

FY 14-15 Budget Study Session

April 22, 2014



FY 14/15 Budget Big Picture

- In FY 14/15, we expect to present the first proposed budget since FY 03/04 that is structurally balanced (i.e., revenues exceed expenses)
- Service levels, staff levels and capital investment are proposed to be similar to FY 13/14
- Revenues are showing stability including slight increases
- Labor costs continue to increase due to pension and health care costs
 - CalPERS rate increases phased in for five years beginning FY 15/16
 - Health care rates continue to increase

Ongoing Budget Issues

While the FY 14/15 Budget is expected to be structurally balanced....

- Service levels continue to be lower than desired
- Reserves are below the 15% target
- There are significant cost increases in future budgets due to CalPERS and Health Care costs
- The five-year budget projection reflects the cost of current labor agreements with no salary increases
- The City is currently in negotiation with all four bargaining units

General Fund Revenue Assumptions

Revenue Source	% Change from FY 13/14	\$ Change
Property Tax	0.9%	\$189,700
Sales Tax (excludes Meas. B)	5.4%	667,000
Utility Users Tax	1.0%	125,900
Other General Revenues	-0.07%	(114,600)
Program Revenues	<u>-3.6%</u>	<u>(512,500)</u>
Total General Fund Revenue	0.5%	\$355,500

Impact of Future CalPERS Rates

	Safety		Miscellaneous	
	% Change	\$ Change	% Change	\$ Change
FY 14/15	1.5%	\$162,056	0.9%	\$293,420
FY 15/16	3.0%	669,447	1.8%	428,520
FY 16/17	2.9%	655,434	1.7%	411,016
FY 17/18	2.9%	655,434	1.7%	411,016
FY 18/19	2.9%	655,434	1.7%	411,016
FY 19/20	3.0%	678,035	1.8%	435,195

General Fund Subsidies

The General Fund will continue to provide subsidies to other funds:

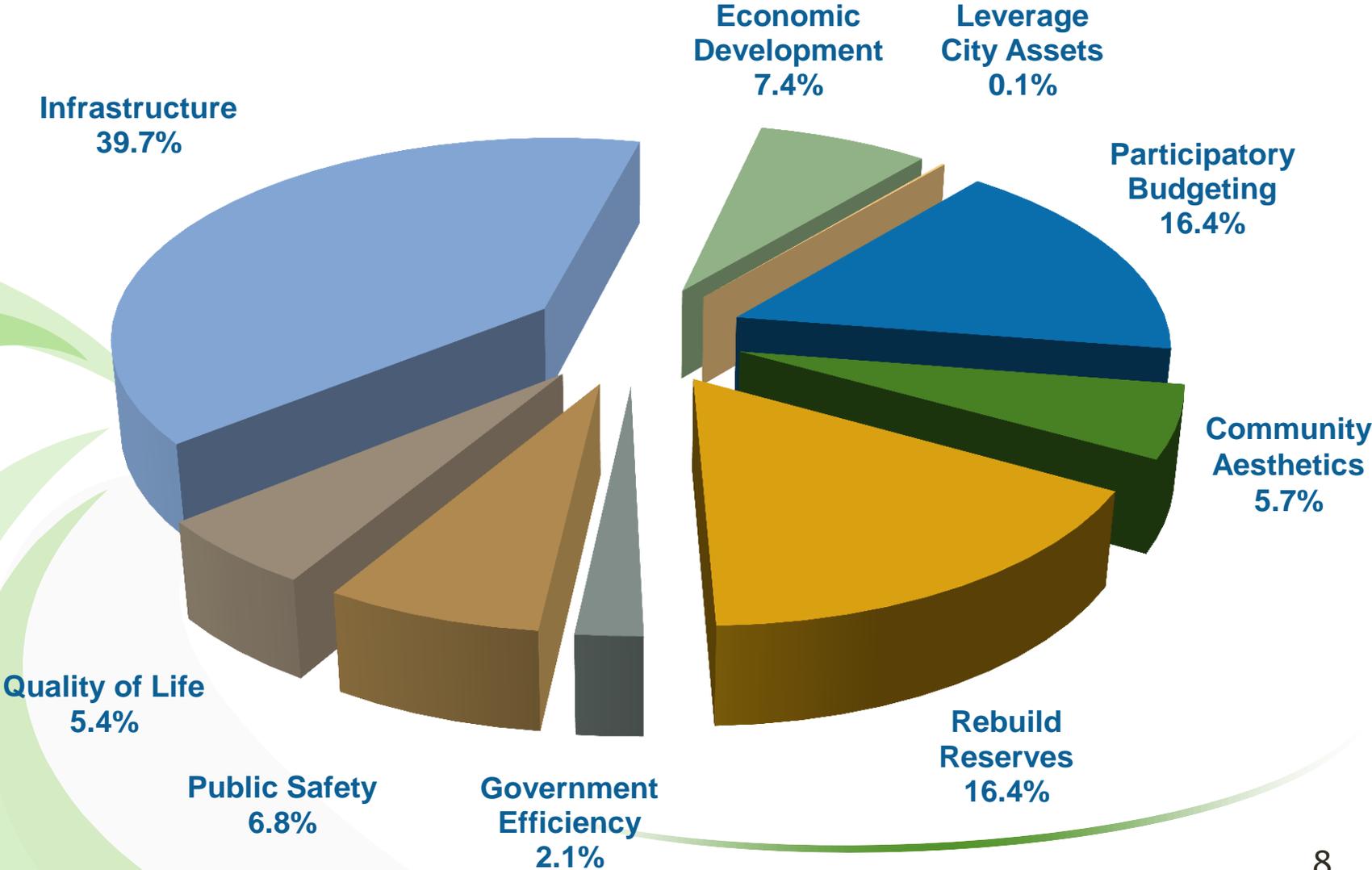
- Golf Fund (\$507,100 for FY 14/15)
- Marina Fund (\$700,000 for FY 14/15)
- Parking Fund (\$145,000 for FY 14/15)

