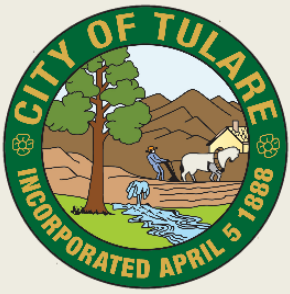




Mid-Year Budget Review

City Council
March 13, 2018

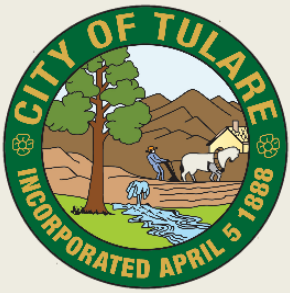


2017-18 Fiscal Year Revenues vs. Expenditures

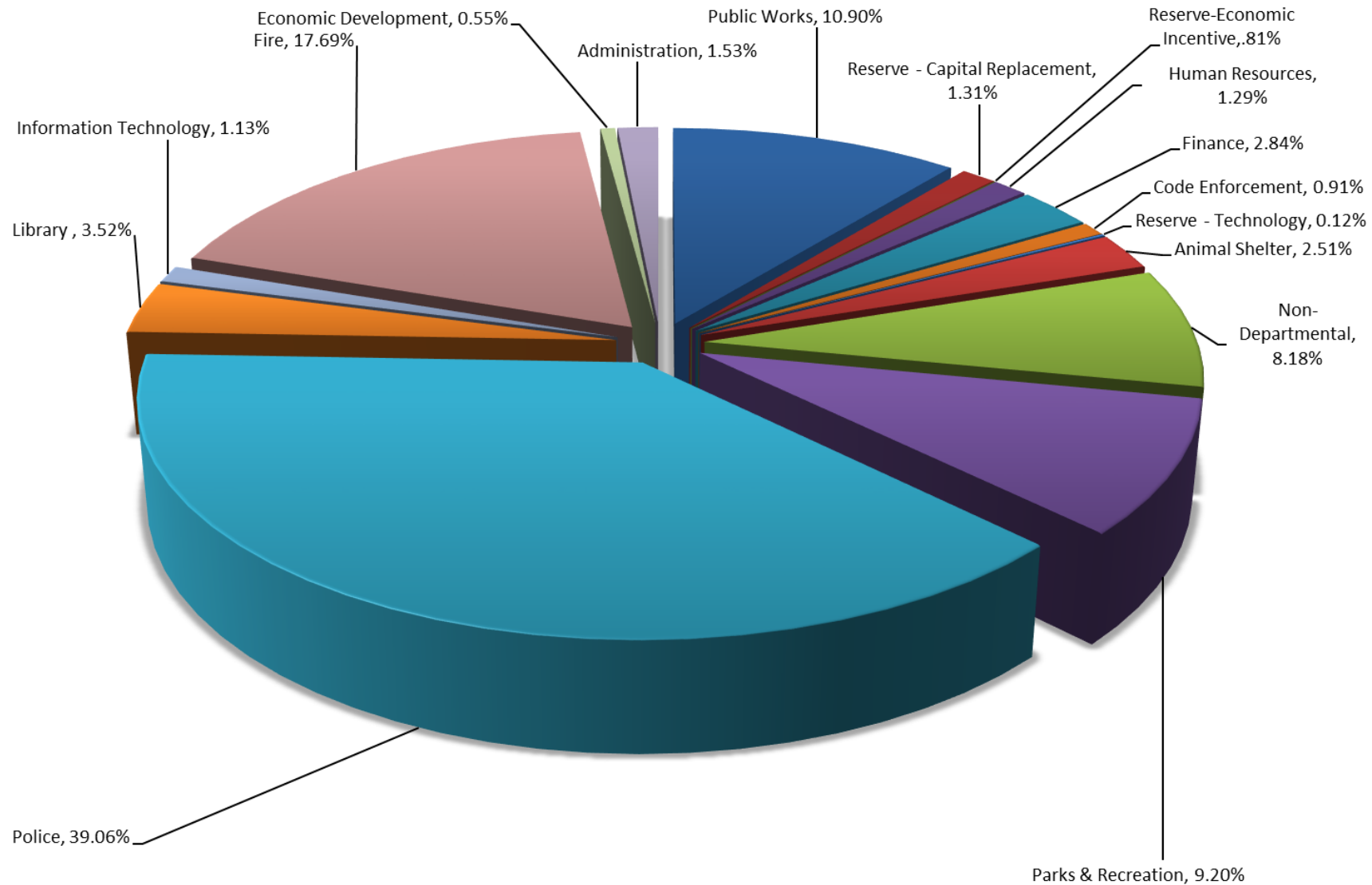
	Per Budget Book		Year End Estimate	
Estimated Revenue	41,888,090	**	41,287,120	**
Estimated Expenditures	<u>43,509,830</u>	*	<u>42,065,110</u>	*
Estimated Expenditures in Excess of Revenue	(1,621,740)		(777,990)	
Fund Balance Reserve to Cover Deficit	<u>1,621,740</u>		<u>777,990</u>	
Revenue/Expenditures	<u><u>-</u></u>		<u><u>-</u></u>	

