

City of Morgan Hill Operating Budget and Capital Improvement Program

City Council
Public Hearing
June 1, 2016



Recommended
FY 2016-17 &
2017-18



BIG PICTURE



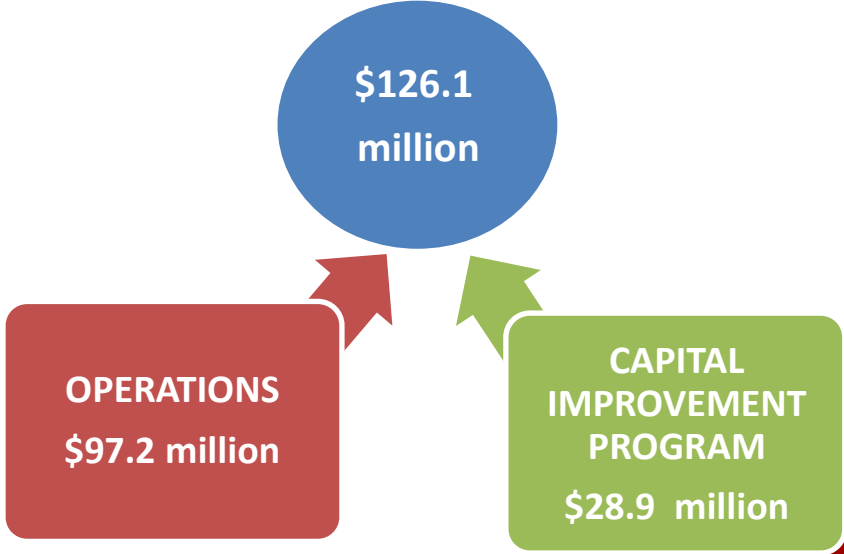
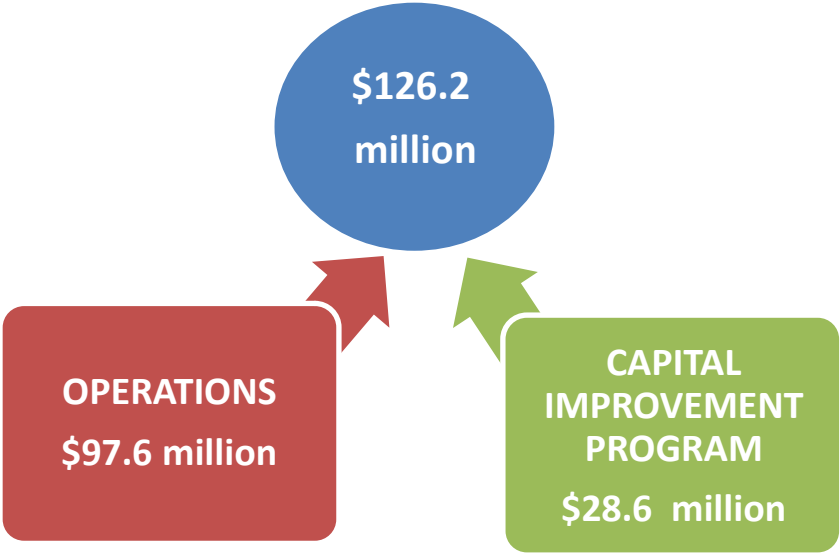
Recommended
Operating & CIP Budget
FY 2016-17 & 2017-18



Total Recommended Budget

FY 2016-17

FY 2017-18



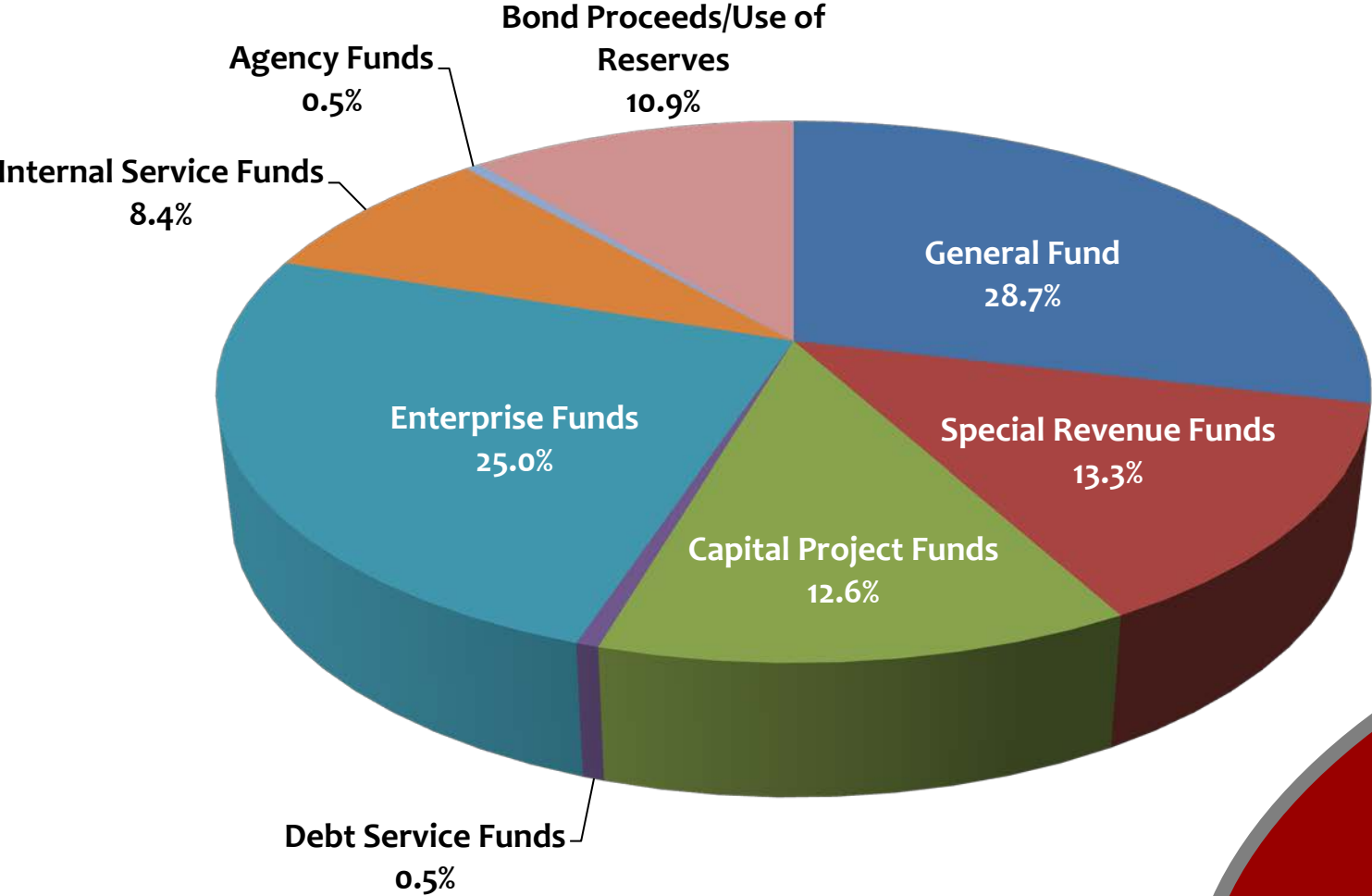
Recommended 6 Year CIP Budget: \$107.4 million

