

FY 19-20 Outlook and Budget Workshop

PRESENTATION TO THE FOLSOM CITY COUNCIL

FEBRUARY 26, 2019



CITY OF
FOLSOM

Budget Basics

Build Sustainability

Address Deferred Maintenance

Strengthen Core Services

Invest for the Future

Community Balance of Services



What will the Economy be like in FY19-20 and how will it impact the budget?



Home Prices



Building Perm



Home Sales



Automobile Sal



Employment



Unemployment



Yield Curve



Consumer Confidence



GDP



CPI

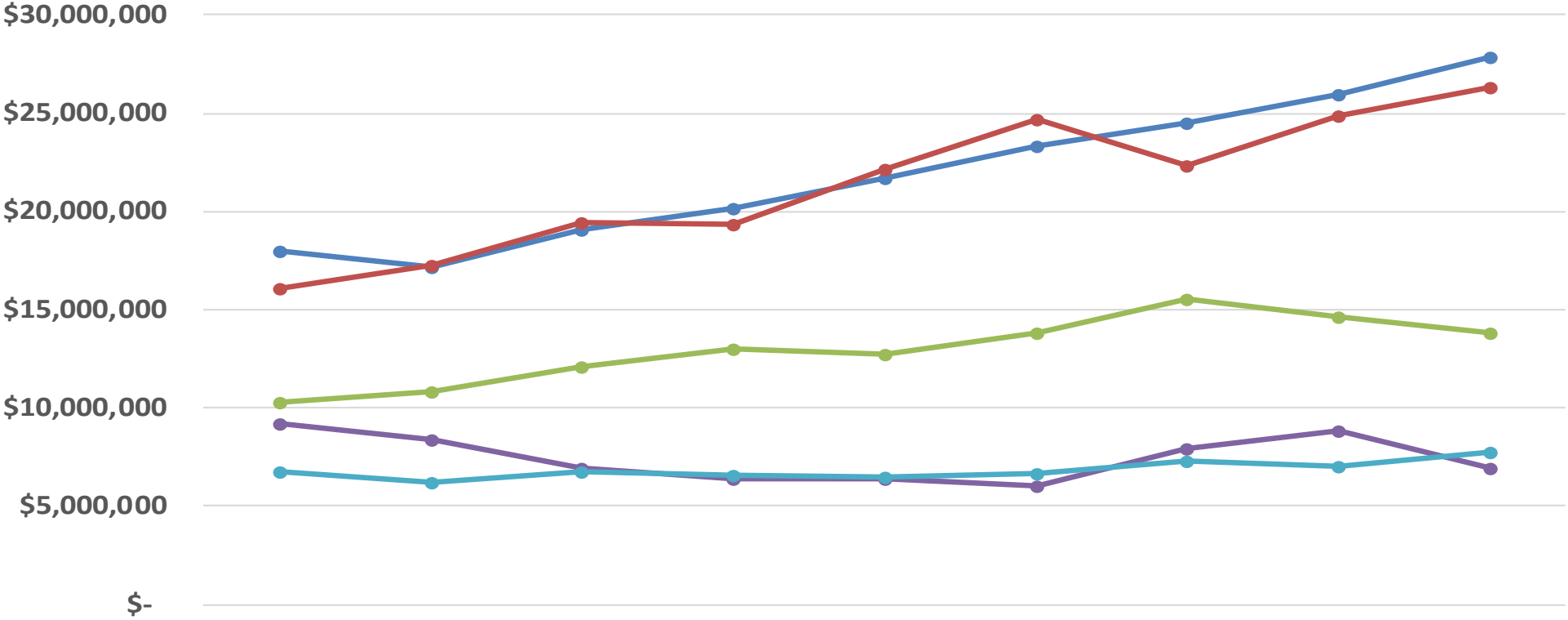
Major Revenue Categories

	<u>FY15-16</u>	<u>FY16-17</u>	<u>FY 17-18</u>	<u>FY18-19</u>	<u>FY19-20</u>
Prop Taxes	\$ 21,732,471	\$ 23,301,973	\$ 24,537,819	\$26,275,124	\$27,851,631
Sales Tax	\$ 22,168,300	\$ 24,721,293	\$ 22,294,827	\$24,970,206	\$26,349,287
Charges	\$ 12,697,713	\$ 13,829,099	\$ 15,521,751	\$15,574,228	\$13,839,765
Lic, Permits, & VLF	\$ 7,988,302	\$ 8,228,994	\$ 9,252,499	\$10,246,845	\$ 9,743,816
Transfers In	\$ 6,414,784	\$ 6,063,948	\$ 7,923,701	\$ 9,815,549	\$ 6,955,126
All Other	<u>\$ 6,677,648</u>	<u>\$ 6,479,942</u>	<u>\$ 6,576,967</u>	<u>\$ 5,289,263</u>	<u>\$ 5,853,442</u>
Total Revenue	\$ 77,679,218	\$ 82,625,249	\$ 86,107,564	\$92,171,215	\$90,593,067

Budget Drivers – Revenue

	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>FY19-20</u>
All Tax Related Rev	\$47,103,335	\$51,739,509	\$54,512,658	\$58,219,217
All Non-Tax Revenue	\$24,821,792	\$27,530,793	\$26,149,680	\$25,498,219
Development Fees	\$2,409,999	\$4,057,017	\$3,782,148	\$2,638,775
Building Permits	\$1,217,572	\$1,757,983	\$2,000,000	\$1,300,000
