



**Workshop
on Proposed
FY 2014/2016
Budget**



CITY OF PLEASANT HILL





QUESTION:

**Why does the City
adopt a Budget?**

Main Steps



BUDGET ADOPTION PROCESS

**City of Pleasant Hill
Financial Reporting and Fiscal Year 2014/2016
Budget Development Calendar**

SEPT 2013	<p>City Council</p> <ul style="list-style-type: none"> - Goals Update Workshop - Review FY 2012/2013 and FY 2013/2014 Goals and Objectives Status Update - Adopt goals for FY 2014/2015 and FY 2015/2016
OCT 2013	
NOV 2013	<p>Budget Committee</p> <ul style="list-style-type: none"> - Presentation of unaudited FY 2012/2013 Annual Revenue and Expenditure Report - Confirm next steps on performance-based budgeting
DEC 2013	<p>Budget Committee</p> <ul style="list-style-type: none"> - Presentation of FY 2013/2014 first quarter Revenue and Expenditure Report - Confirm proposal on expanded five-year forecast (to include an optimistic and pessimistic forecast) - Confirm proposal on integrating the Capital Improvement Plan (CIP) and Master Fee Schedule (MFS) into the budget document - Confirm revised proposal on reserve policies
JAN 2014	<p>Budget Committee</p> <ul style="list-style-type: none"> - Presentation of CAFR - Approve department performance measures pursuant to performance-based budgeting - Presentation of FY 2014/2016 Baseline Budget and preliminary FY 2014/2019 Five-Year Forecast <p>City Council</p> <ul style="list-style-type: none"> - Presentation of FY 2013/2014 first quarter Revenue and Expenditure Report - Approve proposals for expanded five-year forecast; financial plan; integration of CIP and MFS into budget; and reserve policies - Presentation of Comprehensive Annual Financial Report (CAFR)
FEB 2014	<p>Budget Committee</p> <ul style="list-style-type: none"> - Presentation of FY 2013/2014 second quarter Revenue and Expenditure Report <p>City Council</p> <ul style="list-style-type: none"> - Presentation of FY 2014/2016 Baseline Budget and preliminary FY 2014/2019 Five-Year Forecast - Workshop on FY 2014/2016 Budget Priorities
MAR	<p>City Council</p> <ul style="list-style-type: none"> - Presentation of FY 2013/2014 second quarter Revenue and Expenditure Report
APR	<p>Budget Committee</p> <ul style="list-style-type: none"> - Presentation of Proposed FY 2014/2016 Budget (including CIP and MFS)
MAY 2014	<p>City Council</p> <ul style="list-style-type: none"> - Workshop on Proposed FY 2014/2016 Budget (including CIP and MFS) - Discussion and direction on Proposed FY 2014/2016 Budget
JUNE 2014	<p>City Council</p> <ul style="list-style-type: none"> - Presentation of Revised Proposed Budget - Approve Revised Proposed Budget

CITY OF PLEASANT HILL



Proposed Budget Fiscal Years 2014-15/2015-16



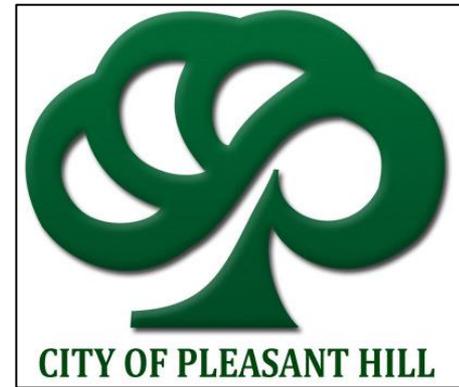
Pleasant Hill Budget



Major Fund Groups:

- General Fund
- Special Revenue Funds

Fiscal Year July 1 – June 30



General Fund Proposed Budget

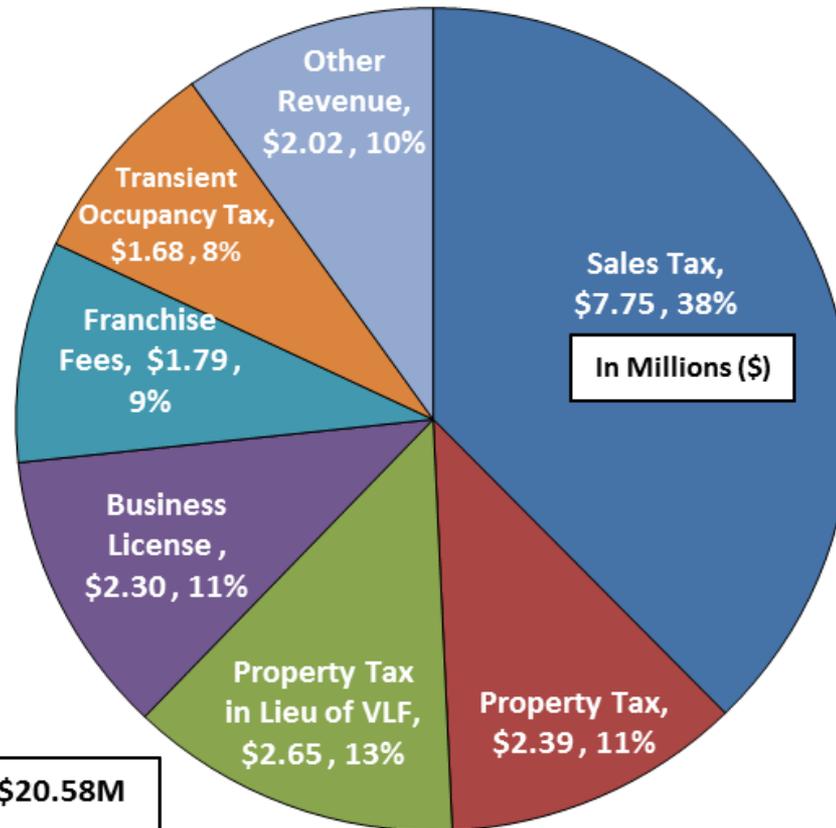


Proposed General Fund Budget of Revenues, Expenditures, and Fund Balance Fiscal Years 2015 & 2016 (\$ thousands)		
	Proposed Budget	Proposed Budget
	<u>FY 14/15</u>	<u>FY 15/16</u>
<i>Fund Balance, Beginning</i>	\$ 13,568	\$ 11,386
Ongoing Revenue	\$ 20,584	\$ 21,166
Ongoing Expenditures	\$ 21,390	\$ 22,254
Special Expenditures	<u>1,376</u>	<u>1,206</u>
Total Expenditures	\$ 22,766	\$ 23,460
Ongoing Surplus/(Deficit)	\$ (806)	\$ (1,088)
Special Expenditures Surplus/(Deficit)	<u>(1,376)</u>	<u>(1,206)</u>
Total Surplus/(Deficit)	\$ (2,182)	\$ (2,294)
<i>Fund Balance, Ending</i>	\$ 11,386	\$ 9,092

