

City of Chico

1st Quarter Financial Update

FY2009-10



Chico City Council ❖ December 15, 2009

Q1'09~10 Financial Update

- Revenue outlook
- Expenditure trends
- Supplemental Appropriation/Budget Modification
- What's Next?

General Fund Revenue



General Fund Revenue

- Mixed revenue trends
 - Further Sales Tax declines expected
 - Property Taxes slightly better than projected
 - TOT & UUT trending higher than projected
 - Fire Reimbursements lower than projected
- Total General Fund revenue expected to fall short of budget by \$665k

General Fund Revenue

	Adopted Budget 2009-10	Revised Projection 2009-10	% chg from Budget
Sales Tax	15,038,300	14,174,298	-5.7%
Property Tax	11,231,829	11,431,829	1.8%
Utility Users Tax	6,385,300	6,685,000	4.7%
Transient Occupancy Tax	1,595,500	1,695,000	6.2%
Other Taxes	<u>1,842,400</u>	<u>1,842,400</u>	0.0%
Total Tax Revenues	36,093,329	35,828,527	-0.7%
All Other Revenues	3,320,010	2,920,010	-12.0%
TOTAL REVENUE	39,413,339	38,748,537	-1.7%
Surplus/(Shortfall)		(664,802)	

General Fund Revenue

- The following expenditure reductions will offset decline in revenue
 - \$120k reduction in Fire Reimbursable Overtime *(due to less fire deployments)*
 - \$125k reduction in Litigation Expense budget
 - Excess savings realized from 1st Quarter expenditure trends

General Fund Revenue

■ General Fund still balanced...

	Adopted Budget 2009-10	Revised Projection 2009-10	% chg from Budget
Total Revenue	39,413,339	38,748,537	-1.7%
Operating Expenditures	48,196,038	47,484,331	-1.5%
Capital Expenditures	<u>301,000</u>	<u>340,916</u>	<u>13.3%</u>
Total Expenditures	48,497,038	47,825,247	-1.4%
Net Transfers	6,533,214	6,480,488	-0.8%
Beginning Fund Balance	2,681,521	2,690,964	0.4%
Ending Fund Balance	131,036	94,742	-27.7%

