

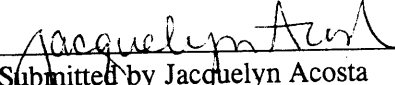



City of Carson

Report to Mayor and City Council

July 5, 2011
Special Orders of the Day

SUBJECT: PUBLIC HEARING TO CONSIDER THE FY 2011/12 GENERAL FUND BUDGET


Submitted by Jacquelyn Acosta
Administrative Services General Manager


Approved by Clifford W. Graves
Interim City Manager

I. SUMMARY

The purpose of this public hearing is to receive and consider public input on the proposed general fund budget for FY 2011/12. At the conclusion of the public hearing, the City Council may wish to provide further direction to staff regarding the budget. If no further direction is given, staff will present the budget to the City Council for adoption at the next budget workshop on Monday, July 11, 2011.

As currently presented, the proposed budget is balanced, based on estimated revenues of \$65.8M and expenditures of \$65.6M.

II. RECOMMENDATION

OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.

III. ALTERNATIVES

DO NOT HOLD the Public Hearing.

IV. BACKGROUND

The proposed budget includes updated year-end estimates for FY 2010/11. As of this date, total revenues are projected to be \$64,823,517.00, and expenditures are estimated to be approximately \$62,000,000.00. Therefore, the net operating result for the general fund at June 30, 2011, will be an anticipated surplus of \$2,823,517.00. Therefore, the city's general fund balance is projected to be \$21,005,662.00 as of June 30, 2011 (Exhibit No. 1). Actual operating results of the general fund will be finalized when the fiscal year has ended and financial statements are audited.

For FY 2011/12, the first draft of the proposed general fund budget estimated revenues of \$63,924,210.00, and expenditures of \$67,219,719.00; creating a shortfall of \$3,295,509.00. The general managers, staff, and bargaining units have been working diligently on cost saving measures and revenue enhancements to eliminate this shortfall. The result is this balanced proposed general fund budget for FY 2011/12. Revenues are now projected at \$65,842,595.00 (Exhibit

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No. 2), and expenditures are projected at \$65,648,231.00 (Exhibit No. 3), generating a surplus of \$194,364.00. This proposed budget will bring the general fund balance to \$21,200,026.00 at June 30, 2012 (Exhibit No. 4). The following paragraphs provide an overview of the FY 2011/12 general fund budget and highlight the significant changes and assumptions.

Revenues: FY 2011/12 revenues are projected to be \$65,842,595.00, an increase of \$1,019,078.00, above the FY 2010/11 year-end estimated revenues of \$64,823,517.00. The growth is due primarily to an anticipated \$1.5M increase in sales tax revenues, offset by a \$200,000.00 reduction in intergovernmental revenues and a \$279,000.00 decrease in in-lieu fees.

There will be a one-time net lease payment of \$644,000.00 from the Carson Redevelopment Agency for its 20-year lease of the land on Shearer Avenue that will become the city's newest mini-park. However, this is almost completely offset by an anticipated \$607,000.00 reduction in building permit revenues. This reduction is due to the fact that two large building permits were issued this current fiscal year (FY 2010/11); one for the Carson City Center project and one for the housing project at 425 E. Carson Street. While there are several other major development projects in the works, such as City View at 616 E. Carson Street, the Boulevards, and three housing projects, none of the building permits for those projects are expected to be issued in FY 2011/12.

The revenue projection for the city's 2% utility users tax (UUT) anticipates that the City Council will again lift the \$1M cap. The lifting of the cap this current fiscal year resulted in \$775,000.00 in additional UUT revenue.

One final note related to revenues is that staff is currently working on proposed amendments to the city's schedule of fees in order to adjust certain fees to be more in line with the cost of providing the related services. The proposed amendments will be agendaized in the next 30-45 days.

Expenditures: The proposed FY 2011/12 budget projects expenditures to be \$65,648,231.00, approximately \$3.6M greater than the year-end estimates for FY 2010/11. The most significant increases are:

- Return to regular work schedules (no furloughs) and leave redemption (\$1.8M)
- Retirement & health insurance costs (\$1M)
- Capital Asset Replacement Fund (\$500K)
- Sheriff's contract cost (\$440K)

The FY 2011/12 general fund budget includes funding for 301.89 full-time positions, including 12.5 positions which are currently vacant. There are also

42.4 unfunded positions, 20 of which are proposed for elimination. The proposed budget also assumes the reassignment of five full-time employees due to shifting work load demands.

