



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer
Michelle Dawson, City Manager

AGENDA DATE: March 21, 2017

TITLE: FISCAL YEAR 2016/17 MID-YEAR BUDGET REVIEW

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Receive and file the Fiscal Year 2016/17 Mid-Year Budget Review.

SUMMARY

This report provides the Mid-Year Budget Report which updates the Mayor and City Council regarding current year financial trends and provides the Fiscal Year 2016/17 Mid-Year Budget Review through December 31, 2016.

This item was presented to the Finance Subcommittee on February 28, 2017 for review and discussion.

DISCUSSION

On June 23, 2015, the City Council adopted the Two-Year Operating Budget for Fiscal Years 2015/16 – 2016/17. The budget included all component units of the City, including the General Fund, Community Services District, Housing Authority and Successor Agency. During the two-year budget period, the City Council will be kept informed of the City's financial condition through the process of First Quarter and Mid-Year Budget Reviews. This ongoing process ensures a forum to review expenditure and revenue changes from the estimates made in the budget document. Additionally, any significant changes in projected revenue or unanticipated expenditures will be shared with the City Council should they occur. This report provides the FY 2016/17 Mid-Year Review for the first six months of FY 2016/17, July through December. The mid-year budget review will focus primarily on the City's General Fund. This review will also present six-month operational results from other key funds.

This item was reviewed by the Finance Subcommittee on February 28, 2017.

FISCAL YEAR 2016/17 MID-YEAR REVIEW:

This Mid-Year Report updates the Mayor and City Council regarding current year financial trends and provides the opportunity for the City Council to review the recommended actions as they relate to revenues and expenditures.

General Fund Revenue Update

Revenue receipts do not follow an even schedule. Although 50% of the fiscal year has elapsed, based on historic trends revenues are estimated to be at approximately 28% of the budgeted amount. Actual revenues received are currently 30% of budget. Revenue amounts continue to be stable. Although there will be variances in some of the amounts budgeted, the total is expected to remain within 1% of the amended budget for the year. Total General Fund revenue is estimated to be \$95.2 million. It should be noted that the lag in timing of revenue receipts is one reason an operating cash reserve is necessary.

General Fund Expenditure Update

Although not all expenditures follow a straight-line spending pattern, operating expenditures should track close to within 50% of budget for the year at the end of the first six months. As of December 31, 2016 total General Fund expenditures were at 48%. This pace is within expectations for most activities in the General Fund.

ALTERNATIVES

1. Recommend approval of proposed Recommended Action as set forth in this staff report. The approval of this item will allow for ongoing activities to be carried out in the current fiscal year. *Staff recommends this alternative.*
2. Do not recommend approval of proposed Recommended Action as set forth in this staff report. *Staff does not recommend this alternative.*

FISCAL IMPACT

The City's Operating and Capital Budgets provide the funding and expenditure plan for all funds. As such, they serve as the City's financial plan for the fiscal year. There are no fiscal impacts.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Stephanie Cuff
Management Analyst

Department Head Approval:
Marshall Eyeran
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

CITY COUNCIL STRATEGIC PRIORITIES

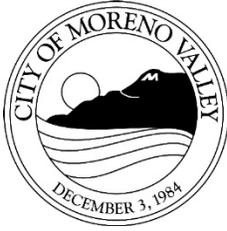
- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

Objective 1.8: Evaluate staff resources and dedicate City funding to invest in aggressive Economic Development activities that will result in increased revenues to the City, additional employment opportunities, and enhanced quality of life for our residents.

ATTACHMENTS

1. FY 2016-17 Mid-Year Financial Report

APPROVALS



City of Moreno Valley

Fiscal Year 2016/17

Mid-Year Financial Summary

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer/City Treasurer

DATE: March 21, 2017

INTRODUCTION

On June 23, 2015, the City Council adopted the Two-Year Operating Budget for Fiscal Years (FY) 2015/16 – 2016/17. During the two-year budget period the City Council will be kept apprised of the City’s financial condition through the process of First Quarter, Mid-Year Budget and Third Quarter Reviews. This ongoing process ensures a forum to look at expenditure and revenue deviations from the estimates made in the budget document. Additionally, any significant variances in projected revenue or unanticipated expenditures will be shared with the City Council should they occur.

This report provides a review of the unaudited financial results at the mid-year of FY 2016/17 (October 2016 – December 2016, 50% of the fiscal year).

CITYWIDE OPERATING EXPENDITURE SUMMARY

The following table contains a summary of the adopted budget, amended budget and the Mid-Year expenditures. The totals represent each major fund type and component unit of the City.

