

City of Willits

Fiscal Year 2020-21 Preliminary Budget



Presentation to City Council

July 29, 2020



FY 2020-21 Preliminary Budget - Discussion Outline -

1. Overview of Budget Development Process to Date
2. Review of FY 2020-21 Citywide Preliminary Budget
3. Overview of Changes to Budget since Budget Workshop
4. General Fund Overview
5. Enterprise Funds Overview
6. Selected Special Revenue Funds Update
7. Questions / Direction

FY 2020-21 Preliminary Budget - Budget Development Process -

Budget Development Process to Date:

- Review and update of FY 2019-20 financial activity – develop estimates for year-end activity
- Meet with departments as required to obtain baseline budget information for FY 2020-21
- Adoption of Continuing Resolution to provide staff with opportunity to gather pertinent information related to budget
- Hold Budget Workshop on July 21, 2020 – Overview of Preliminary Budget
- Consider an update to budget in Fall 2020 once revenue data becomes available

FY 2020-21 Preliminary Budget - Preliminary Citywide Budget -

-----FY 2020-21 Preliminary Budget-----					
Fund(s)	Revenues	Expenditures	Excess / (Deficit)	Ending Fund Balance	Total Capital
General Fund	\$ 4,730,500	5,425,138	(694,638)	1,470,937	\$ 14,250
Airport Enterprise Fund	\$ 1,279,548	1,278,517	1,031	65,204	\$ 1,199,848
Wastewater Enterprise Fund	3,438,387	3,736,870	(298,483)	3,182,704	585,000
Water Enterprise Fund	3,115,000	4,242,880	(1,127,880)	3,724,594	2,047,500
Sales Tax Transportation Fund	\$ 1,255,000	1,466,308	(211,308)	1,951,676	\$ 995,000
Other Special Revenue Funds	374,102	410,487	(36,385)	349,089	35,000
Capital Projects Fund	\$ 785,942	1,166,122	(380,180)	-	\$ 1,166,122
Willits Successor Agency Fund	\$ 457,000	457,446	(446)	833,936	\$ -
Total Preliminary Budget:	\$ 15,435,479	18,183,768	(2,748,289)	11,578,140	\$ 6,042,720

FY 2020-21 Preliminary Budget - Citywide Preliminary Budget -

Citywide Staffing - Full Time Positions (Funded)	
Department	FTE
City Council	5.00
Administration	2.00
Finance	4.00
Human Resources	1.00
Community Development / Planning	4.00
Public Works / Engineering	9.00
Police / Dispatch	16.20
Parks / Swimming Pool (all PT)	0.00
Wastewater Enterprise	5.00
Water Enterprise	5.00
Citywide Funded FTE:	51.20

FY 2020-21 Staffing

- **7.0 FTE Vacant Positions Funded**
 - *Police Chief*
 - *Finance Director*
 - *Associate Engineer*
 - *Police Officer (COPS Grant)*
 - *Dispatcher*
 - *Maintenance Worker I*
 - *Operator - WWTP*

- **Parks and Swimming Pool staff all part-time / or indirectly allocated**

- **11.67 FTE indirectly allocated from General Fund to other funds**

FY 2020-21 Preliminary Budget - Citywide Preliminary Budget -

General Fund Net Staffing (Funded)	
Department	FTE
City Council	5.00
Administration	2.00
Finance	4.00
Human Resources	1.00
Community Development / Planning	4.00
Public Works / Engineering	9.00
Police / Dispatch	16.20
Parks / Swimming Pool (all PT)	0.00
Total General Fund (Home Fund) Staffing:	
	41.20
Less: Staff Allocated to Other Funds:	(11.67)
Less: City Council:	(5.00)
Less: Police Department / Dispatch:	(16.20)
General Fund Staffing -	
Other than Public Safety and City Council:	8.33

**Total General Fund Staffing other than
Public Safety and City Council = 8.33 FTE**

FY 2020-21 Preliminary Budget - Preliminary Citywide Budget -

CAPITAL PROJECTS / OUTLAY - \$6,042,720:

