



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Approving Fiscal Year 2013/14 Mid-year Budget Adjustments
MEETING DATE: February 19, 2014
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Adopt resolution approving Fiscal Year 2013/14 mid-year budget adjustments.

BACKGROUND INFORMATION: Staff presented information to the City Council in a Shirtsleeve meeting on February 4, 2014. No appropriation adjustments are recommended at this time. Council is requested to approve the addition of one permanent Program Coordinator position in the Parks, Recreation and Cultural Services Department. Discussions of funds of interest are detailed below.

General Fund:

Revenue estimates for the General Fund are about \$583,000 higher than projected at initial budget adoption. Three key items make up the bulk of the change in estimated revenue: (1) the County Assessor revised his estimates of property tax collections upwards resulting in additional revenue of about \$98,000 to the City; (2) stronger sales tax collections result in a projected \$235,000 increase in revenue; and (3) utility late charges are estimated to generate about \$200,000 more than initially budgeted. Variances in a number of other accounts make up the remainder of the difference in estimated revenue. Total General Fund estimated revenue is \$42,781,478.

The primary General Fund revenue sources are property taxes, sales taxes, PILOT (electric utility transfer), transfers from other funds and Vehicle License Fees. Combined, these five revenue sources are expected to account for approximately \$33.4 million, or about 78 percent of General Fund revenue. Estimated revenue for these five accounts is about \$390,000 higher than originally budgeted. We have also experienced significant reductions of revenue estimates in moving violation revenues of \$101,000 due to a shift in focus by the Police Department, more people opting for community service rather than paying fines, and a \$125,000 reduction in estimated revenue related to the expiration of a Police hiring grant. Other accounts show smaller variances that account for the total revenue difference of \$583,000 noted above.

General Fund department budgeted and estimated actual costs are shown in the table below. Details of the composition of the variance in each department were provided to Council during the Shirtsleeve session of February 4, 2014.

APPROVED: _____

D. Stephen Schwabauer, Interim City Manager

Department	2013/14 Budget	2013/14 Estimate	Over/ (Under) Budget
City Attorney	\$476,578	\$532,656	\$56,078
City Clerk	\$517,067	\$525,800	\$8,733
City Manager	\$407,853	\$349,039	(\$58,814)
Economic Development	\$481,880	\$490,314	\$8,434
Fire	\$9,637,030	\$9,619,603	(\$17,427)
Internal Services	\$3,237,480	\$3,230,027	(\$7,453)
Non Departmental	\$9,055,222	\$8,973,165	(\$82,057)
Police	\$16,789,830	\$16,552,245	(\$237,585)
Public Works	\$1,894,290	\$1,899,697	\$5,407
Total	\$42,497,230	\$42,172,546	(\$324,684)

Total savings against budget is \$324,684 and is attributed to a variety of items.

Salary and benefit savings account for almost all of the estimated expense reductions and are primarily attributable to vacant positions and changes in medical plan subscriptions. Services and supplies are showing a nominal net savings against budget. Key drivers of these savings are a reduction in DIVCA funded projects coming forward offset by an increase in anticipated professional services.

Parks, Recreation and Cultural Services

The Parks, Recreation and Cultural Services (PRCS) fund is projecting revenues to be \$34,000 below initial budget and expenditures to be \$67,000 below budget. PRCS estimate includes adding the recommended position. The Department has operated with a part-time Program Coordinator position at Lodi Lake for a number of years. Over time, the responsibilities of this position have grown to the point that the individual is essentially working full-time. The requirements of the position are such that a full-time position would be a better manner of staffing, and assist the Department with customer service needs in other parks on weekends. Staff is recommending that Council approve the addition of one permanent, full-time Program Coordinator position for PRCS. Net additional costs for the remainder of the fiscal year are \$6,040. Additional costs will be absorbed within existing appropriations.

FISCAL IMPACT: Conversion of a part-time position to full-time in PRCS will assist with program operations at Lodi Lake. Additional cost of \$6,040 will be absorbed within existing appropriations.



Jordan Ayers
Deputy City Manager

RESOLUTION NO. 2014-24

A RESOLUTION OF THE LODI CITY COUNCIL
AMENDING THE CITY OF LODI FINANCIAL PLAN AND
BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1,
2013 AND ENDING JUNE 30, 2014

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WHEREAS, the City Council adopted a balanced Financial Plan and Budget for Fiscal Year 2013/14 on June 5, 2013; and

WHEREAS, the adopted 2013/14 Financial Plan and Budget was prepared in accordance with the City Council's goals, budget assumptions, and policies; and

WHEREAS, revisions to the adopted 2013/14 Financial Plan and Budget are necessary to address the approval of an additional full-time position.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby approve the addition of one Program Coordinator position in the Parks, Recreation and Cultural Services Fund; funding for such position to be absorbed within existing departmental appropriations.