Table 1. Citywide Operating Expenditures

Fund/Component Unit	FY 2016/17 Adopted Budget	FY 2016/17 Amended Budget	Actuals as of 12/31/16 (unaudited)	% of Amended Budget
General Fund	\$ 94,411,033	\$ 95,196,311	\$ 45,369,980	47.7%
Community Services District (CSD)	\$ 15,644,223	\$ 15,706,447	\$ 6,418,065	40.9%
Successor Agency	\$ 5,395,517	\$ 5,389,517	\$ 1,707,443	31.7%
Housing Fund	\$ 72,000	\$ 72,000	\$ 631,699	877.4%
Special Revenue Funds	\$ 27,188,046	\$ 45,329,435	\$ 13,344,653	29.4%
Capital Projects Funds	\$ 2,410,500	\$ 10,831,189	\$ 2,264,175	20.9%
Electric Utility Funds	\$ 23,549,201	\$ 40,119,364	\$ 12,314,850	30.7%
Internal Service Funds	\$ 11,915,579	\$ 12,859,466	\$ 5,755,182	44.8%
Debt Service Funds	\$ 6,670,800	\$ 6,670,800	\$ 3,797,682	56.9%
Total	\$ 187,256,899	\$ 232,174,529	\$ 91,603,729	39.5%

Actions taken by the City Council subsequent to the June 23, 2015 adoption of the two-year budget may include carryovers and requested amendments as approved by the City Council.

The majority of this mid-year update will focus on the General Fund, as it supports all basic services provided to City residents. Highlights for other key component funds will be discussed at a summary level as well.

GENERAL FUND OPERATING

Table 2. General Fund Operations

	FY 2016/17 Adopted Budget	FY 2016/17 Amended Budget	Actuals as of 12/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 12,736,197	\$ 12,736,197	\$ 4,196,367	32.9%
Property Tax in-lieu	\$ 16,597,580	\$ 16,597,580	\$ -	0.0%
Utility Users Tax	\$ 16,092,542	\$ 16,092,542	\$ 7,215,574	44.8%
Sales Tax	\$ 20,486,866	\$ 20,486,866	\$ 5,880,021	28.7%
Other Taxes	\$ 9,452,668	\$ 9,452,668	\$ 2,536,095	26.8%
Licenses & Permits	\$ 2,126,877	\$ 2,096,377	\$ 1,511,210	72.1%
Intergovernmental	\$ 215,000	\$ 418,371	\$ 206,330	49.3%
Charges for Services	\$ 10,971,363	\$ 11,026,143	\$ 5,173,190	46.9%
Use of Money & Property	\$ 3,469,962	\$ 3,469,962	\$ 561,108	16.2%
Fines & Forfeitures	\$ 629,073	\$ 629,073	\$ 240,452	38.2%
Miscellaneous	\$ 103,400	\$ 53,400	\$ 223,166	417.9%
Total Revenues	\$ 92,881,528	\$ 93,059,179	\$ 27,743,514	29.8%
Expenditures:				
Personnel Services	\$ 17,007,883	\$ 17,137,428	\$ 8,355,066	48.8%
Contractual Services	\$ 64,934,778	\$ 65,176,678	\$ 30,564,338	46.9%
Material & Supplies	\$ 3,569,633	\$ 3,569,633	\$ 1,982,905	55.5%
Fixed Charges	\$ 5,603,063	\$ 5,603,063	\$ 2,783,710	49.7%
Fixed Assets	\$ 50,000	\$ 255,100	\$ 59,971	23.5%
Total Expenditures	\$ 91,165,357	\$ 91,741,902	\$ 43,745,991	47.7%
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	\$ 1,716,171	\$ 1,317,277	\$ (16,002,477)	
Transfers:				
Transfers In	\$ 2,547,650	\$ 2,547,650	\$ 1,273,824	50.0%
Transfers Out	\$ 3,245,676	\$ 3,454,409	\$ 1,623,989	47.0%
Net Transfers	\$ (698,026)	\$ (906,759)	\$ (350,165)	
Total Revenues & Transfers In	\$ 95,429,178	\$ 95,606,829	\$ 29,017,338	30.4%
Total Expenditures & Transfers Out	\$ 94,411,033	\$ 95,196,311	\$ 45,369,980	47.7%
Net Change of Fund Balance	\$ 1,018,145	\$ 410,518	\$ (16,352,642)	

General Fund Operating Revenues

The General Fund is comprised of several revenue types. However, the main sources include property tax, utility users tax, and sales tax. Each of these is affected by different economic activity cycles and pressures.

