

**CITY OF CHICO
DRAFT PROPOSED BUDGET
2020-2021**

JUNE 9, 2020

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

DISCUSSION OUTLINE

- COVID-19 FINANCIAL UPDATE
- PROJECTIONS
- ROLLOVER BUDGET (FINANCIAL PLAN)

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

COVID-19 FINANCIAL UPDATE

- **REVENUE EFFECTS:**

- GENERAL FUND REVENUES REDUCED BY ALMOST \$6,000,000 IN THIS BUDGET FROM ORIGINAL PROJECTIONS
- ESTIMATED REVENUE LOSS FROM CHICO STATE GOING VIRTUAL IN FALL IS \$600,000
- PARKING FUND REVENUES REDUCED BY \$494,000 (54% OF PRIOR YEAR)

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

COVID-19 FINANCIAL UPDATE

- **RESPONSES TO REVENUE LOSSES:**
 - UTILIZATION OF UNALLOCATED PRIOR YEAR FUND BALANCE
 - HOURLY STAFF LAYOFFS (11 POSITIONS)
 - HIRING FREEZE FOR FULL TIME POSITIONS (24 POSITIONS)
 - DEFERRAL OF CAPITAL PROJECTS
 - REDUCTIONS IN GENERAL FUND INTER-FUND TRANSFERS
 - CONTINGENCY PLAN – DEPARTMENTAL COST REDUCTIONS (2%, 5% OR 10% AS NEEDED)

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

HIRING FREEZE POSITIONS – GENERAL FUND

Position:	Department:	FTE:
Asst/Assoc Planner	CDD	1.0
Police Officer	PD	7.0
Police Sgt	PD	1.0
Police Chief	PD	1.0
Sworn Park Ranger	PD	2.0
Dispatcher	PD	4.0
Animal Svcs Tech	PD	1.0
Animal Svcs Assoc	PD	2.5

CITY OF CHICO
DRAFT PROPOSED BUDGET 2020-2021
HIRING FREEZE POSITIONS – GENERAL FUND

Position:	Department:	FTE:
Maint Worker	O&M	1.0
Admin Asst	O&M	1.0
Sr. Maint Worker	O&M	1.0
Airport Mgr	O&M	<u>1.0</u>
Total		<u>23.5</u>

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

CASH FLOW PROJECTIONS

Cash Projection Date	6/30/2020
Projected at 10/31/2019	\$130,663,676
Projected at 6/02/2020	<u>\$134,545,361</u>
Change	\$3,881,685

Cash Comparison to Actual	12/31 Amounts
Actual Cash at 12/31/2019	\$104,984,557
Projected Cash at 12/31/2020	<u>\$118,116,022</u>
Change	\$13,131,465

CITY OF CHICO
DRAFT PROPOSED BUDGET 2020-2021
FIVE-YEAR PROJECTION

- **FIVE-YEAR PROJECTION ON PAGES PDF 31-34**

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

ROLLOVER BUDGET (FINANCIAL PLAN)

- UPDATED FORMAT WITH GFOA RECOMMENDED FORMAT
- BUDGET MUST BE APPROVED BEFORE JULY 1
- FINANCIAL PLAN FOR COMING YEAR
 - POTENTIAL REVISIONS AND PRESENTATIONS IN OCTOBER
 - DEFERRED BUDGET ADDITIONS (PAGES 10-13)
 - INSTITUTE ADDITIONAL COST SAVINGS PROPOSALS
- GENERAL FUND REVIEW
 - COMMUNITY CHOICE AGGREGATION LOAN – \$350,000
- INVESTMENT POLICY UPDATE

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

GENERAL FUND – SUMMARY OPERATIONS

	2019-20 Estimated Final	2020-21 City Mgr Recom
Gross Revenue	\$59,190,504	\$54,264,411
Operating Expenses	(49,481,379)	(50,136,882)
Park Operating Expenses	(3,522,089)	(3,448,906)
Debt Service – Leases	<u>(547,281)</u>	<u>(547,281)</u>
Net Operational Revenue	\$5,639,755	\$131,342

