City of Benson
City Council Communication

Regular Meeting **January 28, 2013**

To: Mayor and Council Agenda Item # 8

From: Jim Cox, Finance Director

Subject:

Review of City Finances with emphasis on December, 2012 financial results, the City's financial position at December 31, 2012 and discussion of expected future net revenue streams.

Discussion:

Staff will present the attached power point slide show to summarize the results of City operations and the City's financial position at December 31, 2012. The presentation will also include a short discussion of anticipated future revenue streams.

Staff Recommendation:

Information only

Benson

Arizona

Founded in 1880

Gateway to the San Pedro Valley

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FINANCIAL HIGHLIGHTS DECEMBER, 2012

Citywide Financial Highlights

Cash

- Cash is –$244K at $1.4M
- Bond Proceeds are $1.4M

Fund Balances

- –$192K for December
- –$419K YTD

Trends

- Overall performance down slightly from prior year.

Citywide Financial Results

Revenues

- Dec Revenues $683K,-$138 comp. to 2011
- -$50K Sales tax, -$19K Const Tax, +$18K Golf, -$27K Grants revenue

Personnel

- $387K for Dec, -$202K comp. to 2011 due to 3 payroll month in 2011
- $2.5 Million YTD

Other Costs

- $488K for Dec
- $2.85 Million YTD, +$40K comp to 2011

General Fund

Revenues

- $285K for Dec, –$31K compared to 2011
- $2.8M YTD, +$18K compared to 2011

Expenditures

- Personnel $250K, –$121K comp. to 2011
- Other costs $130K, –$34K comp. to 2011

Fund Balance

- –$188K for Dec
- –$314K YTD

Enterprise Funds

Gas

- +$30K for Dec, -$14K YTD
- $30K Gas purchase not booked

Water

- +$1K for Dec, +$75K YTD
- +$67K compared to 2011

Wastewater

- -$7K for Nov, -$35K YTD
- -$114 comp. to 2011 (WHET)

Golf Course

Financial

- –$9K for Dec, –$26K YTD
- $20K overseed costs, $5K Repairs
- YTD turnaround of +$96K

Operations

- Restaurant changes coming – new menu
- Golf Course operations are smooth
- Excellent playing conditions

