

City Council Special Meeting Agenda

Date: 1-27-11
Time: 4:00 p.m.
Location: City Hall, Conference Room A or Council Chambers

- | | | |
|--|---|--|
| <input type="checkbox"/> Mayor Nancy Tia Brown | <input type="checkbox"/> Steve Miller | <input type="checkbox"/> Administrative Services |
| <input type="checkbox"/> Donny Anderson | <input type="checkbox"/> Stan Wolz | Director, Jenni |
| <input type="checkbox"/> Charles Cloud | <input type="checkbox"/> City Administrator, Andy | Rosencranse |
| <input type="checkbox"/> Bryan Edwards | Whiteman | <input type="checkbox"/> City Attorney, Scott |
| <input type="checkbox"/> Jerry Fritz | | Kolpitcke |
-
- Discuss the City of Cody Midyear Budget Review.
 - Discuss City of Cody hiring freeze as implemented in January 2010.
 - Discuss takeover of 2AB Sanitation Services effective July 1, 2011 and consider entering into a Memorandum of Understanding with Keele Sanitation Services and Two Tough Guys exempting them from city sanitation services.
 - Discuss utility account with extremely high water use and review potential options for billing.
 - Review Council Agenda for February 1, 2011.
 - Updates from Council or Staff.
 - Meeting Reminders:
 - Tuesday, February 1, 2010 – Regular Council Meeting 7 p.m. City Council Chambers
 - Thursday, February 3, 2010 – Public Meeting regarding Canyon Avenue 6:30 p.m., Cody Club Room

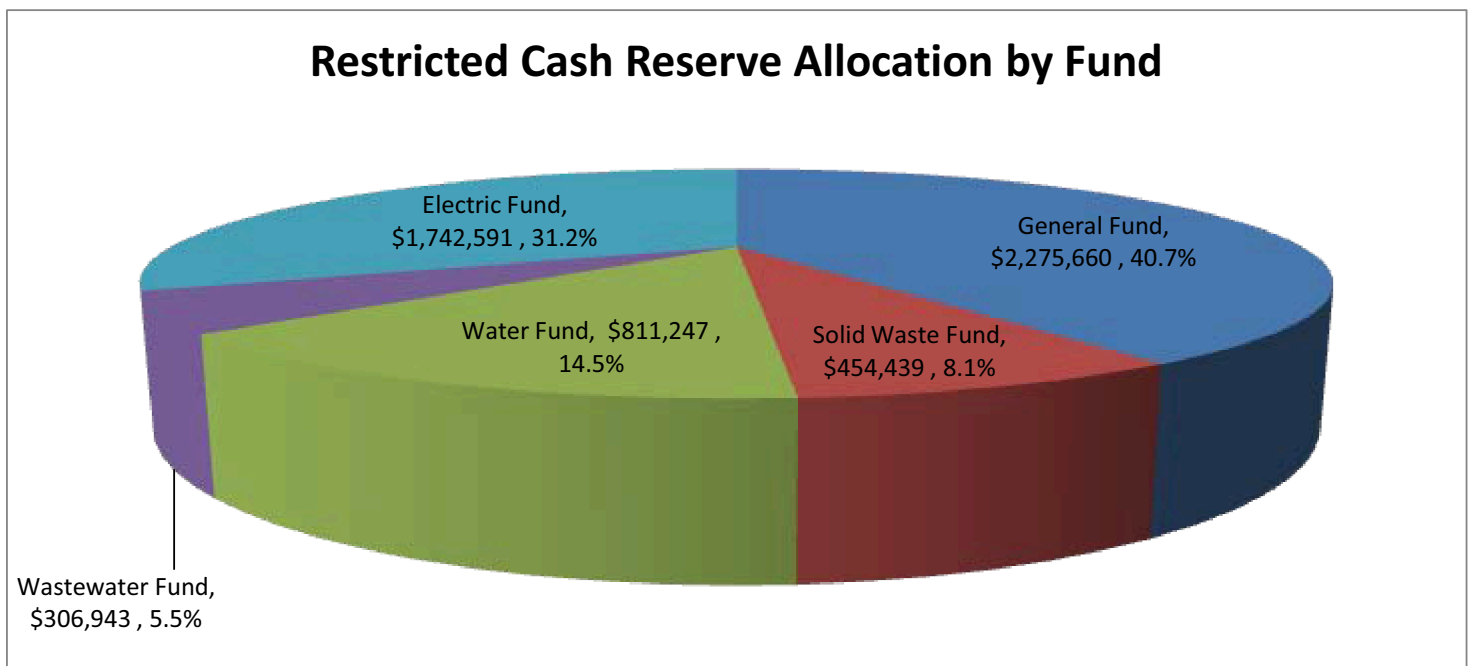
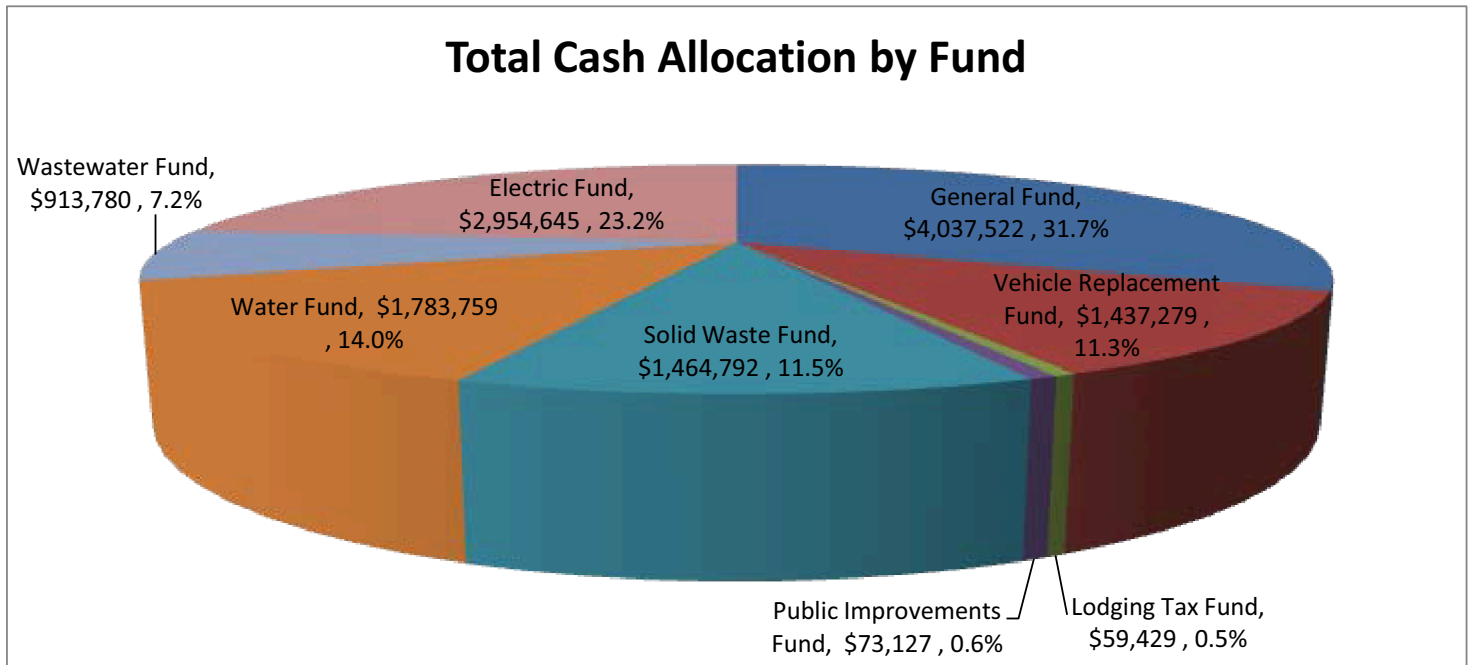
Time Adjourned: _____

