



HUNTINGTON PARK

**FY 2014-15
General Fund Budget**

August 4, 2014

Prepared by:
Finance Department

General Fund

	June YTD	Budget	June YTD	Year End
Revenues by Categories	FY 12-13	FY 13-14	FY 13-14	
TAXES	\$ 16,420,864	\$ 17,445,000 ▲	\$ 17,162,321	\$ 18,131,761
LICENSE & PERMITS	1,675,209	1,669,000 ▲	1,624,937	1,624,937
CHARGES FOR SERVICES	860,869	983,000 ▲	1,132,792	1,132,792
FINES & FORFEITURES	1,728,671	1,884,000 ▼	1,411,373	1,477,362
INTEREST & RENTAL INCOME	234,976	240,000 ▲	188,275	188,275
OTHER REVENUE	379,487	354,429 ▲	353,647	575,431
TRANSFERS IN	913,896	901,000	870,000	870,000
ONE-TIME REVENUE*	-	-	1,004,000	1,004,000
TOTAL REVENUES	\$ 22,213,973	\$ 23,476,429 ▲	\$ 23,747,344	\$ 25,004,557

GF: Expenditures by Department

Description	June YTD	Budget	June YTD	
	FY 12-13	FY 13-14	FY 13-14	%
CITY MANAGER	\$ 1,612,963	\$ 2,092,329	\$ 1,768,373	85%
FINANCE	\$ 1,614,793	\$ 1,449,812	\$ 1,548,973	107%
PUBLIC WORKS	\$ 2,820,545	\$ 2,811,293	\$ 2,199,686	78%
PARKS & RECREATION	\$ 1,374,235	\$ 1,493,553	\$ 1,283,483	86%
POLICE DEPARTMENT	\$16,747,218	\$ 17,649,484	\$15,833,460	90%
COMMUNITY DEVELOPMENT	\$ 875,428	\$ 947,208	\$ 888,468	94%
CITY COUNCIL	\$ 257,034	\$ 323,803	\$ 296,796	92%
TOTAL GENERAL FUND	\$25,302,215	\$ 26,767,482	\$23,819,239	89%

- *All City departments were diligent about controlling expenditures*
- *The Finance department's higher-than-usual expenditures indicate unanticipated costs for IT and payouts and overtime (\$132K)*

GF: FY 13-14 Year-End 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>26.6</u>
Est. Deficit	\$(3.3)	\$(0.1)	\$(1.6)

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

- \$1.6 million projected shortfall

FY 13-14 Year-End Budget

	June YTD	Budget	June YTD	Percent Change.	Year-End Estimate
Select Revenues	FY 12-13	FY 13-14	FY 13-14	%	
1 Property Tax	\$5,593,154	\$5,600,000	\$5,844,010	104%	5,894,480
2 Sales and Use Tax	\$4,933,341	5,570,000	5,106,523	92%	5,790,979
3 Franchise Tax	\$545,717	600,000	803,956	134%	846,302
4 Utility Users Tax (UUT)	\$5,106,058	5,500,000	5,128,128	93%	5,600,000
5 Business Licenses	1,262,684	1,315,000	1,280,672	97%	1,280,672
6 Permits	412,525	354,000	344,169	97%	344,169
7 Police Fees	193,766	371,500	447,383	120%	447,383
8 Recreation Fees	364,735	321,000	398,973	124%	398,973
9 Planning & Zoning Fees	302,368	290,500	286,559	99%	286,559
10 Parking Ticket Revenues	1,545,049	1,375,000	1,299,600	95%	1,299,600
Subtotal Top 10 Revenues	\$ 20,259,397	\$ 21,297,000	\$ 20,939,973		\$ 22,189,117
Total Incl. all other Revenues	\$ 22,016,646	\$ 23,476,429	\$ 23,740,257		\$ 25,004,557

GF: FY 13-14 Revenue Performance

1. *Property Tax Revs:*

- › 4.5% increase from FY 12-13 to FY 13-14
- › 3.48% or \$195,000 expected for FY 14-15

City/Agency Name	2013/14 Net Value	2014/15 Net Value	Value Change	% Change
HUNTINGTON PARK				
Huntington Park General Fund	612,241,814	632,477,228	20,235,414	3.31%
Central Business District	340,567,028	382,996,471	42,429,443	12.46%
City Industrial Redevelopment Proj	209,186,563	214,192,165	5,005,602	2.39%
NHB Preserve RP	517,623,700	522,112,281	4,488,581	0.87%
North Redevelopment Project	519,285,322	528,570,831	9,285,509	1.79%
Santa Fe RDA-Tax District #1	222,977,632	225,706,212	2,728,580	1.22%
Total Assessed Value	\$ 2,421,882,059	\$ 2,506,055,188	\$ 84,173,129	3.48%

