

# Budget Workshop Agenda:

## Tuesday, October 1, 2019 (Rescheduled from 9/30)

1. Council Budget Books
2. Citywide Summaries
  1. View of All Funds and Financial Structure
  2. Total Appropriations by Fund and Category
  3. Fund Balances
  4. Reserve Appropriations, Subsidies, and Balancing
3. Fund Summaries
  1. Revenues by Fund (**Consensus**)
  2. Expenses by Category
4. Miscellaneous Finance (**Consensus**)
  1. Debt Service
  2. Insurance
  3. Permanent Fund
5. Preview of Thursday Workshop

## Single-page view of the entire 2020 budget.

All Funds, Divisions, appropriations and transfers are included.

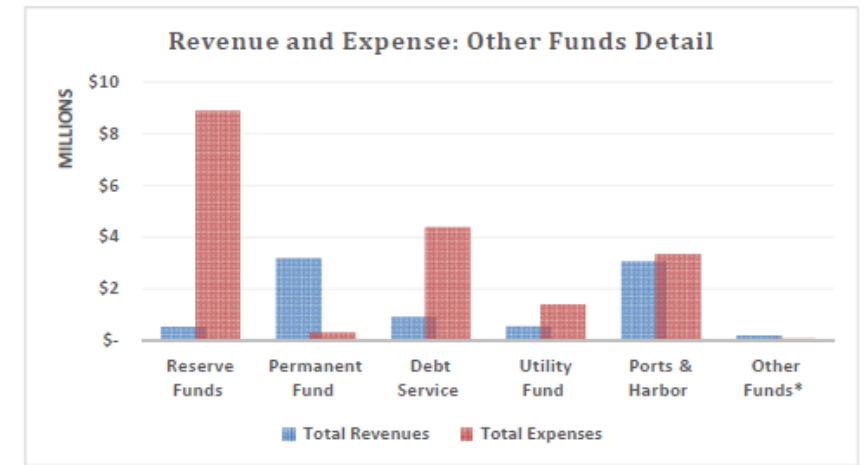
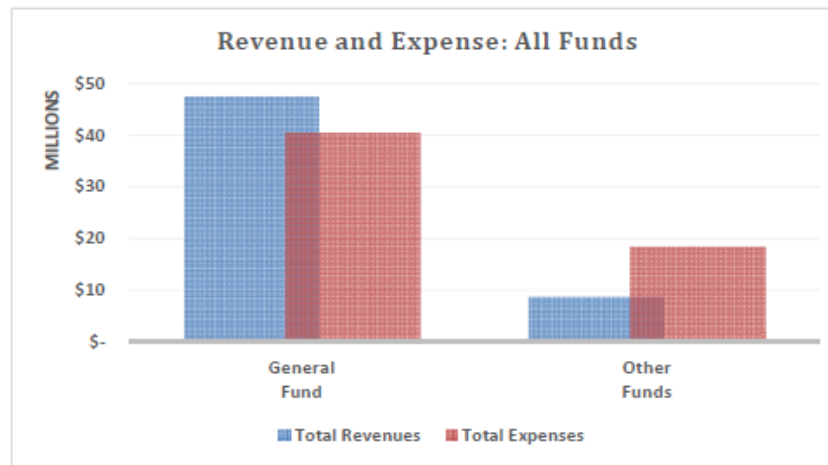
“**Grand Total**” column will be reflected in the Budget Adoption Resolution.

“**Reserves Funds**” and “**Capital Projects**” will reflect different numbers following projects budgeting in the Spring.