Parks & Rec Fees	\$4,492,502	\$4,932,538	\$5,121,798	\$5,140,987
Ambulance Fees	\$3,386,950	\$3,910,889	\$3,857,685	\$3,900,000
Transfers In	\$ 6,063,948	\$ 7,923,701	\$ 9,815,549	\$ 6,955,126

General Fund Revenues by Type



● Property Tax ● Sales and Use ● Charges for Services ● Transfer In ● Intergovernmental

Major Expense Categories

	<u>FY16-17</u>	<u>FY17-18</u>	<u>FY18-19</u>	<u>FY19-20</u>
Salaries	\$ 32,945,004	\$ 34,111,239	\$ 36,550,982	\$ 37,845,758
Benefits	\$ 12,992,947	\$ 14,029,698	\$ 14,058,381	\$ 14,457,619
PERS	\$ 10,415,137	\$ 11,153,501	\$ 13,657,309	\$ 16,018,027
O&M	\$ 18,194,108	\$ 18,431,908	\$ 20,782,468	\$ 19,476,166
Capital Outlay	\$ 1,554,461	\$ 2,050,535	\$ 4,878,383	\$ 1,800,000
Debt Service	<u>\$ 1,921,059</u>	<u>\$ 2,193,283</u>	<u>\$ 1,323,203</u>	<u>\$ 908,203</u>
Total Expenses	\$ 78,022,716	\$ 85,284,054	\$ 91,250,726	\$ 90,495,773
			Revenue Estimate:	<u>\$ 90,593,067</u>
				\$97,294

Budget Drivers - Expenses

Wages	\$ 1,294,776	3.54%
Retiree Health	\$ 220,000	6.61%
PERS	\$ 2,360,718	17.29%
Other Benefits	\$ 275,626	2.63%
O&M	\$(1,806,302)	- 8.49%
Capital	\$(3,078,383)	-63.10%
Debt	\$(415,000)	-31.36%

When will the PERS increases diminish?

PERS Growth:

<u>Fiscal Year</u>	<u>Total Contribution</u>	<u>\$ Increase</u>	<u>% Increase</u>
FY16-17	\$10,415,137		
FY17-18	\$11,153,501	\$ 738,364	7.09%
FY18-19	\$13,657,309	\$1,503,809	13.48%
FY19-20	\$16,018,027	\$2,360,718	17.29%
FY20-21	\$17,721,942	\$1,703,915	10.64%
FY21-22	\$19,165,294	\$1,443,352	8.14%
FY22-23	\$20,544,250	\$1,378,956	7.20%

When is it appropriate to use the Risk Reserve or the Retiree Health Trust Fund?

