



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: May 5, 2015

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 2015/16 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

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CITY OF LODI COUNCIL COMMUNICATION

TM

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2015/16 Budget
MEETING DATE: May 5, 2015
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive presentation regarding Fiscal Year 2015/16 budget.

BACKGROUND INFORMATION: The Fiscal Year (FY) 2015/16 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.

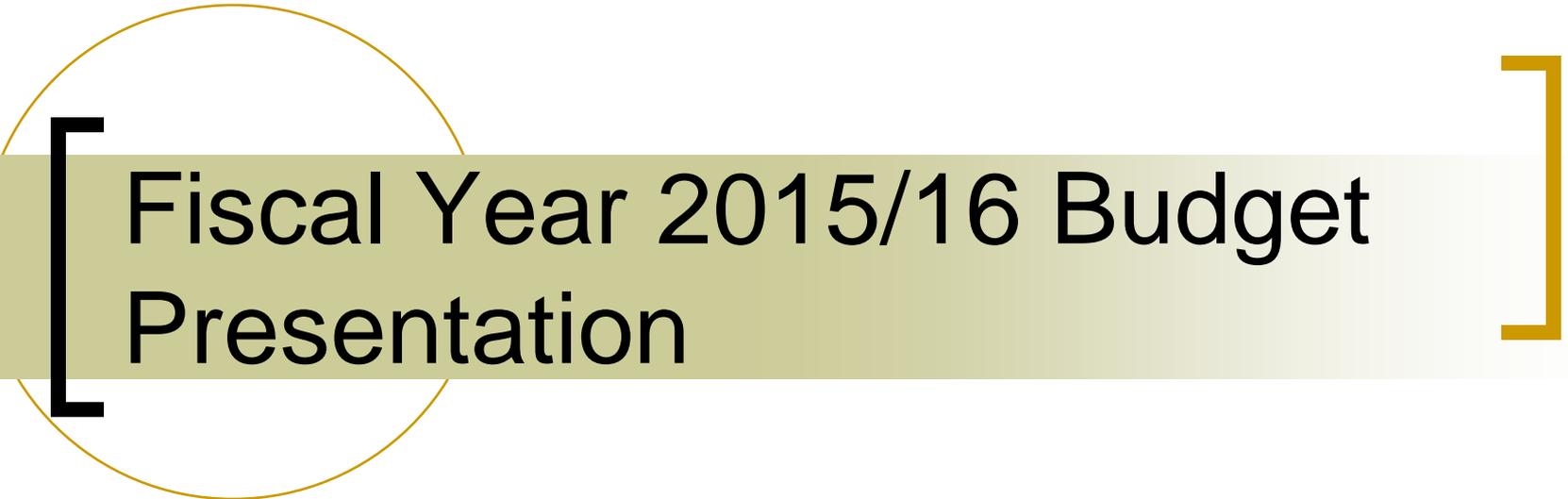
Today's discussion will focus on general economic parameters and general fund revenues.

FISCAL IMPACT: General Fund revenues are expected to be \$46,708,260, an increase of \$3,117,200 over the prior year.

Jordan Ayers
Deputy City Manager

JA/ja

APPROVED: _____
Stephen Schwabauer, City Manager



Fiscal Year 2015/16 Budget Presentation

City Council Shirtsleeve
Session

May 5, 2015

[Overview]

- General Economic Conditions
- General Fund Revenue
- Fund Balance

[Housing]

- Property values increasing
 - Highest values since 2007
- Foreclosures lower than surrounding areas
 - 0.04% in Lodi; 0.06% in San Joaquin County; 0.09% in California; 0.09% nationally

[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)

[Development]

- Commercial

- Reynolds Ranch

- New junior majors

- Dick's Sporting Goods; PetSmart; Boot Barn; Ross; Home Goods

- Wal Mart

- Permit ready for 3 months

[Employment]

- Unemployment down over prior year
 - 9.0% for Lodi
 - 6.5% for State
 - 9.5% for San Joaquin County

(March 2015, Employment Development Department)

[Labor Relations]

- 5 bargaining group agreements open
- Negotiations on-going
- Budget built assuming no changes to existing agreements
 - Any changes will be incorporated into the mid-year budget update

[PERS Projections]

	2015/16	2016/17*	2017/18*	2018/19*	2019/20*	2020/21*
Miscellaneous	19.994%	21.6%	22.9%	24.3%	25.7%	25.5%
Safety	40.870%	44.4%	46.8%	49.1%	51.5%	51.8%
Estimated Cost	\$8.4M	\$9.4M	\$10.1M	\$10.9M	\$11.6M	\$11.8M
*Projected rates from PERS including mortality adjustments						

[General Fund Revenue]

