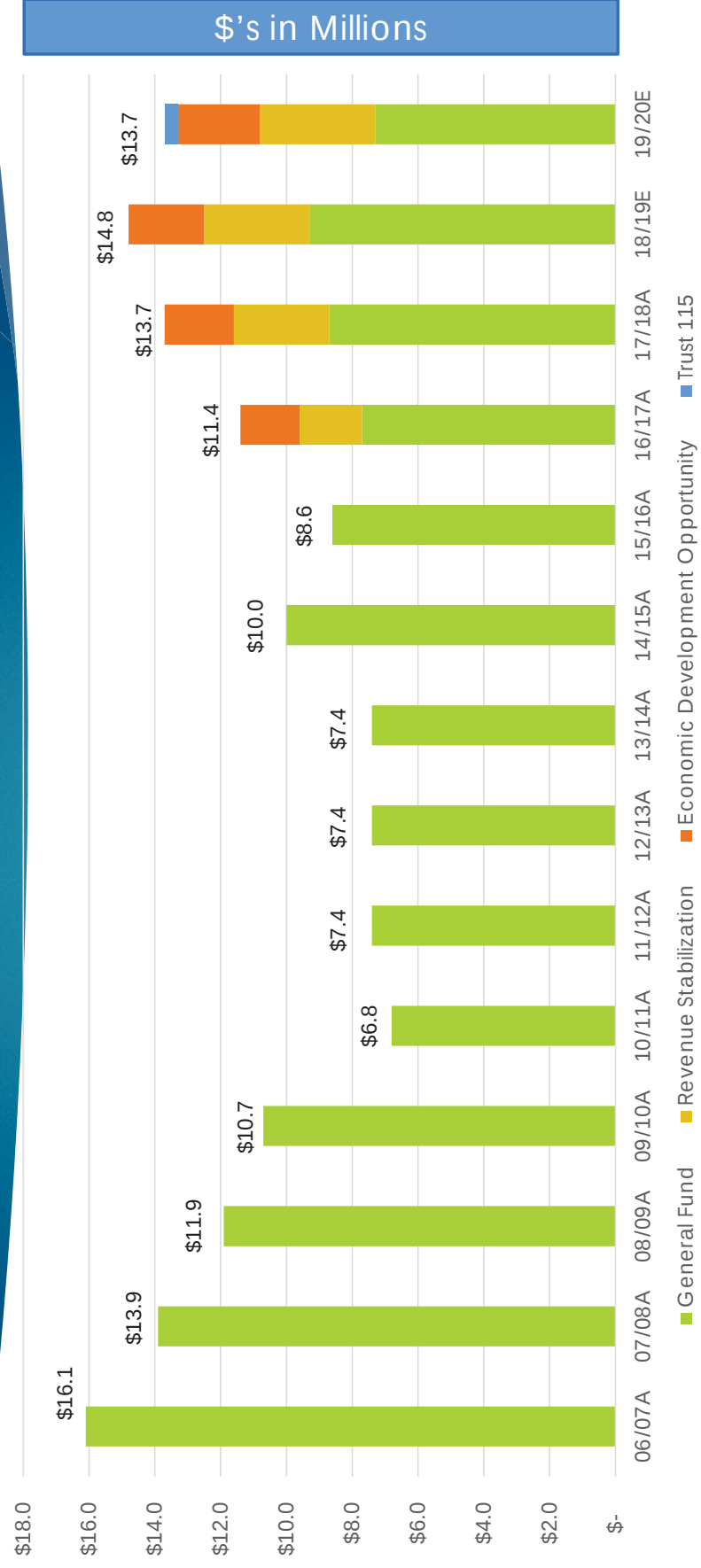
General Fund Summary

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General Fund Balance

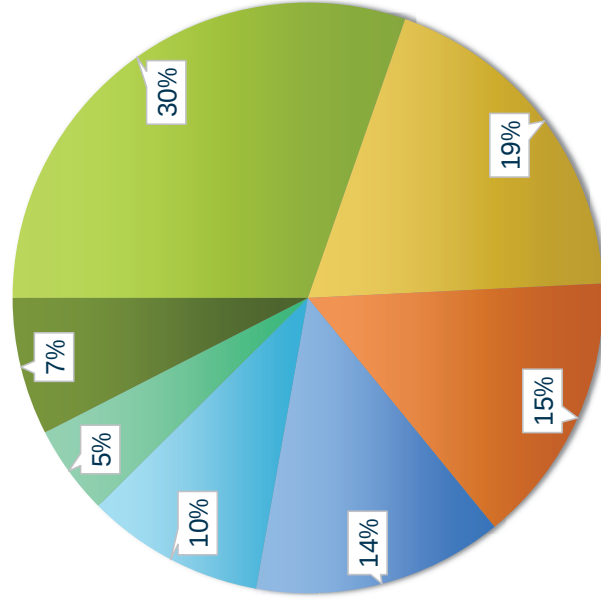
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General Fund Revenues

