

STAFF REPORT

DATE: December 3, 2019

TO: City Council

FROM: Kelly Stachowicz, Assistant City Manager
Kiran Sanghera, Financial Analyst II
Kathy McIntire, Accounting and Fiscal Analyst II

SUBJECT: FY 19/20 First Quarter Budget Update

Recommendation

This is an informational report; no action is requested on this item.

Fiscal Impact

This informational item presents unaudited year-end revenue and expenditure results for the Fiscal Year ended June 30, 2019 (FY 18/19), as well as revenue and expenditure results through the first three periods of FY 19/20. The General Fund ended FY 18/19 with an increase of \$4,090,501 over the projected year-end fund balance estimate.

Through the first quarter of FY 19/20 General Fund expenditures were \$16.23 million, or 26.0% of the adjusted budget of \$62.4 million. Of the adjusted budget, \$13.8 million was re-appropriated from FY 18/19 for encumbrances and allocations for specific projects without a revenue offset that were not completed as of June 30, 2019.

The current General Fund Reserve policy discussion at the City Council in 2016 dealt with the amount of the reserve between 10% and 15%. Council suggested this amount could be applied to one-time Capital expenditures. At this time, we are recommending holding any additions until the mid-year budget report is complete. Once the fund availability is verified, likely in March, any available funds could be released for one-time projects.

As the above issues unfold, expenditures will continue to be monitored and projections updated to assess whether the General Fund will sustain the assumptions incorporated into the FY 19/20 budget. The results of this analysis will be discussed in the mid-year budget report.

Council Goal

This item is related to City Council Goal 1 – Ensure Fiscal Resilience.

Summary

This report summarizes the final, unaudited year-end All Funds revenue and expenditure results for FY 18/19 and presents All Funds revenue and expenditure results through the first three periods of FY 19/20 (July-Sept). In addition, the report highlights General Fund revenue and expenditure results in comparison to estimates used in the development of the current FY 19/20 budget.

ALL FUNDS REVENUES AND EXPENDITURES

Table 1 – All Funds FY 18/19 Revenues

FY 18/19 Revenue				
	Adjusted Budget	Year-to-Date Actual	%	Note
General Fund	59,786,977	62,698,872	104.9%	1b
General Fund Capital Projects	-	610,513	610.0%	
Special Revenue Funds	25,654,835	25,024,722	97.5%	1c
Debt Service	2,966,371	3,056,604	103.0%	1d
Capital Projects	2,753,298	3,606,503	131.0%	1e
Trust Funds	43	167	388.4%	
Enterprise Funds	56,766,106	82,078,439	144.6%	1f
Internal Service Funds	25,817,931	25,149,850	97.4%	
RDA Successor Agency Funds	3,434,032	3,851,736	112.2%	
Total All Funds	\$ 177,179,593	\$ 206,077,406	116.3%	1a

- 1a** All Funds Revenues ended FY 18/19 favorably at \$206.08 million, or 16.3% above adjusted budget of \$177.18 million.
- 1b** General Fund revenues ended the fiscal year at \$62.70 million which is 4.9% higher than the adjusted budget. The City Add On Tax increased by \$428,921, Residual Property Tax Distribution showed an increase of \$484,110, and Transient Occupancy Tax gained \$197,325 over the FY 18/19 revenue estimate. In the first year monitoring cannabis retail and manufacturing, revenue was \$1,094,559 - considerably higher than our conservative estimate of \$583,780. Other noteworthy year end revenue increases include general encroachment permits \$122,943, Rainbow Summer Children’s Camp \$320,627, and Business Licenses \$155,000. Office of Emergency Services Strike Team reimbursements totaled \$395,772. Bradley-Burns declined \$675,828 or .8% of the \$8.5 million estimate.
- 1c** Special Revenue Funds experienced a shortfall in revenue for Grant activities. HUD/CDBG had an adjusted budget of \$1.23 million. This is the result of a “true-up” of grant awards in the amount of \$806,976 of which only \$261,881 was during in FY 18/19. Incomplete projects have been carried forward to FY 19/20. The more significant federal transportation funds include Community Based Transportation Planning which was \$935,140 over the adjusted budget.
- 1d** Debt Service Funds experienced revenues above projections by \$90,233 which is 3% over the adjusted budget of \$3.06 million..
- 1e** Capital Project Funds experienced an increase in revenue for Developer Impact Fees – Parks & Open Space \$642,383 and General Facilities \$387,572. These increases are partially related to the Sterling development.
- 1f** Enterprise Funds have exceeded FY 18/19 revenue estimates primarily due to Water Revenue Refunding bond proceeds of \$20.12 million and the increase of water service proceeds to the City of \$4.3 million. Federal and State Transportation funding claims also experienced timing challenges and \$2.06 million in funds is yet to be received for the 4th quarter of FY 18/19.

