



City of Sebastopol

FY 2019/20 Mid-Year Budget Amendment

Presenter: Ana Kwong
Administrative Services Director

February 4, 2020

General Fund Mid-Year Budget

GF Revised Revenue (income):	\$9.53M
GF One-time income:	\$1.63M
General Fund Mid-Year Expenditures:	(\$10.06)M
General Fund Transfers out*:	<u>(\$1.65)M</u>
<small>* Retirement Fund, Capital Projects, Flood Exp Reimb</small>	
Projected use of reserves** (shortfall):	<u>(\$0.57)M</u>

**This \$0.57M figure represents the proposed use of the City's unassigned reserves for FY19/20

General Fund - Revenue Budget at a Glance

Item No.	Revenue Description		Adopted Budget	Request for Budget Adjustment	\$ Inc/(Dec)	% Inc (Dec)
1	Property Taxes	Mid-year	\$ 2,475,380	\$ 2,661,205	\$ 185,825	7.51%
2	Real Property Transfer	Mid-year	\$ 39,000	\$ 39,000	\$ -	0.00%
3	Sales & Use Tax	Mid-year	\$ 4,852,800	\$ 4,798,200	\$ (54,600)	-1.13%
4	Transient Occupancy Tax	Mid-year	\$ 650,000	\$ 650,000	\$ -	0.00%
5	Franchise Fees	Mid-year	\$ 324,500	\$ 353,000	\$ 28,500	8.78%
6	Licenses and Permits	Mid-year	\$ 269,500	\$ 269,500	\$ -	0.00%
7	Fines & Forfeitures	Mid-year	\$ 70,000	\$ 56,000	\$ (14,000)	-20.00%
8	Intergovernmental	Mid-year	\$ 21,500	\$ 27,000	\$ 5,500	25.58%
9	Interest and Rents	Mid-year	\$ 90,496	\$ 210,400	\$ 119,904	132.50%
10	Charges for Current Services	Mid-year	\$ 177,100	\$ 158,100	\$ (19,000)	-10.73%
11	Miscellaneous/Other Income	Mid-year	\$ 323,800	\$ 306,300	\$ (17,500)	-5.40%
Total Revenue - Mid-Year			\$ 9,294,076	\$ 9,528,705	\$ 234,629	2.52%
State of California Flood Recovery		One Time	\$ -	\$ 1,500,000	\$ 1,500,000	100.00%
Hartford Insurance Reimbursement		One Time	\$ -	\$ 107,000	\$ 107,000	100.00%
FEMA + State Shared Reimbursement		One Time	\$ -	\$ 27,800	\$ 27,800	100.00%
Total Revenue - One Time			\$ -	\$ 1,634,800	\$ 1,634,800	100.00%
Total General Fund Revenue - Routine + One Time			\$ 9,294,076	\$ 11,163,505	\$ 1,869,429	20.11%

