

2019/20 AND 2020/21 BUDGET

PRESENTATION OUTLINE

- Budget Principles
- General Fund
 - Revenues
 - Expenditures
 - Personnel
 - Services and Supplies
 - Reserves
- Sustainability
 - CalPERS Pension
 - Other Strategies

PRESENTATION OUTLINE CONTINUED

- Other Funds
- Capital
- Recommendations
- CalPERS Actuarial Study

BUDGET DEVELOPMENT PRINCIPLES

1. *Reasonably Conservative* Estimates
2. Sustainability
3. Structural Balance
4. Reserves
5. Transparency (budget document)

GENERAL FUND

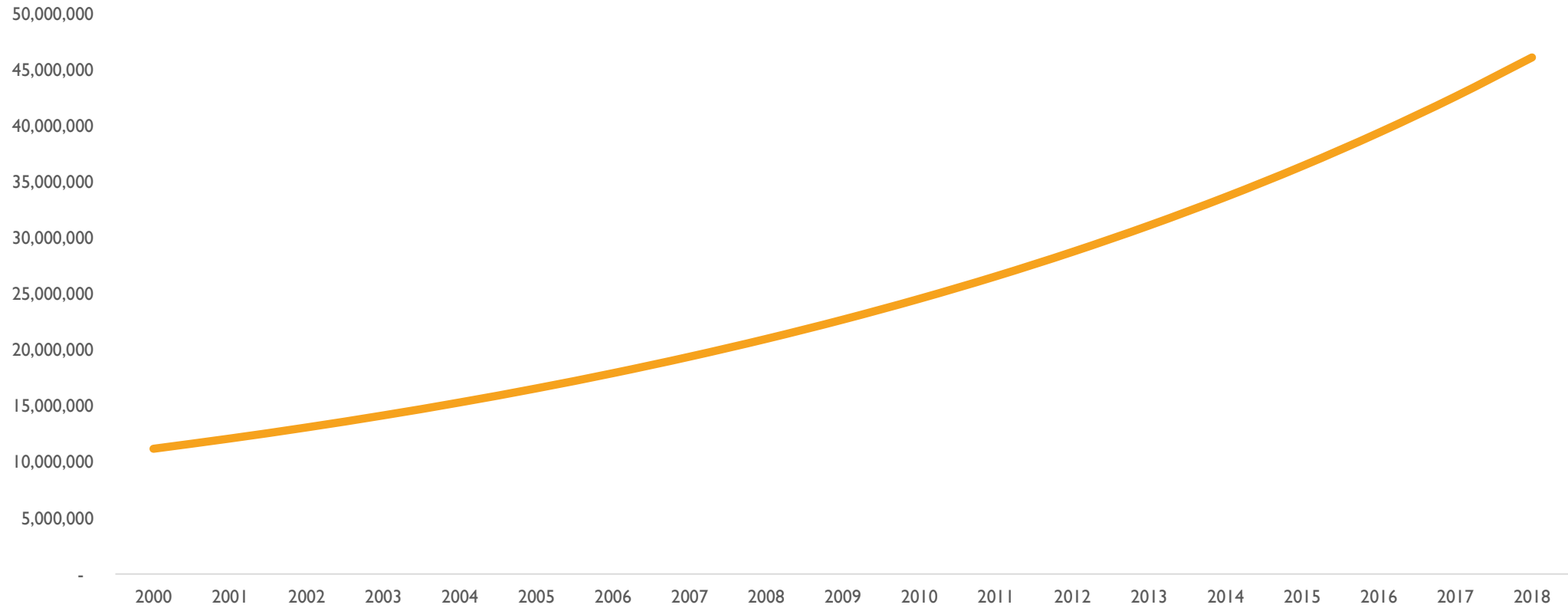
GENERAL FUND REVENUE

GENERAL FUND REVENUE PROJECTION

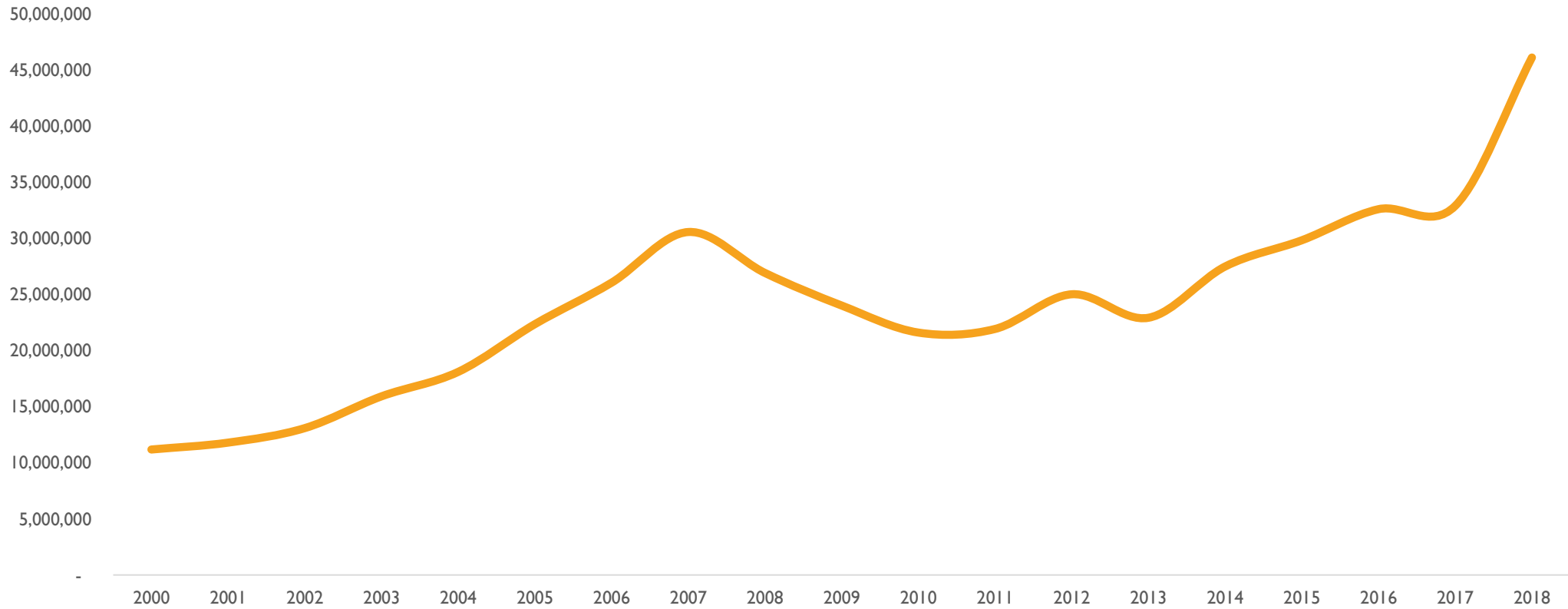
Historical Perspective

- In the year 2000: \$11.2 million
- In 2018: \$46.1 million
- Compound Annual Growth Rate: 8.19%
- Without 2017/18 increase: 6.55%
- Projection for 2019/20: 5.59%

General Fund Revenue - Smoothed



General Fund Revenue - Real Life



City of Perris General Fund

Revenue Summary

Fiscal Years 2019-20 and 2020-21

Revenues	Amended 18/19	Proposed 19/20	% Change	Proposed 20/21	% Change
Property Taxes	7,150,154	7,592,498	6.2%	7,889,101	3.9%
Property Tax in Lieu of VLF	6,985,964	7,544,841	8.0%	7,552,386	0.1%
Sales & Use Taxes	20,450,577	21,210,000	3.7%	21,422,100	1.0%
Transient Occupancy Taxes	31,190	31,190	0.0%	31,190	0.0%
Property Tax Transfers	285,800	342,960	20.0%	342,960	0.0%
Franchise Fees	2,813,284	2,925,815	4.0%	3,042,848	4.0%
Licenses and Permits	344,997	349,730	1.4%	353,630	1.1%
Construction Permits	2,794,836	2,695,950	-3.5%	2,702,246	0.2%
Motor Vehicle License Fees	33,026	38,110	15.4%	38,872	2.0%
Planning Fees	438,351	550,308	25.5%	551,565	0.2%
Recreation Fees/Donations	176,318	242,398	37.5%	245,167	1.1%
Fines and Forfeitures	713,662	776,348	8.8%	781,036	0.6%
Marijuana Tax	550,000	750,271	36.4%	756,871	0.9%
Miscellaneous Revenue	812,482	817,109	0.6%	817,110	0.0%
Interest	409,244	1,000,000	144.4%	1,000,000	0.0%
Total Revenues	43,989,885	46,867,528	6.5%	47,527,079	1.4%
Interfund Transfers/Recoveries	3,424,386	3,777,807	10.3%	3,891,919	3.0%
Total Revenues	47,414,271	50,645,335	6.8%	51,418,998	1.5%

GENERAL FUND EXPENDITURES

PERSONNEL INCREASES

POSITION	STATUS	DIVISION	COMMENT/NOTE	COST	TOTAL OFFSET	NET COST/(SAVINGS)