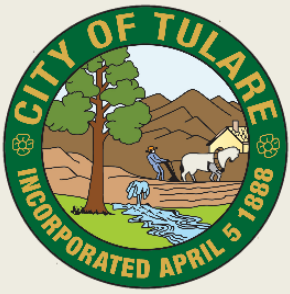
One Time Items :

Includes Oversize Payments	1,538,740	*	1,601,210	*
Reserve from Catastrophic & personnel Fund	528,930	**	528,930	**



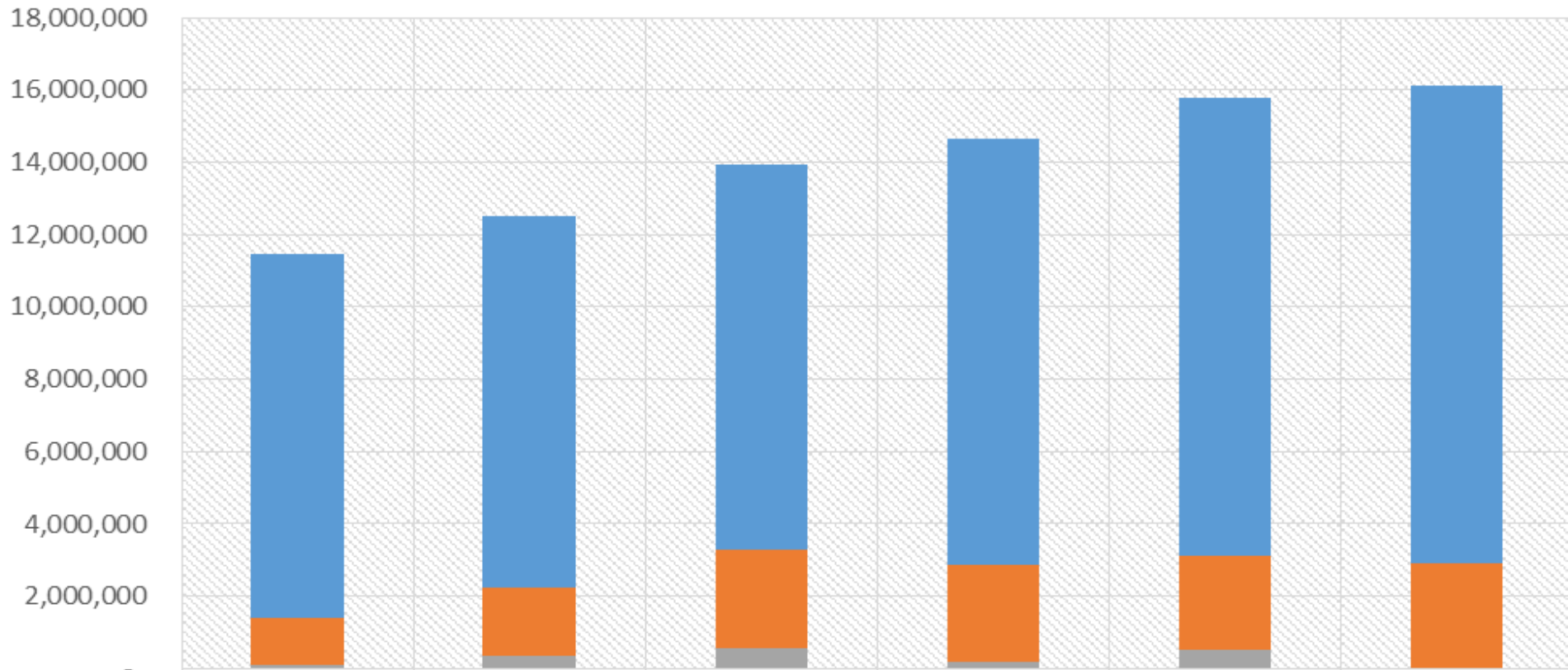
2017-18 Fiscal Year Estimated Expenditures



