

FY 15-16 OUR CITY, OUR BUDGET

Community Input Session

April 21, 2015

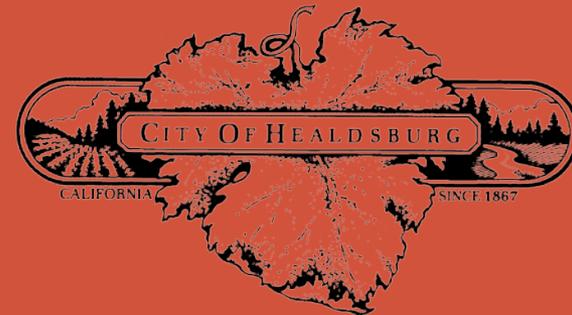


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Budget Process To Date

City Council

City Staff

- ▷ **Measure V Survey Distributed | February**
- ▷ **Requested Budget and Potential Capital Improvement Program are created by Department Heads | March**
- ▷ **Special City Council Meeting | March 9, 2015**
- ▷ **Council Annual Goal Setting Meeting | March 16**
- ▷ **Council Goals Finalized | April 20**
- ▷ **Budget 101 Document Created and Distributed | April 20**
- ▷ **City Manager reviews the Department Head requested budgets, modifications are made, and the Proposed Budget is prepared for Council Consideration | In Process**

Budget Schedule – Next Steps

The City of Healdsburg is a municipal corporation that operates each year with an **average** budget of \$62 Million

Upcoming Meetings

Tonight

Community Input Session
regarding FY 2015/16 Budget

May 27

Budget Study Session

June 8

Budget Study Session
(if necessary)

June 15

Adopt Budget

FY 15/16

City Council Goals

Community Housing

Community Parking

Infrastructure / Capital Improvement

Transparency / Communication

Fiscal Responsibility and Transparency

City Facilities Infrastructure

Enhanced Services for Residents and Businesses

Public Safety

Budget 101 Informational Brochure | FY15 -16

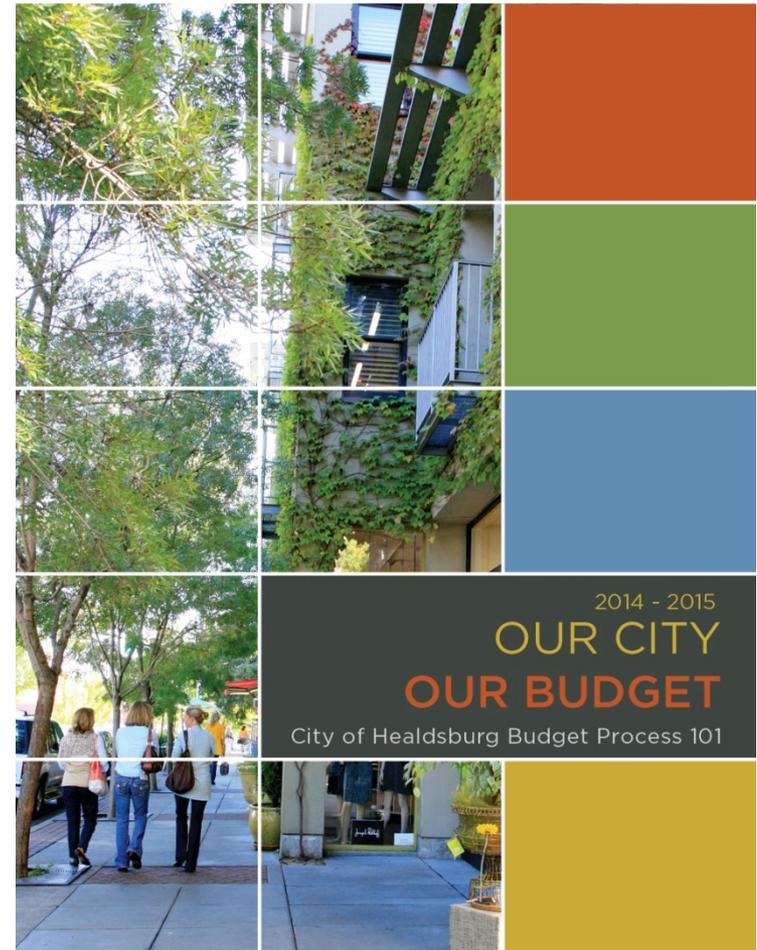
A brief overview of the City's Budget and the process to develop. Includes information on the General Fund, major Enterprise Funds and the Capital Improvement Program.

