



City of Biggs

Agenda Item Staff Report for the next regular City Council Meeting: January 23, 2012 6:00PM

DATE: January 16, 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 halfway point, and will recommend adjustments as needed.

Background:

The fiscal year 2011-2012 (FY12) budget was approved in June 2011 after extensive consideration in budget study sessions. While State revenues were uncertain, the city was entering its second year with a new lower rate of cost for law enforcement service and just secured an agreement for same through 2014. Funds were designated as set asides for long-term capital expense reserves. Allocations for general overhead expenses were directed by the Council to continue consistent with the previous fiscal year. Funding for the General Plan Update project was continued.

This review examines actual revenues and expenses up to December 31, 2011, compared to budget, and projected to an annual perspective. This is not an analysis of fund cash balances – which is reported quarterly to the council.

Overall, the FY12 city budget is in very good shape. Most revenues are on track or better even though some General Fund revenues are delayed – as usual -- due to State budget payment deferrals. Most expenditure categories are on track or better.

Payroll is better than on track with budget; salary expense is running slightly below last year's actual expense and 8% below this year's budget. Benefits expense is running slightly less than budget, which is slightly below last year's actual.

Contract professional services appear to be in line with budget this year.

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>		<u>Projection</u>
General	48%	\$ 325k	52%	\$ 300k	Meet budget (adj)
Street Funds	45%	\$ 46k	36%	\$ 28k	Surplus \$26k
Electric	46%	\$1,178k	49%	\$1,036k	Surplus \$203k after trans
Sewer	45%	\$ 98k	51%	\$ 120k	Deficit \$6k
Sewer Imp	47%	\$ 27k	57%	\$ 81k	Meet budget (adj)
Water	44%	\$ 181K	50%	\$ 180k	Meet budget
Water Cap Imp	61%	\$ 137K	43%	\$ 95k	Surplus \$49k
Solid Waste	46%	\$ 68k	50%	\$ 72k	Meet budget

Notable variances:

- o Wholesale electric purchases are running 19% below budget, 16% below FY11.
- o Sewer operational expenses = last year, continue to exceed revenue slightly.
- o Sewer Improvement is incurring unusual expenses for WWTP project.
- o Fund 13 (Bridge Reserve) has \$70k, now surplus, will not be needed for bridge.

Contract professional services are tracking as follows:

- A. City Attorney: 43% (\$20k) of budget expended.
- B. City Engineer: 79% (\$33k) in non-reimbursable and non-project expenses.
- C. City Planner: 50% (\$16k) in non-project, non-code enforcement expenses.
- D. City Finance: 45% (\$9k).

Requested mid-year appropriations to carry services thru June 30: None.

Recommendation:

No appropriation actions requested. Consider adjustments to sewer rates.

Fiscal Impact:

None.