

# **Budget Update**

**October 15, 2019**

# Agenda

- Budget challenges/cost drivers
- Budget strategies
- Addressing priorities
- Upcoming budget challenges

# Budget Challenges/Cost Drivers

- Public safety staffing levels and collective bargaining
- Aging infrastructure, facilities, vehicles, and equipment
- Low overall revenue growth (property tax and sales tax)
- Operating and maintenance costs for Quality of Life projects
- Workforce focus - compensation and healthcare costs

# Budget Strategies

- Investing in priorities
- Fulfilling commitments
- Beginning to address long-time deferred investments
- Creating new revenue sources
- Identifying cost savings and efficiencies

# Addressing Priorities

Challenge	Examples of Results
Police staffing level	Net increase of 107 new Police Officers in the last two years (overall net increase of 150 since FY 2016)
Aging infrastructure, facilities, vehicles, & equipment	In the last two years, \$15 million of annual funding included in operating budget to begin addressing challenges
Operating and Maintenance costs - QoL	\$13 million included in the budget since 2012 (\$7 million in FY 2020)
Employees compensation and healthcare	5 <sup>th</sup> consecutive year of lump sum or % pay increase. Shape it Up participants can earn up to \$1,800 annually. Employees in CDHP receive \$500 or \$1,000 HSA. Employees in CDHP will see no rate increase this coming year.
Revenue sources	\$32 million from state for bridges, SCCHP, \$2.4 million in HOT delinquency, recently approved audits for sales tax and franchise fees

# Upcoming Budget Challenges

- Police staffing plan
- Quality of Life bond projects – O&M costs
- Second phase of compensation study
- Employee healthcare rates
- Aging fleet and facilities