Excerpt:

How we spend our money as individuals is a direct reflection of what matters to us. This is the same with municipal government and how a city spends its money.

Our City Budget reflects our values and priorities.

Each fiscal year, the Healdsburg City Council and City Staff works to create a city budget that aligns with our goals, priorities and strategic initiatives by balancing revenues and expenditures.



Public Outreach Campaign

Goal: To increase public awareness & knowledge of the budget process

- Launch Social Media and Email Campaign with Budget Process 101 Brochure
- Distribute Budget 101 brochure to targeted locations
- Increase Meeting Attendance
- Submit brochure to Healdsburg Tribune
- Post Budget 101 to website

HOW DO I PARTICIPATE?

Creating a working budget isn't a one-sided conversation.
We want to hear from you because your opinion matters.

CITY OF HEALDSBURG BUDGET PROCESS

City of Healdsburg Fiscal Year runs from July 1 – June 30.



Attend a meeting. Get involved. Your opinion matters.

Where can I find the budget? cityofhealdsburg.org

jhayes@ci.healdsburg.ca.us | 707.431.3184

BUDGET INTRODUCTION

To help develop a better understanding of the City's Budget

FY 14 -15 Budget at a Glance

• Total FY 14 -15 Budget	\$73,792,624
• Operating Budget (all Funds)	\$51,597,624
• Operating Budget (General Fund Only)	\$10,052,784
• Capital Improvement Program (CIP)	\$22,195,000
(CIP expenditures are recorded directly in the associated fund)	
Total FY 14 -15 Revenue	\$72,690,459
General Fund Revenue	\$10,272,143

City Funds

- The City currently has over 50 active funds which are categorized into the following types:
 - General Fund
 - Enterprise Funds
 - Internal Service Funds
 - Special Revenue Funds
 - Trust and Agency Funds
 - Other Governmental Funds
- There are a variety of ways in which City funds may be categorized. Designations above have been chosen to assist in clarifying the purposes, restrictions (if any) and uses of the funds.

City Funds – General Fund

- The General Fund is the most commonly referred to fund in the municipal budget.
- Why?
- The City's main operating fund.
- Largely funded through general tax revenue.
- Fiscal impacts to the General Fund play a large part in the City's ability to pay for core community services such as public safety.

City Funds – Enterprise Funds

- Account for operations that are financed and function like a private business.
- Separate funds (such as Water, Wastewater, Electric) are established for specific purposes and the cost to provide the related service is paid for with revenues (primarily user charges) generated and recorded in the fund.
- Enterprise funds are intended to be fully self-supporting and not subsidized by the General Fund or other funds.
- The City currently has 11 funds which are designated as Enterprise Funds.

City Funds – Special Revenue Funds

- Used to account for revenue that is **legally restricted** for a specifically identified purpose.
- Examples include:
 - Gas Tax Fund – revenue received can only be used for maintenance of streets, street lighting, signals and markings.
 - Landscape and Lighting Assessment District Funds - assessments pay for maintenance of street lighting, sidewalk, and landscape costs as designated when the district is formed.

