

CITY OF LIVINGSTON

2021/22 City Manager Proposed Budget

Budget Workshop #1

May 19, 2021



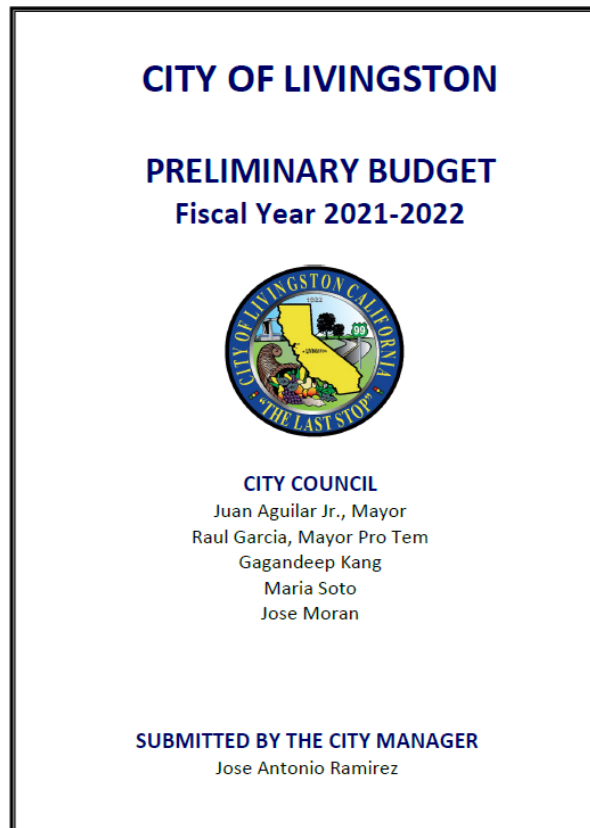
OVERVIEW

- “Budget Book” Contents
- Budget Terminology
- Budget Process
- Highlights:
 - General Fund
 - Department’s Supported by GF
- Next Steps



Also available online: www.cityoflivingston.org

The “Budget Book”



- Introduction
- Fund Descriptions
- Budget Summaries
- Operations
- Projects, Vehicles, Equipment, & Improvements
- Miscellaneous

Budget Terminology

FULL SERVICE CITY

Most city services are provided in-house.

Revenue Types

- **Discretionary** – available for use at the discretion of the City Council

Sales Tax (Except Measure V), Property Tax, Transient Occupancy Tax, Franchise Fees and Business License Fees

- **Non-Discretionary** – earmarked for a specific purpose – not at the discretion of the City Council

Grant funds, Gas Tax funds, Assessments for LMD's and BAD's, Utility Revenue



Budget Terminology (continued)

Expenditure Types

- **Personnel** – wages and benefits of FT and PT personnel.
- **Maintenance & Operations** – all other costs not related to personnel services.
E.g.: utilities, contracted services, vehicle maintenance, postage, telephones.
- **Vehicle, Equipment, Improvements** – costs related to special items or projects.
E.g.: purchase of vehicle or forklift, major structural improvements.

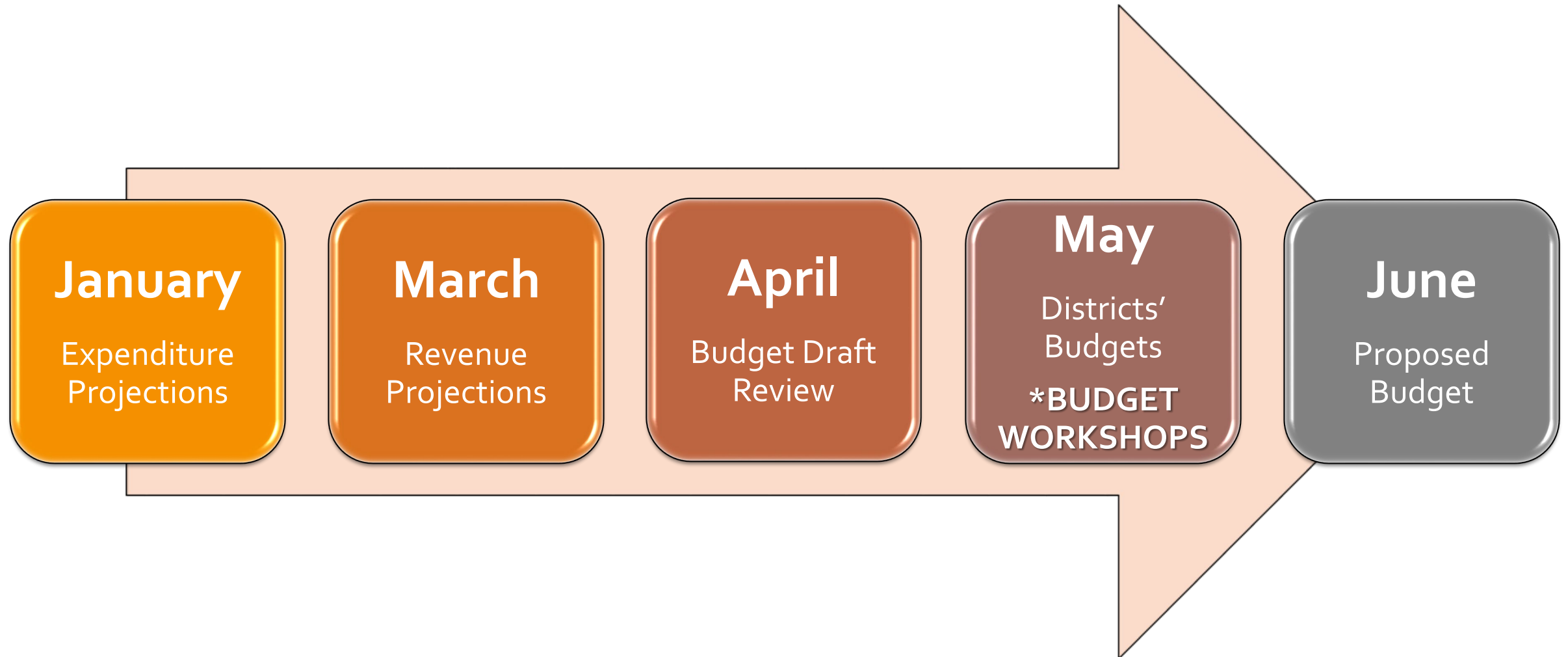
Fund Balance

Fund's excess resources.

- **Assigned** – specific to a certain expenditure. E.g.: Pension liability, debt service.
- **Unassigned** – available for use at the discretion of the City Council.



Budget Process



PROPOSED BUDGET 2021/22

HIGHLIGHTS



BUDGET ASSUMPTIONS

REVENUE

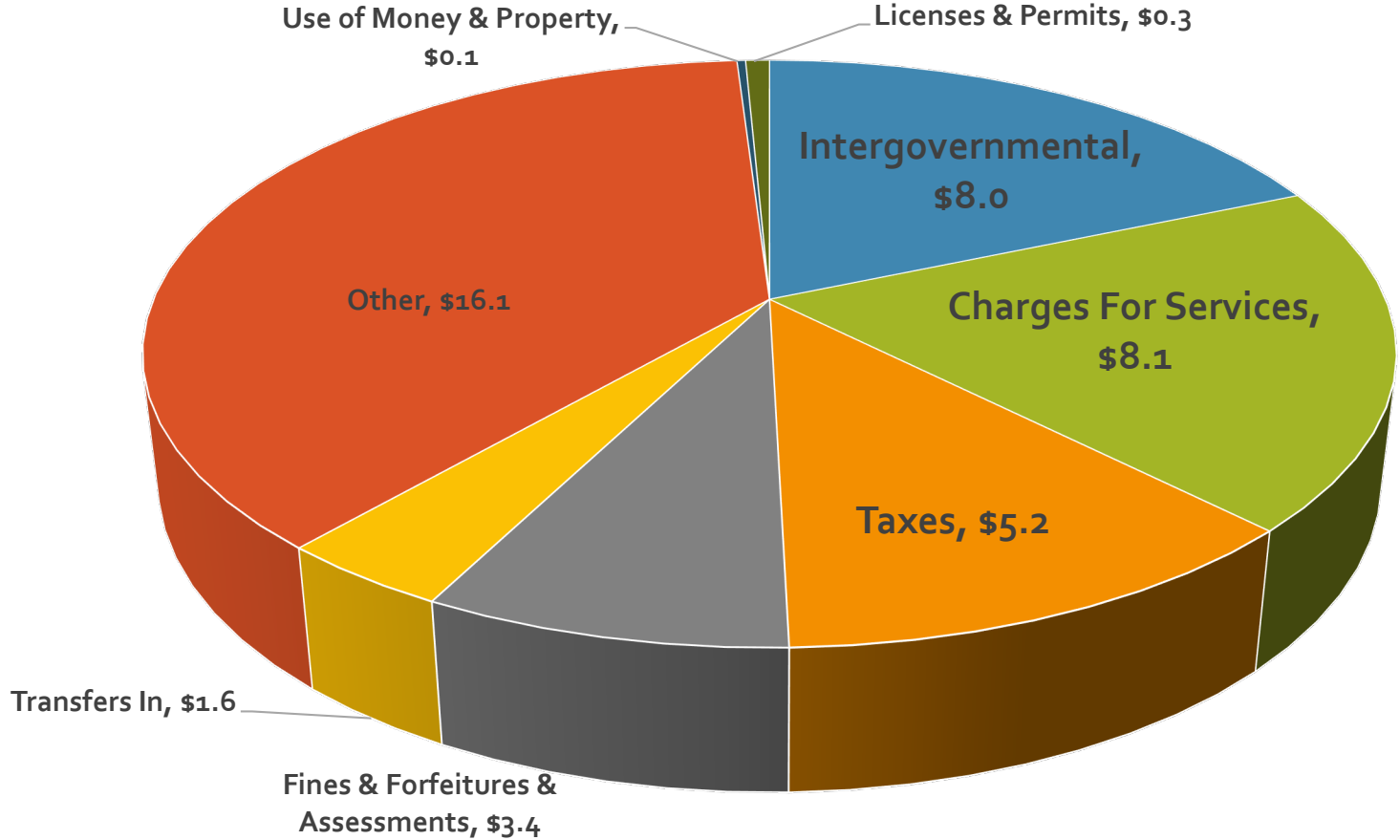
- ✓ Available estimates for Property and Sales Taxes
- ✓ Removed one-time funding
- ✓ Known grants

