

# CITY OF BUELLTON



## QUARTERLY FINANCIAL REPORT

First Quarter Ending September 30, 2018

**October 25, 2018**

### Overview

The purpose of this financial report is to provide financial information for the City of Buellton. This report focuses on the first quarter of fiscal year 2018-19 and covers the period July 1, 2018 through September 30, 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

This year's employment situation has been exceeding expectations with low unemployment rates. The unemployment rate for September 2018 declined to 3.7 percent, and total nonfarm payroll employment increased by 134,000. Job growths occurred in professional and businesses services, health care, and in transportation and warehousing.

The economy may be slowing as the trade war with China continues, energy prices are rising, the global economy is slowing, and U.S. interest rates are increasing. The CPI for September was 2.3 percent, and the price index for U.S. imports rose 0.5 percent in September, after declining 0.5 percent the previous month. Prices for U.S. imports increased 3.5 percent by the end of September.

### State Economy

California unemployment rate remains unchanged for the fifth consecutive month at 4.2 percent at the end of August. Consumer price inflation rose 3.9 percent in the Los Angeles area. The area increases were up 0.5 percent over the past month. The increase was influenced by higher prices for shelter and apparel.

According to the Bureau of Labor Statistics, energy prices jumped 12.1 percent as result of an increase in the price of gasoline. There is an initiative (Prop 6) on the ballot for the November 2018 General Election to repeal SB1. If passed, it means lower gas prices, but it will effect local governments. Local governments would lose funding for highway and road maintenance repairs.

### City of Buellton

The City's General Fund ended the first quarter of 2018-19 with about \$7.8 Million in fund balance and finished the quarter with over \$7.4 Million in cash balance. Revenues reached 12 percent of budget while expenditures remained within appropriations, ending the quarter at 21 percent.

The Enterprise funds completed the quarter with positive results. Both the Water and Wastewater Funds operated with a surplus. The Water Fund ended the quarter with a fund balance of about \$6.4 Million and \$2.5 Million in cash. The Sewer Fund ended the quarter with a fund balance of \$3.5 Million and \$1.4 Million in cash. Water and sewer rates increased in July 2018 to ease future operating deficits and fund planned capital improvement projects. The rate increases were enacted to stabilize the rate in which the Enterprise Funds used up reserves to fund operating expenses. Details are provided in a later discussion.

**GENERAL FUND**

**General Fund Balance**

Table 1 below shows that with 25 percent of the year complete, revenues are below projections at 12 percent while expenditures are below expected projections at 21 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	\$ 7,643,088	\$ 8,427,913	
Revenues *	7,741,398	8,511,033	1,038,727	12%
Expenditures *	(7,504,173)	(7,738,891)	(1,634,234)	21%
Balance, at End of Year	<u>\$ 6,237,225</u>	<u>\$ 8,415,230</u>	<u>\$ 7,832,406</u>	

\* Includes Transfers

**Table 1: General Fund Balance**

	<b>Q1 FY 2018-19</b>	<b>Q1 FY 2017-18</b>	<b>Over (Under)</b>	<b>Percent</b>
<b>Revenues:</b>				
Taxes	\$ 928,439	\$ 769,184	\$ 159,255	21%
Fees and Permits	4,905	5,135	\$ (230)	-4%
Fines and Penalties	1,861	3,842	\$ (1,981)	-52%
Charges for Current Services	35,196	58,036	\$ (22,840)	-39%
Other Revenue	68,326	32,037	\$ 36,289	113%
<b>Total Revenue</b>	<u>\$ 1,038,727</u>	<u>\$ 868,234</u>	<u>\$ 170,493</u>	<u>20%</u>
<b>Expenditures:</b>				
General Government	\$ 1,632,140	\$ 2,069,031	\$ (436,891)	-26.77%
Minor Capital	2,094	22,243	(20,149)	-962%
<b>Total Expenditures</b>	<u>\$ 1,634,234</u>	<u>\$ 2,091,274</u>	<u>(457,040)</u>	<u>-28.0%</u>
<b>Change in Fund Balance</b>	<u>\$ (595,508)</u>	<u>\$ (1,223,040)</u>	<u>627,533</u>	<u>-51%</u>

**Table 2: Previous Year Comparison**

Table 2 above provides summary comparison information on revenues and expenditures for the quarter ending September 30, 2018 versus the prior year quarter September 30, 2017. Further revenue and expenditure analysis will be discussed later in this report. Total revenues are higher in the current year by about \$170 thousand, or 20 percent. The major cause of this variance is due to the increase in transient occupancy tax (TOT) resulting from higher occupancy rates in July and August compared to the previous year. Also, the city received about \$90 thousand more in sales tax compared to the prior year due to commercial activity during the Summer Season. In addition, the other revenue contains interest earned. During the current fiscal year, the interest rate on LAIF was 2.16 percent compared to a 1.07 percent interest rate from the prior fiscal year. The increase in interest rate amounted to an increase of \$13.6 thousand in interesting earnings.

Expenditures are about \$457 thousand less this current fiscal year compared to the prior year. The decrease is due to the timing of payments made during the FY 17/18 compared to FY 18/19. During the prior fiscal year, the contracted annual payment to the City of Santa Barbara for library services was made during the first quarter. During the current fiscal year, the payment of about \$140 thousand for Library Services has not yet

been made. In addition, during last fiscal year payments to the County of Santa Barbara for Sheriff Services covered invoices for services for the month of July through October 2017 which amounted to about \$621,000. In contrast, only Sherriff Services for the months of July and August 2018 have been paid. As a result, about \$322 thousand less has been paid for Sheriff Services compared to last fiscal year.

There were more minor capital expenditures in the previous fiscal year. In the first quarter of FY 17/18, the server equipment was replaced, new cubicle walls were installed and new standing desks were installed. In contrast, during the current fiscal year, only minor equipment has been purchased.

