



City of Sierra Madre

Fiscal Year 2019-2020 Proposed Budget



Sierra Madre FY 19/20 Budget

Three Years to Sustainability

- Review 2017-18 Budget Goals (Transitional Budget)
- Review 2018-19 Budget Goals (Foundational Budget)
- Preview 2019-20 Budget (Sustainable Budget)



2019-20 FY Proposed Budget

- Total expenditures of \$22.25M in FY 19-20
 - Reduces spending by \$816,000 from FY 18-19 (\$23.06M, 3.5% reduction)
 - Reduces spending by \$1.68M from 17-18 (\$23.93M, 7% reduction)
- Total General Fund expenditures of \$10.2M
 - Reduces spending by \$1.1M from FY 18-19 (\$11.3M, 10.3% reduction)
- All Funds surplus of \$2.73M (12%)
 - Second consecutive year
- General Fund surplus of \$1.84M (18%)
 - Takes \$100,000 of surplus to create contingency fund in General Fund

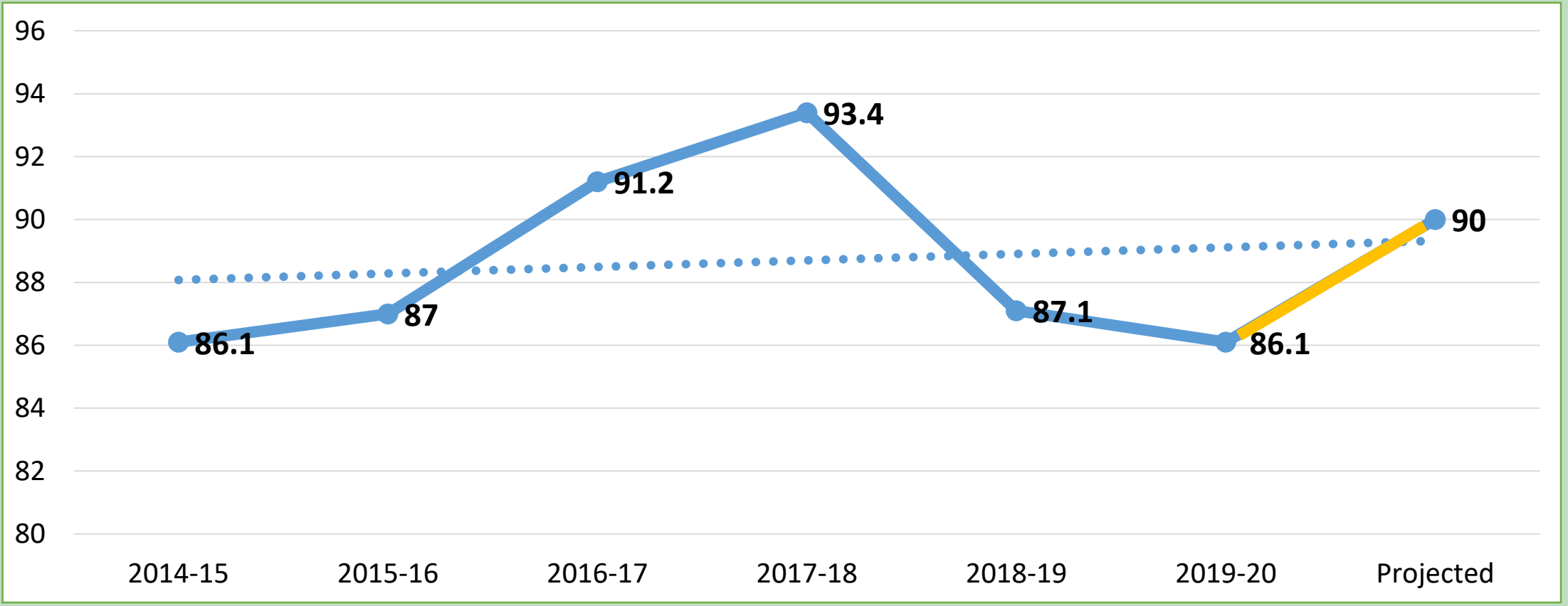


2019-20 Fiscal Year Proposed Budget

- Further reduces transfers from Utility Funds (17-18 – 19/20)
 - Transfer from Water Fund reduced from \$953,000 to \$494,500 (48% reduction)
 - Transfer from Sewer Fund reduced from \$314,100 to \$142,800 (54.5% reduction)
- Further increases investment in infrastructure
 - Water Fund will invest \$2.3M in infrastructure, up from \$420,000 total in FY17-18



Budgeted FTE

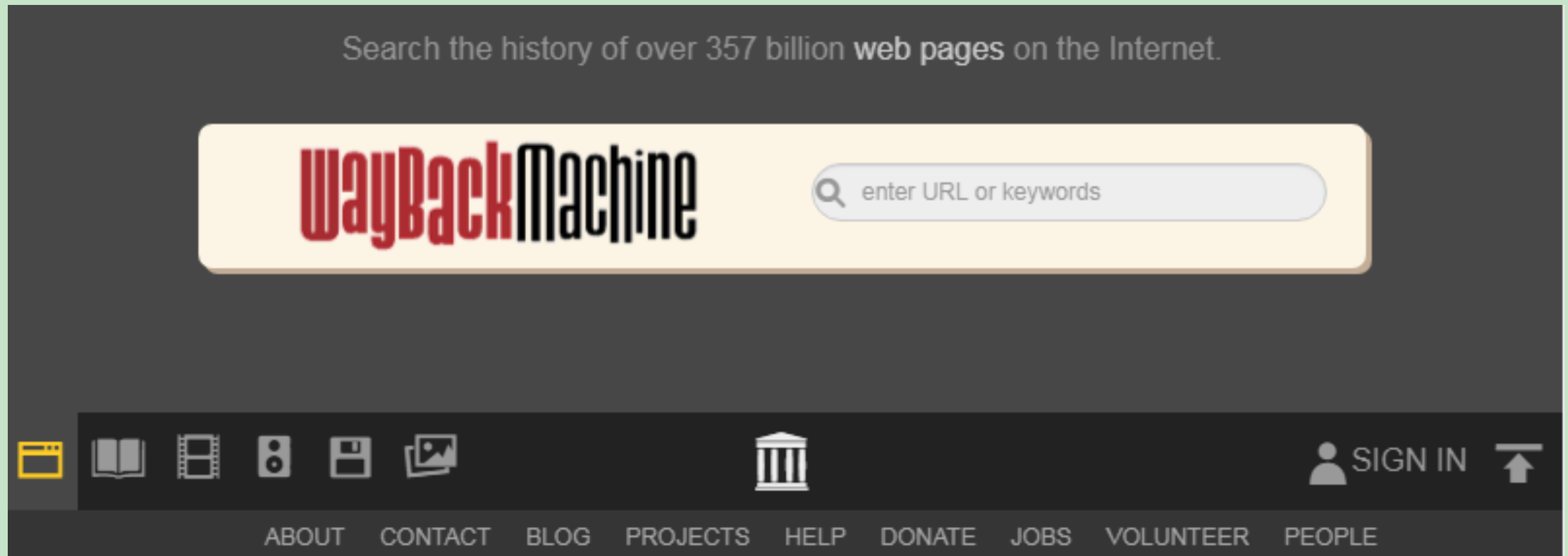


2019-20 FY Proposed Budget

- 3 new Fire positions (completes transition to career dept., w/o increasing taxes)
- 1.27 new Library positions
- 1 new FTE in IT
- Established Intern Program



Budget Review FY 14/15 – 19/20



Budget Process

2017-18 Sierra Madre Budget Principles

- This is a process, not an event (3 years to sustainability)
- Expenditures reduced to offset planned increases
- On-going costs must shrink, while one-time costs increase
 - EX) Infrastructure, public safety equipment
- Reduce government costs without asking for a tax increase from voters

