

City of Costa Mesa

FISCAL YEAR 2011-2012 PRELIMINARY GENERAL FUND EXPENDITURE BUDGET AND FUND BALANCE

May 31, 2011



GENERAL FUND EXPENDITURES – PRELIMINARY BUDGET

- Approximately 83% of all expenditures are made from the General Fund.
- Approximately 74% of all General Fund expenditures are for Salary and Benefit accounts related to current and retired employees.
- Approximately \$5.6 million or 5% of all General Fund expenditures are for Debt Service payments.

GENERAL FUND EXPENDITURES – PRELIMINARY BUDGET

FY 11-12 Preliminary Estimate	\$ 97,871,613
FY 10-11 Adopted Budget	94,585,285
	<hr/>
Amount Increase	\$ 3,286,328
	<hr/> <hr/>
Percent Increase	3.47 %
	<hr/> <hr/>

GENERAL FUND

What does the increase consist of?

<u>Appropriations</u>	<u>FY 10-11 Adopted</u>	<u>FY 11-12 Preliminary</u>	<u>Decrease</u>
Salaries	\$42.2M	\$41.8M	(\$0.4M)
Overtime	4.3M	4.2M	(0.1M)
Retirement	15.0M	14.3M	(0.7M)
Consulting	0.9M	1.5M	0.6M
Internal Rent	0.0M	3.9M	3.9M
Subtotal	<u>62.4M</u>	<u>65.7M</u>	<u>3.3M</u>
Other Accounts	<u>32.2M</u>	<u>32.2M</u>	<u>0.0M</u>
Total	<u><u>\$94.6M</u></u>	<u><u>\$97.9M</u></u>	<u><u>\$3.3M</u></u>

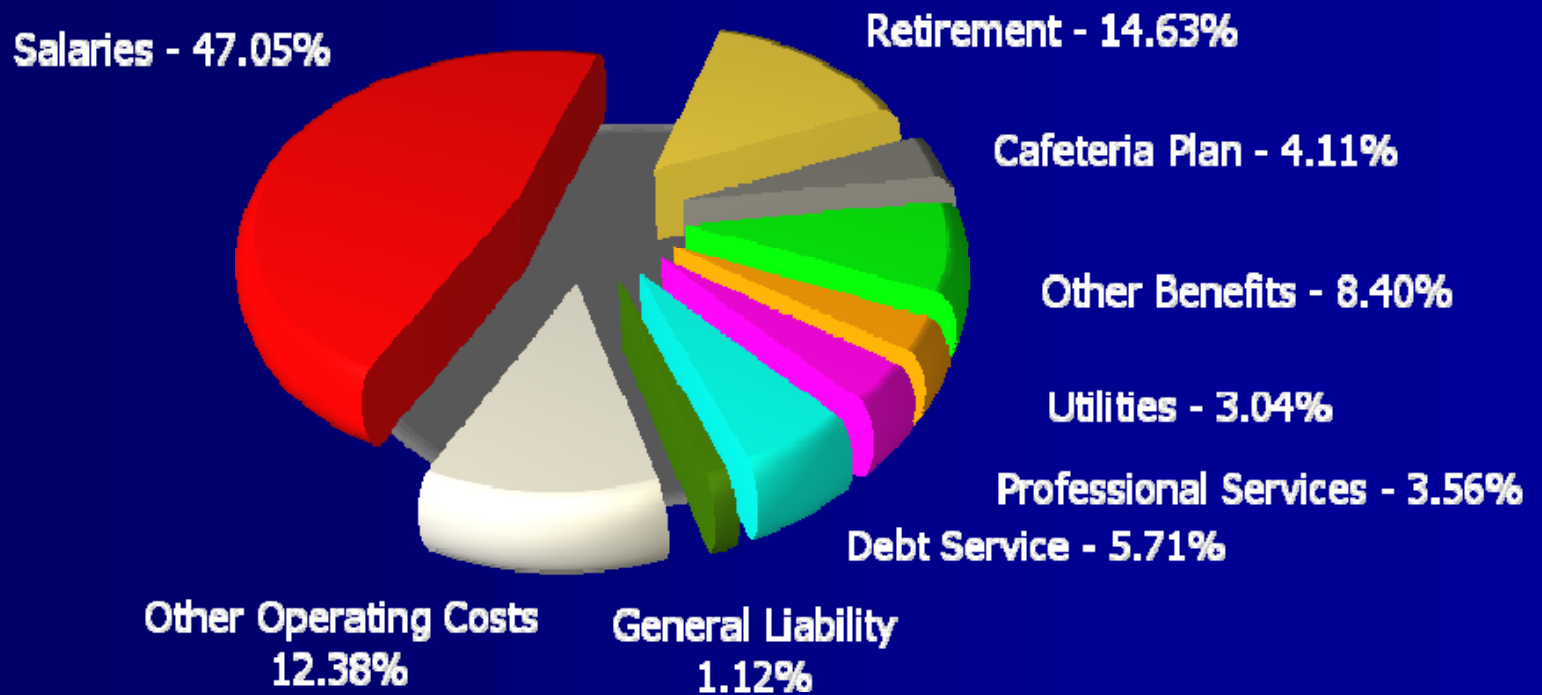
Total General Fund Expenditures Comparison – Other Cities

