

# Finance Department Budget Report



**MID-YEAR BUDGET REPORT  
FOR  
PERIOD ENDING  
31-DEC-2009**

# FY 2010 Mid-Year Budget Report

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## **INTRODUCTION**

Annually, the Council receives a Mid-Year Budget Report from the Finance 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 areas of concern.

The reporting period covers financial transactions through December 31, 2009. 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:

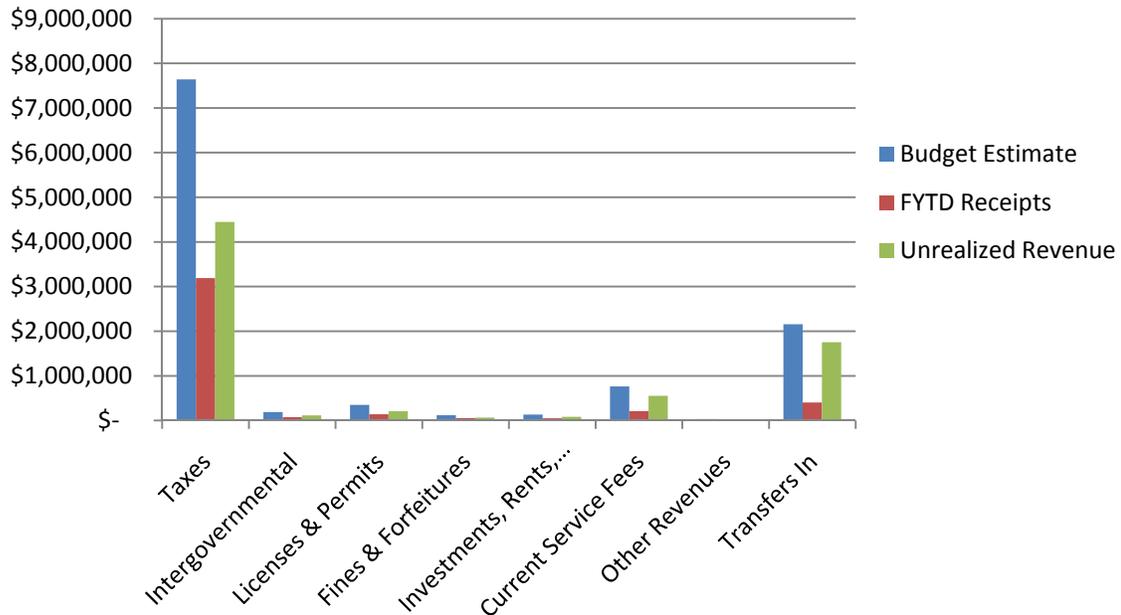
- **Revenue / Expenditure Budget** – up to date budget,
- **FYTD Revenues / Expenditures** - what has been collected or expended through Dec 31, 2009,
- **% of Budget** - what percentage the FYTD Revenues / Expenditures is to the Budget, (Benchmark 50%)
- **Unearned Revenue / Available Budget** – amount uncollected or amount available to expend,
- **% of Budget (2)** – what percentage the Unearned Revenue / Available Budget is to the Budget

## FINANCIAL OVERVIEW

**GENERAL FUND REVENUES:** The General Fund has received \$3,744,333 as compared to the overall budget of \$9,232,247. This represents 40.56% of the estimated budget. Additionally, there were year-to-date total transfers of \$403,765 compared to an estimated budget of \$2,158,301. This represents 18.7% of the transfer estimate. Some of these transfers related to general government support are tied to actual expenditures. 25% of the transfers are made up of one-time-only funds. This combined total of \$2,158,301 represents 18.9% of the annual budget estimate. Additionally, there are several major revenues that are seasonal and will not be received until March through June of 2010. 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, 2009						
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	\$ 7,639,647	\$ 3,190,798	41.77%	\$ 4,448,849	58.23%	\$ 7,680,000
Intergovernmental	\$ 191,700	\$ 75,823	39.55%	\$ 115,877	60.45%	\$ 191,700
Licenses & Permits	\$ 349,750	\$ 140,968	40.31%	\$ 208,782	59.69%	\$ 349,750
Fines & Forfeitures	\$ 119,950	\$ 56,035	46.72%	\$ 63,915	53.28%	\$ 119,950
Investments, Rents, Concessions	\$ 134,300	\$ 50,223	37.40%	\$ 84,077	62.60%	\$ 134,300
Current Service Fees	\$ 764,750	\$ 212,528	27.79%	\$ 552,222	72.21%	\$ 764,750
Other Revenues	\$ 32,150	\$ 17,958	55.86%	\$ 14,192	44.14%	\$ 32,150
<b>Subtotal Revenues</b>	<b><u>\$ 9,232,247</u></b>	<b><u>\$ 3,744,333</u></b>	<b><u>40.56%</u></b>	<b><u>\$ 5,487,914</u></b>	<b><u>59.44%</u></b>	<b><u>\$ 9,272,600</u></b>
<b>Other Financing Sources</b>						
Transfers In	\$ 2,158,301	\$ 403,765	18.71%	\$ 1,754,536	81.29%	\$ 2,158,301
<b>Subtotal Other Financing Sources</b>	<b><u>\$ 2,158,301</u></b>	<b><u>\$ 403,765</u></b>	<b><u>18.71%</u></b>	<b><u>\$ 1,754,536</u></b>	<b><u>81.29%</u></b>	<b><u>\$ 2,158,301</u></b>
<b>Total Revenues &amp; Other Financing Sources</b>	<b><u>\$ 11,390,548</u></b>	<b><u>\$ 4,148,098</u></b>	<b><u>36.42%</u></b>	<b><u>\$ 7,242,450</u></b>	<b><u>63.58%</u></b>	<b><u>\$ 11,430,901</u></b>

