

CITY OF BRENTWOOD

FY 2018/19 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 2018/19 BUDGET-IN-BRIEF

Budget Development This Budget-in-Brief is a condensed version of the City of Brentwood's Operating Budget for the 2018/19 Fiscal Year (FY), which runs from July 1, 2018 to June 30, 2019. The City Council develops a two-year Strategic Plan and then adopts an Operating Budget for those two years that includes Strategic Plan initiative costs and other operating costs for City services. The City Council then conducts public budget reviews every six months during the two-year budget period. During these reviews, the City Council may approve adjustments to the City's revenues or expenditures, based on operational changes or current economic conditions. The FY 2018/19 and FY 2019/20 Strategic Plan can be found on the City's website at www.brentwoodca.gov/StrategicInitiatives.

Budget Factors The continuing strong economic environment has had positive effects on the City's revenue budget. Property taxes have increased substantially in each of the last four fiscal years because of higher housing values and strong development activity. While the economic improvements have been beneficial, the City continues to exercise fiscal prudence as population growth puts pressure on the demand for City services and increases expenditures.

The budget reflects City Council priorities in the funding of Strategic Plan initiatives. These initiatives are centered around six quality of life focus areas and the costs of initiatives are included in the budget. A strong emphasis in the Strategic Plan was placed on the economic development focus area. Economic Development initiatives include the execution of an economic development master plan that contains several "game changer" strategies whose purpose is bringing more jobs to Brentwood to address the housing/jobs balance in the City.

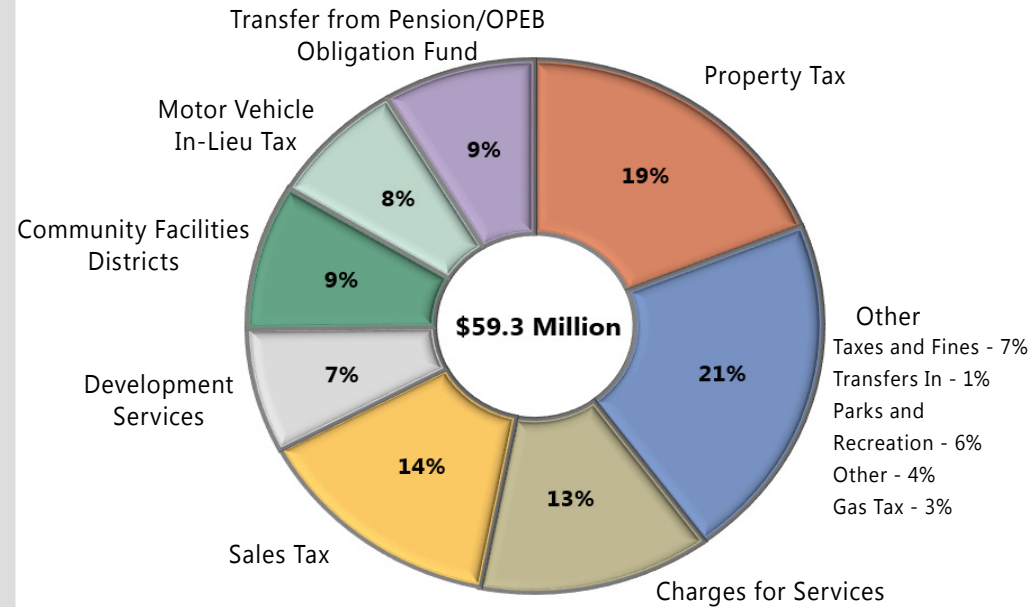
Budget Outlook Fiscal strength and long-term financial stability are key components of the City's Budget and Fiscal Policy. The FY 2018/19 Operating Budget underscores the City Council's commitment to continue making expenditure control a high priority while adhering to the policy's budget development guidelines. These guidelines and principles have resulted in a projected General Fund reserve of \$16 million as of June 30, 2018. The budget has been developed to so that the City maintains its 30% reserve of budgeted operating expenditures while fully funding critical services.

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 and allows sufficient time to develop solutions to minimize impacts to the residents of the City. The Fiscal Model's outlook shows that revenues and expenditures are close to equilibrium over the ten years. However, it will take sound financial planning to meet the fiscal demands that population growth will place on the City services.

