

# City Manager's FY 2014/15 Proposed Budget



City Council Presentation  
June 10, 2014

# FY 2014–15 Proposed Budget

Date	Activity
June 2013	Presented GF Five-Year Forecast
December 2013	Mid-Year Budget Review
Jan 7 & 23, 2014	Revenue Focus Group Meetings
February 11, 2014	Sales Tax Measure placed on June Ballot
Dec–April	16 Community Meetings on Budget
April 2014	Budget Mailer to 16,259 Utility accounts
April 15, 2014	Updated GF Projections and Proposed Reductions to CC
May 2014	Second Budget Mailer in Utility Bills FY 2014/15 Proposed Budget Distributed 5/30
June 10, 2014	Budget Presentation
June 24, 2014	Budget Adoption

# FY2014/15 Proposed Budget

## All Funds Summary

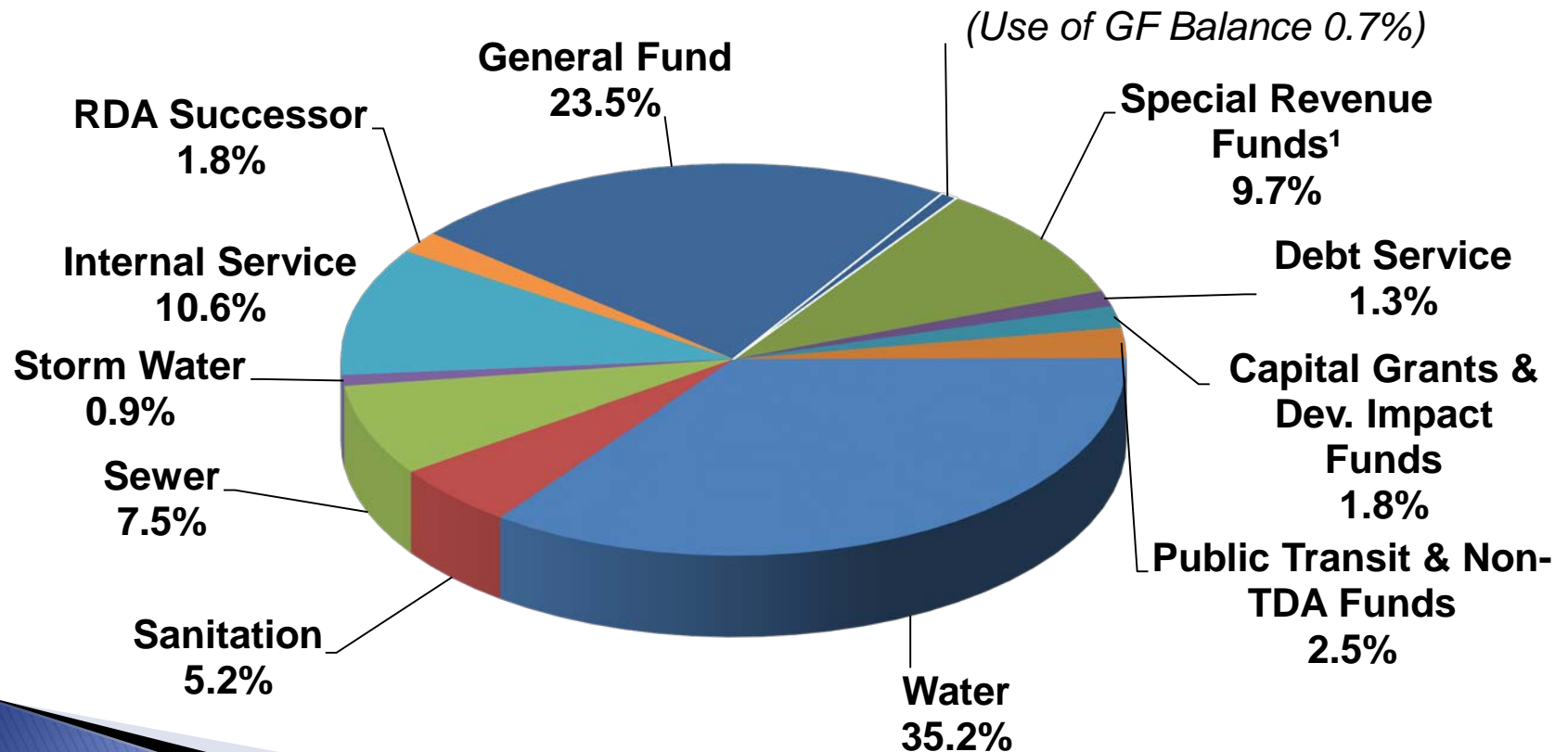
(\$ millions)

