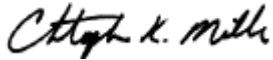


ROSEVILLE
REQUEST FOR COUNCIL ACTION

Date: 3/28/2016
Item No.: 13.a

Department Approval

City Manager Approval



Item Description: Receive 2015 Budget to Actual Results for Selected Funds

BACKGROUND

During last year's budget process, the City Council expressed a desire to revisit the 2015 budget-to-actual results for selected operating funds including an update on year-end cash reserve levels. A brief summary is presented below for the following operating funds:

- General
- Parks & Recreation
- License Center
- Communications

General Fund

The 2015 General Fund's results (unaudited) are as follows:

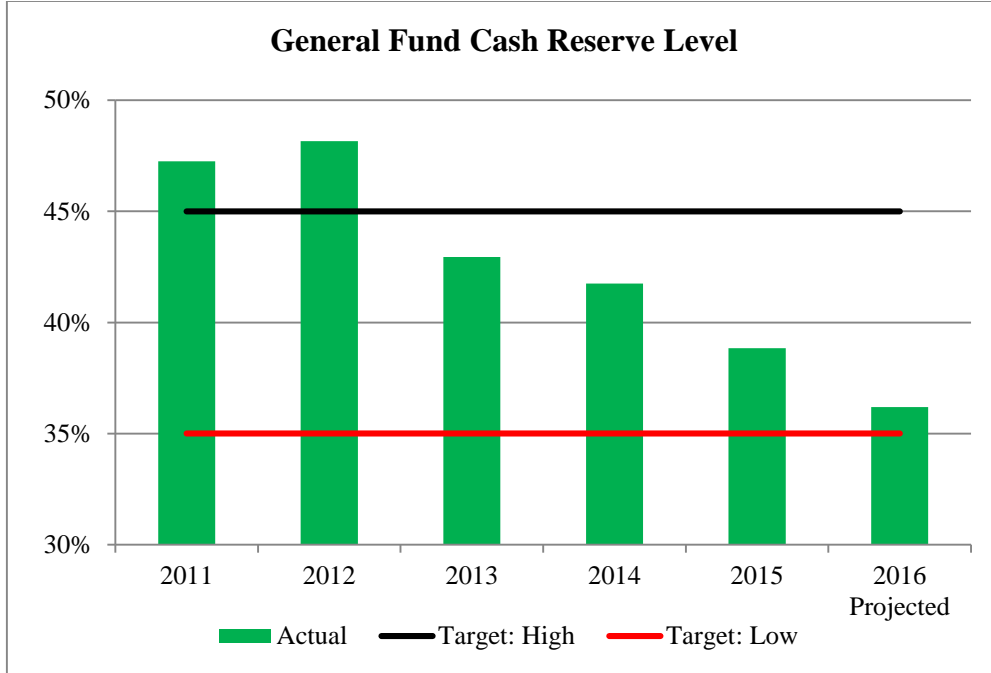
General Fund	2015	
	<u>Budget</u>	<u>Actual</u>
Revenue	\$ 13,522,430	\$ 13,350,098
Expenditures	13,897,930	13,661,695
Surplus (Deficit)	\$ (375,500)	\$ (311,597)

As shown in the table, the General Fund realized an operating deficit of \$311,000. This is fairly close to expected results, however there were a number of unanticipated factors that led to this result.

As late as early December, 2015 it appeared that the General Fund might realize a small operating surplus thanks to a substantial amount of savings resulting from employee attrition and subsequent periods where positions were unfilled. However, the December tax collections were approximately \$400,000 less than expected due to the filing of tax petitions by a number of properties that contesting their assessed market valuations.

As a result, the County withheld approximately \$400,000 in settlement proceeds pending the outcome of the petitions. We expect these outcomes to be finalized later in 2016 but some of them could extend into 2017. At this juncture it's too early to estimate what portion will be awarded to the property owners and what will ultimately be turned over to the City.

