



# FY 13 Proposed Budget One-Time Items



# Source of \$16.9 m in One-Time Money

- \$10.90 m      FY 12 Uplands Oil above budgeted price of \$55 per barrel
- \$ 3.60 m      One-time past ambulance revenue from AB678
- \$ 1.84 m      Past street sweeping services provided to the Refuse operation
- \$ 0.59 m      SERRF plant payment (one-time)
  
- \$16.93 m      Total



# Source of Uplands Oil Revenue

- Oil revenue has more variability than is apparent from the simple price-based formula
- 55% of revenues comes from the sale price of oil and 45% from a fee on the cost of drilling
- Impossible to predict oil prices and almost as difficult to predict the level of drilling activities
- Production typically declines annually
- Wide swings in oil price and uncertainty in drilling efforts make it prudent to not commit an overly high portion of revenues to operations
- Uplands oil stable revenue component is critical to GF operations
- Uplands oil non-stable revenue is the City's primary GF source of one-time expenditures and can cover a GF revenue shortfall



# FY 13 Allocation of Uplands Oil Revenue

Based on FY 11 actual average price of \$97 per barrel

- Stable price of \$65 (FY 13 proposed budget)
  - \$16.1 m for operations (\$12.9 m in FY12 @ \$55)
  - \$8.4 m for one-times available at end of year (for FY 14)
    - IF available, i.e., “price” averages \$97 and isn’t used in FY13 to make up for revenue shortfalls, etc
- Stable price of \$70 (an example of a \$5 increase)
  - \$17.4 m for operations
  - \$7.1 m for one-times or revenue shortfalls, IF available
  - Impact of each \$5 per barrel: reassigns \$1.3 m (more for operations, less for one-time or unpredicted situations)



# Uses - Capital

- \$3.60 m Fire station gender accommodations
- \$1.00 m Sidewalk replacement program
- \$0.50 m Rancho Los Cerritos
- \$0.23 m Police vans
  
- \$5.33 m Total



# Uses – Temporary Operations

- \$2.90 m FY 13 Police Academy
- \$0.40 m Temporary support for new paramedic services model
- \$0.08 m Temporary support for decentralized accounts payable model
  
- \$3.38 m Total



# Uses – Technology & Innovation

- \$8.22 m for technology and innovation
- Replaces Citywide technology that is obsolete and risky to retain in terms of maintenance and operations
- Provides opportunity for operational efficiencies and lower operating expenses
- Provides technology designed to increase revenues and ability to monitor them
- Provides “force multiplying” technology
- Provides ability to improve service to customers



# Uses – Technology & Innovation

- \$3.79 m Financial/HR/Purchasing system
- \$0.40 m Library self-service technology
- \$0.50 m Land Management and Revenue System
- \$0.08 m Assignment tracking system
- \$1.38 m Parking Citation and Billing Systems
- \$0.15 m Parks/Recreation Registration system
- \$1.26 m Video surveillance equipment
- \$0.70 m Research and implementation of Management Partners recommendations
  
- \$8.22 m Total
- \$16.93 m Grand Total