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

GENERAL FUND – SUMMARY OPERATIONS

	2019-20 Estimated Final	2020-21 City Mgr Recom
Net Operational Revenue	\$5,639,755	\$131,342
Capital Projects	(7,876,218)	(1,982,530)
Transfers In (Primarily Gas Tax)	2,165,258	2,170,000
Transfers Out	(3,063,594)	(4,641,324)
Transfers Out – Emergency Reserve	<u>(1,300,000)</u>	<u>(1,400,000)</u>
Net Deficiency	(4,434,799)	(5,722,512)
Fund Balance Carryover (Cash)	<u>13,289,372</u>	<u>8,854,573</u>
Ending Fund Balance (Cash)	\$8,554,573	\$3,132,061

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

GENERAL FUND – FUND BALANCE

Fund Balance with Hiring Freeze	6/30/2021
Fund Balance	\$3,132,061
Savings from Hiring Freeze (Annualized)	<u>1,800,000</u>
Fund Balance Revised with Hiring Freeze	\$4,932,061

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

INVESTMENT POLICY

- INVESTMENTS HAVE INCREASED
- LAST UPDATED IN 2008
- UPDATED TO BE IN COMPLIANCE WITH CALIFORNIA GOVERNMENT CODE
- NEW INVESTMENT TYPES ALLOWED:
 - MUNICIPAL OBLIGATIONS ISSUED BY OTHER STATES
 - CORPORATE COMMERCIAL PAPER AND MEDIUM-TERM CORPORATE NOTES
 - SUPRANATIONALS

CITY OF CHICO

DRAFT PROPOSED BUDGET 2020-2021

INVESTMENT POLICY - SUPRANATIONALS

- SUPRANATIONAL INSTITUTIONS ARE THOSE OWNED BY OR ESTABLISHED BY GOVERNMENTS OF TWO OR MORE COUNTRIES.
- SECURITIES ISSUED BY:
 - INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK) – 17% US OWNERSHIP
 - INTERNATIONAL FINANCE CORPORATION – 22%
 - INTER-AMERICAN DEVELOPMENT BANK – 30%
- LOW CREDIT RISK (MINIMUM AA RATED)

City of Chico
FY2020-21
Delayed Budget Additions

Request Type	Fund	Dept.	Object	Description	Delayed Addition - General/Park Funds	Delayed Addition - Other Funds
Administrative Services:						
Audit Services	001	150	5401	Annual Audit Service Costs	\$31,795	
Books	001	150	5050	Agrees to prior year actual	\$400	
Communications	001	150	5480	Agrees to prior year actual	\$500	
DCBA	001	150	6115	Agrees to prior year actual	\$1,000	
Licenses	001	150	5160	Agrees to prior year actual	(\$1,000)	
Membership Dues	001	150	5370	Agrees to prior year actual	(\$1,000)	
Office	001	150	5000	Agrees to prior year actual	\$850	
Postage	001	150	5005	Agrees to prior year actual	(\$1,000)	
Printing	001	150	5010	Agrees to prior year actual	(\$500)	
Professional Fees	001	150	5400	HDL fees for STR, TOT (netted from revenue), \$14,000 for Cost Allocation Plan, OneSolution contractor replacing Alan \$20,000	\$46,600	
Salaries & Benefits - 100%	001	150	4020/4691	Sr. Account Clerk (Hourly) - Bank reconciliations and scanning of documents. (1,000 hours)	\$13,570	
Training	001	150	5390	Annual SDI training for all ASD staff	\$2,000	
Equipment Maintenance/Repair	935	182	5505	Equipment maintenance and repair on over 8 million dollars of equipment that is used by Public Works, Fire, and Police.		\$40,000
Salaries & Benefits - 100%	935	180	4000/4690	IS Analyst (upgraded position from IT Tech Position) (Full Time) - Reorganizing the Department with savings from retirements to move one IT Tech position to an Analyst position. Person currently working out-of-class in this position is Ron Collins.		\$1,500
Small Tools & Equipment	935	182	5015	Staff require specialized and specific tools to perform his job efficiently.		\$10,000
Training	935	180	5390	Misc IT Training & Conference Attendance.		\$5,000
Training	935	182	5390	Staff training is essential to keep well trained and high performing personnel.		\$10,000
Capital Improvements	001	180	8800	50456 - License Compliance, 50457 - Firewall Lifecycle	\$262,650	
Total Administrative Services Department:					\$355,865	\$66,500

City Clerk:

Contractual	001	103	5330	Start Up Costs for PRA software	\$5,000	
Contractual	001	103	5330	Annual Fee for PRA software	\$17,000	
Council Broadcasts	001	101	6114	Increase due to additional Council Meetings & Climate Action Commission broadcastings.	\$1,500	
Salaries OT	001	103	4050	Due to increased staffing needs at Council meetings	\$7,500	
Training Expense	001	103	5390	Records Management Training	\$1,000	
Total City Clerk Department:					\$32,000	\$0