City Funds – Internal Service Funds

- Used to account for the special services provided to City departments from within the City.
- Services are paid by other funds through service and replacement fees.
- Healdsburg currently maintains four funds designated as internal service funds:
 - **Information Systems** – for City Network, telecommunication and related costs
 - **Building Maintenance** – ongoing maintenance and repairs to City facilities
 - **Vehicle Maintenance** – fleet maintenance, repairs and vehicle purchases
 - **Insurance and Benefits** – tracking and reconciliation of City staff related insurance and benefit costs

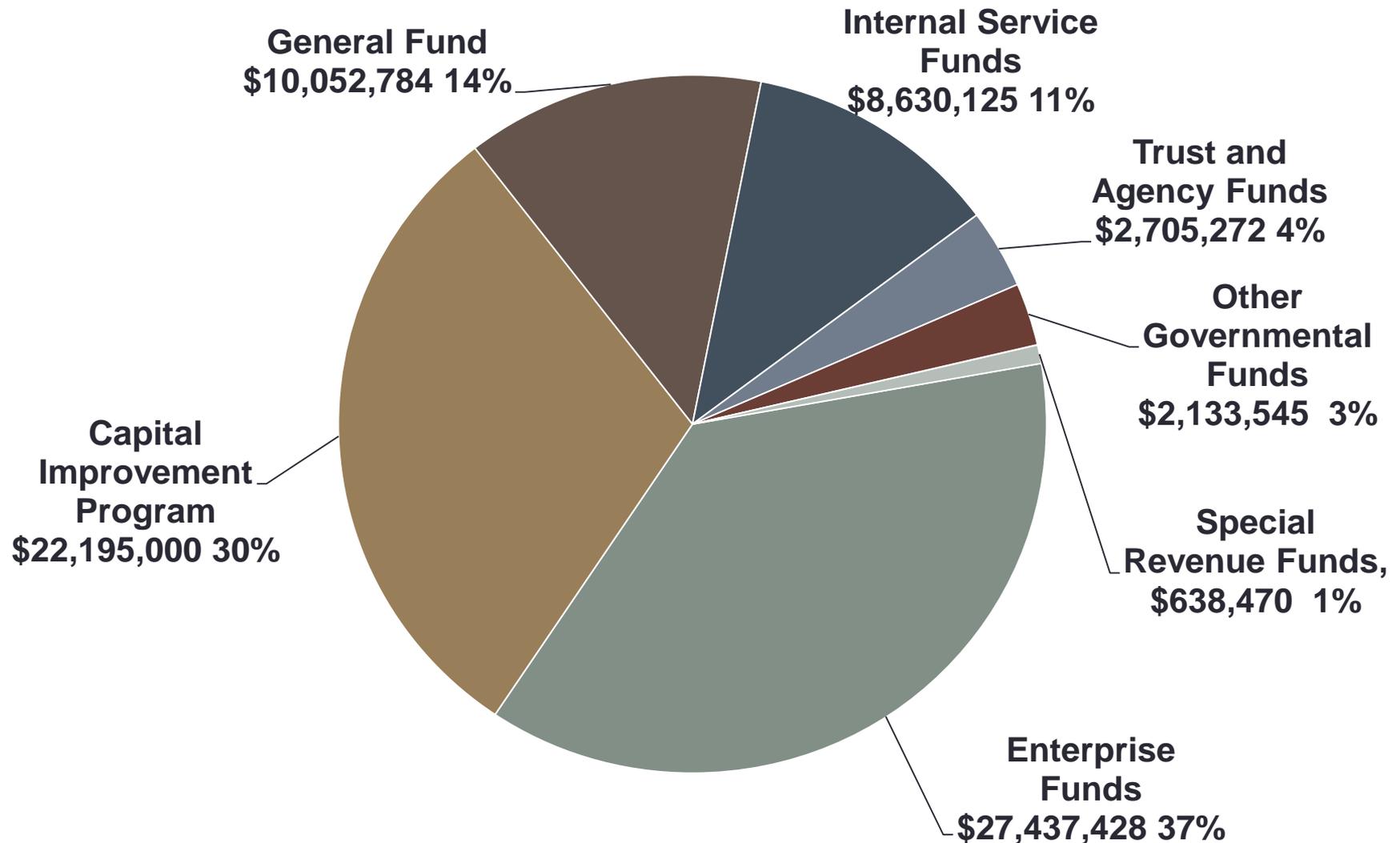
City Funds – Trust or Agency Funds

- Account for assets held by the City in a trustee capacity or as an agent for an organization or other governmental agency.
 - Trust Funds are set up for the benefit of a particular group or beneficiary (i.e. Colonel Norton Trust Fund)
 - Agency Funds are used to account for funds held by a government for individuals, private organizations, and/or other governmental agency. The Redevelopment Successor Agency is the largest fund of this type maintained by the City.
- The City currently has 9 active Trust or Agency Funds

