



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

"SHIRTSLEEVE" SESSION

Date: May 21, 2019

Time: 7:00 a.m.

*and via conference call:

1311 Midvale Road
Lodi, CA 95240

&

Fairmont Rehab Hospital
960 S. Fairmont Avenue
Lodi, CA 95240

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 2019/20 Enterprise and Special Revenue Fund (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 2019/20 Enterprise and Special Revenue Funds

MEETING DATE: May 21, 2019

PREPARED BY: Andrew Keys, Deputy City Manager

RECOMMENDED ACTION: Receive Presentation Regarding Fiscal Year 2019/20 Enterprise and Special Revenue Funds.

BACKGROUND INFORMATION: Staff has planned a series of presentations to provide the Council and public an opportunity to review and comment on basic assumptions within the FY 2019/20 budget to be proposed to Council later this month. The budget will be released and made available for public review at City Hall, the Library and online once the draft is finalized. This session is designed to provide information on the Enterprise and Special Revenue funds.

The first opportunity for the City Council to adopt the Fiscal Year 2019/20 budget will be at its regular meeting on June 5, 2019.

FISCAL IMPACT: There is no impact from this informational presentation.

FUNDING AVAILABLE: The draft budgets for Enterprise and Special Revenue funds for Fiscal Year 2019/20 is projected as follows:

Fund	Revenues	Expenditures
Electric Utility	72,440,580	74,441,290
Water Utility	15,194,660	19,327,810
Wastewater Utility	17,359,130	16,968,080
Transit	4,952,760	4,557,830
Streets	9,951,200	7,661,190
Community Development	2,587,800	2,558,000
Parks, Recreation & Culture Svcs	7,672,990	7,663,660
Library	1,547,750	1,535,480

Andrew Keys, Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager

Fiscal Year 2019/20 Budget
Utility Fund and Special Revenue Presentation
Presented by: Andrew Keys, Deputy City Manager



Overview

- Enterprise Funds
 - Electric
 - Water
 - Wastewater
- Special Revenue Funds
 - Transit
 - Streets
 - Community Development
 - Parks, Recreation and Cultural Services
 - Library



Electric Utility Overview

Estimated Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19

			Estimated		
	2016-17	2017-18	2018-19	2018-19	2019-20
Electric Utility Enterprise Fund	Actuals	Actuals	Budget	Actuals	Budget
<u>Cash Balance</u>					
Beginning Cash Balance	21,911,186	28,133,768	29,951,255	36,848,018	40,853,108
Revenues *	70,840,461	74,937,150	73,615,090	73,262,910	72,440,580
Expenditures	<u>64,617,879</u>	<u>66,222,900</u>	<u>75,301,153</u>	<u>69,257,820</u>	<u>74,441,290</u>
Net Difference (Revenues Less Expenditures)	6,222,582	8,714,250	(1,686,063)	4,005,090	(2,000,710)
<u>Cash Balance</u>					
Ending Cash Balance	<u>28,133,768</u>	<u>36,848,018</u>	<u>28,265,192</u>	<u>40,853,108</u>	<u>38,852,398</u>
Fund Balance as a percentage of expenses:	44%	56%	38%	59%	52%
* Includes changes in GOR					



Electric Utility

- Revenues are \$1,174,510 lower than FY 2018/19 budget
 - Customer charges - \$1,587,010 lower
 - Operating Transfer In - \$250,000 lower
 - Environmental compliance - \$160,180 higher
 - Work for others - \$384,500 higher
 - Development impact fees - \$155,050 higher



Electric Utility

- Expenses are \$859,860 lower than FY 2018/19 budget
 - Salary & benefits - \$312,560 lower
 - Supplies, materials & services - \$937,120 lower
 - Debt service - \$1,534,880 lower
 - Capital projects & equipment - \$2,054,340 higher



Electric Utility Capital Projects

- Electrical Utility Facility Renovation - \$2,000,000
- 12kV Overhead - \$300,000
- 12kV Underground - \$1,100,000
- 230kV Interconnection - \$500,000
- Streetlight Maintenance - \$50,000
- Work for Others - \$350,000
- 1267 Feeder Extension - \$600,000
- McLane Substation Renovation - \$1,400,000
- LED Streetlight Improvements - \$250,000