FY 2015/16	\$46,708,260
FY 2014/15	\$43,591,060
Increase	<u>\$3,117,200</u>

Top Ten General Fund Revenue Sources

Description	FY 2015/16	FY 2014/15	Difference
51031 Sales & Use Tax	\$11,774,880	\$10,190,000	\$1,584,880
51011 Property Taxes	\$9,200,030	\$8,502,480	\$697,550
51081 In-lieu Franchise	\$7,082,070	\$7,033,360	\$48,710
56003 In-lieu - VLF	\$4,747,120	\$4,410,350	\$336,770
50001 Operating Transfers In	\$4,000,000	\$4,000,000	\$0
54361 Rent	\$1,508,210	\$1,531,500	(\$23,290)
53207 Late Pmt-Utilities	\$1,200,000	\$1,200,000	\$0
51036 Business License Tax	\$1,100,000	\$1,180,000	(\$80,000)
51051 Waste Removal Franchise	\$1,025,000	\$1,027,920	(\$2,920)
51034 Transient Occupancy Tax	\$600,000	\$550,000	\$50,000

[Sales Tax]

- Budgeted year over year increase of \$1,584,880
 - 15.6% increase over prior year budget
 - 9.6% increase over prior year estimated receipts
 - Includes \$767,000 one-time triple flip close-out payment

[Property Tax]

- Year over year increase of \$697,550
 - 7.9% increase over FY 2014/15 budget
 - 5.0% increase over FY 2014/15 estimated receipts

[In-Lieu Franchise (PILOT)]

- Year over year increase of \$48,710
- 2007 Council adopted formula based upon increase in accounts
- 0.69% increase (177 accounts)

[In-Lieu - VLF]

- Year over year increase of \$336,770
 - 7.6% increase over FY 2014/15 budget
 - 4.7% increase over FY 2014/15 estimated receipts

[Operating Transfers]

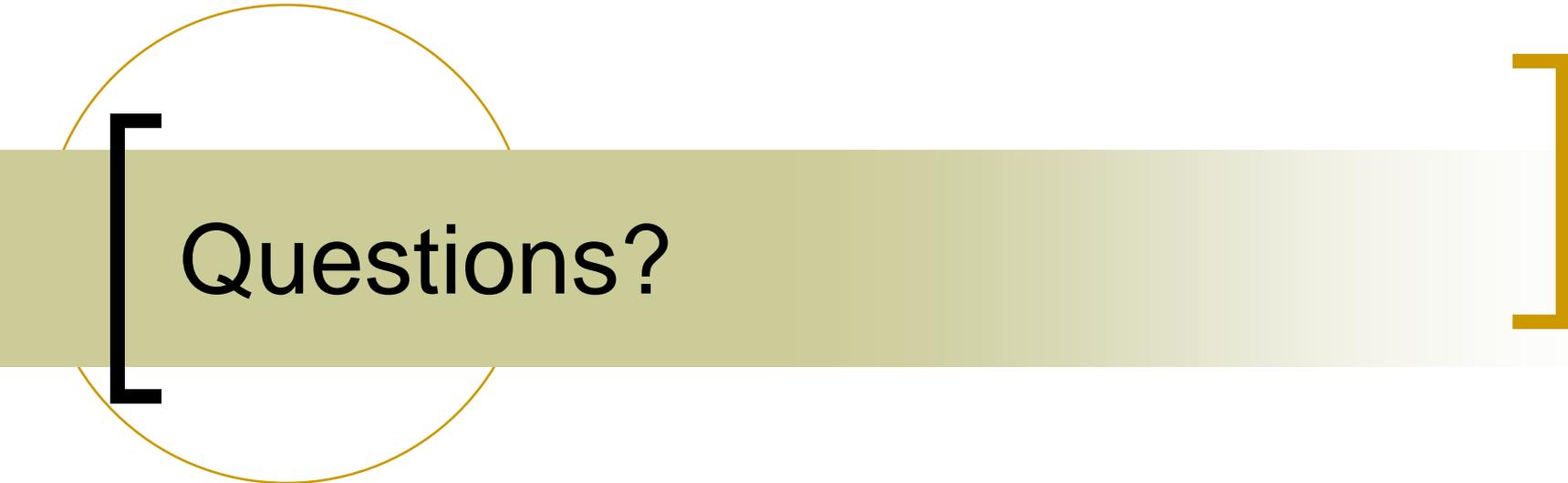
- Same as prior year

[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, 2015	\$10,692,396
Net Revenues/(Expenditures)	(154,280)
Estimated Fund Balance, June 30, 2016	<u>\$10,538,116</u>
Allocation of Estimated Fund Balance June 30, 2016	
Catastrophic Reserve	\$3,736,661
Economic Reserve	3,736,661
Total Target Reserves	<u>7,473,322</u>
Settled Labor Agreements (through 12/31/17)	1,365,440
Available (includes approx. \$300,000 for DIVCA)	<u>1,699,354</u>
Total Fund Balance	<u>\$10,538,116</u>



Questions?