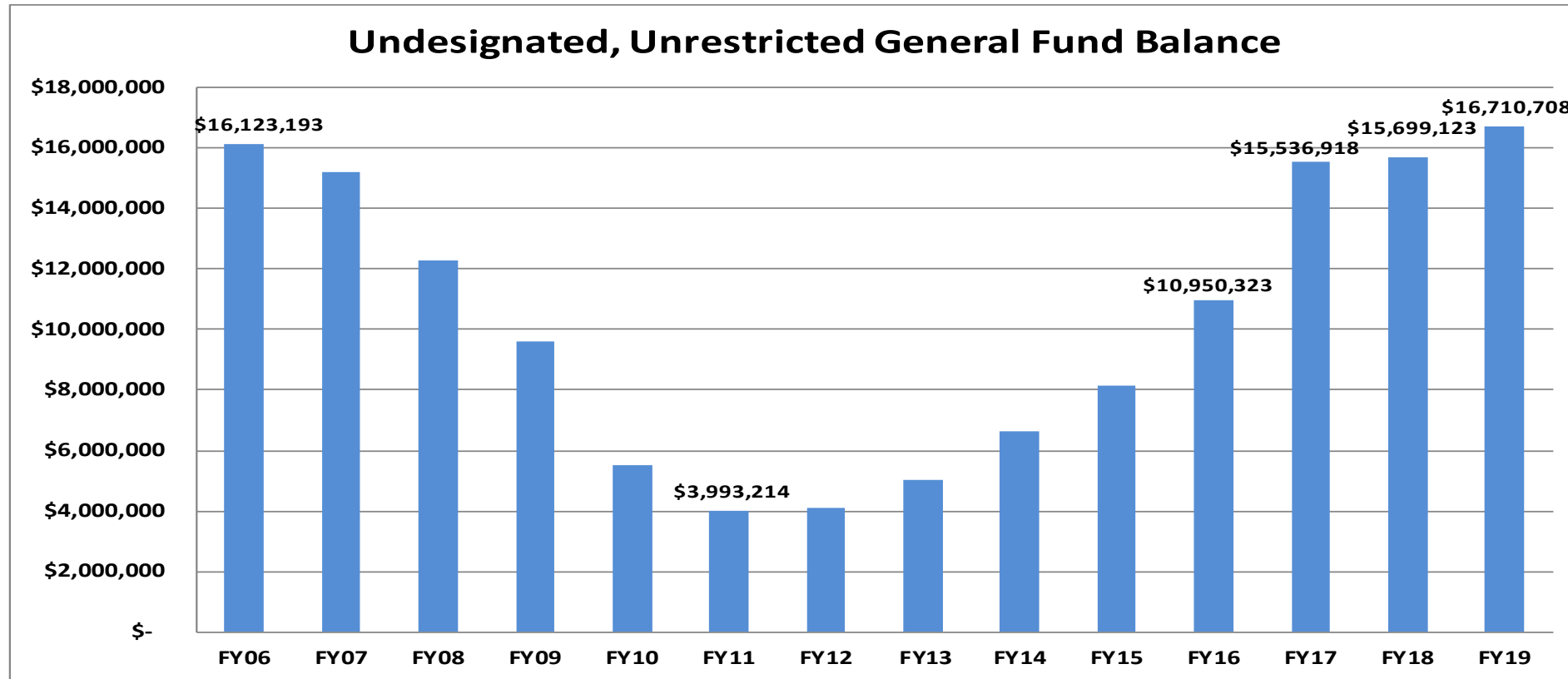
<u>Retiree Health Costs</u>		<u>Retiree Trust</u>	<u>Retiree Risk Reserve</u>
FY15-16	\$2,772,103		
FY16-17	\$2,808,591	\$ 3,853,919	\$1,187,205
FY17-18	\$3,300,000	\$ 4,768,430	
FY18-19	\$3,346,597	\$ 5,747,729	
FY19-20	\$3,566,427	\$ 6,000,000	\$1,364,406

How will we finance capital projects given the absence of impact fees?

