

FY 2019/20 & 2020/21 Budget



Budget Work Session May 14, 2019

FY 2017-19 Finances in Review

- **Eliminated All Inter-Fund Loan Debt**
 - **Kilgore Cemetery**
 - **General Plan Fund**
 - **Housing Fund**
 - **Capital Projects Fund**
- **Refinanced debt on City facilities and released City Hall**
- **Purchased 10 acre property located at Folsom Blvd. and began visioning for future Community Center**
- **Completed major infrastructure projects throughout the City**

Budget Timeline



- Budget Work Sessions on January 29 & February 26



- Mid-Year Report to Council on March 18



- Budget Work Session on May 14



- Draft Budget to City Council on May 24



- Budget Adoption on June 3

City Budget Overview

Fiscal Year 2019-21 Operating Budget Fiscal Year 2019-24 Capital Improvement Program

City Revenues

- **General Fund Revenues Continuing to Reach New Highs**
- **Economic Slowdown Anticipated By 2020**

City Expenditures

- **City Initiatives in the Budget**
- **Cost Containment Challenges**

Overview of Five Year CIP

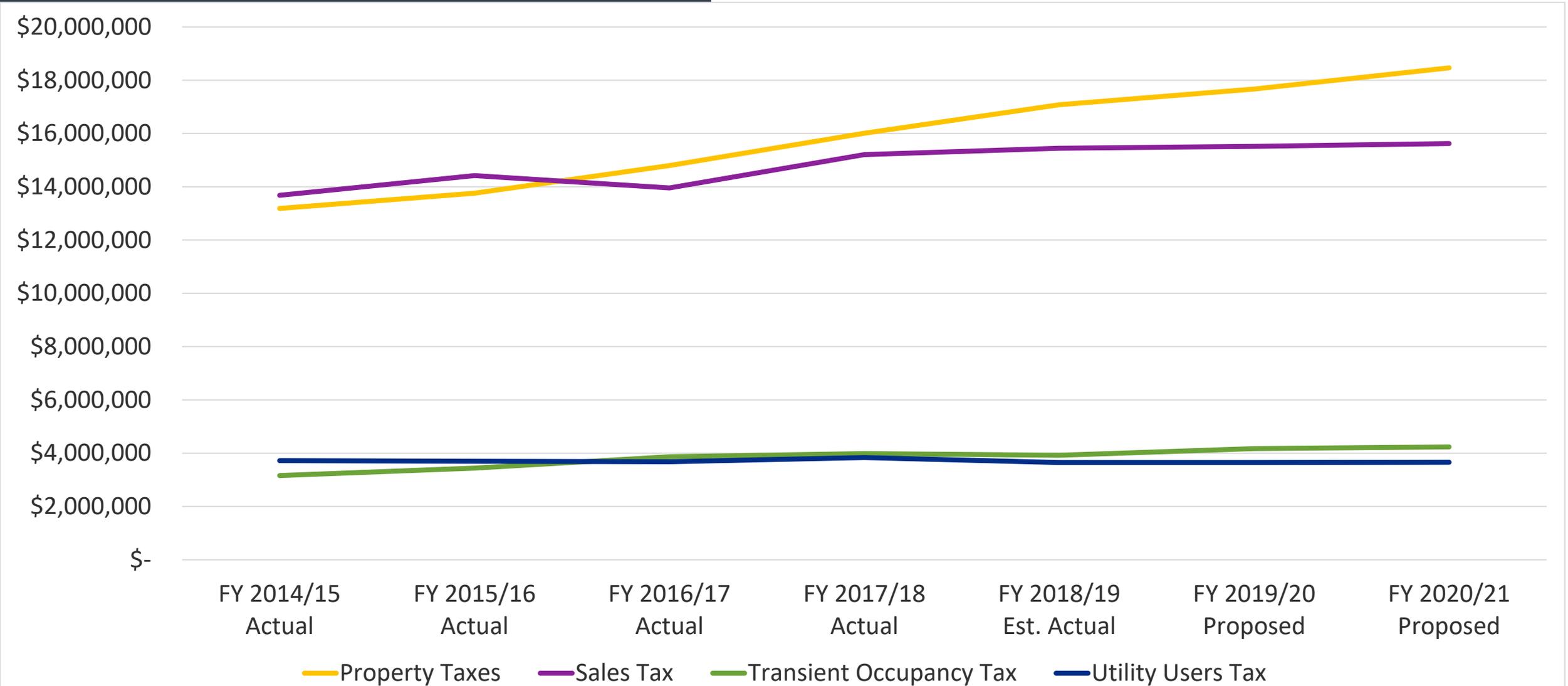
General Fund Revenues by Category

Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Budget	FY 2018/19 Est. Actual	FY 2019/20 Proposed	FY 2020/21 Proposed
Taxes	37,341,161	38,690,197	41,404,171	40,000,600	42,600,900	43,593,900	44,639,328
Franchise Fees	1,907,022	2,013,872	2,116,694	1,821,000	2,169,400	2,173,700	2,203,400
Licenses, Permits, and Fees	3,544,198	3,547,415	3,177,989	2,523,900	3,109,600	3,015,000	3,016,000
Fines and Forfeitures	1,548,701	1,656,526	1,549,953	1,548,400	1,627,500	1,587,500	1,587,500
Use of Money and Property	669,745	860,732	501,253	710,000	1,224,100	1,185,300	1,201,000
Intergovernmental	1,303,666	838,766	483,437	543,900	525,600	590,700	599,500
Charges for Services	3,664,999	3,593,869	3,307,486	4,127,000	4,259,900	3,792,200	3,704,600
Other Revenues	476,133	17,548	96,354	37,600	56,500	68,500	68,500
Transfers In	100,000	100,032	100,000	282,100	286,100	326,900	360,800
Total General Fund Revenue	\$ 50,555,625	\$ 51,318,956	\$ 52,737,336	\$ 51,594,500	\$ 55,859,600	\$ 56,333,700	\$ 57,380,628

