

APPROVALS	
BUDGET OFFICER	<i>me</i>
CITY ATTORNEY	<i>SMB</i>
CITY MANAGER	<i>d</i>

---

## Report to City Council

---

**TO:** Mayor and City Council

**FROM:** Michelle Dawson, City Manager  
Richard Teichert, Chief Financial Officer

**AGENDA DATE:** December 9, 2014

**TITLE:** FISCAL YEAR 2013/14 YEAR-END BUDGET REVIEW AND  
FISCAL YEAR 2014/15 FIRST QUARTER BUDGET REVIEW

---

### **RECOMMENDED ACTION**

Recommendations: That the City Council:

1. Receive and file the Fiscal Year 2013/14 year-end budget review
2. Receive and file the Fiscal Year 2014/15 first quarter budget review
3. Approve the Position Control Roster. Specific positions are discussed within this staff report and listed on Attachment 3 to this staff report.

### **DISCUSSION**

On June 11, 2013, the City Council adopted the Two-Year Operating Budget for Fiscal Years (FY) 2013/14 – 2014/15. The budget included all component units of the City, including the General Fund, Community Services District and Successor Agency. During the course of the current two-year budget period, the City Council will be apprised of the City's financial condition through the process of First Quarter and Mid-Year Budget Reviews. These reports are typically provided to the City Council in December and March, respectively. This ongoing process provides a forum to review expenditure and revenue deviations from the estimates made in the budget document.

The attached Financial Summaries for FY 2013/14 Year-End and FY 2014/15 First Quarter focus on the City's General Fund. The reports also present operational results for the Community Services District (CSD) and the Moreno Valley Utility (MVU).

The following are the key findings noted in the Financial Summaries.

Fiscal Year 2013/14 Year-End:

- The first year of the two-year General Fund budget not only balanced but resulted in a positive change in fund balance in excess of \$6 million.
- General Fund revenues of \$82,042,808 exceeded the budget by 4% (\$3,095,038)
  - The City received \$1 million more in property tax than budgeted. This is primarily attributed to the reassessments of property assessment appeals by the County and the redistribution of redevelopment property taxes.
  - Sales tax was projected to grow significantly due to the recovering economy, and we budgeted an almost 11% increase over the previous FY. Sales tax collected was \$317,000 higher than budgeted.
  - Transient Occupancy (hotel) Tax and Business Taxes exceeded budgets by approximately 20% (\$528,000) largely due to the recovering economy and new businesses.
  - Revenues from licenses and permits were \$400,000 higher than budgeted. The growth was primarily due to an increase in building permits.
  - Development activity also positively impacted the Charges for Services revenues as the City realized a \$671,300 increase over budget.
  - Lower than anticipated natural gas prices and competitive forces within the communications market resulted in a \$518,000 negative variance in budgeted utility tax revenues.
- General Fund expenditures of \$75,732,346 were 4% (\$3,048,213) lower than budgeted.
  - Police and Fire Services came in under budget by \$2.4 million.
  - City staff continues to operate very efficiently and respectful of the ongoing need for fiscal responsibility. The majority of departments achieved savings for the FY.
- Total fund balance at year end for the General Fund increased from \$34.4 million in FY 12/13 to \$40.5 million in FY 13/14. This represents an 18% increase.

### Fiscal Year 2014/15 First Quarter:

- After one quarter (25%) of the FY, the City had collected 9.4% of budgeted revenues and spent 23.6% of budgeted expenditures.
  - Major revenues such as property tax do not occur in the first quarter.
  - Both revenues and expenditures are in line with projections.
- There are no significant variances to report.

### Position Control Actions

The Position Control Roster approved by the City Council serves as an important internal control tool for City Council to establish authorized positions for the City while enabling staff to manage within the authorized and funded approved positions. Position Control addresses career authorized positions and does not include temporary positions. As a result of operational changes, some positions are being requested to be adjusted based on current and projected demands for those positions.

The Maintenance and Operations Division of the Public Works Department is requesting to change 9 part-time Maintenance Worker positions into 6 full-time positions. Three of these part-time positions are currently vacant and the proposal would eliminate the vacant positions and convert them into full-time positions. This adjustment will allow for increased services, while not requiring any increase in the budget.

### **ALTERNATIVES**

1. Receive and file the Fiscal Year 2013/14 year-end budget review and Fiscal Year 2014/15 first quarter budget review; and
2. Approve the Position Control Roster. Specific positions are discussed within this staff report and listed on Attachment 3 to this staff report.
3. Do not receive and file the budget review documents and position control roster.

Staff recommends Alternatives 1 and 2.

### **FISCAL IMPACT**

There is no fiscal impact. The budget review reports are provided for informational purposes only and the requested position control changes are cost neutral.

**CITY COUNCIL GOALS**

**Revenue Diversification and Preservation.** Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

**NOTIFICATION**

Publication of the agenda.

**ATTACHMENTS**

Attachment 1: FY 2013/14 Year-End Budget Review

Attachment 2: FY 2014/15 First Quarter Budget review

Attachment 3: Position Control Roster

Prepared By:  
Marshall Eyerman  
Financial Resources Division Manager

Department Head Approval:  
Richard Teichert  
Chief Financial Officer



# City of Moreno Valley Fiscal Year 2013/14 Year-End Financial Summary

---

**TO:** Mayor and City Council  
**FROM:** Richard Teichert, Chief Financial Officer  
**DATE:** December 9, 2014

---

## INTRODUCTION

The City Council approved a Two-Year Operating Budget on June 11, 2013 for the Fiscal Years (FY) 2013/14 and 2014/15. The Operating Budget was amended through the fiscal year through separate Council actions. The budget included all component units of the City, including the General Fund, Community Services District and Successor Agency.

The prior two-year budget for FY 2011/12 and 2012/13 was based on the concept of implementing a previously approved three-year Deficit Elimination Plan (DEP). The DEP envisioned a strategic process of expenditure reductions that would occur in a phased manner as revenue sources stabilized. The goal was to create a stabilized budget by FY 2013/14. As adopted in May, 2011, the DEP focused on elimination of a \$14.2 million deficit that existed in the City's General Fund. Although successful in significantly reducing the deficit and slowing its growth, the goal of deficit elimination had not been fully realized through implementation of the DEP.

In charting a new fiscal course for the City, the City Council directed that the budget be fully balanced in FY 2013/14. This goal was achieved in the adopted budget but with significant consequences. By far, the majority of the reductions were in public safety services. This was necessary as Police and Fire represented approximately 72% of the General Fund. With an approx. 50% reduction to non-public safety personnel and operational budgets as part of the DEP implementation, there were few options to attain the amount of reductions required without making large cuts in public safety. In the case of Police there was a reduction of 27 sworn personnel in FY 2013/14. This reduced the number of sworn personnel from 181 to 154. The impacts resulted in reductions to the special team forces that address issues such as traffic, gangs, narcotics and specialized detective activities. In the case of Fire, the major impact was the defunding of Truck 91 during FY 2013/14. This resulted in the reduction of 8 fire personnel.

This report provides a review of the unaudited financial results for the recently completed FY 2013/14 Year-End (July 2013 – June 2014, 100% of the fiscal year).

## CITYWIDE OPERATING EXPENDITURE SUMMARY

The following table contains a summary of the amended budget and the year-end expenditures. The totals represent each major fund type and component unit of the City.

**Table 1. Citywide Operating Expenditures**

Fund/Component Unit	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
General Fund	\$ 78,780,559	\$ 75,732,346	96.1%
Community Services District (CSD)	19,663,630	18,089,007	92.0%
Successor Agency	6,520,345	41,087,431	630.1% <sup>(1)</sup>
Housing Fund	-	56,016	-
Special Revenue Funds	36,312,563	28,469,191	78.4%
Capital Projects Funds	8,369,468	8,421,153	100.6%
Electric Utility Funds	19,595,868	20,801,308	106.2%
Internal Service Funds	18,346,288	14,435,617	78.7%
Debt Service Funds	32,468,043	29,465,104	90.8%
<b>Total</b>	<b>\$ 220,056,764</b>	<b>\$ 236,557,172</b>	<b>107.5%</b>

(1) Includes the final transfer of assets from the former Redevelopment Agency to the City.

The City Council adopts the budget at a fund level. Throughout the fiscal year, amendments to the budget are presented to the City Council primarily during the mid-year budget adjustments and the approval of the prior fiscal year carry overs. Additionally, as grants or other funds are received during the fiscal year, actions may be taken by Council to approve both the expenditures and offsetting revenues.

The majority of this year-end update will focus on the General Fund, as it supports all basic services provided to City residents. Highlights for other key component funds will be discussed at a summary level as well.

# GENERAL FUND OPERATING

## Table 2. General Fund Operations

	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Taxes:			
Property Tax	\$ 9,647,100	\$ 10,668,782	110.6%
Property Tax in-lieu	13,840,000	13,871,754	100.2%
Utility Users Tax	16,114,000	15,595,141	96.8%
Sales Tax	15,570,000	15,887,130	102.0%
Other Taxes	7,965,000	8,576,927	107.7%
Licenses & Permits	1,764,000	2,164,752	122.7%
Intergovernmental	235,000	311,510	132.6%
Charges for Services	9,224,707	9,896,025	107.3%
Use of Money & Property	2,688,000	2,836,585	105.5%
Fines & Forfeitures	601,500	577,961	96.1%
Miscellaneous	51,400	492,820	958.8%
<b>Total Revenues</b>	<b>\$ 77,700,707</b>	<b>\$ 80,879,386</b>	<b>104.1%</b>
<b>Expenditures:</b>			
Personnel Services	14,748,233	13,928,293	94.4%
Contractual Services	53,950,430	50,349,793	93.3%
Material & Supplies	1,146,214	923,151	80.5%
General Government	-	-	-
Debt Service	-	-	-
Fixed Charges	6,360,255	7,955,737	125.1%
Fixed Assets	-	-	-
<b>Total Expenditures</b>	<b>\$ 76,205,132</b>	<b>\$ 73,156,973</b>	<b>96.0%</b>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	1,495,575	7,722,413	
<b>Transfers:</b>			
Transfers In	1,247,063	1,163,421	93.3%
Transfers Out	2,575,427	2,575,372	100.0%
<b>Net Transfers</b>	<b>\$ (1,328,364)</b>	<b>\$ (1,411,951)</b>	
Total Revenues & Transfers In	78,947,770	82,042,808	103.9%
Total Expenditures & Transfers Out	78,780,559	75,732,346	96.1%
<b>Net Change of Fund Balance</b>	<b>\$ 167,211</b>	<b>\$ 6,310,462</b>	(1,2)

(1) Revenues exceed the budget by 4% while expenditures were under budget by 4%. The net result is \$6.3 million in one-time savings to the General Fund.

(2) Approximately \$2 million of the \$6.3 million shall be identified as Unassigned fund balance.

**General Fund Operating Revenues**

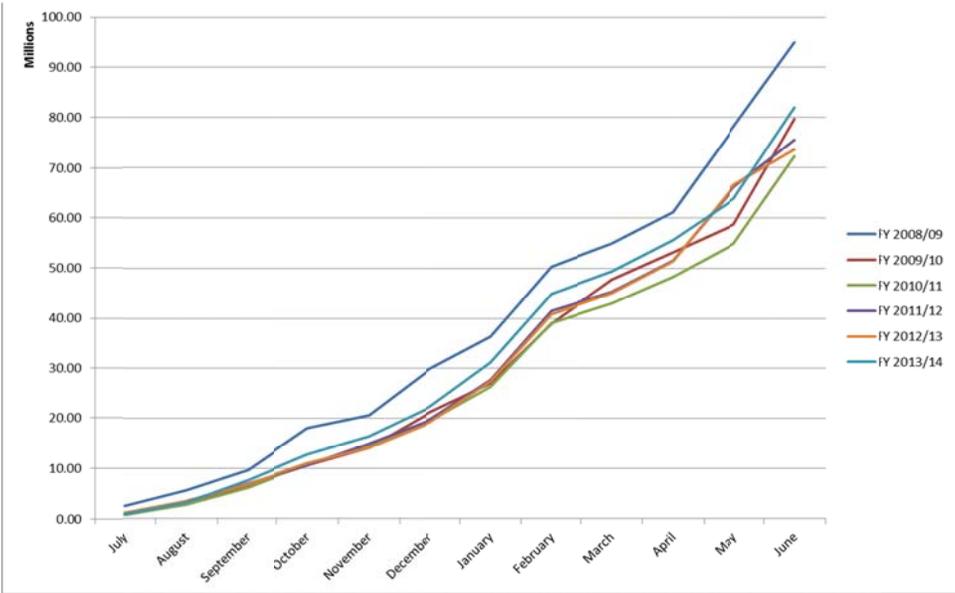
The General Fund is comprised of several revenue types. However, the main sources include property tax, utility users tax, and sales tax. Each of these are affected by different economic activity cycles and pressures.

**Table 3. General Fund Operating Revenues**

	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Taxes:			
Property Tax	\$ 9,647,100	\$ 10,668,782	110.6%
Property Tax in-lieu	13,840,000	13,871,754	100.2%
Utility Users Tax	16,114,000	15,595,141	96.8%
Sales Tax	15,570,000	15,887,130	102.0%
Other Taxes	7,965,000	8,576,927	107.7%
Licenses & Permits	1,764,000	2,164,752	122.7%
Intergovernmental	235,000	311,510	132.6%
Charges for Services	9,224,707	9,896,025	107.3%
Use of Money & Property	2,688,000	2,836,585	105.5%
Fines & Forfeitures	601,500	577,961	96.1%
Miscellaneous	51,400	492,820	958.8%
Transfers In	1,247,063	1,163,421	93.3%
<b>Total Revenues</b>	<b>\$ 78,947,770</b>	<b>\$ 82,042,808</b>	<b>103.9%</b>

The following chart represents a graphical representation comparing total General Fund year-end revenue collections, over a six year period.

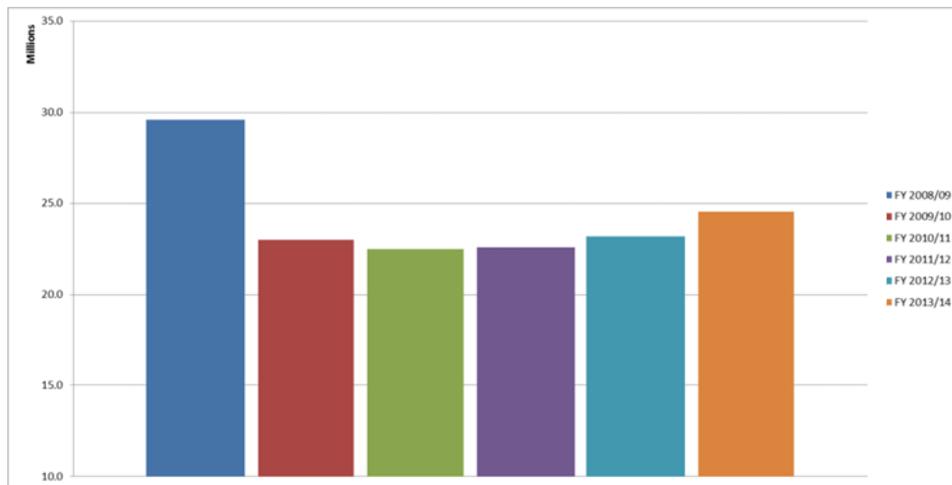
**Chart 1. General Fund Operating Revenue Trends**



### ***Property Taxes/Property Taxes In-Lieu***

Property taxes were budgeted to increase by 1.3% from the FY 2012/13. Actual taxes came in within 4.5% of the budget amount. The variance is attributed primarily to the redistribution of prior redevelopment property taxes as a result of the dissolution of the former Redevelopment Agency along with the reassessment of property values by the County Assessor-Recorder to the prior Proposition 8 temporary property tax assessment appeals. Property taxes will continue to be monitored in future fiscal years as assessment appeals may continue to be filed with the County.

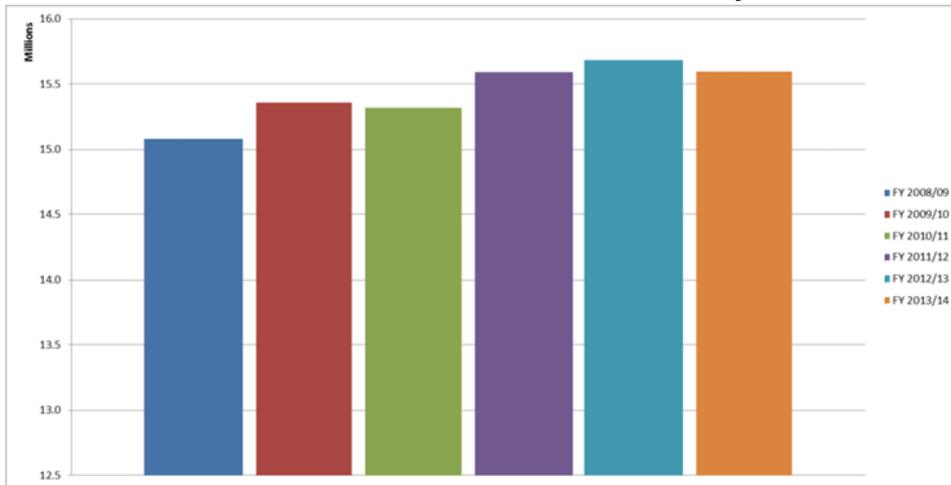
**Chart 2. General Fund Revenue Trend – Property Taxes**



### ***Utility Users Tax***

Utility Users taxes (UUT) were budgeted to increase 2.7% from FY 2012/13 to FY 2013/14. However, the UUT slightly decreased from the prior year actual, reducing by approximately (\$88,790) or only about 0.6%. This shortfall is primarily due to competitive forces within the communications markets. Both the wireless and wired markets experienced downturns year over year. For the wireless market this is the third consecutive year of decline. Based on our discussions with utility tax experts there are a couple of causes for this trend. First is competition and bundling practices within the market as more small players continue to join the market. Second is the migration of customers from contract plans to prepaid plans. Currently there is no method within the State to capture UUT related to prepaid wireless plans. There is currently legislation in Sacramento trying to address this and close that gap.

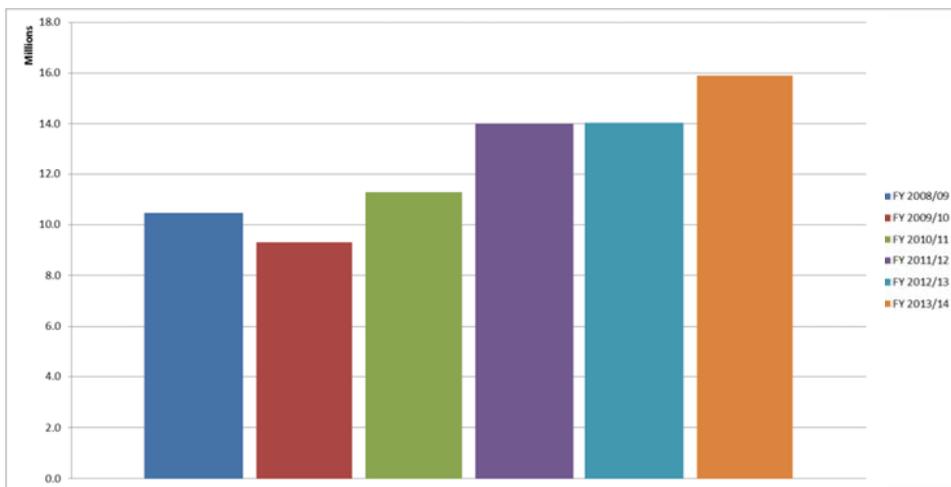
**Chart 3. General Fund Revenue Trend – Utility Users Taxes**



**Sales Taxes**

Sales taxes were anticipated to grow significantly and were budgeted to increase 10.9% from FY 2012/13 to FY 2013/14. Based on a recovering economy, sales taxes grew to \$15.9 million and exceeded the budget by \$300,000. Sales tax receipts will need to be continually monitored through the next year to determine if current trends will begin to plateau or begin to decrease.