Human Resource Technician	New/proposed 19/20	HR	Reduction in contract staffing (Offset based on actual in 7391 contract staff)	87,673.00	-33,857.00	53,816.00
Administrative Technician	New/Proposed 19/20	CITY MGR	New	63,241.00	0.00	63,241.00
ADMINISTRATION TOTAL				150,914.00	-33,857.00	117,057.00
Interns (50,000; multiple)	New/proposed 19/20	CITY COUNCIL	13,728 each total cost/Increase Resident Engagement	50,000.00	0.00	50,000.00
CITY COUNCIL TOTAL				50,000.00	0.00	50,000.00
Temp Program Aide	New/proposed 19/20	PUB HLTH	New Account 14047-PUB HEALTH	22,943.00	0.00	22,943.00
Temp Program Aide	New/proposed 20/21	PUB HLTH	New Account 14047-PUB HEALTH	22,943.00	0.00	22,943.00
Temp Program Assistant	New/Proposed	PUB HLTH	Kaiser Grant to cover 50% if awarded	20,647.00	-10,500.00	10,147.00
Project Coordinator	New/proposed/upgrade	PUB HLTH	Upgrade from Program Coordinator	107,559.00	-99,503.00	8,056.00
Park Coordinator	New/proposed 19/20	COMSRV	New position to City	64,000.00	0.00	64,000.00
Park Ambassadors (2 positions)	New/proposed 19/20	COMSRV	New position to City (17,500 Each)	35,000.00	0.00	35,000.00
PT REC LEADER	New/proposed 19/20	COMSRV	To reduce overtime/Req for additional programs from Council	13,769.00	-5,000.00	8,769.00

POSITION	STATUS	DIVISION	COMMENT/NOTE	COST	TOTAL OFFSET	NET COST/(SAVINGS)
PT REC LEADER	New/propsed 19/20	COMSRV	To reduce overtime/Req for additional programs from Council	13,769.00	-2,500.00	11,269.00
PT REC LEADER	New/proposed 20/21	COMSRV	To reduce overtime/Req for additional programs from Council	13,769.00	-5,000.00	8,769.00
PT REC LEADER	New/proposed 20/21	COMSRV	To reduce overtime/Req for additional programs from Council	13,769.00	-2,500.00	11,269.00
COMMUNITY SERVICES TOTAL				328,168.00	-125,003.00	203,165.00
Director of Development Services	New/Proposed 19/20	DEV SRVCS	New	161,872.00	0.00	161,872.00
DEVELOPMENT SERVICES TOTAL				161,872.00	0.00	161,872.00
Maintenance Worker I	New/Proposed 19/20	PUB WORKS	13033018 graffiti abatement contract terminated (\$55,000 savings)	66,748.00	-55,000.00	11,748.00
PUBLIC WORKS TOTAL				66,748.00	-55,000.00	11,748.00
TOTALS				757,702.00	-213,860.00	543,842.00