<i>General Fund</i>	\$14,250	Code Enforcement Equipment; Vehicle Lease; Drinking Fountains; Shade Covers
<i>Airport Fund</i>	\$1,199,848	Airport Runway Rehabilitation Project
<i>Wastewater Fund</i>	\$585,000	Brush Chipper; Vehicle; Survey Equipment; Traffic Plates; Building Maintenance; Weir Modification; Auger & Shaft; Wheels & Screen for Press; Influent Flight Pump; Aeration Blower; Storm Pond Maintenance
<i>Water Fund</i>	\$2,047,500	Brush Chipper; Vehicle, Survey Equipment; Traffic Plates; Downtown Improvement; Groundwater Infrastructure; Maple Street Pump Station; Flood Emergency Action Plan; Auxillary Fuel Tank; Maintenance Clarifier & Plant Facilities; PSPS Generator; Groundwater Media Replcmt.; Solar Array Purchase; California & Penn Water Main
<i>Transportation Fund</i>	\$995,000	Survey Equipment; Pavement Restoration; Creekside Stabilization; Annual Striping; Downtown Improvement; Brush Chipper; Traffic Plates
<i>Narc. Forfeiture Fund</i>	\$35,000	Police Vehicle
<i>Capital Projects Fund</i>	\$1,166,122	Main Street Improvements; PSPS Resiliency; ATP Rail; Urban Forest Management; General Plan Update; Flood Mapping; Pavement Project; Vehicle Replacement; Other Smaller Projects



FY 2020-21 Preliminary Budget

- Overview of Changes Since Workshop -

Updates to Preliminary Budget:

General Fund:

- Addition of \$30,000 to fund interim City Manager with pending retirement of existing City Manager
- Addition of \$30,000 towards Human Resources legal services appropriation
- Correction to include Code Enforcement budget of \$33,340 (erroneously not included in summary)
- Update to engineering services budget to include \$41,541 increased allocation to other funds
- Reduction of Community Services budget by \$28,650
 - Removal of Little Lake Fire contribution due to double counting as part of Cannabis Compliance Budget
 - Reduction of Chamber of Commerce contribution due to anticipated lower TOT revenues

Wastewater Fund:

- Updated increase to Engineering cost allocation

Water Fund:

- Updated increase to Engineering cost allocation
- Updated capital projects



FY 2020-21 Preliminary Budget - Overview of Changes Since Workshop -

Updates to Preliminary Budget:

Sales Tax Transportation Fund:

- Updated increase to Engineering cost allocation
- Updated funding sources to include D-1 funding towards Willits Downtown Improvement Project

Capital Projects Fund:

- Updates to capital project appropriations (no new projects)

NOT YET INCLUDED IN BUDGET:

- Impacts of recent Wastewater bond refunding

FY 2020-21 Preliminary Budget - General Fund Overview -

	Revenues	Expenditures
Estimated Amounts @ 6/30/20 (FY 2019-20)	\$ 4,904,122	\$ 5,209,043
<i>FY 2020-21 Preliminary Budget</i>	\$ 4,730,500	\$ 5,425,138

