

Budget Workshop - Fiscal Year 2022/23

CITY OF CLAYTON

PRESENTED BY:

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KATHERINE KORSACK, FINANCE DIRECTOR

Goals of the Workshop



Identify City Council priorities for spending.



Examine the Pandemic Reserve Fund for budget balancing strategies.



Look to the future.

Budget Workshop Outline:

Introduction

Tour of ClearGov Budget
Platform

Review the following
preliminary budgets:

Budget Workshop Outline:

General Fund (101)

Landscape Maint.
District Fund (210)

Neighborhood
Streetlights Fund (214)

Stormwater Fund (216)

Budget Workshop Outline:

CFA Fund (405)

Pension Stabilization Fund
(503)

Pandemic Recovery
Reserve Fund (111)

CIP Overview Fund (303)

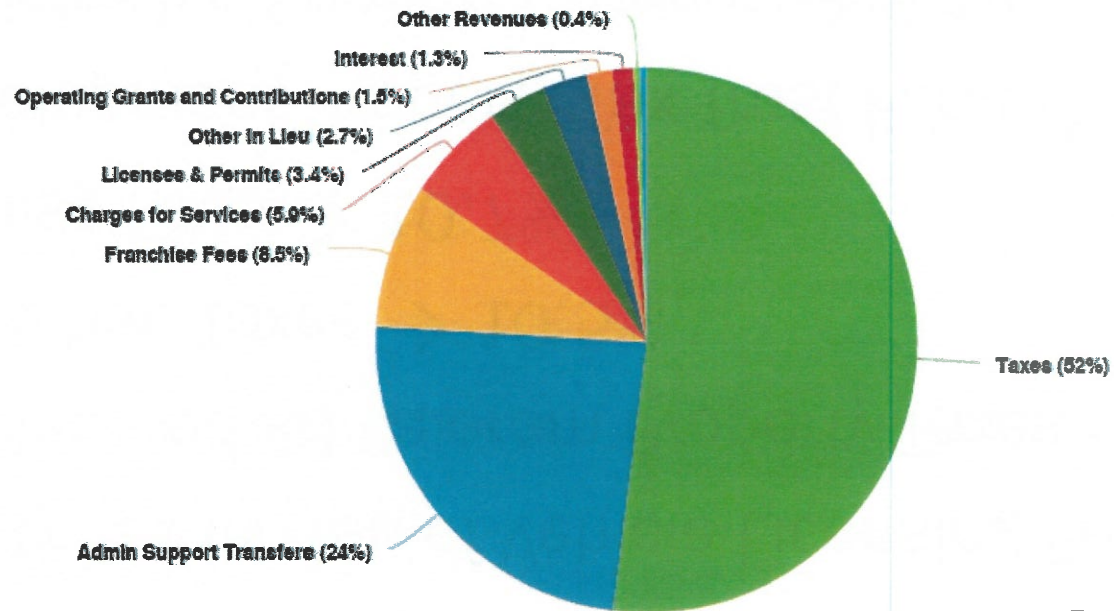
Budget Workshop Outline:

Receive direction
from the Budget &
Audit Committee

Review the
Accounting Clean-up
Plan Status

Revenues by Source

Projected 2023 Revenues by Source



Refer to page 43 in Budget

- Property Tax In Lieu of Vehicle Licensing Fees → 22.1%
- Local Secured Ad Valorem Property Taxes → 20.6%
- Sales & Use Taxes → 10.5%
- Franchise Fees → 10.7%
- Redevelopment Property Tax Trust Fund → 8.7%
- Administrative Support Charges → 5.1%