Dated: February 19, 2014

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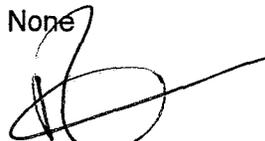
I hereby certify that Resolution No. 2014-24 as passed and adopted by the City Council of the City of Lodi in a regular meeting held February 19, 2014, by the following votes:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Mounce, Nakanishi,
and Mayor Katzakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL -OLSON
City Clerk



2013/14 Mid-Year Budget Review

City Council Meeting
February 19, 2014

General Fund Overview

	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	Budget to Est Actuals Variance
General Fund				
Fund Balance				
Beginning Fund Balance Unreserved	6,164,685	7,044,415	7,559,467	515,052
Revenues	41,380,988	42,198,820	42,781,478	582,658
Expenditures	39,986,206	42,497,230	42,172,546	(324,684)
Net Difference (Revenues Less Expenditures)	1,394,782	(298,410)	608,932	907,342
Fund Balance				
Ending Fund Balance Unreserved	<u>7,559,467</u>	<u>6,746,005</u>	<u>8,168,399</u>	<u>1,422,394</u>

Departmental Variances

Department	2013/14 Budget	2013/14 Estimate	Over/(Under) Budget
City Attorney	476,578	532,656	56,078
City Clerk	517,067	525,800	8,733
City Manager	407,853	349,039	(58,814)
Economic Development	481,880	490,314	8,434
Fire	9,637,030	9,619,603	(17,427)
Internal Services	3,237,480	3,230,027	(7,453)
Non Departmental	9,055,222	8,973,165	(82,057)
Police	16,789,830	16,552,245	(237,585)
Public Works	1,894,290	1,899,697	5,407
Total	42,497,230	42,172,546	(324,684)

[Water Utility]

	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	Budget to Est Actuals Variance
Water Utility Enterprise Fund				
<u>Cash Balance</u>				
Beginning Cash Balance	12,465,350	10,376,435	9,044,659	(1,331,776)
Revenues	14,894,809	14,484,970	15,040,230	555,260
Expenditures	<u>18,315,500</u>	<u>17,296,140</u>	<u>16,620,042</u>	<u>(676,098)</u>
Net Difference (Revenues Less Expenditures)	(3,420,691)	(2,811,170)	(1,579,812)	1,231,358
<u>Cash Balance</u>				
Ending Cash Balance	<u>9,044,659</u>	<u>7,565,265</u>	<u>7,464,847</u>	<u>(100,418)</u>

[Wastewater Utility]

	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	Budget to Est Actuals Variance
Wastewater Utility Enterprise Fund				
<u>Cash Balance</u>				
Beginning Cash Balance	12,513,936	12,078,736	13,695,513	1,616,777
Revenues	14,346,216	15,035,170	14,634,840	(400,330)
Expenditures	<u>13,164,639</u>	<u>16,267,918</u>	<u>16,103,773</u>	<u>(164,145)</u>
Net Difference (Revenues Less Expenditures)	1,181,577	(1,232,748)	(1,468,933)	(236,185)
<u>Cash Balance</u>				
Ending Cash Balance	<u>13,695,513</u>	<u>10,845,988</u>	<u>12,226,580</u>	<u>1,380,592</u>

[Electric Utility]

	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	Budget to Est Actuals Variance
Electric Utility Enterprise Fund				
<u>Cash Balance</u>				
Beginning Cash Balance *	2,143,190	7,166,405	6,636,200	(530,205)
Revenues	71,679,622	71,127,990	69,345,510	(1,782,480)
Expenditures	<u>67,186,612</u>	<u>71,238,821</u>	<u>69,630,519</u>	<u>(1,608,302)</u>
Net Difference (Revenues Less Expenditures)	4,493,010	(110,831)	(285,009)	(174,178)
<u>Cash Balance</u>				
Ending Cash Balance *	<u>6,636,200</u>	<u>7,055,574</u>	<u>6,351,191</u>	<u>(704,383)</u>

* Local cash, excluding NCPA General Operating Reserve (GOR)

[Community Development]