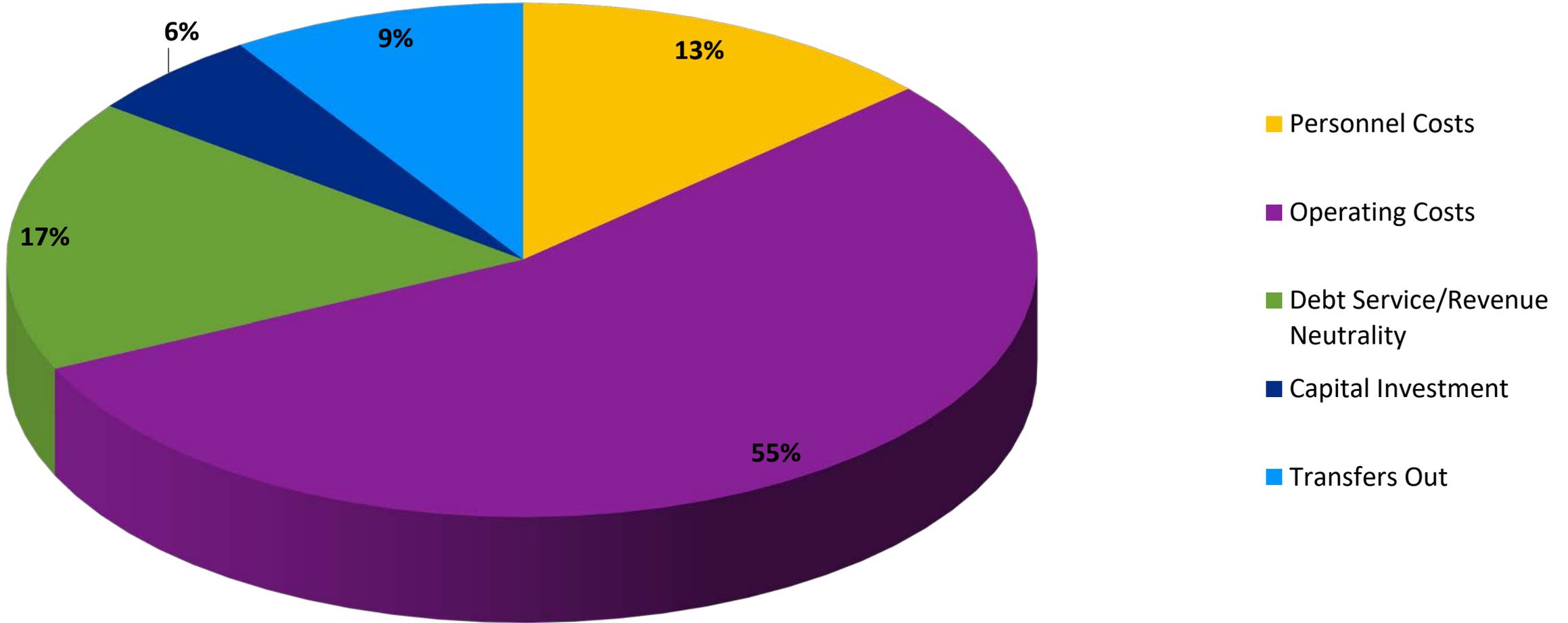
General Fund Tax Revenues by Source

Category	FY 2014/15 Actual	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Est. Actual	FY 2019/20 Proposed	FY 2020/21 Proposed
TAXES							
Property Taxes	\$ 13,185,809	\$ 13,759,511	\$ 14,795,007	\$ 16,010,748	\$ 17,078,500	\$ 17,666,900	\$ 18,462,420
Sales Tax	13,677,994	14,420,503	13,955,727	15,205,165	15,447,000	15,516,900	15,621,808
Transient Occupancy Tax	3,160,028	3,441,447	3,866,249	3,984,490	3,923,100	4,173,300	4,235,800
Utility Users Tax	3,718,885	3,698,001	3,678,209	3,835,713	3,648,700	3,649,200	3,659,200
Homeowners' Subventions	100,232	98,334	97,641	97,107	97,700	97,700	97,700
Police Tax	1,309,627	1,381,018	1,524,481	1,673,409	1,833,300	1,909,900	1,987,400
Property Transfer	330,784	371,664	556,957	402,973	400,000	380,000	375,000
Other Taxes	143,316	170,683	215,924	194,566	172,600	200,000	200,000
Total Taxes	35,626,675	37,341,161	38,690,197	41,404,171	42,600,900	43,593,900	44,639,328

