

**CITY OF SAN BERNARDINO – REQUEST FOR COUNCIL ACTION
Budget**

From: Charles McNeely

M/CC Meeting Date: 04/03/2012

Prepared by: Rebecca Garcia, (909) 384-5122

Dept: City Manager

Ward(s): All

Subject:

Mid-Year Budget Review for FY 2011-2012

Financial Impact:

None.

Motion: Receive and file the FY 2011-2012 Mid-Year Report.

Synopsis of Previous Council Action:

June 29, 2011 Resolution 2011-212 approved the FY 2011-2012 City of San Bernardino final budget.

Supporting Documents:

Mid Year Report.RCA (PDF)

Mid Year Report.Staff Report(PDF)

MIDYEARRET (PDF)

BUDREVEXP (GF ESTIMATED REVENUES EXPENDITURES) (PDF)

BUDGFREV (GENERAL FUND REVENUE REPORT) FY 2012 FINAL(PDF)

BUDSRF (Other Funds Revenue Report) M FY 2012 (PDF)

BUDTRANSI (TRANSFERS IN) (PDF)

BUDTRANSO (TRANSFERS OUT) (PDF)

CITY OF SAN BERNARDINO – REQUEST FOR COUNCIL ACTION

1.1.a

**From: Jason Simpson
Director of Finance**

**Subject: Mid-Year Budget Review for
FY 2011-2012**

Dept: Finance

Date: March 28, 2012

Council Date: April 3, 2012

Synopsis of Previous Council Action:

June 29, 2011 Resolution 2011-212 approved the FY 2011-2012 City of San Bernardino final budget.

Recommended motion:

That the FY 2011-2012 Mid-Year Report be received and filed.

Signature

Contact person: Jason Simpson, Director of Finance

Phone: 5242

Supporting data attached: Staff Report, Attachments

Ward: All

FUNDING REQUIREMENTS: Amount: _____

Source: _____

Finance: _____

Council Notes:

Agenda Item: _____

No.: _____

Attachment: Mid Year Report.RCA (1758 : Mid-Year Budget Review for FY 2011-2012)

CITY OF SAN BERNARDINO –REQUEST FOR COUNCIL ACTION

STAFF REPORT

INTRODUCTION

Attached is the FY 2011-12 *Mid-Year Budget Report*. This report is designed to keep the Mayor and Council informed of the financial position of the City. This report provides information regarding estimated fund balances available for next fiscal year's budget preparation.

On June 29, 2011, the City adopted its final budget for FY 2011-12. The adopted budget was the second year of a two year budget. On August 23, 2010, the Council adopted the City Manager's modified budget strategies which included 8% budget reductions from all Departments. These budget reductions were accomplished in two tiers and were necessary to help balance both the FY 2010-2011 as well as the FY 2011-2012 budget. Finance, working with each Department, implemented the adopted budget reductions, and the budget reduction were included in the final FY 2011-2012 adopted budget.

In January, the Finance Department, as well as each individual department, began the annual Mid-Year budget review process to evaluate in detail the revenues and expenditures for the first half of the fiscal year to determine if actuals were on target after the full 8% budget reductions were implemented. The attached schedules of the Mid-Year Report provide the updated projections for the General Fund for all other operating funds in the City. Each schedule of the Mid-Year Report includes a page number for easy reference and identification.

The *Summary of Revenues, Expenditures, and Transfers* (page 6) provides a summary overview of all the major funds in the City. The first column of numbers provides the beginning budget fund balances for each fund. The last column of numbers on the report indicates the estimated balances for each fund at 6/30/12. Most funds appear to be on target with what was estimated in the FY 2011-12 budget. The General Fund, however, is projected to have a \$3.8 million shortfall.

THE GENERAL FUND

The "*Estimated Revenues and Expenditures – General Fund*" report (page 7) provides an overview of the General Fund. The first column provides the updated adopted budget for the General Fund for FY 2011-12. The FY 2011-12 budget has been updated to reflect the approved continuing appropriations/encumbrance carryovers as well as any other Council approved budget amendments. The second column provides the current updated estimates for all the General Fund revenues and expenditures. The third and final column provides the variance between what was budgeted and what is now estimated.

In summary, the General Fund revenues and transfers in are estimated to be about \$342,300 more than the budget estimates. Total General Fund deductions are anticipated to be about \$4,147,600 more than the budget estimates. These two items combine for a total estimated net shortfall of \$3,805,300. This net shortfall assumes the General Fund budget reserve is maintained at the current \$622,300. In addition to this net shortfall of \$3,805,300 the General Fund has outstanding loan liabilities in the estimated amount of \$3.6 million to EDA and the

Regional Circulation Development Impact Fee Fund (DIFF), which on the City's financial statement balance sheet will reflect a net negative \$3 million.

General Fund Revenues

The "*Estimated Revenues and Expenditures - General Fund*" report provides a summary of the General Fund revenue estimates by category. The "*General Fund Mid-Year Revenue Report*" (pages 8-10) provides line item detail for projected General Fund revenues. In total, estimated General Fund revenues are projected to be \$530,400 more than what was budgeted. Discussed below are some of the major highlights regarding General Fund revenues:

Property Tax revenues are estimated to be a net \$645,200 less than the budget. The major reason for this shortfall is from the Prop Tax In Lieu of VLF. Since this revenue is calculated by the State based on the City's assessed valuation and the City again had a decline last fiscal year in its assessed valuation this revenue was reduced for FY 2011-12. Current secured and Supplemental Property Taxes were also slightly less than anticipated.

Sales Tax revenues for FY 2011-12 are anticipated to be about \$1.2 million higher than what was anticipated in the budget. The City, like most areas in the State, continues to see growth again in its Sales Tax and Property Tax In Lieu of Sales Tax revenues.

Utility User Tax revenue is projected to come in at budget. If weather temperatures are more or less aggressive during the second half of the year than this projected revenue estimate could change.

Measure Z-District Tax revenues are estimated to be higher than the original budget projections. Approximately \$577,800 more will be collected in FY 2011-12 for a total of \$6,227,800. In FY 2007-08 the City actually received \$6,511,475 in revenue from Measure Z which was about \$300,000 more than what is being received in FY 2011-12.

Transient Occupancy and Business Registration net revenues are also anticipated to be slightly more than originally estimated in the budget. Transient Occupancy revenues are estimated to be \$100,000 less than the budget and Business Registration is estimated to be \$200,000 higher for a net gain of \$100,000 to the General Fund.

Licenses and Permits revenue, highly dependent on building activity, is showing some growth and is coming in about \$546,000 above budget (not including business registration). Overall, the category (not including business registration) is expected to collect \$2,378,900, which is approximately \$600,000 more than last fiscal year.

Fines and Penalties revenue is estimated to bring in about \$499,700 less than the budget amount. This decrease in revenue is mainly due to the Administrative Civil Penalties, Administration Citations and Parking Citation revenues being less than anticipated.

Money & Property as well as **Intergovernmental Revenues** are estimated to be slightly less than budget estimates by a total of \$385,500. Motor Vehicle in Lieu and Interest Earning revenues account for the majority of the decreased revenues.

Charges for Service revenue are expected to be slightly higher than budget projections by \$77,100. The majority of the revenues in this category are anticipated to be about what was anticipated in the budget.

The *Miscellaneous* revenue category is projected to collect about \$472,300 less than the original budget. The majority of this revenue shortfall is due to less revenue in the Misc. Other Revenue account than what was anticipated in the budget. There are not any one time revenue collections that are anticipated in FY 11-12 that were received in prior fiscal years.

General Fund Expenditures

The “*Estimated Revenues and Expenditures - General Fund*” report also provides a list by department of estimated General Fund expenditures. General Fund expenditures (including transfers out) are projected to be approximately \$132,833,900. General Fund departmental budgets and transfers-out combine for a shortfall of \$2,847,600. This shortfall added to the projected savings goal of \$1,300,000 that was already factored into the budget combines for a net estimated deduction shortfall of \$3,805,300 for FY 2011 -12.

Generally speaking, most departments are projected to have a budget savings. There are three Departments that are anticipated to be over budget. These three Departments include the City Clerk Department, Fire Department, and the Police Department. On March 5, 2012, the Mayor and Common Council approved a budget adjustment of \$939,100 for the City Attorney’s Office for the costs associated with outside litigation. The City Attorney’s Office would have been over budget had the Council not approved the request for additional funding.

The City Clerk Department is projected to be over budget by \$233,800. There are two main reasons for this overage. First, at the December 5, 2011, Council meeting the City Clerk’s office presented a request for an additional \$200,000, which was needed for the February run-off election that was not anticipated at the time the budget was adopted. At the December 5 meeting, the City Clerk proposed attempting to utilize savings in the Department to off-set the costs and address the issue at the mid-year. Since no action was taken at the December 5 meeting to amend the City Clerk’s budget for these additional costs, there remains an anticipated budget shortfall of \$200,000 for this item. Second, the remaining net budget shortfall is the result of payoffs to employees who resigned/retired during FY 2011-12.

The Fire Department is projected to be over budget by \$2,872,600. The majority of this shortfall is due to the Fire Safety Union not having a 10% pay reduction that was anticipated and included in the FY 2011-12 adopted budget. The remaining net budget shortfall of approximately \$1.1 million includes \$775,000 in employee payoffs due to resignations/retirements and the remainder is related to overtime costs. Due to the constant staffing provision in the Fire Safety Memorandum of Understanding (MOU) most vacant positions have to be filled with overtime which costs additional money.

The Police Department is the last Department projected to be over budget and the shortfall is estimated at \$913,400. This net budget shortfall is the result of employee payoffs due to resignations/retirements in the amount of \$1,135,509. As is the case with other City

to reduce the deficit balances by ensuring that the charges to departments are appropriate and reducing costs when possible. However, there has been an increase in Workers Compensation costs related to injury and illness, and the City's budget charges have not been able to keep pace.

CONCLUSION

The *FY 2011-12 Mid-Year Budget Report* is one of the first steps in beginning the FY 2012-13 budget preparation process. The estimates developed during the FY 2011-12 mid-year process provide the foundation for estimating the City's available fund balances for FY 2012-13.

A major concern that needs to be noted is that the City's General Fund continues to be in an increasing weakening condition and immediate changes need to be made to reverse this financial condition, build the General Fund Reserve, and stabilize this fund. If these efforts are not made, insolvency or bankruptcy may result. The Council has an opportunity to resolve the issue and change the City's course. If not, control may be taken out of the Council's hands.

RECOMMENDATION

That the FY 2011-12 Mid-Year Budget Report be received and filed.

departments, with fewer positions, there are less vacant positions to generate enough savings to cover the additional overtime costs that are needed and cover the employee payoffs.

OTHER FUNDS

The *Special Revenue Funds Revenue Report* (pages 11-16) provides a three-year history and updated revenue projections for funds other than the General Fund (Special Revenue Funds, Internal Service Funds, and Enterprise Funds). Estimated expenditures for these funds can be found summarized on the *Summary of Revenues, Expenditures, and Transfers Report* (page 6).

Special Revenue Funds – For most of the Special Revenue Funds the estimated ending fund balance at June 30, 2012, is in line with what was anticipated in the adopted budget. The Asset Forfeiture Fund is anticipated to end the year with a positive balance of \$556,862 which is about \$380,000 more than what was anticipated in the budget. The Refuse Fund is anticipated to end the year with about a \$1.2 million shortfall. This shortfall is the result of not enough increased business and no additional rate adjustments being done this fiscal year to cover anticipated expenses. This overage will need to be addressed because the City's General Fund cannot cover this shortfall.

Capital Project Funds – For most Capital Project Funds, it is assumed that any budgeted projects not completed in FY 2011-12 will be carried over into the new fiscal year; therefore no savings in expenditures is anticipated. Although projects may have been budgeted in full, in reality, the completion usually spans multiple fiscal years.

Internal Service Funds – Three of the Internal Service Funds (ISF) are projected to the end FY 2011-12 in worse financial shape than originally anticipated in the FY 2011-12 budget. The three ISF are the Liability Fund, Fleet Services Fund, and Workers Compensation Fund. Below is a brief discussion on each of these funds.

The Liability Fund was originally anticipated to end FY 2011-12 with a negative \$422,600. Based on current case activity it is now anticipated this fund will end FY 2011-12 with over a \$3.3 million negative ending fund balance. This ending fund balance includes current estimated expenditures as well as estimated future judgments and claims payable.

The Fleet Services Fund has a \$240,000 lower beginning fund balance than originally anticipated and it is projected to be about \$500,000 over budget for FY 2011-12. Higher gas prices and higher maintenance costs on old vehicles primarily contribute to the overage. This overage needs to be addressed by either reducing expenditures or having user Departments pay more for Fleet costs.

The Workers Compensation Fund is projected to end FY 2011-12 with about a \$1 million increased negative fund balance than what was originally anticipated. Because of GASB accounting rules, the City is required to show all of the City's unfunded liability for potential claims and judgments (in essence what the amounts would be if every potential claim and judgment had to be paid at one time). Therefore, as presented in the Adopted Budget, there is a significant deficit balance. The City, over the course of the last several years, has worked to try