Major projects that do not currently have financing:

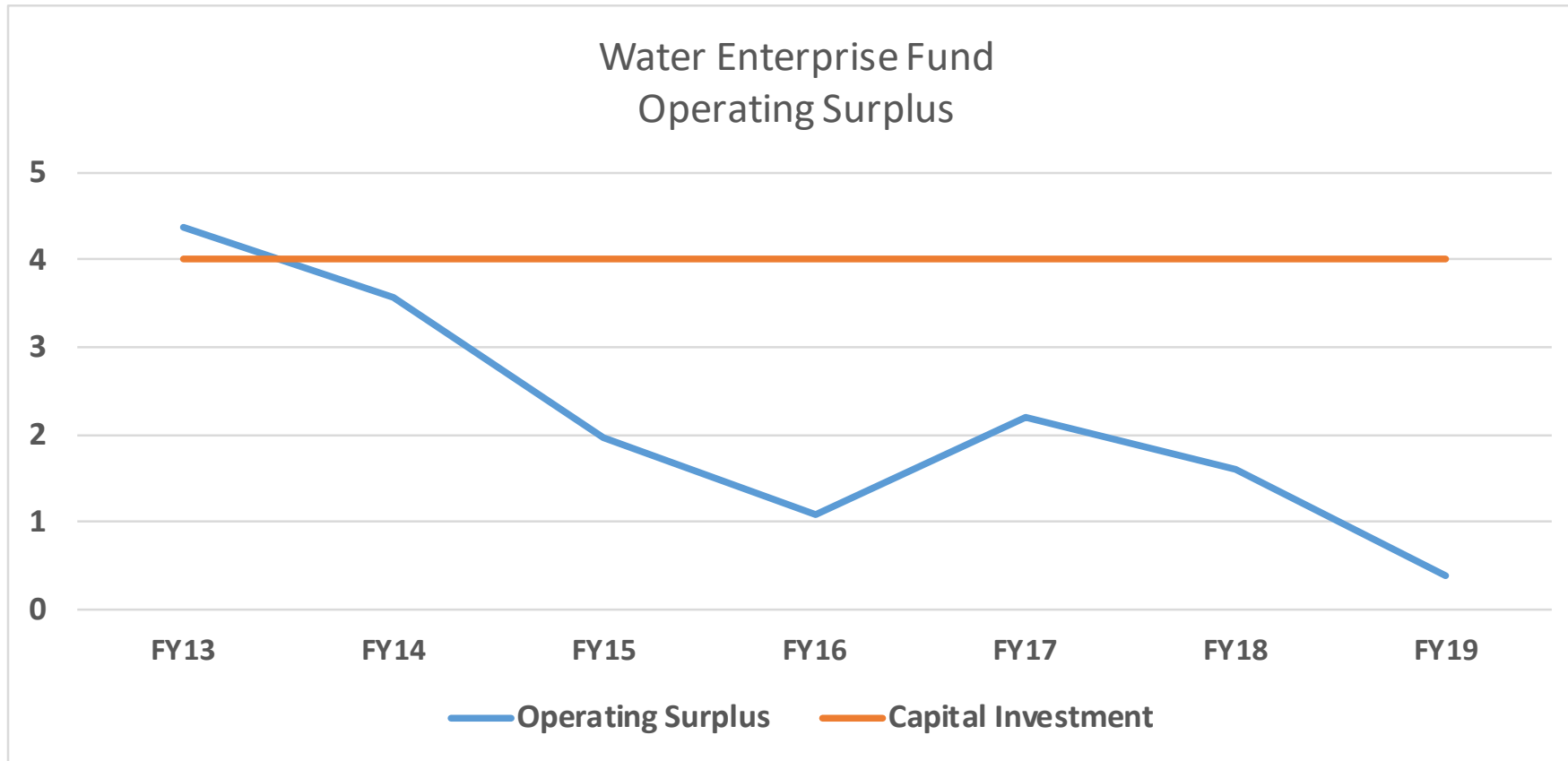
Remodel of Fire Station 38	\$1,648,420
Park Site #51 at Vista Del Lago	\$5,100,000
Aquatic Pool Renovation	\$1,560,000
Various Facility Roofing and HVAC	\$4,000,000

What is an appropriate level of Unassigned General Fund Balance?



