

Operating and Capital Improvement Program Budget Proposals Fiscal Year 2018/2019

City of Placerville, California

June 12, 2018

Overview

- Sales Tax Trends
- General Fund Budget
- Other City Fund Budgets
- Capital Improvement Program Budget



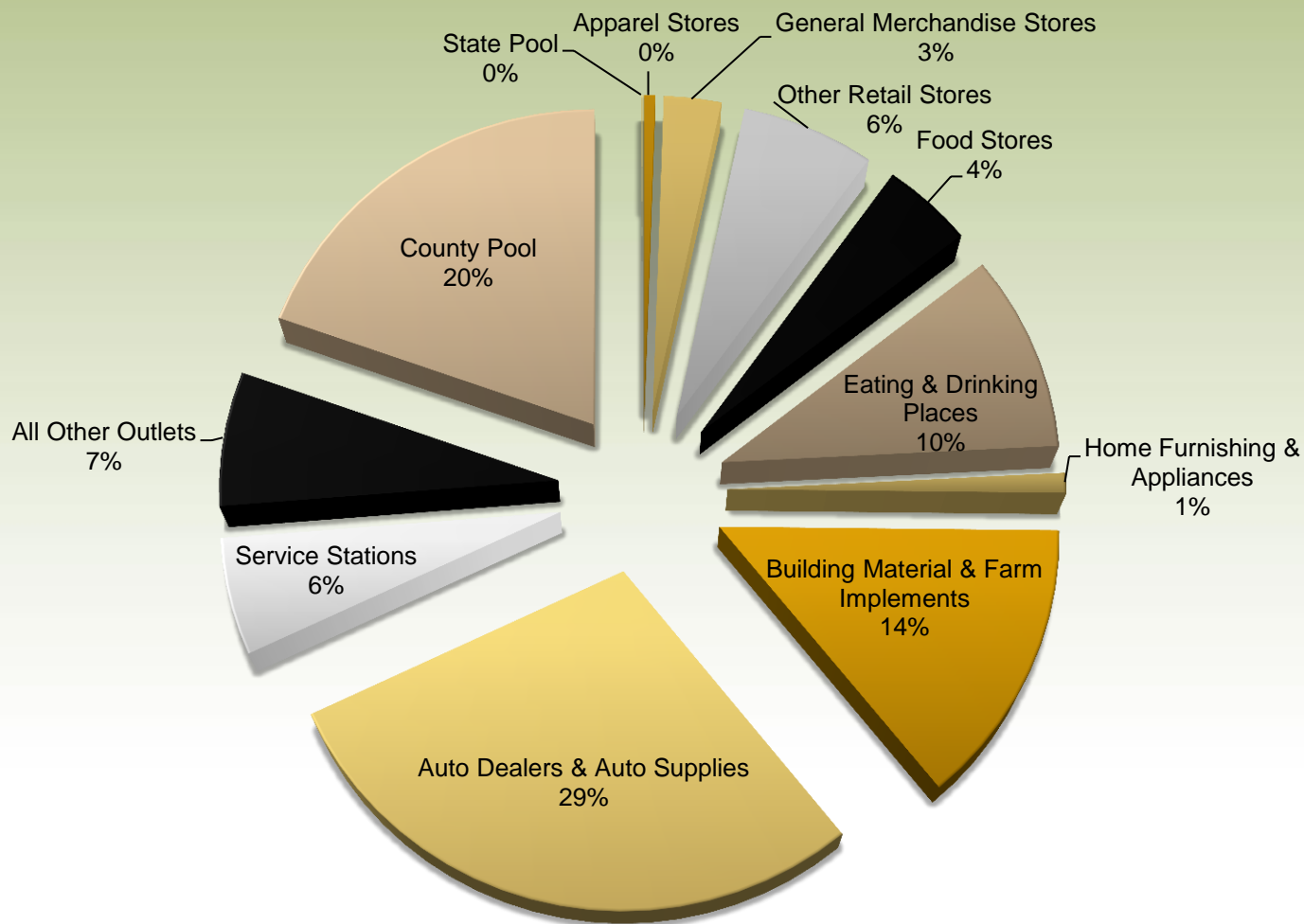
Sales Tax Trends

- Bradley Burns Sales Tax (1.00% of 8.25%)
 - Most significant local economic indicator
 - 56.60% of total General Fund revenue
 - Strong per capita sales tax (\$444 in 2017)
 - Placerville ranked #38 out of 539 agencies (2017)
- Quarter ended December 2017-Receipts up by \$13,476 or 1.07% in Placerville^
- Statewide, 4th quarter receipts up by 5.2%