**CITY OF SAN BERNARDINO
SUMMARY OF REVENUES, EXPENDITURES, AND TRANSFERS
MID YEAR FISCAL YEAR 2011 - 2012**

1.1.c

FUND / TITLE	BEGINNING BALANCE 7-1-11**	ADDITIONS		TOTAL FOR BUDGET	DEDUCTIONS		TOTAL DEDUCT	ENDING BALANCE 6-30-12
		REVENUES	TRANSFER		EXPENSES	TRANSFER		
001 GENERAL FUND *	2,044,100	114,495,700	13,111,100	129,650,900	130,085,600	2,748,300	132,833,900	(3,183,000)
SPECIAL REVENUE FUNDS:								
105 LIBRARY	33,100	72,200	2,100,000	2,205,300	2,205,300		2,205,300	0
106 CEMETERY	44,328	157,900	0	202,228	145,600		145,600	56,628
108 ASSET FORFEITURE	597,462	418,000		1,015,462	458,600		458,600	556,862
118 DRUG/GANG FUND	80,229	50,600		130,829	20,000		20,000	110,829
111 AIR QUALITY-AB 2766	100,025	251,900		351,925	257,500	70,000	327,500	24,425
119 Community Block Grant	0	3,583,000		3,583,000	3,583,000		3,583,000	0
124 ANIMAL CONTROL	118,200	1,476,000	383,300	1,977,500	1,977,500		1,977,500	0
128 TRAFFIC SAFETY	(204,211)	1,752,200		1,547,989	552,200	1,200,000	1,752,200	(204,211)
132 SEWER LINE MAINT	2,008,594	3,218,000		5,226,594	3,715,700	1,510,900	5,226,600	(6)
133 BASEBALL STADIUM	(57,372)	0		(57,372)			0	(57,372)
134 SOCCER COMPLEX	305,975	409,500		715,475	453,100		453,100	262,375
775 PERPETUAL CARE FUND	340,000			340,000	134,400		134,400	205,600
137 CFD 1033-Fire Station M&O	(221)	585,900		585,679		585,600	585,600	79
211 FIRE EQUIP ACQUISITION FD	113,900			113,900	80,000		80,000	33,900
208 VERDEMONT INFRASTRUCT	257,917	0		257,917	257,900		257,900	17
527 REFUSE	(408,097)	25,166,900	65,000	24,823,803	22,293,000	3,721,800	26,014,800	(1,190,997)
TOTAL SPECIAL REVENUES	3,329,829	37,142,100	2,548,300	43,020,229	36,133,800	7,088,300	43,222,100	(201,871)
ASSESSMENT DISTRICT FUNDS								
251 Other Assessment Districts	0	17,000	0	17,000	17,000		17,000	0
254 Landscape Districts	0	1,072,000	200,000	1,272,000	1,272,000		1,272,000	0
TOTAL ASSESSMENT DISTR	0	1,089,000	200,000	1,289,000	1,289,000	0	1,289,000	0
CAPITAL PROJECT FUNDS:								
126 SPECIAL GAS TAX	611,608	5,489,300		6,100,908	2,242,900	3,620,000	5,862,900	238,008
129 1/2 CENT SALES & RD TAX	2,699,865	2,405,000		5,104,865	3,754,800	1,350,000	5,104,800	65
AB2928 TRAFFIC CONGST	(6,420)	0	0	(6,420)	0		0	(6,420)
INFRASTRUCTURE BK LOAN	(9,078)			(9,078)			0	(9,078)
241 PUBLIC PARK EXTENSION	4,500			4,500			0	4,500
242 STREET CONSTRUCTION	(3,661,864)	26,425,300		22,763,436	22,824,700		22,824,700	(61,264)
243 PARK CONSTRUCTION	667,662	1,457,800		2,125,462	2,049,600		2,049,600	75,862
244 CEMETERY CONSTR	52,339	600		52,939	5,000		5,000	47,939
245 SEWER LINE CONSTR	3,589,720	115,000		3,704,720	3,479,700	225,000	3,704,700	20
246 PUBLIC IMPROVEMENT	1,134,022	1,000		1,135,022	881,000		881,000	254,022
247 CULTURAL DEVELOPMENT	397,730	201,000		598,730		357,000	357,000	241,730
248 STORM DRAIN CONSTR	3,245,733	178,000		3,423,733	3,236,900	132,700	3,369,600	54,133
258 PROP 1B FUND	2,816,246			2,816,246	2,294,800		2,294,800	521,446
TOTAL CAPITAL PROJECTS	11,542,063	36,273,000	0	47,815,063	40,769,400	5,684,700	46,454,100	1,360,963
DEVELOPMENT IMPACT FEE FD:								
261 LAW ENFORCEMENT IMP	132,820	52,300		185,120	148,700		148,700	36,420
262 FIRE PROTECTION IMPACT	333,536	25,700		359,236	160,300		160,300	198,936
263 LOCAL CIRCULATION SYST	521,863	24,000		545,863	514,400		514,400	31,463
264 REGIONAL CIRCULATION SY	5,745,141	521,000		6,266,141	6,200,500		6,200,500	65,641
265 LIBRARY FACILITIES IMPACT	16,096	25,100		41,196	41,000		41,000	196
266 PUBLIC MEETINGS FAC IMP	396,345	10,500		406,845			0	406,845
267 AQUATICS CENTER FAC IMP	114,629	7,200		121,829			0	121,829
268 AB1600 PARKLAND IMPACT	1,712,935	52,000		1,764,935	1,179,200		1,179,200	585,735
269 QUIMBY ACT PARKLAND IMP	242,770	5,300		248,070	47,800		47,800	200,270
TOTAL DEV IMPACT FEES	9,216,135	723,100	0	9,939,235	8,291,900	0	8,291,900	1,647,335
INTERNAL SERVICE FUNDS:								
621 CENTRAL SERVICES FUND	(53,152)	165,400		112,248	130,200		130,200	(17,952)
629 LIABILITY INSURANCE	(1,147,028)	3,153,900		2,006,872	5,006,100	338,100	5,344,200	(3,337,328)
630 TELEPHONE SUPPORT	94,300	1,289,700		1,384,000	1,301,900		1,301,900	82,100
631 UTILITY FUND	(82,812)	3,714,900		3,632,088	3,882,100		3,882,100	(250,012)
635 FLEET SERVICES	160,480	7,625,000		7,785,480	8,145,000		8,145,000	(359,520)
WORKER'S COMP	(10,202,606)	3,844,300		(6,358,306)	4,415,900		4,415,900	(10,774,206)
INFORMATION TECHNOLOGY	178,608	4,448,300		4,626,908	4,417,200		4,417,200	209,708
TOTAL INTERNAL SERVICE	(11,052,210)	24,241,500	0	13,189,290	27,298,400	338,100	27,636,500	(14,447,210)
TOTAL ALL FUNDS	15,079,917	212,875,400	15,859,400	243,614,717	242,579,100	15,859,400	258,438,500	(14,823,783)

Attachment: MIDYEARRET (1758 : Mid-Year Budget Review for FY 2011-2012)

*GF owes about \$3.6m in loans which the liability on the balance sheet makes the undesignated fund balance an estimated negative \$3m

**Beginning fund balance and expenditures include the approved carryover funds from FY 10-11.

**CITY OF SAN BERNARDINO
ESTIMATED REVENUES AND EXPENDITURES
FISCAL YEAR 2011-2012 MID-YEAR
GENERAL FUND**

1.1.d

	REVISED BUDGET FY 2011-2012	MID-YEAR FY 2011-2012	VARIANCE FAVORABLE/
ESTIMATED REVENUE			
Property Taxes	27,375,000	26,729,800	(645,200)
Sales/District Taxes	31,127,500	32,937,300	1,809,800
Utility User Taxes	22,500,000	22,500,000	-
Licenses & Permits	7,832,700	8,578,900	746,200
Other Taxes	6,476,300	6,376,300	(100,000)
Fines and Penalties	2,884,000	2,384,300	(499,700)
Use of Money & Property	837,000	658,000	(179,000)
Intergovernmental	3,308,300	3,101,800	(206,500)
Charges for Services	5,940,300	6,017,400	77,100
Miscellaneous	5,684,200	5,211,900	(472,300)
Total Estimated Revenues	\$ 113,965,300	\$ 114,495,700	\$ 530,400
Total Transfers In	\$ 13,299,200	\$ 13,111,100	\$ (188,100)
TOTAL ESTIMATED FUNDS AVAILABLE	\$ 127,264,500	\$ 127,606,800	\$ 342,300

ESTIMATED EXPENDITURES			
Mayor	\$ 764,600	\$ 747,100	\$ 17,500
Common Council	681,700	664,900	16,800
City Clerk	2,262,400	2,496,200	(233,800)
City Treasurer	210,400	210,400	-
City Attorney	3,774,100	3,771,100	3,000
General Government	3,802,200	3,425,400	376,800
City Manager	1,282,000	1,275,400	6,600
Civil Service	365,400	356,400	9,000
Human Resource	614,300	614,300	-
Finance	1,764,900	1,754,600	10,300
Community Development	5,705,700	5,474,300	231,400
Fire	30,951,100	33,823,700	(2,872,600)
Police	60,979,800	61,893,200	(913,400)
Parks, Recreation, & Comm Service	5,175,300	4,894,000	281,300
Public Works	8,872,300	8,684,600	187,700
Total Estimated Expenditures	\$ 127,206,200	\$ 130,085,600	\$ (2,879,400)
Advance Loan	\$ -	\$ -	\$ -
Total Estimated Expenditure Savings	\$ (1,300,000)		\$ (1,300,000)
Total Transfers Out	\$ 2,780,100	\$ 2,748,300	\$ 31,800
TOTAL ESTIMATED DEDUCTIONS	\$ 128,686,300	\$ 132,833,900	\$ (4,147,600)

EXCESS (DEFICIENCY) AVAILABLE	\$ (1,421,800)	\$ (5,227,100)	\$ (3,805,300)
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ESTIMATED BEGINNING FUND BALANCE	\$ 2,044,100	\$ 2,044,100	\$ -
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ESTIMATED ENDING FUND BALANCE	\$ 622,300	\$ (3,183,000)	\$ (3,805,300)
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BUDGETED RESERVE			
Reserve Related to Admin Civil Penalties	622,300	622,300	-
General Budget Reserve			-
BUDGETED RESERVE	\$ 622,300	\$ 622,300	\$ -

ESTIMATED OUTSTANDING LOANS	\$ 3,596,600	\$ 3,596,600	\$ -
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ESTIMATED UNDESIGNATED 6-30-12	\$ (2,974,300)	\$ (2,974,300)	\$ -
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Attachment: BUDREVEXP (GF ESTIMATED REVENUES EXPENDITURES) (1758 : Mid-Year Budget Review for FY 2011-2012)

**CITY OF SAN BERNARDINO
GENERAL FUND MID-YEAR REVENUE REPORT
FISCAL YEAR 2011-2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
PROPERTY TAXES						
4001 Current Secured	11,621,490	9,774,967	9,431,237	9,700,000	9,500,000	(200,000)
4002 Current Unsecured	603,367	573,633	592,374	600,000	580,000	(20,000)
4003 Prior Taxes	904,956	943,324	588,572	600,000	550,000	(50,000)
4005 Other	167,060	158,997	160,808	175,000	165,000	(10,000)
4006 Supplemental	903,455	347,167	175,520	300,000	200,000	(100,000)
4007 Prop Tx In Lieu of VLF	18,588,204	17,017,692	16,017,079	16,000,000	15,734,800	(265,200)
Total Taxes	32,788,532	28,815,780	26,965,590	27,375,000	26,729,800	(645,200)
OTHER TAXES						
4201/14 Franchise Tax	3,091,966	2,688,512	2,800,783	2,880,700	2,880,700	0
4215 Tow Franchise	421,542	437,461	364,047	495,600	495,600	0
4220 Prop Tx In Lieu Sales Tax	6,520,295	4,266,819	5,654,406	6,191,100	6,278,200	87,100
4221 Sales Tax	17,276,647	16,145,282	17,958,068	18,386,400	19,581,300	1,194,900
4222 Transient Occupancy	2,517,102	2,222,113	2,507,283	2,600,000	2,500,000	(100,000)
4223 Prop. Transfer Tax	390,814	393,621	531,343	500,000	500,000	0
4224 Utility User Tax	24,355,172	22,630,460	22,089,888	22,500,000	22,500,000	0
4225 Sales Tax Public Safety	863,890	761,482	790,344	900,000	850,000	(50,000)
4227 Measure Z - District Tax	5,804,472	5,157,200	5,766,495	5,650,000	6,227,800	577,800
Total Taxes	61,241,900	54,702,950	58,462,657	60,103,800	61,813,600	1,709,800
LICENSES AND PERMITS						
4301 Business Registration	6,197,871	5,841,347	5,996,091	6,000,000	6,200,000	200,000
4303 Misc City Clerk Permits	2,383	4,477	4,119	4,000	4,000	0
4304 Misc Planning Permits	22,715	18,054	30,248	22,000	27,000	5,000
4330 Building Permits	498,626	545,164	489,493	500,000	500,000	0
4331 Mechanical Permits	144,792	161,319	157,861	160,000	160,000	0
4333 Mobile Home Park Permit	26,169	51,424	49,837	51,400	51,400	0
4336 Fire Code Permits	385,377	357,942	365,779	360,000	360,000	0
4337 Fire Plan Check	141,512	99,671	103,753	100,000	100,000	0
4342 EMS Membership	2,172	30,319	9,555	20,000	11,000	(9,000)
4351 Street Cut Permits	295,086	418,071	183,369	150,000	400,000	250,000
4352 Misc Licenses & Permits	500,325	462,902	213,246	300,000	450,000	150,000
4353 Yard Sales Permit Fee	0	0	0	0	0	0
4360 Grading Permits	9,626	7,201	6,847	5,000	2,000	(3,000)
4361 Construction Permits	122,992	56,222	41,620	25,000	70,500	45,500
4362 On Site Inspection Fees	623,489	104,328	151,825	100,300	200,000	99,700
4363 On Site Plan Check	209,377	25,780	106,559	35,000	43,000	8,000
Total License & Permit	9,182,512	8,184,221	7,910,202	7,832,700	8,578,900	746,200
FINES AND PENALTIES						
4401 Unauthorized Sign Fine	0	0	0	10,000	1,000	(9,000)
4410 General Fines	135,876	245,684	102,896	200,000	200,000	0
4411 Code Admin. Citations	182,982	582,838	259,499	550,000	260,000	(290,000)
4412 Fire Admin. Citations	96,767	64,976	73,570	60,000	60,000	0
4420 Parking Citations	1,145,492	1,152,652	936,594	1,150,000	1,050,000	(100,000)
4422 Fieworks Adm Civil Penalty	15,729	7,223	8,114	10,000	10,000	0
4423 General Admin Civil Penalty	609,714	1,087,553	551,940	100,000	400,000	300,000
4424 Police Admin Civil Penalty	26,386	51,764	73,459	100,000	50,000	(50,000)
4426 Building Admin Civil Penalty	5,500	13,000	7,940	3,000	3,000	0
4427 Fire Admin Civil Penalty	26,215	36,657	80,094	100,000	35,000	(65,000)
4428 Code Admin Civil Penalty	5,400	136,787	189,320	600,000	312,800	(287,200)
4429 Genral Admin Cities	0	0	0	1,000	2,500	1,500
Total Fines/Penalties	2,250,061	3,379,134	2,283,426	2,884,000	2,384,300	(499,700)

Attachment: BUDGFREV (GENERAL FUND REVENUE REPORT) FY 2012 FINAL (1758 : Mid-Year Budget Review for FY 2011-2012)

