



# *CITY COUNCIL STUDY SESSION REPORT*

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MEETING DATE: January 11, 2011

ITEM NUMBER: 1

**SUBJECT: FISCAL YEAR 2010-2011 MID-YEAR BUDGET REPORT**

**DATE: JANUARY 7, 2011**

**FROM: FINANCE DEPARTMENT/FINANCIAL PLANNING**

**PRESENTATION BY: BOBBY YOUNG, BUDGET & RESEARCH OFFICER**

**FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG, BUDGET & RESEARCH OFFICER  
(714) 754-5241**

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## **RECOMMENDED ACTION:**

1. Receive and file the Fiscal Year 2010-2011 (FY 10-11) Mid-Year Budget Report.
2. Provide information to staff regarding Council's expectations for the remaining year's budget.

## **BACKGROUND:**

The focus of the mid-year budget review presentation is primarily the City's General Operating Fund revenues and expenditures. The vast majority (over 81%) of the City's activities are accounted for within this fund. Other special revenue fund budgets, such as the Gas Tax, Community Development Block Grant (CDBG) or HOME Funds, do not usually require adjustments at mid-year due to the specific nature of the resource allocations and program requirements. When revenues for these special revenue funds are not fully expended during the year, balances are carried forward for re-appropriation in the subsequent years' budget process. Adjustments to other funds are submitted to Council on as needed basis periodically throughout the year.

The City Council adopted the FY 10-11 budget on June 22, 2010. The Council had already authorized the implementation of an early retirement incentive in an effort to help reduce the workforce. This incentive eliminated 34 positions. However, because the City still had a budget deficit more reductions were necessary. Therefore, at budget adoption, Council authorized the elimination of additional programs and 44 positions through layoffs. This authorization helped reduce the City's budget deficit to \$9.4 million. During the fiscal year, the City negotiated with each of the employee associations to contribute towards employee retirement commitments. The estimated amount of savings in FY 10-11 from labor negotiations is \$1,167,000. Also, based on recent cash receipts, it appears the economy is stabilizing. Therefore staff is projecting approximately \$6.6 million of higher revenue estimates than originally adopted. These actions combined with an increasing economy, have helped further reduce the City's budget deficit to an estimated \$1.4 million.

While the National Bureau of Economic Research announced the recession ended in June 2009, the City still has a budget deficit to address above and beyond the increased revenues and reduced expenditures.

The following table details revenues and expenditures for: the adopted budget, staff's recommended adjustments and the projected ending balances for fiscal year 2010-11. Both revenue and expenditure amounts include transfers in and out respectively.

<b><u>MID-YEAR BUDGET REVIEW – GENERAL FUND</u></b>			
<b><u>Description</u></b>	<b><u>Adopted FY 10-11</u></b>	<b><u>Adjustments</u></b>	<b><u>Projected Ending Amount</u></b>
Revenues	\$ 85,163,714	\$ 6,642,939	\$ 91,806,653
Expenditures	<u>94,585,295</u>	<u>(1,391,450)</u>	<u>93,193,845</u>
Use of Fund Balance	<u>(\$ 9,421,581)</u>	<u>\$ 8,034,389</u>	<u>(\$ 1,387,192)</u>

This same summary is shown on Attachment A with major adjustments detailed. Attachment B provides revenue detail by account and the recommended adjustments above. Also, attachment C provides expenditure detail at a division and account category level.

Based on staff's analysis of the current year's operating revenues and expenditures and, based on information and input provided by departments, staff recommends the following adjustments to the FY 10-11 budget:

### **Revenues**

**Sales Tax:** The City consults with Hinderliter de Llamas (HdL) for in depth sales tax analysis. Each quarter City staff meets with a representative from HdL to discuss sales tax collection and comparability with: the previous year, and other local cities, the county and the state.

Analysis of the first six months of sales tax receipts shows an increase of 9.07% compared to first six months of the prior fiscal year (09-10). The City has now seen four consecutive quarters of positive revenue when compared to that previous year's quarterly amounts. This is a good sign that sales tax revenue is beginning to see a rebound from the recession. This analysis does not include the City's 3<sup>rd</sup> quarter revenue. Because of the time lag in which businesses remit sales tax payments, the City's 3<sup>rd</sup> quarter includes the holiday season.

Most notably, the largest increases have been in the general consumer goods and auto and transportation categories. These are the two categories that decreased the sharpest when the recession first began, therefore it is not a surprise they are the first to rebound. The City benefits from the sales tax revenue generated by stores at South Coast Plaza and those stores are a major sector of the general consumer good category. As for auto and transportation, the rebound has been led mostly by the used auto sector. This is consistent with statewide data provided by HdL.

Staff has considered all information to recommend an adjustment of \$4,456,000 to estimated sales tax revenue through the end of the fiscal year. As part of this adjustment staff is estimating a continued increase of about 4.7% for the remaining two quarters of the fiscal year. The reason for the considerable increase (12.88%) compared to the adopted budget is because based on information at that time, staff was not comfortable projecting more than a 2.27% increase over the prior year revised amount. Also, in addition to the monthly sales tax revenue, the City also receives a semi annual receipt from the State Board of Equalization for the "Triple Flip" commitment. Staff and HdL had originally expected this amount to be about \$1.5 million less than what the City will actually receive. This adjustment is included as part of the \$4,456,000 total adjustment.

