

**City of Chico**  
**FY2019-20 Annual Budget - Draft Proposed**  
**General & Park Funds Five-Year Projection - Funds 001 & 002**

|                                                   | FINAL<br>2018-19  | PROJECTED<br>2019-20 | PROJECTED<br>2020-21 | PROJECTED<br>2021-22 | PROJECTED<br>2022-23 | PROJECTED<br>2023-24 |
|---------------------------------------------------|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b><u>REVENUES</u></b>                            |                   |                      |                      |                      |                      |                      |
| Sales Tax                                         | \$ 22,189,153     | \$ 22,662,386        | \$ 23,002,322        | \$ 23,117,333        | \$ 23,117,333        | \$ 23,117,333        |
| Property Tax                                      | 8,726,146         | 8,887,823            | 9,021,140            | 9,066,246            | 9,066,246            | 9,066,246            |
| Property Tax In Lieu of VLF                       | 7,790,000         | 7,952,592            | 8,071,881            | 8,112,240            | 8,112,240            | 8,112,240            |
| Utility Users Tax                                 | 7,100,000         | 7,140,000            | 7,247,100            | 7,283,336            | 7,283,336            | 7,283,336            |
| Transient Occupancy Tax (TOT)                     | 2,761,000         | 2,400,000            | 2,436,000            | 2,448,180            | 2,448,180            | 2,448,180            |
| Other Taxes                                       | 3,670,000         | 3,970,000            | 4,029,550            | 4,049,698            | 4,049,698            | 4,049,698            |
| <b>Total Tax Revenues</b>                         | <b>52,236,299</b> | <b>53,012,801</b>    | <b>53,807,993</b>    | <b>54,077,033</b>    | <b>54,077,033</b>    | <b>54,077,033</b>    |
| <i>Percentage Change from prior year</i>          | <b>3.2%</b>       | <b>1.5%</b>          | <b>1.5%</b>          | <b>0.5%</b>          | <b>0.0%</b>          | <b>0.0%</b>          |
| Other Revenues (Consistently budgeted)            | 1,589,700         | 1,532,440            | 1,555,427            | 1,563,204            | 1,563,204            | 1,563,204            |
| <b>Total Other Revenues</b>                       | <b>1,589,700</b>  | <b>1,532,440</b>     | <b>1,555,427</b>     | <b>1,563,204</b>     | <b>1,563,204</b>     | <b>1,563,204</b>     |
| <b>TOTAL REVENUE</b>                              | <b>53,825,999</b> | <b>54,545,241</b>    | <b>55,363,420</b>    | <b>55,640,237</b>    | <b>55,640,237</b>    | <b>55,640,237</b>    |
| <i>Change from Prior Year</i>                     | <b>0.0%</b>       | <b>1.3%</b>          | <b>1.5%</b>          | <b>0.5%</b>          | <b>0.0%</b>          | <b>0.0%</b>          |
| <b><u>CalPERS % to Revenues</u></b>               | <b>18.1%</b>      | <b>20.0%</b>         | <b>21.1%</b>         | <b>22.3%</b>         | <b>23.4%</b>         | <b>23.8%</b>         |
| <b><u>EXPENDITURES</u></b>                        |                   |                      |                      |                      |                      |                      |
| Salaries and Benefits (without CalPERS)           | 31,083,830        | 31,699,630           | 32,132,270           | 32,658,221           | 33,004,618           | 33,552,103           |
| CalPERS Retirement Employer Contributions         | 10,247,612        | 11,465,376           | 12,228,133           | 12,965,829           | 13,607,039           | 13,831,943           |
| CalPERS Employee Contributions for MPEC           | (507,500)         | (563,223)            | (571,382)            | (579,390)            | (587,093)            | (594,767)            |
| <b>Total Salaries and Benefits</b>                | <b>40,823,942</b> | <b>42,601,782</b>    | <b>43,789,021</b>    | <b>45,044,659</b>    | <b>46,024,564</b>    | <b>46,789,279</b>    |
| Materials, Services & Supplies                    | 1,110,455         | 1,113,527            | 1,141,365            | 1,152,779            | 1,152,779            | 1,152,779            |
| Purchased Services                                | 2,090,398         | 2,154,126            | 2,207,979            | 2,230,059            | 2,230,059            | 2,230,059            |
| Other Expenses                                    | 1,669,973         | 1,440,477            | 1,476,489            | 1,491,254            | 1,491,254            | 1,491,254            |
| Debt Service - Leases                             | 401,958           | 547,281              | 547,281              | 506,322              | 506,322              | 506,322              |
| Allocations for Utilities and Internal Services   | 7,192,619         | 7,213,407            | 6,993,742            | 7,063,679            | 7,063,679            | 7,063,679            |
| Indirect Cost Allocation Reimb. - Other Funds     | (1,944,011)       | (1,921,399)          | (1,921,399)          | (1,921,399)          | (1,921,399)          | (1,921,399)          |
| <b>Total Operating Expenditures</b>               | <b>51,345,334</b> | <b>53,149,201</b>    | <b>54,234,478</b>    | <b>55,567,353</b>    | <b>56,547,258</b>    | <b>57,311,973</b>    |
| <i>Percentage Change from prior year</i>          | <b>7.8%</b>       | <b>3.5%</b>          | <b>2.0%</b>          | <b>2.5%</b>          | <b>1.8%</b>          | <b>1.4%</b>          |
| <b>Net Operations before Capital Expenditures</b> | <b>2,480,665</b>  | <b>1,396,040</b>     | <b>1,128,942</b>     | <b>72,883</b>        | <b>(907,021)</b>     | <b>(1,671,737)</b>   |

