



City of Chico Quarterly Financial Update Q2'10-11

City Council Meeting
February 15, 2011

Q2'10-11 (Oct. – Dec.)

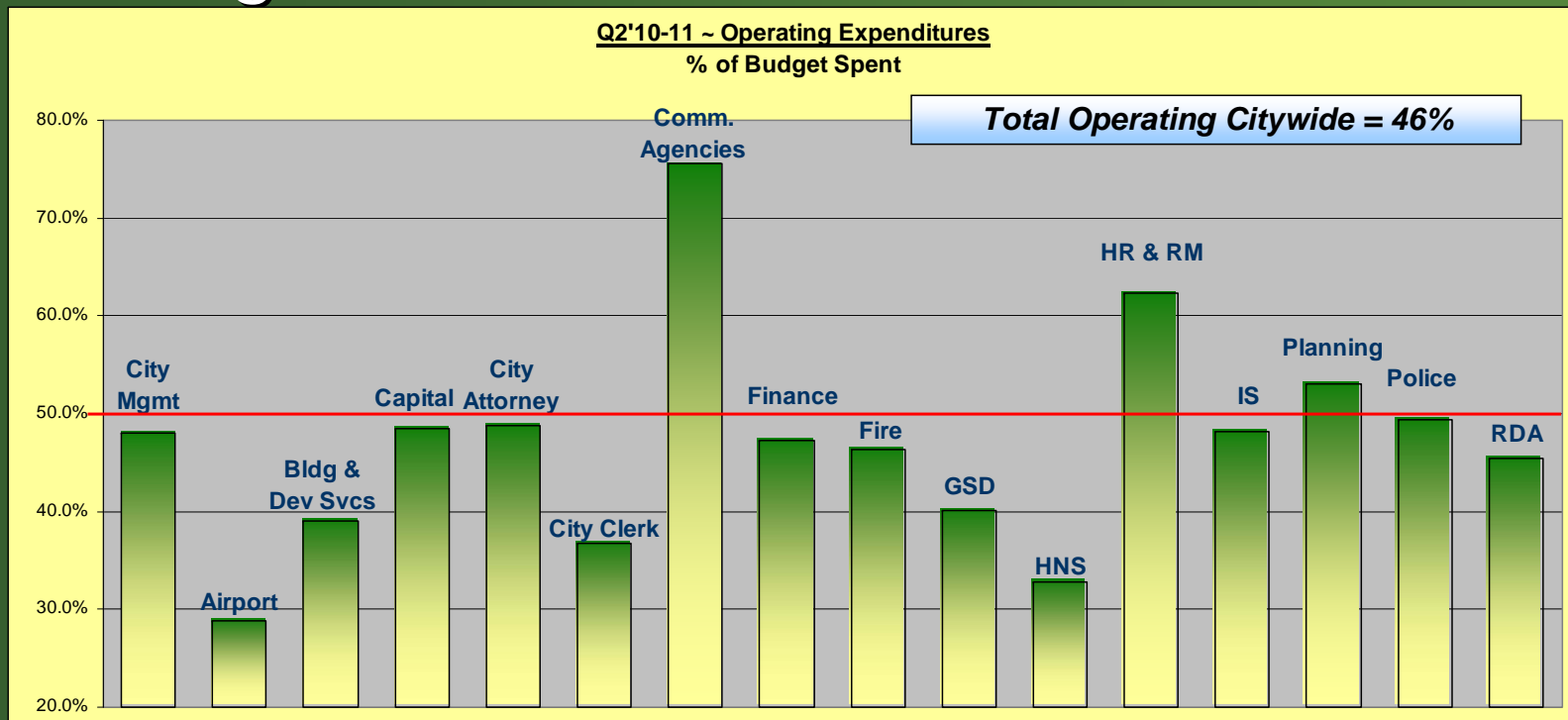
- Operating Expenditures
- General & Park Fund Revenues
- General & Park Fund Expenditures
- Private Development Fund
- Outlook for FY11-12 City Budget
- Q2'10-11 Supplemental Appropriation

