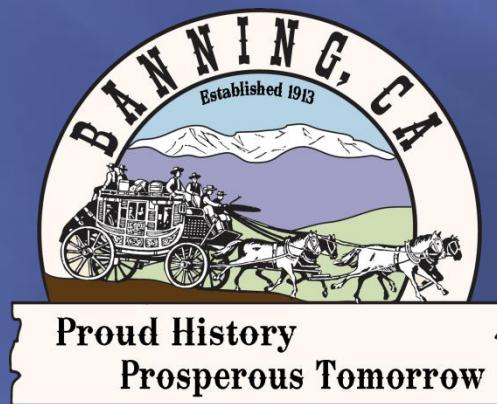


CITY OF BANNING BUDGET PRESENTATION FISCAL YEAR 2011-12

June 28, 2011



Agenda

- General Fund – status
 - Future Challenges
- Other funds – status
- Recommend adoption of budget

Budget Process

- ❑ Department review
- ❑ City Manager review and direction
- ❑ Finance review and compilations
- ❑ Adjustments include...
 - Revenues – changes to estimates based on trends and/ or external information
 - Expenditures – changes based on trends, savings, or new requests

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

General Fund	FY12 ADOPTED	FY12 ADJUSTED	Variance
Revenues	12,228,082	12,708,595	480,513
Expenditures	13,570,954	13,176,160	(394,794)
Surplus/(Deficit)	(1,342,872)	(467,565)	

General Fund Revenue observations

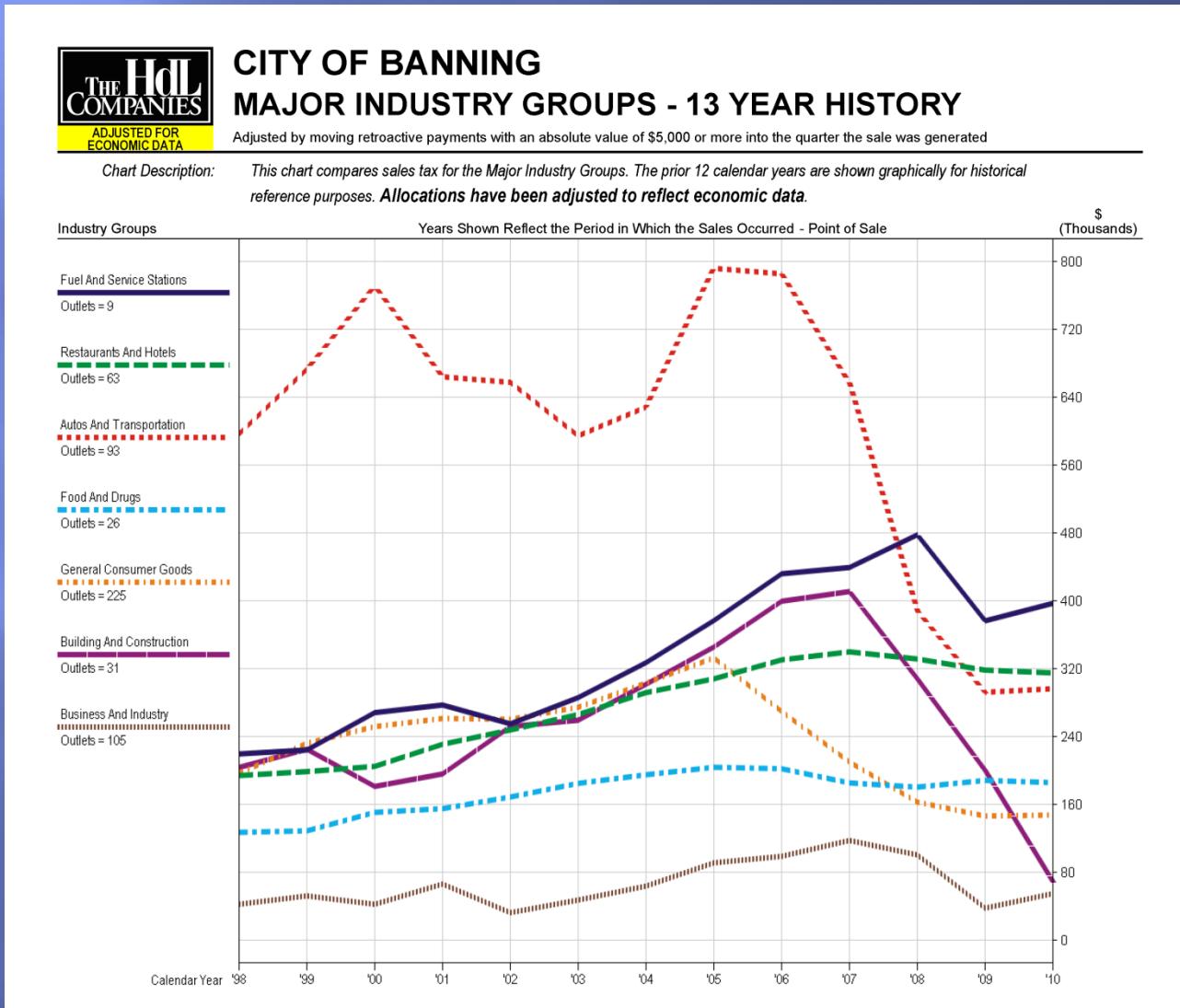
- Net improvement of \$480,513
 - Add missing revenues (permits)
 - Improved sales tax, franchise and TOT revenues
 - Multi year COP Grant added