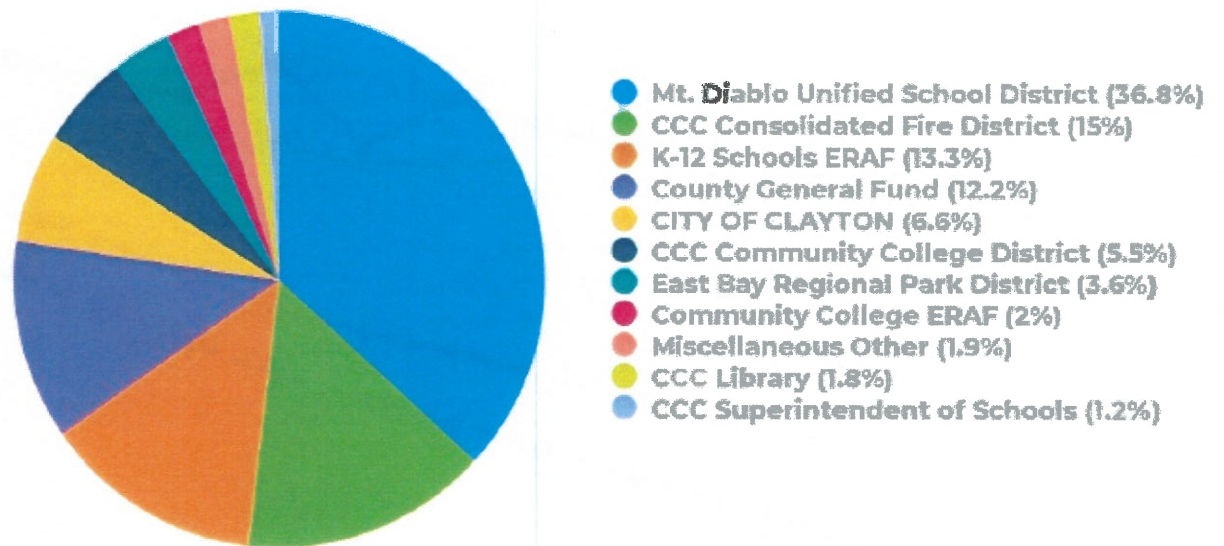
The City of Clayton receives 6.86122% of the base tax rate that goes to CCC. On \$1,000,000 property at a base property tax of 1%:

\$10,000 is the total base tax

\$686 goes to the City of Clayton

\$9,313 goes to all the other listed areas.

