



**HUNTINGTON PARK**

# FY 14-15 Budget Presentation

*July 21, 2014*

# FY 13-14 General Fund Revenue Performance



Revenues by Categories	Budget	June YTD Actuals			
	FY 13-14	FY 12-13	%	FY 13-14	%
TAXES	\$ 17,445,000	\$ 16,410,398	95%	\$ 17,136,961	98%
LICENSE & PERMITS	1,669,000	1,675,209	100%	1,624,841	97%
CHARGES FOR SERVICES	983,000	982,272	127%	1,132,915	115%
FINES & FORFEITURES	1,884,000	1,467,292	90%	1,429,618	76%
INTEREST & RENTAL INCOME	240,000	143,171	60%	188,275	78%
OTHER REVENUE	354,429	424,409	120%	353,647	100%
TRANSFERS IN	901,000	913,896		870,000	
ONE-TIME REVENUE*	-	-		1,004,000	
<b>TOTAL REVENUES</b>	<b>\$ 23,476,429</b>	<b>\$ 22,016,646</b>	<b>98%</b>	<b>\$ 23,740,257</b>	<b>101%</b>

\*Los Angeles County RDA Program

# FY 13-14 General Fund Revenue Performance



Select Revenues	Budget		June YTD Actuals			Year-End Estimate
	FY 13-14	FY 12-13	%	FY 13-14	%	
1 Property Tax	\$5,600,000	\$5,593,154	101%	\$5,844,010	104%	5,912,315
2 Sales and Use Tax	5,570,000	\$4,933,340	86%	5,106,523	92%	5,790,979
3 Franchise Tax	600,000	\$552,705	92%	803,956	134%	846,302
4 Utility Users Tax (UUT)	5,500,000	\$5,106,057	96%	5,128,128	93%	5,600,000
5 Business Licenses	1,315,000	1,262,684	96%	1,280,672	97%	1,280,672
6 Permits	354,000	412,525	117%	344,169	97%	344,169
7 Police Fees	371,500	209,090	129%	447,383	120%	447,383
8 Recreation Fees	321,000	409,332	128%	398,973	124%	398,973
9 Planning & Zoning Fees	290,500	363,851	125%	286,559	99%	286,559
10 Parking Ticket Revenues	1,375,000	1,330,080	89%	1,299,600	95%	1,299,600
<b>Subtotal</b>	21,297,000	20,172,817		20,939,973		22,206,952
<b>Total Incl. all other Revenues</b>	<b>\$ 23,476,429</b>	<b>\$ 22,016,646</b>		<b>\$ 23,740,257</b>		<b>\$ 25,194,557</b>

# Expenses by Department



Description	Budget		June YTD Actuals		Preliminary June YTD	
	FY 12-13	FY 13-14	FY 12-13	%	FY 13-14	%
<b>CITY MANAGER</b>	\$ 1,801,855	\$ 2,092,329	\$ 1,612,963	90%	\$ 1,768,373	85%
<b>FINANCE</b>	\$ 1,594,259	\$ 1,449,812	\$ 1,614,793	101%	\$ 1,548,973	107%
<b>PUBLIC WORKS</b>	\$ 3,167,002	\$ 2,811,293	\$ 2,820,545	89%	\$ 2,199,686	78%
<b>PARKS &amp; RECREATION</b>	\$ 1,479,692	\$ 1,493,553	\$ 1,374,235	93%	\$ 1,283,483	86%
<b>POLICE DEPARTMENT</b>	\$ 17,705,945	\$ 17,649,484	\$16,747,218	95%	\$15,833,460	90%
<b>COMMUNITY DEVELOPMENT</b>	\$ 673,280	\$ 947,208	\$ 875,428	130%	\$ 888,468	94%
<b>CITY COUNCIL</b>	\$ 290,378	\$ 323,803	\$ 257,034	89%	\$ 296,796	92%
<b>TOTAL GENERAL FUND</b>	\$ 26,712,411	\$ 26,767,482	\$25,302,215	95%	\$23,819,239	89%

- *All City departments were diligent about controlling expenditures*
- *The Finance department's higher-than-usual expenditures indicate unanticipated costs in the following areas:*
  - *IT Equipment: \$66,000*
  - *Payouts & Overtime: \$60,000*

# FY 13-14 Results



	FY 13-14 <i>(adopted)</i>	June YTD	Year-End <i>(est. close)</i>
Revenues	\$23.5	\$23.7	\$ 25.0
Expenses	<u>26.8</u>	<u>23.8</u>	<u>26.0</u>
Est. Deficit	\$(3.3)	\$(0.1)	\$(1.00)

## FY 13-14 Adopted Budget

- \$3.3 million structural deficit
- \$2.5 million pension tax dispute

## FY 13-14 Actuals (YTD June)

- Property & property transfer, franchise & UUT showing strong performance
- One time revenues: \$1.0 million
- Unfilled positions (2 motorcycle police)

## Year-end

- \$1.0 million projected shortfall

# FY 14-15 Baseline



- *Proposed FY 14-15 budget reflects expenditures exceeding above estimated revenues:*
- *Result: Deficit of (\$2.0) million*

	<b>FY 12-13</b>		<b>FY 13-14</b>		<b>FY 14-15</b>
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Y/E Proj.</u>	<u>Baseline*</u>
Revenues	\$22.6	\$22.0	\$23.5	\$25.0	\$24.0
Expenses	<u>26.7</u>	<u>25.3</u>	<u>26.8</u>	<u>26.0</u>	<u>26.0</u>
	\$(4.1)	\$(3.3)	(\$3.3)	\$(1.0)	\$(2.0)

*\*Eliminates one-time RDA revenues from FY 13-14  
Includes \$585,000 net expense increase*

# FY 14-15: Budget Adjustments




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*Beginning FY 14-15 Budget Deficit* \$(2,000,000)

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<i>Budget Adjustments</i>		<i>Amount</i>
1. OPEB	Retiree medical ins.	(\$15,000)
2. Medical Insurance	Current employees	(68,000)
3. Pension Obligation Bonds	Debt Service	(60,000)
4. IT Improvements & Maintenance	Capital improvements	(75,000)
5. Special Event	Holidays	(40,000)
6. CalPERS	Increased retirement costs	(283,000)
7. CalPERS	Replacement benefit fund	(24,000)
8. Professional Recruitment & Interim	Executive hiring costs	(120,000)
9. Salary Adjustment	Step increases	(200,000)
10. Street-sweeping contract	Reduction in contract cost	300,000
<b><i>Total Budget Adjustments</i></b>		<b><u><i>(\$585,000)</i></u></b>

# Critical Financial Issues in the Near Term

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- ✓ OPEB “Pay-Go” cash payments only
  - ❑ \$1.5 current contribution vs. \$5.0 mm accrued liability
- ✓ Reserves for accrued liabilities
  - ❑ Vacation, sick pay, retirement, COLA/COLA leave (given in lieu of salary increases in FY 2011)
- ✓ MOUs (expiring in January 2015)
- ✓ Pension tax – *remains unresolved*
  - Layoffs in January