BENEFIT INCREASES – 2019/20

- Pension \$282,042
- Health Care \$250,871
- Retiree Health Care \$ 45,932

SERVICES AND SUPPLIES INCREASES

Operation Increases	FY19/20	FY20/21	Department
Ring Rebate Program	10,000		City Manager
Increased Professional Services	30,000		Human Resources
Software License/Migration to Office 365	26,400		Information Technology
Technology Hardware-Security Replacement	22,000		Information Technology
Contract Services-Lynn Merrill & Assoc	21,000		Public Works/NPDES
Increased LESJWA, MS4 Annual Permit & TMDL Fees	26,000		Public Works/NPDES
New Code Staff Office/Furnishing	15,000		Code Enforcement
Estimated Cost of Labor Compliance Agreement	15,000		Public Works/Engineering
Additional Tools- New Staff	20,000		Public Works/Facilities Maintenance

Operation Increases**FY19/20 FY20/21****Department**

Paint City Hall/Updates Due to additional staff/office spaces (Statler, IT, CS)	209,500	Public Works/Facilities Maintenance
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Anticipated Increase in Repair & Maintenance	10,000	Public Works/Street Maintenance
Curb, Gutter & Sidewalk /Increase in calls for Service	20,000	Public Works/Street Maintenance
Street & Shoulder Maintenance/Increase in calls for Service	20,000	Public Works/Street Maintenance
Increase in calls for service- Homeless site Clean Up and Vandalism	10,000	Public Works/Street Maintenance

Increases in Building Maintenance Cost	10,000	Public Works/Fleet Maintenance
Increased Vehicle Maintenance	20,000	Public Works/Fleet Maintenance
Purchase a Forklift	53,600	Public Works/Fleet Maintenance
Vehicles	90,000	Public Works/Fleet Maintenance

Animal Control Officer Equipment	11,000	Animal Control
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<u>Operation Increases</u>	<u>FY19/20</u>	<u>FY20/21</u>	<u>Department</u>
Animal Control Software	10,000		Public Works/Animal Control
Custom Animal Containers	19,600		Public Works/Animal Control
Estimated Cost of a Water Truck	80,000		Public Works/Parks
Aquatics Summer Swim Program	44,449		Public Works/Street Maintenance
Purchase New Inflatable Screen and Projector,A-Frames and Small Portable Stage	16,000		CS/Leisure Services
Youth Mariachi Training	20,000	10,000	CS/Leisure Services
Empowering Your Mind Program	10,000	10,000	CS/Public Health
City Gardener Program	15,000	15,000	CS/Public Health
Program Supplies	20,000	20,000	CS/Public Health
Contract Services /New Program	15,000	15,000	CS/Public Health

