



City of Chula Vista

Legislation Details (With Text)

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Title: QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDED MARCH 31, 2015

Sponsors:

Indexes:

Code sections:

Attachments: 1. Item 6 - Attachment 1

Date	Ver.	Action By	Action	Result
5/12/2015	1	City Council	approved	Pass

QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDED MARCH 31, 2015

RECOMMENDED ACTION

Council accept the report.

SUMMARY

The Finance Department prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes. The quarterly financial reports are in compliance with Section 504 (f) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager. A projection for the Development Services Fund is also included in this report.

ENVIRONMENTAL REVIEW

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a "Project" in accordance with Section 15378(b)(4) of the State CEQA because it involves only acceptance of the quarterly fiscal report, therefore it is governmental fiscal activity which does not involve any commitment to any specific project and will not result in a potentially significant physical impact on the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is necessary.

BOARD/COMMISSION RECOMMENDATION

Not applicable.

DISCUSSION

General Fund Overview

The Finance Department prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes. The quarterly financial reports are in compliance with Section 504 (f) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager.

Attachment A - Quarterly Financial Report provides the financial outlook for the General Fund for the current fiscal year and includes summary information for revenues and expenditures.

The following chart summarizes the projections for June 30, 2015 based on revenue and expenditure trends through the third quarter of fiscal year 2014/15 for the City's General Fund.

The Amended Budget column includes all Council approved changes to the fiscal year 2014/15 adopted budget that have taken place through the end of the third quarter ending March 31, 2015 with one exception. Earlier this year, City Council approved an appropriation of \$1.8 million for a capital improvement project, Telegraph Canyon Road Erosion Repair. Staff is currently looking at alternative funding options for this project and has therefore been removed from the Amended Budget and Projected columns. Staff will return to City Council to take formal action on this issue but for purposes of this report, staff is assuming that an alternative funding source will be identified. Finally, the Amended Budget column reflects City Council approved budget appropriations with a net impact including funding for the purchase of a property on Third Avenue, costs related to propositions on the November 2014 ballot, and funding for the Districting Commission.

The Projected column lists the fiscal year 2014/15 projections for revenues and expenditures as of June 30, 2015.

General Fund Operating Reserve	Amended Budget	Projected (millions)
Reserves - July 1, 2014 (audited)	\$14.3	\$14.3
Revenues & Transfers In	\$137.9	\$137.8
Expenditures & Transfers Out	(\$140.1)	(\$139.4)
Less Telegraph Canyon CIP	\$1.8	\$1.8
Projected Surplus/Deficit	(\$0.4)	\$0.2
Projected Fund Balance for June 30, 2015	\$13.9	\$14.6
Percentage of Operating Budget	10.1%	10.6%

Notes:

1. The Amended Budget and Projected totals do not include prior year appropriations for capital improvement projects and other encumbrances totaling \$3.7 million that were carried forward to the fiscal year 2014/15 budget. These expenditure impacts are already reflected in the fund balance as of July 1, 2014 and are therefore not included in the above table.

2. On March 3, 2015 City Council approved an appropriation of \$1.8 million from reserves to establish a capital improvement project, Telegraph Canyon Road Erosion Repair. Staff is evaluating an alternative funding source for this

project, therefore, this appropriation and projected costs are not reflected in the above table.

The City's financial outlook appears stable through the end of the third quarter. Staff is projecting revenues of \$137.8 million and expenditures of \$139.4 million, for a projected positive impact of \$0.2 million. As discussed above, this projection excludes the projected costs associated with the Telegraph Canyon Erosion Repair CIP.

Overall, General Fund revenues are tracking close to budget and are projected to be \$0.1 million lower than the amended budget. This decrease is due to projected decreases in Utility User's Tax, Revenue from Other Agencies, Charges for Services, and Transfers In revenues that are projected to be \$1.8 million lower than the current budgeted level. This decrease is largely offset by a combined projected increase of \$1.7 million in Franchise Fees, Property Taxes, Transient Occupancy Taxes, Use of Money and Property, and Other revenues.

Staff is projecting \$0.7 million in savings in General Fund departments based on year to date expenditure trends. Most City departments are on track to end the year with expenditure savings. Expenditure savings largely reflect greater than anticipated salary savings. Combined, the projected revenues and expenditures result in a net positive impact of \$0.2 million as stated above.

Details of projected General Fund revenues and expenditures can be found in Attachment 1 (Third Quarter Financial Report).

Development Services Fund Overview

The Development Services Department Enterprise fund consists of Land Development, Development Planning, the DSF Front Counter and the Building Division. Based on trends through the third quarter, staff is conservatively projecting to end the fiscal year with a projected deficit of \$0.9 million for the current fiscal year, which would put the Development Services Fund in an overall deficit. Projections for the same time last fiscal year indicated a similar trend. It is important to note that the nature of the work in the enterprise fund is beginning to change from one of processing planning documents (deposit account based) to one of processing building and improvement plans (flat fee based). This change in activity may require modification to the existing composition of staff in Development Services Fund in order to remain responsive to the type and quantity of work being processed.

