

City of Avalon


COVID-19 Impact on City Cash Flows

MAY 5, 2020



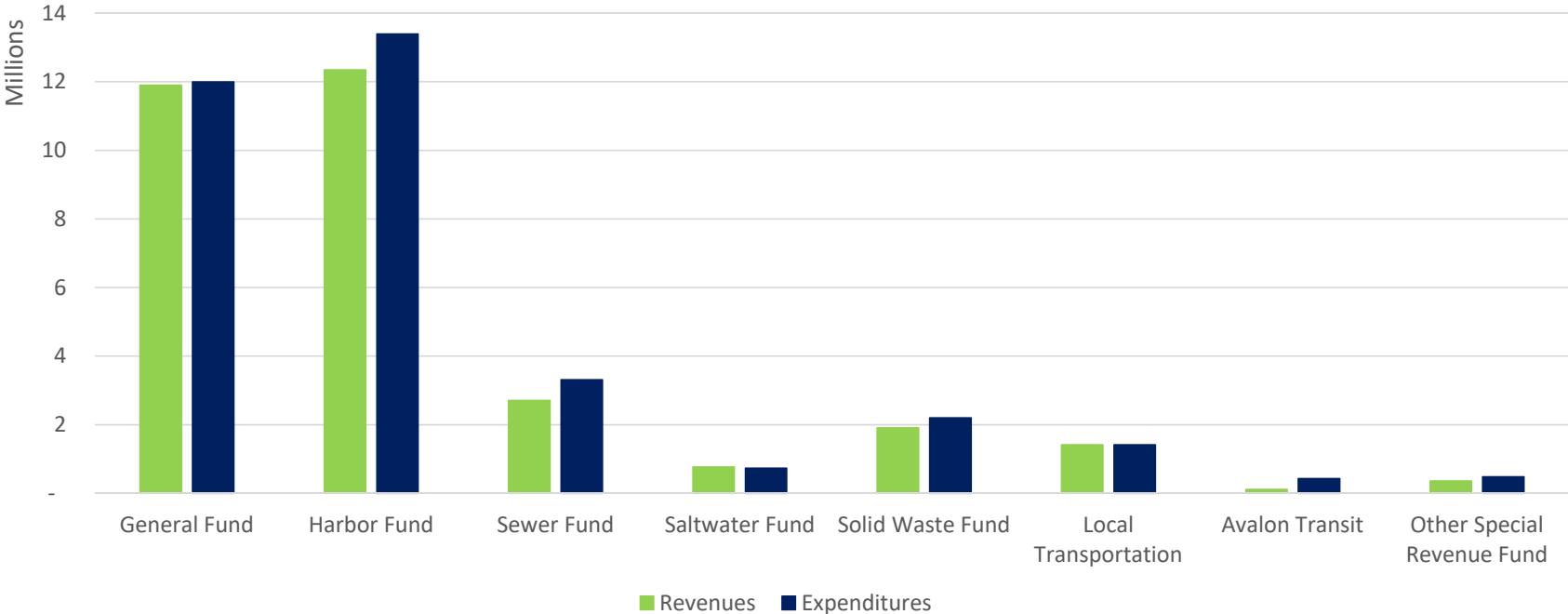
Finance Update Goals

Provide an overview of the following:

- Current year budgeted activity
 - Anticipated revenues in the next fiscal year
 - Adjustments made in response to COVID-19
 - Adjustments required to balance upcoming fiscal year budget
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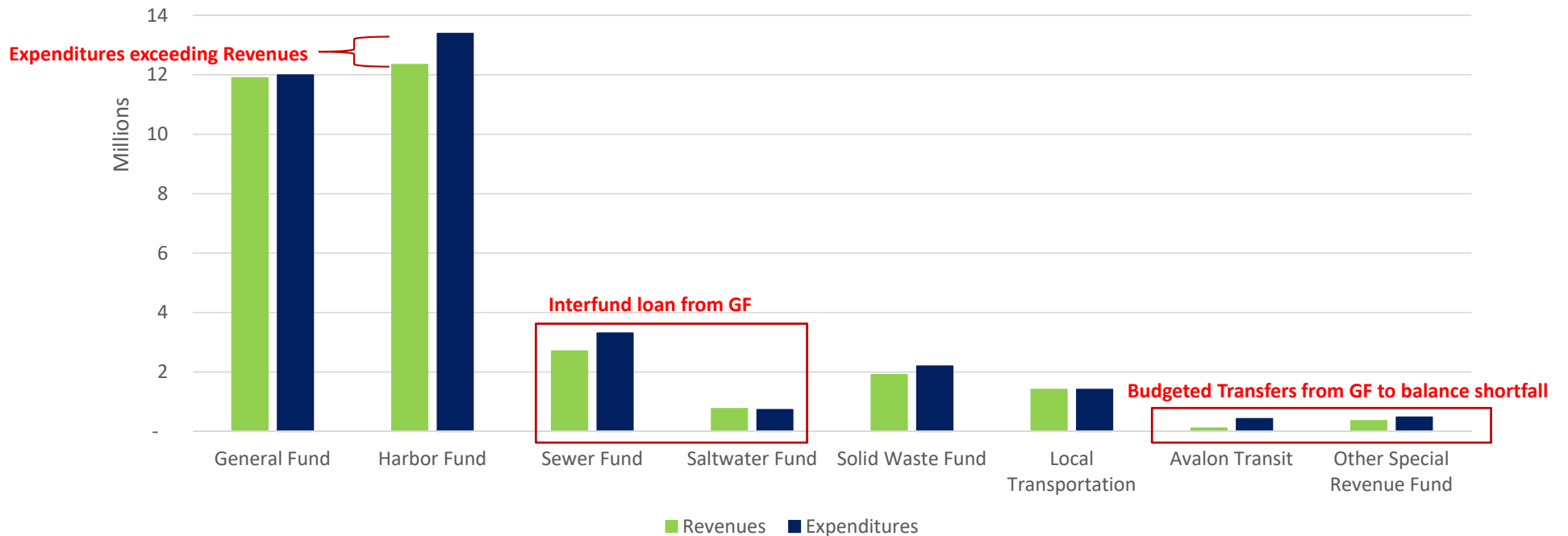
Budgeted Revenues and Expenditures

Fiscal Year 2019-2020 (excluding budgeted transfers)



Budgeted Revenues and Expenditures

Fiscal Year 2019-2020 (excluding budgeted transfers)

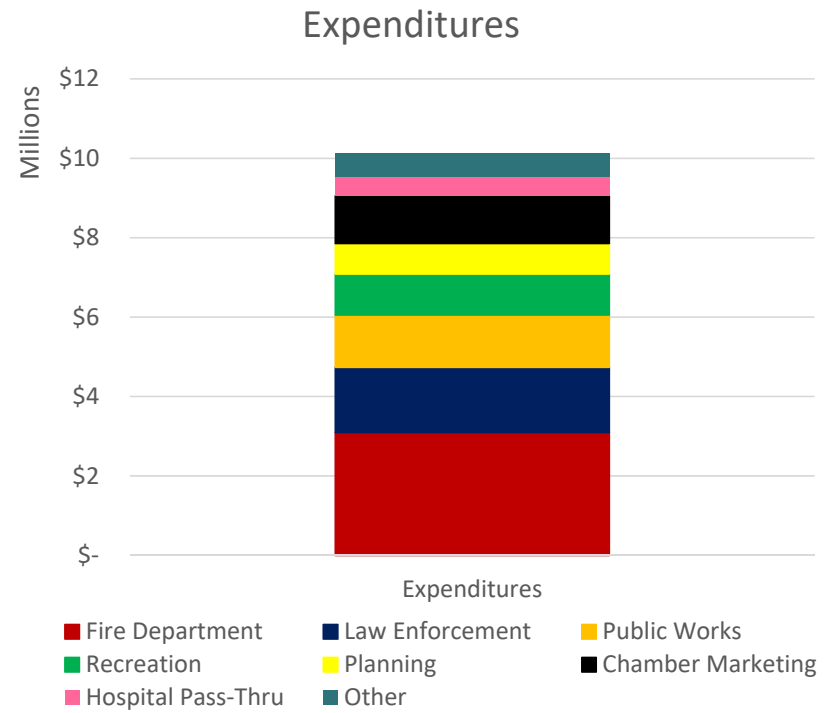
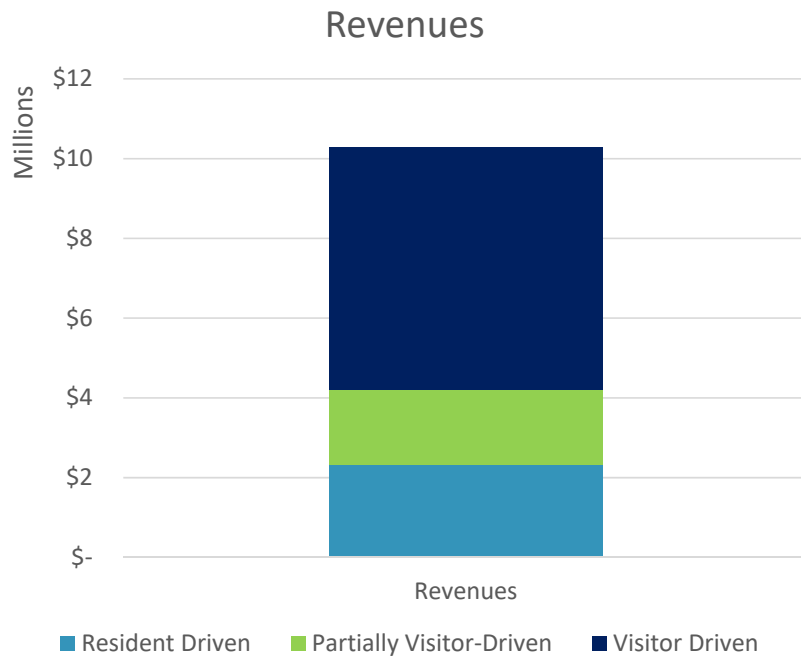