**CITY OF SAN BERNARDINO
GENERAL FUND MID-YEAR REVENUE REPORT
FISCAL YEAR 2011-2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
USE MONEY AND PROPERTY						
4505 Interest Earnings	198,928	110,208	(20,754)	200,000	20,000	(180,000)
4520 Land & Building Rental	487,584	602,361	526,604	530,000	530,000	0
4523 ATS Land Rental	10,805	47,394	76,377	77,000	77,000	0
4530 Parking Rental Fee	550	300	660	0	0	0
4540 Vending Machine Comm.	38,669	29,175	26,834	30,000	31,000	1,000
4922/4925 Sale of Property	5,120	1,964,718	2,546,549	0	0	0
Total Money & Property	741,656	2,754,156	3,156,270	837,000	658,000	(179,000)
INTERGOVERNMENTAL						
4603 Motor Vehicle In Lieu	817,737	711,559	946,143	324,400	0	(324,400)
4606 Homeowner's Exemption	134,091	141,765	122,189	130,000	130,000	0
4615 Disaster Prep. Program	22,497	27,783	0	38,700	41,600	2,900
4616 POST	100,877	96,838	70,154	50,000	70,000	20,000
4619 Mutual Aid/Disaster Reimb.	795,269	506,326	828,155	600,000	600,000	0
4621 Booking Fee Subvention	0	0	0	0	0	0
4625 State-Mandated Costs	88,703	255,962	256,505	200,000	300,000	100,000
4651 Construction Reimb.	22,012	0	0	0	0	0
4670 EDA & CDBG Reimb.	5,318,450	3,935,920	3,446,951	1,287,500	1,287,500	0
4671 SBIAA Reimbursement	153,530	159,630	162,790	150,000	145,000	(5,000)
4673 Water Reimbursement	349,600	358,600	775,059	527,700	527,700	0
Total Intergovernmental	7,802,766	6,194,383	6,607,945	3,308,300	3,101,800	(206,500)
CHARGES FOR SERVICE						
4305 Annual Alarm Permits	202,957	200,394	178,918	260,000	220,000	(40,000)
4701 Election Filing Fee	1,064	14,874	978	20,000	20,000	0
4702 County Contract	487,000	487,000	487,000	487,000	487,000	0
4705 Utility Collection Fee	0	0	0	0	0	0
4707 Passport Fees	67,458	72,032	61,972	60,000	60,000	0
4708 Fire Training Agreement	107,147	69,380	76,428	104,000	85,000	(19,000)
4709 Hazardous Material Fee	42,463	5,992	4,990	1,000	43,000	42,000
4710 Misc Planning/Building	111,707	105,528	79,151	60,000	51,000	(9,000)
4711 PW Subdivision File Fee	28,548	18,629	28,488	20,000	30,000	10,000
4714 Planning Develop Project	301,612	164,841	182,460	200,000	220,000	20,000
4715 CD Technology Fee	43,855	50,343	38,523	40,000	58,000	18,000
4718 Environmental	719	0	3,000	0	0	0
4720 Plan Review Fee	73,462	59,306	75,047	60,000	70,000	10,000
4731 Plan Check Fee	230,880	172,672	203,181	200,000	200,000	0
4733/4734 Prop/Building Abate	765,997	726,641	1,301,753	750,000	750,000	0
4735 Release Notice of Pendency	7,316	18,502	12,344	15,000	12,000	(3,000)
4743 PD Towing Release Fee	543,470	366,285	383,351	518,900	518,900	0
4745 Code Tow Release Fee	960	5,261	2,970	5,000	1,400	(3,600)
4747 False Alarm Fee	55,806	50,944	67,231	100,000	100,000	0
4748 Vehicle Repossession Fee	0	0	6,370	0	0	0
4752 Fireworks Regulatory Fee	67,233	65,756	69,838	67,000	62,800	(4,200)
4753 Fire Archival Fee	2,908	1,621	1,414	2,000	1,500	(500)
4754 Fire Business Occup Insp	39,110	38,100	46,961	40,000	44,000	4,000
4755 Fire Rental Inspections	540,541	578,649	551,948	550,000	550,000	0
4766 Building Permit Review	71,430	63,681	34,240	50,000	52,000	2,000
4767 Single Family Rental Insp	310,809	499,594	596,669	600,000	735,000	135,000
4768 Adm Cites-SFRIP	0	149,182	104,429	120,000	98,000	(22,000)
4770 Crime-free Renta Housing	0	0	0	104,100	56,000	(48,100)
4779 Blanket Inspection Fee	0	1,168	32,904	34,100	34,100	0
4780 Misc Develop Servs Chrgs	96,408	41,896	57,935	50,000	40,000	(10,000)
4782/4784 Plan Subdivision Fees	(19,356)	327	24,924	10,000	1,000	(9,000)

Attachment: BUDGFREV (GENERAL FUND REVENUE REPORT) FY 2012 FINAL (1758 : Mid-Year Budget Review for FY 2011-2012)

**CITY OF SAN BERNARDINO
GENERAL FUND MID-YEAR REVENUE REPORT
FISCAL YEAR 2011-2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
4785 Non Subdivision Str Imp	174,480	27,682	34,402	30,000	30,000	0
4786 Certificate of Completion	14,656	4,031	7,038	5,000	2,000	(3,000)
4789 Archival Fee - Devel Servs	24,976	22,353	18,938	22,000	22,000	0
4795 Signal Maint/Energy	33,089	20,104	19,768	20,000	0	(20,000)
4798 Storm Drain Utility Fee	271,148	237,698	227,261	250,000	237,000	(13,000)
4799 NPDES Bus Inspection	0	7,001	22,462	15,000	28,000	13,000
4802 Str Light Energy Fee	16,800	2,938	178	0	0	0
4810 Misc. Development Services	6,936	3,373	3,373	5,000	5,000	0
4815 Weed Abatement	150,733	174,268	168,804	175,000	202,200	27,200
4861 Progrm/Facility Use Fee	67,233	49,159	107,869	70,000	85,000	15,000
4862 Park Energy Fee	5,095	6,742	5,420	6,000	6,000	0
4863 Class Registration Fee	6,865	6,158	12,680	8,000	8,500	500
4864 Swimming Pool Fee	51,483	68,784	58,332	50,000	70,000	20,000
4865 Non-Resident Fees	2,767	1,502	1,610	1,000	1,000	0
4880 EMS User Fee	260,086	449,482	383,837	400,000	400,000	0
4881 Paramedic Reimb Contract	410,445	385,005	343,072	355,200	320,000	(35,200)
Total Charges	5,678,296	5,494,878	6,130,462	5,940,300	6,017,400	77,100
MISCELLANEOUS						
4740-5 Police Misc. Receipts	882,574	1,005,530	1,188,636	900,000	1,100,000	200,000
4741 Sale of Photos /Reports	15,187	8,132	9,843	15,000	12,000	(3,000)
4742 Pistol Range Fees	0	26,895	108,205	50,000	100,000	50,000
4746 Property Auction	3,886	12,186	5,434	7,000	5,000	(2,000)
4750 Investigation Fee	43,010	35,236	34,227	45,000	45,000	0
4901 Misc. Other Revenue	441,035	2,468,743	659,036	895,300	200,000	(695,300)
4904 Drunk Driver Reimburmt.	0	0	0	0	0	0
4905 Litigation Settlement	135,681	1,317	10,341	0	0	0
4906 Water Fund Contr.	2,397,359	2,354,414	2,637,060	2,672,300	2,672,300	0
4910 Admin Service Charge	384,800	375,300	367,600	367,600	367,600	0
4911 Restitutions	11,468	15,542	19,017	20,000	20,000	0
4912 Off Track Betting	110,107	91,986	78,547	100,000	90,000	(10,000)
4924 Damage Clain Recovery	80,617	109,568	60,711	80,000	80,000	0
4926 CID Reimburmt	0	125,438	100,000	0	0	0
4928 Booking Fee Reimburmt.	3,274	2,112	2,017	2,000	2,000	0
4930 Sewer Contr. - Water	500,000	500,000	500,000	500,000	500,000	0
4931 Water Land Sales	52,782	0	0	0	0	0
4933 Hazmat Incident Recovery	0	1,746	18,114	20,000	8,000	(12,000)
4937 Street Knockdown	0	0	17,785	10,000	10,000	0
Total Miscellaneous	5,061,780	7,134,145	5,816,571	5,684,200	5,211,900	(472,300)
TOTAL GENERAL FUND	124,747,503	116,659,647	117,333,124	113,965,300	114,495,700	530,400

Attachment: BUDGFREV (GENERAL FUND REVENUE REPORT) FY 2012 FINAL (1758 : Mid-Year Budget Review for FY 2011-2012)

**CITY OF SAN BERNARDINO
OTHER FUNDS MID-YEAR REVENUE REPORT
FISCAL YEAR 2011 - 2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
105 LIBRARY FUND						
4618 State Aid-Libraries	69,967	0	70,052	30,000	0	(30,000)
4850 Miscellaneous Receipts	19,027	14,221	12,999	15,000	10,000	(5,000)
4851 Library Fines	39,619	28,264	24,912	25,000	25,000	0
4901 Misc Other Receipts	0	46,779	37,237	37,200	37,200	0
Total Library Fund	128,613	89,264	145,200	107,200	72,200	(35,000)
106 CEMETERY FUND						
4505 Interest on Idle Cash	12,916	9,536	(1,694)	10,000	5,000	(5,000)
4775 Cemetery Burial Fee	20,928	22,715	13,727	10,000	11,500	1,500
4776 Sale of Vases	661	430	500	500	500	0
4777 Sale Concrete Boxes	8,430	10,068	5,237	5,000	4,500	(500)
4778 Sale Cemetery Plots	8,389	4,687	2,574	2,000	2,000	0
4901/4938 Misc Receipt/Perpetual Care Fd	2,000	0	318,700	134,400	134,400	0
Total Cemetery Fund	53,324	47,436	339,044	161,900	157,900	(4,000)
108 ASSET FORFEITURE FUND						
4505 Interest on Idle Cash	8,869	10,965	(2,170)	8,000	8,000	0
4672/4675 Asset Forfeiture Federal DOJ	149,916	391,668	526,619	250,000	110,000	(140,000)
4927 Asset Forfeiture	138,897	114,934	143,012	75,000	300,000	225,000
Total Asset Forfeiture Fund	297,682	517,567	667,461	333,000	418,000	85,000
111 AIR QUALITY-AB 2766 FUND						
4505 Interest on Idle Cash	942	522	(134)	1,000	700	(300)
4626 Rideshare Reimbursement	245,794	233,643	225,913	240,000	246,000	6,000
906 Water Department	5,200	5,200	5,200	5,200	5,200	0
Total Air Quality-AB 2766 Fund	251,936	239,365	230,979	246,200	251,900	5,700
118 DRUG/GANG FUND						
4505 Interest on Idle Cash	1,368	1,248	(329)	1,200	600	(600)
4927/4929 Asset Forfeiture-Drug/Gang	23,576	18,632	10,460	15,000	50,000	35,000
Total Drug/Gang Fund	24,944	19,880	10,131	16,200	50,600	34,400
119 Community Block Grant						
4678 CDBG Allocation	0	0	0	3,229,900	3,229,900	0
4679 CDBG Allocation Carryover	0	0	0	353,100	353,100	0
Total Drug/Gang Fund	0	0	0	3,583,000	3,583,000	0
124 ANIMAL CONTROL FUND						
4320 Animal License	349,477	273,151	273,973	300,000	270,000	(30,000)
4352 Misc. License & Permits	1,175	1,025	825	500	500	0
4410 General Fines	26,595	15,460	27,638	25,000	25,000	0
4430 Animal License Penalty	37,150	20,700	27,620	25,000	25,000	0
4756 Animal Adoption Fee	47,233	39,190	39,712	35,000	40,000	5,000
4757 Contractee Shelter Fee	779,644	750,890	907,720	1,014,800	1,014,800	0
4759 Apprehension Fee	32,466	15,900	2,056	20,000	20,000	0
4760 Board Fee	14,723	16,154	37	20,000	20,000	0
4761 Field Service Fee	15	65	(115)	200	200	0
4763 Owner Release Fee	24,718	17,748	20,439	25,000	25,000	0
4764 Vaccination Fee	16,437	14,683	13,140	14,000	10,000	(4,000)
4765 Microchip Fee	78,654	24,315	22,060	23,000	25,000	2,000
901 Miscellaneous Receipts	124	658	457	500	500	0
922 Sale of Equipment	0	0	0	0	0	0
Total Animal Control Fund	1,408,411	1,189,939	1,335,561	1,503,000	1,476,000	(27,000)

**CITY OF SAN BERNARDINO
OTHER FUNDS MID-YEAR REVENUE REPORT
FISCAL YEAR 2011 - 2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
126 SPECIAL GAS TAX FUND						
4505 Interest on Idle Cash	26,510	4,571	(46)	5,000	1,000	(4,000)
4602 HUTA Prop42 Replacement	0	0	1,964,191	2,276,900	2,276,900	0
4607 HUTA R&T 7360	0	0	0	0	0	0
4610 State Aid-2106	678,076	695,310	658,354	676,000	676,000	0
4611 State Aid-2107	1,467,881	1,493,358	1,429,002	1,441,900	1,441,900	0
4612 State Aid-2107.5	10,000	10,000	0	10,000	10,000	0
4614 Prop 111-Highway Users Tax	1,102,887	1,120,482	1,062,330	1,083,500	1,083,500	0
4945 Reimbursement	0	0	0	0	0	0
Total Gas Tax Fund	3,285,354	3,323,721	5,113,830	5,493,300	5,489,300	(4,000)
128 TRAFFIC SAFETY FUND						
4440 CVC Fine	1,550,499	1,450,140	1,180,999	1,400,000	1,200,000	(200,000)
4441 Nester Red Lights	857,421	984,637	613,479	267,000	552,200	285,200
Total Traffic Safety Fund	2,407,920	2,434,777	1,794,478	1,667,000	1,752,200	85,200
129 1/2 CENT SALES/ROAD TAX FUND						
4505 Interest on Idle Cash	62,098	33,285	(11,572)	35,000	5,000	(30,000)
4613 1/2 Cent Sales Tax	2,570,323	2,259,537	2,313,044	2,500,000	2,400,000	(100,000)
4630 State Aid Street Construction	0	0	0	0	0	0
4945 Construction Reimbursement	0	0	0	0	0	0
Total 1/2 Cent Sales/Road Tax Fund	2,632,421	2,292,822	2,301,472	2,535,000	2,405,000	(130,000)
132 SEWER LINE MAINTENANCE						
4505 Interest on Idle Cash	71,086	54,069	(506)	25,000	18,000	(7,000)
4920 Sewer Line Maint	3,059,926	3,122,218	3,164,303	4,175,000	3,200,000	(975,000)
4903 Refunds and Rebates	0	0	0	0	0	0
Total Sewer Line Maintenance	3,131,012	3,176,287	3,163,797	4,200,000	3,218,000	(982,000)
133 BASEBALL STADIUM						
4505 Interest on Idle Cash	297	(178)	363	0	-	0
4924 Damage Claim Recovery	0	0	0	0	0	0
4901 Baseball Team Lease Agreement	10,000	0	0	0	0	0
Total Baseball Stadium	10,297	(178)	363	0	0	0
134 SOCCER FIELDS						
4505 Interest on Idle Cash	5,033	4,110	(1,475)	5,000	5,000	0
4520 Land & Building Rental	111,677	154,392	136,185	120,000	130,000	10,000
4528 Sponsorships	0	0	6,324	0	0	0
4530 Rental Fee - Parking	211,236	206,611	178,392	200,000	180,000	(20,000)
4861 Program & Facilities Fee	85,555	77,560	77,251	80,000	80,000	0
4862 Park Energy Fee	3,978	5,254	4,360	4,000	4,000	0
4901 Misc Other Revenue	0	0	10,270	4,000	10,500	6,500
Total Soccer Fields	417,479	447,927	411,307	413,000	409,500	(3,500)
135 PROP 42 TRAFFIC CONGESTION FD						
4505 Interest on Idle Cash	9,647	16,421	(1,092)	0	0	0
4635 Traffic Congestion Relief	1,736,686	1,849,954	0	0	0	0
4903 Refunds/Rebates	0	0	0	0	0	0
Total Prop 42 Traffic Congestion Fund	1,746,333	1,866,375	(1,092)	0	0	0
CFD 1033-FIRE STATION FUND						
4013 CFD 1033 Special Tax	557,901	567,896	585,052	567,800	580,000	12,200
4505 Interest on Idle Cash	7,590	5,026	(1,420)	5,900	5,900	0
Total CFD 1033-Fire Station Fund	565,491	572,922	583,632	573,700	585,900	12,200

