

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 7, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 7, 2012, commencing at 7:00 a.m.

Present: Council Member Johnson, Council Member Katzakian, Mayor Pro Tempore Nakanishi, and Mayor Mounce

Absent: Council Member Hansen

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Fiscal Year 2011/12 Mid-Year Budget Report on Expenditures (CM)

City Manager Bartlam briefly introduced the subject matter of the 2011/12 mid-year budget review.

Deputy City Manager/Finance Director Jordan Ayers provided a PowerPoint presentation regarding the 2011/12 mid-year budget review and expenditures. Specific topics of discussion included General Fund status, General Fund departmental variances, community development fund status and variances, library fund status and variances, parks, recreation and cultural services fund status and variances, police special revenue fund status and variances, transit fund status and variances, streets fund status and variances, electric utility fund status and variances, water utility fund status and variances, and wastewater utility fund status and variances.

In response to Council Member Johnson, Mr. Ayers stated the appropriation for Parks, Recreation and Cultural Services is primarily associated with the part-time staffing needs for parks maintenance.

In response to Council Member Johnson, Mr. Ayers stated the two pieces on medical cost savings is that the budgeted amount was slightly higher than the actuals and several employees switched to a lower paying plan. Mr. Ayers stated the difference in budgeted and actuals is due to CalPERS good negotiating skills in obtaining lower cost medical plans.

In response to Council Member Johnson, Public Works Director Wally Sandelin stated the solar project came in at \$650,000, well below the \$1 million budgeted amount, and the savings will be spent elsewhere.

In response to Mayor Pro Tempore Nakanishi, Mr. Ayers stated \$28 million was budgeted for the new water treatment plant, \$22 million has been spent, and the remaining \$6 million will be spent in the next year thereby utilizing the entire budgeted amount.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated the City has traditionally received the Community Oriented Policing Services (COPS) grant annually although last year it was proposed to be eliminated in the Governor's budget. Mr. Bartlam stated it was restored at the last minute and Vehicle License Fee funds were taken instead of leaving the future of COPS grants uncertain in light of the State's budget difficulties.

In response to Council Member Katzakian, Mr. Ayers stated all reimbursements for the new Lodi

Energy Center have been processed and are complete.

In response to Myrna Wetzel, Mr. Bartlam confirmed the security costs referenced in the Public Works slide includes the parking garage security.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:30 a.m.

ATTEST:

Randi Johl
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Fiscal Year 2011/12 Mid-Year Budget Report on Expenditures
MEETING DATE: February 7, 2012
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive Fiscal Year 2011/12 mid-year budget report on expenditures.

BACKGROUND INFORMATION: Staff will present data regarding the status of budget estimates for expenditures/expenses. Revenue data was provided to Council on January 24, 2012.

Staff will highlight the following major funds in their presentation: General Fund, Community Development, Library, Parks, Recreation, and Cultural Services, Police Special Revenue, Transit, Streets and the three utility funds: Electric, Water and Wastewater.

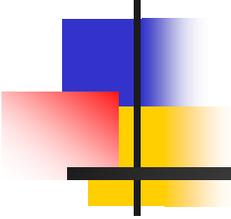
Staff will present more detail at the Shirtsleeve meeting.

Jordan Ayers
Deputy City Manager

JA/ja

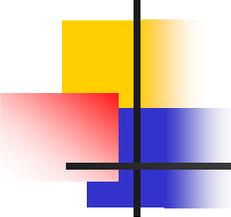
APPROVED:

Konrad Bartlam, City Manager



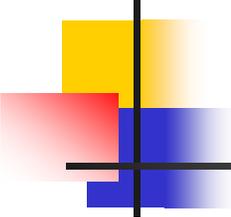
2011/12 Mid-Year Budget Review

Expenditures
City Council Shirtsleeve
February 7, 2012



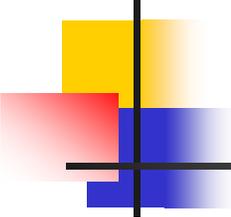
General Fund

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Actuals Variance
General Fund				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	3,896,576	3,961,428	5,597,678	1,636,250
Revenues	41,889,230	41,255,340	41,182,451	(72,889)
Expenditures	40,188,128	41,255,340	40,930,160	(325,180)
Net Difference (Revenues Less Expenditures)	1,701,102	-	252,291	252,291
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	5,597,678	3,961,428	5,849,969	1,888,541



