



FY 2022 Budget Adoption



Kim Sitton,
Finance Director

June 16, 2021

Agenda

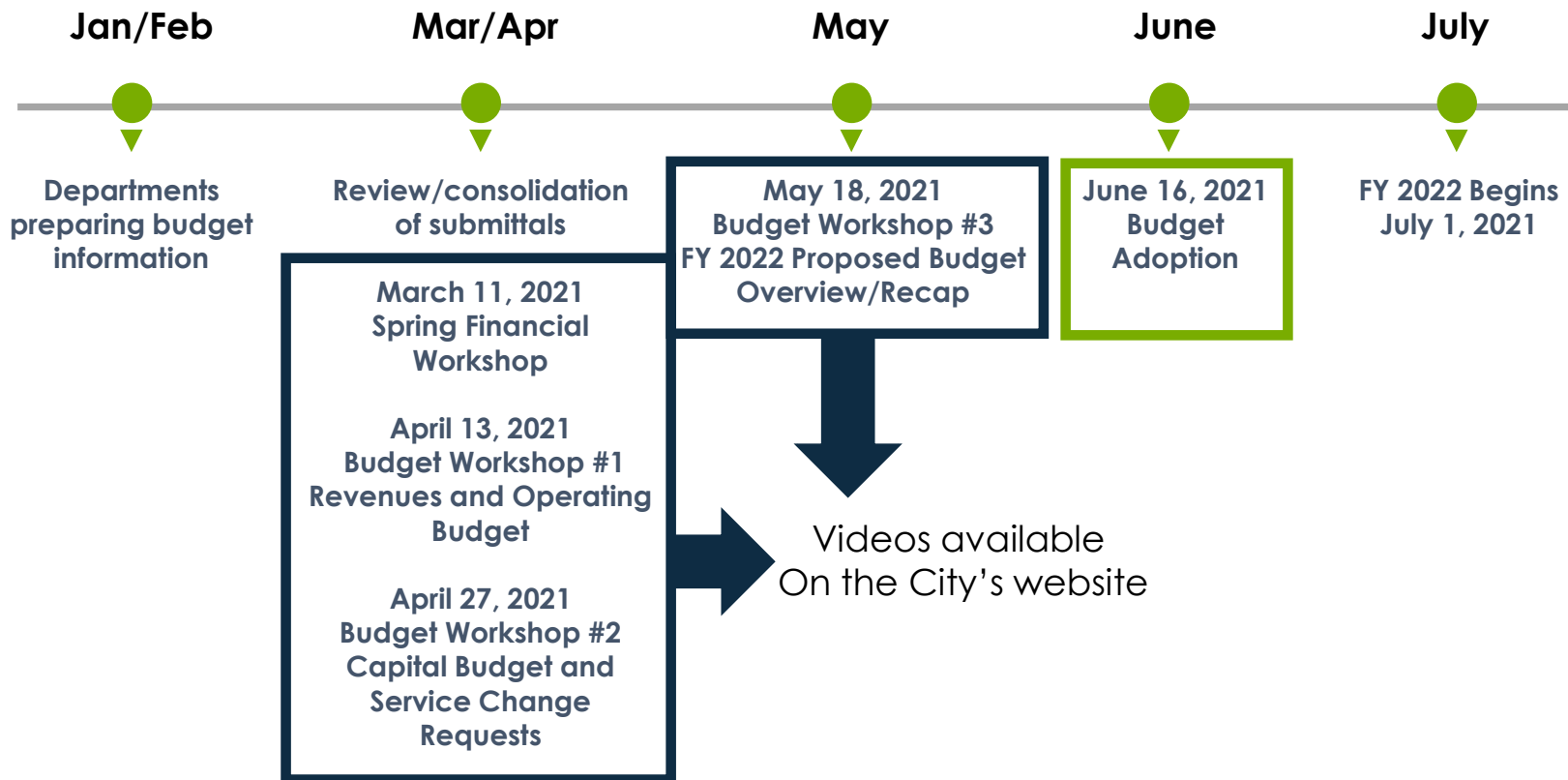
- ◆ FY 2022 Budget Overview
- ◆ General Fund
- ◆ Proprietary Funds – Enterprise Funds





