

**CITY OF SAND CITY
RESOLUTION SC 19-47, 2019**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND CITY
ADOPTING THE PROPOSED CITY BUDGET FOR FISCAL YEAR 2019-2020**

WHEREAS, the Budget Committee of the City Council has reviewed the Proposed Fiscal Year 2019-2020 budget and has considered the operational and capital improvement needs of the City for the upcoming fiscal year; and

WHEREAS, the Budget Committee, working with City staff, is recommending the proposed budget, attached as Exhibit A, to the City; and

WHEREAS, the City Council recognizes that the proposed budget is subject to further review and adjustment at appropriate times as the fiscal year progresses, and

WHEREAS, certain general economic conditions and actions resulting from the California state budget process may impact the City which may require changes to the City Budget over time; and

WHEREAS, the City Council of Sand City finds the Fiscal Year 2019-2020 Proposed Budget satisfactory to commence the operations and capital programs of the City for the upcoming fiscal year.


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sand City that:

1. The attached Exhibit A is hereby adopted as the Proposed City Budget for FY 2019-2020.
2. The FY 2019-2020 Proposed Budget will be periodically reviewed and adjusted by the City Council as necessary.
3. The City staff is authorized to continue City operations as generally prescribed in the FY 2019-2020 Proposed Budget and is directed to follow the general financial guidelines outlined therein.

PASSED AND ADOPTED by the City Council of the City of Sand City on this 16th, day of July, 2019, by the following vote:

AYES: Council Members Blackwelder, Carbone, Cruz, Hawthorne, Sofer
NOES: None
ABSENT: None
ABSTAIN: None

APPROVED:



Mary Ann Carbone, Mayor

ATTEST:



Linda K. Scholink, City Clerk

EXHIBIT A

REVENUE SUMMARY			
Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Recurring Revenues			
Tax Revenue	5,513,600.00	4,600,902.45	5,619,600.00
Franchise Revenue	117,000.00	66,200.18	117,500.00
Business License Revenue	489,500.00	487,966.32	489,500.00
Interest Revenue	139,050.00	122,255.34	142,900.00
Other Misc. Revenue	196,600.00	158,501.27	204,800.00
Planning Revenue	18,900.00	13,888.10	445,000.00
Public Safety Revenue	19,470.00	15,265.65	19,720.00
Public Works Revenue	104,100.00	58,704.54	83,950.00
Recurring Grants	167,000.00	144,276.96	156,000.00
Cal Am Lease	850,000.00	0.00	850,000.00
Sub Total Recurring Revenues	7,615,220.00	5,667,960.81	8,128,970.00
Non-Recurring Revenues			
Developer Agreements Revenue	0.00	0.00	141,000.00
Non-Recurring Grant Revenue	60,000.00	0.00	223,779.00
Sub Total Non-Recurring Revenues	60,000.00	0.00	364,779.00
Grand Total Revenue	7,675,220.00	5,667,960.81	8,493,749.00

NON-DEPARTMENT				
Revenues				
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Taxes				
4005-00	Property Tax	92,000.00	89,715.66	92,000.00
4006-00	ROPS Residual	120,000.00	132,529.56	120,000.00
4010-00	Prior Year Tax	1,100.00	1,086.84	1,100.00
4012-00	Property Tax VLF	29,000.00	35,490.00	35,000.00
4015-00	SB813	11,000.00	11,923.77	11,000.00
4020-00	Prop Tax Transfer	10,000.00	11,329.73	10,000.00
4025-00	Utility Users Tax	150,000.00	117,587.35	150,000.00
4030-00	Sales/Use Tax	2,700,000.00	2,239,468.75	2,750,000.00
4032-00	Transaction/Use Tax	2,400,000.00	1,961,555.72	2,450,000.00
4340-00	HOPTR Tax	500.00	215.07	500.00
Sub Total Tax Revenue		5,513,600.00	4,600,902.45	5,619,600.00
Franchise Fees				
4035-00	Cable Franchise Fees	7,500.00	5,157.19	8,000.00
4040-00	Refuse Franchise Fees	75,000.00	29,781.12	75,000.00
4045-00	PG&E Gas Franchise Fees	2,500.00	2,450.38	2,500.00
4050-00	PG&E Electric Franchise Fees	32,000.00	28,811.49	32,000.00
Sub Total Franchise Revenue		117,000.00	66,200.18	117,500.00
Business Licenses				
4033-00	Business License CASp Fee - City Share	1,500.00	1,483.20	1,500.00
4055-00	Business License Fees	485,000.00	483,354.27	485,000.00
4060-00	Business License Late Fees	3,000.00	3,128.85	3,000.00
Sub Total Business License Revenue		489,500.00	487,966.32	489,500.00
Interest				
4410-00	Interest - Checking/CD	600.00	474.09	500.00
4411-00	Interest - OPEB	350.00	184.11	300.00
4413-00	Interest - Housing	100.00	97.23	100.00
4420-00	Interest - LAIF	120,000.00	101,087.46	120,000.00
4450-00	Interest - TVI CDs	18,000.00	20,412.45	22,000.00
Sub Total Interest Revenue		139,050.00	122,255.34	142,900.00
Miscellaneous Revenue				
4350-00	Sanitation District Impact Fees	7,500.00	0.00	7,500.00
4008-00	Successor Admin Fees Reimb	90,000.00	65,203.51	100,000.00
4500-00	West End Revenue	50,000.00	51,292.50	50,000.00
4501-00	Art Committee Revenue	5,000.00	0.00	5,000.00
4550-00	Publications and Copies	500.00	5.80	500.00
4710-00	Parking Mitigation	2,600.00	2,603.59	1,300.00
4730-00	Other Revenue	18,000.00	21,330.83	18,000.00
4732-00	Reimbursements	5,000.00	2,381.46	5,000.00
4740-00	Rental/Lease Revenue	18,000.00	15,683.58	17,500.00
Sub Total Miscellaneous Non-Department Revenue		196,600.00	158,501.27	204,800.00
Total Non-Department Revenue		6,455,750.00	5,435,825.56	6,574,300.00