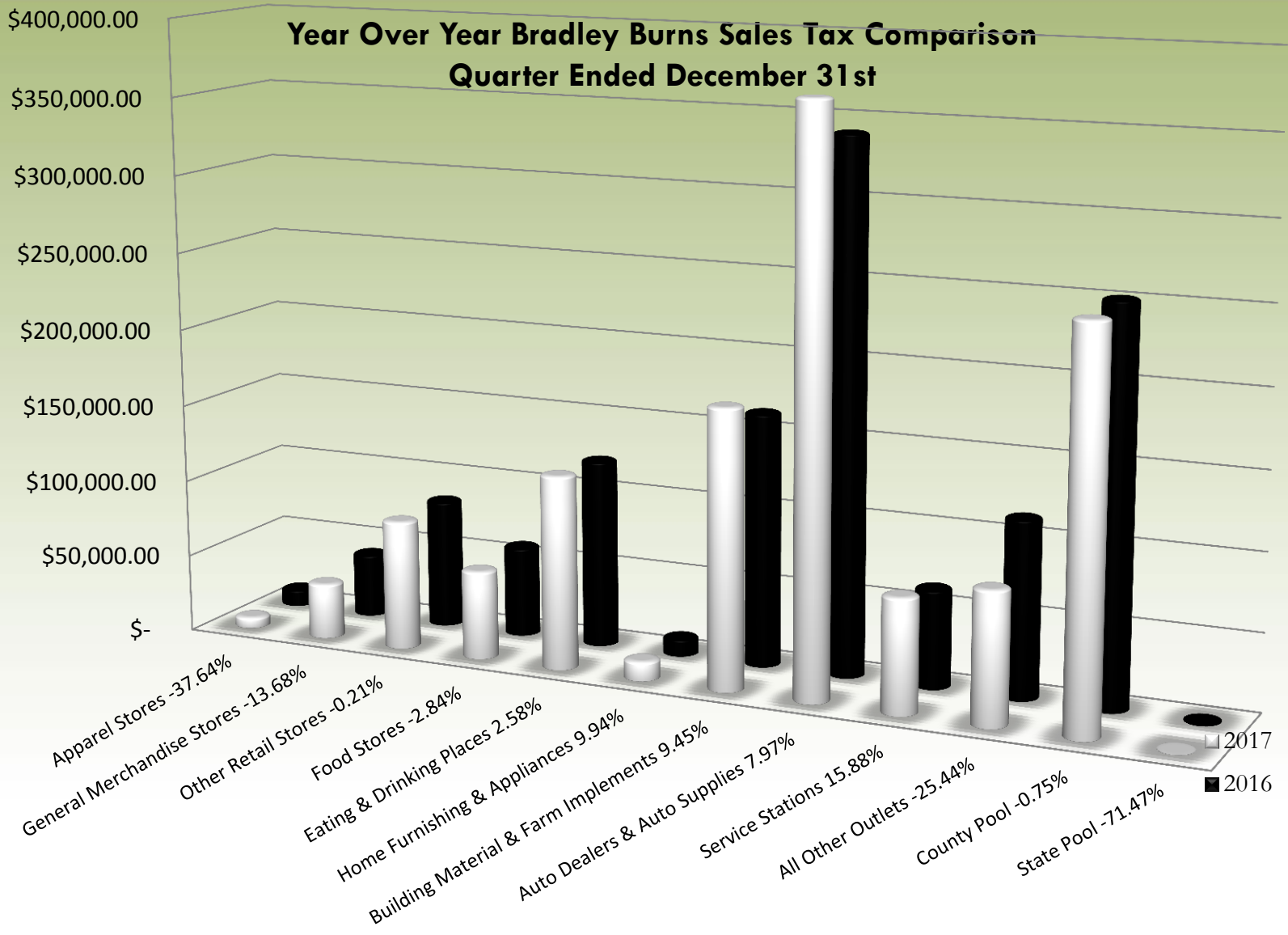
^City's fourth quarter 2017 sales tax included 1.98% in one-time negative adjustments. One larger business failed to report on time during the fourth quarter which was equivalent to a 1.43% increase.

Sales Tax Trends (Continued)

Bradley Burns Sales Tax Sources Quarter Ended December 31, 2017



Sales Tax Trends (Continued)