Tax Revenue Trends



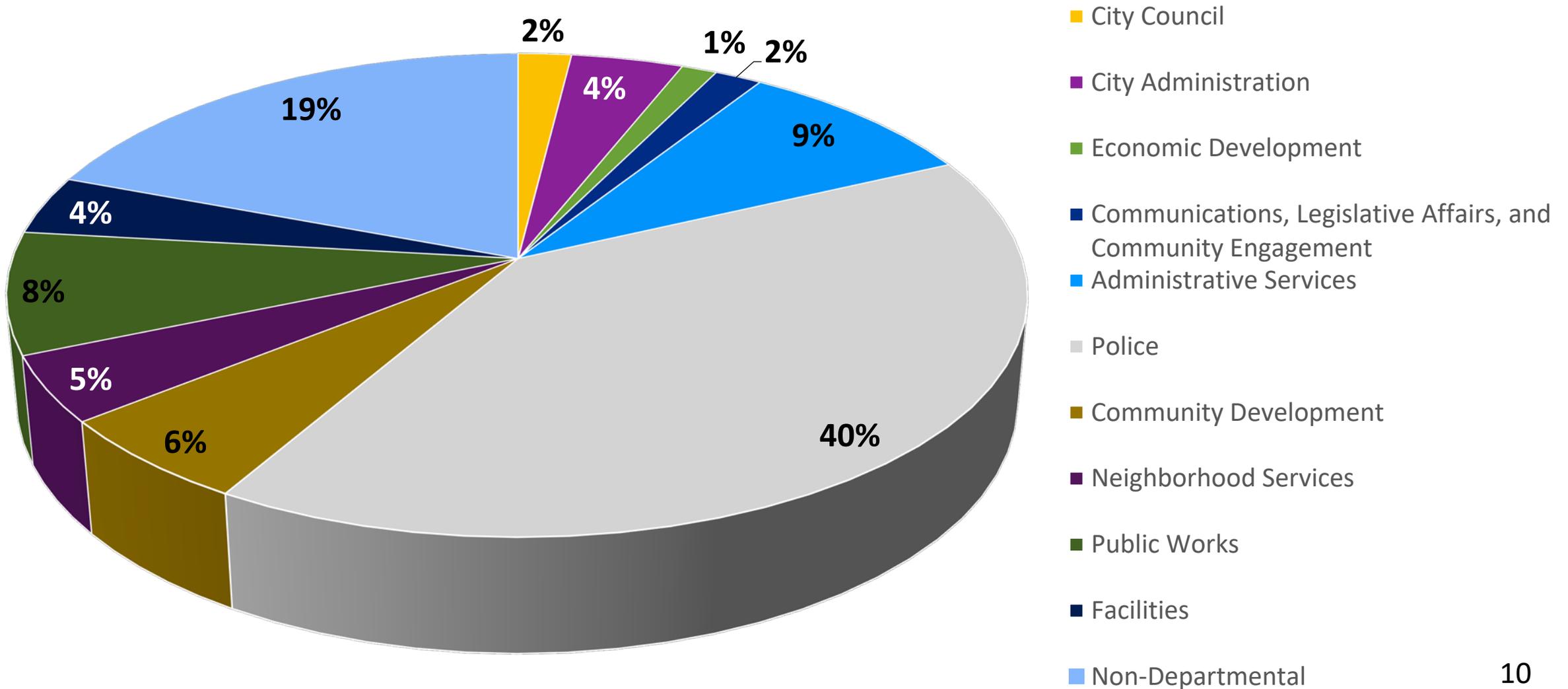
General Fund Expenditures by Category



General Fund Expenditures by Category

Category	FY 2015/16 Actual	FY 2016/17 Actual	FY 2017/18 Actual	FY 2018/19 Budget	FY 2018/19 Est. Actual	FY 2019/20 Budget	FY 2020/21 Budget
Personnel Costs	7,219,022	7,380,546	6,743,728	8,054,400	8,117,712	8,825,700	9,177,200
Operating Costs	28,003,023	29,131,117	28,913,011	28,998,400	29,720,673	32,295,400	32,827,300
Debt Service/Rev Neutrality	8,082,766	8,489,190	10,006,032	10,096,100	10,096,100	10,243,800	10,668,600
Capital Costs	310,088	309,752	2,778,788	-	198,574	-	-
Transfers Out	6,302,194	1,205,270	3,776,938	4,259,000	4,122,339	4,754,800	4,635,800
Total	\$ 49,917,093	\$ 46,515,875	\$ 52,218,497	\$ 51,407,900	\$ 52,255,398	\$ 56,119,700	\$ 57,308,900

General Fund Expenditures by Department



City Initiatives in the Fiscal Year 2019-21 Budget

Community Partner Support

Information Technology Projects

New Growth & Development Activities

Continuation of Homeless Outreach Team

City Hall Space Planning

Community Engagement

Development of More Robust Code Compliance

Community Partner Support

- **Forgiveness of Chamber of Commerce Loan (FY 2018/19)**
 - **\$192,000**
- **Adjusted budget for loss of lease revenue for Sacramento Children's Museum Expansion**
 - **\$160,000**
- **Cordova Community Council Enhanced Capacity**
 - **\$110,000**
- **Continuing Support of California Capital Airshow**
 - **\$100,000**

Information Technology Projects

- **EnerGov Land Management/Permitting System (replaces Infor)**
- **OnBase Electronic Records Management System (replaces SIRE)**
- **CivicPlus Agenda Management System (replaces SIRE)**
- **Tyler Asset Management System (replaces Infor)**
- **New Financial Management System (will replace Great Plains)**
- **New City-Wide Phone System**
- **Development of Smart Cities Roadmap**

Potential New Growth & Development Activities

- Continuing new development activity throughout the City
- Anticipation of several Environmental Impact Reports and \$1 million of reimbursable planning activities in FY 19-21
- New Building Code Changes in January 2020
- Update Elements of General Plan
- Rollout of New Permitting System

Production Home Construction 2019-2021

Veranda – Elliott Homes
128 units remaining

North Douglas
Lennar/Woodside
About 71 units remaining

Anthology at Anatolia
DR Horton 71 Units remaining

Cresleigh Homes
First Phase 214 Units
(Total 369 Units)

Douglas 98
Woodside Homes
First Phase 230 Units
(Total 528 Units)

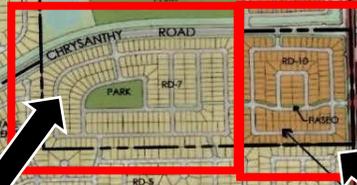
SPECIFIC PLAN
9,886 DU.

ANATOLIA I
RD-10 SITE
118 DU.

DOUGLAS ROAD

SUNRIDGE PARK
949 DU.

DOUGLAS 98
PROPERTY
528 DU.



