



City Manager's Proposed FY 2022-23
Operating and Capital Budgets
City Council Presentation – May 10, 2022



FY 2022-23 Proposed Budget



	FY 21-22 Budget	FY 21-22 Projected	FY 22-23 Proposed	\$ Change	% Change
General Fund	\$ 92,521,841	\$ 98,290,572	\$ 102,422,714	\$ 9,900,873	10.70%

Balancing the Budget



	Budget FY 21-22	Increase to Projected Revenue	Reinstated COVID-19 Reductions	Current Level of Service Cost Increases	New Budget Additions	Proposed FY 22-23
Revenue	\$92,521,841	\$ 9,900,595	\$ -	\$ -	\$ -	\$ 102,422,436
Expenditures	(92,521,841)	-	(3,601,276)	(4,001,775)	(2,297,544)	(102,422,436)
Difference	\$ -	\$ 9,900,595	\$ (3,601,276)	\$ (4,001,775)	\$ (2,297,544)	\$ -

General Fund Budget Additions



- \$993,678 Firefighter positions (7) – Folsom Plan Area
- \$425,862 Firefighter positions (3) – adjust limited-term to permanent
- \$254,875 Additional capital funding for Type 1 Fire Engine
- \$168,000 Police Officer position
- \$133,631 Dispatcher position
- \$120,116 Animal Control Officer position
- \$86,400 Geographic Information System (GIS) contract staffing
- \$51,000 Elections costs for 2022 election
- \$50,000 Additional funding for outside counsel

Included in General fund budget but funded from other source:

- Municipal Landscape Services Maintenance Worker (CFD, L&L funded)
- Public Works Boom Truck, Patch Truck and two flatbed trucks (Measure A, Gas Tax funded)

General Fund Appropriations



	FY 19-20*	FY 20-21	FY 21-22	FY 22-23		
	Actual	Actual	Budget	Proposed	\$ Change	% Change
Salaries & Benefits	\$65,250,344	\$65,981,000	\$67,746,628	\$73,792,133	\$6,045,505	9%
O&M	23,520,864	20,011,416	22,006,544	25,121,638	3,115,094	14%
Capital Outlay	2,825,424	2,918,755	1,975,526	3,159,550	1,184,024	60%
Debt Service	905,734	901,381	793,143	349,393	(443,750)	-56%
Total Expenses	\$92,502,366	\$89,812,552	\$92,521,841	\$102,422,714	\$9,900,873	11%

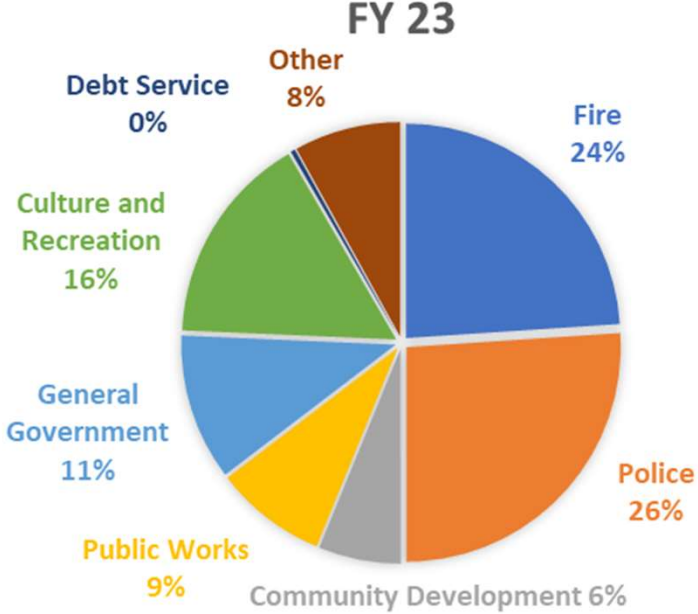
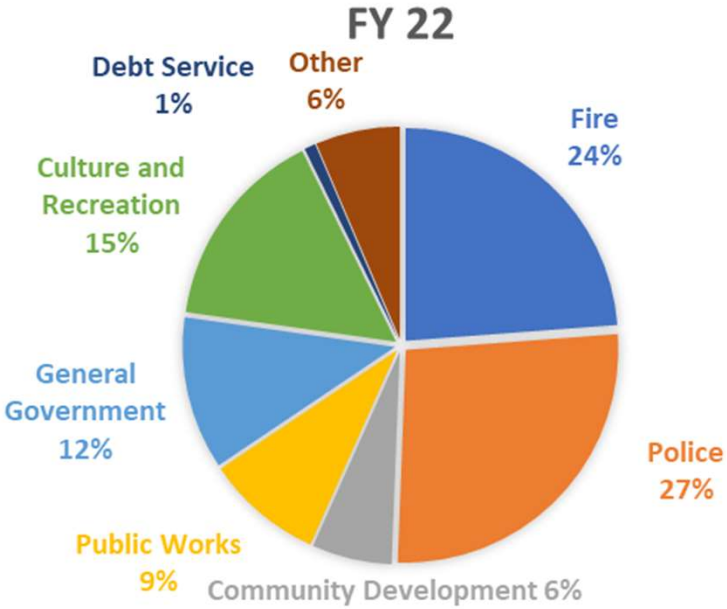
* O&M in FY 19-20 adjusted for transit annexation for comparison purposes