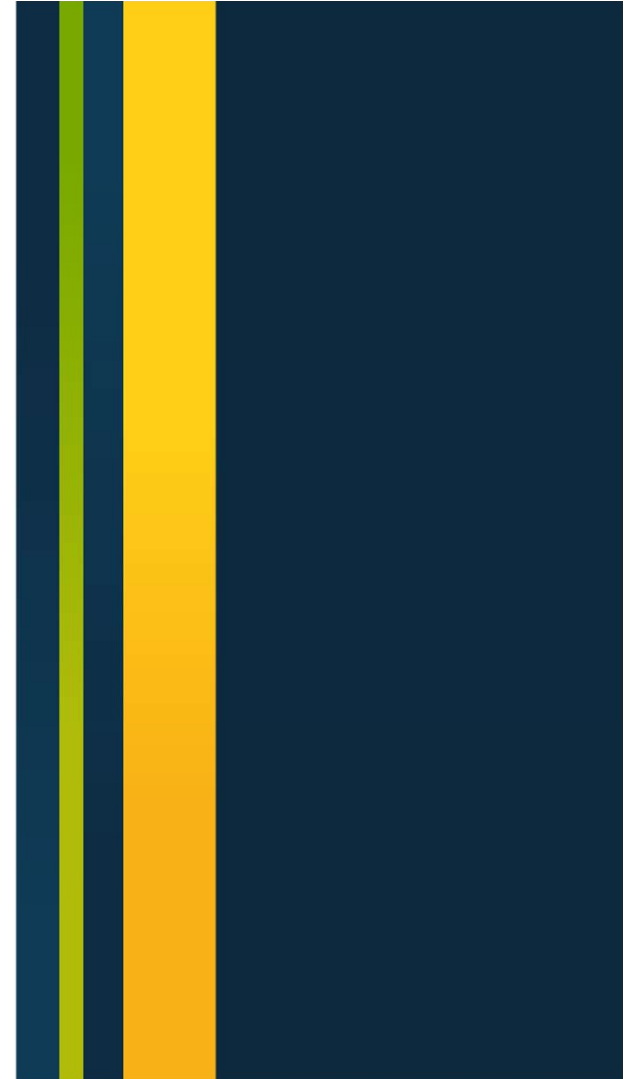
FY 2022 Budget Overview

Budget Process FY 2022



Strategic Goals

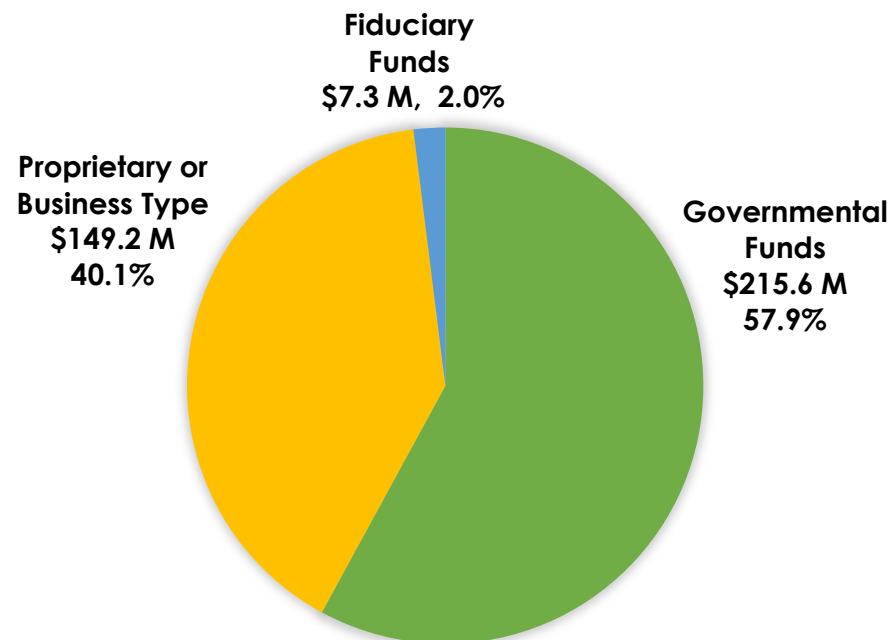
- 1. Financial Stability**
- 2. Strong Economy**
- 3. Sound Infrastructure**
- 4. Safe Community**
- 5. Sense of Place**
- 6. High Performing Government**



Revenue Estimates – All Funds

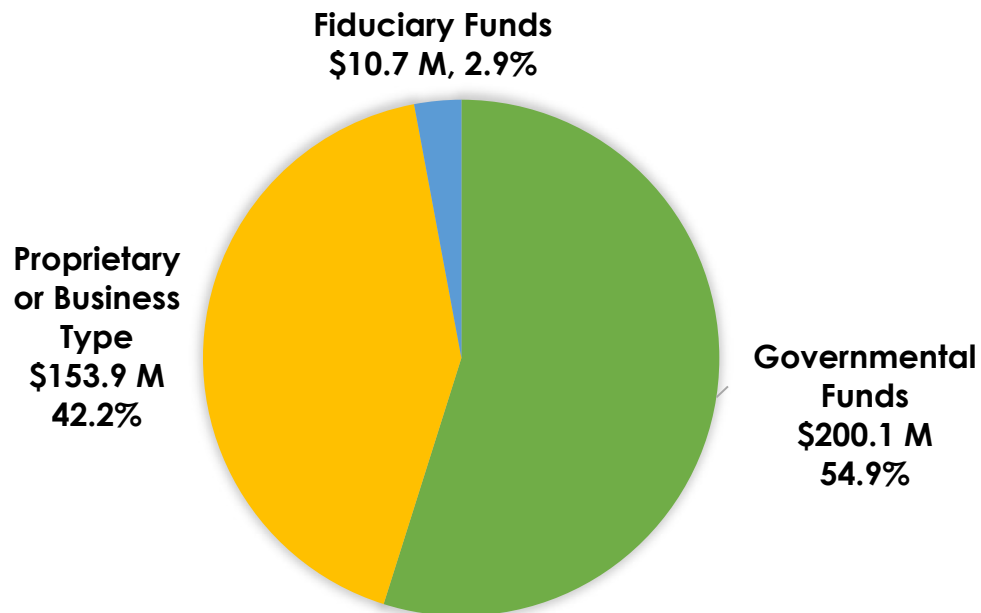
<u>Governmental Funds</u>	
General Fund	\$ 175,256,399
Special Revenue	36,823,715
Capital Projects	3,545,623
Subtotal	215,625,737
<u>Proprietary or Business Type</u>	
Enterprise	127,054,370
Internal Service	22,102,044
Subtotal	149,156,414
<u>Fiduciary Funds</u>	
Agency Funds	7,041,553
Private Purpose Trust	241,148
Subtotal	7,282,701
Total	\$ 372,064,852

**Estimated FY 2022
\$372.1 Million**



Expenditure Budget – All Funds

**Proposed FY 2022
\$364.7 Million**



<u>Governmental Funds</u>	
General Fund	\$ 161,557,160
Special Revenue	35,434,985
Capital Projects	3,070,883
Subtotal	200,063,028
<u>Proprietary or Business Type</u>	
Enterprise	128,828,581
Internal Service	25,074,382
Subtotal	153,902,963
<u>Fiduciary Funds</u>	
Agency Funds	6,770,110
Private Purpose Trust	3,920,722
Subtotal	10,690,832
Total	<u>\$ 364,656,823</u>