**Recommended
Operating & CIP Budget
FY 2016-17 & 2017-18**



Total FY 16-17 City Resources by Fund Type

\$126.2 million

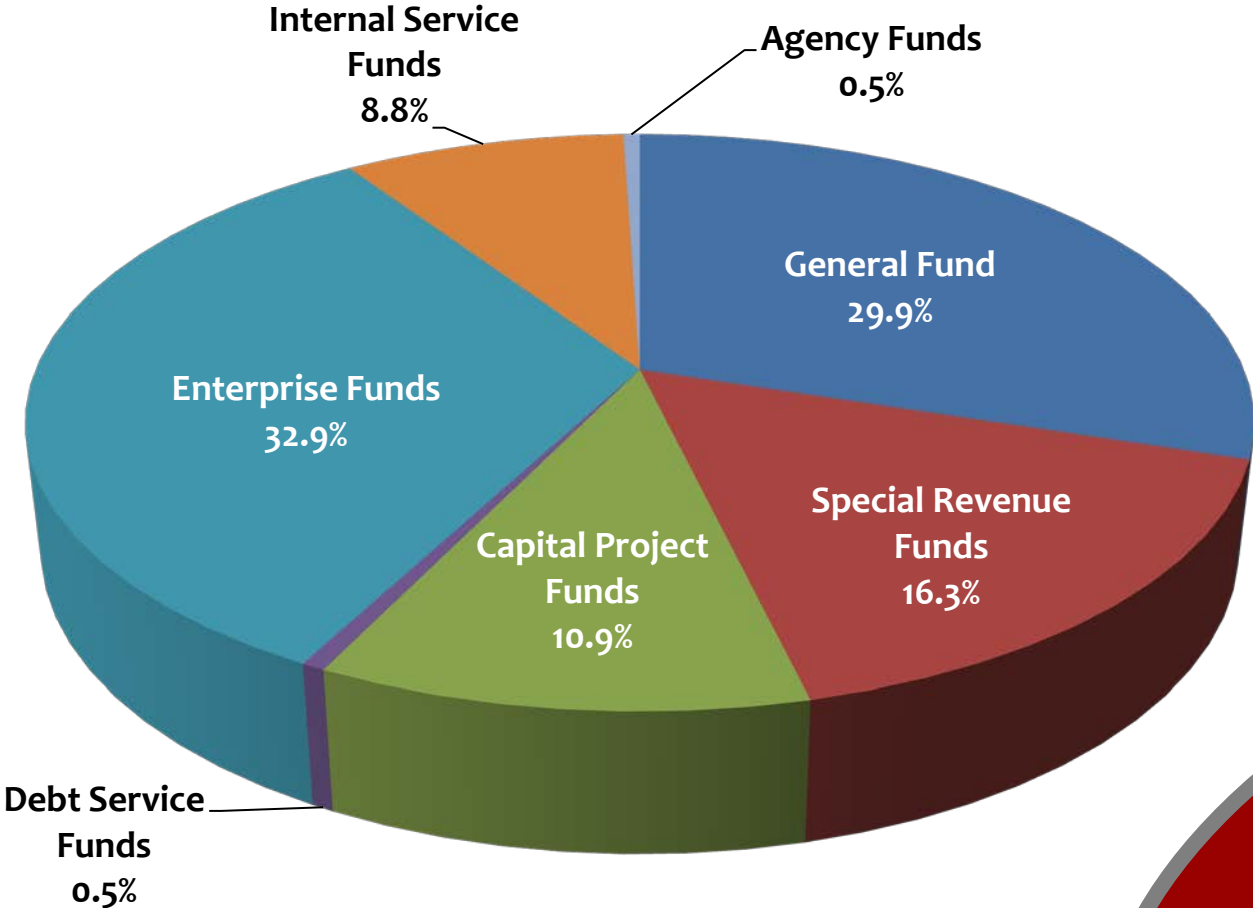


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Operating & CIP Budget
FY 2016-17 & 2017-18**