General Fund Appropriations



Budget by Category	FY 22 Budget	FY 23 Proposed	\$ Diff	% Diff
Fire	\$22,032,411	\$ 24,529,949	\$2,497,538	11.3%
Police	24,791,486	26,667,347	1,875,861	7.6%
Community Development	5,629,217	6,356,862	727,645	12.9%
Public Works	8,242,571	8,651,768	409,197	5.0%
General Government	10,759,950	11,307,861	547,911	5.1%
Culture and Recreation	14,321,107	16,321,985	2,000,878	14.0%
Debt Service	793,143	349,393	(443,750)	-55.9%
Other	5,951,956	8,237,549	2,285,593	38.4%
Total Appropriations	\$92,521,841	\$102,422,714	\$9,900,873	10.7%

General Fund Appropriations



Authorized Positions



	General Fund	Water / Wastewater	Solid Waste	Total
FY 19-20	351.65	53.25	47.60	452.50
FY 20-21	351.65	53.25	47.60	452.50
FY 21-22	352.80	53.00	55.45	461.25
FY 22-23	366.80	56.00	56.45	479.25
Change	14.00	3.00	1.00	18.00

Revenue Summary

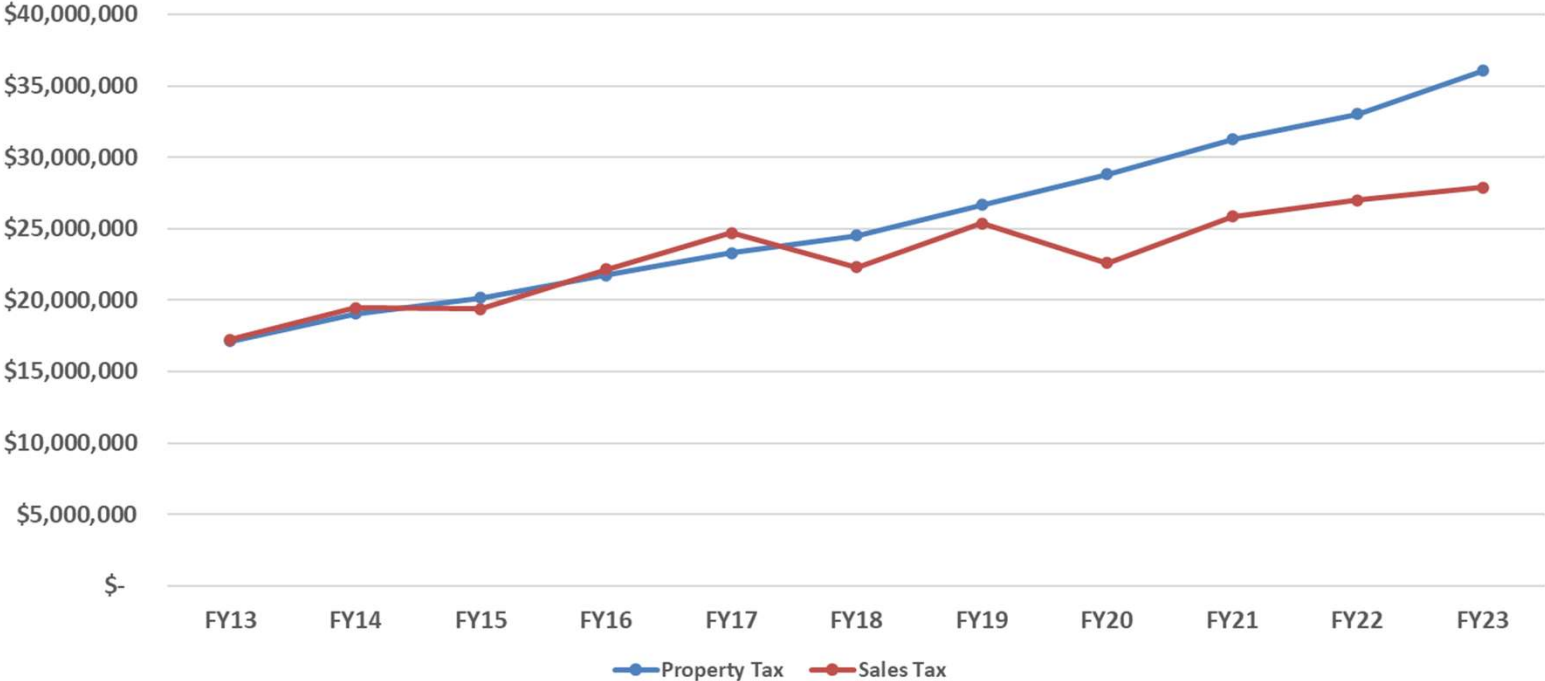


	FY 21-22	FY 22-23
	Budget	Proposed
Property Tax	\$32,491,949	\$36,050,672
Sales Tax	24,551,790	27,900,289
Transient Occupancy Tax	2,000,000	2,200,000
Charges for Services	9,949,140	11,670,146
Licenses, Permits & VLF	11,386,184	13,190,748
All other	3,759,600	3,656,867
Revenue Before Transfers In	\$84,138,663	\$94,668,722
Transfers In	8,383,178	7,753,992
Total Revenue	\$92,521,841	\$102,422,714

