

# CITY OF BUELLTON



## QUARTERLY FINANCIAL REPORT

*Third Quarter Ending March 31, 2018*

**April 26, 2018**

### Overview

The purpose of this financial report is to provide financial information for the City of Buellton. This report focuses on the third quarter of fiscal year 2017-18 and covers the period July 1, 2017 through March 31, 2018. The report is presented quarterly and concentrates on the General Fund and Enterprise Funds. The quarterly financial report presents the City's financial position, considers economic factors and highlights trends based on the City's budget versus what actually occurred during the period. A discussion of other economic factors provides a means of comparing the local economy against larger economic events that may affect the City of Buellton. This quarterly financial report is a valuable tool to the Council, staff and general public.

### U.S. Economy

The new tax bill projected that more money in consumer pockets will increase household and business spending. Wages were up slightly in March from 2.6% to 2.75%, but the increase in pay was not evenly spread among all workers. Unemployment held at 4.1% January through March, but may begin to drop as few new jobs are added. Consumer prices in the United States increased 2.4% year-on-year in March of 2018, above 2.25% in February and matching market expectations. It is the highest inflation rate in a year, mainly boosted by shelter and used car prices.

Interest rates are slowly rising and savers might rather put their money in money markets, CDs, or saving, than spend on consumer goods. The higher inflation rate this year means the Federal Reserve

will potentially raise rates a quarter of a percentage point in June and December.

### State Economy

Consumer prices in the Los Angeles area increased to 3.8% from 3.6%. The .2% increase was due to higher prices for gasoline, food, shelter, and other goods and services. February 2018 California unemployment rate was 4.3%. Six of California's eleven industry sectors added a total of 23,500 jobs in February. Professional and business services posted the largest increase followed by construction, manufacturing, educational and health services, leisure & and financial activities.

The Thomas Fire and subsequent debris flow had a significant impact on the Santa Barbara County's economy. The cost of cleanup, decreased property values and loss of business due to the temporary closure of Highway 101 had negative effects on the economy. Meanwhile in some cities, transient occupancy tax increased during the disasters which brought emergency personnel and displaced families to local hotels.

### City of Buellton

The City's General fund ended the third quarter of 2017-18 with about \$6.6 Million in fund balance and finished the quarter with over \$6.6 Million in cash balance. Revenues reached 61 percent of budget while expenditures remained within appropriations, ending the quarter at 66 percent. The Enterprise funds completed the quarter with mixed results. The Water Fund experienced a surplus, and Wastewater fund experienced a net operating loss during the quarter. Water and sewer rate increased in November 2017 to ease future operating deficits and fund planned capital improvement projects. A third rate increase is expected in July 2018. Details are provided in a later discussion.

**GENERAL FUND****General Fund Balance**

The chart below shows that with 75 percent of the year complete, revenues are slightly below projections at 61 percent while expenditures are below expected projections at 66 percent of appropriations. “Revenue versus budget” gaps are explained in the next paragraph.

<b>General Fund - Fund Balance</b>	<b>Original Budget</b>	<b>Current Budget</b>	<b>Actual</b>	<b>Percent</b>
Balance, at Start of Year	\$ 6,000,000	\$ 6,000,000	\$ 6,879,206	
Revenues *	7,641,145	7,701,145	4,671,905	61%
Expenditures *	(7,399,056)	(7,429,365)	(4,922,450)	66%
Balance, at End of Quarter	<u>\$ 6,242,089</u>	<u>\$ 6,271,780</u>	<u>\$ 6,628,661</u>	
* Includes Transfers				

The chart below provides summary comparison information on revenues and expenditures for the quarter ending March 31, 2018 versus the prior quarter March 31, 2017. Total revenues are higher in the current year by almost \$373 thousand. The major cause of this variance is due to the increase in transient occupancy tax (TOT) received by the addition of the Hampton Inn. Also, TOT increased in January due to evacuees and emergency personnel from the Thomas debris flow who lodged at Buellton hotels. In addition, the rise in home values has contributed to greater property tax revenue. Charges for current services are greater during the third quarter of FY 16/17 because it includes a one-time \$250 thousand cost-reimbursement payment. Revenue flows are expected to be on target with budget as the fiscal year elapses.

Expenditures are higher in this fiscal year compared to the prior year by about \$235 thousand. The increase is due to the expenditures incurred for Capital Improvement Projects (CIP) such as replacing the Post Office fire alarm system, and road maintenance projects for FY 15/16 and FY 16/17.