Electric Utility Reserves

Purpose	Basis	2019/20 Target
Operating Reserve	90 days cash	16,973,000
Capital Reserve	Largest distribution system contingency	1,000,000
NCPA General Operating Reserve	NCPA identified items	4,538,881
Total Target		22,511,881
Estimated FY 2019/20 Reserve		38,852,398



Water Utility Overview

Estimated Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19

			Estimated		
	2016-17	2017-18	2018-19	2018-19	2019-20
Water Utility Enterprise Fund	Actuals	Actuals	Budget	Actuals	Budget
<u>Cash Balance</u>					
Beginning Cash Balance	5,567,984	4,743,509	4,611,635	5,154,246	8,346,876
Revenues	13,818,330	14,461,227	14,448,540	14,660,850	15,194,660
Expenditures	<u>14,642,805</u>	<u>14,050,490</u>	<u>15,346,327</u>	<u>11,468,220</u>	<u>19,327,810</u>
Net Difference (Revenues Less Expenditures)	(824,475)	410,737	(897,787)	3,192,630	(4,133,150)
<u>Cash Balance</u>					
Ending Cash Balance	<u>4,743,509</u>	<u>5,154,246</u>	<u>3,713,848</u>	<u>8,346,876</u>	<u>4,213,726</u>
Fund Balance as a percentage of expenses:	32%	37%	24%	73%	22%

Water Utility

- Revenues are \$746,120 higher than FY 2018/19
 - Charges for services - \$522,980 higher
 - Development impact fees - \$300,000 higher



Water Utility

- Expenses are \$3,981,480 higher than FY 18/19 budget
 - Salary & benefits - \$58,640 lower
 - Supplies, materials & services - \$82,280 higher
 - Capital projects & equipment - \$3,923,130 higher



Water Utility Capital Projects

- Water Meter Phase 8 - \$5,980,000
- Granular Activated Carbon (GAC) at 2 sites - \$300,000
- Wells #'s 7, 22, 27, 28 rehab/GAC systems - \$1,241,000
- Water meter shop construction - \$200,000
- Water taps/main replacements - \$125,000
- Lockeford Street reconstruction - \$48,250
- PCE/TCE programs - \$420,000



Water Utility Reserves

- Target is 25% of operating expenses
- Target for FY 2019/20 equals \$2,747,140
- FY 2019/20 estimated reserve is \$4,213,726



Wastewater Utility Overview

Estimated Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19

Wastewater Utility Enterprise Fund	Estimated				
	2016-17 Actuals	2017-18 Actuals	2018-19 Budget	2018-19 Actuals	2019-20 Budget
<u>Cash Balance</u>					
Beginning Cash Balance	17,462,307	19,473,784	20,601,484	22,795,135	22,803,825
Revenues	16,940,258	16,479,477	19,820,600	20,122,940	17,359,130
Expenditures	<u>14,928,781</u>	<u>13,158,126</u>	<u>27,498,730</u>	<u>20,114,250</u>	<u>16,968,080</u>
Net Difference (Revenues Less Expenditures)	2,011,477	3,321,351	(7,678,130)	8,690	391,050
<u>Cash Balance</u>					
Ending Cash Balance	<u>19,473,784</u>	<u>22,795,135</u>	<u>12,923,354</u>	<u>22,803,825</u>	<u>23,194,875</u>
Fund Balance as a percentage of expenses:	130%	173%	47%	113%	137%



Wastewater Utility

- Revenues are \$2,461,470 lower than FY 2018/19 budget
 - Customer accounts - \$104,360 higher
 - Development impact fees - \$747,210 higher
 - State grant - \$3,130,000 lower



Wastewater Utility

- Expenses are \$10,530,650 lower than FY 2018/19 budget
 - Salary & benefits - \$343,000 higher
 - Supplies, materials & services - \$71,100 higher
 - Capital projects & equipment - \$10,828,120 lower



Wastewater Utility Capital Projects

- Replace one truck - \$40,000
- Main replacement #8 – \$2,600,000
- Upgrade blowers - \$750,000
- Collection system enhancements - \$200,000
- Lincoln storm pump rehab - \$75,000
- White Slough facility repairs - \$68,000
- Taps/relocations - \$75,000
- Lockeford Street reconstruction - \$20,680