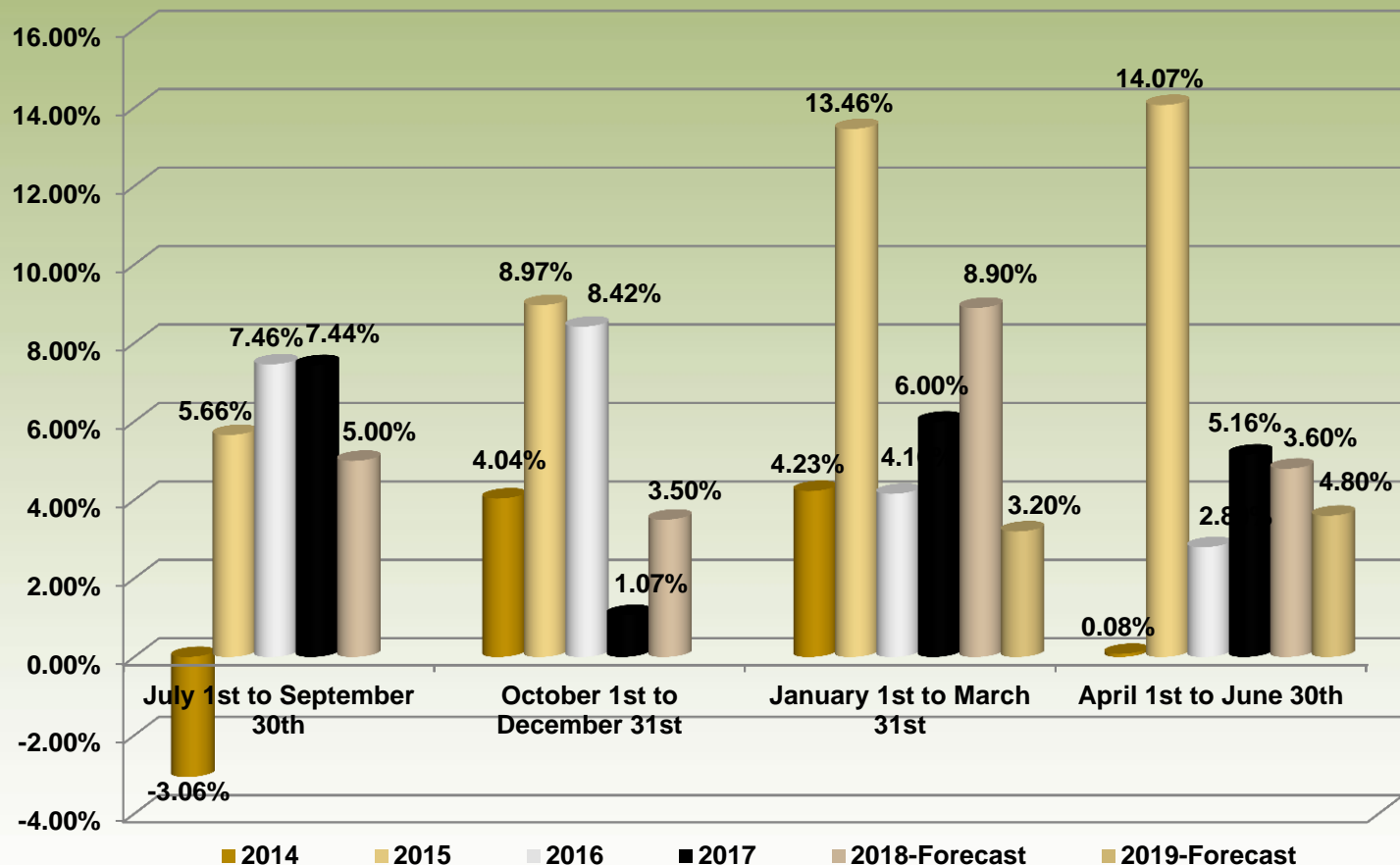


Sales Tax Trends (Continued)

Top 20 Sales Tax Generating Businesses In the City of Placerville Quarter Ended December 31, 2017

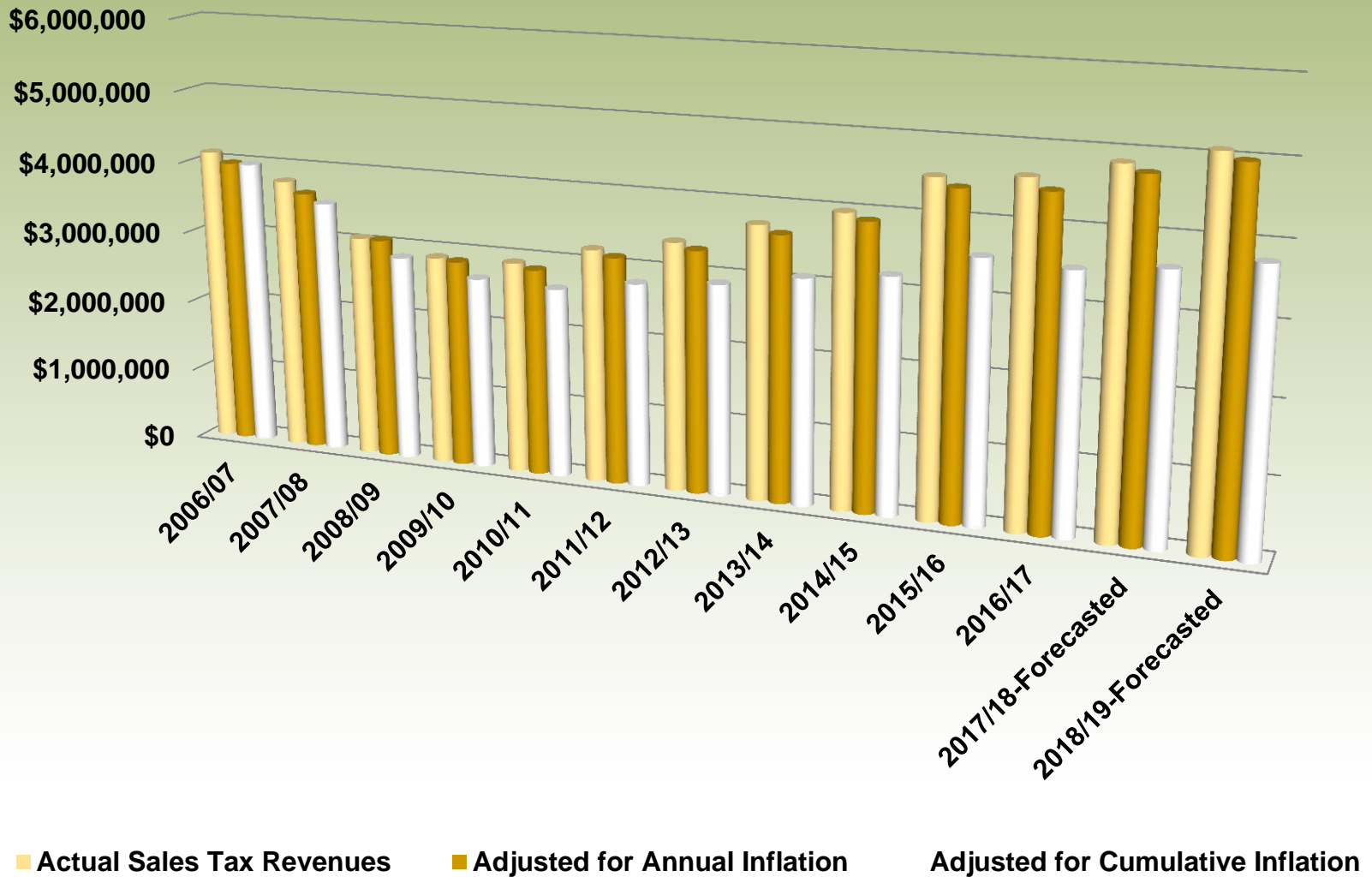
- | | |
|--------------------------------------------|---------------------------------|
| 1 - The Home Depot | 11 - Les Schwab Tire Centers |
| 2 - Thompson's Toyota | 12 - Big Lots Stores, Inc. |
| 3 - Thompson's Auto & Truck Center | 13 - In-N-Out Burger |
| 4 - Thompson's Chrysler | 14 - Verizon Wireless |
| 5 - Rancho Convenience Center (ARCO AM/PM) | 15 - Ferguson Enterprises, Inc. |
| 6 - Raley's | 16 - OfficeMax |
| 7 - Hunt & Sons, Inc. | 17 - AU Energy |
| 8 - Shell Oil | 18 - C & H Motor Parts, Inc. |
| 9 - Tractor Supply Co. | 19 - Sierra Energy |
| 10 - Rite Aid | 20 - Sierra Home Alternatives |