Total FY 16-17 City Expenditures by Fund Type

\$126.2 million

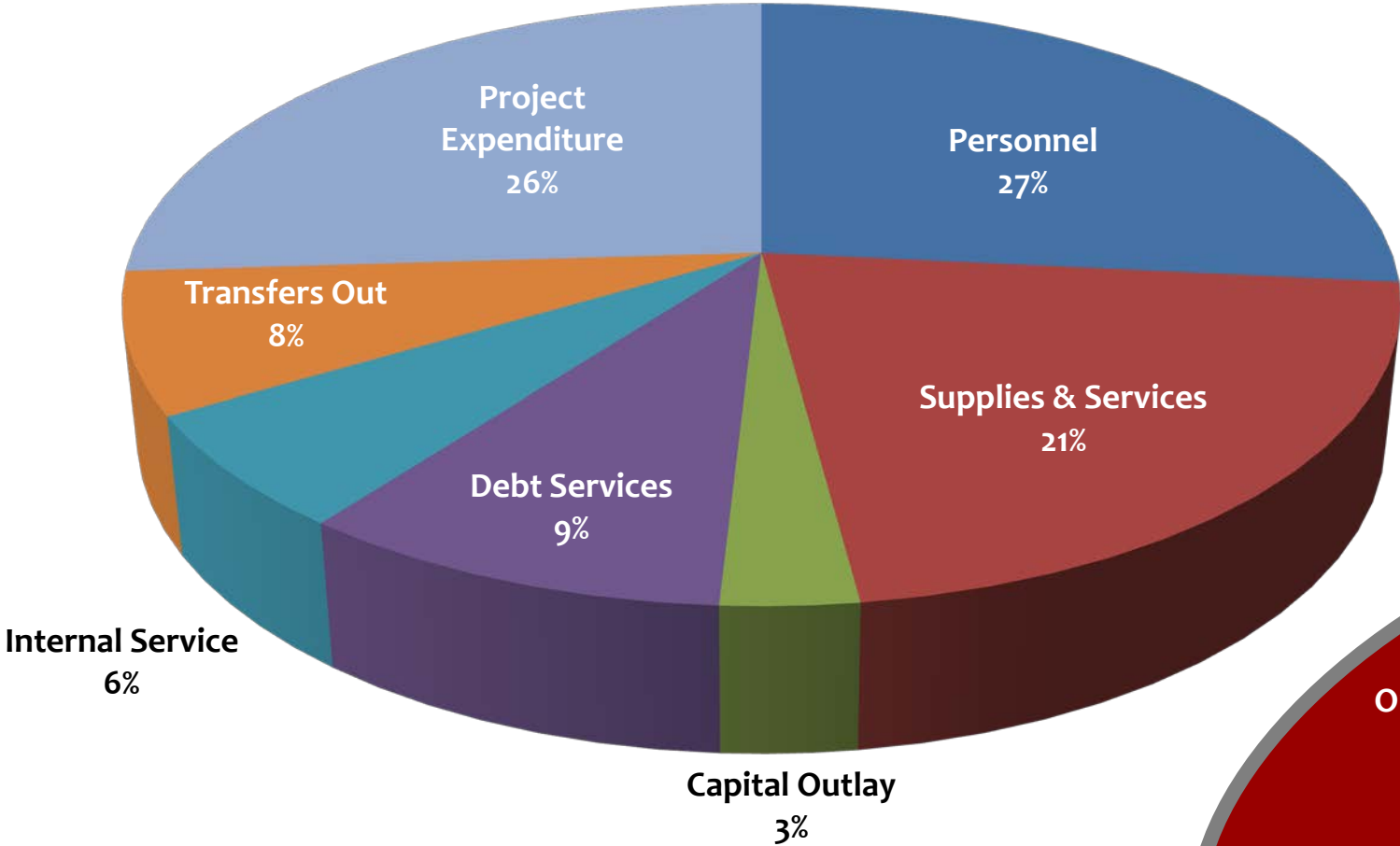


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Operating & CIP Budget
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Total FY 16-17 City Expenditures by Category