***Transient Occupancy Tax (TOT):*** Analysis of the first five months of transient occupancy tax collections shows an increase of 3.77% compared to first five months of the prior fiscal year (09-10). The City has now seen seven out of the last eight months with positive revenue when compared to that previous year's monthly amounts. This is also a good sign that transient occupancy revenue is beginning to see a rebound from the recession.

These positive monthly trends combined with the passage and implementation of Measure L (increase the Transient Occupancy Tax 2% effective January 6, 2011), staff recommends an adjustment of \$1,050,000. As part of this adjustment staff is estimating a continued increase of about 2% for the remaining seven months of the fiscal year. The amount of the adjustment directly attributed to the increase in the tax rate is about \$660,000.

***Property Tax – All Accounts:*** Analysis of the first semi annual receipt from the County Treasurer's Office for secured property tax revenue (the City's largest Property Tax Revenue account) shows a 13.33% increase above last year. Staff had originally expected to see a decline compared to last year because of: the Prop 13 adjustment factor, reduced assessments by the County Assessor's Office, and the revaluation of property that had been recently sold for a lesser amount than the last assessment. This information caused staff to project a decline of (8.73%) compared to last year.

However, compared to actual receipts it appears total property tax revenue will be higher than originally estimated. Staff recommends a cumulative adjustment of \$550,000. This adjustment will be conservative if the second semi annual receipt for secured property tax is the same as the first. Unfortunately, because of the infrequent and inconsistent nature of property tax revenue, staff is not comfortable recommending a larger adjustment at this time.

***Other Revenue Account Adjustments:*** Many other revenue accounts are recommended for increases and decreases alike. Staff will be able to address each on an individual account basis.

## **Expenditures**

Due to the timing of this presentation, most departments were not given an opportunity to evaluate expenditures as of mid-year (December 31). Finance staff is still working with each department to determine if further adjustments are necessary. The following adjustments are known at this time.

***Prior Year (FY 09-10) Labor Negotiations:*** During FY 09-10, it had been negotiated that the furlough program and suspension of the Retirement Health Savings (RHS) program would continue for 26 pay periods. Since the implementation of these savings plans was not implemented until August 30, 2009, this meant that the City would see some savings in the current fiscal year. The amount of savings in FY 10-11 from these two items was \$260,000.

***Current Year (FY 10-11) Labor Negotiations:*** Recently the City negotiated with all employee associations to contribute towards employee retirement commitments and a further suspension of the RHS program. The amount of savings in FY 10-11 from these two items is projected to be \$1,167,000.

***Attrition Savings:*** Throughout the year, the City has vacant positions where there is either a delay in filling the position or the position is planned to be held vacant through the fiscal year. Both of these situations create budget/salary savings by way of attrition. Staff projects the total salary savings to be approximately \$900,000. These savings may be diminished by the use of overtime to fill vacant positions or the need to hire outside contractors to complete work because of the lack of staffing. However, both costs would be recorded in separate accounts that may have an existing budget and further analysis would be completed at the end of the fiscal year.

***Recreation Programs:*** At the December 7, 2010 City Council meeting, authorization was given to reduce the ROCKS and Aquatics programs. The total budget reduction for these two programs is \$190,413. Staff also reviewed the budgets for Youth Sports Basketball and Flag Football to determine an additional reduction of \$49,037 could be made. The total reduction for Recreation programs is \$239,450.

***Adjustments for salary accounts:*** During the budget process it was estimated by staff that a total of \$938,041 could be charged to the Measure 'M' Fund for allowable salaries and benefit costs related to Engineering staff time spent on Measure 'M' projects. Given the status of current projects and the lack of upcoming projects, staff is estimating that it will not be able to allocate the budgeted amount to the Measure 'M' Fund. Therefore those salary costs will need to be budgeted in the General Fund. Staff is recommending an adjustment of \$800,000 to increase General Fund salaries and benefits. Also, since the implementation of the 3%@50 formula for sworn fire employees, there have been retirements within the Fire Department. These retirements were expected and budgeted, however the payoff of accrual banks for retirees was not included in the budget. Staff is recommending an adjustment of \$375,000 for these costs that have already been incurred. Total recommended adjustment for salary accounts is \$1,175,000.

## **Summary**

The FY 10-11 budget was adopted with a calculated appropriation from General Fund balance of approximately \$9.4 million. At that time, City Council and staff stated that through further budget reducing efforts, the use of fund balance must be reduced. Recently, the City negotiated with each of its employee associations to reduce salary and benefits cost. However, those negotiations did not yield the estimated savings identified as needed as part of the budget adoption. Also, based on recent cash receipts, it appears revenue estimates may be higher the originally anticipated. The current projected use of fund balance for FY 10-11 is \$1,387,192. Staff requests direction from City Council to reduce the further use of fund balance.

## **ALTERNATIVES CONSIDERED:**

No alternatives were considered.

## **FISCAL REVIEW:**

The attached Exhibit A summarizes the proposed adjustments in revenues and expenditures to the current year's adopted operating and capital improvement budget. Including the recommended adjustments, the estimated use of General Fund balance has decreased from \$9.4 million to \$1.4 million. Attachment B provides revenue detail by account and the recommended adjustments above. Also, attachment C provides expenditure detail at a division and account category level.

## **LEGAL REVIEW:**

No legal review is required for this item.

