

FY 2016-17 PROPOSED BUDGET

City of Simi Valley

The Budget Process



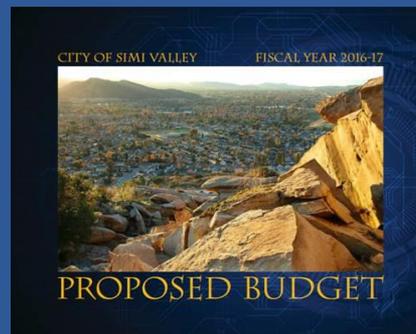
- Kick-off in January
- Departments submit proposed base budgets
 - Requests for new items (+)
 - Potential reduction options (-)
 - Target was 5% of expenditures with specific personnel targets by department
- City Manager meets with departments
- City Manager balances budget and submits to City Council as Proposed Budget
- City Council can amend/change as desired
- Budget is Adopted and takes effect on July 1st

Goal: Sustainability



- City Manager goal is to move toward a **fiscally sustainable** budget
 - Revenues > Expenditures
- In order to provide ongoing savings, requested specific personnel reduction targets from departments
- Ten staff positions not funded Citywide in 2016-17
- Continue to carefully review all positions
- No new services

The General Fund



2016-17 General Fund



- About \$66 million
- Not many major program or service changes; priority was on getting to a sustainable operating budget
- Departments submitted \$898,000 in new requests
 - Of these \$94,300 were approved (10.5%)
- Departments offered \$3.6 million in reduction options
 - Of these, \$2.5 million were taken
 - Additional reductions made by City Manager