City Funds – Other Governmental Funds

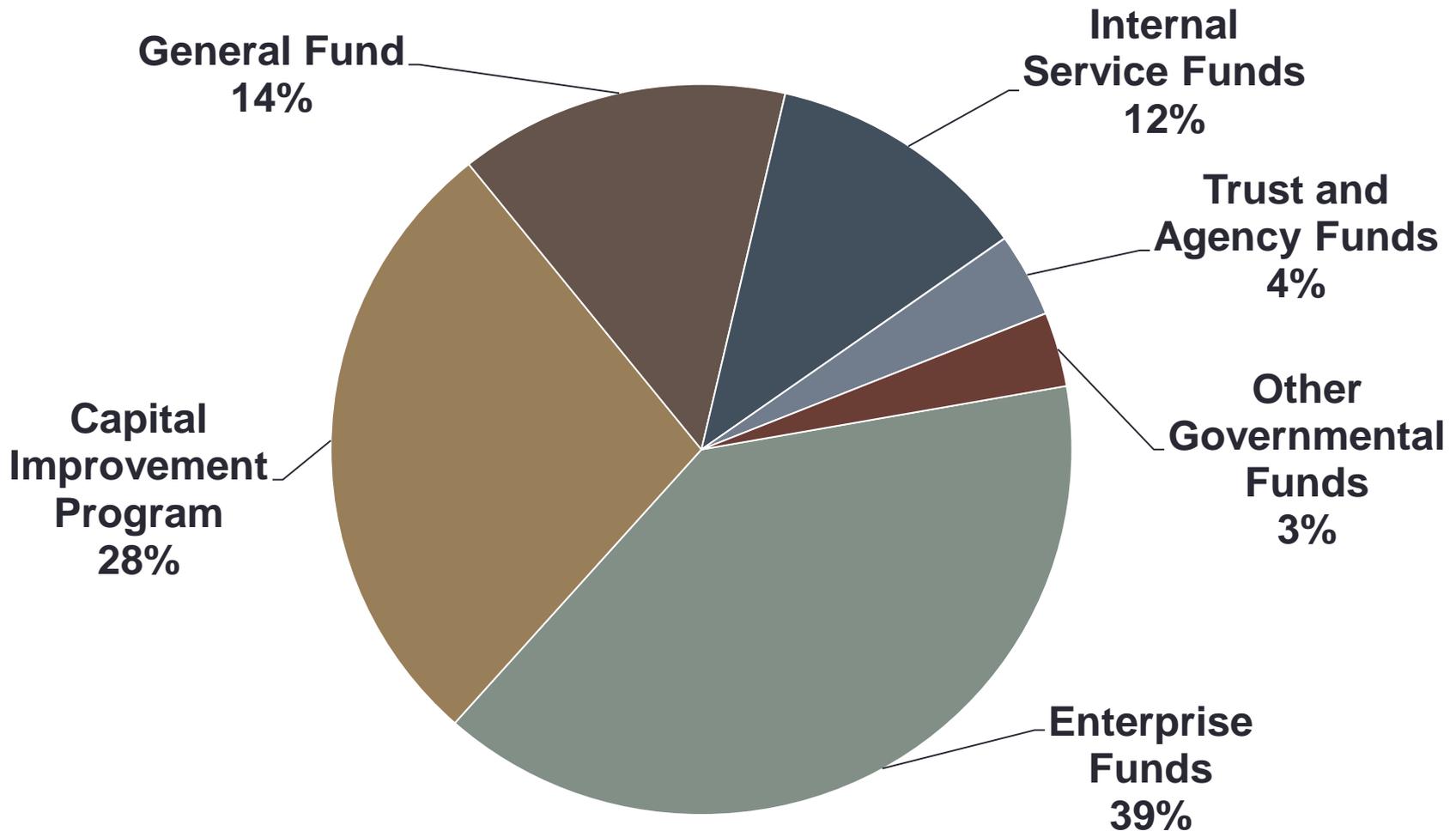
- Other funds that do not fall into the categories listed previously.
- Measure V Fund
- Economic Development Fund
 - Use of the revenues recorded in these funds is not legally restricted, it has been requested by the City Council for transparency and reporting purposes.
- Debt Service fund is used to record annual bond principal and interest payments.

