

# City of La Mirada and La Mirada Redevelopment Agency

## Mid-Year Financial Report 2011-2012



# Mid-Year Report

- ✓ City General Fund Forecasts
- ✓ “Snapshot” in time
- ✓ Sales Tax revenue increase - sign of possible economic recovery
- ✓ State actions negatively impact City



# General Fund Revenues

DESCRIPTION	2011-2012 BUDGET	6 MONTH ACTUAL	PERCENTAGE AT MID-YEAR	2011-2012 EST. ACTUAL	DOLLAR VARIANCE YEAR END	PERCENTAGE VARIANCE YEAR END
<b>REVENUES</b>						
<b>Taxes</b>	<b>16,676,400</b>	<b>5,379,612</b>	<b>32.26%</b>	<b>17,703,595</b>	<b>1,027,195</b>	<b>6.16%</b>
Property tax	4,396,000	1,787,566	40.66%	4,400,009	4,009	0.09%
Sales tax	8,300,000	2,420,550	29.16%	9,298,186	998,186	12.03%
Other taxes	3,980,400	1,171,496	29.43%	4,005,400	25,000	0.63%
<b>Licenses and Permits</b>	<b>748,000</b>	<b>310,634</b>	<b>41.53%</b>	<b>695,000</b>	<b>(53,000)</b>	<b>-7.09%</b>
<b>Intergovernmental Revenues</b>	<b>6,739,202</b>	<b>931,238</b>	<b>13.82%</b>	<b>7,247,588</b>	<b>508,386</b>	<b>7.54%</b>
Motor vehicle in-lieu	150,000	24,972	16.65%	24,972	(125,028)	-83.35%
Property tax in-lieu	3,679,202	-	0.00%	3,763,616	84,414	2.29%
Homeowners exemption	39,000	5,828	14.94%	39,000	-	0.00%
Miscellaneous intergov.	2,871,000	900,438	31.36%	3,420,000	549,000	19.12%
<b>Charges for Current Services</b>	<b>7,007,542</b>	<b>3,997,504</b>	<b>57.05%</b>	<b>6,543,806</b>	<b>(463,736)</b>	<b>-6.62%</b>
Community Services fees	2,546,000	1,791,902	70.38%	2,567,806	21,806	0.86%
Theatre revenue	3,720,000	2,336,039	62.80%	3,792,000	72,000	1.94%
Police services	90,000	71,094	78.99%	121,000	31,000	34.44%
Community Development fees	30,000	27,450	91.50%	40,000	10,000	33.33%
Other	621,542	(228,981)	-36.84%	23,000	(598,542)	-96.30%
<b>Fines and Forfeitures</b>	<b>590,000</b>	<b>299,891</b>	<b>50.83%</b>	<b>641,000</b>	<b>51,000</b>	<b>8.64%</b>
<b>Use of Money and Property</b>	<b>2,533,458</b>	<b>376,177</b>	<b>14.85%</b>	<b>(2,414,000)</b>	<b>(4,947,458)</b>	<b>-195.28%</b>
Interest Earnings-Investments	200,000	129,371	64.69%	300,000	100,000	50.00%
Interest Earnings-RDA Loans	1,650,000	-	0.00%	-	(1,650,000)	-100.00%
RDA City Loan Payment	273,458	-	0.00%	(2,750,000)	(3,023,458)	-1105.64%
Rental Revenue-Other	150,000	85,979	57.32%	-	(150,000)	-100.00%
Communications Agreements	260,000	160,827	61.86%	36,000	(224,000)	-86.15%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>34,294,602</b>	<b>11,295,056</b>	<b>32.94%</b>	<b>30,416,989</b>	<b>(3,877,613)</b>	<b>-11.31%</b>

