



# FY 2020/21 Operating and Capital Budget Update

June 8, 2020

# Agenda



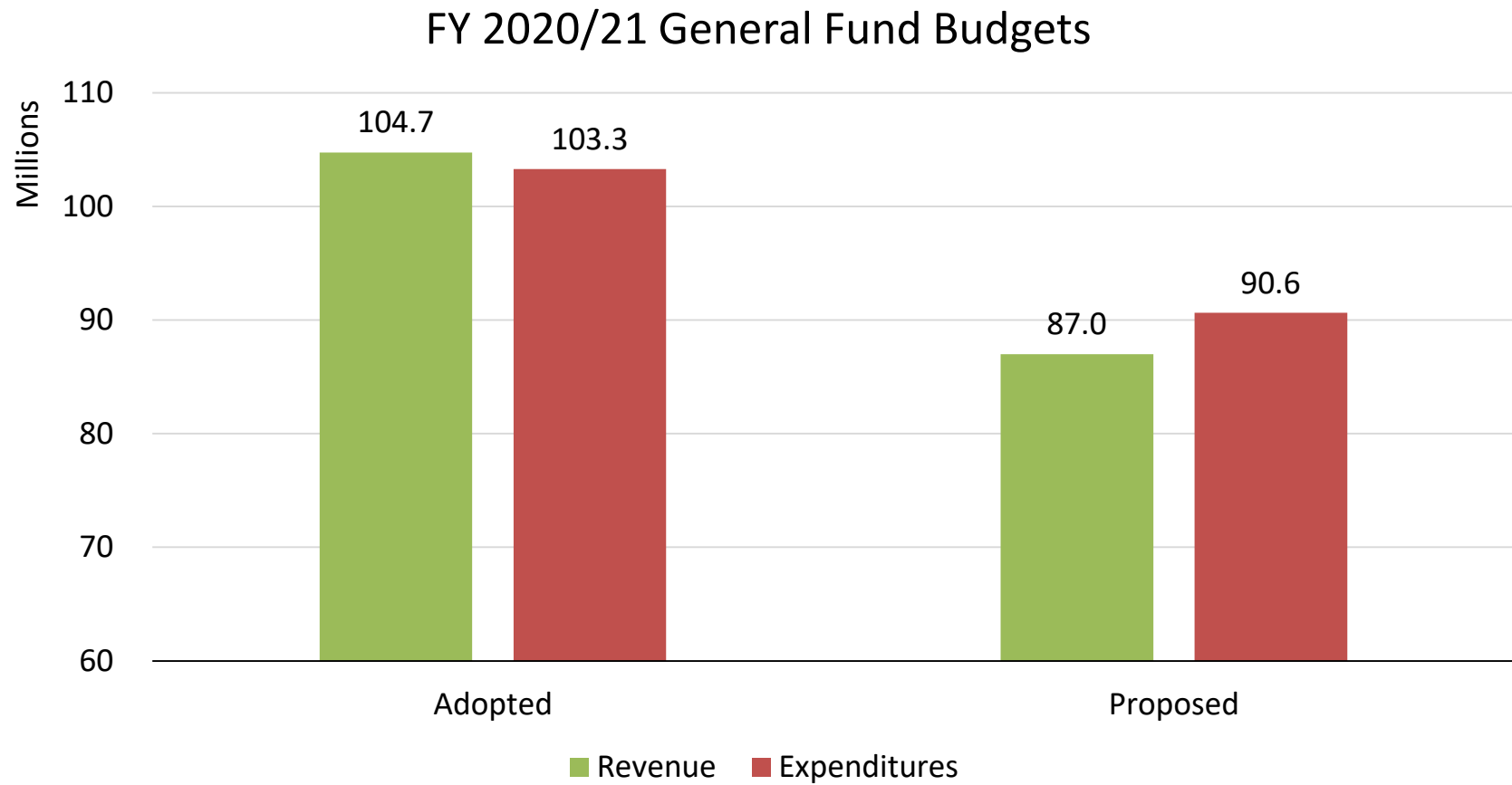
- General Fund
- Non-Recurring General Fund
- Enterprise Funds
- Housing Authority Funds
- Internal Service Funds
- Special Revenue Funds
- CIP Fund

