

City of Pacifica 2014-15 Budget



Lorie Tinfow
City Manager
and
Executive Team

June 9, 2014

City of Pacifica

Tonight's Budget Presentation

- Other Funds including Reserves
- Capital Budget
- Proposed fee increases
- Final direction
 - Funding for community organizations
 - Loan between Sewer Facility Construction fund and General Fund
 - Parking Enterprise Fund
 - Other

My Mandate from Council

- Understand the City's fiscal circumstances
- Identify challenges and opportunities
- Communicate my findings about the fiscal status to the Council and the community in understandable terms
- Develop a plan for long term fiscal sustainability

All Funds Budget Summary (Attachment 2)

- New way of showing information
- Funds segregated / revenue can't mix
- Several Fund Balances show deficits that total approximately \$4 million
- Must fix but not immediately
- Payment plan in early 2014-15
- Second opinion to confirm balances

All Funds Budget Summary (Attachment 2)

- General Fund
- Disaster Accounting Fund
- Special Revenue Funds
- Capital Project Funds
- Debt Service Funds
- Trust Fund
- Enterprise Funds
- Internal Service Funds



01 General Fund

- Operating Fund
- Reserve – General Fund
- Reserve – Designated for Childcare
- Reserve – Narc Forfeiture
- Reserve – Senior Services-Giving Tree
- Reserve – Legal (new for 2014-15)
- Reserve for Advance – RDA



38 – Disaster Accounting Fund

Disaster Accounting Fund accounts for expenditures related to repair projects to infrastructure and facilities damaged by declared disaster. Also includes expenditures associated to fund audits.

Current Fund Balance = \$(985,094)

Estimated Revenue for FY 2014-15 = \$438,750*

Proposed Expenditures for FY 2014-15 = \$457,000

Projects for FY14-15: 380 Esplanade Parking Lot Drain Detention Facility and Trash Capture Devices (TCD) Installation

*Includes \$195,000 fund transfer from NPDES Fund 16 for TCD



07 – Supplemental Law Enforcement Svcs Fund

- Formerly known as the Supplemental Law Enforcement Services Fund (SLESF) and now Supplemental Law Enforcement Services Account (SLESA) provides funding for front-line law enforcement operations.
- Funds are deposited by the County controller in a SLESA account established in each county. Funds are distributed from the County Controller to the City of Pacifica on a monthly basis.
- SLESA funds shall only be used for front-line law enforcement and can include personnel, equipment and programs.



07 – Supplemental Law Enforcement Svcs Fund

Beginning Fund Balance 7/1/2013	\$194,384
Projected Revenues FY 2013-2014	\$100,000
Estimated Fund Balance 6/30/2014	\$294,384
Projected Revenues FY 2014-2015	\$100,000
FUND BALANCE	\$394,384





07 – Supplemental Law Enforcement Svcs Fund

■ (2) Part-time Community Service Officers FY 2014-2015	\$ 61,224
■ (2) Part-time Community Service Officers FY 2015-2016	64,274
■ Data911 In-Car Video Project	114,978
■ Equipment	91,005
■ TOTAL	\$ 331,481
FUND BALANCE	\$ 62,903



08 – Fire Assessment Fund

The **Fire Assessment Fund** levied and collected assessments to generate revenue to pay for fire protection services, facilities and equipment.

This fund sunset in 2008 and remaining funds were used in subsequent years. The fund will be closed in 2014-15.



Fund 10 – Street Maintenance Fund

The Street Maintenance Fund is money apportioned under Streets and Highway Code, and more commonly referred to as the “Gas Tax Fund”.

