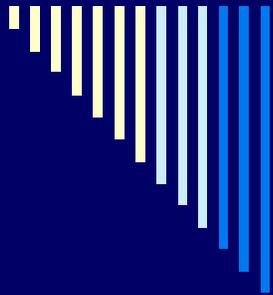




***Budget
Workshop
Number 5***

May 16, 2013

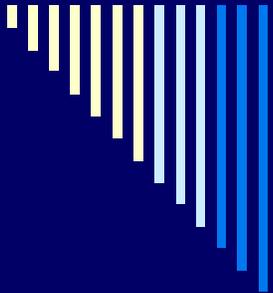
Town of Yucca Valley



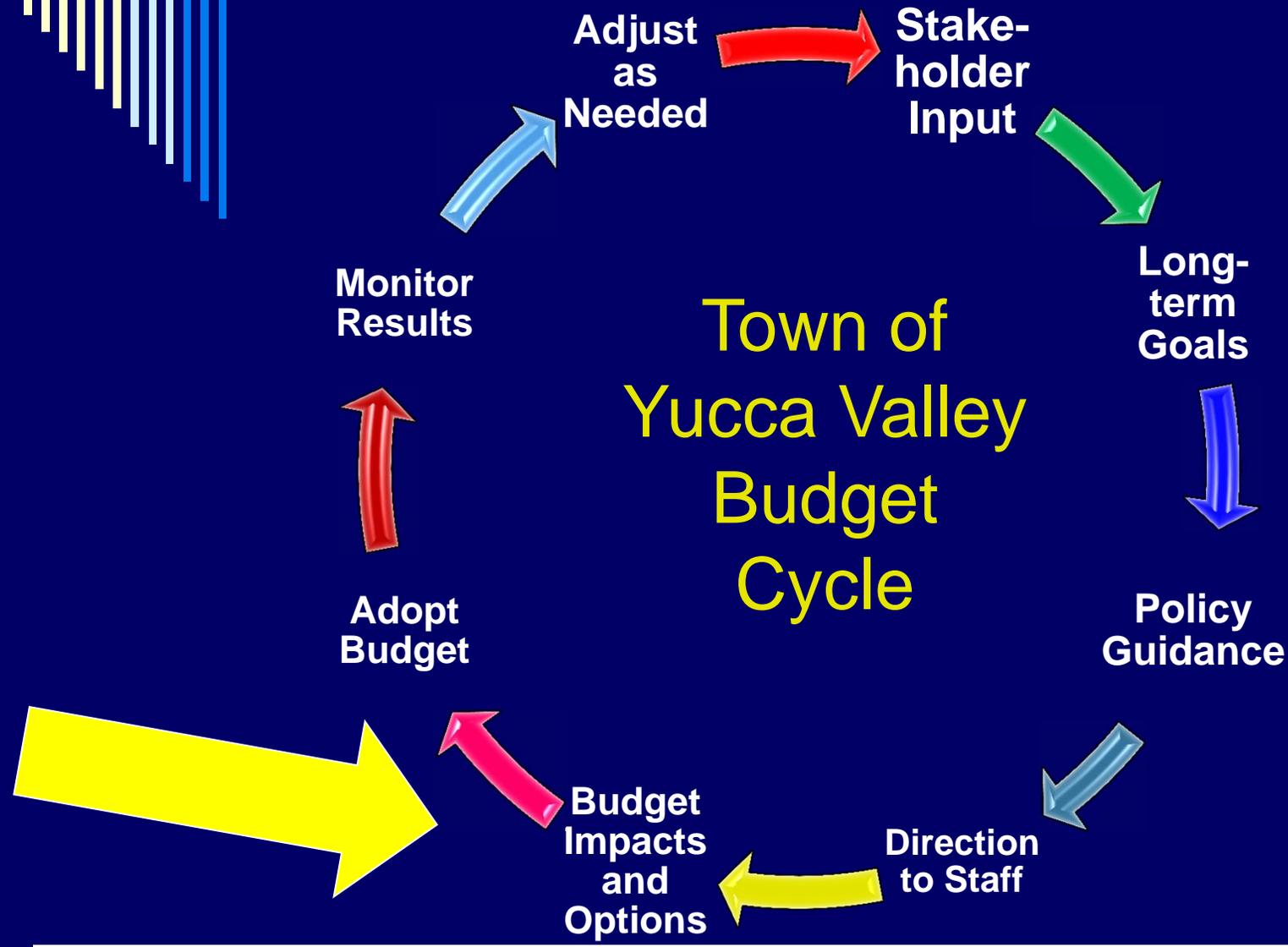
Budget Workshop Objectives

1. **Update the Baseline Budget**
 - A. This incorporates the impacts from reorganization (early retirements & eliminated positions)
 - B. Include Policy Guidance previously given
 - C. Update the challenges ahead
 - D. Includes Town Manager's Review/Revision
 - E. Provide an opportunity for Public Questions and Answers for all facets of the proposed budget



