

CITY OF MARTINEZ

Special Council Meeting

Wednesday, June 27, 2018

Survey Results – Revenue Measure
Financial Forecast Update



City of
MARTINEZ
California

Review of Survey Results

- Council direction on April 4 to explore revenue enhancement options
 - Conduct a polling of voters
- FM3 conducted a telephone and online survey regarding voter support for a sales tax measure on November ballot
 - Interviews conducted June 5-11, 2018
 - General Measure vs. Special Measure



Financial Forecast Update

- Overview:
 - Review updates to the forecast since previous forecast
 - Revenue Measure Impact

Budget Adjustments

Fiscal Year 2018-2019 – Mid Cycle

- Revenue \$309,867
- Expenditures \$1,259,044
 - On-going \$1,105,844
 - Labor Agreement \$720,000
 - One-time \$153,200

Post Mid – Cycle Adjustments

- \$150,000 (One-time) - labor related costs approved June 20, 2018



General Fund Projections Mid-Cycle Adjustments No Revenue Measure

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	Actual	Actual	Revised Budget	Projected	Projected	Projected	Projected	Projected
REVENUE								
Taxes	\$ 19,207,292	\$ 19,066,236	\$ 18,942,300	\$ 19,448,130	\$ 19,837,093	\$ 20,233,834	\$ 20,638,511	\$ 21,051,281
Licenses, Permits & Fees	840,050	691,600	680,600	694,212	708,096	722,258	736,703	751,437
Fines and Forfeitures	450,562	435,000	350,000	357,000	364,140	371,423	378,851	386,428
Intergovernmental	670,768	569,700	632,100	644,742	657,637	670,790	684,205	697,889
Charges for Services	1,212,107	843,773	956,500	1,102,614	1,124,666	1,147,160	1,170,103	1,193,505
Use of Money & Property	234,702	167,100	240,000	244,800	249,696	254,690	259,784	264,979
Sales tax (%)	0.00%			0	0	0	0	0
Other Revenue	267,633	85,000	95,000	223,884	228,362	232,929	237,587	242,339
Total Revenue	22,883,114	21,858,409	21,896,500	22,715,382	23,169,690	23,633,083	24,105,745	24,587,860
EXPENDITURES								
Social Security				555,000	417,150	429,665	442,554	455,831
MPOA Increase (%)	8			720,000	720,000	720,000	720,000	720,000
Salary			10,255,479	10,778,575	11,101,933	11,434,991	11,778,040	12,131,382
Benefits (Excluding CalPERS)			3,756,129	3,943,935	4,141,132	4,348,189	4,565,598	4,793,878
CalPERS			4,137,040	4,190,682	4,728,245	5,247,504	5,744,606	5,148,277
Other Costs			4,207,752	5,377,597	5,381,128	5,542,562	5,708,839	5,880,104
Total Expenditures	20,071,313	21,991,941	22,356,400	25,565,789	26,489,588	27,722,911	28,959,638	29,129,472
Operating Surplus (Deficit)	\$2,811,801	(\$133,532)	(\$459,900)	(\$2,850,407)	(\$3,319,899)	(\$4,089,827)	(\$4,853,893)	(\$4,541,612)
UNASSIGNED FUND BALANCE								
Beginning Balance	\$ 7,736,927	\$ 8,826,549	\$ 6,634,938	(1,748,092.00)	(1,470,448.28)	(1,496,847.44)	(1,524,116.29)	(1,552,282.47)
Transfers In(Out) Other Funds	(203,254)		(794,800)	379,300	388,600	398,100	407,700	417,500
Transfer In From Assigned Fund Balance	1,292,876		765,000					
Transfer Out - IRS Payment				(491,640)	(482,702)	(473,763)	(464,824)	(455,885)
Unassigned Fund Balance	\$ 8,826,549	\$ 6,634,938	\$ 6,145,238	\$ 3,182,490	\$ (231,510)	\$ (4,397,000)	\$ (9,308,017)	\$ (13,888,013)
IRS Balance				\$ 2,234,729	\$ 1,787,784	\$ 1,340,838	\$ 893,892	\$ 446,946
UNASSIGNED-CONTINGENCY FUND BALANCE								
Catastrophes	\$ 300,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
Contingencies	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Economic Uncertainty	600,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unassigned-Contingency Fund Balance	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Unassigned Fund Balance	\$ 9,826,549	\$ 8,634,938	\$ 8,145,238	\$ 5,182,490	\$ 1,768,490	\$ (2,397,000)	\$ (7,308,017)	#####
20% Minimum Level	\$4,014,263	\$4,398,388	\$4,471,280	\$5,113,158	\$5,297,918	\$5,544,582	\$5,791,928	\$5,825,894
Unassigned Fund Balance as % of Operating Expenditures	49.0%	39.3%	36.4%	20.3%	6.7%	-8.6%	-25.2%	-40.8%
Balance Needed to maintain targeted fund balance		\$ 0		\$ -	\$ 3,529,428	\$ 7,941,582	\$ 13,099,944	\$ 17,713,908