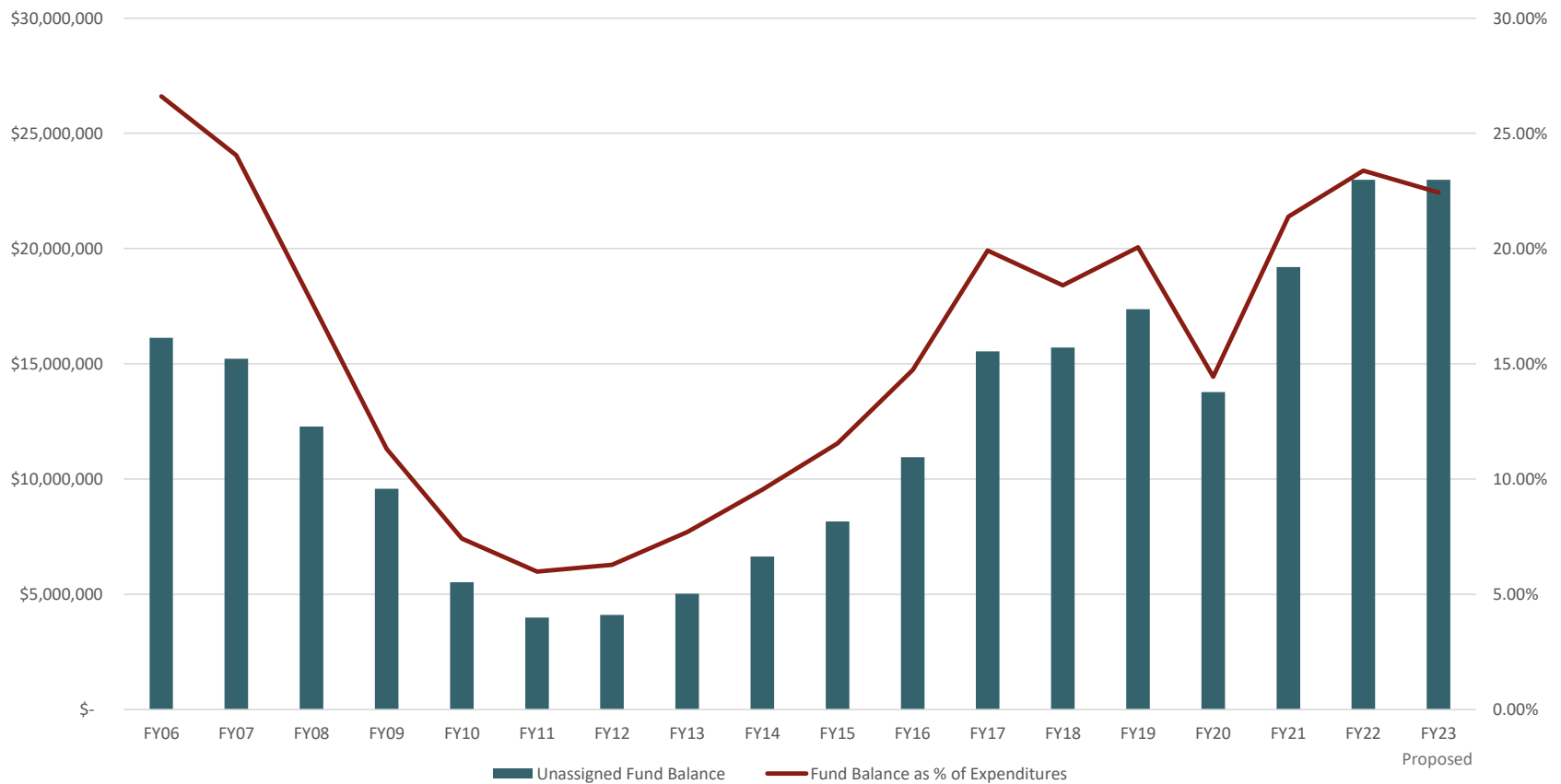
General Fund Tax Revenue Trends



Revenues by Type



Unassigned General Fund Balance



Enterprise Funds



Enterprise Fund - Water



	Actual FY 20-21		Budget FY 21-22		Proposed FY 22-23	
Program Revenues	\$	18,243,570	\$	17,865,000	\$	19,229,500
Salaries & Benefits	\$	5,301,163	\$	5,489,559	\$	5,804,736
Operating Expenses		5,520,613		7,971,887		7,001,518
Transfers Out		933,797		1,705,800		1,106,566
Debt Service		1,920,457		1,892,985		1,845,822
	\$	13,676,030	\$	17,060,231	\$	15,758,642
Capital Expenses	\$	3,151,765	\$	16,311,634	\$	3,714,501
Working Capital	\$	21,046,468	\$	21,046,468	\$	21,046,468