FY 2016-17 Budget

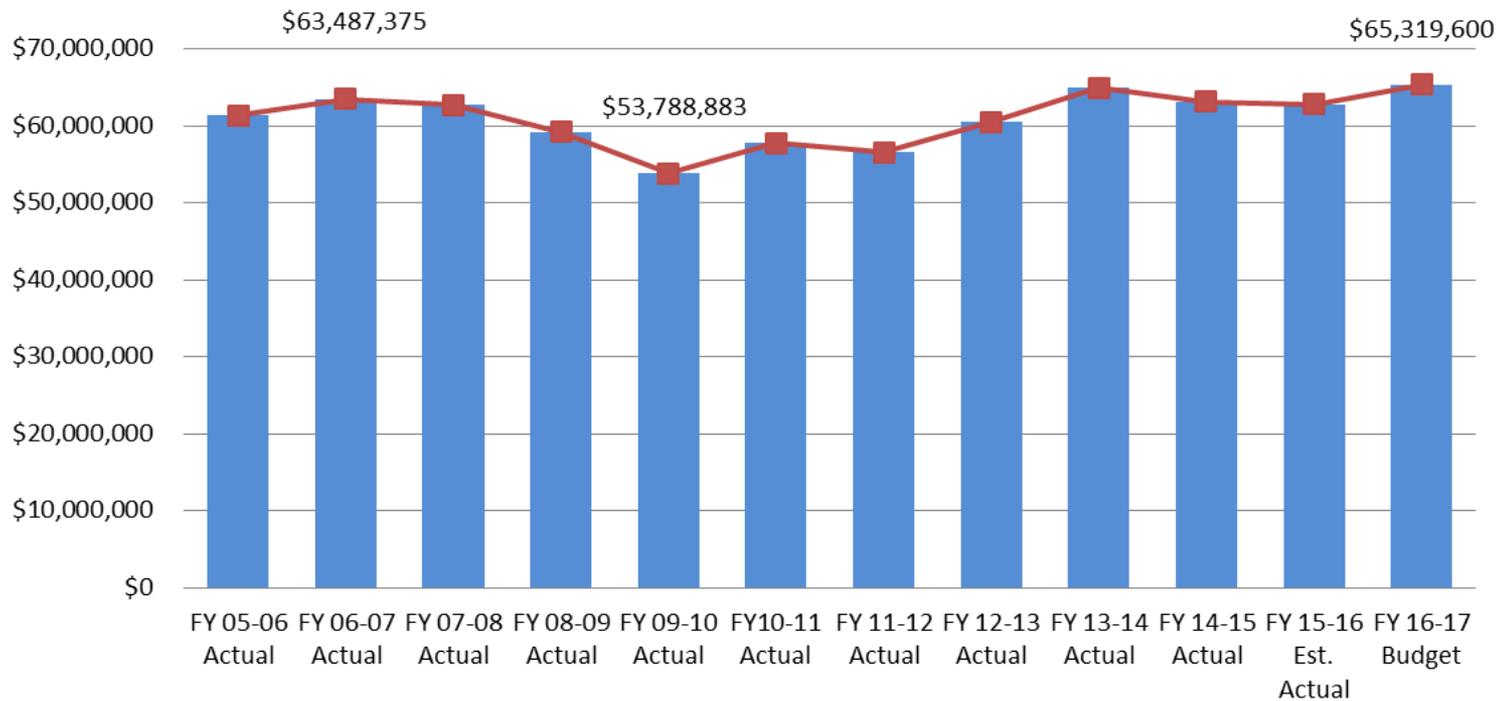


• Proposed FY 16-17 Revenues	\$65.320 million
• Proposed FY 16-17 Expenditures	\$65.770 million
• Operating deficit	(\$450,400)
• Add in CDA Loan Repayment	+\$450,400
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LEFT TO BALANCE	\$0