Updates to the FY 2020/21 Budget

# **GENERAL FUND**

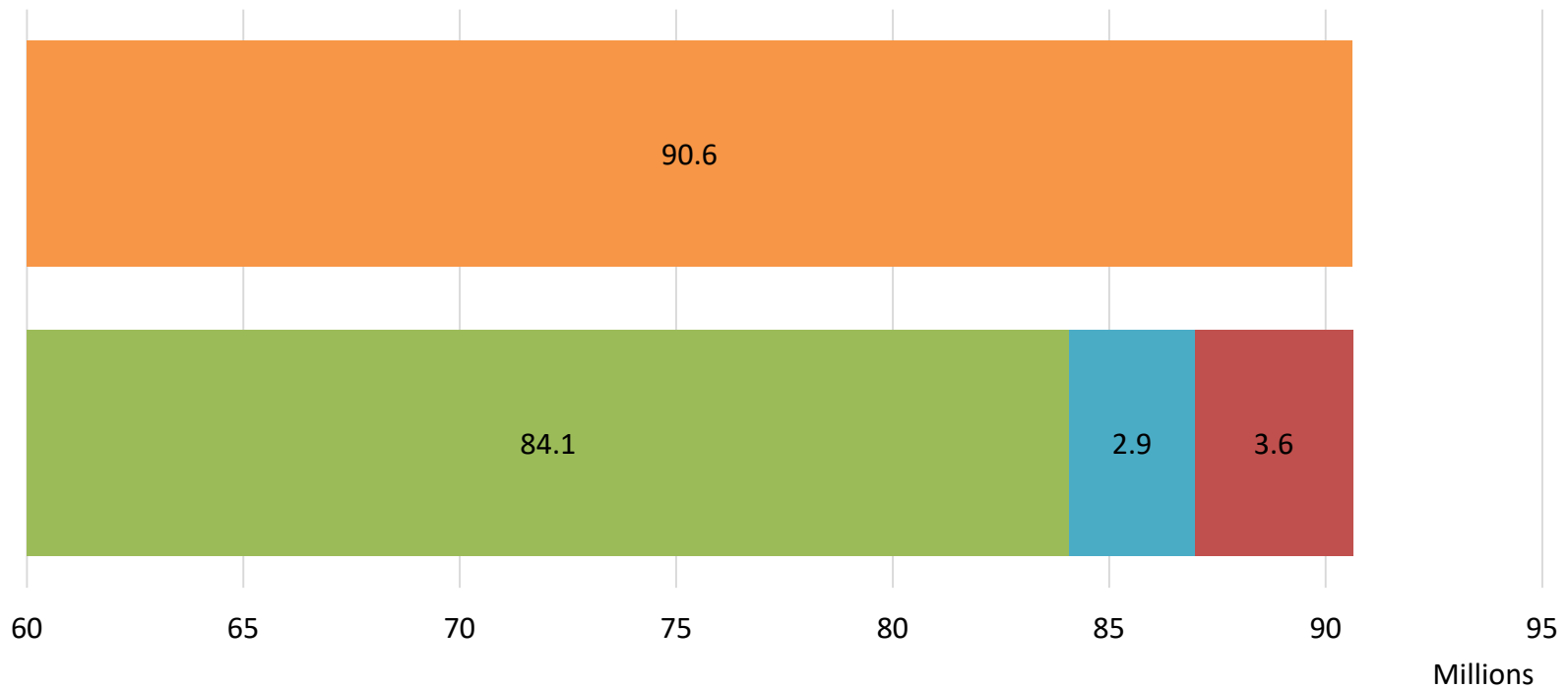


# General Fund



# General Fund

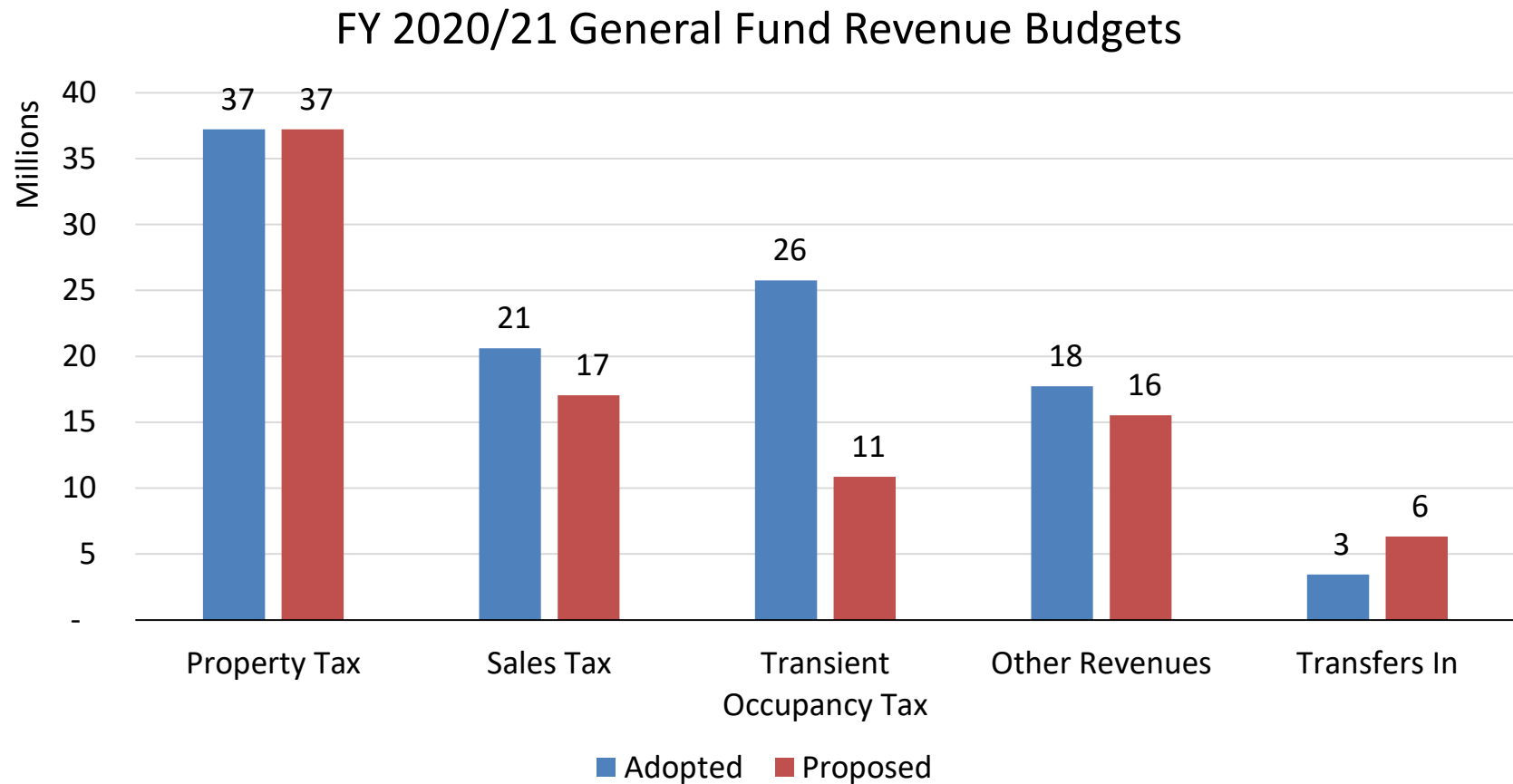
## Balancing the Budget



Proposed Expenditures Proposed Revenues Transfers From Other Funds to Offset Deficit Use of Reserves



# General Fund - Revenues

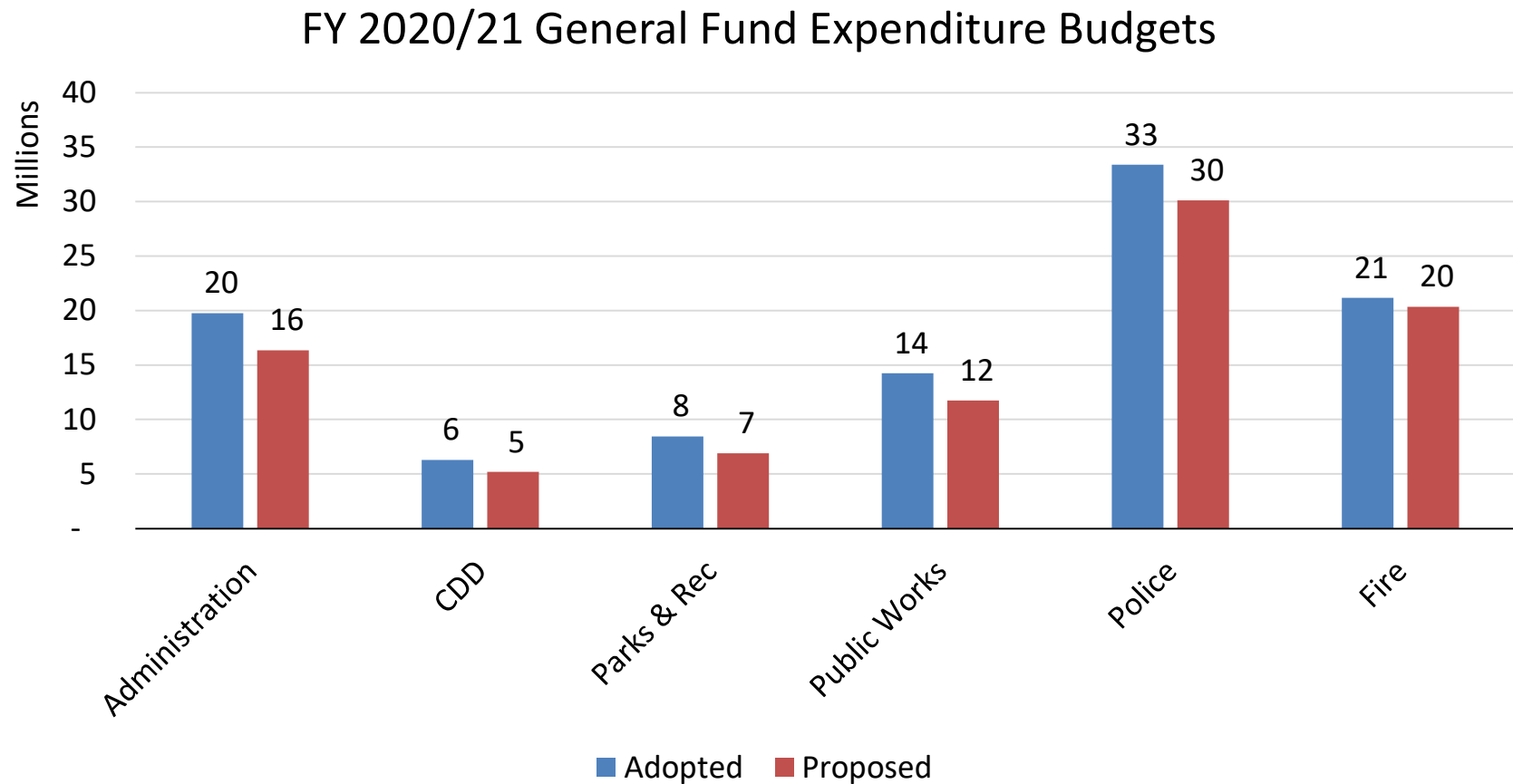


# General Fund - Revenues

- Reduced revenues by \$20.5 million based on COVID-19 impacts
- Increased Interfund Transfers In by \$2.7 million to offset deficit
  - \$1.2 million from Non-Recurring General Fund
    - \$350k previously budgeted to Housing, \$882k of ERP funding returned from IT Fund
  - \$1.5 million from CIP General Reserve



