



2014-2015 Budget in Brief

The budget for fiscal year 2014-2015 and fiscal year 2015-2016 was adopted by Council on June 17, 2014. The City of Galt provides a full range of municipal services including public safety, public works, water, wastewater, storm drainage, parks, recreation and cultural activities, and general administrative support.

The budget reflects a slowly improving economy in the City of Galt. Economic activity has picked up in the City over the past year with several new commercial projects recently completed or under construction (inclusive of Walmart and Family Dollar) and numerous single family home permits issued, following more than three years without a single new home permit issued. The City expects this increase in development activity to continue over the next several years. Due to the changing nature of the economy and the importance of keeping the Council and community informed about the City's financial condition, staff provides quarterly updates on key financial indicators of the City.

The improving economy and development activity is estimated to result in increased revenue over the two-year budget cycle with gains in property taxes, building permit related fees and sales tax. Despite these gains, City costs continue to increase, largely due to increases in contributions to the PERS retirement system, health care costs and minimum wage increases. Many of the previously approved cost cutting measures are recommended to remain in place during the two-year budget cycle, including 13 frozen positions, as the City remains cautious about the still fragile economic recovery underway. This two-year recommended budget reflects modest increases to maintenance budgets

with several large investments in facility roof and HVAC projects.

The proposed budget reflects a continuing general fund deficit of approximately \$1 million in fiscal year 2014-15 followed by a small surplus of approximately \$150,000 in fiscal year 2015-16, assuming development and anticipated revenue growth occur as projected. Nevertheless, the City continues to fully fund its reserves according to the reserve policy in both fiscal years. The total amount estimated to remain in general fund balance at the end of the two-year budget cycle is over \$5.7 million. It is also important to note that the way reserve amounts are required to be reported is changing as a result of GASB 54. It is expected that recommended changes will be brought to the City Council in the coming months.

This balanced budget does not include any staff salary or benefit increase for employees as negotiations are currently underway. Further, while there is some additional allocation for maintenance projects, there is still a long list of maintenance and equipment/vehicle replacement needs citywide that remain unfunded. There are also other departmental needs including staffing, that remain unfilled.

As part of the budget workshop, Staff presented recommendations from a consultant study to adjust user fees citywide to better recover costs for services provided. For long-term financial stability, it is vital that the City continue to evaluate the most effective and efficient way of delivering services and charge appropriate fees for those services.

An overview of additional significant budgeted items is presented below:

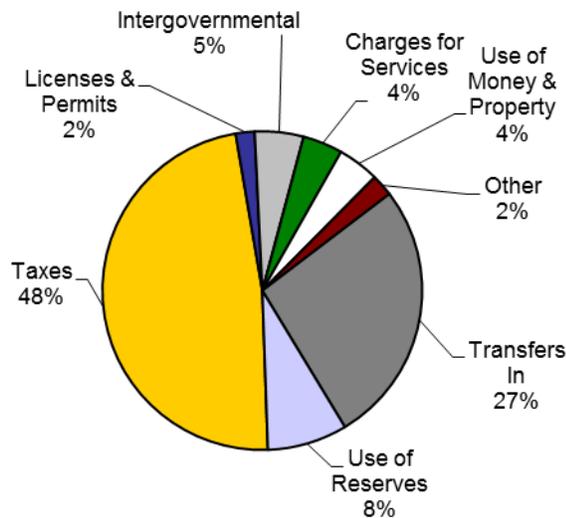
- ◆ General Fund - Intra fund loan repayments are estimated at \$270,000 in fiscal year 2014-15 and \$274,000 in fiscal year 2015-16 reflecting repayment from the Capital Acquisition Fund for the Police Building loan.
- ◆ General Fund - Interest earnings on investments are estimated to increase. It is estimated that .48% will be the average rate of return in fiscal year 2014-15, and .56% in fiscal year 2015-16.
- ◆ Culture & Recreation Fund - is largely funded by revenues from the Galt Market and user fees. The Fund has reverted back to its inability to fund the costs of services provided by General Fund operations. A transfer from the General Fund to the Culture and Recreation Fund is necessary to balance the Fund in the amount of \$344,950 in fiscal year 2014-15 and \$297,650 in fiscal year 2015-16.
- ◆ Water Fund - a State Revolving Fund grant for arsenic and sludge removal in the amount of \$1,500,000 is included in fiscal year 2014-15.
- ◆ Wastewater Fund - a State Revolving Fund loan in the amount of \$26,400,000 is included in the revised budget for fiscal year 2013-14.
- ◆ Solid Waste Fund - a 2% administrative fee in March 2015 to fully cover the City's support costs is included in estimates.
- ◆ The overall theme related to the development impact fees is one of a commencement of both residential and commercial development.
- ◆ The City's Local Transportation Fund is expected to receive a \$1,000,000 grant in fiscal year 2015-16 from Sacramento County related to the Transit Operations Maintenance Center.
- ◆ Assessment Districts, Community Facilities Districts, and Lighting and Landscape Districts - Assessment District 1988-2 will be paid off in September 2014. The Westside and Northeast Landscape and Lighting District costs continue to exceed revenues. Significant expenditure cuts are shown in both fiscal years, staff is proposing an assessment increase in early 2015 in order to avoid service level cuts.