	<b>Q3 FY 2017-18</b>	<b>Q3 FY 2016-17</b>	<b>Over (Under)</b>
<b>Revenues:</b>			
Taxes	4,145,809	3,576,320	569,489
Fees and Permits	8,425	8,625	(200)
Fines and Penalties	15,463	13,299	2,164
Charges For Current Services	141,432	376,600	(235,168)
Other Revenues	360,777	323,302	37,475
<b>Total Revenues</b>	<u>4,671,905</u>	<u>4,298,146</u>	<u>373,759</u>
<b>Expenditures:</b>			
General Government	4,894,413	4,634,042	260,371
Minor Capital	28,037	53,441	(25,404)
<b>Total Expenditures</b>	<u>4,922,450</u>	<u>4,687,483</u>	<u>234,967</u>

**Top Five Revenues**

<b>Top Five Revenues</b>	<b>Original Budget</b>	<b>Current Budget</b>	<b>YTD Actual</b>	<b>Percent</b>
Sales Tax	2,300,000	2,300,000	1,399,261	61%
TOT	1,900,000	1,900,000	1,839,544	97%
Property Tax	1,282,500	1,282,500	808,167	63%
MVLF Swap	427,200	427,200	231,427	54%
Franchise Fees	225,000	225,000	98,837	44%
Other Revenues*	1,506,445	1,566,445	294,669	19%
<b>Total Revenues</b>	<b>7,641,145</b>	<b>7,701,145</b>	<b>4,671,905</b>	<b>61%</b>

\*Other Revenues include charges for current Park and Recreation Services, Grants, Interest, Rent and transfer from Reserves.

**Sales Tax**

The City received 61 percent of the total Sales Tax revenue as of March 31, 2018. Sales tax is below target because of payment delays. Payments are recorded when received and applied to the corresponding month of sales; usually payment is received two months later from the State of California. Only sales tax through January has been received resulting in seven months total sales tax to date. Sales Tax payments fluctuate each month in conjunction with seasonal flows. Strong revenue streams from local sales tax are expected to increase as new businesses continue to open.

**Transient Occupancy Tax (TOT)**

TOT revenue is a major component of the City's General Fund. The City expects TOT revenue streams to exceed budgeted levels with total receipts at 97 percent at the end of the third quarter. The increase is contributed to the addition of the Hampton Inn. Payments for the reporting period are due on the 20th of the following month, and as previously mentioned, cause revenue streams to lag one month. TOT receipts have been received through February.

**Property Tax**

The City's property tax revenues are received later in the fiscal year at intervals set by the Santa Barbara County Auditor-Controller. Property tax is above target at 63 percent, and the City can expect to exceed target by the end of the fiscal year. In addition, the City's ongoing share of property tax is expected to increase based on new development in progress.

**Property Tax in Lieu of Motor Vehicle License Fee (MVLF Swap)**

Payments for 2017-18 are expected to be on course with the budget. Payments from the Santa Barbara County Auditor-Controller are received throughout the year, usually January and June. This revenue source is trending upwards based on historic receipts.

**Franchise Fees**

Franchise fees are received monthly, quarterly and annually. The majority of the City's Franchise Fees are collected from Marborg Industries, the City's solid waste service provider. Other franchise fees are received from various utilities. This revenue source is on target with budget timing delays with 44 percent received and is anticipated to meet budgeted amounts by the end of the fiscal year.

*Top Five Revenues for the City of Buellton' General Fund are Sales Tax, Property Tax, Transient Occupancy Tax (TOT), Motor Vehicle License Fee (MVLF) and Franchise Fees. These revenues account for almost 94% of total General Fund Revenues.*

**Expenditures**

The chart below summarizes operating costs by department and shows that four Budget Units are over budget. The General fund is under budget at the end of the third quarter for all departments in total.

Department Expenditures	Original Budget	Current Budget	YTD Actual	% Expended
City Council	125,089	126,714	92,925	73%
City Manager	237,072	237,304	169,077	71%
City Clerk	115,896	116,050	80,542	69%
City Attorney	185,000	185,000	87,012	47%
Non-Departmental	1,011,901	1,011,901	717,142	71%
Finance	167,673	168,362	132,891	79%
Police and Fire	2,146,260	2,146,260	1,583,770	74%
Library	173,441	173,441	146,535	84%
Recreation	504,878	530,787	412,953	78%
Street Lights	60,000	60,000	41,834	70%
Storm Water	215,600	215,600	101,300	47%
Public Works - Parks	314,250	314,250	234,971	75%
Public Works - Landscape	106,000	106,000	67,753	64%
Public Works - Engineering	-	-	-	0%
Public Works - General	652,904	654,218	390,104	60%
Planning (Comm Dev)	354,592	354,978	238,731	67%
Transfer to CIP Fund 92	1,028,500	1,028,500	424,910	41%
<b>Total All Departments</b>	<b>7,399,056</b>	<b>7,429,365</b>	<b>4,922,450</b>	<b>67%</b>

As of March 31, 2018, or 75 percent of the year expended, the General Fund ended the quarter at 67 percent spent (including CIP). Actual General Fund expenditures were approximately \$ 4.9 Million. Almost all Budget Units ended the quarter within budget except for Finance, Library, and Recreation.