Expenditure Trends

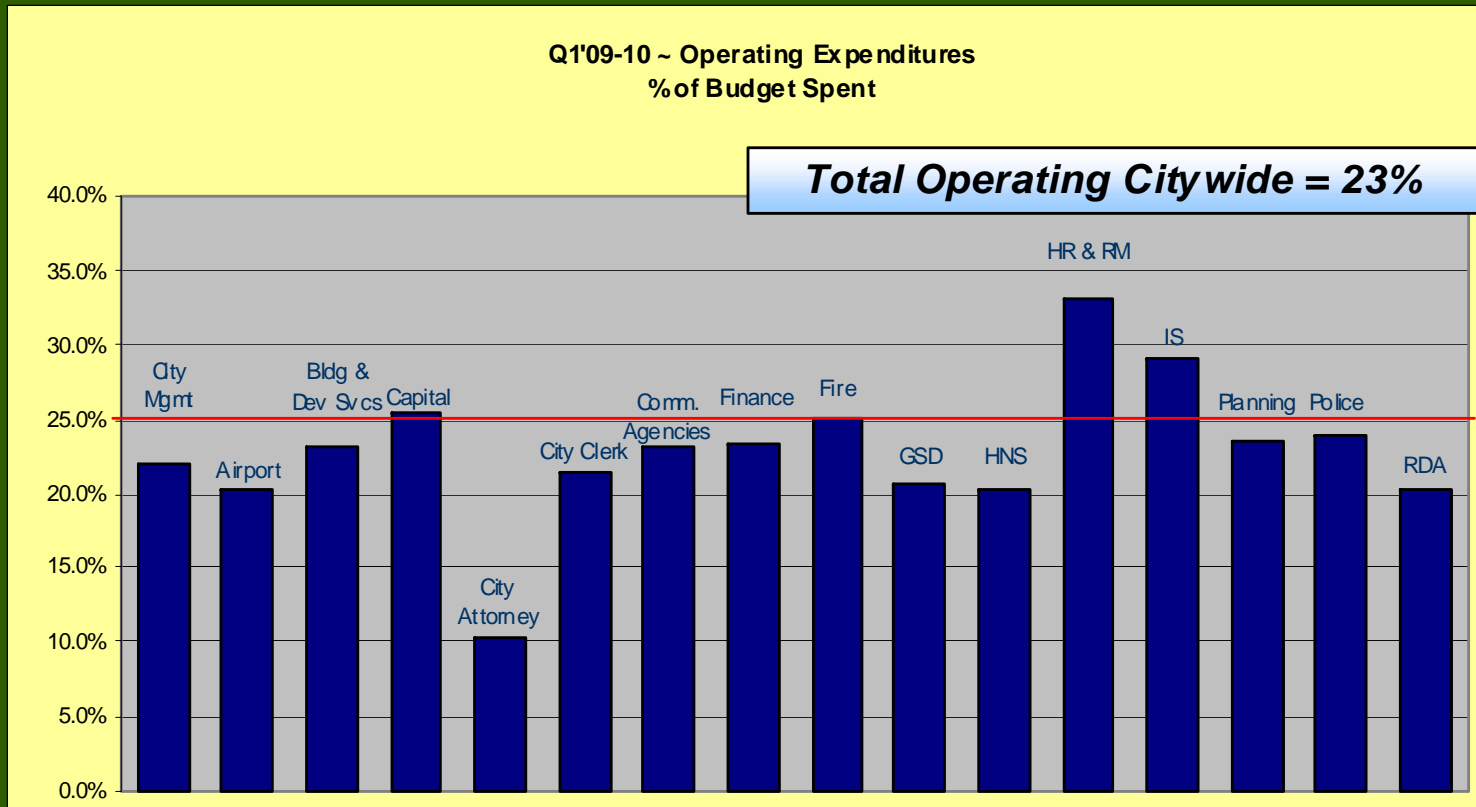


Q1'2009~10 Expenditures

- Citywide Expenditure trends meeting reduction targets
- FY2009-10 Operating Budgets include
 - 2nd year of Deficit Reduction Plan implementation
 - Additional budget reductions needed to balance FY2009-10
 - 3% overall reduction – not across the board
- “Meeting budget” = meeting reduction targets

