

2022-2023



# ANNUAL BUDGET

CITY OF ELK GROVE, CALIFORNIA



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FISCAL YEAR 2022-2023



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From left to right: Bobbie Singh-Allen, Mayor; Darren Suen, Vice Mayor; Pat Hume, Councilmember; Kevin Spease, Councilmember; Stephanie Nguyen, Councilmember.





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Jonathan Hobbs, City Attorney  
Jason Lindgren, City Clerk  
Bobbie Davis, Chief of Police  
Kara Reddig, Deputy City Manager  
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June 03, 2022

Mayor and Council Members:

It is my pleasure to submit for your review and consideration the Fiscal Year (FY) 2022-23 Proposed Budget (Budget). The City's proposed General Fund (discretionary) Budget is \$86 million for FY 2022-23, which is nearly \$7.3 million (9%) more than the FY 2021-22 Adopted Budget of \$78.7 million, reflecting the continuing strength of the local and regional economies. The increases are primarily due to:

- The addition of 6 new positions and the full-year cost of positions added during the current fiscal year.
- General salary and benefit increases, along with anticipated step increases for current employees.
- Operational cost increases.
- One-time equipment purchases.
- Increased Small Business Incentive Program funding.
- Debt service payments associated with City Hall facility improvements and expansion.
- The expansion of risk reserves.

The City has and will continue to construct several noteworthy capital projects that are reflected in both the prior and current Capital Improvement Program (CIP) budgets. The total Proposed Budget (including CIP) for FY 2022-23, net of transfers and internal service costs, is \$294 million, which is \$21 million (7.7%) more than the FY 2021-22 Budget of \$273 million. A primary reason for the increase is the carrying over of unspent budget on Capital Projects in FY 2021-22 into FY 2022-23. Key themes of the proposed FY 2022-23 Budget are noted below:

- Maintains and enhances the level of service to the residents of Elk Grove, with continued focused efforts on public safety, affordable housing/homelessness, traffic, and economic development.
- Establishes a sustainable fiscal plan that is structurally balanced throughout the five-year forecast period.
- Provides funding for and programming of City Council Priority Projects.
- Provides continued assistance and relief to the community for those impacted by the pandemic.
- Continues to increase reserves based on the adopted General Fund Reserve Policy, which is based on fiscal best practices.

### Financial Overview

**General Fund Reserve Analysis.** On April 24, 2019, Council adopted the General Fund Economic Uncertainty Reserve target to be between 20% and 25% of adjusted appropriations. This reserve assists the City with navigating future economic uncertainty and cash flow needs while also providing an immediate resource for emergencies and disaster recovery. Council also adopted an additional reserve called the Opportunity Reserve. This reserve adds flexibility as it will be available to provide funding for projects, acquisitions, or unforeseen events or needs. The proposed Opportunity Reserve level is targeted between 0% and 5% of adjusted appropriations. Allocation of reserves beyond the combined Reserve for Economic Uncertainty and Opportunity Reserve level of 30% of adjusted appropriations are allocated to two purposes: 50% to Capital Reserves and 50% to Economic Development, provided that reserve balances in the next budget year are adequately meeting target ranges. Given the financial position of the General Fund presented in the five-year forecast, reserves are expected to meet targets, and allocations to the Capital Reserve and Economic Development are projected to be made in each year of the forecast.



**General Fund Five-Year Projection.** The General Fund forecast assumes minor to modest economic growth and does not account for a formal recession. Despite many strong indicators of the current economy like low unemployment and solid GDP growth, there are definite headwinds that could negatively impact the economy. Inflation has remained abnormally high and resulted in the Federal Reserve to increase interest rates (which were held at historically low levels throughout the pandemic) by 0.5% at its last meeting, with another 1.9% expected in 2022. The Russia-Ukraine conflict has boosted energy prices, global supply chains remain fragile and COVID-19 lingers. Staff has analyzed recession-sensitive revenue sources and potential impacts on those sources during a recession. Therefore, staff is readily prepared to amend future budgets and forecasts to respond to an economic downturn should one arise during the fiscal year.

Consumer spending and property values typically decline in recessions, which leads to lower City revenues. Sales Tax, Utility Users Tax and Transient Occupancy Tax could be impacted significantly due to a lack of consumer spending. The City relies heavily on Sales Tax revenues (its largest individual revenue source) of which approximately 30% typically comes from auto sales. If economic activity declines, auto sales and other sales tax-generating activities are likely to decline. Recessions often result in a declining real estate market which could significantly impact Property Transfer Tax revenue due to fewer real estate transactions. Declining home values combined with a slowdown in new home construction would result in negative impacts on Property Taxes, the City's second-largest revenue source. If all the above were to hold true during a recession, the General Fund forecast would look very different, having to draw down reserves rather than increase them.

Some key assumptions regarding the General Fund Five-Year Forecast are listed below:

- Given current trends and economic indicators, the City's Sales Tax consultants project steady growth in Sales Tax revenue, averaging 2% annually.
- Property Taxes are projected to grow between 4% and 5% annually. Growth in property tax can be driven by increases in property values, new construction, and supplemental property taxes from real estate sales.
- Property Transfer Taxes due on real estate sales is \$1.10 for every \$1,000 of the purchase price of any property sold within City limits. The County of Sacramento keeps half of the \$1.10 per \$1,000 of the purchase price per sale, and the City's portion is the remaining \$0.55 per \$1,000. Modest annual growth of 1% is assumed in the forecast.
- With changing consumer patterns related to mobile data usage, Utility User Tax revenue expectations are assumed to be flat.
- Transient Occupancy Taxes (TOT) have recovered from the COVID-19 pandemic and the Marriott Townplace Suites opened in FY 2021-22. With the addition of the new hotel and continued recovery from the pandemic, TOT is expected to grow 2% annually starting in FY 2023-24.
- Cable franchise fee revenues are projected to decline slightly according to industry trends due to more residents opting for internet-based streaming entertainment rather than a traditional cable subscription. Revenues are projected to decline by 2% annually.
- In line with recent trends, continued growth in Police Services CFD levy revenues are expected in FY 2022-23 as additional properties annex into the CFD, along with a one-time drawn down of Police CFD reserves. Steady and continued growth in revenues is assumed starting in FY 2023-24.
- Six new positions are added to the General Fund in FY 2022-23, with four in the Police Department. For FY 2023-24 and beyond, the addition of 6 new positions, including sworn and non-sworn positions, are assumed annually.
- Impacts from negotiated compensation agreements are assumed in the forecast.
- The forecast assumes the practice of transferring out Recycling & Waste Franchise Fee revenue as contributions to the Capital Reserve Fund for all years of the forecast.

- Additional payments towards CalPERS unfunded liabilities are included each year. Any year where CalPERS annual investment earnings miss actuarial assumptions could cause PERS payments to increase. Continued accelerated contributions to these unfunded liabilities will mitigate some of the potential increases.
- A lease-revenue bond was issued in the spring of FY 2021-22 to finance capital improvements to various City campus facilities that house Police Department operations. Although the majority of the annual debt services payments (80%) are paid by the Police Capital Facilities Fee fund, the remaining 20% will be paid by the General Fund starting in FY 2022-23. Even with the new debt issuance, the General Fund's Debt to Revenue ratio (debt service budget vs total revenue) for FY 2022-23 is 3.53%.

General Fund Five-Year Forecast

<b>\$ in 000s</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>
<b>Beginning Fund Balance</b>	<b>25,292</b>	<b>24,774</b>	<b>25,964</b>	<b>27,056</b>	<b>28,333</b>
Total Revenues	98,338	96,215	98,242	101,276	104,402
Total Expenditures	85,996	89,836	93,490	97,460	102,393
Contributions to/from Fund Balance	12,342	6,379	4,752	3,817	2,009
<b>Initial Ending Fund Balance</b>	<b>37,634</b>	<b>31,153</b>	<b>30,717</b>	<b>30,873</b>	<b>30,342</b>
Transfer to Capital Reserve	(6,430)	(2,594)	(1,830)	(1,270)	(252)
Transfer to Economic Development	(6,430)	(2,594)	(1,830)	(1,270)	(252)
Adjusted Appropriations	82,579	86,547	90,187	94,443	99,463
<b>Opportunity Reserve - 5%</b>	<b>4,129</b>	<b>4,327</b>	<b>4,509</b>	<b>4,722</b>	<b>4,973</b>
<b>Reserve for Economic Uncertainty - 25%</b>	<b>20,645</b>	<b>21,637</b>	<b>22,547</b>	<b>23,611</b>	<b>24,866</b>
<b>Total Ending Fund Balance</b>	<b>24,774</b>	<b>25,964</b>	<b>27,056</b>	<b>28,333</b>	<b>29,839</b>
Fund Balance as a % of Adjusted Appropriations	30%	30%	30%	30%	30%
Future Reserve Target Support	-	-	-	-	-

**COVID-19.** To mitigate the financial impact of the pandemic, many economic stimulus measures were passed at both the State and Federal levels to assist small businesses, non-profits, homeowners, renters, and families. The City distributed funding it received through Community Development Block Grant funds and one-time funding provided by Federal CARES Act in FY 2020-21 to businesses and non-profits and initiated programs such as Great Plates Delivered. Last year, the Federal Government passed the American Rescue Plan Act to provide additional one-time stimulus funds for businesses and non-profits and provide assistance directly to local governments to compensate for lost revenue and costs associated with the pandemic. Through this program, the City received one-time funds of \$21.9 million and has issued millions in grants to small businesses and non-profits, granted funds to the Cosumnes Community Services District and Elk Grove Water District for critical capital and operational needs, began important infrastructure planning in the Southeast Industrial Area and made many investments in City infrastructure and services to better serve the community and operate more efficiently.

## Key Organizational Issues

**Compensation.** The Proposed FY 2022-23 Budget accounts for anticipated compensation increases for both represented and unrepresented employees.

**Long-Term Pension Obligations.** The City has prioritized making additional payments toward the City's CalPERS (California Public Employees Retirement System) unfunded accrued liability (UAL). Since FY 2015-16, the City has issued nearly \$11 million in payments to CalPERS beyond what is required. Continued annual prepayments are included in the FY 2022-23 Budget, as well as in the General Fund Five-Year Forecast. These accelerated payments help mitigate the future cost impact of CalPERS rate increases and increase the City's funded ratio, which currently sits at approximately 87%. That funding level is in the top 10% of all CalPERS agencies.

**Position Management.** There are 15 new positions budgeted for in FY 2022-23, eight of which are being converted from contract to City staff positions. All of the positions are listed below:

Department	Position	Funding Source
City Manager	Community Event Specialist	General Fund
City Manager	Economic Development Specialist	General Fund
Development Services	Administrative Analyst I/II (affordable housing/homelessness)	Housing Funds
Police	2 Community Service Officers	General Fund
Police	Records Supervisor	General Fund
Police	Lieutenant	General Fund
Public Works	Administrative Analyst I*	Public Works Admin Fund
Public Works	Administrative Assistant*	Public Works Admin Fund
Public Works	3 Maintenance Technicians I/II*	Drainage Fund
Public Works	Senior Maintenance Technician*	Drainage Fund
Public Works	2 Street Sweeper Operators*	Drainage Fund
<b>Total FTE</b>	<b>15</b>	

**Note:** An “\*” to the right of a position title indicates that the position is being converted from Contract staff to City staff.

- City Manager:** The completion of the renovated Old Town Plaza and continued efforts to expand event programming at District56 are generating an increase in workload for event production and activation beyond current capacity. The addition of another Community Event Specialist will provide the Public Affairs team with adequate assistance to support, plan, market, produce, and evaluate new and expanded City and partner events held at these newer facilities. The new Economic Development Specialist will help the department meet the City's economic development goals and strategies including growing the tax base, creating employment opportunities, facilitating capital investment, expanding emerging and new employment centers, facilitating the development of enhanced lifestyle amenities, elevating design and architecture, attracting and expanding target industries and diversifying housing options.

- **Development Services:** The workload of the Housing Division has increased significantly in recent years, with a growing focus on developing more affordable housing and addressing homelessness. The City currently has more than 1,000 units of affordable housing under construction or pending financing and all of the projects will require compliance oversight and monitoring (in addition to the 1,800 units already in the City's investment portfolio). Also, the City intends to move forward with developing three properties it owns as affordable housing. Each of the three sites will need developer partner selection, underwriting, and loan negotiation and facilitation. The City's newly adopted Housing Element includes an increase in tasks required to remain in compliance with State law, at a time the State is also stepping up enforcement of Housing Element policies. Therefore, the City needs to add another Administrative Analyst in the Housing Division to support the above efforts.
- **Police:** A department-wide staffing and efficiency study recently completed by City Gate recommended adding the requested positions to the Department. Currently, the Police department is authorized 21 Community Service Officer positions. The majority of Community Service Officers are assigned to the Operations Division. However, there are Community Service Officer positions in the Detective Bureau and the Community Resources Bureau. The two additional Community Services Officers would be allocated with one position being assigned to the Operations Division (Field Services Bureau) and the other one to the Investigations Division (Detective Bureau).

The current staffing in the Records Bureau consists of eight Police Records Technicians I/II, one Police Records Supervisor, one part-time Police Records Technician, one Security Officer, and one Police Records Manager. Given this current staffing level, the span of control for the single Police Records Supervisor is anywhere between nine to eleven employees consisting of nine FTEs and one or two part-time employees. Further, the demands upon the Records Bureau have increased dramatically, particularly in the area of California Public Records Act, requests for information, and body-worn camera/in-car camera video requested for court purposes. Therefore, an additional Police Records Supervisor position is needed.

Since the creation of a stand-alone Police department in 2006, the department has maintained seven Lieutenant positions, all the while increasing sworn and non-sworn staffing managed by the Lieutenants. As the department and community have grown over the past seventeen years, so have the projects, ancillary duties, and responsibilities placed upon the watch commander Lieutenants. The duties of the new administrative Lieutenant would include but not be limited to Mobile Crisis Support Team, Unmanned Aerial Systems program, Canine program, Mobile Field Force program, Joint Terrorism coordinator, Honor Guard program, Emergency Services Task Force manager, and School Resource Officer program. The administrative Lieutenant will report to the Operations Division Captain and manage the programs listed above along with additional duties as needed.

- **Public Works:** The Administrative Analyst I and Administrative Assistant positions will replace services currently provided by Interwest Consulting Group. The conversion to City staff will save over \$20,000 annually, as well as additional organizational benefits such as increased levels of service, including being able to process requisitions in the City's financial system, which independent contractors are currently not able to do. These new Public Works positions will be funded by the Public Works Administration Fund.

Public Works has designed and will be implementing a 10-year preventative maintenance plan for the maintenance, repair, inspection, and cleaning of storm drain lines. This plan includes the creation of six new positions to be converted from contract services: three Maintenance Technicians I/II's, one Senior Maintenance Technician, and two Street Sweeper Operators. The Maintenance Technician I/II's will be part of the drainage crew responsible for performing maintenance of channels, pump stations, and related infrastructure, which is currently contracted out. Bringing these services in-house will reduce operational costs by at least \$500,000 after conversion. These new Public Works positions will be funded by the Drainage Fund.

In addition to these new positions proposed for FY 2022-23, 5.5 new positions were added to the current year budget by the end of February 2022.

<b>Department</b>	<b>Position</b>	<b>Funding Source</b>
City Manager	Management Analyst	General Fund
City Manager/D56	Customer Service Specialist (.5 FTE)	CFD 2005-1 Maint. Fund
City Manager	Senior Transportation Planner	General Fund, Transit Fund
Police	Senior Customer Service Specialist	General Fund
Police	Communications Intelligence Specialist	Supplemental Law Enforcement Grant
Police	Police Equipment/Supply Technician	Supplemental Law Enforcement Grant
<b>Total FTE</b>	<b>5.5</b>	

**Reclassifications.** Below are the position reclassifications included in the FY 2022-23 Proposed Budget:

- Risk Manager: The current Risk Analyst is responsible for the overall planning, directing, and managing of all activities of the City’s risk management program. This includes the creation, implementation, maintenance, and evaluation of programs, policies, and procedures affecting all City departments. These duties are typical of a general Risk Manager in the public sector.
- Police Services Analyst: An independent desk audit was recently completed on one Senior Administrative Assistant position in the Police Department. The audit found that the scope of duties, breadth of responsibility, and requisite knowledge and abilities assigned to the position are not consistent with the Senior Administrative Assistant and are better aligned with the Police Services Analyst classification.
- Public Works Division Manager – Engineering (Traffic Engineering Manager): With the previously approved creation of the Deputy Public Works Director/City Engineer and the reallocation of traffic engineering duties from consultants to City employees, the reporting structure and organization within the Public Works department has changed, requiring the Traffic Engineer to have more direct responsibility for managing staff and overseeing traffic division operating budgets.
- 911 Call Taker: The previously-mentioned staffing and efficiency study also recommended converting four authorized and currently vacant Dispatcher positions into 911 Call Takers. This change provides the Department with the ability to flexibly classify up to four existing positions and provides a pathway in which successful 911 Call Takers would be able to move into formal Dispatcher roles or, if desired, remain as 911 Call Takers who can take both emergency and non-emergency calls.

## FY 2022-23 Service Plan

In April 2021, the City Council adopted the following vision statement used to guide the development of this budget document:

***Elk Grove prioritizes a superior quality of life for all that builds upon the community's diversity and heritage through safe, welcoming, and connected neighborhoods, with a variety of residential, educational, and employment choices and amenities that create a sense of place.***

The City Council also adopted four strategic goals that form the basis of the FY 2021-22 and FY 2022-23 service plan. The following section highlights key elements of the service plan for each strategic goal:

### **A vibrant community and sustainable economy with diverse businesses and amenities.**

*Facilitate business attraction, retention, and expansion efforts that maximize employment, capital investment, and tax revenues, reduce barriers, and that promote equity and inclusion in entrepreneurship*

*Facilitate development of enhanced retail, dining, arts and entertainment, hospitality projects and experiences that serve residents and visitors*

*Ensure public and private development that is high-quality and attractive, contributing to a sense of place*

*Plan and facilitate development of neighborhoods of varying densities and characteristics - from rural to suburban to urban*

*Support efforts that further a resilient business community*

- **Elk Grove Zoo:** On March 23, 2022, the City Council received a report on the results of a Feasibility Study and Economic and Revenue Impact Analysis for a potential zoo in Elk Grove. The study and analysis concluded that the development of a Zoo in Elk Grove was potentially viable, subject to the financial assumptions and site program considered in the reports. Based on these results, the Council directed staff to continue working with the Sacramento Zoological Society (SZS) on the project. Staff and SZS worked toward the preparation of a Memorandum of Understanding (MOU) that outlines the activities, responsibilities, and outcomes of the next phase of work for the Zoo project. As provided in the MOU, SZS will be financially responsible for the preparation of the master plan, including the conceptual and schematic design work. The City will continue to be responsible for the sizing and design of the off-site infrastructure, including water, sewer, roadways, and other utilities. The work between the two teams will be closely coordinated and much of the off-site work will be informed by the Zoo design. The proposed budget does not contain any cost assumptions regarding the construction and/or operation of the Zoo.
- **Project Elevate:** The City owns a 20-acre property at the southeast corner of Elk Grove Boulevard and Big Horn Boulevard, just north of District 56 (the Community Center/Aquatics Center) and is pursuing its development as a mixed-use project that includes retail, dining, entertainment, office, and residential uses, as well as a hotel. The City hired Turton Commercial Real Estate to assist with marketing the property and solicited proposals, which the City is currently reviewing. Once a developer (or developers) is selected, they would be responsible for constructing the project. This would involve getting City approvals for the design of individual buildings, marketing the project and securing tenants, and maintaining in subsequent years. In the best economy, Project Elevate could take five years to develop at once, and possibly up to 15 years to develop in a phased manner, and City financial participation would almost certainly be required to make the project financially feasible.

- **Economic Development Activities:** The City’s Office of Economic Development will continue to administer the City’s numerous economic development programs, including the following key activities:
  - Lead the City’s efforts related to economic recovery in response to the impacts of the COVID-19 pandemic.
  - Administer the City’s Business Retention and Expansion Program to include targeted business visitations to identify and assist businesses seeking to expand within the City and prevent the relocation of businesses out of the City.
  - Administer the City’s Business Recruitment Program with an emphasis on target industries at target employment centers while aligning recruitment activities with resident employment needs/choices.
  - Administer the City’s Small Business Support Program and Startup Program to identify small business startup and scale-up candidates and support their launch and growth to foster future major employers and tax revenue generators.
  - Administer the City’s Workforce Development Program to grow the community’s workforce, while maintaining low resident unemployment rates, through partnership with employers and regional workforce development providers. Emphasis will be placed on meeting the employment needs of our major and emerging companies and upskilling unemployed and underemployed residents for tech sector and life sciences jobs.

**A safe and resilient community.**

*Invest in community safety*

*Enhance quality of life by ensuring the highest level of public safety through world class service and community collaboration*

*Engage in fair and impartial interactions with our diverse community and build trust through transparency, inclusiveness, and equity*

*Plan and prepare for effective emergency operations by employing emerging technologies to better serve our community*

*Promote a sustainable community and protect the natural environment*

*Promote solutions to homelessness that align services and shelter with the needs of the population*

- **Neighborhood Policing Efforts:**
  - The Police Department entered into a contract with Community Against Sexual Harm Project to conduct a 3-year research project to estimate the scope of sex trafficking in Sacramento County. The Investigations Division will be responsible for providing crime data and will attend training related to Human Trafficking.
  - The Department was awarded a 3-year, \$70,300 Tobacco Law Enforcement Grant through the California Department of Justice, Division of Law Enforcement Grant with an end date of June 2024. Grant funds will be directed towards inspections, enforcement, and decoy operations designed to reduce the underage use of tobacco products.

- **Real-Time Information Center (RTIC):** The Department's Real-Time Information Center (RTIC) became fully operational in March 2020. The RTIC has since been operating as a central hub of a wide range of technologies that support and improve the Department's policing strategy. The department has access to real-time crime data that assists officers when called out to crimes in progress, as well as the investigation of crimes already committed. The RTIC recently hosted a regional symposium and workshop to demonstrate the RTIC's capabilities and to share information between jurisdictions. Additional technology will continue to be identified and deployed to better enhance its capabilities and improve community safety. An additional \$100 thousand is being budgeted in FY 2022-23 to help with this effort.
- **Family Services Program:** The Family Services Program is a newly-created function focused on the prevention, intervention, and education of domestic violence incidents. Grant funding through the Department of Justice has allowed the Department to maintain its Domestic Violence Response Team, which includes a partnership with the Sacramento chapter of WEAVE. The Team includes one full-time Detective and one full-time WEAVE Advocate working together to reduce domestic violence through enforcement, advocacy, and support services.
- **Sustainability Efforts:** Sustainability continues to be a priority for the City as an organization. To further foster a culture of sustainability within the organization the following activities are planned to be completed during FY 2022-23:
  - Greenhouse gas (GHG) inventory for local government operations — the inventory will help the City in determining those sectors with the highest GHG contributions to prioritize activities for reductions.
  - Fleet transition plan — the plan will help the City plan for the transition from gas to electric vehicles for all City-owned vehicles. The plan would include a review of the electric vehicle charging infrastructure needed at City facilities to support the transition.
  - Environmentally preferable purchasing program — this activity will implement Action 12.3 of the General Plan and produce a program that considers locally produced, environmentally friendly, recycled content and other sustainable practices when contracting for services.
  - City employee bike share program — a bike share program for City employees would help to reduce vehicle GHG emissions by allowing employees to use shared City bikes for short trips between facilities or trips in bike-accessible locations around City facilities.

**A high performing organization**

*Maintain and strengthen the fiscal health and stability of the City*

*Embrace new ideas and innovation in the delivery of services*

*Provider responsive and courteous customer service*

*Promote Diversity, Equity, and Inclusion within the City organization and larger community*

*Further regional cooperation and collaboration, keeping the City's best interest in mind*

*Engage the community often and in a transparent and inclusive way*

*Maximize investments in innovation to improve the lives of residents and streamline operations*



- **Diversity, Equity and Inclusion:** The City's Diversity, Equity and Inclusion (DEI) efforts include the DEI city staff team whose primary task is to prioritize and implement employee-focused inclusion efforts. These efforts also include a 10-member resident Diversity and Inclusion Commission that works with the community on issues related to diversity and inclusion. For FY 2021-22 the major projects for implementation included a specific focus on increased community outreach, creative online outreach opportunities, marketing, and job fairs to build upon the City's diversity and inclusion strategy. These efforts support the City's commitment to attracting, developing, and retaining a high-performing diverse workforce.
- **Regional Partnerships:** Staff continues to work with our regional partners, including Sacramento County, the Cosumnes Community Services District (CCSD), the Sacramento Area Council of Governments, the Local Agency Formation Commission, and Greater Sacramento Economic Council, among others, to deliver the best value and services to our residents and promote the economic success of our businesses. An important example of this commitment to regional partnerships and collaboration is the Aquatic Center operating agreement between the City and the CCSD. The new Community Partnerships and Government Relations Manager in the City Manager's office will assist the City in continuing and strengthening these efforts.
- **Infrastructure Maintenance:** In FY 2021-22, Operations & Maintenance staff kicked off operations in the Computerized Maintenance Management System, Cityworks. The system has brought many new beneficial features that were unknown at the time of selection and have been added with the newest versions released by Cityworks. New tools for material tracking through bar code use and performance budgeting are scheduled to be introduced post go-live and will improve the Division's tracking preventative maintenance programs, which will lower maintenance costs and reduce maintenance shortfalls. Cityworks continues to offer expanded and new modules and feature development which benefit users and reduce wasted time and repetitive research and have made the Division nearly fully automated.

**A city with infrastructure that meets its current and future needs**

*Improve effectiveness and efficiency of maintenance and operations of City facilities and infrastructure*

*Implement enhancements to the City's roadways, bicycle and pedestrian routes, and transit system*

*Provide infrastructure that supports business attraction and expansion*

*Plan for future transportation technologies and innovations*

*Align funding with the City's infrastructure goals*

- **Kammerer Road Widening and Extension:** The Kammerer Road Extension Project is the City's top infrastructure priority. This project is programmed in the current CIP as a divided two-lane extension of Kammerer Road from Lent Ranch Parkway to Interstate 5. This initial work is the first phase of a larger four-lane project currently in the environmental phase, with the California Environmental Quality Act work complete, and the National Environmental Policy Act work still in progress. There is sufficient funding to complete the design and acquire the needed right of way for the two-lane extension from Bruceville Road to I-5. This work will leave the City with a shovel-ready \$63 million construction project, that will need \$37 million in grant funding. Staff intends to follow a dual-track strategy for grant funding. The first track will assume funding comes in smaller increments. Therefore, construction would occur in phases heading east to west. The second track will be to try and fund the entire four-lane project from various state and federal sources. The key to overall success, no matter the track used, will be to get the entire two-lane extension shovel ready.

- Street Maintenance:** To track the condition of the City's pavement asset, staff has been using the StreetSaver pavement management program since 2003. The use of this tool is common throughout the public works field. StreetSaver includes all the City's public streets in a database along with the area of pavement and current condition. The pavement condition rating is based on several factors that when input provide a numerical score or pavement condition index (PCI) that is between 0 and 100, with 0 being essentially a gravel road and 100 corresponding to a new road. An average PCI of 70 or above is considered excellent/good. Elk Grove's current average PCI is 77 which is in the 90th percentile in the State of California and the highest in Sacramento County. The PCI has been increasing since 2017 due to more accurate field inspection data being input into the program and increased maintenance treatments like crack sealing and newly built streets. The City must continue to invest in pavement maintenance to maintain the current average PCI. Each year the Capital Improvement Program (CIP) includes an Annual Pavement Slurry Seal and Resurfacing Project (WPR023 for FY 2022-23). In addition, more than \$40 million in funds are earmarked in the CIP for the following four years for pavement slurry seal and resurfacing.
- Laguna Creek Inter-Regional Trail System:** The Laguna Creek Trail has been identified as the highest priority trail corridor by the Elk Grove Trails Committee. This regional trail will provide access to a variety of schools, transit, disadvantaged communities, and residential and commercial uses along the corridor. The Inter-Regional Trail has several gaps that need to be closed for it to function as an inter-regional facility. The Laguna Creek Trail and Bruceville Road Sidewalk Improvements Project (WTL019 Project) will complete a gap on the west side of State Route 99. The WTL019 Project is nearing the end of environmental clearance work and construction is anticipated to start in 2023. The Laguna Creek Trail - Camden Lake to East Stockton Blvd/State Route 99 Project (WTL018) will fill the gap between State Route 99 and Camden Lake and is in the process of environmental clearance with construction anticipated as soon as 2023. The Laguna Creek Trail Crossing at State Route 99 Project (WTL016) has been included in the CIP to provide the needed bridge across State Route 99 to close a major gap and remove the freeway as a barrier along the Laguna Creek Inter-Regional Trail System between the east and west sides of the freeway.
- City Facility Improvements:** The budget contains approximately \$12.5 million for several City facility renovation projects that will address the Police Department's space needs for the next decade. The 9362 Studio Court Acquisition and Remodel Project (WFC037) will enable the Property & Evidence and Forensics units to move into that facility. The 8380 Laguna Palms Way Tenant Improvements Project (WFC038) and 8400 Laguna Palms Way Tenant Improvements Project (WFC039) will renovate the spaces currently occupied by police personnel moving to the Studio Court building. The 10190 Iron Rock Way Tenant Improvements Project (WFC045) will make several improvements to the Iron Rock facility, including expanding the facilities for female officers. The PD Campus Improvements Project (WFC041) will provide exterior improvements to create an overall safe and efficient campus.

## **Conclusions & Acknowledgments**

I want to acknowledge and thank Budget Manager Shay Narayan, Finance and Budget Analyst Matt Ruiz, and Budget Assistant Amitesh Chand for their hard work and dedication in preparing this document. I also want to thank Finance Analysts Kara Taylor-Seeman and Renee Autar and Administrative Analyst Jannet Meyer for their contributions and support of the Budget team. Additionally, I thank the Mayor and City Council for promoting and supporting fiscally-sustainable practices.

A preview of the Budget was presented to the Council at the May 25 Council meeting, with an opportunity for questions, comments, and direction. Staff will present the Budget for further discussion, deliberation, and possible adoption at the June 8th Council meeting. The Budget may be adopted on June 8th or June 22nd.

My staff and I look forward to working with you as you review the proposed budget. During your review, please contact me with any questions that you or the public may have concerning the Proposed FY 2022-23 Budget.

Respectfully submitted,



Jason A. Behrmann  
City Manager



## COMMUNITY PROFILE

### **History**

In 1850, Elk Grove was established as a hotel stage stop. It is located about 15 miles south of historic Sutter's Fort and thus became a crossroads for business, entertainment, mail service, and agriculture, and acted as a home base for gold miners in nearby communities. After it played its part in the early gold rush and statehood history in California, a close-knit community evolved with a distinctly rural and western lifestyle. Elk Grove had its start in agriculture which is still a big part of the area's lifestyle today, with vineyards, and small-scale dairy, cattle, and row crops. Despite its proximity to California's capital city, Elk Grove remained quietly independent of Sacramento's growth and development as it expanded into adjoining countywide areas until the 1980s. In the 1980s, growth began to find Elk Grove as new housing and retail development made its way south to the area. In 2000, Elk Grove incorporated and became its own city. At incorporation, the population was approximately 60,000 people. Today, the population is approaching 180,000 and Elk Grove is a thriving community with a sustainable economy. Growth has brought change, but Elk Grove has not lost sight of its proud heritage and continues to plan for a vibrant and bright future.

### **Modern Elk Grove**

Today Elk Grove is a vibrant and fast-growing high-quality suburban community of approximately 179,000 people. Located 14 miles south of the California State Capitol in the State's affordable Central Valley. Elk Grove is a young, ethnically diverse, modern family- and business-friendly community, with low crime, excellent schools, 100 community parks, excellent dining and shopping options, numerous annual community events and festivals, and over 270 sunny days per year. The median household income is \$101,776, the median home value is \$684,000, and 62% of adults over 25 are college-educated.

### **Type of Government**

Elk Grove is a general law city under the laws of the State of California and operates under the Council-Manager form of governance. Elk Grove is in the 7th Congressional District, the 10th State Assembly District, the 8th State Senate District, and the 5th County Supervisorial District. Elk Grove's Mayor is elected city-wide every two years, while its City Council members are elected by district every four years. Elk Grove operates its own Development Services, Public Works, Finance, and Police Departments, and is also served by the Elk Grove Unified School District, and the Cosumnes Community Services District which provides fire and emergency medical and parks and recreation services. The City's current elected officials and their term expirations are as follows:

<b>Name/Office</b>	<b>Term Expiration</b>
Bobbie Singh-Allen, Mayor	2022
Stephanie Nguyen, Vice Mayor	2022
Pat Hume, Councilmember	2022
Darren Suen, Councilmember	2024
Kevin Spease, Councilmember	2024



## COMMUNITY PROFILE

### **Elk Grove's Economy**

While we are rooted in agriculture and California's gold rush, and later suburban services and retail, today, there are substantial and thriving high technology, medical and life sciences, advanced manufacturing, government, and hospitality sectors throughout the City. Major corporations like Apple, AllData, the State of California, Cardinal Health, Costco, Amazon, Kaiser, Sutter, Dignity, and UC Davis call Elk Grove home. Commercial rents and land costs are affordable and the City has virtually no seismic risk.

### **Key Businesses**

(The determination for what qualifies as a Key Business is a hybrid of employment, tax revenue, and facility size.)

Amazon  
AutoZone  
Cardinal Heath  
Costco  
Cosumnes River College  
Elk Grove Buick GMC  
Elk Grove Honda  
Elk Grove Toyota  
Enterprise Car Sales  
ForAnyAuto Group  
Hampton Inn & Suites  
Holiday Inn Express  
Kabota Tractors  
Lasher Auto Group  
Mi Rancho  
RVs of Sacramento  
State of California  
UC Davis Health  
Sky River Casino

Apple  
California Northstate University  
City of Elk Grove  
Cosumnes Community Services District  
Dignity Health  
Elk Grove Ford  
Elk Grove Kia  
Elk Grove Unified School District  
Extended Stay America  
GNB KL Group  
Hilton Garden Inn  
International Paper  
Kaiser Permanente  
Maita Chevrolet  
Niello BMW Elk Grove  
Slakey Brothers  
Sutter Health  
Universal Custom Display

### **Top 25 Sales Tax Producers**

Apple  
Best Buy  
Costco  
Elk Grove Acura  
Elk Grove Ford  
Elk Grove Kia  
Grantline Arco  
Kohls  
Maita Chevrolet  
Nissan/Mazda of Elk Grove  
Shell Gas Station  
Target  
Walmart

Bel Air Market  
Chevron  
EG Dodge/Jeep/ Chrysler/Audi/VW/Subaru  
Elk Grove Buick/GMC  
Elk Grove Honda  
Elk Grove Toyota  
Home Depot  
Laguna 76  
Niello BMW  
Ross  
Slakey Brothers  
Total Wine & More

## City Council Mission, Vision, and Goals

The involvement of the City Council in instituting direction is essential to the budget process. The mission, vision, and goals provide overarching and long-term direction to staff, help determine the allocation of resources and establish priorities.

The City Council developed the following mission, vision, and goals for Fiscal Years 2021-22 and 2022-23 during their Strategic Planning sessions on February 25, 2021. The mission, vision, and goals were formally adopted by Council on April 28, 2021. The Council goals are the driving force behind all budget recommendations made by the City Manager and City staff in presenting this budget document for Council consideration.

### **CITY COUNCIL MISSION AND VISION STATEMENTS AND GOALS FOR FISCAL YEARS 2021-22 AND 2022-23**

#### **MISSION**

Provide exceptional services that enhance the quality of life for our residents and promote a thriving economy in an efficient and cost-effective manner.

#### **VISION**

Elk Grove prioritizes a superior quality of life for all that builds upon the community's diversity and heritage through safe, welcoming, and connected neighborhoods, with a variety of residential, educational, and employment choices and amenities that create a sense of place.