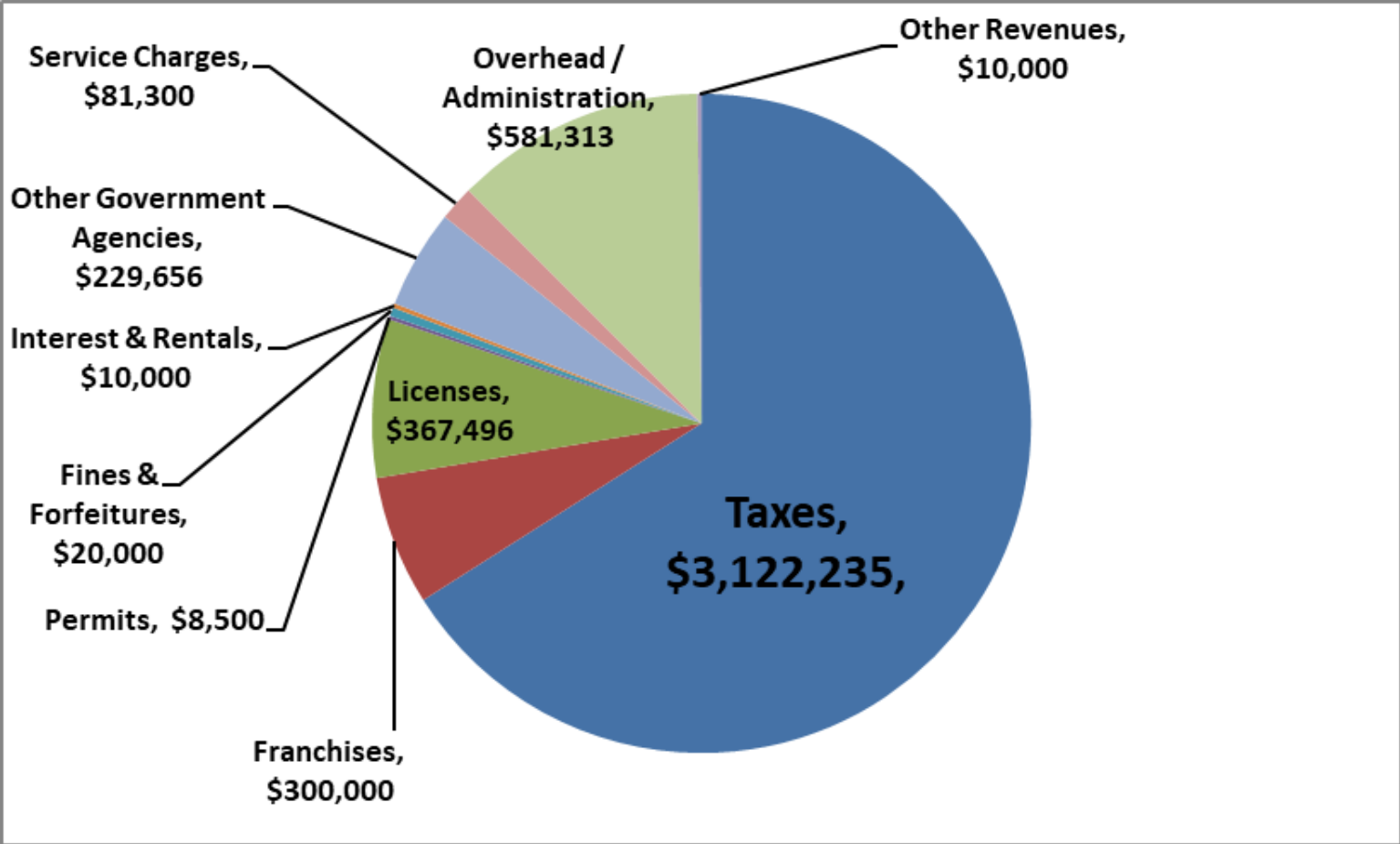
FY 2019-20 Estimated use of reserves: \$304,921

