

Administrative Services Department Budget Report



**MID-YEAR BUDGET REPORT
FOR
PERIOD ENDING
31-DEC-2008**

FY 2009 Mid-Year Budget Report

INTRODUCTION

Annually, the Council receives a Mid-Year Budget Report from the Administrative Services Department.

This report is a precursor to budget preparation and should be used as a tool in understanding where the City is and where we need to be.

This report will include a financial overview, containing conventional summaries of actual to budget and simple year end estimates based on current expenditure rates. It will also highlight budgetary hot-spots and areas of concern.

The reporting period covers financial transactions through December 31, 2008. This represents 50% of the Fiscal Year and the benchmark of 50% will be used throughout this report.

It should be noted that certain revenues are received seasonally or in lump sums. As such, the revenue summary for Sales Tax, VLF, Property Taxes, and "In-Lieu of" Revenues which constitute the General Fund's largest block of revenues, may indicate lower than benchmark performance.

The same applies to capital items and expenditures. Most vehicles and equipment are purchased in the first half of the year and as such should not have recurring purchases later in the year. These accounts may indicate greater than benchmark performance.

Within the narrative will be tables summarizing the fiscal activities of the first half of the Fiscal Year. The format is as follows:

- **Revenue / Expenditure Budget** – up to date budget,
- **FYTD Revenues / Expenditures** - what has been collected or expended through Dec 31, 2008,
- **% of Budget** - what percentage the FYTD Revenues / Expenditures is to the Budget, (Benchmark 50%)
- **Unearned Revenue / Available Budget** – amount uncollected or amount available to expend,
- **% of Budget (2)** – what percentage the Unearned Revenue / Available Budget is to the Budget

BUDGET CONCERNS

SALES TAX REVENUE. Despite the fact that Sales Tax revenue is almost 25% greater than last year's receipts through December, Sales Tax revenue is estimated to be \$200,000 below the budget at year end due to the general decline in the economy.

MOTOR VEHICLE LICENSE FEE. VLF revenue is expected to be about half of what was budgeted or a shortfall of \$75,000. The source of the problem is a combination of increases in DMV fees and down statewide VLF revenues. DMV administrative charges (set in the budget by the Legislature) have been increasing at roughly 10% per year while the VLF revenue has been flat or declining. The first cut of VLF revenue of almost 75% goes to counties for health and welfare realignment. After which the DMV, Franchise Tax Board, and State Controller's Office take their administration cut. After an additional few small fixed allocations to recently incorporated cities are made, what's left, if any, goes to cities on a per capita basis. This amount has been declining so much so that we received nothing in October or November.

OVERHEAD TRANSFERS FROM WASTE WATER. General Government, as well as, Public Works Administrative Overhead are budgeted based on appropriations and then charged based upon what is actually expended. This creates less than benchmark receipts due to less than benchmark expenditures.

OVERHEAD FUND REVENUES. Due to the departments' reduced spending, revenues based upon expenditures are coming in short. The Overhead Fund has received only 33% of its revenue budget to date. Even though expenditures in the Overhead Fund are below the 50% benchmark there is an inflow/outflow difference of \$95,000 currently, which for the most part has been covered by the fund balance.

HIGHWAY USER TAX / PROP 42 DEFERRAL. In a similar fashion as was done last year, the State has proposed deferral of payments of the Gas Tax to Cities and Counties until September and October beginning with the February payment. This would mean a deferral of about \$207,000 in Gas Tax Fund revenue and \$60,000 in Prop 42 revenue.

CITY CLERK SALARIES. The General Fund portion of City Clerk Salaries is currently at 59%, as well as, the Overhead Fund portion of City Clerk salaries is at 92% of budget. We have available allocations from salary savings to make the necessary adjustments.

FINANCE SALARIES. The General Fund portion of Finance Salaries is currently at 87% due to employee distributions. The overage at the end of the year will be adjusted by available funding in professional services due to uncompleted projects and salary distribution allocations from other funds.

BUILDING DIVISION SALARIES. Building Division salaries are currently at 64% of budget. This is due to county chargeable wages that will be offset by revenue from the reimbursement.

RECREATION AND PARKS MAINTENANCE PART-TIME. Both Recreation and Parks Maintenance part-time wages are at 68% and 77% of budget respectively. These need to be monitored closely to prevent any overage. Part-time position hiring will require special authorization from the City Manager's Office. This should prevent any overage.

CITY HALL MAINTENANCE SALARIES AND BENEFITS. The expenditures for City Hall maintenance (salaries and benefits) are up to 67% expended, leaving only \$21,250 for the balance of the Fiscal Year. This will have to be monitored closely to prevent an overage. Additionally, a review of current expenditures posted to salaries and benefits will be conducted to ensure proper allocation to the fund.

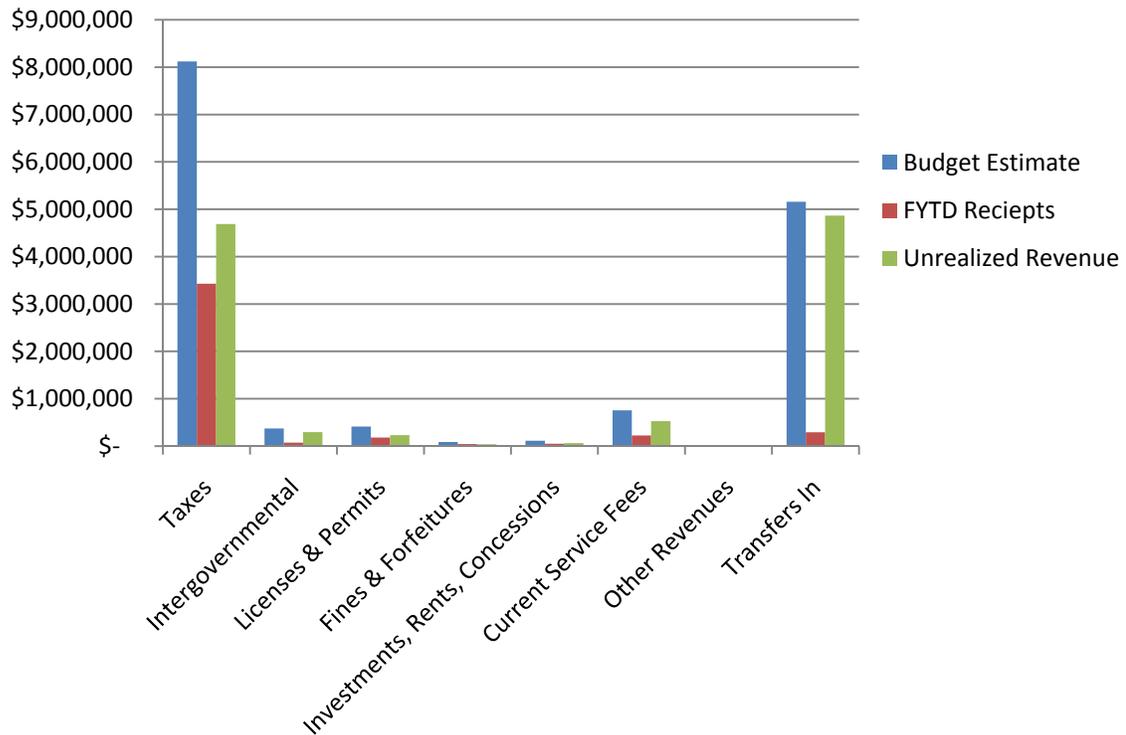
CITY HALL ELECTRIC. Electric costs for City Hall are currently at 65%. If this continues at the same rate the account will be over budget by \$24,000. Transfers will need to be made from less pertinent or anticipated under budget line-items and next year's budget request will be adjusted accordingly.

