

# General Fund Financial Update

November 17, 2015



# Today's discussion

- Background
- Economic News
- Revenues
- Expenditures
- Fiscal Impact
- Next Steps
- Questions

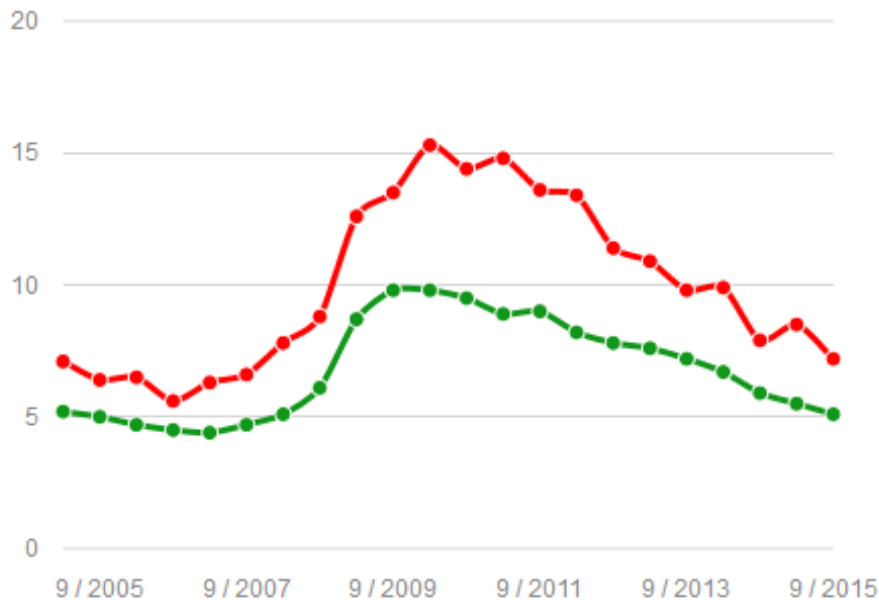
# Background

- Council passed Adopted Budget on June 9, 2015
- Council requested 1st Quarter (Q1) General Fund Update
- Mid-Year (Q2) Budget update to follow in March 2016

# Economic News

- Vallejo Unemployment Rate

Vallejo, CA Historical Unemployment Trends



Since 2005 the unemployment rate in Vallejo, California has ranged from 5.4% in October 2006 to 15.3% in January 2010. The current unemployment rate for Vallejo is 7.2% in September 2015. See how other local areas compare by using our Unemployment Compare tool.

