



HUNTINGTON PARK

**FY 2014-15
General Fund Budget**

August 26, 2014

Prepared by:
Finance Department

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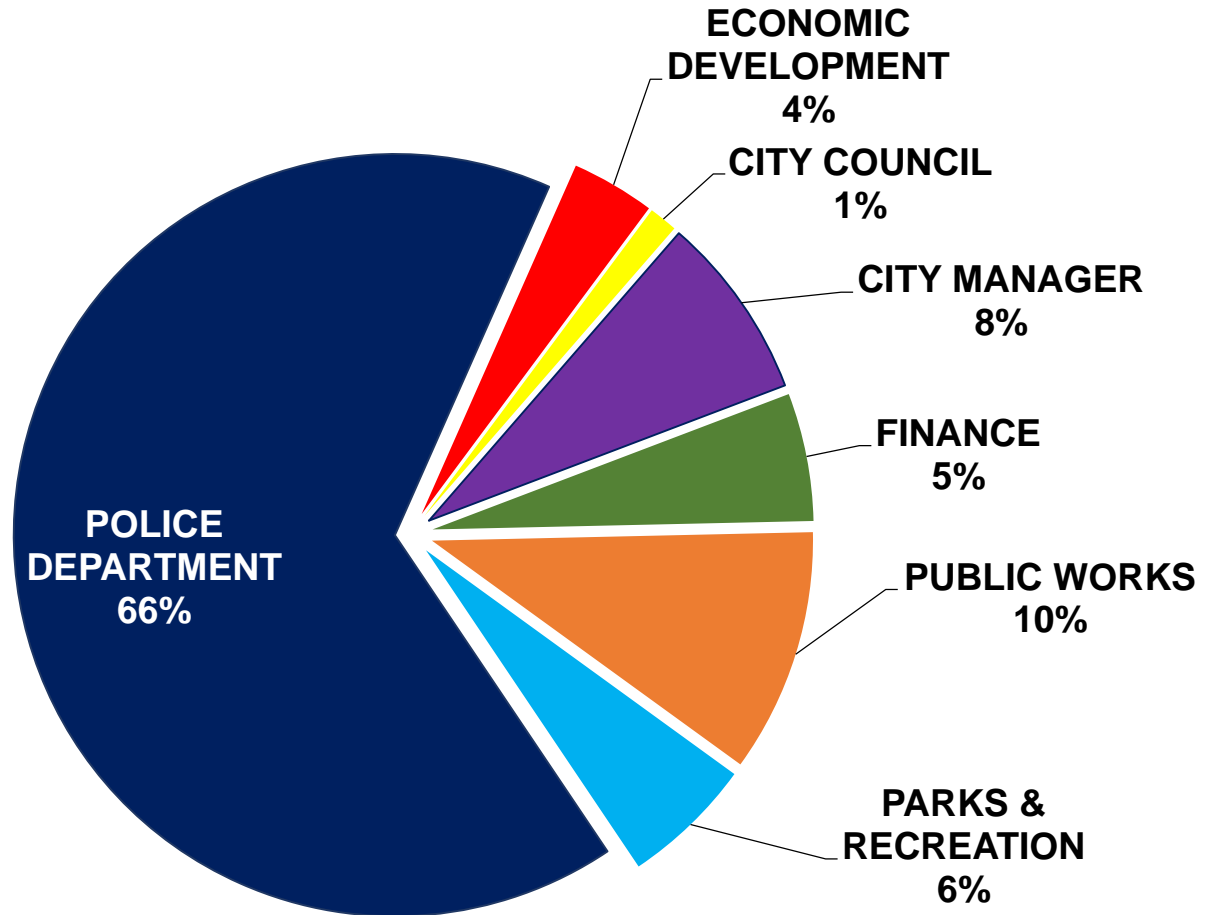
FY 2013-14 YEAR END

General Fund: Projected Y/E Revenues

REVENUES	FY 13-14 BUDGET	FY 13-14 ACTUAL
TAXES	\$ 17,445,000	\$18,131,761
LICENSE & PERMITS	1,669,000	1,624,937
CHARGES FOR SERVICES	983,000	1,132,792
FINES & FORFEITURES	1,884,000	1,477,362
INTEREST & RENTAL INCOME	240,000	188,275
OTHER REVENUE	354,429	575,431
TRANSFERS IN	901,000	870,000
ONE-TIME REVENUE	-	1,004,000
TOTAL REVENUES	\$ 23,476,429	\$ 25,004,558

