

**ECONOMIC DEVELOPMENT,
INFRASTRUCTURE, BUDGET AND
TECHNOLOGY COMMITTEE:**

**FY 2017-18 PRELIMINARY
YEAR-END UPDATE
AND**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT/AUDIT PROCESS**

OCTOBER 8, 2018



Agenda

- Overview of FY 2017-18 Revenue and Expenditures
- Projected FY 2017-18 Year-End Balance
- Audit Process for FY 2017-18
- Next Steps



FY 17-18 "Top 6" General Fund Revenues

As of June 30, 2018 (Pending Final Audit Determination)

Top 6 General Fund Revenues	FY 17-18 Revised Budget	FY 17-18 Actuals	Variance
Sales Tax	\$50,300,000	\$45,903,421	(\$4,396,579)
Property Tax	34,544,000	35,666,778	1,122,778
Property Tax In-Lieu of VLF	30,966,459	31,300,302	333,843
UUT	27,780,000	23,942,639	(3,837,361)
Business License	11,870,000	12,762,694	892,694
Hotel Visitors Tax	9,900,000	9,245,942	(654,058)
Total Top 6	\$165,360,459	\$158,987,895	(\$6,538,683)

** Sales Tax shortage partially due to inconsistent reporting from CDTFA (formerly, BOE)*



FY 17-18 “Key” General Fund Revenues

As of June 30, 2018 (Pending Final Audit Determination)

General Fund Revenues	FY 17-18 Revised Budget	FY 17-18 Actuals	Variance
Jail Revenue	12,717,316*	10,432,230	(2,285,086)

* Includes \$10.2M associated with the US Marshals Contract



FY 17-18 “Key” General Fund Revenues

As of June 30, 2018 (Pending Final Audit Determination)

	FY 17-18 Revised Budget/Projections	FY 17-18 Actuals	Variance
Building Permits	\$1,999,315	\$1,578,661	(\$420,654)
Building Plan Check	2,338,811	1,801,705	(537,106)
Heating Permits	546,412	372,960	(173,452)
Electrical Permits	864,148	706,847	(157,301)
Total	\$5,748,686	\$4,460,173	(\$1,288,513)



FY 17-18 General Fund key “Cannabis” Revenues

As of June 30, 2018 (Pending Final Audit Determination)

General Fund Revenue	FY 17-18 Revised Budget/Projections	FY 17-18 Actuals	Variance
Adult-Use Retail	\$2,000,000	\$2,511,271	\$511,271
Medical Marijuana	3,500,000	2,140,293	(1,359,707)
Total*	\$5,500,000	\$4,651,564	(\$848,436)

*In addition the City captured \$800K in other Cannabis Related Revenues including:
One-time Registration Fees, Citations & Regulatory Safety Permit



FY 17-18 General Fund Expenditures

As of June 30, 2018 (Pending Final Audit Determination)

Departmental Expenditures	FY 17-18 Revised Budget	FY 17-18 Actuals	Over/(Under)	%
City Manager	\$2,896,970	\$2,408,357	(\$488,613)	83%
Non-Dept.*	4,734,143	3,619,964	(1,114,179)	76%
Transfers to Projects	10,512,084	10,512,084	0	100%
Clerk of the Council	1,097,873	914,610	(183,263)	83%
City Attorney's Office	3,226,160	2,752,087	(474,073)	85%
Human Resources	1,716,500	1,288,474	(428,026)	75%
Finance & Management Services Agency	5,662,547	5,238,853	(423,694)	93%
Bowers Museum	1,476,130	1,468,035	(8,095)	99%
Parks and Recreation Services Agency	20,191,308	19,705,837	(485,471)	98%
Police Department	122,023,689	121,968,326	(55,363)	99%
Fire Department	50,417,145	49,960,061	(457,084)	99%
Planning & Building Agency	10,684,878	10,179,456	(505,422)	95%
Public Works Agency	7,427,366	6,563,289	(864,077)	88%
Community Development Agency	1,124,245	920,291	(203,954)	82%
ACCRUALS ESTIMATE		200,000		
TOTAL GENERAL FUND	\$243,191,038	\$237,699,724	(\$5,691,314)	98%

* Does not include \$4.3M funding for continuation of a type II Jail Facility (US Marshals)



