

City of Yuba City
Budget Outlook
May 17, 2010

**CITY OF YUBA CITY
BUDGET WORKSHOP
MAY 17, 2010**

OVERVIEW

- * CHALLENGED BUT MANAGEABLE**
- * ADDITIONAL EMPLOYEE HELP NECESSARY**
- * HEALTHCARE INCREASES**
- * PENSION INCREASES**
- * PENSION REFORM REQUIRED**

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MAY 17, 2010**

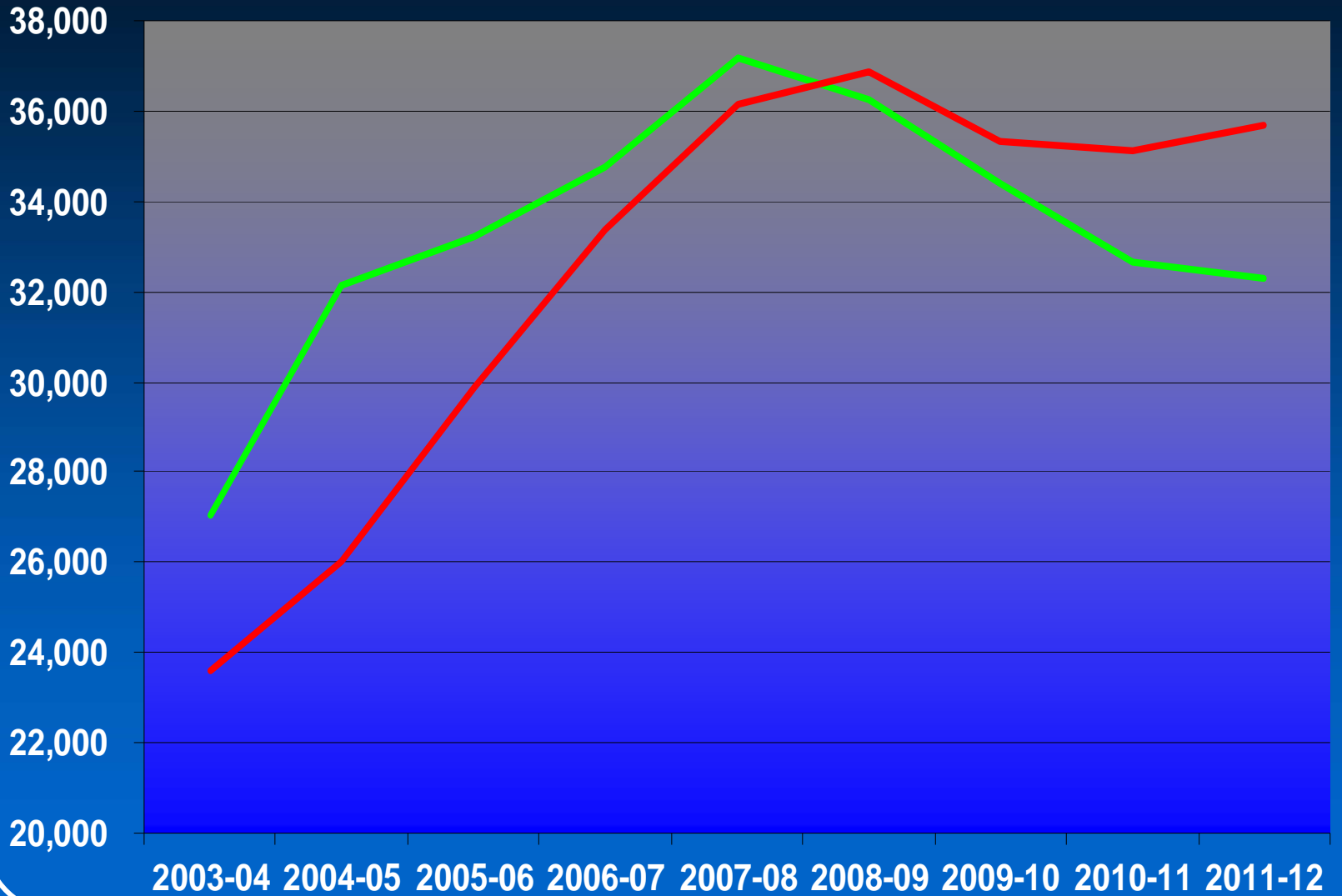
THE CHALLENGE

	<u>FY 10/11</u>	<u>FY 11/12</u>
DEFICIT	(\$2.5M)	(\$3.4M)
RESERVES (ESR)	0.7M	
ONE TIME	1.8M	
	<u>0</u>	<u>\$3.4M</u>



Revenue & Expenditures

REVENUE & EXPENDITURES

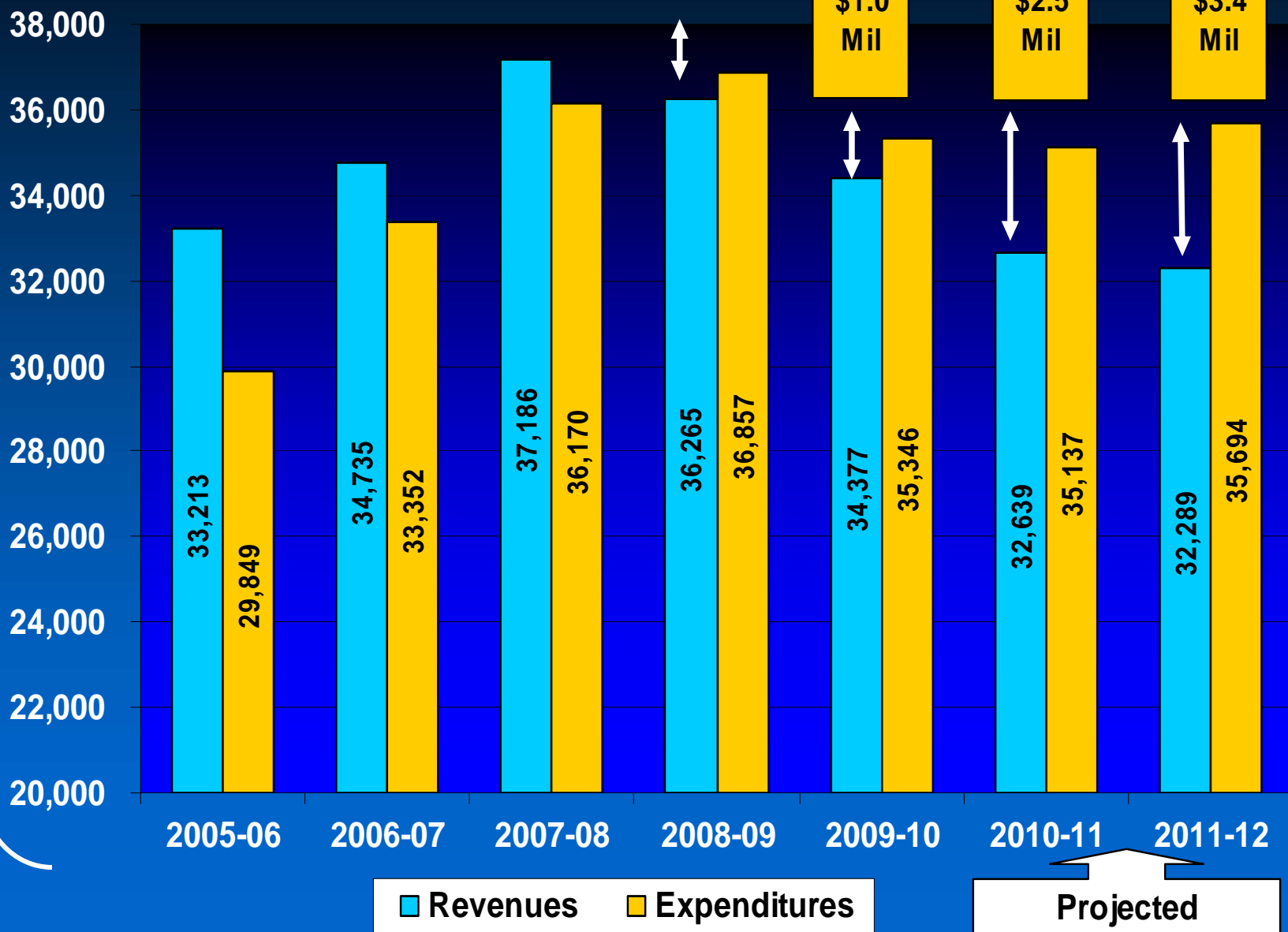


— Revenues — Expenditures



Revenue & Expenditures