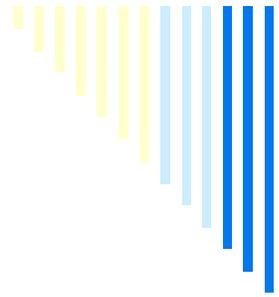


Town of Yucca Valley Budget Cycle



5/28/2013

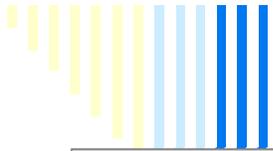




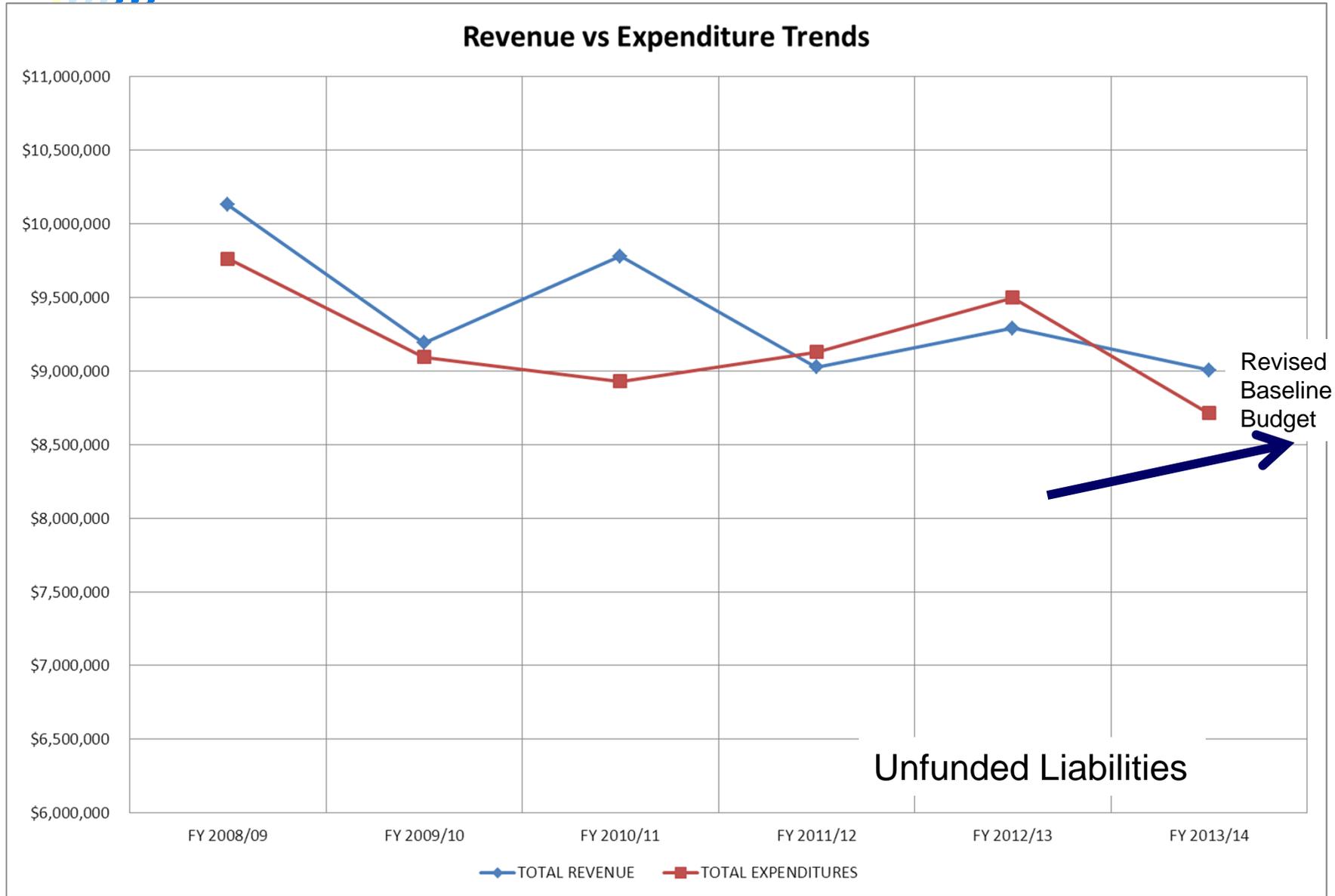
Budget Trends –

- Focus on ***Long-term Fiscal Sustainability***
- Revenues Declining – Costs Increasing
- Contract Safety Costs Increased 18% since FY09/10
- Personnel Services Budget Reduced 28% since FY08/09
- Full Time Equiv. Staff Reduced 33% since FY08/09
(52 FTE to 35 FTE)