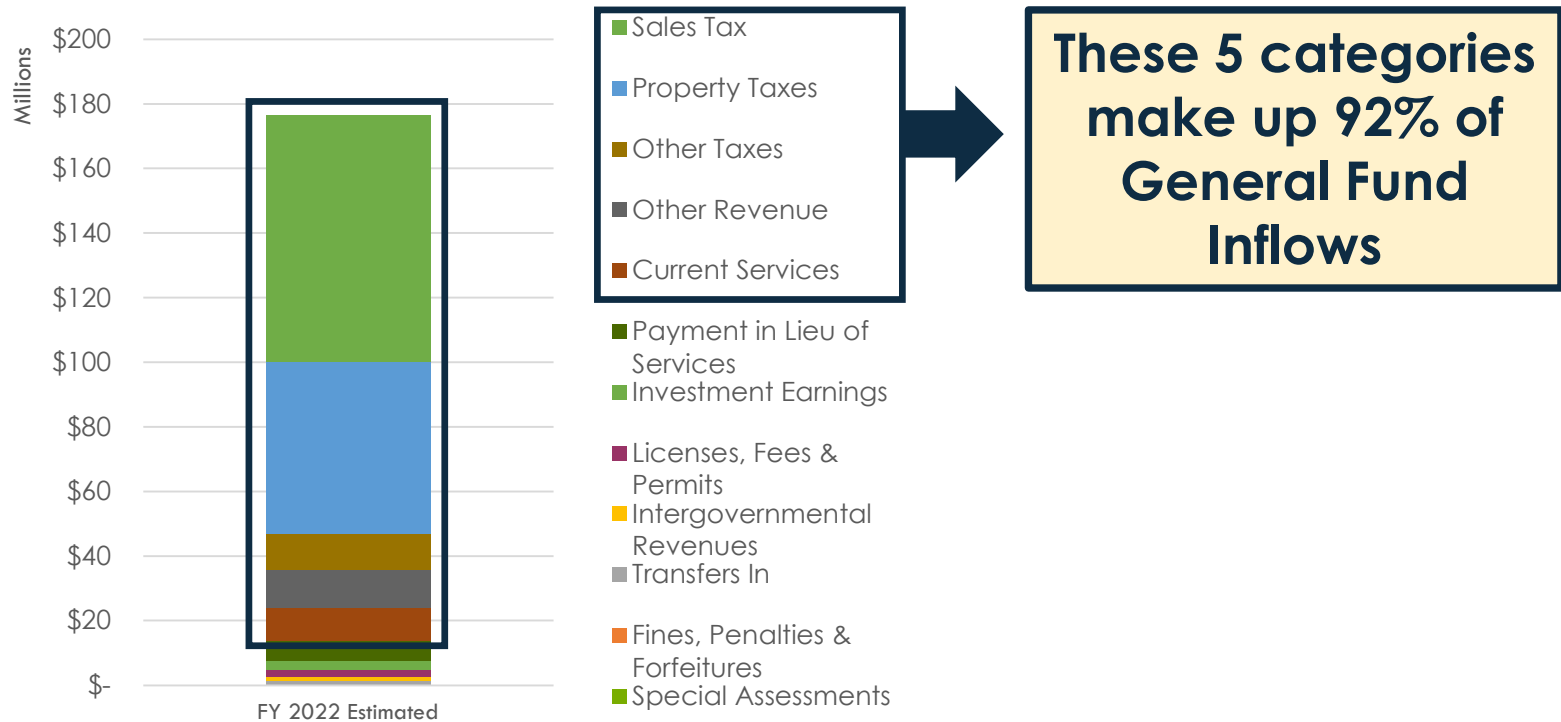
Position Count - Citywide

Departments	FTE Adopted FY 2021	FTE Authorized FY 2021	FTE Proposed FY 2022	Net Changes Adopted FY 2021 to Prop. FY 2022
Elected Officials	6.00	6.00	6.00	-
City Manager's Office	15.34	18.07	22.07	6.73
Community Development	22.89	23.89	35.14	12.25
Community Services	73.40	86.36	103.85	30.45
Department of Water and Power	111.60	111.60	113.58	1.98
Finance	32.41	31.93	32.93	0.52
Fire	116.92	116.80	121.72	4.80
Human Resources	10.48	11.48	14.00	3.52
Information Technology	25.03	25.03	29.99	4.96
Legal & Risk Management	6.34	6.72	6.72	0.38
Maintenance Services	46.15	34.15	35.65	(10.50)
Police	239.70	244.70	264.30	24.60
Public Works	37.75	37.75	43.75	6.00
Totals	744.01	754.48	829.70	85.69
Change		10.47	75.22	

