

# PROPOSED BUDGET

## 2015-16

FISCAL YEAR

# City of Chula Vista

Fiscal Year 2015-2016

## Proposed Budget Overview

May 19 and 21, 2015



California



# Agenda

- Fiscal Year 2015-16 Proposed Budget
  - All Funds Summary
  - General Fund Summary
- Fiscal Year 2015-16 Capital Improvement Program
- Economic Development
  - Cultural Arts Program
- Long Term Financial Plan

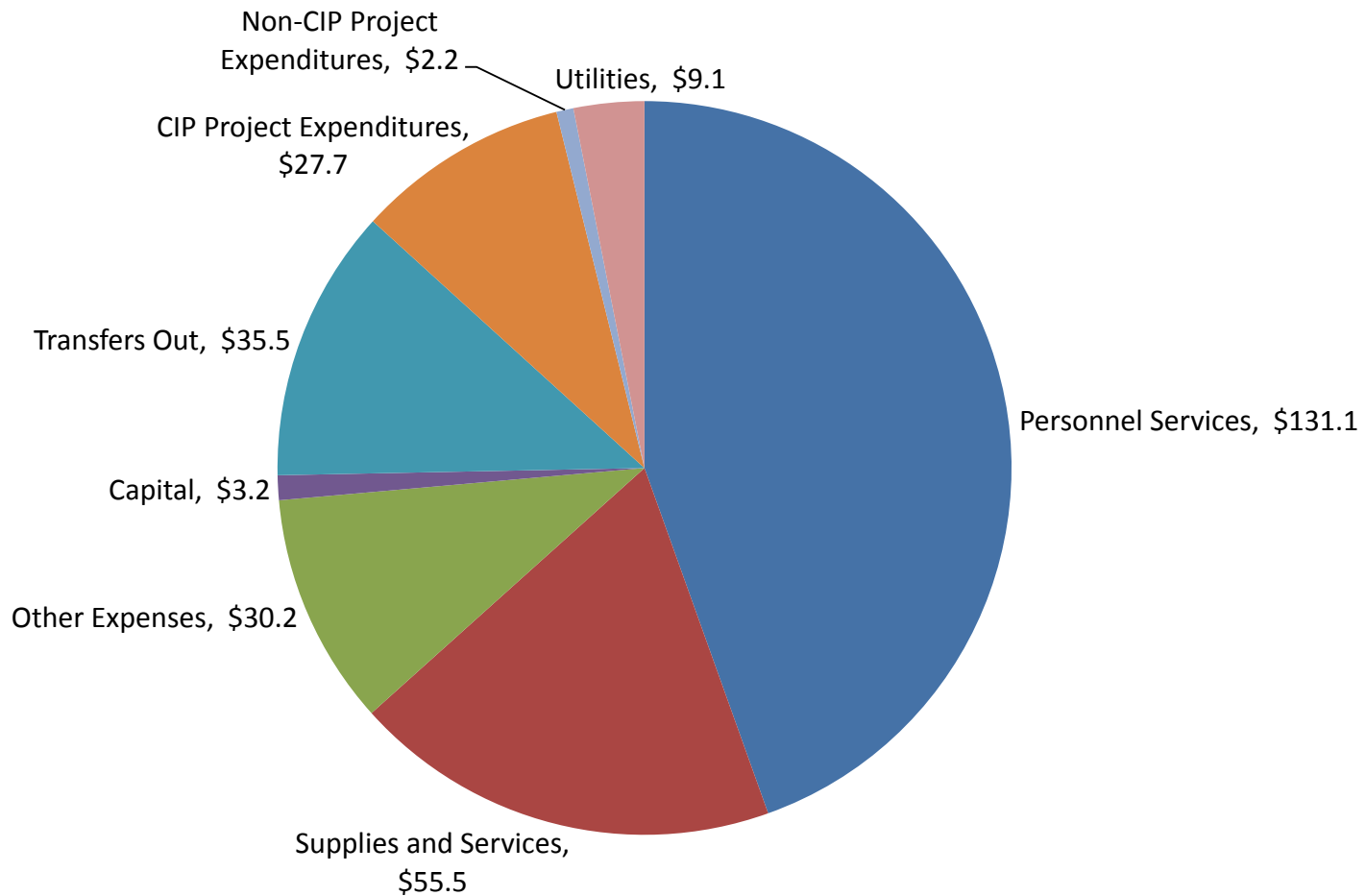


# ALL FUNDS SUMMARY



# All Funds Summary - \$294.5M

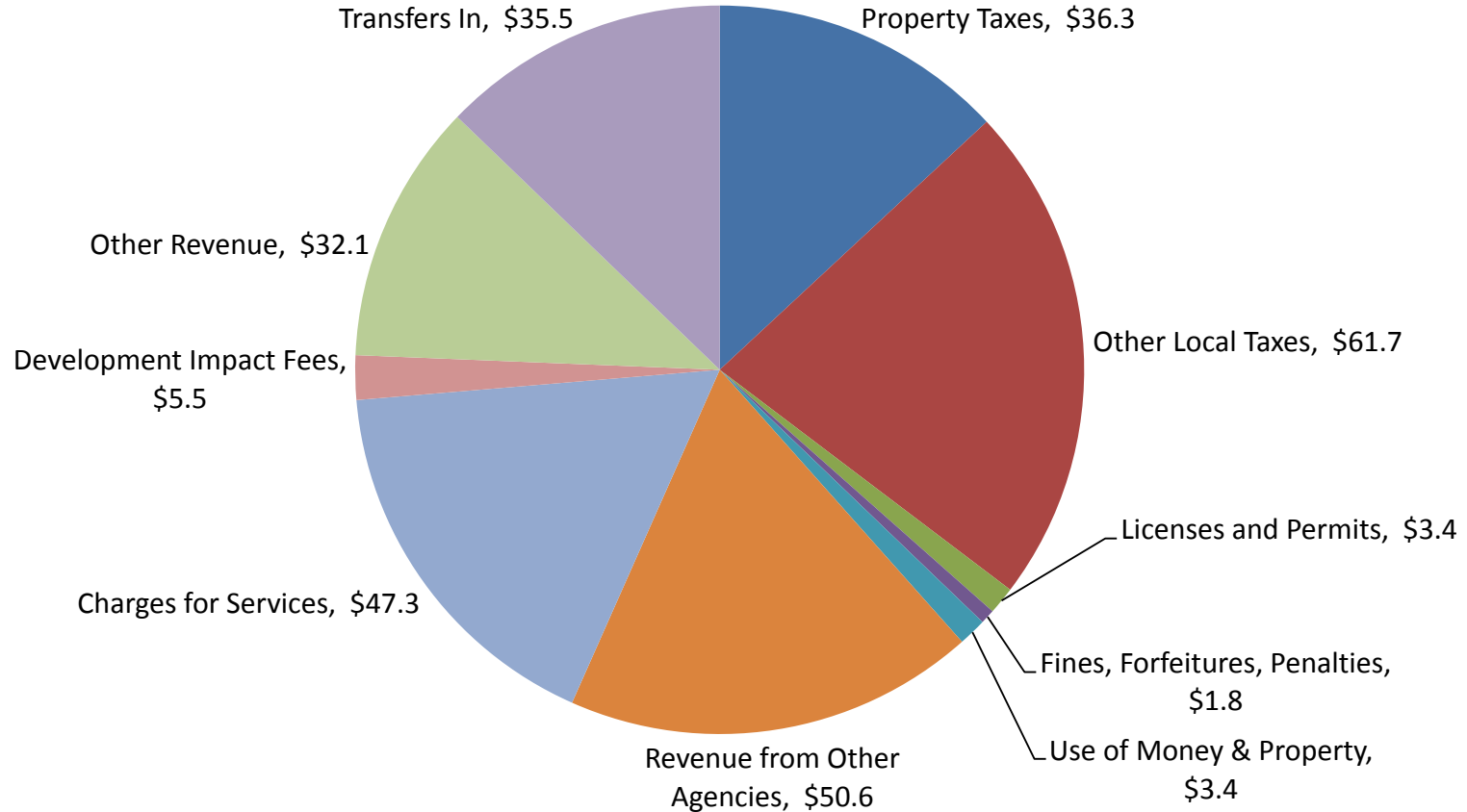
## FY 2015-16 All Funds Projected Expenditures by Category





