


City of Chico
Quarterly Financial Report
Q3'10~11

City Council Meeting

May 3, 2011





Presentation Outline

- ❖ Supplemental Appropriation/Budget Modification Request
 - ❑ General & Park Funds
 - ❑ Other Funds

 - ❖ Q3'10-11 Results
 - ❑ General & Park Funds
 - ❑ Citywide Operating Departments
 - ❑ Private Development Fund

 - ❖ Economic Outlook
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Q3 Supplemental Requests ~ Summary

Q3'10-11 Supplemental Request

| | Gen/Park Funds | Other Funds | All Funds |
|-----------|----------------|-------------|-----------|
| Revenue | 429,080 | (112,420) | \$316,660 |
| Operating | 112,698 | 625,000 | \$737,698 |
| Capital | 10,302 | (17,281) | (\$6,979) |
| Transfers | (638,737) | 638,737 | \$0 |



Q3 Supplemental Requests ~ General & Park Funds

- ❖ Q3 Supplemental includes \$332,657 reduction to General Fund Balance
 - ❑ Revenue – increase of \$429k
 - ❑ Operating – increase of \$113k
 - ❑ Capital – increase of \$10k
 - ❑ Transfers In – decrease of \$639k

- ❖ Revenue trends indicate mixed results

- ❖ Operating Expenditures trending over Budget

Q3 Supplemental Requests ~ General & Park Funds

❖ Q3 Supplemental – Revenue ↑ \$429k

| | FY10-11 Adopted Budget | FY10-11 Q3 Update | Variance from Adopted Budget |
|-------------------------------|------------------------------|-------------------------|---------------------------------|
| Sales Tax | 14,042,400 | 15,614,293 | 1,571,893 |
| Property Tax | 4,707,674 | 4,453,582 | (254,093) |
| 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 | 36,801,211 | 856,737 |
| 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 | 39,082,914 | 429,080 |

Q3 Supplemental Requests ~ General & Park Funds

❖ Q3 Supplemental – Revenue ↑ \$429k

| | FY10-11 Adopted Budget | FY10-11 Q3 Update | Variance from Adopted Budget | |
|-------------------------------|------------------------------|-------------------------|---------------------------------|---|
| Sales Tax | 14,042,400 | 15,614,293 | 1,571,893 | ← Assumes 4.5% growth Jan-June |
| Property Tax | 4,707,674 | 4,453,582 | (254,093) | } Declines in Assessed Values |
| 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) | ← Conservation efforts |
| Transient Occupancy Tax | 1,740,700 | 1,863,000 | 122,300 | ← Most hotels showing increases |
| <u>Other Taxes</u> | <u>1,910,100</u> | <u>1,797,600</u> | <u>(112,500)</u> | ← Declines in Business License & Real Property Transfer Tax |
| Total Tax Revenue | 35,944,474 | 36,801,211 | 856,737 | |
| 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) | ← Fewer Fire reimbursements |
| Charge for Current Services | 255,800 | 172,671 | (83,129) | ← DUI Response Fees suspended |
| Fines and Forfeitures | 774,300 | 724,300 | (50,000) | ← Lower Parking Fines |
| 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> | ← Auction proceeds |
| Total Other Revenues | 2,709,360 | 2,281,703 | (427,657) | |
| Total Gen/Park Revenue | 38,653,834 | 39,082,914 | 429,080 | |



Q3 Supplemental Requests ~ General & Park Funds

- ❖ Q3 Supplemental – Operating ↑ \$113k
 - ❑ June Special Election = \$123k
 - ❑ Fire Department Materials & Supplies = -\$10k
 - Budget reduced to offset \$10k increase in Capital to fund required City match for Fire Grant

- ❖ Q3 Supplemental – Capital ↑ \$10k
 - ❑ Increase in required City match for Fire Grant
 - Offset by reduction to Operating Budget



Q3 Supplemental Requests ~ General & Park Funds

- ❖ Q3 Supplemental – Transfers In ↓ \$639k
 - ❑ Reduction to Gas Tax transfer to align with eligible street & road maintenance costs
 - Budgeted figure assumed the Gas Tax Fund could reimburse the General Fund for street & road maintenance incurred in prior fiscal years.



