

City of Calistoga

Fiscal Year 2019-20

Public Hearing Budget

June 4, 2019



Today's Agenda

► Quick Summary

- Annual Budget Process
- City Council Goals
- FY 2018-19 Actuals and Forecast Year-End

► **FY 2019-20 Proposed Budget**

- General Fund Department Budgets
- Enterprise Funds – Water & Wastewater
- Development Impact Fees
- Capital Projects
- Equipment Replacement Fund
- Special Revenue Fund

► **Debt Schedule**

► **Community Funding Requests**

Annual Budget Process

- City Council Sets Date for Council Goals (March 19, 2019)
- Council Strategic Planning Session (April 4, 2019)
- Department Budget Worksheets Due (April 17, 2019)
- Acting City Manager and Administrative Services Director review Budgets with Department Directors/Managers (April 2019)
- Preliminary Council Workshop (May 9, 2019)
- FY 2019-20 Budget Hearing and Adoption (June 4, 2019 and June 18, 2019)

City Council Goals FY 2019-20

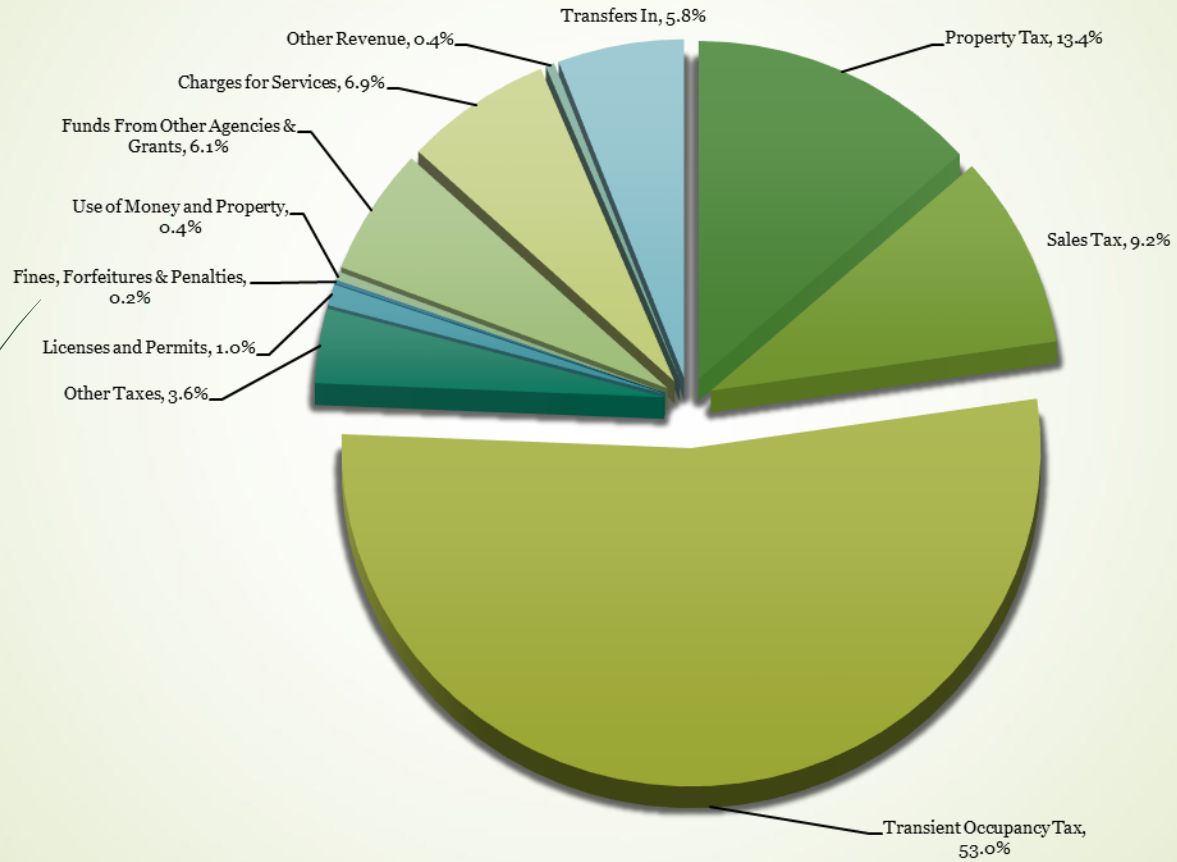
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- Goal 1: Maintain and enhance the economic vitality of the community and the financial stability of the City
- Goal 2: Address the community's existing and future housing needs
- Goal 3: Establish, improve and maintain City infrastructure
- Goal 4: Expand and improve recreational and community facilities
- Goal 5: Offer excellent professional services to all customers
- Goal 6: Create an environmentally-sustainable community
- Goal 7: Enhance Calistoga's small-town character by making it safe and attractive

FY 2018-19 YE Estimate

FY 2018-19	WWTP						
	General Fund	Water Operations	Water Capital	Operations	WWTP Capital	Equip Replc	Special Revenue
Revenues	11,854,333	3,174,865	237,483	2,910,044	499,555	362,451	1,401,173
Expenditures	10,178,143	3,644,185	-	2,921,587	-	424,101	1,614,599
Net Surplus/Deficit	1,676,190	(469,320)	237,483	(11,543)	499,555	(61,650)	(213,426)
Other Sources	1,117,082	2,045	1,397,011	-	142,500	27,000	792,161
Capital Projects Expenses	(2,221,736)	-	(2,503,608)	-	(1,207,790)	-	(844,161)
Equipment Purchases	-	(60,349)	-	(66,674)	-	(890,736)	-
Debt Payments	(373,902)	(308,617)	(134,421)	(802,728)	-	-	(373,902)
Transfers In	429,958	368,800	438,309	3,696	-	602,335	1,425,902
Transfers Out	(1,616,135)	(438,309)	-	-	(3,696)	-	(846,229)
Add Non-Cash depreciation	-	519,000	-	765,000	-	101,361	-
Total Net Chg Fy 2018-19	(988,543)	(386,750)	(565,226)	(112,249)	(569,431)	(221,690)	(59,655)
Beg Fund Balance 07/01/18	8,275,721	584,174	565,226	1,056,520	1,323,083	679,454	8,383,914
End Fund Balance 06/30/19	7,287,178	197,424	-	944,271	753,652	457,764	8,324,259

General Fund FY 2019-20 Revenues



Total Revenues \$12,396,112 includes Transfers In of \$723,927

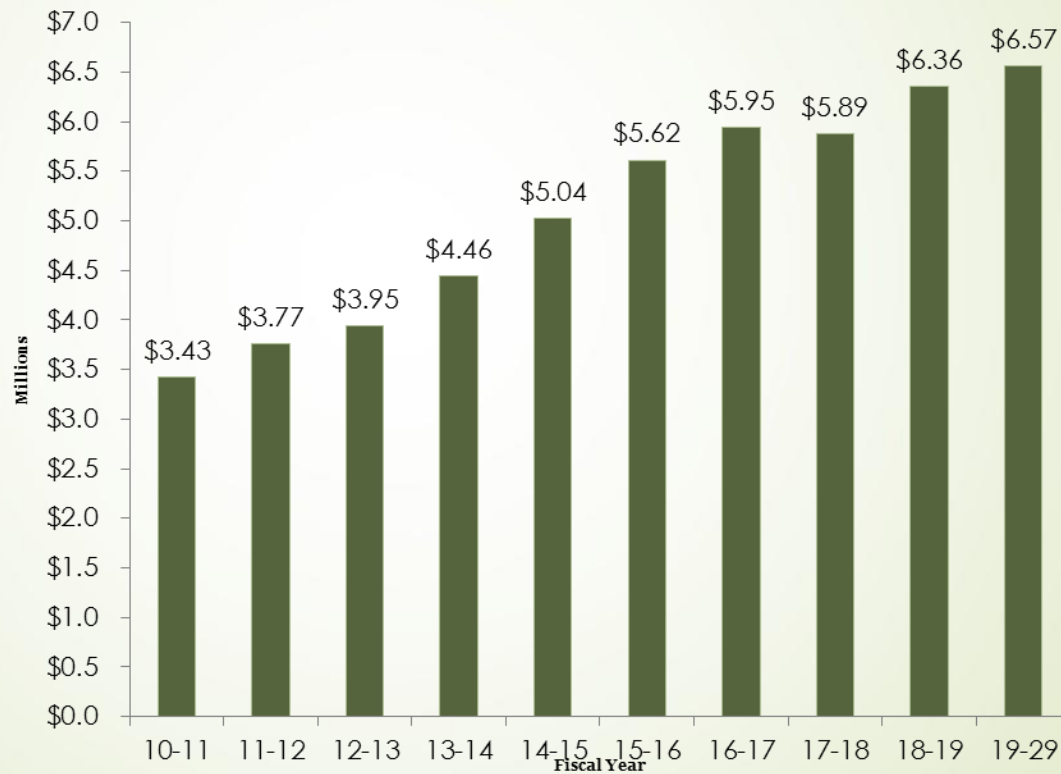
General Fund Revenues

FY 2019-20

Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Property Tax	1,591,571	82,465	1,674,036	1,664,998	-0.5%
Sales Tax	1,092,000	25,000	1,117,000	1,144,000	2.4%
Transient Occupancy Tax	6,363,078	-	6,363,078	6,569,878	3.2%
Other Taxes	437,230	-	437,230	442,181	1.1%
Licenses & Permits	177,896	-	177,896	126,390	-29.0%
Fines, Forfeitures	25,500	5,000	30,500	20,300	-33.4%
Interest & Use of Property	15,000	35,000	50,000	51,000	2.0%
Rev from other Agencies	719,086	10,960	730,046	753,438	3.2%
Grants	5,000	-	5,000	-	-100.0%
Charges for Services	1,060,047	(95,500)	964,547	850,000	-11.9%
Other Revenues	50,000	255,000	305,000	50,000	-83.6%
Totals	11,536,408	317,925	11,854,333	11,672,185	-1.5%