**City of Chico**  
**FY2019-20 Annual Budget - Draft Proposed**  
**General & Park Funds Five-Year Projection - Funds 001 & 002**

|                                                                                  |                     |                     |                    |                    |                   |                   |
|----------------------------------------------------------------------------------|---------------------|---------------------|--------------------|--------------------|-------------------|-------------------|
| <b>Other Expenditure Items:</b>                                                  |                     |                     | 2%                 | 5%                 | 6%                | 6%                |
| Financial Emergency Plan Reductions (3%-6%)                                      |                     |                     | \$ (1,250,000)     | \$ (3,000,000)     | \$ (3,250,000)    | \$ (3,600,000)    |
| Capital Improvement Projects                                                     | \$ 4,698,611        | \$ 851,365          | 1,390,430          | 1,315,430          | 1,701,322         | 1,156,810         |
| <b>Total Other Expenditure Items</b>                                             | 4,698,611           | 851,365             | 140,430            | (1,684,570)        | (1,548,678)       | (2,443,190)       |
| <b>TOTAL EXPENDITURES</b>                                                        | <b>56,043,945</b>   | <b>54,000,566</b>   | <b>54,374,908</b>  | <b>53,882,783</b>  | <b>54,998,580</b> | <b>54,868,783</b> |
| <i>Change from Prior Year</i>                                                    | <i>13.1%</i>        | <i>-3.6%</i>        | <i>0.7%</i>        | <i>-0.9%</i>       | <i>2.1%</i>       | <i>-0.2%</i>      |
| <b>NET REVENUE OVER/(UNDER)<br/>EXPENDITURES BEFORE OTHER<br/>SOURCES (USES)</b> | <b>(2,217,946)</b>  | <b>544,675</b>      | <b>988,512</b>     | <b>1,757,453</b>   | <b>641,657</b>    | <b>771,453</b>    |
| <b><i>OTHER FINANCING SOURCES (USES) - See Schedule</i></b>                      |                     |                     |                    |                    |                   |                   |
| Other Financing Sources                                                          | 2,403,985           | 2,200,000           | 2,233,000          | 2,244,165          | 2,244,165         | 2,244,165         |
| Other Financing Uses                                                             | (6,142,506)         | (4,819,239)         | (4,212,644)        | (3,935,037)        | (2,888,249)       | (2,888,371)       |
| <b>TOTAL OTHER SOURCES (USES)</b>                                                | <b>(3,738,521)</b>  | <b>(2,619,239)</b>  | <b>(1,979,644)</b> | <b>(1,690,872)</b> | <b>(644,084)</b>  | <b>(644,206)</b>  |
| <b>NET REVENUE/(DEFICIT)</b>                                                     | <b>(5,956,467)</b>  | <b>(2,074,564)</b>  | <b>(991,132)</b>   | <b>66,582</b>      | <b>(2,427)</b>    | <b>127,248</b>    |
| BEGINNING CASH BALANCE                                                           | 9,131,428           | 3,174,960           | 1,100,396          | 109,264            | 175,846           | 173,419           |
| <b>ENDING CASH BALANCE</b>                                                       | <b>\$ 3,174,960</b> | <b>\$ 1,100,396</b> | <b>\$ 109,264</b>  | <b>\$ 175,846</b>  | <b>\$ 173,419</b> | <b>\$ 300,666</b> |

|                                  |                     |                     |                     |                     |                     |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Desired Operating Reserve</b> | <b>\$ 3,850,900</b> | <b>\$ 3,986,190</b> | <b>\$ 4,067,586</b> | <b>\$ 4,167,551</b> | <b>\$ 4,241,044</b> | <b>\$ 4,298,398</b> |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|

**Assumptions:**

**General Note:** The projection includes best estimates of revenues and expenses as of the date of this projection. The projection assumes the economy will moderately grow until 2021-22. A projected stagnant economy begins in 2022-23.