PLANNING

Revenues

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Planning				
4115-05	Building Permits	8,000.00	2,589.36	267,000.00
4120-05	Coastal Permits	1,000.00	2,000.00	1,000.00
4125-05	CUP	3,000.00	2,000.00	4,000.00
4126-05	Temporary CUP	0.00	0.00	100.00
4145-05	Site Permits	1,500.00	1,500.00	1,000.00
4155-05	Design Review Fees	500.00	450.00	500.00
4160-05	Other Revenue	2,000.00	3,900.00	1,000.00
4165-05	Plan Check Fees	2,500.00	1,048.74	170,000.00
4219-05	Parking Permits	400.00	400.00	400.00
	Total Planning Revenue	18,900.00	13,888.10	445,000.00

PUBLIC SAFETY

Revenues

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Public Safety				
4210-08	City Fines	2,500.00	2,677.52	2,700.00
4221-08	Parking Violations	12,000.00	9,233.00	12,000.00
4325-08	Motor Vehicle	200.00	189.32	200.00
4330-08	Prop 172 - 911	250.00	275.46	300.00
4335-08	POST Training Reimbursement	3,000.00	2,495.13	3,000.00
4515-08	Dog Licensing	20.00	5.00	20.00
4524-08	Asset Forfeiture	1,000.00	240.22	1,000.00
4525-08	Unclaimed Property	100.00	0.00	100.00
4560-08	Police Reports	400.00	150.00	400.00
	Total Public Safety Revenue	19,470.00	15,265.65	19,720.00

PUBLIC WORKS

Revenues

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Public Works				
4150-11	Building Development	1,000.00	0.00	550.00
4160-11	Engineer Fees	55,000.00	18,238.50	30,000.00
38-4302-11	TAMC Measure X - Street Tax	25,000.00	22,617.87	30,000.00
31-4305-11	Gas Tax 2105	2,600.00	1,754.42	2,200.00
31-4305-11	Gas Tax 2106	6,100.00	4,766.99	5,800.00
31-4305-11	Gas Tax 2107	3,100.00	2,160.00	2,900.00
31-4305-11	Gas Tax 2107.5	1,000.00	1,000.00	1,000.00
314305-11	Gas Tax 2103	1,900.00	1,155.76	3,400.00
37-4306-11	SB1/RMRA - Road Maintenance	6,800.00	5,870.66	6,500.00
31-4307-11	Prop 42 - Traffic Congestion	500.00	444.32	500.00
35-4205-11	CA Code Fines	1,100.00	696.02	1,100.00
	Total Public Works Revenue	104,100.00	58,704.54	83,950.00

LEASES**Revenues**

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Special and Grants				
4833-00	Cal-Am Lease	850,000.00	0.00	850,000.00
	Sub Total Lease	850,000.00	0.00	850,000.00

RECURRING GRANTS

Revenue

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Recurring Grants				
4069-08	COPS Grant	149,000.00	123,746.55	140,000.00
4647-08	Bulletproof Vest Grant	3,000.00	530.41	1,000.00
4733-00	Recycling Grant	5,000.00	10,000.00	5,000.00
4729-00	MBASIA Safety/Fitness Grant	7,500.00	7,500.00	7,500.00
4836-08	CSA 74 EMS Grant	2,500.00	2,500.00	2,500.00
	Total Recurring Grants	167,000.00	144,276.96	156,000.00

NON-RECURRING REVENUE				
Revenue				
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Non-Recurring Grant Revenue				
	CDBG Grant - Calbrese Park	60,000.00	0.00	60,000.00
	CalTrans Sustainable Grant	0.00	0.00	163,779.00
	Total Non-Recurring Grant Revenue	60,000.00	0.00	223,779.00
Non-Recurring Revenue				
	Developer Agreements	0.00	0.00	91,000.00
	Developer Agreements S of Tioga	0.00	0.00	50,000.00
	Total Non-Recurring Revenue	0.00	0.00	141,000.00
	Total Non-Recurring Revenue	60,000.00	0.00	364,779.00

EXPENDITURES SUMMARY

Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Recurring Expenditures			
Salaries and Benefits	4,248,365.00	3,854,987.28	4,617,225.00
Non-Department Expenditures	154,800.00	116,548.14	188,400.00
Council Services & Supplies	61,520.00	43,445.84	33,400.00
Administration Services & Supplies	245,500.00	168,601.57	184,700.00
Finance Services & Supplies	233,400.00	169,632.85	240,400.00
Attorney Services & Supplies	45,000.00	17,062.70	137,900.00
Planning Services & Supplies	190,600.00	149,314.15	511,050.00
Public Safety Services & Supplies	495,400.00	388,186.07	601,200.00
Fire Services	288,900.00	288,880.00	299,000.00
Public Works Services & Supplies	575,300.00	438,534.42	631,700.00
Parks Services & Supplies	21,500.00	11,550.03	23,000.00
Government Buildings Services & Supplies	32,700.00	29,318.62	47,200.00
Recurring Grants	14,000.00	7,579.56	12,700.00
Community Outreach	169,000.00	160,367.60	154,000.00
Sub Total Recurring Expenditures	6,775,985.00	5,844,008.83	7,681,875.00
Non-Recurring Expenditures			
Developer Agreements	0.00	0.00	141,000.00
Non-Recurring Grants	125,000.00	10,591.00	121,221.00
Sub Total Non-Recurring Expenditures	125,000.00	10,591.00	262,221.00
Grand Total Expenditures	6,900,985.00	5,854,599.83	7,944,096.00
<i>Capital Outlay to be discussed by Council</i>			

