

# CITY OF BUELLTON



## QUARTERLY FINANCIAL REPORT

Second Quarter Ending December 31, 2017

January 25, 2018

### 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 2017-18 and covers the period July 1, 2017 through December 31, 2017. 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 economy continues to show strength and the new tax reform is expected to influence consumer spending. The Federal Open Market Committee raised the current federal funds rate to 1.5 percent on December. The Committee had it raised to 1.25 percent on June. The interest hike affects savings, consumer spending and loans.

The national unemployment rate was 4.1 percent in December, slightly lower than a year ago at 4.6 percent. The unemployment rate is an economic indicator about the strength of the job market and status of household finances. Low unemployment rate indicates more jobs are available and fewer people looking for jobs which make recruitment difficult and often companies must pay more to attract candidates.

### State Economy

According to the California Department Finance Department Bulletin, consumer prices overall increased in October from a year ago by 3.0 percent and 2 percent in the nation, with housing costs as the main factor up 4.5 percent in the state and 3.2 percent in the nation. California's seasonally adjusted unemployment rate fell by .3 percent to 4.6 percent in November 2017. This was a record low in a series dating back to 1976. The majority of job growth was in the educational and health services which grew by 16,700 new jobs.

As of November 1, 2017, gas tax in the state increased 12 cents per gallon and excise tax on diesel fuel increased by 20 cents per gallon, and the sales tax on diesel rose. The revenue derived from the increase is expected to be \$5 billion per year to fund state and local transportation projects.

### City of Buellton

The City's General fund ended the second quarter of 2017-18 with about \$6.5 Million in fund balance and finished the quarter with over \$6.1 Million in cash reserves. Revenues reached 40 percent of budget while expenditures remained within appropriations, ending the quarter at 47 percent. The Enterprise funds completed the quarter with mixed results. The Water Fund experienced a surplus, and Wastewater fund experienced a net operating loss during the quarter. Water and sewer rate increased in November 2017 to ease future operating deficits and fund planned capital improvement projects. A third rate increase is expected in July 2018. Details are provided in a later discussion.

**GENERAL FUND**

**General Fund Balance**

The chart below shows that with 50 percent of the year complete, revenues are slightly below projections at 40 percent while expenditures are below expected projections at 43 percent of appropriations. “Revenue versus budget” gaps are explained in the next paragraph.

<b>General Fund - Fund Balance</b>	<b>Budget</b>	<b>Actual</b>	<b>Percent</b>
Balance, at Start of Year	\$ 6,000,000	\$ 6,879,206	
Revenues *	7,641,145	3,068,304	40%
Expenditures *	(7,399,056)	(3,442,746)	47%
Balance, at End of Quarter	<u>\$ 6,242,089</u>	<u>\$ 6,504,764</u>	
* Includes Transfers			

The chart below provides summary comparison information on revenues and expenditures for the quarter ending December 31, 2017 versus the prior quarter December 31, 2016. Total revenues are higher in the prior year by almost \$265 thousand. The major cause of this variance is due to timing of Franchise Fees, Sales Tax, and Transient Occupancy Tax. In addition, the City received higher Sales Tax revenue last fiscal year resulting from a one-time distribution from the Triple-Flip sales tax payment of about \$280 thousand. Revenue flows are expected to be on target with budget as the fiscal year elapses.

Expenditures are higher in this fiscal year compared to the prior year by over \$276 thousand. The increase is due to the expenditures incurred for Capital Improvement Projects (CIP) such as Road Maintenance projects and the Post Office fire alarm system replacement which totaled about \$375 thousand.