## **CONCLUSION:**

The budget is the City's spending plan. The City Council adopted the FY 10-11 budget on June 22, 2010. The Council had already authorized the implementation of an early retirement incentive in an effort to help reduce the workforce. This incentive eliminated 34 positions. However, because the City still had a budget deficit more reductions were necessary. Therefore, at budget adoption, Council authorized the elimination of additional programs and 44 positions through layoffs. This authorization helped reduce the City's budget deficit to \$9.4 million. During the fiscal year, the City negotiated with each of the employee associations to contribute towards employee retirement commitments. These actions combined with an increasing economy, have helped further reduce the City's budget deficit to an estimated \$1.4 million.

While the National Bureau of Economic Research announced the recession ended in June 2009, the City still has a budget deficit to address above and beyond the revenue to expenditure shortfall. Given the use of fund balance over the past few years, at this point it is not recommended to use any more fund balance. Based on the FY 09-10 Comprehensive Annual Financial Report (CAFR), the City's General Fund has a total fund balance of \$41.5 million. An additional reduction of approximately \$1.4 million would leave \$40.1 million after FY 10-11.

Staff is committed to ensuring the City continues its conservative fiscal practices; adopts sound, responsible, financial plans; and maintains its high-level of service delivery to the community in the most cost-effective and efficient manner possible. In addition, staff is now compiling departmental budget requests for the next fiscal year. As such, staff requests that Council provide feedback regarding the further use of fund balance in FY 10-11 and its priorities and expectations for FY 11-12 to help guide the development of the upcoming proposed budget.

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BOBBY YOUNG  
Budget & Research Officer

ATTACHMENTS: Attachment A – Mid-Year Budget Report Summary  
Attachment B – Revenue Detail Summary  
Attachment C – Expenditure Category Summary

Copy to: City Manager  
All Department Directors

CITY OF COSTA MESA  
MID-YEAR BUDGET REPORT SUMMARY  
GENERAL FUND  
FISCAL YEAR 2010-2011

	Adopted Budget	Mid-Year Revised	Increase (Decrease)
Estimated Revenues (includes transfers)	\$ 85,163,714	\$ 85,163,714	
Sales Tax Adjustment	-	4,456,000	
TOT Adjustment		1,050,000	
Property Tax Adjustment		550,000	
Other revenue adjustments		586,939	
Revised Estimated Revenues	<u>\$ 85,163,714</u>	<u>\$ 91,806,653</u>	<u>\$ 6,642,939</u>
Adopted Appropriations (includes transfers)	\$ 94,585,295	\$ 94,585,295	
Savings from prior year labor negotiations - furloughs and RHS		(260,000)	
Savings from current year labor negotiations		(1,167,000)	
Attrition Savings from vacant positions		(900,000)	
Recreation Programs - ROCKS, Aquatics, Basketball, Flag Football		(239,450)	
Adjustments for salary accounts		1,175,000	
Current Estimated Expenditures at Year-end	<u>\$ 94,585,295</u>	<u>\$ 93,193,845</u>	<u>\$ (1,391,450)</u>
Estimated Use of Fund Balance	<u>\$ (9,421,581)</u>	<u>\$ (1,387,192)</u>	<u>\$ 8,034,389</u>

**CITY OF COSTA MESA**  
**BUDGET TO ACTUAL ANALYSIS - GENERAL FUND REVENUES**  
**BY CATEGORY**  
**AS OF DECEMBER 31, 2010**

<b>ACCOUNT DESCRIPTION</b>	<b>Adopted FY 10-11</b>	<b>Actual 12/31/10</b>	<b>Mid-Year Revised</b>	<b>Increase (Decrease)</b>
Property Tax - Secured	\$ 18,500,000	\$ 9,932,044	\$ 19,000,000	\$ 500,000
Property Tax - Unsecured	750,000	534,570	800,000	50,000
Property Tax - Supplemental	250,000	98,215	250,000	-
Property Tax - Homeowners	170,000	25,582	170,000	-
Delinquent Tax - Penalties/Int	250,000	54,411	150,000	(100,000)
Property Transfer Tax	200,000	122,310	300,000	100,000
Sales & Use Tax	26,334,000	7,357,732	29,200,000	2,866,000
Sales Tax In-Lieu	8,250,000	-	9,840,000	1,590,000
Transient Occupancy Tax	4,000,000	1,673,859	5,050,000	1,050,000
Electric Franchise Fee	1,350,000	-	1,200,000	(150,000)
Cable TV Franchise Fee	900,000	270,470	1,000,000	100,000
PEG Cable Franchise Fee	175,000	13,272	200,000	25,000
Gas Franchise Fee	350,000	-	300,000	(50,000)
Business License	850,000	363,413	850,000	-
Solid Waste Hauler Franchise Fee	1,250,000	333,675	1,250,000	-
<b>Total Taxes</b>	<b>\$ 63,579,000</b>	<b>\$ 20,779,553</b>	<b>\$ 69,560,000</b>	<b>\$ 5,981,000</b>
Dog License	\$ 30,000	\$ 32,953	\$ 65,000	\$ 35,000
Fire Permits	80,000	46,745	80,000	-
Building Permits	480,000	283,543	480,000	-
Electric Permits	70,000	45,478	80,000	10,000
Plumbing/Mechanical Permits	70,000	35,728	80,000	10,000
Street Permits	100,000	68,490	110,000	10,000
Special Business Permits	500	860	1,000	500
Home Occupation Permits	19,000	6,900	15,000	(4,000)
Operator's Permits	1,000	825	2,500	1,500
Other Permits	110,000	17,176	50,000	(60,000)
<b>Total Licenses &amp; Permits</b>	<b>\$ 960,500</b>	<b>\$ 538,698</b>	<b>\$ 963,500</b>	<b>\$ 3,000</b>
Municipal Code Violations	\$ 100,000	\$ 43,072	\$ 100,000	\$ -
Vehicle Code Violations	800,000	272,344	800,000	-
Parking Citations	1,000,000	352,972	1,000,000	-
Shopping Cart Retrieval	5,000	2,619	5,000	-
Red Light Camera Violations	250,000	79,058	200,000	(50,000)
<b>Total Fines &amp; Forfeitures</b>	<b>\$ 2,155,000</b>	<b>\$ 750,065</b>	<b>\$ 2,105,000</b>	<b>\$ (50,000)</b>
Investment Earnings	\$ 175,000	\$ (7,761)	\$ 175,000	\$ -
Interest Earned - CMRA Note	857,000	-	857,000	-
Other Interest	50,000	-	50,000	-
Buildings/Grounds, Rental	200,000	70,262	200,000	-
Rental - Downtown Comm. Center	9,000	5,256	9,000	-
Rental - Balearic Center	25,000	11,672	25,000	-
Rental - Neighborhood Comm. Ctr.	140,000	66,491	150,000	10,000
Rental - Fields	120,000	65,486	120,000	-
Rental - Tennis	28,500	12,768	28,500	-
Rental - Golf Course Operations	2,000,000	766,148	2,000,000	-
Rental - Bus Shelter Ads	100,000	51,536	100,000	-
<b>Total Use of Money &amp; Property</b>	<b>\$ 3,704,500</b>	<b>\$ 1,041,858</b>	<b>\$ 3,714,500</b>	<b>\$ 10,000</b>