**Possible Changes:** The projection includes financial emergency plan expenditure reductions that may be utilized to balance the General and Park Fund over the five-year projection.

**Salaries and Benefits:** 1) Inclusion of all step increases and impact of contracts; 2) Includes projected CalPERS rates with new discount rate structure. 3) Benefit increases estimated at 5% each year 4) CalPERS retirement contributions for Member Paid Employer Contributions (MPEC) paid by employees is recorded on a separate line item.

**Desired Reserve:** 7.5% of General Fund and Park operating expenditures.

**City of Chico**  
**FY2019-20 Annual Budget**  
**General & Park Funds - Schedule of Financing Sources and Uses**  
**Five-Year Projection**

| REF                                         | ESTIMATED<br>FINAL<br>2018-19 | Positive Growth<br>PROJECTED<br>2019-20 | Slow Economy<br>PROJECTED<br>2020-21 | Slow Economy<br>PROJECTED<br>2021-22 | No Growth<br>PROJECTED<br>2022-23 | No Growth<br>PROJECTED<br>2023-24 |
|---------------------------------------------|-------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| <b>OTHER FINANCING SOURCES:</b>             |                               |                                         |                                      |                                      |                                   |                                   |
|                                             | \$ 203,985                    |                                         |                                      |                                      |                                   |                                   |
| Traffic Safety                              | 50,000                        | \$ 50,000                               | \$ 50,750                            | \$ 51,004                            | \$ 51,004                         | \$ 51,004                         |
| Transportation (TDA-LTF)                    | (1) 100,000                   | 100,000                                 | 101,500                              | 102,008                              | 102,008                           | 102,008                           |
| Gas Tax                                     | (1) 2,050,000                 | 2,050,000                               | 2,080,750                            | 2,091,154                            | 2,091,154                         | 2,091,154                         |
| Workers Comp                                |                               |                                         |                                      |                                      |                                   |                                   |
| <b>TOTAL</b>                                | <b>2,403,985</b>              | <b>2,200,000</b>                        | <b>2,233,000</b>                     | <b>2,244,165</b>                     | <b>2,244,165</b>                  | <b>2,244,165</b>                  |
| <b>OTHER FINANCING USES:</b>                |                               |                                         |                                      |                                      |                                   |                                   |
| Emergency Reserve                           | 1,200,000                     | 1,300,000                               | 1,400,000                            | 1,500,000                            | 1,500,000                         | 1,500,000                         |
| CalPERS Unfunded Liability - Sect 115 Trust | 750,000                       | 400,000                                 | 300,000                              | 200,000                              | 100,000                           | 100,000                           |
| General Liability Insurance Reserve         | (2) 500,000                   |                                         |                                      |                                      |                                   |                                   |
| Arts and Culture Fund                       | 27,132                        | 28,346                                  | 27,610                               | 24,000                               | 24,360                            | 24,482                            |
| Warming Center                              | 100,000                       |                                         |                                      |                                      |                                   |                                   |
| Grants - Local Law Enforcement              | 272                           | 166                                     | 166                                  | 166                                  | 166                               | 166                               |
| Grants - Supplemental Law Enforcement       | (3) 7,859                     | 7,396                                   | 7,859                                | 7,859                                | 7,859                             | 7,859                             |
| Grants - Operating                          | (3) 151,470                   | 158,975                                 | 158,975                              | 864                                  | 864                               | 864                               |
| Chico Maintenance Districts                 | 20,000                        | 15,000                                  | 15,000                               | 15,000                               | 15,000                            | 15,000                            |
| Remediation Fund                            | 207,851                       | 263,043                                 | 200,000                              | 200,000                              | 200,000                           | 200,000                           |
| Gas Tax                                     |                               |                                         |                                      |                                      |                                   |                                   |
| General Plan Fund                           | 100,000                       | 100,000                                 | 100,000                              | 100,000                              | 100,000                           | 100,000                           |
| Airport                                     | 392,700                       | 85,333                                  | 275,000                              | 250,000                              | 225,000                           | 225,000                           |
| Private Development Funds                   | (2) 307,950                   | 351,980                                 |                                      |                                      |                                   |                                   |
| Municipal Buildings MTCE                    | 197                           |                                         |                                      |                                      |                                   |                                   |
| Subdivisions                                | (2)                           |                                         |                                      |                                      |                                   |                                   |
| Workers Comp                                | (4) 250,000                   | 250,000                                 | 95,474                               |                                      |                                   |                                   |
| Technology Replacement                      | 165,190                       | 130,000                                 | 130,000                              | 130,000                              | 130,000                           | 130,000                           |
| Fleet Replacement                           | 355,402                       | 350,000                                 | 350,000                              | 350,000                              | 350,000                           | 350,000                           |
| Facilities Maintenance Reserve              | 300,000                       | 175,000                                 | 175,000                              | 175,000                              | 175,000                           | 175,000                           |
| Public Infrastructure Replacement           | (5) 1,064,000                 | 904,000                                 | 917,560                              | 922,148                              |                                   |                                   |
| Equipment Liab Reserve                      | 242,483                       | 300,000                                 | 60,000                               | 60,000                               | 60,000                            | 60,000                            |
| <b>TOTAL</b>                                | <b>6,142,506</b>              | <b>4,819,239</b>                        | <b>4,212,644</b>                     | <b>3,935,037</b>                     | <b>2,888,249</b>                  | <b>2,888,371</b>                  |
| <b>NET FINANCING SOURCES/USES</b>           | <b>\$ (3,738,521)</b>         | <b>\$ (2,619,239)</b>                   | <b>\$ (1,979,644)</b>                | <b>\$ (1,690,872)</b>                | <b>\$ (644,084)</b>               | <b>\$ (644,206)</b>               |