City of Cody Mid-Year Budget Update

For the 6 Months ended December 2010

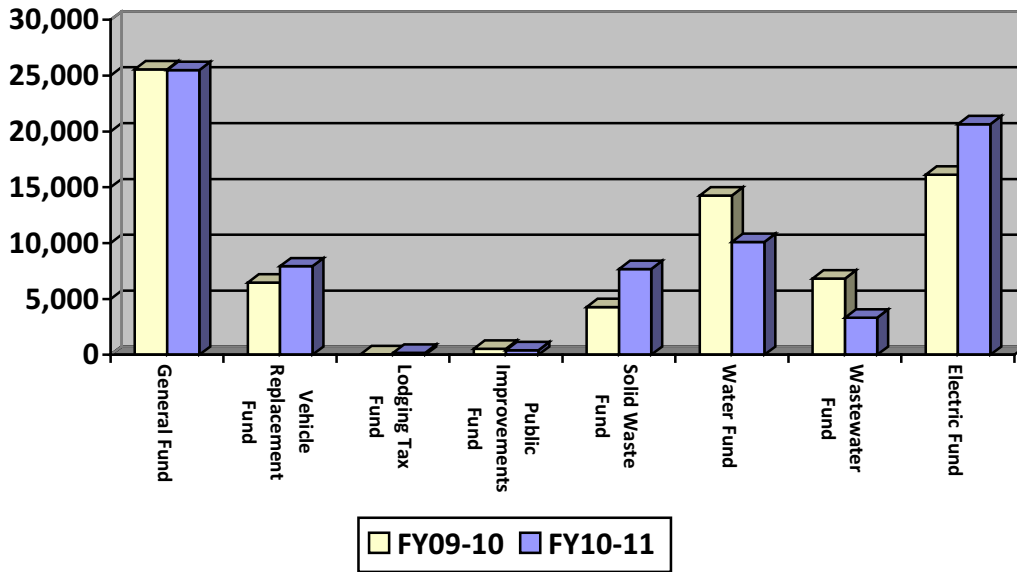
CASH & INVESTMENTS

As of December 31st the City had \$12,724,333 on deposit. Of this amount \$5,590,880 was designated for restricted cash reserves. The following chart shows the cash allocation by fund:



Interest is earned on the City’s funds through a sweep repurchase agreement with Wells Fargo Bank at the rate of 1.125% per annum. Interest revenue is approximately 2% lower than expected at mid-year however it is comparable to what was earned at this point in FY09-10.

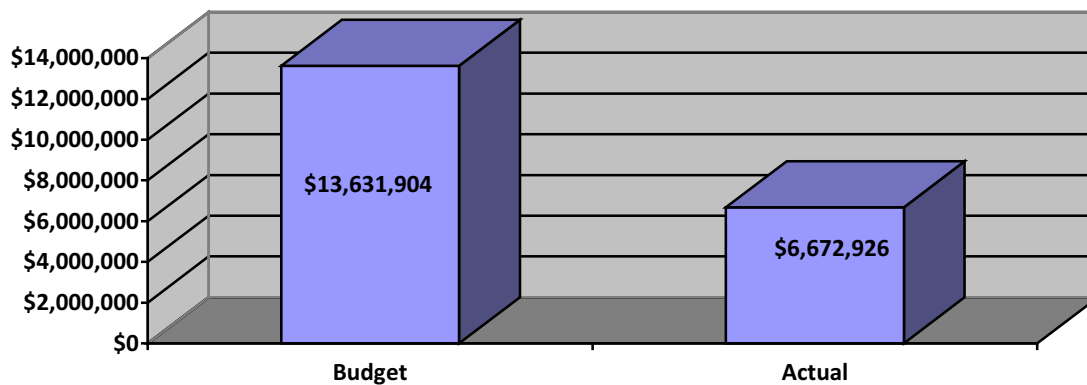
Interest Earnings Fiscal Year Comparison by Fund



GENERAL FUND

Revenue

As of December 31st 50% of the budget year had elapsed. Total revenue in the General Fund was at 49% of budget as of mid-year. Several of the City’s revenue sources can fluctuate significantly during the year and impact the operating budget. Below is a brief summary of these revenue sources and their current status.