<b>General Fund</b>	<b>Q2 FY 2017-18</b>	<b>Q2 FY 2016-17</b>	<b>Over (Under)</b>
<b>Revenues:</b>			
Taxes	2,895,546	3,151,979	(256,433)
Fees and Permits	5,795	6,771	(976)
Fines and Penalties	7,772	11,279	(3,507)
Charges For Current Services	88,101	89,896	(1,795)
Other Revenues	71,091	74,048	(2,957)
<b>Total Revenues</b>	<u>3,068,304</u>	<u>3,333,973</u>	<u>(265,669)</u>
<b>Expenditures:</b>			
General Government	3,364,083	3,077,089	286,994
Minor Capital	22,599	33,177	(10,578)
<b>Total Expenditures</b>	<u>3,386,682</u>	<u>3,110,266</u>	<u>276,416</u>

**Top Five Revenues**

Top Five Revenues	Budget	YTD Actual	Percent
Sales Tax	2,300,000	754,491	33%
TOT	1,900,000	1,286,592	68%
Property Tax	1,282,500	797,383	62%
MVLF Swap	427,200	-	0%
Franchise Fees	225,000	57,080	25%
Other Revenues*	1,506,445	172,758	11%
<b>Total Revenues</b>	<b>7,641,145</b>	<b>3,068,304</b>	<b>40%</b>

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

**Sales Tax**

The City received 33 percent of the total Sales Tax revenue as of December 31, 2017. Sales tax is below target because of payment delays. Payments are recorded when received and applied to the corresponding month of sales; usually payment is received two months later from the State of California. Only sales tax through October has been received resulting in four months total sales tax to date. Sales Tax payments fluctuate each month in conjunction with seasonal flows. Strong revenue streams from local sales tax are expected to increase as new businesses continue to open.

**Transient Occupancy Tax (TOT)**

TOT revenue is a major component of the City's General Fund. The City expects TOT revenue streams to exceed budgeted levels with total receipts at 68 percent at the end of the second quarter. The increase is contributed to the addition of the Hampton Inn. Payments for the reporting period are due on the 20th of the following month, and as previously mentioned, cause revenue streams to lag one month. TOT receipts have been received through November.

**Property Tax**

The City's property tax revenues are received later in the fiscal year at intervals set by the Santa Barbara County Auditor-Controller. Property tax is above target at 62 percent, and the City can expect to exceed target by the end of the fiscal year. In addition, the City's ongoing share of property tax is expected to increase based on new development in progress.

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

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

**Franchise Fees**

Franchise fees are received monthly, quarterly and annually. The majority of the City's Franchise Fees are collected from Marborg Industries, the City's solid waste service provider. Other franchise fees are received from various utilities. This revenue source is on target with budget timing delays in the second quarter.

*Top Five Revenues for the City of Buellton's General Fund are Sales Tax, Property Tax, Transient Occupancy Tax (TOT), Motor Vehicle License Fee (MVLF) and Franchise Fees. These revenues account for almost 97% of total General Fund Revenues.*

## Expenditures

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

Department Expenditures	Budget	YTD Actual	% Expended
City Council	125,089	64,275	51%
City Manager	237,072	110,186	46%
City Clerk	115,896	53,519	46%
City Attorney	185,000	60,192	33%
Non-Departmental	1,011,901	559,259	55%
Finance	167,673	107,677	64%
Police and Fire	2,146,260	962,080	45%
Library	173,441	144,831	84%
Recreation	504,878	287,259	57%
Street Lights	60,000	25,960	43%
Storm Water	215,600	43,359	20%
Public Works - Parks	314,250	184,736	59%
Public Works - Landscape	106,000	50,881	48%
Public Works - Engineering	-	360	-
Public Works - General	652,904	256,246	39%
Planning (Comm Dev)	354,592	175,192	49%
Transfer to CIP Fund 92	1,028,500	356,735	35%
<b>Total All Departments</b>	<b>7,399,056</b>	<b>3,442,746</b>	<b>47%</b>

As of December 31, 2017, or 50 percent of the year expended, the General Fund ended the quarter at 43 percent spent (including CIP). Actual General Fund expenditures were approximately \$ 3.4 Million. Almost all Budget Units ended the quarter within budget except for Non-departmental, Finance, Library, Recreation and Parks.