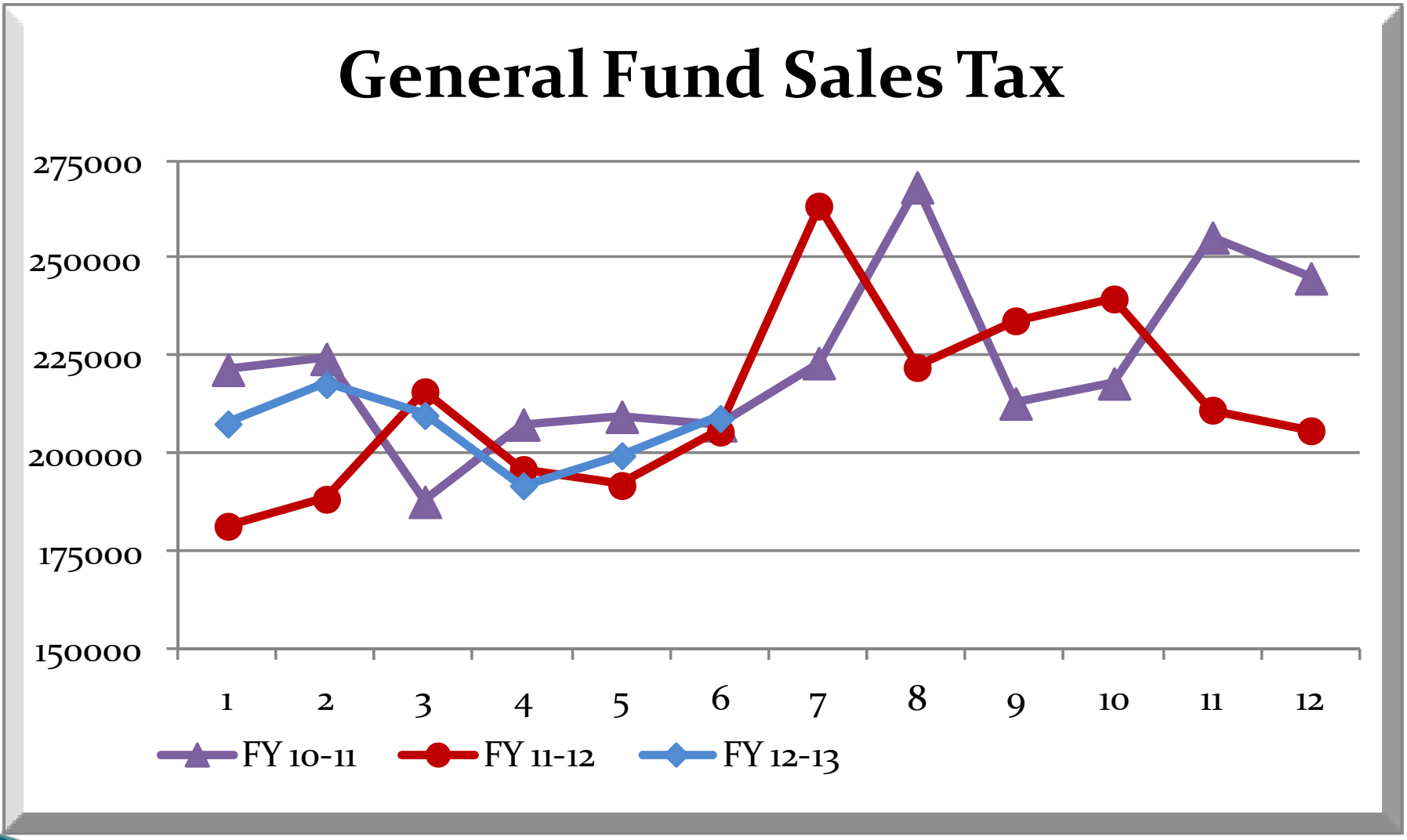
Trends

- Membership continued expansion
- Reputation is being enhanced
- Course conditions attract outside play

SUMMARY

- State tax collections are steady
- City YTD tax collections improving
- Golf course on positive financial trend
- Cash flow very tight – should loosen
- Overall, City financial performance is slightly below recent years
- 2013-2014 cash flow will be a challenge
- City remains sound financially under current conditions. Further economic downturn could affect soundness.