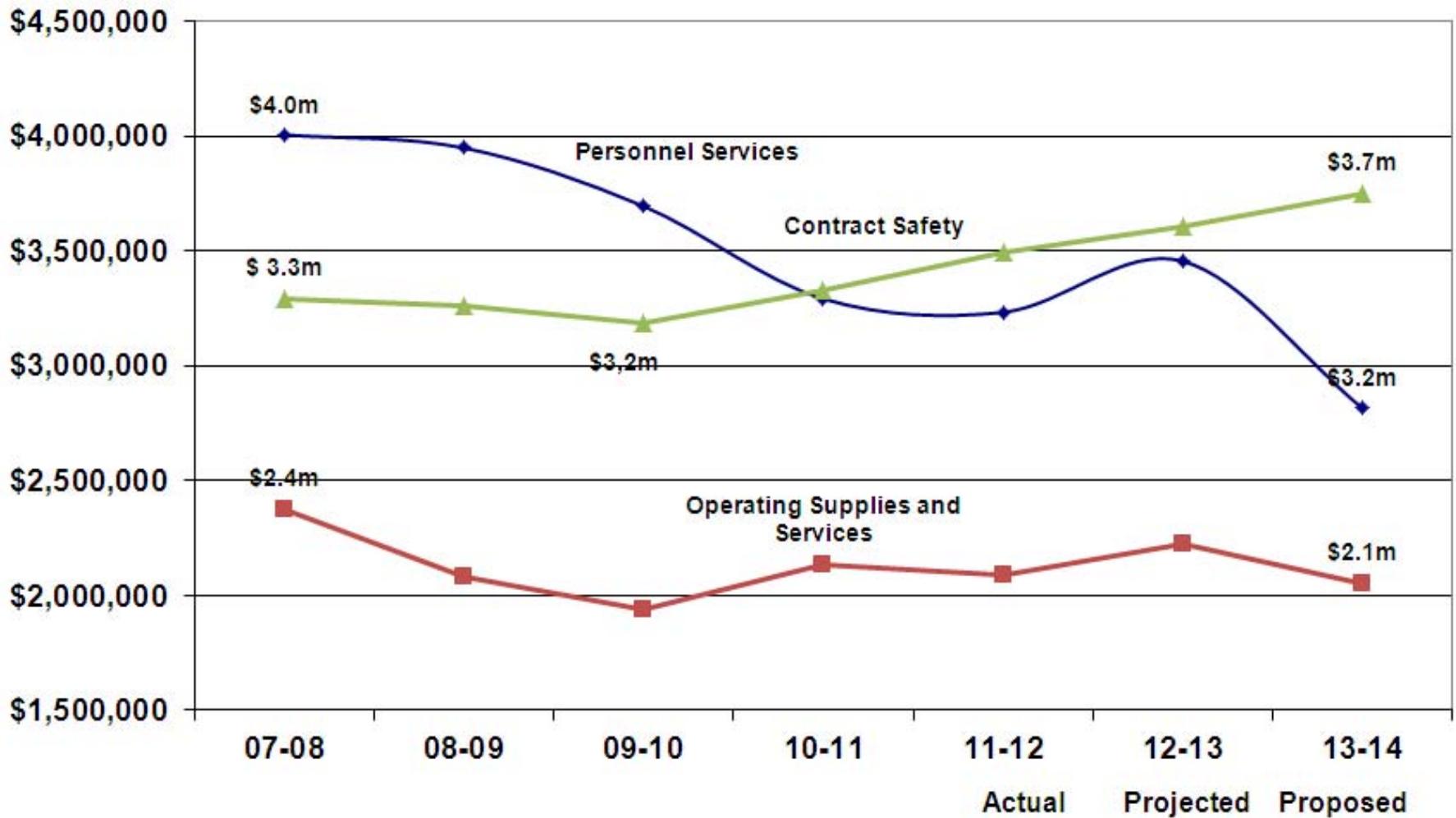




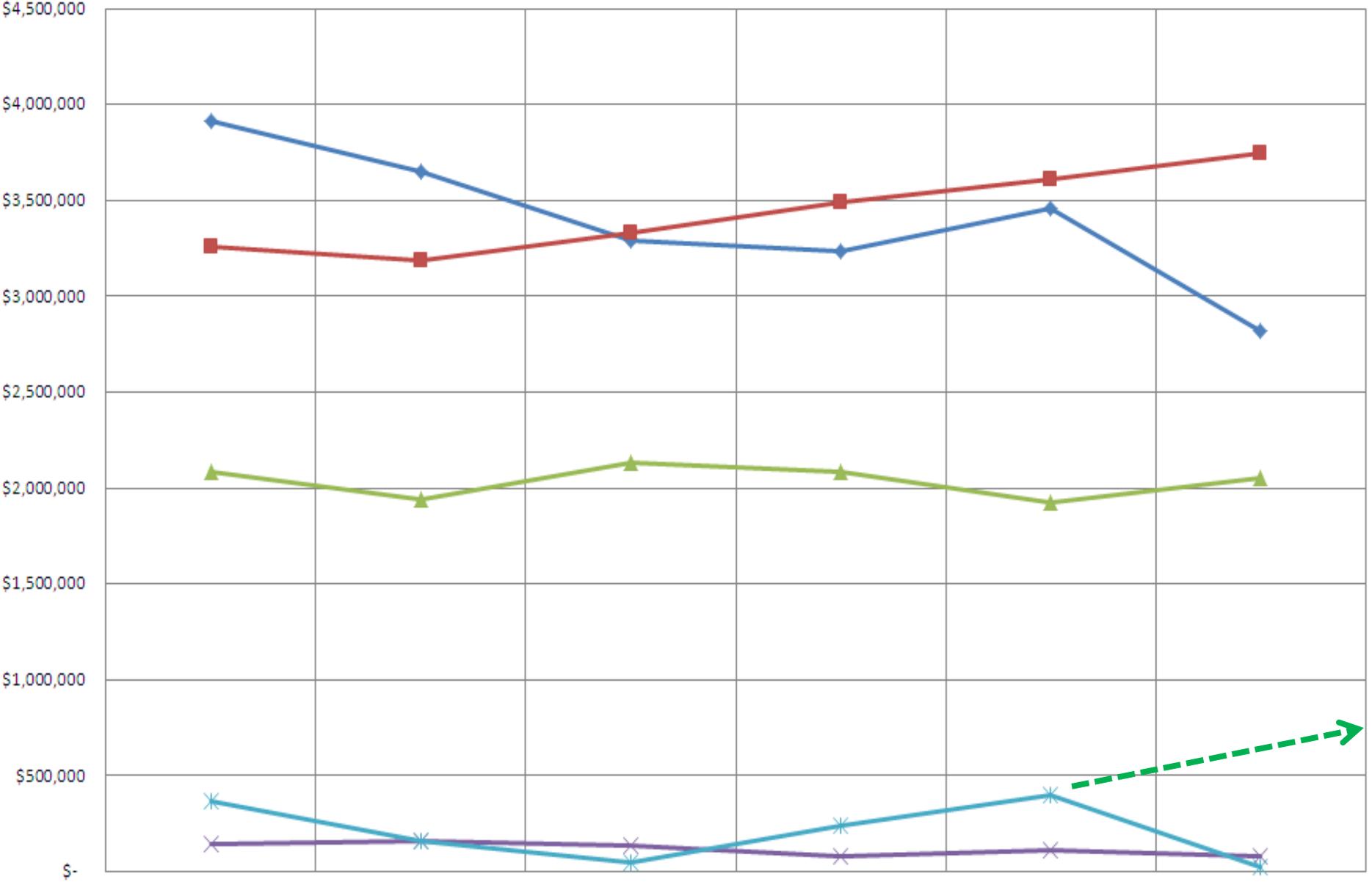
Budget Trends



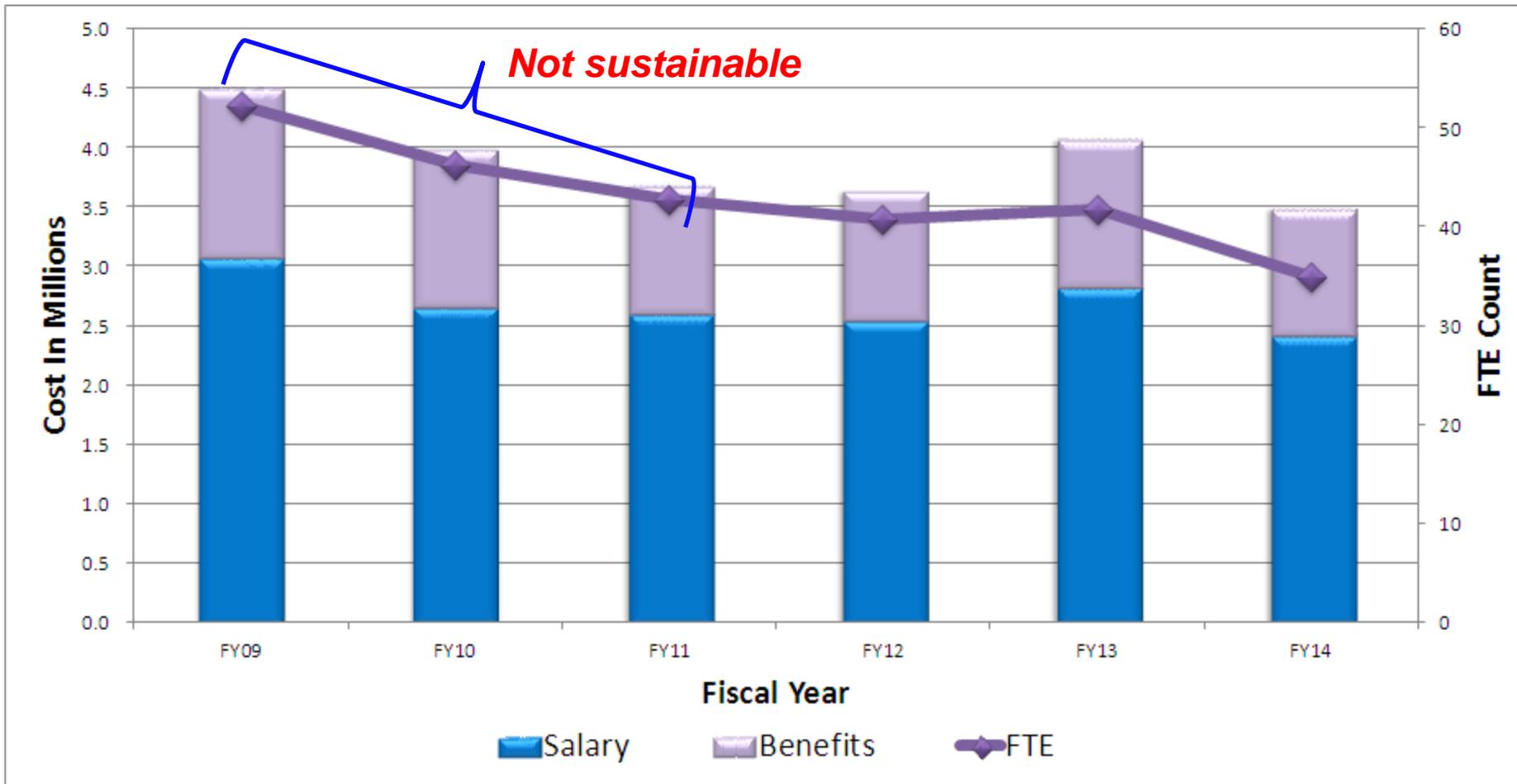
**Town of Yucca Valley
Operating Budget
Major Expenditure Trends**



Expenditure Trends



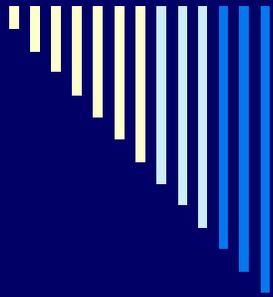
◆ Personnel Services ■ Contract Safety ▲ Operating Supplies & Services × Contracts/Partnerships * Capital Projects