“**Net Increase (Reduction)**” indicates that we’ll spend from fund balance (Debt Service Fund)

All Values in Millions

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
Beginning Fund Balance	47.4	38.5	38.8	192.4	7.3	1.9	3.9	18.1	348.2
Total Revenues	47.6	0.5	0.3	3.2	0.9	0.5	3.1	0.2	56.3
Transfer In (Out)	(5.5)	8.9	-	(2.9)	-	-	(0.5)	-	-
Operating Subsidy	(1.6)	-	-	-	-	0.9	0.8	-	0.0
Net of Transfer/Subsidy	(7.2)	8.9	-	(2.9)	-	0.9	0.3	-	0.0
Division									
Administration	9.2	4.7	-	0.3	4.4	-	-	-	18.6
Support	13.4	-	-	-	-	-	-	-	13.4
Facilities, Fleet & Infrastructure	7.6	3.6	-	-	-	1.4	-	0.1	12.6
Public Safety	6.7	0.1	-	-	-	-	-	-	6.8
Ports & Harbor	-	0.5	-	-	-	-	3.3	-	3.8
Parks, Recreation & Cultural Services	3.6	-	-	-	-	-	-	-	3.6
Total Expenses	40.4	8.9	-	0.3	4.4	1.4	3.3	0.1	58.9
Net Increase (Reduction)	-	0.5	0.3	-	(3.5)	-	-	0.1	(2.6)
Ending Fund Balance	47.4	39.0	39.1	192.4	3.8	1.9	3.9	18.2	345.6



\*Other Funds include: MKG Medical Clinic, Health Insurance, VHIA, Long Term Debt, PVMC, Counselling Center, Museum, and Kelsey Dock Project

**Single-page view of the entire 2020 budget.**

Same numbers, but itemized by **“Expense Category”** (i.e. “payroll”) instead of by “Division”.

*All Values in Millions*

	General Fund	Reserve Funds	Capital Projects	Permanent Fund	Debt Service	Utility Fund	Ports & Harbor	Other Funds*	Grand Total
<b>Beginning Fund Balance</b>	47.4	38.5	38.8	192.4	7.3	1.9	3.9	18.1	348.2
<b>Total Revenues</b>	47.6	0.5	0.3	3.2	0.9	0.5	3.1	0.2	56.3
Transfer In (Out)	(5.5)	8.9	-	(2.9)	-	-	(0.5)	-	-
Operating Subsidy	(1.6)	-	-	-	-	0.9	0.8	-	0.0
<b>Net of Transfer/Subsidy</b>	<b>(7.2)</b>	<b>8.9</b>	<b>-</b>	<b>(2.9)</b>	<b>-</b>	<b>0.9</b>	<b>0.3</b>	<b>-</b>	<b>0.0</b>
<b>Expense Category</b>									
FTE Payroll	15.4	-	-	-	-	0.8	1.4	-	17.6
Education	10.5	-	-	-	-	-	-	-	10.5
Other Operating	3.3	2.7	-	0.0	-	0.1	0.5	0.0	6.6
Debt Service	-	-	-	-	4.4	-	-	-	4.4
Contracts	2.9	-	-	0.3	-	0.1	0.2	-	3.4
Other Personnel	2.2	0.4	-	-	-	0.1	0.4	-	3.1
Permanent Fund Reserve	-	2.9	-	-	-	-	-	-	2.9
CSO	2.7	-	-	-	-	-	-	-	2.7
Equipment	-	2.3	-	-	-	-	-	-	2.3
Utilities	0.8	-	-	-	-	0.4	0.7	0.0	2.0
Legal	1.7	-	-	-	-	-	-	-	1.7
Maintenance	0.8	-	-	-	-	0.0	0.1	0.1	1.0
Projects	-	0.6	-	-	-	-	-	-	0.6
<b>Total Expenses</b>	<b>40.4</b>	<b>8.9</b>	<b>-</b>	<b>0.3</b>	<b>4.4</b>	<b>1.4</b>	<b>3.3</b>	<b>0.1</b>	<b>58.9</b>
Net Increase (Reduction)	-	0.5	0.3	-	(3.5)	-	-	0.1	(2.6)
<b>Ending Fund Balance</b>	<b>47.4</b>	<b>39.0</b>	<b>39.1</b>	<b>192.4</b>	<b>3.8</b>	<b>1.9</b>	<b>3.9</b>	<b>18.2</b>	<b>345.6</b>