Staff recommends increasing Golf fees by CPI

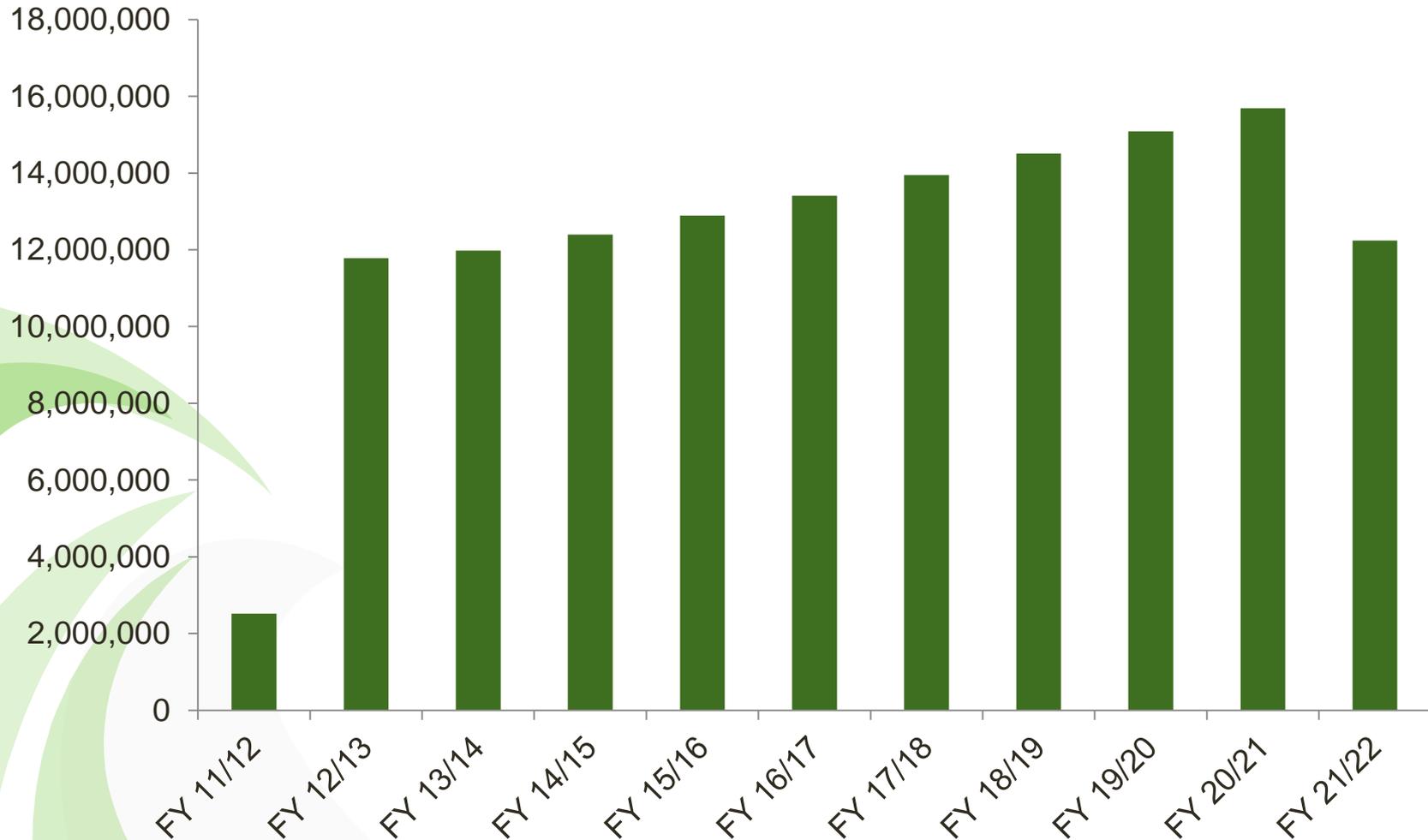
Staff is studying fee increases for the Marina

