

## STAFF REPORT

**DATE:** June 2, 2020

**TO:** City Council

**FROM:** Mike Webb, City Manager  
Elena Adair, Finance Director

**SUBJECT:** Fiscal Year 2020/21 Proposed Budget Workshop

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### **Recommendation**

1. Receive fiscal year (FY) 2020/21 Proposed Budget overview;
2. Seek City Council feedback and questions; and
3. Direct staff to return on June 16, 2020 with responses to questions submitted by the City Council and a budget resolution for City Council's consideration and adoption.

### **Fiscal Impact**

There is no direct fiscal impact from review of the FY 2020/21 Proposed Budget. The information presented in this report provides the condensed FY 2020/21 citywide budget with an emphasis on the General Fund. The City's estimated FY 2020/21 Proposed Expenditures Budget is \$220.0 million for all City funds, with a General Fund budget of \$57.3 million, with General Fund Capital Improvement costs raising the amount to \$65 million. It is projected that the City will maintain an available fund balance in its General Fund of approximately \$8.5 million or 13% of General Fund expenditures upon implementation of all measures described in this report. The City Council's policy is to maintain 15% General Fund reserve (also known as the available fund balance).

Included in the City's FY 2020/21 Budget is the Successor Agency FY 2020/21 budget totaling \$5.9 million. The Successor Agency will fund its expenditures with Redevelopment Property Tax Fund (RPTTF) revenues received in June and January of each year. Any other revenues received by the Successor Agency will be used to pay debt service and enforceable obligations.

### **Council Goal(s)**

The objectives established under the Council strategic goal "Ensure Fiscal Resilience" are:

- Revenue: Ensure fair City tax rates and fees while investigating new and sustainable sources of revenue to strengthen the economic base and to provide the services desired by the community.
- Cost containment: Seek increased cost efficiency and containment in service delivery, while maintaining high quality city services.
- Transparency: Take actions to enhance and promote fiscal transparency.
- Use of Technology: Use of technology to enhance and improve the City services.

The proposed budget addresses most of the City Council goals and focus items.

## **Background and Analysis**

Preparing a budget for a City always has its share of unknown variables. Doing it in the midst of an economic shutdown during a global pandemic elevates the task to a new level of uncertainty. It requires adapting as the economy declines and recovers. As restrictions are lifted in phases, staff will have a better understanding of the revenue outlook and whether the City will be reimbursed for expenses related to the emergency response.

At this point, it is unknown how deep the economic downturn will be and how long it will last. As of May 2020, the spread of the virus, known as COVID-19, still continues, and there is no known timing for vaccine development. Nevertheless, California counties and cities are beginning to lift stay-at-home orders and businesses starting to reopen with the strict guidelines imposed by the State. If there is a resurgence of the virus it will likely have a severe effect on an already weak economy.

At the federal level, a financial aid package is offered to cities with population over 500,000. The City has been involved in a number of efforts to lobby the federal government to extend financial relief to agencies with population of at least 50,000 such as City of Davis. Despite these efforts substantive direct financial relief to cities such as Davis, from the State or Federal level, does not appear eminent and may not manifest. While we will continue to lobby for financial support, fiscal prudence demands that the City rely on its own resources, that are primarily tax based, in planning our budget.

With all the current complexities and uncertainties in mind, the FY 2020/21 Proposed Budget for the City of Davis is presented for City Council consideration. The City is fortunate to have a solid budgetary foundation and a periodic long-term fiscal review that allow it to plan and absorb much of the impacts of the unprecedented downturn. However, the FY 2020/21 budget was not immune to the economic shock the COVID-19 pandemic caused. With substantial decreases in the General Fund's available resources, staff had to review and consider various options to balance the Budget, not only in the upcoming fiscal year, but also to make prudent and sufficient adjustments now to mitigate losses in future years.

The FY 2020/21 financial plan prepared at the time of the FY 2019/20 Budget adoption was used as the starting point. The budget presented now contains only the most critical augmentation paired with a number of significant reductions that are deemed necessary to ensure fiscal resiliency, stability and prudence.

## **General Fund**

For FY 2020/21, the General Fund estimated revenues are projected at \$60.7 million. The projected expenditures are equal to \$57.3 million. The projected fund balance is \$17.7 million for FY 2019/20 and \$8.5 million for FY 2020/21. The General Fund revenue and expenditure assumptions are consistent with the City's long-term financial model. While the ultimate impact to the City's General Fund revenue is unknown, the City's long-term financial model is estimating the total reduction in revenue will range from \$11 million (fast recovery) to \$22 million (slow recovery) over the next 4-7 years. Below are brief highlights of the assumptions used in development of the FY 2020/21 budget.

## ***General Fund Revenue Assumptions***

### ***Property Tax Revenue***

The property tax is expected to be largely insulated from losses due to COVID-19. The major impact will be a reduction in supplemental tax roll revenue, which is offset with a larger residual distribution from the Redevelopment Property Tax Trust Fund and growth in motor vehicle license fee in-lieu. In a combined result, the model assumes a modest growth rate. The proposed budget for FY 2020/21 Property Tax revenue is \$24.3 million.

### ***Sales Tax Revenue – Local 1% (Bradley-Burns)***

The sales tax has suffered heavy losses with the reduction in economic activity. In addition, the state is allowing a delay in filing tax returns for smaller vendors, which will delay revenue receipts. While online purchases have increased significantly, local purchases have fallen due to closure of restaurants and many retail establishments. The recovery of retail sales will depend in part on the impact of continued social distancing and the concerns of consumers about resuming their former level of activity in public, and new buying habits that may become ingrained. This will largely depend on whether there is a resurgence of the virus. The revenue losses in FY 2019/20 have resulted from just three and one-half COVID-19 impacted months. In FY 2020/21, there are 12 months during which revenues could be affected. Even if the recovery starts in July 2020, revenues may take years to return to their pre-recession levels. The proposed budget for FY 2020/21 Bradley-Burns Sales Tax revenue is \$6.6 million.

### ***District Tax – Measure O***

Measure O, a one-percent local sales tax, generates approximately \$8.26m each year. The tax was to sunset on December 31, 2020. The City placed a renewal of Measure O on the March 2020 ballot. The voters approved the measure with an overwhelming majority. As with the local 1% sales tax, district tax was impacted by heavy losses with the reduction in economic activity. The model assumes a decrease of 15% in FY 2020/21. The proposed budget for FY 2020/21 district tax is estimated at \$7.4 million.

### ***Transient Occupancy Tax (TOT)***

Just the same as the sales tax, transient occupancy tax has been hit very hard, as hotel rooms have largely remained vacant during the stay-at-home orders. City TOT revenues are largely influenced by UC Davis activities. To the extent that fewer students are on campus, more conferences are held online in the future, or attendance at cultural events is reduced, then TOT revenues will suffer accordingly. In addition, the third hotel originally assumed in the long-range forecast, which has not yet begun construction, has been excluded from the forecast, assuming the market will not be favorable for some time. To the extent that hotels are allowed to delay payment to the City of the tax they have already collected, there will be an additional cash flow impact – though short term losses are nominal due to current high hotel vacancy rates. The proposed budget for FY 2020/21 TOT is estimated at \$2.5 million, which is greater than FY 2019/20 projection by 33%. The large increase is attributed to openings of two new hotels: Marriott and Hyatt House. However, the FY 2019/20 projection has been reduced compared to preceding year collections by over 16%.

### ***Business License Tax***

This tax is paid annually in January of each year. Staff is expecting there will be a significant impact in FY 2020/21, as there will be establishments that go out of business between now and next January, when the next year's payment will be due, and those businesses that remain will

report significantly lower gross receipts subject to the tax. The proposed budget for FY 2020/21 Business License tax is estimated at \$1.65 million.

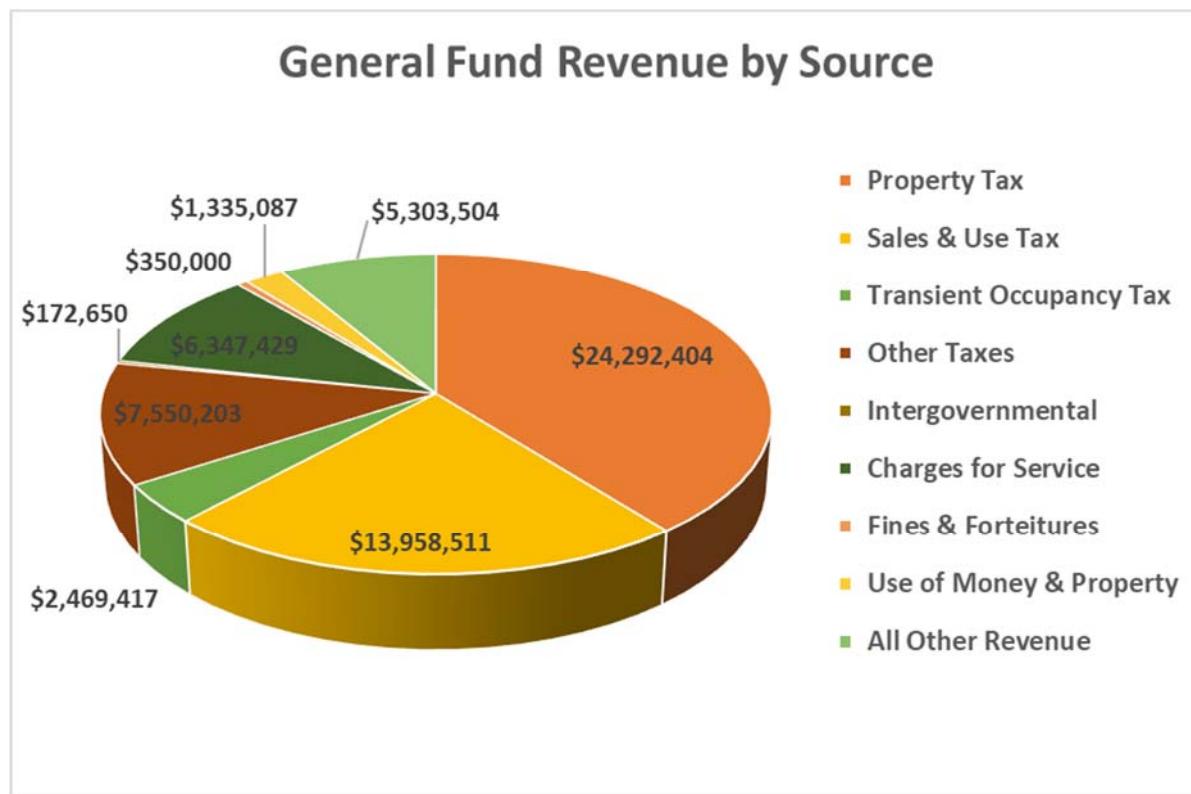
#### Cannabis Revenue

Unlike previously described revenue, cannabis tax has not been affected by the COVID-19 impacts. The collections are expected to remain strong for this revenue source and amount to just over \$1.1 million.