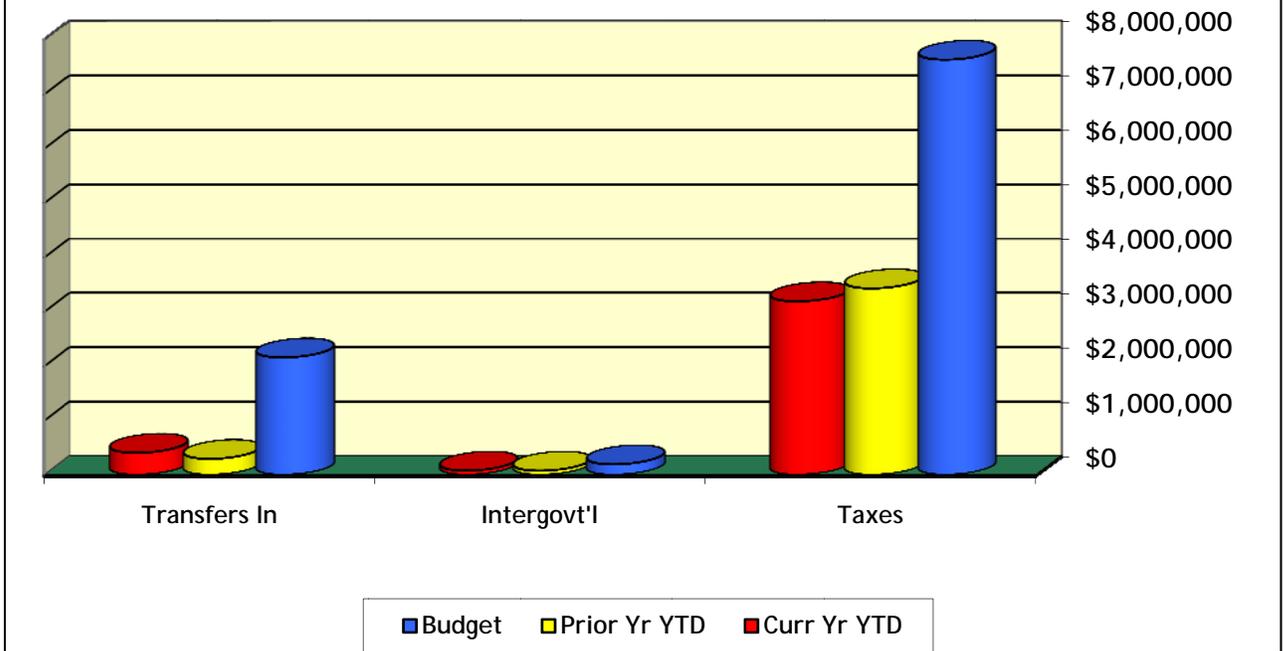
## General Fund Revenue Summary 2009-10



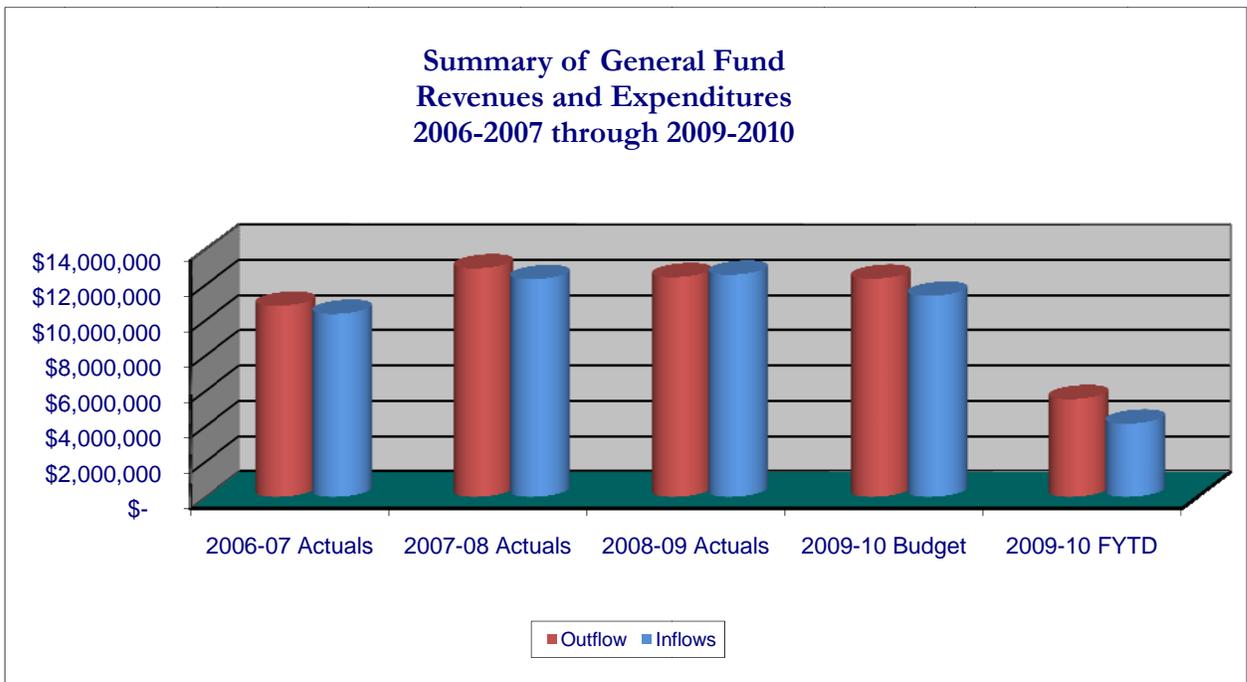
Transient Occupancy Tax was up for the period January through December by approximately \$187,000. As reflected in the following table. This represents an overall increase of 15%. Fiscal Year-End estimate for TOT is \$1,200,000.

