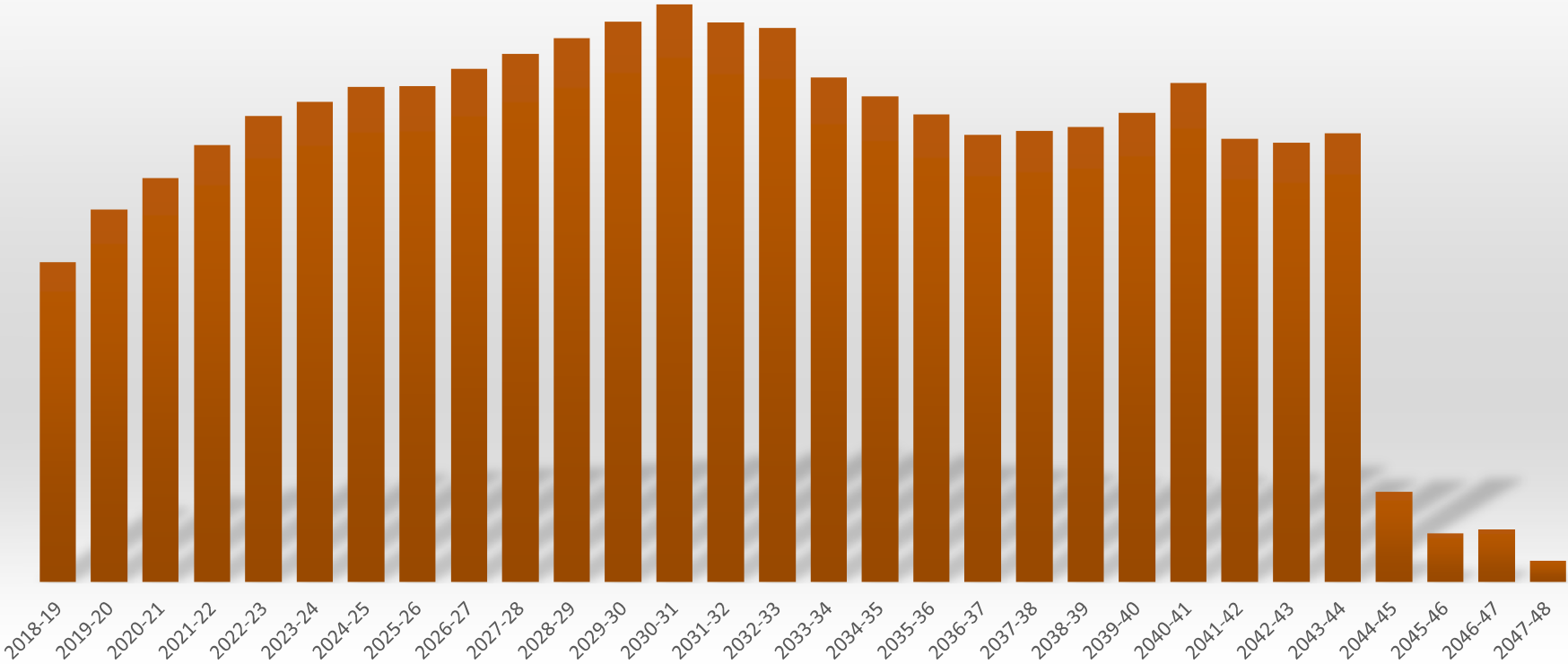




CITY OF CHICO
INC. 1872

CALPERS UNFUNDED ACCRUED LIABILITY Payments



City of Chico
FY2018-19 Annual Budget
General & Park Funds Five-Year Projection - Funds 001 & 002
Update 5/1/2018

