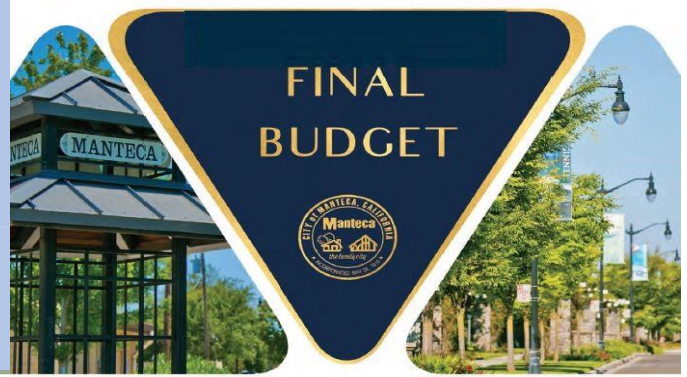


2019-2020 Budget in Brief



The City of Manteca is a thriving city with a small town feel at the crossroads of California whose heart is rooted in family values, patriotic tradition, and community service. We embrace diversity, innovation, and recreation. We are the Family City.

Introduction

On behalf of the City Manager and Finance Director, the proposed municipal budget for Fiscal Year 2019-20 is being presented for Council's Approval. The proposed budget represents the implementation plan for executing the City Council's goals, policies and objectives for the upcoming year. The City is well positioned for the future with the growth forecasts beyond the 81,000 residents now, robust development activity, and prudent fiscal reserve balances that should weather the next recession well. PERS remains a concern for long-term sustainability, as well as negotiated MOU's with employees that are still pending.

As the next fiscal year begins, the local economy continues to grow with gains in the housing market for both new and resale homes continue to near record levels. Consumer spending continues due to a strong job market, low unemployment, federal tax cuts and household income gains.



Economic Conditions

Sales tax and property tax continue to comprise the largest components of the General Fund revenue stream and are the primary indicators of the strength of our local economy. California sales tax receipts through December 2018 increased .1% over the same quarter for the previous year. The City of Manteca surpassed that growth with an increase of 5.4%. Additional opportunities to expand exist at the Promenade Shops at Orchard Valley and in the Stadium Center. Some of the businesses recently opened or approved for construction include: Hibbett Sports, Chevron/Circle K, Chick-Fil-A, Living Spaces, Staybridge Suites, Doctor's Hospital Class A medical office space, and additional CenterPoint industrial space under development. Great Wolf Lodge is under construction for their 500 room resort with an indoor waterpark, family entertainment and several restaurants and plans to open in the summer of 2020. Economic Development staff continues to be diligent in attracting new business to our community while working on retention for our current business.



As a result of the expanded property base and recovery in the housing market, property tax assessments for Fiscal Year 2018-19 grew by 12% in secured property tax. For Fiscal Year 2019-20, property tax is again projected to increase by 7.5% due to the continued expansion of the new housing market and the development of additional retail and commercial properties.

Through new and diversified partnerships and continued economic development, the City will identify new sources of revenue, which will allow us to shore up our fiscal stability and move us to the necessary financial resiliency to address changing economic conditions.

Budget Goal Setting

On February 19, 2019, a mid-year budget update was brought to Council and on June 4, and June 11, 2019, budget study sessions were held to discuss Council goals and prioritize future projects.

The following goals were determined to remain top priority for Council

1. Public Safety
2. Fiscal Stability
3. Quality of Life
4. Facilities and Infrastructure
5. Effective and Efficient Government
6. Planned Managed Growth

Conclusion

The budget season for FY2019-20 began early January with orienting the new City Council, in establishing new Council goals and priorities, facilitating capital and personnel needs requested by departments, updating the budget and mid-year, and the multiple budget sessions in April and June. The final budget as proposed includes considerable capital funding with some milestone projects underway that will forever change the community.

We serve among professional and caring staff who have the city's best intent in mind, and together we are all committed to ensuring we are operating in efficient and sustainable ways.