# All Funds Summary - \$277.5M

## FY 2015-16 All Funds Projected Revenue by Category





# All Funds Summary

Description	FY 16 Proposed
Revenues	\$277.5
Expenditures	\$294.5
Surplus/(Deficit)	(\$17.0)
Reserves - Other Funds (Revenues collected in prior years)	\$17.0
Surplus/(Deficit)	\$ -



# All Funds Staffing Summary

2.50 FTE Added Mid Year  
2.75 FTE Net New Positions

Staffing by Fund	FY 2014-15 Council Adopted	FY 2015-16 Proposed	Change
General Fund	806.25	815.50	9.25
Police Grants/CBAG/Local Law Enforcement Block Grant	40.00	36.00	-4.00
Federal Grants Fund	2.00	3.00	1.00
Advanced Life Support Fund	1.00	1.00	-
Environmental Services	5.00	6.00	1.00
CV Housing Authority	4.00	4.00	-
Fleet Management	10.00	10.00	-
Development Services Fund	45.50	44.50	-1.00
Sewer	46.00	46.00	-
Transit	1.00	-	-1.00
<b>Total Citywide</b>	<b>960.75</b>	<b>966.00</b>	<b>5.25</b>



# GENERAL FUND SUMMARY





# General Fund Summary

Description	FY 15 Proposed
Revenues	\$139.7
Expenditures	\$139.7
Surplus/Deficit	\$ -



# General Fund Revenues

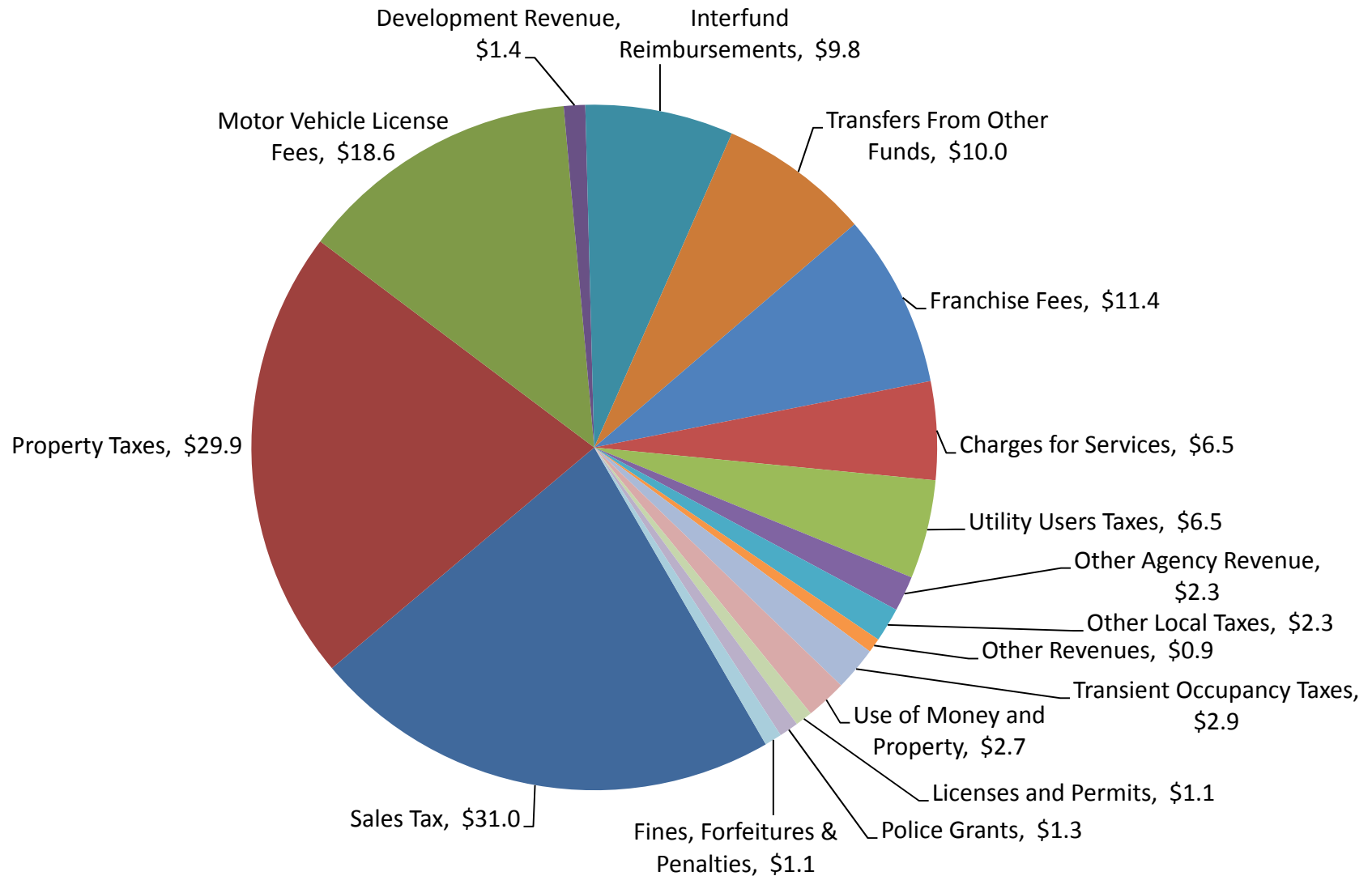
(in thousands)

Category	FY14 Actuals	FY15 Projected	FY16 Proposed	Change
Sales Tax	29,171	30,320	31,015	695
Property Taxes	27,451	28,930	29,897	967
Motor Vehicle License Fees	16,774	17,884	18,597	713
Transfers From Other Funds	10,097	10,584	9,988	(596)
Inter-fund Reimbursements	9,901	9,753	9,360	(393)
Franchise Fees	8,845	10,342	11,426	1,085
Utility Users Taxes	17,525	6,500	6,500	-
Charges for Services	6,476	6,281	6,476	195
Transient Occupancy Taxes	2,633	2,807	2,891	84
Use of Money and Property	2,523	2,583	2,677	94
Other Local Taxes	2,278	2,130	2,262	133
Other Agency Revenue	2,711	2,511	2,327	(184)
Police Grants	807	771	1,279	508
Development Revenue	1,619	1,223	1,399	177
Licenses and Permits	1,162	1,090	1,135	45
Fines, Forfeitures & Penalties	1,010	1,403	1,134	(270)
Other Revenues	1,077	881	941	60
<b>Total Operating Budget</b>	<b>142,061</b>	<b>135,993</b>	<b>139,304</b>	<b>3,311</b>
CIP Projects	298	1,809	400	(1,409)
<b>GENERAL FUND TOTAL REVENUES</b>	<b>142,359</b>	<b>137,802</b>	<b>139,704</b>	<b>1,903</b>

Note: FY14 Actuals includes an appropriation of \$8,017,453 to the TUT Common Fund as part of the TUT Settlement Agreement.



