



CITY COUNCIL REPORT

9A

DATE: OCTOBER 15, 2019

TO: MAYOR AND COUNCIL MEMBERS

**FROM: ANDREA MILLER, FINANCE DIRECTOR
MICHELLE FITZER, CITY MANAGER**

**SUBJECT: RECEIVE THE FY 2018-19 FOURTH QUARTER FINANCIAL
REPORT**

RECOMMENDATION

Receive the FY 2018-19 Fourth Quarter Financial Report.

BACKGROUND

For the period July 1, 2018 through June 30, 2019, cash flows were sufficient to sustain normal City operations and to satisfy Enforceable Obligation payment commitments of the City's Successor Agency.

Staff has completed a review of the fourth quarter financial performance for the City's FY 2018-19 Budget. While the fiscal year 2018-19 financials are still being analyzed and adjusted during the course of the year-end audit, the City's financial condition continues to hold steady with a projected General Fund use of fund balance of \$13.9 million. Council approved use of fund balance from prior year surplus for one-time uses are explained below.

REVIEW & ANALYSIS

General Fund Revenue Analysis

The adopted Budget for FY 2018-19 anticipated a use of fund balance for one-time expenditures in the amount of \$14.7 million. The \$14.7 million use of fund balance is the result of Council's direction at the November 13, 2018 meeting:

- Transferred \$16.3 million to the Section 115 Trust;
- Allocated \$4.6 million to fully fund the General Reserve;
- Repaid \$1.6 million balance of the loan from the former Redevelopment Agency;
- Allocated \$1 million to purchase a new fire engine;
- Established a Disaster Relief Fund in the amount of \$100,000.

The economy in Pinole is sustained with overall revenue of 100% realized through the end of the fiscal year. The City uses HdL, Coren & Cone Consultants to provide an analysis of property assessed values and Sales Tax projections. Budget projections are based on a conservative estimate of HdL, Coren & Cone's analysis.

- **Sales Tax**

For FY 2018-19, Sales Tax revenue was the City's largest General Fund revenue stream which has shown steady increases year-over-year. Sales Tax collections for the fourth quarter are 101% of projections which is slightly more than collections for the same period in the prior fiscal year. However, it must be noted that three (3) of the City's top 15 sales tax generators (Toys R Us, Orchard Supply and Kmart) have closed and final receipts in some cases are included in the FY 2018-19 collections. The City is assessing the effects of the loss of revenue, and Ace Hardware has recently opened in the former Orchard Supply Hardware location. Roughly estimating the General Fund impact of these retail losses, it's around \$200,000. There will be similar losses in Measure S 2006 and Measure S 2014, meaning under our current model expenses charged to those funds will need to be shifted to the General Fund to balance those budgets.

- **Property Tax**

For FY 2018-19, Property Tax was the City's second largest General Fund revenue stream with total fourth quarter collections at 101% of projections (basic 1% property tax received at 95% of projections). Property Tax settlements are received in December, April, and June.

Included in Property Tax are Redevelopment Property Tax Trust Funds (RPTTF) and County pass-through payments. These payments are the result of the dissolution of the former Pinole Redevelopment Agency, and represent the shift from the Agency receiving the tax revenue to the taxing entities receiving the tax revenue. These receipts vary year to year and for FY 2018-19 we received revenues at 115% of projections, for a total of \$1.4 million. The City receives 18.7% of RPTTF revenues which are not obligated to pay off former Redevelopment debt. Budget projections are based on a conservative estimate of prior year actual receipts. The FY 2018-19 budgeted amount for RPTTF and pass-through payments were \$1,200,000.

As mentioned above, the City is also receiving pass-through payments as part of the RDA dissolution. At the outset of Redevelopment Agencies the Agency was allowed to enter into pass-through agreements with other taxing entities. Basically this was a promise to pay an amount beyond what the taxing entity would receive once the assessed value and property tax allocation was capped – remember the Agencies began receiving 100% of the property tax increment above the base year value. However, the Agency could not enter into a pass-through agreement with their sponsoring agency – the City. In 1994 the law changed to reflect that the sponsoring agency (the City) could receive a statutory pass-through payment if the

Redevelopment Plan was amended. The City of Pinole did amend our Plan to extend the duration, as was allowed because of the ERAF shift of payments to the schools. Staff and the City Attorney's Office feel it was this Plan amendment that has triggered the pass-through payments we are now seeing in the former RDA tax distribution calculations.

For FY 2019-20 the budget includes \$1.3 million in anticipated RPTTF and pass-through payments.

Both the residual RPTTF and pass-through payments will convert to "normal" property tax payments upon the termination of all of the outstanding debt and formal dissolution of the former Redevelopment Agency. That is currently expected to occur in approximately 2025.

- **All Other General Fund Revenue**

For FY 2018-19 Intergovernmental tax revenue was the City's third largest General Fund revenue stream at 106% (includes Motor Vehicle License Fee at 106% of projections; and Home Owner Property Tax Relief at 85% of projections); Utility Users Tax was the City's fourth largest General Fund revenue stream with 94% realized at the end of the fourth quarter. Franchise Tax is at 99% of projections for the year; Other Taxes which includes Transient Occupancy Tax and Business Licenses are at 100% of projections.