#### **GOALS**

##### **A vibrant community and sustainable economy with diverse businesses and amenities**

- Facilitate business attraction, retention, and expansion efforts that maximize employment, capital investment, and tax revenues, reduce barriers, and that promote equity and inclusion in entrepreneurship.
- Facilitate development of enhanced retail, dining, arts and entertainment, hospitality projects and experiences that serve residents and visitors.
- Ensure public and private development that is high-quality and attractive, contributing to a sense of place.
- Plan and facilitate development of neighborhoods of varying densities and characteristics - from rural to suburban to urban.
- Support efforts that further a resilient business community.

##### **A safe and resilient community**

- Invest in community safety.
- Enhance quality of life by ensuring the highest level of public safety through world class service and community collaboration.
- Engage in fair and impartial interactions with our diverse community and build trust through transparency, inclusiveness, and equity.
- Plan and prepare for effective emergency operations by employing emerging technologies to better serve our community.
- Promote a sustainable community and protect the natural environment.
- Promote solutions to homelessness that align services and shelter with the needs of the population.

**A high performing and financially stable City government**





- Maintain and strengthen the fiscal health and stability of the City.
- Embrace new ideas and innovation in the delivery of services.
- Provide responsive and courteous customer service.
- Promote Diversity, Equity, and Inclusion within the City organization and larger community.
- Further regional cooperation and collaboration, keeping the City's best interest in mind.
- Engage the community often and in a transparent and inclusive way.
- Maximize investments in innovation to improve the lives of residents and streamline operations.

**A city with infrastructure that meets its current and future needs**

- Improve effectiveness and efficiency of maintenance and operations of City facilities and infrastructure.
- Implement enhancements to the City's roadways, bicycle and pedestrian routes, and transit system.
- Provide infrastructure that supports business attraction and expansion.
- Plan for future transportation technologies and innovations.
- Align funding with the City's infrastructure goals.



### PRIORITY PROJECTS

Row ID	Priority Project	Description	Responsible Departments		Goals Implemented by this Project/Action			
			Lead	Support	 Vibrant community and sustainable economy	 Safe and resilient community	 High performing and financially stable City government	 City Infrastructure
<b>A Civic Amenities</b>								
A1	Complete design and construction of remaining phases of Old Town Plaza	Phase 2: Construction of frontage and entrance improvements for the plaza along Elk Grove Blvd. Phase 3: Remaining improvements include pavilion and plaza.	Public Works	Economic Dev.	✓			
A2	Complete design and construction of Civic Center Nature Area	Construction of a passive recreational area on the remaining 30 acres of the Civic Center South Property.	Public Works	City Manager	✓	✓		
A3	Complete acquisition, design, and tenant improvements for the new Elk Grove (Old Town) Library	Complete acquisition of 9260 Elk Grove Boulevard and prepare schematic design of the relocated Elk Grove Library Branch.	Public Works	Strategic Planning and Innovation	✓			
<b>B Transportation</b>								
B1	Kammerer Road: • Replace existing 2 lane Kammerer Road from Lotz Parkway to Bruceville Road • Extend Kammerer Road from Bruceville Road to I-5	Reconstruction and extension of Kammerer Road as described.	Public Works	-	✓	✓		✓
B2	Whitelock Parkway Interchange – complete project design and environmental review	Construction of an interchange at Whitelock Pkwy and State Route 99.	Public Works	-	✓			✓
B3	Complete the Grant Line Phase 2 Widening from Waterman to Bradshaw	Widen Grant Line Road from Waterman to Bradshaw from 2 lanes to 4 lanes and install new signals at Mosher and Bradshaw	Public Works	-	✓			✓
B4	Complete Elk Grove Blvd Streetscape Phase 2, School Street to Waterman Road	Widening of Elk Grove Blvd. including a 2-way left turn lane, 2 travel lanes, buffered bike lanes and curb gutters, sidewalks, and frontage improvements. Also entails includes utility undergrounding.	Public Works	-	✓			✓
B5	Expand traffic signal communication network and increase bandwidth to improve signal synchronization and traffic operations and reduce congestion	Complete upgrades to traffic signal cabinets and connect to fiber optic and/or cellular service.	Public Works	IT, Police		✓		✓
B6	Implement adaptive traffic signal control pilot project	Upgrade equipment and traffic operations software and deploy a pilot adaptive traffic signal program for Elk Grove Boulevard from Elk Grove-Florin to Bruceville.	Public Works	IT		✓		✓
B7	Adopt Bicycle, Pedestrian, and Trails Master Plan Update	Prepare a comprehensive update to the Bicycle, Pedestrian, and Trails Master plan for consistency with the updated General Plan.	Strategic Planning and Innovation	Public Works	✓			✓
B8	Prepare the Laguna Creek Inter-Regional Trail Master Plan	Prepare the Laguna Creek Inter-Regional Trail Master Plan and append to the Bicycle, Pedestrian, and Trails Master Plan	Strategic Planning and Innovation	Public Works	✓			✓
B9	Implement the Mobility Resiliency Plan	Begin implementation of the Mobility Resiliency Plan by undertaking near-term actions called for in the Plan.	Strategic Planning and Innovation	Public Works, Finance		✓		✓
B10	Support Regional Transit's efforts to extend Light Rail (LRT) to the City	Planning for an extension of Light Rail services into the City.	Public Works	-	✓			✓
B11	Support the San Joaquin Regional Rail Commission's effort to extend the Altamont Corridor Express (ACE) train service to Elk Grove.	Planning for the extension of ACE services into the City	Public Works	-	✓			✓
<b>C Community Development</b>								
C1	Complete Railroad Street revitalization project	Improving streets with striping, curb gutters, and sidewalks. Creating on-street parking, 2 parking lots, and putting utility lines underground.	Public Works	Economic Dev.	✓			✓
C2	Update the Old Town Special Planning Area	Prepare a comprehensive update to the Old Town Special Planning Area.	Strategic Planning and Innovation	Dev Services, Economic Dev.	✓			
C3	Undertake efforts to advance the development of Project Elevate, creating a mixed-use neighborhood at the City property at Big Horn and Elk Grove Boulevard	Outreach to potential development partners and explore partnership opportunities to develop the site consistent with the established vision	Economic Dev.	Strategic Planning and Innovation	✓			
C4	Complete Design Guidelines update	Updating the rules, first made in 2003, that direct the Design Review process for all development projects. Include revisions relative to middle income housing.	Dev. Services	-	✓			
C5	Implement the Urban Design Study for Kammerer Road Corridor	Prepare revisions to the General Plan, SEPA Community Plan, and Zoning to implement the Kammerer Road Urban Design Study	Strategic Planning and Innovation	Economic Dev., Dev. Services, Public Works	✓			
C6	Implement programs that address homelessness in Elk Grove	Explore funding or other forms of support for housing and services for people experiencing homelessness	Dev. Services	-	✓	✓		
<b>D Community Safety</b>								
D1	Promote improvements to telecommunication services throughout the City	Facilitate improved telecommunications access for residences and businesses.	Strategic Planning and Innovation	Public Works, Economic Dev.		✓		✓
D2	Complete a comprehensive staffing and efficiency study for the Police Department	Utilizing a commissioned study to help inform a 3-5 year plan for hiring additional staff, considering staffing models, efficiencies in operation(s), and the expanded use of technology.	Police	Human Resources		✓		✓
D3	Adopt plan to remove all developed property from 200-year floodplain	Analyze flood risk in the City for a 200-year storm event and develop alternatives and associated costs for potentially mitigating the risks.	Public Works	-		✓		

## BUDGET DEVELOPMENT STRATEGIES

E	City Operations						
E1	Complete construction of the Police Department Campus improvements and expansion	Construction of improvements at 9362 Studio Court for relocation of Property and Evidence and Forensics	Public Works	Police		✓	✓
E2	Continue efforts of promoting Diversity, Equity, and Inclusion within City government, as well as in the community	Continue diversity and inclusion efforts within the City organization and expand programs into the community.	City Manager	-	✓		✓
E3	Update the City's Citizen Request Management (CRM) system to improve reporting of community issues	Acquire and deploy a new CRM system that provides better cross-department coordination and reporting of issue status and follow up	IT	Public Works, Dev. Services			✓
E4	Undertake a Smart City Initiative	Develop strategies and best practices that improve the City's use of data in decision making processes and leverage technology to address local issues.	Strategic Planning and Innovation	Public Works, Finance	✓	✓	✓
E5	Conduct the 2021 Redistricting Effort	Conduct community outreach and complete an update to the City's district boundaries consistent with State and Federal law and the results of the 2020 Census	City Clerk	City Attorney			✓
E6	Maintain Elk Grove's roadways in a state of good repair	Identify opportunities to extend pavement management efforts with existing limited resources and identify new resources that could improve and expand the program.	Public Works	Finance			✓
E7	Undertake community discussions on needs, priorities, and opportunities to enhance the quality of life for Elk Grove residents and create an environment that allows local businesses to thrive.	Have discussions with residents and businesses on a potential revenue measure that would support community needs and priorities.	City Manager	Finance, City Attorney, Public Works, Police, Economic Dev.	✓	✓	✓

## Budget Strategies

To implement the Council's mission, vision, and goals identified, staff has enlisted the strategies below in making budget decisions:

- Strategic Focus – The City's financial management should be strategic, reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations.
- Fiscal control and accountability – The City's financial activities should be fiscally sound and accountable to the City Council through the City Manager.
- Clarity – The City's financial planning and reporting should be clear and easy to understand so that all participants, the Council, the community, and staff can productively participate in decisions making.
- Long-term planning – The City's financial planning should include information regarding the long-term allocation of resources.
- Flexible and cost-effective responses – The City's financial management practices should encourage a mission-driven organization that responds quickly and straightforwardly to community demands. The City's management should flexibly respond to opportunities for delivering better service, proactively monitor revenues, and cost-effectively manage ongoing operating costs.

## Annual Budget and Financial Plan

The City Manager (or designee) will present an annual budget and financial plan and periodic financial information to the City Council stemming from the following information:

- Actual revenues, expenditures, reserve balances, and fund balances for the prior fiscal year. Total Fund Balance is the difference between assets and liabilities in any given fund as of a given point in time. Available Fund Balance is the portion of the Total Fund Balance that is available to be programmed toward expenditures with proper consideration of projected future revenues.
- Estimated revenues, expenditures, reserve balances, and fund balances for the current and following fiscal year.
- Articulated priorities and service levels to be achieved by the organization over the next year.
- Long-range financial plans, which will include projected revenues, expenditures, and reserve balances for the next five years.
- Capital Improvement Program for the next five years.

## BUDGET DEVELOPMENT STRATEGIES

The City's annual budget represents the official financial and organizational plan by which the City's policies, programs, and resources are implemented for the ensuing fiscal year. It is also a strategic and financial plan of services to be provided to the citizens of Elk Grove.

### Budget Development and Calendar

The budget is prepared by City staff under the direction of the City Manager.

During the winter of every budget year, the Budget Manager provides information to department managers on the financial condition of the City and establishes general parameters for budget submittal. The Mid-Year Budget Update provided to City Council in February reflects the budgetary status of the City at that point in time.

In January and February, department managers prepare their operating and capital budget requests following the general parameters. The Budget staff reviews each manager's requests and proposals and then formulates them into a "Proposed Budget." The Proposed Budget is reviewed by the Finance Director and the City Manager before submitting to the City Council. The Proposed Budget is balanced when expenditures are equal to or less than the sum of total revenues and the use of reserves, according to Council adopted policy.

In late May, a presentation is scheduled for the City Council to receive information and public input regarding the Proposed Budget. As early as the first Council meeting in June, the Proposed Budget can be adopted by Council resolution and becomes the City's action plan for the ensuing fiscal year. If the City Council decides not to adopt a Budget by July 1, the City Council may elect one of the following courses of action until the adoption of a Budget and the appropriation of funds occurs:

- Provide the City Manager with Continuing Resolution Authority to allow continued services at expenditure levels not greater than those levels approved in the prior year budget; or
- Require staff to obtain prior approval for the expenditure (disbursement) of City funds.

Before adoption of the budget, the electronic version of the Proposed Budget is made available online on the City's website. Once the Proposed Budget is adopted, copies of the City's Adopted Budget are considered public records and are made available to the public upon request. The electronic version of the Adopted Budget is made available online on the City's website, replacing the Proposed Budget.

The calendar below shows the budget timelines and process in brief for Fiscal Year 2022-23 Budget preparation.

<b>Date</b>	<b>Item</b>
December	Capital improvement project requests due
January	Cost allocation plan development
March	Department budget & personnel requests due
March	Community grant applications due to City Staff
April	Community grants awarded by City Council
April	Special event sponsorship applications due to City Staff
April	Special event sponsorship grants awarded by City Council
April	Capital Improvement Program reviewed by Planning Commission
May	Present Proposed Budget and Capital Improvement Program to City Council and provide opportunity for public comment
June	Conduct City Council Public Hearing and opportunities for Budget adoption

## Appropriation Control

Appropriations of fiscal resources are the responsibility of the City Council and the City Manager.

Appropriations requiring Council action are:

- An increase or decrease to the overall City Budget, unless directed otherwise by Council resolution
- Transfers between funds, except those that are defined as “like funds” by Council resolution
- Appropriation of reserves, unless directed otherwise by Council resolution
- Inter-fund multi-year loan repayments where the loan principal is over \$500,000
- Transfers between Capital Improvement Projects, unless otherwise directed by Council resolution

Appropriations requiring City Manager action are:

- An increase or decrease to the overall City Budget per authority granted by Council resolution
- Transfers within a fund, between or within a department
- Transfers between “like funds” as defined by Council resolution
- Appropriation of reserves as directed by Council resolution
- Transfers between Capital Improvement Projects as directed by Council

## Administration

Detailed budget reports are available and accessible by City staff for distribution to City Council, the City Manager, department managers, support staff, and the public by request. These reports are organized by department, division, and line item showing the authorized budget amount as well as expenditures and encumbrances to date. As a matter of policy, expenditures are not to exceed the appropriated budget. During the fiscal year, it may become necessary to amend, transfer, or adjust the amounts appropriated in the adopted budget. Any subsequent appropriation of additional monies for a fiscal year or transfer of appropriations between funds in the operating budget or among capital projects requires approval by the City Council unless otherwise directed by Council resolution.

## Basis of Budgeting

The budget (as well as the Annual Comprehensive Financial Report) is developed on a modified accrual basis, consistent with Generally Accepted Accounting Principles (GAAP). Under the modified accrual basis, revenues are recognized when they are measurable and available. “Measurable” means the amount can be determined and “available” means collectible within a given fiscal year and up to 60 days after. Expenditures are recorded when the related fund liability is incurred. The exception to the above modified accrual basis is for enterprise funds such as Recycling & Waste and Drainage. A full accrual basis is used for these funds where revenues are recognized when received or earned.

## FIVE-YEAR FORECASTS

### Introduction

The City recognizes the need to look beyond the next fiscal year to develop a long-range financial plan that is sustainable and structurally balanced. As with any forecast, the further out one projects, the less reliable the forecast will likely be to unknown factors. For example, if actual revenues in Fiscal Year 2022-23 come in at 99% of the anticipated level, then the City would realize about \$1 million less revenue than projected.

A forecast based on known factors, reasonable estimates, and assumptions, combined with contextual analysis of risks and opportunities, is a valuable decision-making tool. The following forecast is intended to help guide resource prioritization and decision-making in the longer term. In addition, scenarios have been discussed that would require a re-evaluation of the forecast should they come to fruition during the term. This forecast represents a baseline scenario for all long-range financial plans.

The following tables encompass the City's Five-Year General Fund Forecast. The bottom lines of the expenditure forecast show the annual appropriations from and to fund balances and what the resulting fund balance projections are. Following the forecast is the set of assumptions used to develop the forecast model. Then following the set of assumptions is a qualitative analysis of risks and opportunities the City faces in the short-term to long-term that may impact the forecast.

<b>FIVE YEAR GENERAL FUND FORECAST - REVENUE PROJECTIONS</b>						
<b>Revenues</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Sales Tax [1]	36,919,515	38,012,570	38,597,472	38,874,605	40,074,185	41,289,141
Property Tax	15,771,789	16,560,000	17,309,000	18,079,000	18,889,000	19,735,000
Property Tax in Lieu of Vehicle License Fee	15,418,729	16,190,000	16,922,000	17,675,000	18,467,000	19,294,000
Property Transfer Tax	1,210,535	1,223,000	1,235,000	1,247,000	1,259,000	1,272,000
Utility Users Tax	6,006,207	6,006,000	6,006,000	6,006,000	6,006,000	6,006,000
Transient Occupancy Tax [2]	1,809,162	1,827,000	1,864,000	1,901,000	1,939,000	1,978,000
Recycling & Waste Franchise Fee	1,429,152	1,443,400	1,457,800	1,472,400	1,487,100	1,502,000
Cable & Gas Franchise Fee	1,138,517	1,116,000	1,094,000	1,072,000	1,051,000	1,030,000
Investment Income	250,000	400,000	400,000	400,000	400,000	400,000
Business Licenses & Misc.	360,699	273,000	273,000	273,000	273,000	273,000
Mello Roos - Police Services [3]	4,060,000	9,900,000	5,598,000	5,710,000	5,824,000	5,940,000
Governance [4]	3,943,272	3,582,462	3,654,000	3,727,000	3,802,000	3,878,000
Great Plates [5]	5,276,359	-	-	-	-	-
Public Protection	1,491,461	1,557,578	1,558,000	1,558,000	1,558,000	1,558,000
Code Enforcement	266,750	246,750	247,000	247,000	247,000	247,000
<b>Total Revenue</b>	<b>\$ 95,352,146</b>	<b>\$ 98,337,760</b>	<b>\$ 96,215,272</b>	<b>\$ 98,242,005</b>	<b>\$ 101,276,285</b>	<b>\$ 104,402,141</b>
<b>Revenue Increase</b>	<b>7.7%</b>	<b>3.1%</b>	<b>-2.2%</b>	<b>2.1%</b>	<b>3.1%</b>	<b>3.1%</b>

[1] Sales Tax assumptions and forecasts are provided by the City's Sales Tax consultant(s).

[2] As a result of the COVID-19 pandemic, FY 23 reflects a gradual monthly recovery from low occupancy rates during the pandemic.

[3] Annual increases are associated with increases in the Police Services CFD Funds. Significant growth in Levy revenues are expected in FY 23, along with a one-time drawn down of reserves.

[4] Governance is comprised of revenues from General Cost Allocation plan, City Manager, City Clerk, Human Resources, special events, and also compensation from Recycling & Waste funds for a Code Enforcement officer. General Cost Allocation plan revenues decline starting in FY 23 due to transit services being annexed into Sacramento Regional Transit District, therefore reducing the burden of administering the program.

[5] Great Plates funding was associated with a one-time effort among the FY 20 and FY 21 fiscal years to provide relief to struggling restaurants and seniors during the pandemic.

## FIVE-YEAR FORECASTS

Expenditure Category	EXPENDITURE PROJECTIONS					
	FY 22 YE	FY 23	FY 24	FY 25	FY 26	FY 27
Salaries	31,901,675	36,899,352	40,002,141	43,272,074	46,773,568	50,522,298
PERS Payroll Deductions	4,471,476	4,945,594	5,362,000	5,801,000	6,271,000	6,779,000
PERS Unfunded Accrued Liability	1,616,861	1,795,105	1,983,100	1,707,400	1,837,600	1,961,000
Other Benefits	10,973,561	13,882,342	14,716,000	15,591,000	16,515,000	17,494,000
<b>Total Salaries and Benefits</b>	<b>\$ 48,963,573</b>	<b>\$ 57,522,393</b>	<b>\$ 62,063,241</b>	<b>\$ 66,371,474</b>	<b>\$ 71,397,168</b>	<b>\$ 76,756,298</b>
Operations	7,424,322	8,553,028	8,810,000	9,075,000	9,348,000	9,629,000
Internal Services	9,393,445	10,557,925	10,875,000	11,202,000	11,539,000	11,886,000
Revenue Neutrality	4,918,035	3,872,952	2,699,000	1,410,000	-	-
Debt Service - Laguna Palms	324,956	206,532	206,532	206,532	206,532	206,532
Debt Service - Animal Shelter [1]	904,625	905,925	905,925	905,925	905,925	905,925
Debt Service - Old Town Pavilion	160,000	160,000	160,000	160,000	160,000	160,000
Debt Service - City Facility Improvements	-	152,831	152,831	152,831	152,831	152,831
Special Project Funding	1,300,000	1,350,000	1,363,500	1,377,100	1,390,900	1,404,800
Sales Tax Sharing Agreement	700,000	750,000	772,500	795,675	819,545	844,132
Transfers [2]	12,007,765	423,000	427,600	433,120	439,744	147,693
Long-Range Strategic Planning [3]	641,737	80,000	300,000	300,000	100,000	50,000
Great Plates	-	-	-	-	-	-
Capital Outlay / One-Time expenditures	536,444	561,183	200,000	200,000	100,000	50,000
Contributions to Unfunded Liabilities	900,000	900,000	900,000	900,000	900,000	200,000
<b>Remaining Expenditures</b>	<b>\$ 39,211,328</b>	<b>\$ 28,473,376</b>	<b>\$ 27,772,888</b>	<b>\$ 27,118,183</b>	<b>\$ 26,062,478</b>	<b>\$ 25,636,913</b>
<b>Total Expenditures</b>	<b>\$ 88,174,901</b>	<b>\$ 85,995,769</b>	<b>\$ 89,836,129</b>	<b>\$ 93,489,657</b>	<b>\$ 97,459,645</b>	<b>\$ 102,393,211</b>
<b>Expenditure Increase</b>	<b>2.9%</b>	<b>-2.5%</b>	<b>4.5%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>5.1%</b>
<b>Contributions from Fund Balance for One-Time expenditures</b>	<b>(1,178,181)</b>	<b>(641,183)</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(200,000)</b>	<b>(100,000)</b>
<b>Return of Fund Balance from Economic Development</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Remaining Contributions from/to Fund Balance</b>	<b>8,355,426</b>	<b>12,983,174</b>	<b>6,879,143</b>	<b>5,252,347</b>	<b>4,016,639</b>	<b>2,108,929</b>
<b>Adjusted Appropriations [4]</b>	<b>\$ 84,307,139</b>	<b>\$ 82,579,297</b>	<b>\$ 86,547,341</b>	<b>\$ 90,187,269</b>	<b>\$ 94,443,457</b>	<b>\$ 99,463,123</b>
<b>Initial Ending Fund Balance</b>	<b>\$ 30,705,596</b>	<b>\$ 37,634,133</b>	<b>\$ 31,152,932</b>	<b>\$ 30,716,549</b>	<b>\$ 30,872,820</b>	<b>\$ 30,341,966</b>
<b>Transfer to Capital Reserve</b>	<b>(2,706,727)</b>	<b>(6,430,172)</b>	<b>(2,594,365)</b>	<b>(1,830,184)</b>	<b>(1,269,891)</b>	<b>(251,515)</b>
<b>Transfer to Economic Development</b>	<b>(2,706,727)</b>	<b>(6,430,172)</b>	<b>(2,594,365)</b>	<b>(1,830,184)</b>	<b>(1,269,891)</b>	<b>(251,515)</b>
<b>Opportunity Reserve</b>	<b>4,215,357</b>	<b>4,128,965</b>	<b>4,327,367</b>	<b>4,509,363</b>	<b>4,722,173</b>	<b>4,973,156</b>
<b>Reserve for Economic Uncertainty</b>	<b>21,076,785</b>	<b>20,644,824</b>	<b>21,636,835</b>	<b>22,546,817</b>	<b>23,610,864</b>	<b>24,865,781</b>
<b>Future Reserve Target Support</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balance as % of Adj. Appropriations	36.4%	45.6%	36.0%	34.1%	32.7%	30.5%
Opportunity Reserve	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Reserve for Economic Uncertainty	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Future Reserve Target Support	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transfer-out fund balance % over 30%	6.4%	15.6%	6.0%	4.1%	2.7%	0.5%
Transfer of reserves	5,413,455	12,860,344	5,188,730	3,660,369	2,539,783	503,030
Total % over 30%	6.4%	15.6%	6.0%	4.1%	2.7%	0.5%

[1] Amounts also include debt service payments toward the Reardon Park debt Issuance that the Laguna Ridge Parks Fee fund is responsible for. The General Fund will be reimbursed for this expense once sufficient Laguna Ridge Park fee funding is available.

[2] FY 22 include a one-time transfer-outs to the Capital Reserve fund to support Council priority projects.

[3] FY 22 includes one-time Strategic Planning & Innovation project funding that results in higher than usual spending.

[4] Per Fund Balance Reserve Policy, this is calculated as Total Expenditures - Debt Service - Capital Outlay - One-Time costs.

## FIVE-YEAR FORECASTS

<b>FIVE YEAR GENERAL FUND FORECAST - BASELINE ASSUMPTIONS</b>					
<b>Revenue Category</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Sales Tax [1]	3%	2%	1%	3%	3%
Property Taxes	5%	5%	4%	4%	4%
Property Transfer Taxes	1%	1%	1%	1%	1%
City Share of Property Tax	70%	80%	90%	100%	100%
Utility Users Tax	0%	0%	0%	0%	0%
Transient Occupancy Tax [2]	1%	2%	2%	2%	2%
Recycling & Waste Franchise Fees	1%	1%	1%	1%	1%
Cable and Gas Franchise Fee	-2%	-2%	-2%	-2%	-2%
Mello Roos - Police Services	144%	2%	2%	2%	2%
Governance	-9%	2%	2%	2%	2%
Public Protection	4%	0%	0%	0%	0%
Code Enforcement	-7%	0%	0%	0%	0%

[1] Sales Tax assumptions and forecasts are provided by the City's Sales Tax consultant(s).

[2] As a result of the COVID-19 pandemic, FY 23 reflects a gradual monthly recovery from low occupancy rates during the pandemic.

<b>Expenditure Category</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Salary Costs [1]	15.7%	8.4%	8.2%	8.1%	8.1%
PERS Rates Increases	0%	0%	0%	0%	0%
PERS Payroll Deductions	15.7%	8.4%	8.2%	8.1%	8.1%
PERS Unfunded Accrued Liabilities	11%	10%	-14%	8%	7%
Health Care Premium Increases [2]	6.5%	6.5%	6.5%	6.5%	6.5%
Operations	15.2%	3.0%	3.0%	3.0%	3.0%
New Sworn Police Staff per Year [3]	1	2	2	2	2
New Non-Sworn City Staff per Year [3]	5	4	4	4	4

[1] 6 new positions budgeted in FY 23 along with GSI's based on negotiated agreements. A 2.5% GSI is assumed annually for all employees starting in FY 24, along with new positions.

[2] Based on the Price Waterhouse Cooper Medical Cost Trend released in January 2019.

[3] The 6 new positions assumed in FY 23 are based on Department requests. FY 24 through FY 27 is based on projected staffing needs.

## FIVE-YEAR FORECASTS

### Additional Revenue Assumptions:

- Given current trends and economic indicators, the City's Sales Tax consultants project steady growth in Sales Tax averaging 2% over the five-year period.
- Property Taxes are projected to grow over the five-year period by 4 to 5%. Growth in property tax can be driven by increases in property values, new construction, and supplemental property taxes from real estate sales.
- Property Transfer Taxes due on real estate sales is \$1.10 for every \$1,000 of the purchase price of any property sold within City limits. The County of Sacramento keeps half of the \$1.10 per \$1,000 of the purchase price per sale, and the City's portion is the remaining \$0.55 per \$1,000. Modest annual growth of 1% is assumed in the forecast.
- With changing consumer patterns related to mobile data usage, Utility User Tax revenue expectations are assumed to be flat over the five-year period.
- Transient Occupancy Taxes (TOT) have recovered from the COVID-19 pandemic and the Marriott Townplace Suites opened in FY 22. With the addition of the new hotel and continued recovery from the pandemic, TOT is expected to grow 2% annually starting in FY 24.
- Cable franchise fee revenues are projected to decline slightly according to industry trends due to more residents opting for internet-based streaming entertainment rather than a traditional cable subscription. Revenues are projected to decline by 2% over the five-year period.
- In line with recent trends, continued growth in Police Services CFD levy revenues are expected in FY 23 as additional properties annex into the CFD, along with a one-time drawn down of Police CFD reserves. Steady and continued growth in revenues is assumed starting in FY 24.
- None of the above assumptions address any recessionary impacts if such an event were to occur. Hence, the above forecast does not assume a recession scenario. Staff has analyzed recession-sensitive revenue sources and potential impacts on those resources during a recession. Therefore, staff is readily prepared to amend future budgets and forecasts to respond to an economic downturn should one arise during the fiscal year.

### Additional Expenditure Assumptions:

- Six new positions are budgeted for in FY 23, with four of them being in the Police Department. For FY 24 and beyond, the addition of 6 new positions, including sworn and non-sworn officers, are assumed annually.
- Impacts from negotiated compensation agreements are assumed in the forecast.
- The forecast assumes the practice of transferring out Recycling & Waste Franchise Fee revenue as contributions to the Capital Reserve Fund for all years of the forecast (see the Special Project Funding line).
- Additional payments towards CalPERS unfunded liabilities are included over the five-year period. Any year where CalPERS annual investment earnings miss actuarial assumptions could cause PERS payments to increase. Continued accelerated contributions to these unfunded liabilities will mitigate some of the potential increases.
- A lease-revenue bond was issued in the spring of FY 22 to finance capital improvements to various City campus facilities that house Police Department operations. Although the majority of the annual debt services payments (80%) are paid by the Police Capital Facilities Fee fund, the remaining 20% (see the Debt Service – City Facility Improvements line) will be paid by the General Fund starting in FY 23. Even with the new debt issuance, the General Fund's Debt to Revenue ratio (debt service budget vs total revenue) for FY 23 is 3.53%.



## FIVE-YEAR FORECASTS

### Risks to the Forecast

This section is intended to provide context to the forecast. If realized, the circumstances discussed in this section could have significant negative net impacts on the General Fund. As such, they are left out of the baseline. As circumstances surrounding each unfold, they can be added to the baseline forecast.

#### Recession

The General Fund forecast assumes minor to modest economic growth and does not account for a formal recession. Despite many strong indicators of the current economy like low unemployment and solid GDP growth, there are definite headwinds that could negatively impact the economy. Inflation has remained abnormally high and influenced the Federal Reserve to increase interest rates (which were held at historically low levels throughout the pandemic) by 0.5% at its last meeting, with another 1.9% expected in 2022. The Russia-Ukraine conflict has boosted energy prices, global supply chains remain fragile, and COVID-19 lingers. Staff has analyzed recession-sensitive revenue sources and potential impacts on those sources during a recession. Therefore, staff is readily prepared to amend future budgets and forecasts to respond to an economic downturn should one arise during the fiscal year.

Consumer spending and property values typically decline in recessions, which leads to lower City revenues. Sales Tax, Utility Users Tax and Transient Occupancy Tax could be impacted significantly due to a lack of consumer spending. The City relies heavily on Sales Tax revenues (its largest individual revenue source) of which approximately 30% typically comes from auto sales. If economic activity declines, auto sales and other sales tax-generating activities are likely to decline. Recessions often result in a declining real estate market which could significantly impact Property Transfer Tax revenue due to fewer real estate transactions. Declining home values combined with a slowdown in new home construction would result in negative impacts on Property Taxes, the City's second-largest revenue source. If all the above were to hold true during a recession, the General Fund forecast would look very different, having to draw down reserves rather than increase them.

#### CalPERS Discount Rate and Other Assumption Changes

In July 2021, the CalPERS Board of Administration lowered the discount rate from 7% to 6.8% due to its Funding Risk Mitigation Policy. This policy lowers the discount rate in years of good investment returns to reduce risk in the portfolio. The policy automatically lowered the discount rate when CalPERS achieved an investment return of 21.3% for fiscal year 2020-21. The discount rate is the assumed earning rate on all contributions to the CalPERS system. Lowering the rate typically increases the amount Elk Grove has to pay CalPERS. However, the extraordinary returns CalPERS generated offset that increase and will increase the City's funded ratio to over 90% in the short term. CalPERS was on track to meet its 6.8% targeted return this year, but recent market volatility makes it likely that CalPERS will fall short of that target. When that occurs, the City incurs a liability that must be paid off, so the City should continue its past practice of aggressively addressing the unfunded liabilities it does have. The forecast calls for additional budgeted expenditures to go towards paying down that liability, in addition to the normal PERS required contributions, for all fiscal years in the forecast.

#### Elk Grove Zoo

On March 23, 2022, the City Council received a report on the results of a Feasibility Study and Economic and Revenue Impact Analysis for a potential zoo in Elk Grove. The study and analysis concluded that the development of a Zoo in Elk Grove was potentially viable, subject to the financial assumptions and site program considered in the reports. The study indicated Phase 1 of construction has a cost of between \$142 million and \$205 million, with a mid-point of \$174 million. Phase 2 has a cost range of \$124 million to \$158 million with a mid-point of \$141 million. Based on these results, the Council directed staff to continue working with the Sacramento Zoological Society (SZS) on the project. Staff and SZS worked toward the preparation of a Memorandum of Understanding (MOU) that outlines the activities, responsibilities, and outcomes of the next phase of work for the Zoo project. As provided in the MOU, SZS will be financially responsible for the preparation of the master plan, including the conceptual and schematic design work. The City will continue to be responsible for the sizing and design of the off-site infrastructure, including water, sewer, roadways, and other utilities. The work between the two teams will be closely coordinated and much of the off-site work will be informed by the Zoo design. The proposed budget does not contain any cost assumptions regarding the construction and/or operation of the Zoo.

### **Economic Development and Capital Reserve Five Year Forecasts**

## FIVE-YEAR FORECASTS

Per the City's Reserve Policy, when the City successfully retains a Reserve for Economic Uncertainty beyond 25% and an Opportunity Reserve beyond 5% of Adjusted Appropriations for a given Budget Year, the closeout of the Fiscal Year will include the reallocation (transfer-out) of reserves over the 30% for two purposes: 50% to Capital Reserves and 50% to Economic Development Programs. Maintaining the target level funding for the projected fund balance amounts in the next Fiscal Year will be considered before a transfer of reserves is initiated. Below are projected financial impacts on the Economic Development and Capital Reserve Funds:

- General Fund reserves over 30% over the five-year period are assumed to be transferred to these funds.
- Contributions from the General Fund coming from the Recycling & Waste Franchise Fee revenue to the Capital Reserve Fund for special projects are assumed for all five years of the forecast.

Below are five-year forecasts for the Economic Development and Capital Reserve funds:

### ECONOMIC DEVELOPMENT BUSINESS INCENTIVE FIVE YEAR FORECAST

Beginning Available Fund Balance:	\$ 7,886,999	\$ 6,145,771	\$ 12,522,443	\$ 15,087,573	\$ 16,937,929	\$ 18,252,558
	FY 22 YE	FY 23	FY 24	FY 25	FY 26	FY 27
General Fund Contribution Economic Development Funding	700,000	750,000	772,500	795,675	819,545	844,132
Sale of Property [1]	5,138,446	-	-	-	-	-
Investment Income	100,000	200,000	225,000	275,000	300,000	300,000
<b>Total Revenue</b>	<b>\$ 5,938,446</b>	<b>\$ 950,000</b>	<b>\$ 997,500</b>	<b>\$ 1,070,675</b>	<b>\$ 1,119,545</b>	<b>\$ 1,144,132</b>
Expense Category	FY 22 YE	FY 23	FY 24	FY 25	FY 26	FY 27
Sales Tax Sharing Agreement	700,000	750,000	772,500	795,675	819,545	844,132
Large Business Incentive Program [2]	-	250,000	250,000	250,000	250,000	250,000
Land Acquisition [3]	9,029,402	-	-	-	-	-
Consulting and Professional Service Costs	653,000	-	-	-	-	-
Bank Fees	4,000	3,500	4,235	4,828	5,262	5,315
<b>Total Expenses</b>	<b>\$ 10,386,402</b>	<b>\$ 1,003,500</b>	<b>\$ 1,026,735</b>	<b>\$ 1,050,503</b>	<b>\$ 1,074,808</b>	<b>\$ 1,099,447</b>
<b>General Fund Reserve Policy Contribution</b>	<b>\$ 2,706,727</b>	<b>\$ 6,430,172</b>	<b>\$ 2,594,365</b>	<b>\$ 1,830,184</b>	<b>\$ 1,269,891</b>	<b>\$ 251,515</b>
<b>Total Fund Balance</b>	<b>\$ 6,145,771</b>	<b>\$ 12,522,443</b>	<b>\$ 15,087,573</b>	<b>\$ 16,937,929</b>	<b>\$ 18,252,558</b>	<b>\$ 18,548,758</b>

[1] There was a one-time revenue in FY 22 due to a sale of property to Kubota Tractor Corporation.

