

CITY OF BUELLTON



QUARTERLY FINANCIAL REPORT

Second Quarter Ending December 31, 2019

February 13, 2020

Overview

The purpose of this financial report is to provide financial information for the City of Buellton. This report focuses on the second quarter of fiscal year 2019-20 and covers the period July 1, 2019 through December 31, 2019. 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 U.S. economy continues to grow but at a steadier pace. The slowdown comes from trade uncertainty and fears of an economic slowdown which has forced interest rate cuts twice this year. According to the Bureau of Economic Analysis, real gross domestic product (GDP) increased to an annual rate of 2.3 percent, up slightly from 1.9 percent in the third quarter. During the fourth quarter, consumer spending index (CPI) grew to 2.3 percent. Increases in the indexes for gasoline and medical care were offset by declines in natural gas and apparel.

In December 2019, unemployment rate in the U.S. was steady at 3.5 percent, remaining at the lowest level in 50 years. The biggest challenge businesses face is finding skilled labor which makes it difficult to hire and expand business operations.

Unaudited Financial Data

State Economy

California's unemployment rate fell to 3.9 percent in December, setting a new record low. The job gains contribute to a record job expansion in California of 118 months, surpassing the long expansion of the 1960s. Gains were concentrated in the Construction and Professional/Business Services industries. CPI in California decreased from 3.2 percent in November 2019 to 3.0 percent in December 2019. The decrease was relative to lower prices for gasoline.

According to Zillow, December median home price in California came in at \$556,815. That is 1.8 percent higher than the past year, and it is predicted to increase 3.2 percent within the next year.

City of Buellton

The City's General Fund ended the second quarter of 2019-20 with about \$10.3 Million in Fund Balance. Revenues reached 45 percent of budget while expenditures were within appropriations, ending the quarter at 46 percent. The General Fund experiences delay in cash flows during the first quarter of the fiscal year and is expected to even-out as the year progresses.

The Water Fund ended the quarter with a Fund Balance of about \$6.5 Million and \$3.4 Million in cash. Water Fund Operating revenues ended the quarter at 50 percent while expenditures were at 47 percent. The Sewer Fund ended the quarter with a Fund Balance of \$3.2 Million and \$1.7 Million in cash. Wastewater operating revenue ended the quarter at 35 percent while expenditures were at 38 percent.

GENERAL FUND

General Fund Balance

Table 1 below shows that with 50 percent of the year complete, revenues are below projections at 45 percent while expenditures are under expected projections at 46 percent of appropriations. “Revenue versus budget” gaps are explained in the next paragraph.

General Fund - Fund Balance	Original Budget	Current Budget	Actual	Percent
Balance, at Start of Year	\$ 9,455,620	\$ 9,455,620	\$ 10,401,733	
Revenues *	9,130,888	9,268,813	4,161,214	45%
Expenditures *	(9,130,888)	(9,268,813)	(4,238,901)	46%
Balance, at End of Year	<u>\$ 9,455,620</u>	<u>\$ 9,455,620</u>	<u>\$ 10,324,046</u>	

* Includes Transfers for Capital Improvement Projects

Table 1: General Fund Balance

	Q2 FY 2019-20	Q2 FY 2018-19	Increase (Decrease)	Percent
Revenues:				
Taxes	\$ 3,837,186	\$ 3,750,572	\$ 86,614	2%
Fees and Permits	7,345	10,225	\$ (2,880)	-28%
Fines and Penalties	7,553	6,612	\$ 941	14%
Charges for Current Services	61,435	72,127	\$ (10,692)	-15%
Use of Monies and Properties	140,605	109,104	\$ 31,501	29%
Revenue from Other Agencies	101,181	5,000	\$ 96,181	1924%
Other Revenue*	5,908	14,258	\$ (8,350)	-59%
Total Revenue	<u>\$ 4,161,214</u>	<u>\$ 3,967,898</u>	<u>\$ 193,316</u>	<u>5%</u>
Expenditures:				
General Government	\$ 3,557,837	\$ 3,361,968	\$ 195,869	5.51%
Transfers for Capital Outlay	\$ 675,291	\$ 107,498	\$ 567,793	84.08%
Minor Capital	5,772	2,515	3,257	56%
Total Expenditures	<u>\$ 4,238,901</u>	<u>\$ 3,471,981</u>	<u>766,920</u>	<u>18.1%</u>
Change in Fund Balance	<u>\$ (77,687)</u>	<u>\$ 495,918</u>	<u>(573,605)</u>	<u>-116%</u>

Table 2: Previous Year Comparison

* Misc. Revenue

Table 2 above provides summary comparison information on revenues and expenditures for the quarter ending December 31, 2019 versus the prior year quarter December 31, 2018. Further revenue and expenditure analysis will be discussed later in this report. Total revenues are higher in the current year by about \$193,000. Transient Occupancy Tax (TOT) is about \$137,900 more this quarter compared to the same quarter last year. During the first half of the fiscal year, the average occupancy rate was 72% compared to 67% the prior year during the same month. Property tax increased by about \$72,700 due to growth in assessed properties in the City from the addition of residences. The increases in TOT and property tax were offset by a loss in sales tax of about \$130,000. Sales tax in FY 2018/19 was inflated due to the California Department of Tax and Fee Administration’s (CDTFA) transition to a new reporting system in the prior year which delayed distributions to cities. The increase in “Use of Monies” is attributed to the interest earnings from investments and increase in net change of Certificate of Deposits (CDs).