\$126.2 million

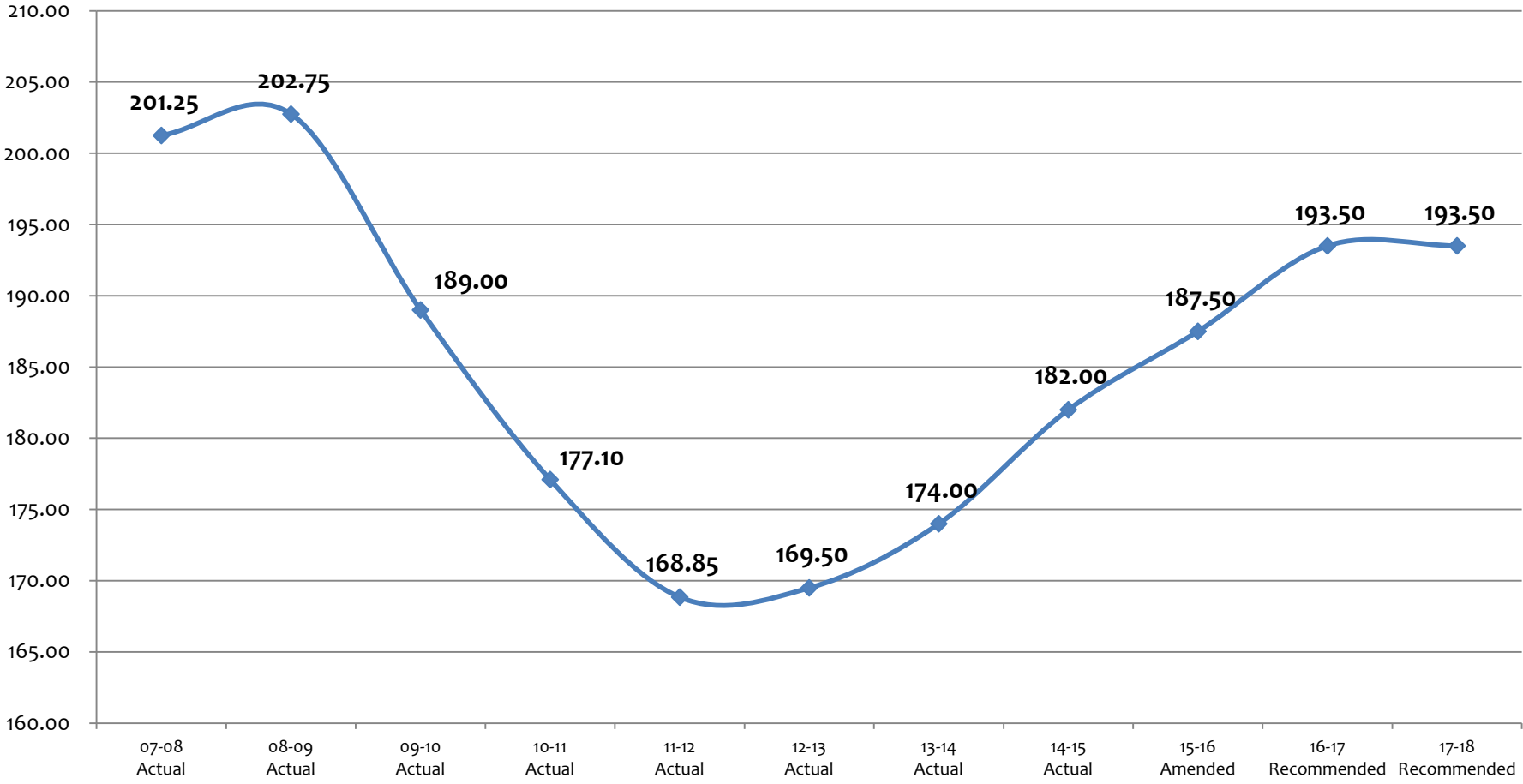


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Personnel Recommendation

6.0 new FTEs



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GENERAL FUND

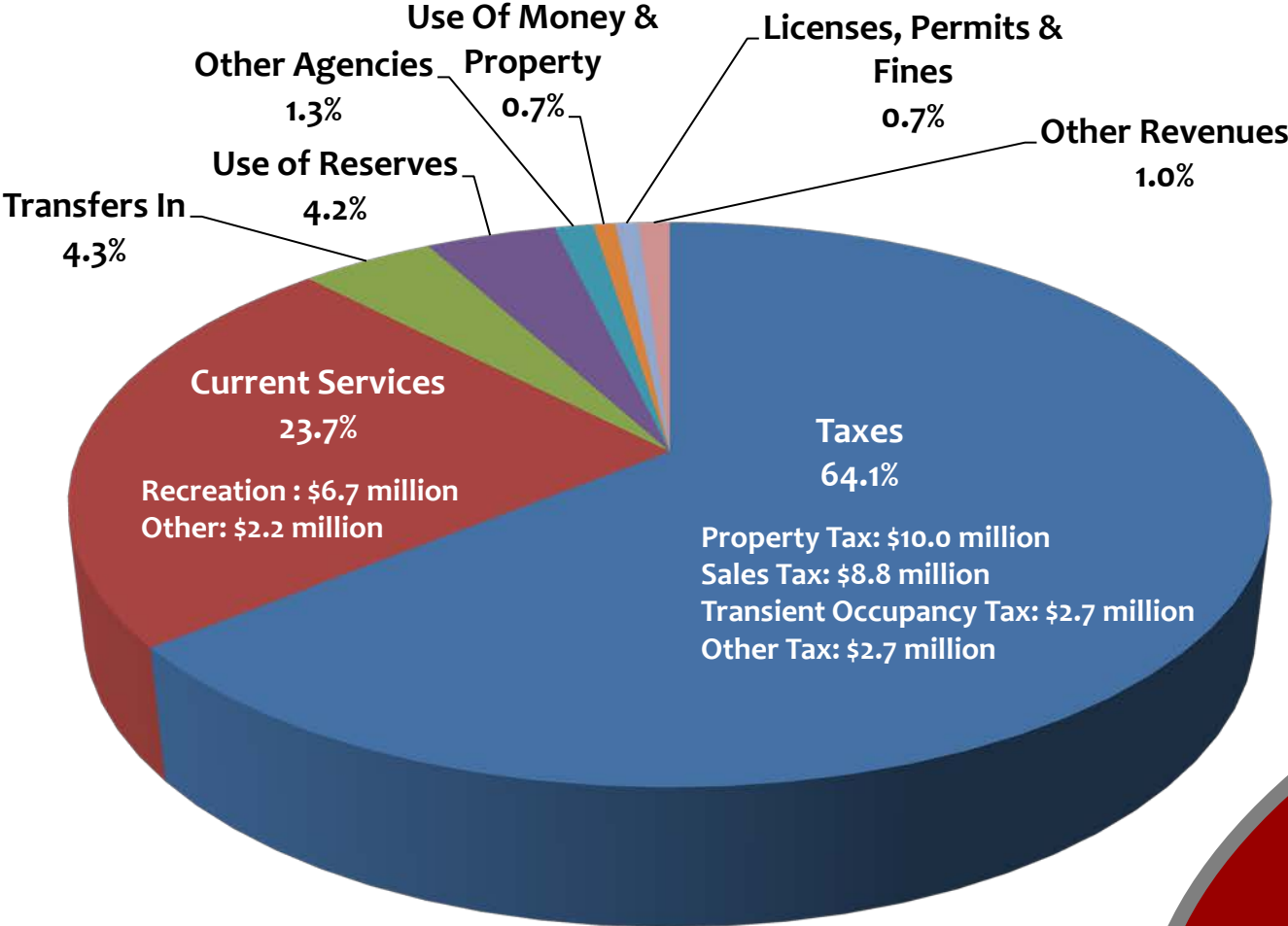