# General Fund Revenues

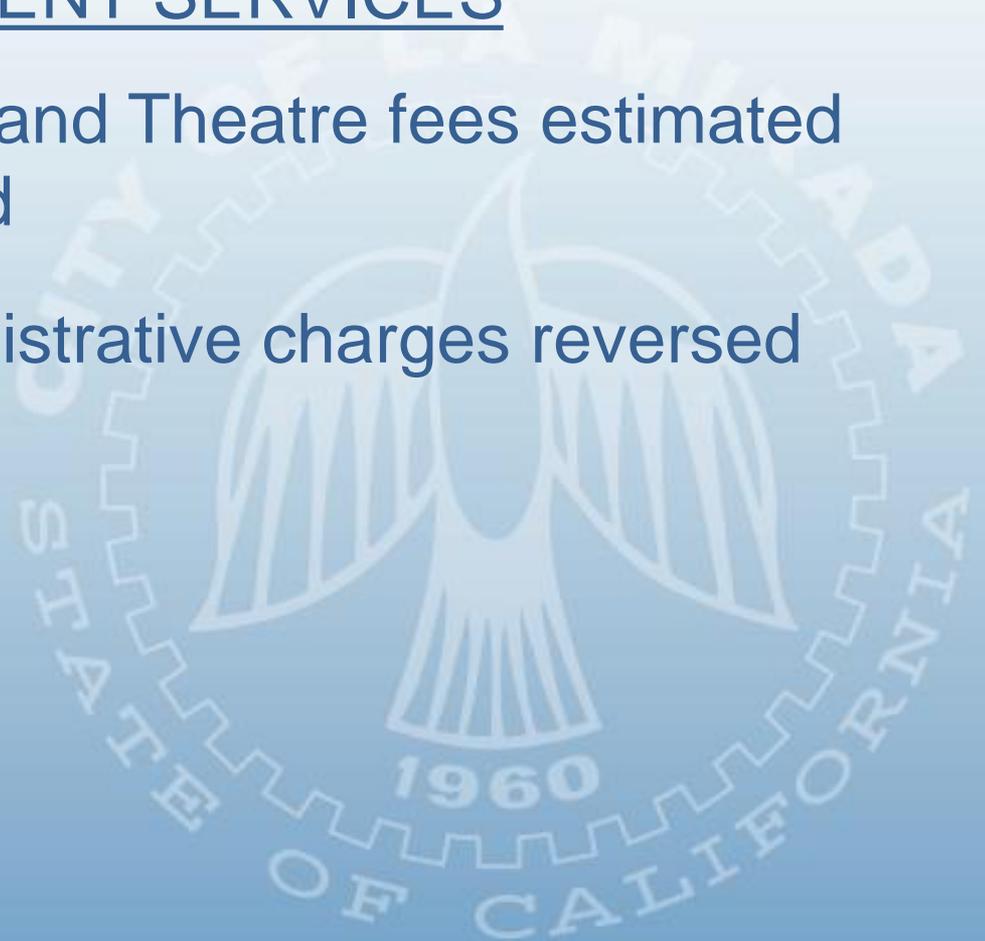
## TAXES

- ✓ Most revenue received in 2<sup>nd</sup> half of year
- ✓ Sales Tax revenue projected to increase 8 percent from prior year and 12 percent from budgeted figure, but still lags pre-recession levels
- ✓ Property Tax revenue flat
- ✓ Assessed value is increasing, delinquent payments also increasing

