



FY 2023-24 Financial Results

Presentation to City Council

Karen Chang, *Director of Finance*

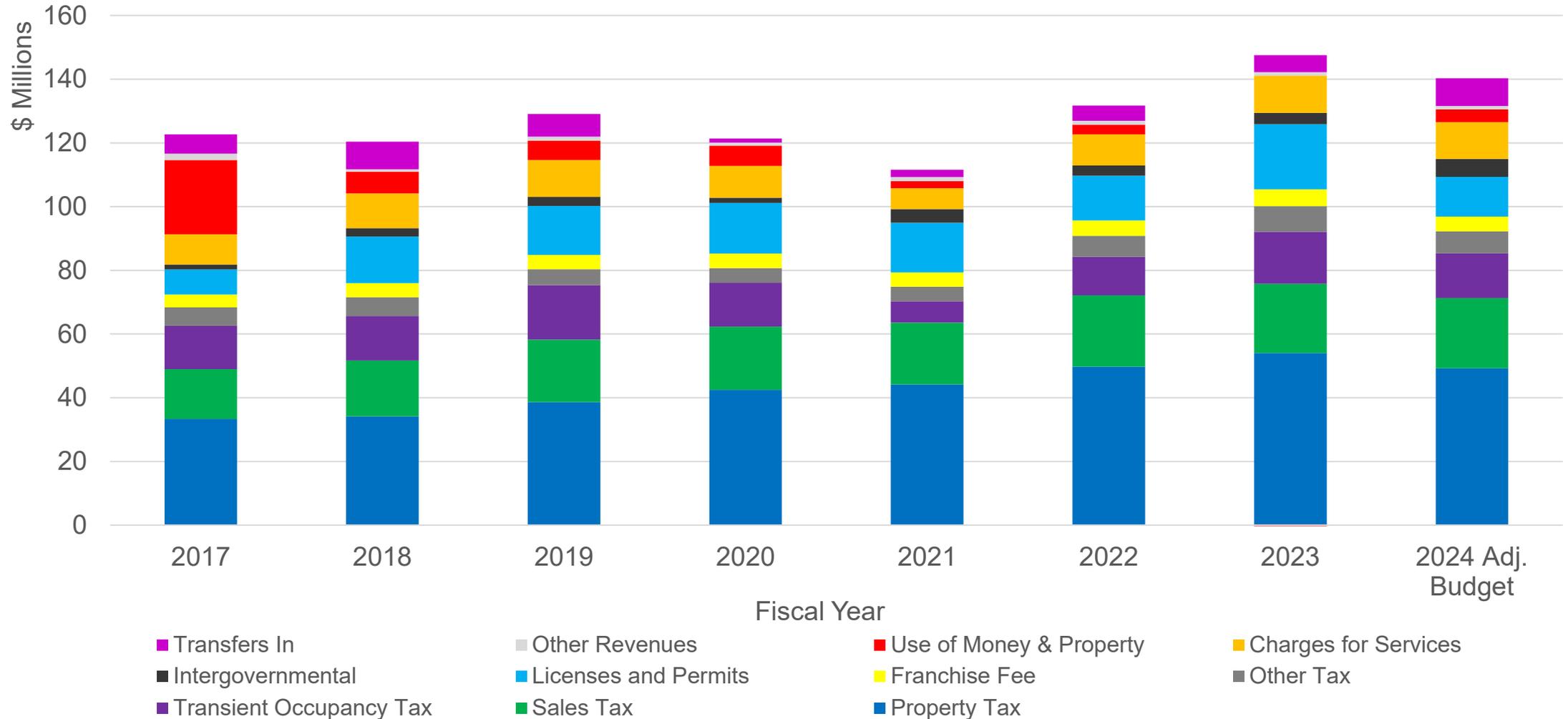


FEBRUARY 28, 2024

AGENDA

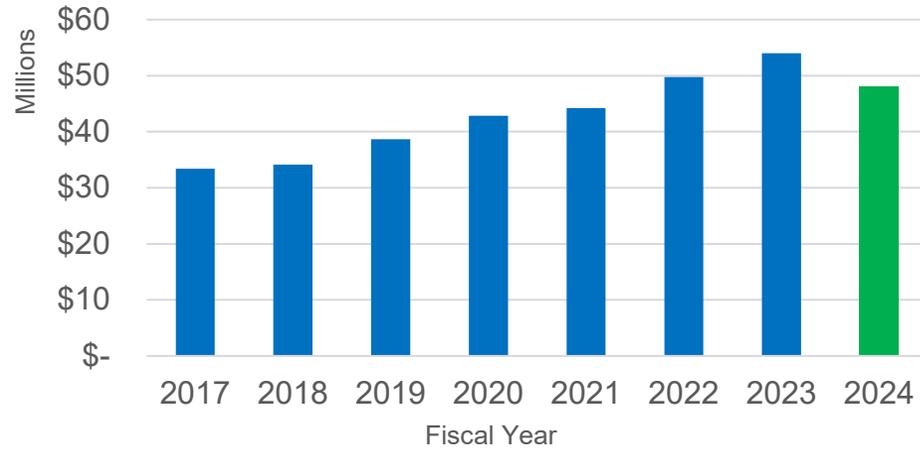
- 1 General Fund Overview
- 2 FY 2023-24 Financial Update
(2nd Quarter)
- 3 Reserve & Other Considerations
- 4 Q&A