State Grants were realized at 106% of projections for the year (includes Post Reimbursable and AB4114 Abandoned Vehicle receipts, and SB90 Mandated Costs reimbursements). Other Grant receipts which include Measure H are at 96% of projections. Permit revenue, which is comprised of sidewalk, general, and grading permit revenue, is at 75% of projections. Review fees, which is comprised of plan check fees, is at 112% of projections. Other Fees, which includes fire inspections and garbage levy's, were received at 116% of the budget. Abatement fees for Code Enforcement activities were received at 177% of projections. Fines and Forfeitures are at 88% of projections; Public Safety Charges are at 86% of projections (FY 2018-19 Dispatch true-up invoices resulted in a credit to San Pablo of -\$48,573, and to Hercules of -\$15,331); Interest and Investment Income is at 118% of projections as a result of increased use of the Local Agency Investment Fund (LAIF) for idle funds; Rental Income was received at 110% of projections; Reimbursements are at 96% of projections; Other Revenue is at 51% of projections; and, Proceeds from the Sale of Property is at 12% of projections due to surplus equipment sold during the year.

General Fund Expenditure Analysis

The City Council approved the FY 2018-19 General Fund Budget with specific expenditure assumptions limiting expenditures to maintain a balance between anticipated revenues and planned expenditures, while authorizing the use of fund balance for specific one-time expenditures. As stated above, one-time uses were:

- \$16,287,510 to fund the Section 115 Trust;
- \$4,600,806 to fully fund the General Reserve;
- \$1,592,071 to repay the balance of the loan from the former Redevelopment Agency;
- \$1 million to purchase a new fire engine;
- \$100,000 to establish a Disaster Relief Fund.

Operating Budgets for the City's General Fund are at 97% of projections at the end of the fourth quarter. City Council expenditures are at 108% of budget resulting from increased PCTV charges for master control services, and difference in benefit expenses for new Councilmember's. Expenditures for City Manager are at 109% of budget as a result of indirect benefit cost allocations to other funding sources less than budgeted. City Attorney expenditures are at 318% of budget as a result of cost allocations to other funding sources less than budgeted, and net attorney services cost 77% of budget. Police is at 104% of budget as a result of dispatch overtime exceeding budget, and a position funded from Measure S 2006 allocated to General Fund in error. Fire is at 67% of budget as a result of the fire engine allocated but not purchased. Public Works is at 114% of budget as a result of a large vacation leave payout due to a retirement.

Recommendation:

Staff is not recommending FY 2018-19 General Fund revenue or expenditure adjustments as the fiscal year is closed and currently being audited.

In summary, having monies available in the General Fund balance will allow the Council to consider authorizing necessary expenditures without the need to transfer from the Reserve account. As mentioned previously, staff is still analyzing impacts to our sales tax revenues in future budget years related to the recent retail closures and retenanting.

OTHER FUNDS

Measure S 2006 and 2014 Analysis

The voter-approved 2006 City Use Tax is levied at 0.5% on all retail sales. These taxes have been allocated by the City Council to fund Public Safety Programs as their highest funding priority. Measure S 2006 revenue collections were 102% of projections at the end of the fourth quarter, while expenditures are at 83% of appropriations.

The voter-approved 2014 City Use Tax is also levied at 0.5% on all retail sales. These funds are used to address some of the City's operational and capital improvement needs. Measure S 2014 revenue collections are 102% of projections at the end of the fourth quarter, while expenditures are 48% of appropriations. This level of expenditure is primarily due to capital projects continuing into FY 2019-20.

Interest and Investment Income Analysis

The City pools its cash together into one account to maximize interest earnings, and allocates interest earned to the pooled funds on a quarterly basis. Several funds had Interest and Investment earnings in excess of projections as noted in the financial report Attachment A. This is the result of an increased use of LAIF for idle funds.

NPDES Storm Water Fund Analysis

The NPDES Storm Water Fund accounts for assessments collected by the County via property tax bills pursuant to the National Pollution Discharge Elimination System (NPDES) Regulations, a federally mandated program. Assessments are levied at \$35 per Equivalent Runoff Unit (ERU). Revenue estimates are based on the number of ERU's multiplied by the adopted rate. The FY 2018-19 adopted budget projected a net \$2,255 use of fund balance to achieve a balanced budget. Revenue at the end of the fourth quarter is 79% of projections, while expenditures are 96% of appropriations. The Stormwater Utility Assessment FY 2018-19 revenue budget was not updated from the previous fiscal year, and should have reflected \$262,603 based on prior three-year averages. As a result, the NPDES Storm Water Fund is now projecting a \$53,881 use of fund balance.

Recreation Department

Overall, the Recreation Department realized 93% of projected revenue and 93% of expenditure projections at the fiscal year-end. Swim Center revenue was realized at 122% of projections inclusive of the City's contribution of around \$33,000. Swim Center expenditures are at 114% of budget. Youth Center program revenue is at 47%, while Youth Center and Day Camp expenditures are at 74% and 9% respectively due to low enrollment.