# General Fund Revenues

## CHARGES FOR CURRENT SERVICES

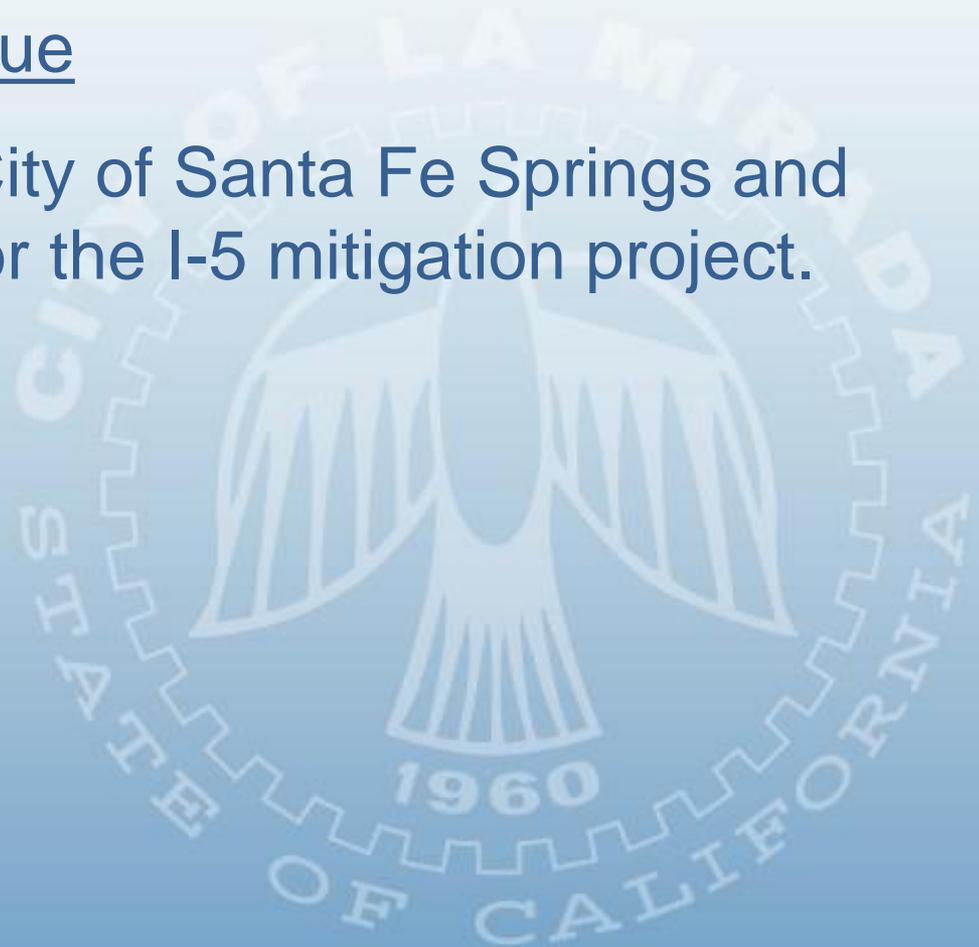
- ✓ Community Services and Theatre fees estimated on target as budgeted
- ✓ RDA \$840,000 Administrative charges reversed



# General Fund Revenues

## Intergovernmental Revenue

- ✓ Reimbursement from City of Santa Fe Springs and grant reimbursement for the I-5 mitigation project.



# General Fund Revenues

## USE OF MONEY AND PROPERTY

- ✓ Due to the ABX1 26 which invalidates agreements between the City and Agency, the City will need to reverse approximately \$4.4 million in payments received from the Agency
  - ✓ Reversal of \$1.65 million in Interest Earnings
  - ✓ In addition, possible reversal of \$2.75 million additional loan repayment made in March 2011

# General Fund Expenditures

DESCRIPTION	2011-2012 BUDGET	6 MONTH ACTUAL	PERCENTAGE AT MID-YEAR	2011-2012 EST. ACTUAL	DOLLAR VARIANCE YEAR END	PERCENTAGE VARIANCE YEAR END
<u>EXPENDITURES</u>						
Legislative	653,788	195,178	29.85%	526,603	(127,185)	-19.45%
Administration	3,417,629	1,436,168	42.02%	3,325,142	(92,487)	-2.71%
Community Development	1,505,864	515,135	34.21%	1,386,627	(119,237)	-7.92%
Community Services	4,701,295	2,185,095	46.48%	4,562,422	(138,873)	-2.95%
Public Works	6,482,729	2,658,832	41.01%	6,248,307	(234,422)	-3.62%
Public Safety	8,068,825	2,095,735	25.97%	7,569,177	(499,648)	-6.19%
Theatre	4,377,579	2,381,413	54.40%	4,379,079	1,500	0.03%
<b>TOTAL GENERAL FUND EXPENDITURE</b>	<b>29,207,709</b>	<b>11,467,556</b>	<b>39.26%</b>	<b>27,997,357</b>	<b>(1,210,352)</b>	<b>-4.14%</b>



# General Fund Expenditures

- ✓ General Fund expenditures projected to decrease \$1.2 million or 4.14 percent below budget
- ✓ Ongoing efforts to reduce current year costs
- ✓ Reduced full-time and hourly staffing



