



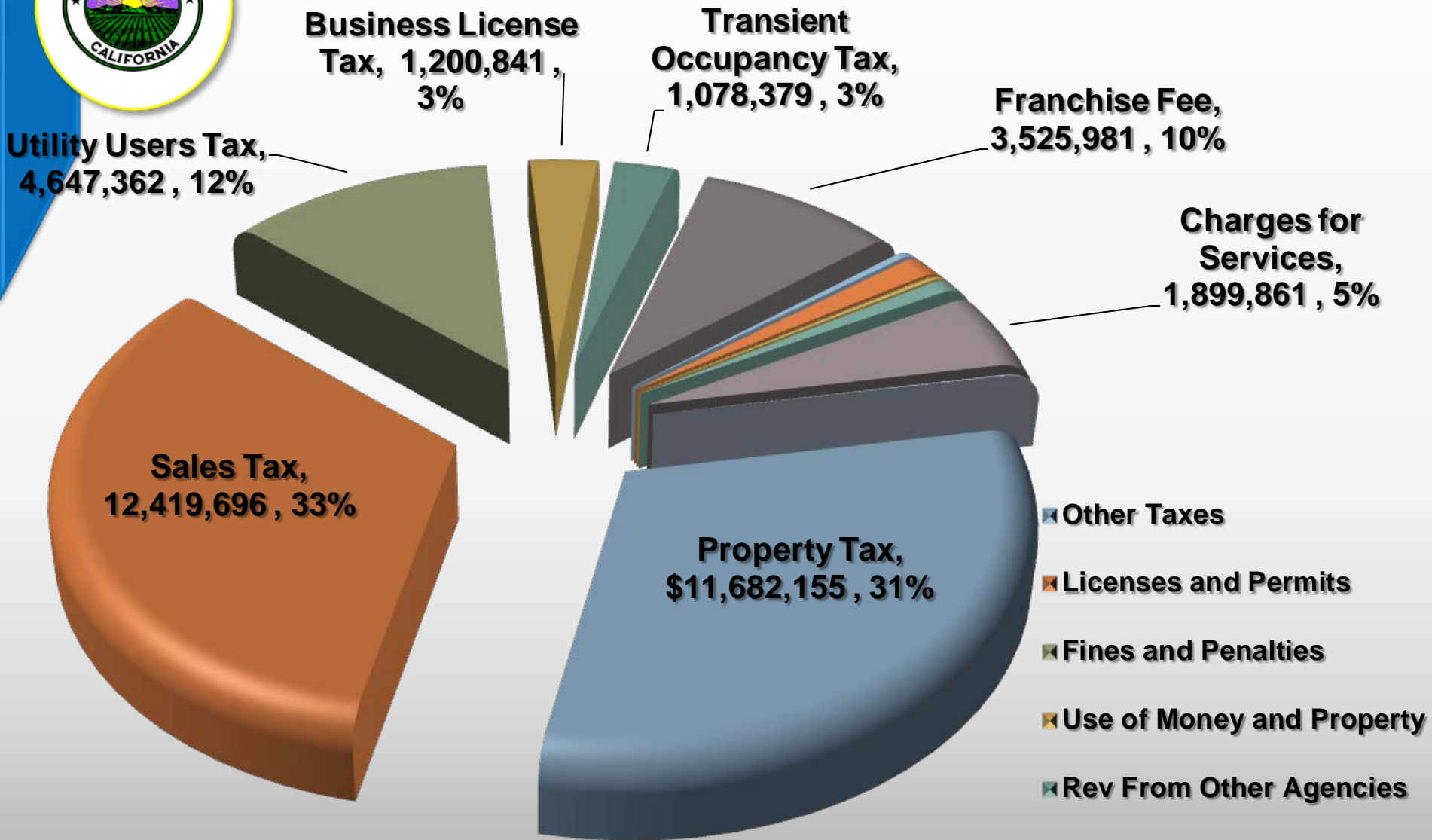
FY 2012-13 Mid-Year Budget Review

City of Salinas





General Fund Revenue – Mid-Year



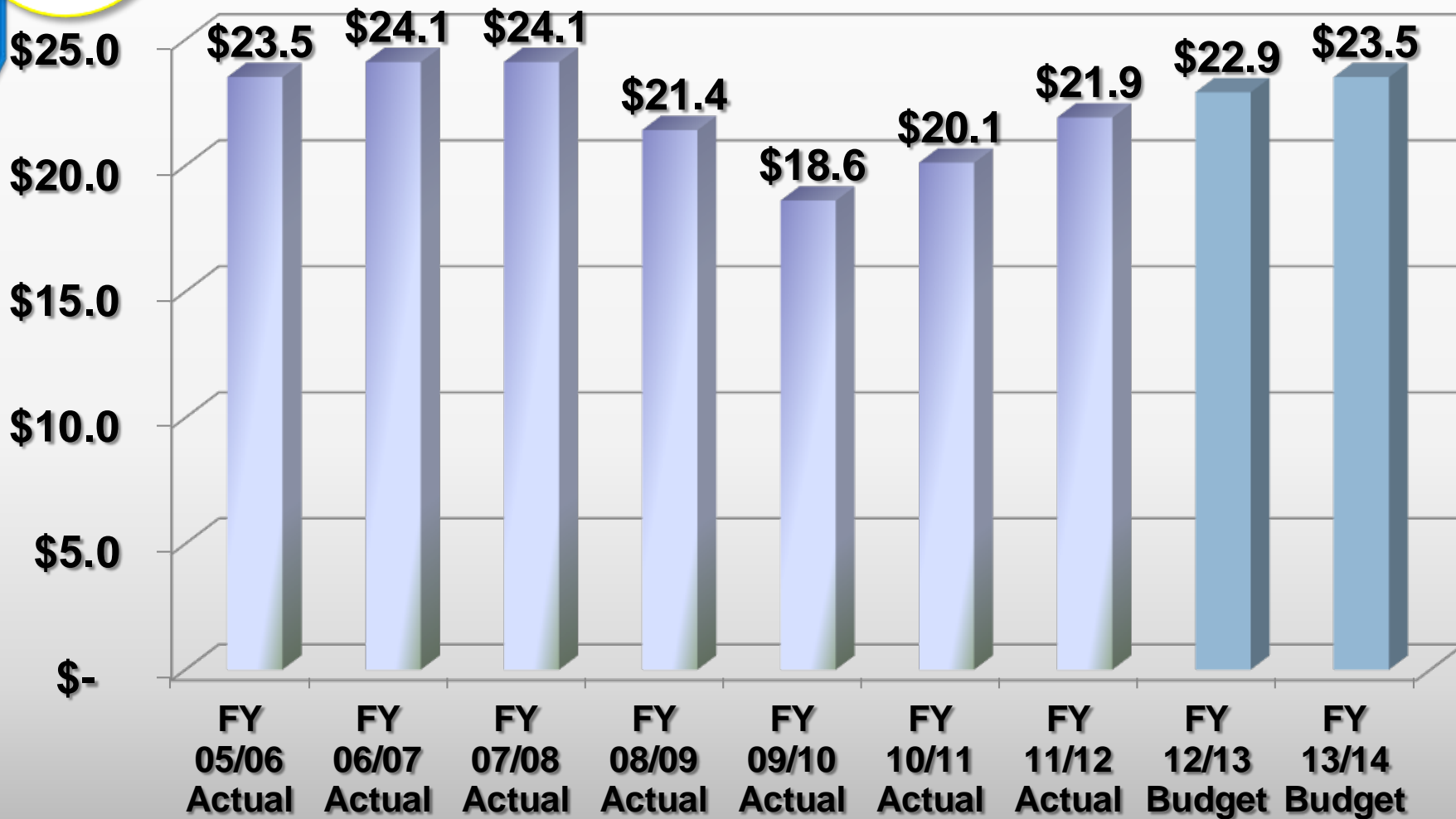


General Fund Revenue – Mid-Year

Revenue	FY 2012-13	FY 2012-13	%	FY 2011-12	Change from PY
	Estimated Revenue	Current Year - YTD		Prior Year - YTD	
Property Tax	\$20,868,200	\$ 11,682,155	56%	\$ 11,570,022	\$ 112,133
Sales Tax	22,883,000	12,419,696	54%	11,253,362	1,166,334
Utility Users Tax	9,000,000	4,647,362	52%	4,658,050	(10,688)
Business License Tax	4,300,000	1,200,841	28%	902,079	298,762
Transient Occupancy Tax	1,550,000	1,078,379	70%	1,015,200	63,179
Franchise Fee	7,360,000	3,525,981	48%	3,417,799	108,182
Other Taxes	535,000	134,200	25%	152,458	(18,258)
Licenses and Permits	1,069,300	531,549	50%	483,501	48,048
Fines and Penalties	80,000	15,748	20%	41,762	(26,014)
Use of Money and Property	145,000	72,848	50%	56,728	16,120
Rev From Other Agencies	341,700	327,597	96%	504,475	(176,878)
Charges for Services	4,152,400	1,899,861	46%	2,087,983	(188,122)
Other Revenue	156,000	22,592	14%	59,535	(36,943)
	<u>\$72,440,600</u>	<u>\$ 37,558,809</u>	52%	<u>\$ 36,202,954</u>	<u>\$1,355,855</u>