## Citywide Revenues & Expenses by Fund

Like the first chart,  
but with a  
comparison to  
2019 Adopted  
Budget

If expenses exceed  
revenues, we're  
spending from  
fund balance

Revenues	2019 Budget	2020 Budget	Percent of Total	Dollar Change	Percent Change
General Fund	46,633,860	47,599,550	85%	965,690	2.1%
Ports & Harbor	2,961,053	3,057,510	5%	96,457	3.3%
Permanent Fund	3,081,000	3,195,600	6%	114,600	3.7%
Utility Fund	525,200	542,400	1%	17,200	3.3%
Debt Service Fund	1,185,798	908,034	2%	(277,764)	-23.4%
Reserve Fund	-	525,000	1%	525,000	NA
Capital Project Fund	-	300,800	1%	300,800	NA
Other Funds	164,200	185,300	0%	21,100	12.9%
Grand Total	54,551,110	56,314,194	100%	1,763,084	3.2%
Expenses	2019 Budget	2020 Budget	Percent of Total	Dollar Change	Percent Change
General Fund	39,518,793	40,449,482	69%	930,689	2.4%
Reserve Fund	8,873,376	8,896,084	15%	22,708	0.3%
Debt Service Fund	1,785,401	4,394,551	7%	2,609,150	146.1%
Ports & Harbor	3,125,144	3,349,043	6%	223,899	7.2%
Utility Fund	1,353,581	1,395,451	2%	41,870	3.1%
Permanent Fund	310,000	305,000	1%	(5,000)	-1.6%
Other Funds	88,450	83,676	0%	(4,774)	-5.4%
Capital Project Fund	-	-	0%	-	NA
Grand Total	55,054,745	58,873,287	100%	3,818,542	6.9%

# Citywide Revenues by Fund

Revenues	2019 Budget	2020 Budget	Percent of Total	Dollar Change	Percent Change
General Fund	46,633,860	47,599,550	85%	965,690	2.1%
Ports & Harbor	2,961,053	3,057,510	5%	96,457	3.3%
Permanent Fund	3,081,000	3,195,600	6%	114,600	3.7%
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Debt Service Fund	1,185,798	908,034	2%	(277,764)	-23.4%
Reserve Fund	-	525,000	1%	525,000	NA
Capital Project Fund	-	300,800	1%	300,800	NA
Other Funds	164,200	185,300	0%	21,100	12.9%
Grand Total	54,551,110	56,314,194	100%	1,763,084	3.2%

# Revenues: \$1.76MM, 3.2% Citywide Increase

## Council Consensus Needed

- **General Fund**

- \$170K increase to property tax
- \$800K increase to interest

- **Ports & Harbor**

- \$42K increase to interest
- \$176K increase to subsidy
- \$100K increase to Port dockage
- \$55K increase to Port security billings

- **Permanent Fund**

- Slight change to budgeting method

- **Utility Fund**

- Slight subsidy increase to offset expenses

- **Debt Service**

- \$277K reduction in State reimbursement

- **Reserve, Capital, Other Funds**

- \$850 Increase in interest earnings
- Interest in Reserve, Capital Funds was not budgeted in 2019

## 2019 Expense Appropriations by Fund

Adopted vs.  
Revised Budget  
shows mid-year  
revisions

\$19MM Increase  
reflects mid-year  
projects  
budgeting

<i>All figures in Millions</i>			
	<b>2019 Adopted Budget</b>	<b>2019 Revised Budget</b>	<b>Dollar Change</b>
General Fund	39.5	39.9	0.4
Reserve Fund	8.9	10.4	1.6
Debt Service Fund	1.8	1.8	-
Harbor Fund	1.7	2.5	0.8
Utility Fund	1.4	1.4	-
Port Fund	1.0	1.3	0.2
Airport Fund	0.4	0.4	0.0
Permanent Fund	0.3	0.3	-
Gilson Med Clinic Fund	0.1	0.1	-
VHIA Fund	-	-	-
Capital Project Fund	-	15.8	15.8
<b>Grand Total</b>	<b>55.1</b>	<b>73.8</b>	<b>18.8</b>

