



LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

Streaming Link:

<https://www.facebook.com/CityofLodi/>

<https://zoom.us/j/93455719476?pwd=NDdhc1E4OEZyYWV3d2pDY1U5SjVZZz09>

AGENDA
Shirtsleeve Session
Date: May 4, 2021
Time: 7:00 a.m.

SPECIAL NOTICE

Effective immediately and while social distancing measures are imposed, Council chambers will be closed to the public during meetings of the Lodi City Council.

The following alternatives are available to members of the public to watch Council meetings and provide comments on agenda and non-agenda items before and during the meetings.

Viewing:

Members of the public may view and listen to the open session of the meeting at <https://www.facebook.com/CityofLodi/>; or

Please click the link below to join the meeting:

<https://zoom.us/j/93455719476?pwd=NDdhc1E4OEZyYWV3d2pDY1U5SjVZZz09>

Passcode: 583605

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US: +16699009128,,97500264844#

Or Telephone: Dial: US +1 669 900 9128

Webinar ID: 934 5571 9476

Public Comment:

Members of the public can send written comments to the City Council prior to the meeting by emailing councilcomments@lodi.gov. These emails will be provided to the members of the City Council and will become part of the official record of the meeting.

Members of the public who wish to verbally address the City Council during the meeting should email those comments to councilcomments@lodi.gov. Comments must be received before the Mayor or Chair announces that the time for public comment is closed. The Assistant City Clerk will read three minutes of each email into the public record. **IMPORTANT:** Identify the Agenda Item Number or Oral Communications in the subject line of your email. Example: Public Comment for Agenda Item Number C-17. Members of the public may also participate via Zoom at the following link: <https://zoom.us/j/93455719476?pwd=NDdhc1E4OEZyYWV3d2pDY1U5SjVZZz09>

Pursuant to the Americans with Disabilities Act (ADA) and Executive Order N-29-20, if you need special assistance to provide public comment in this meeting, please contact the Office of the City Clerk at (209) 333-6702 or cityclerk@lodi.gov at least 48 hours prior to the meeting in order for the City to make reasonable alternative arrangements for you to communicate your comments. If you need special assistance in this meeting for purposes other than providing public comment, please contact the Office of the City Clerk at (209) 333-6702 or cityclerk@lodi.gov at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.160 (b) (1)).

SPECIAL TELECONFERENCE NOTICE

Pursuant to Executive Order N-29-20:

The Brown Act, Government Code Section 54953, contains special requirements that apply when members of a legislative body participate in a public meeting by telephone. Certain of these requirements have been suspended by Paragraph 3 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, to mitigate the spread of Coronavirus (COVID-19). In particular, the Executive Order suspends that provision of the Brown Act that requires noticing, posting of agendas, and public access to each location where a member will be participating telephonically, as well as provisions that require physical presence of members of the legislative body or the public for purposes of a quorum or to hold a meeting. Executive Order N-29-20 allows an agency to conduct a teleconference meeting that provides members of the public telephonic or other electronic participation in place of making a physical location for the public to observe the meeting and provide public comment, consistent with other provisions of the Brown Act.

For information regarding this Agenda please contact:
Jennifer Cusmir
City Clerk
Telephone: (209) 333-6702

Informal Informational Meeting

A. Roll Call by City Clerk

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2021/22 General Fund and Measure L Budget and Five-Year General Fund and Measure L Forecast (FIN)

C. Comments by Public on Non-Agenda Items

D. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer Cusmir
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Jennifer Cusmir at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Jennifer Cusmir (209) 333-6702.



CITY OF LODI COUNCIL COMMUNICATION

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AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2021/22 General Fund and Measure L Budget and Five-Year General Fund and Measure L Forecast

MEETING DATE: May 4, 2021

PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive presentation regarding Fiscal Year 2021/22 General Fund and Measure L budget and the five-year General Fund and Measure L forecast.

BACKGROUND INFORMATION: Staff has planned a series of presentations to provide the City Council and public an opportunity to review and comment on basic assumptions within the FY 2021/22 budget to be proposed to Council later this month. The draft budget will be released and made available for public review online once the draft is finalized. This session is designed to provide information on the general economic conditions facing City staff and Council in allocating resources to most effectively deliver services, with particular focus on the General Fund and Measure L.

Included in the presentation will be a discussion of Fiscal Year 2021/22 General Fund and Measure L expenditures and the General Fund and Measure L five-year forecast. The forecast is a critical planning tool for staff and Council to use to anticipate future resource or service level adjustments. The forecast presented will include a baseline scenario that keeps normal operations with no change in service levels.