### **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	2,346,000	2,412,000	214,283	9%
TOT	1,938,000	2,450,000	685,349	28%
Property Tax	1,308,150	1,461,244	5,462	0%
MVLF Swap	430,000	470,641	-	0%
Franchise Fees	229,500	229,500	23,346	10%
Other Revenues*	1,489,748	1,487,648	110,288	7%
<b>Total Revenues</b>	<b>7,741,398</b>	<b>8,511,033</b>	<b>1,038,727</b>	<b>12%</b>

**Table 3**

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

### **Sales Tax**

As of September 30, 2018, the City received 9 percent of the total projected Sales Tax revenue. Only July's sales tax has been received and recorded. Payments are recorded when received and applied to the corresponding month of sales; usually payment is received from the State of California two months after the sales tax is collected. Sales Tax payments fluctuate each month in conjunction with seasonal flows. Strong revenue streams from local sales tax are expected and revenue from sales tax is expected to be within target by the end of the fiscal year.

### **Transient Occupancy Tax (TOT)**

TOT revenue is a major component of the City's General Fund. TOT payments for the reporting period are due on the 20<sup>th</sup> of the following month and cause revenue streams to lag one month. TOT receipts have been recorded through August 2018. The City expects TOT revenue streams to exceed budgeted levels with total receipts at 28 percent at the end of the first quarter. The increase is attributed to the higher occupancy rate due to the Summer Season.

### **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. Rising property values, commercial and residential growth are attributed to the expected increase in property taxes. In addition, the City's ongoing share of property tax is expected to increase as new development continues to progress.

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

Payments for 2018-19 are expected to be on course with the budget. Payments from the County are received usually in 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 Comcast, PG&E and SoCal Gas. Franchise fees ended the quarter at 10 percent. This revenue source experiences time delays and is expected to be on target 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 (MVLFF) and Franchise Fees. These revenues account for almost 92% of total General Fund Revenues.*

## Expenditures

Table 4 below summarizes operating costs by department and shows that two Budget Units are over budget. Overall, the General fund is under budget at the end of the first quarter for all departments in total.

Department Expenditures	Original Budget	Current Budget	YTD Actual	% Expended
City Council	132,347	134,187	31,604	24%
City Manager	241,720	241,466	55,524	23%
City Clerk	119,213	119,213	27,550	23%
City Attorney	188,700	188,700	25,050	13%
<b>Non-Departmental</b>	<b>1,044,509</b>	<b>1,059,201</b>	<b>577,282</b>	<b>55%</b>
Finance	167,082	178,259	45,185	25%
Police and Fire	2,189,185	2,001,052	298,553	15%
Library	176,910	176,910	1,914	1%
Recreation	514,978	529,159	140,990	27%
Street Lights	65,000	65,000	10,360	16%
Storm Water	204,012	204,012	15,580	8%
Public Works - Parks	304,135	316,435	74,481	24%
Public Works - Landscape	108,120	120,346	27,146	23%
Public Works - General	665,961	669,601	149,395	22%
Planning (Comm Dev)	353,801	452,180	70,003	15%
Transfer to CIP Fund 92	1,028,500	1,283,170	83,615	7%
<b>Total All Departments</b>	<b>7,504,173</b>	<b>7,738,891</b>	<b>1,634,233</b>	<b>21%</b>

**Table 4: General Fund Expenditures by Department**

As of September 30, 2018, or 25 percent of the year expended, the General Fund ended the quarter at 21 percent expended (including CIP). Actual General Fund expenditures were approximately \$ 1.6 Million. Almost all Budget Units ended the quarter within budget except for Non-Departmental and Recreation.

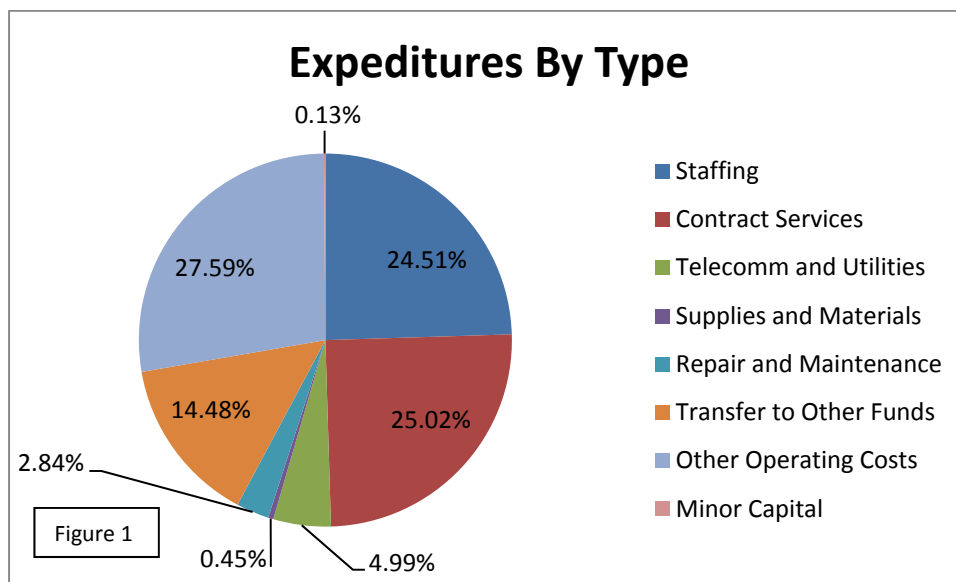
The Non-Departmental budgetary unit includes one-time payments made annually. For example, insurance payments, CalPERS Accrual Unfunded Liability, Community Support, and Transfers to Other Funds. These annual payments amount to approximately \$432.8 thousand. This budgetary unit is expected to even-out during the course of the fiscal year and is expected to be within budget.