Measure B Preliminary Draft Spending Plan

FY 13/14 MEASURE B FUNDS DISTRIBUTION



MEASURE B PROJECTED REVENUES



For FY 11/12 the tax became effective April 1, 2012 (3 months)
For FY 21/22 the tax expires March 31, 2022 (9 months)

Projected Measure B Revenues

FY 11/12 (1/4 year audited)	\$ 2,521,056
FY 12/13 (audited)	\$11,777,950
FY 13/14	\$11,981,900
FY 14/15	\$12,400,000
FY 15/16	\$12,896,000
FY 16/17	\$13,411,840
FY 17/18	\$13,948,314
FY 18/19	\$14,506,246
FY 19/20	\$15,086,496
FY 20/21	\$15,689,956
FY 22/23 (3/4 year)	\$12,238,166

Revenue is assumed to grow at 4% per year

Rebuilding Reserves

	FY 14/15 Proposed	Change from FY 13/14 Adopted
Rebuild General Fund Reserves	\$1,000,000	Decrease \$500,000
Rebuild Risk Fund Reserves	500,000	No change

Public Safety Preservation/enhancement

	FY 14/15 Proposed	Change from FY 13/14 Adopted
Field Police Officers Staffing to 105	\$2,750,000	Increase \$250,000
One-time improvements/repairs to Police Department facility	250,000	Increase \$250,000
Police Cadet Program Staffing to 10 cadets	100,000	Increase \$100,000

Public Safety Preservation/enhancement (continued)

	FY 14/15 Proposed	Change from FY 13/14 Adopted
Disaster Preparedness	\$100,000	Increase \$35,000
Reserve Firefighter Program	0	Decrease \$20,000
Retain SAFER Grant Funded Positions Staffing to 9	2,000,000	Increase \$1,560,000

Quality of Life Preservation/enhancement

	FY 14/15 Proposed	Change from FY 13/14 Adopted
Neighborhood Law Program Staffing of 3	\$250,000	Increase \$5,000
Code Enforcement Programs Staffing of 2	221,200	Increase \$21,200
North Mare Island Security	100,000	Increase \$100,000
Official Neighborhood Association	0	Decrease \$10,000
Rental Inspection Program	55,000	No change

Infrastructure Enhancements

	FY 14/15 Proposed	Change from FY 13/14 Adopted
Street Maintenance	\$2,400,000	No change
Marina Dredging	300,000	No change
Tree Maintenance Program	50,000	Decrease \$50,000

Community Aesthetics Improvements

	FY 14/15 Proposed	Change from FY 13/14 Adopted
North Mare Island Demolition	\$690,000	Increase \$190,000
Building Demolition	60,000	No change
Graffiti Abatement	50,000	Decrease \$10,000
Volunteer Coordinator	0	Decrease \$75,000

Economic Development

	FY 14/15 Proposed	Change from FY 13/14 Adopted
General Plan Update Staffing of 1	\$840,000	Increase \$340,000
Implement Economic Development Plan Staffing of 3	650,000	Increase \$250,000

Government Efficiency

	FY 14/15 Proposed	Change from FY 13/14 Adopted
Records Retention Program	\$75,000	Increase \$15,744
Technology Repairs/upgrades	200,000	No change
Code for America Project	220,000	Increase \$220,000
Public Information Officer	60,000	Increase \$60,000

Leveraging City Assets

	FY 14/15 Proposed	Change from FY 13/14 Adopted
Community Events Partnerships	\$15,000	No change

Implement Participatory Budgeting Projects

	FY 14/15 Proposed	Change from FY 13/14 Adopted
PB Administration and Implementation Staffing of 3	\$377,600	Increase \$12,600
PB Projects	0	Decrease \$1,635,000

FY 14/15 Measure B Proposed Budget		
Beginning Balance	\$1,022,844	
Projected Revenue	12,400,000	
Subtotal Resources Available		\$13,422,844
Expenditures		
Rebuilding Reserves	1,500,000	
Public Safety Preservation/enhancements	5,200,000	
Quality of Life Preservation/enhancement	626,200	
Infrastructure Enhancements	2,750,000	
Community Aesthetics Improvements	800,000	
Economic Development	1,490,000	
Government Efficiency	555,000	
Leveraging City Assets	15,000	
Implement Participatory Budgeting Projects	377,600	
Subtotal Expenditures		\$13,313,800
Ending Balance		\$ 109,044

Questions and Feedback