Q3 Supplemental Requests ~ General & Park Funds

- ❖ After Supplemental requests, FY10-11 Projected General/Park Fund Balance = \$22,531

| General & Park Funds Fund Summary | FY10-11 Adopted Budget | FY10-11 Mod Adopted |
|--|---------------------------------------|------------------------------------|
| Total Revenue | 38,653,834 | 39,082,914 |
| Other Financing Sources | 4,028,737 | 3,552,000 |
| Total Revenue Sources | 42,682,571 | 42,634,914 |
| Operating Expenditures | 41,282,457 | 41,630,017 |
| Capital Expenditures | 151,180 | 232,319 |
| Other Financing Uses | 796,793 | 791,793 |
| Total Expenditures | 42,230,430 | 42,654,129 |
| Beginning Fund Balance | 112,911 | 41,746 |
| Ending Fund Balance | 565,052 | 22,531 |

Q3 Supplemental Requests

❖ Non-General Fund Requests

| Q3'10-11 Supplemental Request | |
|-------------------------------|-----------|
| Non-General Funds | |
| Revenue | (112,420) |
| Operating | 625,000 |
| Capital | (17,281) |
| Transfers | 638,737 |

← adjustment to Fire Grant revenue

← \$300k for General Liability
\$325k for Workers' Comp

← *See next slide...*

← Reduction to Gas Tax transfer to the General Fund



Q3 Supplemental Requests

❖ Non-General Fund Requests

| Q3'10-11 Supplemental Request | |
|-------------------------------|----------|
| Non-General Funds | |
| Capital | (17,281) |

New Appropriations:

- ❑ CASP Facility Assessment = \$30,900 (Fund 214) – new project
- ❑ Stansbury House Assessment = \$30,900 (Fund 357) – new project
 - ❑ *Funded from transfer of available budget in Old Muni Bldg project*
- ❑ Oak Valley Infrastructure = \$64,239 (Fund 352) – add'l funding for interest payments due per trust agreement

Funding Adjustments:

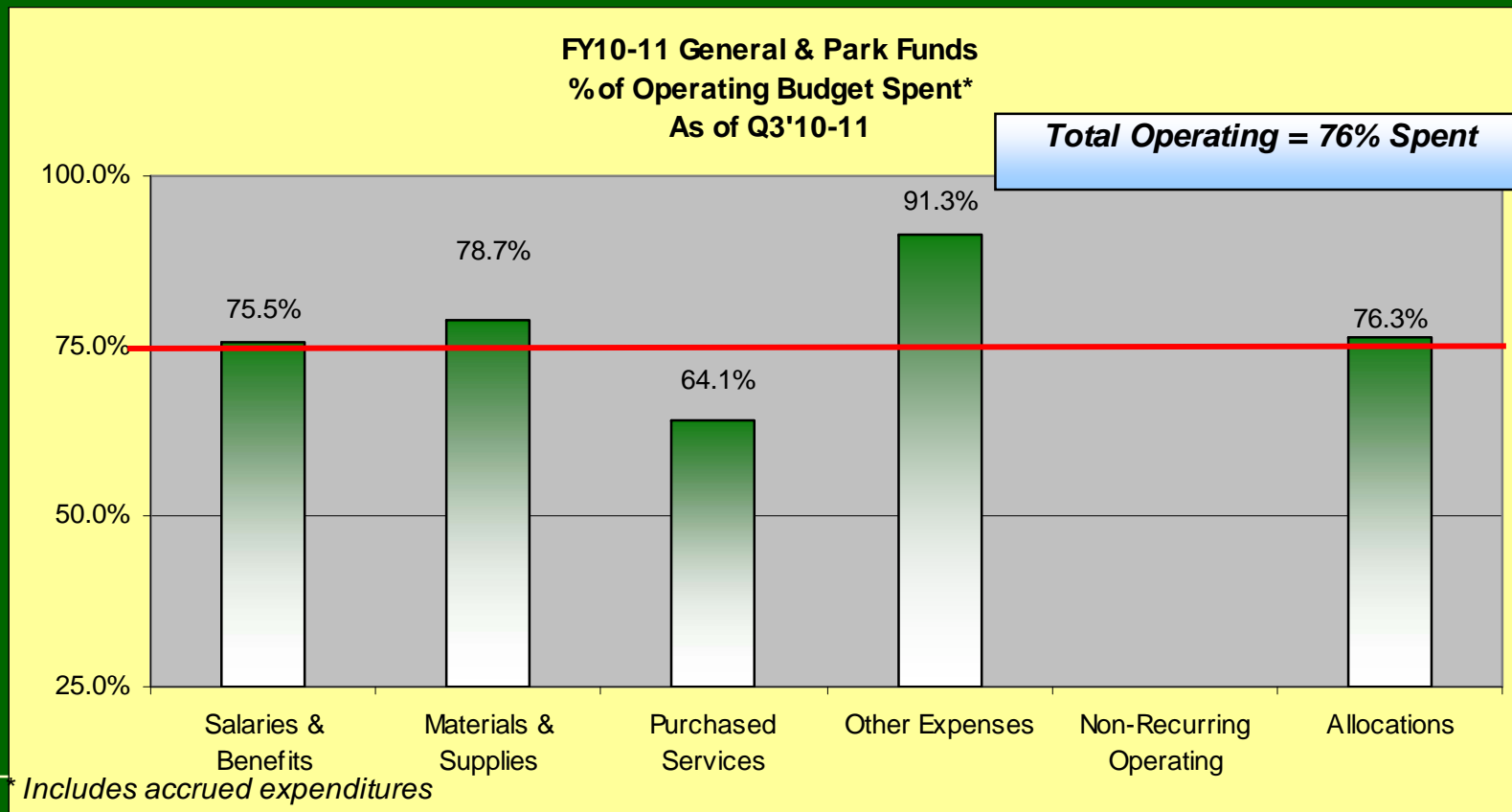
- ❑ Fire Department Grants = -\$112,420 (Fund 300) – overall reduction in several project budgets to align with available grant funding