Allocation of 1% Ad Valorem Property Tax



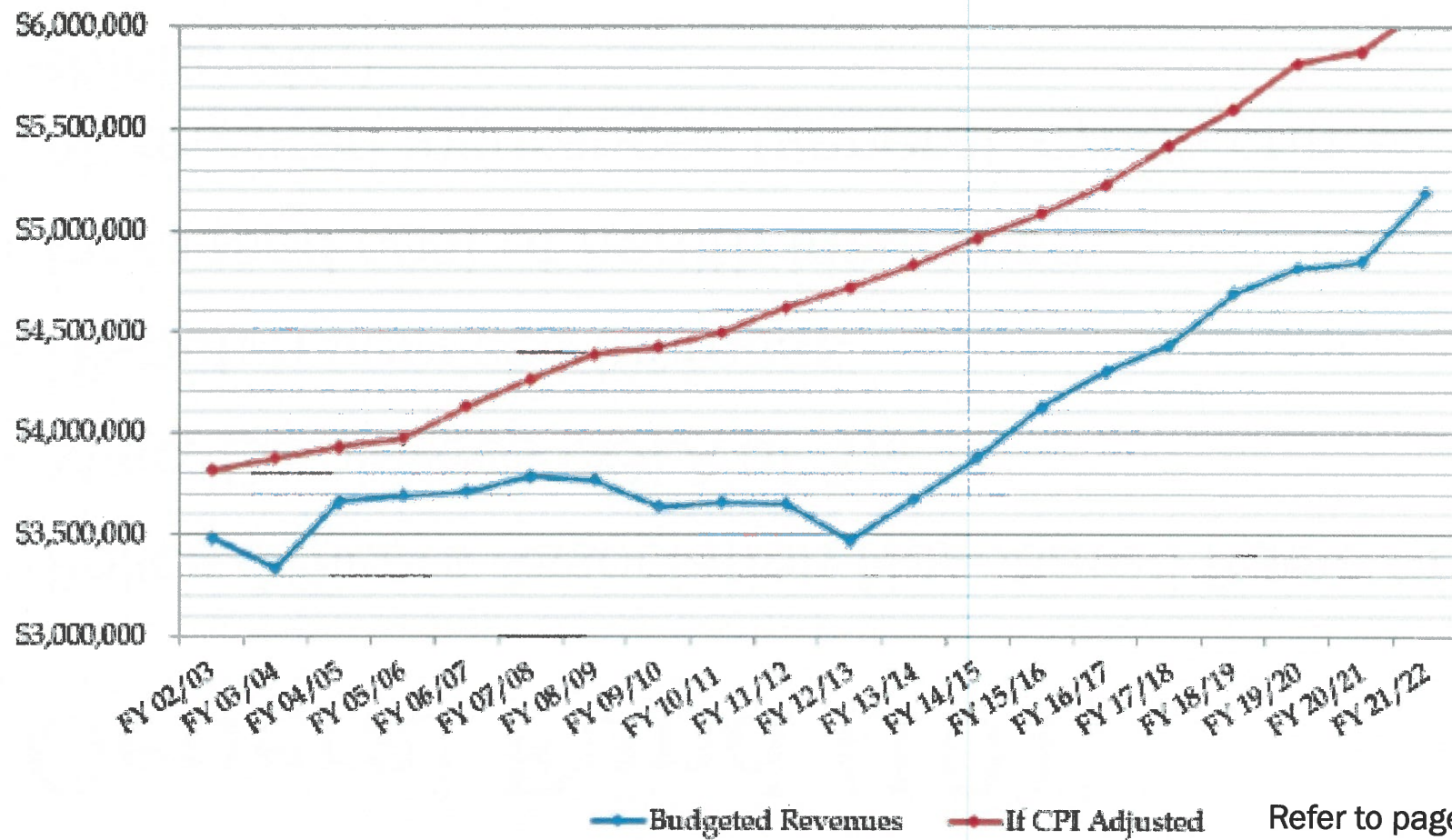
Refer to page 46 in Budget

Major Revenue Sources



General Fund Revenues 20 Year History

Δ \$919,209




Refer to page 49 in Budget

General Fund (101)

- Police Officers Association Negotiated Raise of 4%
- Misc. Employees COLA of 3%
- Dispatch services increase
- Increased cost of health insurance
- All required insurances (general, cyber, crime, vehicle, etc.)

General Fund (101)

- CalPERS Unfunded Liability Approaching the peak.
The current budget does not take into account savings of 15K that we will see from pre-paying our UALs.
 - Animal Care Services
 - Electric and gas
 - Election Costs for fall election
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General Fund (101)

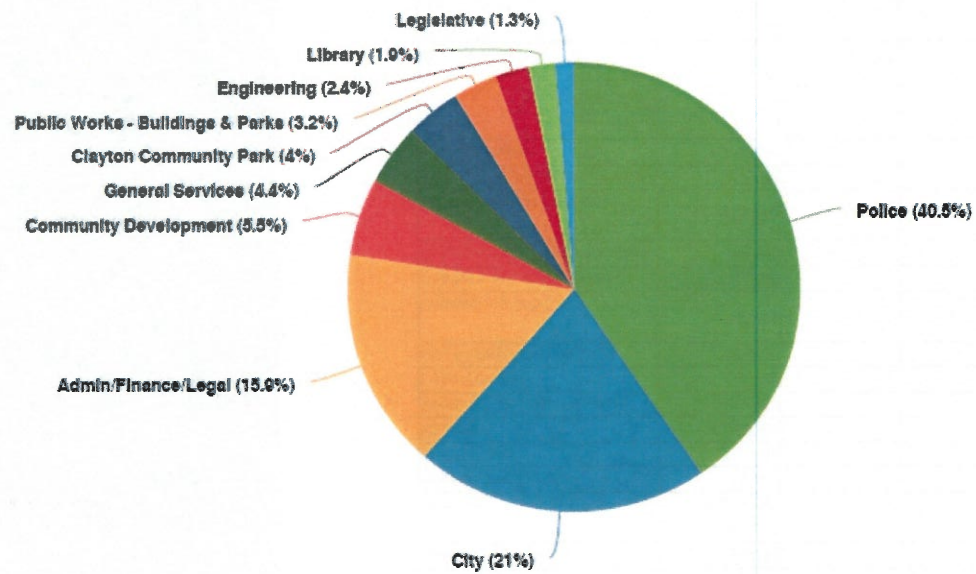
- Required Actuarial reports for GASB 68 and 75
- Legal Services
- Engineering Services
- IT Support for In Person Hybrid City Council Meetings

