

CITY OF DESERT HOT SPRINGS

FY 2018-19 / FY 2019-20 Budget
City Council Study Session
May 15, 2018





FY 2018-19 / FY 2019-20 Budget Study Session - Discussion Outline -

- Overview of Consolidated General Fund
 - General Fund
 - Health & Wellness Fund
 - Public Safety Fund
- Consolidated General Fund Forecast
- Overview of Other Funds
 - Fiduciary Funds
 - Special Revenue Funds
 - Capital Project Funds
- Discussion / Questions



FY 2018-19 / FY 2019-20 Budget Study Session - Overview of Consolidated General Fund -

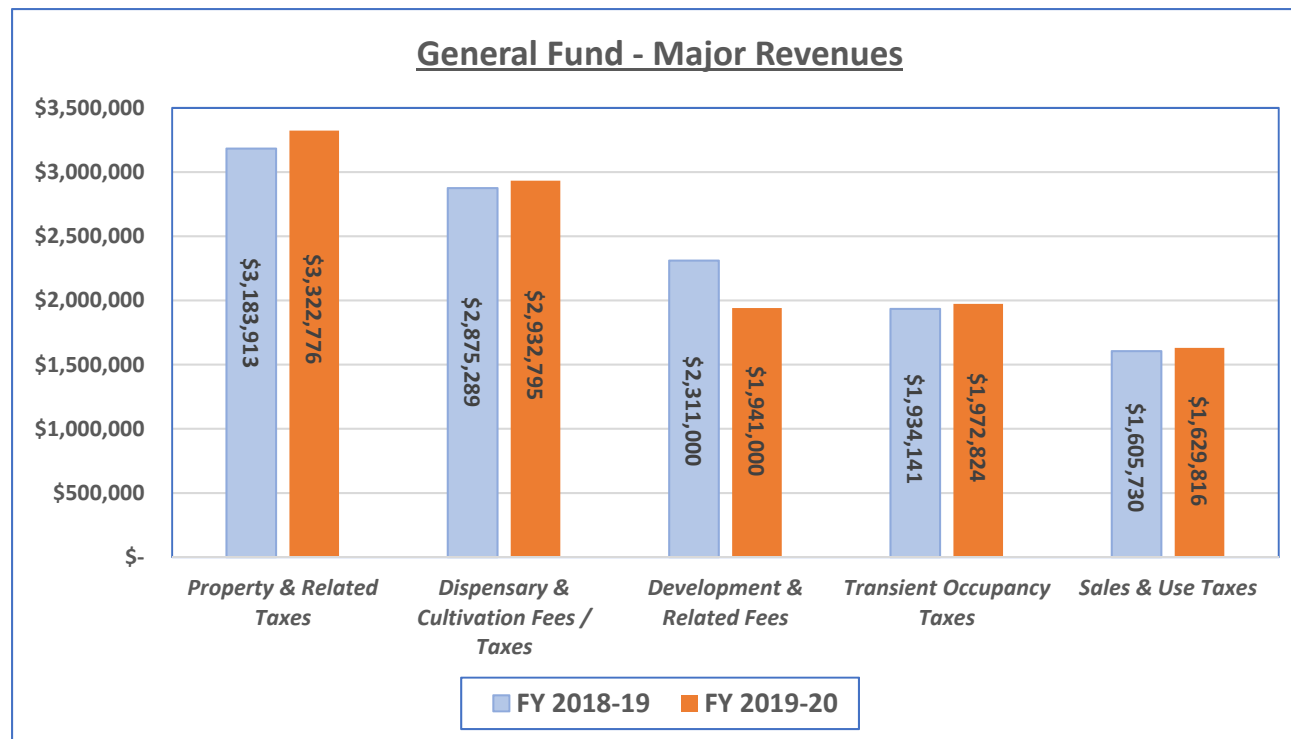
General Fund

Programs: Administration / Information Systems / Community
Development / Economic Development / Non-
Departmental

Fiscal Year	Revenues	Expenditures
2018-19	\$15,229,874	\$9,718,101
2019-20	\$14,433,085	\$8,439,850

FY 2018-19 / FY 2019-20 Budget Study Session - Overview of Consolidated General Fund -