Enterprise Fund - Wastewater



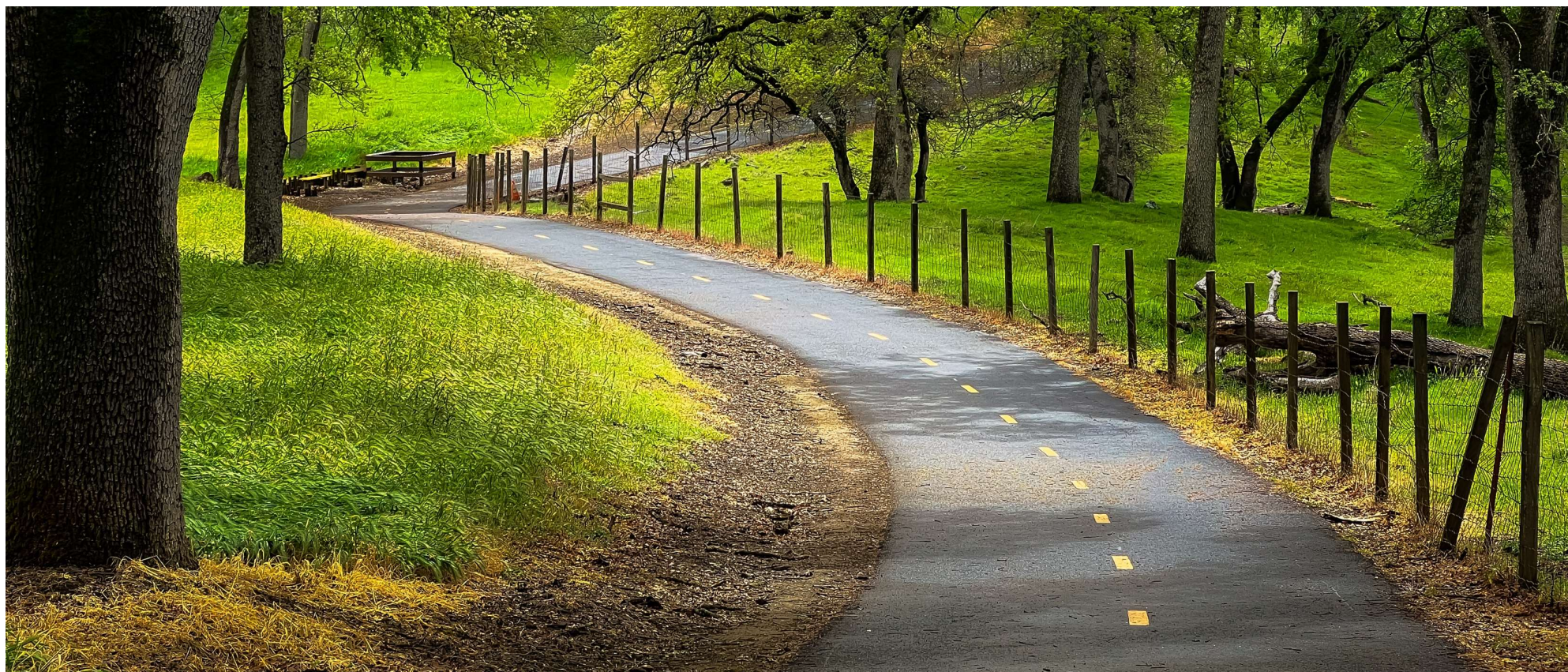
	Actual FY 20-21		Budget FY 21-22		Proposed FY 22-23	
Program Revenues	\$	8,474,729	\$	8,525,154	\$	10,985,200
Salaries & Benefits	\$	2,926,471	\$	3,030,598	\$	3,249,563
Operating Expenses		1,468,573		2,191,084		2,211,380
Transfers Out		670,845		725,198		768,143
	\$	5,065,889	\$	5,946,880	\$	6,229,086
Capital Expenses	\$	819,012	\$	16,951,123	\$	3,774,916
Working Capital	\$	16,696,316	\$	16,696,316	\$	16,696,316

Enterprise Fund – Solid Waste



	Actual FY 20-21		Budget FY 21-22		Proposed FY 22-23	
Operating Revenues	\$	15,206,531	\$	16,241,410	\$	20,396,484
Salaries & Benefits	\$	5,879,538	\$	6,941,644	\$	7,359,751
Operating Expenses		6,240,103		6,693,409		9,377,158
Transfers Out		1,783,148		1,742,377		1,723,195
	\$	13,902,789	\$	15,377,430	\$	18,460,104
Capital Expenses	\$	1,490,261	\$	3,943,709	\$	6,443,725
Working Capital	\$	6,576,585	\$	6,576,585	\$	6,576,585

