



FY 2023-24 Operating and Capital Budgets
City Council Questions - Report Back Presentation
May 23, 2023



Question #1

I would like to see the breakdown by dollars for the budgeted revenues for this coming budget next year:

	FY 22-23 Budget	FY 23-24 Proposed
Property Tax	\$36,050,672	\$40,094,946
Sales Tax	27,900,289	29,257,969
Transient Occupancy Tax	2,200,000	2,375,000
Charges for Services	11,670,146	12,196,372
Licenses, Permits & VLF	13,190,748	12,788,635
All other	3,657,145	4,362,487
Revenue Before Transfers In	\$94,669,000	\$101,075,409
Transfers In	7,753,714	7,484,724
Total Revenue	\$102,422,714	\$108,560,133

Question #1

*I would like to see the breakdown by dollars for the budgeted revenues for this coming budget next year: **Charges for Services***

	FY 23-24 Proposed
Charges for Services	\$12,196,372
Categories within Charges for Services	
Ambulance Fees	4,844,100
Parks & Rec Fees	4,415,500
Development Fees	1,947,932
Public Works Proj Fees	558,200
Police Fees (SRO Reimb)	370,835
Other Misc Charges	59,805
Total Revenue	\$12,196,372

Question #1

*I would like to see the breakdown by dollars for the budgeted revenues for this coming budget next year: **Licenses, Permits & VLF***

	FY 23-24 Proposed
Licenses, Permits & VLF	\$12,788,635
Categories within Licenses, Permits & VLF	
Vehicle License Fees	9,446,746
Building Permits	2,350,000
Business Licenses	725,000
Other Misc Licenses and Permits	266,889
Total Revenue	\$12,788,635

Question #1

*I would like to see the breakdown by dollars for the budgeted revenues for this coming budget next year: **All Other Revenue***

	FY 23-24 Proposed
All Other Revenue	\$4,362,487
Categories within Licenses, Permits & VLF	
4% FTBID Pass-thru	1,187,500
Real Property Transfer	900,000
Franchise Fees	817,000
Other Misc Intergovernmental	380,000
Cell Tower Rentals	270,287
Rental Income	252,000
Interest Earnings	250,000
Fines	104,200
Misc other	201,500
Total Revenue	\$ 4,362,487

Question #2

I would like to know all the assumptions made when coming up with the numbers. How that differs, if it does from the previous two years:

Revenue Category	Method for Projecting Revenue Total
Property Tax	Calculation based on the County Assessor's assessed value role, home sales, and new home development
Sales and Use	Sales Tax consultant produces quarterly sales tax projections. These are used in combination with City staff's knowledge of local experience to determine the year's budget projections
Transient Occupancy Tax	This year's projection based on assumption that TOT will return to full pre-COVID levels in FY 23/24.
Charges for Services	Parks and Recreation and Community Development Engineering fees projected on individual basis for each type of charge. Ambulance Fees assumed same as FY 22/23.
Licenses, Permits and VLF	Vehicle License Fees assume a 6% increase. Business licenses projected based on current year results. Building Permits expected to be slightly less than current year.
All other	Primarily the FTBID, this is 50% of the projected TOT revenue. Real Property transfer based on anticipated home sales with less expected in FY 23/24.

Question #3

I would like to know where the funds are coming from, all revenue accounted for. Obviously property tax and sales tax you had but what assumptions were made in coming up with the 23-24 budgeted number for those two revenue streams and others as well.

Covered in previous slides

Question #4

I would like to see the difference in actuals for the past 10 years in projected revenue from the budgeted amount the past 10 years:

FY 2013-14 to FY 2015-16

	Proposed FY 2014	Projected FY 2014	Actual FY 2014	Proposed FY 2015	Projected FY 2015	Actual FY 2015	Proposed FY 2016	Projected FY 2016	Actual FY 2016
Total Revenues	\$65,890,132	\$67,826,197	\$71,039,032	\$68,225,860	\$71,518,700	\$72,639,226	\$72,301,228	\$74,627,010	\$77,627,085
Total Appropriations	\$65,890,132	\$67,004,269	\$69,486,761	\$68,225,860	\$70,363,350	\$70,672,701	\$72,301,228	\$73,623,815	\$74,260,074
Revenue Surplus/(Shortfall)	\$0	\$821,928	\$1,552,271	\$0	\$1,155,350	\$1,966,525	\$0	\$1,003,195	\$3,367,011
Unassigned Fund Balance			\$6,630,937 9.54%			\$8,157,227 11.54%			\$10,950,323 14.75%

Question #4

I would like to see the difference in actuals for the past 10 years in projected revenue from the budgeted amount the past 10 years:

FY 2016-17 to FY 2018-19

	Proposed FY 2017	Projected FY 2017	Actual FY 2017	Proposed FY 2018	Projected FY 2018	Actual FY 2018	Proposed FY 2019	Projected FY 2019	Actual FY 2019*
Total Revenues	\$77,348,800	\$78,794,034	\$82,625,199	\$81,970,164	\$85,703,314	\$85,937,724	\$89,377,187	\$91,887,859	\$89,296,053
Total Appropriations	\$77,348,800	\$77,423,350	\$78,022,715	\$81,970,164	\$83,840,062	\$85,284,054	\$89,377,187	\$91,034,303	\$86,601,531
Revenue Surplus/(Shortfall)	\$0	\$1,370,684	\$4,602,484	\$0	\$1,863,252	\$653,670	\$0	\$853,556	\$2,694,522
Unassigned Fund Balance			\$15,536,918 19.91%			\$15,699,123 18.41%			\$17,364,046 20.05%

* adjusted for transit operations moving to RT

Question #4

I would like to see the difference in actuals for the past 10 years in projected revenue from the budgeted amount the past 10 years:

FY 2019-20 to FY 2022-23

	Proposed FY 2020	Projected FY 2020	Actual FY 2020*	Proposed FY 2021	Projected FY 2021	Actual FY 2021	Proposed FY 2022	Projected FY 2022	Actual FY 2022	Proposed FY 2023
Total Revenues	\$91,367,726	\$86,028,644	\$90,203,860	\$89,538,474	\$89,800,073	\$95,429,368	\$92,521,841	\$102,766,870	\$103,464,328	\$102,422,714
Total Appropriations	\$91,367,726	\$94,457,298	\$95,402,113	\$89,538,474	\$90,052,216	\$89,812,552	\$92,521,841	\$97,526,969	\$98,265,610	\$102,422,714
Revenue Surplus/(Shortfall)	\$0	(\$8,428,654)	(\$5,198,253)	\$0	(\$252,143)	\$5,616,816	\$0	\$5,239,901	\$5,198,718	\$0
Unassigned Fund Balance			\$13,776,114 14.44%			\$19,200,703 21.38%			\$23,260,485 23.67%	
* adjusted for transit operations moving to RT										

Question #5

I would like to see the most recent actual number for FY 2021-22 and how that finished:

Covered on slide #10

Question #6

I would like to see the updated projected revenue for 2022-23 in that budget:

	FY 22-23 Budget	FY 22-23 Projected	Over/(Under) Budget	% of Budget
Property Tax	\$ 36,050,672	\$ 36,784,354	\$ 733,682	102%
Sales Tax	27,900,289	28,382,275	481,986	102%
Transient Occupancy Tax	2,200,000	2,200,000	-	100%
Charges for Services	13,158,197	14,749,901	1,591,704	112%
Licenses, Permits & VLF	13,181,748	14,394,710	1,212,962	109%
Transfers In	7,805,245	6,557,742	(1,247,503)	84%
All other	3,713,436	4,128,948	415,512	111%
Subtotal Revenue	\$ 104,009,587	\$ 107,197,930	\$ 3,188,343	103%
ARPA funds used	1,801,757	1,801,757	-	
Total Revenue	\$ 105,811,344	\$ 108,999,687	\$ 3,188,343	103%

Question #7

Breakdown of the total increase in salary and benefit costs:

Salaries and Benefits

Budget by Category	FY 23 Budget	FY 24 Proposed	\$ Diff	MOU Increase	FY 23/24 COLA	New Positions**	OT budget increases	Net Other S&B Adjustments*
Fire	\$20,630,922	\$23,493,038	\$2,862,116	\$931,594	\$396,878	\$541,137	\$700,000	\$292,507
Police	23,542,460	24,103,973	561,513	-	553,000	383,575	35,000	(410,062)
All others (FMMG and Local 39)	29,618,751	30,842,191	1,223,440	974,142	434,907	60,007	-	(245,615)
Total Appropriations	\$73,792,133	\$78,439,202	\$4,647,069	\$1,905,736	\$1,384,785	\$984,719	\$735,000	(\$363,170)

*negative "other adjustments" due to high level retirements and employee turnover. New employees or promoted employees are generally placed at a lower step within their new salary range, resulting in initial salary savings as the new employee progresses through the salary range. This savings helps to partially offset COLAs and salary step increases across

**Fire's new positions includes fully funding the firefighters from FY 2022-23 that were budgeted for 9 months of the year

Question #8

Statement: “we are the only city in the entire region that has less police officers than firefighters and I would like to know your reasoning for that.”