Sales Tax Analysis


General Fund Sales Tax
275000
250000
225000
200000
175000
150000
1
2
3
4
5
6
7
8
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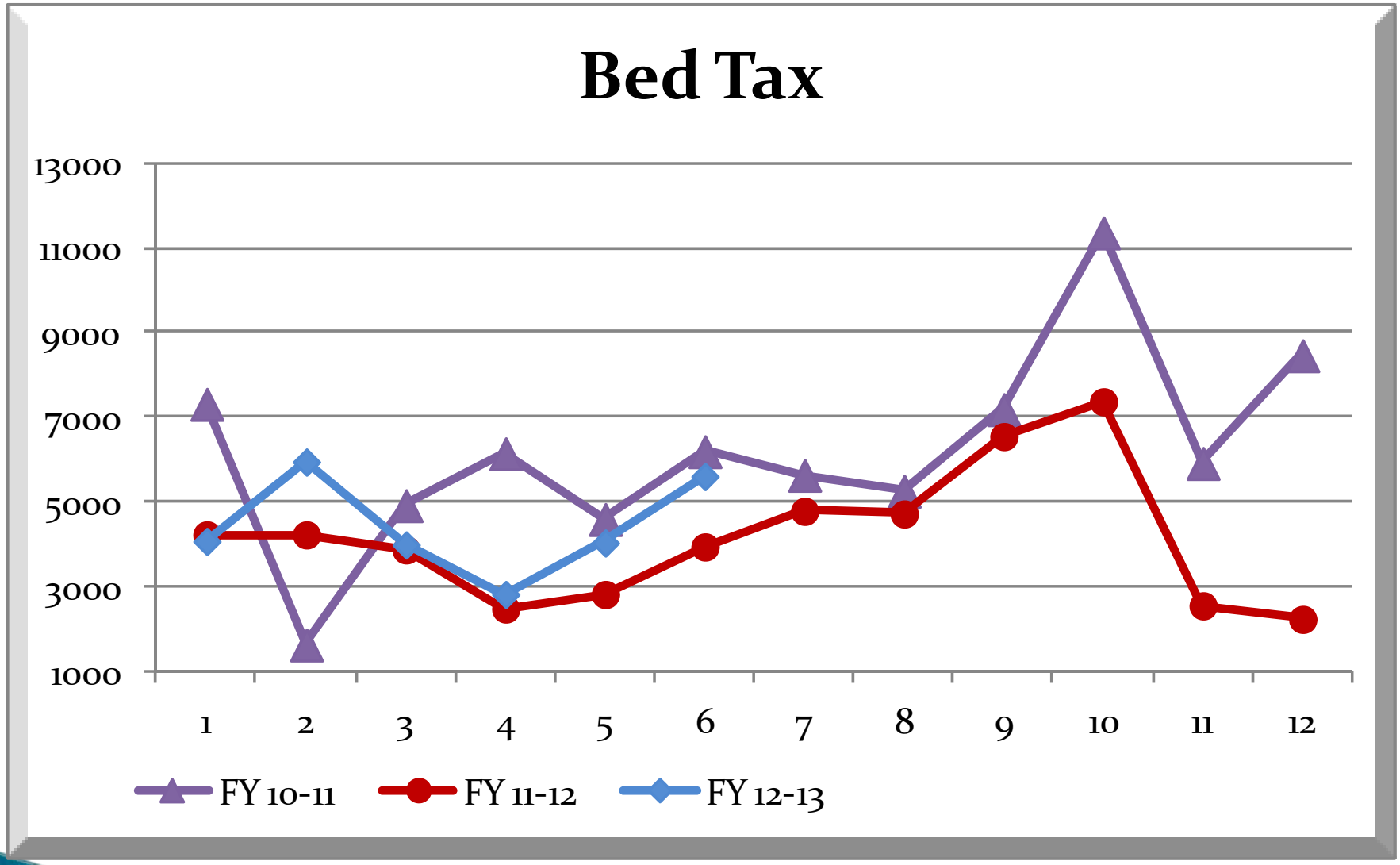
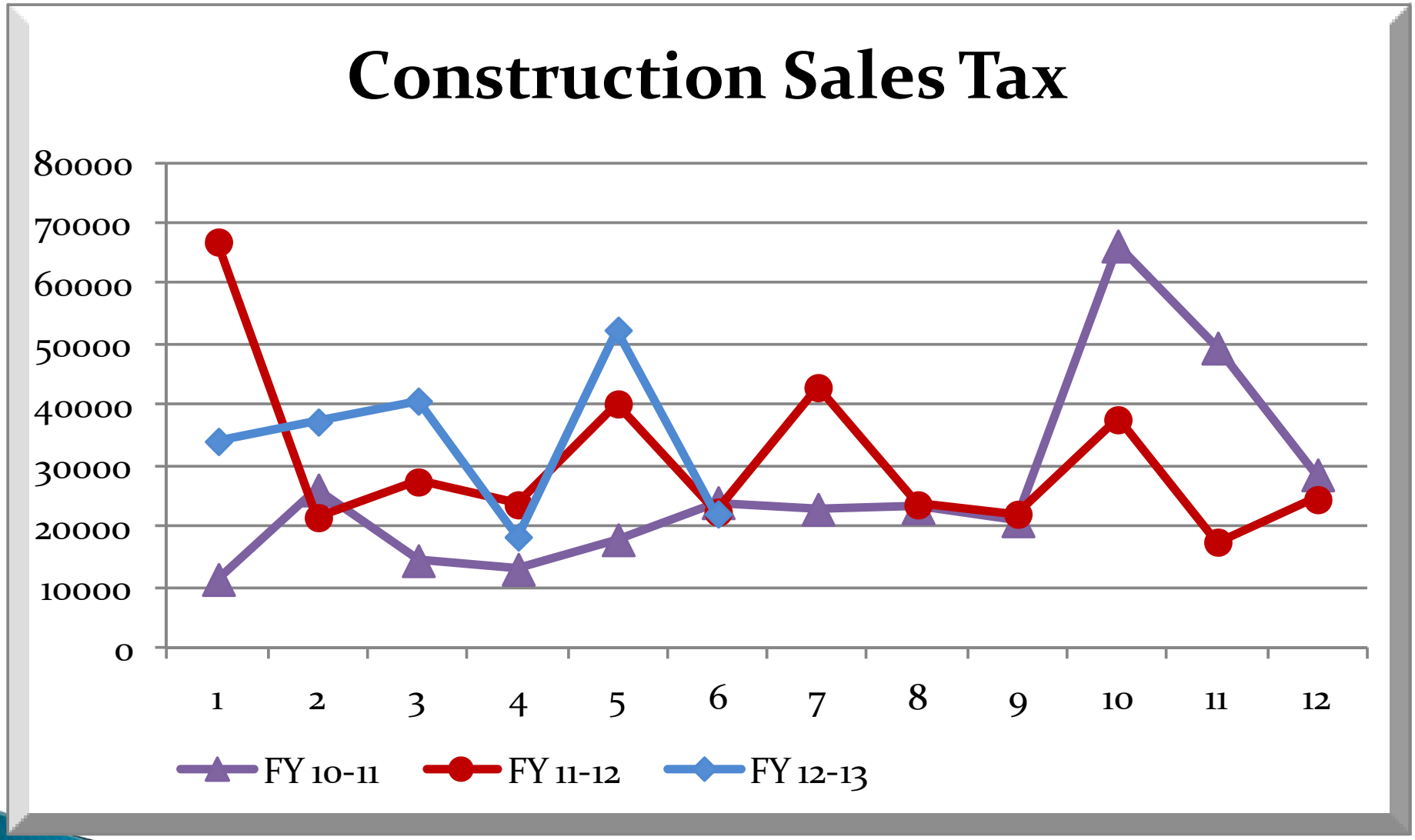
11
12
FY 10-11
FY 11-12
FY 12-13


