

City of Los Alamitos

Agenda Report

January 12, 2009

Special Orders of the Day Item No: 6A

To: Mayor Dean Grose & Members of the City Council

Via: David L. Rudat, Interim City Manager

From: Nita McKay, Assistant City Manager

Subject: Fiscal Year 2008-09 Preliminary Mid-Year Budget Review Discussion

Summary: This report provides the City Council with a preliminary look at the City's mid-year financial performance compared to the amended budget for Fiscal Year 2008-09. Additionally, a comparative analysis to prior year (FY 2007-08) is provided.

Recommendation: Action as City Council deems appropriate.

Background

The City Council adopted the City of Los Alamitos Fiscal Year 2008-09 Operating Budget and Capital Improvement Program on June 2, 2008.

Discussion

The purpose of this report is to provide the City Council with an up-to-date snapshot of the City's General Fund financial condition at December 31, 2008. Attachments include a comparison of General Fund revenues to amended budget and prior year, a comparison of General Fund departmental expenditures to amended budget and prior year, and a list of budget reductions approved and implemented as part of the Fiscal year 2008-09 Budget adoption process.

With half of the fiscal year complete, the City's General Fund revenues total \$4.2 million, compared to one year previously where revenues totaled \$4.1 million. This is an increase over the prior fiscal year of 2.7%, or \$108,287. When compared to amended budget for the current fiscal year, revenues completed the quarter at 35.8% of budget compared to one year ago when revenues totaled 36.0% of budget. Revenues showing notable increases include property taxes with an increase of 2.4%, utility users' taxes at 4.1% over the prior year, business licenses increasing 5.6%, and recreation services exceeding the prior year by 32.3%.

Revenues with notable decreases when compared to Fiscal Year 2007-08 include sales taxes with a decrease of 23.6% and investment earnings decreasing 54.3%.

General Fund departmental expenditures completed the second quarter with 47.8% expended compared to one year earlier when expenditures were 45.8% expended. At

December 31, 2008, expenditures totaled \$5.7 million compared to December 31, 2007 where expenditures totaled \$5.3 million, an increase of 5.9%.

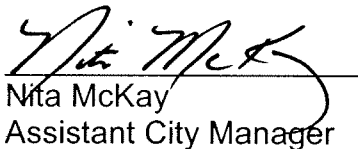
Expenditures for all departments are under 50% expended with the exception of non-departmental. Included in the City's non-departmental expenditures are general liability and workers' compensation expenditures. The total amount of the annual deposit for both programs is \$418,852 and was due in July 2008. Additionally, workers' compensation claims are at 71% expended at December 31, 2008.

At the meeting on January 12, 2009, a more detailed discussion will be provided concerning the City's General Fund revenues and expenditures, as well as preliminary reductions that have been implemented or are being considered by each department for the remainder of the fiscal year. No specific recommendations are being made as part of this report, as the intended purpose of this report is to open mid-year budget discussions. Specific recommendations for Fiscal Year 2008-09 budget reductions will be brought before the City Council at a future meeting.

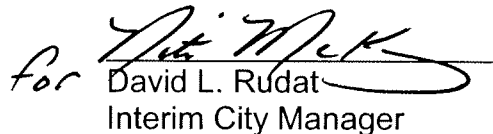
Fiscal Impact

Unknown at this time, as staff has no specific recommendations for budget adjustments.

Submitted By:


Nifa McKay
Assistant City Manager

Approved By:

for 
David L. Rudat
Interim City Manager

*Attachments: 1) City of Los Alamitos – Second Quarter FY 2008-09 General Fund Revenues
2) City of Los Alamitos – Second Quarter FY 2008-09 General Fund Expenditures
3) Summary of City Council Approved Budget Reductions for Fiscal Year 2008-09*

