

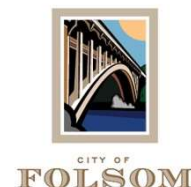
City Manager's Proposed FY 2021-22 Operating and Capital Budgets

Presentation to the Folsom City Council
April 27, 2021



CITY OF
FOLSOM

Projected Fund Balance - FY 21



	FY 18-19	FY 19-20	FY 20-21
	Actual	Actual	Projected
Revenue	\$ 92,260,837	\$ 87,429,976	\$ 88,792,424
Expenditures	(86,601,533)	(95,402,366)	(90,032,197)
Adj. for Transit Annexation	(2,900,000)	2,900,000	-
CARES Act Reimbursement	-	-	1,007,649
Change in Total Fund Balance	\$ 2,759,304	\$ (5,072,390)	\$ (232,124)
Estimated Encumbrances	2,214,552	1,018,076	1,286,552
Unassigned Fund Balance	\$ 17,364,046	\$ 13,776,114	\$ 13,275,514
% of Expenditures	20.1%	14.4%	14.7%



CITY OF
FOLSOM

**Proposed
FY 2021/22
Budget**



Major Expense Categories



CITY OF
FOLSOM

	FY 18-19	FY 19-20*	FY 20-21	FY 21-22		
	Actual	Actual	Budget	Proposed	\$ Change	% Change
Salaries & Benefits	\$60,585,947	\$65,250,344	\$66,705,230	\$67,746,628	\$1,041,398	1.6%
O&M	22,057,504	23,520,864	19,028,363	22,006,544	2,978,181	15.7%
Capital Outlay	3,053,379	2,825,424	2,900,000	1,975,526	(924,474)	-31.9%
Debt Service	904,703	905,734	904,881	793,143	(111,738)	-12.3%
Total Expenses	\$86,601,533	\$92,502,366	\$89,538,474	\$92,521,841	\$2,983,367	3.3%

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

Proposed Budget Enhancements



CITY OF
FOLSOM

- \$314,262 Addition of Battalion Chief Position
- \$125,000 Roof Repair for Fire Station 36
- \$225,000 FPA Fire Station 34 Preliminary Design
- \$660,000 Two Ambulances
- \$495,125 Set-aside for Type 1 Fire Engine
- \$325,000 Street Sweeper
- \$257,690 Contract for Police Body-worn Cameras – Year 1 of 5
- \$230,718 Police Radio Encryption Upgrade
- \$170,000 Ladder Fuel Reduction Program
- \$150,000 405 Natoma Station - Building Renovation
- \$80,000 Replacement of City Hall HVAC Boiler
- \$55,000 Painting of the Exterior of the Parking Garage
- \$40,000 Police Cadet Program
- \$40,000 Mandated Zoo Upgrades
- \$35,000 Community Center Upgrades
- \$25,000 Homelessness Support

GF Appropriations by Dept.