Overview of General Fund Revenues

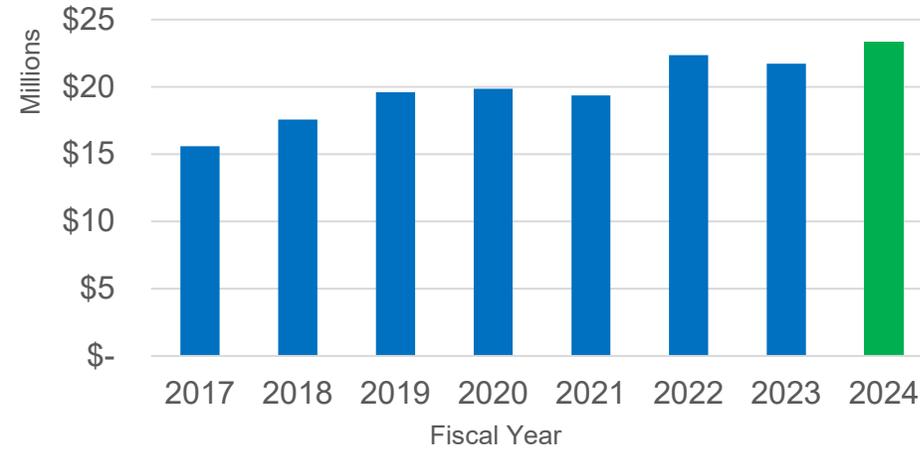


Major Revenue Trends

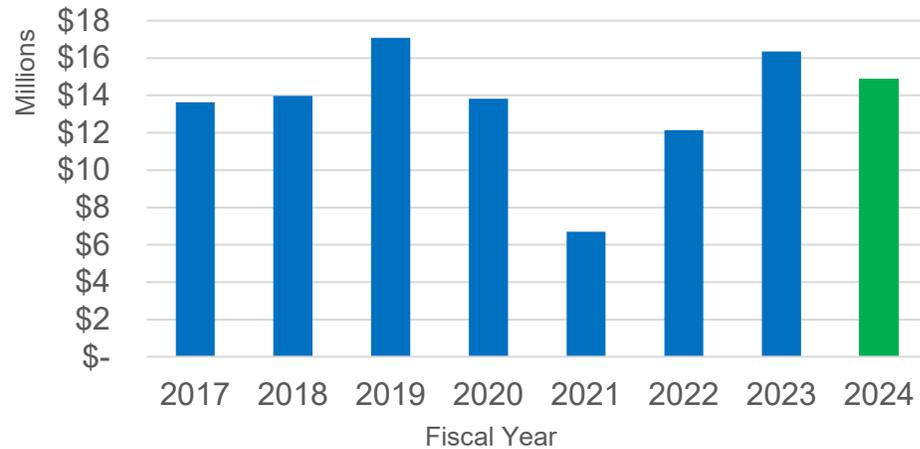
Property Tax Revenues



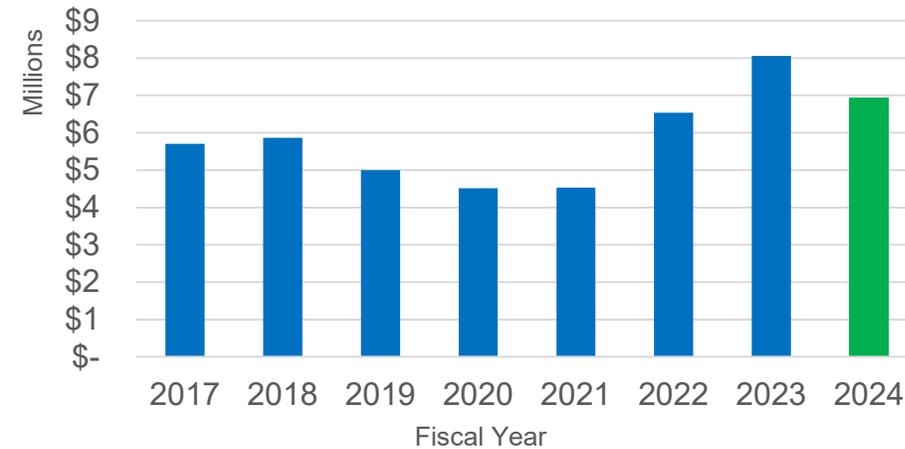
Sales Tax Revenues



Transient Occupancy Tax Revenues

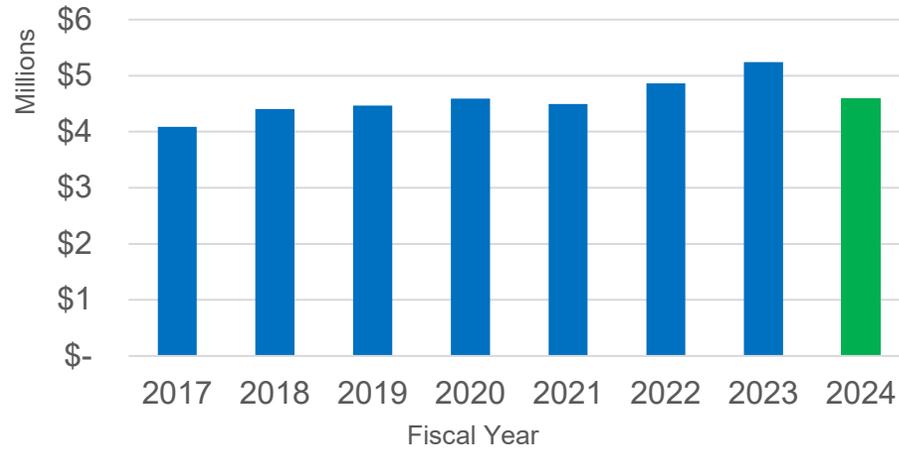


Other Tax Revenues

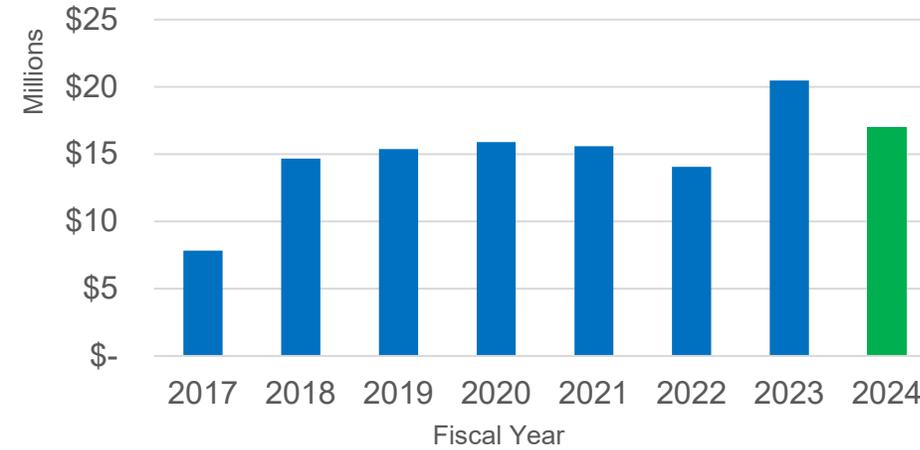


Major Revenue Trends

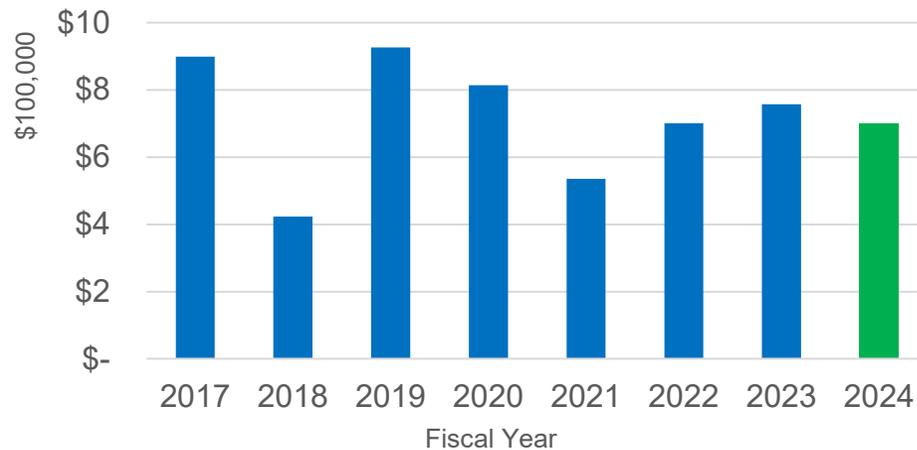
Franchise Fees



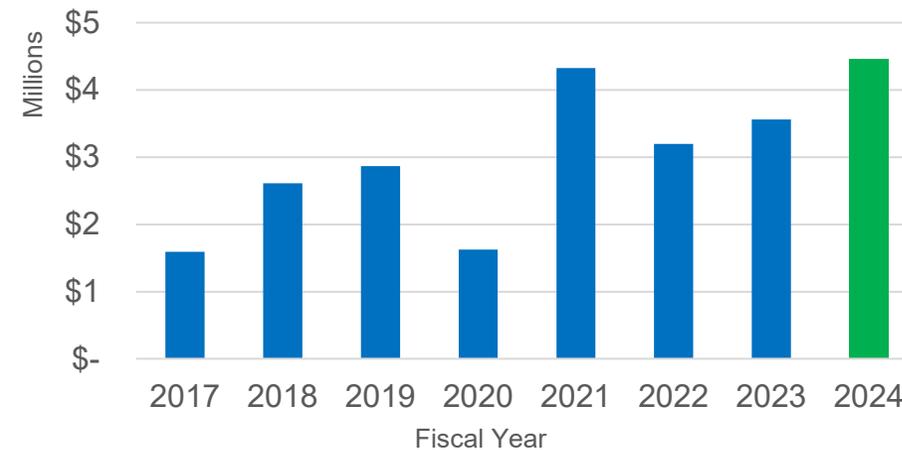
License and Permits



Fines and Forfeitures

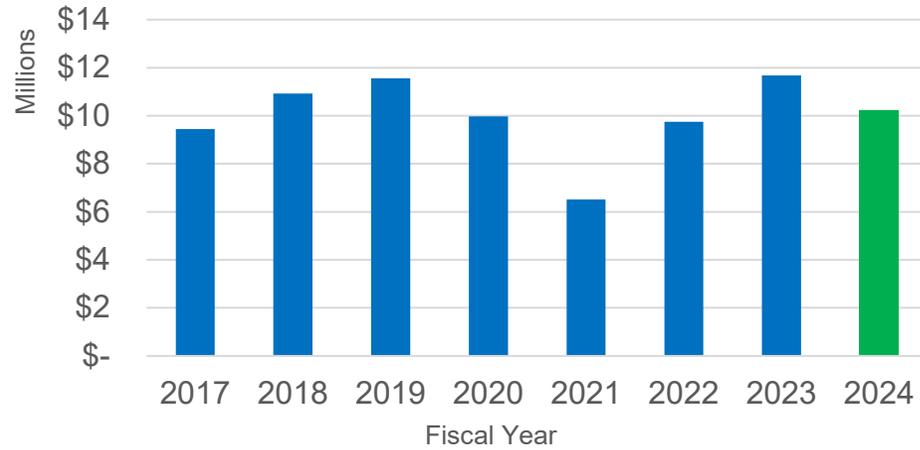