Operation Increases

FY19/20 **FY20/21**

Department

Special Department Expense- ALPR Cameras

650,000

Police Services

Police Services-Contract Increases

886,783

132,975

Police Services

Fire Services-Contract Increases

203,357

259,882

Fire Department

General Liability Insurance

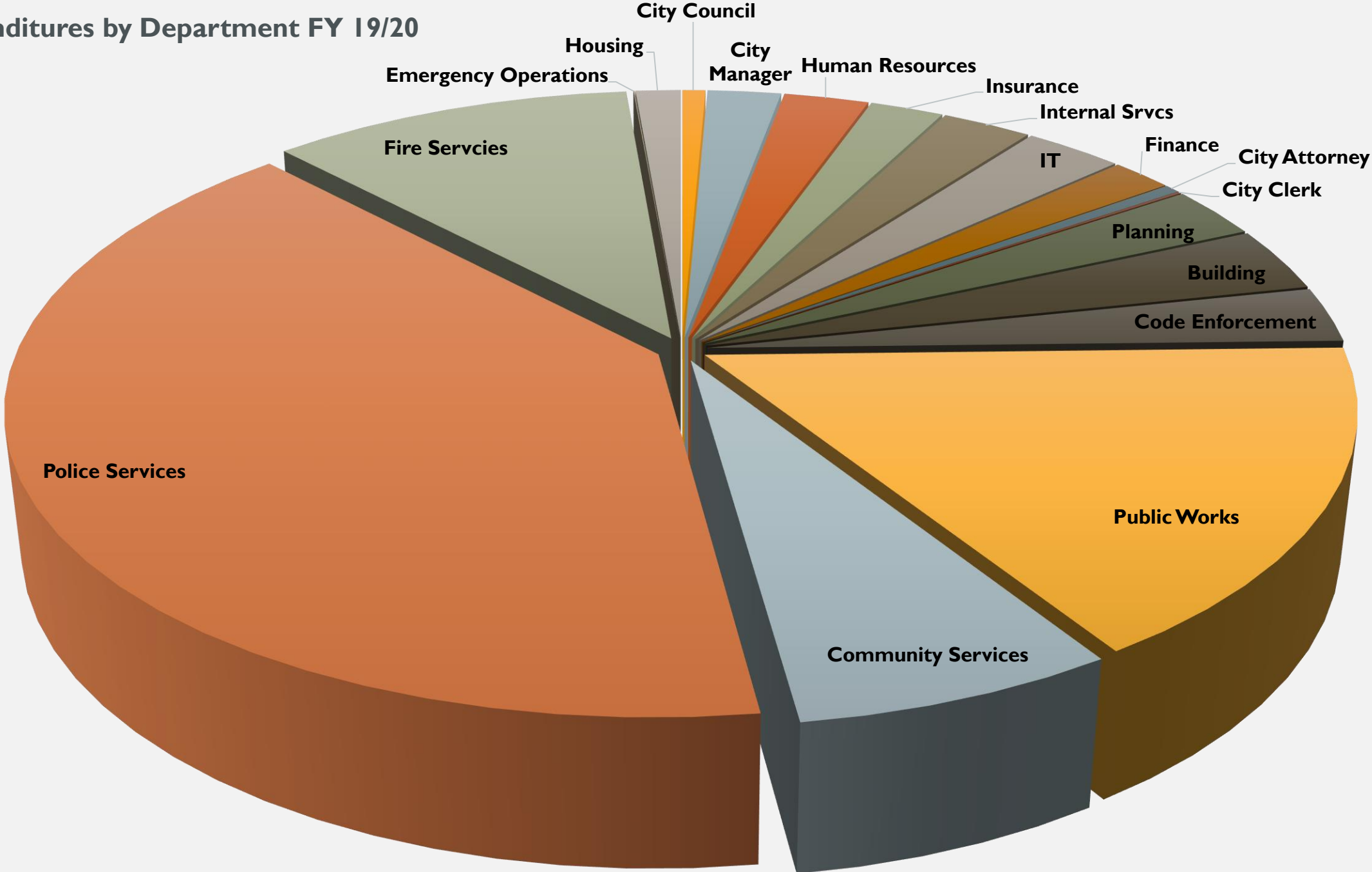
115,395

Insurance

EXPENDITURES BY DEPARTMENT

	<u>FY 19/20</u>	<u>FY 20/21</u>
City Council	338,098	376,972
City Manager	1,073,614	1,208,758
Human Resources/Risk Management	1,241,285	1,354,105
Insurance	1,074,987	1,106,750
Internal Services	1,309,677	1,309,677
Information Technology	1,431,464	1,508,460
Finance	890,393	916,944
City Attorney	225,000	225,000
City Clerk	53,446	59,581
Planning	1,359,075	1,459,328
Building	1,672,539	1,728,145
Code Enforcement	1,439,291	1,483,039
Public Works	8,052,004	7,769,633
Community Services	3,363,092	3,463,127
Police Services	19,718,647	19,851,621
Fire Services	5,278,446	5,538,328
Emergency Operations	16,000	16,000
Housing Authority (Transfer Out)	660,000	660,000
TOTAL OPERATING EXPENDITURES	49,197,059	50,035,466

Expenditures by Department FY 19/20



OVERALL GENERAL FUND

General Fund Overview - FY 19/20

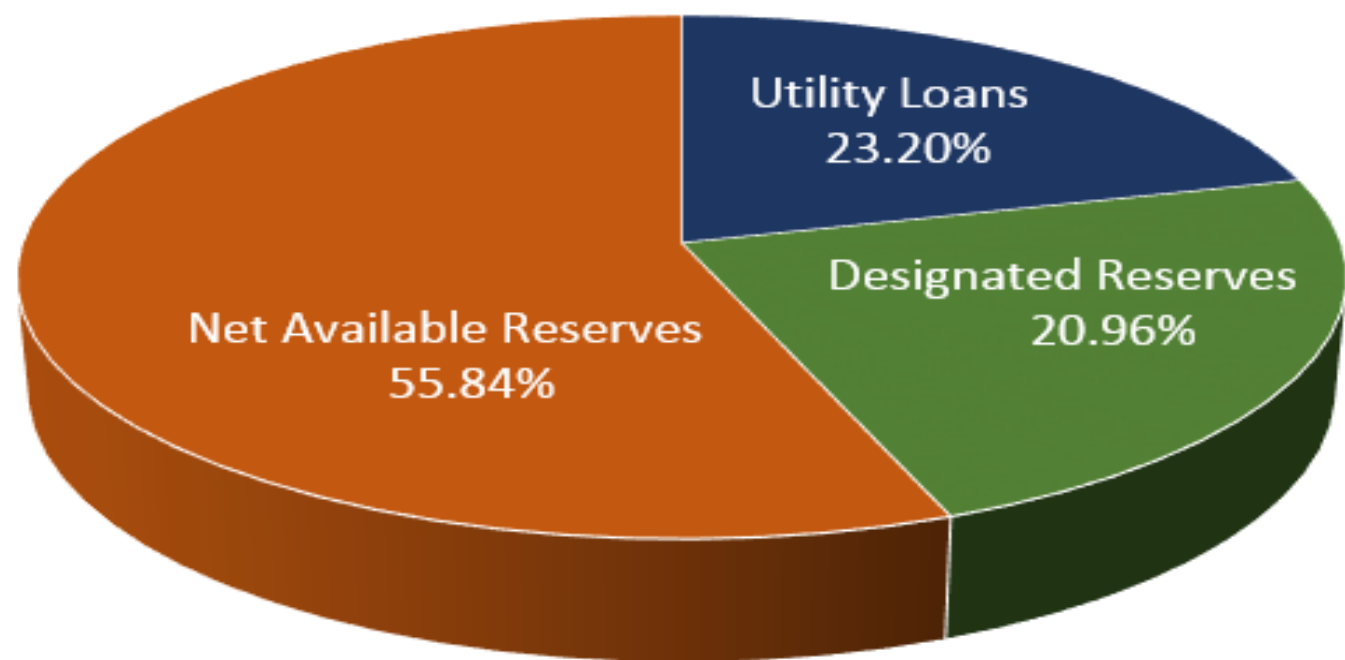
	Revised	Projected	FY18/19 to FY 19/20 Change	
	Budget	Budget	\$	%
	2018/19	2019/20		
Operating Revenues	47,414,271	50,645,335	3,231,064	7%
Taxes	34,903,685	36,721,489	1,817,804	5%
Property Taxes	7,150,154	7,592,498	442,344	6%
In Lieu Property Tax (VLF)	6,985,964	7,544,841	558,877	8%
Sales Tax	20,450,577	21,210,000	759,423	4%
Other Taxes	316,990	374,150	57,160	18%
Other Operating Revenues	12,510,586	13,923,846	1,413,260	11%
Licenses & Permits	344,997	349,730	4,733	1%
Construction Permits	2,794,836	2,695,950	(98,886)	-4%
Motor Vehicle License Fees	33,026	38,110	5,084	15%
Planning Fees	438,351	550,308	111,957	26%
Franchise Fees	2,813,284	2,925,815	112,531	4%
Fines, Forfeits & Penalties	713,662	776,348	62,686	9%
Marijuana Tax	550,000	750,271	200,271	36%
Recreation Fees/Donation	176,318	242,398	66,080	37%
Miscellaneous Revenue	812,482	817,109	4,627	1%
Interest	409,244	1,000,000	590,756	144%
Interfund Transfers/Recoveries	3,424,386	3,777,807	353,421	10%
Operating Expenditures	47,309,348	49,197,059	1,887,711	4%
Personnel	14,955,344	13,472,675	(1,482,669)	-10%
Services and Supplies	31,799,721	34,445,384	2,645,663	8%
Capital	554,283	1,279,000	724,717	131%
Operating Surplus/(Deficit)	104,923	1,448,276		
Transfer to Capital Fund	-	(1,279,000)		
Overall General Fund Surplus	104,923	169,276		