EXPENSE

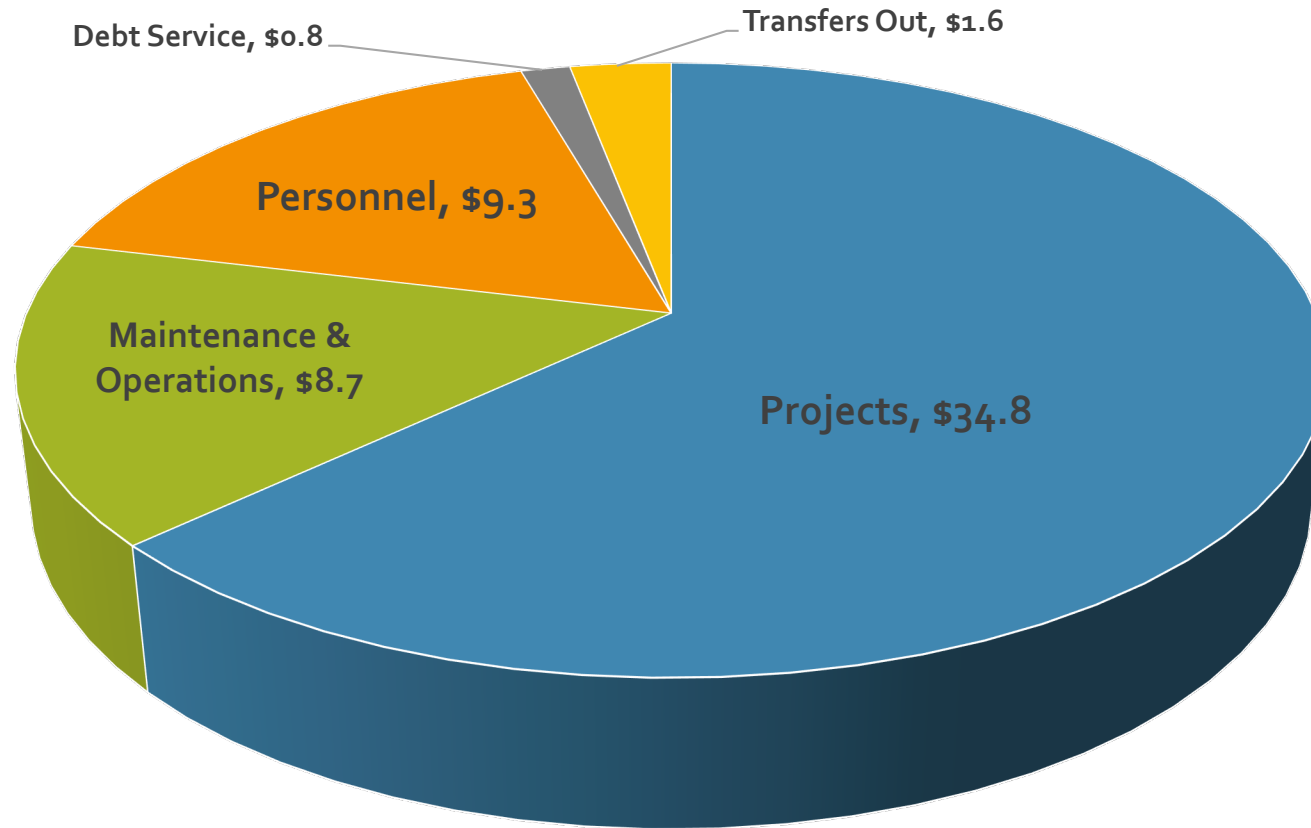
- ✓ Salaries: Known changes in Personnel Benefits (e.g.: pension, health, insurance) + requested staffing + major events (e.g.: retirements during FY)
- ✓ Maintenance & Operations: Applied known costs changes + 2% growth
- ✓ Projects: Removed one-time projects completed and added new projects
- ✓ Debt Service: Included payments based on schedules.



Revenues – All Funds (\$42.9 mil)



Expenditures – All Funds (\$55.3 mil)



Major Projects – New or Continuing

- CDBG Sewer Line Replacement **\$2.9mil**
- Well #8 & 9 Repairs/Replacement **\$2.8mil**
- Hammatt & Campbell Improvements **\$1mil**
- Alley Paving Projects **\$753k**
- Meter Replacements & Equip **\$222k**

General Fund

- Police Station Dispatch System Replacement **\$125k**
- Watch Guard Camera Replacement **\$46k**
- Electric Box Switch Replacement **\$30k**
- Misc Equip (Parks machinery/equip) **\$15k**