Property Taxes – The City has received \$292,005 in property taxes through December, accounting for 50.1% of the amount budgeted. Collections to date for FY10-11 approximately ½ percent higher than collections for the same period in FY09-10.

Mineral Royalties– The City has received \$133,105 in mineral royalties through December, accounting for 27% of the amount budgeted. The City receives distributions in January, April, June and October so a low percentage at this point in the year is normal. Collections to date for FY10-11 are down slightly (-.82%) compared to the same period in FY09-10.

Sales & Use Taxes – The City has received \$1,317,317 in sales tax and \$170,169 in use taxes through December. Sales tax collections are running approximately 66% of budget and use taxes are running at approximately 48% of budget.

During the budget process the City estimated a decrease in both sales and use tax due to declining trends experienced during FY09-10. Sales tax revenues are slightly higher than expected at this point in the year indicating that the trend is slowly improving. Collections for the combined sales and use taxes to date for FY10-11 are up by 4.83% compared to the same period in FY09-10.

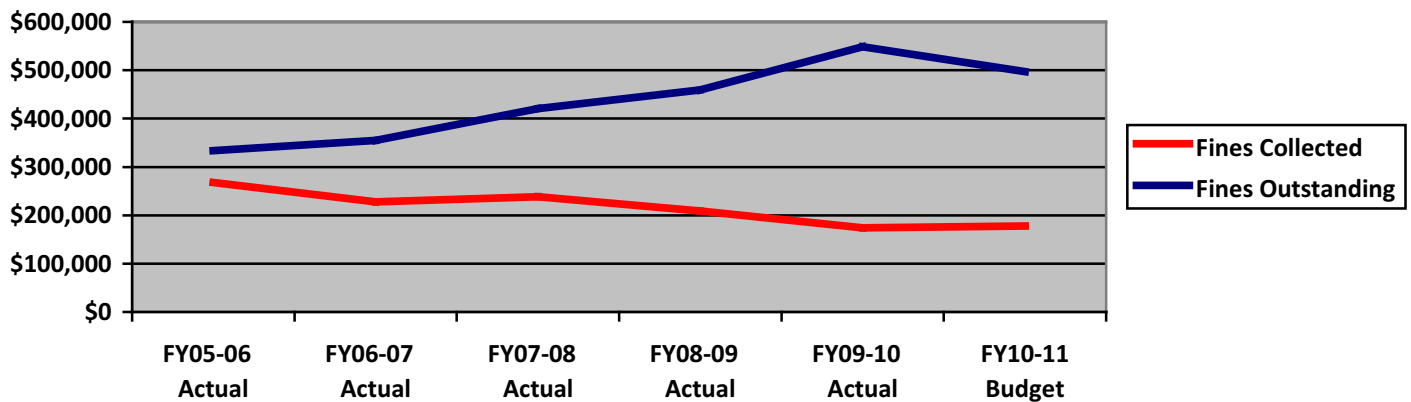
Severance Taxes – The City has received \$93,587 in severance taxes through December, accounting for 25% of the amount budgeted. The City receives distributions in January, April, June, October and September so a low percentage at this point in the year is normal. Collections to date for FY10-11 are down by 9.54% compared to the same period in FY09-10.

Motor Vehicle Fees – The City has received \$87,939 in motor vehicle fees through December, accounting for 64.5% of the amount budgeted. The City receives two payments per year; one in October and one in January. Collections to date for FY10-11 are down by 4.75% compared to the same period in FY09-10.

State Supplemental Funding – The City has received \$616,438 in supplemental funding through December, accounting for 100% of the amount budgeted. The City receives one annual distribution in August. The supplemental funding is down by 31% compared to last year due to a reduction by the State in local government funding.

Court Fines – The City has received \$81,734 in court fines through December, accounting for 46% of the amount budgeted. Compared to December of last year fine collections are down 6.65%. As the following chart shows court fine collections have been steadily declining over the past few years and uncollected fines have been increasing.

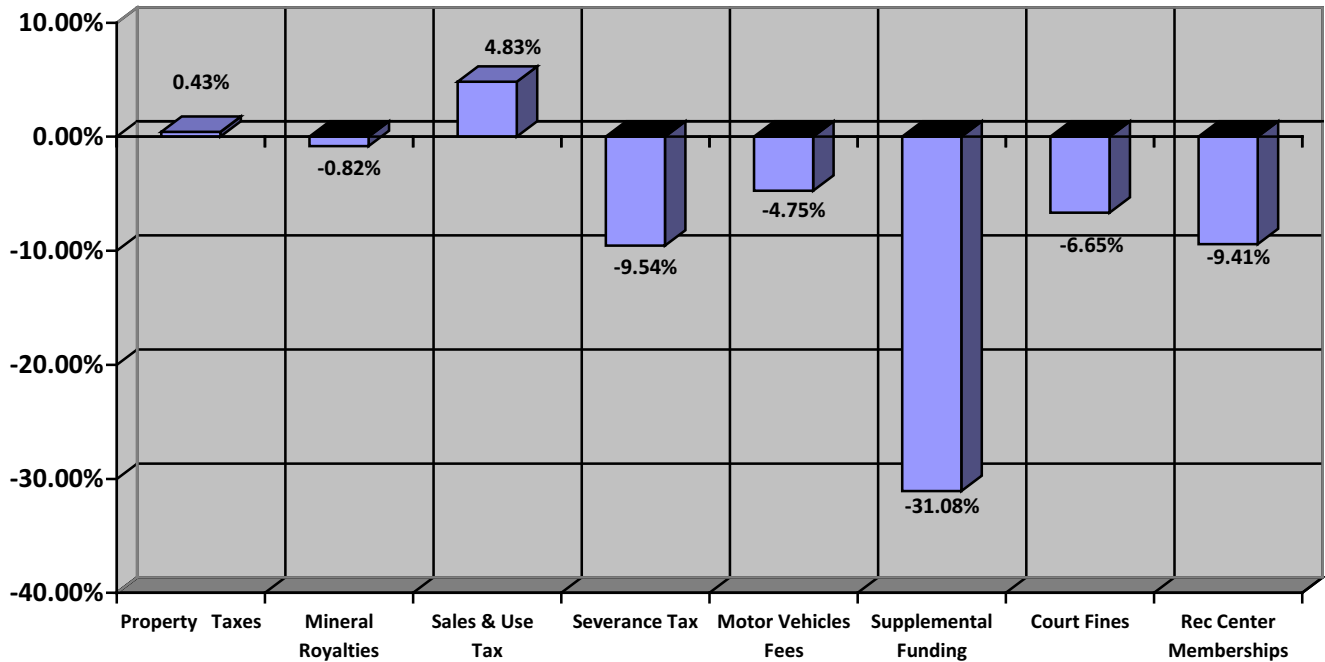
Court Fines Collected Compared to Unpaid Fine Balances



