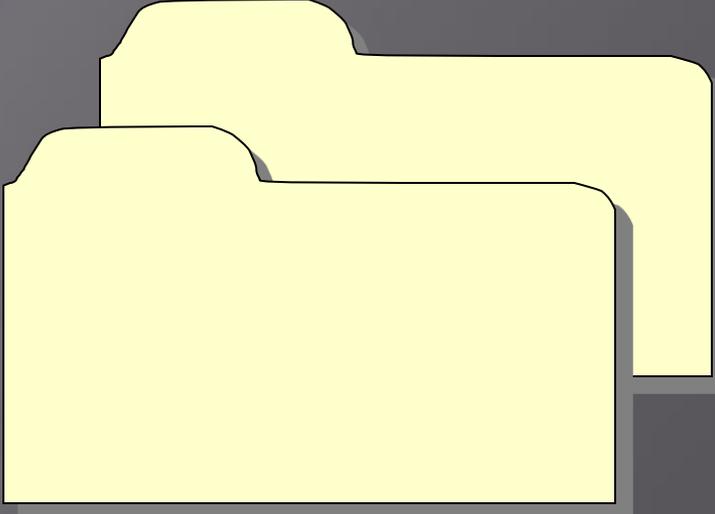
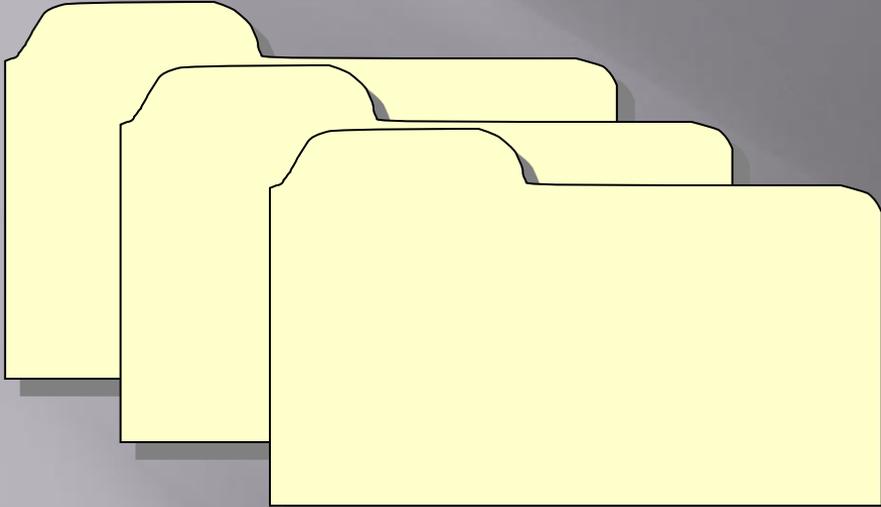
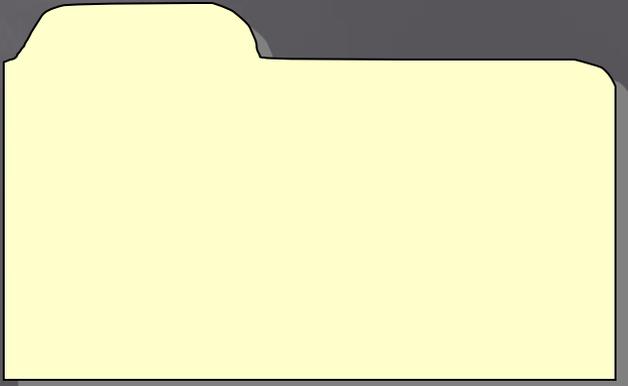