	FY09	FY10	FY11	FY12	FY13	FY14
FTE	52.25	46.25	42.75	40.75	41.75	35.0
Salary	3,084,515	2,670,363	2,619,941	2,553,943	2,838,026	2,440,874
Benefits	1,434,565	1,337,186	1,074,703	1,096,241	1,247,317	1,063,335
Ben/FTE	27,456	28,912	25,139	26,902	29,876	30,381
Ben/Salary	46.5%	50.1%	41.0%	42.9%	44.0%	43.6%

5/28/2013



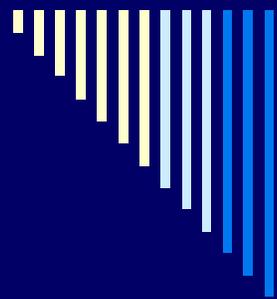


Town of Yucca Valley Budget Workshop 5

FY 2013-14 Baseline Budget Projection Update

5/28/2013





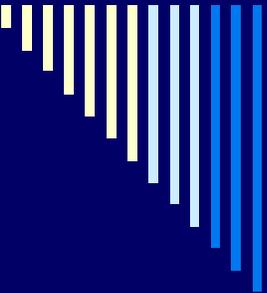
FY 2013-14

Baseline Budget Assumptions

Prior Changes Included in Update

- Includes Early Retirement staff changes
- Includes organizational staff changes
- Reduction in sales tax growth rate to 2%
- 2% property tax growth rate
- No election expense provision
- Public safety increase of 3.8%
- SA allocation continues (\$200k)

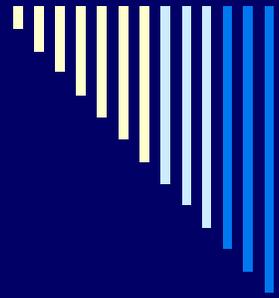




FY 2013-14 Baseline Budget Organizational Changes

- 6 FTE affected by Early Retirement Incentive Pgm
- 3 FTE affected by Reduction in Force
- Some positions backfilled/created to ensure continuity in the organization
- Ongoing Budgetary savings of appx \$700,000 annually



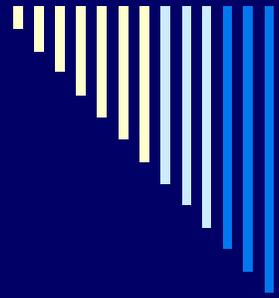


FY 2013-14 Baseline Budget Assumptions

Changes Included in Update

- Revised programming for Community Services
 - Includes Aquatic Programming
 - Includes Concerts in the Park/July 4th Fireworks
- Incorporation of Brehm Parks integration into Town facilities through anticipated formal agreement/MOU
- Finalized Public Safety Budget





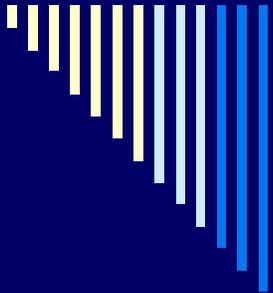
FY 2013-14

Baseline Budget Assumptions

Changes Included in Update

- Anticipated revised lease agreement with MUSD related to the High School Pool
- Partnerships/Contracts per Council Direction
- Town Manager review of line item detail and subsequent additions/deletions and modifications

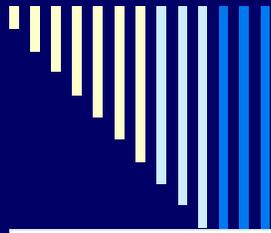




FY 2013-14 Baseline Budget (Feb 2013)

(in thousands)	
Revenues	
Prop Tax	\$4,168
Sales Tax	3,050
Franchise/TOT	1,031
Service/Other	910
FY 2013-14	9,159
Expenditures	
Public Safety	3,776
Personnel	3,605
Supplies/Service	2,065
Partnerships	81
Capital	20
FY 2013-14	9,547
Baseline Surplus (Deficit)	(\$388)



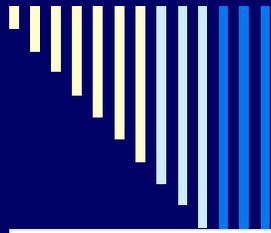


FY 2013-14 Baseline Budget 4/2/13 Update

(in thousands)	
Revenues	
Prop Tax	\$4,168
Sales Tax	3,050
Franchise/TOT	1,031
Service/Other	910
FY 2013-14	9,159
Expenditures	
Public Safety	\$3,776
Personnel	3,605
Supplies/Services	2,065
Partnerships	81
Capital	20
FY 2013-14	9,547
Baseline Surplus (Deficit)	\$ (388)
<i>Change from Initial Baseline</i>	-