COVID-19 Impacts on General Fund

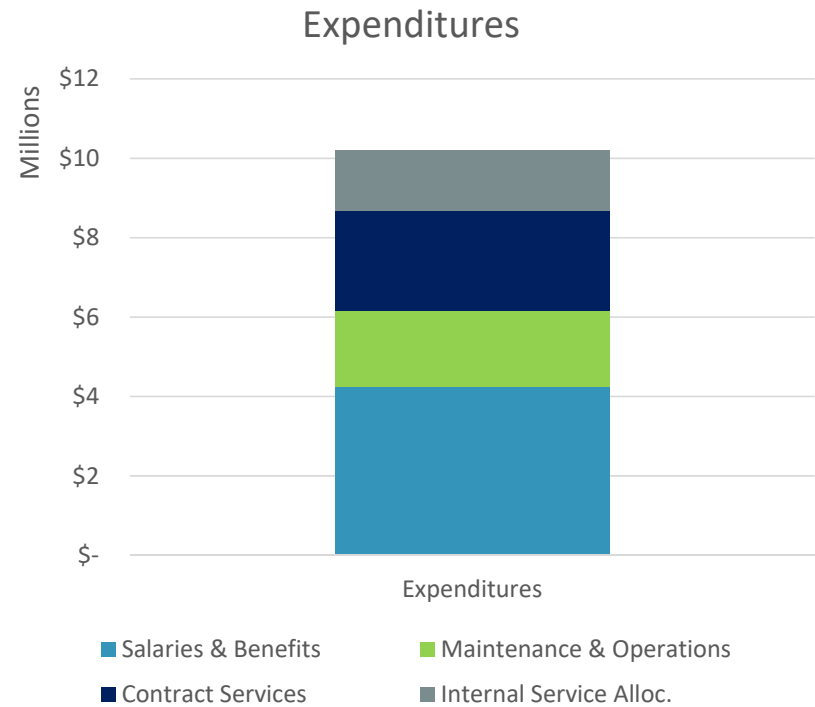
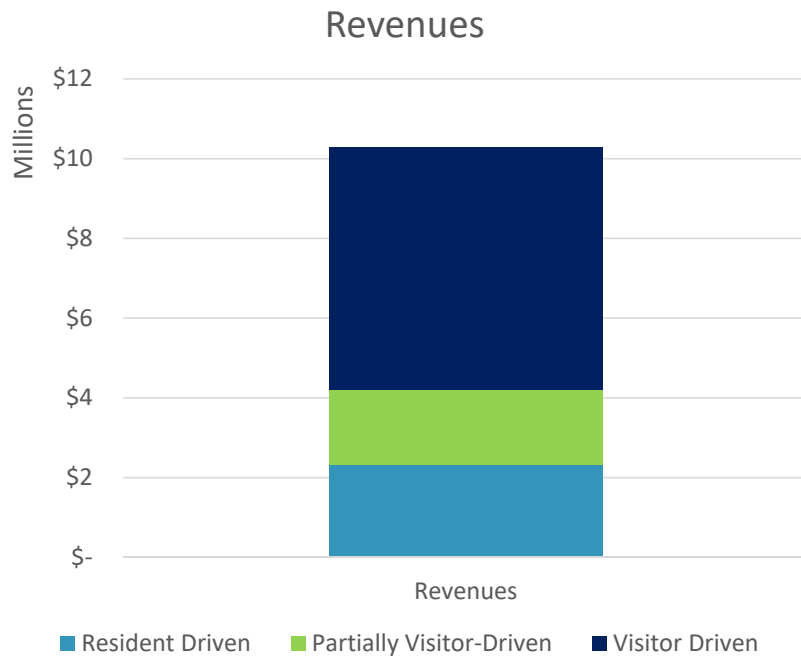
General Fund

Budgeted Revenues and Expenditures (FY20)



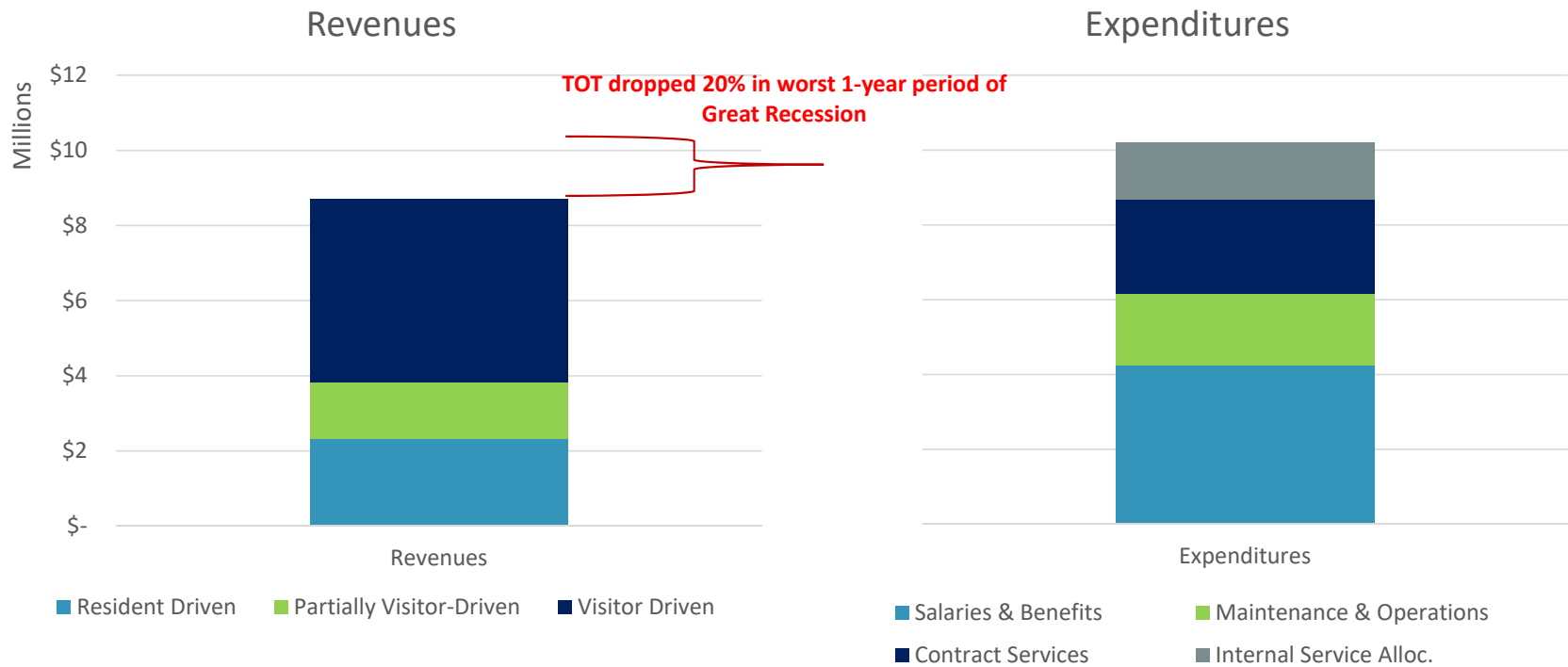
General Fund

Budgeted Revenues and Expenditures (FY20)