Bed Tax
13000
11000
9000
7000
5000
3000
1000
1
2
3
4
5
6
7
8
9
10
11
12
FY 10-11
FY 11-12
FY 12-13


Construction Sales Tax
80000
70000
60000
50000
40000
30000
20000
10000
0
1
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3
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7
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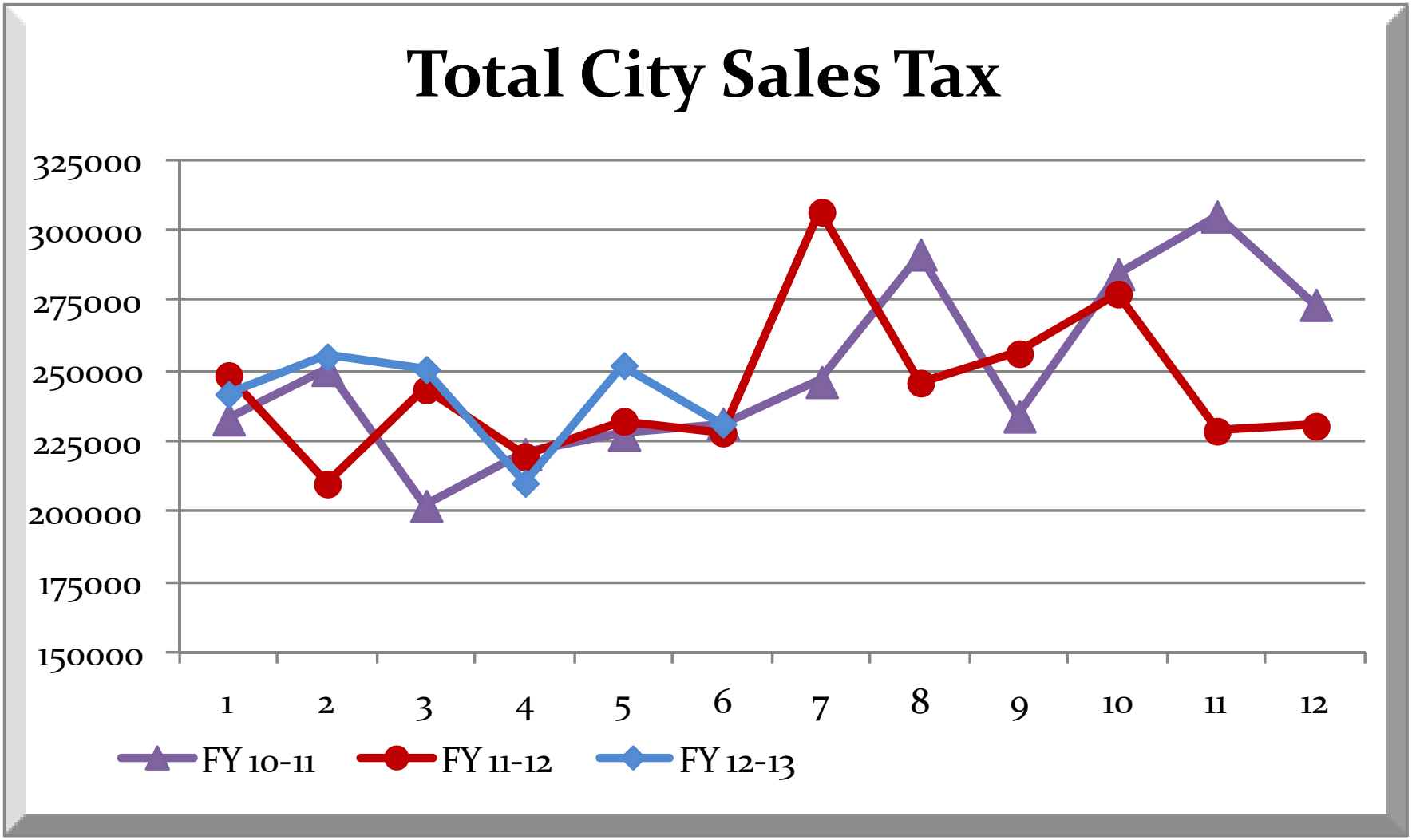
FY 10-11
FY 11-12
FY 12-13