NON-DEPARTMENT

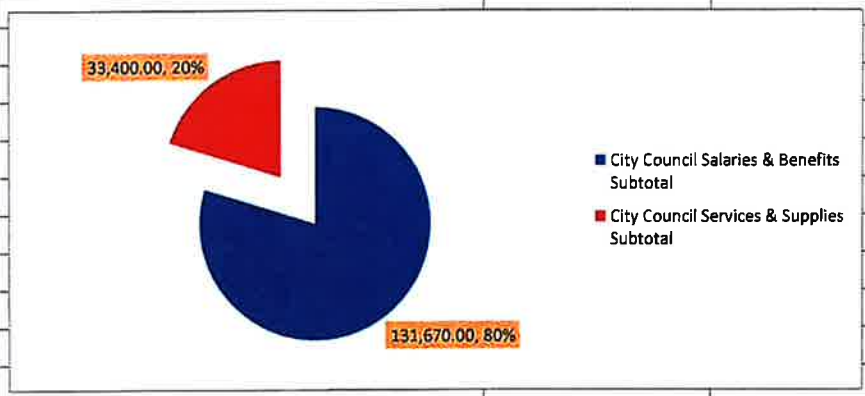
Expenditures

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Non-Department				
5001-00	Public Agency Memberships			50,000.00
5002-00	Voluntary Memberships			20,000.00
5000-00	Municipal Code	5,000.00	2,132.80	5,000.00
5005-00	Art Committee	5,000.00	0.00	15,000.00
5020-00	Contract Services - NBS/S of Tioga	11,700.00	7,000.00	0.00
5025-00	Dues & Subscriptions	2,000.00	1,437.00	1,500.00
5026-00	Memberships/Chamber, Visitor Bureau	15,000.00	11,751.00	0.00
5070-00	Health Benefit Surcharges	1,000.00	573.87	1,000.00
5135-00	LAFCO	5,200.00	5,217.81	0.00
5202-00	EAP Program	1,000.00	923.40	1,000.00
5425-00	IT Support	4,000.00	4,221.00	5,000.00
5910-00	Donations & Contributions	15,000.00	11,770.85	8,000.00
5911-00	FORA	14,000.00	14,000.00	0.00
5920-00	Advertising	2,500.00	2,563.77	2,500.00
5930-00	Miscellaneous	5,000.00	511.24	5,000.00
5935-00	Equipment Maintenance	8,500.00	6,958.09	8,500.00
5940-00	Office Supplies	30,000.00	26,800.38	30,000.00
5945-00	Telephone	1,000.00	919.04	1,500.00
5950-00	Physical Exams/Vaccinations	1,200.00	120.00	2,000.00
5955-00	Public Official Bond	1,000.00	1,000.00	1,000.00
5960-00	Utilities	19,000.00	16,233.52	19,000.00
5970-00	Equipment	5,000.00	386.00	10,000.00
5980-00	Bank Charges	500.00	360.00	400.00
5998-00	Internet	2,200.00	1,668.37	2,000.00
	Total Non-Department	154,800.00	116,548.14	188,400.00

CITY COUNCIL

Expenditures

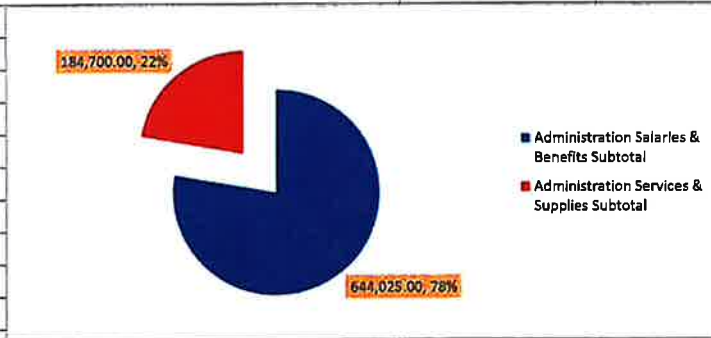
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
City Council Salaries & Benefits				
5110-01	Salaries - Elected	18,000.00	16,200.00	18,000.00
5073/5075-01	Retirement	4,200.00	1,805.98	1,900.00
5070-01	Health Benefit	61,200.00	52,755.00	63,300.00
5080-01	Social Security/Medicare	3,000.00	2,968.87	3,000.00
5085-01	SUI	500.00	296.85	500.00
5065-01	Dental	7,300.00	4,753.55	5,000.00
5066-01	Vision	1,200.00	851.12	1,000.00
5078-01	Pers Survivor Benefit	250.00	124.80	70.00
5079-01	Deferred Comp	1,900.00	2,400.00	4,800.00
5030-01	Auto Allowance	3,000.00	2,200.00	3,000.00
5985-01	Fitness	1,100.00	990.00	1,100.00
5925-01	Liability Insurance	12,500.00	12,453.12	9,000.00
5965-01	Workers Comp	17,500.00	17,422.85	21,000.00
City Council Salaries & Benefits Subtotal		131,650.00	115,222.14	131,670.00
City Council Services & Supplies				
5022-01	MPRWA	2,320.00	2,320.00	0.00
5025-01	Dues & Subscriptions	1,500.00	947.00	1,500.00
5095-01	Training/Conferences	15,000.00	14,689.54	15,000.00
5100-01	Watermaster Assessment	2,000.00	2,002.00	0.00
5120-01	Elections	800.00	805.87	0.00
5130-01	Contingency	25,000.00	8,896.40	0.00
5137-01	GASB68 Unfunded Retirement Liab	4,400.00	4,325.78	2,400.00
5945-01	Telephone	4,500.00	3,325.26	4,500.00
5970-01	Equipment	6,000.00	6,133.99	10,000.00
City Council Services & Supplies Subtotal		61,520.00	43,445.84	33,400.00
Total Council		193,170.00	158,667.98	165,070.00