General Fund Overview - FY 20/21

	Projected	Projected	FY19/20 to FY 20/21 Change	
	Budget 2019/20	Budget 2020/21	\$	%
Operating Revenues	50,645,335	51,418,998	773,663	2%
Taxes	36,721,489	37,237,734	516,245	1%
Property Taxes	7,592,498	7,889,101	296,603	4%
In Lieu Property Tax (VLF)	7,544,841	7,552,383	7,542	0%
Sales Tax	21,210,000	21,422,100	212,100	1%
Other Taxes	374,150	374,150	0	0%
Other Operating Revenues	13,923,846	14,181,264	257,418	2%
Licenses & Permits	349,730	353,630	3,900	1%
Construction Permits	2,695,950	2,702,246	6,296	0%
Motor Vehicle License Fees	38,110	38,872	762	2%
Planning Fees	550,308	551,565	1,257	0%
Franchise Fees	2,925,815	3,042,848	117,033	4%
Fines, Forfeits & Penalties	776,348	781,036	4,688	1%
Marijuana Tax	750,271	756,871	6,600	1%
Recreation Fees/Donation	242,398	245,167	2,769	1%
Miscellaneous Revenue	817,109	817,110	1	0%
Interest	1,000,000	1,000,000	0	0%
Interfund Transfers/Recoveries	3,777,807	3,891,919	114,112	3%
Operating Expenditures	49,197,059	50,035,466	838,407	2%
Personnel	13,472,675	14,389,085	916,410	7%
Services and Supplies	34,445,384	35,646,381	1,200,997	3%
Capital	1,279,000	0	(1,279,000)	-100%
Operating Surplus/(Deficit)	1,448,276	1,383,532		
Transfer to Capital Fund	(1,279,000)			
Overall General Fund Surplus	169,276	1,383,532		



2019-20 & 2020-21 PROPOSED RESERVERS OPERATING RESERVES



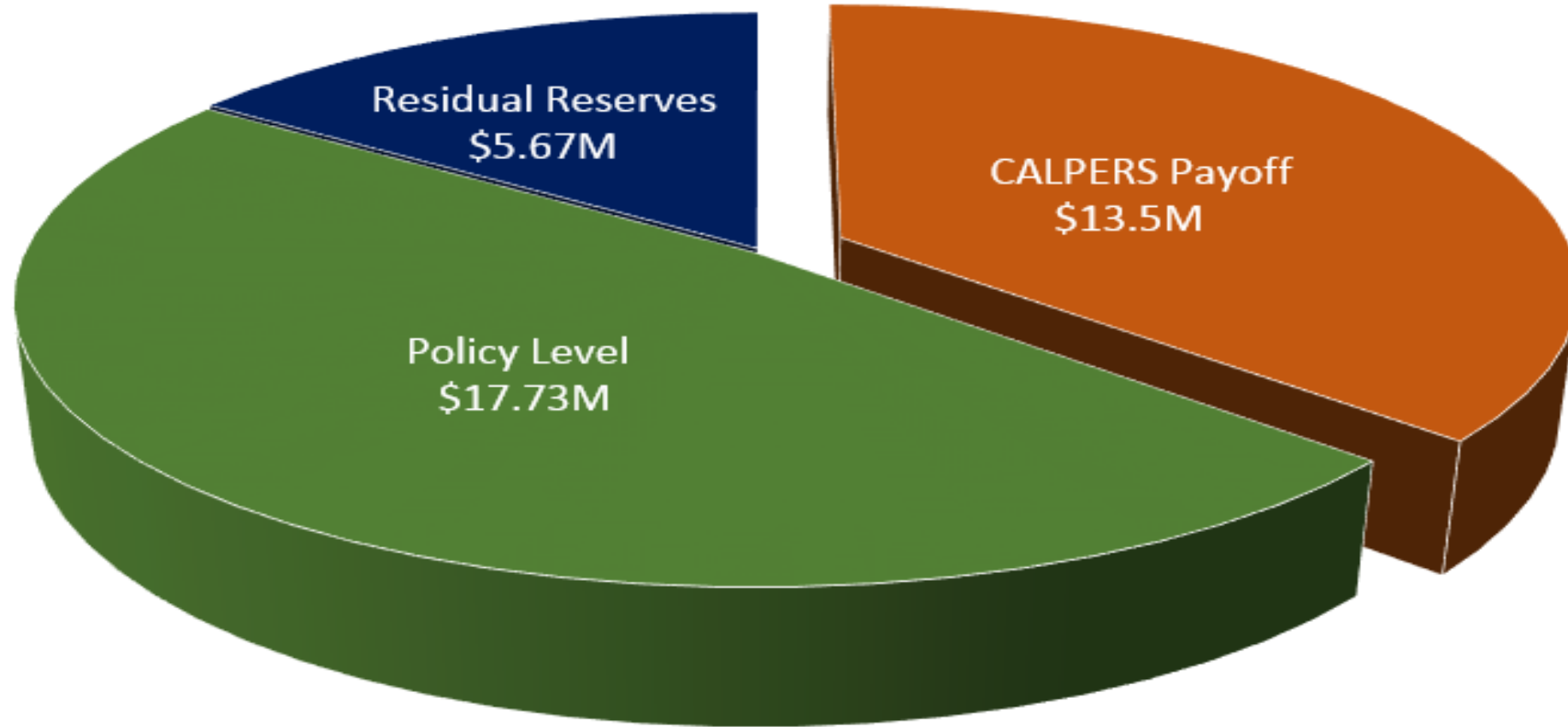
Operating Reserves (In Millions)