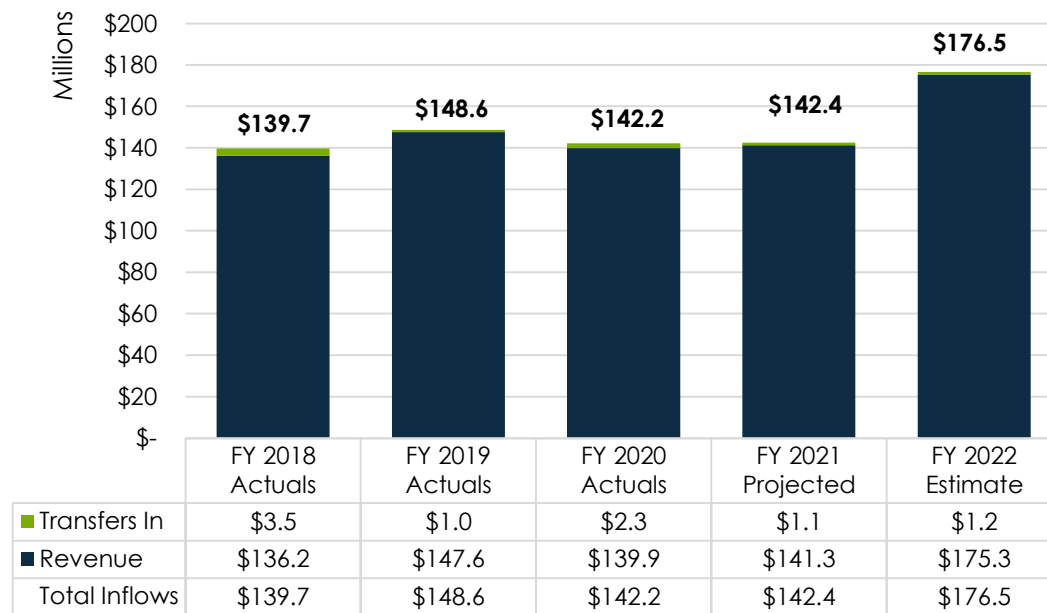


General Fund

General Fund Inflows – FY 2022 Estimated \$176.5 M



General Fund Inflows – FY 2022 Estimated \$176.5 M



- FY 2022 estimate is increase of \$34.0 M, or 23.9%, increase over Projected FY 2021.
- Adjusting for Measure X, increase would be \$4.1 M, or 2.9% over Projected FY 2021.

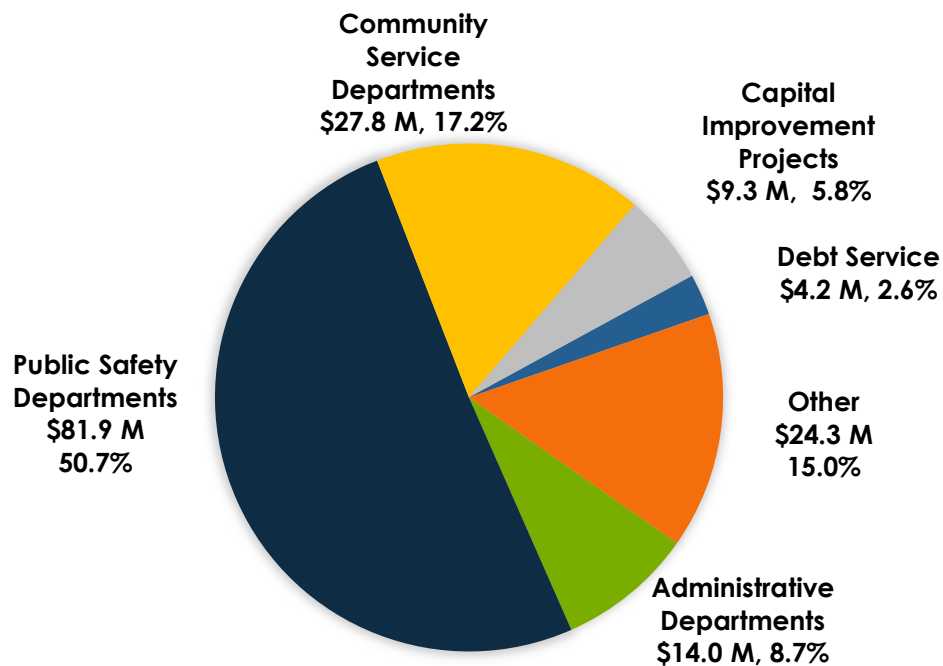
General Fund Inflows

Year Over Year Comparison

Totals Inflows Revenues + Transfers In	(Mid Yr) Projected FY 2021	Estimated FY 2022	Variance	Comments
Property Tax	\$ 49,321,800	\$ 53,697,100	\$ 4,375,300 ↑	Assessed valuation growth of 3%. For line items based on assessed valuation, includes 5% delinquency factor (based on historical averages). Increase in Prior Year Secured and Unsecured.
Sales Tax	42,173,683	75,168,306	32,994,623 ↑	Measure X \$30.0 Million plus estimated growth of 5.3%.
Other Revenue	12,369,187	11,534,124	(835,063) ↓	Decrease of \$401K in one time development related item received FY 2021, decrease of \$243K for rent/lease agreements, and increase of \$123K for special district reimbursements.
Other Taxes	10,550,235	11,097,000	546,765 ↑	Increase of \$502K in Transient Occupancy Tax.
Current Services	9,627,063	10,451,879	824,816 ↑	Increase in recreation revenues with the planned reopening of activities.
Payments in Lieu of Services	5,631,787	6,086,383	454,596 ↑	Increase in reimbursement for services to other funds (Cost Allocation Plan).
Intergovernmental Revenue	5,487,267	1,749,000	(3,738,267) ↓	Decrease of \$2.5M Federal funding (CARES Act) and \$750K in Fire Mutual Aid (increased reimbursement activity in FY 2021).
Investment Earnings	3,106,679	2,477,625	(629,054) ↓	Based on market adjustments and estimated General Fund cash balance.
Licenses, Fees & Permits	2,187,192	1,928,400	(258,792) ↓	Decrease \$155K in Building Permits, decrease \$70K in Electrical Permits, and decrease \$34K in Occupancy Fees.
Fines, Forfeitures & Penalties	435,179	569,250	134,071 ↑	Increase in Business License Penalties. Period of penalty waiver in FY 2021.
Special Assessments	428,494	497,332	68,838 ↑	Based on number of units within special assessment areas
Total Revenues	\$ 141,318,566	\$ 175,256,399	\$33,937,833 ↑	
Transfers In	\$ 1,092,100	\$ 1,200,000	\$ 107,900 ↑	Estimated transfer based on Gas Tax Fund revenues, Section 2107.
Total Inflows	\$ 142,410,666	\$ 176,456,399	\$34,045,733 ↑	