Projected General Fund Revenues



FY 2014/15-Revenue by Category



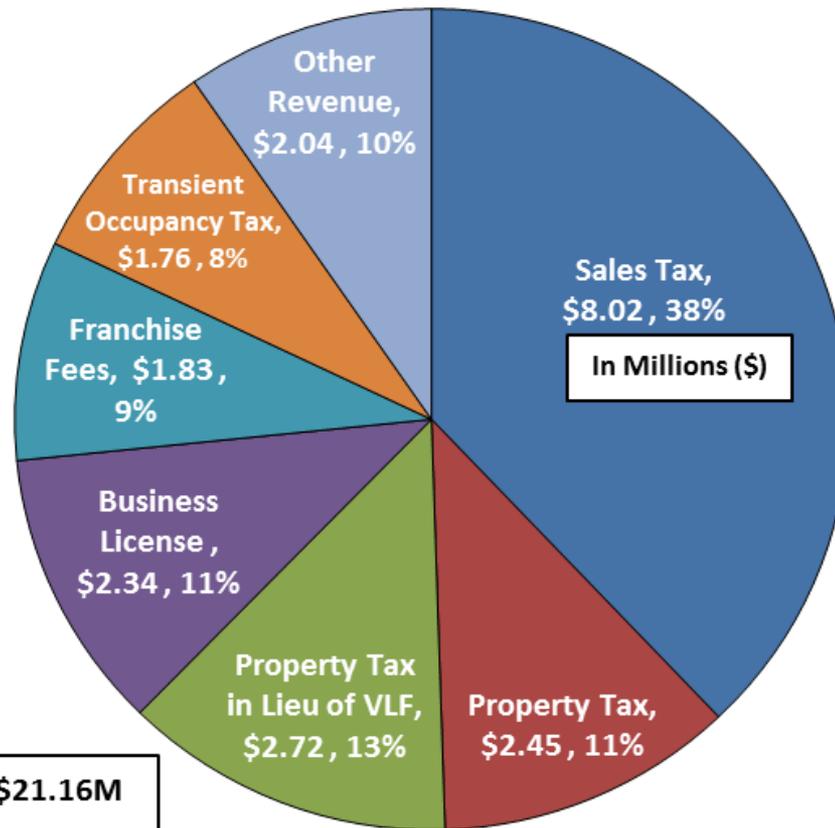
CITY OF PLEASANT HILL

Total = \$20.58M

Projected General Fund Revenues



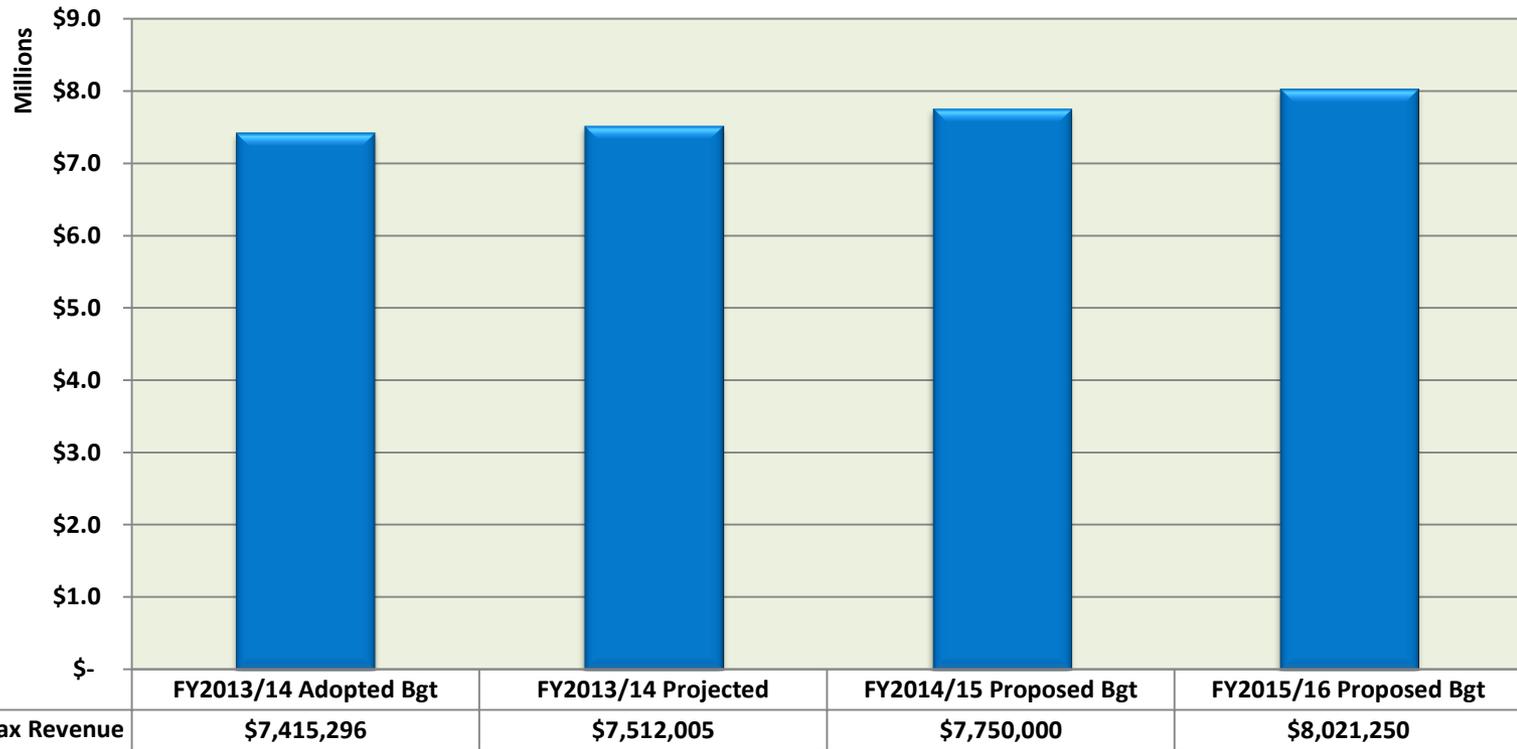
FY 2015/16-Revenue by Category



CITY OF PLEASANT HILL

Total = \$21.16M

Sales Tax Revenue



CITY OF PLEASANT HILL

Key Expenditure Assumptions



PERSONNEL

- Increased salaries based on Cost of Living Adjustment per each bargaining group's Memorandum of Understanding (MOU)
- Budgeted PERS pension rates based on PERS actuarial reports
- 10% annual increases in healthcare premiums

