

# BUDGET REVIEW COMMITTEE REGULAR AGENDA

**MONDAY, FEBRUARY 26, 2018, 6:00 P.M.**

**Budget Review Committee Meeting**

**San Marcos Room**

**1 Civic Center Drive**

**San Marcos, CA 92069**

**Americans with Disabilities Act:** If you need special assistance to participate in this meeting, please contact the Finance Department at (760) 744-1050, ext. 3126. Notification 48 hours in advance will enable the City to make reasonable arrangements to ensure accessibility to this meeting. Assisted listening devices are available for the hearing impaired. Please see the City Clerk if you wish to use this device.

**Agendas:** Agenda packets are available for public inspection 72 hours prior to scheduled meetings at the Finance Department located on the second floor of City Hall, 1 Civic Center Drive, San Marcos, during normal business hours or online at [www.san-marcos.net](http://www.san-marcos.net).

Agenda-related writings or documents provided to a majority of the Committee after distribution of the agenda packet will be available for public inspection at the time of distribution in the Finance Department located on the second floor of City Hall, 1 Civic Center Drive, San Marcos, CA, during normal business hours.

ITEM	DESCRIPTION	STAFF RECOMMENDATION
1.	ORAL COMMUNICATIONS: According to City policy, fifteen minutes has been established during this portion of the Agenda to allow citizens to speak on any matter NOT listed. Speakers are limited to five minutes. The Budget Review Committee is prohibited by state law to take action on items NOT listed on the Agenda.	
2.	Election of Chair and Vice Chair	Discuss and Elect
3.	Minutes Approval – July 24, 2017	Approve
4.	FY 2016-17 Audit Financial Results	Review and Discuss
5.	FY 2017-18 Midyear Budget Adjustments	Review and Discuss
6.	Second Quarter FY 2017-18 Financial Status Report	Review and Discuss
7.	Kick-off and Meeting Schedule for FY 2018-19 Budget Cycle	Review and Discuss
8.	Miscellaneous Items for the Good of the Order	
9.	Budget Review Committee Members' Comments	
10.	Adjournment	

AFFIDAVIT OF POSTING

STATE OF CALIFORNIA    )  
COUNTY OF SAN DIEGO    ) ss.  
CITY OF SAN MARCOS    )

I, Alan Stutler, Budget and Revenue Officer in the Finance Department of the City of San Marcos, hereby certify that I caused the posting of this agenda in the glass display case at the north entrance of City Hall.

DATED: February 22, 2018



Alan Stutler, Budget and Revenue Officer



# MINUTES

## Regular Meeting of the Budget Review Committee

**MONDAY, JULY 24, 2017**

San Marcos Room

1 Civic Center Drive, San Marcos, CA 92069

**CALL TO ORDER:** Charles Zahl called the Budget Review Committee Meeting to order at 6:00 p.m.

**ROLL CALL:**

PRESENT: COMMITTEE MEMBERS: CARROLL, MARTINEZ, ROOP, WINN, ZAHL

ABSENT: COMMITTEE MEMBERS: KNOWLTON, KRAMER

**ALSO PRESENT:** Finance Director ROCHA, Budget and Revenue Officer STUTLER, Accounting Manager TANG, and Recording Secretary COVERT.

**ORAL COMMUNICATIONS**

- 1) There were no oral communications to report.

**CONSENT CALENDAR**

- 1) **APPROVAL OF MINUTES.** Budget Review Committee Meeting 6/05/17 – Approved as presented.

**NEW BUSINESS**

- 1) **INTRODUCTION OF NEW BRC MEMBER –** CHARLOTTE RICE, Alternate BRC Member for the 18/19 Budget Year was introduced to the Committee. Committee Members introduced themselves and each gave a brief background.

**REPORTS**

- 1) **TIMEFRAME FOR 18/19 BUDGET CYCLE –** Finance Director ROCHA reviewed the City's Budget Cycle. The 18/19 budget season's official staff "Kick-Off" will take place in late December/early January. The BRC does not meet as a group again until sometime in February. Typically there is no budget activity

other than the quarterly budget to actual reporting. That information is on the website. ROCHA told the Committee that Staff has an open door policy and they should feel free to contact staff with any questions they might have. The Mid-Year Budget will go to Council in March, and there will be a Pension/Property Council Workshop in October.

- 2) **DISTRIBUTION OF 17/18 ADOPTED CITY BUDGET** – Finance Director ROCHA thanked the Committee for a very good budget year. The City has healthy reserves, and this budget process was one of our best yet. Staff distributed hard copies of the 17/18 City Budget. A brief discussion followed.

#### **MISCELLANEOUS ITEMS FOR THE GOOD OF THE ORDER**

The City's "Budget in Brief" will be posted on the City's website by the end of the week. Staff will send Committee Members an electronic copy. The Budget Review Committee does not meet again until February, 2018.

#### **COMMITTEE COMMENTARY**

No member comments to report.

