

# **FY 2020-21 Midyear Budget Status Report, Recommended Midyear Adjustments, FY 2021-22 Preliminary GOF Forecast, and FY 2020-21 Performance/Workload Measures**

**Presenters: Kimbra McCarthy, City Manager**

**Jesse Takahashi, Finance & Administrative Services Director**

**FEBRUARY 9, 2021**

**Item 7.2**

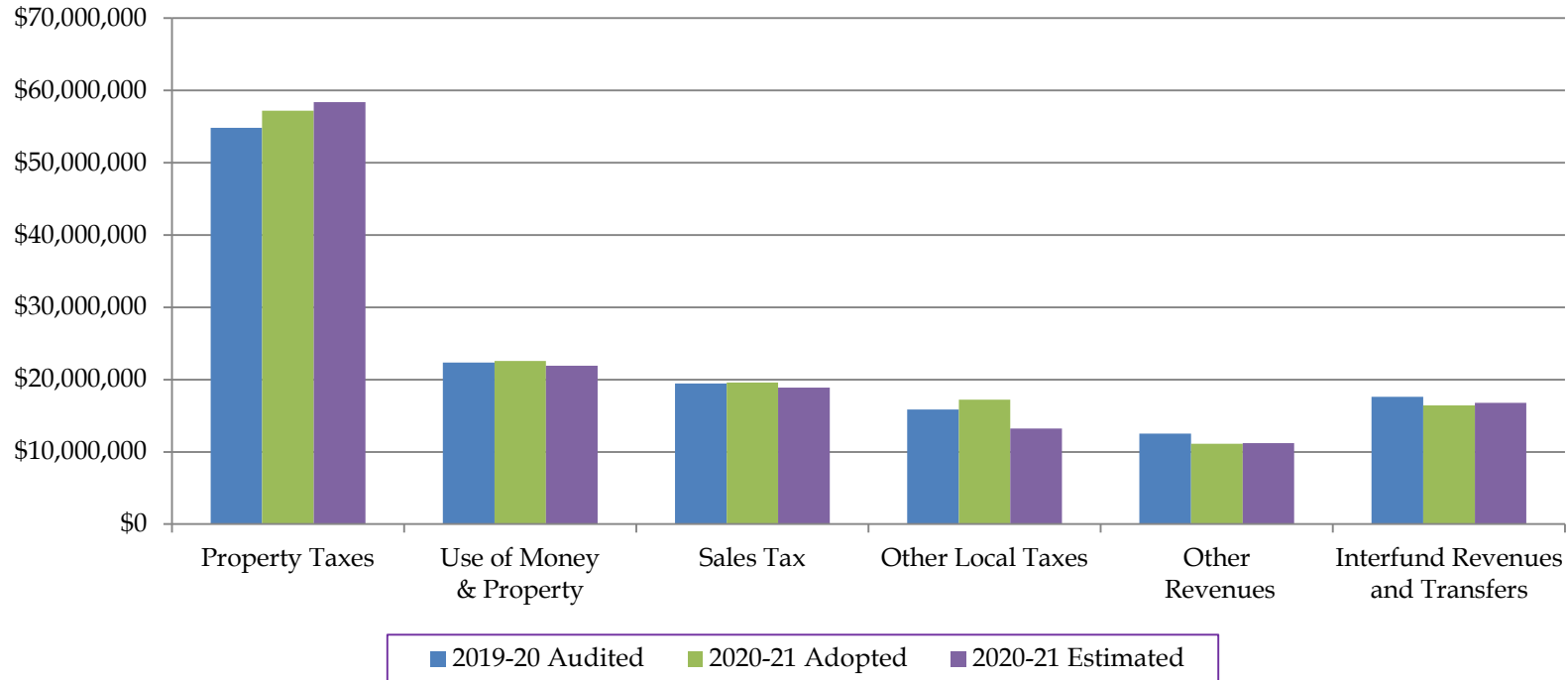


# Background

- Budget Update on November 10 Appeared to be On-Track
- Uncertainty from COVID-19 Continues to Impact Economy
- Since November 10:
  - COVID test positives increase significantly
  - Return to Sheltering-In-Place w/Ltd activities
  - Vaccine Rollout Slower than Expected/Variants Growing
  - Jan 6 Attack on U.S. Capitol
  - Transition to New Federal Administration
- Increased Probability of Worsened Situation