# 2019 Expense Appropriations by Division

Adopted vs. Revised Budget

All figures in Millions			
	2019 Adopted Budget	2019 Revised Budget	Dollar Change
Administration	15.8	16.4	0.6
Support	13.3	13.2	(0.1)
Facilities, Fleet & Infrastructure	12.5	14.3	1.8
Public Safety	6.4	6.5	0.0
Ports & Harbor	3.6	4.2	0.6
Parks, Recreation & Cultural Servic	3.5	3.5	0.0
Reserve	-	15.8	15.8
<b>Grand Total</b>	<b>55.1</b>	<b>73.8</b>	<b>18.8</b>

# 2019 Expense Appropriations by Category

Adopted vs. Revised Budget

All figures in Millions			
	2019 Adopted Budget	2019 Revised Budget	Dollar Change
FTE Payroll	17.2	17.2	0.0
Education	10.5	10.5	-
Other Operating	5.2	5.5	0.4
Equipment	3.5	3.6	0.1
Contracts	3.2	4.6	1.4
Permanent Fund Reserve	3.1	3.1	-
Other Personnel	2.7	2.8	0.1
CSO	2.7	2.6	(0.1)
Utilities	1.9	1.9	(0.0)
Debt Service	1.8	1.8	-
Legal	1.7	1.7	-
Maintenance	1.0	1.0	(0.0)
Projects	0.8	17.7	17.0
<b>Grand Total</b>	<b>55.1</b>	<b>73.8</b>	<b>18.8</b>

Expense  
Appropriations  
by Fund

2019 Adopted  
vs.  
2020 Preliminary  
shows  
year-over-year  
changes

<i>All figures in Millions</i>				
	2019 Adopted Budget	2020 Preliminary Budget	Dollar Change	
General Fund	39.5	40.4	0.9	
Reserve Fund	8.9	8.9	0.0	
Debt Service Fund	1.8	4.4	2.6	
Harbor Fund	1.7	1.8	0.1	
Utility Fund	1.4	1.4	0.0	
Port Fund	1.0	1.2	0.1	
Airport Fund	0.4	0.4	0.0	
Permanent Fund	0.3	0.3	(0.0)	
Gilson Med Clinic Fund	0.1	0.1	(0.0)	
VHIA Fund	-	-	-	
Capital Project Fund	-	-	-	
<b>Grand Total</b>	<b>55.1</b>	<b>58.9</b>	<b>3.8</b>	