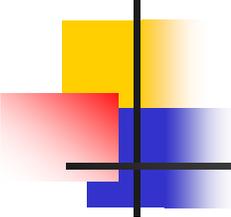
Departmental Variances

Department	2011/12 Budget	2011/12 Estimate	Over/ (Under) Budget
City Attorney	\$445,940	\$418,343	(\$27,597)
City Clerk	\$511,970	\$485,005	(\$26,965)
City Manager	\$411,050	\$409,395	(\$1,655)
Economic Development	\$568,350	\$588,044	\$19,694
Fire	\$9,320,840	\$9,317,474	(\$3,366)
Internal Services	\$3,369,640	\$3,265,690	(\$103,950)
Non Departmental	\$9,067,890	\$8,992,828	(\$75,062)
Police	\$16,000,270	\$15,926,523	(\$73,747)
Public Works	\$1,559,390	\$1,526,858	(\$32,532)
Total	\$41,255,340	\$40,930,160	(\$325,180)



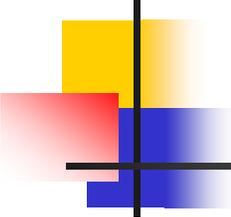
General Fund Departments

- **City Attorney** (\$27,597 under budget)
 - Receipt of prior year litigation costs
- **City Clerk** (\$26,965 under budget)
 - Changes in medical plans
- **Economic Development** (\$19,694 over budget)
 - Unbudgeted Fireworks Task Force costs (offset by revenue)
 - Prior year catch-up payment to Visit Lodi!
- **Internal Services** (\$103,950 under budget)
 - Staff vacancies, medical plan changes, pay off computer system



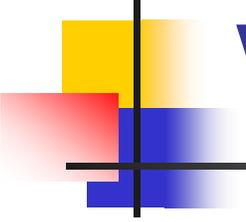
General Fund Departments

- **Non-Departmental** (\$75,418 savings)
 - Savings in Utilities and DIVCA
- **Police** (\$73,747 savings)
 - Savings from staff vacancies, offset by increase in transfer to Vehicle Replacement fund
- **Public Works** (\$32,532 under budget)
 - Personnel costs offset by increase to building maintenance costs



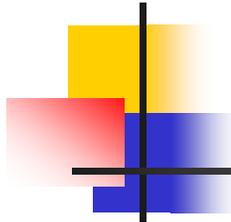
Community Development

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Community Development Fund				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	(838,657)	(270,512)	66,810	337,322
Revenues	1,877,386	1,297,930	1,335,371	37,441
Expenditures	<u>971,919</u>	<u>1,110,500</u>	<u>1,098,814</u>	<u>(11,686)</u>
Net Difference (Revenues Less Expenditures)	905,467	187,430	236,557	49,127
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>66,810</u>	<u>(83,082)</u>	<u>303,367</u>	<u>386,449</u>



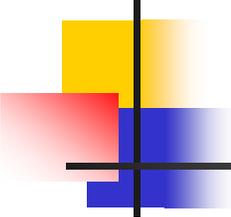
Community Development Variances

- Savings due to personnel cost reductions



Library

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Library Fund				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	49,996	53,139	56,458	3,319
Revenues	1,456,696	1,400,720	1,430,620	29,900
Expenditures	<u>1,450,234</u>	<u>1,434,950</u>	<u>1,446,000</u>	<u>11,050</u>
Net Difference (Revenues Less Expenditures)	6,462	(34,230)	(15,380)	18,850
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>56,458</u>	<u>18,909</u>	<u>41,078</u>	<u>22,169</u>

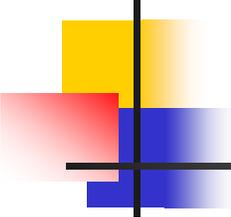


Library Variances

- Additional book expenses (funded with grants received)