The Sheriff's contract accounts for 22.3% of the general fund budget. In FY 2011/12, the total cost of the Sheriff's contract, including related services such as helicopter patrol, DUI checkpoints, fireworks suppression, and fingerprinting, is \$14,607,818.00. While the level of service (number of deputies) is the same as last fiscal year, the cost has gone up by 3.1%, or \$440K.

The proposed budget resumes funding to the capital asset replacement fund (CARF). \$500,000.00 is budgeted for transfer to the CARF. A bar chart showing the history of the CARF is attached as Exhibit No. 5.

While no program enhancements are included in the budget, the budget supports Public Works' efforts to reduce the significant backlog of street, sidewalk and tree maintenance that has increased over the past few years.

Just as in FY 2010/11, there are no special events funded in the FY 2011/12 budget.

During the coming year, staff will analyze ways to further reduce costs such as divisional consolidations, evaluating programs and services that have seen drops in enrollment/participation, filling vacancies with part-time staff or contracting out various duties, and examining new ways to finance capital purchases and major capital projects.

V. FISCAL IMPACT

FY 2011/12 Proposed General Fund Budget.

VI. EXHIBITS

1. Schedule of General Fund Balance – FY 1992/93 - FY 2010/11. (pg. 5)
2. Summary of Revenues & Transfers. (pgs. 6-7)
3. Operating Expenditures Summary & Comparison. (pg. 8)
4. Schedule of General Fund Balance – FY 1992/93 - FY 2011/12. (pg. 9)
5. Transfers to the Capital Asset Replacement Fund. (pg. 10)
6. Capital Asset Replacement Fund History. (pg. 11)
7. Capital Asset Replacement Fund chart data. (pg. 12)

Prepared by: Jacquelyn Acosta, Administrative Services General Manager

July 5, 2011

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

Action taken by City Council

Date_____ Action_____

CITY OF CARSON
SCHEDULE OF GENERAL FUND BALANCE
FY 1992/93 THROUGH FY 2010/11

FISCAL YEAR	REVENUES & TRANSFERS IN	EXPENDITURES & TRANSFERS OUT	SURPLUS (DEFICIT)	GENERAL FUND BALANCE	% OF EXPEND.
1992/93	27,265,083	29,382,170	(2,117,087)	6,367,689	21.7%
1993/94	34,490,695	29,610,885	4,879,810	11,247,499	38.0%
1994/95	34,700,497	30,334,948	4,365,549	15,613,048	51.5%
1995/96	34,981,965	29,939,535	5,042,430	20,655,478	69.0%
1996/97	34,840,872	32,700,729	2,140,143	22,795,621	69.7%
1997/98	38,441,717	33,976,149	4,465,568	27,261,189	80.2%
1998/99	40,884,151	38,446,680	2,437,471	29,698,660	77.2%
1999/00	45,320,052	42,645,192	2,674,860	32,373,520	75.9%
2000/01	57,619,806	47,393,148	10,226,658	42,600,178	89.9%
2001/02	51,137,922	51,823,704	(685,782)	41,914,396	80.9%
2002/03	51,661,111	62,997,939	(11,336,828)	30,577,568	48.5%
2003/04	55,667,023	60,828,311	(5,161,288)	25,416,280	41.8%
2004/05	57,856,512	56,354,914	1,501,598	26,917,878	47.8%
2005/06	60,993,523	60,079,359	914,164	27,832,042	46.3%
2006/07	63,680,226	63,674,552	5,674	27,837,716	43.7%
2007/08	63,442,874	66,895,583	(3,452,709)	24,385,007	36.5%
2008/09	63,203,248	66,798,862	(3,595,614)	20,789,393	31.1%
2009/10*	63,905,369	66,512,617	(2,607,248)	18,182,145	27.3%
2010/11**	64,823,517	62,000,000	2,823,517	21,005,662	33.9%