Transient Occupancy Tax Ten-Year History

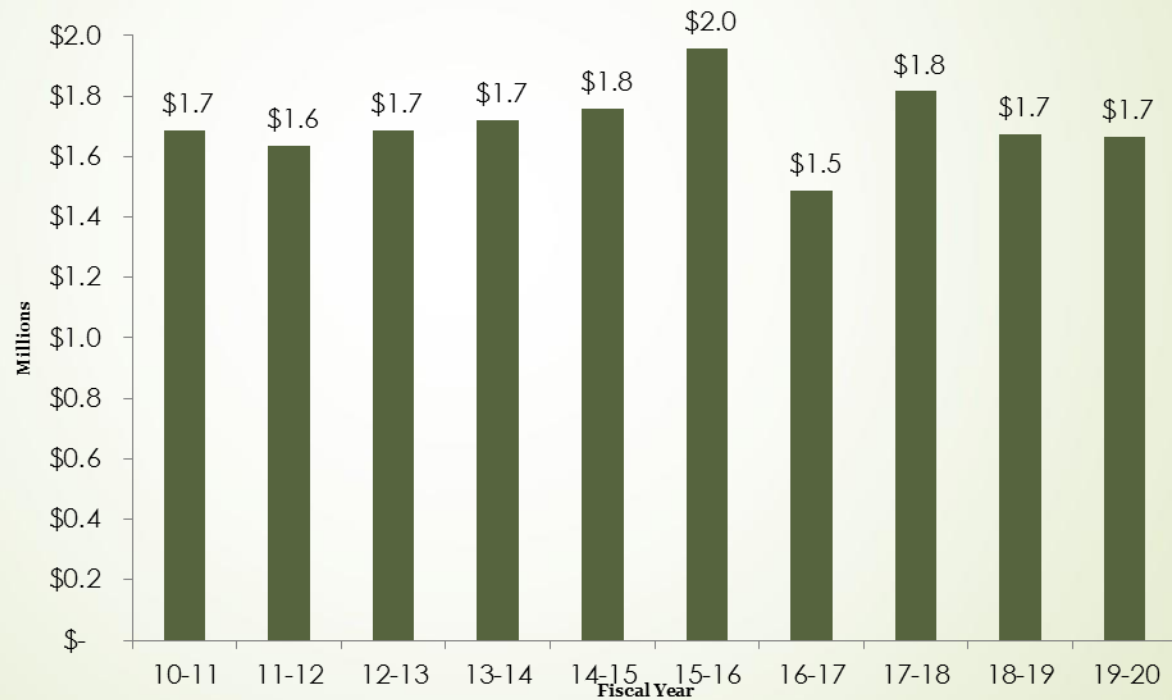
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Affordable Housing Measure D

Year	Amount	Accumulated
2018-19 (est.)	\$165,000	
2019-20 (est.)	\$500,000	\$665,000
2020-21 (est.)	\$516,250	\$1,181,250
2021-22 (est.)	\$533,028	\$1,714,278
2022-23 (est.)	\$550,351	\$2,264,629
** increase of 3.25% per year	YTD through April , 2019 is \$95,000	