Table 2 – All Funds FY 19/20 Revenues

FY19/20 Revenues				
	Adjusted Budget	Year-To-Date Actual	%	Note
General Fund	60,865,412	6,606,692	10.9%	2b
General Fund Capital Projects	777,000	8,000	1.0%	
Special Revenue Funds	29,493,274	4,460,130	15.1%	2c
Debt Service	3,024,611	11,222	0.4%	2d
Capital Projects	3,139,567	339,921	10.8%	2e
Trust Funds	102	10	9.8%	
Enterprise Funds	63,841,487	15,651,216	24.5%	
Internal Service Funds	26,411,998	7,242,916	27.4%	
RDA Successor Agency Funds	9,164,727	44,549	0.5%	
Total All Funds	\$ 196,718,178	\$ 34,364,656	17.5%	2a

- 2a** All Funds Revenues through the first quarter of FY 2019/20 are \$34.36 million, or 17.5% of the adjusted budget.
- 2b** General Fund Revenues are \$6.61 million or 10.9% of the adjusted budget, with many of the City’s major tax revenues (property tax & sales tax) yet to be collected.
- 2c** Special Revenue Funds include Transportation Development Act, Community Development Block Grant, and Operational Grants, which are subject to timing of expenditures and receipt of reimbursements, and typically have a timing lapse of several months.
- 2d** Debt Service funds are tracking below budget, due to the timing of Assessments which appear on property tax billings and revenue received in January and May.
- 2e** RDA Successor Funds revenue is short for the quarter but will be in line with estimates when property tax installments are received from the County in January and May.

Table 3 – All Funds FY 18/19 Expenditures

FY 18/19 Expenditures				
	Adjusted Budget	Unaudited Actuals	%	Note
General Fund	58,409,438	57,286,278	98.1%	3b
General Fund Capital Projects	8,402,319	7,145,435	85.0%	3b
Special Revenue Funds	22,733,373	20,015,741	88.0%	3c
Debt Service Funds	3,177,710	3,445,293	108.4%	3d
Capital Projects Funds	5,749,734	4,574,863	79.6%	3e
Enterprise Funds	62,816,643	57,357,223	91.3%	3f
Internal Service Funds	27,492,991	23,391,357	85.1%	3g
RDA Successor Agency Funds	3,627,310	3,662,106	101.0%	
Non-Departmental Funds	3,143,659	3,241,174	103.1%	
Total All Funds	\$ 195,553,177	\$ 180,119,470	92.1%	3a