	Total in millions
Costa Mesa	\$97.9
Santa Ana (FY 10-11) ^b	\$197.1
Huntington Beach (FY 10-11) ^b	\$177.9
Newport Beach (FY 11-12) ^s	\$148.4
Irvine (FY 11-12) ^s	\$135.6

Total General Fund Expenditures Comparison – Other Cities

	Total in millions
Costa Mesa	\$97.9
Garden Grove (FY 10-11)d	\$87.4
Buena Park (FY 11-12)d	\$55.6
Westminster (FY 10-11)d	\$52.7
Fountain Valley (FY 10-11)b	\$34.0

GENERAL FUND EXPENDITURES



Total \$97,871,613

Total General Fund Salaries and Benefits Comparison – Other Cities

	Total in millions
Costa Mesa	74.2%
Huntington Beach (FY 10-11)	73.4%
Santa Ana (FY 10-11)	72.5%
Newport Beach (FY 11-12)	69.4%
Irvine* (FY 11-12)	67.3%

* - Contract Fire with OCFA

Total General Fund Salaries and Benefits Comparison – Other Cities

	Total in millions
Costa Mesa	<u>74.2%</u>
Garden Grove (FY 10-11)	<u>73.4%</u>
Buena Park* (FY 11-12)	60.6%
Westminster* (FY 10-11)	67.4%
Fountain Valley (FY 10-11)	-

* - Contract Fire with OCFA

General Fund – Salaries and Benefits

Total Positions – FY 10-11 = 498

FY 11-12 = 489 (-9)

- (1) – Recreation Coordinator**
- (3) – Police Helicopter Pilots**
- (2) – Police Officers**
- (1) – Deputy Fire Chief – Fire Marshall**
- (1) – Fire Admin Battalion Chief**
- (1) – Chief Plans Examiner**
- (1) – Plan Checker**
- (1) – Sr Plumbing/Mech Inspector**
 - 1 – Senior Maintenance Worker**
 - 1 – Maintenance Worker**

General Fund Salaries Budget – By Department (Sworn & Non-Sworn)

	<u>FY 10-11</u>	<u>FY 11-12</u>
Police	\$ 18,146,122	\$ 17,568,365
Fire	9,204,739	9,219,696
Admin Services	4,504,622	4,521,682
Public Services	4,238,420	4,412,496
Develop Services	1,904,158	1,721,177
Finance	1,329,435	1,478,280
City Council/CEO/Clerk	952,335	982,476
 Total	 <u>\$ 40,279,831</u>	 <u>\$ 39,904,172</u>

- Decrease of \$375,659 -

General Fund Overtime Budget – By Department

	<u>FY 10-11</u>	<u>FY 11-12</u>
Fire	\$ 2,102,000	\$ 2,102,000
Police	1,823,515	1,766,515
Admin Services	344,604	269,073
Public Services	32,150	41,650
Develop Services	2,000	15,000
City Council/CEO/Clerk	6,315	11,150
Finance	-	5,000
Total	<u><u>\$ 4,310,584</u></u>	<u><u>\$ 4,210,388</u></u>

- Decrease of \$100,196 -

PERS Contributions – Full Time Employees

Total PERS Required Contribution	\$ 18.4m
Amount paid by City Employees	(3.5m)
Net remaining cost to City	<u>\$ 14.9m</u>

	<u>FY 10-11</u>	<u>FY 11-12</u>
General Fund	\$ 14,781,522	\$ 14,029,925
All other Funds	653,010	809,563
Total	<u>\$ 15,434,532</u>	<u>\$ 14,839,488</u>

- All Funds decrease of \$595,044 -

General Fund – Retiree Medical Funding

FY 11-12 Prelim	\$ 1,799,500
FY 10-11 Adopted	<u>1,375,000</u>
Increase	<u><u>\$ 424,500</u></u>

Difference in account line item compared to FY 10-11 is increase of \$22,683 because of the removal of RHS budget in FY 11-12.