FISCAL YEAR 2013-2014

Budget Workshop



Government & Non-Profit
Accounting = Fund
Accounting



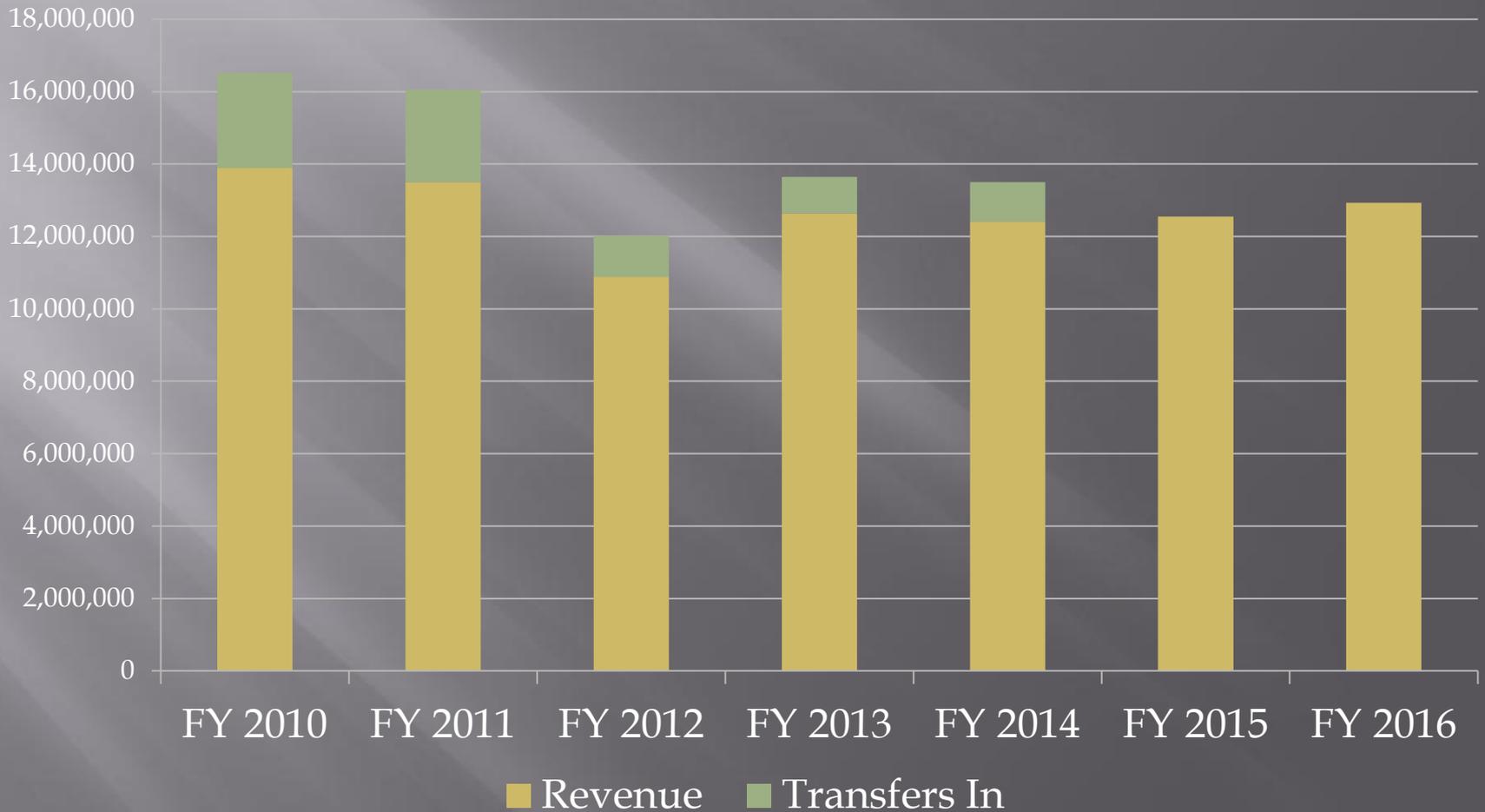
Revenue vs Expenditure



Revenue/Transfers In vs Expenditure/Transfers Out



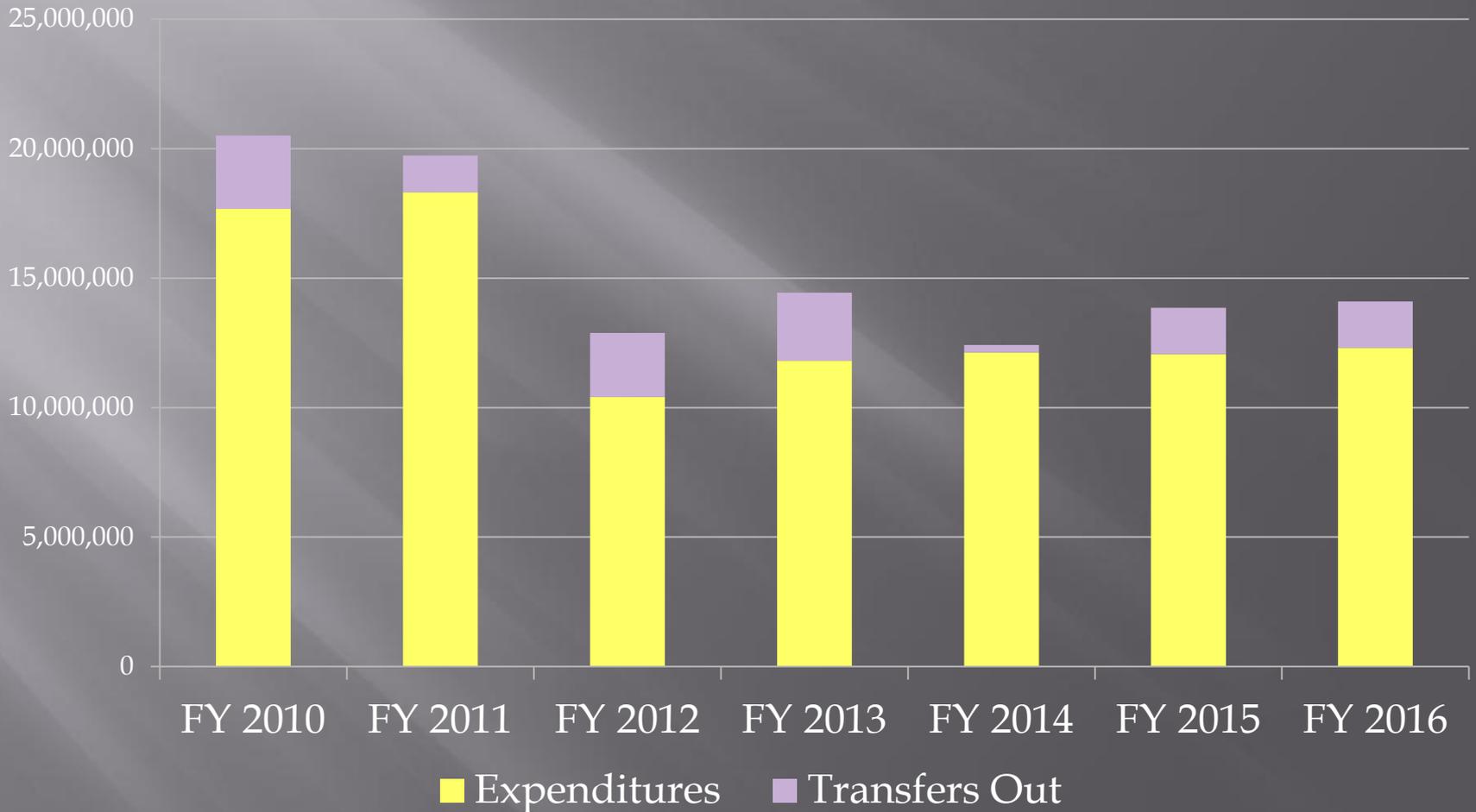
General Fund Revenue & Transfers In



Transfers In

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
AQMD				14,447			
Gas Tax				83,143			
Refuse			168,850	24,019			
Sewer			35,100	63,121			
Recycling			46,400		1,088,000		
SPA	500,000	500,000	829,340	313,802			
CRA	413,077	339,385					
Light/Land			54,270	33,242			
Measure R				27,775			
Prop C				56,526			
Prop A				48,326			
BCHA				342,401			
GOB	1,718,250	1,718,250					
	2,631,327	2,557,635	1,133,960	1,006,801	1,088,000		

