



# BUDGET FACT SHEET

FY 2019-20

The Elk Grove City Council unanimously adopted a healthy, balanced budget for the 2019-20 fiscal year. This guide shows where city tax dollars including distribution of property tax dollars are allocated based on goals established by the City Council. These goals guide our work and funding priorities for the coming year.

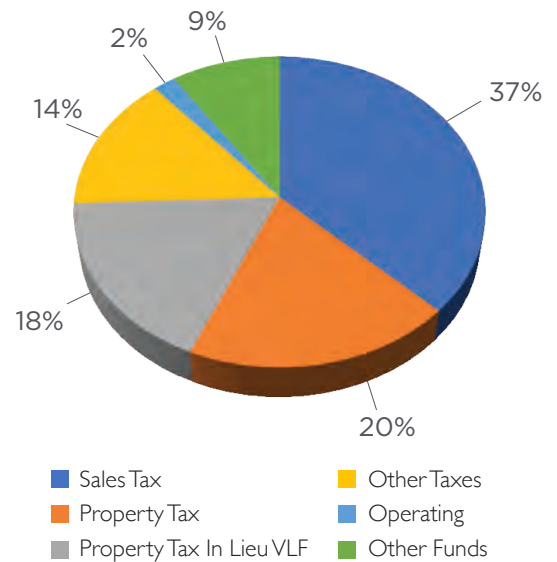
The City of Elk Grove's FY 2019-20 and FY 2020-21 Budget:

- 1 FURTHER INVESTS IN ECONOMIC DEVELOPMENT TO ATTRACT AND RETAIN BUSINESSES FOR JOB GROWTH.**
  - Continues programs that retain and recruit targeted industries and employers.
  - Supports projects and business that expand retail, dining and entertainment offerings.
- 2 ENHANCES PUBLIC SAFETY AND SUPPORTS INNOVATIVE POLICING STRATEGIES.**
  - Adds 4 Police Officers and 1 Community Service Officer and an additional 3 Police Officers and 1 Community Service Officer in FY 2020-21 .
  - Implements a new intelligence-led and data-driven policing initiative.
- 3 MAINTAINS HEALTHY RESERVE AND REALIGNS ALLOCATIONS FOR OPPORTUNITIES.**
  - Increases the City's "rainy day fund"
  - Provides resources to take advantage of potential strategic opportunities.
- 4 PRIORITIZES INFRASTRUCTURE FUNDING FOR AMENITIES THAT WILL IMPROVE QUALITY OF LIFE.**
  - Completes construction of the Community Center and Veterans Grove spaces at the Civic Center, as well as the Animal Shelter.

## WHERE DOES THE MONEY COME FROM?

Sales tax is the single largest source of revenue to the General Fund. For every dollar you spend in taxable items in Elk Grove, 1¢ of your purchase supports critical services like public safety.

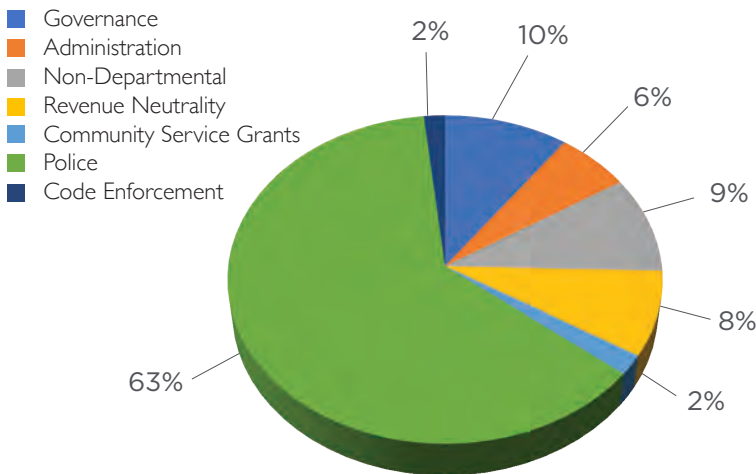
GENERAL FUND REVENUE:  
**\$77,507,526**



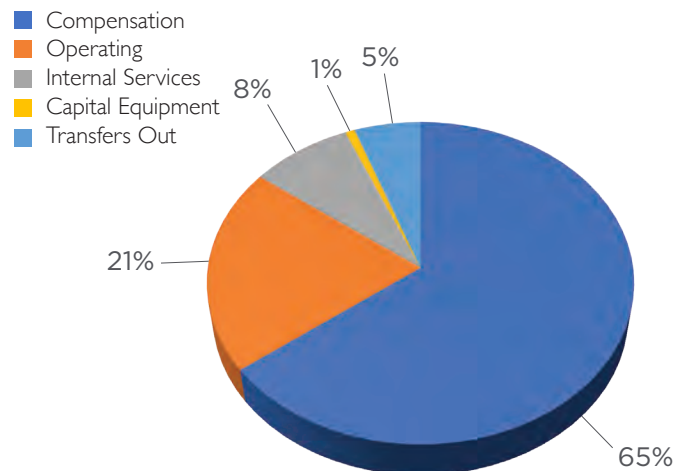
## WHERE DOES THE MONEY GO?