Recreation Center Memberships – The City has received \$328,356 in membership revenue through December, accounting for 45% of the amount budgeted. Compared to December of last year recreation membership collections are down by 9.41%. During the budget process the Council approved a 10% fee increase to help offset the General Fund subsidy to the facility. This increase was rescinded for those with charter memberships in September and refunds were given to customer who had already paid the higher fees. Because the fee increase was budgeted, there is an expected deficit of approximately \$15,000 in membership revenue for FY10-11.

The chart below shows the changes in FY10-11 for the revenues outlined above compared to the same period in FY09-10:

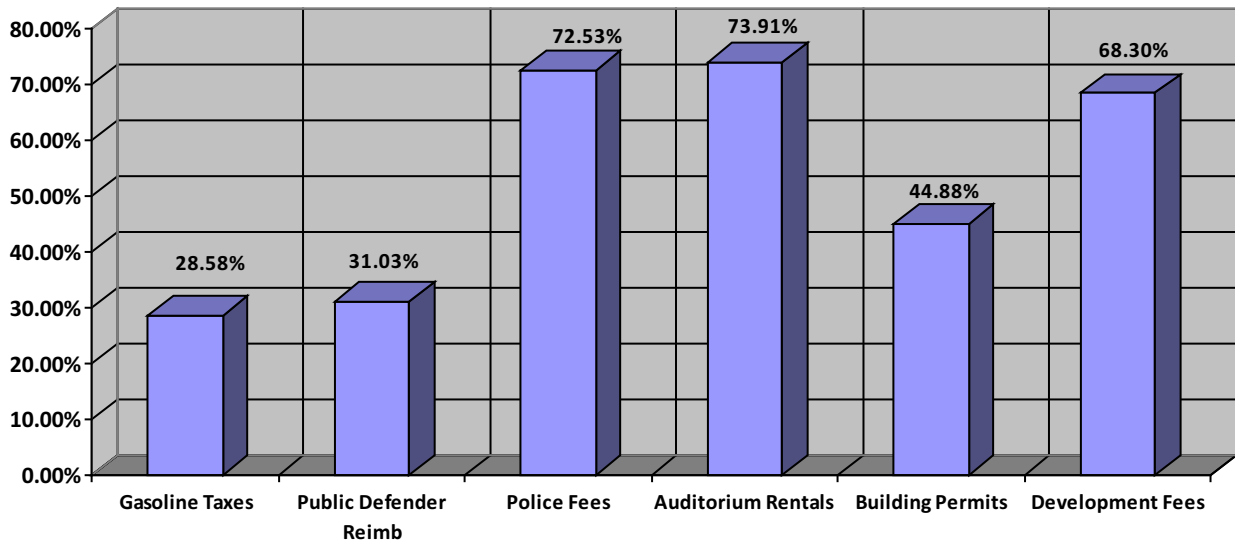
Percentage Change in Selected Revenues from Previous Year



Some of the City’s revenue sources show increased collections compared to budget and prior year collections at mid-year. These include gasoline taxes (70% of budget), public defender reimbursements (67% of budget), police fees (69% of budget), auditorium rentals (67% of budget), building permits (84% of budget) and development fees (73% of budget).

The chart below shows the increases in FY10-11 revenues compared to the same period in FY09-10:

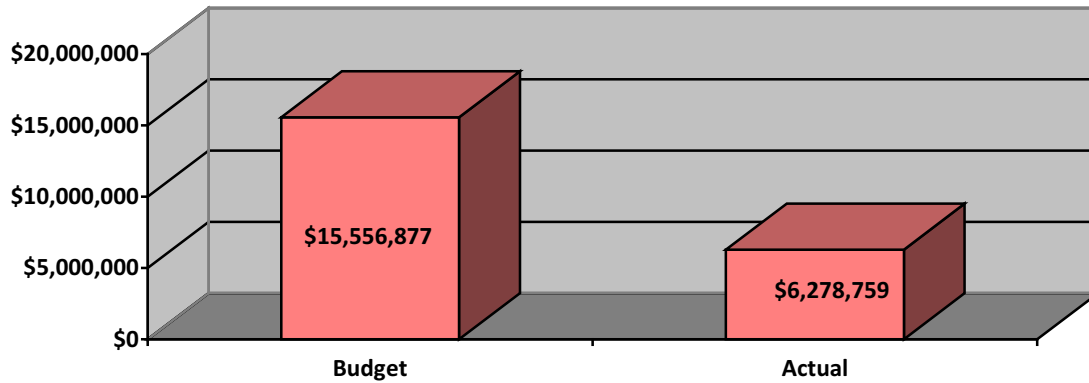
Percentage Increase in Selected Revenues from Previous Year



The City also received grant revenue disbursements in FY10-11 which are related to FY09-10 expenditures. These include the JAG grants, COPS grant, Alcohol compliance grant, and the SLIB Sheridan Avenue grant. Since these revenues were not budgeted in FY10-11, receipt of these disbursements slightly inflates the overall budget-to-actual comparison for these revenues.