Intergovernmental

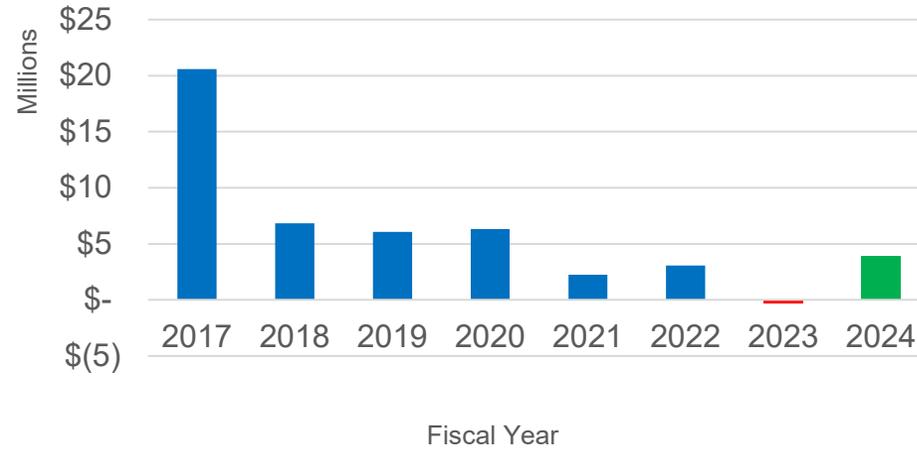


Major Revenue Trends

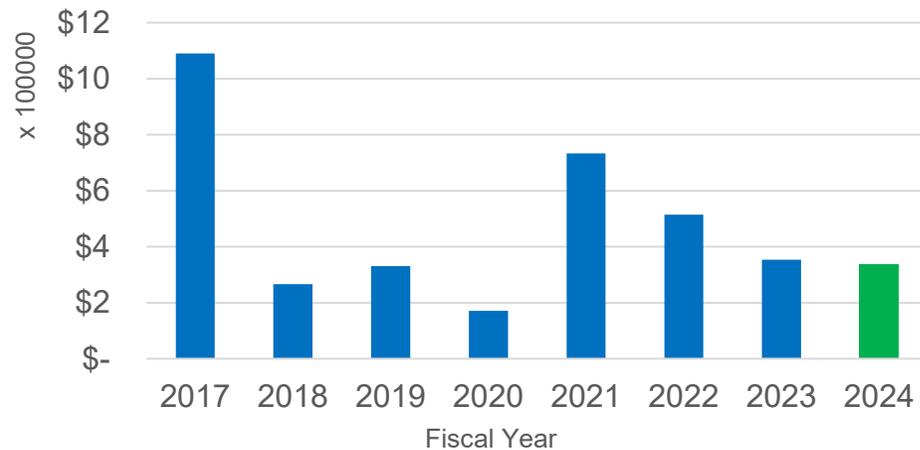
Charges For Services



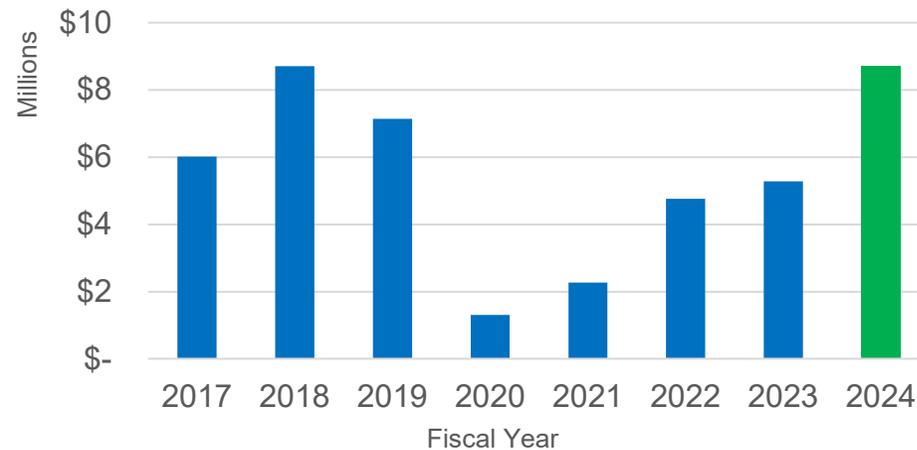
Use of Money and Property



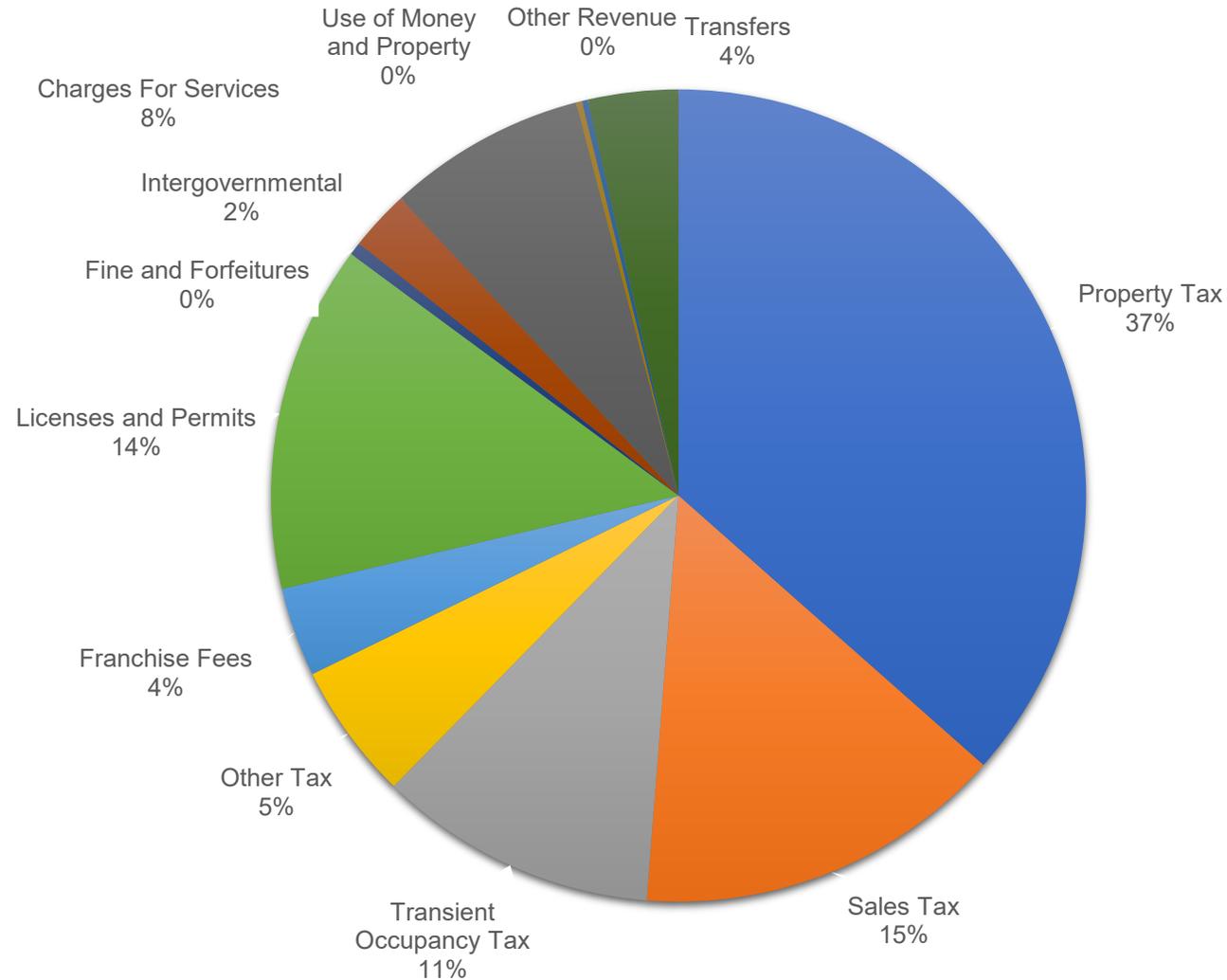
Other Revenues



Transfers In



FY 2022-23 General Fund Revenues

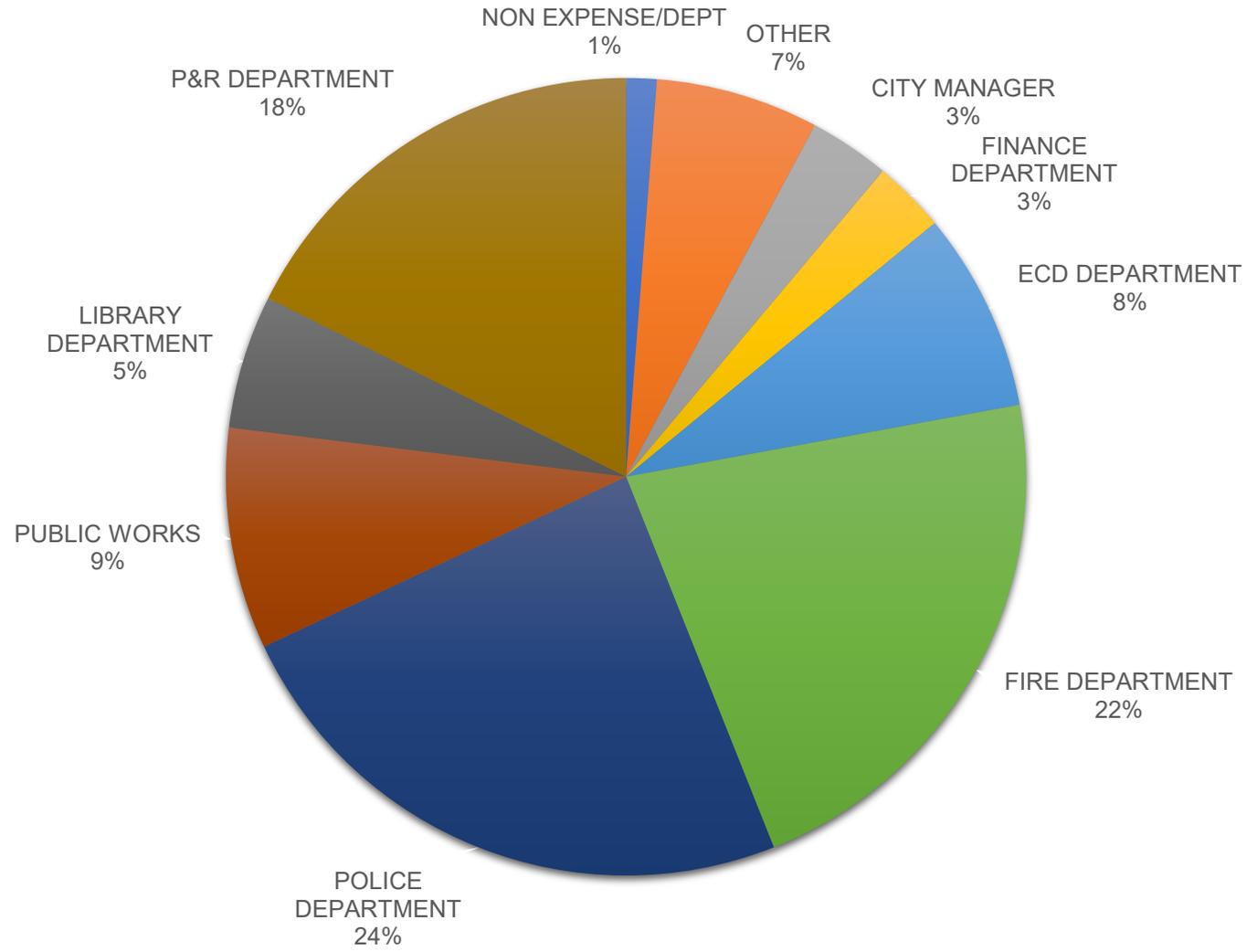


FY 2023-24 General Fund Adjusted Budget - Revenues

- **FY 2023-24 Budgeted Revenues = \$143.1 million**
- **Total Receipts through December 31 = \$59.0 million (41.3%)**