The Non-Departmental fund overage is due to annual payments paid early in the fiscal year. About \$11 thousand more than budgeted was paid to CalPERS Unfunded liability this fiscal year prior to last year. This amount is expected to increase in the next fiscal years and will be budgeted accordingly. In addition, a majority of Community Support contributions were paid at the beginning of the fiscal year and increased about \$8 thousand from the previous year. Even with the current quarter overage, appropriations are expected to be within budget at the end of the fiscal year.

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

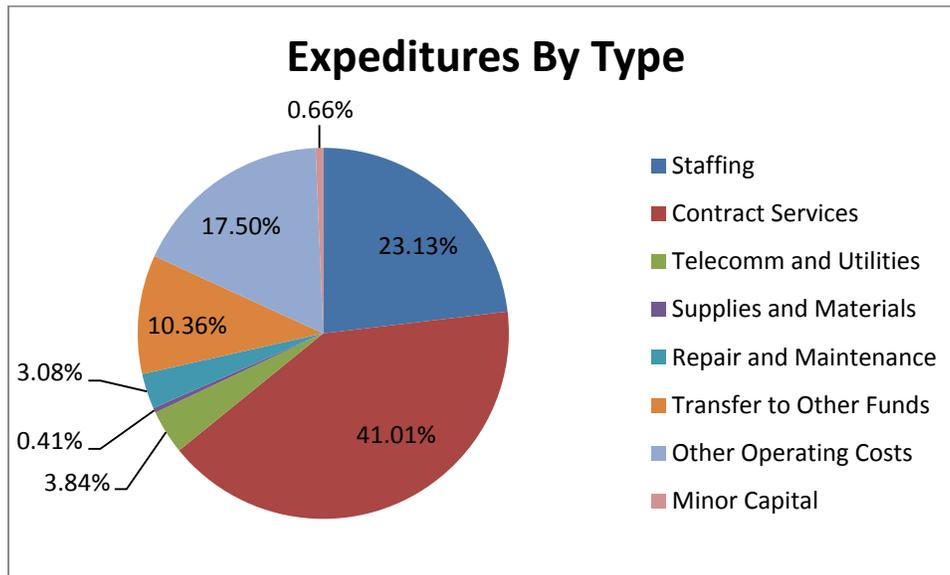
The Library Department should not experience much activity besides utility costs, as the whole contract amount was paid in August 2017.

The Recreation Department experienced an increase in operating activities. The Recreation department ran a Summer Teen Camp for the first time in conjunction with their Summer Camp, and increased their seasonal staffing. During the third quarter, the Recreation Center offered a three-day Thanksgiving Camp and a 2-week Winter Camp . The Recreation budget should even-out by the end of the fiscal year.

The Public Works- Parks budgetary unit resulted in an overage due to an increase in water service and water usage charges. The City has larger meters installed for irrigation which tend to have a larger monthly service charge. In addition, the City cleaned up the weeds at the Zaca Golf Course for about \$12 thousand.

**Major Expenditure Variances**

Expenditures By Type	Budget	YTD Actual	% Expended
Staffing	1,569,505	796,265	51%
Contract Services	3,128,401	1,411,738	45%
Telecomm and Utilities	227,250	132,358	58%
Supplies and Materials	38,900	14,227	37%
Repair and Maintenance	232,700	106,188	46%
Transfer to Other Funds	1,178,500	356,735	30%
Other Operating Costs	964,300	602,636	62%
Minor Capital	59,500	22,599	38%
<b>Total by Type</b>	<b>7,399,056</b>	<b>3,442,746</b>	<b>47%</b>



The chart and graph above shows General Fund operating costs and minor capital expenditures summarized by type. With 50 percent of the year expended, all budget categories are within budget with the exception of Telecomm and Utilities and Other Operating Costs. The Telecomm and Utilities overage resulted from a water leak at one of the medians on Avenue of Flags. In addition, the water and sewer rate increases that went into effect in November contributed to the overage. The City gets charged for meters at City Parks, various irrigation meters, Wastewater Treatment Plant, Chamber of Commerce, Post Office, City Hall, and Police Station. Historically, water was charged to the appropriate account at the end of the fiscal year, but has been recorded on a monthly basis since the beginning of the fiscal year. This expenditure type should be within budget at the end of the fiscal year.