**CITY OF SAN BERNARDINO
OTHER FUNDS MID-YEAR REVENUE REPORT
FISCAL YEAR 2011 - 2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
208 VERDEMONT IMPROVEMENT FUND						
4505 Interest on Idle Cash	21,637	11,230	(1,949)	0	0	0
4512 Verdemont Infrastruction Fee	750	0	0	0	0	0
Total Verdemont Improvement Fund	22,387	11,230	(1,949)	0	0	0
240 INFRASTRUCTURE LOAN FUND	4,163,641	0	0	0	0	0
242 STREET CONSTRUCTION FUND						
4630 State Aid-Street Constr.	0	0	2,017,403	0	0	0
4658 Federal Aid-FAU	1,888,984	22,458	6,388,515	17,377,100	17,377,100	0
4670 EDA Reimbursement	0	204,642	0	202,700	202,700	0
4671 IVDA Reimbursement	0	0	0	660,000	660,000	0
4677 Local Stimulus SANBAG	0	0	0	2,898,700	2,898,700	0
4901 Misc Receipts/Refunds/Rebates	0	0	250,000	1,702,400	1,702,400	0
4945 Construction Reimbursement/Misc	149,316	821,685	473,066	3,584,400	3,584,400	0
Total Street Constr. Fund	2,038,300	1,048,785	9,128,984	26,425,300	26,425,300	0
243 PARK CONSTRUCTION FUND						
4505 Interest on Idle Cash	1,607	12,826	(3,543)	5,000	1,000	(4,000)
4620 State Aid Park Dev	610,016	0	723,773	1,120,800	1,120,800	0
4651 Construction Reimbursement	0	0	0	0	336,000	336,000
4670 EDA Reimbursement	0	0	0	0	0	0
4732 Park Development Fee	0	0	1,292	0	0	0
Total Park Construction Fund	611,623	12,826	721,522	1,125,800	1,457,800	332,000
244 CEMETERY CONSTRUCTION FUND						
4505 Interest on Idle Cash	984	750	(221)	1,000	100	(900)
4778 Sale Cemetery Plots	296	437	260	500	500	0
Total Cemetery Constr. Fund	1,280	1,187	39	1,500	600	(900)
245 SEWER LINE CONSTRUCTION FUND						
4505 Interest on Idle Cash	87,115	59,275	(8,557)	60,000	15,000	(45,000)
4651 Construction Reimbursement	0	0	0	0	0	0
4821 Sewer Lateral Fee	0	0	0	0	0	0
4822 Sewer Connection Fee	54,850	96,001	152,813	100,000	100,000	0
Total Sewer Line Constr. Fund	141,965	155,276	144,256	160,000	115,000	(45,000)
246 PUBLIC IMPROVEMENT FUND						
4505/4509 Interest on Idle Cash	39,459	25,492	(5,646)	0	1,000	1,000
4902 Contribution	0	0	0	0	0	0
Total Public Improvement Fund	39,459	25,492	(5,646)	0	1,000	1,000
247 CULTURAL DEVELOP FUND						
4505 Interest on Idle Cash	25,442	10,321	(1,666)	15,000	1,000	(14,000)
4335 Cultural Devel. Constr. Fee	312,711	134,859	149,896	200,000	200,000	0
Total Cultural Devel Const Fund	338,153	145,180	148,230	215,000	201,000	(14,000)
248 STORM DRAIN CONSTR FUND						
4505 Interest on Idle Cash	87,244	52,036	(14,722)	40,000	13,000	(27,000)
4651 Construction Reimbursement	0	277,463	0	0	0	0
4819 Area Drainage Plan Fee	0	0	0	0	0	0
4818 Storm Drain Fee	288,874	161,333	274,686	175,000	165,000	(10,000)
Total Storm Drain Constr. Fund	376,118	490,832	259,964	215,000	178,000	(37,000)
250 TRAFFIC SYSTEMS CONSTR FUND						
4505 Interest on Idle Cash	2,797	0	0	0	0	0
4630 State Aid Street Construction	0	0	0	0	0	0

**CITY OF SAN BERNARDINO
OTHER FUNDS MID-YEAR REVENUE REPORT
FISCAL YEAR 2011 - 2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
4658 Fed Aid Street Construction	0	0	0	0	0	0
4803 Traffic System Fees	0	0	0	0	0	0
4945 Construction Reimbursement	0	0	0	0	0	0
Total Traffic Systems Fund	2,797	0	0	0	0	0
257 CITY WIDE AD 994	0	0	0	0	0	0
258 PROP 1B FUNDS						
4505 Interest on Idle Cash	78,846	36,591	(13,904)	0	0	0
4628 Prop 1B Revenue	1,903,800	0	0	0	0	0
4945 Construction Reimbursement	0	71,400	0	0	0	0
Total PROP 1B Fund	1,982,646	107,991	(13,904)	0	0	0
261 LAW ENFORCEMENT IMPACT FEE FD						
4505 Interest on Idle Cash	3,042	1,765	(520)	2,000	300	(1,700)
4824 Development Impact Fees	83,685	169,095	34,740	40,000	52,000	12,000
Total Law Enforcement Impact Fee Fd	86,727	170,860	34,220	42,000	52,300	10,300
262 FIRE PROTECTION IMPACT FEE FD						
4505 Interest on Idle Cash	9,034	8,591	(2,191)	5,000	700	(4,300)
4824 Development Impact Fees	78,901	189,798	44,664	50,000	25,000	(25,000)
4901 Misc. Receipts	104,213	30,346	0	0	0	0
Total Fire Protection Impact Fee Fd	192,148	228,735	42,473	55,000	25,700	(29,300)
263 LOCAL CIRCULATION IMPACT FEE						
4505 Interest on Idle Cash	13,352	7,830	(2,079)	2,000	1,000	(1,000)
4824 Development Impact Fees	60,883	28,623	16,804	20,000	23,000	3,000
Total Local Circulation Impact Fee Fd	74,235	36,453	14,725	22,000	24,000	2,000
264 REGIONAL CIRCULATION IMPACT FEE						
4505 Interest on Idle Cash	152,266	106,458	(31,435)	50,000	21,000	(29,000)
4824 Development Impact Fees	691,916	303,296	165,050	150,000	160,000	10,000
4901 Misc Receipts-Loan Repayment				340,000	340,000	0
Total Regional Circulation Impact Fee Fd	844,182	409,754	133,615	540,000	521,000	(19,000)
265 LIBRARY FACILITIES IMPACT FEE FD						
4505 Interest on Idle Cash	339	1,294	(157)	1,000	100	(900)
4824 Development Impact Fees	9,378	84,972	20,170	25,000	25,000	0
Total Library Facilities Impact Fee Fd	9,717	86,266	20,013	26,000	25,100	(900)
266 PUBLIC MEETINGS FAC IMPACT FEE FD						
4505 Interest on Idle Cash	3,268	4,761	(1,500)	3,500	500	(3,000)
4824 Development Impact Fees	14,101	136,444	72,445	10,000	10,000	0
Total Public Meetings Fac Impact Fee Fd	17,369	141,205	70,945	13,500	10,500	(3,000)
267 AQUATICS CENTER IMPACT FEE FD						
4505 Interest on Idle Cash	1,184	1,622	(471)	2,000	200	(1,800)
4824 Development Impact Fees	4,794	43,389	10,300	12,000	7,000	(5,000)
Total Aquatics Center Impact Fee Fd	5,978	45,011	9,829	14,000	7,200	(6,800)
268 AB 1600 PARKLAND IMPACT FEE FD						
4505 Interest on Idle Cash	16,117	29,341	(7,195)	40,000	2,000	(38,000)
4824 Development Impact Fees	45,144	985,741	253,859	50,000	50,000	0
Total AB 1600 Parkland Impact Fee Fd	61,261	1,015,082	246,664	90,000	52,000	(38,000)

**CITY OF SAN BERNARDINO
OTHER FUNDS MID-YEAR REVENUE REPORT
FISCAL YEAR 2011 - 2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
269 QUIMBY ACT PARKLAND IMPACT FEE FD						
4505 Interest on Idle Cash	3,911	4,194	(1,027)	5,000	300	(4,700)
4824 Development Impact Fees	76,504	94,995	0	5,000	5,000	0
Total Quimby Act Parkland Impact Fee Fd	80,415	99,189	(1,027)	10,000	5,300	(4,700)
527 REFUSE FUND						
4423 General Admin Civil			0			
4505 Interest on Idle Cash	19,127	25,350	0	2,100	300	(1,800)
4830 Commercial Rubbish	64,822	49,395	3,003	3,600	0	(3,600)
4831 Commercial Bin Rent	25,599	601	697	800	400	(400)
4832 Commercial Bin Service	10,140,807	10,561,275	4,839,911	5,079,600	3,750,000	(1,329,600)
4833 Commercial Special	1,129,203	1,178,787	998,534	1,214,700	126,000	(1,088,700)
4837 Automated Commercial Rubbish	0	0	4,536,256	4,220,200	4,565,900	345,700
4840 Residential Water Billed	9,418,919	10,155,752	11,665,108	13,542,900	13,712,200	169,300
4841 Residential "B" Accounts	1,324,896	1,328,661	213,805	0	400	400
4843 Dino Bin Service	2,830,053	2,509,371	2,130,203	1,956,400	2,500,000	543,600
4844 Commercial Penalties	19,274	34,659	3,147	3,800	0	(3,800)
4845 Residential Penalties	1,849	2,112	321	400	0	(400)
4846 Recycling Receipts	224,240	253,680	138,495	160,700	160,700	0
4901 Miscellaneous Other Revenue	689,985	442,168	646,520	607,700	351,000	(256,700)
4922 Sale Salvage Mater	86,253	(130,408)	3,569	0	0	0
4936 Collections Proceed	0	0	0	0	0	0
Total Refuse Fund	25,975,027	26,411,403	25,179,568	26,792,900	25,166,900	(1,626,000)
621 CENTRAL SERVICES FUND	184,262	149,973	68,368	165,400	165,400	0
629 LIABILITY INSURANCE FUND						
4505 Interest on Idle Cash	74,191	50,469	(19,166)	30,000	30,000	0
4897 Interdepartmental Receipts	3,082,400	3,075,900	2,961,500	3,123,900	3,123,900	0
Total Liability Insurance Fund	3,156,591	3,126,369	2,942,334	3,153,900	3,153,900	0
630 TELEPHONE SUPPORT FUND						
4670 Economic Development Agency	129	1,445	26,711	7,800	7,800	0
4673/4893 Water Dept. Receipts	119,127	102,139	239,012	76,700	76,700	0
4897 Interdepartmental Receipts	423,450	506,395	602,045	1,200,200	1,200,200	0
4901/4903 Misc/SBETA/Asst Districts	11,999	7,531	5,777	5,000	5,000	0
Total Telephone Support Fund	554,705	617,510	873,545	1,289,700	1,289,700	0
631 UTILITY FUND						
4897 Interdepartmental Receipts	3,850,201	3,957,400	3,885,553	3,544,600	3,544,600	0
4903 Misc/Asst Districts/LED Reimb	0	196,000	0	170,300	170,300	0
Total Utility Fund	3,850,201	4,153,400	3,885,553	3,714,900	3,714,900	0
635 FLEET SERVICES						
4670 Economic Development Agency	11,261	15,782	7,334	1,900	1,900	0
4897 Interdepartmental Receipts	7,120,565	6,733,555	7,358,797	6,750,300	6,750,300	0
4901 Misc/Asst Districts/SBETA/Sr Nutrition	89,914	104,549	0	56,800	56,800	0
4903 Refunds/Rebates	0	592,951	420,316	816,000	816,000	0
Total Fleet Services Fund	7,221,740	7,446,837	7,786,447	7,625,000	7,625,000	0
678 WORKERS' COMPENSATION FUND						
4897 Interdepartmental Receipts	3,478,694	3,458,461	3,406,571	3,494,300	3,494,300	0
4906 Water Department	295,959	220,854	323,496	350,000	350,000	0
4901 Misc Receipts	941	216	0	0	0	0
Total Workers' Compensation Fd	3,775,594	3,679,531	3,730,066	3,844,300	3,844,300	0

**CITY OF SAN BERNARDINO
OTHER FUNDS MID-YEAR REVENUE REPORT
FISCAL YEAR 2011 - 2012**

DESCRIPTION	ACTUAL 2008-2009	ACTUAL 2009-2010	ACTUAL 2010-2011	BUDGET 2011-2012	REVISED 2011-2012	VARIANCE Over/(Under)
79 INFORMATION TECHNOLOGY FUND						
4670 EDA Reimbursement	0	0	35,584	51,400	51,400	0
4673 Water Reimbursement	710,700	539,600	557,850	461,900	461,900	0
4897 Interdepartmental Receipts	3,444,400	3,147,900	3,953,800	3,934,000	3,934,000	0
4901 Misc/SBETA/SANCAT/IVDA	366,328	6,181	9,950	1,000	1,000	0
Total IT Fund	4,521,428	3,693,681	4,557,184	4,448,300	4,448,300	0
GRAND TOTAL	76,691,166	69,728,162	76,072,181	100,822,000	98,379,700	(2,442,300)

**CITY OF SAN BERNARDINO
 DETAIL OF INTERFUND TRANSACTIONS
 FISCAL YEAR 2011-2012**

1.1.g

TRANSFERS - IN

	FY 2011-12 BUDGET	MID - YEAR ESTIMATE FY 2011-12	VARIANCE MID-YEAR/ BUDGET
TO GENERAL FUND:			
*From Special Gas Tax For - Street Maintenance-\$3,130,000 Street Lighting - \$490,000	\$ 3,620,000	\$ 3,620,000	0
*From Traffic Safety For - Police Costs	1,400,000	1,200,000	(200,000)
*From 1/2 Cent Sales & Road Tax For - Administration - \$250,000 Street Maint. - \$500,000 Street Lighting - \$600,000	1,350,000	1,350,000	0
*From Cultural Development Fund For - Fine Arts & Civic/Promotional \$357,000	357,000	357,000	0
*From Storm Drain Construction For - Administration	132,700	132,700	0
*From Refuse Fund For - Administration \$3,929,900 NPDES Coord 66,600 Lease City Yards 600,000 Lease City Hall 55,200 Street Impact 500,000 Communicat/Grants 30,000 Tree Trim Costs 70,000	3,721,800	3,721,800	0
*From Sewer Line Construction For - Administration	225,000	225,000	0
*From Sewer Line Maint. Fund For - Administration \$1,412,100 Right of Way Charge \$254,900 Tree Trim Costs 30,000 Reimb Sewer Lift Costs \$252,600	1,510,900	1,510,900	0
*From CFD 1033-Fire Station Fund For - Maintenance & Operation Costs	573,700	585,600	11,900
*From Transportation Fund For - Traffic Engineering Costs \$40,000 Maint/Fuel Alt. Fuel Veh \$30,000	70,000	70,000	0

Attachment: BUDTRANSI (TRANSFERS IN) (1758 : Mid-Year Budget Review for FY 2011-2012)

**CITY OF SAN BERNARDINO
 DETAIL OF INTERFUND TRANSACTIONS
 FISCAL YEAR 2011-2012**

1.1.g

TRANSFERS - IN

	FY 2011-12 BUDGET	MID - YEAR ESTIMATE FY 2011-12	VARIANCE MID-YEAR/ BUDGET
*From Liability Fund For - City Attorney Dept Budget	338,100	338,100	0
TOTAL GENERAL FUND	\$13,299,200	\$13,111,100	(\$188,100)

TO ANIMAL CONTROL FUND:			
*From General Fund For - Operating Costs	\$ 449,100	\$ 383,300	\$ (65,800)
TO LIBRARY FUND:			
*From General Fund For - Operating Costs	2,066,000	2,100,000	34,000
TO REFUSE:			
*From General Fund For - Street Sweeping & Graffiti Program	65,000	65,000	0
TO CENTRAL SERVICES FUND:			
*From General Fund For - Operating Costs			0
TO LANDSCAPE MAINT FUND			
*From General Fund For - Operating Costs	200,000	200,000	0
TO BASEBALL FUND			
*From General Fund Fund For - Operating Costs			0
TOTAL OTHER FUNDS	\$ 2,780,100	\$2,748,300	(\$31,800)
GRAND TOTAL TRANSFERS-IN	\$16,079,300	\$15,859,400	(\$219,900)