Water Enterprise Fund

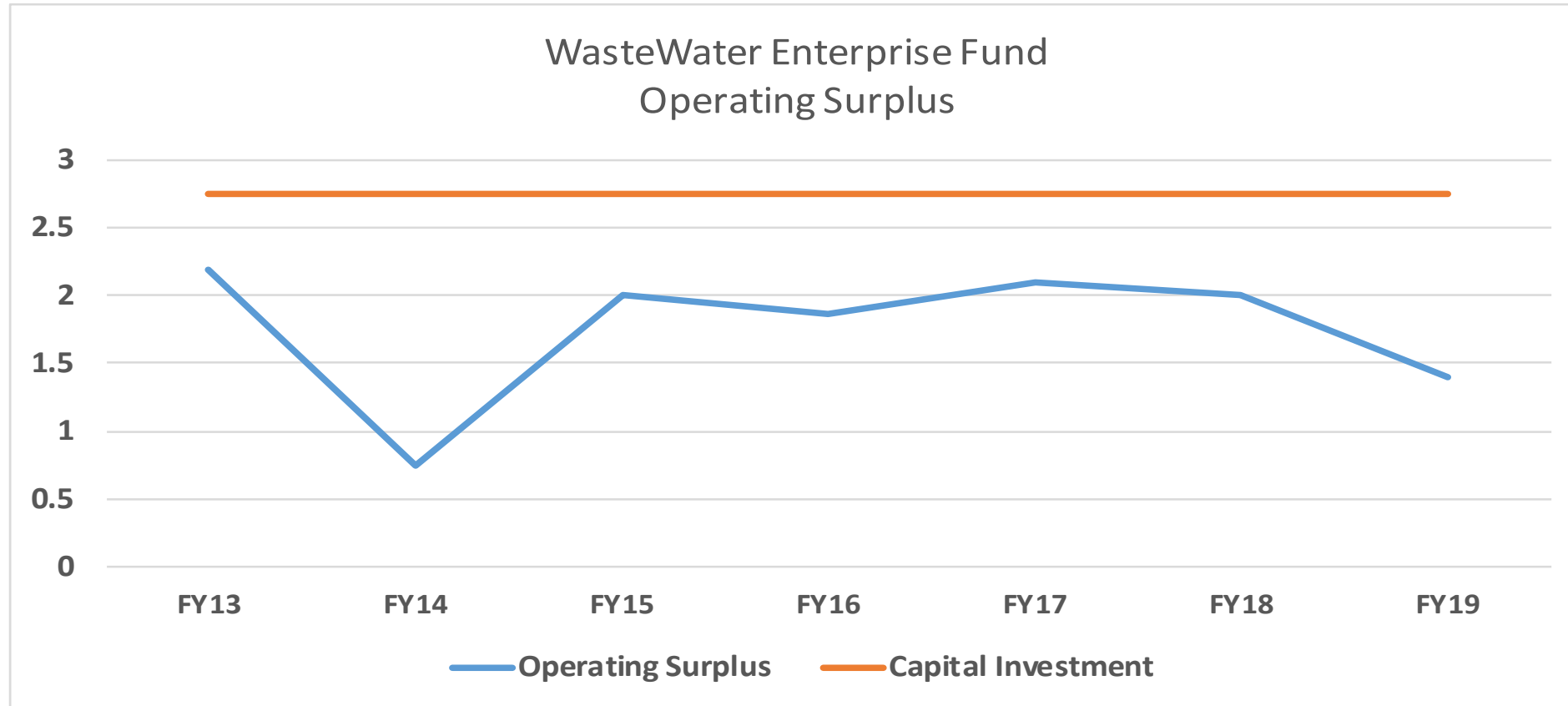
Do we want to continue the PAYGO Policy?
What is the appropriate level of Capital Investment?



WasteWater Enterprise Fund

Do we want to continue the PAYGO Policy?