- 3a** All Funds Expenditures for FY 2018/19 were \$180.12 million, or 92.1% of the adjusted budget of \$195.55 million. All funds were under budget with the exception of Debt Service funds, RDA Successor Agency Funds, and Non-Departmental Funds.
- 3b** General Fund expenditures ended the year at \$57.3 million, or 1.9% under the adjusted budget. General Fund Capital Project expenses ended the year at \$7.15 million or 85% of the adjusted budget. Committed purchase orders and projects carried forward into FY 19/20 include Citywide Enterprise Resource System Replacement \$415,282, Neighborhood Parks \$396,949, Street Lighting \$336,614, Transportation Infrastructure \$1,119,617.
- 3c** Special Revenue Funds ended the year below budget at 88.0%. Operating Grant funding carryovers include Homeless Emergency Aid Program (HEAP) Homeless Grant ended below expectations by \$129,000, with offsetting expenditure reductions. This is a reimburseable grant and funds will be received in FY 19/20. CDBG programming carried forward \$297,951 into FY 19/20 to complete ADA improvements citywide.
- 3d** Debt Service funds were recorded over budget at 108.4% in expenditures due to a principal payment for 2009 Public Facilities Financing Authority (PFFA) Bond originally due September 2019. This will be an audit adjustment related to funds held by a fiscal agent that were originally coded as an expenditure and it should have been recorded as a prepayment.
- 3e** Capital Project Funds (79.6%) experienced delays in projects, moving both the anticipated revenues and corresponding expenditures into FY 19/20. Examples of the more significant projects utilizing impact fee funds are the Richards Blvd @ I-80 Improvements \$436,564, Covell Blvd /L Intersection Improvements \$430,301, Mace Blvd. Improvements \$448,481, and L Street Improvements \$619,111.
- 3f** Enterprise Funds ended the year \$5.5 million under the adjusted budget (8.7%) due to projects carried forward to FY 19/20. Projects include Sanitary Sewer Rehabilitation \$440,593, Transportation Infrastructure \$356,458, Bike Pump Track \$183,392, and Russell Blvd. Green Street project \$340,252.
- 3g** Internal Service Funds remained under budget in all categories. The most significant savings in are in Vehicle Replacement \$1.74 million and Self Insurance Fund \$1.19

million, which returned to fund balance and will be reallocated toward future priority projects.

Table 4 – All Funds FY 2018/19 Expenditures by Department

FY 18/19 Expenditures				
	Adjusted Budget	Unaudited Actuals	%	Note
City Attorney (Non-departmental)	297,509	168,069	56.5%	4b
City Manager Office/City Council	6,645,731	5,441,531	81.9%	4c
Administrative Services Dept.	23,632,010	22,080,911	93.4%	4d
Comm. Development/Sustainability	7,514,453	7,405,319	98.5%	
Parks & Community Services	14,516,652	13,952,175	96.1%	
Fire Dept.	12,392,634	13,134,781	106.0%	
Police Dept.	21,373,662	21,570,697	100.9%	
Public Works Dept.	55,137,024	47,674,773	86.5%	4e
Capital Improvements	34,838,000	30,164,339	86.6%	4f
Debt Service	12,926,745	14,840,385	114.8%	
RDA Successor Agency	3,662,246	3,670,933	100.2%	
Non-Departments	2,616,511	15,560	0.6%	
Total All Funds	195,553,177	180,119,473	92.1%	4a

- 4a** All Funds Expenditures across most departments were within budget for FY 18/19 with the exception of Debt Service and Fire. Debt Service ended the fiscal year 14.8% higher due to a change in the principal payment schedule. The Fire Department exceeded the Adjusted Budget by 6.0% which is largely attributed to personnel expenses.
- 4b** City Attorney expenditures for legal services were lower than the adjusted budget by 43.5%. The attorney services budget has been moved into various departments to cover items specific to each department. Staff is continuing to evaluate whether to continue to budget legal costs within each program or in a centralized City Attorney program.
- 4c** The City Manager’s Office is showing expenditures at 81.9% primarily due to Federal HOME funds in the amount of \$268,000 that was not expended in the FY 18/19 as well as CDBG activities of \$297,951 for projects not yet completed.
- 4d** Administrative Services ended below adjusted budget at 93.4%. Of these unspent funds, \$415,282 was carried forward for the Citywide System Replacement as well as \$138,989 for the Citywide Radio System. Actual costs for Worker’s Compensation and Employee Medical were below budget \$340,114 and \$289,324 respectively.
- 4e** Public Works ended the year under budget. Charges encumbered and carried over totaling \$4.4 million from FY 18/19 to FY 19/20 were a significant portion of the savings. Some projects that were not completed and carried forward into FY 19/20 included Street Lighting \$336,614, Transportation Planning \$375,000, and Street Maintenance & Repair \$48,000.
- 4f** Capital Projects had \$4.67 million in unspent and unencumbered funds carried forward to FY 19/20 to offset encumbrances for project expenses already in process. The more significant of these include: Transportation Infrastructure Rehab \$1.12 million, ADA Parking & Facility Compliance \$297,951, Elevated Tank Replacement \$68,677, and SCADA Water Plan \$136,246.