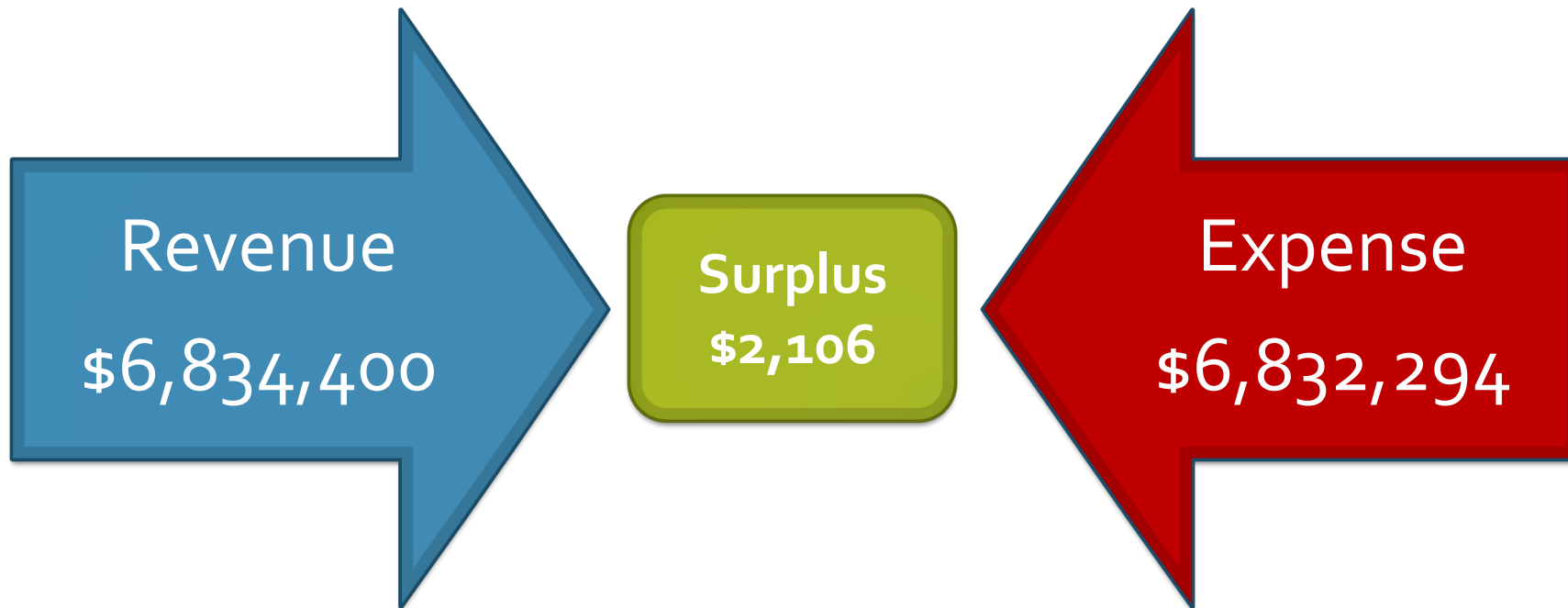


PROPOSED BUDGET 2021/22

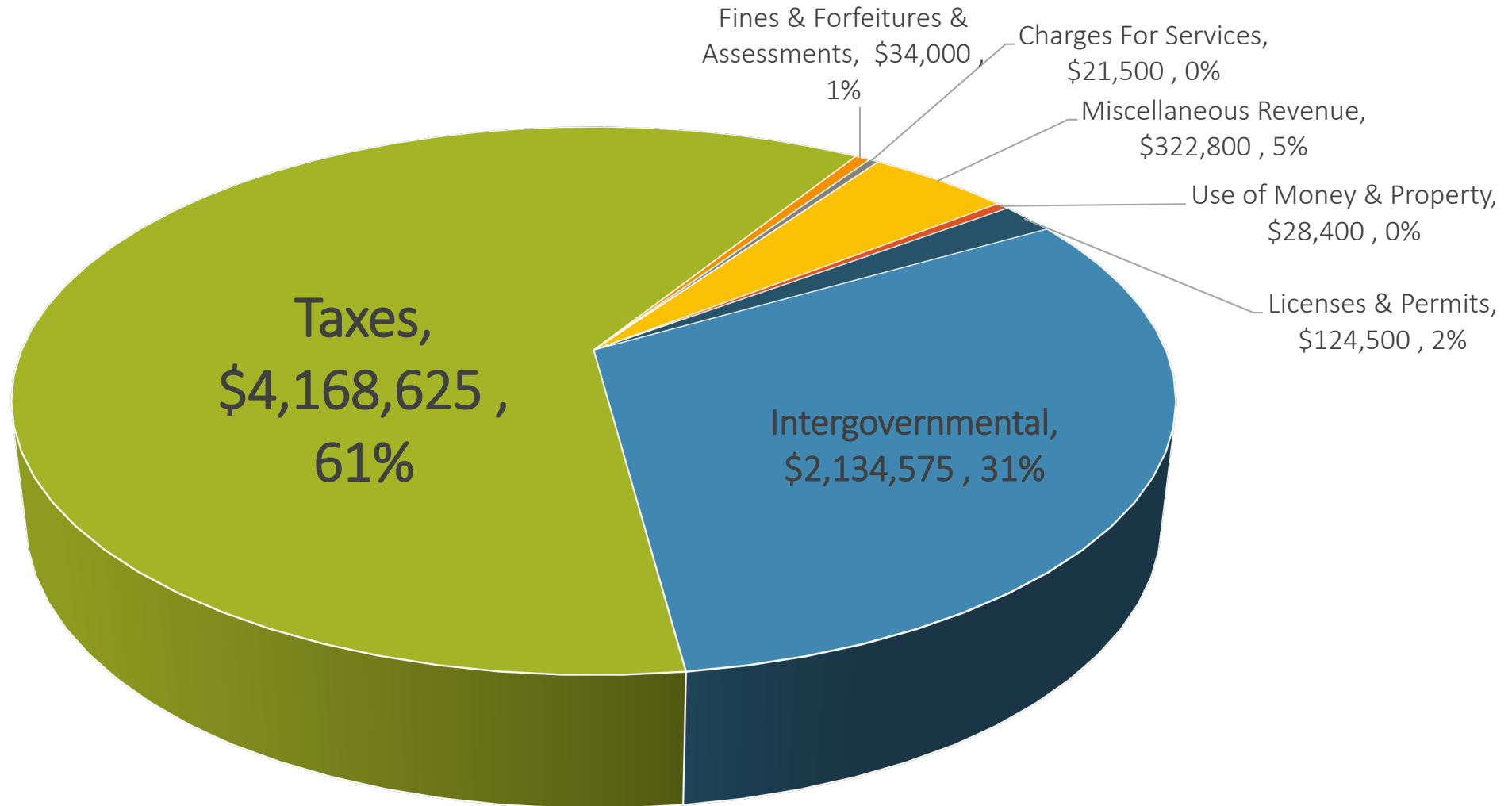
GENERAL FUND



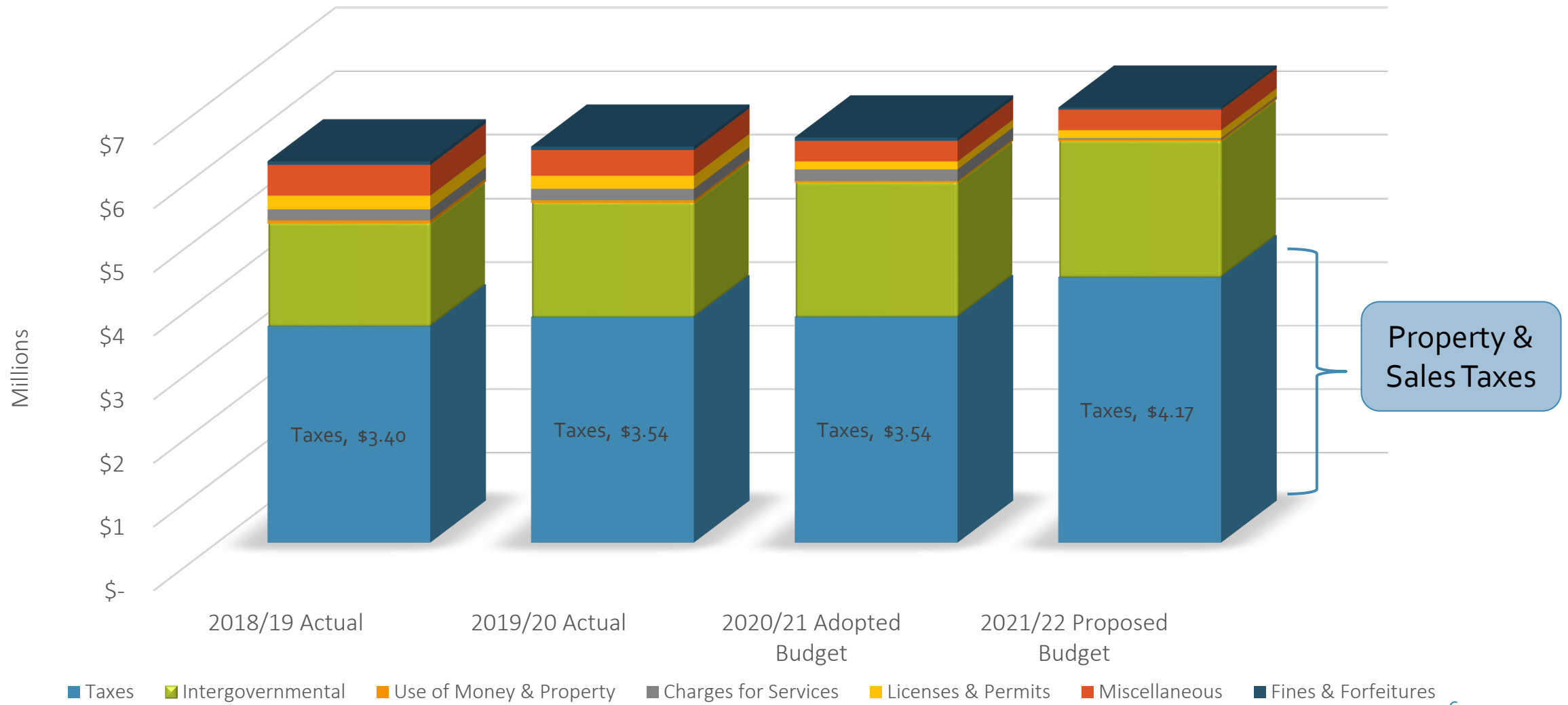
General Fund – Overview FY2021/22



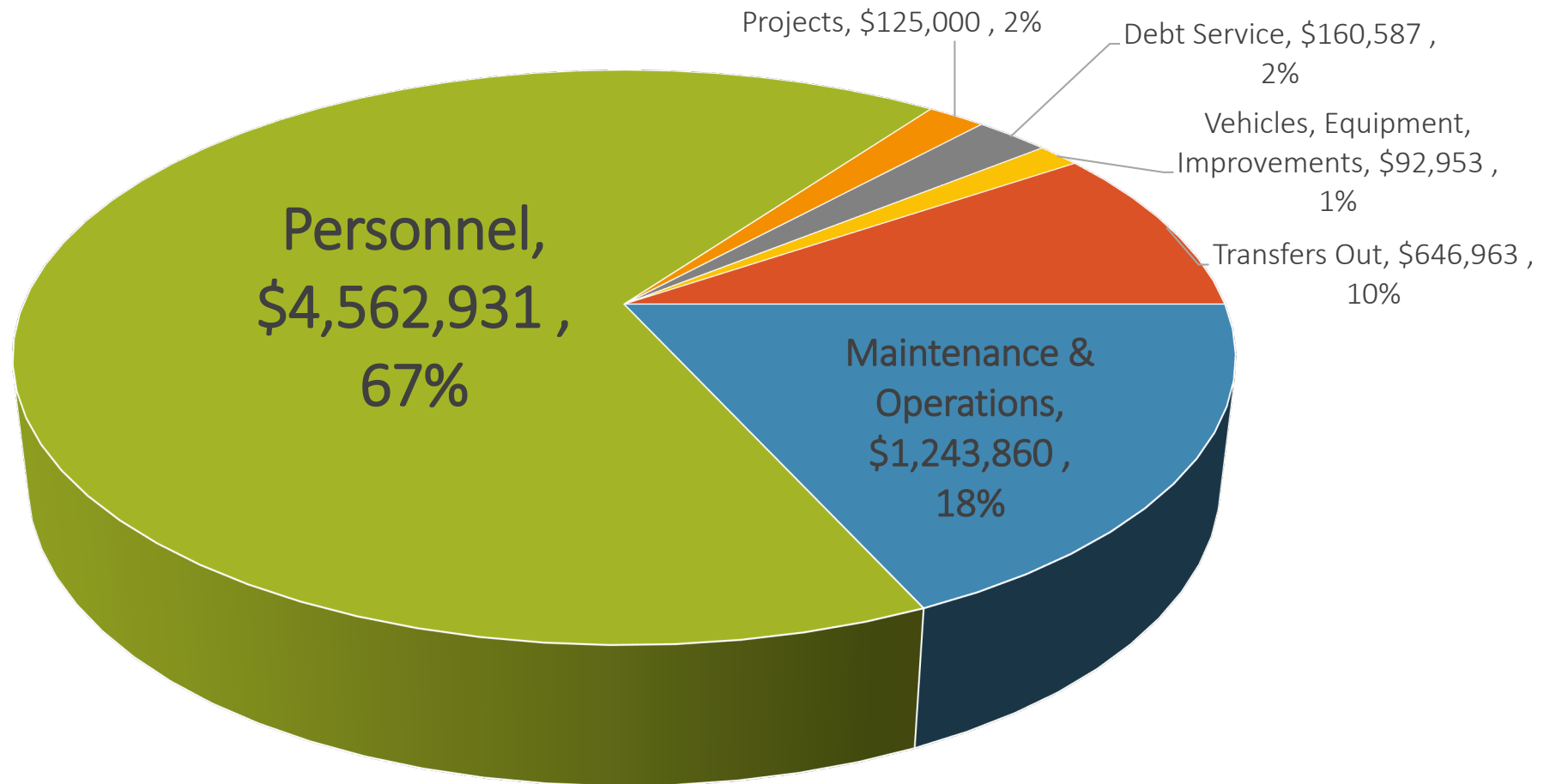
Revenues – General Fund (\$6.8 mil)



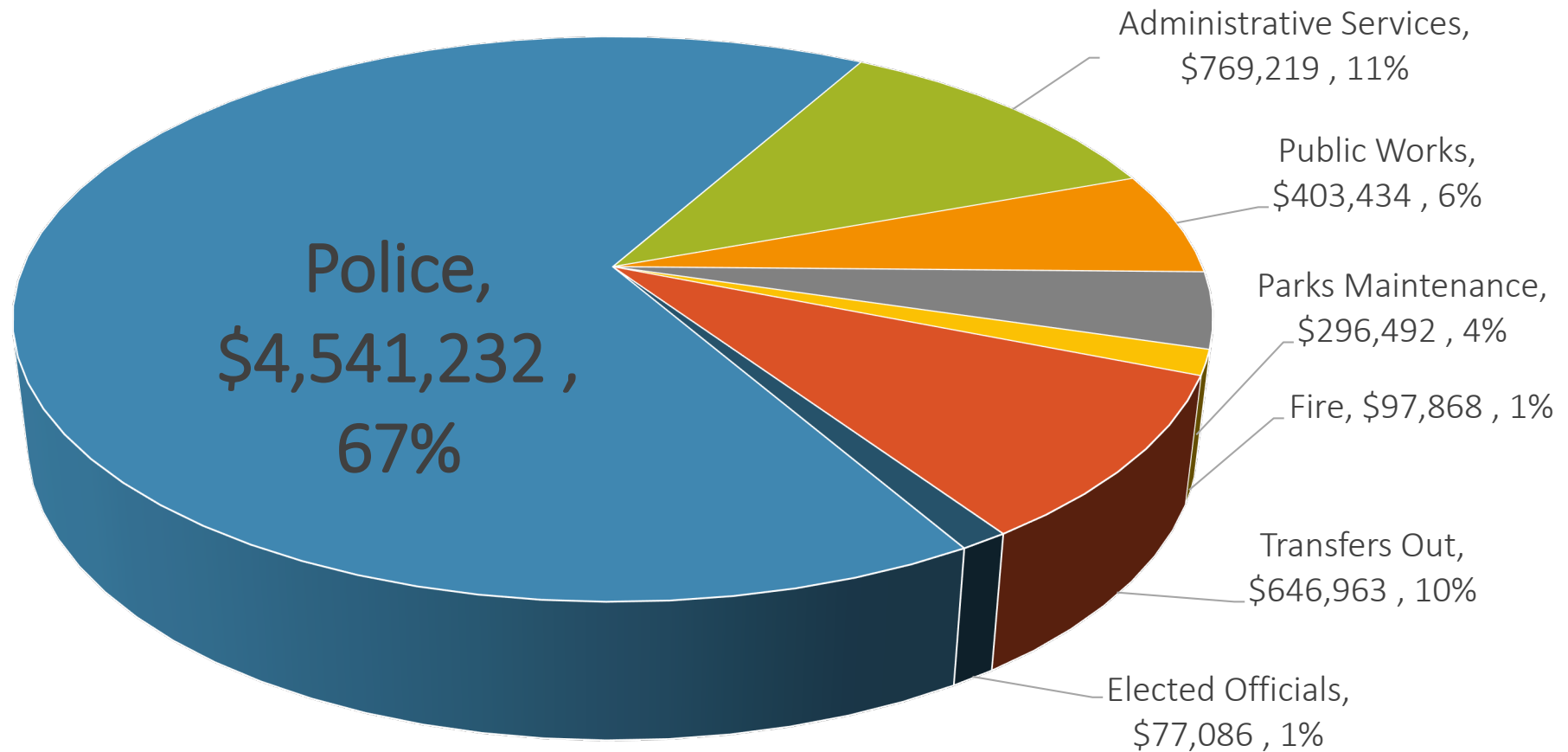
General Fund – Revenue Trends



Expenditures by Category General Fund (\$6.8 mil)



Expenditures by Department General Fund (\$6.8 mil)



Officers per 1,000 Residents

City	City Population	# of Officers Fiscal Year 2020/21	Officers Per 1,000 Residents
Merced	90,971	57.3	1.59
Los Banos	42,869	24	1.79
Atwater*	31,810	19	1.67
Livingston**	15,448	10	1.54
Chowchilla	17,512	13	1.35

*Patrol Officer

**Does not include 2.0 Reserves (unpaid) which brings the Per Capita Ratio to 1.29

Per Resolution 2005-98 adopted on September 2005.