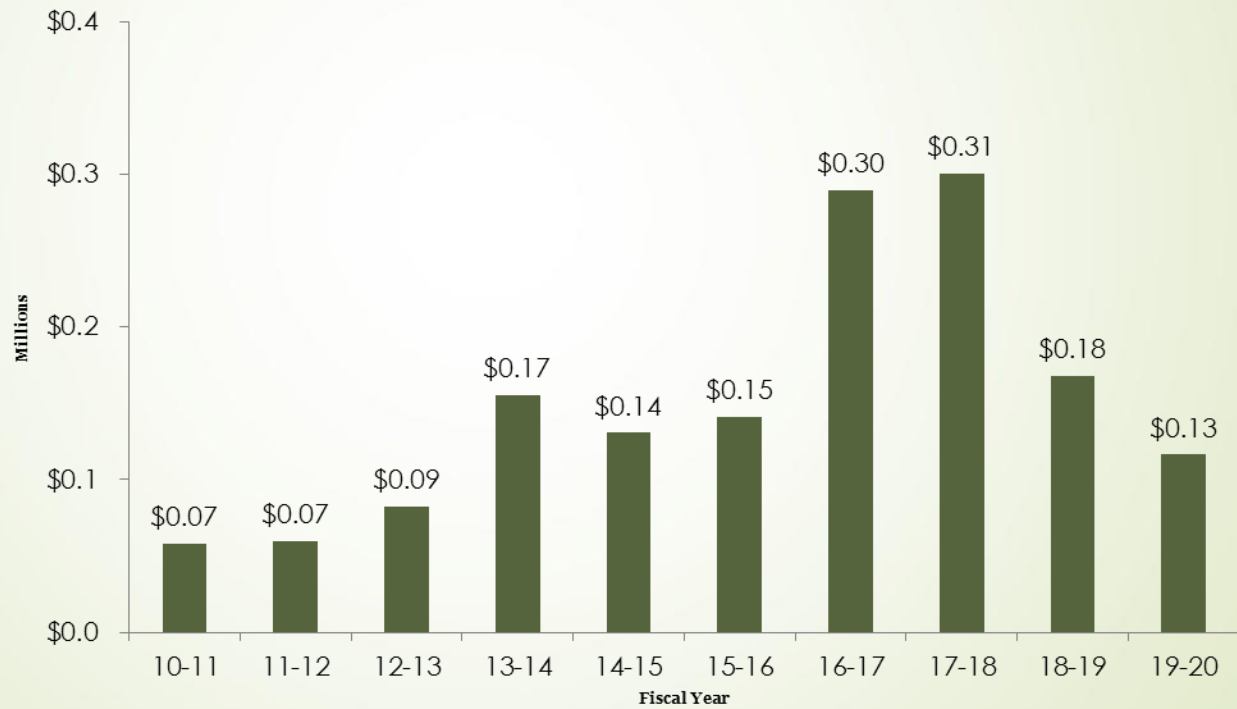
Property Tax Ten-Year History



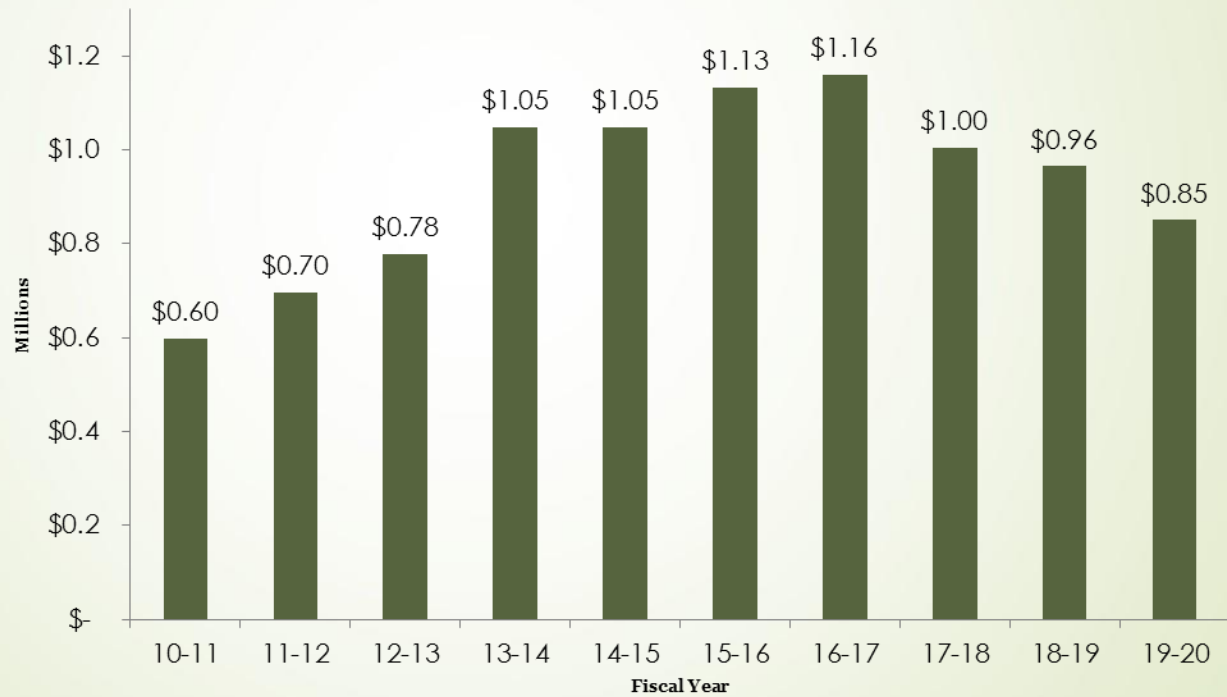
Sales Tax Ten-Year History



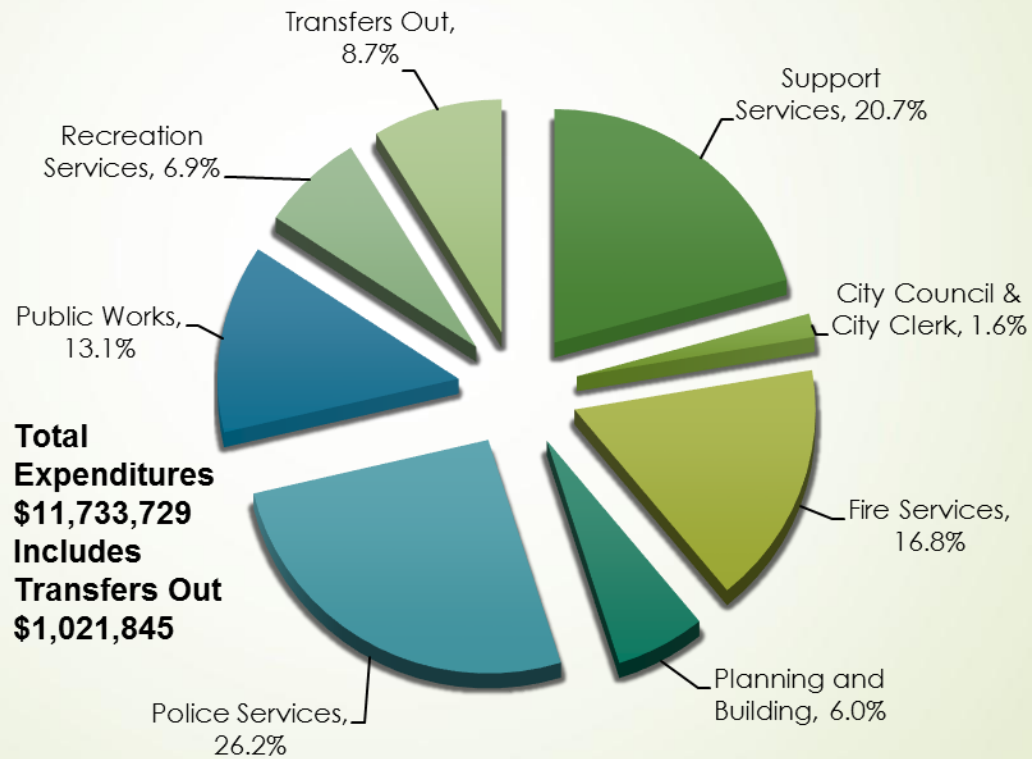
Licenses and Permits Ten-Year History



Charges for Services Ten-Year History



General Fund FY 2019-20 Draft Expenditures



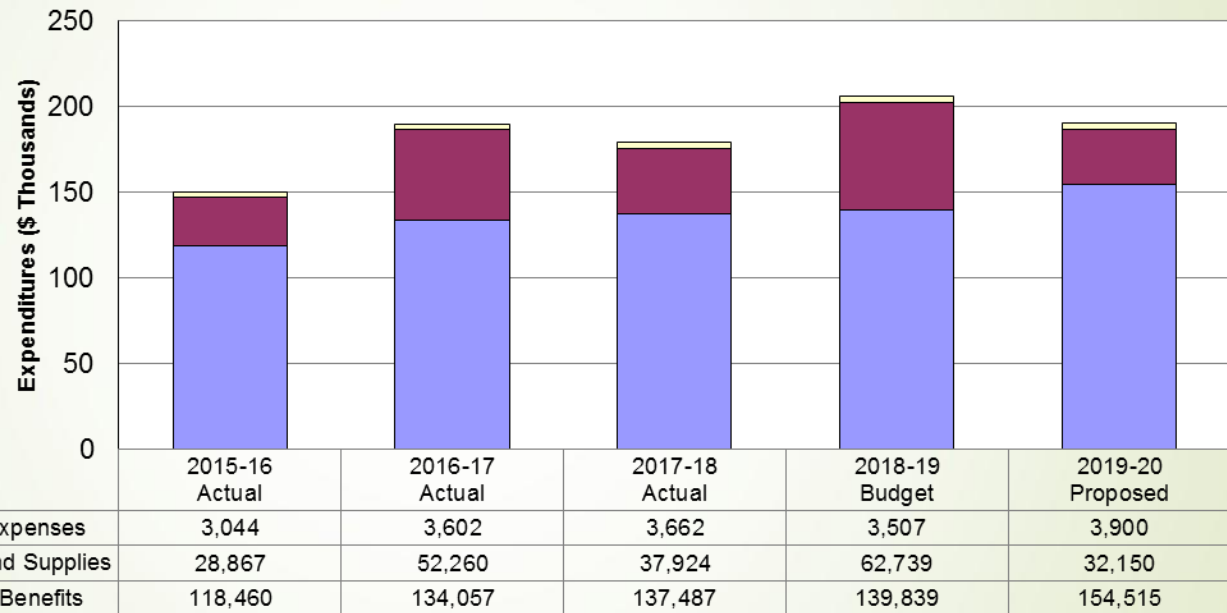
General Fund Expenditures

Draft FY 2019-20

Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Support Services	2,327,239	257,054	2,584,293	2,425,484	-6.1%
City Council & City Clerk	206,939	(854)	206,085	190,565	-7.5%
Fire Services	1,741,975	(86,078)	1,655,897	1,970,278	19.0%
Planning and Building	738,026	1,252	739,278	708,382	-4.2%
Police Services	2,857,937	(90,981)	2,766,956	3,072,430	11.0%
Public Works	1,501,731	(51,911)	1,449,820	1,531,989	5.7%
Recreation Services	815,094	(39,280)	775,814	812,756	4.8%
Totals	10,188,941	(10,798)	10,178,143	10,711,884	5.2%

City Council & City Clerk

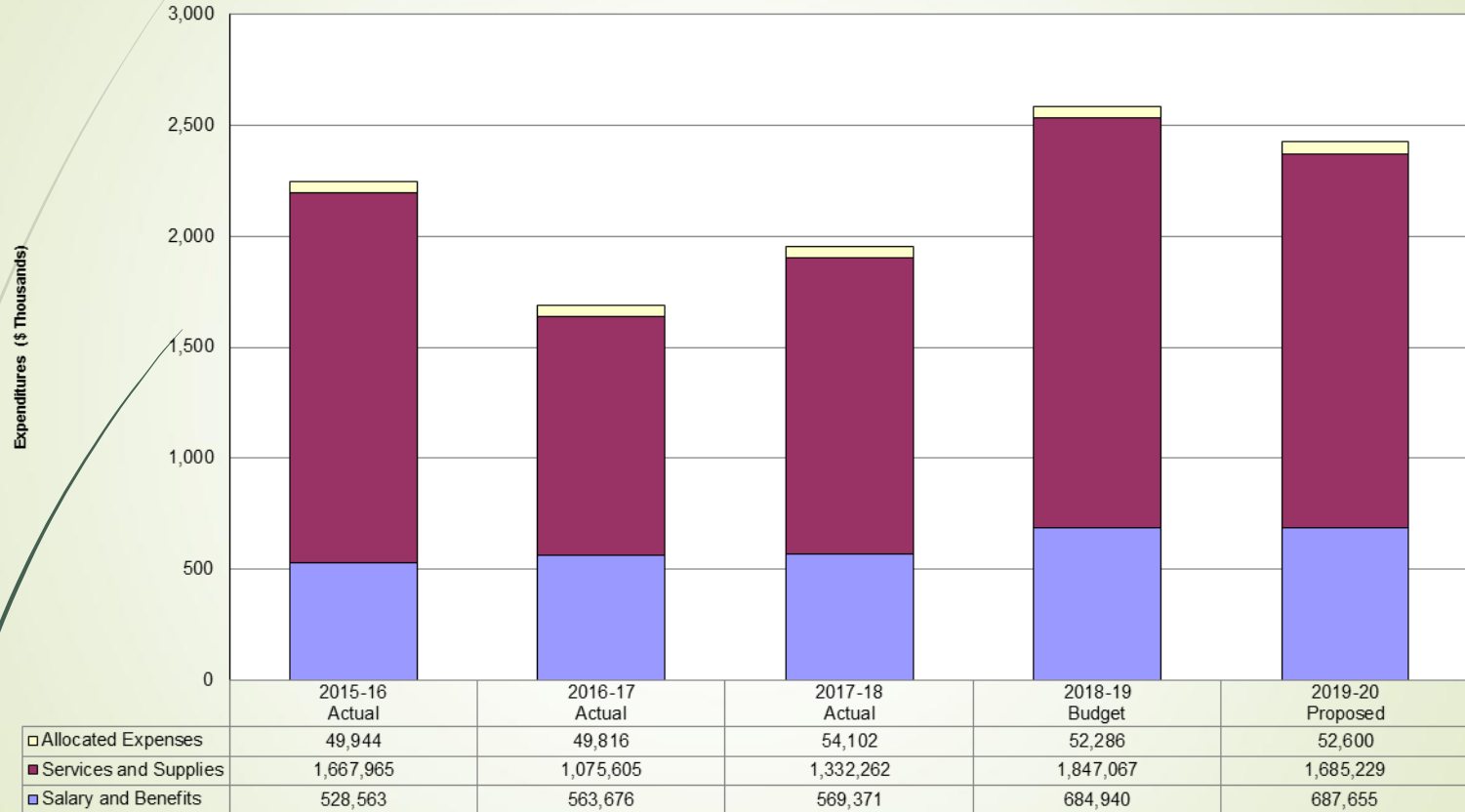
Trend in Expenditures
(\$ Thousands)



Administrative – Support Services (includes enrichment grants)