Data Source: L.A. County Assessor 2013/14 and 2014/15 Secured and Unsecured Tax Rolls/HDL

GF: FY 13-14 Revenue Performance

2. Sales & Use Tax:

- › 3.5% increase from FY 12-13 to FY 13-14
- › 3.3% or \$195,500 expected for FY 14-15

Major Industry Group	FY 2013-14 Actual	Hdl Projection	FY 2014-15 Projected	Δ Growth
General Consumer Goods	1,460,552	2.0%	1,489,763	29,211
Autos and Transportation	1,269,696	5.0%	1,333,181	63,485
Restaraunts and Hotels	814,539	5.0%	855,266	40,727
Building and Construction	775,995	5.5%	818,675	42,680
Food and Drugs	413,060	2.0%	421,321	8,261
Fuel and Service Stations	390,995	1.0%	394,905	3,910
Business and Industry	362,368	2.0%	369,615	7,247
	\$5,487,205	3.2%	\$5,682,726	\$195,521

Source: HdL Companies Sales Tax Allocation Summary dated May 22, 2014. Fiscal Year 2014-15 sales tax revenue projections obtained by using the lesser of the Statewide, local city average, or Huntington Park projections provided by HdL in their April 2014 California Forecast: Sales Tax Trends and Economic Drivers and City of Huntington Park FY 2014-15 Preliminary Sales and Use Tax Revenues Projection.

GF: FY 13-14 Revenue Performance

3. Franchise Tax:

- › 45% increase

Category	Fy 13	Fy 14	Δ Growth
Refuse	312,998	481,678	168,680
Electricity	141,759	151,042	9,283
Gas	63,983	74,525	10,542
Other	46,672	82,399	35,727

4. Utility Users' Tax (UUT):

- › FY 13-14: + 1%
- › FY 14-15: - 0%

Category	Fy 13	Fy 14	Δ Growth
Electricity	2,450,774	2,514,470	63,697
Gas	607,558	664,429	56,871
Telephone	1,983,642	1,896,868	(86,774)
Other	588,391	586,619	(1,772)

GF: FY 13-14 Revenue Performance

5. **Business License Tax:**

- › FY 12-13 - \$1,262,684
- › FY 13-14 - \$1,280,672
- › 1% increase

6. **Permits:**

- › 17% decrease with enforcement seemingly impacted by staff reductions taken the prior fiscal year
- › FY 12-13 - \$412,525
- › FY 13-14 - \$344,169
- › Projected flat through FY 14-15

7. **Police Fees:**

- › 114% increase attributable to AB 190 revenue (\$188,000+); ongoing revenue (as opposed to one-time revenue)
- › FY 12-13 - \$209,090
- › FY 13-14 - \$447,383

GF: FY 13-14 Revenue Performance

8. **Recreation Fees:**

- › 3% decrease
- › FY 12-13 - \$409,332
- › FY -13-14 - \$398,973

9. **Planning & Zoning:**

- › 21% decrease
- › FY 12-13 - \$363,851
- › FY 13-14 - \$286,559

10. **Parking Ticket Revenues:**

- › 4% decrease
- › FY 12-13 - \$1,330,080
- › FY 13-14 - \$1,299,600

GF: FY 14-15 General Fund Revenue

General Fund Revenues			
DESCRIPTION	Budget		Budget
	FY 12-13	FY 13-14	FY 14-15
TAXES			
1 Property Tax	\$5,545,000	\$5,600,000	\$6,001,800
2 Sales and Use Tax	5,742,521	5,570,000	5,848,500
3 Franchise Tax	600,000	600,000	800,000
4 Utility Users Tax (UUT)	5,300,000	5,500,000	5,500,000
5 Public Safety Augmentation	100,000	100,000	125,000
6 Transient Occupancy Tax (TOT)	40,000	40,000	46,000
7 Property Transfer Tax	35,000	35,000	42,000
	\$17,362,521	\$17,445,000	\$18,363,300
8 Business Licenses	\$ 1,315,000	\$1,315,000	\$1,315,000
9 Permits	354,000	354,000	354,000
LICENSE & PERMITS	\$1,669,000	\$1,669,000	\$1,669,000
10 Police Fees	\$ 161,500	\$ 371,500	\$ 423,900
11 Recreation Fees	321,000	321,000	369,150
12 Planning & Zoning Fees	290,500	290,500	290,500
CHARGES FOR SERVICES	\$773,000	\$983,000	\$ 1,083,550
13 Court Fines	\$ 25,000	\$ 25,000	\$ 17,078
14 Parking Ticket Revenues	1,500,000	1,375,000	1,375,000
16 Fines - Civil Confinement	-	-	-
17 Fines and Bail Forfeiture	90,000	474,000	474,000
18 Code Enforcement Fines	10,000	10,000	10,000
FINES & FORFEITURES	\$1,625,000	\$ 1,884,000	\$ 1,876,078
19 Interest Income	60,000	\$ 60,000	\$ 1,000
20 Rental Income	180,000	180,000	180,000
INTEREST & RENTAL INCOME	\$240,000	\$240,000	\$181,000
21 Reimbursements	204,000	\$ 204,000	\$ 204,000
22 MVLF	-	0	0
23 Other Revenues Itemized	122,829	122,829	121,829
24 Misc. Revenue & Fees	27,600	27,600	27,600
OTHER REVENUE	\$354,429	\$354,429	\$ 353,429
DIRECT REVENUES	\$ 22,023,950	\$ 22,575,429	\$ 23,526,357
TRANSFERS IN	\$ 551,000	\$ 901,000	\$ 870,000
One Time Revenue		\$ -	\$ -
TOTAL REVENUES	\$ 22,574,950	\$ 23,476,429	\$ 24,396,357