Future Council presentations will focus on other aspects of the City budget beyond the General Fund and Measure L. The first opportunity for the City Council to adopt the Fiscal Year 2021/22 budget will be at its regular meeting on June 2, 2021.

FISCAL IMPACT: There is no impact from this informational presentation.

FUNDING AVAILABLE: The draft General Fund and Measure L budgets for Fiscal Year 2021/22 is projected at \$67,074,130 for both revenues and expenditures.

Andrew Keys
Deputy City Manager

APPROVED: _____
Stephen Schwabauer, City Manager

Fiscal Year 2021/22 Budget General Fund

Presented by Andrew Keys, Deputy City Manager



Overview

- General Fund
 - Assumptions/Revenues/Expenses
 - Key Inputs
 - Five Year Forecast



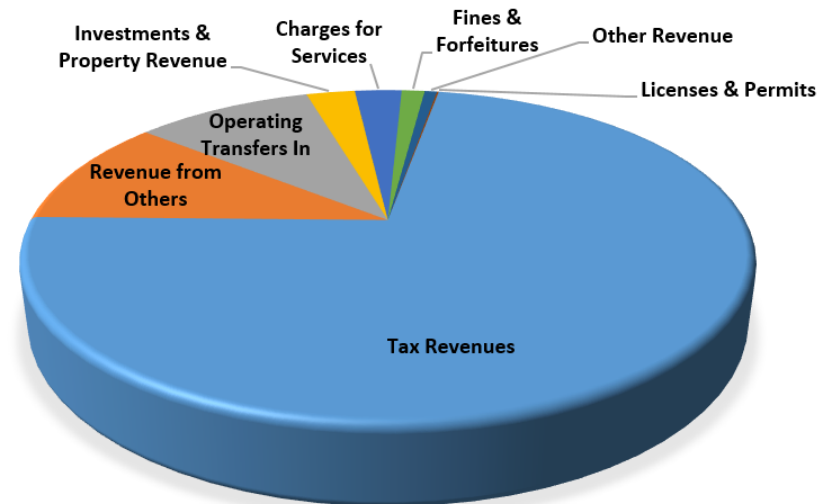
General Fund Assumptions

- Revenue recovery from Covid-19 impacts
- Sales Tax estimates 9.1% more than mid-year
- Business License Tax 55.7% more than mid-year
- Transient Occupancy Tax 32.2% more than mid-year
- Expenditures restored for full service delivery
- Net increase of 6 positions
- Restoration of PARS contribution as required in fiscal policies



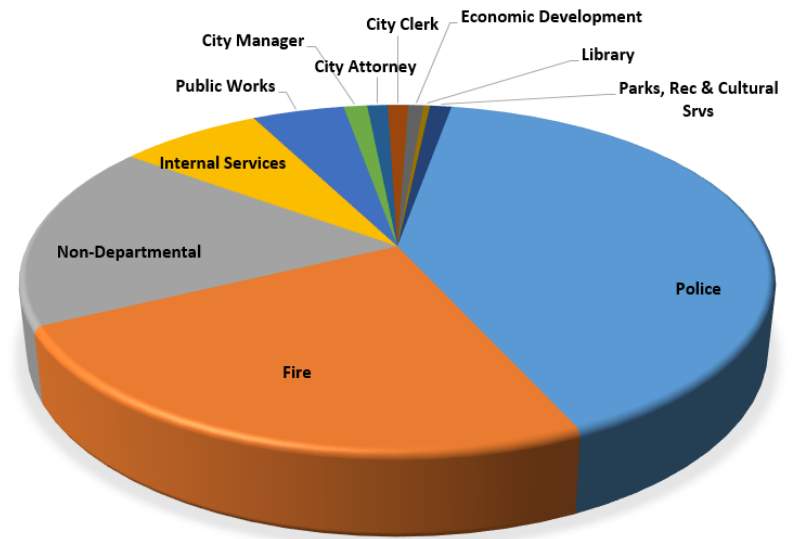
General Fund Revenues \$67,074,130

Revenue	Budget FY 2021/22
Tax Revenues	\$ 48,649,540
Revenue from Others	\$ 7,095,320
Operating Transfers In	\$ 6,478,410
Investments & Property Revenue	\$ 1,777,140
Charges for Services	\$ 1,716,540
Fines & Forfeitures	\$ 843,100
Other Revenue	\$ 450,580
Licenses & Permits	\$ 63,500
Total	\$ 67,074,130