The “Revenue from Other Agencies” category includes the Citizens Option for Public Safety Grant issued by the State of California. In previous years, the County of Santa Barbara (County) has held those funds. Beginning July 1, 2019, those funds have been issued directly to the City of Buellton by the County.

Expenditures are \$776,920 more this second quarter compared to the prior fiscal year. About \$568,000 of the difference is attributed to expenditures for capital expenditures such as:

- \$3,000 year-to-date (YTD) expenditures towards the Santa Ynez River Trail.
- \$4,492 YTD expenditures towards Village Park Improvements.
- \$68,054 YTD expenditures towards design for the Avenue of Flags Median 2 projects.
- \$436,798 YTD expenditures for Phase III Highway 246/Sycamore Pedestrian Xing Project.
- \$11,333 YTD expenditures for McMurray Road Widening/TS Improvement.
- \$7,208 YTD for the Industrial Way Street Lights Project.
- \$144,323 expenditures for the completion of the 2018/19 Road Maintenance Project.

The remaining of the increase in expenditures compared for the previous year can be explained by the 3.5% salary increase for full-time staff and the added employer-paid deferred compensation plan (DCP) benefit for all permanent full-time employees. In addition, the contract for library services is \$52,000 higher than the previous year, and the contract for Sheriff Services is \$98,400 higher due to a 1% increase in contract services with Santa Barbara County and the charges for the Motor Deputy.

Top Five Revenues

Top Five Revenues	Original Budget	Current Budget	YTD Actual	Percent
Sales Tax	2,507,000	2,507,000	1,043,974	42%
TOT	2,974,800	2,974,800	1,760,475	59%
Property Tax	1,546,008	1,546,008	937,148	61%
MVLF Swap	489,536	517,374	-	0%
Franchise Fees	250,000	250,000	95,588	38%
Other Revenues*	1,363,544	1,473,631	324,028	22%
Total Revenues	9,130,888	9,268,813	4,161,214	45%

Table 3

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

Sales Tax

As of December 31, 2019, the City received 42 percent of the total projected Sales Tax revenue. Only July through November sales tax has been received. 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 taxes are anticipated 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 20th of the following month and cause revenue streams to lag one month. TOT revenue has been recorded through December 2019. The City expects TOT revenue to perform within budgeted levels with total

revenue at 59 percent at the end of the second quarter. The increase is attributed to the higher occupancy rates during the first six months of the fiscal year compared to the previous year.

Property Tax

The City’s property tax revenues are at intervals set by the Santa Barbara County Auditor-Controller, usually in December and April. Property tax is above target at 61 percent. Rising property values, commercial and residential growth are attributed to the increase in property taxes. In addition, the City’s ongoing share of property tax is expected to increase as new development continues to progress adding to the City’s property assessed value.

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

Payments for 2019-20 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 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 38 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 (MVLV) and Franchise Fees. These revenues account for about 93% of total General Fund Revenues.

Expenditures

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

Department Expenditures	Original Budget	Current Budget	YTD Actual	% Expended
City Council	136,153	136,153	65,536	48%
City Manager	240,809	277,613	137,774	50%
City Clerk	128,796	128,796	58,070	45%
City Attorney	175,000	175,000	73,600	42%
Non-Departmental	1,059,751	1,077,752	757,532	70%
Finance	194,831	194,831	95,269	49%
Police and Fire	2,019,440	2,021,576	1,103,824	55%
Library	203,321	203,321	196,906	97%
Recreation	563,485	613,485	263,586	43%
Street Lights	65,000	65,000	23,065	35%
Storm Water	330,660	330,660	59,087	18%
Public Works - Parks	387,750	428,435	190,561	44%
Public Works - Landscape	110,200	110,200	44,177	40%
Public Works - General	676,342	676,342	301,341	45%
Planning (Comm Dev)	640,850	631,149	193,281	31%
Transfer to CIP Fund 92	2,198,500	2,198,500	675,291	31%
Total All Departments	9,130,888	9,268,813	4,238,901	46%

Table 4: General Fund Expenditures by Department

As of December 31, 2019, or 50 percent of the year expended, the General Fund ended the quarter at 46 percent expended (including CIP). Actual General Fund expenditures were approximately \$4.2 Million. Almost

all Budget Units ended the quarter within budget except for Non-Departmental, Police and Fire and Library. Even though these departments are over budget, the General Fund is within budget.

The Non-Departmental budgetary unit includes one-time payments made annually in July. For example, insurance payments, CalPERS Accrued Unfunded Liability, support for community organizations and Senior Center support. These annual payments amount to approximately \$300,000. This budgetary unit is expected to even-out during the course of the fiscal year and is expected to be within budget.

The Police and Fire budget is slightly over budget at 55 percent expended. The City contracts with the Santa Barbara County Sheriff Department and receives a monthly invoice for general contract services and for the motor deputy based on actual labor hours for the month. Staff will continue to monitor the latter invoices and adjust the budget if needed at the next budget amendment meeting.

The Library service contract is paid in July as a lump-sum for the entire fiscal year causing the department to nearly meet its budget. The Library department is expected to remain within budget at the end of the fiscal year.

