



# City of Kingsburg

2016-2017 Budget Presentation

June 1, 2016

# 2015/16 - General Fund Overview

- ▶ Year End Revenue Projections (Pages 1 & 2)
  - Overall property taxes higher than projected (Sun-Maid annexation proceeds)
  - Sales tax includes wind down of Triple-Flip.
  - Franchise tax, TOT tax and business license fees higher than original budget
  - First year of Building Permit fees included with GF
  - Planning Fees are based upon activity (steady growth)
  - Police Services Less than budgeted (Reserve contract with School District)
  - Park/After School numbers continue to grow or remain at capacity
  - Overall revenues expected to outpace original estimates by \$400,000+

# 2015/16 - General Fund Overview

## ► Expenditures of Note (Pages 3-6)

- City Manager (Mgmt. Intern) is offset by \$5,000 grant
- Non-dept. transfer out includes funds for ambulance purchase
- Finance Dept. - two lines higher due to longer than expected software implementation legacy costs
- Police Salaries lower due to injury-retirement (offset by higher OT; PERS also impacted by OT).
- Several Depts. show savings for fuel costs
- Landscape Maint. has a salary savings due to employee retirement

## ► General Fund In Summary:

- 2015-16 projects use of \$83,289 fund balance (Original budget included utilizing fund balance of \$530,693 for capital projects)
- Revenues outpaced projections
- Expenditures projected in-line with projections
- Business licenses, building permits, property taxes, and vehicle license fees all expected to outperform revenue projections



# 2015/16 - Special Funds

## ► Revenue Summary (Page 7)

- All revenues trending in-line with projections (most are calculated prior to budget year and are allocation based)

## ► Expenditure Summary (Page 8/9)

- Each fund spending is percentage based for salaries
- Flexibility in capital project funding
- Revenue surplus in 2015/16, offset by higher capital spending in 16/17

## ► Projects Completed Using Special Funds

- Sierra St. Traffic Light Synchronization (matching)
- 10<sup>th</sup> Ave; Sierra to Stroud (matching)
- Train Depot (matching)
- Engineering for 16/17 projects (matching)
- Downtown Park (ADA compatibility)
- Sidewalk Repairs (Measure C)
- PW Dept. Tools & Supplies

# 2015/16 - Enterprise Funds

## ► Revenue Summary (Page 13)

- Water sales are on track to slightly exceed projections (water meter reimbursements continue as budgeted)
- Solid Waste Fund numbers are higher due to changes to commercial accounts (offset by revenues)
- Fire/Amb. Collections were slightly delayed due to Novato changeover
- Fire/Amb. Include higher charges for services (more aggressive collection and accurate charges)
- Fire/Amb. Includes Intergovernmental transfer for first time

## ► Expenditure Summary (Pages 14 & 15):

- Water Enterprise - Salaries line is higher due to a one-time retirement payout
- Water Enterprise - CID payment down due to conservation
- Solid Waste trending moderately higher (due to higher commercial billing charges - again offset by new billing structure)
- Fire-Amb. - Salaries will finish higher due to retirement payout
- Fire-Amb. High OT costs offset by OES reimbursement for wildfire participation (approx. \$106,000)

# 2015/16 - Recreation Funds

## ► Revenue Summary (Page 16)

- Pool revenues trending slightly higher than budgeted (Some pool revenues to be expected in June - those amounts are adjusted later)
- Senior Center revenues lower due to reduced federal grant allocation for senior lunch program.
- \$95,000 from general fund subsidy (\$25,000 for capital improvement; shower rebuild at pool)

## ► Expenditure Summary (Page 17):

- Overall expenditures slightly higher (most offset by revenue increases; e.g. JPA reimbursement)
- Senior Center expenditures slightly higher due to unanticipated repairs needed at the Center
- Currently projecting a deficit, but final cost sharing through JPA has not been determined

## 2015/16 Accomplishments



- Inclusive, Outcome-based Budgeting process
- New software for Utility Billing, Payroll and internal accounting
- Capital Improvement Program 5-Year Development
- New City Website
- Received GFOA Distinguished Budget Award (FY14/15)
- Economic Development incentives (B.I.Z., P3 façade/alley program, impact fee flexibility, rezoning/marketing for Business Park)
- Named a Community Engaged City
- Quality of Life Improvements (Dog Park, Movies in the Park, Memorial Park repairs, Marion Villas/Senior Center partnership)
- Capital Projects
  - Equipment purchases (Ambulance, Patrol cars, PW vehicle)
  - 10<sup>th</sup> Ave. Reconstruction
  - Building Inspection Software
  - Crandell Swim Complex Shower Updates
  - Historic Train Depot
  - Sidewalk/ADA repairs
- Payment of \$412,000 in debt (Building Fund)
- Implementation of KPD 12-hour shifts for training efficiency
- Participation in MAGEC and HEAT to improve Kingsburg's operations