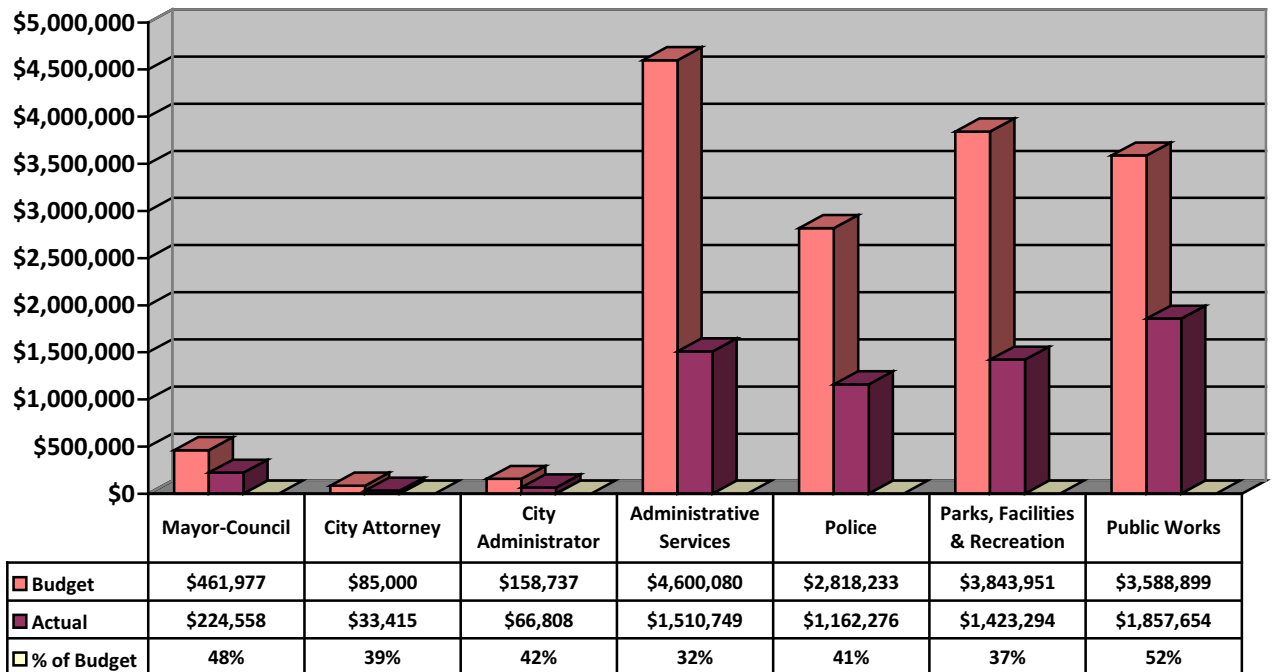
	FY10-11 Budget	FY10-11 Actual	Actual Amount Attributable to FY09-10	Total % of Budget for FY10-11	Actual % of Budget for FY10-11
JAG Grants	\$ 14,843	\$ 6,049	\$ 4,405	41%	11%
COPS Grant	\$ 61,160	\$ 34,386	\$ 7,940	56%	43%
Alcohol Grant	\$ 4,250	\$ 2,295	\$ 2,295	54%	0%
SLIB Grant	\$ 79,126	\$ 114,240	\$ 43,029	144%	90%

Expenditures



Overall expenditures in the General Fund were at 40% of budget at mid-year. The following chart shows budget-to-actual comparisons by division:

General Fund Expenditures by Division Budget-to-Actual Comparison



Mayor-Council – As of December 31st expenditures in this division were at 48% of budget, which is on-target with mid-year expectations and comparable to the same period in FY09-10.

City Attorney – As of December 31st expenditures in this division were at 39% of budget, which is slightly lower than expected at mid-year but comparable to the same period in FY09-10.

City Administrator – As of December 31st expenditures in this division were at 42% of budget which is slightly lower than expected at mid-year but comparable to the same period in FY09-10.

Administrative Services – As of December 31st expenditures in this division were at 32% of budget. This is lower than the percent of year elapsed and is due to several factors including depreciation expense which is recorded at the end of each fiscal year, unexpended grant funds for the Eleutian project, and decreased incarceration expenses.