REVENUES <i>(in millions)</i>	FY 2022-23			FY2023-24			Recommended Projection Adjustments
	Budget	Actuals as of 12/31	Percentage of Budget	Budget	Actuals as of 12/31	Percentage of Budget	
Property Tax	\$45.8	\$25.5	55.7%	\$48.0	\$26.2	54.5%	↑ \$1.3M → \$49.3M
Sales Tax	\$22.4	\$7.9	35.3%	\$23.4	\$7.9	33.8%	↓ \$1.4M → \$22.0M
TOT	\$14.2	\$7.4	52.1%	\$14.9	\$5.6	37.8%	↓ \$0.9M → \$14.0M
Licenses & Permits	\$19.4	\$11.8	60.8%	\$17.0	\$6.9	40.4%	↓ \$4.5M → \$12.5M
Intergovernmental	\$4.3	\$0.9	20.9%	\$4.4	\$2.3	51.2%	↑ \$1.2M → \$5.6M
Service Charges	\$8.3	\$4.8	57.8%	\$10.2	\$4.7	46.1%	↑ \$1.4M → \$11.6M
All Other Revenues	\$16.7	\$8.0	47.9%	\$16.5	\$4.7	28.5%	↑ \$0.2M → \$16.7M
Transfers In	\$6.1	\$2.5	41.0%	\$8.7	\$0.8	9.3%	
TOTAL	\$137.3	\$68.8	50.1%	\$143.1	\$59.0	41.3%	↓ \$2.8M → \$140.3M

FY 2022-23 GF Expenditures by Department



Salary and Benefits Trends (\$ millions)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Total Adjusted Budget	\$106.7	\$116.9	\$120.4	\$139.2	\$123.8	\$138.6	\$143.9
Salary and Benefits	\$71.5	\$74.7	\$79.7	\$85.2	\$87.4	\$95.4	\$103.5
% of Total Adj Budget	67.0%	63.9%	66.2%	61.2%	70.6%	68.9%	71.9%