Sales Tax Trends (Continued)



- Forecast Fiscal Year 2017/2018 sales tax to be \$4,865,541
- Forecast Fiscal Year 2018/2019 sales tax to be \$5,096,994

Sales Tax Trends (Continued)



General Fund Budget

- Only true source of discretionary dollars
- Local economic vitality and aggressive cost recovery are key to a healthy General Fund
- Pays for most major City services including public safety, street maintenance, parks, and recreation
- Began with status quo budget
- Maintains existing program delivery to the greatest extent possible

General Fund Budget Assumptions

- Projected economic impacts
- Assumes negotiated salary and benefit commitments to employees
- 9% Increase in Minimum wage (2019)
- 7% Increase in medical insurance premiums (2019)
- \$116,561 Increase in pension contributions
- 31.17% increase in general liability insurance
- 20% Increase in property insurance

General Fund Budget Assumptions (Continued)

- 27.19% Increase in LAFCO fees
- \$10,405 Conference, training, & travel expenses limited to health, safety, and certificate renewal type training
- \$69,021 In AD, CSD, FD, CIP cost recovery
- No set aside for community promotions
- Retiree medical insurance costs on the pay-as-you-go basis (no GASB 45 pre-funding included)
- \$75,000 Contingency for unforeseen expenditures
- Minimal capital outlay (equipment) expenditures

Annual Debt Service

Issue	Total Payment	General Fund	Water Enterprise Fund	Sewer Enterprise Fund
2006 SRF Loan	\$ 1,528,631	\$ -	\$ -	\$ 1,528,631
2006 Wastewater Revenue	928,158	-	-	928,158
1997 SRF Loan	219,271	-	-	219,271
City Hall Capital Lease	188,724	118,104	25,987	44,633
2015 Equipment Lease	98,210	58,376	18,021	21,812
Total	\$ 2,962,994	\$ 176,480	\$ 44,009	\$ 2,742,506

General Fund Transfers

	<u>2017/2018 Revised</u>	<u>2018/2019 Proposed</u>	<u>\$ Increase/ (Decrease)</u>	<u>% Increase/ -Decrease</u>
Gas Tax Fund to General Fund	\$ 286,898	\$ 259,472	\$ (27,426)	-9.56%
General Fund to Parking District Fund	(8,656)	(8,656)	-	0.00%
General Fund to General CIP Fund	(82,689)	(72,920)	9,769	-11.81%
General Fund to General Liability Fund	(109,772)	(141,400)	(31,628)	28.81%
Reserve for Economic Uncertainties	75,000	-	(75,000)	0.00%
to the General Fund				
Net transfers in	<u><u>\$ 160,781</u></u>	<u><u>\$ 36,496</u></u>	<u><u>\$(124,285)</u></u>	-77.30%

Alternative Service Levels

Request	Net Cost	Total Cost	General Fund	Water Enterprise Fund	Sewer Enterprise Fund	Offsetting Revenue s/Savings/Cost Recovery
(2) Adobe Acrobat Pro DC Software Subscriptions	\$ 360	\$ 360	\$ 120	\$ 120	\$ 120	\$ -
ArcGIS Desktop Software Subscription	4,575	4,575	1,525	1,525	1,525	-
(3) Autodesk Civil 2018 AEC Software Subscriptions	8,265	8,265	2,755	2,755	2,755	-
Establish additional Maintenance Worker II Position (0.50 FTE)	41,504	41,504	-	41,504	-	-
Establish New Engagement and Work Order Tracking System	10,899	10,899	3,633	3,633	3,633	-
Contribution Towards Countywide Homeless Coordinator Position	10,000	10,000	10,000	-	-	-
Establish an Additional Part-Time Accounting Assistant II Position (0.48 FTE)	-	22,777	22,777	-	-	22,777
Reclassification of Police Property Evidence Officer Position to a Police Property/Evidence Analyst Position	3,534	3,534	3,534	-	-	-
	\$ 79,137	\$ 101,914	\$ 44,344	\$ 49,537	\$ 8,033	\$ 22,777

General Fund Budget

	2017/2018 Revised Budget	2018/2019 Proposed Budget
Revenues	\$ 8,637,861	\$ 9,005,919
Operating Expenditures	8,864,627	9,005,359
Net transfers in	160,781	109,416
Total expenditures & net transfers in	8,703,846	8,895,943
Surplus/(deficit) before other budget requests	(65,985)	109,976
ASL Requests	-	21,567
Capital Outlay	-	2,700
Conference, Training, & Travel Requests	-	10,405
CIP Project Requests	-	72,920
Subtotal other budget requests	-	107,592
Surplus/(deficit) after other budget requests	\$ (65,985)	\$ 2,384
From Fund Balance	65,985	-
Surplus/(deficit) after other budget requests & reserves	\$ -	\$ 2,384