ADMINISTRATION

Expenditures

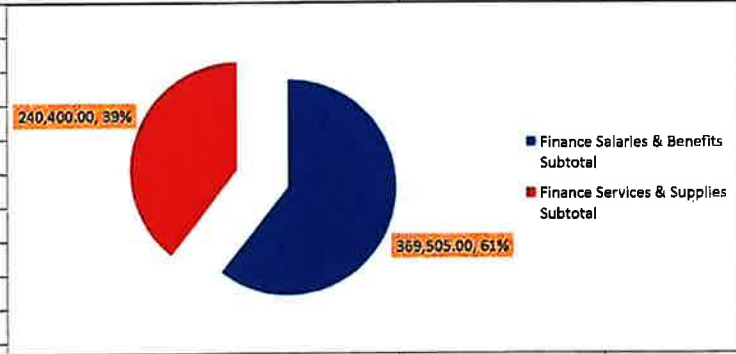
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Administration Salaries & Benefits				
5040-02	Salaries	314,000.00	291,774.31	442,300.00
5042-02	Accrual Cash Outs	25,000.00	21,232.00	20,000.00
5055-02	Overtime	500.00	0.00	1,000.00
5073/5075-02	Retirement	46,700.00	38,486.15	61,400.00
5070-02	Health Benefit	43,000.00	40,357.66	57,000.00
5080-02	Social Security/Medicare	4,200.00	4,790.33	5,700.00
5085-02	SUI	700.00	617.32	700.00
5065-02	Dental	2,200.00	1,952.89	3,900.00
5066-02	Vision	400.00	356.32	700.00
5060-02	Long Term Disability	2,500.00	2,347.62	4,200.00
5067-02	Life Insurance	600.00	480.70	700.00
5078-02	Pers Survivor Benefit	300.00	135.20	125.00
5079-02	Deferred Comp	3,400.00	2,400.00	4,200.00
5030-02	Auto Allowance	2,300.00	2,100.00	5,500.00
5985-02	Fitness	1,300.00	1,245.00	2,000.00
5925-02	Liability Insurance	7,500.00	7,471.86	6,300.00
5965-02	Workers Comp	21,500.00	21,430.10	28,300.00
Administration Salaries & Benefits Subtotal		476,100.00	437,177.46	644,025.00
Administration Services & Supplies				
5020-02	Contract Services - Personnel	70,000.00	43,250.00	50,000.00
5020-02	Contract Services - Misc.	10,000.00	3,100.00	10,000.00
5020-02	Contract Services - Recruitment	30,000.00	11,753.04	0.00
5025-02	Dues & Subscriptions	2,000.00	774.00	2,000.00
5072-02	Health Benefit - Retirees	14,000.00	12,803.85	14,300.00
5095-02	Training/Conferences	15,000.00	10,857.53	15,000.00
5130-02	Contingency	10,000.00	5,212.50	0.00
5137-02	GASB 68 Unfunded Retirement Liab	64,000.00	63,981.48	57,900.00
5210-02	Payroll Processing/Shred It	5,500.00	4,196.68	5,500.00
5220-02	Appraisals/Property	10,000.00	0.00	10,000.00
5425-02	IT Support	6,000.00	4,557.00	6,000.00
5945-02	Telephone	4,000.00	3,107.98	4,000.00
5970-02	Equipment	5,000.00	5,007.51	10,000.00
Administration Services & Supplies Subtotal		245,500.00	168,601.57	184,700.00
Total Administration		721,600.00	605,779.03	828,725.00



FINANCE

Expenditures

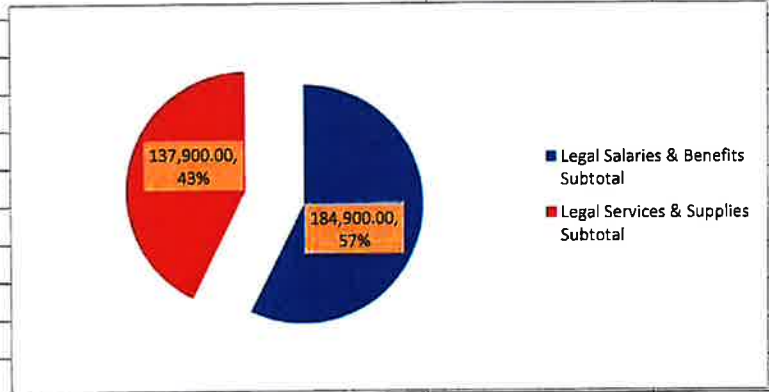
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Finance Salaries & Benefits				
5040-03	Salaries	187,000.00	171,100.64	267,800.00
5042-03	Accrual Cash Outs	13,000.00	13,007.11	16,000.00
5073/5075-03	Retirement	43,500.00	35,991.09	46,700.00
5070-03	Health Benefit	19,000.00	17,936.65	19,000.00
5080-03	Social Security/Medicare	2,700.00	2,711.09	3,000.00
5085-03	SUI	200.00	119.00	200.00
5065-03	Dental	800.00	820.43	850.00
5066-03	Vision	200.00	147.67	200.00
5060-03	Long Term Disability	2,300.00	2,104.19	2,300.00
5067-03	Life Insurance	400.00	331.98	400.00
5078-03	Pers Survivor Benefit	200.00	93.60	55.00
5079-03	Deferred Comp	1,800.00	1,650.00	1,800.00
5030-03	Auto Allowance	2,000.00	1,650.00	2,000.00
5985-03	Fitness	200.00	165.00	200.00
5925-03	Liability Insurance	3,800.00	3,735.96	2,700.00
5965-03	Workers Comp	5,300.00	5,226.86	6,300.00
Finance Salaries & Benefits Subtotal		282,400.00	256,791.27	369,505.00
Finance Services & Supplies				
5020-03	Contract Services - Misc.			10,000.00
5020-03	Contract Services - Bartel	11,000.00	5,500.00	12,000.00
5023-03	Sales/Trans Tax Admin Fees	55,000.00	30,657.55	55,000.00
5025-03	Dues & Subscriptions	1,000.00	554.00	1,000.00
5095-03	Training/Conferences	5,000.00	1,893.26	5,000.00
5137-03	GASB 68 Unfunded Retirement Liab	59,000.00	58,398.03	54,500.00
5405-03	Property Tax Fees	1,400.00	987.00	1,400.00
5410-03	Audit	44,000.00	43,650.00	49,500.00
5415-03	Management Services	10,000.00	3,244.25	10,000.00
5425-03	IT Support	12,000.00	7,158.85	12,000.00
5440-03	HdL Property/Sales/Trans/BL	30,000.00	16,234.00	20,000.00
5970-03	Equipment	5,000.00	1,355.91	10,000.00
Finance Services & Supplies Subtotal		233,400.00	169,632.85	240,400.00
Total Finance		515,800.00	426,424.12	609,905.00