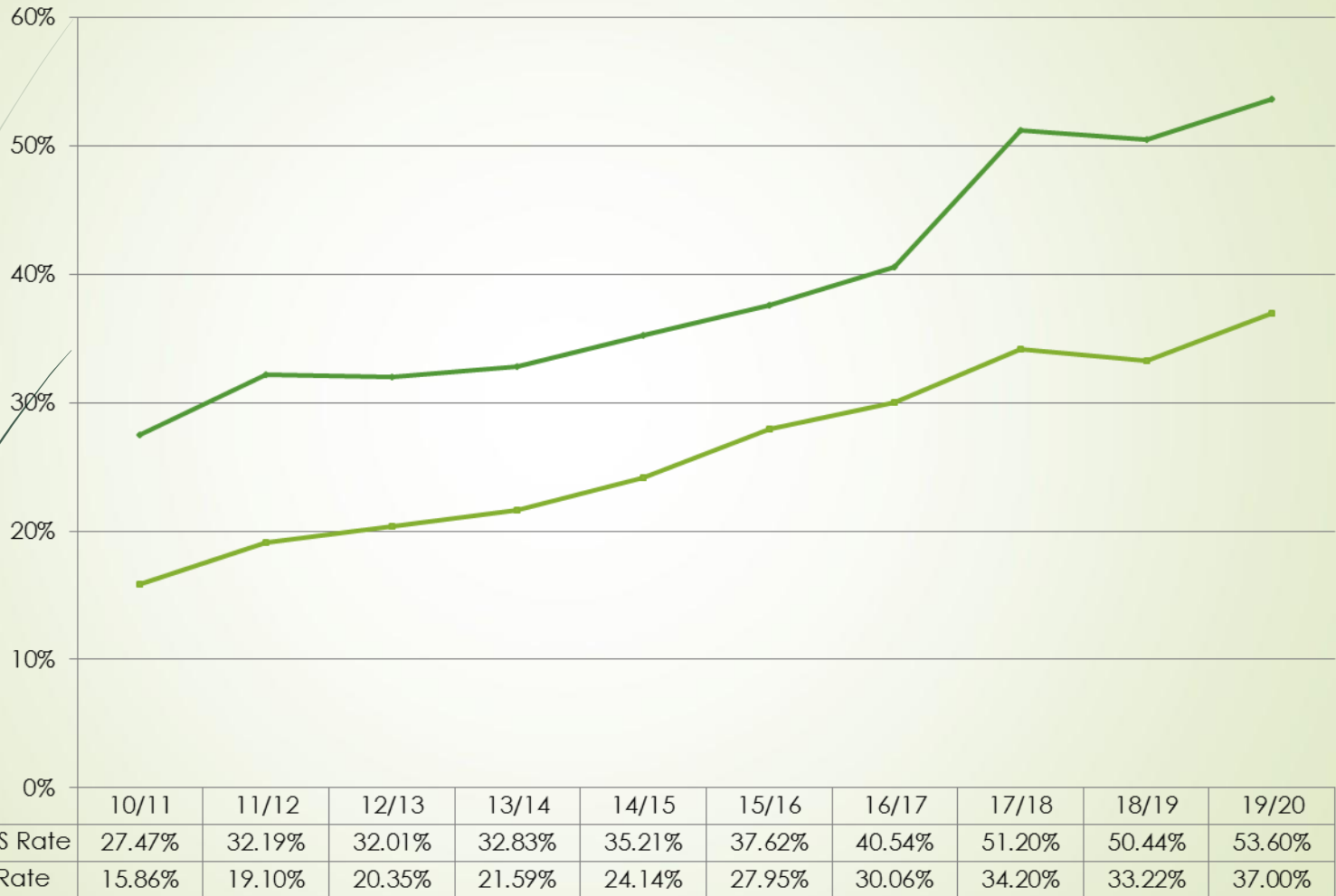
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Trend in Expenditures
(\$ Thousands)



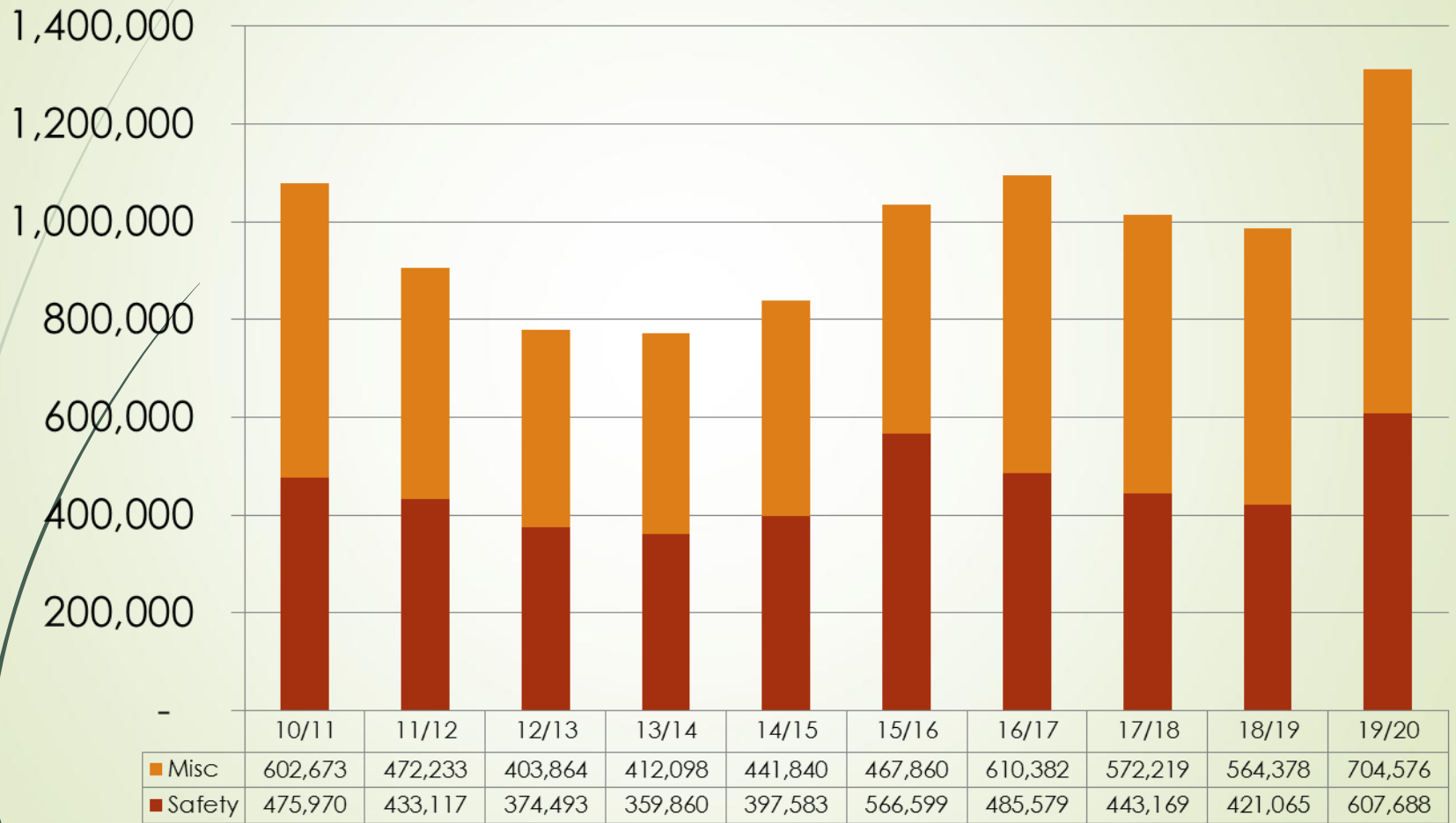
- Legal \$200,000
- TOT biannual audit \$7,000

CalPERS Rates 2009-2020



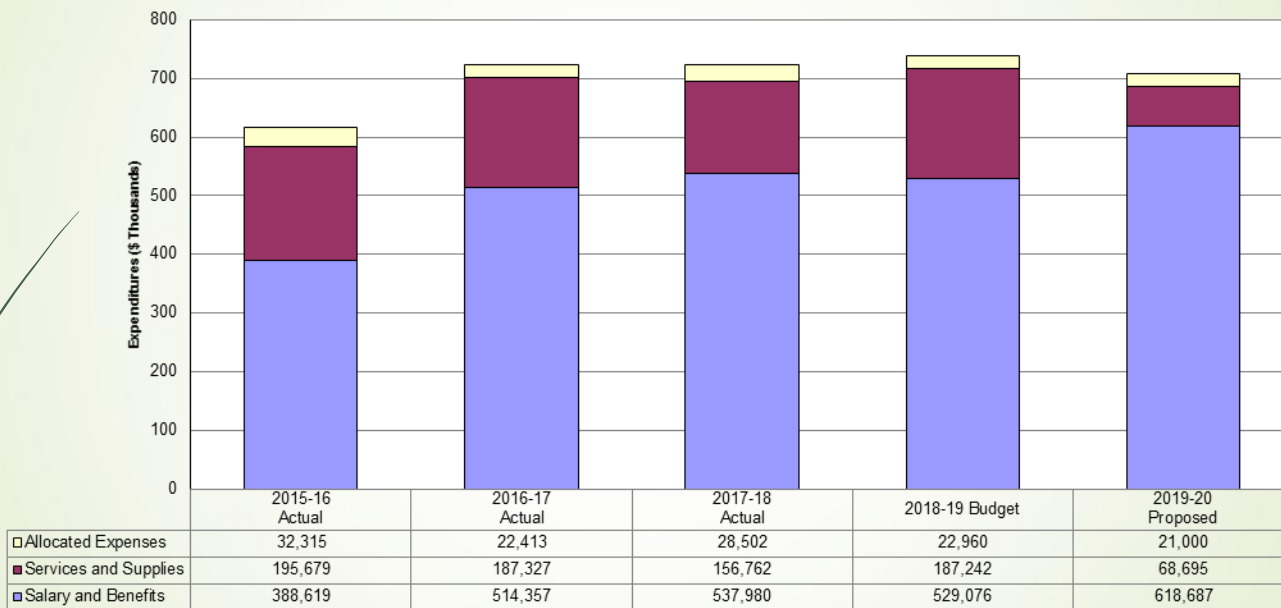
\$1M payment in May 2019 will result in \$110k annual reduction over 27 years