GENERAL FUND

2014-2015 FINANCING SOURCES

Taxes	\$6,357,580
Licenses & Permits	255,060
Intergovernmental	655,080
Charges for Services	535,460
Use of Money & Property	557,920
Other	295,820
Transfers In	3,549,680
Use of Reserves	<u>1,074,560</u>
Total Sources	\$13,281,160**

**variances due to rounding

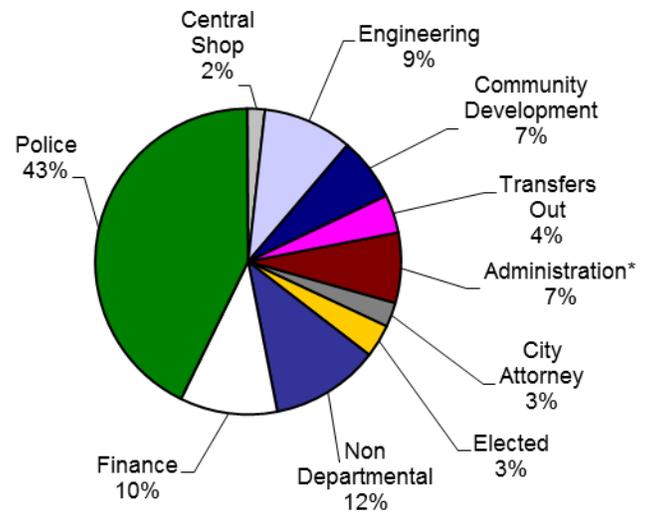


GENERAL FUND

2014-2015 FINANCING USES

Administration*	\$989,580
City Attorney	340,450
Elected	463,030
Non-Departmental	1,526,350
Finance	1,369,160
Police	5,667,560
Central Shop	244,000
Engineering	1,258,460
Community Development	888,850
Transfers Out	<u>533,710</u>
Total Uses	\$13,281,150**

*Includes City Manager, Human Resources, Information Technology



SOURCES – The budget presents \$8,656,920 General Fund revenues for the Fiscal Year (FY) 2014-15. Revenues along with Transfers In (primarily reimbursement for support services) and Use of Reserves \$4,624,240, equal **Total Sources of \$13,281,160**. For comparison purposes, the revised FY 2013-14 General Fund revenue is estimated at \$7,972,890. Citywide revenues are projected to be \$64,536,060 for FY 2014-15; comparatively, the revised FY 2013-14 citywide revenue is estimated at \$39,163,410. A detailed listing of revenue is shown in Schedule I of the Adopted Budget. General Fund revenue sources include: Taxes are primarily comprised of property taxes, sales tax, transient occupancy taxes, and franchise fees. Licenses and Permits are primarily comprised of business licenses and building permits. Intergovernmental are comprised primarily of Federal and State payments, which the City receives inclusive of various grants. Charges for Services are comprised primarily of building related activity and cost reimbursements. Revenue from Use of Money & Property is inclusive of other funding sources and interest income. Other is primarily comprised of vehicle code fines, cost reimbursements and miscellaneous revenues.

USES – General Fund expenditures are \$12,747,440; additionally, \$533,710 Transfers Out (primarily support amounts for the Culture and Recreation Fund) are reflected within **Total Uses of \$13,281,150** for FY 2014-15. Proposed expenditures are presented in Schedule II of the Adopted Budget. The overall operating and minor capital expenditures for all funds are \$29,163,055 and \$349,070, respectively for FY 2014-15. Capital Improvement Programs total \$25,658,100 for FY 2014-15. Total appropriations equal \$55,170,225 for FY 2014-15 as compared to \$63,684,135 for the FY 2013-14. Details of operating and minor capital appropriations are presented within the Departmental budgets. A presentation of capital improvement program amounts is presented on the back cover of the brochure in summary form.

Where Your Dollars Are Budgeted in 2014-2015

General Fund

City Council	\$156,100
City Clerk	278,040
City Attorney	340,450
City Treasurer	28,890
Administration	989,580
Finance	1,369,160
Non-Departmental	1,526,350
Police	5,667,560
Planning	400,030
Building	488,820
Engineering	1,258,460
Central Shop	<u>244,000</u>
Total General Fund	\$12,747,440

Special Revenue Funds

Culture & Recreation	\$3,271,060
State & Federal Transportation	1,546,260
Intergovernmental Streets	367,600
Gas Tax - Maintenance	611,060
Traffic Safety	65,000
Public Safety COPS	104,000
CFD 2005-1 Public Safety	214,970
Public Safety Measure R	1,230,200
Capital Acquisition Citywide	614,640
Capital Reserve-Storm Drainage	30,000
Sac Co Trans Authority	1,074,020
Cap Acq NE Area	30,000
NE L&L District	588,050
WS L&L District	189,780
L&L #3	80,050
Low Mod Housing	<u>210</u>
Total Special Revenue Funds	\$10,016,900