General Fund: Expenditures by Department

FYE 2013-14
\$26.7M



General Fund: Expenditures by Department

Description	FY 13-14		
	Budget	YTD	%
CITY MANAGER	\$ 2,092,329	\$ 2,032,668	97%
FINANCE	1,449,812	\$ 1,694,545	117%
PUBLIC WORKS	2,763,793	\$ 2,361,108	85%
PARKS & RECREATION	1,493,553	\$ 1,419,800	95%
POLICE DEPARTMENT	17,649,484	\$ 17,607,276	100%
COMMUNITY DEVELOPMENT	947,208	\$ 982,848	104%
CITY COUNCIL	\$ 323,803	\$ 334,452	103%
TOTAL GENERAL FUND	\$26,719,982	\$ 26,432,696	99%

General Fund: FY 13-14 Year-End Results

	FY 13-14 BUDGET	FY 13-14 ACTUAL
Revenues	\$23.5	\$ 25.0
Expenses	<u>26.7</u>	<u>26.4</u>
Deficit	\$(3.2)	\$(1.4)

PROJECTED DEFICIT: (\$3.2M) vs. ACTUAL: (\$1.4M)

SOURCES	AMOUNT
1. Revenues	
Property & Sales Taxes	700,000
Fines & Forfeitures	(400,000)
Charges for Services/Other	150,000
2. One-time RDA Allocation	1,000,000
3. Savings from 2 Unfilled Motorcycle Positions	<u>(300,000)</u>
	\$1,750,000

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FY 2014-15 BUDGET

General Fund: FY 14-15 Budget Overview

	FY 13-14 ACTUAL		FY 14-15 PROPOSED
Revenues	\$25.0	(\$0.6)	\$ 24.6
Expenses	<u>26.4</u>	<u>\$0.4</u>	<u>26.8</u>
Deficit	\$(1.4)		\$(2.4)

General Fund: Summary Budget Adjustments

REVENUES	ADJUSTMENTS
1. General Fund	
Sales & Property Taxes	\$400,000
Fines & Forfeitures	(400,000)
Charges for Services/Other	<u>100,000</u>
	\$400,000
2. One-time RDA Allocation	(1,000,000)
<i>Total Revenue Adjustments</i>	<i>(\$600,000)</i>

EXPENDITURES	ADJUSTMENTS
1. Medical/Dental/Vision/Life	71,117
2. Salaries	149,415
3. Retirement	171,783
4. Miscellaneous	<u>6,060</u>
<i>Total Expense Adjustments</i>	<i>\$398,375</i>

FY 14-15: Budgeted Revenues

Select Revenues	FY 13 -14 ACTUAL	FY 14-15 PROPOSED BUDGET
1 Property Tax	\$5,894,480	\$6,001,800
2 Sales and Use Tax	5,790,979	5,848,500
3 Franchise Tax	846,302	800,000
4 Utility Users Tax (UUT)	5,600,000	5,500,000
5 Business Licenses	1,280,752	1,315,000
6 Permits	344,185	354,000
7 Police Fees	447,383	423,900
8 Recreation Fees	398,850	369,150
9 Fines & Forfeitures	1,477,362	1,876,078
10 Parking Ticket Revenues	1,281,356	1,375,000
Subtotal	23,361,648	23,863,428
Total Incl. all other Revenues	\$ 25,004,557	\$ 24,396,357