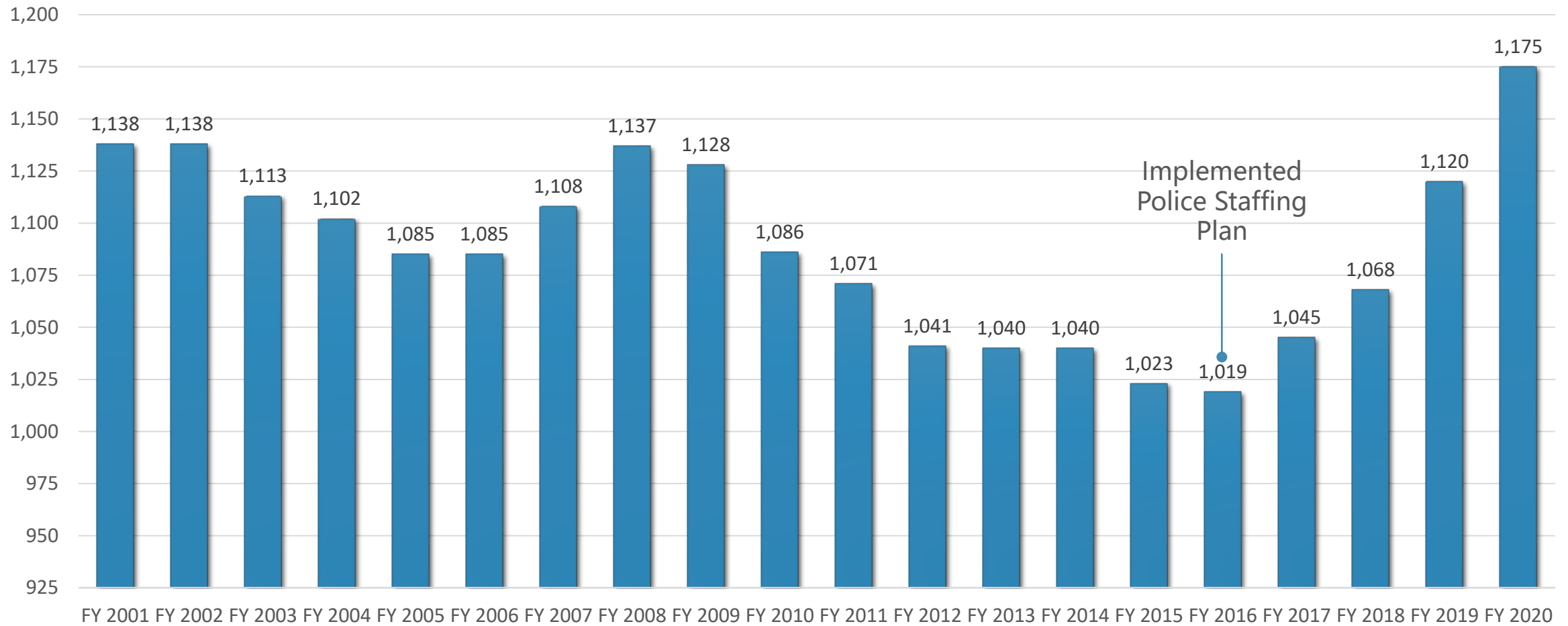
# FY 2021 Look Ahead

## Public Safety

- Police
  - Will exceed 1,200 uniform positions
  - Cost of living increase goes from 1.5% to 1.75%, plus step increase\*
- Fire
  - Cost of living increase goes from 2.75% to 3.00%, plus step increase\*
  - 911 Communicators staffing level

\*All employees shall receive a step increase on their anniversary date and shall continue thereafter to receive step increases on each succeeding anniversary date until reaching the top step in their classification

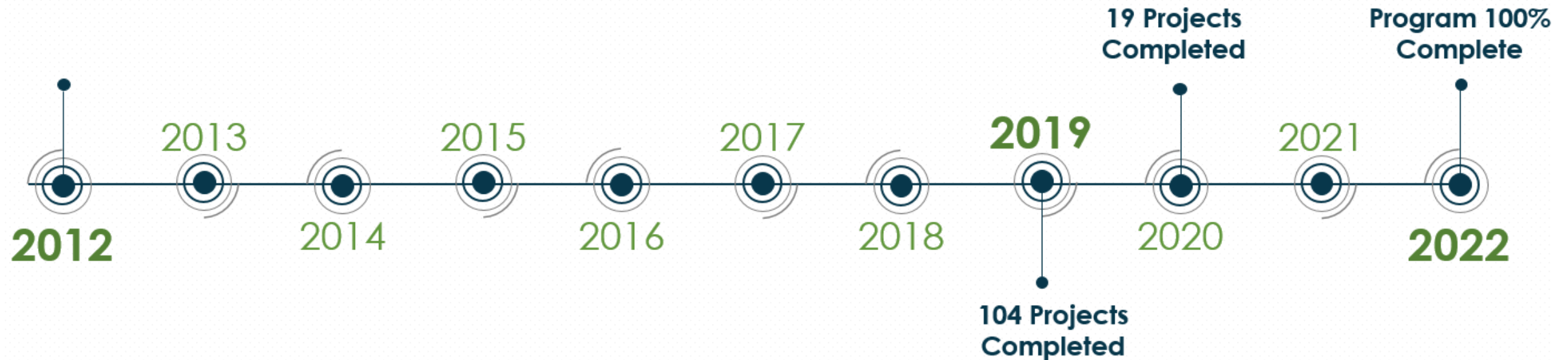
# Uniformed Police Staffing





# FY 2021 Look Ahead

## Quality of Life



104 Complete · 27 Predesign / Design · 3 Bidding · 12 Construction

# FY 2021 Look Ahead

## Quality of Life

### Anticipated Projects to be Completed

Eastside Regional Park Phase II	Joey Barraza and Vino Memorial Park Lighting
Main Library	Joey Barraza and Vino Memorial Park Maintenance Storage
Modesto Gomez Park Improvements	Joey Barraza and Vino Memorial Park Phase II
Zoo Africa Bird Holding	
Zoo Africa Restrooms	
Zoo Penguins	
Zoo Shaded Concessions	



# Questions

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2020 | POWER IN THE VISION