	ESTIMATED FINAL 2017-18	DRAFT PROPOSED 2018-19	Positive Growth - Election Year PROJECTED 2019-20	Slow Economy PROJECTED 2020-21	No Growth PROJECTED 2021-22	Negative Growth PROJECTED 2022-23
<u>REVENUES</u>						
Sales Tax	\$ 21,919,000	\$ 22,029,153	\$ 22,745,100	\$ 22,972,551	\$ 22,972,551	\$ 22,513,100
Property Tax	7,968,492	8,124,531	8,388,578	8,472,464	8,472,464	8,303,015
Property Tax In Lieu of VLF	7,361,142	7,507,200	7,751,184	7,828,696	7,828,696	7,672,122
Utility Users Tax	7,025,000	7,100,000	7,330,750	7,404,058	7,404,058	7,255,976
Transient Occupancy Tax (TOT)	2,750,000	2,711,000	2,799,108	2,827,099	2,827,099	2,770,557
Other Taxes	2,940,000	3,220,000	3,324,650	3,357,897	3,357,897	3,290,739
Total Tax Revenues	49,963,634	50,691,884	52,339,370	52,862,764	52,862,764	51,805,509
Percentage Change from prior year		1.46%	3.25%	1.00%	0.00%	-2.00%
Other Revenues (Consistently budgeted)	2,675,765	1,693,285	1,748,317	1,765,800	1,765,800	1,730,484
Other Revenue Changes:						
RDA Bond Refinance Additional Property Tax		283,000	292,198	295,119	295,119	289,217
Property Tax in Lieu of VLF Repayment (5 Years)	(399,186)	(399,000)	(399,000)	(399,000)	(399,000)	
TOT - Vacation Rentals		50,000	51,625	52,141	52,141	51,098
Business License compliance		50,000	51,625	52,141	52,141	51,098
Total Other Revenues	2,276,579	1,677,285	1,744,764	1,766,202	1,766,202	2,121,898
Other Possible Revenue Changes						
TOT increase from 10% from 15%				1,413,549	1,413,549	1,385,278
Waste Haulers Franchise Fee from Roads to GF						
Business License Tax Increase with CPI (Quad Rate)				1,050,000	1,050,000	1,029,000
Total Possible Revenue Changes	0	0	0	2,463,549	2,463,549	2,414,278
TOTAL REVENUE	52,240,213	52,369,169	54,084,135	57,092,515	57,092,515	56,341,685
Change from Prior Year	3%	0%	3%	6%	0%	-1%
CalPERS % to Revenues	17.10%	18.60%	19.64%	20.47%	22.30%	24.38%
<u>EXPENDITURES</u>						
Salaries and Benefits (without CalPERS pensions)	31,805,172	31,056,197	31,637,740	32,151,779	32,568,993	32,758,485
CalPERS Retirement Employer Contributions	9,316,794	10,247,612	11,140,084	12,210,531	13,264,779	14,271,321
CalPERS Employee Contributions for MPEC	(381,902)	(507,500)	(516,104)	(524,153)	(530,659)	(536,184)
Total Salaries and Benefits	40,740,063	40,796,309	42,261,720	43,838,157	45,303,113	46,493,622
Materials, Services & Supplies	1,049,562	1,089,157	1,116,386	1,144,296	1,155,739	1,155,739
Purchased Services	2,097,586	2,060,320	2,111,828	2,164,624	2,186,270	2,186,270
Other Expenses	1,339,348	1,649,527	1,690,765	1,733,034	1,750,364	1,750,364
Debt Service - Leases	401,958	401,958	401,958	401,958	360,999	360,999
Allocations for Utilities and Internal Services	5,546,649	7,192,619	7,372,434	7,556,745	7,632,312	7,632,312
Indirect Cost Allocation Reimb. from other Funds	(1,969,030)	(1,944,011)	(1,944,011)	(1,944,011)	(1,944,011)	(1,944,011)
Total Operating Expenditures	49,206,136	51,245,879	53,011,080	54,894,803	56,444,786	57,635,295
Percentage Change from prior year		4%	3%	4%	3%	2%
Net Operations before Capital Expenditures	3,034,077	1,123,290	1,073,054	2,197,712	647,729	(1,293,610)