Vallejo, CA Unemployment Rate by Month

## High Unemployment Area

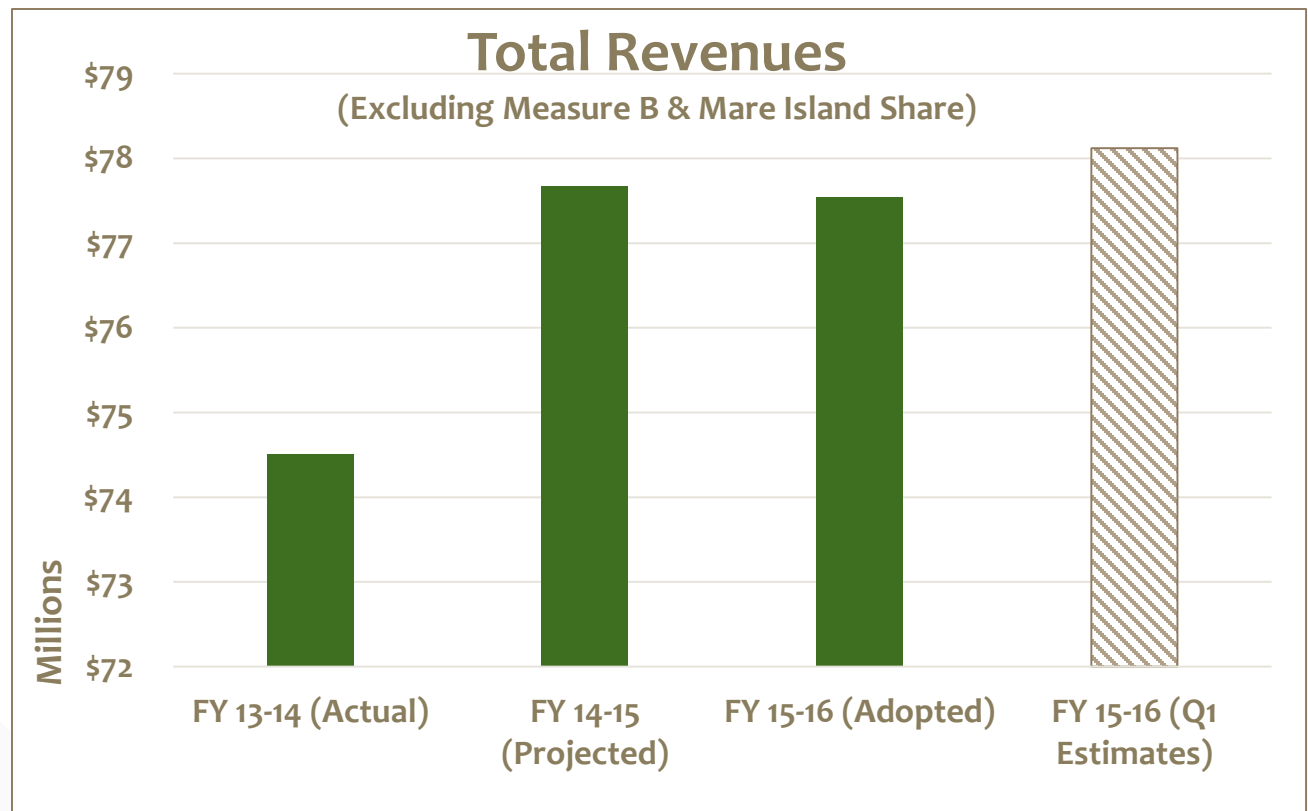
Vallejo, CA Current Unemployment - 7.2%

### 2015 Vallejo, CA Unemployment Rate

Month/Year	Vallejo, CA%	California%	National %
1 / 2015	9.4%	7.3%	5.7%
2 / 2015	8.9%	6.8%	5.5%
3 / 2015	8.5%	6.5%	5.5%
4 / 2015	7.9%	6.1%	5.4%
5 / 2015	8.0%	6.2%	5.5%
6 / 2015	8.0%	6.2%	5.3%
7 / 2015	8.5%	6.5%	5.3%
8 / 2015	8.0%	6.1%	5.1%
9 / 2015	7.2%	5.5%	5.1%

# Updated Revenue Estimates

- General Fund revenues are estimated to be \$580,000 higher than FY 2015-16 Adopted Budget projections



# Revenue Estimates v. Adopted Budget

as of Oct. 10, 2015 – numbers rounded.

• Property Taxes	\$180,400
• Property Transfer Tax-in lieu (MVLF)	(521,400)
• Sales Taxes	(87,000)
• Utility Users Tax	300,000
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<b>Sub-total Tax Revenues:</b>	<b>(\$128,000)</b>
• Program Revenues – Police Department <sup>#1</sup>	\$708,200
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<b>Total change in Revenue estimates:</b>	<b>\$580,200</b>
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#1 – COPS Grant & SRO Revenue – offset by expenditure

