



CITY OF WATSONVILLE

BUDGET

AT A GLANCE



FY 2020 - 2021

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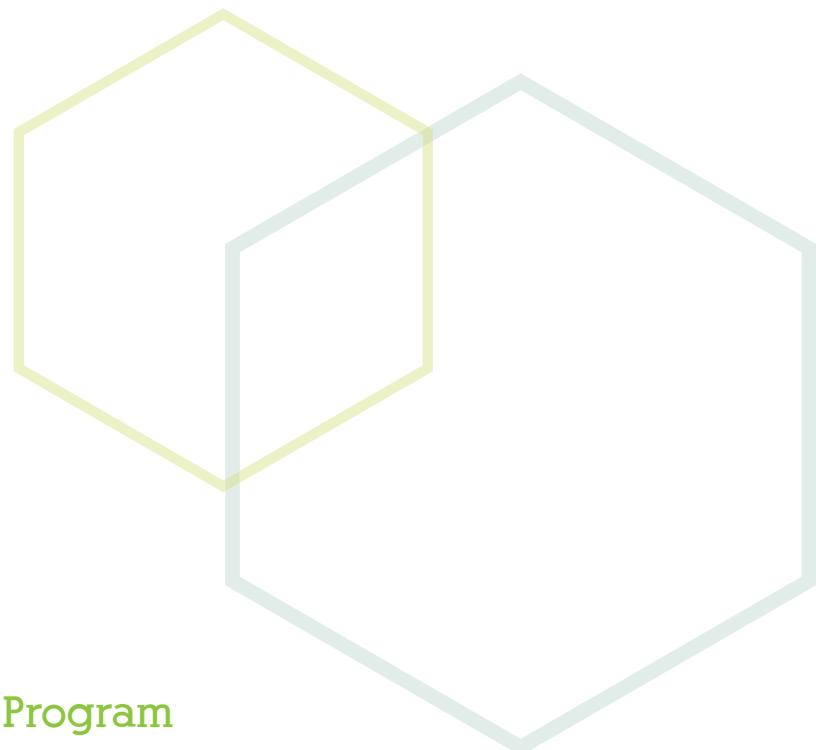
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FY 2020 - 2021 Capital Improvement Program

The City of Watsonville's "Budget at a Glance" is intended to provide you an overview of the City's Budget. City staff prepares an annual budget that aligns resources, community need and are consistent with the priorities of the City Council. For the complete previous and current budgets visit cityofwatsonville.org



CITY COUNCIL

PRIORITIES

2019 - 2021

The City Council adopts a strategic plan every 2 years based on community needs.



Housing - The City will continue to work on expanding quality housing opportunities, preserving existing affordable housing for Watsonville residents and reviewing housing and land use policies that maximize development potential.



Financial Health - The City will strive to enhance the fiscal sustainability of the City, through sound financial decision making to ensure the organizational viability needed to serve the City residents and businesses of Watsonville today and in the future.



Infrastructure & Environment - The City will work to maintain our built infrastructure and preserve the natural environment through careful planning, preservation and maintenance for current residents and future generations.



Economic Development - Strengthen and diversify the City's economy for all, by supporting and growing existing businesses, attracting new businesses, enhancing workforce development, revitalizing downtown, and engaging the community to reinvest in the City.



Community Engagement & Well-being - The City will actively engage community stakeholders and residents on important issues that affect the quality of life of our community. We will work with all members of the community to create a more vibrant, engaged and thriving Watsonville.



Public Safety - The City will strive to create a healthy, safe and thriving Watsonville, through building relationships and partnerships members of our community.

BUDGET AT WORK

\$41M
BUDGET
(GENERAL FUND ONLY)

