

CITY OF BUELLTON



QUARTERLY FINANCIAL REPORT

Third Quarter Ending March 31, 2019

April 25, 2019

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 2018-19 and covers the period July 1, 2018 through March 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 national economy experienced a .4% increase in consumer prices for March (1.9% annual increase). The food index rose 2.1 percent over the past year, its largest 12-month increase since the period ending March 2015.

The unemployment rate decreased to 3.8% from 3.9%, demonstrating a continued strong job market. The U.S. added 196,000 jobs in March.

The Federal Reserve may slow its policy of raising interest rates. On March 21, the Federal Reserve released a statement indicating the growth of the economy has slowed from its solid rate in the fourth quarter of 2018 and recent indicators point to a slower growth of household spending and business fixed investment in the first quarter of 2019.

Unaudited Financial Data

State Economy

California unemployment rate increased slightly to 4.2% at the end of February, remaining near record low in the official data series dating back to 1976. The largest job gains were in the professional and business services (12,500), leisure/hospitality, trade, transportation and utilities. Consumer Price Index (CPI) in the Los Angeles area was up 0.6% over the past month, up 2.7% from a year ago. The CPI for all items less food and energy increased 2.8% over the year.

Data through February 2019 from Zillow indicate the median home value in California is \$548,800. California home values have gone up 3.2% over the past year and Zillow predicts they will rise 3.1% within the next year. The median rent price in California is \$2,750.

City of Buellton

The City's General Fund ended the third quarter of 2018-19 with about \$8.6 Million in fund balance and finished the quarter with over \$8.5 Million in cash balance. Revenues reached 61 percent of budget while expenditures remained within appropriations, ending the quarter at 63 percent.

The Enterprise funds completed the quarter with positive results. The Water Fund ended the quarter with a fund balance of about \$6.4 Million and \$3.3 Million in cash. The Sewer Fund ended the quarter with a fund balance of \$3.3 Million and \$1.5 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 75 percent of the year complete, revenues are below projections at 61 percent while expenditures are below expected projections at 63 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	\$ 6,000,000	\$ 7,643,088	\$ 8,427,913	
Revenues *	7,741,398	8,511,033	5,193,813	61%
Expenditures *	(7,504,173)	(7,946,291)	(4,989,526)	63%
Balance, at End of Year	<u>\$ 6,237,225</u>	<u>\$ 8,207,830</u>	<u>\$ 8,632,200</u>	

* Includes Transfers

Table 1: General Fund Balance

	Q3 FY 2018-19	Q3 FY 2017-18	Over (Under)	Percent
Revenues:				
Taxes	\$ 4,592,929	\$ 4,145,809	\$ 447,120	11%
Fees and Permits	10,305	8,425	\$ 1,880	22%
Fines and Penalties	8,931	15,463	\$ (6,532)	-42%
Charges for Current Services	130,153	141,432	\$ (11,279)	-8%
Other Revenue	451,496	360,777	\$ 90,719	25%
Total Revenue	<u>\$ 5,193,813</u>	<u>\$ 4,671,906</u>	<u>\$ 521,907</u>	<u>11%</u>
Expenditures:				
General Government	\$ 4,985,988	\$ 4,894,413	\$ 91,575	1.84%
Minor Capital	3,539	28,037	(24,498)	-692%
Total Expenditures	<u>\$ 4,989,526</u>	<u>\$ 4,922,450</u>	<u>67,076</u>	<u>1.3%</u>
Change in Fund Balance	<u>\$ 204,287</u>	<u>\$ (250,544)</u>	<u>454,831</u>	<u>-182%</u>

Table 2: Previous Year Comparison

Table 2 above provides summary comparison information on revenues and expenditures for the quarter ending March 31, 2019 versus the prior year quarter March 31, 2018. Further revenue and expenditure analysis will be discussed later in this report. Total revenues are higher in the current year by about \$521 thousand, or 11 percent. The major cause of this variance is due to the increase in transient occupancy tax (TOT) resulting from higher occupancy rates attributed to the addition of the Hampton Inn. TOT revenue is about \$164 thousand higher compared to last year during the same period. Additionally, the city received about \$38 thousand more in property tax compared to the prior year due to increases in home values and addition of townhomes to the tax roll. Furthermore, the City received about \$206 thousand more in sales tax revenue compared to the previous year due to increased commercial activity. In addition, the other revenue contains interest earned. As of March 31, 2019, the interest from the Local Agency Investment Fund (LAIF) was 2.55 percent compared to a 1.51 percent interest rate from the prior year quarter. Interest earnings year-to-date has increased \$70 thousand from the previous year.

Expenditures are about \$91 thousand more this quarter compared to the prior year quarter. The increase is due to a payment to the Santa Ynez Water Conservation District for Buellton’s cost share of the Central Management Area (CMA) Ground Water Sustainability Agency for regulatory compliance. Expenditures are expected to be within appropriated amounts by the end of the fiscal year.