Est. Beginning Fund Balance	36.73
Designated Reserves	7.70
Utility Advances/Loans	8.52
Net Available Reserves	20.51
2019-20 Operating Surplus	0.17
2020-21 Operating Surplus	1.38
Est. Ending Fund Balance	38.28
2019-20 Operating Budget Target 35% Reserve Balance	50.645
	17.73
2020-21 Operating Budget Target 35% Reserve Balance	51.42
	18.00

GENERAL FUND RESERVES



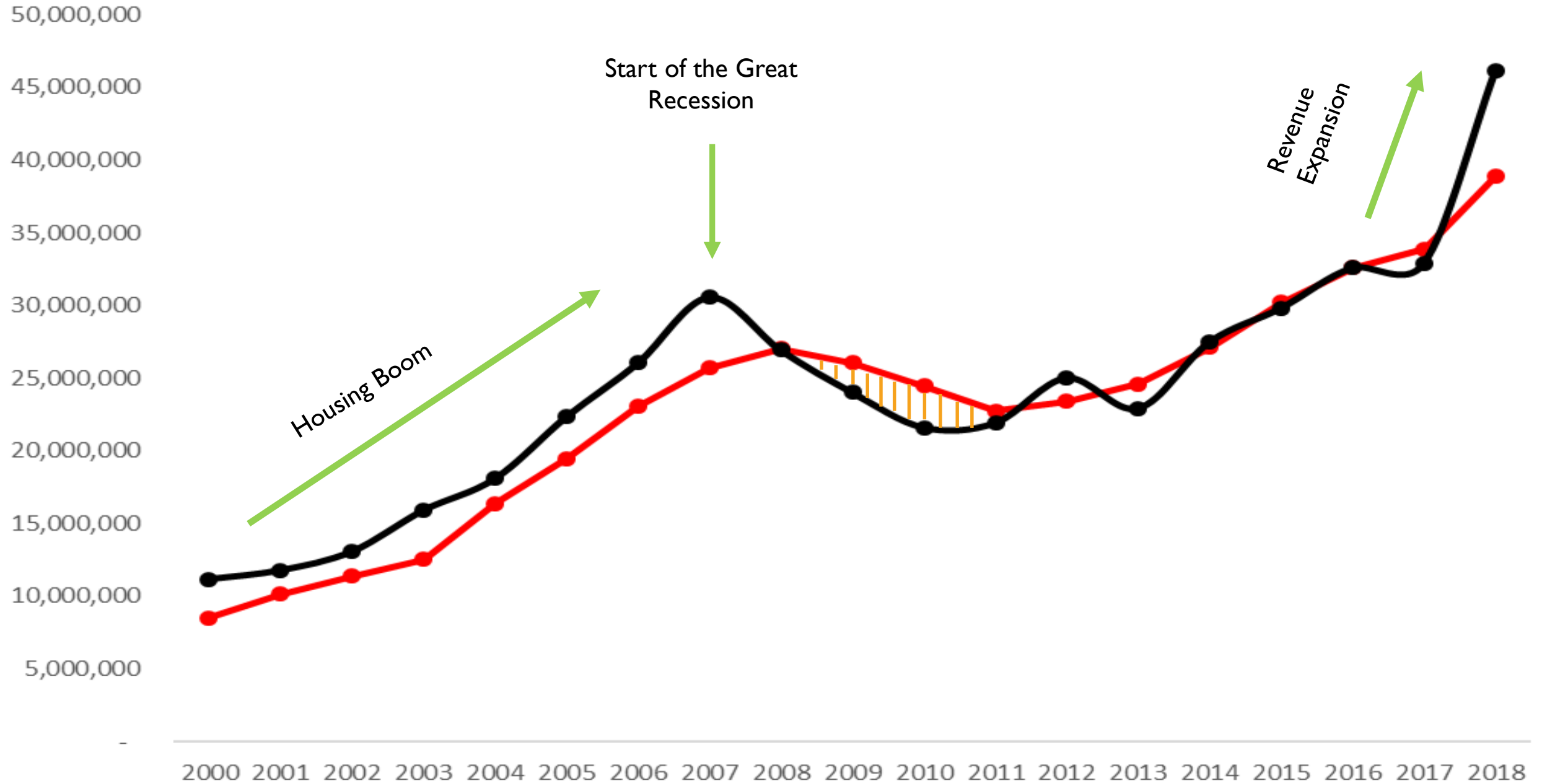
