CITY OF
FOLSOM
DISTINCTIVE BY NATURE

4th Quarter Report
FY 2009-10

Presentation to City Council

August 24, 2010

General Fund

as of June 30, 2010

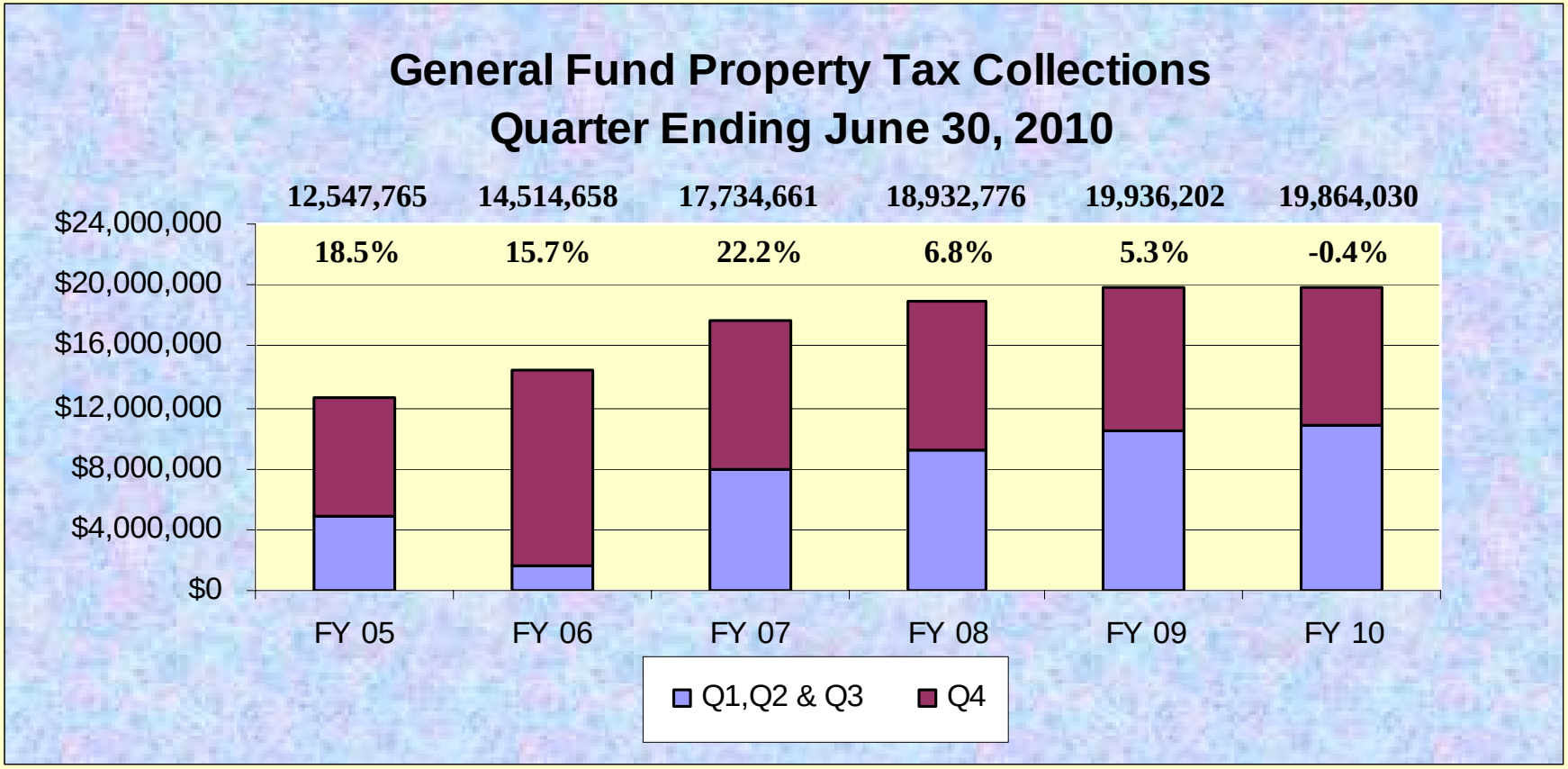
	FY 09 Actual	FY 10 Estimate	FY 11 Budget
Revenues	81,475,837	65,553,096	66,515,166
Expenditures	83,286,322	73,358,430	66,515,166
Restricted Fund Balance	5,637,081	751,843	751,843
Unrestricted Fund Balance	9,497,569	6,577,473	6,577,473
% of Expenditures	11.4%	9.0%	9.9%

General Fund
Revenues by Category

Source	FY 09 Actual	FY 10 Budget	FY 10 Projected	Projected as % of Budget
Property Tax	$ 19,936,202	$ 20,187,518	$ 19,864,030	98.4%
Sales Tax	16,079,061	16,336,885	13,318,519	81.5%
Transient Occupancy	1,156,114	1,350,000	950,000	70.4%
Real Property Transfer	277,607	200,000	227,464	113.7%
Other Taxes	163,054	-	314,607	0.0%
Charges for current services	11,684,925	10,675,509	9,745,915	91.3%
Intergovernmental revenues	6,263,051	6,843,738	6,397,840	93.5%
Miscellaneous	171,395	307,681	492,463	160.1%
Interest revenue	488,191	185,000	193,820	104.8%
Licenses and permits	2,181,424	1,820,200	1,374,444	75.5%
Franchise fees	573,928	535,133	711,458	132.9%
Fines and forfeitures	438,462	352,000	424,338	120.6%
Total before Transfers	59,413,414	58,793,664	54,014,898	91.9%
Interfund transfers	22,062,423	12,206,370	11,538,198	94.5%
Total	$81,475,837	$71,000,034	$65,553,096	92.3%