Q3'2010~11 Financial Results

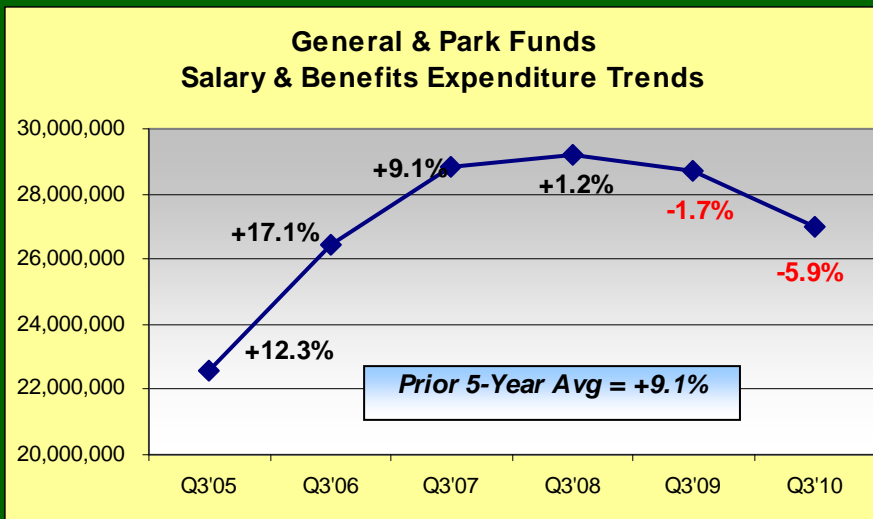
Q3'10~11 Financial Results

❖ General & Park Fund Operating Results



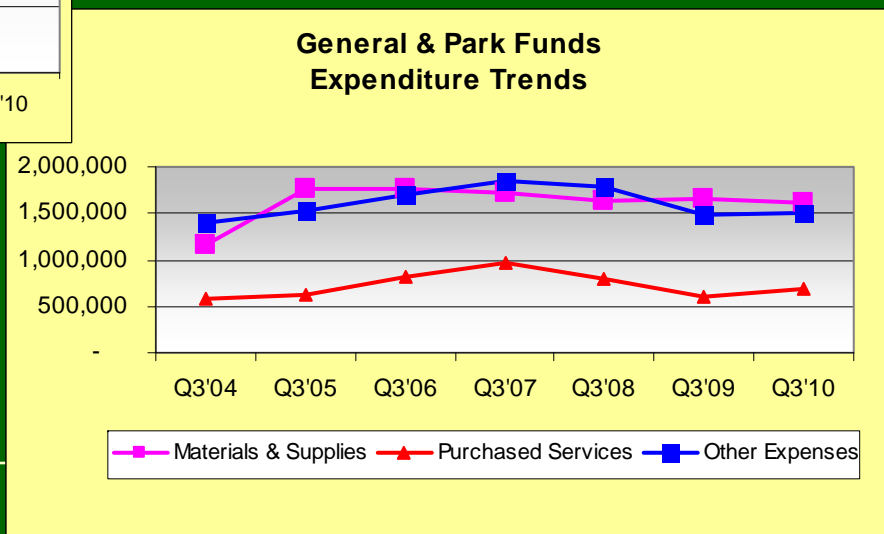
Q3'10~11 Financial Results

General & Park Fund Operating Results