City Management:

Business Expense	001	106	5385	Chamber Dinner CM & ACM	\$200	
Conference Expenses	001	106	5386	PIO: Conference and training expenses	\$2,000	
Conference Expenses	001	106	5386	Increase for CM Conference Expenses	\$2,000	
Conference Expenses	001	106	5386	Conference and Training Expenses for Exec. Assistant	\$1,000	
Membership/Dues	001	106	5370	PIO: CAPIO and NIOA	\$400	
Membership/Dues	001	106	5370	MMANC Membership for Exec. Assistant	\$100	
Office Expense	001	106	5000	PIO: Social Media Management	\$2,100	
Office Expense	001	106	5000	PIO: Graphic Design Program	\$200	
Office Expense	001	106	5000	Increase for Office Expenses	\$250	
Total City Manager Department:					\$8,250	\$0

City of Chico
FY2020-21
Delayed Budget Additions

Request Type	Fund	Dept.	Object	Description	Delayed Addition -	
					General/Park Funds	Delayed Addition - Other Funds
Community Development - Building and Code Enforcement:						
Audit Services	872	520	5401	Annual Audit Service Costs		\$736
Salaries & Benefits - 55%	001	535	4000/4690	Promote Code Enforcement Officer I to Level II (Full Time) - Promote current Code Enforcement Officer I that meets/exceeds requirements of the newly created level II job description; planned at their next evaluation (Charlene Durkin).	\$6,680	
Salaries & Benefits - 10%	201	540	4000/4690	Promote Code Enforcement Officer I to Level II (Full Time) - see above (Charlene Durkin)		\$3,048
Salaries & Benefits - 35%	213	535	4000/4690	Promote Code Enforcement Officer I to Level II (Full Time) - see above (Charlene Durkin)		\$4,618
Capital Improvements	001	520	8800	50257 - User Fee Study Update	\$15,450	
Capital Improvements	863	000	8800	50257 - User Fee Study Update		\$7,725
Capital Improvements	871	000	8800	50257 - User Fee Study Update		\$22,403
Total CDD-Building & Code Enforcement					\$22,130	\$41,983

Community Development - Planning and Housing:

Audit Services	392	540	5401	Annual Audit Service Costs		\$150
Audit Services	872	510	5401	Annual Audit Service Costs		\$736
Capital Improvements	001	510	8800	50257 - User Fee Study Update	\$15,450	
Capital Improvements	872	000	8800	50257 - User Fee Study Update		\$9,270
Total CDD-Building & Code Enforcement					\$15,450	\$10,156

Fire:

Books/Periodicals/Software	001	400	5050	Increase due to adding the First Due Pre-Planning and Community Connect service, adding BlueCard Command and Control training software, and adding additional books for the academy and promotional exams for each station	\$21,730	
OT - Training and Projects	001	400	4053	NEW Category - Create a separate line item for OT funds to cover state mandated trainings, Resuce Team, HazMat, Fire Investigators trainings, SCBA repair technician off-duty time to test and repair, and 36 hrs (2 firefighters) to upstaffing for Red Flag & PSPS days ** By creating this fund, it will allow for better management of discretionary funds not related to min staffing	\$137,801	
OT Staff	001	400	4052	NEW Category - Create a separate line item for OT funds to cover for code enforcement activities - i.e., Council Fire Watch, after hours inspections, assembly occupancy load enforcement, etc (8 hrs/mo per enforcement officer) ** By creating this fund, it will allow for better management of discretionary funds not related to min staffing	\$23,340	
CAD Services	001	400	5371	NEW Category - Annual maintenance fees for CAD-2-CAD interfaces between CFD and CalFire and Butte EMS CAD systems	\$16,000	
Lease/Rental Expense	001	400	5300	Funds for Station 6 lease no longer needed	(\$26,952)	
Maint Agreements- Radios	001	400	5550	With IS assuming oversight for all radio projects and issues this budget is no longer needed	(\$8,625)	
Salaries - Overtime	001	400	4050	The increase to this fund helps ensure 17 firefighters are maintained every shift (16 FFs on apparatus + 1 BC). The fund will only be used to maintain min staffing based on historical leave use - excluding workers comp (2.26 off per day for 2016-2018). If add'l the monies are not allocated for min staffing OT, the Fire Chief will not staff the Fire Marshall position FY20-21 and the salary and benefits will be used to fund the min. staffing needs (less 10% diff pay for Tony Lindsey to cover FM duties and Raul Gonzales 5% pay).	\$12,683	
Salaries & Benefits - 100%	001	400	4000/4690	Training Coordinator - Captain (Full Time) - new FTE	\$214,400	
Salaries & Benefits - 100%	001	400	4020/4691	(Hourly) Bringing on 11 new Volunteers as CERT, Fire Support, and EOC specialists (3 more than FY19-20 budget) + increasing Fire Permit Tech Coordinator hours to 960 from 700 to address mandated apartment inspections	\$14,520	
Training	001	400	5390	Increase due to increased needs to send fire personnel to state mandated trainings the FD has not been able to fulfill due to budget limitations	\$31,869	
Capital Improvements	001	400	8800	50462 - Fire Station #2 Generator, 50372 - Facility: Training Props	\$116,930	
Capital Improvements	874	000	8800	50257 - User Fee Study Update		\$2,704
Total Fire Department:					\$553,696	\$2,704