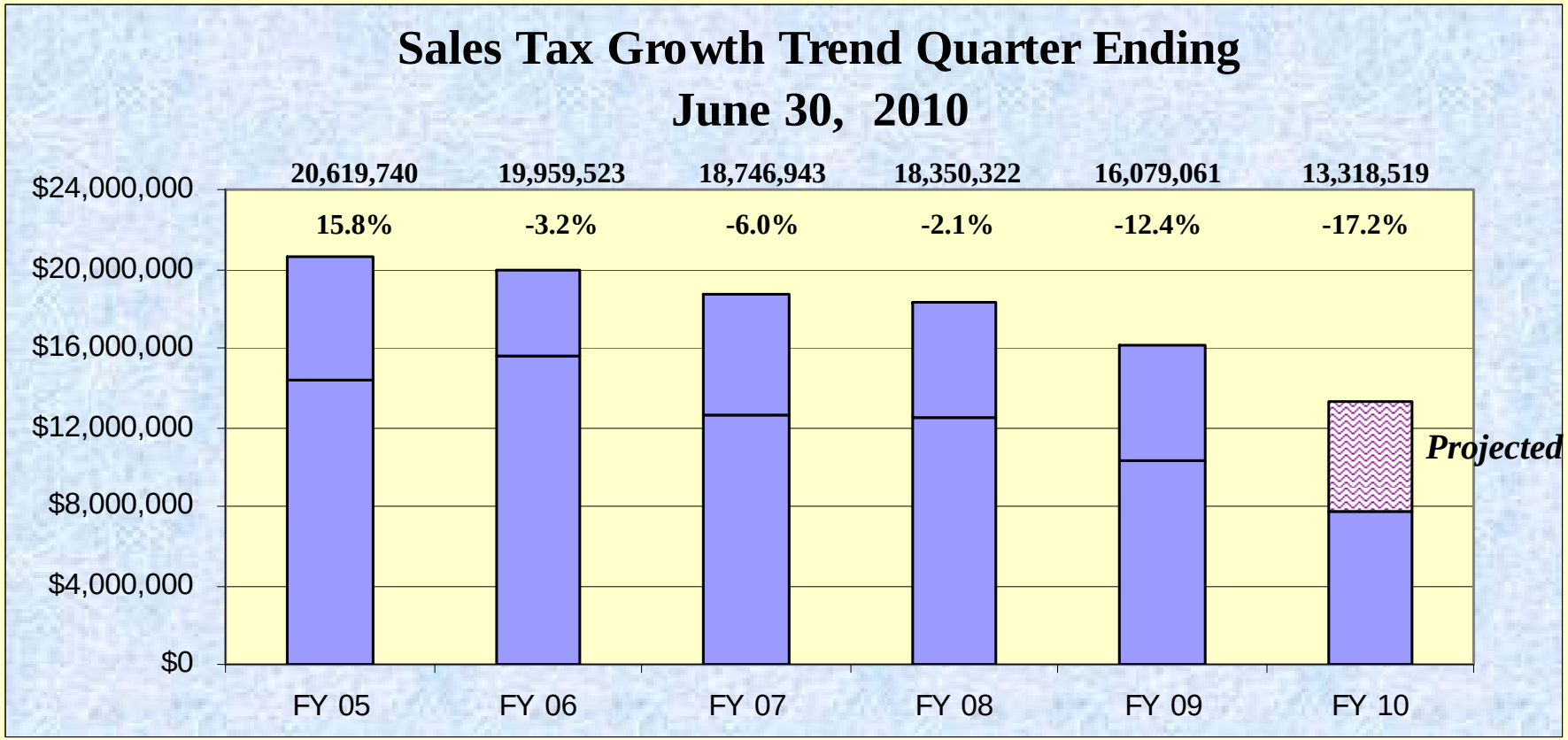
Property Tax

- Folsom's Assessed Value for real property and improvements decreased $70.2 million from April to June of 2010.
- Property Tax received in the amount of $19.9 million is $300,000 below budget and $72,000 below the prior year.