# General Fund - Expenditures





# General Fund – Expenditures

- Significant Expenditure Savings
  - \$4.4 M Vacancy Savings: 32 positions frozen in FY21
    - 9 sworn, 23 citywide staff
  - \$2.9 M Operating Budget Cuts
  - \$2.2 M Reduced Transfers Out to other funds
  - \$1.1 M Public Works salary reallocations between General Fund and Streets/Sidewalk Programs
  - \$0.4 M Defer Fleet Fire Apparatus contribution
  - \$0.2 M Executive Team concessions



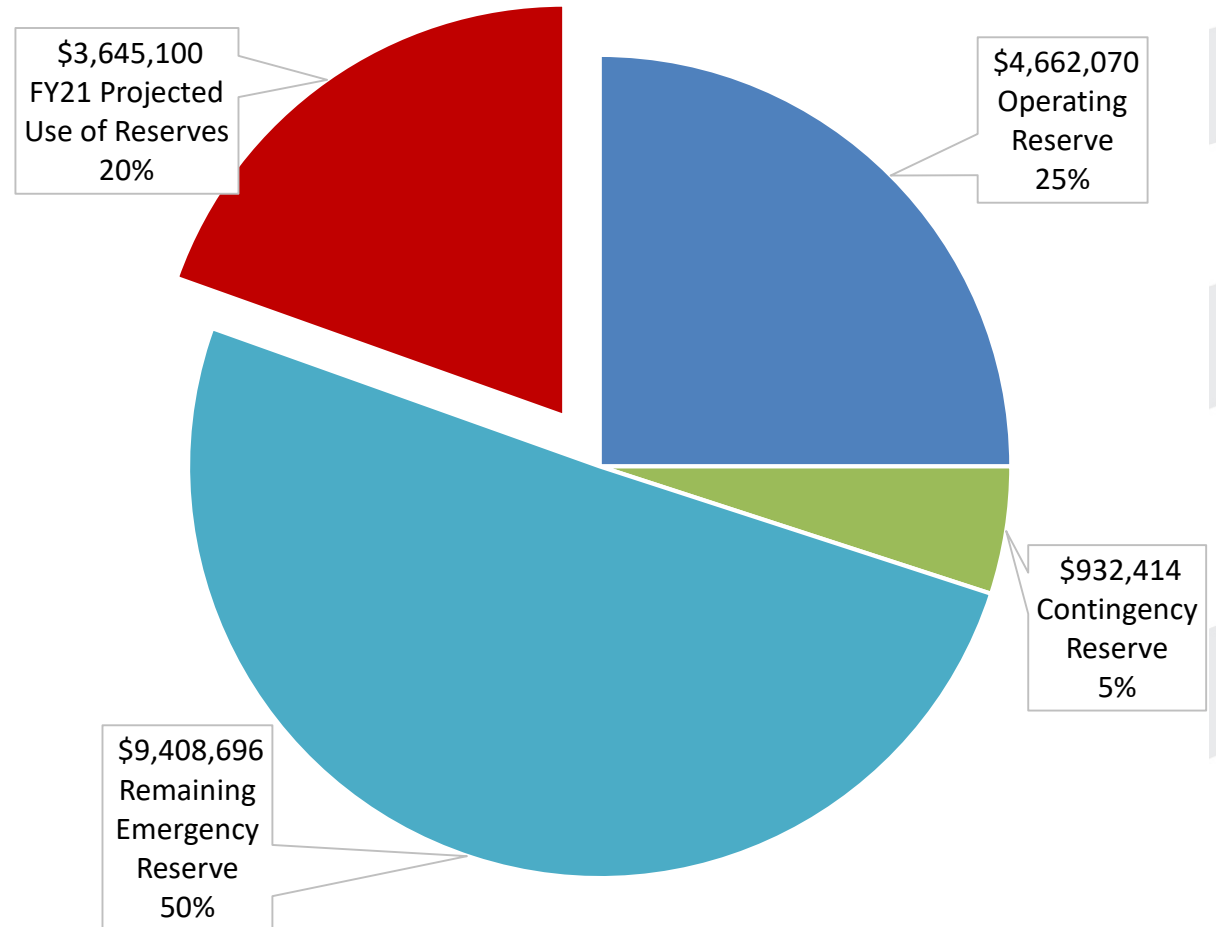
# General Fund – Decision Packages

- #651: Public Safety Administration Staffing Change
  - ASM replaced with Fire Management Analyst I/II, savings of \$32k
- #656: Move Parking Security Under Parking Manager
  - Transfer from Parking Security Fund to General Fund, revenue increase of \$186k
- #670: Eliminate Assistant City Manager Position
  - Eliminate position, savings of \$316k