#### Other Taxes and Revenues

This general category combines all other revenue streams that are directed to the General Fund. This includes revenue from franchise fees, municipal service tax, document transfer tax, fines, facility use fees, cell tower leases, intergovernmental revenues and other sources.

Fee-based recreation programs have been shut down during the stay-at-home orders, so there has been little revenue collected since mid-March. These programs will be affected by limits on numbers of people that can gather in one place, and by safety concerns of potential participants. Many activities have already been cancelled through the summer. Other fee-based activity has slowed as well. Fines are expected to be lower due to reduced enforcement activity. The proposed budget for FY 2020/21 for all other taxes and revenues is estimated at \$18.3 million.



#### General Fund Expenditures Assumptions

##### Salaries and Benefits

The budget includes all the components of the negotiated labor agreements. The total personnel costs, including salaries, benefits and retiree costs account for approximately 74% of the total General Fund operating budget. The total personnel costs for FY 2020/21 is estimated at \$49.1

million. This amount includes an approximate \$1 million placeholder to account for labor to include certain personnel changes, concessions or other cuts still needed to achieve 13% fund balance.

Staff reviewed safety overtime expenditures and concluded that previous year budgets were much lower than the actual costs. Finance staff will work with Police and Fire Departments staff to get a better understanding of the overtime causes and components. At this time, it is not recommended to increase the overtime budget; however, adjustment may be requested at a later date after a more detailed evaluation is made.

**Pension Benefits:** With the severe impact of COVID-19, increases in the pension costs have been overshadowed, yet they still pose a significant threat to the long-term viability of the General Fund. In March 2020, California Public Employees Retirement System (CalPERS) announced a \$69 billion loss (approximately 4% negative annualized return) caused by market volatility as a result of the COVID-19 concerns. A month later, CalPERS was at a 1% investment gain. Staff is monitoring CalPERS investment returns, and depending on how CalPERS ends its fiscal year in June will determine the impact it will have on the City's contribution rates. The annual rate CalPERS earns as of June 2020 will be compared to its assumed rate of 7%. A rate below 7% will increase City contribution rates for FY 2022/23. The City's long-term model has FY 2019/20 CalPERS estimated losses built into the projections at negative 5% return.

The pension cost built into the FY 2020/21 budget increased by \$0.3 million or 8.5% compared to FY 2019/20.

**Retiree Health:** The other post-employment benefits (OPEB) liability projected for FY 2018/19 is \$97.5 million, while the value of the plan assets is projected at \$39.6 million, a net of \$57.9 million in unfunded liability (41% funded). At the City Council's direction, the City has been making OPEB contributions above the actual annual costs (also known as pay-go costs). This is how the City was able to achieve the current funded status. As part of balancing the General Fund budget, staff is proposing to reduce the City's OPEB payments for FY 2019/20 and FY 2020/21 down to pay-go amounts. It is not recommended to continue this practice on a long-term basis as these costs are being deferred further into the future for the benefits promised to employees. However, this action provides for an immediate cash savings of approximately \$1.7 million per year.

**Vacant Positions Savings:** During the year, positions become vacant for a variety of reasons. Departments attempt to fill vacated positions as soon as possible, but usually it takes time for the recruitment process, which typically take from two to four months and in some cases even longer. These positions are budgeted, but during the time the position is not filled, it creates savings. It is common to include vacancy savings in the budget. FY 2020/21 Budget assumes \$1.1 million of such savings, a 3% vacancy rate.

**Soft hiring freeze:** The City has put in place strategies to contain costs, such as a soft hiring freeze on vacant positions. Before a vacant position is authorized to be filled, the City Manager evaluates how critical the position is to the City and whether delay in filling the positions will cause adverse effects. The funding sources for these positions are carefully considered as well.

**Attrition Cuts:** Another strategy staff is proposing for the period of FY 2020/21 and FY 2021/22 is to cut 25% of vacant positions through attrition. As positions become vacant, they will be evaluated for the same criteria as stated in the prior paragraph with a target of eliminating 25% of the vacated positions, accounting for ongoing savings of \$1.45 million. Over a two-year period, staff estimates this will permanently eliminate approximately 10 positions (2.4% of the General Fund workforce). Positions left unfilled must be carefully considered, and the workload attributed to those positions commensurately re-allocated to other workforce, re-prioritized, reduced or eliminated, or absorbed through other efficiency gains or contracts. Impacts of this will be felt on city service provision, and we must be cautious not to create unrealistic expectations of “doing more with less”.

**No New Positions:** The City’s long-term forecast model assumed an addition of one position per fiscal year in an attempt to restore previously cut positions or to accommodate expansion of current programs or services. As a result of the COVID-19 impacts on revenues, staff recommends against annual staff growth until the General Fund revenues recover and reserves are rebuilt.

### **Proposed Budget Reductions by Department**

Each department has been asked to provide 5% reductions to be used as a means to help balance the General Fund budget. These reductions were reviewed and considered by the City Manager and those recommended reductions are described below. Recommending departmental reductions is not done lightly. The City organization is already stretched to attain the expected service levels with current resources. Proposed cuts were compiled as strategically as possible to provide a path to maintain both existing positions and staffing while minimizing decreases to service levels. The list below goes as far as possible without wholesale elimination of existing programs.

City Manager’s Office: The proposed expenditure reduction for the City Manager’s Office is \$372,000. The reductions include the following changes:

- Eliminate recently vacated Communication and Customer Service Manager position;
- Reduce funding for community arts grants and community events; and
- Reduce funding available for contract professional services.

#### Administrative Services

- Information Systems: The proposed expenditure reduction for the Information Services Department is \$11,000, which reduces repair and maintenance budget for the citywide radio project.
- Human Resources: The proposed expenditure reduction for the Human Resources Department is \$35,000, which is proposed through a combination of reductions to staff development, shifting appropriate and eligible pre-employment costs to non-general fund sources and reducing costs associated with the overall recruitment process.
- Finance: The proposed expenditure reduction for the Finance Department is \$73,000, which reduces the staff development budget and shifts appropriate and eligible utility operations cost to enterprise funds.

Community Development and Sustainability: The proposed expenditure reduction for the Department is \$177,000. This change affects personnel and services and supplies costs as follows:

- Downgrade recently vacated Planner position to an Assistant Planner;

- Realign Assistant City Manager, Property Management Coordinator and temporary part-time positions to coincide with existing workload that is eligible for non-General Fund resources; and
- Reduce training and professional services budgets.

Parks and Community Services: The proposed expenditure reduction for the Department is \$458,000. This change affects personnel and services and supplies costs as follows:

- Eliminate a vacant Senior Parks Supervisor position;
- Reduce part-time staff budget for aquatics, teen services, gymnastics, adult sports and senior services programs; and
- Reduce water utility budget due to improved irrigation systems in progress.

Fire: The proposed expenditure reduction for the Department is currently \$230,000. This change affects personnel and services and supplies costs as follows:

- Eliminate a vacant Fire Inspector Position and backfill with light duty staff or contracts;
- Reduce overtime caused by training and meeting schedule; and
- Reduce training and supplies budgets.

Police: The proposed expenditure reduction for the Department is \$994,000. This change affects personnel and services and supplies costs as follows:

- Eliminate one vacant Corporal position (to be reinstated in FY 2021/22);
- Eliminate two vacant Police Officer positions (to be reinstated in FY 2021/22);
- Eliminate Police Officer Trainee part-time position;
- Eliminate vacant Police Records Specialist position; and
- Reduce training and professional services budgets.

Public Works Engineering and Transportation: The proposed expenditure reduction for the Department is \$93,000, which reduces professional services for traffic and general engineering and for architectural services, as well as reductions in supplies.

Public Works Utilities and Operations: The proposed General Fund expenditure reduction for the Department is \$167,000, which reduces services and supplies budget. Reductions include removal of funds to procure additional storage space needed at the Corporation Yard, fewer materials for road repairs, delay of purchases of new tools and equipment, reduction in funds for preventative maintenance of signals and reductions in various materials and supplies.

#### **Other Adjustments**

In addition to the budget reductions by each department, the FY 2020/21 General Fund contribution to the Facility Replacement Fund was reduced by \$180,000 from annual allocation of \$360,000. Further, in working with the Public Work Utilities and Operations Department staff, a planned HVAC replacement project is being delayed and funding is being returned back to the General Fund to increase reserves.