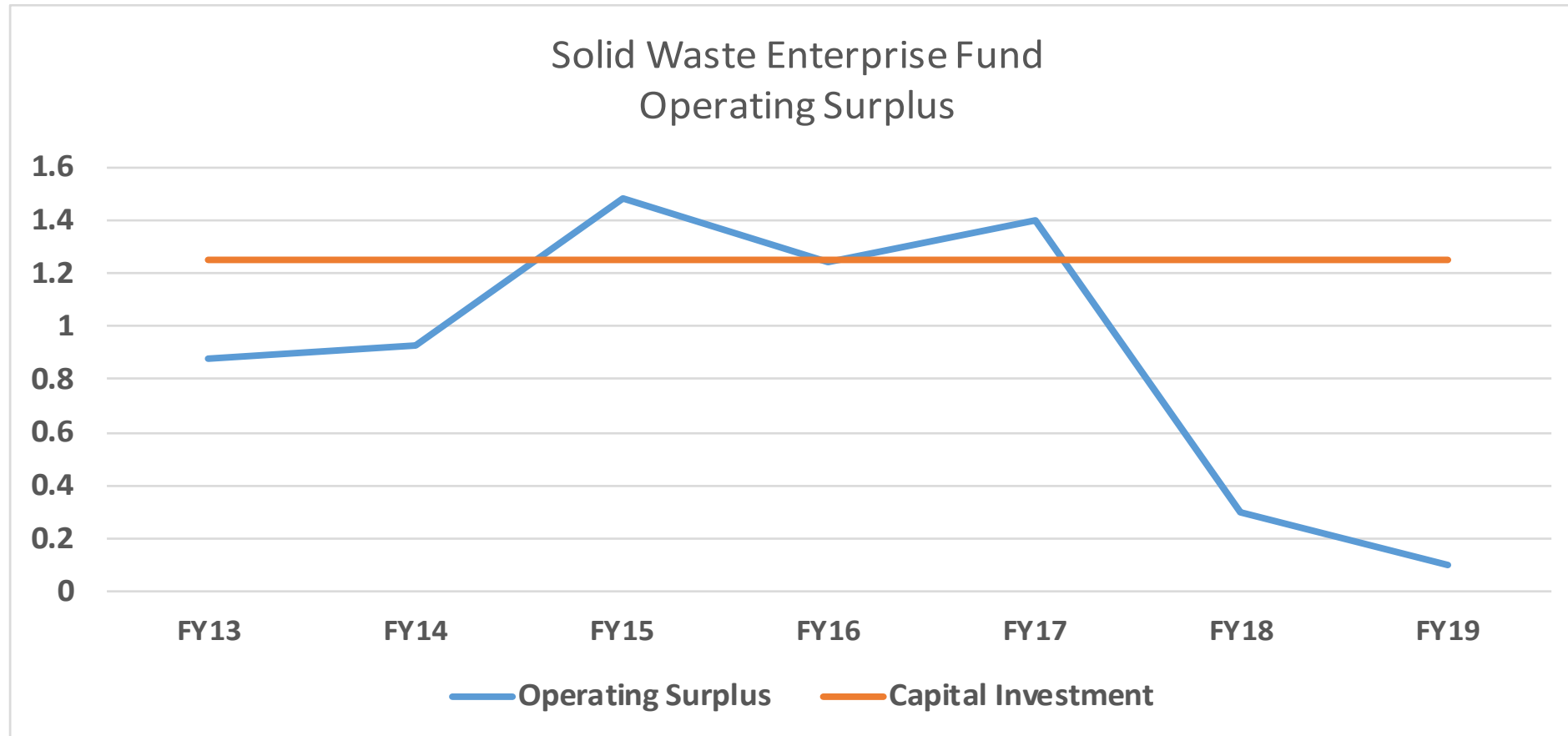
What is the appropriate level of Capital Investment?