General Fund - Expenditures Budget at a Glance

Expenditures by Department	2018-19 Adjusted Budget	2019-20 Adopted Budget	2019-20 Adjusted Budget	Increase (Decrease)	% Change
City Council	\$ 216,001	\$ 231,218	\$ 256,085	\$ 24,867	10.8%
City Manager/Attorney	\$ 309,311	\$ 317,080	\$ 362,579	\$ 45,499	14.3%
City Clerk	\$ 294,957	\$ 282,061	\$ 290,676	\$ 8,615	3.1%
Finance	\$ 236,108	\$ 260,222	\$ 275,110	\$ 14,888	5.7%
Planning	\$ 530,912	\$ 612,972	\$ 584,196	\$ (28,776)	-4.7%
Building	\$ 197,214	\$ 238,136	\$ 292,411	\$ 54,275	22.8%
Police	\$ 3,931,250	\$ 4,259,975	\$ 4,317,076	\$ 57,101	1.3%
Fire	\$ 842,524	\$ 1,037,260	\$ 1,081,595	\$ 44,335	4.3%
Public Works	\$ 1,100,073	\$ 1,182,046	\$ 1,286,936	\$ 104,890	8.9%
Engineering / Storm Water	\$ 245,640	\$ 230,036	\$ 236,572	\$ 6,536	2.8%
Sr. Ctr/SCCC/lves Pool	\$ 508,665	\$ 457,230	\$ 643,960	\$ 186,730	40.8%
Other General Government	\$ 184,779	\$ 221,072	\$ 225,205	\$ 4,133	1.9%
Debt Service	\$ 204,670	\$ 203,713	\$ 203,713	\$ -	0.0%
Transfer Out	\$ 182,500	\$ 1,100,000	\$ 1,654,000	\$ 554,000	50.4%
TOTAL EXPENDITURES	\$ 8,984,604	\$ 10,633,021	\$ 11,710,114	\$ 1,077,093	10.1%
Chargeback Services *					
Insurance	\$ 347,275	\$ 717,100	\$ 1,006,700	\$ 289,600	40.4%
Employee Benefits	\$ 2,654,550	\$ -	\$ -	\$ -	0.0%
* Allocated across departments					

General Fund – Reserves

	Adopted	Mid-Year	City Assigned Reserves @ 6/30/19 (Audited)		
	Unassigned Operating Reserves @ 6/30/19 (Audited)	Unassigned Operating Reserves @ 6/30/19 (Audited)	Buildings, Facilities & Infrastructure Reserve 103-00-00-2900	Equipment, Technology & Vehicle Replacement Reserve 104-00-00-2900	CalPERS Retirement & OPEB Reserves 105-00-00-2900
Beginning Balance @ 7/1/19	4,993,434	4,993,434	845,000	994,734	1,739,801
Proposed Assignment to CalPERS Reserve	(1,000,000)	(1,000,000)			1,000,000
Proposed Transfer out to Capital Projects	(100,000) ^{a)}	(188,000) ^{a)}			
Proposed FY19-20 Budget Addition/(Uses)	(338,945)	613,591	(435,100) ^{b)}	(35,400) ^{c)}	
Total Anticipated Reserve @ 6/30/20	3,554,489	4,419,025	409,900	959,334	2,739,801
Actual Reserve Level	37.3%	43.9%	4.1%	9.5%	27.2%

a) Funding for Stormwater projects

b) Funding for one time non-routine deferred maintenance

c) Purchase of one motorcycle in the Police Department

General Fund – State Flood Assistance

February 2019 Flood Disaster Event

Reimbursement Allocation

FEMA = 75%

CalOES = 18.75%

City = 6.25%

Item#	Line Item Description	Fund	Ineligible Cost	\$1.5M
	State Grant-State of California			1,500,000.00
	Reimburse the General Fund			(466,377.18)
58	Replace Manhole Frame & Cover (Locking seals)	Sewer	80,000.00	
59	CAT XQ60 T4 Final Portable Generator Set	40% GF 60% Water	57,568.00	
64	-Water Reservoirs - Well 4	Water	23,000.00	
65	-SCCC Connection	GF	23,000.00	
66	Local Hazard Mitigation Plan	GF	80,000.00	
67	SCCC Loss of Revenue (Request Reimb)	GF	44,351.08	
69	SCCC Paid for Servpro (Request Reimb)	GF	45,000.00	
74	Flood Mitigation Plan Aquadam - Place Holder	GF	250,000.00	
	Total Cost of Ineligible Flood Mitigation		602,919.08	(602,919.08)
	NET RESULT			430,703.74

