



## STAFF REPORT

**Date:** February 10, 2015  
**To:** Bryan H. Montgomery, City Manager  
**From:** Paul Abelson, Finance Director  
**SUBJECT:** City Mid-year Budget Review 2014-15

Approved and Forwarded to the City Council:

  
Bryan Montgomery, City Manager

### **Background and Analysis**

City Policy requires the City Manager to make a mid-year budget report to the City Council in February of each year. The process provides an opportunity to review the status of the Budget at mid-year and to make adjustments to the City's planned operations and budget. This year's report is attached and includes a State of the Budget summary and summary of recommendations, detailed assessments of both operating and capital budgets, an updated 10 year projection, and a schedule showing the recommended mid-year budget adjustments for each fund.

### **Fiscal Impact**

In the General Fund, Staff is recommending that estimated revenues be increased a net total of \$137,000; with no increase in appropriations. Adjustments to other funds include decreases of \$400,000 and \$200,000 in estimated revenues the Traffic Impact Fee and Public Facilities Impact Fee funds, reflecting delays in building activity, and an increase of \$185,000 in estimated Gas Tax revenues, to reflect new estimates released by the State just recently.

As always, there are also some clean up adjustments – 1) several adjustments to account for the difference between original estimated beginning of the year fund balances and actual fund balances, and 2) a couple of adjustments to reduce capital project appropriations in the current year budget, because a portion of a project budgeted in full for fiscal year 2014-15, was accelerated into fiscal year 2013-14.

### **Recommendation and Alternatives**

Staff recommends the Council receive the report and adopt the Resolution approving the Report and adopting the recommendations therein.

### **Attachments**

1. Midyear Budget Review Report.
2. Resolution



**City of Oakley  
Midyear Budget Review  
Fiscal Year 2014-15**

**Contents**

State of the Budget

Proposed Appropriations of Fund Balance

Discussion of Capital Budgets

Summary of Staff Recommendations

Updated 10 year Plan

Staff Recommended Budget Adjustments

Presented to the City Council on February 10, 2015

## **State of the Budget**

It was both exciting and a bit of a relief to receive the news in July that property tax revenues were expected to finally begin reflecting the increase in property values the market has experienced over the past few years. On top of this, the City continues to see general stability in the local economy. Employment and business activity both remain stable, and developers and builders are beginning to be more active. Several residential developments, although delayed, are near to building stages, and expectations are that Oakley will see a return to more normal development activity over the next few years.

This report contains no significant surprises, and no proposals to significantly increase spending, although it includes the good news that our operations last year resulted in a greater General Fund reserve than originally estimated in the budget. The City's practice of budgeting conservatively and striving to live within our means remains effective in ensuring we maintain good fiscal health, and the recommended changes in this mid-year remains true to these practices.

Settlement of the City's litigation against the State Department of Finance regarding the winding down of the Successor Agency to the Oakley Redevelopment Agency resulted in the use of approximately \$1.5 million of the City's reserves previously held aside for this purpose, and resulted in the City gaining ownership of Agency assets that produce approximately \$80,000 per year in income. Using the proceeds of the settlement, the Successor Agency made its final Due Diligence Review payments; and as a local agency entitled to receive a share, the City received its allocation, as well.

The Council already took action in October to appropriate increased property taxes projected for the year, and we are recommending the use of restraint in not appropriating more fund balance, as the City may need additional funds to assist in the transition of the City's police services in-house, in the likely event that decision be made in the coming weeks.

## **The General Fund**

In accordance with the City's Financial Policies, the original current year budget was conservative when adopted. Estimated recurring revenues exceeded recurring expenses by \$10,000; and with the end of the recession having passed, the budget included appropriations of \$2 million towards one-time uses. In October, the Council approved the appropriation of an additional \$450,000 in previously unbudgeted property taxes, designating approximately half towards increased staffing and a number of salary adjustments that had been delayed for prior lack of funding, and approximately half towards more one-time type expenditures.

Mid-year budget recommendations most notably include increasing estimated revenues to reflect the receipt of the Due Diligence Review payment (\$125,000), receipt of the proceeds from the sale of a portion of the Diamond Hills property (\$135,000), which we expect to close during the fiscal year, an increase in investment income to reflect the unbudgeted portion of new income expected from the loan and property acquired through

the redevelopment litigation (\$48,000), and an adjustment to recognize that the Department of Finance approved the City's request for the administrative allowance for both six-month Agency spending plans for the year (a total of \$250,000). This had been unbudgeted, because prior to the settlement of the litigation, DOF had begun denying the allowance. These increases are offset largely by a use of reserves set aside to offset a \$135,000 previously determined reduction in sales tax the State will recapture for prior years overpayments related to Dupont, and reducing building department related revenues (\$300,000) to account for unexpected delays in home building activity. The property sale, Due Diligence allocation sales tax offset and reduction in building revenues are expected to be one-time type in nature; the investment income increase and the administrative allowances are expected to be recurring. Including these and several other small adjustments, the mid-year report proposes increasing revenues a net total of \$137,000. There are no proposed increases to expenditures, and overall the proposed General Fund operating budget remains balanced without relying on one time revenues. This reflects the Council's continuing commitment to operating conservatively until such time as the increased revenues from the recovery are better established. The budget does, however, continue to include the planned use of fund balance budgeted at the beginning of the year, and the settlement payment. As a result the budget shows an overall net use of fund balance totaling \$3,331,299. In addition, as noted in the New Interfund Loans section below, the General Fund is expected to need to provide up to \$301,500 in new interfund loans, \$227,500 more than was included in the Original Budget.

### **Other Funds**

Attached at the end of this report is a spreadsheet summarizing the beginning and projected year-end fund balances by fund, the existing budgets, year-to-date actual revenues and expenditures (through mid-year) and the adjustment amounts recommended in each fund. Overall, what the analysis shows is that by keeping operations lean, the City's funds remain generally healthy and the conservative budgeting and active management of operations are successfully meeting the goal of living within our means.

As a reminder, the City appropriates unassigned fund balances in its special purpose funds, and so the table generally shows a net use in each of these funds. In cases where fund balances are available, you will note actual expenditures year to date in the special purpose funds are generally significantly less than the expenditures budgeted, and generally that is to be expected.

A couple of details are worthy of mention:

- Revenues in the Traffic Impact Fee and Public Facilities Impact Fee Funds are being decreased by \$400,000 and \$200,000, respectively, to account for the impacts the slowdown in building activity has on these capital projects funds.
- Revenues in the Gas Tax Fund are being increased by \$185,000, to reflect updated estimates recently provided by the State.