General Fund Revenues by Source

	2017/2018	2018/2019	\$ Increase/	% Increase/
	<u>Revised Budget</u>	<u>Proposed Budget</u>	<u>(Decrease)</u>	<u>-Decrease</u>
Sales Tax	\$ 4,867,323	\$ 5,096,994	229,671	4.72%
All Other Taxes	942,837	1,049,596	106,759	11.32%
Construction Permits	125,000	105,000	(20,000)	-16.00%
Intergovernmental Revenues	876,104	902,879	26,775	3.06%
Charges for Service	823,008	807,092	(15,916)	-1.93%
Fines & Forfeitures	60,000	52,385	(7,615)	-12.69%
Use of Money & Property	70,062	87,911	17,849	25.48%
Other Financing Sources	873,527	904,062	30,535	3.50%
Total revenues	<u>\$ 8,637,861</u>	<u>\$ 9,005,919</u>	<u>\$ 368,058</u>	<u>4.26%</u>

General Fund Expenditures & Net Transfers In

	<u>2017/2018</u> <u>Revised Budget</u>	<u>2018/2019</u> <u>Proposed Budget</u>	<u>\$ Increase/</u> <u>(Decrease)</u>	<u>% Increase/</u> <u>-Decrease</u>
Police	\$ 2,917,255	\$ 3,023,819	\$ 106,564	3.65%
Development Services	1,105,360	1,149,137	43,777	3.96%
Community Services	3,004,929	3,019,597	14,668	0.49%
Elected Officials	133,966	123,600	(10,366)	-7.74%
City Administration	658,141	639,838	(18,303)	-2.78%
Finance	382,025	386,024	3,999	1.05%
Non-Departmental	502,170	661,520	159,350	31.73%
Total	<u>\$ 8,703,846</u>	<u>\$ 9,003,535</u>	<u>\$ 299,689</u>	3.44%

General Fund Expenditures & Net Transfers In (Continued)

	<u>2017/2018</u> <u>Revised Budget</u>	<u>2018/2019</u> <u>Proposed Budget</u>	<u>\$ Increase/</u> <u>(Decrease)</u>	<u>% Increase/</u> <u>-Decrease</u>
Personnel	\$ 6,619,789	\$ 6,700,674	\$ 80,885	1.22%
Materials & Supplies	459,719	449,941	(9,778)	-2.13%
Contract Services	1,142,556	1,220,459	77,903	6.82%
Other Expenses	562,197	591,257	29,060	5.17%
Capital Outlay	5,366	2,700	(2,666)	-49.68%
Contingency	75,000	75,000	-	0.00%
Subtotal expenditures	<u>8,864,627</u>	<u>9,040,031</u>	<u>175,404</u>	1.98%
Net Transfers In	<u>160,781</u>	<u>36,496</u>	<u>(124,285)</u>	-77.30%
Total expenditures & transfers in	<u><u>\$ 8,703,846</u></u>	<u><u>\$ 9,003,535</u></u>	<u><u>\$299,689</u></u>	3.44%

General Fund Expenditures & Net Transfers In (Continued)