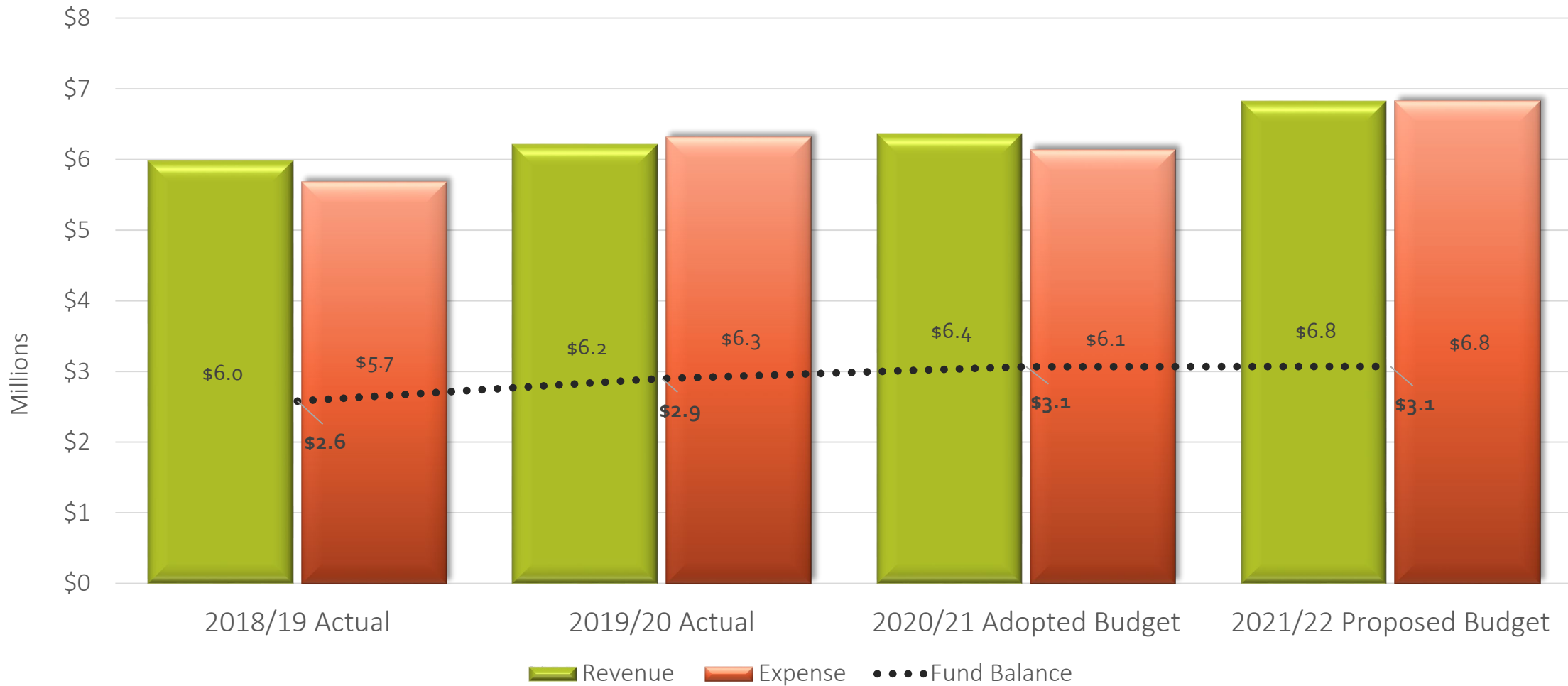
General Fund Reserves

Fiscal Year	Beginning Balance	Ending Balance	Increase/ (Decrease)
FY 2019/20 (Actual)	\$2,581,168	\$2,865,903	\$284,735
FY 2020/21 (Est)	\$2,865,903	\$3,068,083	\$202,180
FY 2021/22 (Est)	\$3,068,083	\$3,070,189	\$2,106

FB Reserves = 45% of Operating Expenses or 5 months.