- New Funds. The Mid-Year Budget includes two new funds and initial budgets for each. One results from the actions approved in the Original Budget, and one formed to better serve a distinct group of customers.
  - Economic Development Revolving Loan Program Fund – This new fund was established following the Original Budget’s adoption, in order to separately account for the new revolving loan program activities.
  - Sports Field Maintenance Fund – This fund is being created in order to better serve the Leagues and other organized groups who use the City’s sports fields. The groups would pay fees for someone from the City to ensure the fields are properly striped, and that set up and closing down would be managed more effectively. The expectation is that the service will both benefit the Leagues by providing more uniform set ups at each facility, and given these uses are more intensive and impactful on the respective parks, the City benefits by having a hand in ensuring a higher level of care for the facilities getting more intensive use.

**New Interfund Loans**

One of the City’s financial policies is that interfund loans be approved by the City Council. On review at mid-year, it appears that the following funds will likely need a General Fund loan on or before year-end. Staff recommends the following interfund loans be approved as part of the Mid-Year Budget Report:

Fund 187 – Country Place, a loan up to \$16,500. This is a landscaping zone that contains Nutmeg Park. The park was constructed knowing that the annexation of future homes to the zone would be required for it to be able to collect assessments sufficient to perform proper regular maintenance. The annexations have not yet occurred, and the General Fund has, each year, provided loans to the Fund so that the work could be performed, and so that the General Fund to be repaid in the future when more revenues become available.

Fund 206 – Public Facilities Impact Fees, a loan up to \$285,000. This fund is used to account for public facilities impact fees from new development. The fees collected are currently committed first to pay the debt service on the 2006 Certificates of Participation used as part of the funding for the construction of City Hall. If these fees are not sufficient to pay the debt service in full, the General Fund is pledged to make up the shortfall. The Original Budget included a projected loan of \$75,000 for the year; however the delays in building activity have resulted in a reduction in projected revenues that will need to be made up by the General Fund. As is our practice, the recommendation is for this amount to be a loan, so that the General Fund may be repaid in the future when more revenues become available.

### **Looking Forward - The 10-Year Plan**

Staff has updated the 10-Year Plan to reflect the most current projections for FY 2014-15 and likely trends in the coming years. As always, the projections in the near term are more meaningful, but extending the analysis out ten years allows evaluation of the long-term effects of decisions being made today.

After making the current year adjustments, the revised 10-Year Plan incorporates the expectation of continued more normal growth in most tax bases. Projected spending levels have been adjusted to demonstrate a scenario that would both manage financial resources and human resources to ensure the highest priorities of the City are pursued to the fullest extent possible, while keeping the budget in balance and maintaining an appropriate reserve.

The updated Plan continues includes the restoration of General Fund allocations to augment roadway maintenance, not only to ensure funds are available to maintain the new roads added to the City's responsibilities from past development, but also to maintain Main Street, which prior to the recession was maintained by the State. It also includes continued allocations to the Reserve for Roadway Maintenance to ensure roadway maintenance activities can continue through the next economic downturn.

### **Proposed Appropriations of Fund Balance**

In several funds the actual beginning of the year Fund Balance was different than estimated during the budget development process. As part of the midyear budget proposal, the attached Fund Summaries Table has been updated to show the actual beginning fund balances. There are several appropriations adjustments proposed to true up the appropriation of unassigned amounts in the City's Special Revenue and Capital Projects Funds, consistent with the City's policies, where needed. These adjustments can be either additions or reductions; however there are no new projects or programs proposed.

As has been the case for several years, a couple of the Park Lighting and Landscaping Funds are not yet capable of sustaining current levels of service in the long run; nonetheless, for these Funds, the use of existing Fund Balance and, in a couple of cases, utilizing an interfund loan pursuant to current policy, remains the most reasonable option.

### **Discussion of Capital Budgets**

The Capital Improvement Program (CIP) remains very active this fiscal year, and a substantial amount of available capital projects funds on hand from recent years are being put to work.

As is typical, some of the projects were originated in prior years while others will continue into future fiscal years. The budget policies allow unspent budgeted capital amounts to be rolled forward to the next fiscal year to simplify the accounting process.

With slower building activity, it is necessary to reduce anticipated traffic impact fee revenues by an expected \$400,000. \$212,000 of this can be absorbed by reducing the appropriations for unassigned balances; the rest will need to be accommodated by re-assigning certain project costs to another fund. Staff is proposing the re-assignment of \$188,000 in CIP appropriations from the Traffic Impact Fee Fund to the Measure J Fund, since there are adequate unassigned balances in the Measure J Fund to cover the project costs and there are projects that meet the eligible uses for both funding sources so that such a re-assignment is allowed.

Gas Tax revenues are being adjusted upwards \$185,000 reflecting new FY 14-15 estimates recently released by the State. For now, the expected increase will be reflected in increased unassigned balances, until such time as they are assigned to a capital project.

The General Capital Projects Fund includes a fund balance true up (actual was greater than estimated) of approximately \$98,000, which will be added to the Fund's unassigned balances appropriations until assigned a project.

The proposed adjustments do not yet include the first anticipated draw of available Bond Refunding savings from the 2012 Refunding, estimated at \$65,000 for this year; and the anticipated receipt of deferred impact fee payments from the Successor Housing Assets Fund, totaling \$48,000; although Staff will proceed with the efforts to bring these funds into the capital projects program. Once obtained, they will be appropriated into Unassigned Balances line items in the respective capital projects funds until such time as appropriate projects are identified.

### **Summary of Staff Recommendations**

Staff recommends the Council authorize adjustments necessary at a line item level to increase General Fund budgeted revenues \$137,000. The notable changes include:

- An increase in Miscellaneous revenues totaling \$140,000, primarily driven by receipt of the Due Diligence allocation from the County Auditor Controller ;
- An increase in Proceeds from the Sale of Property totaling \$135,000, reflecting the anticipated sale of a portion of the Diamond Hills property; and
- An increase in the Annual Fees account totaling \$250,000, where we account for the administrative allowance for administering the Successor Agency's activities;
- An increase in Interest Revenue totaling \$48,000 reflecting the interest on development and economic development loan repayments received during the year;

- A reduction in Sales Tax revenues totaling \$135,000 for the DuPont adjustment;
- A reduction in Building Division revenues totaling \$300,000 to reflect slower building activity.
- Authorizing interfund loans from the General Fund to the following Funds:
  - 187 Country Place – in an amount not to exceed \$16,500.
  - 206 Public Facilities Impact Fee Fund – in an amount not to exceed \$285,000.