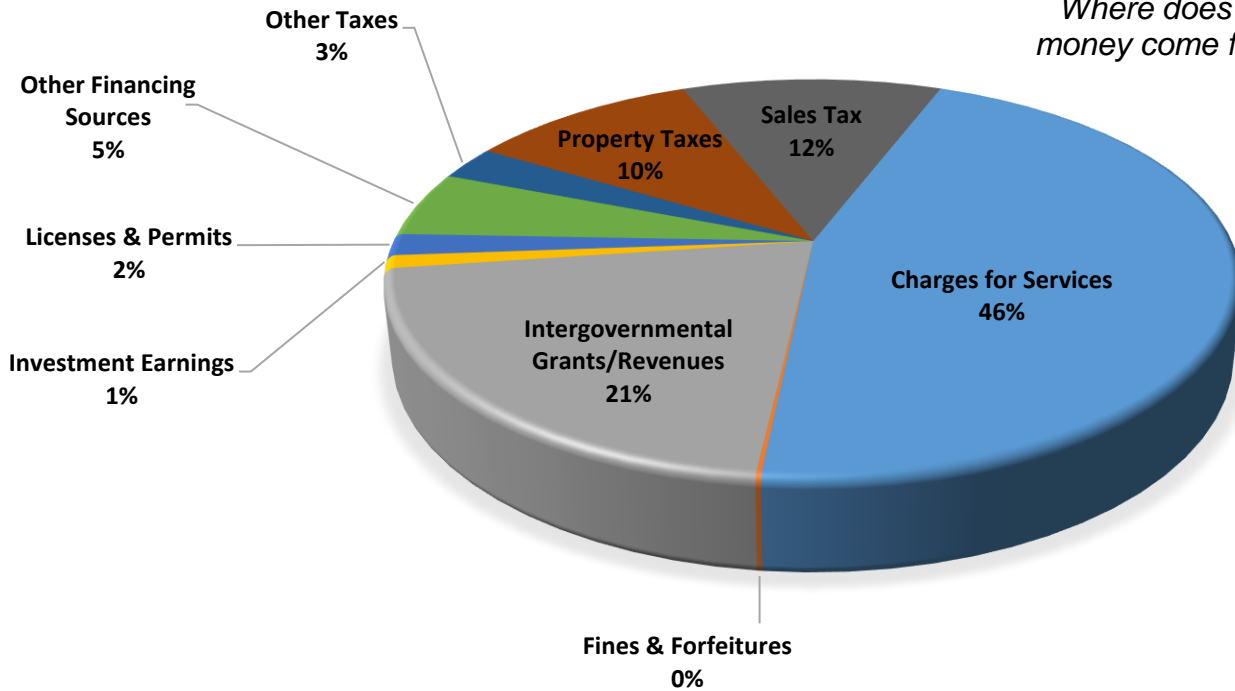
We have challenges yet to solve with more expenses than revenues afford and high expectations of service levels from the citizens, but together with the City Council's support and vision, we will do what we can with what we have.



Citywide Budget Overview

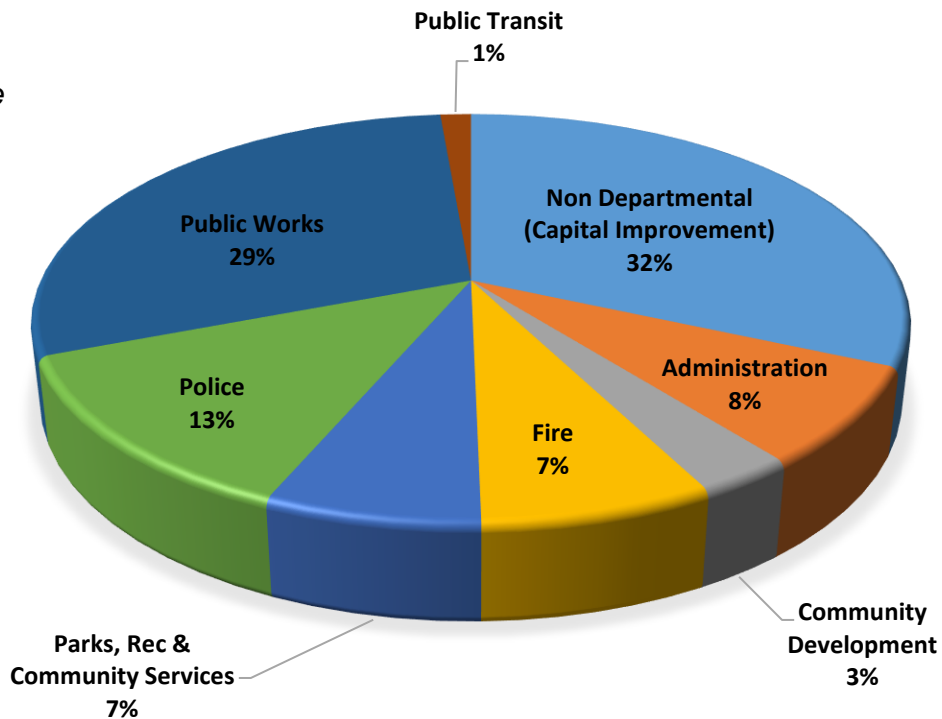
City of Manteca FY2019-20 Projected Revenues: \$182,007,853

