



## Budget Report First Quarter – FY14/15

### **Overview:**

This report summarizes the City's overall financial position for the current fiscal year through September 2014. Except as noted below, revenue and operating expenditures are generally consistent with annual projections.

### **Fiscal Year 2013/2014 Recap**

The numbers presented in the Fourth Quarter Budget Report were prepared prior to receiving all year-end accrual amounts. The updated ending General Fund Unassigned Fund Balance is \$1,076,600, which is approximately \$12,000 less than the projected amount. A recap of Fiscal Year 2014/2015 is provided below:

General Fund	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	Percent	
<b>Beginning Fund Balance</b>	<b>\$746,800</b>	<b>\$ 746,800</b>		<b>\$548,500</b>
Revenues	14,344,000	14,474,700	101%	\$14,392,400
Expenditures	12,155,900	11,911,100	98%	11,605,500
<b>Operating Subtotal</b>	<b>2,188,100</b>	<b>2,563,600</b>		<b>2,786,900</b>
<b>Other Financing:</b> (CIP, Debt Serv., Reserves)	2,233,700	2,233,800	100%	2,588,600
<b>FY 13/14 Difference</b>	<b>(45,600)</b>	<b>329,800</b>		<b>198,300</b>
<b>Est. Year-End Fund Balance</b>	<b>\$ 701,200</b>	<b>\$ 1,076,600</b>		<b>\$ 746,800</b>
Fund Balance Appropriated in FY 15/16		550,000		
<b>Adjusted Fund Balance</b>		<b>\$ 526,600</b>		

During the Fiscal Year 2014/15 Budget Study Sessions, Council appropriated \$475,000 of the fund balance towards the following priorities in the Fiscal Year 2014/15 Budget:

- Contingency/Emergency Reserves: \$200,000
- Capital Improvements: \$200,000
- Facilities Reserve Fund: \$75,000

An additional \$75,000 of the remaining fund balance was earmarked for ADA projects as part of the Five-Year CIP presentation.

### **Fiscal Year 2014/15 General Fund - First Quarter Results:**

The fiscal year is 25% complete. The General Fund revenues are 13% of the annual projections, while expenditures are at 22%. Although revenues received are less than 25% of the budget, this variation is typical due to revenue receipting streams. The negative operating difference can be covered from the General Fund balance or through short-term loans from the Contingency Reserve Fund. The City's expenditures are primarily consistent with the number of payrolls processed through September 30, 2014.

General Fund	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	Percent	
Revenues	\$ 14,284,050	\$ 1,805,910	13%	1,828,125
Expenditures	12,512,449	2,757,760	22%	2,766,332
Operating Subtotal	1,771,601	(951,850)		(938,207)
<b>Other Financing:</b> (CIP, Debt Service, Reserves)	2,270,025	-	-	60,000
<b>FY13/14 Difference</b>	<b>\$ (498,424)</b>	<b>\$ (951,850)</b>		<b>\$ (998,207)</b>

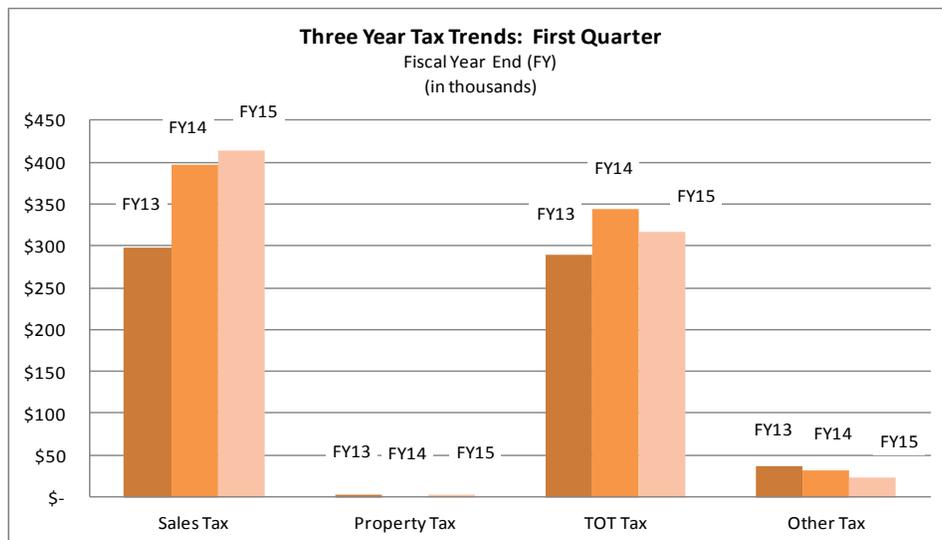
**Key Revenues:**

Revenue	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used / Rec'd	
<b>Taxes:</b>				
Property Taxes	\$ 1,762,900	\$ 2,910	0%	\$ -
Sales and Use Tax	7,318,600	414,300	6%	397,200
Document Transfer Tax	-	-	-	5,631
Business License Tax	280,800	4,402	2%	6,324
Franchise Tax	485,200	18,894	4%	19,517
TOT Tax	1,251,000	316,338	25%	344,614
<b>Subtotal - Taxes</b>	<b>\$ 11,098,500</b>	<b>\$ 756,844</b>	<b>7%</b>	<b>\$ 773,286</b>
<b>Other:</b>				
Licenses and permits	\$ 254,450	\$ 57,882	23%	\$ 68,538
Intergovernmental revenues	168,700	12,949	8%	21,086
Charges for services	1,921,400	783,272	41%	768,218
Fines and forfeitures	718,800	159,173	22%	156,263
Use of money & property	51,800	5,956	11%	5,678
Other revenues	70,400	29,834	42%	35,056
Other financing sources	0	0	0%	-
Extraordinary Items	0	0	0%	-
<b>Subtotal - Other Revenues</b>	<b>3,185,550</b>	<b>1,049,066</b>	<b>33%</b>	<b>1,054,839</b>
<b>Total Revenues</b>	<b>\$ 14,284,050</b>	<b>\$ 1,805,910</b>	<b>13%</b>	<b>\$ 1,828,125</b>