For all other funds:

Authorize the appropriation adjustments necessary at a line item level to reflect the changes summarized in the Fund Summaries that are a part of this report, the most notable of which include:

- A decrease in Traffic Impact Fees reflecting slower building activity totaling \$400,000. The reduction in revenues will be offset by a \$212,000 decrease in appropriated unassigned balances, and a transfer of \$188,000 in appropriations to the Measure J Fund ;
- A decrease in Public Facility Impact Fees reflecting slower building activity totaling \$200,000.
- An increase in Gas Tax revenues totaling \$185,000, with a corresponding increase in the appropriation of unassigned balances.
- Adjustments to several funds' expenditure levels to true up for fund balances where estimates were different from actual at the end of the year. Most of these are smaller adjustments; however there are three that are for larger amounts. These include decreases in the Community Facilities District #1 (\$112,000) and Measure WW (\$162,000) Funds; and an increase in the General Capital Projects Fund (\$98,000). The District and Measure WW Funds' adjustments were caused by the acceleration of projects into fiscal year 2013-14 that were budgeted in full for fiscal year 2014-15. The reductions remove duplicated amounts and ensure the adjusted budget reflects approved project funding. The General Capital Projects adjustment is the result of unanticipated savings, and will result in an increase in the appropriation of unassigned balances.



### **Updated 10 year Plan**

The 10 year Plan is the City's tool for evaluating our success in ensuring service sustainability. It is organized by revenue type and function; and includes an indication of the general character of the revenues and expenditures shown as either recurring or one-time in nature.

For purposes of the 10 Year Plan, if a revenue class is likely to be recurring for a period of 5 years or more, it is treated as recurring. This includes certain development related fees that can be, as the recession proved, less predictable. For instance, building permit revenue will always exist, but it is more sensitive to economic changes than property taxes. Estimates of these revenues remain conservative, as it may take several more years for activity levels to return to a more normal level. The same holds true for excess revenues available to augment Gas Tax and Measure C/J revenues that are largely dedicated to roadway maintenance.

Since we include both general purpose and special purpose (assigned) revenues in the Plan, it's important to reiterate that the while the City may fund eligible programs with both restricted and unrestricted funds, its policy is to apply restricted funds to such programs first, followed by general purpose revenues, if necessary. Reviewing this is important in order to establish in general the reason there aren't more significant reserves for assigned revenues in the Plan.

As the Plan is intended to help us see where we are succeeding in achieving service sustainability and where we must improve, it should be reviewed with this goal in mind. In particular, loans, transfers, and subsidies are shown separately and should be examined to determine and consider why they are necessary or desirable, if they should continue or increase over the long-term, or whether these funds are better allocated to higher priorities.

### **Staff's Conclusions and Recommendations from this Midyear Plan Update**

The midyear update confirms that if we remain disciplined, as the Council has directed and incorporated into the City's Financial Policies, the City's operations are and can remain balanced over time. While the recession appears to have passed, current year building activity levels reflect delays in several major projects, leading to reduced projected current year revenues. Consistent with prior plans, the one presented here shows that as revenues increase again with the economy, the City will be able to restore roadway maintenance augmentations and some of the services reduced in years past, as well as fund, at least in part, its Reserve for Roadway Maintenance. Because the City remains subject to significant external factors in managing costs, we continue to recommend proceeding carefully with any changes expected to increase recurring costs without new recurring revenues.

(Updated 10 Year Plan attached.)

### **Staff Recommended Budget Adjustments**

The attached summaries include updated schedules of General Fund Estimated Revenues and General Fund Proposed Expenditures from the 2014-15 Adopted Budget, and Fund Summaries for each City fund budgeted.

For all funds, detailed line item adjustments have been prepared that once approved will be reflected in the City's finance system as line item budget changes.

(General Fund Estimated Revenues, General Fund Proposed Expenditures, and Fund Summaries attached)

City of Oakley  
10 Year Plan  
For Inclusion in the  
FY 2014-15  
Mid-Year Budget Review

General		(Dollars in Thousands)															
Description	Character	Actual	Actual	Actual	Adopted	YTD Actuals	Proposed										Total
		11/12	12/13	13/14	14/15	14/15	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	14/15-23/24
<b>General Purpose Revenues</b>																	
Property Taxes	Recurring	\$1,773	1,914	1,941	\$2,043	\$1,279	\$2,493	\$2,618	\$2,749	\$2,886	\$3,030	\$3,182	\$3,341	\$3,508	\$3,683	\$3,867	31,357
PT in Lieu of VLF	Recurring	1,803	1,793	1,927	2,002	-	2,002	\$2,102	2,207	2,318	2,433	2,555	2,683	2,817	2,958	3,106	25,181
State Prop 1A Loan/Repayment w/2% int.	On Occasion		473														0
Sales & Use Tax	Recurring	1,590	1,617	1,521	1,475	530	1,482	\$1,556	1,634	1,716	1,801	1,891	1,986	2,085	2,190	2,299	18,640
Motor Vehicle In-Lieu Fees	Recurring	18	19	16	0	16	16	\$17	18	19	19	20	21	23	24	25	201
Trans. Occupancy Tax (TOT)	Recurring	165	196	195	195	141	240	\$252	265	278	292	306	322	338	355	372	3,019
Real Property Transfer Tax	Recurring	110	137	147	131	68	150	\$158	165	174	182	191	201	211	222	233	1,887
Franchise Fees	Recurring	1,028	1,115	1,230	1,243	546	1,243	\$1,305	1,370	1,439	1,511	1,586	1,666	1,749	1,836	1,928	15,634
Business License Tax	Recurring	107	107	111	107	58	107	109	111	114	116	118	120	123	125	128	1,172
Traffic Fines	Recurring	123	155	130	128	49	128	\$134	141	148	156	163	172	180	189	199	1,610
Interest Income	Recurring	36	21	58	82	63	130	130	130	130	130	130	130	130	130	130	1,300
<b>Subtotal General Purpose</b>		<b>6,753</b>	<b>7,547</b>	<b>7,276</b>	<b>7,406</b>	<b>2,750</b>	<b>7,991</b>	<b>8,381</b>	<b>8,790</b>	<b>9,220</b>	<b>9,671</b>	<b>10,144</b>	<b>10,642</b>	<b>11,164</b>	<b>11,712</b>	<b>12,287</b>	<b>100,001</b>
<b>Fee/Reimbursement Revenues</b>																	
Building Permits/Plan Check/Rental Inspections	Recurring	614	816	939	733	269	433	845	967	996	1,282	1,321	1,361	1,401	1,443	1,487	11,537
Engineering Fees	Recurring	9	10	22	20	8	20	21	22	23	24	26	27	28	30	31	252
Planning Fees	Recurring	10	11	13	11	5	11	12	12	13	13	14	15	15	16	17	138
Law Enforcement Fees/Reimbursement Revenues	Recurring	61	27	45	89	22	89	92	94	97	100	103	106	109	113	116	1,020
Recreation Fees	Recurring	80	71	73	54	42	54	57	60	63	66	69	72	76	80	84	679
City Admin Fees	Recurring	226	306	338	242	79	170	94	71	66	13	6	(1)	(9)	(17)	(25)	368
Interfund Cost Recoveries (operations)	Recurring	4,863	5,359	4,942	5,223	2,663	5,473	5,835	6,260	6,710	7,244	7,857	8,510	9,206	9,932	10,688	77,715
Interfund Cost Recoveries (charging grant funds)	one-time	16	21	17	14	0	14										14
Other Miscellaneous Fees & Charges	Rec & one-time	134	107	153	73	226	213	75	77	80	82	85	87	90	92	95	977
<b>Subtotal Fee/Reimbursement Revenues</b>		<b>6,013</b>	<b>6,728</b>	<b>6,542</b>	<b>6,459</b>	<b>3,314</b>	<b>6,477</b>	<b>7,030</b>	<b>7,564</b>	<b>8,048</b>	<b>8,825</b>	<b>9,480</b>	<b>10,177</b>	<b>10,918</b>	<b>11,690</b>	<b>12,494</b>	<b>92,701</b>
<b>Total General Operating Revenues</b>		<b>12,766</b>	<b>14,275</b>	<b>13,818</b>	<b>13,865</b>	<b>6,064</b>	<b>14,468</b>	<b>15,411</b>	<b>16,354</b>	<b>17,268</b>	<b>18,496</b>	<b>19,624</b>	<b>20,818</b>	<b>22,081</b>	<b>23,401</b>	<b>24,780</b>	<b>192,701</b>
<b>Release of Dutch Slough Fund Balance Reserves</b>	one-time	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Proceeds from the Sale of Property</b>	one-time						135										
<b>Total Sources of Funds</b>		<b>12,766</b>	<b>14,275</b>	<b>13,818</b>	<b>13,865</b>	<b>6,064</b>	<b>14,603</b>	<b>15,411</b>	<b>16,354</b>	<b>17,268</b>	<b>18,496</b>	<b>19,624</b>	<b>20,818</b>	<b>22,081</b>	<b>23,401</b>	<b>24,780</b>	<b>192,701</b>