Wastewater Utility Reserves

- Target is 25% of operating expenses
- Target for FY 2019/20 equals \$3,193,600
- FY 2019/20 estimated reserve is \$23,194,875



Transit Overview

Estimated Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19

			Estimated		
	2016-17	2017-18	2018-19	2018-19	2019-20
Transit Fund	Actuals	Actuals	Budget	Actuals	Budget
<u>Fund Balance (Net Assets)</u>					
Beginning Fund Balance (Net Assets) Unreserved	4,844,101	3,792,695	5,486,449	4,326,294	3,533,034
Revenues	3,879,088	5,353,595	5,292,480	5,663,530	4,952,760
Expenditures	<u>4,930,494</u>	<u>4,819,996</u>	<u>6,876,154</u>	<u>6,456,790</u>	<u>4,557,830</u>
Net Difference (Revenues Less Expenditures)	(1,051,406)	533,599	(1,583,674)	(793,260)	394,930
<u>Fund Balance (Net Assets)</u>					
Ending Fund Balance (Net Assets) Unreserved	<u>3,792,695</u>	<u>4,326,294</u>	<u>3,902,775</u>	<u>3,533,034</u>	<u>3,927,964</u>
Fund Balance as a percentage of revenue:	98%	81%	74%	62%	79%



Transit Revenue

- Revenues are \$399,720 lower than FY 2018/19 budget
 - Transportation Dev Act - \$182,230 higher
 - State grants - \$84,800 higher
 - Federal grants - \$93,830 lower
 - Prop 1B - \$429,190 lower
 - Miscellaneous revenues - \$83,730 lower



Transit Expenditures

- Expenses are \$2,318,325 lower than FY 2018/19 budget
 - Supplies, materials & services - \$79,970 lower
 - Capital projects & equipment - \$2,430,640 lower



Transit Capital Expenditures

- Blower assembly for bus wash - \$120,000
- Transit station repairs - \$160,000
- Transit facility upgrades – \$300,000
- Farebox equipment – \$109,810
- Fleet equipment - \$50,000
- Parking garage elevator repair - \$20,000



Streets Overview

Estimated Changes in Fund Balance					
For the Fiscal Year Ended June 30, 2020					
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19					
Street Fund	2016-17	2017-18	2018-19	Estimated	
	Actuals	Actuals	Budget	2018-19 Actuals	2019-20 Budget
<u>Fund Balance</u>					
Beginning Fund Balance	3,789,808	5,375,119	6,522,099	6,461,848	8,802,878
Revenues	11,778,164	9,366,209	7,770,130	7,944,900	9,951,200
Expenditures	<u>10,192,853</u>	<u>8,279,480</u>	<u>9,701,351</u>	<u>5,603,870</u>	<u>7,661,190</u>
Net Difference (Revenues Less Expenditures)	1,585,311	1,086,729	(1,931,221)	2,341,030	2,290,010
<u>Fund Balance</u>					
Ending Fund Balance	<u>5,375,119</u>	<u>6,461,848</u>	<u>4,590,878</u>	<u>8,802,878</u>	<u>11,092,888</u>
Fund Balance as a percentage of revenue:	46%	69%	59%	111%	111%

Streets Revenue

- Revenues are \$2,181,070 higher than FY 2018/19 budget
 - Gas taxes - \$108,530 higher
 - State grants - \$447,000 higher
 - Federal Grants - \$1,182,280 higher
 - Development impact fees - \$288,300 higher



Streets Expenditures

- Expenses are \$2,040,160 lower than FY 2018/19 budget
 - Salaries/benefits - \$99,760 higher
 - Supplies, materials & services - \$51,860 higher
 - Capital projects & equipment - \$2.1m lower



Streets Capital Projects

- Church Street Reconfiguration - \$1,622,150
- Guild/Victor traffic signal - \$764,000
- Lockeford Street reconstruction - \$507,400
- Bike detection improvements - \$565,000
- Pavement projects - \$370,000
- Sidewalk projects - \$170,000
- Lwr Sacramento Road median repair - \$100,000
- Signal maintenance - \$90,000
- Street striping - \$80,000
- Miscellaneous maintenance projects - \$196,000