Major Budget Changes

Budget Item	Increased Cost	Reduced Cost	Net	Comments
POA COLA	\$44,796			Already negotiated agreement for 4%
Health Care Premiums	\$12,390			Anticipate increased costs of at least 5%
Insurance (MPA)	\$58,949			Insurance premium amounts for FY2022/23 from MPA
PERS Unfunded Liability	\$61,265			Per PERS Actuarial Report
Dispatch	\$15,388			Contract with Concord for 5% increase
Animal Care	\$14,180			Contract with CC County; reflects increased costs.
Electric/Gas	\$11,480			Anticipated increases in electric costs
Election	\$15,000			Every other year.
Required Actuarial Reports	\$11,500			GASB 68 and GASB 75 reports.
Legal Services	\$5,820			Agreement with BBK has CPI escalator (5% for FY23)
COLA Miscellaneous Empl	\$55,820			Proposed 3% COLA for Miscellaneous Employees
Engineering Services	\$28,949			Reflects minor increase in hourly costs and an increase in work hours.
Capital Equip Replacement	\$10,000			Reflects increased costs for Police vehicles
IT support for Council Meetings	\$7,400			Additional support needed for hybrid meetings.
PD Radio Lease Payment	\$35,000			Transfer from Rainy Day Fund shown in Revenues; no net General Fund Cost
Add 0.2 FTE Assistant Planner	\$21,000			Needed to address workload increases
Other changes	\$17,604	(\$30,963)		
PERS Normal cost		(\$20,607)		This reflects the impact of turnover, both in terms of lower salaries as well as an increasing percentage of the workforce covered under PEPRa rather than Classic PERS formulas.
Recruitment		(\$24,850)		Less need for recruitment expense with department head positions filled.
Water		(\$23,585)		Appears to have been over-budgeted in the past. Adjusted to better reflect actual experience, plus an anticipated increase in rates due to the drought.
Totals	\$421,591	(\$100,005)		
Net Total			\$321,586	

Refer to page 38 in Budget

Budgeted Expenditures by Function



Refer to page 52 in Budget


General Fund (101)

	FY22	FY23
Beg Bal	\$ 5,931,485	\$ 5,931,772
Revenue	\$ 5,135,887	\$ 5,383,296
ARPA Fund Transfer In	\$ 1,467,024	\$ 1,467,024
Expenditures	\$ 5,135,600	\$ 5,505,561
ARPA Fund Transfer Out to 111	\$ 1,467,024	\$ 1,467,024
Proposed Transfer from Fund 111		\$ 122,265
Ending	\$ 5,931,772	\$ 5,931,772

General Fund (101) – Budget and Audit Committee Options

1. Hold off on replacing the police vehicle – savings of \$70,000
2. Roll back COLA for City Manager – savings of \$7,658
3. Hold off on Misc. Unit 3% Employee Raise – savings of \$55,820
4. We also will see a \$15,000 savings when we pre-pay our CalPERS UAL.
5. All of the above total approx. \$148,500


Landscape Main. District Fund (210)

- Have built up a substantial fund balance.
 - Plan to complete projects that have not been completed.
 - The Trails & Landscape Committee has met twice to review and recommends their budget to the City Council.
 - District typically uses most of its annual revenues each year; minor fund balance.
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Landscape Main. District Fund (210)

	FY22		FY23	
Beg Bal	\$	1,085,886	\$	695,749
Revenue	\$	1,219,857	\$	1,256,003
Expenditures	\$	1,609,994	\$	1,862,007
Transfers				
Ending	\$	695,749	\$	89,745

