



HUNTINGTON PARK

FY 14-15 Budget Presentation

July 7, 2014

FY 13-14 Revenue Performance



One-time revenue reflects residual pension tax payments from prior periods

General Fund Revenues

| DESCRIPTION | Budget | | June YTD Actuals | | | |
|-------------------------------------|----------------------|----------------------|----------------------|-------------|----------------------|-------------|
| | FY 12-13 | FY 13-14 | FY 12-13 | % | FY 13-14 | % |
| TAXES | | | | | | |
| 1 Property Tax | \$5,545,000 | \$5,600,000 | \$5,593,154 | 101% | \$5,844,010 | 104% |
| 2 Sales and Use Tax | 5,742,521 | 5,570,000 | \$4,933,340 | 86% | 5,106,523 | 92% |
| 3 Franchise Tax | 600,000 | 600,000 | \$552,705 | 92% | 803,956 | 134% |
| 4 Utility Users Tax (UUT) | 5,300,000 | 5,500,000 | \$5,106,057 | 96% | 5,128,128 | 93% |
| 5 Public Safety Augmentation | 100,000 | 100,000 | \$113,091 | 113% | 146,140 | 146% |
| 6 Transient Occupancy Tax (TOT) | 40,000 | 40,000 | \$45,740 | 114% | 52,483 | 131% |
| 7 Property Transfer Tax | 35,000 | 35,000 | \$66,311 | 189% | 55,721 | 159% |
| | \$17,362,521 | \$17,445,000 | \$16,410,398 | 95% | \$17,136,961 | 98% |
| 8 Business Licenses | \$ 1,315,000 | \$1,315,000 | \$ 1,262,684 | 96% | \$1,280,672 | 97% |
| 9 Permits | 354,000 | 354,000 | 412,525 | 117% | 344,169 | 97% |
| LICENSE & PERMITS | \$1,669,000 | \$1,669,000 | \$1,675,209 | 100% | \$1,624,841 | 97% |
| 10 Police Fees | \$ 161,500 | \$ 371,500 | \$ 209,090 | 129% | \$ 447,383 | 120% |
| 11 Recreation Fees | 321,000 | 321,000 | 409,332 | 128% | 398,973 | 124% |
| 12 Planning & Zoning Fees | 290,500 | 290,500 | 363,851 | 125% | 286,559 | 99% |
| CHARGES FOR SERVICES | \$773,000 | \$983,000 | \$982,272 | 127% | \$1,132,915 | 115% |
| 13 Court Fines | \$ 25,000 | \$ 25,000 | \$ 27,287 | 109% | \$ 17,078 | 68% |
| 14 Parking Ticket Revenues | 1,500,000 | 1,375,000 | 1,330,080 | 89% | 1,299,600 | 95% |
| 16 Fines - Civil Confinement | - | - | 1,229 | 0% | 472 | 0% |
| 17 Fines and Bail Forfeiture | 90,000 | 474,000 | 84,411 | 94% | 88,685 | 19% |
| 18 Code Enforcement Fines | 10,000 | 10,000 | 24,285 | 243% | 23,783 | 238% |
| FINES & FORFEITURES | \$1,625,000 | \$ 1,884,000 | \$ 1,467,292 | 90% | \$ 1,429,618 | 76% |
| 19 Interest Income | 60,000 | \$ 60,000 | 5 | 0% | \$ 364 | 1% |
| 20 Rental Income | 180,000 | 180,000 | 143,165 | 80% | 187,911 | 104% |
| INTEREST & RENTAL INCOME | \$240,000 | \$240,000 | \$143,171 | 60% | \$188,275 | 78% |
| 21 Reimbursements | 204,000 | \$ 204,000 | 260,650 | 128% | \$ 189,696 | 93% |
| 22 MVLF | - | 0 | 33,284 | 0% | 0 | 0% |
| 23 Other Revenues Itemized | 122,829 | 122,829 | 123,425 | 100% | 126,014 | 103% |
| 24 Misc. Revenue & Fees | 27,600 | 27,600 | 7,050 | 26% | 37,937 | 137% |
| OTHER REVENUE | \$354,429 | \$354,429 | \$424,409 | 120% | \$353,647 | 100% |
| DIRECT REVENUES | \$ 22,023,950 | \$ 22,575,429 | \$ 21,102,750 | 96% | \$ 21,866,257 | 97% |
| TRANSFERS IN | \$ 551,000 | \$ 901,000 | \$ 913,896 | | \$ 870,000 | |
| One Time Revenue | | \$ - | \$ - | | \$ 1,004,000 | |
| TOTAL REVENUES | \$ 22,574,950 | \$ 23,476,429 | \$ 22,016,646 | 98% | \$ 23,740,257 | 101% |