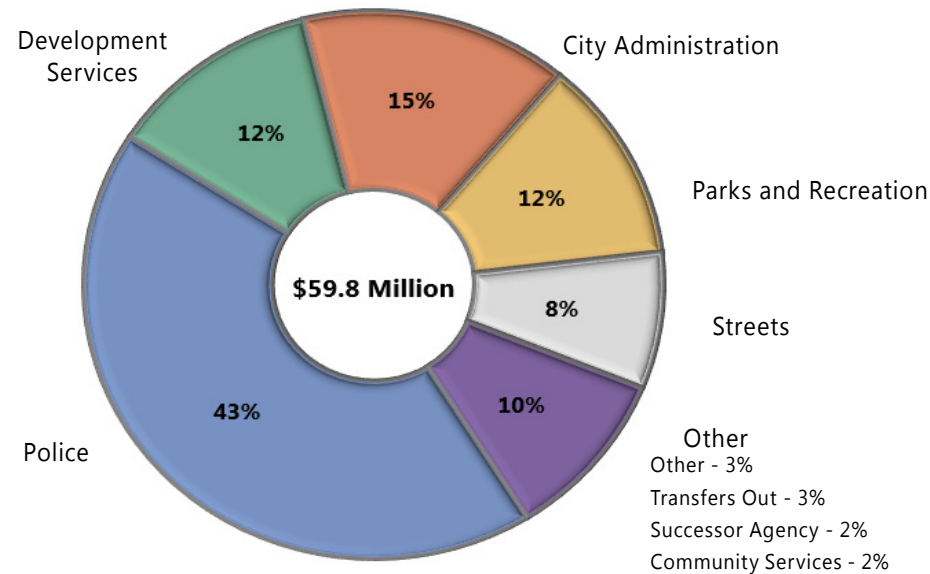
STRATEGIC PLAN FOCUS AREAS



General Fund Revenues



General Fund Expenditures



City Funds Overview

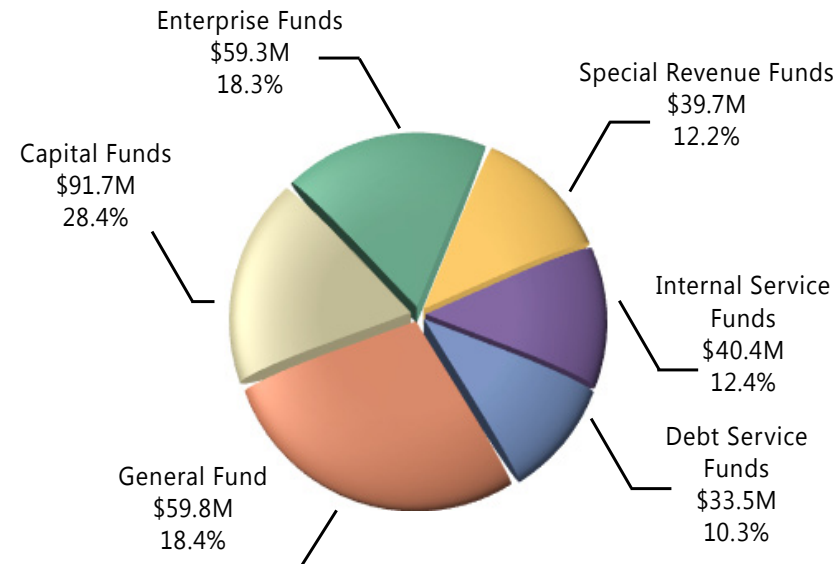
The City budgets and accounts for revenues and expenditures in several different funds. The General Fund is comprised of all financial resources, except those required by law or mandated to be in a restricted fund, and provides for basic governmental services such as public safety, planning and building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

The primary revenue sources for the General Fund in FY 2018/19 are: Property Tax, Sales Tax, Community Facilities District Assessments, Motor Vehicle In-Lieu Tax, Development Fees, Parks and Recreation Property Taxes, Gas Tax and Franchise Fees.

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. The City's user fees are set in accordance with 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 five-year rate study was completed in FY 2017/18 and the resulting projected revenues, which were structured to provide the Enterprise Funds with sufficient revenues to cover operating costs, have been included in the FY 2018/19 budget.

