



City of Biggs

Agenda Item Staff Report for the next regular City Council Meeting: January 24, 2011 6:00PM

DATE: January 19, 2011
TO: Honorable Mayor and Members of the City Council
FROM: Pete Carr, City Administrator
SUBJECT: Mid-Year Budget Review (Discussion/Action)

City administrator will discuss the status of the City budget as of the fiscal year six-month point, and recommend adjustments as needed.

Background:

The fiscal year 2010-2011 (FY11) budget was approved in June 2010 after extensive consideration in budget study sessions. While State revenues were uncertain, the city was entering its first year with a new lower rate of cost for law enforcement service. Funds were designated as set asides for long-term capital expense reserves. Allocations for general overhead expenses were thoughtfully aligned. The General Plan Update was restarted.

This review examines actual revenues and expenses up to December 31, 2010, compared to budget, projected to an annual perspective. This is not an analysis of fund cash balances – which is reported monthly to the council.

Overall, the FY11 city budget is in good shape. Most revenues are on track or better although many General Fund revenues are delayed – as usual -- due to State budget manipulations and payment deferrals. Most expenditure categories are on track or better.

Payroll salaries and benefits are running 46% (92% annualized) of budgeted expense. Contract professional services appear to need augmentation to make it through June 30. Public Works supplies and other expenses are in line with budget.

This review does not include grant-funded projects, which are designed to carry outstanding receivables until project close-out.

Summary of Key Funds at midpoint (50%) of FY11:

	<u>Revenues</u>		<u>Expenses</u>	
General	58%	\$ 366k	54%	\$ 300k
General Plan			36%	\$ 28k
Street Funds	39%	\$ 21k	46%	\$ 18k
Electric	52%	\$1,264k	44%	\$1,055k
Sewer	50%	\$ 107k	50%	\$ 116k
Water	52%	\$ 181K	51%	\$ 205k
Solid Waste	49%	\$ 72k	49%	\$ 69k

Notable variances:

- o Property tax revenues are being received but will be 6.5% (\$21k) below budget.
- o VLF revenues are also on track and expected to meet budget.
- o COPS funds are only 10% received, franchise revenue 0% so far.
- o Unbudgeted revenue: \$74k from sale of real property, \$42k from SCORE for insurance reimbursement. NCPA settlement went into GOR account.
- o Wholesale electricity purchases are running 42% (84% annualized) of budget.

Contract professional services are tracking as follows:

- A. City Attorney: 62% (\$29k) of budget expended.
- B. City Engineer: 62% (19k) in non-reimbursable project expenses.
- C. City Planner: 67% (\$20k) in non-GPU and non-code enforcement expenses.
- D. City Finance: 71% (\$15k) but should end fiscal year in budget.

Requested mid-year appropriations to carry services thru June 30:

1. City Attorney	\$ 8,000	010-4140-1040
2. PMC – Code Enforcement	\$14,000	010-4160-1413
3. PMC – City Planner	\$14,000	010-4160-1411
4. City Engineer	\$ 8,000	010-4370-1081

Recommendation:

Approve requested appropriations #1-3 as listed.

Fiscal Impact:

Additional expenses of up to \$42,000 allocated to General and enterprise funds, offset by unanticipated revenues and expense reductions in other areas.