

City of Lodi

Budget-In-Brief

2016-2017

Adopted by
The Lodi City Council

Mark Chandler, Mayor
Doug Kuehne, Mayor Pro-Tempore
Bob Johnson, Council Member
JoAnne Mounce, Council Member
Alan Nakanishi, Council Member



City of Lodi
P.O. Box 3006
Lodi, CA 95241

Cover photo by Dale W. Sym

CITY OF LODI FISCAL YEAR 2016/17 BUDGET IN BRIEF

This “Budget-in-Brief” provides highlights of the City of Lodi’s fiscal year budget for the period of July 1, 2016 through June 30, 2017. It describes the fund structure used by the City and summarizes the use and source of City funds. A comprehensive presentation of the City budget can be found on Lodi’s web site at www.lodi.gov.

Financial Structure Overview

The City’s accounting system is organized on a fund basis. Each fund is a distinct accounting entity used to record all financial transactions related to that fund’s specific purpose. The City’s primary fund is the General Fund, which accounts for all monies not required to be placed in another fund. Most general municipal services, such as police and fire protection, are provided through the General Fund.

Special revenue funds are used to account for revenue received from external agencies. Use of these funds is restricted for a specific purpose. Examples include California Transportation Development Act funds that can only be used for transit purposes or transportation projects and federal Community Development Block Grant funds.

Capital project funds are used to account for the accumulation and expenditure of resources to be used to purchase and construct capital items such as police headquarters, fire stations, roads, utility lines and other infrastructure that citizens rely on to function in a modern urban environment. Debt service funds are used to make payments on the City’s general outstanding debt, such as bonds issued to pay for building the water treatment plant. Enterprise funds operate like a business in that customers pay charges and fees that cover the cost of providing the service. Enterprise funds include self-supporting services such as the water, wastewater and electric utilities.

Budget Process

The budget process begins in December of each fiscal year, which begins July 1 and ends June 30 the next calendar year. The Budget Division provides revenue estimates for the upcoming year. These estimates

Other Funds

The City provides other services not included in the General Fund or the enterprise funds. Some of these funds are Streets, Library, Community Development, Transit, and Parks, Recreation and Cultural Services.

- **Streets Fund**

The Streets Fund handles all street and pavement maintenance activities including street cleaning and sweeping, traffic control devices, street trees, sidewalk and landscape maintenance, and management of runoff in the stormwater collection system.

- **Library Fund**

The Library Fund provides programs and services offered by the Lodi Public Library including maintaining/updating book inventory, online databases, online e-books and audio books, adult literacy program, programs for children, teens and adults, and computer classes.

- **Community Development Fund**

This fund provides community services including planning, issuance of construction permits, building inspection, and administration of the Community Development Block Grant program.

- **Transit Fund**

The Transit Fund provides citizens of Lodi with a daily fixed-route bus and Dial-A-Ride transit system as well as administration of transportation grants and oversight of the Lodi Station Parking Structure.

- **Parks, Recreation and Cultural Services (PRCS) Fund**

This fund provides the community with recreational programs and leisure opportunities through a variety of programs and 29 parks, including one regional park. Performing arts are offered as well.

2016/17	Estimated Revenues	Approved Expenditures
PRCS Fund	\$6,241,400	\$6,292,640
Transit Fund	\$6,524,840	\$5,894,270
Streets Fund	\$14,834,980	\$3,887,610
Community Dev. Fund	\$2,368,760	\$2,192,120
Library Fund	\$1,427,100	\$1,362,400

Enterprise Funds

The City of Lodi has three utility enterprise funds. These include Electric, Water and Wastewater. Each utility is designed to be self-sufficient. Planned expenses in excess of current year revenues are funded by reserves in each fund.

- **Electric Utility Fund**

The Electric Utility not only provides electricity to Lodi’s residential, commercial and industrial customers, it strives to strengthen the community through a variety of programs. The Public Benefits program provides assistance to low-income households, demonstration projects and energy conservation information.