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Operating & CIP Budget
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Total FY 16-17 General Fund Resources

\$37.8 million

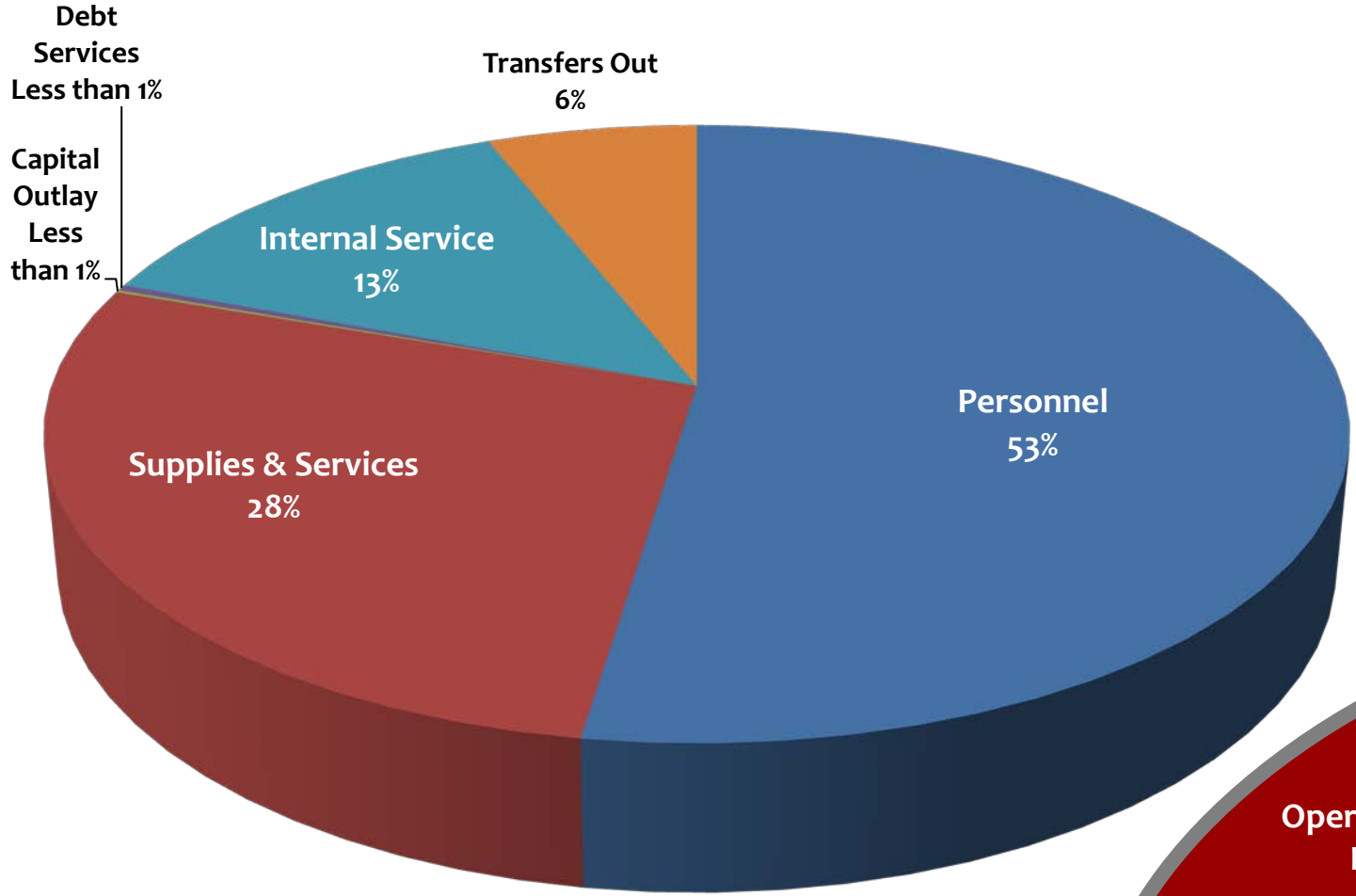


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Total General Fund Expenditures by Category

