

City of Westminster



Preliminary Budget Review

Fiscal Year 2015-2016

- The purpose of this evening's study session is to provide the Mayor and City Council with a review of the City's preliminary budget for Fiscal Year 2015/16.
- This is also an opportunity for the Mayor and City Council to ask questions and relay any concerns to staff.
 - Department Heads and Managers are present to assist in responding to these questions and concerns.
 - Any questions or concerns that we cannot answer adequately this evening will be responded to next week.
- While no budget action is being taken this evening, it is important for staff to know if the Mayor and City Council are satisfied with the overall content of the preliminary 2015/16 budget. Depending on the input received this evening, I anticipate bringing the final budget before Council on either the 1st or 2nd meeting in June.



Preliminary Budget Review

Fiscal Year 2015-2016

- The City receives funding from various sources (for example, Federal and State Grants, Measure M, & Gas Tax). This review will primarily focus on the City's General Fund and will highlight projected General Fund revenues, as well as planned expenditures.
- This preliminary budget review will also set forth a proposed spending plan for the coming year and focuses on the delivery of the City's core services. As prepared, the preliminary budget largely maintains our current level of staffing and operations.
- The preliminary budget continues the practice the drawing on General Fund reserves, but also consolidates and draws down certain internal reserve funds. Use of these internal reserve funds will help reduce the draw on General Fund reserves.
- The goal of preparing a one-year budget is to provide the City Council and staff a 12 month operational plan, while also providing the City sufficient time to address the larger issue of our overall financial structure.



Preliminary Budget Review

Fiscal Year 2015-2016

Overview

- General Fund Revenues
 - General Fund Expenditures
 - Use of Reserves
 - Next Steps
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Preliminary Budget Review

General Fund Revenues

	2013-14 ACTUAL	2014-15 REVISED BUDGET	2014-15 MID-YEAR ESTIMATED	DIFFERENCE	2015-16 REQUESTED BUDGET
REVENUE					
Property Taxes	2,878,651	2,975,000	2,969,000	(6,000)	2,976,000
Property Taxes - In Lieu of VLF	7,740,989	7,859,000	8,025,600	166,600	8,266,400
<i>Property Taxes - Residual RDA elimination</i>	<i>1,037,472</i>	<i>416,000</i>	<i>1,389,000</i>	<i>973,000</i>	<i>1,584,000</i>
Sales Taxes	15,363,986	15,987,000	15,430,000	(557,000)	16,329,000
Property Transfer	208,600	224,000	210,000	(14,000)	200,000
Franchise	1,356,397	1,305,000	1,335,000	30,000	1,400,000
Business License	1,240,779	1,300,000	1,254,000	(46,000)	1,264,000
Transient Occupancy	608,608	542,000	675,000	133,000	688,000
Utility Users Taxes	5,063,905	4,996,000	5,100,000	104,000	5,100,000
License & Permits	590,133	634,000	746,000	112,000	770,600
Fines, Forfeits and Penalties	1,054,186	893,000	1,025,000	132,000	1,000,000
Use of Money & Property	1,394,220	1,231,000	1,407,000	176,000	1,118,000
Intergovernmental	137,412	96,000	136,000	40,000	87,000
Charges for Services	3,434,476	3,581,000	3,349,000	(232,000)	3,133,000
Overhead Charges	1,137,914	1,061,000	1,207,000	146,000	1,170,710
Other Revenue	261,291	271,000	252,000	(19,000)	318,915
TOTAL REVENUE	43,509,020	43,371,000	44,509,600	1,138,600	45,405,625



Preliminary Budget Review

General Fund Revenues

- Overall General Fund Revenues are showing slight increases over the same period last year.
- While the local economy and related tax revenues are showing signs of improvement, the most current economic data continues to forecast that Westminster will continue to experience slow and shallow economic recovery.
- New Businesses coming online:
 - Costco
 - Dillon RV