General Fund – Revenue vs Expense & Fund Balance



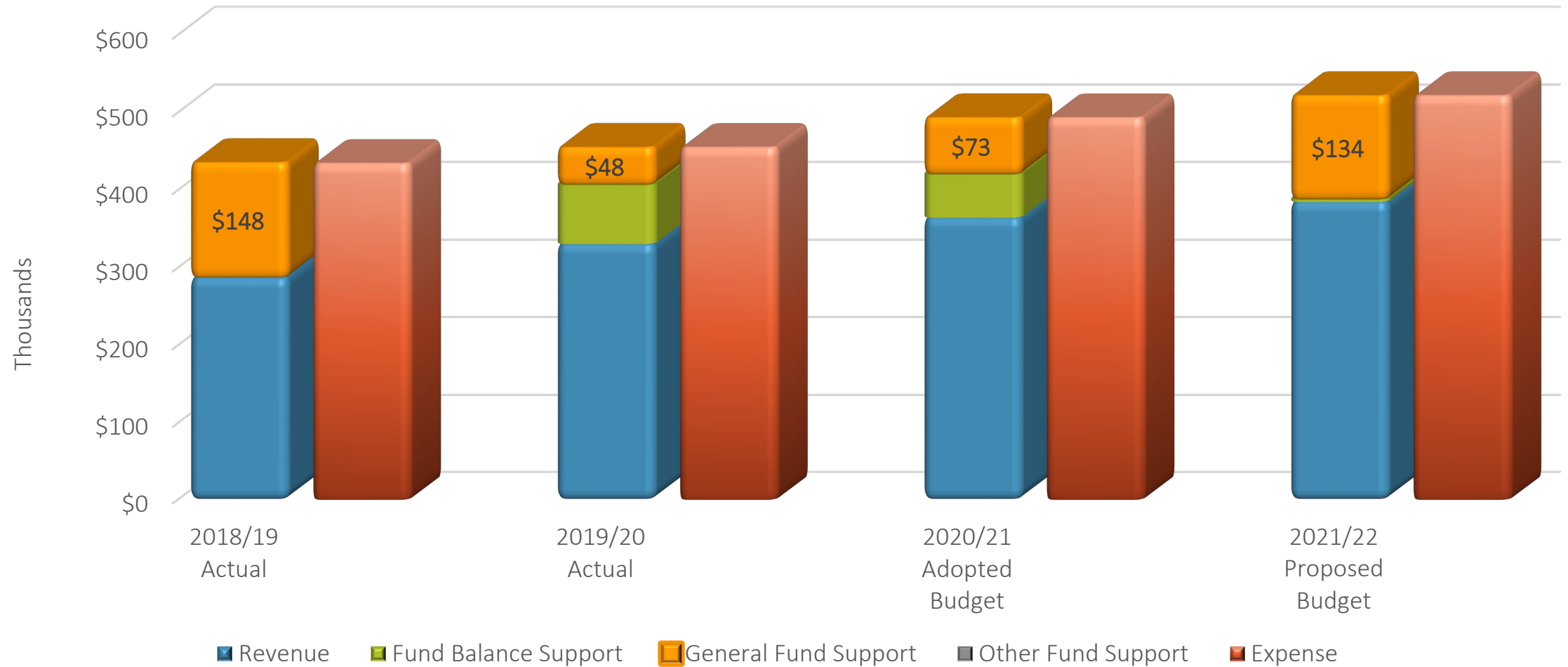
PROPOSED BUDGET 2021/22

GAS TAX FUND



Gas Tax Fund

Revenue and General Fund Support vs Expense

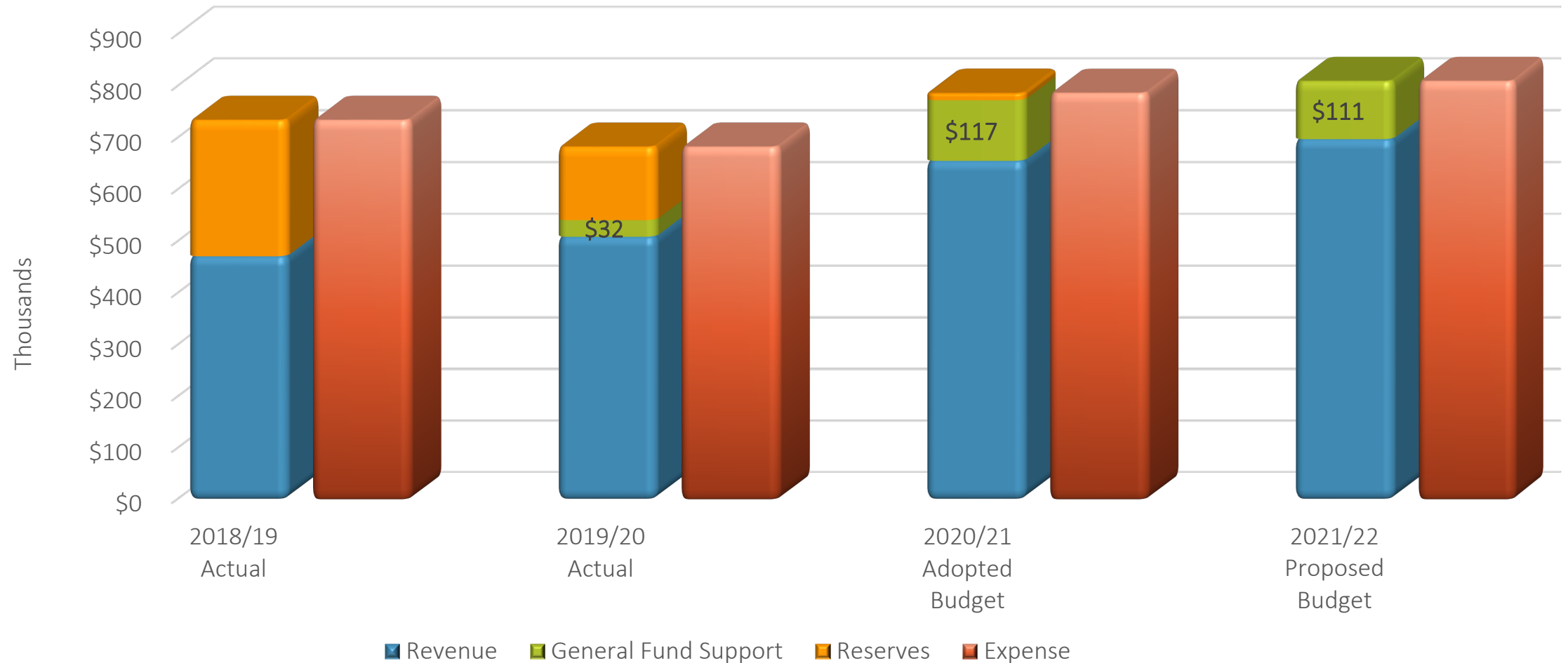


PROPOSED BUDGET 2020/21

COMMUNITY DEVELOPMENT



Community Development Fund Revenue and General Fund Support vs Expense

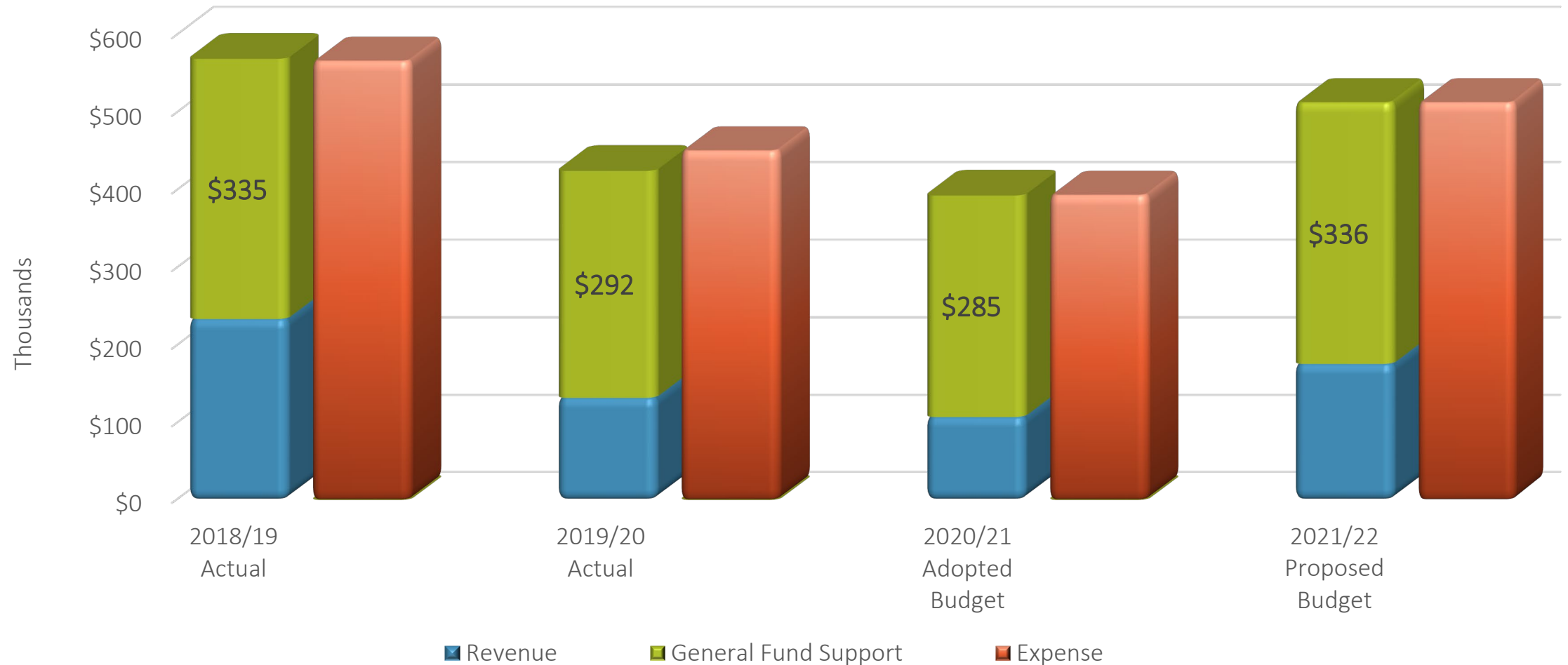


PROPOSED BUDGET 2020/21

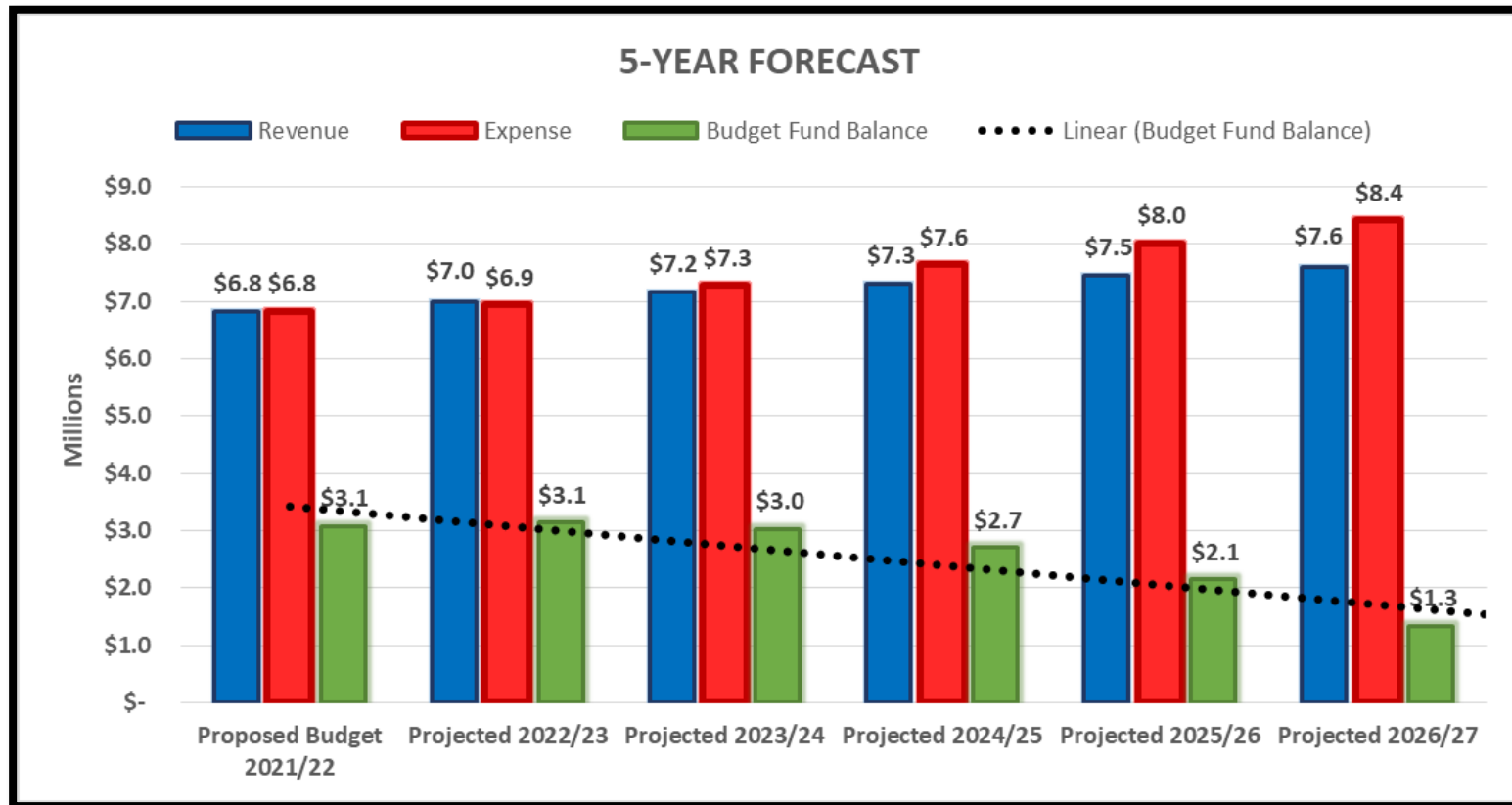
RECREATION



Recreation Fund Revenue and General Fund Support vs Expense



5-YEAR FISCAL MODEL



FUTURE CHALLENGES/OPPORTUNITIES

REVENUE

- Tax Sharing Agreement with County

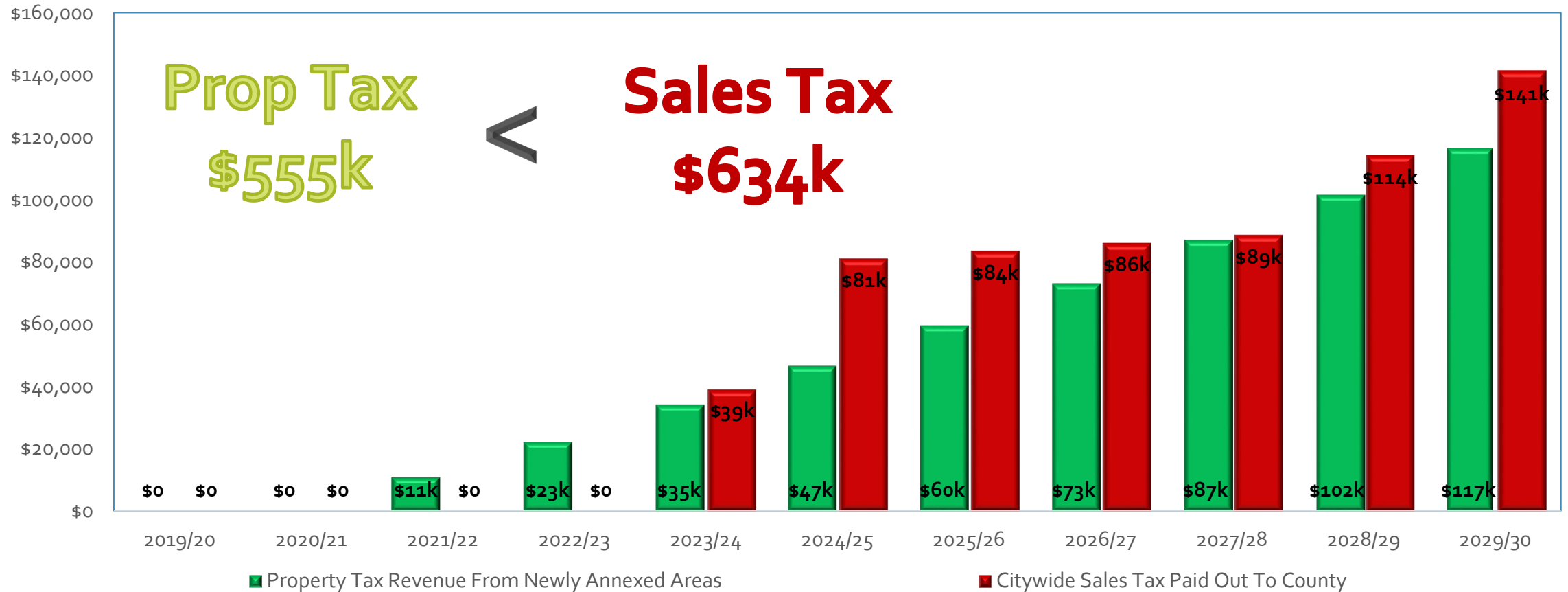


REVENUE SHARING AGREEMENT

2018 PROPOSALS

County Proposal 11/14/2018	City
County retains 100% of base and increment from Fire Fund	County retains 100% of base and increment from Fire Fund
County retains 100% of base and splits increment 75% County and 25% City	City ERAF is subtracted from 100% of base and increment and then 50% To County and 50% To City
Through December 31, 2021 City would share 2.5% of City's 1%	No sharing of sales tax
Effective January 1, 2022 City would share 5% of the City's 1%	No sharing of sales tax
Ten (10) Year Agreement with 180 days prior written notice before the end of any fiscal year	Ten (10) Year Agreement with 180 days prior written notice before the end of any fiscal year
Cancellation of the agreement will not affect County receiving a share of the sales tax or property tax	No sharing of sales tax
City will agree to participate in future discussions to establish an agricultural mitigation program for productive agricultural land converted to urban development	City will agree to participate in future discussions to establish an agricultural mitigation program for productive agricultural land converted to urban development
City will agree to communication and coordination with County on General Plan Policies	City will agree to communication and coordination with County on General Plan Policies