City of Ridgecrest TOT Comparison January - December of 2008 & 2009						
	2009		2008		Change	% Change
Month						
January	\$	95,423	\$	72,433	\$ 22,990	31.74%
February	\$	104,484	\$	81,679	\$ 22,805	27.92%
March	\$	125,036	\$	96,084	\$ 28,952	30.13%
April	\$	129,208	\$	119,911	\$ 9,297	7.75%
May	\$	209,475	\$	124,326	\$ 85,149	68.49%
June	\$	109,972	\$	125,615	\$ (15,643)	-12.45%
July	\$	167,048	\$	154,707	\$ 12,341	7.98%
August	\$	130,611	\$	104,901	\$ 25,710	24.51%
September	\$	114,601	\$	97,722	\$ 16,879	17.27%
October	\$	77,647	\$	119,217	\$ (41,570)	-34.87%
November	\$	92,799	\$	90,610	\$ 2,189	2.42%
December	\$	80,254	\$	62,457	\$ 17,797	28.49%
<b>Total</b>	<b>\$</b>	<b>1,436,558</b>	<b>\$</b>	<b>1,249,662</b>	<b>\$ 186,896</b>	<b>14.96%</b>

**General Fund Comparison  
Taxes, Intergovernmental, and Other Financing Sources  
Through 12/31/09**



The following graph shows a comparison of General Fund Revenues and Expenditures from FY 2006-07 through the reporting period (December 2009).



## EXPENDITURE OVERVIEW

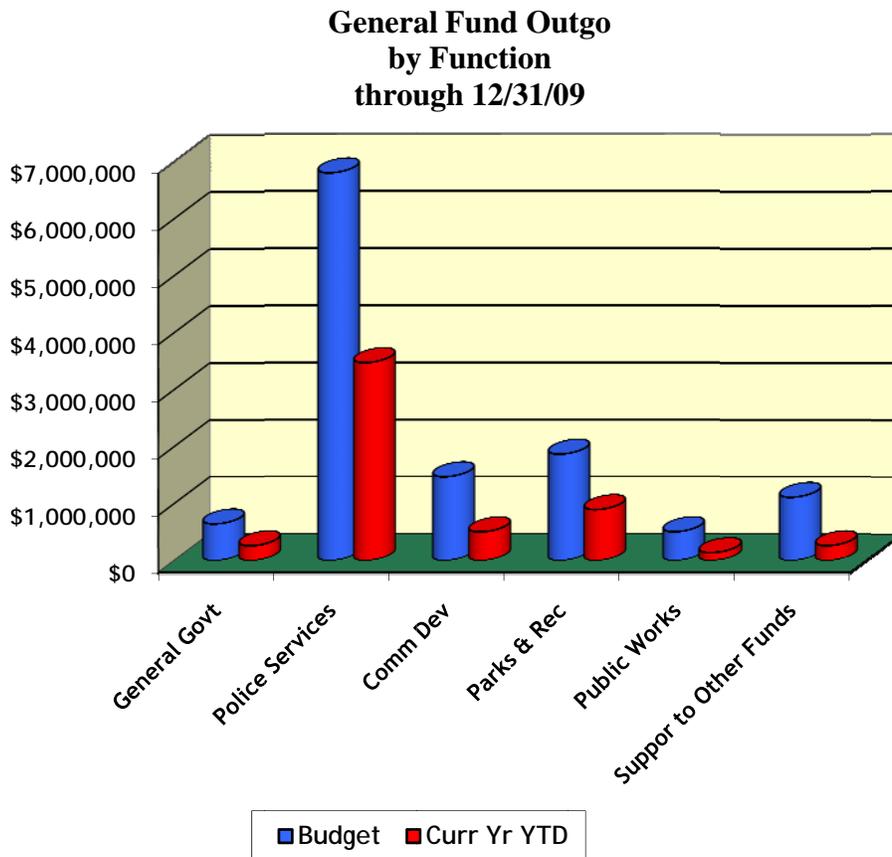
The City's General Fund expended \$5,243,592 for the Fiscal Year-to-Date (FYTD) through December 31, 2009. This represents approximately 46.6% of the total budgeted expenditures of \$11,253,221.

City of Ridgecrest					
Summary of General Fund Expenditures & Other Outgo as Compared to Budget Estimate for the FYTD through December 31, 2009					
Percentage of Year Elapsed = 50%; Percentage of Year Remaining = 50%					
Type of Expenditure	Budget Estimate	FYTD Expenditures	%	Available Balance	%
			Expended		Available
General Government	\$ 640,790	\$ 257,098	40.12%	\$ 383,692	59.88%
Police	\$ 6,784,870	\$ 3,462,509	51.03%	\$ 3,322,361	48.97%
Community Development	\$ 1,464,143	\$ 498,925	34.08%	\$ 965,218	65.92%
Parks Maint & Recreation Programs	\$ 1,861,247	\$ 888,949	47.76%	\$ 972,298	52.24%
Public Works	\$ 502,171	\$ 136,112	27.10%	\$ 366,059	72.90%
<b>Subtotal Expenditures</b>	<b>\$ 11,253,221</b>	<b>\$ 5,243,593</b>	<b>46.60%</b>	<b>\$ 6,009,628</b>	<b>53.40%</b>
<b>Other Financing Uses</b>					
Transfers Out - Support of Other Programs	\$ 1,108,435	\$ 289,534	26.12%	\$ 818,901	73.88%
<b>Subtotal Other Financing Uses</b>	<b>\$ 1,108,435</b>	<b>\$ 289,534</b>	<b>26.12%</b>	<b>\$ 818,901</b>	<b>73.88%</b>
<b>Total Expenditures &amp; Other Financing Uses</b>	<b>\$ 12,361,656</b>	<b>\$ 5,533,127</b>	<b>44.76%</b>	<b>\$ 6,828,529</b>	<b>55.24%</b>
<b><u>DESCRIPTION OF GENERAL FUND EXPENDITURES BY FUNCTION</u></b>					
<b>GENERAL GOVERNMENT</b> includes partial support of Council, City Manager, City Clerk, Administrative Services, Finance, Advertising, City Hall, Legal Services and similar expenditures.					
<b>POLICE SERVICES</b> includes General Fund Police Department related salaries, benefits, services, supplies and capital expenditures.					
<b>COMMUNITY DEVELOPMENT</b> 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.					
<b>PARKS MAINTENANCE AND RECREATION PROGRAMS</b> includes all maintenance activities for Park sites, including the Kerr McGee Center and the Little League fields; and recreation programs.					
<b>PUBLIC WORKS</b> 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.					
<b>TRANSFERS OUT – SUPPORT OF OTHER PROGRAMS</b> , 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.					

