



FY 2010-2011

3rd Quarter Financial Review
Year-End Estimate

January 24, 2011



Q3 Financial Review

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Q3 General Fund Revenue Overview

- The City ended Q3 of FY10-11 in predicted financial condition
- Most FY10-11 revenues have held consistent with budget targets
- Q3 General Fund revenues are \$60.3M, or 69.4% of budget – some revenues are not received evenly throughout the year.

Revenues	Budget	Actual	% of Budget
Property Tax	\$16,549,600	\$ 7,772,879	47.0%
Sales Tax	14,434,000	11,729,213	81.3%
State Income Tax	5,717,000	4,448,156	77.8%
Utility Tax	8,484,000	3,320,585	39.1%
Real Estate Transfer Tax	1,600,000	1,514,277	94.6%
Liquor Tax	2,050,000	1,618,774	79.0%
Other Taxes	5,176,700	5,531,510	106.9%
Licenses, Permits, Fees	8,319,900	4,758,065	57.2%
Charges for Services	10,516,700	7,733,343	73.5%
Intergovernmental Revenues	785,500	569,074	72.4%
Interfund Transfers	7,336,200	5,527,916	75.4%
Other Non-Tax Revenue	5,904,300	5,775,671	97.8%
Total Revenues	\$86,873,900	\$60,299,463	69.4%



Q3 General Fund Revenue Highlights

- Approximately \$9.3M of first property tax installment has been received, although \$1.5M of this amount was credited to FY09-10.
- Real estate transfer tax revenues through Q3 are approximately 95% of the FY10-11 budget estimate.
- Licenses, particularly vehicle licenses are below budget due to the seasonal nature of collections – November thru February.
- Building and other permits are slightly above budget through Q3.
- Sale of Chiaravalle property was realized in the current fiscal year - \$1.9M.
- Delay on receiving State revenues (income tax) and property tax revenues.
- Other revenues are generally on track with budget targets for FY10-11, with the exception of yard waste sticker sales.



Q3 General Fund Expenditure Overview

- FY10-11 expenditures have been held below budget targets
- Q3 General Fund expenditures are \$62.3M or 71.9% of budget.
- Some expenditures / disbursements are not made evenly throughout the year.

Expenditures	Budget	Actual	% of Budget
Legislative	\$ 603,194	\$ 442,530	73.4%
City Administration	1,952,348	1,090,023	55.8%
Legal	1,026,853	704,594	68.6%
Administrative Services	8,770,765	6,351,340	72.4%
Community Development	3,885,366	2,872,126	73.9%
Police	21,776,503	16,445,224	75.5%
Fire	12,329,910	9,292,192	75.4%
Health	2,307,906	1,429,021	61.9%
Public Works- Operating	12,899,123	8,590,479	66.6%
Library	4,217,872	2,969,316	70.4%
Parks, Rec. & Comm. Serv.	16,808,920	12,093,679	71.9%
Total Expenditures	\$86,578,760	\$62,280,524	71.9%



Q3 General Fund Expenditure Highlights

City Manager Expense Reduction Policy

- Hiring Freeze – Involving targeted positions
- Spending Freeze – All non-essential spending has been curtailed for the remainder of the year.
- Expenditure Control – Expenditures over \$1,000 require approval from the City Manager's Office.
- Training and Travel – All requests for training and travel must be justified. Out-of-state travel requires approval from the City Manager's Office.



Q3 Enterprise Fund Overview

Water Fund	Budget	Actual	% of Budget
Revenues	\$17,455,781	\$10,411,408	59.6%
Expenses	\$20,087,061	\$10,321,466	51.4%
Sewer Fund	Budget	Actual	% of Budget
Revenues	\$14,288,000	\$10,399,633	72.8%
Expenses	\$17,507,580	\$11,604,699	66.3%
Parking Fund	Budget	Actual	% of Budget
Revenues	\$12,071,800	\$ 7,139,759	59.1%
Expenses	\$11,357,117	\$ 3,995,356	35.2%



Q3 Enterprise Fund Highlights

Revenues:

- Through Q3, Parking and Water Fund revenues are approximately 16% below budget targets, which relates to an Interfund transfer (Parking) and the sale of bonds in the amount of \$3.5M (Water).
- Sewer Fund revenues are slightly below estimates (consumption).