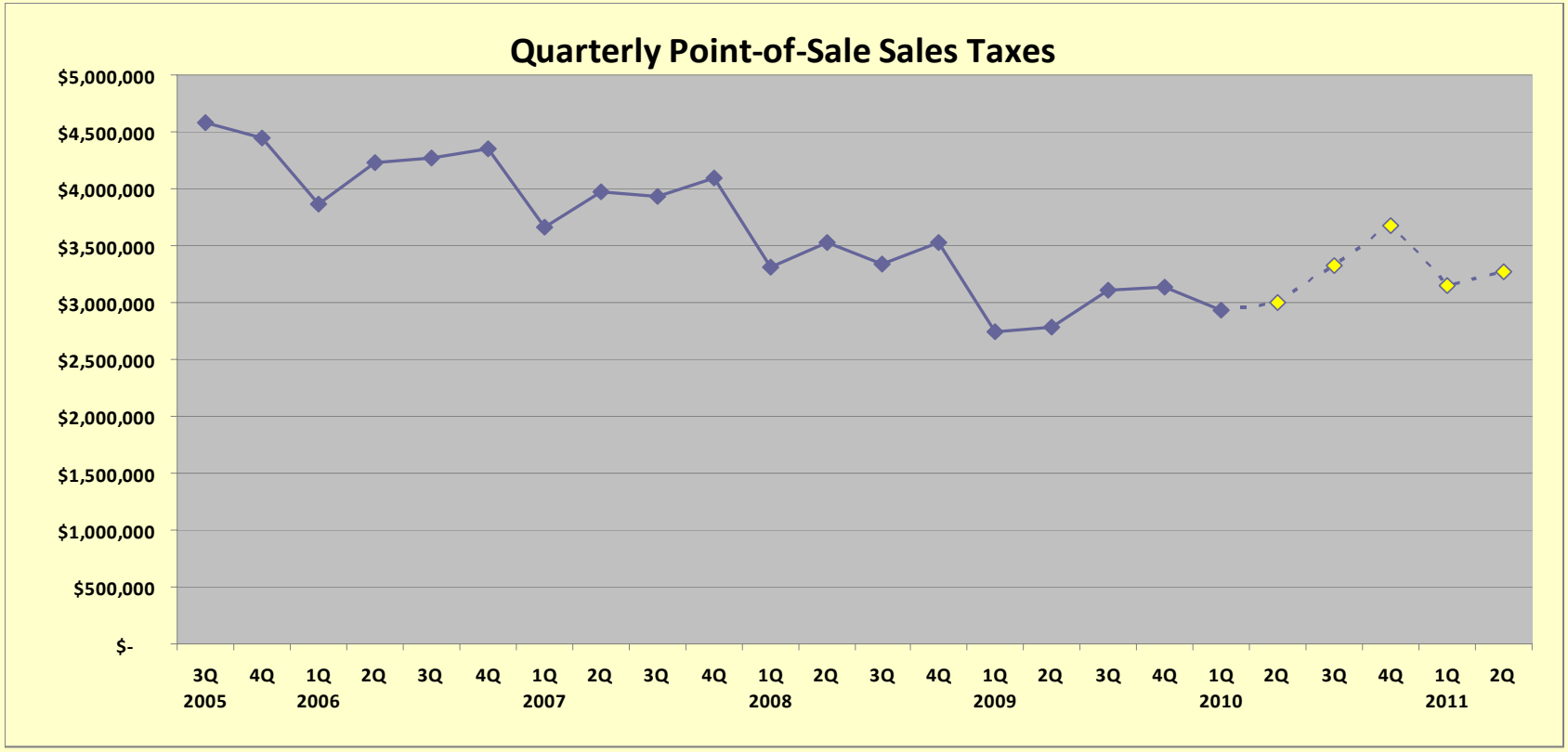
Sales Tax

- FY 10 year-end projected revenue is $13.3 million, $3.0 million less than budget amount.
- The decrease is due to the $1.3 million State true-up of prior year sales tax in-lieu and a $1.7 million decrease in the point-of-sale tax.



Future Concerns

- Sales Tax revenue projections for FY 10 have been adjusted downward by $1.7 million in point-of-sale taxes, due to first three quarters.
- Continued high unemployment has slowed retail sales



Charges for Service

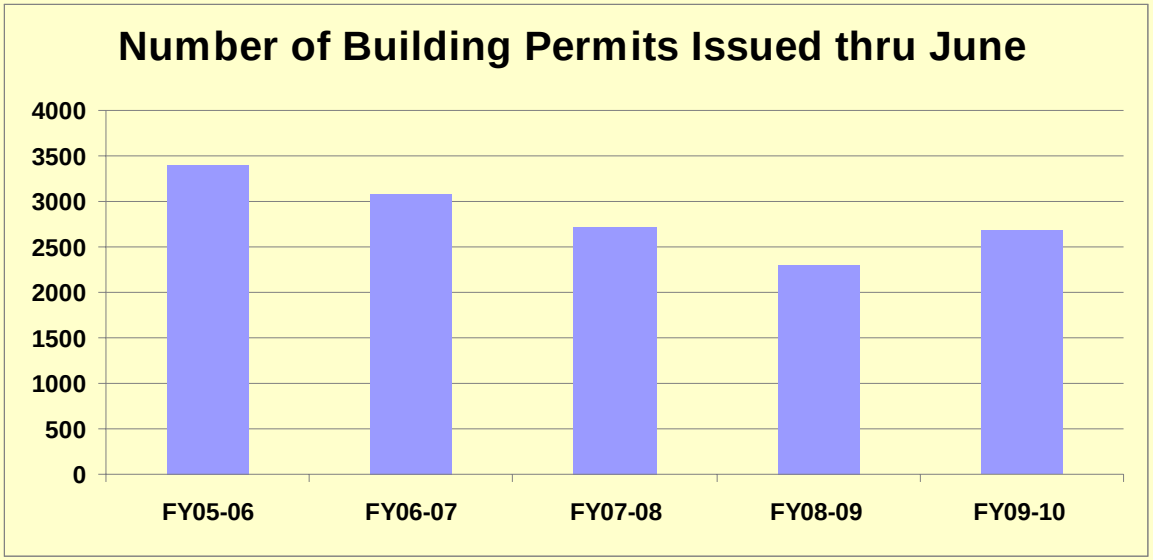
- Projection for FY 10 down $930,000 compared to budget.
- Reduction due primarily to Development Fees and Ambulance revenue.