Major Expenditure Variances

Expenditures By Type	Original Budget	Current Budget	YTD Actual	% Expended
Staffing	1,851,169	1,889,973	866,847	46%
Contract Services	3,665,085	3,724,770	1,840,315	49%
Telecomm and Utilities	278,100	278,100	153,338	55%
Supplies and Materials	29,535	29,535	13,964	47%
Repair and Maintenance	290,480	290,480	146,037	50%
Transfer to Other Funds	2,218,100	2,218,100	675,291	30%
Other Operating Costs	753,669	793,105	537,335	68%
Minor Capital	44,750	44,750	5,772	13%
Total by Type	9,130,888	9,268,813	4,238,901	46%

Table 5: Expenditure Categories

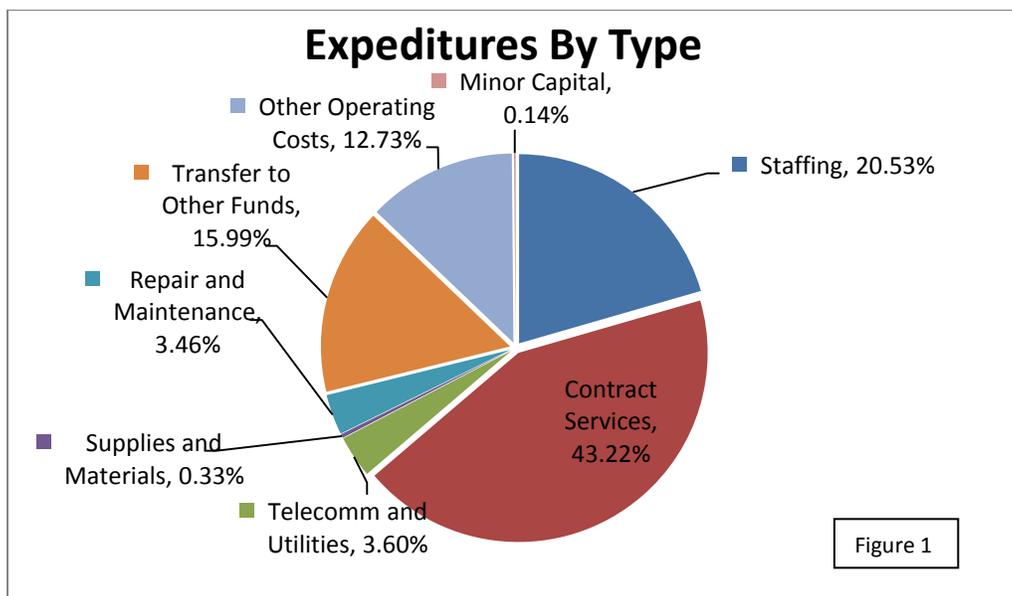


Figure 1

Table 5 and Figure 1 show General Fund operating costs and minor capital expenditures summarized by type. The top three spending categories are: Contract Services, Staffing, and Transfer to other Funds. Contract Services include services for Police, Fire Department, Legal Services, Engineering, Landscaping services, Visitor Bureau’s services and other services. Staffing consists of 20 percent of general fund expenditures. The Transfer to Other Funds category consists of mostly transfers for capital improvement projects.

With 50 percent of the fiscal year completed, 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 usage costs at City parks and various irrigation meters. Historically, water usage tends to be higher during the summer months. Water usage is expected to decrease as temperatures begin to drop. Furthermore, the acquisition of Village Park in October increased the water usage. Staff will monitor the increase in water consumption and may request a budget amendment if needed at the next budget amendment meeting.

Other Operating Costs category is within 68 percent of its budget. These payments are annual payments due at the beginning of the fiscal year. This is expected to be within budget at the end of the fiscal year. Expenditures in this category consist of payments to non-profit organizations, payment for the CalPERS Unfunded Liability, Buellton Recreation expenditures, property, and liability and worker compensation insurance.

General Fund Trend

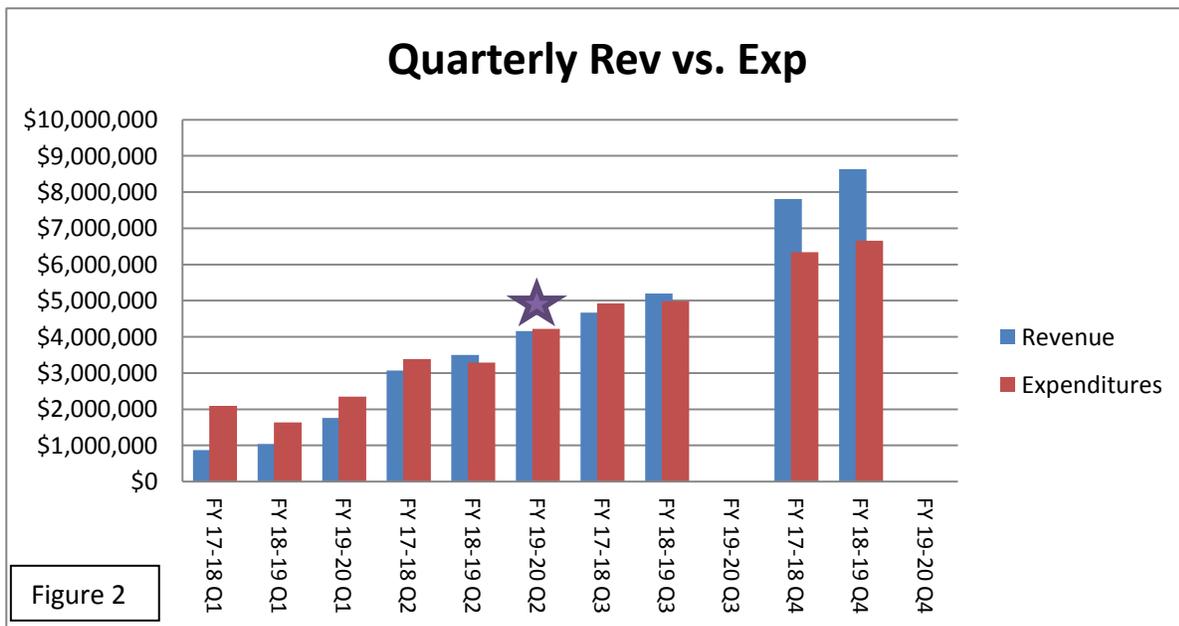


Figure 2

Figure 2 illustrates the Quarterly General Fund Revenue versus Expenditure Trend. As illustrated in the figure, revenue cash flows tend to lag a couple of quarters and exceed expenditures by the end of the fiscal year.