General Fund Maintenance and Operations Budget – By Department

	<u>FY 10-11</u>	<u>FY 11-12</u>
Public Services	\$ 6,111,514	\$ 8,004,453
Non-Departmental	5,737,000	5,689,831
Admin Services	3,870,305	4,227,679
Police	2,356,468	3,410,112
Fire	975,547	1,766,955
Develop Services	232,201	1,082,780
City Attorney	530,550	703,000
Finance	186,817	194,119
City Council/CEO/Clerk	278,015	184,416
Total	<u><u>\$ 20,278,417</u></u>	<u><u>\$ 25,263,345</u></u>

- Increase of \$4,984,928 -

General Fund – Maintenance and Operations Budget

	Total	Net Inc/(Dec)
Maintenance and Construction	\$ 739,855	\$ 216,216
Electricity – Street Lights	1,100,000	104,000
Landscaping and Sprinklers	1,207,450	256,022
Streets, Alleys and Sidewalks	232,750	137,633
Consulting	1,518,204	636,594
Engineering and Architectural	328,000	213,000
Internal Rent – Maintenance	1,838,462	1,820,357
Internal Rent – Replacement	2,126,473	2,126,473
Uniforms and Clothing	329,765	(44,148)

Continued

General Fund – Maintenance and Operations Budget

	Total	Net Inc/(Dec)
Water – Parks and Parkways	\$ 490,000	(\$ 50,000)
Legal Advertising/Filing Fees	236,569	(41,312)
Law Enforcement	503,975	(429,572)
Principal Payments	4,000,739	109,835
Interest Payments	1,589,092	(163,004)
General Liability	1,095,678	(57,580)
Fixed Asset	458,845	(68,384)
All other accounts	7,467,488	218,798
Total	\$ 25,263,345	\$ 4,984,928

General Fund – Fund Balance

(in millions)

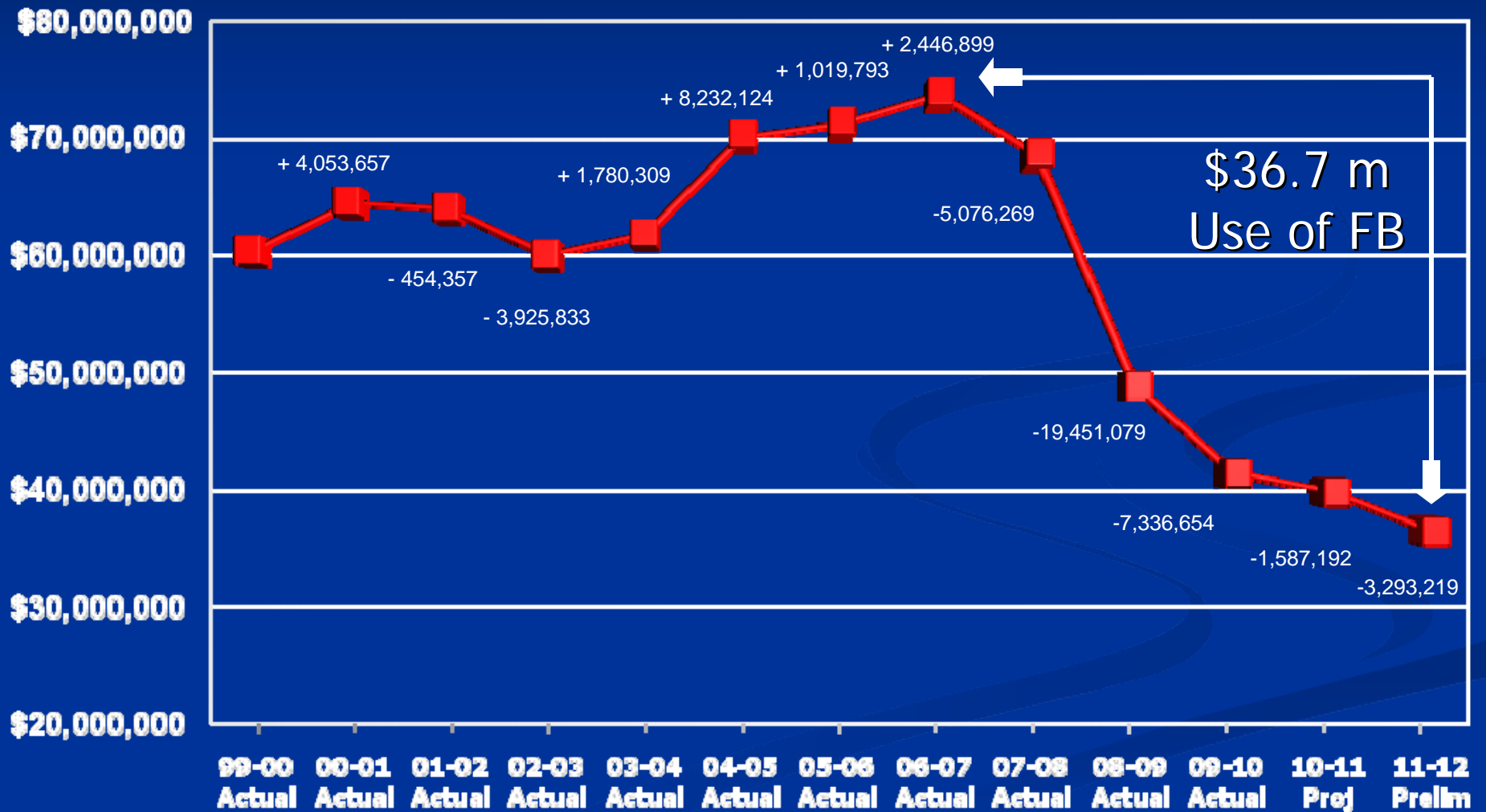
FY 10-11 Beginning FB	\$41.5
Estimated FY 10-11 Use of FB	(1.6)
Estimated FY 10-11 Ending	39.9
Prelim Est FY 11-12 Use of FB	(3.3)
Prelim Est FY 11-12 Ending FB	\$ 36.6