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Total Revenues of \$42 million



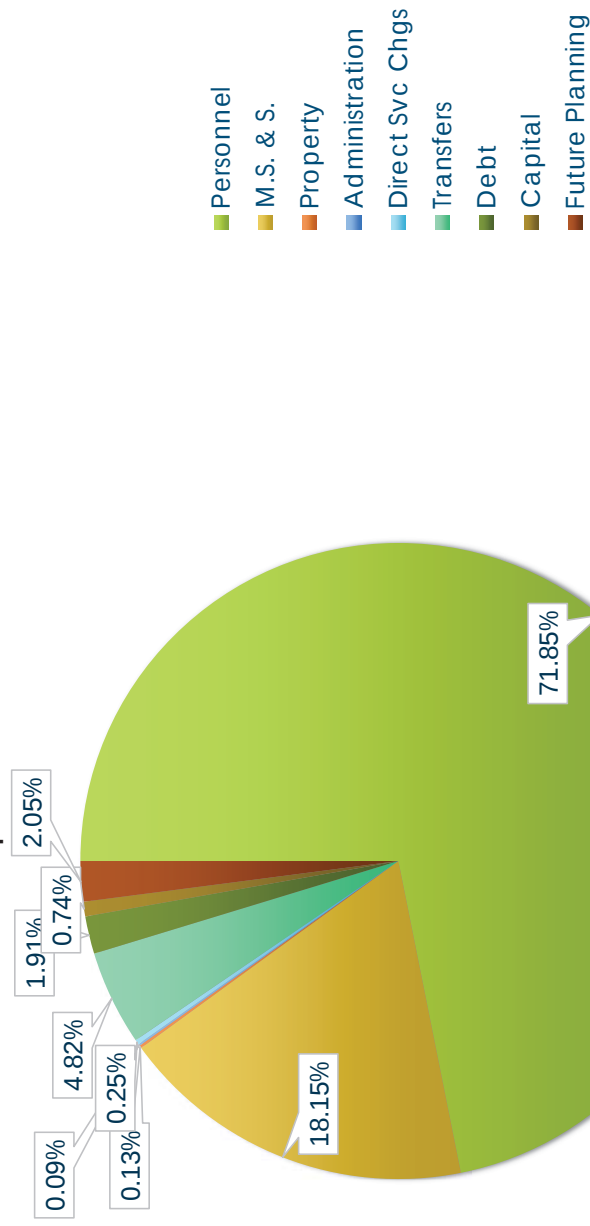
Sales Tax
Property Tax
Vehicle in Lieu
Other Taxes
Administration
Direct Svc Chgs
Other

\$'s in Millions

General Fund Expenses

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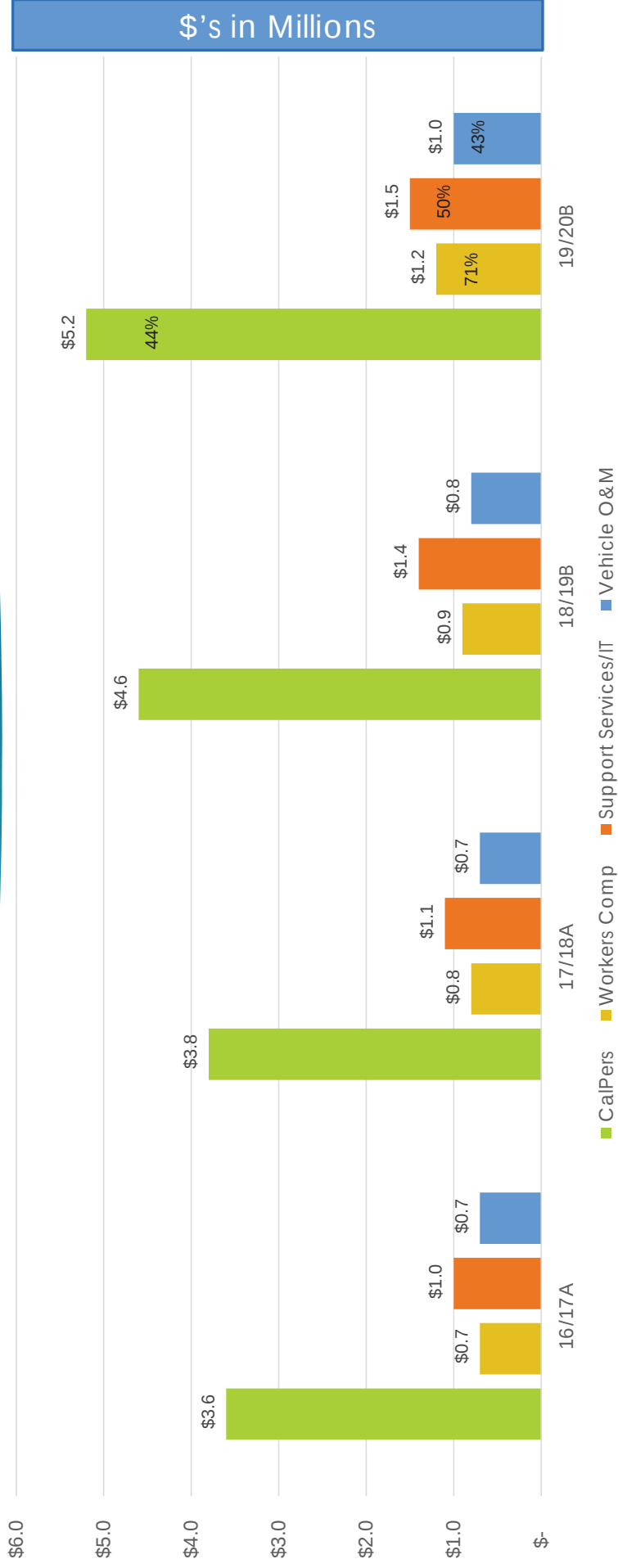
Total Expenses \$43.9 million