Budget Process

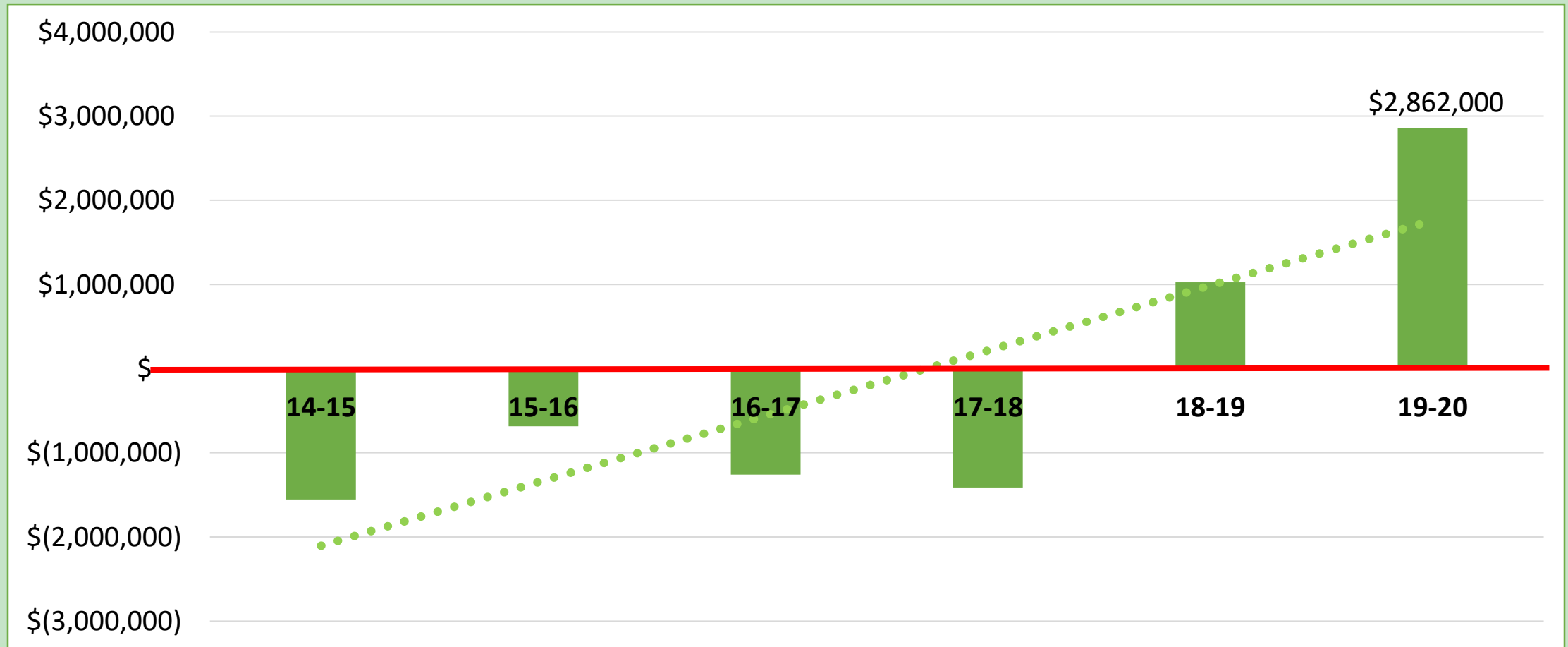
Zero-Based Budget

- Line by line review of all expenditures (actual vs. budget)
- Focus on priorities & strategies, not history (reinvest savings)
- One-time vs. on-going expenditures (lotto winnings)
 - On-going revenues pay for on-going costs (Excess Water Penalties)
- Prioritize 3Ps--Public Safety, Public Work, Parks & Rec (& Library)

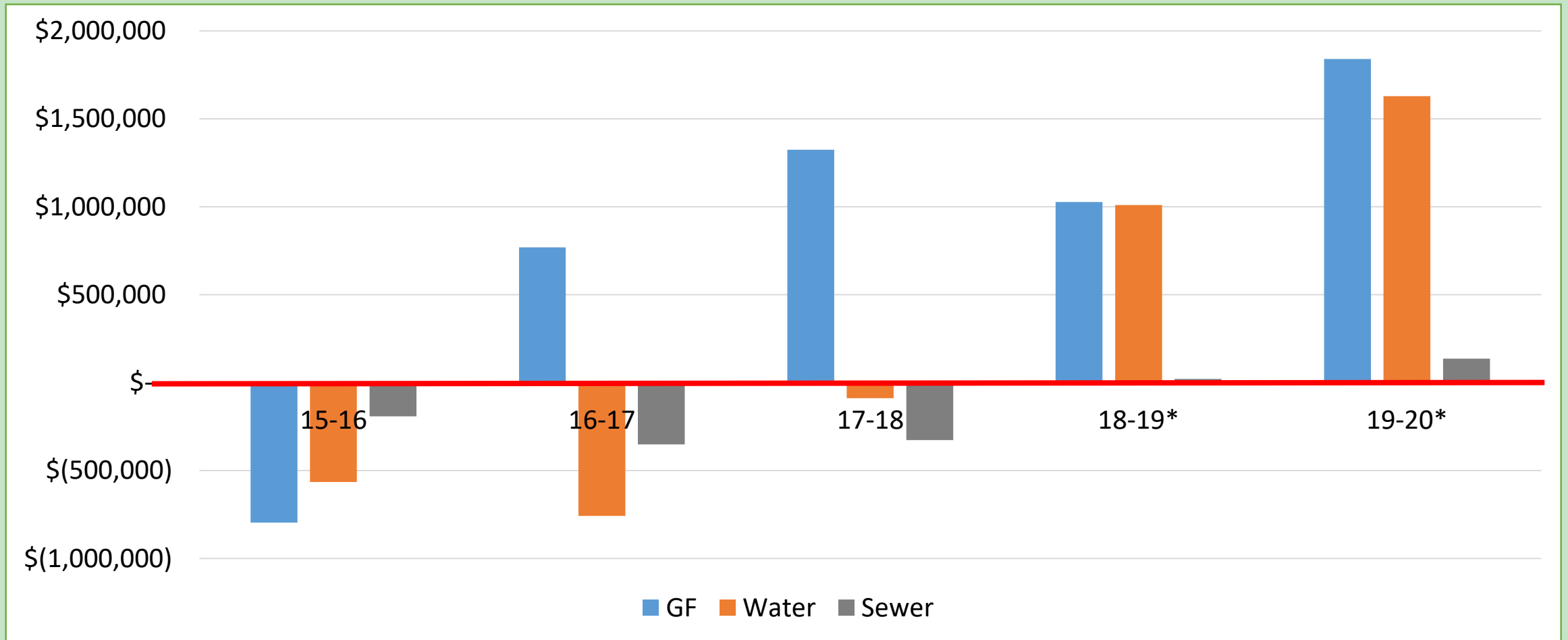
Future Budget Concerns (FY 2017/18)

1. CalPERS Obligations & Unfunded Liability
2. Salary Increases Budgeted & Unbudgeted
3. Sewer Fund expected to deplete all Fund reserves
4. Water Fund had multi-year deficits and minimal infrastructure spending
5. Water Fund was comprised of 22% debt by revenue
 - Water operations lost 29% of water produced
 - Water responded to 500 leaks +/-
6. Volunteer fire model was no longer viable
 - career department recommended with no funding source identified
7. IT was outdated and underfunded
8. Library building was in need of repair and upgrades

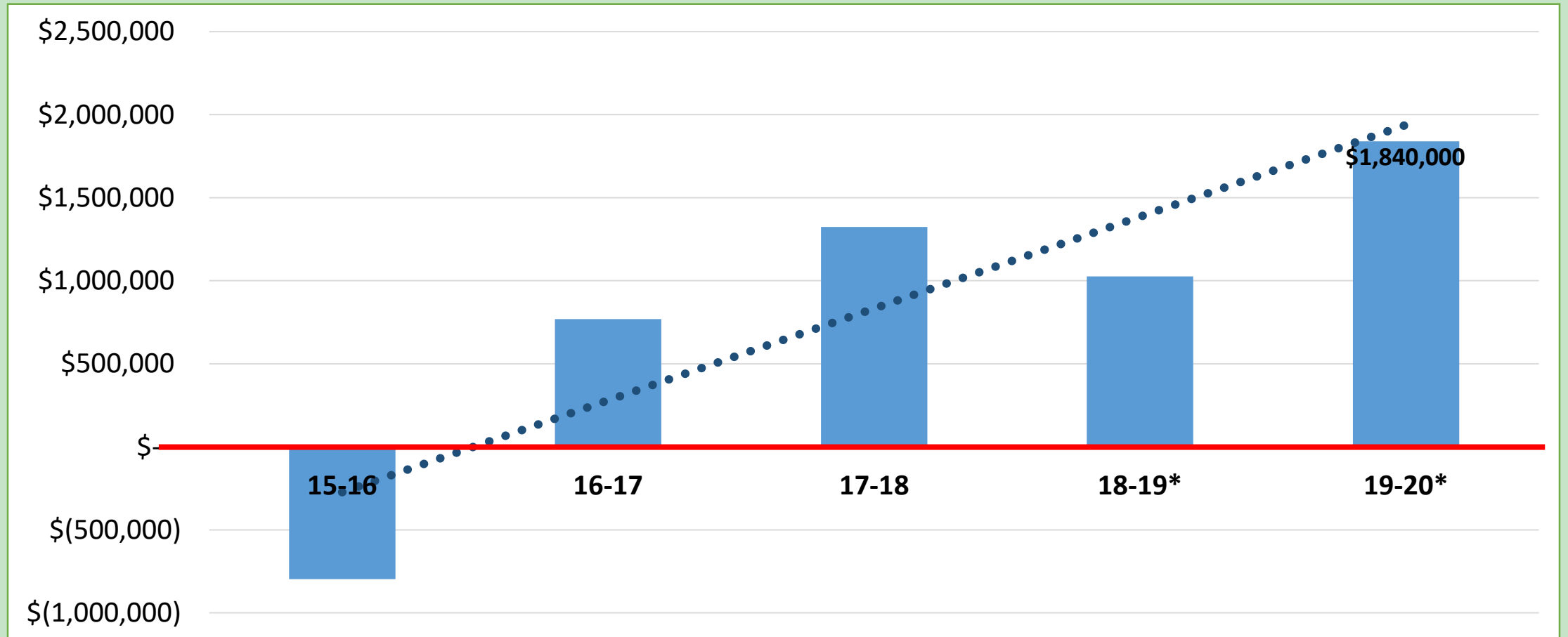
Deficit/Surplus All Funds Budget FY 14/15 –19/20