CITY OF
FOLSOM

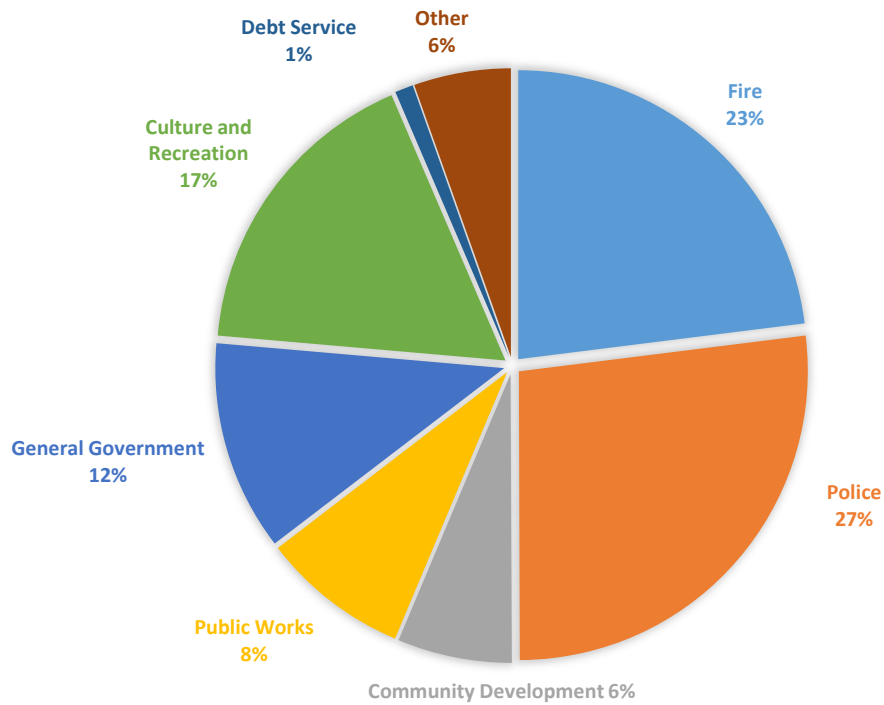
Budget by Category	FY 21	FY 22	\$ Diff	% Diff
	Budget	Proposed		
Fire	\$20,615,946	\$ 22,032,411	\$1,416,465	6.9%
Police	24,102,280	24,791,486	689,206	2.9%
Community Development	5,730,003	5,629,217	(100,786)	-1.8%
Public Works	7,390,834	8,242,571	851,737	11.5%
General Government	10,543,757	10,759,950	216,193	2.1%
Culture and Recreation	15,384,369	14,321,107	(1,063,262)	-6.9%
Debt Service	904,881	793,143	(111,738)	-12.3%
Other	4,866,404	5,951,956	1,085,552	22.3%
Total Appropriations	\$89,538,474	\$92,521,841	\$2,983,367	3.3%

GF Appropriations by Dept.

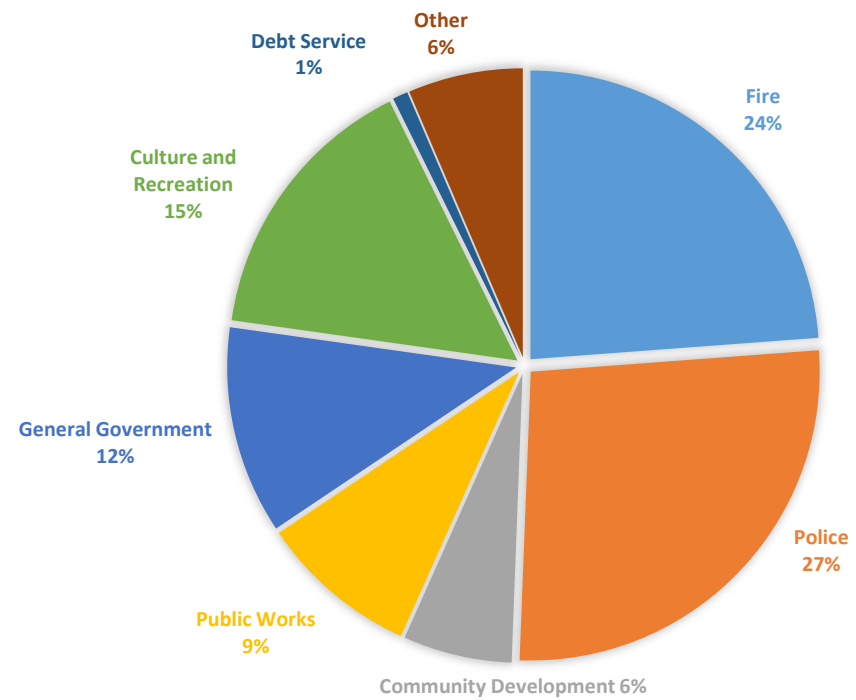


CITY OF
FOLSOM

FY 21



FY 22



Authorized Positions



CITY OF
FOLSOM

	General Fund	Water / Wastewater	Solid Waste	Transit	Total
FY 18-19	351.35	53.25	47.15	15.15	466.90
FY 19-20	351.65	53.25	47.60	0.00	452.50
FY 20-21	351.65	53.25	47.60	0.00	452.50
FY 21-22	352.80	53.00	55.45	0.00	461.25
Change	1.15	(0.25)	7.85	0.00	8.75

