



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: May 6, 2014

Time: 7:00 a.m.

For information regarding this Agenda please contact:

Randi Johl-Olson

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 2014/15 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.

Randi Johl-Olson
City Clerk

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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2014/15 Budget
MEETING DATE: May 6, 2014
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive presentation regarding Fiscal Year 2014/15 budget.

BACKGROUND INFORMATION: The Fiscal Year (FY) 2014/15 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.

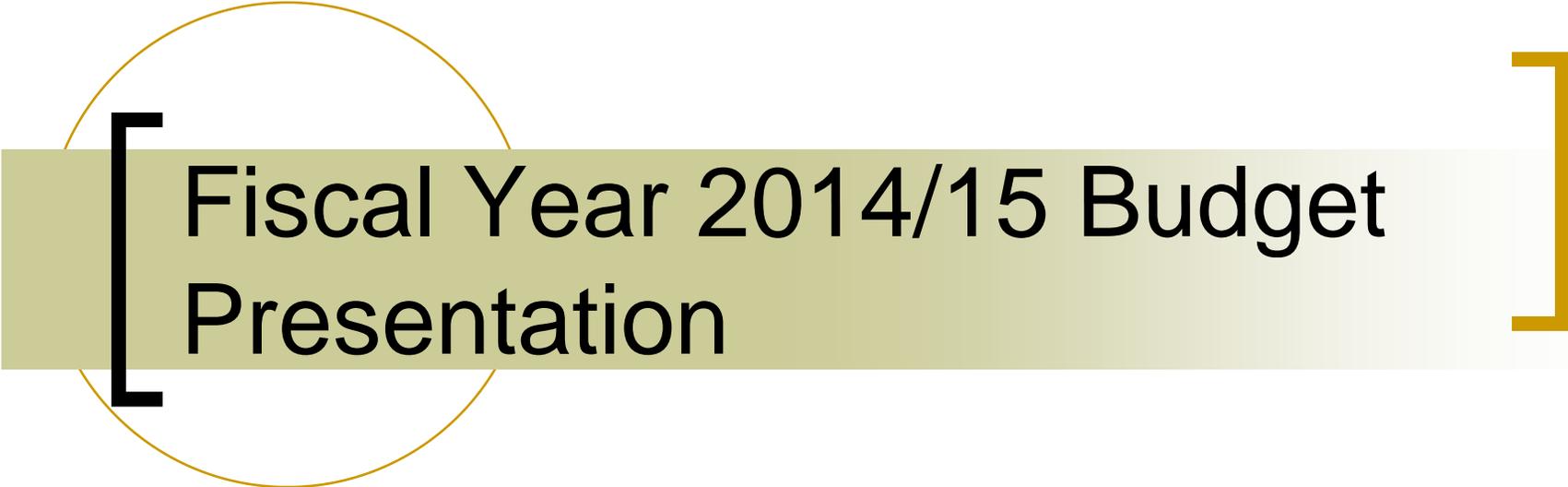
Today's discussion will focus on general economic parameters and general fund revenues.

FISCAL IMPACT: General Fund revenues are expected to be \$43,591,060, an increase of \$1,392,240 over the prior year.

Jordan Ayers
Deputy City Manager

JA/ja

APPROVED: _____
Stephen Schwabauer, Interim City Manager



Fiscal Year 2014/15 Budget Presentation

City Council Shirtsleeve
Session

May 6, 2014

[Overview]

- General Economic Conditions
- General Fund Revenue
- Fund Balance

[Housing]

- Property values increasing
 - Highest values since 2007
- Foreclosures lower than surrounding areas
 - 0.10% in Lodi; 0.13% in San Joaquin County; 0.11% in California; 0.09% nationally

[Housing]

- Development

- Impact fee program assumes 50 per year for next 5 years

- City Revenue

- Zero property tax
- Impact fees
- \$800 (indexed annually) from Community Facilities District

[Employment]

- Unemployment continues to track the State rather than San Joaquin County
 - 9.9% for Lodi
 - 8.1% for State
 - 13.1% for San Joaquin County

(March 2014, Employment Development Department)

[Labor Relations]

- All bargaining group agreements expire in the budget year
 - IBEW not yet finalized
- Negotiations beginning after July 1
- Budget built assuming no changes to existing agreements
 - Any changes will be incorporated into the mid-year budget update

[PERS Projections]

	2014/15	2015/16*	2016/17*	2017/18*	2018/19*	2019/20*
Miscellaneous	18.002%	19.6%	21.2%	22.8%	24.4%	26.1%
Safety	38.490%	40.4%	42.3%	44.3%	46.2%	48.1%
Estimated Cost	\$7.6M	\$8.3M	\$9.1M	\$9.9M	\$10.8M	\$11.7M

*Projected rates from PERS

Does not account for mortality increases beginning in 2016/17

[General Fund Revenue]