FY 2023-24 General Fund Budget - Expenditures

Expenditures	FY 2022-23			FY 2023-24			FY 2023-24	
	Adjusted Budget	Actuals as of 12/31	% of budget	Adjusted Budget	Actuals as of 12/31	% of budget	Pro-rata CalPERS	% of budget
City Council								
Payroll	196,886	63,937	32.5%	189,027	78,338	41.4%	76,679	40.6%
Supplies & Services	50,560	29,758	58.9%	36,560	28,483	77.9%	28,483	77.9%
Interdepartmental Charges	13,204	6,390	48.4%	43,900	21,455	48.9%	21,455	48.9%
Total	260,649	100,084	38.4%	269,486	128,276	47.6%	126,617	47.0%
City Clerk								
Payroll	909,334	385,086	42.3%	1,001,300	399,151	39.9%	345,136	34.5%
Supplies & Services	208,428	51,192	24.6%	208,428	36,637	17.6%	36,637	17.6%
Interdepartmental Charges	36,686	17,978	49.0%	55,282	26,789	48.5%	26,789	48.5%
Total	1,154,449	454,256	39.3%	1,265,011	462,578	36.6%	408,562	32.3%
City Treasurer								
Payroll	63,351	11,805	18.6%	31,230	11,680	37.4%	11,680	37.4%
Supplies & Services	102,060	21,198	20.8%	102,060	44,708	43.8%	44,708	43.8%
Interdepartmental Charges	2,493	1,246	50.0%	138	69	50.0%	69	50.0%
Total	167,904	34,249	20.4%	133,428	56,457	42.3%	56,457	42.3%

FY 2023-24 General Fund Budget - Expenditures

Expenditures	FY 2022-23			FY 2023-24			FY 2023-24	
	Adjusted Budget	Actuals as of 12/31	% of budget	Adjusted Budget	Actuals as of 12/31	% of budget	Pro-rata CalPERS	% of budget
City Attorney								
Supplies & Services	937,808	489,962	52.2%	1,100,717	377,391	34.3%	377,391	34.3%
Interdepartmental Charges	2,482	1,191	48.0%	8,108	3,939	48.6%	3,939	48.6%
Total	940,290	491,153	52.2%	1,108,825	381,330	34.4%	381,330	34.4%
City Manager								
Payroll	2,863,694	1,513,695	52.9%	3,243,094	1,248,628	38.5%	1,069,143	33.0%
Supplies & Services	2,344,542	392,169	16.7%	1,633,659	282,160	17.3%	282,160	17.3%
Interdepartmental Charges	116,360	57,574	49.5%	144,372	70,771	49.0%	70,771	49.0%
Total	5,324,597	1,963,437	36.9%	5,021,126	1,601,560	31.9%	1,422,074	28.3%
Finance								
Payroll	3,172,557	1,413,781	44.6%	3,333,330	1,323,979	39.7%	1,141,731	34.3%
Supplies & Services	1,096,083	101,111	9.2%	1,047,941	80,267	7.7%	80,267	7.7%
Interdepartmental Charges	136,445	66,605	48.8%	138,463	65,456	47.3%	65,456	47.3%
Total	4,405,085	1,581,496	35.9%	4,519,734	1,469,702	32.5%	1,287,454	28.5%

FY 2023-24 General Fund Budget - Expenditures

Expenditures	FY 2022-23			FY 2023-24			FY 2023-24	
	Adjusted Budget	Actuals as of 12/31	% of budget	Adjusted Budget	Actuals as of 12/31	% of budget	Pro-rata CalPERS	% of budget
Non expense/Dept								
Payroll	608,000	-	0.0%	-	-		-	
Supplies & Services	1,544,698	903,046	58.5%	1,394,367	485,196	34.8%	485,196	34.8%
Transfers	700,000	250,000	35.7%	500,000	-	0.0%	-	0.0%
Total Non-Expense/Dept.	2,852,698	1,153,046	40.4%	1,894,367	485,196	25.6%	485,196	25.6%
Human Resources								
Payroll	2,104,444	914,366	43.4%	2,365,049	1,110,781	47.0%	975,636	41.3%
Supplies & Services	513,299	204,604	39.9%	575,111	100,143	17.4%	100,143	17.4%
Interdepartmental Charges	66,366	32,618	49.1%	55,192	26,276	47.6%	26,276	47.6%
Total	2,684,109	1,151,588	42.9%	2,995,351	1,237,200	41.3%	1,102,055	36.8%

FY 2023-24 General Fund Budget - Expenditures

Expenditures	FY 2022-23			FY 2023-24			FY 2023-24	
	Adjusted Budget	Actuals as of 12/31	% of budget	Adjusted Budget	Actuals as of 12/31	% of budget	Pro-rata CalPERs	% of budget
Economic & Comm Development								
Payroll	5,749,215	2,930,605	51.0%	5,487,087	3,139,924	57.2%	2,680,128	48.8%
Supplies & Services	9,477,181	2,381,792	25.1%	6,469,550	2,004,384	31.0%	2,004,384	31.0%
Capital Outlay	113,400	-	0.0%	113,381	-		-	0.0%
Interdepartmental Charges	269,834	131,222	48.6%	368,615	175,685	47.7%	175,685	47.7%
Total	15,609,630	5,443,619	34.9%	12,438,633	5,319,993	42.8%	4,860,197	39.1%
Fire								
Payroll	27,312,449	17,439,241	63.9%	28,172,922	17,482,689	62.1%	15,014,506	53.3%
Supplies & Services	3,657,640	632,209	17.3%	2,825,938	1,076,913	38.1%	1,076,913	38.1%
Capital Outlay	400,000	-		400,000	-		-	0.0%
Interdepartmental Charges	2,054,628	943,235	45.9%	2,250,984	1,101,398	48.9%	1,101,398	48.9%
Total	33,424,717	19,014,685	56.9%	33,649,844	19,661,000	58.4%	17,192,817	51.1%

FY 2023-24 General Fund Budget - Expenditures

Expenditures	FY 2022-23			FY 2023-24			FY 2023-24	
	Adjusted Budget	Actuals as of 12/31	% of budget	Adjusted Budget	Actuals as of 12/31	% of budget	Pro-rata CalPERs	% of budget
Police								
Payroll	30,438,959	17,656,629	58.0%	32,464,166	18,209,039	56.1%	15,654,095	48.2%
Supplies & Services	1,690,477	616,307	36.5%	1,857,124	730,501	39.3%	730,501	39.3%
Interdepartmental Charges	2,381,864	1,177,860	49.5%	2,630,415	1,284,708	48.8%	1,284,708	48.8%
Total	34,511,300	19,450,797	56.4%	36,951,705	20,224,247	54.7%	17,669,303	47.8%
Public Works								
Payroll	4,496,168	2,219,275	49.4%	4,765,838	2,612,909	54.8%	2,285,387	48.0%
Supplies & Services	2,885,962	809,356	28.0%	7,020,350	1,280,217	18.2%	1,280,217	18.2%
Capital Outlay	312,000	-		271,564	-		-	0.0%
Interdepartmental Charges	909,575	451,538	49.6%	1,763,775	874,306	49.6%	874,306	49.6%
Total	8,603,705	3,480,169	40.4%	13,821,528	4,767,432	34.5%	4,439,910	32.1%
Library								
Payroll	5,930,595	2,838,554	47.9%	6,505,083	3,032,800	46.6%	2,702,626	41.5%
Supplies & Services	1,078,235	367,191	34.1%	1,057,204	553,497	52.4%	553,497	52.4%
Interdepartmental Charges	264,914	118,771	44.8%	743,808	339,970	45.7%	339,970	45.7%
Total	7,273,745	3,324,516	45.7%	8,306,095	3,926,266	47.3%	3,596,092	43.3%