City of Chico
FY2018-19 Annual Budget
General & Park Funds Five-Year Projection - Funds 001 & 002
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Other Expenditure Items:							
Financial Emergency Plan Reductions (2%-8% Dept)				\$ (1,000,000)	\$ (1,500,000)	\$ (2,000,000)	
Capital Improvement Projects	\$ 3,569,108	\$ 1,377,407	\$ 851,777	714,425	709,790	883,100	
Total Other Expenditure Items	3,569,108	1,377,407	851,777	(285,575)	(790,210)	(1,116,900)	
NET REVENUE OVER/(UNDER) EXPENDITURES BEFORE OTHER SOURCES (USES)	(535,031)	(254,117)	221,277	2,483,287	1,437,939	(176,710)	
<i>OTHER FINANCING SOURCES (USES) - See Schedule</i>							
Other Financing Sources	2,332,540	2,200,000	2,271,500	2,294,215	2,294,215	2,248,331	
Other Financing Uses	(3,820,123)	(4,833,275)	(4,088,889)	(3,909,363)	(3,788,889)	(2,863,889)	
TOTAL OTHER SOURCES (USES)	(1,487,583)	(2,633,275)	(1,817,389)	(1,615,148)	(1,494,674)	(615,558)	
NET REVENUE/(DEFICIT)	(2,022,614)	(2,887,392)	(1,596,112)	868,139	(56,735)	(792,269)	
BEGINNING FUND BALANCE	6,632,972	4,610,358	1,722,966	126,855	994,994	938,258	
ENDING FUND BALANCE	\$ 4,610,358	\$ 1,722,966	\$ 126,855	\$ 994,994	\$ 938,258	\$ 145,990	
Desired Operating Reserve	\$ 3,690,460	\$ 3,843,441	\$ 3,975,831	\$ 4,117,110	\$ 4,233,359	\$ 4,322,647	

City of Chico
FY2018-19 Annual Budget
General & Park Funds Five-Year Projection - Funds 001 & 002
Update 5/1/2018

Assumptions:

General Note: The projection includes best estimates of revenues and expenses as of the date of this projection. The projection assumes the economy will moderately grow until 2021-22. A projected slowing economy continues until a declining economy begins in 2022-23.

Possible Changes: The Projection includes possible revenue sources and expenditures reductions that may be utilized to balance the General and Park Fund over the five year projection.

Salaries and Benefits: 1) Inclusion of all step increases and impact of contracts; 2) Includes projected CalPERS rates with new discount rate structure. 3) Benefit increases estimated at 5% each year 4) CalPERS retirement contributions for Member Paid Employer Contributions (MPEC) paid by Employees is recored on a seperate line item.

Desired Reserve: 7.5% of General Fund and Park operating expenditures.

City of Chico
FY2018-19 Annual Budget
General & Park Funds - Schedule of Financing Sources and Uses
Five Year Projection - UPDATE 5/1/2018

		Modified Adopted	PROJECTED	Positive Growth	Slow Economy	No Growth	Negative Growth
REF	2017-18	2018-19	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
		2018-19	2019-20	2020-21	2021-22	2022-23	
OTHER FINANCING SOURCES:							
		\$ 61,399	\$ 50,000	\$ 51,625	\$ 52,141	\$ 52,141	\$ 51,098
	(1)	100,000	100,000	103,250	104,283	104,283	102,197
	(1)	2,050,000	2,050,000	2,116,625	2,137,791	2,137,791	2,095,035
		121,141					
	TOTAL	2,332,540	2,200,000	2,271,500	2,294,215	2,294,215	2,248,331
OTHER FINANCING USES:							
		1,100,000	1,200,000	1,300,000	1,400,000	1,500,000	1,500,000
			500,000	400,000	300,000	200,000	100,000
		1,386	166	166	166	166	166
	(3)	24,173	7,859	7,859	7,859	7,859	7,859
	(3)	34,335	864	864	864	864	864
		20,000	20,000	15,000	15,000	15,000	15,000
		2,820					
			205,851	200,000	200,000	200,000	200,000
		90,678					
		100,000	100,000	100,000	100,000	100,000	100,000
		458,600	392,700	300,000	275,000	250,000	225,000
	(2)	265,000	307,950				
	(2)	47,131					
	(4)	250,000	250,000	250,000	95,474		
		150,000	150,000	130,000	130,000	130,000	130,000
		376,000	355,402	350,000	350,000	350,000	350,000
		300,000	300,000	175,000	175,000	175,000	175,000
	(5)	600,000	800,000	800,000	800,000	800,000	800,000
			242,483	60,000	60,000	60,000	60,000
	TOTAL	3,820,123	4,833,275	4,088,889	3,909,363	3,788,889	2,863,889
	NET FINANCING SOURCES/USES	\$ (1,487,583)	\$ (2,633,275)	\$ (1,817,389)	\$ (1,615,148)	\$ (1,494,674)	\$ (615,558)