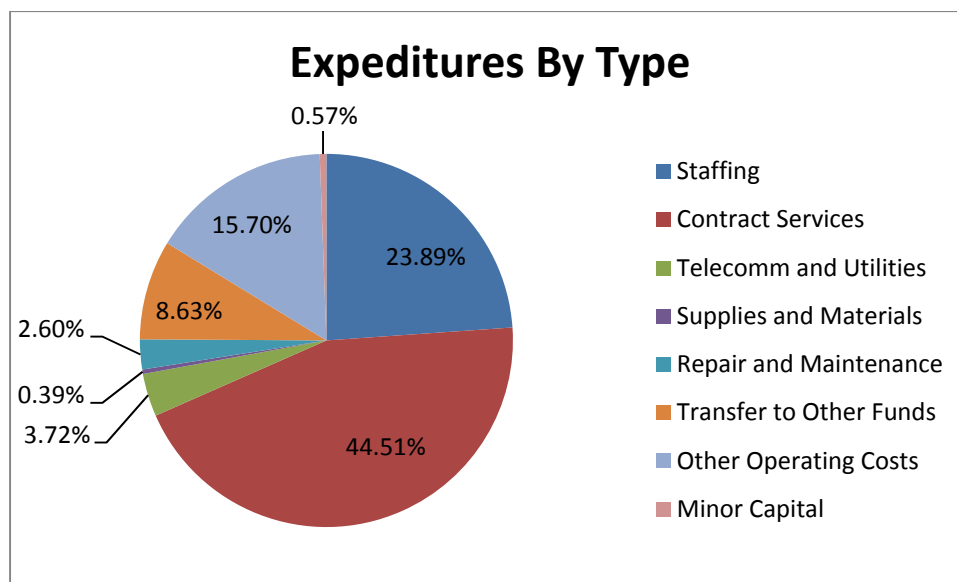
The Finance Department purchased cubicle dividers for about \$4 thousand dollars at the beginning of the fiscal year. The overage was also contributed to increase in Finance Hourly Employee wages and employer paid deferred compensation pension plan for management. This hourly wages is expected to decrease by the end of FY 17/18 due to fewer hours reported by the Finance Mentor, and the budget unit is expected to be within budget.

The Library Department should not experience much activity besides utility costs, as the whole contract amount was paid in August 2017. The library budget is expected due be within budget by the end of the fiscal year.

The Recreation Department experienced an increase in operating activities. During the third quarter, the Recreation Center offered a one-week February Camp to accommodate the extra week taken off by students in the Buellton School Districts. In addition, the Recreation Department celebrated its 10<sup>th</sup> Anniversary in February and additional money was expended to advertise and organize the 10<sup>th</sup> Anniversary celebration. The Recreation budget should even-out by the end of the fiscal year.

**Major Expenditure Variances**

Expenditures By Type	Original Budget	Current Budget	YTD Actual	% Expended
Staffing	1,569,505	1,599,814	1,176,023	75%
Contract Services	3,128,401	3,128,401	2,190,773	70%
Telecomm and Utilities	227,250	227,250	183,068	81%
Supplies and Materials	38,900	38,900	19,077	49%
Repair and Maintenance	232,700	232,700	127,804	55%
Transfer to Other Funds	1,178,500	1,178,500	424,901	36%
Other Operating Costs	964,300	964,300	772,766	80%
Minor Capital	59,500	59,500	28,037	47%
<b>Total by Type</b>	<b>7,399,056</b>	<b>7,429,365</b>	<b>4,922,450</b>	<b>67%</b>



The chart and graph above shows General Fund operating costs and minor capital expenditures summarized by type. With 75 percent of the year expended, all budget categories are within budget with the exception of Telecomm and Utilities and Other Operating Costs. The Telecomm and Utilities overage resulted from water and sewer rate increases that went into effect on November 1, 2017. The City gets charged for meters and water usage at City Parks, various irrigation meters, Wastewater Treatment Plant, Chamber of Commerce, Post Office, City Hall, and Police Station. Historically, water was charged to the appropriate account at the end of the fiscal year, but has been recorded on a monthly basis since the beginning of the current fiscal year. This expenditure type should be within budget at the end of the fiscal year.

The other operating category consists of payments to non-profit organizations, and payment for the CalPERS Unfunded Liability that were paid at the beginning of the fiscal year. In addition, recreation expenses are also categorized in this category and because of increased activities being offered during the year, the expenses to provide those services have increased. The other operating category should even-out by the end of the fiscal year.