\$37.8 million

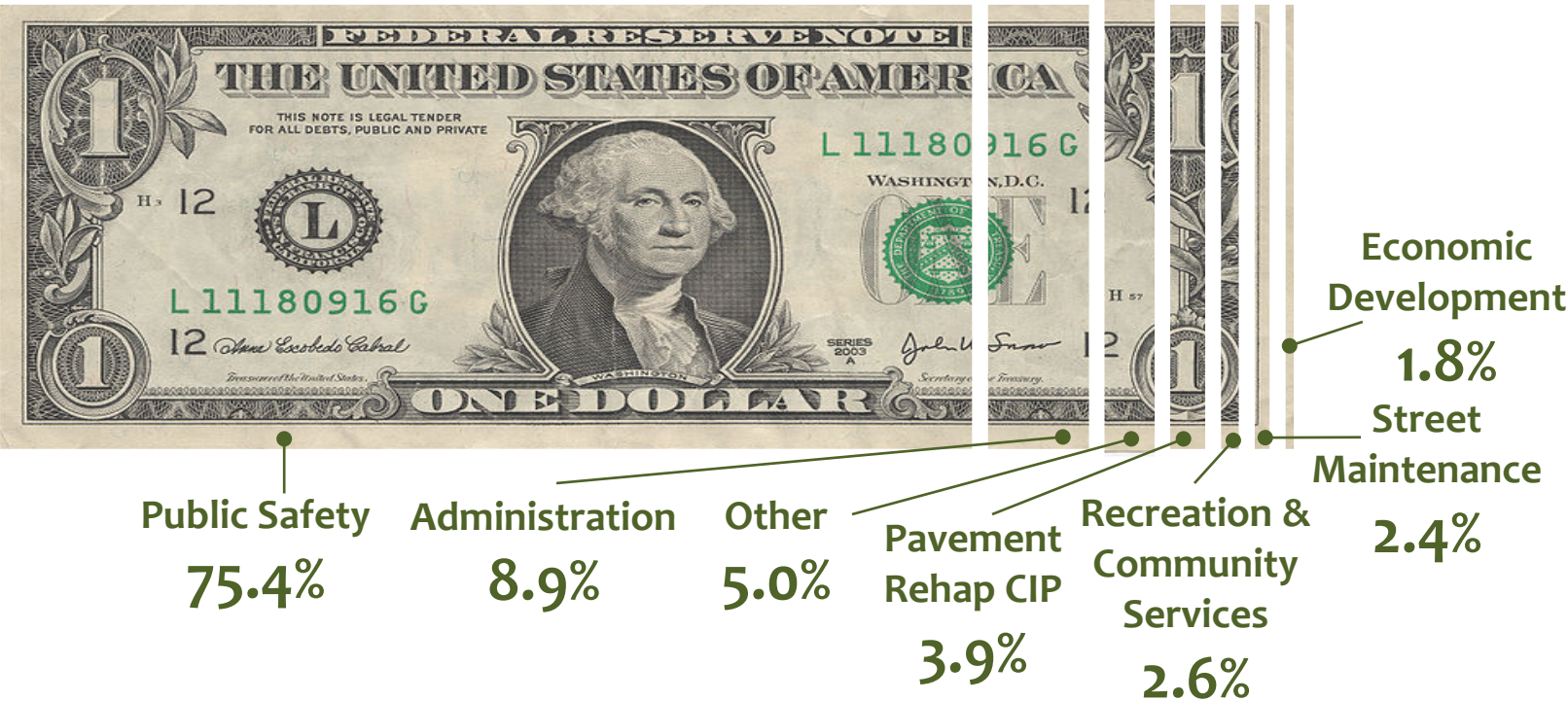


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FY 2016-17 & 2017-18



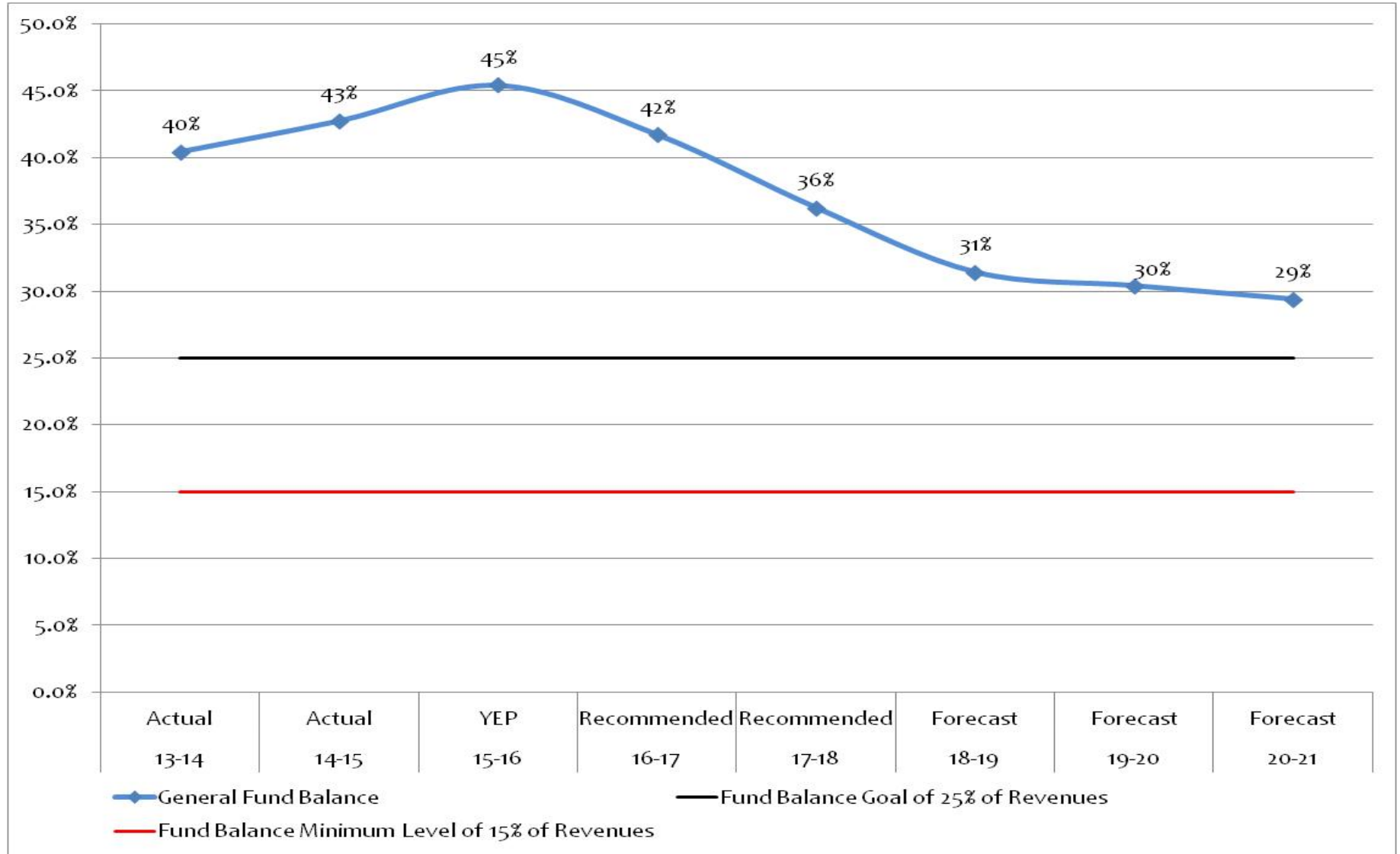
General Fund Discretionary Expenditures

\$25.8 million



Other includes Environmental Programs, Park Maintenance, Downtown Maintenance, Code Compliance

General Fund 5 Year Forecast



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CHANGES SINCE THE COUNCIL WORKSHOP



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Operating & CIP Budget
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Changes to Operating Budgets

- Included a one-time expense of \$30,000 for the purchase and installation of Automatic External Defibrillators (AED's); offset by \$30,000 in grant revenue
- Included an ongoing expense of \$28,500 for the upgrade and annual maintenance cost of body worn cameras
- Included an ongoing expense of \$50,000 for the reclassification of the Deputy City Attorney position to an Assistant City Attorney
- Included an additional \$9,500 in each of next two fiscal years for housing domesticated cats and dogs (two year trial)

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Changes to Operating Budgets (cont.)

- Included an additional expense of \$100,000 for FY 16-17 and \$145,000 for FY 17-18 for the Santa Clara Valley Water District groundwater management fee increase
 - It is important to note that even though the Council included “passing through” this unanticipated cost increase to rate payers as part of the recent rate study, the Council indicated that it will forego this in FY 16-17 and revisit on an annual basis

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Changes to Operating Budgets (cont.)

- Included an expense of \$15,000 in FY 17-18 in the Streets Maintenance budget for parcel tax payments for properties not located within the City limits (inadvertently not included in the recommended budget)
 - Removed an ongoing expense of \$11,000 for parcel tax payments from Fund 303 Drainage Impact as the amount is included in the Streets Maintenance budget.