Money must be appropriated towards:

- Research, planning, construction, improvements, maintenance, and operation of public streets and highways (and their related public facilities for non-motorized traffic)
- Mitigation of their environmental effects
- Compliance with the American Disabilities Act (ADA)



Fund 10 – Street Maintenance Fund

Current Fund Balance = \$284,925

Estimated Total Revenue for FY 2014-15 = \$984,390

Proposed Budget Expenditures for FY 2014-15 = \$1,068,817

- Street Maintenance Personnel and Operations Costs and amortization for LED Streetlight Conversion Financing

Capital Projects for FY14-15: None



Fund 16 – NPDES Stormwater Fund

The National Pollutant Discharge Elimination System (NPDES) Stormwater Fee is a parcel based tax that pays for stormwater pollution prevention infrastructure and activities necessary to comply with the requirements of the NPDES permit.



Fund 16 – NPDES Stormwater Fund (Cont'd)

Current Fund Balance = \$211,740

Estimated Total Revenue for FY 2014-15 = \$242,600

Property Assessment Revenue & Excess \$4 Vehicle License Fee (VLF)

Proposed Budget Expenditures for FY 2014-15 = \$414,875

- Personnel and Operations Costs, Street Sweeping Contract, Tax Collection and SWRCB Permit Expenses and Capital Projects
- \$195,000 fund transfer to Disaster Fund for Trash Capture

Capital Projects for FY14-15:

San Pedro Creek TMDL Monitoring Plan

Public Information Program Activities at the following Events:

Earth Day, Fog Fest, San Mateo County Fair



Fund 24 Housing In-Lieu

This is a deposit fund that developers contribute to instead of building below market housing as part of their project.

- Projected Fund Balance 6/30/14 = \$330,640
- Projected revenue/expenditure = \$0
- Ending Fund Balance 6/30/15 = \$330,640



Fund 25 Parking In-Lieu

This is a deposit fund that developers contribute to instead of building enough parking as part of their project. A portion of the fund balance (\$308k) was remitted to the State in 2012 in error and its return will be requested in 2014-15.

- Projected Fund Balance 6/30/14 = \$22,000
- Projected revenue/expenditure = \$0
- Ending Fund Balance 6/30/15 = \$22,000



Fund 26 – Park In-Lieu (Parks/Playfield Capital Imprv't Fund)

The Park and Recreational Fees are private residential development imposed fees to purchase and construct additional parks and recreational facilities.



Fund 26 – Park In-Lieu (Parks/Playfield Capital Improvement Fund) (Cont'd)

Current Fund Balance = (\$116,899)

Estimated Total Revenue for FY 2014-15 = \$50,200

Source: Parkland Dedication Fee Revenue

Proposed Budget Expenditures for FY 2014-15 = \$43,900

Expense: Personnel and Operations Costs

Capital Projects for FY14-15: None



Fund 09 - Street Construction Fund

The Street Construction Fund is primarily supported by Measure A tax dollars voted on by residents of San Mateo County in 1988 and reauthorized in 2004. These funds are used to:

- Maintain local streets and roads by paving streets
- Repair potholes and sidewalks
- Promote and operate alternative modes of transportation
- Develop and implement traffic operations and safety projects



Fund 09 - Street Construction Fund

Fund Balance = \$244,391 + \$2,218,700*

Estimated Total Revenue for FY 2014-15 = \$1,435,300

Source: Measure A Revenue, Measure M (\$10 VLF) and Fed OBAG grant for Linda Mar Paving = \$432,000

Proposed Budget Expenditures for FY 2014-15 = \$1,421,912

- Street Maintenance Personnel and Operations Costs, Capital Projects and Debt Servicing

* \$2,218,700 outstanding receivable from loan to Fund 22 Capital Improvement Fund



Fund 12 – Highway 1 Improvement

The Highway 1 Improvements Fee is a development-based fee to defray the costs of constructing traffic congestion relief improvements along Highway 1 to mitigate the traffic impact of development from Westport Drive to the southern city limits. These improvements are necessary to handle the increase in traffic volume resulting from future building activity in the city.