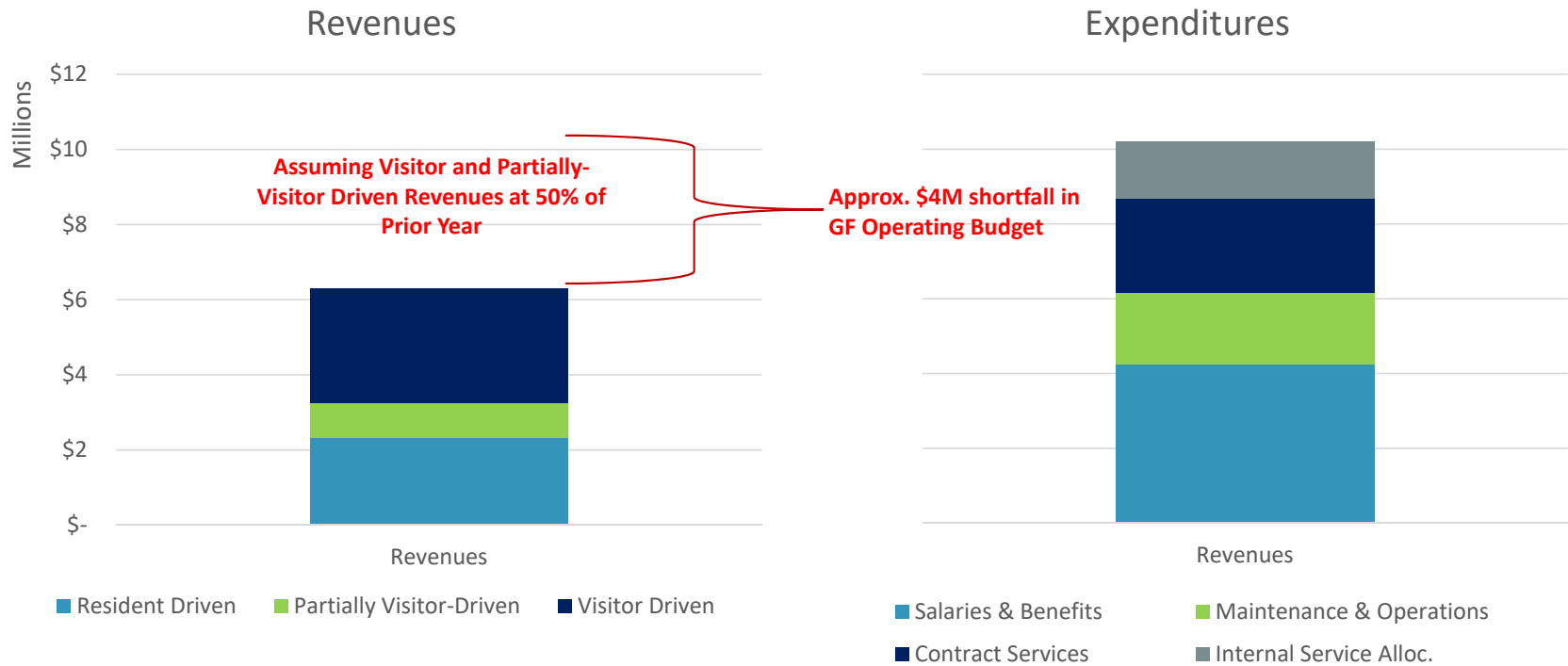
General Fund

Assuming Next Year Comparable to Great Recession



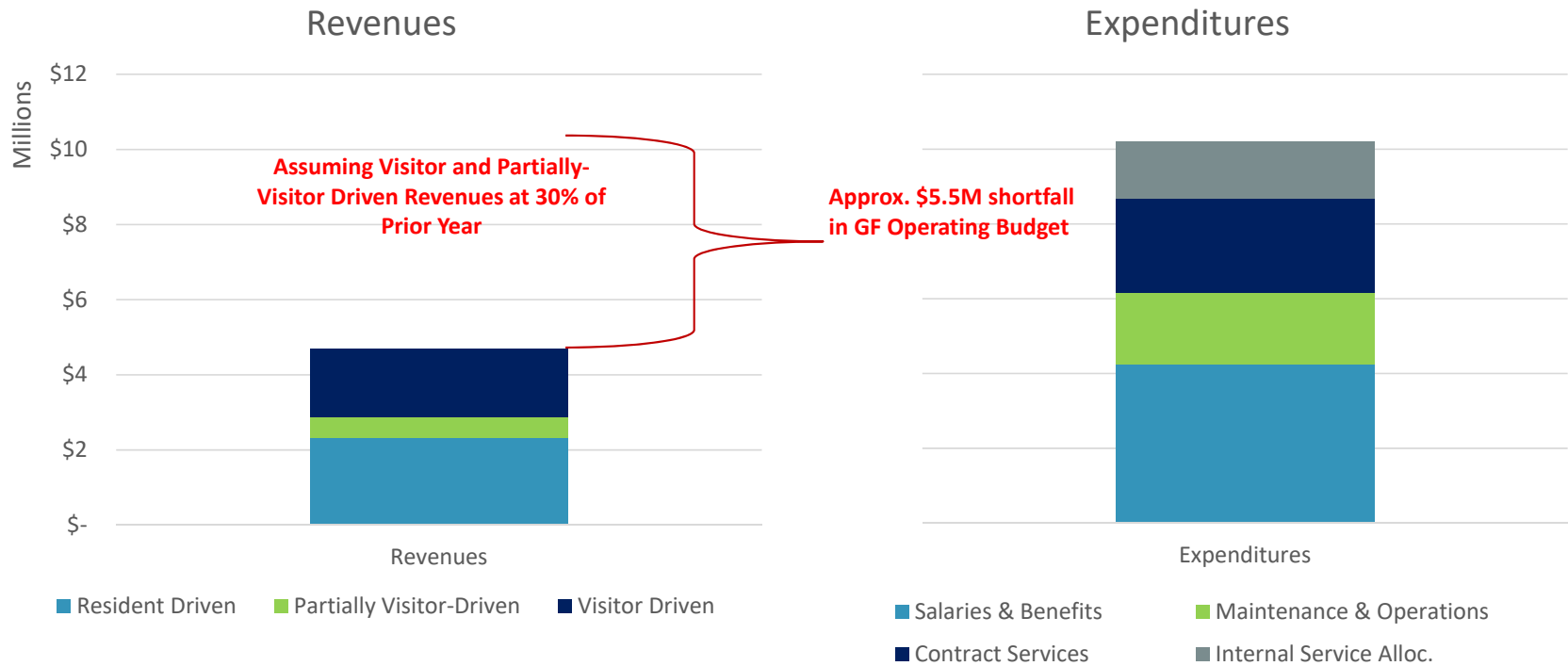
General Fund

Adjusted Revenues and FY20 Expenditures



General Fund

Adjusted Revenues and FY20 Expenditures



General Fund

Expenditures by Department (FY20 Budget)

Department	# of FTEs	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Service Allocations	Department Total
Fire Department	13.0	2,328,523	152,400	-	615,989	3,096,912
Law Enforcement	0.0	-	300	1,559,237	78,511	1,638,048
Public Works	8.1	741,541	219,325	20,000	338,456	1,319,322
Recreation and Community Services	5.6	590,914	181,758	8,000	251,033	1,031,705
Planning	3.0	433,166	53,550	172,700	109,260	768,676
Admin and Non-major Funds	1.5	234,430	85,000	121,600	136,392	577,422
Chamber Marketing	0.0	-	1,199,000	-	-	1,199,000
Hospital Pass-Thru	0.0	-	-	486,500	-	486,500
Total	31.2	\$ 4,328,574	\$ 1,891,333	\$ 2,368,037	\$ 1,529,641	\$ 10,117,145

General Fund

Expenditures Adjustments in
Response to COVID-19

The following adjustments have been made to GF expenditures in response to the state of local emergency:

- Furloughs to City Staff impacting all positions not directly related to public safety
 - Resulting in payroll reductions of approx. 40% for impacted departments
- Deferred maintenance of non-essential operations
 - Approx. half of maintenance and operating expenditures for Public Works relate to utilities with minimal savings available
- Postponed all capital projects not funded with outside revenue sources
 - Projects include the following:
 - Crescent Avenue Stairs
 - PBR Repairs
 - Five Corners Pedestrian Improvement Project
 - Park improvements
- Renegotiated City Contracts reducing the following services:
 - Suspended taxi book subsidy program
 - Reduced Chamber allocation to reflect decrease in TOT revenues

General Fund

Expenditures by Department (Current Reductions Annualized over Fiscal Year)

Department	# of FTEs	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Service Allocations	Department Total
Fire Department	12.7	2,390,820	152,400	-	454,030	2,997,250
Law Enforcement	0.0	-	300	1,559,237	55,496	1,615,033
Public Works	3.7	459,372	153,163	10,000	246,322	868,857
Recreation and Community Services	1.6	305,876	90,879	4,000	193,455	594,210
Planning	1.4	315,742	26,775	86,350	81,855	510,722
Admin and Non-major Funds	0.8	174,328		111,946	105,074	391,348
Chamber Marketing	0.0	-	359,700	-	-	359,700
Hospital Pass-Thru	0.0	-	-	145,950	-	145,950
Total	20.2	\$ 3,646,138	\$ 1,023,017	\$ 2,014,783	\$ 1,136,232	\$ 7,483,070

General Fund

Additional Reductions Required to Balance Operating Budget

Reductions of \$5.40 Million required to balance GF Budget

Current reductions reduced GF expenditures by \$2.63 M

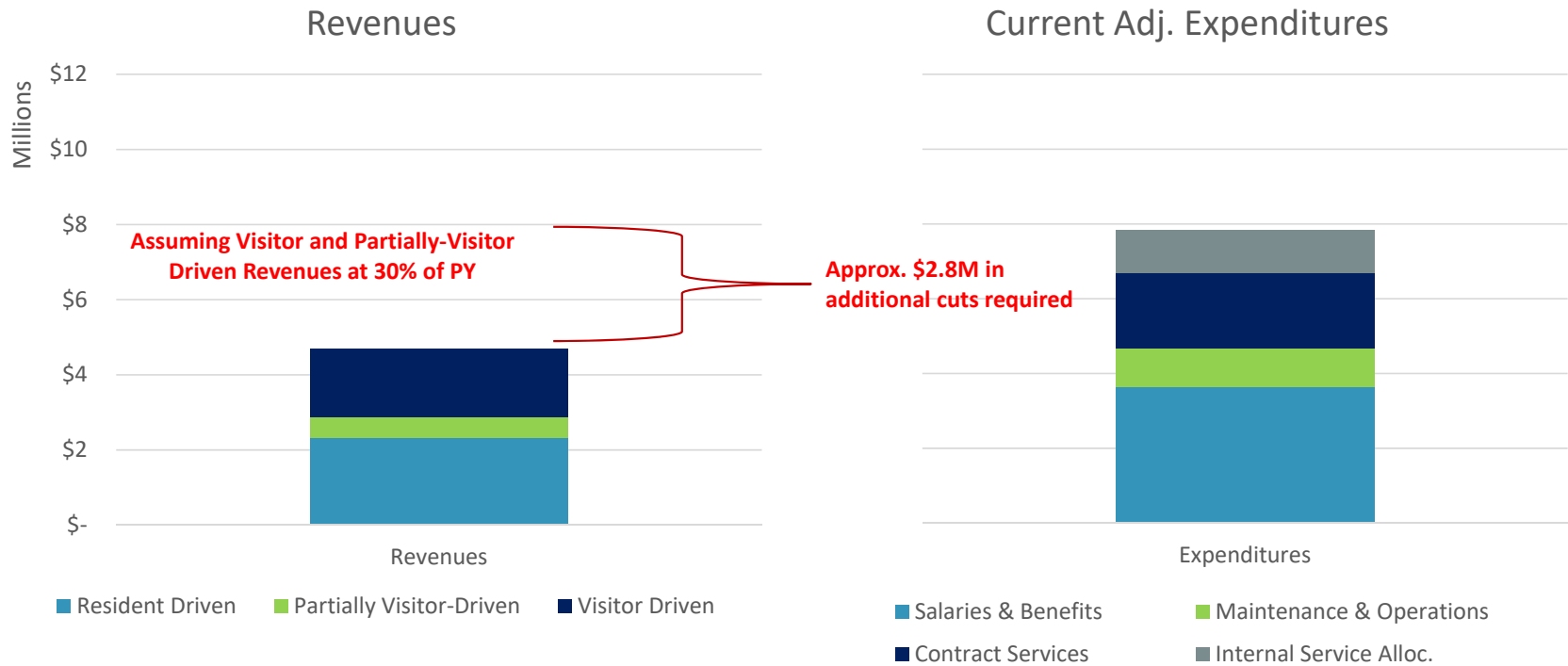
- \$1.18M tied to decreased revenue estimates
- \$1.45M primarily from annualized furloughs savings and other operating reductions