[2] There are no major incentive deals planned at this time. These amounts are placeholders for potential spending.

[3] Purchase of property intended for construction and operation of future Zoo facility.

### GENERAL CAPITAL RESERVE FIVE YEAR FORECAST

Beginning Available Fund Balance:	\$ 15,075,592	\$ 34,363,001	\$ 40,196,740	\$ 45,086,303	\$ 48,185,254	\$ 51,915,018
	FY 22 YE	FY 23	FY 24	FY 25	FY 26	FY 27
General Fund Contribution Special Project Funding [1]	13,201,689	1,350,000	1,363,500	1,377,100	1,390,900	1,404,800
Loan Repayment - Streetlighting Project	528,748	393,973	393,973	393,973	393,973	393,973
Other Revenues [2]	3,700,891	614,450	650,000	700,000	750,000	800,000
<b>Total Revenue</b>	<b>\$ 17,431,328</b>	<b>\$ 2,358,423</b>	<b>\$ 2,407,473</b>	<b>\$ 2,471,073</b>	<b>\$ 2,534,873</b>	<b>\$ 2,598,773</b>
Expense Category	FY 22 YE	FY 23	FY 24	FY 25	FY 26	FY 27
Capital Projects						
WCC002 - Civic Center - Aquatics Center Art Work	-	302,469	-	-	-	-
WCC010 - Civic Center - Senior/Community Center	-	-	-	-	-	-
WCE022 - Old Town Plaza Phase 2 and 3	132,522	359,703	-	-	-	-
WFC004 - Elk Grove Multi-Sport Park Complex	93,264	-	-	-	-	-
WFC037 - 9362 Studio Court Acquisition and Remodel	-	319,282	-	-	-	-
WFC040 - 8401 Campus Improvements	15,000	201,000	-	-	-	-
WFC041 - PD Campus Improvements	-	-	-	-	-	-
WTL016 - Laguna Creek Trail - Crossing at SR99	-	38,500	-	886,000	-	-
WTR012 - Old Town Streetscape Phase II	24,128	132,879	-	-	-	-
WTR049 - Railroad Street Improvements	116,627	440,831	-	-	-	-
WTR096 - Lotz/Promenade Parkway	-	-	-	97,314	-	-
Operations and Overhead Allocation	105,139	75,000	112,275	218,993	75,000	124,166
Minor Capital Projects	363,968	1,085,191	-	-	-	-
<b>Total Expenses</b>	<b>\$ 850,647</b>	<b>\$ 2,954,855</b>	<b>\$ 112,275</b>	<b>\$ 1,202,307</b>	<b>\$ 75,000</b>	<b>\$ 124,166</b>
<b>General Fund Reserve Policy Contribution</b>	<b>\$ 2,706,727</b>	<b>\$ 6,430,172</b>	<b>\$ 2,594,365</b>	<b>\$ 1,830,184</b>	<b>\$ 1,269,891</b>	<b>\$ 251,515</b>
<b>Total Fund Balance</b>	<b>\$ 34,363,001</b>	<b>\$ 40,196,740</b>	<b>\$ 45,086,303</b>	<b>\$ 48,185,254</b>	<b>\$ 51,915,018</b>	<b>\$ 54,641,140</b>

[1] FY 22 included significant one-time transfer-in revenue from the General Fund to support future priority projects.

[2] There was a one-time revenue of \$3,152,544 recorded in FY 22 associated with the sale of sewer fee credits per agreement with the County.

## FIVE-YEAR FORECASTS

<b>GAS TAX FIVE YEAR FORECAST</b>						
<b>Beginning Available Fund Balance</b>	<b>\$ 3,398,209</b>	<b>\$ 3,084,684</b>	<b>\$ 2,543,408</b>	<b>\$ 1,144,093</b>	<b>\$ 1,336,809</b>	<b>\$ 1,269,522</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Highway User Tax	5,069,916	5,297,059	5,387,166	5,482,341	5,540,802	5,585,688
<b>Total Revenue</b>	<b>\$ 5,069,916</b>	<b>\$ 5,297,059</b>	<b>\$ 5,387,166</b>	<b>\$ 5,482,341</b>	<b>\$ 5,540,802</b>	<b>\$ 5,585,688</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Salaries and Benefits	821,223	902,932	966,137	1,433,767	1,934,131	2,069,520
Operations & Maintenance	3,128,385	3,085,474	3,724,613	3,295,196	3,039,059	3,238,318
Capital Project	238,191	1,548,213	1,658,250	-	-	-
Minor Capital Projects	187,011	70,000	-	-	-	-
Overhead Allocation	1,008,631	231,717	437,481	560,662	634,900	472,896
<b>Total Other Expenses</b>	<b>\$ 5,383,441</b>	<b>\$ 5,838,336</b>	<b>\$ 6,786,481</b>	<b>\$ 5,289,624</b>	<b>\$ 5,608,090</b>	<b>\$ 5,780,734</b>
<b>Fund Balance Contribution</b>	<b>\$ (313,525)</b>	<b>\$ (541,277)</b>	<b>\$ (1,399,315)</b>	<b>\$ 192,717</b>	<b>\$ (67,287)</b>	<b>\$ (195,046)</b>
<b>Fund Balance</b>	<b>\$ 3,084,684</b>	<b>\$ 2,543,408</b>	<b>\$ 1,144,093</b>	<b>\$ 1,336,809</b>	<b>\$ 1,269,522</b>	<b>\$ 1,074,476</b>

**Forecast Comments****Revenues**

The State of California imposes per-gallon excise taxes on gasoline and diesel fuel, sales taxes on gasoline and diesel fuel, and registration taxes on motor vehicles with allocations dedicated to transportation purposes. These allocations flow through the Highway Users Tax Account and the Road Maintenance and Rehabilitation Account which allocates much of the revenue from the Road Repair and Accountability Act of 2017 (SB1 Beall) (League of California Cities, 2018).

Fuel consumption was sharply down statewide during the height of the COVID-19 pandemic but has largely recovered to its prior trajectory. Recently, fuel prices have increased steeply but the price of fuel no longer has a direct effect on these tax revenues because all rates are per gallon, regardless of price. Assuming a gradual recovery from the COVID-19 pandemic, the City expects stable, modest year-over-year growth in revenues in future years.

**Expenditures**

The above forecast factors in Capital Outlay Project costs from the Capital Improvement Program and continued Operations and Maintenance spending on curbs, gutters, sidewalks, pavement, markings, potholes, and preventative maintenance.

Capital project expenditures in the forecast include projects such as Bike and Pedestrian Crossing Improvements, Elk Grove Blvd Buffered Bike Lanes, Sidewalk Infill Improvements, and Citywide Traffic Signal Enhancement and Congestion Relief.

The forecast assumes the City will continue to convert contract positions to City staff, using a phased approach over time, which will be partially funded by the Gas Tax fund. Moving from contracted positions to City in-house positions will increase salary and benefit costs but will reduce operations and maintenance expenditures.

## FIVE-YEAR FORECASTS

<b>SENATE BILL 1 - STREETS AND ROADS FIVE YEAR FORECAST</b>						
<b>Beginning Available Fund Balance</b>	<b>\$ 3,083,151</b>	<b>\$ 5,067,811</b>	<b>\$ 2,113,824</b>	<b>\$ 621,944</b>	<b>\$ 292,892</b>	<b>\$ 289,107</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Senate Bill 1 - Local Streets & Roads	3,715,186	4,084,391	4,287,405	4,513,359	4,782,714	5,125,333
<b>Total Revenue</b>	<b>\$ 3,715,186</b>	<b>\$ 4,084,391</b>	<b>\$ 4,287,405</b>	<b>\$ 4,513,359</b>	<b>\$ 4,782,714</b>	<b>\$ 5,125,333</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Bank Fees	740	1,000	1,200	1,200	1,200	1,200
Capital Projects	1,465,323	6,823,228	5,704,782	4,500,000	4,500,000	4,800,000
Overhead Allocation	264,463	214,150	73,303	341,211	285,299	225,060
<b>Total Other Expenses</b>	<b>\$ 1,730,526</b>	<b>\$ 7,038,378</b>	<b>\$ 5,779,285</b>	<b>\$ 4,842,411</b>	<b>\$ 4,786,499</b>	<b>\$ 5,026,260</b>
<b>Fund Balance Contribution</b>	<b>\$ 1,984,660</b>	<b>\$ (2,953,987)</b>	<b>\$ (1,491,880)</b>	<b>\$ (329,052)</b>	<b>\$ (3,785)</b>	<b>\$ 99,073</b>
<b>Fund Balance</b>	<b>\$ 5,067,811</b>	<b>\$ 2,113,824</b>	<b>\$ 621,944</b>	<b>\$ 292,892</b>	<b>\$ 289,107</b>	<b>\$ 388,180</b>

**Forecast Comments**

On April 28, 2017, the Governor signed Senate Bill 1 (SB1) (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017. The Act was intended to address basic road maintenance, rehabilitation, and critical safety needs on both the state highway and local streets and road systems, as well as provide transit assistance. The above forecast illustrates the City's projected revenue and expenditures related to the Local Streets and Roads funding of the Road Maintenance and Rehabilitation Account package.

Fuel consumption was sharply down statewide during the height of the COVID-19 pandemic but has largely recovered to its prior trajectory. Recently, fuel prices have increased steeply but the price of fuel no longer has a direct effect on these tax revenues because all tax rates are per gallon, regardless of price. Assuming a gradual recovery from the COVID-19 pandemic, the City expects stable, modest year-over-year growth in revenues in future years.

Capital project expenditures in the forecast include projects such as Annual Pavement Slurry Seal and Resurfacing, Franklin Blvd Cycle Track Phase 2, and Elk Grove Florin Road Complete Street & Resurfacing Project.

## FIVE-YEAR FORECASTS

**CFD 2005-1 MAINTENANCE SERVICES FIVE YEAR FORECAST**

<b>Beginning Available Fund Balance</b>	<b>\$ 11,779,652</b>	<b>\$ 9,609,206</b>	<b>\$ 7,763,843</b>	<b>\$ 6,214,542</b>	<b>\$ 4,941,261</b>	<b>\$ 4,030,844</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Direct Levy	3,496,742	3,985,821	4,575,098	5,191,603	5,838,011	6,101,566
D56 Operating Revenues	422,600	511,600	513,600	513,600	513,600	513,600
Other Revenues	156,302	98,827	78,373	60,711	43,713	27,240
<b>Total Revenue</b>	<b>\$ 4,075,644</b>	<b>\$ 4,596,248</b>	<b>\$ 5,167,072</b>	<b>\$ 5,765,915</b>	<b>\$ 6,395,324</b>	<b>\$ 6,642,406</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Salaries and Benefits	691,831	638,374	680,507	725,420	773,298	824,336
D56 Admin Operations	25,000	25,000	25,700	26,420	27,159	27,920
Aquatic Center Operations	1,574,997	1,183,200	1,230,061	1,278,969	1,330,019	1,383,309
Avenue and Veterans Grove at D56 Operations	236,590	307,590	319,589	332,110	345,176	358,813
The Center at D56 Operations	230,400	291,400	299,343	307,533	315,978	324,685
The Preserve at D56 Operations	745,000	770,500	805,750	842,693	881,412	921,994
Laguna Ridge Operations & Maintenance	2,455,000	3,030,000	3,156,200	3,323,079	3,425,902	3,569,949
Other Administrative	16,650	17,483	17,598	17,714	17,833	17,953
Overhead Allocation	270,623	178,064	181,625	185,258	188,963	192,742
<b>Total Other Expenses</b>	<b>\$ 6,246,090</b>	<b>\$ 6,441,611</b>	<b>\$ 6,716,373</b>	<b>\$ 7,039,196</b>	<b>\$ 7,305,740</b>	<b>\$ 7,621,701</b>
<b>Fund Balance Contribution</b>	<b>\$ (2,170,446)</b>	<b>\$ (1,845,363)</b>	<b>\$ (1,549,301)</b>	<b>\$ (1,273,281)</b>	<b>\$ (910,417)</b>	<b>\$ (979,294)</b>
<b>Fund Balance</b>	<b>\$ 9,609,206</b>	<b>\$ 7,763,843</b>	<b>\$ 6,214,542</b>	<b>\$ 4,941,261</b>	<b>\$ 4,030,844</b>	<b>\$ 3,051,550</b>

**Forecast Comments**

Community Facilities District (CFD) 2005-1 Maintenance Services is used to pay a portion of maintenance costs associated with public infrastructure in the Laguna Ridge area. Maintenance costs in this CFD may include public parkways, public parks, open space, landscape setbacks, bike, and other paths, landscaped medians in and adjacent to roadways, maintenance and operation of a community center, recreation center, sports facilities, cultural arts center, water features and maintenance of other related facilities.

Revenues for this fund come from property tax levies that are assessed on properties that are annexed within the geographical boundary of the district. The number of annexed properties in Laguna Ridge continues to grow as a result of new infrastructure development in the area. Further public and private infrastructure development are anticipated in future years that will ultimately result in revenue growth. As more parks and other amenities have been constructed, the costs to operate and maintain them have also increased. The levy assessed on these properties was at 70% of the maximum allowable amount for many years, subject to only an annual cost of living increase. Because expenses are now outpacing revenues, the assessed levies themselves are assumed to increase by 5% per year, starting in FY 23, in addition to the annual cost of living increases, to sustain a positive fund balance.

Laguna Ridge Operations & Maintenance expenses for FY 22 YE are low due to new parks not coming online as early as anticipated. Significant expenditure growth is budgeted for in FY 23 and sustained thereafter due to new parks being open to the public, including the Community Center & Pavilion at Oasis Park. However, the budgeted growth in expenditures for these new parks is based on staff's best estimates at this time, which could be more conservative than actual costs. In concert with the Consumnes Community Services District, staff will actively pursue cost-saving measures in maintaining the new parks and other amenities to decrease the annual projected deficit in this fund.

## FIVE-YEAR FORECASTS

**MEASURE A MAINTENANCE FIVE YEAR FORECAST**

<b>Beginning Available Fund Balance</b>	<b>\$ 6,745,605</b>	<b>\$ 6,236,450</b>	<b>\$ 4,607,293</b>	<b>\$ 3,506,778</b>	<b>\$ 3,149,488</b>	<b>\$ 3,168,895</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Revenue	5,765,558	5,882,869	6,157,397	6,406,182	6,630,259	6,958,455
<b>Total Revenue</b>	<b>\$ 5,765,558</b>	<b>\$ 5,882,869</b>	<b>\$ 6,157,397</b>	<b>\$ 6,406,182</b>	<b>\$ 6,630,259</b>	<b>\$ 6,958,455</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Salaries & Benefits	196,830	245,907	262,137	279,438	297,881	317,541
Operations & Maintenance	4,338,705	3,480,000	3,175,500	3,053,150	2,920,560	3,176,606
Capital Projects	1,436,652	3,535,145	3,342,500	2,850,000	2,850,000	2,850,000
Overhead Allocation	302,526	250,975	477,775	580,884	542,411	494,607
<b>Total Other Expenses</b>	<b>\$ 6,274,713</b>	<b>\$ 7,512,027</b>	<b>\$ 7,257,912</b>	<b>\$ 6,763,472</b>	<b>\$ 6,610,852</b>	<b>\$ 6,838,754</b>
<b>Fund Balance Contribution</b>	<b>\$ (509,155)</b>	<b>\$ (1,629,158)</b>	<b>\$ (1,100,514)</b>	<b>\$ (357,290)</b>	<b>\$ 19,407</b>	<b>\$ 119,701</b>
<b>Fund Balance</b>	<b>\$ 6,236,450</b>	<b>\$ 4,607,293</b>	<b>\$ 3,506,778</b>	<b>\$ 3,149,488</b>	<b>\$ 3,168,895</b>	<b>\$ 3,288,596</b>

**Forecast Comments**

The Measure A Maintenance fund is eligible for a variety of capital projects and operations and maintenance spending. Operations and maintenance costs include, but are not limited to, pavement patch and repairs, emergency and hazmat response, lighting and landscape utilities, graffiti abatement, and landscape maintenance.

Measure A sales tax revenue is received from the Sacramento Transportation Authority, a Joint Powers Authority of the County. Consistent with other sales tax revenues, Measure A revenue is expected to grow at a modest rate.

Capital project expenditures in the forecast include projects such as Annual Pavement Slurry Seal and Resurfacing and Citywide Traffic Signal Enhancement and Congestion Relief.

## FIVE-YEAR FORECASTS

**MEASURE A-SAFETY, STREETScape, BIKE, AND PED FIVE YEAR FORECAST**

<b>Beginning Available Fund Balance</b>	<b>\$ 2,079,682</b>	<b>\$ 1,939,793</b>	<b>\$ 556,460</b>	<b>\$ 457,797</b>	<b>\$ 1,151,428</b>	<b>\$ 1,944,369</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Revenue	830,019	867,765	913,520	954,984	992,330	1,041,399
<b>Total Revenue</b>	<b>\$ 830,019</b>	<b>\$ 867,765</b>	<b>\$ 913,520</b>	<b>\$ 954,984</b>	<b>\$ 992,330</b>	<b>\$ 1,041,399</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Bank Fees	890	890	944	973	1,002	1,032
Capital Projects	659,864	1,773,727	876,800	150,000	150,000	150,000
Minor Capital Projects	228,021	433,000	90,000	-	-	-
Overhead Allocation	81,132	43,481	44,439	110,381	48,387	7,549
<b>Total Other Expenses</b>	<b>\$ 969,908</b>	<b>\$ 2,251,098</b>	<b>\$ 1,012,183</b>	<b>\$ 261,353</b>	<b>\$ 199,389</b>	<b>\$ 158,580</b>
<b>Fund Balance Contribution</b>	<b>\$ (139,889)</b>	<b>\$ (1,383,333)</b>	<b>\$ (98,663)</b>	<b>\$ 693,631</b>	<b>\$ 792,941</b>	<b>\$ 882,818</b>
<b>Fund Balance</b>	<b>\$ 1,939,793</b>	<b>\$ 556,460</b>	<b>\$ 457,797</b>	<b>\$ 1,151,428</b>	<b>\$ 1,944,369</b>	<b>\$ 2,827,188</b>

**Forecast Comments**

Measure A sales tax revenue is received from the Sacramento Transportation Authority, a Joint Powers Authority of the County. Consistent with other sales tax revenues, Measure A revenue is expected to grow at a modest rate.

Capital project expenditures in the forecast include projects such as Annual Trail Pavement Rehabilitation and Citywide Bike Lane improvements.

**MEASURE A TRAFFIC CONTROL AND SAFETY FIVE YEAR FORECAST**

<b>Beginning Available Fund Balance</b>	<b>\$ 762,286</b>	<b>\$ 808,962</b>	<b>\$ 355,631</b>	<b>\$ 481,442</b>	<b>\$ 245,836</b>	<b>\$ 362,326</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Revenue	575,162	586,685	614,138	639,016	661,424	694,244
<b>Total Revenue</b>	<b>\$ 575,162</b>	<b>\$ 586,685</b>	<b>\$ 614,138</b>	<b>\$ 639,016</b>	<b>\$ 661,424</b>	<b>\$ 694,244</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Administrative Operations	165,137	204,700	368,386	395,957	425,595	425,636
Capital Projects	234,274	731,958	75,000	380,000	75,000	75,000
Minor Capital Projects	50,000	50,000	-	-	-	-
Overhead Allocation	79,075	53,358	44,941	98,666	44,339	77,596
<b>Total Other Expenses</b>	<b>\$ 528,486</b>	<b>\$ 1,040,016</b>	<b>\$ 488,327</b>	<b>\$ 874,623</b>	<b>\$ 544,934</b>	<b>\$ 578,231</b>
<b>Fund Balance Contribution</b>	<b>\$ 46,676</b>	<b>\$ (453,331)</b>	<b>\$ 125,811</b>	<b>\$ (235,607)</b>	<b>\$ 116,490</b>	<b>\$ 116,012</b>
<b>Fund Balance</b>	<b>\$ 808,962</b>	<b>\$ 355,631</b>	<b>\$ 481,442</b>	<b>\$ 245,836</b>	<b>\$ 362,326</b>	<b>\$ 478,338</b>

**Forecast Comments**

Capital project expenditures in the forecast include projects such as a Citywide Railroad Grade Separation Study, Annual Speed Control improvements, and pedestrian Crossing Upgrades at 4 Locations.

## FIVE-YEAR FORECASTS

<b>DRAINAGE FIVE YEAR FORECAST</b>						
<b>Beginning Available Fund Balance</b>	<b>\$ 21,263,599</b>	<b>\$ 20,988,759</b>	<b>\$ 2,776,957</b>	<b>\$ 3,036,690</b>	<b>\$ 2,217,356</b>	<b>\$ 3,157,014</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Program Revenues	6,250,838	6,500,209	6,694,897	6,895,426	7,101,970	7,314,711
Program Related Tax Revenues	1,827,937	1,919,334	2,015,301	2,116,066	2,221,869	2,332,962
Investment and Misc. Revenues	261,452	173,406	173,406	173,406	173,406	173,406
Transfers In	250,999	-	-	-	-	-
<b>Total Revenue</b>	<b>\$ 8,591,226</b>	<b>\$ 8,592,949</b>	<b>\$ 8,883,603</b>	<b>\$ 9,184,897</b>	<b>\$ 9,497,245</b>	<b>\$ 9,821,079</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Salary & Benefits	1,069,759	1,644,178	1,752,694	1,868,372	1,991,684	2,123,135
Operating Expenses	4,924,044	6,229,768	4,750,232	4,338,731	4,583,810	4,742,532
Capital Projects	1,357,366	17,605,337	1,200,000	1,200,000	1,200,000	1,200,000
Minor Capital Projects	678,279	492,000	118,000	-	-	-
Overhead Allocation	836,617	833,468	802,945	2,597,128	782,093	740,710
<b>Total Other Expenses</b>	<b>\$ 8,866,066</b>	<b>\$ 26,804,751</b>	<b>\$ 8,623,871</b>	<b>\$ 10,004,231</b>	<b>\$ 8,557,587</b>	<b>\$ 8,806,377</b>
<b>Fund Balance Contribution</b>	<b>\$ (274,840)</b>	<b>\$ (18,211,802)</b>	<b>\$ 259,733</b>	<b>\$ (819,334)</b>	<b>\$ 939,658</b>	<b>\$ 1,014,702</b>
<b>Fund Balance</b>	<b>\$ 20,988,759</b>	<b>\$ 2,776,957</b>	<b>\$ 3,036,690</b>	<b>\$ 2,217,356</b>	<b>\$ 3,157,014</b>	<b>\$ 4,171,716</b>

**Forecast Comments**

The Drainage fund has had a significant fund balance due to an increase in the number of customer accounts over the past several years.

However, capital expenditures are significantly higher in FY 23 when compared to other years due to unspent budget in FY 22 for several projects that are carrying over into FY 23, such as Laguna Creek & Whitehouse Creek Multi-Functional Corridor Project, Bond Rd Storm Drain Improvements, Southeast Policy Area Drainage Right of Way Acquisition, Pump Station Improvements Phase 2, Southeast Industrial Area Storm Drain Improvements and Arterial Roads Rehabilitation and Bicycle Lane Improvements.

Public Works has designed and will be implementing a ten-year preventative maintenance plan for the maintenance, repair, inspection, and cleaning of storm drain lines. This plan includes the conversion of six positions from contract services starting in FY 23: Three Maintenance Technicians I/II's, one Senior Maintenance Technician, and two Street Sweeper Operators. The Maintenance Technician I/II's will be part of the drainage crew responsible for performing maintenance of channels, pump stations, and related infrastructure, which is currently contracted out. Bringing these services in-house will reduce drainage operational costs by at least \$500,000 after conversion (phased in by FY 25), offsetting the cost of employee salaries and benefits, and the equipment for the pipe inspection and cleaning services. The result is a higher level of service at the same or reduced overall costs.



## FIVE-YEAR FORECASTS

**RECYCLING & WASTE FUNDS FIVE YEAR FORECAST**

<b>Beginning Available Fund Balance</b>	<b>\$ 17,501,619</b>	<b>\$ 11,384,842</b>	<b>\$ 12,572,411</b>	<b>\$ 13,605,235</b>	<b>\$ 14,533,462</b>	<b>\$ 15,342,475</b>
<b>Revenue Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Commercial Franchise Fee	535,000	550,000	608,700	599,600	590,600	581,700
Admin Fees	3,836,349	3,616,444	3,664,235	3,703,196	3,733,526	3,761,356
Utility Billing/Walk-In Payments	116,964	52,592	13,222	13,883	14,577	15,306
Building Permit Fees	16,318	16,670	16,887	17,069	17,209	17,338
Other Revenues	200,790	130,331	162,740	162,819	163,024	163,355
<b>Total Revenue</b>	<b>\$ 4,705,421</b>	<b>\$ 4,366,037</b>	<b>\$ 4,465,783</b>	<b>\$ 4,496,567</b>	<b>\$ 4,518,935</b>	<b>\$ 4,539,054</b>
<b>Expense Category</b>	<b>FY 22 YE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>
Salaries and Benefits	612,585	844,088	899,798	959,184	1,022,491	1,089,975
Operating Expenses	1,463,858	1,649,392	1,827,624	1,882,452	1,938,926	1,997,094
Capital Outlay	-	-	-	-	-	-
Debt Service	7,983,741	-	-	-	-	-
Overhead Allocation	762,013	684,988	705,538	726,704	748,505	770,960
<b>Total Other Expenses</b>	<b>\$ 10,822,197</b>	<b>\$ 3,178,468</b>	<b>\$ 3,432,959</b>	<b>\$ 3,568,341</b>	<b>\$ 3,709,922</b>	<b>\$ 3,858,029</b>
<b>Fund Balance Contribution</b>	<b>\$ (6,116,776)</b>	<b>\$ 1,187,569</b>	<b>\$ 1,032,824</b>	<b>\$ 928,226</b>	<b>\$ 809,014</b>	<b>\$ 681,025</b>
<b>Fund Balance</b>	<b>\$ 11,384,842</b>	<b>\$ 12,572,411</b>	<b>\$ 13,605,235</b>	<b>\$ 14,533,462</b>	<b>\$ 15,342,475</b>	<b>\$ 16,023,500</b>

**Forecast Comments**

The five-year forecast for Recycling & Waste incorporates several changes with the passage of Senate Bill 1383, which will require mandatory organics recycling statewide starting in 2022. Compliance with this bill will require the City to implement several new programs this year, including curbside organics collection, inspection, and enforcement programs, and extensive public education and outreach programs to go along with each new program. The costs of each program were estimated in the 2018 Solid Waste and Recycling Program Needs Assessment and Long-Range Strategic Plan and have been included in the five-year budget projections. There are two components to the anticipated cost increases: (1) one-time implementation costs associated with developing the new programs; and (2) ongoing costs associated with compliance, monitoring, enforcement, and extensive reporting requirements.

In addition to the SB 1383 costs, the forecast includes new expenditures associated with a new state-mandated Edible Food Waste program, the implementation of which is planned for calendar year 2024. Staff estimates that costs associated with the program will be about \$125,000 for FY 23 and at least \$250,000 annually starting in FY 24.

Despite these significant costs, the fund balance available in the Recycling and Waste Funds continues to increase. This trend was accelerated by the payoff of the 2010 bonds for the Special Waste Collection Center in July 2021. Staff are developing options on how to best utilize those funds in the future.

## FINANCIAL SUMMARIES

**General Fund Activity**

	FY 2021 Actuals	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change From FY 2022 to FY 2023 Budget
<b>Revenues</b>					
Sales Tax	\$ 34,975,729	\$ 36,933,699	\$ 36,919,515	\$ 38,012,570	\$ 1,078,871
Property Taxes	14,823,661	15,433,637	15,771,789	16,560,000	1,126,363
Property Taxes in lieu VLF	14,688,089	15,429,329	15,418,729	16,190,000	760,671
Property Transfer Tax	1,046,614	1,210,535	1,210,535	1,223,000	12,465
Utility Users Tax	6,168,692	6,295,000	6,006,207	6,006,000	(289,000)
Transient Occupancy Tax	1,433,720	1,654,094	1,809,162	1,827,000	172,906
Franchise Fees	2,656,368	2,469,017	2,567,669	2,559,400	90,383
Investment Income	29,178	250,000	250,000	400,000	150,000
Business Licenses & Misc.	254,265	268,000	360,699	273,000	5,000
Mello Roos - Police Services	3,660,000	4,210,000	4,060,000	9,900,000	5,690,000
Governance	4,553,247	3,747,947	3,943,272	3,582,462	(165,485)
Great Plates	173,469	5,276,359	5,276,359	-	(5,276,359)
Cares Act	2,114,498	-	-	-	-
Public Protection	1,471,001	1,288,656	1,491,461	1,557,578	268,922
Code Enforcement	498,649	266,750	266,750	246,750	(20,000)
<b>Revenue Total</b>	<b>\$ 88,547,181</b>	<b>\$ 94,733,023</b>	<b>\$ 95,352,146</b>	<b>\$ 98,337,760</b>	<b>\$ 3,604,737</b>
<b>Expenses by Function</b>					
City Council	\$ 431,601	\$ 530,927	\$ 569,501	\$ 448,696	\$ (82,231)
City Manager	5,052,789	5,648,253	5,557,407	5,977,885	329,632
City Attorney	1,628,961	1,819,111	1,851,472	1,933,874	114,763
City Clerk	833,509	831,753	753,359	1,038,658	206,905
Finance	3,314,086	3,801,630	3,881,699	3,962,399	160,769
Human Resources	1,219,403	1,543,960	1,558,408	1,632,871	88,911
Planning Commission	6,540	9,984	9,961	8,070	(1,914)
Non-Departmental	12,168,602	16,263,485	16,232,108	4,945,550	(11,317,935)
Revenue Neutrality	5,648,413	4,658,334	4,918,035	3,872,952	(785,382)
Community Service Grants	564,770	398,705	358,705	421,392	22,687
Event Sponsorship	150,013	814,258	760,028	934,890	120,632
Great Plates Delivered	5,090,212	-	-	-	-
Police Department [1]	48,087,327	52,012,695	50,087,385	58,646,736	6,634,041
Planning	157,698	165,524	170,556	202,367	36,843
Code Enforcement	1,305,764	1,668,702	1,466,277	1,969,429	300,727
<b>Expenses by Function Total</b>	<b>\$ 85,659,687</b>	<b>\$ 90,167,320</b>	<b>\$ 88,174,901</b>	<b>\$ 85,995,769</b>	<b>\$ (4,171,552)</b>
<b>Expenses by Category</b>					
Compensation	\$ 51,072,289	\$ 51,571,395	\$ 49,863,573	\$ 58,422,393	\$ 6,850,998
Operating Expenses	18,153,750	13,182,406	12,984,093	12,872,164	(310,242)
Internal Services [1]	6,130,802	9,393,445	9,393,445	10,557,925	1,164,480
Capital Outlay	560,994	622,729	536,444	195,000	(427,729)
Transfers Out	9,741,853	15,397,346	15,397,346	3,948,287	(11,449,059)
<b>Expenses by Category Total</b>	<b>\$ 85,659,687</b>	<b>\$ 90,167,320</b>	<b>\$ 88,174,901</b>	<b>\$ 85,995,769</b>	<b>\$ (4,171,552)</b>
Beginning Fund Balance	27,218,094	23,528,351	23,528,351	25,292,142	1,763,791
Change in Fund Balance	2,887,493	4,565,703	7,177,245	12,341,991	7,776,288
<b>Initial Ending Fund Balance</b>	<b>30,105,587</b>	<b>28,094,054</b>	<b>30,705,596</b>	<b>37,634,133</b>	<b>9,540,079</b>
<b>Transfer to Capital Reserve</b>	<b>(3,288,618)</b>	<b>(1,095,502)</b>	<b>(2,706,727)</b>	<b>(6,430,172)</b>	<b>(5,334,670)</b>
<b>Transfer to Economic Development</b>	<b>(3,288,618)</b>	<b>(1,095,502)</b>	<b>(2,706,727)</b>	<b>(6,430,172)</b>	<b>(5,334,670)</b>
<b>Opportunity Reserve - 5%</b>	<b>3,815,719</b>	<b>4,317,175</b>	<b>4,215,357</b>	<b>4,128,965</b>	<b>(188,210)</b>
<b>Reserve for Economic Uncertainty - 25%</b>	<b>19,078,596</b>	<b>21,585,875</b>	<b>21,076,785</b>	<b>20,644,824</b>	<b>(941,051)</b>
<b>Future Reserve Target Support</b>	<b>634,036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

[1] Starting in FY 2022, IT costs for the Police Department are budgeted in the Information Services Internal Service Fund

## FINANCIAL SUMMARIES

## Revenue and Expenditure Summary

	Fund No.	Estimated Fund Balance 7/1/2022	Estimated Revenues 6/30/2023	Estimated Expenses 6/30/2023	Estimated Fund Balance 6/30/2023
General Fund	101	25,292,142	98,337,760	85,995,769	37,634,133
Economic Development	105	3,439,043	950,000	1,003,500	3,385,543
Capital Reserve	106	31,656,273	2,358,423	2,954,855	31,059,841
Small Business Econ Incentives	108	864,997	400,000	625,000	639,997
<b>Total General Funds</b>		<b>\$ 61,252,455</b>	<b>\$ 102,046,183</b>	<b>\$ 90,579,124</b>	<b>\$ 72,719,514</b>
<b>Special Revenue Funds</b>					
Recycling Grant	201	7,249	9,120	9,120	7,249
Used Oil Recycling Grant	202	(12,816)	26,989	50	14,123
Board of State Corrections - Local Police Grant	210	-	-	-	-
Police Off-Duty	213	(13,337)	213,337	200,000	-
State Asset Seizure	215	480,474	-	316,480	163,994
Federal Capital Grants	216	63,037	92,226	92,226	63,037
Local Police Grants	217	(8,937)	269,157	269,157	(8,937)
Supplemental Law Enforcement Grant	218	317,601	461,534	604,323	174,812
Gas Tax Fund	221	3,084,684	5,297,059	5,838,336	2,543,407
Senate Bill 1 Streets & Roads	227	5,067,811	4,084,391	7,038,378	2,113,824
Senate Bill 1 Local Partnership	228	800,202	-	790,050	10,152
Affordable Housing	231	23,260,618	3,617,480	14,479,507	12,398,591
Agricultural Preservation	233	83,214	2,704	1,000	84,918
Swainson Hawk Mitigation Fee	234	3,921,262	411,948	2,066,480	2,266,730
Tree Mitigation	235	1,437,126	282,062	1,500	1,717,688
Street Trench Cut	238	748,176	229,388	606,568	370,996
Disaster Recovery	240	11,535,791	-	11,535,791	-
Community Development Block Grant	241	(199,826)	2,191,799	1,991,973	-
State Homeless Appropriation	242	2,140,610	59,923	537,911	1,662,622
Wilton Rancheria Casino	246	4,910,218	2,453,924	750	7,363,392
Community Facilities District 2003-1 Police Services	251	685,866	1,021,684	1,627,949	79,601
CFD 2003-2 Police Services	252	4,068,215	4,537,988	8,356,670	249,533
CFD 2006-1 Maintenance Services	255	1,321,691	2,404,897	2,185,148	1,541,440
CFD 2005-1 Maintenance Services	256	9,609,206	4,596,248	6,441,611	7,763,843
Street Maintenance D1 Zone 1	261	3,428,137	936,065	904,569	3,459,633
Street Maintenance D1 Zone 2	262	204,366	74,133	34,163	244,336
Street Maintenance D1 Zone 3	263	844,849	430,540	507,091	768,298
Street Maintenance D1 Zone 4	264	155,332	77,753	13,076	220,009
Street Maintenance D1 Zone 5	265	2,560,381	924,811	724,589	2,760,603
Street Light Maintenance Zone 1	267	242,734	809,848	775,068	277,514
Street Light Maintenance Zone 2	268	520,030	426,132	291,127	655,035
Federal Asset Forfeiture	275	281,972	-	281,972	-
Federal Asset Forfeiture - Treasury Fund	276	26,043	-	26,043	-
Library Ownership	280	1,208,268	138,356	462,009	884,615
Neighborhood Stabilization	285	309,784	61,017	265,500	105,301
Measure A Maintenance	294	6,236,450	5,882,869	7,512,027	4,607,292
Development Services	295	2,927,980	9,485,335	9,274,585	3,138,730
Public Works Administration	296	3,383,802	5,177,216	8,026,207	534,811
<b>Total Special Revenue Funds</b>		<b>\$ 95,638,263</b>	<b>\$ 56,687,933</b>	<b>\$ 94,089,004</b>	<b>\$ 58,237,192</b>

