








# Finance, Economic Development, & Technology Committee



Presented by:  
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City Manager

November 10, 2014

# Fiscal Year 2013-14 Year-End GF Major Revenues Budgeted vs. Actuals

REVENUE SOURCE	FY 2013-14 ADOPTED BUDGET	FY 2013-14 ACTUALS	VARIANCE
Sales Tax	40,746,000	42,261,087	1,515,087  3.7%
Property Tax	28,509,000	29,484,372	975,372  3.4%
Property Tax In-Lieu of VLF	26,020,000	26,864,824	844,824  3.2%
UUT	24,136,000	25,035,497	899,497  3.7%
Business License	11,000,000	11,200,935	200,935  1.8%
Hotel Visitors Tax	7,850,000	8,519,161	669,161  8.5%
<b>TOTAL</b>	<b>138,261,000</b>	<b>143,365,876</b>	<b>5,104,876  3.7%</b>



# FY 13-14

## Year-End Results

### Total General Fund

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GENERAL FUND	FY 2013-14 ADOPTED BUDGET	FY 2013-14 ACTUALS	VARIANCE	
Total Revenues	\$ 205,741,000	\$ 211,499,355	\$ 5,758,355	 2.8%
Total Expenditures	\$ 205,741,000	\$ 197,715,980	\$ (8,025,020)	 -3.9%








# 1<sup>st</sup> Quarter 2014-2015

## GF Major Revenues

### Projections vs. Actuals

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REVENUE SOURCE	FY 2014-15 1ST QUARTER PROJECTED	FY 2014-15 1ST QUARTER ACTUALS	VARIANCE		
Sales Tax	2,996,354	3,094,080	97,726		3.3%
Property Tax	768,324	980,971	212,647		27.7%
Property Tax In-Lieu of VLF	56,612	150,097	93,485		165.1%
UUT	4,456,117	4,696,198	240,081		5.4%
Business License*	679,270	657,929	(21,341)		-3.1%
Hotel Visitors Tax	1,574,007	1,752,425	178,418		11.3%
<b>TOTAL</b>	<b>10,530,684</b>	<b>11,331,700</b>	<b>801,016</b>		<b>7.6%</b>

\*Anticipated recovery by the 2<sup>nd</sup> quarter and will exceed projected amount.

# 1<sup>st</sup> Quarter 2014-2015 Projections vs. Actuals Total General Fund



GENERAL FUND	3-Month Period 1st Quarter Projected	3-Month Period 1st Quarter Actuals	VARIANCE	
Total GF Revenues <small>(represents approx. 10% of annual revenue)</small>	\$ 20,628,528	\$ 22,042,738	\$ 1,414,210	 6.9%
Total GF Expenditures <small>(represents approx. 24% of annual exp.)</small>	\$ 49,329,099	\$ 47,809,072	\$ (1,520,027)	 -3.1%

The City receives the majority of its revenue in the 3<sup>rd</sup> and 4<sup>th</sup> Quarter of the fiscal year:

1 <sup>st</sup> Quarter (July to September):	10%
2 <sup>nd</sup> Quarter (October to December):	26%
3 <sup>rd</sup> Quarter (January to March):	28%
4 <sup>th</sup> Quarter (April to June):	36%
<b>Total</b>	<b>100%</b>

# 1<sup>st</sup> Quarter Newsletter

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## CITY OF SANTA ANA

### 1ST QUARTER NEWSLETTER

#### Quarter Results

The first quarter of fiscal year 2014-15 ended on September 30, 2014 with total General Fund (GF) revenues of \$22.0M, which is approximately \$2M higher when compared to the 1st quarter results of FY 13-14. In general, the revenues generated in the top 6 major sources exceeded the projected amount (approx. \$800K) and in total (GF), the City generated approx. \$1.4M more than anticipated. The table below illustrates a breakdown of the major revenues with their projected and actual monetary values.

The revenues continue to demonstrate positive results and significant savings in expenditures have been achieved as the City continues to operate through the implementation of efficient and innovative strategies. Total GF expenditures reached \$47.6M, which is approx. \$1.5M less than anticipated.

#### Financial Outlook

Since the economic downturn, the City has steadily grown economically and has achieved a healthy reserve level (20% of operating expenses) to address any unforeseen economic occurrences and has prudently planned for the future.

As a result, the City of Santa Ana continues to improve in many critical areas. Overall sales tax have increased by 18% from 2011-2014, property values have increased, unemployment rate has decreased from a high of 15.5% to the current 8.2%, and the number of business licenses issued is at



an all-time high. Additionally, the City continues to experience positive growth and is operating with a surplus.

The overall economy, on the other hand, performed less than anticipated for the first half of the year. However, economists have noted that the economy will recover and exceed projected performance in the second half of the year.

If the current favorable national, state, and local economic trends continue, the City of Santa Ana will achieve financial results not seen since the 2008 recession.

### 1ST QUARTER GENERAL FUND RESULTS PROJECTED VS. ACTUALS

REVENUE SOURCE	FY 2014-2015	FY 2014-15	VARIANCE		
	1ST QUARTER PROJECTED	1ST QUARTER ACTUALS			
Sales Tax	\$2,996,354	\$3,094,080	\$97,726	↑	3.3%
Property Tax	768,324	980,971	212,647	↑	27.7%
Property Tax In-Lieu of VLF	56,612	150,097	93,485	↑	165.1%
UUT	4,456,117	4,696,198	240,081	↑	5.4%
Business License*	679,270	657,929	(21,341)	↓	-3.1%
Hotel Visitors Tax	1,574,007	1,752,425	178,418	↑	11.3%
<b>TOTAL</b>	<b>\$10,530,684</b>	<b>\$11,331,700</b>	<b>\$801,016</b>	<b>↑</b>	<b>7.6%</b>

\*Anticipated recovery by the 2nd quarter and will exceed projected amount.



CITY OF SANTA ANA  
THE GOLDEN CITY

# Budget Calendar



- ❧ November 2014: Presentation of Preliminary Calendar & Process to the Finance, Economic Development & Technology Council Committee (FEDT)
- ❧ December 2014: Present Preliminary Calendar & Process to City Council for Approval
- ❧ January 2015: Preliminary FY 14-15 Budget Status and Five-Year General Fund Forecast Update
- ❧ February 2015: Adoption of the Five-Year General Fund Forecast
- ❧ March 2015:
  - FEDT Committee: City Manager's FY 15-16 Trial Budget & Preliminary Capital Improvement Program (CIP)
  - Sunshine Ordinance Budget Outreach Meeting

# Budget Calendar



## 🌀 April 2015:

- Community Budget Hearings
- Preliminary Seven-Year CIP Presentation to the Planning Commission

## 🌀 May 2015: City Manager's Proposed FY 15-16 Budget Work-Study Session

## 🌀 June 2015:

- Tentative Budget/CIP Ordinance Adoption
- Final Budget/CIP Ordinance Adoption

## 🌀 July 2015: Start of the new Fiscal Year