Furthermore, 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

Top Five Revenues	Original Budget	Current Budget	YTD Actual	Percent
Sales Tax	2,346,000	2,412,000	1,605,529	67%
TOT	1,938,000	2,450,000	2,003,738	82%
Property Tax	1,308,150	1,461,244	846,370	58%
MVLF Swap	430,000	470,641	244,768	52%
Franchise Fees	229,500	229,500	111,590	49%
Other Revenues*	1,489,748	1,487,648	381,819	26%
Total Revenues	7,741,398	8,511,033	5,193,813	61%

Table 3

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

Sales Tax

As of March 31, 2019, the City received 67 percent of the total projected Sales Tax revenue. Only sales tax received through January has been 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 20th of the following month and cause revenue streams to lag one month. TOT receipts have been recorded through February 2019. The City expects TOT revenue streams to exceed budgeted levels with total receipts at 81 percent at the end of the third quarter. The increase is attributed to the higher occupancy rates.

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 below target at 58 percent, but the City can expect to exceed target by the end of the fiscal year. 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 48 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 over 93% 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 third quarter for all departments in total.

Department Expenditures	Original Budget	Current Budget	YTD Actual	% Expended
City Council	132,347	134,187	93,491	70%
City Manager	241,720	241,466	168,200	70%
City Clerk	119,213	119,213	83,053	70%
City Attorney	188,700	188,700	89,924	48%
Non-Departmental	1,044,509	1,109,201	947,690	85%
Finance	167,082	178,259	132,216	74%
Police and Fire	2,189,185	2,001,052	1,496,675	75%
Library	176,910	176,910	146,584	83%
Recreation	514,978	529,159	381,942	72%
Street Lights	65,000	65,000	42,431	65%
Storm Water	204,012	334,012	280,388	84%
Public Works - Parks	304,135	316,435	234,425	74%
Public Works - Landscape	108,120	120,346	85,070	71%
Public Works - General	665,961	669,601	416,072	62%
Planning (Comm Dev)	353,801	452,180	257,593	57%
Transfer to CIP Fund 92	1,028,500	1,310,570	133,773	10%
Total All Departments	7,504,173	7,946,291	4,989,526	63%

Table 4: General Fund Expenditures by Department

As of March 31, 2019, or 75 percent of the year expended, the General Fund ended the quarter at 63 percent expended (including CIP). Actual General Fund expenditures were approximately \$ 5 Million. Almost all Budget Units ended the quarter within budget except for Non-Departmental, Library and Storm Water.

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 Library services contract of \$141,641 is paid as a lump sum for service for the entire fiscal year causing the department to have an overage. Expenditures in this department are expected to be within budget at the end of the fiscal year.

The Storm Water Department includes a payment of \$130,000 to the Santa Ynez Water Conservation District for Buellton’s cost share of the Central Management Area (CMA) Ground Water Sustainability Agency for

regulatory compliance. Expenditures within this department are expected to be within budget at 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	1,191,124	68%
Contract Services	3,213,409	2,970,236	2,129,973	72%
Telecomm and Utilities	213,155	279,261	197,800	71%
Supplies and Materials	39,678	32,664	18,409	56%
Repair and Maintenance	216,150	210,350	147,125	70%
Transfer to Other Funds	1,186,170	1,463,570	332,378	23%
Other Operating Costs	984,987	1,191,376	969,178	81%
Minor Capital	48,200	48,200	3,539	7%
Total by Type	7,504,173	7,946,291	4,989,527	63%