City of Oakley  
10 Year Plan  
For Inclusion in the  
FY 2014-15  
Mid-Year Budget Review

(Dollars in Thousands)																	
Description	General Character	Actual	Actual	Actual	Adopted	YTD Actuals	Proposed									Total	
		11/12	12/13	13/14	14/15	14/15	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	14/15-23/24
<b>Department Expenses</b>																	
City Council	Recurring	60	62	57	61	40	62	65	68	68	72	72	75	75	79	79	716
Elections	Recurring	0	17	0	25	18	25	27	27	29	29	32	31	36	34	39	309
City Manager	Recurring	395	381	403	400	204	448	470	494	519	545	572	600	630	662	695	5,635
Economic Development	Recurring	112	153	147	165	84	194	204	214	225	236	248	260	273	287	301	2,440
Community Outreach	Recurring	38	66	92	90	53	115	121	127	133	140	147	154	162	170	178	1,446
Human Resources	Recurring	16	32	23	67	28	67	70	74	78	81	86	90	94	99	104	843
Maintenance Custodial	Recurring	43	46	48	49	31	70	74	77	81	85	89	94	98	103	109	880
City Clerk	Recurring	177	234	220	224	107	244	256	269	282	297	311	327	343	360	379	3,069
Finance	Recurring	471	527	541	551	302	648	680	714	750	788	827	868	912	957	1,005	8,150
Information Technology	Recurring	217	214	222	221	149	243	255	268	281	295	310	326	342	359	377	3,056
Public Safety	Recurring	7,568	7,168	7,445	8,616	3,323	8,647	9,079	9,763	10,251	10,994	11,544	12,351	12,968	13,617	14,298	113,513
City Attorney	Recurring	262	214	203	205	65	205	215	226	237	249	262	275	288	303	318	2,578
Animal Control	Recurring	189	191	194	198	148	198	208	218	229	241	253	265	279	293	307	2,490
Community Development	Recurring	343	299	326	305	155	372	391	410	431	452	475	499	523	550	577	4,679
Building Inspection	Recurring	541	616	472	394	171	396	416	437	458	481	505	531	557	585	614	4,981
Code Enforcement/Rental Inspections	Recurring	20	40	105	259	125	263	276	290	304	320	336	352	370	389	408	3,308
Public Works/Engineering	Recurring	921	1,106	857	793	343	828	869	913	959	1,006	1,057	1,110	1,165	1,223	1,284	10,414
Public Works Maintenance	Recurring	93	97	109	187	73	189	198	208	219	230	241	253	266	279	293	2,377
Recreation	Rec & one-time	285	330	378	435	212	538	565	593	623	654	687	721	757	795	835	6,767
Parks	Recurring	321	378	372	334	190	390	410	430	451	474	498	523	549	576	605	4,905
<b>Department Expenditures:</b>		<b>12,072</b>	<b>12,171</b>	<b>12,214</b>	<b>13,579</b>	<b>5,821</b>	<b>14,142</b>	<b>14,850</b>	<b>15,821</b>	<b>16,610</b>	<b>17,668</b>	<b>18,550</b>	<b>19,705</b>	<b>20,689</b>	<b>21,720</b>	<b>22,806</b>	<b>177,655</b>
<b>Non-Departmental Expenses</b>																	
Other Non-Departmental Expenses	Recurring	341	416	477	486	306	504	524	545	567	590	613	638	663	690	717	6,051
Equipment Replacement (exp & reserve)	Recurring	302	280	249	50	0	50	52	62	72	82	92	102	112	122	132	878
Capital Facilities Mtc & Replacement (exp & reserve)	Recurring	0	0	0	0	0	0	30	50	50	50	50	50	50	50	50	430
Interim Needs/Contingency	Recurring	15	11	162	283	42	316	327	346	362	383	401	424	444	464	486	3,954
Amount charged to Departments	Recurring	(899)	(909)	(904)	(819)	(410)	(819)	(933)	(1,004)	(1,051)	(1,105)	(1,156)	(1,214)	(1,269)	(1,326)	(1,385)	(11,262)
<b>Total Non-Department Expend.</b>		<b>(241)</b>	<b>(202)</b>	<b>(16)</b>	<b>0</b>	<b>(62)</b>	<b>51</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>51</b>
<b>Total Expenditures</b>		<b>11,831</b>	<b>11,969</b>	<b>12,198</b>	<b>13,579</b>	<b>5,759</b>	<b>14,193</b>	<b>14,850</b>	<b>15,821</b>	<b>16,610</b>	<b>17,668</b>	<b>18,550</b>	<b>19,705</b>	<b>20,689</b>	<b>21,720</b>	<b>22,806</b>	<b>177,706</b>
<b>Net General Operating Revenue (Expense)</b>		<b>935</b>	<b>2,306</b>	<b>1,620</b>	<b>286</b>	<b>305</b>	<b>410</b>	<b>561</b>	<b>533</b>	<b>658</b>	<b>828</b>	<b>1,074</b>	<b>1,113</b>	<b>1,392</b>	<b>1,681</b>	<b>1,975</b>	
<b>Transfers and Loans</b>																	
Transfers to Active Roadway Maintenance Programs	recurring	(129)	(43)	(44)	(100)	0	(100)	(150)	(175)	(200)	(275)	(350)	(375)	(450)	(525)	(600)	(3,200)
Transfer to Reserve for Roadway Maintenance	one-time				(75)	0	(75)	(150)	(175)	(200)	(275)	(350)	(350)	(450)	(525)	(600)	(3,150)
Transfers to Main Street Fund	recurring	(28)	(25)	(25)	(100)	0	(100)	(150)	(175)	(200)	(275)	(350)	(375)	(450)	(525)	(600)	(3,200)
Transfers to General Capital Projects Fund	recurring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans to Public Facilities Fee Fund/Repayments	one-time	0	(75)	(75)	(74)	0	(281)	0	0	0	0	0	0	0	0	0	(281)
<b>Total Transfers</b>		<b>(157)</b>	<b>(143)</b>	<b>(144)</b>	<b>(349)</b>	<b>0</b>	<b>(556)</b>	<b>(450)</b>	<b>(525)</b>	<b>(600)</b>	<b>(825)</b>	<b>(1,050)</b>	<b>(1,100)</b>	<b>(1,350)</b>	<b>(1,575)</b>	<b>(1,800)</b>	<b>(9,831)</b>
<b>Use of Fund Balance</b>																	
For General Fund One Time uses	one-time		(224)		(935)	(78)	(2,385)										
Transfer to General Capital Projects Fund	one-time		0	(272)	(1,065)	0	(1,065)										
Economic Development Loans	one-time			(400)	400	400	400										
Anticipated Sales Tax Allocation Correction	one-time			(45)	(135)	(90)	(135)										
<b>Total Net Sources (Uses) of Funds</b>		<b>778</b>	<b>1,939</b>	<b>759</b>	<b>(1,798)</b>	<b>537</b>	<b>(3,331)</b>	<b>111</b>	<b>8</b>	<b>58</b>	<b>3</b>	<b>24</b>	<b>13</b>	<b>42</b>	<b>106</b>	<b>175</b>	

