

Capital Program Budget Financial Summary

The FY 2019/20 Capital budget includes funding for \$36,987,526 in capital improvements through the City as outlined below:

WRF*	\$	33,647,976
Street Improvements		985,036
Harbor Projects		682,052
Transit		486,840
Water Projects		382,000
Parks and Creek Program		369,922
Sewer Projects		312,500
Public Facilities		148,200
Total Capital Projects	\$	36,987,526

*Water Reclamation Facility

Significant FY 2019/20 Projects

- Water Reclamation Facility
- Pavement Management Plan
- City Park Play Equipment
- OneWater System Improv—Nutmeg Pressure Zone
- OneWater Project—WasteWater Collections Main st. & Atascadero Rd
- OneWater Project—WasteWater Collections Upstream LSI/Beachcomber
- Audio Visual and Facility upgrades for Council Chambers
- Beach Street Slips—South
- Replacement Trolleys
- Replacement Bus

FY 2019/20—2020/21 Council Goals

1. Fiscal & Economic Sustainability
2. Updates to Land Use Plans & Address Affordable Housing Issues
3. Improve Communication and Engagement
4. Improve Public Infrastructure

GLOSSARY

Balanced Budget: A budget with operating revenues equal to operating expenditures. Generally, it refers to a budget with no deficit, but possibly with surplus.

Capital Projects Funds: Funds that account for financial resources to be used for the acquisition or construction of capital facilities.

Enterprise Fund: Fund-type established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public. Enterprise funds are **Water, Sewer, Harbor and Transit Funds.**

Fund: A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

General Fund: Primary fund used by the City for which revenues and expenditures are not legally restricted for use.

Government Funds: Funds used to account for all assets and liabilities of a government agency, except those particularly assigned for other purposes in another more specialized fund. There are five different types of governmental funds: the **general fund** (primary operating fund), **special revenue funds, debt service funds, capital project funds, and permanent funds.**

Special Revenue Funds: Revenues received that have specific purposes for which they are earmarked

Internal Service Funds: A fund that collects money from departments/funds to pay for the established purpose of the fund (i.e. Risk Management Fund).

Transfers: Authorized exchanges of money, positions, or other resources between organizational units or funds.

Utility Discount Program: A discount program offered on the City's Water and Sewer utility bills (10% of bill) for eligible customers who are currently enrolled in the Pacific Gas and Electric Company (PG&E) Care Program.

CITY OF MORRO BAY Summary of FY 2019/20 Adopted Budget



PUT LIFE ON COAST

Mayor
John Heading

City Manager
Scott Collins

Mayor Pro-Tem
Red Davis

City Clerk:
Dana Swanson

Council Members
Dawn Addis
Jeff Heller
Marlys McPherson

Department Heads:
Jody Cox, Police
Steve Knuckles, Fire
Rob Livick, PW
Scot Graham, CDD
Eric Endersby, Harbor
Jen Callaway, Finance

**595 Harbor St.
Morro Bay, CA
805-772-6222**

BUDGET SUMMARY

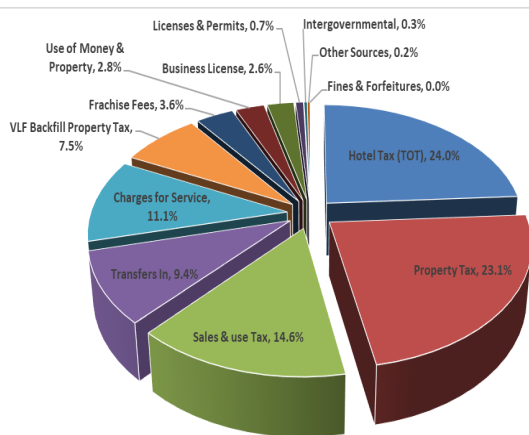
GENERAL FUND

Revenues: (By Category)

