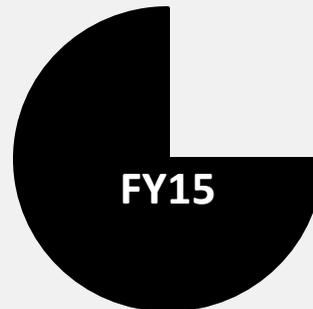




# First Quarter Financial Update

October 15, 2014

Business Management Department



# Agenda



Economic  
Indicators



FY14 Results



Big Rocks  
(Capital Planning)



Economic  
Indicators



FY14 Results



Big Rocks  
(Capital Planning)



# Historical Landmarks

- Financial Crisis of 2008
- Fiscal Cliff
- Government Shut-down
- Sequestration
- Budget changes at State Level



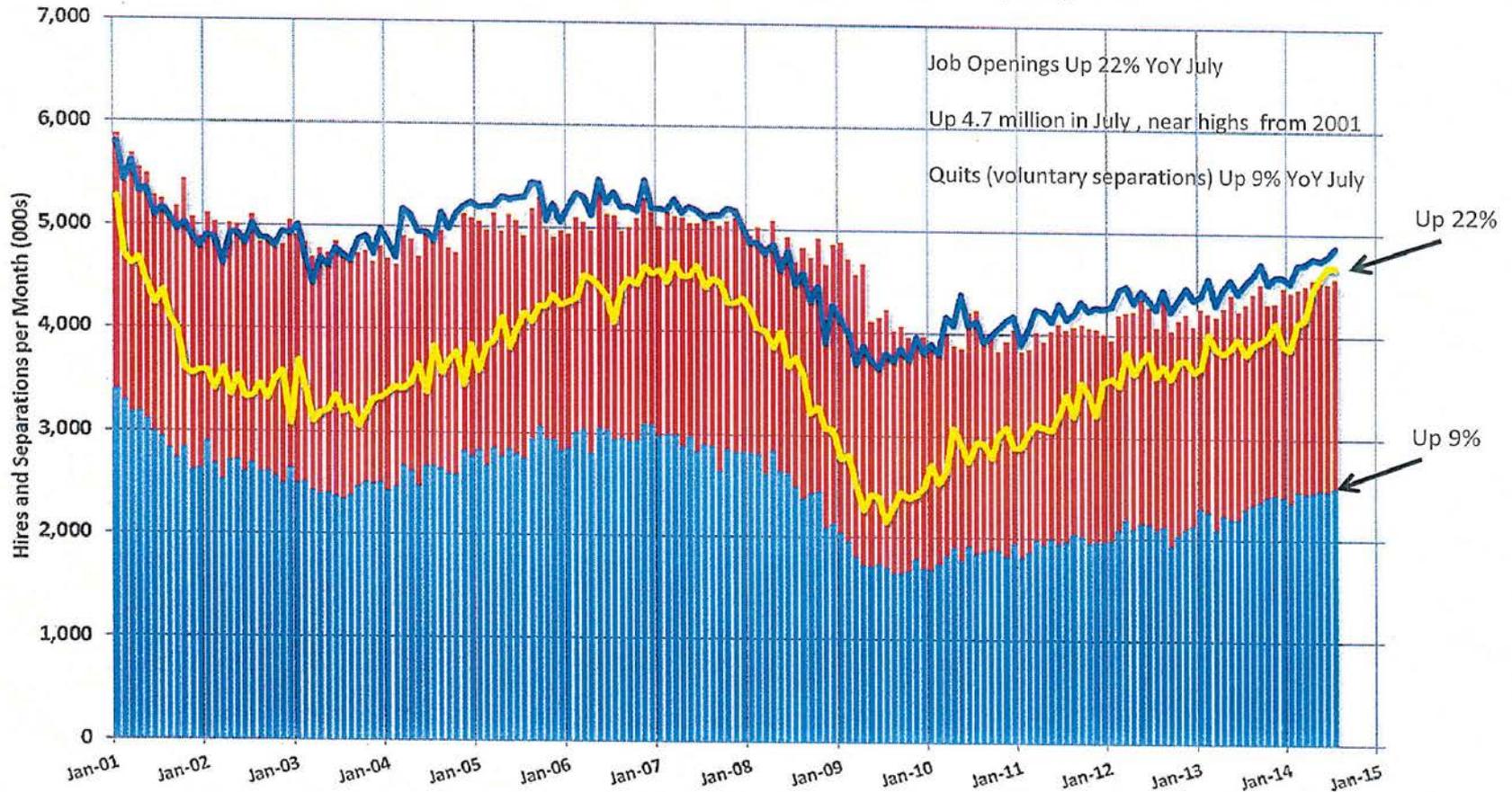


# Employment

- State is lagging behind the Country on employment (6.8% versus 6.1%)
- Orange County remains among best in state at 5.4% - other areas are starting to show improvement
- Labor force is becoming more mobile

