

CITY OF PITTSBURG
FY 2013-14 BUDGET
WORKSHOP

*May 20, 2013 City Council
Meeting*

AGENDA

1. General Fund Budget Status
2. Measure P Oversight Committee Report
3. New Programs Added since April 15, 2013 City Council Meeting
4. 7-year General Fund Balancing Plan
5. City Council Budget

FY 2013-14 GENERAL FUND BUDGET STATUS

	15-Apr-13	20-May-13	Difference
Total Operating Revenues	31,418,011	31,739,678	321,667
Use of Budget Stabilization Funds	1,800,000	1,800,000	0
Total Revenues	33,218,011	33,539,678	321,667
Total Expenditures	33,457,784	33,734,082	276,298
Difference - Budget Shortfall	(239,773)	(194,404)	45,369

FY 2013-14 GENERAL FUND BUDGET STATUS – CHANGES SINCE APRIL 15, 2013

Revenue Items	Amount
Business License Tax	20,000
Business License Renewals	4,000
Traffic Safety Fund	80,000
Parking Fines	65,000
Administrative Recoveries	7,312
Public Safety Affordable Housing Fees	45,355
AB 109 Public Safety Grant Funds	100,000
Total Revenue Changes	321,667
Expense Items	Amount
Federal Lobbyist Contract	30,000
Audit Expense	5,000
Miscellaneous Allocation Changes (Net)	143,298
NEW Community Services Specialist Position (Off-set with new Police Department Revenues)	98,000
Total Expense Changes	276,298
Net Change from April 15, 2013	45,369

FY 2013-14 GENERAL FUND BUDGET – OPTIONS TO BALANCE

- Labor Contracts
- Increase Attrition Savings

MEASURE P OVERSIGHT COMMITTEE REPORT

Lindy Maynes, Chair

MEASURE P OVERSIGHT COMMITTEE REPORT

- Measure P Oversight Committee met three times to review status of City's General Fund and proposed uses of Measure P Funds.
- Emphasized the importance of adhering to the intent of Measure P to fund Police, Senior Center, and Economic Development programs.
- The Police Department's budget comprises 81% of the City's General Fund budget.

PROPOSED USES OF MEASURE P FUNDS

Department	Total Proposed FY 2013-14 Budget	Department Revenues	General Fund - Non-departmental Revenues	Proposed Measure P Allocation	Measure P Funds as a Percent of Department Budget	Percent of Measure P Revenue
Police Department	20,726,669	2,517,343	16,238,784	1,970,542	10%	86%
Senior Center	291,216	33,000	(2,242)	260,458	89%	11%
Economic Development	417,704	330,704	18,000	69,000	17%	3%
Total	21,435,589	2,881,047	16,254,542	2,300,000	11%	100%

PROPOSED USES OF MEASURE P FUNDS – POLICE DEPARTMENT

- Fully staff Police Department
- Staff the Narcotics Division
- Improved supervision of Police Officers
- Code Enforcement including bookings
- Tracking illegal gun ownership
- Neighborhood Policing Team
- Street Level Crime Team

PROPOSED USES OF MEASURE P FUNDS – ECONOMIC DEVELOPMENT

Enterprise Zone

Businesses located in Pittsburgh's Enterprise Zone are eligible for the following:

- State Hiring / Sales and Use Tax Credits
- Business Expense / Net Interest Deductions
- Preference on Government Contracts

PROPOSED USES OF MEASURE P FUNDS – SENIOR CENTER

- Keep the Senior Center open and provide various Senior activities such as exercise programs, financial counseling, crafts, and meals.
- Fund 2.0 Recreational Coordinator positions

MEASURE P COMMITTEE RECOMMENDATIONS

- Measure P Oversight Committee concludes that the proposed uses of Measure P funds is consistent with Measure P's goals.
- Primarily funds the Police Department, keeps the Senior Center open and funds a job creation program that minimizes costs to the City while creating more jobs.