# Revenue Estimates – Water

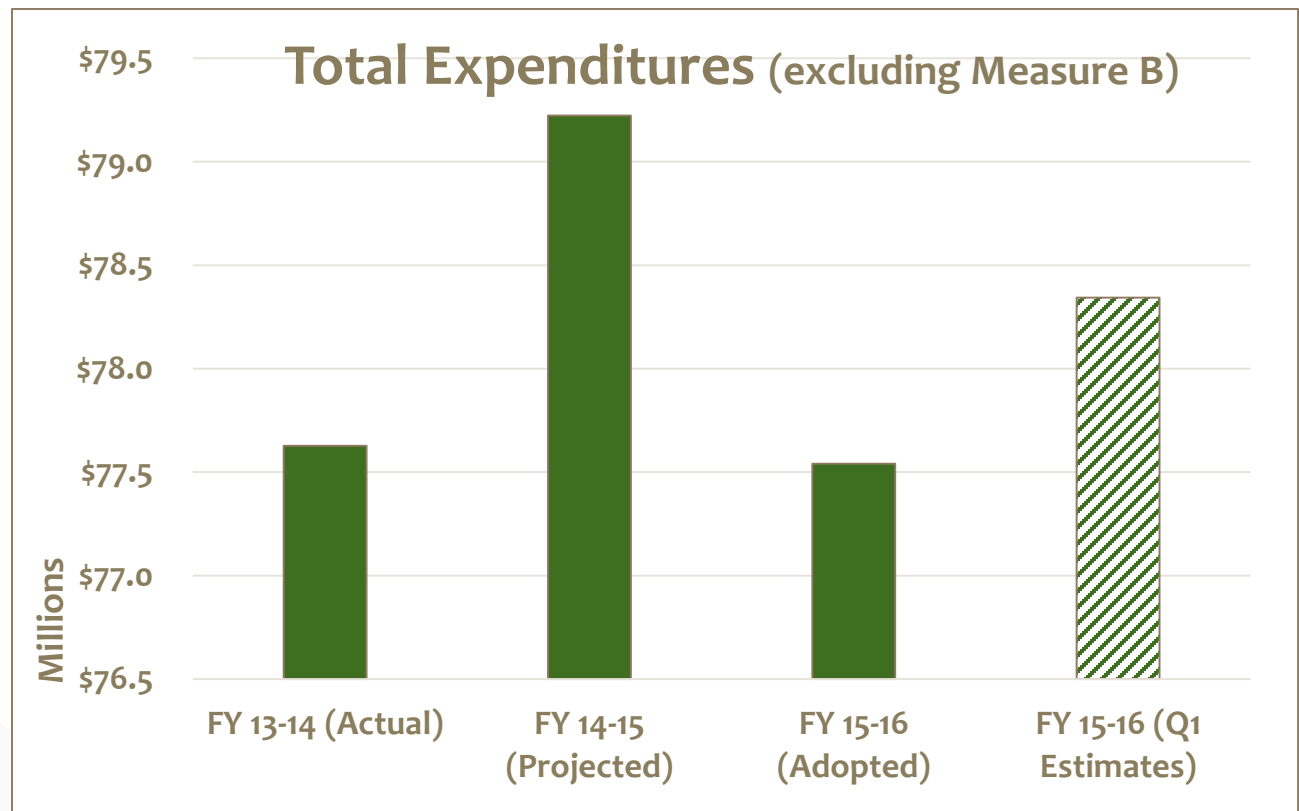
Staff is currently estimating a revenue reduction in the Water Enterprise Fund of \$5.3 million.

Continued conservation (lowering usage) and a dated water rate structure are the main factors leading to the reduced revenue projection.

Staff will refine this number and address it in the future as the Water Rate Study comes closer to completion.

# Updated Expenditure Estimates

- Overall expenditures are estimated to increase by \$803,000 compared to FY 2015-16 Adopted Budget





# Expenditure Estimates – as of Oct. 10, 2015

Main increases in expenditures currently are:

- COPs Grant & 2nd School Resource Officer Grant  
(increases sworn officer count by seven)
- \$96,800 expended from Neighborhood Law Program's Nuisance Abatement Fund for needed building Demolition

# Fiscal Impact

- Net fiscal impact on the General Fund of estimated changes in Revenues and Expenditures is an decrease of \$223,000
- This change is mainly due to the reduction in estimated Property Tax-in lieu (MVLF) payments (\$521,400)

# Next Steps

- December 15, 2015 City Council Action Item to accept audited Comprehensive Annual Financial Report (CAFR) for FY 2014-15 and Auditors report and Memorandum on Internal Controls.
- March, 2016 City Council Action Item to amend the FY 2015-16 Budget based on mid-year revenue and expenditure projections and review updated five year financial forecast.

# Questions