The Recreation Department experienced higher operating activities during the first quarter of FY 18/19 due to the expenses associated with Buellton's first Crab Feast Gala in September. The Crab Feast Gala was the final event celebrating Buellton Recreation Center's 10<sup>th</sup> Anniversary. Also, reservations for hotels booked in advanced for the Yellowstone National Park accounts for the first quarter overage. This Recreation Department is expected to be within budget by the end of the fiscal year.

**Major Expenditure Variances**

Expenditures By Type	Original Budget	Current Budget	YTD Actual	% Expended
Staffing	1,602,424	1,750,634	400,523	23%
Contract Services	3,213,409	2,970,236	408,887	14%
Telecomm and Utilities	213,155	279,261	81,468	29%
Supplies and Materials	39,678	32,664	7,318	22%
Repair and Maintenance	216,150	210,350	46,364	22%
Transfer to Other Funds	1,186,170	1,436,170	236,615	16%
Other Operating Costs	984,987	1,011,376	450,965	45%
Minor Capital	48,200	48,200	2,094	4%
<b>Total by Type</b>	<b>7,504,173</b>	<b>7,738,891</b>	<b>1,634,234</b>	<b>21%</b>

Table 5: Expenditure Categories



The chart and graph above shows General Fund operating costs and minor capital expenditures summarized by type. With 25 percent of the year expended, all budget categories are within budget with the exception of Telecomm and Utilities and Operating Costs. The Telecomm and Utilities overage resulted from water and sewer rate increases that went into effect on July 1, 2018. The City pays for basic water service and water usage at City Parks, various irrigation meters, Wastewater Treatment Plant, Chamber of Commerce, Post Office, City Hall, and Police Station. The City of Buellton currently records water and sewer expenditures on a monthly basis and will continue to monitor the water service charges for the General Fund and will make a budget adjustment if the Telecomm and Utilities category continues to be over budget.

Other Operating Costs accounts for about 14 percent of general fund expenditures. The other operating cost category consists of payments to non-profit organizations, payment for the CalPERS Unfunded Liability, Buellton Recreation expenditures, and contract payments to the Visitor’s Bureau.

The top three spending categories are: Contract Services, Staffing, and Other Operating Costs. Contract Services include services for Police, Fire Department, Legal Services, Engineering, and other services. Staffing consists of almost a quarter of general fund expenditures.

**ENTERPRISE FUNDS**

The Enterprise Fund Balance and Statement of Net Position for the first quarter of Fiscal Year 2018-19 are shown below.

**Fund Balance Summary**

<b>Enterprise Fund Balance</b>	<b>Water</b>	<b>Water Capital</b>	<b>Wastewater</b>	<b>Wastewater Capital</b>
<b>Beginning Fund Balance</b>	<b>\$ 6,165,379</b>	<b>\$ 325,189</b>	<b>\$ 3,472,214</b>	<b>\$ 196,218</b>
Operating Revenue	762,575	958	339,961	609
Operating Expenses	(547,897)	-	(330,377)	-
<b>Operating Profit(Loss)</b>	<b>\$ 214,678</b>	<b>\$ 958</b>	<b>\$ 9,584</b>	<b>\$ 609</b>
Transfers Out for CIP	-	-	-	-
<b>Ending Fund Balance</b>	<b>\$ 6,380,058</b>	<b>\$ 326,147</b>	<b>\$ 3,481,798</b>	<b>\$ 196,827</b>

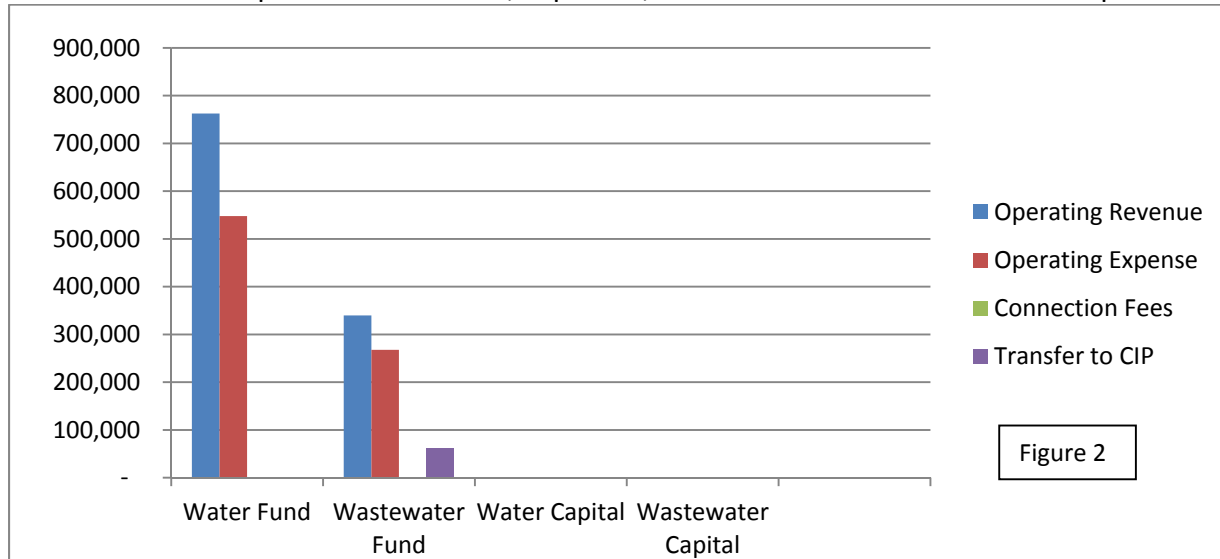
Table 6

Table 6 illustrates the ending fund balance of each Enterprise Fund. All Enterprise Funds experienced an increase in fund balance. The change in fund balance is attributed to the excess or deficit of revenue over expenses. The Statement of Net Position (Table 7) illustrates total assets minus total liabilities for the period.

