



By JENNIFER DENEVAN, Needles Desert Star  
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## Mid-year city budget revisions completed

NEEDLES — They appeared to cringe in doing so, but city council members approved a resolution adopting the revised budget for the fiscal year ending June 30, 2014, during their regular meeting of Feb. 25.

The Needles Public Utility Authority and the council also approved the NPUA's revised budget.

The adopted general fund budget was set for \$5,446,460. The revised budget brings the total down to \$5,381,450, with an increase to the revenue side of the general fund.

Rick Daniels, city manager, said the budget, in terms of revenue, is about 0.9 percent higher than anticipated when the budget was approved. The big reason for this is the transit occupancy tax receipts have increased, he continued.

Part of the adopted budget included using \$449,000 from the reserves. The city was able to reduce that by about \$100,000, Daniels said.

"But we also saw a decrease in revenue in business licenses, animal licenses, utility users tax and development-related permits," Daniels said. Despite those decreases, there was a \$44,000 revenue increase to the budget.

The city was able to reduce expenditures by about \$65,000, he said. This means a total swing of about \$100,000 for the positive. All of these factors contributed to the 0.9 percent increase to the revenue side for the general fund.

Even with the good news, there came bad. "Unless there is significant expenditure reductions or revenue enhancements, the city will essentially be out of cash by 2015," he said. "So we have a lot of work to do as we begin development of the new budget identifying new revenue sources and further cuts."

The total projected cash for the city is estimated to be \$637,826 by the end of the fiscal year June 30. This includes the remaining reserve funds and the vehicle replacement fund.

Regarding the NPUA budget, Daniels said there were two major revisions to the utility's budget. There was a projected \$7.7 million in electric revenue before expenses but the city isn't on track for that, he continued.

The city is more closely on track to have \$6.6 million in electricity revenue, which is the actual from last year, he said. "That's a \$1 million of what we believe is overstated revenue that we don't expect to happen this year," he added.

There is a "dramatic reduction" in the expected cash on hand at the end of the year versus the end of the last year, he said. Last year projected cash was \$1.2 million and this year projected cash is anticipated to be \$448,160.

No comments came from council members or the public regarding the revised budget for the general fund or the public utilities.