Goal of Funding Reserve for Roadway mtc by June 30, 2018 will require ~\$4.4 million in additional one time funds to get to fully funded amt of \$4.5 million.

Increase in General Fund one time uses were for settlement of redevelopment litigation. Assets acquired with the funds are income generating assets.

City of Oakley  
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Description	General Character	(Dollars in Thousands)															
		Actual 11/12	Actual 12/13	Actual 13/14	Adopted 14/15	YTD Actuals 14/15	Proposed 14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	
<b>Summary of Recurring and One-Time Amounts</b>																	
<b>Recurring Activities Summary</b>																	
Revenues		12,686	13,781	13,801	13,850	6,064	14,454	15,411	16,354	17,268	18,496	19,624	20,818	22,081	23,401	24,780	
Expenditures/ Including Transfers and Loans		11,870	12,016	12,250	13,840	5,759	14,454	15,300	16,346	17,210	18,493	19,600	20,805	22,039	23,295	24,606	
Revenues over (under) Expenditures		<b>816</b>	<b>1,765</b>	<b>1,551</b>	<b>10</b>	<b>305</b>	<b>0</b>	<b>111</b>	<b>8</b>	<b>58</b>	<b>3</b>	<b>24</b>	<b>13</b>	<b>42</b>	<b>106</b>	<b>175</b>	
<b>One-Time Activities Summary</b>																	
Revenues/Loan Repayments		80	494	(383)	279	310	414	0	0	0	0	0	0	0	0	0	
Expenditures/ Including Transfers and Loans		118	96	409	2,088	78	3,745	0	0	0	0	0	0	0	0	0	
Revenues over (under) Expenditures		<b>(38)</b>	<b>398</b>	<b>(792)</b>	<b>(1,809)</b>	<b>232</b>	<b>(3,331)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Recurring and One-Time</b>		<b>778</b>	<b>2,163</b>	<b>759</b>	<b>(1,799)</b>	<b>537</b>	<b>(3,331)</b>	<b>111</b>	<b>8</b>	<b>58</b>	<b>3</b>	<b>24</b>	<b>13</b>	<b>42</b>	<b>106</b>	<b>175</b>	
<b>Assigned Revenues/Police</b>																	
State COPS Grant (SLESF)	one-time	203	114	117	100	34	100	100	100	100	100	100	100	100	100	100	<b>Total</b>
P-6 Police Services Assessments	Recurring	2,574	2,857	3,058	3,308	1,810	3,308	3,583	3,896	4,228	4,637	5,120	5,636	6,189	6,764	7,362	<b>1,000</b>
School Resource Officer Grant	one-time	55	55	55	55	0	55	55	55	55	55	55	55	55	55	55	<b>50,723</b>
Police Equip./Traffic Grants	one-time																<b>550</b>
<b>Subtotal Assigned Police Revenues</b>		<b>2,832</b>	<b>3,026</b>	<b>3,230</b>	<b>3,463</b>	<b>1,844</b>	<b>3,463</b>	<b>3,738</b>	<b>4,051</b>	<b>4,383</b>	<b>4,792</b>	<b>5,275</b>	<b>5,791</b>	<b>6,344</b>	<b>6,919</b>	<b>7,517</b>	<b>52,273</b>
					150		95	180	200	200	250	250	250	250	250	250	
<b>Restricted Police Expenditures</b>																	
State COPS Grant (SLESF)	one-time	203	114	117	100	1	100	100	100	100	100	100	100	100	100	100	<b>1,000</b>
P-6 Supported Police Services	Recurring	2,574	2,857	3,058	3,308	1,655	3,308	3,583	3,896	4,228	4,637	5,120	5,636	6,189	6,764	7,362	<b>50,723</b>
School Resource Officer Grant	one-time	55	55	55	55	28	55	55	55	55	55	55	55	55	55	55	<b>550</b>
Police Equip./Traffic Grants	one-time																<b>0</b>
<b>Subtotal Restricted Police Expenditures</b>		<b>2,832</b>	<b>3,026</b>	<b>3,230</b>	<b>3,463</b>	<b>1,684</b>	<b>3,463</b>	<b>3,738</b>	<b>4,051</b>	<b>4,383</b>	<b>4,792</b>	<b>5,275</b>	<b>5,791</b>	<b>6,344</b>	<b>6,919</b>	<b>7,517</b>	<b>52,273</b>
<b>Rollover Balances*</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>n/a</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Description	General Character	(Dollars in Thousands)															Total 14/15-23/24
		Actual 11/12	Actual 12/13	Actual 13/14	Adopted 14/15	YTD Actuals 14/15	Proposed 14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	
<b>Parks, Landscaping &amp; Lighting Revenues</b>																	
Community Parks	Recurring	1,032	1,115	1,132	1,068	608	1,085	1,147	1,214	1,282	1,363	1,446	1,530	1,616	1,704	1,793	14,181
<i>Loan from General Fund, if necessary</i>	<i>one-time</i>																0