**CITY OF COSTA MESA**  
**BUDGET TO ACTUAL ANALYSIS - GENERAL FUND REVENUES**  
**BY CATEGORY**  
**AS OF DECEMBER 31, 2010**

<b>ACCOUNT DESCRIPTION</b>	<b>Adopted FY 10-11</b>	<b>Actual 12/31/10</b>	<b>Mid-Year Revised</b>	<b>Increase (Decrease)</b>
Motor Vehicle In-Lieu Tax	\$ 200,000	\$ 107,500	\$ 200,000	\$ -
Vehicle License Fee Swap - Prop Tax	8,000,000	22,674	8,500,000	500,000
Off-Highway Motor Vehicle Tax	-	-	-	-
Other Federal Grants	-	-	-	-
POST Reimbursements	40,000	20,162	40,000	-
Custody Officers Training	-	-	-	-
OTS Grant	-	-	-	-
Used Oil Recycling Grant	-	-	-	-
Beverage Container Program	-	-	-	-
Reimbursement of Mandated Costs	50,000	57,114	60,000	10,000
Other State Grants	-	10,156	10,156	10,156
OCTA - SAAV	25,000	12,306	25,000	-
Other County Grants	77,500	83,053	83,053	5,553
Reimb. from ABLE	300,000	147,819	300,000	-
Homeland Security Grant	-	-	-	-
Reimb. - Oth Governmental Agencies	-	-	-	-
<b>Total Other Govt. Agencies</b>	<b>\$ 8,692,500</b>	<b>\$ 460,784</b>	<b>\$ 9,218,209</b>	<b>\$ 525,709</b>
Zoning/Variance/CUP Fees	\$ 60,000	\$ 60,510	\$ 85,000	\$ 25,000
Subdivision Map Fees	2,000	5,430	7,500	5,500
Environmental Impact Fees	2,750	-	2,750	-
Plan Checking Fee	200,000	106,615	200,000	-
Vacation/Abandonment of ROW	500	-	500	-
Source Reduction/Recycling	8,700	-	8,700	-
Special Policing Fees	420,000	348,176	450,000	30,000
Vehicle Storage/Impound Fees	375,000	80,340	375,000	-
Repo Vehicle Release Fee	2,000	1,320	2,500	500
DUI/Emergency Response	100,000	17,977	100,000	-
Jail Booking Fees - City	210,000	55,160	150,000	(60,000)
Police False Alarms	300,000	113,817	250,000	(50,000)
Fingerprinting	40,000	17,600	40,000	-
Animal Pound Fees	100	-	100	-
Fire Inspections	11,000	3,600	5,000	(6,000)
Hazmat Disclosure Fee	100,000	82,188	100,000	-
EMS - First Responder Fee	300,000	68,453	300,000	-
Paramedic Fee - Advanced	50,000	35,530	50,000	-
Medical Supply Reimbursement	100,000	24,139	100,000	-
Fire False Alarms	20,000	15,795	30,000	10,000
Accident Cost Recovery	60,000	26,580	60,000	-
Dispatch/Phone Svc. in 911 Center	7,400	5,512	7,400	-
Park Permits	30,000	16,820	35,000	5,000
Park Improvements	-	1,925	2,500	2,500
Recreation - Aquatics	75,000	35,878	75,000	-
Recreation - Day Camp	170,000	38,099	170,000	-
Recreation - Playgrounds	3,000	4,283	5,000	2,000
Special Events	650	10,575	20,000	19,350
Recreation - Early Childhood	110,000	47,096	125,000	15,000
Instructional Classes	620,000	277,220	620,000	-
<b>Subtotal Fees &amp; Charges</b>	<b>\$ 3,378,100</b>	<b>\$ 1,500,638</b>	<b>\$ 3,376,950</b>	<b>\$ (1,150)</b>