# General Fund Revenues - \$139.7M





# General Fund Expenditures

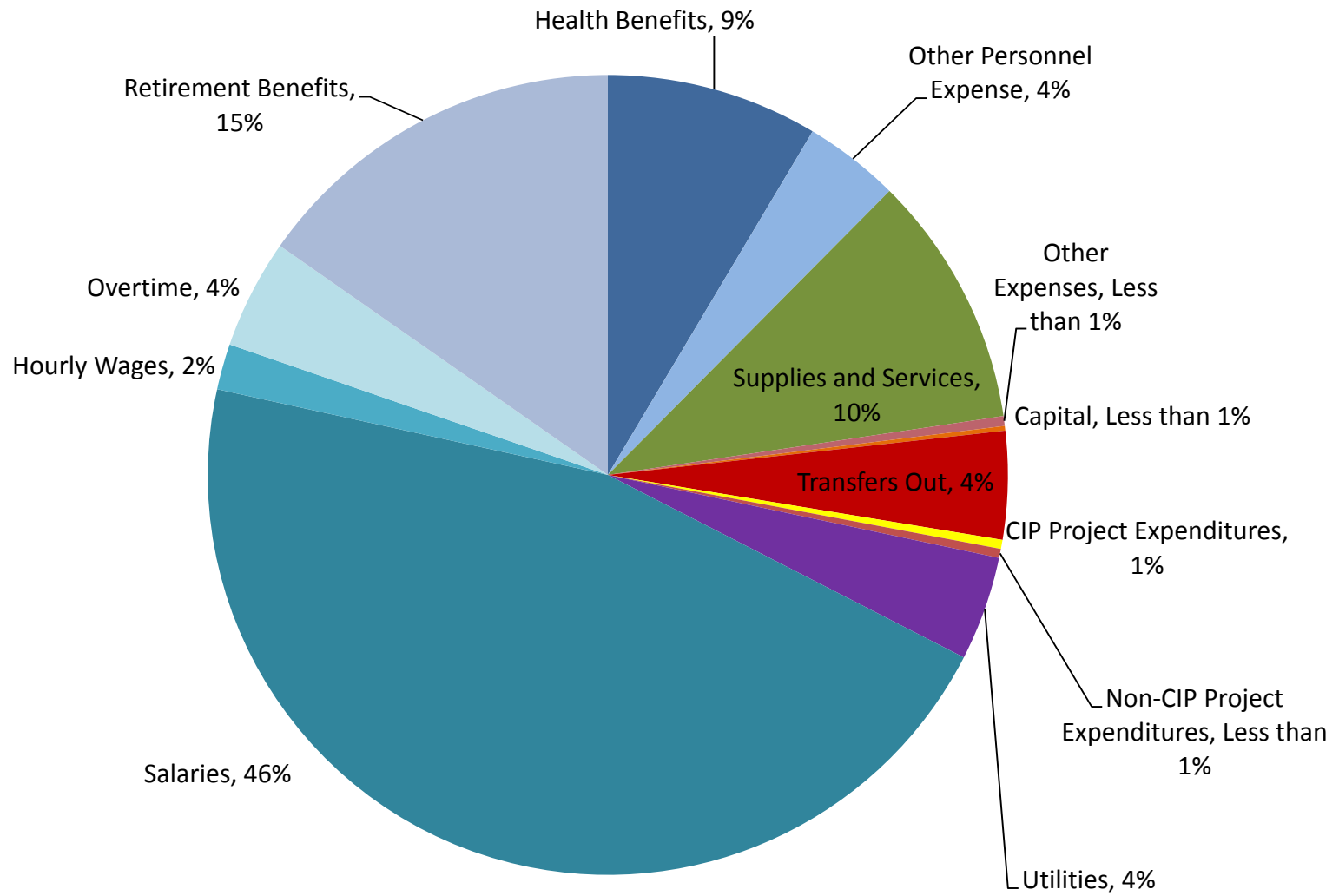
## General Fund Expenditures by Category (in thousands)

Category	FY14 Actuals	FY15 Projected	FY16 Proposed	Change
Personnel Services	101,760	107,428	111,610	4,182
Supplies and Services	14,042	17,455	14,269	(3,186)
Other Expenses	506	929	551	(378)
Capital	604	638	266	(372)
Transfers Out	15,522	5,400	6,099	699
Non-CIP Project Expenditures	133	256	509	253
Utilities	4,957	5,423	5,889	467
<b>Total Operating Budget</b>	<b>137,524</b>	<b>137,529</b>	<b>139,194</b>	<b>1,665</b>
CIP Project Expenditures	849	5,519	510	(5,009)
<b>TOTAL EXPENDITURES</b>	<b>138,373</b>	<b>143,048</b>	<b>139,704</b>	<b>(3,343)</b>

Note: FY14 Actuals includes an appropriation of \$8,017,453 to the TUT Common Fund as part of the TUT Settlement Agreement.

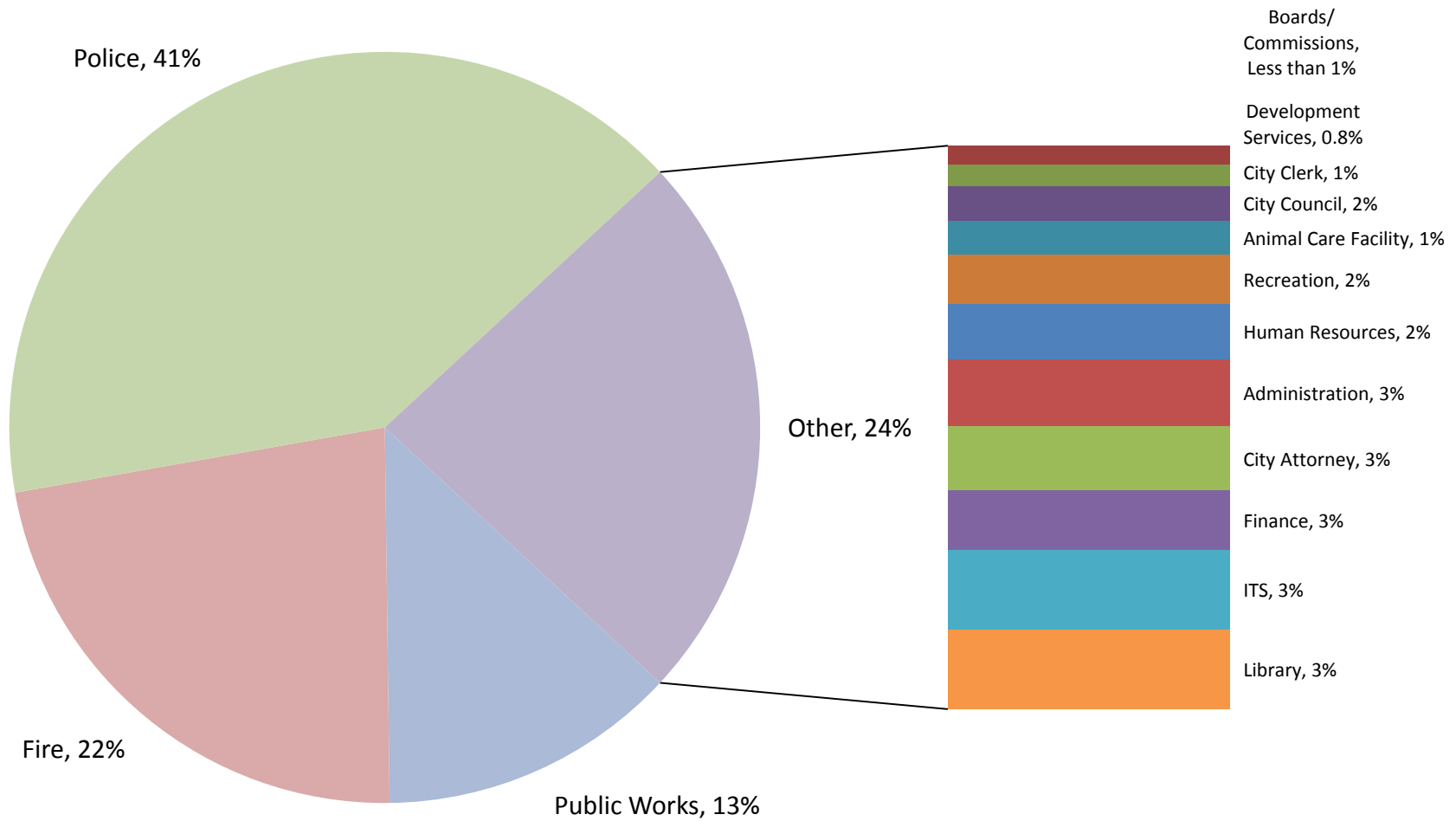


# General Fund Expenditures - \$139.7M





# General Fund Net Cost (Allocation of Discretionary Revenue)





# Budget Highlights

- The City Manager's Proposed Budget for Fiscal Year 2015-16 is balanced and maintains current service levels with limited service enhancements
- Continue to see improvements in the City's Major Discretionary revenues (Sales Tax, Property Tax, Motor Vehicle License Fees, Franchise Fees)



