



Fiscal Year 2015/16 Third Quarter Budget Update

Finance Department

City Council
May 24, 2016

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2015/16 Adopted Budget & Projection

	Revised 2015/16 Adopted Budget	Projected 2015/16 (2nd Quarter)	2nd Quarter Budget Variance	Projected 2015/16 (3rd Quarter)	3rd Quarter Budget Variance
Beginning General Fund Balance	\$ 40,085,510	\$ 40,085,510		\$ 40,085,510	
Add: Revenue	257,593,718	255,345,706	(2,248,012)	255,093,517	(2,500,201)
Less: Expenditures and Budget Adjustments	(256,593,718)	(262,140,838)	(5,547,120)	(262,325,775)	(5,732,057)
Projected General Fund Operating Surplus /(Deficit)	1,000,000	(6,795,132)	(7,795,132)	(7,232,258)	(8,232,258)
Add: Finance Department Recommended Budget Reductions	-	2,500,000			
Add: Finance Department Recommended Budget Freezes	-	945,000		-	
Projected Addition/(Draw) on General Fund Reserve	1,000,000	(3,350,132)		(7,232,258)	
Projected General Fund Reserve	\$ 41,085,510	\$ 36,735,378		\$ 32,853,262	
% of General Fund	16.0%	14.3%		12.8%	



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General Fund Revenues

	Revised 2015/16 Adopted Budget	Projected 2015/16 (3rd Quarter)	3rd Quarter Budget Variance	Change From 2nd Quarter to 3rd Quarter
Taxes				
Sales & Use Taxes \$	62,949,000	\$ 62,949,000	\$ -	\$ -
Property Taxes	53,742,073	54,084,782	342,709	(200,000)
Utility Users Tax	29,082,000	28,140,000	(942,000)	-
Transient Occupancy Tax	5,656,000	6,230,000	574,000	-
Franchises	5,365,000	5,500,000	135,000	-
Property Transfer Tax	2,609,000	2,440,000	(169,000)	-
Sub-Total Taxes	159,403,073	159,343,782	(59,291)	(200,000)
Interfund Transfers	46,134,100	44,789,400	(1,344,700)	-
Charges, Licenses, & Permits				
Charges for Services	25,716,677	25,428,873	(287,804)	877,196
Licenses & Permits	9,093,500	9,118,200	24,700	(35,000)
Sub-Total Charges, Licenses, & Permits	34,810,177	34,547,073	(263,104)	842,196
Other Revenues				
Other / One-Time	8,309,025	8,037,809	(271,216)	(498,600)
Special Assessments	4,621,843	4,454,627	(167,216)	(44,656)
Fines & Forfeits	2,418,500	1,730,440	(688,060)	(316,021)
Intergovernmental	1,897,000	2,190,386	293,386	(35,108)
Sub-Total Other Revenues	17,246,368	16,413,262	(833,106)	(894,386)
Total	\$ 257,593,718	\$ 255,093,517	\$ (2,500,201)	\$ (252,189)



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General Fund Expenditures

Department	2015/16 Adopted Budget	Previously Approved Adjustments	Revised Budget 2015/16	Projected 2015/16 (3rd Quarter)	Projected Variance 2015/16 (3rd Quarter)
City Attorney	\$ 4,066,225	\$ 294,550	\$ 4,360,775	\$ 3,599,256	(761,519)
City Clerk	1,596,263	-	1,596,263	1,541,148	(55,115)
City Council	1,274,352	-	1,274,352	1,228,606	(45,746)
City Manager	5,290,931	(19,931)	5,271,000	5,392,006	121,006
Community & Economic Development	11,687,783	(47,400)	11,640,383	10,511,140	(1,129,243)
Finance	5,838,473	135,000	5,973,473	6,134,539	161,066
Fire	47,600,629	584,226	48,184,855	48,760,379	575,524
General Services	4,058,278	-	4,058,278	3,553,733	(504,545)
Human Resources	2,726,952	105,000	2,831,952	2,526,795	(305,157)
Innovation & Technology	11,079,054	(287,500)	10,791,554	9,866,554	(925,000)
Library	6,149,818	-	6,149,818	5,957,933	(191,885)
Mayor	872,591	8,125	880,716	847,295	(33,421)
Museum & Cultural Affairs	3,785,710	(17,460)	3,768,250	3,763,250	(5,000)
Non-Departmental	24,846,896	(8,125)	24,838,771	24,564,199	(274,572)
Non-Departmental - Community Livability	786,680	-	786,680	851,680	65,000
Parks, Recreation & Community Services	15,795,719	59,325	15,855,044	15,169,797	(685,247)
Police	88,122,448	4,661,544	92,783,992	92,527,549	(256,443)
Public Works	12,933,933	(385,000)	12,548,933	11,348,933	(1,200,000)
SubTotal	248,512,735	5,082,354	253,595,089	248,144,792	(5,450,297)
Estimated Managed Savings	(6,100,000)	-	(6,100,000)	N/A	6,100,000
Interfund Transfers	2,487,202	-	2,487,202	2,487,202	-
Net Cost Allocation	(19,940,744)	-	(19,940,744)	(19,940,744)	-
Net Debt Service Allocation	31,634,525	-	31,634,525	31,634,525	-
Total	\$ 256,593,718	\$ 5,082,354	\$ 261,676,072	\$ 262,325,775	\$ 649,703



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2015/16 Structural Deficit

Structural General Fund Deficit:

\$7.2 million (\$800,000)	FY 15/16 Operational Shortfall One-time police MOU costs (retroactive FY14/15 increases)
\$1 million \$900,000	Historical managed savings overages One-Time savings measures implemented in FY 15/16
\$8.3million	Structural shortfall for FY 15/16.



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Management Action

- **Effective, May 13:** *FY 2015/16 Freeze on Hiring and Purchasing*
 - *Exceptions for:*
 - *Essential services, health and safety issues*
 - *Contractual obligations*
- FY 2015/16 financial year-end closing process
 - All encumbered expenditures and requested carryovers must be:
 - Essential City services
 - Existing contractual/legal obligations
 - Consistent with City Council approved policy initiatives.



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Management Action

- Reduce Impact to General Fund Reserve
 - Limits impact to future years operating budgets
- Demonstrates financial responsibility to the taxpayers and financial markets



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Other Reports

- The quarterly investment report is included in this report
 - Report showing cash balances by fund has been added
 - Information is provided regarding funds with an unusual cash position
 - No funds' cash balance is currently a major concern
- The quarterly debt report is included in this report
 - There have been no changes to the City's debt portfolio through 12/31/15



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Recommendations

- That the City Council:
 1. Receive and provide input on the Third-Quarter financial, investment and debt reports for the period of 7/1/15 to 3/31/16; and
 2. Delegate investment responsibility to the City's Chief Financial Officer/Treasurer for a period of up to one year.