Building & Planning Fund Analysis

The Building Fund's FY 2018-19 adopted budget projected a net \$403,103 use of fund balance to achieve a balanced budget. Revenue at the end of the fourth quarter is 90% of projections, while expenditures are 68% of appropriations. As a result, the Building and Planning Fund is now projecting a \$274,755 use of fund balance. Staff continues to work on hiring full-time regular employees for vacancies in this operational area, which should reduce ongoing expenditures. However, many of the expenses in this Division are reimbursed through permit and other fees.

Refuse Management Fund Analysis

The Refuse Management Fund accounts for resources received via Richmond Sanitary Service for a fee imposed under AB 939 of \$0.83 per can per month on all residential customers in Pinole. These revenues are restricted to programs and

activities that encourage and promote recycling of solid waste products and generate source reduction for sanitary landfills used for refuse disposal and trash reduction. Revenue collections at year-end are 109% of projections, and expenditures are 99% of projections.

Housing Administration Analysis

Activities associated with administering housing programs of the former Pinole Redevelopment Agency, use of Housing Set Aside funds, and the provision of affordable housing within the community are maintained within the Housing Fund.

Revenue at the end of the fourth quarter is at 481% of projections. This is the result of additional proceeds from the sale of the Pinole Assisted Living Community property (the land was a Housing asset, but not the improvements). Expenditures are 100% of appropriations at fiscal year-end.

Sewer Enterprise Fund Analysis

The Sewer Enterprise Fund accounts for fees charged to residents and businesses for sewer utilities. Fees are used to operate the Pinole-Hercules Wastewater Treatment Plant which services the Pinole and Hercules areas. Revenue received is 104% of projections while expenses are 56% of projections. This is the result of capital projects planned but not completed which have been carried forward to FY 2019-20.

Recommendation:

Staff is not recommending FY 2018-19 budget adjustments in any funds as the fiscal year is closed and currently being audited.

FISCAL IMPACT

The following funds are projecting a 2018-19 fiscal year-end use of fund balance:

Fund	Amount
General Fund – 100	-\$13,878,979
Measure S 2006 - 105	-\$1,704
NPDES Storm Water - 207	-\$53,881
Recreation - 209	-\$593
Building & Planning – 212	-\$274,755
Refuse Management - 213	-\$337,535
Housing – 285	-\$4,668,268

These uses of fund balance were anticipated when the FY 2018-19 budget was adopted.

ATTACHMENTS

Attachment A – FY 2018-19 Fourth Quarter Financial Report
Attachment B – PowerPoint Presentation



City of Pinole Fourth Quarter Budget Report

For FY 2018-19 Period Ending: 06/30/2019

	FY 2018-19 Revised Budget	Fiscal Activity	Variance	Percent Used	Notes
Fund: 100 - General Fund					
Revenue					
311 - Property Taxes Total:	3,787,392	3,837,167	49,775	101%	
<i>Basic 1% Property Tax</i>	<i>2,587,392</i>	<i>2,461,284</i>	<i>(126,108)</i>	<i>95%</i>	
<i>RPTTF and Passthrough Payments</i>	<i>1,200,000</i>	<i>1,375,883</i>	<i>175,883</i>	<i>115%</i>	
312 - Sales and Use Taxes Total:	3,950,900	3,994,720	43,820	101%	
313 - Utility Users Tax Total:	1,930,000	1,812,844	(117,156)	94%	
314 - Franchise Taxes Total:	744,128	735,311	(8,817)	99%	
315 - Other Taxes Total:	884,200	884,730	530	100%	
321 - Intergovernmental Taxes Total:	1,736,706	1,836,501	99,795	106%	
323 - State Grants Total:	104,000	109,993	5,993	106%	
324 - Other Grants Total:	59,437	57,026	(2,411)	96%	
332 - Permits Total:	76,700	57,354	(19,346)	75%	
341 - Review Fees Total:	39,800	44,484	4,684	112%	[1]
342 - Other Fees Total:	60,500	69,934	9,434	116%	[2]
343 - Abatement Fees Total:	9,000	15,893	6,893	177%	[3]
351 - Fines and Forfeiture Total:	59,050	51,741	(7,309)	88%	
361 - Public Safety Charges Total:	1,123,939	967,318	(156,621)	86%	
370 - Interest and Investment Income Total:	178,000	209,773	31,773	118%	[4]
381 - Rental Income Total:	81,450	89,500	8,050	110%	[5]
383 - Reimbursements Total:	97,115	92,767	(4,348)	96%	
384 - Other Revenue Total:	14,000	7,077	(6,923)	51%	[6]
392 - Proceeds from Sale of Property Total:	11,000	1,290	(9,710)	12%	[7]
Revenue Total:	14,947,317	14,875,424	(71,893)	100%	
399 - Transfers In Total:	6,290,688	6,290,688	0	100%	
Sources Total:	21,238,005	21,166,113	(71,892)	100%	
Expenditures					
Department: 10 - City Council Total:	130,636	141,626	(10,990)	108%	[8]
Department: 11 - City Manager Total:	149,871	163,510	(13,639)	109%	[9]
Department: 12 - City Clerk Total:	259,583	235,966	23,617	91%	
Department: 13 - City Treasurer Total:	11,434	10,866	568	95%	
Department: 14 - City Attorney Total:	96,820	308,240	(211,420)	318%	[10]
Department: 15 - Finance Department Total:	494,175	482,018	12,157	98%	
Department: 16 - Human Resources Total:	421,020	392,207	28,813	93%	
Department: 17 - Non-Departmental Total:	23,422,291	23,293,788	128,503	99%	[11]
Total Administrative	24,985,830	25,028,221	(42,391)	100%	
Department: 22 - Police Department Total:	5,996,214	6,246,852	(250,638)	104%	[12]
Department: 23 - Fire Department Total:	4,042,161	2,703,878	1,338,283	67%	
Total Public Safety	10,038,375	8,950,730	1,087,645	89%	
Department: 34 - Public Works Total:	862,210	986,145	(123,935)	114%	[13]
Department: 46 - Community Development Total:	82,587	79,996	2,591	97%	
Total Development Services	944,797	1,066,140	(121,343)	113%	
Expenditure Total:	35,969,002	35,045,092	923,910	97%	
Fund: 100 - General Fund Surplus (Deficit):	(14,730,997)	(13,878,979)	852,018	94%	[14]
Fund Balance July 1, 2018		18,170,694			
Estimated Fund Balance June 30, 2019		4,291,715			