	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	Budget to Est Actuals Variance
Community Development Fund				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	293,173	664,338	875,801	211,463
Revenues	1,674,188	1,184,850	1,142,130	(42,720)
Expenditures	<u>1,091,560</u>	<u>1,201,910</u>	<u>1,225,814</u>	<u>23,904</u>
Net Difference (Revenues Less Expenditures)	582,628	(17,060)	(83,684)	(66,624)
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>875,801</u>	<u>647,278</u>	<u>792,117</u>	<u>144,839</u>

[Streets]

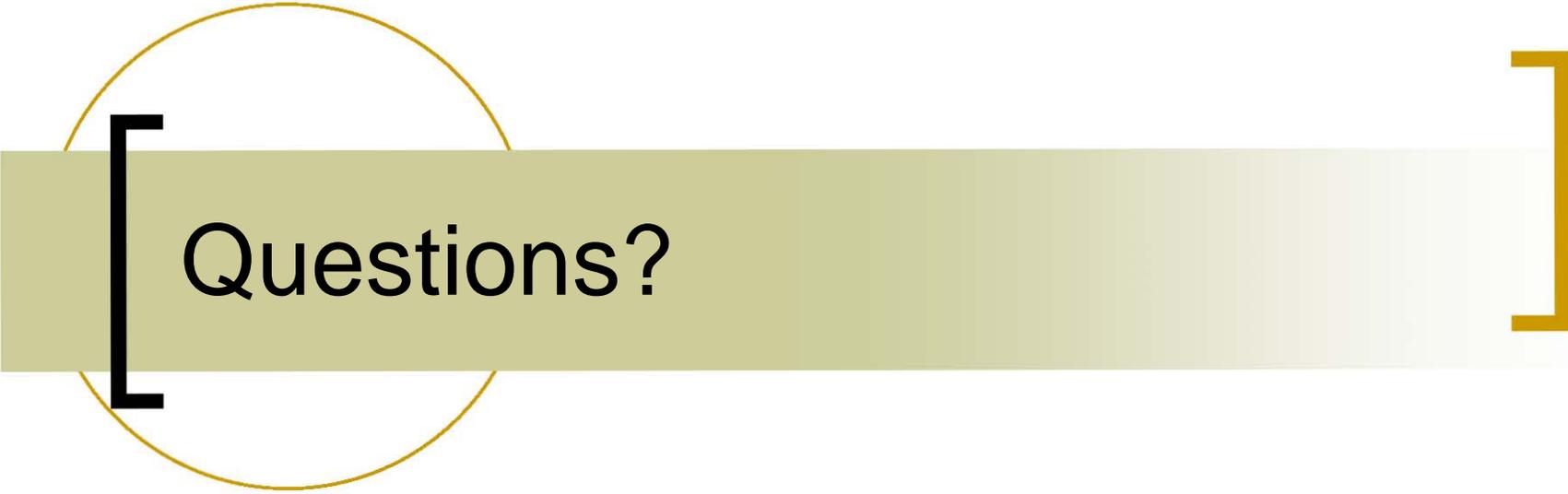
	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	Budget to Est Actuals Variance
Street Fund				
<u>Fund Balance</u>				
Beginning Fund Balance	6,513,011	6,525,206	4,964,236	(1,560,970)
Revenues	3,707,564	5,207,750	5,324,450	116,700
Expenditures	<u>5,256,339</u>	<u>8,197,409</u>	<u>8,283,555</u>	<u>86,146</u>
Net Difference (Revenues Less Expenditures)	(1,548,775)	(2,989,659)	(2,959,105)	30,554
<u>Fund Balance</u>				
Ending Fund Balance	<u>4,964,236</u>	<u>3,535,547</u>	<u>2,005,131</u>	<u>(1,530,416)</u>

Parks, Recreation & Cultural Services

	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	Budget to Est Actuals Variance
Parks, Recreation & Cultural Svcs Fund				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	(861,843)	(746,353)	(508,866)	237,487
Revenues	5,579,622	5,728,320	5,694,290	(34,030)
Expenditures	<u>5,226,645</u>	<u>5,734,362</u>	<u>5,667,282</u>	<u>(67,080)</u>
Net Difference (Revenues Less Expenditures)	352,977	(6,042)	27,008	33,050
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>(508,866)</u>	<u>(752,395)</u>	<u>(481,858)</u>	<u>270,537</u>

[Action Requested]

- Adopt resolution adding one Parks Coordinator position in the Parks, Recreation and Cultural Services Department



Questions?