**ENTERPRISE FUNDS**

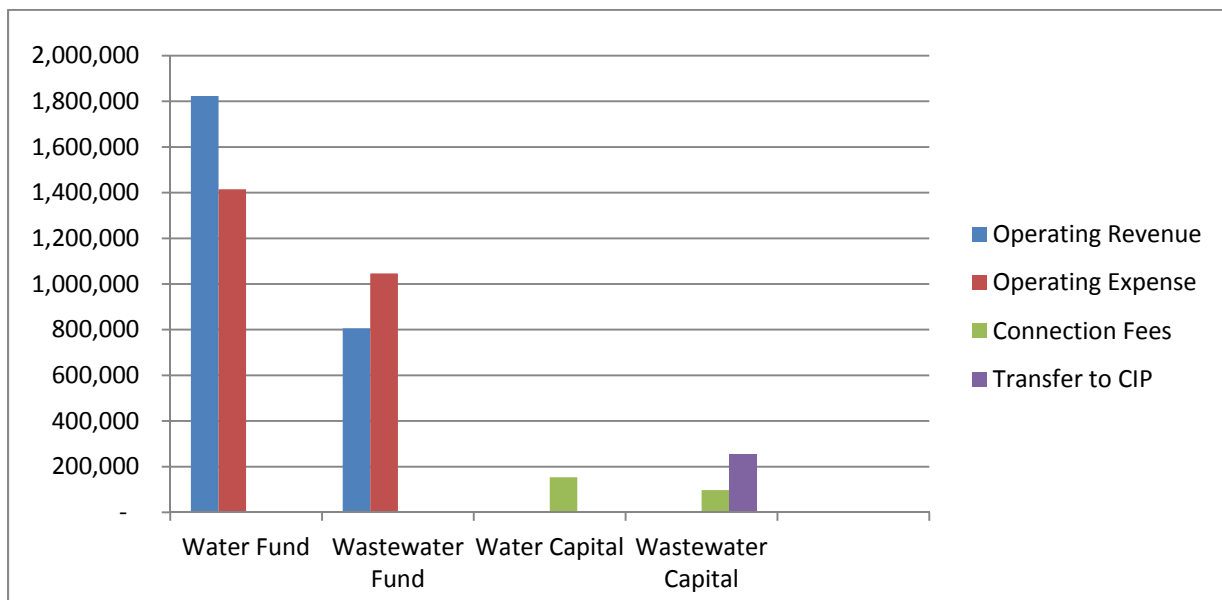
The Statement of Revenues and Expenses for the third quarter of Fiscal Year 2017-18 are shown below.

**Revenues and Expenses**

Enterprise Funds	Water	Wastewater	Water Capital	Wastewater Capital
<b>Revenues</b>				
Charge for Services	1,808,384	796,683	-	-
Interest Income	15,105	9,184	1,407	890
Connection Fees*	-	-	152,295	96,576
<b>Total Operating Revenue</b>	<b>1,823,489</b>	<b>805,867</b>	<b>153,702</b>	<b>97,466</b>
Other Revenues	43,863	8,660	-	-
<b>Total Revenues</b>	<b>1,867,352</b>	<b>814,527</b>	<b>153,702</b>	<b>97,466</b>
<b>Expenses</b>				
Operating	563,094	858,822	-	-
Depreciation**	132,750	187,500	-	-
State Water	719,134	-	-	-
<b>Total Operating Expenses</b>	<b>1,414,978</b>	<b>1,046,322</b>	<b>-</b>	<b>-</b>
<b>Operating Profit(Loss)</b>	<b>452,374</b>	<b>(231,795)</b>	<b>153,702</b>	<b>97,466</b>
Transfers Out - CIP		(253,668)		-

\*Connection Fees used for CIP with restrictions; cannot be used for operating costs.

\*\* Depreciation is estimated. Actual amount is posted at the end of the fiscal year.



**Water Fund**

Operating revenues have exceeded expenditures by over \$452 thousand in the third quarter of Fiscal Year 2017-2018 (excludes Capital Improvement expenses which are recorded in the Water Capital Fund). The Water fund utilizes reserves to fund Capital Improvement projects (CIPs) which are budgeted at \$230,000 in the current fiscal year. The total CIP budget for fiscal year 2017-18 includes Water Treatment Plant Facilities Improvement, Water Treatment Backwash Reclamation Improvement Project, Water Meter Upgrades, Water Treatment Plant Booster Power Reliability, Water Distribution System Improvement, and Recycled Water Replacement Project.

On November 1, 2017, the second phase of water rate increases took effect, with the third phase becoming effective July 1, 2018. The rate increases will help reverse the operating deficit and fund the capital improvement projects. The operating loss has reversed as of the third quarter, and is currently operating with a surplus. The Water Fund ended the third quarter with approximately \$2.6 Million in cash and fund balance of approximately \$6.2 Million.

<b>Water Fund 020</b>	<b>FY 17/18 Original Budget</b>	<b>FY 17/18 Current Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>				
Charge for Services	1,798,000	1,798,000	1,808,384	101%
Interest Income	8,500	8,500	15,105	178%
<b>Total Operating Revenue</b>	<b>1,806,500</b>	<b>1,806,500</b>	<b>1,823,489</b>	<b>101%</b>
Other Revenues	11,500	11,500	43,863	381%
Transfer from Reserves	679,255	679,255	-	0%
<b>Total Revenues</b>	<b>2,497,255</b>	<b>2,497,255</b>	<b>1,867,352</b>	<b>75%</b>
<b>Expenses</b>				
Operating	1,160,256	1,186,469	563,094	47%
Depreciation**	177,000	177,000	132,750	75%
State Water	1,390,000	1,390,000	719,134	52%
<b>Total Operating Expenses</b>	<b>2,727,256</b>	<b>2,753,469</b>	<b>1,414,978</b>	<b>51%</b>
Transfers Out - CIP	(230,000)	(230,000)	-	0%

**Water Capital**

Water Capital Fund is a new fund to record Connection Fees and CIP expenditures. The change in fund balance is due to planned expenditures for CIPs exceeding estimated Connection Fee revenue and offset by any existing fund balance. The fund balance at the end of the third quarter is \$295 thousand. CIP expenditures for FY 17/18 consisted of the above mentioned in the Water Fund.