## FINANCIAL SUMMARIES

	Fund No.	Estimated Fund Balance 7/1/2022	Estimated Revenues 6/30/2023	Estimated Expenses 6/30/2023	Estimated Fund Balance 6/30/2023
<b>Capital Project Funds</b>					
Federal Capital Grants	301	7,756,078	5,130,011	12,886,089	-
State Capital Grants	302	(2,789,065)	4,236,373	1,447,308	-
Local Transportation Fund - Bike and Ped	305	-	122,396	122,396	-
Capital Facilities Fee - City Admin Facilities	311	2,133,861	235,410	1,500	2,367,771
CFF - Police	312	3,592,804	595,559	752,326	3,436,037
CFF - Corp Yard	313	1,351,680	421,112	327,530	1,445,262
CFF - Library	315	5,783,790	713,779	1,003,000	5,494,569
CFF - Transit Facilities	317	5,352,699	392,866	3,000	5,742,565
CFF - Admin	319	487,909	89,087	15,943	561,053
East Franklin Landscape Corridor Fee	324	6,258,344	53,731	3,521,524	2,790,551
East Franklin Fee - Admin	326	392,592	5,106	7,023	390,675
Elk Grove Roadway Fee	328	36,393,197	5,055,025	23,087,957	18,360,265
Impact Fee Administration	329	470,173	44,500	68,147	446,526
Impact Fee Admin	330	-	-	-	-
LRSP Quimby in Lieu Fee	331	579,203	533,604	220,752	892,055
LRSP Supplemental Park Facilities	332	373,975	690,994	755,759	309,210
Laguna Ridge Parks	333	806,382	165,695	74,400	897,677
Laguna Ridge Specific Plan P3 Z2 Drainage Fee	334	1,093,664	530,067	6,913	1,616,818
Laguna West Service Area	335	623,467	67,235	61,887	628,815
Lakeside Service Area	336	83,671	837	1,924	82,584
External Agencies Fund	338	578,624	-	224,077	354,547
In-Lieu Roadway	339	3,018,925	205,000	276,573	2,947,352
CFD 2002-1 East Franklin	341	8,646,566	51,008	4,131,752	4,565,822
CFD 2003-1 Poppy Ridge	343	545,265	106,152	177,577	473,840
CFD 2005-1 Laguna Ridge	344	4,675,143	1,001,082	3,427,334	2,248,891
District56 Nature Area and Old Town Plaza	345	283,874	-	269,035	14,839
Animal Shelter Capital Improvement	346	2,542	387	500	2,429
Laguna Area CFD	347	1,038,532	9,693	250	1,047,975
Laguna West CFD	348	142,328	1,817	120	144,025
Lakeside CFD	349	233,386	-	157,903	75,483
Federal Capital Grants 2	351	1,992,321	3,635,463	5,627,784	-
State Capital Grant 2	352	210,000	-	210,000	-
Southeast Policy Area - Park Fee	356	4,497,767	1,857,454	692,043	5,663,178
Southeast Policy Area - Trail Fee	357	4,067,349	1,673,012	551,200	5,189,161
Southeast Policy Area (SEPA) Trails Land	358	-	-	-	-
Laguna Ridge Park Fee	360	216,572	485,927	622,214	80,285
PD Campus Facilities Improvements [1]	361	12,694,699	-	12,455,699	239,000
Freeway Mitigation Fee	365	114,626	-	50	114,576
SEPA Cost Recovery	370	371,314	249,370	10,500	610,184
SEPA Channel Fee	371	2,066,143	771,104	4,000	2,833,247
SEPA City Infrastructure Drainage Fee	372	355,324	217,905	10,500	562,729
SEPA Zone 1 North Sub-Shed Basin Fee	373	2,533,710	1,975,794	10,500	4,499,004
SEPA Zone 1 Basin S4	374	-	-	-	-
SEPA Zone 1 Basin S5	375	-	-	-	-
SEPA Zone 1 Basin S6	376	730,826	-	1,500	729,326
SEPA Zone 1 Basin S7	377	-	-	-	-
SEPA Zone 1 Basin S8	378	-	-	-	-
SEPA Zone 1 Basin S9	379	-	-	-	-
SEPA & LRSP Phase 3 Admin Fee	380	377,877	257,404	1,500	633,781
Measure A Safety, Streetscape, Bike, Ped	393	1,939,793	867,765	2,251,098	556,460
Measure A Traffic Control & Safety	394	808,962	586,685	1,040,016	355,631
<b>Total Capital Project Funds</b>		<b>\$ 122,886,892</b>	<b>\$ 33,036,409</b>	<b>\$ 76,519,103</b>	<b>\$ 79,404,198</b>

Newly established fund: [1]

## FINANCIAL SUMMARIES

	<b>Fund No.</b>	<b>Estimated Fund Balance 7/1/2022</b>	<b>Estimated Revenues 6/30/2023</b>	<b>Estimated Expenses 6/30/2023</b>	<b>Estimated Fund Balance 6/30/2023</b>
<b>Debt Service Fund</b>					
Financing Authority - Laguna Palms Campus	403	293,598	358,060	589,902	61,756
Financing Authority 2018 - Animal Shelter	406	471,669	1,305,222	1,313,257	463,634
Finance Authority – D56 Nature Area & Old Town Plaza	407	693,085	817,118	823,118	687,085
Finance Authority – PD Campus Improvements [2]	408	43,806	764,595	766,157	42,244
<b>Total Debt Service Funds</b>		<b>\$ 1,502,158</b>	<b>\$ 3,244,995</b>	<b>\$ 3,492,434</b>	<b>\$ 1,254,719</b>
Newly established fund: [2]					
<b>Enterprise Fund</b>					
Solid Waste Residential	501	5,353,282	1,346,202	1,038,533	5,660,951
Commercial Haulers	502	2,774,228	604,776	855,685	2,523,319
Drainage Fee	503	20,988,759	8,592,949	26,804,751	2,776,957
Special Waste Collection Center	506	3,257,332	2,415,059	1,284,250	4,388,141
Transit Operations	511	(3,118,352)	600,767	190,831	(2,708,416)
<b>Total Enterprise Funds</b>		<b>\$ 29,255,249</b>	<b>\$ 13,559,753</b>	<b>\$ 30,174,050</b>	<b>\$ 12,640,952</b>
<b>Internal Service Funds</b>					
Risk Management	601	2,337,639	7,149,698	6,624,812	2,862,525
Facilities & Fleet	602	3,853,900	2,942,429	4,562,596	2,233,733
Information Technology & GIS	603	2,113,706	7,274,729	7,887,365	1,501,070
State Unemployment Insurance	604	218,115	50,000	50,000	218,115
<b>Total Internal Service Funds</b>		<b>\$ 8,523,360</b>	<b>\$ 17,416,856</b>	<b>\$ 19,124,773</b>	<b>\$ 6,815,443</b>
<b>Agency Funds</b>					
Laguna Springs Open Space Preserve	709	97,866	-	-	97,866
Employee Sunshine Fund	730	54,833	16,588	30,050	41,371
Animal Services Donations	735	30,815	-	50	30,765
CFD 2005-1 Laguna Ridge	756	7,004,246	10,238,099	9,410,722	7,831,623
CFD 2002-1 E Franklin	757	5,130,062	4,486,822	3,584,575	6,032,309
CFD 2003-1 Poppy Ridge	758	\$ 2,526,495	\$ 3,984,254	\$ 3,342,536	\$ 3,168,213
<b>Total Agency Funds</b>		<b>\$ 14,844,317</b>	<b>\$ 18,725,763</b>	<b>\$ 16,367,933</b>	<b>\$ 17,202,147</b>
<b>TOTAL</b>		<b>\$ 333,902,694</b>	<b>\$ 244,717,892</b>	<b>\$ 330,346,421</b>	<b>\$ 248,274,165</b>
<b>Less Transfers and Internal Service Costs</b>		<b>-</b>	<b>\$ 36,621,740</b>	<b>\$ 36,621,740</b>	<b>-</b>
<b>GRAND TOTAL</b>		<b>\$ 333,902,694</b>	<b>\$ 208,096,152</b>	<b>\$ 293,724,681</b>	<b>\$ 248,274,165</b>

## GENERAL FUND EXTENSIONS

**105 - Economic Development Fund**

Identify potential large business startup and “scale up” candidates and support their launch and growth.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>4,107,838</b>	<b>748,233</b>	<b>5,938,446</b>	<b>950,000</b>	<b>201,767</b>
Operating Expenses	479,259	1,139,856	1,207,000	1,003,500	(136,356)
Capital Outlay	-	9,125,000	9,029,402	-	(9,125,000)
Transfers	-	150,000	150,000	-	(150,000)
<b>Total Expenditures</b>	<b>479,259</b>	<b>10,414,856</b>	<b>10,386,402</b>	<b>1,003,500</b>	<b>(9,411,356)</b>
Surplus / (Deficit)	3,628,579	(9,666,623)	(4,447,956)	(53,500)	9,613,123
<b>Available Fund Balance</b>	<b>7,886,999</b>	<b>(1,779,624)</b>	<b>3,439,043</b>	<b>3,385,543</b>	

**Note:** Per the City’s Reserve Policy, additional transfer-in revenues from the General Fund into this fund can occur in certain years. To see a projection of these additional transfer-in revenues, see the Economic Development Business Incentive Fund five-year forecast in the Five-Year Forecast section of the budget.

**Note:** There was one-time revenue of over \$5.1 million in FY 2022 due to the sale of property to Kubota Tractor Corporation that was not anticipated in the Budget.

**Note:** FY 2022 included a property purchase of over \$9 million intended for the future Zoo facility.

**106 - Capital Reserve Fund**

General Fund Capital Reserves may be used to fund long-term capital projects, including the repair of such projects, at the discretion of the City Council.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>10,765,616</b>	<b>13,939,697</b>	<b>17,431,328</b>	<b>2,358,423</b>	<b>(11,581,274)</b>
Operating Expenses	26,113	204,859	135,277	101,000	(103,859)
Capital Outlay	6,621,620	3,662,898	715,370	908,968	(2,753,931)
Transfers	15,088	-	-	-	-
Capital Outlay Rollover	-	-	-	1,944,887	1,944,887
<b>Total Expenditures</b>	<b>6,662,821</b>	<b>3,867,757</b>	<b>850,647</b>	<b>2,954,855</b>	<b>(912,903)</b>
Surplus / (Deficit)	4,102,795	10,071,940	16,580,681	(596,432)	(10,668,371)
<b>Available Fund Balance</b>	<b>15,075,592</b>	<b>25,147,532</b>	<b>31,656,273</b>	<b>31,059,841</b>	

**Note:** Per the City’s Reserve Policy, additional transfer-in revenues from the General Fund into this fund can occur in certain years. To see a projection of these additional transfer-in revenues, see the General Capital Reserve five-year forecast in the Five-Year Forecast section of the budget.

**Note:** There was a one-time revenue of over \$3.1 million in FY 2022 associated with the sale of sewer fee credits that was not anticipated in the Budget.

## GENERAL FUND EXTENSIONS

**108 - Small Business Econ Incentive Fund**

Identify potential small business startup and scale up candidates and support their launch and growth.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>827,298</b>	<b>-</b>	<b>-</b>	<b>400,000</b>	<b>400,000</b>
Operating Expenses	84,150	350,000	50,000	625,000	275,000
<b>Total Expenditures</b>	<b>84,150</b>	<b>350,000</b>	<b>50,000</b>	<b>625,000</b>	<b>275,000</b>
Surplus / (Deficit)	743,148	(350,000)	(50,000)	(225,000)	125,000
<b>Available Fund Balance</b>	<b>914,997</b>	<b>564,997</b>	<b>864,997</b>	<b>639,997</b>	

## SPECIAL REVENUE FUNDS

**201 - Recycling Grant**

Funds provided by the State Department of Conservation's recycling division through California Capitol Refund Value (CRV) beverage container fees.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>42,176</b>	<b>9,120</b>	<b>42,744</b>	<b>9,120</b>	<b>-</b>
Operating Expenses	37,222	51,864	51,885	9,120	(42,744)
<b>Total Expenditures</b>	<b>37,222</b>	<b>51,864</b>	<b>51,885</b>	<b>9,120</b>	<b>(42,744)</b>
Surplus / (Deficit)	4,954	(42,744)	(9,141)	-	42,744
<b>Available Fund Balance</b>	<b>16,390</b>	<b>(26,354)</b>	<b>7,249</b>	<b>7,249</b>	

**Note:** Due to the cyclical nature of grant funding, funds are programmed only so far as the funding is authorized and approved (expiration, renewal, et al). Additional grant funding may be awarded in the coming fiscal year. The Budget Resolution adopted in concurrence with the Annual Budget allows for the re-appropriation of unspent grant funding and budgeting of new grant funding at the time of award.

**202 - Used Oil Recycling Grant**

Funds received from the State Department of Resources Recycling and Recovery and used to educate the public on oil recycling.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>45,545</b>	<b>50,701</b>	<b>26,989</b>	<b>26,989</b>	<b>(23,712)</b>
Operating Expenses	46,737	69,899	46,208	50	(69,849)
<b>Total Expenditures</b>	<b>46,737</b>	<b>69,899</b>	<b>46,208</b>	<b>50</b>	<b>(69,849)</b>
Surplus / (Deficit)	(1,192)	(19,198)	(19,219)	26,939	46,137
<b>Available Fund Balance</b>	<b>6,403</b>	<b>(12,795)</b>	<b>(12,816)</b>	<b>14,123</b>	

**Note:** Due to the cyclical nature of grant funding, funds are programmed only so far as the funding is authorized and approved (expiration, renewal, et al). Additional grant funding may be awarded in the coming fiscal year. The Budget Resolution adopted in concurrence with the Annual Budget allows for the re-appropriation of unspent grant funding and budgeting of new grant funding at the time of award.

**210 - California Board of State Community Corrections State of California Grant**

The California Board of State Community Corrections, whose mission is to assist local jurisdictions to reduce recidivism, provides grant funding to programs, supporting the efforts of local communities to manage offenders released to their communities under Assembly Bills 109 and 117.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>(2,827)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Compensation	51,456	-	-	-	-
Capital Outlay	24,497	32,953	32,953	-	(32,953)
<b>Total Expenditures</b>	<b>75,953</b>	<b>32,953</b>	<b>32,953</b>	<b>-</b>	<b>(32,953)</b>
Surplus / (Deficit)	(78,780)	(32,953)	(32,953)	-	32,953
<b>Available Fund Balance</b>	<b>32,953</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Note:** Due to the cyclical nature of grant funding, funds are programmed only so far as the funding is authorized and approved (expiration, renewal, et al). Additional grant funding may be awarded in the coming fiscal year. The Budget Resolution adopted in concurrence with the Annual Budget allows for the re-appropriation of unspent grant funding and budgeting of new grant funding at the time of award.



## SPECIAL REVENUE FUNDS

**213 – Police Extra Duty Program**

Funds for the hiring of off-duty officers for event security, traffic control, and motorized traffic escorts.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>183,699</b>	<b>200,000</b>	<b>213,337</b>	<b>213,337</b>	<b>13,337</b>
Compensation	204,327	200,000	200,000	200,000	-
<b>Total Expenditures</b>	<b>204,327</b>	<b>200,000</b>	<b>200,000</b>	<b>200,000</b>	<b>-</b>
Surplus / (Deficit)	(20,628)	-	13,337	13,337	13,337
<b>Available Fund Balance</b>	<b>(26,674)</b>	<b>(26,674)</b>	<b>(13,337)</b>	<b>-</b>	<b>-</b>

**215 – State Asset Forfeiture**

The Asset Forfeiture funds are a percentage of proceeds from the sale of seized property and are used for education and problem prevention projects aimed at the youth in our community.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>535,781</b>	<b>126,851</b>	<b>290,845</b>	<b>-</b>	<b>(126,851)</b>
Operating Expenses	123,460	303,911	74,666	229,245	(74,666)
Capital Outlay	743,566	153,675	66,439	87,235	(66,440)
<b>Total Expenditures</b>	<b>867,026</b>	<b>457,586</b>	<b>141,105</b>	<b>316,480</b>	<b>(141,106)</b>
Surplus / (Deficit)	(331,245)	(330,735)	149,740	(316,480)	14,255
<b>Available Fund Balance</b>	<b>330,734</b>	<b>(1)</b>	<b>480,474</b>	<b>163,994</b>	<b>-</b>

**Note:** Due to the unpredictable nature of asset seizure funding, funds are programmed only so far as the available fund balance in the coming fiscal year. Additional Asset Seizure funding may become available for appropriation in the coming fiscal year at which time the Budget Resolution adopted in concurrence with the Annual Budget allows for appropriation and budgeting of the additional asset seizure funds at that time received.

**216 – Federal Police Grants**

Includes several types of grants for various programs within the Police Department.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>238,208</b>	<b>506,688</b>	<b>237,593</b>	<b>92,226</b>	<b>(414,462)</b>
Compensation	160,708	453,347	223,506	91,126	(362,221)
Operating Expenses	45,573	39,754	33,204	1,100	(38,654)
Capital Outlay	31,664	-	-	-	-
<b>Total Expenditures</b>	<b>237,945</b>	<b>493,101</b>	<b>256,710</b>	<b>92,226</b>	<b>(400,875)</b>
Surplus / (Deficit)	263	13,587	(19,117)	-	(13,587)
<b>Available Fund Balance</b>	<b>82,154</b>	<b>95,741</b>	<b>63,037</b>	<b>63,037</b>	<b>-</b>

**Note:** Due to the cyclical nature of grant funding, funds are programmed only so far as the funding is authorized and approved (expiration, renewal, et al). Additional grant funding may be awarded in the coming fiscal year. The Budget Resolution adopted in concurrence with the Annual Budget allows for the re-appropriation of unspent grant funding and budgeting of new grant funding at the time of award.

## SPECIAL REVENUE FUNDS

**217 - Local Police Grants**

This fund is used to account for miscellaneous grants and donations from local businesses and organizations. The funds are used for programs specific to the donations, or various police programs.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>78,561</b>	<b>374,316</b>	<b>105,159</b>	<b>269,157</b>	<b>(105,159)</b>
Compensation	87,066	374,316	105,159	269,157	(105,159)
Operating Expenses	2,400	-	-	-	-
<b>Total Expenditures</b>	<b>89,466</b>	<b>374,316</b>	<b>105,159</b>	<b>269,157</b>	<b>(105,159)</b>
Surplus / (Deficit)	(10,905)	-	-	-	-
<b>Available Fund Balance</b>	<b>(8,937)</b>	<b>(8,937)</b>	<b>(8,937)</b>	<b>(8,937)</b>	

**Note:** Due to the cyclical nature of grant funding, funds are programmed only so far as the funding is authorized and approved (expiration, renewal, et al). Additional grant funding may be awarded in the coming fiscal year. The Budget Resolution adopted in concurrence with the Annual Budget allows for the re-appropriation of unspent grant funding and budgeting of new grant funding at the time of award.

**218 – The State Supplemental Law Enforcement Services Grant**

These State grants are to be used for frontline police operations and services within two years or until all funds are expended.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>417,077</b>	<b>607,944</b>	<b>607,944</b>	<b>461,534</b>	<b>(146,410)</b>
Compensation	230,040	814,393	474,654	604,273	(210,121)
Operating Expenses	56,759	28,981	29,023	50	(28,931)
Capital Outlay	24,869	-	-	-	-
<b>Total Expenditures</b>	<b>311,668</b>	<b>843,374</b>	<b>503,677</b>	<b>604,323</b>	<b>(239,052)</b>
Surplus / (Deficit)	105,409	(235,430)	104,267	(142,789)	92,642
<b>Available Fund Balance</b>	<b>213,334</b>	<b>(22,096)</b>	<b>317,601</b>	<b>174,812</b>	

**Note:** Due to the cyclical nature of grant funding, funds are programmed only so far as the funding is authorized and approved (expiration, renewal, et al). Additional grant funding may be awarded in the coming fiscal year. The Budget Resolution adopted in concurrence with the Annual Budget allows for the re-appropriation of unspent grant funding and budgeting of new grant funding at the time of award.

**221 - Gas Tax Fund**

Gas Tax street maintenance includes the City's Pavement Management Program, construction of capital projects, and coordination with other entities as needed. Gas Tax is the City's share of the \$0.18 per gallon State gasoline tax and is restricted to street expenditures. The California Department of Tax and Administration administers the tax and the State Controller distributes the proceeds to cities and counties using formulas based on population and lane-miles of maintained roadways.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>4,074,511</b>	<b>4,739,953</b>	<b>5,069,916</b>	<b>5,297,059</b>	<b>557,106</b>
Compensation	627,132	920,721	821,223	902,932	(17,789)
Operating Expenses	1,856,844	3,417,132	3,128,385	3,085,474	(331,658)
Capital Outlay	212,248	1,228,490	425,202	934,750	(293,740)
Transfers	508,061	1,008,631	1,008,631	231,717	(776,914)
Capital Outlay Rollover	-	-	-	683,463	683,463
<b>Total Expenditures</b>	<b>3,204,285</b>	<b>6,574,974</b>	<b>5,383,441</b>	<b>5,838,336</b>	<b>(736,638)</b>
Surplus / (Deficit)	870,226	(1,835,021)	(313,525)	(541,277)	1,293,744
<b>Available Fund Balance</b>	<b>3,398,209</b>	<b>1,563,188</b>	<b>3,084,684</b>	<b>2,543,407</b>	

## SPECIAL REVENUE FUNDS

**227 – Senate Bill 1 (SB1) Local Streets and Roads**

SB1 Local Streets and Roads provides funding for pavement needs for City streets and roads.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>3,257,724</b>	<b>3,444,927</b>	<b>3,715,186</b>	<b>4,084,391</b>	<b>639,464</b>
Operating Expenses	-	-	740	1,000	1,000
Capital Outlay	3,670,953	4,685,690	1,465,323	3,057,000	(1,628,690)
Transfers	2,454	264,463	264,463	214,150	(50,313)
Capital Outlay Rollover	-	-	-	3,766,228	3,766,228
<b>Total Expenditures</b>	<b>3,673,407</b>	<b>4,950,153</b>	<b>1,730,526</b>	<b>7,038,378</b>	<b>2,088,225</b>
Surplus / (Deficit)	(415,683)	(1,505,226)	1,984,660	(2,953,987)	(1,448,761)
<b>Available Fund Balance</b>	<b>3,083,151</b>	<b>1,577,925</b>	<b>5,067,811</b>	<b>2,113,824</b>	

**228 – Senate Bill 1 (SB1) Local Partnership**

SB1 Local Partnership funds provide grants for transportation infrastructure including streets and roads.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>247,735</b>	<b>800,204</b>	<b>800,204</b>	<b>-</b>	<b>(800,204)</b>
Operating Expenses	-	-	2	50	50
Capital Outlay	-	790,000	-	-	(790,000)
Capital Outlay Rollover	-	-	-	790,000	790,000
<b>Total Expenditures</b>	<b>-</b>	<b>790,000</b>	<b>2</b>	<b>790,050</b>	<b>50</b>
Surplus / (Deficit)	247,735	10,204	800,202	(790,050)	(800,254)
<b>Available Fund Balance</b>	<b>-</b>	<b>10,204</b>	<b>800,202</b>	<b>10,152</b>	

**231 - Affordable Housing**

This Citywide fee is imposed on residential development to ensure adequate housing opportunities exist for very low- and low-income households and sufficient funds are available to facilitate the construction of very low- and low-income housing units.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>4,353,380</b>	<b>3,908,982</b>	<b>4,209,823</b>	<b>3,617,480</b>	<b>(291,502)</b>
Compensation	72,336	130,527	135,377	199,507	68,980
Operating Expenses	1,074,417	5,195,000	5,069,000	11,280,000	6,085,000
Capital Outlay	1,081,841	3,000,000	14	3,000,000	-
<b>Total Expenditures</b>	<b>2,228,594</b>	<b>8,325,527</b>	<b>5,204,391</b>	<b>14,479,507</b>	<b>6,153,980</b>
Surplus / (Deficit)	2,124,786	(4,416,545)	(994,568)	(10,862,027)	(6,445,482)
<b>Available Fund Balance</b>	<b>24,255,186</b>	<b>19,838,641</b>	<b>23,260,618</b>	<b>12,398,591</b>	

**Note:** The operating expenses increase in FY 2023 is largely due to loans for these affordable housing projects: \$6 million for the Lyla project, \$3 million for the Cornerstone Village project, and \$2 million for the Villages at Bilby project.

## SPECIAL REVENUE FUNDS

**233 - Agricultural Preservation Mitigation Fee**

This fee is imposed upon the development in the East Franklin Specific Plan area. The fee revenue is used to purchase agricultural easements or other similar instruments on agricultural land and to provide for the ongoing monitoring and administration of these easements.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>(24,470)</b>	<b>27,042</b>	<b>27,042</b>	<b>2,704</b>	<b>(24,338)</b>
Operating Expenses	859	1,000	1,000	1,000	-
Capital Outlay	1,044,480	1,000,000	1,000,000	-	(1,000,000)
<b>Total Expenditures</b>	<b>1,045,339</b>	<b>1,001,000</b>	<b>1,001,000</b>	<b>1,000</b>	<b>(1,000,000)</b>
Surplus / (Deficit)	(1,069,809)	(973,958)	(973,958)	1,704	975,662
<b>Available Fund Balance</b>	<b>1,057,172</b>	<b>83,214</b>	<b>83,214</b>	<b>84,918</b>	

**Note:** \$1 million was budgeted and paid in FY 2022 for land acquisition related to agricultural preservation.

**234 - Swainson Hawk Mitigation Fee**

This mitigation fee is used to purchase/monitor land and/or easements on property the City and the State Department of Fish and Game determine to be suitable Swainson's Hawk habitat as mitigation for the loss of habitat caused by development.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>477,466</b>	<b>422,850</b>	<b>307,924</b>	<b>411,948</b>	<b>(10,902)</b>
Compensation	13,858	14,550	14,937	15,480	930
Operating Expenses	20,651	51,000	51,000	51,000	-
Capital Outlay	-	2,000,000	516,140	2,000,000	-
<b>Total Expenditures</b>	<b>34,509</b>	<b>2,065,550</b>	<b>582,077</b>	<b>2,066,480</b>	<b>930</b>
Surplus / (Deficit)	442,957	(1,642,700)	(274,153)	(1,654,532)	(11,832)
<b>Available Fund Balance</b>	<b>4,195,415</b>	<b>2,552,715</b>	<b>3,921,262</b>	<b>2,266,730</b>	

**Note:** \$2 million was budgeted in FY 2022 for Swainson Hawk habitat, of which \$500,000 was utilized. Another \$2 million is budgeted in FY 2023 in hopes of finding additional habitat.

**235 - Tree Mitigation**

This fund is to be used for the preservation of oak trees.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>829,828</b>	<b>264,996</b>	<b>287,636</b>	<b>282,062</b>	<b>17,066</b>
Operating Expenses	620	1,500	1,500	1,500	-
<b>Total Expenditures</b>	<b>620</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>
Surplus / (Deficit)	829,208	263,496	286,136	280,562	17,066
<b>Available Fund Balance</b>	<b>1,150,990</b>	<b>1,414,486</b>	<b>1,437,126</b>	<b>1,717,688</b>	

## SPECIAL REVENUE FUNDS

**238 - Street Trench Cut**

This fee is used for the associated cost of cutting pavement and the future maintenance of roadways.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>146,855</b>	<b>232,567</b>	<b>247,964</b>	<b>229,388</b>	<b>(3,179)</b>
Operating Expenses	119,754	100,400	51,400	100,400	-
Capital Outlay	-	500,000	-	-	(500,000)
Transfers	2,331	3,992	3,992	6,168	2,176
Capital Outlay Rollover	-	-	-	500,000	500,000
<b>Total Expenditures</b>	<b>122,085</b>	<b>604,392</b>	<b>55,392</b>	<b>606,568</b>	<b>2,176</b>
Surplus / (Deficit)	24,770	(371,825)	192,572	(377,180)	(5,355)
<b>Available Fund Balance</b>	<b>555,604</b>	<b>183,779</b>	<b>748,176</b>	<b>370,996</b>	

**240 – Disaster Recovery**

This fund was created to capture costs, grant funding, and revenue recovery associated with natural disasters and states of emergency such as floods, fires, earthquakes, and pandemics.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>13,446</b>	<b>10,972,303</b>	<b>11,014,957</b>	<b>-</b>	<b>(10,972,303)</b>
Operating Expenses	-	14,962,126	10,173,742	2,454,149	(12,507,977)
Capital Outlay	-	5,963,315	291,173	3,734,500	(2,228,815)
Capital Outlay Rollover	-	-	-	5,347,142	5,347,142
<b>Total Expenditures</b>	<b>-</b>	<b>20,925,441</b>	<b>10,464,915</b>	<b>11,535,791</b>	<b>(9,389,650)</b>
Surplus / (Deficit)	13,446	(9,953,138)	550,042	(11,535,791)	(1,582,653)
<b>Available Fund Balance</b>	<b>10,985,749</b>	<b>1,032,611</b>	<b>11,535,791</b>	<b>-</b>	

**Note:** The funds budgeted in FY 2022 and FY 2023 are associated with the American Rescue Plan Act grant funding.

**241 - Community Development Block Grant**

Funds received from the U.S. Department of Housing and Urban Development to develop viable urban communities by providing housing, a suitable living environment, and expanded economic opportunities, principally for low- and moderate-income persons.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>922,328</b>	<b>2,000,181</b>	<b>2,000,181</b>	<b>2,191,799</b>	<b>191,618</b>
Compensation	111,627	77,669	80,862	115,907	38,238
Operating Expenses	231,217	994,624	994,624	316,200	(678,424)
Capital Outlay	636,609	1,301,510	1,149,752	1,488,959	187,448
Capital Outlay Rollover	-	-	-	70,907	70,907
<b>Total Expenditures</b>	<b>979,453</b>	<b>2,373,803</b>	<b>2,225,238</b>	<b>1,991,973</b>	<b>(381,831)</b>
Surplus / (Deficit)	(57,125)	(373,622)	(225,057)	199,826	573,449
<b>Available Fund Balance</b>	<b>25,231</b>	<b>(348,391)</b>	<b>(199,826)</b>	<b>-</b>	

## SPECIAL REVENUE FUNDS

**242 – State Homelessness Grant**

This State funding is intended to implement a range of services aimed at navigating homeless individuals and families to permanent housing, including but not limited to the following: a navigation team to provide proactive outreach to homeless persons, acquisition and rehabilitation of property to serve as temporary or permanent housing, operations costs associated with homeless housing, and implementation of individualized strategies to promote permanent housing.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>13,206</b>	<b>59,923</b>	<b>59,923</b>	<b>59,923</b>	<b>-</b>
Compensation	267,947	272,263	275,040	311,911	39,648
Operating Expenses	62,901	140,000	140,886	226,000	86,000
Capital Outlay	-	1,800,000	1,800,000	-	(1,800,000)
<b>Total Expenditures</b>	<b>330,848</b>	<b>2,212,263</b>	<b>2,215,926</b>	<b>537,911</b>	<b>(1,674,352)</b>
Surplus / (Deficit)	(317,642)	(2,152,340)	(2,156,003)	(477,988)	1,674,352
<b>Available Fund Balance</b>	<b>4,296,613</b>	<b>2,144,273</b>	<b>2,140,610</b>	<b>1,662,622</b>	

**246 – Wilton Rancheria Casino**

The fund was established to capture revenues and expenditures associated with a memorandum of understanding (MOU) between the City and the Wilton Rancheria Tribe. Per the MOU, the Tribe agreed to make financial contributions and community investments to fund the mitigation of various off-property impacts that are a direct result of building the Casino. In addition, the Tribe agreed to provide contributions toward law enforcement, civic projects, roadway and infrastructure improvements, and community services that also serve the off-reservation needs of City residents.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>2,456,931</b>	<b>2,453,924</b>	<b>2,453,924</b>	<b>2,453,924</b>	<b>-</b>
Operating Expenses	117	-	521	750	750
<b>Total Expenditures</b>	<b>117</b>	<b>-</b>	<b>521</b>	<b>750</b>	<b>750</b>
Surplus / (Deficit)	2,456,814	2,453,924	2,453,403	2,453,174	(750)
<b>Available Fund Balance</b>	<b>2,456,815</b>	<b>4,910,739</b>	<b>4,910,218</b>	<b>7,363,392</b>	

**251 - CFD 2003-1 Police Services**

This fund is used to pay for a portion of the costs associated with providing police protection services in CFD 2003-1.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>971,854</b>	<b>988,939</b>	<b>989,624</b>	<b>1,021,684</b>	<b>32,745</b>
Compensation	7,395	7,677	7,960	8,245	568
Operating Expenses	3,796	10,300	10,300	10,420	120
Transfers	870,539	871,446	871,446	1,609,284	737,838
<b>Total Expenditures</b>	<b>881,730</b>	<b>889,423</b>	<b>889,706</b>	<b>1,627,949</b>	<b>738,526</b>
Surplus / (Deficit)	90,124	99,516	99,918	(606,265)	(705,781)
<b>Available Fund Balance</b>	<b>585,948</b>	<b>685,464</b>	<b>685,866</b>	<b>79,601</b>	

**Note:** FY 2023 includes a one-time draw-down of reserves, to transfer to the General Fund, to reduce the fund balance in this fund.

## SPECIAL REVENUE FUNDS

**252 - CFD 2003-2 Police Services**

This fund is used to pay for a portion of the costs associated with providing police protection services in CFD 2003-2.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>3,842,789</b>	<b>4,216,097</b>	<b>4,223,281</b>	<b>4,537,988</b>	<b>321,891</b>
Compensation	7,395	7,677	7,960	8,245	568
Operating Expenses	13,509	14,560	14,560	15,289	729
Transfers	2,813,715	3,237,506	3,237,506	8,333,136	5,095,630
<b>Total Expenditures</b>	<b>2,834,619</b>	<b>3,259,743</b>	<b>3,260,026</b>	<b>8,356,670</b>	<b>5,096,927</b>
Surplus / (Deficit)	1,008,170	956,354	963,255	(3,818,682)	(4,775,036)
<b>Available Fund Balance</b>	<b>3,104,960</b>	<b>4,061,314</b>	<b>4,068,215</b>	<b>249,533</b>	

**Note:** FY 2023 includes a one-time draw-down of reserves, to transfer to the General Fund, to reduce the fund balance in this fund.