#### **New Funding requests (General Fund)**

Although the focus of this proposed budget is on ways to decrease it, there are still a few additions deemed necessary by the City Manager, after an exhaustive review. These additions are either activities required by law or involve public health/life safety issues.

- \$300,000 of one-time allocations for the General Plan Update, including Housing Element, and for implementation of the Climate Action and Adaptation Plan. The General Plan Update costs are fully offset with revenues previously collected specifically for such purpose. The City is required by the State law to produce a Housing Element by May of 2021.
- \$256,000 of which \$211,000 are ongoing costs, for pruning of additional tree inventory that is under City control and responsibility, provide part-time hours for an Urban Forestry Technician, and fund work order management software maintenance costs for three years.
- \$20,000 in ongoing expenditures to fund increased cost of FirstNet services to assist the Fire Department with improved communications and reporting efficiencies.
- \$185,000 to fund safety equipment, FirstNet services, equipment for crime scene investigations in the Police Department and County services for increased mental health crisis calls. For the mental health crisis calls, the Davis Police Department will enter into an agreement to share costs with the Yolo County Health and Human Services Agency (HHSA) to reinstitute the Community Intervention Program (CIP). CIP is a collaboration between the County law enforcement agencies and HHSA to have trained clinical staff available when law enforcement responds to a mental health crisis situation to minimize risk and the costly placement of individuals in hospitals and jails when less restrictive intervention and treatment are available. CIP's goal is to increase access and capacity for community based mental health crisis services. As part of the agreement, a clinician will work full-time hours out of the Davis Police Department, and will allow more time for officers to attend to other duties.
- \$46,520 in ongoing costs offset with \$2,900 of revenues to fund monthly rent of the trailer for the Public Works Engineering and Transportation department and the City's share of increased costs of the crossing guard contract.

#### **Capital Improvement Projects Funded by the General Fund**

When the impacts of the stay-at-home orders due to COVID-19 became apparent, staff immediately took a number of actions to slow down cash outflows. Among the measures taken was a thorough review of the currently approved capital projects with an emphasis on those funded by the General Fund. Due to significant decline in the General Fund resources and economic uncertainties created by the COVID-19 pandemic, multiple projects have been proposed for defunding or other eligible resources have been identified to substitute the General Fund allocations towards these projects in an effort to keep them active.

Finance and Public Works departments together with the City Manager's Office set up criteria in order to determine which projects should move forward and which should be postponed until a future time when General Fund revenues recover and fund balance is rebuilt to the City Council

required level of 15%. The selection was based on the critical needs, cost-efficiency efforts, City Council set priorities and health and safety benefits. As of March 2020, the General Fund had \$14.8 million in capital project commitments. After careful review, these commitments have been reduced down to \$7.41 million. This was accomplished in one of three ways:

- Completely defunding the project if it was not critical to complete it immediately;
- Reducing the General Fund need by descoping and deferring some work; or
- Replacing the General Fund allocations to projects with other fund resources.

A staff report with the detailed budget adjustment has been prepared and is being presented at the June 2<sup>nd</sup> City Council meeting. While the totality of the above actions will delay pursuit of a number of projects anticipated for design and construction in the coming year, the need to reduce the General Fund impact is important to the overall fiscal health of the City. Furthermore, all of the deferred project activity can be picked up and pursued in the future when funding can be prioritized to continue with the work.

Adjustments proposed for the City Council consideration will be made in FY 2019/20 and will preserve close to \$7.7 million of General Fund cash balances needed to weather the COVID-19 recession.

### **General Fund Balance**

The essence of a budget forecast is the fund balance. Budgets cannot run fund balance deficits, so the financial assumptions selected must result in a sustainable balance over time. The City's General Fund reserve policy calls for a "reserve equal to 15% of General Fund expenditures." This is close to the recommendation of the Government Finance Officers Association that a minimum of two month's operating revenues or expenditures (16.67%) be maintained. Such a reserve will cover the normal ebb and flow of cash balances throughout the year, and help buy time for implementation of budget recovery plans in the event an economic downturn is greater than projected, or the needs of an emergency or other unanticipated expenditure exceed the current budget. Computed as a percent of total expenditures before transfers, the reserve level was 36.6% for FY 2017/18 and 34.7% for FY 2018/19. However, the reserve decreases substantially starting in FY 2019/20, due to the revenue losses caused by the pandemic, and capital funding committed for previously-approved projects in FY 2018/19 and FY 2019/20. New capital expenditures for FY 2020/21 are projected to be \$4.3 million. High balances in FY 2017/18 and FY 2018/19 were as a result of multiple capital projects approved but not finished as of the end of the fiscal year. These funds are carried forward until projects are completed.

With all the measures already put in place and proposed as part of the FY 2020/21 Budget, staff is projecting to achieve fund balance of 13% for FY 2020/21.

Staff made significant progress to improve fund balance impacted by the COVID-19 pandemic. FY 2023/24 was projected lowest point, due to increased pension costs and projected economic slowdown that ended up being unprecedented. Fund balance begins to improve and starting FY 2024/25 is expected to exceed the 15% required reserve. Any excess funds could be used for restoration of City services, positions or infrastructure maintenance. As noted previously in this report reaching even the 13% reserve level requires cost reductions of approximately \$1m for labor to include certain personnel changes, concessions or other cuts still needed. Discussions are

currently underway with employee bargaining units to help achieve this cost savings. If short term savings can be achieved via measures such as furloughs or COLA reductions or deferrals, a 13% General Fund reserve can be achieved. While less than the 15% policy, 13% presents a tenable reserve that maintains fiscal responsibility and prudence, while maintaining a delicate balance of services, projects, and workforce continuity. Over the next few years it will be crucial to continually evaluate our budget vis-à-vis our projections to evaluate and anticipate the economic recovery and to adapt to rises and falls in actual revenues and any unexpected expenditures that may arise. Therefore, staff suggests quarterly updates be presented to the City Council and community to monitor progress. It is also crucial that we continually update staff on progress, especially as staff compensation concessions are considered.

### **Other Funds Budget Highlights**

The revenues and expenditures of the Special Revenue Funds, Capital Projects Funds, and Enterprise Funds follow the same methodology as described for the General Fund. The revenue sources in these funds are restricted for a specific use and mostly estimated based on projections from the State, for example, Gasoline Taxes, Transit, SB1; anticipated development, for example, the impact fees from projects with approved plan submittals or vested maps; and cost of service studies for utility enterprise funds.

#### **Revenue Highlights:**

The stay-at-home order resulted not only in the decline of the various general tax revenues, it also means less driving and demand for fuel, reducing the amount of Gas Tax revenue available for maintenance of City streets and roadways.

City's Enterprise Funds are projecting reductions in revenue collections due to impacts of COVID-19. The projected revenue decline for Water Fund (511) is \$1.1 million, Sewer Fund (531) is \$0.7 million and Solid Waste Fund (520) is \$0.7 million. Of note, the City Council voted to postpone Solid Waste Fund rate increases scheduled for July 1, 2020 to alleviate the impact on residents and businesses affected by the pandemic.

#### **New Funding requests (Non-General Fund Programs)**

*Cable TV Fund (150):* \$200,000 one-time addition to the budget from cable franchise fees to improve City infrastructure for high speed internet improvements at Vets Memorial Theatre, Senior Center, and other select public locations.

*Gas Tax Fund (109):* \$2,684 in ongoing costs to fund the City's portion of increased costs of crossing guard contract. This program is partially funded by the General Fund and the School District as well.

*Public Safety Fund (155):* \$100,000 increase in one-time allocations to fund fire hazard assessment and vegetation and tree canopies mitigation services; \$200,000 in one-time expenditures to fund acquisition of public safety cameras to be installed at up to four major intersections.

*Information Technology Fund (624):* \$45,000 one-time addition to the budget to hire a cyber security consultant.

*Construction Tax Fund (200)/General Facility Impact Fees (481):* \$350,000 of one-time allocations to fund the General Plan Update and EIR, which will include establishing parameters and completion of RPQ and RFP processes.

*Open Space Fund (135)/Open Space Impact Fees Fund (482):* \$100,800 of one-time allocations to provide funding for 12 months of plant establishment for North Davis Uplands Restoration site.

*Parks Impact Fees Fund (483):* \$90,000 for one-time expenditures to upgrade and replace irrigation controllers to improve water management.

*Sewer Fund (531):* \$159,500 in ongoing and one-time allocations to fund acquisition of the new closed-circuit TV van with equipment enabling efficient and effective inspection of lines, and an increase in water testing cost to comply with SALTS/Salinity regulations.

*Solid Waste Fund (520)/Water Fund (511):* \$268,804 of one-time allocation for implementation of 2020 Climate Action and Adaptation Plan Update, purchase of tracking software and vulnerability assessment and adaption plan.

*Workers Compensation Fund (630):* The Insurance JPA YCPARMIA has informed the City that workers compensation costs will be going up by approximately \$291,000 in FY 2020/21 to \$1.56 million due to increases in rates system and industry-wide (e.g. increased rates are happening for all Yolo jurisdictions, but also regionally, and across the state).

### **Sources of Risk**

Every budget has the risk that estimation will not accurately predict future performance for revenue and expenditures and that conditions will deviate from the assumptions used to make estimates.

The proposed budget for FY 2020/21 and the long-term projection include assumptions about cost increases that depend on collective bargaining results. Benefit costs will also depend on CalPERS performance, amortization and smoothing policies, and revisions of actuarial assumptions. Other Post-Employment Benefits (OPEB) cost increases are incorporated in the long-term forecast. All of these risks described above must be considered in making decisions about ongoing expenditure and reserve levels.