General Fund Expenditures \$67,074,130

General Fund Expenses by Department	Budget FY 2021/22
Police	\$ 27,157,950
Fire	\$ 16,392,350
Non-Departmental	\$ 11,695,720
Internal Services	\$ 4,943,050
Public Works	\$ 3,175,320
City Manager	\$ 810,290
City Attorney	\$ 706,690
City Clerk	\$ 704,500
Economic Development	\$ 528,490
Library (from Measure L)	\$ 217,400
Parks, Rec & Cultural Srvs (from Measure L)	\$ 742,370
Total	\$ 67,074,130



General Fund Key Inputs

- Net increase of 6 full-time positions

Job Title	Department	+/-
Legal Secretary	City Attorney	+1
Management Analyst	Internal Services	+1
Sr. Customer Service Rep	Internal Services	+1
Utility Billing Specialist	Internal Services	-1
Network Administrator	Internal Services	+1
Code Enforcement Officer	Police	+1
Police Records Clerk	Police	+1
Asst/Assoc Civil Engineer	Public Works	+1
Customer Service Rep	IS - Revenue	+1
Net Increase		+6

- Restored transfer for Capital Outlay projects - \$435,000



General Fund Key Inputs

- Increased base operational support to Library and Parks, Recreation and Cultural Services
 - Library: \$113,920 funded by Measure L
 - PRCS: \$342,370 funded by Measure L
- Restored transfer to Parks Capital Fund
 - \$400,000 funded by Measure L
- Restored transfers to Police and Fire Vehicle Replacement Fund
 - Police: \$476,000
 - Fire: \$750,000



General Fund Key Inputs

- Restored Police and Fire Transfer to Equipment Replacement
 - Police: \$291,000
 - Fire: \$93,000
- Restored transfer to Information Systems Replacement Fund
 - New Network Refresh Replacement Program: \$388,000
 - New Staff Desktop Replacement Program: \$94,530



Measure L

- Revenues: \$7,757,500
- Expenditures: \$7,757,500

Measure L Funded Positions	FY 2020/21 Budget	FY 2021/22 Budget	Cost:
Police Officers*	20	20	\$2,940,130
Firefighters	8	8	\$1,062,270
Librarian	1	1	\$97,820
Street Maintenance Wrk III	0.2	0.2	\$3,070
Total Full-Time	29.2	29.2	\$4,103,290
Public Safety Overtime			\$2,043,210
Part-Time Community Service Officers (2)			\$72,150
Supplies, Materials, Training			\$682,560
Library Operations			\$113,920
Parks, Recreation & Cultural Srvs Operations			\$342,370
Parks Capital			\$400,000
Measure L Total			\$7,757,500

* In FY 2020/21 adopted budget, 6 Police Officer Positions were unfunded due to Covid-19 uncertainties; 2 positions were in Measure L. Funding for those positions was restored FY 2020/21 mid-year adoption



Vehicle Replacement Fund

Vehicle Replacement Funds	FY 20/21 YE Est Fund Bal	2021/22 Proj Rev	2021/22 Est Exp	FY 21/22 YE Est Fund Bal	Fund Target*	Over/ (Under) Target
Comm Dev	89,996	0	0	89,996	44,276	45,720
Fire	181,240	750,000	85,000	846,240	1,159,375	-313,135
Police	534,721	476,000	435,000	575,721	1,716,621	-1,140,900
PRCS	346,390	101,800	82,290	365,900	948,977	-583,077
PW - GF	75,798	0	0	75,798	142,788	-66,990
Grand Total	\$1,228,145	\$1,327,800	\$602,290	\$1,953,655	\$4,012,037	(\$2,058,382)

*Fund Target is the straight line depreciation value of vehicle stock that should be set aside for future replacements using Fleet Services estimated useful life expectancies by vehicle type.