# 2016/17 New Fiscal Year Budget

- General Fund
- Enterprise Funds
- Special Revenues
- Capital Facilities
- Finance Authority
- New Year Projects



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**A LOOK**  
*at the*  
**BUDGET**

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# A Year for Growth

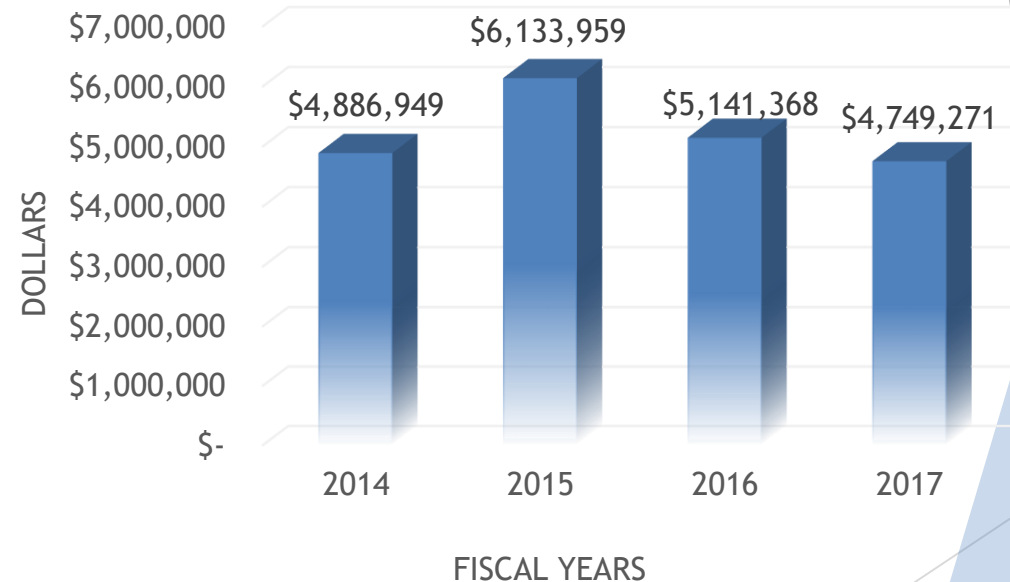
- All Funds Budget total: \$18,820,259 for 2016/17 (5.8% increase over 2015/16)
- \$194,500 for general fund related capital improvement projects
- CalPERS increases organization-wide
- Insurance, Workers Comp. all increase from FY15
- Special revenue fund expenditures for street maintenance and repair (California St., Annual striping program, Preventative maint. Program)
- Budget anticipates additional 15% increase for first half of 2017 for health insurance premiums
- Bond refinancing shows overall fund improvement
- Includes recommended Financial Policy updates; purchasing authority limits
- Maintains or expands organizational staffing levels (adds one FT Police Officer)

# General Fund

## ► Revenue Trending (Pages 1 & 2)

- General Fund revenues conservatively projected, but remain in line with previous years
- TOT taxes trend higher (project a 2.2% increase over 15/16)
- Building Dept. related revenues help offset cost of providing service
- Decrease in sales tax revenue with triple-flip retirement and leakage of services
- Reduced Police Fines (related to more community orientated policing practices)

## GENERAL FUND REVENUE TREND



# General Fund

## ► Expenditures(Pages 3-6)

- **Non-Dept. (overall down 36% from FY16)**
  - Reduced transfer to Fire/Amb (down 52%) due to IGT revenues.
  - Capital outlay for P3 façade/alley program year two
  - Council Chamber lease increase as part of lease agreement.
  - Continued Economic Development investment (\$30,000)
- **City Manager/City Clerk/Finance**
  - Reflection of new positions or alterations to benefit schedule
  - Legacy software costs will reduce contract requirements
- **Planning/Development Dept.**
  - Includes increase for consultant services due to uptick in activity (engineering, planning)
  - Capital investment in planning software and Plan Lines for new development
- **Community Services**
  - Band concert contribution of \$12,000 (up from \$7,000 based upon Chamber request)
  - Includes transfer out to pool (regular operations and sand filter replacement)
  - Transfer to Pool & Senior Center at same level as FY16