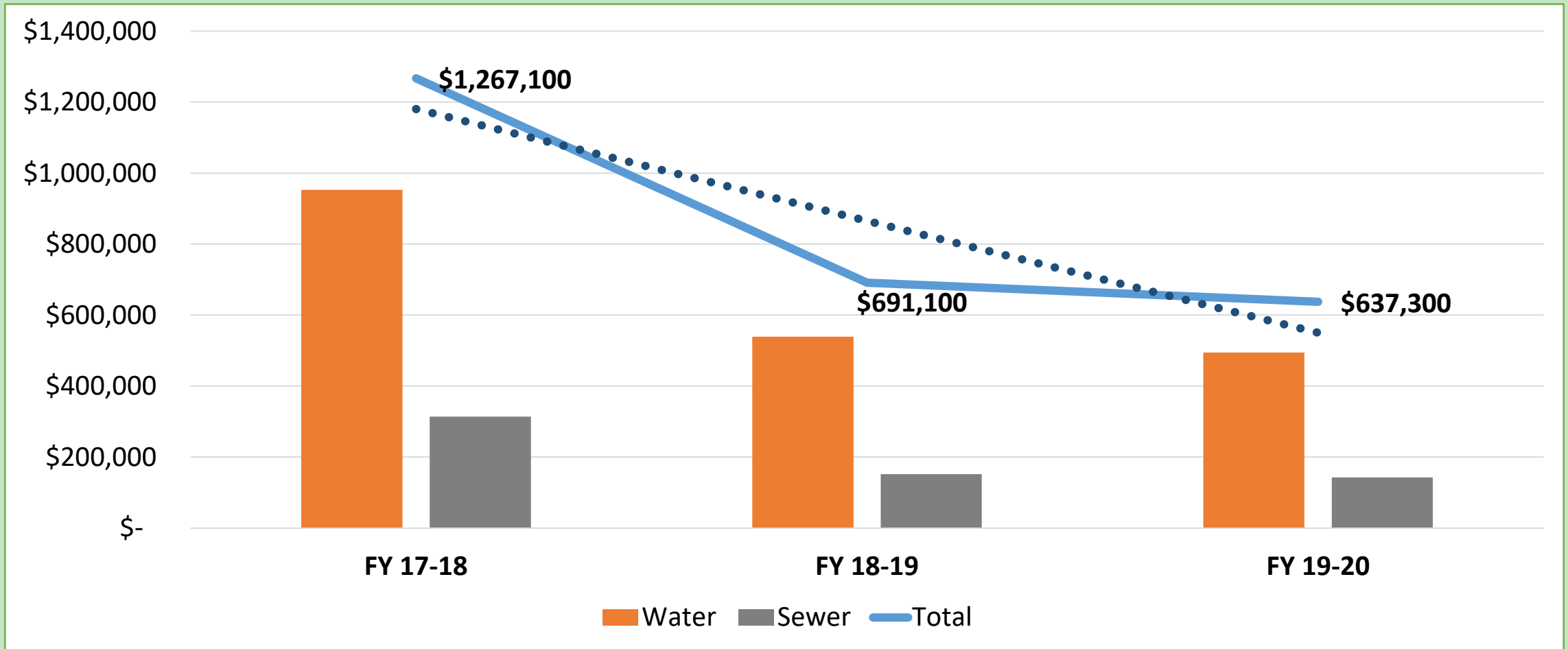
Deficit/Surplus GF, Water, Sewer 14/15 – 19/20



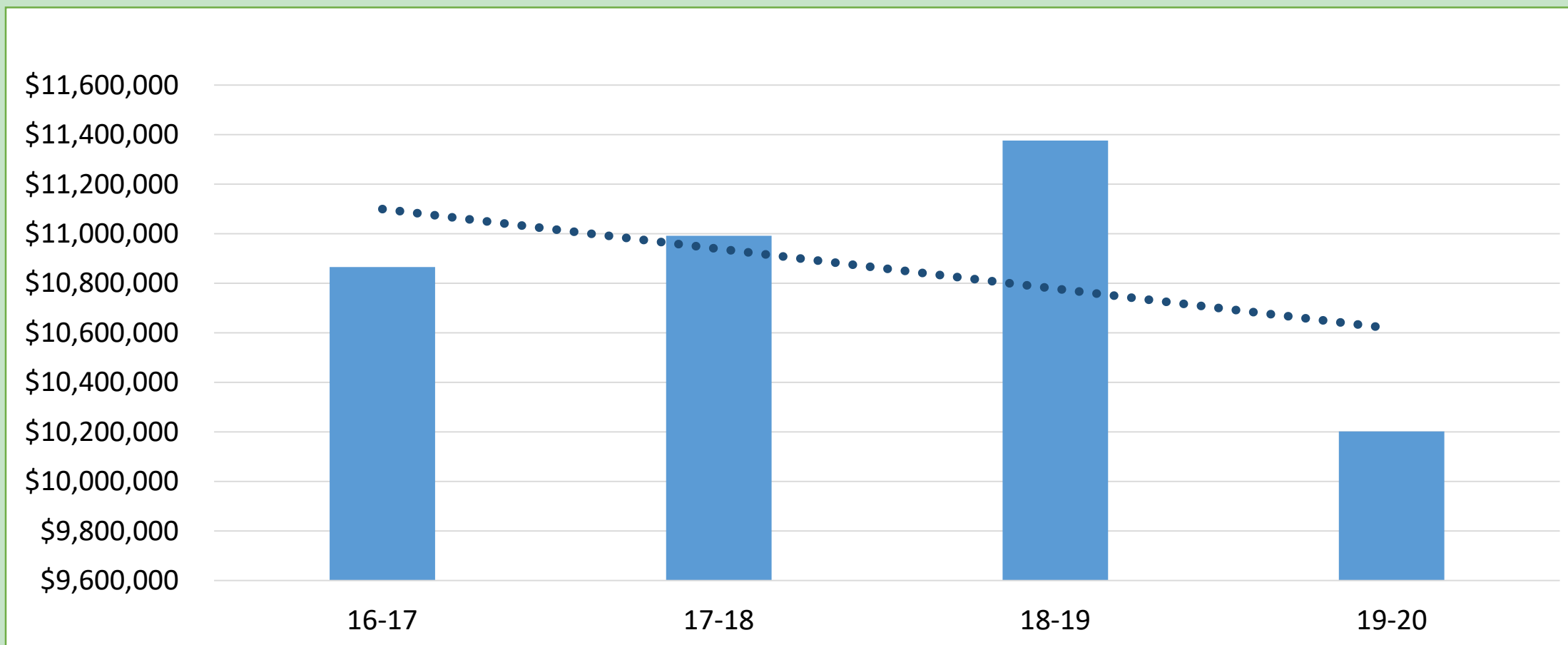
Deficit/Surplus General Fund FY 15/16 – 19/20



