

CITY OF BRENTWOOD

FY 2020/21 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 2020/21 BUDGET-IN-BRIEF

Budget Development This Budget-in-Brief is a condensed version of the City of Brentwood's Operating Budget for the 2020/21 Fiscal Year (FY), which runs from July 1, 2020 to June 30, 2021. 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 2020/21 and FY 2021/22 Strategic Plan can be found on the City's website at www.brentwoodca.gov/StrategicInitiatives.

Budget Factors The City is facing the greatest financial challenge to the Operating Budget since the Great Recession as a result of the COVID-19 pandemic and its negative impact on many of the City's revenue sources. The FY 2020/21 Operating Budget conservatively reflects a reduction in annual General Fund revenue from expected levels of about \$4 million. In order to close the gap resulting from decreased revenues, expenditures for service level increases, non-essential supplies and services, certain projects and Strategic Plan initiatives were reduced or eliminated. This fiscal prudence ensures the City will be in a position to meet the fiscal challenges should the country enter a deep, prolonged recession.

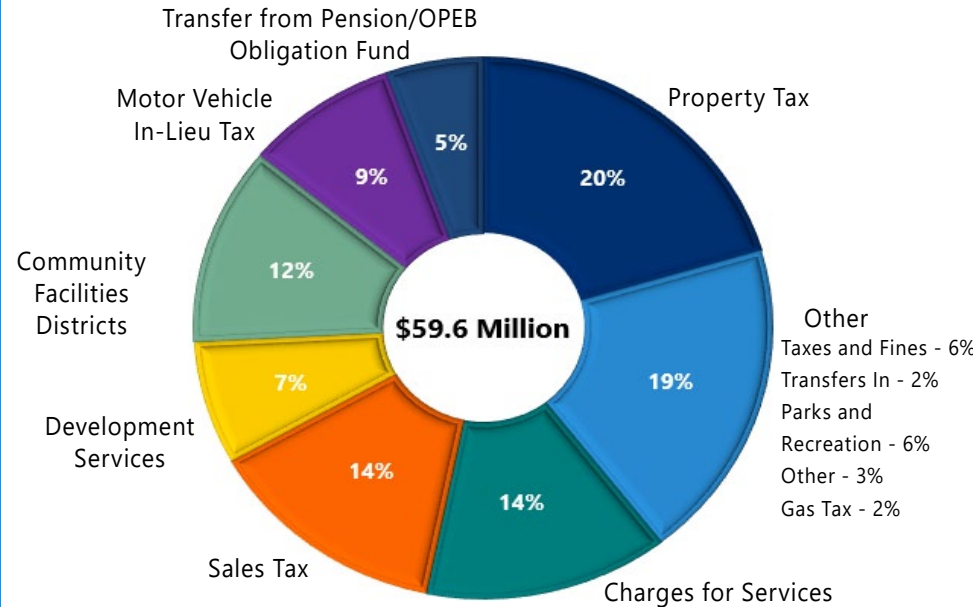
The budget continues to reflect City Council priorities in the funding of Strategic Plan initiatives. These initiatives center around six quality of life focus areas and the costs of initiatives are included in the budget. Due to the unknown effects of the COVID-19 pandemic on various revenue sources, changes were made to the Strategic Plan to adapt to this period of economic uncertainty. Certain initiatives in the General Fund budget that would have expanded service levels and funded new capital projects were removed, including the hiring of five new police officers to implement a Police Department 5th beat. These initiatives and projects will be reconsidered in future budgets, as the impacts of the COVID-19 crisis will be known.



