CITY OF EMERYVILLE
QUARTERLY FINANCIAL REPORT
Third Quarter 2011-12
As at March 31, 2012

OVERVIEW

This report summarizes the third quarter of fiscal year 2011-12 and reflects 75% 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.

GENERAL FUND OVERVIEW

Revenue and Expenditure Summary

Through the end of the third quarter of the fiscal year, revenues are at 78.4% of projections and expenditures are at 68.7%:

	Adopted Budget	YTD Actual	Variance	Percent
Revenues	29,053,696	22,792,462	(6,261,234)	78.4%
Expenditures*	29,255,146	20,092,015	9,163,131	68.7%
Fund Balance, 07-01-11	8,742,089	8,742,089	-	
Estimated Balance Yr to Date	8,540,639	11,442,536	2,901,896	

*Mid-year reserve transfers are not included

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	3,896,506	69%	3,164,906	731,600	23%
Transient Occupancy Tax	3,366,000	2,779,988	83%	2,367,862	412,125	17%
Business License Tax	3,325,512	4,190,340	126%	3,560,495	629,846	18%
Utility Users Tax	2,964,773	1,873,298	63%	1,793,990	79,308	4%
Cardroom Tax	2,300,000	1,621,390	70%	1,610,856	10,534	1%
Licenses and Permits	1,397,603	1,655,388	118%	1,463,168	192,220	13%
Property Tax	1,645,795	1,846,176	112%	1,758,017	88,159	5%
Franchises	1,224,022	1,144,046	93%	971,450	172,596	18%
Fines	885,000	464,493	52%	460,616	3,877	1%
V.L.F. In Lieu	644,886	308,512	48%	331,128	(22,616)	-7%
Total	23,377,307	19,780,136	85%	17,482,487	2,297,649	13%

The following highlights key revenue results:

Sales Tax: Sales tax receipts were tracking 6% below budget projections through March 31, 2012 due to the timing of receipts (February and March 2012 receipts will be included in the Quarter 4 reporting). These receipts include reductions of $602,700 for the revenue sharing payment to the City of Oakland which was processed through September 2011. When compared to prior year, the 23% 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 83% of budget and 17% higher than 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.

Business License Tax: Given the March 1st business license renewal deadline, the majority of tax revenues were received by March 31, 2012. As a result of the business license tax rate increase from .08% to .10% and the increase of the tax cap, total business license collections were 126% of budget and approximately $630,000 more than prior year. Staff continues to employ an active discovery program to collect revenues due to the City.

Utility Users' Tax (UUT): UUT is reflected at 63% of budget due to the timing of the monthly PG&E receipt (March 2012 receipt will be included in the Quarter 4 reporting). When compared to the prior year, the 4% 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, less a customer credit of $59k due to over-collections of UUT.

Licenses and Permits: Licenses and Permits revenue are derived primarily from the planning/building department including reimbursement/cost recovery income. Third quarter results are $192,000 greater than prior year, primarily due to an increase in plan checking fees.

Franchise Fees: Franchise fees are reflected at 93% of budget and are 18% greater than prior year. The improvement over prior year is a result of one-time PG&E payments of $59k to correct customer reassignments as well as increases in monthly Waste Management gross receipts and related fees.

Expenditures

Operating costs are generally 6% below expectations at the end of the third 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	103,336	69.8%	112,361
City Manager	396,622	285,004	71.9%	318,776
City Clerk	386,658	318,133	82.3%	262,041
City Attorney	584,384	414,770	71.0%	415,847
Administrative Services	2,029,800	1,347,298	66.4%	1,357,330
Planning and Building	1,805,650	1,183,353	65.5%	1,188,178
Economic Development	1,114,830	776,675	69.7%	690,091
Public Works	2,763,905	1,825,602	66.1%	1,744,182
Non-Departmental Operations*	2,100,181	1,380,882	65.8%	1,293,285
Police	9,972,292	7,259,030	72.8%	7,122,009
Fire	5,959,670	4,002,856	67.2%	4,147,983
Community Services	2,069,541	1,271,595	61.4%	1,215,266
Total	29,331,666	20,168,535	68.8%	19,867,350

*Mid-year reserve transfers are not included

By Type:

Expenditures By Type	Annual Budget	Current Year Actual	% of Budget	Prior Year Actual
Staffing	21,733,125	15,438,878	71.0%	15,175,475
Contract Services	1,866,598	1,235,314	66.2%	988,978
Maintenance	2,127,069	1,295,802	60.9%	1,330,430
Supplies	745,112	470,115	63.1%	418,958
Utilities	698,830	433,260	62.0%	511,671
Other Operating Costs	1,456,912	972,544	66.8%	1,068,324
Capital	46,500	18,060	38.8%	28,602
Interfund Transfers*	657,520	304,563	46.3%	344,913
Total	29,331,666	20,168,535	68.8%	19,867,350

*Mid-year reserve transfers are not included

The most significant variances are summarized below:

- Staffing expenses were generally on target City-wide except in Community Services which has experienced vacancies in budgeted positions that have resulted in salary and benefit savings.

- Contract Services, Maintenance, Supplies, Utilities and Other Operating costs were lower than projected.

- Interfund transfers are lower than budget as the May debt service payment of $316,000 will be paid in April.

- Capital expenditures are less than expectations as a $20,000 payment related to library services with the City of Oakland is expected to be paid in May.