Police
\$0.34

Development Services
\$0.13

Community Services
\$0.34

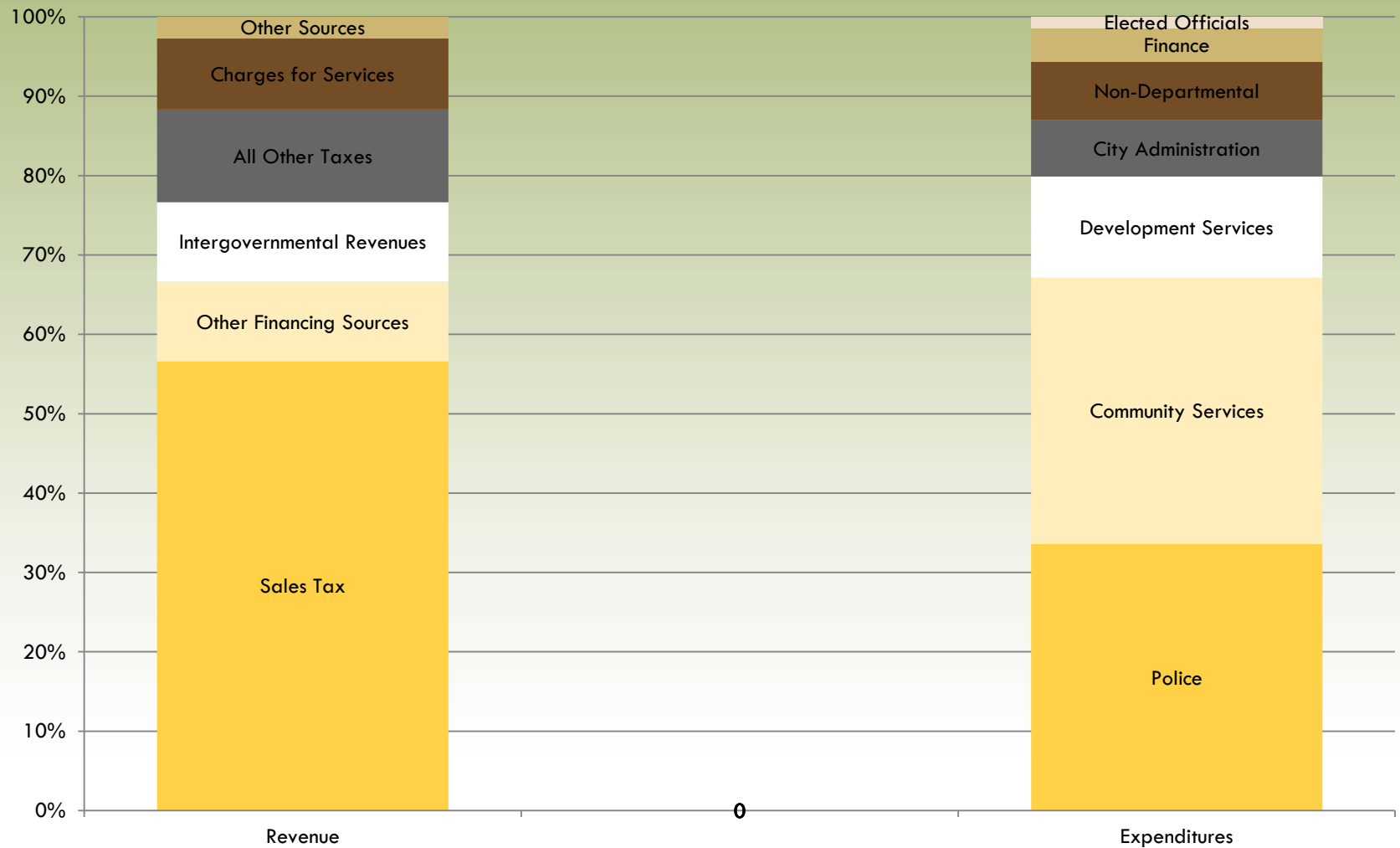
Elected Officials
\$0.01

Administration
\$0.07

Finance
\$0.04

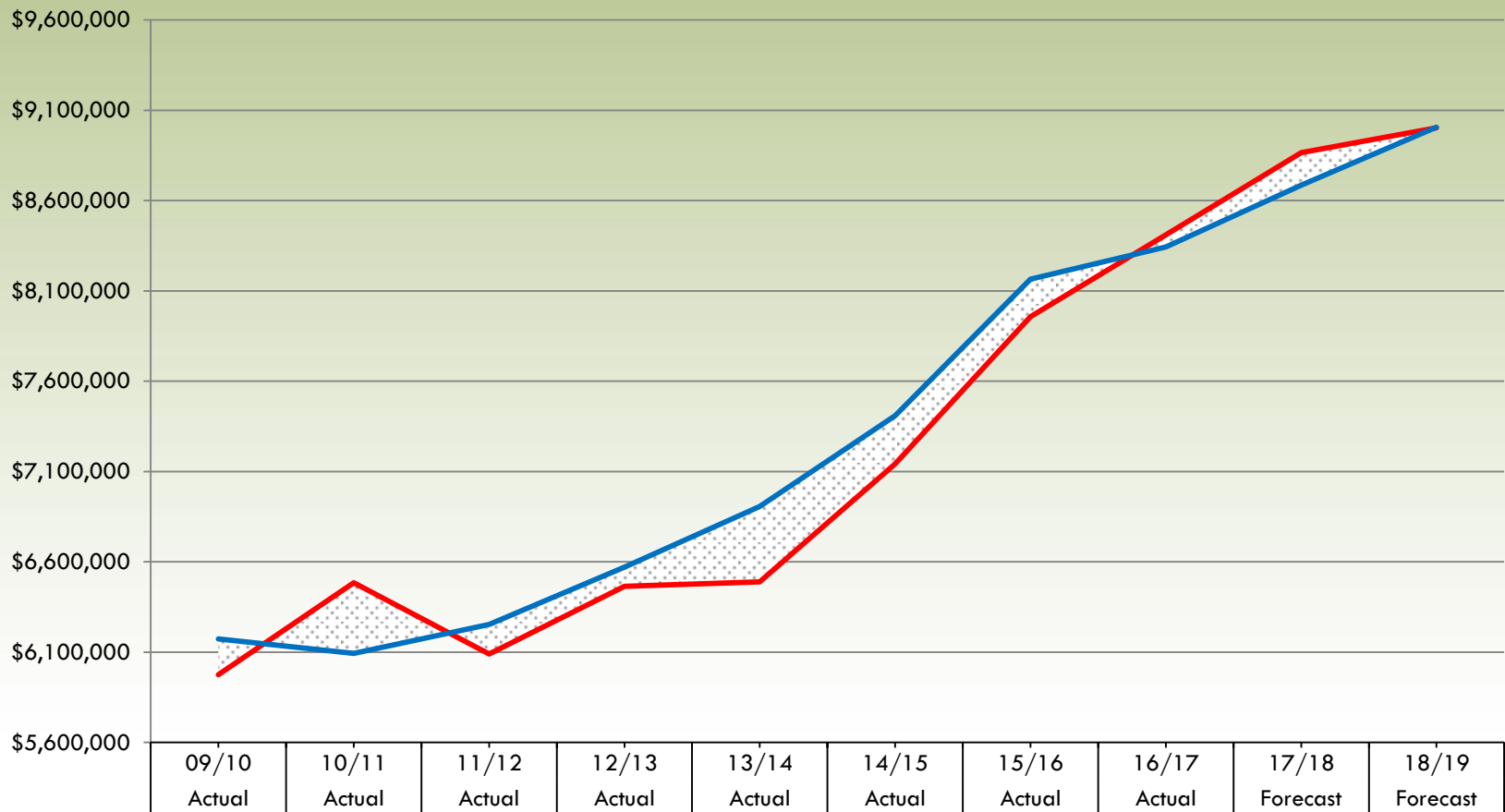
Non-Departmental
\$0.07

General Fund Revenues vs. Expenditures & Net Transfers In



General Fund Historical Comparison (Continued)

General Fund Revenues vs. Expenditures



Measure J Fund Budget

	2017/2018 <u>Revised Budget</u>	2018/2019 <u>Proposed Budget</u>
Revenues	\$ 1,060,960	\$ 1,086,970
Proposed Operating Expenditures	1,146,410	1,325,261
Net transfers in	-	-
Total expenditures & net transfers in	<u>1,146,410</u>	<u>1,325,261</u>
Surplus/(deficit) before	<u>(85,450)</u>	<u>(238,291)</u>
other budget requests		
 From Operating Reserve	 85,450	 238,291
Surplus/(deficit) after	<u>\$ -</u>	<u>\$ -</u>
other budget requests & reserves		