<b>Statement of Net Position</b>	<b>Water</b>	<b>Water Capital</b>	<b>Wastewater</b>	<b>Wastewater Capital</b>
<b>ASSETS</b>				
Current assets:				
Cash and Investments	2,566,530	286,072	1,400,416	181,979
Receivables	262,209	958	118,834	609
Inventory	34,282	-	-	-
Prepaid Items	723,237	-	9,108	-
Total current assets	3,586,259	287,030	1,528,358	182,588
Capital assets (net of accumulated depreciation)	3,064,853	39,117	2,202,054	14,238
Other assets	54,896	-	57,677	-
<b>Total Assets:</b>	<b>\$ 6,706,009</b>	<b>\$ 326,147</b>	<b>\$ 3,788,089</b>	<b>\$ 196,827</b>
<b>LIABILITIES</b>				
Current Liabilities	51,777	-	21,298	-
Noncurrent Liabilities	244,862	-	254,197	-
Other Liabilities	29,311	-	30,796	-
<b>Total Liabilities:</b>	<b>\$ 325,950</b>	<b>\$ -</b>	<b>\$ 306,291</b>	<b>\$ -</b>
<b>NET POSITION (Assets - Liabilities)</b>	<b>\$ 6,380,058</b>	<b>\$ 326,147</b>	<b>\$ 3,481,798</b>	<b>\$ 196,827</b>
<b>Net Position Breakdown</b>				
Net Investment in Capital Assets	3,064,853	39,117	2,202,054	14,238
Unrestricted	3,315,205	287,030	1,279,744	182,588
<b>Total Net Position</b>	<b>\$ 6,380,058</b>	<b>\$ 326,147</b>	<b>\$ 3,481,798</b>	<b>\$ 196,827</b>

Table 7

Figure 2 summarizes Enterprise Fund revenue, expenses, connection fees and CIP transfers per fund:



## Water Fund

### Revenue and Expenses

Water Funds	Water	Water Capital	Total
<b>Beginning Fund Balance</b>	<b>6,165,379</b>	<b>325,189</b>	<b>6,490,568</b>
<b>Revenues</b>			
Charge for Services	752,102	-	752,102
Interest Income	8,591	958	9,549
Connection Fees	-	-	-
<b>Total Operating Revenue</b>	<b>760,693</b>	<b>958</b>	<b>761,651</b>
Other Revenues	1,883	-	1,883
<b>Total Revenues</b>	<b>762,575</b>	<b>958</b>	<b>763,533</b>
<b>Expenses</b>			
Operating	218,381	-	218,381
Depreciation**	45,135	-	45,135
State Water	284,381	-	284,381
<b>Total Operating Expenses</b>	<b>547,897</b>	<b>-</b>	<b>547,897</b>
<b>Operating Profit(Loss)</b>	<b>214,679</b>	<b>958</b>	<b>215,636</b>
Transfers Out - CIP	-	-	-
Transfers from Reserves	-	-	-
<b>Ending Fund Balance</b>	<b>6,380,058</b>	<b>326,147</b>	<b>6,706,205</b>

\*\* Depreciation is estimated. Final depreciation will post at the end of fiscal year.

Table 8

Table 8 summarizes Revenue and Expenditures for the Water and Water Capital Funds. On the Financial Statements, both funds are combined as one fund. The Water Capital Fund is structured to record capital contributions and used to record capital improvements. Water Capital will be discussed in detail later in this report.



Water Fund operating revenues have exceeded expenditures by over \$214 thousand at the end of the first quarter 2018-2019 (excludes Capital Improvement expenses). On July 1, 2018, the third phase of water rate increases took effect. The water rate increase will help reverse past operating deficits. As seen on Table 8 above, the Water and Water Capital Funds both experienced an increase in Fund Balance. The Water Fund operating loss has reversed as of the first quarter, and is currently operating with a surplus. The Water Fund ended the first quarter with approximately \$2.5 Million in cash (Table 7) and fund balance of approximately \$6.3 Million.

Table 9 illustrates the Water Fund budget to actuals. Charges for Services exceeded budget projections at 32 percent. The increase was due to the water rate increases that occurred in July. Interest income also exceeded budget projections due to the LAIF earnings of 2.16 percent interest earnings.

The Water Fund utilizes reserves to fund Capital Improvement projects (CIPs) which are budgeted at \$475 thousand in the current fiscal year. There were no capital expenses during the first quarter. Overall, Water Fund expenses were under budget at 18 percent expended.

Water Fund 020	Original Budget	Current Budget	YTD Actuals	Percent
<b>Revenues</b>				
Charge for Services	1,845,690	2,383,100	752,102	32%
Interest Income	8,670	16,000	8,591	54%
<b>Total Operating Revenue</b>	<b>1,854,360</b>	<b>2,399,100</b>	<b>760,693</b>	<b>32%</b>
Other Revenues	-	-	1,883	0%
Transfer from Reserves	600,000	600,000	-	0%
<b>Total Revenues</b>	<b>2,454,360</b>	<b>2,999,100</b>	<b>762,575</b>	<b>25%</b>
<b>Expenses</b>				
Operating	1,443,860	1,448,147	423,414	29%
Depreciation**	180,540	180,540	45,135	25%
State Water	1,417,800	1,417,800	79,348	6%
<b>Total Expenses</b>	<b>3,042,200</b>	<b>3,046,487</b>	<b>547,897</b>	<b>18%</b>
Transfers for CIP*	(475,000)	(475,000)	-	0%

\*\* Depreciation is estimated. Final depreciation will post at the end of fiscal year.

\*Will be capitalized at the end of the fiscal year.

Table 9

## 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 first quarter is about \$326 thousand (Table 8). As mentioned in the Water Fund portion, none of the budgeted CIP expenses for the fiscal year have occurred. Table 10 on the next page illustrates the Water Capital budget to actuals. Both revenue and expenditures performed below expected budget.