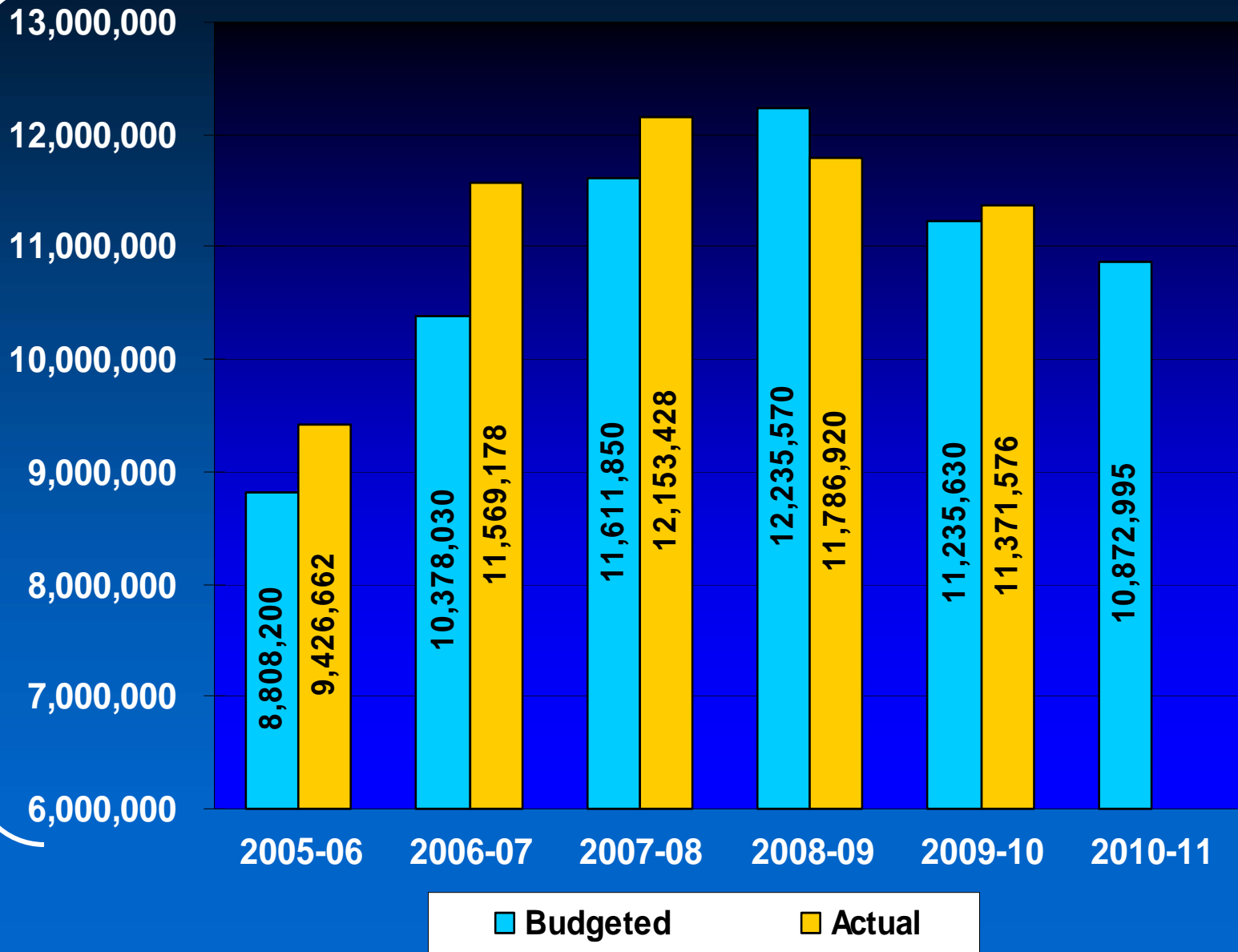
REVENUE & EXPENDITURES





Property Tax

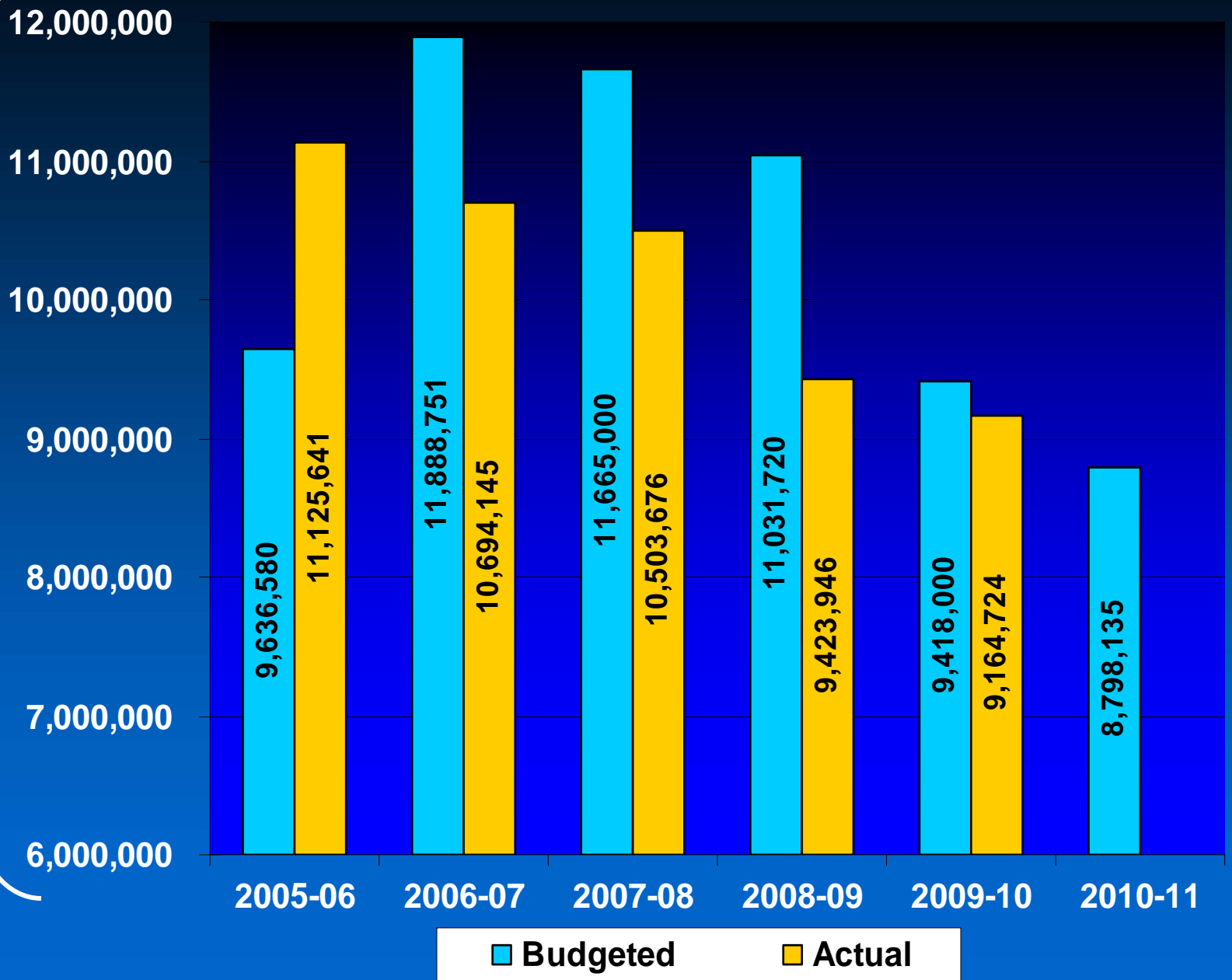
PROPERTY TAX





YUBA CITY SALES TAX

Sales Tax



Quarterly Sales Tax Results-Cash Basis

FY 06/07

- 11.5% decline 1st Qtr
- 8.8% decline 2nd Qtr
- 1.2% increase 3rd Qtr
- 5.7% increase 4th Qtr

FY 07/08

- 3.5% increase 1st Qtr
- 5.4% decline 2nd Qtr
- 1.3% increase 3rd Qtr
- 9.8% decline 4th Qtr

FY 08/09

- 11.8% decline 1st Qtr
- 3.5% decline 2nd Qtr
- 12.4% decline 3rd Qtr
- 13.2% decline 4th Qtr

FY 09/10

- 2.0% increase 1st Qtr
- (Actual sales down 9.7% after anomalies)
- 2.5% decrease 2nd Qtr