# Budget Highlights

- Otay Ranch Library and the Hub – Added 1.0 Senior Librarian to establish consistent hours of operation at the Otay Ranch Library and the Hub
- Cultural Arts Manager – Added 0.75 FTE to manage the City's cultural arts programs and take the lead in developing and implementing the City's Cultural Arts Master Plan
- Added 1.0 Maintenance Worker to provide staffing for the operation of the third storm drain vactor





# Budget Highlights

- Equipment Replacement
  - \$330,000 for vehicle replacement
  - \$60,000 for the lease of 200 additional computers
  - \$80,000 to transition to cloud based email
  - \$160,000 to upgrade accounting system to newer version
- Civic Center Library Auditorium Remodel and Museum



## Next Steps

- Fiscal Year 2015-16 Proposed Budget will be presented to the City Council on Tuesday, May 26<sup>th</sup>
- City Council to accept City Manager's Proposed Budget as their own and set a time for Public Hearing and adoption of the budget
- Additional comments can be submitted on City's website

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### Budget Update

#### You're invited to provide input into FY 2016 City budget - **New!**

Work is underway to prepare the City of Chula Vista budget for the new fiscal year which starts July 1. The City is inviting the public to attend two public workshops to provide input on the proposed budget:

- Tuesday, May 19, City Council Chambers, 5:30 – 6:30 p.m.
- Thursday, May 21, the Hub (Otay Ranch Town Center Library) 5:30 – 6:30 p.m.

Staff will present an overview of the proposed operating budget for fiscal year 2015-16, capital improvement project highlights, and a summary of the Long Term Financial Plan. These workshops will give you an opportunity to provide input on the City's budget and will help staff better understand what is important to you. You can also participate in the City's budget development process by [completing the form here](#) to provide comments or ask questions regarding the City's budget.