Fund Type	Revenues	Expenditures
General Fund	\$48.13	\$48.13
Special Revenue eg. Gas Tax, Parks Maint. Tax	19.82	20.26
Debt Service eg. Mello Roos Bonds	2.66	2.82
Capital Project Funds	3.73	4.62
Public Transit and Non-TDA Funds	5.11	5.11
Water Funds	71.86	67.20
Sanitation Fund	10.59	10.39
Sewer Funds	15.31	9.84
Drainage Funds	1.80	1.96
Internal Service Funds	21.69	22.09
RDA Successor Agency Funds	3.71	3.72
All Funds	\$204.41	\$196.14

Expenditures in excess of revenues indicate a spending down of fund balance from prior years revenue collection. Revenues in excess of expenditures reflect an increase to fund balance for expenditures not incurred until later years.

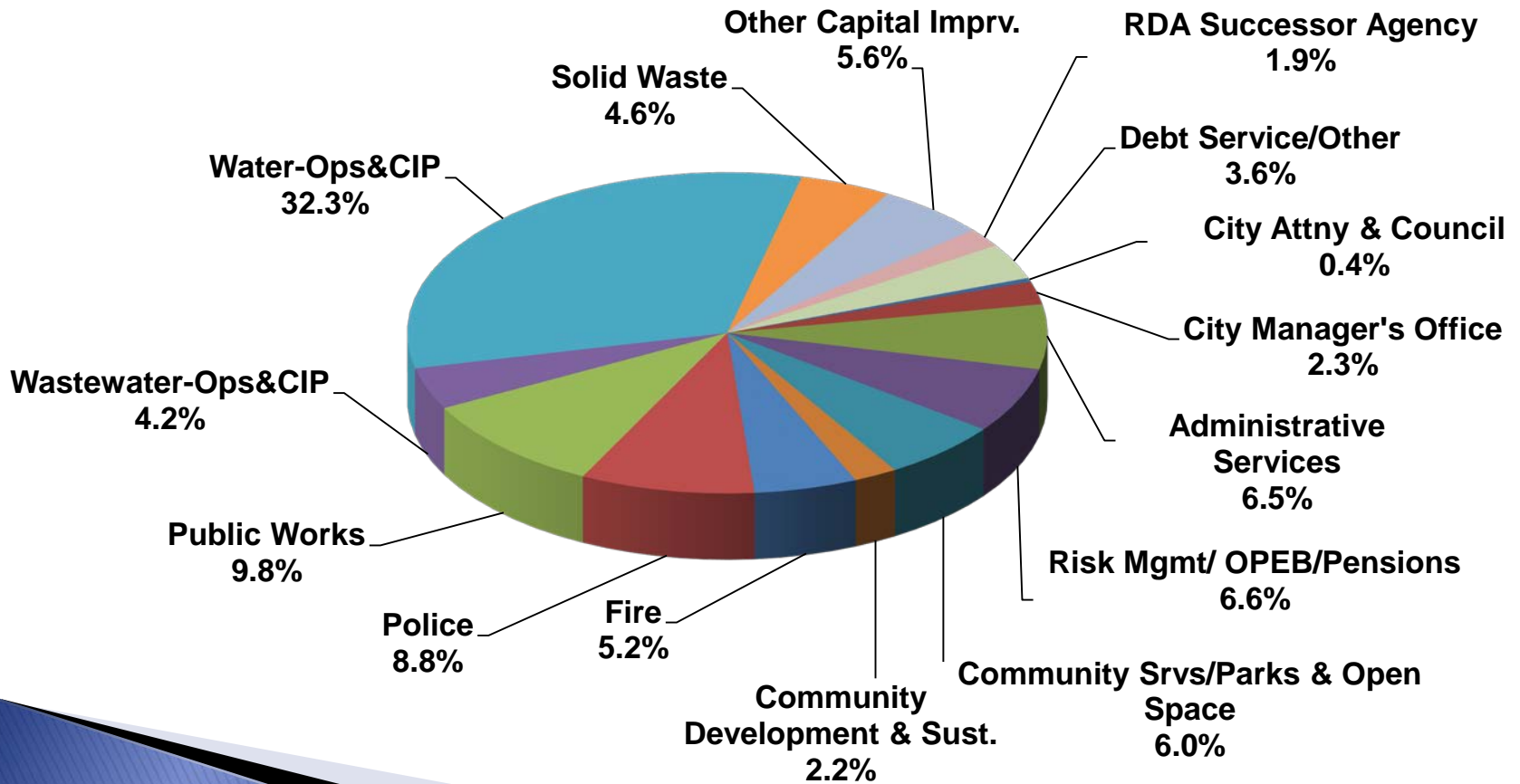
# FY 2014/15 Proposed Budget

**Revenues- All Funds (w/Measure O)**  
**\$204,406,445**



# FY 2014/15 Proposed Budget

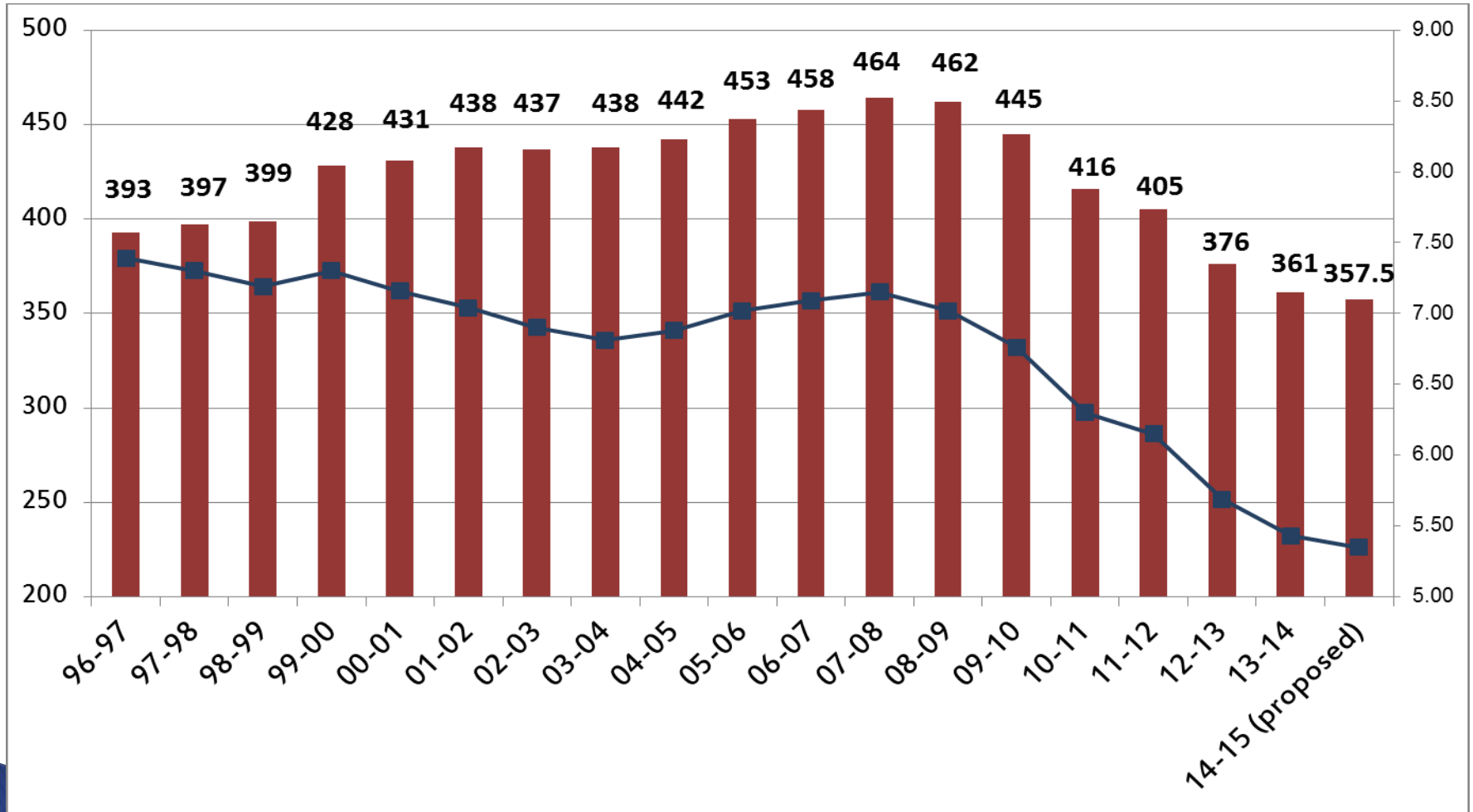
**Expenditures - All Funds**  
**\$196,146,382**