PROPOSED RESERVES AFTER CALPERS PAYOFF



GENERAL FUND RESERVES AFTER CALPERS PAYOFF

SUSTAINABILITY STRATEGIES

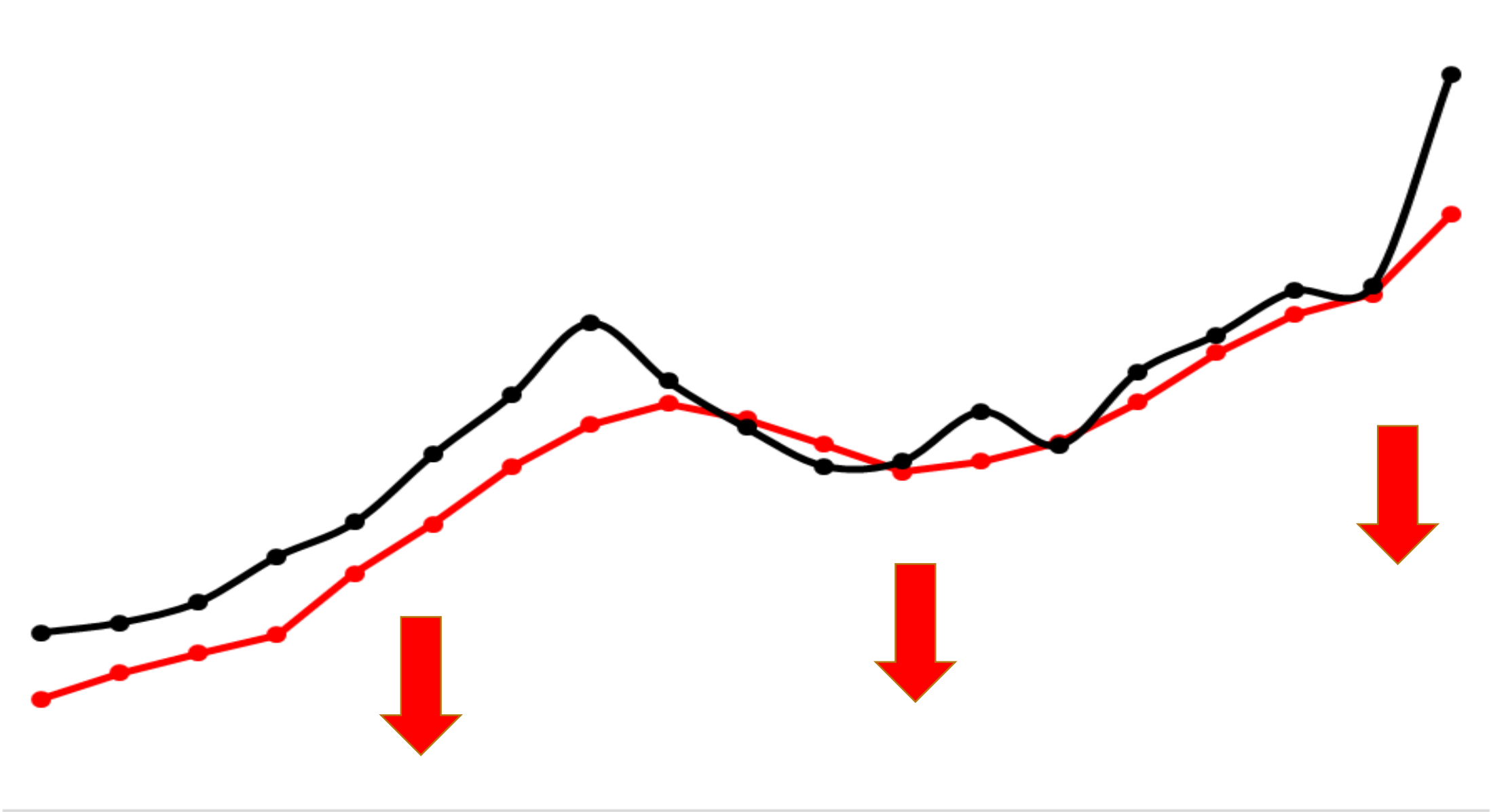
Revenue vs Expenditures



Revenue vs Expenditures

50,000,000
45,000,000
40,000,000
35,000,000
30,000,000
25,000,000
20,000,000
15,000,000
10,000,000
5,000,000

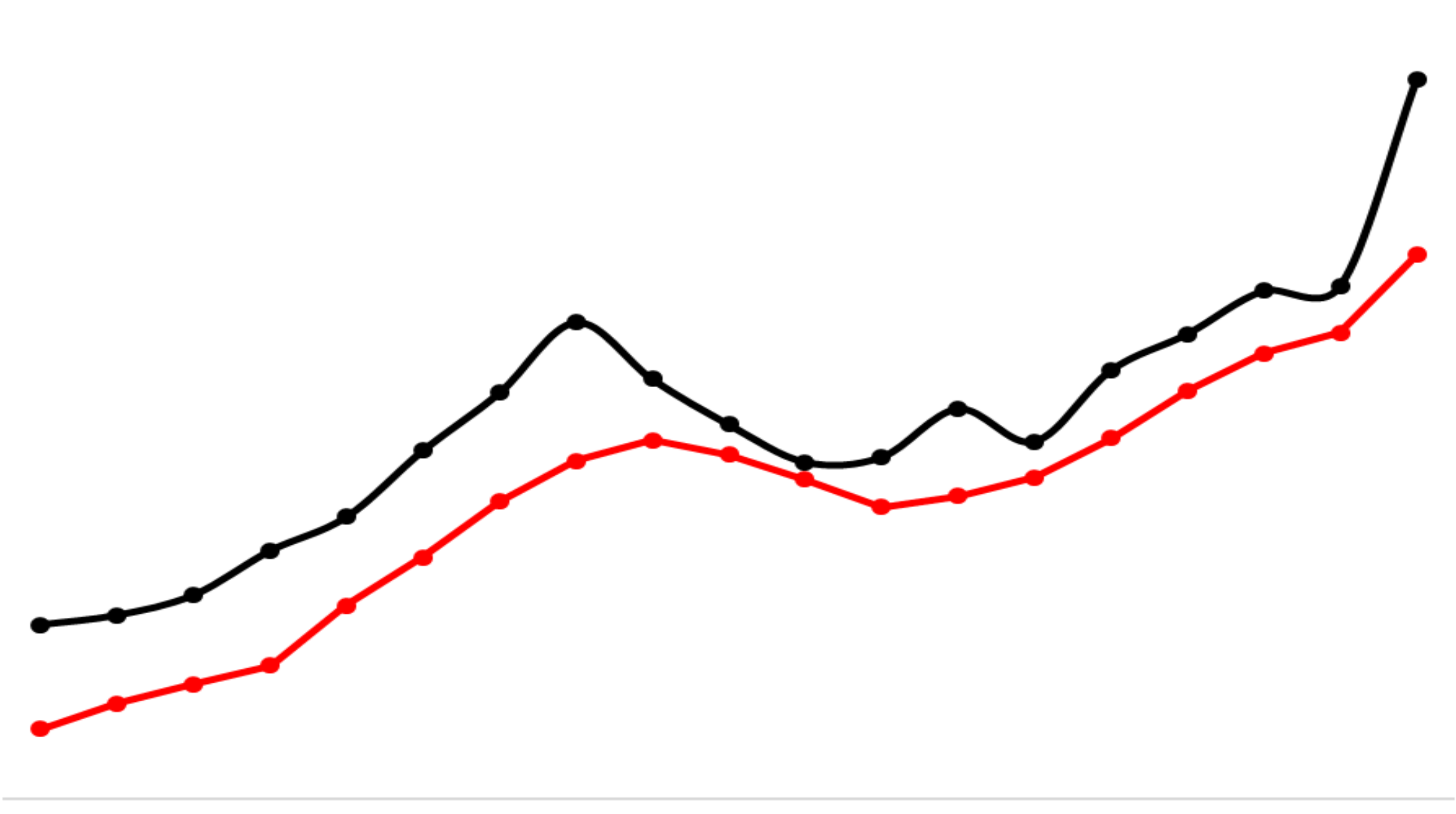
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Revenue vs Expenditures