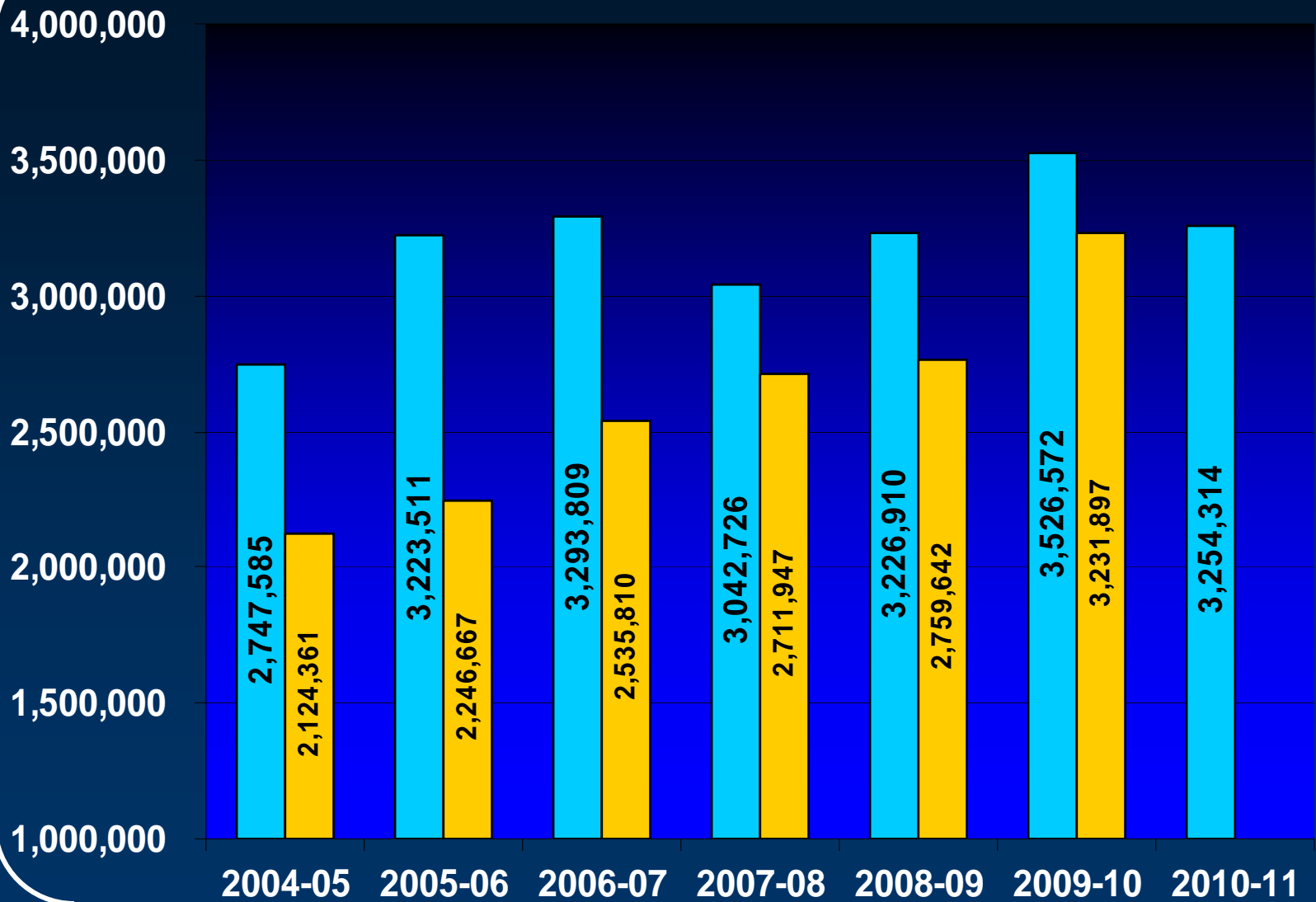
Quarterly Sales Tax Results-Comparison

	Cash Basis	Adjusted
■ 1 st Q 07/08	3.5%	(2.0%)
■ 2 nd Q 07/08	(5.4%)	(3.3%)
■ 3 rd Q 07/08	1.3%	(2.7%)
■ 4 th Q 07/08	(9.8%)	(7.7%)
■ 1 st Q 08/09	(11.8%)	(3.9%)
■ 2 nd Q 08/09	(3.5%)	(13.1%)
■ 3 rd Q 08/09	(12.4%)	(14.0%)
■ 4 th Q 08/09	(13.2%)	(5.0%)
■ 1 st Q 09/10	2.0%	(9.7%)
■ 2 nd Q 09/10	(2.5%)	(3.5%)