**Chart 4. General Fund Revenue Trend – Sales Taxes**

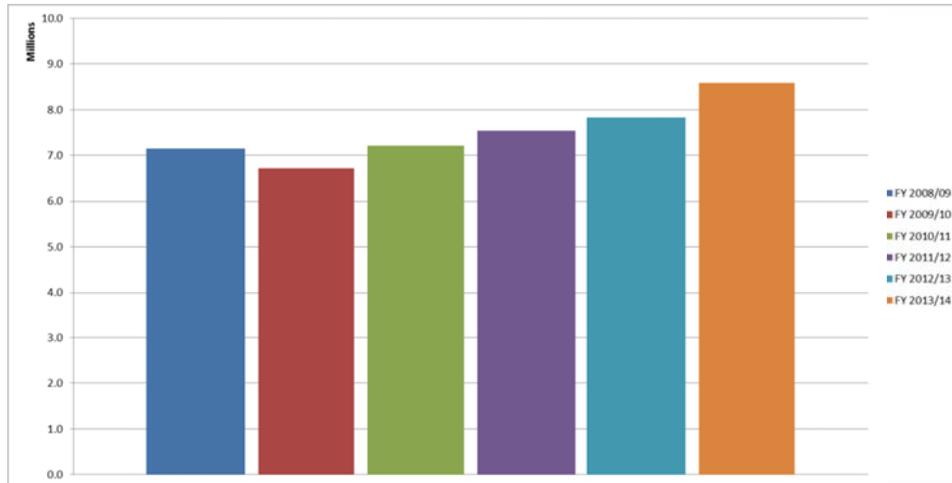


**Other Taxes**

Transient Occupancy Tax (TOT) and Business Taxes both exceeded budgets by approximately 20% or \$528,000 due primarily to some areas of recovery in the economy and new businesses that began operating in the City. Documentary Transfer Tax fell below the budget by 6.8%, or \$33,000, due to lower than expected real estate sales within the City. Franchise Fees were below the budget by 2.1%, or \$116,500, due to the continued decline in natural gas prices. We are also noticing a shift in activity between the cable providers and will need to monitor this in the future to see if subscribers transition from cable television services to satellite television

services which are not subject to these fees. With the approval of MVU's new economic development utility rates, franchise fees paid should be monitored for potential impacts associated with these new rates.

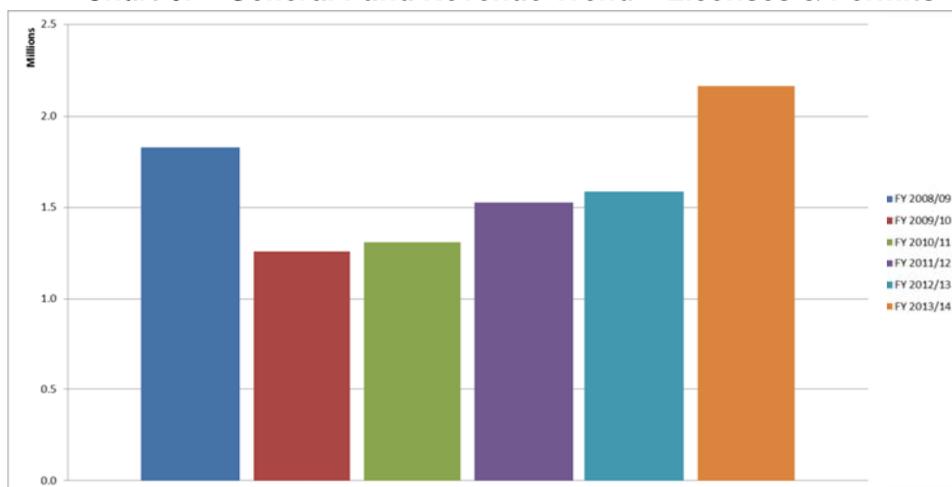
**Chart 5. General Fund Revenue Trend – Other Taxes**



**Licenses & Permits**

Licenses & Permits are primarily composed of Business and Animal Licenses, along with Building, Electrical, Mechanical, Plumbing and other permits. Collectively, Licenses & Permits were budgeted to increase 11.3% from the FY 2012/13 to FY 2013/14. Actual results were a growth in revenues of \$400,700 or growth of 25.3%. The growth was due to a higher level of building permit requests being received by the City.

**Chart 6. General Fund Revenue Trend – Licenses & Permits**

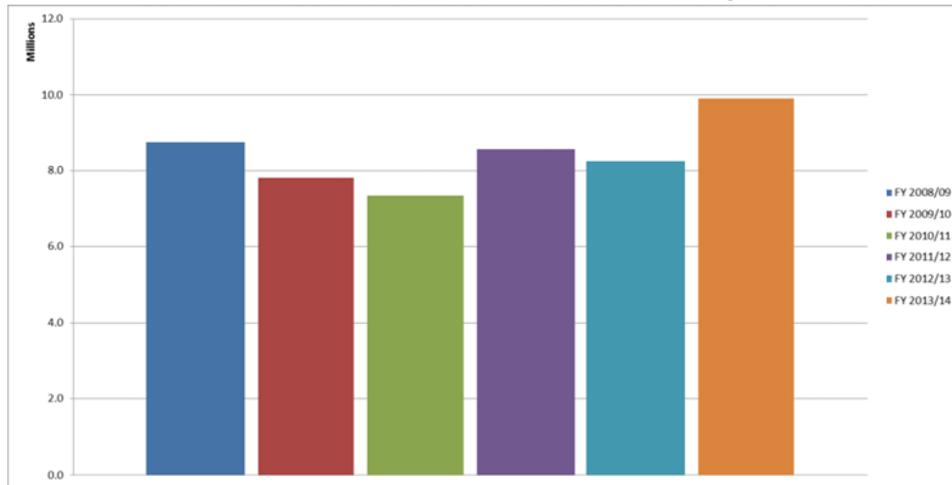


**Charges for Services**

Charges for Services were anticipated to grow significantly and were budgeted to increase 11.7% from FY 2012/13 to FY 2013/14. Development revenue activity has increased

significantly in certain areas and for FY 2013/14 the revenues exceeded the budget by \$671,300. Specifically, Plan Check Fees including Building & Safety, Fire, and Engineering exceeded the budgeted amounts. New development will need to be continually monitored through the next year to determine any new trends.

**Chart 7. General Fund Revenue Trend – Charges for Services**



### ***Use of Money and Property***

Investment income continued to remain low due to extremely low rates of return for fixed income investments. For FY 2013/14, the Two-year Treasury Note yielded only 0.36%. Through a professional money management firm, the City’s portfolio achieved a yield of about 1.25% with a duration of just over 2.28 years. This is a very low rate of return compared to historical experience, but is indicative of how investment income is performing everywhere. Chandler Asset Management was able to supplement the investment income by employing a Total Return strategy which utilizes active trading to sell securities at advantageous points to achieve gains on the sale. As the market begins to move upward there will be less opportunity for these trading gains.

### ***General Fund Expenditures***

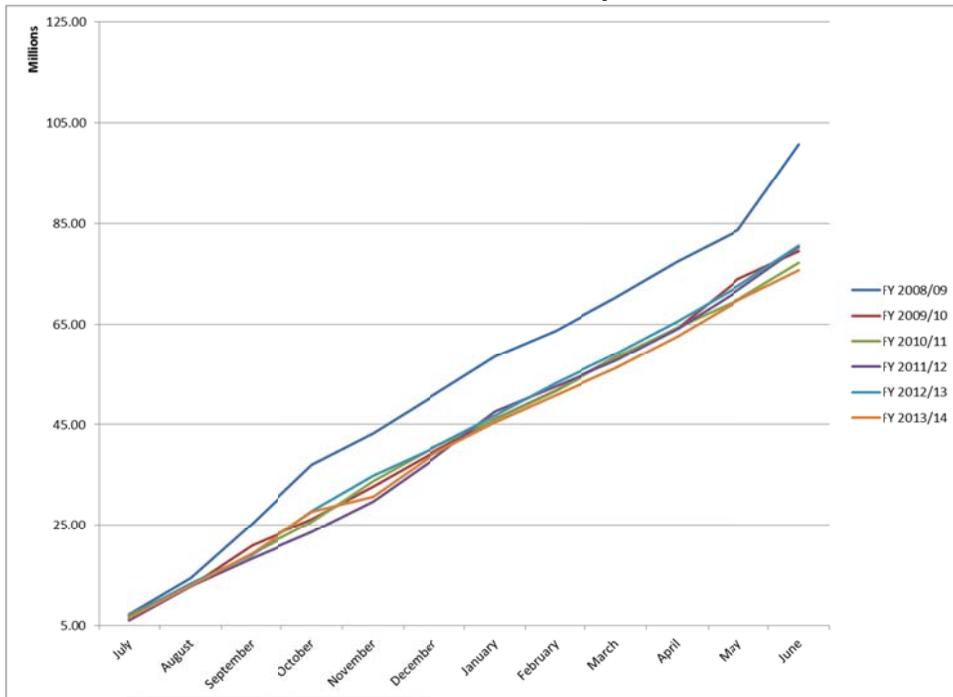
Expenditures are being spent in-line with prior year expenditure trends; although the following table does identify an overall reduction due to the expense reductions adopted as part of the FY 2013/14 amended budget.

**Table 4. General Fund Expenditures**

Department	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
City Council	\$ 654,113	\$ 642,586	98.2%
City Clerk	541,202	573,397	105.9%
City Manager	1,917,210	1,915,196	99.9%
City Attorney	776,045	869,430	112.0%
Community & Economic Development	5,714,662	5,344,293	93.5%
Financial & Management Services	3,091,265	2,844,704	92.0%
Administrative Services	3,764,674	3,544,102	94.1%
Public Works	4,465,001	3,974,832	89.0%
Non-Departmental	2,796,980	3,435,439	122.8%
<b>Non-Public Safety Subtotal</b>	<b>23,721,152</b>	<b>23,143,979</b>	<b>97.6%</b>
Public Safety			
Police	37,552,195	36,042,648	96.0%
Fire	17,507,212	16,545,719	94.5%
<b>Public Safety Subtotal</b>	<b>55,059,407</b>	<b>52,588,366</b>	<b>95.5%</b>
<b>Total</b>	<b>\$ 78,780,559</b>	<b>\$ 75,732,346</b>	<b>96.1%</b>

The following chart represents a graphical representation comparing total General Fund year-end expenditures over a five year period.

**Chart 8. General Fund Expense Trends**



## OTHER KEY FUNDS

The following summaries describe other major funds in the City.

### ***Moreno Valley Community Services District***

The Moreno Valley Community Services District (CSD) was formed by the voters in 1984 to collect fees and certain taxes to provide an array of services including parks, recreation and community services, streetlights, landscaping and ongoing maintenance. The CSD provides these services through separate “zones” that define the services that are provided.

For certain zones, the primary revenue source used to provide services to properties is parcel fees or taxes levied on properties via their annual tax bill. Proposition 218, passed by California voters in November 1996, has posed a serious challenge to managing the future operation of the CSD zones. Prop. 218 requires any revenue increase to be addressed through a voting process by affected property owners. For a period following the initial implementation of Prop. 218, the CSD was successful in receiving approval for some new or increased revenues. There were also revenue increases due to the growth of developed parcels within the zones. However, due to cost increases that exceed any offsetting increases in the revenues over the past years, and the recent economic downturn slowing new parcel growth, property owners have been resistant to efforts to fully fund service levels.

Revenues received by the CSD programs are restricted to use within those programs. Any funds received above the current year expenditures shall be retained within the programs fund balance for the establishment of reserves or for future use by the programs.

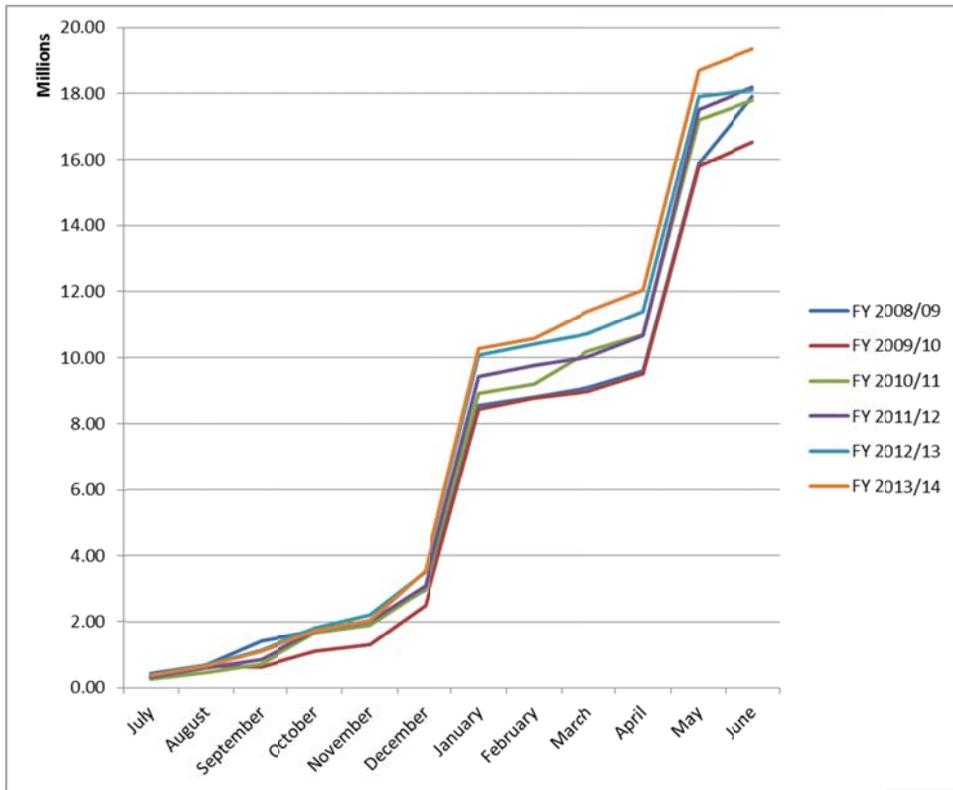
**Table 5. CSD Operations**

	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Taxes:			
Property Tax	\$ 3,188,300	\$ 3,612,752	113.3%
Other Taxes	6,322,000	6,350,448	100.4%
Intergovernmental	-	4,660	
Charges for Services	5,865,531	5,958,398	101.6%
Use of Money & Property	614,221	725,735	118.2%
Fines & Forfeitures	50,000	41,980	84.0%
Miscellaneous	20,580	480,449	2334.5% (1)
Transfers In	2,459,771	2,183,135	88.8%
<b>Total Revenues</b>	<b>18,520,403</b>	<b>19,357,557</b>	<b>104.5%</b>
<b>Expenditures:</b>			
Library Services Fund (5010)	\$ 2,145,013	\$ 2,122,497	99.0%
Zone A Parks Fund (5011)	9,343,871	8,688,301	93.0%
LMD 2014-01 Residential Street Lighting Fund (5012)	1,683,805	1,506,095	89.4%
Zone C Arterial Street Lighting Fund (5110)	1,188,385	1,101,899	92.7%
Zone D Standard Landscaping Fund (5111)	1,096,642	1,042,870	95.1%
Zone E Extensive Landscaping Fund (5013)	2,628,085	2,205,414	83.9%
Zone M Median Fund (5112)	285,224	244,721	85.8%
CFD No. 1 (5113)	1,226,277	1,129,789	92.1%
Zone S (5114)	66,328	47,422	71.5%
<b>Total Expenditures</b>	<b>19,663,630</b>	<b>18,089,007</b>	<b>92.0%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ (1,143,227)</b>	<b>\$ 1,268,550</b>	

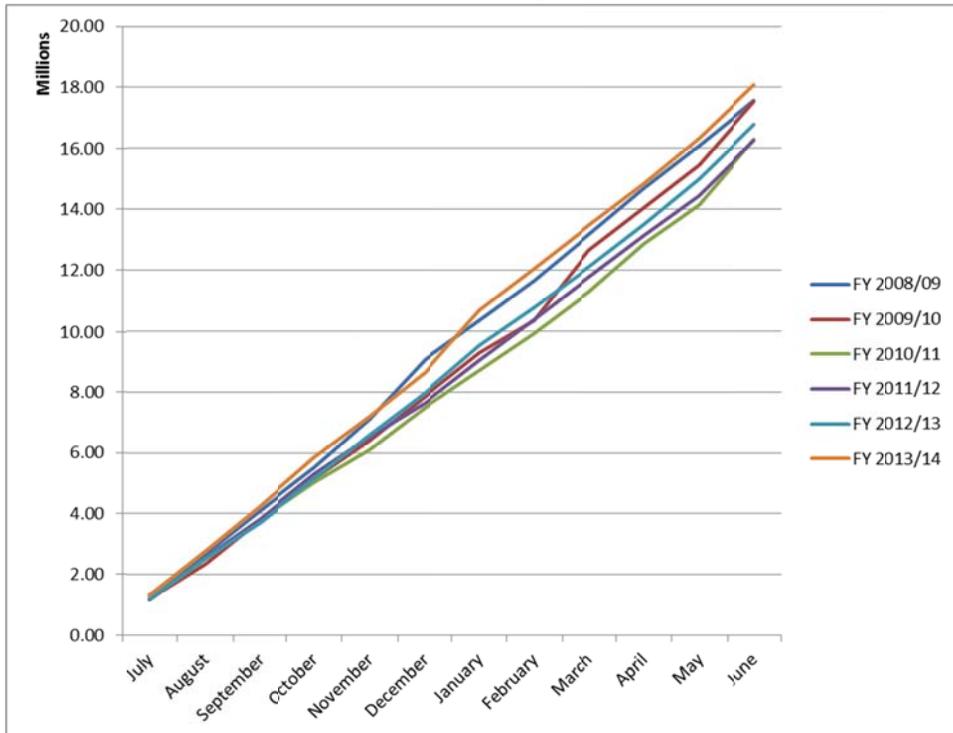
(1) Reflect one-time revenue from the sale of assets.

The following chart represents a graphical representation comparing total CSD year-end revenue collections over a five year period. Since a significant amount of property taxes and charges for services are collected on the Riverside County property tax bills, the cash flow for revenues reflect two major payments for revenues, correlating with the payment of these bills. The timing of these revenues may also affect the need to maintain certain reserve levels.