# Staffing Trends

## Permanent Employees (FTE) – Regular Authorized Positions

**Reduction of 23.70% from FY07-08 to FY14-15 (proposed)**  
**Employees per capita:**  
 7.39 in FY 96-97  
 5.30 in FY 14-15 (proposed)



# FY 2014/15 Proposed General Fund Budget

# What's in Proposed Budget?

- ▶ **Infrastructure** (\$2.5 M in new GF funding, total of \$4.7 M budgeted in FY 14/15).
- ▶ **Parks Water Conservation** (\$500k).
- ▶ **First year of repayment to Leave Fund and Fleet Replacement** (\$415k).
- ▶ **\$1.2 Million GF reductions.**
- ▶ **Updated Cost–Allocation Plan.**
- ▶ **Employee costing per labor agreements.**
  - Second full year of funding for OPEB



# Changes from April Budget Presentation to Current Proposed Budget

- ▶ Beginning Balance **\$160K** increase
- ▶ Revenue **(\$681k)**
  - (\$600k) Removal of Public Owned Utility (POU) loan
  - (\$144k) Reduction in Cost Allocation Revenue
  - \$63k Additional Parks Revenue (VMC Rental)
- ▶ Expenditures **(\$1.5M)**
  - (\$600k) Removal of POU costs
  - (\$1.164M) Budget reductions taken
  - 160k Carryover of Water Conservation costs
  - 10k Yolo County Health Services costs
  - 92k Increased Building maintenance costs
  - (\$20k) Reduced Fleet costs

# FY2014/15 General Fund Five-year Forecast

(\$ millions) Original Proposed budget

(\$1.2 M in reductions and w/out Measure O)

FY 14-15 Proposed Bud. w/ \$1.164 M in Reductions (no Measure "O")	Proposed Budget				
	Forecast for Fiscal Year				
	2014/15	2015/16	2016/17	2017/18	2018/19
Begin Fund Balance	\$ 5.23	\$ 1.08	\$ (3.00)	\$ (7.42)	\$ (12.21)
Revenues	\$ 43.98	\$ 45.17	\$ 46.39	\$ 47.66	\$ 48.96
Expenditures	\$ (48.13)	\$ (49.25)	\$ (50.81)	\$ (52.45)	\$ (53.70)
Ending Fund Balance	\$ 1.08	\$ (3.00)	\$ (7.42)	\$ (12.21)	\$ (16.95)
Structural Imbalance	\$ (4.15)	\$ (4.08)	\$ (4.42)	\$ (4.79)	\$ (4.74)

# June 2014 election

## New Revenue

- ▶ Half-Cent Sales Tax Measure appears to have passed
  - Starts October 1, 2014
  - \$2.7 M in additional revenue