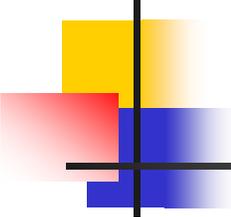
Parks, Recreation & Cultural Services

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Parks, Recreation & Cultural Svcs Fund				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	(506,981)	(514,128)	(846,381)	(332,253)
Revenues	3,454,406	5,955,390	5,955,390	-
Expenditures	<u>3,793,806</u>	<u>5,785,940</u>	<u>5,925,602</u>	<u>139,662</u>
Net Difference (Revenues Less Expenditures)	(339,400)	169,450	29,788	(139,662)
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>(846,381)</u>	<u>(344,678)</u>	<u>(816,593)</u>	<u>(471,915)</u>



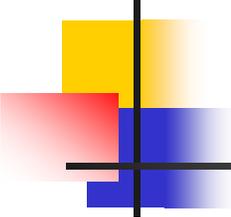
Parks, Recreation & Cultural Services Variances

- Costs for recreation instructors not in original budget (\$85,000)
- Part-time staff usage over budget by \$109,000
- Offsetting savings in medical costs, service and supply for child care program and fuel and lubes for equipment



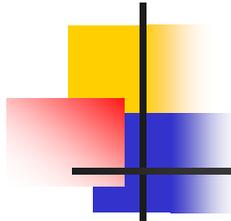
Police Special Revenue Fund

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Police Special Revenue Fund				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	223,572	296,173	203,034	(93,139)
Revenues	388,541	166,730	329,285	162,555
Expenditures	<u>409,079</u>	<u>252,655</u>	<u>404,971</u>	<u>152,316</u>
Net Difference (Revenues Less Expenditures)	(20,538)	(85,925)	(75,686)	10,239
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>203,034</u>	<u>210,248</u>	<u>127,348</u>	<u>(82,900)</u>



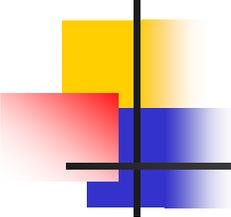
Police Special Revenue Fund Variances

- Asset seizure expenses (\$73k)
- JAG grant expenses (\$52k)
- Avoid the 10 expenses (\$16k)
- Sobriety Checkpoint expenses (\$10k)



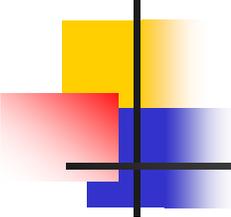
Transit

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Transit Fund				
<u>Fund Balance (Net Assets)</u>				
Beginning Fund Balance (Net Assets) Unreserved	2,002,105	1,881,256	2,509,652	628,396
Revenues	4,068,380	8,223,830	8,085,372	(138,458)
Expenditures	<u>3,560,833</u>	<u>8,132,898</u>	<u>7,293,293</u>	<u>(839,605)</u>
Net Difference (Revenues Less Expenditures)	507,547	90,932	792,079	701,147
<u>Fund Balance (Net Assets)</u>				
Ending Fund Balance (Net Assets) Unreserved	<u>2,509,652</u>	<u>1,972,188</u>	<u>3,301,731</u>	<u>1,329,543</u>



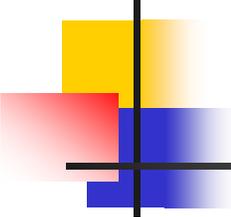
Transit Variances

- Capital project expenses lower than budget
 - MSC Solar project (\$350k)
 - Security systems project (\$383k)
 - Bus replacement (\$97k)



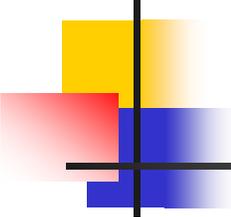
Streets

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Street Fund				
<u>Fund Balance</u>				
Beginning Fund Balance	8,663,509	6,452,367	7,589,026	1,136,659
Revenues	7,581,239	5,654,197	5,158,381	(495,816)
Expenditures	<u>8,655,722</u>	<u>6,919,266</u>	<u>3,434,915</u>	<u>(3,484,351)</u>
Net Difference (Revenues Less Expenditures)	(1,074,483)	(1,265,069)	1,723,466	2,988,535
<u>Fund Balance</u>				
Ending Fund Balance	<u>7,589,026</u>	<u>5,187,298</u>	<u>9,312,492</u>	<u>4,125,194</u>