Table 3. General Fund Operating Revenues

	FY 2016/17 Adopted Budget	FY 2016/17 Amended Budget	Actuals as of 12/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 12,736,197	\$ 12,736,197	\$ 4,196,367	32.9%
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Fines & Forfeitures	\$ 629,073	\$ 629,073	\$ 240,452	38.2%
Miscellaneous	\$ 103,400	\$ 53,400	\$ 223,166	417.9%
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Property Taxes/Property Taxes In-Lieu

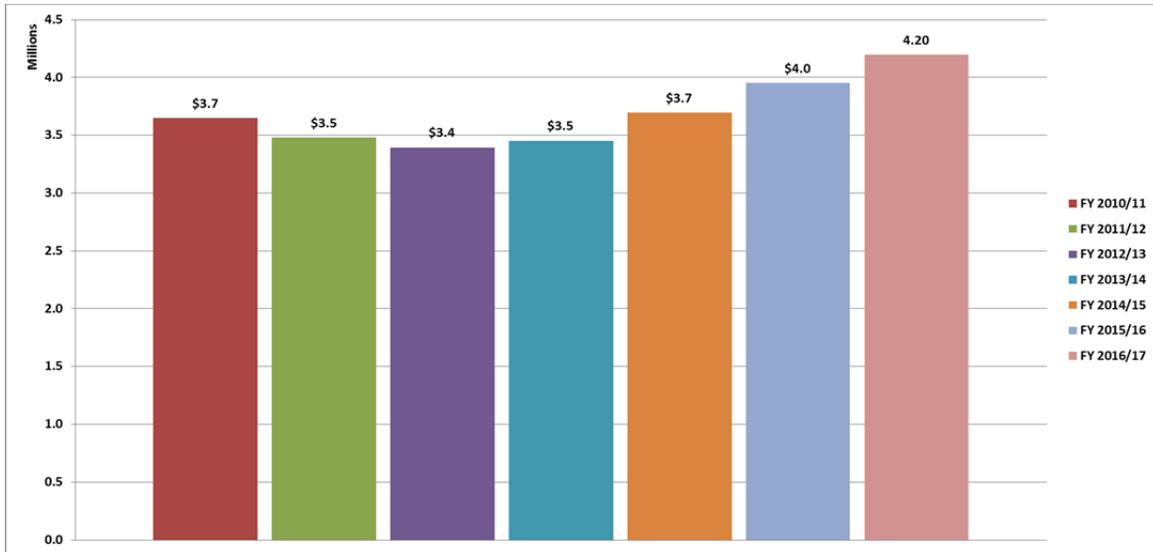
Property taxes were budgeted to increase by 5.2% from the FY 2015/16 Amended Budget. The annual schedule of property tax payments from the County of Riverside will provide payments to the City based on the following estimated schedule:

Secured Property Tax Payment Dates

Settlement 1	January
Settlement 2	May
Settlement 3	August
Teeter Settlement	October

Based on historical averages of actual receipts, the City is estimated to receive 15% of the budgeted property tax revenue through mid-year. The City has currently received 14% through mid-year. Property taxes will continue to be monitored as property valuations may adjust through the year based on property sales and assessment appeals filed with the County.