Transfers from Utility Funds



General Fund Expenditures FY 16/17 – 19/20

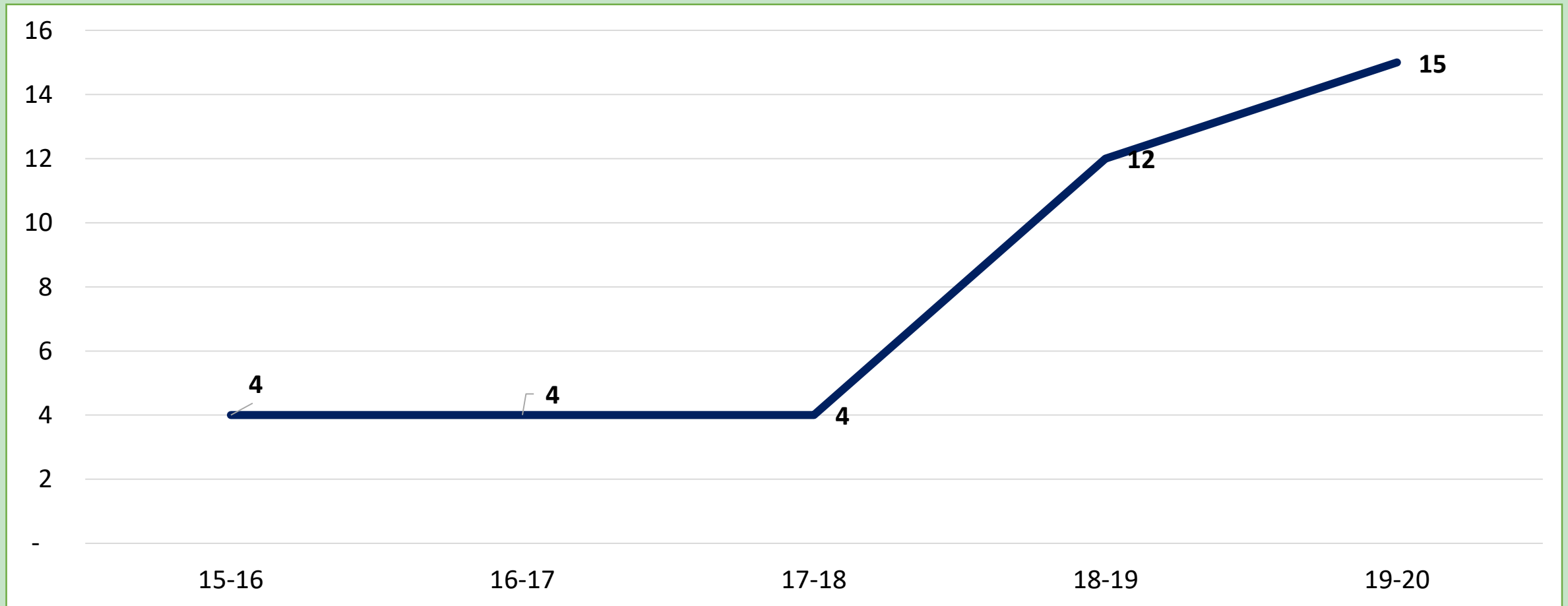


Consolidated into GF 17/18 – 19/20

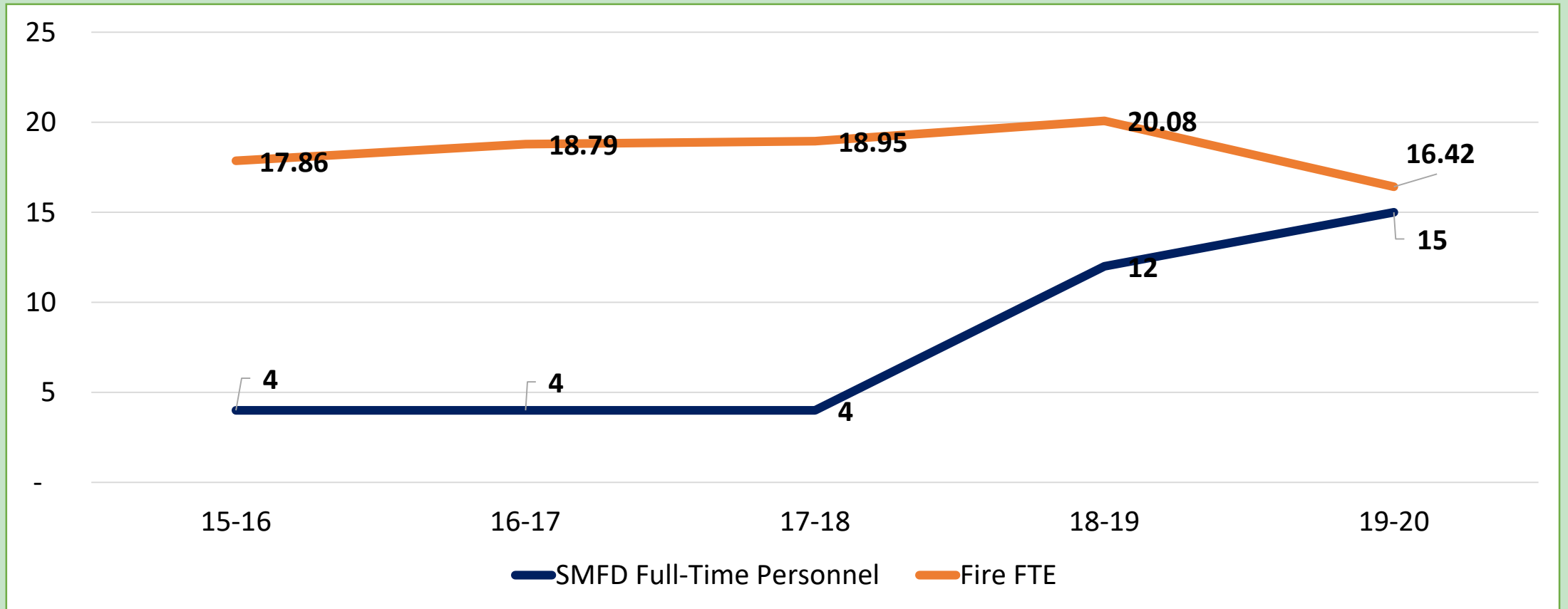
1. Aquatics
2. Special events
3. Services Movie/Detail