**ADJOURNMENT:** Chairperson ZAHL adjourned the meeting at 6:34 p.m.

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CHARLES ZAHL  
CHAIRPERSON

ATTEST:

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ALAN STUTLER, BUDGET AND REVENUE OFFICER  
CITY OF SAN MARCOS



**SAN MARCOS**  
DISCOVER LIFE'S POSSIBILITIES

## **Fiscal Year 2017-18 Mid-Year Budget Amendments**

**EXHIBIT A**

**GENERAL FUND**

	<b>GL Account</b>	<b>FY 2017-18</b>
<b>General Fund Surplus - as projected</b>		<b>\$32,749</b>
<b><u>Unanticipated Expenditures:</u></b>		
City Clerk - Increased postage costs due to greater volume of regular mail and particularly due to public noticing requirements for large projects.	101414-531002	(\$5,000)
City Clerk - Increased printing costs due to public noticing requirements.	101414-531000	(\$3,000)
 RPS - Appraisals of city owned buildings for possible future property sales.	102020-521001	(\$10,000)
PW - Storm water mandates litigation supplemental services by the City Attorney's office for storm water permit and unfunded mandates	103003-521001	(\$7,000)
PW - Homeless encampment clean up.	103032-521012	(\$20,000)
PW - Repairs to underground storage needed to pass triennial 989 testing.	103033-521012	(\$5,000)
PW - New Lely fertilizer spreader to replace worn out, 27 year old spreader	103035-531010	(\$6,079)
PW - Significant need for additional janitorial cleanings in key public restrooms monthly due to hepatitis A issues.	103036-531004	(\$30,000)
PW - Additional expenses for janitorial supplies due to extra cleaning related to hepatitis A prevention and general cost increases.	103036-531018	(\$60,000)
DS - Increase in consultant costs for plan check services due to increased development activity.	104042-521013	(\$75,000)
<b><u>Total Additional Expenditures</u></b>		<b>(\$221,079)</b>
<b><u>Unbudgeted Revenues:</u></b>		
DS - Increase in plan check fees due to increase in development activity.	104042-443203	\$75,000
<b><u>Total Unbudgeted Revenues</u></b>		<b>\$75,000</b>
<b>Net General Fund Impact*</b>		<b>(\$113,330)</b>
<hr/>		
Original FY 2017-18 Budgeted Expenditures		\$73,461,391
Carryover from Prior Fiscal Year (Includes Encumbered Contracts)		\$821,667
Plus: FY 2017-18 General Fund Mid Year Adjustments		\$221,079
<b>Revised FY 2017-18 Budgeted Expenditures</b>		<b>\$74,504,137</b>

\*Increased revenue in other areas is expected to offset this shortfall.

**EXHIBIT A**

**Public Facilities Fees Fund 402**

	<b><u>GL Account</u></b>	<b><u>FY 2017-18</u></b>
<b><u>Unanticipated Expenditures:</u></b>		
IT - Geographic Information Systems upgrade*	402-521012	(\$25,000)
<b>Total Budget Expenditure Amendments to Public Facilities Fees Fund 402</b>		<b>(\$25,000)</b>

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\*A Public Facilities Fee (PFF) is paid by new development for the City's Geographic Information System (GIS).

**EXHIBIT A**

**Vehicle & Equipment Acquisition/Replacement Fund 602**

	<b>GL Account</b>	<b>FY 2017-18</b>
<b>Unanticipated Expenditures</b>		
PW - Lease of permanent replacement vehicles for Streets Lead Worker and Fire Marshal currently using vehicles that are past their useful lives	602-623033-521024	(\$5,070)
PW - Purchase of a replacement turf sweeper, cost prohibitive to repair current unit	602-623033-561000	(\$25,000)
<b>Net Impact to the Vehicle &amp; Equipment Acquisition Replacement Fund 602</b>		<b>(\$30,070)</b>



**EXHIBIT A**

**City Facilities Replacement/Rehabilitation Fund 603  
521002 - Other Contract Services**

	<b>FY 2017-18 Original Budget</b>	<b>FY 2017-18 Revised Budget</b>	<b>Net Change</b>
<b>Budget Detail</b>			
Civic Center/PW/FS1: exterior metal painting (1)	(\$660,000)	(\$300,000)	\$360,000
City Hall/Parking Garage: elevator interior upgrades	(\$84,500)	(\$84,500)	\$0
CH: elevator lobby & stairwell carpet replacement	(\$62,000)	(\$62,000)	\$0
FS (1-4): bathroom rehabilitation	(\$215,700)	(\$100,000)	\$115,700
RPS repair/replacement reserve	(\$100,000)	(\$20,000)	\$80,000
PW - Facilities construction management services	(\$125,000)	(\$125,000)	\$0
City Hall public address system	(\$50,000)	(\$50,000)	\$0
Cost estimation consultant	(\$10,000)	(\$10,000)	\$0
Woodland Park Pool Feasibility Study	(\$50,000)	(\$50,000)	\$0
City Hall Roof (carried forward from FY 2016-17)	(\$1,043,085)	(\$1,043,085)	\$0
Citywide LED conversion (carried forward from FY 2016-17)	(\$60,000)	(\$60,000)	\$0
PW - Las Posas Pool bathroom improvements (2)		(\$80,000)	(\$80,000)
PW - Mendocino roof replacement (2)		(\$10,000)	(\$10,000)
PW - City Hall small and large chiller repairs (2)		(\$88,500)	(\$88,500)
PW - City Hall heat coil upgrades (2)		(\$70,000)	(\$70,000)
PW - City Hall large chiller overhaul (2)		(\$65,000)	(\$65,000)
PW - Access controls project - Fire Stations, Public Works and Parks & Rec Buildings (2)		(\$350,000)	(\$350,000)
RPS - City Hall tenant improvements for One America and neighboring suite (3)		(\$200,000)	(\$200,000)
<b>Net Impact to the Facilities Replacement/Rehabilitation Fund 603</b>	<b>(\$2,460,285)</b>	<b>(\$2,768,085)</b>	<b>(\$307,800)</b>

(1) This project was moved to the CIP budget, but is shown here for comparison and consistency.