ENTERPRISE FUNDS

The Enterprise Fund Balance and Statement of Net Position for the second quarter of Fiscal Year 2019-20 are shown below.

Fund Balance Summary

Enterprise Fund Balance	Water	Water Capital	Wastewater	Wastewater Capital
Beginning Fund Balance	\$ 6,400,078	\$ 403,505	\$ 3,188,080	\$ 230,946
Operating Revenue	1,421,441	1,169	656,618	710
Operating Expenses	(1,236,874)	-	(564,200)	-
Operating Profit(Loss)	\$ 184,567	\$ 1,169	\$ 92,418	\$ 710
Ending Fund Balance	\$ 6,584,645	\$ 404,674	\$ 3,280,498	\$ 231,656

Table 6

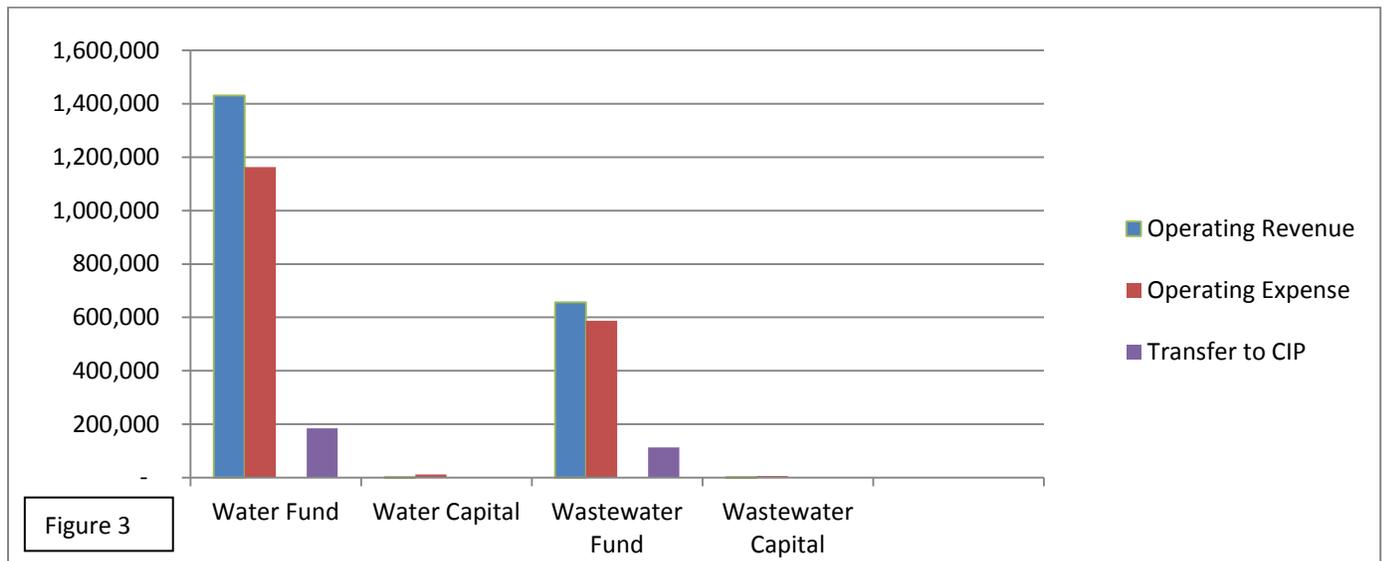
Note: Operating expenses exclude depreciation.

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.

Statement of Net Position	Water	Water Capital	Wastewater	Wastewater Capital
ASSETS				
Current assets:				
Cash and Investments	3,400,043	192,190	1,730,006	117,050
Receivables	193,781	1,169	112,132	348
Inventory	35,458	-	-	-
Prepaid Items	564,301	-	6,136	-
Total current assets	4,193,583	193,359	1,848,275	117,398
Capital assets (net of accumulated depreciation)	2,901,941	211,315	1,902,300	114,258
Other assets	155,664	-	149,908	-
Total Assets:	\$ 7,251,188	\$ 404,674	\$ 3,900,483	\$ 231,656
LIABILITIES				
Current Liabilities	63,255	-	3,125	-
Noncurrent Liabilities	579,547	-	603,234	-
Other Liabilities	23,740	-	13,625	-
Total Liabilities:	\$ 666,542	\$ -	\$ 619,984	\$ -
NET POSITION (Assets - Liabilities)	\$ 6,584,645	\$ 404,674	\$ 3,280,498	\$ 231,656
Net Position Breakdown				
Net Investment in Capital Assets	2,901,941	211,315	1,902,300	114,258
Restricted for capital expansion	-	193,359	-	117,398
Unrestricted	3,682,704	-	1,378,198	-
Total Net Position	\$ 6,584,645	\$ 404,674	\$ 3,280,498	\$ 231,656

Table 7

Figure 3 summarizes Enterprise Fund revenue, expenses, connection fees and CIP transfers per fund:



Water Fund

Revenue and Expenses

Water Funds	Water	Water Capital	Total
Beginning Fund Balance	6,400,079	403,505	6,803,584
Revenues			
Charge for Services	1,400,104	-	1,400,104
Interest Income	19,540	1,169	20,709
Connection Fees	-	-	-
Total Operating Revenue	1,419,644	1,169	1,420,813
Other Revenues	1,797	-	1,797
Total Revenues	1,421,441	1,169	1,422,610
Expenses			
Operating	456,005	-	456,005
Depreciation*	110,000	12,000	122,000
State Water	596,438	-	596,438
Total Operating Expenses	1,162,443	12,000	1,174,443
Operating Profit(Loss)	258,998	(10,831)	248,167
Transfers Out - CIP	184,431	-	-
Transfers In - CIP	-	-	-
Ending Fund Balance	6,474,646	392,674	7,051,751

*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 is used to record capital improvements. Water Capital will be discussed in detail later in this report.

Water Fund operating revenues have exceeded expenditures by about \$259,000 at the end of the second quarter 2019-2020 (excludes Capital Improvement expenses). Per Generally Accepted Accounting Principles (GAAP), capital items are expensed in the depreciation category. As seen on Table 8, the Water Fund and Water Capital Fund experienced an increase in Fund Balance. The Water Fund is currently operating with a surplus compared to operating in a deficit for over a decade. The Water Fund ended the second quarter with approximately \$3.4 Million in cash (Table 7) and Fund Balance of approximately \$6.5 Million.

Table 9 illustrates the Water Fund budget to actuals. Charges for Services exceeded budget projections at 57 percent. The increase is attributed to the higher water consumptions in the months of July through September. Interest income also exceeded budget projections due to the LAIF earnings of 2.29 percent.

The Water Fund utilizes reserves to fund Capital Improvement projects (CIPs). The budgeted transfer out for CIPs for FY 2019-20 is \$380,680. Overall, Water Fund expenses were within budget at 47 percent expended.

Water Fund 020	Original Budget	Current Budget	YTD Actuals	Percent
Revenues				
Charge for Services	2,466,575	2,466,575	1,400,104	57%
Interest Income	24,000	24,000	19,540	81%
Total Operating Revenue	2,490,575	2,490,575	1,419,644	57%
Other Revenues	3,000	3,000	1,797	0%
Transfer from Reserves	352,971	352,971	-	0%
Total Revenues	2,846,546	2,846,546	1,421,441	50%
Expenses				
Operating	1,326,546	1,326,546	640,436	48%
Depreciation*	220,000	220,000	110,000	50%
State Water	1,300,000	1,300,000	596,438	46%
Total Expenses	2,846,546	2,846,546	1,346,874	47%
Net Surplus (Deficit)	-	-	74,567	
<i>Transfers for CIP**</i>	<i>(380,680)</i>	<i>(380,680)</i>	<i>(184,431)</i>	<i>48%</i>

*Estimated depreciation. Final depreciation will be calculated by the end of the fiscal year.
** For information purposes only, will be capitalized at the end of the fiscal year.

Table 9

Water Capital

Water Capital Fund records 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 second quarter is about \$404,000 (Table 7). In accordance with Generally Accepted Accounting Principles (GAAP), capital expenditures are not recorded as expenditures; rather, depreciation expense is recorded over each asset’s useful life. Table 10 below illustrates the Water Capital budget to actuals.

Water Capital 021	Current Budget	YTD Actuals	Percent
Revenues			
Connection Fees	90,000	-	0%
Interest Income	3,320	1,169	35%
Transfers from Reserves	150,000	-	0%
Transfer In from Fund 020	380,680	-	0%
Total Revenue	624,000	1,169	0%
Expenses			
Depreciation	24,000	12,000	50%
Transfer to CIP Projects	600,000	-	0%
Total Expenditures	624,000	12,000	2%

Wastewater

Wastewater and Wastewater Capital Funds	Wastewater	Wastewater Capital	Wastewater Total
Beginning Fund Balance	3,188,079	230,946	3,419,025
Revenues			
Charge for Services	646,045	-	646,045
Interest Income	10,572	710	11,282
Connection Fees*	-	-	-
Total Operating Revenue	656,618	710	657,328
Other Revenues	-	-	-
Total Revenues	656,618	710	657,328
Expenses			
Operating	450,343	-	450,343
Depreciation**	137,500	11,458	148,958
Total Operating Expenses	587,843	11,458	599,301
Operating Profit(Loss)	68,774	(10,748)	58,026
Transfers Out - CIP	113,856	-	-
Transfers In - CIP	-	-	-
Ending Fund Balance	3,142,997	220,198	3,477,052

** Depreciation is expensed at the end of the fiscal year after Capital Assets have been capitalized.

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 expenses exceeded operating revenue causing the Wastewater fund to experience a net operating surplus of \$68,774 in the second quarter of 2019-20 (excluding Capital Improvement Project expenses which will be recorded in the Wastewater Capital Fund). The previous years' operating loss has begun to slowly reverse since the last rate increases occurred. The Wastewater Fund ended the quarter with about \$1.7 Million in cash (Table 7) and Fund Balance of approximately \$3.2 Million. Both the Wastewater Fund and Wastewater Capital Fund experienced an increase in Fund Balance.

Table 12 on the following page illustrates the Wastewater Fund budget to actuals. Charges for Services exceeded budget projections at 54 percent. Interest income has also exceeded revenue projections due to the second quarter LAIF earnings of 2.29 percent.