**255 - CFD 2006-1 Maintenance Services**

This fund is used to pay a portion of the City's maintenance costs. Maintenance costs in the CFD may include public parkways, public parks, open space, landscape setbacks, bike, and other paths, landscaped medians in and adjacent to roadways, maintenance and operation of a community center, recreation center, sports facilities, cultural arts center, water features and maintenance of other related facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,967,213</b>	<b>2,277,179</b>	<b>2,277,494</b>	<b>2,404,897</b>	<b>127,718</b>
Compensation	109,241	159,787	170,409	180,285	20,498
Operating Expenses	1,136,107	1,656,475	1,656,475	1,893,924	237,449
Transfers	121,047	169,766	169,766	110,939	(58,827)
<b>Total Expenditures</b>	<b>1,366,395</b>	<b>1,986,028</b>	<b>1,996,650</b>	<b>2,185,148</b>	<b>199,120</b>
Surplus / (Deficit)	600,818	291,151	280,844	219,749	(71,402)
<b>Available Fund Balance</b>	<b>1,040,847</b>	<b>1,331,998</b>	<b>1,321,691</b>	<b>1,541,440</b>	

**256 - CFD 2005-1 Maintenance Services**

This fund is used to pay a portion of the City's maintenance costs. Maintenance costs in the CFD may include public parkways, public parks, open space, landscape setbacks, bike, and other paths, landscaped medians in and adjacent to roadways, maintenance and operation of a community center, recreation center, sports facilities, cultural arts center, water features and maintenance of other related facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>3,589,740</b>	<b>4,053,225</b>	<b>4,075,644</b>	<b>4,596,248</b>	<b>543,023</b>
Compensation	402,974	595,920	691,831	638,374	42,454
Operating Expenses	2,907,855	5,215,709	5,215,709	5,605,173	389,463
Capital Outlay	17,130	67,927	67,927	20,000	(47,927)
Transfers	192,714	270,623	270,623	178,064	(92,559)
<b>Total Expenditures</b>	<b>3,520,673</b>	<b>6,150,179</b>	<b>6,246,090</b>	<b>6,441,611</b>	<b>291,431</b>
Surplus / (Deficit)	69,067	(2,096,954)	(2,170,446)	(1,845,363)	251,592
<b>Available Fund Balance</b>	<b>11,779,652</b>	<b>9,682,698</b>	<b>9,609,206</b>	<b>7,763,843</b>	

**Note:** As more parks and other amenities have been constructed, the costs to operate and maintain them have also increased. The levy assessed on these properties was at 70% of the maximum allowable amount for many years. Because expenses are now outpacing revenues, the annual levy amount is assumed to increase by 5% per year, starting in FY 2023, to sustain a positive fund balance.

## SPECIAL REVENUE FUNDS

**261 - Street Maintenance District No. 1, Zone 1**

This multi-zonal assessment district funds a portion of street maintenance costs in developing areas located within Zone 1 in the City.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>876,116</b>	<b>936,693</b>	<b>936,693</b>	<b>936,065</b>	<b>(628)</b>
Compensation	51,375	53,489	55,766	58,908	5,419
Operating Expenses	24,088	19,000	19,000	19,250	250
Capital Outlay	108,030	769,987	367,972	400,000	(369,987)
Transfers	62,432	74,352	74,352	26,411	(47,941)
Capital Outlay Rollover	-	-	-	400,000	400,000
<b>Total Expenditures</b>	<b>245,925</b>	<b>916,828</b>	<b>517,090</b>	<b>904,569</b>	<b>(12,259)</b>
Surplus / (Deficit)	630,191	19,865	419,603	31,496	11,631
<b>Available Fund Balance</b>	<b>3,008,534</b>	<b>3,028,399</b>	<b>3,428,137</b>	<b>3,459,633</b>	

**262 - Street Maintenance District No. 1, Zone 2**

This multi-zonal assessment district funds a portion of street maintenance costs in developing areas located within Zone 2 in the City.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>73,080</b>	<b>73,867</b>	<b>73,867</b>	<b>74,133</b>	<b>266</b>
Operating Expenses	36,524	25,285	25,285	25,399	114
Transfers	7,895	9,933	9,933	8,764	(1,169)
<b>Total Expenditures</b>	<b>44,419</b>	<b>35,218</b>	<b>35,218</b>	<b>34,163</b>	<b>(1,055)</b>
Surplus / (Deficit)	28,661	38,649	38,649	39,970	1,321
<b>Available Fund Balance</b>	<b>165,717</b>	<b>204,366</b>	<b>204,366</b>	<b>244,336</b>	

**263 - Street Maintenance District No. 1, Zone 3**

This multi-zonal assessment district funds a portion of street maintenance costs in developing areas located within Zone 3 in the City.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>396,235</b>	<b>435,735</b>	<b>435,735</b>	<b>430,540</b>	<b>(5,195)</b>
Operating Expenses	40,363	32,240	32,240	33,240	1,000
Capital Outlay	110,944	424,986	197,816	225,000	(199,986)
Transfers	18,873	18,023	18,023	23,851	5,828
Capital Outlay Rollover	-	-	-	225,000	225,000
<b>Total Expenditures</b>	<b>170,180</b>	<b>475,249</b>	<b>248,079</b>	<b>507,091</b>	<b>31,842</b>
Surplus / (Deficit)	226,055	(39,514)	187,656	(76,551)	(37,037)
<b>Available Fund Balance</b>	<b>657,193</b>	<b>617,679</b>	<b>844,849</b>	<b>768,298</b>	

**264 - Street Maintenance District No. 1, Zone 4**

This multi-zonal assessment district funds a portion of street maintenance costs in developing areas located within Zone 4 in the City.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>63,480</b>	<b>70,488</b>	<b>70,488</b>	<b>77,753</b>	<b>7,265</b>
Operating Expenses	15,293	5,700	5,700	5,700	-
Transfers	7,995	7,986	7,986	7,376	(610)
<b>Total Expenditures</b>	<b>23,288</b>	<b>13,686</b>	<b>13,686</b>	<b>13,076</b>	<b>(610)</b>
Surplus / (Deficit)	40,192	56,802	56,802	64,677	7,875
<b>Available Fund Balance</b>	<b>98,530</b>	<b>155,332</b>	<b>155,332</b>	<b>220,009</b>	



## SPECIAL REVENUE FUNDS

**265 - Street Maintenance District No. 1, Zone 5**

This multi-zonal assessment district funds a portion of street maintenance costs in developing areas located within Zone 5 in the City.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>764,895</b>	<b>871,134</b>	<b>871,134</b>	<b>924,811</b>	<b>53,677</b>
Compensation	58,740	60,982	63,487	66,916	5,934
Operating Expenses	28,202	15,500	15,500	18,750	3,250
Capital Outlay	202,031	815,978	512,724	300,000	(515,978)
Transfers	23,818	35,789	35,789	38,923	3,134
Capital Outlay Rollover	-	-	-	300,000	300,000
<b>Total Expenditures</b>	<b>312,791</b>	<b>928,249</b>	<b>627,500</b>	<b>724,589</b>	<b>(203,660)</b>
Surplus / (Deficit)	452,104	(57,115)	243,634	200,222	257,337
<b>Available Fund Balance</b>	<b>2,316,747</b>	<b>2,259,632</b>	<b>2,560,381</b>	<b>2,760,603</b>	

**267 - Street Lighting Maintenance District 1, Zone 1**

This assessment district funds a portion of street lighting costs located in Zone 1 in the City.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>805,699</b>	<b>834,618</b>	<b>835,168</b>	<b>809,848</b>	<b>(24,770)</b>
Compensation	36,235	37,119	38,633	40,279	3,160
Operating Expenses	291,746	315,110	295,110	317,116	2,006
Debt Service	393,973	393,973	393,973	393,973	-
Transfers	31,725	43,567	43,567	23,700	(19,867)
<b>Total Expenditures</b>	<b>753,679</b>	<b>789,769</b>	<b>771,283</b>	<b>775,068</b>	<b>(14,701)</b>
Surplus / (Deficit)	52,020	44,849	63,885	34,780	(10,069)
<b>Available Fund Balance</b>	<b>178,849</b>	<b>223,698</b>	<b>242,734</b>	<b>277,514</b>	

**268 - Street Lighting Maintenance District 1, Zone 2**

This assessment district funds street lighting costs in Laguna Ridge, Lent Ranch, and the future development areas in between.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>339,912</b>	<b>396,156</b>	<b>396,156</b>	<b>426,132</b>	<b>29,976</b>
Compensation	24,158	24,744	25,755	26,852	2,108
Operating Expenses	85,893	215,120	215,120	240,876	25,756
Debt Service	43,775	134,775	134,775	-	(134,775)
Transfers	34,018	28,962	28,962	23,399	(5,563)
<b>Total Expenditures</b>	<b>187,844</b>	<b>403,601</b>	<b>404,612</b>	<b>291,127</b>	<b>(112,474)</b>
Surplus / (Deficit)	152,068	(7,445)	(8,456)	135,005	142,450
<b>Available Fund Balance</b>	<b>528,486</b>	<b>521,041</b>	<b>520,030</b>	<b>655,035</b>	

**Note:** The loan from the General Capital Reserve Fund for the LED Streetlighting Project was paid off in FY 2022.

## SPECIAL REVENUE FUNDS

**275 – Federal Asset Forfeiture – Justice Funds**

Federal Asset Forfeiture funds from the Department of Justice may be used to pay for expenses associated with forfeiture operations and investigations. These efforts include the storage, protection, and destruction of controlled substances, training, equipment, protective gear, and support of community-based programs.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>28,295</b>	-	-	-	-
Operating Expenses	308,868	228,224	-	228,224	-
Capital Outlay	32,106	172,515	118,766	53,749	(118,766)
Transfers	54,811	-	-	-	-
<b>Total Expenditures</b>	<b>395,785</b>	<b>400,739</b>	<b>118,766</b>	<b>281,973</b>	<b>(118,766)</b>
Surplus / (Deficit)	(367,490)	(400,739)	(118,766)	(281,973)	118,766
<b>Available Fund Balance</b>	<b>400,738</b>	-	<b>281,972</b>	-	-

**Note:** Due to the unpredictable nature of asset seizure funding, funds are programmed only so far as the available fund balance in the coming fiscal year. Additional Asset Seizure funding may become available for appropriation in the coming fiscal year at which time the Budget Resolution adopted in concurrence with the Annual Budget allows for appropriation and budgeting of the additional asset seizure funds at that time received.

**276 – Federal Asset Forfeiture – Treasury Funds**

Federal Asset Forfeiture funds from the Department of Treasury may be used to pay for expenses associated with forfeiture operations and investigations. These efforts include the storage, protection, and destruction of controlled substances, training, equipment, protective gear, and support of community-based programs.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>54,811</b>	-	-	-	-
Operating Expenses	-	25,811	-	25,811	-
Capital Outlay	-	29,000	28,768	232	(28,768)
<b>Total Expenditures</b>	<b>-</b>	<b>54,811</b>	<b>28,768</b>	<b>26,043</b>	<b>(28,768)</b>
Surplus / (Deficit)	54,811	(54,811)	(28,768)	(26,043)	28,768
<b>Available Fund Balance</b>	<b>54,811</b>	-	<b>26,043</b>	-	-

**Note:** Due to the unpredictable nature of asset seizure funding, funds are programmed only so far as the available fund balance in the coming fiscal year. Additional Asset Seizure funding may become available for appropriation in the coming fiscal year at which time the Budget Resolution adopted in concurrence with the Annual Budget allows for appropriation and budgeting of the additional asset seizure funds at that time received.

**280 – Library Ownership**

Funds are received annually from the Sacramento Public Library Fund and are used to maintain existing infrastructure and to fund capital improvements and repairs such as replacements of flooring, heating, ventilation and air conditioning, and roofing at Elk Grove's library.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>141,249</b>	<b>138,356</b>	<b>138,356</b>	<b>138,356</b>	-
Operating Expenses	107,600	69,272	2,224	50,250	(19,022)
Capital Outlay	-	-	-	400,000	400,000
Transfers	6,235	9,671	9,671	11,759	2,088
<b>Total Expenditures</b>	<b>113,835</b>	<b>78,943</b>	<b>11,895</b>	<b>462,009</b>	<b>383,066</b>
Surplus / (Deficit)	27,414	59,413	126,461	(323,653)	(383,066)
<b>Available Fund Balance</b>	<b>1,081,807</b>	<b>1,141,220</b>	<b>1,208,268</b>	<b>884,615</b>	-

## SPECIAL REVENUE FUNDS

**285 - Neighborhood Stabilization**

The Housing and Economic Recovery Act grants funds are used for neighborhood stabilization programs related to abandoned and foreclosed properties.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>16,903</b>	<b>61,017</b>	<b>61,017</b>	<b>61,017</b>	<b>-</b>
Operating Expenses	416	335,250	335,374	265,500	(69,750)
<b>Total Expenditures</b>	<b>416</b>	<b>335,250</b>	<b>335,374</b>	<b>265,500</b>	<b>(69,750)</b>
Surplus / (Deficit)	16,487	(274,233)	(274,357)	(204,483)	69,750
<b>Available Fund Balance</b>	<b>584,141</b>	<b>309,908</b>	<b>309,784</b>	<b>105,301</b>	

**294 - Measure A Maintenance**

A portion of the proceeds from Sacramento County voter-approved Measure A is dedicated to local street and landscape maintenance, repair, and rehabilitation. The half-cent sales tax, originally approved in 1988, was renewed by voters for an additional 30 years in 2004.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>4,916,733</b>	<b>5,063,724</b>	<b>5,765,558</b>	<b>5,882,869</b>	<b>819,145</b>
Compensation	177,622	228,656	196,830	245,907	17,251
Operating Expenses	1,978,258	4,638,000	4,338,705	3,480,000	(1,158,000)
Capital Outlay	1,454,866	2,788,727	1,436,652	1,940,000	(848,727)
Transfers	408,218	302,526	302,526	250,975	(51,551)
Capital Outlay Rollover	-	-	-	1,595,145	1,595,145
<b>Total Expenditures</b>	<b>4,018,964</b>	<b>7,957,909</b>	<b>6,274,713</b>	<b>7,512,027</b>	<b>(445,882)</b>
Surplus / (Deficit)	897,769	(2,894,185)	(509,155)	(1,629,158)	1,265,027
<b>Available Fund Balance</b>	<b>6,745,605</b>	<b>3,851,420</b>	<b>6,236,450</b>	<b>4,607,292</b>	

**295 – Development Services**

This Fund encompasses the financial activity related to commercial, industrial, and residential development within the City limits including planning, building, and engineering operations. Funds are primarily accumulated via fee revenues generated from development-related activity and operations.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>10,088,451</b>	<b>12,090,325</b>	<b>12,259,066</b>	<b>9,485,335</b>	<b>(2,604,990)</b>
Compensation	1,467,104	1,667,240	1,643,928	1,895,983	228,743
Operating Expenses	5,281,524	7,767,943	7,769,160	5,495,150	(2,272,793)
Internal Services	956,824	859,138	859,138	1,074,271	215,133
Transfers	941,350	877,141	877,141	809,181	(67,960)
<b>Total Expenditures</b>	<b>8,646,802</b>	<b>11,171,462</b>	<b>11,149,367</b>	<b>9,274,585</b>	<b>(1,896,877)</b>
Surplus / (Deficit)	1,441,649	918,863	1,109,699	210,750	(708,113)
<b>Available Fund Balance</b>	<b>1,818,281</b>	<b>2,737,144</b>	<b>2,927,980</b>	<b>3,138,730</b>	

**Note:** The nature of development activity and its associated revenues (and expenditures) can be volatile given the uncertainty of market and economic conditions. Certain years can yield deficits while other years yield surpluses.

## SPECIAL REVENUE FUNDS

**296 – Public Works**

This fund represents the Public Works Department's administrative costs including its Divisions of Administration, Capital Improvement Program, and Engineering Support. Expenditures in this fund are supported by overhead allocation revenue from the General Fund, Special Revenue Funds, and Capital Funds.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>9,214,981</b>	<b>7,317,364</b>	<b>7,317,364</b>	<b>5,177,216</b>	<b>(2,140,148)</b>
Compensation	1,697,056	1,927,009	1,443,926	2,797,630	870,621
Operating Expenses	2,650,811	3,187,998	3,173,914	3,579,224	391,226
Internal Services	1,163,215	1,342,030	1,342,030	1,167,225	(174,805)
Capital Outlay	-	50,000	47,484	-	(50,000)
Transfers	448,524	3,136,478	3,136,478	482,128	(2,654,350)
<b>Total Expenditures</b>	<b>5,959,606</b>	<b>9,643,515</b>	<b>9,143,832</b>	<b>8,026,207</b>	<b>(1,617,308)</b>
Surplus / (Deficit)	3,255,375	(2,326,151)	(1,826,468)	(2,848,991)	(522,840)
<b>Available Fund Balance</b>	<b>5,210,270</b>	<b>2,884,119</b>	<b>3,383,802</b>	<b>534,811</b>	

**Note:** There was a one-time transfer-out expenditure in FY 2022 to various funds that were overcharged in recent years in the Internal Service Plan.

## CAPITAL FUNDS

**301 – Federal Capital Grants**

The City competes for and is awarded many types of federal capital grants. Some examples of these grants include CMAQ (Congestion Mitigation and Air Quality), HSIP (Highway Safety Improvement Program), HBP (Highway Bridge Program), and Safe Routes to School (SRTS) grants. Grant revenues are a combination of advanced and reimbursable funding and may not always be received within the same year as expenditures.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>253,604</b>	<b>13,299,719</b>	<b>13,299,719</b>	<b>5,130,011</b>	<b>(8,169,708)</b>
Operating Expenses	-	10,309,600	575,000	2,703,697	(7,605,903)
Capital Outlay	1,121,426	4,357,691	3,912,626	-	(4,357,691)
Capital Outlay Rollover	-	-	-	10,182,392	10,182,392
<b>Total Expenditures</b>	<b>1,121,426</b>	<b>14,667,291</b>	<b>4,487,626</b>	<b>12,886,089</b>	<b>(1,781,202)</b>
Surplus / (Deficit)	(867,822)	(1,367,572)	8,812,093	(7,756,078)	(6,388,506)
<b>Available Fund Balance</b>	<b>(1,056,015)</b>	<b>(2,423,587)</b>	<b>7,756,078</b>	-	

**Note:** The City continues to diligently pursue federal grant funding and the FY 2023 revenue estimate reflects the City's revised projections. The largest projects with current funding are Kammerer Road Extension - Phase 1, Laguna Creek Trail & Bruceville Road SRTS Improvements, Arterial Roads Rehabilitation & Bike Lane Improvements, and Elk Grove Creek Trail Gap Closure.

**302 – State Capital Grants**

The City competes for and is awarded many types of state capital grants. Some examples of these grants include State Transportation Improvement Program grants, Housing Related Park Program grants, State Safe Routes to School grants, and various Proposition 1B grants. Grant revenues are a combination of advanced and reimbursable funding and may not always be received within the same year as expenditures.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>529,087</b>	<b>4,256,620</b>	<b>4,256,620</b>	<b>4,236,373</b>	<b>(20,247)</b>
Operating Expenses	-	1,422,000	60,000	-	(1,422,000)
Capital Outlay	4,182,112	3,058,629	2,973,321	-	(3,058,629)
Capital Outlay Rollover	-	-	-	1,447,308	1,447,308
<b>Total Expenditures</b>	<b>4,182,112</b>	<b>4,480,629</b>	<b>3,033,321</b>	<b>1,447,308</b>	<b>(3,033,321)</b>
Surplus / (Deficit)	(3,653,025)	(224,009)	1,223,299	2,789,065	3,013,074
<b>Available Fund Balance</b>	<b>(4,012,364)</b>	<b>(4,236,373)</b>	<b>(2,789,065)</b>	-	

**Note:** The City continues to diligently pursue State Grant funding and the FY 2023 revenue estimate reflects the City's revised projections. The largest projects with current funding are Kammerer Rd. Reconstruction - Big Horn Blvd. to Lotz Parkway and Traffic Signal Enhancement Citywide.

## CAPITAL FUNDS

**305 - Local Transportation Fund (LTF) - Bikes & Pedestrian**

TDA funding is used for public transportation planning, public transportation services, and community transit purposes. LTF allocations are for transit bicycle/pedestrian uses.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>(1,326)</b>	<b>185,987</b>	<b>419,582</b>	<b>122,396</b>	<b>(63,591)</b>
Capital Outlay	98,584	318,697	318,697	115,000	(203,697)
Transfers	7,933	51,029	51,029	7,396	(43,633)
<b>Total Expenditures</b>	<b>106,517</b>	<b>369,726</b>	<b>369,726</b>	<b>122,396</b>	<b>(247,330)</b>
Surplus / (Deficit)	(107,843)	(183,739)	49,856	-	183,739
<b>Available Fund Balance</b>	<b>(49,856)</b>	<b>(233,595)</b>	-	-	-

**311 - Capital Facilities Fee (CFF) – City Administrative Facilities**

Funds new development's share of the construction/acquisition of City Administrative Facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>253,948</b>	<b>211,035</b>	<b>267,122</b>	<b>235,410</b>	<b>24,375</b>
Operating Expenses	1,335	1,500	1,500	1,500	-
Transfers	1,497	-	-	-	-
<b>Total Expenditures</b>	<b>2,832</b>	<b>1,500</b>	<b>1,500</b>	<b>1,500</b>	<b>-</b>
Surplus / (Deficit)	251,116	209,535	265,622	233,910	24,375
<b>Available Fund Balance</b>	<b>1,868,239</b>	<b>2,077,774</b>	<b>2,133,861</b>	<b>2,367,771</b>	

**312 - CFF – Police**

Funds new development's share of the construction/acquisition of police facilities, patrol vehicles, and related equipment.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,071,380</b>	<b>3,853,586</b>	<b>682,994</b>	<b>595,559</b>	<b>(3,258,027)</b>
Operating Expenses	2,391	2,000	2,000	2,000	-
Capital Outlay	565,848	736,005	186,000	139,000	(597,005)
Transfers	6,079	-	-	611,326	611,326
<b>Total Expenditures</b>	<b>574,318</b>	<b>738,005</b>	<b>188,000</b>	<b>752,326</b>	<b>14,321</b>
Surplus / (Deficit)	497,062	3,115,581	494,994	(156,767)	(3,272,348)
<b>Available Fund Balance</b>	<b>3,097,810</b>	<b>6,213,391</b>	<b>3,592,804</b>	<b>3,436,037</b>	

**Note:** \$3 million in revenues was originally budgeted in FY 2022 in anticipation of bond proceeds associated with various police facility improvements. However, the proceeds were recorded in Fund 408. Starting in FY 2023, this fund is responsible for paying its fair share of annual debt service payments associated with the above-mentioned debt.

**313 – CFF Corp Yard**

Funds new development's share of the construction/acquisition of corporation yard facilities and equipment.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>749,741</b>	<b>587,493</b>	<b>479,782</b>	<b>421,112</b>	<b>(166,381)</b>
Operating Expenses	857	100	500	1,000	900
Capital Outlay	-	-	-	150,000	150,000
Transfers	581,279	176,280	176,280	176,530	250
<b>Total Expenditures</b>	<b>582,136</b>	<b>176,380</b>	<b>176,780</b>	<b>327,530</b>	<b>151,150</b>
Surplus / (Deficit)	167,605	411,113	303,002	93,582	(317,531)
<b>Available Fund Balance</b>	<b>1,048,678</b>	<b>1,459,791</b>	<b>1,351,680</b>	<b>1,445,262</b>	

## CAPITAL FUNDS

**315 – CFF Library**

Funds new development's share of the construction/acquisition of library facilities and equipment.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,167,831</b>	<b>978,879</b>	<b>804,943</b>	<b>713,779</b>	<b>(265,100)</b>
Operating Expenses	3,518	3,000	3,000	3,000	-
Capital Outlay	184,505	-	-	1,000,000	1,000,000
Transfers	3,900	510	510	-	(510)
<b>Total Expenditures</b>	<b>191,923</b>	<b>3,510</b>	<b>3,510</b>	<b>1,003,000</b>	<b>999,490</b>
Surplus / (Deficit)	975,908	975,369	801,433	(289,221)	(1,264,590)
<b>Available Fund Balance</b>	<b>4,982,357</b>	<b>5,957,726</b>	<b>5,783,790</b>	<b>5,494,569</b>	

**Note:** The \$1 million budgeted for Capital Outlay spending in FY 2023 is for the Library relocation project at 9260 Elk Grove Blvd.

**317 – CFF Transit Facilities**

Funds new development's share of the construction/acquisition of transit facilities and equipment.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>823,355</b>	<b>532,899</b>	<b>441,486</b>	<b>392,866</b>	<b>(140,033)</b>
Operating Expenses	3,478	3,000	3,000	3,000	-
Transfers	62,561	798	798	-	(798)
<b>Total Expenditures</b>	<b>66,039</b>	<b>3,798</b>	<b>3,798</b>	<b>3,000</b>	<b>(798)</b>
Surplus / (Deficit)	757,316	529,101	437,688	389,866	(139,235)
<b>Available Fund Balance</b>	<b>4,915,011</b>	<b>5,444,112</b>	<b>5,352,699</b>	<b>5,742,565</b>	

**319 – CFF Admin**

This fee is levied to cover the cost of administering the citywide Capital Facilities Impact Fee Program.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>160,415</b>	<b>138,346</b>	<b>102,688</b>	<b>89,087</b>	<b>(49,259)</b>
Compensation	7,976	8,519	8,872	9,344	825
Operating Expenses	19,607	26,000	26,000	6,000	(20,000)
Transfers	126,661	43,864	43,864	599	(43,265)
<b>Total Expenditures</b>	<b>154,244</b>	<b>78,383</b>	<b>78,736</b>	<b>15,943</b>	<b>(62,440)</b>
Surplus / (Deficit)	6,171	59,963	23,952	73,144	13,181
<b>Available Fund Balance</b>	<b>463,957</b>	<b>523,920</b>	<b>487,909</b>	<b>561,053</b>	

## CAPITAL FUNDS

**324 – East Franklin Landscape Corridor Fee**

This fee is used to fund the design and construction of landscape corridors in the East Franklin Specific Plan.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>28,585</b>	<b>75,220</b>	<b>75,220</b>	<b>53,731</b>	<b>(21,489)</b>
Capital Outlay	427,231	510,598	6,000	2,999,000	2,488,402
Transfers	13,067	5,295	5,295	17,926	12,631
Capital Outlay Rollover	-	-	-	504,598	504,598
<b>Total Expenditures</b>	<b>440,298</b>	<b>515,893</b>	<b>11,295</b>	<b>3,521,524</b>	<b>3,005,631</b>
Surplus / (Deficit)	(411,713)	(440,673)	63,925	(3,467,793)	(3,027,120)
<b>Available Fund Balance</b>	<b>6,194,419</b>	<b>5,753,746</b>	<b>6,258,344</b>	<b>2,790,551</b>	

**Note:** The \$2.9 million budgeted for Capital Outlay spending in FY 2023 is toward Tree Planting on Whitelock Parkway.

**326 - East Franklin Fee – Administration**

This fee covers the City's cost of administering the East Franklin Fee Program.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>(11,530)</b>	<b>17,908</b>	<b>38,958</b>	<b>5,106</b>	<b>(12,802)</b>
Operating Expenses	5,006	5,000	5,000	5,000	-
Transfers	40,618	2,027	2,027	2,023	(4)
<b>Total Expenditures</b>	<b>45,624</b>	<b>7,027</b>	<b>7,027</b>	<b>7,023</b>	<b>(4)</b>
Surplus / (Deficit)	(57,154)	10,881	31,931	(1,917)	(12,798)
<b>Available Fund Balance</b>	<b>360,661</b>	<b>371,542</b>	<b>392,592</b>	<b>390,675</b>	

**328 - Elk Grove Roadway Fee**

This fee is a Citywide multi-zonal fee program that typically funds the center lanes and medians of major roadways, major intersections, freeway interchanges, and bridges.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>12,355,907</b>	<b>9,648,664</b>	<b>6,731,368</b>	<b>5,055,025</b>	<b>(4,593,639)</b>
Compensation	20,065	21,267	22,234	23,650	2,383
Operating Expenses	893,041	1,033,120	1,010,000	1,010,000	(23,120)
Capital Outlay	8,202,544	23,338,504	10,090,726	8,522,350	(14,816,154)
Debt Service	72,275	-	23,120	23,120	23,120
Transfers	587,438	313,237	313,237	479,885	166,648
Capital Outlay Rollover	-	-	-	13,028,952	13,028,952
<b>Total Expenditures</b>	<b>9,775,363</b>	<b>24,706,128</b>	<b>11,459,317</b>	<b>23,087,957</b>	<b>(1,618,171)</b>
Surplus / (Deficit)	2,580,544	(15,057,464)	(4,727,949)	(18,032,932)	(2,975,468)
<b>Available Fund Balance</b>	<b>41,121,146</b>	<b>26,063,682</b>	<b>36,393,197</b>	<b>18,360,265</b>	

**Note:** The FY 2023 Capital Outlay Rollover amount includes funding for large projects such as Whitelock Parkway and State Route 99 Interchange Project, Kammerer Road Phase 1: Two-Lane Extension from Lent Ranch to I-5, Kammerer Road Reconstruction - Big Horn Blvd. to Lotz Parkway, and New Growth Area Roadway Right-of-Way Acquisition.



## CAPITAL FUNDS

**329 - Impact Fee Administration**

The City receives a 50% share of the administrative fee component in two fee programs that the City administers on behalf of the Cosumnes Community Services District - the Laguna South Fire Fee Program and the East Elk Grove Park and Fire Fee Program. This fund includes a separate sub-account for each of these two fee programs. These funds are used to cover the City's cost of administering these two fee programs.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>105,052</b>	<b>65,633</b>	<b>45,633</b>	<b>44,500</b>	<b>(21,133)</b>
Compensation	35,113	37,219	38,911	41,388	4,169
Operating Expenses	359	-	103	250	250
Transfers	27,105	26,666	26,666	26,509	(157)
<b>Total Expenditures</b>	<b>62,577</b>	<b>63,885</b>	<b>65,680</b>	<b>68,147</b>	<b>4,262</b>
Surplus / (Deficit)	42,475	1,748	(20,047)	(23,647)	(25,395)
<b>Available Fund Balance</b>	<b>490,220</b>	<b>491,968</b>	<b>470,173</b>	<b>446,526</b>	

**330 – Laguna Ridge Specific Plan Quimby In-Lieu Fee**

This fee is paid by developers in Laguna Ridge whose developments do not dedicate 5 acres of parkland per 1,000 residents. These funds are used to cover the City's cost of acquiring public parkland including reimbursement to Developers that have over dedicated Quimby required parkland.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**Note:** This fund has not experienced spending activity in FY 2021 nor FY 2022. No spending activity is anticipated in FY 2023.

**331 – Laguna Ridge Supplemental Park Land Acquisition Fee**

This fee is paid by developers whose developments are required to dedicate 4 acres of parkland per 1,000 residents. These funds are used to cover the City's cost of acquiring public parkland.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>475,493</b>	<b>535,048</b>	<b>367,477</b>	<b>533,604</b>	<b>(1,444)</b>
Debt Service	190,264	-	-	-	-
Transfers	-	220,435	220,435	220,752	317
<b>Total Expenditures</b>	<b>190,264</b>	<b>220,435</b>	<b>220,435</b>	<b>220,752</b>	<b>317</b>
Surplus / (Deficit)	285,229	314,613	147,042	312,852	(1,761)
<b>Available Fund Balance</b>	<b>432,161</b>	<b>746,774</b>	<b>579,203</b>	<b>892,055</b>	

## CAPITAL FUNDS

**332 Laguna Ridge Supplemental Park Facilities Fee**

This fee is collected for park facility construction in Laguna Ridge. Facilities eligible for reimbursement through this program include neighborhood, local, and portions of community parks. All park facilities in Laguna Ridge are eligible for funding from this source.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,495,594</b>	<b>2,146,812</b>	<b>944,327</b>	<b>690,994</b>	<b>(1,455,818)</b>
Operating Expenses	50,838	76,341	59,000	-	(76,341)
Capital Outlay	3,989,912	2,666,539	2,106,934	-	(2,666,539)
Debt Service	215,111	-	-	105,000	105,000
Transfers	124,291	307,535	307,535	169,545	(137,990)
Capital Outlay Rollover	-	-	-	481,214	481,214
<b>Total Expenditures</b>	<b>4,380,152</b>	<b>3,050,415</b>	<b>2,473,469</b>	<b>755,759</b>	<b>(2,294,656)</b>
Surplus / (Deficit)	(2,884,558)	(903,603)	(1,529,142)	(64,765)	838,838
<b>Available Fund Balance</b>	<b>1,903,116</b>	<b>999,513</b>	<b>373,974</b>	<b>309,209</b>	

**Note:** Continued park construction is subject to the actual revenue received meeting budgeted projections and contingent upon adequate Available Fund Balance.

**Note:** An interfund loan was issued from Fund 339 to this fund in FY 2022. The annual repayment expense of \$105,000, shown in the Debt Service row, is contingent upon having available funds to make the payment.

**333 – Laguna Ridge Parks Administration**

The Laguna Ridge Specific Plan Park Impact fee is for administering funding for local and neighborhood parks in the Laguna Ridge Specific Plan.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>75,297</b>	<b>115,782</b>	<b>115,782</b>	<b>165,695</b>	<b>49,913</b>
Compensation	20,065	21,267	22,234	23,650	2,383
Operating Expenses	16,505	50,000	50,631	50,750	750
Transfers	17,159	-	-	-	-
<b>Total Expenditures</b>	<b>53,729</b>	<b>71,267</b>	<b>72,865</b>	<b>74,400</b>	<b>3,133</b>
Surplus / (Deficit)	21,568	44,515	42,917	91,295	46,780
<b>Available Fund Balance</b>	<b>763,465</b>	<b>807,980</b>	<b>806,382</b>	<b>897,677</b>	

**334 – Laguna Ridge Specific Plan – Phase 3 – Zone 2 Drainage Fee**

This is an impact fee fund that assesses developments at issuance of building permit for the associated drainage infrastructure and provides reimbursement if a developer constructs its own infrastructure.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>269</b>	<b>445,595</b>	<b>945,265</b>	<b>530,067</b>	<b>84,472</b>
Compensation	5,016	5,316	5,560	5,913	597
Operating Expenses	119	-	500	1,000	1,000
<b>Total Expenditures</b>	<b>5,135</b>	<b>5,316</b>	<b>6,060</b>	<b>6,913</b>	<b>1,597</b>
Surplus / (Deficit)	(4,866)	440,279	939,205	523,154	82,875
<b>Available Fund Balance</b>	<b>154,459</b>	<b>594,738</b>	<b>1,093,664</b>	<b>1,616,818</b>	

## CAPITAL FUNDS

**335 - Laguna West Service Area**

Funds ongoing operations and maintenance costs for specialized services related to drainage, roadways, and street sweeping in the Laguna West Service Area.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>63,425</b>	<b>69,220</b>	<b>69,220</b>	<b>67,235</b>	<b>(1,985)</b>
Operating Expenses	36,572	57,165	57,165	57,524	359
Transfers	3,857	4,314	4,314	4,363	49
<b>Total Expenditures</b>	<b>40,429</b>	<b>61,479</b>	<b>61,479</b>	<b>61,887</b>	<b>408</b>
Surplus / (Deficit)	22,996	7,741	7,741	5,348	(2,393)
<b>Available Fund Balance</b>	<b>615,726</b>	<b>623,467</b>	<b>623,467</b>	<b>628,815</b>	

**336 - Lakeside Service Area**

This service area funds the review of the Home Owner's Association mitigation/ compliance efforts of the Lakeside Lake.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>170</b>	<b>1,104</b>	<b>1,104</b>	<b>837</b>	<b>(267)</b>
Operating Expenses	65	55	55	58	3
Transfers	1,717	1,762	1,762	1,866	104
<b>Total Expenditures</b>	<b>1,782</b>	<b>1,817</b>	<b>1,817</b>	<b>1,924</b>	<b>107</b>
Surplus / (Deficit)	(1,612)	(713)	(713)	(1,087)	(374)
<b>Available Fund Balance</b>	<b>84,384</b>	<b>83,671</b>	<b>83,671</b>	<b>82,584</b>	

**338 - External Agencies Fund**

This fund holds contributions from external agencies toward major capital infrastructure improvements.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>354,546</b>	<b>3,467,430</b>	<b>3,467,430</b>	<b>-</b>	<b>(3,467,430)</b>
Operating Expenses	110,042	-	-	-	-
Capital Outlay	2,088,538	2,414,841	2,190,764	-	(2,414,841)
Capital Outlay Rollover	-	-	-	224,077	224,077
<b>Total Expenditures</b>	<b>2,198,580</b>	<b>2,414,841</b>	<b>2,190,764</b>	<b>224,077</b>	<b>(2,190,764)</b>
Surplus / (Deficit)	(1,844,034)	1,052,589	1,276,666	(224,077)	(1,276,666)
<b>Available Fund Balance</b>	<b>(698,042)</b>	<b>354,547</b>	<b>578,624</b>	<b>354,547</b>	

**339 - In-Lieu Roadway**

Funds development's share of roadway improvements in lieu of constructing the enhancement.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,226,061</b>	<b>100,000</b>	<b>100,000</b>	<b>205,000</b>	<b>105,000</b>
Operating Expenses	-	500	500	500	-
Capital Outlay	323,073	1,416,561	1,245,133	-	(1,416,561)
Transfers	331	522	490,522	104,645	104,123
Capital Outlay Rollover	-	-	-	171,428	171,428
<b>Total Expenditures</b>	<b>323,404</b>	<b>1,417,583</b>	<b>1,736,155</b>	<b>276,573</b>	<b>(1,141,010)</b>
Surplus / (Deficit)	902,657	(1,317,583)	(1,636,155)	(71,573)	1,246,010
<b>Available Fund Balance</b>	<b>4,655,080</b>	<b>3,337,497</b>	<b>3,018,925</b>	<b>2,947,352</b>	

**Note:** An interfund loan from this fund to Fund 332 was issued in FY 2022. FY 2023 reflects an annual repayment of \$105,000, contingent upon Fund 332 having available funds to make the payment.