FY 2014/15 \$43,591,060

FY 2013/14 \$42,198,820

Increase \$1,392,240

Top Ten General Fund Revenue Sources

Description	FY 2014/15	FY 2013/14	Difference
5031 Sales & Use Tax	\$10,190,000	\$9,657,000	\$533,000
5011 Property Taxes	\$8,502,480	\$8,156,500	\$345,980
5081 In-lieu Franchise	\$7,033,360	\$6,976,670	\$56,690
5499 In-lieu - VLF	\$4,410,350	\$4,226,000	\$184,350
4210 Operating Transfers In	\$4,000,000	\$4,000,000	\$0
5361 Rent	\$1,531,500	\$1,412,330	\$119,170
5207 Late Pmt-Utilities	\$1,200,000	\$900,000	\$300,000
5036 Business License Tax	\$1,180,000	\$1,122,000	\$58,000
5051 Waste Removal Franchise	\$1,027,920	\$980,000	\$47,920
5034 Transient Occupancy Tax	\$550,000	\$510,000	\$40,000

[Sales Tax]

- Budgeted year over year increase of \$533,000
 - 5.5% increase over prior year budget
 - 3.0% increase over prior year estimated receipts

[Property Tax]

- Year over year increase of \$345,980
 - 4.24% increase over FY 2013/14 budget
 - 3.0% increase over FY 2013/14 estimated receipts

[In-Lieu Franchise (PILOT)]

- Year over year increase of \$ 56,690
- 2007 Council adopted formula based upon increase in accounts
- 0.81% increase (206 accounts)

[In-Lieu - VLF]

- Year over year increase of \$184,350
 - 4.4% increase over FY 2013/14 budget
 - 3.0% increase over FY 2013/14 estimated receipts

[Operating Transfers]

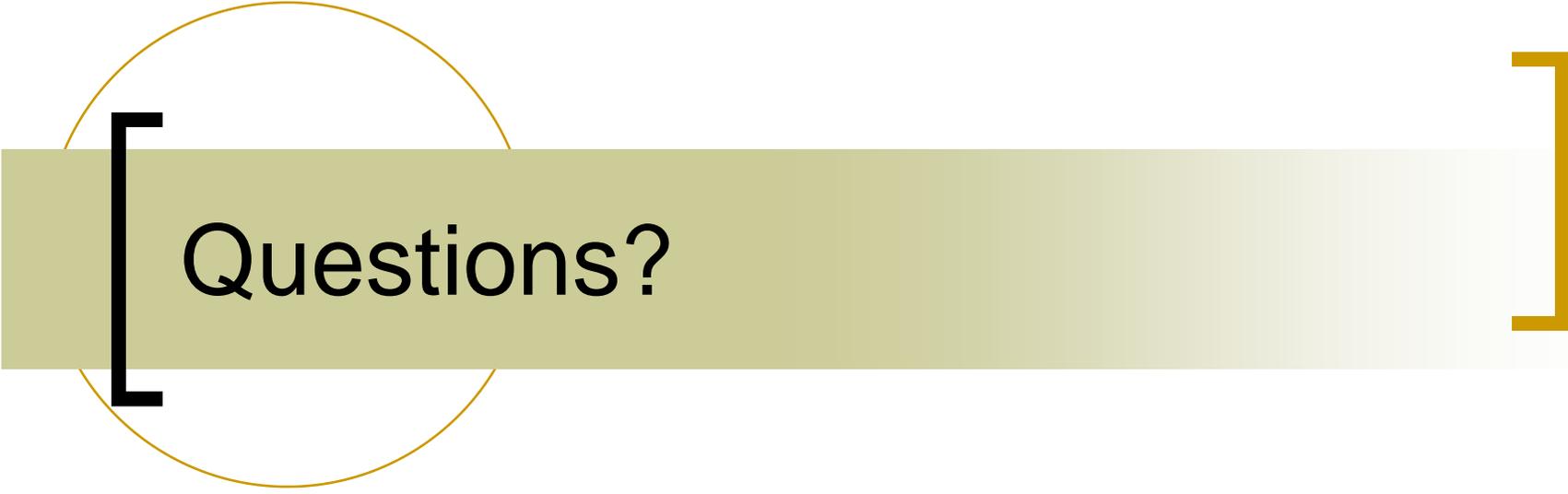
- Same as prior year
- Phasing in results of consultant study regarding cost of services

[Fund Balance]

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

[Reserve Status]

Estimated Fund Balance, June 30, 2014	\$7,520,074
Net Revenues/Expenditures	<u>0</u>
Estimated Fund Balance, June 30, 2015	<u><u>\$7,520,074</u></u>
Allocation of Estimated Fund Balance June 30, 2015	
Catastrophic Reserve	\$3,487,285
Economic Reserve	\$3,487,285
Available (includes approx. \$300,000 for DIVCA)	<u>545,504</u>
Total Fund Balance	<u><u>\$7,520,074</u></u>



Questions?