Health & Dental/Vision Plan Cost Comparison

HEALTH & DENTAL/VISION PLAN

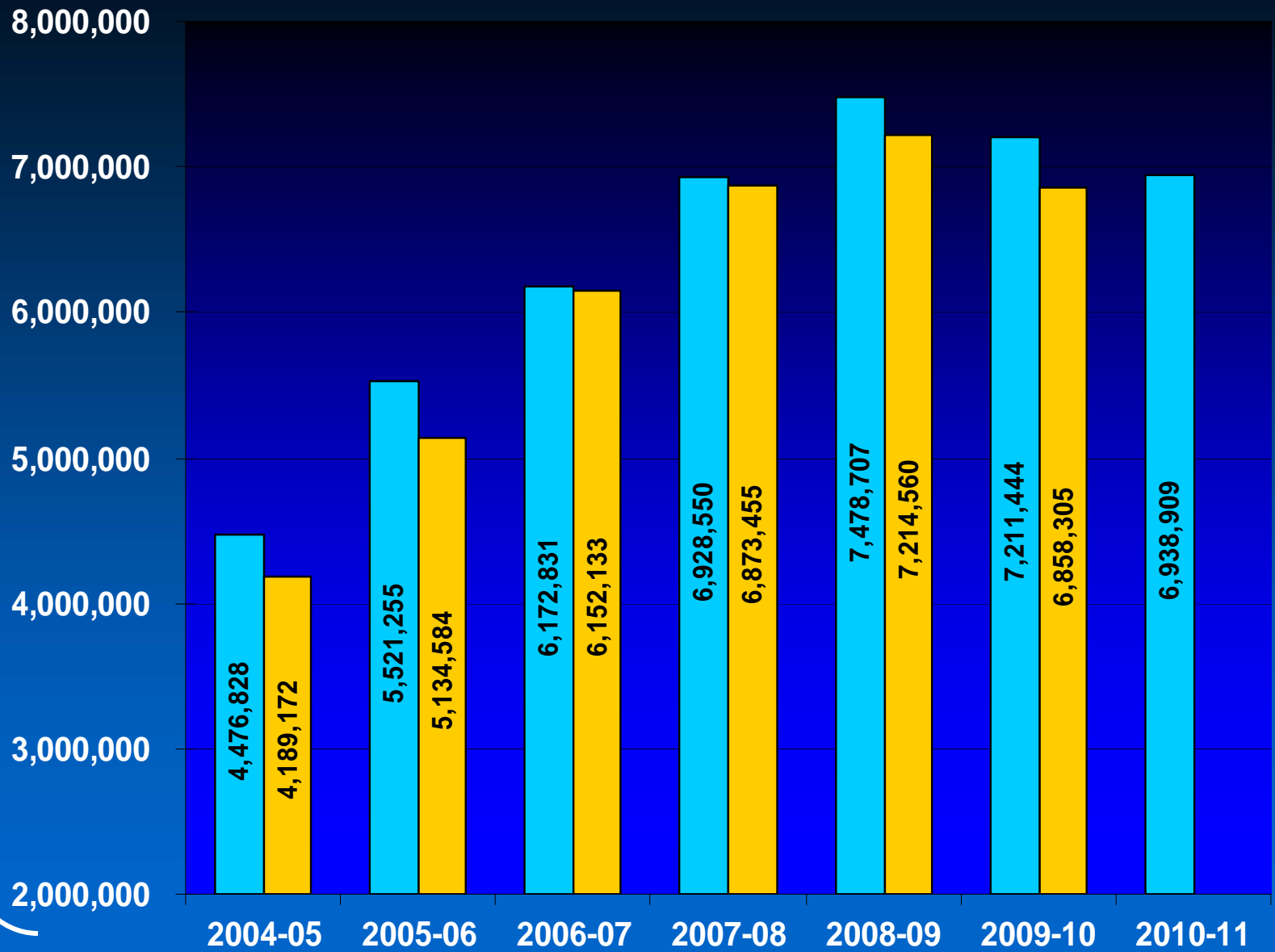


■ Budgeted ■ Actual



PERS Cost Comparison

PERS COST COMPARISON

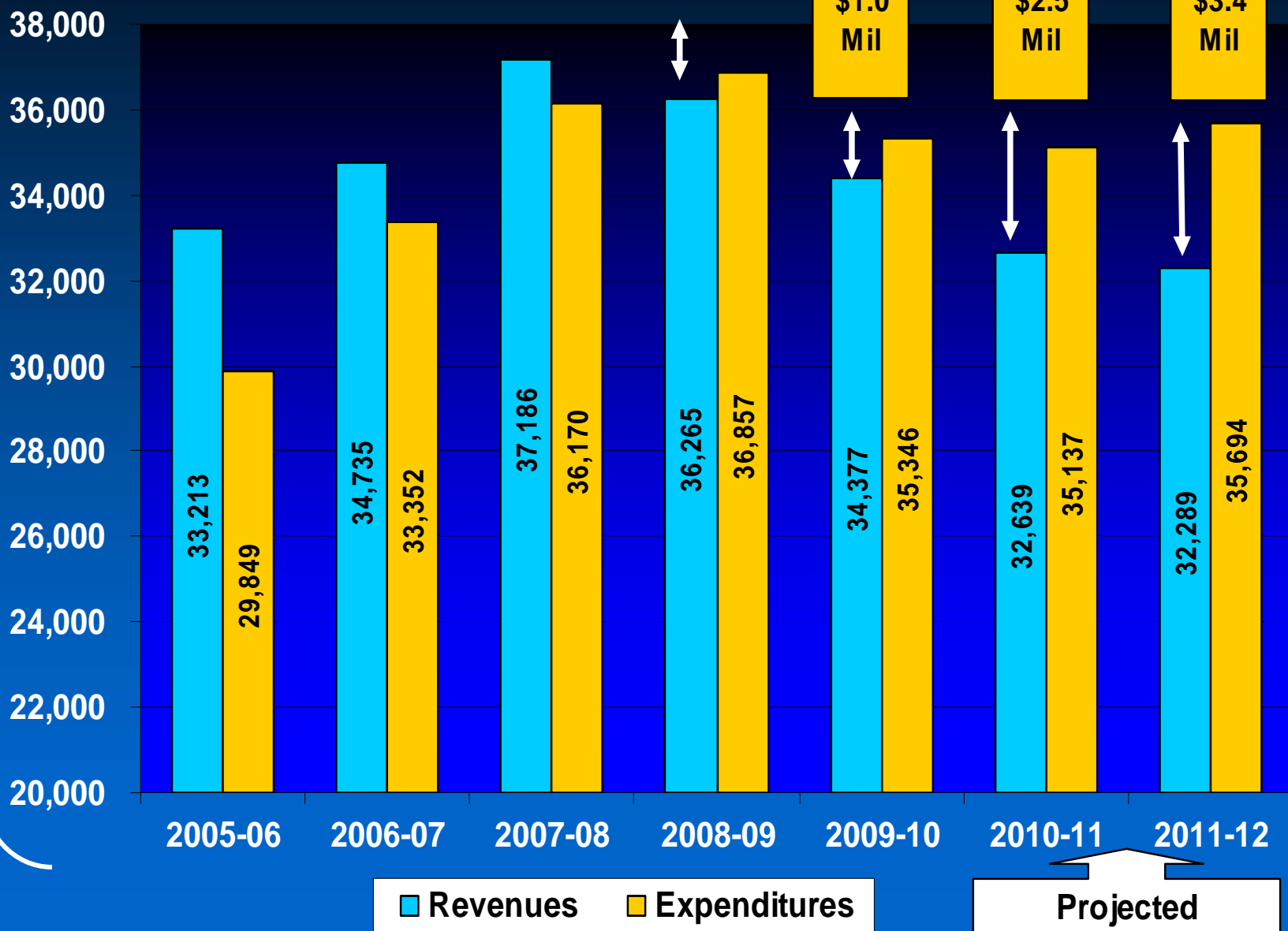


■ Budgeted ■ Actual



Revenue & Expenditures

REVENUE & EXPENDITURES



City of Yuba City Wastewater Enterprise Fund Summary

	Projected FY 09/10	Proposed FY 10/11
Operating Revenues	\$ 9,752,700	\$ 9,523,300
Capital Connection Revenues	315,000	310,000
Total Revenues	\$ 10,067,700	\$ 9,833,300
Salaries & Benefits	\$ 2,914,022	\$ 3,158,030
Materials & Supplies	1,903,504	2,161,162
Power and Utilities	895,714	961,150
Interfund Charges	1,298,971	1,298,438
Total Expenses	\$ 7,012,211	\$ 7,578,780
Net Revenues	\$ 3,055,489	\$ 2,254,520
Debt Service	1,454,088	1,454,088
Net After Debt Service	\$ 1,601,401	\$ 800,432
<i>Debt Coverage Ratio => 1.2</i>	2.10	1.55

City of Yuba City Water Enterprise Fund Summary

	Projected FY 09/10	Proposed FY 10/11
Operating Revenues	\$ 8,478,100	\$ 8,556,900
Capital Connection Revenues	480,000	384,450
Surcharge Revenue		360,447
Total Revenues	\$ 8,958,100	\$ 9,301,797
Salaries & Benefits	\$ 2,340,318	\$ 2,334,350