Attachment: BUDTRANSI (TRANSFERS IN) (1758 : Mid-Year Budget Review for FY 2011-2012)

**CITY OF SAN BERNARDINO
DETAIL OF INTERFUND TRANSACTIONS
FISCAL YEAR 2011-2012**

1.1.h

TRANSFERS - OUT

	FY 2011-12 BUDGET	MID - YEAR ESTIMATE FY 2011-12	VARIANCE MID-YR/ BUDGET
FROM GENERAL FUND:			
*To Animal Control Fund For - Operating Costs	\$ 449,100	\$ 383,300	\$ 65,800
*To Library Fund For - Operating Costs	2,066,000	2,100,000	(34,000)
*To Landscape Maint Districts For - Operating Costs	200,000	200,000	0
*To Baseball Fund For - Operating Costs			0
*To Central Services Fund For - Operating Costs			0
*To Refuse Fund For - Street Sweeping - \$ 35,000	65,000	65,000	0
TOTAL GENERAL FUND	\$2,780,100	\$2,748,300	\$ 31,800
FROM SPECIAL GAS TAX:			
*To General Fund For - Street Lighting-\$490,000 Street Maintenance-\$3,130,000	3,620,000	3,620,000	0
FROM TRAFFIC SAFETY:			
*To General Fund For - Police Costs	1,400,000	1,200,000	200,000
FROM 1/2 CENT SALES/ROAD TAX:			
*To General Fund For - Administration \$250,000 Street Maint \$500,000 Street Lighting-\$600,000	1,350,000	1,350,000	0
FROM CULTURAL DEVELOPMENT			
*To General Fund For - Fine Arts/Civic Promotional \$357,000	357,000	357,000	0
FROM STORM DRAIN FUND			
*To General Fund For - Administration of Fund	132,700	132,700	0

Attachment: BUDTRANSO (TRANSFERS OUT) (1758 : Mid-Year Budget Review for FY 2011-2012)

**CITY OF SAN BERNARDINO – REQUEST FOR COUNCIL ACTION
Budget**

From: Charles McNeely

M/CC Meeting Date: 04/03/2012

Prepared by: Rebecca Garcia, (909) 384-5122

Dept: City Manager

Ward(s): All

Subject:
FY 2011-2012 Budget Balancing Measures

Financial Impact:

None.

Motion: Approve the City Manager's proposed budget balancing strategies and authorize the Director of Finance to amend the FY 2011-2012 budget as approved by the Mayor and Common Council.

Synopsis of Previous Council Action:

June 29, 2011 - Resolution 2011-212 approved the FY 2011-2012 City of San Bernardino final budget.

Supporting Documents:

City of San Bernardino



Budget Workshop

Charles E. McNeely, City Manager

April 3, 2012

Entered into Rec. of MCC/CDC Mgr. *AS*

by: *AS*
Agenda Item No. *1A*

City Clerk/CDC Secretary
City of San Bernardino

Agenda

1. Opening Comments
2. Budget Workshop Goals
3. Financial Overview
4. FY 2011-12 Mid-Year Report
5. Mid-year Budget Balancing Strategies
6. Critical Issues and Budget Challenges
7. 5-Year Outlook
8. Closed Session
9. Budget Strategies
10. Next Steps

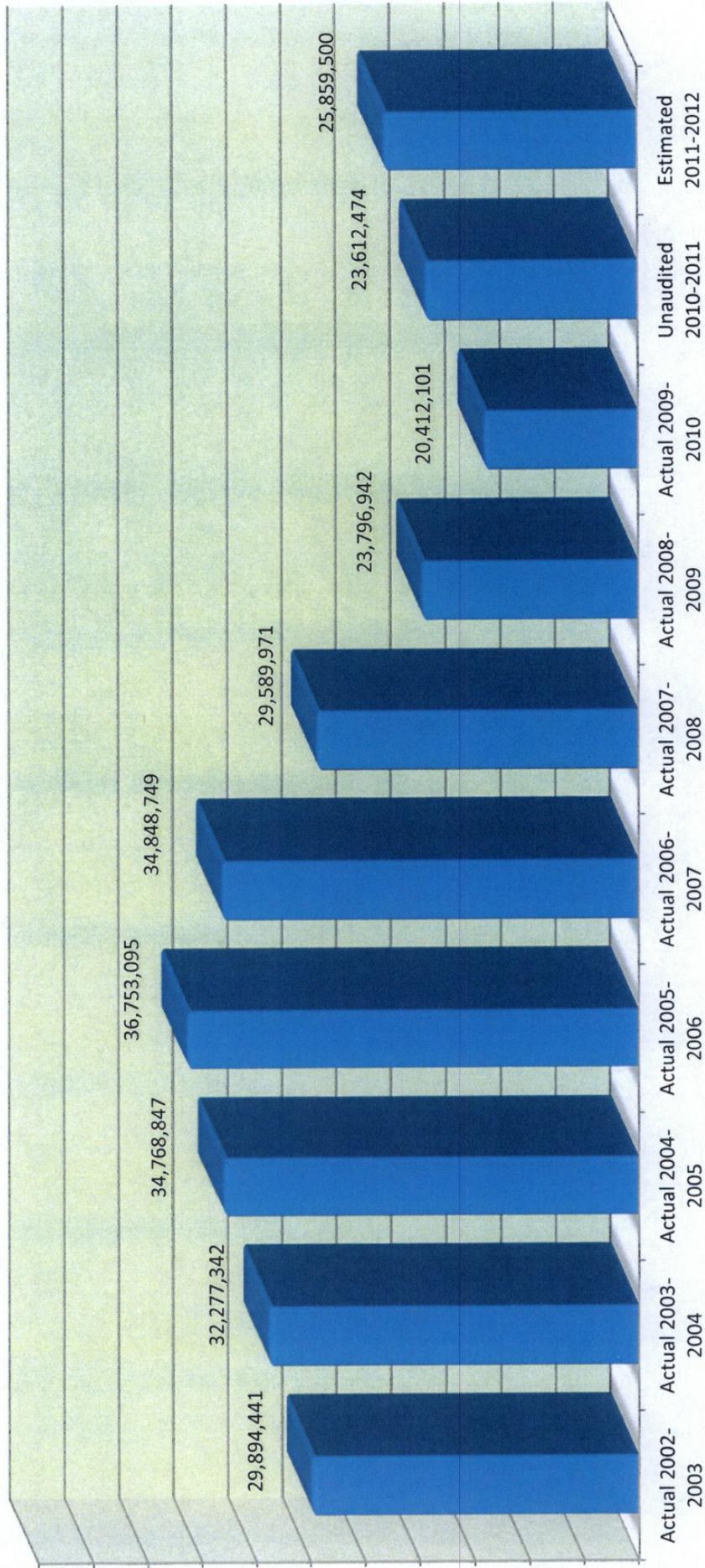
Budget Workshop Goals

- Provide a clear financial update
- Consider options and seek direction to balance the FY-11-12 budget
- Review critical issues facing the City
- Seek direction for closed session labor negotiations
- Seek direction for the FY 12-13 and FY 13-14 budget cycle

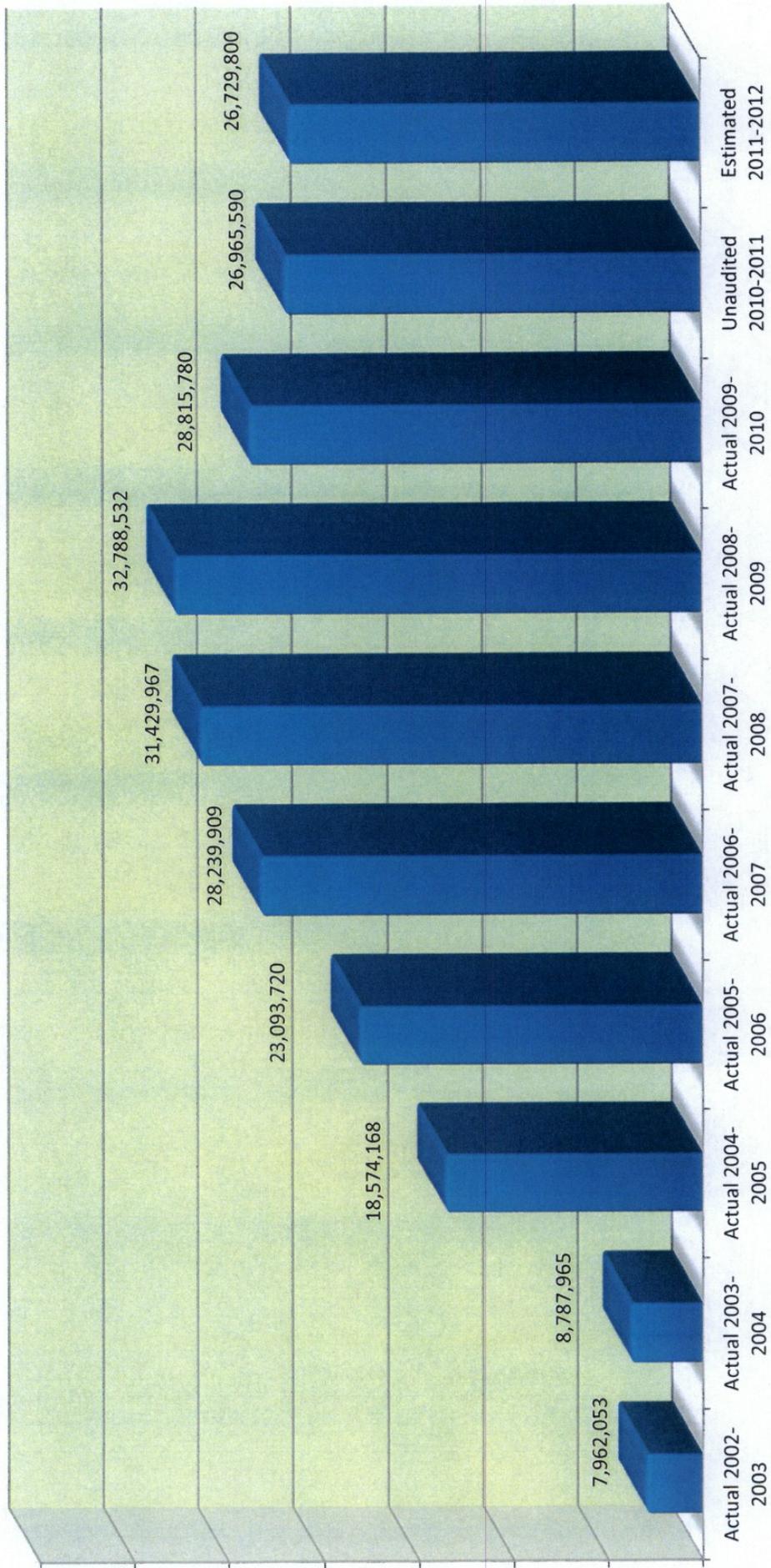
Financial Overview

- Ongoing budget challenges are the result of the rapid economic downturn and slow recovery process
- The collapse of the financial industry and the California State deficit continue to impact City revenue generating capabilities
- State theft of local government property tax
- Major sources of City revenue include:
 - Sales Tax
 - Property Tax
 - Utility User Tax