Attached for information and reference are summary budget schedules for all funds revenues and expenditures. Fund balance schedule provides status and general reserve levels for each City fund. In addition, a detailed General Fund expenditures summary by Department is included together with Long-Range Financial Forecast narrative. The Capital Improvement Project Summary provides a list of projects planned for implementation in the coming year.

Attachments:

1. Summary of Revenues by Fund
2. Summary of Expenditures by Fund
3. Summary of Expenditures by Department
4. Summary of Fund Balances
5. Capital Improvement Projects Summary

**ADOPTED BUDGET 2020/21**  
**SUMMARY OF REVENUES BY FUND**

<b>FUND NO</b>	<b>TITLE</b>	<b>FY 17/18 ACTUAL</b>	<b>FY 18/19 ACTUAL</b>	<b>FY 19/20 ESTIMATE</b>	<b>FY 20/21 PROPOSED</b>
001	GENERAL FUND	61,229,358	62,698,872	61,230,944	60,669,205
012	GENERAL FUND - CAPITAL IMPROVEMENT	-	610,513	1,064,000	1,110,000
	<b>TOTAL GENERAL FUND</b>	<b>61,229,358</b>	<b>63,309,385</b>	<b>62,294,944</b>	<b>61,779,205</b>

**SPECIAL REVENUE FUNDS**

007	UNALLOC INVESTMENT ERNGS	73,527	64,280	112,866	109,061
109	GAS TAX 2105	719,870	691,551	1,047,937	1,098,968
110	GAS TAX 2106	240,352	248,895	248,943	248,088
111	GAS TAX 2107	486,965	483,241	514,466	226,366
112	GAS TAX 2107.5	7,500	7,738	7,848	7,813
113	SB1 GAS TAX	404,098	1,275,011	1,366,479	1,320,120
115	TDA NON-TRANSIT USE	360,423	301,739	752,118	1,477,034
135	OPEN SPACE FUND	700,389	819,209	798,775	790,913
140	PARKS MAINTENANCE TAX	1,388,111	1,412,582	1,469,900	1,475,780
150	CABLE TV	433,685	623,878	559,363	508,427
151	CABLE TV-CAPITAL FUND	63,213	114,714	71,540	70,386
155	PUBLIC SAFETY	3,347,667	3,410,382	3,728,799	3,785,774
160	HOUSING IN-LIEU	438,113	189,722	709,555	331,107
161	FEDERAL HOUSING GRANTS	655,244	236,073	786,165	366,282
162	STATE HOUSING GRANTS	4,531	14,218	11,759	10,583
165	MUNICIPAL ARTS	61,706	701,371	25,168	23,651
190	AGRICULTURE LAND ACQUISITION	3,300	8,192	5,339	4,805
195	BUILDING FEES & PERMITS	2,465,512	2,778,561	2,847,917	2,413,575
200	CONSTRUCTION TAX	983,358	2,139,619	1,718,661	1,357,973
205	SUBDIVISION IN-LIEU PARK FEES	118,107	187,946	138,954	137,559
208	IN-LIEU OF PARKING PAYMENTS	4,305	12,681	9,613	8,652
209	PARKING REVENUE FUND	84,393	86,516	101,016	37,009
210	FEDERAL/STATE HIGHWAY GRANTS	55,995	5,249,994	9,472,989	18,424,989
215	HUD/CDBG	987,176	266,655	666,611	921,957
216	OPERATIONAL GRANTS FUND	363,553	453,409	791,997	41,876
217	ECONOMIC STIMULUS GRANTS	-	-	-	-
	<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>14,451,093</b>	<b>21,778,177</b>	<b>27,964,778</b>	<b>35,198,748</b>

**DEBT SERVICE/SPECIAL ASSTM FUNDS**

337	PUBLIC FACIL FINANCING AUTHORITY	1,019,173	1,078,317	1,032,755	1,010,428
338	MACE RANCH MELLO ROOS BOND	10,085,086	1,416,506	1,368,413	1,375,723
339	ABAG CERTIFICATE OF PARTICIPATN	-	-	640	640
340	CANNERY CFD	521,959	548,554	593,530	602,949
353	OXFORD CIRCLE ASSMT DIST	330	1,007	735	662
358	UNIV RESEARCH PARK ASSMT DIST	1,185	554	1,200	1,200
359	UNIV RESEARCH PARK RESERVE FUND	1,060	3,124	2,368	2,131
361	PARKING ASSMT DIST #3 REDEMPTION	(15)	5,300	80	80
362	PARKING ASSMT DIST #3 RESERVE FUND	1,101	3,242	2,458	2,212
363	DAVIS PUBLIC FACILITIES	-	-	-	-
	<b>TOTAL DEBT SVC/SPEC ASSMT FNDS</b>	<b>11,629,879</b>	<b>3,056,604</b>	<b>3,002,179</b>	<b>2,996,025</b>

**ADOPTED BUDGET 2020/21**  
**SUMMARY OF REVENUES BY FUND**

<b>FUND NO</b>	<b>TITLE</b>	<b>FY 17/18 ACTUAL</b>	<b>FY 18/19 ACTUAL</b>	<b>FY 19/20 ESTIMATE</b>	<b>FY 20/21 PROPOSED</b>
<b>CAPITAL PROJECT FUNDS</b>					
456	DAVIS RESEARCH PARK ASSESMNT DIST	7,383	21,750	16,489	14,840
460	ARLINGTON BLVD BENEFIT AREA	3,530	10,400	7,884	7,096
465	CAPITAL GRANTS FUND	133,724	117,104	338,460	283,535
468	DAVIS LAND ACQUISITION FUND	14,553	41,525	28,589	25,730
470	MELLO-ROOS COMM FAC DISTRICT	2,043	6,018	4,562	4,106
475	DEVELOPMENT DEFERRED IMPROV				-
476	DOWNTOWN AREA CAP REVITALIZATION	-	-	-	-
480	DEVELOPMENT DEFERRED IMPROV	(45,302)	31,694	29,250	26,525
481	DEVELOPMENT DEFER IMPR-GENERAL FACIL	394,197	537,265	309,118	124,105
482	DEVELOPMENT DEFER IMPR-OPEN SPACE	148,845	241,518	285,287	131,758
483	DEVELOPMENT DEFER IMPR-PARKS	452,067	879,042	530,358	200,532
484	DEVELOPMENT DEFER IMPR-PUBLIC SAFETY	208,276	254,113	293,496	161,646
485	DEVELOPMENT DEFER IMPR-ROADWAY	1,331,451	1,466,074	1,654,970	639,473
<b>TOTAL CAPITAL PROJECT FUNDS</b>		<b>2,650,767</b>	<b>3,606,503</b>	<b>3,498,463</b>	<b>1,619,346</b>
<b>TRUST AND AGENCY FUNDS</b>					
715	HISTORICAL	-	-	-	-
716	DAVISVILLE BOOK	19	56	43	39
717	BRINLEY/HATTIE WEBER FUND	120	111	84	76
<b>TOTAL TRUST AND AGENCY FUNDS</b>		<b>139</b>	<b>167</b>	<b>127</b>	<b>115</b>
<b>ENTERPRISE FUNDS</b>					
570	PUBLIC TRANSIT	3,337,953	3,523,231	4,608,000	4,037,700
571	TRANSPORTATION NON-TDA	1,759,644	1,496,232	4,000,316	4,700,284
511	WATER - MAINT & OPERATION	18,526,528	24,270,995	20,898,752	21,861,327
512	WATER - CAP REPLCMNT RESRV	409,947	1,181,418	880,463	841,404
513	WATER - CAPITAL EXPAN RESRV	1,478,019	1,333,639	1,233,171	329,854
520	SANITATION FUND	11,494,502	12,134,418	12,020,919	12,646,348
531	SEWER - MAINT & OPERATION	12,964,456	14,439,674	13,225,780	13,495,860
532	SEWER - CAP REPLCMNT RESRV	314,538	637,064	390,383	354,345
533	SEWER - CAPITAL EXPAN RESRV	617,885	956,386	900,000	200,000
541	STORM SWR/DRN - MAINT & OPERATION	1,207,032	1,235,161	1,311,353	1,249,291
542	STORM SWR/DRN - CAP REPLCMNT RESRV	8,413	35,964	27,067	24,360
543	STORM SWR/DRN - CAP EXPAN RESRV	28,206	78,877	75,469	50,922
544	STORM SWR/DRN - QUALITY	613,458	634,330	623,804	591,924
<b>TOTAL ENTERPRISE FUNDS</b>		<b>52,760,581</b>	<b>61,957,389</b>	<b>60,195,477</b>	<b>60,383,619</b>
<b>INTERNAL SERVICE FUNDS</b>					
020	EMPLOYEE BENEFITS FUND	3,304,717	3,261,250	3,408,158	3,408,158
620	GENERAL SERVICES	353,195	361,359	353,158	353,158
621	FLEET REPLACEMENT	1,728,162	1,870,111	1,392,402	1,346,374
622	FLEET SERVICES	1,644,656	1,748,756	1,761,189	1,754,220
623	IS REPLACEMENT	502,613	610,766	890,452	884,652
624	IS SERVICES	2,498,064	2,423,566	2,616,195	2,613,753
625	BUILDING MAINTENANCE	1,487,519	1,836,106	1,837,216	1,835,705
626	FACILITY MAINTENANCE	995,043	1,131,670	1,143,287	1,064,049