Citywide Operating Expenditures



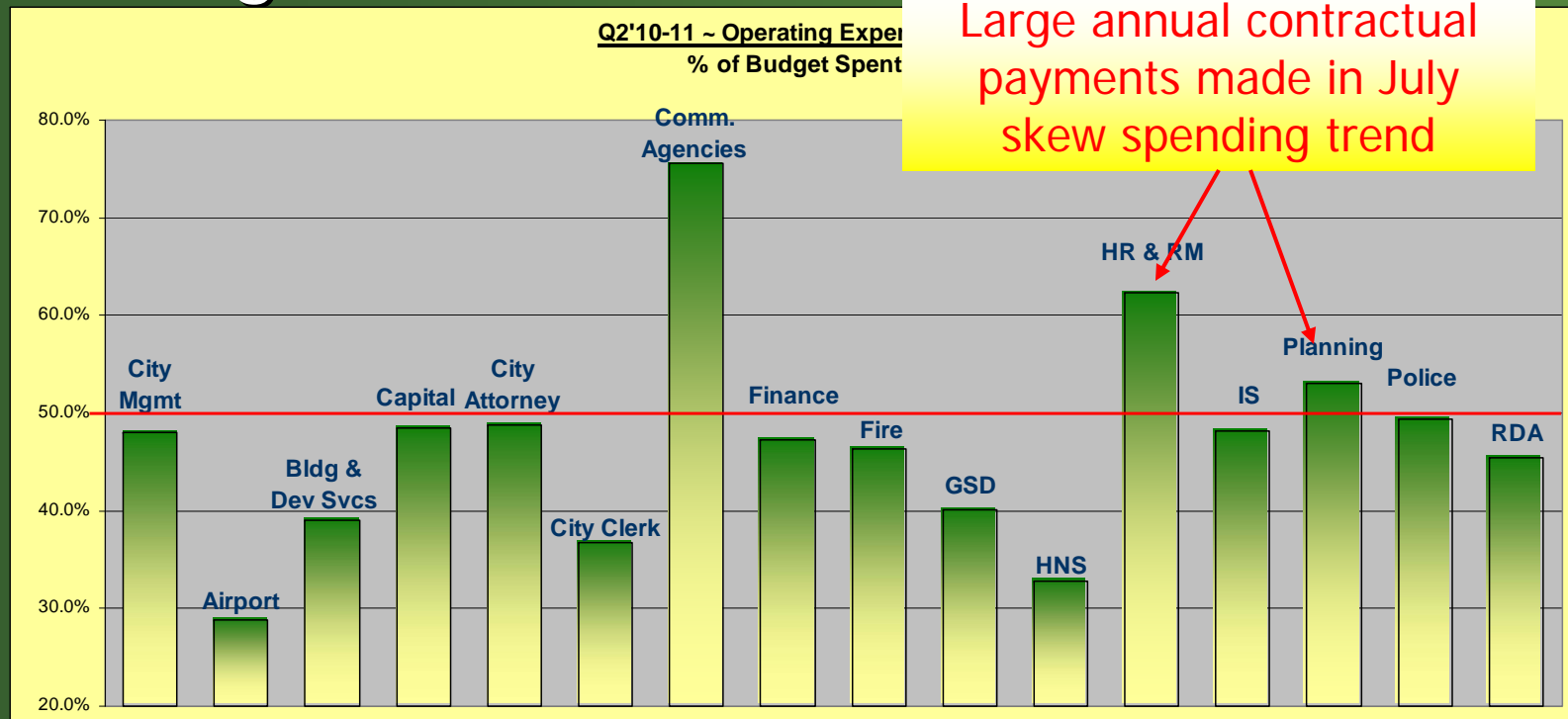
Operating Expenditures

- Operating Expenditures tracking below budget



Operating Expenditures

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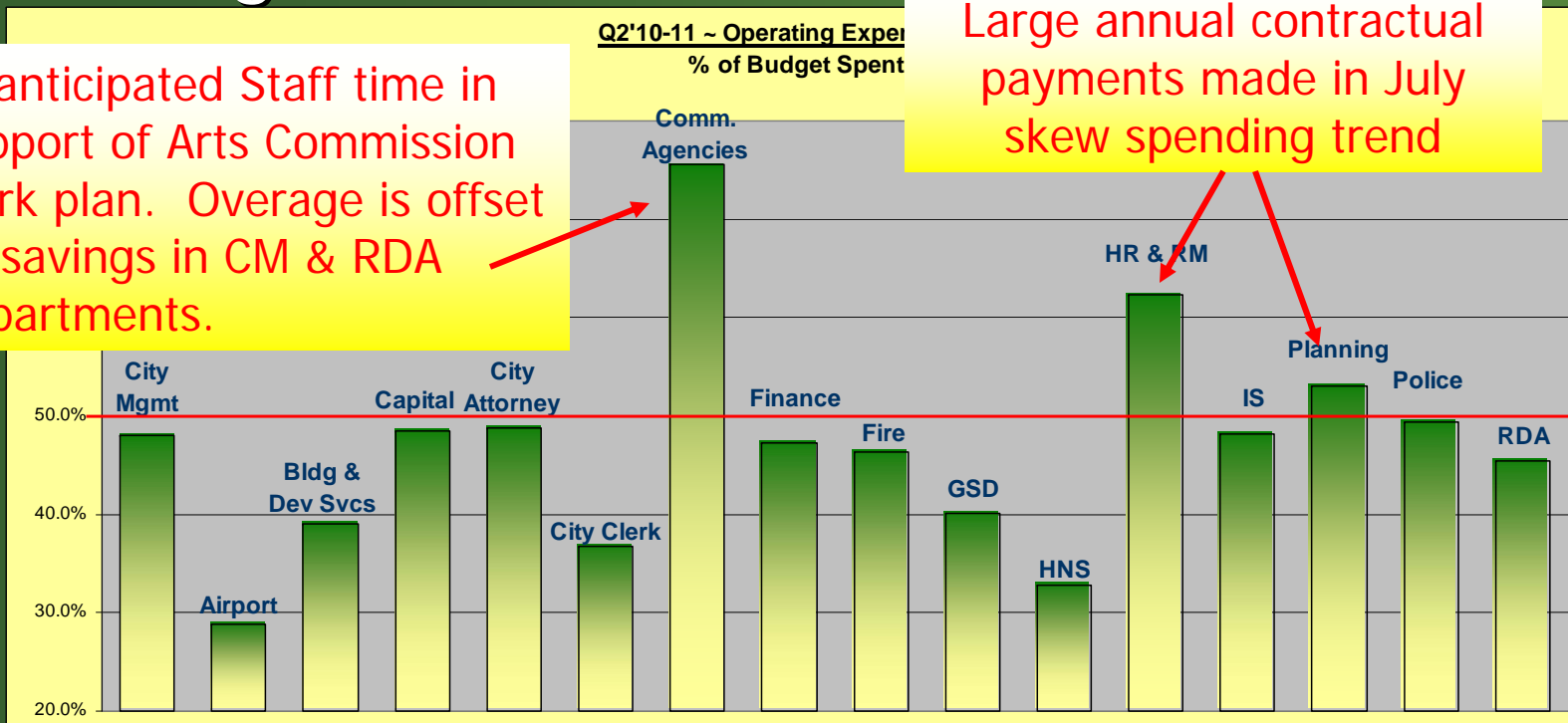


Operating Expenditures

- Operating Expenditures tracking below budget

Unanticipated Staff time in support of Arts Commission work plan. Overage is offset by savings in CM & RDA departments.

Q2'10-11 ~ Operating Expenditures
% of Budget Spent



General & Park Fund Revenue



General Fund Revenue

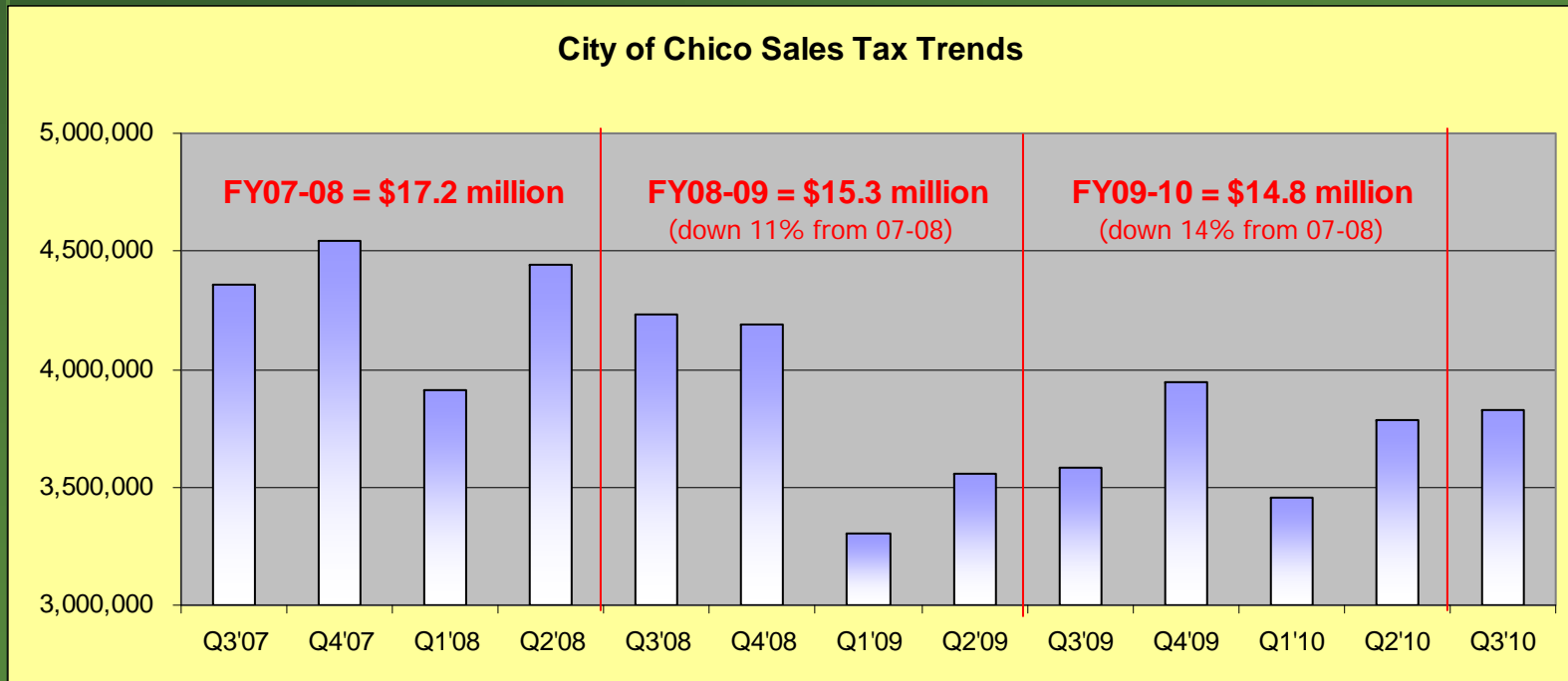
- Through December 2010, Revenue trends are mixed
 - Sales Tax ↑
 - Transient Occupancy Tax ↑
 - Utility Users' Tax ↓
 - Property Tax ↓
- Despite mixed trends, still expecting to meet FY10-11 Budgeted Revenue