2016/17	Estimated Revenues	Approved Expenses
Electric Utility Fund	\$72,281,240	\$73,705,900

- **Water and Wastewater Utility Funds**

The Water and Wastewater Funds finance the Water Services Division. This division is responsible for providing a reliable supply of safe drinking water for all residents, providing water at adequate pressure for fire hydrants and for treating wastewater in order to meet all federal and state standards. Public Works also oversees PCE/TCE remediation activities.

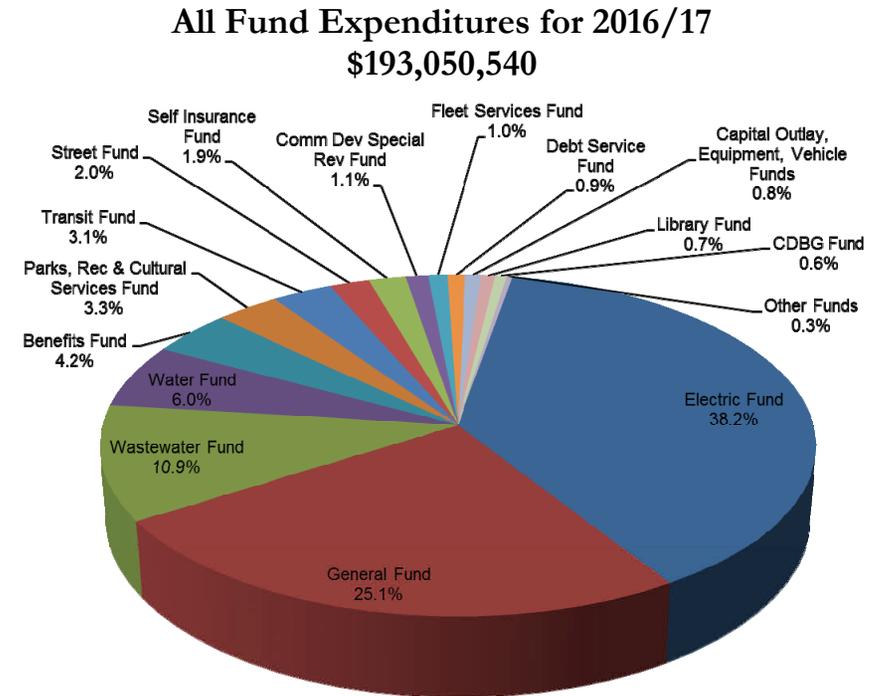
2016/17	Estimated Revenues	Approved Expenses
Water Fund	\$14,504,110	\$11,632,580
Wastewater Fund	\$18,867,980	\$20,965,390

The utility funds are intended to be self-sufficient and operate independently of the General Fund or other funds, much like a business. Revenues in the form of customer rate fees for electric, water and wastewater services are designed to meet not only daily needs but also to maintain and develop infrastructure for future use. Some capital projects included in the 2016/17 budget are: continued installation of water meters, water well rehabilitation, construction of recycled water storage facilities and storm drain improvements.

provide an approximation of the resources that will be available to fund City services. Departments then prepare their budgets based on available resources and direction from the City Manager. The City Manager presents a preliminary budget to the City Council for its review and input. The City Council then adopts the budget before it takes effect July 1.

FY 2016/17 Budget Summary

The budget is a financial plan the City Council uses to establish programs and services to be provided by the City and to allocate funds necessary to carry out those programs and services. The City’s total 2016/17 budget consists of a \$203,577,710 revenue projection and an expenditure allocation of \$193,050,540. Please note this amount includes some funds that are expended twice — once as a transfer to a another fund, and again when those funds are spent, making the all-funds budget a notional reference.



General Fund Budget

The General Fund Budget is one component of the total City Budget, comprising approximately 25 percent of all City expenditures. General Fund revenues pay for basic services such as police, fire, public works and general government programs. Since water, wastewater and electric utility services are self-supporting, they are excluded from this fund. Additionally, the Community Development, Library and Parks, Recreation and Cultural Services departments have dedicated accounts so that the fees and charges they collect stay within their budgets.

