CITY OF EMERYVILLE
QUARTERLY FINANCIAL REPORT
Second Quarter 2011-12
As at December 31, 2011

OVERVIEW

This report summarizes the second quarter of fiscal year 2011-12 and reflects 50% of the City of Emeryville's 2011-2012 Operating Budget Period. General Fund key revenues are discussed along with a summary discussion on General Fund expenditures. In addition, expenditure data for the same point in time of the prior budget period (FY 2010-11) is shown for comparative purposes.

	Adopted Budget	YTD Actual	Variance	Percent
Revenues	29,053,696	13,308,703	(15,744,993)	45.8%
Expenditures*	29,185,146	13,372,255	15,812,891	45.8%
Fund Balance, 07-01-11	8,742,089	8,742,089	-	
Estimated Balance Yr to Date	8,610,639	8,678,536	67,897	

*Mid-year reserve transfers are not included

GENERAL FUND OVERVIEW

Revenue and Expenditure Summary

Through the end of the second quarter of the fiscal year, both revenues and expenditures are at 45.8% of projections.

Key Revenues

Excluding interfund transfers, the City's top ten budgeted revenues account for 91% of total General Fund revenues.

Top Ten Budgeted Revenues	Annual Budget	Current Year Actual	% of Budget	Prior Year Actual	Actual vs. Prior Year Variance	
Sales Tax	5,623,716	3,128,206	56%	3,020,940	107,266	4%
Transient Occupancy Tax	3,366,000	1,805,010	54%	1,415,314	389,696	28%
Business License Tax	3,325,512	273,741	8%	227,033	46,708	21%
Utility Users Tax	2,964,773	1,392,806	47%	1,229,099	163,707	13%
Cardroom Tax	2,300,000	1,202,226	52%	1,213,691	(11,466)	-1%
Licenses and Permits	1,397,603	1,075,937	77%	936,551	139,386	15%
Property Tax	1,645,795	1,188,921	72%	700,034	488,887	70%
Franchises	1,224,022	687,590	56%	474,919	212,671	45%
Fines	885,000	346,581	39%	347,977	(1,396)	0%
V.L.F. In Lieu	644,886	308,512	48%	331,128	(22,616)	-7%
Total	23,377,307	11,409,529	49%	9,896,686	1,512,843	15%

The following highlights key revenue results:

Sales Tax: Sales tax receipts were tracking 6% above budget projections for the first half of FY2011-12. These receipts include reductions of $192,000 for the first quarter 2011revenue sharing payment for the City of Oakland. When compared to prior year, the 4% increase is a reflection of improvements in consumer spending. With sales tax being the General Fund's top revenue generator, staff will continue to monitor its results closely.

Transient Occupancy Tax: Year-to-date revenues for TOT were 28% higher than they were for the same time period last year. Hotel revenues for all four hotels exceeded prior year, likely the result of increased occupancy combined with higher rates. As this revenue is typically collected in the month following the period the income is earned (amount received through December represents 5 months of revenue), TOT revenues were running above expectations at 54% of budget.

Business License Tax: Business license renewals are on a calendar year basis and are delinquent if not paid by March 1. As a result, minimal revenues are received in the first half of the fiscal year, leading to an 8% actual to budget reading as of December 31st. Total Business License collections were up $46,708 compared with the previous year likely a result of the business license tax rate increase from .08% to .10%. Staff continues to employ an active discovery program to collect revenues due to the City.

Utility Users' Tax (UUT): UUT is reflected at 47% of budget due to the timing of the monthly PG&E receipt (December 2011 receipt will be included in the Quarter 3 reporting). When compared to the prior year, the 13% increase is a result of a one-time receipt of $120,600 from PG&E due to estimated under-collections of UUT in prior periods.

Licenses and Permits: Licenses and Permits revenue are derived primarily from the planning/building department including reimbursement/cost recovery income. First quarter results are $139,386 greater than prior year, primarily due to an increase in plan checking fees.

Franchise Fees: Franchise fees are reflected at 56% of budget and are 45% greater than prior year. The improvement over prior year is primarily a result of the $154,500 Waste Management Environmental fee received in December 2011 which was not recorded until the third quarter in the prior year.

Expenditures

Operating costs are generally 4% below expectations at the end of the second quarter of the fiscal year as summarized below:

By Department:

Expenditures	Annual Budget	Current Year Actual	% of Budget	Prior Year Actual
City Council	148,133	66,989	45.2%	60,952
City Manager	396,622	178,275	44.9%	219,420
City Clerk	386,658	181,659	47.0%	138,217
City Attorney	584,384	270,547	46.3%	340,418
Administrative Services	2,029,800	900,877	44.4%	1,234,935
Planning and Building	1,805,650	768,228	42.5%	611,784
Economic Development	1,114,830	549,704	49.3%	498,935
Public Works	2,763,905	1,211,296	43.8%	1,132,731
Non-Departmental Operations	1,973,661	1,137,046	57.6%	1,198,649
Police	9,972,292	4,662,715	46.8%	4,513,588
Fire	5,939,670	2,587,516	43.6%	2,856,679
Community Services	2,069,541	857,404	41.4%	922,877
Total	29,185,146	13,372,255	45.8%	13,729,183

Overall, expenditures are performing slightly below expectations at mid way through the fiscal year. Most departments experienced savings with the exception of Non-Departmental Operations due to the processing of the annual insurance payment in July, and the payment for the passenger van for the Community Services Department. Savings in contract services, supplies, utilities, education and training continued through the 2nd quarter which offset the annual payments made for liability insurance and grants.

By Type:

Expenditures By Type	Annual Budget	Current Year Actual	% of Budget	Prior Year Actual
Staffing	21,733,125	10,131,243	46.6%	10,333,264
Contract Services	1,846,598	771,783	41.8%	322,997
Maintenance	2,127,069	895,084	42.1%	858,397
Supplies	745,112	311,361	41.8%	508,444
Utilities	698,830	293,641	42.0%	329,261
Other Operating Costs	1,406,912	760,540	54.1%	900,187
Capital	46,500	18,060	38.8%	27,556
Interfund Transfers*	581,000	190,542	32.8%	449,075
Total	29,185,146	13,372,255	45.8%	13,729,183
*Mid-year reserve transfers are not included				

The most significant variances by type are summarized below:

- Generally, slight staffing savings were experienced across all departments.

- Contract Services, Maintenance, Supplies, Education & Training expenses were lower than projected.

- Annual payments for insurance and grants as well as art exhibition expenses were incurred during the first half of the year, overstating Other Operating Costs through the second quarter.