Street Lighting	Recurring	197	201	206	207	117	213	222	233	243	256	269	281	294	307	320	2,638
<i>Transfer in from Gas Tax Fund</i>	<i>one-time</i>	199	162	156	121	0	121	186	196	206	215	225	236	248	261	276	2,170
Neighborhood Parks	Recurring	1,848	1,908	1,962	1,933	1,096	2,033	2,131	2,236	2,344	2,466	2,592	2,721	2,854	2,991	3,133	25,502
<b>Total Parks, Landscaping &amp; Lighting Revenues</b>		<b>3,276</b>	<b>3,386</b>	<b>3,456</b>	<b>3,329</b>	<b>1,821</b>	<b>3,452</b>	<b>3,686</b>	<b>3,878</b>	<b>4,076</b>	<b>4,300</b>	<b>4,531</b>	<b>4,769</b>	<b>5,013</b>	<b>5,264</b>	<b>5,522</b>	<b>44,491</b>
<b>Parks, Landscaping &amp; Lighting Expenditures</b>																	
Community Parks	Recurring	800	818	891	869	381	1,141	1,198	1,308	1,373	1,442	1,514	1,590	1,669	1,753	1,840	14,829
<i>Repay General Fund Loans</i>	<i>one-time</i>	0	0	88	50	0	43	3									46
Street Lighting	Recurring	369	348	337	328	181	374	393	412	433	455	477	501	526	553	580	4,704
Neighborhood Parks	Recurring	1,396	1,640	1,740	1,778	847	1,787	1,876	2,070	2,174	2,282	2,396	2,516	2,642	2,774	2,913	23,432
<b>Total Parks, Landscaping &amp; Lighting Expenditures</b>		<b>2,565</b>	<b>2,806</b>	<b>3,056</b>	<b>3,025</b>	<b>1,409</b>	<b>3,345</b>	<b>3,470</b>	<b>3,790</b>	<b>3,980</b>	<b>4,179</b>	<b>4,388</b>	<b>4,607</b>	<b>4,838</b>	<b>5,080</b>	<b>5,334</b>	<b>43,011</b>
<b>Rollover Balances</b>																	
Community Parks (Including Loans & Reserves)		658	955	1,196	1,395	n/a	1,097	1,043	948	857	779	711	651	598	549	502	
Street Lighting (Including Reserves)		134	149	174	174	n/a	134	150	166	182	198	214	230	246	262	278	
Neighborhood Parks (Including Reserves)		4,407	4,675	4,897	5,052	n/a	5,143	5,398	5,564	5,735	5,919	6,114	6,319	6,531	6,748	6,967	
<b>Roadway Maintenance Revenues</b>																	
Gas Tax Revenues	Recurring	1,013	835	1,084	921	511	1,196	1,256	1,319	1,385	1,454	1,526	1,603	1,683	1,767	1,855	15,043
Measure J Revenues	Recurring	423	913	510	513	0	513	539	566	594	624	655	687	722	758	796	6,452
Transfers in from the General Fund		128	68	69	895	0	895	300	350	400	550	700	750	900	1,050	1,200	7,095
General Fund Transfers to the Street Maintenance Reserve Fund					75	0	75										
Streets Related Grants					1,029	0	1,029										
<b>Total Roadway Maintenance Revenues</b>		<b>1,564</b>	<b>1,816</b>	<b>1,663</b>	<b>3,433</b>	<b>511</b>	<b>3,708</b>	<b>2,094</b>	<b>2,234</b>	<b>2,378</b>	<b>2,627</b>	<b>2,881</b>	<b>3,040</b>	<b>3,305</b>	<b>3,575</b>	<b>3,851</b>	<b>28,591</b>
<b>Roadway Maintenance Expenditures</b>																	
Gas Tax Expenditures for roadway repairs & maintenance	Recurring	593	303	425	464	202	464	719	734	853	1,239	1,302	1,367	1,435	1,506	1,579	11,198
<i>Transfer to Street Lighting Fund</i>	<i>one-time</i>	(199)	(162)	(156)	(121)	0	(121)	(186)	(196)	(206)	(215)	(225)	(236)	(248)	(261)	(276)	(2,170)
<i>Used for Capital Projects (for new or expanded roadways)</i>	<i>one-time</i>	(407)	(308)	(496)	(318)	(208)	(503)	(350)	(389)	(325)							(1,567)
Measure C/J Expenditures for roadway repairs & maintenance	Recurring	682	72	76	89	31	89	167	177	219	624	655	687	722	758	796	4,892
<i>Used for Capital Projects (for new or expanded roadways)</i>	<i>one-time</i>	(597)	(417)	(468)	(550)	(375)	(550)	(372)	(389)	(375)							(1,686)
Use of General Fund Transfers	<i>one-time</i>	128	358	98	2,349	441	2,349	300	350	400	550	700	750	900	1,050	1,200	8,549
Use of Street Maintenance Reserves					0	0	0										
<b>Total Roadway Maintenance Expenditures &amp; Transfers</b>		<b>2,606</b>	<b>1,620</b>	<b>1,719</b>	<b>3,891</b>	<b>1,257</b>	<b>4,076</b>	<b>2,094</b>	<b>2,234</b>	<b>2,378</b>	<b>2,627</b>	<b>2,881</b>	<b>3,040</b>	<b>3,305</b>	<b>3,575</b>	<b>3,851</b>	<b>30,063</b>
<b>Rollover Balances</b>																	
		1,257	1,453	1,397	939	651	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	1,029	

