FY 2022
PROPOSED BUDGET

May 17, 2021
OVERVIEW

- FY 2021 Budget
- FY 2022 Budget Process
- FY 2022 Proposed All Funds Budget
- FY 2022 Proposed General Fund Budget
- Special Funds
OVERVIEW

- FY 2022 Capital Improvement Program Budget
- FY 2022 Staffing
- Tax Rates
- Schedule
- Questions
FY 2021 BUDGET

- Faced a $40M General Fund budget deficit due to COVID-19 pandemic and resulting shelter-in-place orders

- Achieved a balanced budget by:
  - Implementing a hiring freeze and maintaining vacant positions
  - Delaying capital expenditures
  - Reducing non-personnel expenditures
  - Drawing on reserve funds
  - Reducing transfers to Internal Service Funds
  - Suspending Council policy regarding Property Transfer Tax

- Budget was balanced with no layoffs
FY 2022 BUDGET DEVELOPMENT

- Shifted from a 2 Year Budget to a 1 Year Budget for FY 2022
- Provides time to evaluate the impacts of COVID-19 on the local economy and finances in a post vaccine environment
BUDGET STRATEGIES PRINCIPLES

- Continue serving the community.
- Live within our means
- Identify expenditures that can be deferred
- Pursue other revenue and assistance.
- Manage use of, and replenish, reserves
- Be data-driven and transparent
FY 2022 PROPOSED ALL FUNDS BUDGET

<table>
<thead>
<tr>
<th>REVENUES*</th>
<th>EXPENDITURES*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$532,217,415</td>
<td>$593,725,597</td>
</tr>
</tbody>
</table>

*While the numbers above indicate an unbalanced budget, they do not take into account the use of fund balances that are used to help balance the revenues with the expenditures. Also do not include the American Rescue Plan funds or Measure FF*
FY 2022 PROPOSED ALL FUNDS REVENUES BUDGET

- General Fund Discretionary, 210,012,204, 39%
- Special Revenue, 30,278,604, 6%
- Enterprise, 107,542,003, 20%
- Gas Tax, 12,293,448, 2%
- Interest Income, 7,537,556, 1%
- Grants, 68,138,551, 13%
- Internal Service, 39,864,883, 8%
- Bonds and Other Funds, 56,550,166, 11%
FY 2022 PROPOSED ALL FUNDS EXPENDITURE BUDGET

General Government, 58,936,126, 10%
Economic Development, 5,082,163, 1%
Health, Housing & Community Svcs., 84,514,926, 14%
Police, 77,807,443, 13%
Fire, 48,359,355, 8%
Public Works, 147,438,656, 25%
Rent Board, 6,857,724, 1%
Library, 22,242,185, 4%
Planning, 25,252,729, 4%
Parks, Recreation & Waterfront, 52,979,556, 9%
Fund Transfers, 28,477,028, 5%
Non-Departmental, 20,252,380, 3%
Debt Service, 15,525,326, 3%

Non-Departmental, 20,252,380, 3%
Debt Service, 15,525,326, 3%
Fund Transfers, 28,477,028, 5%
Rent Board, 6,857,724, 1%
Public Works, 147,438,656, 25%
## FY 2022 Proposed General Fund Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Revenue</td>
<td>$186,128,204</td>
<td>Excludes Measures P and U1</td>
</tr>
<tr>
<td>Project Expenditures</td>
<td>$206,092,576</td>
<td>Includes $8.6M in deferrals for FY 2022</td>
</tr>
<tr>
<td>Estimated Surplus / (Deficit)</td>
<td>($19,964,372)</td>
<td></td>
</tr>
</tbody>
</table>
FY 2022 PROPOSED GENERAL REVENUE FUND BUDGET

- **Real & Unsecured Property**, $75,405,857, 37%
- **Property Transfer Tax***, $20,000,000, 10%
- **Property Transfer Tax - Measure P**, $7,000,000, 4%
- **Other**, $12,714,682, 6%
- **Transfers**, $9,875,568, 5%
- **Sales & Soda Taxes**, $19,277,425, 9%
- **Business License**, $16,065,000, 8%
- **Auto License Fees**, $14,959,837, 7%
- **Measure U1**, $4,692,000, 2%
- **Business License - Cannabis Recreation**, $1,530,000, 1%
- **Utility Users Tax**, $13,000,000, 6%
- **Hotel Tax**, $2,173,500, 1%
- **Parking & Moving Violations**, $3,859,050, 2%
- **Ambulance & Franchise Fees**, $4,767,285, 2%
- **Other**,
FY 2022 PROPOSED GENERAL FUND EXPENDITURE BUDGET

- Police, 73,228,172, 33%
- Health, Housing & Community Services, 25,408,708, 12%
- Economic Development, 2,535,186, 1%
- General Government, 32,976,705, 15%
- Debt & Transfers, 21,132,970, 10%
- Fire, 37,021,939, 17%
- Public Works & Planning, 7,067,992, 3%
- Recreation, 7,675,564, 4%
- CIP, 4,950,905, 2%
- Community Agencies, 7,422,982, 3%
FY 2022 PROPOSED GENERAL FUND BUDGET

PERSONNEL
$148,020,377
67%

NON-PERSONNEL
$71,400,746
33%
FY 2022 PROPOSED GENERAL FUND BUDGET

- General Fund Baseline Budget includes $24.5M in allocations including $8.6 million in deferrals for FY 2022

- Funding Requests for FY 2022 were reviewed and prioritized into three tiers using the following criteria:
  1. Items that must be paid for
  2. Mandates
  3. Public Safety
  4. Critical Infrastructure
  5. Revenue Generation
  6. Grant Funded