* Year-End Actuals

** Year-End Estimates

CITY OF CARSON
GENERAL FUND
SUMMARY OF REVENUES AND TRANSFERS
FY 2007/08 THROUGH FY 2011/12

GENERAL FUND	FY 2007/08 ACTUAL REVENUES	FY 2008/09 ACTUAL REVENUES	FY 2009/10 ACTUAL REVENUES	FY 2010/11 ACTUAL REVS AT 6/22/11	FY 2010/11 YEAR-END ESTIMATE	FY 2011/12 PROPOSED REVENUES
NO/LOW PROPERTY TAX	14,103,953	14,582,859	12,808,527	14,160,627	14,409,745	14,400,000
SALES & USE TAX	21,615,227	19,262,212	15,051,659	13,415,364	16,302,364	17,844,000
FRANCHISE TAXES	8,159,269	9,686,805	6,876,485	6,378,309	7,424,006	7,434,200
TRANSIENT OCCUPANCY TAX	1,564,083	1,244,543	1,121,091	964,416	1,128,416	1,135,000
REAL PROPERTY TRANSFER TAX	256,466	184,853	235,259	231,801	261,801	285,000
ADMISSIONS TAX	0	105,019	362,105	177,263	217,263	225,000
UTILITY USERS TAX	0	1,028	6,722,321	6,192,559	7,421,066	7,400,000
TOTAL TAXES	45,698,999	45,067,319	43,177,447	41,520,339	47,164,661	48,723,200
BUSINESS LICENSE	2,567,338	2,681,283	2,282,200	2,373,069	2,553,069	2,500,000
BUILDING PERMITS	2,291,416	2,422,053	1,901,203	2,787,414	2,907,414	2,300,000
OTHER LICENSES & PERMITS	526,883	540,537	583,366	663,224	731,874	633,260
TOTAL LICENSE & PERMITS	5,385,637	5,643,873	4,766,769	5,823,707	6,192,357	5,433,260
TRAFFIC FINES	601,036	663,029	719,834	659,990	769,990	765,000
PARKING FINES	521,990	501,092	601,569	750,000	875,000	875,000
OTHER FINES & FORFEITURES	400,397	427,071	385,461	358,581	373,681	332,700
TOTAL FINES & FORFEITURES	1,523,423	1,591,192	1,706,864	1,768,571	2,018,671	1,972,700
INTEREST ON INVESTMENTS	1,164,168	674,890	244,299	227,109	287,109	230,000
RENTS, CONCESSIONS & COMMISSIONS	273,664	228,840	269,871	232,698	251,784	896,025
COMMUNITY CENTER REVENUES	1,186,323	851,563	843,305	796,608	890,508	913,500
TOTAL USE OF MONEY & PROPERTY	2,624,155	1,755,293	1,357,475	1,256,415	1,429,401	2,039,525
MOTOR VEHICLE LICENSE FEES	435,813	334,137	288,398	216,175	262,812	265,000
OTHER INTERGOVERNMENTAL	178,715	19,506	132,311	296,997	296,997	14,000
TOTAL INTERGOVERNMENTAL	614,528	353,643	420,709	513,172	559,809	279,000