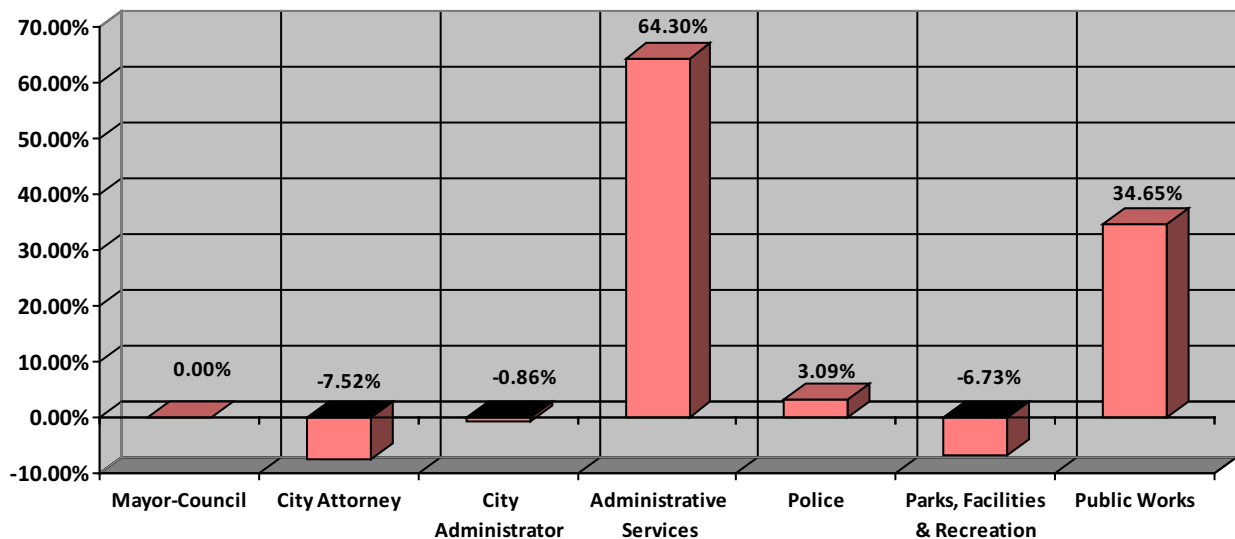
Police Department – As of December 31st expenditures in this division were at 41% of budget. This is slightly lower than the percent of year elapsed and is mainly due to depreciation expense which is recorded at the end of each fiscal year and unexpended funds for the Homeland Security grant.

Parks, Facilities & Recreation – As of December 31st expenditures in this division which includes Parks, Public Facilities and the Recreation Center were at 37% of budget. This is lower than the percent of year elapsed and is mostly due to depreciation expense which is recorded at the end of each fiscal year.

Public Works – As of December 31st expenditures in this division which includes Engineering, Building Inspection, Streets, Vehicle Maintenance and Public Transportation were at 51% of budget which is on-target with mid-year expectations.

The chart below shows the changes in FY10-11 expenditures by division compared to the same period in FY09-10

Percentage Change in General Fund Expenditures from Previous Year

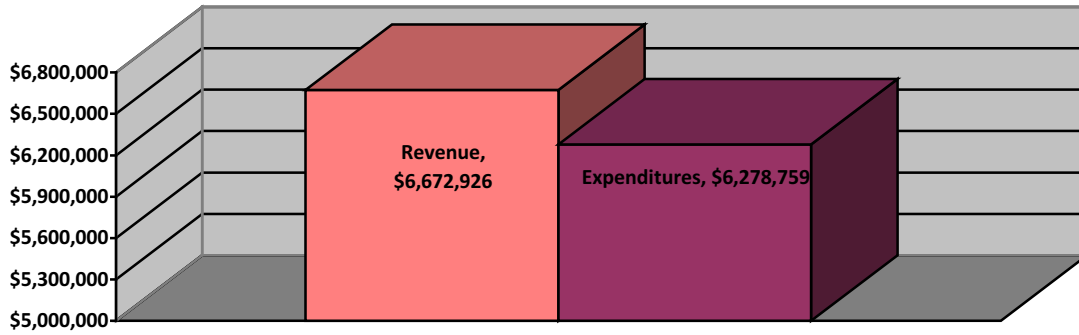


The most significant changes occurred in Administrative Services and Public Works:

- In Administrative Services the increase between fiscal years is due to the Eleutian Technologies grant.
- In Public Works the increase between fiscal years is due to expenditures in the Streets department related to the Safe Routes to School grant and the East Sheridan Avenue project.

Overall, FY10-11 expenditures in the General Fund are comparable to FY09-10 and show a small surplus of revenues over expenditures at mid-year.

Summary of General Fund Revenue Compared to Expenditures



ENTERPRISE FUNDS

SOLID WASTE FUND

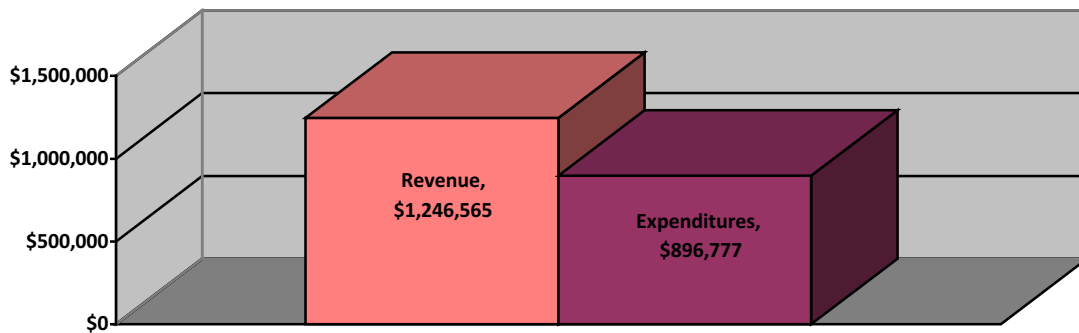
Revenue

Revenues in the Solid Waste Fund are currently at 54% of budget through December. Interest revenue has exceeded budget expectations for this point in the year coming in at 86% of budget. This is a significant increase over last year for the same period which was 57% of budget in FY09-10. The increased interest revenue is due to higher cash balances in this fund as a result of slower spending in capital accounts.

Expenditures

Overall expenditures in the Solid Waste Fund were at 42% of budget as of this date. The majority of the difference is due to unrecorded depreciation expenses and capital purchases which have not yet been made.