(2) Projects were approved in prior budgets but were not started. Projects have been reassessed in scope and budget and are anticipated to begin this fiscal year.

(3) Unanticipated expenditures that were not included in the FY 2017-18 Budget.

## EXHIBIT A

### CIP Changes- All Project Budget Increases

Project Name	GL Account	FY 2017-18
N Twin Oaks Valley Urban Trail	201-600004-81001	(\$10,000)
Rancho Coronado Park (1)	553-600004-88270	(\$1,555,940)
Exterior metal painting at the Civic Center, Public Works, and Fire Station 1 (2)	603-600000-FCxxx	(\$300,000)
City Hall tenant improvements for new or renewing lease agreements. Specific TI expenses: UCSD and neighboring suite (\$650,000), IRS (\$850,000), VA (\$650,000)	603-600000-FCxxx	(\$2,150,000)
<b>Total Budget Expenditure Amendments to CIP</b>		<b>(\$4,015,940)</b>

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(1) The expenditures for CIP #88270 do not represent an increase in the project's budget, but a change in the timing of the appropriation. This will allow the expenditures to occur in FY 2017-18 instead of FY 2019-20.

(2) This project was appropriated in the FY 2017-18 budget for fund 603 in the amount of \$660,000. The project is being converted to a CIP since it will span three years; however, the expenditure in FY 2017-18 will only be \$300,000 of the \$660,000 project.

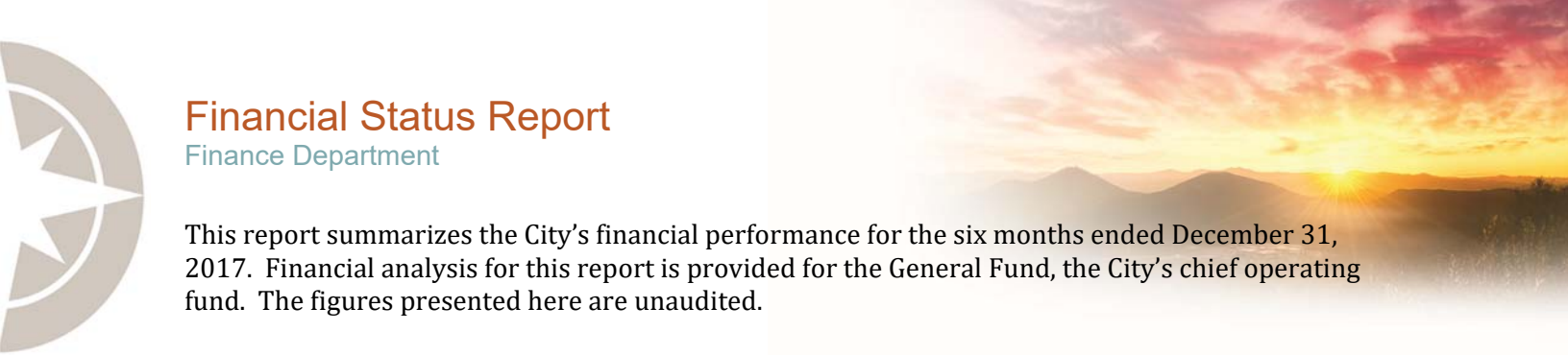


## Financial Status Report

*As of: December 31, 2017*

Finance Department





# Financial Status Report

Finance Department

This report summarizes the City's financial performance for the six months ended December 31, 2017. Financial analysis for this report is provided for the General Fund, the City's chief operating fund. The figures presented here are unaudited.

The revenue projections and expenditure budgets include adjustments for carryovers and any supplemental appropriations approved by City Council as of December 31, 2017.

## Economic Update

On a monthly basis, the University of San Diego's Burnham-Moores Center for Real Estate publishes its Index of Leading Economic Indicators for San Diego County (USD Index). This report provides the most recent economic data for the area and insight on the direction of the local economy. Revenue trends here in San Marcos tend to mirror the San Diego region in general and therefore we carefully review this economic data monthly. Below is a twelve month trend of San Diego County's leading economic indicators. The most recent data available for this reporting period is December 2017.

