



City of Sausalito

FY2017-18 Budget

City Council

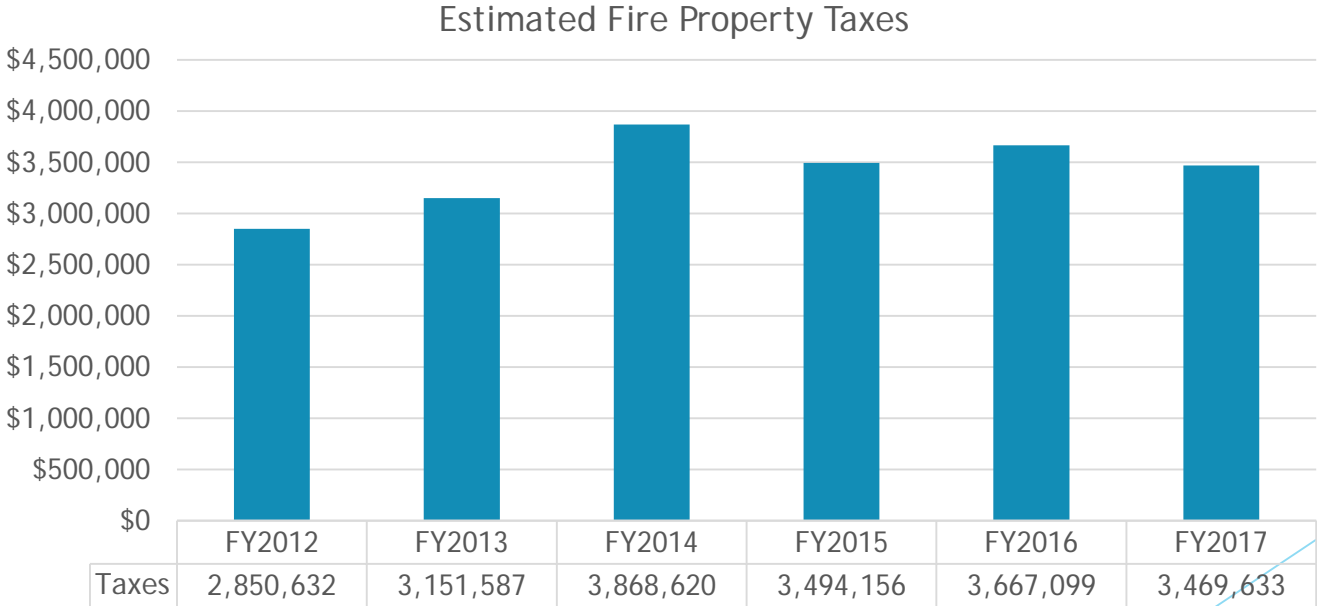
June 20, 2017

Agenda

- ▶ FY2017-18 Budget Summary
 - ▶ All Funds
 - ▶ Fund Balance
 - ▶ General Fund
 - ▶ Operating Departments
 - ▶ Capital Project Review
- ▶ Questions and/or additional information needed
- ▶ Adoption of Resolutions

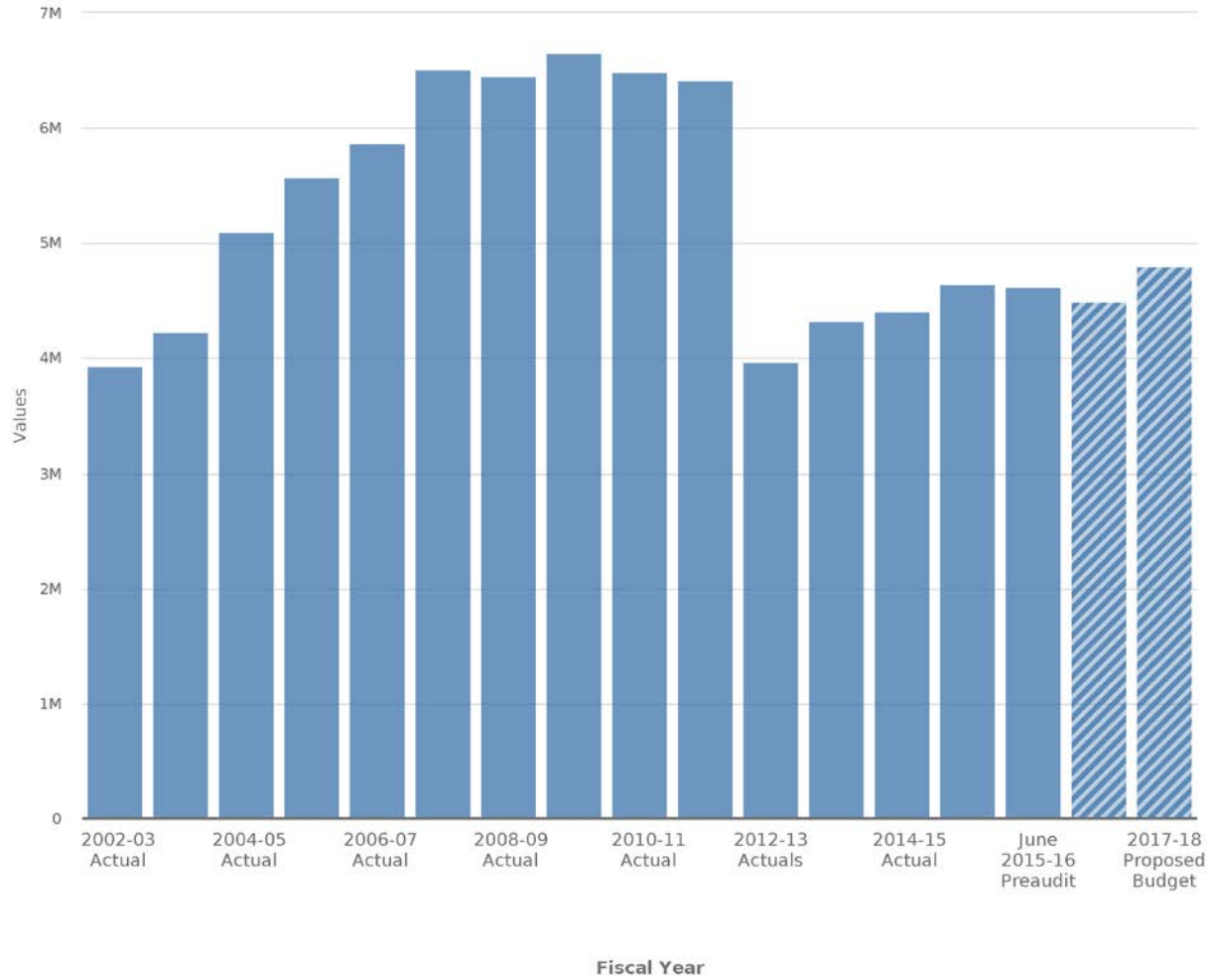
What are the estimated property taxes paid by Sausalito residents to Southern Marin Fire District?

When the City and Southern Marin Fire District agreed to the annexation of the City by SMFD to provide fire services, it was determined that approximately 45% of the total property taxes collected for the City was dedicated to fire services. The agreement generally continues that allocation but it is not recorded or reported specifically by Marin County so an estimate following that approach is shown below. In addition, the City contributed \$58,000 annually toward the Other Post-Employment Benefits (OPEB) obligations for the eligible firefighters who transferred to SMFD. The City continues to pay the Unfunded Annual Accrued Liability (UAAL) for benefits earned by these firefighters prior to the annexation.