CalPERS Pension Costs 2009-2019



Planning and Building Services

Trend in Expenditures
(\$ Thousands)

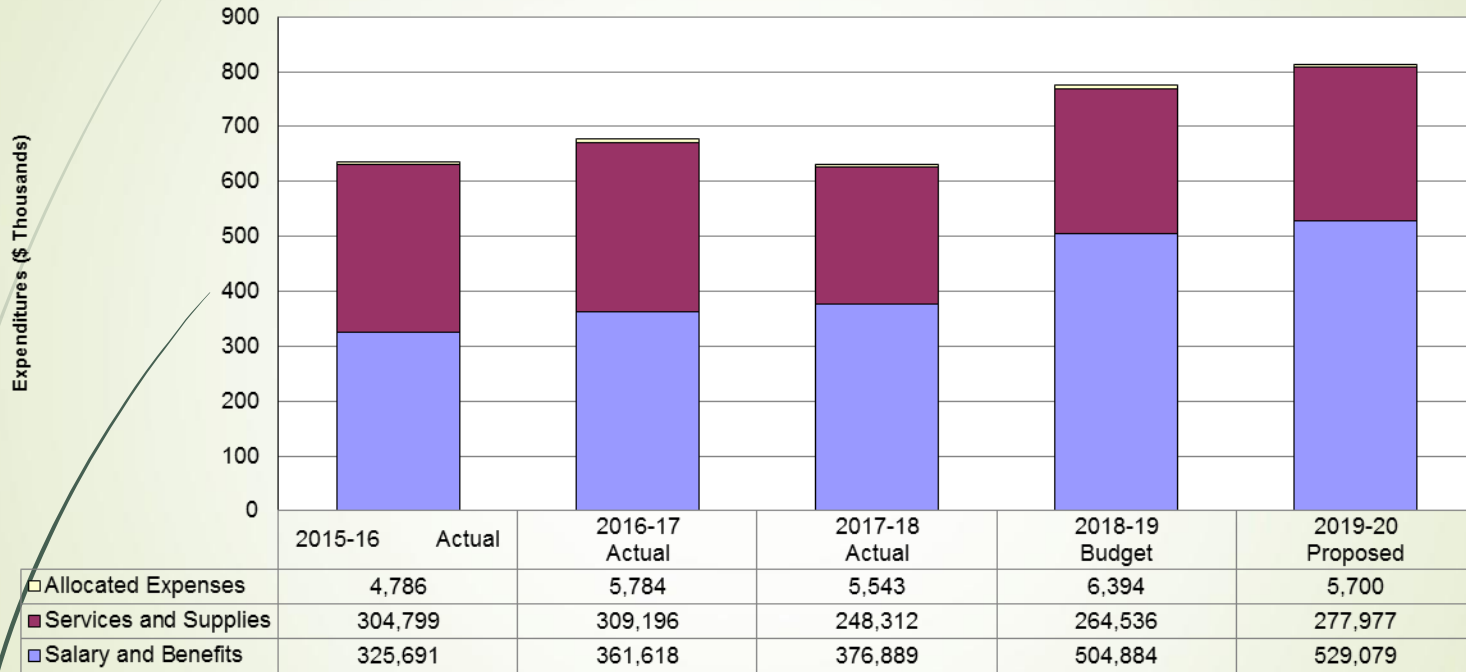


► Permit Technician

Recreation Services

(excludes enrichment grants)

**Trend in Expenditures
(\$ Thousands)**



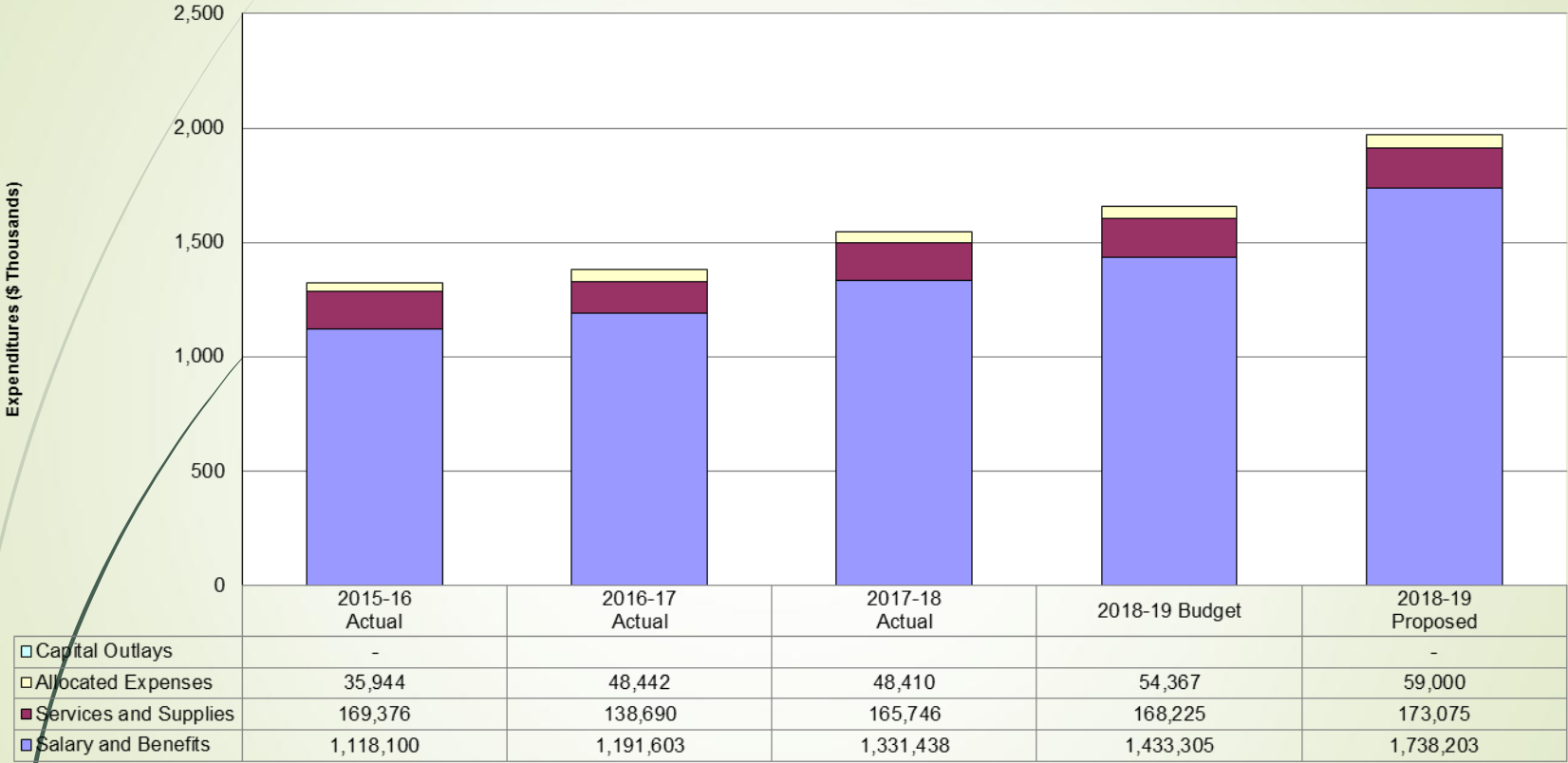
Program Funding Levels

Aquatics	\$283,045
Community Activities	\$40,632
Education	\$103,991
Recreation	\$184,560
Senior Programs	\$58,934

Total
\$671,162;
excludes pool
maintenance

Fire Services

Trend in Expenditures
(\$ Thousands)