Community Development Overview

Estimated Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19

Community Development Fund	2016-17	2017-18	2018-19	Estimated	2019-20
	Actuals	Actuals	Budget	Actuals	Budget
Fund Balance					
Beginning Fund Balance Unreserved	2,423,363	3,824,752	2,240,502	2,975,494	3,048,384
Revenues	3,140,917	2,886,196	2,586,100	2,586,100	2,587,800
Expenditures	1,739,528	3,735,454	2,515,790	2,513,210	2,558,000
Net Difference (Revenues Less Expenditures)	1,401,389	(849,258)	70,310	72,890	29,800
Fund Balance					
Ending Fund Balance Unreserved	<u>3,824,752</u>	<u>2,975,494</u>	<u>2,310,812</u>	<u>3,048,384</u>	<u>3,078,184</u>
Fund Balance as a percentage of expense	220%	80%	92%	121%	120%



Community Development Revenue

- Revenues are \$1,700 higher than FY 2018/19 budget
 - Permits - \$6,300 lower
 - Planning fees - \$160,000 higher
 - Federal grants- \$164,000 lower



Community Development Expenditures

- Expenses are \$42,210 higher than FY 2018/19 budget
 - Salary & benefits - \$191,320 higher
 - Adding Neighborhood Services Manager position
 - Supplies, materials & services - \$180,140 lower
 - Operating transfers - \$28,7000 higher



Parks, Recreation and Cultural Services Overview

Estimated Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19

	Estimated				
	2016-17	2017-18	2018-19	2018-19	2019-20
Parks, Recreation & Cultural Svcs Fund	Actuals	Actuals	Budget	Actuals	Budget
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	387,390	694,672	217,754	774,303	669,153
Revenues	6,249,422	6,364,934	6,153,300	6,308,400	7,672,990
Expenditures	<u>5,942,140</u>	<u>6,285,303</u>	<u>6,349,990</u>	<u>6,413,550</u>	<u>7,663,660</u>
Net Difference (Revenues Less Expenditures)	307,282	79,631	(196,690)	(105,150)	9,330
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>694,672</u>	<u>774,303</u>	<u>21,064</u>	<u>669,153</u>	<u>678,483</u>
Fund Balance as a percentage of revenue	11%	12%	0%	11%	9%



Parks, Recreation and Cultural Services Revenue

- Revenues are \$1,519,690 higher than FY 2018/19 budget
 - Operating transfer in - \$1,039,590 higher
 - Rents - \$36,510 higher
 - LUSD after school services - \$40,030 higher
 - City after school programs - \$160,000 higher
 - Programs - \$187,950 higher
 - Box office - \$55,000 higher



Parks, Recreation and Cultural Services Expenditures

- Expenses are \$1,313,670 higher than FY 2018/19 budget
 - Operating transfers – \$1,010,190 higher
 - Salaries & benefits - \$314,180 higher



Library Overview

Estimated Changes in Fund Balance
For the Fiscal Year Ended June 30, 2020
With Actuals for FY 2016-17 and FY 2017-18 and Comparative Budget FY 2018-19

Library Fund	Estimated				
	2016-17 Actuals	2017-18 Actuals	2018-19 Budget	2018-19 Actuals	2019-20 Budget
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	670,790	457,902	6,049	23,161	148,431
Revenues	1,457,057	2,411,977	1,494,934	1,497,930	1,547,750
Expenditures	<u>1,552,578</u>	<u>2,846,718</u>	<u>1,536,418</u>	<u>1,372,660</u>	<u>1,535,480</u>
Net Difference (Revenues Less Expenditures)	(95,521)	(434,741)	(41,484)	125,270	12,270
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>575,269</u>	<u>23,161</u>	<u>(35,435)</u>	<u>148,431</u>	<u>160,701</u>
Fund Balance as a percentage of revenue	39%	1%	-2%	10%	10%



Library Revenue

- Revenues are \$15,670 higher than FY 2018/19 budget
 - Operating Transfer In - \$11,050 higher
 - Grants - \$34,890 lower



Library Expenditures

- Expenses are \$940 lower than FY 2018/19 budget
 - Operating transfers - \$11,050 higher
 - Salaries & benefits - \$72,120 higher*
 - Capital projects - \$90,230 lower

**New Librarian position funded in General Fund and not reflected in above figures.*



Questions?