Sausalito
Annual w/ Proposed Budget - Property Tax

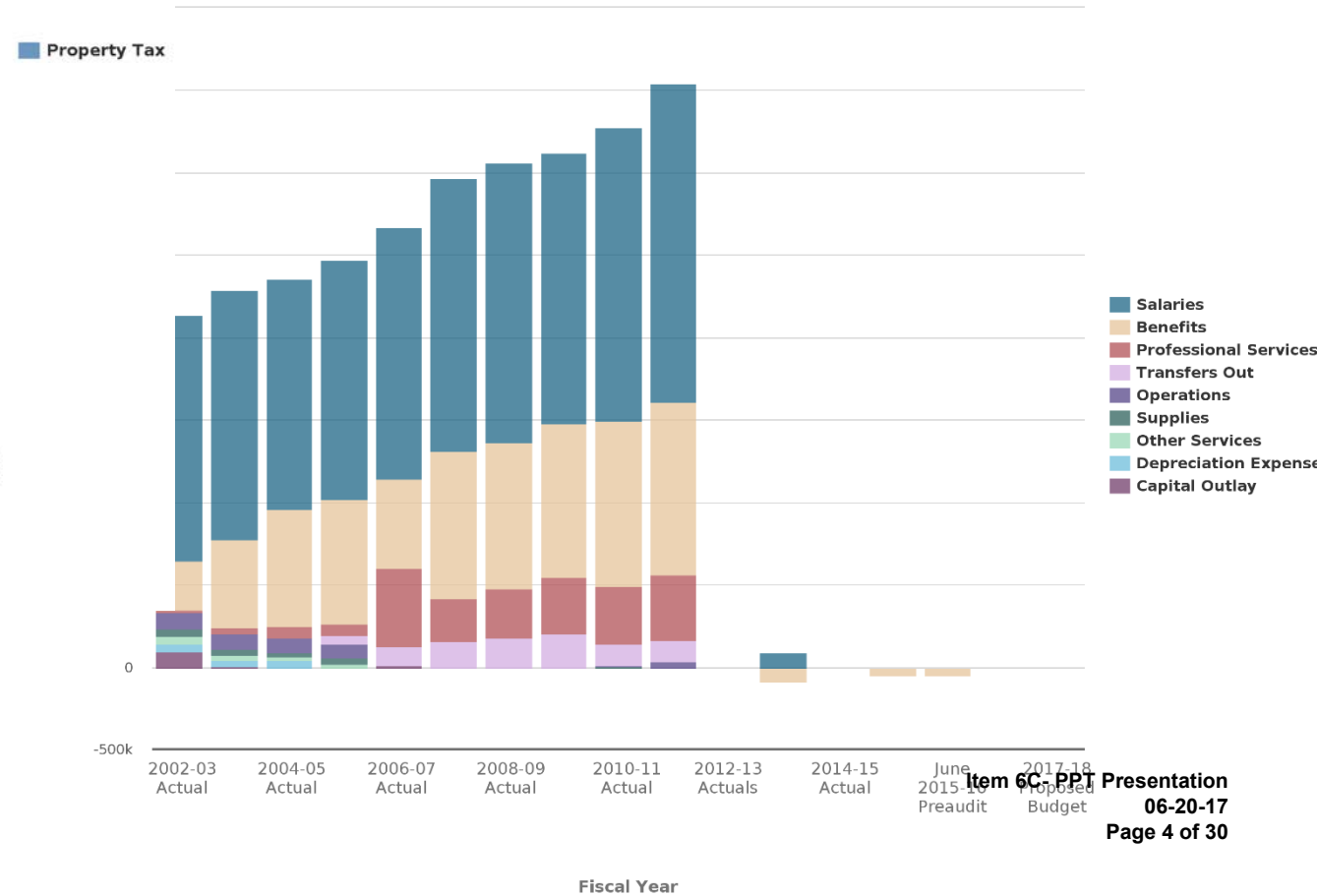
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Property Tax Revenues and Fire Expenditure History

Sausalito
Annual w/ Proposed Budget - Expenses

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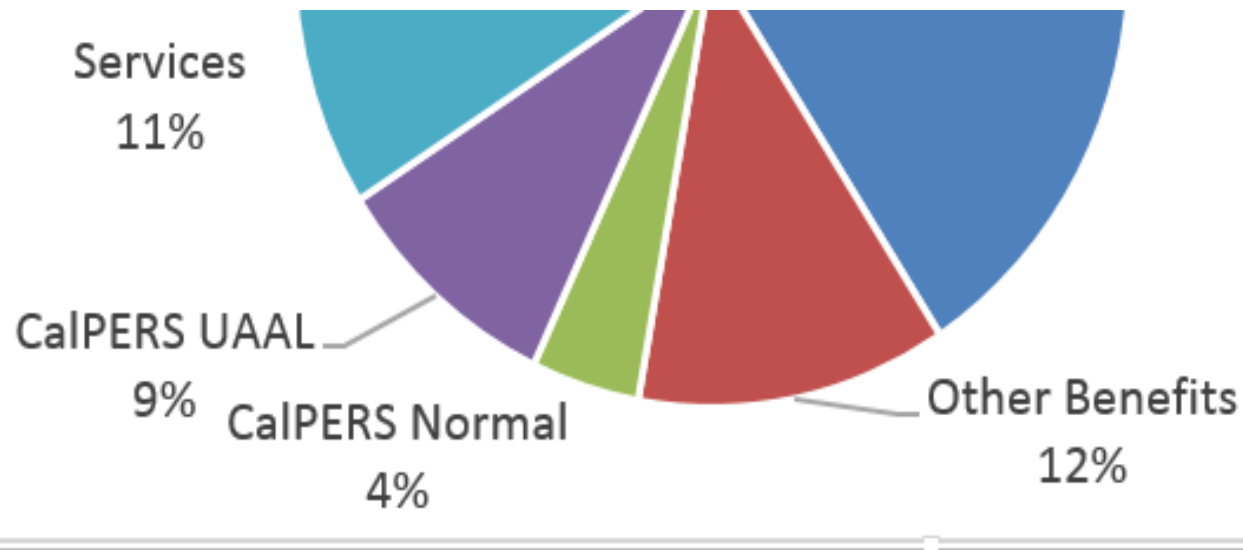
What are the balances in the Pension and OPEB Trust Funds?

Fund Name	Balance as of 06/30/15	Balance as of 06/30/2016	FY2017 Change to Fund Balance	Estimated Balance as of 06/30/2017	FY2018 Change to Fund Balance	Estimated Balance as of 06/30/2017
OPEB Trust (402)	400,000	679,060	25,000	704,060	25,000	\$729,060
Pension Trust (401)	645,000	701,110	30,000	731,110	30,000	\$761,110

*Additional transfers may be made in the current and proposed fiscal years depending on final balances.

How do pension costs factor into the expenditures by type pie chart?

- ▶ The CalPERS Normal Cost is the annual actuarially required contributed associated with existing staff providing services in the budget year. The Normal Cost is calculated as a percentage of actual payroll. The CalPERS UAAL refers to the Unfunded Annual Accrued Liability or the annual payment needed to pay off previously earned benefits over a 30-year amortization period. The UAAL is a fixed amount assigned by CalPERS and must be paid in full each year regardless of staffing levels.



General Fund Benefits = 25% of total costs; \$4 M of \$16M General Fund Budget

What is the explanation for negative balance in the Tidelands Fund?

The Tidelands Fund balance, as reported on page 26 of the FY2016 Comprehensive Annual Financial Report (CAFR) or audit, includes “Unearned Revenue” of \$4,367,777. The City entered into a lease agreement with the Sausalito Yacht Harbor, Inc. through which the City recognizes a rent credit against future rent owed by the Yacht Harbor to offset the City’s portion of urgent repairs to the bulkhead in 2011.

Tidelands Fund	
Beginning Balance	(3,196,130)
FY17 Revenues & Transfers In	782,902
FY17 Expenditures & Transfers Out	669,130
Ending Balance	(3,082,358)
Remove Rent Credit & Lease Amortization	4,367,777
FY17 Budget Fund Balance*	\$ 1,285,419
*Cash Equivalent or Spendable Fund Balance	

What is the explanation for negative balance in the MLK Fund?

This negative net position is due to two factors: 1) the outstanding balance owed on the Advance from the General Fund, and 2) the transfer of Certificates of Participation (CoP) funds to the General Capital Improvement Fund for repairs and renovations. The City Council approved a new loan repayment schedule on June 28, 2016 which reduced the balance owed to the General Fund by \$4.2 million in recognition of the CoP funds used for parks renovations. This had a positive effect on the MLK net position. The MLK Fund took on \$6.94 million in long-term debt by issuing the CoPs which would typically be offset by the increase in cash during construction and in capital assets from the investment in infrastructure as construction is completed. Because the work is being done through the General Capital Improvement Fund, the cash is held there and the increase in capital assets will be transferred back to the MLK Fund when the construction is complete.

Martin Luther King Jr (MLK) Fund	
Beginning Net Position	703,486
FY17 Revenues & Transfers In & Loan Forgiveness	6,049,357
FY17 Expenditures & Transfers Out	8,453,646
Ending Net Position	(1,700,803)
Add Pending Capital Assets	3,000,000
FY17 Budget Fund Balance*	1,299,197
*Cash Equivalent or Spendable Balance	

Why are design fees higher than the previously stated 10% of total project for Dunphy and Southview Parks?