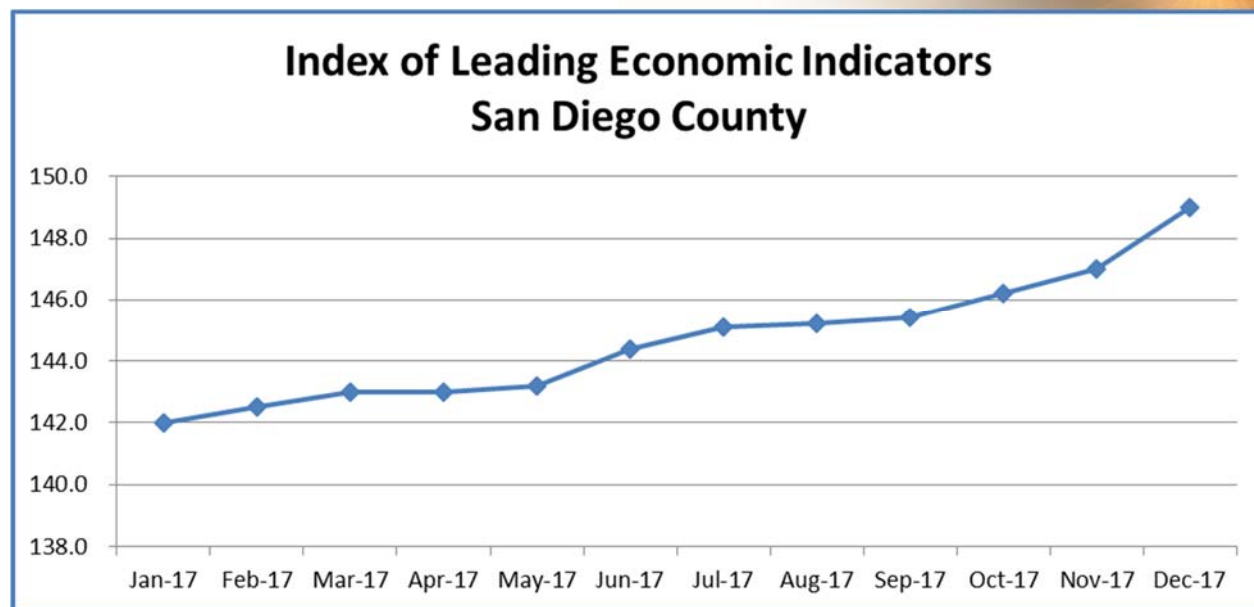
Mnth/Yr	Economic Index	% Change	Building Permits	Unemployment Insurance	Stock Prices	Consumer Confidence	Help Wanted Advertising	National Economy
Dec-17	149.0	1.4%	3.46%	1.30%	0.32%	0.37%	1.68%	1.13%
Nov-17	147.0	0.6%	-0.46%	0.84%	0.46%	0.77%	0.80%	0.95%
Oct-17	146.2	0.6%	-0.06%	0.42%	0.15%	0.54%	0.00%	2.33%
Sep-17	145.4	0.2%	-0.20%	0.00%	1.67%	0.04%	-0.73%	0.16%
Aug-17	145.2	0.1%	0.51%	-0.10%	-0.10%	0.16%	-1.13%	0.78%
Jul-17	145.1	0.5%	2.81%	-0.27%	-0.27%	0.27%	-0.61%	0.63%
Jun-17	144.4	0.8%	3.84%	-0.41%	-0.41%	0.34%	-0.58%	1.26%
May-17	143.2	0.1%	-0.20%	0.06%	0.06%	0.83%	-0.60%	0.63%
Apr-17	143.0	0.0%	-1.58%	0.75%	0.75%	1.35%	-0.69%	0.48%
Mar-17	143.0	0.4%	-1.42%	1.16%	1.16%	1.77%	-0.46%	0.80%
Feb-17	142.5	0.4%	-1.88%	0.77%	0.77%	1.36%	0.24%	0.80%
Jan-17	142.0	0.5%	-1.46%	0.24%	0.24%	1.28%	1.41%	1.13%





# Financial Status Report

Finance Department



The USD Index for San Diego County rose 0.6 percent in November and another 1.4 percent in December. December's sharp rise was fueled by a huge gain in building permits, along with strong gains for initial claims for unemployment insurance, online help wanted advertising, and the outlook for the national economy. Local stock prices and consumer confidence were both up slightly as all six components were positive for the month. December's gain was the largest since March 2015 and pushed the USD Index close to an all-time high. It also marked the 14<sup>th</sup> straight month in which the Index was either positive or unchanged.

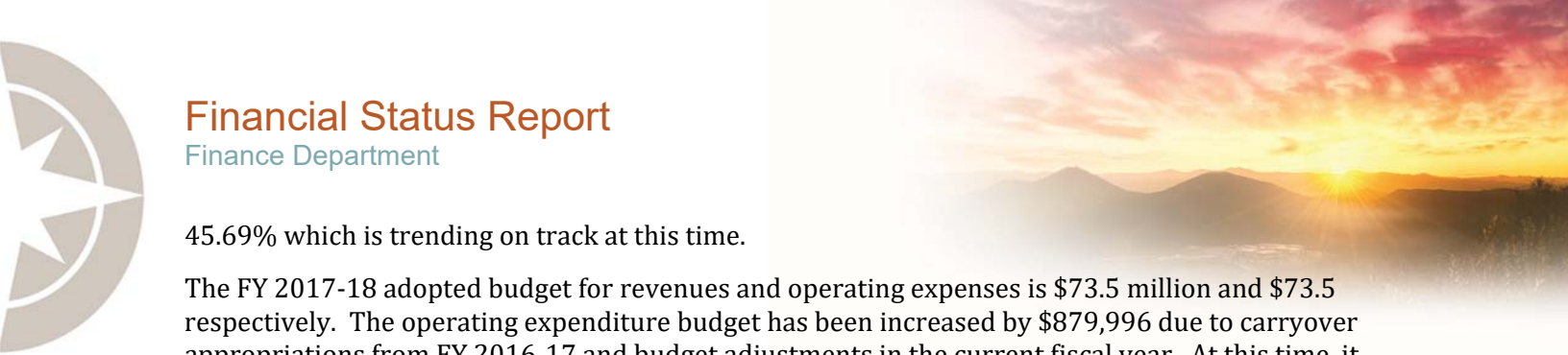
The City of San Marcos is keeping pace with the steadily growing economy. Building permit issuance in both commercial and new single family dwelling units for this past quarter were substantially higher compared to this same time last year. Development continues to move along in both the North City/University District and in the San Marcos Creek District where utility relocation work has begun in preparation for significantly enhanced infrastructure. The City continues to manage its resources effectively and efficiently while upholding high standards for public safety and community services, maintaining high quality facilities and infrastructure, and encouraging economic development.