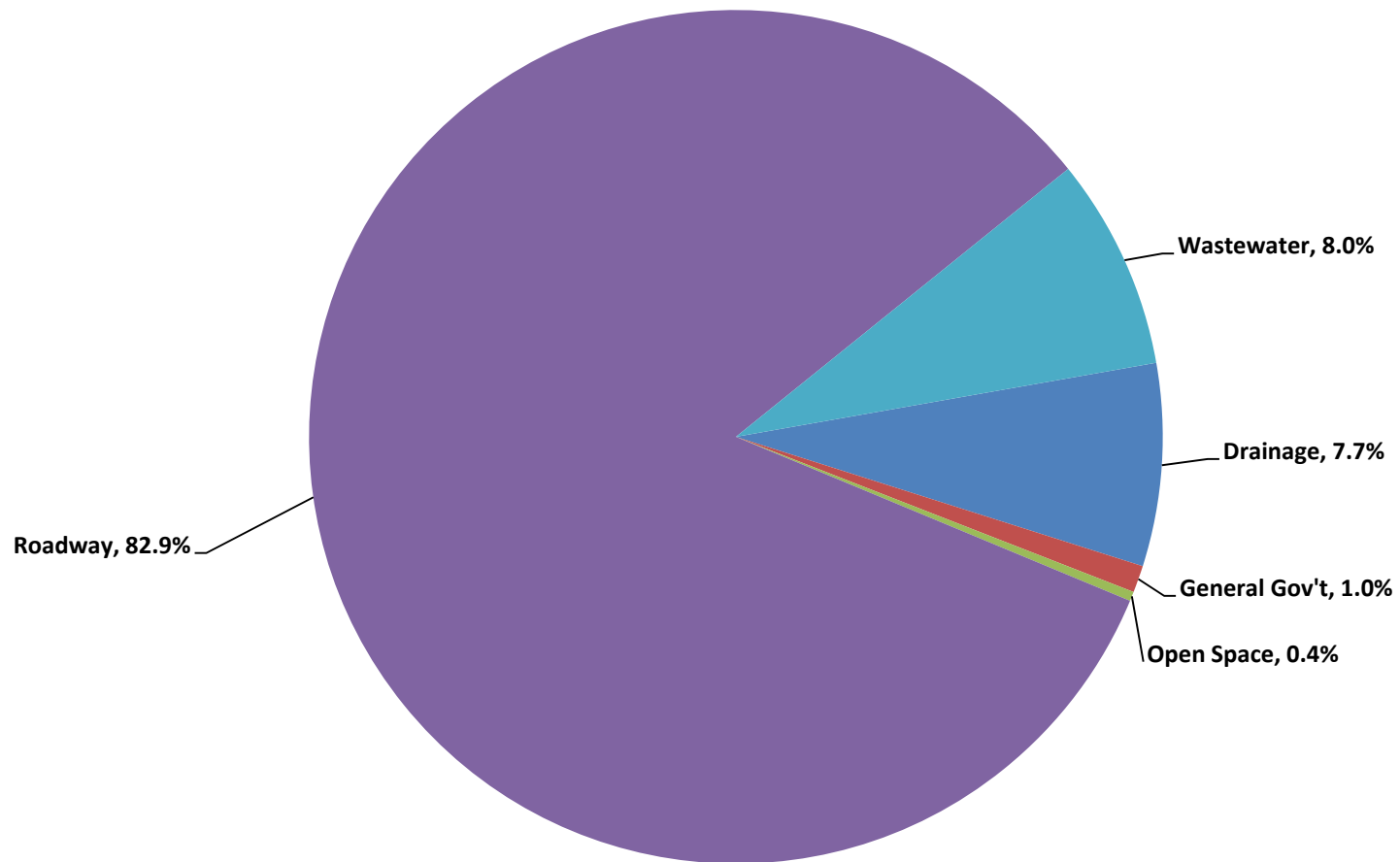


# CAPITAL IMPROVEMENT PROGRAM SUMMARY



# Capital Improvement Program - \$27.5M

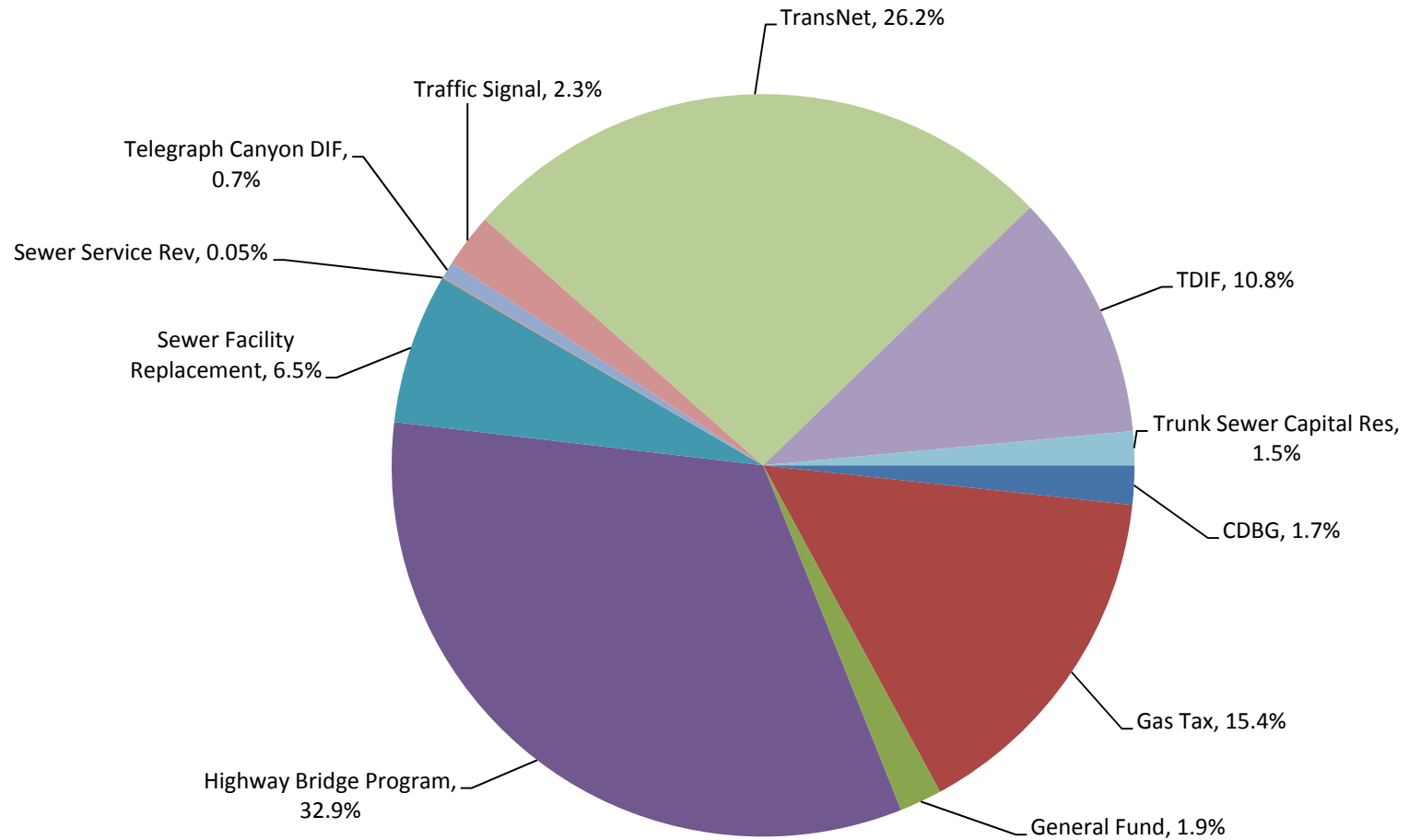
## by Asset Management System





# Capital Improvement Program - \$27.5M

## by Funding Source





# CIP Highlights (FY2015)

- Third Avenue Streetscape Project, Phase 2
  - SANDAG: Smart Growth Incentive Program (\$1.3M)
  - Bond Funds (\$1.3M)





# CIP Highlights (FY2015)

- Orange Park (Completion Summer 2015)
  - Prop 84 Statewide Park Funding (\$2.8M)