GENERAL FUND EXPENDITURES: **\$77,856,814**

### By Function

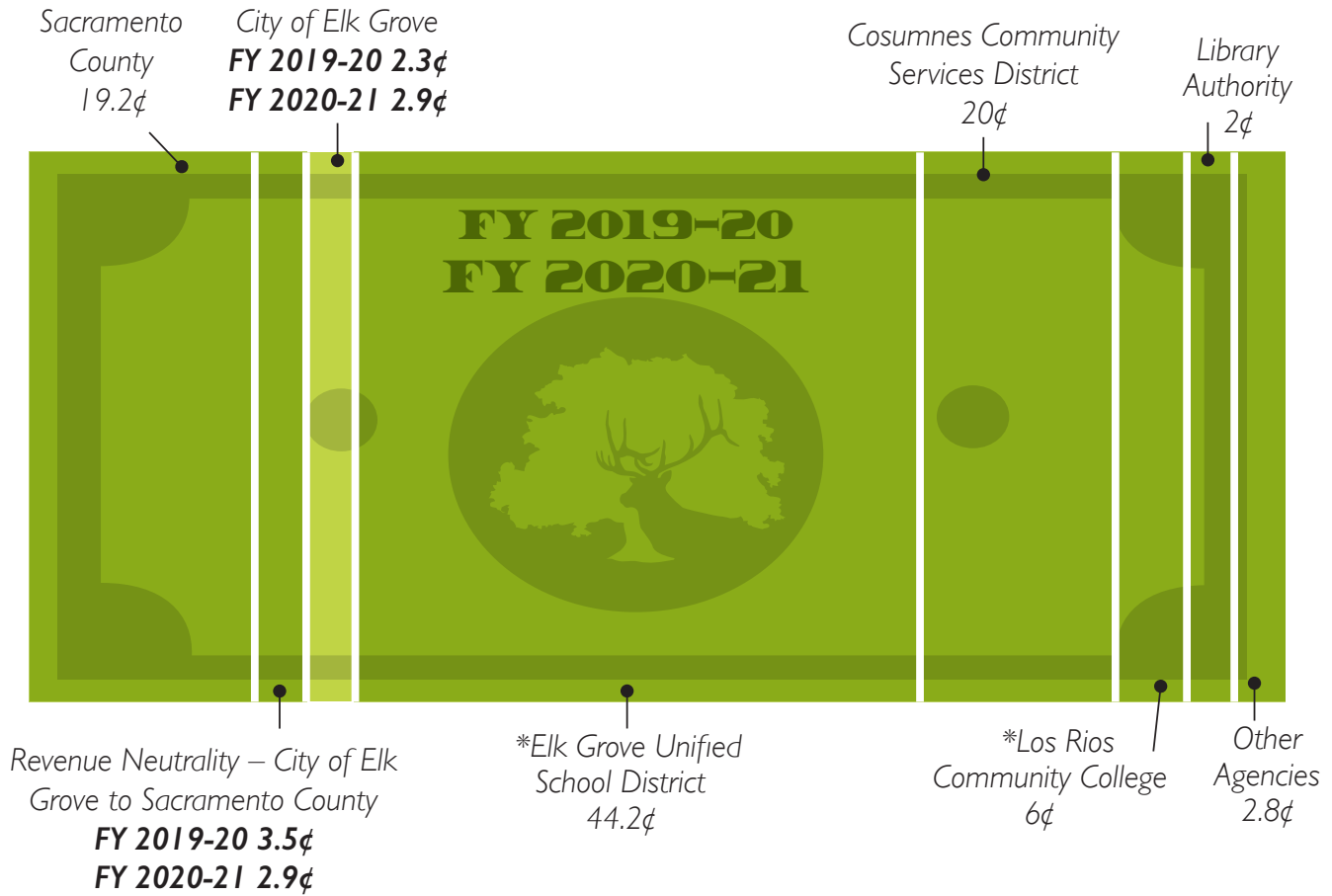


### By Category



## WHERE DO YOUR PROPERTY TAXES GO?

The City has many funding sources to provide services to its residents, including property taxes. Your property tax dollars are allocated to many different agencies that also provide services within city limits. For every dollar paid in property taxes, funds are allocated to governmental agencies and shown below.



\*The dollar bill chart includes the Educational Revenue Augmentation Fund (ERAF) distribution.

## GENERAL FUND OVER 5 YEARS

Starting FY 2020-21 revenues will exceed expenditures, resulting in moderate appropriations to fund balance for each year through FY 24.

See pages 8 & 18 of the Budget Book.