# Expense Appropriations by Division

2019 Adopted  
vs. 2020  
Preliminary

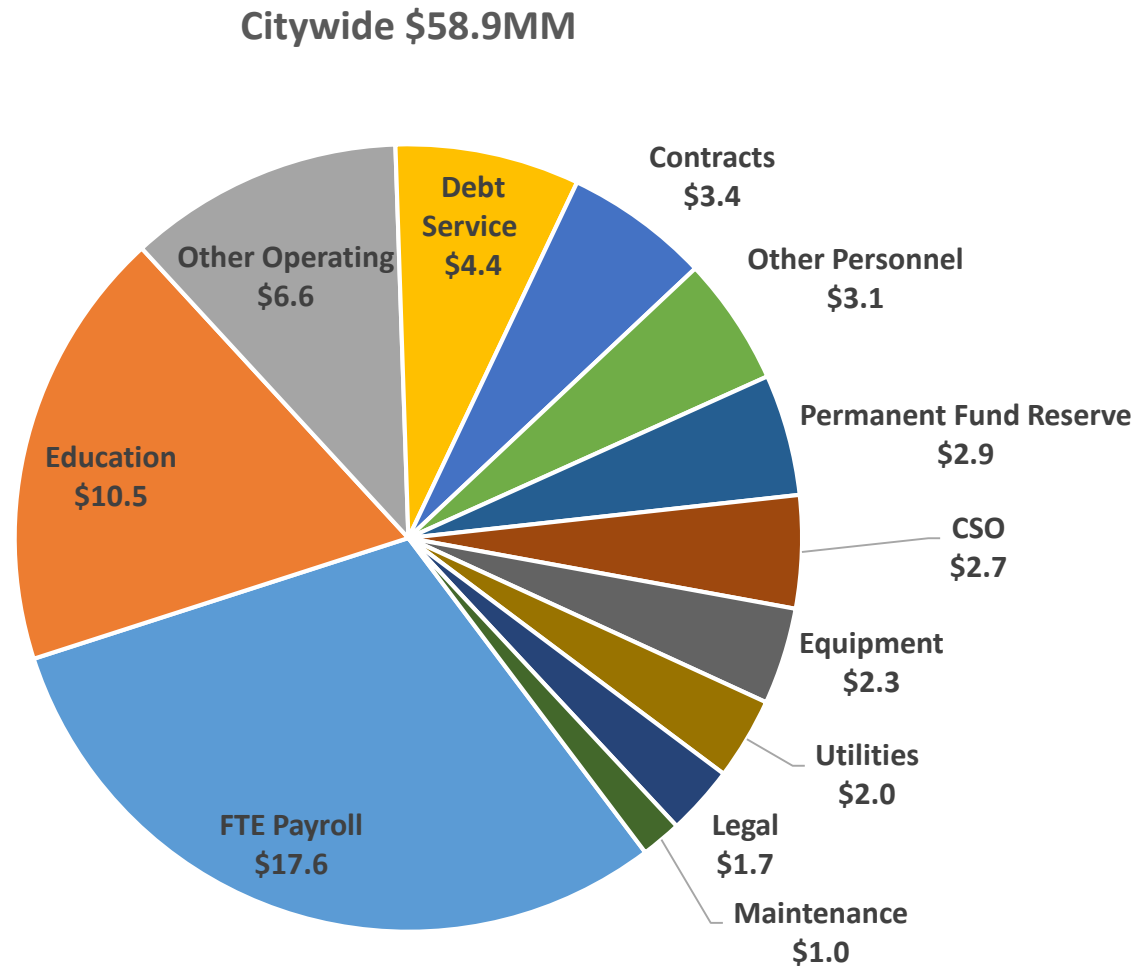
<i>All figures in Millions</i>			
	<b>2019 Adopted Budget</b>	<b>2020 Preliminary Budget</b>	<b>Dollar Change</b>
Administration	15.8	18.6	2.8
Support	13.3	13.4	0.1
Facilities, Fleet & Infrastructure	12.5	12.6	0.1
Public Safety	6.4	6.8	0.4
Ports & Harbor	3.6	3.8	0.3
Parks, Recreation & Cultural Servic	3.5	3.6	0.2
Reserve	-	-	-
<b>Grand Total</b>	<b>55.1</b>	<b>58.9</b>	<b>3.8</b>