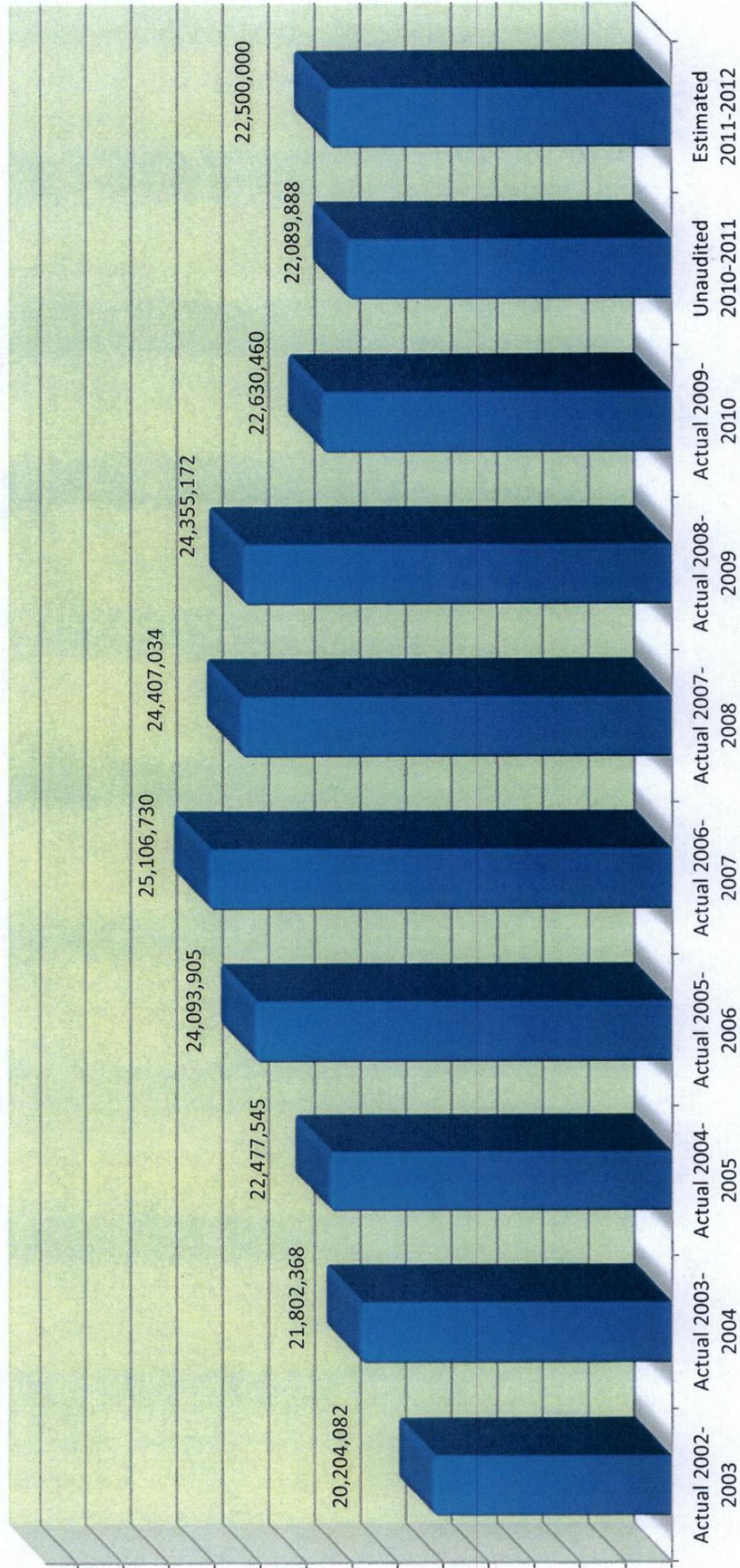
Sales Tax Revenue



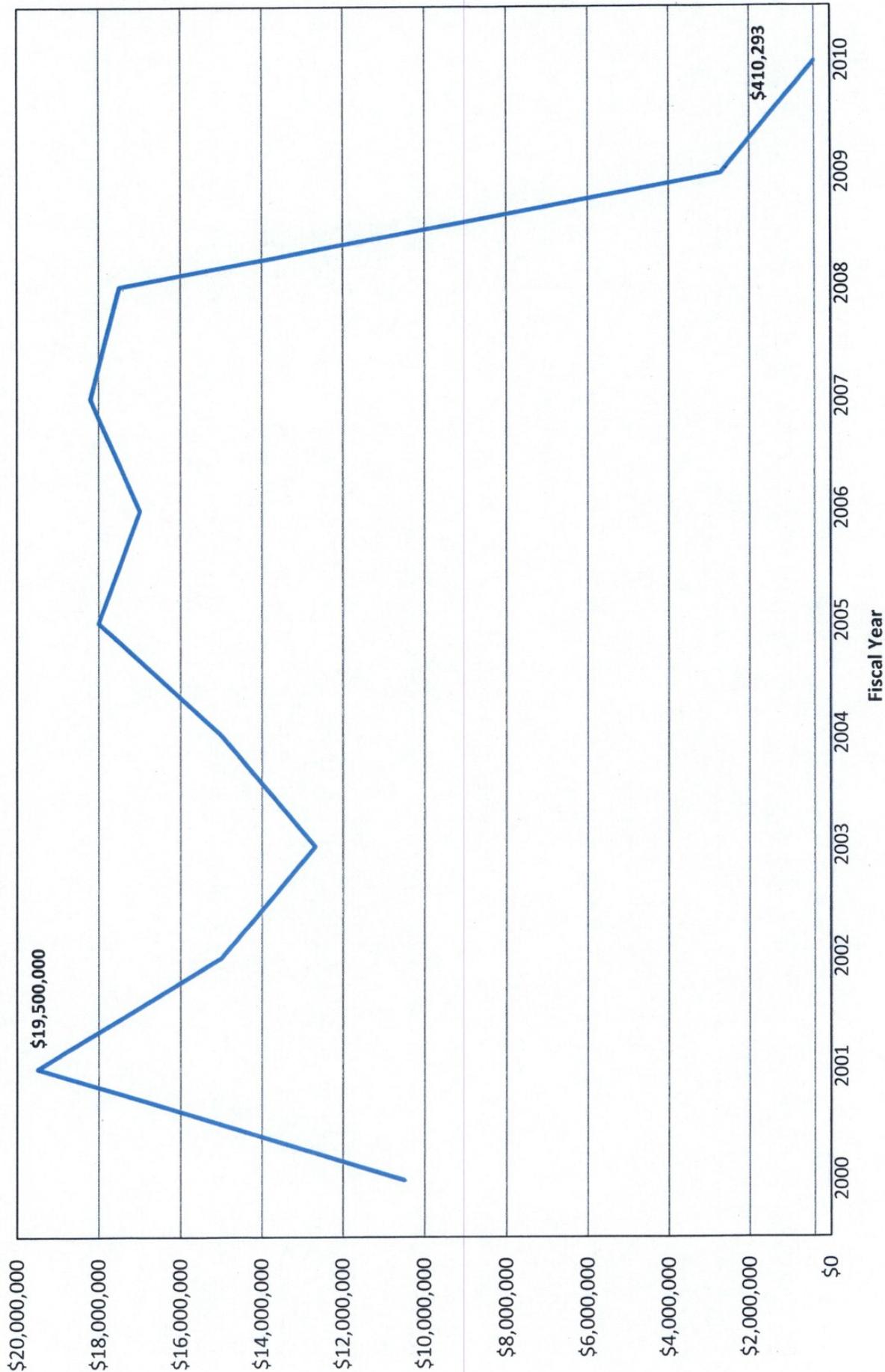
Property Tax Revenue



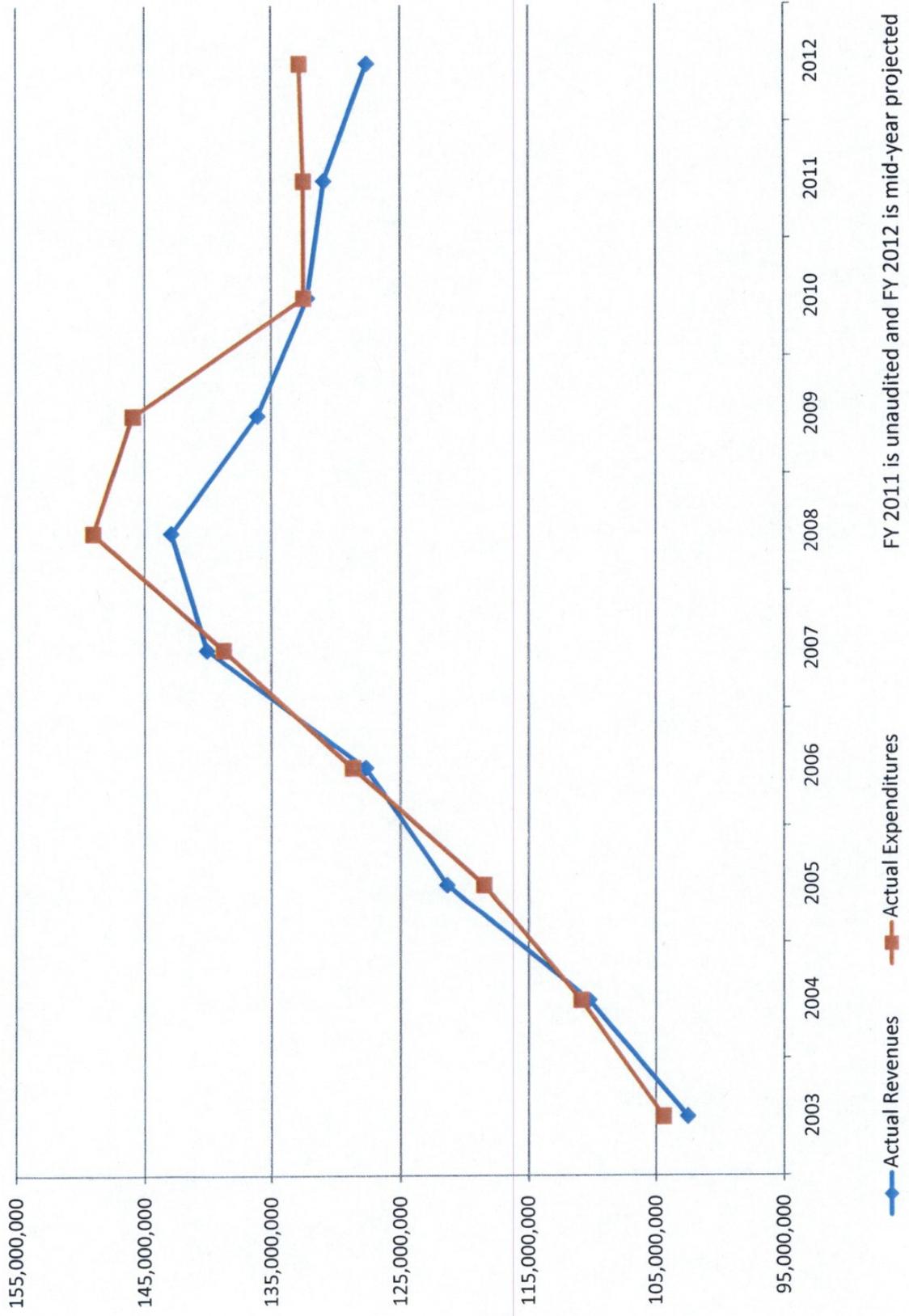
Utility User Tax Revenue



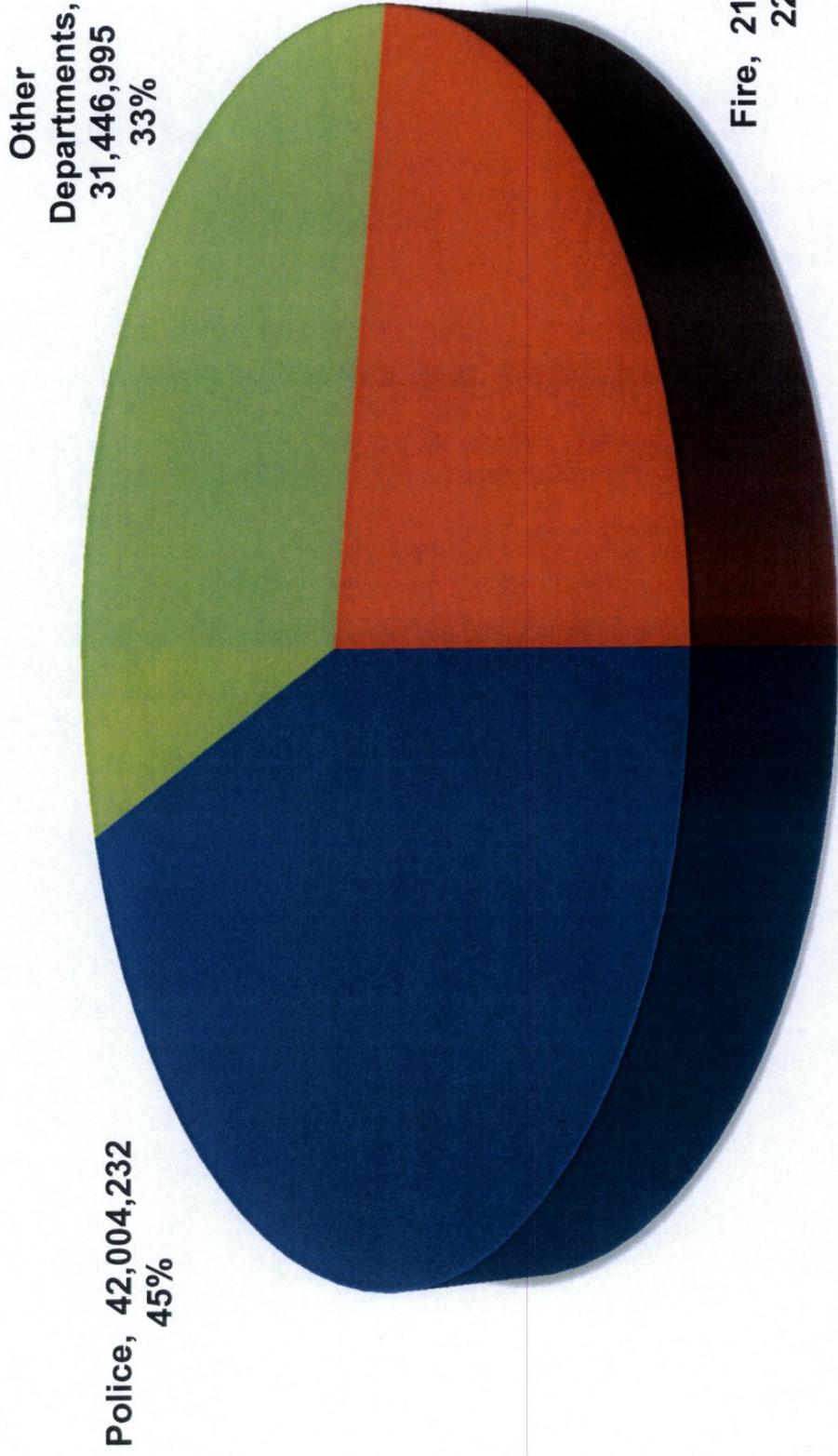
General Fund Balances (Audited) 2000 to 2010



Revenues vs Expenditures (10 Year)

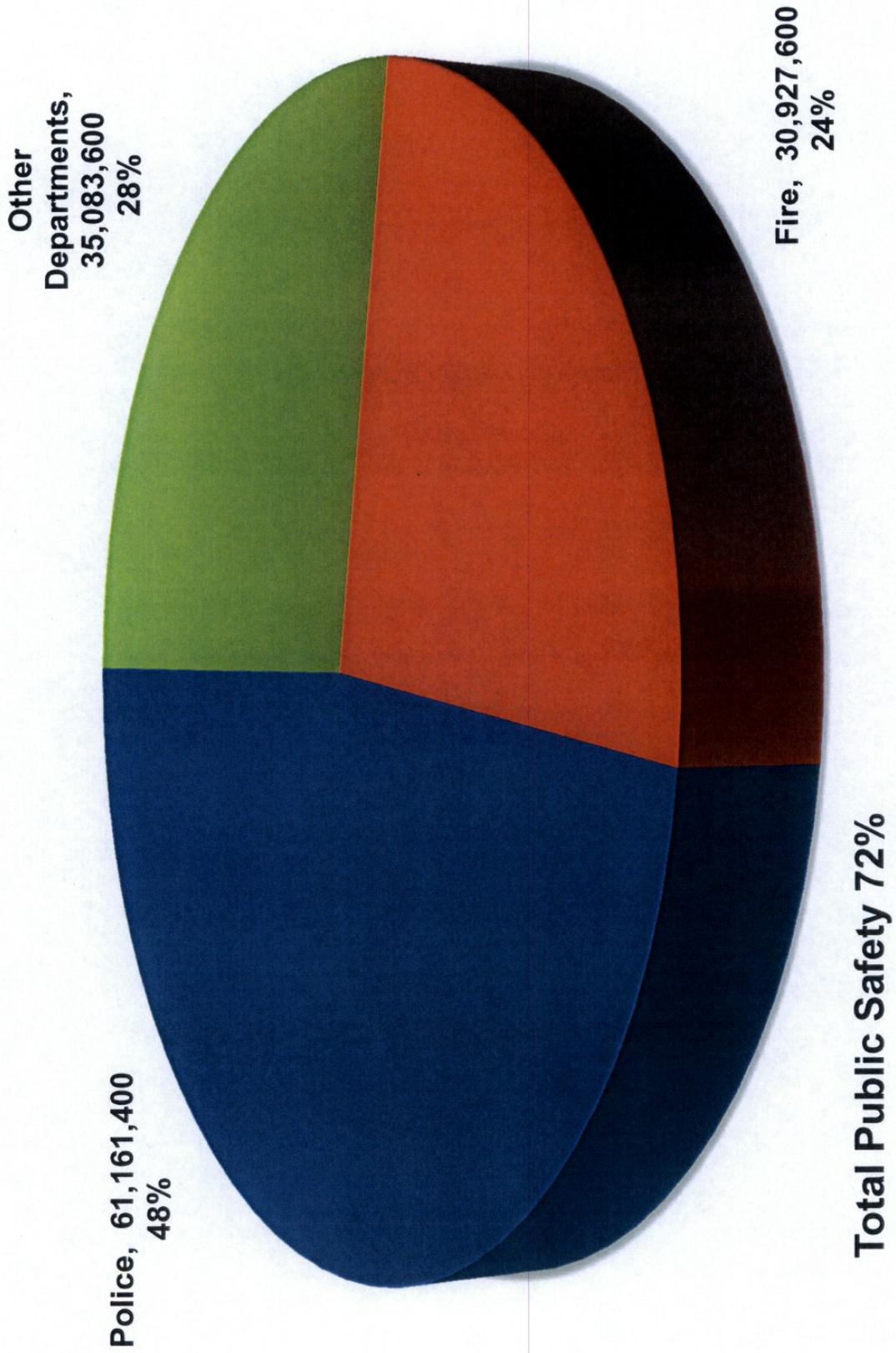


FY 2001-2002 General Fund Expenditures



Total Public Safety 67%

Fiscal Year 2011-2012 General Fund Expenditures



FY 2011-2012 Mid-Year Review

General Fund

- **Mid-Year Actual Budget Deficit \$3,183,000**

FY 11-12 deficit is the result of:

- \$1.7 million lawsuit
- Retirement/Separation payouts- \$2.5 million
- City Attorney's Office- \$600,000 (Remainder-liability fund)

1100 emp's now

Staffing Reductions

Staffing reductions in FY08-09	87
Staffing reductions in FY09-10	86
Staffing reductions in FY10-11	77
Vacant positions in FY11-12	<u>44.3</u>
Total Deleted/Vacant positions	294.3

Retirement / Separation Payouts FY07-08 to FY11-12

Year	Unit	Amount	Count	Average
FY 2007-2008	Fire	\$114,902	5	\$22,980
	Police	\$672,652	20	\$33,633
	Other (Non-Safety)	\$436,484	55	\$7,936
	Total	\$1,224,038	80	\$15,300
FY 2008-2009	Fire	\$494,401	12	\$41,200
	Police	\$2,146,438	35	\$61,327
	Other (Non-Safety)	\$1,290,365	72	\$17,922
	Total	\$3,931,203	119	\$33,035
FY 2009-2010	Fire	\$222,467	4	\$55,617
	Police	\$798,109	11	\$72,555
	Other (Non-Safety)	\$595,780	42	\$14,185
	Total	\$1,616,357	57	\$28,357
FY 2010-2011	Fire	\$331,011	11	\$30,092
	Police	\$1,380,380	27	\$51,125
	Other (Non-Safety)	\$685,179	49	\$13,983
	Total	\$2,396,570	87	\$27,547
FY 2011-2012	Fire	\$689,099	12	\$57,425
	Police	\$1,348,268	24	\$56,178
	Other (Non-Safety)	\$459,139	23	\$19,963
	Total	\$2,496,506	59	\$42,314

Note: Total of 408 payouts in the last 5 years.

