



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

- General Fund Quarterly Financial Report for the Second (2nd) Quarter Ended December 31, 2008

RECOMMENDED MOTION:

- Accept the General Fund Quarterly Financial Report for the Second (2nd) Quarter Ended December 31, 2008
-
-

SUMMARY

As part of the City's new financial policy, staff is to present the General Fund financial report to the City Council on a quarterly basis within 45 days after the quarter ended and to the Finance Committee on a monthly basis. This is the fourth report in the new policy; the first was presented to Council on June 10, 2008. The financial report contains budget estimates, revenues and expenditures actual. The attached financial report summarizes the General Fund operating result for the period July 1, 2008 to December 31, 2008. The targeted percentage of revenue receipts and expenditure disbursements for the period is 43 – 45% in revenue and 45 – 50% in expenditures.

ISSUES

The quarterly financial report is prepared on a "cash" basis. As a result, certain revenue and expenditure accounts may not reflect the actual for three months due to timing of when revenue is received or expenditure is paid.

General Fund Revenues

For the six months ended December 31, 2008, the General Fund reported revenue collections including "transfers-in" from other funds in the amount of \$5,880,770 which is 44.7% of the annual revenue budget. Below is an explanation of certain revenues collection pattern.

Item #: 6A1
Meeting Date: 1-27-09
Page #: 1

Property Tax

The City receives secured property tax from the County of Marin on a "teeter plan" basis with 55% payment in December, 45% in April, and 5% in June. Accordingly, the city received \$2,766,703 in Secured Property Taxes during December. However, the city received the Educational Revenue Augmentation Fund (ERAF) property tax disbursement on January 9 in the amount of \$346,919. With this payment, the city will be at 52.9% collection and in line with budget.

Sales & Use Tax

The State of California pays the sales tax to the City based on advances and true-up. Sales and Use Taxes remained steady at 11% of Total Revenues, slightly higher than the same period in the previous fiscal year, and approximately 1% above the prior year's 2nd Quarter results.

Transient Occupancy Tax (TOT)

The City receives the TOT on a monthly basis from the hotels 30 days after each month's end. Through the 2nd Quarter, TOT is down 6% in comparison to last year. This is not unexpected in these economic times.

Franchise Fees

Cable franchise fees are received by the City 30 days after the quarter ends. For electric and gas franchise fees, payment is received from PG&E in April of each year. Franchise fees collected through the second quarters of 2008 and 2009 are at the same amounts, approximately 4% of Total General Fund revenues

General Fund Expenditures

For the six months ended December 31, 2008, General Fund reported expenditures including transfers out to other funds of \$6,104,515 which is (\$148,623) less than last year.

All departments were expected to come within budget and did with the exception of the Fire, Recreation and the Library Departments. The Fire Department exceeded the budgeted amount by 7.6%. This was partially in the area of Salaries, and primarily in the area of Professional Services. Recreation slightly exceeded the budget by 0.3% in the areas of Professional Services, Other Services and Program Expenses. Library exceeded the budgeted amount by 1.4% in the area of Professional Services.

FISCAL IMPACT

There is a historical informational report.

STAFF RECOMMENDATIONS

- Accept the General Fund Quarterly Financial Report for the six months ended December 31, 2008

ATTACHMENTS

General Fund Quarterly Financial Report for the Three Months Ended December 31, 2008.

PREPARED AND SUBMITTED BY:

APPROVED BY:

Laurie Ireland-Ashley
Finance Director/Treasurer

Adam Politzer
City Manager

Item #: GA1
Meeting Date: 1-27-09
Page #: 3



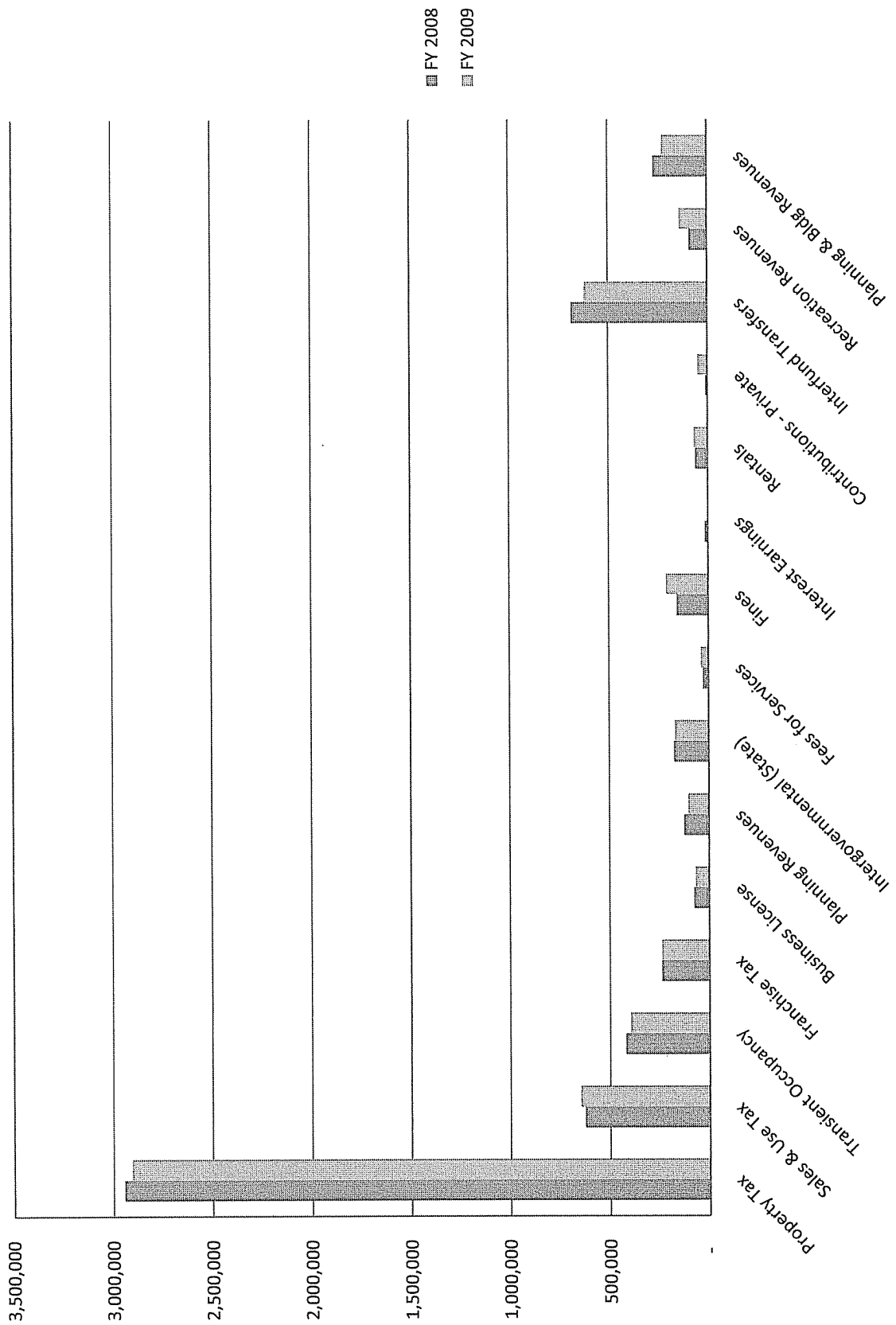
City of Sausalito
General Fund

Financial Report Comparison for the Six Months
Ending December 30, 2007 vs. December 30, 2008
REVENUE /EXPENSE COMPARISON

Dept	Description	Actual Jul 07		% of Total		Actual Jul 08 thru		% of Total		Year-To-Date Variance
		thru Dec 07		Revenue	Revenue	Dec 08	Dec 08	Revenue	Revenue	
		(a)	(b)	(c)	(d)	(a-c)		(d)		(a-c)
	Revenues									
	Property Tax	2,946,736	48.0%	2,907,720	49.4%					(39,016)
	Sales & Use Tax	625,021	10.2%	648,369	11.0%					23,347
	Transient Occupancy	421,502	6.9%	394,740	6.7%					(26,762)
	Franchise Tax	239,760	3.9%	239,987	4.1%					227
	Business License	76,091	1.2%	66,458	1.1%					(9,633)
	Planning Revenues	126,858	2.1%	104,046	1.8%					(22,812)
	Intergovernmental (State)	175,680	2.9%	169,001	2.9%					(6,678)
	Fees for Services	27,668	0.5%	35,956	0.6%					8,288
	Fines	158,836	2.6%	212,506	3.6%					53,669
	Interest Earnings	14,048	0.2%	267	0.0%					(13,781)
	Rentals	64,139	1.0%	67,064	1.1%					2,925
	Contributions - Private	10,000	0.2%	48,750	0.8%					38,750
	Interfund Transfers	683,688	11.1%	617,448	10.5%					(66,240)
	Recreation Revenues	91,837	1.5%	138,658	2.4%					46,821
	Planning & Bldg Revenues	271,135	4.4%	226,838	3.9%					(44,296)
	Total Revenues	6,139,038	100.0%	5,880,770	100.0%					(258,268)
	YTD REVENUE %	43.8%		44.7%						0.9%