# CIP Highlights (FY2016)



Sewer Rehabilitation - \$2.2 million



Willow Street Bridge - \$7 million



Pavement Rehabilitation - \$6 million

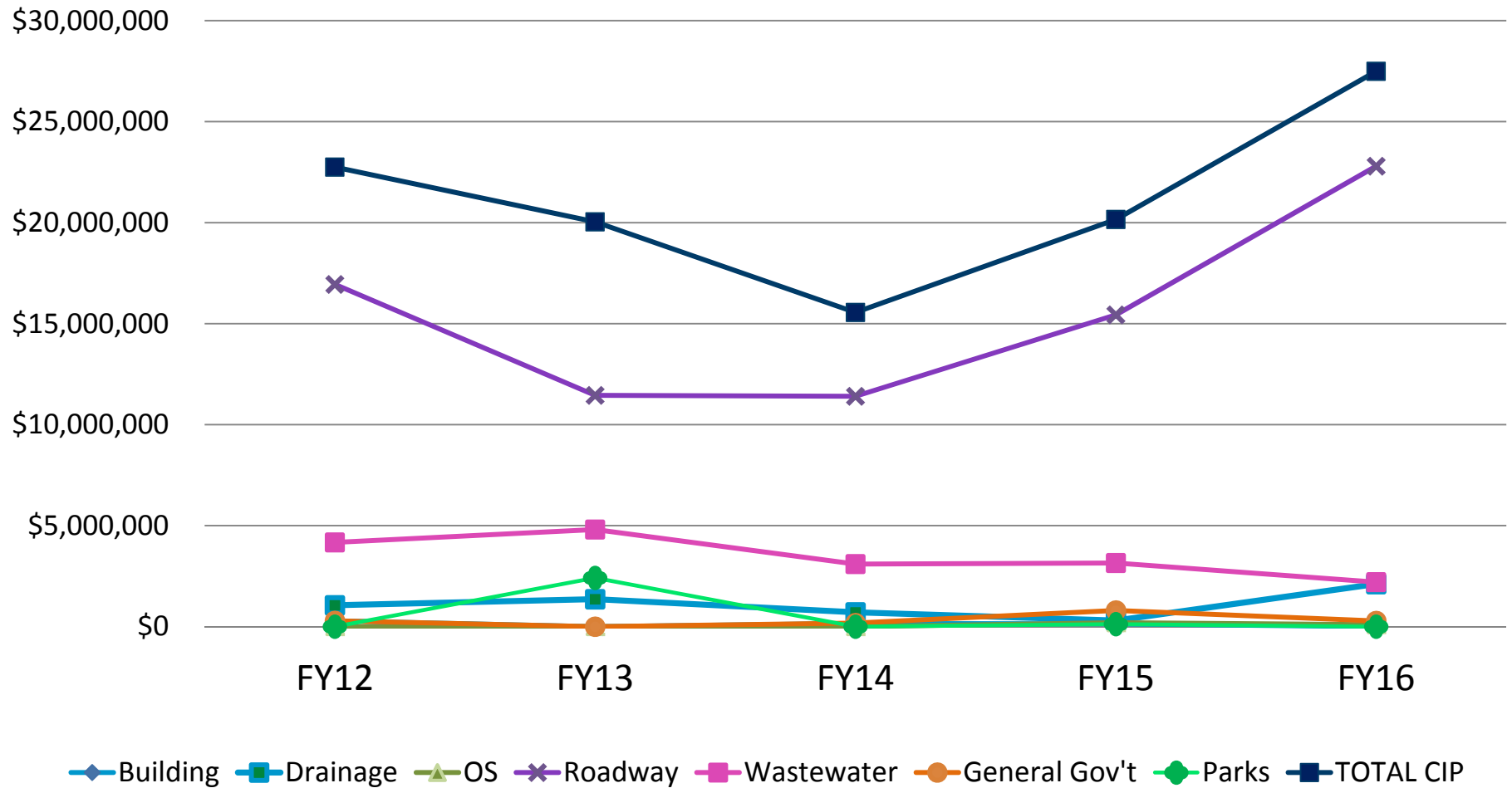


Storm Drain Repairs - \$1.6 million



# Capital Improvement Program 5-Year Period

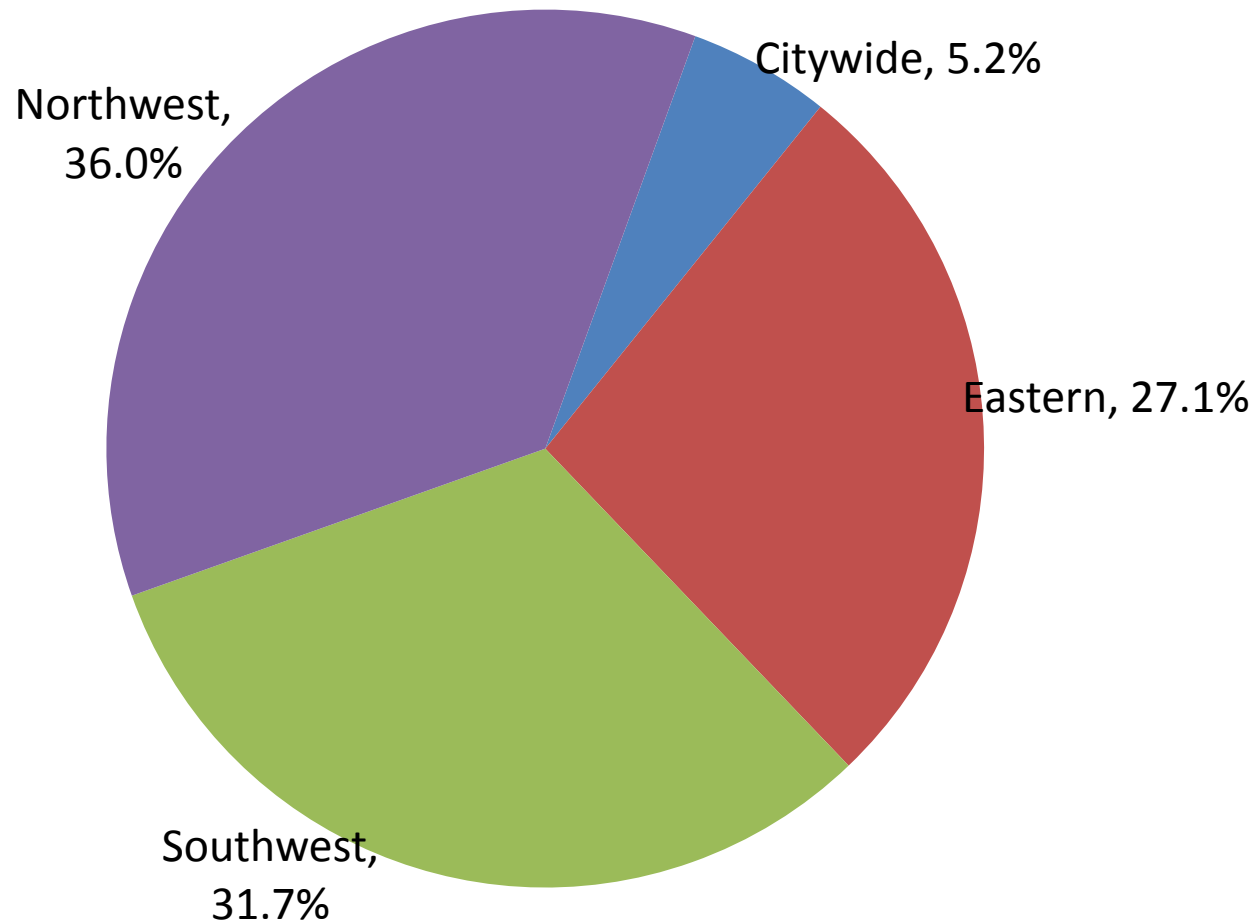
## by Asset Management System





# CIP Funding by Location

5-Year Period (FY2012 – FY2016)

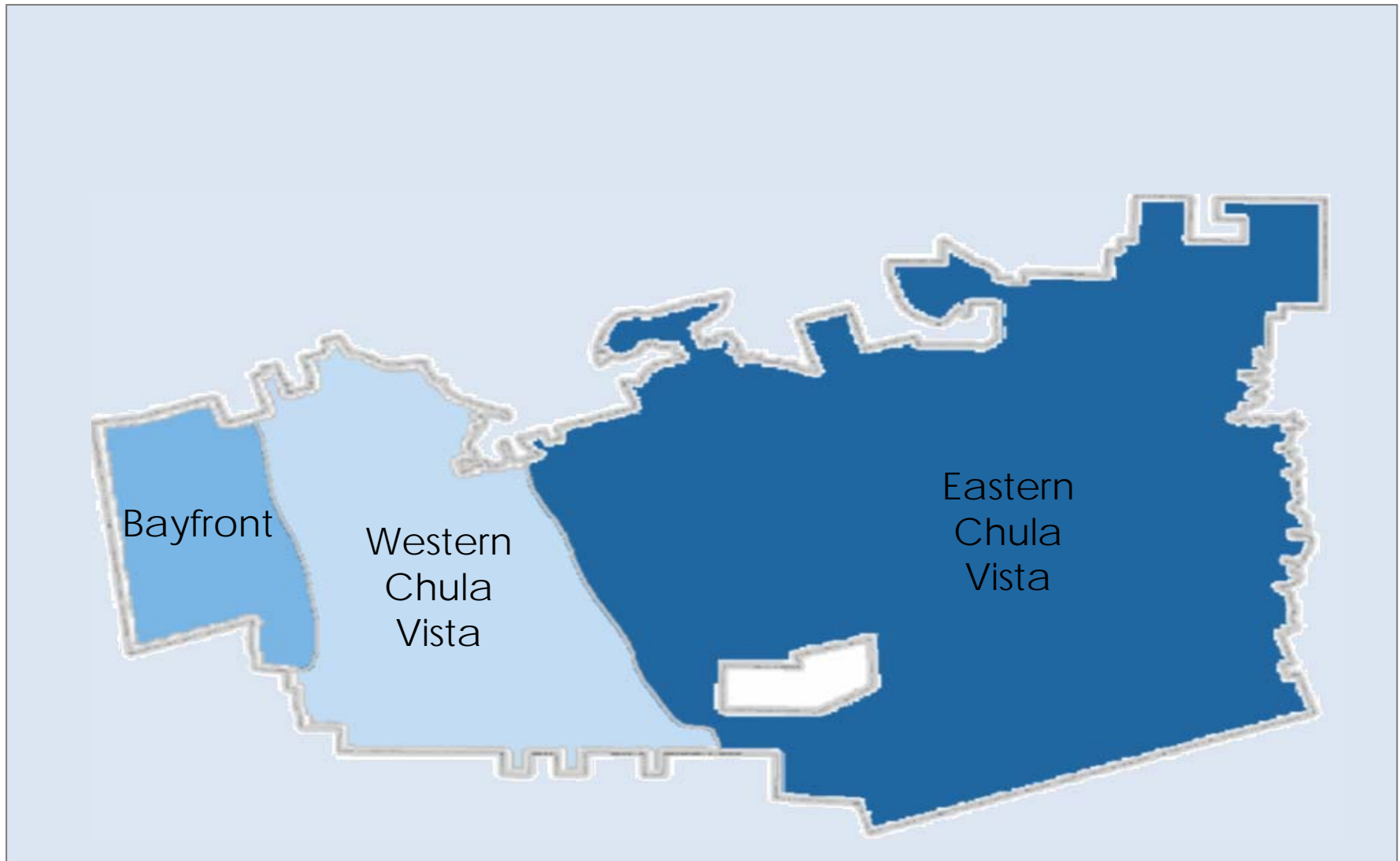




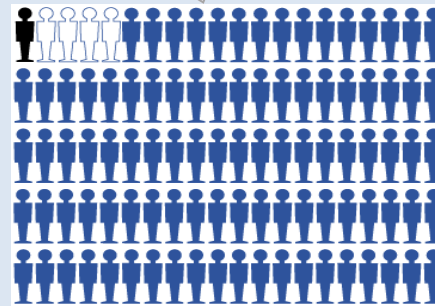
# ECONOMIC DEVELOPMENT



# Major Developments



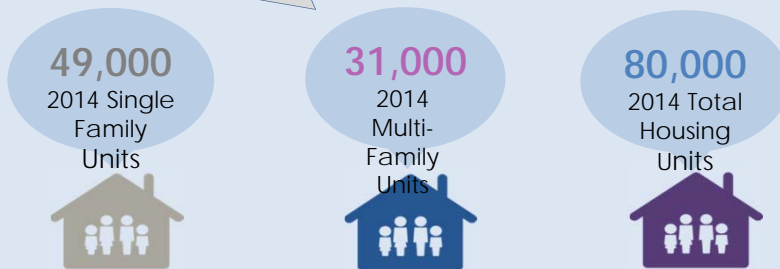
# CV Community Demographics



SANDAG 2050 Regional Growth Forecast.