Water Capital 021	Current Budget	YTD Actuals	Percent
<b>Revenues</b>			
Connection Fees	200,000	-	0%
Interest Income	-	958	
Transfer In from Fund 020	234,600	-	0%
<b>Total Revenue</b>	<b>434,600</b>	<b>958</b>	<b>0%</b>
<b>Expenses</b>			
Depreciation	-	-	-
Transfer to CIP Projects	525,000	-	0%
<b>Total Expenditures</b>	<b>525,000</b>	<b>-</b>	<b>0%</b>

Table 10



## Wastewater

Wastewater and Wastewater Capital Funds	Wastewater	Wastewater Capital	Wastewater Total
<b>Beginning Fund Balance</b>	<b>3,472,214</b>	<b>196,218</b>	<b>3,668,432</b>
<b>Revenues</b>			
Charge for Services	335,273	-	335,273
Interest Income	4,688	609	5,297
Connection Fees*	-	-	113,352
Total Operating Revenue	339,961	609	453,922
Other Revenues	-	-	-
<b>Total Revenues</b>	<b>339,961</b>	<b>609</b>	<b>453,922</b>
<b>Expenses</b>			
Operating	266,627	-	266,627
Depreciation**	63,750	-	63,750
Total Operating Expenses	330,377	-	330,377
<b>Operating Profit(Loss)</b>	<b>9,584</b>	<b>609</b>	<b>123,544</b>
Transfers Out - CIP	-	-	-
Transfers from Reserves	-	-	-
<b>Ending Fund Balance</b>	<b>3,481,798</b>	<b>196,827</b>	<b>3,678,625</b>

\*\* Depreciation is estimated. Final depreciation will post at the end of fiscal year.

Table 11

### Revenue and Expenses

Table 11 summarizes Revenue and Expenditures for the Wastewater and Wastewater Capital Funds. On the Financial Statements, both funds are combined as one fund. The Wastewater Capital Fund is structured to record capital contributions and used to record capital improvements. Wastewater Capital will be discussed in detail later in this report.

Wastewater Fund Operating revenues exceeded operating expenses causing the Wastewater fund to experience a net operating surplus of about \$9,500 in the first quarter of 2018-19 (excluding Capital Improvement Project expenses which will be recorded in the Wastewater Capital Fund). On July 1, 2018, the third phase of sewer rate increases took effect. The rate increases will help reverse the operating deficit and fund the capital improvement projects. The operating loss has begun to reverse at a slow pace as of the first quarter report; however, the trend is expected to improve once the Wastewater fund experiences the full last rate increase. The Wastewater fund ended the fiscal year with about \$1.4 Million in cash (Table 8) and fund balance of approximately \$3.4 Million. Both the Wastewater Fund and Wastewater Capital Fund experienced an increase in fund balance.

Table 12 illustrates the Wastewater Fund budget to actuals. Charges for Services exceeded budget projections at 30%. The increase was due to the sewer rate increases that occurred in July. Interest income has also exceeded revenue projections due to the first quarter LAIF earnings of 2.16 percent.

The Wastewater Fund utilizes reserves to fund Capital Improvement Projects (CIPs) which are budgeted at \$400 thousand in the current fiscal year, but there was enough revenue to cover the CIP expenditures. The current Wastewater CIP in progress is the Wastewater Treatment Plant Facilities Improvement.

<b>Sewer Fund 005</b>	<b>Original Budget</b>	<b>Current Budget</b>	<b>YTD Actuals</b>	<b>Percent</b>
<b>Revenues</b>				
Charge for Services	899,130	1,131,960	335,273	30%
Interest Income	7,140	11,000	4,688	43%
<b>Total Operating Revenue</b>	<b>906,270</b>	<b>1,142,960</b>	<b>339,961</b>	<b>30%</b>
Other Revenues	-	-	-	0%
Transfer from Reserves	300,000	300,000		0%
<b>Total Revenues</b>	<b>1,206,270</b>	<b>1,442,960</b>	<b>339,961</b>	<b>24%</b>
<b>Expenses</b>				
Operating	1,357,584	1,378,112	266,627	19%
Depreciation**	255,000	255,000	63,750	25%
<b>Total Operating Expenses</b>	<b>1,612,584</b>	<b>1,633,112</b>	<b>330,377</b>	<b>20%</b>
Transfers for CIP*	(400,000)	(400,000)	(62,537)	16%

\*\* Depreciation is estimated. Final depreciation will be calculated at the end of the fiscal year.  
\*Will be capitalized at the end of the fiscal year.

Table 12

## 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 at the end of the first quarter is \$196,827 (Table 8). Table 13 below illustrates the Wastewater Capital budget to actuals. Both revenue and expenditures performed below expected budget.

<b>Wastewater Capital 006</b>	<b>Current Budget</b>	<b>YTD Actuals</b>	<b>Percent</b>
<b>Revenues</b>			
Connection Fees	95,000	-	0%
Interest Income	-	609	0%
Transfer In from Fund 005	-	-	0%
<b>Total Revenue</b>	<b>95,000</b>	<b>609</b>	<b>1%</b>
<b>Expenses</b>			
Depreciation	-	-	-
Transfer to CIP Projects	425,000	-	0%
<b>Total Expenses</b>	<b>425,000</b>	<b>-</b>	<b>0%</b>

Table 13



City of Buellton, CA

# Capital Improvement Budget Report

## First Quarter Summary

For Fiscal: 2018-2019 Period Ending: 09/30/2018

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Fund: 092 - Capital Improvement Project Fund</b>						
<b>Funding Source</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	118,052.55	381,947.45	24%
<a href="#">092-49727</a>	Transfer from General Fund	\$ 1,283,170.00	\$ 1,283,170.00	83,614.75	1,199,555.25	7%
<a href="#">092-49728</a>	Transfer from Measure A	\$ 620,000.00	\$ 620,000.00	89,426.91	530,573.09	14%
<a href="#">092-49729</a>	Transfer from Sewer Fund	\$ 425,000.00	\$ 425,000.00	62,537.15	362,462.85	15%
<a href="#">092-49732</a>	Transfer from Water Fund	\$ 525,000.00	\$ 525,000.00	-	525,000.00	0%
<a href="#">092-49733</a>	Transfer from Local Transportation Fund	\$ 600,000.00	\$ 600,000.00	-	600,000.00	0%
<b>Funding Total:</b>		<b>\$ 3,953,170.00</b>	<b>\$ 3,953,170.00</b>	<b>\$ 353,631.36</b>	<b>\$ 3,599,538.64</b>	<b>9%</b>

**Expense**

**Project: 101 - Storm Drain Cleaning and Retrofit**

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

**Status:**

Working on contract. Work is expected to be completed over the next couple of months.