City of Chico
FY2020-21
Delayed Budget Additions

Request Type	Fund	Dept.	Object	Description	Delayed Addition -	
					General/Park Funds	Delayed Addition - Other Funds
Human Resources and Risk Management:						
In Service Medical	001	130	6704	Increased hires = increased medical eval costs.	\$1,000	
Polygraph	001	130	6708	Increased hires = increased polygraph eval costs	\$1,000	
Non-Recurring Operating	001	130	7500	Classification Study - The City's classification plan is grossly outdated. A Classification study will allow for an outside agency to assess each classification for accuracy of job description, appropriate classification comparables, and internal equity.	\$80,000	
Total Human Resources & Risk Management Department:					\$82,000	\$0

Police:

Background Investigation	001	300	6200	We currently contract with an outside vendor for all background investigations. The cost for each background is between \$1,200 and \$1,500. This account is currently budgeted at \$7,000 which only covers the cost of four (4) to (6) backgrounds. We spent \$37,000 on background investigation costs in 2018/19.	\$18,000	
Non-Recurring Operating	001	300	7500	(2) Connex Box for Range Storage - Our current storage boxes are quite old and are starting to fall apart. As we have no inside storage space at the Range, it is necessary to store ammunition and other Range Supplies in Connex boxes.	\$15,000	
Non-Recurring Operating	001	300	7500	Weapon Sighting Systems - The Weapon Sighting Systems need replacement and our current budget is not sufficient to support this. Several of these systems need to be replaced immediately.	\$5,000	
Salaries - Overtime	001	300	4050	Our Overtime budget has been decreased over the past few years and is currently less than \$1,000,000 per year. We typically spend between \$1.2 and \$1.6 million per year on Overtime costs. This would increase our Overtime budget to \$1.4 million.	\$40,000	
Salaries & Benefits - 100%	001	300	4000/4690	Evidence Clerk (Full Time) - This position would allow us to use one Evidence Clerk to process body camera footage on a full-time basis.	\$67,400	
Training	001	300	5390	This increase is based on what is currently needed to meet mandated training requirements as well as projected promotions and movement within the department for the next fiscal year as well as the cost to put twelve (12) cadets through the Basic Academy.	\$80,000	
Capital Improvements	934	000	8800	50466 - Dispatch Console Replacement		\$103,000
Total Police Department:					\$225,400	\$103,000

Public Works - Engineering:

Audit Services	863	615	5401	Annual Audit Service Costs		\$462
Salaries & Benefits - 100%	853	660	4000/4690	Parking Coordinator (Full Time) - Needed parking manager to oversee and implement Downtown Access Action Plan. In FY 2019/20 implemented Phase 1 (tiered rate), which will increase revenue to provide funding for this needed position to further implement.		\$126,100
Salaries & Benefits - 90%	001	610	4000/4690	Traffic Signal Operations Engineer (Full Time) - Specialty position to oversee daily operations of Intelligent Transportation System (ITS), monitoring and any subsequent repairs. Without this position, will not be able to apply for EDA grant to fund ITS installation.	\$56,885	
Salaries & Benefits - 10%	212	655	4000/4690	Traffic Signal Operations Engineer (Full Time) - see above		\$6,735
Capital Improvements	001	610	8800	50409 - BMX Relocation	\$500,000	
Capital Improvements	873	000	8800	50257 - User Fee Study Update		\$4,249
Total Public Works Engineering:					\$556,885	\$137,546