## General Fund

The General Fund is the chief operating fund for the City and includes multiple programs, services, and activities for the citizens of San Marcos.

For FY 2017-18, the City is projected to maintain a positive operating position. At the end of the second quarter of each fiscal year, expenditures typically exceed revenues as a result of the timing of property tax and sales tax receipts, which are the City's largest two revenue sources. A better picture of the City's operating revenues can be seen toward the end of the third quarter. Revenues and Expenditures are within budgetary expectations for this time of the year.

With 50% of the year complete, General Fund revenues are at 33.86% of projections which is very typical for this time of year due to the cyclical receipts of most revenues. Expenditures are at

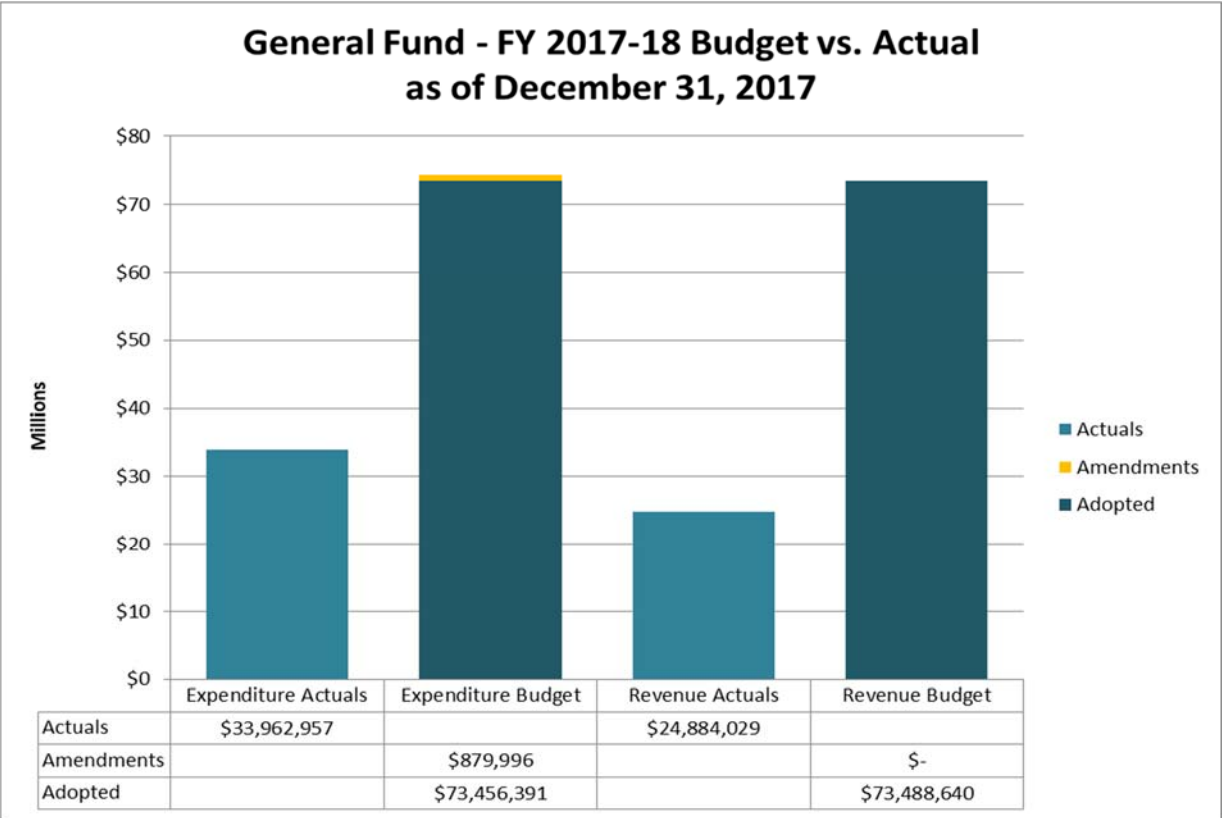


# Financial Status Report

Finance Department

45.69% which is trending on track at this time.

The FY 2017-18 adopted budget for revenues and operating expenses is \$73.5 million and \$73.5 million respectively. The operating expenditure budget has been increased by \$879,996 due to carryover appropriations from FY 2016-17 and budget adjustments in the current fiscal year. At this time, it is anticipated that revenues will be sufficient to cover these additional expenditures due to the uptick in building activity along with this most recent quarter of positive sales tax performance.