**Project: 102 - Storm Drain Outfall Repairs and Re-Establishment**

<a href="#">092-102-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-102-74100</a>	Improvements	\$ 10,000.00	\$ 10,000.00	-	10,000.00	0%
<b>Project: 102 - Storm Drain Outfall Repairs and Re-Establishment Total:</b>		<b>\$ 10,000.00</b>	<b>\$ 10,000.00</b>	<b>-</b>	<b>10,000.00</b>	<b>0%</b>

**Status:**

Working on contract. Work is expected to be completed over the next couple of months.

**Project: 201 - Facilities Maintenance and Painting**

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

**Status:**

Project has not yet started.

**Project: 206 - Ave of Flags Pedestrian Sidewalk Improvements**

<a href="#">092-206-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Project: 206 - Ave of Flags Ped Improvements Total:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>0%</b>

**Status:**

Project was completed in FY 17/18.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 207 - Santa Ynez River Trail</b>						
<a href="#">092-207-74100</a>	Conceptual Plan/feasibility	\$ 20,000.00	\$ 20,000.00	-	20,000.00	0%
<b>Project: 207 - Santa Ynez River Trail Total:</b>		<b>\$ 20,000.00</b>	<b>\$ 20,000.00</b>	<b>-</b>	<b>20,000.00</b>	<b>0%</b>

Status:  
Project has not yet started.

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

Status:  
Project has not yet started.

<b>Project: 213 - Post Office Fire Alarm System Replacement</b>						
<a href="#">092-213-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Project: 213 - Post Office Fire Alarm System Replacement Total:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Status:  
Project was completed during FY 17/18.

<b>Project: 214 - City Hall Generator/Electrical Replacement</b>						
<a href="#">092-214-78000</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-214-74100</a>	Improvements	\$ -	\$ 40,000.00	-	40,000.00	0%
<b>Project: City Hall Generator/Electrical Replacement Total:</b>		<b>\$ -</b>	<b>\$ 40,000.00</b>	<b>-</b>	<b>40,000.00</b>	<b>0%</b>

Status:  
Project has not yet started. City staff has applied for a grant.

<b>Project: 215 - Avenue of Flags Specific Plan Implementation</b>						
<a href="#">092-215-78000</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-215-74100</a>	Conceptual Plan/Feasibility	\$ -	\$ 250,000.00	-	250,000.00	0%
<b>Project: Avenue of Flags Specific Plan Implementation:</b>		<b>\$ -</b>	<b>\$ 250,000.00</b>	<b>-</b>	<b>250,000.00</b>	<b>0%</b>

Status:  
Concept plan initiated.

<b>Project: 216 - Storage Shed</b>						
<a href="#">092-216-78000</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-216-74100</a>	Improvements	\$ -	\$ 27,400.00	22,968.48	4,431.52	84%
<b>Project: Storage Shed Total:</b>		<b>\$ -</b>	<b>\$ 27,400.00</b>	<b>22,968.48</b>	<b>4,431.52</b>	<b>84%</b>

Status:  
Concrete pad completed. Shed is scheduled for install on 11/1/2018, Fence on 11/2/2018.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 306 - Phase III Hwy 246/Sycamore Ped Xing</b>						
<a href="#">092-306-60800</a>	Contract Services	\$ 100,000.00	\$ 70,000.00	787.50	69,212.50	1%
<a href="#">092-306-74100</a>	Improvements	\$ 570,000.00	\$ -	-	-	0%
<b>Project: 306 - Phase III Hwy 246/Sycamore Ped Xing Total:</b>		<b>\$ 670,000.00</b>	<b>\$ 70,000.00</b>	<b>787.50</b>	<b>69,212.50</b>	<b>1%</b>

Status:  
Design has commenced.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 307 - McMurray Road Widening/TS</b>						
<a href="#">092-307-60800</a>	Contract Services	\$ 100,000.00	\$ 100,000.00	800.00	99,200.00	1%
<a href="#">092-307-70000</a>	Design and Permitting	\$ 50,000.00	\$ 50,000.00	-	50,000.00	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	\$ 350,000.00	\$ 125,000.00	-	125,000.00	0%
<b>Project: 307 - McMurray Road Widening/TS Total:</b>		<b>\$ 500,000.00</b>	<b>\$ 300,000.00</b>	<b>800.00</b>	<b>299,200.00</b>	<b>0%</b>

Status:  
Right of Way (ROW) acquisition process has resumed.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 308 - No. Ave of Flags Park and Ride</b>						
<a href="#">092-308-60800</a>	Contract Services	\$ 120,000.00	\$ 120,000.00	-	120,000.00	0%
<a href="#">092-308-70000</a>	Design/Permitting	\$ -	\$ 75,000.00	-	75,000.00	0%
<a href="#">092-308-71200</a>	Right of Way Acquisition	\$ -	\$ -	-	-	0%
<a href="#">092-308-74100</a>	Improvements	\$ 480,000.00	\$ 405,000.00	-	405,000.00	0%
<b>Project: 308 - No. Ave of Flags Park and Ride Total:</b>		<b>\$ 600,000.00</b>	<b>\$ 600,000.00</b>	<b>-</b>	<b>600,000.00</b>	<b>0%</b>