**Chart 9. CSD Revenue Trends**



**Chart 10. CSD Expense Trends**



## Community Services District Zone A – Parks & Community Services

The largest Zone within the CSD is Zone A. It accounts for the administration and maintenance of the Parks & Community Services facilities and programs. Funding sources for these services come from a combination of property taxes, fees for service and smaller amounts from other City funds. Although the Amended budget reflected a projected shortfall of \$641,000, Parks & Community Services worked diligently throughout the fiscal year to eliminate this shortfall through savings in materials & supplies and personnel expenditures to complete the year with a balanced budget.

**Table 6. CSD Zone A Operations**

	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Taxes:			
Property Tax	\$ 1,709,000	\$ 1,880,818	110.1%
Other Taxes	4,900,000	4,945,843	100.9%
Charges for Services	1,067,122	1,036,384	97.1%
Use of Money & Property	583,900	578,517	99.1%
Miscellaneous	18,100	15,018	83.0%
Transfers In	424,136	307,500	72.5%
<b>Total Revenues</b>	<b>8,702,258</b>	<b>8,764,080</b>	<b>100.7%</b>
<b>Expenditures:</b>			
35010 Parks & Comm Svcs - Admin	\$ 591,679	\$ 631,654	106.8%
35210 Park Maintenance - General	3,237,870	2,850,318	88.0%
35211 Contract Park Maintenance	464,403	309,200	66.6%
35212 Park Ranger Program	384,056	351,687	91.6%
35213 Golf Course Program	264,804	281,470	106.3%
35214 Parks Projects	180,534	194,936	108.0%
35310 Senior Program	620,371	555,658	89.6%
35311 Community Services	198,218	160,680	81.1%
35312 Community Events	95,881	108,198	112.8%
35313 Conf & Rec Cntr	632,947	568,610	89.8%
35314 Conf & Rec Cntr - Banquet	331,004	307,303	92.8%
35315 Recreation Programs	1,787,911	1,853,783	103.7%
35317 July 4th Celebration	143,893	122,017	84.8%
95011 Non-Dept Zone A Parks	410,300	392,787	95.7%
<b>Total Expenditures</b>	<b>9,343,871</b>	<b>8,688,301</b>	<b>93.0%</b>
<b>Net Change or</b>			
<b>Adopted Use of Fund Balance</b>	<b>\$ (641,613)</b>	<b>\$ 75,779</b>	

## Electric Utility

The Moreno Valley Utility (MVU) manages the operation, maintenance and business planning of the City's electric utility. MVU's basic purpose is to purchase and distribute electricity to customers in newly developed areas of the City. The City began serving new customers in February 2004, and now serves more than 5,600 customers.

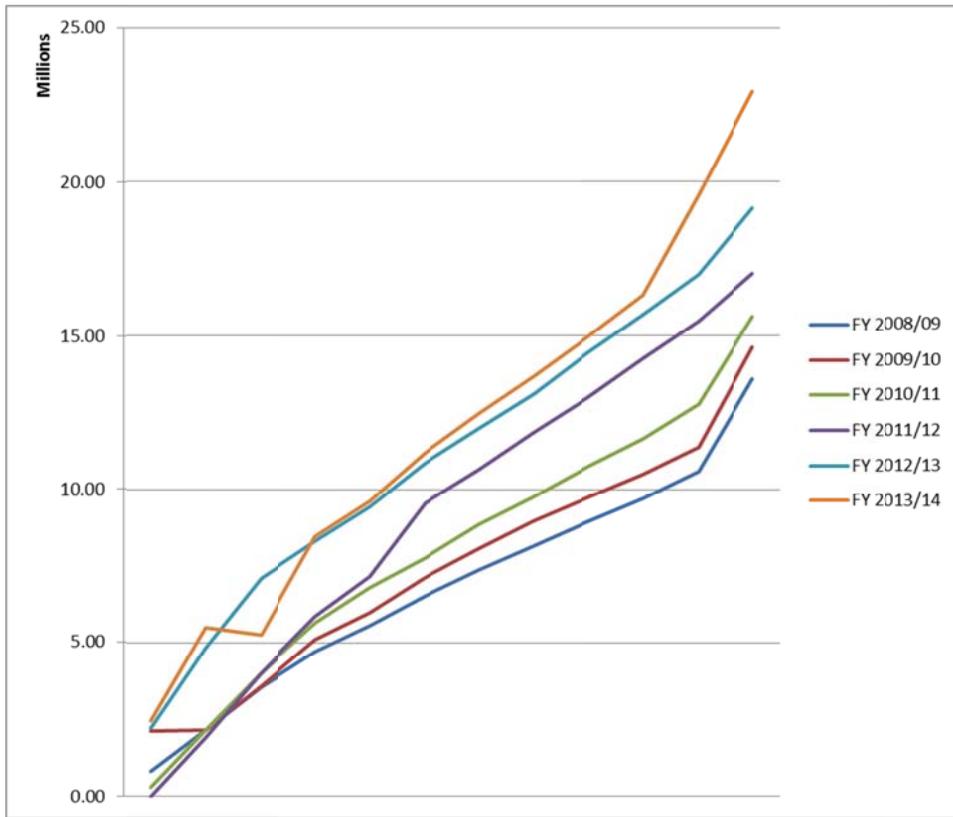
The main revenue source for this fund is derived from charges for services. The customer base includes residential, commercial and industrial customers. The growth in customer base will continue to provide for the ability to create rate stabilization and replacement reserve funding.

**Table 7. MVU Operations**

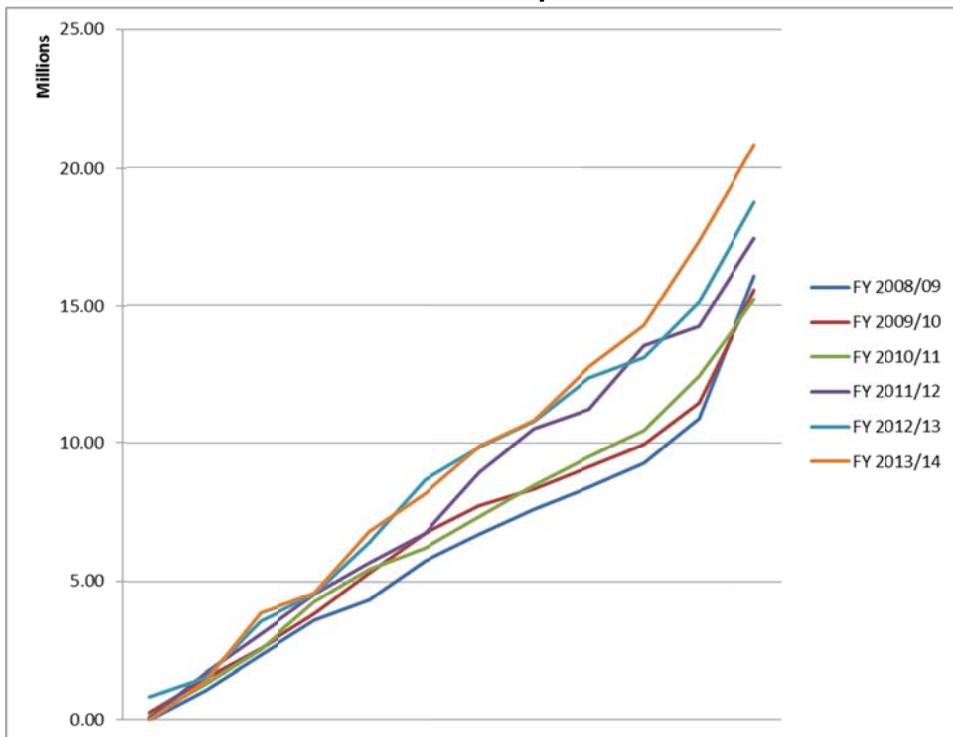
	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Charges for Services	\$ 18,915,548	\$ 20,627,687	109.1%
Use of Money & Property	80,500	91,064	113.1%
Miscellaneous	123,488	1,302,521	1054.8% (1)
Transfers In	150,000	904,032	602.7%
<b>Total Revenues</b>	<b>19,269,536</b>	<b>22,925,304</b>	<b>119.0%</b>
<b>Expenditures:</b>			
45510 Electric Utility - General	\$ 16,238,850	\$ 17,716,625	109.1%
45511 Public Purpose Program	1,199,111	931,102	77.6%
45520 2007 Taxable Lease Rev	1,835,144	1,841,425	100.3%
45530 2005 Lease Revenue Bo	302,441	294,364	97.3%
96030 Non-Dept 2005 Lease R€	-	-	
96031 Non-Dept 2013 Refundin	20,322	17,792	
<b>Total Expenditures</b>	<b>19,595,868</b>	<b>20,801,308</b>	<b>106.2%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ (326,332)</b>	<b>\$ 2,123,996</b>	

(1) Revenues include \$1.2 million in bond proceeds from the 2013 refunding of the 2005 Lease Revenue Bonds.

**Chart 11. MVU Revenue Trends**



**Chart 12. MVU Expense Trends**



## SUMMARY

The General Fund's year-end revenues and expenditures were both within 4% of expectations set by the Amended FY 2013/14 Budget. The net unaudited financial results for operations provided a one-time savings of approximately \$6.3 million.

Revenues have begun to stabilize and grow in some areas, which will help to provide the City a foundation for the FY 2014/15. The City will continue to monitor the financials throughout FY 2014/15 and bring back to the City Council for discussion options to address the other challenges and unfunded liabilities, as well as examining the reserve fund balances held by the City.



# City of Moreno Valley

## Fiscal Year 2014/15

### First Quarter Financial Summary

**TO:** Mayor and City Council

**FROM:** Richard Teichert, Chief Financial Officer

**DATE:** December 9, 2014

#### INTRODUCTION

On June 11, 2013, the City Council adopted the Two-Year Operating Budget for Fiscal Years (FY) 2013/14 – 2014/15. During the two-year budget period the City Council will be apprised of the City's financial condition through the process of First Quarter and Mid-Year Budget Reviews. This ongoing process ensures a forum to look at expenditure and revenue deviations from the estimates made in the budget document. Additionally, any significant variances in projected revenue or unanticipated expenditures will be shared with the City Council should they occur.

This report provides a review of the unaudited financial results for the completed FY 2014/15 First Quarter (July 2014 – September 2014, 25% of the fiscal year).

#### CITYWIDE OPERATING EXPENDITURE SUMMARY

The following table contains a summary of the adopted budget, amended budget and the First Quarter expenditures. The totals represent each major fund type and component unit of the City.

**Table 1. Citywide Operating Expenditures**

	FY 2014/15 Adopted Budget	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Fund/Component Unit</b>				
General Fund	\$ 78,741,256	\$ 83,324,600	\$ 19,489,372	23.4%
Community Services District (CSD)	18,704,827	19,414,296	3,784,307	19.5%
Successor Agency	6,123,817	6,119,169	1,001,086	16.4%
Housing Fund	-	125,000	2,310	1.8%
Special Revenue Funds	22,022,688	33,502,324	4,584,999	13.7%
Capital Projects Funds	256,100	382,035	189,835	49.7%
Electric Utility Funds	18,862,227	19,975,594	3,863,697	19.3%
Internal Service Funds	13,058,676	16,521,820	2,880,198	17.4%
Debt Service Funds	5,422,100	7,441,085	52,583	0.7%
<b>Total</b>	<b>\$ 163,191,691</b>	<b>\$ 186,805,923</b>	<b>\$ 35,848,386</b>	<b>19.2%</b>

Actions taken by the City Council subsequent to the June 11, 2013 adoption of the two-year budget have resulted in some important service level enhancements. After five years of being

closed every Friday, City Hall is now open every Friday to accommodate the needs of our development community. Contracting Library Services more than tripled the books and materials budget and provided 25% additional weekly service hours, including Sunday service.

The significant amendments approved and included in the Amended Budget are:

- On June 25, 2013, the City Council approved the Employee Memorandum of Understanding to reduce the current furlough from 10% down to 5%, which provided for additional service hours. The impact city wide was \$1,706,870.
- On March 11, 2014, the City Council approved the FY 2013/14 mid-year budget adjustments which included approx. \$2.1 million in increased expenditures for FY 2014/15.
- On May 27, 2014, the City Council approved the Employee Memorandum of Understanding to reduce the current furlough from 5% down to 0%, which provided for the opening of City Hall every Friday to better meet the needs of the public. The impact city wide was \$1,454,087.
- On October 28, 2014, the City Council approved the FY 2014/15 first quarter budget adjustments which included approx. \$16.5 million in increased expenditures and \$38.9 million in increased revenues. The expenditure items reflected carryovers from the prior fiscal year and new expenditures with offsetting revenues.
- Throughout the fiscal year there are also budget amendments to reflect the acceptance of grants and adjustments to contractual services and material/supplies. The individual amendments are reviewed as part of separate City Council agenda items.

The majority of this quarterly update will focus on the General Fund, as it supports all basic services provided to City residents. Highlights for other key component funds will be discussed at a summary level as well.

# GENERAL FUND OPERATING

## Table 2. General Fund Operations

	FY 2014/15 Adopted Budget	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>				
Taxes:				
Property Tax	\$ 9,803,900	\$ 11,083,551	\$ 0	0.0%
Property Tax in-lieu	13,890,000	14,912,136	-	0.0%
Utility Users Tax	16,428,000	15,912,000	3,184,284	20.0%
Sales Tax	16,420,000	17,638,770	1,147,380	6.5%
Other Taxes	8,185,000	8,266,100	736,806	8.9%
Licenses & Permits	1,519,200	1,519,200	465,652	30.7%
Intergovernmental	235,000	235,000	39,299	16.7%
Charges for Services	8,977,274	9,342,770	2,010,638	21.5%
Use of Money & Property	2,589,600	2,589,600	(176,625)	-6.8%
Fines & Forfeitures	606,500	606,500	70,785	11.7%
Miscellaneous	51,400	281,400	247,106	87.8%
<b>Total Revenues</b>	<b>\$ 78,705,874</b>	<b>\$ 82,387,027</b>	<b>\$ 7,725,324</b>	<b>9.4%</b>
<b>Expenditures:</b>				
Personnel Services	13,403,654	15,111,068	3,222,595	21.3%
Contractual Services	54,972,435	56,549,399	13,461,133	23.8%
Material & Supplies	1,043,190	1,710,789	226,110	13.2%
General Government	-	-	-	-
Debt Service	-	-	-	-
Fixed Charges	6,794,374	6,854,374	1,989,089	29.0%
Fixed Assets	125,000	67,200	-	0.0%
<b>Total Expenditures</b>	<b>\$ 76,338,653</b>	<b>\$ 80,292,830</b>	<b>\$ 18,898,927</b>	<b>23.5%</b>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	2,367,221	2,094,197	(11,173,602)	
<b>Transfers:</b>				
Transfers In	126,489	742,640	19,380	2.6%
Transfers Out	2,402,603	3,031,770	590,445	19.5%
<b>Net Transfers</b>	<b>\$ (2,276,114)</b>	<b>\$ (2,289,130)</b>	<b>\$ (571,065)</b>	
Total Revenues & Transfers In	78,832,363	83,129,667	7,744,704	9.3%
Total Expenditures & Transfers Out	78,741,256	83,324,600	19,489,372	23.4%
<b>Net Change of Fund Balance</b>	<b>\$ 91,107</b>	<b>\$ (194,933)</b>	<b>\$ (11,744,667)</b>	

**General Fund Operating Revenues**

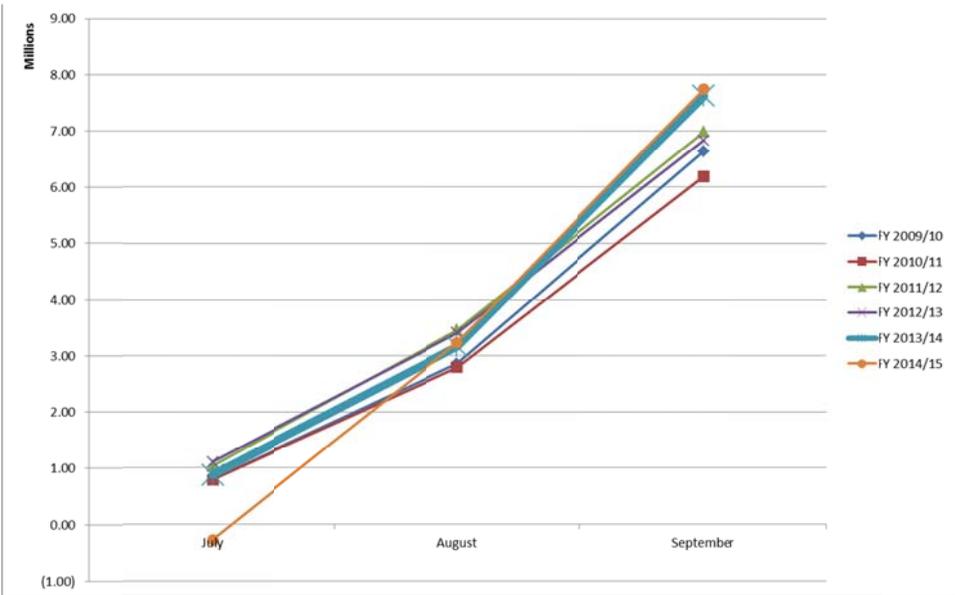
The General Fund is comprised of several revenue types. However, the main sources include property tax, utility users tax, and sales tax. Each of these are affected by different economic activity cycles and pressures.

**Table 3. General Fund Operating Revenues**

	FY 2014/15 Adopted Budget	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>				
<b>Taxes:</b>				
Property Tax	\$ 9,803,900	\$ 11,083,551	\$ 0	0.0%
Property Tax in-lieu	13,890,000	14,912,136	-	0.0%
Utility Users Tax	16,428,000	15,912,000	3,184,284	20.0%
Sales Tax	16,420,000	17,638,770	1,147,380	6.5%
Other Taxes	8,185,000	8,266,100	736,806	8.9%
Licenses & Permits	1,519,200	1,519,200	465,652	30.7%
Intergovernmental	235,000	235,000	39,299	16.7%
Charges for Services	8,977,274	9,342,770	2,010,638	21.5%
Use of Money & Property	2,589,600	2,589,600	(176,625)	-6.8%
Fines & Forfeitures	606,500	606,500	70,785	11.7%
Miscellaneous	51,400	281,400	247,106	87.8%
<b>Total Revenues</b>	<b>\$ 78,705,874</b>	<b>\$ 82,387,027</b>	<b>\$ 7,725,324</b>	<b>9.4%</b>

The following chart represents a graphical representation comparing total General Fund revenue collections through the first quarter, over a six year period.

