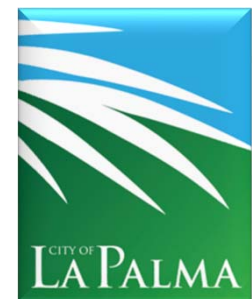


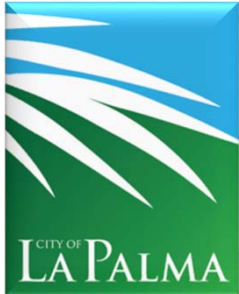
# Fiscal Year 2017-18 Second Quarter Operating Report & Mid-Year Budget Adjustments

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CITY COUNCIL

FEBRUARY 20, 2018

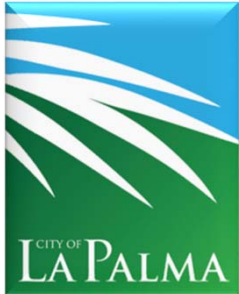




# Overview

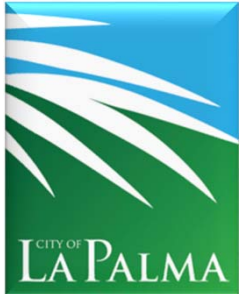
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- Spendable Fund Balances (as of December 31, 2017)
- 2<sup>nd</sup> Quarter General Fund Revenue and Expenditure Projections
- Proposed FY 2017-18 Mid-Year Budget Adjustments
- Other Post Employment Benefits (OPEB) Trust Update



# Spendable Fund Balances

<b>FUND</b>	<b>BALANCE 6/30/2017</b>	<b>INCREASE/ (DECREASE)</b>	<b>BALANCE 12/31/2017</b>
<b>General Fund</b>	<b>\$ 10,412,002</b>	<b>\$ (1,136,308)</b>	<b>\$ 9,275,694</b>
<b>Special Revenue Funds</b>	<b>1,955,885</b>	<b>46,271</b>	<b>2,002,156</b>
<b>Capital Projects Funds</b>	<b>5,462,456</b>	<b>(38,881)</b>	<b>5,423,645</b>
<b>Water Funds</b>	<b>4,498,467</b>	<b>(167,585)</b>	<b>4,330,882</b>
<b>Sewer Fund</b>	<b>3,334,308</b>	<b>33,321</b>	<b>3,367,629</b>
<b>Internal Service Funds</b>	<b>2,921,743</b>	<b>(473,099)</b>	<b>2,448,644</b>
<b>TOTAL OF ALL FUNDS</b>	<b>\$28,584,861</b>	<b>\$ (1,736,211)</b>	<b>\$ 26,848,650</b>



# General Fund Balance Breakdown – Prior to Mid-Year Adjustments

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**As of December 31, 2017:**

<b>Emergency Reserve Fund</b>	<b>\$4,984,900</b>
<b>Cash Float Reserve</b>	<b>250,000</b>
<b>Economic Development Fund</b>	<b>228,814</b>
<b>Spendable Fund Balance</b>	<b>3,811,980</b>
<b>GF BALANCE AT 12/31/2017</b>	<b>\$9,275,694</b>



# General Fund Revenues

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## **As of December 31, 2017:**

- **Revenues Totaled \$5,316,126**
- **46% of Adopted Budget**

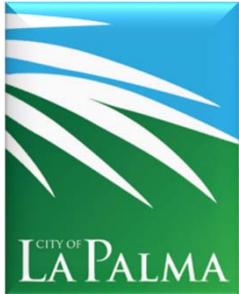
## **Comparison to Prior Year:**

- **Increase of \$1,362,960**
- **FY 16-17 – 36% Collected vs. FY 17-18 – 46% Collected**