### Hires and Separations Monthly (SA) from Job Openings and Labor Turnover Survey (JOLTS), Source: BLS

Quits Layoffs, Discharges and Other Hires Job openings







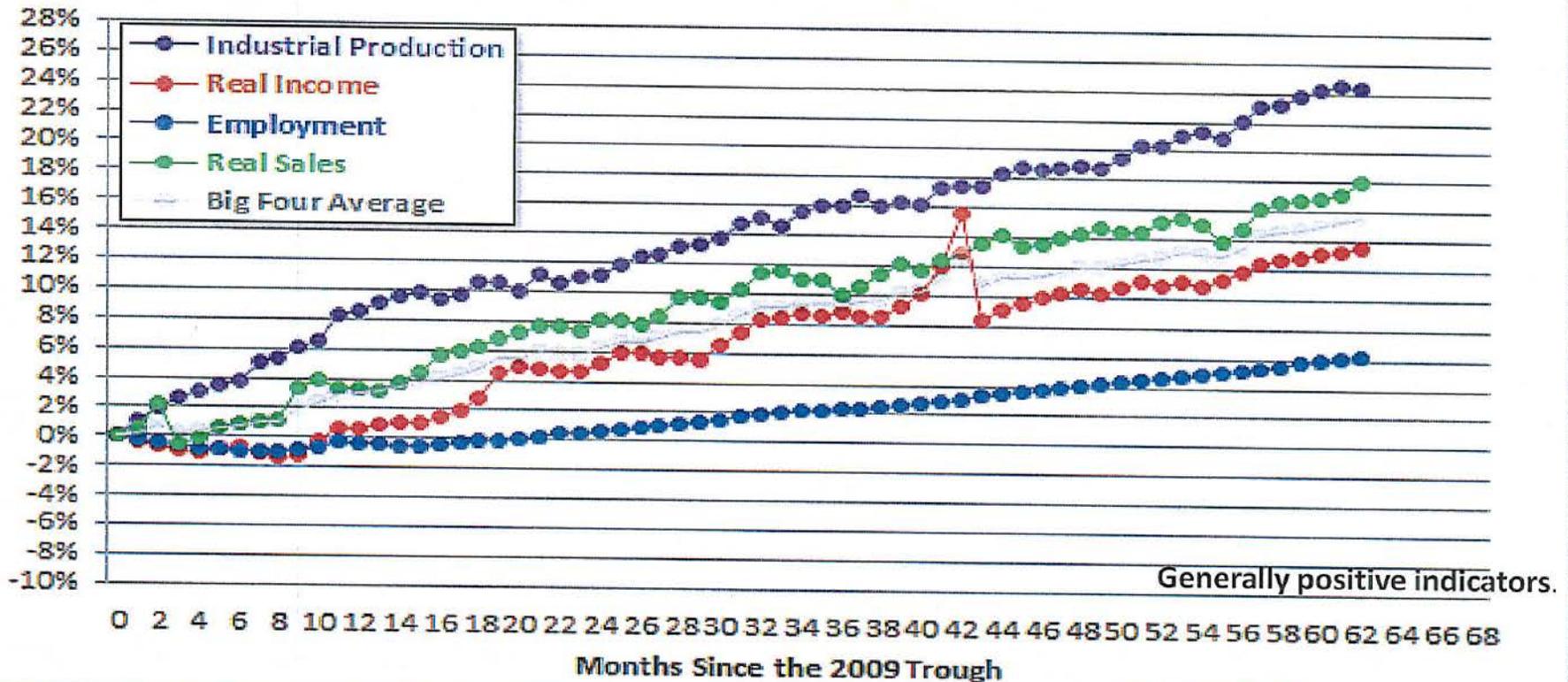


# Interest Rates

- Near zero since the Financial Crisis
- Good for borrowing, disaster for investment earning
- Rumors of a Fed rate increase in June are rampant