Table 5: Expenditure Categories

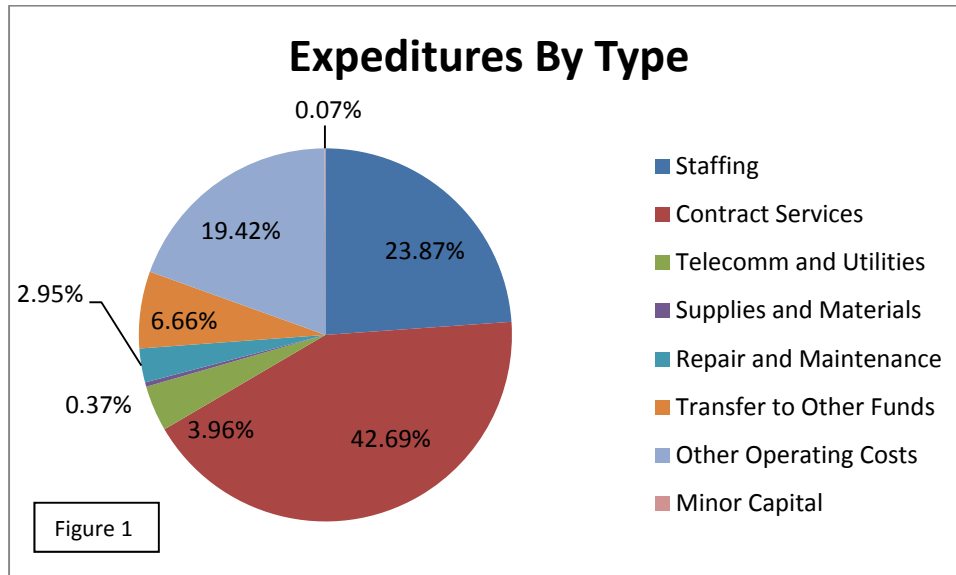


Table 5 and Figure 1 show General Fund operating costs and minor capital expenditures summarized by type. With 75 percent of the year expended, all budget categories are within budget with the exception of Other Operating Costs. Other Operating Costs accounts for about 19 percent of general fund expenditures. The other operating cost category consists of payments to non-profit organizations, payment for the CalPERS Unfunded Liability, Buellton Recreation expenditures, Storm Water regulatory compliance 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 third quarter of Fiscal Year 2018-19 are shown below.

Fund Balance Summary

Enterprise Fund Balance	Water	Water Capital	Wastewater	Wastewater Capital
Beginning Fund Balance	\$ 5,959,609	\$ 325,189	\$ 3,143,179	\$ 196,218
Operating Revenue	1,948,216	54,679	938,358	34,790
Operating Expenses	(1,469,998)	-	(775,583)	-
Operating Profit(Loss)	\$ 478,218	\$ 54,679	\$ 162,775	\$ 34,790
Transfers Out for CIP	-	-	-	-
Ending Fund Balance	\$ 6,437,827	\$ 379,868	\$ 3,305,955	\$ 231,008

Table 6

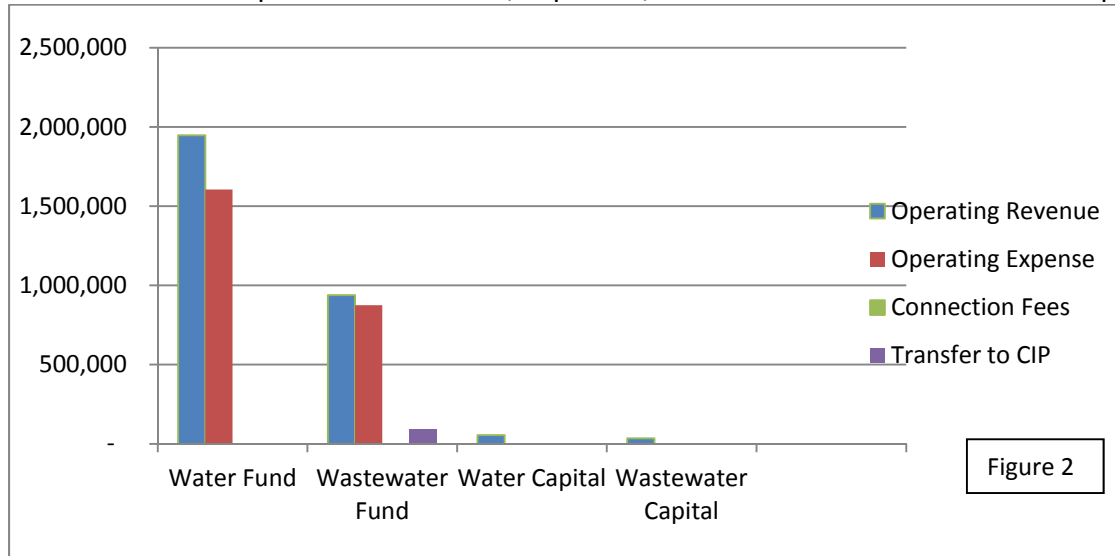
Note: Operating expenses do not reflect estimated depreciation.

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	3,323,640	339,624	1,501,688	216,053
Receivables	195,933	1,127	103,220	717
Inventory	34,282	-	-	-
Prepaid Items	249,083	-	9,108	-
Total current assets	3,802,938	340,751	1,614,016	216,770
Capital assets (net of accumulated depreciation)	3,109,987	39,117	2,142,236	14,238
Other assets	176,299	-	168,615	-
Total Assets:	\$ 7,089,224	\$ 379,868	\$ 3,924,867	\$ 231,008
LIABILITIES				
Current Liabilities	50,050	-	17,515	-
Noncurrent Liabilities	581,112	-	581,141	-
Other Liabilities	20,234	-	20,257	-
Total Liabilities:	\$ 651,396	\$ -	\$ 618,913	\$ -
NET POSITION (Assets - Liabilities)	\$ 6,437,827	\$ 379,868	\$ 3,305,955	\$ 231,008
<i>Net Position Breakdown</i>				
Net Investment in Capital Assets	3,109,987	39,117	2,142,236	14,238
Unrestricted	3,327,840	340,751	1,163,719	216,770
Total Net Position	\$ 6,437,827	\$ 379,868	\$ 3,305,955	\$ 231,008