General Fund Expenditure Budget

**Proposed FY 2022
\$161.6 Million**



General Fund	
City Manager's Office	\$ 5,329,872
Elected Officials	157,807
Finance	4,511,176
Human Resources	2,279,763
Legal & Risk Management	1,761,315
Administrative Departments	14,039,933
Fire	30,621,029
Police	51,316,465
Public Safety Departments	81,937,494
Community Development	5,661,300
Community Services	12,214,196
Maintenance Services	5,707,877
Public Works	4,170,880
Community Service Departments	27,754,253
Capital Improvement Projects	9,330,052
Debt Service	4,244,773
General Government	24,250,653
Other	37,825,478
Total Operating Budget	\$ 161,557,158

General Fund Expenditures Budget

Department	Personnel	Contractual	Materials and Supplies	Utilities	Capital Improvements	Grand Total	% of Total
City Manager's Office	\$ 3,120,684	\$ 1,821,135	\$ 372,933	\$ 15,120	\$ -	\$ 5,329,872	
Elected Officials - City Council	105,475	5,000	28,150	3,500	-	142,125	
Elected Officials - City Treasurer	15,682	-	-	-	-	15,682	
Finance	3,898,641	572,300	39,885	350	-	4,511,176	
Human Resources	1,695,627	348,483	234,333	1,320	-	2,279,763	
Legal & Risk Management	1,615,289	126,384	18,242	1,400	-	1,761,315	
Subtotal Administrative Depts.	10,451,398	2,873,302	693,543	21,690	-	14,039,933	8.7%
Fire	27,631,643	356,684	2,568,202	64,500	-	30,621,029	
Police	47,225,984	1,084,244	2,900,547	105,690	-	51,316,465	
Subtotal Public Safety Depts.	74,857,627	1,440,928	5,468,749	170,190	-	81,937,494	50.7%
Community Development	3,925,451	1,463,783	239,780	32,286	-	5,661,300	
Community Services	6,975,733	1,000,292	4,212,204	25,967	-	12,214,196	
Maintenance Services	2,390,049	1,696,525	1,515,681	105,622	-	5,707,877	
Public Works	2,721,284	200,000	1,242,246	7,350	-	4,170,880	
Subtotal Community Service Depts.	16,012,517	4,360,600	7,209,911	171,225	-	27,754,253	17.2%
Capital Improvement Projects	-	-	-	-	9,330,052	9,330,052	
Debt Service	-	1,500	4,243,273	-	-	4,244,773	
General Government	8,937,273	1,297,800	10,545,615	3,469,965	-	24,250,653	
Subtotal Other	8,937,273	1,299,300	14,788,888	3,469,965	9,330,052	37,825,478	23.4%
Grand Total	\$ 110,258,815	\$ 9,974,130	\$ 28,161,091	\$ 3,833,070	\$ 9,330,052	\$ 161,557,158	
% of Total	68.2%	6.2%	17.4%	2.4%	5.8%		

General Fund Capital Budget and Service Adjustments - Highlights



Public Safety

\$6.5 M X

Low Acuity Paramedic Squad - Equipment	\$914 K	✓
Police Staffing - Non-Sworn	\$798 K	✓
Police Staffing - Sworn	\$786 K	✓
Self Contained Breathing Apparatus	\$700 K	✓
Fire Staffing	\$624 K	✓
Cardiac Monitors	\$400 K	✓
Comprehensive Fire Station Assessment	\$400 K	✓
Fire Apparatus Replacement Program	\$331 K	✓



Infrastructure

\$4.0 M X

Alleyway Improvements	\$2.0 M	✓
Citywide ADA Improvements	\$1.0 M	
Building Evaluation and Maintenance Plan	\$150 K	✓
Historic Civic Center - Walkway Lighting	\$60 K	✓
Animal Control Parking Lot Modifications	\$40 K	



Parks & Recreation

\$5.0 M X

Parks Amenities Replacement	\$1.1 M	✓
Demolition of Armory Building	\$1.1 M	✓
Community Services Staffing	\$1.0 M	✓
Fitness Equipment - Border and Fairview	\$250 K	
City Park Asphalt	\$230 K	✓
Park Ranger Program	\$215 K	✓
City Park Master Plan	\$150 K	✓
Graffiti Removal Contract	\$150 K	✓
Parks Master Plan	\$150 K	✓
Tree Pruning Baseline	\$150 K	✓
Community Services Staffing (Non Meas. X)	\$126 K	