Property Tax (total)*	\$ 4,536,513
Hotel Tax (TOT)	3,566,811
Sales & use Tax	2,165,680
Charges for Service	1,648,395
Franchise Fees	536,136
Use of Money & Property	410,341
Business License	380,265
Licenses & Permits	109,859
Intergovernmental	44,540
Other Sources	36,237
Fines & Forfeitures	5,000
Total Revenues	\$ 13,439,777
Transfers In	1,400,447
Total Revs & Transfers	\$ 14,840,224

*Property Tax includes property tax and VLF backfill property tax

FY 2019/20 Revenues by Category



Hotel Tax (TOT): Tax that is levied on occupants of hotel and motel rooms in the city for

VLF back-fill property Tax: A state fee charged for the privilege of operating a vehicle on public streets. A VLF is levied annually against the market value of a motor vehicle and is imposed by the state "in lieu" of local property taxes

Licenses & Permits: Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.

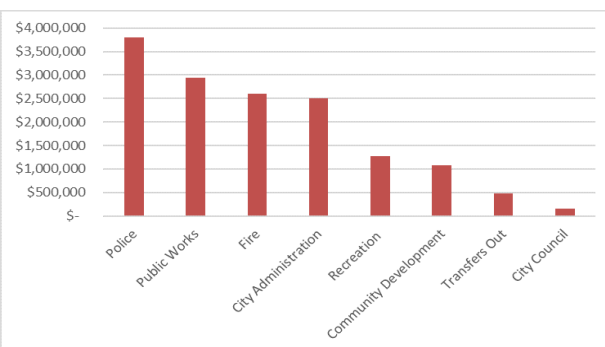


GENERAL FUND

Expenditures (By Department):

	Total	% of Bud
Police	\$ 3,803,428	25.6%
Public Works	2,937,601	19.8%
Fire	2,606,994	17.6%
City Administration*	2,505,288	16.9%
Recreation	1,276,559	8.6%
Community Development	1,077,289	7.3%
City Council	147,607	1.0%
Total	\$ 14,354,766	
Transfers Out	480,970	3.2%
Total Exp & Transfers	\$ 14,835,736	100%

*City Manager, Legal Services, Finance, Human Resources, Clerk, Contract Services



FY 2019/20 Expenditures by Department

Expenditures (By Category):

	Total	% of Bud
Salary & Benefits	\$ 11,049,983	74.5%
Services	2,663,648	18.0%
Supplies	518,353	3.5%
Other Uses	40,250	0.3%
Debt Service	35,189	0.2%
Capital Outlay	31,343	0.2%
Equipment Replacement	16,000	0.1%
Total	\$ 14,354,766	
Transfers Out	480,970	3.2%
Total Exp & Transfers	\$ 14,835,736	100%

City Services are highly dependent on labor—the City's General Fund budget primarily supports personnel costs

Personnel

Authorized Funded Positions	97.1
Elected Officials	5.0

ENTERPRISE FUNDS

Water Fund

Source of Funds

Charges for Service	7,975,900
Transfer from Reserves	6,793,850
Proceeds from Loans	-

Total 14,769,750

Use of Funds

Operation Expenses	4,165,749
Capital Expenses	6,793,850
Debt Service	-

Total 10,959,599

Sewer Fund

Source of Funds

Charges for Service	9,487,000
Transfer from Reserves	6,157,661
Proceeds from Loans	-

Total 15,644,661

Use of Funds

Operation Expenses	3,329,339
Capital Expenses	7,223,926
Debt Service	-

Total 10,553,265

Harbor Fund

Source of Funds

Charges for Service	2,011,000
Transfer from Reserves	423,000
Proceeds from Loans	-

Total 2,434,000

Use of Funds

Operation Expenses	1,849,387
Capital Expenses	439,052
Debt Service	134,859

Total 2,423,298

	<u>6/30/2019</u>	<u>6/30/2020</u>
Funds Cash Balances (Reserves)	17,788,176	12,981,322

Decrease in available cash is primarily due to the budgeted expenditures for the City's new Water Reclamation Facility. The City budgeted use of available cash to reduce overall debt service and interest costs.