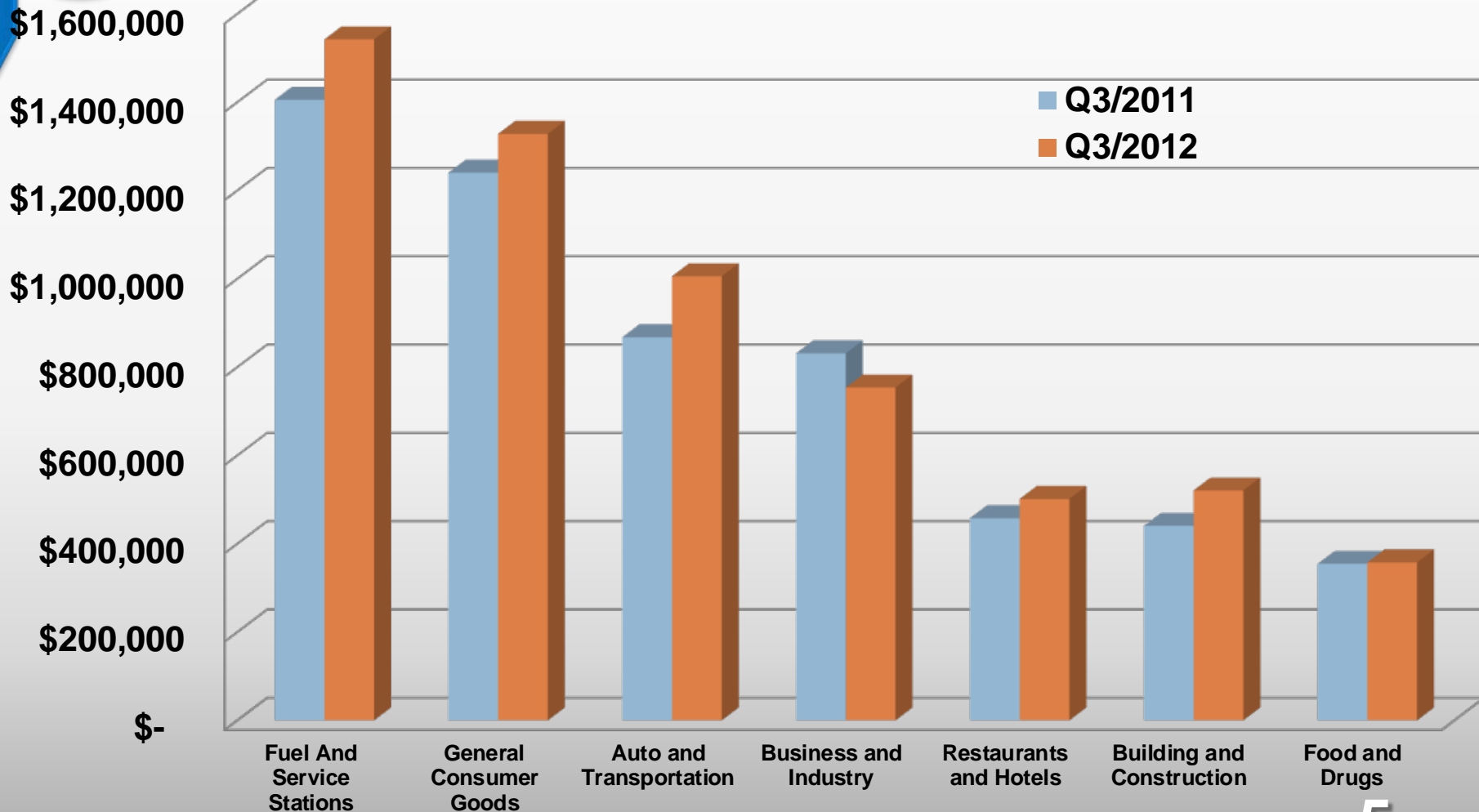


Sales Tax



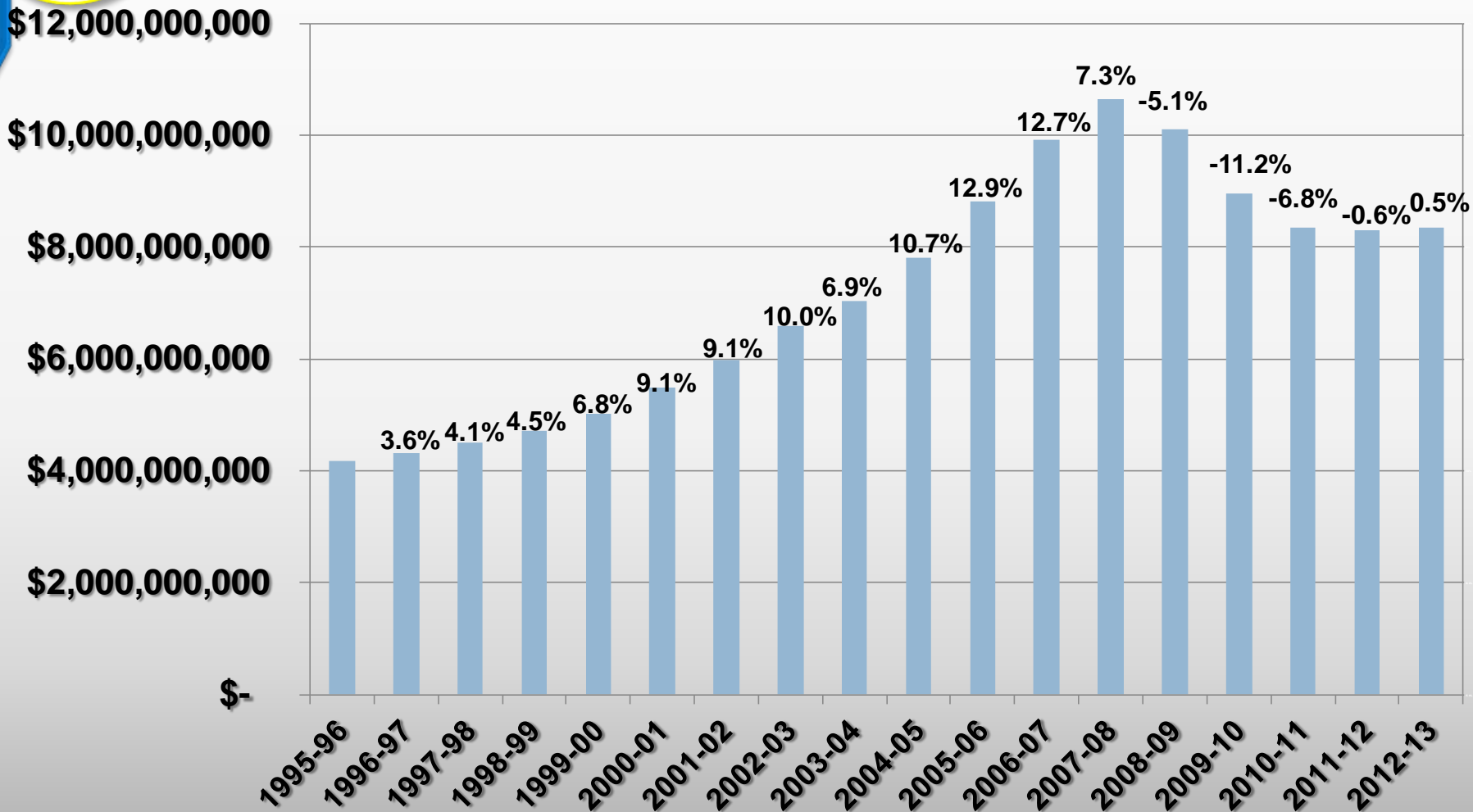


Sales Tax – by Major Business Group



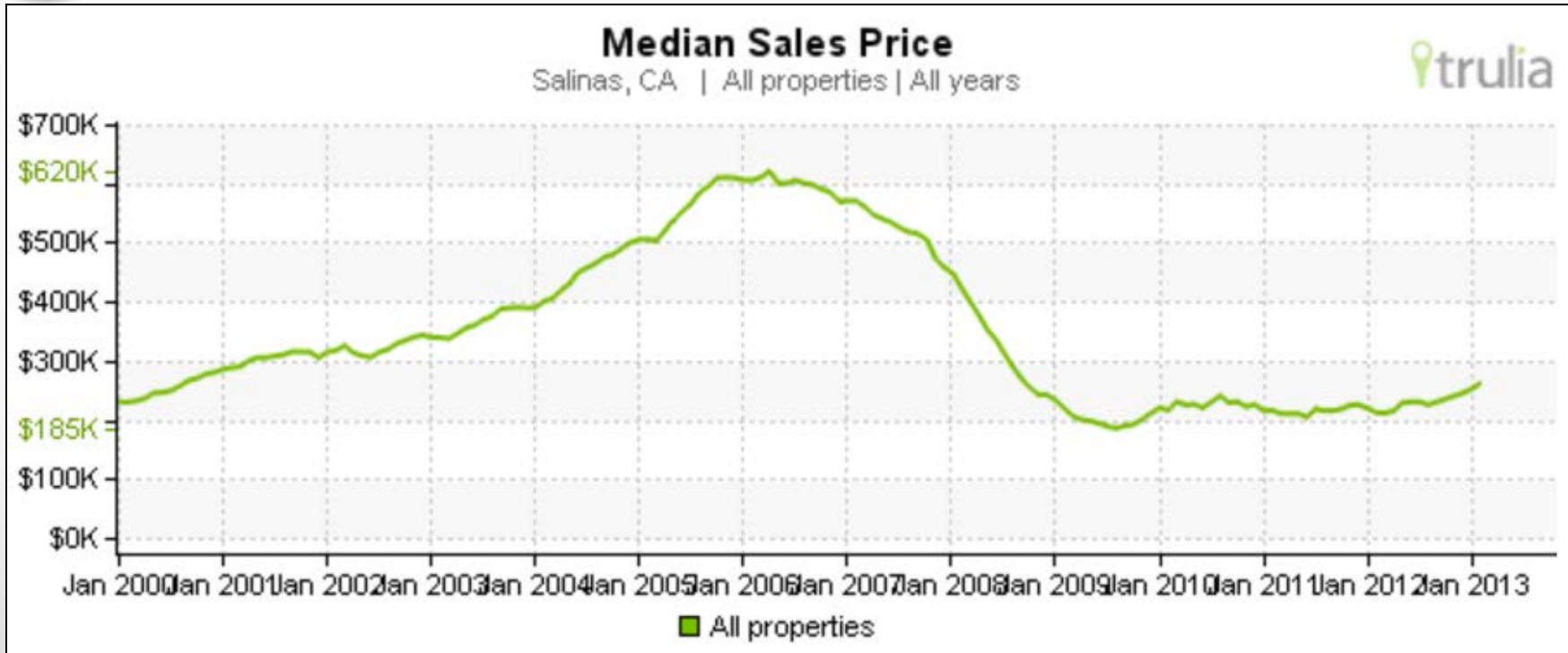


Property Assessed Values





Salinas Home Prices Since 2000



Median Sales Price

\$261,000

Nov '12 - Jan '13

↑ **+\$49,000**
+23.1%
y-o-y

156 Homes For Sale
1,014 Recently Sold

4 Open Homes
633 Foreclosures



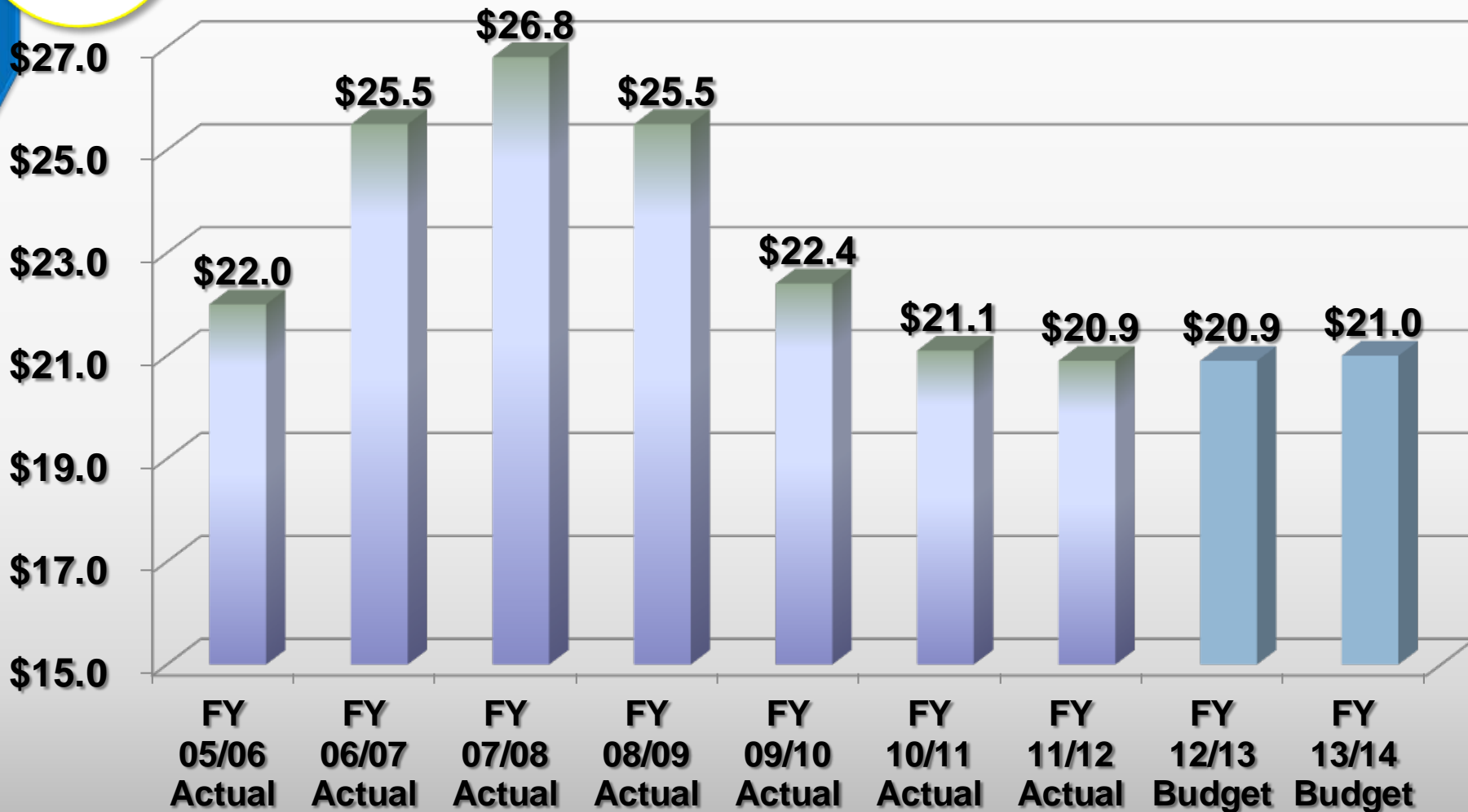
Housing Market



Average Price/sqft	\$177	+14.9%	y-o-y
Number of Sales	393	-30.4%	y-o-y



Property Tax



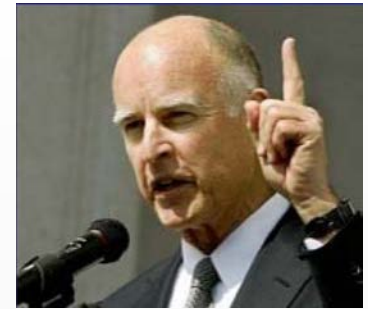