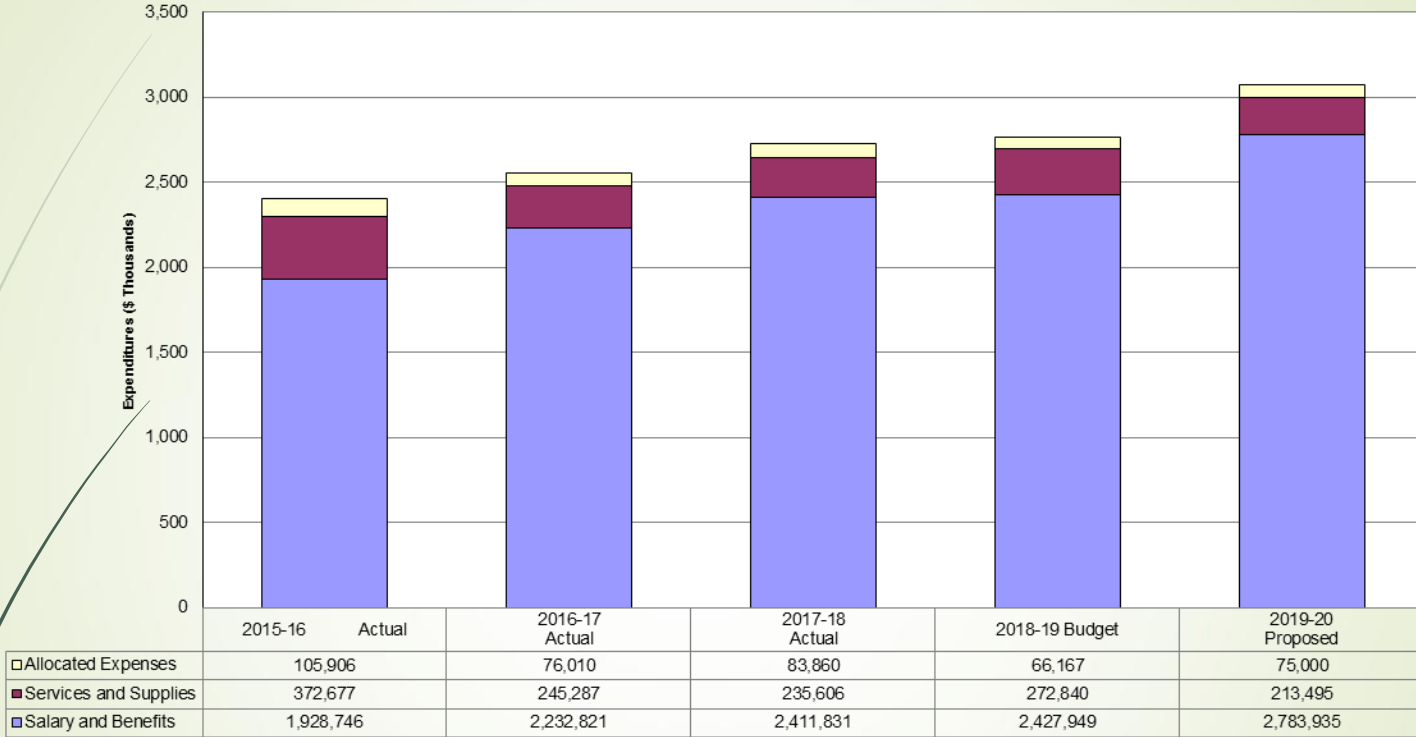


Salary & Benefits Increase of \$304,898

- Full year of Koff Study for both full-time and part-time
- PERS increase of \$78k
- Part-time Salaries increase of \$98K

Police Services

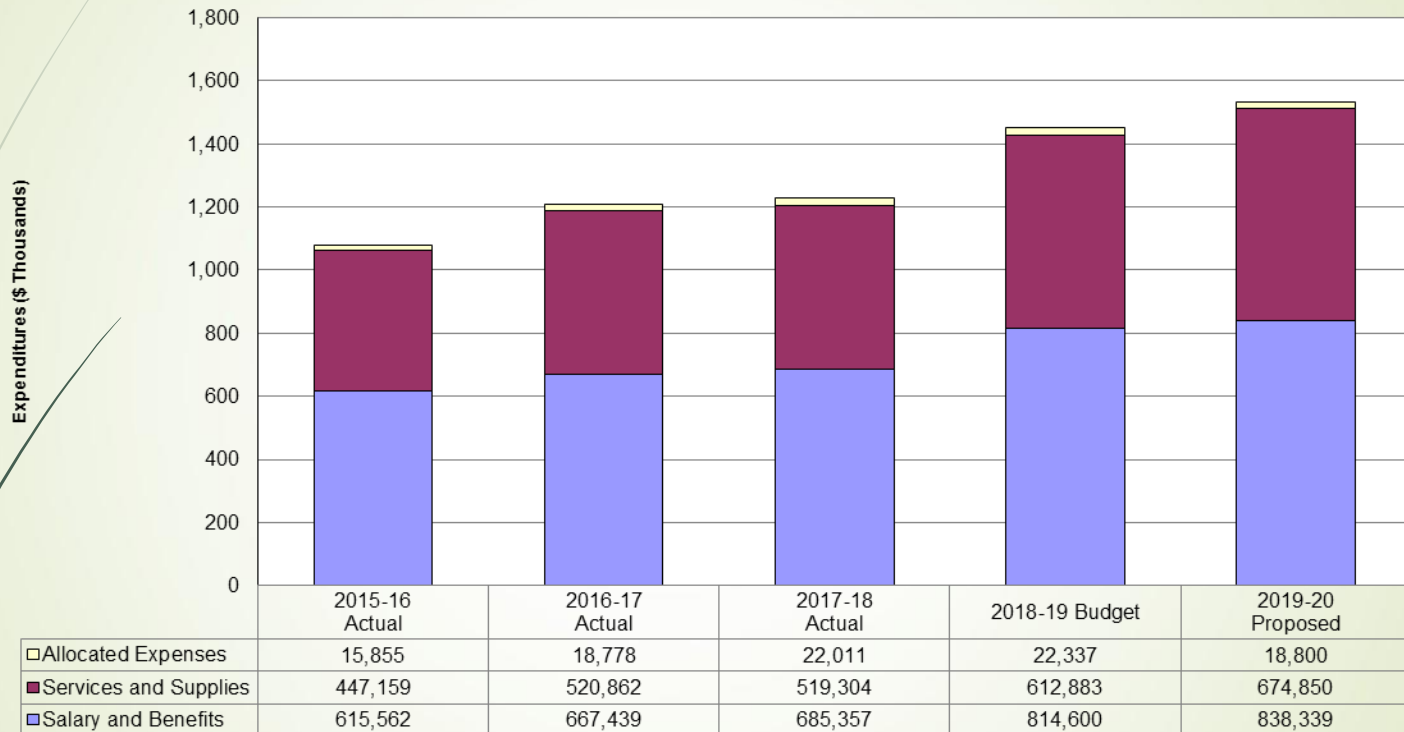
Trend in Expenditures
(\$ Thousands)



► Fy 19-20 Fully staffed department

Public Works Services

**Public Works
Trend in Expenditures
(\$ Thousands)**



- Tree Work
- Pool Facility increase in contract services
- Building Facility increase in janitorial services

General Fund Sources & Uses

Draft FY 2019-20

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Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Total Operating Revenues	11,536,408	317,925	11,854,333	11,672,185	-1.5%
Total Operating Expenditures	10,188,941	(10,798)	10,178,143	10,711,884	5.2%
Net Operating Surplus - Deficit	1,347,467	328,723	1,676,190	960,301	-42.7%
Other Sources	1,301,247	(184,165)	1,117,082	246,992	-77.9%
Capital Projects	3,489,750	(1,268,014)	2,221,736	2,645,000	19.1%
Net of Transfers	(616,283)	(943,796)	(1,560,079)	(297,918)	-80.9%
Net Fund Surplus - Deficit	(1,457,319)	468,776	(988,543)	(1,735,625)	
Beginning Fund Balance	7,208,811	1,066,910	8,275,721	7,287,178	
Ending Fund Balance	5,751,492	1,679,311	7,287,178	5,551,553	-23.8%

