



# CITY OF HOLLISTER

375 Fifth Street • Hollister, CA 95023-3876

November 17, 2014

To City Council and the citizens of the City of Hollister:

## OVERVIEW

This report summarizes the City's overall financial position for the fiscal year through September 30, 2014. Except as noted below, revenues and operating expenditures are generally on target based on past trends for the first quarter.

### Adjusted Budgets and Revenue Estimates

The revenue projections and budgets include adjustments for any supplemental appropriations made by the Council as of September 30, 2014.

## GENERAL FUND

### General Fund Financial Condition

With 25% of the year complete, General Fund estimated revenue (cash receipts and estimated earned revenue) are at 29% of projections and expenditures are at 25%:

General Fund Activity	Budget	Estimated YTD	Percent
Revenues**	\$ 13,324,901	\$ 3,814,711	29%
Expenditures	(18,065,374)	(4,551,748)	25%
Other Sources (Uses)	4,000,000	1,055,350	26%
Avail. Fund Balance*, Beginning of the Year	4,156,339	4,156,339	-
Avail. Fund Balance*, Year-to-Date	\$ 3,415,866	\$ 4,474,652	-

\*AVAILABLE FUND BALANCE is the difference between fund assets and fund liabilities of governmental funds less any committed or restricted amounts. Currently there is \$865,706 committed to economic development amount.

\*\* Does not include Sale of Land.

A portion of General Fund revenues are received after fiscal quarter end and are recorded as receivables.

### Top Ten Revenues

Our top ten revenues account for about 63% of total General Fund revenues. By focusing on these, we can get an excellent understanding of our revenue position.

Overall, these key revenues are performing as projected based on revised estimates, payment schedules, and past trends for the first quarter. Any significant variances are noted below.

<b>Top Ten Revenues</b>	<b>Budget</b>	<b>Estimated YTD</b>	<b>% Received</b>
Sales tax	\$ 2,700,000	\$ 716,500	27%
Property tax in-lieu VLF	2,200,000	550,000	25%
Fire Contract	1,294,416	323,604	25%
Property tax in-lieu sales tax	1,000,000	250,000	25%
Property tax	952,500	238,125	25%
Overhead charges	733,187	183,297	25%
Successor Agency Residual payment	625,000	156,250	25%
Franchises fees	603,600	157,744	26%
Engineering inspection fees	425,533	101,436	24%
Building permits	325,000	65,774	20%
Top Ten Total	<u>\$ 10,859,236</u>	<u>\$ 2,742,730</u>	<u>25%</u>

**Sales Tax** Year-to-date results are coming in slightly higher than budgeted. With the “triple flip,” we only receive 75% of our base revenues from State allocations. The remaining 25% is remitted to us from the County in January and June via a complicated estimating formula. Plus, sales tax revenue is received approximately two month after the sales transaction has occurred. Due to the delay in receipt we have estimated this quarter’s revenue. That said, the results reflect a slight stabilization in the local, state and national economy. Sales volume in most major category has shown some stabilization and or improvement.

**Property Tax in lieu of VLF** We will receive our first payment of these taxes from the County in April 2015. We believe we will receive the amount projected.

**Fire Contract.** We have received our first quarter payments from the County from the City of San Juan Bautista. We believe we will receive the amount projected.

**Property Tax in lieu of Sales Tax** We will receive our first payment of these taxes from the County in April 2015. We believe we will receive the amount projected.

**Property Tax** The first major apportionment of 2014-15 taxes occurred in December 2014. We believe we will receive the amount projected.

**Overhead Charges** The general charges other funds for services it provides on their behalf. The overhead charges are reimbursed on a quarterly basis.

**Successor Agency Residual Payments** The first major apportionment of 2014-15 taxes occurred in January 2015 and final in June 2015. This is still a new revenue source and has been hard to come up with the right formula to make the correct projections.

**Franchise Fees** We will not receive the largest components of our franchise fee revenues—payments from PG&E and Charter—until late April 2015. As a result we have estimated these revenues.

**Engineer Inspection Charges** The general charges for the City Engineers to inspect drawings submitted to the City for development. This amount is coming in as projected.