Vehicle Replacement Funds	FY 20/21 Straight Line Depreciation Requirement	FY 2021/22 Recommended Funding	Annual Funding Surplus/(Shortage)
Comm. Dev	\$4,570	\$0	(\$4,570)
Fire Dept.	\$168,834	\$750,000	\$581,166
Police Dept.	\$296,347	\$476,000	\$179,653
PRCS	\$67,873	\$101,800	\$33,927
PW-GF	\$19,353	\$0	(\$19,353)
Grand Total	\$556,977	\$1,327,800	\$770,823



IT Network Infrastructure Replacement Fund

FY 2020/21 YE Est Fund Balance	\$177,308
FY 2020/21 YE Target	\$1,102,531
Over/(Under) Target	(\$925,223)

FY 2021/22 Straight Line Depreciation Requirement	FY 2021/22 Recommended Funding	Annual Funding Surplus/(Shortage)	FY 2021/22 YE Est. Over/(Under) Target
\$359,313	\$556,000	\$196,688	(\$728,536)

**Fund Target is the straight line depreciation value of city-wide network components that should be set aside for future replacements using estimated useful life expectancies by component type.*



5 Year Forecast - Assumptions

- FY 2021 budget as recommended is projected forward
- Includes substantial catchup contributions to PRCS capital, network infrastructure, and new positions
- Labor contracts expire at the end of FY 2021/22 or during FY 2022/23
 - No assumptions for future contracts are included
- Assumes 100% full employment (no vacancies)



5 Year Forecast - Assumptions

Revenue Category	FY 21/22 B	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Property Taxes - Secured	7.3%	3.7%	3.7%	3.7%	3.7%	3.7%
Sales & Use Taxes	7.7%	3.5%	3.5%	3.5%	3.5%	3.5%
Transient Occupancy Tax	32.2%	15.0%	10.0%	5.0%	5.0%	5.0%
Business License Tax	55.7%	10.0%	10.0%	3.5%	3.5%	3.5%
Other Taxes	19.8%	3.0%	3.0%	3.0%	3.0%	3.0%
EU Pilot	0.8%	0.5%	0.5%	0.5%	0.5%	0.5%
Property Tax in Lieu VLF	10.0%	3.7%	3.7%	3.7%	3.7%	3.7%
Transfers In	3.5%	1.2%	1.2%	1.2%	1.2%	1.2%
Property Taxes - CFD	29.4%	10%	10%	10%	10%	10%
Measure L	11.7%	2.0%	2.0%	2.0%	2.0%	2.0%
Other Revenues [1]	-53.1%	2.0%	2.0%	2.0%	2.0%	2.0%

Expense Category	FY 21/22 B	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Salaries [2]	11.4%	3.0%	2.0%	2.0%	2.0%	2.0%
PERS Normal Cost	-0.2%	2.0%	2.0%	2.0%	2.0%	2.0%
PERS UAL	3.9%	7.5%	7.5%	5.0%	5.0%	5.0%
Other Benefits	9.1%	2.5%	2.5%	2.5%	2.5%	2.5%
Operations [1]	-20.9%	2.0%	2.0%	2.0%	2.0%	2.0%
Debt [3]	-8.7%	-0.4%	0.0%	-0.2%	0.1%	-9.5%
Transfers [4]	47.2%	0.5%	0.5%	0.5%	0.5%	0.5%

[1] These line items include the FEMA reimbursements and costs, including the Great Plates Delivered program.

[2] Includes all positions added in the FY 21/22 budget remain funded.

[3] Does not factor in refunding opportunity for Fiscal year 2021/22.

[4] Measure L includes a large transfer to the PRCS fund for capital as opposed to directly paying for the expenses.

New IT Network replacement fund increases transfers.



5 Year Forecast - Revenue

	<u>FY 20/21 E</u>	<u>FY 21/22 B</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 25/26</u>	<u>FY 26/27</u>
Revenue							
Property Taxes	11,900,000	12,768,070	13,241,000	13,731,000	14,240,000	14,767,000	15,314,000
Sales & Use Taxes	13,026,000	14,035,240	14,527,000	15,036,000	15,563,000	16,108,000	16,672,000
Transient Occupancy Tax	605,000	800,000	920,000	1,012,000	1,063,000	1,117,000	1,173,000
Business License Tax	1,155,810	1,800,000	1,980,000	2,178,000	2,255,000	2,334,000	2,416,000
Other Taxes	2,992,150	3,583,190	3,691,000	3,802,000	3,917,000	4,035,000	4,157,000
EU Pilot	7,375,170	7,432,690	7,470,000	7,508,000	7,546,000	7,584,000	7,622,000
Property Tax in Lieu VLF	5,796,960	6,375,000	6,611,000	6,856,000	7,110,000	7,374,000	7,647,000
Transfer In	6,256,620	6,478,410	6,557,000	6,636,000	6,716,000	6,797,000	6,879,000
Property Taxes - CFD	378,420	489,630	539,000	593,000	653,000	719,000	791,000
Measure L	6,932,000	7,740,720	7,896,000	8,054,000	8,216,000	8,381,000	8,549,000
Other Revenues	11,881,550	5,571,180	5,683,000	5,797,000	5,913,000	6,032,000	6,153,000
Total Revenue	68,299,680	67,074,130	69,115,000	71,203,000	73,192,000	75,248,000	77,373,000
Revenue Growth [1]	7.1%	-1.8%	3.0%	3.0%	2.8%	2.8%	2.8%

[1] Actual Revenue Growth for FY 2021/22 is projected at approximately 8.2%. This excludes FEMA related reimbursements.