THE CITY OF
WATSONVILLE
WAS AWARDED
43 GRANTS
\$3.65M
IN TOTAL

MAINTAINED
26 PARKS - 143 ACRES

REPLACED 1.3 MILES
OF WATER PIPES

MAINTAINED 7
MILES OF TRAILS
WITH 29 ENTRANCES

MAINTAINED 800 ACRE
OF FRESHWATER
WETLAND

PLANTED 61 TREES

RESPONDED TO 57,021
CALLS FOR SERVICE

PUBLIC LIBRARY
CHECKED OUT
133,935 ITEMS &
ASSISTED 35,000

COLLECTED 35 TONS
OF TRASH
6,327 TONS OF
RECYCLING

RESPONDED TO 5,427
CALLS FOR SERVICE

38 NEW
HOUSING UNITS

ASSISTED 1,137
VOTERS DURING
MARCH 2020
ELECTIONS

RE-CONSTRUCTED
2,662.5 FEET OF
ROADWAY

PROVIDED PROGRAMS
FOR 8,901
WATSONVILLE YOUTH

FINANCE DEPARTMENT
ISSUED 229 NEW
CONTRACTS

MAINTAINED 25
TRAFFIC SIGNAL
LOCATIONS & 2,300
STREET LIGHTS

RESPONDED TO 167
PUBLIC RECORDS
REQUESTS

REPLACED/
REPAIRED 32
SIDEWALK LOCATIONS

BUDGET TERMINOLOGY

BUDGET

The City's financial plan operates on a 12 month fiscal year from July 1 through June 30, which details spending priorities for the year and how the City will pay for them. Watsonville has a biennial and a mid year budget.

BALANCED BUDGET

A budget in which ongoing sources of income (revenue) is equal to spending uses (expenditures).

CAPITAL IMPROVEMENT PROGRAM

Also known as CIP, is a five-year plan for major projects including improvements to roads, Watsonville's water systems and parks. Watsonville's City Council adopts the first year of the CIP and approves the entire five-year plan, which is updated annually with the adoption of the budget.

CHARTER

Watsonville is a charter city. A municipal charter is the basic document that defines the organization, powers, functions and essential procedures of the city government. It is comparable to the Constitution of the United States or a state's constitution. The charter is, therefore, the most important legal document of any city.

DEBT SERVICE

Interest and principal payments on debt issued to fund major projects, similar to a mortgage or car loan.

EXPENDITURE

A cost incurred for labor, operations, maintenance, debt service or other charges.

ENTERPRISE FUND

A fund covering City operations that provide services and collect revenue, similar to private-sector businesses. Watsonville's enterprises funds collected by an enterprise, can only be used to cover expenses of that enterprise. These include water, wastewater, airport and sanitation.

FISCAL YEAR

A 12-month accounting period that doesn't necessarily correspond to the calendar year. Watsonville's fiscal year starts on July 1 in any given year and ends on June 30 of the following year. This corresponds to the budget.

FUND

A self-balancing set of accounts.

GENERAL FUND

A General Fund typically is the chief operating fund of a government. Watsonville's General Fund supports core services such as police, fire, parks, libraries and community services.

INTERNAL SERVICE FUND

A fund accounting for centralized services provided to various City departments where the cost is reimbursed by other departments. Examples include insurance, facilities maintenance and IT.

RESERVE

Money set aside and saved for specific purposes. Often this term is interchangeable with Fund Balance.

BUDGET TERMINOLOGY

REVENUE

Sources of income that fund the operations of government such as taxes, fees, etc.

RESTRICTED FUND BALANCE

The part of a fund that is legally limited to a specific use. Restricted revenues include utility charges, grants and gas taxes.

SOURCES

Describes where money comes from including revenues and transfers from other funds.

TRANSIENT OCCUPANCY TAX

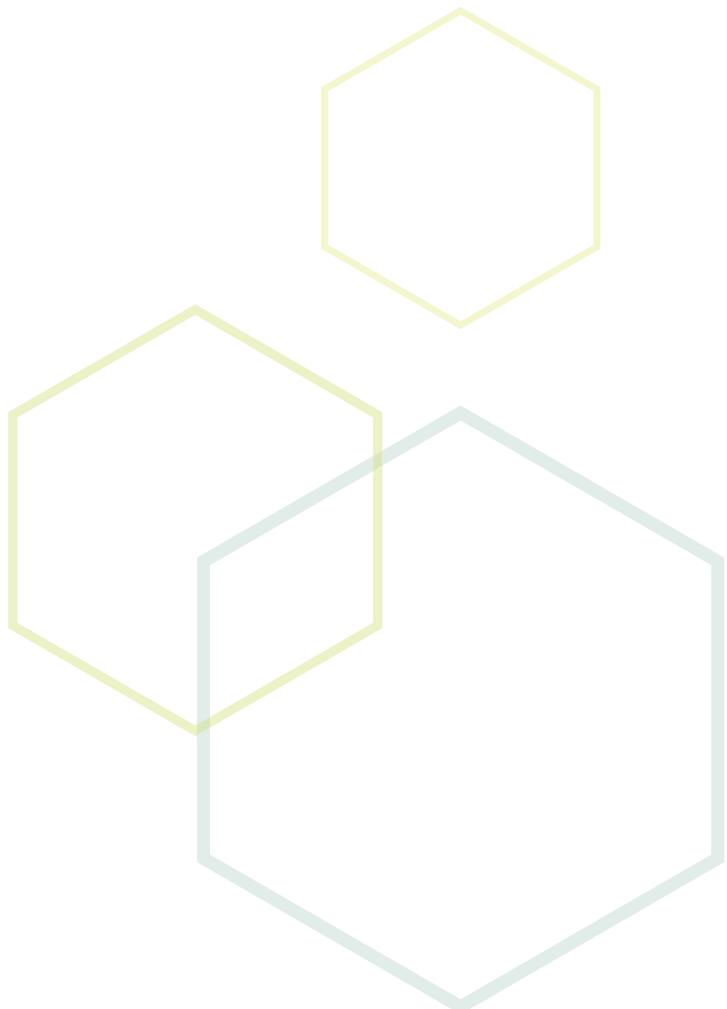
Known as TOT, Watsonville's tax on hotel, motel and timeshare stays.