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
Beginning Fund Balance	5,959,609	325,189	6,284,798
Revenues			
Charge for Services	1,915,182	-	1,915,182
Interest Income	29,451	3,033	32,484
Connection Fees	-	51,646	51,646
Total Operating Revenue	1,944,633	54,679	1,999,312
Other Revenues	3,583	-	3,583
Total Revenues	1,948,216	54,679	2,002,895
Expenses			
Operating	603,404	-	603,404
Depreciation**	135,405	-	135,405
State Water	866,594	-	866,594
Total Operating Expenses	1,605,403	-	1,605,403
Operating Profit(Loss)	342,813	54,679	397,492
Transfers Out - CIP	-	-	-
Transfers from Reserves	-	-	-
Ending Fund Balance	6,302,422	379,868	6,682,290

*** 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 \$342 thousand at the end of the third 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 and is currently operating with a surplus. The Water Fund ended the third quarter with approximately \$3.3 Million in cash (Table 7) and fund balance of approximately \$6.4 Million.

Table 9 illustrates the Water Fund budget to actuals. Charges for Services exceeded budget projections at 80 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 2.55 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 half of the fiscal year. Overall, Water Fund expenses were under budget at 53 percent expended.

Water Fund 020	Original Budget	Current Budget	YTD Actuals	Percent
Revenues				
Charge for Services	1,845,690	2,383,100	1,915,182	80%
Interest Income	8,670	16,000	29,451	184%
Total Operating Revenue	1,854,360	2,399,100	1,944,633	81%
Other Revenues	-	-	3,583	0%
Transfer from Reserves	600,000	600,000	-	0%
Total Revenues	2,454,360	2,999,100	1,948,216	65%
Expenses				
Operating	1,443,860	1,448,147	603,404	42%
Depreciation**	180,540	180,540	135,405	75%
State Water	1,417,800	1,417,800	866,594	61%
Total Expenses	3,042,200	3,046,487	1,605,403	53%
<i>Transfers for CIP*</i>	<i>(475,000)</i>	<i>(475,000)</i>	<i>-</i>	<i>0%</i>

** 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 third quarter is about \$380 thousand (Table 8). As mentioned in the Water Fund portion, none of the budgeted CIP expenses for the fiscal year have occurred. Table 10 below illustrates the Water Capital budget to actuals. Both revenue and expenditures performed below expected budget.

Water Capital 021	Current Budget	YTD Actuals	Percent
Revenues			
Connection Fees	200,000	51,646	26%
Interest Income	-	3,033	
Transfer In from Fund 020	234,600	-	0%
Total Revenue	434,600	54,679	13%
Expenses			
Depreciation	-	-	-
Transfer to CIP Projects	525,000	-	0%
Total Expenditures	525,000	-	0%

Table 10

Wastewater

Wastewater and Wastewater Capital Funds	Wastewater	Wastewater Capital	Wastewater Total
Beginning Fund Balance	3,143,179	196,218	3,339,397
Revenues			
Charge for Services	923,733	32,861	956,594
Interest Income	14,625	1,929	16,555
Connection Fees*	-	-	113,352
Total Operating Revenue	938,358	34,790	1,086,500
Other Revenues	-	-	-
Total Revenues	938,358	34,790	1,086,500
Expenses			
Operating	775,583	-	775,583
Depreciation**	191,250	-	191,250
Total Operating Expenses	966,833	-	966,833
Operating Profit(Loss)	(28,475)	34,790	119,667
Transfers Out - CIP	-	-	-
Transfers from Reserves	-	-	-
Ending Fund Balance	3,114,704	231,008	3,345,712

** 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 deficit of about \$28,475 in the third 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 third quarter report; however, the trend is expected to improve once the Wastewater fund experiences the full year at increased rates. The Wastewater fund ended the fiscal year with about \$1.5 Million in cash (Table 7) and fund balance of approximately \$3.3 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 82%. The increase was due to the sewer rate increases that occurred in July. Interest income has also exceeded revenue projections due to the third quarter LAIF earnings of 2.55 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.

Sewer Fund 005	Original Budget	Current Budget	YTD Actuals	Percent
Revenues				
Charge for Services	899,130	1,131,960	923,733	82%
Interest Income	7,140	11,000	14,625	133%
Total Operating Revenue	906,270	1,142,960	938,358	82%
Other Revenues	-	-	-	0%
Transfer from Reserves	300,000	300,000		0%
Total Revenues	1,206,270	1,442,960	938,358	65%
Expenses				
Operating	1,357,584	1,378,112	775,583	56%
Depreciation**	255,000	255,000	191,250	75%
Total Operating Expenses	1,612,584	1,633,112	966,833	59%
Transfers for CIP*	(400,000)	(400,000)	(91,986)	23%

** 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 third quarter is \$231,008 (Table 11). Table 13 below illustrates the Wastewater Capital budget to actuals. Both revenue and expenditures performed below expected budget.