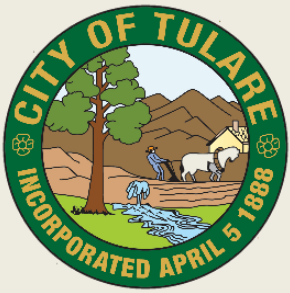


5 Year History & Current Year Estimate

Police Actual & Estimated Expenditures

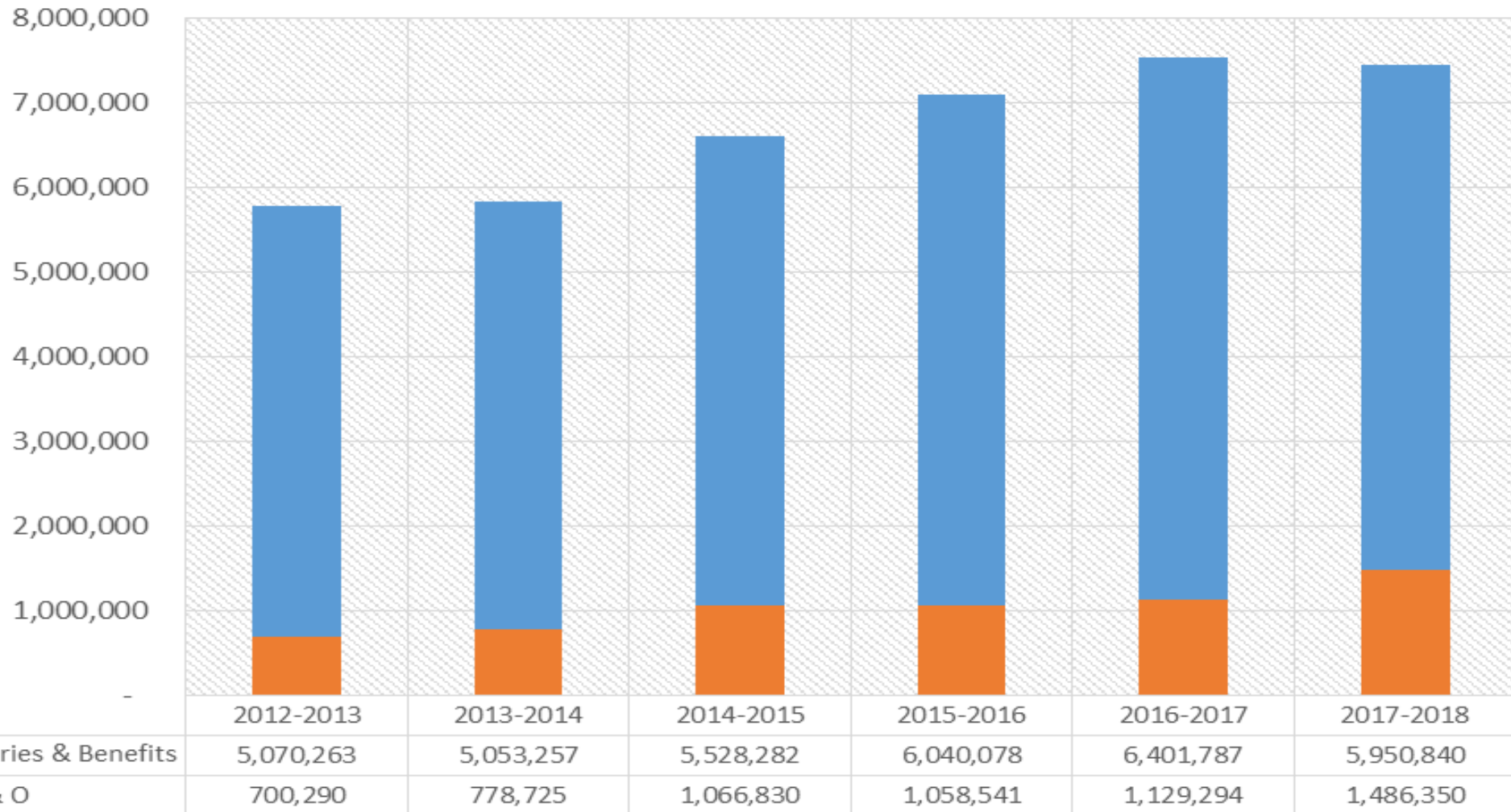


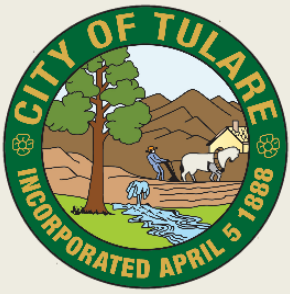
■ Salaries & Benefits	10,055,241	10,274,223	10,680,979	11,781,698	12,639,152	13,224,850
■ M & O	1,315,724	1,859,804	2,715,178	2,680,841	2,604,607	2,902,070
■ COPS Hiring	84,246	365,703	552,072	185,213	520,434	-