General Fund Projections Mid-Cycle Adjustments

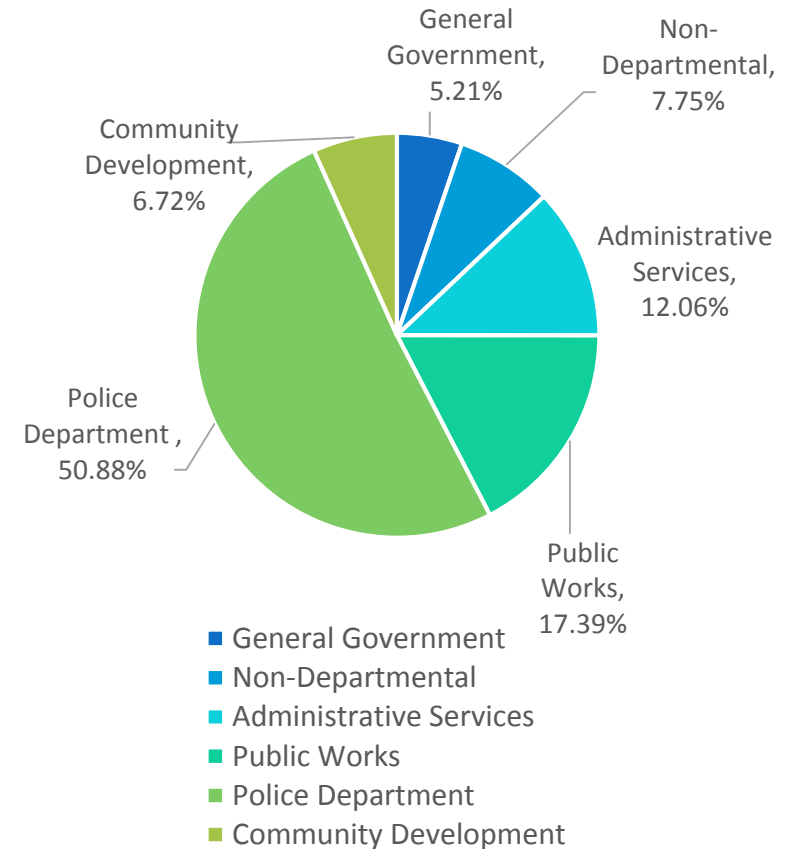
Revenue Measure

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Charges for Services	1,212,107	843,773	956,500	1,102,614	1,124,666	1,147,160	1,170,103	1,193,505
Use of Money & Property	234,702	167,100	240,000	244,800	249,696	254,690	259,784	264,979
Sales tax (%) 0.50%				1,125,000	3,000,000	3,000,000	3,000,000	3,000,000
Other Revenue	267,633	85,000	95,000	223,884	228,362	232,929	237,587	242,339
Total Revenue	22,883,114	21,858,409	21,896,500	23,840,382	26,169,690	26,633,083	27,105,745	27,587,860
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Other Costs			4,207,752	5,377,597	5,381,128	5,542,562	5,708,839	5,880,104
Total Expenditures	20,071,313	21,991,941	22,356,400	25,565,789	26,489,588	27,722,911	28,959,638	29,129,472
Operating Surplus (Deficit)	\$2,811,801	(\$133,532)	(\$459,900)	(\$1,725,407)	(\$319,899)	(\$1,089,827)	(\$1,853,893)	(\$1,541,612)
UNASSIGNED FUND BALANCE								
Beginning Balance	\$ 7,736,927	\$ 8,826,549	\$ 6,634,938	\$ 6,145,238	\$ 4,307,490	\$ 3,893,490	\$ 2,728,000	\$ 816,983
Transfers In(Out) Other Funds	(203,254)		(794,800)	379,300	388,600	398,100	407,700	417,500
Transfer In From Assigned Fund Balance	1,292,876		765,000					
Transfer Out - IRS Payment				(491,640)	(482,702)	(473,763)	(464,824)	(455,885)
Unassigned Fund Balance	\$ 8,826,549	\$ 6,634,938	\$ 6,145,238	\$ 4,307,490	\$ 3,893,490	\$ 2,728,000	\$ 816,983	\$ (763,013)