Water Fund

DESCRIPTION	FY 18-19 ACTUALS	FY 18-19 ADJUSTED	FY 19-20 ADOPTED	FY 19-20 ADJUSTED	\$ INC/(DEC)	% CHANGE
OPERATING REVENUE						
Charges for Services						
Residential	1,721,940	\$ 1,760,000	\$ 1,760,000	\$ 1,780,240	\$ 20,240	1.15%
Commercial	469,000	468,000	468,000	\$ 473,382	5,382	1.15%
Other Income	51,618	37,000	37,000	37,000	-	0.00%
Interest Earnings	34,457	14,000	14,000	14,000	-	0.00%
TOTAL	\$ 2,277,015	\$ 2,279,000	\$ 2,279,000	\$ 2,304,622	\$ 25,622	1.12%
OPERATING EXPENDITURES						
Salaries & Benefits	\$ 408,111	\$ 397,600	\$ 404,400	\$ 404,400	\$ -	0.00%
Contracted Services	92,365	116,800	148,289	171,289	23,000	15.51%
Services & Supplies	149,920	176,150	177,350	191,350	14,000	7.89%
Training / Meetings / Travels	7,537	9,000	9,000	9,000	-	0.00%
Telecommunicatiatons	5,184	6,550	6,750	6,750	-	0.00%
Utilites	156,785	162,000	196,000	196,000	-	0.00%
Allocated Insurance	36,289	39,350	46,200	62,620	16,420	35.54%
Capital Outlay	174,213	194,200	55,800	90,360	34,560	61.94%
TOTAL	1,030,404	1,101,650	1,043,789	1,131,769	87,980	8.43%
OTHER SOURCES/(USES)						
G & A Allocation - City Council	\$ 26,284	\$ 26,284	\$ 29,468	\$ 30,046	\$ 578	1.96%
G & A Allocation - City Manager	40,555	43,640	44,960	46,244	1,284	2.86%
G & A Allocation - City Attorney	5,472	7,168	7,375	7,465	90	1.22%
G & A Allocation - City Clerk	21,602	23,290	25,794	26,605	811	3.14%
G & A Allocation - Finance	334,974	349,763	386,417	409,046	22,629	5.86%
G & A Allocation - Planning	21,998	25,555	27,080	27,690	610	2.25%
G & A Allocation - Building	32,740	33,943	41,132	50,667	9,535	23.18%
G & A Allocation - Engineering	96,816	96,815	106,998	112,846	5,848	5.47%
G & A Allocation - Fire	61,452	61,451	75,891	78,475	2,584	3.40%
G & A Allocation - PW Corp Yard	197,274	213,528	218,832	231,432	12,600	5.76%
G & A Allocation - PW Govt Bldg	23,385	24,006	30,281	30,894	613	2.02%
G & A Allocation - Non Departmental	20,280	20,281	24,264	24,718	454	1.87%
Debt Service	182,950	291,978	261,438	261,438	-	0.00%
TOTAL	1,065,782	1,217,702	1,279,930	1,337,566	57,636	4.50%
TRANSFERS IN/(OUT)						
Transfers In		\$ -	\$ -	\$ -	\$ -	0.00%
Transfers Out	(119,266)	-	(45,000)	(55,000)	(10,000)	22.22%
TOTAL	\$ (119,266)	\$ -	\$ (45,000)	\$ (55,000)	\$ (10,000)	22.22%
TOTAL OPERATING EXPENDITURES	2,215,452	2,319,352	2,368,719	2,524,335	\$ 204,983	8.84%
Net Surplus/(Deficit)	61,563	(40,352)	(89,719)	(219,713)		
Beginning Unrestricted Net Position	1,669,252	1,669,252	1,669,252	1,579,533		
Ending Unrestricted Net Position	\$ 1,730,815	\$ 1,628,900	\$ 1,579,533	\$ 1,359,820		