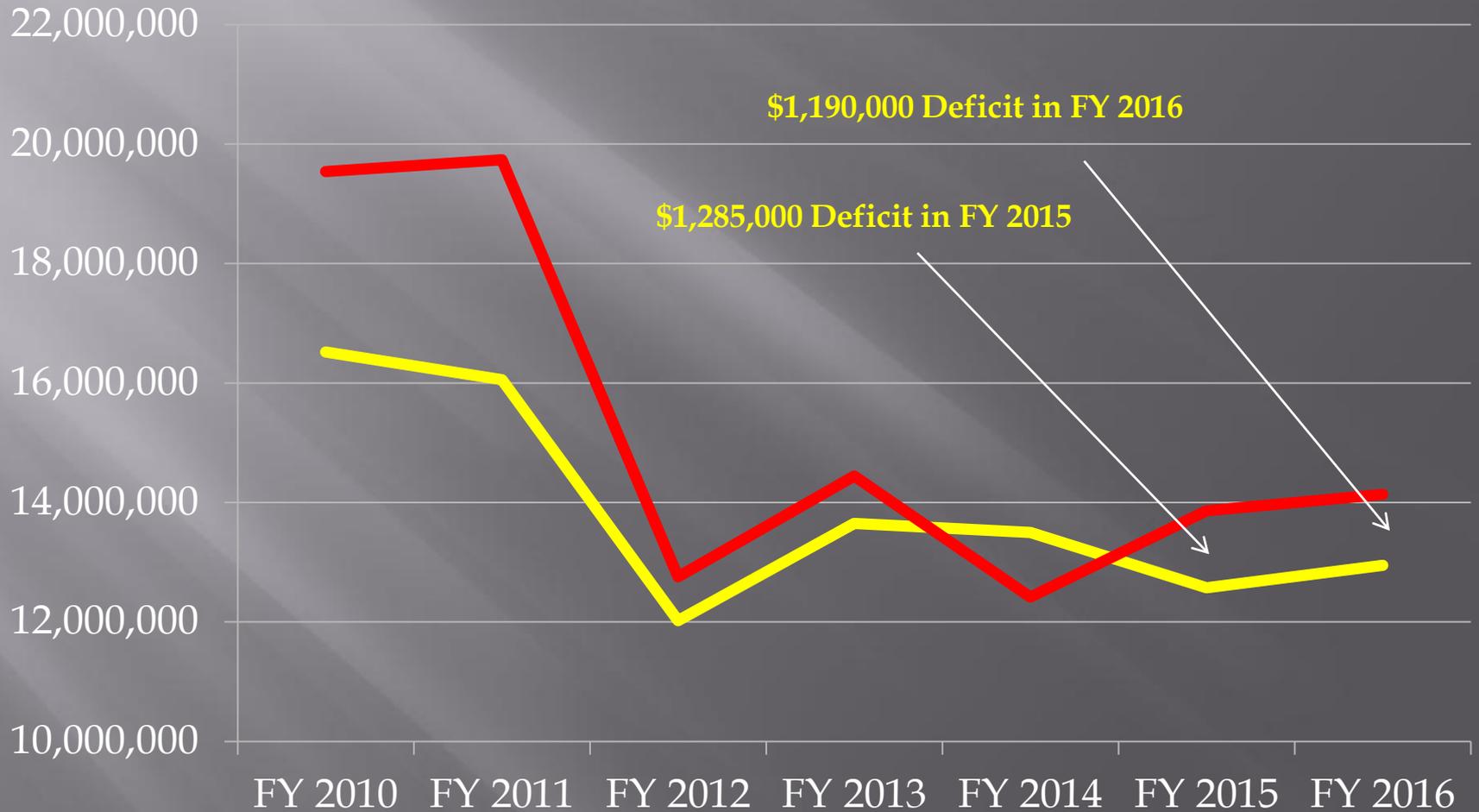
General Fund Expenditures & Transfers Out