Where does the money come from?



City of Manteca FY2019-20 Budget: \$180,442,297

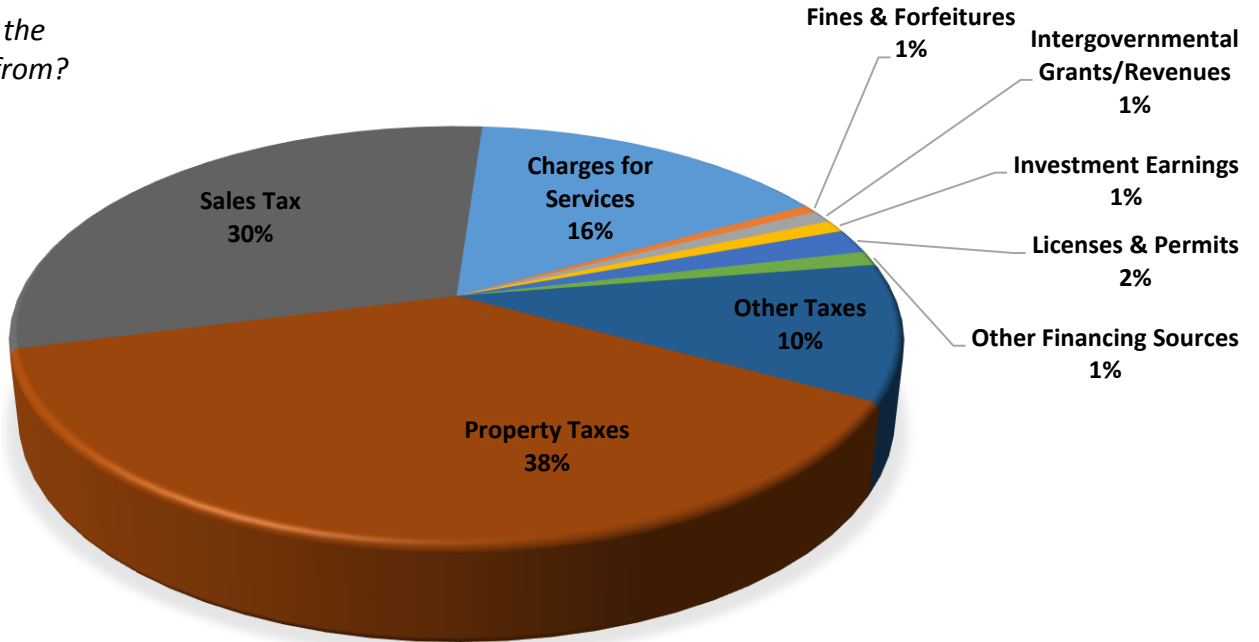
Where does the money go?