General Fund Revenues Overview



General Fund Total Revenue History FY 05-06 to FY 16-17



General Fund Revenues By Major Category

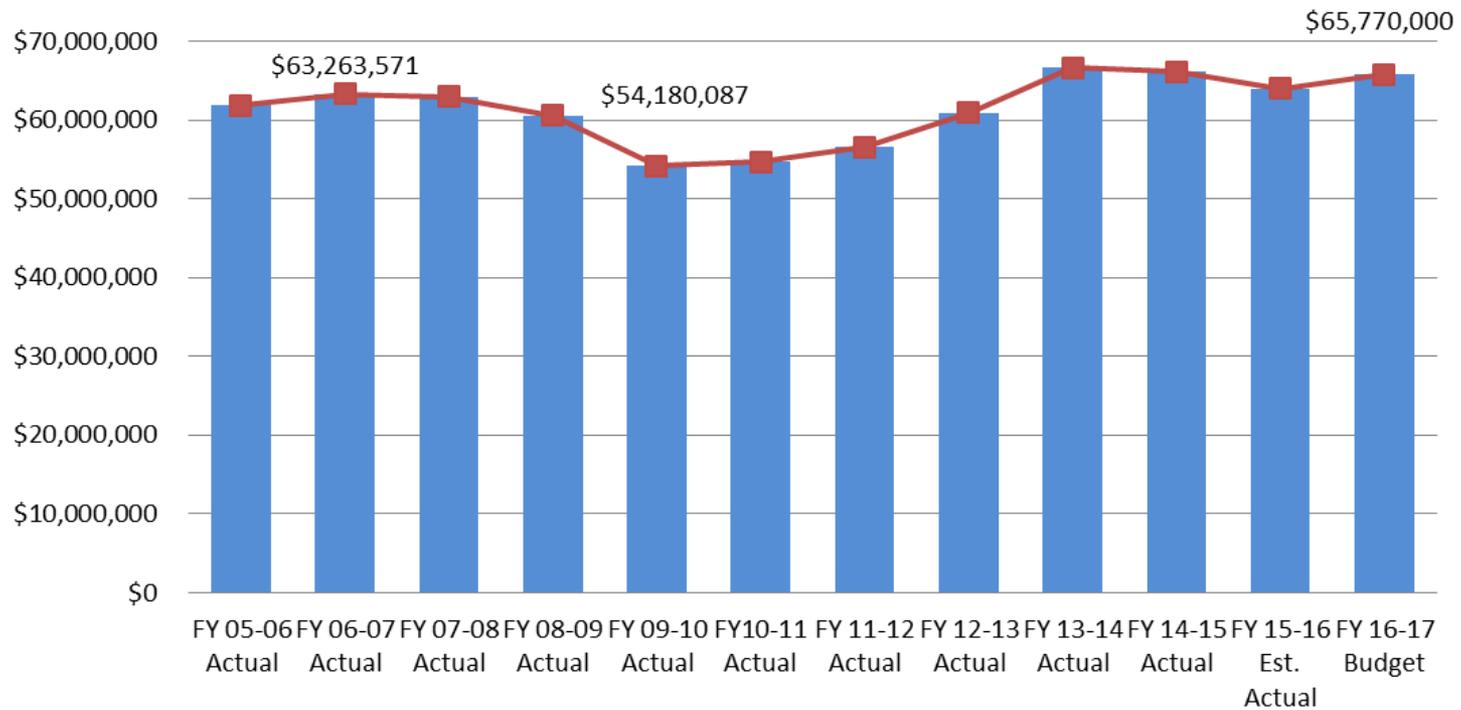


Revenue Type	FY 15-16 Budget	FY 16-17 Budget	Difference
Taxes & Franchises	\$53,988,700	\$54,914,700	\$926,000
Licenses & Permits	\$1,513,500	\$2,350,000	\$836,500
Fines & Forfeitures	\$605,000	\$629,000	\$24,000
Use of Money & Property	\$401,300	\$414,600	\$13,300
Revs from Other Govts	\$411,000	\$365,000	(\$46,000)
Grants	\$195,000	\$717,000	\$522,000
Service Charges	\$1,327,800	\$1,666,000	\$338,200
Other Revenues	\$789,900	\$769,400	(\$20,500)
Transfers In	\$4,289,000	\$3,493,900	(\$795,100)
TOTAL	\$63,521,200	\$65,319,600	\$1,798,400

General Fund Expenditures Overview



**General Fund Expenditure History
FY 05-06 to FY 16-17**



General Fund Expenditures By Major Category



Expense Type	FY 15-16 Budget	FY16-17 Budget	Difference
Personnel	\$58,634,100	\$57,820,700	(\$813,400)
Supplies & Materials	\$6,811,635	\$6,055,500	(\$756,135)
Services	\$6,630,740	\$7,415,800	\$785,060
Capital Outlay	\$88,000	\$0	(\$88,000)
Transfers Out	\$4,489,500	\$3,531,300	(\$958,200)
Reimbursements	(\$8,926,007)	(\$9,053,300)	(\$127,293)
TOTAL	\$67,727,968	\$65,770,000	(\$1,957,968)

*NOTE: Personnel costs are offset in part by a \$2.2 million anticipated savings from vacancies

