

DETAILED REVENUE/EXPEDITURE ANALYSIS- ALL FUNDS

General Fund Operating Revenue Analysis

The adopted budget projected \$9,984,214 in revenues in the General Fund. Staff is recommending an adjustment of (\$1,061,300) due to the delay in the Silver Rose project or an 11% reduction to the projected revenues. Therefore the revised budget will have \$8,922,914 in revenues. Based on the recommended revised budget at midyear, December 31, 2014 the City has collected 51% of the projected revenues.

The sales tax received to date is through October 2014, which is one of the reasons why sales tax is at 40% at the mid-year review. When speaking with the sales tax consultant from HDL his projections remain the same in revenues therefore, no adjustments are being made under this revenue source.

In June 2014 when the Fiscal Year 2014-15 budget was adopted it was anticipated the Transient Occupancy Tax (TOT) revenues would increase by 3.0% from the projected Fiscal Year 2013-14 budget and the Indian Springs project would bring in additional TOT, commencing October 2014.

At the end of December 2014 the City had received \$2,531,148 in TOT revenues which is 52.9% of the projected budget of \$4,786,000. When actual receipts are compared from July to November 2013 the City received \$2,213,149 and the City as of November 2014 had received \$2,373,290. This is an increase of \$160,141 or 7%. The increase is due to more overnight stays and the expansion of Indian Springs. The December 2014 actual receipts were not available as of the date of this staff report.

With the delay of the Silver Rose project City staff is recommending a budget adjustment of (\$400,000) to licenses and permits revenues and (\$692,000) to charges for services, and (\$4,400) for education/recreation fees and (\$15,000) for aquatic fees.

Staff is also recommending a budget adjustment of \$27,576 for reimbursement of the loss at Monhoff and \$17,424 to be received from the City of Napa for assistance from the City of Calistoga public works department during the earthquake. This is under the category of Other Revenues for a total budget adjustment of \$45,000.

The City Council accepted a grant for the Fair Way Path Extension project of \$50,000 in October 2013 and staff did not show the remaining balance of the grant when the Fiscal Year 2014-15 budget was prepared. Staff is recommending an adjustment of \$35,724 be reflected in the mid-year budget under other sources from grants. Staff is also recommending an adjustment of \$5,693 for allowable expenditures from CalOES during the earthquake.

The City Council accepted in November 2014 a grant from PARSAC in the amount of \$5,100 to be used toward the purchase of a Lucas chest compression device for the fire department.

The following table is a list of the major operating revenues.

GENERAL FUND	Adopted	Actual	Revisions	Revised	% Budget
REVENUES	FY 14-15	12/31/2014		Budget	Revised
Property Tax	1,705,214	880,427	-	1,705,214	52%
Sales Tax	950,000	383,903	-	950,000	40%
Transient Occupancy Tax	4,786,000	2,531,148	-	4,786,000	53%
Other Taxes	332,100	105,711	-	332,100	32%
Licenses and Permits	511,500	70,014	(400,000)	111,500	63%
Fines and Forfeitures	25,500	17,302	-	25,500	68%
Interest and Use of Propty	20,500	17,541	-	20,500	86%
Rev from other Agencies	59,000	20,598	-	59,000	35%
Grants (1)	5,000	915	5,100	10,100	9%
Charges for Services	1,579,400	443,342	(711,400)	868,000	51%
Other Revenues	10,000	45,048	45,000	55,000	82%
Totals	9,984,214	4,515,949	(1,061,300)	8,922,914	51%
(1) Revision was previously adopted by Council PARSAC reimbursement					

General Fund Operating Expenditure Analysis

The adopted budget projected \$8,079,374 in expenditures in the General Fund. Staff is recommending an adjustment of (\$671,243) or 8.3% to the projected expenditures, therefore bringing the revised budget down to \$7,408,131 for expenditures. Based on the recommended revised budget at December 31, 2014 the City has expended 46% of the projected expenditures.

An increase of \$2,800 is being recommended to the City Council and City Clerk budgets. The increase is for election expenditures charged by the County of Napa.

An additional \$37,957 is needed for Fire Services salaries and benefits primarily due to employees out on work related injuries and the need to backfill the positions with additional staffing hours, regular overtime and strike team overtime; and employees eligible for CalPERS retirement benefits. A portion of the \$37,957 is being offset through strike team efforts.