- Included additional revenue of \$100,000 for FY 16-17 and FY 17-18 for California High Speed Rail Authority reimbursement (Contingent on Council approval of High Speed Rail item on June 1, 2016 agenda)

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Changes to Capital Improvement Program

- Removed the third Fire Station from the Six Year CIP
- Removed \$250,000 in FY 16-17 for additional funding for the inclusive playground
- Included \$30,000 in FY 16-17, for the intersection and congestion analysis in Streets and Roads to be funded from Funds 309 and 346, equally

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Changes to Capital Improvement Program (cont.)

- Moved \$300,000 from FY 16-17 Recommended CIP to FY 15-16 Underground Monterey Utilities. (Up for consideration at June 1, 2016 Council meeting under separate agenda item).
 - \$40,000 remains in FY 16-17 for this project for Project Implementation.

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FOLLOW-UP ITEMS FROM THE COUNCIL WORKSHOP



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Animal Services

- Existing animal kennels include a chain link exterior with privacy slats, metal roof, cement floor and central drainage for cleaning
- MSO ensures daily cleaning, food and water
- Currently, no heating/cooling
- Staff will install a temperature gauge to monitor the temperature of the kennels
- Encourage pet owners to have their animals chipped

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Utility Billing

- Annual organizational review of all personnel allocations to determine where employees spend their time
- Personnel allocations increased from 2.75 to 3.29 to align resources with workload demand and to increase oversight of the enterprise fund function

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Morgan Hill Property Tax Monthly Comparison (\$750,000 house)

Approximate Amounts

City of MH	Water	Cable TV	PG&E	Cell Phone
\$62.50	\$115.00	\$150.00	\$150.00	\$200.00

DO NOT ACCEPT THIS CHECK without confirming presence of a digital Watermark on back. Other security features are listed on back.