General Fund Revenue

	FY10-11 Adopted Budget	FY10-11 Mid-Year Update	Variance from Adopted Budget
Sales Tax	14,042,400	15,250,000	1,207,600
Property Tax	4,707,674	4,456,819	(250,856)
Property Tax In Lieu of VLF	6,628,400	6,490,036	(138,364)
Utility Users Tax	6,915,200	6,582,700	(332,500)
Transient Occupancy Tax	1,740,700	1,863,000	122,300
<u>Other Taxes</u>	<u>1,910,100</u>	<u>1,797,600</u>	<u>(112,500)</u>
Total Tax Revenue	35,944,474	36,440,155	495,680
Licenses and Permits	99,500	99,500	0
Motor Vehicle In Lieu (VLF)	761,300	710,000	(51,300)
From Other Agencies	376,800	129,725	(247,075)
Charge for Current Services	255,800	172,671	(83,129)
Fines and Forfeitures	774,300	724,300	(50,000)
Use of Money and Property	200,960	180,330	(20,630)
<u>Other Revenues</u>	<u>240,700</u>	<u>265,177</u>	<u>24,477</u>
Total Other Revenues	2,709,360	2,281,703	(427,657)
Total Gen/Park Revenue	38,653,834	38,721,858	68,023

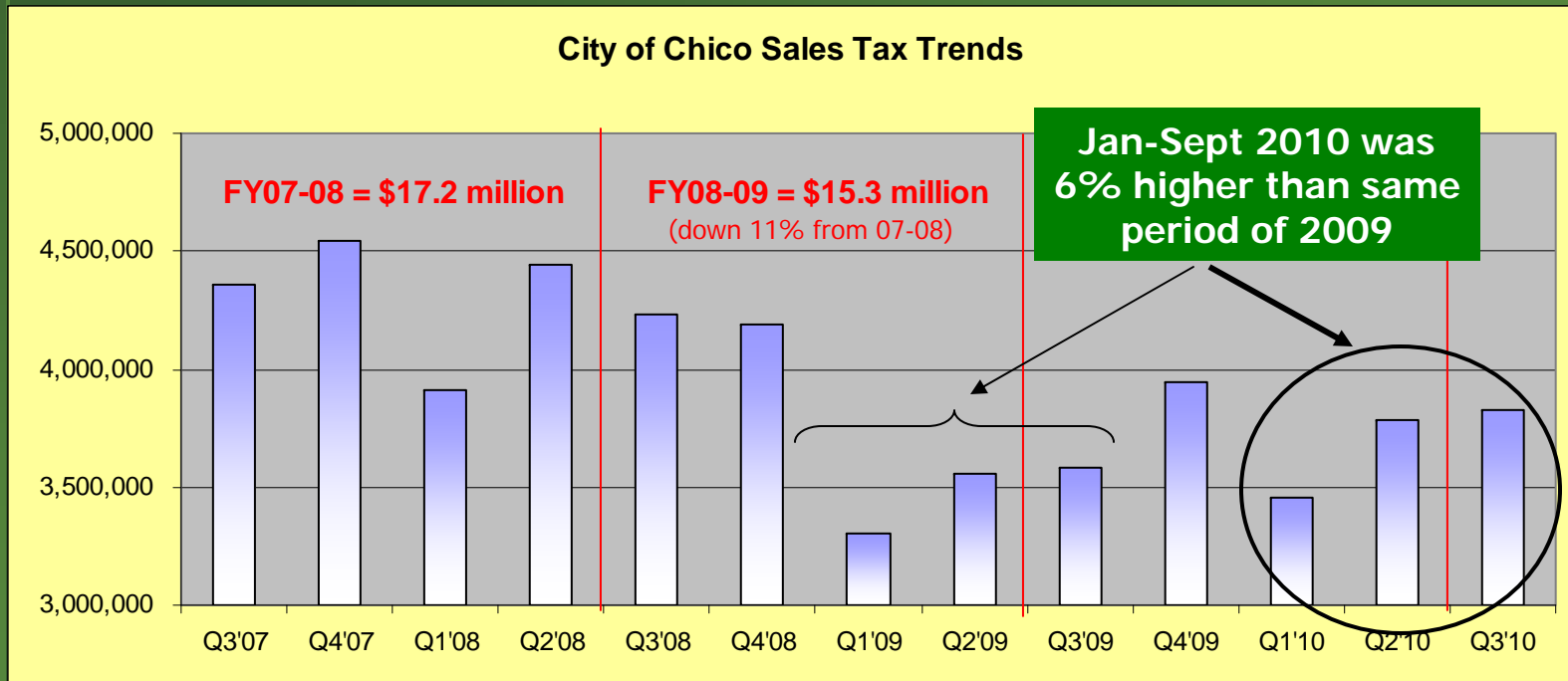
General Fund Revenue

- Sales Tax Trends (36% of Total Revenue)
 - Showing signs of improvement



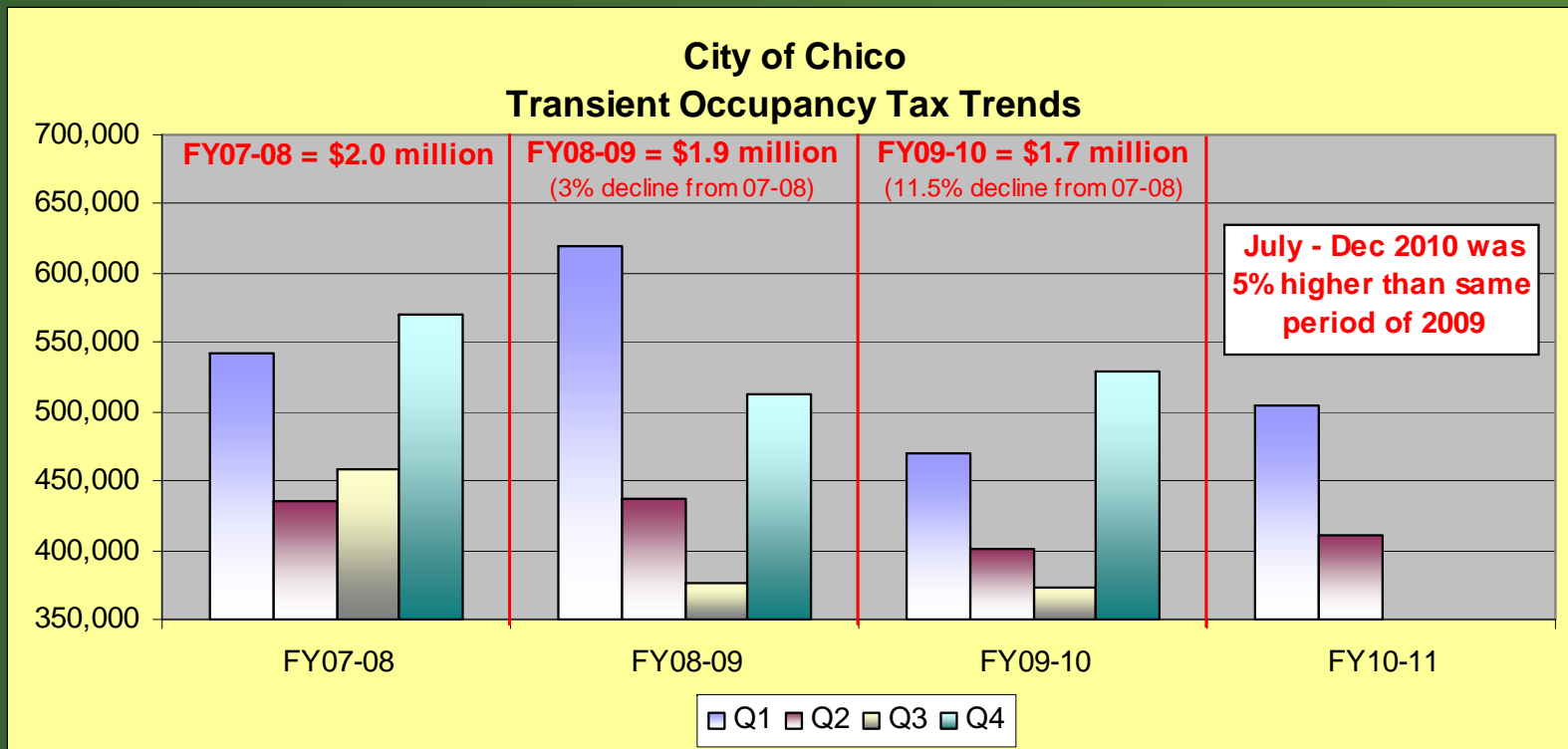
General Fund Revenue

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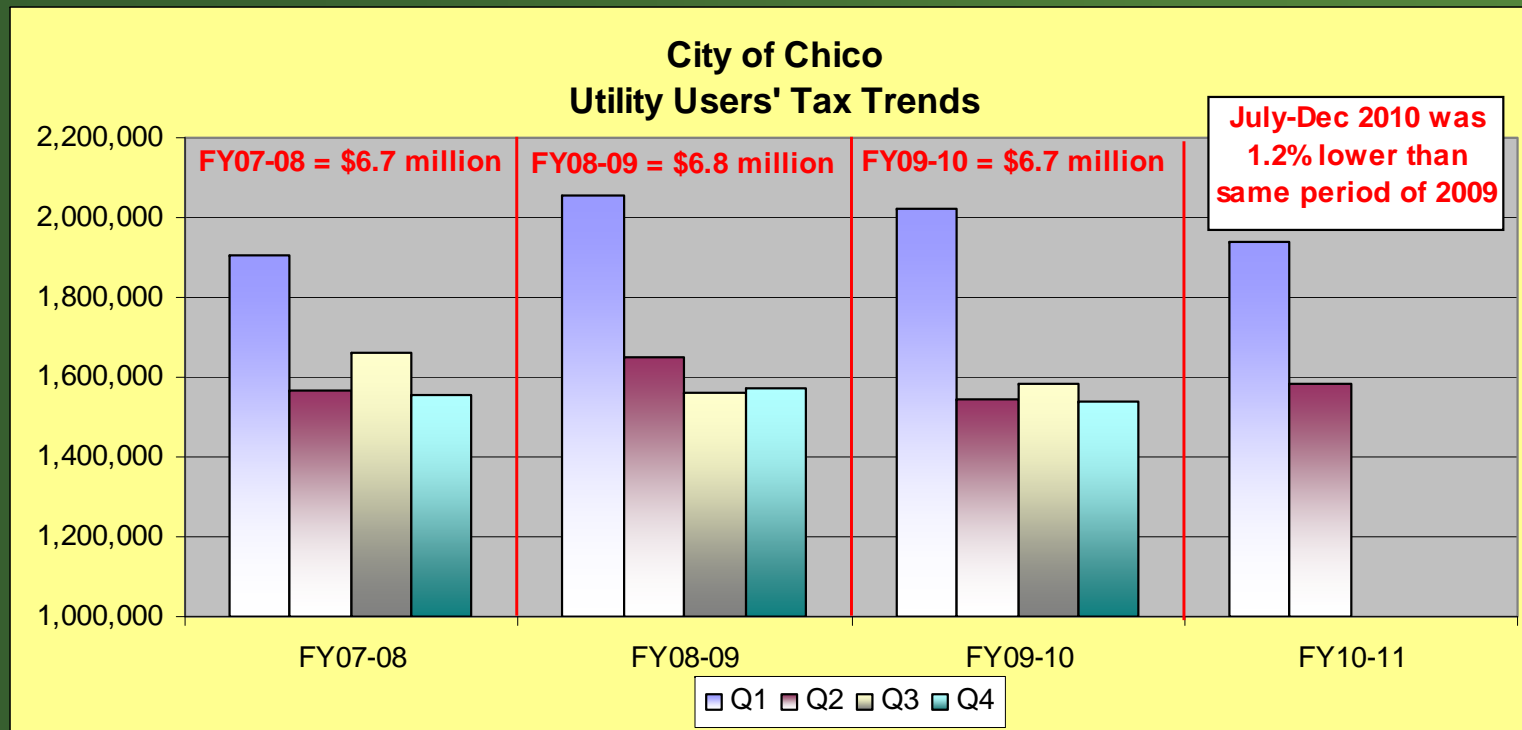
General Fund Revenue