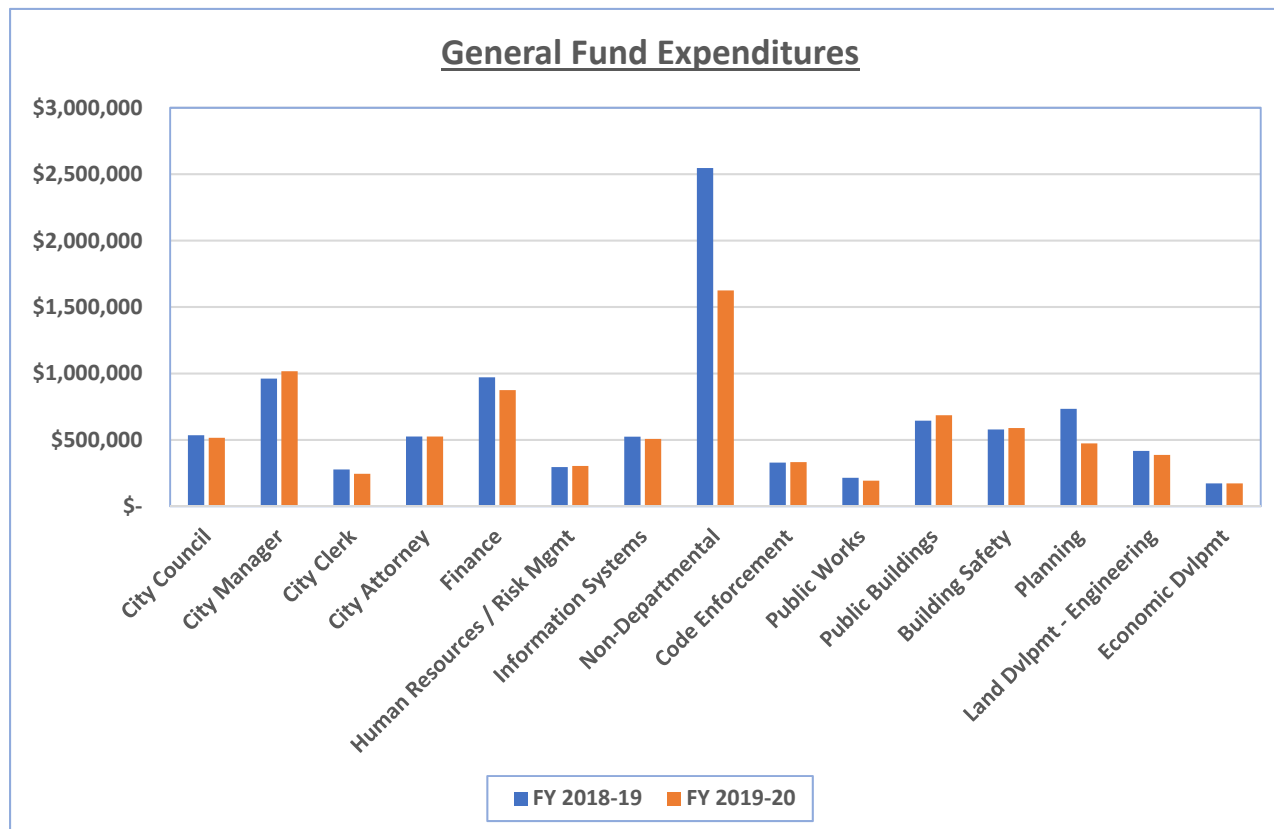
General Fund - Revenues



FY 2018-19 / FY 2019-20 Budget Study Session

- Overview of Consolidated General Fund -

General Fund - Expenditures





FY 2018-19 / FY 2019-20 Budget Study Session - Overview of Consolidated General Fund -

Health & Wellness Fund

Programs: Aquatic Center / DHS Recreation / Health Center /
Community Health & Wellness Center

Fiscal Year	Revenues	Expenditures
2018-19	\$627,554	\$577,550
2019-20	\$583,665	\$539,696



FY 2018-19 / FY 2019-20 Budget Study Session - Overview of Consolidated General Fund -

Health & Wellness Fund

Major Revenues:

- Transfer in from General Fund - \$490,571 / \$439,921
- Transfer in from New Market Tax Credit Fund - \$75,500 / year
- Reimbursement of Shared Costs – Borrego - \$54,983 / year

Major Expenditures:

- Aquatic Center - \$277,287 / \$283,411
- Community Health & Wellness Center - \$201,150 / \$154,766



FY 2018-19 / FY 2019-20 Budget Study Session - Overview of Consolidated General Fund -

Public Safety Fund

Programs: Police Patrol & Field Operations / Animal Control /
Graffiti Abatement / Fire Services / Fire Inspection

Fiscal Year	Revenues	Expenditures
2018-19	\$4,992,490	\$10,514,249
2019-20	\$5,041,321	\$10,911,434