Montelena
Villages 9 & 10
Premier Homes 169 Units
(Total Montelena 806 Units)

Anatolia IV – Lennar
69 units remaining

Grantline 208 - Lennar
First Phase 144 Units
(Total 502 Units)

Homeless Outreach Team

- Continuation of proactive outreach to the City's homeless community
 - Team consists of Homeless Navigator, Code Enforcement Officer, Sheriff Deputies, and Maintenance Staff
 - Annual cost of program is approximately \$1 million
- Fiscal Year 2018/19 Statistics
 - 1,469 shopping carts collected
 - 138 camps cleaned
 - 568 general trash cleanups
 - 32,370 lbs. of garbage
 - Over 40 people housed
 - 93 social service referrals



Homeless Outreach Team Community Survey

A post-survey conducted one year after the start of HOT revealed:

- **The City is doing a very good or good job in addressing homeless issues and should continue to do more**
- **More have heard of the HOT program and continue to think it is a good idea**

City Hall Space Planning

- Modifications to front counter area of City Hall to incorporate new technology enhancements into the customer experience
- Evaluate creating a “One Stop Shop” for City services at City Hall to allow for all City services to be handled in one location
- Assess current layout of City Hall office space and meeting rooms to accommodate future growth and enable more collaborative work space



Community Engagement

Continue working with our current existing neighborhood groups

- Develop self sustaining groups through the Asset Based Community Development Methods
 - Cordova Meadows (Sycamore Square, La Loma Apartments, and Belle Vista)
 - Lincoln Village
 - Walnutwood/Aspen Creek



Community Engagement

Begin new neighborhoods in the 3rd quarter of 2019 and 1st quarter of 2020

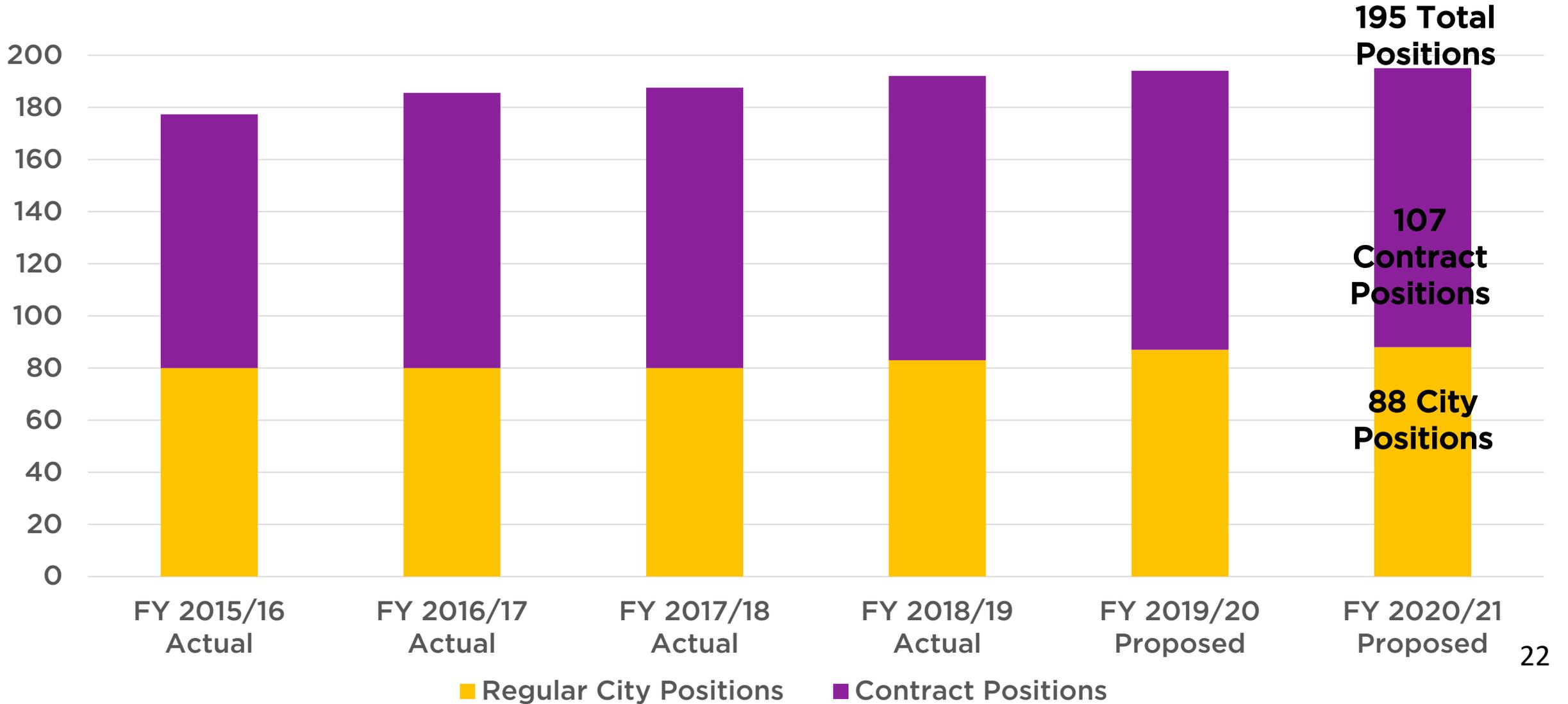
- Cordova Towne
- Mills Ranch
- White Rock



Development of More Robust Code Compliance

- **Priorities Heading into FY 2019-21**
 - **Education**
 - **Communication and Outreach**
 - **Incentives**
 - **Enforcement**
- **The Neighborhood Services Department will be aligning resources with priorities**
- **Capacity has been added via contract to assist with weed abatement and towing**