**Chart 1. General Fund Revenue Trends**



### ***Property Taxes/Property Taxes In-Lieu***

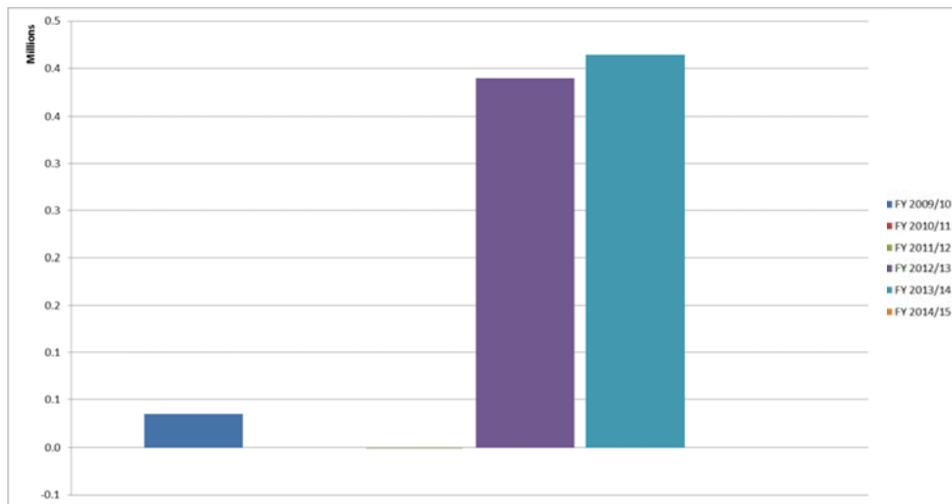
Property taxes were budgeted to increase by 10.7% from the FY 2013/14 Amended Budget. The annual schedule of property tax payments from the County of Riverside will provide payments to the City based on the following estimated schedule:

#### Secured Property Tax Payment Dates

Settlement 1	January 20-24, 2014
Settlement 2	May 19-23, 2014
Settlement 3	August 4-8, 2014
Teeter Settlement	October 20-24, 2014

Based on historical averages of actual receipts, the City is estimated to receive 2% of the budgeted property tax revenue within the first quarter. The City has currently received 0% during the first quarter. Property taxes will continue to be monitored as property valuations may adjust through the year based on property sales and assessment appeals filed with the County.

**Chart 2. General Fund First Quarter Revenue Trend – Property Taxes**



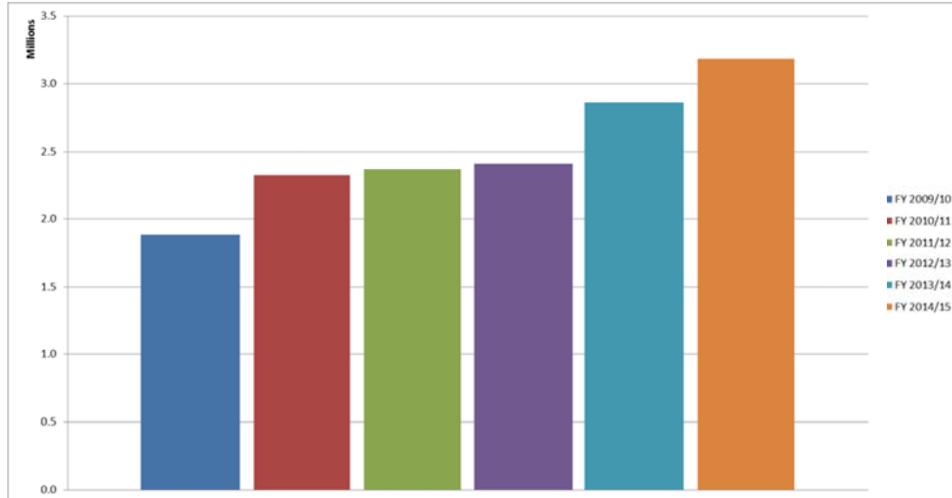
Note: FYs 2010/11, 2011/12 and 2014/15 did not receive any property tax revenues in the first quarter.

### ***Utility Users Tax***

Utility Users taxes were budgeted to decrease 1.25% from the FY 2013/14 Amended Budget. This projection is primarily due to competitive forces within the communications markets. Both the wireless and wired markets experienced downturns year over year. Based on our discussions with utility tax experts, there are a couple of causes for this trend. First is competition and bundling practices within the market as more small players continue to join the market. Second is the migration of customers from contract plans to prepaid plans. Currently there is no method within the State to capture UUT related to prepaid wireless plans. There is currently legislation in Sacramento trying to address this and close that gap.

Based on historical averages of actual receipts, the City is estimated to receive 13% of the budgeted utility users tax revenue within the first quarter. The City has currently received 20% during the first quarter.

**Chart 3. General Fund First Quarter Revenue Trend – Utility Users Taxes**

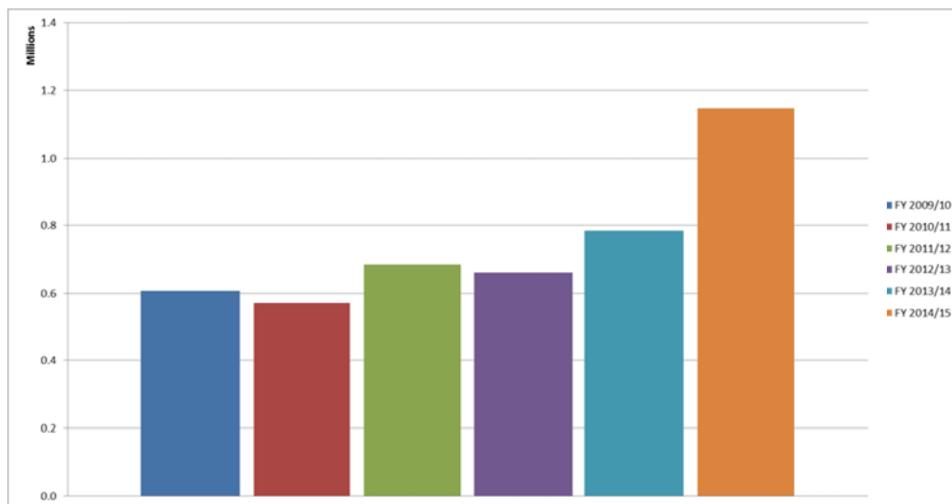


**Sales Taxes**

Based on the recovering economy and new businesses that began operating in the City, the FY 2014/15 sales tax budget was increased by 13.3%. Sales tax receipts will need to be continually monitored through the year to determine if current trends begin to plateau or begin to decrease.

Based on historical averages of actual receipts, the City is estimated to receive 6% of the budgeted sales tax revenue within the first quarter. The City has currently received 6.5% during the first quarter.

**Chart 4. General Fund First Quarter Revenue Trend – Sales Taxes**

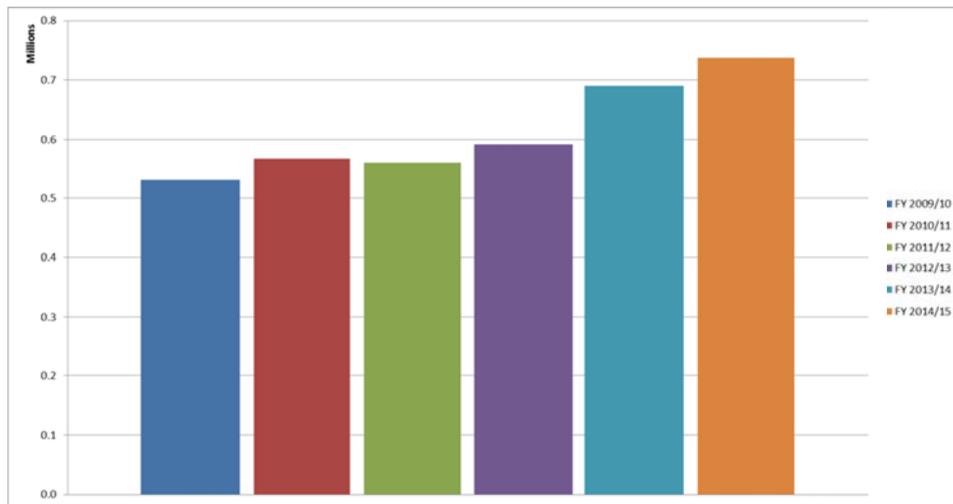


## ***Other Taxes***

Other taxes are primarily composed of Business Gross Receipts, Transient Occupancy Tax, Documentary Transfer Tax, and Franchise Fees. Collectively, other taxes were budgeted to increase 3.8% from the FY 2013/14 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 8% of the budgeted Other Taxes revenue within the first quarter. The City has currently received 8.9% during the first quarter.

**Chart 5. General Fund First Quarter Revenue Trend – Other Taxes**

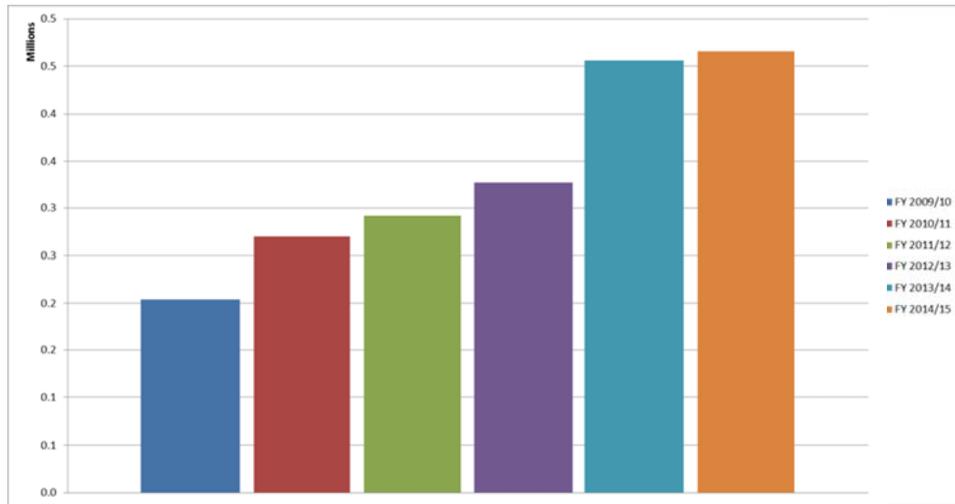


## ***Licenses & Permits***

Licenses & Permits are primarily composed of Business and Animal Licenses, along with Building, Electrical, Mechanical, Plumbing and other permits. Collectively, Licenses & Permits were budgeted to decrease 13.9% from the FY 2013/14 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 26% of the budgeted Licenses & Permits revenue within the first quarter. The City has currently received 30.7% during the first quarter.

**Chart 6. General Fund First Quarter Revenue Trend – Licenses & Permits**

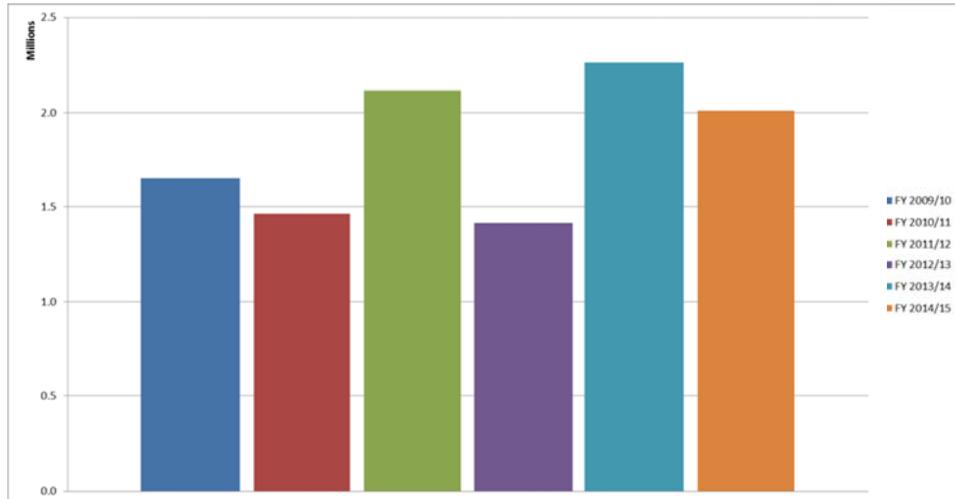


***Charges for Services***

Charges for Services are primarily composed of Plan Check Fees, Inspection Fees, Administrative Charges to other funds, and Parking Control Fines. Collectively, Charges for Services were budgeted to increase 1.3% from the FY 2013/14 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 22% of the budgeted Charges for Services revenue within the first quarter. The City has currently received 21.5% during the first quarter.

**Chart 7. General Fund First Quarter Revenue Trend – Charges for Services**



***Use of Money and Property***

Investment income continues to remain low due to extremely low rates of return for fixed income investments. Currently, the Two-year Treasury Note is yielding only 0.57%. Through a professional money management firm, the City’s portfolio is achieving a yield of about 1.27%

with a duration of just over 2.17 years. This is a very low rate of return compared to historical experience, but is indicative of how investment income is performing everywhere. Chandler Asset Management was able to supplement the investment income by employing a Total Return strategy which utilizes active trading to sell securities at advantageous points to achieve gains on the sale. As the market begins to move upward, there will be less opportunity for these trading gains.

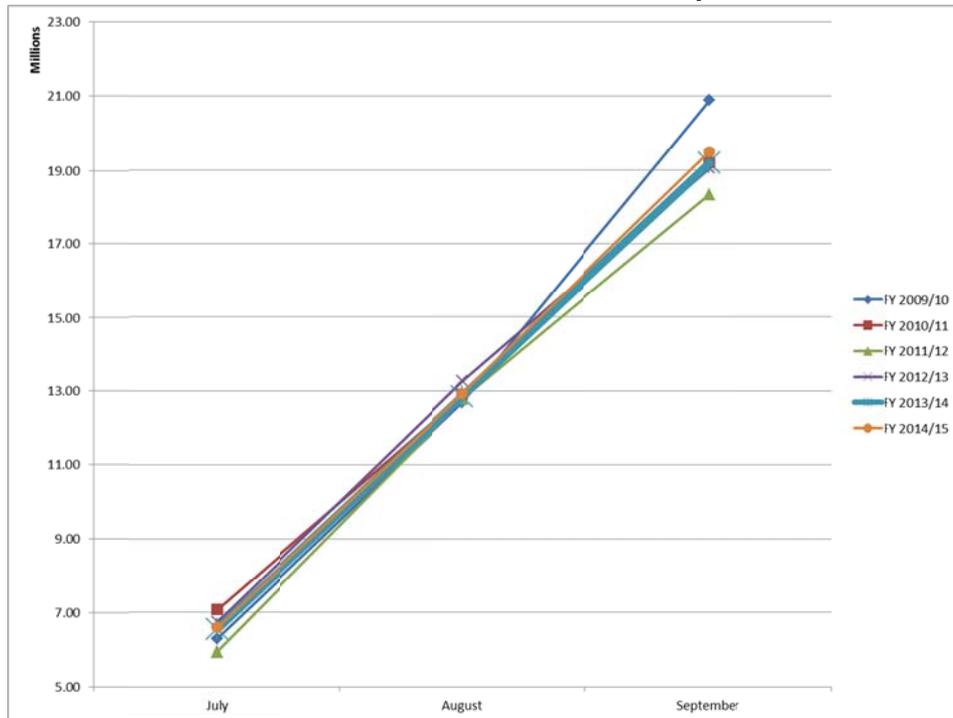
### **General Fund Expenditures**

Expenditures are being spent in-line with prior year expenditures. Each Department's activities will be monitored throughout the year as they may be impacted by different economic activity cycles and pressures.

**Table 4. General Fund Expenditures**

	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Department</b>			
City Council	\$ 668,537	\$ 135,896	20.3%
City Clerk	662,185	114,556	17.3%
City Manager	1,863,226	382,844	20.5%
City Attorney	619,963	208,006	33.6%
Community & Economic Development	5,828,344	1,230,548	21.1%
Financial & Management Services	3,472,927	658,282	19.0%
Administrative Services	3,993,099	808,980	20.3%
Public Works	4,692,049	848,341	18.1%
Non-Departmental	3,575,470	1,416,769	39.6%
<b>Non-Public Safety Subtotal</b>	<b>25,375,800</b>	<b>5,804,222</b>	<b>22.9%</b>
<b>Public Safety</b>			
Police	39,476,236	9,390,484	23.8%
Fire	18,472,564	4,294,666	23.2%
<b>Public Safety Subtotal</b>	<b>57,948,800</b>	<b>13,685,150</b>	<b>23.6%</b>
<b>Total</b>	<b>\$ 83,324,600</b>	<b>\$ 19,489,372</b>	

**Chart 8. General Fund First Quarter Expense Trends**



## CONTINUED CHALLENGES AND ITEMS OF NOTE

Preserving a balanced City budget over the next several years will require the same level of vigilance and strategic planning which produced the budget. While focusing significant energy to attract and retain local businesses, the City will also contend with fiscal pressures associated with:

- A General Fund subsidy for street lights of approximately \$1 million annually, along with the impacts of future SCE rate increases;
- Continued cost increases levied by the County for contract law enforcement services;
- Projected cost increases for contract Fire protection;
- Anticipated pension cost increases, exacerbated by revisions to CalPERS rate methodology which had previously smoothed rate increases over longer periods;
- With the dissolution of the prior Redevelopment Agency, there are continued risks that the payment of certain agreements may not be approved by the California Department of Finance, which will impact the General Fund.
- The General Fund's obligation to guarantee debt service payments on the police and fire facilities;
- Reinstating the employee merit increases and the funding of accrued leave balances;
- The restoration of funding for deferred infrastructure maintenance and vehicle replacements during the fiscal downturn.

The City Council's resolve as demonstrated during the budget cycle, along with engaged managers throughout the City organization and a collaborative relationship with our employees should continue to serve us well to successfully address these challenges ahead.

## OTHER KEY FUNDS

The following summaries describe other major funds in the City.

### ***Moreno Valley Community Services District***

The Moreno Valley Community Services District (CSD) was formed by the voters in 1984 to collect fees and certain taxes to provide an array of services including parks, recreation and community services, streetlights, landscaping and ongoing maintenance. The CSD provides these services through separate "zones" that define the services that are provided.

For certain zones, the primary revenue source used to provide services to properties is parcel fees or taxes levied on properties via their annual tax bill. Proposition 218, passed by California voters in November 1996, has posed a serious challenge to managing the future operation of the CSD zones. Prop. 218 requires any revenue increase to be addressed through a voting process by affected property owners. For a period following the initial implementation of Prop. 218, the CSD was successful in receiving approval for some new or increased revenues. There were also revenue increases due to the growth of developed parcels within the zones. However, due to cost increases that exceed any offsetting increases in the revenues over the past years, and the recent economic downturn slowing new parcel growth, property owners have been resistant to efforts to fully fund service levels.