General Fund: Where It Goes



PERSONNEL
81.1%

SERVICES
10.4%

**SUPPLIES &
MATERIALS**
8.5%

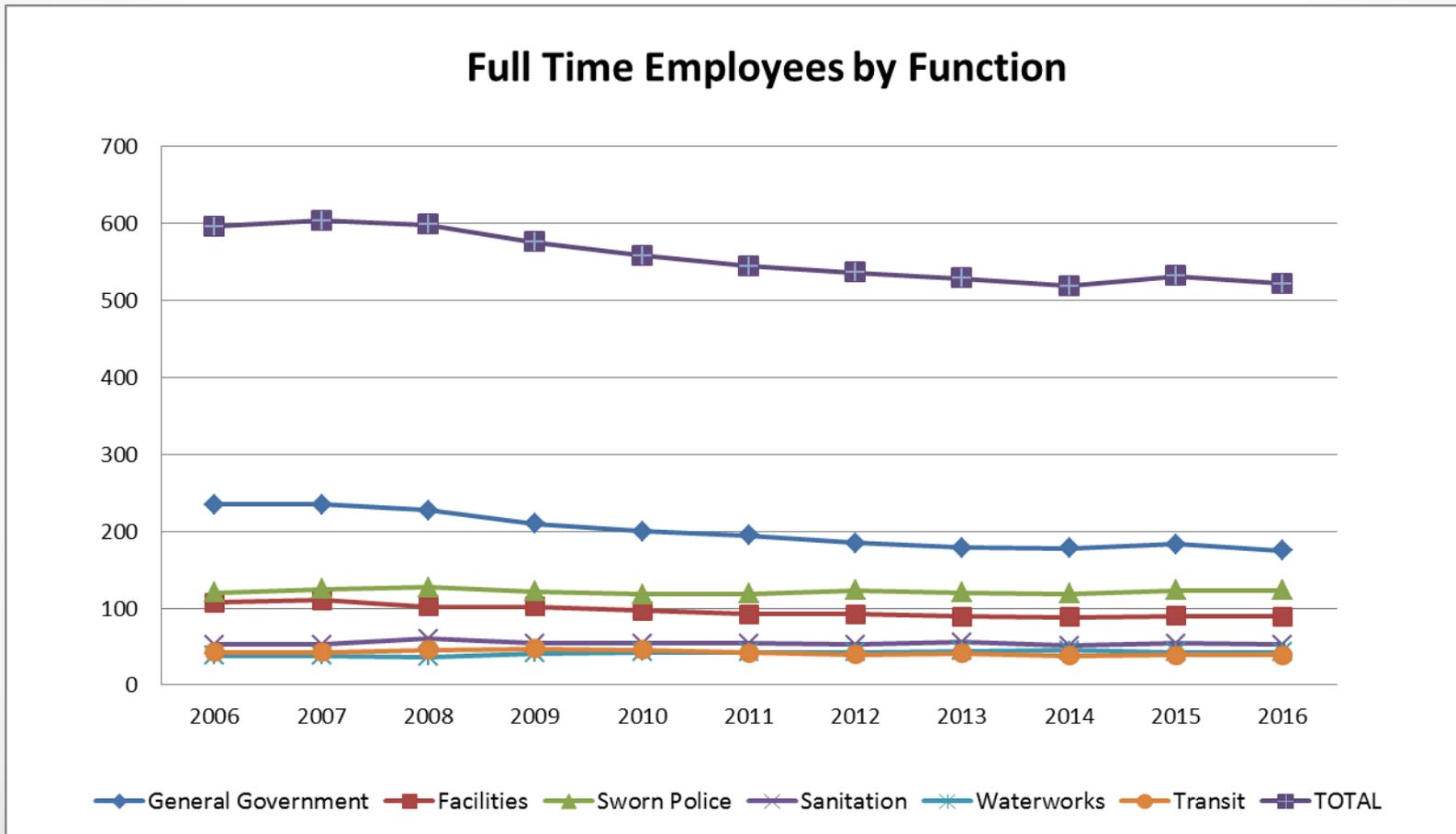


Staffing Levels

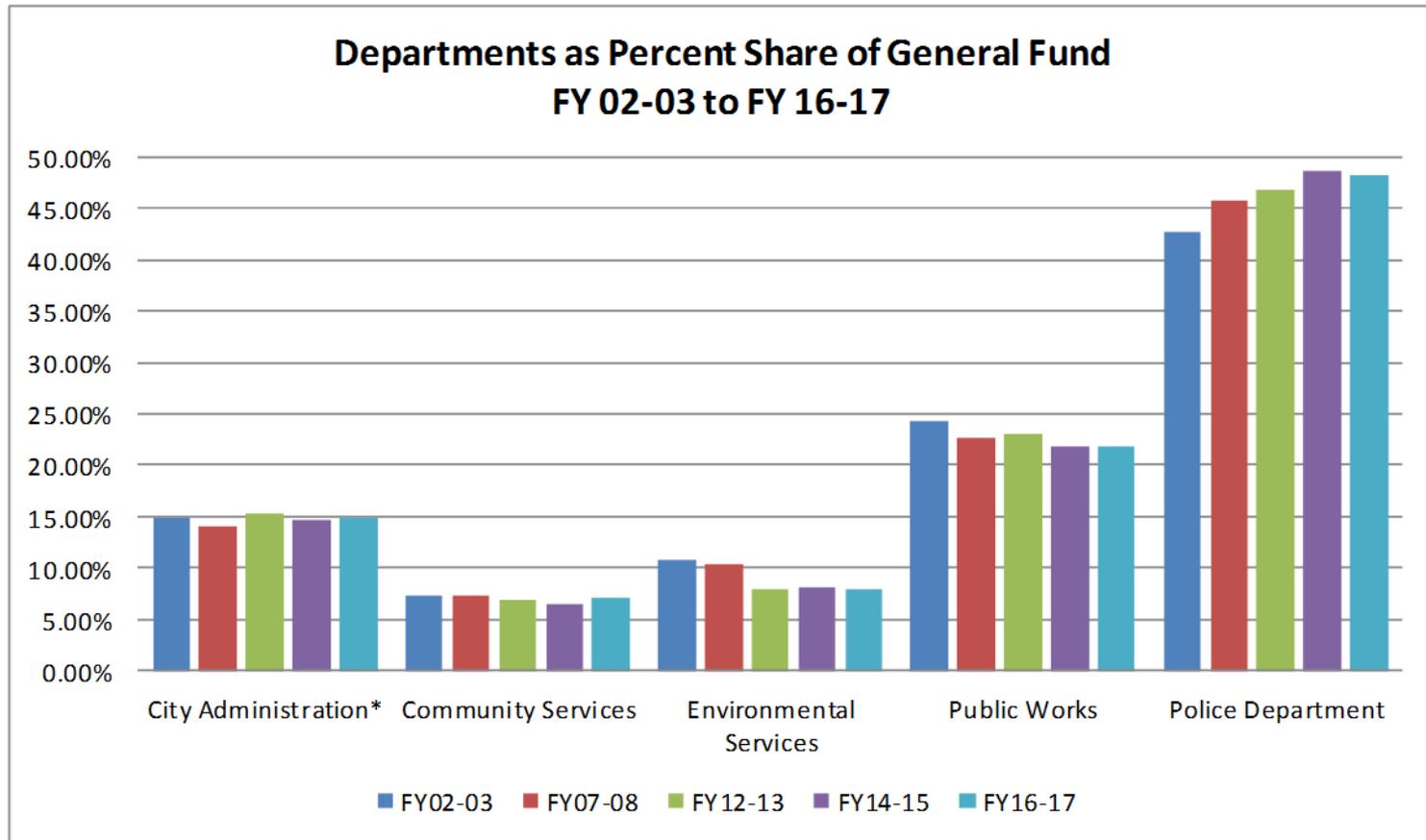


- Ten positions de-funded in 2016-17 (nine in General Fund, one in Sanitation)
- Continued Focus on Public Safety
 - Lowest crime rate per 1,000 residents in City's history in 2015
 - Four new Officers were added in 2014-15 budget
 - Three of those were on a two-year trial to provide the City Manager time to evaluate the City's financial situation
 - The City Manager is recommending that all four officers are retained
 - There is no reduction in sworn Officers