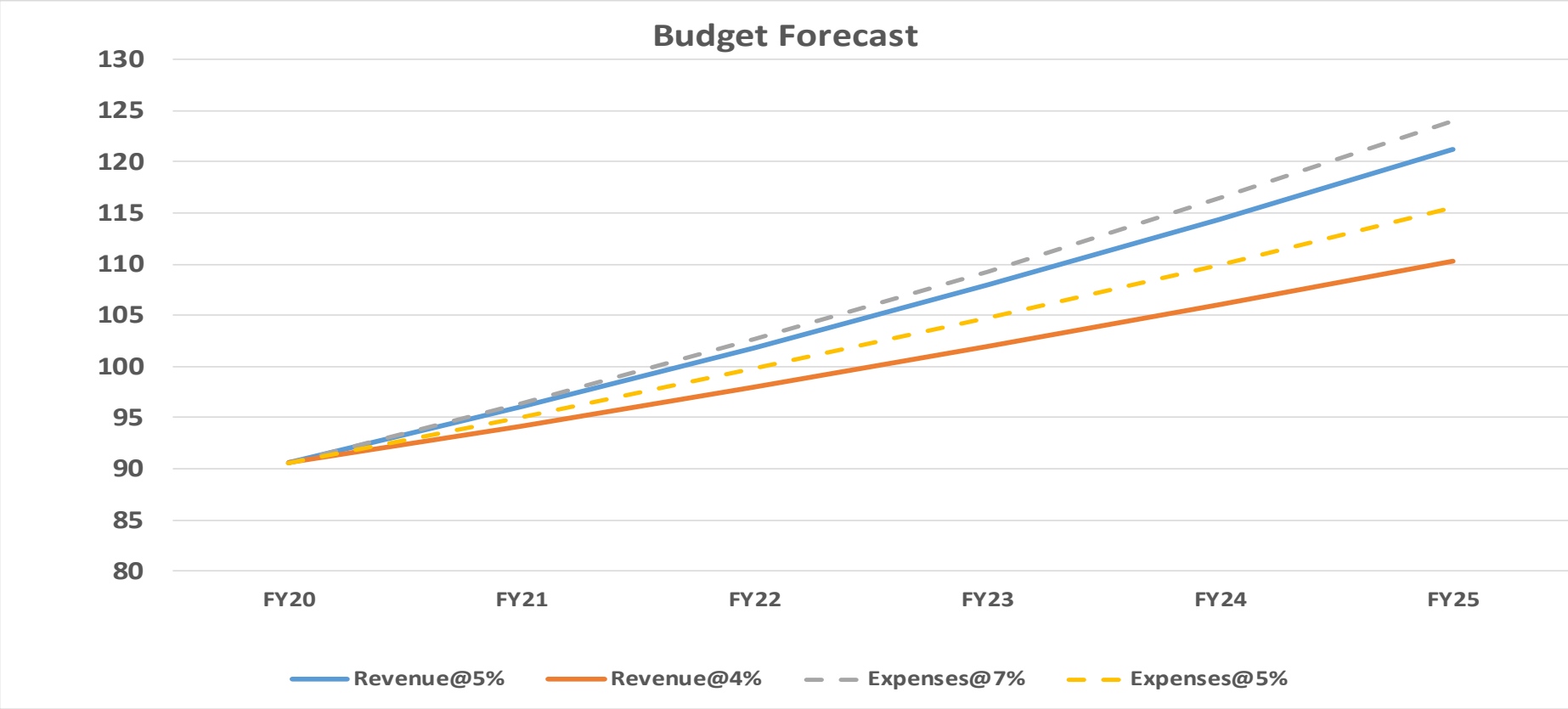
Solid Waste Enterprise Fund

Do we want to continue the PAYGO Policy?

What is the appropriate level of Capital Investment?



General Fund Revenue and Expenditure Forecast



Issues to be Considered

- Can we sustain if the economy changes? What can we do about revenues and expenses?
- What capital investments need to be addressed in the near future?
- How can we maintain and strengthen our core services?
- What investments do we need to make for the future? How do we fund our pension and retiree health long-term liabilities?
- What impact will the development of South of Hwy50 have on service provision?
- How do we maintain the balance of services that makes a community?

Next Steps

April 23, 2019 - Present FY20 Operating and Capital Budgets

May 14, 2019 - Public Hearing on FY20 Budgets and possible adoption

May 28, 2019 - Possible Adoption of FY20 Operating and Capital Budgets

June 11, 2019 - Possible Adoption of FY20 Operating and Capital Budgets

June 25, 2019 - Presentation and adoption of Gann Limits