Historical Fund Balance

(in millions)

	FY 08-09	FY 09-10	(Proj) FY 10-11	(Prelim) FY 11-12
Total Rev & T.I.	\$ 93.6	\$ 92.4	\$ 91.8	\$ 94.6
Total Exp & T.O.	113.0	99.8	93.4	97.9
Net change in FB	(\$ 19.4)	(\$ 7.4)	(\$ 1.6)	(\$ 3.3)
Total F.B.	\$ 48.9	\$ 41.5	\$ 39.9	\$ 36.6

GENERAL FUND - FUND BALANCE TWELVE YEAR HISTORICAL



Equipment Replacement Fund

- Fund used to account for maintenance and replacement of 314 City owned vehicles and equipment.
- The overall replacement value of the City's entire fleet (calculated based on original purchase price plus a standard inflationary factor) is approximately \$15.0 million.

Equipment Replacement Fund

- Approximately half of the 314 vehicles and equipment have been replaced since 2004.
- The top 25 high dollar vehicles represent \$7.5 million of the total replacement value – 11 of which are Fire Engines/Apparatus.
- The fund also manages approximately 50 front-line Police vehicles.

Equipment Replacement Fund Budget

	FY 10-11	FY 11-12
Charges to Funds	\$ -	\$ 3,984,854
Int Earnings & Other	85,000	85,000
Total Revenue	<u>85,000</u>	<u>4,069,854</u>
Salaries & Benefits	(733,088)	(709,529)
Maint & Ops	(1,249,575)	(1,456,789)
Vehicle/Equip Purch	(14,500)	-
Total Expenditures	<u>(1,997,163)</u>	<u>(2,166,318)</u>
Total Inc/(Dec)	<u>(\$ 1,912,163)</u>	<u>\$ 1,903,536</u>

Equipment Replacement Fund – Fund Balance

	(in millions)
FY 10-11 Beginning FB	\$ 7.3
Estimated FY 10-11 Use of FB	(1.9)
Estimated FY 10-11 Ending	5.4
Prelim Est FY 11-12 Inc of FB	1.9
Prelim Est FY 11-12 Ending FB	\$ 7.3

Self Insurance Fund

- The City is self insured for the first \$2.0 million of any claim.
- The City has excess insurance coverage for any losses in excess of \$2.0 million.
- Having this self insurance amount has kept insurance premiums lower than if the amount was lower.

Self Insurance Fund

- The Self Insurance Fund accounts for both Worker's Compensation and General Liability claims.
- At the end of each fiscal year, the City requests a valuation from the 3rd party administrators of all open claims to book an amount in the CAFR.

Self Insurance Fund

- As of June 30, 2010 there were – 44 open General Liability cases and 140 Worker's Compensation cases.
- The value placed for each type of claim for June 30, 2010:
 - General Liability - \$3.9 million
 - Worker's Compensation - \$6.2 million

Self Insurance Fund - Budget

	<u>FY 10-11</u>	<u>FY 11-12</u>
Charges to Funds	\$ 3,217,349	\$ 3,093,883
Int Earnings & Other	110,000	90,000
Total Revenue	<u>3,327,349</u>	<u>3,183,883</u>
Salaries & Benefits	(1,842,625)	(1,711,543)
Maint & Ops	(1,433,560)	(1,331,239)
Total Expenditures	<u>(3,276,185)</u>	<u>(3,042,782)</u>
Total Increase	<u>\$ 51,164</u>	<u>\$ 141,101</u>

Self Insurance Fund – Fund Balance

	(in millions)
FY 10-11 Beginning FB	\$ 7.1
Estimated FY 10-11 Inc of FB	0.1
Estimated FY 10-11 Ending	7.2
Prelim Est FY 11-12 Inc of FB	0.1
Prelim Est FY 11-12 Ending FB	\$ 7.3

City of Costa Mesa

FISCAL YEAR 2011-2012 PRELIMINARY GENERAL FUND EXPENDITURE BUDGET AND FUND BALANCE

May 31, 2011