Wastewater Fund

DESCRIPTION	FY 18-19 ACTUALS	FY 18-19 ADJUSTED	FY 19-20 ADOPTED	FY 19-20 ADJUSTED	\$ INC/(DEC)	% CHANGE
OPERATING REVENUE						
Charges for Services	\$ 3,072,439	\$ 3,015,000	\$ 3,015,000	\$ 3,060,225	\$ 45,225	1.5%
Other Income	12,518	13,000	13,000	13,000	-	0.0%
Interest Earnings	55,640	10,000	10,000	10,000	-	0.0%
TOTAL	\$ 3,140,597	\$ 3,038,000	\$ 3,038,000	\$ 3,083,225	45,225	1.5%
OPERATING EXPENSES						
Salaries & Benefits	\$ 238,287	\$ 247,750	\$ 272,200	\$ 272,200	\$ -	0.0%
Contracted Services	63,370	70,600	70,239	150,239	80,000	113.9%
Subregional Expense	1,674,414	1,674,415	1,621,200	1,621,200	-	0.0%
Services & Supplies	50,010	69,750	78,000	92,000	14,000	17.9%
Training / Meetings / Travels	8,389	11,500	11,500	11,500	-	0.0%
Telecommunicatons	1,769	3,550	3,750	3,750	-	0.0%
Utilites	39,146	41,100	57,200	57,200	-	0.0%
Allocated Insurance	23,608	25,700	31,800	35,850	4,050	12.7%
Capital Outlay	28,974	32,700	46,400	72,400	26,000	56.0%
TOTAL	2,127,967	2,177,065	2,192,289	2,316,339	124,050	5.7%
OTHER SOURCES/(USES)						
G & A Allocation - City Council	\$ 30,664	\$ 30,665	\$ 34,379	\$ 35,054	\$ 675	2.0%
G & A Allocation - City Manager	40,555	43,640	44,960	46,244	1,284	2.9%
G & A Allocation - City Attorney	3,282	4,301	4,425	4,479	54	1.2%
G & A Allocation - City Clerk	18,901	20,379	22,570	23,279	709	3.1%
G & A Allocation - Finance	325,976	340,559	376,249	398,282	22,033	5.9%
G & A Allocation - Planning	13,187	15,333	16,248	16,614	366	2.3%
G & A Allocation - Building	32,740	33,943	41,132	50,667	9,535	23.2%
G & A Allocation - Engineering	79,732	79,730	88,116	92,932	4,816	5.5%
G & A Allocation - PW Corp Yard	143,848	155,698	159,565	168,753	9,188	5.8%
G & A Allocation - PW Govt Bldg	23,385	24,006	30,281	30,894	613	2.0%
G & A Allocation - Non Departmental	20,280	20,281	24,264	24,718	454	1.9%
Debt Service	90,117	91,110	91,110	91,110	-	0.0%
TOTAL	\$ 822,667	\$ 859,645	\$ 933,299	\$ 983,026	\$ 49,727	5.3%
TRANSFERS IN/(OUT)						
Transfers In		\$ -	\$ -	\$ -	\$ -	0.0%
Transfers Out	(206,995)	-	(45,000)	(45,000)	-	0.0%
TOTAL	\$ (206,995)	\$ -	\$ (45,000)	\$ (45,000)	-	0.0%
TOTAL OPERATING EXPENDITURES	\$ 3,157,629	\$ 3,036,710	\$ 3,170,588	\$ 3,344,365	\$ -	
Net Surplus/(Deficit)	(17,032)	1,290	(132,588)	(261,140)		
Beginning Unrestricted Net Position	1,740,367	1,723,335	1,723,335	1,590,747		
Ending Unrestricted Net Position	1,723,335	1,724,625	1,590,747	1,329,607		