Wastewater Capital 006	Current Budget	YTD Actuals	Percent
Revenues			
Connection Fees	95,000	32,861	35%
Interest Income	-	1,929	0%
Transfer In from Fund 005	-	-	0%
Total Revenue	95,000	34,790	37%
Expenses			
Depreciation	-	-	-
Transfer to CIP Projects	425,000	-	0%
Total Expenses	425,000	-	0%

Table 13



Capital Improvement Budget Report

Third Quarter Summary

For Fiscal: 2018-2019 Period Ending: 3/31/2019

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Fund: 092 - Capital Improvement Project Fund						
Funding Source						
092-49676	Transfer between 091/092	\$ -	\$ -	-	-	0%
092-49726	Transfer from Gas Tax Fund	\$ 500,000.00	\$ 500,000.00	147,421.80	352,578.20	29%
092-49727	Transfer from General Fund	\$ 1,283,170.00	\$ 1,310,570.00	179,377.92	1,131,192.08	14%
092-49728	Transfer from Measure A	\$ 620,000.00	\$ 620,000.00	140,681.79	479,318.21	23%
092-49729	Transfer from Sewer Fund	\$ 425,000.00	\$ 425,000.00	91,985.97	333,014.03	22%
092-49732	Transfer from Water Fund	\$ 525,000.00	\$ 525,000.00	327.72	524,672.28	0%
092-49733	Transfer from Local Transportation Fund	\$ 600,000.00	\$ 600,000.00	-	600,000.00	0%
Funding Total:		\$ 3,953,170.00	\$ 3,980,570.00	\$ 559,795.20	\$ 3,420,774.80	14%

Expense						
Project: 101 - Storm Drain Cleaning and Retrofit						
092-101-60800	Contract Services	\$ -	\$ -	-	-	0%
092-101-74100	Construction and Improvements	\$ 20,000.00	\$ 20,000.00	20,460.00	(460.00)	102%
092-101-76000	Contribution	\$ -	\$ -	-	-	0%
Project: 101 - Storm Drain Cleaning and Retrofit Total:		\$ 20,000.00	\$ 20,000.00	20,460.00	(460.00)	102%

Status:
Project is complete.

Project: 102 - Storm Drain Outfall Repairs and Re-Establishment						
092-102-60800	Contract Services	\$ -	\$ -	-	-	0%
092-102-74100	Construction and Improvements	\$ 10,000.00	\$ 10,000.00	10,000.00	-	100%
Project: 102 - Storm Drain Outfall Repairs and Re-Establishment Total:		\$ 10,000.00	\$ 10,000.00	10,000.00	-	100%

Status:
Project is complete.

Project: 201 - Facilities Maintenance and Painting						
092-201-60800	Contract Services	\$ -	\$ -	-	-	0%
092-201-74100	Construction and Improvements	\$ -	\$ 25,000.00	-	25,000.00	0%
Project: 201 - Facilities Maintenance and Painting Total:		\$ -	\$ 25,000.00	-	25,000.00	0%

Status:
Project has not yet started.

Project: 206 - Ave of Flags Pedestrian Sidewalk Construction and Improvements						
092-206-74100	Construction and Improvements	\$ -	\$ -	-	-	0%
Project: 206 - Ave of Flags Ped Construction and Improvements Total:		\$ -	\$ -	-	-	0%

Status:
Project was completed in FY 17/18.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 207 - Santa Ynez River Trail						
092-207-70000	Conceptual Plan/feasibility	\$ 20,000.00	\$ 20,000.00	-	20,000.00	0%
Project: 207 - Santa Ynez River Trail Total:		\$ 20,000.00	\$ 20,000.00	-	20,000.00	0%

Status:
Project has not yet started.

Project: 211 - Village Park Construction and Improvements						
092-211-74100	Construction and Improvements	\$ -	\$ 216,000.00	-	216,000.00	0%
Project: 211 - Village Park Construction and Improvements Total:		\$ -	\$ 216,000.00	-	216,000.00	0%

Status:
Project has not yet started.

Project: 213 - Post Office Fire Alarm System Replacement						
092-213-74100	Construction and Improvements	\$ -	\$ -	-	-	0%
Project: 213 - Post Office Fire Alarm System Replacement Total:		\$ -	\$ -	-	-	0%

Status:
Project was completed during FY 17/18.

Project: 214 - City Hall Generator/Electrical Replacement						
092-214-68000	Contract Services	\$ -	\$ -	-	-	0%
092-214-74100	Construction and Improvements	\$ -	\$ 40,000.00	-	40,000.00	0%
Project: City Hall Generator/Electrical Replacement Total:		\$ -	\$ 40,000.00	-	40,000.00	0%

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

Project: 215 - Avenue of Flags Specific Plan Implementation						
092-215-70000	Conceptual Plan/Feasibility	\$ -	\$ 250,000.00	27,467.50	222,532.50	11%
092-215-74100	Construction/Improvement	\$ -	\$ -	-	-	0%
Project: Avenue of Flags Specific Plan Implementation:		\$ -	\$ 250,000.00	27,467.50	222,532.50	11%

Status:
Conceptual design has commenced.