- Transient Occupancy Tax Trends
(4.5% of Total Revenue)



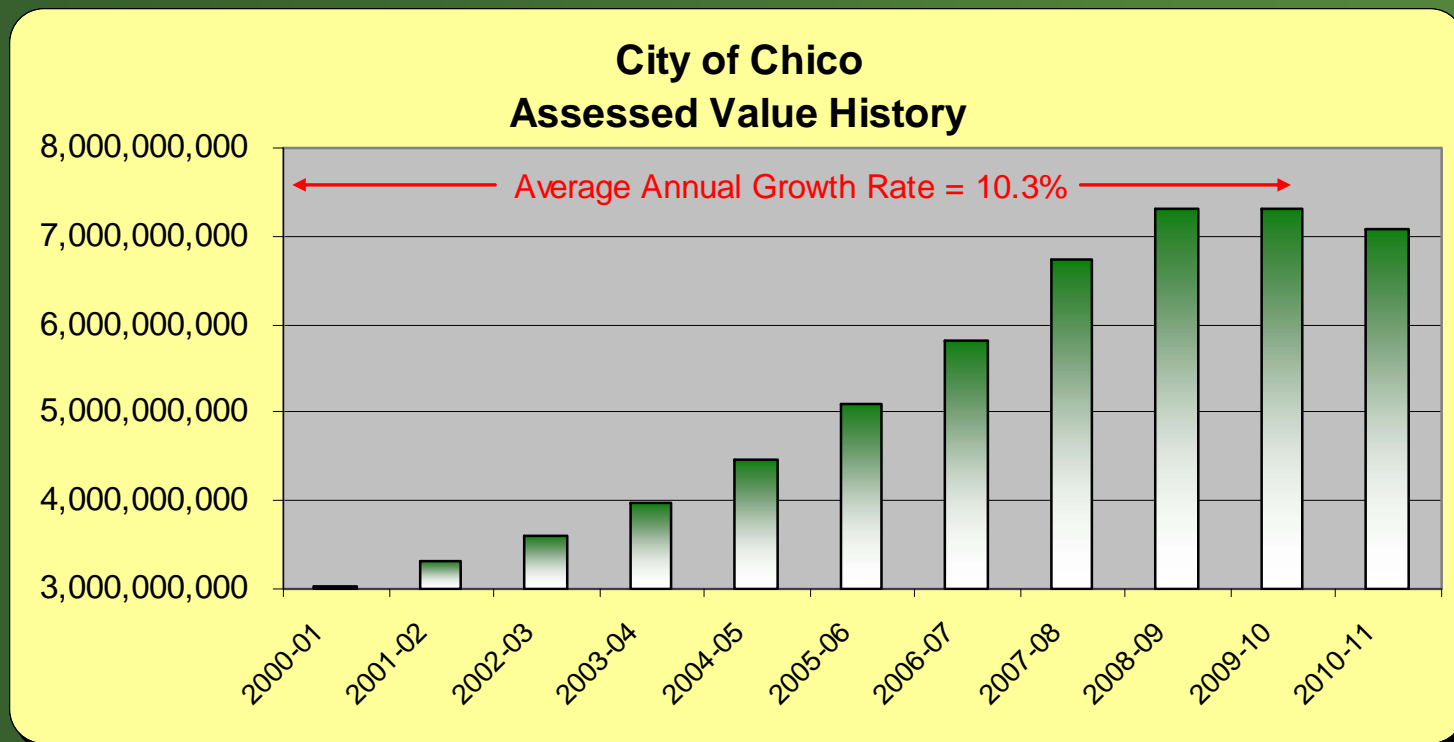
General Fund Revenue

■ Utility Users' Tax Trends (18% of Total Revenue)