General Fund Budget Overview

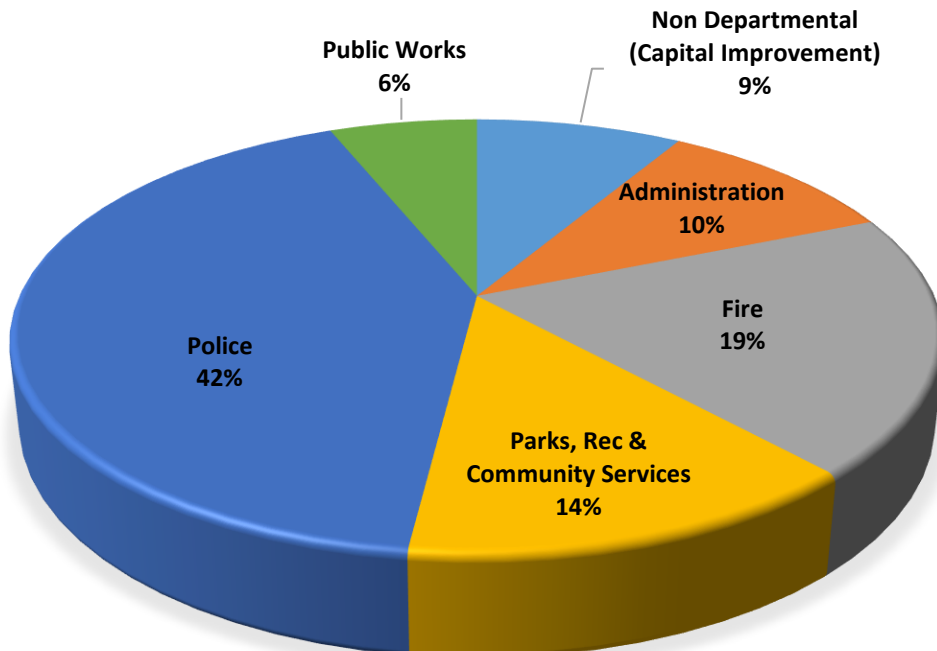
City of Manteca FY2019-20 General Fund Projected Revenues: \$46,926,076

Where does the money come from?



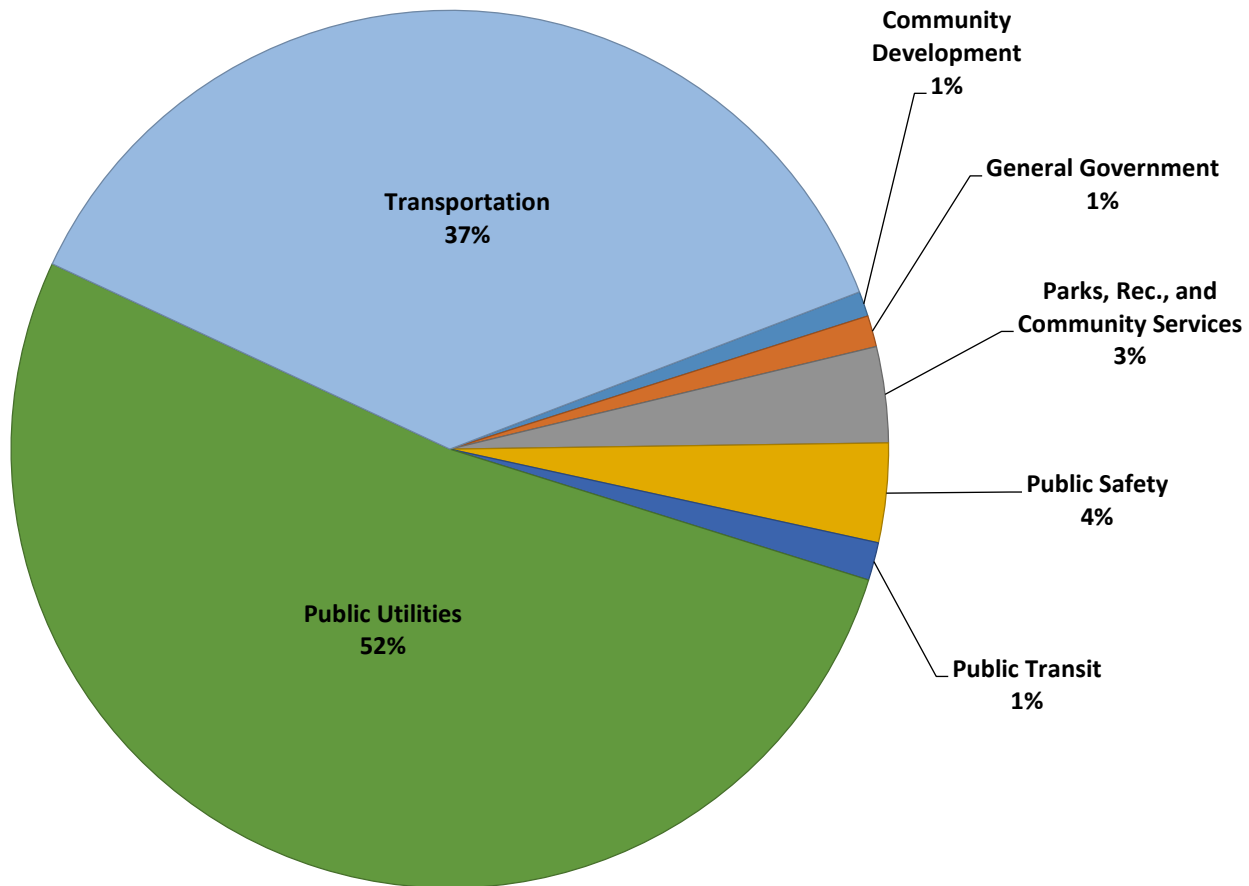
City of Manteca FY2019-20 General Fund Budget: \$45,458,962