General Fund - Department Budgets

Department	FY 2012-13					
	FY 2012-13 Adopted Budget	Adjusted Budget @ 12/31/12	FY 2012-13 YTD Actual 12-31-12	FY 2012-13 Encumb. 12-31-12	FY 2012-13 Unecumb. Bal. 12-31-12	% Spent & Encum.
10 - City Council	199,700	206,727	102,671	57	103,999	50%
15 - Administration	1,747,000	1,756,816	821,253	1,018	934,545	47%
20 - Finance	3,239,400	3,253,664	1,597,607	131,428	1,524,630	53%
25 - City Attorney`s	698,400	701,893	367,862	-	334,031	52%
30 - Community and Economic	3,627,600	3,669,820	1,740,054	27,504	1,902,261	48%
35 - Non-Departmental	6,233,200	6,255,761	1,899,491	257,056	4,099,213	34%
40 - Police	31,073,000	31,619,126	15,488,044	182,102	15,948,979	50%
45 - Fire	15,830,900	15,917,154	8,166,208	49,966	7,700,980	52%
50 - Public Works	7,322,300	7,415,792	3,528,446	291,401	3,595,945	52%
60 - Library and Community Services	915,400	927,846	367,592	24,993	535,261	42%
Grand Total	70,886,900	71,724,599	34,079,229	965,525	36,679,845	49%



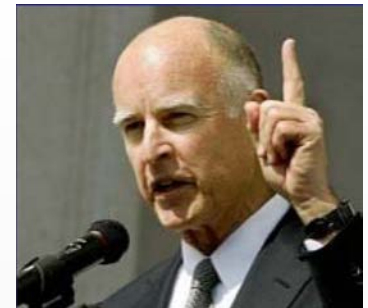
State Budget Update



- Governor's 2013-14 Proposed Budget
 - Budget Gap Closed
- No impact on Cities
