

CITY OF BRENTWOOD

FY 2014/15 BUDGET-IN-BRIEF



The Budget-in-Brief provides an overview of the City's Operating Budget and Capital Improvement Program. To view all of the City's financial documents visit the following web site:

www.brentwoodca.gov/financialdocuments

FY 2014/15 BUDGET-IN-BRIEF

Budget Development This Budget-in-Brief is a condensed version of the City of Brentwood's adopted Operating Budget for the 2014/15 fiscal year (FY), which runs from July 1, 2014 to June 30, 2015. It represents input and vision from Brentwood residents and the City Council. The City adopts an Operating Budget every two years and the City Council conducts public budget reviews every six months during the two-year budget period. During these reviews, the City Council determines if adjustments are needed to either the City's revenues or expenditures and is able to adjust the budget, as needed, for the current economic conditions. The end result of this collaborative process is a budget which represents the priorities adopted by the City Council.

Budget Challenges During the recession, economic conditions presented significant fiscal challenges for local governmental agencies. The elimination of the Brentwood Redevelopment Agency left the City without funding for several capital projects including improvements planned for Brentwood Boulevard. However, the current general improvement in the economy as a whole has had modest positive effects on the City. Property taxes increased in FY 2013/14 following five consecutive annual declines. The City has also seen increased development activity and a general upturn in the housing market, with the City issuing residential permits that exceeded projections for both the 2012/13 and 2013/14 fiscal years. While the economic improvements have been beneficial, the City continues to use fiscal prudence and it will take many years for key revenue sources, such as property tax, to recover.

The City has reduced future costs through labor contracts negotiated in 2012. The City addressed both the rising pension rates and the City's retiree medical costs at that time by implementing second tier reduced benefits for new employees and increasing pension contributions made by all employees.

Despite these budget challenges, the City continues to make public safety a priority. This budget includes four new positions from the Police Sworn Position Overstaffing Plan, adopted in FY 2013/14. This plan helps ensure the City avoids unfilled police positions for extended periods during the time it takes to fill vacancies.

Budget Achievements Fiscal strength and long-term financial stability are key components of the City's Budget and Fiscal Policy. The FY 2014/15 Operating Budget underscores the City Council's commitment to continue to make cost containment a high priority while adhering to the Budget Development Guidelines. These guidelines and principles have resulted in a projected General Fund Undesignated Reserve of \$11.5 million as of June 30, 2014, ensuring the City maintains its 30% reserves while fully funding critical services such as public safety.

Future Outlook The City utilizes a ten-year General Fund Fiscal Model (Fiscal Model) to ensure it is on a financially sustainable path. The Fiscal Model provides detailed analysis of the next ten years of revenues, expenses and fund balance. This analysis provides the City the ability to identify potential future economic challenges allowing sufficient time to develop solutions which minimize the impacts to the residents of the City. The Fiscal Model's outlook has improved over the past few years although challenges, mainly on the expenditure side, remain.

CITY COUNCIL GOALS

(Listed Alphabetically)

Deliver Excellent Public Services

Enhance Community and Neighborhood Improvement

Ensure Long-term Financial Stability and Sustainability

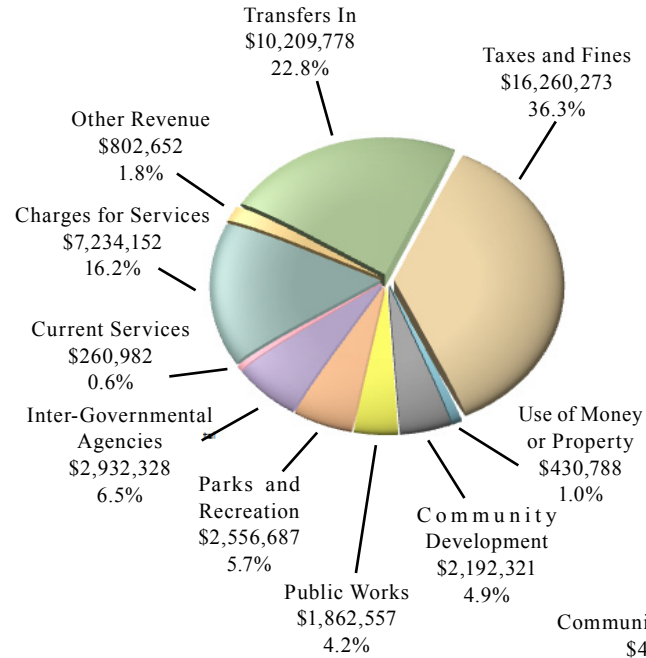
Promote Economic and Community Development