- ▶ Jonathon Goldman, Public Works Director
- ▶ Manuela King, RHAA: Royston, Hanamoto, Alley, & Abbey

Fund Balance Projections

Fund Name	Balance as of 06/30/15	Estimated Balance as of 06/30/2016	FY2017 Change to Fund Balance	Estimated Balance as of 06/30/2017	FY2018 Change to Fund Balance	Estimated Balance as of 06/30/2017
General Fund (100)	10,426,298	8,352,143	(157,560)	8,194,583	17,234	8,211,818
Traffic Safety (120)	249	(4,352)	4,352	-	-	-
2006 General Obligation Bonds	630,306	678,854	-	678,854	-	678,854
Construction Impact Fees (122)	78,565	55,799	-	55,799	-	55,799
County Measure A and B (124)	92,618	214	-	214	-	214
Employee Benefits (260)*	(1,387,944)	(1,236,771)	2,000	(1,234,771)	2,000	(1,232,771)
Gas Tax (121)	80,736	134,985	3,000	137,985	3,000	140,985
General Capital Projects (140)	1,445,207	7,890,681	(7,519,122)	371,559	651	372,210
General Liability (270)	182,705	40,528	(50,000)	(9,472)	-	(9,472)
MLK Rental Property (210)**	703,486	(1,700,803)	(54,809)	(1,755,612)	(13,972)	(1,769,584)
Old City Hall (113)	613,228	559,960	5,000	564,960	-	564,960
Parking (220)	3,198,036	2,997,225	(103,143)	2,894,082	2,357	2,896,439

Fund Balance Projections

Fund Name	Balance as of 06/30/15	Estimated Balance as of 06/30/2016	FY2017 Change to Fund Balance	Estimated Balance as of 06/30/2017	FY2018 Change to Fund Balance	Estimated Balance as of 06/30/2017
Police Grant (134)	980	980	177	1,157	-	1,157
Recreation Grant (136)	24,920	116,487	-	116,487	-	116,487
Sewer (110)	4,269,029	4,392,393	(24,711)	4,367,682	6,556	4,374,238
Sewer Construction	-	5,094,000	(5,094,000)	-	-	-
Stairs (126)	124,525	155,067	-	155,067	-	155,067
Storm Drainage	988	2,401	-	2,401	-	2,401
Tidelands Fund (114)***	(3,196,130)	(3,082,358)	(15,620)	(3,097,978)	982	(3,096,996)
Tidelands Loan Fund	-	-	-	-	-	-
Vehicle Replacement (240)	1,223,034	1,217,674	(129,771)	1,087,903	229	1,088,132
Worker's Compensation (250)	82,607	(100,166)	114,243	14,077	140,161	154,238

*** Includes \$4,367,777 in Unearned Revenue recorded as a Liability; Net 06/30/2016 would be \$1,285,419

CITYWIDE SUMMARY OF THE CITY OF SAUSALITO DRAFT BUDGET
FY 2017-18

Description	Revenues & Transfers In	Expenditures & Transfers Out	Change to Fund Balance	Description	Revenues & Transfers In	Expenditures & Transfers Out	Change to Fund Balance
General Fund	16,239,131			<u>Debt Service Funds</u>			
Administration/ Finance		1,817,679		Tidelands Loan	72,155	72,155	-
Information Technology		616,543		2006 General Obligation Bonds	537,435	537,435	-
Community Development		1,299,047		<u>Total Debt Service Funds</u>	\$609,590	\$609,590	-
Non-Department Police		2,883,988					
		5,613,557		<u>Capital Projects Funds</u>			
Dept. of Public Works		2,250,909		General Capital Projects	1,887,500	1,886,849	651
Recreation		837,708		Sewer Capital	550,000	550,000	-
Library		902,465		<u>Total Capital Projects Funds</u>	\$2,437,500	\$2,436,849	\$651
Total General Fund	\$16,239,131	\$16,221,897	\$17,234				

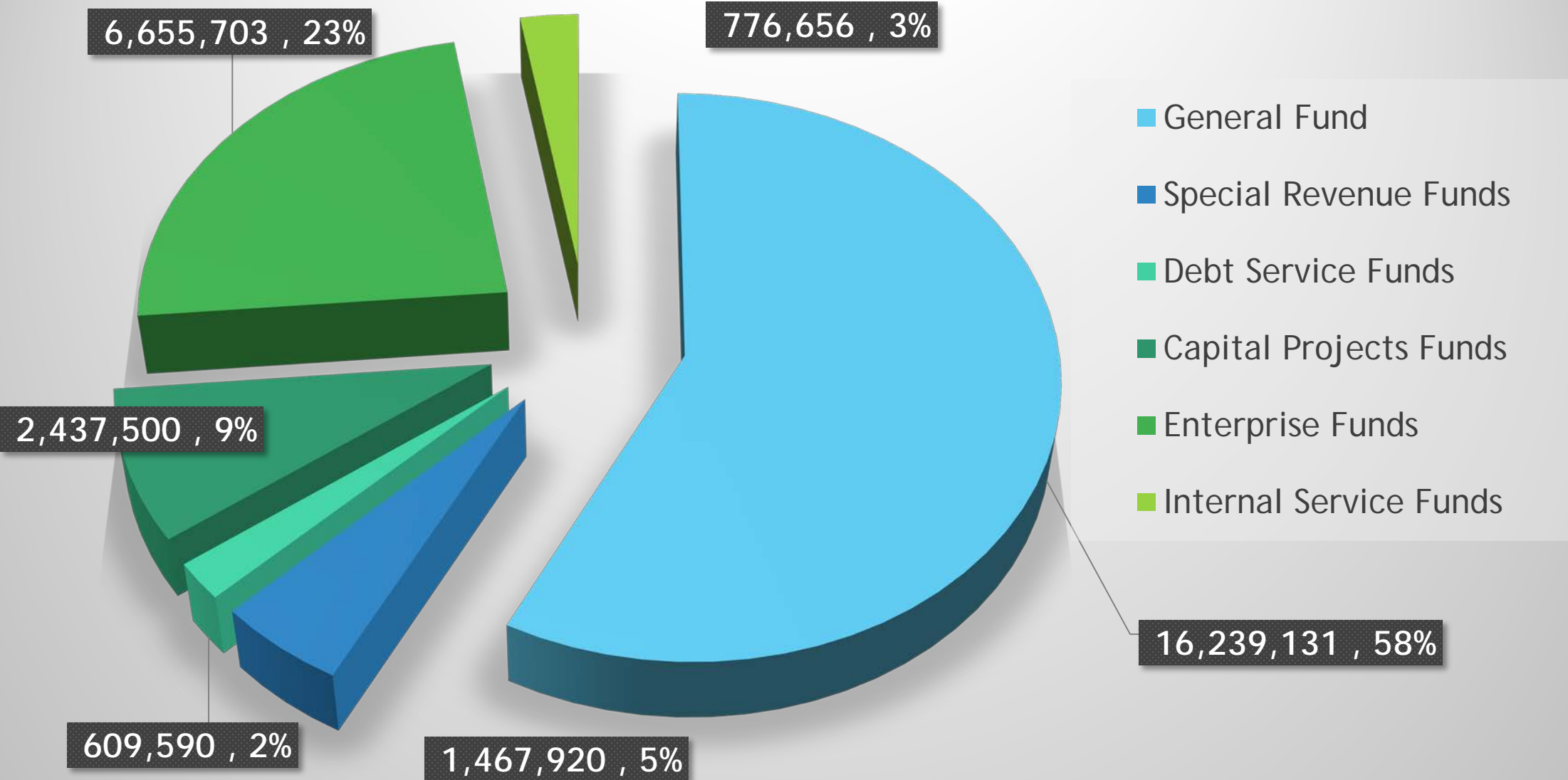
CITYWIDE SUMMARY OF THE CITY OF SAUSALITO DRAFT BUDGET
FY 2017-18

Description	Revenues & Transfers In	Expenditures & Transfers Out	Change to Fund Balance	Description	Revenues & Transfers In	Expenditures & Transfers Out	Change to Fund Balance	
				<u>Enterprise Funds</u>				
<u>Special Revenue Funds</u>				Sewer	2,647,563	2,641,007	6,556	
Tidelands Fund	741,420	740,438	982	Old City Hall	240,000	240,000	-	
Traffic Safety	32,000	32,000	-	MLK Rental Property	1,410,364	1,424,337	(13,972)	
Gas Tax	168,000	165,000	3,000	Parking	2,357,776	2,355,419	2,357	
Construction Impact Fees	165,000	165,000	-	Total Enterprise Funds		6,655,703	6,660,763	(5,060)
County Msr. A & B	50,000	50,000	-	<u>Internal Service Funds</u>				
Storm Drainage	74,500	74,500	-	Vehicle Replacement	100,229	100,000	229	
Stairs	-	-	-	Worker's Comp	467,753	327,592	140,161	
Police Grant	182,000	134,394	-	Employee Benefits	208,674	206,674	2,000	
				Total Internal Service Funds		776,656	634,266	142,390
Recreation Grant	55,000	55,000	-					
Total Special Revenue Funds		\$1,467,920	\$1,416,332	\$3,982				