Expenditures:

- Expenses for the Parking, Water and Sewer Funds are tracking below budget.
- Parking expenses are approximately 40% below budget. Water expenses are also down, due to the delay of some CIP projects.
- Since there are timing delays in paying invoices, staff anticipates all three funds will be close to budget expenditure estimates for FY10-11, unless otherwise noted.



Year-End Estimate – General Fund

Description	FY 2010-11 Budget	FY 2010-11 Department Estimates	FY 2010-11 Actual as of 12/31/10 (10 months)	January & February Estimates	Year-End Estimates
OPERATING REVENUES	\$86,873,900	\$85,812,229	\$72,343,030	\$12,000,943	\$84,343,973
TOTAL EXPENDITURES	\$86,578,760	\$85,423,433	\$68,317,197	\$17,500,000	\$85,817,197
NET SURPLUS (DEFICIT)	\$ 295,140	\$ 388,796	\$ 4,025,835		\$(1,473,222)



Year-End Estimate – General Fund Revenue

DESCRIPTION	JANUARY	FEBRUARY	Total
PROPERTY TAX	\$ 1,000,000	\$ -	\$ 1,000,000
PERSONAL PROP. REPLACEMENT TAX	\$ 35,000	\$ 125,000	\$ 160,000
SALES TAX	\$ 599,119	\$ 663,781	\$ 1,262,900
HOME RULE TAX	\$ 391,516	\$ 418,696	\$ 810,212
USE TAX	\$ 61,861	\$ 49,200	\$ 111,061
INCOME TAX	\$ 580,897	\$ 359,441	\$ 940,338
ELECTRIC UTILITY TAX	\$ 265,265	\$ 253,953	\$ 519,218
GASOLINE TAX	\$ 64,800	\$ 46,710	\$ 111,510
GAS UTILITY TAX	\$ 172,188	\$ 193,175	\$ 365,363
GAS USE TAX	\$ 114,500	\$ 89,150	\$ 203,650
TELECOMMUNICATION TAX	\$ 300,000	\$ 262,291	\$ 562,291
VEHICLE LICENSES	\$ 1,000,000	\$ 200,000	\$ 1,200,000
BUSINESS LICENSE	\$ 10,000	\$ 20,000	\$ 30,000
PERMITS	\$ 100,000	\$ 70,000	\$ 170,000



Year-End Estimate – General Fund Revenue

DESCRIPTION	JANUARY	FEBRUARY	Total
LIQUOR LICENSES	\$ 15,000	\$ 15,000	\$ 30,000
LIQUOR TAX	\$ 88,375	\$ 315,125	\$ 403,500
FINES	\$ 250,000	\$ 250,000	\$ 500,000
ATHLETIC TAX	\$ -	\$ 450,000	\$ 450,000
CIGARETTE TAX	\$ 40,000	\$ 40,000	\$ 80,000
PARKING TAX	\$ 75,000	\$ 75,000	\$ 150,000
REAL ESTATE TRANSFER	\$ 95,000	\$ 38,200	\$ 133,200
CABLE FRANCHISE FEES	\$ -	\$ 275,000	\$ 275,000
RECREATION CHARGES	\$ 200,000	\$ 200,000	\$ 400,000
SANITATION/RECYCLING	\$ 130,000	\$ 130,000	\$ 260,000
AMBULANCE SERVICES	\$ 75,000	\$ 75,000	\$ 150,000
TRANSFERS FROM OTHER FUNDS	\$ 611,350	\$ 611,350	\$ 1,222,700
YARD WASTE	\$ -	\$ -	\$ -
OTHER REVENUES	\$ 250,000	\$ 250,000	\$ 500,000
TOTAL	\$6,524,871	\$5,476,072	\$ 12,000,943



