



Fiscal Year 2015 Year-End Budget Monitoring Report Item #1

May 21, 2015



FY 2015 Year-End Report

- Per City Council Budget Policy No. 000-02
 - Quarterly Reports are presented to Budget and Government Efficiency Committee and City Council
- Includes budgeted operating departments with personnel expenditures
- Based on nine months of actual activity



FY 2015 Year-End Report

- Forecast of major General Fund revenues
- High-level summary of projected revenues and expenditures
- Status of General Fund Reserves and Excess Equity
- Requested authorities to maintain budgetary control
- Revisions to CIP projects

Summary of FY 2015

General Fund Projections *(in millions)*

Revenue/Expenditures	Current Budget	Year-End Projection	Variance	Variance %
Resources				
Revenue	\$ 1,201.3	\$ 1,207.3	\$ 6.0	0.5%
Excess Equity	13.9	13.9	-	0.0%
Total Resources	1,215.2	1,221.2	6.0	0.5%
Expenditures	1,219.1	1,210.6	8.4	0.7%
<i>Sub-Total</i>	\$ (3.9)	\$ 10.5	\$ 14.4	0.0%
FY 2015 Mid-Year Use of Budgetary Surplus ¹	3.9	-	-	
Net Projected Activity	\$ -	\$ 10.5	\$ 14.4	

¹ Approved Mid-Year Adjustment Resolution (R-309524)



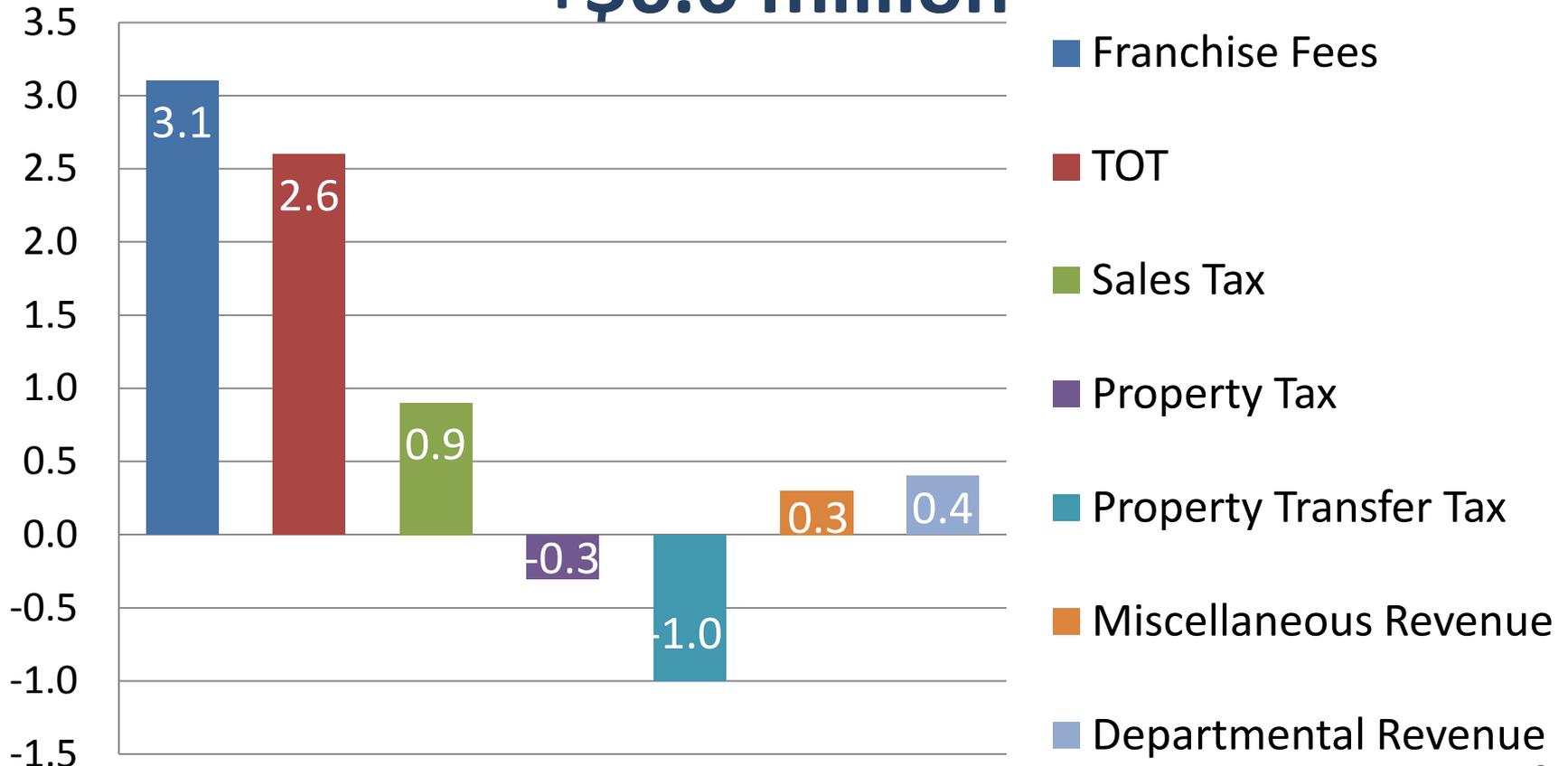
Quarterly Comparison of FY 2015 General Fund Projections *(in millions)*