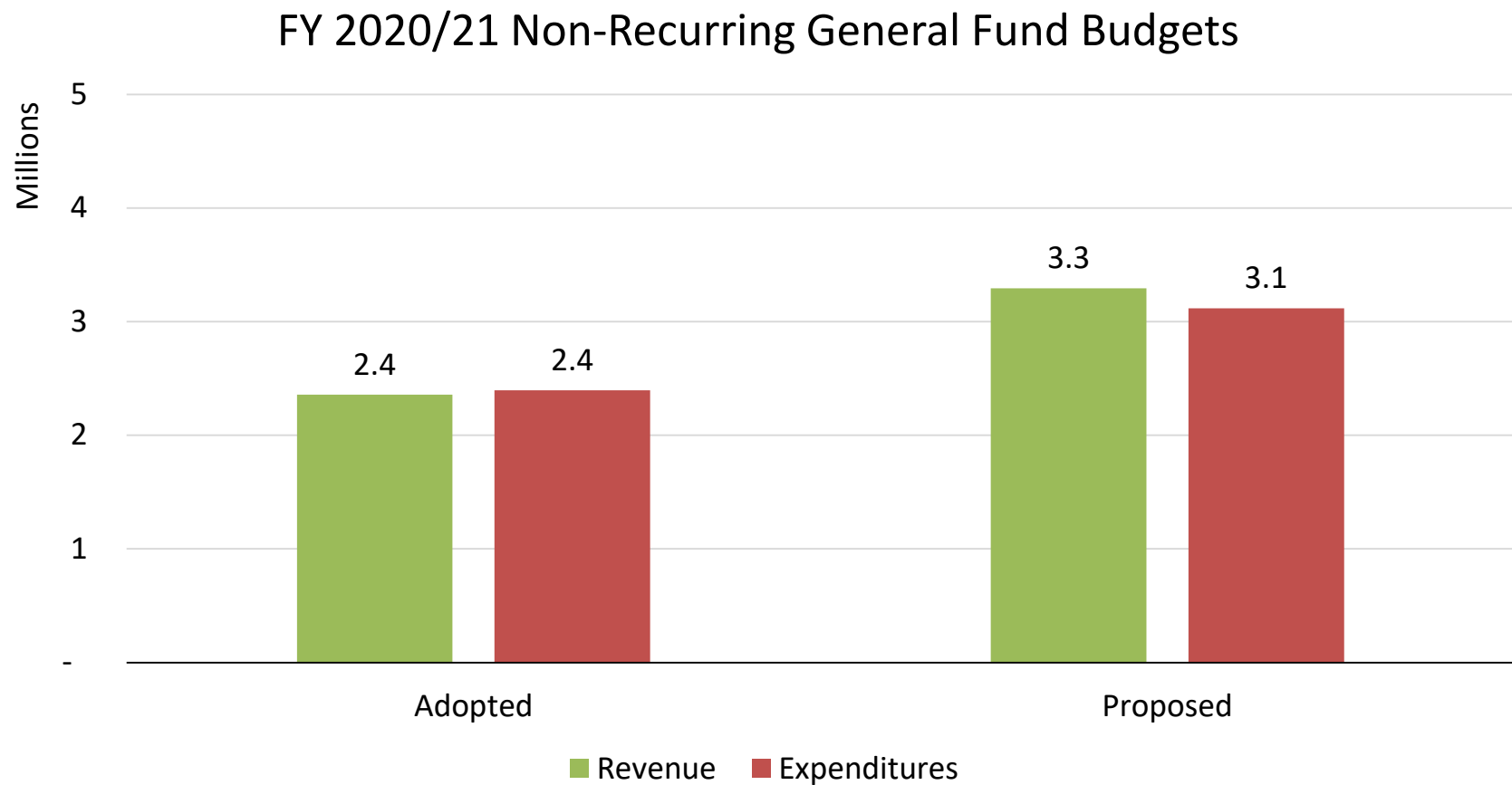


# General Fund Reserves

The Budget assumes the use of \$3.6 M of Emergency Reserves



# Non-Recurring General Fund



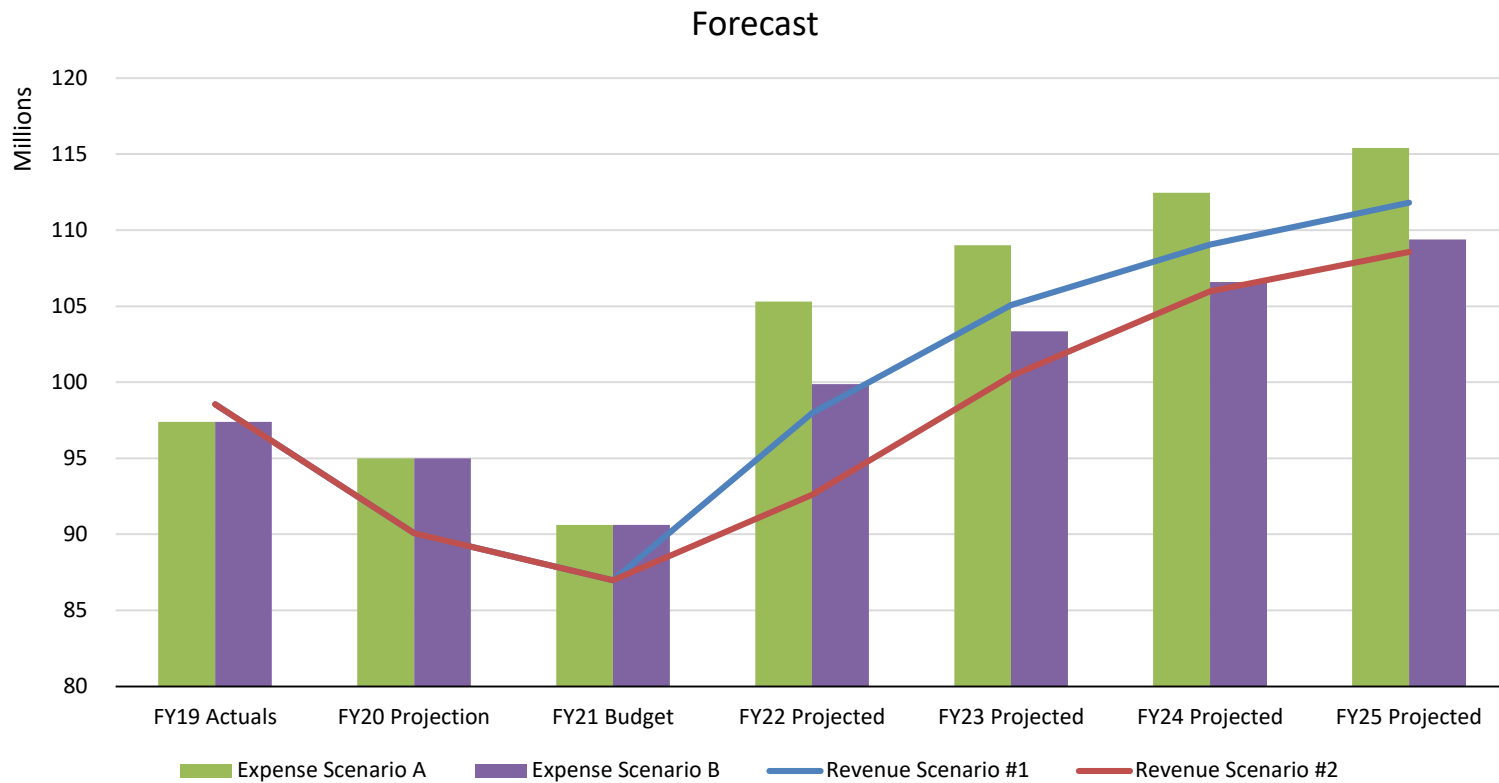
# Non-Recurring General Fund

- Removed \$350k allocation to Housing
- \$882k returned from IT Fund
- Transfer of \$1.2 million to General Fund to help offset budget deficit



# Long Term Financial Forecast

## More than a FY 2020/21 Budget Issue



# Next Steps

- Review the State Budget when approved in mid-June for more information on possible VLF funding reduction
- Continue to monitor economic activity working with our business partners, Visit Napa Valley, and our sales tax consultant (HdL Companies)
- Ongoing updates to council as new information becomes available
- Continue to communicate and discuss with our bargaining groups about potential assistance with budget issue