FY 2018-19 / FY 2019-20 Budget Study Session - Overview of Consolidated General Fund -

Public Safety Fund

Major Revenues:

- Transfer in from General Fund - \$5,521,759 / \$5,870,111
- Public Safety Parcel Tax- \$2,380,970 / \$2,380,970
- Utility Users Tax- \$1,911,480 / \$1,949,710

Major Expenditures:

- Police Patrol & Field Operations- \$8,111,007 / \$8,371,918
- Fire Services Contract - \$2,042,379 / \$2,178,652



FY 2018-19 / FY 2019-20 Budget Study Session - Consolidated General Fund Forecast -

Financial Forecast focuses on *Consolidated General Fund*:

- Forecast developed for three funds combined
- Provides forecast for two budget years in consideration and base forecast for five following years
- Forecasts ongoing funding available to provide a defined array of services (existing service levels)
- Serves as a guide to determine how service level adjustments and / or one-time costs will impact upcoming and future budgets

FY 2018-19 / FY 2019-20 Budget Study Session

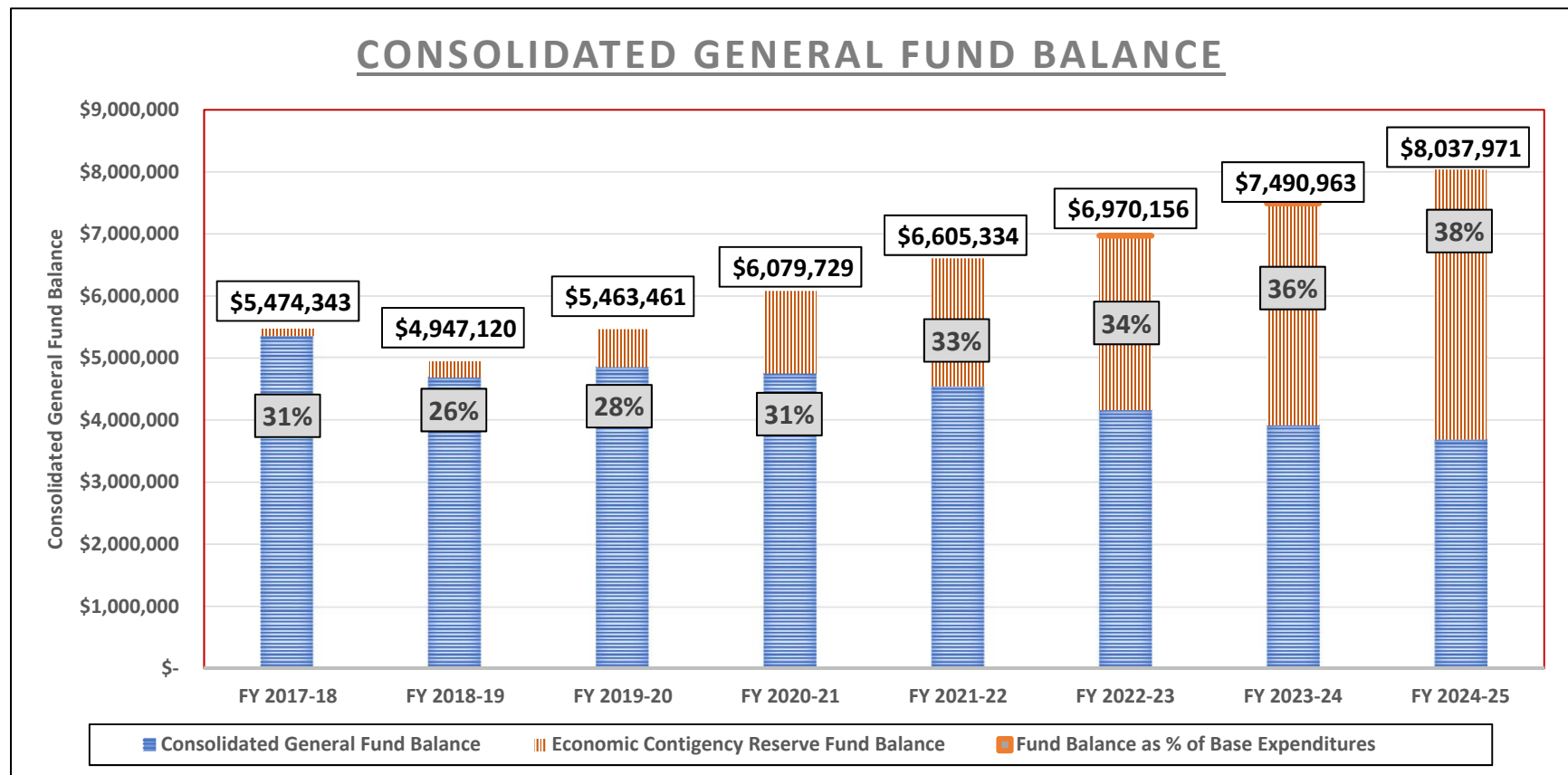
- Consolidated General Fund Forecast -