**ADOPTED BUDGET 2020/21**  
**SUMMARY OF REVENUES BY FUND**

<b>FUND NO</b>	<b>TITLE</b>	<b>FY 17/18 ACTUAL</b>	<b>FY 18/19 ACTUAL</b>	<b>FY 19/20 ESTIMATE</b>	<b>FY 20/21 PROPOSED</b>
628	EQUIPMENT MAINTENANCE	392,515	447,671	436,055	362,939
629	DUPLICATING/POSTAL SERVICES	196,998	231,171	269,300	269,019
630	CITY SELF-INSURANCE	15,275,026	14,488,674	15,823,764	16,812,055
	<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>28,378,508</b>	<b>28,411,100</b>	<b>29,931,176</b>	<b>30,704,082</b>
	<b>TOTAL CITY FUNDS</b>	<b>171,100,325</b>	<b>182,119,325</b>	<b>186,887,144</b>	<b>192,681,140</b>
	<b>DAVIS RDA SUCCESSOR AGENCY</b>				
891	RDA RETIREMENT OBLIGATION FUND	6,647,537	3,602,339	3,664,727	2,262,383
892	RDA RETIREMENT OBLIGATION - CAP PROJ	-	-	-	-
893	RDA RETIREMENT OBLIGATION - TE BOND	-	-	-	-
895	RDA RETIREMENT OBLIGATION - DEBT SVC	142,921	249,397	5,500,000	-
896	RDA RETIREMENT OBLIGATION - HOUSING	-	-	-	-
	<b>TOTAL RDA RETIREMENT OBLIGATION FUN</b>	<b>6,790,458</b>	<b>3,851,736</b>	<b>9,164,727</b>	<b>2,262,383</b>
	<b>TOTAL ALL FUNDS</b>	<b>177,890,783</b>	<b>185,971,061</b>	<b>196,051,871</b>	<b>194,943,523</b>

**PROPOSED BUDGET 2020/21**  
**SUMMARY OF EXPENDITURES BY FUND**

FUND NO	TITLE	FY 17/18 ACTUAL	FY 18/19 ACTUAL	FY 19/20 ESTIMATE	FY 20/21 PROPOSED
001	GENERAL FUND	58,323,776	57,286,278	64,209,520	57,340,820
012	GENERAL FUND - CAPITAL IMPROVEMENT	0	7,145,435	8,258,596	7,612,493
	<b>TOTAL GENERAL FUND</b>	<b>58,323,776</b>	<b>64,431,713</b>	<b>72,468,116</b>	<b>64,953,313</b>
<b>SPECIAL REVENUE FUNDS</b>					
007	UNALLOC INVESTMENT ERNGS	73,527	64,281	112,866	109,061
109	GAS TAX 2105	860,957	1,055,464	671,384	1,173,937
110	GAS TAX 2106	188,672	0	268,558	605,205
111	GAS TAX 2107	462,688	95,606	370,976	99,029
112	GAS TAX 2107.5	5,926	0	6,676	-
113	SB1 GAS TAX	402,786	1,168,942	1,139,903	1,329,111
115	TDA NON-TRANSIT USE	29,027	56,774	752,411	14,563
135	OPEN SPACE FUND	175,366	279,640	646,115	414,341
140	PARKS MAINTENANCE TAX	1,486,820	1,403,413	1,405,529	1,540,150
150	CABLE TV	673,270	662,552	1,063,556	909,179
151	CABLE TV CAPITAL	84,366	114,119	120,493	141,121
155	PUBLIC SAFETY	3,309,390	3,524,606	3,522,856	3,858,789
160	HOUSING IN-LIEU	472,192	198,746	279,577	245,573
161	FEDERAL HOUSING GRANTS	734,991	99,796	745,867	646,282
165	MUNICIPAL ARTS	2,966	143	20,029	35,143
170	CHILD CARE	116,761	355,992	-	-
190	AGRICULTURE LAND ACQUISITION	40,370	104,046	13,000	13,097
195	BUILDING FEES/PERMITS	2,398,306	2,564,647	2,880,645	2,916,632
200	CONSTRUCTION TAX	1,328,677	1,875,210	3,204,719	3,059,236
205	SUBDIVISION IN-LIEU PARK FEES	180,902	306,739	629,406	444,974
209	PARKING REVENUE FUND	117,579	121,186	241,388	51,478
210	FEDERAL/STATE HIGHWAY GRANTS	2,124,068	4,908,801	9,846,699	14,884,989
215	HUD/CDBG	799,257	439,870	1,062,374	779,473
216	OPERATIONAL GRANTS FUND	517,784	679,449	881,218	9,420
	<b>TOTAL SPECIAL REVENUE FUNDS</b>	<b>16,586,648</b>	<b>20,080,022</b>	<b>29,886,245</b>	<b>33,280,783</b>
<b>DEBT SERVICE/SPECIAL ASSMT FUNDS</b>					
337	PUBLIC FACIL FINANCING AUTHORITY	989,828	1,274,646	986,149	1,005,733
338	MACE RANCH MELLO ROOS BOND	10,356,579	1,394,827	1,402,705	1,421,233
340	CANNERY CFD	449,356	571,560	582,488	593,288
353	OXFORD CIRCLE ASSMT DIST	14,373	-	112	304
358	UNIV RESEARCH PARK ASSMT DIST	183,660	190,920	0	0
361	PARKING ASSMT DIST #3	6,116	13,340	56,214	526
	<b>TOTAL DEBT SVC/SPEC ASSMT FDNS</b>	<b>11,999,912</b>	<b>3,445,293</b>	<b>3,027,668</b>	<b>3,021,084</b>
<b>CAPITAL PROJECT FUNDS</b>					
465	CAPITAL GRANTS FUND	61,069	7,632	525,552	240,000
468	LAND ACQUISITION FUND	10,096	56,254	169,632	-
480	DEVELOPMENT DEFERRED IMPROV	31,767	23,464	275,077	37,891
481	DEVELOPMENT DEFER IMPR-GENERAL FACILIT	279,314	419,825	886,378	944,429
482	DEVELOPMENT DEFER IMPR-OPEN SPACE	37,301	4,598	235,923	36,180
483	DEVELOPMENT DEFER IMPR-PARKS	350,326	672,465	1,734,744	877,793
484	DEVELOPMENT DEFER IMPR-PUBLIC SAFETY	119	3	623,248	375,916
485	DEVELOPMENT DEFER IMPR-ROADWAY	1,507,178	3,390,622	7,740,970	5,814,296
	<b>TOTAL CAPITAL PROJECT FUNDS</b>	<b>2,277,170</b>	<b>4,574,863</b>	<b>12,191,524</b>	<b>8,326,505</b>
<b>TRUST AND AGENCY FUNDS</b>					
06-02-20 City Council Meeting					
05B - 15					