The table below compares the budgeted revenue and expenditures to the projected revenues and expenditures for June 30, 2015. Expenditures are currently on trend to exceed revenues. Staff has been making adjustments to respond to this shortfall. Additional adjustments in Fiscal Year 2016 will be proposed to further mitigate impact to the Development Services Fund.

Development Services Fund Summary

Development Services Fund	Amended Budget	Projected
Reserves - July 1, 2014*	685,631	685,631
Revenues & Transfers In	7,160,836	6,294,268
Expenditures & Transfers Out	(7,350,542)	(7,176,529)
Projected Surplus/Deficit	(189,706)	(882,261)
Projected Fund Balance for June 30, 2015	495,925	(196,630)

*Does not account for compensated absences of \$343,118

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site specific and consequently, the 500-foot rule found in California Code of Regulations section 18705.2 (a)(11), is not applicable to this decision. Staff is not independently aware, and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.

LINK TO STRATEGIC GOALS

The City’s Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This action supports the Operational Excellence goal by communicating the City’s projected financial position for the current fiscal year in an open and transparent manner. This transparency supports City Initiative 1.3.1. - “Foster public trust through an open and ethical government.”

CURRENT YEAR FISCAL IMPACT

There is no fiscal impact resulting from accepting the Quarterly Financial Report.

ONGOING FISCAL IMPACT

Staff will continue to monitor and analyze revenue and expenditure trends and incorporate changes as necessary into future financial reports and/or budgets.

ATTACHMENT

- 1. Third Quarter Financial Report

Staff Contact: Angelica Aguilar, Finance Department

OVERVIEW

This financial report summarizes the City's General Fund financial position for fiscal year 2015 through March 31, 2015 and projecting out to June 30, 2015. The purpose of this report is to provide the City Council, Management and the Citizens of Chula Vista an update on the City's fiscal status based on the most recent financial information.

ECONOMIC HIGHLIGHTS

The Nation - The following national economic occurrences are notable as of the Third Quarter¹:

- Economic growth is forecast to average 3% over the next 2 years. This is despite slow growth and currency devaluations throughout much of the rest of the developed world. The U.S. appears to be an exception in terms of economic stability at this point in time.
- The effect that the significant the drop in oil prices has had on inflation will wane as inflation is projected to climb above the 2% level as oil prices recover.
- Unemployment rates are projected to go down to 5% by yearend driven by a projected growth rate of 3% for the national economy.

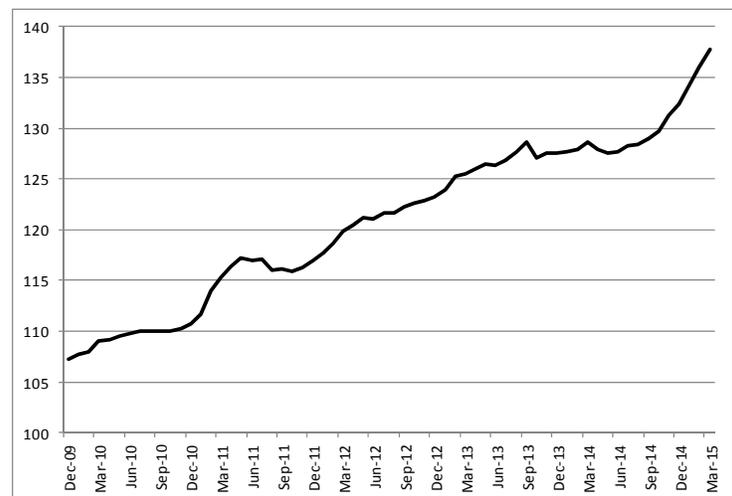
The State - The major changes forecast for the State are as follows²:

- California is projected to benefit from the demand created from the rest of the Nation's forecasted growth rate as increased demand in various economic sectors is expected to improve the State's unemployment situation.
- Real personal income growth is estimated to be 4.2% in 2015 and forecast to be 4.6% and 3.7% in 2016 and 2017, respectively.
- The unemployment rate will hover around 6.5% through the balance of 2015. Unemployment will fall through 2016 and will average approximately 5.5% and is projected to be at 5.1% in 2017.

San Diego Region - The major changes reported in October for the Index of Leading Economic Indicators for San Diego County are as follows³:

- Leading Economic Indicators for San Diego County rose 1.3 percent in March. It was the third straight strong gain for the USD Index and the third month in a row where all six components were positive.
- The seasonally adjusted local unemployment rate fell to 5.1 percent in March, which was down from 5.4 percent in February and 7.1 percent in March. Online help wanted advertising increased from almost 128,000 for the first quarter of 2014 to more than 150,000 this year, a gain of nearly 18 percent.
- Consumer confidence advanced slightly by 0.9 percent, which is important since consumer spending is typically two-thirds or more of economic activity.
- Residential units authorized by building permits were up significantly for the third consecutive month. Previously, residential units authorized increased by only 1.5 percent in the first quarter compared to the year before. Single-family permits led the way with a gain of 18.6 percent, while multi-family units were down 7.2 percent.