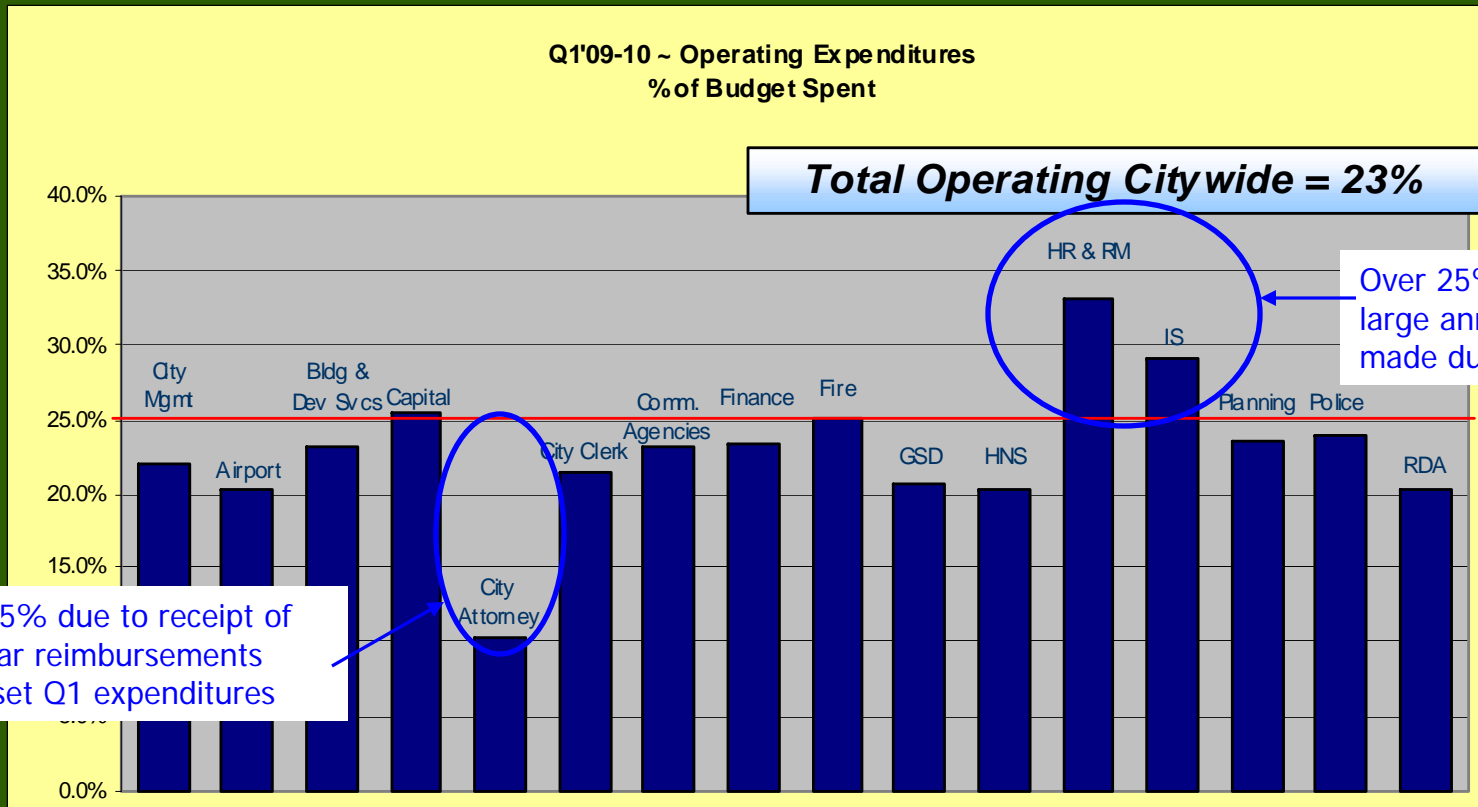
Q1'2009~10 Expenditures

- Citywide Expenditure trends meeting reduction targets



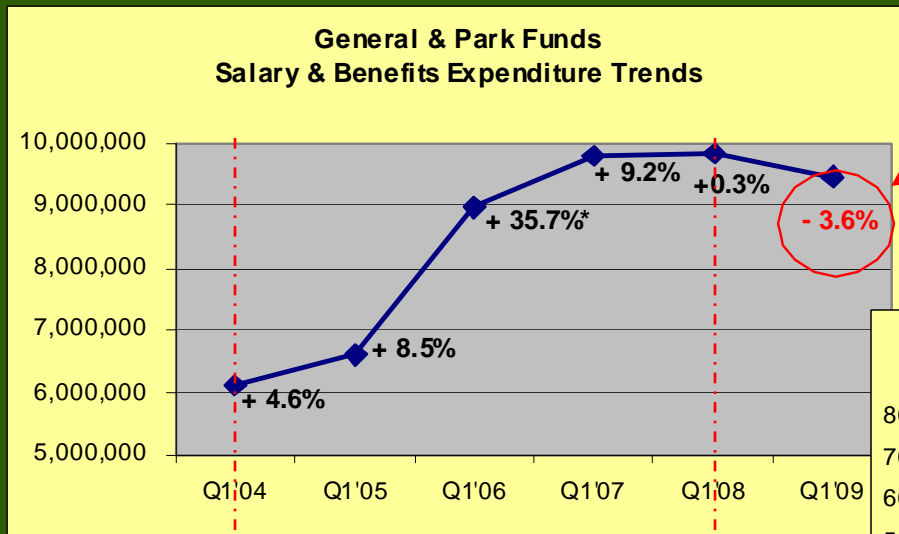
Q1'2009~10 Expenditures

- Citywide Expenditure trends meeting reduction targets



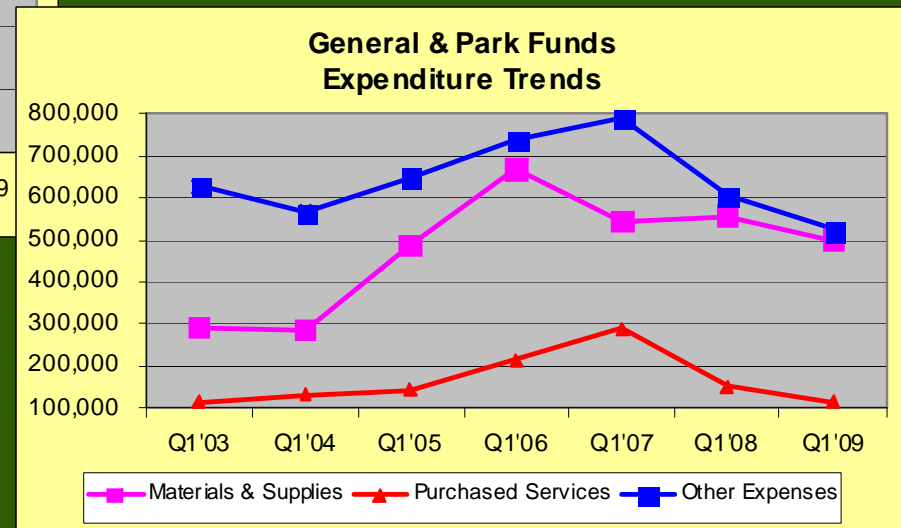
Q1'2009~10 Expenditures

- General & Park Fund Expenditure Trends show favorable reductions

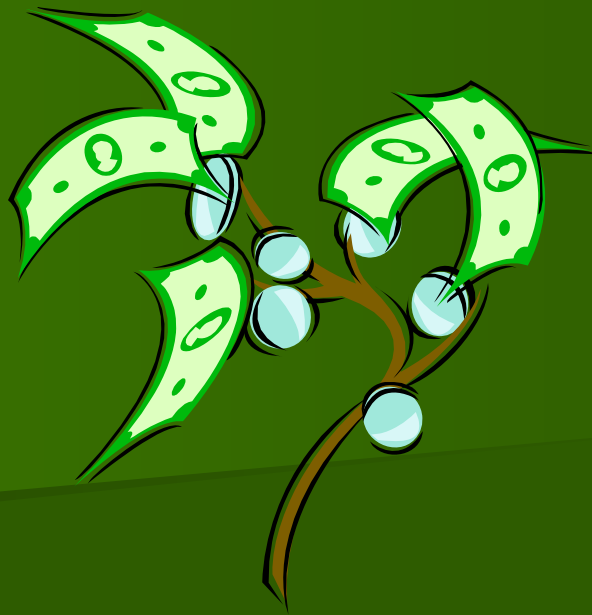


Reduction in Salaries & Benefits due to less Fire Overtime than in prior year. Excluding Fire Overtime, Q1'09-10 trend would have been +0.4% over prior year.

5-Year Avg. Annual Growth Rate = 12%



Q1'09~10 Supplemental Appropriation / Budget Modification Requests



Q1'2009~10 Supplemental Appropriation/Budget Modification

- All budget changes requested since July 1, 2009

	<u>All Other Funds</u>	<u>Sewer Funds*</u>	<u>Total</u>
Revenues	3,860,335	13,012,395	16,872,730
Operating	(955,777)	(2,639,515)	(3,595,292)
Capital	422,297	11,772,140	12,194,437
Transfers	-	-	
Fund Balance Increase	4,393,815	3,879,770	8,273,585

- "Supplemental Appropriation" = adds new funding
- "Budget Modification" = moves existing funding between projects/accounts

* changes requested for sewer-related funds are necessary to bring the FY09-10 Budget into alignment with the updated Revenue Plan, required by the State Revolving Fund loan for the WPCP expansion.