Summary of Solid Waste Fund Revenue Compared to Expenditures



WATER FUND

Revenue

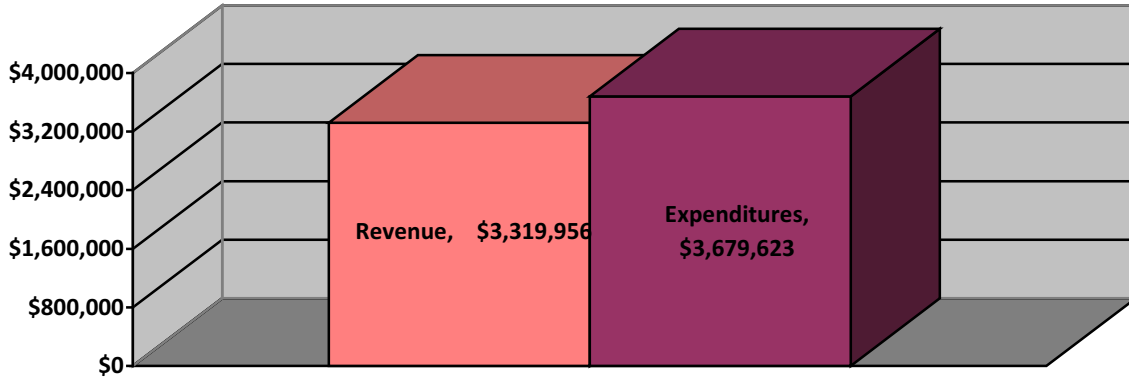
Revenues in the Water Fund are currently at 77% of budget through December. The higher budget-to-actual percentage is due to grant distributions from the 2AB Industrial grant and the SLIB North Cody Water Tank grant. Approximately 15% of this reimbursement revenue is attributable to FY09-10 expenses. Tap fees revenue is also higher than expected at this point of the year coming in at 65% of budget.

Expenditures

Overall expenditures in the Water Fund were at 66% of budget as of this date. The higher budget-to-actual percentage is due to expenses related to several capital projects which are substantially complete including the Belfry Waterline, the

North Cody Water Tank and the 2AB Industrial project. Reimbursements for the grant-funded projects typically take 30-60 days therefore grant expenditures and the related revenue do not always appear in the same accounting period.

Summary of Water Fund Revenue Compared to Expenditures



WASTEWATER FUND

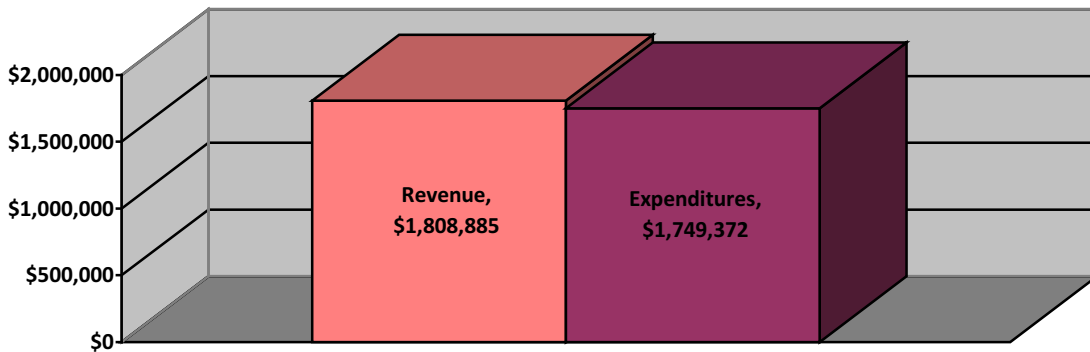
Revenue

Revenues in the Wastewater Fund are currently at 82% of budget through December. The higher budget-to-actual percentage is due to grant distributions from the 2AB Industrial grant. Approximately 19% of this reimbursement revenue is attributable to FY09-10 expenses. Sewer Impact and RV Dump revenue is also higher than expected at this point of the year coming in at 117% and 77% of budget respectively.

Expenditures

Overall expenditures in the Wastewater Fund were at 62% of budget at mid-year. The higher budget-to-actual percentage is due to expenses related to several capital projects which are substantially complete including the sewer lagoon building, meter purchases and the 2AB Industrial project. Reimbursements for the grant-funded projects typically take 30-60 days therefore grant expenditures and the related revenue do not always appear in the same accounting period.

Summary of Wastewater Fund Revenue Compared to Expenditures



ELECTRIC FUND

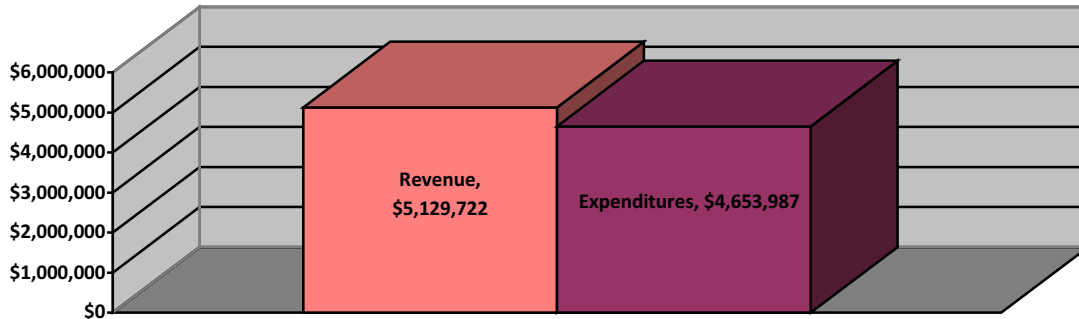
Revenue

Revenues in the Electric Fund are currently at 53% of budget through December. Grant revenues for the ARRA Energy Efficient project are well above budget coming in at 169% of budget however approximately 85% of this reimbursement revenue is attributable to FY09-10 expenses.

Expenditures

Overall expenditures in the Electric Fund were at 46% of budget at mid-year. Expenditures are slightly lower than the percent of year that has elapsed mainly due to depreciation expense which is recorded at the end of each fiscal year and capital purchases which are still in progress.