Additional reductions of **\$2.77 M** required from the following departments to balance budget

Department	FY20 Budget	Current Reduced Levels	Additional Required	Balanced Budget
Fire Department	3,096,912	2,997,250	(799,552)	2,197,698
Law Enforcement	1,638,048	1,615,033	-	1,615,033
Public Works	1,319,322	868,857	(868,857)	-
Recreation	1,031,705	594,210	(594,210)	-
Planning	768,676	510,722	(510,722)	-
Admin + Non-major Funds	576,982	391,348	-	391,348
Chamber Marketing	1,199,000	359,700	-	359,700
Hospital Pass-Thru	486,500	145,950	-	145,950
Total	\$10,117,145	\$ 7,483,070	\$ (2,773,341)	\$ 4,709,729

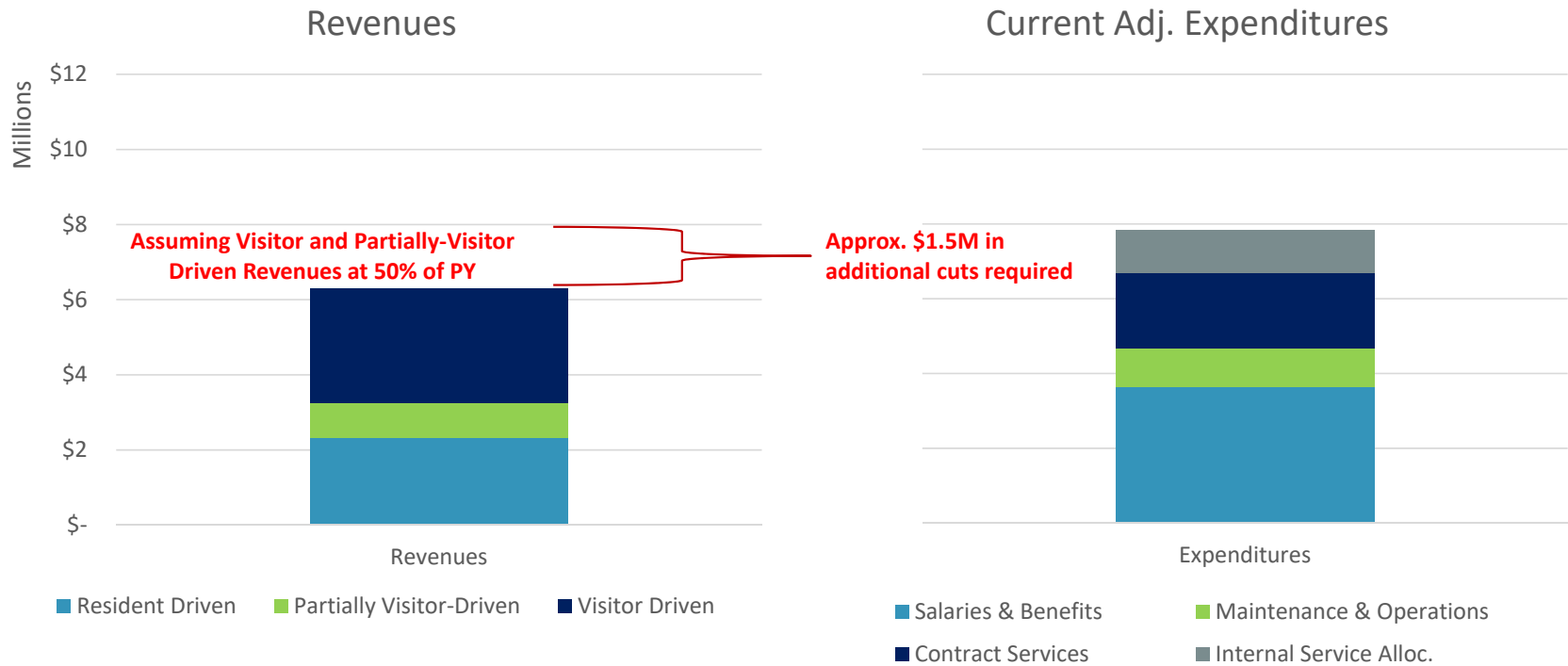
General Fund

Revenues and Expenditures for Balanced Budget with Reduced Visitors – 30%



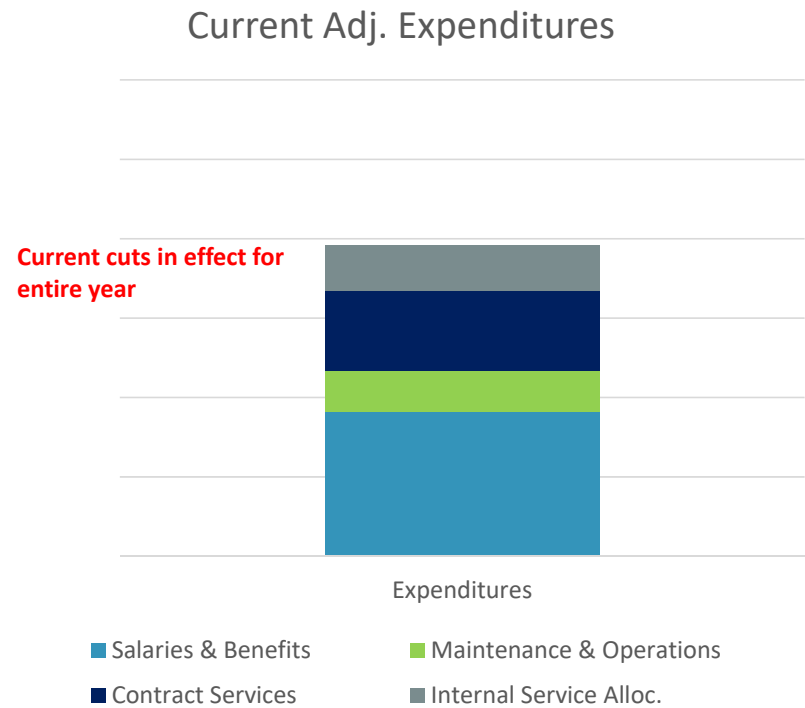
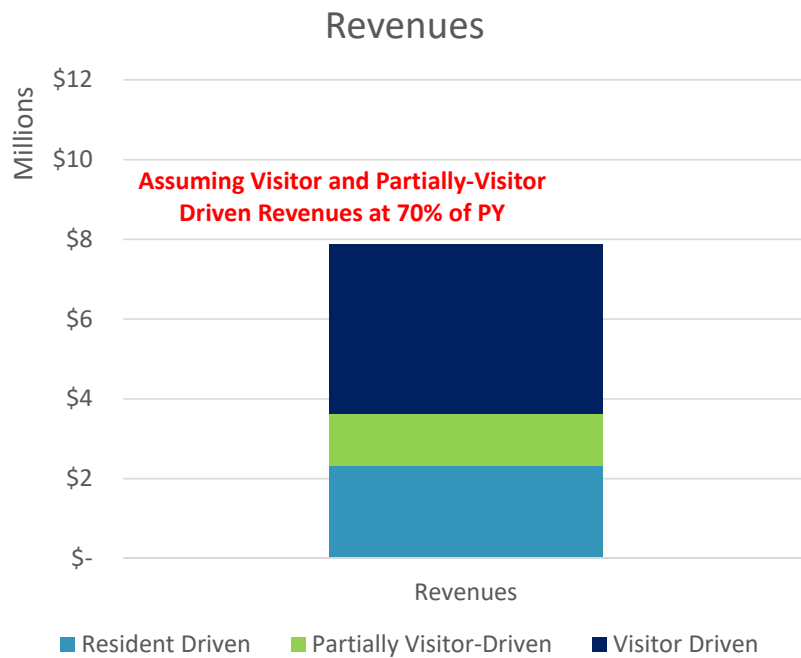
General Fund