Trust & Agency Funds

Community Facility District	\$1,309,870
1988-2 Assessment District	270,420
1992-1 Assessment District	310,530
Galt CCSD CIP	343,000
Galt Habitat Foundation	<u>1,880</u>
Total Trust & Agency Funds	\$2,235,700

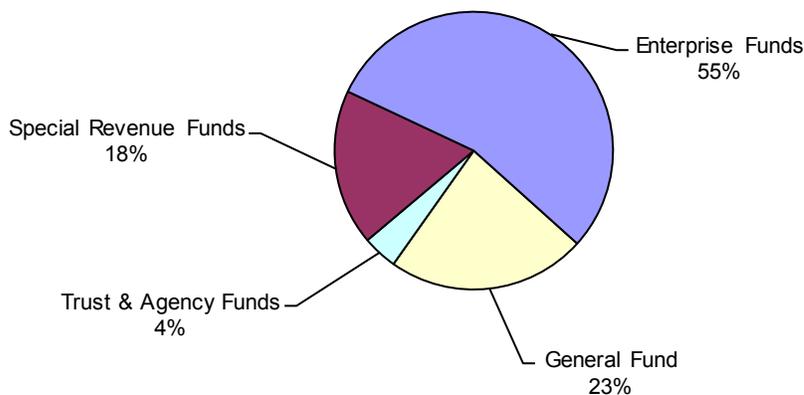
Enterprise Funds

Storm Drain	\$363,890
Water	4,619,360
Sanitary Sewer	23,096,710
Capital Reserve - Water	30,000
Capital Reserve - Sewer	300,000
Solid Waste	<u>1,760,210</u>
Total Enterprise Funds	\$30,170,170

TOTAL ALL FUNDS

\$55,170,210**

**variances due to rounding



CAPITAL IMPROVEMENT PROJECTS FISCAL YEAR 2014-2015

General Improvements

City Hall Renovation	\$45,000
MSC Building Maintenance Improvements	50,050
Railroad Quiet Zones	279,000
Police Department Building Renovation	88,000
Fallen Heroes Memorial	100,000
Corporation Yard/MSM Improvements Project	10,000
Regional Law Enforcement Training Center	80,200
Fourth Street Parking Lot & Open Space Imp	56,080
Utilities Master Plans	150,000

General Improvements Total **\$858,330**

Parks & Recreation

Aquatic Center Renovation	\$55,000
Harvey Park Renovation	174,100

Parks & Recreation Total **\$229,100**

Wastewater

WWTP & Maintenance Manuals	\$175,000
WWTP Arsenic & Nitrogen Treatment Project	18,404,350
SE Trunk Sewer Main	300,000
Annual Lift Station Rehabilitation	100,000
Sewer - Capital Maintenance Project	972,000

Wastewater Total **\$19,951,350**

Drainage

Citywide Drainage Inlets Upgrades Project	\$10,000
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Drainage Total **\$10,000**

Transportation

C Street/Central Galt Complete Streets Project	\$212,980
Bicycle Lane Improvements	352,620
Street Sign Upgrade Improvements	12,500
Marengo Rd - Ped Path Elk Hills to Maugham	50,000
ADA Compliance Sidewalk Improvements	124,000
Annual Pavement Rehabilitation Program	800,000
Twin Cities Interim Widen Roundabouts at SR99	15,000
Transit Fleet Acquisition	58,000
Transit Operation/ Maintenance Center	620,710

Transportation Total **\$2,245,810**

Water

Old Town Water Main Replacements Project	\$450,000
Water Treatment Plant & Maint Manual	175,000
Arsenic Sludge Removal	1,500,000

Water Total **\$2,125,000**

Equipment

Backhoe	\$95,000
Herbicide Sprayer Truck	29,580
Street Sweeper Vacuum	55,000
Water Valve Exercise Program Truck	59,000

Equipment Total **\$238,580**

TOTAL CITY AND RELATED ENTITIES CAPITAL IMPROVEMENT PROGRAMS FOR FY 2014-2015 **\$25,658,170**

CITY COUNCIL

Marylou Powers, Mayor
Mike Singleton, Vice Mayor

Curt Campion
Council Member

Mark Crews
Council Member

Barbara Payne
Council Member

ADMINISTRATIVE STAFF

Jason Behrmann, City Manager
Elizabeth Haglund, City Clerk
Tony Stewart, Community Development Director
Paula Islas, Human Resources Administrator
Armando Solis, Parks & Recreation Director

Steven Rudolph, City Attorney
Shaun L. Farrell, City Treasurer
Inez V. Kiriou, Finance Director
William Bowen, Police Chief
Steven Winkler, Public Works Director

COMMISSIONS

Planning Commission

Paul Sandu, Chairperson
Robert Dees
Lori Heuer
Craig Morris
Alfredo Rodriguez

Recreation Commission

Brent Steele, Chairperson
Don Buchanan
Janice Reuthinger
Brendan Moore
Chris Smith