<b>Water Capital 021</b>	<b>FY 17/18 Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>			
Connection Fees	400,000	152,295	38%
Interest Income		781	
Transfer In from Fund 020	230,000	-	0%
<b>Total Revenue</b>	<b>630,000</b>	<b>153,076</b>	<b>24%</b>
<b>Expenses</b>			
Transfer to CIP Projects	680,000	-	0%

**Wastewater Fund**

Wastewater Fund Operating expenditures exceeded operating revenues causing the Wastewater fund to experience a net operating loss of over \$231,000 in the third quarter of 2017-18 (includes Capital Improvement Project expenses which will be recorded in the Wastewater Capital Fund). The Wastewater fund utilizes reserves to fund Capital Improvement projects (CIPs) which are budgeted at \$435,000 in 2017-18. The total CIP budget for fiscal year 2017-18 includes Wastewater Treatment Plant Facilities Improvements, Sewer Collection System Clean (CCTV) and Sewer Line Replacement.

On November 1, 2017, the second phase of water rate increases took effect, with the third phase becoming effective July 1, 2018. The rate increases will help reverse the operating deficit and fund the capital improvement projects. The operating loss has not reversed as of the third quarter report; however, the trend is expected to improve once the Wastewater fund experiences a full fiscal year of the rate increase. The Wastewater fund ended the third quarter with about \$1.3 Million in cash and fund balance of approximately \$3.4 Million.

<b>Sewer Fund 005</b>	<b>FY 17/18 Original Budget</b>	<b>FY 17/18 Current Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>				
Charge for Services	876,000	876,000	796,683	91%
Interest Income	7,000	7,000	9,184	131%
<b>Total Operating Revenue</b>	<b>883,000</b>	<b>883,000</b>	<b>805,867</b>	<b>91%</b>
Other Revenues	5,500	5,500	8,660	157%
Transfer from Reserves	300,308	300,308	0	0%
<b>Total Revenues</b>	<b>1,188,808</b>	<b>1,188,808</b>	<b>814,527</b>	<b>69%</b>
<b>Expenses</b>				
Operating	1,373,808	1,375,021	858,822	62%
Depreciation**	250,000	250,000	187,500	75%
<b>Total Operating Expenses</b>	<b>1,623,808</b>	<b>1,625,021</b>	<b>1,046,322</b>	<b>64%</b>
Transfers Out - CIP	(435,000)	(435,000)	(253,668)	58%

**Wastewater Capital**

Wastewater Capital Fund is a new fund to record Connection Fees and CIP expenditures. The change in fund balance is due to planned expenditures for CIPs exceeding estimated Connection Fee revenue and offset by any existing fund balance. The fund balance through the end of the third quarter is about \$179 thousand. CIP expenditures for FY 17/18 consisted of the above mentioned in the Wastewater Fund.

<b>Wastewater Capital 006</b>	<b>FY 17/18 Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>			
Connection Fees	200,000	96,576	48%
Interest Income	-	890	0%
Transfer In from Fund 005	435,000	-	0%
<b>Total Revenue</b>	<b>635,000</b>	<b>97,465</b>	<b>15%</b>
<b>Expenses</b>			
Transfer to CIP Projects	650,000		0%





# Capital Improvement Budget Report

## Third Quarter Summary

For Fiscal: 2017-2018 Period Ending: 03/31/2018

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Fund: 092 - Capital Improvement Proj Fund</b>						
<b>Revenue</b>						
<a href="#">092-49676</a>	Transfer between 091/092	\$ -	\$ -	-	-	0%
<a href="#">092-49726</a>	Transfer from Gas Tax Fund	\$ 500,000.00	\$ 500,000.00	252,880.88	247,119.12	51%
<a href="#">092-49727</a>	Transfer from General Fund	\$ 1,028,500.00	\$ 1,028,500.00	424,900.92	603,599.08	41%
<a href="#">092-49728</a>	Transfer from Measure A	\$ 625,000.00	\$ 625,000.00	394,057.28	230,942.72	63%
<a href="#">092-49729</a>	Transfer from Sewer Fund	\$ 650,000.00	\$ 650,000.00	253,668.44	396,331.56	39%
<a href="#">092-49732</a>	Transfer from Water Fund	\$ 680,000.00	\$ 680,000.00	-	680,000.00	0%
<a href="#">092-49733</a>	Trsfr from Local Trans Fund	\$ 95,000.00	\$ 95,000.00	-	95,000.00	0%
<b>Revenue Total:</b>		<b>\$ 3,578,500.00</b>	<b>\$ 3,578,500.00</b>	<b>1,325,507.52</b>	<b>2,252,992.48</b>	<b>37%</b>