Mid-Year Budget Recommended Actions

Continue to freeze vacant positions

3 month general fund cost savings: \$ 551,324

Proposed cuts by Depts.

3 month cost savings from depts.: \$1,823,969

3 month misc. cost savings:

\$250,000

\$2,625,253

Revenue Adjustments

\$557,747

\$3,183,040

Mid-Year Actual Deficit

\$3,183,000

General Fund Frozen/Vacant Positions and Salary Savings Summary for 3 months

Office/Department	Number of Positions	FY 11-12 Cost Savings
City Manager's Office	3	\$72,052
City Mayor's Office	1	\$9,745
Community Development	2	\$41,537
Fire	18	\$0
Parks and Recreation	2.3	\$53,782
Police	13	\$303,327
Public Works	5	\$70,882
Total	44.3	\$551,324

Strategic Budget Cuts Summary

Office/Department	FY 11-12 Cost Savings
City Attorney's Office	\$0
City Clerk's Office	\$5,500
City Council's Office	\$0
City Manager's Office	\$13,000
City Mayor's Office	\$11,425
Community Development	\$100,000
Finance	\$20,800
Fire	\$476,923
Human Resources	\$49,974
Information Technology	\$260,000
Library	\$50,000
Parks and Recreation	\$156,373
Police	\$400,000
Public Works	\$279,974
Sub Total	\$1,823,969
Misc. Cost Savings	
Eliminate Telephone fund from IT Balance	\$50,000
Eliminate Transfer/ GF Contribution LMD	\$200,000 *
Sub Total	\$250,000
Total Cost Savings	\$2,625,253

Direction?

Staff Recommendation-Agendize for Council
consideration and action on April 16, 2012

FY 12-13 and FY 13-14
Budget Discussion

Critical Issues & Budget Challenges

- Declining revenues
- No General Fund Reserve
- Escalating personnel costs
- Separation/Retirement Payouts
 - 5 year average \$2.33 million
- PERS cost increases
- Writ of Mandate
 - \$1.5 million in FY10-11
 - \$1.7 million in FY11-12
- FLSA Lawsuit – Undetermined

Critical Issues & Budget Challenges

- Infrastructure challenges
- Workers compensation
- Cost liability claims
- Water Costs Estimated at \$1 million per year
- Integrated Waste Shortfall - \$1.4 million
- Elimination of the Redevelopment Agency

Closed Session

Budget Strategies

To build a better community, the City must address its structural deficit by-

- Creating revenue enhancements
- Continue to create greater efficiencies
- Adopt reserve policy
- Strengthening the economic base
- Establish cost containment strategies

Revenue Enhancement-Tax

- Citywide Assessment District
- Library/Parks Parcel Tax
- Plastic/Paper Bag Tax
- Increase Transient Lodging Tax Rate
- Real Property Transfer Tax

Note: Voter approval measures may take up to two years to implement.

Revenue Enhancement-User Fees

User fee analysis underway

- Proposed fees to be presented to Council

Suggestions to be Explored Further

- Responses to parties, false alarms, and other nuisances
- Lighting and utility charges for recreation facilities
- Street sweeping fee
- Recreation activity fees and charges

Revenue Enhancement-Misc. Revenue Generating Ideas

- Advertising space on City buildings and property
- Advertising space on refuse trucks or buses
- Naming rights for soccer complex or other facilities

Revenue Enhancement Direction

Voter Approval Required	Yes	No
Citywide Assessment District		
Library/Parks Parcel Tax		
Plastic/Paper Bag Tax		
Increase Transient Lodging Tax Rate		
Real Property Transfer Tax		
User Fees		
Responses to parties, false alarms, and other nuisances		
Lighting and utility charges for recreation facilities		
Street Sweeping Fee		
Recreation activity fees and charges		
Miscellaneous Revenue Generating Ideas		
Advertising space on City buildings and property		
Advertising space on refuse trucks and buses		
Naming rights for soccer complex and other facilities		

Other Suggestions?

Efficiency Strategies

- Standardize the lien process utilized by various departments and ensure proper follow through to enhance collection
- Tie property related invoices to the business renewal process
- Video Conferencing to reduce fuel costs and personnel travel time
- Implement the use of Cal Cards or credit cards for authorized purchasers
- Purchase CNG/LNG vehicles for non enforcement use

Efficiency Strategies Cont.

- Sell end-of-life Police sedans to enforcement agencies rather than at auction
- Consolidate Human Resources & Civil Service functions
- Electronic Based Personnel Evaluations Method
- Implement Telework program

Note: Some measures require Charter amendments

Efficiency Strategy Direction

Efficiency Strategies	Yes	No
Standardize the lien process utilized by various departments and ensure proper follow through to enhance collection		
Tie property related invoices to the business renewal process		
Video Conferencing to reduce fuel costs and personnel travel time		
Implement the use of Cal Cards or credit cards for authorized purchasers		
Purchase CNG/LNG vehicles for non enforcement use		
Sell end-of-life Police sedans to enforcement agencies rather than at auction		
Consolidate Human Resources & Civil Service functions		
Electronic Based Personnel Evaluations Method		
Implement Telework program		

Other Suggestions?

Cost Containment Strategies

- Outsource refuse operations
- Contract and/or consolidate Police and/or Fire services
- Explore providing services to other cities
- Contract for graffiti removal
- Managed competition

Note: Some measures require Charter amendments

Cost Containment Strategy Direction

Cost Containment Strategies	Yes	No
Outsource refuse operations		
Contract and/or consolidate Police and/or Fire services		
Explore providing services to other cities		
Contract for graffiti removal		
Managed competition		

Other Suggestions?

City of San Bernardino



Budget Workshop

Charles E. McNeely, City Manager
April 3, 2012

Agenda

1. Opening Comments
2. Budget Workshop Goals
3. Financial Overview
4. FY 2011-12 Mid-Year Report
5. Mid-year Budget Balancing Strategies
6. Critical Issues and Budget Challenges
7. 5-Year Outlook
8. Closed Session
9. Budget Strategies
10. Next Steps

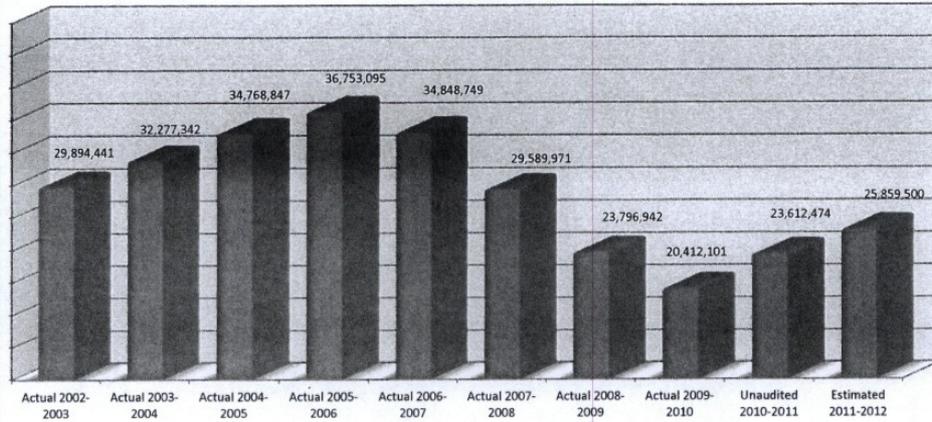
Budget Workshop Goals

- Provide a clear financial update
- Consider options and seek direction to balance the FY-11-12 budget
- Review critical issues facing the City
- Seek direction for closed session labor negotiations
- Seek direction for the FY 12-13 and FY 13-14 budget cycle

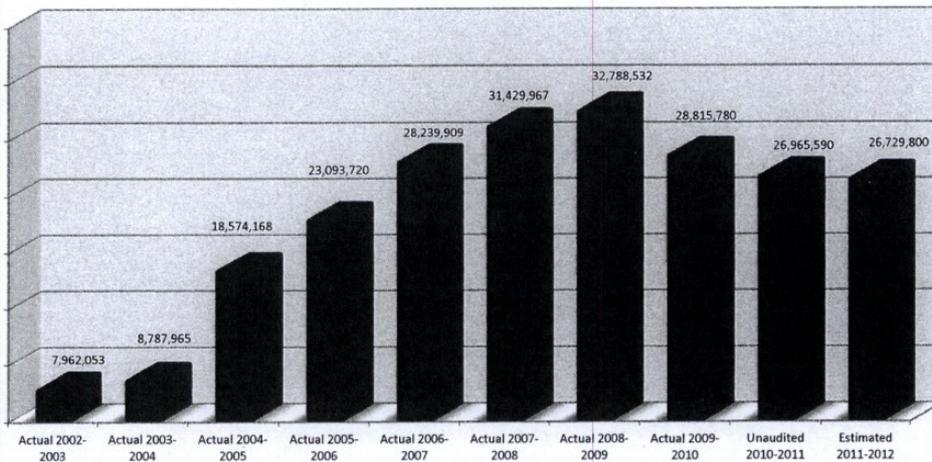
Financial Overview

- Ongoing budget challenges are the result of the rapid economic downturn and slow recovery process
- The collapse of the financial industry and the California State deficit continue to impact City revenue generating capabilities
- State theft of local government property tax
- Major sources of City revenue include:
 - Sales Tax
 - Property Tax
 - Utility User Tax