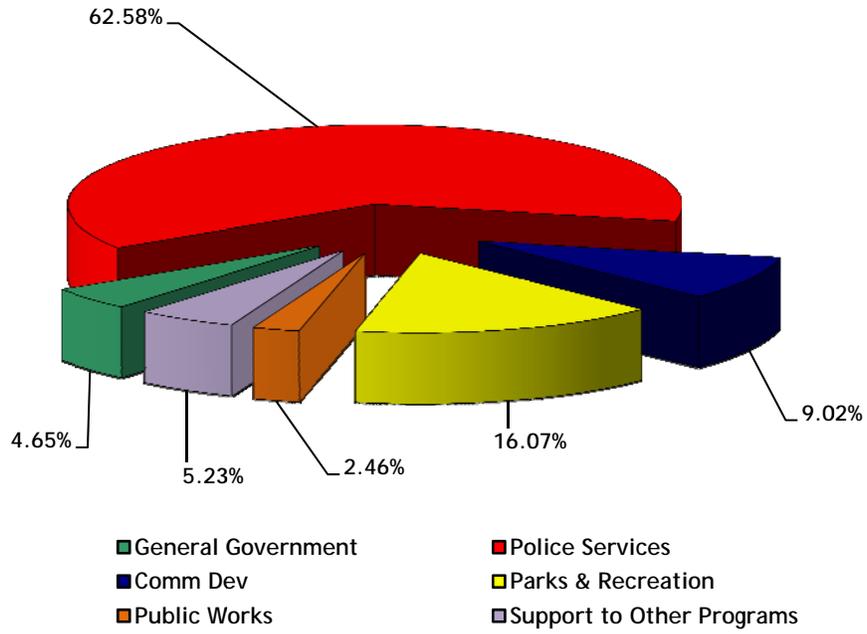
Additionally, the City has transferred \$289,535 to other funds in support of other programs. The following table summarizes the transfers to those programs:

City of Ridgecrest Summary of General Fund Support to Other Funds for the FYTD through December 31, 2009					
Percentage of Year Elapsed = 50%; Percentage of Year Remaining = 50%					
Program	Budget Estimate	FYTD Transfers	% Transferred	Available Balance	% Available
Gas Tax	\$ 130,381	\$ -	0.00%	\$ 130,381	100.00%
Solid Waste Service	\$ 43,317	\$ 10,038	23.17%	\$ 33,279	76.83%
Self Insurance	\$ 398,702	\$ 195,461	49.02%	\$ 203,241	50.98%
Parks and Rec Donation	\$ 8,500	\$ 2,621	30.84%	\$ 5,879	69.16%
Special Projects	\$ 101,256	\$ -	0.00%	\$ 101,256	100.00%
City Debt Service	\$ 162,830	\$ 81,415	50.00%	\$ 81,415	50.00%
Capital Projects	\$ 263,449	\$ -	0.00%	\$ 263,449	100.00%
<b>Total Transfers &amp; Contributions</b>	<b>\$ 1,108,435</b>	<b>\$ 289,535</b>	<b>26.12%</b>	<b>\$ 818,900</b>	<b>73.88%</b>

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



# General Fund Outgo by Function through 12/31/2009



## REPORT ON UTILITIES



The General Fund Departments have expended 40% of the current year's electric budget. Other funds have expended 49% of their respective budgets; this produces a City-wide total of 46%, slightly under the December benchmark of 50%.

City of Ridgecrest						
Summary of Electrical Utility Usage						
Fiscal Year 2009 and 2010						
Year-to-Date Operations through December of each Fiscal Year						
Division	Electricity Budget	FY 2010 Expenditures	% of Budget	FY 2009 Expenditures	FY 09 to 10 Difference	
Police	\$ 13,000	\$ 5,197	39.98%	\$ 5,858	\$ (661)	
Parks Maintenance	\$ 180,100	\$ 72,610	40.32%	\$ 83,554	\$ (10,944)	
<b>General Fund Total</b>	<b>\$ 193,100</b>	<b>\$ 77,807</b>	<b>40.29%</b>	<b>\$ 89,412</b>	<b>\$ (11,605)</b>	
Gas Tax Fund	\$ 188,450	\$ 100,722	53.45%	\$ 92,568	\$ 8,154	
Wastewater Fund	\$ 52,226	\$ 17,862	34.20%	\$ 22,793	\$ (4,931)	
City Hall	\$ 80,000	\$ 40,144	50.18%	\$ 52,033	\$ (11,889)	
Garage	\$ 2,000	\$ 565	28.25%	\$ 654	\$ (89)	
<b>Other Funds Totals</b>	<b>\$ 322,676</b>	<b>\$ 159,293</b>	<b>49.37%</b>	<b>\$ 168,048</b>	<b>\$ (8,755)</b>	
<b>Grand Total</b>	<b>\$ 515,776</b>	<b>\$ 237,100</b>	<b>45.97%</b>	<b>\$ 257,460</b>	<b>\$ (20,360)</b>	

**NEW BUSINESSES**

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

City of Ridgecrest					
New Business Licenses Issued					
Month	FY 2010	FY 2009	FY 2008	FY 2007	FY 2006
July	21	30	22	28	30
August	35	22	16	20	21
September	25	17	27	22	26
October	32	55	28	18	15
November	26	18	5	18	31
December	29	32	26	15	10
FYTD Total	<u>168</u>	<u>174</u>	<u>124</u>	<u>121</u>	<u>133</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 74% contributions from the General Fund. This amounts to \$1.38 Million. The balance of 26% comes from program fees and room rentals, an estimated \$476,300. Of this total the Department has received \$188,000 or 40% of the annual budget.