# FY2014/15 General Fund Five-year Forecast

(\$ millions) Proposed with Measure O Tax revenue

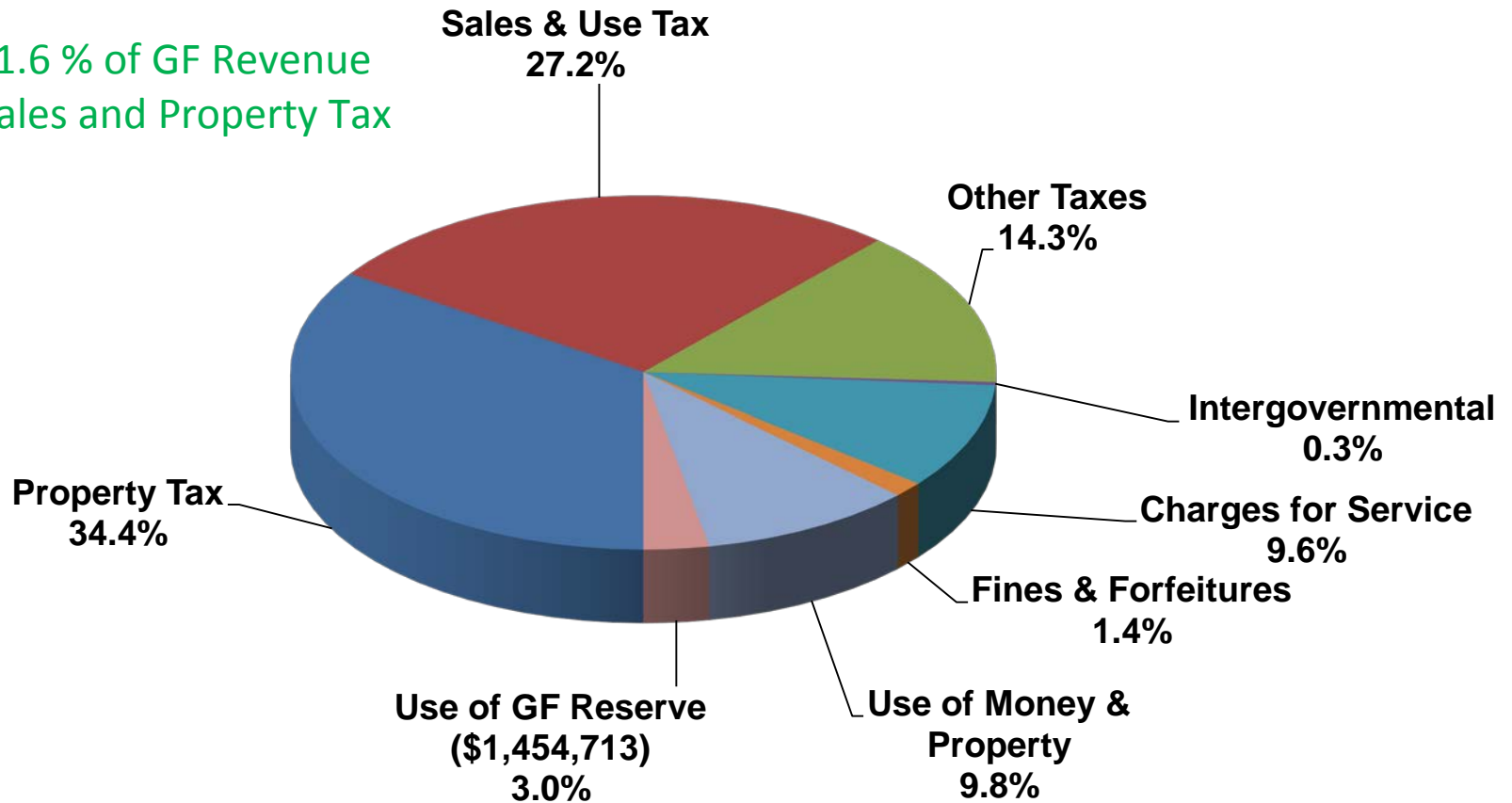
(\$1.2 M in reductions and w/Measure O revenue)

CM FY 14-15 Proposed Bud with Measure "O" Revenues & \$1.164 M in Reductions	Proposed w/Msr "O" Budget		Forecast for Fiscal Year			
	2014/15	2015/16	2016/17	2017/18	2018/19	
Begin Fund Balance	\$ 5.23	\$ 3.78	\$ 3.30	\$ 2.57	\$ 1.56	
Revenues	\$ 46.68	\$ 48.77	\$ 50.08	\$ 51.44	\$ 52.83	
Expenditures	\$ (48.13)	\$ (49.25)	\$ (50.81)	\$ (52.45)	\$ (53.70)	
Ending Fund Balance	\$ 3.78	\$ 3.30	\$ 2.57	\$ 1.56	\$ 0.69	
Structural Imbalance	\$ (1.45)	\$ (0.48)	\$ (0.73)	\$ (1.01)	\$ (0.87)	