**CITY OF COSTA MESA**  
**BUDGET TO ACTUAL ANALYSIS - GENERAL FUND REVENUES**  
**BY CATEGORY**  
**AS OF DECEMBER 31, 2010**

<b>ACCOUNT DESCRIPTION</b>	<b>Adopted FY 10-11</b>	<b>Actual 12/31/10</b>	<b>Mid-Year Revised</b>	<b>Increase (Decrease)</b>
Recreation - Basketball	61,300	14,525	61,300	-
Recreation - Softball	130,000	40,908	130,000	-
Recreation - Open Gym	-	2,632	5,000	5,000
Teen Camp	32,400	4,850	32,400	-
Family Night/Kids Night	-	-	-	-
Other Adult Sports	-	-	-	-
Photocopies	2,000	1,449	2,500	500
Police Reports	33,000	9,735	30,000	(3,000)
Police Clearance Letters	3,000	1,620	3,000	-
Sale - Maps & Publications	12,500	5,308	12,500	-
Sale - Miscellaneous Supplies	750	640	750	-
Central Services Reimb	100,000	29,560	100,000	-
Charges for Other Services	15,000	7,170	15,000	-
Special Assessments	-	4,139	8,000	8,000
<b>Total Fees &amp; Charges</b>	<b>\$ 3,768,050</b>	<b>\$ 1,623,174</b>	<b>\$ 3,777,400</b>	<b>\$ 9,350</b>
Contributions	\$ 2,500	\$ 750	\$ 2,500	\$ -
Sponsorship Naming Rights	30,000	-	33,480	3,480
Reimb. - Const. Permit Insp. Fees	500	10,250	11,000	10,500
Reimb. - Overtime Construction	100	-	-	(100)
Damage to City Property	30,000	(6,647)	30,000	-
Civil Subpoena Costs	10,000	4,381	10,000	-
Settlements	-	-	-	-
Other Reimbursements	200,000	30,734	200,000	-
Sale - Other Equipment	5,000	293	5,000	-
Other	50,000	81,794	200,000	150,000
<b>Total Other Revenues</b>	<b>\$ 328,100</b>	<b>\$ 121,555</b>	<b>\$ 491,980</b>	<b>\$ 163,880</b>
<b>Total Revenues</b>	<b>\$ 83,187,650</b>	<b>\$ 25,315,687</b>	<b>\$ 89,830,589</b>	<b>\$ 6,642,939</b>
Lease Proceeds	\$ -	\$ -	\$ -	\$ -
Operating Transfers In	1,976,064	101,263	1,976,064	-
<b>Total Other Financing Sources</b>	<b>\$ 1,976,064</b>	<b>\$ 101,263</b>	<b>\$ 1,976,064</b>	<b>\$ -</b>
<b>Total Fund 101</b>	<b>\$ 85,163,714</b>	<b>\$ 25,416,950</b>	<b>\$ 91,806,653</b>	<b>\$ 6,642,939</b>

**CITY OF COSTA MESA**  
**BUDGET TO ACTUAL ANALYSIS - GENERAL FUND EXPENDITURES**  
**BY DEPARTMENT/DIVISION**  
**AS OF DECEMBER 2010**