CITY OF CARSON
GENERAL FUND
SUMMARY OF REVENUES AND TRANSFERS
FY 2007/08 THROUGH FY 2011/12

GENERAL FUND	FY 2007/08 ACTUAL REVENUES	FY 2008/09 ACTUAL REVENUES	FY 2009/10 ACTUAL REVENUES	FY 2010/11 ACTUAL REVS AT 6/22/11	FY 2010/11 YEAR-END ESTIMATE	FY 2011/12 PROPOSED REVENUES
PLANNING, ZONING & SUBDIVISIONS	291,790	191,845	273,805	283,780	305,780	300,000
HUMAN SERVICES PROGRAMS	504,874	465,080	443,116	439,079	469,079	465,500
RECREATION PROGRAMS	1,455,417	799,164	793,572	689,722	711,722	779,200
OTHER SERVICE CHARGES	550,981	373,984	488,576	645,757	677,515	387,100
TOTAL CHARGES FOR SERVICES	2,803,062	1,830,073	1,999,069	2,058,338	2,164,096	1,931,800
OTHER REVENUES	623,683	822,372	5,945,051	739,908	883,008	891,868
TOTAL GENERAL FUND REVENUES	59,273,487	57,063,765	59,373,384	53,680,450	60,412,003	61,271,353
TRANSFER FROM FAMILY SUPPORT FUND	37,101	6,076	13,071	2,908	13,908	14,000
TRANSFER FROM GAS TAX FUND	500,000	1,200,000	600,000	925,000	925,000	925,000
TRANSFER FROM HCD BLOCK GRANT FUND	6,032	9,473	0	0	0	0
TRANSFER FROM FEDERAL HIGHWAY PLANNING FUND	0	98,937	0	0	0	0
TRANSFER FROM USED OIL STATE GRANT FUND	0	1,418	1,423	0	0	0
TRANSFER FROM STATE LOCAL TRANSPORTATION FUND	0	89,410	0	0	0	0
TRANSFER FROM SELF SUPPORTING FUND	0	3,328	0	0	0	0
TRANSFER FROM METRO WATER GRANT FUND	0	544	0	0	0	0
TRANSFER FROM ADMIN TOW FEE FUND	0	0	130,000	0	0	0
TRANSFER FROM PROP 12 FUND	4	0	0	0	0	0
TRANSFER FROM PROP 1B FUND	0	0	0	0	0	98,344
TRANSFER FROM PROPOSITION 42 FUND	0	0	8,290	8,000	8,000	0
TRANSFER FROM CAPITAL ASSET REPLACEMENT FUND	0	735,000	0	0	0	0
TRANSFER FROM CARSON REDEVELOPMENT AGENCY	3,617,653	3,995,294	3,779,201	3,464,606	3,464,606	3,533,898
TOTAL INTERFUND TRANSFERS	4,169,386	6,139,480	4,531,985	4,400,514	4,411,514	4,571,242
TOTAL GENERAL FUND REVENUES & INTERFUND TRANSFERS	63,442,874	63,203,245	63,905,369	58,080,964	64,823,517	65,842,595



CITY OF CARSON
GENERAL FUND
OPERATING EXPENDITURES SUMMARY & COMPARISON
FY 2007/08 THROUGH FY 2011/12

WORK GROUP	FY 2007/08 ACTUAL EXPENDITURES	FY 2008/09 ACTUAL EXPENDITURES	FY 2009/10 AMENDED BUDGET	FY 2009/10 ACTUAL EXPENDITURES	FY 2010/11 REVISED ADOPTED BUDGET	FY 2010/11 EXPENDITURES TRHU 6/30/11	FY 2011/12 PROPOSED BUDGET
CITY COUNCIL	758,487	764,588	819,639	706,254	629,267	583,870	712,590
CITY ATTORNEY	1,049,538	1,302,268	1,015,000	1,700,526	1,285,000	1,043,361	1,366,000
NON DEPARTMENTAL	3,665,349	3,649,615	4,018,676	4,258,847	3,020,000	3,063,724	4,810,000
CITY CLERK	547,481	977,127	612,821	544,242	787,032	590,938	598,024
CITY TREASURER	637,859	679,968	709,917	698,693	634,830	652,922	723,493
CITY MANAGER	6,682,528	6,703,914	6,556,930	6,534,945	6,126,388	4,883,508	3,508,922
ADMINISTRATIVE SERVICES	5,789,331	6,061,601	6,420,685	6,243,376	6,002,830	6,159,199	6,576,980
ECONOMIC DEVELOPMENT	362,497	1,364,869	1,421,132	1,373,604	1,246,511	1,180,248	1,415,940
DEVELOPMENT SERVICES	11,743,701	9,665,584	10,172,034	9,036,800	8,782,740	7,470,459	9,002,804
PUBLIC SERVICES	35,555,369	35,190,142	36,180,076	35,352,688	33,466,074	28,229,256	36,933,478
CAPITAL IMPROVEMENTS	30,580	439,188	226,500	62,642	0	11,485	0
TOTALS	66,822,719	66,798,863	68,153,410	66,512,617	61,980,672	53,868,970	65,648,231