**Table 5. CSD Operations**

	FY 2014/15 Adopted Budget	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>				
Taxes:				
Property Tax	\$ 3,233,300	\$ 3,884,148	\$ -	0.0%
Other Taxes	6,322,000	6,358,616	-	0.0%
Charges for Services	6,119,112	5,824,562	309,890	5.3%
Use of Money & Property	621,351	646,351	136,179	21.1%
Fines & Forfeitures	50,000	50,000	8,932	17.9%
Miscellaneous	20,100	20,100	3,573	17.8%
Transfers In	1,947,608	2,229,396	503,445	22.6%
<b>Total Revenues</b>	<b>18,313,471</b>	<b>19,013,173</b>	<b>962,020</b>	<b>5.1%</b>
<b>Expenditures:</b>				
Library Services Fund (5010)	\$ 1,828,882	\$ 1,753,611	\$ 433,980	24.7%
Zone A Parks Fund (5011)	8,941,044	9,039,050	1,900,123	21.0%
LMD 2014-01 Residential Street Lighting Fund (5012)	1,735,500	1,727,780	269,988	15.6%
Zone C Arterial Street Lighting Fund (5110)	957,400	960,571	163,786	17.1%
Zone D Standard Landscaping Fund (5111)	1,120,300	1,238,148	243,477	19.7%
Zone E Extensive Landscaping Fund (5013)	2,535,783	475,113	115,764	24.4%
5014 LMD 2014-02	-	2,404,405	289,994	12.1%
5015 CFD 2014-01	-	5,700	-	0.0%
Zone M Median Fund (5112)	292,144	283,194	54,072	19.1%
CFD No. 1 (5113)	1,225,757	1,215,343	302,162	24.9%
Zone S (5114)	68,017	95,755	10,960	11.4%
5211 ZONE A PARKS - RESTRICTED ASSETS	-	215,626	-	0.0%
<b>Total Expenditures</b>	<b>18,704,827</b>	<b>19,414,296</b>	<b>3,784,307</b>	<b>19.5%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ (391,356)</b>	<b>\$ (401,123)</b>	<b>\$ (2,822,287)</b>	

**Community Services District Zone A – Parks & Community Services**

The largest Zone within the CSD is Zone A. It accounts for the administration and maintenance of the Parks & Community Services facilities and programs. Funding sources for these services come from a combination of property taxes, fees for service and smaller amounts from other City funds.

**Table 6. CSD Zone A Operations**

	FY 2014/15 Adopted Budget	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>				
Taxes:				
Property Tax	\$ 1,733,000	\$ 2,022,318	\$ -	0.0%
Other Taxes	4,900,000	4,900,000	-	0.0%
Charges for Services	1,070,507	1,045,507	277,288	26.5%
Use of Money & Property	591,300	616,300	151,835	24.6%
Miscellaneous	18,100	18,100	288	1.6%
Transfers In	307,500	307,500	76,875	25.0%
<b>Total Revenues</b>	<b>8,620,407</b>	<b>8,909,725</b>	<b>506,286</b>	<b>5.7%</b>
<b>Expenditures:</b>				
35010 Parks & Comm Svcs - Admin	\$ 579,170	\$ 593,720	\$ 96,357	16.2%
35210 Park Maintenance - General	2,999,075	3,038,495	645,625	21.2%
35211 Contract Park Maintenance	467,288	452,292	43,918	9.7%
35212 Park Ranger Program	372,210	367,233	83,445	22.7%
35213 Golf Course Program	265,672	318,874	68,467	21.5%
35214 Parks Projects	175,211	188,421	40,219	21.3%
35310 Senior Program	576,727	612,483	135,333	22.1%
35311 Community Services	194,116	177,887	39,016	21.9%
35312 Community Events	81,507	224,384	17,605	7.8%
35313 Conf & Rec Cntr	603,507	584,054	116,504	19.9%
35314 Conf & Rec Cntr - Banquet	334,331	349,077	69,930	20.0%
35315 Recreation Programs	1,739,165	1,304,736	365,915	28.0%
35317 July 4th Celebration	142,765	152,414	46,868	30.8%
35318 Sports Programs	-	384,345	44,627	11.6%
35319 Towngate Community Center	-	40,335	3,697	9.2%
95011 Non-Dept Zone A Parks	410,300	250,300	82,596	33.0%
<b>Total Expenditures</b>	<b>8,941,044</b>	<b>9,039,050</b>	<b>1,900,123</b>	<b>21.0%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ (320,637)</b>	<b>\$ (129,325)</b>	<b>\$ (1,393,837)</b>	

### ***Electric Utility***

The Moreno Valley Utility (MVU) manages the operation, maintenance and business planning of the City's electric utility. MVU's basic purpose is to purchase and distribute electricity to customers in newly developed areas of the City. The City began serving new customers in February 2004, and now serves more than 5,600 customers. As it reaches fiscal and operational maturity, MVU will continue to be a key component of the City's economic development strategy. The City Council has established special tiered rates for electric utility customers based upon factors such as the number of jobs created.

The main revenue source for this fund is derived from charges for services. The customer base includes residential, commercial and industrial customers. The growth in customer base will continue to provide for the ability to create rate stabilization and replacement reserve funding.

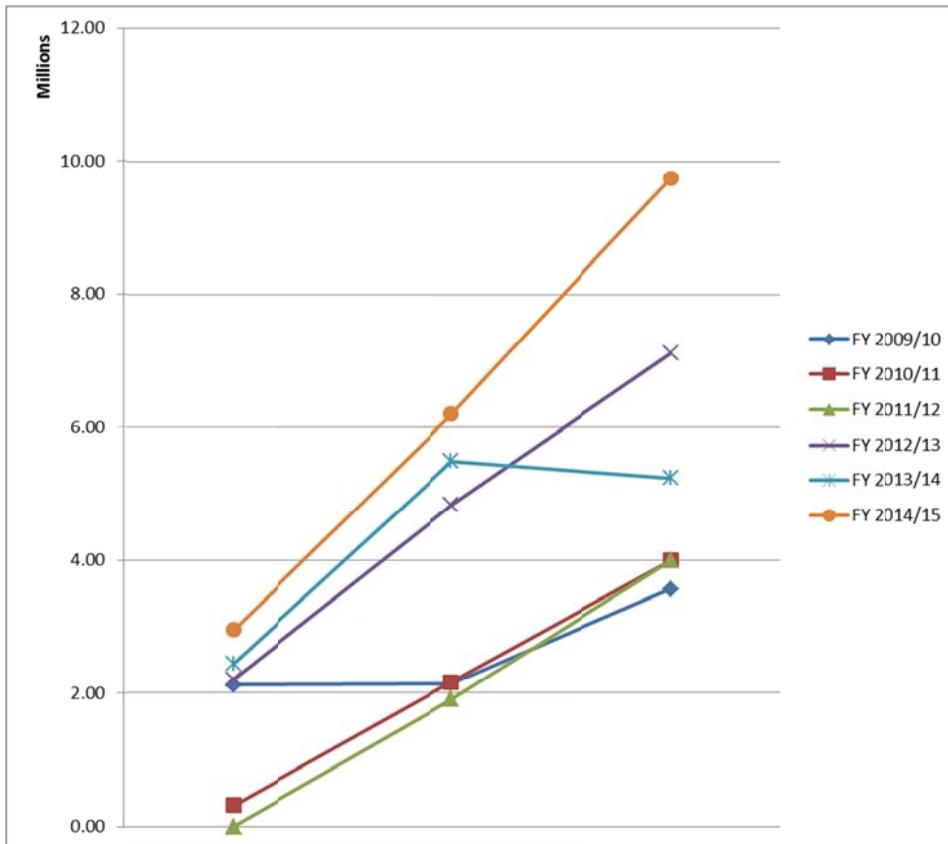
**Table 7. MVU Operations**

	FY 2014/15 Adopted Budget	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>				
Charges for Services	\$ 19,289,102	\$ 19,285,102	\$ 9,731,241	50.5%
Use of Money & Property	80,500	80,500	(3,996)	-5.0%
Miscellaneous	121,878	121,878	19,865	16.3%
<b>Total Revenues</b>	<b>19,491,480</b>	<b>19,487,480</b>	<b>9,747,109</b>	<b>50.0%</b>
<b>Expenditures:</b>				
45510 Electric Utility - General	\$ 15,862,669	\$ 16,126,036	\$ 3,705,810	23.0%
45511 Public Purpose Program	846,300	1,696,300	157,669	9.3% <sup>(1)</sup>
45520 2007 Taxable Lease Rev Bonds	1,830,995	1,830,995	-	0.0%
45530 2005 Lease Revenue Bonds	322,263	191,159	218	0.1%
96031 Non-Dept 2013 Refunding 05 LRB	-	131,104	-	-
<b>Total Expenditures</b>	<b>18,862,227</b>	<b>19,975,594</b>	<b>3,863,697</b>	<b>19.3%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ 629,253</b>	<b>\$ (488,114)</b>	<b>\$ 5,883,413</b>	<b>(1)</b>

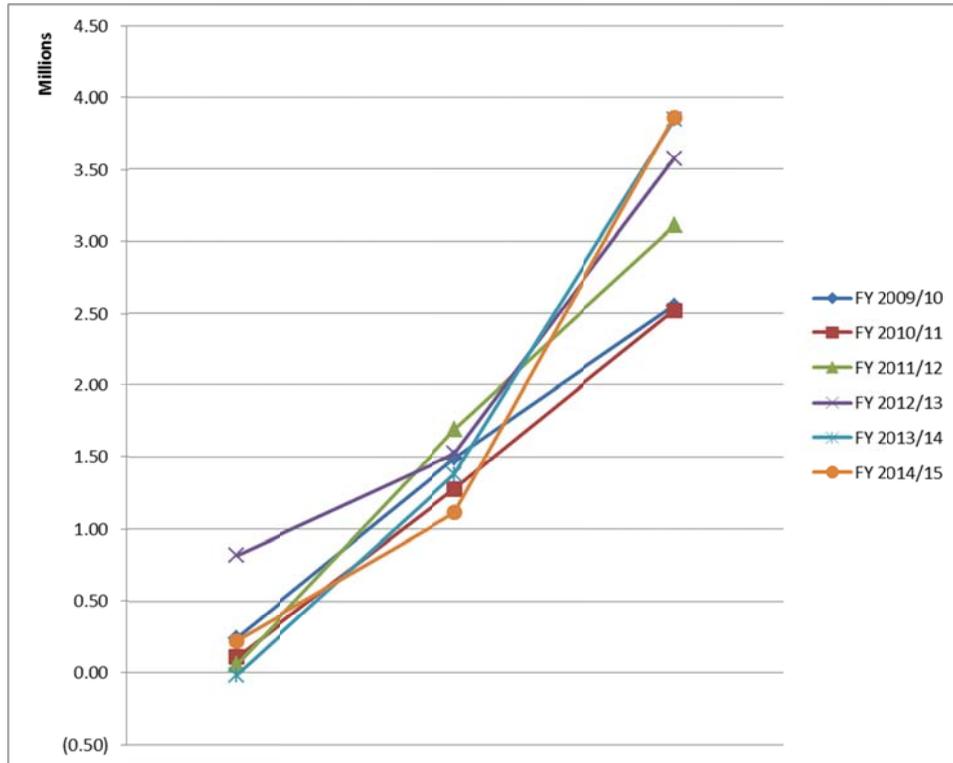
(1) Reflects the one-time use of existing fund balance restricted for Public Purpose Programs.

MVU's revenues and expenses will fluctuate annually based on energy demands.

**Chart 9. MVU First Quarter Revenue Trends**



**Chart 10. MVU First Quarter Expense Trends**



## SUMMARY

The City of Moreno Valley is on the path toward recovery following the Great Recession; unlike most other cities in this region, our FY 2014/15 Adopted Budget was fully balanced without the use of reserves.

Although the City has experienced positive results in some areas through FY 2013/14 and the first quarter of FY 2014/15, the City should remain cautiously optimistic as we proceed through the fiscal year.

As positive fund balances begin to grow, we will bring back to the City Council for discussion options to address the other challenges and unfunded liabilities, as well as examining the reserve fund balances held by the City.

City of Moreno Valley  
 FY 2014/15  
 City Position Summary

Position Title	FY	FY	FY	FY	FY	FY	FY	
	2011/12 Adj.	2011/12 No.	2012/13 Adj.	2012/13 No.	2013/14 Adj.	2013/14 No.	2014/15 Adj.	2014/15 No.
Accountant I	-	2	-	2	-	2	-	2
Accounting Asst	(2)	3	-	3	-	3	-	3
Accounting Technician	-	4	-	4	(1)	3	-	3
Accounts Payable Supervisor	-	1	-	1	-	1	-	1
Administrative Asst	-	5	-	5	3	8	-	8
Administrative Services Dir	-	1	-	1	-	1	-	1
After School Prog Coordinator	(4)	-	-	-	-	-	-	-
After School Prog Specialist	(8)	-	-	-	-	-	-	-
After School Prog Supervisor	(1)	-	-	-	-	-	-	-
Animal Care Technician	-	4	-	4	-	4	-	4
Animal Control Officer	-	7	-	7	-	7	-	7
Animal Services Asst	-	2	-	2	-	2	-	2
Animal Svcs Dispatcher	(1)	1	-	1	1	2	-	2
Animal Svcs Division Manager	-	1	-	1	-	1	-	1
Animal Svcs Field Supervisor	-	1	-	1	-	1	-	1
Animal Svcs License Inspector	-	1	-	1	-	1	-	1
Animal Svcs Office Supervisor	-	1	-	1	-	1	-	1
Applications & DB Admin	-	1	-	1	-	1	-	1
Applications Analyst	-	1	-	1	-	1	-	1
Assistant City Attorney	-	-	-	-	-	-	-	-
Assistant City Clerk	-	-	-	-	-	-	-	-
Assoc Environmental Engineer	-	1	-	1	-	1	-	1
Associate Engineer	(1)	5	-	5	-	5	-	5
Associate Planner	-	4	-	4	-	4	-	4
Asst Buyer	-	2	-	2	-	2	-	2
Asst City Manager	-	1	-	1	-	1	-	1
Asst Crossing Guard Spvr	-	1	-	1	-	1	-	1
Asst Network Administrator	-	1	-	1	-	1	-	1
Asst to the City Manager	-	1	-	1	-	1	-	1
Asst. Applications Analyst	-	-	-	-	-	-	-	-
Banquet Facility Rep	-	1	-	1	-	1	-	1
Budget Officer	(1)	-	1	1	(1)	-	-	-
Building & Neighborhood Services Div Mgr	-	-	-	-	1	1	-	1
Building Div Mgr / Official	-	1	-	1	(1)	-	-	-
Building Inspector I I	-	4	-	4	-	4	-	4
Bus. Support & Neigh Prog Admin	-	1	-	1	(1)	-	-	-
Cable TV Producer	-	2	-	2	-	2	-	2
Chief Financial Officer/City Treas	-	1	-	1	-	1	-	1
Child Care Asst	-	5	-	5	(1)	4	-	4
Child Care Instructor I I	-	5	-	5	(1)	4	-	4
Child Care Program Manager	-	1	-	1	-	1	-	1
Child Care Site Supervisor	-	5	-	5	(1)	4	-	4
City Attorney	-	1	-	1	-	1	-	1
City Clerk	-	1	-	1	-	1	-	1
City Manager	-	1	-	1	-	1	-	1
Code & Neigh Svcs Official	-	1	-	1	(1)	-	-	-
Code Compliance Field Sup.	-	-	-	-	-	-	-	-
Code Compliance Officer I	-	-	-	-	1	1	-	1
Code Compliance Officer I I	-	5	-	5	-	5	-	5
Code Supervisor	-	-	-	-	1	1	-	1
Comm & Economic Dev Director	-	1	-	1	-	1	-	1
Community Dev Director	(1)	-	-	-	-	-	-	-
Community Svcs Supervisor	-	1	-	1	-	1	-	1
Construction Inspector	1	5	-	5	-	5	-	5
Crossing Guard	-	35	-	35	-	35	-	35
Crossing Guard Supervisor	-	1	-	1	-	1	-	1

**City of Moreno Valley  
FY 2014/15  
City Position Summary**

Position Title	FY	FY	FY	FY	FY	FY	FY	
	2011/12 Adj.	2011/12 No.	2012/13 Adj.	2012/13 No.	2013/14 Adj.	2013/14 No.	2014/15 Adj.	2014/15 No.
Customer Service Asst	-	1	-	1	(1)	-	-	-
Dep PW Dir /Asst City Engineer	-	1	-	1	-	1	-	1
Deputy City Attorney I I I	-	2	-	2	(2)	-	-	-
Deputy City Clerk	-	1	-	1	-	1	-	1
Deputy City Manager	-	-	-	-	-	-	-	-
Development Svcs Coordinator	-	1	(1)	-	-	-	-	-
Electric Utility Division Mgr	-	1	-	1	-	1	-	1
Electric Utility Program Coord	-	1	-	1	-	1	-	1
Emerg Mgmt & Vol Svc Prog Spec	(1)	1	-	1	-	1	-	1
Emerg Mgmt & Vol Svcs Prog Mgr	-	1	-	1	-	1	-	1
Engineering Division Manager	-	1	-	1	-	1	-	1
Engineering Technician I I	-	1	-	1	-	1	-	1
Enterprise Systems Admin	-	1	-	1	-	1	-	1
Environmental Analyst	-	1	-	1	-	1	-	1
Equipment Operator	-	4	-	4	-	4	-	4
Exec Asst to Mayor / City Council	-	1	-	1	-	1	-	1
Exec. Assistant to the City Manager	-	-	-	-	-	-	-	-
Executive Asst I	-	7	2	9	-	9	-	9
Executive Asst I I	-	1	-	1	-	1	-	1
Facilities Maint Mechanic	-	1	-	1	-	1	-	1
Facilities Maint Worker	-	3	-	3	-	3	-	3
Facilities Maintenance Spvr	(1)	-	-	-	-	-	-	-
Financial Operations Div Mgr	-	1	-	1	-	1	-	1
Financial Resources Div Mgr	-	-	-	-	1	1	-	1
Fire Inspector I	-	-	-	-	2	2	1	3
Fire Inspector I I	-	2	-	2	-	2	-	2
Fire Marshall	-	1	-	1	-	1	(1)	-
Fire Safety Specialist	-	1	-	1	1	2	-	2
Fleet Supervisor	-	-	-	-	-	-	-	-
GIS Administrator	-	1	-	1	-	1	-	1
GIS Specialist	-	1	-	1	-	1	-	1
GIS Technician	-	1	(1)	-	-	-	-	-
Housing Program Coordinator	-	1	-	1	-	1	-	1
Housing Program Specialist	-	3	-	3	(3)	-	-	-
Human Resources Analyst	-	1	-	1	-	1	-	1
Human Resources Div Manager	-	-	-	-	-	-	-	-
Human Resources Technician	(1)	1	(1)	-	-	-	-	-
Info Technology Technician	-	2	-	2	-	2	-	2
Landscape Development Coord	-	1	(1)	-	-	-	-	-
Landscape Irrigation Tech	-	1	-	1	-	1	-	1
Landscape Svcs Inspector	(2)	5	(2)	3	(1)	2	-	2
Lead Animal Care Technician	-	1	-	1	-	1	-	1
Lead Facilities Maint Worker	-	-	-	-	-	-	-	-
Lead Maintenance Worker	-	3	-	3	-	3	-	3
Lead Parks Maint Worker	-	5	-	5	-	5	-	5
Lead Traffic Sign/Marking Tech	-	2	-	2	-	2	-	2
Lead Vehicle / Equip Tech	-	1	-	1	-	1	-	1
Legal Secretary	-	1	-	1	-	1	-	1
Lib Serv Div Mgr	-	1	-	1	(1)	-	-	-
Librarian	-	4	-	4	(4)	-	-	-
Library Asst	-	13	-	13	(13)	-	-	-
Library Circulation Supervisor	-	1	-	1	(1)	-	-	-
Maint & Operations Div Mgr	-	1	-	1	-	1	-	1
Maintenance Worker I	-	-	-	-	7	7	(8)	-
Maintenance Worker II	-	1	-	1	-	1	(1)	-
Maintenance Worker I/II	-	12	-	12	-	12	6	18