CITYWIDE SUMMARY OF THE CITY OF SAUSALITO DRAFT BUDGET
FY 2017-18

Description	Revenues & Transfers In	Expenditures & Transfers Out	Change to Fund Balance
Citywide Totals with Transfers In/Out	28,186,500	27,979,697	159,198
Less Transfers Between Funds	(5,109,262)	(5,109,262)	-
Citywide Totals Net of Transfers In/Out	\$23,077,238	\$22,870,435	\$206,804

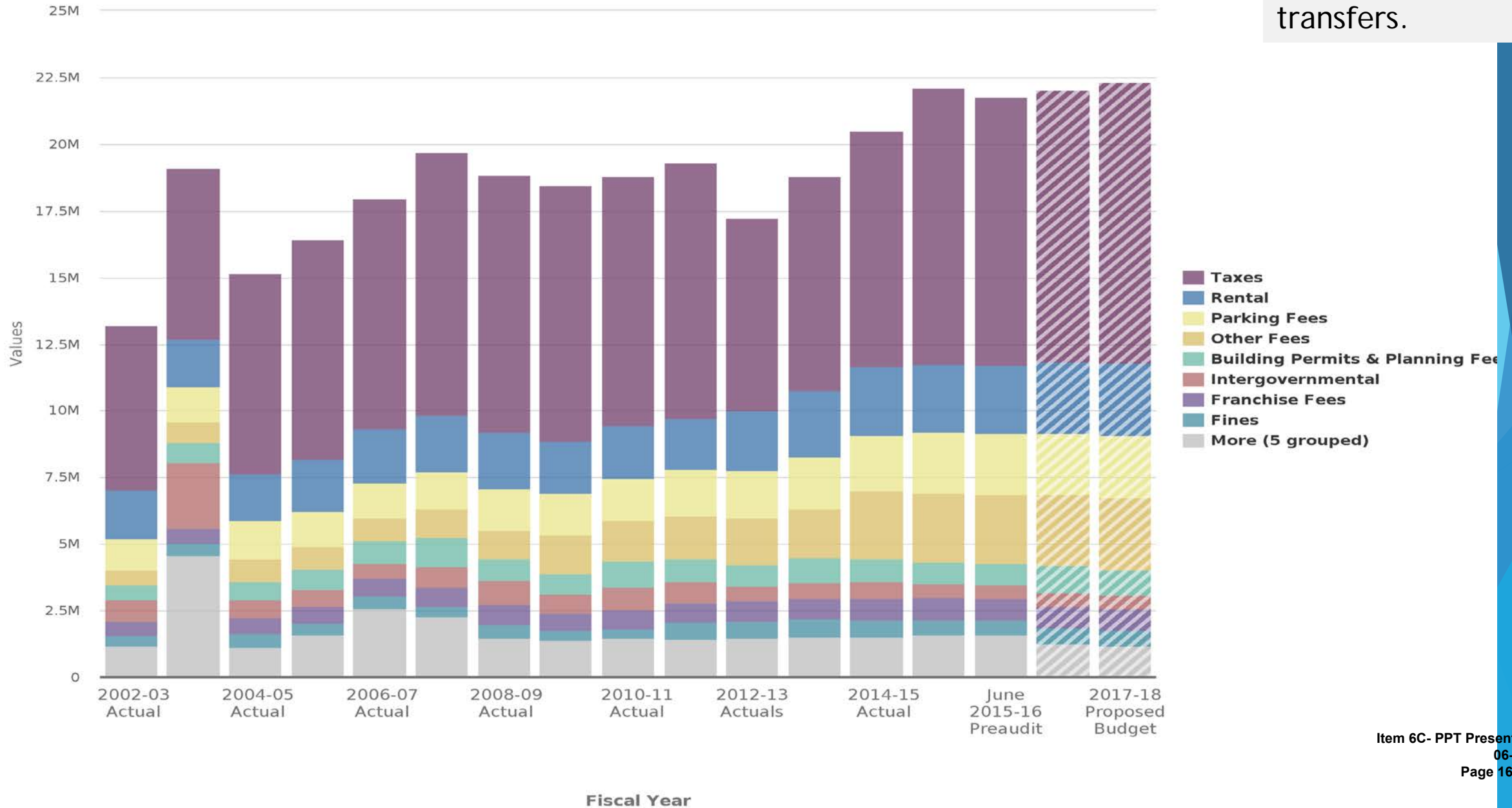
FY18 Revenues & Transfers In



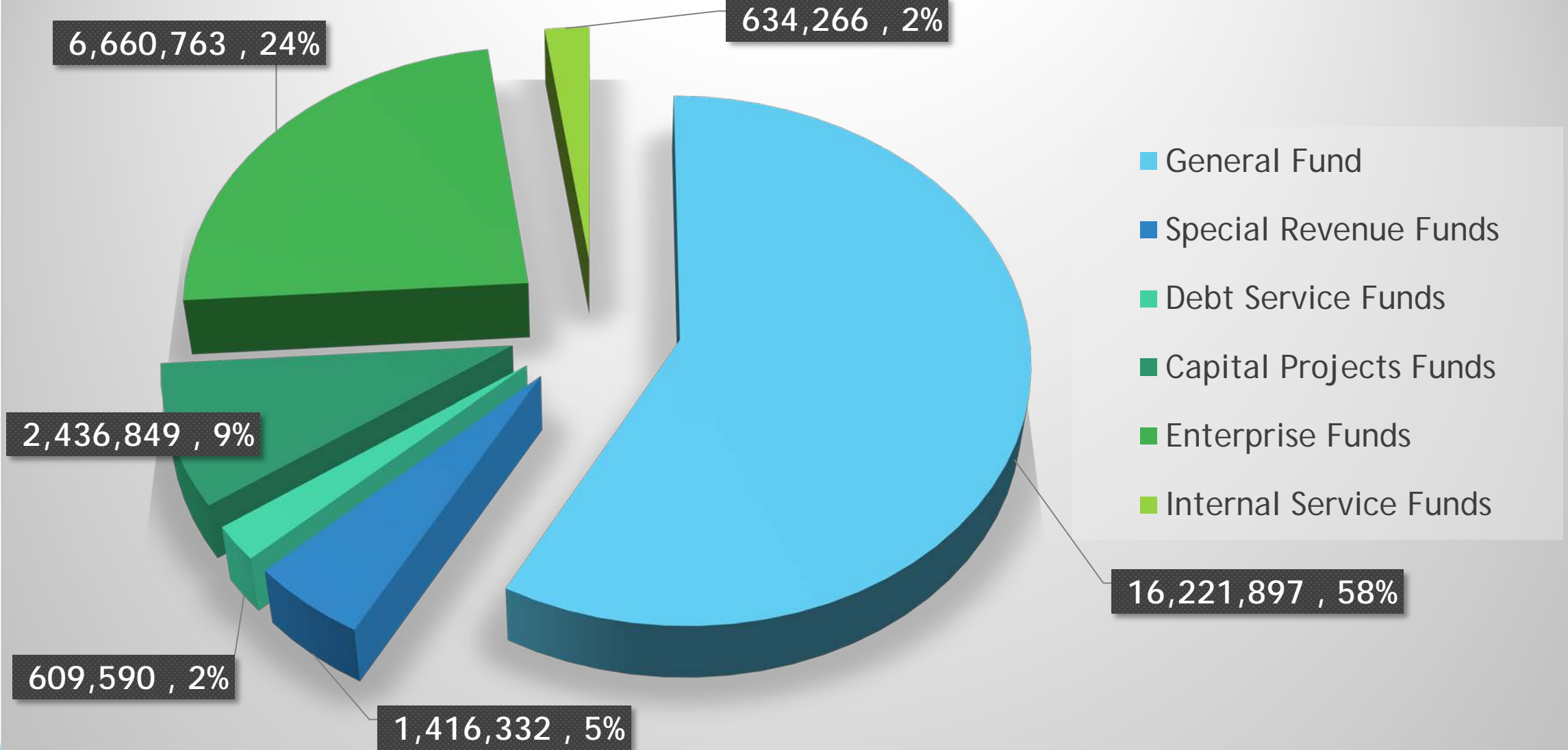
Sausalito Annual w/ Proposed Budget - Revenues

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Does not include capital funds or transfers.