6A1
5

2nd Qtr Revenue Comparison



6A1
6



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Second Quarter Treasurer's Report for October to December 2008

RECOMMENDED MOTION:

Accept the Treasurer's Report for the Second Quarter Ended December 31, 2008

BACKGROUND

Based on the City of Sausalito's Investment Policy, the Finance Director/Treasurer is required to submit quarterly and annual Treasurer's Report to the City Council. The Treasurer's Report provides an update on the cash and investment position of the City of Sausalito.

The City invests in liquid or near liquid investments where the principal is protected and earns the highest interest possible for such investments.

At December 31, 2008, the City had cash and investments totaling \$35,860,968 (cost basis) from all sources including general, restricted, capital improvement, agency funds of \$19,442,185; and bond proceeds from the 2006 General Obligation Bonds Series A & B of \$16,418,783.

DISCUSSION

The City adopts an "Investment Policy" annually to provide guidance to staff on what are allowable investment vehicles. The FY 2009 Investment policy was adopted by the City Council on September 2, 3008. By taking a conservative approach to investing, the City achieves the investment goals of safety and liquidity. By not taking risk, there is a trade-off on yields or investment returns.

FISCAL IMPACT

None

STAFF RECOMMENDATIONS

Accept the Treasurer's report for the Second Quarter ended December 31, 2008.

Item #: 6A2
Meeting Date: 1-27-09
Page #: 1

ATTACHMENTS

- Portfolio Summary
- Portfolio Details Cash
- Portfolio Details Investments
- Cash Balance by Fund
- Reconciliation to General Ledger

SUBMITTED BY:

APPROVED BY:

Laurie Ireland-Ashley
Interim Finance Director/Treasurer

Adam Politzer
City Manager

Item #: 6A2
Meeting Date: 1-27-09
Page #: 2

**City of Sausalito
 Quarterly Treasurer's Report
 Portfolio Summary
 December 31, 2008**

	Par Value	Market Value	Book Value	% of Portfolio
Cash	-	1,545,518	1,545,518	4.3%
Investments				
Local Agency Investment Fund	-	5,985,049	5,985,049	16.7%
BNY Dreyfus Treasury Money Fund	-	16,418,783	16,418,783	45.8%
US Treasury Notes	-	-	-	0.0%
US Treasury Bills	12,000,000	11,911,617	11,911,617	33.2%
Total Investments	12,000,000	34,315,450	34,315,450	95.7%
Total Cash and Investments	12,000,000	35,860,968	35,860,968	100%

US Treasury Investment % of Portfolio 79.0%

The above investments are consistent with the City's Investment Policy and are allowable under current legislation of the State of California. Investments are selected using safety, liquidity, and yield as the criteria. The City has sufficient cash flow to cover anticipated expenditures through the next six months.

Laurie Ireland-Ashley, Administrative Services Director/Treasurer _____ Date

City of Sausalito
Quarterly Treasurer's Report
Portfolio Details- Cash
December 31, 2008

Name of Depository	Investment Type	Reconciled Bank Balance
Bank of Marin	Checking A/C - Operating	1,543,762
Union Bank	Checking A/C - Business License	1,756
Total		<u>1,545,518</u>