GF: FY 14-15 Proposed Baseline Budget

- *Proposed FY 14-15 budget reflects expenditures exceeding above estimated revenues:*
- *Result: Deficit of (\$2.4) million*

	FY 12-13		FY 13-14		FY 14-15
	<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	\$24.4
Expenses	<u>26.7</u>	<u>25.3</u>	<u>26.8</u>	<u>26.6</u>	<u>26.8</u>
	\$(4.1)	\$(3.3)	(\$3.3)	\$(1.6)	\$(2.4)

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

FY 14-15 General Fund Budget

General Fund Budget FY 14-15	
Revenues	\$ 24.4
Expenditures	\$ 27.6
Projected Budget Deficit	\$ (3.2)

Additional Factors

<i>Beginning FY 14-15 Budget Deficit</i>	<i>\$(2,400,000)</i>
<i>Total Budget Adjustments</i>	<i>(759,877)</i>
<i>Projected Budget Deficit</i>	<i>\$3,159,877</i>

FY 14-15: Budget Adjustments

<i>Beginning FY 14-15 Budget Deficit</i>		\$(2,400,000)
<i>Budget Adjustments</i>		<i>Amount</i>
1. OPEB	Retiree medical ins.	(\$164,228)
2. Medical Insurance	Current employees	(89,086)
3. Pension Obligation Bonds	Debt Service	(55,834)
4. IT Improvements & Maintenance	Capital improvements	(75,000)
5. Special Event	Holidays	(50,000)
6. CalPERS	Increased retirement costs	(283,000)
7. CalPERS	Replacement benefit fund	(22,729)
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
<i>Total Budget Adjustments</i>		<u><i>(\$759,877)</i></u>

GF: FY 14-15 Budget Adjustments

1. OPEB increase: 12.4%

OPEB	FY 13-14	FY 14-15	Increase	ΔChange
Current Retirees	\$ 1,328,645	\$ 1,387,973	\$ 59,328	4.5%
3 New Retirees	-	47,500	47,500	
7 projected Retirees		57,400	57,400	
Total	\$ 1,328,645	\$ 1,492,873	\$ 164,228	12.4%

2. Medical insurance increase: 3.8%

Medical Insurance	FY 13-14	FY 14-15	Increase
Full time employees	\$ 2,375,016	\$ 2,464,102	\$ 89,086

GF: FY 14-15 Budget Adjustments

3. *Pension obligation bond debt service increase: 2.2%*

	FY 13-14		FY 14-15		Increase
\$	1,924,472	\$	1,980,306	\$	55,834

GF: FY 14-15 Budget Adjustments

4. *Capital improvements: Maintenance & Technology*

Servers	\$	50,000
Maintenance		25,000
Total	\$	75,000

5. *Special events and holidays*

July 4th	\$	25,000
Christmas		25,000
	\$	50,000

GF: FY 14-15 Budget Adjustments

6. *CalPERS increased retirement costs increase: \$283,000*

Misc	FY 13-14	FY 14-15	Increase
Employer Rate	8.678%	10.498%	1.820%
Employee Rate	7.000%	7.000%	
Total Rate	15.678%	17.498%	

Safety	FY 13-14	FY 14-15	Increase
Employer Rate	27.680%	29.649%	1.969%
Employee Rate	9.000%	9.000%	
Total Rate	36.680%	38.649%	

7. *CalPERS replacement benefit fund*

Replacement Benefit - Former Employee	\$	22,729
---------------------------------------	----	--------

GF: FY 14-15 Budget Adjustments

8. *Professional recruitment cost: one-time*

City Manager	
Finance Director	
Estimated hiring costs	\$120,000

9. *Salary adjustments*

Employee step increases	\$200,000
-------------------------	-----------

10. *Street sweeping contract decrease*

Termination of street sweeping contract	
Reduction in contract cost	(\$300,000)

GF: Future Issues

- OPEB
 - › \$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 with possible resulting layoffs beginning in January