Where does the money go?



Capital Budget Highlights

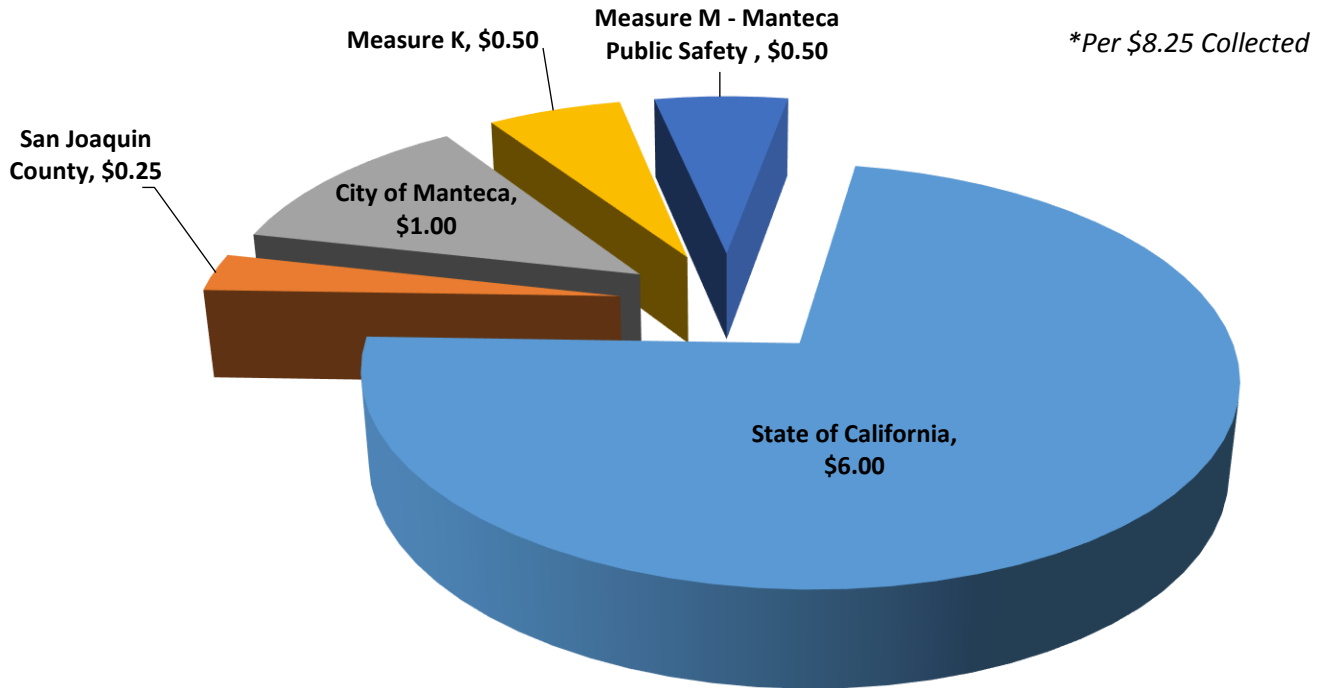
Fiscal Year 2019-20 New Funding CIP Requests by Program	Total	Existing Funds	New Requests	Unfunded Requests
Community Development	\$2,319,720	\$1,792,220	\$527,500	
General Government	\$2,893,000	\$966,000	\$451,000	\$1,476,000
Parks, Recreation and Community Services	\$8,860,433	\$4,890,991	\$1,722,442	\$2,247,000
Public Safety	\$9,168,670	\$6,772,835	\$1,834,000	\$561,835
Public Transit	\$3,504,000		\$3,504,000	
Public Utilities	\$130,813,760	\$115,398,248	\$14,618,512	\$797,000
Transportation	\$93,437,133	\$65,662,488	\$27,274,645	\$500,000
Total	\$250,996,716	\$195,482,782	\$49,932,099	\$5,581,835



Where Your Taxes Go

Sales Tax

For every taxable dollar you spend in Manteca, you spend \$8.25 in sales tax for every \$100 purchase. Of that \$8.25, the City of Manteca receives \$1.00 for the General Fund and \$0.50 for Public Safety.