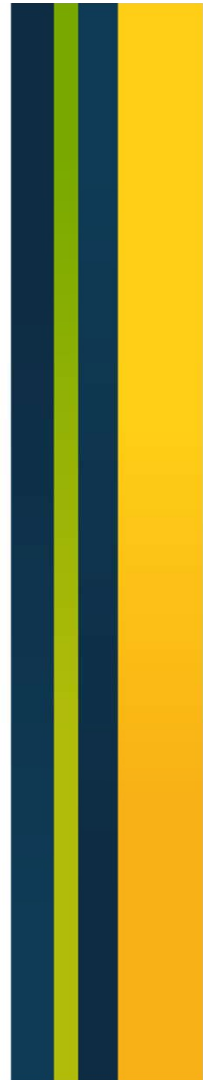


Community Building/Engagement

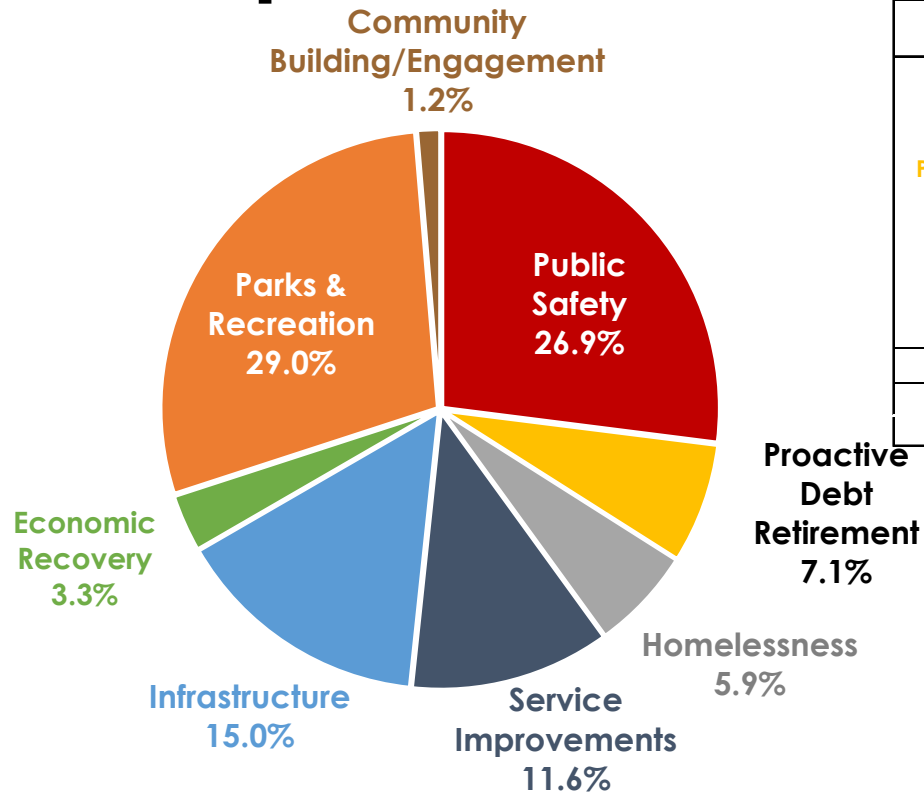
\$592 K X

EOC and Broadcasting Enhancements	\$208 K	
Branding Professional Services	\$100 K	✓
Digital Outreach	\$75 K	✓

X = Measure X Funding



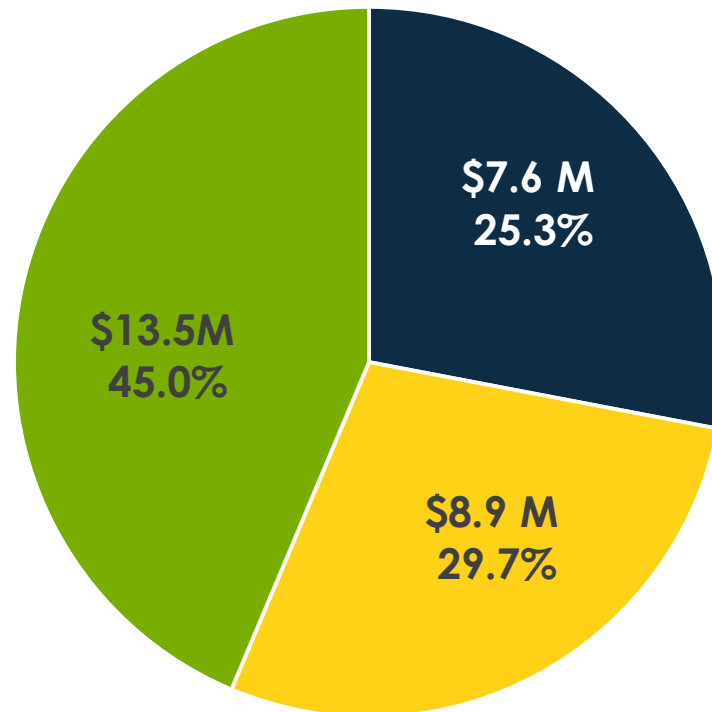
Proposed Measure X Investments



Category	Recurring	One Time	FY 2022 Funding	Reserves
Economic Recovery	\$ 306,148	\$ 10,000	\$ 316,148	\$ 675,000
Public Safety	2,919,196	3,299,228	6,218,424	1,862,343
Service Improvements	570,193	37,270	607,463	2,883,056
Proactive Debt Retirement	126,537	-	126,537	2,000,000
Homelessness	1,761,308	-	1,761,308	-
Infrastructure Investments	339,500	2,353,952	2,693,452	1,797,043
Parks & Recreation	1,408,376	3,020,000	4,428,376	4,256,510
Community Building/Engagement	224,340	150,000	374,340	-
Total	\$ 7,655,598	\$ 8,870,450	\$ 16,526,048	\$ 13,473,952
Totals From Workshop #2	8,372,459	8,483,123	16,855,582	13,144,418
Difference	(716,861)	\$ 387,327	\$ (329,534)	\$ 329,534