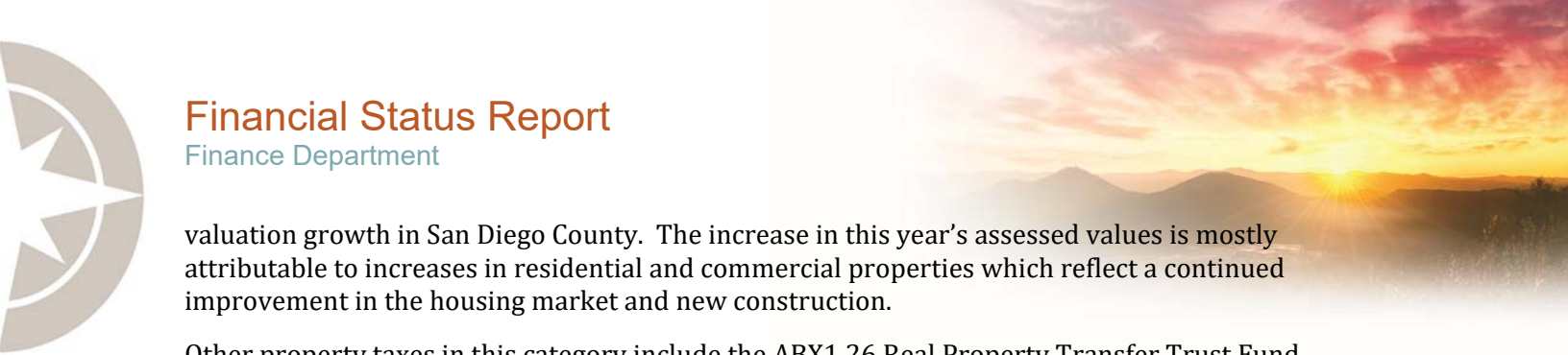


## General Fund Revenues

**Sales Taxes:** The local one cent share of statewide sales occurring July through September, for which San Marcos receives revenue in October, November, and December, was 8.7% higher than the comparable quarter of 2017 which outperformed the state and regional trend. Positive gains were seen in all respective major industry groups. The building sector surged again this quarter with building and materials, construction, and plumbing and electrical supplies all increasing.

The robust overall performance this quarter also led to the City receiving a larger share of the countywide use tax pool, since these funds are divided proportionately among local agencies based on sales tax performance. As a result, the City’s pool allocations increased 10% versus 4% for the pool itself.

**Property Taxes:** The majority of property tax revenue is collected in December and April each year. According to the County of San Diego Assessor’s Office, assessed values in San Marcos increased by 6.38% for fiscal year 2017-18, which is slightly above the average of 6.05% for all city assessed



# Financial Status Report

Finance Department

valuation growth in San Diego County. The increase in this year's assessed values is mostly attributable to increases in residential and commercial properties which reflect a continued improvement in the housing market and new construction.

Other property taxes in this category include the ABX1 26 Real Property Transfer Trust Fund residual revenue which is from former Redevelopment tax increment revenue and pass through. These revenues are received twice a year, January 1<sup>st</sup> and June 1<sup>st</sup>.

**Licenses & Permits:** Licenses and Permits revenue consist of franchise fees, business license fees, building permits, and other building and planning permits and fees. Franchise fees are generated from public utility sources such as San Diego Gas and Electric, trash collections, and cable franchises conducting business within City limits. This revenue is collected quarterly and yearly starting in the second quarter of the fiscal year. Building permit activity to date is trending higher than previous year to date due to the uptick in residential building activity in the City.

**Intergovernmental:** Includes federal, state, and local grant revenue, fire mitigation fees, recycling revenue, motor vehicle fees, and state mandate reimbursement. The majority of this revenue is collected quarterly and yearly starting in the second quarter of the fiscal year.

**Charges for Services:** Includes various plan check and zoning related fees, administrative fees, ambulance billings, and community service revenue from various recreational activities. These revenues are trending higher than anticipated and ahead of the same time prior fiscal year due to increased building activity and reimbursements for fire related incidents outside the city limits.

**Fines & Forfeitures:** Includes vehicle, parking, and court fines as well as miscellaneous penalty fines. These revenues are trending in line with budget and ahead of the same time prior fiscal year.

**Use of Money & Property:** Includes realized and unrealized investment income and rental income. Rental and ground lease revenue from the Civic Center make up approximately 60% of this budget item. Recurring rental income is on target with budget for this fiscal year.

**Other Revenues:** Developer Fees and Miscellaneous Revenues are often one-time revenues and vary year to year. Other Financing Sources are transfers from other City funds for general fund reimbursements for operations related to Community Facilities District 98-02 and the Creekside Marketplace Fund. These transfers typically take place at the end of the fiscal year.

A detailed schedule of General Fund revenues is provided.