# Big Four Indicators Since the End of the Last Recession

dshort.com  
September 2014



Big Four Indicators Month-over Month

Indicator	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Industrial Production	0.72%	0.10%	0.55%	0.18%	-0.25%	0.94%	0.83%	0.06%	0.47%	0.32%	0.22%	-0.10%
Real Income	0.30%	-0.15%	0.22%	-0.29%	0.42%	0.49%	0.47%	0.25%	0.17%	0.25%	0.12%	0.29%
Employment	0.12%	0.17%	0.20%	0.06%	0.10%	0.16%	0.15%	0.22%	0.17%	0.19%	0.15%	0.10%
Real Sales	0.00%	0.63%	0.29%	-0.33%	-1.05%	0.75%	1.31%	0.36%	0.08%	0.14%	0.25%	0.78%
Big Four Average*	0.28%	0.19%	0.32%	-0.09%	-0.19%	0.59%	0.69%	0.22%	0.22%	0.23%	0.19%	0.27%

Employment is released the first week of the month, Income the last week, Industrial Production and Sales mid-month.  
\*The Big Four Average is calculated with the most recent unrounded data point for each series.



Economic  
Indicators



**FY14 Results**



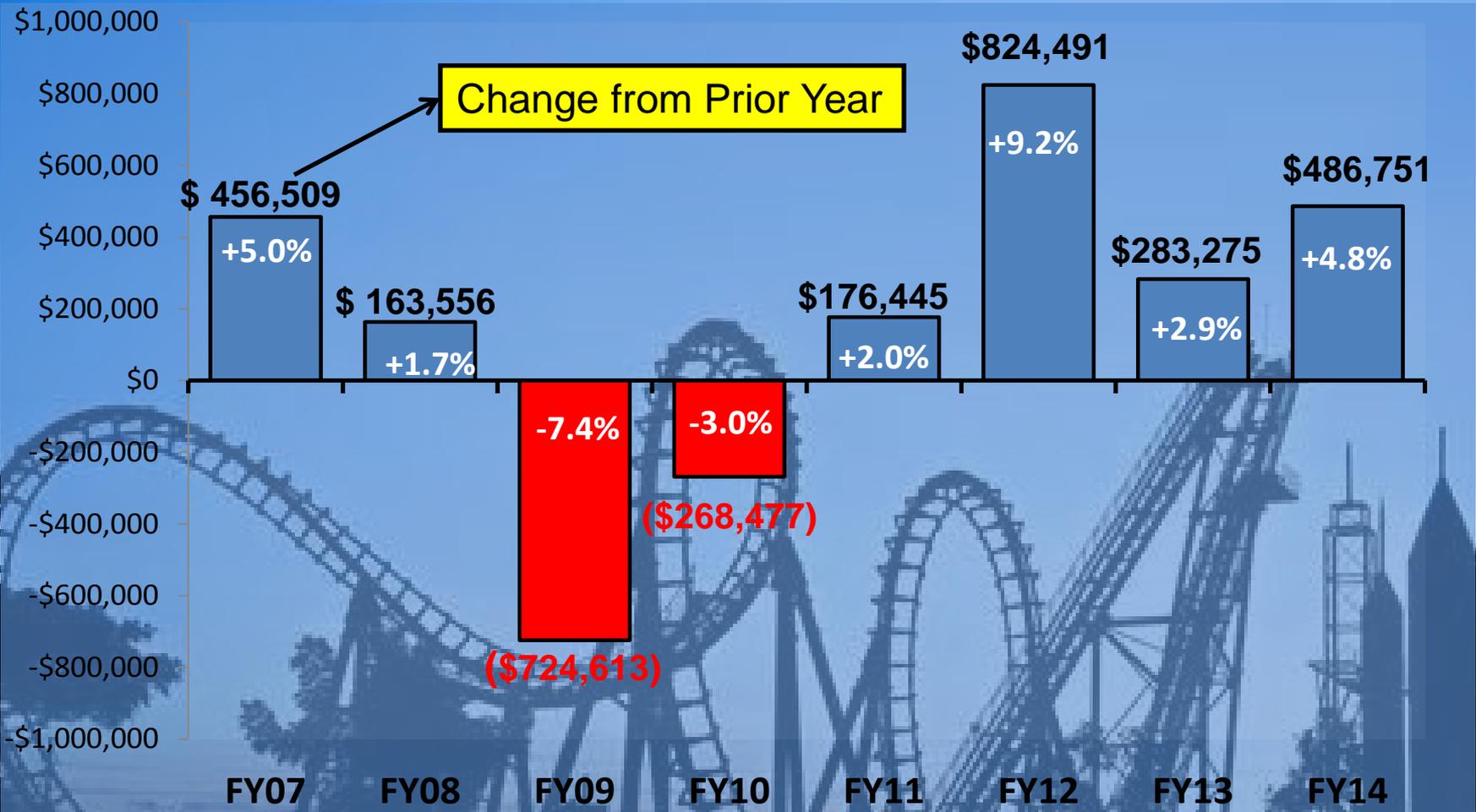
Big Rocks  
(Capital Planning)