Staffing Levels

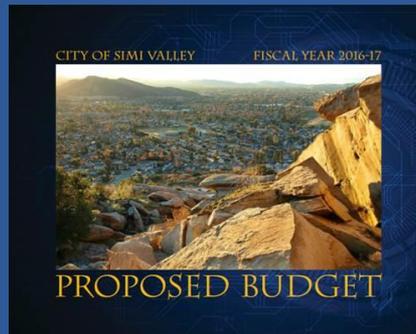


General Fund: Where It Goes



*Includes City Manager, City Attorney, and Admin Services

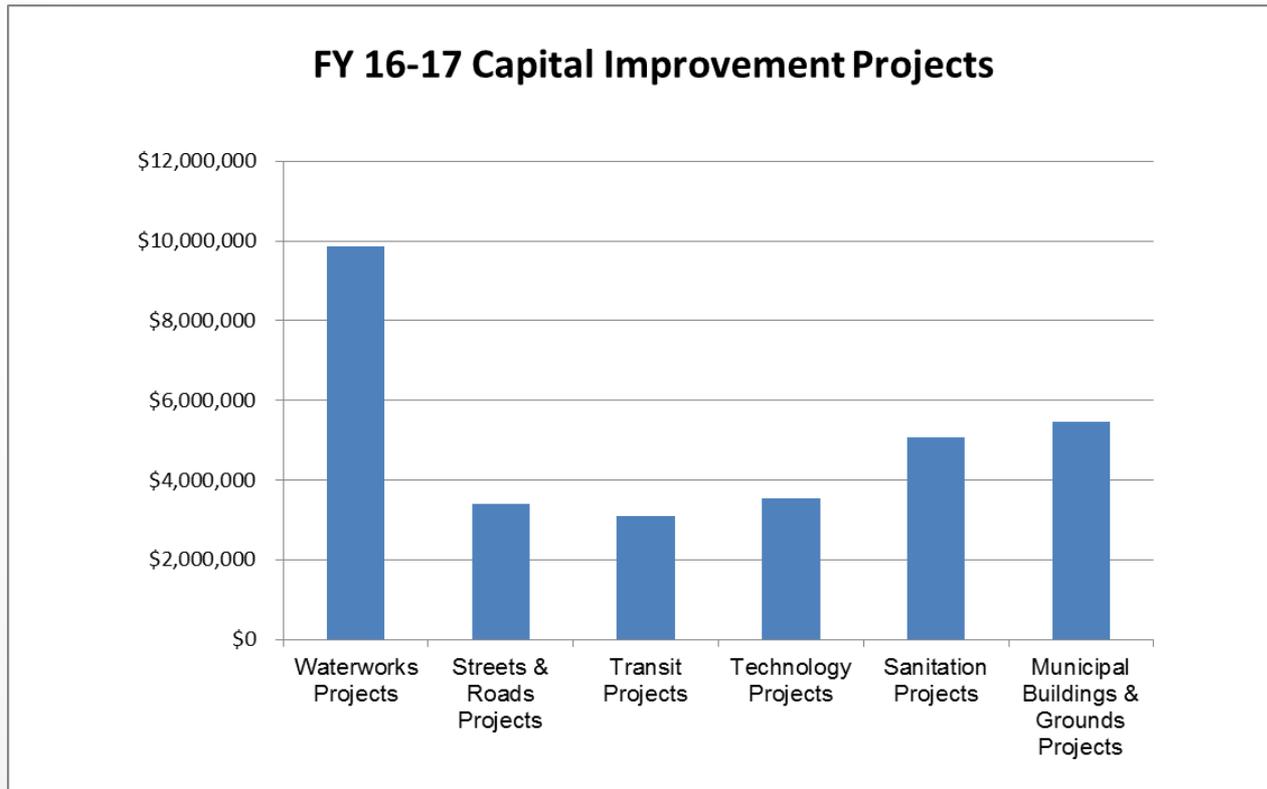
Capital Projects



CIP



- \$167.4 million over five years
- \$30.5 million in projects for FY 2016-17

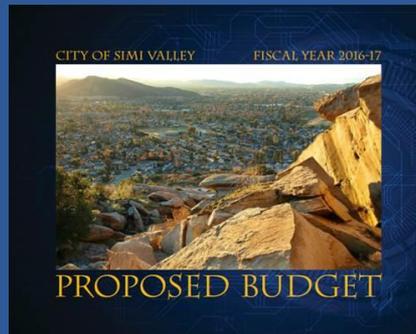


Streets and Roads



- \$3.4 million in planned projects including:
 - \$860,000 for Major Street Rehabilitation
 - \$1.5 million for Minor Street Rehabilitation
 - \$200,000 for Phase 3 of the Arroyo Simi Bike Trail
 - \$50,000 for Bike and Pedestrian Facilities
 - \$80,000 for Landscape Beautification
 - \$40,000 to continue the Las Lajas Creek Bridge Widening
 - \$220,000 for Los Angeles Ave. widening from Church to Tapo Canyon Drain
 - \$464,000 for West Los Angeles Ave. widening from PSC to City Limit