**City of Sausalito
Quarterly Treasurer's Report
Portfolio Details- Investments
December 31, 2008**

CUSIP	Name of Depository	Purchase Date	Par Value	Market Value	Book Value	Interest Rate	YTM	Days to Maturity	Maturity Date
Local Agency Investment Fund									
	State of California, Office of Treasurer	Various	-	5,985,049	5,985,049	2.540	2.540		
BNY Dreyfus Treasury MNY									
S99991970	Bank of New York, 2006 GO Bonds Project Account A/C	various		16,146,055	16,146,055	0.010	0.010		
S99991970	Bank of New York, 2006 GO Bonds Debt Service A/C	various		272,727	272,727	-	-		
	Sub-totals		-	16,418,783	16,418,783				
US Treasury Bills									
912795J77	Dept of Treasury, Legacy Treasury Direct	07/17/08	1,000,000	990,116	990,116	1.955	2.002		01/15/09
912795K26	Dept of Treasury, Legacy Treasury Direct	08/07/08	3,000,000	2,970,880	2,970,880	1.920	1.966		02/05/09
912795K42	Dept of Treasury, Legacy Treasury Direct	08/21/08	1,000,000	989,990	989,990	1.980	2.028		02/19/09
912795L41	Dept of Treasury, Legacy Treasury Direct	10/16/08	2,000,000	1,988,878	1,988,878	1.100	1.122		04/16/09
912795L58	Dept of Treasury, Legacy Treasury Direct	10/23/08	1,000,000	990,900	990,900	1.800	1.842		04/23/09
912795L74	Dept of Treasury, Legacy Treasury Direct	11/06/08	3,000,000	2,983,317	2,983,317	1.100	1.122		05/07/09
912795M24	Dept of Treasury, Legacy Treasury Direct	11/28/08	1,000,000	997,536	997,536	0.490	0.498		05/28/09
	Sub-totals		12,000,000	11,911,617	11,911,617				
	Grand Totals		12,000,000	34,315,450	34,315,450				

**City of Sausalito
Quarterly Treasurer's Report
Cash Balance By Fund
December 31, 2008**

Fund No.	Fund Title	Cash in Bank	LAIF	GO BONDS	US TREASURY	Balance
		1010-010	1010-030	1010-019	1010-060	
100	General Fund	(15,989,766)	5,985,049		11,911,617	1,906,901
103	Deposits Fund	66,942				66,942
110	Sewer Fund	2,560,076				2,560,076
113	Old City Hall	227,845				227,845
114	Tidelands and Waterfront	2,449,932				2,449,932
115	Library Capital Improvement Fund	213,761				213,761
120	Traffic Safety Fund	515,955				515,955
121	Gas Tax Fund	520,840				520,840
122	Construction Traffic Road Fee	845,802				845,802
123	Traffic Congestion Relief	26,693				26,693
124	County Measure A	67,249				67,249
125	Storm Drainage	135,521				135,521
126	Stair Fund	143,624				143,624
127	Prop 1B	401,291				401,291
130	Disaster Assistance	842,727				842,727
133	Police Seized Assets	31,375				31,375
134	Police State Grants	(31,474)				(31,474)
135	Fire Grant Fund	1,455				1,455
136	Recreation Grant Fund	-				-
140	General Capital Project	1,261,442				1,261,442
141	Public Safety Bldgs.	(114,589)		16,146,055		16,031,466
210	MLK Fund	1,047,866				1,047,866
220	Parking	1,128,965				1,128,965
240	Vehicle Replacement	2,597,762				2,597,762
250	Worker's Compensation Fund	1,457,567				1,457,567
260	Employee Benefits Fund	759,928				759,928
270	General Liability	179,183				179,183
301	Energy Loan	(1,586)				(1,586)
302	Tideland Loan	(72,155)				(72,155)
303	GO Bonds, 2006 Series A & B	-		272,709		272,709
304	Vehicle Code Fine Overpayment	(18,188)				(18,188)
340	Bulkley UAD	9,316				9,316
342	Downtown SAD RDMP	109,933				109,933
345	Sunshine/Central RDMP	42,482				42,482
346	Sunshine/Central Reserve Fund	14,451				14,451
347	Third Street UAD	4,352				4,352
350	Downtown SAD Reserve Fund	28,611				28,611
Totals		1,465,186	5,985,049	16,418,763	11,911,617	35,780,616

**City of Sausalito
Reconciliation
December 31, 2008**

	Acct #	Amount
GO Bond 2006 Project Account BNY	xx018	16,146,055
GO Bond 2006 Debt Service Account BNY	xx017	272,727
LAIIF	xx855	5,985,049
Department of Treasury Legacy Treasury Direct	xx266	11,911,617
Bank of Marin Checking A/C - Operating	xx968	1,543,762
Union Bank Checking A/C - Business License	xx209	1,756
Total per Treasurer's Report		35,860,967
	G/L Acct #	Amount
Cash in Bank	xxx-000-1010-010	1,465,186
LAIIF	100-000-1010-030	5,985,049
Cash with Fiscal Agent (BNY):		
2006 GO Bond Capital Project Fund	141-000-1010-019	16,146,055
2006 GO Debt Service Fund	303-000-1010-019	272,709
US Treasury Securities	100-000-1010-060	11,911,617
Total per General Ledger		35,780,616