**City of Moreno Valley  
FY 2014/15  
City Position Summary**

Position Title	FY	FY	FY	FY	FY	FY	FY	
	2011/12 Adj.	2011/12 No.	2012/13 Adj.	2012/13 No.	2013/14 Adj.	2013/14 No.	2014/15 Adj.	2014/15 No.
Management Analyst	-	11	3	14	(2)	12	-	12
Management Asst	-	3	-	3	1	4	-	4
Media & Production Coordinator	-	1	-	1	-	1	-	1
Network Administrator	-	1	-	1	-	1	-	1
Network System Specialist	-	-	-	-	-	-	-	-
Office Asst	-	1	-	1	-	1	-	1
Park Ranger	-	3	-	3	-	3	-	3
Parking Control Officer	-	2	-	2	-	2	-	2
Parks & Comm Svcs Director	-	1	-	1	-	1	-	1
Parks & Comm Svcs Div Mgr	-	-	1	1	-	1	-	1
Parks Maint Division Manager	-	1	(1)	-	-	-	-	-
Parks Maint Supervisor	-	2	-	2	-	2	-	2
Parks Maint Worker	-	13	-	13	-	13	-	13
Parks Projects Coordinator	-	1	-	1	-	1	-	1
Payroll Supervisor	-	1	-	1	-	1	-	1
Permit Technician	-	6	-	6	(1)	5	-	5
Planning Commissioner	-	7	-	7	-	7	-	7
Planning Div Mgr / Official	-	1	-	1	-	1	-	1
Principal Accountant	-	1	-	1	-	1	-	1
Purch & Facilities Div Mgr	-	1	-	1	-	1	-	1
PW Director / City Engineer	-	1	-	1	-	1	-	1
PW Program Manager	-	-	-	-	-	-	-	-
Recreation Program Coord	-	2	(1)	1	-	1	-	1
Recreation Program Leader	-	7	-	7	-	7	-	7
Recreation Supervisor	-	-	1	1	-	1	-	1
Recycling Specialist	-	-	-	-	1	1	-	1
Resource Analyst	-	-	-	-	-	-	-	-
Risk Division Manager	-	1	(1)	-	-	-	-	-
Security Guard	(1)	2	-	2	-	2	-	2
Spec Dist Budg & Accting Spvr	(1)	-	-	-	-	-	-	-
Spec Districts Div Mgr	-	1	-	1	-	1	-	1
Special Districts Prog Mgr	-	1	-	1	-	1	-	1
Sr Accountant	-	1	-	1	-	1	-	1
Sr Administrative Asst	(5)	14	2	16	(2)	14	-	14
Sr Applications Analyst	-	-	-	-	-	-	-	-
Sr Citizens Center Coord	-	1	-	1	-	1	-	1
Sr Code Compliance Officer	(1)	-	-	-	-	-	-	-
Sr Customer Service Asst	-	3	-	3	-	3	-	3
Sr Deputy Clerk	-	-	-	-	-	-	-	-
Sr Electrical Engineer	-	1	-	1	-	1	-	1
Sr Engineer, P.E.	(2)	9	-	9	-	9	-	9
Sr Engineering Technician	-	1	-	1	-	1	-	1
Sr Equipment Operator	-	1	-	1	-	1	-	1
Sr Financial Analyst	-	2	-	2	-	2	-	2
Sr GIS Analyst	-	1	-	1	-	1	-	1
Sr Graphics Designer	-	1	-	1	-	1	-	1
Sr Human Resources Analyst	-	1	-	1	-	1	-	1
Sr IT Technitian	-	-	-	-	-	-	-	-
Sr Landscape Svcs Inspector	-	1	-	1	-	1	-	1
Sr Management Analyst	-	2	-	2	-	2	-	2
Sr Office Asst	(1)	5	-	5	(1)	4	-	4
Sr Park Ranger	(1)	-	-	-	-	-	-	-
Sr Parking Control Officer	-	1	-	1	-	1	-	1
Sr Parks Maint Technician	-	1	1	2	-	2	-	2
Sr Payroll Technician	-	1	-	1	-	1	-	1
Sr Permit Technician	-	2	-	2	-	2	-	2

City of Moreno Valley  
 FY 2014/15  
 City Position Summary

Position Title	FY	FY	FY	FY	FY	FY	FY	
	2011/12 Adj.	2011/12 No.	2012/13 Adj.	2012/13 No.	2013/14 Adj.	2013/14 No.	2014/15 Adj.	2014/15 No.
Sr Planner	-	2	-	2	-	2	-	2
Sr Recreation Program Leader	-	2	-	2	-	2	-	2
Sr Telecomm Technician	-	1	-	1	-	1	-	1
Sr Traffic Engineer	-	1	-	1	-	1	-	1
Sr Traffic Signal Technician	-	1	-	1	-	1	-	1
Storekeeper	-	1	-	1	-	1	-	1
Storm Water Prog Mgr	-	1	-	1	-	1	-	1
Street Maintenance Supervisor	-	2	-	2	-	2	-	2
Sustainability and Intergovernmental Programs Manager	-	-	-	-	1	1	-	1
Technology Services Div Mgr	-	1	-	1	-	1	-	1
Telecomm Engineer / Admin	-	1	-	1	-	1	-	1
Telecomm Technician	-	1	-	1	-	1	-	1
Traffic Operations Supervisor	-	1	-	1	-	1	-	1
Traffic Sign / Marking Tech I	-	1	-	1	-	1	-	1
Traffic Sign/Marking Tech II	-	2	-	2	-	2	-	2
Traffic Signal Technician	-	2	-	2	-	2	-	2
Trans Div Mgr / City Traf Engr	-	1	-	1	-	1	-	1
Treasury Operations Div Mgr	-	1	-	1	-	1	-	1
Tree Trimmer	-	1	-	1	-	1	-	1
Vehicle / Equipment Technician	-	2	-	2	1	3	-	3
Web Master	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>(35)</b>	<b>376</b>	<b>2</b>	<b>378</b>	<b>(18)</b>	<b>360</b>	<b>(3)</b>	<b>358</b>
Temporary Positions	(44)	121	(17)	104	(15)	89	(1)	88
<b>Total</b>	<b>(79)</b>	<b>497</b>	<b>(15)</b>	<b>482</b>	<b>(33)</b>	<b>449</b>	<b>(4)</b>	<b>446</b>

\* Excludes City Council Members

CITY OF MORENO VALLEY: FY 2013/14 YEAR END BUDGET REVIEW  
FY 2014/15 FIRST QUARTER BUDGET REVIEW

**PRESENTATION BY:** Michelle Dawson, City Manager  
Rick Teichert, Chief Financial Officer  
Marshall Eyerman, Financial Resources Division Manager



## Presentation Overview

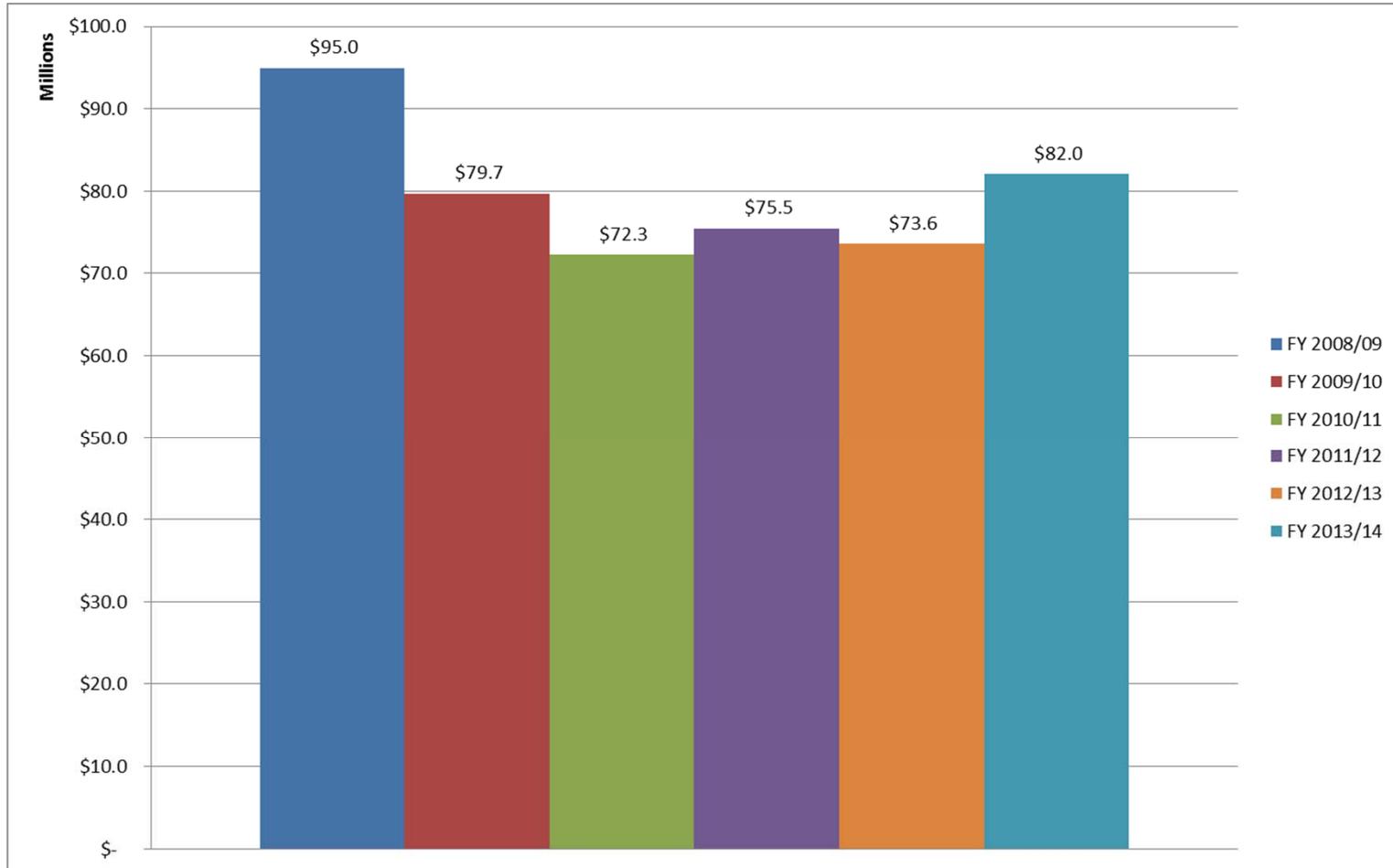
- Review of FY 2013/14 Year End Results
- FY 2014/15 First Quarter Budget Review
- FY 2014/15 Recommended Changes

## FY 2013/14 General Fund Operating Results - Revenues

- Results within 4% of budget
- Reflects positive growth and one-time revenues

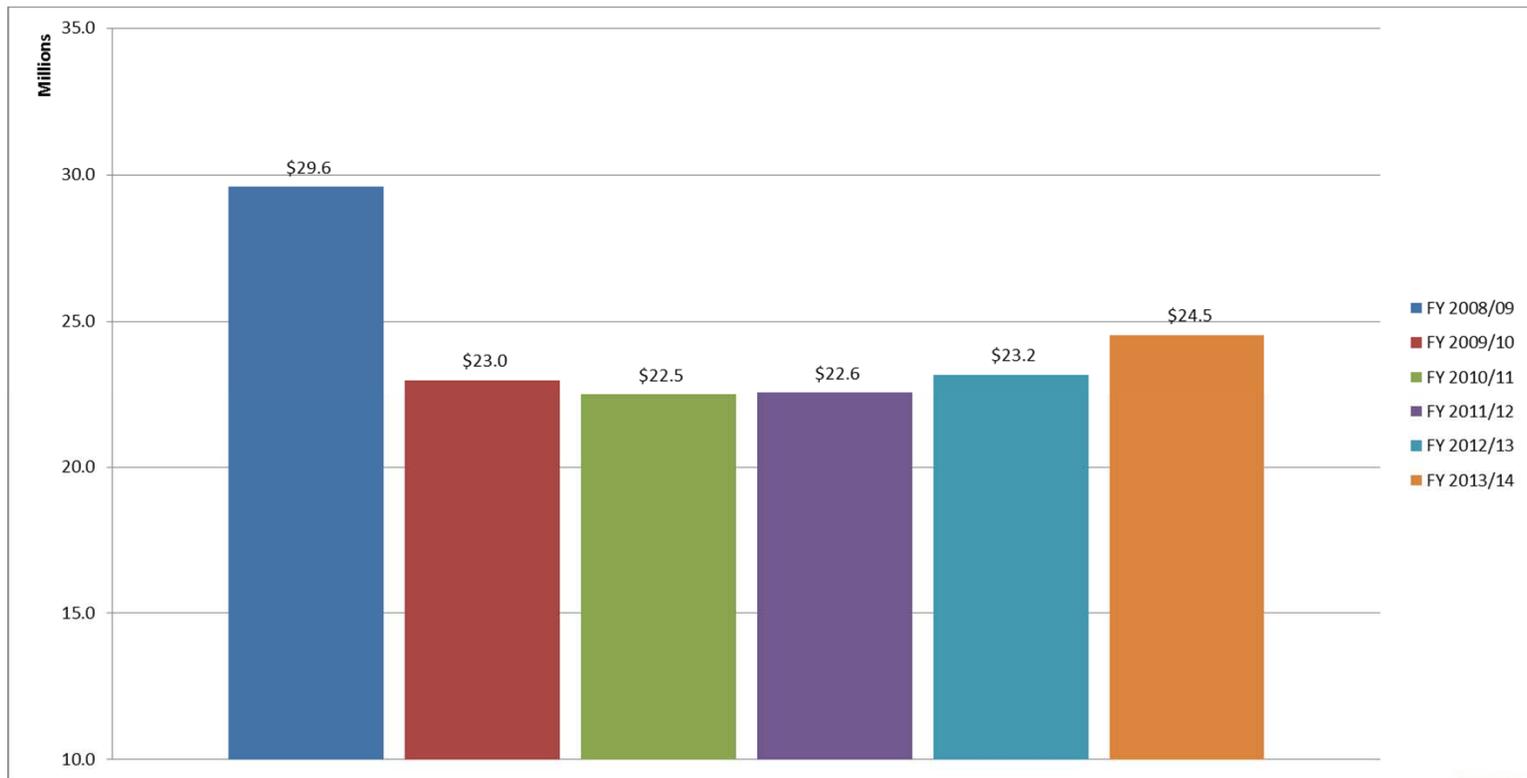
	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	Variance \$	% of Amended Budget
<b>Revenues:</b>				
Taxes:				
Property Tax	\$ 9,647,100	\$ 10,668,782	\$ 1,021,682	111%
Property Tax in-lieu	13,840,000	13,871,754	31,754	100%
Utility Users Tax	16,114,000	15,595,141	(518,859)	97%
Sales Tax	15,570,000	15,887,130	317,130	102%
Other Taxes	7,965,000	8,576,927	611,927	108%
Licenses & Permits	1,764,000	2,164,752	400,752	123%
Intergovernmental	235,000	311,510	76,510	133%
Charges for Services	9,224,707	9,896,025	671,318	107%
Use of Money & Property	2,688,000	2,836,585	148,585	106%
Fines & Forfeitures	601,500	577,961	(23,539)	96%
Miscellaneous	51,400	492,820	441,420	959%
Transfers In	1,247,063	1,163,421	(83,642)	93%
<b>Total Revenues</b>	<b>\$ 78,947,770</b>	<b>\$ 82,042,808</b>	<b>\$ 3,095,038</b>	<b>104%</b>

### FY 2013/14 General Fund Operating Results - Revenues



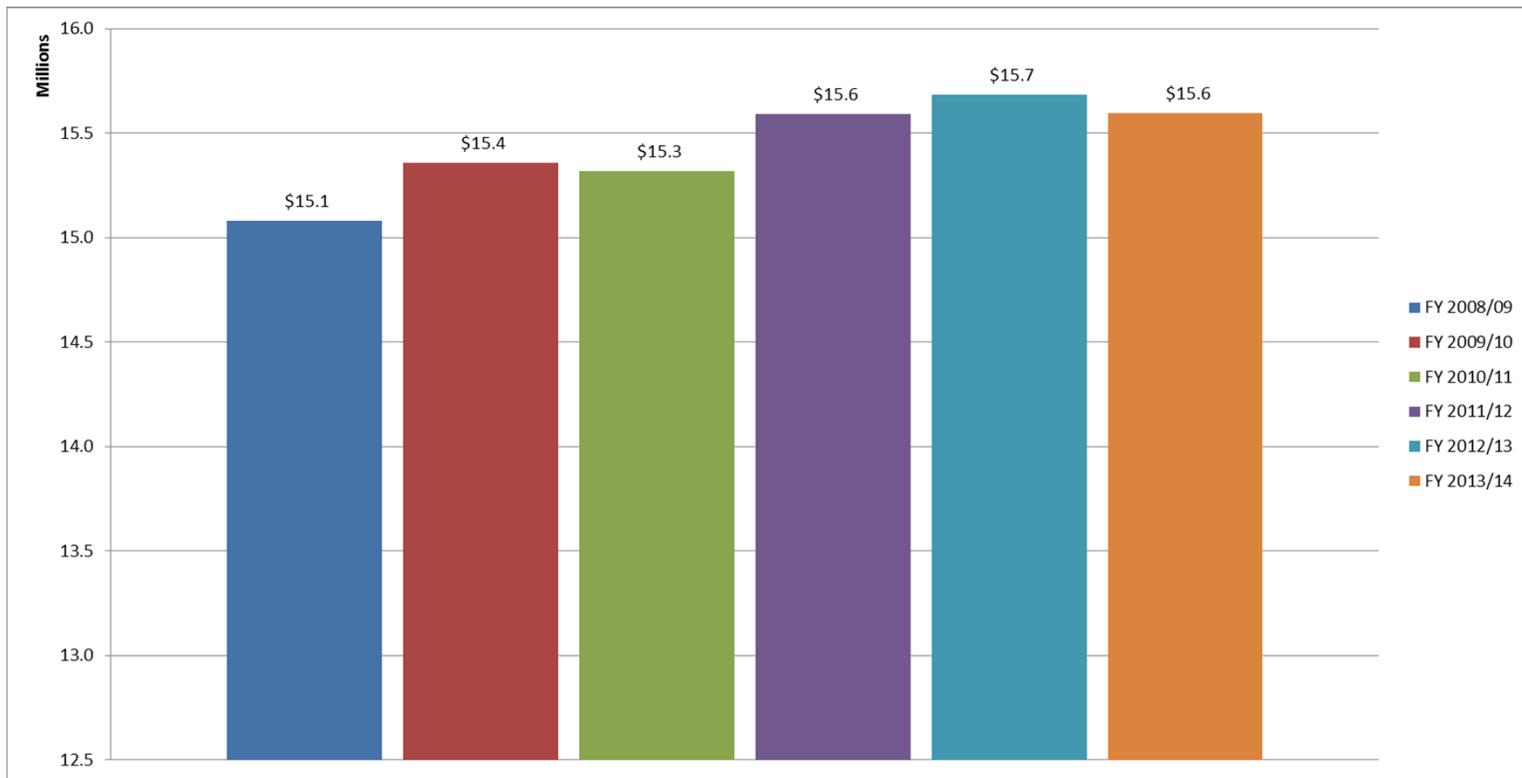
## FY 2013/14 General Fund Operating Results