Chart 1. General Fund Mid-Year Revenue Trend – Property Taxes

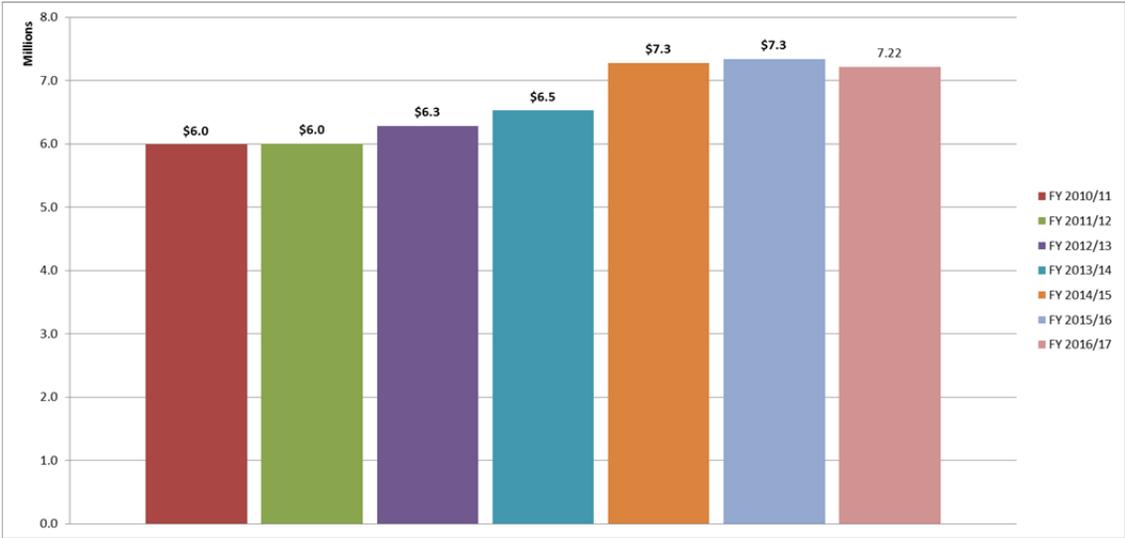


Utility Users Tax

Utility Users taxes were budgeted to remain flat from the FY 2015/16 Amended Budget. This projection is primarily due to competitive forces within the communications markets. Both the wireless and wired markets experienced downturns year over year. Based on our discussions with utility tax experts, there are a couple of causes for this trend. First is competition and bundling practices within the market as more small players continue to join the market. Second is the migration of customers from contract plans to prepaid plans.

Based on historical averages of actual receipts, the City is estimated to receive 42% of the budgeted utility users tax revenue through mid-year. The City has currently received 45% through mid-year.

Chart 2. General Fund Mid-Year Revenue Trend – Utility Users Taxes

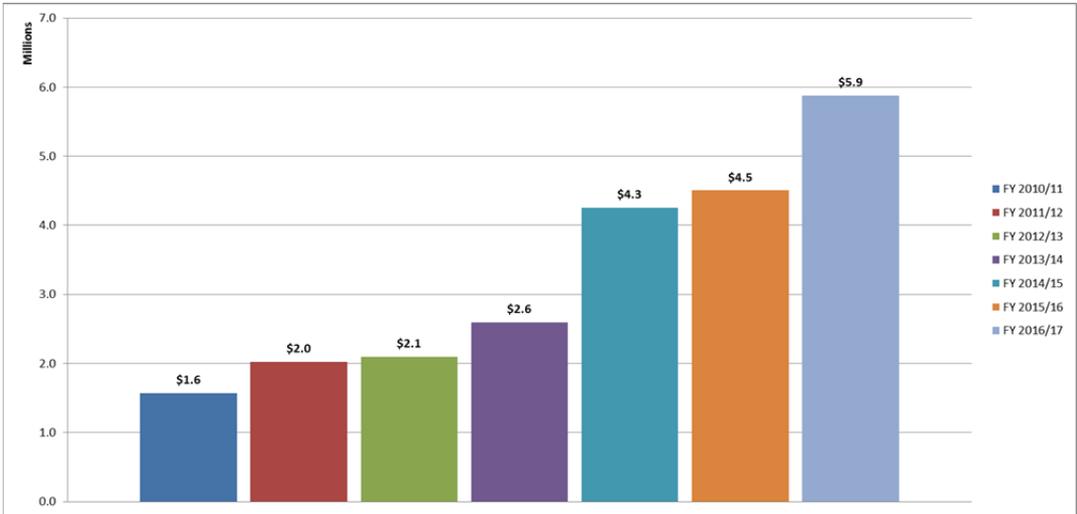


Sales Taxes

Based on the recovering economy and new businesses that began operating in the City, the FY 2016/17 sales tax budget was increased by 6%. Sales tax receipts will need to be continually monitored through the year to determine if current trends begin to plateau or begin to decrease.

Based on historical averages of actual receipts, the City is estimated to receive 20% of the budgeted sales tax revenue through mid-year. The City has currently received 29% through mid-year.