San Diego Index of Leading Economic Indicators San Diego County, 2009 - 2015



¹Source: UCLA Anderson Forecast, March 2014

²Source: UCLA Anderson Forecast, March 2014

³Source: University of San Diego School of Business Administration, USD Index of Leading Economic Indicators, March 2014; retrieved from URL: <http://home.sandiego.edu/~agin/usdlel/index.html>

GENERAL FUND SUMMARY

General Fund Reserves - The General Fund Reserve policy was established to ensure that the City's finances are managed in a manner which will:

1. Continue to provide for the delivery of quality services
2. Maintain and enhance service delivery as the community grows in accordance with the General Plan
3. Minimize or eliminate the need to raise taxes and fees because of temporary revenue shortfalls
4. Establish the reserves necessary to meet known and unknown future obligations and ability to respond to unexpected opportunities.

The following table reflects the audited General Fund reserves as of July 1, 2014 as well as the projected General Fund reserves for June 30, 2015.

General Fund Operating Reserve	Amended Budget	Projected (millions)
Reserves - July 1, 2014 (audited)	\$14.3	\$14.3
Revenues & Transfers In	\$137.9	\$137.8
Expenditures & Transfers Out	(\$140.1)	(\$139.4)
Less Telegraph Canyon CIP	\$1.8	\$1.8
Projected Surplus/Deficit	(\$0.4)	\$0.2
Projected Fund Balance for June 30, 2015	\$13.9	\$14.6
Percentage of Operating Budget	10.1%	10.6%

Notes:

1. The Amended Budget and Projected totals do not include prior year appropriations for capital improvement projects and other encumbrances totaling \$3.7 million that were carried forward into the fiscal year 2014/15 budget. These expenditure impacts are already reflected in the fund balance as of July 1, 2014 and are therefore not included in the above table.
2. On March 3, 2015 City Council will consider two appropriations from reserves - an appropriation of \$1.8 million to establish a capital improvement project, Telegraph Canyon Road Erosion Repair and \$0.3 million for the purchase of a commercial property along Third Avenue. These appropriations are not reflected in the Amended Budget column as the appropriations occurred after the end of the Second Quarter and are outside of this reporting period. However, due to the projected impact to operating reserves they are included on this table.

The City's financial outlook continues to be stable through the end of the Third Quarter. Staff is projecting revenues of \$137.8 million and expenditures of \$139.4 million, for a projected positive impact of \$0.2 million. This excludes the \$1.8 million for the Telegraph Canyon Erosion Repair CIP that was approved by Council and funded from General Fund Operating reserves. Staff is currently looking at alternative funding options for this project and has therefore been removed from the Amended Budget and Projected columns. Staff will return to City Council to take formal action on this issue but for purposes of this report, staff is assuming that an alternative funding source will be identified.

The Amended Budget column reflects City Council approved budget appropriations with a net impact of approximately \$0.4 million – these appropriations included funding for the purchase of a property on Third Avenue, costs related to propositions on the November 2014 ballot, and funding for the Districting Commission. However, it is anticipated that the General Fund will actually end the fiscal year with a small surplus.

Overall, General Fund revenues are tracking close to budget and are projected to be \$0.1 million lower than the amended budget. This decrease is due to projected decreases in Utility User's Tax, Revenue from Other Agencies, Charges for Services, and Transfers In revenues that are projected to be \$1.8 million lower than the current budgeted level. This decrease is largely offset by a combined projected increase of \$1.7 million in Franchise Fees, Property Taxes, Transient Occupancy Taxes, Use of Money and Property, and Other revenues.

Staff is projecting \$0.7 million in savings in General Fund departments based on year to date expenditure trends. Most City departments are on track to end the year with expenditure savings. Expenditure savings largely reflect greater than anticipated salary savings. Combined, the projected revenues and expenditures result in a net positive impact of \$0.2 million as stated above.

General Fund Revenues – General Fund revenues are projected to be slightly below budget by \$0.1 million. This is due to projected lower Utility User's Tax, Revenue from Other Agencies, Charges for Services, and Transfers In revenues that are projected to be approximately \$1.8 million lower than the budget. This decrease is largely offset by a combined projected increase of \$1.7 million in Franchise Fees, Property Taxes, Transient Occupancy Taxes, Use of Money and Property, and Other revenues. Major variances include:

- A \$0.8 million increase in Franchise Fee revenues that reflect the updated franchise agreement for waste hauling services negotiated earlier this year.
- A net decrease of \$0.7 million in Utility Users Taxes based on the new rate structure and revised projected collections.
- A \$0.5 million decrease in Revenue from Other Agencies largely reflects projected shortfalls in revenues related to decreased participation in various regional Police Task Forces.
- A net decrease of \$0.4 million in Charges for Services resulting from projected lower City fee collections for recreation programs, jail services reimbursements, passport and distressed property management fees.
- A net increase of \$0.3 million in Transient Occupancy Taxes (TOT) due to better than projected paid hotel stays within the City.