Capital Improvement Plan



CIP – Major Projects



	FY 22-23 Budget Proposal	Total Project Budget
Capital SE Connector Project	\$ -	\$ 28,043,000
FPA Fire Station #34	11,340,000	11,860,200
FPA Neighborhood Park #3	3,040,220	8,250,000
Sewer Evaluation & Capacity Assurance Plan	1,466,945	7,471,945
Benevento Family Park	2,400,000	5,400,000
Folsom Plan Area Trails	1,460,240	2,380,240
Empire Ranch NPW Well	1,731,030	2,232,619
Street Overlay/Pavement Management	2,000,000	2,000,000
Orangevale Ave - Mnt Oak PS	1,630,000	1,630,000
Natoma Street Drainage	321,680	1,321,680
Davies Park	-	1,104,113
Basin 4 Sewer Phase 1	41,145	1,077,545
Johnny Cash Trail Art Experience	-	1,028,764
Livermore Community Park Ph. 5	-	800,000
Andy Morin Sports Complex Ph. 2	-	706,000
Sibley Street Drainage	350,000	500,000
Sutter Middle School Gym	100,000	500,000
FPA Neighborhood Park #2	450,000	450,000
Lew Howard Park	-	449,992
McFarland Community Garden	-	350,000
Ed Mitchell Park	-	271,098

CIP – Project Funding Sources



Category	Funding Source				Total
	Enterprise	Loans/Grants	Impact Fees	Other	
Culture and Recreation	\$ -	\$ -	\$ 5,990,220	\$ -	\$ 5,990,220
Drainage	-	100,000	500,000	471,680	1,071,680
General Services	-	-	12,875,000	1,570,550	14,445,550
Open Space and Greenbelts	-	-	1,460,240	-	1,460,240
Streets	-	366,600	1,575,000	2,750,000	4,691,600
Transportation	-	-	150,000	50,000	200,000
Wastewater	3,559,916	-	-	-	3,559,916
Water	1,333,471	650,000	1,481,030	-	3,464,501
	\$ 4,893,387	\$ 1,116,600	\$ 24,031,490	\$ 4,842,230	\$ 34,883,707