Staff is recommending an adjustment to contract services of (\$722,913) to the Planning and Building department due to the delay of the Silver Rose project. Staff is also recommending a budget adjustment of \$913 for materials and supplies to be offset by a reduction of \$913 in contract services for the Planning and Building Department.

The following table is a list of operating expenditures by department.

GENERAL FUND EXPENDITURES	Adopted FY 14-15	Actual 12/31/2014	Revisions	Revised Budget	% Budget Revised
Support Services (1)	1,697,210	699,257	5,000	1,702,210	41%
City Council & City Clerk	138,281	61,114	2,800	141,081	43%
Fire Services	938,893	470,645	37,957	976,850	48%
Planning & Building	1,345,493	351,388	(722,000)	623,493	56%
Police Services	2,261,115	1,126,678	-	2,261,115	50%
Public Works	1,086,908	458,540	-	1,086,908	42%
Recreation Services (1)	611,474	264,234	5,000	616,474	43%
Totals	8,079,374	3,431,856	(671,243)	7,408,131	46%
(1) Revision was previously adopted by Council					

Water Operating Revenue Analysis

The adopted budget projected \$2,502,128 in revenues in the Water Fund. Staff is recommending an adjustment of (\$216,392) or reduction of 9% to the projected revenues, therefore bringing the revised budget to \$2,285,736 for revenues. The Adopted Fiscal Year 2014-15 budget did not include any additional revenues for the expansion of Indian Springs. As of December 31, 2014 the City has earned 52% of its operating revenues for the Water Fund based on the recommended mid-year revised budget. The anticipated decreased revenues are because of the decrease in water usage due to Stage II Emergency conservation water program.

WATER FUND REVENUES	Adopted FY 14-15	Actual 12/31/14	Revisions	Revised Budget	% Budget Revised
Residential Sales	1,675,802	758,755	(198,445)	1,477,357	51%
Transient Sales	373,231	191,651	(2,471)	370,760	52%
Commercial Sales	323,843	164,884	(20,060)	303,783	54%
Industrial Sales	88,926	42,787	(5,254)	83,672	51%
Other Revenues	40,326	30,922	9,838	50,164	62%
Totals	2,502,128	1,188,999	(216,392)	2,285,736	52%

Water Fund Operating Expenditure Analysis

The adopted budget projected \$2,879,730 in expenditures in the Water Fund. The increased expenditures are for contract services and water conservation materials that were approved by City Council at prior Council meetings for an amount of \$70,000 or

2.4% to the projected expenditures. Therefore the revised budget is \$2,949,730 for expenditures. At mid-year the Water Fund has expended 39% of its operating expenditures based on the recommended revised budget. The reason for the low percentage is because the projected depreciated expense of \$425,000 will be accounted for in the latter part of the year.

. The following table is a list of operating expenditures.

WATER FUND	Adopted	Actual	Revisions	Revised	% Budget
EXPENDITURES	FY 14-15	12/31/14		Budget	Revised
Water Distribution	548,707	225,443	-	548,707	41%
Water Treatment (1)	1,848,256	882,195	40,000	1,888,256	47%
Water Conservation (1)	57,767	56,073	30,000	87,767	64%
Depreciation	425,000	-	-	425,000	0%
Totals	2,879,730	1,163,711	70,000	2,949,730	39%
(1) Revision was previously adopted by Council					

Water Capital Improvement Project Fund (CIP)

The adopted budget projected \$1,287,948 in connection fees to the Water CIP Fund. Staff is recommending an adjustment of (\$1,222,947) for the delay of the Silver Rose project, therefore bringing the revised budget to \$65,001 for connection fees.

Staff is recommending an adjustment of \$20,000 to other miscellaneous revenue for warranty work from the Mount Washington Tank project.

City Council approved a budget adjustment on January 20, 2015 of \$35,000 for a contract between URS and the City for professional services for the bypass structure and is being reflected in the revised Fiscal Year 2014-15. The contract will be paid through Measure A funds. Staff is also recommending a reduction adjustment of (\$106,000) in capital projects. Staff is recommending an adjustment in total to the Water CIP Fund in the amount of (\$1,096,947).

Wastewater Fund Operating Revenue Analysis

The adopted budget projected \$2,370,548 in revenues in the Wastewater Fund. Staff is recommending an adjustment of (\$51,971) or 2% reduction to the projected revenues, therefore bringing the revised budget to \$2,318,577 for revenues. The Adopted Fiscal Year 2014-2015 budget did not include any additional revenues from the Indian Springs Expansion project. As of December 31, 2014 the City has earned 50% of its operating revenues for the Wastewater Fund based on the recommended mid-year revised

budget. The anticipated decreased revenues are for the decrease in water usage due to the Stage II Emergency conservation water program.