Live World, Inc.
170 Knowles Dr
Ste 11
Los Gatos, CA 95032

CHECK DATE: 02/26/2005
CHECK NUMBER: 1173

PAYROLL CHECK

PAY TO THE ORDER OF: Sandy Purins

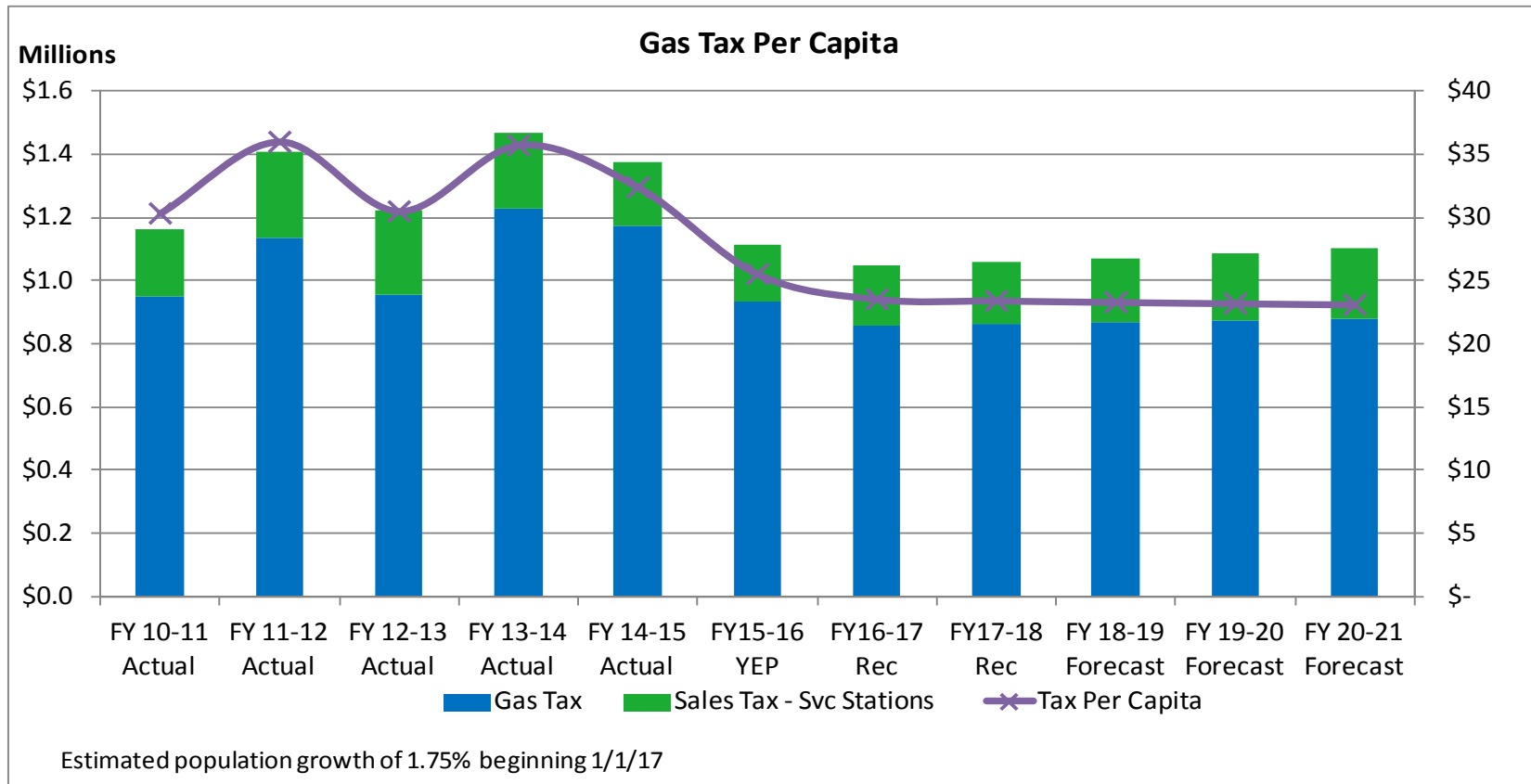
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AUTHORIZED SIGNATURE

Annual property tax on \$750,000 home = \$7,500 per year or \$625 per month
 City of Morgan Hill share = 10% of \$7,500 = \$750 per year or \$62.50 per month
 Property Tax Revenues help fund Police, Fire, Recreation, Parks, Street
 Maintenance & Administration

Gas Tax Revenue

The chart below illustrates Morgan Hill's actual gas tax revenue FY 10-11 through FY 14-15 and projected gas tax revenue from FY 15-16 through FY 20-21 as well as on a per capita basis



Successor Agency Negative Fund Balance

- Accounting loss attributable to loan receivable write off and loss on sale of fixed assets
- Approximately \$300,000 loss attributable to administrative expenses
- Final reconciliation of Fund 250 June 2018
- Council recommendation on how to account for the difference

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QUESTIONS & PUBLIC HEARING



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