

CITY OF HAILEY

**SECOND QUARTER BUDGET ANALYSES and COST CUTS
General Fund Operating Budget**

At the end of the second quarter ending March 31, 2009, the City of Hailey reports that revenues are \$205,000 less this year compared to last year. In addition, estimates are that revenue was budgeted approximately \$110,000 too high. As such, half-way through the fiscal year Hailey must cut \$314,500 in expenses in order to proactively retain a positive cash flow to insure that revenues continue to exceed operational expenses.

Departments have spent \$172,008 less than they had during the first half of last year. A portion of that savings comes from the cutting of 2 positions, which is currently only half realized. As such, the second half of the \$115,000 in position cuts will continue to be unspent, which will result in increased savings of \$57,500. The \$314,500 in expense cuts is partially met at \$229,508, leaving another \$85,000 still to be identified in additional budget cuts.

Hailey's management team identified the following additional expenses as further budget cuts to be made beginning immediately. This, combined with expense cuts already made and quantified above, will effectively reduce general fund operations by a total of 7%.

Description	Line Item	Amount Unspent	Amount To Save
Computer Equipment - Finance	100-15-41533	\$13,000	\$5,000
Computer Equipment - 3 Departments	100-20-41533	\$1,800	\$1,800
	100-35-41533	\$1,600	\$1,600
	100-55-41533	\$2,000	\$2,000
Clothing, Uniforms and Cleaning- 3 Departments	100-25-41703	\$5,000	\$5,000
	100-40-41703	\$3,000	\$3,000
	100-50-41703	\$1,700	\$1,700
Telephone & Communications	100-25-41713	\$4,785	\$4,000
	100-40-41713	\$2,633	\$1,300
	100-55-41713	\$2,066	\$1,300
Fuel - Gas and Oil	100-25-41719	\$18,000	\$6,000
	100-35-41713	\$2,549	\$2,000
	100-40-41719	\$64,580	\$34,000
RMS Shared Cost	100-25-41515	\$1,105	\$1,000
Capital Outlay Auto	100-25-41529	\$6,000	\$6,000
Street Lighting	100-40-41715	\$14,878	\$7,000
Park Building Repair	100-50-41413	\$12,000	\$6,000
Total			\$88,700