<b>Expense</b>						
<b>Department: 101 - Storm Drain Cleaning and Retrofit</b>						
<a href="#">092-101-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-101-74100</a>	Improvements	\$ 20,000.00	\$ 20,000.00	8,880.00	11,120.00	44%
<a href="#">092-101-76000</a>	Contribution	\$ -	\$ -	-	-	0%
<b>Department: 101 - Storm Drain Cleaning and Retrofit Total:</b>		<b>\$ 20,000.00</b>	<b>\$ 20,000.00</b>	<b>8,880.00</b>	<b>11,120.00</b>	<b>44%</b>

**Status:**  
Most of the inlet and catch basins have been cleaned. There are still some areas where access is required.

<b>Department: 102 - Storm Drain Outfall Repairs and Re-Establishment</b>						
<a href="#">092-102-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-102-74100</a>	Improvements	\$ 25,000.00	\$ 25,000.00	-	-	0%
<b>Department: 102 - Storm Drain Outfall Repairs and Re-Establishment Total:</b>		<b>\$ 25,000.00</b>	<b>\$ 25,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

<b>Department: 201 - Facilities Maintenance and Painting</b>						
<a href="#">092-201-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-201-74100</a>	Improvements	\$ 25,000.00	\$ 25,000.00	-	-	0%
<b>Department: 201 - Facilities Maintenance and Painting Total:</b>		<b>\$ 25,000.00</b>	<b>\$ 25,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

<b>Department: 206 - Ave of Flags Park Pedestrian Sidewalk Impvmts</b>						
<a href="#">092-206-74100</a>	Riverview Park Pedestrian Sidewalk Improvements	\$ 50,000.00	\$ 50,000.00	50,000.00	-	100%
<b>Department: 206 - Riverview Park Pedestrian Sidewalk Impvmts Total:</b>		<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>50,000.00</b>	<b>-</b>	<b>100%</b>

**Status:**  
Project was included as part of 092-313 Road Maintenance Project. Project is complete.

<b>Department: 207 - Santa Ynez River Trail</b>						
<a href="#">092-207-74100</a>	Conceptual Plan/feasibility	\$ 20,000.00	\$ 20,000.00	-	-	0%
<b>Department: 207 - City Hall Repairs Total:</b>		<b>\$ 20,000.00</b>	<b>\$ 20,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

<b>Department: 211 - Village Park Improvements</b>						
<a href="#">092-211-74100</a>	Village Park Improvements	\$ 216,000.00	\$ 216,000.00	-	-	0%
<b>Department: 211 - Village Park Improvements Total:</b>		<b>\$ 216,000.00</b>	<b>\$ 216,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 213 - Post Office Fire Alarm System Replacement		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-213-74100</a>	Improvements	\$ 20,000.00	\$ 20,000.00	9,759.00	10,241.00	49%
<b>Department: 213 - Post Office Fire Alarm System Replacement Total:</b>		<b>\$ 20,000.00</b>	<b>\$ 20,000.00</b>	<b>9,759.00</b>	<b>10,241.00</b>	<b>49%</b>

Status:

Alarm system installation is complete. The project expended 49% of the budgeted amount.

Department: 214 - City Hall Generator/Electrical Replacement		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-214-8000</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-213-74100</a>	Improvements	\$ 40,000.00	\$ 40,000.00	-	-	0%
<b>Department: City Hall Generator/Electrical Replacement Total:</b>		<b>\$ 40,000.00</b>	<b>\$ 40,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 306 - Phase III Hwy 246/Sycamore Ped Xing		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-306-60800</a>	Contract Services	\$ 70,000.00	\$ 70,000.00	16,315.00	53,685.00	23%
<a href="#">092-306-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Department: 306 - Phase III Hwy 246/Sycamore Ped Xing Total:</b>		<b>\$ 70,000.00</b>	<b>\$ 70,000.00</b>	<b>16,315.00</b>	<b>53,685.00</b>	<b>23%</b>

Status:

Design has commenced, survey for base map completed.

Department: 307 - McMurray Road Widening/TS (13/14)		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-307-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-307-71200</a>	Right of Way Acquisition	\$ 25,000.00	\$ 25,000.00	-	-	0%
<a href="#">092-307-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Department: 307 - McMurray Road Widening/TS (13/14) Total:</b>		<b>\$ 25,000.00</b>	<b>\$ 25,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Status:

Slow/No contact response from Thrifty Oil. Project is stalled.