Enterprise Funds



San and Water Structure



THREE FUNDS:

- Operating Fund
 - Use = daily plant operations
 - Revenue source = San and Water rates
- Replacement Reserve
 - Use = upgrades to collection/distribution system (pipes), tanks, valves, technology, etc.
 - Revenue source = Operating Fund (rates)
- Capital Upgrade
 - Use = upgrades to plant itself
 - Revenue source = Connection Fees

Sanitation and Waterworks



- Both funds struggling, with need outpacing revenues
 - City infrastructure is now at the 40-50 year old mark
 - Numerous studies done on capital needs and efficiency of operations
- Funding sufficient in Sanitation to preserve daily operations but insufficient for replacements
 - Recent rate increase very helpful
- Funding insufficient in Waterworks for both daily operations and replacements (maintenance)
 - Water cost from Calleguas Municipal Water District has increased by 26% since 2010
 - The increase just for calendar year 2016 is 4.7%
 - Recent rate increase will help but do not fully address long-term projections
 - Ongoing operating deficit

Sanitation Fund



	<u>BUDGET</u> <u>2015-16</u>	<u>ESTIMATED</u> <u>ACTUAL</u> <u>2015-16</u>	<u>BUDGET</u> <u>2016-17</u>	<u>PROJECTION</u> <u>2017-18</u>	<u>PROJECTION</u> <u>2018-19</u>
Operations Fund Working Capital	\$ 7,177,373	\$ 10,425,655	\$ 12,495,355	\$ 15,765,955	\$ 20,370,855
Replacement Reserves:					
Vehicle Replacement Reserve	\$ 839,400	\$ 839,400	\$ 930,400	\$ 1,003,000	\$ 1,122,400
Replacement Reserve	\$ 2,430,189	\$ 2,560,139	\$ (1,541,461)	\$ (11,604,661)	\$ (20,619,761)
Ending Replacement Reserve Working Capital	\$ 3,269,589	\$ 3,399,539	\$ (611,061)	\$ (10,601,661)	\$ (19,497,361)
Ending Capital Upgrade Working Capital	\$ 4,037,448	\$ 4,487,319	\$ 4,651,719	\$ 4,767,319	\$ 4,882,919
Ending Working Capital - All Funds	\$ 14,484,410	\$ 18,312,513	\$ 16,536,013	\$ 9,931,613	\$ 5,756,413