Table 5 – All Funds FY 2019/20 Expenditures by Fund

FY19/20 Expenditures				
	Adjusted Budget	Year to Date Actuals	%	Note
General Fund	62,404,574	16,233,977	26.0%	5b
General Fund Capital Projects	14,866,333	4,387,009	29.5%	
Special Revenue Funds	33,803,631	7,131,944	21.1%	5c
Debt Service Funds	3,026,848	2,094,730	69.2%	5d
Capital Projects Funds	12,006,506	4,084,531	34.0%	5e
Enterprise Funds	95,257,813	28,140,601	29.5%	
Internal Service Funds	31,373,276	8,519,342	27.2%	
RDA Successor Agency Funds	8,842,520	1,472,905	16.7%	
Total All Funds	\$ 261,581,501	\$ 72,065,039	27.5%	5a

- 5a** Year-to-date expenditures through the first quarter of FY 19/20 appear within budget across most fund categories. Actual expenditures (including encumbrances) totaled \$72.06 million, or 27.5% of the adjusted budget.
- 5b** General Fund expenditures would appear to be tracking slightly above budget at 26%.
- 5c** Special Revenue Fund expenditures are reporting at 21.1%. Many of the expenditure appropriations (Gas Tax, Transit Funding and Grant Funding) within this category are directly related to Capital Improvement projects such as ADA parking and curb compliance, transportation infrastructure rehabilitation. Some projects that have significant unspent balances through the first quarter include: H Street @ Davis Little League \$1.67 million, Richards Blvd. & I-80 \$5.67 million, and Pole Line & Olive Drive Connection \$3.54 million.
- 5d** Debt Service Funds reflect expenditures at 69.2% of budget, as a result of annual debt payments due in the first quarter of the fiscal year and the payoff of the I-Bank Loan of \$8.0 million.
- 5e** Capital Projects Funds and Enterprise Funds expenditures are higher than expected at the end of the first quarter. This is due to a large contract for Cannery Grade Separated Crossing and expenditures related to Richards Blvd/I-80 Improvements.

Table 6 – All Funds FY 19/20 Expenditures by Department

FY19/20 Expenditures				
	Adjusted Budget	Unaudited Actuals	%	Note
City Attorney (Non-departmental)	310,217	19,802	6.4%	
City Manager/City Council	7,422,885	2,263,230	30.5%	6b
Administrative Services Department	25,234,042	7,293,203	28.9%	
Comm Dev/Sustainability	8,572,765	2,958,232	34.5%	6c
Parks and Community Services	16,334,815	4,650,572	28.5%	
Fire	13,088,641	3,485,490	26.6%	
Police	21,873,085	5,522,817	25.2%	
Public Works	60,776,165	16,289,806	26.8%	6d
Capital Improvements	78,845,170	13,838,389	17.6%	6e
Debt Service	23,243,724	14,257,788	61.3%	6f
RDA Successor Agency	3,677,231	1,475,207	40.1%	
Non-Departmental	2,202,761	10,503	0.5%	
Total All Funds	\$ 261,581,501	\$ 72,065,039	27.5%	6a

- 6a** Year-to-date expenditures through the first quarter of FY 19/20 appear within budget across most departments with the exception of Debt Services (61.3%) and Redevelopment Successor Agency (40.1%), which are traditionally higher in the first quarter as a result of annual debt payments.
- 6b** The City Manager’s office is currently showing expenses at 30.5% of budget. This is due to encumbered funds related to Davis Community Meals and one time expenditures related to Customer Service training.
- 6c** Community Development and Sustainability is currently above budget expectations due to expenses budgeted for the proposed development projects. Contract work associated with these projects is encumbered as needed.
- 6d** Public Works expenses are slightly above budget expectations due to the timing of large encumbrances for items such as fuel, tires, and materials in Fleet, and materials and supplies in Wastewater and other Enterprise divisions.
- 6e** Capital Improvements are tracking below the adjusted budget through the first quarter of FY 19/20. Many of projects are on-going such as ADA Parking & Facility Compliance, Cannery Grade Separated Crossing and 3rd Street Improvements, while others, such as the Transportation Infrastructure Rehabilitation are seasonal and will begin in spring 2020.
- 6f** Debt Service payments, for the most part, are made in the first quarter of the year which account for this Department showing 61.3% of the budget has been expended. The payoff of the I-Bank Loan in the amount of \$8,001,975 was also a major contributing factor to the increase in debt service expenditures in the first quarter of FY 19/20.