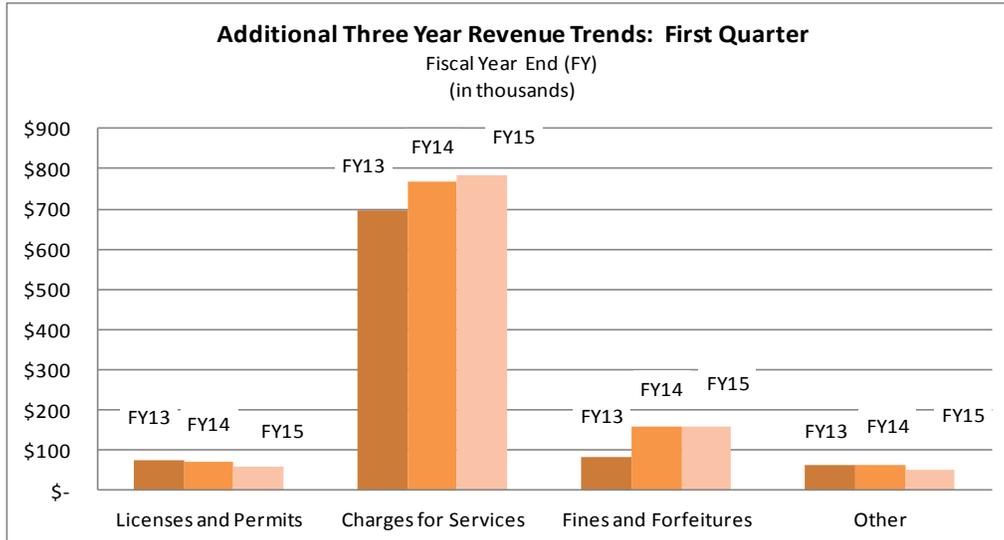
Taxes

The City receives sales, property, franchise, and business license taxes on alternate schedules. Due to the year-end accruals and timing of revenue receipts, only 7% of tax revenues were received in the First Quarter of FY 13/14. This trend is consistent with prior years. The 7% primarily reflects the receipt of Transient Occupancy Tax (TOT) and one month of sales tax revenues. TOT revenues are \$28,276 less than the prior year. This reduction is partially due to delayed reimbursements from a hotel rewards program. The Finance Department will be monitoring TOT trends, and the effect of the rewards reimbursements in subsequent months.

The following chart providing three-year tax trend information is provided for reference:



Additional three-year revenue trend information is presented below:



**Intergovernmental / Use of Money & Property**

Due to reimbursement patterns related to grants, the timing of intergovernmental revenue receipts is variable. While the Use of Money & Property category is fairly consistent with the prior year, \$35,000 in annual projected revenues is scheduled to be invoiced for the Gas Tax Fund’s use of the street sweeper.

**Expenditures:**

All expenditures are relatively consistent with the budget and prior year expenditures. The subsequent notes provide a description of any variances.

Expenditures by Category	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used/ Rec'd	
Personnel	\$ 7,985,744	\$ 1,768,935	22%	1,668,402
Contract Services	2,762,750	626,527	23%	726,254
Training & Memberships	83,545	25,060	30%	24,246
Supplies	550,000	124,576	23%	123,022
Grants and Subsidies	269,763	0	0%	-
Capital Outlay	10,000	0	0%	1,177
Internal Service Fund Charges	850,647	212,662	0%	223,231
Other Financing Uses	2,270,025	0	0%	60,000
<b>Fund Totals: General Fund</b>	<b>\$ 14,782,474</b>	<b>\$ 2,757,760</b>	<b>19%</b>	<b>\$ 2,826,332</b>

Expenditures By Department	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used/ Rec'd	
City Council	\$ 127,115	\$ 32,626	26%	\$ 38,841
City Manager	850,228	183,975	22%	179,493
Personnel	201,926	32,188	16%	37,742
City Attorney	185,000	38,680	21%	29,011
Finance	805,886	130,067	16%	121,681
Community Grants	269,763	-	0%	-
Public Safety	5,968,947	1,349,015	23%	1,418,728
Public Works	2,442,029	538,630	22%	505,273
Community Development & Building	702,830	140,375	20%	131,870
Culture and Leisure	958,725	312,204	33%	303,693
Transfers	2,270,025	-	0%	60,000
<b>Expenditure Totals</b>	<b>\$ 14,782,474</b>	<b>\$ 2,757,760</b>	<b>19%</b>	<b>\$ 2,826,332</b>

Personnel

The personnel numbers presented in this report reflect 21% of the annual payroll; with Recreation salaries reflecting 37% of their annual budget. The Recreation Department salaries peak in the First and Fourth Quarters due to seasonal activities. The FY 14/15 salaries are approximately \$100,000 greater than the prior year due filling vacant positions, an additional Maintenance Worker, and a cost of living increase.

Contract Services

Contract Services are approximately \$100,000 less than the prior year. This is primarily due to timing differences associated with a payment on a Police Department 911 Center contract.

Additional annual variances may exist due to the timing differences in transfers.

Three year expenditure trend information by category is presented in the following chart.