Waterworks Fund

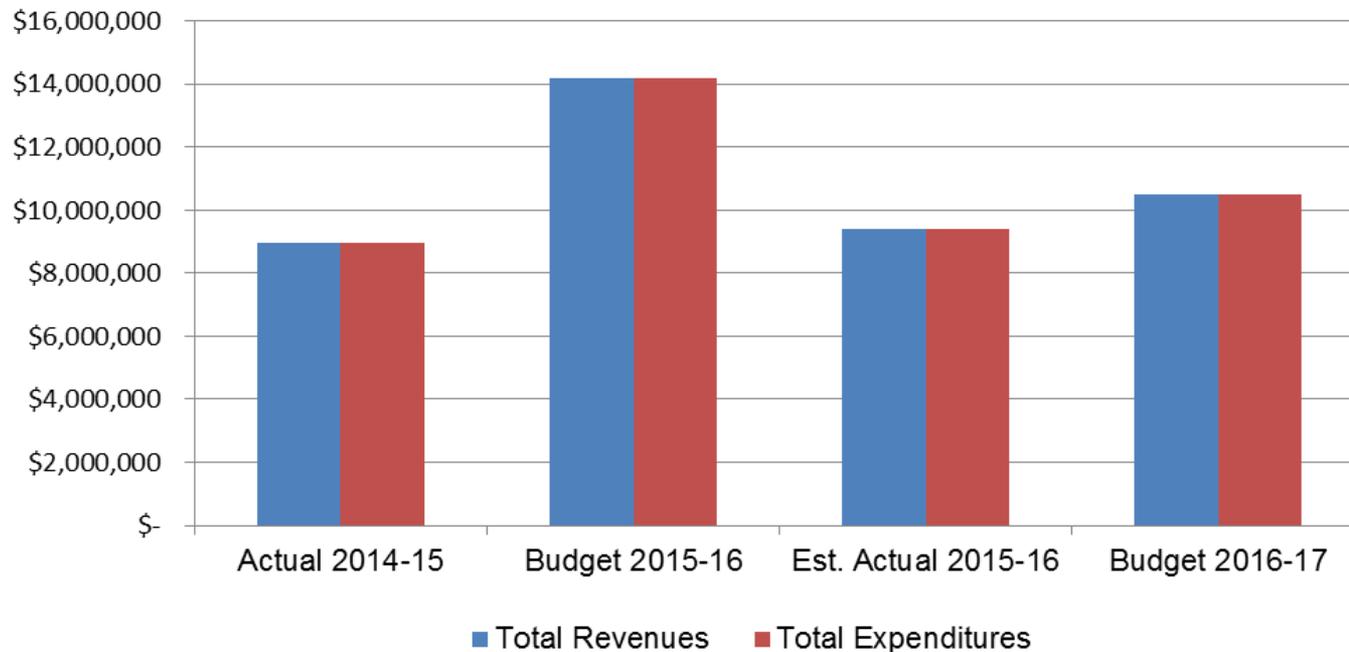


	<u>FINAL BUDGET 2015-16</u>	<u>ESTIMATED ACTUAL 2015-16</u>	<u>BUDGET 2016-17</u>	<u>PROJECTION 2017-18</u>	<u>PROJECTION 2018-19</u>
Ending Operations Fund Working Capital	\$ (3,561,538)	\$ (2,698,665)	\$ (5,183,065)	\$ (5,720,465)	\$ (5,695,665)
Reserves:					
Vehicle Replacement Reserve	\$ 576,649	\$ 556,100	\$ 589,100	\$ 460,500	\$ 480,400
Facilities Replacement Reserve	\$ 8,983,733	\$ 7,839,411	\$ 7,071,511	\$ 5,439,111	\$ 2,981,111
Ending Replacement Reserve Fund Working Capital	\$ 9,560,382	\$ 8,395,511	\$ 7,660,611	\$ 5,899,611	\$ 3,461,511
Ending Capital Improvement Fund Working Capital	\$ (2,479,682)	\$ (2,234,701)	\$ (3,349,001)	\$ (5,864,301)	\$ (5,333,501)
Ending Working Capital - All Funds	\$ 3,519,162	\$ 3,462,145	\$ (871,455)	\$ (5,685,155)	\$ (7,567,655)

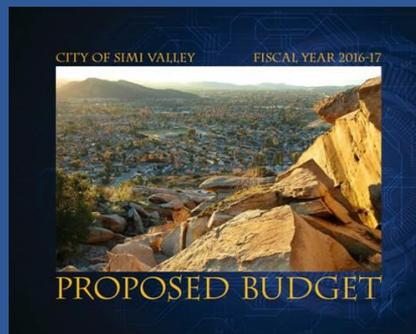
Simi Valley Transit



Simi Valley Transit Revenues and Expenditures



In Conclusion...



Simi Valley Budget



- FY 2016-17 Budget includes:
 - Technology:
 - Citywide Information Systems (ERP) project
 - A \$2 million phone system
 - Vehicles: 22 replacements
 - Streets: \$3.4 million toward Streets and Roads
 - Buildings and grounds: security and physical improvements to several facilities
 - Continuation of the recycled water project

Simi Valley Budget



- Expenditures very restrained, staffing is down, and many items deferred
- Revenues are lagging behind expenditures and need improvement
- Continued focus on streamlining and automation
- Despite these challenges, staff is dedicated to provide a high level of service to the Simi Valley public



Questions?