**Notes:**

- (1) Transportation Development Act - Local Transportation Fund (TDA-LTF) and Gas Tax revenues eligible to fund street and road maintenance.
- (2) Assumes full cost recovery fees will be charged beginning 2020-21.
- (3) City contribution towards grant funded positions and continuance of positions after expiration of the grant.
- (4) Reflects repayment to Workers Comp fund for PG&E streetlight improvement plan totaling \$845,474.
- (5) Assumes 100% of waste hauler franchise fees will be retained by the General Fund beginning in 2022-23.

**City of Chico**  
**FY2019-20 Annual Budget**  
**Emergency Reserve Fund - Fund 003**  
**Five-Year Projection**

|                                              | ESTIMATED<br>FINAL<br>2018-19 | Positive Growth<br>PROJECTED<br>2019-20 | Slow Economy<br>PROJECTED<br>2020-21 | Slow Economy<br>PROJECTED<br>2021-22 | No Growth<br>PROJECTED<br>2022-23 | No Growth<br>PROJECTED<br>2023-24 |
|----------------------------------------------|-------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| <b><u>OTHER FINANCING SOURCES (USES)</u></b> |                               |                                         |                                      |                                      |                                   |                                   |
| Transfers from General Fund                  | \$ 1,200,000                  | \$ 1,300,000                            | \$ 1,400,000                         | \$ 1,500,000                         | \$ 1,500,000                      | \$ 1,500,000                      |
| Transfers from Private Development           | 34,000                        | 33,000                                  | 25,000                               | 25,000                               | 20,000                            | 15,000                            |
| <b>TOTAL OTHER SOURCES (USES)</b>            | <b>1,234,000</b>              | <b>1,333,000</b>                        | <b>1,425,000</b>                     | <b>1,525,000</b>                     | <b>1,520,000</b>                  | <b>1,515,000</b>                  |
|                                              |                               |                                         |                                      |                                      |                                   |                                   |
| <b>NET REVENUE/(DEFICIT)</b>                 | <b>1,234,000</b>              | <b>1,333,000</b>                        | <b>1,425,000</b>                     | <b>1,525,000</b>                     | <b>1,520,000</b>                  | <b>1,515,000</b>                  |
| <b>BEGINNING FUND BALANCE</b>                | <b>2,591,749</b>              | <b>3,825,749</b>                        | <b>5,158,749</b>                     | <b>6,583,749</b>                     | <b>8,108,749</b>                  | <b>9,628,749</b>                  |
| <b>ENDING FUND BALANCE</b>                   | <b>\$ 3,825,749</b>           | <b>\$ 5,158,749</b>                     | <b>\$ 6,583,749</b>                  | <b>\$ 8,108,749</b>                  | <b>\$ 9,628,749</b>               | <b>\$ 11,143,749</b>              |

**Desired Reserve** \$ 10,269,067 \$ 10,629,840 \$ 10,846,896 \$ 11,113,471 \$ 11,309,452 \$ 11,462,395

**Notes:**

Desired Reserve: 20% of General and Park Fund operating expenditures.