Revenue Sharing Agreement Fiscal Projections



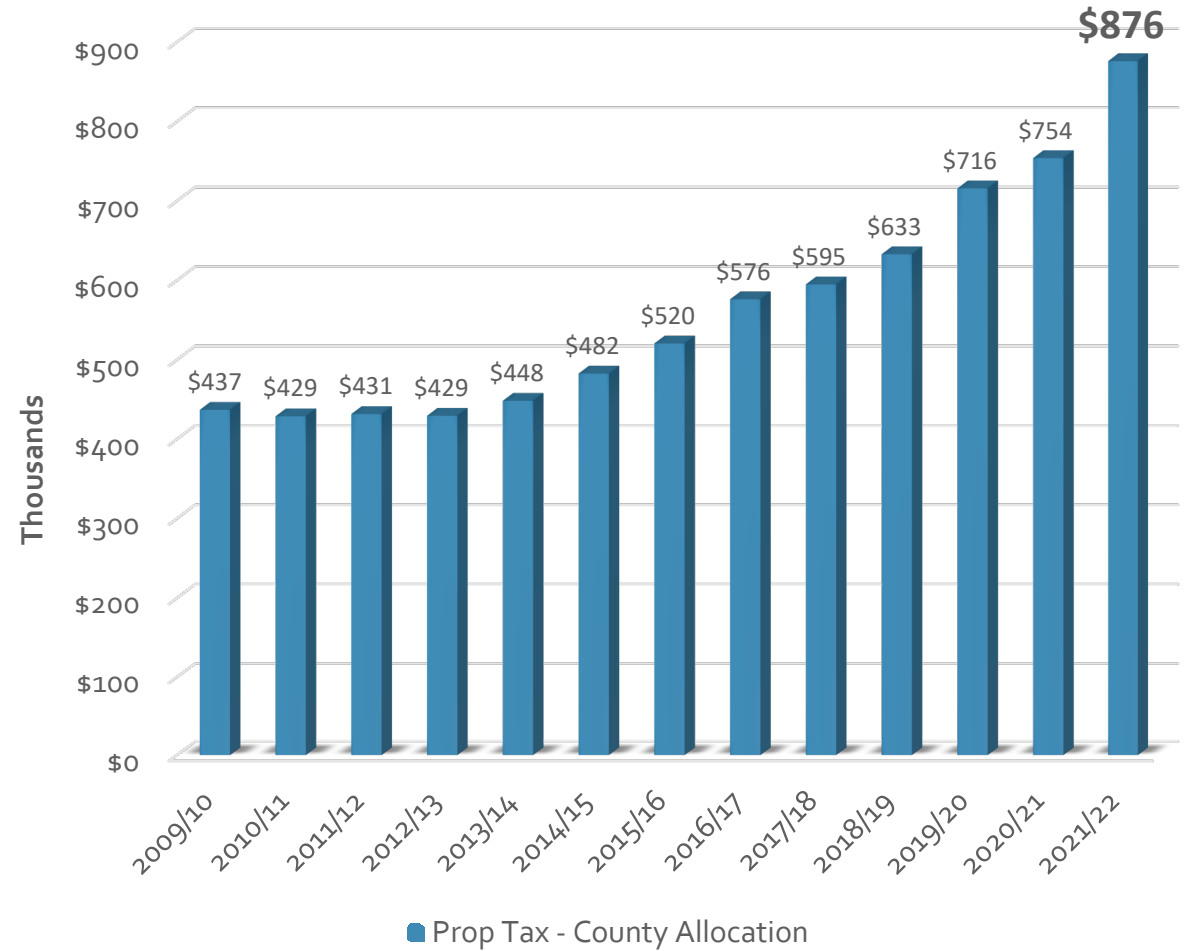
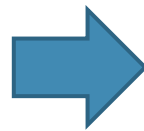
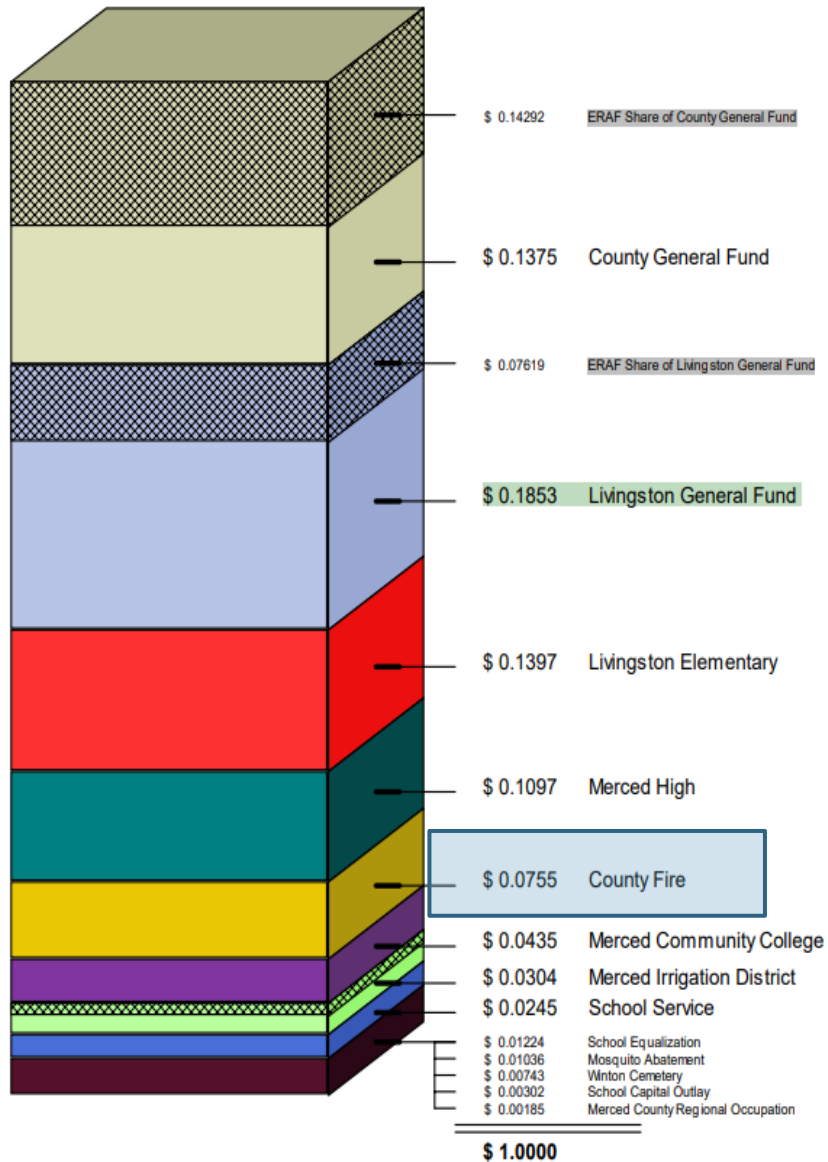
FUTURE CHALLENGES/OPPORTUNITIES

REVENUE

- Tax Sharing Agreement with County
- Property Tax Allocation for Fire Services



PROPERTY TAX ALLOCATED REVENUE – FIRE DEPARTMENT



FUTURE CHALLENGES/OPPORTUNITIES

REVENUE

- Tax Sharing Agreement with County
- Property Tax Allocation for Fire Services
- **American Rescue Plan (ARP) one-time funding**



American Rescue Plan (ARP)

Livingston's Estimated Allocation: \$2.8M

USE OF FUNDS – GUIDELINES	CITY STAFF RECOMMENDATION
Costs associated with responding COVID-19 public health emergency efforts or its negative economic impacts. Examples: <ul style="list-style-type: none"> - Assistance to households, small businesses, and nonprofits or - Aid to impacted industries such as tourism, travel, and hospitality. 	\$50k – Funding for cleaning/sanitizing supplies \$150k – Economic development efforts to assist/retain/attract businesses in the City.
Support workers performing essential work during the COVID-19 public health emergency. <ul style="list-style-type: none"> - Providing premium pay or - Grants to eligible employers 	\$50k – replenish “unreimbursed” COVID-19 personnel leave
Cover revenue losses caused by the COVID-19 public health emergency	\$300k – back to GF to cover for lost Sales Tax revenue.
Make necessary investments in water, sewer, or broadband infrastructure	\$1.9m – Well #12 (Water CIP) \$225k – Disc & Ripper Tractor (Sewer CIP) \$125k – TBD – Misc Infrastructure

FUTURE CHALLENGES/OPPORTUNITIES

REVENUE

- Tax Sharing Agreement with County
- Property Tax Allocation for Fire Services
- American Rescue Plan (ARP) one-time funding
- **User Fees**
 - Recreation



FUTURE CHALLENGES/OPPORTUNITIES

REVENUE

- Tax Sharing Agreement with County
- Property Tax Allocation for Fire Services
- American Rescue Plan (ARP) one-time funding
- User Fees
 - Recreation



EXPENSE

- Labor Negotiations
- Unfreezing Positions:
 - One (1) Dispatcher
 - One (1) Police Captain
- Community Programs:
 - Traffic Calming Measures
 - Spay/Neuter
- Pension Obligations