The following table compares the projected revenues with revenues in the amended budget.

General Fund Revenues

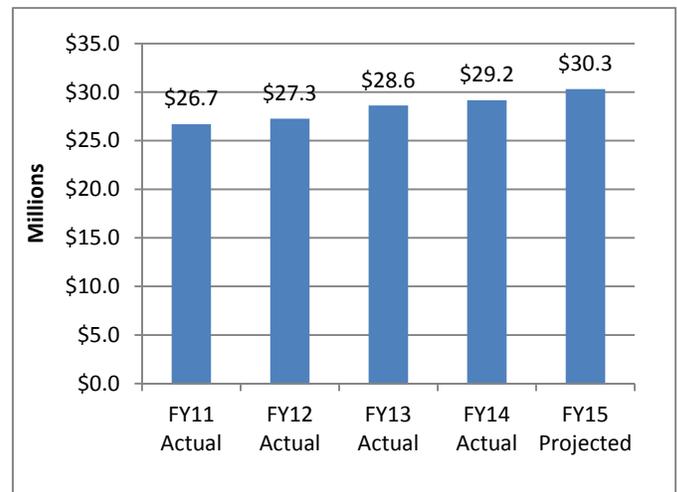
Category	Amended Budget as of 3/31/15	Q3 Projected 6/30/15	Variance
Property Taxes	\$ 28,659,698	\$ 28,930,278	\$ 270,580
Sales Tax	\$ 22,704,845	\$ 22,704,845	\$ -
Sales Tax In Lieu	\$ 7,750,848	\$ 7,615,383	\$ (135,465)
Motor Vehicle License	\$ 17,870,912	\$ 17,883,946	\$ 13,034
Other Revenue	\$ 12,198,800	\$ 12,442,719	\$ 243,919
Transfers In	\$ 10,832,841	\$ 10,584,475	\$ (248,366)
Franchise	\$ 9,563,163	\$ 10,341,588	\$ 778,425
Charges for Services	\$ 7,784,532	\$ 7,362,584	\$ (421,948)
Revenue from Other Agencies	\$ 2,998,599	\$ 2,481,700	\$ (516,899)
Utility Users Tax	\$ 7,175,000	\$ 6,500,000	\$ (675,000)
Transient Occupancy Taxes	\$ 2,518,329	\$ 2,806,654	\$ 288,325
Use of Money & Property	\$ 2,439,246	\$ 2,582,701	\$ 143,455
Other Local Taxes	\$ 2,161,605	\$ 2,113,203	\$ (48,402)
Licenses and Permits	\$ 1,309,447	\$ 1,231,977	\$ (77,470)
Fines, Forfeitures, Penalties	\$ 1,133,800	\$ 1,403,312	\$ 269,512
Real Property Transfer Tax	\$ 816,492	\$ 816,492	\$ -
Total General Fund	\$ 137,918,157	\$ 137,801,857	\$ (116,300)

Sales Tax (Sales Tax and Sales Tax in lieu) - Sales tax is projected to be the City's largest revenue source, representing 22.1% of projected General Fund revenues for fiscal year 2014/15. HdL Companies, the City's Sales Tax consultant, recently provided data for the last quarter in calendar year 2014. They report that the change in sales tax receipts between fourth quarter calendar year 2014 and fourth quarter calendar year 2013 increased by 2.9% in Chula Vista. General Consumer Goods represents the largest major industry group for Sales Tax generation. In this category, the change in Sales Tax increased by 2.5% in Chula Vista when compared to the same quarter for 2013 thus approaching the projected 2.8% growth rate on a Statewide level.

Overall, Sales Tax revenues are now tracking on budget based on their most recent trend. However, Sales Tax in Lieu revenue is projected to fall short by \$135,000 as was reported in the Second Quarter.

The following chart represents actual sales tax collections since fiscal year 2010/11 and the projection for fiscal year 2014/15.

Sales Tax and Sales Tax in Lieu



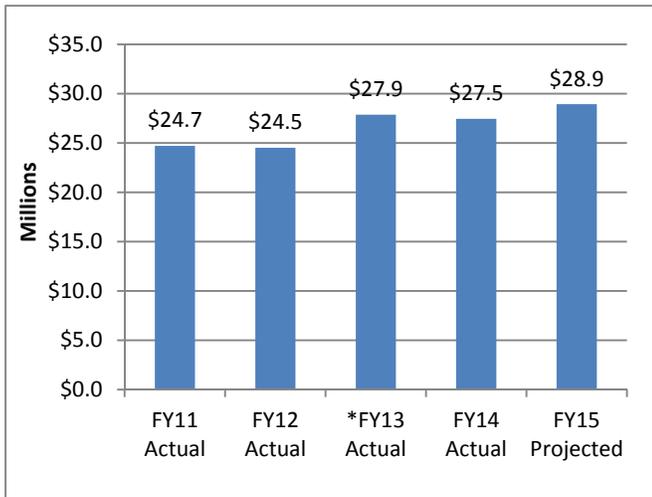
Property Taxes - The City of Chula Vista receives property tax revenue based upon a 1.0% levy on the assessed value of all real property. Property tax is the City's second largest revenue source, representing 20.8% of projected General Fund revenues for fiscal year 2014/15.