FINANCIAL OVERVIEW

GENERAL FUND REVENUES: The General Fund has received \$4,024,633 as compared to the overall budget of \$9,885,511. This represents 40.71% of the estimated budget. Additionally, there were year-to-date total transfers of \$291,575 compared to an estimated budget of \$5,157,176. This represents 5.65% of the transfer estimate. Some of these transfers related to general government support are tied to actual expenditures. But the bulk of the transfers are made up of one-time-only funds. This combined total of \$4,316,208 represents 28.69% of the annual budget estimate. Additionally, there are several major revenues that are seasonal and will not be received until March through June of 2008. Significant sources of revenue that are received either in seasonal patterns or in lump sums, include Property Taxes, and quarterly "clean up" payments on VLF, Sales Taxes, and Franchise Taxes.

City of Ridgecrest						
General Fund Revenue Summary as Compared to Budget Estimate for the FYTD through December 31, 2008						
Percentage of Year Elapsed = 50%; Percentage of Year Remaining = 50%						
Source of Revenue	Budget Estimate	FYTD Receipts	% of Budget Received	Unrealized Revenue	% of Unrealized Revenue	Estimated YE Revenue
Taxes	\$ 8,120,201	\$ 3,429,943	42.24%	\$ 4,690,258	57.76%	\$ 7,930,000
Intergovernmental	\$ 372,110	\$ 74,018	19.89%	\$ 298,092	80.11%	\$ 300,000
Licenses & Permits	\$ 414,600	\$ 179,716	43.35%	\$ 234,884	56.65%	\$ 365,000
Fines & Forfeitures	\$ 85,800	\$ 44,531	51.90%	\$ 41,269	48.10%	\$ 85,800
Investments, Rents, Concessions	\$ 114,900	\$ 50,036	43.55%	\$ 64,864	56.45%	\$ 114,900
Current Service Fees	\$ 754,400	\$ 224,596	29.77%	\$ 529,804	70.23%	\$ 754,400
Other Revenues	\$ 23,500	\$ 21,793	92.74%	\$ 1,707	7.26%	\$ 40,000
Subtotal Revenues	<u>\$ 9,885,511</u>	<u>\$ 4,024,633</u>	<u>40.71%</u>	<u>\$ 5,860,878</u>	<u>59.29%</u>	<u>\$ 9,590,100</u>
Other Financing Sources						
Transfers In	\$ 5,157,176	\$ 291,575	5.65%	\$ 4,865,601	94.35%	\$ 4,257,176
Subtotal Other Financing Sources	<u>\$ 5,157,176</u>	<u>\$ 291,575</u>	<u>5.65%</u>	<u>\$ 4,865,601</u>	<u>94.35%</u>	<u>\$ 4,257,176</u>
Total Revenues & Other Financing Sources	<u>\$ 15,042,687</u>	<u>\$ 4,316,208</u>	<u>28.69%</u>	<u>\$ 10,726,479</u>	<u>71.31%</u>	<u>\$ 13,847,276</u>