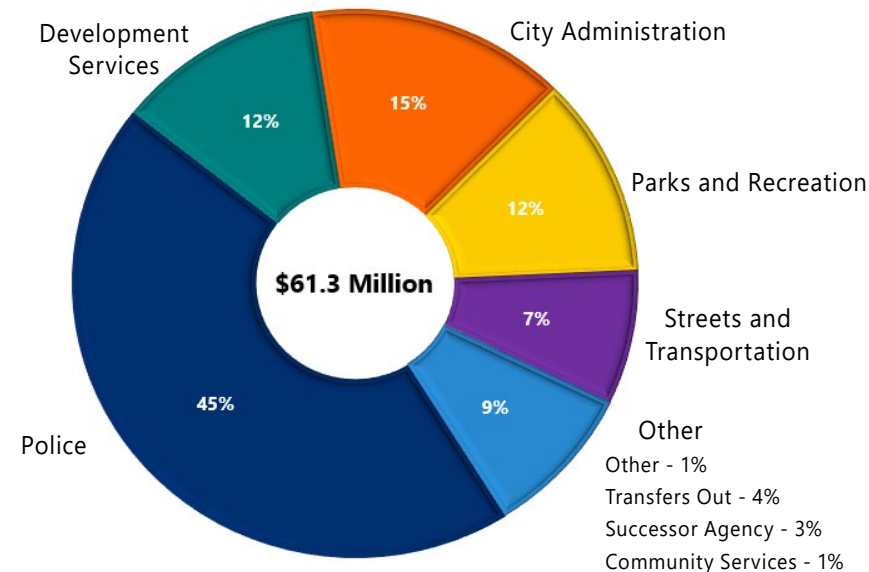
Budget Outlook Fiscal strength and long-term financial stability are key components of the City's Budget and Fiscal Policy. The FY 2020/21 Operating Budget underscores the City Council's commitment to continue making expenditure control a high priority while adhering to the policy's budget development guidelines. These guidelines and principles have resulted in a projected General Fund reserve of \$18 million as of June 30, 2020. The budget has been developed 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 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 COVID-19 pandemic has resulted in a substantial reduction in long-term economic visibility and, therefore, the Fiscal Model will be regularly updated as the duration and magnitude of the current crisis becomes better understood. The City remains diligent in identifying and assessing long-term challenges, and developing strategies, to ensure a successful and vibrant future.

General Fund Revenues



General Fund Expenditures



City Funds Overview

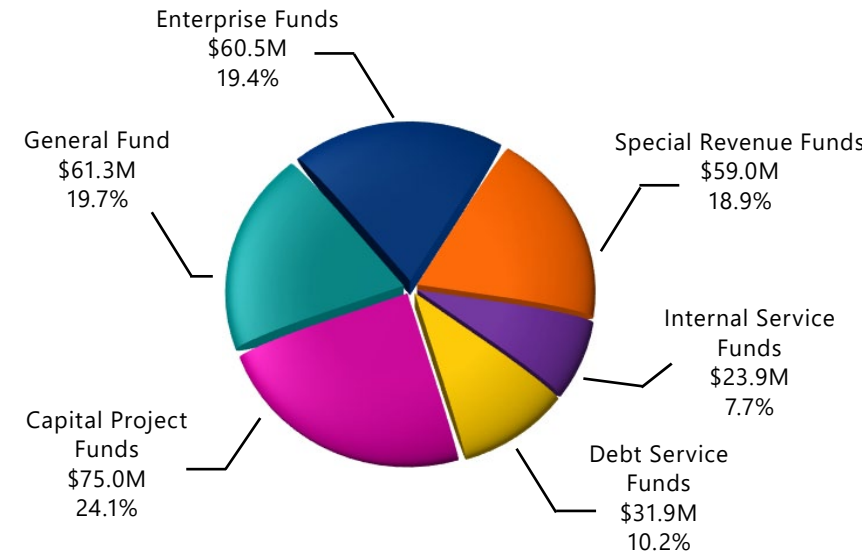
The City budgets and accounts for revenues and expenditures in several different funds. The General Fund is comprised of all financial resources, except those required by law or mandated to be in a restricted fund, and provides for basic governmental services such as public safety, planning and building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

The primary revenue sources for the General Fund in FY 2020/21 are: Property Tax, Sales Tax, Community Facilities District Assessments, Motor Vehicle In-Lieu Tax, Development Fees, Parks and Recreation Property Tax, Gas Tax, Franchise Fees, Parks and Recreation Program Fees and Measure J - Contra Costa County Sales Tax.