Personnel Analysis

**Table 7 – All Funds FY 2018/19 Year-End Results and FY 2019/20 Year-to-Date
Personnel Expenditures**

<i>All Funds Personnel Expenditures - Table 7</i>								
<i>FY18/19 Year-end Results and FY19/20 Year to Date</i>								
Expenditures by Department	FY18/19 Final Adjusted Budget	FY18/19 Unaudited Actuals	% Exp		FY19/20 Adjusted Budget	FY19/20 Year- to-Date Actuals	%	Note
City Manager/Council	2,707,487	2,620,034	96.8%		2,924,771	464,334	15.9%	
Administrative Services	4,467,500	4,493,895	100.6%		4,720,398	694,856	14.7%	
Comm/Dev/Sustainability	4,165,574	4,306,429	103.4%		4,467,816	652,272	14.6%	
Parks & Community Services	7,345,843	7,302,706	99.4%		7,774,168	1,494,418	19.2%	
Fire	10,298,298	10,995,086	106.8%		11,032,523	1,704,803	15.5%	
Police	17,471,335	17,573,862	100.6%		18,305,454	2,724,648	14.9%	
Public Works	14,347,280	13,911,054	97.0%		14,906,857	2,098,534	14.1%	
Capital Improvements	1,283,088	1,656,638	129.1%		1,547,266	258,066	16.7%	
RDA Successor Agency	114,177	107,658	94.3%		109,132	14,969	13.7%	
Non-Departmental	(827,239)	-	0.0%		(827,239)	-	0.0%	7b
Total	\$ 61,373,343	\$ 62,967,362	102.6%		\$ 64,961,146	\$ 10,106,900	15.6%	7a

7a FY 18/19 personnel expenditures ended the year at \$62.97 million, above the final budget of \$61.37 million, reporting a 2.6% additional expense. Of this additional expense, Police and Fire overtime accounts for \$931,000. On a citywide basis, FY 18/19 All Funds Personnel costs represented 32.19% of total city expenditures of \$195.55 million.

7b FY 19/20 personnel expenditures are currently tracking at 15.6%, which is consistent with budgeted projections when taking seasonality of personnel expenditures into consideration, as well as current vacancies (See vacancy listing in table 9).

Table 8 – Overtime Summary FY 18/19 Year-End Results and FY 19/20 Year-to-Date

This table summarizes the FY 18/19 and FY 19/20 year-to-date overtime results by department. In review of the table below, it is important to note that overtime is only one component of total human resource costs.

Overtime Wages	FY18/19 Final Adjusted Budget	FY18/19 Unaudited Actuals	FY19/20 Adjusted Budget	FY19/20 Year-to-Date Actuals	Note
City Manager/Council	1,064	897	1,864	696	
Administrative Services	6,601	1,842	6,601	-	
Comm/Dev/Sustainability	4,910	1,579	4,250	116	
Parks & Community Services	13,800	13,737	13,600	4,173	
Fire *	1,152,303	1,746,609	675,602	248,289	8b
Police	288,332	624,760	288,332	116,463	8c
Public Works	196,596	275,831	358,707	54,524	
Capital Improvements/Debt	10,255	68,387	10,255	3,565	
Total	\$ 1,673,861	\$ 2,733,642	\$ 1,359,211	\$ 427,826	8a

* The portion of overtime related to Strike Teams is reimburseable through State and Federal Funding. In FY18/19 this amounted to \$395,772. There have been no reimbursements to date for FY 19/20.

- 8a** All funds total actual overtime in FY 18/19 was \$1.06 million above budgeted overtime of \$1.67 million.
- 8b** Fire Department overtime expenditures in FY 18/19 were impacted by strike team assignments. The majority of strike team assignments are reimbursed through State & Federal funds. The amount reimbursed by the Office of Emergency Services was \$395,772. FY 19/20 overtime is at 31.4% of budget for the first quarter.
- 8c** The Police Department in FY 18/19 experienced a number of Police Officer vacancies which required backfilling with overtime in order to maintain shift minimum staffing in both Patrol and Investigations divisions. Overtime for the Police Department is running at 40.4% of the annual budget through the first quarter of FY 19/20.