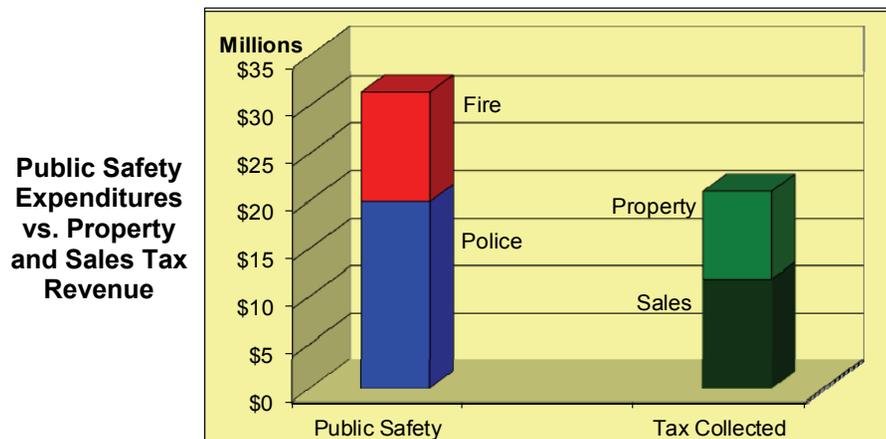
The General Fund's projected revenues for 2016/17 are \$46,916,020. The two largest sources, sales tax and property tax, make up 45 percent of revenues. Other revenues include license fees, permit fees, and fines and forfeitures. General Fund expenditures for 2016/17 reflect an increase over the 2015/16 budget appropriations. Public safety (police and fire) accounts for 65 percent of General Fund spending. The General Fund also provides support for other City services by transferring revenues to other funds, such as the Library Fund and Parks, Recreation and Cultural Services Fund.

GENERAL FUND SERVICES

Police Dept.	41%	\$19,872,500	Public Works	4.5%	\$2,177,750
Fire Dept.	24%	\$11,552,550	Admin.***	3.5%	\$1,694,810
Non-Dept.*	18%	\$ 8,765,760	Econ. Dev.	1%	\$ 589,910
Internal Serv.**	8%	\$ 3,826,830			

TOTAL \$48,480,110

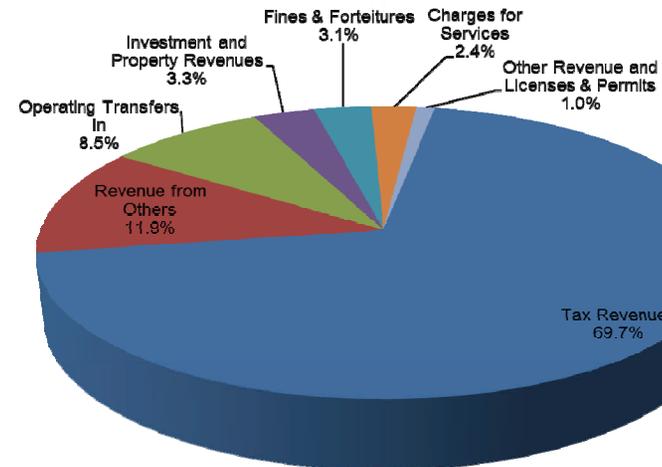
Non-Departmental includes expenditures for city-wide phone costs, utilities and General Fund transfers to other funds. ***Internal Services* are expenditures for Budget/Treasury, Financial Services, Human Resources and Information Systems. ****Administration* includes expenditures for the City Clerk, City Attorney and City Manager.



General Fund 2016/17 Revenues and Expenditures

General Fund revenues provide basic City services to the public. The first chart illustrates General Fund revenues by source and their relation to the fund in total. The second chart illustrates City services supported by General Fund revenues according to department or function.

General Fund Revenue



Sales and property tax rates, set by the State, are the two single largest revenue sources. Examples of local taxes are the Transient Occupancy (hotel) Tax, Business License Tax and Electric Utility in-lieu transfer.

General Fund Expenses