# Expense Appropriations by Category

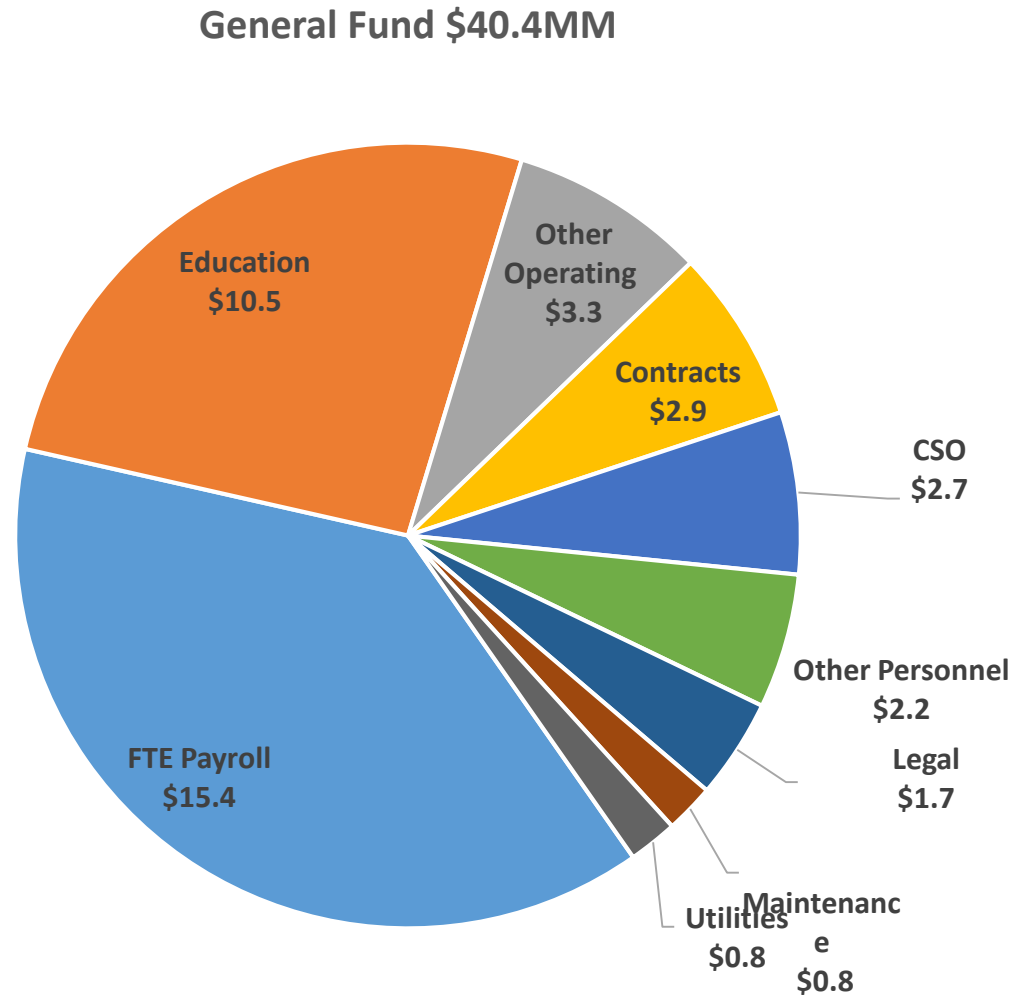
2019 Adopted vs. 2020 Preliminary

All figures in Millions			
	2019 Adopted Budget	2020 Preliminary Budget	Dollar Change
FTE Payroll	17.2	17.6	0.4
Education	10.5	10.5	0.0
Other Operating	5.2	6.6	1.4
Equipment	3.5	2.3	(1.2)
Contracts	3.2	3.4	0.3
Permanent Fund Reserve	3.1	2.9	(0.2)
Other Personnel	2.7	3.1	0.3
CSO	2.7	2.7	0.0
Utilities	1.9	2.0	0.1
Debt Service	1.8	4.4	2.6
Legal	1.7	1.7	-
Maintenance	1.0	1.0	(0.0)
Projects	0.8	0.6	(0.1)
Events		0.2	0.2
<b>Grand Total</b>	<b>55.1</b>	<b>58.9</b>	<b>3.8</b>

# Citywide Expense Appropriations by Category



# General Fund Expense Appropriations by Category



# Detail Review – Council Consensus

- Debt Service Fund
- General Fund
  - Insurance Department Only
- Permanent Fund

# Debt Service Fund

Increased Expense for \$15MM GO 2019

Reduced Revenue from State Reimbursement

<b>FUND NAME</b>	<b>Debt Service Fund</b>						
<b>REV/EXP</b>	<b>EXP</b>						
<b>Account Number</b>	<b>Account Title</b>						
		<b>Actual</b>		<b>Estimate</b>		<b>Adopted Budget</b>	
<b>GL ACCOUNT</b>	<b>CODE NAME</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>
<b>205-0050-49140</b>	Transfer to Reserve Fund	2,700,000					
<b>205-2050-43200</b>	Professional Services	-	-				-
<b>205-2050-47110</b>	Principal	2,135,000	2,220,876	941,264	961,658	961,658	2,209,893
<b>205-2050-47113</b>	Prepayment and Defeasance	-					-
<b>205-2050-47120</b>	Interest	2,252,950	1,888,354	850,387	823,743	823,743	2,184,658
<b>Grand Total</b>		<b>7,087,950</b>	<b>4,109,230</b>	<b>1,791,651</b>	<b>1,785,401</b>	<b>1,785,401</b>	<b>4,394,551</b>