# Financial Status Report

Finance Department

GENERAL FUND REVENUES - OVERVIEW AND COMPARISON BY TYPE								
BUDGET CATEGORY	FISCAL YEAR 2017-18				REVENUE COMPARISON			PERCENT CHANGE
	AS ADOPTED	AS AMENDED	ACTUAL 12/31/2017	PERCENT	ACTUAL 12/31/2016	CHANGE FROM PRIOR YEAR		
<b>TAXES &amp; SPECIAL ASSESSMENTS</b>								
Sales Tax	\$ 16,697,500	\$ 16,697,500	\$ 5,577,410	33.40%	\$ 5,212,658	\$ 364,752		7.00%
Property Tax	20,959,648	20,959,648	2,962,544	14.13%	2,771,553	190,991		6.89%
Special Assessments	5,713,277	5,713,277	783,624	13.72%	735,930	47,694		6.48%
Transient Occupancy Tax	1,401,969	1,401,969	380,678	27.15%	272,898	107,779		39.49%
<b>Total Taxes &amp; Special Assessments</b>	<b>44,772,394</b>	<b>44,772,394</b>	<b>9,704,255</b>	<b>21.67%</b>	<b>8,993,039</b>	<b>711,216</b>		<b>7.91%</b>
<b>LICENSES &amp; PERMITS</b>								
Franchise Fees	4,191,355	4,191,355	785,944	18.75%	756,555	29,389		3.88%
Storm Drain Fees	-	-	-	0.00%	-	-		0.00%
Building Permit Fees	352,000	352,000	439,971	124.99%	185,893	254,078		136.68%
Business License Fees	232,500	232,500	111,909	48.13%	114,503	(2,595)		-2.27%
Other Licenses & Permits	679,809	679,809	438,170	64.45%	316,112	122,058		38.61%
<b>Total Licenses &amp; Permits</b>	<b>5,455,664</b>	<b>5,455,664</b>	<b>1,775,994</b>	<b>32.55%</b>	<b>1,373,064</b>	<b>402,930</b>		<b>29.35%</b>
<b>INTERGOVERNMENTAL</b>								
State	422,795	422,795	65,811	15.57%	85,207	(19,396)		-22.76%
State Grants	165,055	165,055	35,778	21.68%	32,679	3,099		9.48%
County	285,000	285,000	412,388	144.70%	101,964	310,423		304.44%
Federal Grants	44,870	44,870	109,600	244.26%	14,261	95,339		668.54%
<b>Total Intergovernmental</b>	<b>917,720</b>	<b>917,720</b>	<b>623,577</b>	<b>67.95%</b>	<b>234,111</b>	<b>389,466</b>		<b>166.36%</b>
<b>CHARGES FOR SERVICES</b>								
Departmental Services	7,702,324	7,702,324	4,229,517	54.91%	4,197,969	31,548		0.75%
Reimbursements	2,221,041	2,221,041	1,746,445	78.63%	1,420,883	325,563		22.91%
<b>Total Charges For Services</b>	<b>9,923,365</b>	<b>9,923,365</b>	<b>5,975,963</b>	<b>60.22%</b>	<b>5,618,852</b>	<b>357,111</b>		<b>6.36%</b>
<b>FINES &amp; FORFEITURES</b>	<b>511,500</b>	<b>511,500</b>	<b>294,498</b>	<b>57.58%</b>	<b>267,590</b>	<b>26,908</b>		<b>10.06%</b>
<b>USE OF MONEY &amp; PROPERTY</b>								
Rental Income	4,467,121	4,467,121	2,378,403	53.24%	2,382,903	(4,501)		-0.19%
Partnership Income	900,000	900,000	690,000	76.67%	390,000	300,000		76.92%
Interest Income	576,962	576,962	261,948	45.40%	55,940	206,007		368.26%
<b>Total Use Of Money &amp; Property</b>	<b>5,944,083</b>	<b>5,944,083</b>	<b>3,330,350</b>	<b>56.03%</b>	<b>2,828,844</b>	<b>501,507</b>		<b>17.73%</b>
<b>DEVELOPER FEES</b>	<b>10,000</b>	<b>10,000</b>	<b>13,499</b>	<b>134.99%</b>	<b>26,361</b>	<b>(12,862)</b>		<b>-48.79%</b>
<b>MISCELLANEOUS REVENUES</b>								
Donations	2,000	2,000	1,066	53.29%	1,271	(205)		-16.13%
Other Miscellaneous Revenue	214,414	214,414	263,016	122.67%	115,501	147,515		127.72%
<b>Total Miscellaneous Revenues</b>	<b>216,414</b>	<b>216,414</b>	<b>264,082</b>	<b>122.03%</b>	<b>116,772</b>	<b>147,310</b>		<b>126.15%</b>
<b>OTHER FINANCING SOURCES</b>								
Sale of Fixed Assets	-	-	810	0.00%	95,013	(94,202)		-99.15%
Operating Transfers In - Creekside	5,000,000	5,000,000	2,500,000	50.00%	1,625,000	875,000		53.85%
Operating Transfers In - Other	737,500	737,500	401,000	54.37%	176,500	224,500		127.20%
<b>Total Other Financing Sources</b>	<b>5,737,500</b>	<b>5,737,500</b>	<b>2,901,810</b>	<b>50.58%</b>	<b>1,896,513</b>	<b>1,005,298</b>		<b>53.01%</b>
<b>TOTAL GENERAL FUND</b>	<b>\$ 73,488,640</b>	<b>\$ 73,488,640</b>	<b>\$ 24,884,029</b>	<b>33.86%</b>	<b>\$ 21,355,145</b>	<b>\$ 3,528,884</b>		<b>16.52%</b>

## General Fund Expenditures

As of December 31, 2017, \$34 million or 45.69% of the General Fund operating budget had been expended. Functional areas in the General Fund are performing at expected budgeted levels. The City's general liability/property insurance expenditures are budgeted in the Human Resources/Risk Management department and are paid out annually in July which accounts for the large percent of the budget spent to date. The annual replacement/rehab transfers have also been accounted for which transfers funds from the General Fund to the Replacement/Rehab Infrastructure, Facilities, and Vehicles funds as required by City Council's Fiscal Management Policy.