As reported in the First and Second Quarters, the City received information from the County regarding assessed property values (AV) for the City of Chula

Vista after the adoption of the budget. The adopted budget reflected 4% growth in AV however, based on the County's most recent report the City should experience 6% growth in AV. In a Council action earlier this fiscal year, the City Council approved an amendment to Property Tax revenues to reflect this change. Property Tax revenues were increased by \$0.6 million when compared to budget. Revenue trends through the end of the Third Quarter indicate that Property Tax revenues will increase by an additional \$0.3 million over the current budgeted level.

The following chart represents actual property tax revenues since fiscal year 2010/11 and the projection for fiscal year 2014/15.

Property Tax



*Fiscal year 2012/13 Property Tax includes a one-time payment related to the elimination of the City's Redevelopment Agency

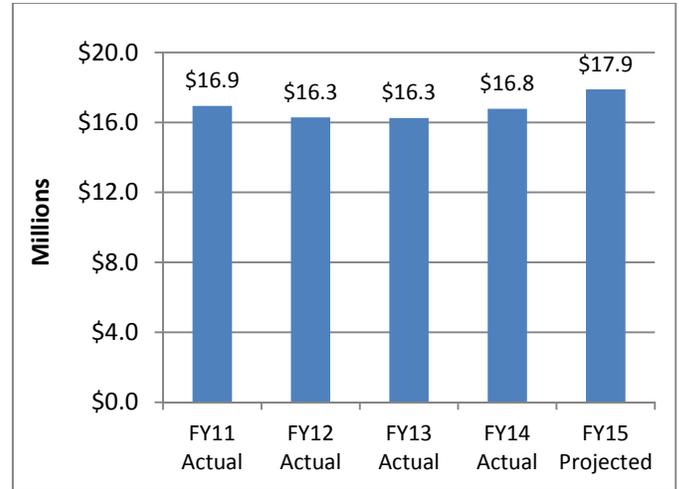
Motor Vehicle License Fee (VLF) – Since the State Budget Act of 2004, the allocation of VLF revenues to cities and counties was substantially changed. Beginning in 2005/06, the majority of VLF revenues for each city grew essentially in proportion to the growth in the change in gross assessed valuation. Due to this change in the formula by the State, the majority of the City's VLF revenues fluctuate with changes in assessed values in the City.

VLF revenue projections have been revised to reflect the change in city-wide assessed valuation projected for fiscal year 2014-15. As discussed above, assessed property values (AV) for the City of Chula Vista are projected to grow by 6% as opposed to the 4% reflected in the adopted budget. City Council approved an amendment to VLF Tax revenues to reflect this

change. VLF revenues were increased by \$0.4 million when compared to the adopted budget. VLF revenues are projected to slightly exceed the budget as of the end of the Third Quarter.

The following chart represents actual VLF revenues since fiscal year 2010/11 and the projection for fiscal year 2014/15.

Motor Vehicle License Fee

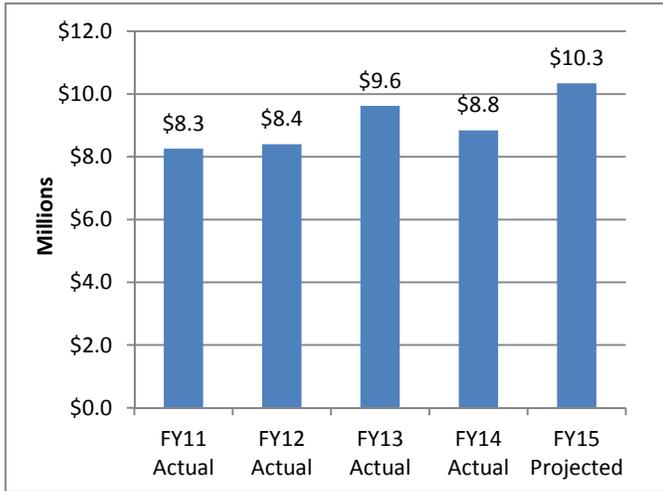


Franchise Fees - Franchise fee revenues are generated from public utility sources such as San Diego Gas & Electric (2% on gas and 1.25% on electricity), trash collection franchises (20% fee), and cable franchises (5% fee) conducting business within City limits. SDG&E collects the franchise fee from Chula Vista customers and remits these revenues to the City. Trash franchise fees and cable fees are based on fixed rates.