**GENERAL FUND**

<b>Department/Division</b>	<b>Adopted FY 10-11</b>	<b>Amended FY 10-11</b>	<b>Encumbered 12-31-09</b>	<b>Expended 12-31-10</b>	<b>Balance 12-31-10</b>	<b>Percent Remaining</b>
<b><u>City Council</u></b>						
Salaries & Benefits	\$ 193,660	\$ 193,660	\$ -	\$ 84,020	\$ 109,640	56.61%
Maintenance & Operations	11,325	11,325	-	1,517	9,808	86.60%
Fixed Assets	-	-	-	-	-	-
<b>Total City Council</b>	<b>\$ 204,985</b>	<b>\$ 204,985</b>	<b>\$ -</b>	<b>\$ 85,537</b>	<b>\$ 119,448</b>	<b>58.27%</b>
<b><u>City Manager</u></b>						
Salaries & Benefits	\$ 791,663	\$ 791,663	\$ -	\$ 318,134	\$ 473,529	59.81%
Maintenance & Operations	101,275	101,275	-	45,938	55,337	54.64%
Fixed Assets	-	-	-	-	-	-
<b>Total City Manager</b>	<b>\$ 892,938</b>	<b>\$ 892,938</b>	<b>\$ -</b>	<b>\$ 364,072</b>	<b>\$ 528,866</b>	<b>59.23%</b>
<b><u>City Clerk</u></b>						
Salaries & Benefits	\$ 280,287	\$ 280,287	\$ -	\$ 120,552	\$ 159,735	56.99%
Maintenance & Operations	124,390	124,390	3,056	19,839	101,495	81.59%
Fixed Assets	-	-	-	-	-	-
<b>Total City Clerk</b>	<b>\$ 404,677</b>	<b>\$ 404,677</b>	<b>\$ 3,056</b>	<b>\$ 140,391</b>	<b>\$ 261,230</b>	<b>64.55%</b>
<b><u>City Attorney</u></b>						
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	-
Maintenance & Operations	530,550	530,550	-	318,215	212,335	40.02%
Fixed Assets	-	-	-	-	-	-
<b>Total City Attorney</b>	<b>\$ 530,550</b>	<b>\$ 530,550</b>	<b>\$ -</b>	<b>\$ 318,215</b>	<b>\$ 212,335</b>	<b>40.02%</b>
<b><u>Finance Administration</u></b>						
Salaries & Benefits	\$ 139,579	\$ 139,579	\$ -	\$ 61,060	\$ 78,519	56.25%
Maintenance & Operations	57,817	57,817	-	16,751	41,066	71.03%
Fixed Assets	-	-	-	-	-	-
<b>Total Finance Admin.</b>	<b>\$ 197,396</b>	<b>\$ 197,396</b>	<b>\$ -</b>	<b>\$ 77,811</b>	<b>\$ 119,585</b>	<b>60.58%</b>
<b><u>Financial Operations</u></b>						
Salaries & Benefits	\$ 1,215,788	\$ 1,215,788	\$ -	\$ 507,039	\$ 708,749	58.30%
Maintenance & Operations	114,350	114,350	14,217	53,270	46,863	40.98%
Fixed Assets	-	-	-	-	-	-
<b>Total Financial Operations</b>	<b>\$ 1,330,138</b>	<b>\$ 1,330,138</b>	<b>\$ 14,217</b>	<b>\$ 560,309</b>	<b>\$ 755,612</b>	<b>56.81%</b>
<b><u>Financial Planning</u></b>						
Salaries & Benefits	\$ 547,745	\$ 547,745	\$ -	\$ 230,384	\$ 317,361	57.94%
Maintenance & Operations	14,650	14,650	-	(4,611)	19,261	131.47%
Fixed Assets	-	-	-	-	-	-
<b>Total Financial Planning</b>	<b>\$ 562,395</b>	<b>\$ 562,395</b>	<b>\$ -</b>	<b>\$ 225,773</b>	<b>\$ 336,622</b>	<b>59.86%</b>
<b><u>Admin. Services Admin.</u></b>						
Salaries & Benefits	\$ 450,606	\$ 450,606	\$ -	\$ 208,032	\$ 242,574	53.83%
Maintenance & Operations	128,404	128,404	-	59,710	68,694	53.50%
Fixed Assets	-	-	-	-	-	-
<b>Total Admin. Serv. Admin.</b>	<b>\$ 579,010</b>	<b>\$ 579,010</b>	<b>\$ -</b>	<b>\$ 267,742</b>	<b>\$ 311,268</b>	<b>53.76%</b>

**CITY OF COSTA MESA**  
**BUDGET TO ACTUAL ANALYSIS - GENERAL FUND EXPENDITURES**  
**BY DEPARTMENT/DIVISION**  
**AS OF DECEMBER 2010**

**GENERAL FUND**

<b>Department/Division</b>	<b>Adopted FY 10-11</b>	<b>Amended FY 10-11</b>	<b>Encumbered 12-31-09</b>	<b>Expended 12-31-10</b>	<b>Balance 12-31-10</b>	<b>Percent Remaining</b>
<b><u>Human Resources</u></b>						
Salaries & Benefits	\$ 485,558	\$ 485,558	\$ -	\$ 199,129	\$ 286,429	58.99%
Maintenance & Operations	168,849	168,849	671	40,442	127,736	75.65%
Fixed Assets	-	-	-	-	-	-
<b>Total Personnel Division</b>	<b>\$ 654,407</b>	<b>\$ 654,407</b>	<b>\$ 671</b>	<b>\$ 239,571</b>	<b>\$ 414,165</b>	<b>63.29%</b>
<b><u>Central Services</u></b>						
Salaries & Benefits	\$ 375,363	\$ 375,363	\$ -	\$ 155,378	\$ 219,985	58.61%
Maintenance & Operations	84,450	84,450	8,450	36,291	39,709	47.02%
Fixed Assets	-	-	-	-	-	-
<b>Total Central Services</b>	<b>\$ 459,813</b>	<b>\$ 459,813</b>	<b>\$ 8,450</b>	<b>\$ 191,669</b>	<b>\$ 259,694</b>	<b>56.48%</b>
<b><u>Recreation Division</u></b>						
Salaries & Benefits	\$ 2,185,516	\$ 2,185,516	\$ -	\$ 745,846	\$ 1,439,670	65.87%
Maintenance & Operations	1,454,298	1,454,298	199,575	645,134	609,589	41.92%
Fixed Assets	-	-	-	-	-	-
<b>Total Recreation Div.</b>	<b>\$ 3,639,814</b>	<b>\$ 3,639,814</b>	<b>\$ 199,575</b>	<b>\$ 1,390,980</b>	<b>\$ 2,049,259</b>	<b>56.30%</b>
<b><u>Risk Management</u></b>						
Salaries & Benefits	\$ 1,728,614	\$ 1,728,614	\$ -	\$ 645,315	\$ 1,083,299	62.67%
Maintenance & Operations	428,510	428,510	27,116	289,329	112,065	26.15%
Fixed Assets	-	-	-	-	-	-
<b>Total Risk Management</b>	<b>\$ 2,157,124</b>	<b>\$ 2,157,124</b>	<b>\$ 27,116</b>	<b>\$ 934,644</b>	<b>\$ 1,195,364</b>	<b>55.41%</b>
<b><u>Telecommunications Div.</u></b>						
Salaries & Benefits	\$ 3,379,550	\$ 3,379,550	\$ -	\$ 1,355,324	\$ 2,024,226	59.90%
Maintenance & Operations	594,995	594,995	12,686	169,026	413,283	69.46%
Fixed Assets	240,000	240,000	-	-	240,000	-
<b>Total Telecommunications</b>	<b>\$ 4,214,545</b>	<b>\$ 4,214,545</b>	<b>\$ 12,686</b>	<b>\$ 1,524,350</b>	<b>\$ 2,677,509</b>	<b>63.53%</b>
<b><u>Management Info. Systems</u></b>						
Salaries & Benefits	\$ 1,491,292	\$ 1,491,292	\$ -	\$ 593,186	\$ 898,106	60.22%
Maintenance & Operations	799,535	799,535	203,326	234,814	361,395	45.20%
Fixed Assets	12,289	12,289	9,084	14,496	(11,291)	-
<b>Total Management Info.</b>	<b>\$ 2,303,116</b>	<b>\$ 2,303,116</b>	<b>\$ 212,410</b>	<b>\$ 842,496</b>	<b>\$ 1,248,210</b>	<b>54.20%</b>
<b><u>Police Administration</u></b>						
Salaries & Benefits	\$ 1,656,883	\$ 1,656,883	\$ -	\$ 847,034	\$ 809,849	48.88%
Maintenance & Operations	467,284	467,284	-	214,737	252,547	54.05%
Fixed Assets	-	-	-	-	-	-
<b>Total Police Admin.</b>	<b>\$ 2,124,167</b>	<b>\$ 2,124,167</b>	<b>\$ -</b>	<b>\$ 1,061,771</b>	<b>\$ 1,062,396</b>	<b>50.01%</b>
<b><u>Police Technical Services</u></b>						
Salaries & Benefits	\$ 5,259,496	\$ 5,259,496	\$ -	\$ 2,163,569	\$ 3,095,927	58.86%
Maintenance & Operations	624,594	624,594	36,639	167,691	420,264	67.29%
Fixed Assets	12,000	12,000	-	5,140	6,860	-
<b>Total Police Technical</b>	<b>\$ 5,896,090</b>	<b>\$ 5,896,090</b>	<b>\$ 36,639</b>	<b>\$ 2,336,400</b>	<b>\$ 3,523,051</b>	<b>59.75%</b>