\$'s in Millions

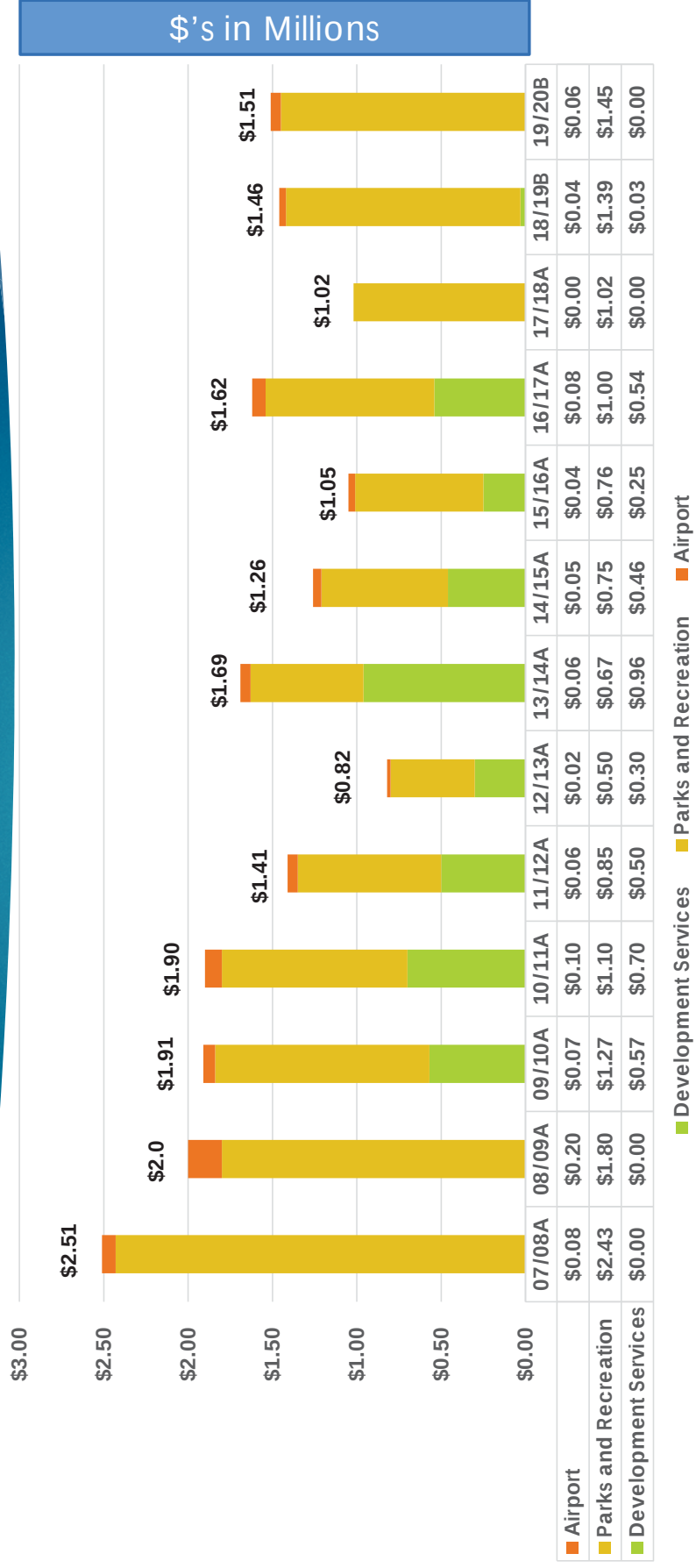
Largest Cost Drivers

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General Fund Transfers

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Below the Line Expenses (Non-Operating)