Department: 308 - No. Ave of the Flags Prk and Ride		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-308-60800</a>	Contract Services	\$ 75,000.00	\$ 75,000.00	-	-	0%
<a href="#">092-308-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Department: 308 - No. Ave of the Flags Prk and Ride Total:</b>		<b>\$ 75,000.00</b>	<b>\$ 75,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 311 - Industrial Way Street Lights		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-311-60800</a>	Contract Services	\$ 82,500.00	\$ 82,500.00	1,652.50	80,847.50	2%
<a href="#">092-311-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Department: 311 - Industrial Way Street Lights Total:</b>		<b>\$ 82,500.00</b>	<b>\$ 82,500.00</b>	<b>1,652.50</b>	<b>80,847.50</b>	<b>2.0%</b>

Status:

Council has provided direction on fixture type. Coordinating with PG&E and electrical engineer on additional design information.

Department: 312 - Hwy 246 /Sidewalk (CalTrans)		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-312-60800</a>	Contract Services	\$ 24,000.00	\$ 24,000.00	13,335.00	10,665.00	56%
<a href="#">092-312-74100</a>	Improvements	\$ 56,000.00	\$ 56,000.00	60,950.22	(4,950.22)	109%
<b>Department: 312 - Hwy 246 /Sidewalk (CalTrans) Total:</b>		<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>	<b>74,285.22</b>	<b>5,714.78</b>	<b>93%</b>

Status:

Project is complete.

Department: 313 - Road Mtce Project 15-16 and 16/17						
<a href="#">092-313-60800</a>	Contract Services	\$ 113,605.00	\$ 113,605.00	86,412.00	27,193.00	76%
<a href="#">092-313-74100</a>	Improvements	\$ 836,395.00	\$ 836,395.00	824,535.36	11,859.64	99%
<b>Department: 313 - Road Mtce Project 15-16 Total:</b>		<b>\$ 950,000.00</b>	<b>\$ 950,000.00</b>	<b>910,947.36</b>	<b>39,052.64</b>	<b>96%</b>

Status:  
Project is complete. City Council approved Notice of Completion on March 22, 2018.

Department: 315 - Ave of Flags Pedestrian/Drainage Improvement		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-315-60800</a>	Contract Services	\$ 100,000.00	\$ 100,000.00	-	-	0%
<a href="#">092-315-74100</a>	Road Maintenance Project 15-16	\$ -	\$ -	-	-	0%
<b>Department: 315 - Ave of Flags Pedestrian/Drainage Improvement</b>		<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 316- Road Maintenance Project (17/18)						
<a href="#">092-316-60800</a>	Contract Services	\$ 180,000.00	\$ 180,000.00			0%
<a href="#">092-316-74100</a>	Improvements	\$ 270,000.00	\$ 270,000.00			0%
<b>Department: 316 - Road Maintenance Project (17/18)</b>		<b>\$ 450,000.00</b>	<b>\$ 450,000.00</b>			<b>0%</b>

Status:  
Design has commenced.

Department: 603 - WTP Facilities Improvement						
<a href="#">092-603-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-603-74100</a>	Improvements	\$ 100,000.00	\$ 100,000.00	-	-	0%
<b>Department: 603 - WTP Facilities Improvement:</b>		<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 607 - Water Meter Upgrades						
<a href="#">092-607-74100</a>	Improvements	\$ 50,000.00	\$ 50,000.00	-	-	0%
<b>Department: 607 - WTP Backwash Reclamation Improvement Project Total:</b>		<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 608 - WTP/Booster Power Reliability						
<a href="#">092-608-74100</a>	Improvements	\$ 300,000.00	\$ 300,000.00	-	-	0%
<b>Department: 608 - WTP/Booster Power Reliability</b>		<b>\$ 300,000.00</b>	<b>\$ 300,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 610 - Water Distribution System Improvements						
<a href="#">092-610-74100</a>	Water Distribution System Improvements	\$ 200,000.00	\$ 200,000.00	-	-	0%
<b>Department: 610 - Water Distribution System Improvements Total:</b>		<b>\$ 200,000.00</b>	<b>\$ 200,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 611 - Recycled Water Program						
<a href="#">092-611-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-611-74100</a>	Improvements	\$ 30,000.00	\$ 30,000.00	-	-	0%
<b>Department: 611 - Recycled Water Program Total:</b>		<b>\$ 30,000.00</b>	<b>\$ 30,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 702 - Sewer Collections System Cleaning						
<a href="#">092-702-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-702-74100</a>	Improvements	\$ 50,000.00	\$ 50,000.00	44,266.66	5,733.34	89%
<b>Department: 702 - Sewer Collections System Cleaning Total:</b>		<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>44,266.66</b>	<b>5,733.34</b>	<b>89%</b>

Status:  
Most of the sewer system cleaning has been completed. There are a few areas with access issues that will need to be revisited.