FY 2020-21 Preliminary Budget use of reserves: \$694,738


COVID ADJUSTED

FY 2020-21 Preliminary Budget - General Fund Overview -

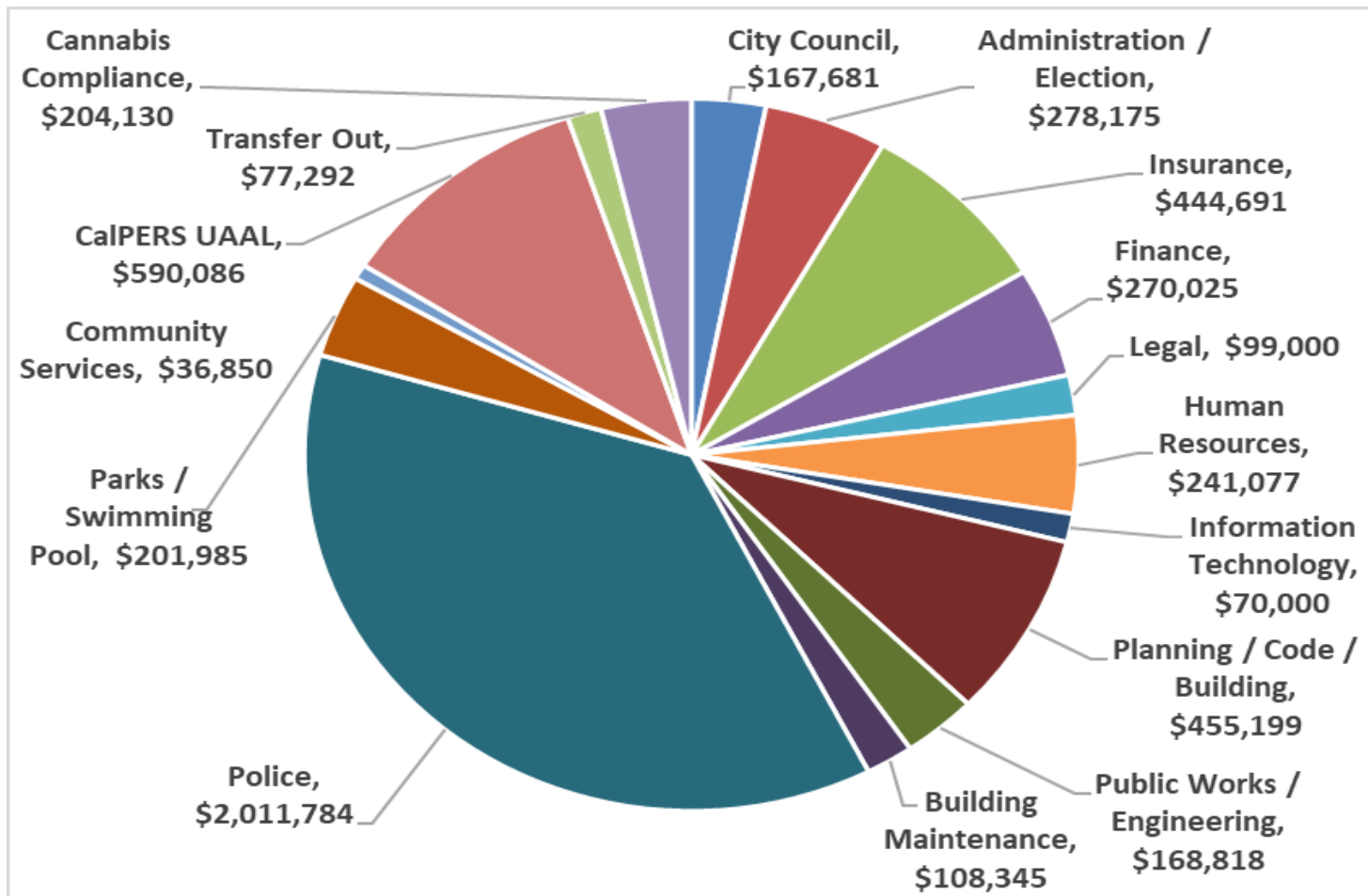
General Fund Revenues



FY 2020-21 Preliminary Budget

- General Fund Overview -

General Fund Expenditures



FY 2020-21 Preliminary Budget - General Fund Overview -

General Fund Revenues – COVID-19 Impacts:

Revenue Type	FY 2020-21
Sales Tax	<i>Reduction - \$282,000</i>
Transient Occupancy Tax	<i>Reduction - \$55,470</i>
Proposition 172 Sales Tax	<i>Reduction - \$9,100</i>

Total Annual Reduction:

\$ 346,570

FY 2020-21 Preliminary Budget - General Fund Overview-

FY 2020-21 General Fund Notes:

- Preliminary budget includes negotiated salary increases (2%)
- Transfers to Closed Landfill = \$77,292 (1/2 of budgeted costs) – *Need to Watch...*
- Transfers to Capital Projects (discretionary) = \$0
- CalPERS UAAL Costs increase by \$66,773
- Insurance Costs (liability / property / auto) increase by \$16,541
- Payment for Fire services from Cannabis revenues @ \$81,308
- Community Services Budget adjusted for noted changes

FY 2020-21 Preliminary Budget - General Fund Overview -

General Fund Budget – Reserves

	Actual FY 2017-18	Actual FY 2018-19	Estimated FY 2019-20	Preliminary FY 2020-21
General Fund Surplus / (Deficit):	\$ 419,692	\$ (495,168)	\$ (304,921)	\$ (694,638)
Reserve Amount - End of Year	\$ 2,965,664	\$ 2,470,496	\$ 2,165,575	\$ 1,470,937
% of General Fund Expenditures	61.3%	46.9%	41.6%	27.2%

FY 2020-21 Preliminary Budget - Enterprise Funds Overview -

Airport Fund:	FY 2017-18 ACTUAL	FY 2018-19 ACTUAL	FY 2019-20 BUDGET	FY 2019-20 ESTIMATED	FY 2020-21 PRELIMINARY
Revenues:	\$ 183,003	\$ 151,332	\$ 425,476	\$ 108,735	\$ 1,279,548
Expenditures:	192,393	93,939	441,555	112,906	1,278,517
Prior Period Adjustment:	-	-			
Change in Fund Balance:	\$ (9,390) [▼]	\$ 57,393	\$ (16,079)	\$ (4,171)	\$ 1,031
Ending Working Capital:	\$ 10,951	\$ 68,344	\$ 52,265 [▼]	\$ 64,173	\$ 65,204

Airport Fund Notes:

- Staff charges include 10% Deputy City Manager; 5% Community Development Director; 5% Community Development Specialist; 5% Office Assistant III
- CARES Act Funding of \$30,000 included in FY 2020-21 revenues
- Airport Operating Margin = \$1,251

FY 2020-21 Preliminary Budget - Enterprise Funds Overview -

Wastewater Fund:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21
	ACTUAL	ACTUAL	BUDGET	ESTIMATED	PRELIMINARY
Revenues:	\$ 3,135,160	\$ 3,538,683	\$ 3,449,387	\$ 3,467,702	\$ 3,438,387
Expenditures:	3,303,626	3,062,533	4,324,253	3,320,669	3,736,870
Prior Period Adjustment:	-	-			
Change in Fund Balance:	\$ (168,466)	\$ 476,150	\$ (874,866)	\$ 147,033	\$ (298,483)
Ending Working Capital:	\$ 2,858,004	\$ 3,334,154	\$ 2,459,288	\$ 3,481,187	\$ 3,182,704

Wastewater Fund Notes:

- Staff charges include 5 directly charges positions and 3.58 FTE variably charged positions
- Base rate increases not anticipated for FY 2020-21
- Wastewater Operating Margin = \$297,000

FY 2020-21 Preliminary Budget - Enterprise Funds Overview -

Water Fund:	FY 2017-18	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21
	ACTUAL	ACTUAL	BUDGET	ESTIMATED	PRELIMINARY
Revenues:	\$ 2,942,289	\$ 3,680,892	\$ 3,274,876	\$ 3,132,550	\$ 3,115,000
Expenditures:	2,400,016	2,248,500	4,394,025	2,972,578	4,242,880
Prior Period Adjustment:	-	-			
Change in Fund Balance:	<u>\$ 542,273</u>	<u>\$ 1,432,392</u>	<u>\$ (1,119,149)</u>	<u>\$ 159,972</u>	<u>\$ (1,127,880)</u>
Ending Working Capital:	<u>\$ 3,260,110</u>	<u>\$ 4,692,502</u>	<u>\$ 3,573,353</u>	<u>\$ 4,852,474</u>	<u>\$ 3,724,594</u>

Water Fund Notes:

- Staff charges include 5 directly charges positions and 3.68 FTE variably charged positions
- Base rate increases not anticipated for FY 2020-21
- Additional Project – California & Penn Water Main
- Wastewater Operating Margin = \$913,000

FY 2020-21 Preliminary Budget - Selected Special Revenue Funds -

Sales Tax Transportation Fund:						
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2019-20	FY 2020-21	
	ACTUAL	ACTUAL	BUDGET	ESTIMATED	PRELIMINARY	
Revenues:	\$ 886,520	\$ 894,934	\$ 907,150	\$ 864,433	\$ 1,255,000	
Expenditures:	878,851	760,983	2,829,083	1,507,353	1,466,308	
Prior Period Adjustment:	-	-				
Change in Fund Balance:	\$ 7,669	\$ 133,951	\$ (1,921,933)	\$ (642,920)	\$ (211,308)	
Ending Working Capital:	\$ 2,671,953	\$ 2,805,904	\$ 883,971	\$ 2,162,984	\$ 1,951,676	

Sales Tax Transportation Fund Notes:

- Staff charges include 2.34 FTE variably charged positions
- FY 2019-20 and FY 2020-21 revenues impacted by COVID-19 (sales tax collections)
- Typically funds Street Maintenance and Storm Drain Maintenance programs
- Funds street-related projects:
 - Pavement Preservation; Creekside Stabilization; Annual Striping; Downtown Improvements, etc.

FY 2020-21 Preliminary Budget - Selected Special Revenue Funds -

Funding Sources Available for Police-Related Expenditures:

	<u>Available Funding</u>
Fund 651 – Narcotics Forfeiture Fund	\$ 2,472
Fund 655 – DNA Cost Reimbursement Fund	35,276
Fund 661 – Health & Safety Restitution Fund	40,590
Fund 671 – Vehicle Abatement Fund	4,421
Fund 681 – Law Enforcement Admin Fund	33,522

Police-Related Fund(s) Budget Notes:

- Funds may only be used consistent with program guidelines
- \$35,000 is recommended for appropriation from Fund 651 towards a police vehicle (this amount is already built in)



FY 2020-21 Preliminary Budget
- Recommended Action -

Questions / Approval of Preliminary Budget