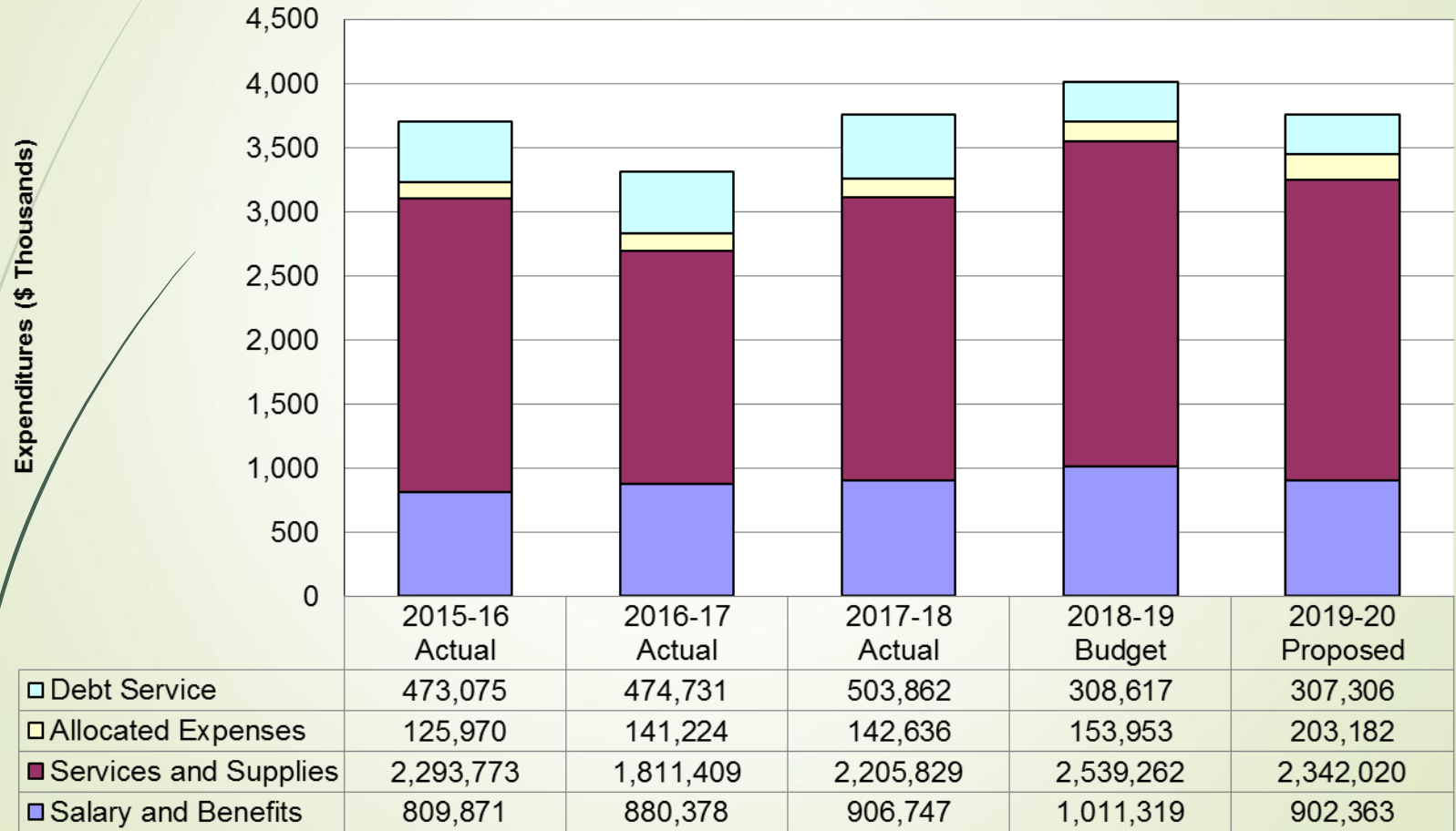
Water Fund Sources & Uses

Draft FY 2019-20

Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Total Operating Revenues	4,004,467	(829,602)	3,174,865	3,350,574	5.5%
Total Operating Expenditures	3,423,115	221,070	3,644,185	3,341,065	-8.3%
Net Operating Surplus - Deficit	581,352	(1,050,672)	(469,320)	9,509	-102.0%
Total Other Non Operating	(494,937)	128,016	(366,921)	(413,561)	12.7%
Net Transfers	237,352	212,139	449,491	545,000	21.2%
Net Fund Surplus - Deficit	323,767	(710,517)	(386,750)	140,948	-136.4%
Beginning Working Capital	727,097	(142,923)	584,174	197,424	-66.2%
Ending Working Capital	1,050,864	426,612	197,424	338,372	71.4%

Water Operations Services

Trend in Expenditures (\$ Thousands)



Water CIP Fund Sources & Uses Draft FY 2019-20

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Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Total Operating Revenues	358,743	(121,260)	237,483	204,800	-13.8%
Total Operating Expenditures	-	-	-	-	
Net Operating Surplus - Deficit	358,743	(121,260)	237,483	204,800	-13.8%
Total Other Non Operating	(1,621,831)	380,813	(1,241,018)	(204,800)	-83.5%
Net Transfers	282,648	155,661	438,309	-	-100.0%
Net Fund Surplus - Deficit	(980,440)	415,214	(565,226)	-	-100.0%
Beginning Working Capital	980,440	(415,214)	565,226	-	-100.0%
Ending Working Capital	-	-	-	-	

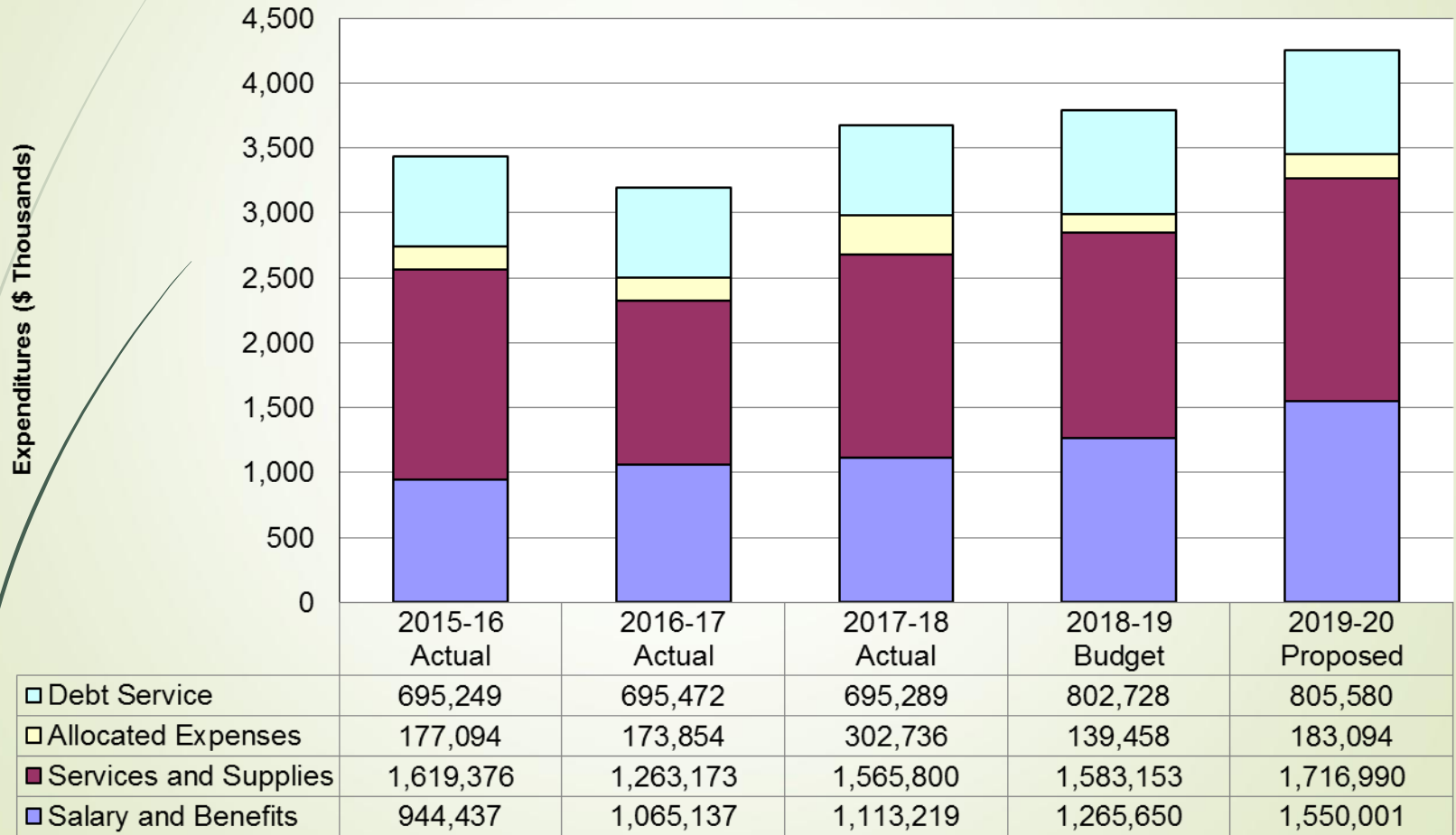
Wastewater Fund Sources & Uses Draft FY 2019-20

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Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Total Operating Revenues	2,824,747	85,297	2,910,044	3,227,624	10.9%
Total Operating Expenditures	3,096,793	(175,206)	2,921,587	3,345,940	14.5%
Net Operating Surplus - Deficit	(272,046)	260,503	(11,543)	(118,316)	925.0%
Total Other Non Operating	(732,572)	(136,830)	(869,402)	(909,725)	4.6%
Net Transfers	528,652	240,044	768,696	770,000	0.2%
Net Fund Surplus - Deficit	(475,966)	363,717	(112,249)	(258,041)	129.9%
Beginning Working Capital	1,017,229	39,291	1,056,520	944,271	-10.6%
Ending Working Capital	541,263	326,649	944,271	686,230	-27.3%

Wastewater Operations Services

**Trend in Expenditures
(\$ Thousands)**



Wastewater CIP Fund Sources & Uses

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Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Total Operating Revenues	923,448	(423,893)	499,555	550,500	10.2%
Total Operating Expenditures	-	-	-	-	
Net Operating Surplus - Deficit	923,448	(423,893)	499,555	550,500	10.2%
Total Other Non Operating	(2,207,500)	1,142,210	(1,065,290)	(1,160,000)	8.9%
Net Transfers	131,348	(135,044)	(3,696)	-	-100.0%
Net Fund Surplus - Deficit	(1,152,704)	583,273	(569,431)	(609,500)	7.0%
Beginning Working Capital	1,152,704	170,379	1,323,083	753,652	-43.0%
Ending Working Capital	-		753,652	144,152	-80.9%

Development Impact Fee Estimates

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	2 SFD- TBD	Silver Rose SFDS	Total Projected
Water	\$ 34,044	\$ 170,756	\$ 204,800
Wastewater	51,975	498,525	550,500
Cultural/Rec	6,856	58,144	65,000
Transportation	21,800	-	21,800
Fire	5,000	40,000	45,000
Police	1,330	40,000	41,330
City Administrative	6,000	-	6,000
Affordable Housing	-	-	
Total	\$ 127,005	\$ 807,425	\$ 934,430

Capital Projects General Fund

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Project Description	Amount	Source
Pavement Maintenance	\$ 1,450,000	General Fund, Measure T, SB 1 Road
Culvert - Feige Access Road	100,000	General Fund
Logvy Park	100,000	General Fund
Pedestrian Bridge at Gold	25,000	General Fund
Tennis Courts Improvements	30,000	General Fund
Public Works Corp Yard	180,000	General Fund
Community Pool	200,000	GF/Capital Lease 2007 Financing
City Hall Remodel	15,000	General Fund
Railroad Tracks Repurpose	5,000	General Fund
Pioneer Cemetery	40,000	General Fund
Access Facility & Sidewalk	100,000	General Fund
Oat Hill Mine Trail	300,000	General Fund/ Prop 68 Parks Grant
Vine Trail Design(\$87,000)		
Downtown Beautification	100,000	General Fund

Pavement Maintenance

➤ Garnett Creek to Greenwood	\$1,100,000
➤ Silverado Trail – Hawk Signal	\$250,000
➤ Design (FY 2020-21 Projects)	\$100,000
➤ Total	\$1,450,000

Capital Projects Water

Project Description	Amount	Source
Distribution:		
Automatic Meter Read Program	\$ 60,000	Water Connection Fees
Treatment:		
THM/HAA5	10,000	Water Connection Fees
Bypass Structure -	50,000	Measure A
Total Capital Projects	\$ 120,000	