Measure H Fund Budget

	2017/2018 <u>Revised Budget</u>	2018/2019 <u>Proposed Budget</u>
Revenues	\$ 1,064,260	\$ 1,098,350
Proposed Operating Expenditures	-	-
Net transfers out	(516,070)	(1,098,350)
Total expenditures & net transfers	516,070	1,098,350
out		
Surplus/(deficit)	548,190	-
Set Aside for Capital Projects	\$ 548,190	\$ -

- \$582,280 Transfer to sewer Enterprise Fund (debt coverage and CIP projects)
- \$516,070 transfer to Sewer Enterprise Fund (debt service)

Measure L Fund Budget

	2017/2018 Revised Budget	2018/2019 Proposed Budget
Revenues	\$ 2,121,021	\$ 2,177,664
Proposed Operating Expenditures	-	-
Net transfers out	-	-
Total expenditures & net transfers out	-	-
Surplus/(deficit)	2,121,021	2,177,664
Set Aside for Capital Projects	\$ 2,121,021	\$ 2,177,664

- Assumes \$2,177,664 set aside for street, sewer line, and waterline projects

Sewer Enterprise Fund Budget

	2017/2018	2018/2019
	<u>Revised Budget</u>	<u>Proposed Budget</u>
Revenues	\$ 5,405,591	\$ 5,914,658
Proposed Operating Expenditures	6,244,046	6,265,868
Net transfers in	406,298	956,949
Total expenditures & net transfers in	<u>5,837,748</u>	<u>5,308,919</u>
Surplus/(deficit) before	<u>(432,157)</u>	<u>605,739</u>
other budget requests		
ASL Requests	-	8,033
Conference, Training, &	-	9,715
Travel Requests		
Subtotal other budget requests	<u>-</u>	<u>17,748</u>
Surplus/(deficit) after other	<u>(432,157)</u>	<u>587,991</u>
budget requests		
From Rate Stabilization Reserve	432,157	-
Surplus/(deficit) after other	<u>\$ -</u>	<u>\$ 587,991</u>
budget requests & reserves		

Water Enterprise Fund Budget

	2017/2018 Revised Budget	2018/2019 Proposed Budget
Revenues	\$ 1,943,256	\$ 1,961,300
Proposed Operating Expenditures	1,833,484	1,737,727
Net transfers in	(109,772)	(141,401)
Total expenditures & net transfers in	1,943,256	1,879,128
Surplus/(deficit) before	-	82,172
other budget requests		
ASL Requests	-	49,537
Capital Outlay Requests	-	-
Conference, Training, &	-	3,915
Travel Requests		
Subtotal other budget requests	-	53,452
Surplus/(deficit) after	-	28,720
other budget requests		

Other Fund Budgets

	Gas Tax Fund		Parking District Fund		SRO Grant Fund		AB 3229 COPS Fund		OTS Grant Fund	
	2017/2018 Revised Budget	2018/2019 Proposed Budget	2017/2018 Revised Budget	2018/2019 Proposed Budget	2017/2018 Revised Budget	2018/2019 Proposed Budget	2017/2018 Revised Budget	2018/2019 Proposed Budget	2016/2018 Revised Budget	2018/2019 Proposed Budget
Revenues	\$ 305,138	\$ 477,871	\$ 279,136	\$ 301,104	\$ 56,554	\$ 60,648	\$ 137,329	\$ 147,459	\$ -	\$ 21,995
Expenditures	30,000	208,399	216,050	207,948	56,554	60,645	131,116	147,459	-	21,995
Net Transfers	(286,898)	(297,472)	(1,183)	261	-	-	-	-	-	-
Revenues over (under) Expenditures	\$ (11,760)	\$ (28,000)	\$ 61,903	\$ 93,417	\$ -	\$ 3	\$ 6,213	\$ -	\$ -	\$ -

	OJP BVP Grant Fund		2014 CHP Grant Fund		General CIP Fund		Orchard Hill LLMD		Cottonwood Park LLMD	
	2017/2018 Revised Budget	2018/2019 Proposed Budget	2017/2018 Revised Budget	2018/2019 Proposed Budget	2016/2018 Revised Budget	2018/2019 Proposed Budget	2017/2018 Revised Budget	2018/2019 Proposed Budget	2017/2018 Revised Budget	2018/2019 Proposed Budget
Revenues	\$ -	\$ 2,700	\$ 50,000	\$ 40,000	\$ -	\$ -	\$ 20,464	\$ 20,464	\$ 14,555	\$ 14,555
Expenditures	-	2,700	49,999	39,857	-	-	20,464	20,464	14,555	14,555
Net Transfers	-	-	-	-	82,689	72,920	-	-	-	-
Revenues over (under) Expenditures	\$ -	\$ -	\$ 1	\$ 143	\$ 82,689	\$ 72,920	\$ -	\$ -	\$ -	\$ -

Other Fund Budgets (Cont.)