Fund 12 – Highway 1 Improvement

Current Fund Balance = \$71,024

Estimated Total Revenue for FY 2014-15 = \$11,880,000

Sources: Highway 1 Improvement Fee & \$11.85M in grants

Proposed Budget Expenditures for FY 2014-15 = \$11,868,450

Personnel and Operations Costs and Construction of the San Pedro Creek Bridge Replacement and Creek Widening Project



Fund 14 – Manor Drive Improvement Fund

The Manor Drive/Palmetto Avenue/Oceana Boulevard Intersections Improvement Fee is imposed on private development projects, north of Paloma Avenue, to pay for improvements at the Manor Drive overcrossing to adequately handle the traffic volumes based on future development within the area.



Fund 14 – Manor Drive Improvement Fund

Current Fund Balance = \$949,861

Estimated Total Revenue for FY 2014-15 = \$1,000

Investment Earnings = \$1,000

Proposed Budget Expenditures for FY 2014-15 = \$530,050

Capital Projects: \$528,250

Capital Projects for FY14-15:

Manor Drive Overcrossing Project and Milagra - Highway 1

On-ramp Project



Fund 15 – Aircraft Noise Project

Aircraft Noise Project Fund held funds associated with a past program and will be closed out in the next fiscal year.



Fund 19 – Planned Local Drainage Fund

The Planned Drainage Facilities Fee is imposed on private development projects to defray the costs of constructing and/or upgrading stormwater drainage facilities,



Fund 19 – Planned Local Drainage Fund

Current Fund Balance = \$638,061

Estimated Total Revenue for FY 2014-15 = \$1,000

Proposed Budget Expenditures for FY 2014-15 = \$3,000

Operations Costs: \$3,000

Capital Projects for FY14-15: None



Fund 22 – Capital Improvement Fund

The Capital Improvement Fee is a private development imposed fee to defray the costs of constructing capital improvements required to accommodate the increased need for community services resulting from future building activity in the city.



Fund 22 – Capital Improvement Fund

Current Fund Balance = (\$1,083,049)

Estimated Total Revenue for FY 2014-15 = \$377,500 +
Frontierland Park Reserve \$350,000

Sources: Capital Improvement Fee Revenue Frontierland Park
Remediation and Project related grants

Proposed Budget Expenditures for FY 2014-15 = \$461,000

Personnel and Operations Costs and Capital Projects

Capital Projects for FY14-15: \$461,000

Municipal Pier Rehabilitation Project

Devil Slide Ride Weekend Community Shuttle

Frontierland Park Remediation Project



Fund 40 – Debt Service Funds

The Debt Service Fund is used to manage the City's Debt Service payments.

Current Fund Balance as of 6/30/14 = \$612,437

Estimated Revenue for FY2014-15 = \$4,081,500

Proposed Expenditures FY2014-15 = \$3,985,274

The City is required to keep \$355,113 as a reserve in addition to the fund balance.



Fund 27 – Roy Davies Trust

Fund Balance = \$3,455,536 (projected June 30, 2014)

Reserve Required = \$3,450,000 - 4 out of 5 votes to use

Estimated Total Revenue for FY 2014-15 = \$1,800

Interest earnings are extremely low

Proposed Budget Expenditures for FY 2014-15 = \$3,584

Project/program support pending available funding



Funds 65, 66, 67 Self-Insurance Funds for Dental, Worker's Compensation, and Liability

Self-funded Dental Plan & Insurance represents funds set aside to cover employee dental expenses and insurance deductibles for liability and worker's compensation.



Funds 65, 66, 67 Self-Insurance Funds for Dental, Worker's Compensation, and Liability

Fund Balance = \$762,404 (projected June 30, 2014)

Estimated Total Revenue for FY 2014-15 = \$1.28 mil

Proposed Budget Expenditures for FY 2014-15 = \$1.36 mil



Fund 71 – Motor Pool Operations Fund

The Motor Pool Operations Fund supports the day to day operation and maintenance of city vehicles and equipment.