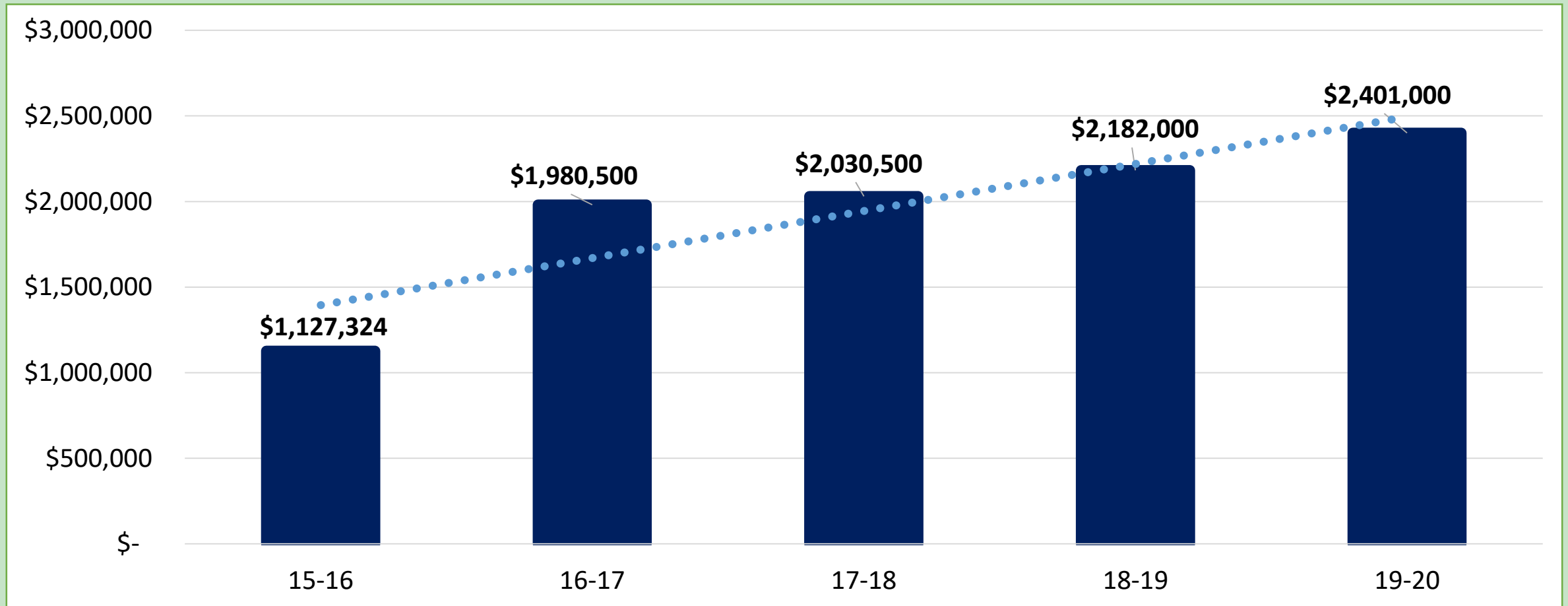
Fire Department Full-Time Personnel



Fire Department FTE vs. Full-Time



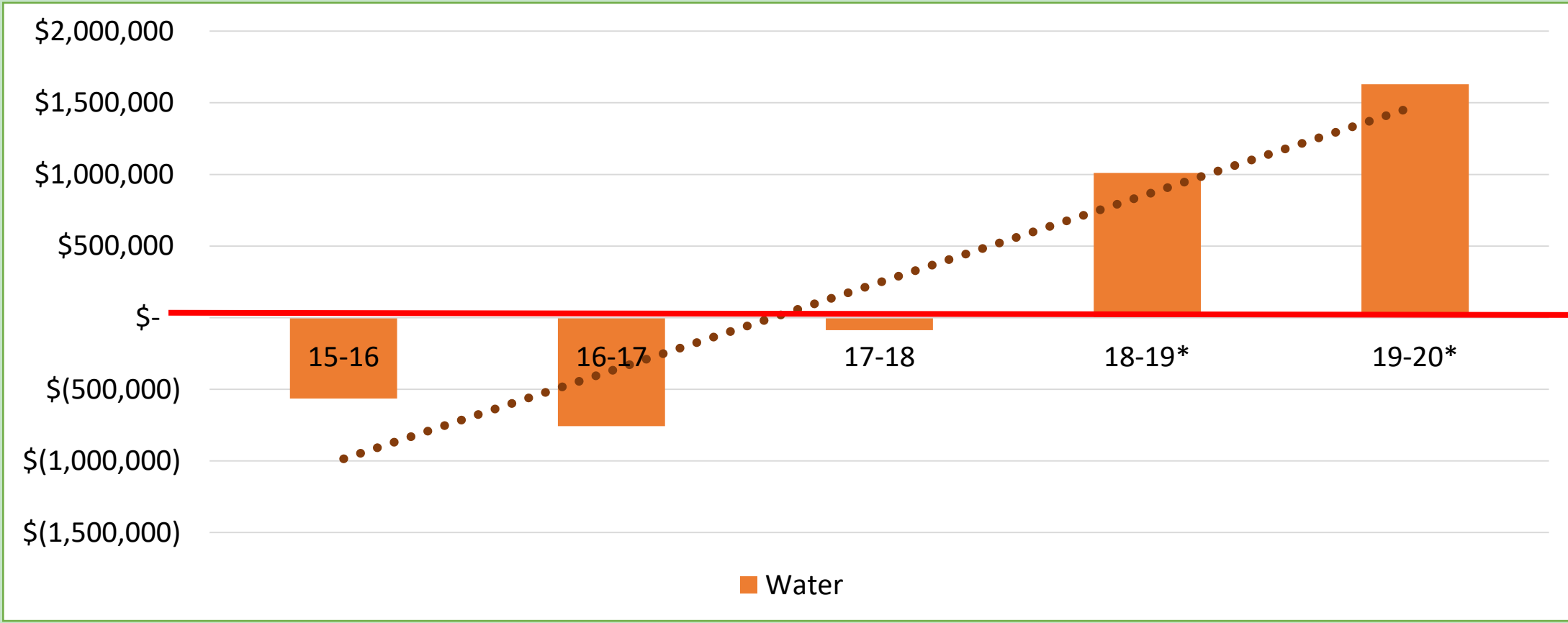
Fire Department General Fund Expenditures



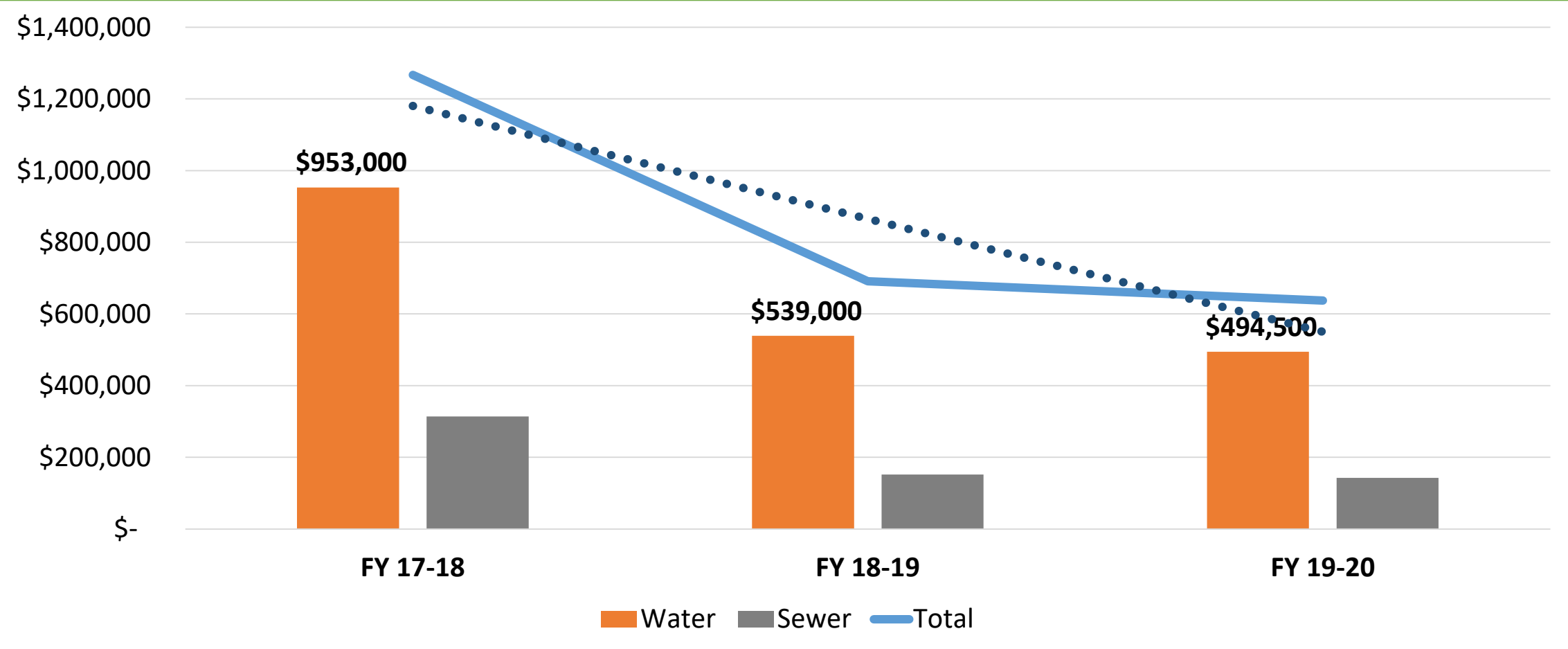
Water Fund



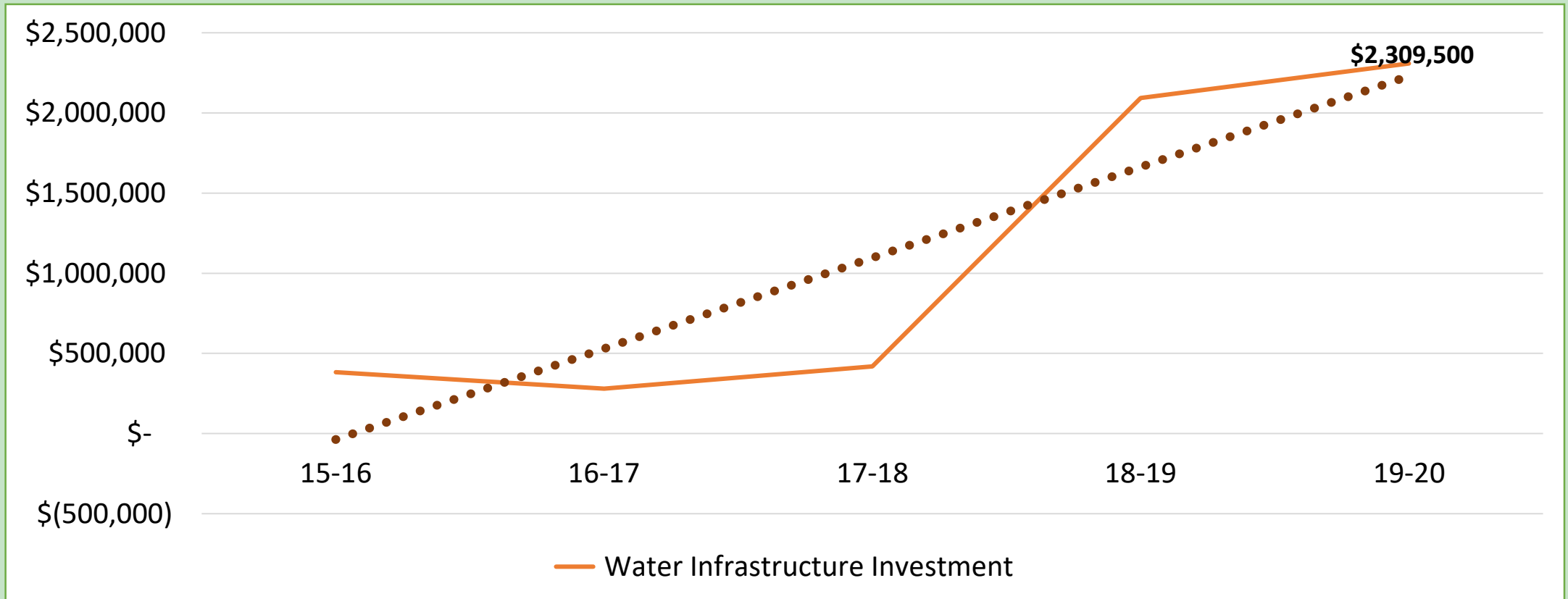
Water Fund Deficit/Surplus FY 15/16 – 19/20



