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City of Banning

FY 2009-10

Mid-Year Budget Review

Mid-Year Review

- Reviewed revenues and expenditures
City-wide
- Focused on funds with structural deficits
- Summary of fund projections shown as
Attachment A to staff report
- Detailed adjustments shown as *Exhibits A*
to various resolutions
- Highlighting four funds

General Fund

■ Original deficit projected at	(\$827,265)
– Council approved adjustments — to date	\$73,086
■ Revenue changes:	(\$535,150)
■ Expenditure changes:	<u>(\$235,020)</u>
■ 6/30/10 Structural deficit	(\$1,524,349)
■ Lease payment	<u>\$1,250,000</u>
■ 6/30/10 Projected deficit	(\$274,349)

General Fund - Revenues

– Taxes

■ Property taxes	\$ (192,400)
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■ Sales taxes	(294,000)
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– Investment Interest	(165,500)
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– Develop. permits/licenses	16,750
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– Electric transfer	100,000
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General Fund - Expenditures

- Animal Control \$ (100,000)
- Dept. expenses net of
reallocation savings (135,020)

Water Fund

■ Deficit increased \$371,367

- Revenues ↓ \$610,098 (8%)
- Expenditures ↓ \$238,731

Electric Fund

- Projected deficit (\$1,065,000)
- Originally projected at (\$2,567,784)

Wastewater Fund

■ Almost unchanged at (\$686,107)

Conclusion

■ Questions

City of Banning

2 Year Budget

FYs 2010/11 and 2011/12

- Information update prior to recommended City Manager alternatives
- Departments are working on submittals
- City Manager meeting with each department to develop alternatives
- Need to eliminate General Fund structural deficit of (\$1,500.000+)

- Revenues expected to be flat
 - Property tax revenue will likely decline
 - Staff will recommend increasing TOT from 10% to 12%
 - Interest rates expected to remain at historic lows
- There are known expenditure increases
 - Animal control
 - PERS contract rates
- Reserves are currently at approximately \$4.0 million

General Fund Structure by Category of Expense

TOTAL		\$ 13.8 Million	100.0%
*Personnel Costs		\$ 8.0 Million	61.6%
Police	\$5.5M		
All other	3.0M		
PD-other funds	(.5)M		
*Supplies, Services, Contracts		\$ 5.8 Million	38.4%
Fire	\$2.5M		
All other	3.3M		

- Most reductions will have to be in personnel costs
- Any significant savings in supplies and services occurred in \$5.0M reductions last year

■ Water/Wastewater

- Expect rate adjustments to pay for operational costs, debt service requirements and any capital needs

Conclusion

■ Questions