Current Fund Balance = \$ (223,036)

Estimated Total Revenue for FY 2014-15 = 1,030,803

Sources: Motor Pool Operation Charge and
Miscellaneous Income:

Servicing Brisbane Fire Engine



Proposed Budget Expenditures for FY 2014-15 = \$995,000

Personnel and Operations Costs



Fund 72 – Motor Pool Replacement Fund

The Motor Pool Replacement Fund pays for the purchase of replacement vehicles and equipment. Money is collected from city departments assigned with vehicles and equipment to support this fund.

Current Fund Balance = \$2,920,253

Estimated Total Revenue for FY 2014-15 = \$144,000

Sources: Vehicle Depreciation Charges to Gas Tax and Waste Water Fund. No Charge to General Fund

Proposed Budget Expenditures for FY 2014-15 = \$640,000

Replacement of 6 Patrol Vehicles: \$240,000 (using reserve)

Annual Depreciation Expense: \$400,000

City of Pacifica 2014-15 Budget Development



Wastewater Department

Joshua Cosgrove
Assistant Superintendent

June 9, 2014



City of Pacifica

2014-15 Budget Development

Wastewater Plant & Operation

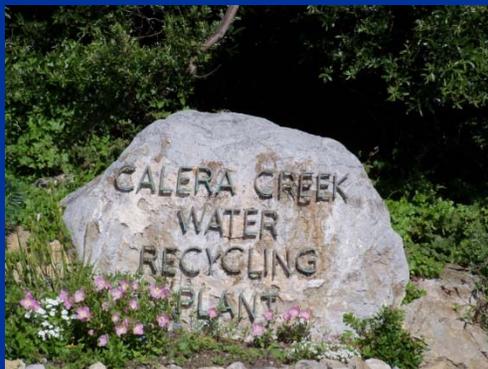
The Wastewater Department is committed to maintenance and operation of the Calera Creek Water Recycling Plant, sewage lift stations and storm water drainage pump stations in accordance with State and Federal law in an cost effective manner. To prolong the life of the collection system infrastructure and transport waste to point of treatment without disruption or overflows, while meeting the needs of our citizens.



The Department has two divisions:

The Plant operation staff, which performs operations and maintenance of the Calera Creek Water Recycling Plant.

And the Collection System staff, which performs operations and Maintenance of the Collection System.





City of Pacifica

2014–15 Budget Development

Fund 18 - Sewer Charge Fund

	Projected FY 2013-2014	Proposed FY 2014-2015
Fund 18 – Total Net Position Beginning Balance	\$ 13,353,837	\$ 10,700,304
Revenue:		
Investment Earnings	\$ 25,000	\$ 25,000
Service Charges	\$ 13,200,000	\$ 13,623,700
Other Revenues	\$ 10,000	\$ 10,000
Revenue Totals	\$ 13,235,000	\$ 13,658,700
Expenditure:		
Salaries, Benefits & Retirements	\$ 3,429,600	\$ 3,655,620
Operations & Maintenance	\$ 3,282,326	\$ 3,438,150
Administrative Services	\$ 791,041	\$ 743,700
Annual Depreciation Expense	\$ 2,300,000	\$ 2,350,000
State Revolving Loan Fund	\$ 2,065,919	\$ 2,065,919
2004 WWTP SRLF Refunding Fund	\$ 475,388	\$ 475,388
2012 Sewer Revenue Bond	\$ 454,922	\$ 450,766
Sewer Charge Compilation	\$ 11,700	\$ 11,700
To WWTP Capital Projects (Wastewater Enterprise Fund 34)	\$ 3,077,637	\$ 352,600
Expenditure Totals	\$ 15,888,533	\$ 13,543,843
Fund 18 – Total Net Position Ending Balance	\$ 10,700,304	\$ 10,815,161
Cost Recovery (%)	83.3%	100.8%
Total Staffing (FTE)	25	25