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Contingencies	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Economic Uncertainty	600,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Unassigned-Contingency Fund Balance	1,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Total Unassigned Fund Balance	\$ 9,826,549	\$ 8,634,938	\$ 8,145,238	\$ 6,307,490	\$ 5,893,490	\$ 4,728,000	\$ 2,816,983	\$ 1,236,987
20% Minimum Level	\$4,014,263	\$4,398,388	\$4,471,280	\$5,113,158	\$5,297,918	\$5,544,582	\$5,791,928	\$5,825,894
Unassigned Fund Balance as % of Operating Expenditures	49.0%	39.3%	36.4%	24.7%	22.2%	17.1%	9.7%	4.2%
Balance Needed to maintain targeted fund balance		\$ 0		\$ -	\$ -	\$ 816,582	\$ 2,974,944	\$ 4,588,908



General Fund Budget - By Department

	FY 2018-19 Amended Budget	Percentage of Total
General Fund Revenue		
Taxes	\$19,849,584	86.87%
License, Permits & Fees	\$694,200	3.04%
Fines & Forfeitures	\$435,000	1.90%
Intergovernmental	\$587,500	2.57%
Charge for Services	\$988,900	4.33%
Use of Money & Property	\$182,800	0.80%
Other Revenues	\$113,083	0.49%
Sub-total	\$22,851,067	100.00%
Transfers In	\$463,300	
TOTAL GENERAL FUND REVENUE	\$23,314,367	
General Fund Expenditures		
General Government	\$1,250,800	5.21%
Non-Departmental	\$1,861,400	7.75%
Administrative Services	\$2,895,800	12.06%
Public Works	\$4,176,145	17.39%
Police Department	\$12,219,588	50.88%
Community Development	\$1,614,311	6.72%
Sub-total	\$24,018,044	100.00%
Transfers Out	\$84,000	
TOTAL GENERAL FUND Expenditures	\$24,102,044	



Department % of General Fund



Calculation of FY 2019-20 Operating Deficit Allocation

2018-19	2019-20	2020-21
10,778,575	11,101,933	11,434,091
3,943,935	4,141,132	4,343,139
4,190,682	4,728,245	5,247,504
5,377,597	5,381,128	5,542,562
25,565,789	26,489,588	27,722,911
(32,850,407)	(33,319,899)	(34,089,827)