FY 2018-19 to FY 2024-25 Consolidated General Fund Forecast							
	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Revenues	\$20.85 M	\$20.06 M	\$19.98 M	\$20.35 M	\$20.61 M	\$20.97 M	\$21.29 M
Expenditures	\$20.46 M	\$19.17 M	\$19.35 M	\$19.81 M	\$20.23 M	\$20.43 M	\$20.71 M
Surplus / (Deficit)	\$389,000	\$886,000	\$630,000	\$540,000	\$380,000	\$536,000	\$578,000
<i>Economic Contingency Reserve Funding - funded in following year</i>	<i>\$349,000</i>	<i>\$719,000</i>	<i>\$733,000</i>	<i>\$748,000</i>	<i>\$763,000</i>	<i>\$778,000</i>	<i>\$810,000</i>
Net Surplus / (Deficit)	\$40,000	\$167,000	(\$103,000)	(\$208,000)	(\$383,000)	(\$242,000)	(\$232,000)

- Slight net surpluses for two budget years (FY 2018-19 / FY 2019-20)
- Accounts for 81.5 FTE – built in vacancy savings
- Includes funding of Economic Contingency Reserve each year
- Does not include impacts of recent CalPERS investment returns and amortization policy change from 30-years to 20-years

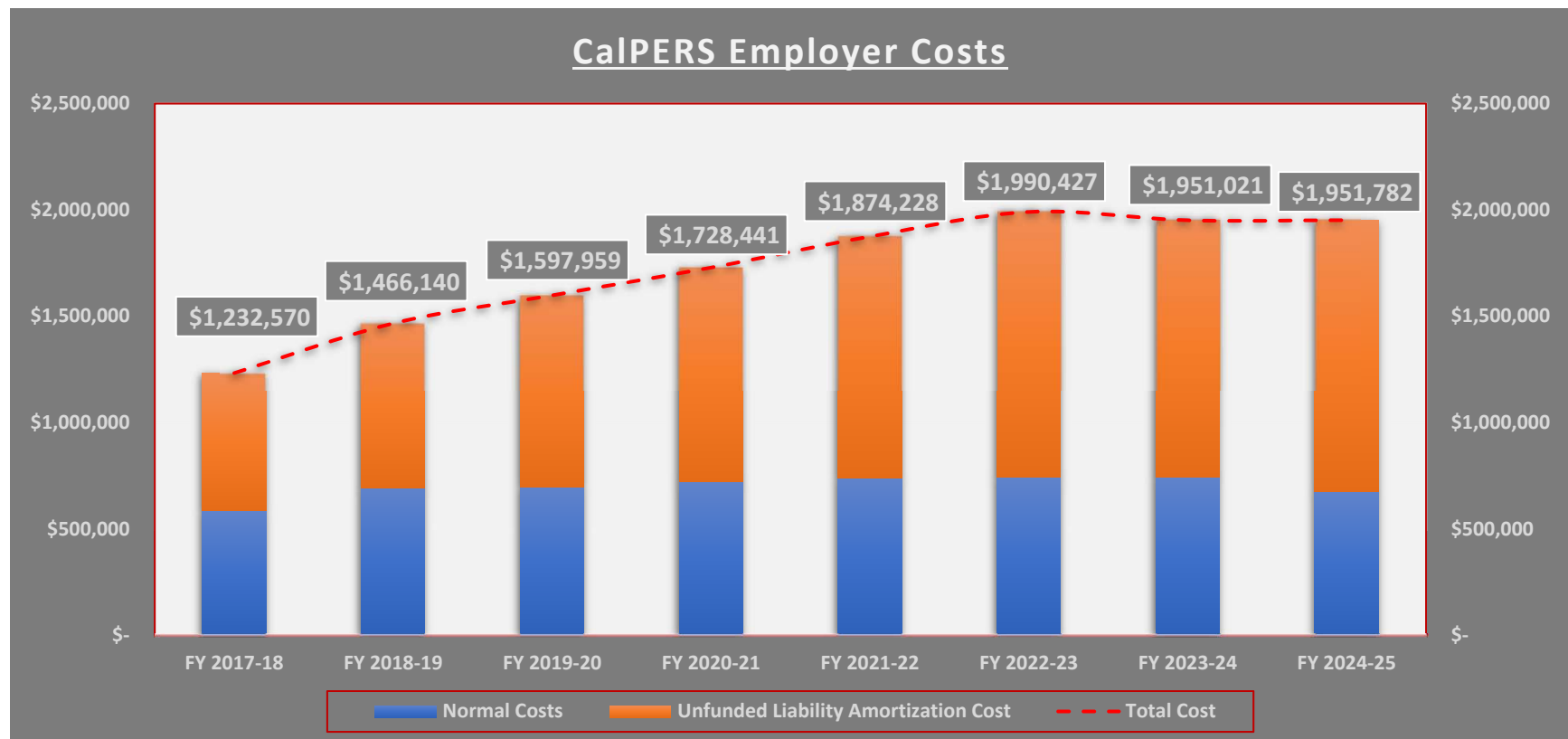
FY 2018-19 / FY 2019-20 Budget Study Session - Consolidated General Fund Forecast -