Chart 3. General Fund Mid-Year Revenue Trend – Sales Taxes

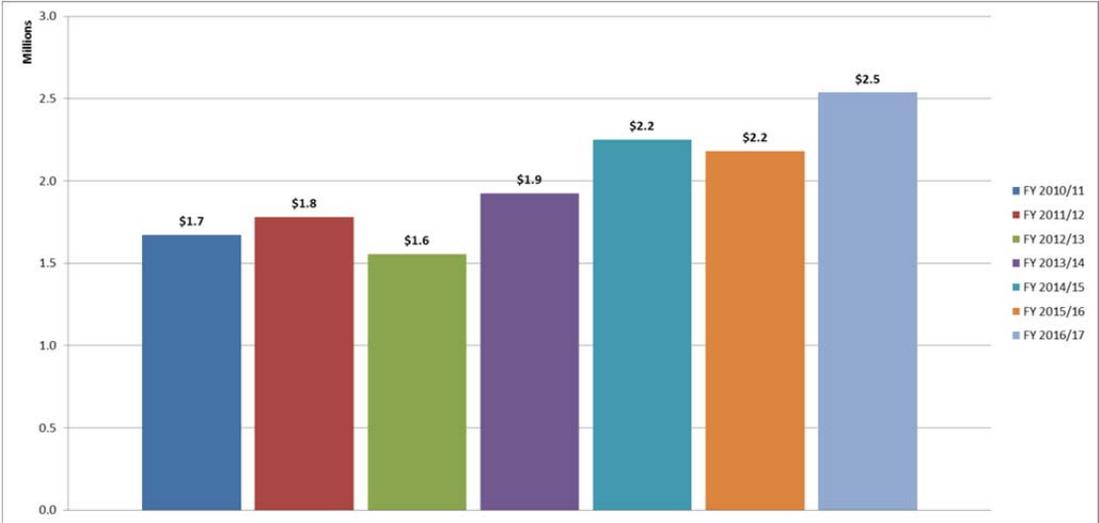


Other Taxes

Other taxes are primarily composed of Business Gross Receipts, Transient Occupancy Tax, Documentary Transfer Tax, and Franchise Fees. Collectively, other taxes were budgeted to increase 3.1% from the FY 2015/16 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 24% of the budgeted Other Taxes revenue through mid-year. The City has currently received 27% through mid-year.

Chart 4. General Fund Mid-Year Revenue Trend – Other Taxes

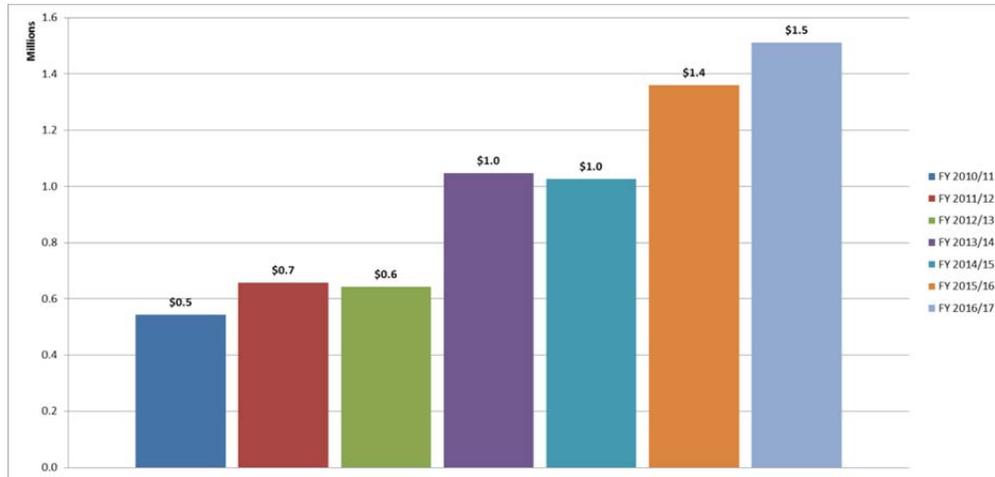


Licenses & Permits

Licenses & Permits are primarily composed of Business and Animal Licenses, along with Building, Electrical, Mechanical, Plumbing and other permits. Collectively, Licenses & Permits were budgeted to decrease 36% from the FY 2015/16 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 53% of the budgeted Licenses & Permits revenue through mid-year. The City has currently received 72% through mid-year. The higher growth rate is related primarily to the recent building permit activities.