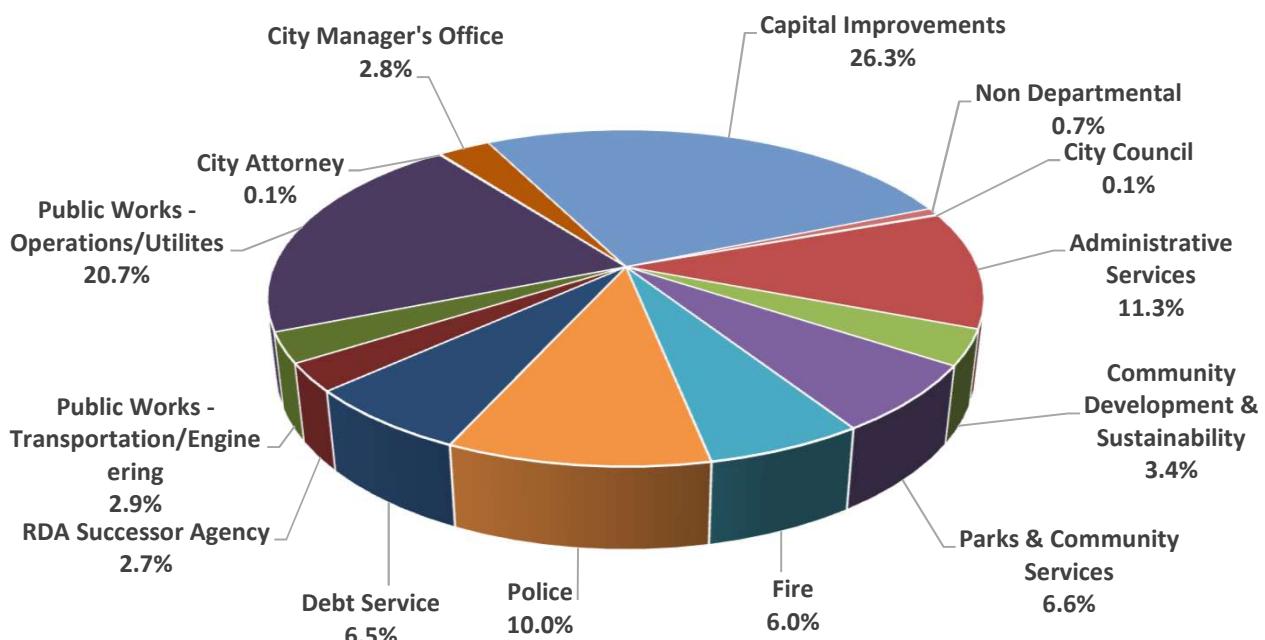
**PROPOSED BUDGET 2020/21**  
**SUMMARY OF EXPENDITURES BY FUND**

FUND NO	TITLE	FY 17/18 ACTUAL	FY 18/19 ACTUAL	FY 19/20 ESTIMATE	FY 20/21 PROPOSED
715	HISTORICAL	0	0	0	0
716	DAVISVILLE BOOK	0	0	0	0
717	BRINLEY/HATTIE WEBER FUND	0	0	0	0
	<b>TOTAL TRUST AND AGENCY FUNDS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>ENTERPRISE FUNDS</b>				
570	PUBLIC TRANSPORTATION	3,271,070	3,521,948	3,640,809	3,711,313
571	TRANSPORTATION NON TDA	1,627,712	1,495,947	4,004,624	3,400
511	WATER - MAINT & OPERATION	19,197,361	23,910,087	23,312,384	24,655,116
512	WATER - CAP REPLCMNT RESRV	7,264,758	(1,431,188)	14,215,034	(1,242,258)
513	WATER - CAPITAL EXPAN RESRV	1,132	-	0	0
520	SANITATION FUND	12,495,647	13,030,258	13,763,930	13,632,244
531	SEWER - MAINT & OPERATION	13,237,275	13,042,942	14,684,895	14,861,329
532	SEWER - CAP REPLCMNT RESRV	11,587,013	1,779,885	18,212,393	8,876,135
533	SEWER - CAPITAL EXPAN RESRV	2,845	111	0	0
541	STORM SWR/DRN - MAINT & OPER	1,488,452	1,056,817	1,420,062	1,331,743
542	STORM SWR/DRN - CAP REPL RESRV	1,154,191	9,011	951,737	(189,181)
543	STORM SWR/DRN - CAP EXPN RSRV	105,153	103,506	78,468	84,192
544	STORM SWR/DRN - QUALITY	767,692	837,901	983,774	1,000,524
	<b>TOTAL ENTERPRISE FUNDS</b>	<b>72,200,301</b>	<b>57,357,225</b>	<b>95,268,110</b>	<b>66,724,557</b>
	<b>INTERNAL SERVICE FUNDS</b>				
020	EMPLOYEE BENEFITS FUND	3,111,213	3,176,893	3,030,000	3,030,000
620	GENERAL SERVICES	318,860	303,081	300,271	438,849
621	EQUIPMENT REPLACEMENT	911,152	790,637	1,713,769	1,667,684
622	FLEET SERVICES FUND	1,521,862	1,677,732	1,825,303	1,732,890
623	IS REPLACEMENT FUND	373,988	283,169	620,366	635,450
624	IS SERVICES FUND	2,526,578	2,459,824	2,599,328	2,649,504
625	BUILDING MAINTENANCE	1,668,860	1,727,142	1,877,868	1,897,514
626	FACILITY REPLACEMENT	1,809,880	1,172,409	5,258,936	3,604,122
628	NON-VEHICULAR REPLACEMENT FUND	21,953	258,980	1,439,522	890,300
629	DUPLICATING & POSTAL SERVICES	124,111	139,299	178,858	181,352
630	CITY SELF-INSURANCE	14,856,278	14,579,084	15,389,268	16,075,314
	<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>27,244,735</b>	<b>26,568,250</b>	<b>34,233,489</b>	<b>32,802,979</b>
	<b>TOTAL CITY FUNDS</b>	<b>188,632,542</b>	<b>176,457,366</b>	<b>247,075,152</b>	<b>209,109,221</b>
	<b>DAVIS RDA SUCCESSOR AGENCY</b>				
891	RDA RETIREMENT OBLIGATION FUND	6,803,723	(3,174,775)	3,748,772	5,900,000
892	RDA RETIREMENT OBLIGATION -CAPITAL PROJ	0	0	0	0
893	RDA RETIREMENT OBLIGATION - TE BONDS	0	0	0	0
894	RDA RETIREMENT OBLIGATION - TAX BONDS	0	0	0	0
895	RDA RETIREMENT OBLIGATION - DEBT SVC	(9,845)	6,836,881	5,095,021	5,010,021
896	RDA RETIREMENT OBLIGATION - HOUSING	179,592	0	0	0
	<b>TOTAL RDA RETIREMENT OBLIGATION FUNDS</b>	<b>6,973,470</b>	<b>3,662,106</b>	<b>8,843,793</b>	<b>10,910,021</b>
	<b>TOTAL ALL FUNDS</b>	<b>195,606,008</b>	<b>180,119,475</b>	<b>255,918,945</b>	<b>220,019,242</b>

**SUMMARY OF EXPENDITURES BY DEPARTMENT**  
**ALL FUNDS**  
**FY 2020-2021 Proposed**

<b>Expenditures</b>	<b>FY 2017-18 Actual</b>	<b>FY 2018-19 Actual</b>	<b>FY 2019-20 Estimate</b>	<b>FY 2020-21 Proposed</b>
City Attorney	682,633	168,069	310,217	320,217
City Council	188,777	186,873	238,444	206,967
City Manager's Office	5,954,378	5,254,658	7,175,247	6,180,914
Administrative Services	22,133,658	22,080,913	25,309,969	24,913,420
Community Development & Sustainability	6,973,143	7,405,319	8,442,742	7,511,159
Parks & Community Services	14,407,831	13,952,175	16,018,121	14,548,518
Fire	12,129,791	13,134,781	14,202,146	13,204,968
Police	21,322,087	21,570,697	21,932,287	21,939,821
Public Works - Transportation/Engineering	-	-	10,216,006	6,279,439
Public Works - Operations/Utilities	47,505,612	47,674,773	49,984,190	45,481,661
Capital Improvements	37,516,985	30,164,339	71,064,586	57,814,217
Debt Service	19,781,672	14,840,385	23,243,724	14,197,520
RDA Successor Agency	6,899,893	3,670,933	3,678,504	5,900,000
Non Departmental	109,548	15,560	4,102,761	1,520,420
<b>Subtotal Expenditures:</b>	<b>\$ 195,606,008</b>	<b>\$ 180,119,475</b>	<b>\$ 255,918,945</b>	<b>\$ 220,019,242</b>
Non Departmental Adjustments/Transfers	0	0	0	0
<b>Total Use of Resources:</b>	<b>\$ 195,606,008</b>	<b>\$ 180,119,475</b>	<b>\$ 255,918,945</b>	<b>\$ 220,019,242</b>

**All Funds**  
**Expenditures by Department**  
**\$220,019,242**



SUMMARY OF FUND BALANCES, REVENUES,  
AND EXPENDITURES/ENCUMBRANCES BY FUND

FUND NO	TITLE	AVAILABLE UNRESERVED FUND BALANCE	FY 2019/20 ESTIMATE - 5/26/20		ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE	FY 2020/21 PROPOSED BUDGET		ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE
		July 1, 2019	REVENUE	EXPENDITURE		June 30, 2020	REVENUES	EXPENDITURES		June 30, 2021
001	GENERAL FUND-UNRESERVED	20,701,579	61,230,944	64,209,520	0	17,723,003	60,669,205	57,340,820	(12,586,576)	8,464,812
012	GENERAL FUND - CIP	610,513	1,064,000	8,258,596	0	(6,584,083)	1,110,000	7,612,493	13,086,576	0
SUBTOTAL GENERAL FUND		21,312,092	62,294,944	72,468,116	0	11,138,920	61,779,205	64,953,313	500,000	8,464,812
TOTAL GENERAL FUND BALANCE		21,312,092	62,294,944	72,468,116	0	11,138,920	61,779,205	64,953,313	500,000	8,464,812
13.03%										
GENERAL FUND RESERVE (10%)		0	0	0		0	0	0		6,445,331
GENERAL FUND RESERVE - PROJECTS (5%)		0	0	0		0	0	0		2,019,481
GENERAL FUND BALANCE NET OF RESERVES		21,312,092	62,294,944	72,468,116	0	11,138,920	61,779,205	64,953,313	500,000	0

**SPECIAL REVENUE FUNDS**

007	UNALLOC INVESTMENT ERNGS	0	112,866	112,866		0	109,061	109,061		0
109	GAS TAX 2105	25,132	1,047,937	671,384		401,685	1,098,968	1,173,937		326,716
110	GAS TAX 2106	427,718	248,943	268,558		408,103	248,088	605,205		50,986
111	GAS TAX 2107	578,420	514,466	370,976		721,910	226,366	99,029		849,247
112	GAS TAX 2107.5	11,947	7,848	6,676		13,119	7,813	0		20,932
113	SB-1 GAS TAX FUND	107,381	1,366,479	1,139,903		333,957	1,320,120	1,329,111		324,966
115	TDA NON-TRANSIT USE	268,434	752,118	752,411		268,141	1,477,034	14,563		1,730,612
135	OPEN SPACE FUND	5,926,539	798,775	646,115		6,079,199	790,913	414,341		6,455,771
140	PARKS MAINTENANCE TAX	(1)	1,469,900	1,405,529		64,370	1,475,780	1,540,150		(0)
150	CABLE TV	700,472	559,363	1,063,556		196,279	508,427	909,179		(204,473)
151	CABLE TV CAPITAL	584,376	71,540	120,493		535,423	70,386	141,121		464,688
155	PUBLIC SAFETY	(177,081)	3,728,799	3,522,856		28,862	3,785,774	3,858,789		(44,153)
160	HOUSING IN-LIEU	637,798	709,555	279,577		1,067,776	331,107	245,573		1,153,310
161	FEDERAL HOUSING GRANTS	356,129	786,165	745,867		396,427	366,282	646,282		116,427
162	STATE HOUSING GRANTS	588,518	11,759	0		600,277	10,583	0		610,860
165	MUNICIPAL ARTS	817,993	25,168	20,029		823,132	23,651	35,143		811,640
190	AGRICULTURE LAND ACQUISITION	270,817	5,339	13,000		263,156	4,805	13,097		254,864
195	BUILDING FEES/PERMITS	1,057,374	2,847,917	2,880,645		1,024,646	2,413,575	2,916,632		521,589