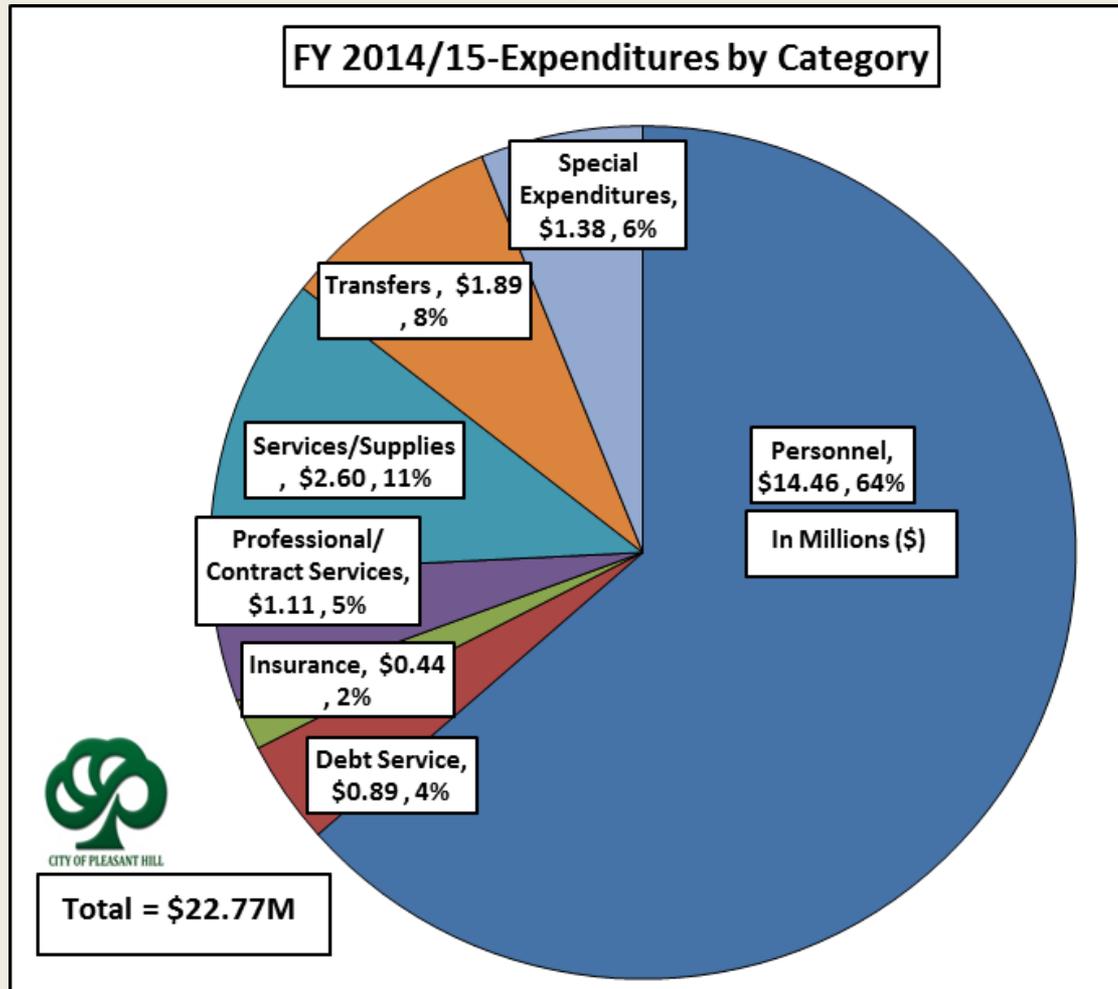
OTHER

- Generally status quo level of services and staffing
- Assumed CPI increase of 2.3%