UNRESTRICTED FUND BALANCE

The part of a fund not restricted for a specific use and available for general use. Unrestricted revenues include the City's share of taxes, including property, sales and use, and transient occupancy tax.

USES

Describes where money has been spent including both expenditures and transfers to other funds.



CITY BUDGET CYCLE

January is the beginning of the calendar year, but the midpoint of our fiscal year, which begins on July 1. January is also the kick-off to our budget development process and is a time when finances for the current year are reviewed and the City Council sets its priorities, goals, and strategies for the organization and community.

Watsonville has a Biennial Budget Cycle which means every other year we adopt a two-year budget plan and then the next year we revise the second year of that budget. Each year we follow the same calendar as described below. The Biennial Budget and Annual Independent Audit helps us think longer term and smooth out revenues and expenses.



CITY FUNDS

TOTAL: \$160,020,410

Budget: All Funds

Enterprise Funds

\$71,818,524

General Fund

\$41,078,892

Special Revenue Funds

\$29,241,016

Internal Service Funds

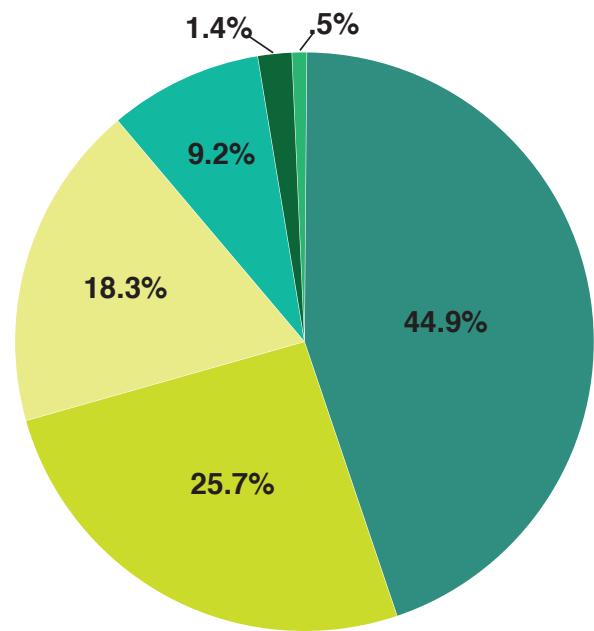
\$14,750,052

Private Trust Fund

\$2,268,255

Debt Service Fund

\$863,671



Enterprise Funds (44.9%)

Enterprise funds function like their own separate business. The City has five major enterprise funds, sewer, water, solid waste and the airport. They receive revenues primarily from charges for their services for example utility bills in the case of water, sewer, and solid waste, and lease and hanger rental fees in the case of the airport. The revenues are legally restricted and only can be used to support expenses of providing those services.

Internal Service Funds (9.2%)

These funds support centralized services that serve all other departments of the City, like insurance and the Information Technology Department. They are funded by charging all other City departments and funds.

Private Trust Fund (1.4%)

Fund for the Successor Agency of the Former Redevelopment Agency.

General Fund (25.7%)

They City's primary operating fund that supports core city services. The primary revenue streams are general taxes which makes it the least restricted, most flexible fund in the City.

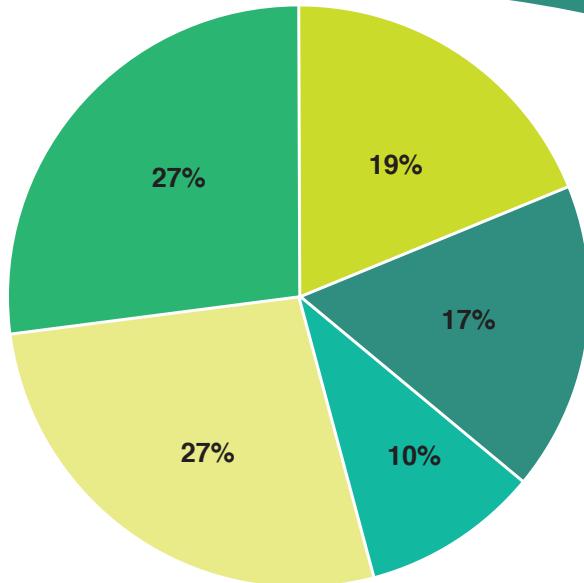
Special Revenue Funds (18.3%)

Accounts for revenues that can only be used for specific purposes. The primary revenues are restricted special taxes like Gas and Transportation taxes, Measure Y Public Safety Sales tax, and the Library sales tax. Other special funds are Grants, Impact Fees, and other restricted charges.