Materials & Supplies	2,236,624	2,413,306
Power and Utilities	883,121	855,000
Interfund Charges	1,297,223	1,262,364
Total Expenses	\$ 6,757,286	\$ 6,865,020
Net Revenues	\$ 2,200,814	\$ 2,436,777
Debt Service	1,817,283	1,905,667
Net After Debt Service	\$ 383,531	\$ 531,110
<i>Debt Coverage Ratio => 1.2</i>	<i>1.21</i>	<i>1.28</i>

City of Yuba City

General Fund Reserves as of May, 2010

Fund No.		<i>General Fund</i>	<i>Committed</i>
100	General Fund 10% Reserve	\$ 3,800,000	
100	Economic Stabilization Reserve	1,700,000	(969,000)
		<u>\$ 5,500,000</u>	<u>\$ (969,000)</u>
301	General CIP Funds-Not Allocated to Projects	\$ 6,166,000	
301	Fire Station 4 Lease Reserve (see Note 1)	2,035,000	(2,035,000)
301	Police Facility Lease Reserve (see Note 2)	1,104,000	(1,104,000)
301	General CIP Funds-Already Allocated to Projects	1,408,000	(1,408,000)
	Sub-Total General CIP Fund Reserves	<u>\$ 10,713,000</u>	<u>\$ (4,547,000)</u>
Total General Fund and General CIP Fund		\$ 16,213,000	\$ (5,516,000)
General Fund Total Net of Commitments		\$ 10,697,000	

Note 1: This is a 10 year obligation and does not include the related cost of interest.