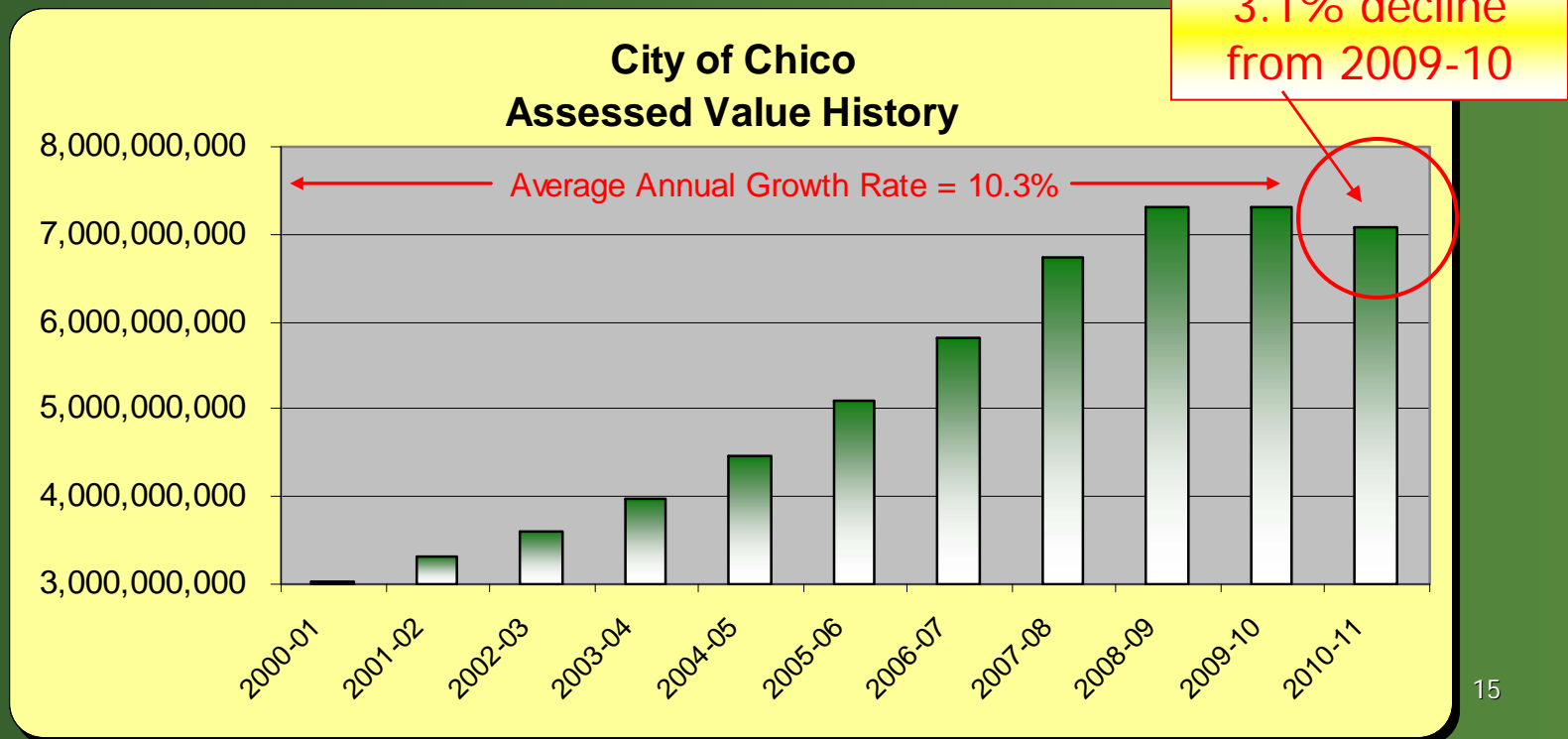
General Fund Revenue

- Property Tax (29% of Total Revenue)
 - Experiencing continued decline



General Fund Revenue

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General Fund Revenue

- Property Tax (29% of Total Revenue)
 - Experiencing continued decline
 - 1st ever negative CPI adjustment (-0.237%)
 - Affected 67% of parcels within the City
 - Prop 8 devaluations
 - Affected 23% of parcels within the City
 - Median home prices 4% less than prior year
 - CPI adjustment for 2011-12 will be 0.753%

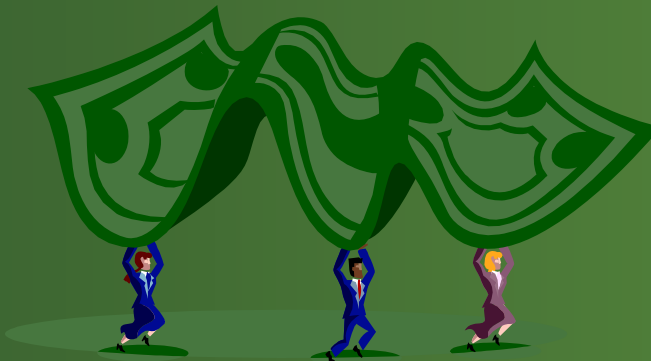
General Fund Revenue

■ Other Revenues (6% of Total Revenue)

	FY10-11 Adopted Budget	FY10-11 Mid-Year Update	Variance from Adopted Budget	
Licenses and Permits	99,500	99,500	0	
Motor Vehicle In Lieu (VLF)	761,300	710,000	(51,300)	←based on current trend
From Other Agencies	376,800	129,725	(247,075)	←fewer Fire reimbursements
Charge for Current Services	255,800	172,671	(83,129)	←suspension of DUI Response Fees
Fines and Forfeitures	774,300	724,300	(50,000)	←reduction in Parking Fines
Use of Money and Property	200,960	180,330	(20,630)	←reduction in Investment Earnings
<u>Other Revenues</u>	<u>240,700</u>	<u>265,177</u>	<u>24,477</u>	←auction proceeds
Total Other Revenues	2,709,360	2,281,703	(427,657)	

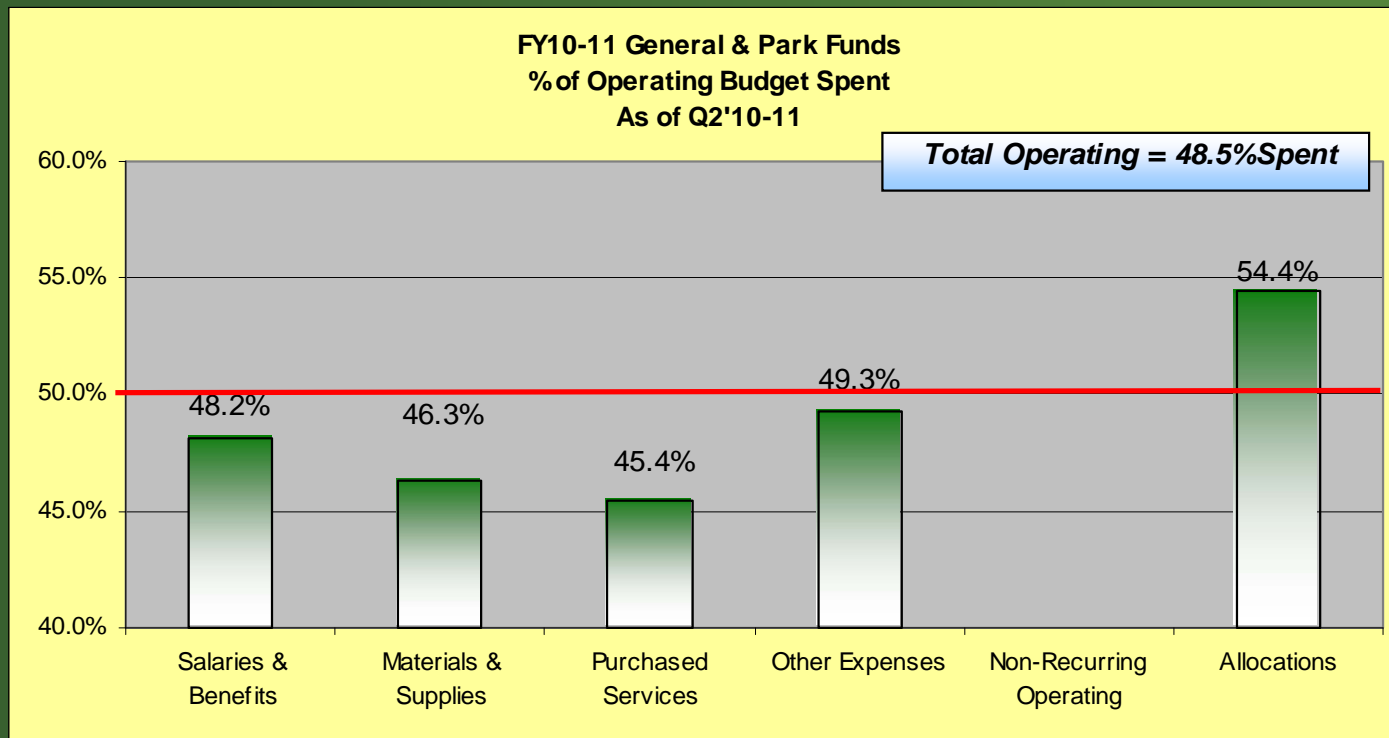
- Total General Fund Revenue expected to meet Budget target of \$38.7 million