Major Fee Generators:	FY10 Budget	FY10 Projected
• Parks and Recreation	$3,802,544	$3,979,526
• Ambulance Fees	$2,124,250	$1,864,418
• Development Fees	$1,685,646	$ 893,069
• All Other Charges	$3,063,069	$3,008,902
• Total Charges for Svs	$10,675,509	$9,745,915

Licenses and Permits

- Year-end Revenue projected to be $350,000 less than FY10 budget appropriation.
- Decrease due mostly to Building Permits.

	Actual FY 09	Budget FY 10	Projected FY10
Business Licenses	529,412	600,000	517,639
Building Permits	1,627,243	1,185,000	834,855



General Fund Operating Expenditures by Program Area

- Department Expenditures are $2.3 million less than appropriated
- Other, Non-Dept and Transfers over budget by $3.5 million

Department	FY 10 Budget	FY 10 Estimate	Est. as % of Budget
City Council	$ 126,773	$ 124,570	98.3%
City Manager	851,821	824,701	96.8%
City Clerk	489,382	406,091	83.0%
Finance	2,420,231	2,268,641	93.7%
City Attorney	974,936	933,263	95.7%
Human Resources	1,034,357	997,240	96.4%
Admin Services	2,589,033	2,508,467	96.9%
Econ Dev	379,014	329,131	86.8%
Police	18,424,758	18,934,741	102.8%
Fire	15,089,690	14,949,086	99.1%
Park & Recreation	10,187,260	9,783,185	96.0%
Fleet Mngmt	1,216,640	1,144,333	94.1%
Public Works	6,263,481	5,122,053	81.8%
Community Dev	5,223,480	4,715,385	90.3%
Library	1,852,125	1,791,640	96.7%
Dept Total	$ 67,122,981	$ 64,832,527	96.6%
Other	1,200,000	1,076,829	89.7%
Non Departmental	3,569,624	3,902,363	109.3%
Transfers Out	215,739	3,546,711	1644.0%
Grand Total	$ 72,108,344	$ 73,358,430	101.7%

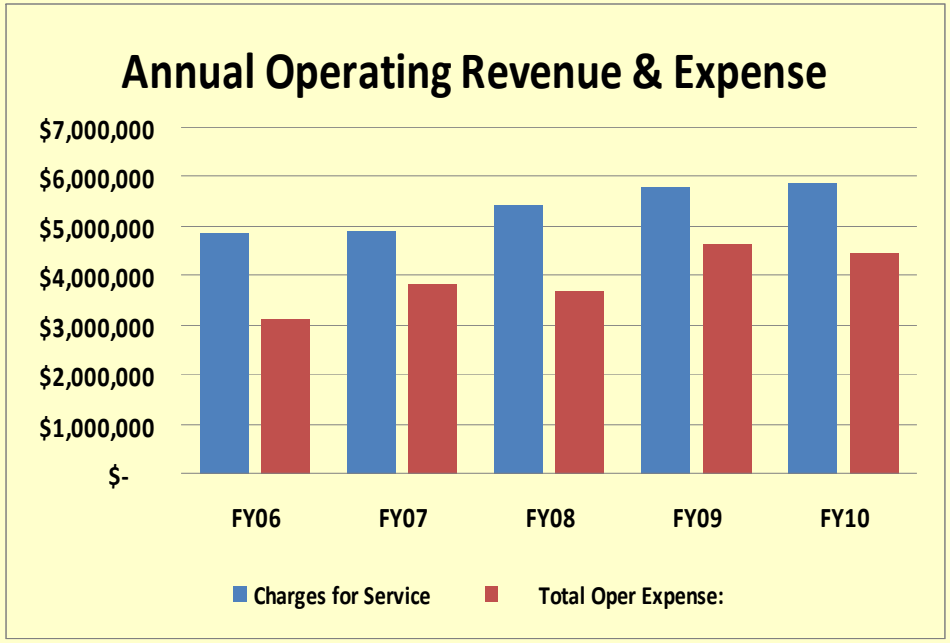
Redevelopment Funds

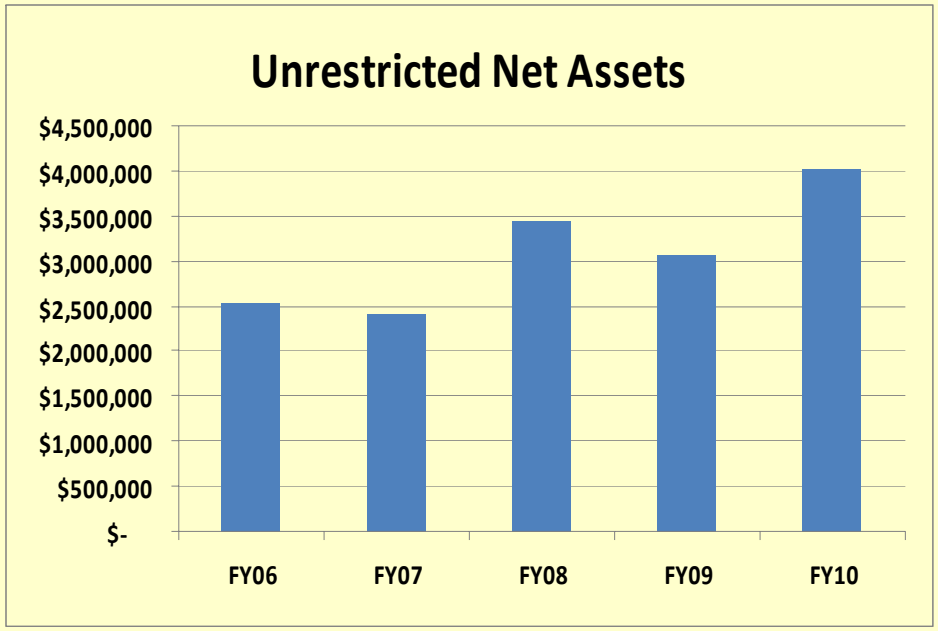
- The 20% Housing Low/Mod fund's projected FY 10 year-end unassigned fund balance is $5.8 million.
- The Redevelopment Project fund's operational budget is projected to have $6.0 million in revenue and $8.4 million in expenditures.
- State SERAF payment of $2.7 million in FY 10 and $560K in FY 11 will be a loan from Low/Mod to the project fund.
- The projected year-end unassigned fund balance is $4.1 million.
- Redevelopment issued bonds in October 2009 to fund current projects.