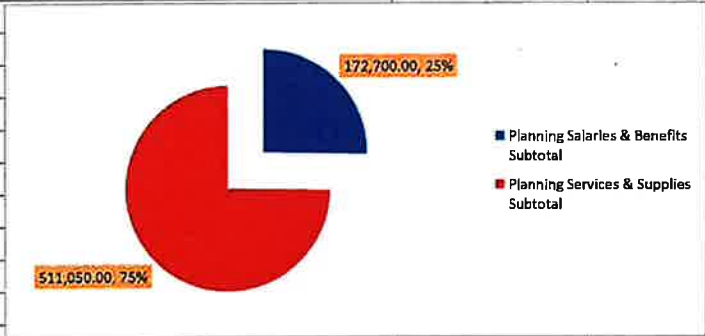
LEGAL

Expenditures

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Legal Salaries & Benefits				
5511-04	Attorney Retainer	115,550.00	92,440.80	139,000.00
5511-04	Attorney - Extraordinary Services			41,000.00
5510-04	Ret. Attorney Retainer	21,000.00	20,563.34	0.00
5511-04	Assistant Attorney	7,000.00	7,000.00	0.00
5522-04	Attorney Reimbursable Costs	105.00	122.90	500.00
5070-04	Health Benefit	2,100.00	2,110.20	0.00
5073/5075-04	Retirement	4,800.00	4,761.26	0.00
5078-04	PERS Survivor Benefit	60.00	62.40	0.00
5080-04	Social Security/Medicare	300.00	305.17	0.00
5072-04	Health Benefit - Retirees	4,500.00	2,839.96	4,400.00
Legal Salaries & Benefits Subtotal		155,415.00	130,206.03	184,900.00
Legal Services & Supplies				
5095-04	Training/Conferences	5,000.00	4,493.82	5,000.00
5137-04	GASB 68 Unfunded Retirement Liab	0.00	0.00	37,900.00
5520-04	Special Projects	5,000.00	0.00	20,000.00
5521-04	Outside Counsel	25,000.00	243.88	0.00
5540-04	Legal Contingencies	5,000.00	12,325.00	20,000.00
	Muni Code Update	0.00	0.00	20,000.00
5545-04	Outside Counsel/HR	5,000.00	0.00	35,000.00
Legal Services & Supplies Subtotal		45,000.00	17,062.70	137,900.00
Total Legal		200,415.00	147,268.73	322,800.00



PLANNING				
Expenditures				
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Planning Salaries & Benefits				
5040-05	Salaries	187,600.00	177,625.63	106,500.00
5042-05	Accrual Cash Outs	15,700.00	13,880.90	11,000.00
5055-05	Overtime	3,000.00	2,591.28	3,000.00
5073/5075-05	Retirement	26,000.00	21,637.41	25,800.00
5070-05	Health Benefit	17,500.00	17,145.36	12,700.00
5080-05	Social Security/Medicare	2,800.00	2,883.28	4,000.00
5085-05	SUI	150.00	130.94	200.00
5065-05	Dental	900.00	822.84	600.00
5066-05	Vision	200.00	144.12	100.00
5060-05	Long Term Disability	1,200.00	1,130.40	1,000.00
5067-05	Life Insurance	400.00	350.07	400.00
5078-05	Pers Survivor Benefit	50.00	31.20	0.00
5079-05	Deferred Comp	1,600.00	1,250.00	1,200.00
5030-05	Auto Allowance	500.00	450.00	200.00
5925-05	Liability Insurance	3,800.00	3,735.96	1,800.00
5985-05	Fitness	100.00	90.00	0.00
5965-05	Workers Comp	5,300.00	5,226.86	4,200.00
Planning Salaries & Benefits Subtotal		266,800.00	249,126.25	172,700.00
Planning Services & Supplies				
5020-05	Contract Services - Misc.			30,000.00
5020-05	Contract Serv - EMC Planning	60,000.00	26,688.17	60,000.00
5020-05	Contract Serv - Economic Analyst	0.00	0.00	10,000.00
5020-05	Contract Services - Vibrancy	60,000.00	62,727.89	0.00
5025-05	Dues & Subscriptions	2,000.00	1,483.00	2,500.00
5072-05	Health Benefit - Retirees	8,400.00	8,406.78	6,500.00
5095-05	Training/Conferences	1,500.00	239.30	3,000.00
5137-05	GASB 68 Unfunded Retirement Liab	40,200.00	40,189.68	35,550.00
5320-05	Plan Check/Building Fees	10,000.00	3,880.99	350,000.00
5370-05	Planning - Other	1,000.00	1,079.98	1,000.00
5425-05	IT Support	1,000.00	336.00	1,000.00
5920-05	Legal Advertising	6,000.00	3,882.99	6,000.00
5945-05	Telephone	500.00	399.37	500.00
5970-05	Equipment	0.00	0.00	5,000.00
Planning Services & Supplies Subtotal		190,600.00	149,314.15	511,050.00
Total Planning		457,400.00	398,440.40	683,750.00