# General Fund Operating Surplus/Deficit

<b>General Fund Summary</b>	<b>2011-2012 BUDGET</b>	<b>6 MONTH ACTUAL</b>	<b>PERCENTAGE AT MID-YEAR</b>	<b>2011-2012 EST. ACTUAL</b>	<b>DOLLAR VARIANCE YEAR END</b>	<b>PERCENTAGE VARIANCE YEAR END</b>
Operating Revenues	34,294,602	11,295,056	32.94%	30,416,989	(3,877,613)	-11.31%
Transfers In-Gas Tax	1,298,500	567,799	43.73%	1,326,054	27,554	2.12%
Transfers In-Park Grant Fund	38,000	0		33,900	(4,100)	-10.79%
Transfers In-State COPS	100,000	27,746	27.75%	140,000	40,000	40.00%
Total Transfers In	1,436,500	595,545	41.46%	1,499,954	63,454	4.42%
<b>Total Revenues</b>	<b>35,731,102</b>	<b>11,890,601</b>	<b>33.28%</b>	<b>31,916,943</b>	<b>(3,814,159)</b>	<b>-10.67%</b>
Operating Appropriations	29,207,709	11,467,556	39.26%	27,997,357	1,210,352	4.14%
Transfers Out-CIP	3,531,895	1,268,908	35.93%	4,202,000	(670,105)	-18.97%
Transfers Out-CIP Reserve	500,000	0		500,000	0	
Debt Service-Aquatics	997,271	255,670	25.64%	972,000	25,271	2.53%
Employee Benefits	1,000,000	0		1,000,000	0	
Total Transfers Out	6,029,166	1,524,578	25.29%	6,674,000	(644,834)	-10.70%
<b>Total Expenditures</b>	<b>35,236,875</b>	<b>12,992,134</b>	<b>36.87%</b>	<b>34,671,357</b>	<b>565,518</b>	<b>1.60%</b>
<b>Operating Surplus (Deficit)</b>	<b>494,227</b>	<b>(1,101,533)</b>		<b>(2,754,414)</b>	<b>(3,248,641)</b>	



# General Fund Operating Surplus/Deficit

Adopted operating surplus	494,227
Operating revenue losses	(3,814,159)
Operating appropriations savings	3,315,518
Operating Deficit	(4,414)
Loan payment reversal	(2,750,000)
Total Deficit	(2,754,414)

# General Fund Summary

- ✓ City responded proactively and aggressively to manage costs and make prudent adjustments
- ✓ The FY 2011-2012 budget was adopted with a \$494,227 surplus
- ✓ Estimated operating deficit of \$4,414 results from City not receiving loan repayments and reimbursements from Agency
- ✓ Earlier Redevelopment actions may be reversed resulting in a FY 2011-2012 deficit of \$2.754 million

# CIP Projects

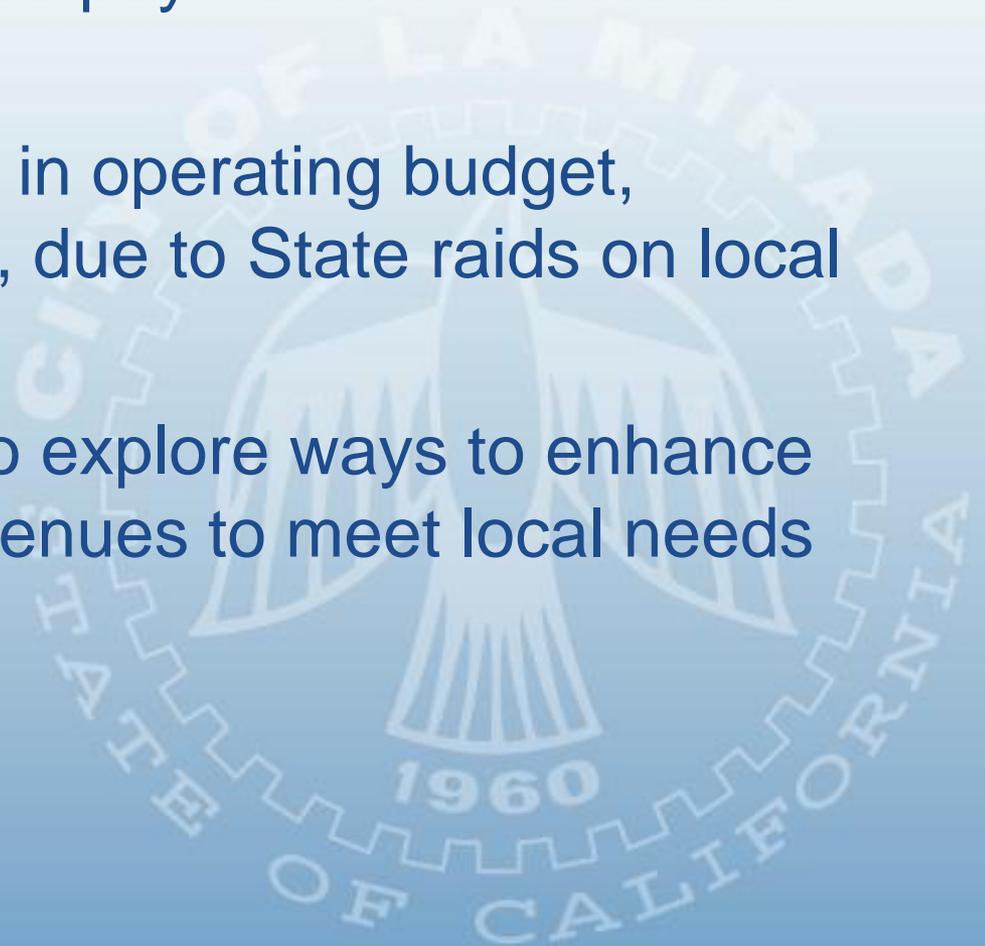
- ✓ Need to build reserves for future Capital Projects
- ✓ \$2 million set aside in FY 2010-2011
- ✓ Additional set-aside of \$500,000 from the General Fund for FY 2011-2012
- ✓ \$14.3 million Capital Improvement Budget
- ✓ Projects in progress: Foster Park Phases II and III, Valley View Grade Separation, the I-5 Mitigation Project 300, and major street rehabilitation projects in Spring 2012