Revenue/Expenditures	Mid-Year Report	Year-End Report	Variance	Change %
Resources				
Projected Revenue	\$ 1,202.8	\$ 1,207.3	\$ 4.5	0.4%
Total Projected Excess Equity	13.9	13.9	-	0.0%
Total Resources	1,216.7	1,221.2	4.5	0.4%
Projected Expenditures	1,211.7	1,210.6	1.1	0.1%
Net Year-End Projection	\$ 4.9	\$ 10.5	\$ 5.5	

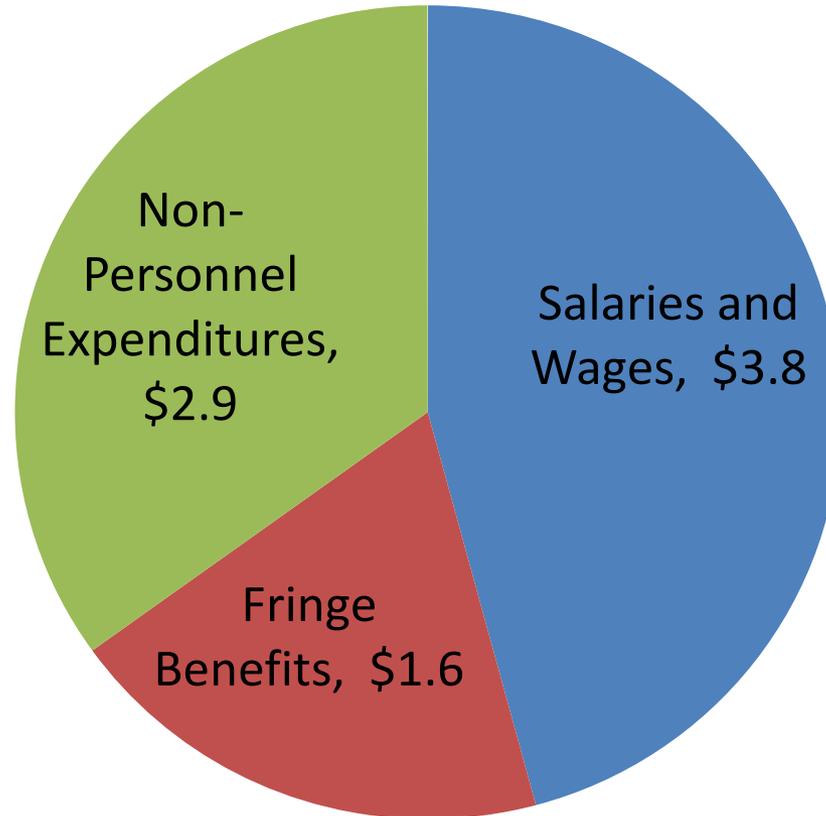


General Fund Revenue Projections

+\$6.0 million



General Fund Expenditures Projection + \$8.4 million





FY 2015 General Fund Reserve Estimates

(in millions)

Description	Amount	Revenue %
FY 2014 Audited Ending Fund Balance	\$ 182.5	17.1% ¹
Projected Use of Fund Balance Appropriation	\$ 3.4	
FY 2015 Projected Ending Fund Balance	\$ 179.1	15.1% ²
Emergency Reserve	89.9	8.0% ²
Stability Reserve	67.5	6.0% ²
FY 2015 Required Reserve Level	\$ 157.4	14.0% ²
Projected FY 2016 Community Projects, Programs, and Services	1.0	
FY 2015 Projected Ending Excess Equity	\$ 20.8	1.8% ²

¹ Based on FY 2011 through FY 2013 audited operating revenues in accordance with the City's Reserve Policy (CP 100-20). 8

² Based on FY 2012 through FY 2014 audited operating revenues in accordance with the City's Reserve Policy (CP 100-20).



FY 2015 Non-General Funds Summary

(net year-end projection in millions)

Engineering and Capital Projects Fund \$(1.9)

- Vacant reimbursable positions, offset with savings in non-personnel expenditures

Fleet Services Operating Fund \$(1.9)

- Decrease in fuel sales revenue and related expenditures due to savings in fuel costs
- Increases in overtime to meet customer needs

Sewer Utility Funds \$12.1

- Savings in contracts due to delay in facility projects, condition assessments, environmental projects, central support warehouse expenditures, and other various contracts
- Decrease in State Revolving Fund (SRF) reimbursements

Water Utility Funds \$(2.3)

- Increase in water purchase expenditures due to rate increases from MWD/CWA
- Decrease in State Revolving Fund (SRF) reimbursements



FY 2015 Priority Budget Initiatives

The FY 2015 budget includes funding for new initiatives as a result of positive economic growth in the City's major revenue sources.

- Infrastructure Investments
- Public Safety
- Neighborhood Services
- Open Data

The Year-End Report includes updates for initiatives that have significantly changed since the Mid-Year Report.



Appropriation Adjustments and Authorities

Fiscal Year Closing Requested Authorities:

- Salary and Non-Personnel Budget Transfers
- Bottom Line Re-Appropriations
- Increase Appropriations from Available Sources
- Revisions to CIP projects are requested to reduce appropriations from expired grants, completed projects and projects with revised timeline



Conclusion

- Projected budgetary surplus of \$14.4 million
 - increased projected revenues of \$6.0 million and decreased projected expenditures of \$8.4 million
- Projected Excess Equity of \$20.8 million or 1.8%
 - recommended use of Excess Equity is included in the May Revision to the Fiscal Year 2016 Proposed Budget
- Financial Management will continue to monitor expenditures and revenues for the remainder of the fiscal year



Staff Recommendation

- Forward Fiscal Year 2015 Year-End Budget Monitoring Report to City Council
 - Approve requested actions and authorities



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Questions?