• Review Feb. 13 general fund projections for FY 2019-20

• Discuss COVID-19 economic impacts

• Update FY 2019-20 general fund projections

• Update 2020 – 2022 budget process
Current economic conditions continue
Current suspended and limited services continue
Hiring freeze on non-essential positions continues
COVID-19 Economic Impacts

Unprecedented
Severe hit
UNKNOWN
Uncertainty
Recession
Freefall
## FY 2019-20 General Fund Projections

as presented February 13, 2020

<table>
<thead>
<tr>
<th>FY 2019-20 General Fund</th>
<th>1/23/20 Adjusted Budget</th>
<th>2/13/20 Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>52,849,100</td>
<td>51,079,000</td>
</tr>
<tr>
<td>Licenses, Permits &amp; Fees</td>
<td>7,830,000</td>
<td>7,929,000</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>5,759,000</td>
<td>5,086,000</td>
</tr>
<tr>
<td>Other</td>
<td>3,205,117</td>
<td>3,082,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>69,643,217</strong></td>
<td><strong>67,176,000</strong></td>
</tr>
<tr>
<td>Personnel</td>
<td>35,511,765</td>
<td>33,780,633</td>
</tr>
<tr>
<td>Non-Personnel</td>
<td>25,894,597</td>
<td>26,537,419</td>
</tr>
<tr>
<td>Civic Center Project</td>
<td>5,493,000</td>
<td>4,653,000</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>66,899,362</strong></td>
<td><strong>64,971,052</strong></td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>2,743,855</td>
<td>2,204,948</td>
</tr>
<tr>
<td>Balance After Budgeted or Approved Reserve Contributions</td>
<td>293,855</td>
<td>404,948</td>
</tr>
</tbody>
</table>
## COVID-19 Economic Impacts

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes</td>
<td>51,079,000</td>
<td>46,841,000</td>
<td>(4,238,000)</td>
</tr>
<tr>
<td>Licenses, Permits &amp; Fees</td>
<td>7,929,000</td>
<td>7,039,000</td>
<td>(890,000)</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>5,086,000</td>
<td>3,233,000</td>
<td>(1,853,000)</td>
</tr>
<tr>
<td>Other</td>
<td>3,082,000</td>
<td>3,769,000</td>
<td>687,000</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>67,176,000</strong></td>
<td><strong>60,882,000</strong></td>
<td><strong>(6,294,000)</strong></td>
</tr>
<tr>
<td>Personnel</td>
<td>33,780,633</td>
<td>31,819,000</td>
<td>(1,961,633)</td>
</tr>
<tr>
<td>Non-Personnel</td>
<td>26,537,419</td>
<td>25,194,000</td>
<td>(1,343,419)</td>
</tr>
<tr>
<td>Civic Center Project</td>
<td>4,653,000</td>
<td>4,242,000</td>
<td>(411,000)</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>64,971,052</strong></td>
<td><strong>61,255,000</strong></td>
<td><strong>(3,716,052)</strong></td>
</tr>
<tr>
<td>Ending Fund Balance</td>
<td>2,204,948</td>
<td></td>
<td><strong>(373,000)</strong></td>
</tr>
<tr>
<td>Balance After Approved Reserve Contributions</td>
<td>404,948</td>
<td><strong>(2,823,000)</strong></td>
<td></td>
</tr>
</tbody>
</table>
COVID-19 Impacts to City Revenues

- Property Tax
- Sales Tax
- Charges for Services, Licenses and Permits
- Business License Tax
- Transactions and Use Tax (Measure GG)
- Transient Occupancy Tax (TOT)
- Utility Users’ Tax (UUT)
COVID-19 Impacts to City Revenues

- Decline of 6.7% = $793K
- Sensitive to market change
- Near-term impact: Immediate
- SIP orders decreases point-of-sale activity
- Sizable declines:
  - Auto & Transportation
  - Fuel & Service Stations
  - Business & Industry
COVID-19 Impacts to City Revenues

- **Property Tax**
- **Charges for Services, Licenses, and Permits**
- **Business License Tax**
- **Transient Occupancy Tax (TOT)**
- **Utility Users’ Tax (UUT)**

- **Decline of 34.7% = $2.4 million**
- **Halt on tourism and travel**
- **Immediate impact**
- **Occupancy rates 0% - 10% (April – June)**
- **Recovery - TBD**
COVID-19 Impacts to City Revenues

- Decline of 36.4% = $1.9 million
- Public Works
  - Building Inspections
  - Construction Permits
- Recreation and Community Services
  - Recreation Program Fees
  - Silliman Center User Fees
  - Facility Rentals
  - Child Care Programs
  - Senior Programs
Expenditure Reductions

• Reduced expenditures by $3.7 million
  • Suspension or reduction of hours of temporary staff
  • Hiring freeze for non-essential positions
  • Reduction of contractual services
  • Cancellation of non-essential trainings and travel
  • Reduction of citywide purchases
Updated tentative City Council meeting dates

May 14
  • CIP project recommendations

May 28
  • Budget work session
  • Draft CIP document review

June 11
  • Detail review of five year forecast and biennial budget document

June 25
  • Adoption of 2020-2022 budget and five year forecast
Key Takeaways

- Unprecedented time of economic uncertainty
- City continues with conservative fiscal policies
- Monitor, measure, and make course corrections
- Present a 2020 – 2022 balanced budget
QUESTIONS?