



# City of La Quinta

**CITY** / SA / HA / FA MEETING DATE: February 17, 2015

**AGENDA CATEGORY:**

**ITEM TITLE:** APPROVE FISCAL YEAR 2014/2015  
MID-YEAR BUDGET ADJUSTMENTS

**BUSINESS SESSION:**

**CONSENT CALENDAR:** 4

**STUDY SESSION:**

**PUBLIC HEARING:**

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## **RECOMMENDED ACTION:**

Approve recommended adjustments to Fiscal Year 2014/2015 revenue and expenditure budgets as outlined in report.

## **EXECUTIVE SUMMARY:**

- This report is a follow-up to the February 3, 2015 City Council study session item regarding the Fiscal Year (FY) 2014/2015 mid-year budget update.
- Council directed staff to return with the recommended budget adjustments discussed during the study session.
- The suggested adjustments will increase the General Fund balance (reserves) by \$595,800.

## **FISCAL IMPACT:**

Projected revenues will be increased by \$884,800 and projected expenditures will be increased by \$289,000, increasing the overall General Fund balance by \$595,800.

## **BACKGROUND/ANALYSIS:**

### *FY 2014/2015 Revenues*

The FY 2014/2015 Mid-Year Report projected revenues to be \$884,800 higher than projected at the beginning of the fiscal year.

Property Tax	\$ 312,100
Transient Occupancy Tax	\$ 385,600
Sales Tax	\$ (86,400)

Licenses and Permits	\$ 65,800
Charges for Services	\$ 108,200
Other Revenues	<u>\$ 99,500</u>
<b>Total Revenue Increase:</b>	<b>\$ 884,800</b>

(See Attachment 1 for line-item revenue detail.)

*FY 2014-2015 Expenditures*

During the February 3 study session, staff recommended an increase to the Community Development Budget (Planning Division) of \$80,000 to assist with increased plan-check and development-related activity. The \$80,000 appropriation is for temporary/contract assistance. Development-related revenue is anticipated to be \$174,000 higher than projected. Should activity decrease, so will use of temporary services.

For liability insurance premiums, \$209,000 was set aside in General Fund Reserves. Funds had been appropriated in FY 2013/2014 but the actual payment was not made until FY 2014/2015, so these funds need to be appropriated again in FY 2014/2015.

**ALTERNATIVES:**

As the revenue budget may show a large variance at the end of the fiscal year if not adjusted, staff does not recommend an alternative. Similarly, if the budget adjustment for the insurance item is not approved, the insurance premium line-item will be over budget.

Should the increase to Community Development's temporary/contract services budget not be approved, the level of service delivery may be impacted; therefore, no alternative is recommended.

Report prepared by: Rita Conrad, Finance Director

Report approved for submission by: Frank J. Spevacek, City Manager

Attachment: 1. Revenue line-item detail

		<b>FY 2014-2015 ADOPTED TO REVISED</b>		
Code	Revenue Classification	FY 2014-2015 ADOPTED BUDGET	FY 2014-2015 REVISED MID- YEAR UPDATE	Increase/ (Decrease)
<b>TAXES</b>				
101-0000-40310	Property Tax	3,187,919	3,500,019	312,100
101-0000-41325	Sales Tax Reimbursement	2,134,324	2,047,924	(86,400)
101-0000-41400	Transient Occupancy Tax	5,900,000	6,285,600	385,600
	<b>Subtotal - Taxes</b>	<b>11,222,243</b>	<b>11,833,543</b>	<b>611,300</b>
<b>LICENSES &amp; PERMITS</b>				
101-0000-42401	Plumbing Permits	60,000	70,000	10,000
101-0000-42402	Mechanical Permits	78,000	88,000	10,000
101-0000-42403	Electrical Permits	48,000	58,000	10,000
101-0000-42436	Final Landscaping Permit		10,600	10,600
101-0000-43632	Public Works Permit	149,800	175,000	25,200
	<b>Subtotal - Licenses &amp; Permits</b>	<b>335,800</b>	<b>401,600</b>	<b>65,800</b>
<b>CHARGES FOR SERVICES</b>				
101-0000-42600	Plan Check Fees	350,000	450,000	100,000
101-0000-42445	Environmental Assessment	1,600	6,600	5,000
101-0000-42447	Home Occupations	-	3,200	3,200
	<b>Total - Charges for Services</b>	<b>351,600</b>	<b>459,800</b>	<b>108,200</b>
<b>OTHER REVENUES</b>				
101-0000-42700	Admin Citations	15,000	19,600	4,600
101-0000-42701	Lot Abatement	10,000	22,300	12,300
101-0000-42703	Vehicle Impound Fee	20,000	45,900	25,900
101-0000-42705	Motor Vehicle Code Fines	45,000	83,800	38,800
101-0000-42706	Parking Violations	35,000	43,900	8,900
101-0000-42707	Miscellaneous Fines	3,000	5,600	2,600
101-0000-42708	Graffiti Removal	150	6,550	6,400
	<b>Total - Other Revenues</b>	<b>128,150</b>	<b>227,650</b>	<b>99,500</b>
<b>GRAND TOTAL GENERAL FUND REVENUES</b>		<b>12,037,793</b>	<b>12,922,593</b>	<b>884,800</b>