## CAPITAL FUNDS

**341 - Community Facilities District 2002-1 East Franklin**

The purpose of the District is to permit the levy of special taxes to fund the construction and acquisition of certain facilities. The public improvements eligible to be financed through the District include the construction, reconstruction, or reconfiguration of streets, wastewater systems, potable and non-potable water systems, drainage systems, and other public facility improvements. Levy revenues are collected in the corresponding Debt Services fund (Fund 757) to service the outstanding debt service and any remaining levy amounts are available to be transferred into this fund to pay for eligible public improvements.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>14,607</b>	<b>239,078</b>	<b>239,078</b>	<b>51,008</b>	<b>(188,070)</b>
Compensation	22,188	23,039	23,887	24,747	1,708
Operating Expenses	23,102	34,305	34,305	35,163	858
Capital Outlay	4,800,081	9,086,970	5,381,224	100,000	(8,986,970)
Transfers	125,030	462,119	462,119	425,192	(36,927)
Capital Outlay Rollover	-	-	-	3,546,650	3,546,650
<b>Total Expenditures</b>	<b>4,970,401</b>	<b>9,606,433</b>	<b>5,901,535</b>	<b>4,131,752</b>	<b>(5,474,681)</b>
Surplus / (Deficit)	(4,955,794)	(9,367,355)	(5,662,457)	(4,080,744)	5,286,611
<b>Available Fund Balance</b>	<b>14,309,023</b>	<b>4,941,668</b>	<b>8,646,566</b>	<b>4,565,822</b>	

**Note:** The FY 2023 Budget from the corresponding East Franklin CFD Debt Service fund (Fund 757) includes contributions of pay-go funding toward Kammerer Rd Phase 1: Two-Lane Extension Bruceville to I-5, Kammerer Rd. Reconstruction Bruceville to Big Horn Blvd. and Kammerer Rd. Reconstruction - Big Horn Blvd. to Lotz Parkway.

**343 - Community Facilities District 2003-1 Poppy Ridge**

The purpose of the District is to permit the levy of special taxes to fund the construction and acquisition of certain facilities. The public improvements eligible to be financed through the CFD include the construction, reconstruction, or reconfiguration of streets, wastewater systems, potable and non-potable water systems, drainage systems, and other public facility improvements. Levy revenues are collected in the corresponding Debt Services fund (Fund 758) to service the outstanding debt service and any remaining levy amounts are available to be transferred into this fund to pay for eligible public improvements.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>320,257</b>	<b>569,661</b>	<b>569,661</b>	<b>106,152</b>	<b>(463,509)</b>
Compensation	22,188	23,039	23,887	24,747	1,708
Operating Expenses	19,141	87,687	87,687	23,263	(64,424)
Capital Outlay	12,431	145,703	20,000	100,000	(45,703)
Transfers	572,545	219,003	219,003	13,748	(205,255)
Capital Outlay Rollover	-	-	-	15,819	15,819
<b>Total Expenditures</b>	<b>626,305</b>	<b>475,432</b>	<b>350,577</b>	<b>177,577</b>	<b>(297,855)</b>
Surplus / (Deficit)	(306,048)	94,229	219,084	(71,425)	(165,654)
<b>Available Fund Balance</b>	<b>326,181</b>	<b>420,410</b>	<b>545,265</b>	<b>473,840</b>	

## CAPITAL FUNDS

**344 - Community Facilities District 2005-1 Laguna Ridge**

The purpose of the District is to permit the levy of special taxes to fund infrastructure and operation & maintenance services in Laguna Ridge. The infrastructure component displayed here funds the construction, reconstruction, or reconfiguration of streets, wastewater systems, potable and non-potable water systems, drainage systems, parks and parkway facilities, and other public facility improvements. Levy revenues are collected in the corresponding Debt Services fund (Fund 756) to service the outstanding debt service and any remaining levy amounts are available to be transferred into this fund to pay for eligible public improvements.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>12,770,710</b>	<b>17,711,976</b>	<b>15,715,198</b>	<b>1,001,082</b>	<b>(16,710,894)</b>
Compensation	23,668	24,573	25,478	26,394	1,821
Operating Expenses	4,338,261	13,558,456	13,369,239	250,000	(13,308,456)
Capital Outlay	2,559,450	4,937,169	3,848,098	1,025,000	(3,912,169)
Transfers	3,196,362	1,566,146	1,566,146	851,325	(714,821)
Capital Outlay Rollover	-	-	-	1,274,615	1,274,615
<b>Total Expenditures</b>	<b>10,117,741</b>	<b>20,086,344</b>	<b>18,808,961</b>	<b>3,427,334</b>	<b>(16,659,010)</b>
Surplus / (Deficit)	2,652,969	(2,374,368)	(3,093,763)	(2,426,252)	(51,884)
<b>Available Fund Balance</b>	<b>7,768,906</b>	<b>5,394,538</b>	<b>4,675,143</b>	<b>2,248,891</b>	

**Note:** A portion of the amount in the Transfers line for FY 2023 is a portion of Fund 360's share of debt service expense associated with the Preserve at District56. However, the payment amount from Fund 344 could increase if Fund 360 does not have sufficient fund balance to make the payment it has budgeted for FY 2023.

**Note:** One-time revenues are received in this fund from Fund 756 to reimburse developers for public facility construction and dedication, as a result on ongoing development activity in the Laguna Ridge area. The reimbursement activity can result in large fluctuations in revenue and spending activity.

**345 – District56 Nature Area and Old Town Plaza Capital Improvements**

The purpose of this fund is to pay for costs associated with the District56 Nature Area and Old Town Plaza.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>9,747,285</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating Expenses	-	27,880	27,998	250	(27,630)
Capital Outlay	7,804,228	1,831,462	1,562,677	-	(1,831,462)
Capital Outlay Rollover	-	-	-	268,785	268,785
<b>Total Expenditures</b>	<b>7,804,228</b>	<b>1,859,342</b>	<b>1,590,675</b>	<b>269,035</b>	<b>(1,590,307)</b>
Surplus / (Deficit)	1,943,057	(1,859,342)	(1,590,675)	(269,035)	1,590,307
<b>Available Fund Balance</b>	<b>1,874,549</b>	<b>15,207</b>	<b>283,874</b>	<b>14,839</b>	

**346 – Animal Shelter Capital Improvement**

The purpose of this fund is to pay for costs related to the City of Elk Grove Animal Shelter.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>(4,138)</b>	<b>214,937</b>	<b>215,905</b>	<b>387</b>	<b>(214,550)</b>
Operating Expenses	70	500	500	500	-
Transfers	233,007	214,937	214,937	-	(214,937)
<b>Total Expenditures</b>	<b>233,077</b>	<b>215,437</b>	<b>215,437</b>	<b>500</b>	<b>(214,937)</b>
Surplus / (Deficit)	(237,215)	(500)	468	(113)	387
<b>Available Fund Balance</b>	<b>2,074</b>	<b>1,574</b>	<b>2,542</b>	<b>2,429</b>	

## CAPITAL FUNDS

**347 – Laguna Area Community Facilities District**

The Laguna Area Community Facilities District was established for the acquisition and development of public facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>266,002</b>	<b>9,693</b>	<b>9,693</b>	<b>9,693</b>	<b>-</b>
Operating Expenses	-	-	215	250	250
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>215</b>	<b>250</b>	<b>250</b>
Surplus / (Deficit)	266,002	9,693	9,478	9,443	(250)
<b>Available Fund Balance</b>	<b>1,029,054</b>	<b>1,038,747</b>	<b>1,038,532</b>	<b>1,047,975</b>	

**348 – Laguna West Community Facilities District**

The Laguna West Community Facilities District was established by the County of Sacramento Board of Supervisors and is administered by the County of Sacramento. The District was established to fund the acquisition and construction of the public facilities necessary to serve the Laguna West area, including major roadways, drainage facilities, highway interchanges, basic park improvements, and fire protection services.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>(1,727)</b>	<b>1,817</b>	<b>1,817</b>	<b>1,817</b>	<b>-</b>
Operating Expenses	108	120	120	120	-
<b>Total Expenditures</b>	<b>108</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>-</b>
Surplus / (Deficit)	(1,835)	1,697	1,697	1,697	-
<b>Available Fund Balance</b>	<b>140,631</b>	<b>142,328</b>	<b>142,328</b>	<b>144,025</b>	

**349 – Lakeside Community Facilities District**

The Lakeside Community Facilities District was established by the County of Sacramento Board of Supervisors and is administered by the County of Sacramento. The CFD was established to fund the acquisition and construction of certain public facilities necessary to serve the Laguna West area, including major roadways, drainage facilities, highway interchanges, basic park improvements, and fire protection services.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>-</b>	<b>234,000</b>	<b>234,000</b>	<b>-</b>	<b>(234,000)</b>
Capital Outlay	-	157,903	-	-	(157,903)
Capital Outlay Rollover	-	-	-	157,903	157,903
<b>Total Expenditures</b>	<b>-</b>	<b>157,903</b>	<b>-</b>	<b>157,903</b>	<b>-</b>
Surplus / (Deficit)	-	76,097	234,000	(157,903)	(234,000)
<b>Available Fund Balance</b>	<b>(614)</b>	<b>75,483</b>	<b>233,386</b>	<b>75,483</b>	

## CAPITAL FUNDS

**351 – Federal Capital Grant 2**

In addition to Fund 301, this fund was established to account for grants received from the Federal government to fund capital projects that are not otherwise included in Fund 301.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>2,366,126</b>	<b>2,461,136</b>	<b>2,461,136</b>	<b>3,635,463</b>	<b>1,174,327</b>
Operating Expenses	-	1,886,697	463,000	4,102,103	2,215,406
Capital Outlay	9,692	105,076	3,091	-	(105,076)
Transfers	-	2,306,051	-	-	-
Capital Outlay Rollover	-	-	-	1,525,681	1,525,681
<b>Total Expenditures</b>	<b>9,692</b>	<b>4,297,824</b>	<b>466,091</b>	<b>5,627,784</b>	<b>1,329,960</b>
Surplus / (Deficit)	2,356,434	(1,836,688)	1,955,045	(1,992,321)	2,150,418
<b>Available Fund Balance</b>	<b>(2,724)</b>	<b>(1,839,412)</b>	<b>1,992,321</b>	<b>-</b>	<b>-</b>

**Note:** The City continues to diligently pursue Federal Grant funding. The largest project with current funding is Arterial Roads Rehabilitation and Bicycle Lane Improvements. Additional funding is anticipated in FY 2023 for the Old Town Area Streetscape Phase II project.

**Note:** The FY 2022 Budget included a \$2.3 million one-time expense to the Drainage Fund for the interfund loan reimbursement and payment associated with the ITS Phase IV project. However, this payment was already made in a prior fiscal year. Hence the budget is no longer needed.

**352 – State Capital Grant 2**

In addition to Fund 302, this fund was established to account for grants received from the State government to fund capital projects that are not otherwise included in Fund 302.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>-</b>	<b>7,210,000</b>	<b>7,210,000</b>	<b>-</b>	<b>(7,210,000)</b>
Operating Expenses	-	210,000	-	-	(210,000)
Capital Outlay	1,696,135	5,303,865	5,303,865	-	(5,303,865)
Capital Outlay Rollover	-	-	-	210,000	210,000
<b>Total Expenditures</b>	<b>1,696,135</b>	<b>5,513,865</b>	<b>5,303,865</b>	<b>210,000</b>	<b>(5,303,865)</b>
Surplus / (Deficit)	(1,696,135)	1,696,135	1,906,135	(210,000)	(1,906,135)
<b>Available Fund Balance</b>	<b>(1,696,135)</b>	<b>-</b>	<b>210,000</b>	<b>-</b>	<b>-</b>

**356 – Southeast Policy Area Park Fee**

This fee is an impact fee that assesses developments in the Southeast Policy Area at building permit issuance for park facilities, and also provides fee credits if a developer constructs their own park facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,543,410</b>	<b>2,747,352</b>	<b>2,788,852</b>	<b>1,857,454</b>	<b>(889,898)</b>
Operating Expenses	2,095	551,200	551,200	692,043	140,843
<b>Total Expenditures</b>	<b>2,095</b>	<b>551,200</b>	<b>551,200</b>	<b>692,043</b>	<b>140,843</b>
Surplus / (Deficit)	1,541,315	2,196,152	2,237,652	1,165,411	(1,030,741)
<b>Available Fund Balance</b>	<b>2,260,115</b>	<b>4,456,267</b>	<b>4,497,767</b>	<b>5,663,178</b>	<b>-</b>

## CAPITAL FUNDS

**357 – Southeast Policy Area Trail Facility Fee**

This fee is an impact fee assessed on developments in the Southeast Policy Area at building permit issuance for trail facilities, and also provides fee credits if a developer dedicates or constructs their own trail facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,422,802</b>	<b>2,471,828</b>	<b>2,525,865</b>	<b>1,673,012</b>	<b>(798,816)</b>
Operating Expenses	1,727	551,200	551,200	551,200	-
<b>Total Expenditures</b>	<b>1,727</b>	<b>551,200</b>	<b>551,200</b>	<b>551,200</b>	<b>-</b>
Surplus / (Deficit)	1,421,075	1,920,628	1,974,665	1,121,812	(798,816)
<b>Available Fund Balance</b>	<b>2,092,684</b>	<b>4,013,312</b>	<b>4,067,349</b>	<b>5,189,161</b>	

**358 – Southeast Policy Area Trail Land Fee**

This fee is an impact fee assessed on developments in the Southeast Policy Area at building permit issuance for trail lands, and also provides fee credits if a developer dedicates or constructs their own trail facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

**360 - Laguna Ridge Park Fee**

The Laguna Ridge Park fee program fund is responsible for the ongoing debt service for the District56 Nature Area project. The fund also pays its fair share portion of the construction costs of the Bartholomew Sports Park, which is paid to the Cosumnes Community Services District in installment payments based on the revenue activity in this fund.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>591,497</b>	<b>765,157</b>	<b>336,565</b>	<b>485,927</b>	<b>(279,230)</b>
Compensation	10,032	10,634	11,116	11,825	1,191
Operating Expenses	185,340	158,545	158,545	110,389	(48,156)
Capital Outlay	-	496	-	-	(496)
Transfers	-	-	-	500,000	500,000
<b>Total Expenditures</b>	<b>195,372</b>	<b>169,675</b>	<b>169,661</b>	<b>622,214</b>	<b>452,539</b>
Surplus / (Deficit)	396,125	595,482	166,904	(136,287)	(731,769)
<b>Available Fund Balance</b>	<b>49,668</b>	<b>645,150</b>	<b>216,572</b>	<b>80,285</b>	

**Note:** The amount budgeted in the Transfers line for FY 2023 is for the majority of this fund's share of debt service expense associated with the Preserve at District56. However, payment of this amount is contingent upon available funds at the time the payment is due. If this fund cannot afford the payment, Fund 343 and/or Fund 344 will make the payment in lieu.



## CAPITAL FUNDS

**361 – City Campus Facilities Improvements**

Expenditures in this fund are associated with capital improvements to various Police facilities. The expenditures are funded from bond proceeds received from the Debt Service Elk Grove Finance Authority – Police Campus Improvements Fund (Fund 408), where the debt service payments are made.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	-	-	<b>13,231,078</b>	-	-
Capital Outlay	-	7,730,940	536,379	5,261,138	(2,469,802)
Capital Outlay Rollover	-	-	-	7,194,561	7,194,561
<b>Total Expenditures</b>	-	<b>7,730,940</b>	<b>536,379</b>	<b>12,455,699</b>	<b>4,724,759</b>
Surplus / (Deficit)	-	(7,730,940)	12,694,699	(12,455,699)	(4,724,759)
<b>Available Fund Balance</b>	-	<b>(7,730,940)</b>	<b>12,694,699</b>	<b>239,000</b>	

**365 – Freeway Mitigation Fee**

This impact fee program provides funding for development transportation mitigation projects for cases in which developers do not provide the required transportation improvements with their new developments.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>58,397</b>	-	-	-	-
Operating Expenses	-	-	48	50	50
<b>Total Expenditures</b>	-	-	<b>48</b>	<b>50</b>	<b>50</b>
Surplus / (Deficit)	58,397	-	(48)	(50)	(50)
<b>Available Fund Balance</b>	<b>114,674</b>	<b>114,674</b>	<b>114,626</b>	<b>114,576</b>	

**370 – Southeast Policy Area Cost Recovery**

This fee is an impact fee that assesses developments in the Southeast Policy Area at final map or building permit issuance for the City's costs to prepare the Southeast Policy Area Strategic Plan.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>157,427</b>	<b>64,001</b>	<b>64,001</b>	<b>249,370</b>	<b>185,369</b>
Operating Expenses	164	50,500	10,500	10,500	(40,000)
<b>Total Expenditures</b>	<b>164</b>	<b>50,500</b>	<b>10,500</b>	<b>10,500</b>	<b>(40,000)</b>
Surplus / (Deficit)	157,263	13,501	53,501	238,870	225,369
<b>Available Fund Balance</b>	<b>317,813</b>	<b>331,314</b>	<b>371,314</b>	<b>610,184</b>	

**371 – Southeast Policy Area Channel Fee**

This fee is an impact fee that assesses developments in the Southeast Policy Area at improvement plan approval for channel infrastructure and provides fee credits if a developer constructs its own infrastructure.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>270,568</b>	<b>993,172</b>	<b>993,172</b>	<b>771,104</b>	<b>(222,069)</b>
Operating Expenses	739	1,500	4,000	4,000	2,500
<b>Total Expenditures</b>	<b>739</b>	<b>1,500</b>	<b>4,000</b>	<b>4,000</b>	<b>2,500</b>
Surplus / (Deficit)	269,829	991,672	989,172	767,104	(224,569)
<b>Available Fund Balance</b>	<b>1,076,971</b>	<b>2,068,643</b>	<b>2,066,143</b>	<b>2,833,247</b>	

## CAPITAL FUNDS

**372 – Southeast Policy Area City Infrastructure Drainage Fee**

This fee is an impact fee that assesses developments in the Southeast Policy Area at improvement plan approval to reimburse the City for its upfront costs associated with the drainage infrastructure, including design and permitting for the Shed C Channel and certain property acquisitions for the Channel.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>71,655</b>	<b>30,727</b>	<b>30,727</b>	<b>217,905</b>	<b>187,178</b>
Operating Expenses	236	50,500	10,500	10,500	(40,000)
<b>Total Expenditures</b>	<b>236</b>	<b>50,500</b>	<b>10,500</b>	<b>10,500</b>	<b>(40,000)</b>
Surplus / (Deficit)	71,419	(19,773)	20,227	207,405	227,178
<b>Available Fund Balance</b>	<b>335,097</b>	<b>315,324</b>	<b>355,324</b>	<b>562,729</b>	

**373 – Southeast Policy Area Zone 1 North Sub-Shed Basin Fee**

Funds new developments share of the basin infrastructure that serves the North Sub-Shed which includes Sub-sheds S1A, S1B, S2 and S3.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>-</b>	<b>2,553,246</b>	<b>2,553,246</b>	<b>1,975,794</b>	<b>(577,453)</b>
Operating Expenses	9,036	50,500	10,500	10,500	(40,000)
<b>Total Expenditures</b>	<b>9,036</b>	<b>50,500</b>	<b>10,500</b>	<b>10,500</b>	<b>(40,000)</b>
Surplus / (Deficit)	(9,036)	2,502,746	2,542,746	1,965,294	(537,453)
<b>Available Fund Balance</b>	<b>(9,036)</b>	<b>2,493,710</b>	<b>2,533,710</b>	<b>4,499,004</b>	

**374 – Southeast Policy Area Zone 1 Basin S4**

Funds new developments share of the basin infrastructure that serves Sub-shed Basin S4.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**375 – Southeast Policy Area Zone 1 Basin S5**

Funds new developments share of the basin infrastructure that serves Sub-shed Basin S5.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Available Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**376 – Southeast Policy Area Zone 1 Basin S6**

Funds new developments share of the basin infrastructure that serves Sub-shed Basin S6.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>336,319</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating Expenses	-	2,000	1,500	1,500	(500)
<b>Total Expenditures</b>	<b>-</b>	<b>2,000</b>	<b>1,500</b>	<b>1,500</b>	<b>(500)</b>
Surplus / (Deficit)	336,319	(2,000)	(1,500)	(1,500)	500
<b>Available Fund Balance</b>	<b>732,326</b>	<b>730,326</b>	<b>730,826</b>	<b>729,326</b>	

## CAPITAL FUNDS

**377 – Southeast Policy Area Zone 1 Basin S7**

Funds new developments share of the basin infrastructure that serves Sub-shed Basin S7.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	-	-	-	-	-
<b>Available Fund Balance</b>	-	-	-	-	-

**378 – Southeast Policy Area Zone 1 Basin S8**

Funds new developments share of the basin infrastructure that serves Sub-shed Basin S8.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	-	-	-	-	-
<b>Available Fund Balance</b>	-	-	-	-	-

**379 – Southeast Policy Area Zone 1 Basin S9**

Funds new developments share of the basin infrastructure that serves Sub-shed Basin S9.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	-	-	-	-	-
<b>Available Fund Balance</b>	-	-	-	-	-

**380 – Southeast Policy Area & Laguna Ridge Supplemental Plan Phase 3 Admin Fee**

This fee covers the City's cost to administer the Southeast Policy Area Zone 1 and Laguna Ridge Supplemental Plan Zone 2 Impact Fee Programs.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	23,061	166,013	332,335	257,404	91,391
Operating Expenses	291	10,500	1,500	1,500	(9,000)
<b>Total Expenditures</b>	291	10,500	1,500	1,500	(9,000)
Surplus / (Deficit)	22,770	155,513	330,835	255,904	100,391
<b>Available Fund Balance</b>	47,042	202,555	377,877	633,781	

**393 – Measure A Safety, Streetscape, Pedestrian, Bike, and Facilities**

Measure A is a countywide one-half percent sales tax, extended by voters in 2004 for 30 years. This fund is dedicated to the portion of Measure A revenues earmarked for streetscaping, pedestrian, and bicycle facilities.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	712,210	716,496	830,019	867,765	151,269
Operating Expenses	1,560	890	890	890	-
Capital Outlay	356,700	2,065,801	887,886	1,038,812	(1,026,989)
Transfers	102,605	81,132	81,132	43,481	(37,651)
Capital Outlay Rollover	-	-	-	1,167,915	1,167,915
<b>Total Expenditures</b>	460,865	2,147,823	969,908	2,251,098	103,275
Surplus / (Deficit)	251,345	(1,431,327)	(139,889)	(1,383,333)	47,994
<b>Available Fund Balance</b>	2,079,682	648,355	1,939,793	556,460	

## CAPITAL FUNDS

**394 - Measure A Traffic Control and Safety**

Measure A is a countywide one-half percent sales tax extended by voters in 2004 for 30 years. This fund is dedicated to the portion of Measure A revenues earmarked for traffic control and safety improvements.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>484,939</b>	<b>508,796</b>	<b>575,162</b>	<b>586,685</b>	<b>77,889</b>
Compensation	-	28,089	437	-	(28,089)
Operating Expenses	311,643	164,700	164,700	204,700	40,000
Capital Outlay	240,805	679,698	284,274	514,068	(165,630)
Transfers	143,415	79,075	79,075	53,358	(25,717)
Capital Outlay Rollover	-	-	-	267,890	267,890
<b>Total Expenditures</b>	<b>695,863</b>	<b>951,562</b>	<b>528,486</b>	<b>1,040,016</b>	<b>88,454</b>
Surplus / (Deficit)	(210,924)	(442,766)	46,676	(453,331)	(10,565)
<b>Available Fund Balance</b>	<b>762,286</b>	<b>319,520</b>	<b>808,962</b>	<b>355,631</b>	

## DEBT SERVICE FUNDS

**403 Debt Service Elk Grove Finance Authority – Laguna Palms Campus**

The purpose of this fund is to pay for debt service on bonds that were issued to finance and re-finance the Laguna Palms Campus City-owned buildings. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>583,934</b>	<b>558,075</b>	<b>558,075</b>	<b>358,060</b>	<b>(200,015)</b>
Operating Expenses	966	4,470	4,470	4,470	-
Debt Service	584,652	587,723	587,723	585,432	(2,291)
<b>Total Expenditures</b>	<b>585,618</b>	<b>592,193</b>	<b>592,193</b>	<b>589,902</b>	<b>(2,291)</b>
Surplus / (Deficit)	(1,684)	(34,118)	(34,118)	(231,842)	(197,724)
<b>Available Fund Balance</b>	<b>327,716</b>	<b>293,598</b>	<b>293,598</b>	<b>61,756</b>	

**406 Debt Service Elk Grove Finance Authority – Animal Shelter and Parkland**

The purpose of this fund is to pay for debt service on bonds that were issued to finance the Animal Shelter and parkland acquisition. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,536,182</b>	<b>1,518,287</b>	<b>1,518,287</b>	<b>1,305,222</b>	<b>(213,065)</b>
Operating Expenses	6,103	10,000	10,020	10,050	50
Debt Service	1,304,856	1,301,332	1,301,332	1,303,207	1,875
<b>Total Expenditures</b>	<b>1,310,959</b>	<b>1,311,332</b>	<b>1,311,352</b>	<b>1,313,257</b>	<b>1,925</b>
Surplus / (Deficit)	225,223	206,955	206,935	(8,035)	(214,990)
<b>Available Fund Balance</b>	<b>264,734</b>	<b>471,689</b>	<b>471,669</b>	<b>463,634</b>	

**407 Debt Service Elk Grove Finance Authority – District56 Nature Area and Old Town Plaza**

The purpose of this fund is to pay for debt service on bonds that were issued to finance the construction of the District56 Nature Area and improvements to the Old Town Plaza. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>641,546</b>	<b>817,120</b>	<b>817,120</b>	<b>817,118</b>	<b>(2)</b>
Operating Expenses	500	5,000	6,000	6,000	1,000
Debt Service	817,117	817,118	817,118	817,118	-
Transfers	9,732,078	-	-	-	-
<b>Total Expenditures</b>	<b>10,549,695</b>	<b>822,118</b>	<b>823,118</b>	<b>823,118</b>	<b>1,000</b>
Surplus / (Deficit)	(9,908,149)	(4,998)	(5,998)	(6,000)	(1,002)
<b>Available Fund Balance</b>	<b>699,083</b>	<b>694,085</b>	<b>693,085</b>	<b>687,085</b>	

## DEBT SERVICE FUNDS

**408 Debt Service Elk Grove Finance Authority – City Hall Campus Improvements**

The purpose of this fund is to pay for debt service on bonds that were issued to finance the construction of improvements to various City facilities. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	-	13,274,884	13,274,884	764,595	(12,510,289)
Operating Expenses	-	193,582	-	2,000	(191,582)
Debt Service	-	-	-	764,157	764,157
Transfers	-	-	13,231,078	-	-
<b>Total Expenditures</b>	-	193,582	13,231,078	766,157	572,575
Surplus / (Deficit)	-	13,081,302	43,806	(1,562)	(13,082,864)
<b>Available Fund Balance</b>	-	13,081,302	43,806	42,244	

## ENTERPRISE FUNDS

**501 – Solid Waste - Residential**

This enterprise fund collects revenue related to residential waste service and collection which in turn funds the operations of residential waste collection and hauling.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>1,743,567</b>	<b>1,272,510</b>	<b>1,383,131</b>	<b>1,346,202</b>	<b>73,692</b>
Compensation	382,360	422,127	270,165	461,356	39,229
Operating Expenses	191,348	397,710	357,288	355,162	(42,548)
Internal Services	79,285	60,771	60,771	67,914	7,143
Transfers	179,912	204,857	204,857	154,101	(50,756)
<b>Total Expenditures</b>	<b>832,905</b>	<b>1,085,465</b>	<b>893,081</b>	<b>1,038,533</b>	<b>(46,932)</b>
Surplus / (Deficit)	910,662	187,045	490,050	307,669	120,624
<b>Available Fund Balance</b>	<b>4,863,232</b>	<b>5,050,277</b>	<b>5,353,282</b>	<b>5,660,951</b>	

**502 – Commercial Haulers**

This enterprise fund collects revenue related to commercial waste service and collection which in turn funds the operations of commercial waste collection and hauling.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>639,635</b>	<b>553,542</b>	<b>589,424</b>	<b>604,776</b>	<b>51,234</b>
Compensation	301,175	284,949	201,990	231,629	(53,320)
Operating Expenses	45,935	324,325	288,820	432,105	107,780
Internal Services	83,858	62,116	62,116	70,229	8,113
Transfers	450,080	109,722	109,722	121,722	12,000
<b>Total Expenditures</b>	<b>881,048</b>	<b>781,112</b>	<b>662,648</b>	<b>855,685</b>	<b>74,573</b>
Surplus / (Deficit)	(241,413)	(227,570)	(73,224)	(250,909)	(23,339)
<b>Available Fund Balance</b>	<b>2,847,452</b>	<b>2,619,882</b>	<b>2,774,228</b>	<b>2,523,319</b>	

**503 – Drainage**

The purpose of this fund is to provide stormwater services. Revenues are generated from property tax and the Storm Water Utility Fee program and used to fund drainage and stormwater operations, administration, and capital expenses.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>7,925,842</b>	<b>10,869,477</b>	<b>8,591,226</b>	<b>8,592,949</b>	<b>(2,276,528)</b>
Compensation	886,905	1,193,834	1,069,759	1,644,178	450,344
Operating Expenses	4,411,109	5,268,259	4,924,044	6,229,768	961,509
Internal Services	45,382	45,649	45,649	47,089	1,440
Capital Outlay	3,692,160	10,907,374	2,035,646	11,835,200	927,826
Transfers	524,668	790,968	790,968	786,379	(4,589)
Capital Outlay Rollover	-	-	-	6,262,137	6,262,137
<b>Total Expenditures</b>	<b>9,560,224</b>	<b>18,206,084</b>	<b>8,866,066</b>	<b>26,804,751</b>	<b>8,598,667</b>
Surplus / (Deficit)	(1,634,382)	(7,336,607)	(274,840)	(18,211,802)	(10,875,195)
<b>Available Fund Balance</b>	<b>21,263,599</b>	<b>13,926,992</b>	<b>20,988,759</b>	<b>2,776,957</b>	

**Note:** The FY 2022 Budget included one-time revenue of \$2.3 million for the interfund loan reimbursement and payment associated with the ITS Phase IV project. However, the revenue was already received in a prior fiscal year. Hence the budget is no longer needed.

## ENTERPRISE FUNDS

**506 – Special Waste Collection Center**

This fund represents and accounts for the operating costs related to the Special Waste Collection Center.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>2,605,455</b>	<b>2,877,507</b>	<b>2,732,866</b>	<b>2,415,059</b>	<b>(462,448)</b>
Compensation	131,235	136,500	140,430	151,103	14,603
Operating Expenses	742,629	842,150	817,750	862,125	19,975
Internal Services	83,858	62,116	62,116	70,229	8,113
Capital Outlay	3,363	-	-	-	-
Debt Service	740,744	7,983,741	7,983,741	-	(7,983,741)
Transfers	279,003	262,431	262,431	200,793	(61,638)
<b>Total Expenditures</b>	<b>1,980,832</b>	<b>9,286,938</b>	<b>9,266,468</b>	<b>1,284,250</b>	<b>(8,002,688)</b>
Surplus / (Deficit)	624,623	(6,409,431)	(6,533,602)	1,130,809	7,540,240
<b>Available Fund Balance</b>	<b>9,790,934</b>	<b>3,381,503</b>	<b>3,257,332</b>	<b>4,388,141</b>	

**511 – Transit**

This fund accounts for the City's share of costs for operation of the City's transit system.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>9,776,358</b>	<b>599,052</b>	<b>599,052</b>	<b>600,767</b>	<b>1,715</b>
Compensation	234,142	96,616	80,274	136,386	39,770
Operating Expenses	7,247,296	3,563,975	3,564,305	49,097	(3,514,878)
Internal Services	308,101	9,026	9,026	5,348	(3,678)
Capital Outlay	44,316	-	-	-	-
Transfers	1,642,149	-	-	-	-
<b>Total Expenditures</b>	<b>9,476,004</b>	<b>3,669,617</b>	<b>3,653,605</b>	<b>190,831</b>	<b>(3,478,786)</b>
Surplus / (Deficit)	300,354	(3,070,565)	(3,054,553)	409,936	3,480,501
<b>Available Fund Balance</b>	<b>(63,799)</b>	<b>(3,134,364)</b>	<b>(3,118,352)</b>	<b>(2,708,416)</b>	

**Note:** Revenues received from the Sacramento Regional Transit District (SacRT) over the next several years, per interagency agreements, will contribute toward reducing the negative fund balance. There was a one-time payment in FY 2022 of about \$3.5 million to SacRT associated with the terms of the annexation agreement.



## INTERNAL SERVICE FUNDS

**601 – Risk Management**

Established to account for the self-insured position of the city's workers' compensation and general liability insurance.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>4,605,470</b>	<b>4,634,873</b>	<b>4,634,873</b>	<b>7,149,698</b>	<b>2,514,825</b>
Compensation	281,046	248,816	249,426	254,272	5,456
Operating Expenses	4,383,864	5,443,634	5,100,899	6,145,618	701,984
Internal Services	14,129	14,850	14,850	11,597	(3,253)
Transfers	229,266	301,444	301,444	213,325	(88,119)
<b>Total Expenditures</b>	<b>4,908,305</b>	<b>6,008,744</b>	<b>5,666,619</b>	<b>6,624,812</b>	<b>616,068</b>
Surplus / (Deficit)	(302,835)	(1,373,871)	(1,031,746)	524,886	1,898,757
<b>Available Fund Balance</b>	<b>3,369,385</b>	<b>1,995,514</b>	<b>2,337,639</b>	<b>2,862,525</b>	

**602 – Fleet and Facilities**

Established to account for the operation, maintenance, and repair of city facilities and fleet.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>4,046,724</b>	<b>3,399,262</b>	<b>3,399,262</b>	<b>2,942,429</b>	<b>(456,833)</b>
Compensation	654,565	691,896	694,196	723,181	31,285
Operating Expenses	1,499,428	1,764,888	1,660,539	1,865,668	100,780
Internal Services	148,468	164,821	164,821	182,332	17,511
Capital Outlay	1,235,567	1,862,278	1,265,052	1,158,500	(703,778)
Transfers	204,707	313,514	313,514	230,191	(83,323)
Capital Outlay Rollover	-	-	-	402,724	402,724
<b>Total Expenditures</b>	<b>3,742,735</b>	<b>4,797,397</b>	<b>4,098,122</b>	<b>4,562,596</b>	<b>(234,801)</b>
Surplus / (Deficit)	303,989	(1,398,135)	(698,860)	(1,620,167)	(222,032)
<b>Available Fund Balance</b>	<b>4,552,760</b>	<b>3,154,625</b>	<b>3,853,900</b>	<b>2,233,733</b>	

**603 – Information Technology and Geographical Information Systems**

Established to account for the operation, maintenance, and repair of city information technology assets and geographic information services.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>3,400,418</b>	<b>6,627,995</b>	<b>6,627,995</b>	<b>7,274,729</b>	<b>646,734</b>
Compensation	1,156,094	2,369,106	2,457,178	2,683,796	314,690
Operating Expenses	1,355,022	4,126,464	3,858,831	4,234,493	108,029
Internal Services	93,979	175,788	175,788	217,207	41,419
Capital Outlay	-	1,031,570	943,500	413,800	(617,770)
Transfers	248,349	424,376	424,376	338,069	(86,307)
<b>Total Expenditures</b>	<b>2,853,444</b>	<b>8,127,304</b>	<b>7,859,673</b>	<b>7,887,365</b>	<b>(239,939)</b>
Surplus / (Deficit)	546,974	(1,499,309)	(1,231,678)	(612,636)	886,673
<b>Available Fund Balance</b>	<b>3,345,384</b>	<b>1,846,075</b>	<b>2,113,706</b>	<b>1,501,070</b>	

**Note:** Starting in FY 2022, this fund encompasses the revenues and costs of the Police Information Technology Division, which was funded out of the General Fund through FY 2021.