Staffing



Cost Containment Challenges

Revenue Neutrality Payment

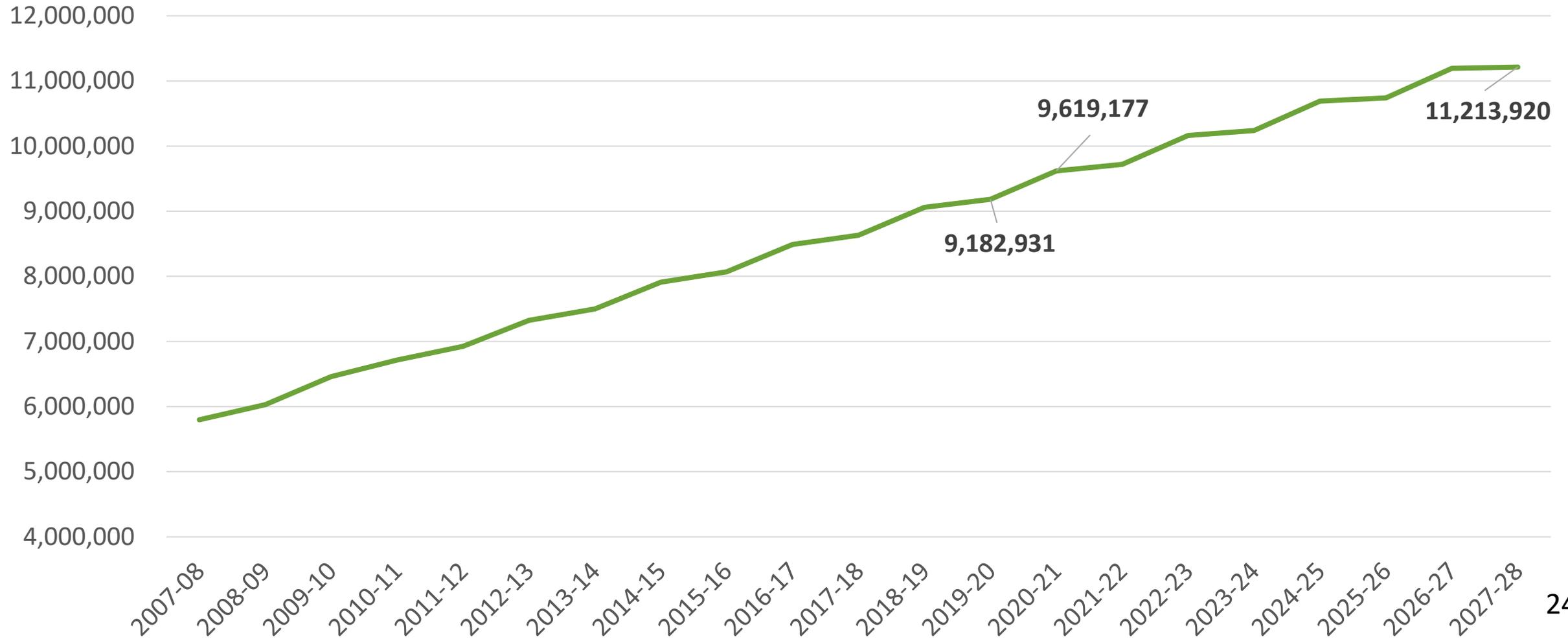
Information Technology

Retirement Costs

Public Safety Contract

Community Support

Revenue Neutrality Payment



Information Technology

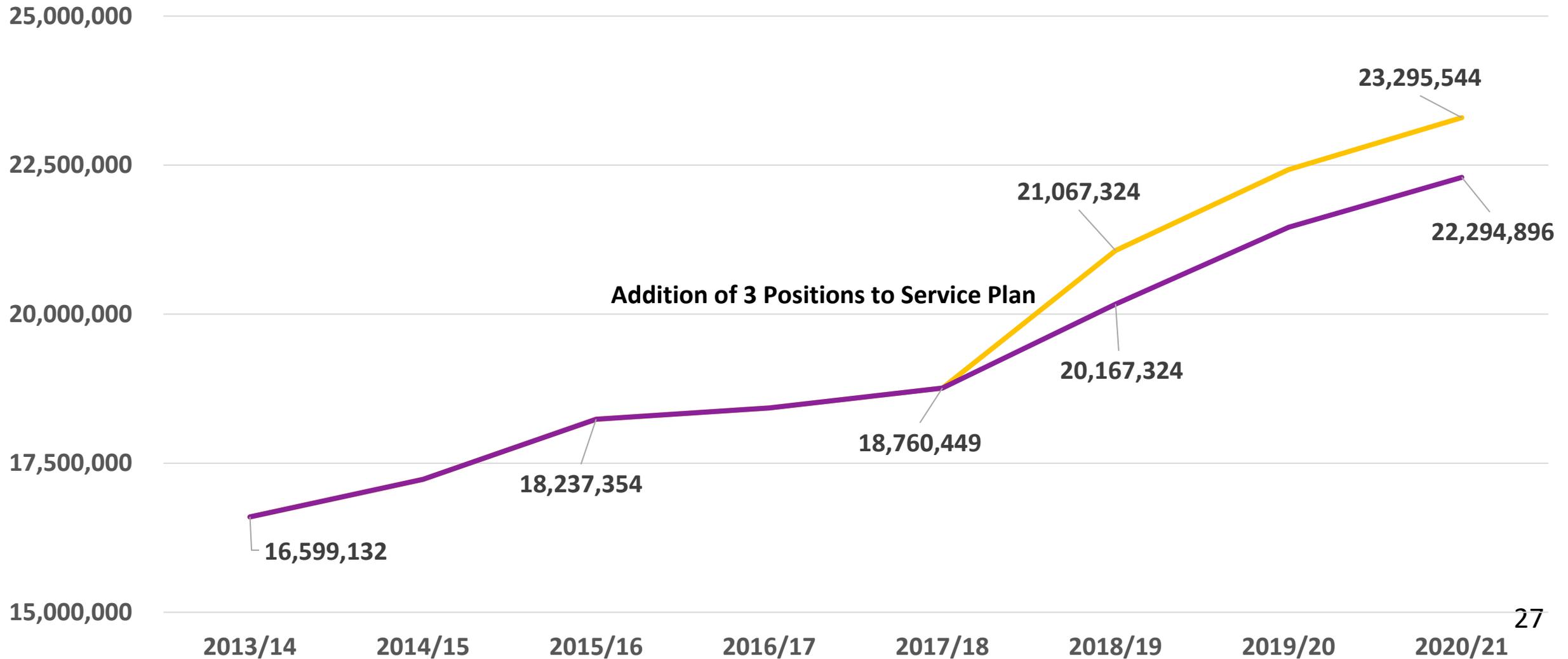
- **Significant investment being made in technology**
 - Anticipate \$4 million in capital investment from 2017-2021
 - Improved citizen experience and transparency
- **Moving from on premise to cloud (Software as a Service)**
 - Higher annual costs/reduces in house support costs
- **Investing in more system integrations**
 - Improving efficiency and cross departmental collaboration
- **New and improved mobile technology**
 - Enables mobile capabilities allowing for greater efficiency and enhanced customer service

