



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: April 26, 2016

Time: 7:00 a.m.

For information regarding this Agenda please contact:

Jennifer M. Ferraiolo

City Clerk

Telephone: (209) 333-6702

Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2016/17 Budget (CM)

C. Comments by Public on Non-Agenda Items

D. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Ferraiolo
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer M. Ferraiolo at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer M. Ferraiolo (209) 333-6702.



CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2016/17 Budget
MEETING DATE: April 26, 2016
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive presentation regarding Fiscal Year 2016/17 budget.

BACKGROUND INFORMATION: The Fiscal Year (FY) 2016/17 budget is built on a number of basic economic assumptions.

The draft budget is on schedule to be released for public review in mid-May, with adoption of the document scheduled for early June.

In advance of publication of the document, staff is planning a series of presentations that will provide Council and the public with the basic parameters that form the foundation of the budget.

Today's discussion will focus on general economic parameters and general fund revenues.

FISCAL IMPACT: General Fund revenues are expected to be \$46,916,020, an increase of \$207,760 over the prior year.

Jordan Ayers
Deputy City Manager

JA/ja

APPROVED: _____
Stephen Schwabauer, City Manager



Fiscal Year 2016/17 Budget Presentation

City Council Shirtsleeve
Session

April 26, 2016

[Overview]

- General Economic Conditions
- General Fund Revenue
- Fund Balance

[Housing]

- Property values holding
 - No change from 2015
 - Highest values since 2007
- Foreclosures lower than surrounding areas
 - 0.03% in Lodi; 0.10% in San Joaquin County; 0.08% in California; 0.08% nationally

Source: RealtyTrac

[Development]

- Impact fee program assumes 50 units per year for next 5 years
- Residential
 - Rose Gate under construction (232 units)
 - Reynolds Ranch (227 units)
 - Van Ruiten (200 units)
 - Vintner Square (57 units)

[Development]

- Commercial
 - Reynolds Ranch
 - New junior majors
 - Dick's Sporting Goods (under construction);
PetSmart; Boot Barn; Ross; Home Goods
 - La Quinta
 - Opening in 2017

[Development]

- Commercial (cont.)
 - Lodi Shopping Center
 - WalMart opening late June/early July
 - Other pads
 - Ulta Cosmetics, Buffalo Wild Wings; Jamba Juice; Panda Express; Blaze Pizza; McDonalds, KFC
 - WalMart reuse---Hobby Lobby, Party Store, Petco

[Employment]

- Unemployment down over prior year
 - 8.3% for Lodi
 - 5.4% for State
 - 8.8% for San Joaquin County

(March 2016, Employment Development Department)

[Labor Relations]

- All bargaining groups under contract through 12/31/2017
- Budget includes impact of agreements
 - Planned drawdown of General Fund reserves in excess of reserve target in 2016/17 and 2017/18
- Minimum wage increase effective 1/1/17

[PERS Projections]

	2016/17	2017/18*	2018/19*	2019/20*	2020/21*	2021/22*
Miscellaneous	21.797%	23.7%	25.6%	27.4%	27.7%	28.3%
Safety	44.754%	47.7%	50.7%	53.7%	54.5%	55.2%
Estimated Cost	\$9.2M	\$10.2M	\$11.2M	\$12.3M	\$12.8M	\$13.4M
*Projected rates from PERS actuarial report						

[General Fund Revenue]

FY 2016/17 \$46,916,020

FY 2015/16 \$46,708,260

Increase \$207,760

Top Ten General Fund Revenue Sources

Description	FY 2016/17	FY 2015/16	Difference
51031 Sales & Use Tax	\$11,526,070	\$11,774,880	(\$248,810)
51011 Property Taxes	\$9,496,810	\$9,200,030	\$296,780
51081 In-lieu Franchise	\$7,131,330	\$7,082,070	\$49,260
56003 In-lieu - VLF	\$4,896,230	\$4,746,120	\$150,110
50001 Operating Transfers In	\$4,000,000	\$4,000,000	\$0
54361 Rent	\$1,525,000	\$1,508,210	\$16,790
53207 Late Pmt-Utilities	\$1,165,000	\$1,200,000	(\$35,000)
51036 Business License Tax	\$1,150,000	\$1,100,000	\$50,000
51051 Waste Removal Franchise	\$1,040,000	\$1,025,000	\$15,000
51034 Transient Occupancy Tax	\$650,000	\$600,000	\$50,000