Revenue Summary



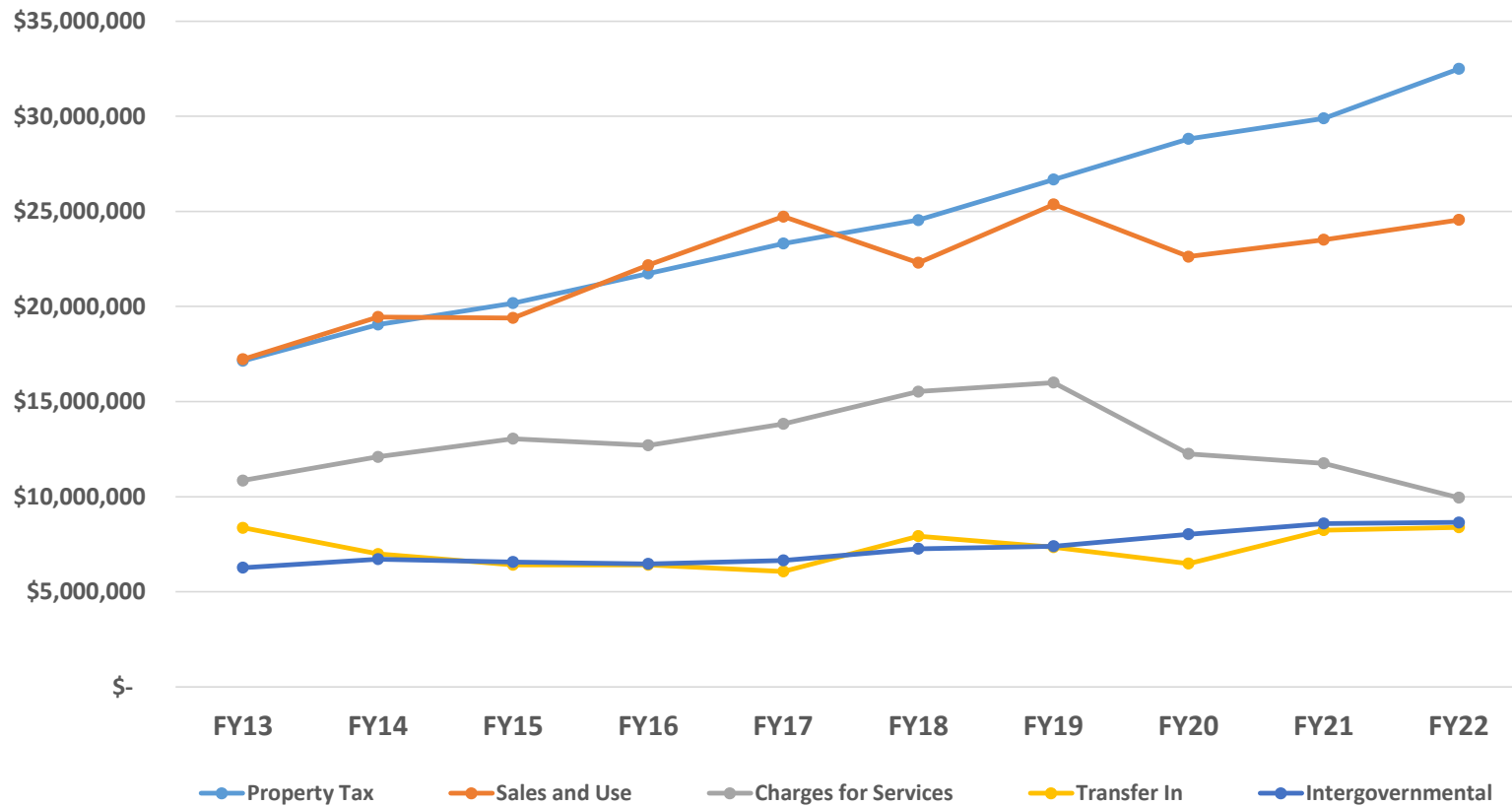
CITY OF
FOLSOM

	FY 17-18 Actual	FY 18-19 Actual	FY 19-20 Actual	FY 20-21 Projected	FY 21-22 Proposed
Property Tax	\$24,537,819	\$26,669,899	\$28,803,455	\$29,884,989	\$32,491,949
Sales Tax	22,294,827	25,359,293	22,616,404	23,500,270	24,551,790
Transient Occupancy Tax	2,197,780	2,377,895	1,677,631	1,000,000	2,000,000
Charges for Services	15,521,751	16,000,415	12,244,065	11,751,611	9,949,140
Licenses, Permits & VLF	9,252,499	9,966,836	10,777,411	11,420,277	11,386,184
All other	4,379,187	4,538,105	4,827,375	4,009,847	3,759,600
Revenue Before Transfers In	\$78,183,863	\$84,912,443	\$80,946,341	\$81,566,994	\$84,138,663
Transfers In	7,923,701	7,348,394	6,483,635	8,233,079	8,383,178
Total Revenue	\$86,107,564	\$92,260,837	\$87,429,976	\$89,800,073	\$92,521,841