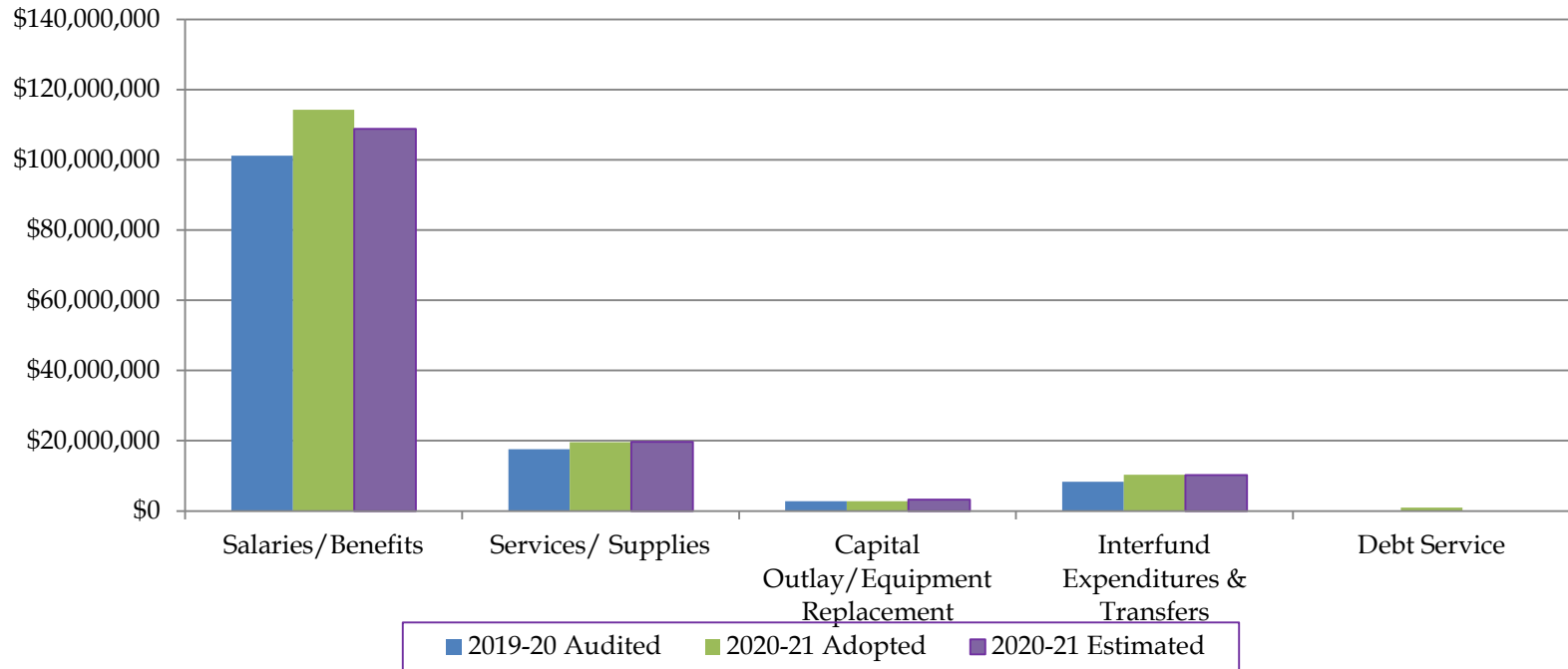


# FY 2020-21 GOF Revenues





# FY 2020-21 GOF Expenditures





# FY 2020-21 GOF

(dollars in thousands)

		2019-20 <u>Audited</u>	2020-21 Adopted <u>Budget</u>	2020-21 <u>Estimated</u>
Revenues	\$	142,667	144,162	<b>140,453</b>
Expenditures		(129,911)	(144,021)	<b>(141,962)</b>
Rebudgets		<u>(1,229)</u>	<u>-0-</u>	<u>-0-</u>
Operating Balance		11,527	141	<b>(1,509)</b>
Transfer to GNOF		(5,527)	-0-	<b>-0-</b>
Transfer to GF Reserve		(2,000)	-0-	<b>-0-</b>
CalPERS Contribution		<u>(4,000)</u>	<u>-0-</u>	<u>-0-</u>
Ending Balance	\$	<u><u>-0-</u></u>	<u><u>141</u></u>	<u><u><b>(1,509)</b></u></u>