# FY14 Financials

- Finalizing Financial Statements for Publication
- Revenues that Reflect Economic Activity
- General Fund results are positive
- Enterprise funds are mixed

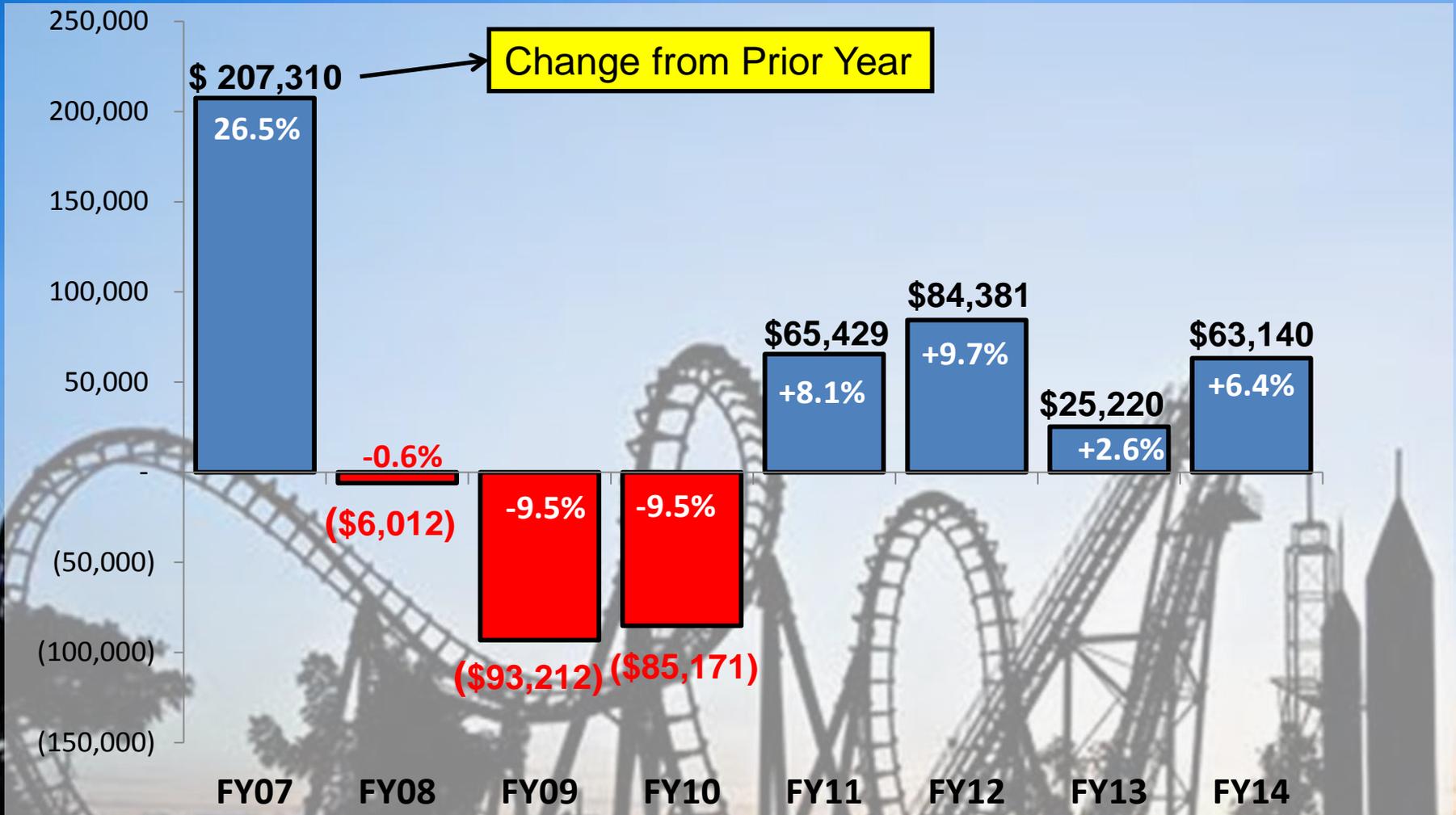
# Sales Tax Receipts YR to YR Change

2006-07 thru 2013-14