Provide for Effective Transportation and Infrastructure

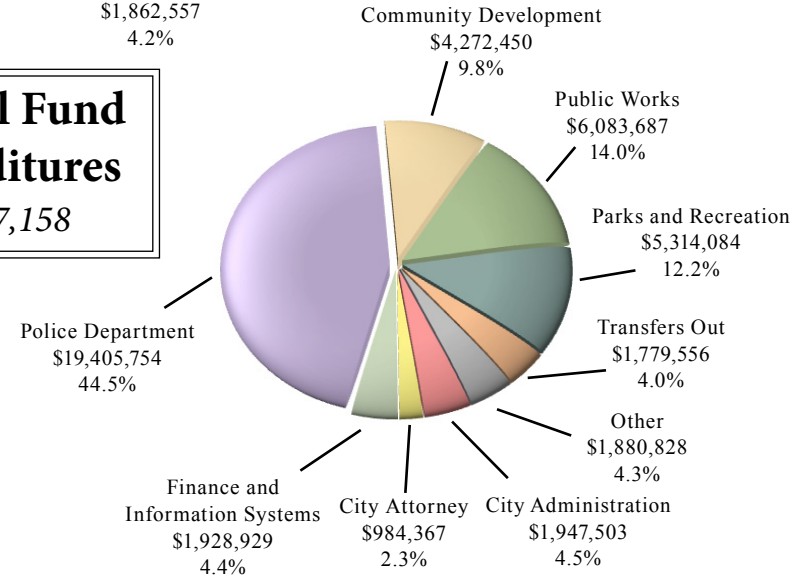
Provide for the Public's Safety

**City of Brentwood
FY 2014/15
Budget-in-Brief**

**General Fund Revenues
\$44,742,518**



**General Fund Expenditures
\$43,597,158**



WHERE THE MONEY GOES	
PROPERTY TAX DOLLARS (PER EVERY DOLLAR)	
16¢	State Property Tax Shift for Education
15¢	Liberty High School District
13¢	Brentwood General Fund
13¢	Brentwood Elementary School District
10¢	Contra Costa County
6¢	East Contra Costa Fire
5¢	Contra Costa Community College
4¢	East Contra Costa Irrigation
4¢	Oakley Elementary School District
3¢	Brentwood Recreation and Parks
2¢	Community College Tax Shift for Education
9¢	Other
SALES TAXES (FOR EVERY DOLLAR SPENT)	
6 1/4¢	State
1¢	City of Brentwood
3/4¢	County Transportation
1/2¢	Bay Area Rapid Transit (BART)

City Funds Overview

The City budgets and accounts for revenues and expenditures in several different funds. The General Fund is comprised of all financial resources, except those required by law or mandated to be in a restricted fund, and provides for basic governmental services such as public safety, planning and building services, street maintenance, code enforcement, park maintenance and recreation services.

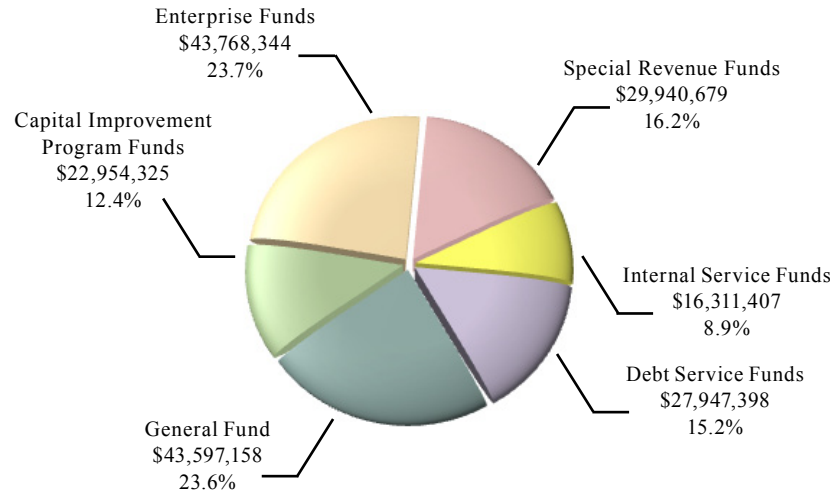
The primary revenue sources for the General Fund based upon percentage of total budgets are: Property Tax, Sales Tax, Motor Vehicle In-Lieu Taxes, Development, Community Facilities District Assessments, Gas Taxes and Franchise Fees. The recession had a larger impact on the City's General Fund than on any other Fund.

Enterprise Overview

The City provides residents with Solid Waste, Water and Wastewater services. The charges for these services (user fees), along with the costs for providing the services, are accounted for in individual Enterprise Funds. These funds do not receive any General Fund support and must be self-supporting.