(in thousands)	
Revenues	
Prop Tax	\$4,176
Sales Tax	3,020
Franchise/TOT	973
Service/Other	841
FY 2013-14	9,010
Expenditures	
Public Safety	\$3,748
Personnel	2,815
Supplies/Services	2,053
Partnerships	81
Capital	20
FY 2013-14	8,717
Baseline Surplus (Deficit)	\$293
<i>Change from Initial Baseline</i>	\$681





FY 2013-14 Baseline Budget 5/16/13 Update

(in thousands)		
Revenues		
Prop Tax		\$4,176
Sales Tax		3,020
Franchise/TOT		973
Service/Other		841
FY 2013-14		9,010
Expenditures		
Public Safety		\$3,748
Personnel		2,815
Supplies/Services		2,053
Partnerships		81
Capital		20
FY 2013-14		8,717
Baseline Surplus (Deficit)		\$293
<i>Change from Initial Baseline</i>		<i>\$681</i>

(in thousands)		
Revenues		
Prop Tax		\$4,176
Sales Tax		3,010
Franchise/TOT		970
Service/Other		955
FY 2013-14		9,111
Expenditures		
Public Safety		\$3,738
Personnel		2,909
Supplies/Services		1,981
Partnerships		45
Capital		163
FY 2013-14		8,836
Baseline Surplus (Deficit)		\$275
<i>Change from Budget Update #2</i>		<i>\$18</i>



FY 2013-14 Baseline Budget 5/16/13 Update

General Fund Changes from BW2 Workshop presentation			
Summary			
Change in Fund Balance-General Fund as of BW2			292,473
Net Changes to Fund Balance reflected in BW3			
Revenue			
SBCO Animal Shelter Reimb Increase			60,000
New Grant Funds and Misc Revenue increases			56,167
Total Change in Revenue			116,167



FY 2013-14 Baseline Budget 5/16/13 Update

Expenditures		
Professional Fees decreases		42,800
Contracts/Partnership decreases		22,050
Animal Shelter exp increases(see offset above)		(127,800)
Staffing and other payroll/benefits increases		(96,097)
Operations Supplies and misc		15,650
Dues and Memberships decreases		5,000
Meetings and Travel		5,000
Total Change in Expenditures		(133,397)



FY 2013-14 Baseline Budget 5/16/13 Update

General Fund Changes from BW2 Workshop presentation	
Summary	
Change in Fund Balance-General Fund as of BW2	292,473
Net Changes to Fund Balance reflected in BW3	
Revenue	
SBCO Animal Shelter Reimb Increase	60,000
New Grant Funds and Misc Revenue increases	56,167
Total Change in Revenue	116,167
Expenditures	
Professional Fees decreases	42,800
Contracts/Partnership decreases	22,050
Animal Shelter exp increases(see offset above)	(127,800)
Staffing and other payroll/benefits increases	(96,097)
Operations Supplies and misc	15,650
Dues and Memberships decreases	5,000
Meetings and Travel	5,000
Total Change in Expenditures	(133,397)
Net Change in Fund Balance	(17,230)
Increase(Decrease) in Fund Balance	275,243

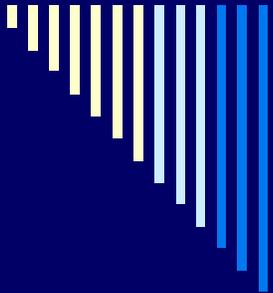
5/28/2013



Ongoing Concerns Unfunded Liabilities

Additional Budgetary Requirements		
Public Infrastructure Maintenance		\$ 300
Brehm Park Maintenance		200
PERS Retirement Increases		35
OPEB Contributions		100
Total		\$ 635





Ongoing Concerns Unfunded Liabilities Update

April 2, 2013

<u>Additional Budgetary Requirements</u>		
Public Infrastructure Maintenance		\$ 300
Brehm Park Maintenance		200
PERS Retirement Increases		35
OPEB Contributions		65
	Total	\$ 600

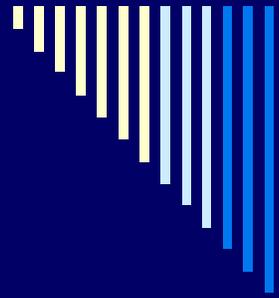
Ongoing Concerns Unfunded Liabilities Update