SECOND QUARTER FY 2008-09 General Fund Revenues

	<u>First Quarter</u>	<u>Second Quarter</u>	<u>YTD Revenues</u>	<u>Amended Budget</u>	<u>% Received</u>	<u>Prior Year Same Period</u>
Property Taxes	\$ 78,544	\$ 936,170	\$ 1,014,714	\$ 2,761,190	36.7%	\$ 990,873
Sales and Use Taxes	108,278	505,716	613,994	2,851,840	21.5%	803,880
Utility Users Taxes	367,348	583,825	951,173	2,227,270	42.7%	913,786
Transient Occupancy Taxes	-	23,777	23,777	101,070	23.5%	30,357
Franchise Fees	13,107	63,159	76,266	613,010	12.4%	47,691
Business Licenses	408,139	36,437	444,576	460,960	96.4%	421,150
Licenses and Permits	54,840	54,063	108,903	432,500	25.2%	64,730
Fines and Forfeitures	119,899	143,606	263,505	688,000	38.3%	229,161
Investment Earnings	-	32,522	32,522	266,730	12.2%	71,183
Intergovernmental	15,542	7,941	23,483	83,130	28.2%	37,171
Charges for Services	23,420	38,165	61,585	105,200	58.5%	47,885
Recreation Services	221,257	166,739	387,996	714,380	54.3%	293,175
Miscellaneous Revenue	18,329	18,182	36,511	50,000	73.0%	74,055
Transfers In	39,825	104,554	144,379	323,200	44.7%	50,000
Total Revenues	\$ 1,468,528	\$ 2,714,856	\$ 4,183,384	\$ 11,678,480	35.8%	\$ 4,075,097

SECOND QUARTER FY 2008-09 General Fund Expenditures									
<u>Department</u>	<u>First Quarter</u>		<u>Second Quarter</u>		<u>YTD Expenditures</u>		<u>Amended Budget</u>	<u>% Expended</u>	<u>Prior Year Same Period</u>
City Council	\$ 15,144	\$ 19,932	\$ 35,076	\$ 101,240				34.6%	\$ 49,547
City Manager/City Clerk	117,325	158,515	275,840	653,490				42.2%	319,551
City Attorney	19,619	59,533	79,152	205,500				38.5%	104,697
Administrative Services	123,265	166,477	289,742	680,140				42.6%	240,452
Community Development	92,659	210,300	302,959	732,610				41.4%	278,684
Police	1,077,860	1,309,151	2,387,011	5,299,850				45.0%	2,280,002
Public Works	340,224	457,660	797,884	1,723,100				46.3%	724,731
Recreation	349,856	340,704	690,560	1,383,340				49.9%	596,512
Non-Departmental	584,992	213,662	798,654	1,051,280				76.0%	746,040
Total Expenditures	\$ 2,720,944	\$ 2,935,934	\$ 5,656,878	\$ 11,830,550				47.8%	\$ 5,340,216

CITY OF LOS ALAMITOS
Fiscal Year 2008-09 Budget
Summary of City Council Approved Budget Reductions

Fund	Description	Budget Reduction	Budget Increase	Percentage of Total Dept Budget
General Fund				
Appropriations				
City Council				
	*Reduce Commissioner/Employee Appreciation Events	3,000		2.9%
City Manager/City Clerk				
	*Reclass of Dept Secretary/Unfund Assistant to City Manager (3 mos.) (This is a One Time Savings; Actual is an Ongoing Increase of \$4,160)	23,860		3.7%
City Attorney				
	*No Changes			
Administrative Services Department				
	*Eliminate Contractual Accounting Assistance/Complaint Tracking	19,800		2.4%
Community Development Department				
	*Reclass of Associate Planner		6,560	
Police Department				
	*Unfunded Two Police Officer Positions/Reclass of Photo Enforcement Officers	191,770		3.5%
Public Works Department				
	*Increase Contractual Services for Engineering Review/Reduce Tree Trimming	5,000		0.3%
Recreation & Community Services Department				
	*Eliminate Pole Banners Program/Two After School Park Programs/Reduce Youth & Adult Sports Awards	25,370		1.8%