Project: 216 - Storage Shed						
092-216-68000	Contract Services	\$ -	\$ -	-	-	0%
092-216-74100	Construction and Improvements	\$ -	\$ 27,400.00	26,045.35	1,354.65	95%
Project: Storage Shed Total:		\$ -	\$ 27,400.00	26,045.35	1,354.65	95%

Status:
Project is complete.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 306 - Phase III Hwy 246/Sycamore Ped Xing						
092-306-70005	Design and Permitting	\$ 100,000.00	\$ 70,000.00	8,520.00	61,480.00	12%
092-306-74100	Construction and Improvements	\$ 570,000.00	\$ -	3,762.50	-	0%
Project: 306 - Phase III Hwy 246/Sycamore Ped Xing Total:		\$ 670,000.00	\$ 70,000.00	12,282.50	57,717.50	18%

Status:
Project design has commenced.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 307 - McMurray Road Widening/TS						
092-307-60800	Contract Services	\$ 100,000.00	\$ 100,000.00	800.00	99,200.00	1%
092-307-70005	Design and Permitting	\$ 50,000.00	\$ 50,000.00	-	50,000.00	0%
092-307-71200	Right of Way Acquisition	\$ -	\$ 25,000.00	-	25,000.00	0%
092-307-74100	Construction and Improvements	\$ 350,000.00	\$ 125,000.00	-	125,000.00	0%
Project: 307 - McMurray Road Widening/TS Total:		\$ 500,000.00	\$ 300,000.00	800.00	299,200.00	0%

Status:
Right-of-way (ROW) acquisition has resumed.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 308 - No. Ave of Flags Park and Ride						
092-308-60800	Contract Services	\$ 120,000.00	\$ 120,000.00	-	120,000.00	0%
092-308-70005	Design/Permitting	\$ -	\$ 75,000.00	-	75,000.00	0%
092-308-71200	Right of Way Acquisition	\$ -	\$ -	-	-	0%
092-308-74100	Construction and Improvements	\$ 480,000.00	\$ 405,000.00	-	405,000.00	0%
Project: 308 - No. Ave of Flags Park and Ride Total:		\$ 600,000.00	\$ 600,000.00	-	600,000.00	0%

Status:
Project has not yet started.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 311 - Industrial Way Street Lights						
092-311-60800	Contract Services	\$ 60,000.00	\$ 60,000.00	-	60,000.00	0%
092-311-70005	Design/Permitting	\$ -	\$ 82,500.00	2,837.50	79,662.50	3%
092-311-74100	Construction and Improvements	\$ 340,000.00	\$ 69,670.00	-	69,670.00	0%
Project: 311 - Industrial Way Street Lights Total:		\$ 400,000.00	\$ 212,170.00	2,837.50	209,332.50	1%

Status:
Staff has provided layout to PG&E. Awaiting for PG&E design documents and cost estimate.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 312 - Hwy 246 /Sidewalk (Caltrans)						
092-312-60800	Contract Services	\$ -	\$ -	-	-	0%
092-312-74100	Construction and Improvements	\$ -	\$ -	-	-	0%
Project: 312 - Hwy 246 /Sidewalk (Caltrans) Total:		\$ -	\$ -	-	-	0%

Status:
Project was completed FY 17/18.

		Original Total Budget	Current Total Budget	Fiscal Activity	Amount Remaining Favorable (Unfavorable)	Percent Used
Project: 313 - Road Maintenance Project 15/16 and 16/17						
092-313-60800	Contract Services	\$ -	\$ -	687.50	(687.50)	0%
092-313-74100	Construction and Improvements	\$ -	\$ -	-	-	0%
Project: 313 - Road Maintenance Project Total:		\$ -	\$ -	687.50	(687.50)	0%

Status:
Project was completed FY 17/18.

		Original Total Budget	Current Total Budget	Fiscal Activity	Amount Remaining Favorable (Unfavorable)	Percent Used
Project: 314 - SD Inlet/Catch Basin Retrofit Improvement						
092-314-60800	Contract Services	\$ 45,000.00	\$ 45,000.00	-	45,000.00	0%
092-314-70005	Design and Permitting	\$ 5,000.00	\$ 5,000.00	-	5,000.00	0%
092-314-74100	Construction and Improvements	\$ 100,000.00	\$ 100,000.00	15,145.00	84,855.00	15%
Project: 314 - SD Inlet/Catch Basin Retrofit Improvement Total:		\$ 150,000.00	\$ 150,000.00	15,145.00	134,855.00	10%

Status:
Project has begun.

		Original Total Budget	Current Total Budget	Fiscal Activity	Amount Remaining Favorable (Unfavorable)	Percent Used
Project: 315 - Ave of Flags Pedestrian/Drainage Improvement						
092-315-60800	Contract Services	\$ 100,000.00	\$ 40,000.00	-	40,000.00	0%
092-315-70005	Design/Permitting	\$ -	\$ 100,000.00	-	100,000.00	0%
092-315-74100	Construction and Improvements	\$ 40,000.00	\$ -	-	-	0%
Project: 315 - Ave of Flags Pedestrian/Drainage Improvement Total:		\$ 140,000.00	\$ 140,000.00	-	140,000.00	0%

Status:
Part of 18/19 Road Maintenance Project, which is in design.