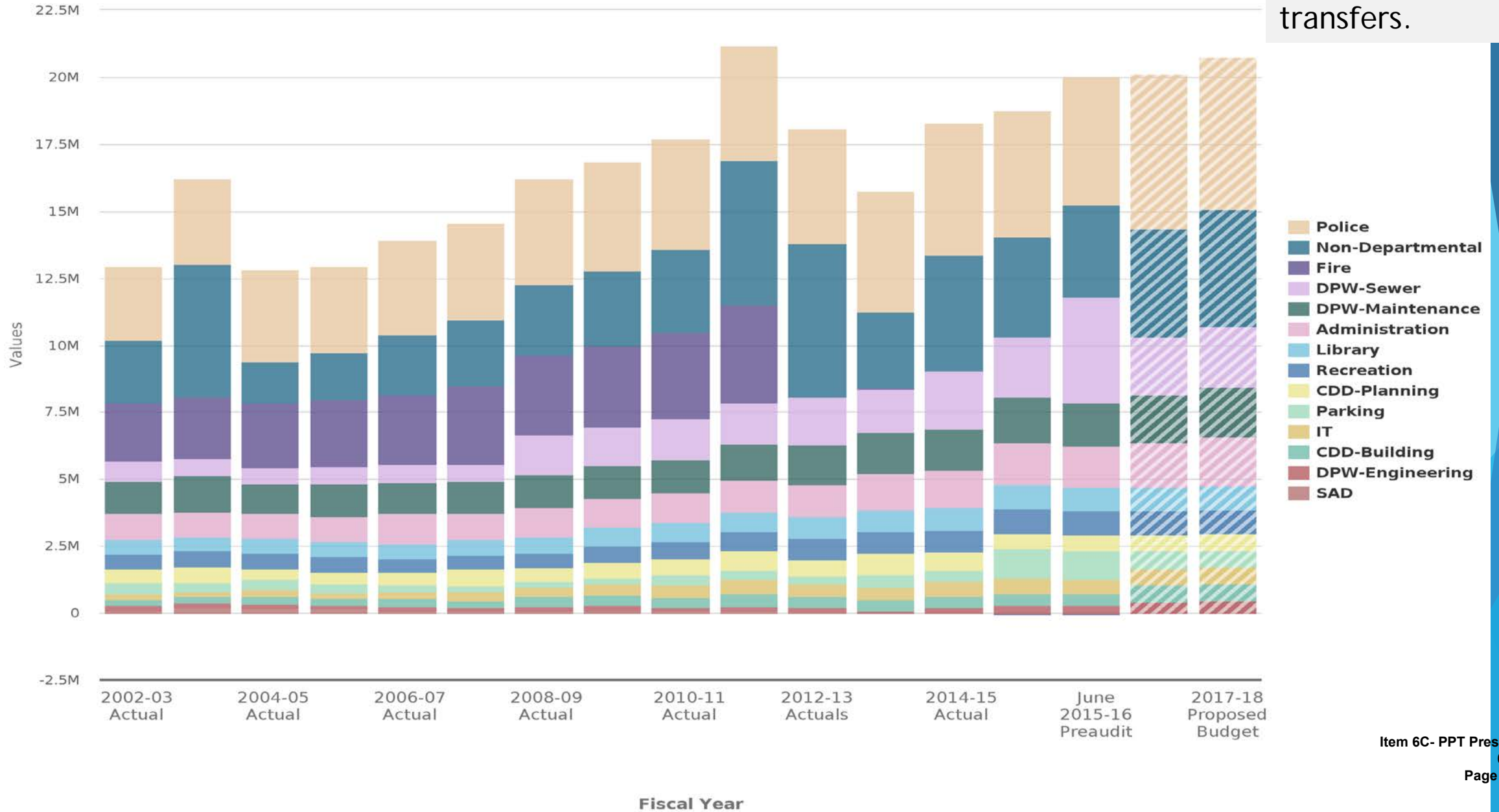
FY18 Expenditures & Transfers Out



Sausalito Annual w/ Proposed Budget - Departments

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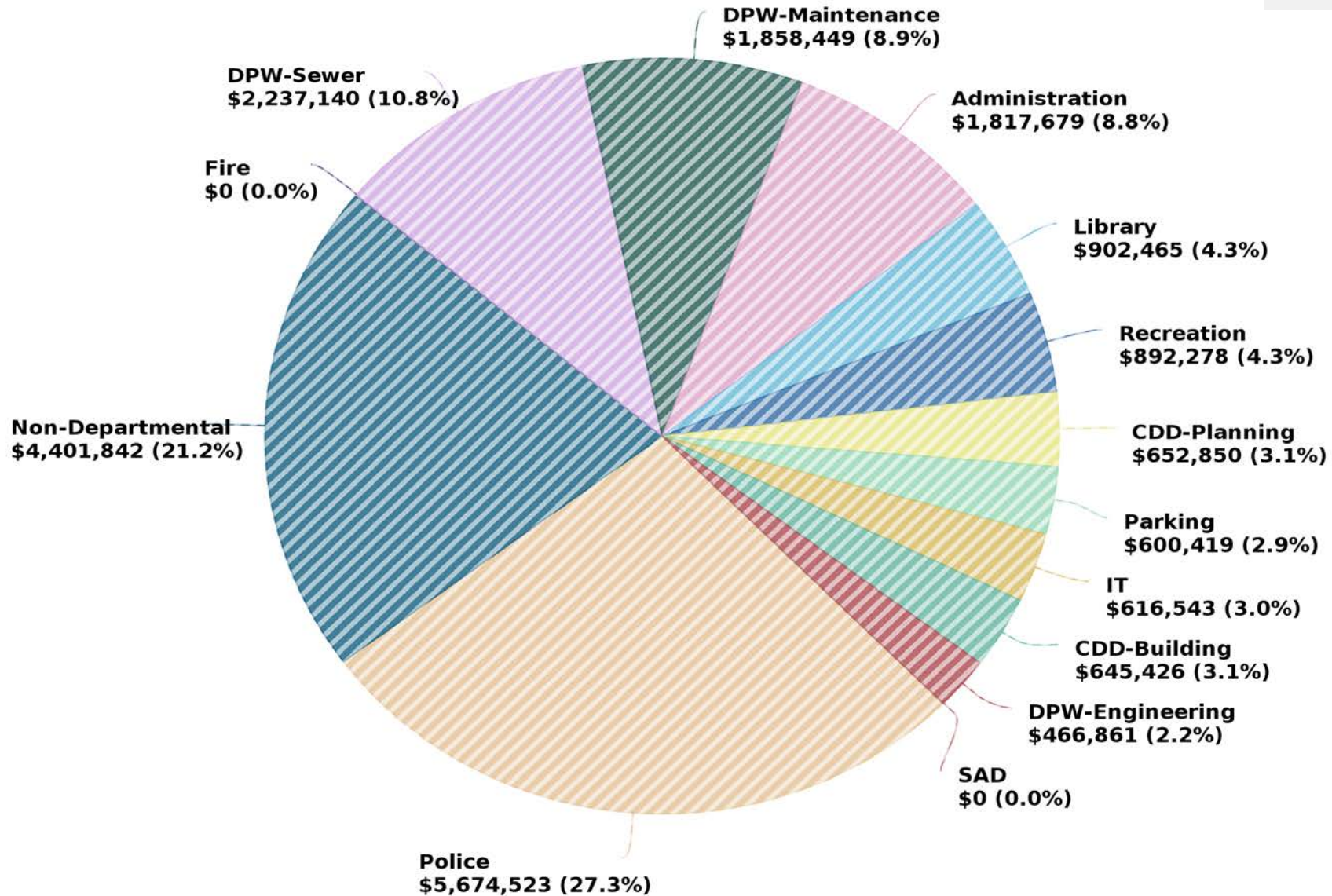
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Sausalito
Annual w/ Proposed Budget - Departments
2017-18 Proposed Budget