FY 2023-24 General Fund Budget - Expenditures

Expenditures	FY 2022-23			FY 2023-24			FY 2023-24	
	Adjusted Budget	Actuals as of 12/31	% of budget	Adjusted Budget	Actuals as of 12/31	% of budget	Pro-rata CalPERs	% of budget
Parks and Recreation								
Payroll	16,382,265	7,959,678	48.6%	19,171,702	8,664,587	45.2%	7,784,474	40.6%
Supplies & Services	5,384,639	1,836,880	34.1%	6,556,908	2,013,711	30.7%	2,013,711	30.7%
Capital Outlay	-	-		79,112	108,750		108,750	137.5%
Interdepartmental Charges	1,106,247	550,569	49.8%	1,301,683	644,880	49.5%	644,880	49.5%
Total	22,873,152	10,347,127	45.2%	27,109,406	11,431,928	42.2%	10,551,815	38.9%
CIP								
Transfers	3,833,270	161,864	4.2%	4,375,873	-	0.0%	-	0.0%
Total	3,833,270	161,864	4.2%	4,375,873	-	0.0%	-	0.0%
Tota General Fund Expenditures	143,919,299	68,152,087	47.4%	153,860,411	71,153,164	46.2%	63,579,879	41.3%
Information Technology*								
Payroll	2,127,121	918,632	43.2%	2,298,886	1,039,228	45.2%	905,176	39.4%
Supplies & Services	3,104,214	766,050	24.7%	2,726,025	1,016,296	37.3%	1,016,296	37.3%
Interdepartmental Charges	10,469	5,235	50.0%	12,889	6,444	50.0%	6,444	50.0%
Total	5,241,804	1,689,917	32.2%	5,037,801	2,061,968	40.9%	1,927,916	38.3%

* Non-General Fund: budgeted as internal service fund in Fund 785

Additional GF Revenue Amendment Request

➤ Economic and Community Development		\$ 150,000
– Increase in Building Permit collected fee	\$150,000	
➤ Fire Department		\$1,275,000
– Paramedic Service Fee Increase	\$1,200,000	
– Fire Plan Check Fee	\$75,000	
➤ Transfer in from ARPA		\$ 1,238
– Residual balance for revenue loss category	\$1,238	

Additional GF Appropriations Request

➤ Economic and Community Development		\$75,000
– Construction Coordination Consultant (2-Year contract)	\$75,000	
➤ Fire Department		\$689,600
– Contracts for Fire Plan Reviews	\$175,000	
– Department of Health Care Services program	\$506,000	
– Ambulance billing fees	\$8,600	
– Upgrade 1.0 FTE Administrative Assistant I to Management Analyst I with no fiscal impact in FY2023-24.		
➤ Parks & Recreation		\$285,000
– One-time Contractual landscape services	\$125,000	
– Ongoing Contractual landscape services	\$10,000	
– Police Department building window washing services	\$40,000	
– Purchase of Westborough Blvd privately owned parcels along eastbound shoulders	\$110,000	

Additional Non-GF Appropriations Request

1. American Rescue Plan Act Fund (201)		\$ 1,238
– Transfer residual balance for Rev Loss category to GF	\$1,238	
2. West Park Maintenance District Fund (Fund 231)		\$370,700
– Adjustment to full-time payroll salaries calculation	\$159,800	
– Adjustment to part-time payroll salaries calculation	\$11,100	
– Adjustment to benefit calculation	\$199,800	
3. Stonegate Ridger Maintenance Fund (Fund 232)		\$ 20,170
– Adjustment to full-time payroll salaries calculation	\$630	
– Adjustment to benefit calculation	\$19,540	
4. Willow Gardens Maintenance Fund (Fund 233)		\$ 4,350
– Adjustment to full-time payroll salaries calculation	\$1,450	
– Adjustment to benefit calculation	\$2,900	

Additional Non-GF Appropriations Request

5. West Park Maintenance District 1 & 2 Fund (Fund 234)		\$ 21,450
– Adjustment to full-time payroll salaries calculation	\$1,240	
– Adjustment to benefit calculation	\$20,210	
6. Developer Deposits Fund (Fund 270)		\$125,000
– ECD TDM Enforcement and Trip Cap Implementation	\$50,000	
– ECD Objective Architectural Standards Updates	\$75,000	
7. Sewer Enterprise Fund (Fund 710)		\$999,000
– Adjustment to full-time payroll salaries calculation	\$573,800	
– Adjustment to benefit calculation	\$425,200	
8. Park District Fund (Fund 720)		\$69,000
– Adjustment to full-time payroll salaries calculation	\$40,000	
– Adjustment to benefit calculation	\$29,000	

Additional Non-GF Appropriations Request

9. Commercial Linkage Fee (Fund 823)		\$300,000
– ECD Preparing sites for housing suitability	\$100,000	
– ECD Property acquisition due diligence and negotiations	\$200,000	
10. Storm Water Fund (Fund 740)		\$449,000
– Public Works: Storm line repairs identified in Storm Drain Master Plan	\$150,000	
– Adjustment to full-time payroll salaries calculation	\$172,000	
– Adjustment to benefit calculation	\$127,000	
11. Park Acquisition Fund (Fund 805)		\$100,000
– Parks and Rec: Parkland acquisition due diligence	\$100,000	

Additional Non-GF Appropriations Request

12. PEG Equipment & Access Fund (Fund 786)

\$55,000

- Upgrade City Manager conference room for
Special City Council meetings \$30,000
- Closed caption services for City Council meetings \$25,000

Mid-Year Capital Improvement Plan (CIP) Request

- 1. SSF Shoreline Protection and Connectivity (New project sd2402) **\$30,000****
 - Funding Source: East of 101 Traffic Impact Fee
 - Funding request is for the pre-design phase of this project to fund consultant for Caltrans grant application.