NOTES:

- [1] Fire plan review fees generated in excess of budget.
- [2] Fire inspection and garbage levy revenue generated in excess of budget.
- [3] Fire abatement fees generated in excess of budget.
- [4] Interest income received in excess of budget due to increased use of LAIF for idle funds.
- [5] Parking lot ground lease received.
- [6] Miscellaneous other revenue less than anticipated.
- [7] Actual proceeds from sale of property less than estimated. Varies year-to-year.
- [8] Benefit expenses of new Councilmember's is higher than previous Councilmember's; PCTV allocations higher than budget.
- [9] Indirect cost allocations to other funds was less than amount budget. This shows as a negative.
- [10] Legal expense allocations to other departments not proportionate to actual. Actual expenses are 77% of budget for the period.

	FY 2018-19 Revised Budget	Fiscal Activity	Variance	Percent Used	Notes
[11] \$16,287,510 transferred to Section 115 Trust, and \$4,600,806 to fully fund General Reserve.					
[12] Dispatch overtime exceeded budget; Position funded from Measure S 2006 allocated to General Fund in error.					
[13] Large vacation leave payout due to a retirement; Allocations to other funding sources less than budgeted due to vacancies.					
[14] One-time expenditures approved by Council from fund balance was anticipated.					
Fund: 105 - Measure S -2006					
Revenue					
312 - Sales and Use Taxes Total:	2,100,000	2,146,708	46,708	102%	
370 - Interest and Investment Income Total:	22,500	24,151	1,651	107%	
Revenue Total:	2,122,500	2,170,860	48,360	102%	
Expenditures					
Department: 15 - Finance Department Total:	1,628	616	1,012	38%	[1]
Department: 22 - Police Department Total:	1,772,080	1,428,129	343,951	81%	[2]
Department: 23 - Fire Department Total:	846,606	743,819	102,788	88%	[3]
Expenditure Total:	2,620,314	2,172,563	447,751	83%	
Fund: 105 - Measure S -2006 Surplus (Deficit):	(497,814)	(1,704)	496,111	0%	
Fund Balance July 1, 2018		2,541,438			
Estimated Fund Balance June 30, 2019		2,539,735			
Fund: 106 - MEASURE S-2014					
Revenue					
312 - Sales and Use Taxes Total:	2,100,000	2,139,620	39,620	102%	
370 - Interest and Investment Income Total:	32,800	35,583	2,783	108%	
383 - Reimbursements Total:	600	600	-	100%	
Revenue Total:	2,133,400	2,175,803	42,403	102%	
Expenditures					
Department: 10 - City Council Total:	70,000	12,800	57,200	18%	[4]
Department: 14 - City Attorney Total:	35,000	25,282	9,718	72%	
Department: 15 - Finance Department Total:	3,237	1,450	1,787	45%	[1]
Department: 17 - Non-Departmental Total:	852,000	544,918	307,082	64%	[5]
Department: 18 - Information Systems Total:	125,000	54,964	70,036	44%	[6]
Total Administrative	1,085,237	639,414	445,823	59%	
Department: 22 - Police Department Total:	106,306	15,695	90,611	15%	[7]
Department: 23 - Fire Department Total:	324,163	298,801	25,362	92%	
Total Public Safety	430,469	314,497	115,972	73%	
Department: 34 - Public Works Total:	1,158,643	324,207	834,437	28%	[8]
Expenditure Total:	2,674,349	1,278,117	1,396,232	48%	
Fund: 106 - MEASURE S-2014 Surplus (Deficit):	(540,949)	897,686	1,438,635	-166%	
Fund Balance July 1, 2018		3,001,854			
Estimated Fund Balance June 30, 2019		3,899,540			
Fund: 200 - Gas Tax Fund					
Revenue					
321 - Intergovernmental Taxes Total:	804,375	754,674	(49,701)	94%	
370 - Interest and Investment Income Total:	5,200	5,879	679	113%	
Revenue Total:	809,575	760,554	(49,021)	94%	
Expenditures					
Department: 34 - Public Works Total:	918,328	505,389	412,939	55%	[9]
Expenditure Total:	918,328	505,389	412,939	55%	
Fund: 200 - Gas Tax Fund Surplus (Deficit):	(108,753)	255,165	363,918	-235%	
Fund Balance July 1, 2018		441,358			
Estimated Fund Balance June 30, 2019		696,522			