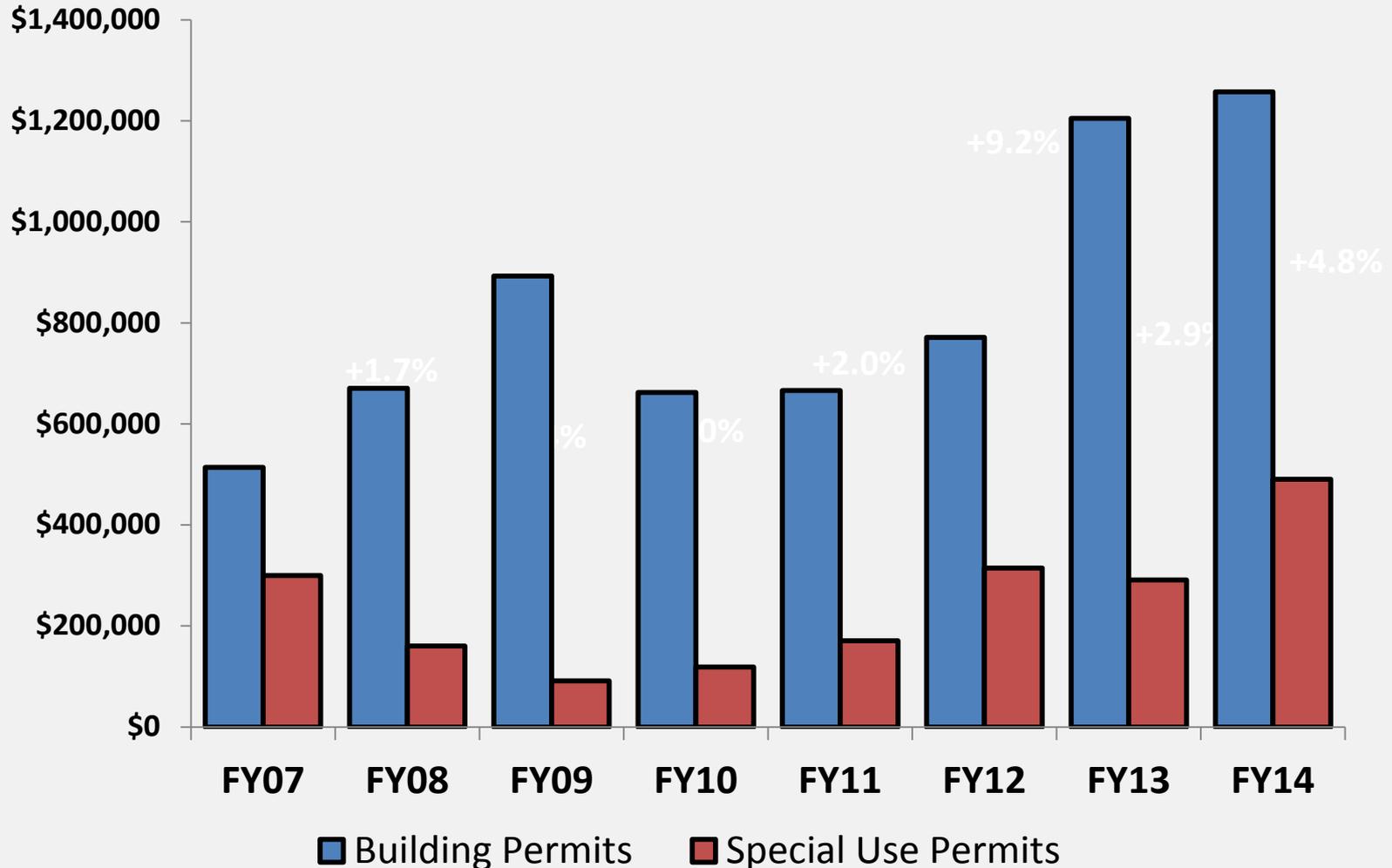
# Occupancy Tax YR to YR Change

2006-07 thru 2013-14



# Building and Special Use Permits

## 2006-07 thru 2013-14

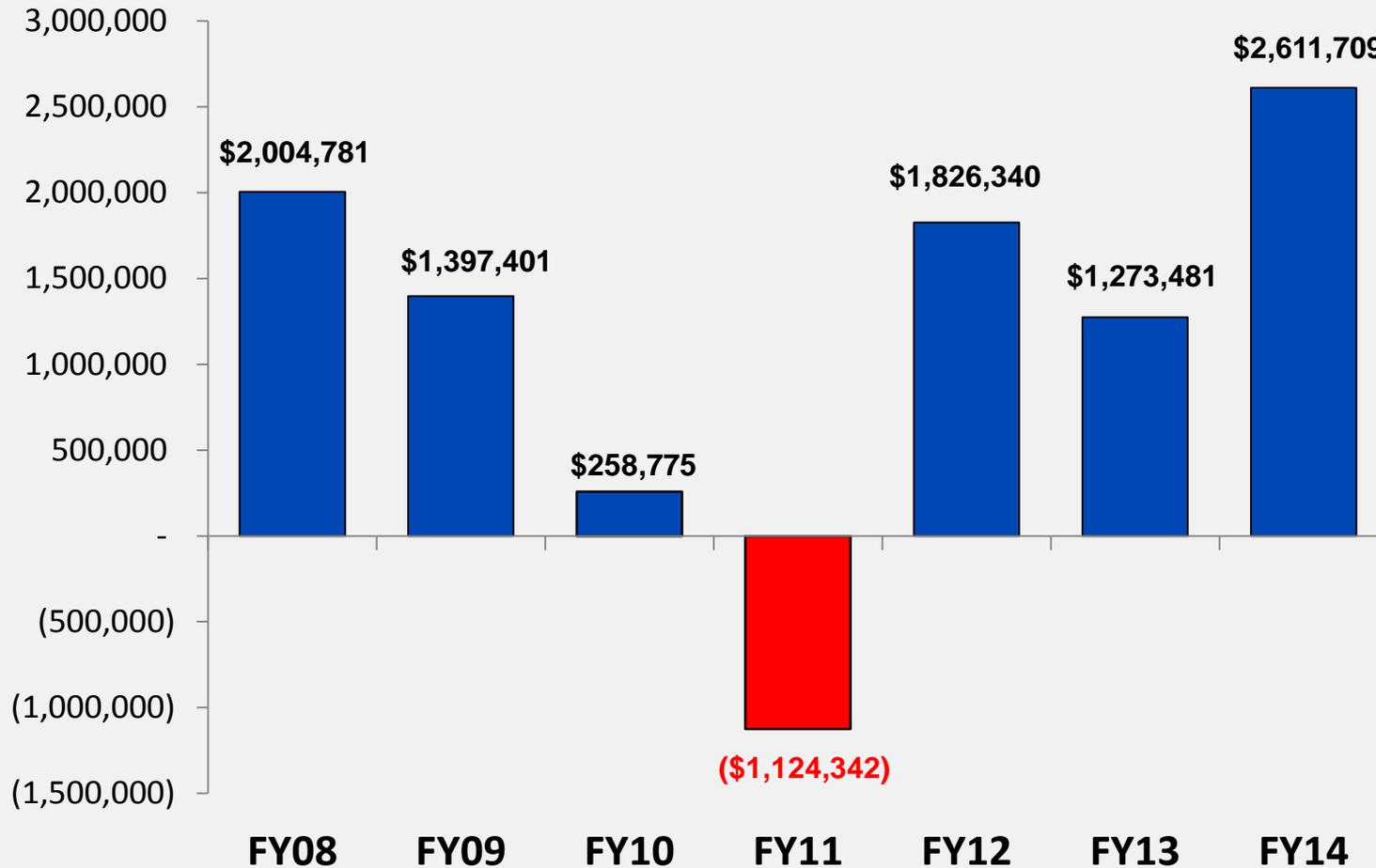


# FY14 General Fund Performance

- Revenues up in all major categories except fees for service
- Expenditures were within budget for all major expense categories
- Revenues exceeded expenditures and transfers by \$2.6 million
- Reservations of fund balance by State Statute increased by \$3.7 million