Franchise Fee revenues have been updated to reflect increases resulting from new franchise agreement negotiated by the City. As of the end of the Third Quarter Franchise Fee revenues are projected to exceed the budget by \$0.8 million.

The following chart represents actual franchise fee revenues since fiscal year 2010/11 and the projection for fiscal year 2014/15. Fiscal year actual 2012-13 revenues reflect previously accrued Franchise Fee revenues that were realized by the City.

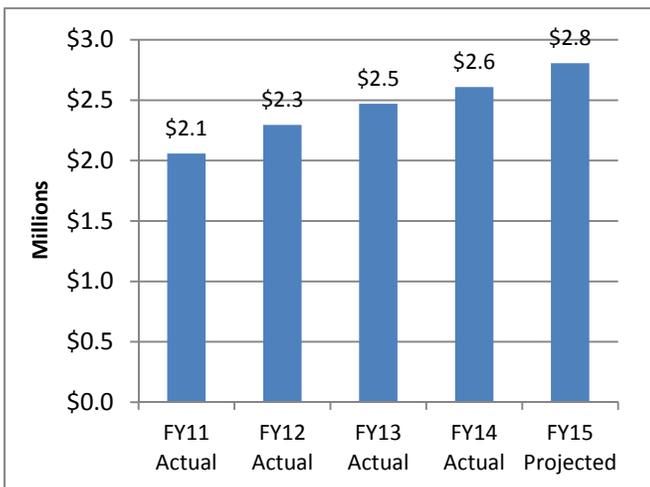
Franchise Fees



Transient Occupancy Tax (TOT) – The City receives 10% of hotel and motel room rates for stays less than 30 days. Projections for TOT revenues have been updated to reflect the positive trend that began in fiscal year 2012 and has continued. Based on better than anticipated revenues in fiscal year 2014, the Third Quarter projection for fiscal year 2014/15 has been increased by \$0.3 million when compared to the adopted budget. It is anticipated that TOT will continue to increase with the improving economy.

The following chart represents actual TOT revenues since fiscal year 2010/11 and the projection for fiscal year 2014/15. These projections remain unchanged from the First Quarter Financial Report.

Transient Occupancy Tax (TOT)



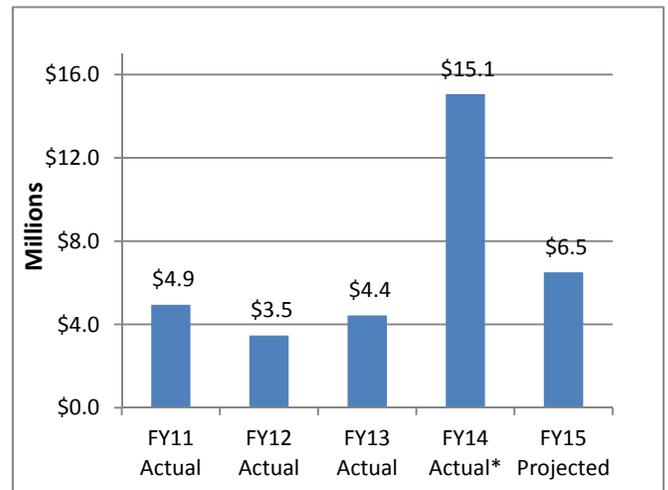
Utility Users Tax (UUT) - The City adopted its Utility Users Tax (UUT) in 1970. The City of Chula Vista imposes a UUT on the use of telecom at the rate of 5% of gross receipts. The UUT on natural gas services is \$0.00919 per therm and \$0.00250 per kilowatt on electricity services, which equates to approximately a 1% tax.

The projection for Utility Users Taxes has been revised downward by \$0.7 million from the current budget in order to reflect the new decreased rate structure and the level of anticipated collections for this revenue based on the revised rate structure.

Staff will continue to monitor this revenue source in the future in order to develop a revised trend based on the new fee structure.

The following chart reflects actual UUT revenue since fiscal year 2010/11. Fiscal year 2014/15 is projected and does not reflect actual collections.

Utility Users Tax (UUT)



*Increased fiscal year 2013/14 Utility User's tax revenue reflect a mid-year appropriation (Council resolution 2013-092) of previously collected wireless telecommunication related tax revenue that was utilized to fund attorney and City administrative costs pertaining to a City class-action lawsuit.

General Fund Expenditures - The General Fund's amended budget reflects the Council adopted budget of \$134.5 million, through the end of the Third Quarter. Council approved mid-year appropriations of \$3.8 million (excluding the \$1.8 million appropriation for the Telegraph Canyon Erosion Repair CIP), and \$3.7 million of prior year encumbrances that were carried over into the current fiscal year. As of the end of the Second Quarter, the amended budget totals \$142.0 million.

The following table reflects the General Fund amended budget and actual expenditures by department as of March 31, 2015. In total, Departments have expended 66% of the General Fund budget after 75% of the fiscal year has elapsed.