Gas Tax Fund

DESCRIPTION	2018-19 Actual	2018-19 Adjusted Budget	2019-20 Adopted Budget	2019-20 Adjusted Budget	\$ INCR/(DEC)	% CHANGE
<u>OPERATING REVENUE</u>						
Intergovernmental	\$ 156,839	\$ 171,700	\$ 200,800	\$ 200,800	\$ -	0.0%
Other Income	-	-	-	-	-	
Interest Earnings	-	-	-	-	-	
Transfer In	5,800	32,500	-	-	-	
TOTAL REVENUE	<u>\$ 162,639</u>	<u>\$ 204,200</u>	<u>\$ 200,800</u>	<u>\$ 200,800</u>	<u>\$ -</u>	<u>0.0%</u>
<u>OPERATING EXPENSES</u>						
Salaries & Benefits ^a	\$ 150,563	\$ 138,350	\$ 162,200	\$ 162,200	\$ -	0.0%
Services & Supplies		3,000	3,000	3,000	-	0.0%
Contract Services	-	-	-	-	-	0.0%
Vehicle Maintenance	-	-	-	-	-	0.0%
Utilities	6,027	6,600	6,600	6,600	-	0.0%
Allocated Insurance	6,005	-	5,700	10,400	4,700	82.5%
TOTAL OPERATING EXPENSE	<u>\$ 162,595</u>	<u>\$ 147,950</u>	<u>\$ 177,500</u>	<u>\$ 182,200</u>	<u>\$ 4,700</u>	<u>2.6%</u>
NET BUDGETARY RESULT	<u>\$ 44</u>	<u>\$ 56,250</u>	<u>\$ 23,300</u>	<u>\$ 18,600</u>	<u>\$ (4,700)</u>	
Addition/(Use) of Reserves	<u>\$ 44</u>	<u>\$ 56,250</u>	<u>\$ 23,300</u>	<u>\$ 18,600</u>		
TOTAL BUDGETARY BALANCE		\$ -	\$ -			
Beginning Fund Balance (Estimated)	\$ (242)		\$ (198)	\$ (198)		
Ending Fund Balance (Estimated)	\$ (198)		\$ 23,102	\$ 18,402		

Insurance Fund

DESCRIPTION	FY 18-19 ACTUALS	FY 18-19 ADJUSTED	FY 19-20 ADOPTED	FY 19-20 ADJUSTED	\$INC/(DEC)	% CHANGE
<u>OPERATING REVENUE</u>						
Charges for Services - Liability Insurance	\$ 345,129	\$ 347,275	\$ 364,600	\$ 520,800	\$ 156,200	42.8%
Charges for Services - W/C Insurance	321,563	305,250	352,500	\$ 485,900	133,400	37.8%
Charges for Services - Benefits	862,096	2,349,300	-	-	-	0.0%
Other Income		-	-	-	-	0.0%
Interest Earnings		-	-	-	-	0.0%
TOTAL REVENUE	\$ 1,528,788	\$ 3,001,825	\$ 717,100	\$ 1,006,700	\$ 289,600	40.4%
<u>OPERATING EXPENSES</u>						
REMIF - Liability Insurance	\$ 345,129	\$ 347,275	\$ 364,600	\$ 520,800	\$ 156,200	42.8%
REMIF - Workers' Comp Insurance	321,563	305,250	352,500	485,900	133,400	37.8%
Health Insurance	(100,910)	718,900	-	-	-	0.0%
Dental Insurance	85,700	120,000	-	-	-	0.0%
Vision Insurance	16,882	20,000	-	-	-	0.0%
Retirement Benefits	858,994	1,393,000	-	-	-	0.0%
Other Benefits	1,430	97,400	-	-	-	0.0%
TOTAL OPERATING EXPENSE	\$ 1,528,788	\$ 3,001,825	\$ 717,100	\$ 1,006,700	\$ 289,600	40.4%
NET BUDGETARY RESULT		\$ -	\$ -	\$ -	\$ -	
Addition/(Use) of Reserves		\$ -	\$ -	\$ -		
TOTAL BUDGETARY BALANCE		\$ -	\$ -	\$ -		
Beginning Fund Balance (Estimated)			\$ 1,049	\$ 1,049		
Ending Fund Balance (Estimated)			\$ 1,049	\$ 1,049		

General Fund – Mid-year Impacts

- Insurance increased (Allocated across dept) (\$290K)
- Transfer out – Retirement Fund (\$1.0M)
- Transfer out – capital projects (\$188K)
- Transfers out reimburse GF Flood Expenses. (\$466K)

City Council Questions/Discussion