Notes:

- (1) Transportation Development Act - Local Transportation Fund (TDA-LTF) and Gas Tax revenues eligible to fund street and road maintenance.
- (2) Assumes full cost recovery fees will be charged.
- (3) City contribution towards grant funded positions and continuance of positions after expiration of the grant.
- (4) Reflects repayment to Workers Comp fund for PG&E streetlight improvement plan totaling \$845,474.
- (5) Assumes 100% of waste hauler franchise fees will be retained by the General Fund beginning in 2022-23.

City of Chico
FY2018-19 Annual Budget
Emergency Reserve Fund - Fund 003
Five Year Projection - UPDATE 5/1/2018

	MODIFIED ADOPTED 2017-18	PROJECTED 2018-19	Positive Growth PROJECTED 2019-20	Slow Economy PROJECTED 2020-21	No Growth PROJECTED 2021-22	Negative Growth PROJECTED 2022-23
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers from General Fund	\$ 1,100,000	\$ 1,200,000	\$ 1,300,000	\$ 1,400,000	\$ 1,500,000	\$ 1,500,000
Transfers from Private Development	25,000	32,000	33,000	25,000	15,000	15,000
TOTAL OTHER SOURCES (USES)	1,125,000	1,232,000	1,333,000	1,425,000	1,515,000	1,515,000
NET REVENUE/(DEFICIT)	1,125,000	1,232,000	1,333,000	1,425,000	1,515,000	1,515,000
BEGINNING FUND BALANCE	1,457,221	2,582,221	3,814,221	5,147,221	6,572,221	8,087,221
ENDING FUND BALANCE	\$ 2,582,221	\$ 3,814,221	\$ 5,147,221	\$ 6,572,221	\$ 8,087,221	\$ 9,602,221

Desired Reserve \$ 9,841,227 \$ 10,249,176 \$ 10,602,216 \$ 10,978,961 \$ 11,288,957 \$ 11,527,059

Notes:

Desired Reserve: 20% of General and Park Fund operating expenditures.

City of Chico
FY2018-19 Annual Budget
CalPERS Unfunded Liability Reserve Fund - Fund 903
Five Year Projection - UPDATE 5/1/2018

	MODIFIED ADOPTED 2017-18	PROJECTED 2018-19	Positive Growth PROJECTED 2019-20	Slow Economy PROJECTED 2020-21	No Growth PROJECTED 2021-22	Negative Growth PROJECTED 2022-23
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers from General Fund		\$ 500,000	\$ 400,000	\$ 300,000	\$ 200,000	\$ 100,000
Annual 10% of estimated CalPERS UAL Payment	\$ 654,767	759,856	883,888	958,258	1,036,745	1,106,055
Transfers from Compensated Absence Fund			908,155			
Investment Growth at 3.5% per Year on Beg Fund Balance	18,951	42,531	88,115	167,920	217,836	268,747
TOTAL OTHER SOURCES (USES)	673,718	1,302,387	2,280,158	1,426,178	1,454,581	1,474,802
NET REVENUE/(DEFICIT)	673,718	1,302,387	2,280,158	1,426,178	1,454,581	1,474,802
BEGINNING FUND BALANCE	541,455	1,215,173	2,517,560	4,797,718	6,223,896	\$ 7,678,477
ENDING FUND BALANCE	\$ 1,215,173	\$ 2,517,560	\$ 4,797,718	\$ 6,223,896	\$ 7,678,477	\$ 9,153,279

Notes: Amounts are set a side specifically to help pay and stabilize future unfunded liability payments (UAL).
Annual budgets include a 10% reserve amount included in CalPERS Retirement Employer Contributions.