The Wastewater Fund utilizes reserves to fund Capital Improvement Projects (CIPs). The budgeted transfer out for CIPs for FY 2019-20 through the second quarter is \$113,856. Overall, the Wastewater Fund expenses are within budget at 38 percent.

Sewer Fund 005	Original Budget	Current Budget	YTD Actuals	Percent
Revenues				
Charge for Services	1,204,850	1,204,850	646,045	54%
Interest Income	13,000	13,000	10,572	81%
Total Operating Revenue	1,217,850	1,217,850	656,618	54%
Other Revenues	-	-	-	0%
Transfer from Reserves	475,419	650,419	-	0%
Total Revenues	1,693,269	1,868,269	656,618	35%
Expenses				
Operating	1,418,269	1,593,269	564,200	35%
Depreciation**	275,000	275,000	137,500	50%
Total Operating Expenses	1,693,269	1,868,269	701,700	38%
Net Surplus (Deficit)	-	-	(45,082)	
<i>Transfers for CIP*</i>	<i>(362,803)</i>	<i>(537,803)</i>	<i>(113,856)</i>	<i>21%</i>

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

Wastewater Capital

Wastewater Capital Fund records 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 second quarter is \$231,656 (Table 7). In accordance with Generally Accepted Accounting Principles (GAAP), capital expenditures are not recorded as expenditures; rather, depreciation expense is recorded over each asset's useful life. Table 13 below illustrates the Wastewater Capital budget to actuals.

Wastewater Capital 006	Current Budget	YTD Actuals	Percent
Revenues			
Connection Fees	58,000	-	0%
Interest Income	2,113	710	34%
Transfers from Reserves	50,000	-	0%
Transfer In from Fund 005	537,803	-	0%
Total Revenue	647,916	710	0%
Expenses			
Depreciation	22,916	11,458	50%
Transfer to CIP Projects	625,000	-	0%
Total Expenses	647,916	11,458	2%



Capital Improvement Budget Report

Second Quarter Summary

For Fiscal: 2019-2020 Period Ending: 12/31/2019

		Original Total Budget	Current Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 092 - Capital Improvement Project Fund						
Funding Source						
092-49726	Transfer from Gas Tax Fund	237,575.00	237,575.00	79,765.30	157,809.70	33.57%
092-49727	Transfer from General Fund	2,198,500.00	2,198,500.00	675,290.87	1,523,209.13	30.72%
092-49728	Transfer from Measure A	482,425.00	582,425.00	345,145.20	237,279.80	59.26%
092-49729	Transfer from Sewer Fund	450,000.00	625,000.00	113,856.34	511,143.66	18.22%
092-49732	Transfer from Water Fund	600,000.00	600,000.00	184,430.73	415,569.27	30.74%
092-49733	Transfer from Local Trans Fund	70,000.00	120,000.00	64,097.50	55,902.50	53.41%
	Funding Source Total:	4,038,500.00	4,363,500.00	1,462,585.94	2,900,914.06	33.52%

Expense

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

092-102-74100	Construction and Improvements	40,000.00	40,000.00	0.00	40,000.00	0.00%
	Project: 102 - Total:	40,000.00	40,000.00	0.00	40,000.00	0.00%

Status: Project not yet ready for bid.

Project: 201 - Facilities Maintenance and Painting

092-201-74100	Construction and Improvements	50,000.00	50,000.00	0.00	50,000.00	0.00%
	Project: 201 - Total:	50,000.00	50,000.00	0.00	50,000.00	0.00%

Status: Project not yet started.

Project: 207 - Santa Ynez River Trail

092-207-70000	Conceptual Plan and Feasibility	50,000.00	50,000.00	5,000.00	50,000.00	0.00%
	Project: 207 - Total:	50,000.00	50,000.00	5,000.00	50,000.00	0.00%

Status: Project not yet started.

Project: 211 - Village Park Improvements

092-211-74100	Construction and Improvements	216,000.00	216,000.00	4,492.32	216,000.00	0.00%
	Project: 211 - Total:	216,000.00	216,000.00	4,492.32	216,000.00	0.00%

Status: Council accepted park improvements on 10/10/19. Punchlist items pending, 1-year maintenance period starts on 10/10/19.

	Original Total Budget	Current Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Project: 214 - City Hall Generator/Electrical Replacement					
092-214-74100 Construction and Improvement	40,000.00	40,000.00	0.00	40,000.00	0.00%
Project: 214 - Total:	40,000.00	40,000.00	0.00	40,000.00	0.00%

Status: Project has not yet started.

Project: 215 - Avenue of Flags Specific Plan-Phase 1					
092-215-70000 Conceptual Plan and Feasibility	75,000.00	75,000.00	0.00	75,000.00	0.00%
092-215-70005 Design and Permitting	125,000.00	125,000.00	68,053.59	56,946.41	54.44%
Project: 215 - Total:	200,000.00	200,000.00	68,053.59	131,946.41	34.03%

Status: Project has had bid opening on 1/28/2020. Award of construction contract to Council on 2/13/2020.

Project: 217 - River View Park Basketball Court Resurfacing					
092-217-74100 Construction and Improvement	80,000.00	80,000.00	0.00	80,000.00	0.00%
Project: 217 - Total:	80,000.00	80,000.00	0.00	80,000.00	0.00%

Status: Project preliminary work has commenced by staff.

Project: 218 - River View and Oak Park Facilities Painting					
092-218-74100 Construction and Improvement	25,000.00	25,000.00	0.00	25,000.00	0.00%
Project: 218 - Total:	25,000.00	25,000.00	0.00	25,000.00	0.00%

Status: Project has not yet started.