May 16, 2013

<u>Additional Budgetary Requirements</u>		
Public Infrastructure Maintenance	Unaddressed	\$ 300
RDA Transition	Unaddressed	\$ 200
Brehm Park Maintenance	Partially	100
PERS Retirement Increases	Ongoing-5-yrs	30
OPEB Contributions	Addressed	_____
Total		\$ 630

5/28/2013



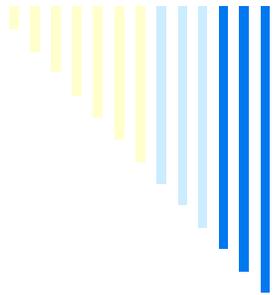


FY 2013-14 Baseline Budget

Public Partnerships/Contracts Update

- Baseline budget included a 25% across the board reduction as a placeholder pending the formal budget process
- Solicitations sent out to partners in February requesting basic partnership request info by March 1, 2013
- Majority of requests sent back in a timely manner, some later
- Total unmodified budget request is \$76,000



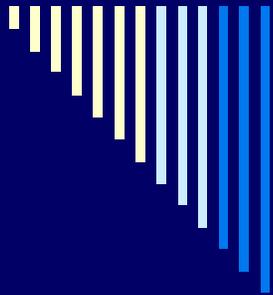


Background

Town of Yucca Valley									
Community Partnership Requests									
Budget year 2013-2014									
					Entity Budget and Request			Town Manager Recommendation	
					2013-14 Budget	2013-14 Request	% of Entity total Budget	2013-14 Proposed Budget	% Var from 2012-13
Acct.	Description	Full Pckg Rec'd	Date Received	2012-13 Awards	2013-14 Budget	2013-14 Request	% of Entity total Budget	2013-14 Proposed Budget	% Var from 2012-13
41-40	Community Partnerships (7920)								
4105	Rotary-Fireworks**	N	4/1/13	10,000	20,000	8,000	40.0%	8,000	-20%
4107	Basin Wide Fdn-Youth Park Maint	Y	3/1/13	10,000	40,000	13,000	32.5%	0	-100%
4109	Rotary/Old Town-Festival of Lights	Y	2/20/13	2,000	10,000	2,500	25.0%	2,000	0%
4110	MB Tennis Assn	Y	2/20/13	3,000	9,800	1,500	15.3%	1,500	-50%
4162	YV Branch Library-Adult Literacy	N	2/26/13	3,000	14,000	10,000	71.4%	3,000	0%
4163	MB Unity Home	Y	2/19/13	3,000	950,079	3,000	0.3%	0	-100%
4164	MB Adult Health Services**	Y	3/15/13	5,000	148,000	5,000	3.4%	5,000	0%
				36,000	1,191,879	43,000		19,500	-46%
41-41	Contracts (7925)								
4156	Chamber Joint Marketing	Y	3/1/13	15,000	100,000	15,000	15.0%	TBD	
4157	Boys & Girls Club-Facility Rental	N	n/a	43,000	no partnership requested			-	
4159	DRTA-CA Welcome Center	Y	3/1/13	15,000	100,000	18,000	18.0%	TBD	
	(Past due Utilities owed to Town-\$15,488)			73,000	200,000	33,000		0	0%
	Total Department			109,000	1,391,879	76,000		19,500	18%

Updated Combined Amount 25,000

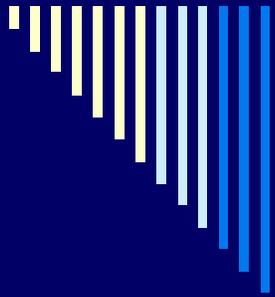
** Application for funding was received after deadline of 3/1/13



Budget Workshop Objectives

1. **Update the Baseline Budget**
 - A. This incorporates the impacts from reorganization (early retirements & eliminated positions)
 - B. Include Policy Guidance previously given
 - C. Update the challenges ahead
 - D. Includes Town Manager's Review/Revision
 - E. Provide an opportunity for Public Questions and Answers for all facets of the proposed budget





Budget Development Next Steps

- | | |
|-------------------------------------|--------------------|
| 1) Conduct final public hearing | May 28, 2013 6 PM |
| 2) Provide final direction to staff | May 28, 2013 6 PM |
| 3) Adopt Budget Package | June 18, 2013 6 PM |
| 4) Monitor and adjust as needed | <i>Ongoing</i> |