On the expenditure side, the total P&R budget is \$1,861,247; through December 31, 2009, the Department has spent \$888,949 or approximately 48% of the total, also below the 50% benchmark. Of the total General Fund support of \$1,384,947, it would be expected, at this point in the year, to equate to \$692,474; the actual General Fund support is \$700,087, or 50.5% of the total budget.

Parks and Recreation Programs					
Fiscal Year 2009-2010					
Year-to-Date Operations through December 2009					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unrealized Revenue	% of Budget
Parks Admin	\$ -	\$ -	0.00%	\$ -	0.00%
Recreation Programs	\$ 350,000	\$ 142,054	40.59%	\$ 207,946	59.41%
Parks Maintenance	\$ 126,300	\$ 46,808	37.06%	\$ 79,492	62.94%
<b>Total</b>	<b>\$ 476,300</b>	<b>\$ 188,862</b>	<b>39.65%</b>	<b>\$ 287,438</b>	<b>60.35%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Parks Admin	\$ 274,982	\$ 135,009	49.10%	\$ 139,973	50.90%
Recreation Programs	\$ 523,146	\$ 250,299	47.84%	\$ 272,847	52.16%
Parks Maintenance	\$ 1,063,119	\$ 503,641	47.37%	\$ 559,478	52.63%
<b>Total</b>	<b>\$ 1,861,247</b>	<b>\$ 888,949</b>	<b>47.76%</b>	<b>\$ 972,298</b>	<b>52.24%</b>
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Parks Admin	\$ 274,982	\$ 135,009	49.10%	\$ 139,973	50.90%
Recreation Programs	\$ 173,146	\$ 108,245	62.52%	\$ 64,901	37.48%
Parks Maintenance	\$ 936,819	\$ 456,833	48.76%	\$ 479,986	51.24%
<b>Total</b>	<b>\$ 1,384,947</b>	<b>\$ 700,087</b>	<b>50.55%</b>	<b>\$ 684,860</b>	<b>49.45%</b>

**POLICE PROGRAM SUMMARY**



The Police Department has received 33.9% of its estimated revenues, which represents \$250,851 of the total \$741,100. This is below the FYTD benchmark of 50% of the elapsed Fiscal Year. On the expenditure side, the Department has expended \$3,183,546 of the total \$6,226,944 budget. This represents approximately 51% 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 \$5,485,844; this would equate to \$2,742,922. The actual net expenditures for the FYTD through December were \$2,932,695 which equates to 53.5% of the total.

Police Programs Fiscal Year 2009-2010 Year-to-Date Operations through December 2009 Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Police Administration	\$ 30,000	\$ 20,053	66.84%	\$ 9,947	33.16%
Police Admin Services	\$ 304,000	\$ 68,601	22.57%	\$ 235,399	77.43%
Police Field Services	\$ 268,650	\$ 140,670	52.36%	\$ 127,980	47.64%
Police Other Funding	\$ 105,450	\$ (646)	-0.61%	\$ 106,096	100.61%
State Grants	\$ 33,000	\$ 22,173	67.19%	\$ 10,827	32.81%
<b>Total</b>	<b>\$ 741,100</b>	<b>\$ 250,851</b>	<b>33.85%</b>	<b>\$ 490,249</b>	<b>66.15%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Police Administration	\$ 700,430	\$ 287,371	41.03%	\$ 413,059	58.97%
Police Admin Services	\$ 1,513,051	\$ 661,602	43.73%	\$ 851,449	56.27%
Police Field Services	\$ 3,965,828	\$ 2,140,883	53.98%	\$ 1,824,945	46.02%
Police Other Funding	\$ 14,635	\$ 6,221	42.51%	\$ 8,414	57.49%
State Grants	\$ 33,000	\$ 87,469	265.06%	\$ (54,469)	-165.06%
<b>Total</b>	<b>\$ 6,226,944</b>	<b>\$ 3,183,546</b>	<b>51.13%</b>	<b>\$ 3,043,398</b>	<b>48.87%</b>
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Police Administration	\$ 670,430	\$ 267,318	39.87%	\$ 403,112	60.13%
Police Admin Services	\$ 1,209,051	\$ 593,001	49.05%	\$ 616,050	50.95%
Police Field Services	\$ 3,697,178	\$ 2,000,213	54.10%	\$ 1,696,965	45.90%
Police Other Funding	\$ (90,815)	\$ 6,867	-7.56%	\$ (97,682)	107.56%
State Grants	\$ -	\$ 65,296	0.00%	\$ (65,296)	0.00%
<b>Total</b>	<b>\$ 5,485,844</b>	<b>\$ 2,932,695</b>	<b>53.46%</b>	<b>\$ 2,553,149</b>	<b>46.54%</b>

**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 Blight Abatement Redevelopment Funds and;
- Planning & Planning Commission – funded by General Fund Appropriations.