Neighborhood Streetlights Fund (214)

- Assessment districts tax revenues are not keeping up with the costs of maintaining this district.
 - The primary driver of this is the increased cost of electricity, 80% of the costs to run this district are attributed to electricity costs.
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Neighborhood Streetlights Fund (214)

	FY22		FY23	
Beg Bal	\$	50,869	\$	22,782
Revenue	\$	126,799	\$	126,791
Expenditures	\$	154,886	\$	168,166
Transfer from 111				
Ending	\$	22,782	\$	(18,593)

Stormwater Fund (216)

- New state mandated stormwater regulation passed MRP 3.0 → increasing the cost of compliance including staff time.
- Largest costs in this fund are:
 - Street Sweeping at \$57,200
 - State regional discharge fee at \$11,000

Stormwater Fund (216)

	FY22		FY23	
Beg Bal	\$	49,063	\$	36,742
Revenue	\$	149,950	\$	149,950
Expenditures	\$	162,271	\$	178,193
Ending	\$	36,742	\$	8,499

Clayton Financing Authority Fund (405)

- We have not used this fund for anything since 2017/18 when we replaced the HVAC in City Hall.
- Propose to allocate \$75,000 from this fund for major repairs to the library HVAC system.

Clayton Financing Authority Fund (405)

	FY22		FY23	
Beg Bal	\$	598,256	\$	607,456
Revenue	\$	9,200	\$	9,200
Expenditures			\$	75,000
Transfers				
Ending	\$	607,456	\$	541,656

Pension Rate Stabilization Fund (503)

- There is a need to establish both Pension and OPEB policies.
- This fund is a good placeholder for this need.
- Examine strategies on how to reduce this liability and manage the pension debt wisely.

Pension Rate Stabilization Fund (503)

	FY22		FY23
Beg Bal	\$	289,093	\$ 293,093
Revenue	\$	4,000	\$ 4,000
Expenditures	\$	-	
Transfers			
Ending	\$	293,093	\$ 297,093


Pandemic Recovery Reserve Fund (111) and ARPA Fund (232)

- ARPA Fund 232 is an in and out fund. The balance will always be zero.
- The Pandemic Recovery Reserve Fund allocates only at the direction of the City Council. The use of its funds are assigned.

Pandemic Recovery Reserve Fund (111) and ARPA Fund (232)

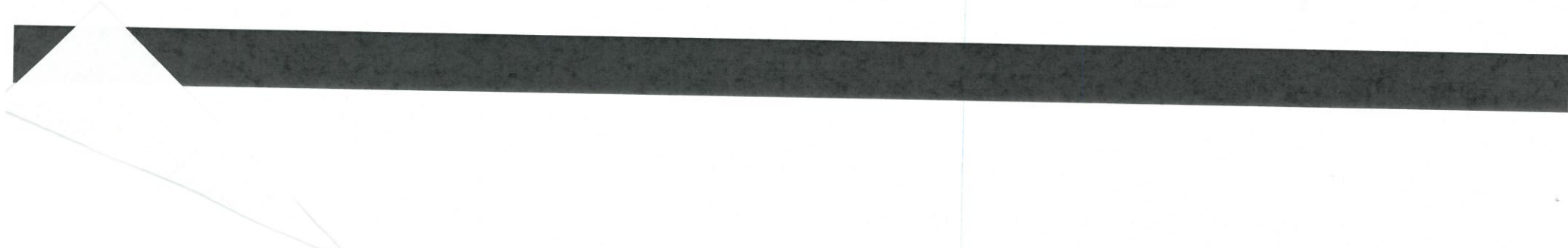
- The ending fund balance in FY23 will depend on the direction from the City Council as to the priorities.
- The below fund balance would reflect approval of all of the following:

Pandemic Recovery Reserve Fund (111) and ARPA Fund (232)

- \$122,265 to shore up the General Fund to ensure we do not need to make any cuts to the following:
 - Police Department vehicle replacement plan
 - A raise of 3% for Miscellaneous employees
 - Increased HVAC maintenance costs
 - Maintaining an adequate budget for engineering services.
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Pandemic Recovery Reserve Fund (111) and ARPA Fund (232)