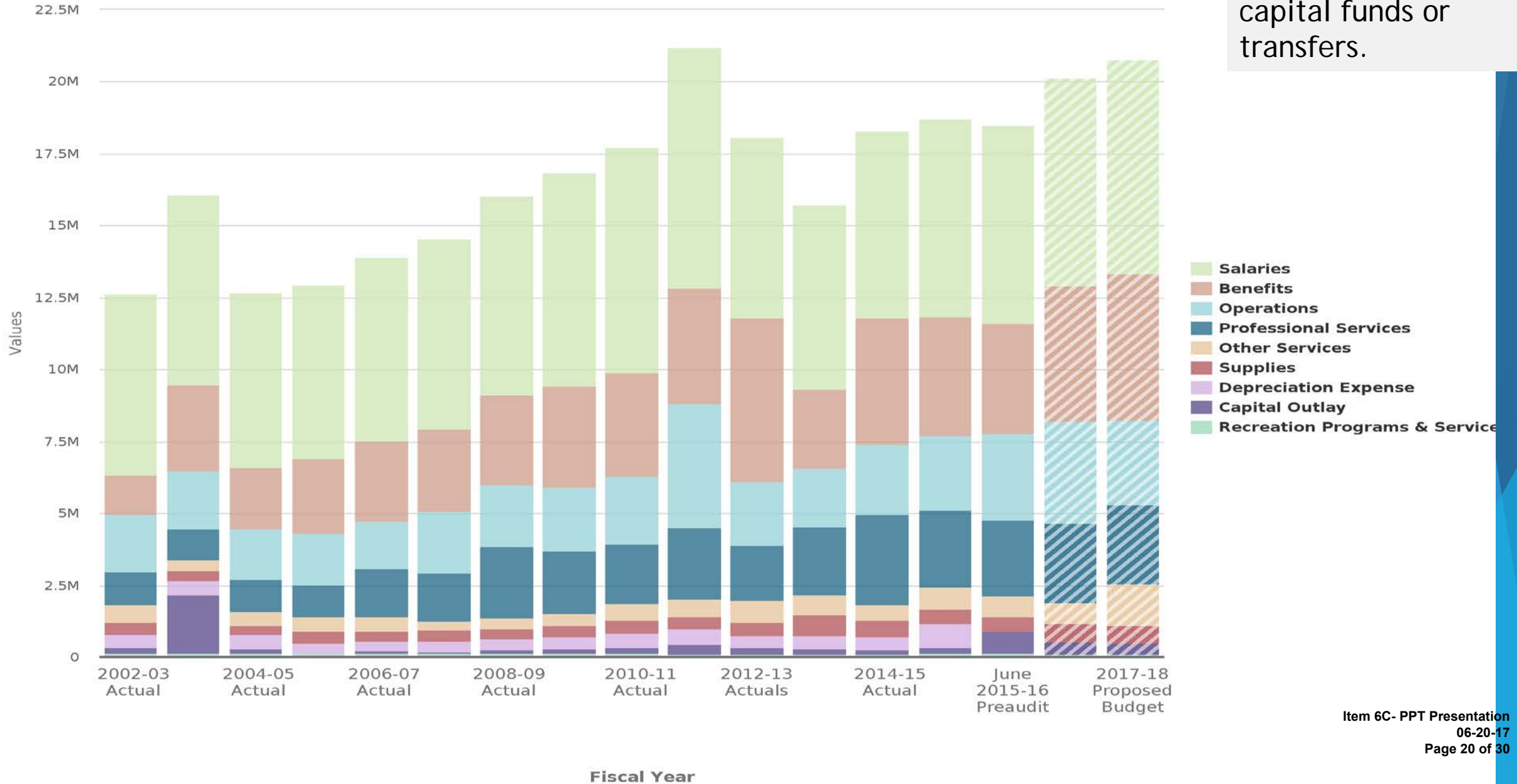
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Does not include capital funds or transfers.



Sausalito Annual w/ Proposed Budget - Expenses

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FY2017-18 is year 2 of the Biennial Plan and maintains initiatives adopted in FY2016-17

▶ Public Works:

- ▶ Increased Landscape maintenance increasing by over \$170,000 for medians, downtown, and parks
- ▶ a dedicated capital program management team

▶ Community Development:

- ▶ A part-time contract code enforcement officer
- ▶ A part-time contract Assistant Building Inspector

▶ Police

- ▶ An additional full-time Parking Enforcement Officer position.
- ▶ An additional part-time Seasonal Police officer
- ▶ A part-time Emergency Services Planner

Changes to Proposed FY17-18 Budget

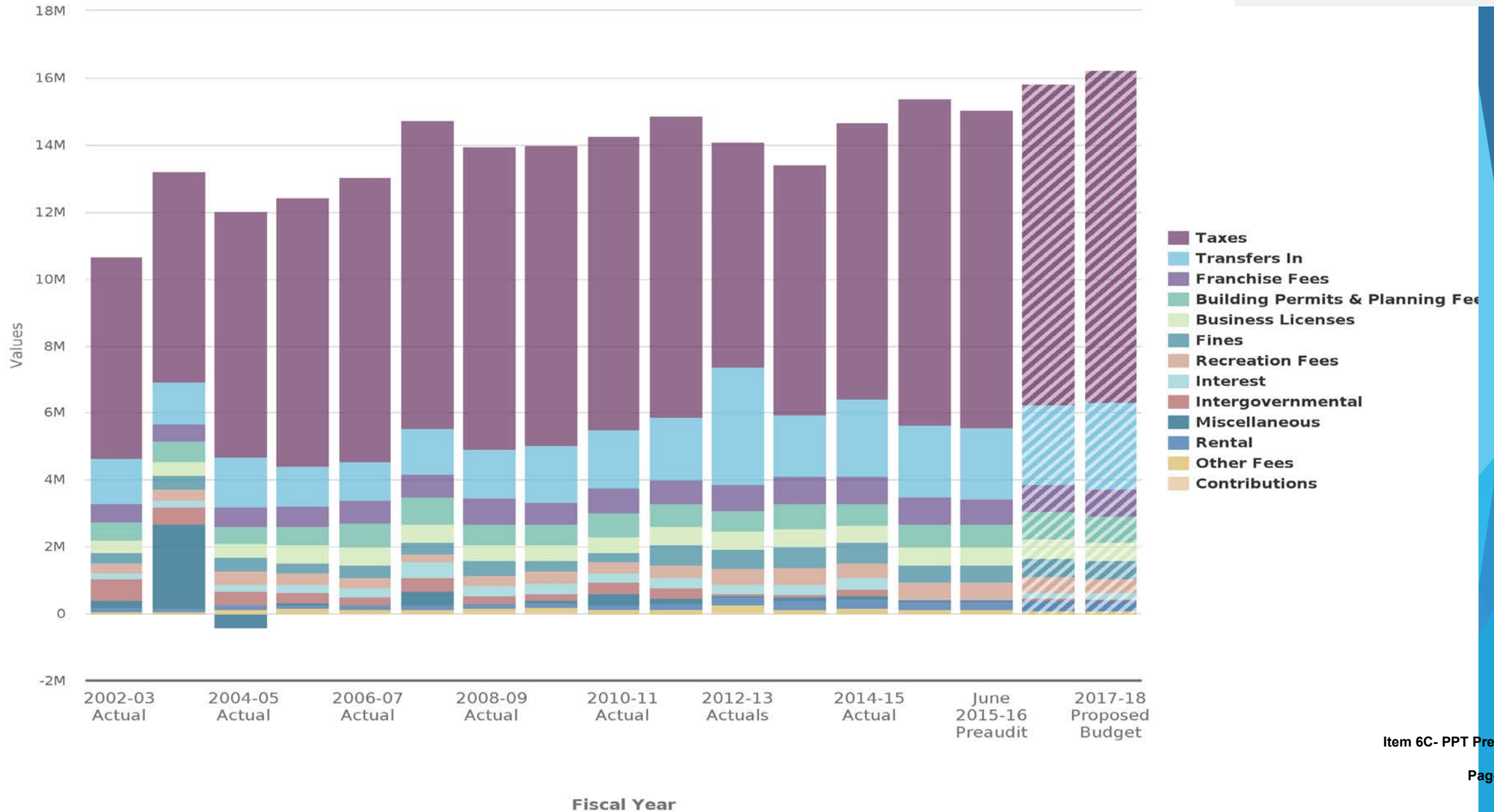
- ▶ Increase in Information Technology software maintenance agreements (\$20,000 General Fund)
- ▶ Increase in Public Works safety training (\$15,000 General and Sewer Funds)
- ▶ Increase in Facility Maintenance Funds (\$15,000 General Fund)
- ▶ Increase in Administration for Special Election (\$35,000 General Fund)
- ▶ Increase in Workers' Compensation = \$200,000 (All Operating Funds)
- ▶ Reduction in Capital Projects
 - ▶ Decrease in expected cost for accounting software (\$15,000 General Capital Improvement Fund-GCIF)
 - ▶ Decrease in document management update (\$28,000 GCIF)
 - ▶ Decrease in City Hall Waterproofing and Painting (\$65,000 GCIF)
- ▶ Decrease in Tidelands and Sewer Funds transfers and offsetting related capital projects. (\$345,000 GCIF)
- ▶ Increase in Police Grants for most recent COPS grant (~\$53,000 Police Grants Fund)
- ▶ Shift in the Tidelands Fund from Professional Services to part-time personnel and operating costs (no change in total budget)