# FY 2020-21 Midyear Budget Status

## Other Major Funds



Fund	Revenues	Expenditures
Development Services	Below budget	Below budget
Shoreline Golf Links/ Michaels at Shoreline Restaurant	Below budget	Below budget
Shoreline Regional Park Community	On-track	Below budget

# FY 2020-21 Midyear Budget Status

## Utility Funds



Fund	Revenues	Expenditures
Water	On-track	Below budget
Wastewater	Below budget	Below budget
Solid Waste Management	On-track	Below budget



# Recommended Midyear Adjustments

- COVID-19 Related Costs (GNOF):
  - Emergency Expenses FEMA reimbursable (\$500k)
  - Technology Expenditures Due to COVID-19 (\$123k)
  - Work-from-home mitigation costs (\$150k)
- Appropriations for Fire Strike Team Deployment Reimbursements--\$1.4M
- Utility Bill Online Payment Processing Costs (\$30k) (Water Fund)
- Regular Overhire Positions for FASD (\$400k) (GNOF)



# FY 2021-22 Preliminary GOF Forecast

(dollars in thousands)



	2020-21 Adopted <u>Budget</u>	2020-21 <u>Estimated</u>	2021-22 Preliminary <u>Forecast</u>
Revenues	\$ 144,162	140,453	<b>144,354</b>
Expenditures	( <u>144,021</u> )	( <u>141,962</u> )	( <b><u>145,780</u></b> )
Operating Balance	141	(1,509)	<b>(1,426)</b>
Transfer to GNOF	-0-	-0-	<b>-0-</b>
Transfer to GF Reserve	-0-	-0-	<b>-0-</b>
CalPERS Contribution	<u>-0-</u>	<u>-0-</u>	<u><b>-0-</b></u>
Ending Balance	\$ <u><u>141</u></u>	<u><u>(1,509)</u></u>	<u><u><b>(1,426)</b></u></u>



# FY 2021-22 Forecast Assumptions

- Property tax base increase by 1.036% vs. 2%
  - Expect appeals to increase
- SIP continues in some form through Summer
  - Economic activity slowly increases as COVID is managed
- Vaccinations continue into Fall
- Sales tax and TOT slowly pick up
- Other revenue still impacted by COVID-19
  - Facility rentals, charges for service (CPA), etc.



# Next Steps

- March 23: First CIP Study Session
- March 29 or 30: Community Budget 101 Workshop
- April 27: Budget Update & Check-In  
Public Hearing for CDBG/HOME Consideration of  
FY 2021-22 Annual Action Plan & Funding  
Recommendations
- May 11: Second CIP Study Session
- June 8: Public Hearing for the Recommended Budget
- June 22: Public Hearing for Utility Rates and Budget Adoption  
CIP Adoption



# Recommendations

1. Acknowledge and file the Fiscal Year 2020-21 Midyear Budget Status Report, the Fiscal Year 2021-22 Preliminary General Operating Fund Forecast, and the six-month status of the Fiscal Year 2020-21 Performance/Workload Measures (Attachment 1 to the Council report).
2. Increase appropriations \$500,000 in the Finance and Administrative Services Department, General Non-Operating Fund, for COVID-19 emergency expenses. (Five votes required)
3. Increase appropriations in the Fire Department for Strike Team reimbursements when received for the amount of overtime reimbursement received (estimated to be \$105,421 for the River Fire, \$145,991 for the SCU Lightning and Deer Fire, \$213,321 for the CZU August Lightning Fire, \$512,635 for the Creek Fire, \$205,358 for the August Complex Fire, and \$253,004 for the Glass Fire). (Five votes required)



# Recommendations

4. Increase appropriations \$30,000 in the Finance and Administrative Services Department, Water Fund, for utility bill online payment processing costs. (Five votes required)
5. Increase appropriations \$123,000 in the Information Technologies Department, General Non-Operating Fund, for necessary costs related to COVID-19 mitigation efforts. (Five votes required)
6. Increase appropriations \$150,000 in the Human Resources Department, General Non-Operating Fund, for necessary costs related to employees' working from home. (Five votes required)



# Recommendations

7. Increase appropriations \$400,000 in the Finance and Administrative Services Department, General Non-Operating Fund, for estimated costs of two regular overhire positions through the end of calendar year 2021. (Five votes required)
8. Adopt a Resolution Authorizing the City Manager or Designee to Amend the Classification and Salary Plans for Regular Employees for Fiscal Year 2020-21, to be read in title only, further reading waived (Attachment 2 to the Council report).