

# FY 2014 Budget Update

City of Fresno  
March 27, 2014

# Goals of the General Fund 5–Year Plan

- ▶ **Protect Public Safety** – At minimum, maintain the current level of public safety and improve services as soon as funds are available
- ▶ **Support Job Creation** – Include minimal staffing increases to support improved customer service and economic development
- ▶ **Restore Financial Health** –
  - Pay off deficit funds and Water litigation/CSW fund loans
  - Build reserves of \$25 million as quickly as possible without impacting public safety and job creation

# FY 2013 Carryover

- ▶ Total carryover is \$6.8 million
  - \$3.3 million resulted from one-time savings in operational expenses and transfers, primarily from holding positions open for Measure G
  - \$1.7 is one-time, pre-paid revenue with one-time offsetting expenses in FY 2014, e.g. El Paseo project inspection fees
  - \$1.8 million is expected to be ongoing revenue, this has been taken into consideration in the Five-year projections

# FY 2015 Base Budget

## ▶ What's in the Base:

- Increases in Property Tax per Assessor's estimated AV for FY 2015
- Revised RDA increment per Successor agency schedule
- Employee raises required by labor contracts
- 30 Cadets
- 7 additional Emergency Services Dispatchers
- BFF staffing (7 General Fund positions)
- Increase in Pension costs, both due to salary increases and the decrease in return rate of the pension system

# FY 2015 Base Budget

- ▶ **What's in continued:**
  - Replenishment of the \$3 million Self Insurance Retention (SIR) contingency
  - Reallocation of some CDBG expenses per federal audit findings
  - All debt obligation transfers
  - Minimal level of GF capital replacement for PD vehicles, Fire apparatus, safety training & technology
- ▶ **What's not in the Base**
  - Provision for health care cost increases

# General Fund 5-Year Projections

	FY 2014 Estimate	FY 2015 Base	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
Carryover	6,825	2,756	0	0	0	0
<b>Revenues:</b>						
Sales Tax	74,166	76,247	77,914	79,862	81,859	83,905
Property Tax	102,286	105,929	108,048	110,209	112,413	114,661
RDA Increment	2,832	2,100	2,400	2,400	2,424	2,448
Charges for Current Svcs	32,858	34,215	34,899	35,597	36,309	37,036
All Other	67,971	66,072	65,831	65,338	66,435	67,377
Subtotal Revenues	280,113	284,563	289,092	293,406	299,440	305,427
<b>Total Resources</b>	286,938	287,319	289,092	293,406	299,440	305,427
Employee Services	192,482	206,451	204,594	209,555	214,137	215,737
All Other Expenditures	51,949	54,965	57,384	59,700	59,774	60,295
<b>Total Expenditures</b>	244,431	261,416	261,978	269,255	273,911	276,032
Debt Service (net of POB)/Transfers	(23,298)	(25,903)	(24,941)	(24,253)	(23,074)	(22,532)
Resources less Expenditures/Trfs	19,209	0	2,173	(102)	2,455	6,863
Internal Loan/Repayment	(12,400)	0	0	0	0	0
Deficit Recovery	(4,053)	0	0	0	0	0
<b>Ending Balance</b>	2,756	0	2,173	(102)	2,455	6,863

# General Fund Reserve

	FY 2014 Estimate	FY 2015 Base	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected	FY 2019 Projected
Estimated RDA Debt Repayment		3,500	2,000	3,125	2,900	3,040
Estimated Budget Surplus/Deficit (from prior slide)		0	2,173	(102)	2,455	6,863
Ending Reserve Balance	1,500	5,000	9,173	12,196	17,551	27,454

# Important Decisions in the 5-Year Projections

- ▶ Funded police officers
  - 717 in FY 2015–FY 2016
  - 727 in FY 2017
  - 732 in FY 2018–FY 2019
- ▶ Funds all current cadets and Emergency Services Dispatchers
- ▶ Funded firefighters
  - 311 in FY 2015– FY 2017 (funded thru SAFER13 grant)
  - 320 in FY 2018– FY 2019

# Important Decisions in the 5-Year Projections

- ▶ Recognize RDA tax increment monies, per the Successor agency schedule, into the operating budget
- ▶ Due to the uncertain timing of the RDA debt repayment, these funds will be placed in the Emergency Reserve if/when they are received
- ▶ Assume modest contract savings as contracts come open
  - Funds increases in public safety and other staffing in the coming years
  - Assume salary increases after 2 years of savings

# FY 2015 Budget Timeline

- ▶ Budget will be delivered to Council on May 20<sup>th</sup>
- ▶ Budget hearings can start 10 calendar days after delivery
- ▶ Must be adopted by June 30<sup>th</sup>