- Tier 1 Funding Requests = $8.1M
### CAPITAL IMPROVEMENT PROGRAM

**FY2022 CAPITAL BUDGET - PROPOSED**

<table>
<thead>
<tr>
<th>City Facilities</th>
<th>Equipment &amp; Fleet</th>
<th>Parks, Recreation, &amp; Waterfront</th>
<th>Sanitary Sewer</th>
<th>Sidewalk Repairs</th>
<th>Storm Water System</th>
<th>Streets</th>
<th>Transportation</th>
<th>Other Infrastructure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget</strong></td>
<td>$2,340,000</td>
<td>$4,612,186</td>
<td>$25,899,000</td>
<td>$21,794,583</td>
<td>$2,735,000</td>
<td>$1,815,000</td>
<td>$6,925,303</td>
<td>$5,047,119</td>
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<tr>
<td><strong>Total GF/CIP</strong></td>
<td>$900,000</td>
<td>$0</td>
<td>$4,949,000</td>
<td>$0</td>
<td>$635,000</td>
<td>$1,925,000</td>
<td>$29,000</td>
<td>$1,550,000</td>
</tr>
</tbody>
</table>

$12,015,000

- **FY 2022 Measure T1 Funding**
- **FY 2022 General Fund Resources Funding**
  - Includes Debt Service of $901,438 not listed in table

$10,889,438

<table>
<thead>
<tr>
<th>78 Proposed Capital Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>68 Proposed Vehicle Replacements</td>
</tr>
</tbody>
</table>

**TOTAL FY 2022 PROPOSED CAPITAL BUDGET**

$76,813,059
FY 2022, FY 2023, FY 2024
CAPITAL IMPROVEMENT PROGRAM
BY PROGRAM CATEGORY - PROPOSED

City Facilities, $15,090,000, 8%
Equipment & Fleet, $9,842,026, 5%
Parks, Recreation, and Waterfront, $46,639,000, 24%
Sanitary Sewer, $58,440,377, 30%
Streets, $27,685,909, 14%
Transportation, $21,903,502, 11%
Storm Water System, $2,810,000, 1%
Sidewalk Repairs, $5,155,000, 3%
Debt Service, $2,701,638, 1%
Other Infrastructure, $5,186,430, 3%

FY 2022 = $76,813,059
FY 2023 = $57,194,038
FY 2024 = $61,446,785

3-Year Total = $195,453,882
The City has a number of special revenue funds that are being carefully monitored and some of which suffered due to the COVID-19 pandemic. Funds that suffered significant revenue losses are the following:

• Marina Fund
• Camps Fund
• Sports Field Fund
• Parking Meter Fund
• Off-Street Parking Fund
STAFFING

- FY 2022 Proposed Budget Staffing is 1,657.58 FTEs
- Increase of 18.78 from FY 2021 Adopted Budget Level of 1,638.80 FTEs
- Most new positions tied to grants and non-General Fund funding sources
- General Fund Vacancy Rate at 3% for most operating departments and 1% for Police. Fire is 0% due to mandatory staffing requirements.
TAX RATES

- Growth Index for Paramedic Tax is April Consumer Price Index.

- The Emergency Services for the Disabled Tax, the Library Tax, Parks Tax, and the Measure GG Fire Services and Disaster Preparedness Tax growth is either the higher of the CPI or the Personal Income Growth (PIG).

- For FY 2022, the PIG increase of 5.73% was higher than the CPI increase of 3.806% and was used for all of the tax rate increases except for the Paramedic Tax.
COMMUNITY AGENCIES

- FY 2022 is 3rd Year of a Four-Year Funding Cycle
- FY 2022 Allocation All Funding Sources = $20,494,394
- Decrease of 26% from FY 2021 Actual of $26,311,113
- FY 2021 was more due to CARES Act Funding and COVID-19 Housing Retention Program ($900,000 in U1 and $1.8M in CDBG CARES Act)
## FY 2022 Budget Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Action/Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 17, 2021</td>
<td><strong>Budget &amp; Finance Policy Committee:</strong></td>
</tr>
<tr>
<td></td>
<td>• FY 2022 Proposed Budget Presentation</td>
</tr>
<tr>
<td>May 25, 2021</td>
<td><strong>City Council:</strong></td>
</tr>
<tr>
<td></td>
<td>• FY 2022 Proposed Budget Presentation</td>
</tr>
<tr>
<td></td>
<td>• Public Hearing #1: Budget</td>
</tr>
<tr>
<td></td>
<td>• FY 2022 Proposed Fee Increases</td>
</tr>
<tr>
<td>May 27, 2021</td>
<td><strong>Budget &amp; Finance Policy Committee Meeting</strong></td>
</tr>
<tr>
<td>June 1, 2021</td>
<td><strong>City Council:</strong></td>
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<tr>
<td></td>
<td>• Public Hearing #2: Budget</td>
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<td></td>
<td>• Last date for formal budget referrals to the FY 2022 Budget Process</td>
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<tr>
<td>June 10, 2021</td>
<td><strong>Budget &amp; Finance Policy Committee Meeting</strong></td>
</tr>
<tr>
<td>June 15, 2021</td>
<td><strong>City Council:</strong></td>
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<td></td>
<td>• Council discussion on budget recommendations</td>
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<tr>
<td>June 24, 2021</td>
<td><strong>Budget &amp; Finance Policy Committee Meeting</strong></td>
</tr>
<tr>
<td>June 29, 2021</td>
<td><strong>City Council:</strong></td>
</tr>
<tr>
<td></td>
<td>• Adopt FY 2022 Proposed Budget &amp; FY 2022 Annual Appropriations Ordinance</td>
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</tbody>
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THANKS!
QUESTIONS?