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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)

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Recommended Total Staffing

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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

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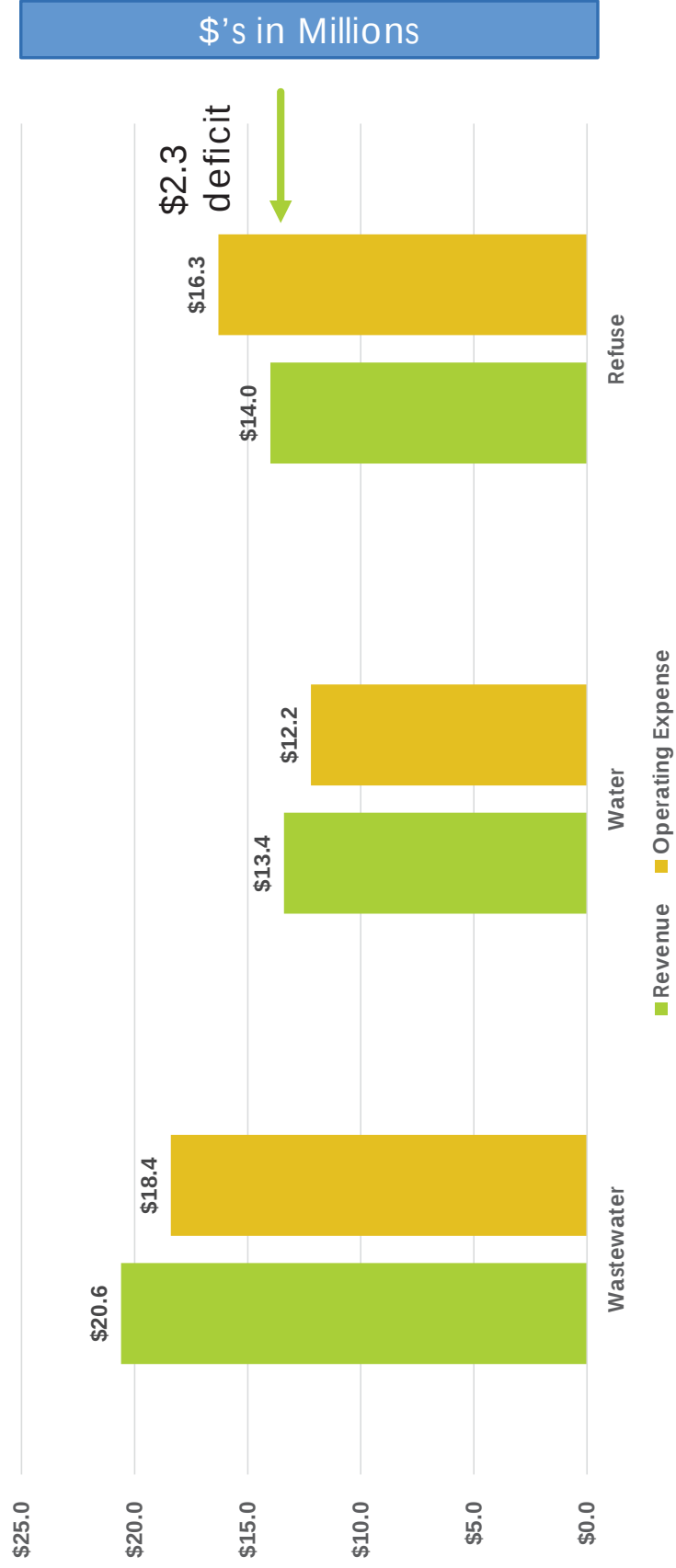
- ▶ Finance Administration
 - ▶ Remove Accountant III
 - ▶ Add Revenue and Customer Service Supervisor
 - ▶ Add Accountant I
- ▶ Public Works Administration
 - ▶ Remove Account Clerk
 - ▶ Remove Clerk Typist
 - ▶ Add Secretary I

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

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Public Safety

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- ▶ 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

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- ▶ 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

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▲ 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

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- ▶ 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
- ▲ 18th St. (R to V) Improvement
- ▲ R St. (Olive to Northwood) Improvement
- ▲ 26th St (Glen to 7th) Improvement
- ▲ Yosemite Ave (Parsons to Mansionette) Grind and Overlay
- ▲ M St (13th to Childs) Grind and Overlay
- ▲ Road Maintenance & Rehab at Various Locations
- ▲ Crack Filling Phase I at Various Locations

Council Direction

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- ▶ Options to Balance
- ▶ Council Requests
- ▶ Next Steps

Options to Balance General Fund

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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

\$

\$

\$

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