FY 13-14 Revenue Performance Cont'd.



| | | | |
|--------------------------------|--------------------------------|--|--------|
| <i>Taxes</i> | | | |
| ↑ | Property tax | | + 250k |
| ↑ | Sales & Use tax | | + 200k |
| ↔ | UUT | | Flat |
| <i>Licenses & Permits</i> | | | |
| ↔ | Business licenses | | Flat |
| ↓ | Permits | | -10k |
| <i>Charges for Services</i> | | | |
| ↑ | Police; recreation | | |
| ↔ | Planning & zoning | | Flat |
| <i>Fines & Forfeitures</i> | | | |
| ↓ | Court, fines & bail forfeiture | | |
| ↑ | Code enforcement | | |

Expenses by Department



| Description | Budget | | June YTD Actuals | | Preliminary June YTD | |
|-------------------------------|---------------|---------------|------------------|------|----------------------|------|
| | FY 12-13 | FY 13-14 | FY 12-13 | % | FY 13-14 | % |
| CITY MANAGER | \$ 1,801,855 | \$ 2,092,329 | \$ 1,612,963 | 90% | \$ 1,768,373 | 85% |
| FINANCE | \$ 1,594,259 | \$ 1,449,812 | \$ 1,614,793 | 101% | \$ 1,548,973 | 107% |
| PUBLIC WORKS | \$ 3,167,002 | \$ 2,811,293 | \$ 2,820,545 | 89% | \$ 2,199,686 | 78% |
| PARKS & RECREATION | \$ 1,479,692 | \$ 1,493,553 | \$ 1,374,235 | 93% | \$ 1,283,483 | 86% |
| POLICE DEPARTMENT | \$ 17,705,945 | \$ 17,649,484 | \$16,747,218 | 95% | \$15,833,460 | 90% |
| COMMUNITY DEVELOPMENT | \$ 673,280 | \$ 947,208 | \$ 875,428 | 130% | \$ 888,468 | 94% |
| CITY COUNCIL | \$ 290,378 | \$ 323,803 | \$ 257,034 | 89% | \$ 296,796 | 92% |
| TOTAL GENERAL FUND | \$ 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 | \$ 24.0 |
| Expenses | <u>26.8</u> | <u>23.8</u> | <u>26.0</u> |
| Est. Deficit | \$(3.3) | \$(0.1) | \$(2.00) |

FY 13-14 Adopted Budget

- \$3.5 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

- \$2.0 million projected shortfall

FY 14-15 Baseline



- *Current proposed FY 14-15 budget reflects expenditures of 10% above estimated revenues resulting in a deficit of (\$2.4) million*
 - *Reflects street-sweeping contract savings of \$300,000 offset by OPEB, POB debt service, IT network improvements and special event costs*

| | <i>FY 12-13</i> | | <i>FY 13-14</i> | | <i>FY 14-15</i> |
|----------|----------------------|----------------------|----------------------|----------------------|-------------------------|
| | <u><i>Budget</i></u> | <u><i>Actual</i></u> | <u><i>Budget</i></u> | <u><i>Actual</i></u> | <u><i>Baseline*</i></u> |
| Revenues | \$22.6 | \$22.0 | \$23.5 | \$23.7 | \$24.0 |
| Expenses | <u>26.7</u> | <u>25.3</u> | <u>26.8</u> | <u>23.8</u> | <u>26.4</u> |
| | \$(4.1) | \$(3.3) | \$(3.3) | \$(0.1) | \$(2.4) |

FY 14-15: Budget Adjustments



Beginning FY 14-15 Budget Deficit \$(2,400,000)

| <i>Budget Adjustments</i> | | <i>Amounts</i> |
|---------------------------|---------------------------------------|------------------|
| + | OPEB (Retiree Medical) | \$150,000 |
| + | Medical Insurance | 42,000 |
| + | Pension Ob. Bond Debt Svc. | 60,000 |
| + | IT Network Improvements & Maintenance | 75,000 |
| + | Special Event | 40,000 |
| + | CalPERS | 240,000 |
| + | Professional Recruitment & Interim | 120,000 |
| + | Salary Adjustment | <u>182,230</u> |
| | | \$909,230 |

Critical Financial Issues in the Near Term



- ✓ ARC OPEB (\$5.0mm vs. \$1.5mm)
- ✓ Reserves for accrued liability
- ✓ COLA/COLA leave
- ✓ MOUs
- ✓ Pension tax *not* resolved
 - Layoffs in January