Retirement Costs

2019-20 Retirement Costs: \$7 million per year or 12.7% of budget

- **CalPERS Payments for City Employees**
 - **Classic Employees: \$921K per year or 16% retirement rate**
 - **PEPRA: \$100K per year or 6.89% retirement rate**
- **Sacramento County Employees Retirement (Police Contract)**
 - **Public Safety: \$6 million or average of 66% retirement rate**
- **Forecasted to increase at approximately 3-4% per year**

Police Services Contract



Public Safety Enhancements Since 2015

- Crime Suppression Unit - \$1.2 million CEF
- School Resource Officer & K9 - \$150K CEF
- Homeless Outreach Team - \$600K (\$1M for entire program)
- Enhanced Intelligence Led Policing - \$350K

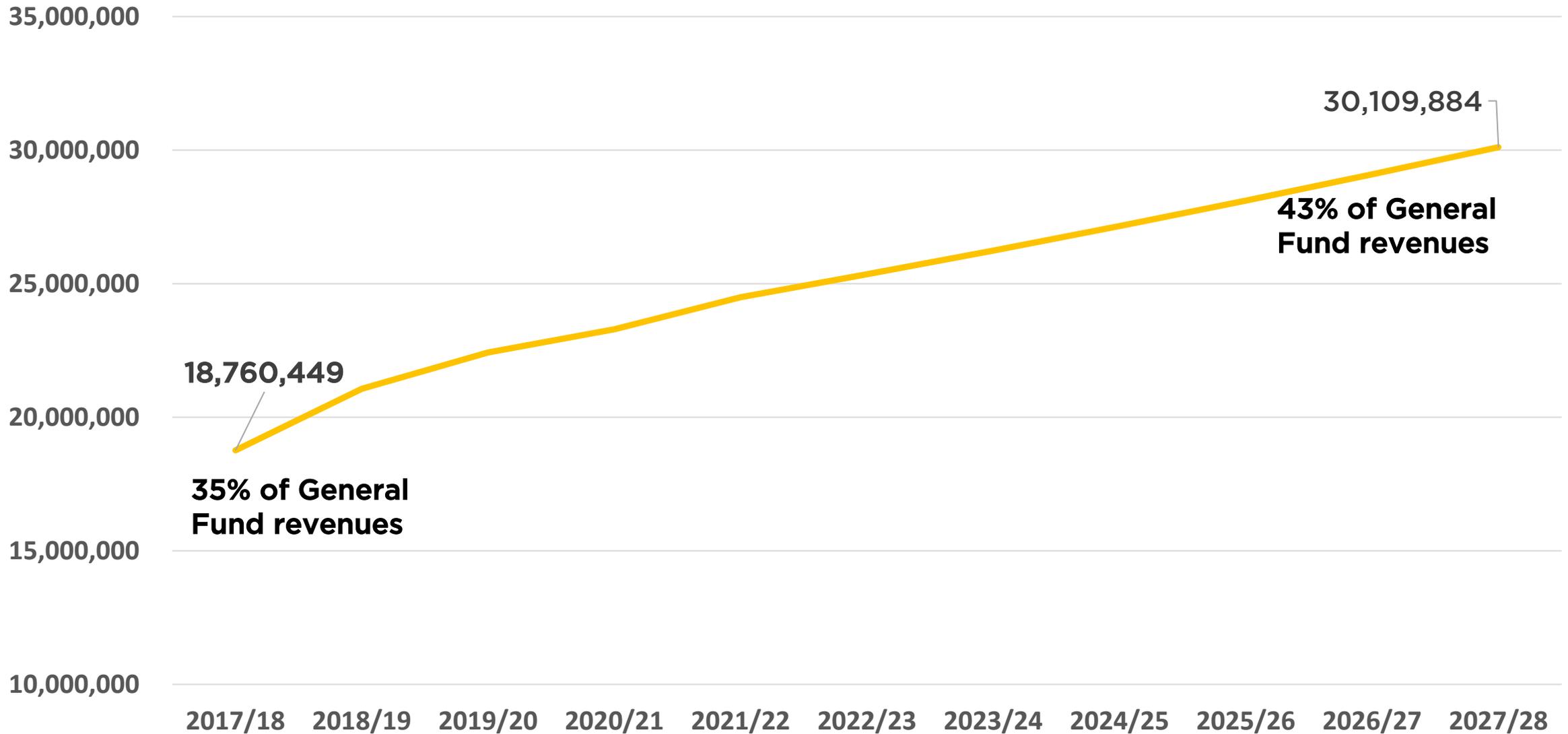


Public Safety – Cost Drivers

- 2019-21 Negotiated Salary Increases for Sworn Deputies
 - 3% COLA + 5% additional top step
- Increased Retirement Costs
- Anticipated Future Increases
 - Re-allocation of communication center costs will result in an increase of \$500K annually in 2021
 - Expiration of both City contract with Sheriff and labor agreements in June 2021