50,000,000
45,000,000
40,000,000
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30,000,000
25,000,000
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10,000,000
5,000,000

2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018



PENSION DEBT STRATEGY

CALPERS PENSION

- CURRENT UNFUNDED LIABILITY: \$12.7 MILLION
- PAYMENT ON UNFUNDED LIABILITY IN 18/19: \$603,000
- PAYMENT ON UNFUNDED LIABILITY IN 29/30: \$2,047,000
- AN INCREASE OF 340%
- BARTEL ASSOCIATES, LLC WAS RETAINED TO CONDUCT A STUDY ON THE FEASIBILITY OF PAYING OF THE UNFUNDED LIABILITY
- STUDY WAS PRESENTED TO THE WAYS AND MEANS COMMITTEE ON JUNE 27, 2019

OTHER SUSTAINABILITY STRATEGIES

OPEB Trust

Revolving Funds

- Vehicle Replacement
- Facilities Maintenance

OTHER FUNDS

ESTIMATED SPECIAL REVENUES

<u>Fund</u>	<u>Description</u>	2019/20 Revenues	2020/21 Revenues
103	Asset Forfeiture	\$ 30,000	\$ 30,000
109	AQMD Air Quality Management	80,500	80,500
112	Traffic Safety	225,000	225,000
115	Office of Traffic Safety	115,500	115,500
121	Street Lighting - Property Tax	271,000	271,000
124	Street Lighting - MD 84-1	911,000	911,000
127	Landscape Maintenance District	2,009,500	2,009,500
130	Flood Control Maintenance District	1,584,500	1,584,500
133	Road & Bridge Benefit District	2,008,000	2,008,000
136	Gas Tax	1,555,801	1,555,801
142	Measure A	1,449,000	1,449,000
149	CALVIP Grant	472,645	-
152	Community Development Block Grant	908,552	-
154	Construction Fund	482,000	-
157	City Projects / External Contributions	10,000	10,000
160	Storm Drain Developer Fees	56,000	56,000
163	Development Fees	531,000	531,000
165	Comm Economic Development Corp	112,500	112,500
170	HUD - NSP 3 Federal	100	100
171	HCD - HOME - Federal	50	50
Total Special Revenue Funds		\$ 12,812,648	\$ 10,949,451

ENTERPRISE FUNDS

19/20

	D/T Water	North Water	Sewer	Solid Waste
REVENUES	2,575,300	859,600	2,000,500	1,140,000
EXPENDITURES	3,193,777	1,212,675	2,340,556	1,167,302
Surplus/(Loss)	\$ (618,477)	\$ (353,075)	\$ (340,056)	\$ (27,302)

20/21

	D/T Water	North Water	Sewer	Solid Waste
REVENUES	2,575,300	859,600	2,000,500	1,140,000
EXPENDITURES	3,204,012	1,248,972	2,350,790	1,170,323
Surplus/(Loss)	\$ (628,712)	\$ (389,372)	\$ (350,290)	\$ (30,323)

COMMUNITY
ECONOMIC
DEVELOPMENT
CORP (CEDC)

FUND BALANCE	3,223,869
INTEREST EARNINGS	20,000
RENTAL INCOME	50,000
SIGN LEASE REVENUE	42,000
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	112,000
LEGAL SERVICES	15,000
PROFESSIONAL SERVICES	92,602
PERRIS FAIR	5,000
P-VAL CHAMBER OF COMMERCE	15,000
ATTRACTION/RETENTION PROGRAM	266,165
RESTAURANT INCENTIVE PROGRAM	300,732
GENERAL ED/ADMIN	100,000
SKILLS TRAINING CENTER	964,155
PERRIS THEATER RESTORATION	1,206,031
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	2,964,685
Net Surplus (Deficit)	371,184

CAPITAL IMPROVEMENT PROJECTS

Project	Project Name	Amount	Funding Source
(NEW)	Health/Code Office Bldg Roof Replacement	275,000.00	General Fund
(NEW)	Health/Code Office Bldg Roof Replacement	8,000.00	Community Amenities DIF
(NEW)	Health/Code Office Bldg Roof Replacement	157,000.00	Government Services DIF
(NEW)	Parks & Recreation Master Plan	150,000.00	Industrial Park DIF
(NEW)	Banta Beatty Park	40,000.00	Industrial Park DIF
F039	Harley Knox Building Improvements	43,000.00	Administration DIF
F039	Harley Knox Building Improvements	207,000.00	General Fund
F043	IT Studio Conversion (Senior Center)	147,000.00	General Fund

RECOMMENDATIONS

1. Adopt the 2019/20 and 2020/21 Two-year Budget
2. Authorize the pay-off of the CalPERS pension liability from General Fund Reserves

QUESTIONS/DISCUSSION