SUMMARY OF FUND BALANCES, REVENUES,  
AND EXPENDITURES/ENCUMBRANCES BY FUND

FUND		AVAILABLE UNRESERVED FUND BALANCE	FY 2019/20 ESTIMATE - 5/26/20		ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE	FY 2020/21 PROPOSED BUDGET		ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE
NO	TITLE	July 1, 2019	REVENUE	EXPENDITURE		June 30, 2020	REVENUES	EXPENDITURES		June 30, 2021
200	CONSTRUCTION TAX	2,811,777	1,718,661	3,204,719		1,325,719	1,357,973	3,059,236		(375,544)
205	SUBDIVISION IN-LIEU PARK FEES (QUIMBY)	694,693	138,954	629,406		204,241	137,559	444,974		(103,174)
208	IN-LIEU OF PARKING PAYMENTS	482,317	9,613	0		491,930	8,652	0		500,582
209	PARKING REVENUE FUND	110,115	101,016	241,388		(30,257)	37,009	51,478		(44,726)
210	FEDERAL/STATE HIGHWAY GRANTS	(1,304,773)	9,472,989	9,846,699		(1,678,483)	18,424,989	14,884,989		1,861,517
215	HUD/CDBG	124,695	666,611	1,062,374		(271,068)	921,957	779,473		(128,584)
216	OPERATIONAL GRANTS FUND	119,312	791,997	881,218		30,091	41,876	9,420		62,547
<b>TOTAL SPECIAL REVENUE FUNDS</b>		<b>15,220,100</b>	<b>27,964,778</b>	<b>29,886,245</b>	<b>0</b>	<b>13,298,633</b>	<b>35,198,748</b>	<b>33,280,783</b>	<b>0</b>	<b>15,216,598</b>

**DEBT SERVICE/SPECIAL ASSMT FUNDS**

337	PUBLIC FACIL FINANCING AUTHORITY	5,240,708	1,032,755	986,149		5,287,314	1,010,428	1,005,733		5,292,009
338	MACE RANCH MELLO ROOS BOND	1,547,333	1,368,413	1,402,705		1,513,041	1,375,723	1,421,233		1,467,531
339	ABAG CERTIFICATE OF PARTICIPATN	0	640	0		640	640	0		1,280
340	CANNERY CFD 2015 SP TAX	1,119,372	593,530	582,488		1,130,414	602,949	593,288		1,140,075
353	OXFORD CIRCLE ASSMT DIST	36,915	735	112		37,538	662	304		37,896
358	UNIV RESEARCH PARK ASSMT DIST	56,669	1,200	0		57,869	1,200	0		59,069
359	UNIV RESEARCH PARK RESRV FUND	0	2,368	0		0	2,131	0		2,131
361	PARKING ASSMT DIST #3	85,552	80	56,214		29,418	80	526		28,972
362	PARKING ASSMT DIST #3 RSRV	0	2,458	0		2,458	2,212	0		4,670
363	DAVIS PUBLIC FACILITIES	0	0	0		0	0	0		0
<b>TOTAL DEBT SVC/SPEC ASSMT FUNDS</b>		<b>8,086,550</b>	<b>3,002,179</b>	<b>3,027,668</b>	<b>0</b>	<b>8,058,693</b>	<b>2,996,025</b>	<b>3,021,084</b>	<b>0</b>	<b>8,033,634</b>

**CAPITAL PROJECT FUNDS**

456	DAVIS RESEARCH PARK ASSESSMNT									
	DISTRICT IMPROVEMENT	827,263	16,489	0		843,752	14,840	0		858,592
460	ARLINGTON BLVD BENEFIT AREA	395,568	7,884	0		403,452	7,096	0		410,548
465	CAPITAL GRANTS FUND	361,479	338,460	525,552		174,387	283,535	240,000		217,922
468	DAVIS LAND ACQUISITION FUND	1,568,112	28,589	169,632		1,427,069	25,730	0		1,452,799
470	PUBLIC FACIL FINANCING AUTHORITY	228,888	0	0		228,888	0	0		228,888
471	MACE RANCH MELLO ROOS BOND	0	4,562	0		4,562	4,106	0		8,668
476	DOWNTOWN AREA CAP REVITAL	0	0	0		0	0	5,010,021	5,010,021	0
480	DEVELOPMENT DEFERRED IMPROV	1,382,760	29,250	275,077		1,136,933	26,525	37,891		1,125,567
481	GENERAL FACILITIES	1,347,037	309,118	886,378		769,777	124,105	944,429		(50,547)
06-02-20 City Council Meeting										19

SUMMARY OF FUND BALANCES, REVENUES,  
AND EXPENDITURES/ENCUMBRANCES BY FUND

FUND		AVAILABLE UNRESERVED FUND BALANCE	FY 2019/20 ESTIMATE - 5/26/20			ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE	FY 2020/21 PROPOSED BUDGET			ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE
NO	TITLE	July 1, 2019	REVENUE	EXPENDITURE		June 30, 2020	REVENUES	EXPENDITURES		June 30, 2021		
482	OPEN SPACE	1,833,809	285,287	235,923		1,883,173	131,758	36,180		1,978,751		
483	PARKS	5,698,725	530,358	1,734,744		4,494,339	200,532	877,793		3,817,078		
484	PUBLIC SAFETY	3,294,188	293,496	623,248		2,964,436	161,646	375,916		2,750,166		
485	ROADWAY	8,461,993	1,654,970	7,740,970		2,375,993	639,473	5,814,296		(2,798,830)		
TOTAL CAPITAL PROJECT FUNDS		<b>25,399,822</b>	<b>3,498,463</b>	<b>12,191,524</b>	<b>0</b>	<b>16,706,761</b>	<b>1,619,346</b>	<b>13,336,526</b>	<b>5,010,021</b>	<b>9,999,602</b>		
<b>TRUST AND AGENCY FUNDS</b>												
715	HISTORICAL	11	0	0		11	0	0		11		
716	DAVISVILLE BOOK	2,139	43	0		2,182	39	0		2,221		
717	BRINLEY/HATTIE WEBER FUND	4,213	84	0		4,297	76	0		4,373		
TOTAL TRUST AND AGENCY FUNDS		<b>6,362</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>6,489</b>	<b>115</b>	<b>0</b>	<b>0</b>	<b>6,604</b>		
FUND		WORKING CAPITAL LESS ENCUMB	FY 2019/20 ESTIMATE - 5/26/20			WORKING CAPITAL LESS ENCUMB	FY 2020/21 PROPOSED BUDGET			WORKING CAPITAL LESS ENCUMB		
NO	TITLE	July 1, 2019	REVENUES	EXPENDITURE	TRANSFERS	June 30, 2020	REVENUES	EXPENDITURES	ADJUSTMENTS AND TRANSFERS	June 30, 2021		
<b>ENTERPRISE FUNDS - Working Capital</b>												
570	PUBLIC TRANSIT	109,879	4,608,000	3,640,809		1,077,070	4,037,700	3,711,313		1,403,457		
571	TRANSPORATION - NON TDA	(11,726)	4,000,316	4,004,624		(16,034)	4,700,284	3,400		4,680,850		
<b>WATER FUNDS</b>												
511	WATER - MAINT & OPERATION	2,743,090	20,898,752	23,312,384	5,498,638	5,828,096	21,861,327	12,137,227	(12,517,889)	3,034,307		
512	WATER - CAP REPLCMT RESRV	31,666,066	880,463	14,215,034	(5,498,638)	12,832,857	841,404	11,275,631	12,517,889	14,916,519		
513	WATER - CAPITAL EXPAN RESRV	1,330,777	1,233,171	0		2,563,948	329,854	0		2,893,802		
520	SANITATION FUND	1,621,486	12,020,919	13,763,930		(121,525)	12,646,348	13,632,244		(1,107,421)		
<b>SEWER FUNDS</b>												
531	SEWER - MAINT & OPERATION	3,446,796	13,225,780	14,684,895	1,683,543	3,671,224	13,495,860	9,223,021	(5,638,308)	2,305,755		
532	SEWER - CAP REPLCMT RESRV	20,195,748	390,383	18,212,393	(1,683,543)	690,195	354,345	14,514,443	5,638,308	(7,831,595)		
533	SEWER - CAPITAL EXPAN RESRV	(213,320)	900,000	0		686,680	200,000	0		886,680		
<b>STORM SEWER FUNDS</b>												
541	STORM SWR/DRN - MAINT & OPER	258,235	1,311,353	1,420,062	205,490	355,016	1,249,291	1,090,255	(241,488)	272,564		
542	STORM SWR/DRN - CAP REPL RESRV	1,383,225	27,067	951,737	(205,490)	253,065	24,360	52,307	241,488	466,606		
543	STORM SWR/DRN - CAP EXP RESRV	2,283,154	75,469	78,468		2,280,155	50,922	84,192		2,246,885		
06-02-20 City Council Meeting												