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Description	(Dollars in Thousands)																
	General Character	Actual 11/12	Actual 12/13	Actual 13/14	Adopted 14/15	YTD Actuals 14/15	Proposed 14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	Total 14/15-23/24
<b>Drainage and Stormwater Revenues</b>																	
Community Facilities District Assessments	Recurring	280	285	293	252	162	289	298	307	316	325	335	345	355	366	377	3,313
Stormwater Assessments	Recurring	386	485	489	461	20	461	475	489	504	519	534	550	567	584	602	5,285
<b>Total Drainage and Stormwater Revenues</b>		<b>666</b>	<b>770</b>	<b>782</b>	<b>713</b>	<b>182</b>	<b>750</b>	<b>773</b>	<b>796</b>	<b>820</b>	<b>844</b>	<b>869</b>	<b>896</b>	<b>922</b>	<b>950</b>	<b>979</b>	<b>8,598</b>
<b>Drainage and Stormwater Expenditures</b>																	
Community Facilities District Drainage Maintenance	Recurring	135	109	75	514	60	1,752	298	307	316	325	335	345	355	366	377	4,776
Stormwater Program Expenditures	Recurring	264	378	404	607	210	475	489	504	519	534	550	567	584	602		4,824
<b>Total Drainage and Stormwater Expenditures</b>		<b>399</b>	<b>487</b>	<b>479</b>	<b>1,121</b>	<b>270</b>	<b>1,752</b>	<b>773</b>	<b>796</b>	<b>820</b>	<b>844</b>	<b>869</b>	<b>896</b>	<b>922</b>	<b>950</b>	<b>979</b>	<b>9,600</b>
<b>Rollover Balances</b>		<b>2,151</b>	<b>2,434</b>	<b>2,737</b>	<b>2,329</b>	<b>2,649</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	<b>1,735</b>	
<b>Other Grant Revenues</b>																	
Recycling Grant	one-time	14	9	24	15	10	15	0	0	0	0	0	0	0	0	0	15
Oakley Welcoming (You+Me=We)	one-time	58	66	72	67	39	80	0	0	0	0	0	0	0	0	0	80
Recreation Grants (Misc)	one-time	0	0	0	0	15	15	0	0	0	0	0	0	0	0	0	15
Vesper Grant	one-time	22	32	27	21	1	21	30	0	0	0	0	0	0	0	0	51
Urban Forestry Grant	one-time			22													
Measure WW	one-time				405	0	405										
<b>Total Other Grant Revenues</b>		<b>94</b>	<b>107</b>	<b>145</b>	<b>508</b>	<b>65</b>	<b>536</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>161</b>
<b>Other Grant Expenditures</b>																	
Recycling Grant	one-time	14	9	24	15	4	15	0	0	0	0	0	0	0	0	0	15
Oakley Welcoming (You+Me=We)	one-time	58	66	72	67	39	80	0	0	0	0	0	0	0	0	0	80
Recreation Grants (Misc)	one-time	0	0	0	0	0	15	0	0	0	0	0	0	0	0	0	15
Vesper Grant	one-time	22	32	27	21	1	21	30	0	0	0	0	0	0	0	0	51
Urban Forestry Grant	one-time	0	0	22													
Measure WW	one-time			111	405	405	405										
<b>Total Other Grant Expenditures</b>		<b>94</b>	<b>107</b>	<b>256</b>	<b>508</b>	<b>44</b>	<b>131</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>161</b>
<b>Rollover Balances</b>																	
Recycling Grant		0	0	0	0	6	0	0	0	0	0	0	0	0	0	0	0
Oakley Welcoming (You+Me=We)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Recreation Grants		0	0	0	0	15	0	0	0	0	0	0	0	0	0	0	0
Vesper Grant		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Urban Forestry Grant		0	0	0	0	0	0										
<b>Qualifying Capital Projects</b>	recurring	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

**Long-Term Analysis of General Fund Fund Balances**

<b>Restricted Fund Balances:</b>																	
For Dutch Slough		559	559	559	559	559	559	559	559	559	559	559	559	559	559	559	559
For Loans/Interfund Advances Receivable		833	1,051	1,409	973	1,009	1,232	1,214	1,199	1,184	1,169	1,154	1,139	1,124	1,109	1,109	
Receivable for State Prop 1A Loan		429															
For Termination Payouts		75	81	118	125	125	125	125	125	125	125	125	125	125	125	125	125
Land Held for Resale (4)		1,998	2,222	2,222	2,222	2,222	2,052	2,052	2,052	2,052	2,052	2,052	2,052	2,052	2,052	2,052	2,052
Funds held for Redevelopment dispute resolution with State			1,575	1,575													
<b>Unrestricted Fund Balances</b>		<b>5,255</b>	<b>5,501</b>	<b>7,702</b>	<b>2,950</b>	n/a	<b>4,429</b>	4,558	4,581	4,654	4,672	4,711	4,739	4,796	4,917	4,986	
as a % of the Next Year's General Fund Expenditures					<b>34%</b>		29%	28%	27%	25%	24%	23%	22%	21%	20%		

- (1) Fund balances are affected by both operations as shown in the 10 Year Plan Projections above and from the repayment of interfund and other loans.  
(2) For the purposes of this analysis, the repayment of interfund loans is planned to occur as soon as practicable.  
(3) For the purposes of this analysis, the land held for resale is acknowledged but the proceeds of sale is not relied upon. A portion of the property is currently in contract to be sold.

**Definition of Changes and Assumptions for 15/16 and thereafter**

**General Purpose Revenues**

Property tax and Property Tax in Lieu reflects growth of 5% in 14/15, and 5% thereafter.  
Transfer taxes reflect 5% per year in growth.  
Sales Tax reflects annual growth of 5%.  
TOT and Business License Tax reflect annual growth of 5%.  
Franchise Fees reflect increases anticipated from the new Solid Waste Franchise Agreement and annual growth of 5%.  
Traffic Fines reflect annual growth of 5%.  
Interest Income is expected to rise as interest rates rise, but are estimated at today's low levels to maintain conservatism.  
P-6 revenue growth is based on projected subdivision activity ; annual growth in per Officer costs charged by the County are projected at 5% per year.  
Fee/Reimbursement Revenues based on projected activity; Interfund Cost Recoveries are projected to grow 5% per year.

