



General Fund Fiscal Year 2020-21 1st Quarter Budget Report

City Council Regular Meeting

October 28, 2020

Michael Solorza, Director of Finance

Quarterly Budget Reviews

- * First Quarter review: July – September, 2020
- * Focus on General Fund
- * Initial “check-in” after adoption
- * Mid-Year (July – December, 2020) provides additional information/improved forecast

FY 2020-21 Overview

- * A budget is a “plan”... Plans must get updated periodically
 - * Quarterly Budget Report provides updates to the Plan
- * Updates to:
 - * Revenue projections
 - * Expenditure forecasts
 - * Amendments to the budget
 - * Update to master position control

Sales Tax

- * Sales Tax projection FY 2020-21: up slightly
 - * FY 2020-21 budget developed using April/May revenue forecasts
 - * Sales Tax forecast from **May**, 2020: \$11.270 million
 - * Sales Tax forecast from **August**, 2020: **\$11.696 million**
 - * 3 year annual average: \$13.2 million

Measure H Sales Tax

- * Measure H sales tax
 - * July receipts: \$555,000 (received in September)
 - * August receipts: \$880,398 (received in October)
 - * Will continue monitoring, updated data at mid-year

Monterey Park Marketplace

- * Sales Tax sharing agreement
 - * 50% of Costco quarterly sales tax (5 years)
 - * Then 18% beginning FY 2023-24 (no sunset)
 - * 18% of other retailers in the Marketplace (no sunset)
 - * Home Depot, Guitar Center, Chick Fil A, In N Out, Buffalo Wild Wings

Cannabis Revenue

| Fee Description | Fee Code | Revenue Received | | | |
|------------------------------|----------|------------------|---------------------|-------------------|-------------------|
| | | FY 17-18 | FY 18-19 | FY 19-20 | FY 20-21* |
| APPLICATION FEE | 3005.10 | \$ 36,000 | \$ 900 | | |
| SECOND REVIEW | 3005.15 | | \$ 104,400 | | |
| THIRD REVIEW | 3005.20 | | \$ 75,400 | | |
| PROPERTY EXPEDITED SCREENING | 3005.25 | | \$ 390,000 | \$ 49,500 | |
| COMMERCIAL DEV AGREE | 3005.30 | | \$ 755,460 | \$ 114,820 | \$ 108,630 |
| COMM BENEFIT PROGRAM | 3005.31 | | | \$ 35,000 | \$ 50,000 |
| DETERMINATION APPEALS | 3005.35 | | | | |
| CHANGE OF LOCATION | 3005.40 | | | \$ 11,520 | |
| DEVELOPMENT AGREE MOD | 3005.45 | | | \$ 37,220 | \$ 6,200 |
| | | \$ 36,000 | \$ 1,326,160 | \$ 248,060 | \$ 164,830 |

*Received through October 27, 2020

Pandemic Response Revenue

- * Received \$784,000 from Federal CARES Act
 - * Utilized for business assistance program, al fresco dining, Great Plates (food insecurity), food grants to YMCA and Hearts of Compassion, PPE, telework related purchases, disinfecting services, etc.
- * Could receive additional \$292,000 from FEMA
 - * Reimburse 75% of qualifying expenditures
 - * Additional reimbursement on top of CARES Act funding
- * CDBG-COVID 19 Funding (\$910,000):
 - * 1st award: \$391,000
 - * 2nd award: \$519,000
 - * Utilize for CDBG eligible COVID response expenses

Budget Amendments

- * Excess Bond Proceeds (Series 2009A)
 - * \$4.6 million recorded as revenue FY 2016-17
 - * Deadline by which to spend: spend sooner vs. later!
 - * \$1.734 million in remaining proceeds to be appropriated
 - * Close-out Taylor Ranch Park project
 - * Technology upgrades
 - * ADA and COVID related renovations to City Hall
 - * City Hall environmental related renovations/repairs

Budget Amendments

- * Police Department CAD/RMS software upgrade
 - * \$130,400 in additional appropriations
 - * Tyler Technology software
 - * Windows software and server upgrade
- * CARES Act Funding
 - * Increase by \$784,000: both expenditures and revenue (General Fund)

Salary Savings

- * 2-year Service Credit “Voluntary Retirement Incentive Program”
 - * Over 40 employees participating (so far)
 - * 6 weeks remaining
 - * Anticipate additional early retirements
- * Salary / Benefit savings from early (unanticipated) retirements
 - * Short and long-term savings
 - * Vacancies, lower retirement benefit, etc.

Position Updates

- * Management continues adjusting and re-aligning operations
- * Requires additional positions and/or new classifications
- * **Goal:**
 - * *Provide departments with appropriate types and numbers of positions to carry out core functions and continue providing excellent customer service*

Position Updates

- * Assistant to the Deputy City Clerk (New Classification)
- * Fire Captain: 1.0 additional, Administrative Captain
- * Code Enforcement Officer: 1.0 additional (Weekend Enforcement)
- * Public Works: 7.0 additional
 - * Transition of Golf Course staff
- * Transit
 - * 5.0 additional
 - * Several operations and administrative support staff positions

Next Steps

- * Continue monitoring revenue and expenditures
 - * Focus on sales tax and property tax
 - * Forecast salary/benefit costs
- * Mid-year update January/February
 - * 6 months of data
 - * Transition to FY 2021-22 budget development



*Questions?



General Fund 1st Quarter Budget Report

City Council Regular Meeting

October 28, 2020

Michael Solorza, Director of Finance