➤ Covers the following additional needs
(Totals \$253,593):

- 1- year limited term senior accountant position
 - Street Lighting District shortfall
 - Additional IT Support for modernization and increased cyber security
 - Records Management/Digitization Project
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Pandemic Recovery Reserve Fund (111) and ARPA Fund (232)

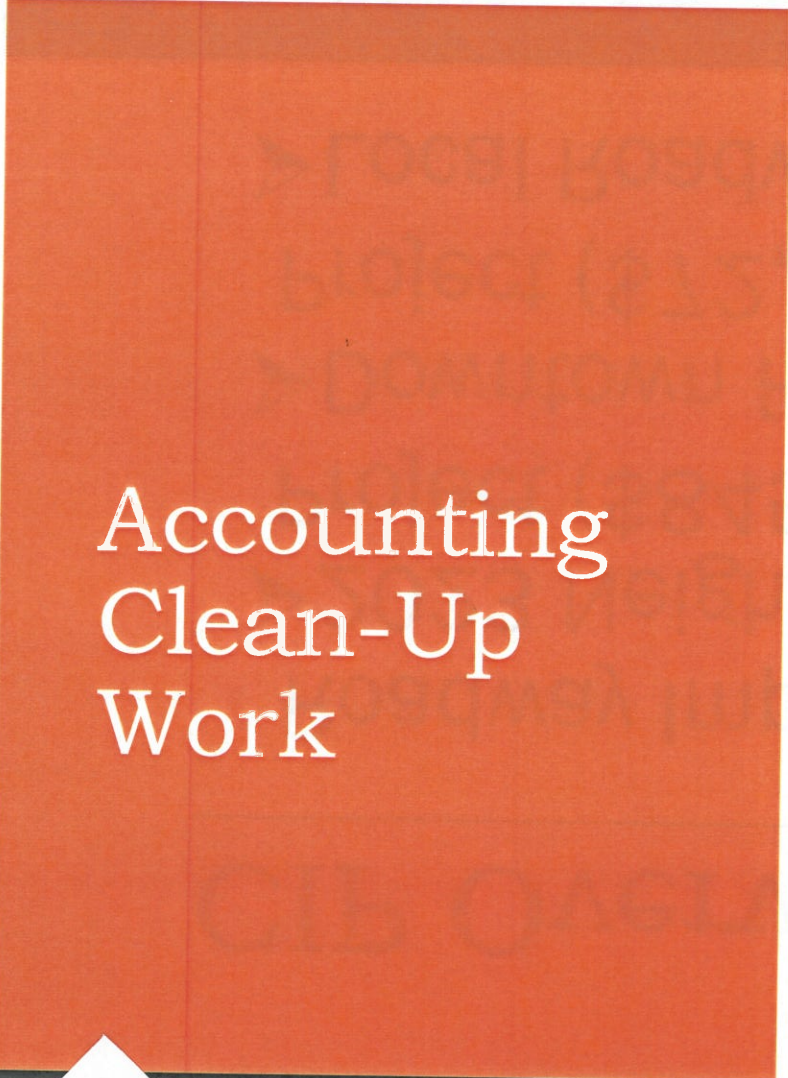
	FY22	FY23
Beg Bal		\$ 381,960
Revenue	\$ 1,470,024	\$ 1,470,024
Expenditures	\$ 1,088,064	\$ 376,858
Transfers		
Ending	\$ 381,960	\$ 1,475,126

CIP Overview (303)


- North Valley Playground Renovation - ADA Dropoff (\$48,000)
- Pine Hollow Upgrade (cost TBD)
- ADA Transition Compliance Program (\$6,000)

CIP Overview (303)

- Roadway Improvements:
 - 2023 Neighborhood Pavement Rehab Project (\$845,210)
 - Downtown Pedestrian Improvement Project (\$72,000)
 - Local Roadway Safety Plan (\$10,000)



Accounting Clean-Up Work

1. Current Year
 2. Respond to Audit Findings
 3. Succession Planning
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