**Building Permits** We will continue to monitor these revenues as they are below projections for the current quarter.

## Expenditures

Operating costs are generally on target for the first quarter of the year as summarized below:

Expenditures by Major Object	Budget	Estimated YTD	% Received
Salaries and benefits	\$ 12,576,403	\$ 2,633,753	21%
Services and supplies	2,110,959	570,792	27%
Contractual	3,250,733	1,323,708	41%
Capital	127,279	23,495	18%
Total	<u>\$ 18,065,374</u>	<u>\$ 4,551,748</u>	<u>25%</u>

We are right on target for staffing costs. Departmental operating expenditures are also generally on target:

Expenditures by Department	Budget	Estimated YTD	% Budget
TOTAL NON DEPARTMENT	\$ 1,163,088	\$ 859,359	74%
TOTAL CITY COUNCIL	295,396	67,499	23%
TOTAL CITY CLERK / ELECTIONS	397,394	73,925	19%
TOTAL CITY MANAGER	415,888	80,791	19%
TOTAL SUCCESSOR ADMIN.	250,000	52,568	21%
TOTAL CITY TREASURER	3,150	1,070	34%
TOTAL FINANCE	414,724	87,390	21%
TOTAL INFORMATION SYSTEMS	227,142	43,561	19%
TOTAL HUMAN RESOURCES	205,025	25,132	12%
TOTAL ANIMAL CONTROL	508,340	108,838	21%
TOTAL FIRE DEPARTMENT	5,189,128	1,140,173	22%
TOTAL SOLID WASTE	239,603	282	0%
TOTAL POLICE DEPARTMENT	5,783,627	1,309,030	23%
TOTAL ENGINEERING	510,121	129,885	25%
TOTAL PLANNING DIVISION	730,569	116,485	16%
TOTAL RISK MANAGEMENT	49,046	25,404	52%
TOTAL CODE ENFORCEMENT	110,265	43,058	39%
TOTAL VEHICLE MAINTENANCE	258,894	57,645	22%
TOTAL STREET MAINTENANCE	73,990	21,240	29%
TOTAL PARKS	650,911	150,587	23%
TOTAL VETERAN'S BUILDING	102,475	31,752	31%
TOTAL RECREATION	486,598	126,074	26%
Total	<u>\$ 18,065,374</u>	<u>\$ 4,551,748</u>	<u>25%</u>

There appears to be no significant variances compared to budget. Fire Department compared to last year's quarter has expended \$50,000 more than this quarter last fiscal year. And, Police has spent \$140,000 more this quarter compared to last fiscal year's first quarter.

## ENTERPRISE FUNDS

In general, enterprise fund revenues and expenditures are consistent with past trends.

### Water Fund

Water Working Capital	Budget	YTD Actual	Percent
Revenues	\$ 4,368,300	\$ 1,276,882	29%
Expenditures			
Operating programs	(4,323,076)	(786,203)	18%
CIP projects			
Working Capital**, Beginning of the Year	4,287,848	4,287,848	-
Working Capital**, Year-to-Date	<u>\$ 4,333,072</u>	<u>\$ 4,778,527</u>	<u>-</u>

\*\* Working Capital is the difference between enterprise fund current assets and fund current liabilities.

## Sewer Fund

<b>Sewer Working Capital</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>Percent</b>
Revenues	\$ 12,892,800	\$ 2,923,023	23%
Expenditures			
Operating programs	(6,227,640)	(1,006,493)	16%
CIP projects			
Debt service	(7,174,550)	-	0%
Working Capital**, Beginning of the Year	7,491,548	7,491,548	-
Working Capital**, Year-to-Date	<u>\$ 6,982,158</u>	<u>\$ 9,408,078</u>	-

\*\* Working Capital is the difference between enterprise fund current assets and fund current liabilities.

## Airport Fund

<b>Airport Working Capital</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>Percent</b>
Revenues	\$ 709,238	\$ 145,616	21%
Expenditures			
Operating programs	(1,125,323)	(140,207)	12%
Working Capital**, Beginning of the Year	1,132,277	1,132,277	-
Working Capital**, Year-to-Date	<u>\$ 716,192</u>	<u>\$ 1,137,686</u>	-

\*\* Working Capital is the difference between enterprise fund current assets and fund current liabilities.

## Street Sweeping Fund

<b>Street Sweeping Working Capital</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>Percent</b>
Revenues	\$ 327,800	\$ 66,372	20%
Expenditures			
Operating program	(346,066)	(97,074)	28%
Working Capital**, Beginning of the Year	(278,616)	(278,616)	-
Working Capital**, Year-to-Date	<u>\$ (296,882)</u>	<u>\$ (309,318)</u>	-

\*\* Working Capital is the difference between enterprise fund current assets and fund current liabilities.

*We will continue to monitor street sweeping operations.*

## Briggs Building Fund

<b>Briggs Building Working Capital</b>	<b>Budget</b>	<b>YTD Actual</b>	<b>Percent</b>
Revenues	\$ 111,660	\$ 37,120	33%
Expenditures			
Operating program	(67,600)	(20,192)	30%
Working Capital**, Beginning of the Year	52,140	52,140	-
Working Capital**, Year-to-Date	<u>\$ 96,200</u>	<u>\$ 69,068</u>	-

\*\* Working Capital is the difference between enterprise fund current assets and fund current liabilities.

**For More Information.** This summary is based on detailed information produced by the City's financial management system. If you would like additional information, or have any questions about the report, please call Finance at (831) 636-4300.