



# Budget Report

## Third Quarter – FY14/15

### Overview:

This report summarizes the City's overall financial position for the current fiscal year through March 2015. All revenue and operating expenditure trends are generally on target with annual projections.

### News and Information:

#### **Projected FY 14/15 Fund Balance**

The City is projecting an ending FY 14/15 General Fund balance of approximately \$900,000. This positive fund balance is primarily the result of increased sales tax, transient occupancy tax, and property tax revenues. As part of the Fiscal Year 2014/15 Proposed Budget hearings, Council allocated \$475,000 of the fund balance to reserves, capital improvement projects, and a new Facilities Reserve Fund.

### General Fund:

The fiscal year is 75 percent complete. The General Fund revenues are 62 percent of the annual projections, while expenditures excluding transfers are at 64 percent. While it may appear that revenues aren't performing as projected, this pattern is consistent with prior years and the timing of key revenue receipts. In FY 14/15, increased performance in core revenues have increased revenues by \$211,287 over the prior year. The City's expenditures are fairly consistent with the number of payrolls processed through March 31, 2015; while the amount of transfers reflect 40% of the Measure O and fund balance commitments to reserves and CIP. Additional details are provided in the remaining sections.

General Fund	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	Percent	
Beginning Fund Balance	\$ 1,707,866	\$ 1,707,866		
Revenues	14,573,845	9,091,526	62%	\$ 8,880,239
Expenditures	12,611,023	8,632,973	68%	8,462,679
Operating Subtotal	1,962,822	458,553		417,559
Other Financing: (CIP, Debt Service, Reserves)	2,395,025	962,000	40%	1,519,644
FY14/15 Operating Difference	\$ (432,203)	\$ (503,447)		\$ (1,102,085)
Est. Fund Balance	\$ 1,275,663	\$ 1,204,419		

**Key Revenues:**

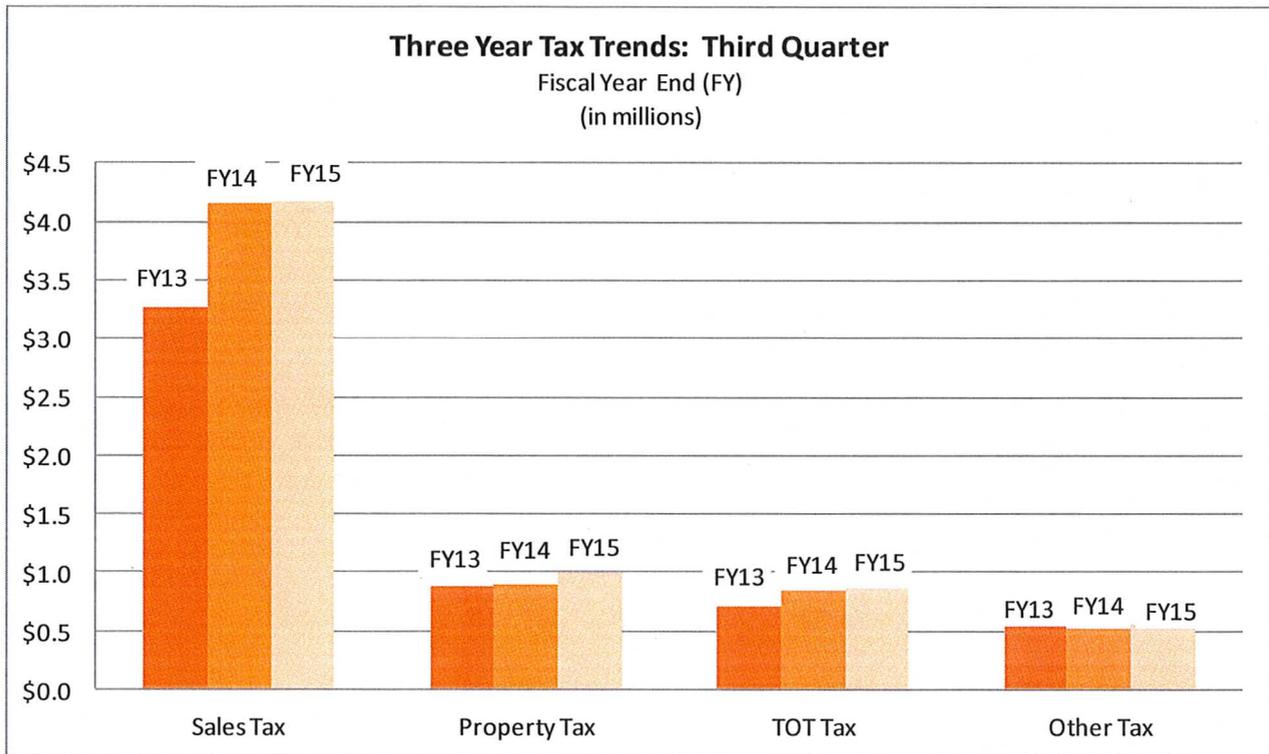
Revenue	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used / Rec'd	
<b>Taxes:</b>				
Property Taxes	\$ 1,904,900	\$ 997,259	52%	\$ 902,965
Sales and Use Tax	7,315,454	4,181,868	57%	4,159,975
Document Transfer Tax	33,200	48,738	147%	34,577
Business License Tax	280,800	272,975	97%	275,850
Franchise Tax	485,200	230,873	48%	203,676
TOT Tax	1,251,800	855,978	68%	853,854
<b>Subtotal - Taxes</b>	<b>\$ 11,271,354</b>	<b>\$ 6,587,691</b>	<b>58%</b>	<b>\$ 6,430,897</b>
<b>Other:</b>				
Licenses and permits	\$ 249,450	\$ 191,063	77%	\$ 205,868
Intergovernmental revenues	235,016	189,899	81%	86,830
Charges for services	1,980,900	1,508,880	76%	1,590,294
Fines and forfeitures	718,800	511,475	71%	480,675
Use of money & property	51,800	50,625	98%	14,105
Other revenues	66,525	51,893	78%	71,570
Other financing sources	-	-	0%	-
Extraordinary Items	-	-	0%	-
<b>Subtotal - Other Revenues</b>	<b>3,302,491</b>	<b>2,503,835</b>	<b>76%</b>	<b>2,449,342</b>
<b>Total Revenues</b>	<b>\$ 14,573,845</b>	<b>\$ 9,091,526</b>	<b>62%</b>	<b>\$ 8,880,239</b>