Transfers Out

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
PFA	438,761		8,700	8,700			
SWR	127,020						
Risk Mgmt	2,270,711	1,421,410	2,044,000	1,761,226		1,500,000	1,500,000
Retirement			426,031	854,931	289,712	289,712	289,712
	2,836,492	1,421,410	2,478,731	2,624,857	289,712	1,789,712	1,789,712

Revenue/Transfers In vs Expenditure/Transfers Out



Reserves

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
\$	288,731	(503,857)	579,585	(706,501)	(1,892,591)
%	2%	- 4%	%5	- 6%	- 15%

GFOA Best Practice: General Fund Reserves

- ▣ “no less than two months of regular operating revenues or regular operating expenditures”
- ▣ “should be assessed based upon a government’s own specific circumstances”
- ▣ Bell’s Budget and Fiscal Policies stipulate that the “City will strive to maintain” a minimum 25%

LEGAL SETTLEMENTS, LAND
SALES

&

LONG-TERM STRUCTURAL
BALANCE

Bell Budget and Fiscal Policies

- “Current revenues for current uses; one-time revenues for One-Time purposes. The City will make all current expenditures with current revenues, avoiding procedures that balance current budgets by postponing needed expenditures, accruing future revenues or rolling over short-term debt. The City will avoid using one-time revenues to fund ongoing program costs.”

Positive Possibilities for FY 14

Unbudgeted Because of Uncertainty

- ▣ Sale of BNSF property
- ▣ BB&K Settlement
- ▣ Insurance recoveries
- ▣ Supplemental Retirement Plan recovery

Unpredictable Variables

- ▣ CalPERS contribution rates
- ▣ Fees for Legal Services
- ▣ Employee MOUs
- ▣ SCO's "recommendation" to refund \$822,000 sanitation fees and \$2,355,000 in business license fees

Ongoing Structural Deficit = \$1,200,000

- ▣ Beginning FY 2014-2015
- ▣ Does not assume employee concessions

Potential Solutions

1. *Grow Our Way Out*
2. *Eliminate BPD and Contract with LASD*
3. *Use FY 2014 to Reach Certainty*

Grow Our Way Out

- ▣ Use recovery and settlement monies
- ▣ Carry deficits for 5 to 7 years
- ▣ Grow tax base to cover deficits

Disadvantages:

- **Obstructs potential tax relief**
- **Cannot expand recreational or other programs**

Eliminate BPD and Contract with LASD

- ▣ Savings of \$1 million eliminates structural deficit
- ▣ As commercial tax base grows, can create tax relief and expand programs

Disadvantages:

- **Potential loss in service & community benefits**
- **Cannot be undone**

Use FY 2014 to Reach Certainty

- ▣ Carry deficit one year
- ▣ Seek BPD partnerships
- ▣ Complete scandal related litigation
- ▣ Clarify employee compensation and PERS

Disadvantages:

- **Using one-time \$ for operations**
- **Creates uncertainty**

OTHER FUNDS & ISSUES

Sanitation / Refuse Fund

- ▣ Estimated deficit of \$167,000 at 6.30.13
- ▣ Deficit of \$78,000 at 6.30.14
- ▣ Deficit should be eliminated in FY 2015

Grants Fund

- ▣ Estimated deficit of \$613,138 at 6.30.13
- ▣ General Fund will have to make up shortfall after deeper research
- ▣ Attributable in part to Recreation grants repaid to the State of CA

Retirement Fund

Expenditures & Debt Service vs Revenue



Retirement Fund

Expenditures & Debt Service vs Revenue & Transfers In



Healthy Funds

- ▣ AQMD
- ▣ Gas Tax
- ▣ Sewer
- ▣ Lighting/Landscape District
- ▣ Measure R
- ▣ Proposition A
- ▣ Proposition C
- ▣ Asset Forfeiture
- ▣ COPS Grant
- ▣ General Obligation Bonds
- ▣ Bell Community Housing Funds