CITY OF CARSON
SCHEDULE OF GENERAL FUND BALANCE
FY 1992/93 THROUGH FY 2011/12

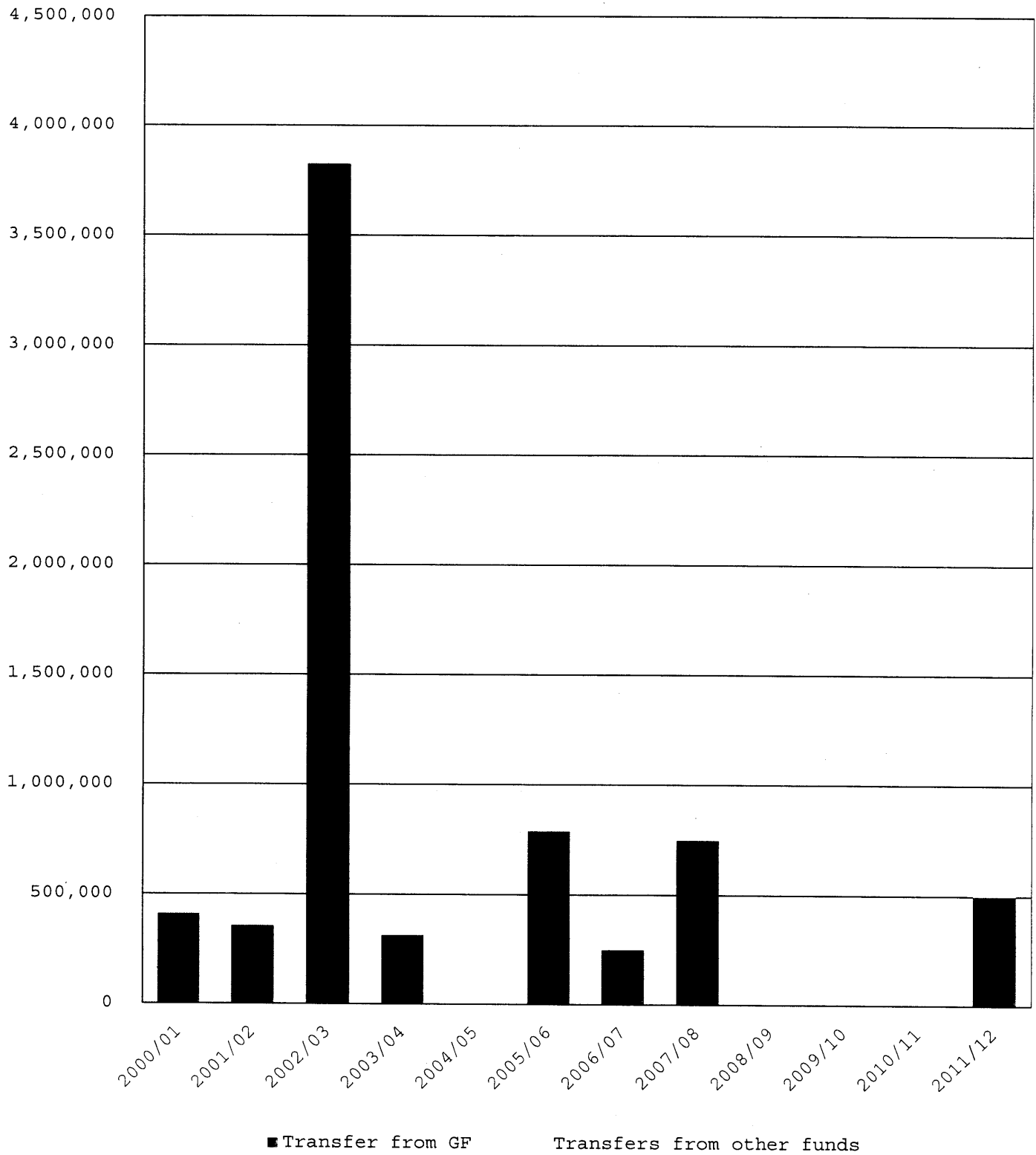
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2010/11**	64,823,517	62,000,000	2,823,517	21,005,662	33.9%
2011/12***	65,842,595	65,648,231	194,364	21,200,026	32.3%