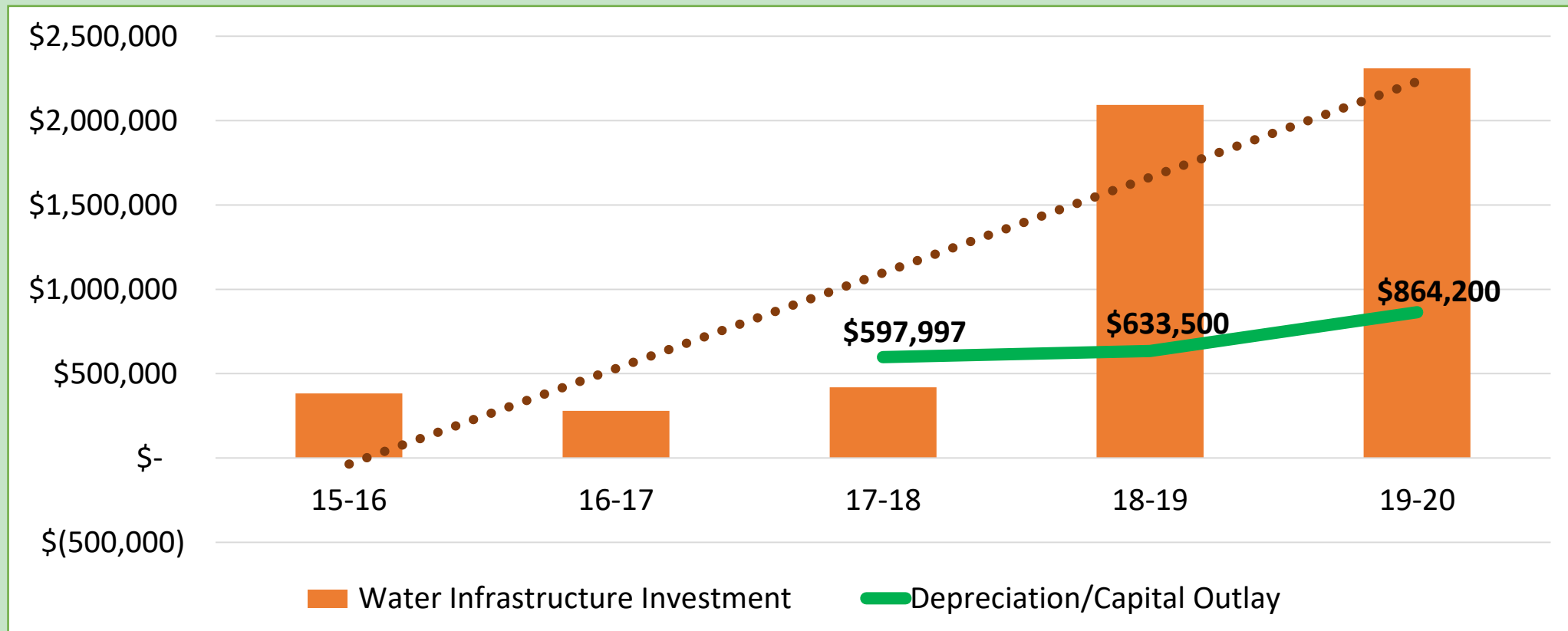
Transfers from Water Fund



Water Fund Infrastructure Investment FY 15/16 – 19/20



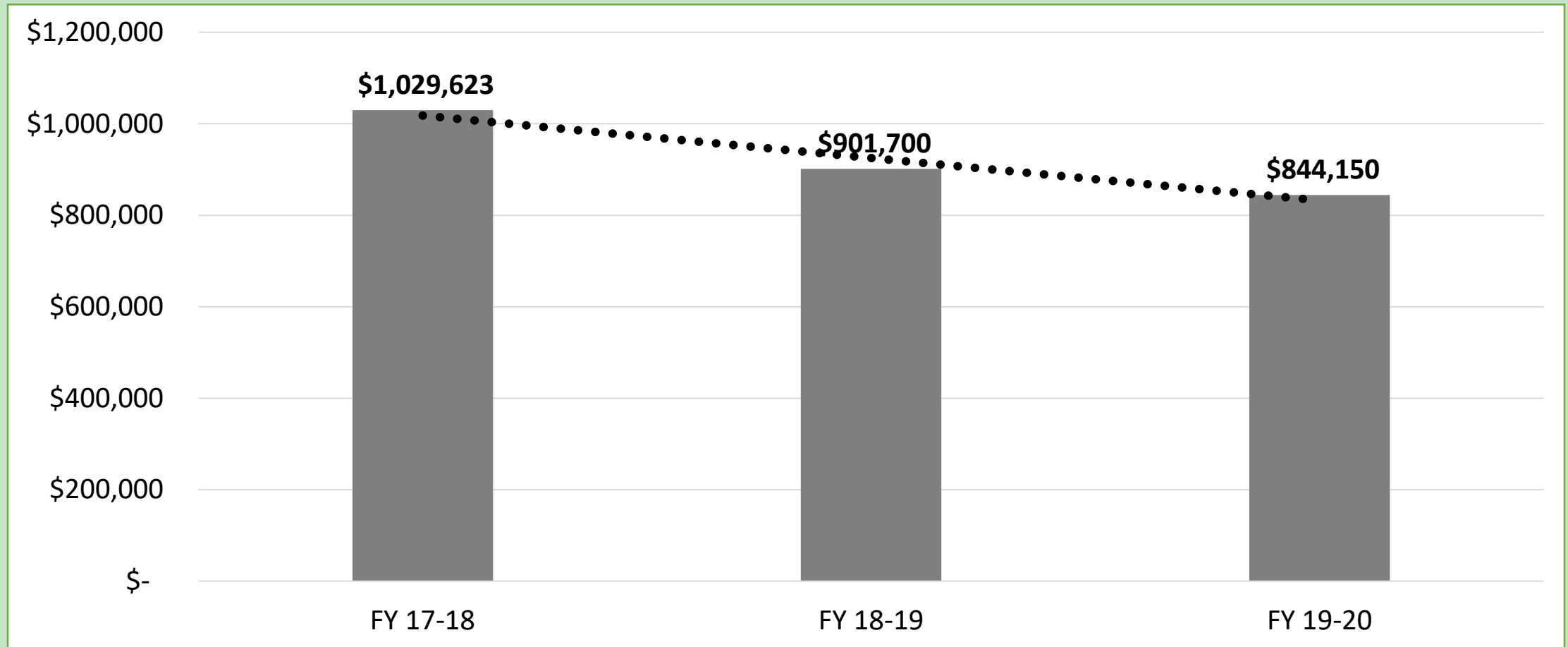
Water Depreciation vs. Infrastructure FY 15/16 – 19/20



