



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: May 31, 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

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CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2016/17 Budget

MEETING DATE: May 31, 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.

Staff released the draft Fiscal Year 2016/17 budget in mid-May. The draft document shows total revenue for the City of \$203,577,710 and total expenses/expenditures of \$193,050,540. The General Fund reflects revenues of \$46,916,020 and expenditures totaling \$48,480,110. Expenditures exceed current year revenue by \$1,564,090 as Council has pre-funded labor agreements with reserves over their target policy levels as part of a planned reduction related to a partial restoration of prior employee concessions.

Staff has conducted a series of presentations that provided Council and the public with the basic parameters that form the foundation of the budget. The Shirtsleeve Session on April 26, 2016 focused on general economic issues the City is addressing in the budget process along with general fund revenue projections. The Shirtsleeve Session on May 10, 2016 discussed the Electric, Water and Wastewater Utilities. The Shirtsleeve Session on May 24, 2016 addressed the Library Fund, the Transit Fund, the Streets Fund, the Fleet Fund, the Community Development Fund and the Parks, Recreation and Cultural Services Fund.

Today's discussion will focus on the expenditure side of the General Fund.

FISCAL IMPACT: Staff is presenting a General Fund budget with revenues of \$46,916,020 and expenditures of \$48,480,110, drawing down reserves by \$1,564,090 as part of a planned reduction related to a partial restoration of prior employee concessions.

Jordan Ayers
Deputy City Manager

JA/ja

APPROVED: _____
Stephen Schwabauer, City Manager

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Fiscal Year 2016/17 Budget Presentation

City Council Shirtsleeve Session
May 31, 2016

[Overview]

- General Fund Departments
 - Police
 - Fire
 - Public Works
 - Administration
 - Internal Services
 - Non-Departmental

General Fund

Statement of Estimated Changes in Fund Balance

For the Fiscal Year Ended June 30, 2017

With Audited Actuals for FY 2013-14 and FY 2014-15 and Comparative Budget FY 2015-16

General Fund	Audited	Audited	2015-16 Budget	Estimated	
	2013-14 Actuals	2014-15 Actuals		2015-16 Actuals	2016-17 Budget
Fund Balance					
Beginning Fund Balance Unreserved	7,559,467	8,950,876	10,692,396	11,842,218	10,359,298
Revenues	43,428,188	46,181,151	46,708,260	46,307,530	46,916,020
Expenditures	<u>42,036,779</u>	<u>43,289,809</u>	<u>47,790,450</u>	<u>47,790,450</u>	<u>48,480,110</u>
Net Difference (Revenues Less Expenditures)	1,391,409	2,891,342	(1,082,190)	(1,482,920)	(1,564,090)
Fund Balance					
Ending Fund Balance Unreserved *	<u>8,950,876</u>	<u>11,842,218</u>	<u>9,610,206</u>	<u>10,359,298</u>	<u>8,795,208</u>

*Composed of Catastrophic & Economic reserve (\$3,753,282 each); DIVCA reserve (\$345,294); designated for settled labor agreements (\$943,350)

Departmental Funding

Department	2015/16 Allocation	2015/16 Ratio*	2016/17 Recommended Funding	2016/17 Ratio*	Change 2015/16 to 2016/17
City Clerk	\$566,500	1.24%	\$686,170	1.43%	\$119,670
City Manager	\$496,490	1.08%	\$477,810	1.00%	(\$18,680)
City Attorney	\$519,620	1.14%	\$530,830	1.11%	\$11,210
Internal Services	\$3,728,930	8.15%	\$3,826,830	7.98%	\$97,900
Non-Departmental	\$7,793,870	17.03%	\$8,251,330	17.20%	\$457,460
Economic Development	\$510,330	1.11%	\$589,910	1.23%	\$79,580
Police	\$18,791,160	41.05%	\$19,872,500	41.43%	\$1,081,340
Fire	\$11,189,550	24.45%	\$11,552,550	24.09%	\$363,000
Public Works	\$2,174,650	4.75%	\$2,177,750	4.54%	\$3,100
Capital Projects	\$2,019,350		\$514,430		(\$1,504,920)
Total	\$47,790,450	100.00%	\$48,480,110	100.00%	\$689,660

*Excluding Capital Projects

[Police]

- \$1,081,340 increase from FY 2015/16
- Salary & benefit increase (\$620,470)
- Service & supplies increase (\$396,590)
- Vehicle replacement increase (\$64,280)

[Police]

- 71 sworn positions funded
- Position recommended
 - Add Police Records Clerk (\$90,622)
 - Offset by reducing part time hours

[Fire]

- \$363,000 increase over FY 2015/16
- 52 sworn positions
 - No position changes
- Salary & benefit increase (\$384,690)
- Service & supply increase (\$32,620)
- Vehicle/equipment replacement decrease (\$54,310)