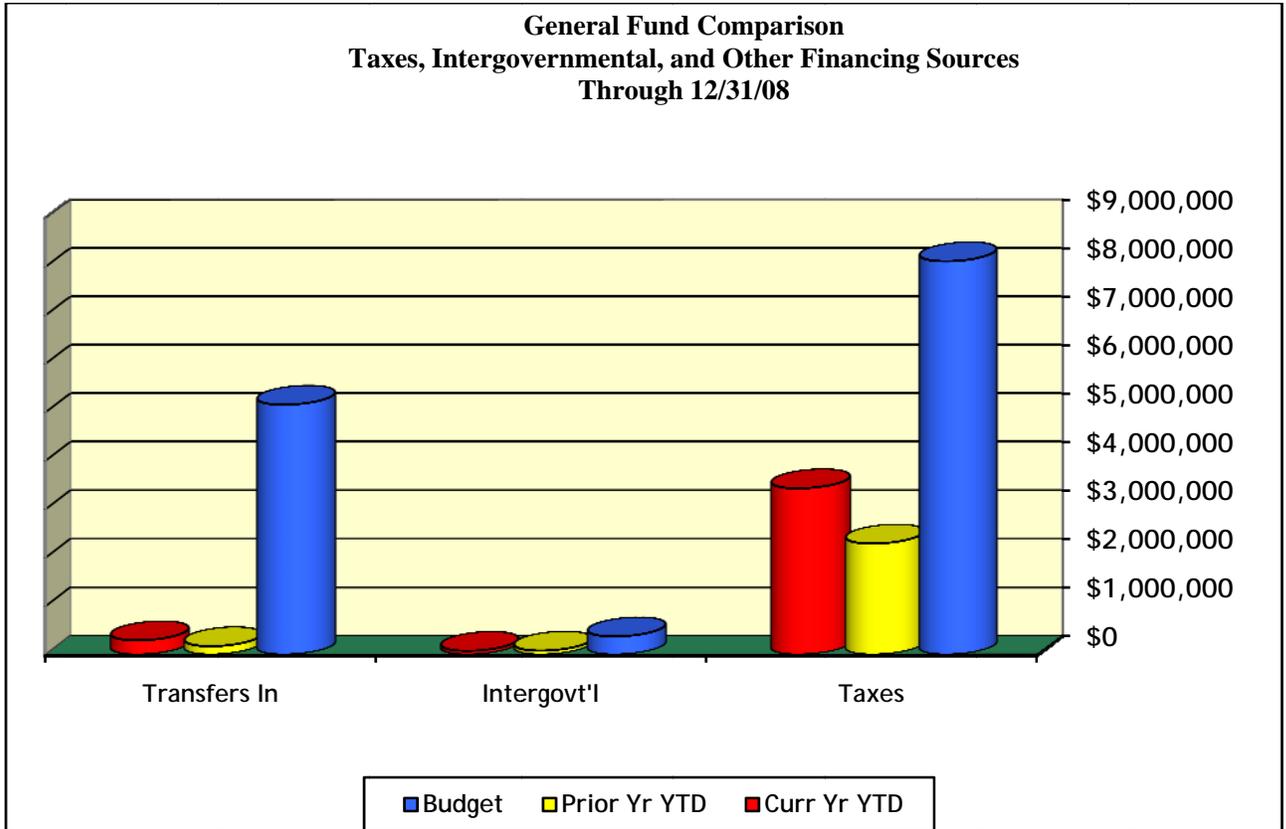
General Fund Revenue Summary 2008-09



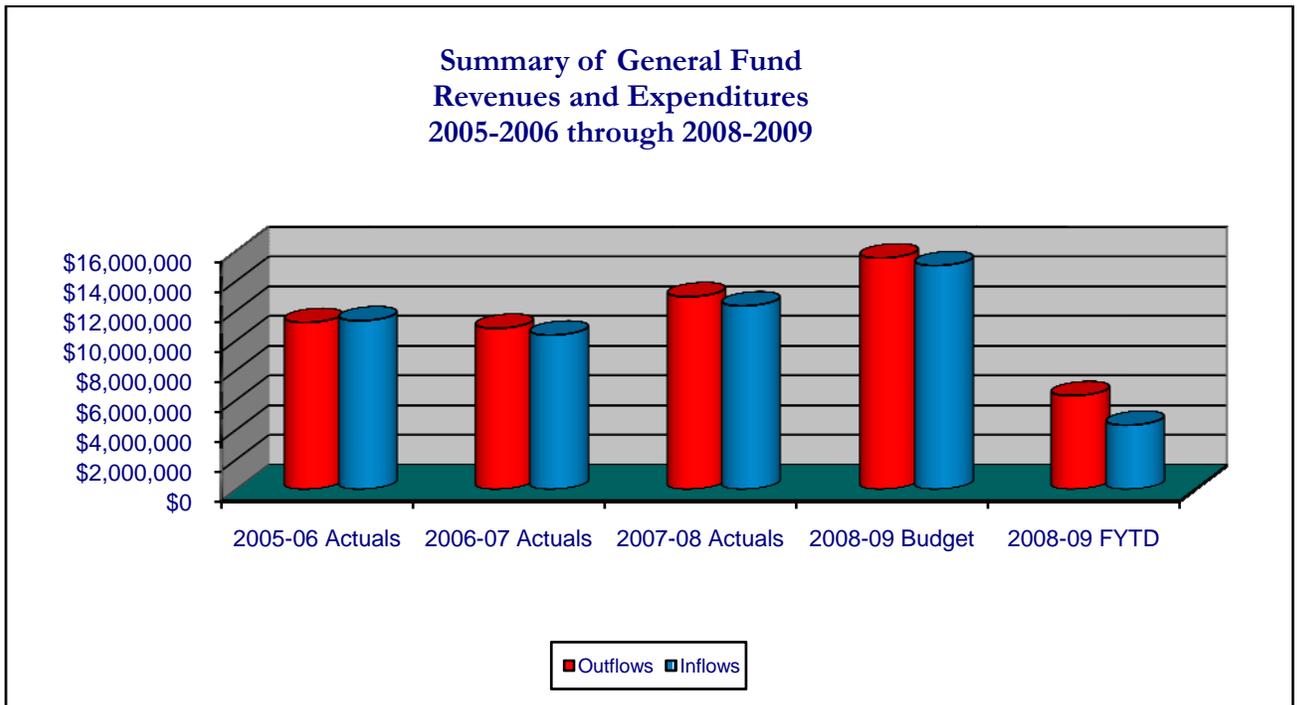
Transient Occupancy Tax was up for the period January through December by approximately \$164,000. As reflected in the following table. This represents an overall increase of 15%. Fiscal Year-End estimate for TOT is \$1,200,000.

City of Ridgecrest TOT Comparison January - December of 2007 & 2008						
	2008		2007		Change	% Change
Month						
January	\$	72,433	\$	70,616	\$ 1,817	2.57%
February	\$	81,679	\$	78,857	\$ 2,822	3.58%
March	\$	96,084	\$	93,564	\$ 2,520	2.69%
April	\$	119,911	\$	136,682	\$ (16,771)	-12.27%
May	\$	124,326	\$	77,404	\$ 46,922	60.62%
June	\$	125,615	\$	96,800	\$ 28,815	29.77%
July	\$	154,707	\$	107,047	\$ 47,660	44.52%
August	\$	104,901	\$	82,496	\$ 22,405	27.16%
September	\$	97,722	\$	66,314	\$ 31,408	47.36%
October	\$	119,217	\$	107,493	\$ 11,724	10.91%
November	\$	90,610	\$	94,876	\$ (4,266)	-4.50%
December	\$	62,457	\$	73,438	\$ (10,981)	-14.95%
Total	\$	<u>1,249,662</u>	\$	<u>1,085,587</u>	\$ <u>164,075</u>	<u>15.11%</u>

**General Fund Comparison
Taxes, Intergovernmental, and Other Financing Sources
Through 12/31/08**



The following graph shows a comparison of General Fund Revenues and Expenditures from FY 2005-06 through the reporting period (December 2007).