# General Fund Revenues

FY 17-18 Projected Revenues expected to be \$43,100 more than the adopted budget

PROPERTY TAX	\$ 3,597,100	\$ 3,597,100	
SALES TAX	2,180,000	2,350,000	170,000
TRANSACTION & USE TAX	1,350,000	1,350,000	
UTILITY USER TAX	969,000	1,050,000	81,000
RESIDUAL PROPERTY TAX	133,600	133,600	
FRANCHISE FEES	430,000	400,000	(30,000)
TRANSIENT OCCUPANCY TAX	375,000	375,000	
LICENSES & PERMITS	349,200	349,200	
INTERGOVERNMENTAL	2,000	2,000	
CHARGES FOR SERVICES	505,000	505,000	
FINES & FORFEITURES	130,200	100,200	(30,000)
USE OF MONEY & PROPERTY	405,000	405,000	
OTHER REVENUES	494,500	346,600	(147,900)
INTERFUND TRANSFERS	587,700	587,700	
	\$ 11,508,300	\$ 11,551,400	43,100



# General Fund Expenditures

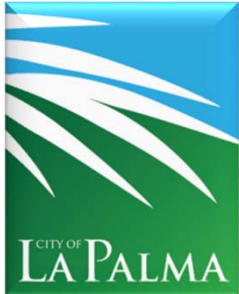
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## **As of December 31, 2017:**

- **Expenditures Totaled \$6,492,101**
- **46% of Adopted Budget**

## **Comparison to Prior Year:**

- **Increase of \$1,791,261**
- **FY 16-17 – 40% Spent vs. FY 17-18 – 46% Spent**

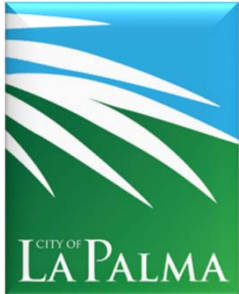


# General Fund Expenditures

Proposed FY 17-18 Expenditure Increase \$240,2000

General Government	\$ 633,800	\$ 658,800	\$ 25,000
Administrative Services	4,845,900	4,941,500	95,600
Police	4,592,700	4,592,700	-
Community Services	2,088,900	2,096,900	8,000
Community Development	2,055,500	2,072,000	16,500
Transfer Out	750,000	845,100	95,100
	<b>14,966,800</b>	<b>15,207,000</b>	<b>240,200</b>

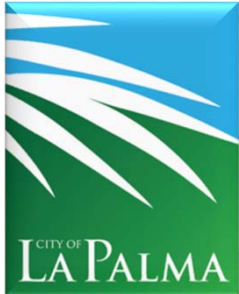




## Estimated General Fund Balance at Fiscal Year End w/ Proposed Changes

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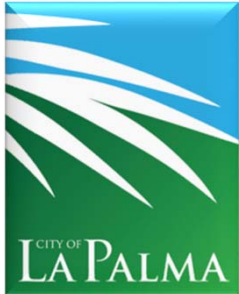
<b>Beginning Balance as of June 30, 2017</b>	<b>\$4,894,572</b>
<b>Est. GF Revenues through June 30, 2018</b>	<b>11,551,400</b>
<b>Est. GF Expenditures through June 30, 2018</b>	<b><u>(15,207,000)</u></b>
<b>Est. Ending Balance as of June 30, 2018</b>	<b>\$1,238,972</b>
<b>Increase/(Decrease) in Balance</b>	<b>(3,655,600)</b>



# Proposed Amended Budget

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<b>Projected Revenues</b>	<b>\$ 11,551,400</b>
<b>Proposed Expenditures</b>	<b>(10,301,900)</b>
<b>Revised Transfer Out</b>	<b>(845,100)</b>
<b>Revised FY 2017-18 Surplus/(Deficit)</b>	<b>\$404,400</b>



# Proposed Mid-Year Non-General Fund Revenue Adjustments

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## Economic Development Fund

EXPENDITURES	Original Budget	Increase/(Decrease)	Amended Budget
Professional Contract Services	\$ -	\$ 50,000	\$ 50,000

## Asset Seizure Fund

EXPENDITURES	Original Budget	Increase/(Decrease)	Amended Budget
Special Departmental Supplies	\$ 8,400	\$ 5,500	\$ 13,900