5 Year History & Current Year Estimate

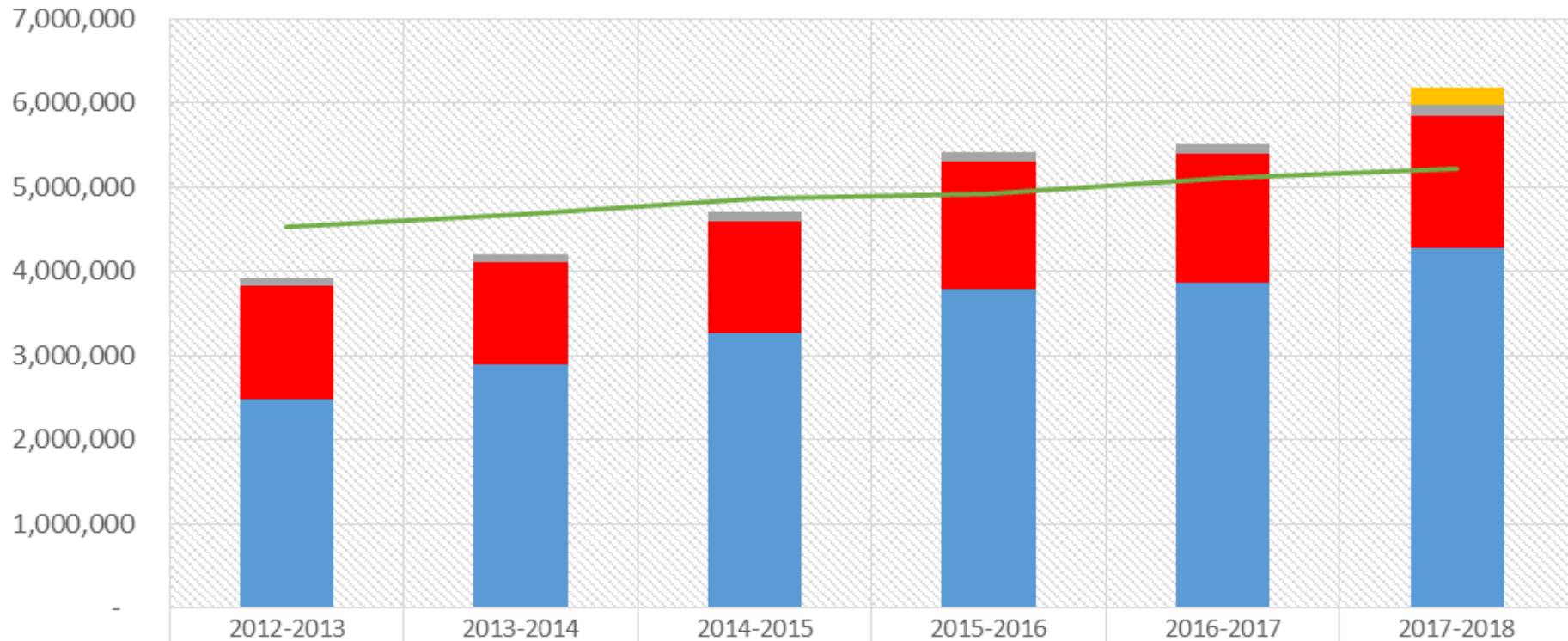
Fire Actual and Estimated Expenditures



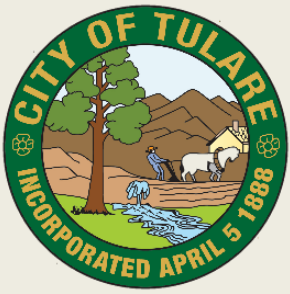


5 Year History & Current Year Estimate

Measure I Revenue and Expenditures

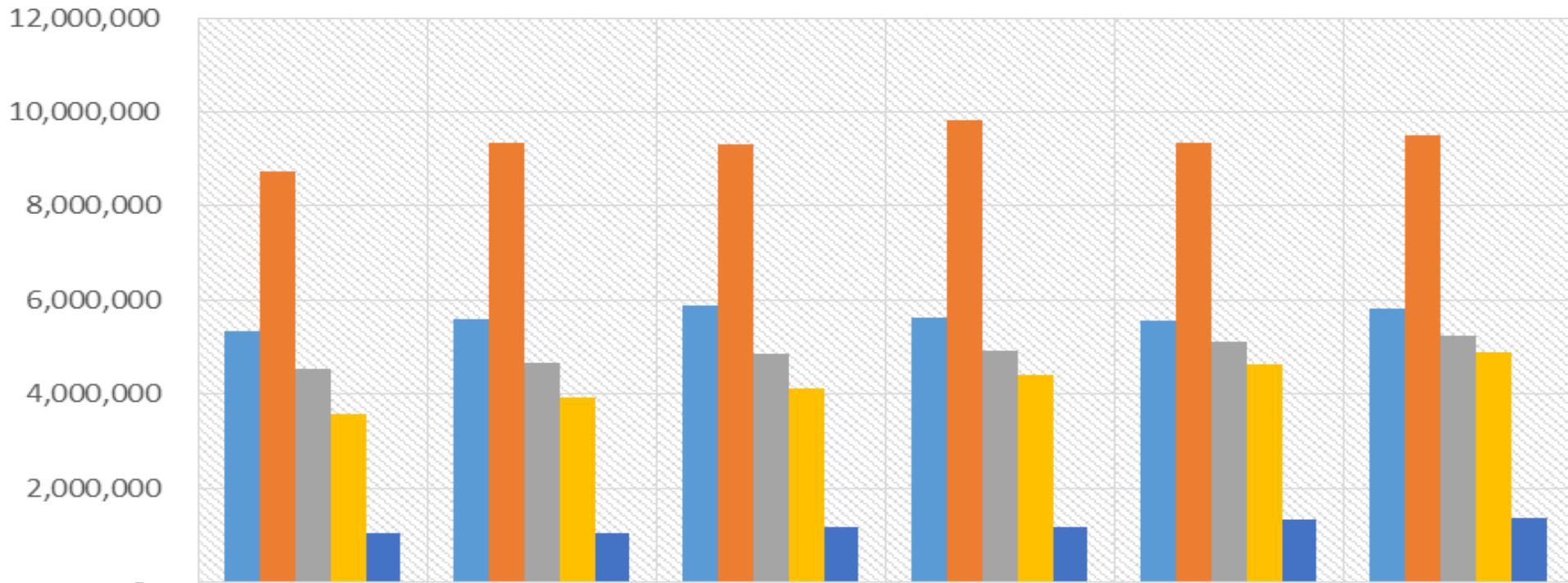


	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Streets						200,000
Code Enforcement	93,029	101,609	112,942	125,234	116,231	129,580
Fire	1,346,147	1,209,039	1,327,132	1,503,009	1,535,483	1,582,510
Police	2,485,421	2,898,830	3,262,251	3,794,447	3,866,139	4,269,170
Measure I Revenue	4,531,093	4,677,756	4,862,317	4,924,472	5,114,521	5,231,190