- Estimated FY 2012-13 will end with a ~ \$167m operating surplus



State Budget Update



Proposition 30 Revenue Estimates

(In Millions)

	Personal Income Tax	Sales and Use Tax	Total
2011-12 ^a	\$2,816	—	\$2,816
2012-13	4,265	\$607	4,872
2013-14	4,358	1,313	5,671
2014-15	4,697	1,401	6,098
2015-16	4,917	1,485	6,402
2016-17	5,173	804	5,977
2017-18	5,434	—	5,434
2018-19	2,216	—	2,216

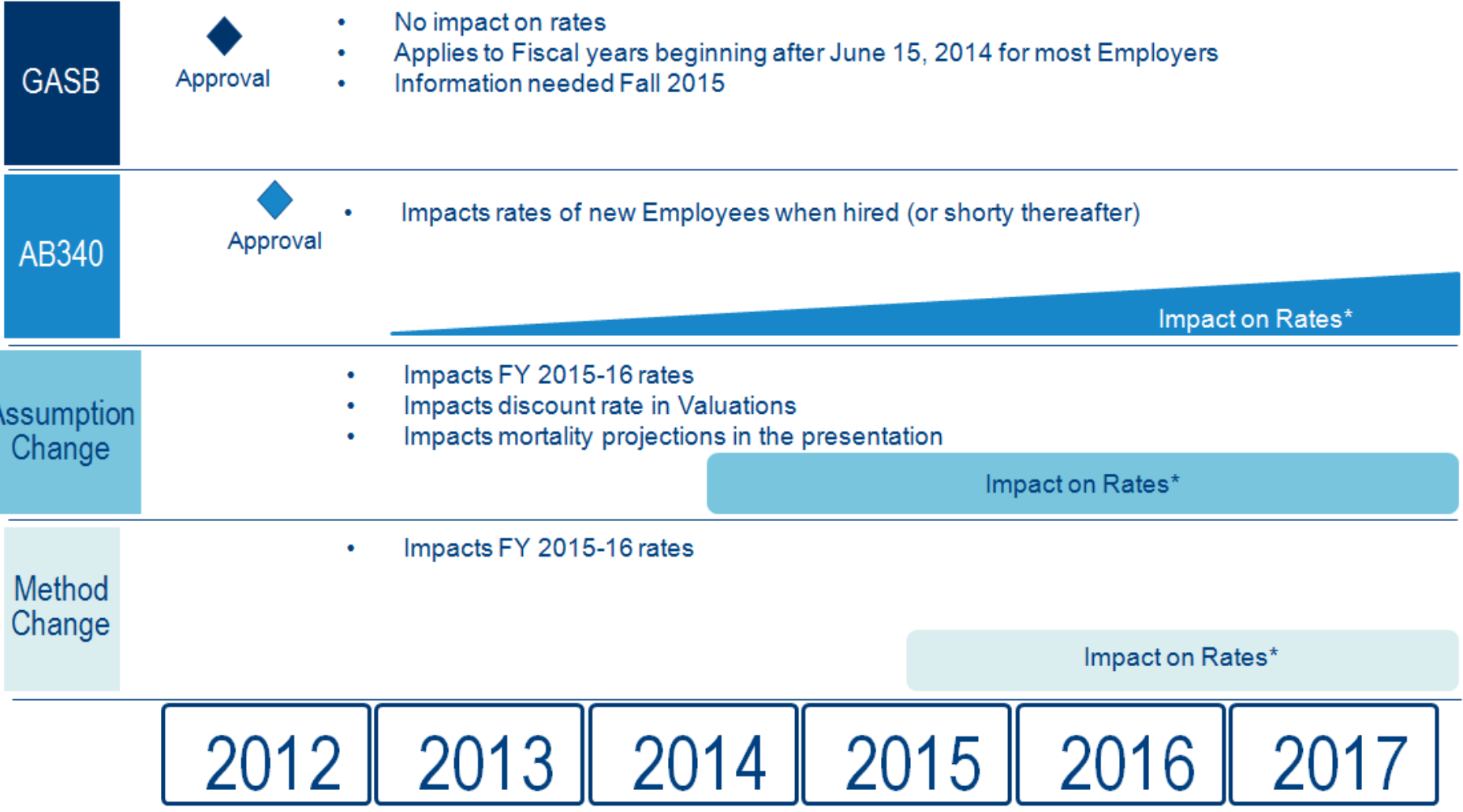
^a Reflects Governor's proposal to accrue a portion of personal income tax revenues collected during 2012-13 back to the 2011-12 fiscal year.