As proposed in the FY 23-24 budget, Folsom’s Fire Department has a total of 90 budgeted full-time positions, with 84 Firefighters across all ranks. Folsom’s Police Department has a total of 113.5 full-time positions, with 81 Officers across all ranks.

City	Fire Dept Total FTEs	Police Dept Total FTEs
City of Folsom	90	113.5
Firefighters/Officers (all ranks)	84	81
Roseville	120	224
Rocklin	44	92
Davis	45	89
Yuba City	56	103
Lodi	57	112
Fairfield	74	202
Vacaville	102	184

FTE counts were obtained from each city's FY 2022-23 annual budget document, with the exception of Folsom which comes from the FY 2023-24 proposed annual budget

Question #9

Recent uses of contingency budget line item and what is the policy for budgeting the 1% each year:

Examples of recent uses are the hill slide behind the Zoo Sanctuary, replacement of leaking fuel tanks at the Corporation Yard, and replacement of leaking roofs at the Sports Complex and 405 Natoma Station

The City's adopted financial policies require that 1% of total budgeted expenditures shall be budgeted annually for contingencies. This appropriation may be used to provide for unanticipated or unforeseen needs that arise during the year.

Question #10

Regarding Retiree Health Benefits and the trust fund, page I-6 of the budget document-

Am I correct in understanding that the balance in the trust fund was \$7.85 million as of June 30, 2022 and has grown to \$8.70 million as of March 31, 2023? [Yes, that is correct.](#)

And, as of June 30, 2022 the \$7.85 million in the fund represented 8.1% of our total liability meaning at that time the total liability was about \$96.9 million? [Correct](#)

I believe we stopped offering retiree health benefits at some point and instead now contribute to an HRA, correct? That should mean our total liability will eventually decrease, correct? [Correct](#)

Question #11

Based on prior presentations, I thought the fund balance as of June 30, 2022 was \$23,260,485 or 23.69% of expenditures. On page II-15 of the budget book it says \$26,425,686, what is the difference?

The General Fund had a total fund balance of \$26,425,686 as of June 30, 2022. The \$23,260,485 presented is the “unassigned” fund balance, or fund balance that is unrestricted and available for use under emergency circumstances. The difference between the two totals is noncash assets, legally restricted funds or encumbered funds that are not available resources. These are categorized in the audited financial statements as nonspendable, restricted, committed or assigned fund balance and what remains is the unassigned fund balance.

Question #12

What is our Transient Occupancy Tax (TOT) rate compared to others in the region?

County	City	Tax Rate (%)
Placer	Auburn	8.00
Placer	Colfax	8.00
Placer	Lincoln	10.00
Placer	Loomis	8.00
Placer	Rocklin	8.00
Placer	Roseville	10.00 *
Sacramento	Citrus Heights	12.00
Sacramento	Elk Grove	12.00
Sacramento	Folsom	8.00
Sacramento	Galt	10.00
Sacramento	Isleton	10.00
Sacramento	Rancho Cordova	12.00
Sacramento	Sacramento	12.00
Yolo	Davis	12.00
Yolo	West Sacramento	12.00
Yolo	Winters	12.00
Yolo	Woodland	12.00

Roseville data updated for approved increase in FY 22-23. All others as of FY 20-21 from SCO report

Question #13

Community development proposed staffing changes:

- With much of the land planning and infrastructure engineering complete in the Folsom Plan Area, staffing needs in those areas have slowed and demand for building services (permit processing, plan check, and inspections) throughout the City has escalated.
- With approximately half of the workload in plan check and inspections managed through contracts, we have received feedback from customers and stakeholders concerned about consistency and accessibility.
- The recommendation in this budget is to shift staff resources from Planning to Building services to address critical customer service needs. Specifically, removing one of the two Principal Planner positions (one was recently vacated by a promotion to Planning Manager) to gain two critical positions in Building services (Building Plans Coordinator and Building Inspector II).
- There is minimal cost differential in the salary and benefit expense (~\$10,000) to swap the one Principal Planner position for the two positions in building

Question #14

Update on Library Fines:

- An item will be brought to the City Council at a future meeting regarding the elimination of charges for late fines.
- The removal of fines was unanimously recommended by the Library Commission during the tenure of Director Easterwood and was again unanimously recommended by the Library Commission with Director Gruneisen.
- Fine revenue has been proactively removed from this proposed budget. If the City Council decides not to eliminate late fines, the General Fund could anticipate about \$25,000 in additional revenue.
- Folsom Public Library is the only library location in Sacramento that still charges late fines.