EXPENDITURE OVERVIEW

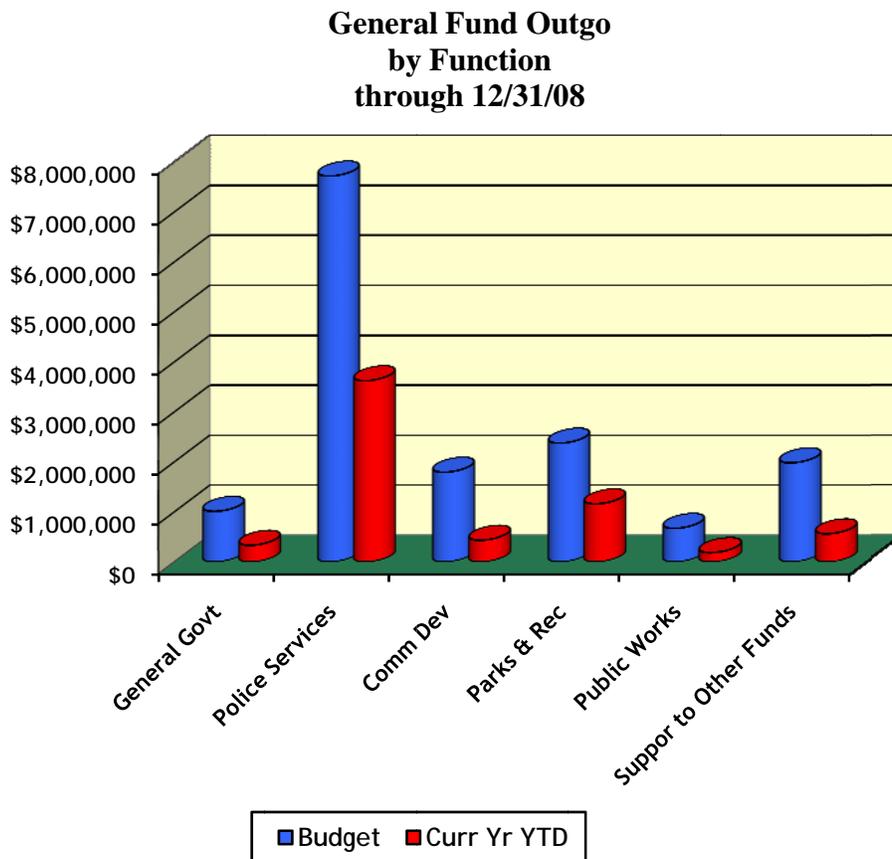
The City's General Fund expended \$5,735,693 for the Fiscal Year-to-Date (FYTD) through December 31, 2008. This represents approximately 42.26% of the total budgeted expenditures of \$13,571,525.

City of Ridgecrest					
Summary of General Fund Expenditures & Other Outgo as Compared to Budget Estimate for the FYTD through December 31, 2008					
Percentage of Year Elapsed = 50%; Percentage of Year Remaining = 50%					
Type of Expenditure	Budget Estimate	FYTD Expenditures	%	Available Balance	%
			Expended		Available
General Government	\$ 1,010,388	\$ 332,433	32.90%	\$ 677,955	67.10%
Police	\$ 7,719,358	\$ 3,624,870	46.96%	\$ 4,094,488	53.04%
Community Development	\$ 1,794,420	\$ 433,578	24.16%	\$ 1,360,842	75.84%
Parks Maint & Recreation Programs	\$ 2,376,130	\$ 1,159,863	48.81%	\$ 1,216,267	51.19%
Public Works	\$ 671,229	\$ 184,949	27.55%	\$ 486,280	72.45%
Subtotal Expenditures	\$ 13,571,525	\$ 5,735,693	42.26%	\$ 7,835,832	57.74%
Other Financing Uses					
Transfers Out - Support of Other Programs	\$ 1,983,086	\$ 562,682	28.37%	\$ 1,420,404	71.63%
Subtotal Other Financing Uses	\$ 1,983,086	\$ 562,682	28.37%	\$ 1,420,404	71.63%
Total Expenditures & Other Financing Uses	\$ 15,554,611	\$ 6,298,375	40.49%	\$ 9,256,236	59.51%
<u>DESCRIPTION OF GENERAL FUND EXPENDITURES BY FUNCTION</u>					
GENERAL GOVERNMENT includes partial support of Council, City Manager, City Clerk, Administrative Services, Finance, Advertising, City Hall, Legal Services and similar expenditures.					
POLICE SERVICES includes General Fund Police Department related salaries, benefits, services, supplies and capital expenditures.					
COMMUNITY DEVELOPMENT includes Economic Development, Planning, Building Operations, Code Enforcement, and Recycling expenditures. Redevelopment, Housing, and Redevelopment Debt Service are summarized in the Redevelopment Section of the Report.					
PARKS MAINTENANCE AND RECREATION PROGRAMS includes all maintenance activities for Park sites, including the Kerr McGee Center and the Little League fields; and recreation programs.					
PUBLIC WORKS includes Public Works Administration and Engineering expenditures. Capital Projects, Waste Water, Street Maintenance, and Transit are summarized in the Public Works Funds' section of the report.					
TRANSFERS OUT – SUPPORT OF OTHER PROGRAMS , includes those general fund transfers to other funds programs: Primarily Self Insurance, Street Maintenance (both Gas Tax and TDA Article 8), Capital Construction, and City Debt Service.					

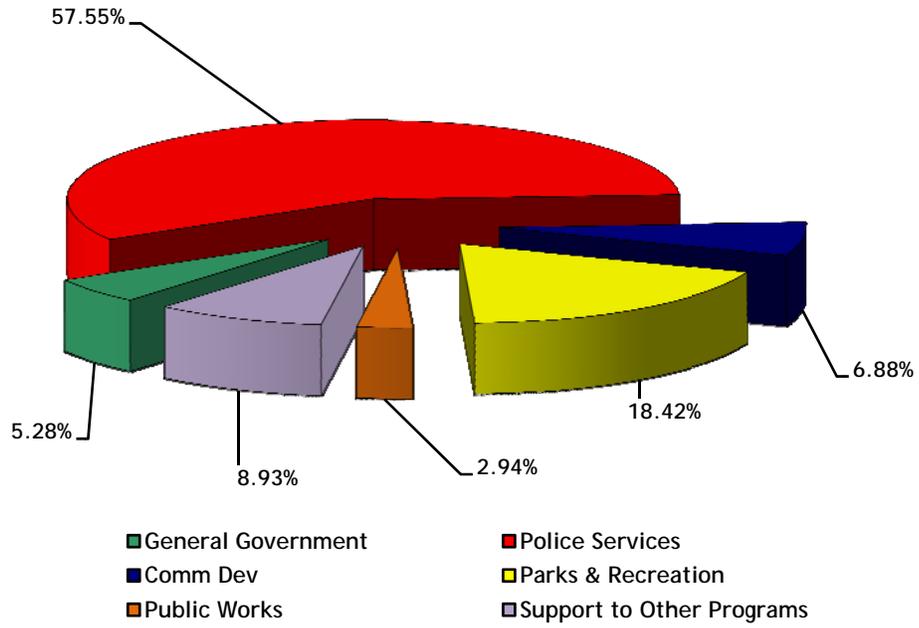
Additionally, the City has transferred \$562,682 to other funds in support of other programs. The following table summarizes the transfers to those programs:

City of Ridgecrest Summary of General Fund Support to Other Funds for the FYTD through December 31, 2008						
Percentage of Year Elapsed = 50%; Percentage of Year Remaining = 50%						
Program	Budget Estimate	FYTD Transfers	% Transferred	Available Balance	% Available	
Gas Tax	\$ 983,300	\$ 225,104	22.89%	\$ 758,196	77.11%	
Self Insurance	\$ 524,819	\$ 248,322	47.32%	\$ 276,497	52.68%	
Parks and Rec Donation	\$ 77,886	\$ 6,303	8.09%	\$ 71,583	91.91%	
Technology	\$ 34,847	\$ -	0.00%	\$ 34,847	100.00%	
Special Projects	\$ 55,175	\$ -	0.00%	\$ 55,175	100.00%	
City Debt Service	\$ 165,977	\$ 82,952	49.98%	\$ 83,025	50.02%	
Capital Projects	\$ 141,082	\$ -	0.00%	\$ 141,082	100.00%	
Total Transfers & Contributions	\$ 1,983,086	\$ 562,681	28.37%	\$ 1,420,405	71.63%	

Graphically, the respective share by function is shown in the following graph:



General Fund Outgo by Function through 12/31/2008



REPORT ON UTILITIES



The General Fund Departments have expended 46.3% of the current year's electric budget. Other funds have expended 50.56% of their respective budgets; this produces a City-wide total of 49%, slightly under the December benchmark of 50%.

City of Ridgecrest Summary of Electrical Utility Usage Fiscal Year 2008 and 2009 Year-to-Date Operations through December of each Fiscal Year						
Division	Electricity Budget	FY 2009 Expenditures	% of Budget	FY 2008 Expenditures	FY 08 to 09 Difference	
Police	\$ 13,000	\$ 5,858	45.06%	\$ 6,090	\$ (232)	
Parks Maintenance	\$ 180,100	\$ 83,554	46.39%	\$ 85,703	\$ (2,149)	
General Fund Total	\$ 193,100	\$ 89,412	46.30%	\$ 91,793	\$ (2,381)	
Gas Tax Fund	\$ 187,817	\$ 92,568	49.29%	\$ 87,929	\$ 4,639	
Wastewater Fund	\$ 50,530	\$ 22,793	45.11%	\$ 12,064	\$ 10,729	
Business Dev Center	\$ 10,000	\$ -	0.00%	\$ 3,700	\$ (3,700)	
City Hall	\$ 80,000	\$ 52,033	65.04%	\$ 49,183	\$ 2,850	
Garage	\$ 4,000	\$ 654	16.35%	\$ 655	\$ (1)	
Other Funds Totals	\$ 332,347	\$ 168,048	50.56%	\$ 153,531	\$ 14,517	
Grand Total	\$ 525,447	\$ 257,460	49.00%	\$ 245,324	\$ 12,136	

NEW BUSINESSES

The following table summarizes the new business licenses issued during this fiscal year.

City of Ridgecrest					
New Business Licenses Issued					
Month	FY 2009	FY 2008	FY 2007	FY 2006	FY 2005
July	30	22	28	30	22
August	22	16	20	21	22
September	17	27	22	26	33
October	55	28	18	15	36
November	18	5	18	31	13
December	32	26	15	10	18
FYTD Total	<u>174</u>	<u>124</u>	<u>121</u>	<u>133</u>	<u>144</u>

PARKS MAINTENANCE AND RECREATION PROGRAM SUMMARY



The Parks and Recreation Department (P&R) budget is operated on a Project or a Program Basis. In theory fee-driven budgets such as the Parks & Recreation budget should be self sustaining. The practical application of such an approach would prohibit any participants due to the high actual cost of providing the program. The P & R Budget is supported by 79% contributions from the General Fund. This amounts to \$1.95 Million. The balance of 21% comes from program fees and room rentals, an estimated \$509,000. Of this total the Department has received \$192,000 or 38% of the annual budget.

On the expenditure side, the total P&R budget is \$2,461,176; through December 31, 2008, the Department has spent \$1,168,802 or approximately 47% of the total, also below the 50% benchmark. Of the total General Fund support of \$1,951,690, it would be expected, at this point in the year, to equate to \$975,845; the actual General Fund support is \$976,754, or 50.05% of the total budget.

Parks and Recreation Programs					
Fiscal Year 2008-2009					
Year-to-Date Operations through December 2008					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unrealized Revenue	% of Budget
Parks Admin	\$ 77,886	\$ 6,303	8.09%	\$ 71,583	91.91%
Recreation Programs	\$ 325,700	\$ 137,857	42.33%	\$ 187,843	57.67%
Parks Maintenance	\$ 105,900	\$ 47,888	45.22%	\$ 58,012	54.78%
Total	\$ 509,486	\$ 192,048	37.69%	\$ 317,438	62.31%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Parks Admin	\$ 375,311	\$ 156,599	41.73%	\$ 218,712	58.27%
Recreation Programs	\$ 626,977	\$ 323,200	51.55%	\$ 303,777	48.45%
Parks Maintenance	\$ 1,458,888	\$ 689,003	47.23%	\$ 769,885	52.77%
Total	\$ 2,461,176	\$ 1,168,802	47.49%	\$ 1,292,374	52.51%
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Parks Admin	\$ 297,425	\$ 150,296	50.53%	\$ 147,129	49.47%
Recreation Programs	\$ 301,277	\$ 185,343	61.52%	\$ 115,934	38.48%
Parks Maintenance	\$ 1,352,988	\$ 641,115	47.39%	\$ 711,873	52.61%
Total	\$ 1,951,690	\$ 976,754	50.05%	\$ 974,936	49.95%

POLICE PROGRAM SUMMARY



The Police Department has received 33.33% of its estimated revenues, which represents \$270,158 of the total \$810,615. This is below the FYTD benchmark of 50% of the elapsed Fiscal Year. On the expenditure side, the Department has expended \$3,353,473 of the total \$7,180,801 budget. This represents approximately 46.7% of the total budget. Comparing total net cost to the General Fund, the difference between revenues and expenditures, at this point in the Fiscal Year, should have net expenditures of 50% of the estimated total difference of \$6,370,186; this would equate to \$3,185,093. The actual net expenditures for the FYTD through December were \$3,083,315 which equates to 48.4% of the total.