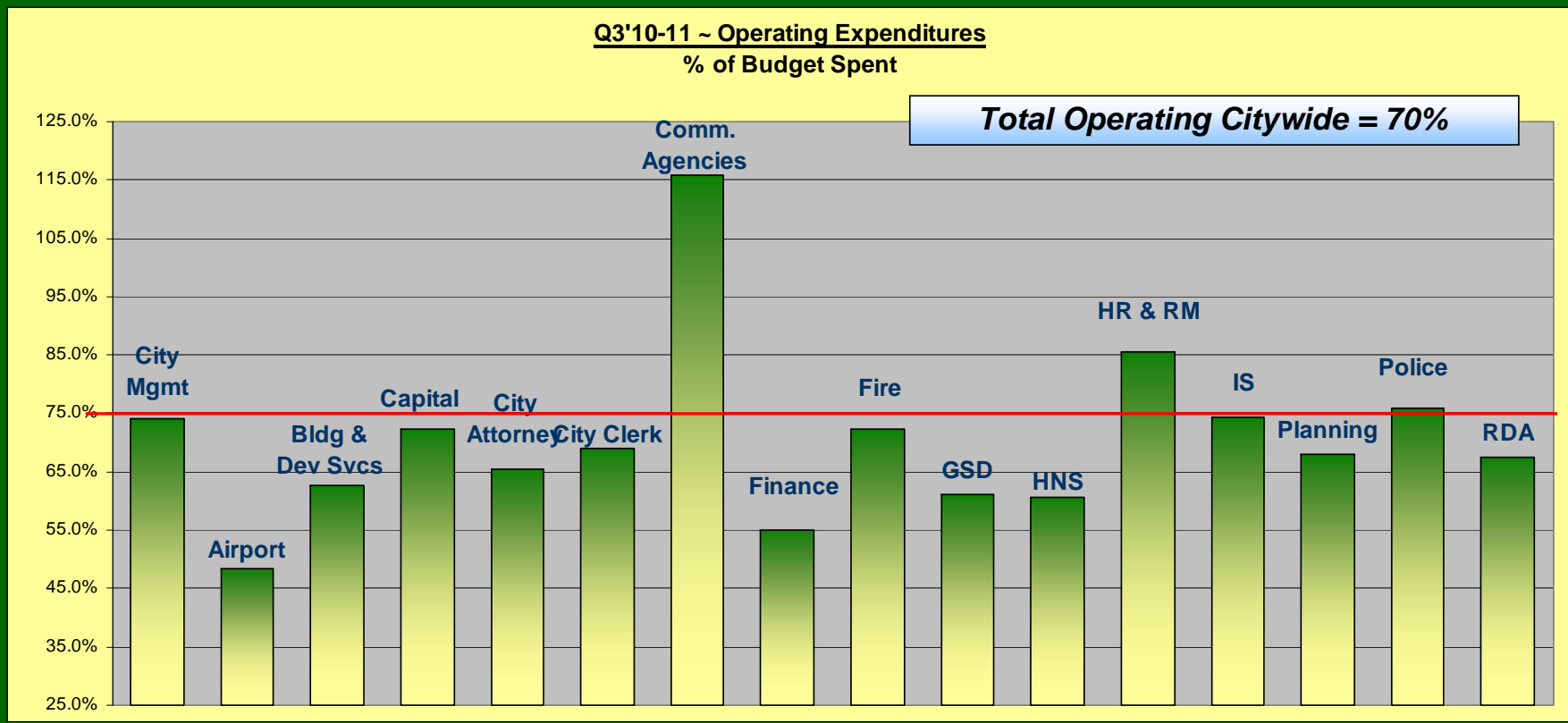
Salary & Benefits trending nearly 6% below the prior fiscal year due to implementation of the Deficit Reduction Strategy & the recent negotiated 5% wage/benefit reductions.