## INTERNAL SERVICE FUNDS

**604 – State Unemployment Insurance Fund**

The State Unemployment Insurance Fund is an internal service fund that collects unemployment insurance premiums from all departments with City employees and makes payments on their behalf to the California Employment Development Department.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>37,088</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>
Operating Expenses	48,497	50,000	50,000	50,000	-
<b>Total Expenditures</b>	<b>48,497</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>
Surplus / (Deficit)	(11,409)	-	-	-	-
<b>Available Fund Balance</b>	<b>218,115</b>	<b>218,115</b>	<b>218,115</b>	<b>218,115</b>	

## AGENCY FUNDS

**709 – Laguna Springs Open Space Preserve**

This fund was established from an endowment for management and monitoring of the Laguna Springs Unit 2, Open Space Preserve. The expenditures in this fund are used for operations and maintenance of the wetland preserve.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>22,083</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operating Expenses	-	15,945	15,945	-	(15,945)
<b>Total Expenditures</b>	<b>-</b>	<b>15,945</b>	<b>15,945</b>	<b>-</b>	<b>(15,945)</b>
Surplus / (Deficit)	22,083	(15,945)	(15,945)	-	15,945
<b>Available Fund Balance</b>	<b>113,811</b>	<b>97,866</b>	<b>97,866</b>	<b>97,866</b>	

**730 - Employee Sunshine Fund**

Revenue for this fund is collected through employee contributions and is managed by the Employee Activity Committee to use for various employee engagement events and functions.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>20,897</b>	<b>15,588</b>	<b>17,588</b>	<b>16,588</b>	<b>1,000</b>
Operating Expenses	12,061	30,000	20,013	30,050	50
<b>Total Expenditures</b>	<b>12,061</b>	<b>30,000</b>	<b>20,013</b>	<b>30,050</b>	<b>50</b>
Surplus / (Deficit)	8,836	(14,412)	(2,425)	(13,462)	950
<b>Available Fund Balance</b>	<b>57,258</b>	<b>42,846</b>	<b>54,833</b>	<b>41,371</b>	

**735 – Animal Services Donations**

Revenue for this fund is collected through citizen and community donations to fund designated and/or undesignated Animal Services expenditures.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>20,130</b>	<b>-</b>	<b>20,949</b>	<b>-</b>	<b>-</b>
Operating Expenses	7,838	16,078	19,885	50	(16,028)
Capital Outlay	-	3,800	-	-	(3,800)
<b>Total Expenditures</b>	<b>7,838</b>	<b>19,878</b>	<b>19,885</b>	<b>50</b>	<b>(19,828)</b>
Surplus / (Deficit)	12,292	(19,878)	1,064	(50)	19,828
<b>Available Fund Balance</b>	<b>29,751</b>	<b>9,873</b>	<b>30,815</b>	<b>30,765</b>	

**756 - Debt Service – Community Facilities District 2005-1**

Principal and interest payments on Community Facilities District 2005-1 (Laguna Ridge) debt issue.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>21,356,453</b>	<b>21,859,601</b>	<b>21,841,614</b>	<b>10,238,099</b>	<b>(11,621,501)</b>
Operating Expenses	270,078	267,581	267,611	3,284	(264,297)
Debt Service	7,373,690	8,039,907	8,038,920	8,450,320	410,413
Transfers	11,556,138	16,882,392	14,885,614	957,118	(15,925,274)
<b>Total Expenditures</b>	<b>19,199,906</b>	<b>25,189,880</b>	<b>23,192,145</b>	<b>9,410,722</b>	<b>(15,779,158)</b>
Surplus / (Deficit)	2,156,547	(3,330,279)	(1,350,531)	827,377	4,157,657
<b>Available Fund Balance</b>	<b>8,354,777</b>	<b>5,024,498</b>	<b>7,004,246</b>	<b>7,831,623</b>	

## AGENCY FUNDS

**757 - Debt Service – Community Facilities District 2002-1 East Franklin**

Principal and interest payments on Community Facilities District 2002-1 East Franklin debt issue.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>4,412,580</b>	<b>4,491,278</b>	<b>4,491,278</b>	<b>4,486,822</b>	<b>(4,456)</b>
Operating Expenses	8,681	5,000	5,396	5,625	625
Debt Service	3,595,550	3,582,575	3,582,575	3,578,950	(3,625)
<b>Total Expenditures</b>	<b>3,604,231</b>	<b>3,587,575</b>	<b>3,587,971</b>	<b>3,584,575</b>	<b>(3,000)</b>
Surplus / (Deficit)	808,349	903,703	903,307	902,247	(1,456)
<b>Available Fund Balance</b>	<b>4,226,755</b>	<b>5,130,458</b>	<b>5,130,062</b>	<b>6,032,309</b>	

**758 - Debt Service – Community Facilities District 2003-1 Poppy Ridge**

Principal and interest payments on Community Facilities District 2003-1 East Poppy Ridge debt issue.

	FY 2021 Actual	FY 2022 Amended Budget	FY 2022 Estimate	FY 2023 Budget	Change from FY 2022 to FY 2023 Budget
<b>Revenue Total</b>	<b>3,976,246</b>	<b>3,971,853</b>	<b>3,971,853</b>	<b>3,984,254</b>	<b>12,401</b>
Operating Expenses	7,376	5,255	5,585	5,436	181
Debt Service	3,253,950	3,245,475	3,245,475	3,237,100	(8,375)
Transfers	325,000	200,000	200,000	100,000	(100,000)
<b>Total Expenditures</b>	<b>3,586,326</b>	<b>3,450,730</b>	<b>3,451,060</b>	<b>3,342,536</b>	<b>(108,194)</b>
Surplus / (Deficit)	389,920	521,123	520,793	641,718	120,595
<b>Available Fund Balance</b>	<b>2,005,702</b>	<b>2,526,825</b>	<b>2,526,495</b>	<b>3,168,213</b>	

## INTERFUND TRANSFERS

**General Cost Allocation**

The General Cost Allocation below presents a summary of the comprehensive analysis undertaken to identify the appropriate distribution of city-wide administrative and support costs to all City operating departments, divisions, and programs.

The primary objective of a full Cost Allocation Plan in government is to spread costs from central support departments such as Finance, Human Resources, and City Attorney to those departments, divisions, and/or funds that receive services in support of conducting their operations. In doing so, an organization can better understand its full cost of providing specific services to the community and also generate organizational awareness regarding indirect (overhead) costs associated with operations.

Expenditures from these Funds ↓	Revenue to these Funds	COST ALLOCATION		Total
		Fund 101 General	Fund 296 Public Works	
General Fund			\$ -	\$ -
2953120 Planning	\$	453,034		453,034
2953130 Building		201,827		201,827
2953140 DS - Eng		103,525		103,525
2964120 PW - CP Mngmt		300,209		300,209
2964140 PW - Eng		121,562		121,562
221 Gas Tax		122,974	82,880	205,854
238 Street Trench		2,496	3,672	6,168
251 CFD		9,284	-	9,284
252 CFD		33,136	-	33,136
255 CFD		73,095	37,844	110,939
256 CFD		121,805	56,259	178,064
261 St Maint Dist		16,184	5,487	21,671
262 SMD		7,650	1,114	8,764
263 SMD		14,397	4,586	18,983
264 SMD		6,911	465	7,376
265 SMD		21,312	8,747	30,059
267 SLMD		14,137	9,563	23,700
268 SLMD		20,157	3,242	23,399
280 Library Ownership		11,759	-	11,759
294 Measure A Maint		54,488	110,802	165,290
305 LTF Bike & Ped		4,363	3,033	7,396
319 CFF Admin		-	599	599
326 EF Admin		2,023	-	2,023
329 CCSD IF Admin		26,509	-	26,509
335 Laguna West SA		4,363	-	4,363
336 Lakeside SA		1,866	-	1,866
339 In-Lieu		1,397	-	1,397
341 East Franklin CFD		45,798	147,688	193,486
343 Poppy Ridge CFD		10,737	704	11,441
344 Laguna Ridge CFD		134,680	80,697	215,377
393 Measure A SSPBF		11,581	10,975	22,556
394 Measure A TCS		19,757	16,975	36,732
501 Solid Waste		114,936	-	114,936
502 Commercial Haul		51,140	-	51,140
503 Drainage		264,084	208,391	472,475
506 SWCC		198,279	-	198,279
601 Insurance		211,721	-	211,721
602 Facilities		176,411	-	176,411
602 Fleet		53,780	-	53,780
603 IT-City		154,600	-	154,600
603 IT-Police		120,697	-	120,697
603 GIS		43,879	-	43,879
<b>TOTAL</b>		<b>\$ 3,362,542</b>	<b>\$ 793,721</b>	<b>\$ 4,156,264</b>

INTERFUND TRANSFERS

**Internal Service Allocation**

The purpose of Internal Service funds is to finance, administer, and account for departments whose exclusive or nearly exclusive mission is to provide goods and services to the government's other departments on a cost reimbursement basis, such as Information Technology and Geographic Information Systems, Facilities and Fleet, and Risk Management.

The Internal Service Fund Allocation, which follows, presents a summary of the comprehensive analysis undertaken to recover these costs from all City operating departments, divisions, and programs.

Expenditures from these Funds	Revenue to these Funds	INTERNAL SERVICE FUNDS								Total	
		Fund 601 Risk	Fund 602 Facilities Operations	Fund 602 Facilities Capital	Fund 602 Fleet	Fund 603 IT-Admin	Fund 603 IT-City	Fund 603 IT-Police	Fund 603 GIS		
<b>GENERAL FUND</b>											
1011100 City Council	\$	21,391	\$ 15,283	\$ -	\$ -	\$ 16,979	\$ 49,163	\$ -	\$ 1,557	\$	104,373
<i>City Manager</i>											-
1011200 City Manager		53,477	24,733	-	-	36,384	105,349	-	7,827		227,769
1011210 Communications		53,477	16,409	-	-	12,128	35,116	-	5,602		122,732
1011220 Economic Development		32,086	9,894	-	-	4,851	14,047	-	3,139		64,017
1011240 Strategic Planning		16,043	5,390	-	-	7,277	21,070	-	2,463		52,243
1011300 City Attorney		64,172	26,080	-	-	19,405	56,186	-	1,780		167,623
1011400 City Clerk		32,086	20,410	-	-	7,277	21,070	-	667		81,510
<i>Finance</i>											
1011505 Finance		32,086	7,401	-	-	7,277	21,070	-	1,813		69,646
1011510 Budget		32,086	7,381	-	-	9,702	28,093	-	2,035		79,297
1011520 Accounting		74,867	16,248	-	-	16,979	49,163	-	3,848		161,105
1011540 Financial Planning		10,695	9,412	-	-	4,851	14,047	-	1,208		40,213
1011570 Purchasing		32,086	3,782	-	-	4,851	14,047	-	1,208		55,974
1011580 Cashiering		42,781	5,471	-	-	7,277	21,070	-	1,813		78,411
1011600 Human Resources		53,477	14,981	-	-	21,830	63,209	-	2,002		155,500
<i>Police</i>											
1012240 Police Department		160,430	82,379	-	64,057	72,768	-	350,646	7,137		737,417
1012251 Police Patrol		1,016,056	56,279	-	690,393	237,708	-	1,145,443	24,734		3,170,613
1012253 Police Traffic		117,649	42,530	-	156,584	24,256	-	116,882	2,564		460,464
1012255 Police K9		53,477	2,820	-	42,705	12,128	-	58,441	1,267		170,837
1012260 Investigations		96,258	39,916	-	113,879	9,702	-	46,753	1,168		307,676
1012261 Investigations Detective		278,078	83,061	-	291,816	65,491	-	315,581	6,809		1,040,837
1012262 Community Services		96,258	51,828	-	-	111,577	-	537,657	10,511		807,831
1012265 Animal Services		245,992	134,090	-	49,822	75,193	-	362,334	7,606		875,039
1012280 Police Support Services		139,039	64,388	-	14,235	33,958	-	163,635	3,516		418,771
1012281 Dispatch		267,383	76,251	-	-	50,937	-	245,452	5,443		645,467
1012282 Prop & Evidence		42,781	55,118	-	-	7,277	-	35,065	791		141,031
1012283 RTIC		10,695	10,545	-	-	12,128	-	58,441	1,112		92,921
1013540 Code Enforcement		106,953	17,615	-	16,998	21,830	63,209	-	2,002		228,608
2953120 Planning		128,344	28,473	-	-	58,214	168,558	-	8,448		392,037
2953130 Building		74,867	24,753	-	-	50,937	147,488	-	35,755		333,801
2953140 Development Engineering		53,477	17,253	-	-	65,491	189,628	-	22,585		348,433
2964100 Public Works Administration		128,344	227,355	-	31,137	99,449	287,953	-	19,482		793,721
2964120 Public Works - Capital Pjt Mngmnt		53,477	17,454	-	-	72,768	210,698	-	19,108		373,504
501 Solid Waste		14,260	23,949	-	-	7,277	21,070	-	1,358		67,914
502 Commercial Haul		14,260	23,949	-	2,315	7,277	21,070	-	1,358		70,229
503 Drainage		21,391	6,355	-	-	4,851	14,047	-	445		47,089
506 SWCC		14,260	23,949	-	2,315	7,277	21,070	-	1,358		70,229
511 Transit		5,348	-	-	-	-	-	-	-		5,348
601 Insurance		-	2,447	-	-	2,294	6,727	-	129		11,597
602 Facilities		37,434	-	-	24,678	6,881	20,181	-	387		89,560
602 Fleet		16,043	58,429	-	-	4,587	13,454	-	258		92,771
603 IT-Admin		21,391	-	-	-	-	-	-	-		21,391
603 IT-City		42,781	8,269	-	-	-	-	-	-		51,050
603 IT-Police		85,563	22,369	-	-	-	-	-	-		107,932
603 GIS		32,086	4,748	-	-	-	-	-	-		36,834
	<b>\$</b>	<b>3,925,185</b>	<b>\$ 1,389,446</b>	<b>\$ -</b>	<b>\$ 1,500,933</b>	<b>\$ 1,299,325</b>	<b>\$ 1,697,851</b>	<b>\$ 3,436,329</b>	<b>\$ 222,294</b>	<b>\$</b>	<b>13,471,363</b>

## INTERFUND TRANSFERS

**Debt Service Allocation**

The debt associated with the Debt Service Allocation below is for the Laguna Palms Campus (8401 Laguna Palms Way and 8400 Laguna Palms way) that houses City Council, City Manager, City Attorney, City Clerk, Finance, Human Resources, Police, Public Works and Development Services staff. The purpose of the Debt Service Allocation is to spread out the cost to the departments that are in these buildings. The allocation is calculated by cost per square foot that each department utilizes.

**DEBT SERVICE**

Expenditures from these Funds ↓	Revenue to this Fund →	Fund 403 Debt Service
<b>GENERAL FUND</b>		
1011100 City Council	\$	10,869
<i>City Manager</i>		
1011200 City Manager		17,847
1011210 Communications		11,700
1011220 Economic Development		6,889
1011240 Strategic Planning		3,564
1011300 City Attorney		18,842
1011400 City Clerk		14,655
<i>Finance</i>		
1011505 Finance		5,048
1011510 Budget		5,033
1011520 Accounting		11,581
1011540 Financial Planning		6,533
1011570 Purchasing		2,376
1011580 Cashiering		3,623
1011600 Human Resources		10,646
<i>Police</i>		
1012261 Detectives & Street Crimes		22,954
1012280 Records		17,794
1012281 Dispatch		21,072
1012283 RTIC		2,914
1013540 Code Enforcement		12,591
2953120 Planning		20,609
2953130 Building		17,862
2953140 DS - Eng		12,324
2964100 PW Admin		47,885
2964120 PW - CP Mngmt		12,472
501 Solid Waste		2,514
502 Commercial Haul		2,514
503 Drainage		4,276
506 SWCC		2,514
601 Insurance		1,604
603 IT-City		6,563
603 IT-Police		8,766
603 GIS		3,564
	<b>\$</b>	<b>350,000</b>

## INTERFUND TRANSFERS

**Capital Improvement Program Cost Allocation Plan**

Overseeing, executing and completing the various capital projects under the Capital Improvement Program generates administrative costs. These administrative costs of administering the Capital Improvement Program are budgeted in the Capital Improvement Program Administration division of the Public Works Administration Fund (Fund 296). To fund the administrative costs in this division, various funds are charged allocations based on adjusted actual expenditures of direct project costs from two fiscal years prior. The reason for using actuals from two fiscal years prior as the basis of allocation is because current fiscal year activity has not yet concluded. Some Capital Funds that incur expenditures, regardless of the amount, are not eligible to pay their “fair share” of allocation charges. Hence, those charges are re-allocated to other eligible funds that incurred expenditures for the same projects as the ineligible funds. The funds being charged, the amounts of adjusted actual expenditures and the charged allocation amounts are presented in the report below.

Fund	Fund Name	FY 2021	FY 2023	FY 2023
		Expenditures	Allocation to Fund 296	% of Total Allocation
221	Gas Tax	180,042	25,863	1.2%
227	Senate Bill 1 Streets & Roads	3,670,953	214,150	9.8%
261	Street Maint. District 1 Zone 1	108,030	4,740	0.2%
263	Street Maint. District 1 Zone 3	110,944	4,868	0.2%
265	Street Maint. District 1 Zone 5	202,031	8,864	0.4%
294	Measure A - Street/Road Maint	1,438,984	85,685	3.9%
324	E. Franklin Landscape Corridor Fee	427,231	17,926	0.8%
328	Elk Grove Roadway Fee	8,202,544	479,885	22.1%
332	LRSP Park Facilities Fee	4,040,749	169,545	7.8%
339	In-Lieu Roadway	323,073	103,248	4.7%
341	CFD 2002-1 East Franklin	4,800,346	231,706	10.7%
343	CFD 2003-1 Poppy Ridge	22,881	2,307	0.1%
344	CFD 2005-1 Laguna Ridge	2,528,394	478,830	22.0%
345	D56 Nature Area & Old Town Plaza	7,804,228	-	0.0%
393	Measure A - Streetscape, Bike & Ped	356,700	20,925	1.0%
394	Measure A - Traffic Control & Safety	191,387	16,626	0.8%
503	Drainage	3,695,364	309,628	14.2%
	<b>TOTAL</b>	<b>\$ 38,103,882</b>	<b>\$ 2,174,795</b>	<b>100%</b>



## INTERFUND TRANSFERS

### **Interfund Loans**

The City Council may authorize Inter-fund multi-year loans over \$500,000. The City Manager may authorize Inter-fund loans below \$500,000. Inter-fund loans are made to provide up front financing for priority projects in the event sufficient funding is not immediately available in the receiving fund but is available in another fund that does not have an immediate and equally important or greater need for the current resources. Inter-fund loans must carry interest, typically set at the rate the City would otherwise earn by investing funds in the Local Agency Investment Fund (LAIF), or the LAIF rate.

The following is a summary of all outstanding Inter-fund loans. This information can also be found in the Debt Policy section of the Budget.

<u>Interfund Loan</u>	<u>Lending Fund(s)</u>	<u>Receiving Fund(s)</u>	<u>Annual Payment</u>	<u>Outstanding Balance</u>	<u>Final Payment Due</u>
<b>Street Light LED Conversion</b>	<b>106</b>	<b>267</b>	<b>\$393,973</b>	<b>\$1,019,442</b>	<b>FY 2025-26</b>

The City advanced funds from the General Fund's Capital Reserve fund to the Street Lighting Maintenance District Zone 1 fund for the LED Streetlight Replacement Capital Project (CIP Project WSL005).

<b>Oasis Park Community Building</b>	<b>339</b>	<b>332</b>	<b>\$102,900</b>	<b>\$490,000</b>	<b>FY 2026-27</b>
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The City advanced funds from the In-Lieu Roadway fund to the Laguna Ridge Supplemental Park Facilities Fee fund to partially finance the construction phase of the Oasis Park Community Building project (CIP Project WCE009).

<b>Reimbursement Agreement - Advanced Payment</b>	<b>261,265, 315,324</b>	<b>330</b>	<b>\$604,937</b>	<b>\$5,321,952</b>	<b>FY 2028-29</b>
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The City advanced funds from the Street Maintenance District 1 Zones 1 and 5 funds, the Library Capital Facilities Fee fund and the East Franklin Landscape Corridor Fee fund to the Laguna Ridge Supplemental Parks Quimby In-Lieu Land Fee fund, to provide advance payment of existing reimbursement agreements.

## INTERFUND TRANSFERS

**General Fund Non-Departmental Transfers**

The General Fund makes transfers to other funds for various purposes, such as to support large and small business incentive programs, pay debt service costs, support the LifeLine rate subsidy program, and pay overhead allocation charges. Some of these transfers recur annually, while others are considered one-time expenditures. Transfers from the General Fund for FY 2022-23 are summarized below.

<b>General Fund Non-Departmental Transfers</b>			
		<b>FY 2022-23</b>	<b>Purpose</b>
<b>Transfers Out expense to</b>			
Fund 105	Economic Development	750,000	Sales Tax sharing agreement
Fund 106	General Fund Capital Projects	1,350,000	Special Project funding
Fund 108	Small Business Incentives	400,000	Various Small Business Grants
Fund 407	Debt Service Fund	160,000	Old Town Plaza debt dayment
Fund 408	Debt Service Fund	152,831	City Facility Improvements debt payment
Fund 501	Recycling & Waste	23,000	LifeLine rate subsidy
<b>Total</b>		<b>\$ 2,835,831</b>	
<b>Overhead Transfer expense to</b>			
Fund 296	Cost Allocation Plan	-	
<b>Total</b>		<b>\$ -</b>	

**Note:** The General Fund portion of the principal and interest debt service payment (totaling \$905,925 for FY 2022-23) toward the Animal Shelter debt is budgeted directly in the Animal Services division.

## Fiscal Policies

The overall goal of the City's budget is to establish, communicate and maintain effective management of the City's resources. Formal statements of financial policy and major goals provide the foundation for effective planning.

### Overview

Some of the benefits of establishing financial policy include:

- Publicly adopted policy statements contribute greatly to the credibility of and public confidence in the City. For the credit rating industry and prospective investors, such statements show the City's commitment to sound financial management and fiscal integrity.
- Establishing a policy saves time and energy. Once decisions are made at the policy level, existing or potential recurring issues do not need to be discussed each time a decision has to be made.
- The process of developing overall policy directs the attention of staff and Council to the City's total financial condition rather than single-issue areas. Moreover, this process requires staff and Council to think about connecting long-term financial planning with day-to-day operations.
- Developing financial policies reinforces the Council's policy role in maintaining a positive financial state. Setting sound financial policies can improve the City's fiscal stability by setting a forward-looking approach to planning while contributing to continuity in handling the City's financial affairs.

### Funds of the City of Elk Grove

Governmental accounting systems are organized and operated on a fund basis. A fund is a self-balancing set of accounts that record assets such as cash and other financial resources, along with all related liabilities and residual equities or balances. Funds are used to segregate the City's financial activities into categories that attain certain objectives per special regulations, restrictions, or limitations.

### Fund Structure

The City manages a variety of funds, each with a specific purpose. Understanding the City of Elk Grove's fund structure is the basis for interpreting the City's finances. As such, the City's funds are divided into the following categories:

#### General Fund – 100 Series

This is the City's main operating fund, which pays for basic services such as governance, administration, public safety, and quality of life functions.

#### Special Revenue Funds – 200 Series

These funds account for revenues received or set aside for a specific purpose, such as public safety and recycling grants, street maintenance, and environmental mitigation. The Development Services Fund, one of the City's major funds, is categorized as a special revenue fund.

#### Capital Project Funds – 300 Series

These funds account for the acquisition or construction of major capital facilities, roads, and bridges. Revenue sources include federal and state grants, development impact fees, and special taxes from Community Facility Districts.

#### Debt Service Funds – 400 Series

These funds accumulate resources for and make the payment of long-term debt principal and interest.

#### Enterprise Funds – 500 Series

These funds account for specific services funded directly by fees and charges to users and are intended to be self-supporting. Functions such as Drainage and Recycling & Waste are captured in enterprise funds.

## FISCAL POLICIES

### Internal Service Funds – 600 Series

These funds are created to finance and account for services and commodities provided to City departments, rather than to the public. Examples of internal services are risk management, information technology, facilities management, and fleet services.

### Agency Funds – 700 Series

These funds are used to account for assets held by the City as an agent for individuals, other governments, other organizations, and the community. This includes Community Facilities District debt service funds like Laguna Ridge, Poppy Keys, and East Franklin.

### **Restricted vs General Funds**

Unlike a household budget, the City relies on two distinctly different types of income or revenue referred to as General and Restricted funds. The City Council determines how to spend General Fund money and the General Fund budget must be balanced each year. Public Safety, Code Enforcement, Economic Development, Special Projects, and Events, and most of the City's staff are funded through the General Fund. Revenues deposited into the General Fund primarily come from Sales Tax, Property and Utility User Taxes, Transient Occupancy Taxes, and property taxes distributed by the County in the place of vehicle license fees.

Other City revenues come from user fees collected for city services such as Garbage and Recycling and Drainage. Money collected for these services may only be used to provide the service for which they are collected. These are called "restricted funds". There are several sources for restricted funds that dictate how and where City money can be spent. Restricted funds are primarily collected through taxes, fees, and grants. These funds are earmarked for a specific purpose or project. For instance, money generated through the Gas Tax and Measure A sales tax can only be used on roadway-related infrastructure and infrastructure maintenance. Other "special taxes", such as Mello-Roos or special assessment taxes may appear on your property tax bill. These taxes were voter-approved for a specific area within the City and can only be spent on maintenance, operations, or capital in that area. Developer Impact Fees paid by new private infrastructure development can only be spent on capital projects such as civic buildings, transportation improvements, and parks.

As a general practice for budgeting and use of reserves, restricted funding sources are evaluated and utilized, if eligible, for expenditures to the extent possible before relying on the use of the General Fund. The General Fund is only spent on goods and services when no restricted funding source is available or eligible.

### **Fund Balance Designations and Reserves**

The City strives to maintain adequate fund balances in the General Fund. This is necessary to maintain the City's creditworthiness and to adequately provide for:

- Economic uncertainties, local disasters, and other financial hardships or downturns in the local economy;
- Contingencies for unforeseen operation or capital needs; and
- Cash flow requirements.

The Opportunity Reserve provides the capacity to allow the City to manage unanticipated challenges and opportunities without utilizing the Reserve for Economic Uncertainty.

The City establishes and maintains Fleet and Facilities and Information Technology funds to provide for the timely replacement of vehicles, capital equipment and public facilities. The minimum fund balance in these funds should allow for annual fluctuations in expenditures while maintaining a level annual transfer and allow for emergency replacement purchases. Interest earnings and sales of surplus equipment, as well as any related damage and insurance recoveries, will be credited back to these funds to reduce the need for other revenue enhancements.

## FISCAL POLICIES

Fund balance levels will be sufficient to meet funding requirements for projects approved in prior budgets that are carried forward into the new year. Sufficient fund balances will also be maintained to meet debt service reserve requirements, reserves for encumbrances, and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

### Financial Plan Organization

Through its financial plan, the City will:

- Identify community needs for essential services.
- Establish policies and goals which define the nature and level of services required.
- Identify and organize activities required to provide these services.
- Propose objectives for improving the delivery of services.
- Set standards to measure and evaluate the output of activities, the accomplishment of objectives, and expenditure of appropriations.

The status of major program objectives and priority projects will be reported to the Council who will review and amend appropriations as necessary to achieve these objectives and complete priority projects.

### Appropriation Limitation

The Council will annually adopt a resolution establishing its appropriation limit. This limit, also known as the Gann limit, is calculated in accordance with Article XIII B of the Constitution of the State of California, Section 7900 of the State of California Government Code, and any other voter-approved amendments of state legislation that affect the City's appropriation limit.

### Balanced Budget

The Budget is balanced when the total sum of budgeted revenues and budgeted one-time appropriations from reserves equals or exceeds the total amount of the expenditures budgeted. If the total sum of budgeted revenues and budgeted one-time appropriations from reserves *exceeds* the total amount of expenditures budgeted, then a net contribution to reserves is being budgeted for. If the total sum of budgeted revenues and budgeted one-time appropriations from reserves is *less than* the total amount of expenditures budgeted, then the result is a budget deficit.

### Financial Activity Reporting

The City's financial activity will be reported in a variety of funds, which are the basic accounting and reporting entities in governmental accounting. The City's accounting structure will make it possible to:

- To present fairly and with full disclosure the financial position and results of financial operations of the funds of the City in conformity with generally accepted accounting principles and government auditing standards.
- To determine and demonstrate compliance with finance-related legal and contractual provisions.

### Capital Improvement Budget

The Capital Improvement Budget will emphasize project planning, with projects progressing through at least two and up to six of the following phases:

Designated - Set-aside funding for future project development under "pay-as-you-go" financing.

Study - Includes concept design, site selection, feasibility analysis, schematic design, environmental determination, property appraisals, scheduling, grant application, grant approval, and specification preparation for equipment purchases.

## FISCAL POLICIES

Acquisition - Includes equipment purchases and property acquisition for projects, if necessary.

Design - Includes final design, plan and specification preparation, and construction cost estimation.

Construction - Includes bid administration, construction, project inspection and management, and closeout.

Debt Service - Installment payments of principal and interest for completed projects funded through debt financing.

Funding and related appropriations to a project account will only be made upon approval of each phase by the City Council. Accordingly, project appropriations for acquisition and construction will generally be approved when contracts are awarded.

### **Personnel Resource Management**

Where possible and justified, the City strives to provide fair compensation and benefit schedules for its regular workforce. Each regular employee will:

- Fill an authorized position.
- Receive salary and benefits consistent with the labor market.

To manage the growth of the regular workforce and overall staffing costs, the City will follow these procedures:

- The City Council will authorize all regular positions.
- The City Manager has the authority to authorize underfilling a position at a classification and cost below City Council authorization but not above.
- Human Resources will coordinate the hiring of all employees and evaluate the reallocation of existing positions.
- All requests for additional regular positions will be supported by an explanation as to the necessity, term, and expected impacts of the proposed position. Expected impacts could include, but are not limited to, staffing and material costs including salary, benefits, equipment, uniforms, clerical support and facilities, and cost-effectiveness (additional revenues or cost savings that may be realized).

Intermittent or temporary employees are employees other than regular employees, elected officials, and volunteers. Intermittent or temporary employees will augment regular staffing as, but not limited to, limited-term employees, seasonal employees, emergency, contract employees, and interns.

Temporary employees will be used to meet peak workload requirements, fill interim vacancies, and accomplish tasks where less-than-regular, year-round staffing is required. Independent contractors will not be considered City employees. Independent contractors may be used in three situations:

- Short-term, peak workload assignments to be accomplished through the use of personnel contracted through an outside employment agency. All placements through an outside employment agency will be coordinated through the Human Resources Department.
- Construction of public works projects and the provision of operating, maintenance, or specialized professional services not routinely performed by City employees. Such services will be provided without close supervision by City staff, and the required methods, skills, and equipment will generally be determined and provided by the contractor.
- When it is determined that work can be completed effectively and cost-efficiently through the use of contractors. The work performance of the contractors should be periodically evaluated.

## **Allocating the Cost of Services**

### General Policy Guidelines

The City is committed to achieving efficiency by centralizing general and administrative services to the extent they serve the needs of the City as a whole and provide for greater cost efficiency. Accordingly, general and administrative services costs will be charged to those activities not financed by the General Fund by use of a cost allocation plan.

### Cost Allocation Criteria

Costs will be allocated considering the following criteria:

- Cause and effect - the identification of output in proportion to the service provided.
- Benefits received - the allocation of cost in relation to the benefits received.
- Fairness and equity - the allocation must be mutually satisfactory to the parties affected.
- Ability to bear - the allocation of cost must consider the ability to pay and the impact on the services provided.

## **Purchasing**

The City will maintain a purchasing policy designed to support and enhance the delivery of governmental services while seeking to obtain the maximum value for each dollar expended.

## **Fees and Rates**

Fees and rates will be reviewed and updated on an ongoing basis to ensure that they are correct and appropriate based on the changing needs of the community, including economic concerns, social issues, and public safety.

General concepts regarding the use of service fees and rates include:

- Revenues normally will not exceed the reasonable cost of providing the service.
- Cost recovery goals should be based on the total cost of delivering the service, including direct costs, departmental administration costs, and organization-wide costs such as accounting, personnel, data processing, vehicle/building maintenance, and insurance.
- The method of assessing and collecting fees should be as simple as possible to reduce the administrative cost of collection.
- Rate structures should be sensitive to the “market” for similar services as well as to smaller, infrequent users of the service and the influence rates and fees have on economic development.
- A unified approach should be used in determining cost recovery levels for various programs based on the factors discussed above.

## **Investments**

Investment and cash management will be the responsibility of the Finance Director/City Treasurer or designee, such as an investment management consultant. The City Treasurer will develop and maintain an Investment Policy that addresses the City’s administration of its portfolio, including investment guidelines, practices, and procedures. Additionally, the Treasurer will develop and maintain a comprehensive, well-documented investment reporting system that complies with Government Code Section 53607.

## FISCAL POLICIES

The City's primary investment objective is to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default. Accordingly, the following factors will be considered, in priority order, in determining individual investment transactions:

- Safety – protection of principal
- Liquidity – ability to access resources to meet operational needs
- Yield - a reasonable rate of return

The City will strive to keep idle cash balances fully invested through daily projections of cash flow requirements. To avoid premature sales and the loss of investment earnings, cash flow and future liquidity needs will be the primary consideration when selecting maturities. As the market and the City's investment portfolio evolve, care will be taken to maintain a healthy diversified balance of investment types and maturities.

The City will invest only in those instruments authorized by the California Government Code Section 53601 and further restricted by the City's Investment Policy. The City will not invest in equities, will not speculate, and will not deal in futures, options, or reverse repurchase agreements. The investment market is highly volatile and continually offers new and creative opportunities for enhancing interest earnings. Accordingly, the City will thoroughly investigate any new investment vehicles before committing City funds to them. Ownership of the City's investment securities will be protected through third-party custodial safekeeping.

To maximize yields from its portfolio, the City will consolidate cash balances from all funds for investment purposes and will allocate investment earnings to each fund following generally accepted accounting principles.

### **Productivity Review**

The City will constantly monitor and review its methods of operation to ensure that services continue to be delivered in the most cost-effective manner possible. The review process encompasses a wide range of issues, a few of which are discussed below.

#### Analyzing systems and procedures

This analysis provides a means to identify and remove unnecessary review requirements. The process includes investing in the City's most valuable asset, its employees, by developing the skills and abilities of all City employees. This process also recognizes that those who perform the function are a vital part of the process.

#### Identifying and evaluating the ability of new technologies

As new technology emerges, whether it is in the computer-related or mechanical equipment field, an objective evaluation provides the City with necessary information as to how it may enhance employee efficiency, thereby allowing the City to continue providing high-quality services.

#### Evaluating local market service providers

An evaluation of other local market service providers, including other government agencies, assists in determining whether the comparable service is available at a lower cost than provided by City staff.

### **Performance Measures**

Staff will annually develop and/or evaluate performance measures to assess how efficiently and effectively the functions, programs, and activities in each department are performed and to determine whether program goals are being met. The City Council will adopt performance targets for select measures along with the annual budget.



## DEBT POLICY, LIMIT AND OUTSTANDING DEBT OBLIGATIONS

### Debt Policy

The City will consider debt financing on an as-needed, case-by-case basis, using the criteria identified in this section.