Capital Projects Wastewater

Project Description	Amount	Source
Collection:		
Sewer System Assessment & Master	75,000	Wastewater Connection Fees
Sewer Lateral Replacement	5,000	Wastewater Connection Fees
Palisades Life Station Repairs	600,000	Wastewater Connection Fees
Treatment:		
Geothermal Water Meters	280,000	Wastewater Connection Fees
Recycled Water Pump & Installation	25,000	Wastewater Connection Fees
Tank Removal, Air Leak Repair	75,000	Wastewater Connection Fees
Riverside Ponds River Restoration	100,000	Wastewater Connection Fees
Total Capital Projects	\$ 1,160,000	

Capital Projects Special Revenue Funds

Project Description	Amount	Source
Bicycle Riverside Pedestrian	\$ 175,000	TDA Grant/General Fund
Bicycle Education Activity	4,798	TDA Grant
Lincoln Brannan Street Crosswalk	58,701	TDA Grant/General Fund
Pioneer Park Pedestrian	60,000	TDA Grant
Foothill/Petrified Forest Signal	29,918	TDA Grant
Foothill/Petrified Forest Signal	45,082	Traffic Impact Fees
Total Capital Projects	\$ 373,499	

Equipment Replacement Fund Sources and Uses FY 2019-20

Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed Budget FY 19-20	% Change
Total Operating Revenues	495,165	(132,714)	362,451	462,104	27.5%
Total Operating Expenditures	447,165	(70,064)	377,101	399,000	5.8%
Net Operating Surplus - Deficit	48,000	(62,650)	(14,650)	63,104	-530.7%
Total Other Non Operating	(405,045)	(505,691)	(910,736)	(288,548)	-68.3%
Net Transfers	447,640	256,056	703,696	352,943	-49.8%
Net Fund Surplus - Deficit	90,595	(312,285)	(221,690)	127,499	-157.5%
Beginning Working Capital	713,441	(33,987)	679,454	457,764	-32.6%
Ending Working Capital	804,036	-	457,764	585,263	27.9%

Equipment & Information Technology Projects

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Funding Source	Amount	Project
Equipment Replacement Fund	\$ 54,605	Computers, Software, Annual Subscriptions
Fire Fee	16,000	Fire Station Vehicle
Police Fee	75,000	Mobile Data Terminals
Water Connection Fees	106,500	Software, Mini Excavator, Meters Pumps, SCADA Updates
Wastewater Connection Fees	104,145	Software, Mini Excavator, Meters Pumps, SCADA Updates Blower
General Fund	151,943	Rims, Sun iCompass, Parks and Rec & Finance Software Reserves Mini Excavator, Portable Generator
HMGP Grant	132,429	Portable Generator
Total Equipment & Information	\$ 640,622	

Setting aside funding for upcoming needs –

- Financial Software Replacement \$50k

Special Revenue Funds Sources and Uses

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Category	Revised Budget FY 18-19	Revisions 06/30/19	Final Estimated FY 18-19	Proposed FY 19-20	% Change
Total Operating Revenues	1,804,031	389,303	2,193,334	1,938,432	-11.6%
Total Operating Expenditures	1,542,242	916,518	2,458,760	588,098	
Net Operating Surplus - Deficit	261,789	(527,215)	(265,426)	1,350,334	-608.7%
Total Other Non Operating	(373,902)	-	(373,902)	(373,902)	0.0%
Net Transfers	298,218	281,455	579,673	82,086	-85.8%
Net Fund Surplus - Deficit	186,105	(245,760)	(59,655)	1,058,518	-1874.4%
Beginning Working Capital	8,343,999	39,915	8,383,914	8,324,259	-0.7%
Ending Working Capital	8,530,104	(372,201)	8,324,259	9,382,777	12.7%

Community Funding Requests

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Entity Requesting:	Revised Budget	Requested
	FY 18-19	FY 19-20
General Fund:		
Family Center	10,000	10,000
Family Center - Senior Needs	20,000	20,000
Family Center - Immigration Assistance	30,000	30,000
One Napa Valley Initiative	3,333	3,333
Fairgrounds in kind parade	16,500	7,500
Boys and Girls Club	45,485	40,000
Family Center (Youth Diversion)	25,000	25,000
Crossing Guard	8,000	8,000
	\$ 158,318	\$ 143,833

Community Funding Requests (cont.)

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Entity Requesting:	Revised Budget FY 18-19	Requested FY 19-20
General Fund:		
Petaluma Animal Services	35,000	48,000
Community Survey	1,200	-
Napa County Housing Authority	30,560	45,000
Community Action Senior Nutrition Program	3,500	3,500
Fair Housing Napa Valley	12,000	12,000
Enrichment Grants - Proposed (Requested - \$110,100)	23,015	30,000
Active Transportation	500	2,500
Calistoga Affordable Housing	10,000	10,000
NYTA Annual Membership	-	7,288
Total Community Funding Requests	\$ 115,775	\$ 158,288

Debt Schedule

Total Debt FY 2019-20

	Original Issue Amount	Balance 7/1/2019	Principal Pymts	Interest Pymts	Total	Principal Balance 6/30/2020
Water Fund 2.5% to 5.0%	\$ 7,655,000	\$ 6,504,852	\$ 231,000	\$ 206,102	\$ 437,102	\$ 6,273,852
WWTP Fund 2.6% to 5.0%	10,624,999	6,409,819	589,786	171,988	761,774	5,820,033
General Fund 2.44%	3,870,413	2,918,116	306,108	67,794	373,902	2,612,008
TOTAL Debt	\$ 22,150,412	\$ 15,832,787	\$ 1,126,894	\$ 445,884	\$ 1,572,778	\$ 14,705,893

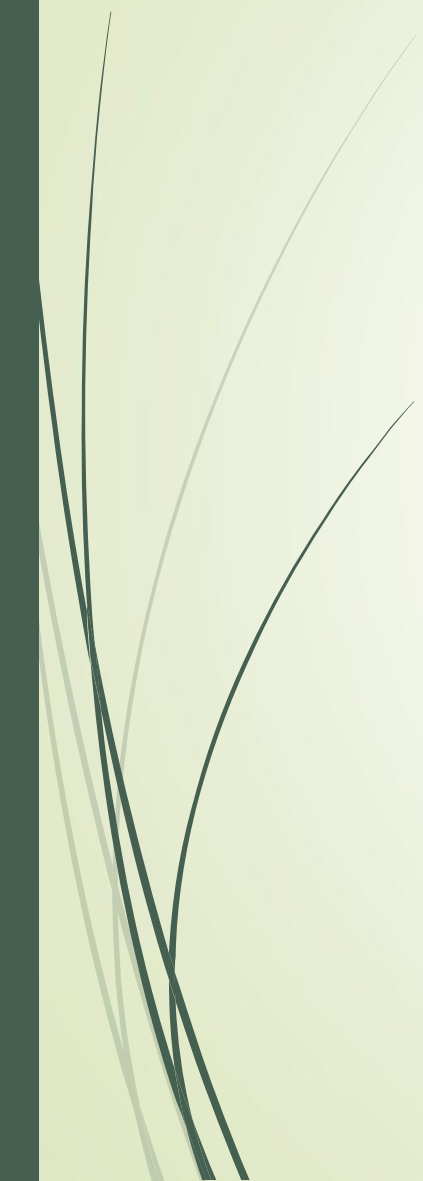
General Fund Reserves

	Amount	% of Revenues
June 30, 2010	933,576	14%
June 30, 2011	16,911	.2%
June 30, 2012	646,165	10.4%
June 30, 2013	1,858,588	29.1%
June 30, 2014	4,655,035	70.4%
June 30, 2015	6,342,504	88.6%
June 30, 2016	6,985,347	82.6%
June 30, 2017	8,455,573	82.7%
June 30, 2018	8,275,721	82.8%
June 30, 2019 (est.)	7,287,178	71.6%
June 30, 2020 (est.)	5,551,553	50.0%

FY 2019-20 Projected Budget

	General Fund	Water Fund	Water Capital	WWTP Fund	WWTP Capital	Equip Replc	Special Revenue
Revenues	11,672,185	3,350,574	204,800	3,227,624	550,500	462,104	1,633,126
Expenditures	10,711,884	3,341,065	-	3,345,940	-	446,000	214,599
Net Surplus/Deficit	960,301	9,509	204,800	(118,316)	550,500	16,104	1,418,527
Other Sources	246,992	245	50,000	-	-	132,429	305,306
Capital Projects Expenses	(2,645,000)	-	(120,000)	-	(1,160,000)	-	(373,499)
Equipment Purchases	-	(106,500)	-	(104,145)	-	-	-
Debt Payments	(373,902)	(307,306)	(134,800)	(805,580)	-	(373,977)	(373,902)
Transfers In	723,927	20,000	-	-	-	218,942	942,095
Transfers Out	(647,943)	-	-	-	-	-	(860,009)
Add non-cash Depreciation	-	525,000	-	770,000	-	134,000	-
Total Net Chg FY 19-20	(1,735,625)	140,948	-	(258,041)	(609,500)	127,498	1,058,518
Beg Fund Balance 07/01/19	7,287,178	197,424	-	944,271	753,652	457,764	8,324,259
End Fund Balance 06/30/20	5,551,553	338,372	-	686,230	144,152	585,262	9,382,777
Total City-Wide Fund Balances 07/01/19			17,964,548				
Total City-Wide Fund Balances 06/30/20			16,688,346				

City Council and Public Input



NEXT STEPS – CM Wrap-Up

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- DATES TO REMEMBER
 - June 18,2019 City Council Regular Meeting
 - Budget Adoption 6:00 p.m.