# Redevelopment Agency

- ✓ Final Report as of January 2012 to be made by City auditors
- ✓ Los Angeles County will also audit Agency's assets and liabilities as of January 2012
- ✓ Promissory note and service agreement totaling \$2.5 million and other RDA payments may be invalidated
- ✓ Tax increment financing will not be available to fund future redevelopment projects
- ✓ Disposition of assets and other matters will be decided by Oversight Board

# Looking ahead

- ✓ City will make all required payments on debts and obligations
- ✓ Further cuts anticipated in operating budget, programs, and services, due to State raids on local funds
- ✓ City has responsibility to explore ways to enhance local control of local revenues to meet local needs



# General Fund Surplus/Deficit-Possible Adjustment

General Fund Summary	2011-2012 BUDGET	6 MONTH ACTUAL	PERCENTAGE AT MID-YEAR	2011-2012 EST. ACTUAL	DOLLAR VARIANCE YEAR END	PERCENTAGE VARIANCE YEAR END
Operating Revenues	34,294,602	11,295,056	32.94%	29,011,269	(5,283,333)	-15.41%
Transfers In-Gas Tax	1,298,500	567,799	43.73%	1,326,054	27,554	2.12%
Transfers In-Park Grant Fund	38,000	0		33,900	(4,100)	-10.79%
Transfers In-State COPS	100,000	27,746	27.75%	140,000	40,000	40.00%
Total Transfers In	1,436,500	595,545	41.46%	1,499,954	63,454	4.42%
Total Revenues	35,731,102	11,890,601	33.28%	30,511,223	(5,219,879)	-14.61%
Operating Appropriations	29,207,709	11,467,556	39.26%	27,997,357	1,210,352	4.14%
Transfers Out-CIP	3,531,895	1,268,908	35.93%	4,622,000	(1,090,105)	-30.86%
Transfers Out-CIP Reserve	500,000	0		500,000	0	
Debt Service-Aquatics	997,271	255,670	25.64%	972,000	25,271	2.53%
Employee Benefits	1,000,000	0		1,000,000	0	
Total Transfers Out	6,029,166	1,524,578	25.29%	7,094,000	(1,064,834)	-17.66%
Total Expenditures	35,236,875	12,992,134	36.87%	35,091,357	145,518	0.41%
Operating Surplus (Deficit)	494,227	(1,101,533)		(4,580,134)	(5,074,361)	



# General Fund Surplus/Deficit-Possible Adjustment

- ✓ In addition to the \$2.75 million additional loan repayment, an additional \$1.8 million in loan and service agreement payments made in FY 2010-2011 could be invalidated
- ✓ Adjustment to rental revenue and communications agreements line item

