

FY 2010 MID-YEAR BUDGET ADJUSTMENT



Presented by Maria Villagomez,
Budget Director
*City Council "A" Session
May 13, 2010*



Mid-Year Budget Adjustment

- Part of City's financial management strategy
 - Revenues and expenditures reviewed monthly by City Manager, Budget and Finance Directors
 - Quarterly financial reports presented to City Council (such as 3+9 and 6+6 Budget and Finance Reports)
 - Mid-Year Adjustment developed to align and update revenue and expenditure budgets with updated financial information and trends
- FY 2010 is third year Mid-Year Budget Adjustment Ordinance is recommended



Mid-Year Budget Adjustment

- Today's action amends
FY 2010 Adopted Budget
for General Fund and 5
Restricted funds
 - Revenue Budgets
 - Expenditure Budgets



FY 2010 MID-YEAR BUDGET ADJUSTMENT

GENERAL FUND





Budget/Finance Condition Summary

- FY 2010 Adopted Budget is balanced
- FY 2010 Budget remains balanced today and will be balanced on September 30, 2010
- 2nd Quarter revenues down, however, overall favorable due to CPS revenues
- 2nd Quarter expenditures below budgeted amounts



FY 2010 Recommended Mid-Year Budget Adjustment – General Fund

(\$ in Millions)	FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Revenues	\$844.15	\$13.3	\$857.47
Expenditures	\$887.07	(\$2.5)	\$884.57

- Revenues - Increase associated with recently approved CPS rate increase and revenues above budget as a result of colder winter
- Expenditures – Decrease associated with savings in alley maintenance and pavement marking contracts, water utility budgets, and personnel expenditures (vacancies)



General Fund Revenue Variance Compared to Adopted Budget Figures (\$ in Millions)

Revenue Source	FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Sales Tax	\$189.56	(\$4.27)	\$185.29
Property Tax	\$244.46	\$1.17	\$245.63
CPS Payment	\$251.05	\$19.34	\$270.39
Other Revenue	\$159.08	(\$2.92)	\$156.16
Total	\$844.15	\$13.32	\$857.47

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RESTRICTED FUNDS





FY 2010 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Fund				
Planning & Development Services Fund	Revenues	\$24.3	(\$2.1)	\$22.2
	Expenditures	\$23.2	(\$1.0)	\$22.2

- Adjust revenues to reflect decline in commercial permitting activity
- Adjust Expenditures consistent with deficit reduction strategy presented at 3+9 Budget and Finance Report
 - Expenditure reduction from freezing 36 vacant positions



FY 2010 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Fund				
Hotel Occupancy Tax Fund	Revenues	\$54.6	(\$3.0)	\$51.6
	Expenditures	\$57.3	(\$4.0)	\$53.3

- Adjusts revenues to reflect decline in Hotel Occupancy Tax collections and additional revenues from State Events Trust Program
- Adjust Expenditures consistent with deficit reduction strategy presented at 3+9 Budget and Finance Report
 - Operating reductions and less transfers to Facilities Reserve & General Fund for History & Preservation



FY 2010 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Fund				
Solid Waste Fund	Revenues	\$81.2	2.6	\$83.8
	Expenditures	\$84.2	(\$4.8)	\$79.4

- Adjusts revenues to reflect better than anticipated recycling revenues
- Adjusts expenditures to reflect savings related to landfill disposal cost, private waste collection contracts, overtime, and motor fuel

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FY 2010 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Fund				
Employee Benefits Fund	Revenues	\$91.9	No Adjustment	\$91.9
	Expenditures	\$97.4	\$2.8	\$100.2

- Adjust expenditures for increases associated with higher than anticipated cost of employee health care claims



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FY 2010 Recommended Mid-Year Budget Adjustment – Restricted Funds

(\$ in Millions)		FY 2010 Adopted Budget	Mid-Year Adjustment	FY 2010 Revised Budget
Fund				
Equipment Replacement & Renewal	Revenues	\$26.4	No Adjustment	\$26.4
	Expenditures	\$23.1	\$.24	\$23.3

- Equipment Replacement & Renewal Fund – Increase for the initial additional cost associated with purchase of 91 hybrid vehicles
 - Total cost of ownership financial model demonstrates hybrid sedan better financial choice over life of vehicle

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Recommendation

- Staff recommends adjusting revenue and expenditure budgets to reflect first six months of financial activity in the:
 - General Fund
 - Planning & Development Services Fund
 - Hotel Occupancy Tax Fund
 - Solid Waste Fund
 - Employee Benefits Fund
 - Fleet Fund



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