City of Chico
FY2020-21
Delayed Budget Additions

Request Type	Fund	Dept.	Object	Description	Delayed Addition - General/Park Funds	Delayed Addition - Other Funds
Public Works - Operations and Maintenance:						
Audit Services	850	670	5401	Annual Audit Service Costs		\$6,559
Audit Services	853	660	5401	Annual Audit Service Costs		\$789
Audit Services	856	691	5401	Annual Audit Service Costs		\$1,688
Portable Toilet Program	001	601	5441	Provide additional portable restrooms on City property per City Council direction at the 1/21/20 meeting. This adjustment also accounts for the Transit Center and Depot Park portable restrooms.	\$12,656	
Outside Repairs	002	682	7413	Increased based on previous year actual costs.	\$1,000	
Overtime	002	686	4050	Projected FY20/21 needs, based on FY 19/20 projections.	\$2,000	
Non-Recurring Operating	002	682	7500	Maintenance Trucks (x2) - (Sweep Team) - Per City Manager recommendation - implement crew to focus on waterway, park, etc. cleanup	\$100,000	
Non-Recurring Operating	930	640	7500	Touchpads/laptops are needed in the field to update and populate facilities data, which will become the single repository for all object/facilities. Currently profiles are incomplete and there is no way of tracking preventive maintenance nor project capital expenditures.		\$20,000
Non-Recurring Operating	930	640	7500	Several small tools and equipment need to be replaced in FY20/21 including mowers and sprayers.		\$8,600
Salaries & Benefits - 100%	929	630	4000/4690	Fleet Manager (Full Time) - To meet the increasing needs of the City's fleet. Department is requesting a stand alone fleet manager to manage procurement, daily operations, regulatory requirements and City surplus use.		\$142,280
Salaries & Benefits - 100%	930	640	4020/4690	Maintenance Aide - Facilities (Landscape) (2 Hourly positions) - These positions were approved in 2019-20 and is still needed to assist the landscape crews in bringing the city's public landscapes to an acceptable standard and to move forward. (2,000 hours each x 2 EEs)		\$55,840
Salaries & Benefits - 100%	002	682	4020/4690	Maintenance Aide - Park Division (Hourly) - This will be a temporary hourly position to work weekends and as needed so that Park Staff can be consolidated into the 5-day work week. (2,000 hours)	\$58,970	
Salaries & Benefits - 100%	002	686	4020/4690	Maintenance Aide - Tree Division (Hourly) - Continuation of incumbent currently on staff to provide operational ground support. (2,000 hours)	\$44,070	
Salaries & Benefits - 60%	850	670	4000/4690	Senior Maintenance Worker - Utilities Locator (Full Time) - see above		\$50,140
Salaries & Benefits - 40%	001	650	4000/4690	Senior Maintenance Worker - Utilities Locator (Full Time) - The City is currently in the process of becoming a member of 811 USA utilities locating association. Position is needed to fuel over 4,500 annual calls to locate utilities within the City limits.	\$33,425	
Salaries & Benefits - 100%	002	682	4000/4690	Maint Worker (x2) - (Sweep Team) - Per City Manager recommendation - implement crew to focus on waterway, park, etc. cleanup	\$145,940	
Salaries & Benefits - 100%	002	682	4000/4690	Sr Maint Worker - (Sweep Team) - Per City Manager recommendation - implement crew to focus on waterway, park, etc. cleanup	\$83,560	
Salaries & Benefits - 100%	002	682	4000/4690	Sworn Park Ranger - (Sweep Team) - Per City Manager recommendation - implement crew to focus on waterway, park, etc. cleanup	\$81,160	
Capital Improvements	001	000	8800	50399 - 901 Fir St. Remodel, 50459 - Fire Station #2 Design Study, 50460 - Condenser #1 Replacement, New - Light Air Vehicle	\$429,765	
Capital Improvements	002	682	8800	50243 - Caper Acres Renovation, 50312 - Bidwell Bowl Rehabilitation, 50422 - Illegal Encampment Cleanup, 50463 - Walnut Tree Maintenance	\$123,000	
Total Public Works O&M:					\$1,115,546	\$285,896
Total City Delayed Budget Requests:					\$2,967,222	\$647,785