WASTEWATER FUND	Adopted	Actual	Revisions	Revised	% Budget
REVENUES	FY 14-15	12/31/14		Budget	Revised
Residential Sales	1,327,275	661,652	1,084	1,328,359	50%
Transient Sales	620,017	298,631	(39,728)	580,289	51%
Commercial Sales	298,432	149,530	(11,642)	286,790	52%
Industrial Sales	42,842	15,826	(2,202)	40,640	39%
Other Revenues	81,982	31,130	517	82,499	38%
Totals	2,370,548	1,156,769	(51,971)	2,318,577	50%

Wastewater Fund Operating Expenditure Analysis

The adopted budget projected \$2,668,620 in expenditures in the Wastewater Fund. The City Council approved budget adjustments on November 18, 2014 and January 20, 2015 in the amount of \$88,300 for professional services with Larry Walker and Dave Tompkins. Based on this adjustment the mid-year budget is revised to \$2,756,920 in operating expenditures. Based on the revised mid-year budget the City has expended 32% in expenditures. The reason for this low percentage is because projected depreciation expense of \$642,000 will be accounted for in the latter part of the year.

Wastewater Capital Improvement Project Fund (CIP)

The adopted budget projected \$2,355,976 in connection fees to the Wastewater CIP Fund. Staff is recommending an adjustment of (\$2,245,976) due to the delay of the Silver Rose project, therefore bringing the revised budget to \$110,000 for connection fees. Staff is also recommending an adjustment of (\$169,000) in capital projects and a budget adjustment transfer of \$31,264 between the Wastewater Fund and the Wastewater Capital Improvement Fund for equipment purchases. A recommendation of a budget transfer of \$10,939 is requested for an emergency pump and \$20,325 for a bisulfite tank between the Wastewater Fund and the Wastewater Capital Improvement Project Fund.

Equipment Replacement Operating Revenue Analysis

The Adopted Fiscal Year 2014-15 Budget projected \$387,743 in revenues in the Equipment Fund. Staff is recommending no adjustments to the projected revenues.

Equipment Replacement Operating Expenditure Analysis

The Adopted Fiscal Year 2014-15 Budget projected \$321,443 in expenditures in the Equipment Fund. The City Council approved in July 2014 a budget adjustment of \$13,000 for contract services to the projected expenditures, therefore bringing the revised budget to \$334,443 for expenditures. In addition City Council approved a budget transfer of \$15,815 from the Public Safety Fund and \$6,810 from the General Fund for body cameras and a Lucas device in October and November of 2014 respectively. Staff is also recommending a transfer in of \$5,100 from the General Fund for the Lucas device which is being funded through PARSAC. Staff is recommending a budget adjustment of \$15,500 for installation of key pads, a card reader and video camera in the police department and ergonomic chairs in the planning and building and finance departments.

Special Revenue Funds Analysis

All Special Revenue Funds will end June 30, 2014 with a positive fund balance. Staff is recommending the following adjustments to the special revenue funds:

- Asset Forfeiture Fund – Expenditure adjustment of \$3,500 for materials and supplies.
- Metropolitan Transportation Fund – Revenue adjustment of \$218,743 and a transfer out adjustment of (\$19,133).
- Community Development Fund – Transfer of \$6,067 to the General Fund for contract services for development impact fee study.
- Public Safety Fund – Transfer of \$40,813 to the Debt Service Fund for payment to Westamerica Bank for the 2007 bond financing; (\$151,743) reduction in one-time impact fees due to the delay of the Silver Rose project.
- Housing Grants – Adjustment of (\$143,500) in revenues and (\$143,500) in expenditures due to lower than expected applications for HOME grants.
- Quality of Life Fund – Adjustment of (\$140,127) for one-time impact fees due to the delay in the Silver Rose project and reduction of transfers out of \$40,814 due to insufficient funds to transfer to debt service.
- Housing Trust Fund – Adjustment of (\$490,002) for one-time impact fees due to the delay in the Silver Rose project.
- Recreation Donations Fund – Adjustment of \$1,100 for additional revenues from donations.
- Traffic Signals – Adjustment of (\$100,937) for one-time impact fees due to the delay in the Silver Rose project.
- City Hall Project – Adjustment of (\$39) to operating expenditures.