FY 14-15: Revenue Adjustments

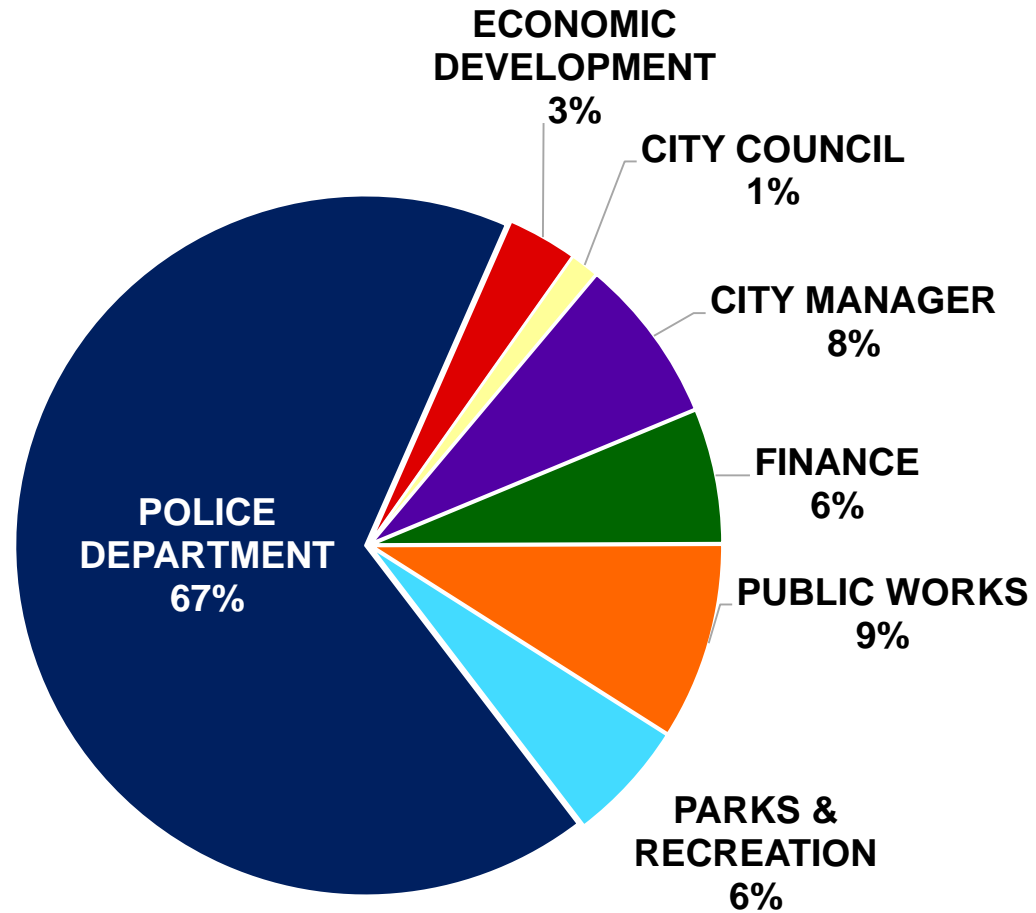
Select Revenues	FY 13-14 Budget	Year-End Estimate	FY 14-15 Budget
1 Property Tax	\$5,600,000	\$5,894,480	\$6,001,800
2 Sales and Use Tax	5,570,000	5,790,979	5,848,500
3 Franchise Tax	600,000	846,302	800,000
4 Utility Users Tax (UUT)	5,500,000	5,600,000	5,500,000
5 Business Licenses	1,315,000	1,280,752	1,315,000
6 Permits	354,000	344,185	354,000
7 Police Fees	371,500	447,383	423,900
8 Recreation Fees	321,000	398,850	369,150
9 Fines & Forfeitures	1,884,000	1,477,362	1,876,078
10 Parking Ticket Revenues	1,375,000	1,281,356	1,375,000
Subtotal	22,890,500	23,361,648	23,863,428
Total Incl. all other Revenues	\$ 23,476,429	\$ 25,004,557	\$ 24,396,357

FY 14-15: Expense Adjustments

	FY 13-14	FY 14-15	Variance
Salary	\$ 14,158,688	\$ 14,308,103	\$ 149,415
Medicare	195,791	201,415	5,624
CalPERS	2,530,665	2,749,512	218,847
PARS	424,301	377,236	(47,064)
Life/AD&D / Health Wellness	126,718	125,818	(899)
Medical	2,206,290	2,287,679	81,389
Dental / Vision	168,726	153,729	(14,997)
Cell Phone Allowance	1,440	5,040	3,600
Uniform Rental	3,439	5,898	2,460
	\$ 19,816,058	\$ 20,214,431	\$ 398,374