City of Pacifica

2014-15 Budget Development

Fund 34 – Sewer Facility Construction Fund

	Projected FY 2013-2014	Proposed FY 2014-2015
Fund 34 – Total Net Position Beginning Balance	\$ 7,848,771	\$ 7,433,547
Revenue:		
Connection Fees	\$ 30,000	\$ 30,000
Revenue Bond	\$ 0	\$ 2,540,000
Operating Transfer In (From Fund 18)	\$ 3,077,637	\$ 352,600
Revenue Totals	\$ 3,107,637	\$ 2,922,600
Expenditure:		
Digesters – ATAD Improvement Project	\$ 0	\$ 440,000
CCWRP Centrifuge Project	\$ 17,000	\$ 300,000
Other WWTP Capital Improvement Projects	\$ 129,000	\$ 776,600
Linda Mar Pump Station Generator & Improvement Project	\$ 100,000	\$ 600,000
Capacity Improvement Projects	\$ 237,660	\$ 300,000
Repair, Rehabilitation & Replacement Projects	\$ 1,600,000	\$ 2,000,000
Equalization Basin Project	\$ 40,000	\$ 500,000
SEP Lateral Program – CDO	\$ 570,000	\$ 151,000
Other Collection System Capital Improvement Projects	\$ 829,201	\$ 706,500
Loan to General Fund for Pension Obligation Bond	\$ 0	\$ 641,686
Expenditure Totals	\$ 3,522,861	\$ 6,415,786
Fund 34 – Total Net Position Ending Balance	\$ 7,433,547	\$ 3,940,361



City of Pacifica 2014-15 Budget Development **Wastewater Plant & Operation Highlights for FY 2014-2015**

- Replace 12,000 linear feet of sewer mains at the south side of Lower Linda Mar
- Replace and upgrade approximately 10,000 linear feet of sewer mains at Pedro Point neighborhood
- Complete the Linda Mar Pump Station Generator & Improvement Project
- Complete the SEP Lateral Program as ordered by the CDO
- Continue to perform spot repairs, CCTV and clean sewer mains.
- Commence the design and permit process of the Equalization Basin Project
- Install new centrifuge at the Plant
- Continue to replace old pumps at the Plant and pump stations

City of Pacifica 2014-15 General Fund Budget



Questions About Other Funds



City of Pacifica Capital Improvement Program FY 2014-15 Projects

- City Street Overlay & Repair (Linda Mar)
- School Crosswalk Warning Lights
- SPC Bridge Replacement
- Planning/PB&R Roof

Calera Creek Water Recycling Plant Projects:

- Collection System Projects
- Linda Mar Generator Rehabilitation
- SEP Lateral Program (CDO)
- Collection System Capacity Improvements
- Equalization Basin Project
- Collection System Repair, Rehabilitation and Replacement Project

- Lateral Grant Assistance
- Digesters
- CCWRP Centrifuges
- CCWRP Transformer Shed
- CCWRP Parking Lot Restoration
- CCWRP Roof Improvements
- CCWRP Polymer Mixing Devices
- CCWRP Lab Room Improvements
- CCWRP Security & Gate Systems

Disaster Related Projects:

- 380 Esplanade SD Outfall / Lat. Drain
- 500 Esplanade SD Outfall & TCD

Fee Increases (Attachment 5)

Recommended Fee Increases June 2014

Fee Description	Adopted Fees 6-17-13	Recommended Fees 06-09-14
FINANCE		
Bond Search Requests		
Current	\$58.00	\$60.00
Bond Search Requests		
Delinquent	\$58.00	\$60.00
Annual Budget		
On CD	\$8.00	\$15.00
On Website	\$0.00	
Fireworks Permit		
Part 1	\$294.00	\$303.00
Part 2	\$472.00	\$484.00
Other		
Bond Reports	\$42.00	\$43.25
Annual Financial Report	\$33.00	\$34.00
Computer Assistance	\$96.00	\$99.00
Non-Sufficient Funds Charge	\$25.00	\$26.00
FIRE		
Permits		
Annual Fire Code Permits	\$174.00	\$200.00
Permitted activities less than 90-days.	\$136.00	\$140.00
Plan Review Fire Sprinklers/Std Pipes		
Alteration/repair of existing underground pipe systems	\$335.00	\$345.00
Commercial underground pipe system installations	\$476.00	\$490.00