Preliminary Budget Review

General Fund Expenditures

	2013-14 ACTUAL	2014-15 REVISED BUDGET	2014-15 MID-YEAR ESTIMATED	DIFFERENCE	2015-16 REQUESTED BUDGET
EXPENDITURES					
General Government	3,622,370	4,067,000	4,018,000	48,632	4,388,304
Police	24,897,007	25,910,000	26,744,000	(833,955)	27,996,989
Fire	10,733,045	11,337,000	11,371,000	(33,594)	12,286,258
Community Services	1,943,353	2,128,000	2,128,000	171	2,451,000
Public Works	5,333,204	5,619,500	5,578,000	41,646	6,058,000
Community Development	1,769,675	1,851,841	1,888,000	(35,846)	2,115,000
TOTAL OPERATING EXPENDITURE	48,298,654	50,913,341	51,727,000	(812,946)	55,295,551
OTHER FINANCING SOURCES/(USES)					
<i>Interfund Charges (staff charges)</i>					
<i>CIP</i>	1,081,131	1,075,000	1,075,000	-	1,014,000
<i>Water</i>	818,505	870,000	876,900	6,900	1,013,851
<i>Special Revenue (Gas Tax/Measure M)</i>	966,367	1,016,000	1,013,500	(2,500)	1,119,480
<i>Internal Service (Benefits)</i>	290,491	303,000	325,200	22,200	400,198
<i>Internal Service (Liability)</i>	290,491	303,000	325,200	22,200	400,198
<i>WRA/ROPS Administration 3%</i>	960,102	605,450	605,500	50	652,000
Operating Transfers In:					
Special Police Grant Services Fund	7,455	-	-	-	-
Operating Transfers Out:					
Water Enterprise Fund	(25,000)	(25,000)	(25,000)	-	(25,000)
Special Police Grant Services Fund	(54,599)	(43,000)	(43,000)	-	-
Supp Law Enforcement Svcs Fund	(52,289)	(68,000)	(68,000)	-	(75,000)
TOTAL OTHER FINANCING SOURCES/(USES)	4,282,655	4,036,450	4,085,300	48,850	4,499,727

Preliminary Budget Review

Fund Balance

	2013-14 ACTUAL	2014-15 REVISED BUDGET	2014-15 MID-YEAR ESTIMATED	DIFFERENCE	2015-16 REQUESTED BUDGET
NET CHANGE IN FUND BALANCE (wo CIP)	(506,979)	(3,505,891)	(3,132,100)	374,504	(5,390,199)
Transfer from Reserve Fund	-	-	-	-	1,575,000
Transfer from Other Funds	-	-	-	-	-
Transfer to CIP for General Plan	(1,250,000)	-	-	-	-
NET CHANGE IN FUND BALANCE (w CIP)	(1,756,979)	(3,505,891)	(3,132,100)	374,504	(3,815,199)
BEGINNING FUND BALANCE	25,914,935	24,157,956	24,157,956	-	21,025,856
ENDING FUND BALANCE	24,157,956	20,652,065	21,025,856	373,791	17,210,657



Preliminary Budget Review Supplement Request

CITY OPERATIONAL & PERSONNEL REQUEST

Preliminary Budget Review

General Fund Expenditures: Supplemental Requests

- General Fund

- Planning : Online Garage Sale Permit System \$10,000
- Planning : Customer Service Training \$5,000
- Public Works: Park Maintenance Contract \$20,000

Total General Fund Expense \$35,000

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Water Fund Expenditures: Supplemental Requests

■ Water Fund		
□ Finance Dept: Part Time Customer Service Rep		\$20,000
□ Public Works: Part Time Administrative Aid		\$37,000
□ Public Works: Water Technician II		\$81,000
	Total Water Fund Expense	\$138,000

Preliminary Budget Review

Building Maintenance Fund Expenditures: Supplemental Requests

■ Building Maintenance Fund	
□ Energy Management System for new Yard and Range	\$28,000
□ Contract for Maintenance of Solar Panels	\$14,000
□ Monitoring of Fire and Burglar alarms systems at the new Yard, FRC, and Bolsa Chica Park Building	\$3,360
□ Quarterly Maintenance of new Energy Management System	\$12,000
□ Maintenance of HVAC system at new Yard and Range	\$11,700
□ Rose Center Maintenance	\$12,000
Total Building Maintenance Fund Expense	\$81,060



Preliminary Budget Review

USE OF RESERVES



Preliminary Budget Review

Use Reserves

Projected 2015-2016 General Fund Deficit	(\$5,390,199)
Projected Transfers in from Fund 800	<u>\$1,575,000</u>
Net General Fund Deficit	(\$3,815,199)

Preliminary Budget Review


Fund Balance

			Fiscal Year 2015/2016	Fiscal Year 2016/2017	Fiscal Year 2017/2018
			Jun-16	Jun-17	Jun-18
General Fund Deficit			\$ (5,390,199)	\$ (7,350,008)	\$ (9,555,376)
Transfers in			\$ 1,575,000	\$ 3,492,979	\$ 0
Net Change in Fund Balance			\$ (3,815,199)	\$ (3,857,029)	\$ (9,555,376)
Beginning Fund Balance			\$ 21,025,856	\$ 17,210,657	\$ 13,353,628
Ending Fund Balance			\$ 17,210,657	\$ 13,353,628	\$ 3,798,252



Preliminary Budget Review

Next Steps

- City Council Questions & Comments
 - Work on completing final budget document
 - Adoption of Fiscal Year 2015/16 budget – anticipated on 1st or 2nd meeting of June
 - Scheduling of additional study sessions to address Fiscal Year 2016/17 budget and Council priorities
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City of Westminster