Q1'2009~10

Supplemental Appropriations

- **Several new grants received & projects requested**
 - \$347,260 – Federal COPS Grant (Federal Stimulus)
 - Salaries & Benefits for 4 officers (\$394,886)
 - \$47,626 local match required from General Fund
 - \$60,957 – Justice Assistance Grant (Police)
 - Project 50175 – Mobile Command Post (\$25,612)
 - Project 50176 – Butte Co. portion (\$21,444)
 - Operating Expenditures (\$13,901)

Q1'2009~10

Supplemental Appropriations

- **Several new grants received & projects requested**
 - \$100,00 – Airport Improvement Grant
 - Project 50177 – AIP No. 29 (\$105,300)
 - \$5,300 local match required from RDA
 - \$175,801 - CA Dept of Parks & Rec Grant
 - Project 50179 – Middle Trail Rehab. (\$233,261)
 - \$57,460 local match required from General/Park Funds
 - \$19,465 – BINTF OCJP Byrnes Grant
 - Salaries & Benefits (\$19,465)

Q1'2009~10

Supplemental Appropriations

- Requests for increased funding
 - \$300,000 - Project 18907 – Street Improv. & Maint.
 - \$18,400 - Project 50162 – Upgrade H.T.E. to Navaline
 - *Police software system*
 - \$14,280 - Project 50144 – Husa Ranch/Nob Hill Playground
 - \$39,455 - increase in cost of Transit Services
 - \$1,978 - Trustee & Paying Agent Fees – missed in budget process

Q1'2009~10

Supplemental Appropriations

■ Budget Reductions

- (\$1,030,000) – Debt Principal for Parking Bonds
 - Pay off was funded in FY08-09
- (\$318,537) – Re-calculation of BDS & Planning Department Salaries & Benefits
 - To account for attrition occurring after Budget process
- (\$264,000) – Project 50063 – Biosolids Mgmt Area
 - Project postponed to FY15-16
- (\$32,000) – Project 50002 – One Mile Restrooms
 - Reduction in project costs

Q1'2009~10

Budget Modifications

- Requests to re-allocate funding among several Capital Projects

From Project:		To Project:	
<u>Project</u>	<u>Budget Adj.</u>	<u>Project</u>	<u>Budget Adj.</u>
12066 - Cohasset Road Widening	(\$1,521,641)	12003 - East 8th St. Reconstruct.	\$50,000
		12056 - Eaton Road Extension	\$352,000
		16036 - SHR99/Skyway	\$752,791
		18051 - E.Park/MLK Interchange	\$100,000
		50180 - Filbert Ave Storm Drainage*	\$91,850
		18907 - Street Improv. & Maint.	\$175,000
65912 - Property Acquisition	(\$306,000)	65964 - Catalyst Transitional	\$306,000
65303 - Torres Shelter Phase II	(\$17,272)		
65010 - Housing Rehabilitation	(\$6,528)	50158 - Linden Street	\$23,800
50140 - Southwest Neighborhood Improv.	(\$40,800)	50182 - 9th & Hazel Greenway	\$40,800

* If the transfer is approved for Project 50180, staff will bring forward, at a future meeting, a resolution making the necessary findings to formally allocate RDA funds, as required by §33445 of the California Health and Safety Code.

What's Next?



What's Next?

- General Fund revenue will be closely monitored and updated if needed
- If General Fund becomes "out of balance," City will implement Budget Contingency Plan
- Development-related funds being analyzed to develop a multi-year fiscal balancing plan
- Economic indicators will be continually monitored and presented to Council with the 2nd Quarter Financial Update

Questions?