# Capital Project Carryovers from FY16-17 to FY 17-18

PROJECT		FUND	CARRYOVER AMT
Arterial Street Rehab	Orangethorpe (Moody to Walker)	Gas Tax	28,200
Arterial Street Rehab	Orangethorpe (Moody to Walker)	Measure M	521,800
Arterial Street Rehab	Thermal Striping	Measure M	170,500
Arterial Street Rehab	Thermal Striping	COR	29,500
City Facilities	ADA Compliance City Hall Restrooms	COR	120,000

# Capital Project Carryovers from FY16-17 to FY 17-18

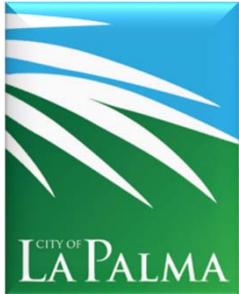
<b>PROJECT</b>		<b>FUND</b>	<b>CARRYOVER AMT</b>
<b>Intersection Improvements</b>	<b>ADA Ramp Improvements</b>	<b>CDBG</b>	<b>200,000</b>
<b>Intersection Improvements</b>	<b>ADA Ramp Improvements</b>	<b>COR</b>	<b>70,000</b>
<b>Water System</b>	<b>Walker Well Pump Replacement</b>	<b>Water Capital</b>	<b>75,000</b>
<b>Water System</b>	<b>183<sup>rd</sup> Street Water Repair</b>	<b>Water Capital</b>	<b>100,000</b>
<b>Water System</b>	<b>Pipeline Condition Assessment</b>	<b>Water Capital</b>	<b>52,400</b>



# Other Post Employment Benefit Trust - OPEB

<i>Dollar amounts in thousands</i>	July 1, 2015 Valuation	June 30, 2017 Valuation		
		Cash Subsidy	Implied Subsidy	Total
Actuarial Accrued Liability (AAL)	2,138	1,950	747	2,697
Actuarial Value of Assets	<u>1,491</u>	<u>1,564</u>	—	<u>1,564</u>
Unfunded AAL (UAAL)	647	386	747	1,133
Funded Percentage	70%	80%	0%	58%

<b>CERBT Strategy 1 Performance as of December 31, 2017</b>							
	1 month	3 months	Fiscal YTD	1 year	3 years	5 years	Since Inception (June 1, 2007)
Net Return	1.53%	4.34%	8.27%	16.6%	7.02%	7.99%	4.99%



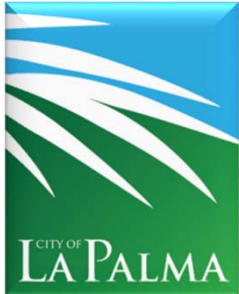
# Other Post Employment Benefit Trust - OPEB

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**Strategy 1:** Pay the full ADC to the trust, with trust reimbursement to the City for benefit payments each year.

**Strategy 2:** Make the following contributions:

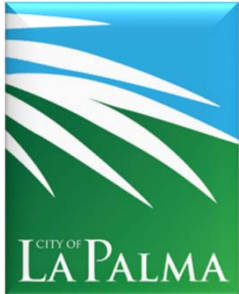
- Basic Contribution – Contribute the full ADC (cash subsidy and implied subsidy) to the trust, and do not request a reimbursement from the trust for benefit payments.
- Additional Contribution – Contribute additional \$500,000 to the trust in FY 2017-18 to reduce unfunded liability.



# Other Post Employment Benefit Trust - OPEB

	Strategy 1		Strategy 2	
	2017-18	2018-19	2017-18	2018-19
Normal Cost	81,000	84,000	81,000	84,000
UAAL Amortization	<u>86,000</u>	<u>89,000</u>	<u>86,000</u>	<u>32,000</u>
ADC	167,000	172,000	167,000	116,000
Additional Contribution	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
Total Trust Contribution	167,000	172,000	667,000	116,000





# Recommended Council Actions

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**Approve a Resolution amending the Fiscal Year 2017-18 Budget to adjust certain revenue, department, and program budgets**