[Sales Tax]

- Budgeted year over year decrease of \$248,810
 - 2.1% decrease from prior year budget
 - 3.5% increase over prior year estimated receipts
 - Net increase of \$518,190 over prior year base
 - Prior year included \$767,000 one-time triple flip close-out payment

[Property Tax]

- Year over year increase of \$296,780
 - 3.2% increase over FY 2015/16 budget
 - 3.8% increase over FY 2015/16 estimated receipts

[In-Lieu Franchise (PILOT)]

- Year over year increase of \$49,260
- 2007 Council adopted formula based upon increase in accounts
- 0.70% increase (179 accounts)

[In-Lieu - VLF]

- Year over year increase of \$150,110
 - 3.2% increase over FY 2015/16 budget
 - 3.5% increase over FY 2015/16 estimated receipts

[Operating Transfers]

- Same as prior year

[Fund Balance]

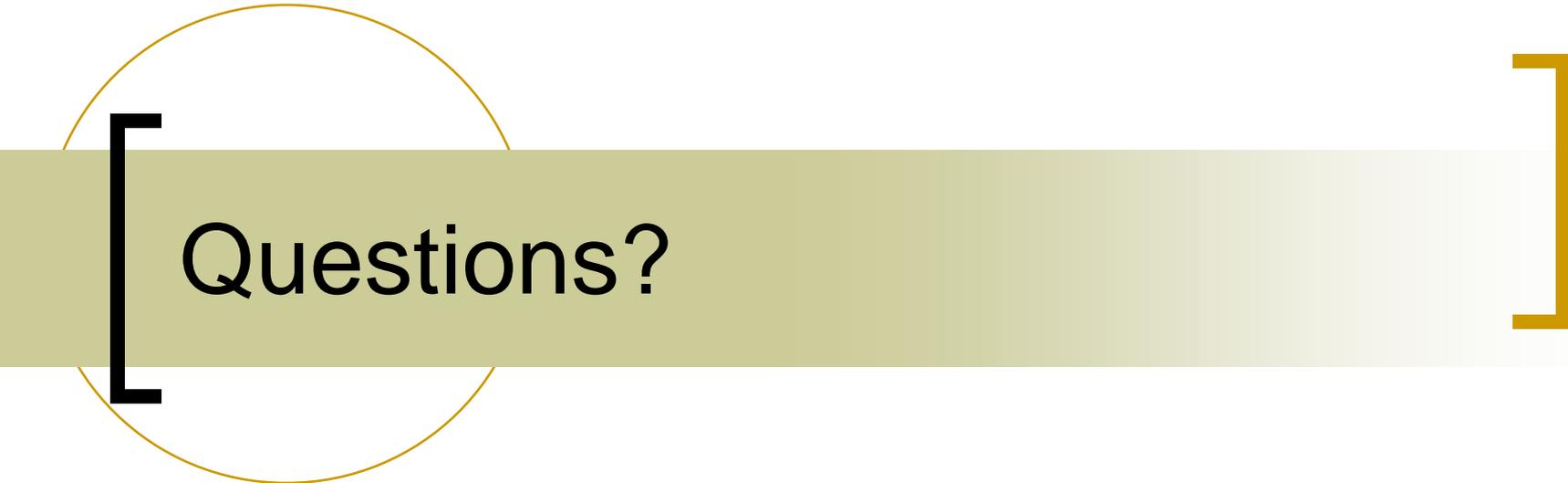
- Reserve Policy places 8% of revenues into Catastrophic Reserve
- Next 8% of revenues into Economic Reserve
- Available through Council action

[Reserve Status]

Estimated Fund Balance, June 30, 2016	\$10,359,298
Net Revenues/(Expenditures)	<u>(1,564,090)</u>
Estimated Fund Balance, June 30, 2016	<u><u>\$8,795,208</u></u>

Allocation of Estimated Fund Balance June 30, 2017

Catastrophic Reserve	\$3,753,282
Economic Reserve	<u>3,753,282</u>
Total Target Reserves	7,506,564
Settled Labor Agreements (through 12/31/17)	943,350
DIVCA	<u>345,294</u>
Total Fund Balance	<u><u>\$8,795,208</u></u>



Questions?