

CITY OF
AMERICAN
CANYON



FY 2020/21 Proposed Budget

June 16, 2020

Tonight's Objectives

- Last of four (4) Council meetings leading up to adoption of FY 2020/21
- Final review/adoption the FY 2020/21 Proposed Budget for all Operating Funds
- Key Takeaways
 - Zero General Fund shortfall through citywide reductions/use of unassigned fund balance/labor concessions
 - No use of Dedicated Reserves
 - No layoffs of fulltime positions
 - No proposed new taxes
 - Twenty (20) City Closure Days (unpaid furlough); no accrued leave cash out



FY 2020/21 Total City Budget

	Revenues	Expenditures
General Fund	\$ 19,888,660	\$ 20,541,765
Enterprise Funds	\$ 14,868,600	\$ 18,673,794
Special Revenue Funds	\$ 11,467,096	\$ 12,245,802
Internal Service Funds	\$ 1,964,700	\$ 2,133,897
Debt Service Funds	\$ 860,300	\$ 856,900
Capital Improvement Funds	\$ 14,009,790	\$ 13,959,780
Total	\$ 63,059,146	\$ 68,411,938



Areas of Uncertainty

- COVID-19 Pandemic economic impacts and ultimate rebound unknown
 - Revenues: Sales Tax, TOT, Cardroom, etc., Measure T
- 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

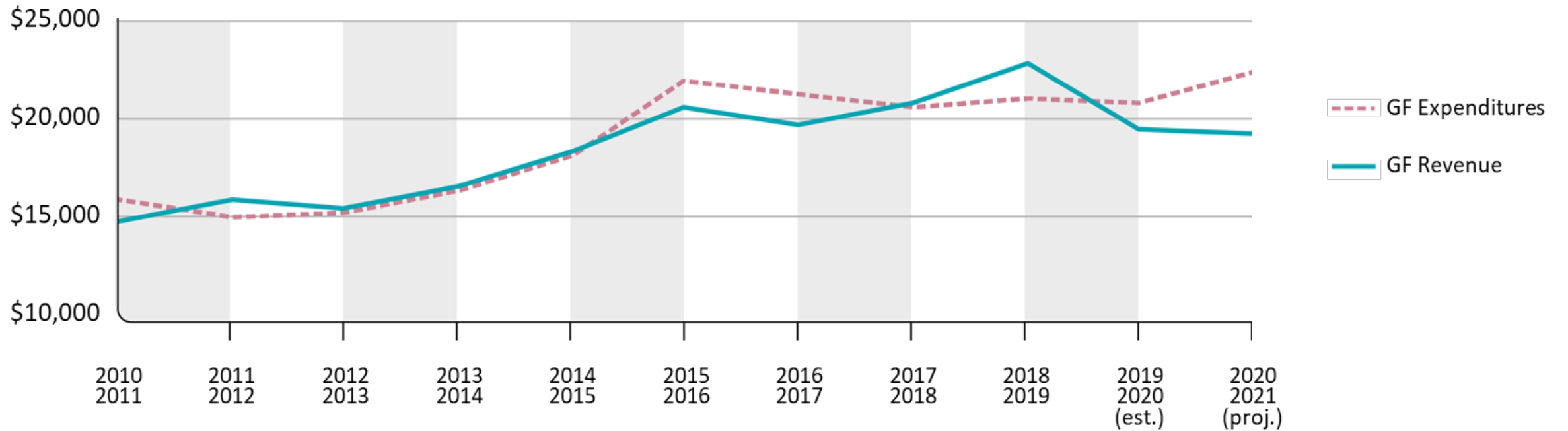


General Fund Shortfall - Causes

- 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
 - Five rounds of internal budget reductions to identify balancing measures



General Fund Performance



General Fund Balanced Budget

<i>(in millions)</i>	2017/18 Actual	2018/19 Actual	2019/20 Adopted	2019/20 Estimated	2020/21 Proposed	Change*
Operating Revenues	20,943	22,864	20,466	19,791	19,889	-3%
Operating Expenditures	20,750	21,062	21,405	21,161	20,542	-4%
Annual Surplus/(Shortfall)	193	1,802	(938)	(1,370)	(653)	
Planned Use of Unassigned Fund Balance					653	
Annual Surplus/(Shortfall)					\$ -	