Revenues and Expenditures for Balanced Budget with Reduced Visitors – 50%



General Fund

Revenues and Expenditures for Balanced Budget with Reduced Visitors – 70%

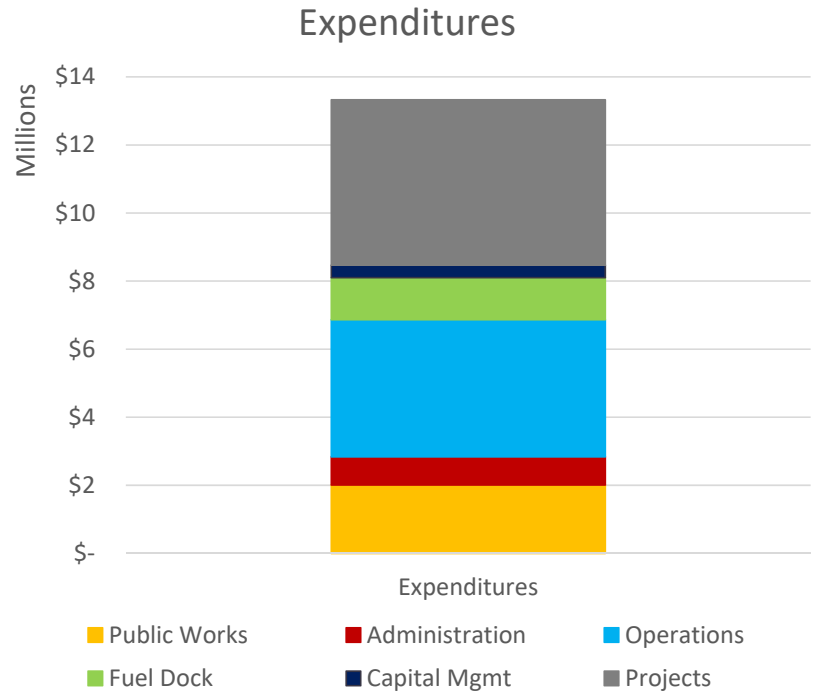
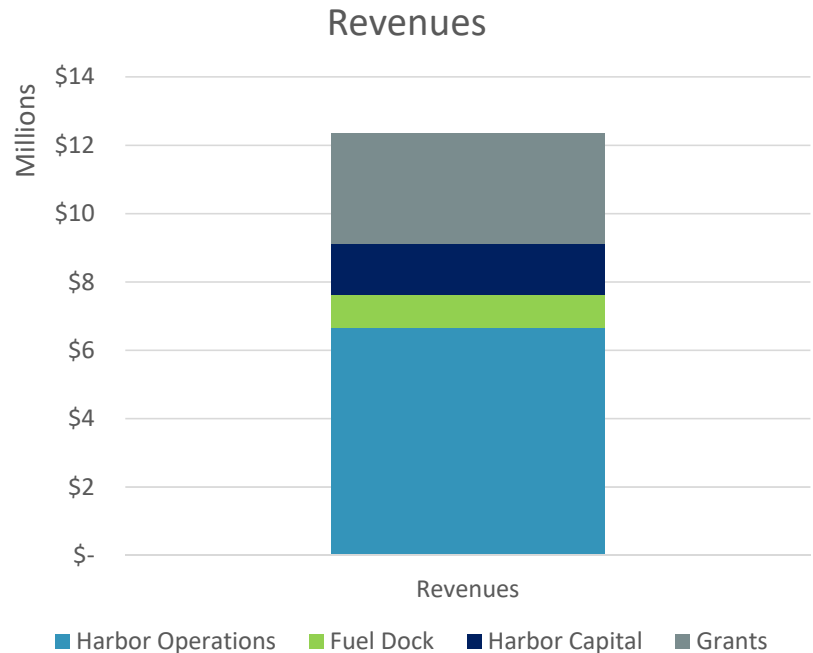




COVID-19 Impacts on Harbor Fund

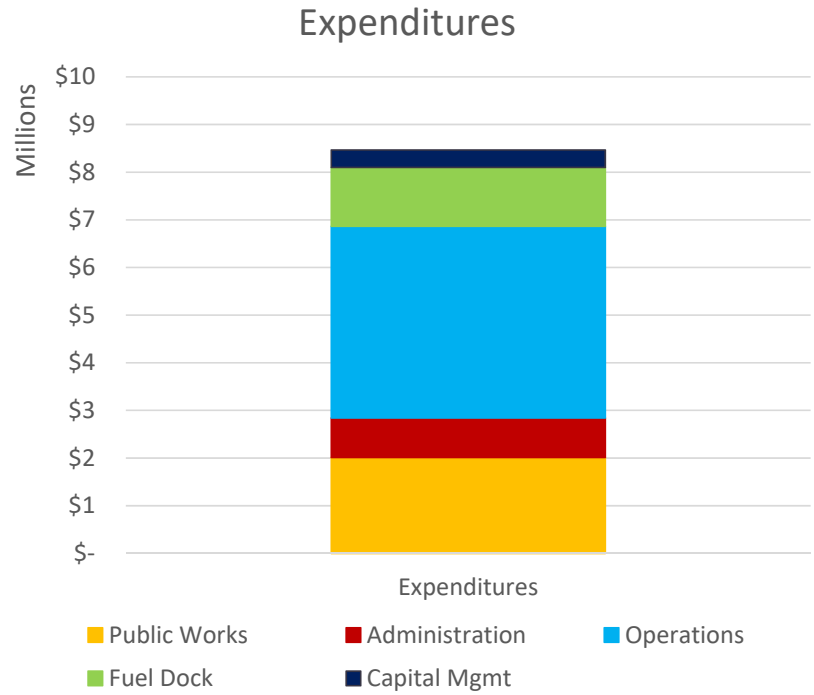
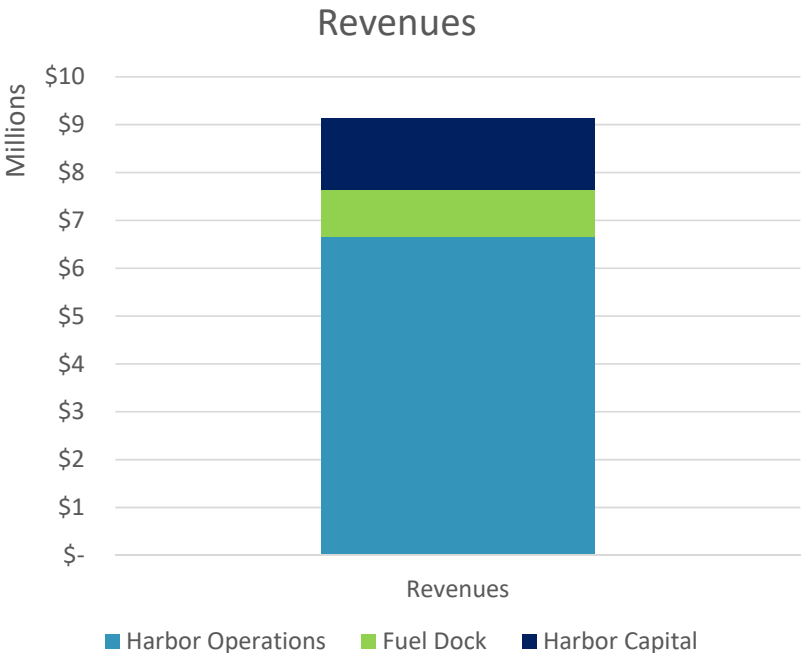
Harbor Fund

Budgeted Revenues and Expenditures (FY20)



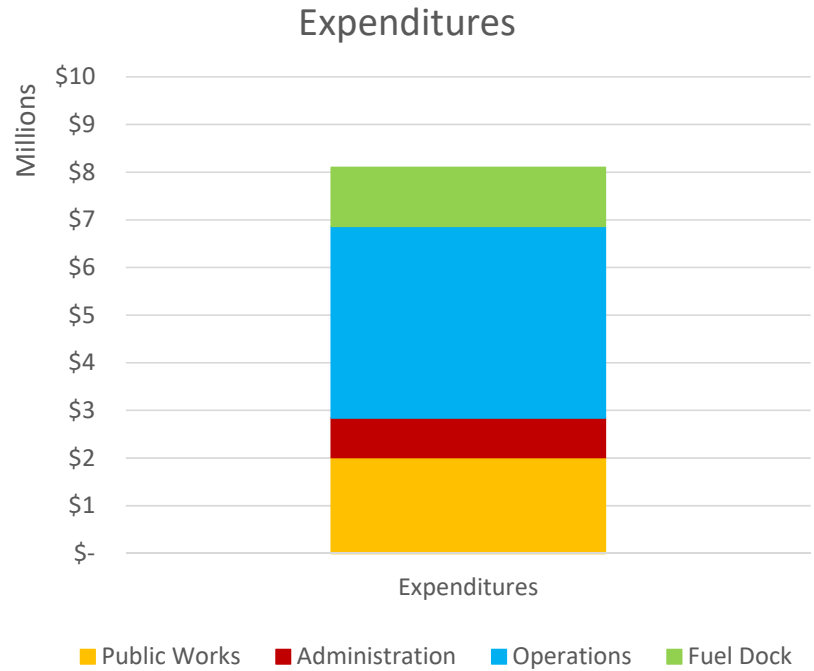
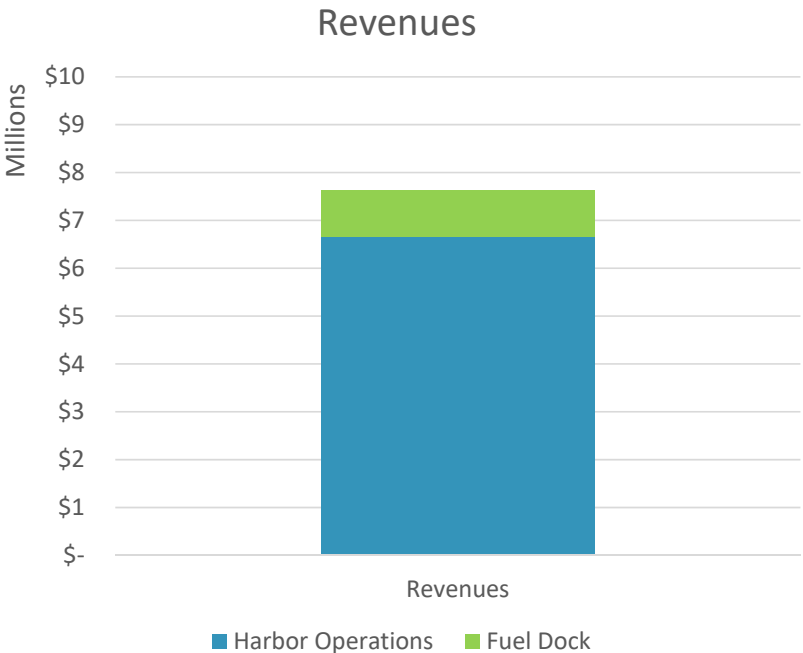
Harbor Fund