Summary of Electric Fund Revenue Compared to Expenditures



OTHER FUNDS

VEHICLE REPLACEMENT FUND

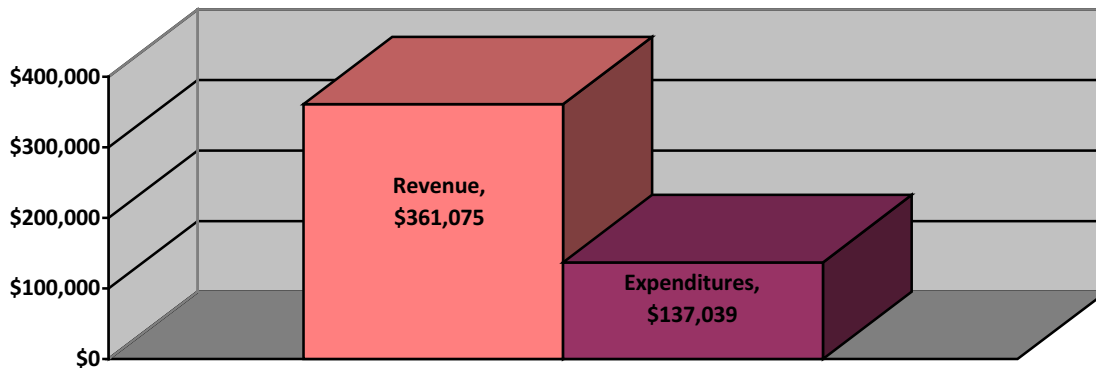
Revenue

Revenues in this fund are derived from interest earnings and transfers from other funds. As of December, revenue was at 50% of budget, which is right on target for mid-year.

Expenditures

Expenditures in this fund consist completely of the purchase of new vehicles and equipment to be used in the General and Enterprise funds. Overall expenditures in this fund were at 38% of budget at mid-year. Vehicles and equipment are purchased throughout the year therefore the budget-to-actual numbers can fluctuate depending on the timing of these purchases.

Summary of Vehicle Replacement Fund Revenue Compared to Expenditures



LODGING TAX FUND

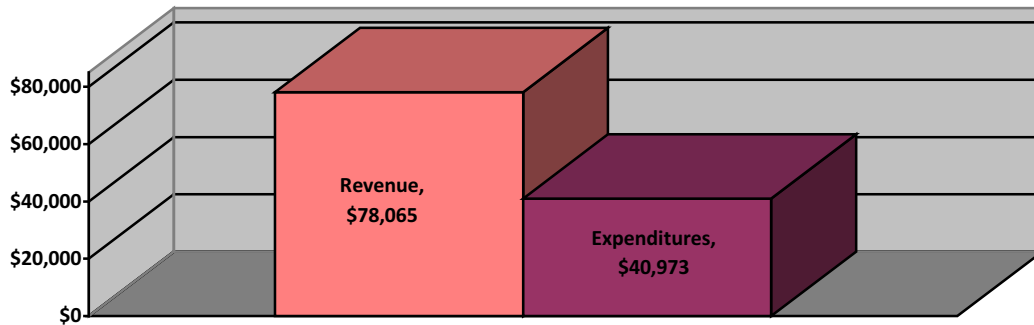
Revenue

Lodging tax revenues are ahead of projections and the City has already received 97% of the budget as of December. Because of the Department of Revenue’s distribution process lodging tax receipts are received two months behind the actual month of collection (for example: October collections are received by the City in December). The City typically receives 80-85% of lodging tax revenue in the first six months of the fiscal year however if the current trend continues through June the City should exceed the budget for this fiscal year. Because of the additional lodging tax revenues the City has also seen an increase in interest revenue earned on these funds.

Expenditures

Overall expenditures in the Lodging Tax Fund were at 50% as of December. There are only two expenditures out of the Lodging Tax fund this year; the ice cream social and an operating transfer to the General Fund. The ice cream social was fully expensed in August and the operating transfer is processed in 12 equal monthly installments throughout the year.

Summary of Lodging Tax Fund Revenue Compared to Expenditures



PUBLIC IMPROVEMENTS FUND

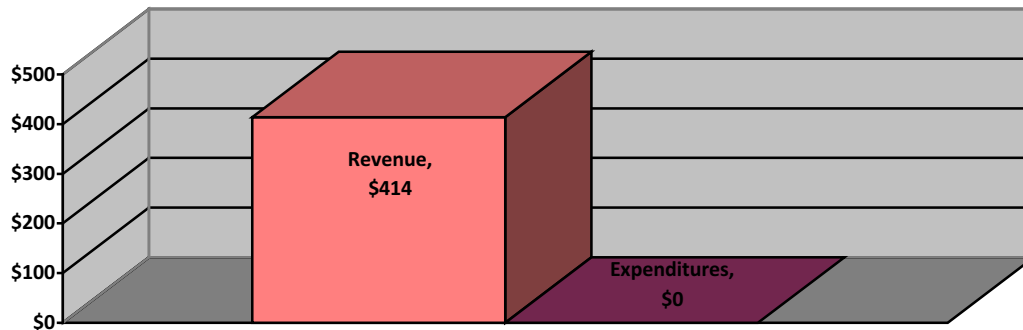
Revenue

The only revenue source in FY10-11 in this fund is for interest earnings which were at 41% of budget as of December. This is due to a lower beginning cash balance than what was projected during the budget process.

Expenditures

The only expense budgeted in this fund in FY10-11 is the parking lot repaving project which has had no expenditure activity as of December.

Summary Public Improvements Fund Revenue Compared to Expenditures



SUMMARY

Overall, the City’s finances are well positioned at the mid-year point of FY10-11. Although some General Fund revenues are still behind compared to previous years, the prudent planning and conservative budgeting by the departments and City Council for FY10-11 will help the City’s future ability to maintain a sustained level of public service.

While the economy has not completely stabilized it is also not getting worse, and though it does not appear that any significant budget cuts are necessary at this time the City still faces some uncertainties in its General Fund revenue sources particularly attributable to sales and use taxes, court fines, and recreation center membership revenue.