General Fund Expenditures as of 3/31/2015

Department	Amended Budget as of 3/31/15	Expended as of 3/31/15	% Expended
City Council	\$ 1,309,326	\$ 915,403	70%
Boards & Commissions	\$ 140,576	\$ 16,354	12%
City Clerk	\$ 985,056	\$ 763,658	78%
City Attorney	\$ 2,644,553	\$ 1,690,990	64%
Administration	\$ 3,090,046	\$ 2,011,769	65%
Information Tech Svcs	\$ 3,201,624	\$ 2,221,520	69%
Human Resources	\$ 2,276,755	\$ 1,582,623	70%
Finance	\$ 3,636,881	\$ 2,359,512	65%
Non-Departmental	\$ 11,875,482	\$ 6,071,868	51%
Animal Care Facility	\$ 2,909,971	\$ 1,876,687	64%
Dev Services (GF)	\$ 2,637,808	\$ 1,830,819	69%
Police	\$ 47,661,897	\$ 32,985,701	69%
Fire	\$ 25,248,434	\$ 17,974,772	71%
Public Works	\$ 26,485,782	\$ 17,604,596	66%
Recreation	\$ 4,210,235	\$ 2,535,197	60%
Library	\$ 3,700,056	\$ 2,487,465	67%
Total Expenditures	\$ 142,014,482	\$ 94,928,934	67%

As part of the Third Quarter Financial review, staff prepared projections for 6/30/2015 based on current expenditures and trends. As noted on the following table, most departments are on track to stay within their budgets and are projecting expenditure savings in the current fiscal year. Overall a \$0.8 million net savings in General Fund expenditures is projected. The majority of these savings are estimated to be realized within the departments' Personnel Services

expenditure category. The two departments that are exceptions to this trend are:

- **Non-Departmental** – The Non-Departmental budget reflects a \$1.2 million overage when compared to budget. The overage is mainly comprised of budgeted salary savings of \$0.8 million, which actual salary savings are being realized within individual department budgets. Another contributing factor to the projected overage in the Non-Departmental budget is the unanticipated cost related to the Bayfront development of approximately \$0.2 million.
- **Fire Department** – The Fire Department is projecting a \$27,000 overage in operating expenses due to personnel costs that are expected to exceed the current fiscal year budget. The Department will offset these expenditures with unanticipated revenues resulting in no net fiscal impact to the General Fund.
- **Human Resources** – The Human Resources Department is projecting a \$7,000 overage in operating expenses due to an increase in hiring related costs. The Department will continue to monitor expenditures and make adjustments as needed.

General Fund Projections by Department
for June 30, 2015

Department	Amended Budget as of 3/31/15	Q3 Projected 6/30/15	Variance
City Council	\$ 1,309,326	\$ 1,309,326	\$ -
Boards & Commissions	\$ 140,576	\$ 140,576	\$ -
City Clerk	\$ 985,056	\$ 983,619	\$ (1,437)
City Attorney	\$ 2,644,553	\$ 2,643,219	\$ (1,334)
Administration	\$ 3,090,046	\$ 2,995,397	\$ (94,649)
Information Tech Svcs	\$ 3,201,624	\$ 3,102,747	\$ (98,877)
Human Resources	\$ 2,276,755	\$ 2,283,758	\$ 7,003
Finance	\$ 3,636,881	\$ 3,470,789	\$ (166,092)
Non-Departmental	\$ 11,875,482	\$ 13,121,346	\$ 1,245,864
Animal Care Facility	\$ 2,909,971	\$ 2,737,704	\$ (172,267)
Dev Services (GF)	\$ 2,637,808	\$ 2,502,411	\$ (135,397)
Police	\$ 47,661,897	\$ 47,000,481	\$ (661,416)
Fire	\$ 25,248,434	\$ 25,275,415	\$ 26,981
Public Works	\$ 26,485,782	\$ 26,215,613	\$ (270,169)
Recreation	\$ 4,210,235	\$ 3,949,337	\$ (260,898)
Library	\$ 3,700,056	\$ 3,516,083	\$ (183,973)
Total Expenditures	\$ 142,014,482	\$ 141,247,821	\$ (766,661)

Budget Transfers

The following table reflects the administrative budget transfers that have been approved through the Second Quarter.

These changes result in no net fiscal impact to the General Fund budget and are within the Council policy allowing for transfers up to \$15,000.