- Realignment of revenues, for example...
 - Weed abatement revenue now matched in same cost center as expense
 - Code Enforcement revenues now matched in same cost center as expense

General Fund Expenditure observations

- Net reduction in expenditures \$394,794
 - Major reductions:
reduced animal control and Fire budget based on updated contract information
 - Adjustments to expenditures:
 - Weed abatement, code enforcement, gang task force absorbed by General Fund
 - Operating contingency established for potential booking fees costs and emergencies
 - Personnel costs include COP grant officers, PERS increases, budget savings from eliminated positions
 - Budget savings from 97 COP refinancing

Sales tax - industry groups



Personnel Changes

Authorized positions (full time) for FY11	142
net reduction in Police	(2)
Authorized positions (full time) for FY12	140
Expected increases through separate Council report:	
PD - Tasin liaison officer	1
PD - BUSD additional officer - Nicolette	1

Reserves/Fund Balance

Available Fund Balance – per audit – 6/30/2010

reserve for encumbrances	79,665
reserve for continuing appropriations	225,833
reserve for working capital (contingency)	1,280,607
undesignated	<u>3,097,401</u>
General Fund Balance >>>	4,683,506

FY11 – Revised Budget

Revenues – adjusted	13,161,261
Expenditures – adjusted	<u>13,866,342</u>
revised deficit >>>	<u>(705,081)</u>
Estimated fund balance at 6/30/2011	3,978,425

FY12 – Revised Budget

Revenues – adjusted	12,708,595
Expenditures – adjusted	<u>13,176,160</u>
revised deficit >>>	<u>(467,565)</u>
Estimated fund balance at 6/30/2012	3,510,860

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 \$ 3,298,263
- ❑ Total Adjusted Expenditures \$ 3,147,342

Capital Improvement Funds

- ❑ Includes funds that are restricted in use.
 - i.e. Development impact funds, major capital projects
- ❑ Sunset Grade Separation project represents the majority

❑ Total Adjusted Revenues	\$ 1,132,300
❑ Total Adjusted Expenditures	\$ 1,120,000

Enterprise Funds

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

- ❑ Total Adjusted Revenues \$ 4,600,187
- ❑ Total Adjusted Expenditures \$ 4,636,040

Water Fund - Operations

<u>Water Funds</u>	<u>Available balance @ 6/30/2011</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2012</u>
660 – Water Operations	1,436,846	114,308	1,551,154
661 – Water Capital Facilities	4,144,833	79,000	4,223,833
662 – Irrigation Water	2,229,452	15,000	2,244,452
663 – BUA Water Capital Project	86,034	25,000	111,034
669 – BUA - Water Debt Service	96,433	500	96,933
Combined Fund Balance >>>	7,993,598	233,808	8,227,406