Budgeted Revenues and Expenditures Excluding Grants and Projects (FY20)



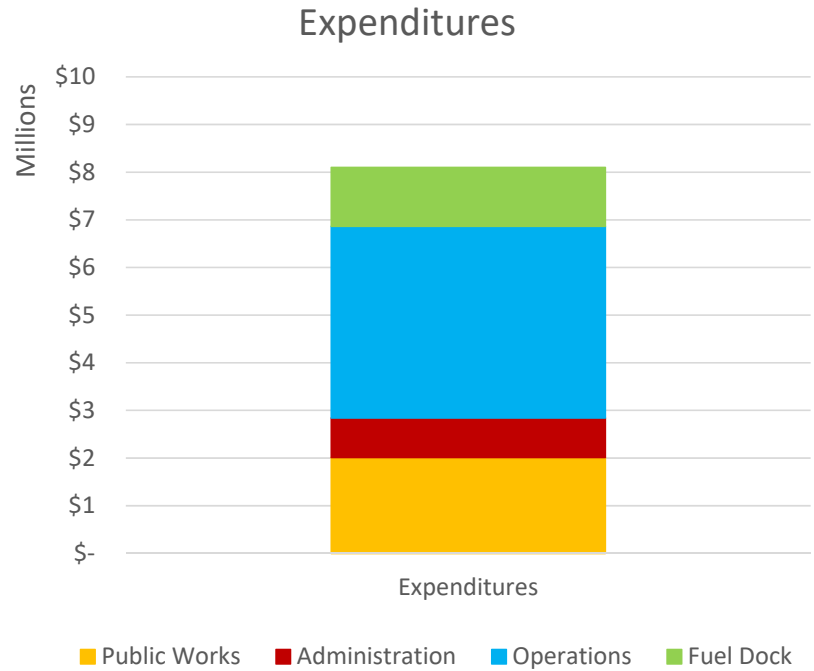
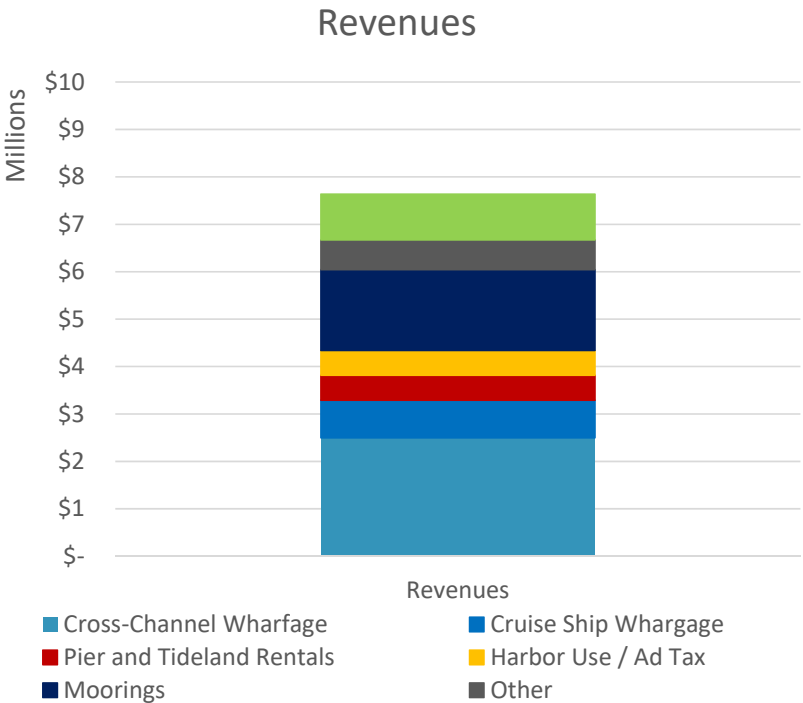
Harbor Fund

Budgeted Revenues and Expenditures Excluding Grants and Projects (FY20)



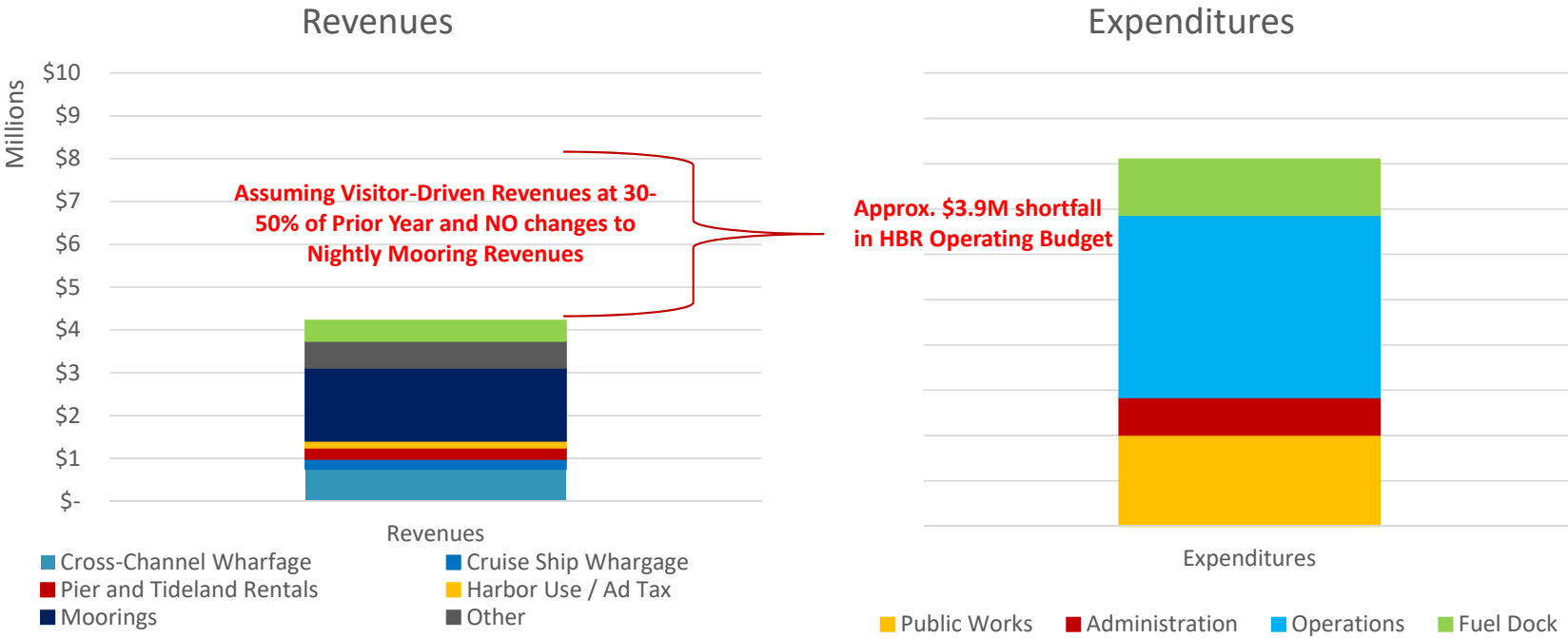
Harbor Fund

Budgeted Revenues and Expenditures Excluding Grants and Projects (FY20)



Harbor Fund

Anticipated Revenues Compared to Prior Year Operating Expenditures (FY20)



Harbor Fund

Expenditures by Department (FY20 Budget)

Department	# of FTEs	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Service Allocations	Department Total
Public Works	6.1	\$ 508,086	\$ 33,325	\$ 1,224,088	\$ 247,960	\$ 2,013,459
Administration	2.7	561,779	83,400	50,000	132,407	827,586
Operations	20.0	2,435,700	529,800	239,000	817,513	4,022,013
Capital Operations	0.6	137,164	107,000	18,500	104,652	367,316
Fuel Dock	2.0	151,242	965,800	3,200	115,429	1,235,671
Total	31.4	\$ 3,793,971	\$ 1,719,325	\$ 1,534,788	\$ 1,417,961	\$ 8,466,045

Harbor Fund

Expenditures Adjustments in
Response to COVID-19

The following adjustments have been made to GF expenditures in response to the state of local emergency:

- Furloughs to City Staff impacting all positions not directly related to public safety
 - Resulting in payroll reductions of approx. 40% for impacted departments
- Deferred maintenance of non-essential operations
 - Approx. half of maintenance and operating expenditures for Public Works relate to utilities with minimal savings available
- Postponed all capital projects not funded with outside revenue sources
 - Projects include the following:
 - Mole Phase II
 - South Beach Seawall / Sand Replenishment
 - Club Dock / Dinghy Dock Repairs
 - Float Rehabilitation
 - Renegotiated City Contracts reducing the following services:
 - Reduced shoreboat subsidy by 50%
 - Reduced waterfront trash collection and restroom maintenance contracts by 75%

Harbor Fund

Expenditures by Department (Current Reductions Annualized over Fiscal Year)

Department	# of FTEs	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Service Allocations	Department Total
Public Works	2.1	\$ 233,220	\$ 22,463	\$ 913,773	\$ 190,500	\$ 1,359,956
Administration	1.7	457,646	66,950	40,000	100,194	664,790
Operations	10.1	1,548,777	447,650	119,500	599,758	2,715,685
Capital Operations	0.5	121,055	53,500	9,250	75,525	259,330
Fuel Dock	0.5	67,043	550,400	1,600	91,055	710,098
Total	14.9	\$ 2,427,741	\$ 1,140,963	\$ 1,084,123	\$ 1,057,032	\$ 5,709,859