Streets Variances

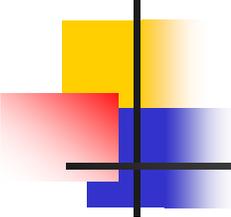
- Savings from Harney Lane related projects (\$2.3M)
- Savings from Overlay projects (\$800k)
- Savings from revising equipment replacement plans (\$125k)



Electric Utility

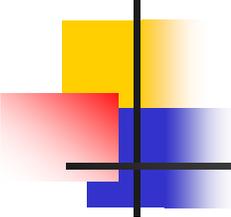
	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Electric Utility Enterprise Fund				
<u>Cash Balance</u>				
Beginning Cash Balance *	12,125,835	9,957,907	10,334,750	376,843
Revenues	62,984,863	68,016,190	66,108,609	(1,907,581)
Expenditures	<u>64,775,948</u>	<u>72,326,018</u>	<u>68,513,217</u>	<u>(3,812,801)</u>
Net Difference (Revenues Less Expenditures)	(1,791,085)	(4,309,828)	(2,404,608)	1,905,220
<u>Cash Balance</u>				
Ending Cash Balance *	<u>10,334,750</u>	<u>5,648,079</u>	<u>7,930,142</u>	<u>2,282,063</u>

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



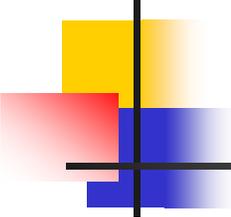
Electric Utility Variances

- Savings due to reduced power purchases (\$3.4M)
- Salary and benefit savings from vacant positions (\$470k)



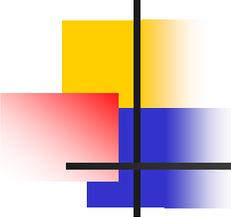
Water Utility

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Water Utility Enterprise Fund				
<u>Cash Balance</u>				
Beginning Cash Balance	14,120,605	10,164,496	12,807,412	2,642,916
Revenues	14,554,388	43,723,940	37,970,638	(5,753,302)
Expenditures	<u>15,867,581</u>	<u>46,508,045</u>	<u>36,121,351</u>	<u>(10,386,694)</u>
Net Difference (Revenues Less Expenditures)	(1,313,193)	(2,784,105)	1,849,287	4,633,392
<u>Cash Balance</u>				
Ending Cash Balance	<u>12,807,412</u>	<u>7,380,391</u>	<u>14,656,699</u>	<u>7,276,308</u>



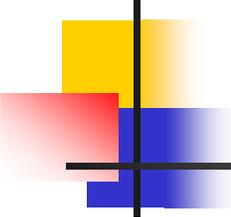
Water Utility Variances

- Capital project expenses lower than budget
 - Treatment Plant construction (\$6.3M)
 - Water Meter program (\$2.4M)
 - PCE clean-up program (\$673k)
 - DBCP program (\$450k)



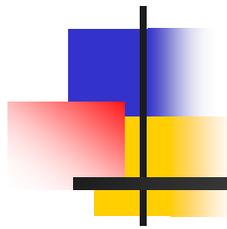
Wastewater Utility

	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	Budget to Est. Est. Actuals Variance
Wastewater Utility Enterprise Fund				
<u>Cash Balance</u>				
Beginning Cash Balance	6,831,614	5,481,418	10,606,065	5,124,647
Revenues	17,159,228	18,050,750	18,307,512	256,762
Expenditures	<u>13,384,777</u>	<u>22,347,905</u>	<u>20,532,870</u>	<u>(1,815,035)</u>
Net Difference (Revenues Less Expenditures)	3,774,451	(4,297,155)	(2,225,358)	2,071,797
<u>Cash Balance</u>				
Ending Cash Balance	<u>10,606,065</u>	<u>1,184,263</u>	<u>8,380,707</u>	<u>7,196,444</u>



Wastewater Utility Variances

- Capital project expenses lower than budget
 - Main replacement (\$1.6M)
 - G Basin Storm Drain Pump (\$220k)



Questions?