NOTES:

- [1] Audit expenses were not split among General Fund and Measure S funds.
- [2] Position funded from Measure S was allocated to General Fund.
- [3] Projects funded were not completed. Carried forward to FY2019-20.
- [4] Team Building and Strategic Planning was not completed. Carried forward to FY2019-20.
- [5] General Reserve transfer was fully funded from prior year-end surplus. No equipment replacement purchases.
- [6] Software purchases not completed were carried forward to FY2019-20.
- [7] Vacant part-time position, and Emergency operations plan not completed.
- [8] Capital projects funded were not completed. Carried forward to FY2019-20.
- [9] Traffic and signal maintenance was less than budgeted; street projects not completed were carried forward to FY2019-20.

	FY 2018-19 Revised Budget	Fiscal Activity	Variance	Percent Used	Notes
Fund: 201 - Restricted Real Estate Maintenance Fund					
Revenue					
342 - Other Fees Total:	3,175	1,825	(1,350)	57%	[1]
381 - Rental Income Total:	34,000	70,833	36,833	208%	[2]
Revenue Total:	37,175	72,658	35,483	195%	
Expenditures					
Department: 34 - Public Works Total:	37,175	19,397	17,762	52%	[3]
Expenditure Total:	37,175	19,413	17,762	52%	
Fund: 201 - Restricted Real Estate Maintenance Fund Surplus (Deficit):	-	53,245	53,245	-100%	
Fund Balance July 1, 2018		133,586			
Estimated Fund Balance June 30, 2019		186,832			
Fund: 203 - Public Safety Augmentation Fund					
Revenue					
321 - Intergovernmental Taxes Total:	174,069	202,489	28,420	116%	[4]
370 - Interest and Investment Income Total:	2,900	3,201	301	110%	
Revenue Total:	176,969	205,691	28,722	116%	
Expenditures					
Department: 22 - Police Department Total:	151,406	131,658	19,748	87%	[5]
Expenditure Total:	151,406	131,658	19,748	87%	
Fund: 203 - Public Safety Augmentation Fund Surplus (Deficit):	25,563	74,032	48,469	290%	
Fund Balance July 1, 2018		279,125			
Estimated Fund Balance June 30, 2019		353,158			
Fund: 204 - Police Grants					
Revenue					
Department: 22 - Police Department					
324 - Other Grants Total:	320,000	328,000	8,000	103%	
384 - Other Revenue Total:	120	120	-	100%	
Revenue Total:	320,120	328,120	8,000	102%	
Expenditures					
Department: 22 - Police Department Total:	274,003	255,638	18,365	93%	
Expenditure Total:	274,003	255,638	18,365	93%	
Fund: 204 - Police Grants Surplus (Deficit):	46,117	72,482	26,365	157%	
Fund Balance July 1, 2018		47,342			
Estimated Fund Balance June 30, 2019		119,824			
Fund: 205 - Traffic Safety Fund					
Revenue					
351 - Fines and Forfeiture Total:	35,000	35,181	181	101%	
370 - Interest and Investment Income Total:	1,500	1,541	41	103%	
Revenue Total:	36,500	36,722	222	101%	
Expenditures					
Department: 22 - Police Department Total:	18,458	7,674	10,784	42%	[6]
Expenditure Total:	18,458	7,674	10,784	42%	
Fund: 205 - Traffic Safety Fund Surplus (Deficit):	18,042	29,048	11,006	161%	
Fund Balance July 1, 2018		134,192			
Estimated Fund Balance June 30, 2019		163,240			

NOTES:

- [1] Fees for second half of fiscal year billed were not received.
- [2] Parking lot lease fees received in excess of budget.
- [3] Maintenance materials and property appraisals less than budgeted.
- [4] State safety sales tax receipts higher than projected.
- [5] Allocations for Police Officer less than budgeted.
- [6] Traffic camera and citation printing expenses were less than budgeted.