Projected General Fund Expenditures



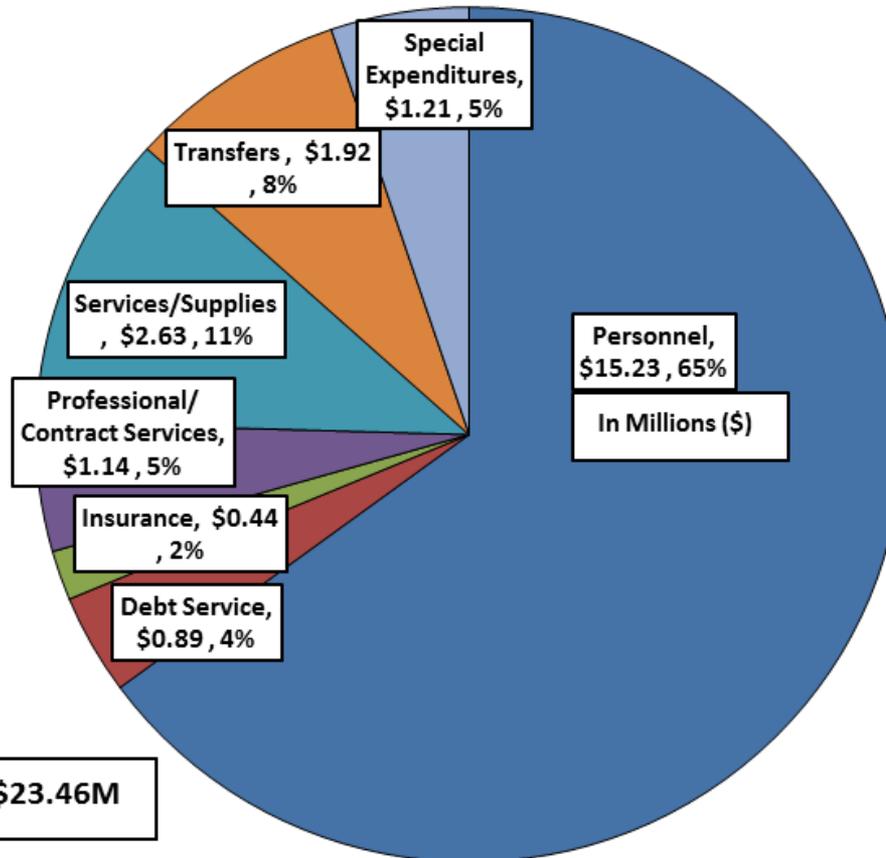
FY 2014/15-Expenditures by Category



Projected General Fund Expenditures



FY 2015/16-Expenditures by Category



CITY OF PLEASANT HILL

Total = \$23.46M



Limited New Spending on Priority Items

“Modestly increasing revenues, a relatively high level of savings, and the City’s continuing efforts to manage costs enable the City to now afford some limited new spending on priority items while maintaining a prudent level of reserves”



- Continuation of status quo-levels of public service
- Additional investment of \$1.0 million for street repair work
- Additional investment of \$612,000 to ensure Pleasant Hill Library is open 43 hours/six days per week
- Investments of \$495,000 for retail marketing incentive program and façade improvement grants and loans of which \$470,000 was unspent prior year funds; and
- An additional \$275,000 investment in Gateway Capital Improvement Project



Challenges and Uncertainties

“Even with modest economic recovery and stability, there are challenges and uncertainties ahead”



- Labor negotiations on expiring contracts
- Pension costs
- Healthcare costs; and
- Deferred capital maintenance

General Fund Proposed Budget and Forecast



**Proposed General Fund Budget and Forecast
Revenues, Expenditures, and Fund Balance
Fiscal Years 2015-2019 (\$ thousands)**