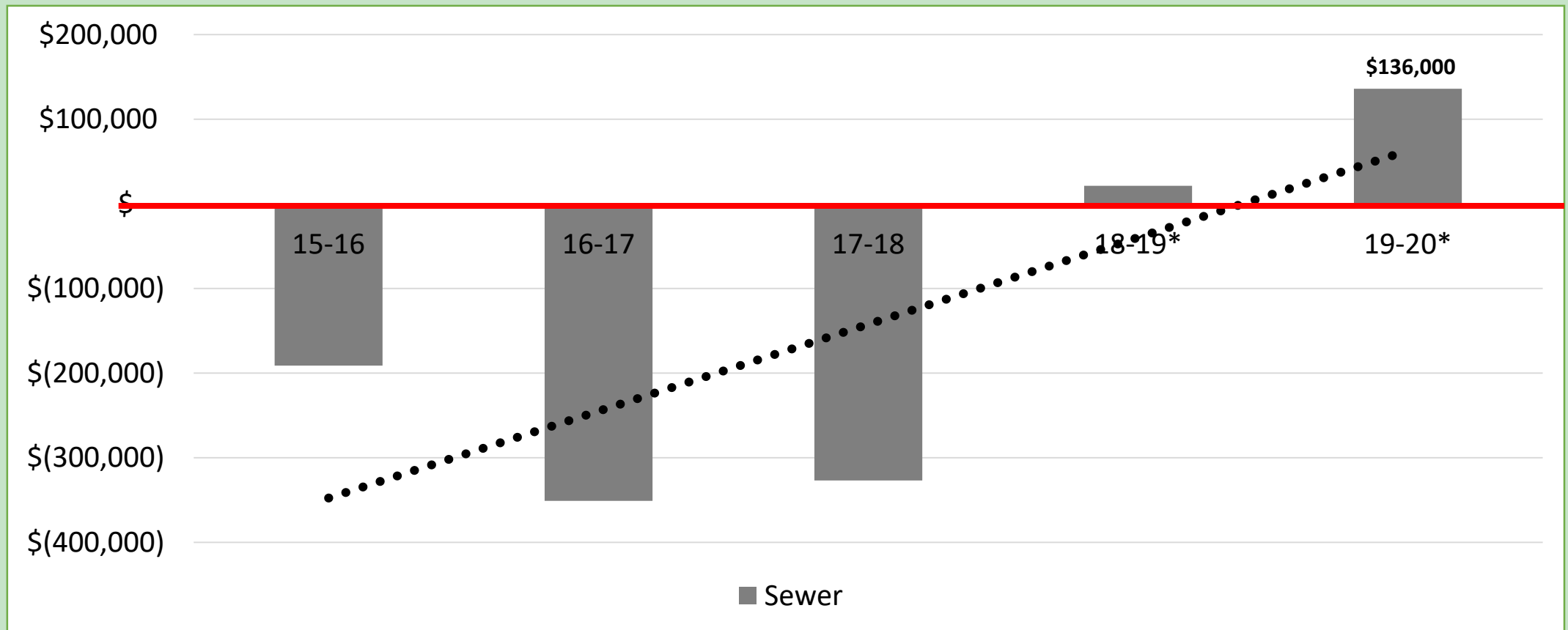
Sewer Fund



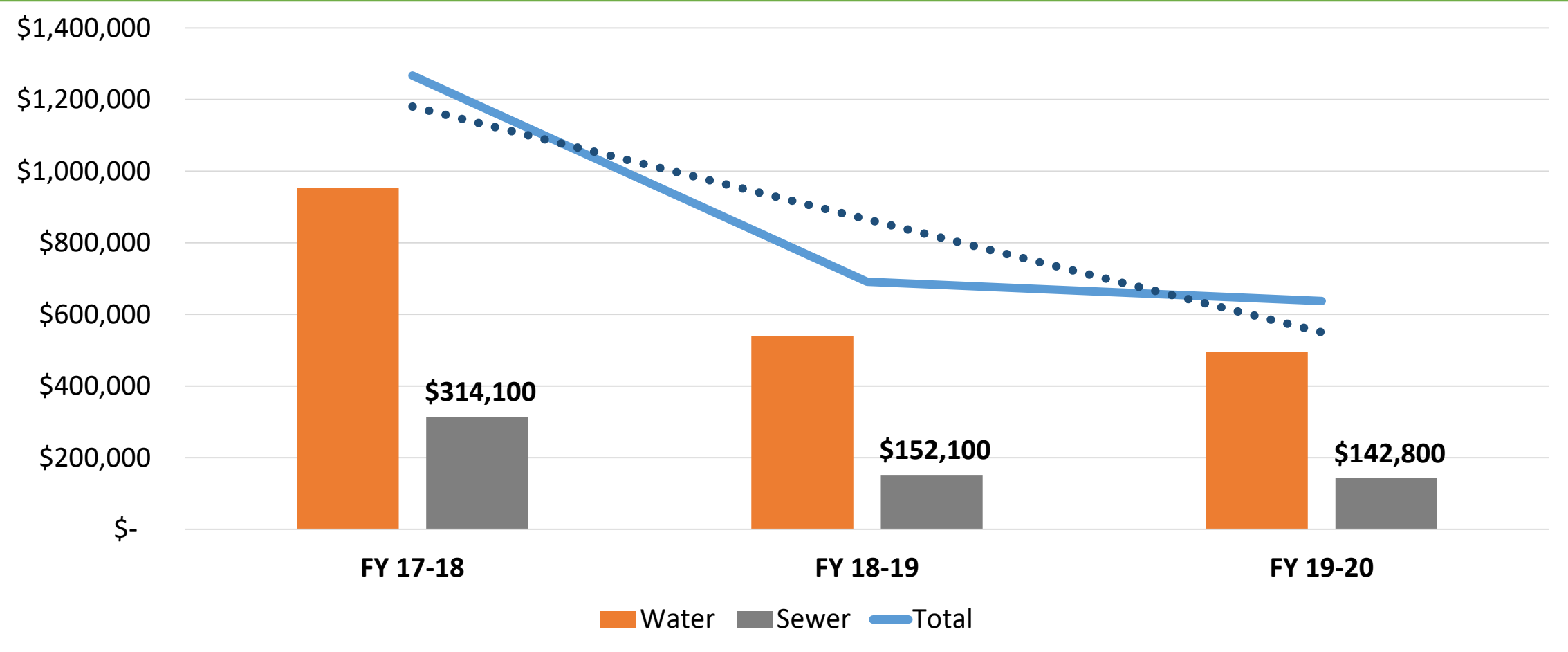
Sewer Fund Expenditures FY 17/18 – FY 19/20



Sewer Fund Deficit/Surplus FY 15/16 – 19/20



Transfers from Sewer Fund



2019-2020 Fiscal Year Proposed Budget

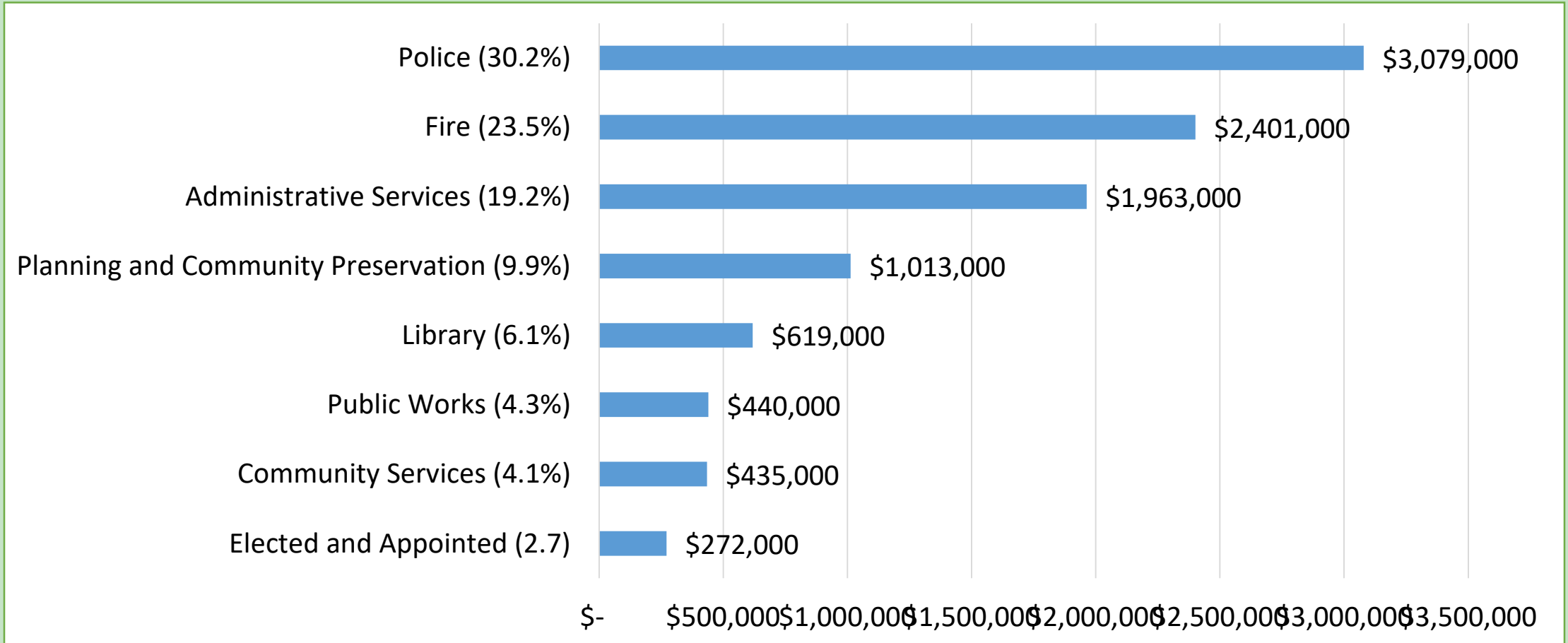


General Fund (\$000s)