NEW PROGRAMS ADDED TO FY 2013-14 BUDGET SINCE APRIL 15, 2013

Program	Amount	Fund
Federal Lobbyist Contract	30,000	General Fund
Federal Lobbyist Contract	30,000	Pittsburg Power
California Theater Operating Budget	250,000	Pittsburg Power
Car Shows	17,000	Pittsburg Power
Culinary Crawl	3,000	Pittsburg Power
4th of July Fireworks	30,000	Waterfront Operations
Total New Programs Added to the Budget since 4/15/13	360,000	

7-YEAR GENERAL FUND BALANCING PLAN UPDATE – ASSUMPTIONS

City of Pittsburg - 7-year Balancing Plan Assumptions		
Revenue Assumptions		Expenditure Assumptions
Annual Increase in Operating Revenues:		2% Wage Increase in FY 2015-16
2014-15	0.015	
FYs 2015-16 thru 2017-18	0.025	Retiree Health Benefits increase 10% annually
Eliminate Housing Authority and PACF Administrative Support Transfers-in		Misc. Employees Pension and Health Benefits per existing MOUs
FY 2013-14 on-ward	(\$257,482)	
		POA & PMG Pension Pick-up the Same as Current MOU
Total Available Budget Stabilization Fund at 6/30/13	\$9,868,965	
		Other Expenses - 2% annual cost increase
		Salary Savings - 3% vacancy average annual rate
		CCCERA New Loan Payment of \$500,000 in FY 2017-18
		OPEB Liability Reduction - \$342,000 annually

7-YEAR GENERAL FUND BALANCING PLAN

City of Pittsburg 7-year General Fund Budget Balancing Plan			Projected					
	YE Actuals FY 2011-12	Budget FY 2012-13	DRAFT Budget FY 2013-14 (April 15, 2013)	DRAFT Budget FY 2013-14 (May 20, 2013)	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Model:								
Annual Revenues (taxes, fees, fines & interest earnings)	22,094,111	21,970,116	23,272,301	23,586,656	23,621,386	24,211,920	24,817,218	25,437,649
One-time revenues	618,905		590,000	590,000				
Transfers-in from other City Funds to fund administration and other General Fund services (except Budget Stabilization Fund monies)								
1% annual growth rate	6,601,741	5,179,341	4,916,710	4,924,022	4,965,877	5,015,536	5,065,691	5,116,348
New Transfer Station Franchise Fees	300,000	357,000	408,000	408,000	510,000	520,200	530,604	541,216
New Sales Tax (Measure P)	-	1,500,000	2,231,000	2,231,000	2,264,465	2,321,077	2,379,104	1,853,322
Total Annual Revenues	29,614,757	29,006,457	31,418,011	31,739,678	31,361,728	32,068,733	32,792,617	32,948,535
Potential New Revenues								
Community Facility District (CFD) Public Safety Fees Related to Anticipated New Development					75,000	150,000	225,000	300,000
Increased Landfill Fees from expanded capacity (3,500 to 4,900 tons per day (40% increase) current revenues = \$1,010,000)					300,000	400,000	400,000	400,000
Total Potential New Revenues					375,000	550,000	625,000	700,000
Total Revenues	29,614,757	29,006,457	31,418,011	31,739,678	31,736,728	32,618,733	33,417,617	33,648,535

7-YEAR GENERAL FUND BALANCING PLAN

<u>Annual Expenses</u>	FY 2011-12	FY 2012-13	FY 2013-14 (April 15, 2013)	FY 2013-14 (May 20, 2013)	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Salaries - Misc	4,218,074	4,739,355	4,974,152	5,094,256	4,974,152	5,073,635	5,073,635	5,073,635
Salaries - Sworn	6,624,687	6,784,758	7,033,051	7,016,724	7,033,051	7,173,712	7,173,712	7,173,712
Salaries - Part-time	715,027	833,059	607,384	610,076	607,384	607,384	607,384	607,384
Salaries - Overtime	869,443	935,423	966,730	966,888	966,730	966,730	966,730	966,730
Salaries - Step Increases					258,348	258,348	258,348	258,348
Pension - Non-sworn (combined)	636,357	620,737	640,569	658,120	816,368	816,368	816,368	816,368
Pension - Sworn	2,354,715	2,272,927	2,153,866	2,164,875	2,062,788	2,062,788	2,062,788	2,062,788
Health Care (combined)	1,961,829	2,237,672	2,569,916	2,600,224	2,724,111	2,887,558	3,060,811	3,244,460
FICA & Medicare (combined)	475,291	539,386	537,961	547,018	548,967	559,972	570,978	581,983
Expected Salary Savings at 3% Vacancy Rate			(537,285)	(537,285)	(552,534)	(564,971)	(570,499)	(576,339)
Add'l Police Department Attrition Savings			(80,000)	(80,000)	-	-	-	-
Pension Bonds & CCCERA Loan Payment	2,012,695	1,658,639	2,520,655	2,520,941	3,424,774	3,524,594	3,459,988	3,123,015
OPEB Liability Reduction			342,793	342,793	359,933	377,929	396,826	416,667
Building Maintenance Reserves					40,000	40,000	40,000	40,000
Retiree Health	725,858	768,443	867,001	867,410	953,701	1,049,071	1,153,978	1,269,376
EBRCSA Costs			104,000	104,000	104,000	104,000	104,000	104,000
One-time Expenses			590,000	590,000				
Other Expenses	8,916,799	9,394,901	10,166,991	10,268,042	10,370,331	10,577,738	10,789,293	11,005,079
Subtotal Annual Expenses	29,510,775	30,785,299	33,457,784	33,734,082	34,692,105	35,514,856	35,964,340	36,167,207