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 2020/21 budget.

FY 2020/21 Budgeted Expenditures \$311.6 Million

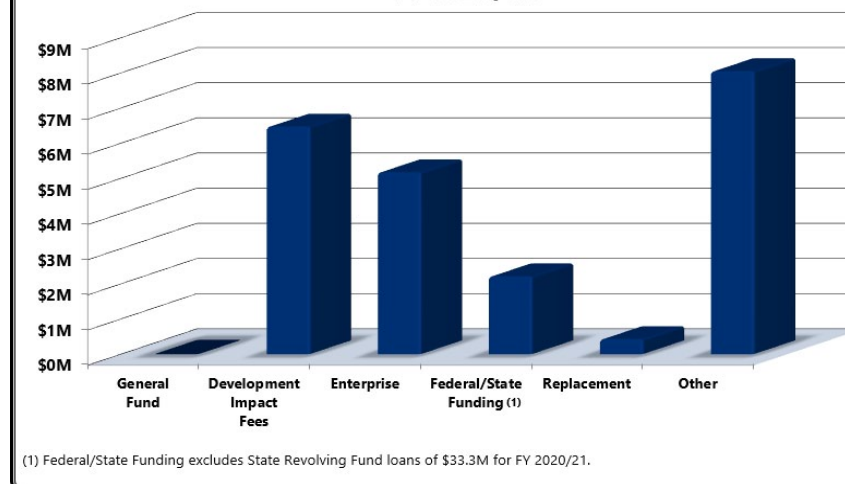


CIP Overview

The Capital Improvement Program (CIP) Funding Sources chart displays the budgeted CIP funding sources for FY 2020/21. Major components of Other funding include Vineyards Projects, Capital Infrastructure and Road Maintenance and Rehabilitation Account funds.

The FY 2020/21 CIP consists of 47 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, 2) they support the City's Mission Statement, General Plan and two-year Strategic Plan and 3) proceeding with the planned projects does not negatively impact the City's financial capacity to respond to the current COVID-19 pandemic.

CIP Funding Sources FY 2020/21



Significant CIP Projects

Blue Goose Park Playground Replacement - This project will replace play equipment in Blue Goose Park. The resilient safety surfacing in the playground areas will also be renovated.

Citywide Non-Potable Water Distribution System - This project will install a non-potable water distribution system throughout the City to provide reclaimed water for irrigation of golf courses, parks, parkways, medians and other applicable uses. By converting to non-potable water usage, the City can reduce the cost of landscape irrigation and save on potable water usage.

Downtown Alley Rehabilitation - Diablo Way - This project includes the installation of new water, sewer and storm drain facilities and the removal or replacement of existing infrastructure to correct existing operations and maintenance constraints due to the age of the facilities.

Priority Area 1 Infrastructure Improvements - This project, named the Innovation Center @ Brentwood, located within the boundaries of Heidorn Ranch Road, Lone Tree Way, Shady Willow Lane and Sand Creek Road, will construct infrastructure improvements within Priority Area 1 including, but not limited to, roadway extensions, replacement, or widening; extension of wet utilities; and land acquisition. The City envisions this area emerging as one of the primary future employment centers, offering individuals and businesses access and opportunities to create high-quality jobs across a diverse array of industries.



Public Art Spaces - This project consists of the installation of three or more monuments at select locations throughout the City. The project's purpose is to improve the identity of the City at high traffic areas.

Sensus AMR System Upgrade - This project will install a fixed base Sensus Automatic Meter Reading (AMR) system which will provide hourly meter reads.

Water Emergency Back-up Generators - This project will install emergency back-up generators at five facilities in order to maintain adequate potable water services.

Mission Statement

Bringing Brentwood's Vision to Reality

City Council

Robert Taylor..... Mayor
Joel Bryant Vice Mayor
Karen Rarey Council Member
Johnny Rodriguez Council Member
Claudette Staton Council Member

Executive Team

Tim Ogden 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) 516-5441
Email: info@brentwoodca.gov

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