		Original Total Budget	Current Total Budget	Fiscal Activity	Amount Remaining Favorable (Unfavorable)	Percent Used
Project: 316- Road Maintenance Project (17/18)						
092-316-60800	Contract Services	\$ -	\$ 90,000.00	22,641.25	67,358.75	25%
092-316-70005	Design/Permitting	\$ -	\$ 90,000.00	-	90,000.00	0%
092-316-74100	Construction and Improvements	\$ -	\$ 270,000.00	264,631.50	5,368.50	98%
Project: 316 - Road Maintenance Project (17/18) Total:		\$ -	\$ 450,000.00	287,272.75	162,727.25	64%

Status:
Project completed.

		Original Total Budget	Current Total Budget	Fiscal Activity	Amount Remaining Favorable (Unfavorable)	Percent Used
Project: 317- Road Maintenance Project (18/19)						
092-317-70000	Conceptual Plan and Feasibility	\$ 100,000.00	\$ 100,000.00	23,635.00	76,365.00	24%
092-317-70005	Design/Permitting	\$ 100,000.00	\$ 100,000.00	-	100,000.00	0%
092-317-74100	Construction and Improvements	\$ 300,000.00	\$ 300,000.00	30,618.00	269,382.00	0%
Project: 317 - Road Maintenance Project (18/19) Total:		\$ 500,000.00	\$ 500,000.00	54,253.00	445,747.00	11%

Status:
Project is in design.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 603 - Water Treatment Plant Facilities Improvement						
092-603-60800	Contract Services	\$ -	\$ -	262.50	(262.50)	0%
092-603-74100	Construction and Improvements	\$ -	\$ 100,000.00	10,295.63	89,704.37	0%
Project: 603 - WTP Facilities Improvement Total:		\$ -	\$ 100,000.00	10,558.13	89,441.87	11%

Status:
Repairs at McMurray WTPs are underway.

Project: 607 - Water Meter Upgrades						
092-607-74100	Construction and Improvements	\$ 75,000.00	\$ 50,000.00	-	50,000.00	0%
Project: 607 - Water Meter Upgrades Total:		\$ 75,000.00	\$ 50,000.00	-	50,000.00	0%

Status:
Project has not yet started.

Project: 608 - Water Treatment Plant/Booster Power Reliability						
092-608-74100	Construction and Improvements	\$ 100,000.00	\$ 145,000.00	-	145,000.00	0%
Project: 608 - WTP/Booster Power Reliability Total:		\$ 100,000.00	\$ 145,000.00	-	145,000.00	0%

Status:
Project is underway.

Project: 610 - Water Distribution System Construction and Improvements						
092-610-74100	Construction and Improvements	\$ -	\$ 200,000.00	-	200,000.00	0%
Project: 610 - Water Distribution System Construction and Improvements Total:		\$ -	\$ 200,000.00	-	200,000.00	0%

Status:
Project has not yet started.

Project: 611 - Recycled Water Program						
092-611-60800	Contract Services	\$ -	\$ -	-	-	0%
092-611-74100	Construction and Improvements	\$ -	\$ 30,000.00	-	30,000.00	0%
Project: 611 - Recycled Water Program Total:		\$ -	\$ 30,000.00	-	30,000.00	0%

Status:
Project has not yet started.

Project: 702 - Sewer Collections System Cleaning						
092-702-60800	Contract Services	\$ -	\$ -	-	-	0%
092-702-74100	Construction and Improvements	\$ -	\$ -	-	-	0%
Project: 702 - Sewer Collections System Cleaning Total:		\$ -	\$ -	-	-	0%

Status: Completed during FY 17/18.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 703 - Wastewater Treatment Plant Lift Station Security/Reliability						
092-703-60800	Contract Services	\$ -	\$ -	-	-	0%
092-703-74100	Construction and Improvements	\$ -	\$ 25,000.00	-	25,000.00	0%
Project: 703 - WWTP Lift Station Security/Reliability Total:		\$ -	\$ 25,000.00	-	25,000.00	0%

Status:
Project has not yet started.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 704 - Sewer Line Replacement						
092-704-60800	Contract Services	\$ -	\$ -	-	-	0%
092-704-74100	Construction and Improvements	\$ 100,000.00	\$ 100,000.00	-	100,000.00	0%
Project: 704 - Sewer Line Replacement Total:		\$ 100,000.00	\$ 100,000.00	-	100,000.00	0%

Status:
Project has not yet started.

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
Project: 706 - Wastewater Treatment Plant Facilities Improvement						
092-706-60800	Contract Services	\$ -	\$ -	-	-	0%
092-706-74100	Construction and Improvements	\$ 300,000.00	\$ 300,000.00	91,985.97	208,014.03	31%
Project: 706 - WWTP Facilities Improvement Total:		\$ 300,000.00	\$ 300,000.00	91,985.97	208,014.03	31%

Status:
Repairs at the WWTP are underway.