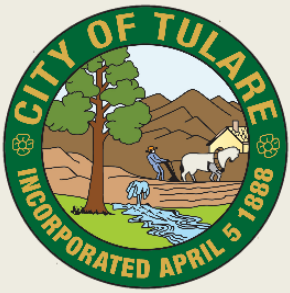


5 Year History & Current Year Estimate

General Fund Major Revenues

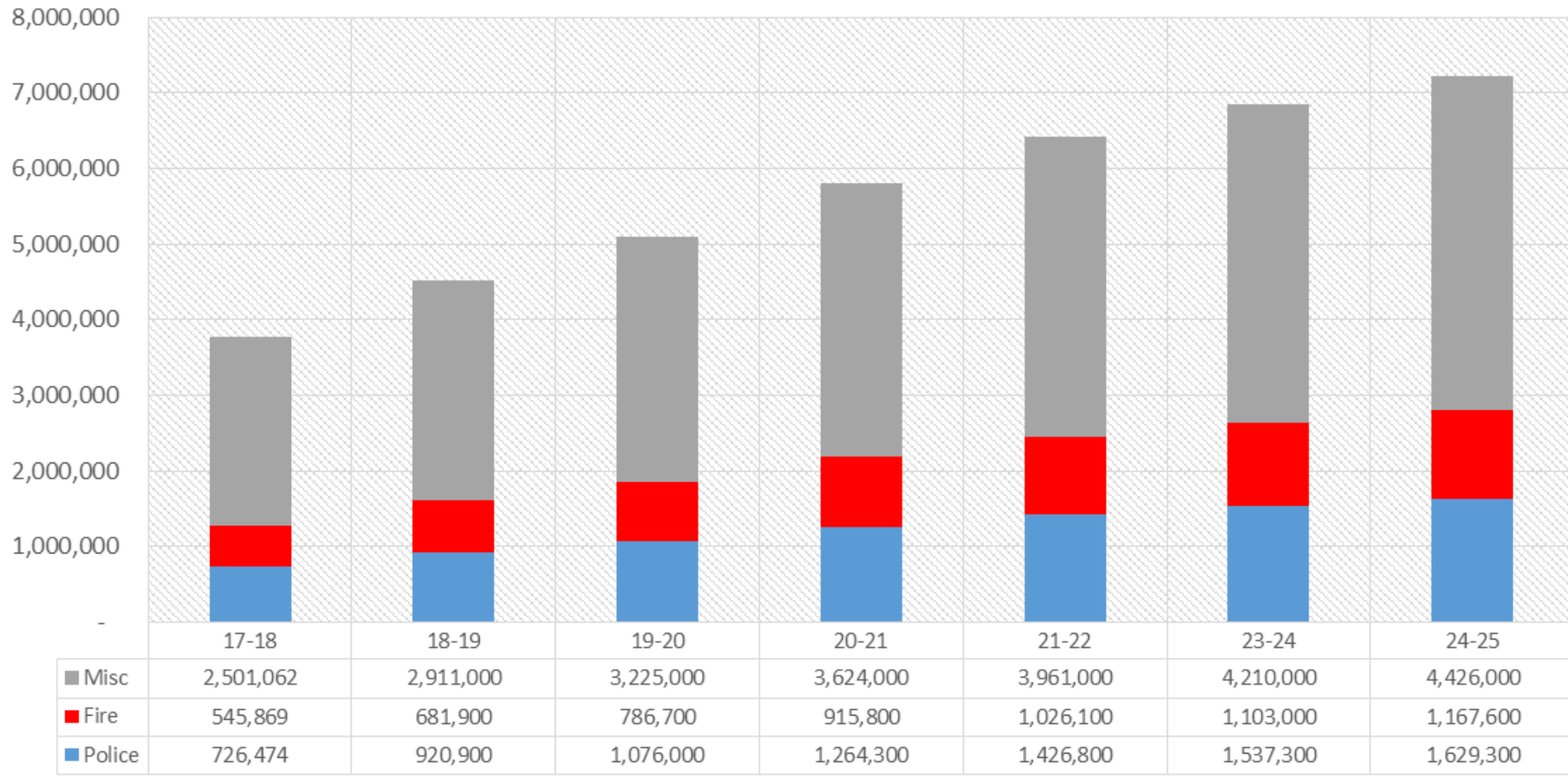


	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Utility Users' Tax	5,343,876	5,592,318	5,869,635	5,622,124	5,568,461	5,813,000
Sales Tax	8,742,573	9,337,709	9,305,407	9,837,888	9,350,175	9,495,600
Measure I	4,531,093	4,677,756	4,862,317	4,924,472	5,114,521	5,231,190
Property Taxes	3,565,071	3,921,535	4,119,844	4,405,926	4,640,961	4,881,000
Hotel/Motel Tax	1,042,441	1,028,830	1,187,899	1,181,999	1,326,366	1,368,000

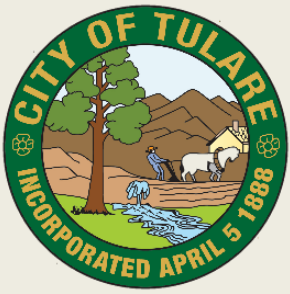


CalPERS Outlook

PERS Unfunded Liability Payment - 30 Year Amortization - City Wide



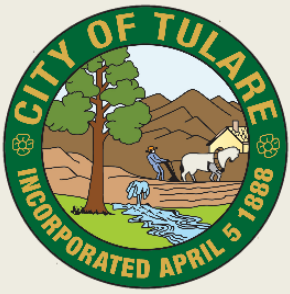
*In February 2018, the CalPERS Board voted to change the amortization period to 20 years. The new amortization policy will be implemented in the 2021-22 fiscal year.



2017-18 Balanced Budget

- Per Council direction, the current fiscal year's budget was balanced using \$777,990 from the General Fund balance.