Community Development Fiscal Year 2009-2010 Year-to-Date Operations through December 2009 Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Building Operations	\$ 312,200	\$ 123,067	39.42%	\$ 189,133	60.58%
Code Enforcement	\$ 300	\$ -	0.00%	\$ 300	100.00%
Economic Development	\$ -	\$ -	0.00%	\$ -	0.00%
Planning	\$ 70,400	\$ 8,650	12.29%	\$ 61,750	87.71%
Planning Commission	\$ -	\$ -	0.00%	\$ -	0.00%
<b>Total</b>	<b>\$ 382,900</b>	<b>\$ 131,717</b>	<b>34.40%</b>	<b>\$ 251,183</b>	<b>65.60%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Building Operations	\$ 848,725	\$ 182,032	21.45%	\$ 666,693	78.55%
Code Enforcement	\$ 49,277	\$ 18,612	37.77%	\$ 30,665	62.23%
Economic Development	\$ 220,842	\$ 94,165	42.64%	\$ 126,677	57.36%
Planning	\$ 329,049	\$ 167,325	50.85%	\$ 161,724	49.15%
Planning Commission	\$ 16,250	\$ 7,333	45.13%	\$ 8,917	54.87%
<b>Total</b>	<b>\$ 1,464,143</b>	<b>\$ 469,467</b>	<b>32.06%</b>	<b>\$ 994,676</b>	<b>67.94%</b>
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Building Operations	\$ 536,525	\$ 58,965	10.99%	\$ 477,560	89.01%
Code Enforcement	\$ 48,977	\$ 18,612	38.00%	\$ 30,365	62.00%
Economic Development	\$ 220,842	\$ 94,165	42.64%	\$ 126,677	57.36%
Planning	\$ 258,649	\$ 158,675	61.35%	\$ 99,974	38.65%
Planning Commission	\$ 16,250	\$ 7,333	45.13%	\$ 8,917	54.87%
<b>Total</b>	<b>\$ 1,081,243</b>	<b>\$ 337,750</b>	<b>31.24%</b>	<b>\$ 743,493</b>	<b>68.76%</b>

Expenditures of the General Fund divisions total \$469,467 or 32% 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 \$93,000. This project is divided into two components, a balance of \$65,000 for the actual General Plan Studies and \$28,000 for the re-codification of the Municipal Code. As of the end of December \$67,667 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 \$136,111 or 27% of its budget in comparison to \$184,949 during the prior Fiscal Year.

Public Works					
Fiscal Year 2009-2010					
Year-to-Date Operations through December 2009					
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	\$ 57,750	\$ 1,424	2.47%	\$ 56,326	97.53%
<b>Total</b>	<b>\$ 57,750</b>	<b>\$ 1,424</b>	<b>2.47%</b>	<b>\$ 56,326</b>	<b>97.53%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Public Works Admin	\$ 4,937	\$ 306	6.20%	\$ 4,631	93.80%
Engineering Services	\$ 497,234	\$ 135,805	27.31%	\$ 361,429	72.69%
<b>Total</b>	<b>\$ 502,171</b>	<b>\$ 136,111</b>	<b>27.10%</b>	<b>\$ 366,060</b>	<b>72.90%</b>
Division	Budgeted Non-Revenue Support	Actual Non-Revenue Support	% of Budget	Available Budget	% of Budget
Public Works Admin	\$ 4,937	\$ 306	6.20%	\$ 4,631	93.80%
Engineering Services	\$ 439,484	\$ 134,381	30.58%	\$ 305,103	69.42%
<b>Total</b>	<b>\$ 444,421</b>	<b>\$ 134,687</b>	<b>30.31%</b>	<b>\$ 309,734</b>	<b>69.69%</b>

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 2009 were \$1,885,714. This represented 34.43% 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 (17.54%) the FYTD estimate of 50%. This is due to the State's deferral of Gas tax revenue until April. Transfers are based on the gross expenditures of the Gas Tax fund less FYTD revenues. The total transfers currently sit at \$630,058 or 48% of the total transfer estimate of \$1,314,891.

The Capital Construction funds have received 11.48% 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%.

<b>Public Works Related Funds (Inflows Only)</b>					
<b>Percentage of Year Lapsed = 50%; Percentage of Year Remaining = 50%</b>					
<b>Fund</b>	<b>Budgeted Revenues</b>	<b>Budgeted Transfers</b>	<b>Budgeted Total</b>	<b>FYTD Actuals</b>	<b>% Received</b>
Gas Tax	\$ 429,300	\$ 1,314,891	\$ 1,744,191	\$ 306,004	17.54%
TDA Article 4(Transit)	\$ 609,566	\$ -	\$ 609,566	\$ 575,782	94.46%
Waste Water	\$ 2,491,700	\$ -	\$ 2,491,700	\$ 1,003,862	40.29%
TDA Article 8 (Streets)	\$ 631,776	\$ -	\$ 631,776	\$ 66	0.01%
<b>Subtotal Operations</b>	<b>\$ 4,162,342</b>	<b>\$ 1,314,891</b>	<b>\$ 5,477,233</b>	<b>\$ 1,885,714</b>	<b>34.43%</b>
Capital Construction	\$ 4,334,764	\$ 2,219,125	\$ 6,553,889	\$ 752,480	11.48%
AB 2928 Traffic Cong Relief	\$ 280,206	\$ -	\$ 280,206	\$ 1,982	0.71%
<b>Subtotal Capital</b>	<b>\$ 4,614,970</b>	<b>\$ 2,219,125</b>	<b>\$ 6,834,095</b>	<b>\$ 754,462</b>	<b>11.04%</b>
<b>Total</b>	<b>\$ 8,777,312</b>	<b>\$ 3,534,016</b>	<b>\$ 12,311,328</b>	<b>\$ 2,640,176</b>	<b>21.45%</b>

Total expenditures for the four public works maintenance/operations funds for the FYTD were \$3,050,817. This represented 26.23% of the annual appropriations in these funds.

