

CITY OF SANTA ANA

3RD QUARTER NEWSLETTER

Quarter Results

The third quarter of fiscal year 2014-15 ended on March 31, 2015 with total cumulative General Fund (GF) revenues of \$132.5M, which is approximately \$3.9M over current budget projections. The revenues generated by the top 6 major sources exceeded the projected amount (by \$3.9M). The table below illustrates a breakdown of the major revenues with their projected and actual dollar values.

To date, total GF Expenditures amounted to \$148.0M, which is approx. \$3.3M less than anticipated. This trend has been observed for several quarters and staff anticipates that it will continue due to innovative and efficient improvements in operations.

FY 15-16 Budget Process

As part of the development of FY 15-16 proposed budget, the City initially provided a General Fund Trial Budget on March 17, 2015 recommending approximately \$222.2 million in General Fund appropriations and corresponding revenues. Subsequently, the Trial Budget was presented to a variety of different communities within Santa Ana as well as the City Council in accordance with the Sunshine Ordinance and City Charter. From the feedbacks, several key topics were realized, which included Public safety, Roadway Improvements, and continued staffing of Parks and Recreational programs. As a result, a proposed budget was presented to the City Council on June 2, 2015 for consideration in which further recommendations were included as well as inclusion of the proposed salary increase. With the additional recommended changes, the final proposed



fiscal year 2015-16 General Fund budget amounts to \$225,813, 258 million.

Financial Outlook

Moving forward, the City continues to experience positive trends in key economic areas including job growth, median income, and property values along with a decline in the City's unemployment rate. According to a recent economic forecast released from Chapman University, economists predict major job growth in Orange County with 47,000 (3.1%) additional positions in 2015. With this positive economic environment, revenues are anticipated to increase for some of the City's top sources including: Sales Tax, Property Tax, Property Tax In-Lieu of VLF, Utility User's Tax, and Business License fees. In comparison to fiscal year 14-15, the top 6 sources are projected to approximately increase by an average of 7.2% for fiscal year 2015-16. Furthermore, staff will continue to build upon the accomplishments and success to make Santa Ana the premier destination in the region.

3RD QUARTER GENERAL FUND RESULTS PROJECTED VS. ACTUALS

REVENUE SOURCE	FY 2014-2015	FY 2014-15	VARIANCE
	3RD QUARTER PROJECTED	3RD QUARTER ACTUALS	
Sales Tax*	\$19,361,971	\$19,436,758	\$74,787 ↑ 0.4%
Property Tax*	18,231,779	19,208,651	976,872 ↑ 5.4%
UUT*	16,270,097	17,503,492	1,233,395 ↑ 7.6%
Property Tax In-Lieu of VLF*	13,429,757	13,842,077	412,320 ↑ 3.1%
Business License	7,412,517	7,967,153	554,636 ↑ 7.5%
Hotel Visitors Tax	5,186,250	5,870,428	684,178 ↑ 13.2%
TOTAL	\$79,892,371	\$83,828,559	\$3,936,188 ↑ 4.9%