Project: 306 - Phase III Hwy 246/Sycamore Ped Xing					
092-306-71500 Project Management and Inspections	90,000.00	90,000.00	49,290.00	40,710.00	54.77%
092-306-74100 Construction and Improvements	580,000.00	580,000.00	387,508.00	192,492.00	66.81%
Project: 306 - Total:	670,000.00	670,000.00	436,798.00	233,202.00	65.19%

Status: Project is in construction.

Project: 307 - McMurray Road Widening					
092-307-70005 Design and Permitting	50,000.00	50,000.00	18,888.54	31,111.46	37.78%
092-307-71200 Right of Way Acquisition	150,000.00	150,000.00	0.00	150,000.00	0.00%
Project: 307 - Total:	200,000.00	200,000.00	18,888.54	181,111.46	9.44%

Status: Project is in design and Appraiser has started work.

		Original Total Budget	Current Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Project: 308 - North Park and Ride						
092-308-70005	Design and Permitting	50,000.00	100,000.00	62,097.50	37,902.50	62.10%
Project: 308 - Total:		50,000.00	100,000.00	62,097.50	37,902.50	62.10%

Status: Project is in design.

Project: 311 - Industrial Way Street Lights						
092-311-70005	Design and Permitting	82,500.00	82,500.00	7,208.00	75,292.00	8.74%
Project: 311 - Total:		82,500.00	82,500.00	7,208.00	75,292.00	8.74%

Status: Project is in design. PG&E completed their portion with increased cost estimate. Council requesting review of solar alternative.

Project: 314 - SD inlet/Catch Basin Retrofit Improvements						
092-314-74100	Construction and Improvements	150,000.00	150,000.00	0.00	150,000.00	0.00%
Project: 314 - Total:		150,000.00	150,000.00	0.00	150,000.00	0.00%

Status: Design is complete and project will be out to bid in February 2020.

Project: 315 - Ave of Flags/Drainage Improvements						
092-315-74100	Construction and Improvements	140,000.00	140,000.00	0.00	140,000.00	0.00%
Project: 315 - Total:		140,000.00	140,000.00	0.00	140,000.00	0.00%

Status: Project is in design with Median 2.

Project: 317 - Road Maintenance Project 18/19						
092-317-71500	Project Management and Inspections	70,000.00	70,000.00	69,855.00	145.00	99.79%
092-317-74100	Construction and Improvements	400,000.00	500,000.00	491,643.42	8,356.58	98.33%
Project: 317 - Total:		470,000.00	570,000.00	561,498.42	8,501.58	98.51%

Status: Project is complete.

Project: 318 - Road Maintenance Project FY 19/20						
092-318-70005	Design and Permitting	75,000.00	75,000.00	262.50	75,000.00	0.35%
092-318-71500	Project Management and Inspections	75,000.00	75,000.00	0.00	75,000.00	0.00%
092-318-74100	Construction and Improvement	325,000.00	325,000.00	0.00	325,000.00	0.00%
Project: 318 - Total:		475,000.00	475,000.00	262.50	475,000.00	0.06%

Status: Design is almost complete. Project will be out to bid by Spring 2020.

		Original Total Budget	Current Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Project: 401 - Miscellaneous River View Park Improvements						
092-401-74100	Construction and Improvements	50,000.00	50,000.00	0.00	50,000.00	0.00%
Project: 401 - Total:		50,000.00	50,000.00	0.00	50,000.00	0.00%

Status: Project has not yet started.

Project: 603 - WTP Facilities Improvement						
092-603-74100	Construction and Improvements	150,000.00	150,000.00	5,690.89	144,309.11	3.79%
Project: 603 - Total:		150,000.00	150,000.00	5,690.89	144,309.11	3.79%

Status: Project is under construction.

Project: 607 - Water Meter Upgrades						
092-607-74100	Construction and Improvements	100,000.00	100,000.00	0.00	100,000.00	0.00%
Project: 607 - Total:		100,000.00	100,000.00	0.00	100,000.00	0.00%

Status: Project is anticipated to commence February/March 2020.

Project: 608 - WTP Booster Power Reliability						
092-608-74100	Construction and Improvements	200,000.00	200,000.00	111,879.84	200,000.00	55.94%
Project: 608 - Total:		200,000.00	200,000.00	111,879.84	200,000.00	55.94%

Status: Project is under construction.

Project: 609 - Supplemental Well/WTP Feasibility						
092-609-70000	Conceptual Plan & Feasibility	50,000.00	50,000.00	0.00	50,000.00	0.00%
Project: 609 - Total:		50,000.00	50,000.00	0.00	50,000.00	0.00%

Status: Project has not yet started.

Project: 610 - Water Distribution System Improvements						
092-610-74100	Construction and Improvements	100,000.00	100,000.00	66,860.00	100,000.00	66.86%
Project: 610 - Total:		100,000.00	100,000.00	66,860.00	100,000.00	66.86%

Status: Project is under construction.

		Original Total Budget	Current Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Project: 704 - Sewer Line Replacement						
092-704-70005	Design and Permitting	0.00	75,000.00	71,205.24	3,794.76	94.94%
092-704-71500	Project Management and Inspection	0.00	50,000.00	0.00	50,000.00	0.00%
092-704-74100	Construction and Improvements	150,000.00	200,000.00	0.00	200,000.00	0.00%
Project: 704 - Total:		150,000.00	325,000.00	71,205.24	253,794.76	21.91%

Status: Project is in design.