Status:  
Project not yet started.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 311 - Industrial Way Street Lights</b>						
<a href="#">092-311-60800</a>	Contract Services	\$ 60,000.00	\$ 60,000.00	1,820.00	58,180.00	3%
<a href="#">092-311-70000</a>	Design/Permitting	\$ -	\$ 82,500.00	-	82,500.00	0%
<a href="#">092-311-74100</a>	Improvements	\$ 340,000.00	\$ 69,670.00	-	69,670.00	0%
<b>Project: 311 - Industrial Way Street Lights Total:</b>		<b>\$ 400,000.00</b>	<b>\$ 212,170.00</b>	<b>1,820.00</b>	<b>210,350.00</b>	<b>1%</b>

Status:  
Latest design layout provided to PG&E. PG&E is working on design.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 312 - Hwy 246 /Sidewalk (Caltrans)</b>						
<a href="#">092-312-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-312-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Project: 312 - Hwy 246 /Sidewalk (Caltrans) Total:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Status:  
Project was completed FY 17/18.

		Original Total Budget	Current Total Budget	Fiscal Activity	Amount Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 313 - Road Maintenance Project 15/16 and 16/17</b>						
<a href="#">092-313-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-313-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Project: 313 - Road Maintenance Project Total:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Status:  
Project was completed FY 17/18.

<b>Project: 314 - SD Inlet/Catch Basin Retrofit Improvement</b>						
<a href="#">092-314-60800</a>	Contract Services	\$ 45,000.00	\$ 45,000.00	-	45,000.00	0%
<a href="#">092-314-70000</a>	Design and Permitting	\$ 5,000.00	\$ 5,000.00	-	5,000.00	0%
<a href="#">092-314-74100</a>	Improvements	\$ 100,000.00	\$ 100,000.00	-	100,000.00	0%
<b>Project: 314 - SD Inlet/Catch Basin Retrofit Improvement Total:</b>		<b>\$ 150,000.00</b>	<b>\$ 150,000.00</b>	<b>-</b>	<b>150,000.00</b>	<b>0%</b>

Status:  
Project has not yet started.

<b>Project: 315 - Ave of Flags Pedestrian/Drainage Improvement</b>						
<a href="#">092-315-60800</a>	Contract Services	\$ 100,000.00	\$ 40,000.00	-	40,000.00	0%
<a href="#">092-315-70000</a>	Design/Permitting	\$ -	\$ 100,000.00	-	100,000.00	0%
<a href="#">092-315-74100</a>	Improvements	\$ 40,000.00	\$ -	-	-	0%
<b>Project: 315 - Ave of Flags Pedestrian/Drainage Improvement Total:</b>		<b>\$ 140,000.00</b>	<b>\$ 140,000.00</b>	<b>-</b>	<b>140,000.00</b>	<b>0%</b>

Status:  
Portion of pedestrian improvements/repairs to be completed in FY 18/19 which is currently in design.

<b>Project: 316- Road Maintenance Project (17/18)</b>						
<a href="#">092-316-60800</a>	Contract Services	\$ -	\$ 90,000.00	14,187.50	75,812.50	16%
<a href="#">092-316-70000</a>	Design/Permitting	\$ -	\$ 90,000.00	-	90,000.00	0%
<a href="#">092-316-74100</a>	Improvements	\$ -	\$ 270,000.00	250,530.73	19,469.27	93%
<b>Project: 316 - Road Maintenance Project (17/18) Total:</b>		<b>\$ -</b>	<b>\$ 450,000.00</b>	<b>264,718.23</b>	<b>185,281.77</b>	<b>59%</b>

Status:  
Project completed. Council approved the Notice of Completion on 9/27/2018.

<b>Project: 317- Road Maintenance Project (18/19)</b>						
<a href="#">092-317-60800</a>	Contract Services	\$ 100,000.00	\$ 100,000.00	-	100,000.00	0%
<a href="#">092-317-70000</a>	Design/Permitting	\$ 100,000.00	\$ 100,000.00	-	100,000.00	0%
<a href="#">092-317-74100</a>	Improvements	\$ 300,000.00	\$ 300,000.00	-	300,000.00	0%
<b>Project: 317 - Road Maintenance Project (18/19) Total:</b>		<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>-</b>	<b>500,000.00</b>	<b>0%</b>

Status:  
Project is in the design phase.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 603 - Water Treatment Plant Facilities Improvement</b>						
<a href="#">092-603-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-603-74100</a>	Improvements	\$ -	\$ 100,000.00	-	100,000.00	0%
<b>Project: 603 - WTP Facilities Improvement Total:</b>		<b>\$ -</b>	<b>\$ 100,000.00</b>	<b>-</b>	<b>100,000.00</b>	<b>0%</b>

Status:  
McMurray Water Treatment Plant repairs underway.

<b>Project: 607 - Water Meter Upgrades</b>						
<a href="#">092-607-74100</a>	Improvements	\$ 75,000.00	\$ 50,000.00	-	50,000.00	0%
<b>Project: 607 - Water Meter Upgrades Total:</b>		<b>\$ 75,000.00</b>	<b>\$ 50,000.00</b>	<b>-</b>	<b>50,000.00</b>	<b>0%</b>

Status:  
Project not yet started.

<b>Project: 608 - Water Treatment Plant/Booster Power Reliability</b>						
<a href="#">092-608-74100</a>	Improvements	\$ 100,000.00	\$ 145,000.00	-	145,000.00	0%
<b>Project: 608 - WTP/Booster Power Reliability Total:</b>		<b>\$ 100,000.00</b>	<b>\$ 145,000.00</b>	<b>-</b>	<b>145,000.00</b>	<b>0%</b>

Status:  
Project not yet started.