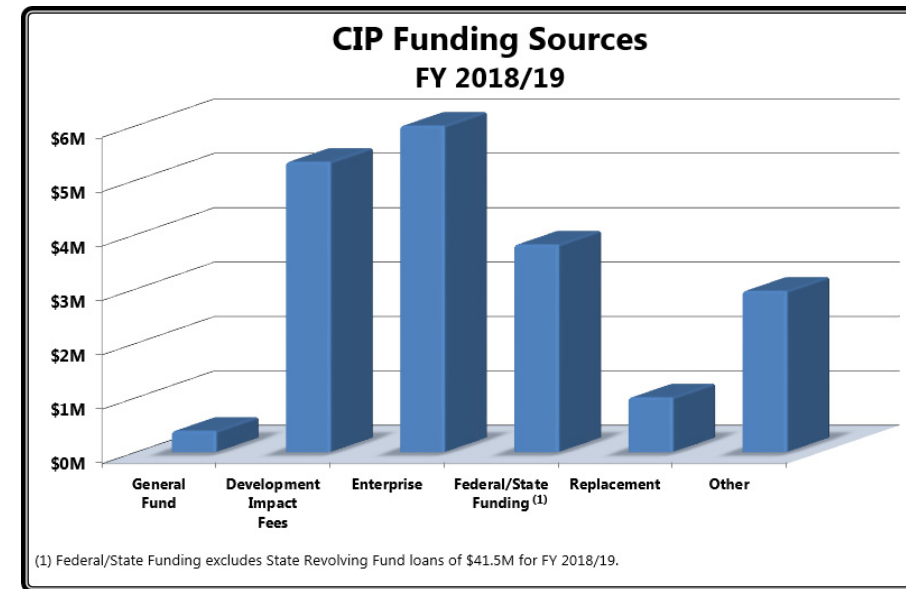
FY 2018/19 Budgeted Expenditures \$324.4 Million



CIP Overview

The Capital Improvement Program (CIP) Funding Sources chart displays the budgeted CIP funding sources for FY 2018/19. Major components of Other funding include Measure J, Road Maintenance and Rehabilitation Account and Capital Infrastructure.

The FY 2018/19 CIP consists of 66 City projects. These include Roadway, Parks and Trails, Water, Wastewater and Community Facilities Improvements. All 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's Mission Statement, General Plan and two-year Strategic Plan.



Significant CIP Projects

Library – New Construction - This project consists of tearing down 104, 118 and 120 Oak Street, including the annex, and building a new library. The project will include an outdoor space for library patrons, an entrance courtyard and a cafe. The total approximate square footage is 20,275. The Library is anticipated to be complete in fall 2018.



Municipal Service Center - This project will provide an approximately 15,000 square foot operations building that will accommodate numerous employees currently housed in trailers as well as additional staff needed for future build-out of the City. The improvements will increase operational efficiency by consolidating maintenance functions, streamline operations and be more cost effective and operationally efficient than the current facilities. Completion of the Municipal Service Center is anticipated for fall 2018.

Non-Potable Storage Facility - This project will construct a 3.0 MGD non-potable storage facility for recycled water, including appurtenances such as pumps, valves, pipes and associated improvements.

Priority Area 1 Infrastructure Improvements - This project will replace existing Heidorn Ranch Road with a new roadway consisting of a two land arterial street section, as well other improvements to help facilitate the development of Priority Area 1 (PA1).

Other Regional Projects - The Balfour Road Interchange project, funded by East Contra Costa Regional Fee and Financing Authority, is currently under construction. This project will construct a four-lane bridge over Balfour Road, eliminating the at-grade signalized intersection, and provide four-lane widening of SR 4 from Sand Creek Road to Balfour Road. Construction is expected to be complete in late 2018.

Mission Statement
Bringing Brentwood's Vision to Reality

City Council

- Robert Taylor Mayor
- Joel Bryant Vice Mayor
- Balwinder "Bailey" Grewal Council Member
- Karen Rarey Council Member
- Claudette Staton Council Member

Executive Team

- Gustavo "Gus" Vina City Manager
- Damien Brower City Attorney
- Sukari Beshears Director of Human Resources/Risk Manager
- Kerry Breen City Treasurer/Director of Finance
and Information Systems
- Tom Hansen Chief of Police
- Casey McCann Director of Community Development
- Bruce Mulder Director of Parks and Recreation
- Miki Tsubota Director of Public Works/City Engineer



CITY OF BRENTWOOD

150 City Park Way
Brentwood, CA 94513

Phone: (925) 516-5400
Fax: (925) 516-5401
www.brentwoodca.gov

For questions, please contact the
Finance and Information Systems
Department at (925) 516-5460