Position Vacancy Listing

The following *Table 9* presents a listing of twenty-three (23) vacant positions as of September 30, 2019 , as well as updated information on previously reported vacancies hired since July 1, 2019. Sixteen (16) regular full-time vacant positions have been filled between July 1, 2019 and September 30, 2019.

Table 9– Position Vacancy List

<i>Vacant Positions as of 9/30/19</i>			
Dept	Position Title	Funding Source	Status
ASD	Accountant I	General Fund	Vacant 7/1/19
Comm Dev	Senior Planner	General Fund	Vacant 9/16/19
PCS	IPM Specialist	General Fund/Enterprise Fund	Vacant 9/15/17
PCS	Senior Parks Supervisor	General Fund	Vacant 11/15/18
PCS	Urban Forest Supervisor	General Fund	Vacant 8/9/19
PCS	Custodian II	General Fund	Vacant 8/12/19
PCS	Administrative Aide	General Fund	Vacant 1/25/19
Fire	Fire Division Chief	General Fund	Vacant 7/5/2019
Fire	Firefighter I (New)	General Fund	Vacant 7/1/19
Fire	Firefighter I (New)	General Fund	Vacant 7/1/19
Fire	Firefighter I (New)	General Fund	Vacant 7/1/19
Fire	Fire Inspection Specialist II	General Fund	Vacant 9/9/19
Police	Police Officer	General Fund	Vacant 1/14/19
Police	Police Officer	General Fund	Vacant 7/1/19
Police	Police Officer	General Fund	Vacant 5/20/8
Police	Police Officer	General Fund	Vacant 4/13/18
Police	Public Safety Dispatcher II	General Fund	Vacant 8/17/19
PW	Office Assistant II	Enterprise Fund	Vacant 6/24/19
PW	WWTP Lead Operator	Enterprise Fund	Vacant 6/28/19
PW	WWTP Lead Operator	Enterprise Fund	Vacant 11/30/18
PW	Collections System Worker	Enterprise Fund	Vacant 11/24/14
PW	Collections System Technician	Enterprise Fund	Vacant 1/2/17
PW	Water Distribution Operator I	Enterprise Fund	Vacant 3/25/19

<i>Positions Hired as of 7/1/19</i>			
Dept	Position Title	Funding Source	Status
ASD	Web Systems Analyst	Internal Service Fund	Hired 8/12/19
ASD	Financial Analyst II	General Fund	Hired 8/26/19
PCS	Paratransit Coordinator	Enterprise Fund	Hired 9/23/19
PD	Police Officer	General Fund	Hired 7/1/19
PD	Police Officer	General Fund	Hired 8/26/19
PD	Police Officer	General Fund	Hired 8/12/19
PD	Police Services Specialist	General Fund	Hired 9/9/19
PD	Police Records Specialist II	General Fund	Hired 7/29/19
PD	Public Safety Dispatcher I	General Fund	Hired 9/9/19
PW	Management Analyst I	General Fund/Enterprise	Hired 7/15/19
PW	Senior Office Assistant	General Fund/Enterprise	Hired 9/9/19
PW	Public Works Maintenance Worker I	Enterprise Fund	Hired 8/12/19
PW	Electrician	General Fund/Internal Service	Hired 9/9/19
PW	WWTP Lead Operator	Enterprise Fund	Hired 7/8/19
PW	Public Works Maintenance Worker I	Enterprise Fund	Hired 8/26/19
PW	Equipment Mechanic II	Internal Service Fund	Hired 9/16/19