Year-End Estimate – General Fund Expenditures

Description	FY 2010-11 Budget	FY 2010-11 Department Estimates	FY 2010-11 Actuals as of 12/31/10 (10 months)	% of Total Budget (Target: Below 83%)	Remaining Budget Balance
LEGISLATIVE	\$ 603,194	\$ 585,207	\$ 482,154	79.93%	\$ 121,040
CITY MANAGER'S OFFICE	1,952,348	1,992,450	1,184,643	60.68%	767,705
LEGAL ADMINISTRATION	1,026,853	1,023,186	775,109	75.48%	251,744
ADMINISTRATIVE SERVICES	8,770,765	9,529,496	7,060,614	80.50%	1,710,151
COMMUNITY & ECONOMIC DEVELOPMENT	3,885,366	3,408,854	3,128,881	80.53%	756,485
POLICE	21,776,503	21,046,966	18,154,375	83.37%	3,622,128
FIRE	12,329,910	12,289,085	10,204,960	82.77%	2,124,950
HEALTH	2,307,906	2,070,072	1,555,600	67.40%	752,306
PUBLIC WORKS	12,899,123	12,555,795	9,343,402	72.43%	3,555,721
LIBRARY	4,217,872	4,326,911	3,287,641	77.95%	930,231
PARKS, RECREATION & COMM. SERV.	16,808,920	16,595,411	13,139,816	78.17%	3,669,104
TOTAL EXPENDITURES	\$ 86,578,760	\$ 85,423,433	\$ 68,317,195	78.91%	\$ 18,261,565



Year-End Estimate – Highlights

- Revenues
 - Delays in receipts – income tax – six months behind
 - Reduction in State revenue – income tax – no word yet
 - Water, Sewer and Parking Fund revenues – lower than expected
 - Estimates for service charges – such as yard waste – much lower than expected

- Expenditures
 - Impact of spending restrictions – most departments below target
 - Payroll and Overtime – most departments below target
 - Q4 estimates – snow and ice – final expenditures still unknown
 - Other fund expenses – particularly insurance fund
 - Deficit of \$841,683 (Q3) – further analysis needed before year end



Year-End Estimate – General Fund

- Summary of Year End

■ <u>Revenue</u> – December 31, 2010	\$72,343,030
■ Additional revenue anticipated:	
■ January	\$ 6,524,871
■ February	<u>\$ 5,476,072</u>
	Total \$84,353,973
■ <u>Expenditures</u> – December 31, 2010	\$68,317,197
■ Additional expenditures anticipated:	
■ Payroll	\$12,500,000
■ Bills List	<u>\$ 5,000,000</u>
	Total \$85,817,197



Year-End Estimates – Other Funds

Revenues:

- Parking and Water Fund revenues (transfer and bonds) will be below targets.
- Sewer Fund revenues will be slightly below budget (consumption).

Expenses:

- Expenses for the Parking, Water (CIP) and Sewer Funds will come in below budget.
- Since there are timing delays in paying invoices, staff anticipates all three funds will be close to budget expenditure estimates for FY10-11, unless otherwise noted.



Summary and Solutions

- Summary
 - Revenues and Expenditures will most likely not meet projections, possibly resulting in a deficit in the General Fund – currently estimated at \$1.5M.
 - Revenues and Expenses will be close to target or below target in the Enterprise funds.
- Solutions to Address Possible Deficit
 - Continue to track revenues to determine if gap can be narrowed after year-end receipts analyzed – sales, real estate transfer taxes and permit revenue
 - Transfer from other funds – Economic Development, TIFs and Compensated Absences
 - Consider use of General Fund reserve – Currently \$13,175,781 – required to keep between 10 and 12% of budget (8.7M to 10.5M).



Questions and Comments?