Cal PERS

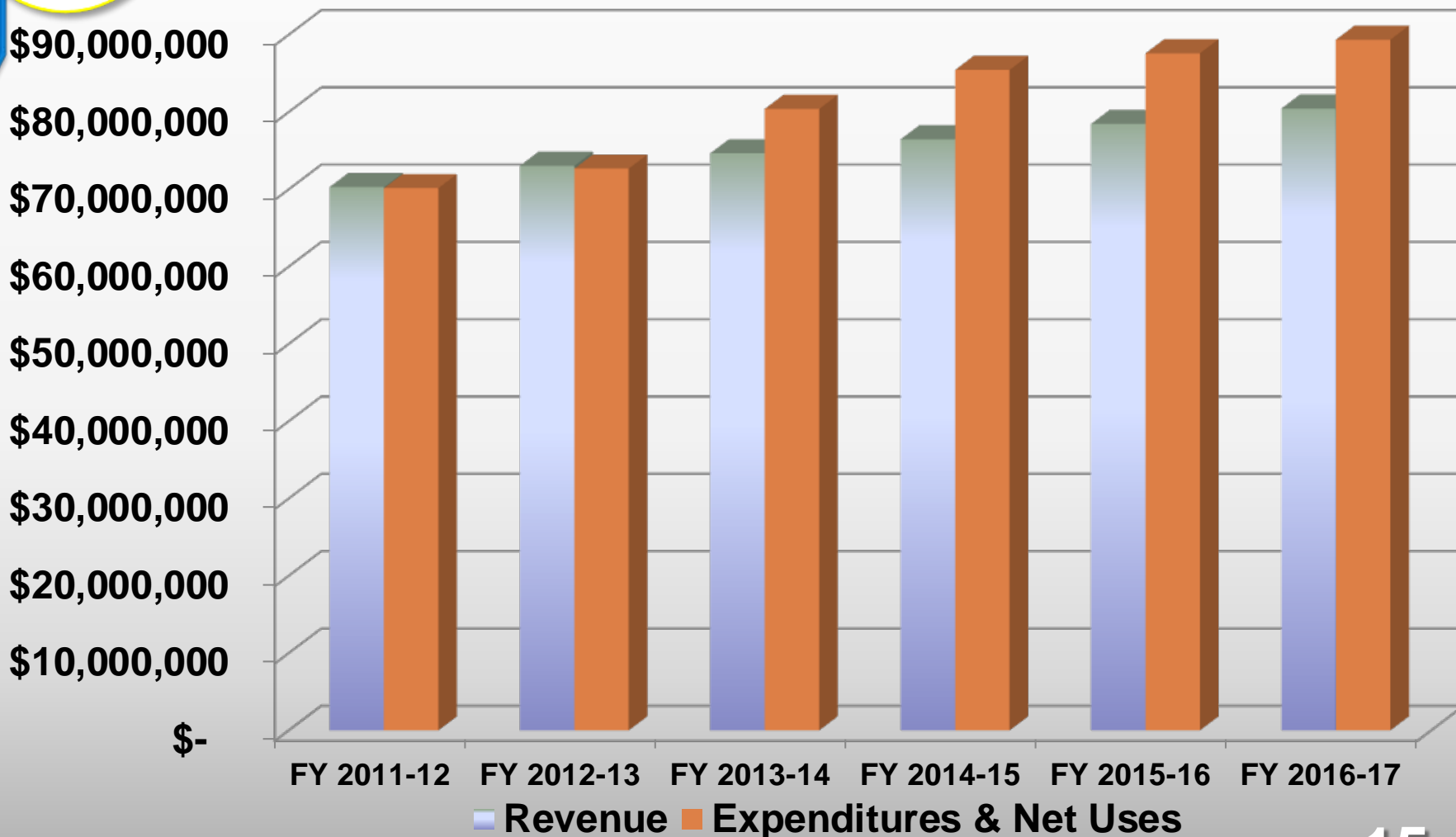
- Chief Actuary proposed changes
 - New Assumptions
 - Discount rate
 - Mortality projection
 - New Smoothing Methods
 - Go from 30 year to 15
- These changes will drive rates up!
 - Fire would go from 45.7 to 49.7%
 - Police would go from 36.7% to 40.7%
- Relief from pension reform will take many years to realize