General Fund	FY2015-16	FY2016-17	FY2017-18	Variance	% Variance
Revenues	\$14,913,676	\$15,804,130	\$16,239,131	\$435,001	2.75%
101	1,568,997	1,650,470	1,782,679	132,209	8.01%
130	781,468	580,726	616,543	35,817	6.17%
180	663,781	593,561	652,850	59,289	9.99%
190	2,784,015	3,146,016	2,953,988	(192,029)	-6.10%
200	5,049,821	5,394,596	5,597,414	202,818	3.76%
400	459,218	644,230	646,197	1,967	0.31%
410	258,405	401,082	466,861	65,779	16.40%
500	1,548,527	1,811,277	1,769,048	(42,229)	-2.33%
600	897,996	844,164	837,708	(6,456)	-0.76%
690	871,242	895,567	902,465	6,898	0.77%
TOTAL					
Expenditures	\$14,883,469	\$15,961,690	\$16,225,753	\$264,063	1.65%
NET	30,207	(157,560)	13,378	170,938	

Sausalito Annual w/ Proposed Budget - Revenues

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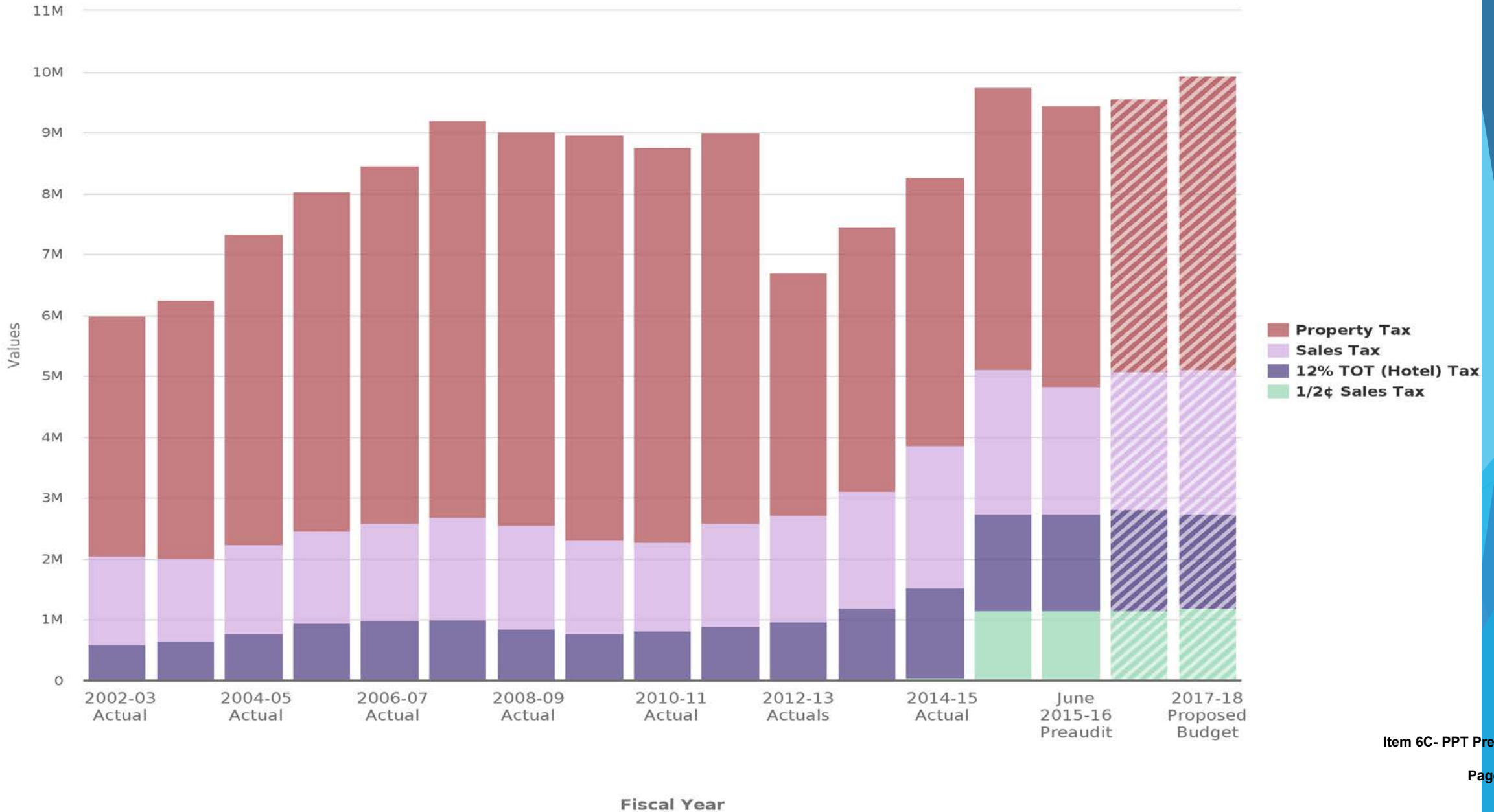
General Fund only



Sausalito Annual w/ Proposed Budget - Taxes

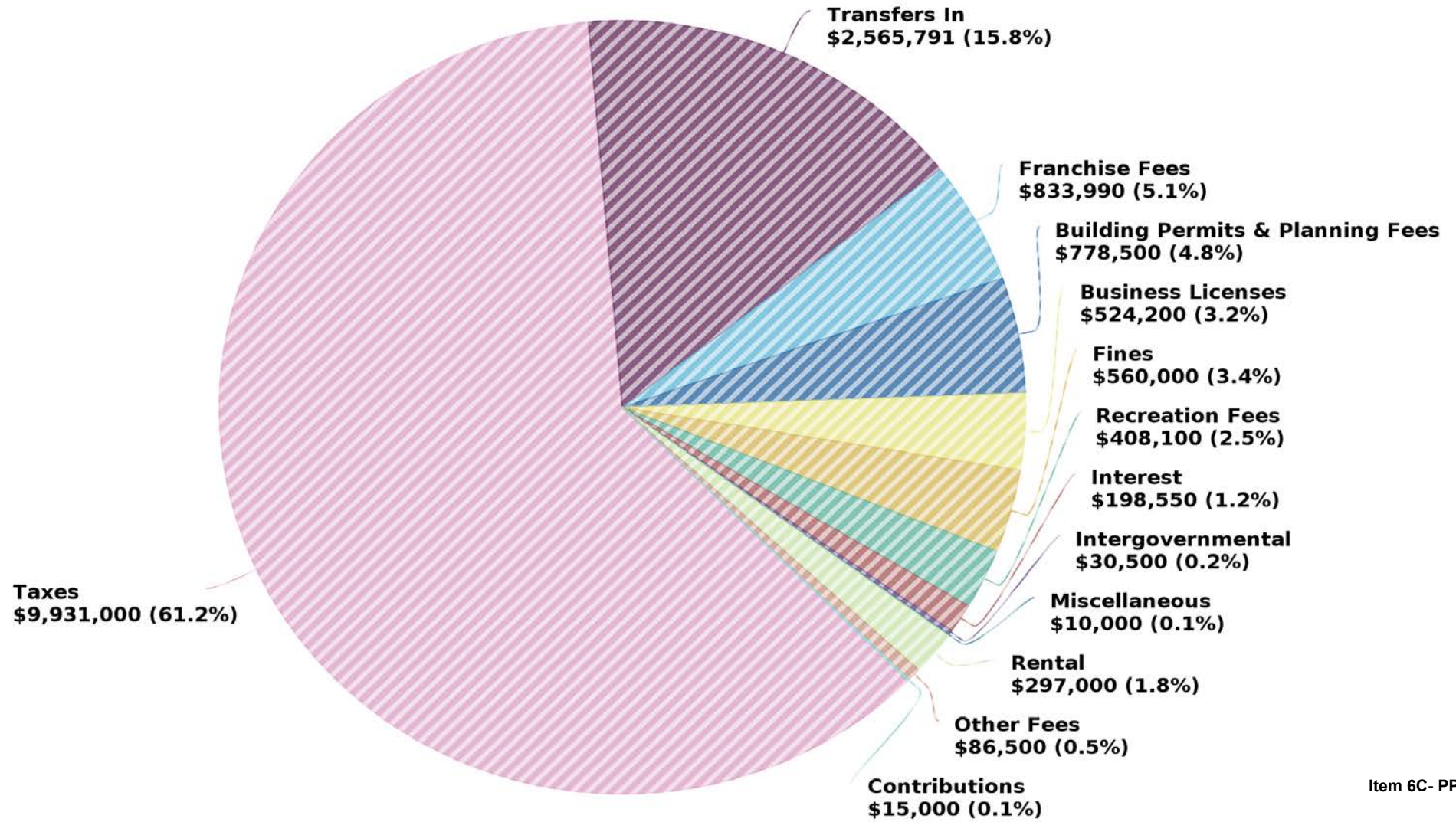
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General Fund only