ENTERPRISE FUNDS SUMMARY	
REVENUES	
Solid Waste	\$10,077,488
Water	\$20,239,250
Wastewater	\$11,845,921
EXPENDITURES	
Solid Waste	\$10,593,168
Water	\$21,728,851
Wastewater	\$10,147,715

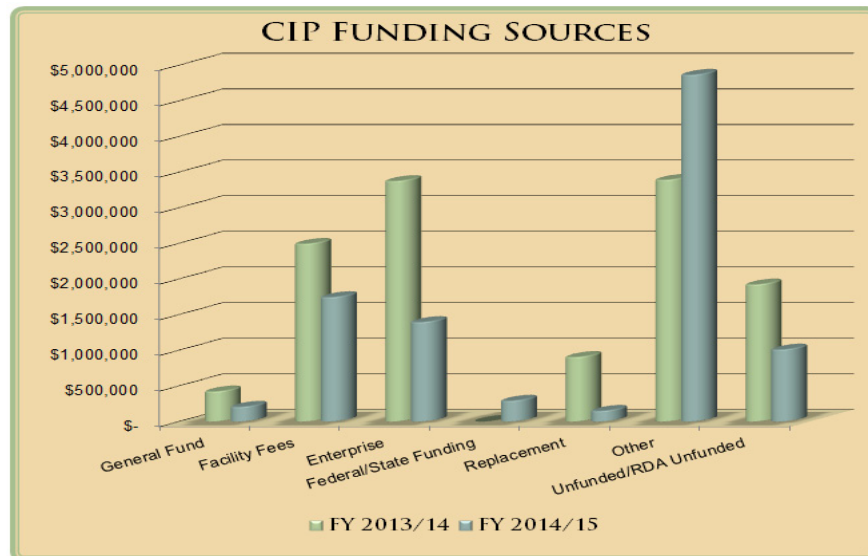
**FY 2014/15
OPERATING BUDGET EXPENDITURES
\$184.5 MILLION**



Proposition 218, which requires customers be given the opportunity to provide feedback on the proposed rates. Rate studies are conducted periodically to ensure the enterprise rates are sufficient to cover: operating expenses; capital improvements; upgrades and costs associated with meeting both State and Federal guidelines and regulations. A rate study was completed in FY 2013/14. Subsequently, rate increases were adopted and went into effect January 2014 for Solid Waste, Water and Wastewater services. The adopted rates will provide the Enterprise Funds with sufficient revenues to cover operating costs.

CIP Overview

The 2014/15 Capital Improvement Program (CIP) consists of 87 City projects. These include Roadway, Parks and Trails, Water, Wastewater and Community Facility projects. The chart below compares CIP funding sources for FY 2013/14 and FY 2014/15. Significant variances between the



two years are due to projects at the Wastewater Treatment Plant in FY 2013/14 which were funded through a combination of Facility Fees and Enterprise Fund revenue; and an increase in other funding for projects in FY 2014/15 such as the John Muir Parkway Extension - Phase II project financed by the State Route 4 Bypass Authority.

All of the CIP projects have been carefully evaluated to ensure: 1) the City's capital improvement needs are met, both now and in the future, and 2) they support the City Council's goals.

Significant CIP Projects

Brentwood Boulevard Median Landscaping Improvements - This project will add a median and landscaping from Homecoming Way to Lone Tree way, including trees, shrubs, vines and flowering plants. This landscape addition will improve environmental quality and enhance the surrounding areas.

Maintenance Service Center - This project provides for improvements and other required infrastructure at the City's Public Works Corporation Yard including a secondary Emergency Operations Center, administration building and equipment storage facilities. These improvements will allow for more cost effective, streamlined and efficient operations helping to enhance City customer services.



CCWD Los Vaqueros Water Line Relocation - This project consists of the extension of left turn lanes into The Streets of Brentwood shopping center, Sand Creed Road median landscaping and the relocation of an air relief valve on the Contra Costa Water District (CCWD) Los Vaqueros water line in the Sand Creek Road median. This will improve the traffic capacity at the Sand Creek Road and Streets of Brentwood intersection and beautify the area.



Mission Statement

Bringing Brentwood's Vision to Reality

CITY OFFICIALS

- Robert Taylor Mayor
- Joel Bryant Vice Mayor
- Steve Barr Council Member
- Gene Clare Council Member
- Erick Stonebarger Council Member

EXECUTIVE TEAM

- Paul R. Eldredge City Manager
- Damien Brower City Attorney
- Karen Chew Assistant City Manager
- Pam Ehler City Treasurer/
Director of Finance and Information Systems
- Mark Evenson Chief of Police
- Bailey Grewal Director of Public Works/City Engineer
- Casey McCann Director of Community Development
- Bruce Mulder Director of Parks and Recreation



CITY OF BRENTWOOD

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For questions contact the City's
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