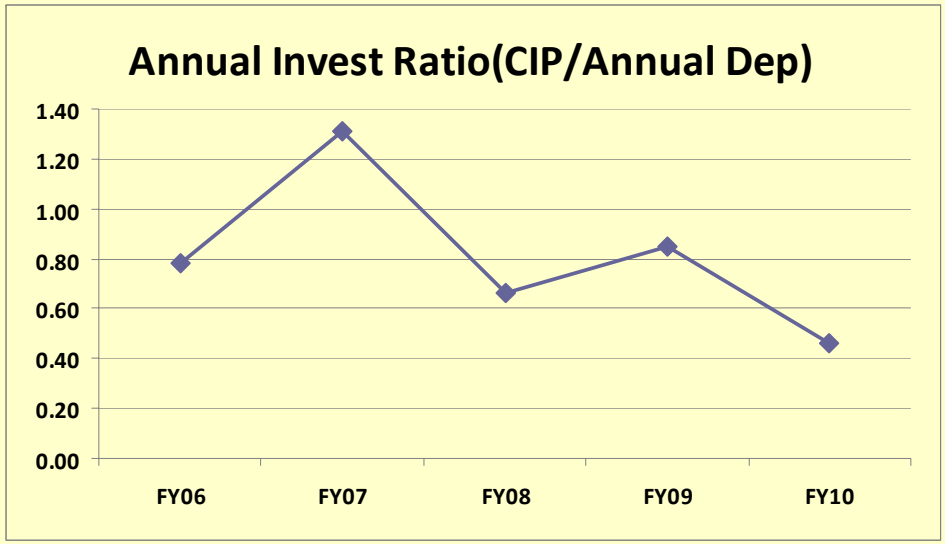
Wastewater Fund

	FY 10 Projected	FY 09 Actual
Charges	$ 5,907,107	$ 5,817,865
Operating Exp	$ 4,472,348	$ 4,625,609
Unrestricted Net Assets	$ 4,022,846	$ 3,057,643
Net Cap Assets	$ 34,838,863	$ 36,040,955