Proposed Measure X Investments

- Recurring
- One Time
- Reserves



General Fund Financial Forecast

	Actuals FY 2020	Adopted FY 2021	Projected FY 2021	Proposed FY 2022	Forecast FY 2023	Forecast FY 2024	Forecast FY 2025
Revenues	\$ 139,866,139	\$ 134,944,521	\$ 141,318,566	\$ 175,256,399	\$ 181,508,159	\$ 185,578,339	\$ 189,833,709
Transfers In	2,343,015	1,092,100	1,092,100	1,200,000	1,200,000	1,200,000	1,200,000
Inflows	142,209,154	136,036,621	142,410,666	176,456,399	182,708,159	186,778,339	191,033,709
Salaries and Benefits	(60,815,408)	(62,941,052)	(63,345,715)	(69,774,024)	(73,169,504)	(74,632,895)	(76,125,552)
<i>Excluding Pension and Medical Costs</i>							
Medical Costs	(6,062,281)	(6,759,835)	(6,861,433)	(7,927,387)	(8,165,209)	(8,410,165)	(8,662,470)
Pension Contributions	(21,339,188)	(23,969,508)	(24,451,385)	(25,072,064)	(27,005,145)	(28,986,797)	(30,945,450)
Additional Pension Liability Contributions	(6,000,000)	(4,000,000)	(4,000,000)	-	-	-	-
Retiree Costs / Other Post Employment Benefits	(7,466,653)	(7,382,930)	(7,382,930)	(7,485,340)	(8,570,818)	(8,815,943)	(9,068,421)
Operating Expenditures	(27,198,743)	(33,226,083)	(33,207,222)	(37,723,518)	(38,477,988)	(39,247,548)	(40,032,499)
Debt Service / Principal Payments	(4,246,714)	(4,243,373)	(4,243,373)	(4,244,773)	(4,249,372)	(4,251,572)	(4,246,472)
Capital Improvement Projects	(2,869,870)	(2,909,200)	(7,449,004)	(9,330,052)	(7,500,000)	(7,500,000)	(7,500,000)
Transfers Out	(872,276)	-	-	(301,409)	-	-	-
Estimated Savings at Fiscal Year End			3,000,000				
Outflows	(136,871,133)	(145,431,981)	(147,941,062)	(161,858,567)	(167,138,036)	(171,844,919)	(176,580,864)
Inflows Over Outflows	\$ 5,338,021	\$ (9,395,360)	\$ (5,530,396)	\$ 14,597,832	\$ 15,570,123	\$ 14,933,420	\$ 14,452,845
Pension Obligation Reserve			2,530,492				
Estimated Budget Balancing Measures Reserve			2,999,904				
\$			\$ -				

\$13.1M to be allocated to reserves (see Proposed Measure X Investments)



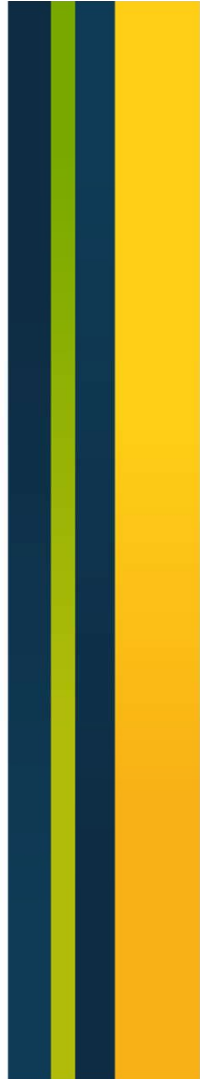
Proprietary Funds

Enterprise Funds

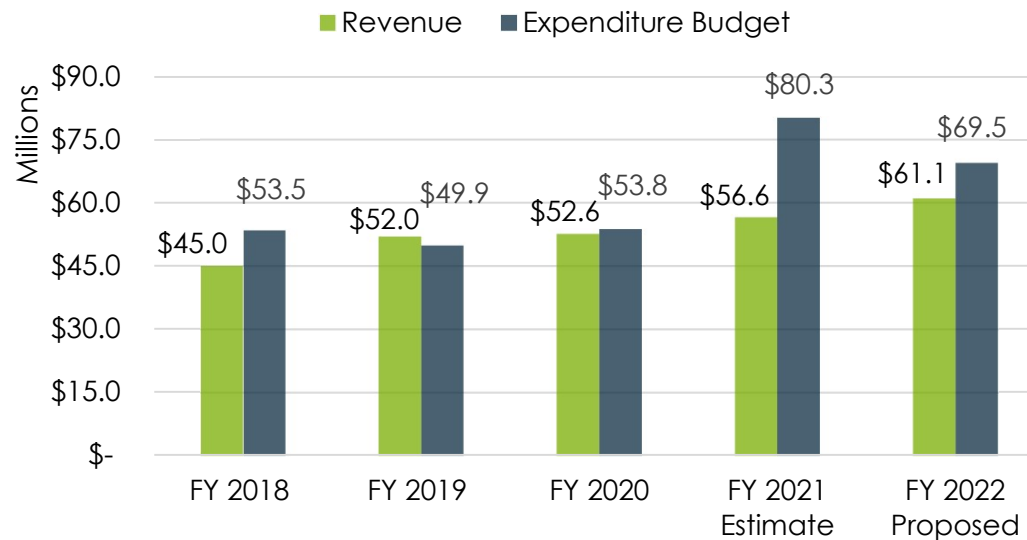
Proprietary Funds – Enterprise Funds

- ◆ Self-supporting activities that are supported by rates and/or fees
- ◆ May also include grants or reimbursements from other government agencies

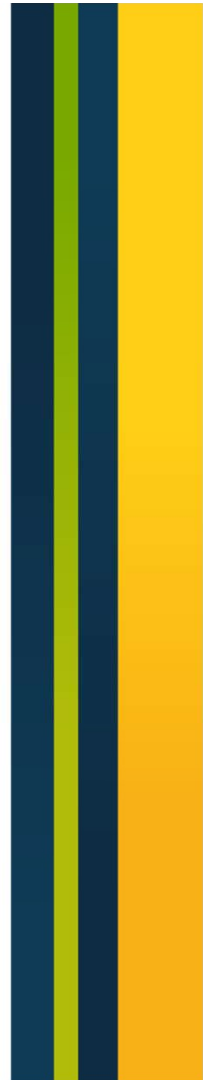
- ◆ Enterprise Funds
 - Water
 - Reclaimed Water
 - Water Reclamation
 - Electric
 - Airport
 - Transit Services