General Fund Revenue Trends



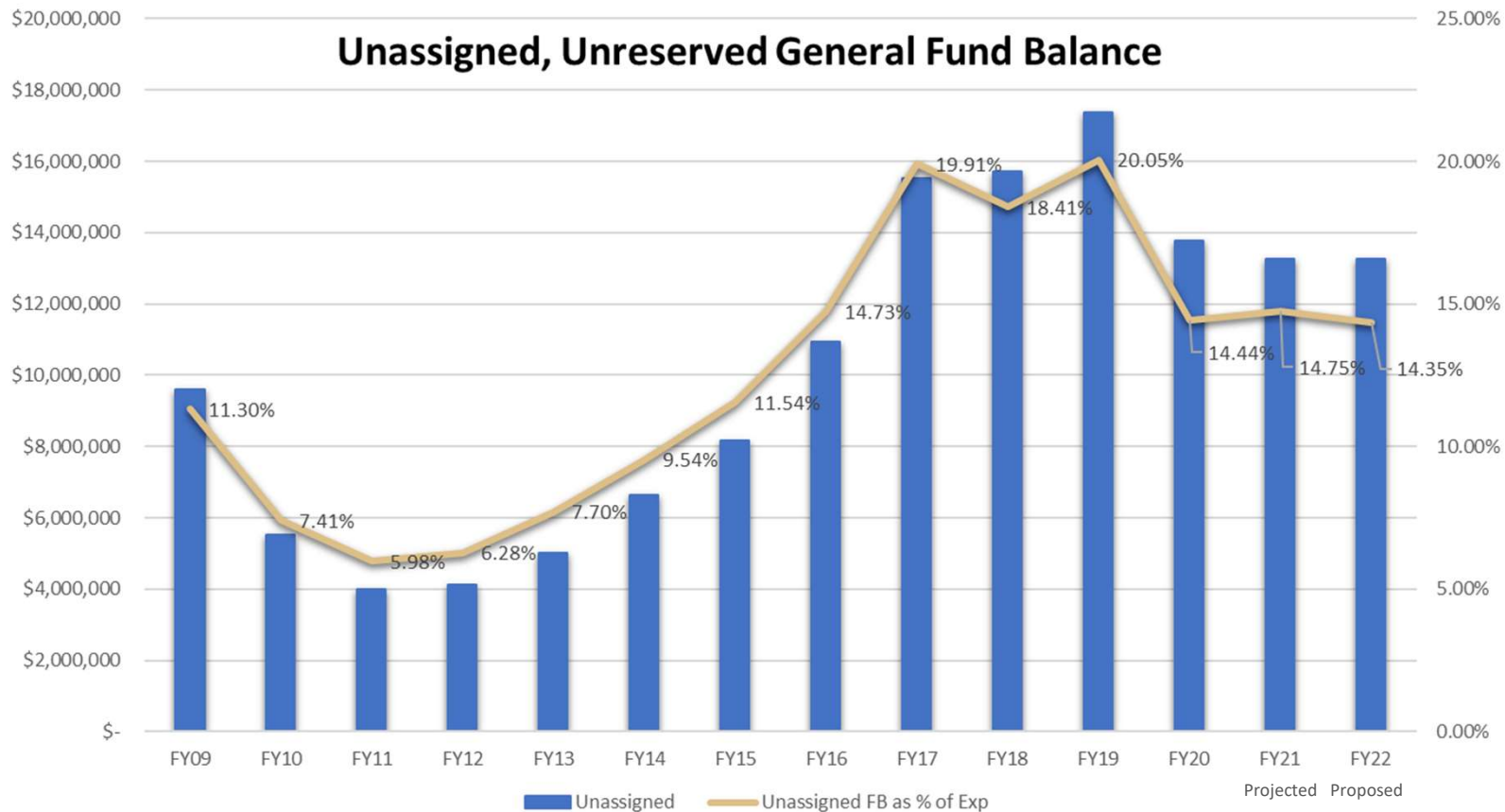
CITY OF
FOLSOM



Unassigned General Fund Balance



CITY OF
FOLSOM





CITY OF
FOLSOM

Enterprise Funds

Revenue and Proposed Appropriations



Enterprise Fund - Water



CITY OF
FOLSOM

	Actual FY 19-20		Projected FY 20-21		Proposed FY 21-22	
Program Revenues	\$	15,590,695	\$	17,401,632	\$	17,615,000
Salaries	\$	2,868,518	\$	2,939,290	\$	3,215,801
Benefits		2,830,891		2,196,703		2,273,758
Operating Expenses		4,868,514		4,893,810		6,835,281
Transfers Out		829,126		993,215		1,105,800
Debt Service		2,158,623		1,892,779		1,892,985
	\$	13,555,672	\$	12,915,797	\$	15,323,625
Capital Expenses	\$	4,189,593	\$	2,706,034	\$	7,741,452
Working Capital	\$	18,611,833	\$	20,391,634	\$	14,941,557

Enterprise Fund - Wastewater



CITY OF
FOLSOM

	Actual FY 19-20		Projected FY 20-21		Proposed FY 21-22	
Program Revenues	\$	7,461,046	\$	8,471,419	\$	8,525,154
Salaries	\$	1,466,851	\$	1,550,948	\$	1,733,816
Benefits		1,141,634		1,203,494		1,296,782
Operating Expenses		1,367,354		1,111,588		2,191,084