Chart 5. General Fund Mid-Year Revenue Trend – Licenses & Permits

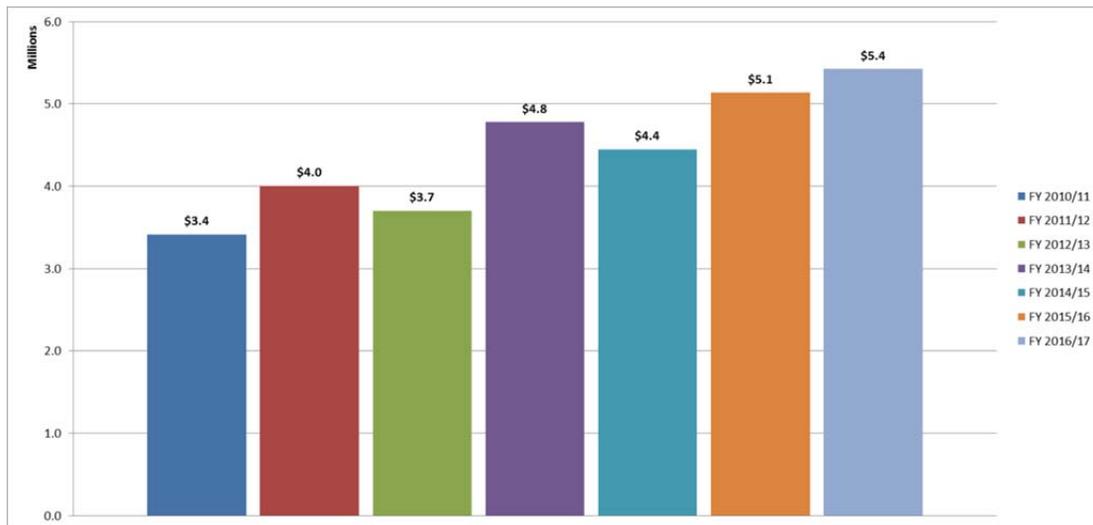


Charges for Services

Charges for Services are primarily composed of Plan Check Fees, Inspection Fees, Administrative Charges to other funds, and Parking Control Fines. Collectively, Charges for Services were budgeted to increase 2% from the FY 2015/16 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 49% of the budgeted Charges for Services revenue through mid-year. The City has currently received 47% through mid-year.

Chart 6. General Fund Mid-Year Revenue Trend – Charges for Services



Use of Money and Property

Investment income continues to remain low due to extremely low rates of return for fixed income investments. The investments managed by Chandler Asset Management totaled \$83,828,755 at par and achieved a Yield to Maturity (YTM) for December 2016 of 1.52%. This compares to a YTM in December 2015 of 1.43% and a YTM in June 2016 of 1.49%. The investments managed by Insight Investments totaled \$54,858,909 at par and achieved a Yield to Maturity (YTM) for December 2016 of 1.14%. This compares to a YTM in December 2015 of 1.08% and a YTM in June 2016 of 1.09%. In addition, the City maintained \$31,573,311 in the State Local Agency Investment Fund Pool (LAIF) with a YTM of 0.72%. This is a very low rate of return compared to historical experience, but is indicative of how investment income is performing everywhere. As the market begins to move upward, there will be less opportunity for the trading gains that are generally available under an active management approach.

General Fund Expenditures

Expenditures are being spent in-line with prior year expenditures. Each Department's activities will be monitored throughout the year as they may be impacted by different economic activity cycles and pressures.

Table 4. General Fund Expenditures

	FY 2016/17 Adopted Budget	FY 2016/17 Amended Budget	Actuals as of 12/31/16 (unaudited)	% of Amended Budget
Department				
City Council	\$ 638,925	\$ 985,598	\$ 496,436	50.4%
City Clerk	\$ 689,746	\$ 689,746	\$ 182,641	26.5%
City Manager	\$ 1,656,313	\$ 5,382,783	\$ 2,146,848	39.9%
City Attorney	\$ 728,616	\$ 828,616	\$ 441,504	53.3%
Community Development	\$ 5,706,871	\$ 5,826,871	\$ 2,356,023	40.4%
Economic Development	\$ 1,097,783	\$ 1,097,783	\$ 478,322	43.6%
Financial & Management Services	\$ 7,596,922	\$ 3,501,011	\$ 1,458,501	41.7%
Administrative Services	\$ 3,934,529	\$ 3,995,245	\$ 1,833,509	45.9%
Public Works	\$ 8,015,264	\$ 8,418,761	\$ 3,675,719	43.7%
Non-Departmental	\$ 3,571,676	\$ 3,695,509	\$ 2,921,309	79.1%
Non-Public Safety Subtotal	\$ 33,636,645	\$ 34,421,923	\$ 15,990,812	46.5%
Public Safety				
Police	\$ 41,952,136	\$ 41,952,136	\$ 20,499,361	48.9%
Fire	\$ 18,822,252	\$ 18,822,252	\$ 8,879,806	47.2%
Public Safety Subtotal	\$ 60,774,388	\$ 60,774,388	\$ 29,379,167	48.3%
Total	\$ 94,411,033	\$ 95,196,311	\$ 45,369,980	

OTHER KEY FUNDS

The following summaries describe other major funds in the City.