	FY 2018-19 Revised Budget	Fiscal Activity	Variance	Percent Used	Notes
Fund: 206 - Supplemental Law Enforcement Svc Fund					
Revenue					
323 - State Grants Total:	148,747	148,747	-	100%	
370 - Interest and Investment Income Total:	1,600	1,769	169	111%	
Revenue Total:	150,347	150,515	169	100%	
Expenditures					
Department: 22 - Police Department Total:	100,000	101,008	(1,008)	101%	
Expenditure Total:	100,000	101,008	(1,008)	101%	
nd: 206 - Supplemental Law Enforcement Svc Fund Surplus (Deficit):	50,347	49,507	(840)	98%	
Fund Balance July 1, 2018		119,097			
Estimated Fund Balance June 30, 2019		168,604			
Fund: 207 - NPDES Storm Water Fund					
Revenue					
321 - Intergovernmental Taxes Total:	315,768	251,004	(64,764)	79%	[1]
370 - Interest and Investment Income Total:	150	29	(121)	19%	[2]
Revenue Total:	315,918	251,032	(64,886)	79%	
Expenditures					
Department: 34 - Public Works Total:	318,173	304,913	13,260	96%	
Expenditure Total:	318,173	304,913	13,260	96%	
Fund: 207 - NPDES Storm Water Fund Surplus (Deficit):	(2,255)	(53,881)	(51,626)	2389%	
Fund Balance July 1, 2018		100,502			
Estimated Fund Balance June 30, 2019		46,622			
Fund: 209 - Recreation Fund					
Revenue					
Division: 551 - Recreation Administration	391,902	280,164	(111,738)	71%	
Division: 552 - Senior Center	321,500	384,153	62,653	119%	
Division: 553 - Tiny Tots	195,589	200,673	5,084	103%	
Division: 554 - Youth Center	76,375	36,277	(40,098)	47%	[3]
Division: 555 - Day Camp	32,000	25,551	(6,449)	80%	
Division: 556 - Performing Arts	48,280	46,734	(1,546)	97%	
Division: 557 - Swim Center	83,920	102,208	18,288	122%	
Division: 558 - Memorial Hall	5,600	1,250	(4,350)	22%	
Division: 559 - Tennis	500	370	(130)	74%	
Revenue Total:	1,155,666	1,077,380	(78,286)	93%	
Expenditures					
Division: 551 - Recreation Administration	192,844	179,931	12,913	93%	
Division: 552 - Senior Center	470,458	467,615	2,843	99%	
Division: 553 - Tiny Tots	119,030	131,602	(12,572)	111%	
Division: 554 - Youth Center	202,913	149,165	(53,748)	74%	
Division: 555 - Day Camp	37,572	3,195	(34,377)	9%	[4]
Division: 556 - Performing Arts	43,950	46,868	(2,918)	107%	
Division: 557 - Swim Center	80,811	92,194	(11,383)	114%	
Division: 558 - Memorial Hall	4,838	5,092	(254)	105%	
Division: 559 - Tennis	3,250	2,310	940	71%	
Department: 55 - Recreation Total:	1,155,666	1,077,973	77,693	93%	
Fund: 209 - Recreation Fund Surplus (Deficit):	0	(593)	(593)	-45938%	
Fund Balance July 1, 2018		64,128			
Estimated Fund Balance June 30, 2019		63,535			

NOTES:

- [1] Stormwater Utility Assessment revenue was less than projected.
[2] Interest revenue less than projected due to low proportionate share of pooled cash balance.
[3] Program revenue was low due to low enrollment.
[4] Program expenditures were low due to low enrollment.

	FY 2018-19 Revised Budget	Fiscal Activity	Variance	Percent Used	Notes
Fund: 212 - Building & Planning					
Revenue					
315 - Other Taxes Total:	1,800	21	(1,779)	1%	
332 - Permits Total:	530,750	386,019	(144,731)	73%	[1]
341 - Review Fees Total:	182,500	226,729	44,229	124%	
342 - Other Fees Total:	63,400	85,479	22,079	135%	
344 - Impact Fees Total:	-	3,524	3,524	-100%	
370 - Interest and Investment Income Total:	8,700	8,569	(131)	98%	
384 - Other Revenue Total:	8,500	3,998	(4,502)	47%	
Revenue Total:	795,650	714,339	(81,311)	90%	
Expenditures					
Department: 46 - Community Development Total:	1,198,753	989,094	209,659	83%	
Expenditure Total:	1,198,753	989,094	209,659	83%	
Fund: 212 - Building & Planning Surplus (Deficit):	(403,103)	(274,755)	128,348	68%	[2]
Fund Balance July 1, 2018		761,594			
Estimated Fund Balance June 30, 2019		486,839			
Fund: 213 - Refuse Management Fund					
Revenue					
323 - State Grants Total:	60,060	66,161	6,101	110%	
370 - Interest and Investment Income Total:	7,000	6,383	(617)	91%	
392 - Proceeds from Sale of Property Total:	-	700	700	-100%	
Revenue Total:	67,060	73,244	6,184	109%	
Expenditures					
Department: 34 - Public Works Total:	413,507	410,778	2,729	99%	
Expenditure Total:	413,507	410,778	2,729	99%	
Fund: 213 - Refuse Management Fund Surplus (Deficit):	(346,447)	(337,535)	8,913	97%	[3]
Fund Balance July 1, 2018		684,738			
Estimated Fund Balance June 30, 2019		347,204			
Fund: 215 - Measure C and J Fund					
Revenue					
324 - Other Grants Total:	303,590	379,583	75,993	125%	[4]
370 - Interest and Investment Income Total:	9,300	9,353	53	101%	
Revenue Total:	312,890	388,936	76,046	124%	
Expenditures					
Department: 17 - Non-Departmental Total:	47,049	47,049	-	100%	
Department: 34 - Public Works Total:	601,734	102,822	498,912	17%	[5]
Expenditure Total:	648,783	149,871	498,912	23%	
Fund: 215 - Measure C and J Fund Surplus (Deficit):	(335,893)	239,065	574,958	-71%	
Fund: 285 - Housing Land Held for Resale					
Revenue					
370 - Interest and Investment Income Total:	136,800	128,942	(7,858)	94%	
381 - Rental Income Total:	72,253	-	(72,253)	0%	[6]
384 - Other Revenue Total:	5,795	5,795	-	100%	
392 - Proceeds from Sale of Property Total:	1,150	1,150	-	100%	
393 - Loan/Bond Proceeds Total:	156,600	1,656,645	1,500,045	1058%	[7]
Revenue Total:	372,598	1,792,531	1,419,933	481%	
Expenditures					
Department: 46 - Community Development Total:	6,492,824	6,460,799	32,025	100%	
Expenditure Total:	6,492,824	6,460,799	32,025	100%	
Fund: 285 - Housing Land Held for Resale Surplus (Deficit):	(6,120,226)	(4,668,268)	1,451,958	76%	
Fund Balance July 1, 2018		8,436,363			
Estimated Fund Balance June 30, 2019		3,768,096			