Consolidated General Fund Balance:



FY 2018-19 / FY 2019-20 Budget Study Session - Consolidated General Fund Forecast -

CalPERS Employer Costs:



OTHER FUNDS -REVENUES AND EXPENSES PROPOSED FOR 2018-2019 AND 2019-2020 BUDGET CYCLE

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OTHER FUNDS

- Governmental Accounting Standards set the criteria and basis for budgeting, accounting and reporting of all funding received by the City through the annual audited financial statements.
- Each year the Finance staff is responsible for the preparation of a total of (76) separate budgets for funds that fall under the categories listed below.
- Other than the Consolidated General Fund the City receives resources for Fiduciary Funds, Special Revenue Funds (some of which are restricted), Capital Project Funds, Debt Service Funds, Internal Services Funds, and Grant Funds.



Fiduciary Funds and Uses

- Fiduciary Funds are used to account for resources held for the benefit of parties outside the government.
- The City has budgeted for a total of (9) Fiduciary Funds in the budget cycle.
 - Desert Hot Springs Successor Agency which is the former Redevelopment Agency
 - Community Facility District Skyborne Agency Bond Fund
 - Several Community Facility Districts

These Funds cover debt service payments, property maintenance and administrative costs for the Agency and maintenance expenses for each CFD. These funds are budgeted for a total \$8,463,661

Special Revenue Funds And Uses

Are Funds that are restricted to only pay for those costs associated with the activities allowable under state, federal or other legal guidelines for each established fund. In this two year budget cycle there is a total of (53) Special Revenue Funds.

- The City has a total of (18) Lighting Maintenance Districts, (17) Drainage Assessment Districts – one citywide and the rest were formed by the developers at build out – revenues cover the expenses in each district. Total funds budgeted at \$3,007,384.
- Measure A; Gas Tax; Air Quality; CAS 152 Fund, and Emergency Preparedness are funds where funding is coming from other agencies – expenditures include road rehab, street and street light maintenance, street sweeping, and emergency supplies. These funds are budgeted at \$2,825,262.
- Development Impact Fees (9), Off Streets/Sidewalk Fund; Art In Public Places; CDBG Funding are funding capital projects in the CIP Plan budgeted at \$4,140,398
- Supplement Law Enforcement Grant and Abandoned Vehicle Abatement Funds offset front line PD services and vehicle abatement budgeted at \$220,000.



CAPITAL PROJECT FUNDS AND USES

Capital Project Funds are created to account for the financial resources to be acquisition or construction of major capital facilities. This budget cycle there were (3) budgeted.

Capital Improvement Fund, Capital Improvement Fund City Hall and the 2012 Street Trip Bond is funding capital improvement projects in the CIP plan and debt service on the Trip Bond – these funds are budgeted at \$12,021,269.



OVERVIEW

Approval of the 2018-2019 and 2019-2020 budget by the City Council will allow for all of the “Other” budgets not included in the Consolidated General Fund to be approved (if all money budgeted were to be expended) totaling \$22,555,084 for 2018-2019 and totaling \$16,162,872 for 2019-2020. Any funding at the end of each fiscal year that is not expended will remain in the fund and will be budgeted to be used in future years.

Total Expenditures budgeted at \$38,717,956