Moreno Valley Community Services District

The Moreno Valley Community Services District (CSD) was formed by the voters in 1984 to collect fees and certain taxes to provide an array of services including parks, recreation and community services, streetlights, landscaping and ongoing maintenance. The CSD provides these services through separate “zones” that define the services that are provided.

For certain zones, the primary revenue source used to provide services to properties is parcel fees or taxes levied on properties via their annual tax bill. Proposition 218, passed by California voters in November 1996, has posed a serious challenge to managing the future operation of the CSD zones. Prop. 218 requires any revenue increase to be addressed through a voting process by affected property owners. For a period following the initial implementation of Prop. 218, the CSD was successful in receiving approval for some new or increased revenues. There were also revenue increases due to the growth of developed parcels within the zones. However, due to cost increases that exceed any offsetting increases in the revenues over the past years, and the recent economic downturn slowing new parcel growth, property owners have been resistant to efforts to fully fund service levels.

Table 5. CSD Operations

	FY 2016/17 Adopted Budget	FY 2016/17 Amended Budget	Actuals as of 12/31/16 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 4,172,457	\$ 4,172,457	\$ 1,392,057	33.4%
Other Taxes	\$ 6,413,100	\$ 6,413,100	\$ 70,909	1.1%
Charges for Services	\$ 3,189,250	\$ 3,189,250	\$ 576,970	18.1%
Use of Money & Property	\$ 737,163	\$ 732,964	\$ 369,800	50.5%
Fines & Forfeitures	\$ 50,000	\$ 50,000	\$ 17,850	35.7%
Miscellaneous	\$ 9,150	\$ 9,150	\$ 9,505	103.9%
Transfers In	\$ 647,147	\$ 652,509	\$ 324,720	49.8%
Total Revenues	\$ 15,218,267	\$ 15,219,430	\$ 2,761,812	18.1%
Expenditures:				
Library Services Fund (5010)	\$ 1,779,473	\$ 1,779,473	\$ 887,789	49.9%
Zone A Parks Fund (5011)	\$ 9,250,791	\$ 9,300,478	\$ 4,153,158	44.7%
Zone C Arterial Street Lighting Fund (5110)	\$ 1,033,249	\$ 1,033,249	\$ 300,263	29.1%
Zone D Standard Landscaping Fund (5111)	\$ 1,204,716	\$ 1,204,716	\$ 351,583	29.2%
Zone E Extensive Landscaping Fund (5013)	\$ 531,589	\$ 531,589	\$ 53,522	10.1%
Zone M Median Fund (5112)	\$ 199,740	\$ 199,740	\$ 52,818	26.4%
CFD No. 1 (5113)	\$ 1,590,216	\$ 1,602,753	\$ 588,544	36.7%
Zone S (5114)	\$ 54,449	\$ 54,449	\$ 30,388	55.8%
Total Expenditures	\$ 15,644,223	\$ 15,706,447	\$ 6,418,065	40.9%
Net Change or Adopted Use of Fund Balance	\$ (425,956)	\$ (487,017)	\$ (3,656,253)	

Community Services District Zone A – Parks & Community Services

The largest Zone within the CSD is Zone A. It accounts for the administration and maintenance of the Parks & Community Services facilities and programs. Funding sources for these services come from a combination of property taxes, fees for service and smaller amounts from other City funds.