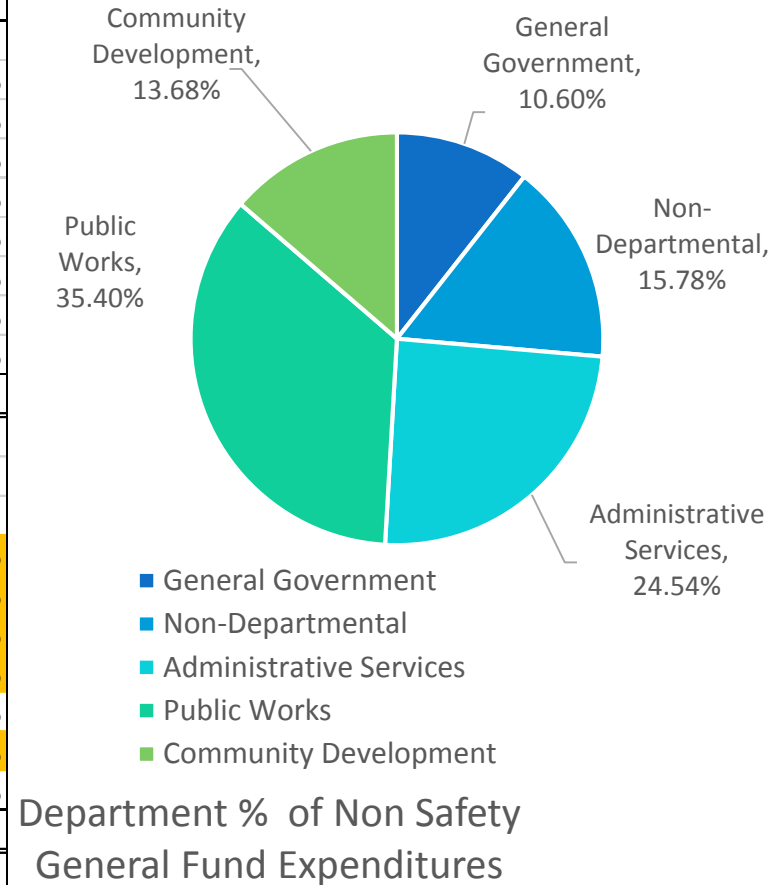
Description	Number	Formula
FY 2019-20 Operating Deficit	\$3,319,899	A
Public Safety % of General Fund Expenditures	50.88%	B=F/E
Non Safety % of General Fund Expenditures	49.12%	C=1-B
Non Safety % of General Fund Deficit	\$1,630,843.97	D=C*A
General Fund Expenditures	\$24,018,044	E
Public Safety General Fund Expenditures	\$12,219,588	F
Non Safety General Fund Expenditures	\$11,798,456	G=E-F
Non Safety Deficit as a % of Non Safety General Fund Expenditures	13.8%	H=D/G



Impact of Special Tax for Public Safety

FY19-20 Non Safety Deficit -\$1,630,844 = 13.8% of non safety expenditures

	FY 2018-19	Percentage
	Amended Budget	of Total
General Fund Revenue		
Taxes	\$19,849,584	86.87%
License, Permits & Fees	\$694,200	3.04%
Fines & Forfeitures	\$435,000	1.90%
Intergovernmental	\$587,500	2.57%
Charge for Services	\$988,900	4.33%
Use of Money & Property	\$182,800	0.80%
Other Revenues	\$113,083	0.49%
Sub-total	\$22,851,067	100.00%
Transfers In	\$463,300	
TOTAL GENERAL FUND REVENUE	\$23,314,367	
General Fund Expenditures		
General Government	\$1,250,800	10.60%
Non-Departmental	\$1,861,400	15.78%
Administrative Services	\$2,895,800	24.54%
Public Works	\$4,176,145	35.40%
		0.00%
Community Development	\$1,614,311	13.68%
Sub-total	\$11,798,456	100.00%
Transfers Out	\$84,000	
TOTAL GENERAL FUND Expenditures	\$11,882,456	



Council Direction

Pursue a potential revenue measure for the November 2018 ballot?

If the direction is to pursue a revenue measure:

- General/half-cent; or
- Special/half-cent; or
- Special/quarter-cent