QUESTIONS

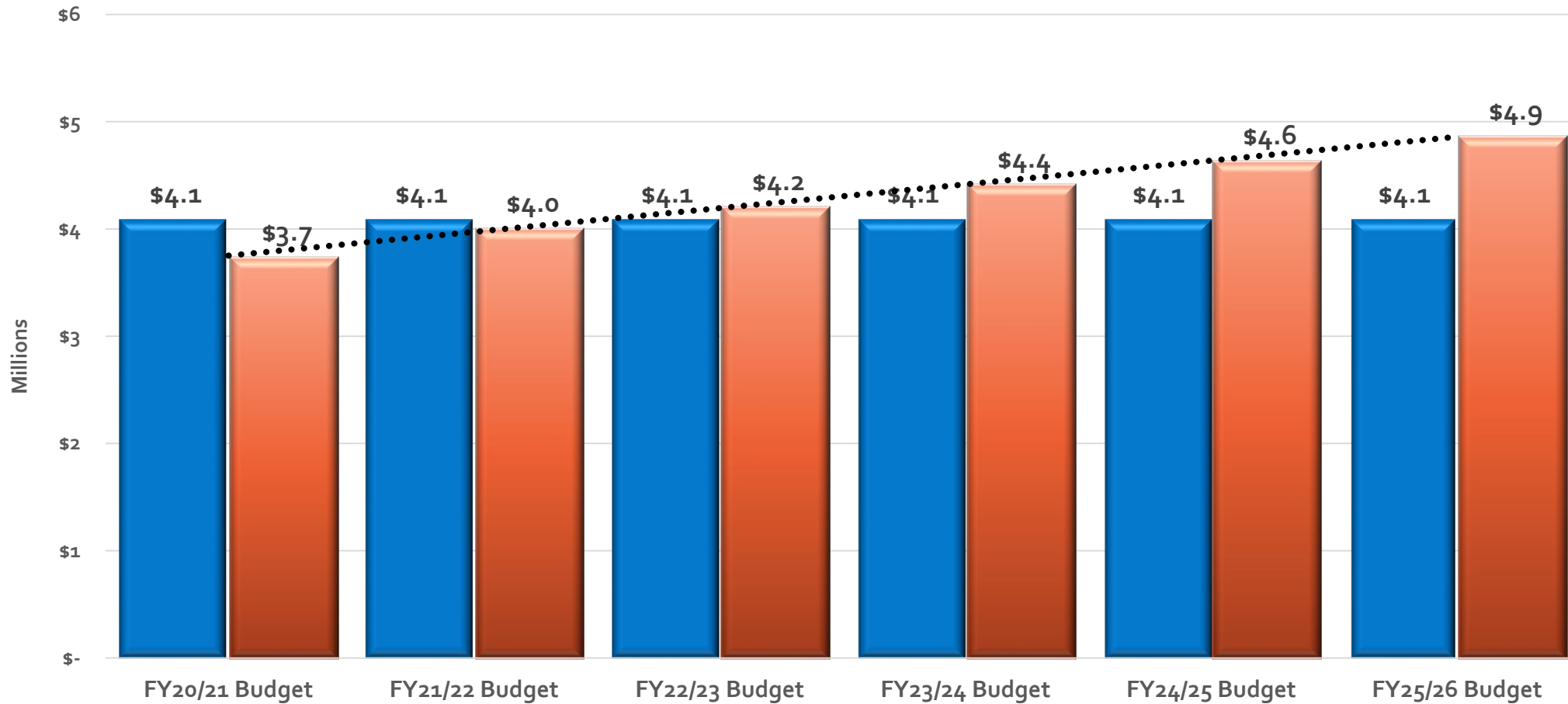


PROPOSED BUDGET 2021/22

ENTERPRISE FUNDS (WATER, WASTEWATER, SANITATION)



5-YEAR FISCAL MODEL WATER



CRITICAL PROJECTS

YEARS 2021 – 2026

	Estimated Cost in Inflated Dollars 2021-2026	Funding Source
Well 8 - New Well	\$1,060,900	Reserves
Well 9 - New Well	\$1,236,000	Reserves
Well 11 - New Well	\$1,236,000	Foster Farms
Well 12 Conveyance & Treatment	\$1,993,951	Reserves
Well 8 & 9 Conveyance & Treatment Plant	\$4,774,050	SRF Loan [1]
Well 14 & 16 Conveyance & Treatment Plant - secured loan	\$4,120,000	SRF Loan
Well 13 & 17 Conveyance, Treatment Plant & Storage Tank	\$9,017,650	SRF Loan [1]
Water Line Replacement Ph 4 (Walnut, Davis, White, N Main)	\$1,454,769	Reserves
Park Surface Water Irrigation	\$381,924	Reserves [2]
Total Estimated Water Improvements Cost	\$25,275,245	

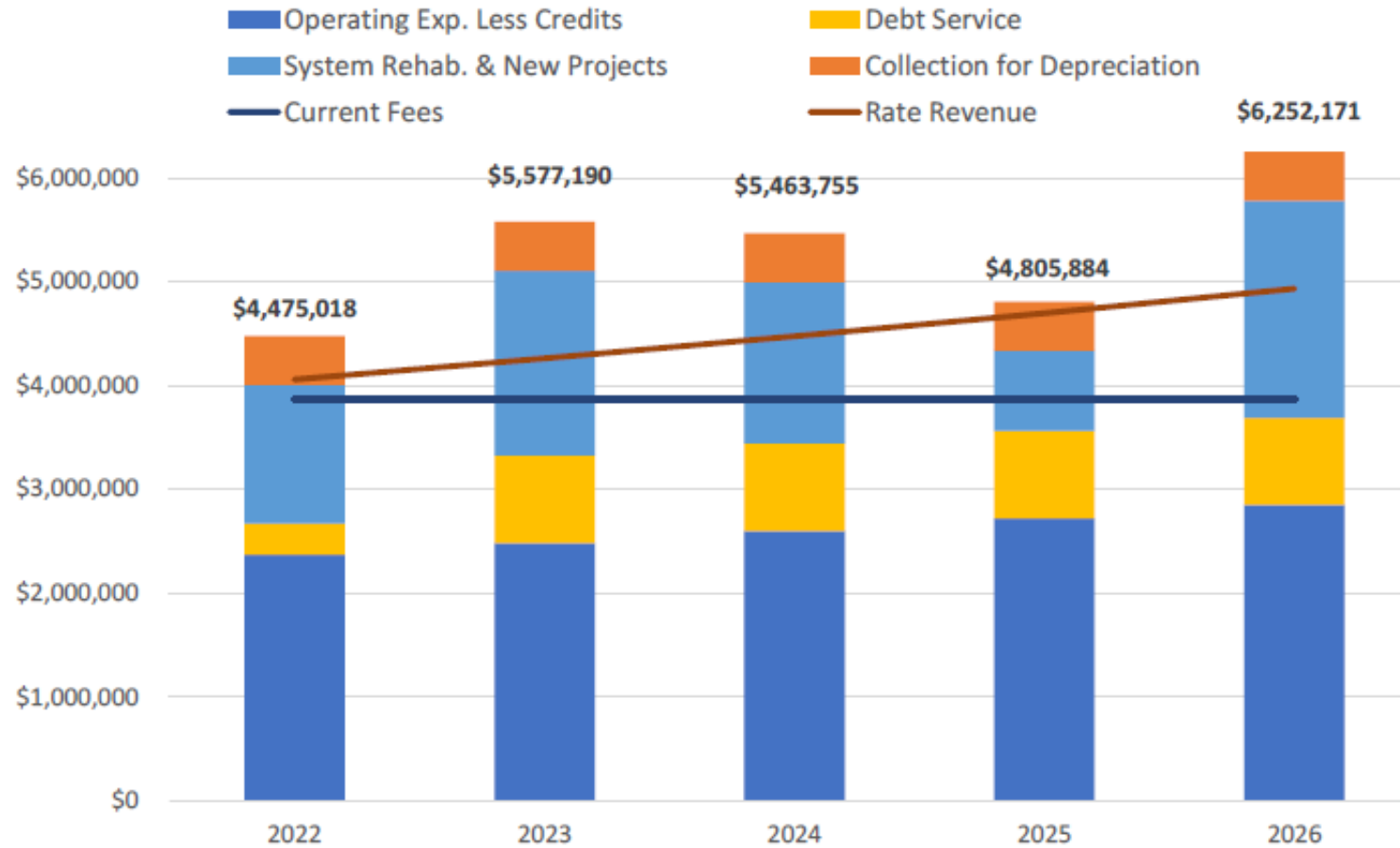
Source: City of Livingston January 2021.

cip sum

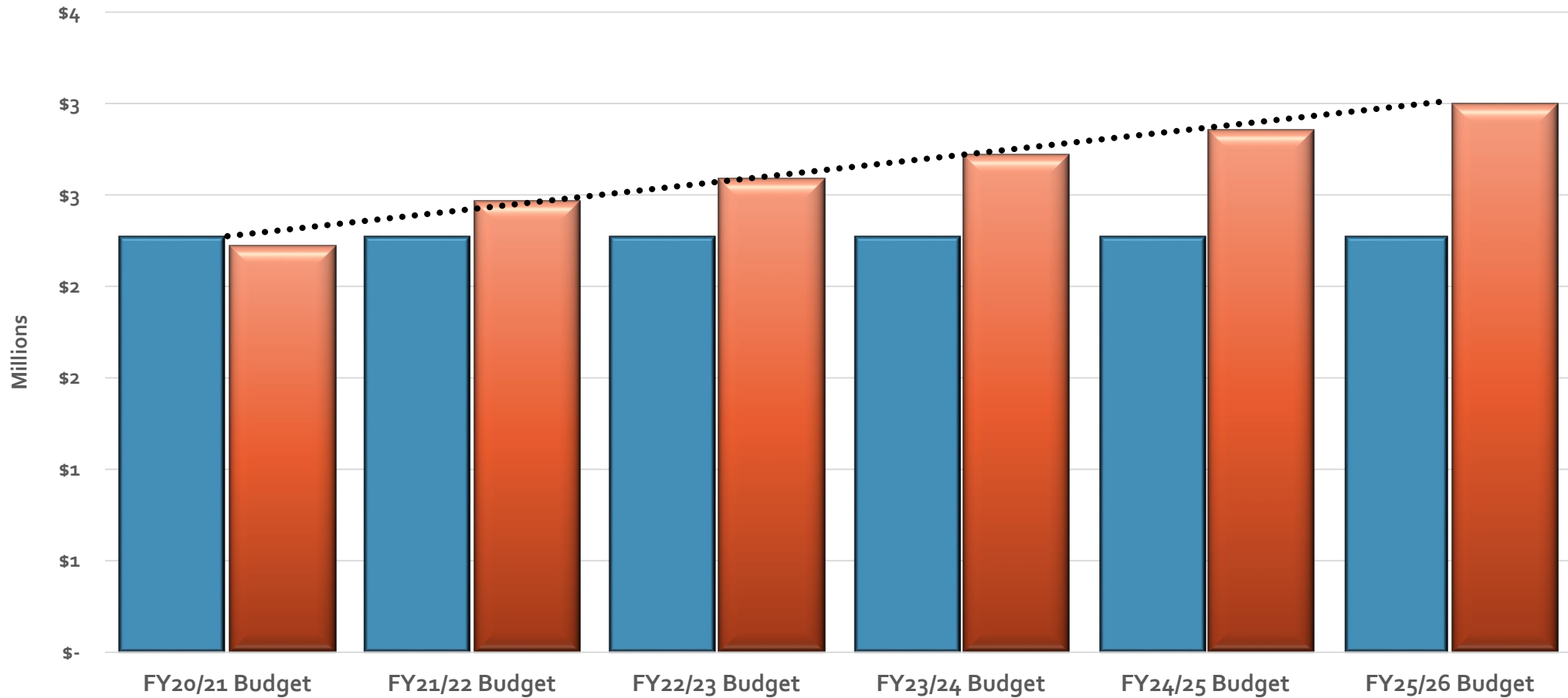
[1] A portion of debt service to be repaid with connection fees.

[2] A portion of this project will be funded by a grant.