Harbor Fund

Additional Reductions Required to Balance Operating Budget

Reductions of \$3.88 Million required to balance GF Budget

Current reductions reduced GF expenditures by \$2.65 M

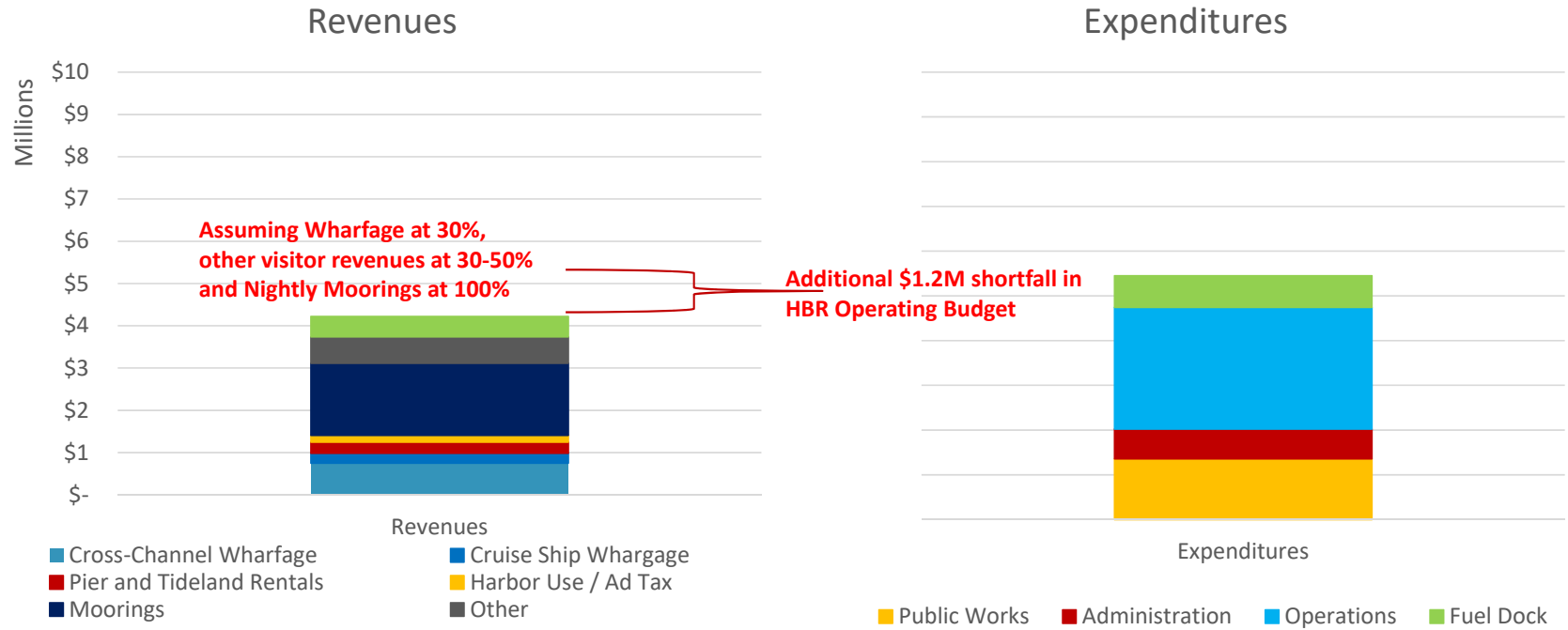
- \$1.35M from annualized furloughs savings for Harbor employees
- \$525K saved from maintenance and operations, primarily in fuel charges
- \$440K from reduced contract services
- \$330K from reduced internal service expenditures

Additional reductions of **\$1.23M** required from the following departments to balance budget.

Department	FY20 Budget	Current Reduced Levels	Additional Required	Balanced Budget
Public Works	\$ 2,013,459	\$ 1,359,956	\$ (352,927)	\$ 1,007,029
Administration	827,586	664,790	(172,571)	492,219
Operations	4,022,013	2,715,685	(704,556)	2,011,129
Fuel Dock	1,235,671	710,098	-	710,098
Total	\$ 8,098,729	\$ 5,450,529	\$ (1,230,054)	\$ 4,220,475

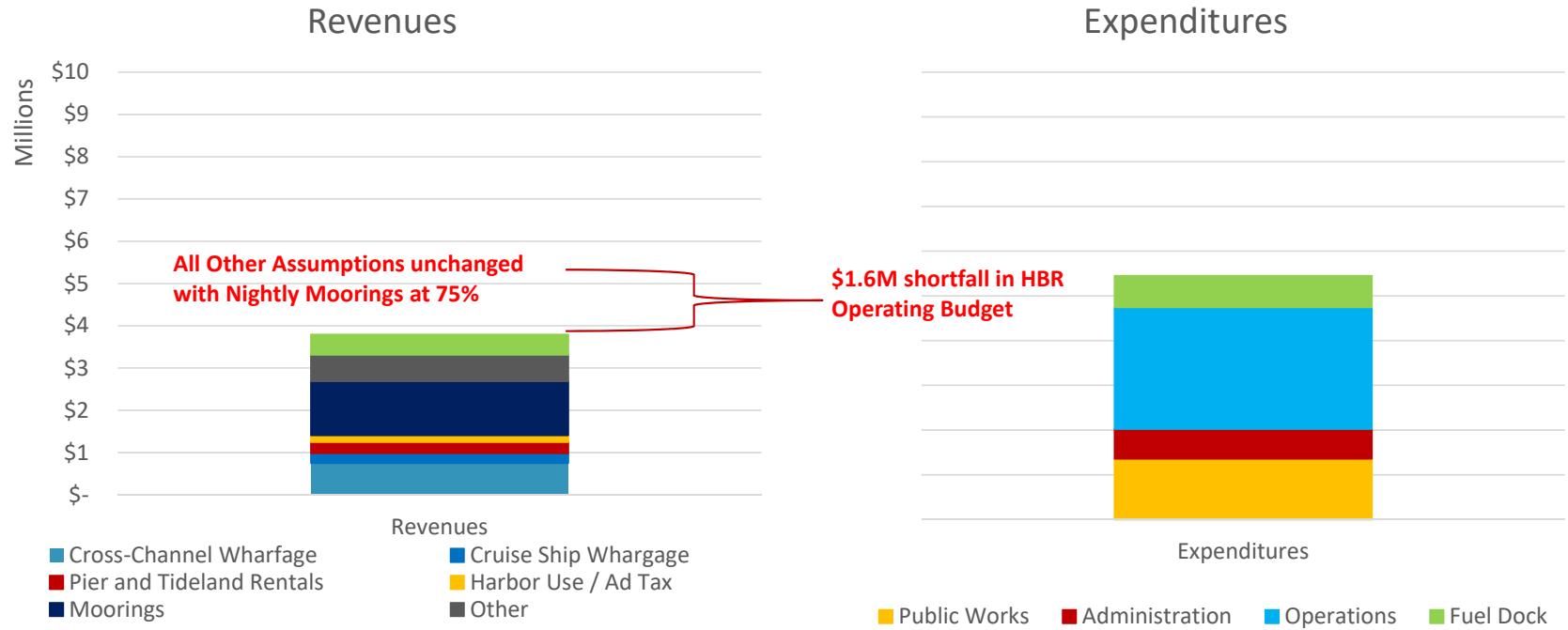
Harbor Fund

Anticipated Revenues Compared to Current Reductions Annualized (Mooring Revenues not Impacted)



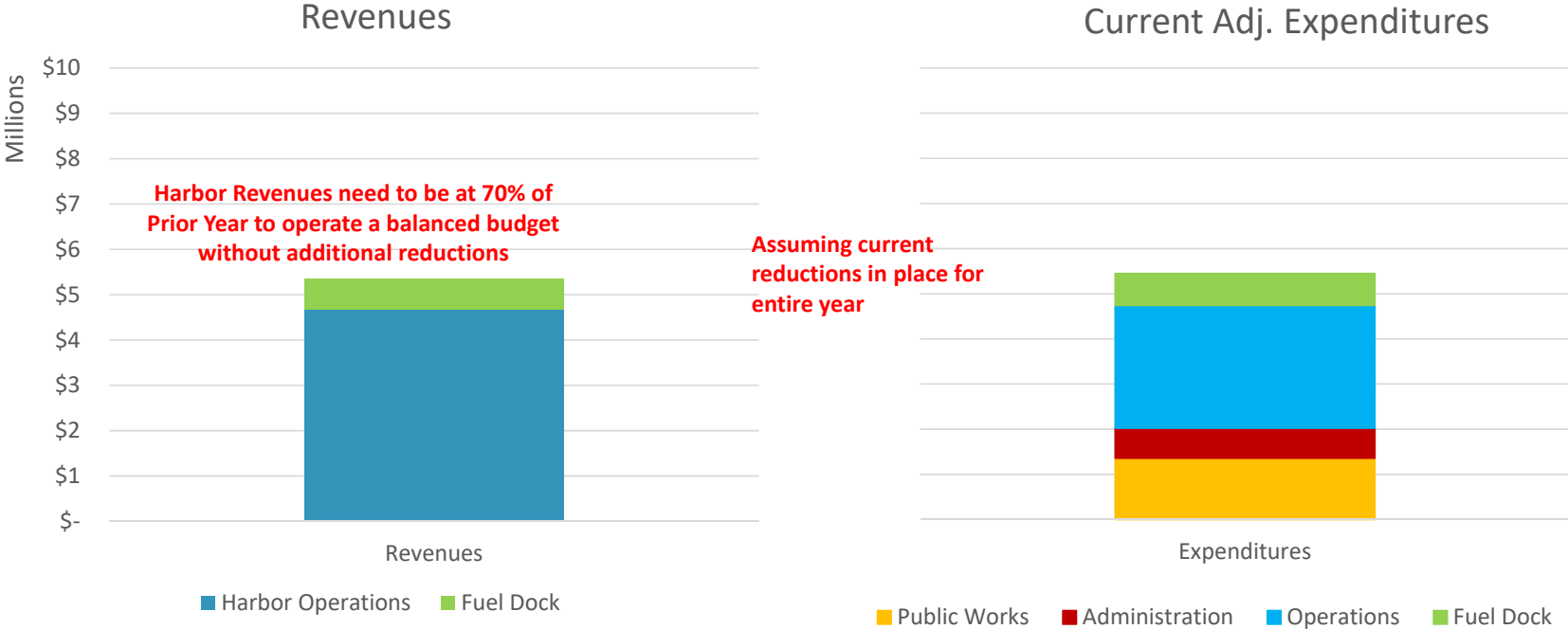
Harbor Fund

Anticipated Revenues Compared to Current Reductions Annualized (Mooring at 75%)