31 The General Fund's 12/31/15 unrestricted cash reserve level (projected) is as follows:
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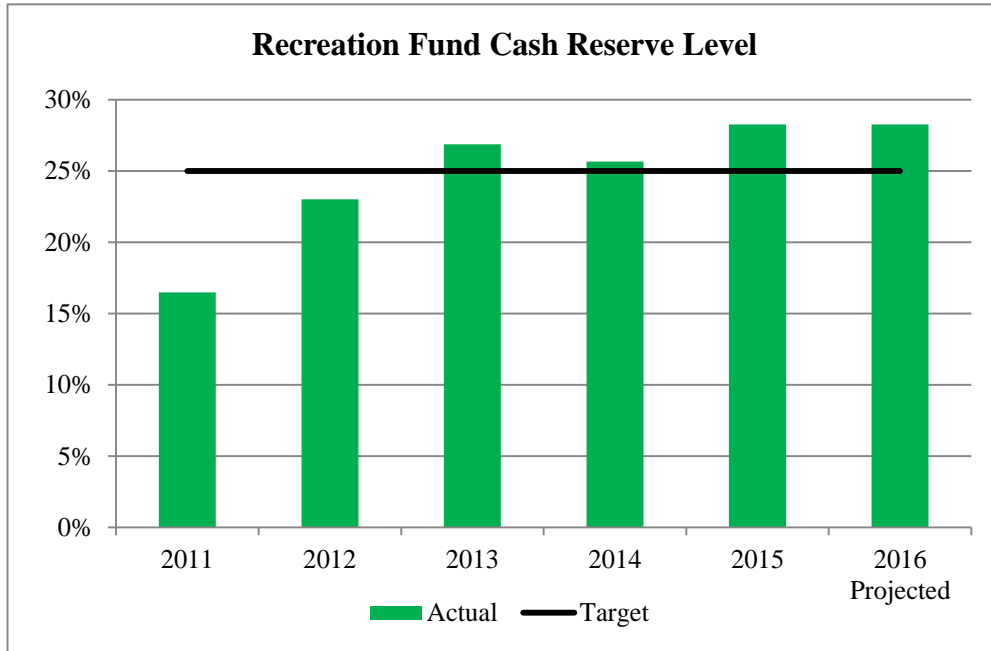
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 35 As shown in the graph above, the General Fund's cash reserve level remains in the targeted range however
 36 it does depict a negative trend that will need to be addressed in the near future.
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38 Parks & Recreation Fund

39 The 2015 Parks & Recreation Operating Fund's results (unaudited) are as follows:
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Recreation Fund	2015	2015
	<u>Budget</u>	<u>Actual</u>
Revenue	\$ 4,283,320	\$ 4,337,700
Expenditures	4,283,320	4,150,534
Surplus (Deficit)	\$ -	\$ 187,166

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 43 The Parks & Recreation Fund realized an operating surplus of \$187,000. This was primarily due to
 44 higher-than expected donations and lower costs across most major program areas. The Fund's 12/31/15
 45 unrestricted cash reserve level (projected) is as follows:
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As shown in the graph above, the Parks & Recreation Fund’s cash reserve level remains slightly above the targeted range.

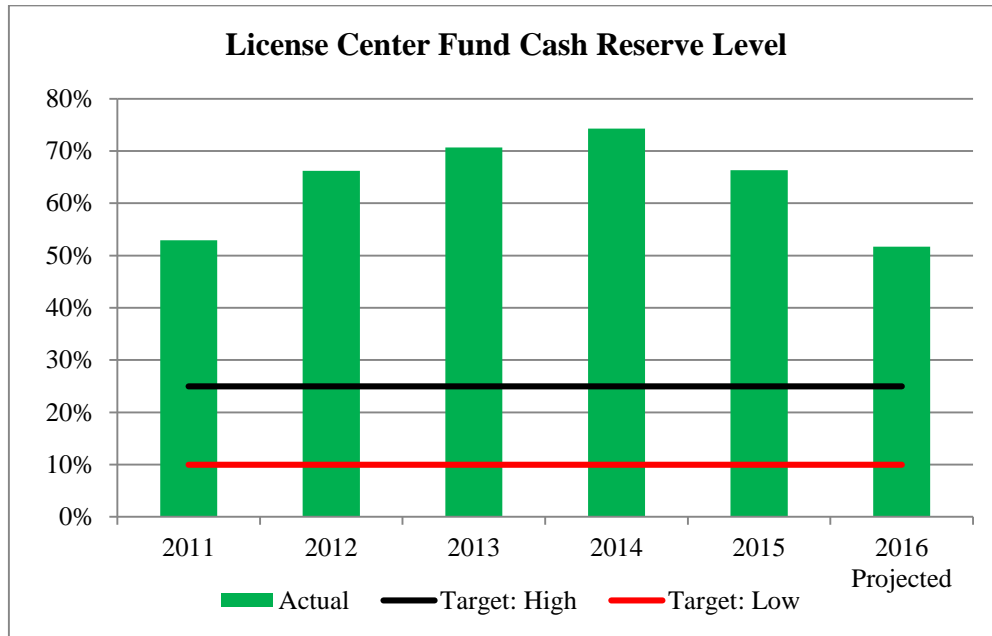
License Center Fund

The 2015 License Center Fund’s results (unaudited) are as follows:

License Center Fund	2015	2015
	Budget	Actual
Revenue	\$ 1,413,500	\$ 1,639,347
Expenditures	1,736,923	1,548,563
Surplus (Deficit)	\$ (323,423)	\$ 90,784

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The License Center Fund realized an operating surplus of \$90,784. This was an unexpected result and considerably better than originally projected; the result of significantly higher revenues and reduced personnel, supply, and other costs. The Fund’s 12/31/15 cash reserve level (projected) is as follows:



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As shown in the graph above, the License Center Fund’s cash reserve level remains above targeted levels needed to sustain day-to-day operations. However, discussions on the level of continued General Fund support and the potential of financing a new facility may play a significant role in future cash holdings.

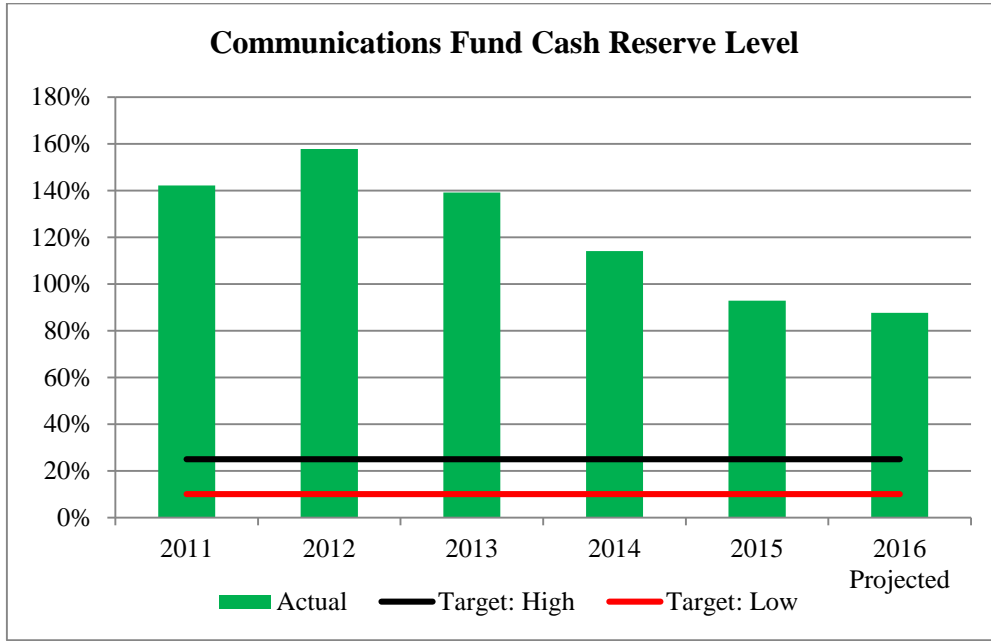
Communications Fund

The 2015 Communications Fund’s results (unaudited) are as follows:

Communications Fund	2015	2015
	<u>Budget</u>	<u>Actual</u>
Revenue	\$ 448,000	\$ 442,103
Expenditures	555,325	606,084
Surplus (Deficit)	\$ (107,325)	\$ (163,981)

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The Communications Fund realized an operating deficit of \$163,000. The deficit was greater than expected due to the installation of facility security and internet access systems in the new park buildings. The Fund’s 12/31/15 cash reserve level (projected) is as follows:



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78 As shown in the graph above, the Communications Fund’s cash reserve level remains above the targeted
79 range however it does depict a negative trend that may need to be addressed in the future.

80 **POLICY OBJECTIVE**

81 Not applicable.

82 **FINANCIAL IMPACTS**

83 Not applicable.

84 **STAFF RECOMMENDATION**

85 Not applicable.

86 **REQUESTED COUNCIL ACTION**

87 For information purposes only. No formal Council action is required.

88

89 Prepared by: Chris Miller, Finance Director
Attachments: A: Not applicable