Fund: 092 - Capital Improvement Project Fund Surplus (Deficit):	\$ 3,585,000.00	3,980,570.00	559,795.20	3,420,774.80	14%
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Fund Balance Analysis - Capital Improvement Project (CIP) Funding Sources (2018-19)

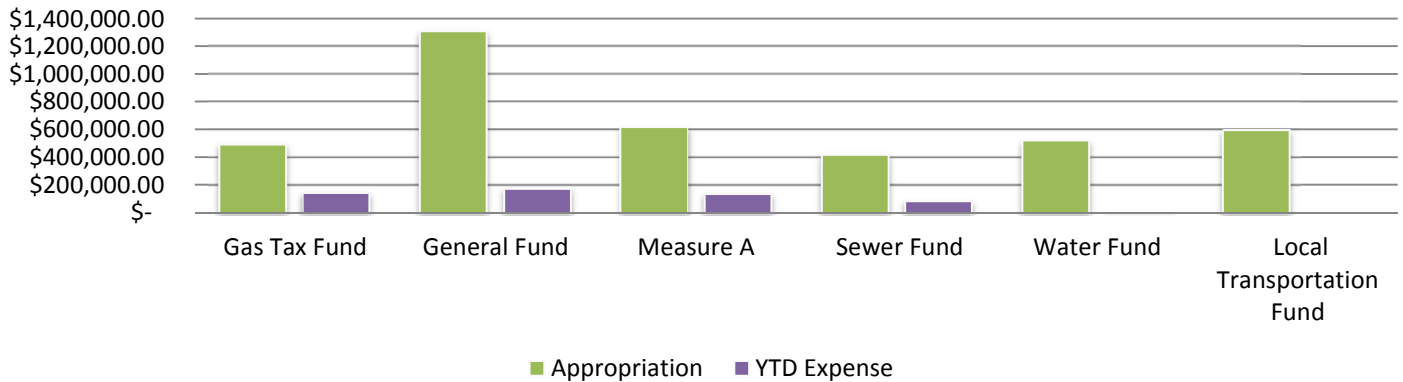
Fund	Est. Fund Equity 6/30/2018	FY 2018-19 YTD Revenue	FY 2018-19 YTD Expenditures	FY 2018-19 CIP Funding YTD	Est. 3/31/2019 Fund Equity	Change in Fund Equity
001 General Fund	8,427,913.48	5,193,813.43	(4,810,148.56)	(179,377.92)	8,632,200.43	204,286.95
005 Wastewater [1]	3,143,179.31	938,357.96	(874,846.60)	(91,985.97)	3,114,703.70	(28,475.61)
006 Wastewater capital	196,217.58	34,790.45	-	-	231,008.03	34,790.45
020 Water [2]	5,959,609.27	1,948,215.87	(1,605,075.19)	(327.72)	6,302,422.23	342,812.96
021 Water Capital	325,189.20	54,679.06	-	\$ -	379,868.26	54,679.06
025 Gas Tax	264,136.29	216,776.63	(61,463.37)	(147,421.80)	272,027.75	7,891.46
027 Local Transportation	175,558.15	173,204.98	(14,999.94)	-	333,763.19	158,205.04
031 Measure A	338,030.43	283,942.71	(40,000.00)	(140,681.79)	441,291.35	103,260.92
Total Funding:	18,829,833.71	8,843,781.09	(7,406,533.66)	(559,795.20)	19,707,285.94	877,452.23

[1] 005- Wastewater Expenditures includes estimated depreciation of \$191,250. Actual depreciation posted at fiscal year end.

[2] 020- Water Expenditures includes estimated depreciation of \$135,405. Actual depreciation posted at fiscal year end.

Capital Improvement Project (CIP) Analysis

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 64 percent of the budget expended. The installation of the storage shed was also completed under budget with 95 percent of the budget expended. The storm drain cleaning project has been completed slightly over budget at 102 percent. The storm drain outfall repairs and re-establishment project has been completed with 100 percent of the budget expended.

The following eight projects are currently in progress and are either in their planning phase or are under construction: Median 2 of Avenue of Specific Plan Implementation, Phase III Hwy 246/Sycamore pedestrian Xing, McMurray Road widening, Industrial Way streetlights, Road Maintenance Project (18/19), Storm drain inlet and catch basin retrofit improvements, Water Treatment Plant facilities improvement, and Wastewater Treatment Plant facilities improvement.

There are three projects currently in their initial planning stages and design phases. These projects may have little to no expenditures associated to them but future expenditures are anticipated. These projects are: City Hall Generator/Electrical Replacement, Avenue and Flags pedestrian and drainage improvements, and Water Treatment Plant and booster power reliability.

Projects that have not commenced or completed during the current fiscal year may be carried forward to the next fiscal year.