General Fund: Expenditures by Department

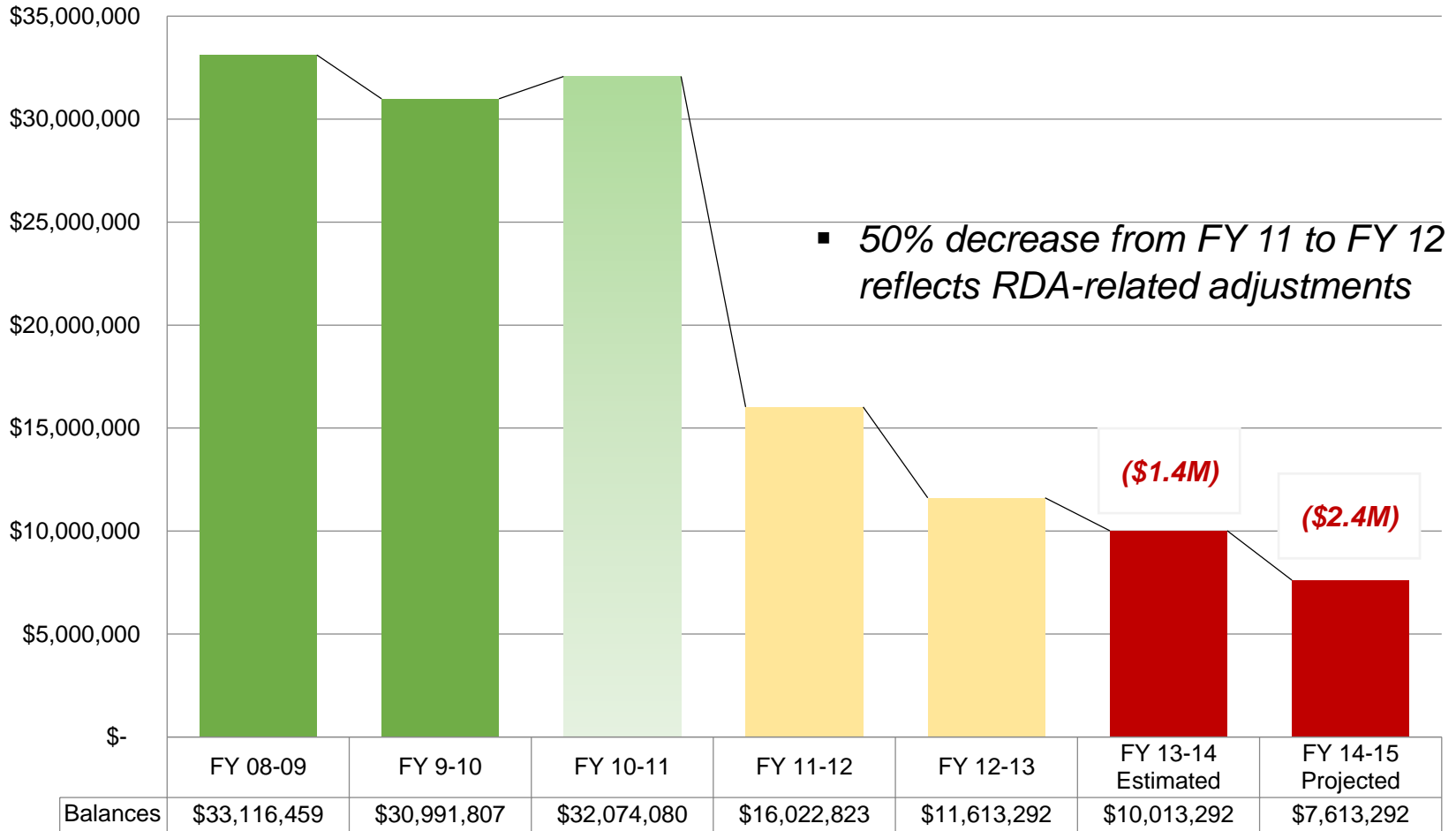
PROPOSED FY 14-15
\$26.8M



General Fund: Expenditures by Department

FY 14-15	
DESCRIPTION	PROPOSED BUDGET
CITY MANAGER	\$ 2,049,079
FINANCE	1,663,760
PUBLIC WORKS	2,432,010
PARKS &	1,506,814
POLICE	17,978,689
COMMUNITY	862,950
CITY COUNCIL	353,280
TOTAL GENERAL	\$ 26,846,582

GF: Historical & Projected Fund Balance



- Working capital requirement: \$5 – 6 million
- Includes \$3.2 million arbitrage/rebate liability

Future Outlook

- *Reserves are dwindled to minimum level*
 - › *Continued decrease will necessitate borrowing for basic working capital needs*
- *Ratings: BBB*
 - › *Difficult / Costly to borrow*
- *Pension tax issue will be decided in 3 days*
- *Reduce General Fund Salaries ~10%*
 - › *Contract and operational savings/cut already made*
 - › *2-year retirement incentive will not be sufficient, many positions required to be refilled (per MOU)*
- *Consider other revenue-raising alternatives*
 - › *Sales tax*
 - › *Casino*



Appendix - Revenues

FY 13-14 Year-End Budget

	Budget	June YTD Actuals	Year-End Estimate
Select Revenues	FY 13-14	FY 13-14	
Property Tax	\$5,600,000	\$5,844,010	5,894,480
Sales and Use Tax	5,570,000	5,106,523	5,790,979
Franchise Tax	600,000	803,956	846,302
Utility Users Tax (UUT)	5,500,000	5,153,487	5,600,000
Business Licenses	1,315,000	1,280,752	1,280,752
Permits	354,000	344,185	344,185
Police Fees	371,500	447,383	447,383
Recreation Fees	321,000	398,850	398,850
Planning & Zoning Fees	290,500	286,559	286,559
Parking Ticket Revenues	1,375,000	1,281,356	1,281,356
Subtotal	21,297,000	20,947,061	22,170,845
Total Incl. all other Revenues	\$ 23,476,429	\$ 23,740,257	\$ 25,004,557

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 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