- 2. Storm Drain Master Plan (Existing project sd2301) **\$500,000****
 - Funding Source: Infrastructure Reserve
 - These funds are needed for additional storm drain cleaning required for conditional assessment.

- 3. Parking District Lot Rehabilitation (Existing project pf2402) **\$100,000****
 - Funding Source: Parking District Fund
 - Additional funds to rehabilitate parking lots based on Engineering estimates. This is for rehabilitation (surface seal asphalt pavement treatment and new striping) of six (6) City Public Parking lots in the downtown area.

Mid-Year Capital Improvement Plan (CIP) Request

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| 4. Adaptive Traffic Control System (Existing project tr1901) | \$100,000 |
| <ul style="list-style-type: none">– Funding Source: Citywide Traffic Impact Fee– Additional funds requested for plan, design, and implementation of adaptive traffic control in West of 101. | |
| 5. Junipero Serra Class 4 Bike Lanes (New project tr2414) | \$50,000 |
| <ul style="list-style-type: none">– Funding Source: Citywide Traffic Impact Fee– Additional funding is required for the TDA Grant match. | |
| 6. Colma/SSF: El Camino Real Bicycle and Pedestrian Improvement Project (PSR_PDS) and (PAED) (New project tr2415) | \$100,000 |
| <ul style="list-style-type: none">– Funding Source: Citywide Traffic Impact Fee– Opportunity to follow through on part of the Bike/Ped Master Plan. Colma is leading the project and has secured a TA Grant. Caltrans asked to further previous project extends to Hickey Blvd & ECR for project effectiveness/continuity. | |

Mid-Year Capital Improvement Plan (CIP) Request

- 7. Caltrain Station Enhancement/Karyl Matsumoto Plaza (Existing project st1603) \$120,000**
- New Funding Source: Park Construction Fees
 - Benefits Agreement for 200 Airport. It includes ongoing maintenance of the new plaza and contributions to construction that included \$120,000 payment for plaza improvements.
- 8. Sewer Master Plan (Existing Project ss1801) \$100,000**
- Funding Source: East of 101 Sewer Impact Fees
 - These funds will be used for additional design costs to update sewer model and report.
- 9. Broadband Fiber Optic Expansion (Existing Project pf2210) \$289,332**
- Funding Source: American Rescue Plan Act (ARPA)
 - These funds will be used for installation of fiber optic cables in new City-owned conduits from 550 North Canal to Skyline Blvd in the Westborough Area to provide the middle mile for the carriers to connect to the last mile in the Westborough area.

Consolidating Projects

- 10. Citywide School Traffic Calming Improvement Project** **(\$600,000)**
- Original-existing project tr2405
 - Funding Source: Citywide Traffic Impact Fee
 - This project will be combined with existing project st2402. The funding source will still be Citywide traffic Impact fee. This will be an additional funding source to existing project st2402 (2024 Surface Seal Project).
- 11. 2024 Surface Seal Project (Existing project st2402)** **\$600,000**
- New/Additional Funding Source: Citywide Traffic Impact Fee
 - Requesting Citywide Traffic Impact Fee as an additional funding source for this project. Combining tr2405 (Citywide School Traffic Calming Improvement project) to st2402. The funds will be utilized for the traffic calming improvements and tracked accordingly.

Remove Funding From Existing Project

- 12. Transit Village Park (Existing project pk2101) (\$2,000,000)**
- Funding Sources: Park Land Acquisition Fee and Park Land Construction
 - Alternative sites for a park are still being considered. Funding is not needed currently. Should a site be found, funding will be requested from the City Council separately.

American Rescue Plan Act (ARPA)

Projects	Total Appropriations to date	Expenditures to date thru 12-31-2023	Remaining Unspent Funds (appropriated)	FY2023-24 Mid Year Proposed budget	Total
General Government Services	9,517,373	9,380,645	136,728	1,238	9,518,611
Guaranteed Income Program	1,000,000	1,000,000			1,000,000
Broadband Expansion - Westborough Neighborhood (CIP)	1,000,000	10,391	989,609	289,332	1,289,332
The Spit/Oyster Point Sea Level Rise Protection (CIP)	110,000	110,000			110,000
SAMCEDA Restaurant Grants	260,000	260,000			260,000
Jobs for Youth Program (summer 2021)	36,495	36,495			36,495
Shop Local Gift Cards	64,503	64,503			64,503
TOTAL	11,988,371	10,862,034	1,126,337	290,570	12,278,941

City Reserves (As of June 30, 2023)

General Reserves (20%)	\$29,298,000
Pension Stabilization Reserves	5,596,000
Infrastructure Reserves	8,194,000
Total Reserve Levels	\$43,088,000
Available Unassigned GF Fund Balance	20,344,000
Reserves & Surplus Fund Balance	\$63,432,000

Infrastructure Reserve Activities and Balance

Item	Amount
FY2022-23 Balance	\$20,229,000
<i>Add: Developer Contributions</i>	250,000
Total	\$20,479,000
<i>Less: YTD Appropriation</i>	
FY 2023-24 CIP project funding	\$4,050,000
Downpayment Assistance Program	1,617,000
Previously funded CIP projects	10,186,000
Mini-Sweeper	250,000
Restroom at the Park	200,000
Total appropriation	\$16,303,000
<i>Mid-year Requests</i>	<i>\$500,000</i>
Net IR activities after Mid-year	\$16,803,000
Available Reserve Balance after Mid-Year	\$3,676,000

Projected GF Revenue and Expenditure Summary

Reserve for Encumbrances rollover	\$8,661,000
Reserve for Capital Projects	3,776,000
Adopted Budget Surplus	\$9,000
- FY 2023-24 Net Budget Adjustments	(10,771,000)
- Mid-Year Revenue Adjustments	(2,749,000)
- Mid-Year Appropriation Requests	(1,050,000)
<i>Total Adjustments</i>	<i>(14,561,000)</i>
FY 2023-24 Projected Deficit	(\$2,124,000)

QUESTIONS?