# General Fund

## ► Expenditures(Page 4-6)

- **Police**

- Salary increase with anticipated hiring of addition FT officer
- Funding for contract reserves
- PERS and worker's compensation insurance increases
- Funding for Fresno Co SO dispatch service
- Training and education increase
- Capital Outlay; \$40,000 for purchase of new patrol car

- **PW Admin/Landscape Maint/Vehicle Maint.**

- Salary savings due to hiring at step A
- Fuel costs down 7%
- PERS contribution increases

# Special Revenues

- **Revenues (Page 7)**

- Gas Tax down 3% from FY16; down nearly 37% from FY14
- Local Transportation Funds (LTF 8) up \$35,000
- Measure C Funds (Street maint, ADA, Flexible funding) - slight increase over 14-15

- **Expenditures (Page 8)**

- Funding for Golden State corridor (\$20,000) landscape maint. (Gas Tax)
- LTF 8 increase in spending for street projects (use of \$396,445 in fund balance)
- Measure C Funds (Street maint, ADA, Flexible funding)
  - California St. project
  - Draper Sidewalk improvement work
  - ADA improvements in older neighborhoods (ramp work)

- ▶ **16/17 Projects**

- Golden State Corridor landscape maintenance
- City public space landscape maint. (Measure C)
- Annual Street Striping Program (\$20,000)
- Sidewalk Repair (\$20,000)
- Federal Grant match (pages 188-189; \$104,000)
- Road Projects (\$1,045,000)
  - California Street (Draper to Earl)
  - Meadow Lane
  - Sunset St.
  - Smith St. (Draper to Gilroy)
  - Laurel Ave (entrance to Dog Park)
  - Reclamite (Several roads)

# Enterprise Funds

- Revenues (Page 13)

- Water sales increased slightly (due to increased base rate charges)
- Solid waste revenues expected to increase slightly with new commercial rate structure
- Fire/Amb revenues include GEMT and IGT funding to help sustain loss of SAFER grant funds.
- IGT revenue is for 14-15 services (\$465,262)
- Ambulance includes general fund transfer (\$365,000, down from \$785,000 in FY16)

- ▶ Expenditures (pages 14 & 15)

- Water Dept.

- Groundwater Recharge Fee - CID; \$155,000 (amount calculated based upon 2015 actual gallons pumped)
- PERS and medical decreases due to employee turnover
- Reduction in professional services due to software upgrade
- Capital projects (generator maint., UWMP update, Valve replacement, utility truck)
- Commercial water meter register head program replacement continues
- Debt Payments down 3.84%

# Enterprise Funds

## ► Expenditures (page 14 & 15)

### ▪ Solid Waste

- PERS & workers compensation increases
- Franchise Fees for commercial rate restructuring
- First year of increased rates for Mid Valley Disposal (first two years rate lock; increase is determined by CPI)
- Increased expenditures for services due to commercial changes (offset in revenue)

## • Amb/Fire (page 15)

- Salaries are relatively flat (some savings due to new hires)
- PERS and workers compensation increase
- Fire Station bond payments continue as scheduled
- Capital outlay for PPE and SCBA replacements
- Overall Fire/Amb expenditures down .96% from FY16

# Recreation Funds

## ► Revenue Summary (Page 16)

- Pool revenues inline with previous year estimates.
- GF transfer shows similar level of commitment with funding for sand filter replacement (1 of 6)
- Senior Center revenues down slightly due to decrease in Federal subsidy
- GF transfer is same as FY16 (total pool and SC activities)

## ► Expenditure Summary (Page 17):

- Pool expenditures at same level as FY16
- Capital Outlay accounts for sand filter replacement (\$18,000)
- Senior center costs relatively consistent

# Grant Funds (pages 20 - 23)



- Sierra Street Reconstruction (Rafer Johnson to 6<sup>th</sup> Ave.)
- Sierra Street Transit Stop
- Sierra Street Traffic Signal Synchronization
- Sixth Street Reconstruction (Kern to Sierra)
- 10<sup>th</sup>/Union Lighted Crosswalk
- Rafer Johnson Dr/Sierra St. Lighted Crosswalk
- 18<sup>th</sup> Ave. Sidewalks
- 18<sup>th</sup> and Kern Lighted Sidewalks

# Special Funds

- **Finance Authority (Page 25)**
  - Impacts of the bond refinancing projects
  - Special Assessment District impacts (cost savings)
- **Successor Agency (Page 26/27)**
  - Police Facility loan
- **Landscape & Lighting (28/29)**
  - Revenues are used to provide offsetting funds for the maintenance of twelve areas.