Non-Salary expenditures holding steady compared to prior two fiscal years.



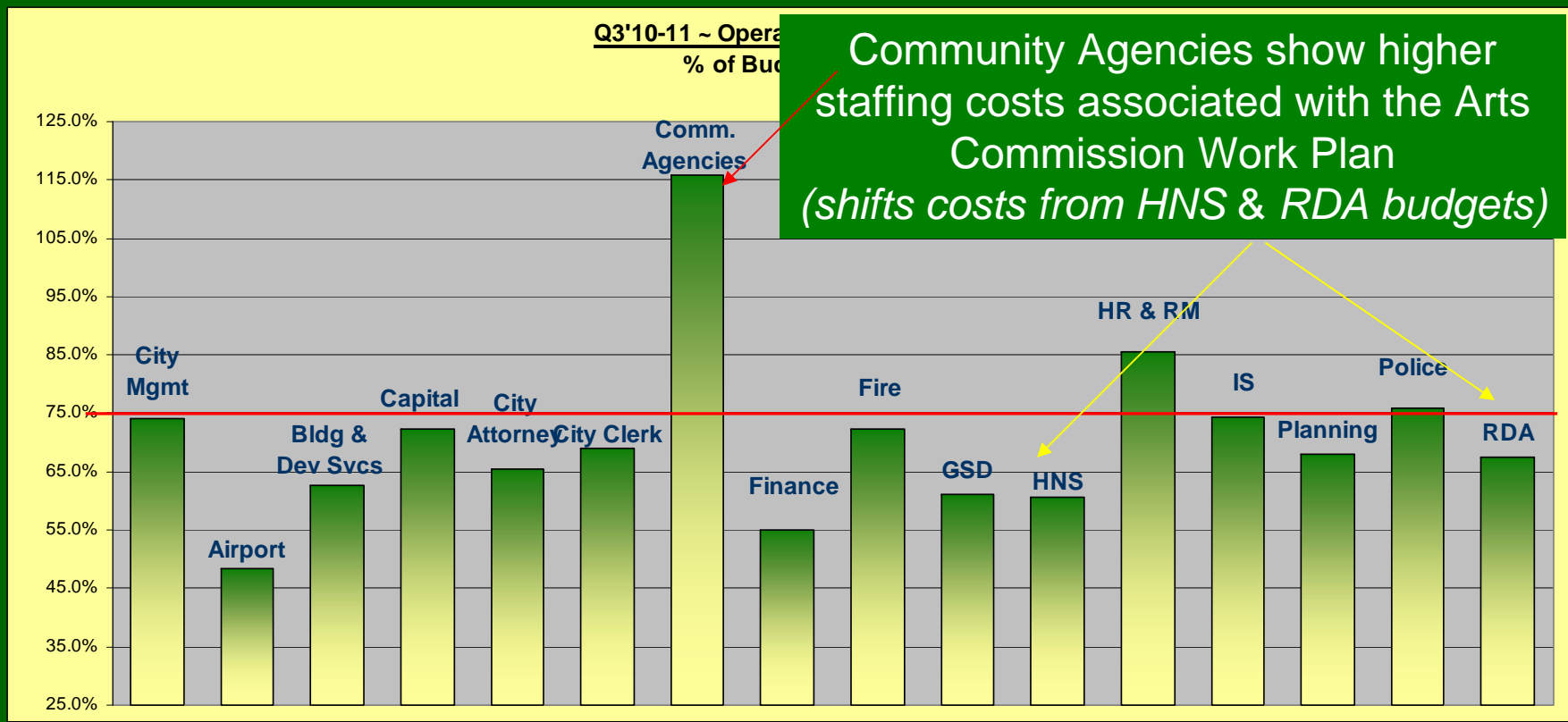
Q3'10~11 Financial Results

❖ Citywide Operating Results – all Funds



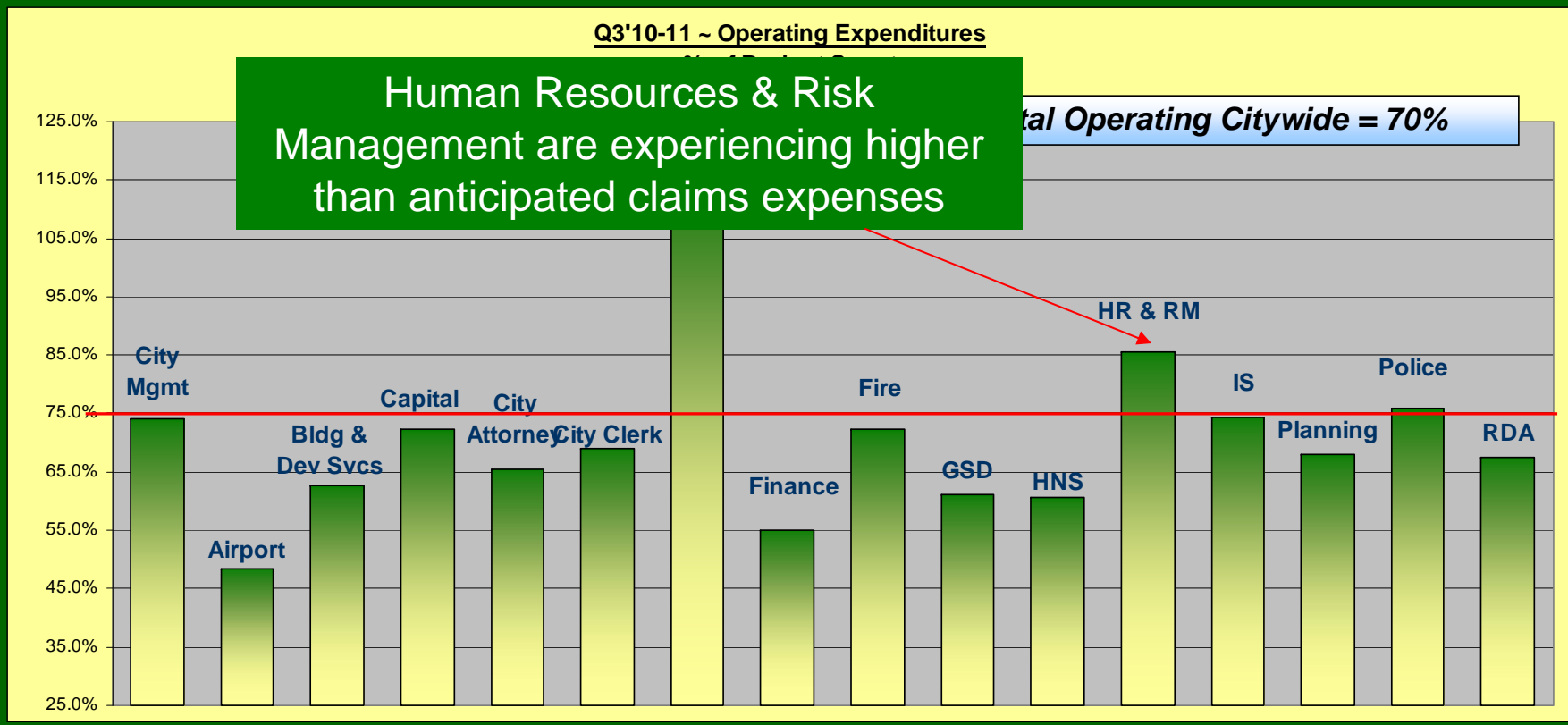
Q3'10~11 Financial Results

❖ Citywide Operating Results – all Funds



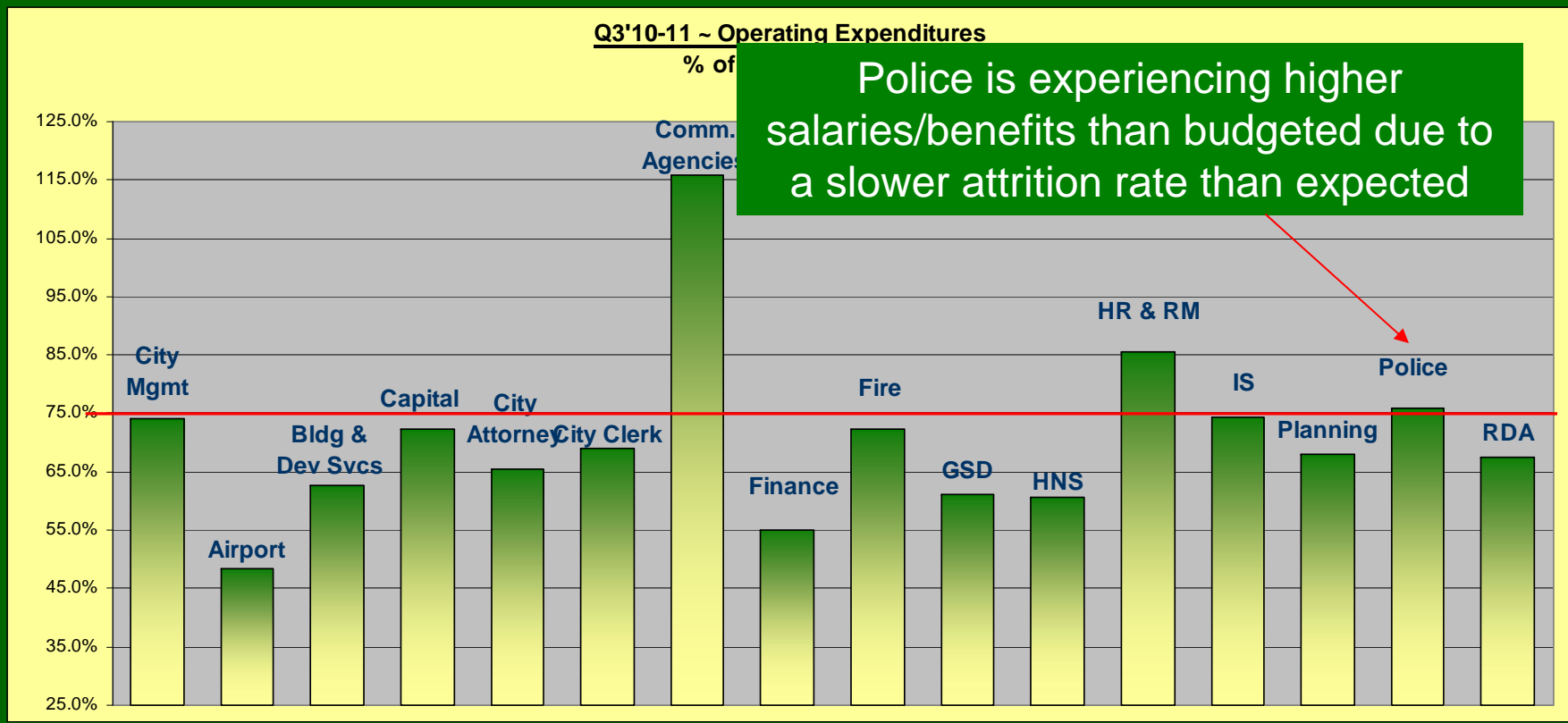
Q3'10~11 Financial Results

❖ Citywide Operating Results – all Funds



Q3'10~11 Financial Results

❖ Citywide Operating Results – all Funds



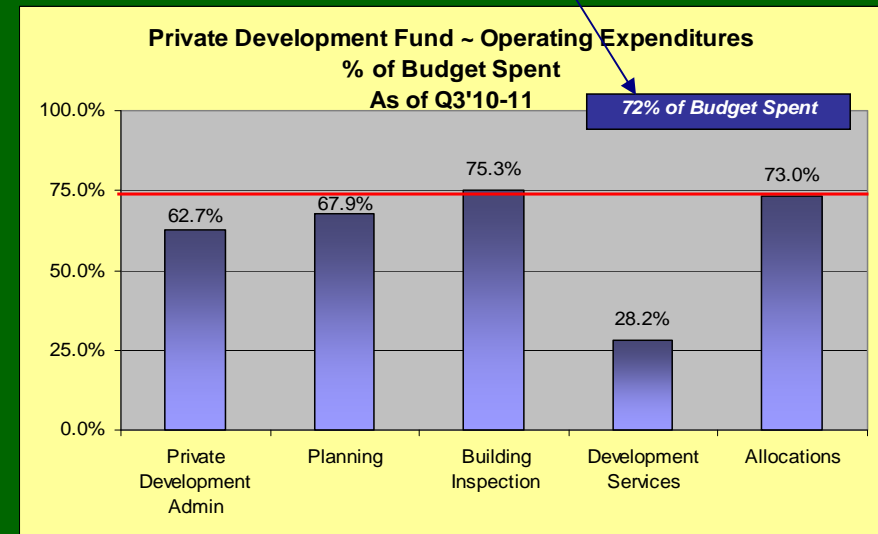
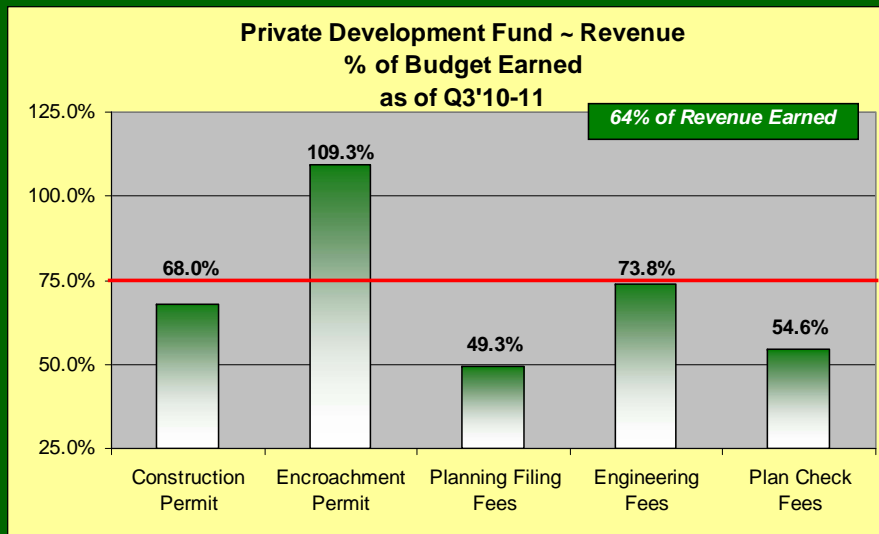