WATER – REVENUE REQUIREMENT

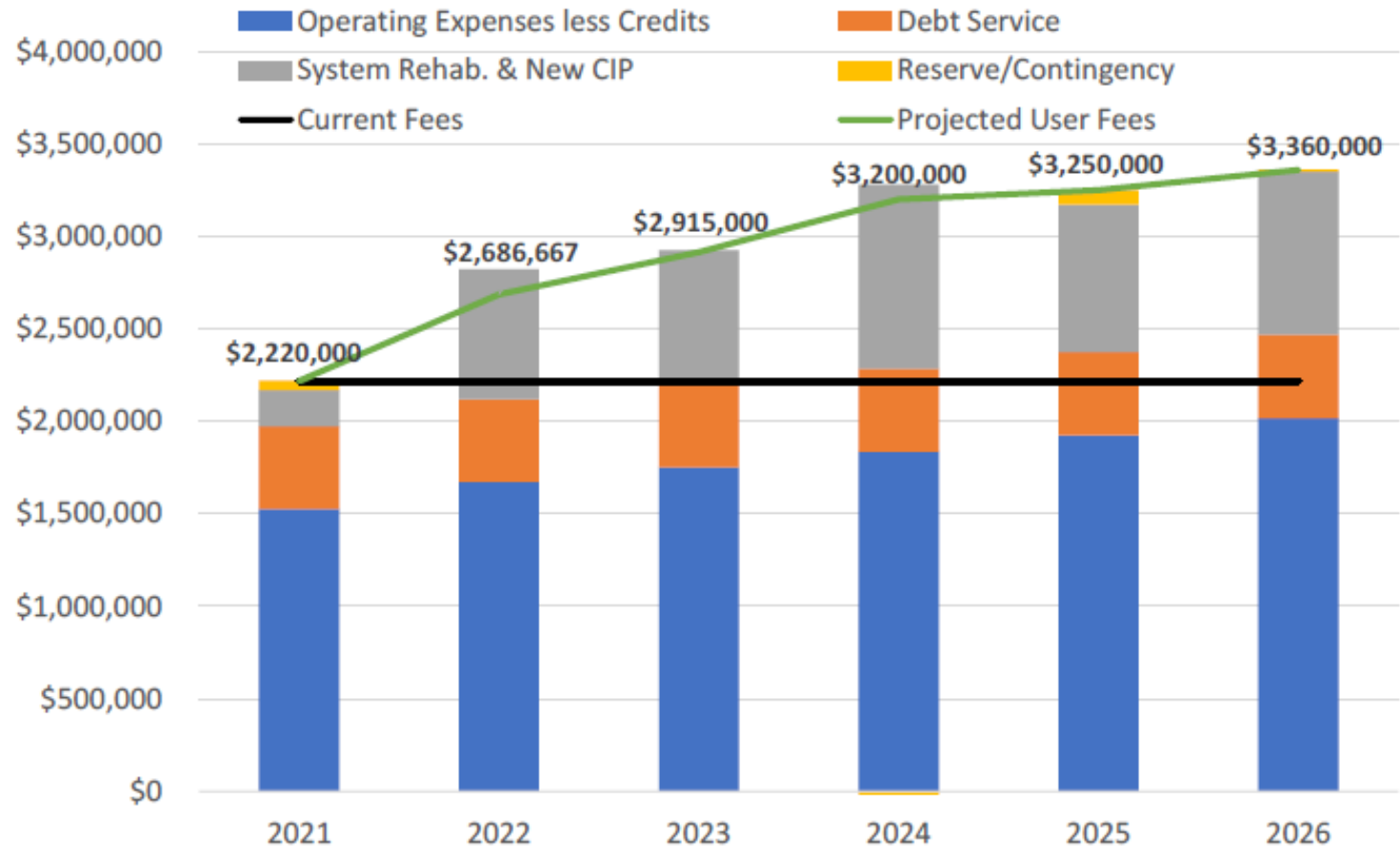


5-YEAR FISCAL MODEL WASTEWATER

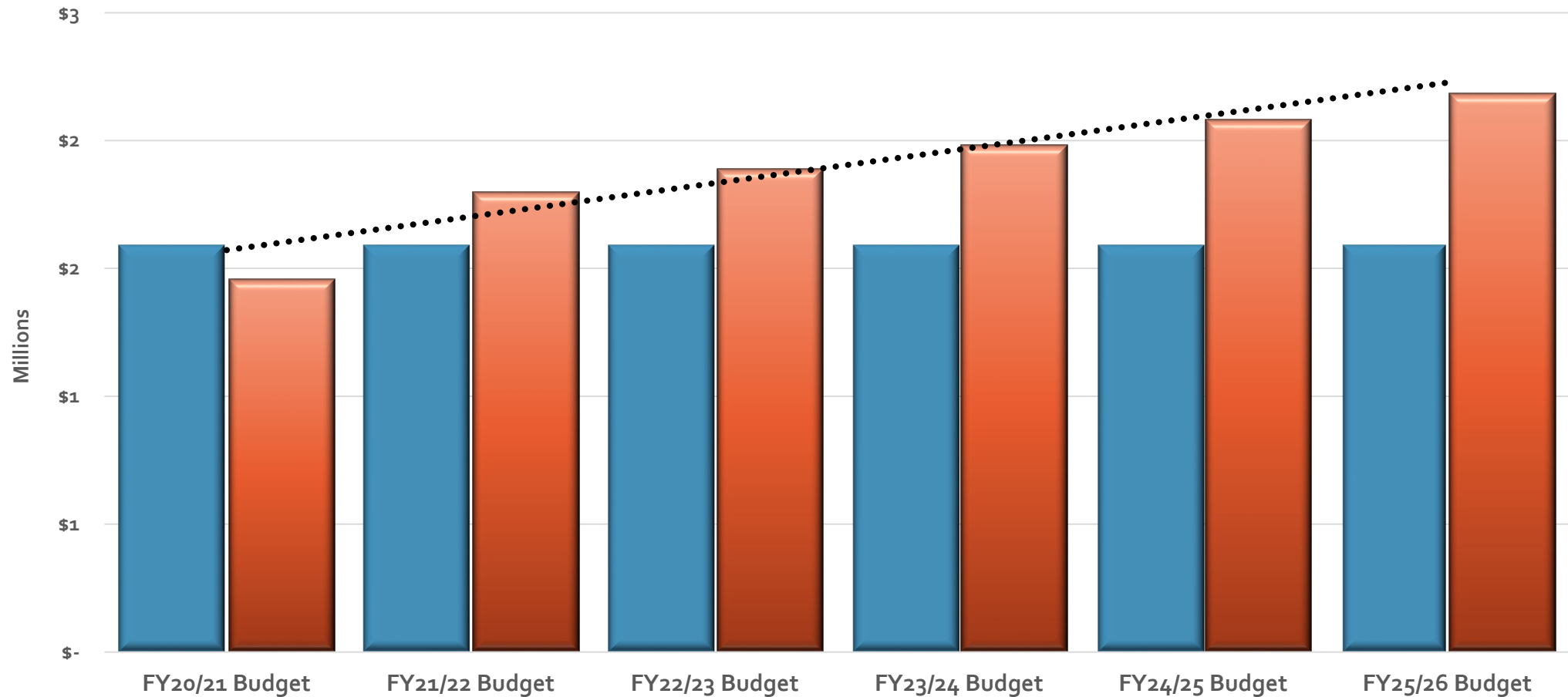


WASTEWATER – REVENUE REQUIREMENT

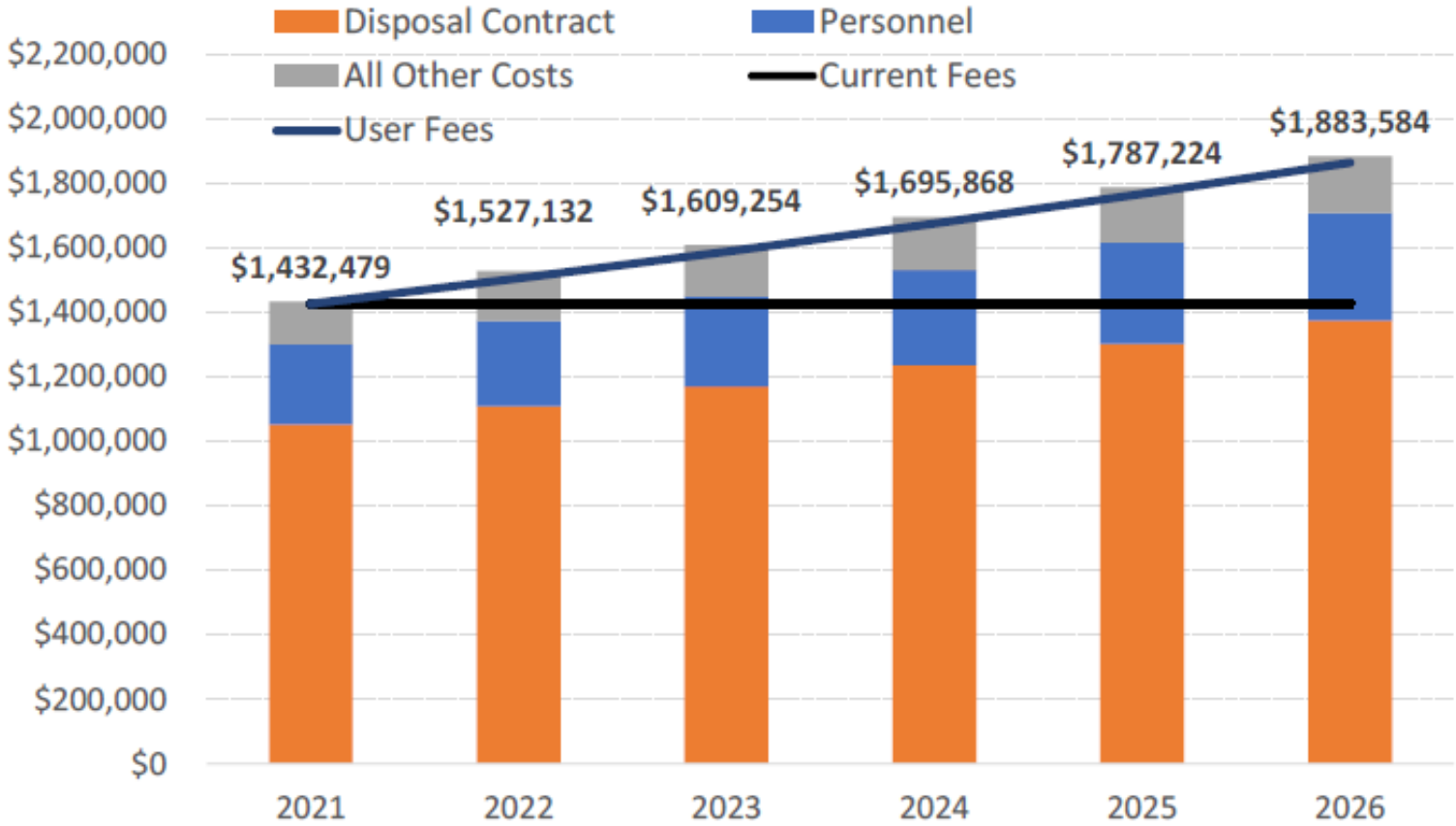
Projected Revenue Requirement and Fee Collections



5-YEAR FISCAL MODEL SANITATION



SANITATION – REVENUE REQUIREMENT



BALANCING – ENTERPRISE FUNDS

- User Fees – 5-Year Rate Study
 - Apply recommended rates Apr-2021
 - Start new study early (2023)
- Allocate American Rescue Plan (ARP) funds to mitigate funds' key projects:
 - \$1.9 million Water Projects
 - \$322 thousand Sewer Projects
- Place “hold” on Capital Projects



QUESTIONS