Transfers Out		584,539		681,156		725,198
	\$	4,560,378	\$	4,547,186	\$	5,946,880
Capital Expenses	\$	792,427	\$	529,693	\$	3,808,996
Working Capital	\$	13,751,542	\$	17,146,082	\$	15,915,360

Enterprise Fund – Solid Waste



CITY OF
FOLSOM

	Actual FY 19-20		Projected FY 20-21		Proposed FY 21-22	
Program Revenues	\$	11,692,501	\$	12,928,607	\$	16,180,894
Salaries	\$	2,982,266	\$	3,188,170	\$	3,878,265
Benefits		2,320,990		2,518,910		3,073,607
Operating Expenses		5,415,208		5,882,973		6,643,409
Transfers Out		1,370,063		1,830,020		1,742,377
	\$	12,088,527	\$	13,420,073	\$	15,337,658
Capital Expenses	\$	1,105,849	\$	2,650,000	\$	2,938,783
Working Capital	\$	5,368,058	\$	2,868,461	\$	772,914

Appropriations by Fund



CITY OF
FOLSOM

	FY 21 Adopted Budget	FY 22 Proposed Budget
General Fund	\$89,538,474	\$92,521,841
Enterprise Funds	46,420,394	50,322,160
Special Revenue Funds	12,044,170	12,442,313
Debt Service Funds	13,070,864	11,705,722
Capital Project Funds	10,938,101	11,963,656
Internal Service Funds	22,516,693	21,353,908
Fiduciary Funds	18,604,968	19,935,275
Total	\$213,133,664	\$220,244,875