General & Park Fund Expenditures



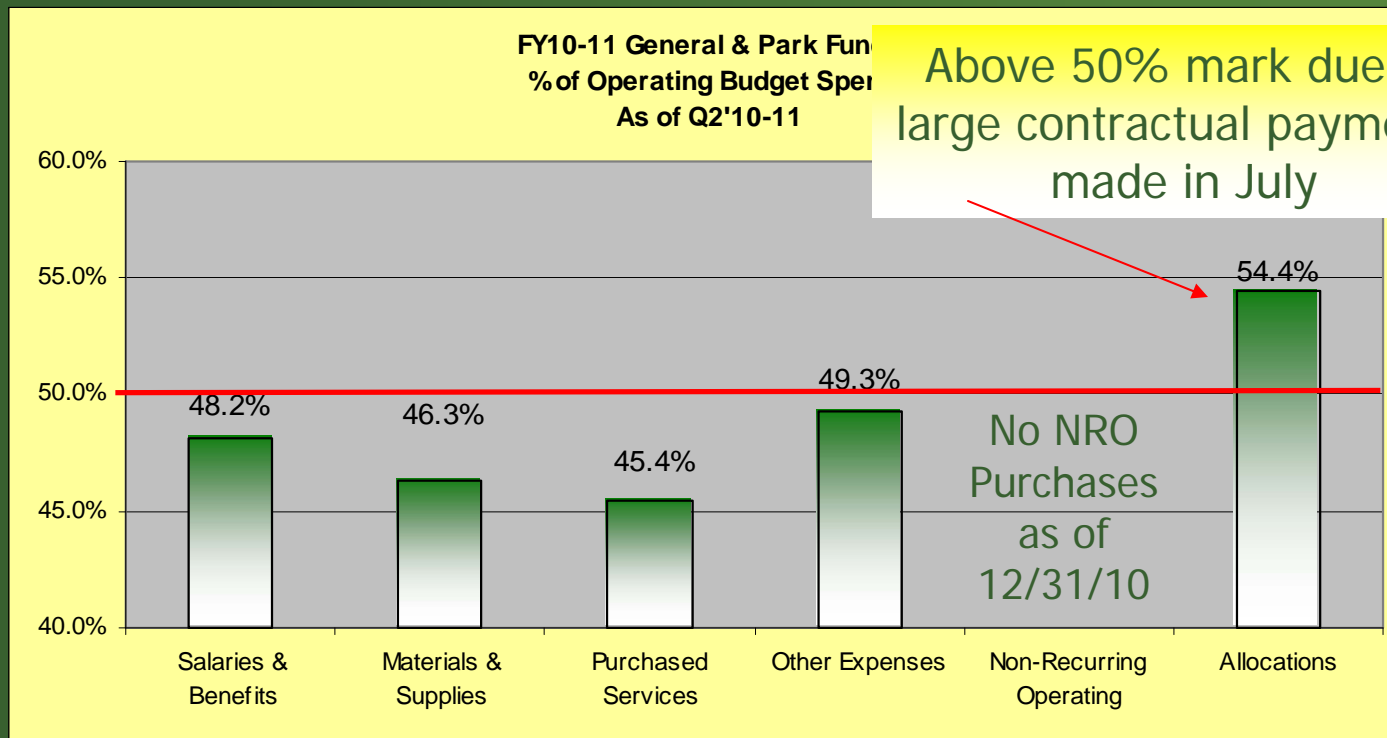
General Fund Expenditures

- Through December, General & Park Fund Expenditures are trending below budget.



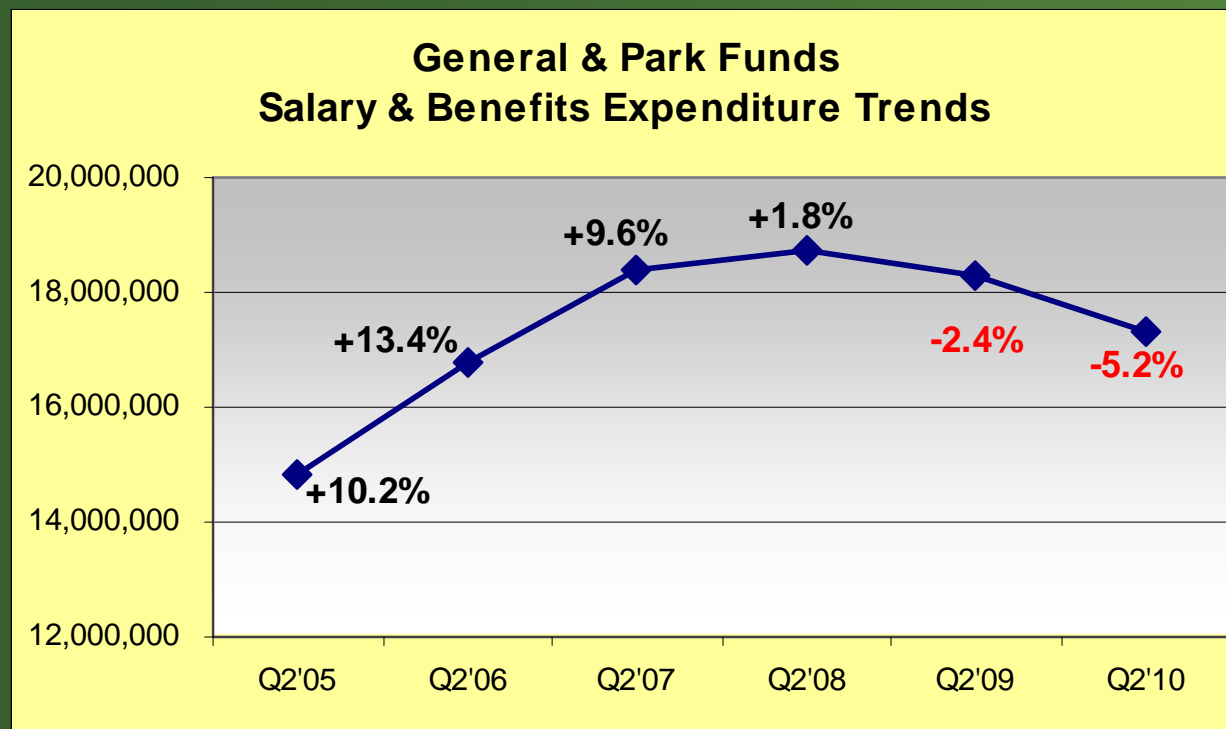
General Fund Expenditures

- Through December, General & Park Fund Expenditures are trending below budget.