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

Status:  
Project not yet started.

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

Status:  
Project not yet started.

<b>Project: 702 - Sewer Collections System Cleaning</b>						
<a href="#">092-702-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-702-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Project: 702 - Sewer Collections System Cleaning Total:</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Status:  
Completed during FY 17/18.



		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 703 - Wastewater Treatment Plant Lift Station Security/Reliability</b>						
<a href="#">092-703-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-703-74100</a>	Improvements	\$ -	\$ 25,000.00	-	25,000.00	0%
<b>Project: 703 - WWTP Lift Station Security/Reliability Total:</b>		<b>\$ -</b>	<b>\$ 25,000.00</b>	<b>-</b>	<b>25,000.00</b>	<b>0%</b>

Status:  
Project not yet started.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 704 - Sewer Line Replacement</b>						
<a href="#">092-704-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-704-74100</a>	Improvements	\$ 100,000.00	\$ 100,000.00	-	100,000.00	0%
<b>Project: 704 - Sewer Line Replacement Total:</b>		<b>\$ 100,000.00</b>	<b>\$ 100,000.00</b>	<b>-</b>	<b>100,000.00</b>	<b>0%</b>

Status:  
Project not yet started.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Project: 706 - Wastewater Treatment Plant Facilities Improvement</b>						
<a href="#">092-706-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-706-74100</a>	Improvements	\$ 300,000.00	\$ 300,000.00	62,537.15	237,462.85	21%
<b>Project: 706 - WWTP Facilities Improvement Total:</b>		<b>\$ 300,000.00</b>	<b>\$ 300,000.00</b>	<b>62,537.15</b>	<b>237,462.85</b>	<b>21%</b>

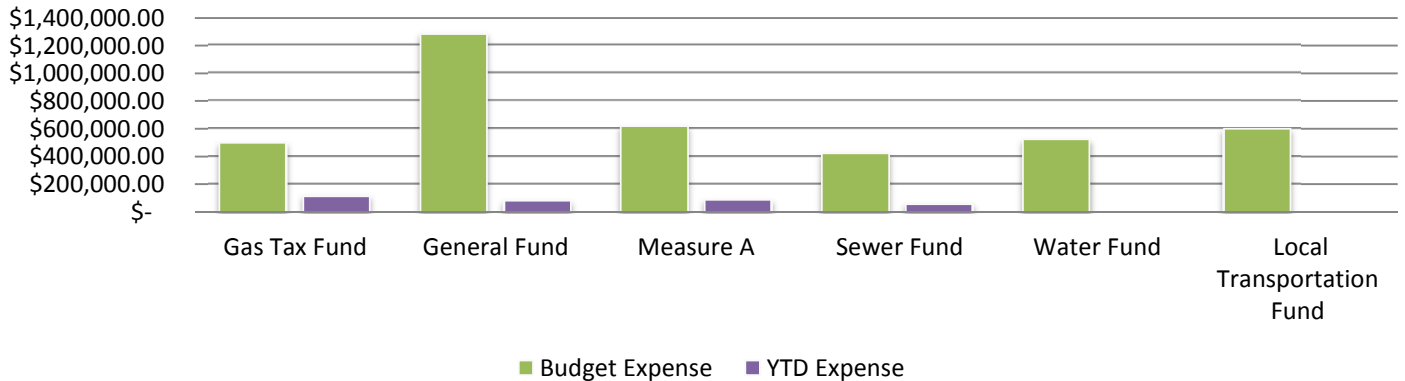
Status:  
Headworks repair underway.

<b>Fund: 092 - Capital Improvement Project Fund Surplus (Deficit):</b>	<b>\$ 3,585,000.00</b>	<b>3,980,570.00</b>	<b>353,631.36</b>	<b>3,626,938.64</b>	<b>9%</b>
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### ***Fund Balance Analysis - Capital Improvement Project (CIP) Funding Sources (2018-19)***

Fund	Est. Fund Equity 6/30/2018	FY 2018-19 YTD Revenue	FY 2018-19 YTD Expenditures	FY 2018-19 CIP Funding YTD	Est. 9/30/2018 Fund Equity
001 General Fund	8,427,913.48	1,038,726.50	(1,550,618.54)	(83,614.75)	7,832,406.69
005 Wastewater	3,472,214.27	339,961.04	(267,839.85)	(62,537.15)	3,481,798.31
006 Wastewater capital	196,217.58	609.00	-	-	196,826.58
020 Water	6,165,379.27	762,575.43	(547,897.00)	-	6,380,057.70
021 Water Capital	325,189.20	957.65	-	-	326,146.85
025 Gas Tax	264,136.29	37,390.88	(10,757.50)	(118,052.55)	172,717.12
027 Local Transportation	175,558.15	169,040.86	(4,999.98)	-	339,599.03
031 Measure A	338,030.43	86,950.75	(40,000.00)	(89,426.91)	295,554.27
<b>Total Funding:</b>	<b>19,364,638.67</b>	<b>2,436,212.11</b>	<b>(2,422,112.87)</b>	<b>(353,631.36)</b>	<b>19,025,106.55</b>

### CIP Budget vs. Actual Expenditures by funding source



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.

The Road Maintenance Project (17/18) has been completed with only 59 percent of the budget expended. There are five projects currently in progress. These projects are: Storage Shed Installation, Phase III Hwy 246 /Sycamore Ped Xing, McMurray Road Widening, Industrial Way Street Lights, and Wastewater Treatment Plant Facilities Improvement.

There are six projects that are currently in their initial planning stages and design phases. These projects have no expenditures associated with them but future expenditures are anticipated. These projects are: Storm Drain Cleaning, Storm Drain Outfall Repairs and Re-Establishment, City Hall Generator/Electrical Replacement, Ave of Flags Pedestrian/Drainage Improvement, Road Maintenance Project (18-19) and Water Treatment Plant Facilities Improvements.