**change from FY 2019/20 Adopted*



General Fund Reserve/Fund Balance

Reserve	Goal	2020/21 Allocation	Council Policy Funding Method	Met?
General Fund (Contingency)	\$5,351,145 (25% of final budget for prior year)	\$5,041,670 * (23.6%)	Grow by a <i>minimum</i> of 3% of salaries each year	NO
Capital Projects	\$2,000,000	\$1,625,000	Grow by a minimum of \$100,000 each year	NO
Economic Development	\$1,000,000	\$1,000,000	Fully budgeted	YES



*** FY 2020/21 includes an additional \$156,043 of Unassigned fund balance toward reaching policy goal**

General Fund Reserve/Fund Balance #1

	2017/18	2018/19	2019/20	2020/21
Fund Balance Designations	Actual	Actual	Estimated	Proposed
Total Restricted	832,326	777,161	686,426	669,426
Unrestricted (Committed/Assigned/Unassigned)				
Contingency	4,450,888	4,596,464	4,748,657	5,041,670
Capital Projects	1,750,000	1,425,000	1,525,000	1,625,000
Economic Development	1,000,000	1,000,000	1,000,000	1,000,000
General Plan Update	222,500	222,691	222,691	0
Total Assigned	7,423,388	7,244,155	7,496,348	7,666,670
Unassigned	301,469	2,337,950	806,427	0
Total Unrestricted	7,724,857	9,582,105	8,302,775	7,666,670
Total Designated Fund Balance	8,557,183	10,359,266	8,989,201	8,336,096



1-time GF Balancing Measures = \$2.3M

1. Defer Capital Projects
2. Defer ISF fleet and IT purchases, and building maintenance
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 (no layoffs)

- 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 Fund Balance – (\$653,000)
 - 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



Key Budget Changes

1. Parks & Recreation Programs

- Eliminated/reduced programs due to COVID-19
- Planned program fee increases to cover direct costs
- Establish/grow volunteer program

2. Created new Legal Services Fund

3. Separated utilities & maintenance functions into a new department

4. Implementing upgrade to City's financial & payroll systems

5. Implemented new energy savings agreement with ENGIE – issued debt



Next Steps

- Complete the FY 2020/21 Adopted budget document for circulation
- Continuous budget updates with City Council & Council Finance Committee
- Tentative Budget Update Calendar

Date	Topic
Nov/Dec2020	General Fund revenue review FY 2020/21 Q1 review
February 2021	FY 2020/21 General Fund long-term financial forecast
March/April 2021	FY 2020/21 Q2 review; Mid-year update
May 2021	FY 2020/21 Q3 review FY 2021/22 Proposed Budget



Timing of Key City Revenues

- Property Tax revenues are received December & April
- Sales Tax is received monthly – quarterly information from CDTFA and consultant:

	<u>CDTFA Data</u>	<u>Fully Compiled Data</u>
– Economic Q1-Fiscal Q3 (Jan-March)	May/June	July
– Economic Q2-Fiscal Q4 (April – June)	Aug/Sept	Oct
– Economic Q3-Fiscal Q1 (July -September)	Nov/Dec	Jan
– Economic Q4-Fiscal Q2(October – December)	Feb/Mar	April

- Transient Occupancy Tax – monthly, due last day of the month following the close of the previous month



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Thank You
Questions & Review

General Fund Reserve/Fund Balance #2

	2017/18	2018/19	2019/20	2020/21
Fund Balance Designations	Actual	Actual	Estimated	Proposed
Total Restricted	832,326	777,161	686,426	669,426
Unrestricted (Committed/Assigned/Unassigned)				
Contingency	4,450,888	4,596,464	4,748,657	4,885,627
Capital Projects	1,750,000	1,425,000	1,525,000	1,625,000
Economic Development	1,000,000	1,000,000	1,000,000	1,000,000
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Total Assigned	7,423,388	7,244,155	7,496,348	7,510,627
Unassigned	301,469	2,337,950	806,427	156,043
Total Unrestricted	7,724,857	9,582,105	8,302,775	7,666,670
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