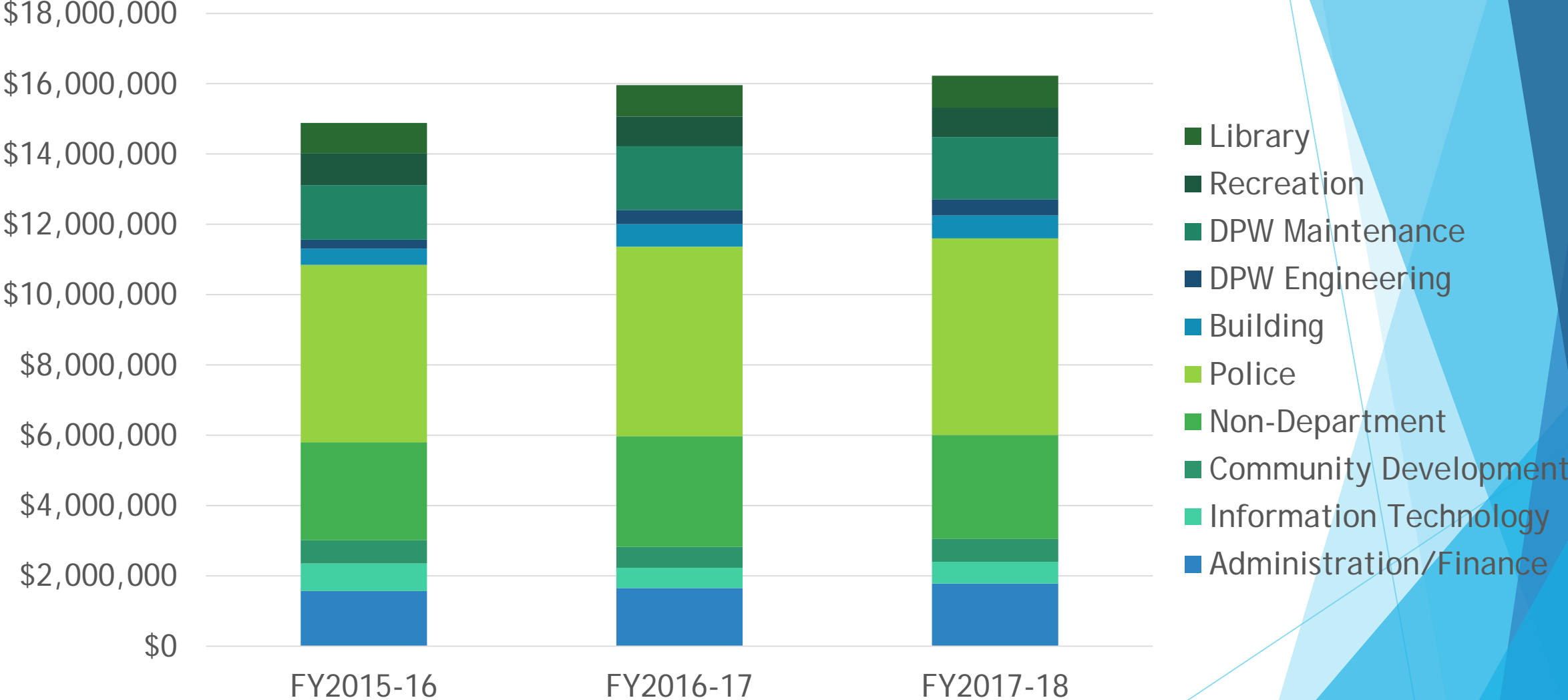


Sausalito
Annual w/ Proposed Budget - Revenues
2017-18 Proposed Budget

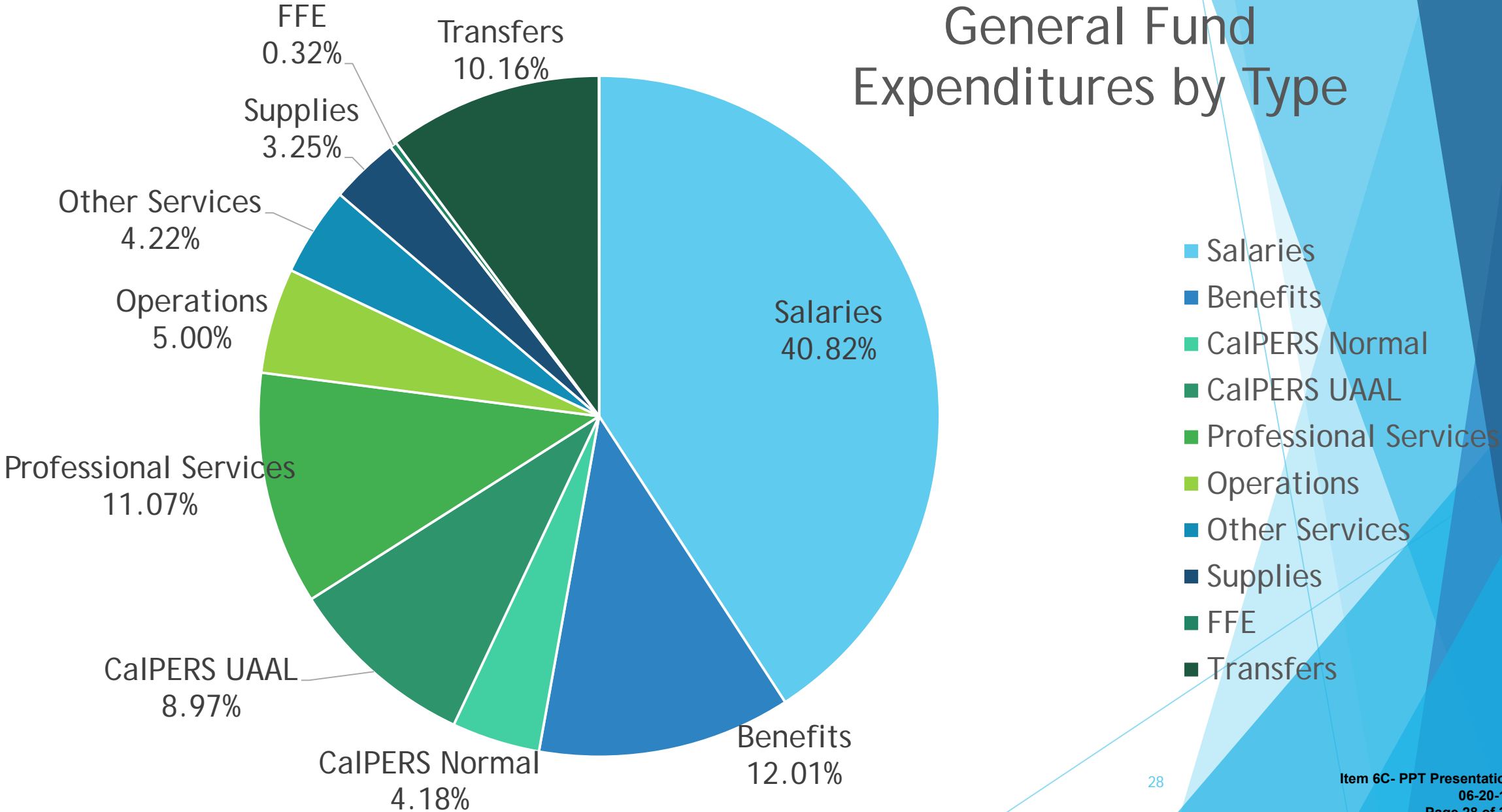
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General Fund Expenditures



General Fund Expenditures by Type



General Fund	Amount	%
06/30/17 Ending Fund Balance*	8,194,583	53.07%
less Unspendable	(2,806,045)	-18.17%
Liquid Fund Balance	5,388,538	34.90%
<u>Policy Requirements</u>		
5% Budget Stabilization Policy	811,288	5.00%
10% Shortfall Reserve Policy	1,622,575	10.00%
less Disaster Assistance Fund	972,561	6.30%
Minimum Fund Balance	3,406,424	22.06%
Net of Policy Minimum	1,982,115	12.84%
Recommended	3,245,151	20.00%
Very Health	4,056,438	25.00%

*Per FY2016 Audit and FY2017 Mid-Year Amendment

Next Steps

- ▶ Questions and/or additional information needed
- ▶ Adoption by City Council 06/20/17
 - ▶ GANN Limit Resolution
 - ▶ Adoption of FY2017-18 Budget Resolution
 - ▶ Authorized Staffing Levels and Salary Ranges Resolution
- ▶ Happy New Fiscal Year 07/01/2017
- ▶ Strategic Planning kicks off Fall, 2017