Measure M – Public Safety Sales Tax

In November 2006, the citizens of Manteca passed a one-half-cent sales tax for public safety. As part of the adoption of this sales tax measure, a Citizen's Oversight Committee was formed to ensure that all expenditures meet the guidelines set forth in the adopted ordinance. Sales tax projections for fiscal year end June 30, 2019 are projected to be \$6.8 million and \$7.3 million for the upcoming year of 2019-20.

Measure K – Transportation Tax

Measure K is the half cent sales tax for Transportation projects. Fiscal Year 2018-19 Measure K revenue estimates are \$3.2 million and \$12.6 million is projected for Fiscal Year 2019-20. Projects funded by Measure K include: 120/McKinley Interchange, Yosemite Ave: Main to Cottage, 120/Union Road Interchange, Main Street: Yosemite to Atherton, Mayor's Park Subdivision Pavement Project, Non-Motorized Transportation Plan and the Spreckles Avenue Rehabilitation.

Where Your Taxes Go

SB1 – Transportation Funding

SB1 Transportation funding comes from the 12-cent per gallon increase in the gasoline excise tax. On April 28, 2017, the Governor signed SB1 – the Road Recovery and Repair Act of 2017, which provides State funding to municipalities for transportation needs. In Fiscal Year 2019-20, the City estimates it will receive \$1.2 million with another \$1.3 million in Fiscal Year 2019-20. Projects funded by SB1 include: Yosemite Ave: Main to Cottage, Mayor’s Park Subdivision Pavement Project, and the 2019 Annual Pavement Maintenance Project.

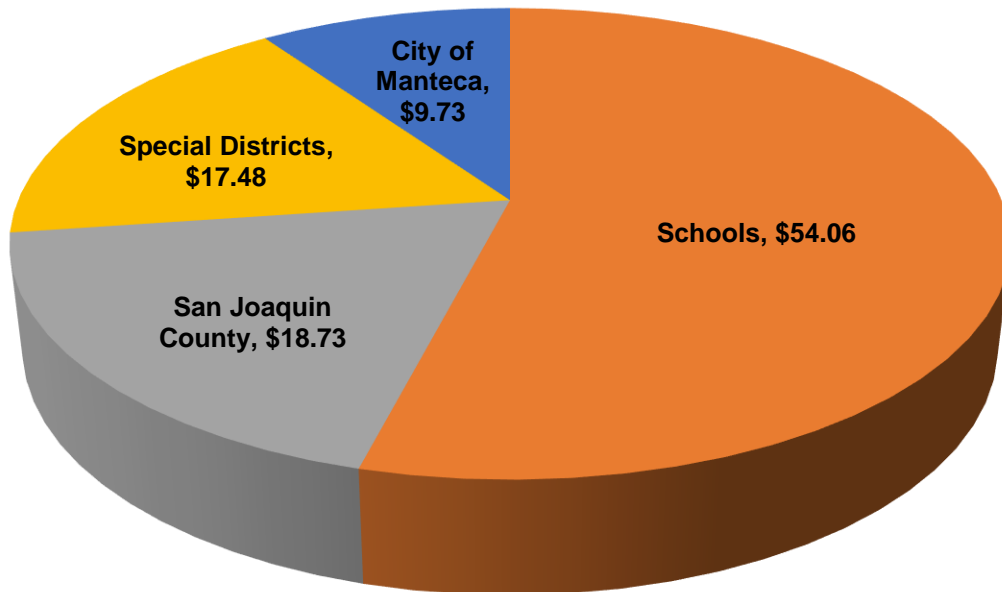
Transient Occupancy Tax (TOT)

The Transient Occupancy Tax (TOT) is charged to travelers for rental accommodations in a hotel, inn, tourist home/house or motels in Manteca. TOT revenues are part of the City’s General Fund. FY2018-19 TOT revenue is estimated to be \$1.3 million. In December 2018, voters approved Measure J, increasing the TOT from 9% to 12%. Fiscal Year 2019-20 TOT revenues are projected to be \$1.7 million.

