



Finance, Economic Development & Technology Committee

Presented By:
David Cavazos
City Manager


Francisco Gutierrez
Director of Finance

Robert Cortez
Assistant Director of Finance

April 14, 2014

3rd Quarter 2013-14 Projections vs. Actuals

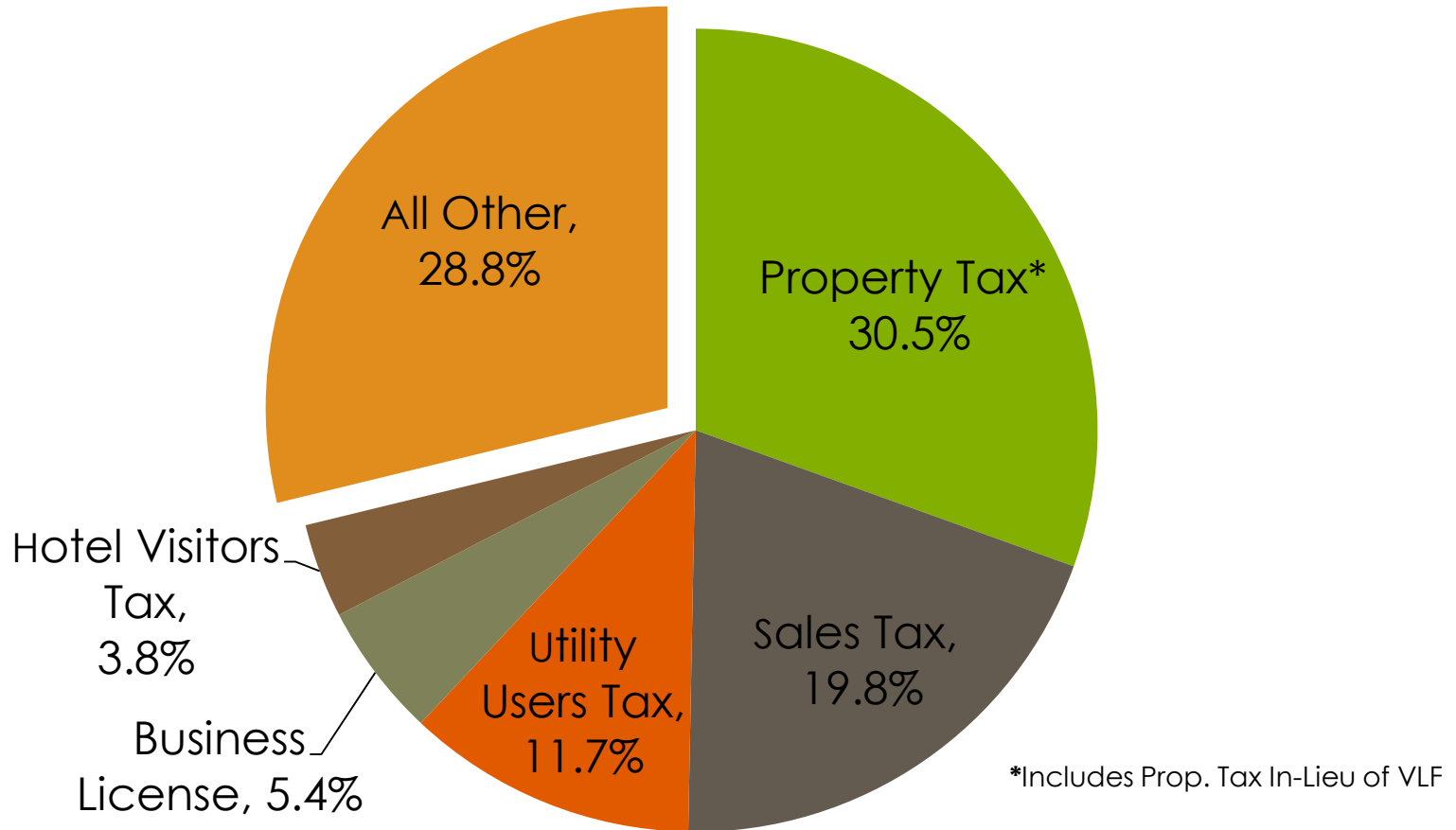
(July 1, 2013 to March 31, 2014)

General Fund	3rd Quarter Projected	3rd Quarter Actuals	Change
Total GF Revenues <small>(represents approx. 64% of annual revenue)</small>	\$125.3M	\$130.2M	\$4.9M or 3.9% 
Total GF Expenditures <small>(represents approx. 72% of annual exp.)</small>	\$148.3M	\$143.2M	\$5.1M or 3.4% 

Revenues exceeded projections largely due to increases in Sales tax and Property tax, which is associated with increased local economic activity.

The decrease in expenditures is attributed to lower labor and benefit costs primarily associated with vacancies.

2013-14 General Fund Budget Revenues \$205.7M



3rd Quarter Newsletter

Finance & Management Services Agency 4/8/14

CITY OF SANTA ANA

Third quarter update continues to demonstrate positive economic trends for the City. Most notably, General Fund (GF) revenues ended the quarter with 3.9% (or \$4.9M) higher revenue than anticipated. On a year-over year basis, 3rd quarter 2014 GF revenues increased by 3.2% when compared to the same quarter in 2013 (\$130M and \$126.2M respectively). GF Major Tax revenues, which equate to almost 70 percent of the City's revenue sources continue an overall positive trend (see below).

GF expenditures continue to improve as the City begins implementation of a strategic plan and a culture of innovation and efficiency. GF expenditures amounted to \$143.2M for the end of the 3rd quarter and are approximately \$5.1M lower than anticipated.

Both revenue and expenditures have improved and reflect a national and state trend of economic growth and improvement in employment levels. Based on the most recent Employment Development Department (EDD) data, Santa Ana's unemployment levels continue to drop. Santa Ana's unemployment rate is now 7.4% (from a high of 14.9%).

GF Major Tax Revenues FY2013-14 Variances vs. Projections

Sales Tax	↑	6.3%	\$1.1M
Property Tax	↑	4.5%	\$780K
Property Tax In-Lieu VLF	↑	3.5%	\$453K
UUT	↑	4.0%	\$655K
Business License	↓	2.4%	\$179K
Hotel Visitors Tax	↑	8.2%	\$408K

BOTTOM LINE: WHAT THE NUMBERS MEAN

Overall, General Fund major revenue sources are up 3.2 percent when compared to third quarter of 2013 and will continue to exceed the forecast. As we enter the fourth quarter, business license revenue collection lag time will diminish and revenue will meet budget expectations. Our GF financial position is much improved and will allow the City to achieve its reserve levels and provide funding for the City's strategic plan.

Unemployment rate is a barometer of economic growth. Lower rates are indicative of an improved or positive economy.



2013/14 3rd Quarter Update

(July 2013 to March 2014)



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