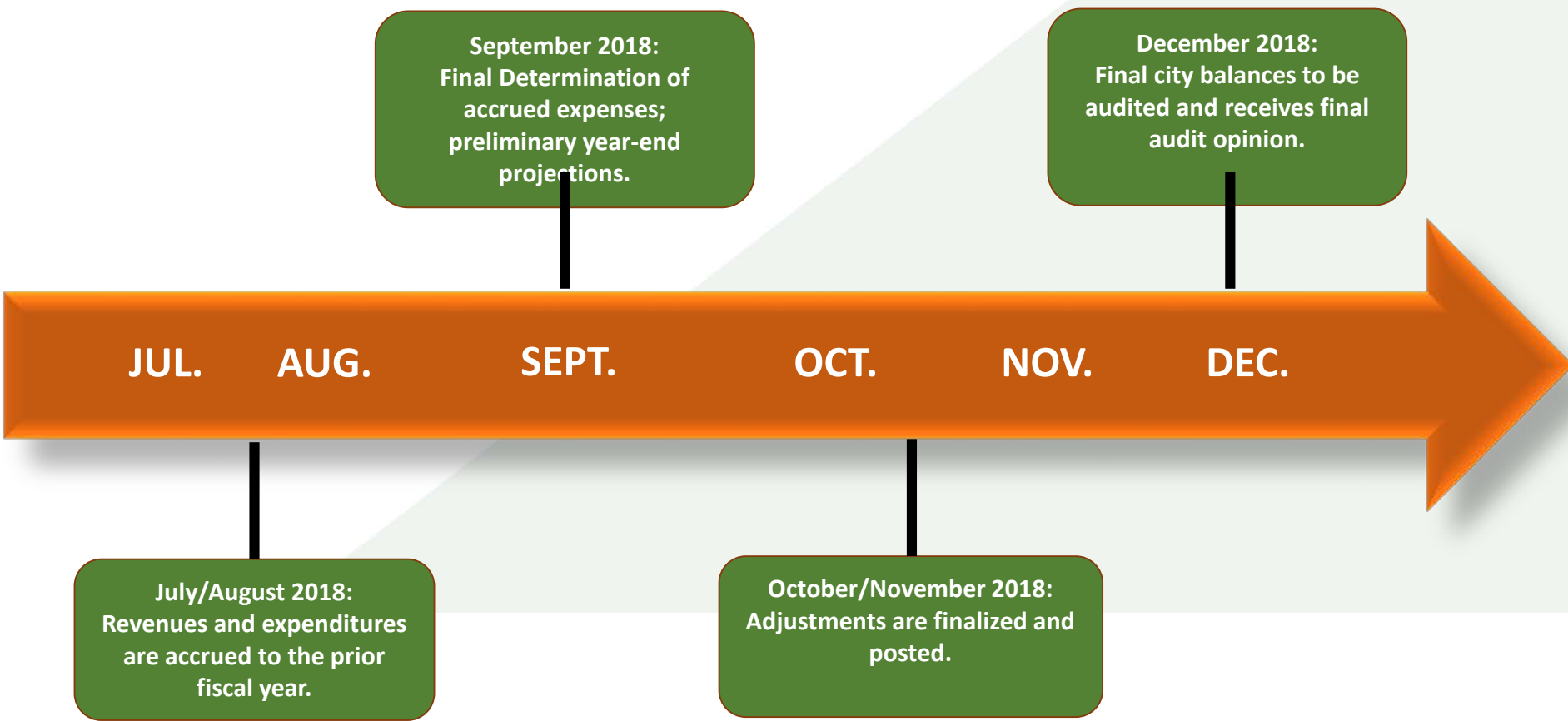
FY 17-18 Year-End Update

	Preliminary Actuals
Revenue	\$230.5M
Expenditure	237.7M
Projected Year-End Structural Deficit*	(\$7.2M)

**Pending Final Review by Auditors*



CAFR*/Audit Process



*Comprehensive Annual Financial Report (Audit) FY 2017-18



Next Steps

Year-End Updates

October 16, 2018 - City Council

December 18, 2018 - City Council (Final Year-End)

January 2019 - Non-General Funds Update (EDIBT/City Council)



Next Steps (cont.)

First Quarter and Mid-Year Update for FY 2018-19

October 22, 2018 - EDIBT: First Quarter Update FY 2018-19 and Preliminary FY 2019-20 Budget Calendar

October 25, 2018 - Community Budget Presentation (Sunshine Ordinance)

November 20, 2018 - City Council: First Quarter Update FY 2018-19

December 18, 2018 - Fiscal Year 2019-20 Budget Calendar –City Council Meeting

January/February 2019 - City Council/EDIBT: Mid-Year General Fund Budget Update

Citywide Pension Analysis – Bartel Associates