Debt Service Fund (.5%)

Supports debt service costs from transfers from the other funds to pay the debt obligations of the City.

WHERE THE MONEY GOES ALL FUNDS



UTILITIES \$42,786,123

These departments provide the most core services to our community, including Water, Waste-Water, and Garbage Collection to ensure our community has healthy clean homes and public spaces.

27%

COMMUNITY INFRASTRUCTURE \$43,564,822

Includes Community Development, Streets, and Facilities Maintenance ensures that all buildings in our community are up to code and our streets are maintained.

27%

SAFETY \$29,686,394

The Police and Fire Departments serve and protect our community both before and during an emergency. Both departments provide outreach and activities and prevention services to our community in the hopes that we never find ourselves in an emergency. But when we need them, they're there to serve.

19%

CITYWIDE INTERNAL SUPPORT & ADMINISTRATION \$27,564,913

Includes the departments of City Clerk, City Manager, City Council, Finance, and Information Services. These are the functions that support the core services offered by the direct service departments and provide the policy, guidance, and structure around which the other departments must operate.

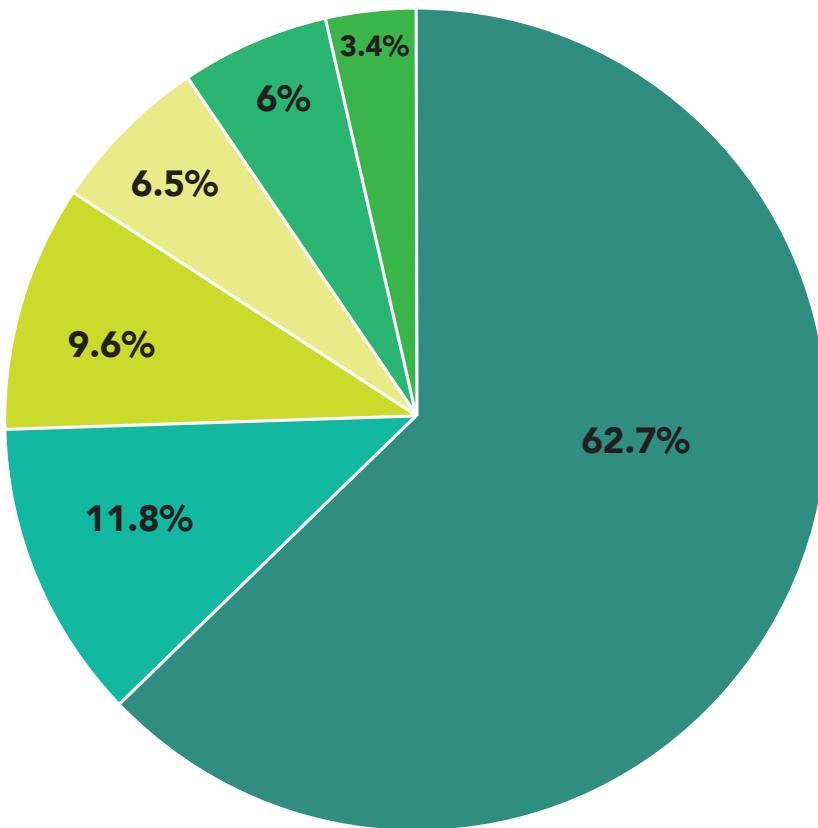
17%

COMMUNITY SERVICES \$16,418,158

Includes our Library, Recreation and Parks, Airport, and Redevelopment and Housing departments. These departments make sure our community thrives by providing knowledge, fun, shelter, and economic development.

10%

GENERAL FUND REVENUES



GENERAL BUDGET BY REVENUES
\$41,078,892

The General Fund is the most flexible source of the City's funding because it is generated primarily by general taxes the two largest being property and sales tax. It is the City's chief operating fund and becomes the most discussed fund in the City because it has the most flexibility.