Timeline of Pension Changes





Five Year Financial Forecast General Fund





Mid-Year Est. Revenue Adjustment

Sales Tax (10.00-51201)	\$ 500,000
Sales Tax In-Lieu (10.00-51114)	150,000
Business Licenses (10.00-51205)	135,000
Administrative Services Revenue (10.00-56102)	<u>(435,000)</u>
Total General Fund Operating Revenue Budget Adjustments	<u><u>\$ 350,000</u></u>



Mid-Year Budget Adjustments General Fund

Workers Compensation	\$ 836,000
Annual Leave Buy-Back	216,000
Reclassification of Planning Technician to Assistant Planner	<u>11,700</u>
Total General Fund Supplemental Appropriations	<u><u>\$ 1,063,700</u></u>



WORKERS' COMPENSATION

Claims Reduction/Cost Containment Strategies

1. Implemented New Treatment Protocols at Pinnacle Health Care the City's Occupational Medical Clinic
2. Meeting with Local Medical Providers regarding Return to Work Program
3. Human Resources working closely with Fire and Police Department Management in Addressing Return to Work
4. Conducting Ergonomic Evaluations for New Hires and Classifications subject to Repetitive Motion Injuries



Claims Reduction/Cost Containment Strategies Cont'd

5. Investigating and Delaying Late and/or Suspect Claims
6. Conducting Surveillance on Suspect Claims
7. RFP for Benchmarking/Best Practices Audit
8. Conducting Training for Division Heads/Departments
 - ✓ Monterey County District Attorney's Office – WC Fraud Training Presentation
 - ✓ JT2/Human Resources – WC Benefits/Return to Work Presentation



Claims Reduction/Cost Containment Strategies Cont'd

9. RFP – Third Party Administrator late 2013
10. Evaluating Return To Work Cost Savings Proposal from third party



Mid-Year Budget Adjustments

(Non-General Fund)

One-Time Measure V Funding Items

Total One-Time Measure V Funding Items	<u>\$ 890,000</u>
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Industrial Waste Fund One-Time Funding Item

Industrial Waste Water Treatment Facility (80.00-63540-9794)	<u>\$ 270,000</u>
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Measure V Recommendations

Project Title	Department	Original Cost	Staff's Proposal	Measure V Committee Recommendation to City Council		
				Funded	Change from Staff's	Not Funded
Park - Closter Park Improvements - (Wood Chips only for \$10,000 recommended)	LCSD	\$ 461,400	\$ 10,000	\$ 130,000	\$ 120,000	\$331,400
Sidewalk Program (not the 50/50 program)	Public Works	250,000	100,000	-	\$ (100,000)	250,000
Police Vehicle Replacement (3 Vehicles proposed)	Police	180,000	120,000	120,000	\$ -	60,000
Fire Turnouts (Safety Gear) - 70 sets (\$1,950 per)	Fire	136,500	80,000	80,000	\$ -	56,500
Police Department Parking Lot Fencing Project	Police	133,000	133,000	100,000	\$ (33,000)	33,000
City of Salinas Remote Facility Connectivity	Fire, LCSD, PW	100,000	90,000	90,000	\$ -	10,000
Computer Room Cooling System	For all Dept.'s	75,000	75,000	38,000	\$ (37,000)	37,000
Roof repairs at the Rec Center	LCSD	60,000	60,000	60,000	\$ -	-
Sherwood Recreation Complex repairs	Public Works	57,500	57,500	57,500	\$ -	-
Library Books and Other Materials	LCSD	50,000	45,000	95,000	\$ 50,000	(45,000)
Library and Recreation Computers Upgraded	LCSD	50,000	45,000	45,000	\$ -	5,000
After School Equipment for Breadbox & Hebronn Centers	LCSD	30,000	26,500	26,500	\$ -	3,500
Police Motorcycle Trade	Police	15,000	15,000	15,000	\$ -	-
Upgrading Bathrooms - City owned building at 106 Lincoln for SBDC to Occupy	PW/CEDD	10,000	10,000	10,000	\$ -	-
Interior painting at Hebronn (teen lounge area, hallway and 2 small conference rooms)	LCSD	5,000	5,000	5,000	\$ -	-
Recreation Equipment Storage at Breadbox Center	LCSD	5,000	5,000	5,000	\$ -	-
Enrichment Trips for Youth	LCSD	5,000	5,000	5,000	\$ -	-
New Technology for Recreation Centers (Wi-Fi)	LCSD	5,000	5,000	5,000	\$ -	-
Heater at Hebronn Family Center	LCSD	3,000	3,000	3,000	-	-
Total		\$1,631,400	\$890,000	\$ 890,000	\$ -	\$741,400
Funding Available = \$890,000						



FY 2012-13 Operating Deficit and Reserves

General Fund operating excess (deficit) (rev. - exp.) after adjustments	<u><u>\$ (821,600)</u></u>
General Fund Reserves	<u><u>\$ 3,000,000</u></u>