FY 14 -15 Amended Budget Expenditures – Total \$73,792,624

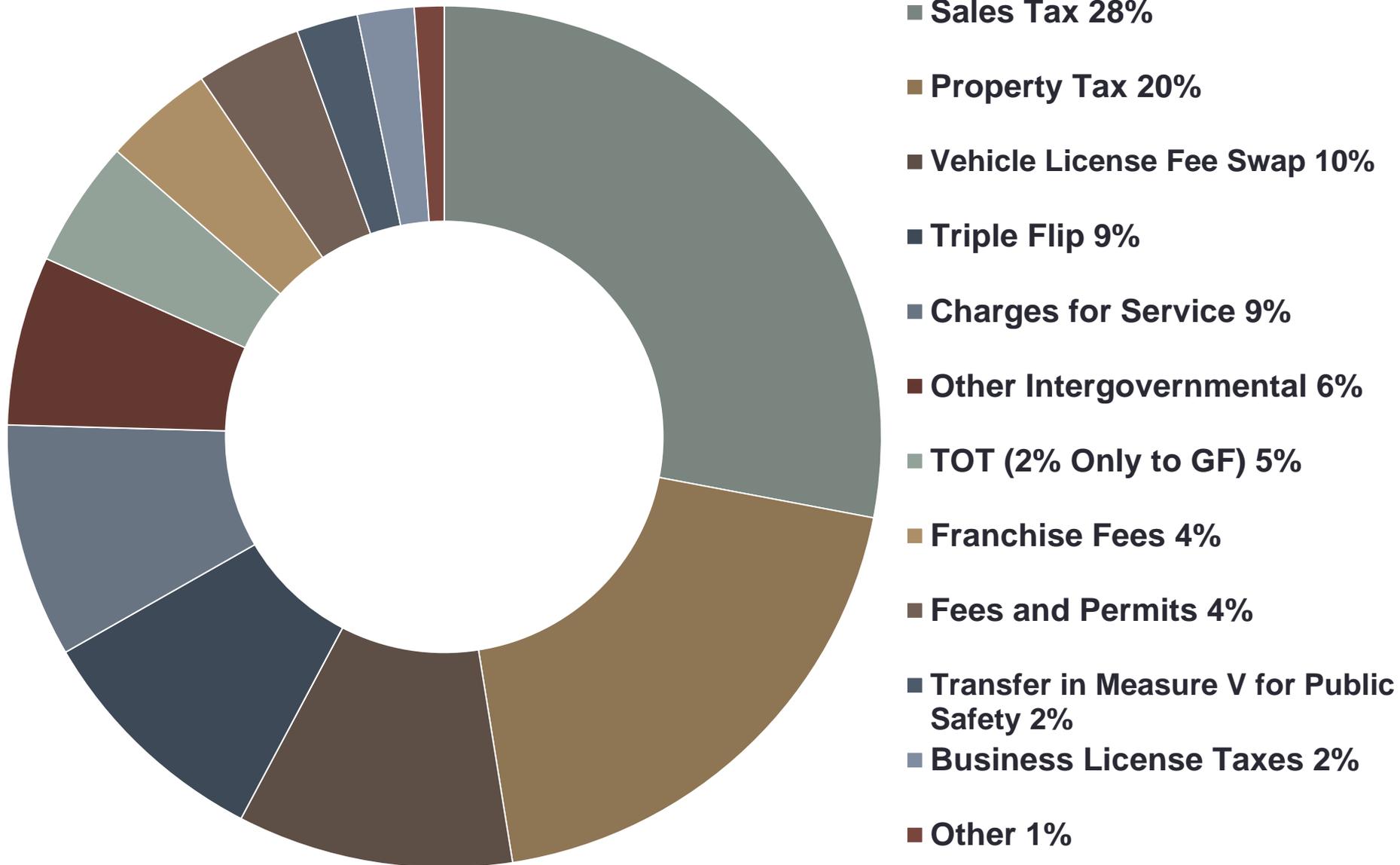


FY 14 -15 Amended Budget

Total Revenue - \$72,690,459



General Fund Revenues by Type



General Fund Revenues

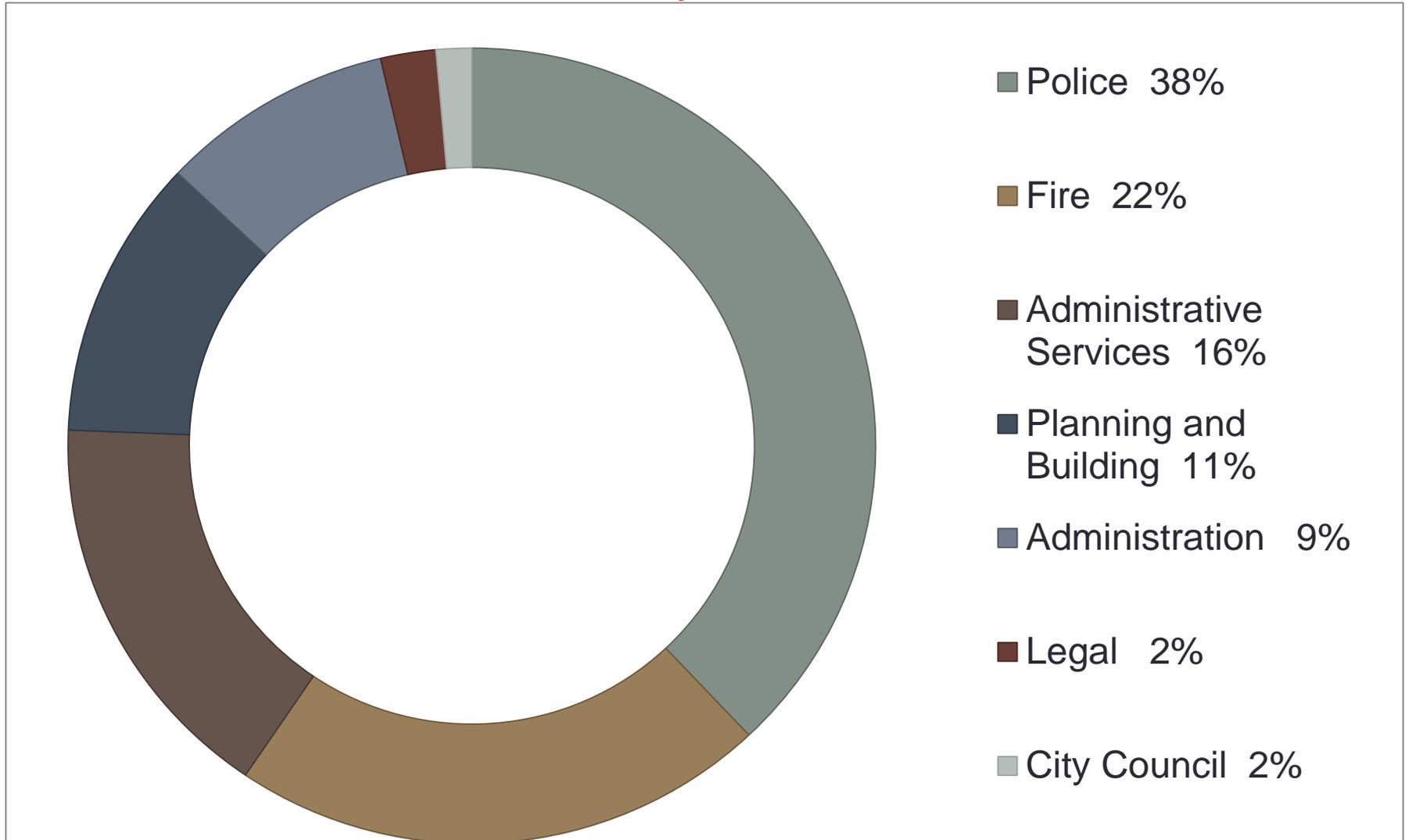
- **Sales Tax** - revenue shown is comprised of the 0.75% of the total 8.75% current tax received by the General Fund and the City share of the Proposition 172 Public Safety distribution. Measure V is not included in this line item and is recorded in a separate fund.
- **Property Tax** – percent shown is the City's Share of tax collected and allocated between the County, Schools, Cities and Special Districts
- **Vehicle License Fee Swap** – in 2004 the State permanently reduced vehicle the vehicle license fee and replaced the lost City funding with additional property tax
- **Triple Flip** – beginning in FY 04-05, the City 1% sales tax rate was reduced to .75% and the .25% reduction was used to pledge to pay debt service on the State's fiscal recovery bonds. The bonds are expected to be paid off in January 2016.
- **Charges for Service** – are made up charges for Public Safety service such as hazardous materials program and fire prevention services
- **Other Intergovernmental** – Transfers in from other funds not related to the Overhead allocation. This amount can vary greatly from year to year.

