

CITY OF
AMERICAN
CANYON



FY 2020-21 Proposed Operating Budget

June 2, 2020

Tonight's Objectives

- Third of four (4) Council meetings leading up to adoption of FY 2020/21 budget on June 16
- Review the FY 2020/21 Proposed Budget for all Operating Funds
- Discuss FY 2020/21
 - Projected General Fund shortfall
 - Proposed balancing measures



FY 2020/21 Proposed City Budget

	Revenues	Expenditures
General Fund	\$ 19,949,800	\$ 21,189,770
Enterprise Funds	\$ 14,868,600	\$ 18,646,094
Internal Service Funds	\$ 1,826,800	\$ 2,104,020
Debt Service Funds	\$ 860,300	\$ 856,900
Capital Improvement Funds	\$ 14,009,790	\$ 13,959,780
All Other Funds	\$ 11,467,045	\$ 12,064,606
Total	\$ 62,982,335	\$ 68,821,170

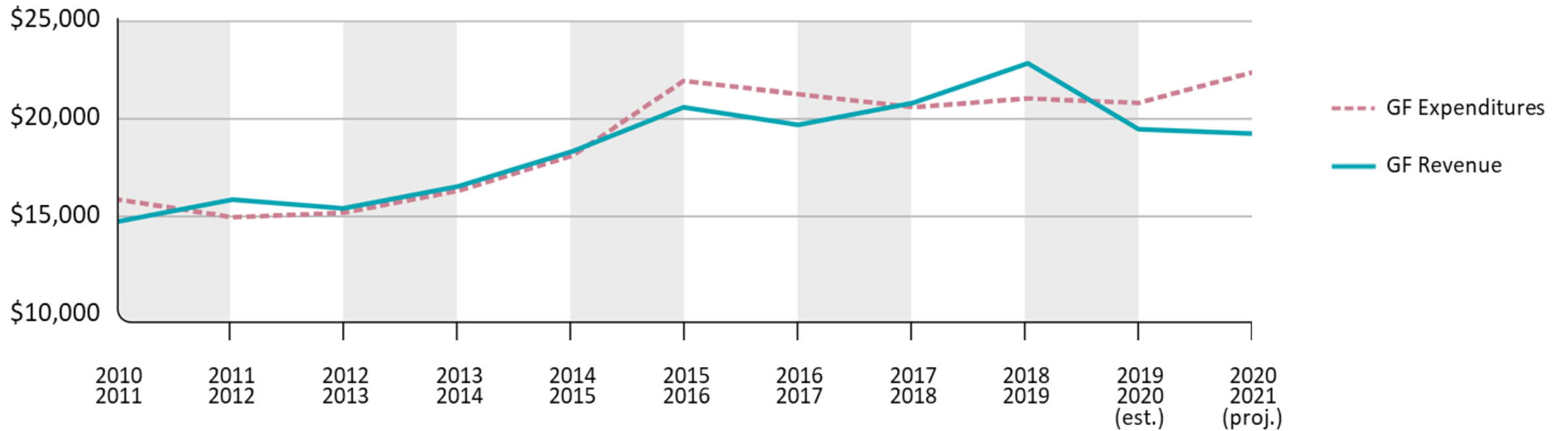


Areas of Uncertainty

- COVID-19 Pandemic economic impacts and ultimate rebound unknown
 - Revenues: Sales Tax, TOT, Cardroom, etc.
- State of CA budget changes are ongoing
 - Potential loss of some/all VLF In-Lieu Revenues
 - Currently assuming we receive all VLF In-Lieu revenue



General Fund Performance



General Fund Shortfall - Causes

- Significant revenue decreases (COVID-19 impacts)
- Expenditure increases (COLAs, Insurance, PERS/OPEB, ISF, etc.)

- FY 2019/20 budget projected \$1 million shortfall for FY 2020/21
- FY 2020/21 budget initially projected shortfall of \$4.1M
 - Four rounds of internal budget reductions to identify balancing measures



General Fund Shortfall

<i>(in millions)</i>	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Estimated	2020/21 Proposed
Operating Revenues	19,700	20,943	22,864	19,605	19,950
Operating Expenditures	21,234	20,750	21,062	21,199	21,190
Annual Surplus/(Shortfall)	(1,534)	193	1,802	(1,595)	(1,240)
Planned Use of Unassigned Fund Balance					800
Additional Labor Concessions					90
Estimated Annual (Shortfall)					(350)



Balancing the General Fund

- Variety of 1-time/deferred and recurring expenditure reductions
- Planned Use of the General Fund Unassigned Fund balance
- Savings from 1-time labor concessions (20 furlough days, no leave cash-out)

Remaining shortfall of about \$350,000



1-time Balancing Measures = \$2M

1. Defer Capital Projects
2. Defer ISF fleet and IT purchases, and building maintenance
 - Added some fleet purchases back into the budget
3. General Reductions
 - Reduce non-essential overtime/non-essential travel & training
4. Reduce Professional Service contracts
5. Eliminate recreation & community events (due to COVID-19)
 - Laid off 53 part-time Parks & Rec employees (in FY 2019-20)



Proposed Recurring Staffing Reductions = \$410K

Eliminate four (4) vacant FTE

- Senior Building Inspector (Development Services)
- Engineer I (Development Services)
- Administrative Clerk I (shared and partially reimbursed by Fire District)
- Aquatics Manager (Parks & Recreation)



Other 1-time balancing measures

1. Limited use of General Fund Unassigned Reserves – (\$800,000)
 - Actual amount of available Unassigned Reserve will depend on FY 2019/20 year-end
2. Furloughs and Labor concession savings (\$530,000)
 - 20 furlough days and one-time elimination of leave payouts could generate up to \$530K in savings



Closing the GF Final \$350K Gap

Intend to present City Council with a balanced budget on June 16

Additional 1-time reduction considerations:

- Identify additional expenditure savings – working with departments
- Refinancing City Hall
- OPEB – one-time deferral of annual liability payment



Next Steps

- Incorporate City Council input into the proposed budget
- **June 16, 2020** – City Council scheduled to adopt FY 2020/21 Budget



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Thank You
Questions & Review