**Taxes** – The City receives most taxes on alternate schedules; however revenue receipting patterns are consistent with prior years. Due to the timing of revenue receipts only 62 percent of tax revenues were received in the first three quarters of FY 14/15. This includes almost a full year of business license receipts; less than 33 percent of third quarter sales tax receipts; and 50 percent of the estimated property tax revenues. Sales tax receipts are approximately \$22,000 greater than the prior year. TOT year to date revenues are flat with the prior year.

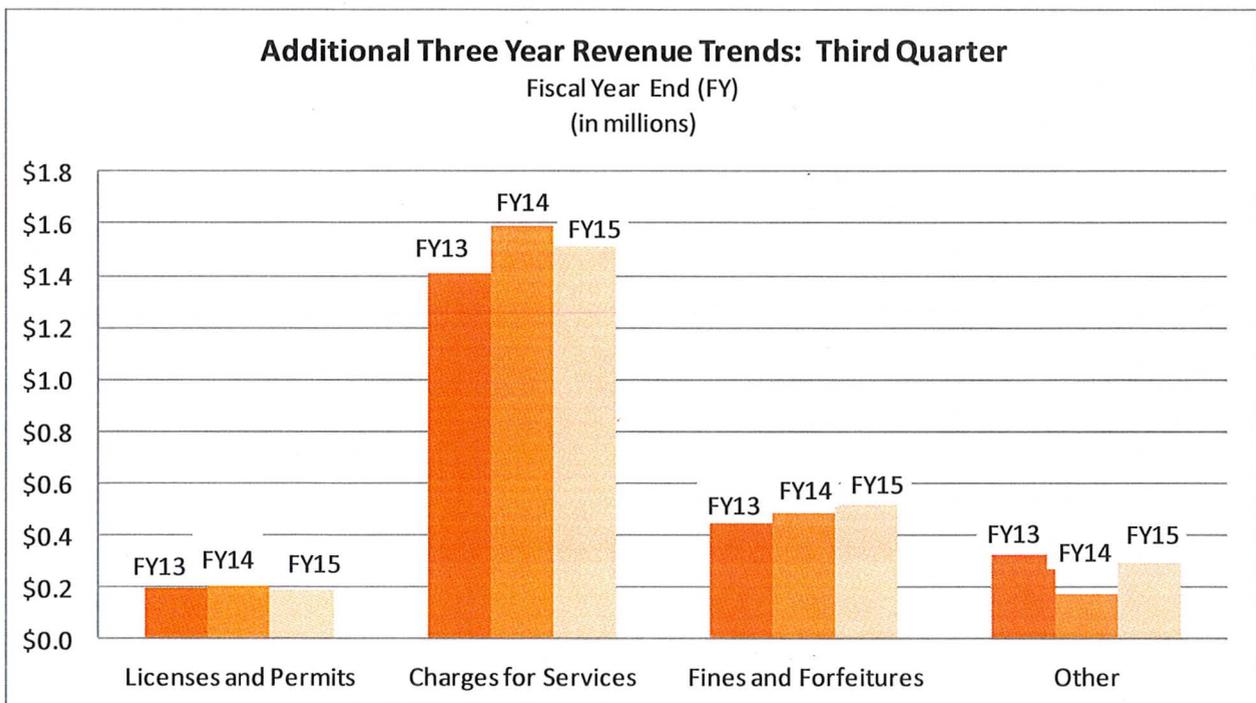
**Charges for Services** – The timing of recreational classes resulted in the increase of \$26,394 from last year. Due to the seasonality of major recreational programs, it may be difficult to project whether this trend will continue through the Fourth Quarter. Additional factors include a \$10,000 increase in parking meter revenues that could be attributed to increased tourism and general economic improvement; and \$45,000 decrease in Community Development Planning fees which can be partially attributable to a large environmental impact review project last fiscal year.

**Other** – Intergovernmental Revenues related to grant funding are included in this category. The budgetary and annual comparative differences are primarily the result of the timing of grant billings and receipts.

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



Additional three-year revenue trend information is presented below:



**Expenditures:**

Expenditures by Category	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used/ Rec'd	
Personnel	\$ 7,910,707	\$ 5,511,350	70%	\$5,418,675
Contract Services	2,921,578	1,923,794	66%	1,801,981
Training & Memberships	82,600	56,266	68%	56,364
Supplies	565,728	375,898	66%	363,375
Grants and Subsidies	269,763	128,580	48%	128,670
Capital Outlay	10,000	(900)	-9%	23,920
Internal Service Fund Charges	850,647	637,985	0%	669,694
Other Financing Uses	2,395,025	962,000	40%	1,519,644
<b>Fund Totals: General Fund</b>	<b>\$ 15,006,048</b>	<b>\$ 9,594,973</b>	<b>64%</b>	<b>\$9,982,323</b>

Expenditures By Department	Budgetary Comparison			Prior Year
	Amended Budget	YTD Transactions	% Used/ Rec'd	
City Council	\$ 125,240	\$ 82,309	66%	\$ 84,717
City Manager	847,919	568,331	67%	586,518
Personnel	209,744	140,335	67%	126,184
City Attorney	187,323	122,444	65%	135,168
Finance	789,080	489,538	62%	506,494
Community Grants	269,763	128,580	48%	128,670
Public Safety	6,017,340	4,298,233	71%	4,233,967
Public Works	2,471,868	1,682,555	68%	1,593,232
Community Development & Building	739,122	496,924	67%	428,836
Culture and Leisure	953,624	623,724	65%	638,893
Transfers	2,395,025	962,000	40%	1,519,644
<b>Expenditure Totals</b>	<b>\$ 15,006,048</b>	<b>\$ 9,594,973</b>	<b>64%</b>	<b>\$9,982,323</b>

Expenditures are currently below 75 percent of budget. Personnel expenditures have increased 1.7 percent over the prior year, while Contract Services increased 6.7 percent, with Other Financing Sources decreasing 36.7 percent. Overall expenditures have decreased 3.9 percent from the same time last year.

The FY 13/14 third quarter transfers are approximately \$557,644 greater than this year. This is primarily related to \$750,000 in reserve and CIP transfers and a \$160,000 contribution to the Equipment and IT Funds that occurred in FY 13/14.

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