Total City Sales Tax
325000
300000
275000
250000
225000
200000
175000
150000
1
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9
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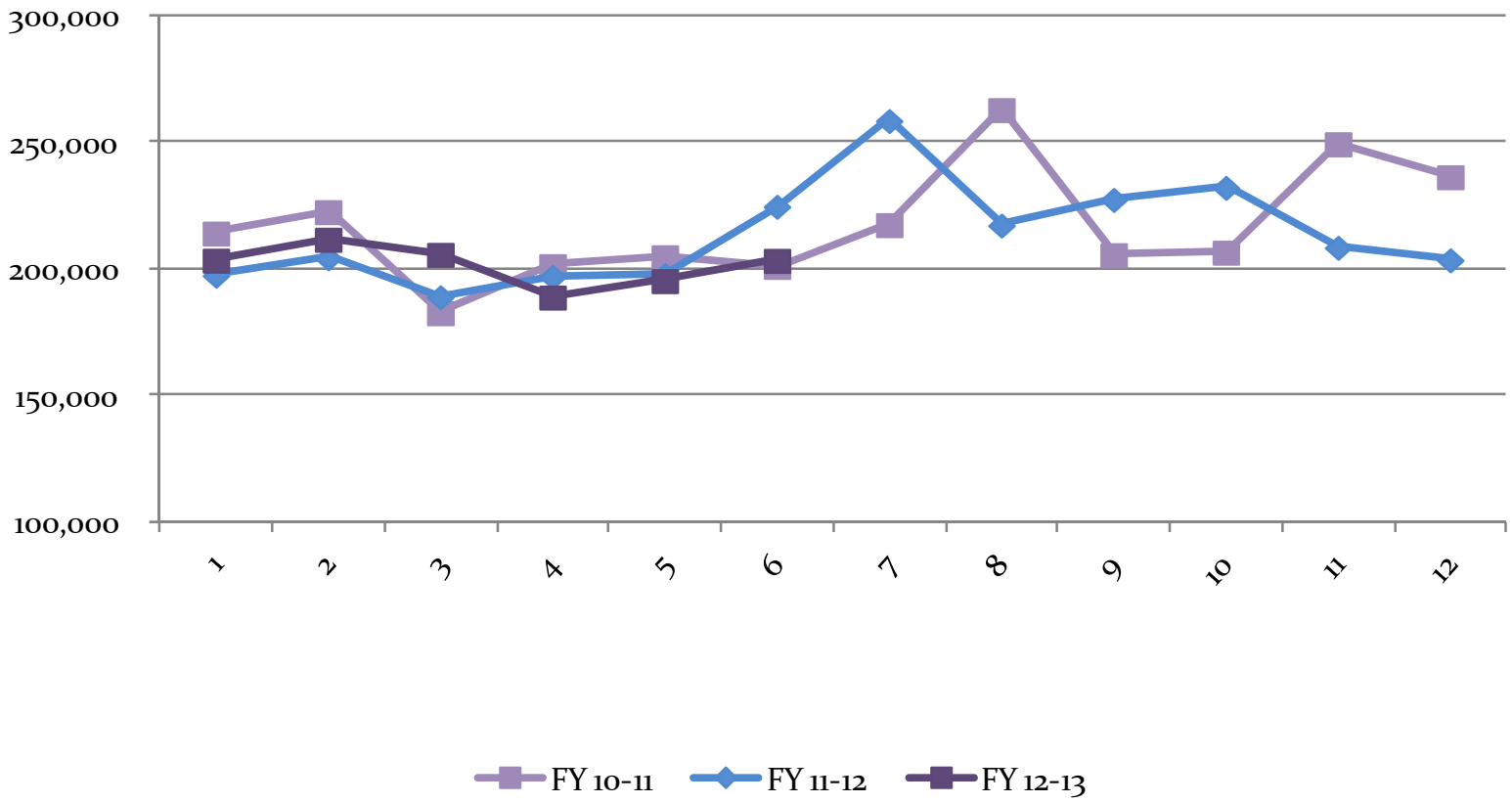
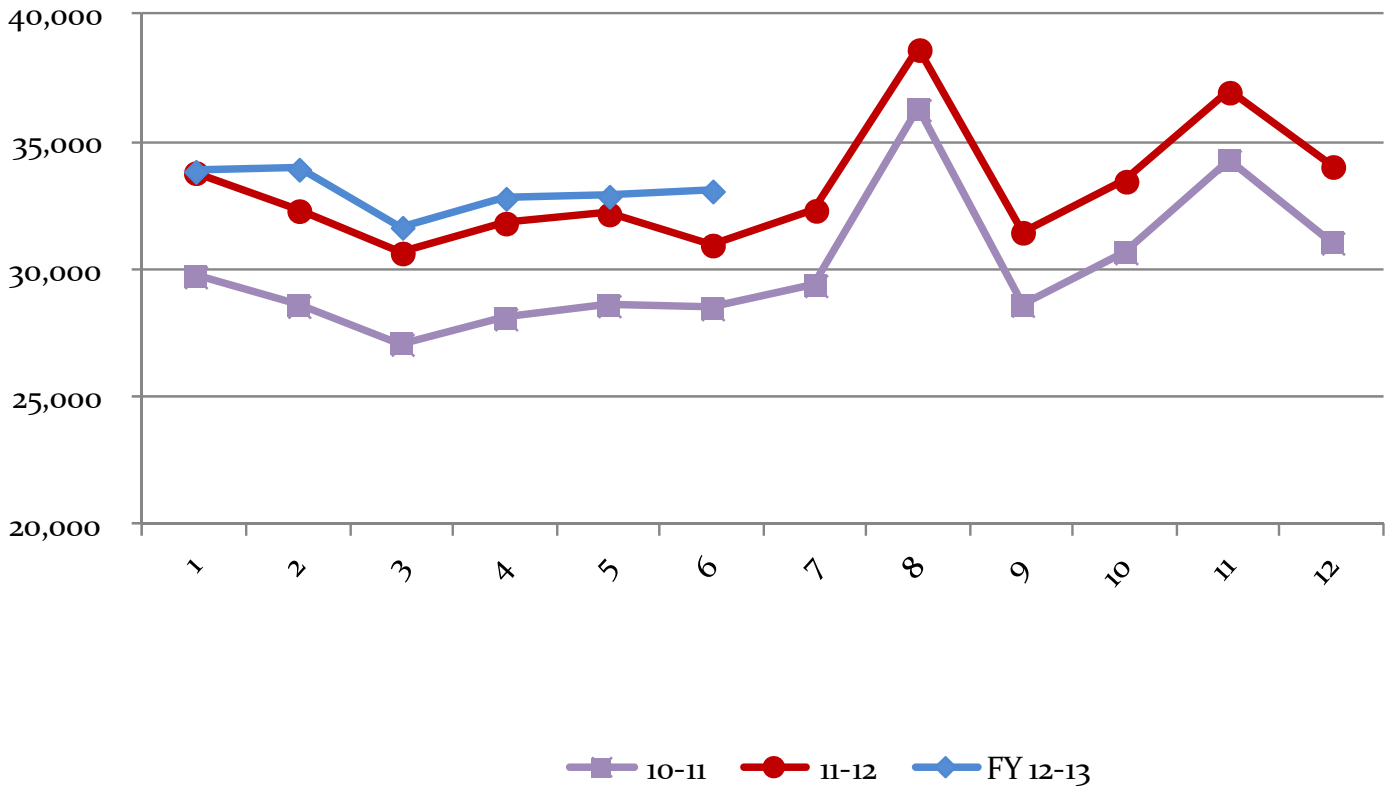
11
12
FY 10-11
FY 11-12
FY 12-13

City Retail Sales Tax Collections



State Retail Sales Tax Collections