**Departmental Expenditures**

Administrative Departmental expenses include growth of 4% in 14/15 and 5% each year thereafter.  
Police expenses allow for growth of 5% each year with plans to add one officer approximately every two years to maintain current staffing ratios.  
Recreation expenses include growth of 4% in 14/15 and 5% per year thereafter.  
Public Works/Engineering and Planning are projected to grow 4% in 14/15 and 5% per year thereafter.  
Building/Plan Check, after adjusting for bringing operations in-house, is projected to grow 4% in 14/15 and 5% per year thereafter.

**Non-Departmental Expenditures**

Other Non-Departmental Expenses are estimated to grow 4% in 14/15 and 5% each year thereafter. .  
Equipment Replacement (exp & reserve) costs are based on expected depreciation of equipment so that equipment can be replaced at the end of their useful lives.  
The Facilities Maintenance and Replacement (exp & reserve) costs are included to provide for unfunded expenses anticipated in the upcoming 5 years, as needed.  
The General Fund Contingency is approximately 2% of General Fund proposed operating expenses.  
The General Fund Contingency is intended to be used for special projects/demands and remains separate from Fund Balances that act as reserves for economic uncertainties.  
The amount charged to Departments accounts for the fact that non-departmental costs are allocated and thus already included in the departmental expenditures.

**Transfers and Loans**

*Where included, transfers to Roadway Maintenance Programs reflect the ongoing need to augment street maintenance with General Fund transfers.*  
*Where included, transfers to fund the Reserve for Roadway Maintenance are set aside during good times so that maintenance activities can be sustained during recessionary periods.*  
*Where included, transfers to the Main Street Fund reflect the ongoing need to fund the maintenance and enhancement of its major gateways and arterials.*  
*Loans to Community Parks for current operations are included as necessary to cover community park shortfalls until assessments are sufficient to balance the budget.*

**Use of Fund Balance Reserves**

*Release and use of Dutch Slough Reserves. The City has reserves of approximately \$559,000 for Dutch Slough parks. This line will show when amounts are thought to be appropriated.*

**Assigned Revenues**

P-6 revenues are projected to grow with development and per officer costs: New Development is now projected at 180 units in 14/15 and 15/16, 200 units in 16/17 and 17/18, and 250 per year thereafter.  
The growth in officer costs is being projected at 6% for 14/15, and 5% per year thereafter.  
Parks revenues are estimated to grow with development and include adjustments of 3% each year for inflation on those portions subject to inflation factors.  
Use of park asset replacement reserves are appropriations of fund balance for use, as needed, and are excluded from the projections.  
Roadway Maintenance revenues are estimated to grow with development, and when possible will include additional transfers from the General Fund.  
Transfers of Gas Tax funds to Street Lighting are shown to continue, even with development. This largely is a reflection of the expectation that utility costs will grow faster than the assessment.  
Transfers of Gas Tax and Measure C/J revenues to capital projects are shown only to the extent reflected in the current Capital Improvement Plan, and afterwards are discontinued. This reflects the expectation that 5 years from now, more funds will need to be available for street maintenance and less for capital improvements.  
Drainage and Stormwater assessment revenues are projected to grow 3% per year.

**Assigned Expenditures**

Community Parks expenditures are limited to growth of 5% per year in order to continue repaying the General Fund loan and adequately funding its reserve for Resurfacing and Equipment Replacement.  
As more of our community parks are at least several years old, starting in 14/15, an additional amount has been added to each year for the use of equipment replacement reserves.  
Street Lighting expenditures are estimated to grow at 5% annually to reflect increased costs from CPI and development.  
Neighborhood Parks and Landscape Maintenance revenues are projected to be spent in the year received, after funding replacement reserves, as appropriate.  
As more of our neighborhood parks are at least several years old, starting in 14/15, an additional amount has been added to each year for the use of equipment replacement reserves.  
Other than maintaining a small fund balance for cash flow purposes, Gas Tax and Measure C funds are projected to be spent in full in the year received.  
Other than maintaining a small fund balance for cash flow purposes, Drainage and Stormwater funds are projected to be spent in full in the year received.

**Grants**

Grants are not included in the budget until actually approved by the Grantor, and accordingly are not projected beyond the current year.



### **Staff Recommended Budget Adjustments**

The attached summaries include updated schedules of General Fund Estimated Revenues and General Fund Proposed Expenditures from the 2014-15 Adopted Budget, and Fund Summaries for each City fund budgeted.

For all funds, detailed line item adjustments have been prepared that once approved will be reflected in the City's finance system as line item budget changes.

(General Fund Estimated Revenues, General Fund Proposed Expenditures, and Fund Summaries attached)

## GENERAL FUND ESTIMATED REVENUES 2014-15

REVENUE	ACTUAL 2010-11 REVENUES	ACTUAL 2011-12 REVENUES	ACTUAL 2012-13 REVENUES	ACTUAL 2013-14 REVENUES	ORIGINAL BUDGETED 2014-15 REVENUES*	ADJUSTED PROJECTIONS FOR 2014-15 REVENUES*
Interfund Charges for Services	\$4,439,865	\$4,613,058	\$5,108,438	\$4,828,415	\$5,228,000	\$5,228,000
Property Taxes	3,758,948	3,577,248	4,180,722	3,868,084	4,044,000	4,494,000
Sales Taxes	1,412,502	1,590,120	1,617,770	1,520,884	1,475,000	1,340,000
Franchise Fees	939,827	1,028,073	1,115,304	1,230,176	1,243,000	1,243,000
Development Fees	852,338	707,426	1,119,868	1,269,384	974,000	694,000
Other Revenues	616,047	432,666	276,947	344,769	241,000	435,000
Interagency Charges for Services**		250,000	250,000	130,000	0	250,000
Transient Occupancy Taxes	136,635	165,077	195,941	195,375	195,000	240,000
Property Transfer Taxes	118,632	110,430	137,101	146,711	131,000	150,000
Fines and Forfeitures	149,298	135,650	154,477	154,978	148,000	148,000
Sale of Property	0	0	0	0	0	135,000
Investment Income	27,982	36,022	20,919	54,788	82,000	130,000
Business License Fees	103,942	107,651	106,743	110,641	107,000	107,000
Grants	32,532	65,161	32,887	46,139	19,000	76,000
Motor Vehicle in Lieu	\$159,315	\$17,809	\$18,727	\$15,804	\$0	\$16,000

\* 2014-15 data rounded to thousands.

\*\* Interagency charges as a category are new in FY 2011-12, included to separately show the administrative cost recovery from the Successor Agency.