Harbor Fund

Revenues Required for Expenditures Under Current Adjustments



Internal Service Funds

Expenditures by Department (FY20 Budget)

Department	# of FTEs	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Service Allocations	Department Total
Administration	6.2	863,143	104,000	20,000	-	\$ 987,143
Finance	4.7	503,238	61,680	60,000	-	634,918
General Government	-	150,000	206,900	286,500	-	643,400
Legal	-	-	3,000	250,000	-	253,000
Elected	0.0	24,871	20,500	-	-	45,371
Insurance	-	-	450,000	140,000	-	590,000
Vehicle Maintenance	3.0	271,512	245,800	-	-	517,312
Total	13.9	\$ 1,812,764	\$ 1,091,880	\$ 756,500	-	\$ 3,661,144

Internal Service Funds

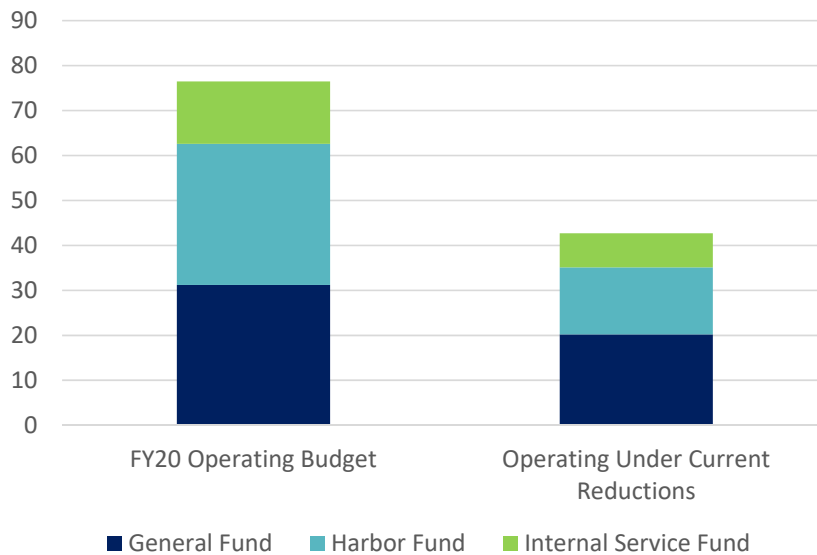
Expenditures by Department (Assuming current adjustments annualized)

Department	# of FTEs	Salaries & Benefits	Maintenance & Operations	Contract Services	Internal Service Allocations	Department Total
Administration	3.2	605,918	27,000	10,000	-	\$ 642,918
Finance	2.8	336,721	50,000	60,000	-	446,721
General Government	-	150,000	142,450	229,200	-	521,650
Legal	-	-	3,000	200,000	-	203,000
Elected	0.0	25,572	10,000	-	-	35,572
Insurance	-	-	450,000	140,000	-	590,000
Vehicle Maintenance	1.6	192,564	156,150	-	-	348,714
Total	7.6	\$ 1,310,775	\$ 838,600	\$ 639,200	-	\$ 2,788,575

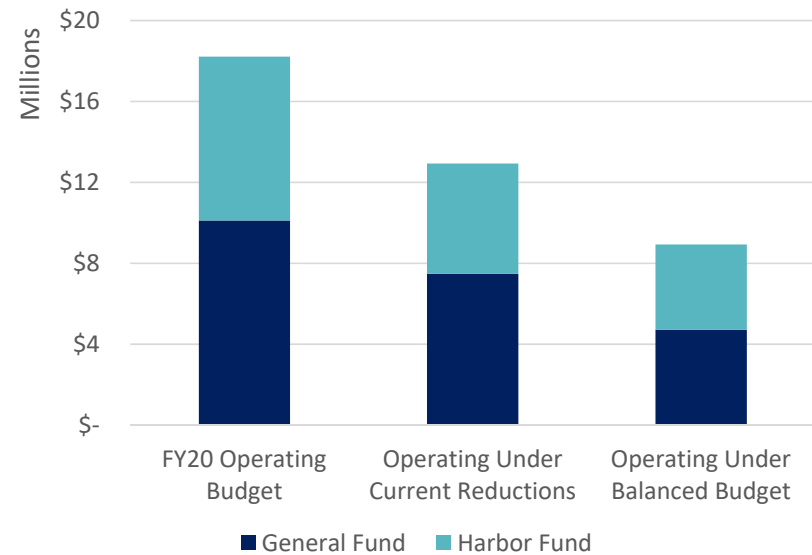
Summary of Reductions Made

In Response to COVID-19 State of Emergency

STAFFING (FULL-TIME EQUIVALENTS)

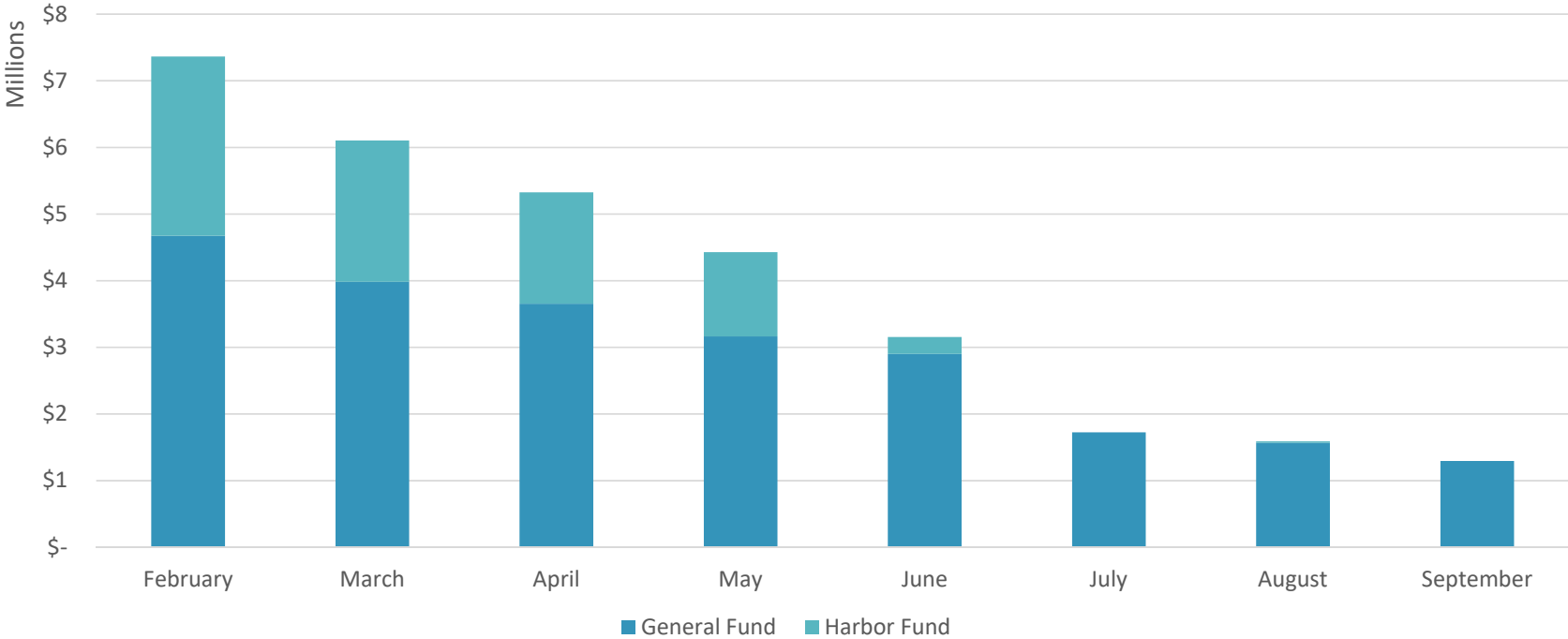


OPERATING EXPENDITURES



Fund Balance

Estimates Based on Current Revenue and Expenditure Assumptions



Other Considerations

The City's Commuter Subsidy Program is negotiated with the County annually and is distributed from discretionary County Metro sales tax funds.

- Future funding uncertain considering COVID-19 impacts on countywide sales tax revenues

The City's unfunded pension liability will increase in future years based on market performance.

- Annual UAL payments to CalPERS to increase from current levels of approx. \$1M annually
- Liability reflects obligations already made by the City to employees and retirees

The City is exploring all funding options including debt financing.

- Terms of repayment would extend the timeframe for recovery beyond when visitorship returns to pre-COVID19 levels