Appropriations by Fund

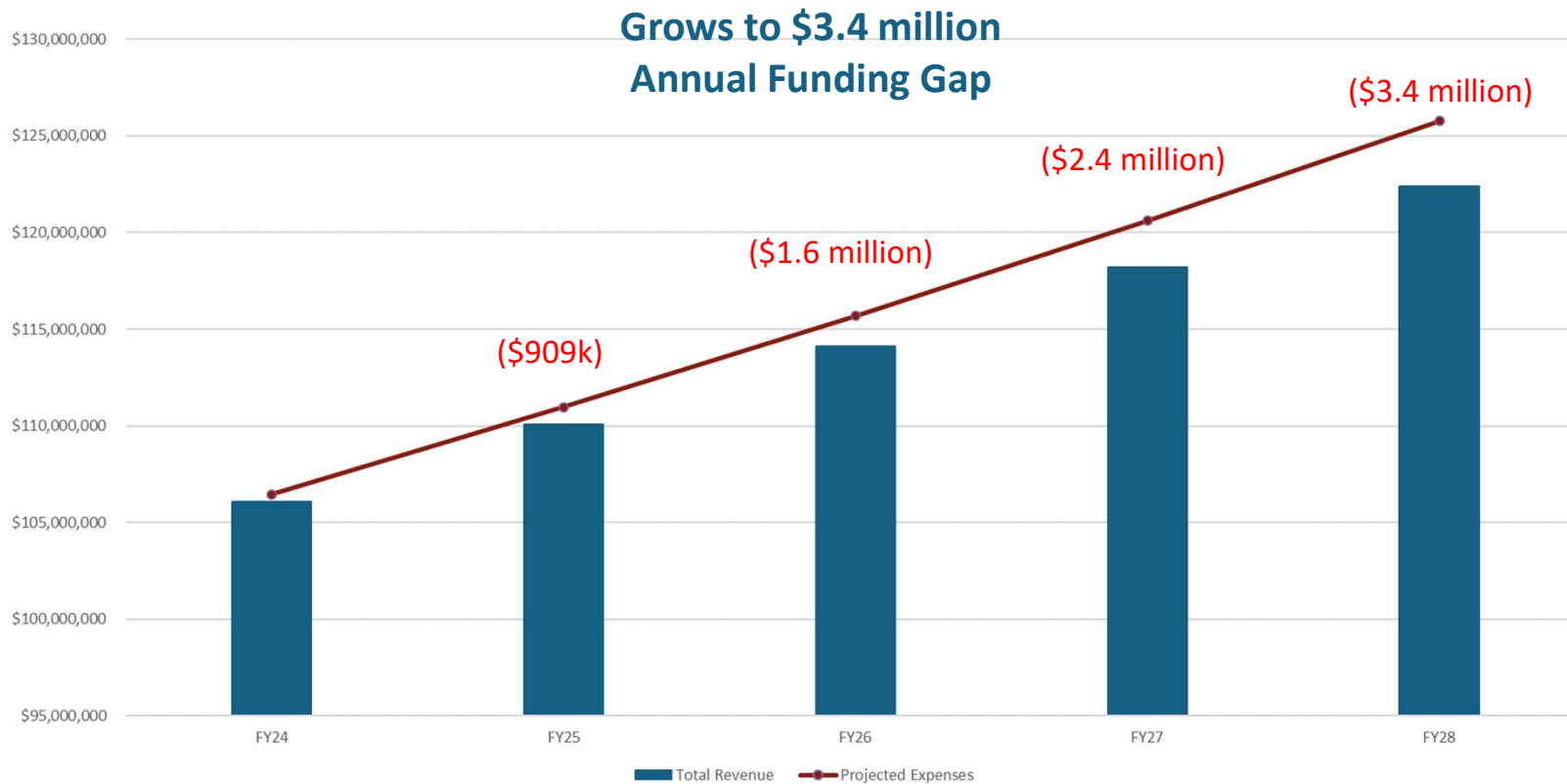


	FY 22 Adopted Budget	FY 23 Proposed Budget
General Fund	\$92,521,841	\$102,422,714
Enterprise Funds	50,322,160	52,475,276
Special Revenue Funds	12,442,313	13,724,606
Debt Service Funds	11,705,722	10,727,694
Capital Project Funds	11,963,656	29,048,244
Internal Service Funds	21,353,908	21,680,299
Fiduciary Funds	19,935,275	18,514,259
Total	\$220,244,875	\$248,593,092

Five-year Budget Forecast



Five-year Forecast - General Fund



\$3.4 million gap does not include \$20 million of unfunded annual needs

Major Budgetary Concerns – FY24 - FY28



1. The five-year forecast predicts an upcoming structural deficit as the cost to provide our current level of service grows at a faster pace than revenues
2. Although we are meeting all our current obligations, there are millions of dollars (estimated at \$20 million annually) of unfunded or underfunded needs that the city has been deferring, year after year
3. Flattening trend for sales tax revenue
4. Uncertainty of future CalPERS contribution requirements

Major Budgetary Concerns – FY24 - FY28



5. Depletion of “one-time” funds with little ability to replenish funds in future years
6. Little ability to stay competitive in the region related to employee compensation
7. Ongoing need for consistent funding of the Capital Replacement fund and the establishment and funding of an IT Infrastructure fund
8. Growing service level needs in the Folsom Plan Area will require additions to future budgets

FY 22-23 Budget Summary



Structurally sound and balanced budget that maintains core essential services



Maintains the balance of expenditures by department



Budget does not draw upon the City's unassigned, unreserved fund balance



Leaves millions of dollars in infrastructure, equipment repair and replacements, staffing needs and other items unfunded

Conclusion

- Discussion, questions and direction to staff