PUBLIC SAFETY/FIRE

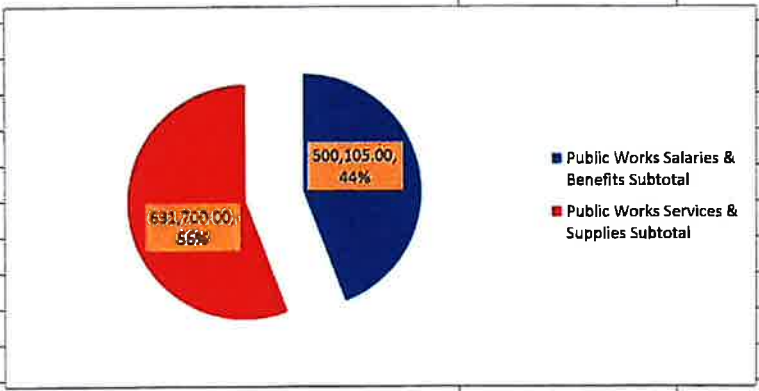
Expenditures

Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Public Safety Salaries & Benefits				
5040-08	Salaries	1,285,000.00	1,177,660.69	1,315,800.00
5765-08	Reserve Salaries	42,500.00	43,891.47	55,000.00
5042-08	Accrual Cash Outs	210,000.00	216,981.71	220,000.00
5043-08	Holiday Pay	10,000.00	4,723.90	10,000.00
5055-08	Overtime	10,000.00	5,684.02	10,000.00
5073/5075-08	Retirement	383,900.00	298,160.38	392,600.00
5070-08	Health Benefit	202,600.00	185,697.60	202,600.00
5080-08	Social Security/Medicare	25,000.00	24,365.78	28,000.00
5085-08	SUI	1,800.00	1,875.14	2,000.00
5065-08	Dental	19,600.00	17,115.50	19,400.00
5066-08	Vision	3,100.00	2,690.04	3,000.00
5060-08	Long Term Disability	3,400.00	3,063.50	3,400.00
5067-08	Life Insurance	2,200.00	1,953.27	2,200.00
5078-08	Pers Survivor Benefit	1,400.00	686.40	420.00
5079-08	Deferred Comp	16,000.00	13,750.00	15,600.00
5985-08	Fitness	3,300.00	2,970.00	3,300.00
5794-08	Special Skills	1,200.00	1,100.00	1,200.00
5795-08	Uniform	14,000.00	12,374.29	13,000.00
5796-08	Education	48,800.00	40,523.99	51,400.00
5925-08	Liability Insurance	32,400.00	32,378.20	75,700.00
5965-08	Workers Comp	150,700.00	150,672.71	189,700.00
Public Safety Salaries & Benefits Subtotal		2,466,900.00	2,238,318.59	2,614,320.00
Public Safety Services & Supplies				
5020-08	Contract Services - PRVNT	3,000.00	3,000.00	3,000.00
5020-08	Contract Services - Code Enforce	12,000.00	9,360.00	12,000.00
5020-08	Contract Services - HR	5,000.00	0.00	0.00
5025-08	Dues & Subscriptions	1,700.00	1,043.00	1,700.00
5030-08	Mileage	500.00	100.75	500.00
5072-08	Health Benefit - Retirees	40,500.00	37,228.72	38,400.00
5077-08	Pers Replacement Benefit	8,400.00	8,714.85	68,000.00
5095-08	Training/Conferences	10,000.00	4,939.99	10,000.00
5096-08	POST Training	5,000.00	0.00	5,000.00
5130-08	Contingency	0.00	0.00	0.00
5137-08	GASB 68 Unfunded Retirement Liab	124,000.00	123,542.00	123,500.00
5425-08	IT Support	0.00	0.00	16,000.00
5710-08	Animal Regulation	2,500.00	2,015.00	2,500.00
5715-08	Auto Fuel	25,000.00	25,858.92	30,000.00
5720-08	Auto Maintenance/Repair	20,000.00	32,015.89	20,000.00
5721-08	Auto Detailing	2,500.00	2,078.99	2,500.00
5725-08	ACJIS/Clets/County/T-Lines	27,000.00	35,174.37	27,000.00
5727-08	911 Center Operations	45,600.00	0.00	45,600.00

5740-08	Employment Screening	7,000.00	3,973.80	7,000.00									
5745-08	Equipment	20,000.00	8,802.18	20,000.00									
5746-08	Range Fees/Supplies	10,000.00	5,152.96	10,000.00									
5747-08	SRU Annual Contribution	5,000.00	5,000.00	5,000.00									
5760-08	Booking Fees	7,000.00	0.00	5,000.00									
5770-08	Computer Equipment	5,000.00	144.25	5,000.00									
5785-08	Supplies	10,000.00	9,585.54	13,000.00									
5797-08	Arrests/Investigations/Live Scan	5,000.00	2,511.34	5,000.00									
5798-08	Tracnet/County/In Car Maint	30,000.00	26,175.34	30,000.00									
5884-08	Security - Locker Room	600.00	482.04	600.00									
5908-08	Liability Claims	15,000.00	8,049.79	10,000.00									
5929-08	Locker Room Rental	2,600.00	2,308.90	3,200.00									
5930-08	Miscellaneous	5,000.00	3,637.47	5,000.00									
5934-08	NGEN Maintenance	9,000.00	8,998.64	10,000.00									
5935-08	NGEN Infrastructure	8,000.00	0.00	8,000.00									
5945-08	Telephone	13,000.00	9,698.41	13,000.00									
5998-08	Internet	3,000.00	2,981.29	3,500.00									
6120-08	EOC Disaster Supplies	2,500.00	611.64	2,500.00									
6123-08	CSUMB EOC Contribution	5,000.00	5,000.00	5,000.00									
6618-08	Motorola Radio Lease - Principal	0.00	0.00	26,700.00									
6619-08	Motorola Radio Lease - Interest	0.00	0.00	8,000.00									
Public Safety Services & Supplies Subtotal		495,400.00	388,186.07	601,200.00									
Total Public Safety		2,962,300.00	2,626,504.66	3,215,520.00									
Fire													
5750-09	Contract Services - Fire	288,900.00	288,880.00	299,000.00									
Total Fire		288,900.00	288,880.00	299,000.00									
<p>A pie chart illustrating the composition of total public safety costs. The chart is divided into two segments: a red segment representing 'Total Public Safety' and a blue segment representing 'Public Safety Salaries & Benefits Subtotal'. The red segment is labeled with the value 3,215,520.00 and 55%. The blue segment is labeled with the value 2,614,320.00 and 45%. A legend on the right side of the chart identifies the colors: a blue square for 'Public Safety Salaries & Benefits Subtotal' and a red square for 'Total Public Safety'.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Public Safety Salaries & Benefits Subtotal</td> <td>2,614,320.00</td> <td>45%</td> </tr> <tr> <td>Total Public Safety</td> <td>3,215,520.00</td> <td>55%</td> </tr> </tbody> </table>					Category	Amount	Percentage	Public Safety Salaries & Benefits Subtotal	2,614,320.00	45%	Total Public Safety	3,215,520.00	55%
Category	Amount	Percentage											
Public Safety Salaries & Benefits Subtotal	2,614,320.00	45%											
Total Public Safety	3,215,520.00	55%											