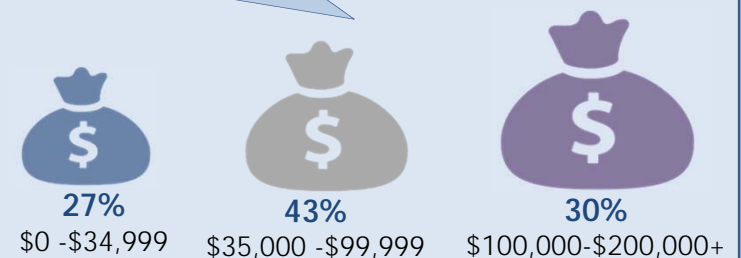
*"Chula Vista is the fastest growing City in San Diego since 2010."  
-San Diego Union Tribune*

## Housing Demographics



SANDAG 2050 Regional Growth Forecast.

## Household Income



Esri Demographic and Income Report 2014.



# Bayfront

*"Chula Vista Bayfront Master Plan is Southern California's largest waterfront development opportunity"*

-Unified Port of San Diego



**535<sup>ac.</sup>**  
Waterfront  
Development



**225,000 sqft**  
Waterfront Visitor  
Serving Retail



**750,000 sqft**  
New Office &  
Commercial Space



**415,000 sqft**  
Conference Meeting  
Space



**1,500**  
New High-Rise  
Residential Units



**3,100**  
New Hotel Rooms

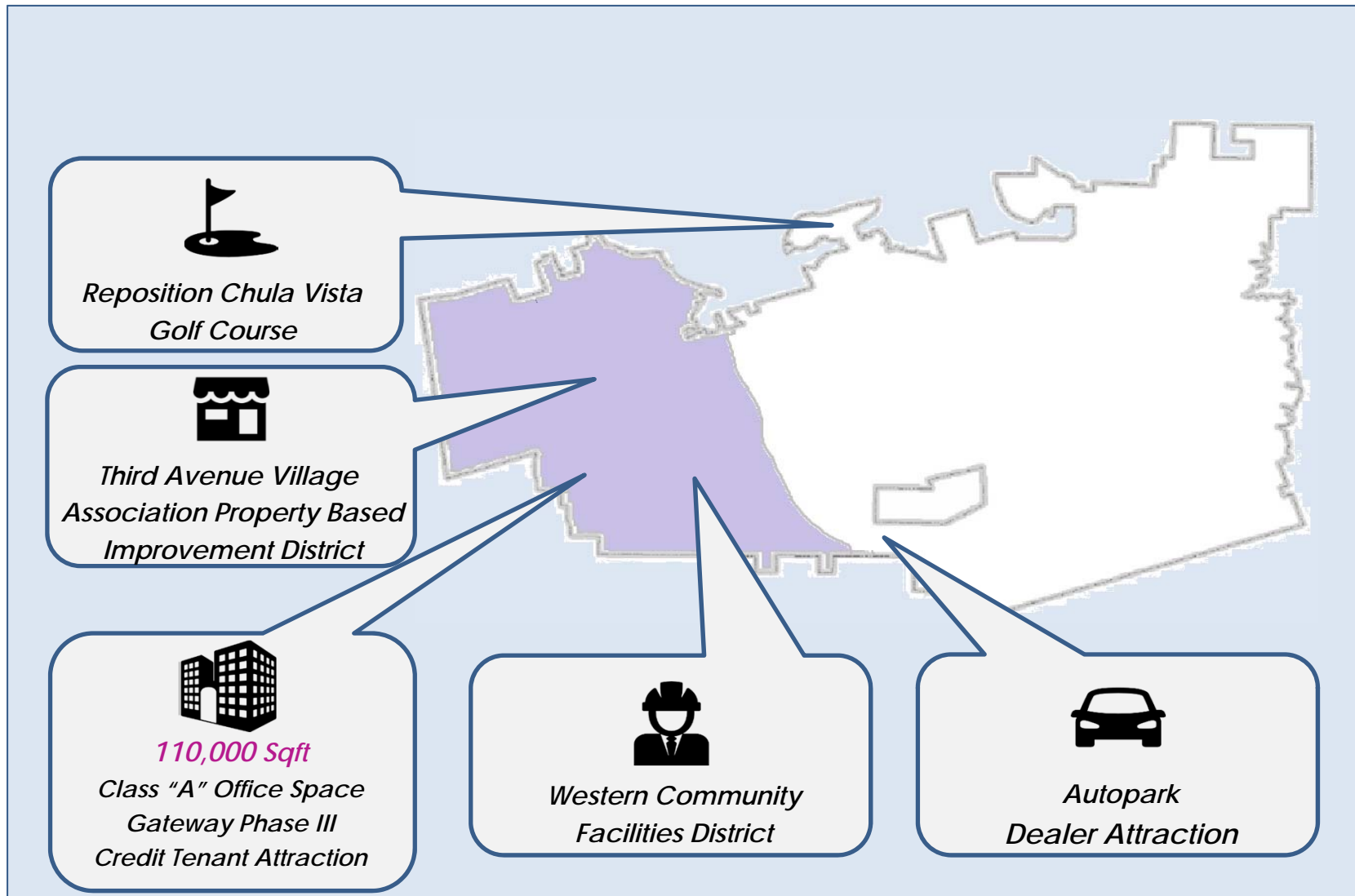


*The Bayfront will offer panoramic views from Baja California to San Diego, and across the San Diego Bay. With proximity to both Baja California and San Diego, the Bayfront will supply a unique bi-cultural tourist opportunity for South San Diego County.*