Capital Improvement Plan



CITY OF
FOLSOM

Plan Overview



CIP Major Projects



CITY OF
FOLSOM

	<u>FY 21-22 Budget Proposal</u>	<u>Total Project Budget</u>
Capital SE Connector Project	\$ -	\$ 28,043,000
Sewer Evaluation & Capacity Assurance Plan	376,600	6,005,000
FPA Neighborhood Park #3	4,719,780	5,209,780
Natoma Alley Rehab and Replacement	121,525	3,141,457
Benevento Family Park	-	3,000,000
Basin 4 Sewer Phase 2	2,273,000	2,273,000
Street Overlay/Pavement Management	2,000,000	2,000,000
Davies Park	-	1,104,113
Willow Creek Estates Storm Drain Lining	-	1,427,191
Natoma Street Drainage	-	1,000,000
Folsom Plan Area Trails	300,000	920,000
Livermore Community Park Ph. 5	-	800,000
Andy Morin Sports Complex Ph. 2	-	706,000
Lew Howard Park	-	449,992
Ed Mitchell Park	271,098	271,098
FPA Fire Station #34 Design	225,000	225,000

CIP – Project Funding Sources



CITY OF
FOLSOM

Category	Funding Source				Total
	Enterprise	Loans/Grants	Impact Fees	Other	
Culture and Recreation	\$ -	\$ 225,915	\$ 4,819,780	\$ 45,183	\$ 5,090,878
Drainage	-	-	50,000	150,000	200,000
General Services	-	-	225,000	660,000	885,000
Open Space and Greenbelts	-	-	300,000	-	300,000
Streets	-	-	550,000	2,780,305	3,330,305
Transportation	-	-	350,000	150,000	500,000
Wastewater	3,678,996	-	(85,000)	-	3,593,996
Water	7,268,593	100,000	157,859	-	7,526,452
	\$ 10,947,589	\$ 325,915	\$ 6,367,639	\$ 3,785,488	\$ 21,426,631

5-Year Budget Forecast



CITY OF
FOLSOM

Looking Ahead: FY 2023-2027

5-Year Budget Forecast



CITY OF
FOLSOM

Major Financial/Budgetary Pressures from FY23 - FY27:

- CalPERS rate increases
- Building the Capital Replacement Fund for current and future needs
- Sales Tax and TOT revenue recovery
- Non-tax revenue growth
- Future funding of staffing for FPA Fire Station