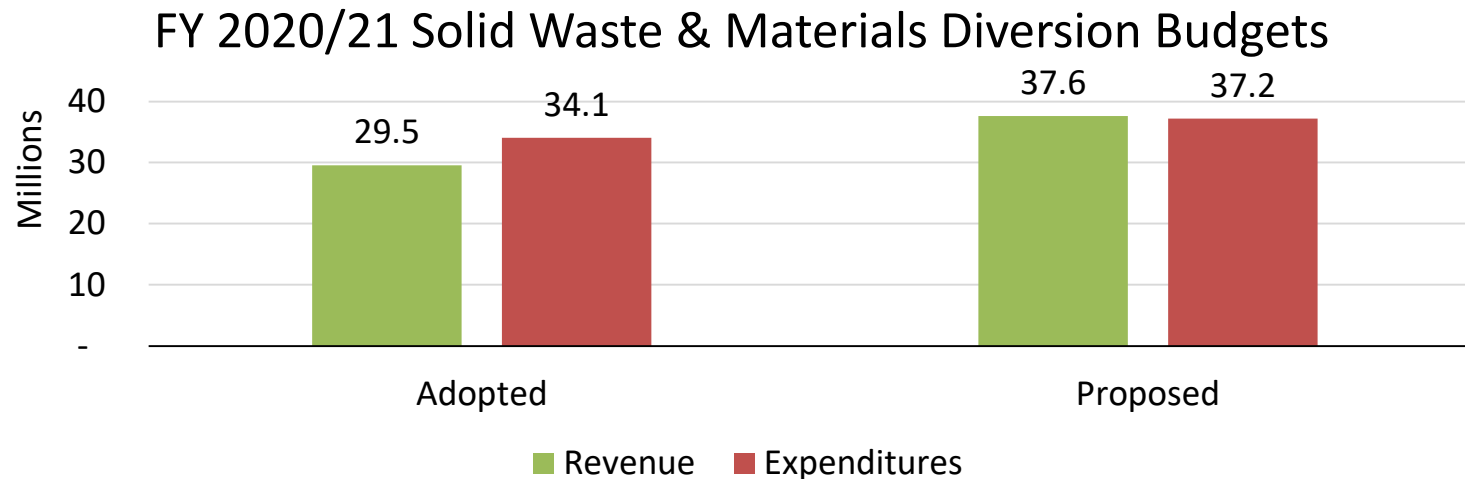


Updates to the FY 2020/21 Budget

# **ENTERPRISE FUNDS**

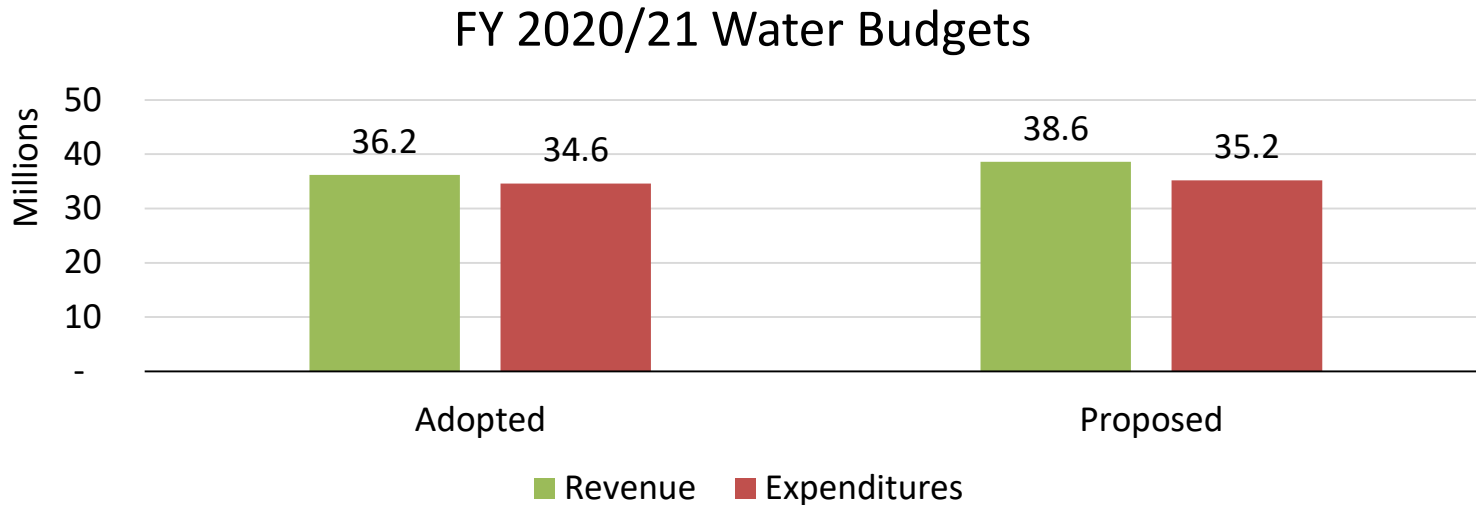


# Solid Waste & Materials Diversion



- Operating Revenue increased by \$8.1 M
- Operating Expenditures increased by \$4.0 M
- Removed Transfer Out to Local Streets Paving Program; expenditure decrease of \$1.1 M

# Water



- Operating Revenue increased by \$1.5 M
- Operating Expenditures reduced by \$0.2 M
- Transfer of \$882k to IT Fund for Utility Billing portion of ERP Project



Updates to the FY 2020/21 Budget

# **HOUSING AUTHORITY FUNDS**

# Housing Authority Funds

- Minor adjustments to most funds to match revenue and expenditure budgets to expectations
- Section 8 Fund revenues and expenditures each increased by \$2.1 million
- Minor adjustments to most funds for Executive Team concessions



Updates to the FY 2020/21 Budget

# **INTERNAL SERVICE FUNDS**

# Internal Service Funds

- Fleet: Delay purchase of 3 Fire Apparatus (\$2.1 M)
- IT Replacement: Replace \$882k of ERP Project funding from Non-Recurring General Fund with \$882k from Water Fund
- Risk Management: Reduce revenues based on benefit adjustments to Workers Comp and Unemployment, increase exp due to addition of Deputy City Manager position (R2020-010)

# Internal Service Funds

- Post-Employment Benefits Fund: Reduce revenue based on benefit adjustments from vacancy freezes
- Equipment Replacement: Remove \$150k transfer from the General Fund

Updates to the FY 2020/21 Budget

# **SPECIAL REVENUE FUNDS**



# Special Revenue Funds

- Tourism Improvement District
  - Reduced revenue based on lodging estimates (\$612k)
  - Reduced operating budget per TID board (\$190k)
- Measure F
  - Reduced revenue based on TOT estimates (\$1.2M)

# Special Revenue Funding of Streets & Sidewalks Programs

## Local Streets Paving

- Removed \$1.1M transfer from MDF
- Reduced transfer from Traffic Fund by \$581k
- Added \$2.1M transfer from Measure T

## Sidewalks

- Removed \$913k transfer from General Fund
- Reduced transfer from Traffic Fund by \$749k
- Added \$845k transfer from RMRA