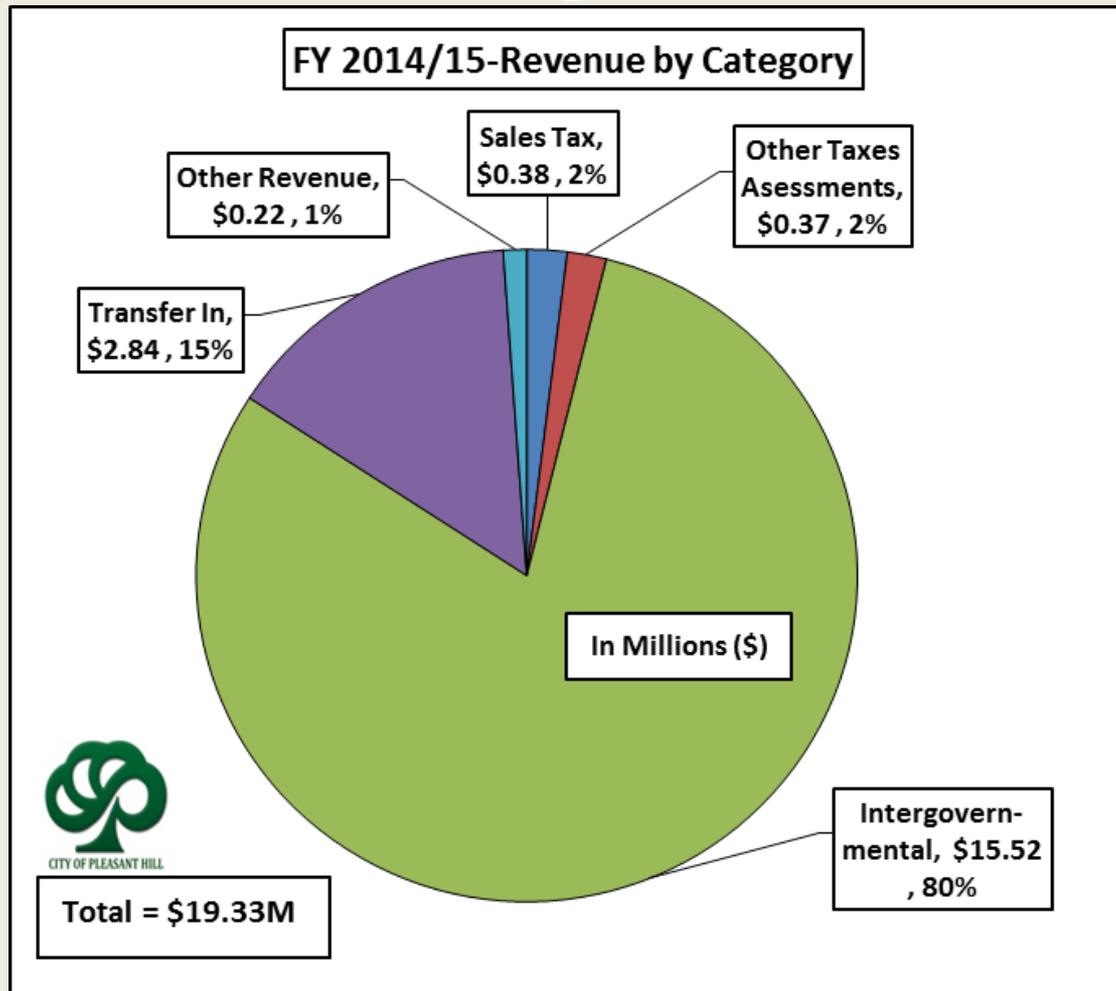
	Proposed Budget FY 14/15	Proposed Budget FY 15/16	Forecast FY 16/17	Forecast FY 17/18	Forecast FY 18/19
<i>Fund Balance, Beginning</i>	\$ 13,568	\$ 11,386	\$ 9,092	\$ 8,635	\$ 8,802
Ongoing Revenue	\$ 20,584	\$ 21,166	\$ 21,745	\$ 22,370	\$ 23,134
Ongoing Expenditures	\$ 21,390	\$ 22,254	\$ 22,051	\$ 22,151	\$ 21,730
Special Expenditures	<u>1,376</u>	<u>1,206</u>	<u>151</u>	<u>52</u>	<u>53</u>
Total Expenditures	\$ 22,766	\$ 23,460	\$ 22,202	\$ 22,203	\$ 21,783
Ongoing Surplus/(Deficit)	\$ (806)	\$ (1,088)	\$ (306)	\$ 219	\$ 1,404
Special Expenditures Surplus/(Deficit)	<u>(1,376)</u>	<u>(1,206)</u>	<u>(151)</u>	<u>(52)</u>	<u>(53)</u>
Total Surplus/(Deficit)	\$ (2,182)	\$ (2,294)	\$ (457)	\$ 167	\$ 1,351
<i>Fund Balance, Ending</i>	\$ 11,386	\$ 9,092	\$ 8,635	\$ 8,802	\$ 10,153