General Fund Revenues

Table 11a: General Fund Revenue						
FY 18/19 Results						
Revenue by Source	FY 18/19 Adjusted Budget	FY 18/19 Budget Projection	Unaudited FY 18/19 Actual	Variance Favorable / (Unfavorable)	Variance Percentage	Note
Property Taxes	\$21,697,421	\$21,422,133	\$22,278,898	\$856,765	4.0%	11a
Sales & Use Tax	16,751,294	16,210,000	16,504,387	\$294,387	1.8%	11b
Transient Occupancy Tax	2,022,817	2,263,400	2,220,142	(\$43,258)	-1.9%	11c
Property Transfer Tax	405,732	200,000	303,135	\$103,135	51.6%	11d
Business License Tax	1,772,729	1,909,000	1,928,055	\$19,055	1.0%	
Cannabis Mfg and Retail	170,000	629,000	728,219	\$99,219	15.8%	
Municipal Services Tax	3,127,138	3,127,138	3,138,065	\$10,927	0.3%	
Franchise Fees	1,181,696	1,204,403	1,216,404	\$12,001	1.0%	
Community Development	1,629,277	1,397,456	1,461,928	\$64,472	4.6%	11e
Parks & Community Services	2,771,779	3,130,336	3,381,196	\$250,860	8.0%	11e
Other Depts (Fire, PD, PW)	2,382,460	2,472,865	3,126,644	\$653,779	26.4%	11e
Fines & Forfeitures	475,000	476,311	330,319	(\$145,992)	-30.7%	11f
Investment Earnings	150,000	436,122	656,687	\$220,565	50.6%	11g
Intra-City Revenues	2,038,686	2,038,686	2,038,686	\$0	0.0%	
All Other Sources	3,204,948	3,775,897	3,386,107	(\$389,790)	-10.3%	11h
Total	\$59,780,977	\$60,692,747	\$62,698,872	\$2,006,125	3.3%	

Table 11b: General Fund Revenue						
FY 19/20 Projections						
Revenue by Source	FY 19/20 Adopted Budget	FY 19/20 Adjusted Budget	FY 19/20 Year to Date	FY 19/20 Projection	Variance Favorable / (Unfavorable)	Note
Property Taxes	\$22,216,824	\$22,216,824	\$0	\$22,216,824	\$0	11a
Sales & Use Tax	16,226,000	16,226,000	1,199,955	16,226,000	\$0	11b
Transient Occupancy Tax	2,518,400	2,518,400	119,432	2,518,400	\$0	11c
Property Transfer Tax	200,000	200,000	-	200,000	\$0	11d
Business License Tax	1,928,400	1,928,400	57,274	1,928,400	\$0	
Cannabis Mfg and Retail	620,000	620,000	384,712	620,000	\$0	
Municipal Services Tax	3,224,500	3,224,500	1,063,069	3,224,500	\$0	
Franchise Fees	1,204,403	1,204,403	272,553	1,204,403	\$0	11e
Community Development	2,226,260	2,216,260	552,903	2,216,260	\$0	
Parks & Community Services	2,763,323	3,008,619	1,006,820	3,008,619	\$0	
Other Depts (Fire, PD, PW)	2,689,057	2,669,816	573,894	2,669,816	\$0	11e
Fines & Forfeitures	450,000	450,000	111,658	450,000	\$0	11e
Investment Earnings	348,898	348,898	49,459	348,898	\$0	11e
Intra-City Revenues	2,304,974	2,304,974	768,143	2,304,974	\$0	11f
All Other Sources	1,714,023	1,728,318	446,820	1,728,318	\$0	11g
Total	\$60,635,062	\$60,865,412	\$6,606,692	\$60,865,412	\$0	

Tables 11a & b present a summary of major General Fund revenue sources. FY 18/19 revenues were \$62.70 million which was \$2.01 million (3.3%) above the revenue estimate used in the development of the FY 18/19 budget. FY 19/20 General Fund revenues year to date are \$6.61 million which is roughly 11% of the adjusted budget \$60.86 million.