**City of Chico**  
**FY2019-20 Annual Budget**  
**Pension Stabilization Trust - Fund 904**  
**Five-Year Projection**

|                                                        | ESTIMATED<br>FINAL<br>2018-19 | Positive Growth<br>PROJECTED<br>2019-20 | Slow Economy<br>PROJECTED<br>2020-21 | Slow Economy<br>PROJECTED<br>2021-22 | No Growth<br>PROJECTED<br>2022-23 | No Growth<br>PROJECTED<br>2022-23 |
|--------------------------------------------------------|-------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>           |                               |                                         |                                      |                                      |                                   |                                   |
| Transfers from General Fund                            | \$ 1,291,455                  | \$ 400,000                              | \$ 300,000                           | \$ 200,000                           | \$ 100,000                        | \$ 100,000                        |
| Investment Growth at 3.5% per Year on Beg Fund Balance | 45,000                        | 46,776                                  | 62,413                               | 75,098                               | 84,726                            | 91,191                            |
| <b>TOTAL OTHER SOURCES (USES)</b>                      | <b>1,336,455</b>              | <b>446,776</b>                          | <b>362,413</b>                       | <b>275,098</b>                       | <b>184,726</b>                    | <b>191,191</b>                    |
|                                                        |                               |                                         |                                      |                                      |                                   |                                   |
| <b>NET REVENUE/(DEFICIT)</b>                           | <b>1,336,455</b>              | <b>446,776</b>                          | <b>362,413</b>                       | <b>275,098</b>                       | <b>184,726</b>                    | <b>191,191</b>                    |
| <b>BEGINNING FUND BALANCE</b>                          | <b>0</b>                      | <b>1,336,455</b>                        | <b>1,783,231</b>                     | <b>2,145,644</b>                     | <b>\$ 2,420,742</b>               | <b>\$ 2,605,468</b>               |
| <b>ENDING FUND BALANCE</b>                             | <b>\$ 1,336,455</b>           | <b>\$ 1,783,231</b>                     | <b>\$ 2,145,644</b>                  | <b>\$ 2,420,742</b>                  | <b>\$ 2,605,468</b>               | <b>\$ 2,796,659</b>               |

**City of Chico**  
**FY2019-20 Annual Budget**  
**Pension Stabilization Trust - Fund 904**  
**Five-Year Projection**

|                                                        | ESTIMATED<br>FINAL<br>2018-19 | Positive Growth<br>PROJECTED<br>2019-20 | Slow Economy<br>PROJECTED<br>2020-21 | Slow Economy<br>PROJECTED<br>2021-22 | No Growth<br>PROJECTED<br>2022-23 | No Growth<br>PROJECTED<br>2022-23 |
|--------------------------------------------------------|-------------------------------|-----------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|
| <b><u>OTHER FINANCING SOURCES (USES)</u></b>           |                               |                                         |                                      |                                      |                                   |                                   |
| Transfers from General Fund                            | \$ 1,291,455                  | \$ 400,000                              | \$ 300,000                           | \$ 200,000                           | \$ 100,000                        | \$ 100,000                        |
| Investment Growth at 3.5% per Year on Beg Fund Balance | 45,000                        | 46,776                                  | 62,413                               | 75,098                               | 84,726                            | 91,191                            |
| <b>TOTAL OTHER SOURCES (USES)</b>                      | <b>1,336,455</b>              | <b>446,776</b>                          | <b>362,413</b>                       | <b>275,098</b>                       | <b>184,726</b>                    | <b>191,191</b>                    |
|                                                        |                               |                                         |                                      |                                      |                                   |                                   |
| <b>NET REVENUE/(DEFICIT)</b>                           | <b>1,336,455</b>              | <b>446,776</b>                          | <b>362,413</b>                       | <b>275,098</b>                       | <b>184,726</b>                    | <b>191,191</b>                    |
| <b>BEGINNING FUND BALANCE</b>                          | <b>0</b>                      | <b>1,336,455</b>                        | <b>1,783,231</b>                     | <b>2,145,644</b>                     | <b>\$ 2,420,742</b>               | <b>\$ 2,605,468</b>               |
| <b>ENDING FUND BALANCE</b>                             | <b>\$ 1,336,455</b>           | <b>\$ 1,783,231</b>                     | <b>\$ 2,145,644</b>                  | <b>\$ 2,420,742</b>                  | <b>\$ 2,605,468</b>               | <b>\$ 2,796,659</b>               |