5 Year Forecast - Expenses

Expense Category	<u>FY 20/21 B</u>	<u>FY 21/22</u>	<u>FY 22/23</u>	<u>FY 23/24</u>	<u>FY 24/25</u>	<u>FY 25/26</u>	<u>FY 26/27</u>
Salaries	25,732,100	28,659,470	29,519,254	30,109,639	30,711,832	31,326,069	31,952,590
PERS Normal Cost	2,357,490	2,352,020	2,400,000	2,448,000	2,497,000	2,547,000	2,598,000
PERS UAL	7,148,890	7,429,240	7,987,000	8,587,000	9,017,000	9,468,000	9,942,000
Other Benefits	8,234,250	8,982,520	9,208,000	9,439,000	9,675,000	9,917,000	10,165,000
Operations [1]	20,044,240	15,857,690	16,175,000	16,499,000	16,829,000	17,166,000	17,510,000
Debt [2]	1,098,460	1,002,530	998,250	998,480	996,150	997,118	901,927
Transfers	1,890,330	2,783,160	2,798,000	2,812,000	2,827,000	2,842,000	2,857,000
Total Expenditure	66,745,610	67,066,630	69,085,504	70,893,119	72,552,982	74,263,187	75,926,517
Expenditure Growth [3]	14.0%	0.5%	3.0%	2.6%	2.3%	2.4%	2.2%
Revenue - Expenditure	1,554,070	7,500	29,496	309,881	639,018	984,813	1,446,483
Total Fund Balance	24,994,712	25,002,212	25,031,708	25,341,589	25,980,607	26,965,420	28,411,904



5 Year Forecast – Fund Balance

Category	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	
Catastrophic Reserve [4]	4,909,414	4,746,673	4,897,520	5,051,920	5,198,080	5,349,360	5,505,920
Economic Reserve [4]	4,909,414	4,746,673	4,897,520	5,051,920	5,198,080	5,349,360	5,505,920
Measure L Catastrophic Reserve [5]	554,560	619,258	631,680	644,320	657,280	670,480	683,920
Measure L Economic Reserve [5]	554,560	619,258	631,680	644,320	657,280	670,480	683,920
Pension Stabilization Fund [6]	14,066,763	14,270,351	13,973,308	13,949,109	14,269,887	14,925,740	16,032,224
DIVCA	-	-	-	-	-	-	-
Available Resources	24,994,712	25,002,212	25,031,708	25,341,589	25,980,607	26,965,420	28,411,904
Fund Balance %	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%

[1] Operations expenditures in FY 2021 include Great Plates Delivered and other COVID expenditures.

[2] Does not include any assumptions for refunding or new debt issuance. Refunding opportunity available spring of 2022.

[3] Expenditure growth net of FY 2021 COVID expenditures is 7.2%, or \$4.5 million.

[4] Per policy, this is set at 8% of revenue, catastrophic reserves are prioritize, then economic reserves, then unassigned.

[4] See footnote 2. Measure L has the same provisions as the General fund once the reserve is fully funded.

[6] Earnings accumulate at 6.25%. Per the Pension Stabilization Policy, all reserves in excess of 16% in the General Fund are deposited at the close of the year. Investments from budget savings from annual UAL payments are not factored in this analysis. Draws of stabilization reserves are needed from FY 2021/22 through FY 2025/26 to balance the General Fund. Draws only exceed anticipated annual earnings in FY 2023 and FY 2024.



5 Year Forecast – Risks/Opportunities

Risks

- COVID
 - Is there a lingering impact to residents behavior?
 - Will it come back this summer/fall?
- Labor Negotiations
- CalPERS UAL or other assumptions changes
- Pace of Development
- Additional service needs/demands from the public

Opportunities

- Economic recovery
- Revenue enhancement
- Debt refinancing



Questions?