General Fund Revenues (continued)

- **TOT** – City General Fund share of Transient Occupancy Tax Revenue. Additional 10% collected is designated to the Community Services Fund for parks and recreation services.
- **Franchise Taxes** are paid to the City by service providers such as Comcast, Redwood Empire Disposal, and PG&E for the use of City right of way and facilities.
- **Fees and Permits** revenue is collected for City provided Planning and Building service such as plan review and the issuance of building and encroachment permits.
- **Transfer in Measure V for Public Safety** - Council approved funding to offset Public Safety staffing costs for 1 Dispatcher, 1 Police Officer and 1 Firefighter.
- **Business License Taxes** is collected from business doing business within the City limits.
- **Other Sources** – consists of rent, interest income and miscellaneous revenue. Miscellaneous revenue is usually non-recurring and small dollar amount.

General Fund Expenditures by Type

Administrative Overhead Costs Offset by Transfers in from Other Funds



General Fund Cost Allocation

- City Council and Administration (Legal, Administration, Administrative Services) costs are charged to the City's other funds
- 68% to 74% of the costs for the above have been reimbursed annually to the General Fund through a cost allocation plan.

Methodology created by consultant, MGT of America

Capital Improvement Program (CIP)

- What is the CIP?
 - A 5-year plan which identifies projects that refurbish or improve City infrastructure and equipment. The CIP identifies the project schedule and financing plan for each project.
- How are projects in the CIP funded?
 - Projects included in the CIP are generally large and expensive, often take multiple years to complete, and require special funding sources outside of the City's General Fund. Major funding for CIP comes from a variety of sources and is determined by the type of project. Funding sources may include:
 - Grants
 - Bond Proceeds
 - Rates paid by Utility Customers – use restricted to projects maintaining current infrastructure required to provide service
 - Developer Impact Fees
 - Restricted Funds, such as Gas Tax, for projects that meet the legal requirements
 - Measure V Revenues as authorized by City Council
 - Internal Service Fund Fees and Replacement Charges – for projects and equipment purchases that meet fund criteria

FY 15 -16

CAPITAL IMPROVEMENT PROGRAM (CIP)

Proposed Projects – Measure V Funded

Proposed Capital Project:

2015 Chip Seal Project



- This project chip seals approximately 5.0 miles of existing streets.
- Total Project Amount = \$800,000
- Funding Source: Measure V Fund