Q3'10~11 Financial Results

❖ Private Development ~ Fund 862

❑ Received 65% of Revenue Budget

❑ Spent 72%* of Operating Budget

(*correction to staff report which stated F862 was 35% spent)





Q3'10~11 Financial Results

❖ Private Development ~ Fund 862

- ❑ Department Heads & Admin Staff continue to monitor revenues and expenditures to ensure the fund minimizes deficit spending
- ❑ Staffing adjustments are made as needed
 - To date, 6 full-time equivalent positions have been transferred to funded activities outside of Private Development:
 - 2 Building Inspectors -> Construction Inspection
 - 2 Planners -> Capital Projects
 - 1 Planner -> Right-of-Way
 - .5 Planner -> Sewer/Storm Drain
 - .5 Planner -> Front Counter Support



Economic Outlook



Economic Outlook

❖ Economic Indicators are still contradictory (data compared to prior year)

Favorable Indicators

- ❖ Local Sales Tax & TOT both increasing
- ❖ Local Foreclosures declining
- ❖ State Consumer Price Index rising
- ❖ National Consumer Price Index rising
- ❖ National Consumer Confidence rising
- ❖ State Auto Sales rising

Unfavorable Indicators

- ❖ Local Unemployment rising
- ❖ State Unemployment rising
- ❖ Local Housing prices declining
- ❖ State Housing prices declining
- ❖ National Housing prices declining



Economic Outlook

- ❖ Continued concerns about State Budget impacts on our local economy
- ❖ FY11-12 City Budget being prepared with “cautious optimism”
 - ❑ Tax Revenue will show modest growth
 - ❑ RDA will stay intact
 - ❑ Impact of State Budget will be addressed via Supplemental Appropriation when/if necessary
- ❖ FY11-12 Proposed Budget to be distributed at the end of May
- ❖ Council’s Budget Worksession scheduled for June 21st



Questions?