NOTES:

- [1] Building permit revenue was less than projected.
- [2] Deposits for project expenses are submitted in advance with expenditures planned from deposits held in fund balance.
- [3] Capital projects were planned from fund balance.
- [4] Measure J funds received in excess of budget projections.
- [5] Capital projects planned were not completed. Carried forward to FY2019-20.
- [6] Ground lease revenue from PALC budgeted in error. Cancelled with the sale of property.
- [7] Additional \$1.5 million received from PALC sale proceeds.

	FY 2018-19 Revised Budget	Fiscal Activity	Variance	Percent Used	Notes
Fund: 500 - Sewer Enterprise Fund					
Revenue					
344 - Impact Fees Total:	11,050	-	(11,050)	0%	[1]
363 - Sewer Enterprise Charges Total:	6,946,332	7,210,207	263,875	104%	
370 - Interest and Investment Income Total:	113,250	109,003	(4,247)	96%	
383 - Reimbursements Total:	1,250	1,479	229	118%	
384 - Other Revenue Total:	150	148	(2)	99%	
Revenue Total:	7,072,032	7,320,836	248,804	104%	
Expense					
Department: 64 - Sewer Total:	7,743,008	4,356,699	3,386,309	56%	[2]
Expense Total:	7,743,008	4,356,699	3,386,309	56%	
Depreciation Expense	-	538,570	(538,570)	0%	[3]
Fund: 500 - Sewer Enterprise Fund Surplus (Deficit):	(670,976)	2,425,568	3,096,543	-361%	
Fund Balance July 1, 2018		12,936,484			
Estimated Fund Balance June 30, 2019		15,362,051			
Fund: 505 - Cable Access TV					
Revenue					
SubCategory: 314 - Franchise Taxes Total:	40,000	32,702	(7,298)	82%	
SubCategory: 365 - Cable TV Charges Total:	205,810	188,351	(17,459)	92%	
SubCategory: 384 - Other Revenue Total:	3,900	4,020	120	103%	
SubCategory: 399 - Transfers In Total:	178,736	132,303	(46,433)	74%	
Revenue Total:	428,446	357,375	(71,071)	83%	
Expense					
Department: 19 - Cable Access TV Total:	424,546	357,375	67,171	84%	
Expense Total:	424,546	357,375	67,171	84%	
Fund: 505 - Cable Access TV Surplus (Deficit):	3,900	-	(3,900)	0%	
Fund Balance July 1, 2018		(31,535)			
Estimated Fund Balance June 30, 2019		(31,535)			
Fund: 750 - Recognized Obligation Retirement Fund					
Revenue					
311 - Property Taxes Total:	250,000	250,000	-	100%	
370 - Interest and Investment Income Total:	20,000	26,800	6,800	134%	
384 - Other Revenue Total:	1,232	1,232	-	100%	
393 - Loan/Bond Proceeds Total:	16,091	16,096	5	100%	
Revenue Total:	287,323	294,128	6,805	102%	
Expense					
Department: 46 - Community Development Total:	250,000	237,071	12,929	95%	
Expense Total:	250,000	237,071	12,929	95%	
Fund: 750 - Recognized Obligation Retirement Fund Surplus (Deficit):	37,323	57,057	19,734	153%	

NOTES:

[1] Impact Fee revenue is allocated to the Growth Impact Fee Fund - 276

[2] Asset replacement, \$290,000, and collection improvements, \$395,000, not expended.

[3] Depreciation expense is excluded from fund balance calculation.