<b>Public Works Related Funds (Outflows Only)</b>					
<b>Percentage of Year Lapsed = 50%; Percentage of Year Remaining = 50%</b>					
<b>Fund</b>	<b>Budgeted Expenditures</b>	<b>Budgeted Transfers</b>	<b>Budgeted Total</b>	<b>FYTD Actuals</b>	<b>% Expended</b>
Gas Tax	\$ 1,724,990	\$ 310,766	\$ 2,035,756	\$ 936,062	45.98%
TDA Article 4(Transit)	\$ 1,035,211	\$ 159,569	\$ 1,194,780	\$ 523,858	43.85%
Waste Water	\$ 6,331,142	\$ 1,299,425	\$ 7,630,567	\$ 1,436,099	18.82%
TDA Article 8 (Streets)	\$ -	\$ 770,718	\$ 770,718	\$ 154,798	20.08%
<b>Subtotal Operations</b>	<b>\$ 9,091,343</b>	<b>\$ 2,540,478</b>	<b>\$ 11,631,821</b>	<b>\$ 3,050,817</b>	<b>26.23%</b>
Capital Construction	\$ 5,488,072	\$ -	\$ 5,488,072	\$ 728,250	13.27%
AB 2928 Traffic Cong Relief	\$ -	\$ 993,048	\$ 993,048	\$ 225,915	22.75%
<b>Subtotal Capital</b>	<b>\$ 5,488,072</b>	<b>\$ 993,048</b>	<b>\$ 6,481,120</b>	<b>\$ 954,165</b>	<b>14.72%</b>
<b>Total</b>	<b>\$ 14,579,415</b>	<b>\$ 3,533,526</b>	<b>\$ 18,112,941</b>	<b>\$ 4,004,982</b>	<b>22.11%</b>

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 32% of the budget estimate and is a little below where we estimated at this point in the Fiscal Year. The following table reflects total revenue received through December 2009 as compared to total estimated revenues for the year.

<b>Redevelopment Agency Revenues for FYTD - December 2008</b>					
<b>Fund</b>	<b>Estimated Revenues</b>	<b>Estimated Transfers</b>	<b>Estimated Total</b>	<b>FYTD Actuals</b>	<b>% Received</b>
Redevelopment	\$ 120,000	\$ 1,100,000	\$ 1,220,000	\$ 8,423	0.69%
Housing	\$ 100,000	\$ 1,800,000	\$ 1,900,000	\$ 15,857	0.83%
Debt Service	\$ 7,535,000	\$ 575,000	\$ 8,110,000	\$ 3,585,033	44.21%
<b>Total</b>	<b>\$ 7,755,000</b>	<b>\$ 3,475,000</b>	<b>\$ 11,230,000</b>	<b>\$ 3,609,313</b>	<b>32.14%</b>

Total expenditures and transfers for the Redevelopment Fund (#9) were \$200,013. This represented 7.6% of the budget of \$1,045,929. The Housing Fund spent \$125,902 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:

<b>Redevelopment Agency Outflows for FYTD - December 2008</b>					
<b>Fund</b>	<b>Estimated Expenditures</b>	<b>Estimated Transfers</b>	<b>Estimated Total</b>	<b>FYTD Actuals</b>	<b>% Expended</b>
Redevelopment	\$ 1,045,929	\$ 1,582,626	\$ 2,628,555	\$ 200,013	7.61%
Housing	\$ 600,332	\$ 655,278	\$ 1,255,610	\$ 125,902	10.03%
Debt Service	\$ 1,302,535	\$ 3,669,216	\$ 4,971,751	\$ 195,231	3.93%
<b>Total</b>	<b>\$ 2,948,796</b>	<b>\$ 5,907,120</b>	<b>\$ 8,855,916</b>	<b>\$ 521,146</b>	<b>5.88%</b>

**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 \$544,395 representing 41% of the original annual budget of \$1,330,954. This is significantly below the benchmark of 50%.

Administrative Overhead Fund					
Fiscal Year 2009-2010					
Year-to-Date Operations through December 2009					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Administration	\$ 502,899	\$ 237,096	47.15%	\$ 265,803	52.85%
Finance Services	\$ 700,356	\$ 316,569	45.20%	\$ 383,787	54.80%
Human Resources	\$ 95,396	\$ 22,837	23.94%	\$ 72,559	76.06%
<b>Total</b>	<b>\$ 1,298,651</b>	<b>\$ 576,502</b>	<b>44.39%</b>	<b>\$ 722,149</b>	<b>55.61%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Administration	\$ 500,338	\$ 220,853	44.14%	\$ 279,485	55.86%
Finance Services	\$ 735,316	\$ 298,667	40.62%	\$ 436,649	59.38%
Human Resources	\$ 95,300	\$ 24,875	26.10%	\$ 70,425	73.90%
<b>Total</b>	<b>\$ 1,330,954</b>	<b>\$ 544,395</b>	<b>40.90%</b>	<b>\$ 786,559</b>	<b>59.10%</b>

**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 \$635,006 of the total budget for revenues and transfers. This represents 49% of the total estimated revenues for the Fiscal Year. During this same period the Self-Insurance Fund expended \$570,780. This represented 40% of the total annual budget.

Self Insurance ISF					
Fiscal Year 2009-2010					
Year-to-Date Operations through December 2009					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Service Charges	\$ 248,111	\$ 140,404	56.59%	\$ 107,707	43.41%
Overhead Allocation	\$ 815,524	\$ 304,407	37.33%	\$ 511,117	62.67%
Other Revenue	\$ 225,008	\$ 190,195	84.53%	\$ 34,813	15.47%
<b>Total</b>	<b>\$ 1,288,643</b>	<b>\$ 635,006</b>	<b>49.28%</b>	<b>\$ 653,637</b>	<b>50.72%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Risk Management	\$ 664,255	\$ 231,859	34.91%	\$ 432,396	65.09%
Final Pay	\$ 228,192	\$ 282,245	123.69%	\$ (54,053)	-23.69%
Transfers	\$ 550,000	\$ 56,676	10.30%	\$ 493,324	89.70%
<b>Total</b>	<b>\$ 1,442,447</b>	<b>\$ 570,780</b>	<b>39.57%</b>	<b>\$ 871,667</b>	<b>60.43%</b>

**TECHNOLOGY ISF**



The Technology ISF provides both operations support and equipment replacement funding for computer support, telecommunications, and related functions. The Technology ISF incurred 40.7% of its budget of \$677,316. That equates to a projected year-end savings of \$135,000.