Proposed Capital Project:

2015 Paving Project

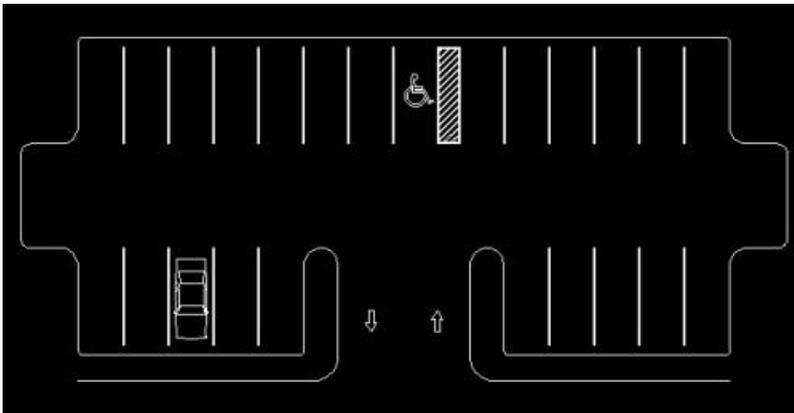
- This project is to overlay and reconstruct approximately 1.5 miles of existing city streets.
- Total Project Amount = \$1,200,000
- Funding Source: Measure V Fund



Proposed Capital Project:

West Plaza Parking Lot Expansion

- Enlarge the parking lot west into the NCRA railway to increase available parking by approximately 24 stalls
- Replace existing lighting.
- Total Project Amount = \$270,000
- Funding Sources:
 - Measure V Fund
 - Electric Fund



Proposed Capital Project:

Facility Improvements Per Facility Condition Assessment



- City Hall
- Community Development Center
- Police Department
- Fire Department
- Corporation Yard
- Senior Center

- Total Project Amount = \$739,865

- Funding Source: Measure V Fund

Proposed Capital Project:

Community Development Center Annex



- Preparation of the conceptual plans and engineer's estimate for the building of the new Community Development Center.
- Total Project Amount = \$60,000 conceptual plan
- Funding Source: Measure V Fund - FY 15-16 request. Balance to be determined

Proposed Capital Project:

Public Safety Replacement Funds

- Continued funding for previously established replacement funds for Police radio and Fire personal protective and other equipment
- Police radio equipment \$10,000
- Fire Personal Protective Equipment and Equipment Replacement \$57,920
- Funding Source: Measure V Fund



Ongoing or Potential Capital Improvement Projects

Street Projects:

5-Way Improvements

Healdsburg Avenue Bridge

Foss Creek Pathway Phase 6

Pedestrian Signal @ Healdsburg High

Street Sign Replacement

Sidewalk Repair - S. Fitch Mountain

Road Repair - N. Fitch Mountain Slide

Water Projects:

Main Replacement - Scenic Drive

Facility Projects:

Community Center HVAC and Roof

Dark Fiber

Wastewater Projects:

Recycled Water Pipeline - Pump Station

Grove Street Sewer Main Replacement

Relocate Force Mains to Aerial Bridge

Recycled Water Pipeline

Bianca Lane Sewer Line Replacement

Manholes - Matheson Street

Lift Station Abandonment - Moore Lane

Stormwater Projects:

NCRA Storm Drain Project

Electric Projects:

Badger Substation 60kV Bus

Advanced Metering for Customer Usage

Presentation

Routine Annual Reconstruction of Electric

System

Airport Projects:

Airport ALP

Recap

February - Measure V input received from Healdsburg Citizens

March 9th - Measure V allocations for FY 15-16 Established by City Council

April 20th - City Council FY 15-16 Goals

April 20th - Budget Outreach information created and distributed

April - Preliminary Budgets and proposed and additional CIP under review

Additional Council direction?

Next Steps

Upcoming Meetings

May 27

Budget Study Session

June 8

Budget Study Session
(if necessary)

June 15

Adopt Budget