Police Programs					
Fiscal Year 2008-2009					
Year-to-Date Operations through December 2008					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Police Administration	\$ 29,350	\$ 17,808	60.67%	\$ 11,542	39.33%
Police Admin Services	\$ 300,500	\$ 71,423	23.77%	\$ 229,077	76.23%
Police Field Services	\$ 245,650	\$ 117,274	47.74%	\$ 128,376	52.26%
Police Other Funding	\$ 108,605	\$ 54,488	50.17%	\$ 54,117	49.83%
State Grants	\$ 126,510	\$ 9,165	7.24%	\$ 117,345	92.76%
Total	\$ 810,615	\$ 270,158	33.33%	\$ 540,457	66.67%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Police Administration	\$ 631,804	\$ 290,096	45.92%	\$ 341,708	54.08%
Police Admin Services	\$ 1,623,344	\$ 651,863	40.16%	\$ 971,481	59.84%
Police Field Services	\$ 4,759,508	\$ 2,328,317	48.92%	\$ 2,431,191	51.08%
Police Other Funding	\$ 44,635	\$ 15,925	35.68%	\$ 28,710	64.32%
State Grants	\$ 121,510	\$ 67,272	55.36%	\$ 54,238	44.64%
Total	\$ 7,180,801	\$ 3,353,473	46.70%	\$ 3,827,328	53.30%
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Police Administration	\$ 602,454	\$ 272,288	45.20%	\$ 330,166	54.80%
Police Admin Services	\$ 1,322,844	\$ 580,440	43.88%	\$ 742,404	56.12%
Police Field Services	\$ 4,513,858	\$ 2,211,043	48.98%	\$ 2,302,815	51.02%
Police Other Funding	\$ (63,970)	\$ (38,563)	60.28%	\$ (25,407)	39.72%
State Grants	\$ 5,000	\$ 58,107	1162.14%	\$ (53,107)	-1062.14%
Total	\$ 6,380,186	\$ 3,083,315	48.33%	\$ 3,296,871	51.67%

The Community Development portion includes Economic Development, Planning, Building Operations, Code Enforcement, and Recycling expenditures. Redevelopment, Housing, and Redevelopment Debt Service are summarized in the Redevelopment Section of the Report.

The General Fund Divisions of the Community Development Department are:

- Building Division – funded by fees for service
- Economic Development – funded by the General Fund General Appropriations
- Code Enforcement – funded by a combination of fees for service (assessments) and General Fund Appropriations and;
- Planning & Planning Commission – funded by General Fund Appropriations.

Community Development Fiscal Year 2008-2009 Year-to-Date Operations through December 2008 Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Building Operations	\$ 387,200	\$ 96,641	24.96%	\$ 290,559	75.04%
Code Enforcement	\$ 300	\$ -	0.00%	\$ 300	100.00%
Economic Development	\$ -	\$ -	0.00%	\$ -	0.00%
Planning	\$ 85,400	\$ 24,322	28.48%	\$ 61,078	71.52%
Planning Commission	\$ -	\$ -	0.00%	\$ -	0.00%
Total	\$ 472,900	\$ 120,963	25.58%	\$ 351,937	74.42%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Building Operations	\$ 1,083,777	\$ 117,189	10.81%	\$ 966,588	89.19%
Code Enforcement	\$ 60,132	\$ 20,332	33.81%	\$ 39,800	66.19%
Economic Development	\$ 242,430	\$ 108,109	44.59%	\$ 134,321	55.41%
Planning	\$ 390,436	\$ 179,852	46.06%	\$ 210,584	53.94%
Planning Commission	\$ 17,645	\$ 8,096	45.88%	\$ 9,549	54.12%
Total	\$ 1,794,420	\$ 433,578	24.16%	\$ 1,360,842	75.84%
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Building Operations	\$ 696,577	\$ 20,548	2.95%	\$ 676,029	97.05%
Code Enforcement	\$ 59,832	\$ 20,332	33.98%	\$ 39,500	66.02%
Economic Development	\$ 242,430	\$ 108,109	44.59%	\$ 134,321	55.41%
Planning	\$ 305,036	\$ 155,530	50.99%	\$ 149,506	49.01%
Planning Commission	\$ 17,645	\$ 8,096	45.88%	\$ 9,549	54.12%
Total	\$ 1,321,520	\$ 312,615	23.66%	\$ 1,008,905	76.34%

Expenditures of the General Fund divisions total \$433,578 or 24.16% of its budget. There is funding in the Special Projects Fund for the update of the General Plan. The total for the project in Fund # 231 is \$166,000. This project is divided into two components, a balance of \$138,000 for the actual General Plan Studies and \$28,000 for the re-codification of the Municipal Code. As of the end of December \$48,542 has been expended on the General Plan Studies.

The Public Works portion includes Public Works Administration and Engineering expenditures. Capital Projects, Waste Water, Street Maintenance, and Transit are summarized in the Public Works Funds' section of the report.

Public Works has spent \$184,949 or 27.5% of its budget in comparison to \$129,388 during the prior Fiscal Year.

Public Works					
Fiscal Year 2008-2009					
Year-to-Date Operations through December 2008					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Public Works Admin	\$ -	\$ -	0.00%	\$ -	0.00%
Engineering Services	\$ 70,250	\$ 71,543	101.84%	\$ (1,293)	-1.84%
Total	\$ 70,250	\$ 71,543	101.84%	\$ (1,293)	-1.84%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Public Works Admin	\$ 5,333	\$ 845	15.84%	\$ 4,488	84.16%
Engineering Services	\$ 665,896	\$ 184,104	27.65%	\$ 481,792	72.35%
Total	\$ 671,229	\$ 184,949	27.55%	\$ 486,280	72.45%
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Public Works Admin	\$ 5,333	\$ 845	15.84%	\$ 4,488	84.16%
Engineering Services	\$ 595,646	\$ 112,561	18.90%	\$ 483,085	81.10%
Total	\$ 600,979	\$ 113,406	18.87%	\$ 487,573	81.13%

As is seen in the above table, all funds' expenditures are well below the FYTD standard of 50%. At this point, we anticipate finishing the year within the budget allocated for the various divisions.

PUBLIC WORKS FUNDS



The Public Works Department has four operational and maintenance funds. These include the Gas Tax Fund (#2), the TDA Article 4 (Transit Enterprise) Fund (#3), the Waste Water Enterprise Fund (#5), and the TDA Article 8 (Streets) Fund (#7). Additionally, the Department funds the construction of various projects with other funds. These are: Capital Construction and AB 2928 Traffic Congestion Relief.

Total revenues for the four public works operating funds through December 2008 were \$2,604,981. This represented 42.13% of the annual estimate. Claims for both TDA funds, Article 4 (Transit) and Article 8 (Streets and Roads) have been filed with Kern COG and we are waiting on the payment from Kern COG. Waste Water funds are remitted with Property Taxes, and we will receive the second installment (50%) in April.