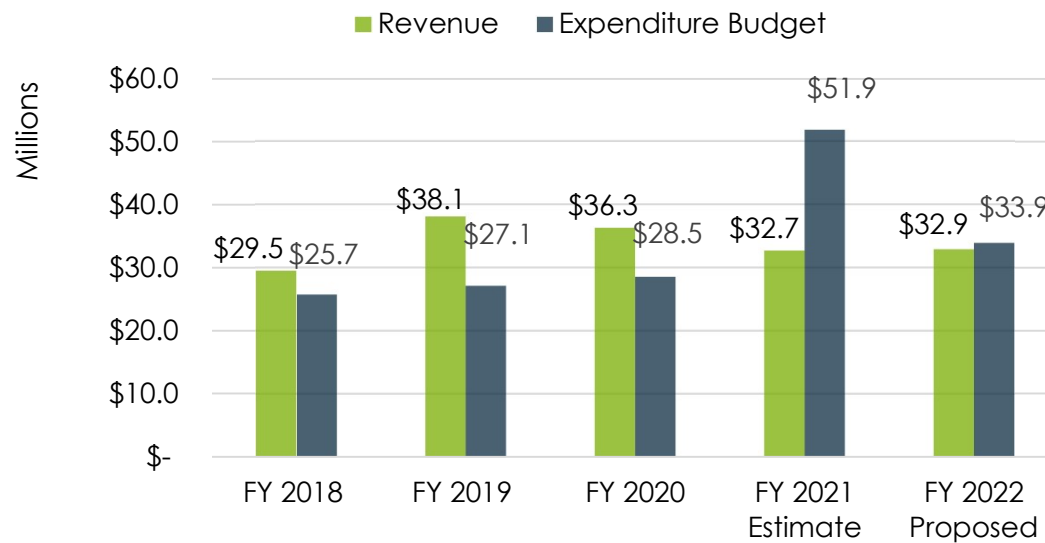
Proprietary Funds – Enterprise Funds Water Utility



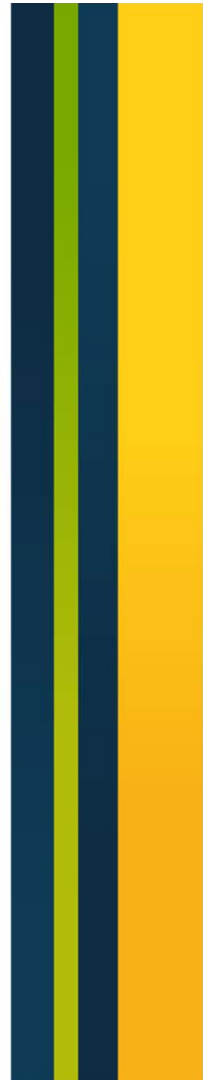
- ◆ 50% of expenditure budget = materials and supplies, 25% = capital outlay, and 14% = personnel services
- ◆ Increase of 9.5%, or \$6.0M, when compared to adopted FY 2021 budget or decrease of \$10.8M, or 13.4% as compared to current FY 2021 budget
- ◆ Compared to FY 2021 adopted budget, increases due to Raw Water Purchases, \$1.3M and \$4.1M in capital projects



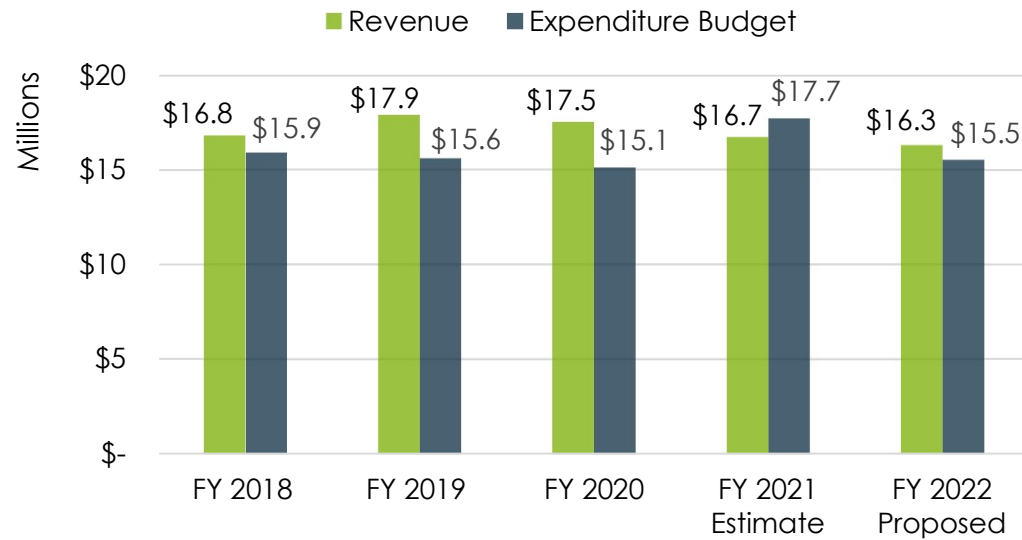
Proprietary Funds – Enterprise Funds Water Reclamation Utility



- ◆ 51% of operating budget = materials and supplies, 19% = capital outlay
- ◆ Decrease of 35%, or \$18M when compared to current FY 2021 budget (\$16.5M capital projects)
- ◆ Increase of \$2.0M, or 6.2% when compared to FY 2021 adopted budget
 - ◆ Increase \$1.1M capital projects, \$1.5M materials and supplies
 - ◆ Decrease \$0.6M utility costs



Proprietary Funds – Enterprise Funds Electric Utility



- ◆ 62% of expenditure budget = utilities, 17% = materials and supplies
- ◆ Decrease of \$2.2M, or 12.6%, when compared to current FY 2021 budget
- ◆ Increase of \$0.3M, or 2.2% when compared to FY 2021 adopted budget
 - ◆ Increase \$433K in materials and supplies and \$111K contractual services
 - ◆ Decrease \$171K in utility costs



What's Next?

- ✓ Council adoption of FY 2022 budget
- ✓ July 1, 2021 – FY 2022 begins

QUESTIONS?



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