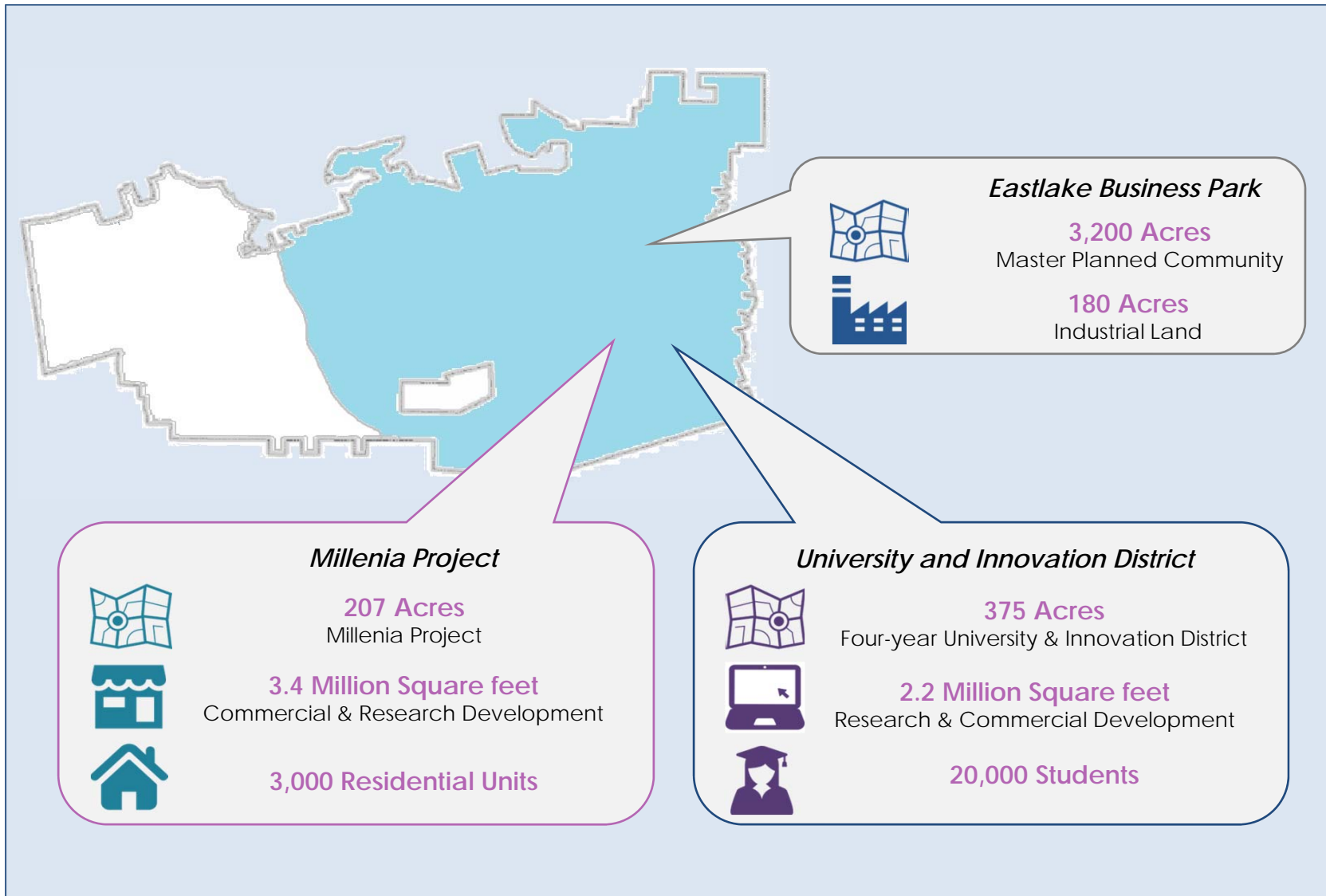
# Western Revitalization







# Eastern Development





# CULTURAL ARTS PROGRAM



# Cultural Arts Program

- Comprehensive Approach to Cultural Arts
- Leverage existing assets and build upon strengths
- Cultural Arts Master Plan





# Cultural Arts Manager

- Previously Eliminated Position (FY 08-09)
- 1 Position
- Strengthen and coordinate Cultural Arts citywide



# Functions and Duties

- Develop and implement Master Plan
- Develop and manage a public art program
- Coordination and marketing of performances, exhibitions, and cultural arts events
- Promote Cultural Tourism in the City



# LONG-TERM FINANCIAL PLAN



# LONG TERM FINANCIAL PLANNING (LTFP)

What is Long Term Financial Planning?





# LTFP | BACKGROUND



Uses expenditure and revenue **forecasts**



Provides **insight** into the future financial **capacity** of our organization



Establishes the **groundwork** for **strategies** to be developed





# LTFP | BACKGROUND



Helps achieve **long-term sustainability** and eventually financial **resiliency**



Integral part of the Strategic Plan and annual Budget Process



Shows the City's continued dedication to **transparency** and financial **accountability**



# LTFP | GOALS

## **The Long Term Financial Plan will:**

- Lookout for a minimum of 10 years
- Will focus on General Fund and include Other Funds that could potentially impact the General Fund
- Be updated regularly to provide direction during budget process



# LTFP | OBJECTIVES

- Provide a focused plan to address identified high priority needs
- Continue to improve City's Financial Position
- Maintain or improve level of service standards
- Achieve full cost recovery, when possible, for services rendered.



# LTFP | CONSIDERATIONS

## **Considerations taken during financial process:**

- Revenue & Expenditure Projections
- Are there available revenue sources not currently being utilized in budget?
- Identify anticipated deficits or surpluses
- Condition of reserves/fund balance
- Economic growth
- Historical trends
- Future fee increases



# LTFP | CONSIDERATIONS

## **Other considerations taken during financial process:**

- Anticipated operational changes
- Upcoming legislative action
- Sustainability of current expenditure baseline
- Long term impact of current decisions being made
- Personnel costs
- Bond ratings

# LTFP PROCESS

**MOBILIZATION PHASE**

**DATA ANALYSIS PHASE**

**DECISION MAKING PHASE**

**IMPLEMENTATION PHASE**





# LTFP PROCESS

- City's Comprehensive Plan
  - Will be integrated with FY 2017 annual budget process.
- LTFP not a stand alone planning process
- Combines other planning processes



# Other Planning Processes

- Fiscal Recovery and Progress Plan
- Five year forecast
- Citywide Strategic Plan
- Citizen Survey
- Master Fee updates
- 5 year CIP Plan
- Asset Management Planning
- New Development Financing Plans





# Five-Year Forecast

Description	CM Proposed FY 2015	Forecast FY 2016	Forecast FY 2017	Forecast FY 2018	Forecast FY 2019
<b>Revenues:</b>					
Property Taxes	\$ 28,032,214	\$ 29,125,470	\$ 30,248,774	\$ 31,416,176	\$ 32,650,865
Sales Tax	\$ 30,455,693	\$ 31,064,807	\$ 31,996,751	\$ 32,956,654	\$ 33,945,353
Franchise Fees	\$ 8,903,174	\$ 9,091,031	\$ 9,282,852	\$ 9,478,720	\$ 9,763,082
Utility Users Taxes	\$ 7,175,000	\$ 7,246,750	\$ 7,319,218	\$ 7,392,410	\$ 7,466,334
Transient Occupancy Taxes	\$ 2,518,329	\$ 2,593,879	\$ 2,671,695	\$ 2,751,846	\$ 2,834,401
Motor Vehicle License Fees	\$ 17,450,125	\$ 18,147,041	\$ 18,871,801	\$ 19,625,518	\$ 20,409,349
Other Revenues	\$ 40,002,209	\$ 39,561,733	\$ 39,767,182	\$ 40,033,864	\$ 40,481,263
<b>Total Revenues</b>	<b>\$ 134,536,744</b>	<b>\$ 136,830,711</b>	<b>\$ 140,158,272</b>	<b>\$ 143,655,188</b>	<b>\$ 147,550,647</b>
<b>Expenditures:</b>					
Personnel Services	\$ 77,534,667	\$ 77,649,832	\$ 77,855,872	\$ 77,855,872	\$ 77,855,872
Flex/Insurance	\$ 11,577,264	\$ 12,423,952	\$ 13,336,883	\$ 14,324,646	\$ 15,393,901
PERS	\$ 19,849,844	\$ 21,326,333	\$ 22,519,129	\$ 23,643,408	\$ 24,731,946
Salary Savings	\$ (1,807,636)	\$ (840,946)	\$ (840,946)	\$ (840,946)	\$ (840,946)
Est. Pension Impact Due to Mortality Change	\$ -	\$ -	\$ 1,087,219	\$ 2,174,326	\$ 3,262,036
Workers Compensation GF Liability	\$ -	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Other Expenditures	\$ 27,382,605	\$ 26,986,947	\$ 27,564,414	\$ 28,141,754	\$ 28,886,877
<b>Total Expenditures</b>	<b>\$ 134,536,744</b>	<b>\$ 138,046,118</b>	<b>\$ 142,022,571</b>	<b>\$ 145,799,060</b>	<b>\$ 149,789,686</b>
<b>Subtotal Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ (1,215,407)</b>	<b>\$ (1,864,299)</b>	<b>\$ (2,143,873)</b>	<b>\$ (2,239,039)</b>



# LTFP PROCESS

## MOBILIZATION PHASE

- Citywide Survey - Citizen Participation
- Citywide Strategic Plan - Council Input



## DATA ANALYSIS

- Define Fiscal Environment
- Debt-Capacity Analysis
- Identify weaknesses and opportunities

## DECISION MAKING

- Financial Strategy Development



## IMPLEMENTATION

- Operationalize strategies in FY 2017 budget



# Next Steps

- Update Five Year Forecast to Ten Year analysis
- Review Financial Policies and identify if new policies are needed
- Debt Capacity Review and Analysis
- Synthesize other planning processes and documents
- Report to City Council and Community



**QUESTIONS?**