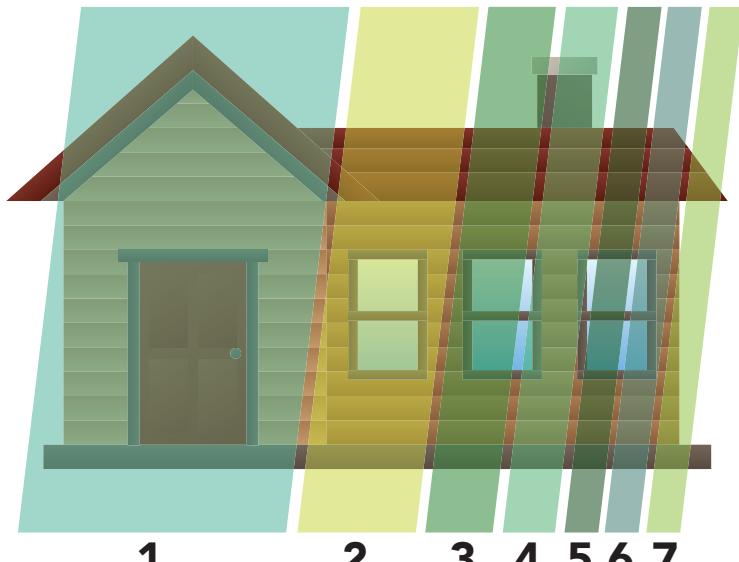
Taxes	25,763,531
Charges for Services	4,843,848
Transfers In	3,952,808
Use of Money and Property	2,677,590
Fund Balance	2,457,500
Other	1,383,615
TOTAL	\$41,078,892

HOW ARE TAXES DISTRIBUTED

PROPERTY TAX

For each dollar of property tax an owner pays, 17 Cents goes to the City General Fund

PVUSD \$0.4244 1	CITY GEN. FUND \$0.1734 2	S.C. GENERAL FUND \$0.1141 3
ERAF - SHARE OF SC COUNTY GENERAL FUND \$0.09531 4	CABRILLO COLLEGE \$0.0636 5	ERAF - SHARE OF WATSONVILLE GENERAL FUND \$0.05879 6
OTHER <ul style="list-style-type: none"> • COUNTY SCHOOL SERVICE • PAJARO STROM DRAIN MAINTENANCE • P.V. PUBLIC CEMETERY • COUNTY LIBRARY • S.C. FLOOD CONTROL ZONE 4 • S.C. FLOOD CONTROL GENERAL \$0.07036		
7		



SALES TAX

For each dollar of sales tax a customer pays, 14 cents go directly to the General Fund. The City also receives a number of Special Sales tax allocations either direct as in Measure Y Public Safety, or filtered through the county or state as in the case of the Library.



GENERAL FUND HOW IT'S USED

The General Fund supports a variety of operational expenditures including materials and supplies, and contracts. As a service based organization, personnel is the largest expense. Across all departments, 81% of General Fund money is spent to fund 217.04 positions across all departments.



PUBLIC SAFETY

Police - \$18,951,725
Fire - \$7,150,127

CITYWIDE INTERNAL SUPPORT & ADMINISTRATION

General Government - \$2,284,873
Non Departmental - \$2,301,470
Finance - \$1,590,665
City Clerk and City Attorney - \$916,149

COMMUNITY SERVICES

Recreation - \$2,009,550
Parks - \$1,399,267
Library - \$541,484

COMMUNITY INFRASTRUCTURE

CDD - \$1,877,969
Streets - \$923,443
Capital - \$645,500
Facilities Maintenance - \$486,670

\$39 MILLION - FY 2020-2021 CAPITAL IMPROVEMENT PROJECTS

The capital budget accounts for funding programmed to build, repair, and update the City's infrastructure such as roads, buildings, parks, water and sewer lines, and the City's fleet of vehicles.

In the FY 2020-21 budget, \$39 million is programmed to be spent on Capital projects. \$16.5 million will go towards new projects, while \$22.5 million is being carried forward from projects not yet completed.

Due to the size and complexity of these projects, they often take multiple years of planning, design and construction to complete. This is why the City maintains a 5 year CIP document/budget since some projects are carried forward from year to year.



WATER
\$1,697,309



SOLID WASTE
\$2,586,478



SEWER
\$8,042,760



PARKS & REC
\$2,516,322



**STREETS,
SIDEWALKS/TRAILS**
\$9,702,102



**INNOVATION &
TECHNOLOGY**
\$838,203



**DOWNTOWN
SPECIFIC PLAN**
\$717,578



**PUBLIC SAFETY
BUILDINGS & VEHICLES**
\$636,290

Misc Repairs \$276,000