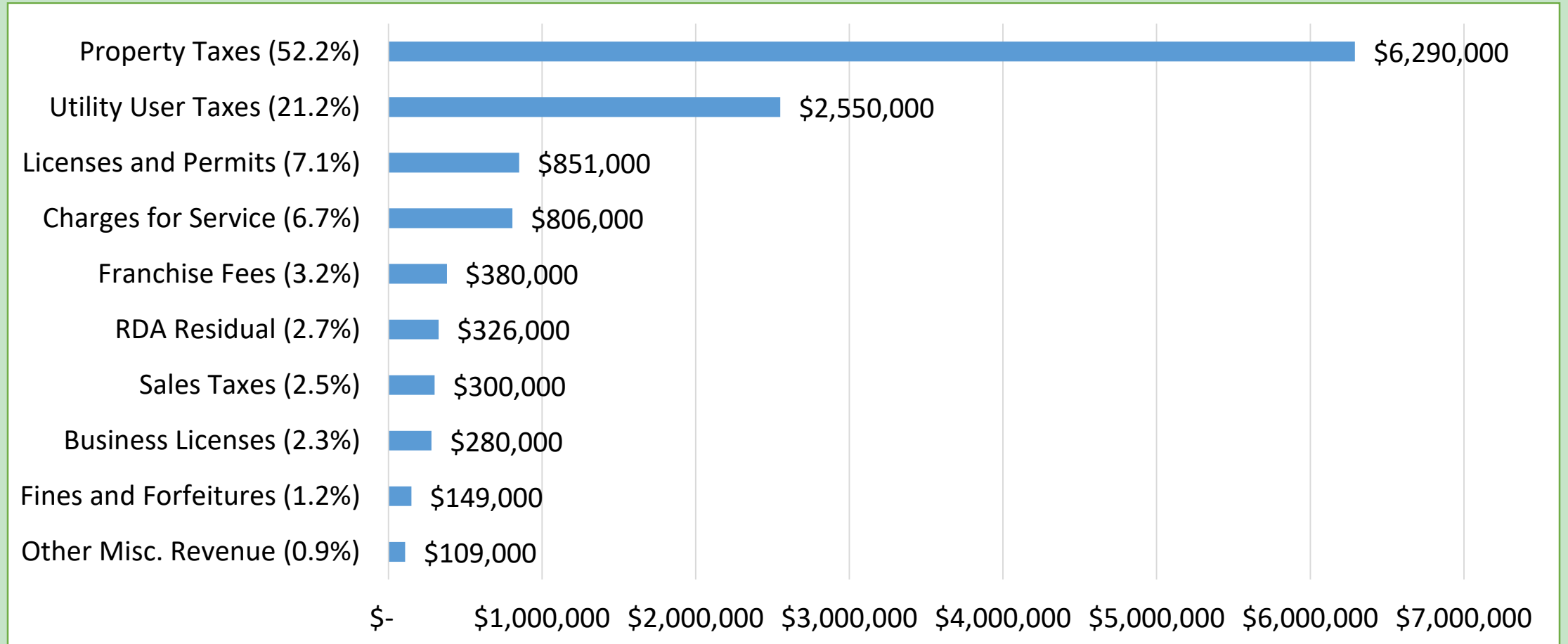
GENERAL FUND	FY 2016- 2017 Actual	FY 2017- 2018 Actual	FY 2018- 2019 Proposed	FY 2019- 2020 Proposed
REVENUES				
Property Taxes	\$ 5,539	\$ 5,866	\$ 6,070	\$ 6,290
AB1X 26 - RDA Residual	320	332	324	\$326
Utility User Taxes	2,524	2,504	2,400	\$2,550
Franchise Fees	419	415	380	\$380
Sales Taxes	314	310	300	\$300
Business Licenses	325	309	270	\$280
Charges for Services	594	638	738	\$806
Fines and Forfeitures	167	118	148	\$149
Licenses and Permits	821	818	950	\$851
Other Revenues	85	743	101	\$109
TOTAL REVENUES	\$ 11,108	\$ 12,053	\$ 11,681	\$ 12,042
TRANSFERS IN	115	0	138	0
EXPENDITURES				
Administrative Services	\$ 2,182	\$ 2,354	\$ 2,607	\$ 1,963
Community Services	204	202	461	435
Elected and Appointed	210	256	284	272
Fire	1,791	1,844	2,182	2,401
Library	675	633	523	619
Planning & Community Preservation	1,263	1,437	1,279	1,013
Police	3,493	3,275	3,616	3,079
Public Works	558	619	562	440
TOTAL EXPENDITURES	\$ 10,376	\$ 10,620	\$ 11,514	\$ 10,222
TRANSFERS OUT	77	109	16	190
CHANGE IN FUND BALANCE BEFORE CIP	770	1,324	289	1,630
CONTINGENCY	0	0	100	100
NET CHANGE IN FUND BALANCE	\$ 770	\$ 1,324	\$ 189	\$ 1,530



General Fund Expenditures



General Fund Sources



FY19/20 General Fund Variances from FY18/19 Budget

Summary of Fund Changes

Public Safety

Police

- Budget decrease due to reduction in CalPERS obligations (\$254,000)
- Added 1.5 positions to budget
- Further in year changes likely as Chief Hunt completes organizational review

Fire

- Total budget increase of \$362,000, comprised of 3 new positions and safety equipment



FY19/20 General Fund Variances from FY18/19 Budget

Summary of Fund Changes

Public Works

- Reduced overall expenditures due to Measure W (Storm Water Funding \$42,000)
- Established Tree Trimming/Replacement Program
- 2019-2020 Street Slurry Seal Program

Parks and Recreation & Library

- Library budget increase of \$96,000 primarily due to the addition of 1.27 FTEs
- Budgeted \$40,000 for expenditures on community pool
- Budgeted \$25,000 for Council investment in Non-Profit or Arts Funding
- Budgeted \$10,000 for Lizzie's Trail House Inn



Water Fund (\$000's)

Water	FY 2017-2018 Actuals	FY 2018-2019 Adopted	FY 2019-2020 Proposed
REVENUES			
Charges for Services	\$ 5,495	\$ 4,983	\$ 5,942
Fines and Forfeitures	26	26	28
Interest	24	20	20
TOTAL REVENUES	5,546	5,029	5,990
TRANSFERS IN	-	16	24
EXPENDITURES			
Personnel	848	891	936
Maintennace & Operations	2,570	2,264	2,298
Debt	318	230	263
Capital Outlay	598	634	864
TOTAL EXPENDITURES	4,334	4,019	4,361
TRANSFERS OUT	-	-	-
CHANGE IN NET POSITION BEFORE CIP	1,212	1,026	1,654
INVESTMENT IN CAPITAL ASSETS	487	2,094	2,310
NET CHANGE IN NET POSITION	\$ 725	\$ (1,068)	\$ (656)



FY19/20 Water Fund

Summary of Fund Changes:

- Infrastructure:
 - Total infrastructure spending of \$2.3M
 - Increase in depreciation of \$230,000
 - Change in net position (due to infrastructure) is reduced by \$656,000
 - Planned completions of AMI “Smart Meter” conversion

- Personnel:
 - Personnel expense increased by 5% to bring salaries closer to market rate
 - 0.5 FTE added in administrative support



Sewer Fund (\$000's)

SEWER	FY 2017-2018	FY 2018-2019	FY 2019-2020
	Actuals	Adopted	Proposed
REVENUES			
Charges for Services	\$ 917	\$ 920	\$ 970
Interest	8	3	10
TOTAL REVENUES	924	923	980
TRANSFERS IN	-	39	17
EXPENDITURES			
Personnel	478	393	440
Maintennace & Operations	340	296	175
Debt	6	7	2
Capital Outlay	206	206	226
TOTAL EXPENDITURES	1,030	902	844
TRANSFERS OUT	-	-	-
CHANGE IN NET POSITION BEFORE CIP	(105)	60	153
INVESTMENT IN CAPITAL ASSETS	-	-	101
NET CHANGE IN NET POSITION	\$ (105)	\$ 60	\$ 51



FY19/20 Sewer Fund

Summary of Fund Change

- Personnel expense increased by 12% to bring salaries closer to market rate
- Maintenance & Operations reduced 41%
- Capital outlay (Depreciation Expense) increased 10%
- Budgeted surplus in sewer of \$136,000, second consecutive year of balanced Fund



Thank you!

