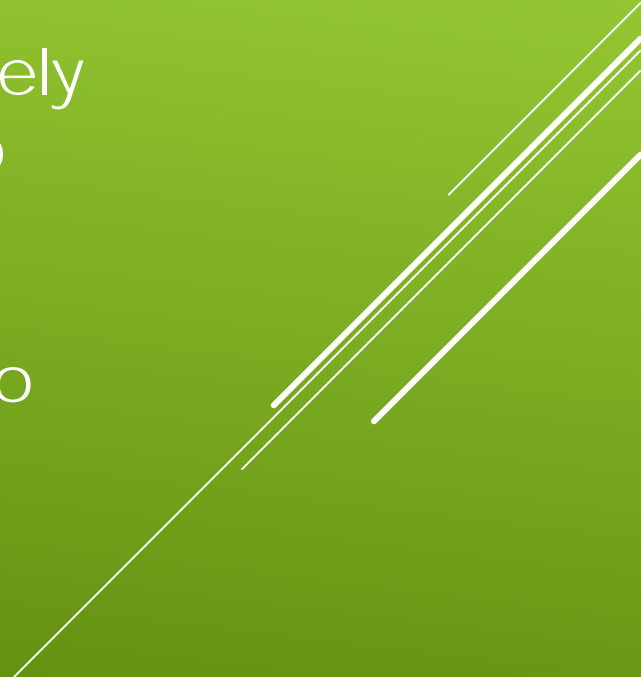


CITY OF SOUTH GATE

FY 2020/21 FALL REVISE BUDGET

NOVEMBER 24, 2020

FY 2020/21 Budget Process

- Shortly after staff had begun the FY 2020/21 budget process, the COVID-19 pandemic hit and shifted staff's focus away from the budget in order to prioritize the health and well-being of our residents and employees.
 - The impacts of the COVID-19 pandemic started to negatively affect the City's revenues, but at the time, it was difficult to quantify the full extent of the impacts.
 - Staff determined that the best course of action would be to recommend a Maintenance of Effort (MOE) budget.
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FY 2020/21 Budget Process

- The MOE budget was a status quo budget (basically the same as the adopted FY 2019/20 budget) with only minor changes for contractually-obligated costs.
- On June 23, 2020, the City Council adopted the FY 2020/21 Maintenance of Effort budget, with a projected General Fund shortfall of \$7M, and the direction to staff to continue to look for ways to reduce the shortfall and bring back an amended budget for consideration in November 2020 (the Fall Revise).



Balanced Budget Pillars



FY 2019/20 General Fund Year-End Results

General Fund	FY 2019/20 Adopted Budget	FY 2019/20 Year-End Estimate	FY 2019/20 Year-End Actuals	Year-End Est vs Year-End Actuals
July 1, 2019 Available Fund Balances	\$43,792,049	\$43,792,049	\$43,792,049	\$0
Revenues	\$51,582,664	\$48,484,807	\$51,020,675	\$2,535,868
Expenditures	\$53,973,958	\$51,985,000	\$51,498,084*	\$486,916
Surplus/(Shortfall)	(\$2,391,294)	(\$3,500,193)	(\$477,409)	\$3,022,784
June 30, 2020 Available Fund Balances	\$41,400,755	\$40,291,856	\$43,314,640	\$3,022,784

* Includes \$1M in COVID-19 costs that will be partially reimbursed by FEMA.

FY 2019/20 – What changed?

- Sales tax performed better than our revised year-end estimate:
 - As of June 2020, the year-end estimate was \$19,376,000
 - Year-end actual is \$21,162,524
 - That is \$1,786,524 better than we anticipated just a few months ago
- Property taxes were \$442,114 better than estimated
- Business licenses were \$197,111 better than estimated
- Parking citation revenues were \$152,546 better than estimated
- Expenditures were about \$500K less than estimated



FY 2020/21 MOE Budget

General Fund	FY 2020/21 MOE Budget
Revenues	\$47,971,561
Expenditures	\$54,939,028
Surplus/(Shortfall)	(\$6,967,467)

FY 2020/21 Fall Revise Budget

General Fund	FY 2020/21 MOE Budget	FY 2020/21 Proposed Fall Revise Budget	Change
Revenues	\$47,971,561	\$50,555,932	\$2,584,371
Expenditures	\$54,939,028	\$53,072,598	\$1,866,430
Surplus/(Shortfall)	(\$6,967,467)	(\$2,516,666)	\$4,450,801


FY 2020/21 – What changed?

Revenues:

- Sales tax projections have been increased based on revised projections from HdL
 - Sales taxes will be about \$2.9M more than we projected in June
 - In of June 2020, the FY 2020/21 estimate was \$18,893,000
 - Now that we have actuals for the fiscal year ended June 30, 2020, and 5 more months have passed to monitor sales taxes, we can increase our estimate to \$21,812,000
 - That is \$2,919,000 better than we anticipated just a few months ago

FY 2020/21 – What changed?

Revenues:

- Grant revenues of \$73,158
 - Miscellaneous reimbursements will be about \$225,000 more than originally projected.
 - Parks & Recreation revenues are being reduced by an additional (\$586,837)
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FY 2020/21 – What changed?

Expenditures:

- Expenditures have reduced by \$1.87M
 - Conferences & training events that have been cancelled - \$100,000
 - Professional services - \$466,000
 - Election services - \$84,000
 - Utilities - \$55,000
 - Educational reimbursement - \$60,000
 - Salary savings – Director of Parks & Rec - \$130,000
 - Part-time salaries – Parks & Rec - \$371,000
 - Part-time salaries – Police - \$132,000
 - Part-time salaries – Community Development - \$12,000
 - Overtime – \$168,000
 - Recreation Guide - \$36,000
 - Parks & Recreation program supplies - \$96,000
 - Excursions & Admission Fees - \$30,000
 - Miscellaneous supplies, printing, postage, etc. - \$126,000



FY 2020/21 – Other Funds Reductions

Expenditures in Other Funds have been reduced where appropriate:

- By \$2.3M across all other funds
 - Technology Master Plan – CAD/RMS - \$480,000
 - Prop A – Professional services - \$500,000
 - Traffic Safety Fund – Crossing Guard program - \$121,000
 - Conferences & training that have been cancelled - \$60,000
 - Building & Infrastructure Maintenance – maintenance projects - \$493,000
 - Other professional services - \$675,000