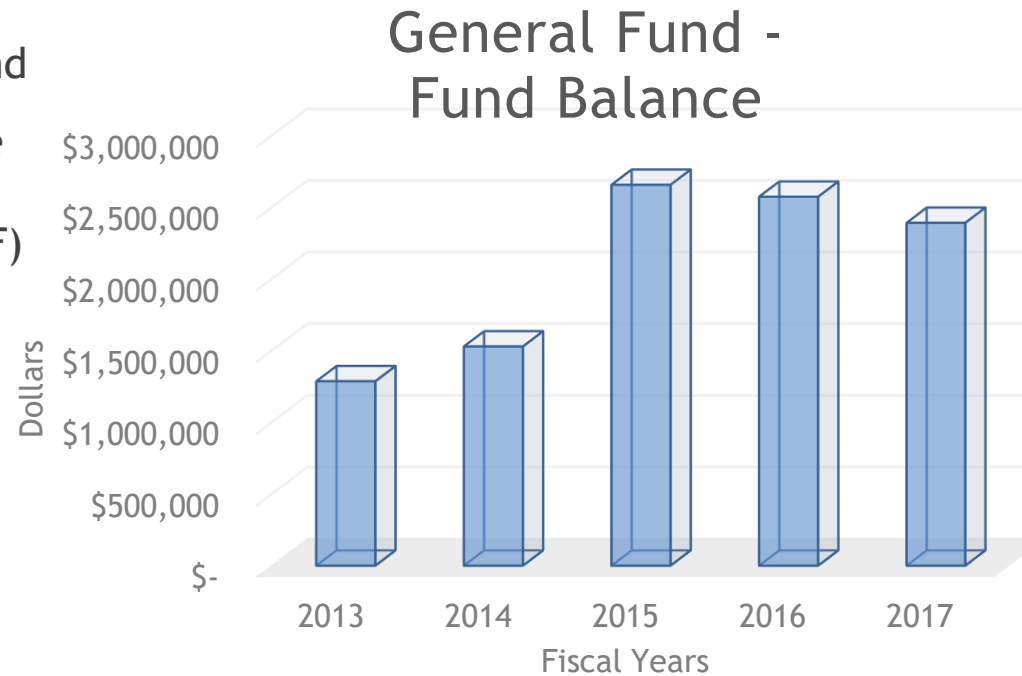
## 2016/17 Capital Improvement Projects



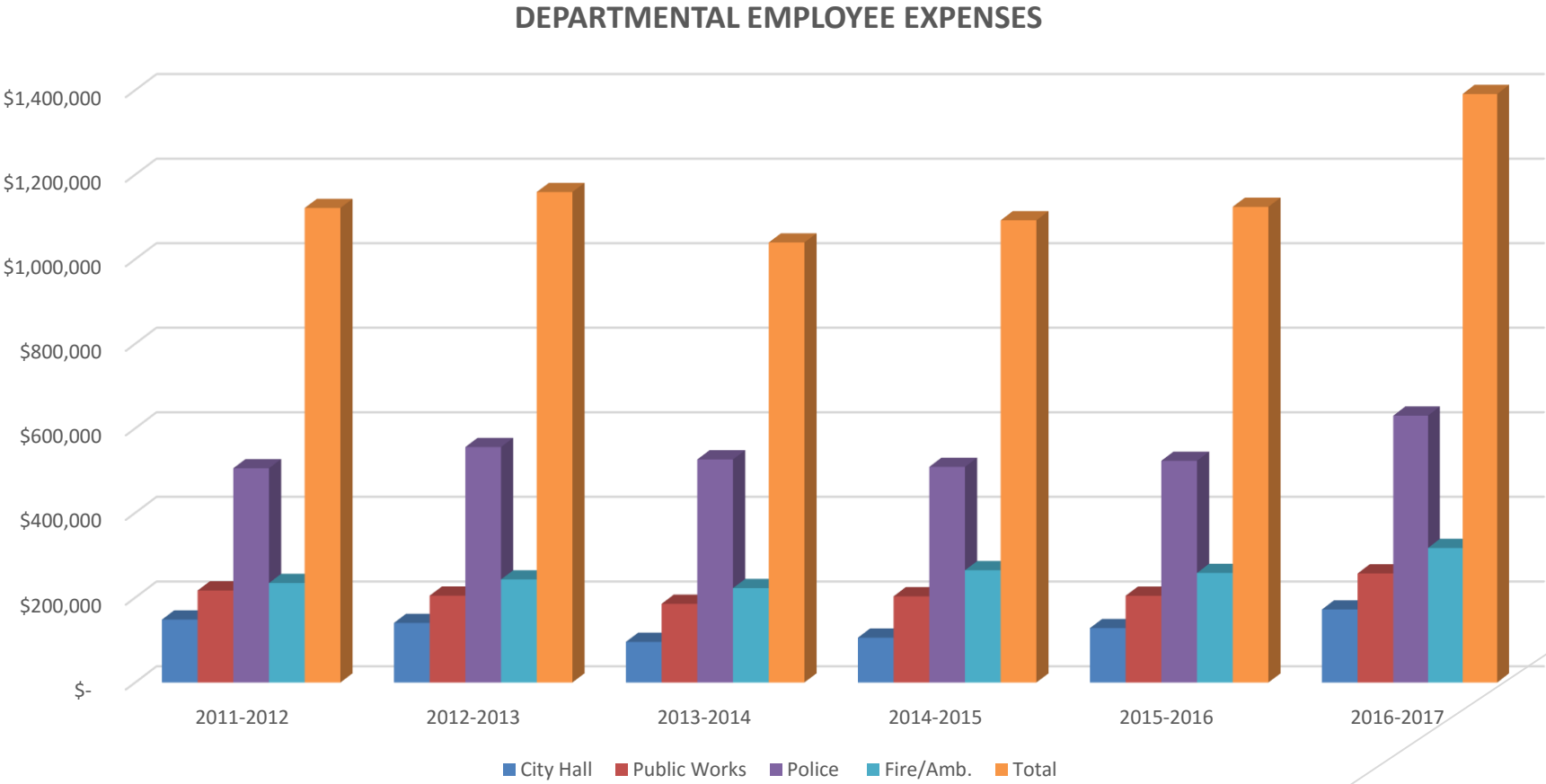
- Code enforcement and planning project software
- Program funding for public safety committee
- Personnel Manual updating
- P3 façade/alley program year two
- Infrastructure investment (several roads to be addressed)
- Personal Protective Equipment for Fire Reserves
- Parks and Recreation Funding - Community Services
- Patrol Car Replacement
- PW F-150
- Urban Water Management Plan Update
- Water Utility Valve Replacement
- Draper St. Sidewalk Repairs

# Overall Summary

- Structural Surplus in General Fund
- Ambulance Fund expected to see improved revenues and less expenditures (less reliance on GF)
- Emphasis on infrastructure (local road spending)
- Funding for additional police officer
- General Fund Balance 36% of operating expenditures



# Employee Benefit Summary (PERs, Medical, Workers Comp, Insurance)



# Financial Policies

- Budget includes Council approved financial, monetary and budget policies.
  - These policies are examined by credit rating agencies and our auditors to ensure we are following Generally Accepted Accounting Principles (GAAP) and Government Finance Officer's Association (GFOA) best practices.
  - Outlines financial procedures and investment policies
  - Outlines an updated purchasing and expenditure/expense program
  - Budget amendment policy
  - Sets credit card policy for purchasing and reimbursements
  - Segregation of duties requirement
- Outlines fund balance policy (sets limits)

# Looking Ahead

## ► Economic Development

- P3 Façade/Alley Program
  - Olson Bros. Building
  - Laundromat
  - Cannery Union/Cates CPA
  - K-9 Solutions Sign
  - Alley Improvements
- Impact Fee Flexibility
- Incentive Programs (B.I.Z.)
- Business Park Marketing Focus
- New Restaurant(s) Opening
- Dollar Tree Pad

## ► New Development

- Commercial/Residential
  - Light Industrial along Golden State (currently building)
  - Coordination with Hospital District to provide more services (Valley Health Team)
  - Annexation Process for three separate applications
  - Over 300 requested SFR allocations
  - NKSP Review/Plan lines to guide future development

Thanks