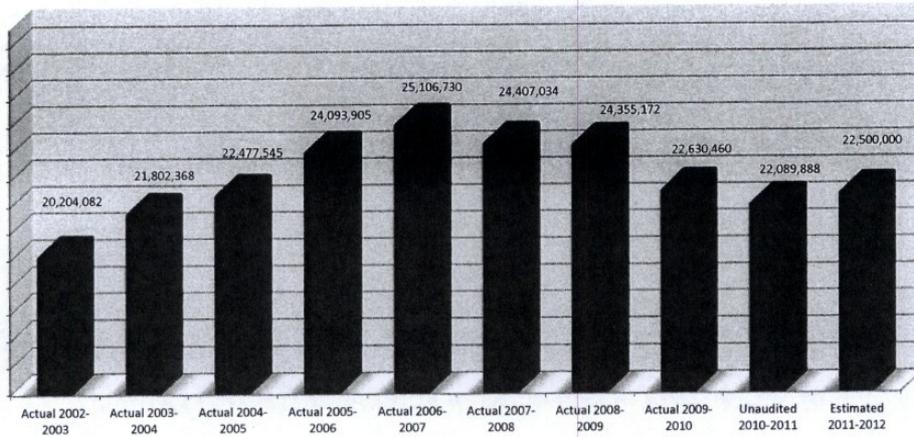
Sales Tax Revenue



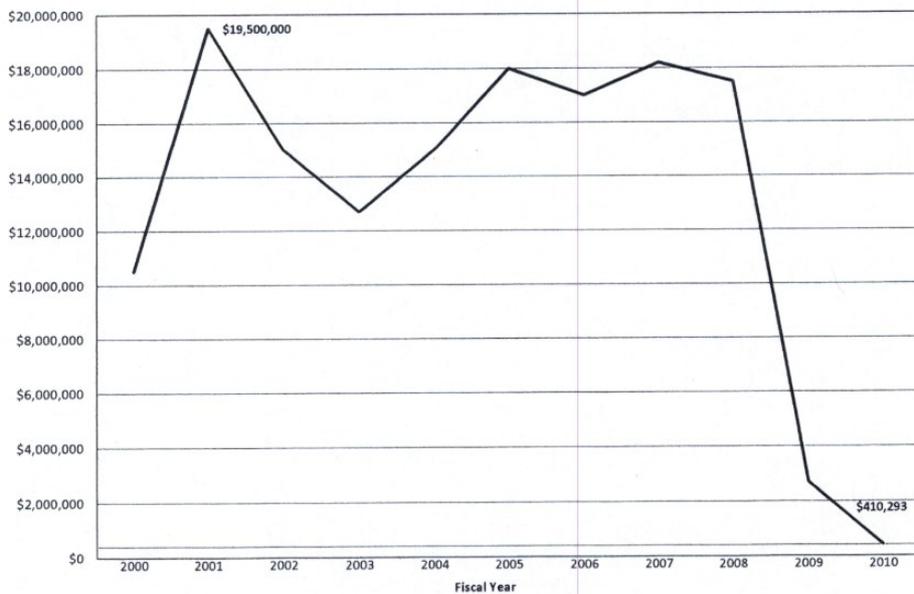
Property Tax Revenue

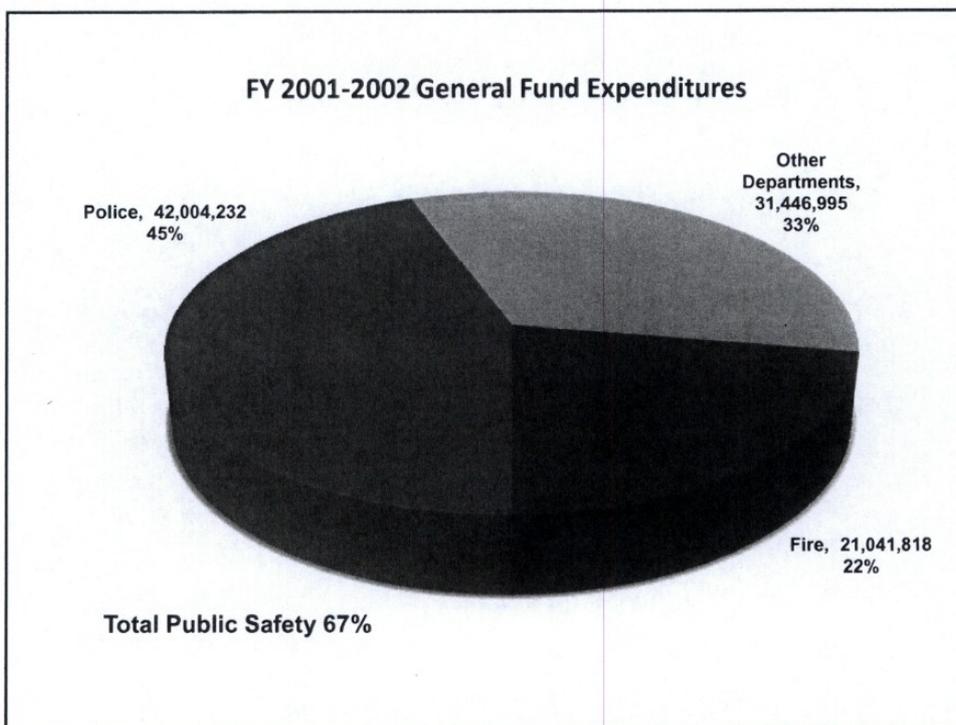
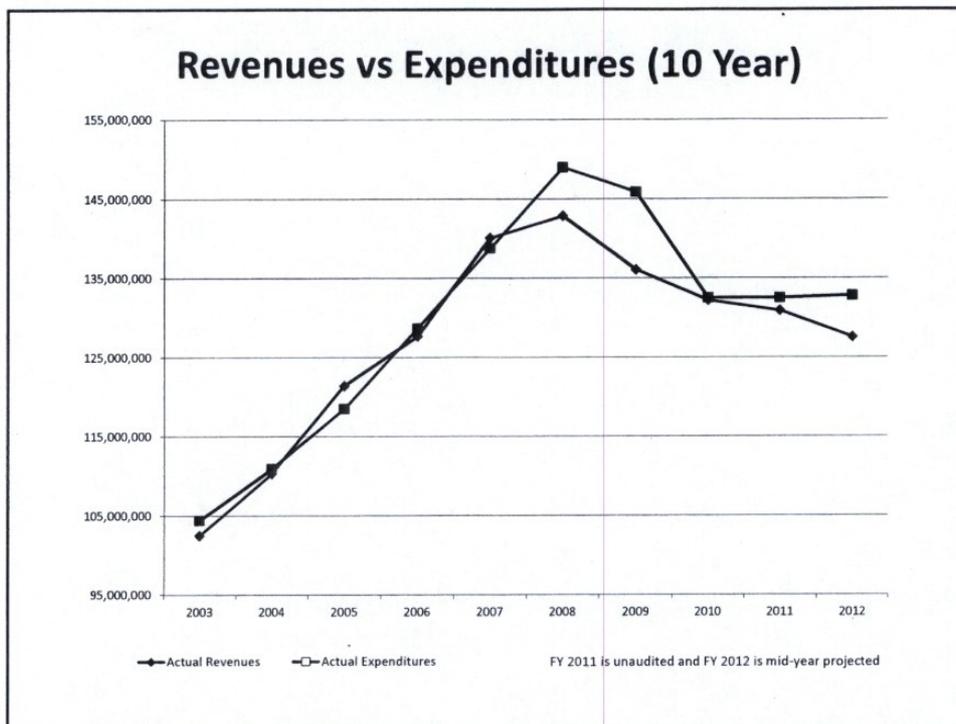


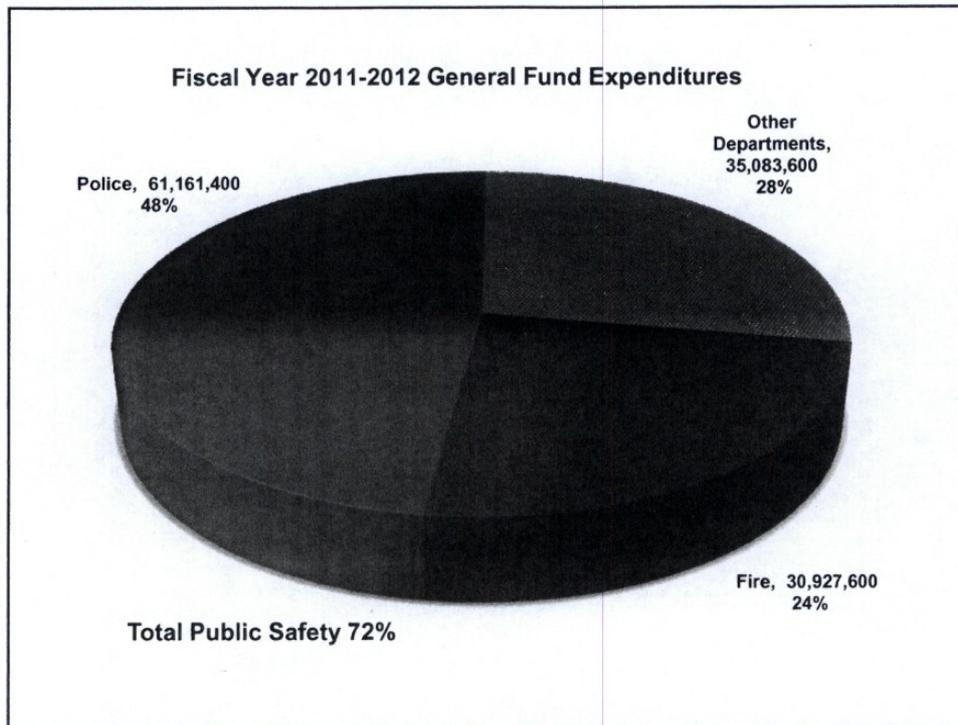
Utility User Tax Revenue



General Fund Balances (Audited) 2000 to 2010







FY 2011-2012 Mid-Year Review

General Fund

- Estimated Revenue \$ 127,606,800
- Estimated Expenditures \$132,833,900
- **Mid-Year Projected Budget Deficit \$3,805,300**

FY 11-12 deficit is the result of:

- \$1.7 million Lawsuit
- Retirement/Separation payouts- \$2.5 million
- City Attorney's Office- \$940,000

Staffing Reductions

Staffing reductions in FY08-09	87
Staffing reductions in FY09-10	86
Staffing reductions in FY10-11	77
Vacant positions in FY11-12	<u>44.3</u>
Total Deleted/Vacant positions	294.3

Retirement / Separation Payouts FY07- 08 to FY11-12

Year	Unit	Amount	Count	Average
FY2007-2008	Fire	\$114,902	5	\$22,980
	Police	\$672,652	20	\$33,633
	Other (Non-Safety)	\$436,484	55	\$7,936
	Total	\$1,224,038	80	\$15,300
FY2008-2009	Fire	\$494,401	12	\$41,200
	Police	\$2,146,438	35	\$61,327
	Other (Non-Safety)	\$1,290,365	72	\$17,922
	Total	\$3,931,203	119	\$33,035
FY2009-2010	Fire	\$222,467	4	\$56,617
	Police	\$798,109	11	\$72,555
	Other (Non-Safety)	\$695,780	42	\$14,185
	Total	\$1,616,357	57	\$28,357
FY2010-2011	Fire	\$331,011	11	\$30,092
	Police	\$1,380,380	27	\$51,125
	Other (Non-Safety)	\$685,179	49	\$13,983
	Total	\$2,396,570	87	\$27,547
FY2011-2012	Fire	\$689,099	12	\$57,425
	Police	\$1,348,268	24	\$56,178
	Other (Non-Safety)	\$459,139	23	\$19,963
	Total	\$2,496,506	59	\$42,314

Note: Total of 408 Payouts in the last 5 years

Mid-Year Budget Recommended Actions

Continue to freeze vacant positions

3 month general fund cost savings: \$ 1,057,016

Proposed cuts by Depts.

3 month cost savings from depts.: \$2,057,505

3 month misc. cost savings: \$250,000

\$3,364,521

Revenue Adjustments

\$450,000

\$3,814,521

Mid-Year Projected Deficit

\$3,805,300

General Fund Vacant Positions and Salary Savings Summary for 3 months

Office/Department	Number of Positions	FY 11-12 Cost Savings
City Manager's Office	3	\$72,052
City Mayor's Office	1	\$9,745
Community Development	2	\$41,537
Fire	18	\$505,692
Parks and Recreation	2.3	\$53,782
Police	13	\$303,327
Public Works	5	\$70,882
Total	44.3	\$1,057,016

Strategic Budget Cuts Summary

Office/Department	FY 11-12 Cost Savings
City Attorney's Office	\$0
City Clerk's Office	\$5,500
City Council's Office	\$0
City Manager's Office	\$13,000
City Mayor's Office	\$11,425
Community Development	\$333,536
Finance	\$20,800
Fire	\$476,923
Human Resources	\$49,974
Information Technology	\$260,000
Library	\$50,000
Parks and Recreation	\$156,373
Police	\$400,000
Public Works	\$279,974
Sub Total	\$2,057,505
Misc. Cost Savings	
Eliminate Telephone fund from IT Balance	\$50,000
Eliminate Transfer/ GF Contribution LMD	\$200,000
Sub Total	\$250,000
Total Cost Savings	\$2,307,505

Direction?

Critical Issues & Budget Challenges

- Declining revenues
- No General Fund Reserve
- Escalating personnel costs
- Separation/Retirement Payouts
 - 5 year average \$2.33 million
- PERS cost increases
- Writ of Mandate
 - \$1.5 million in FY10-11
 - \$1.7 million in FY11-12
- FLSA Lawsuit – Undetermined

Critical Issues & Budget Challenges

- Infrastructure challenges
- Workers compensation, costs of liability claims
- Water Costs Estimated at \$1 million per year
- Integrated Waste Shortfall - \$1.4 million
- Elimination of the Redevelopment Agency

Closed Session

Budget Strategies

To build a better community, the City must address its structural deficit by-

- Creating revenue enhancements
- Continue to create greater efficiencies
- Adopt reserve policy
- Strengthening the economic base
- Establish cost containment strategies

Revenue Enhancement-Tax

- Citywide Assessment District
- Library/Parks Parcel Tax
- Plastic/Paper Bag Tax
- Increase Transient Lodging Tax Rate
- Real Property Transfer Tax

Note: Voter approval measures may take up to two years to implement.

Revenue Enhancement-User Fees

User fee analysis underway

- Proposed fees to be presented to Council

Suggestions to be Explored Further

- Responses to parties, false alarms, and other nuisances
- Lighting and utility charges for recreation facilities
- Street sweeping fee
- Recreation activity fees and charges

Revenue Enhancement-Misc. Revenue Generating Ideas

- Advertising space on City buildings and property
- Advertising space on refuse trucks or buses
- Naming rights for soccer complex or other facilities

Revenue Enhancement Direction

Voter Approval Required	Yes	No
Citywide Assessment District		
Library/Parks Parcel Tax		
Plastic/Paper Bag Tax		
Increase Transient Lodging Tax Rate		
Real Property Transfer Tax		
User Fees		
Responses to parties, false alarms, and other nuisances		
Lighting and utility charges for recreation facilities		
Street Sweeping Fee		
Recreation activity fees and charges		
Miscellaneous Revenue Generating Ideas		
Advertising space on City buildings and property		
Advertising space on refuse trucks and buses		
Naming rights for soccer complex and other facilities		

Other Suggestions?

Efficiency Strategies

- Standardize the lien process utilized by various departments and ensure proper follow through to enhance collection
- Tie property related invoices to the business renewal process
- Video Conferencing to reduce fuel costs and personnel travel time
- Implement the use of Cal Cards or credit cards for authorized purchasers
- Purchase CNG/LNG vehicles for non enforcement use

Efficiency Strategies Cont.

- Sell end-of-life Police sedans to enforcement agencies rather than at auction
- Consolidate Human Resources & Civil Service functions
- Electronic Based Personnel Evaluations Method
- Implement Telework program

Note: Some measures require Charter amendments

Efficiency Strategy Direction

Efficiency Strategies	Yes	No
Standardize the lien process utilized by various departments and ensure proper follow through to enhance collection		
Tie property related invoices to the business renewal process		
Video Conferencing to reduce fuel costs and personnel travel time		
Implement the use of Cal Cards or credit cards for authorized purchasers		
Purchase CNG/LNG vehicles for non enforcement use		
Sell end-of-life Police sedans to enforcement agencies rather than at auction		
Consolidate Human Resources & Civil Service functions		
Electronic Based Personnel Evaluations Method		
Implement Telework program		

Other Suggestions?

Cost Containment Strategies

- Outsource refuse operations
- Contract for Police and/or Fire services
- Explore providing services to other cities
- Consolidate Fire services with other agencies
- **Consolidate elections**
- Contract for graffiti removal
- Managed competition

Note: Some measures require Charter amendments

Cost Containment Strategy Direction

Cost Containment Strategies	Yes	No
Outsource refuse operations		
Contract for Police and/or Fire services		
Explore providing services to other cities		
Consolidate Fire services with another agencies		
Consolidate elections		
Contract for graffiti removal		
Managed competition		

Other Suggestions?

Next Steps

- Budget Balancing Strategies to be presented for Council approval-April 16, 2012, meeting
- Refer discussion regarding FY 2012-13 and FY2013-14 Budget Strategies to the Budget adhoc Committee and/or Ways and Means for recommendations and direction to staff by May 1, 2012
- Select revenue and efficiency strategies for further consideration
- Complete updated user fee study and present updated fees for Council approval
- Develop an Economic Development Plan

4/3/12

1A

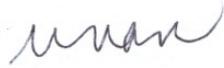
Charles McNeely said that this report was an informational/overview item, and suggested that the MCC not take action at this meeting, but consider the information, put the issue on the 4/16 agenda for consideration or referral to Ways and Means and/or the Budget Ad Hoc committees and provide staff direction at that point.

Former Finance Director Barbara Pachon gave an overview of the ongoing budget challenges, including a mid-year budget deficit of \$3.183 million, attributed to a \$1.7 million lawsuit, \$2.5 million in retirement/separation payouts and an increase in the City Attorney Office budget.

There was discussion about a deficit in the city's liability fund, and a need for it to be more robust. Mr. Penman counseled the MCC that the amount in the liability fund does not indicate the amount the city would be likely to pay in claims, but is an insurance policy against them and said that the mid-year budget did not reflect an accurate description of the amount the city would spend in the coming three months for existing or new claims.

1A

Kelley/McCammack

A handwritten signature in black ink, appearing to read "Kelley" or "McCammack", written in a cursive style.

For staff to report to the council about creating two reserve funds: one for the City overall and another fund to cover payoffs of pay off vacation and sick time accruals.

1B

Charles McNeely discussed budget balancing measures, including keeping vacant positions within several departments vacant for the remaining three months of the FY, and strategic budget cuts from several departments that amount to a \$2.625 million savings for FY 2011/12.

Discussion ensued about the sources of the proposed cost cuts; McNeely said he'd provide a complete list to the council by April 4.

7/3 unan

1B

Refer the matter to the Budget Ad Hoc committee for discussion and then bring the matter to council.

3A

Under Item #3, Finance Director Jason Simpson discussed proposed revenue enhancements and cost containment strategies including revenue enhancements such as taxes and user fees, standardized lien processes, contracting services such as refuse and public safety, and providing services to other cities. There was discussion about need for greater scrutiny of the contracts/purchase orders under \$25,000. Simpson said the New World Financial system makes that easier, and can produce monthly reports of all the Purchase orders written each month.

3A

Shorett/Marquez

unanimous

Keep the level of contracts needing council approval at \$25,000 and above, but require that the council receive a monthly accounting of all the contracts and purchase orders for less than \$25,000.