Wastewater Fund - Operations

<u>Wastewater Funds</u>	<u>Available balance @ 6/30/2011</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2012</u>
680 – Wastewater	1,407,475	(169,124)	1,238,351
681 – Wastewater Capital Facility	12,067,058	514,044	12,581,102
683 – BUA Wastewater Capital Project	715,308	3,000	718,308
685 – State Revolving Loan	764,484	1,705	766,189
689 – BUA Wastewater Debt Service	90,635	500	91,135
Combined Fund Balance >>>	15,044,960	350,125	15,395,085

Electric Funds

<u>Electric Funds</u>	<u>Available balance @ 6/30/2011</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2012</u>
Operations	6,211,274	(242,184)	5,969,090
Rate Stability	4,934,559	1,040,000	5,974,559
Electric Improvement	9,721,726	(2,056,955)	7,664,771
Electric Bond Project Fund	15,410,604	7,500	15,418,104
Public Benefit Fund	244,326	24,938	269,264
Electric Debt Service Fund	120,840	500	121,340
Combined Fund Balance >>>	36,643,329	(1,226,201)	35,417,128

Internal Service Funds

- ❑ Include funds that provide services to other City operations. Examples include
 - Insurance (worker's compensation & general liability)
 - Fleet
 - Information services
 - Utility billing services

- ❑ Total Adjusted Revenues \$ 5,090,325
- ❑ Total Adjusted Expenditures \$ 5,080,492

Redevelopment Funds

<u>Community Redevelopment Agency Funds</u>	<u>Available balance @ 6/30/2011</u>	<u>Projected YTD Gain(loss)</u>	<u>Projected balance @ 6/30/2012</u>
810 – Low/Mod Fund	2,451,825	(18,819)	2,433,006
830 – Debt Service Fund	12,266	39,363	51,629
850 – CRA Administration Fund	66,767	66,560	133,327
855 - 2007 TABS Bond Proceeds	-	9,979	9,979
856 – 2003 TABS Bond Proceeds	438,990	2,500	441,490
857 – 2003 TABS Bond - Low/Mod	184,719	(179,759)	4,960
860 – CRA Project Fund	2,741,575	(1,402,704)	1,338,871
Combined Fund Balance >>>	5,896,142	(1,482,880)	4,413,262

Redevelopment Funds - part 1

Gross Tax Increment			4,402,734
(Less 80% of County admin fees)			(40,378)
Interest Income (all funds)			78,750
			<u>4,441,106</u>
20% Low/Mod SetAside			(880,548)
Pass Thru Payments			(847,509)
Debt Service Requirements			(2,875,387)
Reimb for Low/Mod portion of Debt Service			192,380
Reimb for Bond paid portion of Debt Service			40,021
Services & Supplies			<u>(6,200)</u>
			<u>(4,377,243)</u>
Available for Admin/Projects.....			63,863

Redevelopment Funds - part 2

		Increment Available for Admin/Projects.....	63,863
Administration			
	Employee Services		(437,525)
	Services & Supplies		(159,402)
	Internal Service Transfers		(126,013)
	Subtotal - Administration budget		(722,940)
Programs & Projects			
	Cultural Alliance		(75,000)
	Chamber of Commerce		(25,000)
	2nd Annual payment of 2010 SERAF take		(381,204)
	Professional and contractual services		(156,500)
	Subtotal - Programs & Projects budget		(637,704)
Total Amount required from fund balance			(1,296,781)

Operational Challenges

Operational funds still struggling:

- ❑ General Fund, Electric, Water, Wastewater, CRA

Challenges:

- ❑ State budget actions
- ❑ PERS rate increases
- ❑ Grants/Funding agreements with end dates

Economic Challenges – ongoing...

- National and World Economic impacts
 - Unemployment
 - Housing market
 - Increase in interest rates
 - Increase in fuel costs
 - Potential removal of US dollar as world reserve currency

Results = increase in costs for services and supplies

Strategies

- Continue work on Two goals
 - Structural balanced budget
 - Reserve strategy
- Strategies
 - Advocate against State takeaways
 - Increase revenue streams
 - Review existing fees
 - Manage /reduce expenditures
 - Look for efficiencies in systems and procedures
 - Negotiate reductions in contracts

Recommendation

- ❑ Approve the resolutions approving the estimated revenues and appropriations for the Fiscal Year 2011/2012 budget for the City of Banning, Banning Utility Authority and CRA