# FY2014/15 Proposed Budget

## Revenues - General Fund (w/ \$2.7 M Sales Tax)

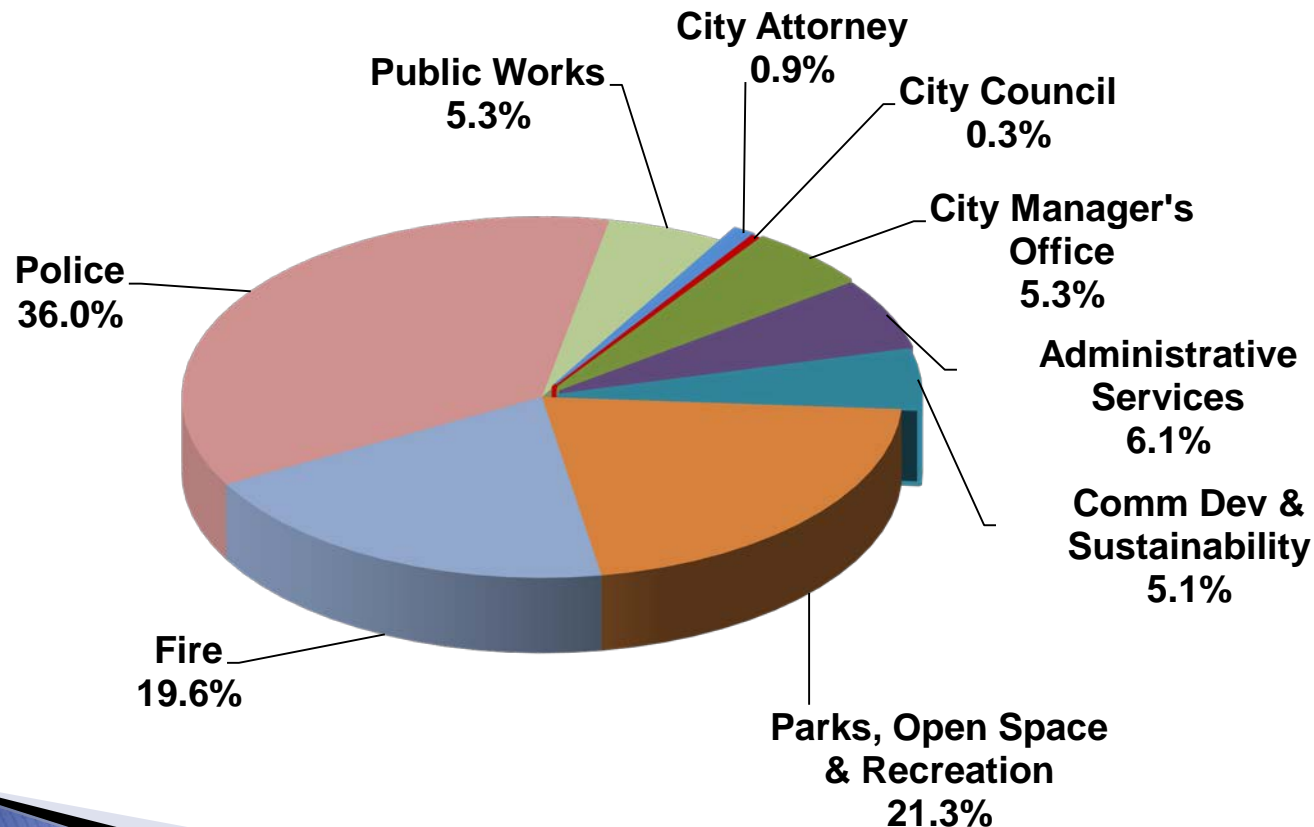
61.6 % of GF Revenue  
Sales and Property Tax



# FY2014/15 Proposed Budget

## Expenditures - General Fund \$48,133,841

76.9 % of GF  
For Police, Fire and Parks and Rec



# Next Steps

- ▶ June 2014 Sales Tax Ballot Measure Certification of Results
- ▶ June 17, 2014 Revenue Workshop
- ▶ June 24, 2014 FY 2014–15 Budget Adoption
- ▶ July 2014 Parcel/Parks Tax Measure Decision
- ▶ July 2014 Developing Davis Innovation Center Expression of Interest Due
- ▶ 2014–2015 Update User/Impact Fees and Policies
- ▶ Fall 2014 Finance & Budget Commission feedback for FY 2015–2016 Budget