Gas Tax revenues are below (41.20%) the FYTD estimate of 50%. The transfers are based on the gross expenditures of the Gas Tax fund less FYTD revenues. The total transfers currently sit at \$616,257 or 39% of the total transfer estimate of \$1,580,074. \$225,104 of the current transfers comes from the General Fund.

The Capital Construction funds have received 7.17% of the budgetary estimate. Revenues for the Capital Construction funds are tied, in large measure, to finalization of completed construction projects. This explains why the amount received by the City is less than 50%. The City via the Public Works Department seeks reimbursement from the granting agencies to eliminate project deficits.

The following table summarizes the inflows for the various Public Works Funds during the reporting period (July – December.) As with the other summaries in this overview, the benchmark is 50%.

Public Works Related Funds (Inflows Only)					
Percentage of Year Lapsed = 50%; Percentage of Year Remaining = 50%					
Fund	Budgeted Revenues	Budgeted Transfers	Budgeted Total	FYTD Actuals	% Received
Gas Tax	\$ 458,000	\$ 1,580,074	\$ 2,038,074	\$ 839,696	41.20%
TDA Article 4(Transit)	\$ 1,391,206	\$ -	\$ 1,391,206	\$ 575,782	41.39%
Waste Water	\$ 2,589,000	\$ -	\$ 2,589,000	\$ 1,188,234	45.90%
TDA Article 8 (Streets)	\$ 433,000	\$ -	\$ 433,000	\$ 1,269	0.29%
Subtotal Operations	\$ 4,871,206	\$ 1,580,074	\$ 6,451,280	\$ 2,604,981	40.38%
Capital Construction	\$ 3,985,291	\$ 2,186,867	\$ 6,172,158	\$ 442,568	7.17%
AB 2928 Traffic Cong Relief	\$ -	\$ -	\$ -	\$ 73,545	
Subtotal Capital	\$ 3,985,291	\$ 2,186,867	\$ 6,172,158	\$ 516,113	8.36%
Total	\$ 8,856,497	\$ 3,766,941	\$ 12,623,438	\$ 3,121,094	24.72%

Total expenditures for the four public works maintenance/operations funds for the FYTD were \$3,050,777. This represented 24.65% of the annual appropriations in these funds.

Public Works Related Funds (Outflows Only)					
Percentage of Year Lapsed = 50%; Percentage of Year Remaining = 50%					
Fund	Budgeted Expenditures	Budgeted Transfers	Budgeted Total	FYTD Actuals	% Expended
Gas Tax	\$ 1,809,255	\$ 377,857	\$ 2,187,112	\$ 739,257	33.80%
TDA Article 4(Transit)	\$ 1,077,961	\$ 175,556	\$ 1,253,517	\$ 452,621	36.11%
Waste Water	\$ 6,731,286	\$ 1,490,228	\$ 8,221,514	\$ 1,416,180	17.23%
TDA Article 8 (Streets)	\$ 174,367	\$ 539,208	\$ 713,575	\$ 442,719	62.04%
Subtotal Operations	\$ 9,792,869	\$ 2,582,849	\$ 12,375,718	\$ 3,050,777	24.65%
Capital Construction	\$ 5,201,178	\$ 416,355	\$ 5,617,533	\$ 429,624	7.65%
AB 2928 Traffic Cong Relief	\$ -	\$ 496,801	\$ 496,801	\$ 120,000	24.15%
Subtotal Capital	\$ 5,201,178	\$ 913,156	\$ 6,114,334	\$ 549,624	8.99%
Total	\$ 14,994,047	\$ 3,496,005	\$ 18,490,052	\$ 3,600,401	19.47%

As is seen in the above table, most funds' expenditures are well below the FYTD standard of 50%. At this point, we anticipate finishing the year within the budget allocated for the various maintenance/operations programs.

REDEVELOPMENT AGENCY OVERVIEW



The Ridgecrest Redevelopment Agency (RRA) has three funds. These are the Redevelopment Fund (#9), the Low and Moderate Income Housing Fund (#19), and the Redevelopment Debt Service Fund (#929). The Agency has received approximately 60% of the budget estimate and is a little above where we estimated at this point in the Fiscal Year. The following table reflects total revenue received through December 2008 as compared to total estimated revenues for the year.

Redevelopment Agency Revenues for FYTD - December 2008					
Fund	Estimated Revenues	Estimated Transfers	Estimated Total	FYTD Actuals	% Received
Redevelopment	\$ 623,740	\$ 1,411,340	\$ 2,035,080	\$ 1,609,574	79.09%
Housing	\$ 100,000	\$ 1,200,000	\$ 1,300,000	\$ 40,945	3.15%
Debt Service	\$ 5,985,000	\$ 577,000	\$ 6,562,000	\$ 4,320,891	65.85%
Total	\$ 6,708,740	\$ 3,188,340	\$ 9,897,080	\$ 5,971,410	60.34%

Total expenditures and transfers for the Redevelopment Fund (#9) were \$583,466. This represented 14% of the budget of \$4,166,602. The Housing Fund spent \$216,772 on blight abatement, Low and Moderate Income housing expenditures, and transfers. The following table summarizes the mid-year expenditures as compared to annual appropriations for the RRA:

Redevelopment Agency Outflows for FYTD - December 2008					
Fund	Estimated Expenditures	Estimated Transfers	Estimated Total	FYTD Actuals	% Expended
Redevelopment	\$ 1,286,467	\$ 2,880,135	\$ 4,166,602	\$ 583,466	14.00%
Housing	\$ 668,037	\$ 672,725	\$ 1,340,762	\$ 216,772	16.17%
Debt Service	\$ 1,308,213	\$ 3,558,620	\$ 4,866,833	\$ 1,027,027	21.10%
Total	\$ 3,262,717	\$ 7,111,480	\$ 10,374,197	\$ 1,827,265	17.61%

SUPPORT SERVICES:



There are two funding components of the Support Services budgets, those that exist within the General Fund and those within the ISF/Overhead Funds. The General Fund component includes those functions that are properly overall General City and General Fund functions. A summary of the General Fund budget component was discussed earlier.

The Support Services activities include:

- Administration / Human Resources / Financial Services Overhead Fund
- Self-Insurance / Risk Management ISF
- Technology ISF
- Building ISF
- Fleet Maintenance ISF

Administrative Overhead

The Administrative Overhead Fund includes the restructured budget for City Wide Legislative, Management, City Clerk, Finance, Human Resources, and Legal Services. The YTD expenditures through December total \$654,084 representing 36.41% of the original annual budget of \$1,796,546. This is significantly below the benchmark of 50%.