PUBLIC WORKS				
Expenditures				
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Public Works Salaries & Benefits				
5040-11	Salaries	217,000.00	197,497.96	221,500.00
5042-11	Accrual Cash Outs	6,000.00	3,240.37	4,000.00
5055-11	Overtime	5,000.00	1,081.36	5,000.00
5073/5075-11	Retirement	46,600.00	37,886.09	48,800.00
5070-11	Health Benefit	57,000.00	52,227.45	57,000.00
5080-11	Social Security/Medicare	3,500.00	3,453.00	4,000.00
5085-11	SUI	500.00	356.99	500.00
5065-11	Dental	5,500.00	5,020.62	5,700.00
5066-11	Vision	900.00	768.79	900.00
5060-11	Long Term Disability	1,800.00	1,632.29	1,800.00
5067-11	Life Insurance	500.00	445.50	500.00
5078-11	Pers Survivor Benefit	400.00	171.60	105.00
5079-11	Deferred Comp	2,400.00	2,200.00	2,400.00
5985-11	Fitness	800.00	1,060.00	1,500.00
5925-11	Liability Insurance	7,500.00	7,471.90	5,400.00
5965-11	Workers Comp	113,700.00	113,631.62	141,000.00
	Public Works Salaries & Benefits Subtotal	469,100.00	428,145.54	500,105.00
Public Works Services & Supplies				
5020-11	Contract Services - Misc.	10,000.00	2,060.00	10,000.00
5020-11	Contract Services - C&D	160,000.00	149,040.00	242,500.00
5020-11	Contract Serv - C&D Stormwater	65,000.00	49,296.50	45,000.00
5020-11	Contract Serv - C&D Developer	65,000.00	28,699.50	0.00
5025-11	Dues & Subscriptions	500.00	342.00	1,000.00
5027-11	Permits/Licenses	5,000.00	3,871.50	5,000.00
5028-11	Pest Control	800.00	730.00	800.00
5095-11	Training/Conferences	2,000.00	524.92	5,000.00
5137-11	GASB 68 Unfunded Retirement Liab	53,200.00	53,167.03	50,100.00
5425-11	IT Support	2,000.00	714.00	5,000.00
5720-11	Backhoe/Sweeper Maintenance	20,000.00	10,858.76	13,000.00
5795-11	Uniforms	4,000.00	2,219.16	3,000.00
5820-11	Storm Water Maintenance	8,800.00	4,400.00	8,800.00
5820-11	Storm Water Sediment Removal	0.00	0.00	37,000.00
5845-11	Hope Program	63,200.00	49,344.03	70,700.00
5855-11	Street Lighting	10,000.00	8,449.32	10,000.00
5860-11	Street/Sidewalk Maintenance	10,000.00	4,190.64	10,000.00
5861-11	Adopt-A-Highway	3,600.00	2,950.00	3,600.00
5865-11	Flags/Banners	10,000.00	6,730.22	10,000.00
5884-11	Security - Corp Yard	1,100.00	1,019.40	1,300.00
5885-11	Supplies	5,000.00	2,911.59	5,000.00
5888-11	Equipment Rental	3,000.00	1,288.00	5,000.00
5889-11	Mtry 1 Water - MRSWMP Program	19,000.00	19,061.95	25,000.00
5890-11	Contingency	0.00	0.00	10,000.00

5898-11	Street Signs	5,000.00	2,631.33	5,000.00
5935-11	Equipment Maintenance	2,500.00	792.93	3,000.00
5945-11	Telephone	4,200.00	3,607.79	4,500.00
5961-11	Refuse/Trash	8,000.00	6,089.46	8,000.00
5963-11	Irrigation/Landscaping	5,000.00	139.83	5,000.00
5970-11	Equipment	10,000.00	5,706.63	10,000.00
5998-11	Internet	1,100.00	953.95	1,100.00
6620-11	Street Sweeper Lease - Principal	16,200.00	14,791.79	16,900.00
6621-11	Street Sweeper Lease - Interest	2,100.00	1,952.19	1,400.00
	Public Works Services & Supplies Subtotal	575,300.00	438,534.42	631,700.00
	Total Public Works	1,044,400.00	866,679.96	1,131,805.00