[Public Works]

- \$3,100 increase over FY 2015/16
- Salary & benefits increase (\$207,540)
 - Position Recommended
 - Public Works Inspector (\$88,000)
- Service & supply decrease (\$204,440)

Administration

- Includes City Clerk, City Attorney, City Manager and Economic Development
- \$191,780 increase over FY 2015/16
 - Election costs increase (\$114,000)
 - Debt Service increase (\$83,200)
- Includes support for Community Events (\$89,200) and Economic Development agencies (\$218,370)

Economic Development

Organization/Event	Amount
Lodi Conference & Visitor's Bureau	\$133,500
San Joaquin Partnership	\$30,290
Lodi District Chamber of Commerce	\$2,080
Fireworks	\$16,000
Arts Grants	\$36,500
TOTAL	\$218,370
Fourth of July	\$21,000
Concerts	\$1,000
Grape Festival	\$50,000
Celebration on Central	\$1,000
Sand Hill Crane Festival	\$1,200
Fireworks Task Force	\$15,000
TOTAL	\$89,200

[Internal Services]

- \$97,900 increase from FY 2015/16
- No position changes
- Salary & benefit increase (\$77,350)
- Service and supply increase (\$20,550)

[Non-Departmental]

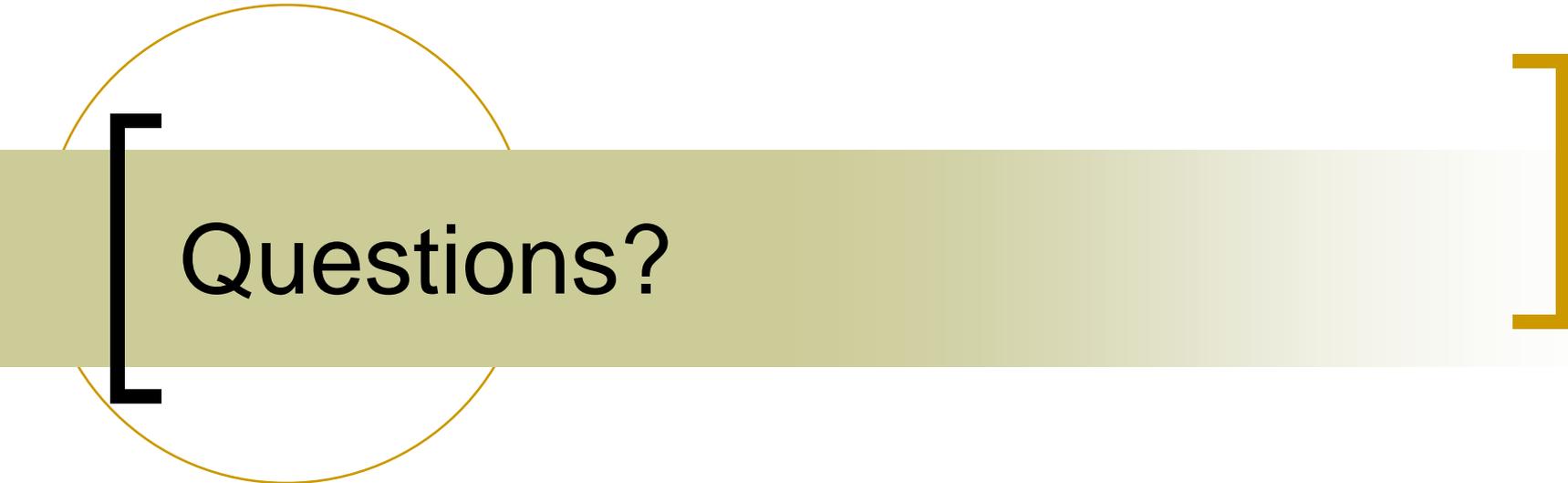
- \$1,047,360 decrease over FY 2015/16
- Total appropriation \$8,765,760
- No permanent staff
- Consists of:
 - City paid utilities/postage (\$1,569,650)
 - Consulting/Audit/Property Tax Fees (\$369,850)
 - DIVCA expenses (\$100,000)
 - Debt Service offset (\$1,000,020)
 - Transfers to other funds (\$7,625,630)

[Non-Departmental]

To	Amount
PRCS	\$3,949,800
Library	\$1,373,740
Capital Outlay	\$435,000
Streets	\$620,810
Debt Service	\$1,001,850
Community Dev	\$165,000
IT Replacement	\$79,430
Total	\$7,625,630

[Capital Outlay]

Purpose	Amount
Property purchase (307 W Elm)	\$256,040
Financial system implementation	\$170,000
Carnegie boiler replacement	\$50,000
HSS roof rehabilitation	\$65,000
Finance parking lot	\$150,000
Lodi arch rehab	\$50,000
Fire Station 1 kitchen	\$50,000
Total	\$791,040



Questions?