7-YEAR GENERAL FUND BALANCING PLAN

Proposed Adjustments (Increased by 3% annually to reflect cost escalation that would have otherwise occurred)								
	FY 2011-12	FY 2012-13	FY 2013-14 (April 15, 2013)	FY 2013-14 (May 20, 2013)	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
FY 2012/13 Cuts and/or New Revenues Not Yet Identified			-		-	-	-	-
FY 2013-14 Cuts and/or New Revenues Not Yet Identified			(239,773)	(194,404)	(246,966)	(254,375)	(262,006)	(269,867)
FY 2014-15 Cuts and/or New Revenues Not Yet Identified					(800,000)	(824,000)	(848,720)	(874,182)
FY 2015-16 Cuts and/or New Revenues Not Yet Identified						(700,000)	(700,000)	(700,000)
FY 2016-17 Cuts and/or New Revenues Not Yet Identified							(600,000)	(618,000)
Subtotal Proposed Adjustments	-	-	(239,773)	(194,404)	(1,046,966)	(1,778,375)	(2,410,726)	(2,462,048)
Total Annual Expense + Proposed Adjustments	29,510,775	30,785,299	33,218,011	33,539,678	33,645,138	33,736,481	33,553,613	33,705,158
Surplus/(Deficit) (Revenues - Expenditures)	103,982	(1,778,842)	(1,800,000)	(1,800,000)	(1,908,411)	(1,117,748)	(135,996)	(56,624)
Use of Budget Stabilization Fund - to Balance Budget		1,778,842	1,800,000	1,800,000	1,908,411	1,117,748	135,996	56,624
Net Surplus/(Deficit)	103,982	-	-	-	-	-	-	-
Indicates significant decrease in revenues or increase in costs								
Total available Budget Stabilization Fund = \$9,868,965. Fiscal Sustainability Ordinance requires a minimum of \$2 million.								
Proposed use of \$6,797,621 would leave a balance of \$3,071,344								

FY 2013-14 DRAFT CITY COUNCIL BUDGET

City Council Draft Budget - As of May 17, 2013				
	FY 2012-13 Budget	FY 2013-14 Draft Budget	Difference	Notes
Salaries and Fringe Benefits	60,770	71,660	10,890	Increased Health Insurance expenses
Materials and Supplies	2,000	2,000	-	
Membership Dues & Subscriptions	6,000	6,500	500	Mayor's Conference and League of California Cities dues
Travel, Training and Conferences	1,900	4,825	2,925	\$4,000 Mayor's Conference hosting & \$825 for miscellaneous Chamber of Commerce events
Totals	70,670	84,985	14,315	

FY 213-14 CITY COUNCIL DRAFT BUDGET – SALARIES AND BENEFITS

Summary of City Council Salary and Benefits						
Annual Salary	Medical In-lieu Payments	Health Insurance	Life Insurance	Dental Insurance	FICA & Medicare	Total Salaries and Benefits
30,030	5,232	24,917	923	8,284	2,274	71,660

FY 213-14 CITY COUNCIL DRAFT BUDGET – TRAVEL & TRAINING BUDGET OPTIONS

Option 1 - \$4,850

- Mayor's Conference (\$4,000)
- Chamber of Commerce Events (\$825)

FY 213-14 CITY COUNCIL DRAFT BUDGET – TRAVEL & TRAINING BUDGET OPTIONS

Option 2 - \$9,850

- Hosting the Mayor's Conference (\$4,000)
- Chamber of Commerce Events (\$825)
- \$1,000 for each Councilmember for travel & training expenses (\$5,000)

FY 213-14 CITY COUNCIL DRAFT BUDGET – TRAVEL & TRAINING BUDGET OPTIONS

Option 3 - \$6,225

- Mayor's Conference (\$4,000)
- Chamber of Commerce Events (\$825)
- Councilmember(s) representing the City on League of California Cities (LCC) & ABAG to attend LCC and ABAG conferences (\$1,400)