- 11a** In FY 18/19, overall Property Tax revenue increased 4.0% over the budget projection of \$21.42 million, total assessed valuations are experiencing better levels of growth, and the addition of new units within the Cannery development were contributing factors. The year-end property tax result of \$22.28 million was \$856,765 above the revenue estimate of \$21.42 million, which was used in the development of the FY 19/20 budget. This year end result is consistent with projections and will not have an effect on the FY 19/20 original property tax projections. Indication of this will be in January when the first installment of FY 19/20 property tax revenue is received.
- 11b** Sales Tax revenue ended FY 18/19 at \$16.50 million, 1.8% above the budget estimate. First quarter results for FY 19/20 stand at \$1.20 million, or 7.4% of the estimated budget figure of \$16.23 million. Typically, Sales Tax revenue forecasts are not updated on the basis of results from one quarter, and year-to-date results caution us to watch the second quarter results carefully to determine if early revisions to the forecast are warranted.
- 11c** Transient Occupancy Tax (TOT) revenue in FY 18/19 increased \$197,325 over the Adopted Budget but fell slightly short of the Estimate. Year to date results for FY 19/20 of \$119,432 are reflecting residual payments from FY 18/19 received after July 1. The timing of payment receipts is typically one quarter behind the collection and reporting of TOT. For example July through September TOT payments are received in fiscal quarter two.
- 11d** Property Transfer Tax revenue decreased from the Adopted Budget to \$303,135 in FY 18/19 over prior year FY 17/18 results of \$387,230. (21.71%). This tax can fluctuate from year to year, as it is dependent on real estate activity. Although the FY 18/19 year end results fell short of projections (\$102,597), we remain optimistic in maintaining our FY 19/20 projection of \$200,000. Again, indication of this will be in January when the first installment of current-year property tax revenue is received.
- 11e** Fines and Forfeitures are currently tracking at 24.8% of budget. A portion of the actual revenues received in FY 19/20 are residual payments for FY 18/19. This revenue can have cyclical impacts with the summer and early fall months tracking below the winter and spring months.
- 11f** Investment Earnings. First quarter investments would appear slow due to the timing of interest receipts, which occurs in October, (fiscal quarter 2). At this time, PFM Asset Management group continues to manage over \$53.0 million of the City's portfolio and has been making progress on diversifying and maximizing our assets.
- 11g** All Other Sources category of Revenues in FY 18/19 ended \$3.39 million, below the year projections of \$3.78 million.

General Fund Expenditures/General Fund Capital Projects

Table 12 summarizes General Fund expenditure results for all departments. Expenditures ended the fiscal year at \$64.43 million, or \$2.38 million under the adjusted budget of \$66.81 million. General Fund and General Fund Capital projects are combined for the purpose of reporting all general fund expenditures.

Table 12: General Fund Expenditures/General Fund Capital Projects
FY 18/19 Year-End Results and FY 19/20 Year-to-Date

	FY 18/19 Adjusted Budget	FY 18/19 Unaudited Actuals	%	FY 19/20 Adjusted Budget	FY 19/20 Year-to-Date Actuals	%
City Attorney	\$ 147,509	\$ 164,759	111.7%	\$ 170,217	\$ 19,802	11.6%
City Manager Office/City Council	3,907,100	3,617,040	92.6%	4,540,729	1,096,298	24.1%
Administrative Services Dept.	3,200,052	3,092,842	96.6%	3,907,181	826,438	21.2%
Comm. Development/Sustainability	3,569,739	3,390,241	95.0%	3,372,936	759,345	22.5%
Parks & Community Services	11,837,740	11,238,989	94.9%	13,123,627	3,885,339	29.6%
Fire Dept.	10,665,467	10,789,119	101.2%	11,228,846	2,846,703	25.4%
Police Dept.	19,445,319	18,786,112	96.6%	20,041,034	4,862,432	24.3%
Public Works Dept.	4,199,516	4,013,110	95.6%	6,332,746	1,594,811	25.2%
Capital Improvements	8,402,319	7,145,438	85.0%	15,146,425	4,698,932	31.0%
Debt Service	2,649,956	2,534,714	95.7%	234,405	20,383	8.7%
Non-Departments	(1,212,960)	(340,648)	28.1%	(827,239)	10,503	-1.3%
Total All Funds	\$ 66,811,757	\$ 64,431,716	96.4%	\$ 77,270,907	\$ 20,620,986	26.7%

FY 18/19 General Fund expenditure results for most operating departments were within their adjusted budget, with savings ranging from 0% to 71.9% of budgeted expenditures. The more significant savings in Capital Improvement Projects are due to unspent funds being carried forward into FY 19/20.