		Original Total Budget	Current Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Project: 706 - WWTP Facilities Improvement						
092-706-74100	Construction and Improvements	300,000.00	300,000.00	42,651.10	257,348.90	14.22%
Project: 706 - Total:		300,000.00	300,000.00	42,651.10	257,348.90	14.22%

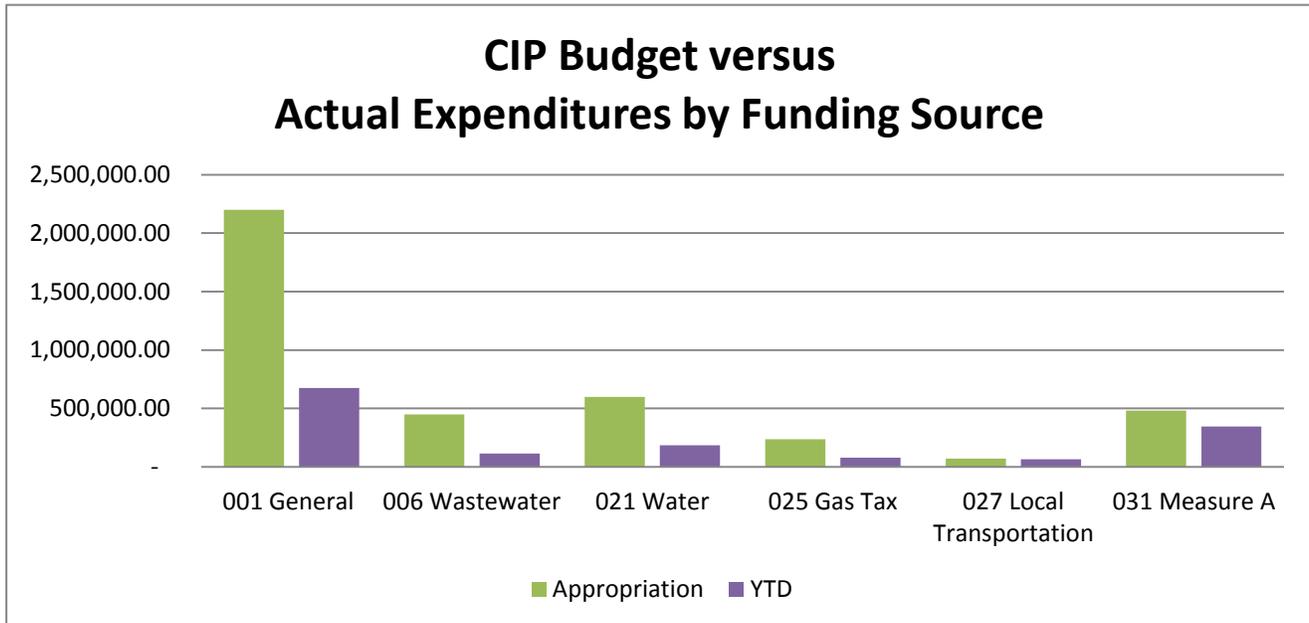
Status: Project is under construction.

Fund 092 - Capital Improvement Project Fund Totals:	4,038,500.00	4,363,500.00	1,462,585.94	2,900,914.06	33.52%
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Fund Balance Analysis - Capital Improvement Project (CIP) Funding Sources (2019-20)

Fund	Est. 6-30-2019 Fund Equity	FY 2019-20 YTD Operating Revenue	FY 2019-20 YTD Operating Expenditures	FY 2019-20 YTD CIP Funding	Est. 12-31-19 Fund Equity	Change in Fund
001 General Fund	10,401,733.46	4,161,214.00	3,563,610.13	675,290.87	10,324,046.46	(77,687.00)
005 Wastewater	3,188,079.16	656,617.69	450,343.33	113,856.34	3,280,497.18	92,418.02
006 Wastewater Capital	230,946.11	709.55	-	-	231,655.66	709.55
020 Water	6,400,079.38	1,421,440.85	1,052,442.81	184,430.73	6,584,646.69	184,567.31
021 Water Capital	403,504.96	1,168.66	-	-	404,673.62	1,168.66
025 Gas Tax	307,781.68	113,912.17	23,657.99	79,765.30	318,270.56	10,488.88
027 Local Transportation	323,882.03	3,754.44	9,999.96	64,097.50	253,539.01	(70,343.02)
031 Measure A	493,699.39	199,933.39	-	345,145.20	348,487.58	(145,211.81)
Total Funding:	\$ 21,749,706.17	\$ 6,558,750.75	\$ 5,100,054.22	\$ 1,462,585.94	\$ 21,745,816.76	\$ (3,889.41)

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 illustrates that the CIPS in progress are within budgeted amounts.

Projects that have not commenced or are not expected to be completed during the current fiscal year may be carried forward to the next fiscal year. Some of these projects are currently in their initial planning stages and design phases, or these projects may have little no expenditures associated with them but future expenditures are anticipated.

The following projects are currently in the design and planning phase:

- Avenue of Flags Median 2, River View Park Basketball Court Resurfacing, McMurray Road Widening, North Park and Ride, Storm Drain Inlet/Catch Basin Retrofit Improvement, Industrial Street Lights, Avenue of Flags /Drainage Improvement, Road Maintenance Project 2019/20, Sewer Line Replacement

The following projects are currently under construction or near completion:

- Village Park, Phase III Highway 246/Sycamore Pedestrian Xing, Water Treatment Facilities Improvement, Water Treatment Booster Power Reliability, Water Distribution System Improvements and Wastewater Facilities Improvement

The Road Maintenance Project 2018/19 was completed in September 2019.