Note 2: This is a 10 year obligation and does not include the related cost of interest. This will eventually be repaid with Police DIFs.

City of Yuba City

Internal Service Fund Reserves as of May, 2010

Fund No.	Internal Service Funds	<i>Total</i>	<i>General Fund</i>	<i>Committed</i>
620	Vehicle Replacement	\$ 8,650,000	\$ 6,076,625	\$ (1,694,000)
622	Technology Replacement	2,700,000	1,917,000	(500,000)
<i>Total Internal Service Fund Reserves</i>		<i>\$ 11,350,000</i>	<i>\$ 7,993,625</i>	<i>\$ (2,194,000)</i>
<i>Total General Fund, General CIP & General Fund Share of ISFs</i>			<i>\$ 24,206,625</i>	<i>\$ (7,710,000)</i>
<i>General Fund Sources Net of Commitments</i>			<i>\$ 16,496,625</i>	

City of Yuba City Enterprise Fund Reserves as of May, 2010

Fund No.	Description	Total	Notes
507	Surface Water Operating	\$ 1,737,000	(See Note 2)
509	Water Capital Connection Fees	3,614,000	(See Note 3)
508	Groundwater Operating	117,000	
517	Water Capital Improvement Projects	2,243,000	
518	Wastewater Operating	2,264,000	(See Note 2)
527	Wastewater Capital Connection Fees	5,463,000	(See Note 3)
528	Wastewater Capital Improvement Projects	4,625,000	
Total Enterprise Fund Reserves		\$ 20,063,000	

Note 2: *The City's Budget Policy dictates that as of the end of a fiscal year, both the Surface Water and Wastewater Operating Funds maintain a working capital reserve equal to 90 days of working capital requirements.*

Note 3: *These are developer impact fee revenue balances which are committed for future capital improvements or capital debt service.*

Budget Scenarios

**CITY OF YUBA CITY
BUDGET WORKSHOP
MAY 17, 2010**

CONCESSION OPTIONS

TARGET*	(\$3.4M)	(10.6%)
INCREASE FURLOUGH TO 10%	\$1.1M	3.1%
PENSION INCREASES	.45M	1.4%
HEALTHCARE INCREASES	.48M	1.5%
ATTRITION 2 YRS @ 2%	.56M	1.7%
	(\$0.8M)	(2.9%)

*** includes existing 5% furlough**

**CITY OF YUBA CITY
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LAYOFF OPTION

TARGET	(\$3.4M)	(10.6%)
LAYOFF 5% PUBLIC SAFETY	\$1.0M	3.0%
LAYOFF 10% GENERAL EMPLOYEE	.8M	2.4%
ATTRITION 0%	-	-
	(\$1.6M)	(5.2%)

**BUDGET WORKSHOP
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"EMPLOYEE" PENSION OPTION

TARGET	(\$3.4M)	(10.6%)
EMPLOYEES PAY "THEIR" PENSION SHARE	1.3M	4.0%
HEALTHCARE INCREASE	.48M	1.5%
ATTRITION 2 YRS @ 2%	.56M	1.7%
RESTORE 5% FURLOUGH	(1.1M)	(3.4%)
RESTORE RAISES	(2.0M)	(6.1%)
	<u>(\$4.16M)</u>	<u>(12.9%)</u>

**CITY OF YUBA CITY
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SUMMARY OPTIONS

CONCESSIONS	\$2.5M	7.4%
LAYOFFS	1.8M	5.4%
"EMPLOYEE" PENSIONS	(\$.45M)	(1.4%)
TARGET	\$3.85M	11.4%

**CITY OF YUBA CITY
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FEE OPTIONS

TRASH FRANCHISE FEE 5% TO 10%	\$500,000
TRANSIENT OCCUPANCY TAX OVERLAY 3%	\$190,000
LIGHTING AND LANDSCAPING OVERLAY	TBD

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OTHER CONSIDERATIONS

* CITY COUNCIL COMPENSATION	\$10,000
- 20% DEFERRAL	
* ANIMAL CONTROL	
- OPERATION	(\$200,000)
- CAPITAL	(\$250,000)
* FLOOD CONTROL LEVEE ASSESSMENT	(\$50,000)
* WATER USAGE	(TBD)

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