	Ridge at Orchard Hill BAD-Zone 1 & Zone 1A		General Liability Fund		Equipment Replacement Fund		Reserve for Economic Uncertainties	
	2017/2018 Revised Budget	2018/2019 Proposed Budget	2017/2018 Adopted Budget	2018/2019 Proposed Budget	2017/2018 Adopted Budget	2018/2019 Proposed Budget	2017/2018 Adopted Budget	2018/2019 Proposed Budget
Revenues	\$ 34,820	\$ 35,430	\$ -	\$ 1,736	\$ -	\$ -	\$ 3,000	\$ 3,000
Expenditures	34,820	35,000	329,316	424,202	142,671	-	-	-
Net Transfers	-	-	329,316	424,202	-	-	(65,161)	8,395
Revenues over (under) Expenditures	\$ -	\$ 430	\$ -	\$ 1,736	\$ (142,671)	\$ -	\$ (62,161)	\$ 11,395

Total Operating Budget

	2017/2018 Revised Budget	2018/2019 Proposed Budget
Revenues	\$ 21,133,945	\$ 22,371,823
Operating Expenditures [^]	19,114,112	19,661,311
Net transfers in	-	-
Total expenditures & net transfers in	19,114,112	19,661,311
Surplus/(deficit)	\$ 2,019,833	\$ 2,710,512
(To)/From fund balance	-	-
Surplus/(deficit) with fund balance	\$ 2,019,833	\$ 2,710,512

[^]Before capitalized expenditures.

Completed CIP Projects in Fiscal Year 2017/2018

- Clay St. Bridge & Intersection at Main St., EIR Phase (CIP #406171)
- Western Placerville Interchange, Phase II PS&E Phase (CIP 407051)
- Water & Wastewater User Rate Study (CIP #41516)
- Water Reclamation Facility Asphalt Sealcoat (CIP #41702)
- Forni Road Emergency Repairs (CIP #41710)
- Monument garden, Vietnam Memorial Phase (CIP #41707)
- Downtown Bike Racks (CIP #41709)
- Waterline Service Replacement at Spring St. & Highway 49 Near Coloma St. (CIP #41711)
- Sodium Hydroxide Pump Manifold System Replacement (CIP #41801)

Completed CIP Projects in Fiscal Year 2017/2018 (Continued)

- Hangtown Creek Stream Flow & Temperature Gauge Replacements & Calibrations (CIP #41807)
- Placerville Drive Grind & Overlay-From Fair Ln. to Ray Lawyer Dr. (CIP #41818)
- Martin Ln. Pavement Repair (CIP #41827)
- Police Department Expansion Land Purchase (CIP #41829)
- Green Valley Rd. Pavement Rehabilitation-From Placerville Dr. to City Limits (CIP #41830)
- Placerville Drive Pavement Rehabilitation-From Ray Lawyer Drive to the Undercrossing at Highway 50 (CIP #41831)
- Town Hall HVAC Unit Replacement (CIP #41832)

Measures H/L Sales Tax Committee

Recommendations for Fiscal Year 2018/2019

- Fund \$438,869 in new sewer system only projects
- Fund an additional \$166,231 for existing sewer system projects
- Also use Measure H funds for sewer debt coverage
- Fund \$1,043,000 in new street improvement projects
- Fund an additional \$1,158,840 for existing street, water system, & sewer system projects

Proposed CIP Budget

Project	General Fund	Downtown Parking Fund	Measure H Fund	Measure L Fund	Water Enterprise Fund	Sewer Enterprise Fund	Total Projected Cost
Canal Street Pavement Rehabilitation-From Bee Street to Moulton Road	\$ -	\$ -	\$ -	\$ 180,000	\$ -	\$ -	\$ 180,000
Pacific Street Pavement Repair-From Clark Street to Cedar Ravine Road	-	-	-	180,000	-	-	180,000
Ray Lawyer Drive Pavement Rehabilitation-From Placerville Drive to Fair Lane	-	-	-	300,000	-	-	300,000
Spring Street Pavement Repair-From Coloma Road to Bedford Avenue	-	-	-	180,000	-	-	180,000
Modular Treatment Unit (MTU) Servicing	-	-	188,869	-	-	-	188,869
Conrad Street Sewer Line Replacement-Coloma Street to Cottage Street	-	-	250,000	-	-	-	250,000
Old City Hall Roof Replacement	60,000	-	-	-	-	-	60,000
Town Hall Roof Repair	5,000	-	-	-	-	-	5,000

Proposed Measures H/L CIP Budget (cont.)

Project	General Fund	Downtown Parking Fund	Measure H Fund	Measure L Fund	Water Enterprise Fund	Sewer Enterprise Fund	Total Projected Cost
Town Hall Carpet Replacement	7,920	-	-	-	-	-	7,920
Lower Airport Road Asphalt Rehabilitation	-	-	-	39,000	-	-	39,000
Big Cut Road Asphalt Rehabilitation	-	-	-	34,000	-	-	34,000
Lower Main Street Asphalt Rehabilitation	-	-	-	65,000	-	-	65,000
Upper Airport Road Asphalt Rehabilitation	-	-	-	65,000	-	-	65,000
Tetrault Parking Lot Retaining Wall Repair	-	18,600	-	-	-	-	18,600
Fox Lot Parking Lot Rehabilitation (TBD)	-	21,000	-	-	-	-	21,000
Public Parking Rehabilitation	-	26,117	-	-	-	-	26,117
Parking Structure Restriping	-	7,700	-	-	-	-	7,700
Water & Wastewater Capital Improvement Charge Study	-	-	-	-	11,500	11,500	23,000
Total	\$ 72,920	\$ 73,417	\$ 438,869	\$ 1,043,000	\$ 11,500	\$ 11,500	\$ 1,651,206

Comments From June 6th Budget Workshop

- Staff will prepare a comprehensive 5-year equipment replacement program & funding options this fall for the City Council's consideration
 - Strive towards replacing additional desktop computer at the PD
- Secure an ongoing pavement repair contract with a local contractor
- Explore outside funding (e.g., TDA Article 3) for proposed trail maintenance projects

Conclusion



- Questions?
- Comments?
- Thank you!