# Net Change in Total Fund Balance\*

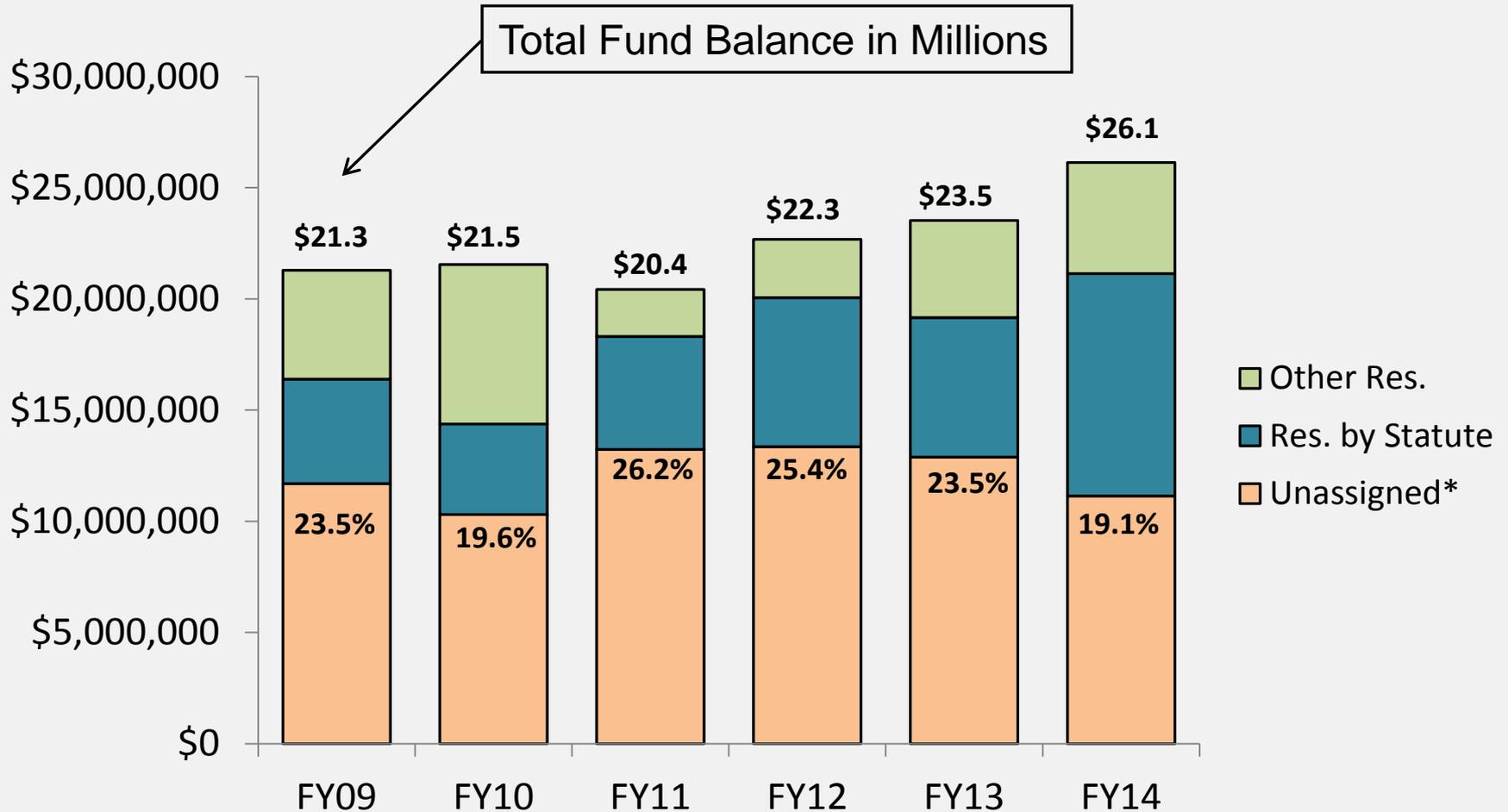
## 2007-08 thru 2013-14



\* Includes increases in "non-spendable" reserves and designations

# Total GF Fund Balance

FY2008-9 thru FY2013-14



\* Unassigned fund balance is calculated as a percent of next year's appropriations and is not adjusted for debt service payments moved to Debt Management Fund in FY09

# FY14 Enterprise Fund Performance

- **Transit:** Change in net position **(\$864,118)**  
*despite revenues exceeding expenses and transfers, depreciation expense creates a negative result*
- **Parking:** Change in net position **(\$656,355)**  
*about 1/3 of result due to operating loss and the rest is due to depreciation expense*

# FY14 Enterprise Fund Performance

- **Housing:** Change in net position **\$1,514,413**  
*large positive result due to capital contributions, otherwise broke-even on operating results*
- **Stormwater:** Change in net position **\$445,378**  
*positive results represent planned accumulation of funds for capital improvements*



Economic  
Indicators



FY14 Results



**Big Rocks  
(Capital Planning)**

# Major Budget Initiatives

- Large number of budget challenges related to capital investment
- General Obligation Bond Authority exhausted in 2010
- Additional penny allows planning for Referendum to be advanced