Police Services Contract Forecast



Cannabis Enforcement Proposed Pilot Program

- **Cannabis Enforcement Team – Potential 30 cases per year**
 - \$800K annual cost (team consists of two Sheriff Deputies, Code Enforcement, and City Attorney)
- **Modified Cannabis Enforcement Team – Potential 15 cases per year (included in proposed budget)**
 - \$450K annual cost (team consists of one Sheriff Deputy, Code Enforcement, and City Attorney)
- **Some offsetting penalties will reduce cost**

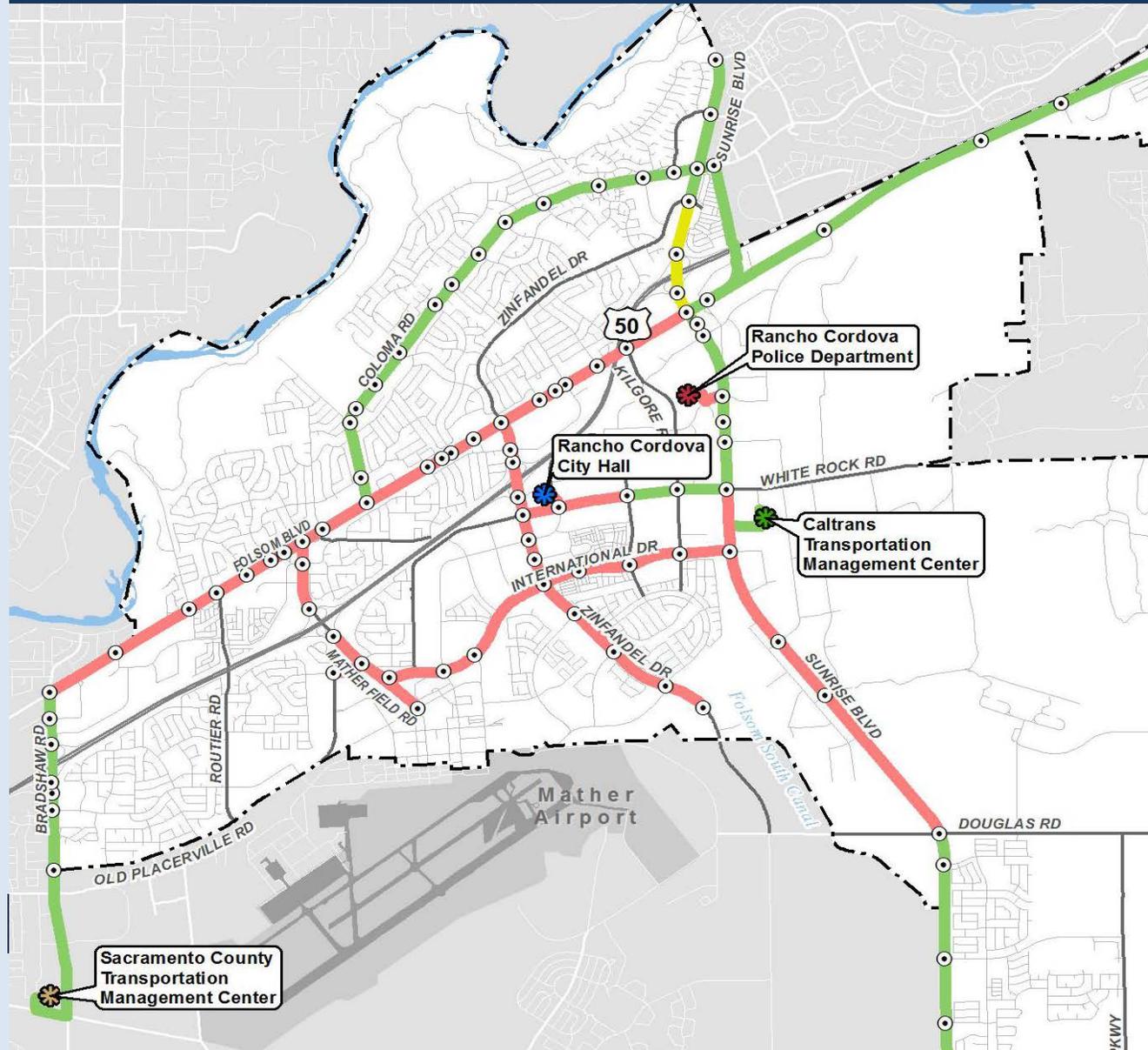
Capital Improvement Plan

Fiscal Year 2017-19 Completed Projects
Fiscal Year 2019-21 CIP Highlights



Construction Complete

Traffic Management Center Project



- Awarded Project of the Year
- 20 Miles of Fiber Optic
- Upgraded Traffic Controllers and signal cameras citywide
- Connects to RC Police Department and County TMC
- Better Response Time to Accidents and Traffic Issues

Federal Grant - \$4.1 M
Total Value - \$6.2 M

Construction Complete Cordova Meadows Rehabilitation Project



Rehabilitated streets in the Cordova Meadows neighborhood to enhance pavement, increase safety, improve pedestrian accessibility and upgrade storm drains.

CEF - \$847 K
Total Value - \$5.3 M

Construction Complete Zinfandel Bike and Pedestrian Signals



Completed important 5 mile neighborhood loop. Connects transit, businesses, schools and neighborhoods. Encourages alternative modes of transportation.