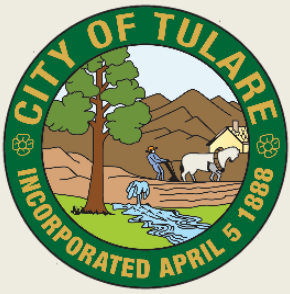




2018-19 Fiscal Year Revenues vs. Expenditures

Estimated Revenue	41,016,010	
Estimated Expenditures	<u>43,084,680</u>	*
Estimated Expenditures in Excess of Revenue	<u><u>(2,068,670)</u></u>	
 <u>One Time Items :</u>		
Includes Oversize Payments	1,124,550	*

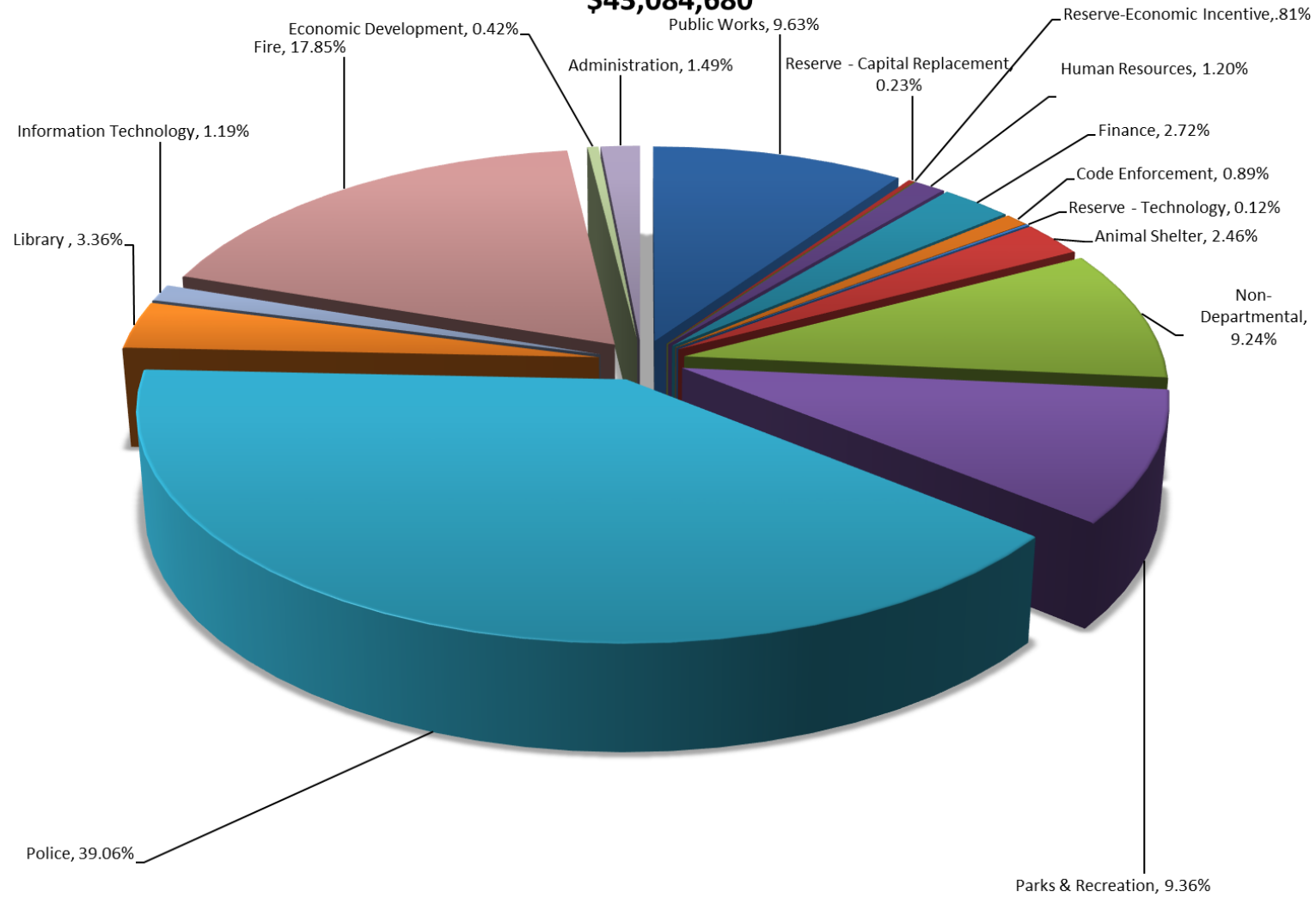
The major revenue decrease from fiscal year 17-18 to fiscal year 18-19 is due mainly to the reduced administrative fees charged to departments by \$791,000.