Property Tax

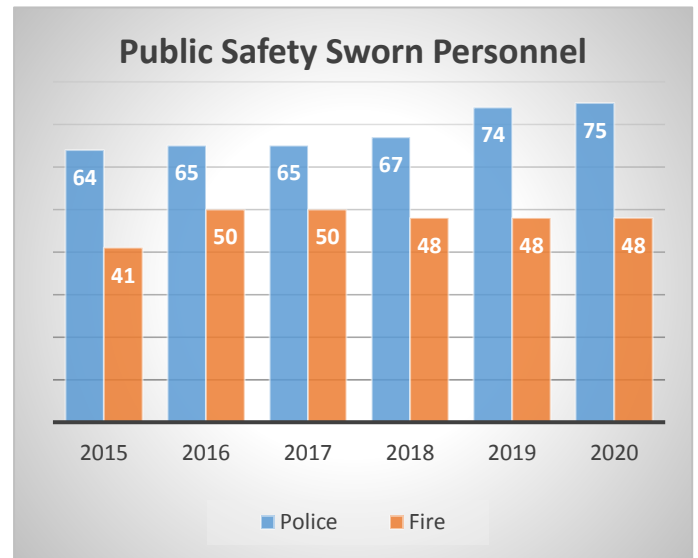
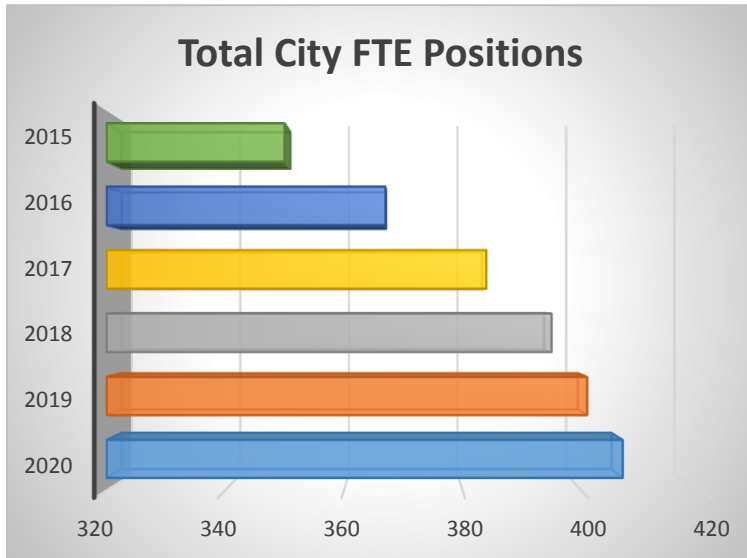
When you pay your property tax, the city of Manteca receives on average only \$9.73 of every \$100 paid.

**Per \$100 Collected*



Personnel Summary

In coordination with the preparation of the Fiscal Year 2019-20 budget, personnel requests were reviewed for consistency and equity. Upon review, positions were identified for proposed reclassification and others are recommended for addition. Details of all the recommendations can be found in the Personnel Summary Section of the budget with related costs. In recommending these reclassifications and additions to personnel, funding allocations were reviewed to ensure any impact would be sustainable. Although requests for personnel of \$1.3 million were unable to be fully funded, this budget includes \$676,215 in personnel additions or reclassifications.



City Council Members

Benjamin J. Cantu, Mayor
David Breitenbucher, Vice Mayor
Debby Moorehead, Council Member
Gary Singh, Council Member
Jose Nuño, Council Member

Executive Management Members

Tim Ogden, City Manager
Jeri Tejeda, Finance Director
Lisa Blackmon, City Clerk
Jodie Estarziau, Chief of Police
Kevin Fant, Parks and Recreation Director
Mark Houghton, Public Works Director
Kyle Shipherd, Fire Chief
Greg Showerman, Community Development Director

Acknowledgements

Developing the Budget is a team effort, involving the time and expertise of department managers, finance staff, as well as City staff. It is because of this team's commitment to the City of Manteca that this budget is made possible. With Council's continued support of long-term planning and willingness to provide leadership in difficult circumstances, together we can develop a plan for the long-term financial stability of our City.