State Grant - \$442,000
Total Value - \$740,000

Construction Complete Neighborhood Traffic Calming Project



Reduces vehicle speed and increases safety in neighborhoods. Promotes walking, cycling and a healthy lifestyle in Rancho Cordova.

CEF Funds - \$229,000
Total Value - \$480,000

Construction Complete Mather Heritage Trail Project



1.5 mile trail beautifies unused corridor, connects transit, education, businesses and VA Hospital.
Promotes economic development and quality of life.

Federal Grant - \$2.2 M
Project Total - \$4.0 M

Under Construction and Coming Soon Folsom Streetscape Project Phases 4 and 5



Safety and beautification project adds new medians, lighting, landscaping, sidewalks and bicycle amenities. Connects Transit, businesses, schools and Neighborhoods.

Federal Grant - \$4.8 M
Total Project - \$15.1 M

Construction Starting Summer 2019 Zinfandel Complex Project



Widen bridge and modify ramps to reduce congestion, improve movement of goods and state of good repair, and increase safety for all users.

Federal Grant - \$4.4 M
Total Value - \$12.6 M

Construction Starting 2020

Sunrise Boulevard Safety and Rehabilitation

Existing Condition:

- Regional transportation corridor with 50,000 trips per day
- Rapidly deteriorating pavement
- Poor aesthetics
- Lacks bicycle facilities

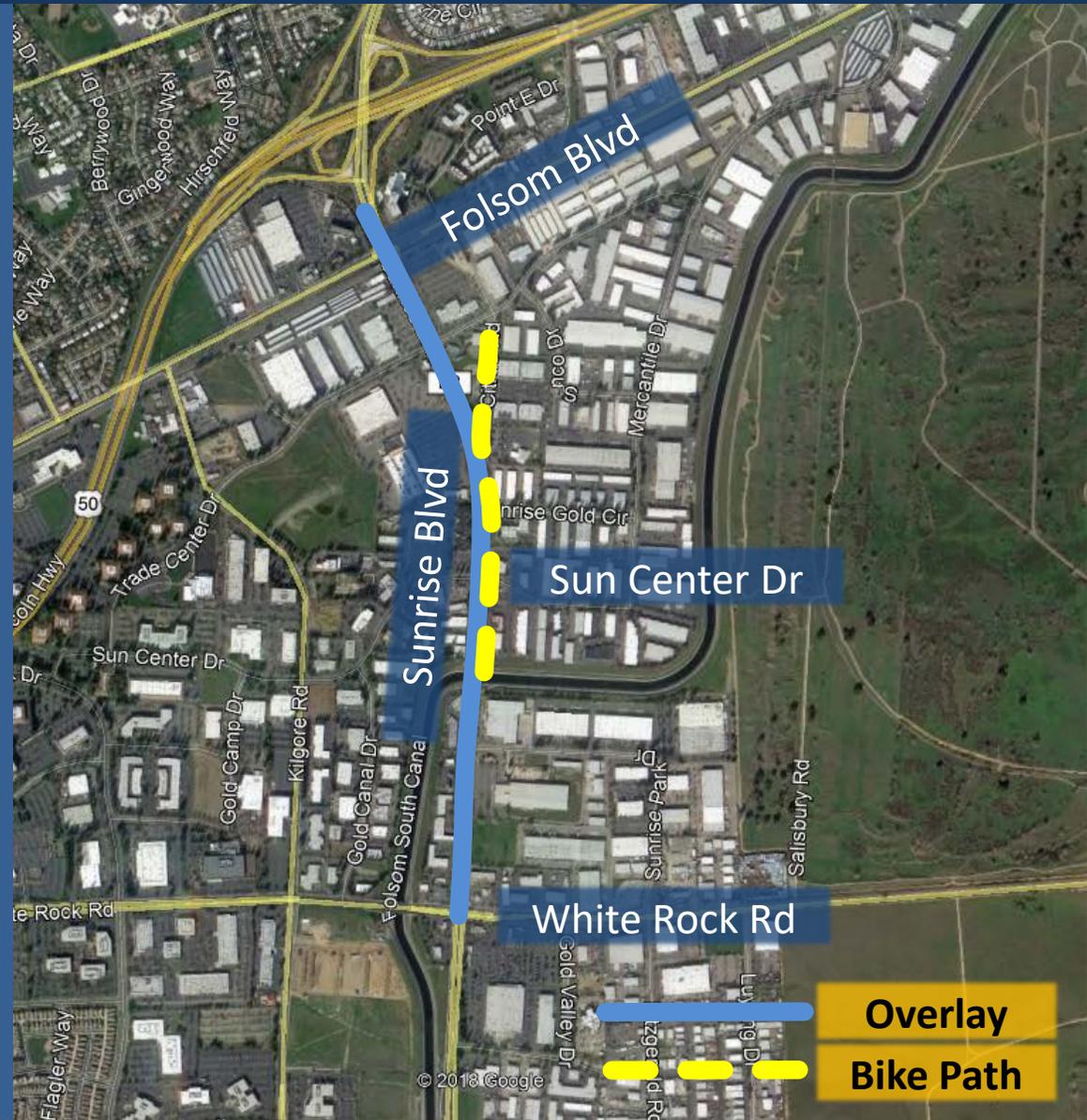
Proposed Project:

- Enhanced median landscaping Folsom to White Rock
- Overlay roadway
- Safer, more beautiful corridor
- Shared bicycle and pedestrian path connects to trails leading to American River Parkway

CEF = \$1.2 M

Other Grant Funding = \$2.6 M

Estimated Value = \$10.6 M



Construction Starting 2020

White Rock Road Safety Improvements



Widen White Rock Road from Fitzgerald Rd. to the Future intersection of Rancho Cordova Pkwy. Improves safety and connectivity. Promotes economic development.

**Federal Grant - \$5.5 M
Total Value - \$10 M**