- Changes / Increases only to portion of fees
- Parking citations missing; proposed increase from \$38 to \$43 (in PEF)
- Complies with fee study

City of Pacifica 2014-15 General Fund Budget



**Questions
About
capital budget,
fee increases**

Council Direction

Question 1

- **What is Council's direction related to funding for the Chamber of Commerce, Pacifica Resource Center, Pacifica Beach Coalition and the Library JPA for extra hours?**

Past funding for community orgs

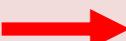
■ Library JPA	\$75,000
■ Pacifica Resource Center	\$83,000
■ Chamber of Commerce	\$10,000
■ Pacifica Beach Coalition	<u>\$3,000</u>
TOTAL	\$171,000

Council Direction

Question 2

- Shall staff move forward with including the interfund loan between Fund 34 Sewer Facility Construction Fund and the Fund 01 General Fund to help “smooth” the costs associated with pension obligation bond payments over the next seven years as shown in Attachment 6?

Pension Obligation Bond Restructuring

PAYMENTS - ALL FUNDS		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Now								
Police		\$879,548	\$908,133	\$987,593	\$0	\$0	\$0	\$0
Fire		\$667,108	\$688,789	\$711,175	\$734,288	\$758,153	\$0	\$0
Misc		\$956,507	\$987,593	\$1,019,690	\$1,052,830	\$1,087,047	\$1,122,376	\$1,158,853
	Total Annual Payments	\$2,503,163	\$2,584,515	\$2,718,458	\$1,787,118	\$1,845,200	\$1,122,376	\$1,158,853
Restructured								
Police		\$396,468	\$396,468	\$396,468	\$396,468	\$396,468	\$396,468	\$396,468
Fire		\$508,502	\$508,502	\$508,502	\$508,502	\$508,502	\$508,502	\$508,502
Misc		\$956,507	\$987,593	\$1,019,690	\$1,052,830	\$1,087,047	\$1,122,376	\$1,158,853
	Total Annual Payments	\$1,861,477	\$1,892,563	\$1,924,660	\$1,957,800	\$1,992,017	\$2,027,346	\$2,063,823
	Annual Loan/Repayment	\$641,686	\$691,952	\$793,798	(\$170,682)	(\$146,817)	(\$904,970)	(\$904,970)
	Total loan/Repayment Principal			\$2,127,437				-\$2,127,437

Total Loan	\$2,127,437	Loan Amount	\$641,686	\$1,333,639	\$2,127,437	\$1,956,756	\$1,809,939	\$904,970	\$0
Total Interest	\$87,744	1% interest	\$6,417	\$13,336	\$21,274	\$19,568	\$18,099	\$9,050	0

Council Direction

Question 3

- Shall staff move to establish the Parking Enterprise Fund (Attachment 7) and account for all revenues and expenses in a single location in order to improve transparency and accountability?

Parking Enterprise Fund (Attachment 7)

Revenue Category (with proposed increases)	FY14-15
<i>Pay station (daily fees)</i>	\$246.7k
<i>Annual passes</i>	\$83.0k
<i>Parking Citations</i>	<u>\$227.9k</u>
TOTAL	\$557.6k

Expenditure Category	FY14-15
<i>Personnel</i>	\$412.7k
<i>Internal Service</i>	\$15.7k
<i>Citation Processing Cost</i>	\$76.5k
<i>Supplies</i>	\$9.4k
<i>Capital Outlay and Machinery</i>	<u>\$43.0k</u>
TOTAL	\$557.3k

Council Direction

Question 4

- Does Council approve all fee increases (& changes) as presented on Attachment 5?

Council Direction

Question 5

- **What other direction related to the 2014-15 Budget does the Council want to provide?**