General Fund Balance Forecast

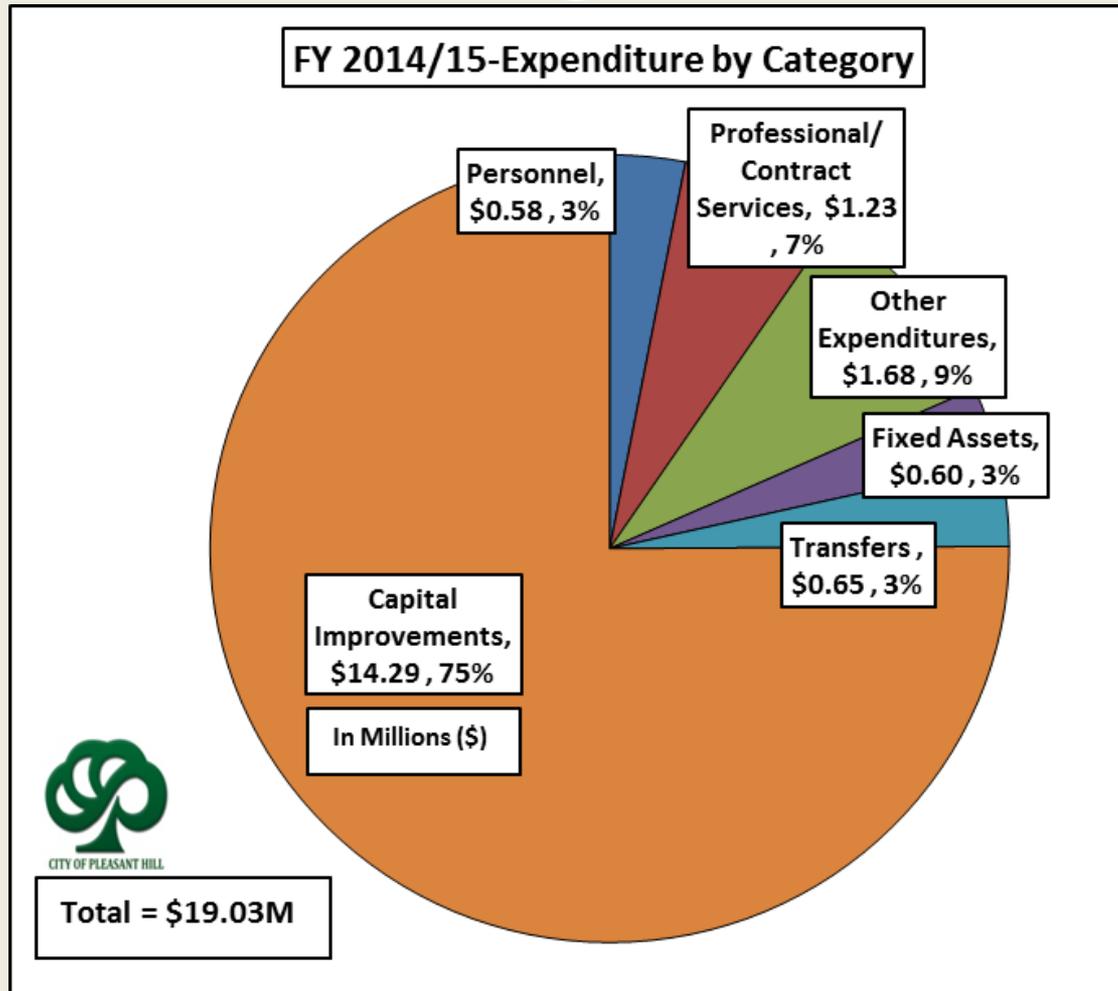


	FY2012/13 Actual	FY2013/14 Adopted Bgt	FY2013/14 Estimate	FY2014/15 Proposed Bgt	FY2015/16 Proposed Bgt	FY2016/17 Forecast	FY2017/18 Forecast	FY2018/19 Forecast
◆ General Fund Balance	\$12,867,000	\$9,762,000	\$13,568,000	\$11,386,000	\$9,092,000	\$8,635,000	\$8,802,000	\$10,153,000

Other City Funds Revenues



Other City Funds Expenditures



Next Steps Toward Budget Adoption



The City's Budget Committee and the Council will hold a number of meetings in May and June to seek community input on the budget and to deliberate.



More info on these meetings can be found by following the Meetings Calendar link on the City's homepage:
www.pleasant-hill.net/meetings