Department: 704 - Sewer Line Replacement						
<a href="#">092-704-60800</a>	Contract Services	\$ -	\$ -	-	-	0%

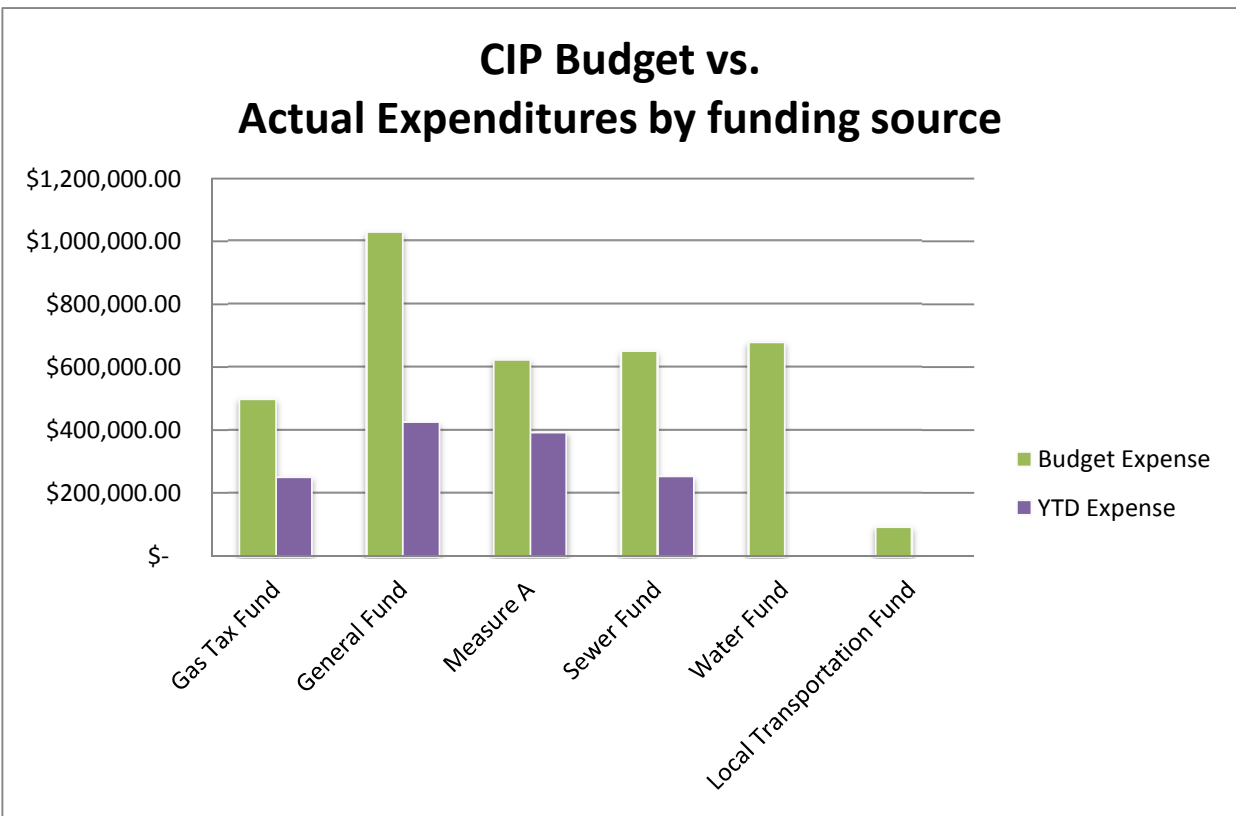
<a href="#">092-704-74100</a>	Improvements	\$ 100,000.00	\$ 100,000.00	-	-	0%
<b>Department: 704 - Sewer Line Replacement Total:</b>		<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

<b>Department: 706 - WWTP Facilities Improvement</b>						
<a href="#">092-706-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-706-74100</a>	Improvements	\$ 500,000.00	\$ 500,000.00	209,401.78	290,598.22	42%
<b>Department: 706 - WWTP Facilities Improvement Total:</b>		<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>209,401.78</b>	<b>290,598.22</b>	<b>42%</b>

Status:  
Repairs for clarifiers have started.

<b>Fund: 092 - Capital Improvement Proj Fund Surplus (Deficit):</b>	<b>\$ 3,578,500.00</b>	<b>3,578,500.00</b>	<b>1,325,507.52</b>	<b>2,252,992.48</b>	<b>37%</b>
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## Capital Improvement Project (CIP) Analysis



The Capital Improvement Plan includes completion of current projects, new investments, and important reinvestments in critical infrastructure projects. The CIP budget includes line item details explaining expenditures and funding source. The bar graph above shows that the CIPs in progress are within budgeted amounts.

Of the ten active CIPs, four CIPs are completed. The Post Office alarm system replacement was completed with only 49 percent of the budget expended. The Avenue of Flags Park and Pedestrian sidewalk repairs, Hwy 246 sidewalk, FY 15/16 and FY 16/17 Road Maintenance projects were completed under budget. The Storm Drain Cleaning Project, Sewer Collection System Cleaning, and Wastewater facilities improvements are in progress.

At the end of the third quarter, the following projects have begun their initial phases: Industrial Way Street Lights, Phase III Hwy 246 Sycamore Pedestrian Xing, and FY 17/18 Road Maintenance Project.