- Property Tax Revenues
- Results within 4.5% of budget
- Growth from:
  - County adjustments to assessment appeals
  - Prior redevelopment redistribution



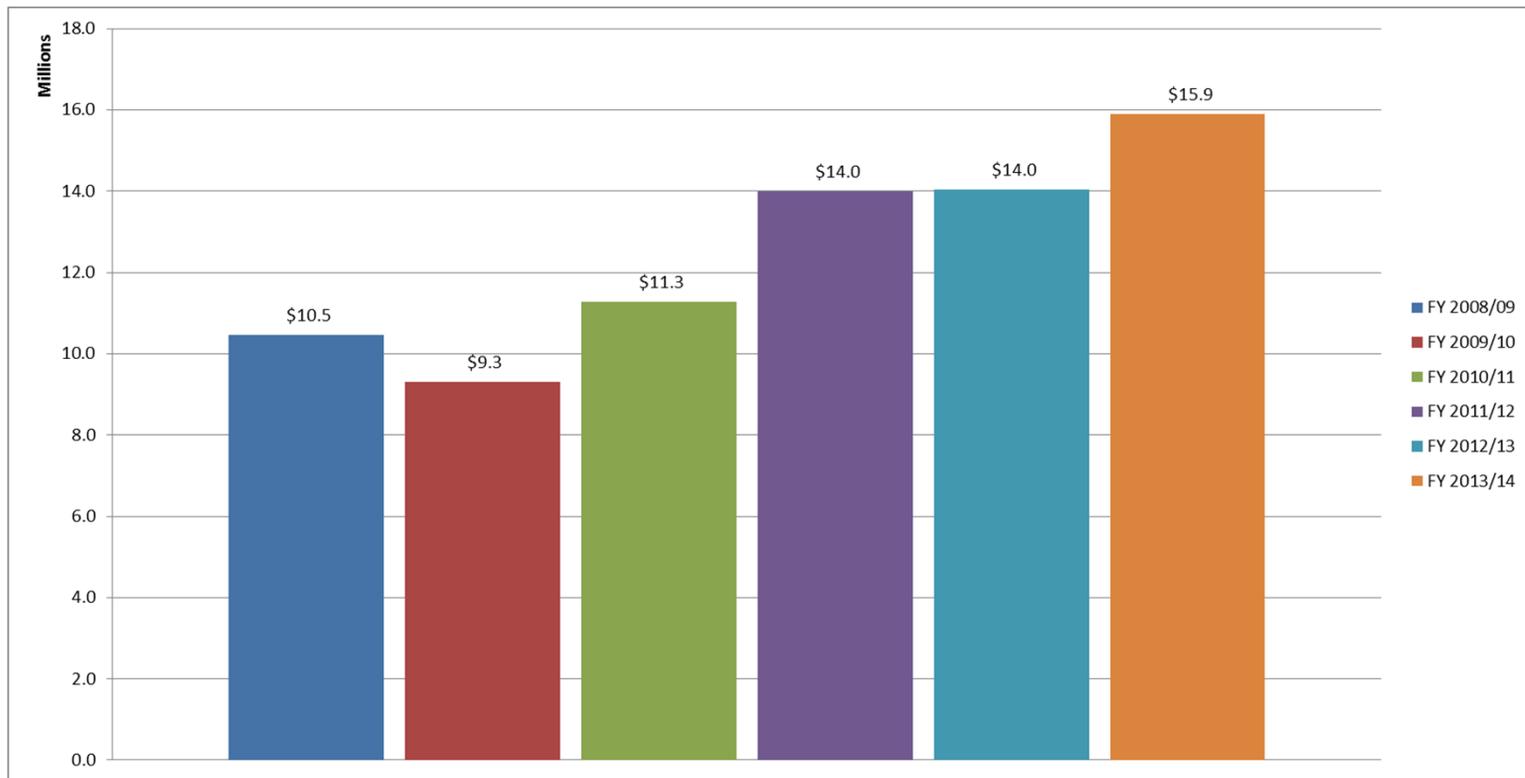
## FY 2013/14 General Fund Operating Results

- Utility Users Tax Revenues
- No growth due to:
  - Lower natural gas prices
  - Cell phone costs decreases due to bundling and competitive pricing



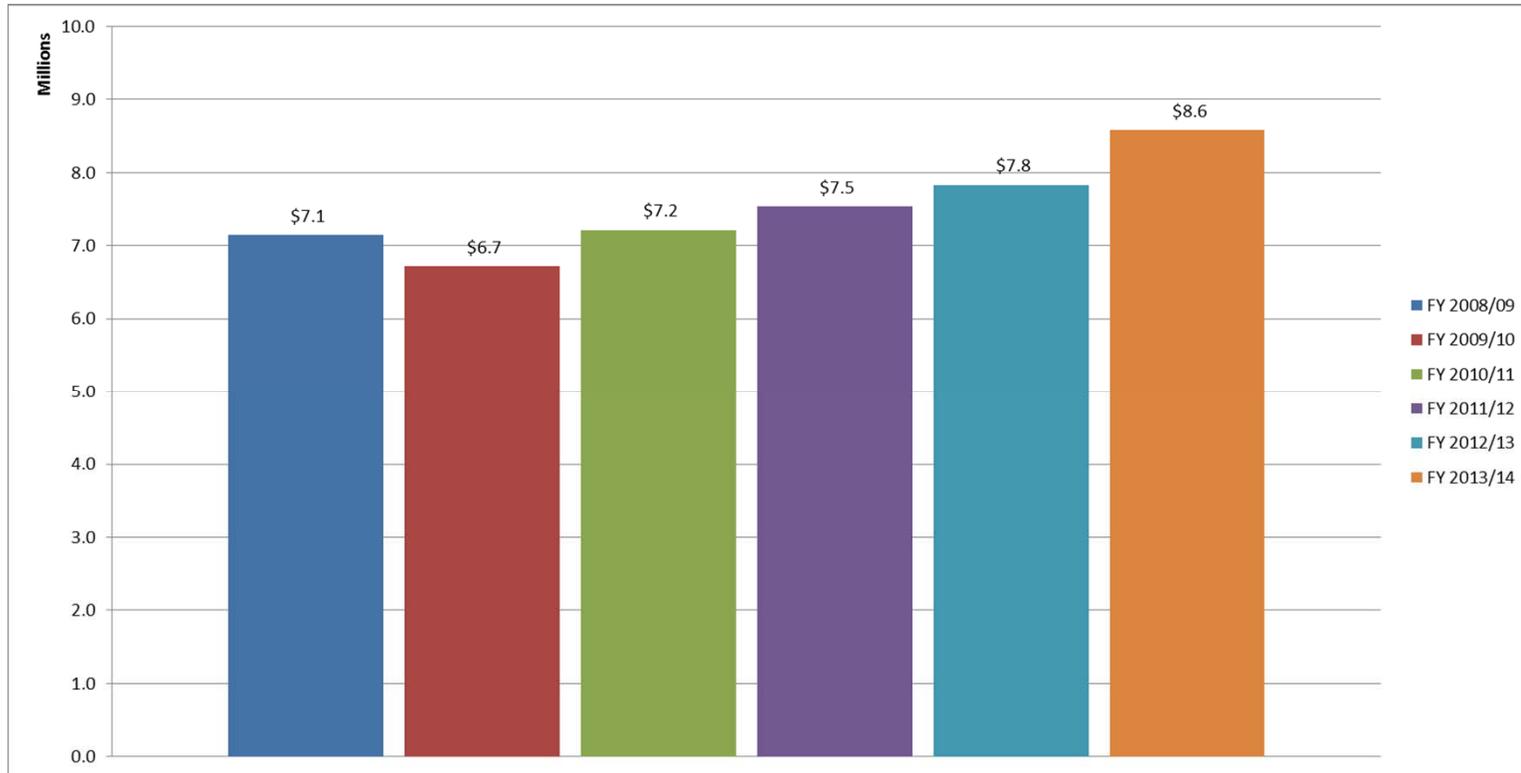
## FY 2013/14 General Fund Operating Results

- Sales Tax Revenues
- Budgeted to increase approx. 11%
- May stabilize in the future



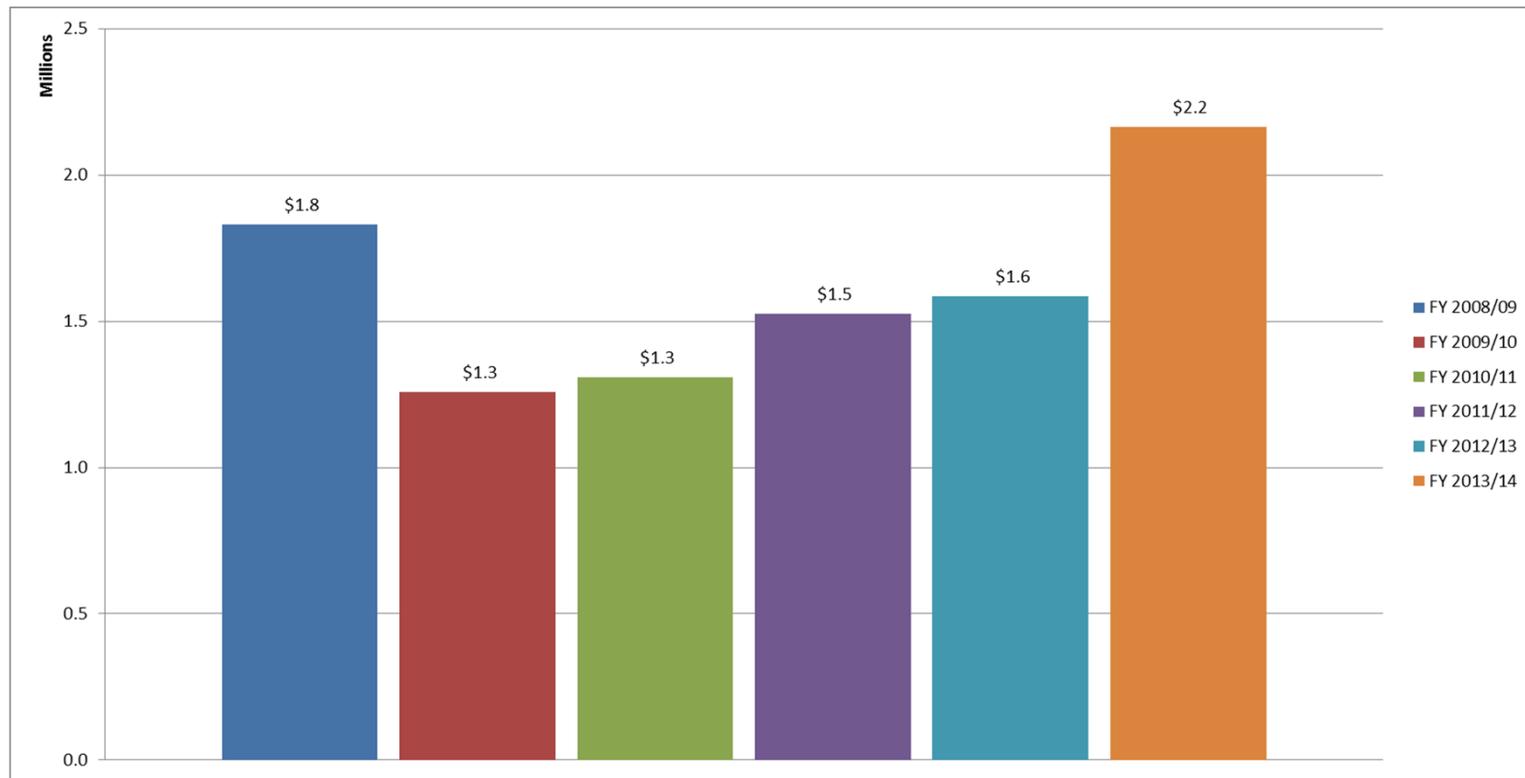
## FY 2013/14 General Fund Operating Results

- Other Tax Revenues
- Growth seen in Transient Occupancy Tax and Business Taxes



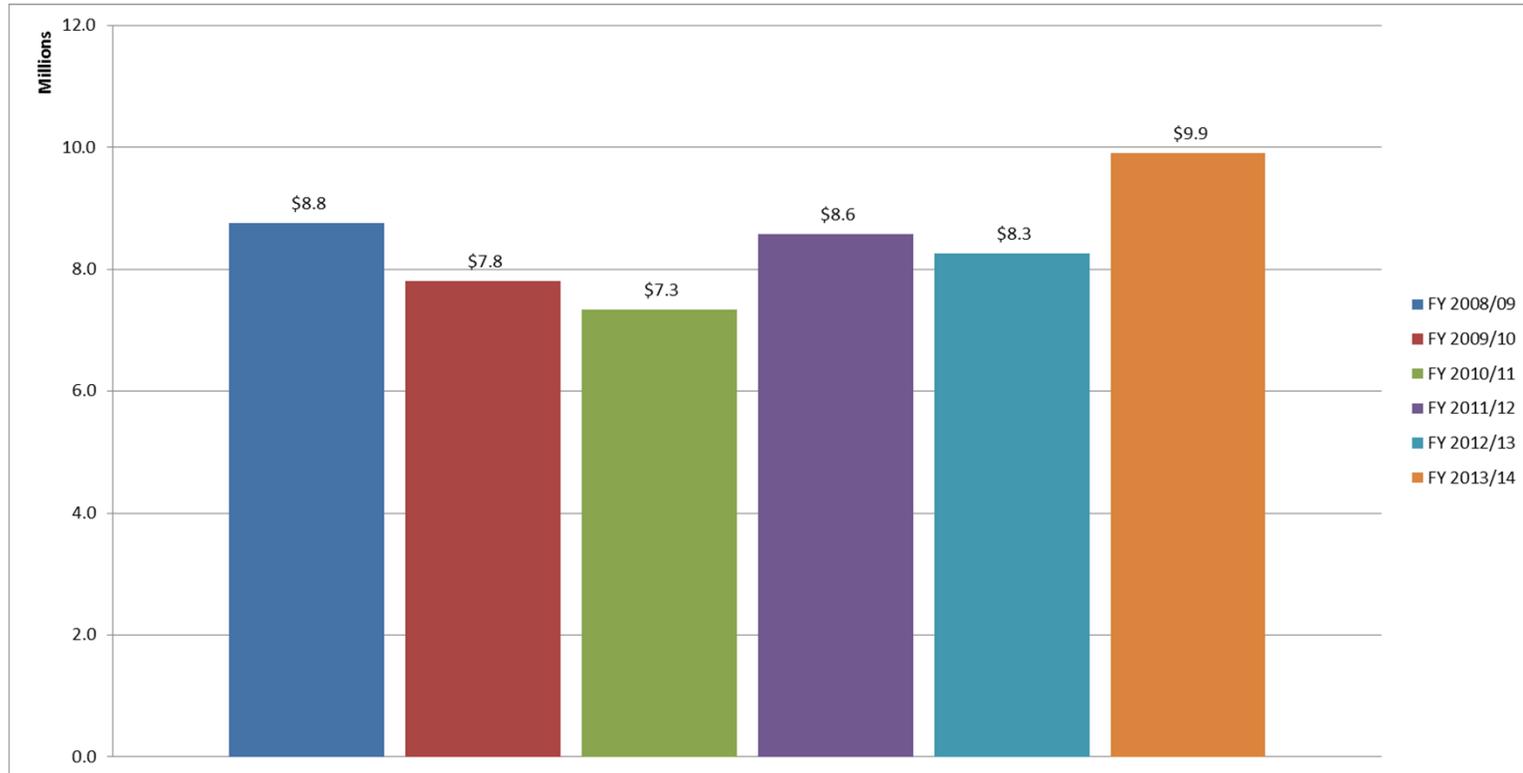
## FY 2013/14 General Fund Operating Results

- Licenses and Permits Revenues
  - Business and Animal Licenses, along with Building, Electrical, Mechanical, Plumbing and other permits
- Growth due to new development



## FY 2013/14 General Fund Operating Results

- Charges for Services Revenues
  - Includes Plan Check Fees for Building & Safety, Fire, and Engineering
- Growth due to new development

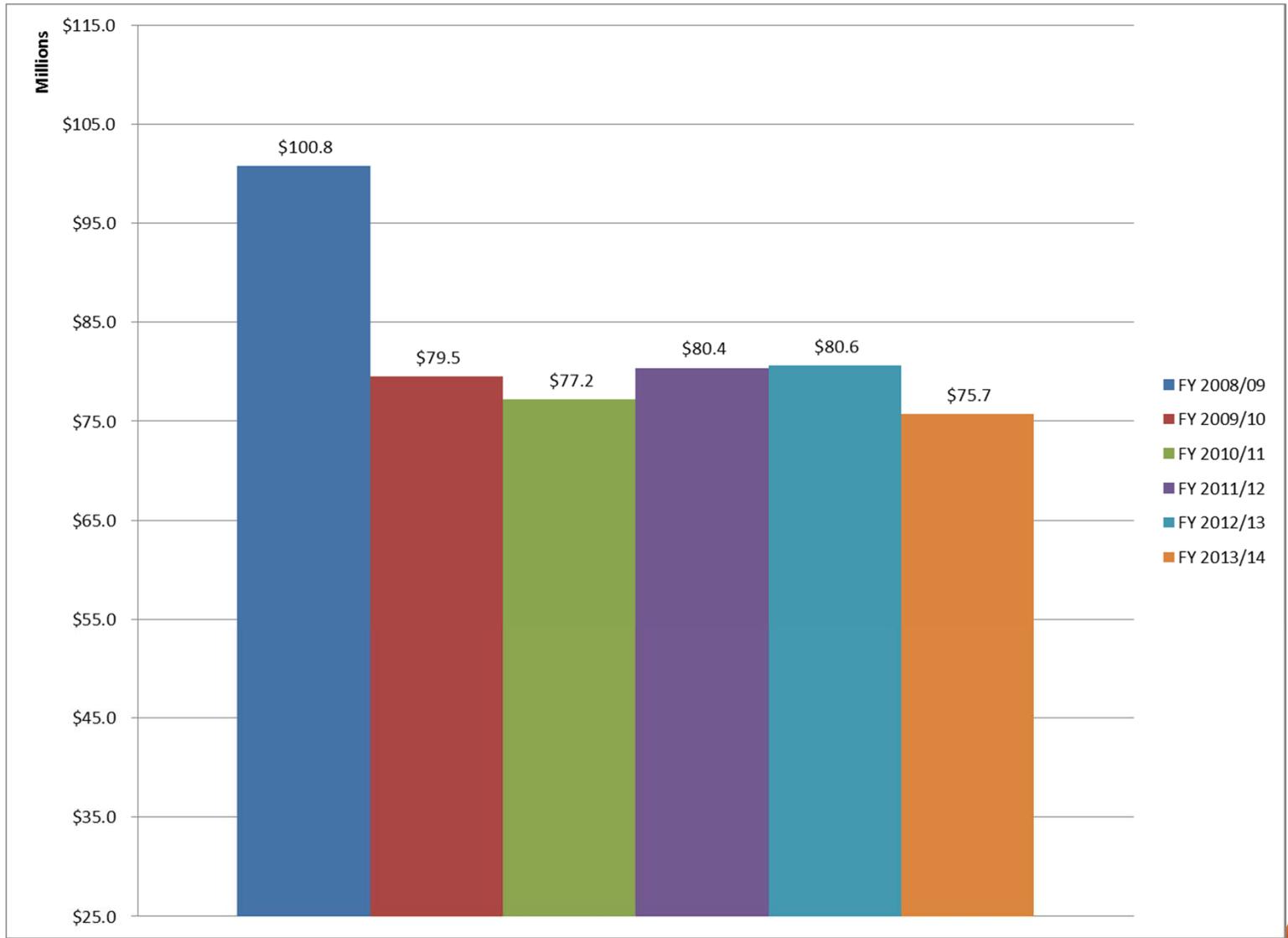


## FY 2013/14 General Fund Operating Results - Expenses

- Results within 4% of budget
- Reflects increased cost controls and savings

Department	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	Variance \$	% of Amended Budget
City Council	\$ 654,113	\$ 642,586	\$ (11,527)	98%
City Clerk	541,202	573,397	32,195	106%
City Manager	1,917,210	1,915,196	(2,014)	100%
City Attorney	776,045	869,430	93,385	112%
Community & Economic Development	5,714,662	5,344,293	(370,369)	94%
Financial & Management Services	3,091,265	2,844,704	(246,561)	92%
Administrative Services	3,764,674	3,544,102	(220,572)	94%
Public Works	4,465,001	3,974,832	(490,169)	89%
Non-Departmental	2,796,980	3,435,439	638,459	123%
Non-Public Safety Subtotal	23,721,152	23,143,979	(577,173)	98%
Public Safety				
Police	37,552,195	36,042,648	(1,509,547)	96%
Fire	17,507,212	16,545,719	(961,493)	95%
Public Safety Subtotal	55,059,407	52,588,366	(2,471,041)	96%
<b>Total</b>	<b>\$ 78,780,559</b>	<b>\$ 75,732,346</b>	<b>\$ (3,048,213)</b>	<b>96%</b>

