

CITY OF
AMERICAN
CANYON



FY 2020-21 Preliminary Operating Budget Overview

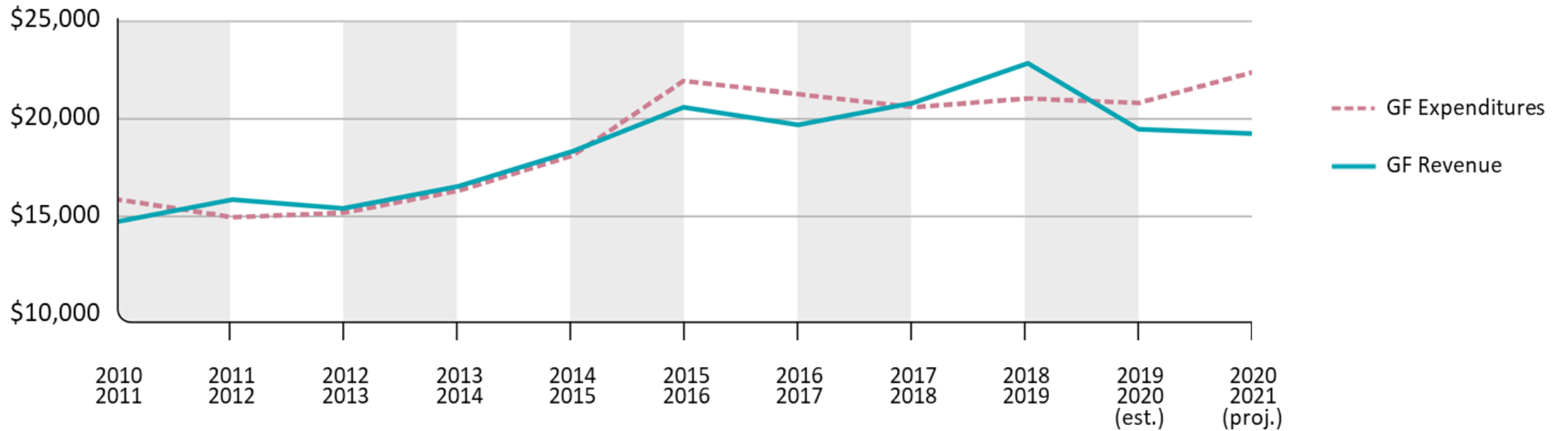
May 19, 2020

Tonight's Objectives

- Provide budget overview for City Council & Community
- Second of four (4) Council meetings leading up to adoption of FY 2020/21 budget on June 16
- Discuss FY 2020/21
 - Projected General Fund shortfall
 - Possible balancing measures – not all may be possible



General Fund Performance



General Fund Shortfall

- Significant revenue decreases (COVID-19 impacts)
- Expenditure increases (COLAs, PERS/OPEB, ISF, etc.)
- Initial version of FY 20/21 Budget - with new revenue losses and cost increases – anticipates a shortfall of \$4.1M
 - Four rounds of internal budget reductions to identify balancing measures
- Tonight discuss list of possible General Fund balancing measures to close the gap (both one-time & recurring)



General Fund Shortfall

General Fund	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Est.	A	B
					20/21 Adopted June 2019	20/21 Projected March 2020
Revenues	19,700	20,943	22,865	19,523	21,124	19,777
Expenditures	21,234	20,750	21,062	20,901	22,073	23,840
Annual Surplus/(Shortfall)	(1,534)	193	1,802	(1,377)	(950)	(4,063)

- How much of \$4.1M is Structural?
 - Estimating \$1.M - \$2.7M
- Future possible budget impacts? PERS, PTX



Possible 1-time Balancing Options = \$2.8M

1. Postpone Capital Projects
2. General Reductions
 - Reduce non-essential overtime/non-essential travel & training
3. Reduce funding for ISF fleet and IT purchases, and building maintenance*
4. Reduce Parks maintenance/consider LLAD in-house maintenance
5. Reduce Professional Service contracts
6. Reduce/eliminate community events (due to COVID-19)
 - Laid off 53 part-time Parks & Rec employees (in FY 2019-20)



Possible Recurring Balancing Options = \$500K

1. Reduce Development Services & CIP Staffing
 - 2 vacant FTE
2. Implement an Administrative Reorganization
 - Includes elimination of some vacant positions



Other 1-time Balancing Options = ?

1. Limited use of General Fund Unassigned Reserves – as available
 - Actual amount of available Unassigned Reserve will depend on FY 2019/20 year-end
2. Labor concession savings
 - Furloughs and one-time elimination of leave payouts could generate up to \$600K in savings – no current agreement



Next Steps

- Incorporate City Council input into the proposed budget
- Continue to meet & confer with bargaining units
- **June 2, 2020** – present FY 2020/21 Proposed Budget to City Council
- **June 16, 2020** – City Council scheduled to adopt FY 2020/21 Budget



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Thank You
Questions & Review