**CITY OF COSTA MESA**  
**BUDGET TO ACTUAL ANALYSIS - GENERAL FUND EXPENDITURES**  
**BY DEPARTMENT/DIVISION**  
**AS OF DECEMBER 2010**

**GENERAL FUND**

<b>Department/Division</b>	<b>Adopted FY 10-11</b>	<b>Amended FY 10-11</b>	<b>Encumbered 12-31-09</b>	<b>Expended 12-31-10</b>	<b>Balance 12-31-10</b>	<b>Percent Remaining</b>
<b><u>Police Field Operations</u></b>						
Salaries & Benefits	\$ 18,356,368	\$ 18,356,368	\$ -	\$ 7,471,470	\$ 10,884,898	59.30%
Maintenance & Operations	269,940	269,940	1,046	56,483	212,411	78.69%
Fixed Assets	-	-	-	-	-	-
<b>Total Police Field Oper.</b>	<b>\$ 18,626,308</b>	<b>\$ 18,626,308</b>	<b>\$ 1,046</b>	<b>\$ 7,527,953</b>	<b>\$ 11,097,309</b>	<b>59.58%</b>
<b><u>Police Support Services</u></b>						
Salaries & Benefits	\$ 8,377,830	\$ 8,377,830	\$ -	\$ 3,439,523	\$ 4,938,307	58.94%
Maintenance & Operations	982,650	982,650	1,402	375,473	605,775	61.65%
Fixed Assets	-	-	-	-	-	-
<b>Total Police Support</b>	<b>\$ 9,360,480</b>	<b>\$ 9,360,480</b>	<b>\$ 1,402</b>	<b>\$ 3,814,996</b>	<b>\$ 5,544,082</b>	<b>59.23%</b>
<b><u>Fire Administration</u></b>						
Salaries & Benefits	\$ 1,396,056	\$ 1,396,056	\$ -	\$ 716,196	\$ 679,860	48.70%
Maintenance & Operations	92,949	92,949	-	32,303	60,646	65.25%
Fixed Assets	33,800	33,800	-	-	33,800	-
<b>Total Fire Admin.</b>	<b>\$ 1,522,805</b>	<b>\$ 1,522,805</b>	<b>\$ -</b>	<b>\$ 748,499</b>	<b>\$ 774,306</b>	<b>50.85%</b>
<b><u>Fire Suppression</u></b>						
Salaries & Benefits	\$ 16,733,847	\$ 16,733,847	\$ -	\$ 7,290,125	\$ 9,443,722	56.43%
Maintenance & Operations	503,613	503,613	7,371	167,312	328,930	65.31%
Fixed Assets	229,140	229,140	-	229,130	10	-
<b>Total Fire Suppression</b>	<b>\$ 17,466,600</b>	<b>\$ 17,466,600</b>	<b>\$ 7,371</b>	<b>\$ 7,686,567</b>	<b>\$ 9,772,662</b>	<b>55.95%</b>
<b><u>Fire Prevention</u></b>						
Salaries & Benefits	\$ 292,954	\$ 292,954	\$ -	\$ 205,448	\$ 87,506	29.87%
Maintenance & Operations	116,045	116,045	52,050	49,205	14,790	12.75%
Fixed Assets	-	-	-	-	-	-
<b>Total Fire Prevention</b>	<b>\$ 408,999</b>	<b>\$ 408,999</b>	<b>\$ 52,050</b>	<b>\$ 254,653</b>	<b>\$ 102,296</b>	<b>25.01%</b>
<b><u>Development Serv. Admin.</u></b>						
Salaries & Benefits	\$ 416,773	\$ 416,773	\$ -	\$ 181,945	\$ 234,828	56.34%
Maintenance & Operations	55,401	55,401	-	18,568	36,833	66.48%
Fixed Assets	-	-	-	-	-	-
<b>Total Development Serv.</b>	<b>\$ 472,174</b>	<b>\$ 472,174</b>	<b>\$ -</b>	<b>\$ 200,513</b>	<b>\$ 271,661</b>	<b>57.53%</b>
<b><u>Planning</u></b>						
Salaries & Benefits	\$ 823,049	\$ 823,049	\$ -	\$ 344,819	\$ 478,230	58.10%
Maintenance & Operations	37,300	37,300	-	13,109	24,191	64.86%
Fixed Assets	-	-	-	-	-	-
<b>Total Planning</b>	<b>\$ 860,349</b>	<b>\$ 860,349</b>	<b>\$ -</b>	<b>\$ 357,928</b>	<b>\$ 502,421</b>	<b>58.40%</b>
<b><u>Building Safety</u></b>						
Salaries & Benefits	\$ 1,462,868	\$ 1,337,868	\$ -	\$ 524,235	\$ 813,633	60.82%
Maintenance & Operations	139,500	264,500	148,328	43,724	72,448	27.39%
Fixed Assets	-	-	-	-	-	-
<b>Total Building Safety</b>	<b>\$ 1,602,368</b>	<b>\$ 1,602,368</b>	<b>\$ 148,328</b>	<b>\$ 567,959</b>	<b>\$ 886,081</b>	<b>55.30%</b>