5-Year Forecast – General Fund



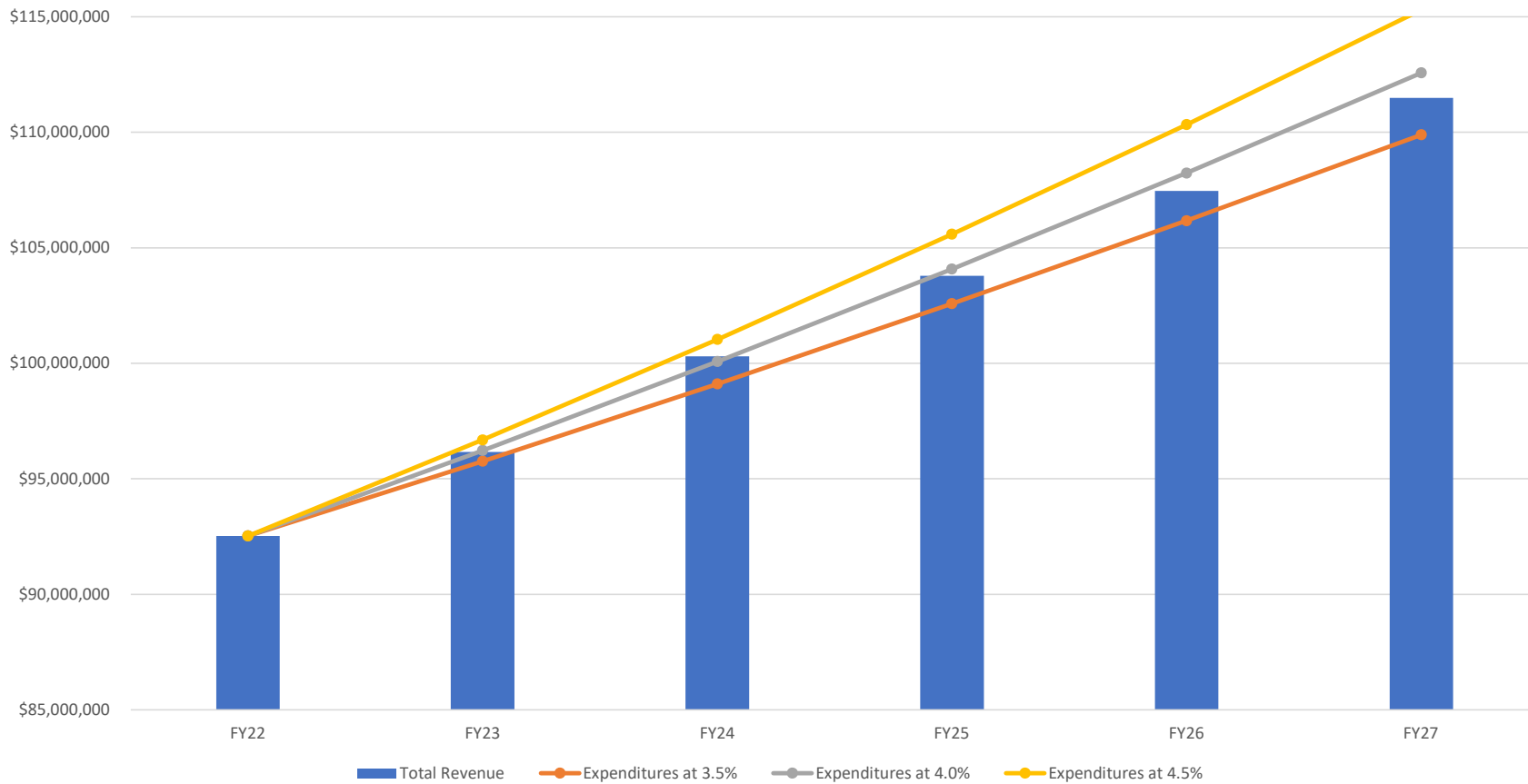
CITY OF
FOLSOM

	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27
Tax Revenue projected growth	\$ 60.7	\$ 64.0	\$ 67.2	\$ 70.2	\$ 73.3	\$ 76.6
Non-Tax Revenue projected growth	23.4	24.7	25.4	25.8	26.2	26.7
Transfers In projected growth	8.4	7.4	7.6	7.7	7.9	8.1
Total Revenue	\$ 92.5	\$ 96.1	\$ 100.3	\$ 103.7	\$ 107.4	\$ 111.4
Expenditures at 3.5%	\$ 92.5	\$ 95.7	\$ 99.1	\$ 102.6	\$ 106.1	\$ 109.9
Expenditures at 4.0%	\$ 92.5	\$ 96.2	\$ 100.0	\$ 104.0	\$ 108.2	\$ 112.5
Expenditures at 4.5%	\$ 92.5	\$ 96.7	\$ 101.0	\$ 105.6	\$ 110.3	\$ 115.3

5-Year Forecast – General Fund



CITY OF
FOLSOM



5-Year Forecast – Cautions



CITY OF
FOLSOM

Revenue enhancement options are limited and economy dependent

Non-tax revenue must be continuously monitored and addressed

Sustainability depends on managing staffing costs

Limited financial options for growth in capital investments and general levels of maintenance

FY 21-22 Budget Summary



CITY OF
FOLSOM



Budget is balanced, with expenditure reductions and use of one-time revenue sources



Maintains the balance of expenditures by department



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



Despite continued challenges, budget still accomplishes many top priorities

Conclusion



CITY OF
FOLSOM

- Discussion, questions and direction to staff