* Year-End Actuals

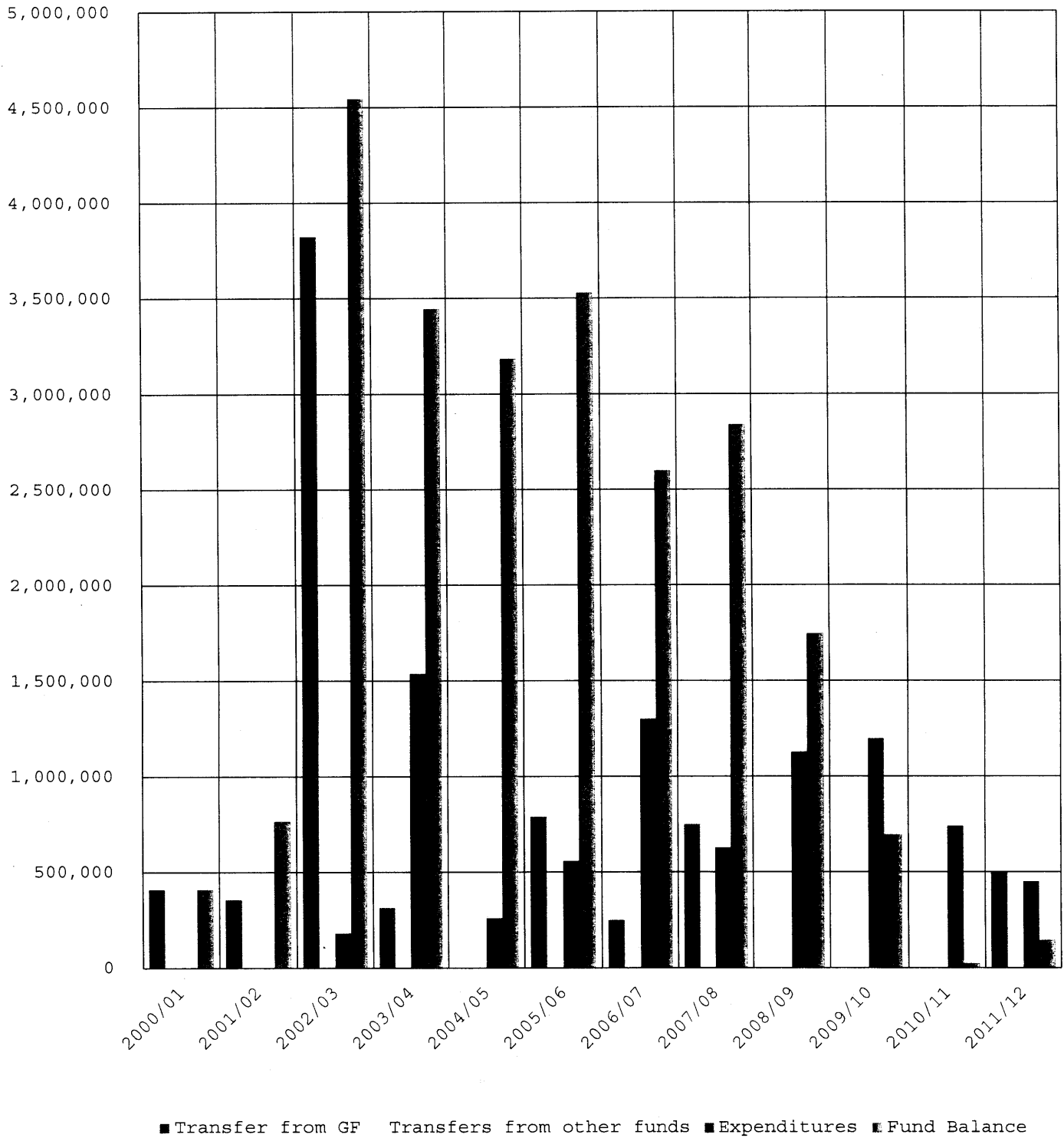
** Year-End Estimates

*** Per Proposed Budget

Transfers to the CARF



Capital Asset Replacement Fund History



Capital Asset Replacement Fund History
(Chart Data)

FY	Transfer from GF	Transfers from other funds	Expenditures	Fund Balance
2000/01	410,593	0	0	410,593
2001/02	356,862	0	0	767,455
2002/03	3,824,865	136,590	182,243	4,546,667
2003/04	314,992	122,533	1,537,672	3,446,520
2004/05	0	0	260,563	3,185,957
2005/06	790,000	112,500	558,187	3,530,270
2006/07	250,000	122,000	1,300,892	2,601,378
2007/08	750,000	119,400	628,176	2,842,602
2008/09	0	32,698	1,127,636	1,747,664
2009/10	0	145,056	1,196,549	696,171
2010/11	0	68,359	740,000	24,530
2011/12	500,000	70,000	450,000	144,530