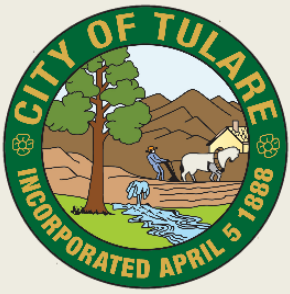


2018-19 Fiscal Year Estimated Expenditures

GENERAL FUND ESTIMATED EXPENDITURES FOR 2018-2019

\$43,084,680



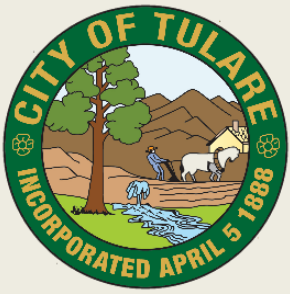


General Fund Balance

Assets	\$ 37,288,040	
Liabilities	<u>5,661,480</u>	
Fund Balance - June 30, 2017		<u>\$ 31,626,560</u>
<u>Eliminate items not currently available</u>		
Redevelopment Note	<u>\$ 16,052,850</u>	
Fund Balance for Reserve - June 30, 2017		<u>\$ 15,573,710</u>
2017-2018 Deficit	(777,990)	
2017-2018 Oversize Principal Payment	<u>1,362,860</u>	
Estimated Fund Balance - June 30, 2018		<u><u>\$ 16,158,580</u></u>
25% of \$41,960,130	<u><u>\$ 10,490,030</u></u>	

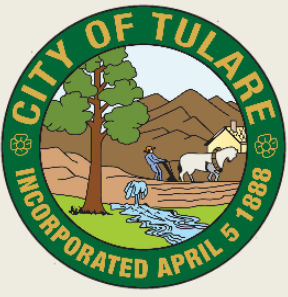
The \$16,158,580 represents 38% or 4.50 months to cover payroll and expenses In General Fund.

Note : Fund Balance Reserve has been increasing over the years due to the reduction/payment to oversize liabilities. Oversize liability is reflected in liabilities amount above.



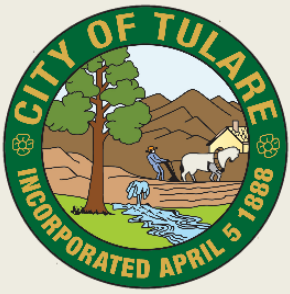
Ideas to Increase Revenue & Decrease Expenses

- Code Enforcement Cost Recovery
- Modify cannabis ordinance to allow cultivation
- Review city owned property for potential sale
- Increase Transient Occupancy Tax (TOT)
- Solar power
- Restructure Fleet/Equipment Replacement
- Eliminate or reallocate Capital Improvement Projects
- Hold vacant positions
- Furlough days
- Reduce staffing
- Reallocate staff time for staff that works with Public Works (ie. 70% General Fund 30% Utility)



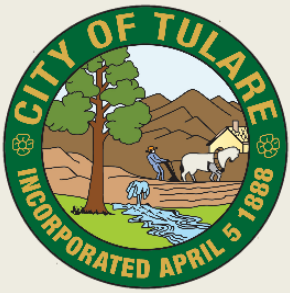
Master Fee Update

- Goal to review current fees charged by the City and compare against other local agencies
- RFP sent on March 7 and due on April 5
 - Staff sent to 10 different firms
 - Staff posted on Central Valley Purchasing Group which reached 34 additional firms
- Take contract for Council approval in May
- Consultant to begin work in July or sooner
- Presentation to Council in November with consultant contract ending in December



DIF Update

- Goal is to establish a DIF schedule that is appropriate to fund the City's contribution for regional improvements
- Tischler Bise is under contract to complete the study
- Draft due to City staff in March 2018
- Presentation to Council in April 2018
- Adoption anticipated in May/June, 2018



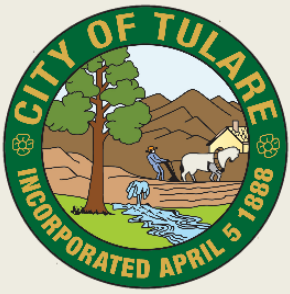
Transient Occupancy Tax Update

CITY OF TULARE
TRANSIENT OCCUPANCY TAX COMPLIANCE REVIEW
FINAL REPORT
PERIOD OF REVIEW
January 2014 - December 2016

NAME	FINDING	ADDITIONAL TAX LIABILITY	REASON
1 Budget Inn	Commendation	\$ -	
2 Fairfield Inn & Suites	A		
3 Hales Cottage	Commendation	\$ -	
4 La Quinta Inn & Suites	Deficiency	\$ 1,171.54	Roll-way Fees not taxed, Disallowed Gov't Exemptions.
5 Red Roof Inn Tulare Downtown Fairgrounds	Commendation	\$ -	
		<u>\$ 1,171.54</u>	

A The hotel would not provide any documents to the auditors. Therefore, the compliance review was unable to be done. The city records indicate that no TOT was paid to the city during the period of review. The auditors were informed by the city that the City Attorney is now involved.

*The auditor reviewed the TOT rate and accepted it (current rate is 10%)



General Discussion Questions & Answers

- Questions & Answers