# Financial Status Report

Finance Department



EXPENDITURES - OVERVIEW BY FUND AND FUNCTION						
FUND/FUNCTION		FISCAL YEAR 2017-18				
		AS ADOPTED	AS AMENDED	ACTUAL 12/31/2017	PERCENTAGE	
GENERAL FUND						
GENERAL GOVERNMENT						
City Council		\$ 274,487	\$ 274,487	\$ 152,006	55.38%	
Administration		2,014,326	2,023,965	1,227,758	60.66%	
Economic Development		266,619	298,537	161,513	54.10%	
City Attorney		815,500	815,500	339,316	41.61%	
City Clerk		583,785	583,785	320,474	54.90%	
Human Resources/Risk Management		3,616,144	3,693,248	2,521,180	68.26%	
Finance/Information Systems		3,361,512	3,398,575	1,853,204	54.53%	
Real Property Services		1,126,516	1,132,627	315,003	27.81%	
Total General Government		12,058,887	12,220,722	6,890,456	56.38%	
PUBLIC WORKS						
Operations		10,633,525	10,874,127	4,891,566	44.98%	
Engineering		2,007,744	2,089,243	1,052,579	50.38%	
Storm Water Program Management		837,643	896,826	336,808	37.56%	
Total Public Works		13,478,912	13,860,196	6,280,953	45.32%	
DEVELOPMENT SERVICES						
Administration		562,061	681,380	330,803	48.55%	
Planning		1,537,034	1,614,724	734,568	45.49%	
Building		1,402,407	1,402,407	737,176	52.57%	
Engineering		853,989	941,085	402,760	42.80%	
Total Development Services		4,355,491	4,639,595	2,205,307	47.53%	
PUBLIC SAFETY						
Fire Department		17,698,929	17,671,516	9,362,539	52.98%	
Law Enforcement		18,432,623	18,432,623	4,651,496	25.24%	
Total Public Safety		36,131,551	36,104,138	14,014,035	38.82%	
CULTURE AND RECREATION						
Community Services		3,884,316	3,964,502	1,824,973	46.03%	
Total Culture And Recreation		3,884,316	3,964,502	1,824,973	46.03%	
OTHER FINANCING USES						
Transfers Out		1,125,000	1,125,000	325,000	28.89%	
Annual Replacement/Rehab Transfers		2,422,233	2,422,233	2,422,232	100.00%	
Total Other Financing Uses		3,547,233	3,547,233	2,747,232	77.45%	
TOTAL GENERAL FUND		\$ 73,456,391	\$ 74,336,387	\$ 33,962,957	45.69%	



# Financial Status Report

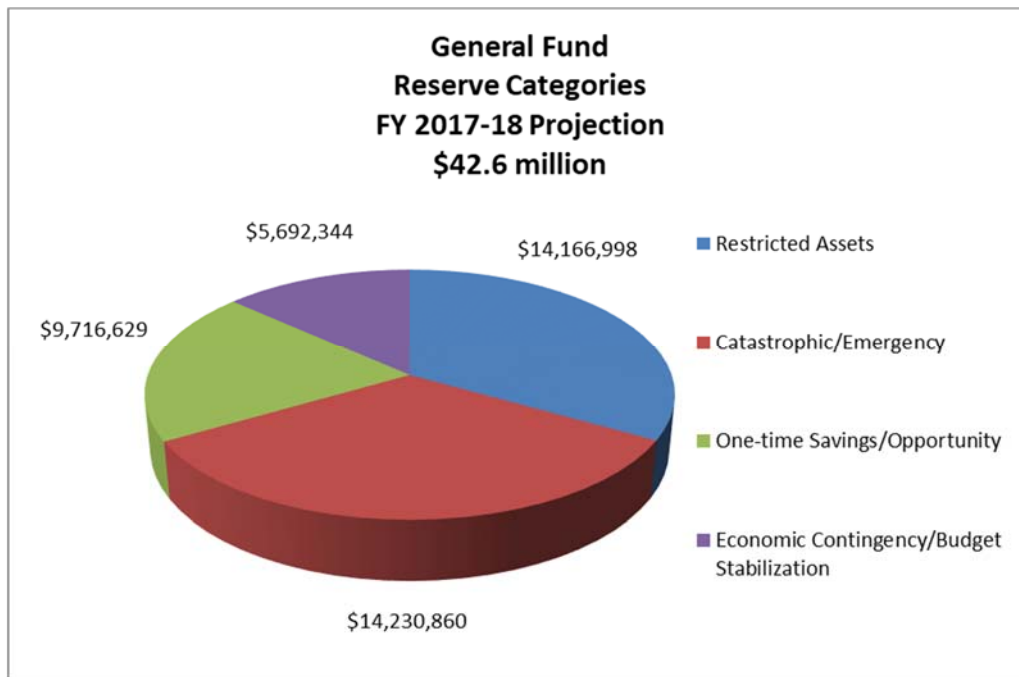
Finance Department



## Fund Balance and Reserves

Total reserves are projected to hold steady around \$42.6 million, assuming revenue and expenditure projections remain on target. For this reporting period, no additional uses of reserves have been considered. Reserve levels reflected in this reporting period are original budgeted levels.

The City commits to maintaining these reserves (total unassigned fund balance) at a minimum of 40% of General Fund annual operating expenditures allocated between Catastrophic/Emergency Reserve (50%), One-time Recurring Savings/Opportunity Reserve (30%), and Economic Contingency/Budget Stabilization Reserve (20%). The General Fund Reserve Policy is reviewed by the City Council as part of the annual operating budget review and adoption process.



## For More Information

This summary report is derived from detailed financial information generated by the City's Finance Department. For questions or more information on this report, please contact the City's Finance Department at (760) 744-1050.