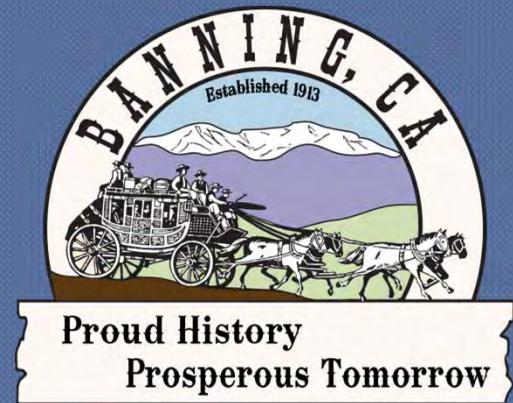


City of Banning Budget Presentation

June 28, 2012



Agenda

- General Fund
- CRA impacts
- Other Funds
- Recommendation

Budget Process

- Department submittals
- City Manager review and direction
- Finance review and compilations
- Budget includes...
 - Conservative estimates
 - Revenues – estimates based on trends and/or external information
 - Expenditures – estimates based on trends, savings, or new requests

Budget Document

- **Budget Message**
- **Fund Summaries – All funds**
 - Tables & Graphs
 - Capital requests (*new*)
- **General Fund**
 - Overview, Tables and graphs
- **Personnel – position control**
- **Supplemental Information**
 - Policies, Gann limit, fund descriptions

General Fund

- Collects the general tax receipts and fee revenue not allocated by law.
- Pays for general services (police, fire, public works, administration)
- Responsible for all other funds that operate at a deficit

GF – Budget Challenge

- Since 2007, there have been operating deficits
 - Reserves went from \$9 million to \$1.5M
- Council established FY13 goal for balanced budget several years ago
- FY13 balanced
- FY14 deficit

FY13 – Budget Challenges

- Started with Structural deficit \$467,565
- State of California
 - Loss of VLF revenues \$70,000 to \$100,000
 - Elimination of CRA(incl PERS) \$267,000
- Economy
 - Property taxes declining \$303,000
- PERS increases \$85,000

TOTAL of these items>>>> \$1,222,565

CRA elimination – Impact to GF

- FY11 – GF absorbed Code Enforcement, Gang Task Force, Weed Abatement
- FY 12 – CRA reduction in community contracts
- FY13 – GF absorbs staffing previously allocated to CRA.....\$267,000

State vs City challenges

- Potential State grab of reserves

- Successor Agency Admin \$250,000
- Shortage of RPTTF (tax increment) \$112,000
- may cause the General Fund to lose pass thru revenue

These items could create deficit to GF

FY 13 - Budget

- GF is being presented as balanced

- Revenues \$12,955,018
- Expenditures \$12,955,018

- Balancing included -

- Additional budget reductions by departments
- One time solutions/postponing costs
- Increase in sales tax
- Reductions in MOE requirements
- Change in Admin charge to Electric increased transfer
- Negotiating contracts
 - “Engine 20” contract \$100,000
 - Employee negotiations \$360,000

FY14 - Budget

○ Presented with Deficit

• Revenues	\$12,590,855
• Expenditures	<u>\$13,221,268</u>
• Deficit	(\$ 630,413)

○ Balancing Challenges

- Payroll/PERS increases
- Grants/Funding agreements end (COPS grant)

Future Opportunities

○ Developments

- Paseo
- Court house
- Pardee
- Morongo
- San Juan

○ Good news /bad news

- Good progress being made
- Timing of benefit to City revenues several years away

GF Reserves

- Reserves estimated at \$1.5M in FY13 budget document
- Policy changed to reflect \$1.5M or 25% of operating budget
- Financial statements will reflect actuals

Special Revenue Funds

- Includes funds that are restricted in use.