#### *Uses of Debt Financing*

Debt financing will not be used for any recurring purpose, such as current operating and maintenance expenditures. The issuance of short-term instruments such as revenue, tax or bond anticipation notes is excluded from this limitation. For anticipation note financings, the City will look to internal borrowings before outside sources.

### Debt Management

The City will not obligate the General Fund to secure long-term financing, except when the marketability can be significantly enhanced. A feasibility analysis will be prepared for each long-term financing to assess the impact of the debt service on current and future operations. This will also include an analysis of the reliability of revenues to support debt service.

The City will generally conduct debt financing on a competitive basis. However, negotiated financing may be used due to market volatility or the use of an unusual or complex financing or security structure. The City will seek investment-grade ratings (Baa/BBB or greater) on any direct debt and will seek credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability and cost-effectiveness.

The City will annually monitor all forms of debt coincident with the budget process. This process will include monitoring compliance with bond covenants and ensuring adherence to federal arbitrage regulations.

The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus (Official Statement).

### Capital Financing

The City will consider the use of debt financing for capital projects under the following circumstances:

- When the project's useful life will exceed the term of the financing.
- When project revenues or specific resources will be sufficient to service the long-term debt.

Capital improvements will be financed primarily through user fees, service charges, assessments, special taxes, or developer agreements when benefits can be specifically attributed to users of the facility. An analysis of the operating costs of any new facilities will be conducted and significant new operating costs will be factored into the calculation of the new revenue source as is legally permissible. The City will use the following criteria to evaluate "pay-as-you-go" versus "long-term financing" in funding capital improvements:

#### **Pay-As-You-Go**

- When current revenues and adequate fund balances are available or when project phasing can be accomplished.
- When debt levels adversely affect the City's credit rating.
- When market conditions are unstable or present difficulties in marketing.

#### **Long-Term Financing**

- When revenues available for debt service are deemed sufficient and reliable so that long-term financing can be marketed with investment-grade credit ratings.
- When the project is the type that will support an investment-grade credit rating.
- When market conditions present favorable interest rates and demand for City financing.

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## DEBT POLICY, LIMIT AND OUTSTANDING DEBT OBLIGATIONS

- When State or Federal requirements and current revenues mandate a project and available fund balances are insufficient.
- When the project is required to meet or relieve service requirements.
- When the life of the project or asset financed is 10 years or longer.

### **Debt Limit**

The City's legal debt limit, shown on the following page, is calculated as a percentage of total assessed property value within the City. The debt margin indicates that Elk Grove has only used a small portion of its legal debt limit.

## DEBT POLICY, LIMIT AND OUTSTANDING DEBT OBLIGATIONS

**CITY OF ELK GROVE, CALIFORNIA**  
**Legal Debt Margin**  
**For the Last Ten Years Ended June 30, 2021**

	2010	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed value (1)	\$ 15,168,755,317	\$ 14,624,234,897	\$ 13,556,088,414	\$ 14,606,310,971	\$ 16,119,227,237	\$ 16,893,165,344	\$ 18,008,023,600	\$ 19,462,619,410	\$ 20,637,300,411	\$ 22,300,324,976	\$ 23,615,389,591
Less: Exemptions (1)	<u>(324,208,752)</u>	<u>(333,570,758)</u>	<u>(346,233,652)</u>	<u>(359,424,853)</u>	<u>(398,318,801)</u>	<u>(430,877,261)</u>	<u>(426,240,108)</u>	<u>(487,229,789)</u>	<u>(451,113,557)</u>	<u>(495,987,672)</u>	<u>(508,124,010)</u>
	14,844,546,565	14,290,664,139	13,209,854,762	14,246,886,118	15,720,908,436	16,462,288,083	17,581,783,492	18,975,389,621	20,186,186,854	21,804,337,304	23,107,265,581
Legal debt margin											
Debt Limit (15% of Assessed Value)	2,226,681,985	2,143,599,621	1,981,478,214	2,137,032,918	2,358,136,265	2,469,343,212	2,637,267,524	2,846,308,443	3,027,928,028	3,270,650,596	3,466,089,837
Debt applicable to limit:											
Total Bonded Debt (including Special Assessment Bonds)	116,160,000	120,525,000	118,676,624	114,923,363	111,000,102	119,256,895	14,350,000	32,370,000	31,650,000	40,310,000	38,322,560
Less:											
Special Assessment Bonds	-	-	-	-	-	-	-	-	-	-	-
Tax Allocation Bonds	-	-	-	-	-	-	-	-	-	-	-
Total Amount of Debt Applicable to Debt Limit	<u>116,160,000</u>	<u>120,525,000</u>	<u>118,676,624</u>	<u>114,923,363</u>	<u>111,000,102</u>	<u>119,256,895</u>	<u>14,350,000</u>	<u>32,370,000</u>	<u>31,650,000</u>	<u>40,310,000</u>	<u>38,322,560</u>
Legal Debt Margin	<u>\$ 2,110,521,985</u>	<u>\$ 2,023,074,621</u>	<u>\$ 1,862,801,590</u>	<u>\$ 2,022,109,555</u>	<u>\$ 2,247,136,163</u>	<u>\$ 2,350,086,317</u>	<u>\$ 2,622,917,524</u>	<u>\$ 2,813,938,443</u>	<u>\$ 2,996,278,028</u>	<u>\$ 3,230,340,596</u>	<u>\$ 3,427,767,277</u>
Total debt applicable to limit as a percentage of debt limit	5.50%	5.96%	6.37%	5.68%	4.94%	5.07%	0.55%	1.15%	1.06%	1.25%	1.12%

Source: (1) HdL from the Sacramento County Assessor 2011/12-2020/21 Combined Tax Rolls

## DEBT POLICY, LIMIT AND OUTSTANDING DEBT OBLIGATIONS

## Outstanding Debt Obligations

### External Debt

The Elk Grove Finance Authority (EGFA) is the debt issuance conduit for the City of Elk Grove. Debt service funding is provided from a variety of funds depending on the purpose and use of the debt proceeds. The General Fund provides debt service funding towards City Hall campuses, the Animal Shelter, the Preserve at District56, and the Old Town Plaza. Debt Service Funding for all other debt is provided by other non-General Fund sources primarily funded by special taxes or fees dedicated and levied for the express purpose of delivering the capital facilities financed by the debt.

The following chart indicates the outstanding amounts and FY 2022-23 payments on the Finance Authority's debt:

Issue Name	Purpose	Principal Outstanding on 6/30/2022	Debt Service Payment FY 2022-23	Final Debt Service Payment	Fund
CFD 2002-1 East Franklin	EGFA Special Tax Revenue Bonds Series 2015 (East Franklin CFD 2002-1)	\$ 40,805,000	\$ 3,578,950	FY 2038-39	757
CFD 2003-1 Poppy Ridge	EGFA Special Tax Revenue Bonds Series 2015 (Poppy Ridge CFD 2003-1)	\$ 36,075,000	\$ 3,237,100	FY 2038-39	758
CFD 2005-1 Laguna Ridge (Series 2016)	EGFA Special Tax Revenue Bonds Series 2016 (Laguna Ridge CFD 2005-1)	\$ 108,285,000	\$ 6,438,038	FY 2046-47	756
EGFA 2017 Lease Revenue Debt	Laguna Palms Campus (City Hall Complex)	\$ 2,715,000	\$ 585,432	FY 2026-27	403
EGFA 2018 Lease Revenue Bonds	Animal Shelter	\$ 16,670,000	\$ 1,303,206	FY 2038-39	406
CFD 2005-1 Laguna Ridge (Series 2018)	EGFA Special Tax Revenue Bonds Series 2018 (Laguna Ridge CFD 2005-1)	\$ 18,975,000	\$ 1,047,750	FY 2048-49	756
EGFA 2020 Lease Revenue Debt	District 56 Nature Area, Old Town Plaza	\$ 8,841,562	\$ 817,117	FY 2034-35	407
CFD 2005-1 Laguna Ridge (Series 2020)	EGFA Special Tax Revenue Bonds Series 2020 (Laguna Ridge CFD 2005-1)	\$ 11,380,000	\$ 519,125	FY 2050-51	756
CFD 2005-1 Laguna Ridge (Series 2021)	EGFA Special Tax Revenue Bonds Series 2021 (Laguna Ridge CFD 2005-1)	\$ 11,175,000	\$ 445,400	FY 2048-49	756
EGFA 2022 Lease Revenue Debt	Police Facilities' Improvements	\$ 13,536,125	\$ 764,157	FY 2041-42	408

## DEBT POLICY, LIMIT AND OUTSTANDING DEBT OBLIGATIONS

The EGFA 2017 Lease Revenue Bonds were used to refinance the EGFA 2007 Lease Revenue bonds, to provide funding for the Laguna Palms Campus buildings which house City Hall, Police Department, and the Council Chambers. The refinanced debt provided a lower interest rate for debt service payments.

The EGFA 2018 Lease Revenue Bonds were issued to fund the construction of the City's Animal Shelter and the purchase of parkland. The debt is funded by the General Fund and the Corp Yard Community Facility Fee.

The EGFA 2020 Lease Revenue Bonds were used to fund the design and construction of the City's Preserve at District56 and improvements to the Old Town Plaza. The debt is funded by the General Fund and the Laguna Ridge Parks Fee with, if needed, ancillary support from CFD 2003-1 (Poppy Ridge) and CFD 2005-1 (Laguna Ridge).

The EGFA 2022 Lease Revenue Bonds were issued to fund improvements to various City Hall facilities. The debt is funded by the General Fund and the Police Community Facilities Fee.

The five Community Facilities Districts (CFD) bond issuances (East Franklin, Poppy Ridge, Laguna Ridge 2016, Laguna Ridge 2018, Laguna Ridge 2020 and Laguna Ridge 2021) provided funding for infrastructure improvements and community amenities. CFDs are governed by the Mello-Roos Act under California law and are not obligations of the City. Repayment of the debt is backed solely by the property owners within each CFDs boundary. The City, as the CFD Administrator, annually levies special taxes on the properties in amounts sufficient to cover debt service payments. In the event delinquency levels on individual parcels or district-wide violate the covenants of each individual debt issuance, the City would commence judicial foreclosure proceedings to secure the special taxes owed, as required by the Fiscal Agent Agreement for each issue.

### **Internal Debt**

In addition to external debt, the City Council may authorize interfund multi-year loans over \$500,000. The City Manager may authorize interfund loans below \$500,000. Interfund loans provide upfront financing for priority projects in the event sufficient capital is not immediately available in the receiving fund but is available in another fund that does not have an immediate need for its current resources. Interfund loans must carry interest, which is typically set at the rate the City would otherwise earn by investing funds in the Local Agency Investment Fund.

The following list summarizes all outstanding interfund loans. This information can also be found in the Interfund Transfer section of the Budget.

## DEBT POLICY, LIMIT AND OUTSTANDING DEBT OBLIGATIONS

<u>Interfund Loan</u>	<u>Lending Fund(s)</u>	<u>Receiving Fund(s)</u>	<u>Annual Payment</u>	<u>Outstanding Balance</u>	<u>Final Payment Due</u>
<b>Street Light LED Conversion</b>	<b>106</b>	<b>267</b>	<b>\$393,973</b>	<b>\$1,019,442</b>	<b>FY 2025-26</b>

The City advanced funds from the General Fund's Capital Reserve fund to the Street Lighting Maintenance District Zone 1 fund for the LED Streetlight Replacement Capital Project (CIP Project WSL005).

<b>Oasis Park Community Building</b>	<b>339</b>	<b>332</b>	<b>\$102,900</b>	<b>\$490,000</b>	<b>FY 2026-27</b>
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The City advanced funds from the In-Lieu Roadway fund to the Laguna Ridge Supplemental Park Facilities Fee fund to partially finance the construction phase of the Oasis Park Community Building project (CIP Project WCE009).

<b>Reimbursement Agreement - Advanced Payment</b>	<b>261,265, 315,324</b>	<b>330</b>	<b>\$604,937</b>	<b>\$5,321,952</b>	<b>FY 2028-29</b>
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The City advanced funds from the Street Maintenance District 1 Zones 1 and 5 funds, the Library Capital Facilities Fee fund and the East Franklin Landscape Corridor Fee fund to the Laguna Ridge Supplemental Parks Quimby In-Lieu Land Fee fund, to provide advance payment of existing reimbursement agreements.

## POSITION LISTING

# POSITION CONTROL LISTING

		FY	FY	FY	FY	
		2020	2021	2022	2023	Change
<b>City Council</b>	Authorized Position					
	Council Assistant (at 0.4 FTE)	2	2	2	2	0
<b>City Council Total</b>		2	2	2	2	0
<b>City Attorney</b>						
	Authorized Position					
	Assistant City Attorney	2	2	2	2	0
	City Attorney	1	1	1	1	0
	Deputy City Attorney	1	1	1	1	0
	Legal Executive Administrative Assistant	1	1	1	1	0
	Paralegal	1	1	1	1	0
	Student Assistant (PT)	0.4	0.4	0.4	0.4	0
<b>City Attorney Total</b>		6.4	6.4	6.4	6.4	0
<b>City Clerk</b>						
	Authorized Position					
	Assistant City Clerk	1	1	1	1	0
	City Clerk	1	1	1	1	0
	Deputy City Clerk/Records Manager	1	1	1	1	0
<b>City Clerk Total</b>		3	3	3	3	0
<b>City Manager</b>						
	Authorized Position					
	Administrative Analyst I	1	1	1	1	0
	Assistant City Manager	1	1	1	1	0
	City Manager	1	1	1	1	0
	Community Center Attendant (at 0.4 FTE)	6	6	6	6	0
	Community Center Coordinator	1	1	1	1	0
	Community Engagement & Government Relations Manager	0	0	1	1	0
	Community Events & Projects Coordinator	1	1	1	1	0
	<b>Community Event Specialist</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
	Community Event Center Manager	1	1	1	1	0
	Customer Service Specialist	1	1	1	1	0
	Deputy City Manager	1	1	1	1	0
	Director of Strategic Planning and Innovation	1	1	1	1	0
	Economic Development Director	1	1	1	1	0
	Economic Development Program Manager	1	1	1	1	0
	<b>Economic Development Specialist</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>
	Executive Administrative Assistant	1	1	1	1	0
	Graphics & Multimedia Program Manager	1	1	1	1	0
	Graphic Designer	1	1	0	0	0
	Management Analyst	0	0	1	1	0
	Multimedia Specialist	1	1	2	2	0
	Public Affairs Manager	1	1	1	1	0
	<b>Risk Analyst</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>-1</b>
	<b>Rsk Manager</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
	Sr. Administrative Assistant	1	1	1	1	0
	Sr. Transportation Planner	0	0	1	1	0
	Strategic Planning and Innovation Program Manager	1	1	1	1	0
<b>City Manager Total</b>		26	26	29	31	2

## POSITION LISTING

Finance	Authorized Position	FY	FY	FY	FY	Change
		2020	2021	2022	2023	
	Accountant/Sr. Accountant	2	2	2	2	0
	Accounting Manager	1	1	1	1	0
	Accounting Technician	4	4	3	3	0
	Administrative Analyst II	0	1	1	1	0
	Administrative Assistant	1	1	1	1	0
	Budget Manager	1	1	1	1	0
	Customer Service Specialist	2	2	2	2	0
	Director of Finance & Administrative Services	1	1	0	0	0
	<b>Finance &amp; Budget Analyst I/II</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>1</b>
	Finance Analyst I/II	2	2	0	0	0
	Finance Director	0	0	1	1	0
	Management & Budget Analyst I/II	1	0	0	0	0
	Payroll Technician	0	0	1	1	0
	Purchasing Agent	1	1	0	0	0
	Purchasing Specialist	0	0	1	1	0
	Purchasing and Contracts Manager	1	1	1	1	0
	Revenue Manager	1	1	1	1	0
	Sr. Customer Service Specialist	0	1	1	1	0
	Sr. Finance & Budget Analyst	0	0	1	1	0
	Sr. Management & Budget Analyst	1	2	1	1	0
	Sr. Payroll Technician	0	1	1	1	0
<b>Finance Total</b>		<b>19</b>	<b>22</b>	<b>22</b>	<b>23</b>	<b>1</b>

Human Resources	Authorized Position	FY	FY	FY	FY	Change
		2020	2021	2022	2023	
	Human Resources Analyst	1	1	0	0	0
	Human Resources Manager	1	1	0	0	0
	Human Resources Director	0	0	1	1	0
	Human Resources Specialist	2	2	2	2	0
	Sr. Human Resources Analyst	0	0	1	1	0
	Sr. Human Resources Specialist	2	2	2	2	0
<b>Human Resources Total</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>0</b>

Police	Authorized Position	FY	FY	FY	FY	Change
		2020	2021	2022	2023	
	Chief of Police	1	1	1	1	0
	Assistant Chief of Police	1	1	1	1	0
	Captain	3	3	3	3	0
	<b>Lieutenant</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>8</b>	<b>1</b>
	Sergeant	20	20	20	20	0
	Police Officer	119	119	119	119	0
	Total Sworn	151	151	151	152	1



## POSITION LISTING

Police	Authorized Position	FY	FY	FY	FY	Change
		2020	2021	2022	2023	
Police (continued)	Administrative Analyst I	1	1	1	1	0
	Administrative Assistant	6	6	6	6	0
	Animal Care Assistant	3	3	3	3	0
	Animal Care Specialist	3	3	3	3	0
	Animal Care Supervisor-Kennel	1	1	1	1	0
	Animal Services Manager	1	1	1	1	0
	Animal Services Officer	4	4	4	4	0
	Animal Services Supervisor	1	1	1	1	0
	Animal Services Volunteer/Events Coordinator	1	1	1	1	0
	Communications Bureau Manager	0	1	1	1	0
	Communications Intelligence Specialist	0	1	2	2	0
	<b>Community Services Officer</b>	<b>16</b>	<b>17</b>	<b>17</b>	<b>19</b>	<b>2</b>
	Community Services Officer-Recruit	0	0	4	4	0
	Crime Analyst	2	2	2	2	0
	Customer Service Specialist	3	3	3	3	0
	Customer Service Supervisor/Animal Services	1	1	1	1	0
	<b>Dispatcher</b>	<b>19</b>	<b>19</b>	<b>19</b>	<b>15</b>	<b>-4</b>
	<i>911 Call Taker (flexibly staffed with Dispatcher)</i>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>4</b>
	Dispatch Supervisor	4	4	4	4	0
	Forensic Investigator	3	3	3	3	0
	Management Analyst	0	0	1	1	0
	Police Administrative Manager	1	1	1	1	0
	Policy Equipment/Supply Technician	1	1	2	2	0
	Police Records Manager	1	1	1	1	0
	<b>Police Records Supervisor</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>
	Police Records Technician I	5	5	5	5	0
	Police Records Technician II	4	4	4	4	0
	<b>Police Services Analyst</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>
	Police Volunteer Coordinator	1	1	1	1	0
	Property & Evidence Manager	1	1	1	1	0
	Property & Evidence Technician I	2	2	2	2	0
	Property & Evidence Technician II	1	1	1	1	0
	Real Time Information Center Supervisor	1	1	1	1	0
	Registered Veterinary Technician	2	2	2	2	0
	Security Officer	1	1	1	1	0
	Sr. Administrative Analyst	1	1	0	0	0
	<b>Sr. Administrative Assistant</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>-1</b>
	Sr. Animal Care Specialist	1	1	1	1	0
	Sr. Animal Services Officer	1	1	1	1	0
	Sr. Customer Service Specialist	0	0	1	1	0
	Supervising Forensic Investigator	1	1	1	1	0
	Veterinarian	1	1	1	1	0
	Veterinary Assistant	2	2	2	2	0
	Total Non-Sworn	102	105	112	115	3
<b>Police Total</b>		<b>253</b>	<b>256</b>	<b>263</b>	<b>267</b>	<b>4</b>

Information Services	Authorized Position	FY	FY	FY	FY	Change
		2020	2021	2022	2023	
	Chief Information Officer	0	1	1	1	0
	GIS Administrator	1	1	1	1	0
	GIS Analyst	1	1	1	1	0
	IT Administrator	1	1	1	1	0
	IT Analyst	3	3	3	3	0
	Network Engineer	1	1	1	1	0
	Sr. GIS Analyst	1	1	1	1	0
	Sr. IT Analyst	6	6	6	6	0
<b>Information Services Total</b>		<b>14</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>0</b>

## POSITION LISTING

Development Services	Authorized Position	FY	FY	FY	FY	Change
		2020	2021	2022	2023	
	Accounting Technician	1	1	1	1	0
	Administrative Analyst I	1	1	1	1	0
	<b>Administrative Analyst II</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
	Administrative Assistant	2	2	2	2	0
	Assistant Development Services Director	1	1	1	1	0
	Assistant Planner	1	1	0	0	0
	Associate Planner	0	0	1	1	0
	Code Enforcement Manager	1	1	1	1	0
	Code Enforcement Officer I/II	5	5	6	6	0
	Customer Service Specialist	1	1	1	1	0
	Development Services Director	1	1	1	1	0
	Housing & Public Services Program Manager	1	1	1	1	0
	Management Analyst	0	0	1	1	0
	Permit Processing Coordinator	2	2	2	2	0
	Planning Manager	1	1	1	1	0
	Sr. Administrative Assistant	1	1	1	1	0
	Sr. Code Enforcement Officer	1	1	1	1	0
	Sr. Planner	2	2	2	2	0
<b>Development Services</b>						
<b>Total</b>		22	22	24	25	1

## POSITION LISTING

Public Works	Authorized Position	FY	FY	FY	FY	Change
		2020	2021	2022	2023	
	<b>Administrative Analyst I</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>
	<b>Administrative Analyst II</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>-1</b>
	<b>Administrative Assistant</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
	Assistant Engineer	0	0	1	1	0
	Associate Civil Engineer	0	0	2	2	0
	Customer Service Specialist	3	3	3	3	0
	Deputy Public Works Director/City Engineer	0	0	1	1	0
	Deputy Public Works Director-Operations	0	0	1	1	0
	Drainage & Collection System Supervisor	1	1	1	1	0
	Engineering Technician I/II/Senior	3	3	4	4	0
	Environmental Specialist	1	1	1	1	0
	Facilities and Fleet Manager	1	1	1	1	0
	Facilities Technician	2	2	2	2	0
	Landscape Maintenance Supervisor	1	1	1	1	0
	<b>Maintenance Technician I/II</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>
	Maintenance Specialist	0	0	1	1	0
	Recycling Coordinator I/II	3	3	3	3	0
	Waste & Recycling Manager	1	1	1	1	0
	Operations General Supervisor	2	2	2	2	0
	Permit Processing Coordinator	0	0	1	1	0
	Public Works Director/City Engineer	1	1	1	1	0
	Public Works Inspector I/II	0	0	2	2	0
	<b>PW Division Manager-Engineering</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>1</b>
	PW Division Manager-Operations	1	1	0	0	0
	Sr. Accounting Technician	0	1	1	1	0
	Sr. Administrative Assistant	3	3	2	2	0
	Sr. Civil Engineer	3	3	4	4	0
	Sr. Facilities Technician	1	1	1	1	0
	<b>Sr. Maintenance Technician</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
	Sr. Transit Planner	1	1	0	0	0
	Street Maintenance Supervisor	1	1	1	1	0
	<b>Street Sweeper Operator</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
	Traffic Control & Street Lighting Supervisor	1	1	1	1	0
	<b>Traffic Engineer</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>-1</b>
	Traffic Management Center (TMC) Supervisor	0	0	1	1	0
	Transit Planner	1	1	0	0	0
	Transit System Manager	1	1	0	0	0
	Utilities Locator	1	1	1	1	0
<b>Public Works Total</b>		<b>39</b>	<b>40</b>	<b>47</b>	<b>54</b>	<b>7</b>
<b>Total Approved Positions</b>		<b>390.4</b>	<b>398.4</b>	<b>417.4</b>	<b>432.4</b>	<b>15</b>

## GLOSSARY OF TERMS

**ACCRUAL BASIS** – Sometimes called “full accrual” basis. A basis of accounting in which revenues are recognized when earned regardless of when they are received, and expenses are recorded at the time the liability is incurred, regardless of when it is paid.

**ACCUMULATED DEPRECIATION** – The amount of depreciation that has accumulated to date during the existing useful life of City assets.

**ADJUSTED APPROPRIATIONS** – Total appropriations minus appropriations for capital outlay, one-time activity, debt service and non-operating transfers to other funds.

**ADOPTED BUDGET** – The City Council approved annual budget establishing the legal authority for the expenditure of funds as set forth in the budget resolution adopted by Council.

**APPROPRIATION** – An authorization by the City Council to make expenditures and to incur obligations for a specific purpose. An appropriation is usually limited in amount as to the time when it may be expended.

**APPROPRIATION RESOLUTION** – The official enactment by a legislative body establishing the legal authority for officials to obligate and expend resources.

**ASSESSED VALUATION** – A dollar value placed on real estate or other property by Sacramento County as a basis for levying property taxes.

**ASSESSMENT DISTRICT** – Not a separate government entity, but rather a defined area of land that will benefit from the acquisition, construction, or maintenance of a public improvement.

**AUDIT** – A systematic collection of sufficient and competent evidential matter needed to attest to the fairness of management’s assertions in the financial statements, or to evaluate whether management has efficiently and effectively carried out its responsibility.

**AVAILABLE FUND BALANCE** – The amount of fund balance that is available to spend on appropriations. This amount should be based on liquid assets such as cash and not include assets such as infrastructure or loan principal. It should not factor in liabilities such as debt or owed reimbursement to external parties.

**BALANCED BUDGET** - The total sum of revenues and one-time appropriations from reserves budgeted equal or exceed the total amount of the expenditures budgeted.

**BEGINNING/ENDING FUND BALANCE** – Appropriated resources available in a fund from the prior/current year after payment of the prior/current year’s expenses. This is not necessarily cash on hand.

**BOND** – A City may raise capital by issuing a written promise to pay a specific sum of money, called the face value or principal amount, at a specified date or dates in the future together with periodic interest at a special rate.

**BUDGET** – A plan of financial operation listing an estimate of proposed applications or expenses and the proposed means of financing them for a particular time period. The budget is proposed until it has been approved by the City Council.

**BUDGET CALENDAR** – A schedule of key dates and milestones that a government follows in the preparation and adoption of the budget.

**BUDGET MESSAGE** – Included in the opening section of the budget (also known as the “Transmittal Letter”), the Budget Message provides the Council and the public with a general summary of the most important aspects of the budget, changes from previous fiscal years, and the views and recommendations of the City Manager.

**CAPITAL IMPROVEMENT** – A permanent addition to the City’s assets, including the design, construction, or purchase of land, buildings, or facilities, or major renovations of the same.

## GLOSSARY OF TERMS

**CAPITAL IMPROVEMENT PROGRAM (CIP)** – A financial plan of proposed capital improvement projects showing single and multiple-year capital expenditures.

**CAPITAL OUTLAY** – A budget category which appropriates and programs expenditures related to capital assets, such as infrastructure (e.g., roadways, parks, bridges, water/sewer, lighting systems, drainage systems, flood control, etc.), building, building improvements, land acquisition, and equipment. Only infrastructure with a cost of \$50,000 or more, and equipment with a cost of \$5,000 or more, is considered Capital Outlay for budget and accounting purposes.

**CERTIFICATES OF PARTICIPATION** – Form of lease-purchase financing used to construct or acquire capital facilities and equipment.

**COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)** – A federal grant that aims to develop viable urban communities by providing decent housing, a suitable living environment, and expanded opportunities for persons of low and moderate income. The City of Elk Grove receives an annual CDBG entitlement from the U.S. Department of Housing and Urban Development.

**COMPENSATION** – A budget category which generally accounts the payment of salary and benefits to full-time and temporary employees.

**DEBT SERVICE** – Payment of the principal and interest on an obligation resulting from the issuance of bonds, notes and inter-fund loans.

**DEFICIT** – If the total sum of revenues and one-time appropriations from reserves is less than the total amount of expenditures, then the result is a deficit.

**DEPARTMENT** – A major organizational unit of the City that has been assigned overall management and oversight responsibility for an operation or a group of related operations associated with a program(s) and or function(s).

**DEPRECIATION** – The decrease in value of physical assets due to use and the passage of time.

**DEVELOPMENT IMPACT FEE** – Fees placed on the development of land or conditions required for the approval of a development project such as the donation (dedication or exaction) of certain land (or money) to specific public uses. The fees are typically justified as an offset to the future impact that development will have on existing infrastructure. The fees are used to finance infrastructure projects that are listed in the nexus documents for those fees.

**ENCUMBRANCES** – A legal obligation to pay funds for an expenditure that has not yet occurred. They cease to be encumbrances when the obligations are paid or otherwise terminated.

**ENTERPRISE FUNDS** – This fund type is used to account for operations that are: (a) financed and operated in a manner similar to private sector enterprises and it is the intent of the City that the costs (including depreciation) for providing goods or services to the general public be financed or recovered primarily through the user charges; or (b) the City or an outside grantor agency has determined that a periodic determination of revenues earned, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has established the following enterprise funds: solid waste and drainage.

**EXPENDITURE** – The outflow of funds paid or to be paid for an asset or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. **Note:** An encumbrance is not an expenditure; an encumbrance commits or obligates funds to be expended.

**FIDUCIARY FUNDS** - Used to report assets held in a trustee or agency capacity for others.

**FISCAL YEAR (FY)** – A 12-month period of time to which the budget applies. The City of Elk Grove's fiscal year is July 1 through June 30.

## GLOSSARY OF TERMS

**FRANCHISE FEES** - Gas and cable franchise fees are collected from those utility companies operating within the City limits. These revenues are based on agreements with Sacramento County prior to the City's incorporation. Recycling and Waste Franchise Fees are collected from the City's solid waste service provider for the ability to perform operations and service delivery within City limits.

**FULL-TIME EQUIVALENT (FTE)** – The decimal equivalent of a part-time position converted to a full-time base (i.e., one person working half time would equate to 0.5 FTE).

**FUND** – An independent fiscal and accounting entity used to record all financial transactions related to the specific purpose for which the fund was created. The seven generic fund types used by the City are: General Fund, Special Revenue, Debt Service, Capital Projects, Enterprise, Internal Service, and Trust and Agency.

**FUND BALANCE** – The amount of financial resources available for use. Generally, this represents the detail of all the annual operating surpluses and deficits since the fund's inception. Also known as the financial position, fund balance is the excess of assets over liabilities, and represents the cumulative effect of revenues and other financing sources over expenditure and other financing issues.

**GANN APPROPRIATIONS LIMIT** – This term refers to Article XIII B of the California State Constitution that places limits on the amount of proceeds from taxes that state and local governmental agencies can receive and spend each year.

**GAS TAX** – Administered by the State Board of Equalization (SBOE), this is a per gallon tax on fuel used to propel a motor vehicle or aircraft. Use of the revenue is for research, planning, construction, improvement, maintenance, and operation of public streets and highways or public mass transit.

**GENERAL FUND** – The primary fund of the City used to account for all revenues and expenditures of the City not legally restricted as to use (discretionary). Examples of departments financed by the General Fund include the City Council, City Manager's Office, Police, Human Resources, Attorney's Office, Finance, and others.

**GENERAL PLAN** – California State law requires each City to adopt a General Plan that describes the direction the City will take concerning its future development.

**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)** – Uniform minimum standards and guidelines for financial accounting and reporting.

**GOAL** – The desired result of accomplishments within a given time frame.

**GOVERNMENTAL FUNDS** - Funds used to account for tax and fee-supported activities.

**GRANT** – Contribution or gift or cash or other assets from another governmental entity to be used or expended for a specific purpose, activity, or facility.

**INFRASTRUCTURE** – Civil structures or facilities such as building, roads, water lines, sewers, public buildings, etc on which the continuance and growth of the community depend on.

**INTER-FUND TRANSFERS** – Monies moved from one fund to another. The money is transferred to finance the operations of another fund or to reimburse the fund for expenses.

**INTERNAL SERVICE FUND** – Funds established to account for the financing of goods or services provided by one department for other departments within the City on a cost reimbursement basis.

**LANDSCAPE AND LIGHTING DISTRICT** – An assessment district that is formed for the maintenance of landscaping and street light improvements.

**MEASURE A** – Sacramento County voters approved a ½ cent sales tax funding source in the late 1980's to fund specific transportation projects and maintenance.

## GLOSSARY OF TERMS

**MELLO ROOS DISTRICT** – The formation of a special tax district for the installation and maintenance of public improvements.

**MODIFIED ACCRUAL** – An adaptation of the accrual basis of accounting for governmental fund types. Revenues and other financing resources are recognized when they become measurable and available to finance expenditures for the current period. Expenditures are recognized when the fund liability is incurred.

**MUNICIPAL CODE** – A book that contains City Council approved ordinances currently in effect. The Code defines City policy with respect to areas such as planning, zoning, building, etc.

**OBJECTIVES** – The necessary steps that need to be accomplished to achieve a desired goal.

**OPERATING BUDGET** – Annual appropriation of funds for on-going program costs, including salaries and benefits, services and supplies, debt service and capital outlay.

**OPERATING EXPENSES** – Expenditures for materials, supplies, and services which are ordinarily consumed within a fiscal year and which are not included in program inventories.

**ORDINANCE** – A formal legislative enactment by the City Council. It is the full force and effect of law within City boundaries unless pre-empted by a higher form of law. An ordinance has a higher legal standing than a resolution.

**PERFORMANCE MEASURES** – Performance measures are an important component of decision making and, at a minimum, they should be based on program goals and objectives, measure program results or accomplishments, provide for comparisons over time, measure efficiency and effectiveness, and be reliable, verifiable, and understandable.

**PROPERTY TAX** – A tax imposed on real property (land, permanently attached improvements such as building and capital equipment) and tangible personal property located within the City based on its assessment value.

**PROPERTY TAXES IN-LIEU OF MOTOR VEHICLE LICENSE FEES** – A State vehicle fee is imposed on motorists for the privilege of operating a motor vehicle on the public highways. In 2004, most of the Vehicle License Fee revenues traditionally received by local governments were swapped with the State of California for an additional property tax share. This amount grows annually with the change in assessed valuation for each jurisdiction.

**PROPERTY TRANSFER TAX** – This tax imposed on real estate sales within City limits. The tax is \$1.10 for every \$1,000 of the purchase price of any property sold within City limits. The County of Sacramento keeps half of the \$1.10 per \$1,000 of purchase price per sale, the City's portion is the remaining \$0.55 per \$1,000.

**PROPOSED BUDGET** – This refers to the status of an annual budget which has been submitted by the City Manager and is pending public review and City Council adoption.

**REDEVELOPMENT AGENCY (RDA)** – A separate legal entity charged with the responsibility for elimination of blight in a community through the process of redevelopment.

**REIMBURSEMENT** – The payment of an amount remitted on behalf of another party, department, or fund for goods and/or services that have already been delivered.

**RESERVE** – An account used to record a portion of the fund's balance that is legally restricted for a specific purpose and is, therefore, not available for general appropriation unless authorized by legislative body.

**RESOLUTION** – A special order of the City Council which has a lower legal standing than an ordinance.

**RETAINED EARNINGS** – An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

**REVENUE** – Monies received from taxes, fees, permits, licenses, interest, and intergovernmental sources during the fiscal year.

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## GLOSSARY OF TERMS

**REVENUE BONDS** – A type of bond usually issued to construct facilities. The bonds are repaid from the revenue produced by the operation of these facilities.

**SALARIES AND BENEFITS** – A budget category that generally accounts for full-time and temporary employees, overtime, and all employee benefits, such as medical, dental, and retirement.

**SALES TAX** – A state-imposed tax on goods and services purchased within a geographical boundary, or electronically, in the State of California. The portion of Sales Tax that that is remitted to the City is called Bradley Burns.

**SPECIAL ASSESSMENT** – A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

**SPECIAL REVENUE FUND** – A fund used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**TAXES** – Compulsory charges levied (imposed) by a government for the purpose of financing services performed for the common benefit.

**TRANSIENT OCCUPANCY TAX (TOT)** – A tax imposed on travelers who stay in temporary lodging facilities within the City. Also referred to as a Hotel or Motel Tax.

**UTILITY USERS TAX** - A tax imposed for the delivery of electricity, gas, sewer, communications technology, and video services.