Table 6. CSD Zone A Operations

	FY 2016/17 Adopted Budget	FY 2016/17 Amended Budget	Actuals as of 12/31/16 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 2,250,887	\$ 2,250,887	\$ 736,521	32.7%
Other Taxes	\$ 4,930,000	\$ 4,930,000	\$ 64,969	1.3%
Charges for Services	\$ 1,114,350	\$ 1,114,350	\$ 528,493	47.4%
Use of Money & Property	\$ 681,200	\$ 677,001	\$ 388,482	57.4%
Miscellaneous	\$ 7,150	\$ 7,150	\$ 9,488	132.7%
Transfers In	\$ 521,021	\$ 524,084	\$ 260,508	49.7%
Total Revenues	\$ 9,504,608	\$ 9,503,472	\$ 1,988,460	20.9%
Expenditures:				
35010 Parks & Comm Svcs - Admin	\$ 500,638	\$ 506,984	\$ 197,121	38.9%
35210 Park Maintenance - General	\$ 3,472,640	\$ 3,453,369	\$ 1,484,624	43.0%
35211 Contract Park Maintenance	\$ 502,650	\$ 505,023	\$ 161,289	31.9%
35212 Park Ranger Program	\$ 386,369	\$ 386,369	\$ 154,337	39.9%
35213 Golf Course Program	\$ 278,757	\$ 334,224	\$ 159,980	47.9%
35214 Parks Projects	\$ 207,700	\$ 207,700	\$ 93,070	44.8%
35310 Senior Program	\$ 571,615	\$ 571,615	\$ 226,678	39.7%
35311 Community Services	\$ 189,741	\$ 157,611	\$ 102,740	65.2%
35312 Community Events	\$ 82,767	\$ 90,767	\$ 64,596	71.2%
35313 Conf & Rec Cntr	\$ 492,927	\$ 542,896	\$ 254,977	47.0%
35314 Conf & Rec Cntr - Banquet	\$ 343,393	\$ 346,456	\$ 164,134	47.4%
35315 Recreation Programs	\$ 1,344,500	\$ 1,344,500	\$ 667,351	49.6%
35317 July 4th Celebration	\$ 134,594	\$ 134,594	\$ 53,718	39.9%
35318 Sports Programs	\$ 676,447	\$ 652,317	\$ 269,013	41.2%
35319 Towngate Community Center	\$ 66,053	\$ 66,053	\$ 30,917	46.8%
95011 Non-Dept Zone A Parks	\$ -	\$ -	\$ 68,613	0.0%
Total Expenditures	\$ 9,250,791	\$ 9,300,478	\$ 4,153,158	44.7%
Net Change or Adopted Use of Fund Balance	\$ 253,817	\$ 202,994	\$ (2,164,698)	

Electric Utility

The Moreno Valley Utility (MVU) manages the operation, maintenance and business planning of the City's electric utility. MVU's basic purpose is to purchase and distribute electricity to customers in newly developed areas of the City. The City began serving new customers in February 2004, and now serves more than 6,000 customers. As it reaches fiscal and operational maturity, MVU will continue to be a key component of the City's economic development strategy. The City Council has established special tiered rates for electric utility customers based upon factors such as the number of jobs created.

The main revenue source for this fund is derived from charges for services. The customer base includes residential, commercial and industrial customers. The growth in customer base will continue to provide for the ability to create rate stabilization and replacement reserve funding. MVU's revenues and expenses will fluctuate annually based on energy demands.

Table 7. MVU Operations

	FY 2016/17 Adopted Budget	FY 2016/17 Amended Budget	Actuals as of 12/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Charges for Services	\$ 28,475,344	\$ 27,020,305	\$ 13,844,220	51.2%
Use of Money & Property	\$ 80,500	\$ 80,500	\$ (21,937)	-27.3%
Miscellaneous	\$ 86,625	\$ 86,625	\$ 52,200	60.3%
Total Revenues	\$ 28,642,469	\$ 27,187,430	\$ 13,874,483	51.0%
Expenditures:				
45510 Electric Utility - General	\$ 18,508,368	\$ 18,509,921	\$ 9,112,940	49.2%
45511 Public Purpose Program	\$ 2,903,183	\$ -	\$ 4,052	0.0%
Taxable Lease Rev Bonds	\$ 1,834,700	\$ 1,834,700	\$ 640,696	34.9%
80005 CIP - Electric Utility	\$ -	\$ 18,459,000	\$ 2,180,348	11.8%
96010 Non-Dept Electric	\$ -	\$ 4,793	\$ 1,437	30.0%
96031 Non-Dept 2013 Refunding 05 LRB	\$ -	\$ -	\$ 156,822	0.0%
96032 Non-Dept 2014 Refunding 2005 LRB	\$ 122,500	\$ 122,500	\$ 59,837	48.8%
Total Expenditures	\$ 23,368,751	\$ 38,930,914	\$ 12,156,132	31.2%
Net Change or Adopted Use of Fund Balance	\$ 5,273,718	\$ (11,743,484)	\$ 1,718,351	

Note: CIP expenditures will be funded through fund balances and the issuance of the 2015 Lease Revenue Bonds. Projects may only be completed as funding is available.

SUMMARY

The City of Moreno Valley is experiencing certain levels of growth and continues to maintain a balanced Budget without the use of reserves.

Although the City has experienced positive results in some areas through FY 2015/16 and through the mid-year of FY 2016/17, the City should remain cautiously optimistic as we proceed through the fiscal year.

As positive fund balances begin to grow, we will bring back to the City Council for discussion options to address the other challenges and unfunded liabilities of the City.