Examples include:

- Riverside /Police MOU
- Gas Tax
- Measure A
- Grants
- CFDs and LMDs

- Total Adjusted Revenues \$ 3,504,792
- Total Adjusted Expenditures \$ 3,972,118

Capital Improvement Funds

- Includes funds that are restricted in use.
 - i.e. Development impact funds, major capital projects
- Projects will be budgeted when presented to Council

○ Total Adjusted Revenues	\$ 6,500
○ Total Adjusted Expenditures	\$ 35,000

Enterprise Funds

- Includes funds that are considered to be like a business. Examples include:
 - Airport
 - Transit
 - Refuse

(Water, Wastewater, and Electric will be discussed separately)
- Total Adjusted Revenues \$ 4,610,635
- Total Adjusted Expenditures \$ 4,635,644

Internal Service Funds

- Include funds that provide services to other City operations. Examples include
 - Risk Management (worker's compensation, general liability, unemployment)
 - Fleet
 - Information services
 - Utility billing services
- Total Adjusted Revenues \$ 5,225,774
- Total Adjusted Expenditures \$ 5,471,697

Water Funds

<u>Water Funds</u>	<u>Available balance @ 6/30/2012</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2013</u>
660 – Water Operations	1,739,493	297,855	2,037,348
661 – Water Capital Facilities	4,587,406	(587,500)	3,999,906
663 – BUA Water Capital Project	1,265,582	(632,250)	633,332
669 – BUA - Water Debt Service	88,124	500	88,624
Combined Fund Balance >>>	7,680,605	(921,395)	6,759,210

Wastewater Funds

<u>Wastewater Funds</u>	<u>Available balance @ 6/30/2012</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2013</u>
680 – Wastewater	1,169,374	187,521	1,356,895
681 – Wastewater Capital Facility	9,343,866	20,000	9,363,866
683 – BUA Wastewater Capital Project	3,043,157	(298,500)	2,744,657
685 – State Revolving Loan	766,538	2,897	769,435
689 – BUA Wastewater Debt Service	90,056	500	90,556
Combined Fund Balance >>>	14,412,991	(87,582)	14,325,409

Reclaimed Water Funds

<u>Reclaimed Water Funds</u>	<u>Available balance @ 6/30/2012</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2013</u>
662 - Irrigation Water	2,768,302	(70,000)	2,698,302
682 - Wastewater Tertiary	3,445,375	254,000	3,699,375
Combined Fund Balance >>>	6,213,677	184,000	6,397,677

Electric Funds

<u>Electric Funds</u>	<u>Available balance @ 6/30/2012</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2013</u>
670 - Operations	6,382,162	111,873	6,494,035
672 - Rate Stability	5,960,509	60,000	6,020,509
673 - Electric Improvement	8,232,568	(60,000)	8,172,568
674 - Electric Bond Project Fund	13,590,975	(5,464,189)	8,126,786
675 - Public Benefit Fund	467,482	(22,043)	445,439
678 - Electric Debt Service Fund	492,406	500	492,906
Combined Fund Balance >>>	35,126,102	(5,373,859)	29,752,243

Successor Agency

- Subject to change based on Department of Finance, County and Oversight Board

Redevelopment Property Tax Trust Fund Distributions By Auditor-Controller

- First, To Pay A-C Administrative Costs
- Second, To Pay Contract And Statutory Pass-Through Obligations Of Former RDA
- Third, To SA So That SA Can Pay Enforceable Obligations On Approved ROPS (SA Places This Amount In Its Redevelopment Obligation Retirement Fund)
- Fourth, To Pay SA Administrative Cost Allowance
- Fifth, To Pay Any Residual Balance To Local Taxing Entities

Successor Agency

- Redevelopment Obligation Retirement Fund receives the RPTTF revenue from County(increment)
- Debt service funds makes bond payments
- Bond funds – continue projects approved on ROPS
- Successor Agency pays for the Administration budget of \$250,000

Personnel Changes

Authorized positions (full time) for FY12	141.00
PD - Reduction in TASIN funded position	(1.00)
Electric – Reorganization of positions	-
Electric - restore Office Specialist	1.00
Utilities - add Accountant II	1.00
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Authorized positions (full time) for FY13	142.00

All authorized positions for FY13 177.18

(includes part time, elected, fire contract)

Recommendation

- Approve the resolutions approving the estimated revenues, appropriations and position control for the Fiscal Year 2012/2013 budget for the City of Banning, Banning Utility Authority and Successor Agency
- Approve the GANN limit
- Approve changes to Class and Comp plan