Wastewater Fund



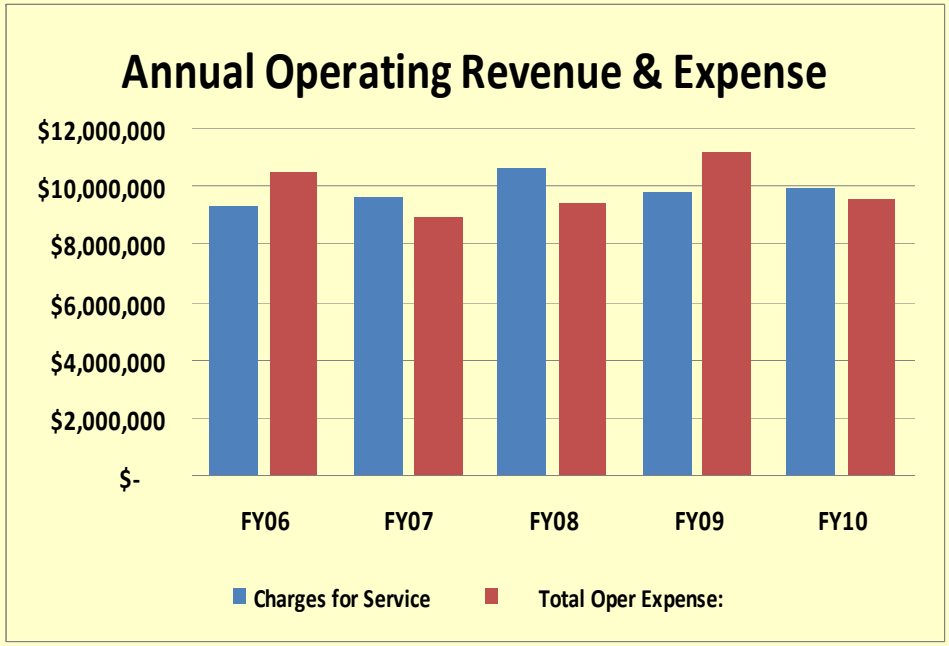


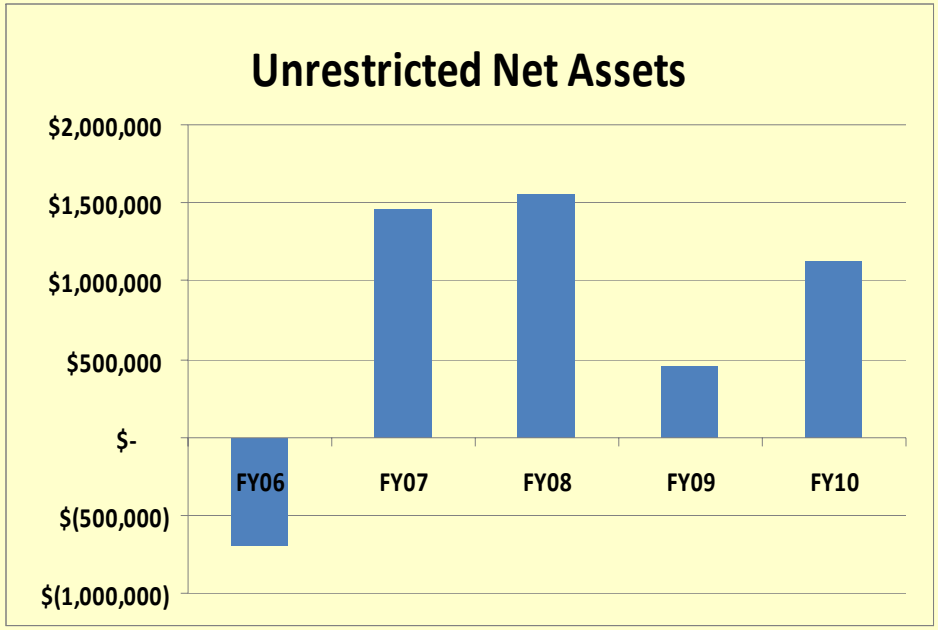


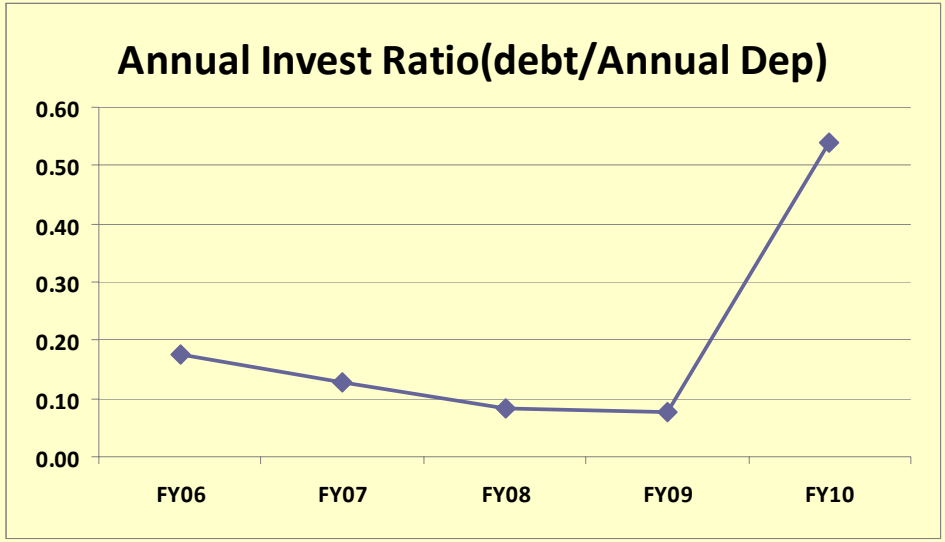
Solid Waste Fund

	FY 10 Projected	FY 09 Actual
Charges	$ 9,904,169	$ 9,814,954
Operating Exp	$ 9,564,688	$ 11,181,199
Unrestricted Net Assets	$ 1,132,287	$ 457,132
Net Cap Assets	$ 173,357	$ 1,064,447