## CAPITAL IMPROVEMENT PLAN HIGHLIGHTS

The City's five year Capital Improvement Plan (CIP) is a long-range plan which outlines the City's transportation and infrastructure projects and provides a schedule with financing options. The majority of funding comes from sources other than the general fund. Highlights of the plan for Fiscal Year (FY) 2019-20 & 2020-21 include:



Old Town Plaza



Civic Center Facilities



Oasis Community Park

### KAMMERER ROAD WIDENING AND EXTENSION

- Establishes a divided two-lane extension of Kammerer Road from Lent Ranch Parkway to Bruceville Road.
- Construction Schedule:
  - Lent Ranch Road to Big Horn Boulevard - ***Beginning Summer 2020***
  - Big Horn Boulevard to Bruceville Road - ***Beginning Summer 2021***
- Future expansion will extend to Interstate 5 as part of the Capital Southeast Connector Project.

### OLD TOWN PROJECTS

#### Old Town Plaza Phase 2

- Improves entrance seating, signage, and bicycle parking.
  - ***Construction scheduled in 2020.***

#### The Railroad Street Improvement Project

- Reconstructs Railroad Street and Grove Street along the Old Town Plaza.
- Adds two public parking lots and extends utilities
  - ***Construction scheduled in 2020.***

#### Old Town Area Streetscape Project Phase 2

- Improves access for pedestrians, bicyclists and transit users from School Street to Waterman Road.
  - ***Construction scheduled through 2021.***

### CIVIC CENTER FACILITIES

- Construction of the Community Center, Commons and Veterans Grove facilities is scheduled for completion in FY 2019-20.

### OASIS COMMUNITY PARK

- Construction is in progress on 20-acre desert themed park.
- Amenities will include a large shaded picnic area, ping pong tables, playgrounds for 2-5 and 5-12 year-olds, and a water play area.
- Multi-purpose fields, pickleball and tennis courts, and basketball courts.

## CITY RETIREMENT (PERS) COSTS AND LIABILITY

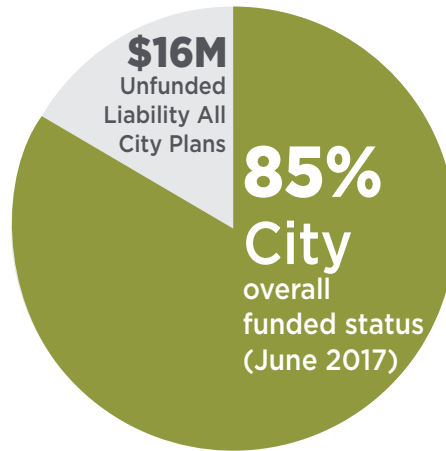
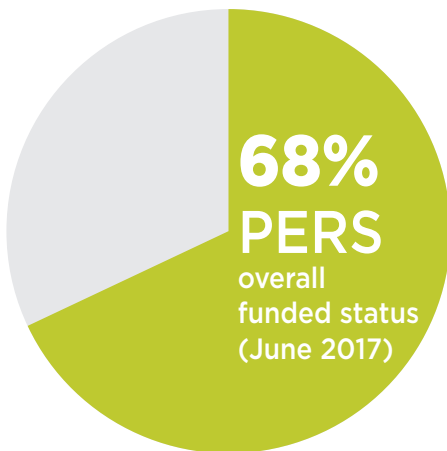
The City contracts with the Public Employees' Retirement System (PERS) to provide retirement benefits to its employees. The City's PERS costs are projected to increase compared to current costs, but the City has actively planned prepayment which will decrease these future costs. The savings to the City from interest costs are likely to be similar to the amount of the prepayments over time.

*Liability-When investment earnings are less than PERS expected, a liability is created. If there is no unfunded liability the funded status would be 100%.*

### TWO TYPES OF PAYMENTS TO PERS

- NORMAL COST - percent of payroll that funds the benefit earned in the current year
- FIXED ANNUAL PAYMENTS - payment applied to any unfunded liability

**CITY DOES NOT PARTICIPATE IN SOCIAL SECURITY**  
**EQUALS SAVINGS OF 6.2%**



### PERCENTAGE OF CITY EMPLOYEES IN MOST COSTLY TIER 1 PLANS

(highest Normal Cost)

*Since both the City and State implemented Pension Reform, the City has realized a decrease in the number of employees enrolled in the more expensive Tier 1 plan.*

Fixed Annual Required Payment to Unfunded Liability FY 2020	\$1,118,431
Budgeted Prepayment FY 2020	\$900,000
<b>Total FY 2020 Unfunded Liability Payment</b>	<b>\$2,018,431</b>

PERS projects the City's Annual Payment to continue to increase through FY 2024 to be	<b>\$1,989,000</b>
and then decrease and stabilize at	<b>\$1,600,000</b>

City has issued Accelerated Prepayments to the Unfunded Liability of almost

**\$5.3 million** since FY 15/16



### FUTURE UNFUNDED LIABILITY ACCELERATED PREPAYMENT FUNDING PLAN

- Five Year Forecast proposed a \$900,000 Annual Accelerated Payment
- Reinvest Early Payment Discount (3.5%) each Fiscal Year towards the Unfunded Liability

**QUESTIONS ABOUT THE BUDGET?** Contact City Budget Manager, Shay Narayan, at [snarayan@elkgrovecity.org](mailto:snarayan@elkgrovecity.org). View the entire budget at [elkgrovecity.org/finance](http://elkgrovecity.org/finance)