Administrative Overhead Fund					
Fiscal Year 2008-2009					
Year-to-Date Operations through December 2008					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Administration	\$ 546,237	\$ 182,860	33.48%	\$ 363,377	66.52%
Finance Services	\$ 920,505	\$ 317,106	34.45%	\$ 603,399	65.55%
Human Resources	\$ 199,631	\$ 60,855	30.48%	\$ 138,776	69.52%
Total	\$ 1,666,373	\$ 560,821	33.66%	\$ 1,105,552	66.34%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Administration	\$ 571,493	\$ 226,735	39.67%	\$ 344,758	60.33%
Finance Services	\$ 1,005,218	\$ 319,533	31.79%	\$ 685,685	68.21%
Human Resources	\$ 219,835	\$ 107,816	49.04%	\$ 112,019	50.96%
Total	\$ 1,796,546	\$ 654,084	36.41%	\$ 1,142,462	63.59%

SELF-INSURANCE FUND



The Self-Insurance (Risk Management) Fund accounts for three primary activities. These are “final pay” for employees, who resign, are terminated, or who retire; the second activity is the funding of the City’s liability insurance and claim/litigation program; and lastly the fund provides for the operational expenses of Risk Management. The fund receives “revenue” via inter-fund transfers from most funds via the “allocation” plan.

During the reporting period the Self-Insurance Fund received \$684,402 of the total budget for revenues and transfers. This represents 39% of the total estimated revenues for the Fiscal Year. During this same period the Self-Insurance Fund expended \$496,902. This represented 18.45% of the total annual budget.

Self Insurance ISF					
Fiscal Year 2008-2009					
Year-to-Date Operations through December 2008					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Service Charges	\$ 293,980	\$ 149,697	50.92%	\$ 144,283	49.08%
Overhead Allocation	\$ 1,154,608	\$ 349,351	30.26%	\$ 805,257	69.74%
Other Revenue	\$ 305,964	\$ 185,354	60.58%	\$ 120,610	39.42%
Total	\$ 1,754,552	\$ 684,402	39.01%	\$ 1,070,150	60.99%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Risk Management	\$ 816,204	\$ 296,493	36.33%	\$ 519,711	63.67%
Final Pay	\$ 214,658	\$ 116,942	54.48%	\$ 97,716	45.52%
Transfers	\$ 1,661,720	\$ 83,467	5.02%	\$ 1,578,253	94.98%
Total	\$ 2,692,582	\$ 496,902	18.45%	\$ 2,195,680	81.55%

TECHNOLOGY ISF



The Technology ISF provides both operations support and equipment replacement funding for computer support, telecommunications, and related functions. The Technology ISF incurred 30.56% of its budget of \$1,193,916. This equates to a projected year-end savings of \$464,224 if expenditures continue at the current rate.

Technology ISF					
Fiscal Year 2008-2009					
Year-to-Date Operations through December 2008					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Service Charges	\$ 970,586	\$ 324,526	33.44%	\$ 646,060	66.56%
Transfers In	\$ 34,847	\$ -	0.00%	\$ 34,847	100.00%
Other Revenue	\$ 14,000	\$ 3,798	27.13%	\$ 10,202	72.87%
Total	\$ 1,019,433	\$ 328,324	32.21%	\$ 691,109	67.79%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Tech Operations	\$ 1,085,088	\$ 356,779	32.88%	\$ 728,309	67.12%
Tech Replacement	\$ 108,828	\$ 8,067	7.41%	\$ 100,761	92.59%
Total	\$ 1,193,916	\$ 364,846	30.56%	\$ 829,070	69.44%

BUILDING ISF

The Building Internal Service Fund provides operating budgets, as well as, establishes a reserve to fund replacement or capital improvements for City Hall. Charges are based upon required revenue spread across square footage of office space designated for specific functions.

Total revenues received to date total \$155,117, or 50% of the total budgeted of \$310,225. Expenses to date total \$143,300, or 43.56% of the total budgeted of \$328,965.

Building ISF					
Fiscal Year 2008-2009					
Year-to-Date Operations through December 2008					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Service Charges	\$ 310,225	\$ 155,117	50.00%	\$ 155,108	50.00%
Other Revenue	\$ -	\$ 5	0.00%	\$ (5)	0.00%
Total	\$ 310,225	\$ 155,122	50.00%	\$ 155,103	50.00%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
City Hall Maintenance	\$ 328,965	\$ 143,300	43.56%	\$ 185,665	56.44%
Total	\$ 328,965	\$ 143,300	43.56%	\$ 185,665	56.44%

FLEET MAINTENANCE ISF



The Fleet Maintenance ISF (FM-ISF) provides operating budgets for City Vehicles and Equipment. The FM-ISF in the current year is focused on operating costs for Vehicles and Equipment. Staff in the Administrative Services Department is working together with the Public Works Department and Police Department to continually develop an equitable and “fair” allocation methodology for both operating and replacement components.

Total expenses are \$303,940. This equates to 27.69% of the original annual budget. 100% of the Fleet Operations portion of these expenses has been reimbursed via the Internal Service allocation plan.

Fleet Maintenance ISF Fiscal Year 2008-2009 Year-to-Date Operations through December 2008 Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Service Charges	\$ 697,839	\$ 253,568	36.34%	\$ 444,271	63.66%
Other Revenue	\$ 50	\$ 3	6.00%	\$ 47	94.00%
Total	\$ 697,889	\$ 253,571	36.33%	\$ 444,318	63.67%
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Fleet Operations	\$ 698,348	\$ 253,568	36.31%	\$ 444,780	63.69%
Equipment Replacement	\$ 149,000	\$ 50,372	33.81%	\$ 98,628	66.19%
Transfers Out	\$ 250,162	\$ -	0.00%	\$ 250,162	100.00%
Total	\$ 1,097,510	\$ 303,940	27.69%	\$ 793,570	72.31%

CONCLUDING COMMENTS

With General Fund revenues estimated to be down about 8% at year end measures have been put in place to prevent any overspending. All General Fund funded capital equipment and projects for the remainder of the fiscal year have been suspended; new employee requests currently in the budget but still vacant have been frozen and will be evaluated on a case-by-case basis.

Overall General Fund expenditures are about 40%. The decline in revenues could be negated if expenditures continue at this pace.

As the budget process for Fiscal Year 2010 was started department heads have prepared requests with a 20% reduction in all General Fund funded/subsidized divisions.

More information will be known and forthcoming next month with the release of the Preliminary Draft Budget.