Summary of General Fund Budget Transfers

Department	Date	Description	Amount	From/To
City Council				
	Jul-14	Transfer for copier lease	\$2,000	Supplies & Services to Capital
	Jul-14	Transfer to Personnel Services	\$7,850	Supplies & Services to Personnel
	Feb-15	Budget Reallocation	\$5,304	Supplies & Services to Personnel
City Attorney				
	Jul-14	Transfer for copier lease	\$1,600	Supplies & Services to Capital
Information Technology				
	Mar-15	Network Access Study		Capital to Supplies & Services
Administration				
	Jul-14	Transfer for copier lease	\$1,520	Supplies & Services to Capital
	Oct-14	Consultant for OTC Analysis	\$15,000	Personnel to Supplies & Services
Finance				
	Jul-14	Folding machine and copier lease	\$4,500	Supplies & Services to Capital
Animal Care Facility				
	Feb-15	Vet Contract & Med. Supplies	\$15,000	Personnel to Supplies & Services
Development Services				
	Dec-14	St. Mobilehome Park Act Fee	\$35	Supplies & Services to Other Expenses
Public Works				
	Jan-15	Tree Trimming Svs.	\$15,000	Personnel to Supplies & Services
	Mar-15	Computer Equip. Purchase	\$5,000	Personnel to Capital
Recreation				
	Jan-15	T-1 Line Expenses	\$14,778	Supplies & Services to Utilities

Mid-Year Budget Amendments

Mid-year expenditure appropriations approved through March 31, 2014 totaled \$5,598,913. The City Council approved changes to budgeted revenues of \$3,841,413. Combined, these changes result in a negative net impact of 2,217,500.

The City Council approved the following budget amendments during through the Third Quarter:

Summary of General Fund Adjustments

Date		Description/Dept	Revenue	Expenditure	Net Impact
7/8/2014	Police	Cal Id Finger Print Tech	\$ 75,000	\$ 75,000	\$ -
7/8/2014	Public Works	SDG&E Plant	\$ 13,118	\$ 13,118	\$ -
7/22/2014	Fire	Rice Canyon Brush Clearance (\$113,000) Transfer	\$ -	\$ -	\$ -
8/5/2014	City Clerk	Special Election Charter Amend 1009,10,11	\$ -	\$ 47,000	\$ 47,000
8/5/2014	City Clerk	Special Election Charter Amend 1009,10,11	\$ -	\$ 47,000	\$ 47,000
8/12/2014	Various	Negotiated Salary Increases with City Bargaining Units	\$ 1,048,271	\$ 5,659	\$ (1,042,612)
8/12/2014	City Council	Council Salary Adjustment	\$ -	\$ 6,034	\$ 6,034
8/12/2014	Finance/Admin	Deputy City Manager Adj. Salary transfer	\$ -	\$ -	\$ -
9/9/2014	Public Works	Macy's Heart Your Park Prog.	\$ 550	\$ 550	\$ -
10/14/2014	Non-Department	STL 384 & 261 Adjustments	\$ 534,900	\$ 534,900	\$ -
10/28/2014	Non-Department	CRA Funding Agreement	\$ 250,000	\$ 250,000	\$ -
10/28/2014	Public Works	Dog Park Donations	\$ 10,300	\$ 10,300	\$ -
11/4/2014	Various	1st Qtr. Budget Adjustments	\$ 163,961	\$ 1,044,471	\$ 880,510
11/4/2014	Police	Police Officers MOU Adj.	\$ -	\$ 410,503	\$ 410,503
11/18/2014	Various	Misc. Position Adjustments	\$ -	\$ 22,011	\$ 22,011
12/2/2014	Fire/Non-Department	International Assn. Firefighters MOU Adjusments	\$ 383,543	\$ 383,543	\$ -
12/2/2014	City Attorney/Non-Department	Attorneys Fees Transfer from Non-Departmental (\$300,000)	\$ -	\$ -	\$ -
12/16/2014	Public Works	Energy Efficiency Projects	\$ 3,124	\$ 3,124	\$ -
12/16/2014	Administration	HarborFest Appropriation	\$ 7,500	\$ 7,500	\$ -
12/16/2014	Human Resources/Admin	Amended Compensation Schedule (\$59,813) Transfer	\$ -	\$ -	\$ -
1/27/2015	Boards and Commistions	Dist. Comm. Appropriation	\$ -	\$ 53,500	\$ 53,500
2/17/2015	Public Works	Bicycle Grant	\$ 2,800	\$ 2,800	\$ -
3/3/2015	Various	2nd Quarter Budget Adj.	\$ 451,586	\$ 175,140	\$ (276,446)
3/3/2015	Fire	FF/Paramedic Academy	\$ 336,278	\$ 336,278	\$ -
3/3/2015	Police	MDC Lease	\$ 100,482	\$ 100,482	\$ -
3/3/2015	Non-Department	3rd Ave. Prop. Purchase	\$ -	\$ 270,000	\$ 270,000
3/3/2015	Non-Department	Tlghp Cnyn Erosion Repair	\$ -	\$ 1,800,000	\$ 1,800,000
		Total Appropriations to date:	\$ 3,381,413	\$ 5,598,913	\$ 2,217,500
		Less: Tlghp Cnyn Erosion Repair	\$ -	\$ 1,800,000	\$ -
		Net Appropriations to date:	\$ 3,381,413	\$ 3,798,913	\$ 2,217,500