# Address Budget Challenges

## Capital

Transfer Station

Asset Management

Town Hall Project

Ephesus Fordham

Parks Master Plan

Bike & Pedestrian Plan

Public Safety Facilities

Parks & Rec. Facilities

## Operating

Youth Services

CIP Funding Target

Library Operating

Pay 4 Performance

Health Care Costs

Street Resurfacing

Recycling

## Policy

Transit Sustainability

Northside Community

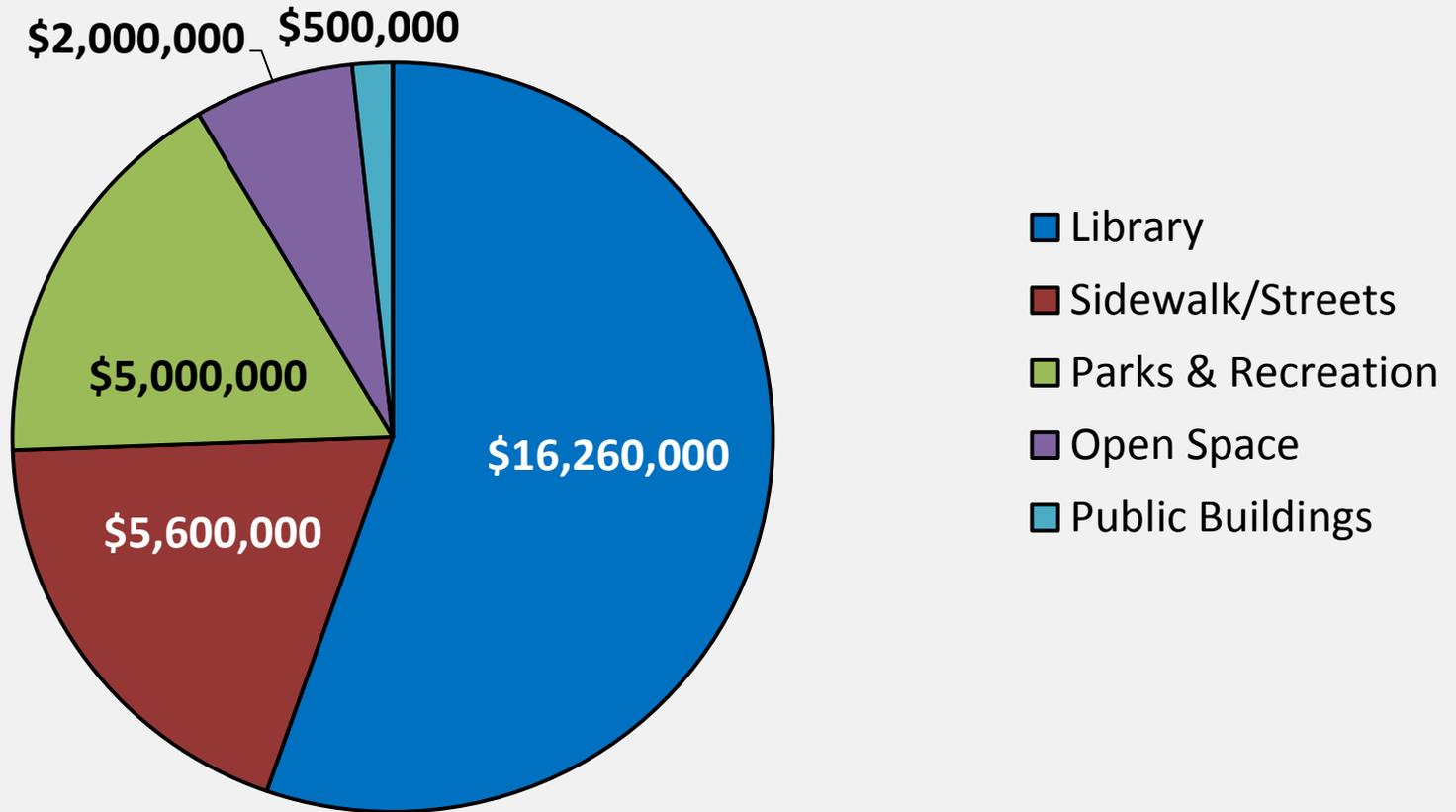
Rogers Road

Affordable Housing

Referendum

# 2003 Referendum

## General Obligation Bond Authority



# Debt Fund Capacity

- Additional Penny allows schedule to advance one year
- For the 7 year period beginning FY16 Town will have capacity to issue between \$40-50 million in GO Bonds
- Referendum in November 2015 of would allow issuance of up to \$20 million in FY16

# Referendum Process

- Determine plan for bond purposes and amounts (Projects and Bond Orders) **Now**
- Begin the official process after decision to proceed.
- Formal adoption of documents and filings in spring of 2015