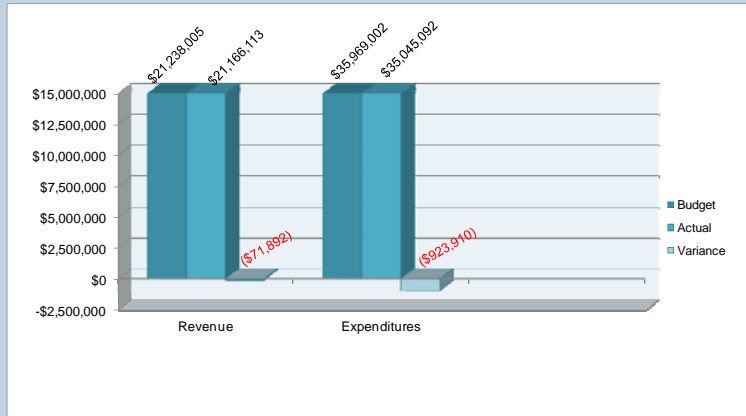


FY 2018-19 FOURTH QUARTER FINANCIAL REPORT

Highlights:

- FY 2018-19 budget anticipated General Fund use of fund balance of \$14,730,997
- General Fund 4th quarter revenues realized at 100% of projections
- General Fund 4th quarter expenditures realized at 97% of projections

General Fund Overview



General Fund Revenue Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Property Tax	3,787,392	3,837,167	49,775
Sales Tax	3,950,900	3,994,720	43,820
Utility Users Tax	1,930,000	1,812,844	-117,156
Other Taxes	3,365,034	3,456,542	91,508
Other Revenue	8,204,679	8,064,839	-139,840
Total Revenue	21,238,005	21,166,113	-71,892

General Fund Expenditures by Function Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Administration	24,985,830	25,028,221	42,391
Public Safety	10,038,375	8,950,730	-1,087,645
Public Works	862,810	986,145	123,935
Comm. Dev.	82,587	79,996	-2,591
Total Expenditures	35,969,002	35,045,092	-923,910

Measure S 2006 Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Sales Tax	2,100,000	2,146,708	46,708
Other Revenue	22,500	24,151	1,651
Total Revenue	2,122,500	2,170,860	48,360
Finance Dept	1,628	616	-1,012
Police Dept	1,772,080	1,428,129	-343,951
Fire Dept	846,606	743,819	-102,788
Total Expenditures	2,620,314	2,172,563	-447,751

Measure S 2014 Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Sales Tax	2,100,000	2,139,620	39,620
Other Revenue	33,400	36,183	2,783
Total Revenue	2,133,400	2,175,803	42,403
Administration	1,085,237	639,414	-445,823
Public Safety	430,469	314,497	-115,972
Public Works	1,158,643	324,207	-834,437
Total Expenditures	2,674,349	1,278,117	-1,396,232

NPDES Storm Water Fund Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Revenue:			
Intergovernmental Taxes	315,768	251,004	-64,764
Other Revenue	150	29	-121
Total	315,918	251,032	-64,886
Expenditures:			
Public Works	318,173	304,913	-13,260
Total	318,173	304,913	-13,260

Recreation Fund Budget-to-Actual

	Revenue Actual	Expenditure Actual	Net Difference
Administration	280,164	179,931	100,233
Senior Center	384,153	467,615	-83,462
Tiny Tots	200,673	131,602	69,071
Youth Center	36,277	149,165	-112,888
Day Camp	25,551	3,195	22,356
Performing Arts	46,734	46,868	-134
Swim Center	102,208	92,194	10,014
Memorial Hall	1,250	5,092	-3,842
Tennis	370	2,310	-1,940
Total	1,077,380	1,077,973	-593

Building & Planning Fund Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Revenue:			
Permits	530,750	386,019	-144,731
Review Fees	182,500	226,729	44,229
Other Revenue	82,400	101,591	19,191
Total	795,650	714,339	-81,311
Expenditures:			
Community Dev.	1,198,753	989,094	-209,659
Total	1,198,753	989,094	-209,659

Refuse Management Fund Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Revenue:			
State Grants	60,060	66,161	6,101
Other Revenue	7,000	7,083	83
Total	67,060	73,244	6,184
Expenditures:			
Public Works	413,507	410,778	-2,729
Total	413,507	410,778	-2,729

Housing Fund Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Revenue:			
Rental Income	72,253	0	-72,253
Loan/Bond Proceeds	156,600	1,656,645	1,500,045
Other Revenue	143,745	135,886	-7,859
Total	372,598	1,792,531	1,419,933
Expenditures:			
Community Dev.	6,492,824	6,460,799	-32,025
Total	6,492,824	6,460,799	-32,025

Sewer Enterprise Fund Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Revenue:			
Sewer Charges	6,946,332	7,210,207	263,875
Other Revenue	125,700	110,629	-15,071
Total Revenue	7,072,032	7,320,836	248,804
Expenditures:			
Sewer Dept.	7,743,008	4,356,699	-3,386,309
Total Expenses	7,743,008	4,356,699	-3,386,309

Cable Access TV Fund Budget-to-Actual

	Adopted Budget	4 th Qtr Actual	Variance
Revenue:			
Franchise Fees	40,000	32,702	-7,298
Cable TV Charges	205,810	188,351	-17,459
Other Revenue	182,636	136,323	-46,313
Total Revenue	428,446	359,375	-71,071
Expenditures:			
Cable Access TV	424,546	357,375	-67,171
Total Expenses	424,546	357,375	-67,171