FY 2013/14 General Fund Operating Results - Expenses



**FY 2013/14 General Fund Results**

Revenues		82,042,808
Expenditures		(75,732,346)
<b>Net Operations</b>	<b>\$</b>	<b>6,310,462</b>
CIP Expenditures		(128,912)
<b>Net Change of Fund Balance</b>	<b>\$</b>	<b>6,181,550</b>

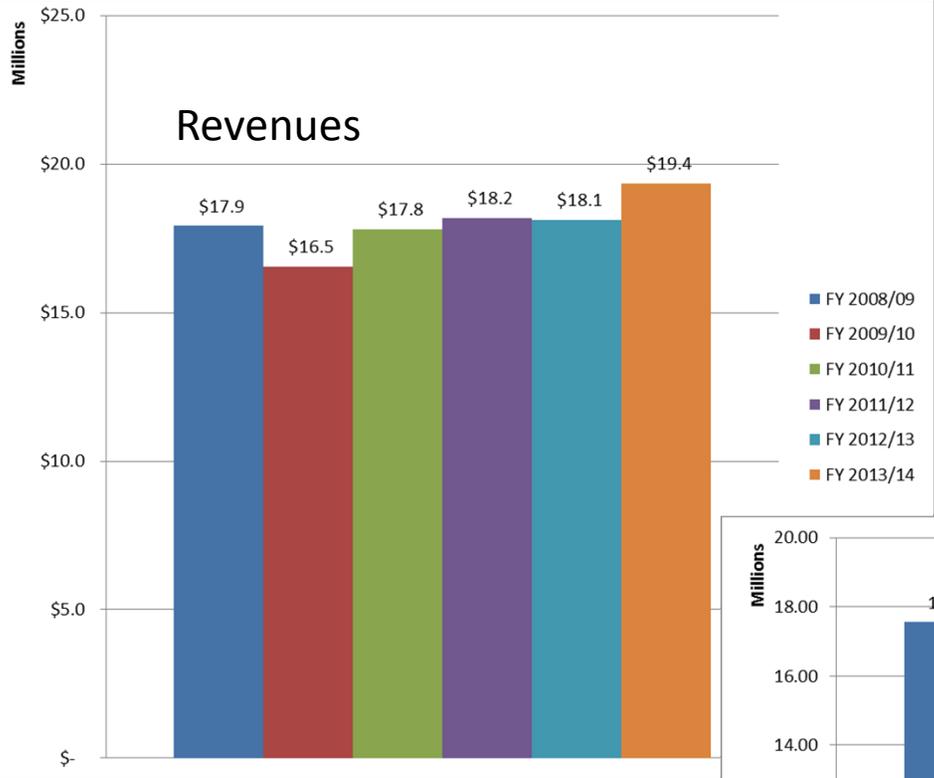
<b>Fund Balance Summary</b>	<b>FY 2012/13</b>	<b>FY 2013/14</b>	<b>Variance</b>
Assigned/Restricted	\$ 8,845,251	\$ 13,019,130	\$ 4,173,879
Unassigned	25,528,774	27,536,445	2,007,671
<b>Total Fund Balance</b>	<b>\$ 34,374,025</b>	<b>\$ 40,555,575</b>	<b>\$ 6,181,550</b>

- Unassigned funds may be used to cover annual cash flow requirements and reserves.

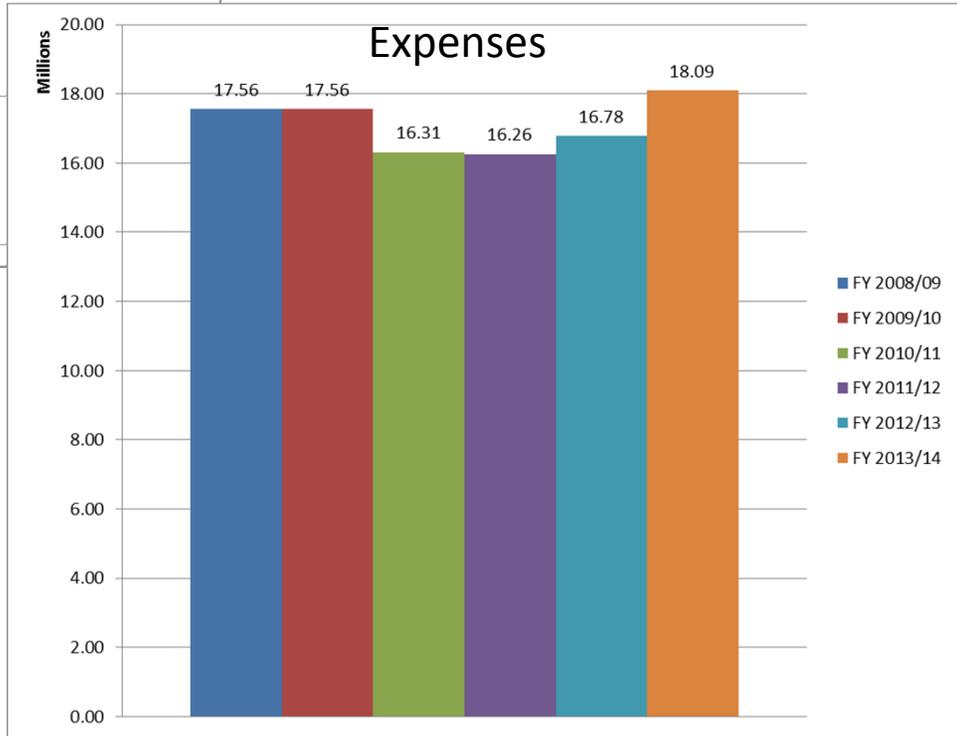
## FY 2013/14 Community Services District Operating Results

	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Taxes:			
Property Tax	\$ 3,188,300	\$ 3,612,752	113.3%
Other Taxes	6,322,000	6,350,448	100.4%
Intergovernmental	-	4,660	
Charges for Services	5,865,531	5,958,398	101.6%
Use of Money & Property	614,221	725,735	118.2%
Fines & Forfeitures	50,000	41,980	84.0%
Miscellaneous	20,580	480,449	2334.5%
Transfers In	2,459,771	2,183,135	88.8%
<b>Total Revenues</b>	<b>18,520,403</b>	<b>19,357,557</b>	<b>104.5%</b>
<b>Expenditures:</b>			
Library Services Fund (5010)	\$ 2,145,013	\$ 2,122,497	99.0%
Zone A Parks Fund (5011)	9,343,871	8,688,301	93.0%
LMD 2014-01 Residential Street Lighting Fund (5012)	1,683,805	1,506,095	89.4%
Zone C Arterial Street Lighting Fund (5110)	1,188,385	1,101,899	92.7%
Zone D Standard Landscaping Fund (5111)	1,096,642	1,042,870	95.1%
Zone E Extensive Landscaping Fund (5013)	2,628,085	2,205,414	83.9%
Zone M Median Fund (5112)	285,224	244,721	85.8%
CFD No. 1 (5113)	1,226,277	1,129,789	92.1%
Zone S (5114)	66,328	47,422	71.5%
<b>Total Expenditures</b>	<b>19,663,630</b>	<b>18,089,007</b>	<b>92.0%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ (1,143,227)</b>	<b>\$ 1,268,550</b>	

FY 2013/14 Community Services District Operating Results



- Voter approved services and charges



## FY 2013/14 Community Services District Operating Results

- Parks and Community Services - Zone A

	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Taxes:			
Property Tax	\$ 1,709,000	\$ 1,880,818	110.1%
Other Taxes	4,900,000	4,945,843	100.9%
Charges for Services	1,067,122	1,036,384	97.1%
Use of Money & Property	583,900	578,517	99.1%
Miscellaneous	18,100	15,018	83.0%
Transfers In	424,136	307,500	72.5%
<b>Total Revenues</b>	<b>8,702,258</b>	<b>8,764,080</b>	<b>100.7%</b>
<b>Expenditures:</b>			
35010 Parks & Comm Svcs - Admin	\$ 591,679	\$ 631,654	106.8%
35210 Park Maintenance - General	3,237,870	2,850,318	88.0%
35211 Contract Park Maintenance	464,403	309,200	66.6%
35212 Park Ranger Program	384,056	351,687	91.6%
35213 Golf Course Program	264,804	281,470	106.3%
35214 Parks Projects	180,534	194,936	108.0%
35310 Senior Program	620,371	555,658	89.6%
35311 Community Services	198,218	160,680	81.1%
35312 Community Events	95,881	108,198	112.8%
35313 Conf & Rec Cntr	632,947	568,610	89.8%
35314 Conf & Rec Cntr - Banquet	331,004	307,303	92.8%
35315 Recreation Programs	1,787,911	1,853,783	103.7%
35317 July 4th Celebration	143,893	122,017	84.8%
95011 Non-Dept Zone A Parks	410,300	392,787	95.7%
<b>Total Expenditures</b>	<b>9,343,871</b>	<b>8,688,301</b>	<b>93.0%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ (641,613)</b>	<b>\$ 75,779</b>	

## FY 2013/14 Moreno Valley Utility Operating Results

- Moreno Valley Utility (MVU) manages the operation, maintenance and business planning of the City's electric utility.

	FY 2013/14 Amended Budget	Actuals as of 6/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>			
Charges for Services	\$ 18,915,548	\$ 20,627,687	109.1%
Use of Money & Property	80,500	91,064	113.1%
Miscellaneous	123,488	1,302,521	1054.8%
Transfers In	150,000	904,032	602.7%
<b>Total Revenues</b>	<b>19,269,536</b>	<b>22,925,304</b>	<b>119.0%</b>
<b>Expenditures:</b>			
45510 Electric Utility - General	\$ 16,238,850	\$ 17,716,625	109.1%
45511 Public Purpose Program	1,199,111	931,102	77.6%
45520 2007 Taxable Lease Rev Bonds	1,835,144	1,841,425	100.3%
45530 2005 Lease Revenue Bonds	302,441	294,364	97.3%
96030 Non-Dept 2005 Lease Revenue Bonds	-	-	
96031 Non-Dept 2013 Refunding 05 LRB	20,322	17,792	
<b>Total Expenditures</b>	<b>19,595,868</b>	<b>20,801,308</b>	<b>106.2%</b>
<b>Net Change or Adopted Use of Fund Balance</b>	<b>\$ (326,332)</b>	<b>\$ 2,123,996</b>	

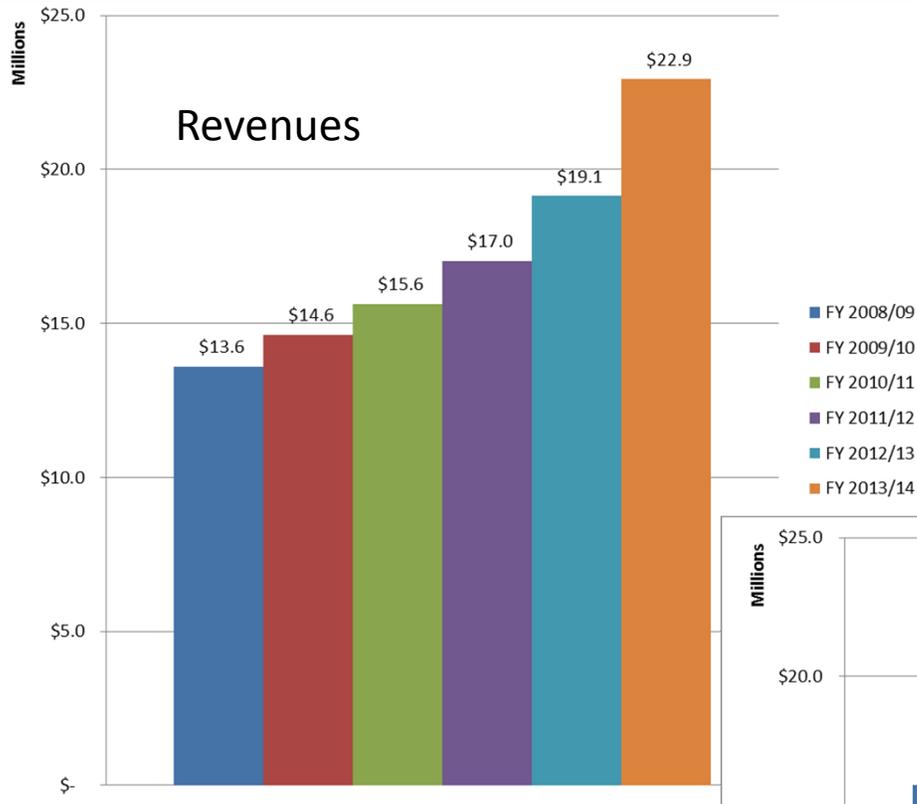
## FY 2013/14 Moreno Valley Utility Operating Results

Revenues		22,925,304
Expenditures		(20,801,308)
<b>Net Operations</b>	<b>\$</b>	<b>2,123,996</b>
Net Investment in infrastructure		(235,602)
<b>Net Change of Fund Balance</b>	<b>\$</b>	<b>1,888,394</b>

<b>Fund Balance Summary</b>	<b>FY 2012/13</b>	<b>FY 2013/14</b>	<b>Variance</b>
Restricted - Public Purpose	3,444,969	3,903,663	458,694
Inv in Capital Assets	9,052,878	9,569,296	516,418
Unrestricted	(652,825)	260,457	913,282
<b>Total Fund Balance</b>	<b>\$ 11,845,022</b>	<b>\$ 13,733,416</b>	<b>\$ 1,888,394</b>

- Unrestricted funds may be used to cover annual cash flow requirements and reserves.

FY 2013/14 Moreno Valley Utility Operating Results



- Reflects continued growth of the utility



## FY 2014/15 General Fund Operating Results – First Quarter

- Revenues
  - In-line with projections
  - Major revenues sources may not occur in the first quarter

	FY 2014/15 Adopted Budget	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
<b>Revenues:</b>				
Taxes:				
Property Tax	\$ 9,803,900	\$ 11,083,551	\$ 0	0.0%
Property Tax in-lieu	13,890,000	14,912,136	-	0.0%
Utility Users Tax	16,428,000	15,912,000	3,184,284	20.0%
Sales Tax	16,420,000	17,638,770	1,147,380	6.5%
Other Taxes	8,185,000	8,266,100	736,806	8.9%
Licenses & Permits	1,519,200	1,519,200	465,652	30.7%
Intergovernmental	235,000	235,000	39,299	16.7%
Charges for Services	8,977,274	9,342,770	2,010,638	21.5%
Use of Money & Property	2,589,600	2,589,600	(176,625)	-6.8%
Fines & Forfeitures	606,500	606,500	70,785	11.7%
Miscellaneous	51,400	281,400	247,106	87.8%
<b>Total Revenues</b>	<b>\$ 78,705,874</b>	<b>\$ 82,387,027</b>	<b>\$ 7,725,324</b>	<b>9.4%</b>

## FY 2014/15 General Fund Operating Results – First Quarter

- Expenses
  - Three months or 25% of the year has passed
  - In-line with projections

Department	FY 2014/15 Amended Budget	Actuals as of 9/30/2014 (unaudited)	% of Amended Budget
City Council	\$ 668,537	\$ 135,896	20.3%
City Clerk	662,185	114,556	17.3%
City Manager	1,863,226	382,844	20.5%
City Attorney	619,963	208,006	33.6%
Community & Economic Development	5,828,344	1,230,548	21.1%
Financial & Management Services	3,472,927	658,282	19.0%
Administrative Services	3,993,099	808,980	20.3%
Public Works	4,692,049	848,341	18.1%
Non-Departmental	3,575,470	1,416,769	39.6%
Non-Public Safety Subtotal	25,375,800	5,804,222	22.9%
Public Safety			
Police	39,476,236	9,390,484	23.8%
Fire	18,472,564	4,294,666	23.2%
Public Safety Subtotal	57,948,800	13,685,150	23.6%
<b>Total</b>	<b>\$ 83,324,600</b>	<b>\$ 19,489,372</b>	



**Position Control Roster**

- Position Control – Proposed Changes
  - The Public Works Department is requesting to eliminate three vacant part-time Maintenance Worker positions and convert the remaining six positions into full-time positions. This adjustment will allow for increased services, while not requiring any increase in the budget.

<u>Department / Position Title</u>	<b>FY 2014/15 Position Adjustment</b>
<u>Public Works</u>	
Maintenance Worker I (P/T)	(9)
Maintenance Worker I/II (F/T)	6

## Financial Updates

- March 2015: FY 2014/15 Mid-Year Budget Adjustments

## FY 2015/16-2016/17 Budget Process

- Dec. 2014 – May 2015: Council Briefings
- **Jan. 13, 2015:** **Fiscal Challenges**
- Jan. – March 2015: Study Sessions
- April – June 2015: Public Hearings
- June 2015: Budget Adopted