NON-RECURRING EXPENDITURES				
Expenditures				
Acct Number	Account Description	FY 18-19 Budget Amend #1	FY 18-19 Actual Thru 5/31/19	FY 19-20 Proposed Budget
Developer Agreements				
	Developer Agreements	0.00	0.00	91,000.00
	Developer Agreement S of Tioga	0.00	0.00	50,000.00
	Sub Total Developer Agreements	0.00	0.00	141,000.00
Grants				
5732-00	FEMA Grant - West Bay Avenue	125,000.00	10,591.00	100,000.00
	CalTrans Sustainable Grant			21,221.00
	Sub Total Grants	125,000.00	10,591.00	121,221.00
	Total Non-Recurring Expenditures	125,000.00	10,591.00	262,221.00



STAFF REPORT

Agenda
Item
9B

DATE: July 11, 2019
TO: Honorable Mayor and City Council Members
FROM: Fred Meurer, Interim City Manager 
SUBJECT: Adoption of Fiscal Year 2019-2020 Initial Budget Recommendations

RECOMMENDATION

1. Approve the draft operating budget and capital improvement program after providing guidance on any desired changes (Attachments A and B).
2. Provide guidance on any issues that the Council would like to have more information on before approving a line item
3. Provide guidance on any strategic issues that the City Council would like to have staff bring back for any in-depth discussion

DISCUSSION

The City Council received information on the City's operating budget at a study session on the 19th of June. Since that time, staff has continued to scrub the operating budget estimated revenues and expenditures. This effort has been focused on making the final budget document as transparent as we can, eliminating contingency dollars in departments' budgets so the Council has a more precise understanding of the funds available for the operating budget and for the capital program and developing a 5-year Capital Improvement Program (CIP).

The approach to this year's budget development has been much different than the past few years. The recent budgets were developed primarily by the Administrative staff by applying inflation factors to the previous year's budget. This year we have tried to develop the department budgets with far more input from the operating departments. The purpose of this approach was to build ownership of the budget by the people who will implement it. In the long run this will make future budgets easier to put together, will provide more accurate predictions of revenues and expenditures, and will produce a clear roadmap for the City's capital

improvement strategy. There will also be a sense of budget ownership by staff since they built their own budget that they will execute.

The budget should reflect the City Council's strategic plan for the City's future. Our difficulty, as we put this budget together is that the City Council does not have a current Strategic Plan. Our General Plan is quite out of date and our near-term known revenues are not in sync with our ongoing costs or desired future projects and programs. Our hoped-for revenue increases to close this gap are dependent on the voters increasing the sales tax, the South of Tioga (SOT) developers agreeing to a substantial CFD tax, and the successful development of a new hotel as part of the SOT project. In the face of these realities, we have developed a one year budget that provides for the appropriations necessary to execute this year's programs and buys time for the Council to develop a strategic plan and a financial strategy to support it, based on the current City Council's objectives.

The operating budget discussion will highlight many of these strategic issues that will not be solved at this City Council meeting. A way to look at this budget meeting is to think of your fiduciary responsibilities as Councilmembers as two tracks. One track is an appropriation to spend money to certain levels on specific line items. For instance, we need to appropriate money to pay the salaries at the current level for our current employees. The second Council responsibility is to "authorize" the actual level of desired services or changes to services. This is a separate action that will be touched on but not completed on some items at this meeting. If you desire to make no changes on an item, which is generally the case, appropriation and authorization are simultaneous. If you want to make substantive changes in the authorization for a service, whether increasing or decreasing, this will often take a much more detailed discussion by the Council.

For instance, you have already had several discussions regarding the City's approach to Public Safety. The outcome of those discussions was that you wanted to better understand the City's budget situation before you made any decisions on the City's long-term Public Safety approach. You will need a separate meeting to discuss any changes that you might want to make in Public Safety delivery, whether these changes are a fine tuning of the existing approach or a more significant change in approach or no change at all. These discussions are about the "authorization" regarding the service.

Similarly, you have had a number of discussions about various capital improvements ranging from street maintenance, to bike trails, to a community center, to a parking garage and utility undergrounding. The "authorization" discussion here would be a discussion of what your long-term priority objectives are and how to develop the financial resources to accomplish these objectives. An example is the need for a parking strategy. We all know we need added parking, but there is no coherent strategy for obtaining it. As you attract new businesses, like the

climbing gym conditional use permit you recently heard, the lack of a parking strategy and parking rules will confound your aspiration to permit the desired businesses.

The budget appropriation that is before you can be viewed as a status quo budget as it appropriates money for the operating budget that reflects “NO” changes of great substance in how you do business. You will see that the anticipated revenues and the anticipated expenditures are such that you will have an operating reserve of just under \$450,000. This reserve is available for operating contingencies driven by the economy, capital improvements, or service changes. Those service changes could include added staff, added services, etc.

You will also see a 5-year CIP. This CIP far exceeds the revenue capacity to fund. What is recommended for funding are those items that are generally “must do items”. For example, we must fund the half of California upgrade that is not included in the SOT project requirements. We must pay the local match for several grants that we have received. There are some items in the CIP to help build the City’s organizational infrastructure like our web site, records management, and asset management initiatives. There are some items in the CIP that could be postponed slightly. At the meeting I will go over each item in the CIP. The full CIP cannot be funded with the current revenue stream. Next year’s can only be funded by some erosion of the strategic reserve.

We will also discuss the City’s strategic unobligated reserve or what some might call your “rainy day” fund. The fund currently is just over \$5 million. To accomplish this year’s CIP will require lowering that fund considerably. One of the policy discussions that we will have is by how much are you comfortable lowering that fund?

The bottom line is that all these items tie together because you can only spend your dollars once. Any changes to the status quo will be met with some hostility by the impacted stake holders. At the same time, you cannot make decisions regarding how to fund the future end state you desire for the City without a discussion of the status quo of how the City operates and looks. If you do not have the discussion and make informed decisions as a result of that discussion, you will coast to an end state dictated by circumstances rather than the end state you desire.

The budget information presented tonight will be developed into a final budget document and CIP that is based on your decisions at this meeting. Subsequent amendments to the budget can be made during the year as dictated by future Council deliberations and decisions