SUMMARY OF FUND BALANCES, REVENUES,  
AND EXPENDITURES/ENCUMBRANCES BY FUND

FUND		AVAILABLE UNRESERVED FUND BALANCE	FY 2019/20 ESTIMATE - 5/26/20			ESTIMATED UNRESERVED FUND BALANCE	FY 2020/21 PROPOSED BUDGET			ESTIMATED UNRESERVED FUND BALANCE	
NO	TITLE	July 1, 2019	REVENUE	EXPENDITURE	ADJUSTMENTS AND TRANSFERS	June 30, 2020	REVENUES	EXPENDITURES	ADJUSTMENTS AND TRANSFERS	June 30, 2021	
544	STORM SEWER - QUALITY	933,066	623,804	983,774	0	573,096	591,924	1,000,524	0	164,496	
	<b>TOTAL ENTERPRISE FUNDS</b>	<b>65,746,476</b>	<b>60,195,477</b>	<b>95,268,110</b>	<b>0</b>	<b>30,673,843</b>	<b>60,383,619</b>	<b>66,724,557</b>	<b>0</b>	<b>24,332,905</b>	
	<b>INTERNAL SERVICE FUNDS - Working Capital</b>										
020	EMPLOYEE BENEFITS FUND	(1,728,398)	3,408,158	3,030,000		(1,350,240)	3,408,158	3,030,000		(972,082)	
620	STORES SERVICES	(98,082)	353,158	300,271		(45,195)	353,158	438,849		(130,886)	
621	FLEET REPLACEMENT	8,693,553	1,392,402	1,713,769		8,372,186	1,346,374	1,667,684		8,050,876	
622	FLEET SERVICES FUND	1,018,782	1,761,189	1,825,303		954,668	1,754,220	1,732,890		975,998	
623	IS REPLACEMENT FUND	2,702,181	890,452	620,366		2,972,267	884,652	635,450		3,221,469	
624	IS SERVICES FUND	839,957	2,616,195	2,599,328		856,824	2,613,753	2,649,504		821,073	
625	BUILDING MAINTENANCE	590,535	1,837,216	1,877,868		549,883	1,835,705	1,897,514		488,074	
626	FACILITY MAINTENANCE	8,019,521	1,143,287	5,258,936		3,903,872	1,064,049	3,604,122	(500,000)	863,799	
628	EQUIPMENT REPLACEMENT	3,141,515	436,055	1,439,522		2,138,048	362,939	890,300		1,610,687	
629	DUPLICATING/POSTAL SERVICES	278,107	269,300	178,858		368,549	269,019	181,352		456,216	
630	CITY SELF-INSURANCE	732,459	15,823,764	15,389,268		1,166,955	16,812,055	16,075,314		1,903,696	
	<b>TOTAL INTERNAL SERVICE FUNDS</b>	<b>24,190,131</b>	<b>29,931,176</b>	<b>34,233,489</b>	<b>0</b>	<b>19,887,818</b>	<b>30,704,082</b>	<b>32,802,979</b>	<b>(500,000)</b>	<b>17,288,921</b>	
	<b>TOTAL CITY FUNDS</b>	<b>159,961,532</b>	<b>186,887,144</b>	<b>247,075,152</b>	<b>0</b>	<b>99,771,156</b>	<b>192,681,140</b>	<b>214,119,242</b>	<b>5,010,021</b>	<b>83,343,075</b>	
	<b>FUND</b>	<b>WORKING CAPITAL</b>	<b>FY 2019/20 ESTIMATE - 5/26/20</b>			<b>WORKING CAPITAL</b>	<b>FY 2020/21 PROPOSED BUDGET</b>			<b>WORKING CAPITAL</b>	
NO	TITLE	LESS ENCUMB	July 1, 2019	REVENUES	EXPENDITURE	TRANSFERS	LESS ENCUMB	REVENUES	EXPENDITURES	TRANSFERS	LESS ENCUMB
	<b>REDEVELOPMENT SUCCESSOR AGENCY</b>										
891	REDEV OBLIG RETIREMENT FUND	9,285,360	3,664,727	3,748,772	(5,095,021)	4,106,294	2,262,383		0	(5,900,000)	468,677
892	REDEV OBLIG RETIREMENT - CAPITAL PROJECT	0	0	0	0	0	0		0	0	0
893	REDEV OBLIG RETIREMENT - TAX EXEMPT BON	(180,769)	0	0	0	(180,769)	0		0	0	(180,769)
894	REDEV OBLIG RETIREMENT - TAXABLE BONDS	(19,740)	0	0	0	(19,740)	0		0	0	(19,740)
895	REDEV OBLIG RETIREMENT - DEBT SERVICE	8,759,237	5,500,000	5,095,021	5,095,021	14,259,237	0	5,900,000	889,979	9,249,216	
896	REDEV OBLIG RETIREMENT - HOUSING	0	0	0	0	0	0	0	0	0	0
	<b>TOTAL RDA SUCCESSOR FUNDS</b>	<b>17,844,088</b>	<b>9,164,727</b>	<b>8,843,793</b>	<b>0</b>	<b>18,165,022</b>	<b>2,262,383</b>	<b>5,900,000</b>	<b>(5,010,021)</b>	<b>9,517,384</b>	
	<b>TOTAL ALL FUNDS</b>	<b>177,805,620</b>	<b>196,051,871</b>	<b>255,918,945</b>	<b>0</b>	<b>117,936,178</b>	<b>194,943,523</b>	<b>220,019,242</b>	<b>0</b>	<b>92,860,459</b>	

SUMMARY OF FUND BALANCES, REVENUES,  
AND EXPENDITURES/ENCUMBRANCES BY FUND

FUND NO	TITLE	AVAILABLE UNRESERVED FUND BALANCE	FY 2019/20 ESTIMATE - 5/26/20 REVENUE EXPENDITURE July 1, 2019			ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE	FY 2020/21 PROPOSED BUDGET REVENUES EXPENDITURES June 30, 2020			ADJUSTMENTS AND TRANSFERS	ESTIMATED UNRESERVED FUND BALANCE
		July 1, 2019	REVENUE	EXPENDITURE			June 30, 2020	REVENUES	EXPENDITURES			June 30, 2021
	<b>TOTAL ALL FUNDS</b>	<b>June 30, 2018</b>	<b>0</b>	<b>(2,900,000)</b>				<b>0</b>	<b>(338,000)</b>			<b>92,860,459</b>
	Net Pension Liability as of 6/30/19											(72,783,040)
	OPEB Liability as of 6/30/19											(61,037,128)
	<b>ALL FUNDS NET OF PENSION &amp; RETIREE MEDICAL LIABILITIES</b>											<b>(40,959,709)</b>



# Capital Improvement Projects

**FY 2020-2021**

**Administration Costs**

1	8110	<b>Capital Improvement Projects Program Administration</b>	<b>Description:</b> Administer CIP Program implementing the City's 5-Year Capital Improvement Plan, replaces infrastructure, and implements other Capital Improvements approved by City Council. Includes major fixed expenses (equipment, etc.), internal service charges (information systems, insurance, etc.) and training for staff positions involved in the maintenance and administrative work associated with the capital plan.	\$1,300,108
			<b>Total</b>	<b>\$1,300,108</b>

CAPITAL IMPROVEMENT PROJECTS

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**Facilities Projects**

1	8277	City Hall Emergency Generators	\$540,596
2	8280	Davis Senior Center Facility Improvements	\$1,312,598
3	8284	Downtown Public Amenities	\$5,000
5	8326	Civic Center Gym Roof Replacement/Repair	\$815,596
6	8340	Varsity Theatre Roof Replacement	\$221,000
7	8341	Electrify Yolo Project	\$2,827,000
8	8512	Public Works Facilities	\$743,000
			<b>Total</b> <b>\$6,464,790</b>

**Parks/Open Space Projects**

1	8295	Rosecreek Park/Greenbelt Enhancements	\$279,038
2	8315	Sport Court Rehabilitation & Replacement	\$624,192
3	8331	Aquatic Facilities - Rehabilitation & Replacement	\$560,519
4	8337	Water Slide Replacement	\$7,310
5	8338	Parks/Playground - Minor	\$124,178
6	8339	Parks Playground - Major	\$357,278
7	8747	South Fork Preserve	\$310,000
			<b>Total</b> <b>\$2,262,515</b>

**Water Projects**

1	8190	Water Main Replacement	\$799,100
2	8278	Water Well Standby Power Generator	\$1,436,621
3	8290	Replacement of Elevated Eighth Street Water Tank	\$70,000
4	8310	SCADA Master Plan Implementation	\$218,887
5	8329	Aquifer Storage and Recovery (ASR)	\$58,000
			<b>Total</b> <b>\$2,582,608</b>

## CAPITAL IMPROVEMENT PROJECTS

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### Sewer (Wastewater) Projects

1	8166	Sewer Trunk Line Rehabilitation	\$940,860
2	8275	Sewage Lift Stations Rehabilitation	\$9,031,427
3	8312	Recycled Water Improvement	\$1,453,280
4	8334	WWTP Access Road Repair	\$60,000
		<b>Total</b>	<b>\$11,485,567</b>

### Information Systems Projects

1	8336	GIS Master Plan	\$300,000
		<b>Total</b>	<b>\$300,000</b>

**Transportation Projects**

1	8126	Concrete Replacment Project	\$306,824
2	8250	Transportation Infrastructure Rehabilitation	\$7,584,765
3	8252	Downtown Parking Improvements	\$3,582
4	8257	Mace Boulevard Corridor	\$100,000
5	8258	Bicycle and Pedestrian Wayfinding & Data Collection Program	\$200,734
6	8279	City-Wide Signals Upgrade	\$590,000
7	8282	Fourteenth Street/Villanova Drive Improvements	\$2,069,494
8	8286	Russell Boulevard Bike Path	\$1,892,503
9	8289	East Covell Bicycle Path - North Side	\$99,090
10	8313	Pole Line Road - Olive Drive Connection/Montgomery WBAR Improvements	\$4,734,398
11	8323	Tulip & Ponteverde Multi-Use Path Extension & Intersection Improvements	\$119,786
12	8342	Russell Boulevard Corridor Study	\$500,000
13	8730	I-80/ Richards Interchange	\$14,917,453
14	8783	Traffic Calming Program	\$300,000
		<b>Total</b>	<b>\$33,418,629</b>

	<b>Grand Total CIP FY 2020-21</b>	<b>\$57,814,217</b>
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