General Fund Expenditures

■ Gen/Park Salaries & Benefits Trends



2nd consecutive
year of
reductions

7.6% below
FY08-09 levels

General Fund Expenditures

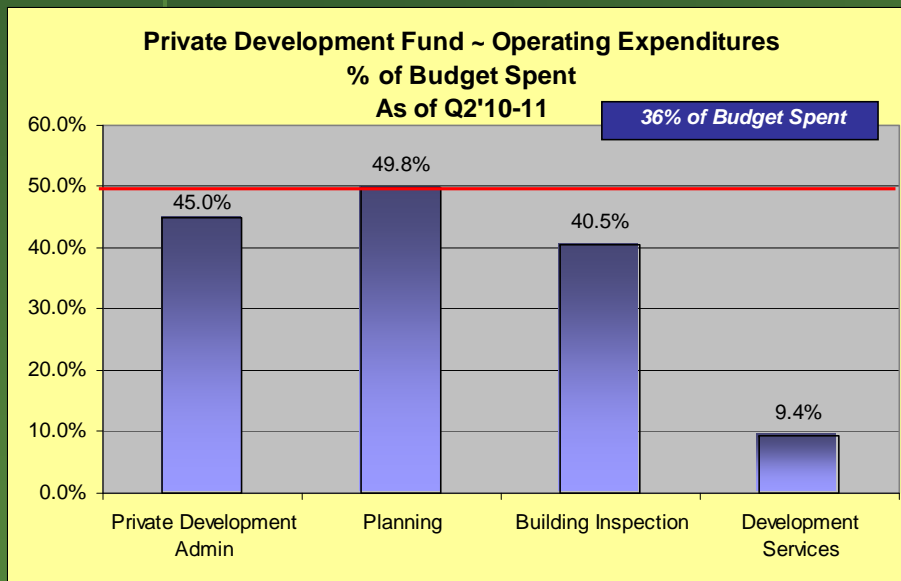
- Gen/Park Salaries & Benefits Trends
 - 7.6% below 2008-09 levels
 - Due to employee concessions, budget reductions and hiring suspension
 - Loss of 63 positions, many of which were supported by General & Park Funds
 - 43 positions due to attrition
 - 17 positions due to early retirement program
 - 3 positions due to lay-offs (SEIU-Trades & Crafts unit)

Private Development Fund

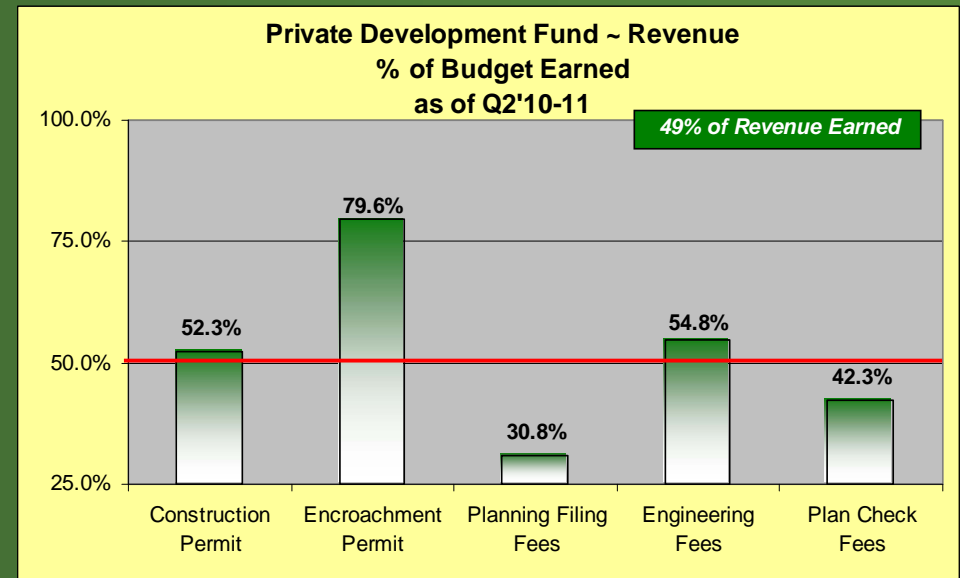


Private Development Fund

- Private Development Fund (Fund 862) meeting budget targets



Expenditures = 36% of Budget Spent



Revenues = 49% of Budget Received

Private Development Fund

- Private Development Fund (Fund 862) meeting budget targets
 - Expenditures being actively monitored
 - Positions shifted to funded activities
 - 2 Planners (to Capital projects)
 - ½ Planner (to the Front Counter)
 - ½ Planner (to Sewer/Storm Drain projects)
 - 2 Building Inspectors (to Capital projects)
 - Suspension of Development Review Committee
 - Reduced number of board & commission meetings

Outlook for the FY2011~12 Budget



Outlook for FY11-12 Budget

- Continuation of 2-year spending plan
 - Expenditures will remain flat to FY10-11 levels
- Revenue projections being developed
 - No significant changes in assumptions
- Concerns about Proposed State Budget impacts

Outlook for FY11-12 Budget

- Potential impacts of Proposed State Budget
 - Elimination of Redevelopment
 - Affects the equivalent of 25 City jobs
 - Affects City's ability to leverage grant funds
 - Affects Low/Moderate Income Housing programs
 - Affects Arts funding
 - Reduced funding to the University
 - Affects enrollment levels

Outlook for FY11-12 Budget

- Potential impacts of Proposed State Budget – *on the plus side...*
 - Increased Property Tax revenue in City's General Fund *(beginning in FY12-13)*
 - Amount unknown at this time
 - Continued funding for State COPS grant & booking fees
 - Currently funds one Police Officer position

Outlook for FY11-12 Budget

- Management will continue to closely monitor potential impacts to the City's Budget
 - Economic indicators
 - State & Federal Legislation/Budget initiatives
 - Local funding levels
- FY11-12 Budget to be presented to Council at its June 21st meeting



Q2'10~11
Supplemental
Appropriation &
Budget Modification

Q2'10-11 Supplemental

Supplemental Appropriation	Activity	Fund	Revised Fund Balance
\$192,000	Major Litigation	General Fund (F001)	\$355,187
\$162,000	Major Litigation (Transfer In to F001)	Emergency Reserve (F003)	\$6,559,078
\$703,000	Litigation Settlements	Emergency Reserve (F003)	\$5,856,078
\$123,000	Police Dispatch Center	Facility Improvement (F301)	\$391,457
\$177,000	Police Dispatch Center	Police Protection & Equipment (F338)	\$671,037
(\$1,770)	1% GIS/Admin (Transfer to F862)	Police Protection & Equipment (F338)	\$669,267
\$1,770	1% GIS/Admin (Transfer from F338)	Private Development (F862)	(\$8,936,428)
\$67,000	Reimbursement for Park Fees	Zone D&E Neighborhood Parks (F344)	\$49,758
Budget Modification	Activity	Fund	Revised Fund Balance
(\$9,000)	Housing Rehabilitation Loans	Community Devel. Block Grant (F201)	\$0
\$9,000	900 Esplanade (Veteran's Hall)	Community Devel. Block Grant (F201)	\$0

Questions?