**CITY OF COSTA MESA**  
**BUDGET TO ACTUAL ANALYSIS - GENERAL FUND EXPENDITURES**  
**BY DEPARTMENT/DIVISION**  
**AS OF DECEMBER 2010**

**GENERAL FUND**

Department/Division	Adopted FY 10-11	Amended FY 10-11	Encumbered 12-31-09	Expended 12-31-10	Balance 12-31-10	Percent Remaining
<b>Public Services Admin.</b>						
Salaries & Benefits	\$ 652,008	\$ 652,008	\$ -	\$ 277,658	\$ 374,350	57.41%
Maintenance & Operations	521,968	521,968	13,522	265,107	243,339	46.62%
Fixed Assets	-	-	-	-	-	-
Total Public Serv. Adm.	\$ 1,173,976	\$ 1,173,976	\$ 13,522	\$ 542,765	\$ 617,689	52.62%
<b>Engineering</b>						
Salaries & Benefits	\$ 1,072,232	\$ 1,072,232	\$ -	\$ 801,940	\$ 270,292	25.21%
Maintenance & Operations	329,112	329,112	10,638	49,569	268,905	81.71%
Fixed Assets	-	-	-	-	-	-
Total Engineering	\$ 1,401,344	\$ 1,401,344	\$ 10,638	\$ 851,509	\$ 539,197	38.48%
<b>Transportation Services</b>						
Salaries & Benefits	\$ 549,022	\$ 549,022	\$ -	\$ 210,489	\$ 338,533	61.66%
Maintenance & Operations	1,643,630	1,643,630	216,518	660,997	766,115	46.61%
Fixed Assets	-	-	-	-	-	-
Total Transportation	\$ 2,192,652	\$ 2,192,652	\$ 216,518	\$ 871,486	\$ 1,104,648	50.38%
<b>Maintenance Services</b>						
Salaries & Benefits	\$ 3,992,271	\$ 3,992,271	\$ -	\$ 1,687,005	\$ 2,305,266	57.74%
Maintenance & Operations	3,616,804	3,616,804	644,766	1,344,830	1,627,208	44.99%
Fixed Assets	-	-	-	-	-	-
Total Maintenance Serv.	\$ 7,609,075	\$ 7,609,075	\$ 644,766	\$ 3,031,835	\$ 3,932,474	51.68%
<b>Non-Departmental</b>						
Salaries & Benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Maintenance & Operations	5,637,000	5,637,000	-	4,379,288	1,257,712	22.31%
Transfers Out	100,000	100,000	-	975	99,025	99.03%
Total Non-Departmental	\$ 5,737,000	\$ 5,737,000	\$ -	\$ 4,380,263	\$ 1,356,737	23.65%
<b>RECAP:</b>						
Salaries & Benefits	\$ 74,306,878	\$ 74,181,878	\$ -	\$ 31,384,855	\$ 42,797,023	57.69%
Maintenance & Operations	19,651,188	19,776,188	1,601,377	9,764,061	8,410,750	42.53%
Fixed Assets	527,229	527,229	9,084	248,766	269,379	51.09%
Transfers Out	100,000	100,000	-	975	99,025	99.03%
<b>Grand Total</b>	<b>\$ 94,585,295</b>	<b>\$ 94,585,295</b>	<b>\$ 1,610,461</b>	<b>\$ 41,398,657</b>	<b>\$ 51,576,177</b>	<b>54.53%</b>

(260,000) Savings from prior year labor negotiations - furloughs and RHS  
(1,167,000) Savings from current year labor negotiations - PERS and RHS  
(900,000) Attrition savings from vacant positions  
(239,450) Reduction in Recreation programs  
1,175,000 Salary account adjustments  
93,193,845