Solid Waste Fund



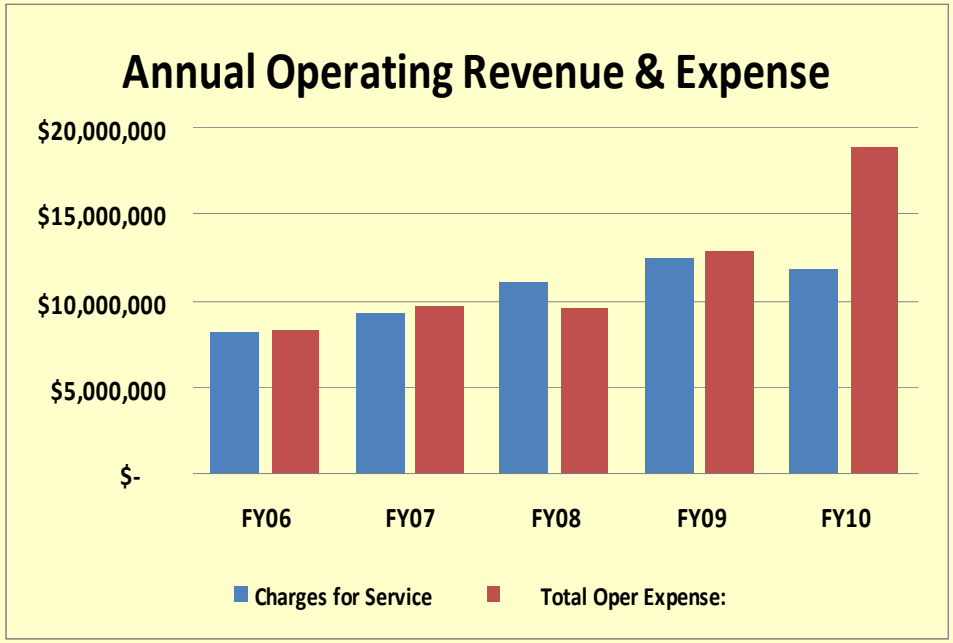


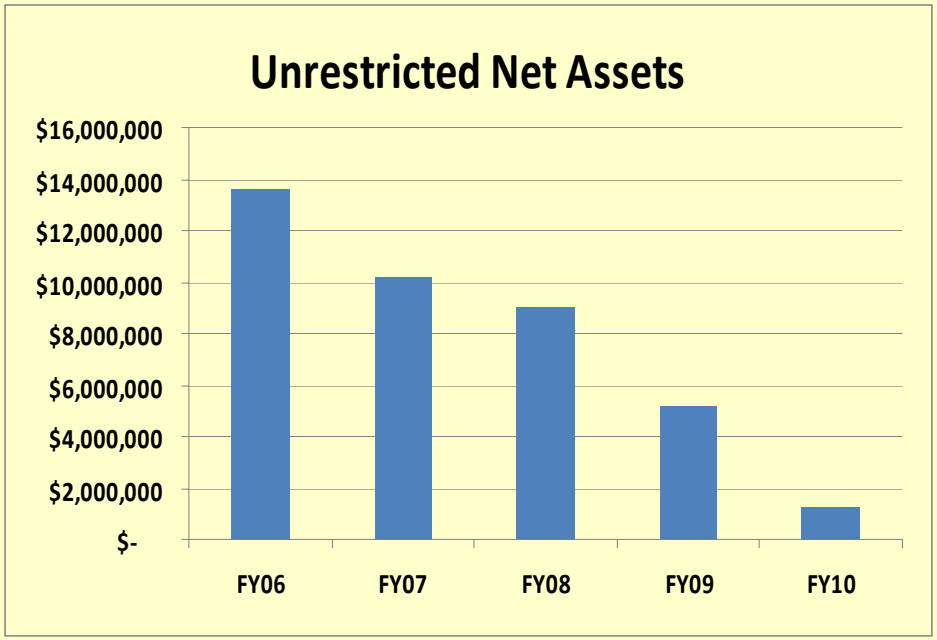


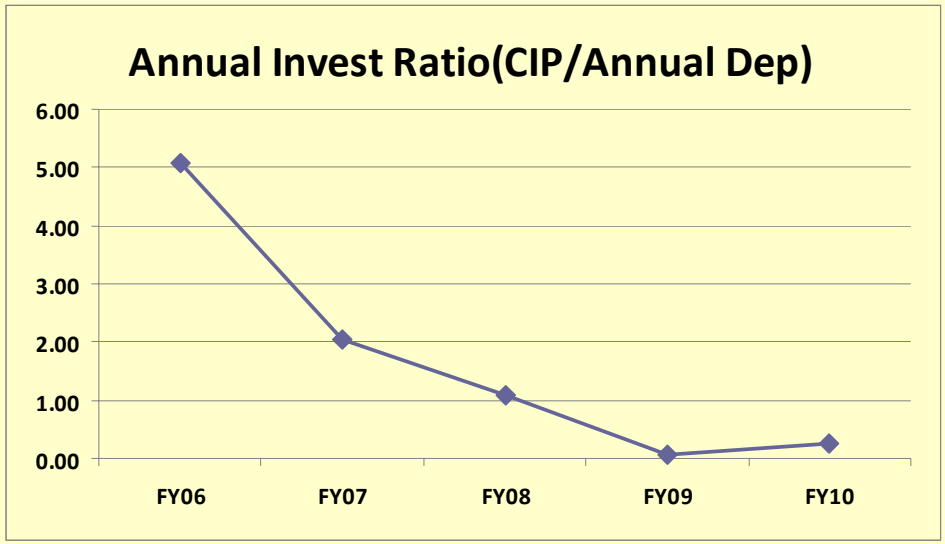
Water Fund

	FY 10 Projected	FY 09 Actual
Charges	$ 11,805,807	$ 12,424,613
Operating Exp	$ 18,900,939	$ 12,888,229
Unrestricted Net Assets	$ 1,316,352	$ 5,195,060
Net Cap Assets	$ 72,785,551	$ 76,405,096

Water Fund


Annual Operating Revenue & Expense
$20,000,000
$15,000,000
$10,000,000
$5,000,000
$-
FY06
FY07
FY08
FY09
FY10
Charges for Service
Total Oper Expense:

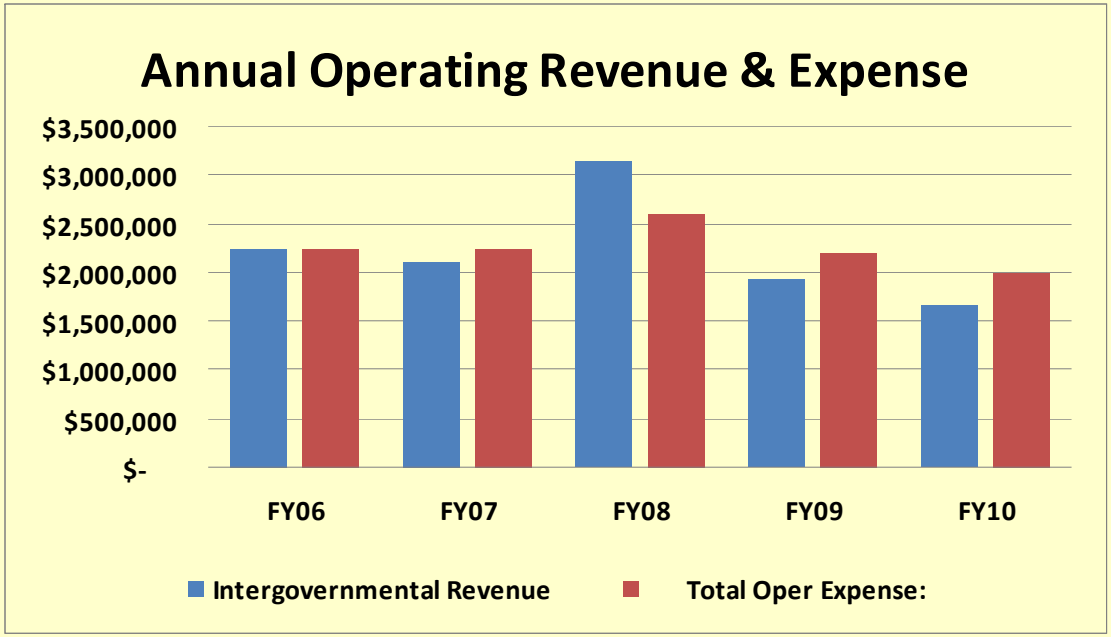

Unrestricted Net Assets
$16,000,000
$14,000,000
$12,000,000
$10,000,000
$8,000,000
$6,000,000
$4,000,000
$2,000,000
$-
FY06
FY07
FY08
FY09
FY10

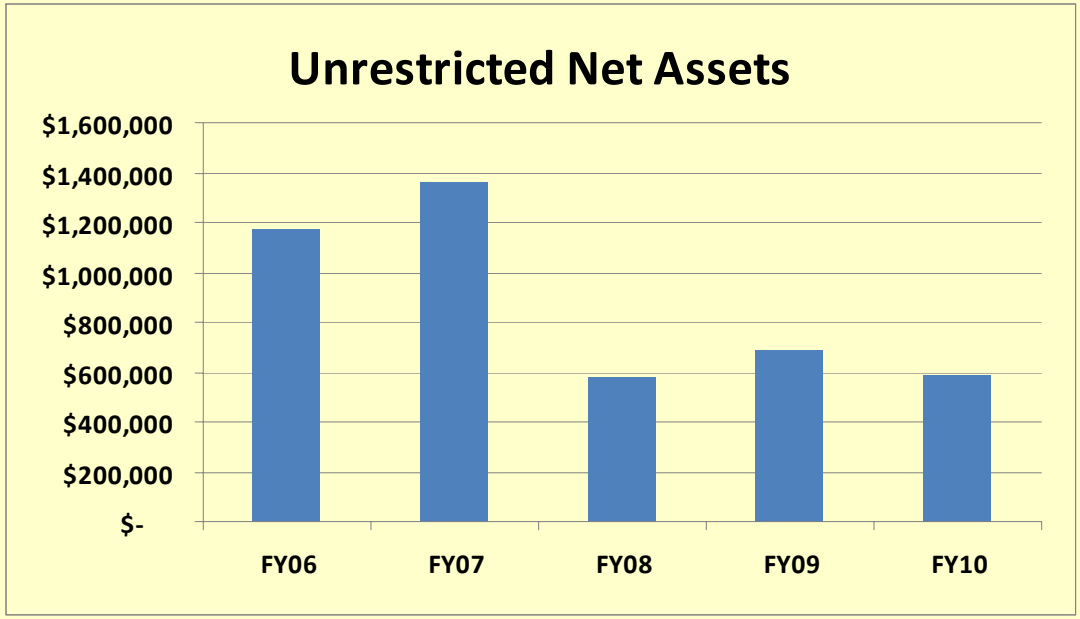

Annual Invest Ratio(CIP/Annual Dep)
6.00
5.00
4.00
3.00
2.00
1.00
0.00
FY06
FY07
FY08
FY09
FY10

Transit Fund

	FY 10 Projected	FY 09 Actual
Intergov	$ 1,670,769	$ 1,926,234
Charges	$ 117,867	$ 190,354
Operating Exp	$ 2,004,054	$ 2,205,242
Unrestricted Net Assets	$ 583,792	$ 691,189
Net Cap Assets	$ 1,166,539	$ 1,514,554

Transit fund





Summary

1. Year-end results for the General Fund were in line with projections, but indicate some warning signs:
   - Property taxes declined for the first time as a result of a lower tax base.
   - Sales taxes have stabilized but have not shown any signs of growth.
   - Development-related revenues are down considerably and show no signs of improvement.

2. The Redevelopment Funds are in good financial shape but need to watch expense levels and debt capacity.

3. The Water Fund needs to keep close tabs on expenses, cash flows, debt capacity and coverage requirements, and infrastructure maintenance.

4. The Solid Waste Fund needs to control expense growth and review investments in equipment and vehicles.

5. The Wastewater Fund needs to examine the amount and timing of capital investments as related to their debt capacity.

Questions/Comments