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	\$ 432,109	\$ 216,078	50.01%	\$ 216,031	49.99%
Other Revenue	\$ 12,000	\$ 1,080	9.00%	\$ 10,920	91.00%
<b>Total</b>	<b>\$ 444,109</b>	<b>\$ 217,158</b>	<b>48.90%</b>	<b>\$ 226,951</b>	<b>51.10%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Tech Operations	\$ 673,609	\$ 275,632	40.92%	\$ 397,977	59.08%
Tech Replacement	\$ 3,707	\$ -	0.00%	\$ 3,707	100.00%
<b>Total</b>	<b>\$ 677,316</b>	<b>\$ 275,632</b>	<b>40.69%</b>	<b>\$ 401,684</b>	<b>59.31%</b>

**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 \$165,678, or 50% of the total budgeted of \$331,087. Expenses to date total \$109,812, or 35% of the total budgeted of \$316,689.

Building ISF					
Fiscal Year 2009-2010					
Year-to-Date Operations through December 2009					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Service Charges	\$ 330,987	\$ 165,570	50.02%	\$ 165,417	49.98%
Other Revenue	\$ 100	\$ 108	0.00%	\$ (8)	0.00%
<b>Total</b>	<b>\$ 331,087</b>	<b>\$ 165,678</b>	<b>50.04%</b>	<b>\$ 165,409</b>	<b>49.96%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
City Hall Maintenance	\$ 316,689	\$ 109,812	34.68%	\$ 206,877	65.32%
<b>Total</b>	<b>\$ 316,689</b>	<b>\$ 109,812</b>	<b>34.68%</b>	<b>\$ 206,877</b>	<b>65.32%</b>

**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 Finance 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 total \$217,325. This equates to 37% 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 2009-2010					
Year-to-Date Operations through December 2009					
Percentage of FY Elapsed = 50%; Percentage of FY Remaining = 50%					
Division	Revenue Budget	FYTD Revenues	% of Budget	Unearned Revenue	% of Budget
Service Charges	\$ 511,671	\$ 217,325	42.47%	\$ 294,346	57.53%
<b>Total</b>	<b>\$ 511,671</b>	<b>\$ 217,325</b>	<b>42.47%</b>	<b>\$ 294,346</b>	<b>57.53%</b>
Division	Expenditure Budget	FYTD Expenditures	% of Budget	Available Budget	% of Budget
Fleet Operations	\$ 589,411	\$ 217,325	36.87%	\$ 372,086	63.13%
Equipment Replacement	\$ -	\$ -	0.00%	\$ -	0.00%
Transfers Out	\$ -	\$ -	0.00%	\$ -	0.00%
<b>Total</b>	<b>\$ 589,411</b>	<b>\$ 217,325</b>	<b>36.87%</b>	<b>\$ 372,086</b>	<b>63.13%</b>

## **BUDGET CONCERNS**

**MOTOR VEHICLE LICENSE FEE.** VLF revenue is expected to be about 10% less budgeted or about \$10,000 less. 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. We receive little in the first quarter of the fiscal year. On a positive note, the current projections for next year estimate a 50% increase.

**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.

**HIGHWAY USER TAX / PROP 42 DEFERRAL.** In a similar fashion as was done last year, the State has deferred payments of the Gas Tax to Cities and Counties. July, August, and September were paid in October and the November through March payments are to be made in April. This doesn't affect the budget other than the revised estimates showing \$6,000 less.

**CITY CLERK SALARIES.** The General Fund portion of City Clerk Salaries is currently at 188%, as well as, the Overhead Fund portion of City Clerk salaries is at 79% of budget. These overages are due to delayed retirement, as well as, unbudgeted contractual salary increases.

**FINANCE SALARIES.** The General Fund portion of Finance Salaries is currently at 57% and the Overhead Fund portion at 52% due to employee overtime to restore financial data lost to the financial system failure. The overage at the end of the year will be adjusted by available funding in professional services due to uncompleted projects.

**BUILDING DIVISION SALARIES.** Building Division salaries are currently at 59% of budget. This is due to Kern County chargeable wages that will be offset by revenue from the reimbursement.

**FRANCHISE FEE FOR SOLID WASTE.** The contract with Benz Inc., approved after the June adoption of the budget, granted a 9 month franchise fee holiday. We expect to resume collections in April. The impact to the budget is expected to be about \$50,000.

**SOLID WASTE COLLECTION.** With the implementation of mandatory recycling and the corresponding contract with Benz Inc., accounts were set up to track the costs associated with the program. While expenditures were small during the first half of this fiscal year, problems will present itself in the second half. Per the contract with Benz, the City has become responsible for the payment to Benz for the delinquent accounts of the citizens and businesses. The first payment was made earlier this month for over \$200,000. Delivery of the second bill will be the first of March with payment due 30 days later. Without a collection process in place the City will exhaust itself of available fund balances.

## **CONCLUDING COMMENTS**

We expect to end the year with a General Fund balance. The balance won't be as much as we had anticipated during budget meetings due to the continued economic decline. Overall General Fund expenditures are about 45%. The decline in revenues could be partially negated if expenditures continue at this pace.

More information will be known and forthcoming in early April with the release of the Preliminary Draft Budget.