<b>REV/EXP</b>	<b>REV</b>						
<b>Account Number</b>	<b>Account Title</b>						
		<b>Actual</b>		<b>Estimate</b>		<b>Adopted Budget</b>	
<b>GL ACCOUNT</b>	<b>CODE NAME</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>
<b>205-0000-33580</b>	School Debt Repayment	(74,441)	(90,307)	(95,732)	(11,132)	(81,000)	(46,039)
<b>205-0000-33581</b>	Mid-School Bond Repayment	(1,480,839)	(1,117,610)	(1,543,846)	-	(804,423)	(764,495)
<b>205-0000-33582</b>	Harbor Debt Repayment	(210,650)	(210,050)	(214,250)	-	(210,375)	-
<b>205-0000-36110</b>	Interest Income	(17,148)	(191,146)	(178,440)	(237,636)	(90,000)	(97,500)
<b>205-0050-39100</b>	Transfer from General Fund	(13,364,101)	(41,833)				
<b>Grand Total</b>		<b>(15,147,179)</b>	<b>(1,650,946)</b>	<b>(2,032,268)</b>	<b>(248,768)</b>	<b>(1,185,798)</b>	<b>(908,034)</b>

# General Fund – Insurance Department

FUND NAME	General Fund						
DEPT NAME	Insurance						
REV/EXP	EXP						
Account Number	Account Title						
		Actual		Estimate		Adopted Budget	
GL ACCOUNT	CODE NAME	2016	2017	2018	2019	2019	2020
001-5700-43200	Professional Fees & Services	30,000	15,000	33,000	36,000	-	36,000
001-5700-45200	Insurance	164,690	190,609	209,281	269,000	273,575	292,000
001-5700-45210	Insurance Contingencies	28,222	23,234	8,639	10,000	18,000	15,000
Grand Total		222,912	228,843	250,920	315,000	291,575	343,000

- Insurance renewal on July 1<sup>st</sup> ; City Budget spans two policy years
- Premiums are adjusted annually following insurance audit
- Two providers to public sector: AML and APEI
- Increase reflects inflation trends (replacement values), new properties (harbor), additions to fleet & equipment
- Staff mistakenly omitted \$36K Broker Fee in 2019 Budget
- Contingencies reflect costs incurred within deductible
- Workers Comp costs are embedded in “payroll” within each staffed department

# Permanent Fund

<b>FUND NAME</b>	Permanent Fund						
<b>REV/EXP</b>	(All)						
<b>Account Number</b>	<b>Account Title</b>						
		<b>Values</b>	<b>YEAR</b>				
			<b>Actual</b>	<b>Estimate</b>	<b>Adopted Budget</b>		
<b>GL ACCOUNT</b>	<b>CODE NAME</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2019</b>	<b>2020</b>
607-0000-36110	Interest Income	6,635	(25,481,693)	(3,728)	(3,081,000)	(3,081,000)	(3,195,600)
607-0000-36120	Settlement - Prior Years	(14,666)					
607-0050-49100	Transfer to General Fund	2,568,677	2,600,000	3,003,448	-	-	
607-0050-49140	Transfer to Reserve				3,081,000	3,081,000	2,890,600
607-1050-43200	Professional Fees & Services	143,246	247,481	244,727	300,000	300,000	300,000
607-1050-46950	Misc Meetings Exp	230	765	397	2,000	10,000	5,000
<b>Grand Total</b>		<b>(10,164,215)</b>	<b>(22,633,447)</b>	<b>3,244,844</b>	<b>302,000</b>	<b>310,000</b>	<b>-</b>

- Investment values can not be predicted
- Budgeting convention is to directly offset expenses
- 1.5% Appropriation based on 2018 audited value; held in reserve account if/when liquidated
- Need Council direction re 2019 appropriation; not yet liquidated
- Professional Fees include Advisor (Callan, \$100K) and three fund managers
- Remaining fund managers deduct directly from invested funds

# Budget Workshop Agenda:

## Thursday, September 3<sup>rd</sup>, 2019

1. Review of CSO Funding Requests
2. CSO Presentations and Council Questions
3. Council Direction to Staff
4. Preview of Monday, October 7 Workshop