# Special Revenue Funds – Decision Packages

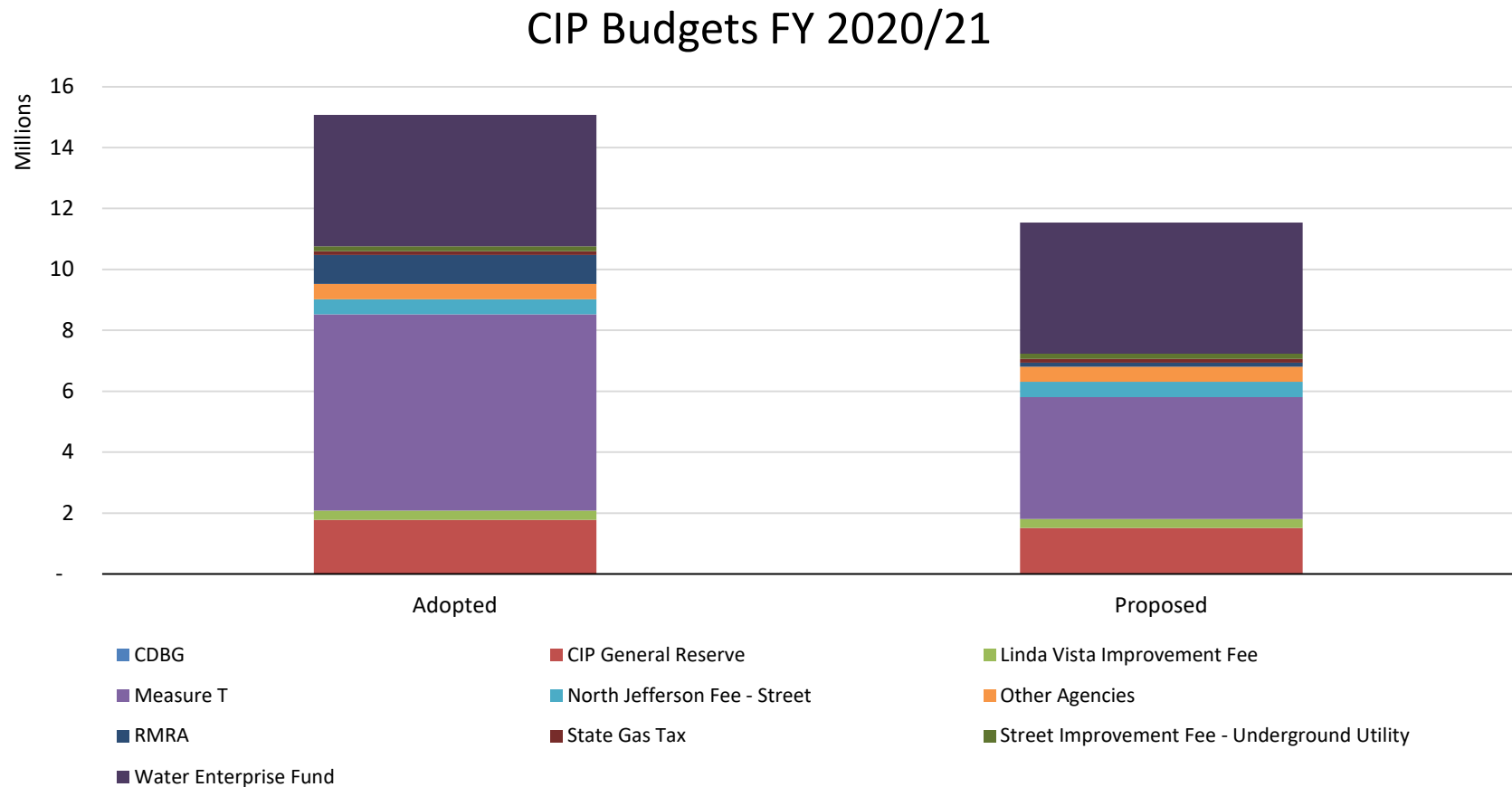
- #656: Move Parking Security Under Parking Manager
  - \$163k Transfer from Parking Security Fund to Parking Maintenance Fund



Updates to the FY 2020/21 Budget

# **CAPITAL IMPROVEMENT PROJECT FUND**

# Capital Improvement Project Fund



# Capital Improvement Project Changes

## Project Increases

- CDBG: \$15k for Senior Center ADA
- CIP General Reserve: \$33k for Fire Station No. 5 Closeout

## Project Decreases

- CIP General Reserve: \$320k reduction of Parks Projects
- Measure T: \$2.4M reduction of streets projects
- RMRA: \$819k reduction of streets projects

# Local Streets Paving Program

- Salaries & Benefits increased by \$431k due to Public Works staff reallocations
- Funding sources changed from MDF and Gas Tax to Measure T and Gas Tax (reduced)



# Sidewalk Replacement Program

- Salaries & Benefits increased by \$241k due to Public Works staff reallocations
- Funding sources changed from General Fund and Gas Tax to RMRA (SB1) and Gas Tax (reduced)





Updates to the FY 2020/21 Budget

# **PROPOSED STAFFING CHANGES**

# Proposed Staffing Changes

- Reduce FTE by 1
  - Decision Package #670 – Assistant City Manager
- Vacancy Freezes of 32 FTE
  - 9 sworn
    - 8 Police Officers, 1 Police Captain
  - 23 non-sworn
    - Administration: 2 FTE
    - CDD: 5 FTE
    - Parks and Rec: 4 FTE
    - Public Works: 10 FTE
    - Police: 2 FTE

# Comments or Questions?