The Other Operating Costs category consists of payments to Community Support and various membership fees, as well as the CalPERS Unfunded Liability. These payments are paid at the beginning of the Fiscal year and should even-out by the end of the fiscal year.

**ENTERPRISE FUNDS**

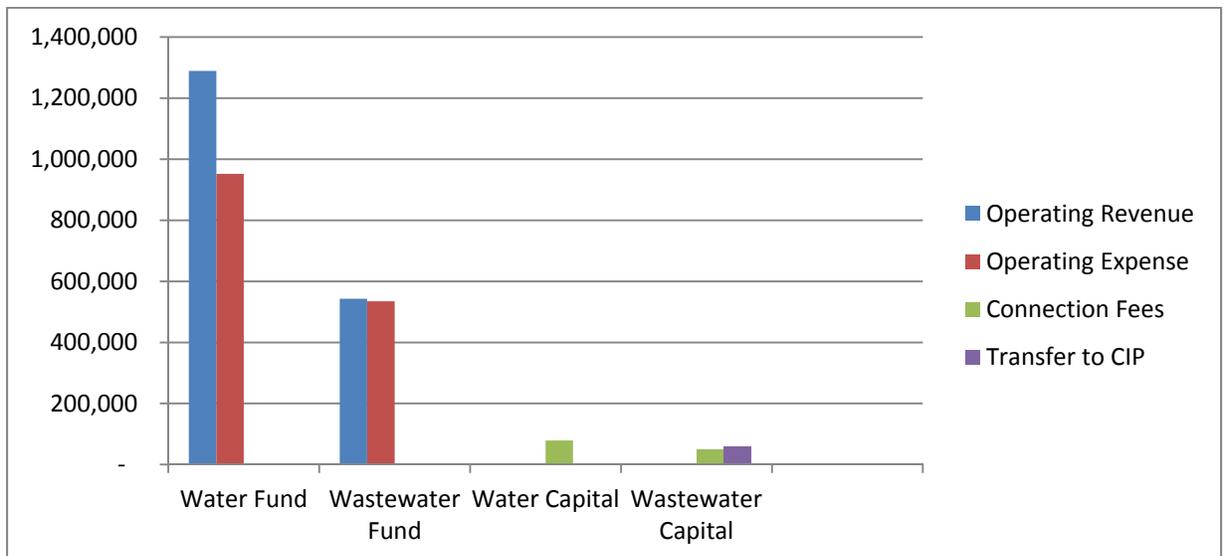
The Statement of Revenues and Expenses for the Second Quarter of Fiscal Year 2017-18 are shown below.

**Revenues and Expenses**

Enterprise Funds	Water	Wastewater	Water Capital	Wastewater Capital
<b>Revenues</b>				
Charge for Services	1,285,486	540,204	-	-
Interest Income	3,720	2,908	398	238
Connection Fees*	-	-	78,420	49,976
<b>Total Operating Revenue</b>	<b>1,289,206</b>	<b>543,111</b>	<b>78,818</b>	<b>50,214</b>
Other Revenues	26,493	5,043	-	-
<b>Total Revenues</b>	<b>1,315,699</b>	<b>548,154</b>	<b>78,818</b>	<b>50,214</b>
<b>Expenses</b>				
Operating	388,907	467,633	-	-
Depreciation**	88,500	125,000	-	-
State Water	474,489	-	-	-
<b>Total Operating Expenses</b>	<b>951,896</b>	<b>592,633</b>	<b>-</b>	<b>-</b>
<b>Operating Profit(Loss)</b>	<b>363,803</b>	<b>(44,479)</b>	<b>78,818</b>	<b>50,214</b>
Transfers Out - CIP		(57,883)		-

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

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



**Water Fund**

Operating revenues have exceeded expenditures by over \$360 thousand in the second quarter of Fiscal Year 2017-2018 (excludes Capital Improvement expenses which are recorded in the Water Capital Fund). The Water fund utilizes reserves to fund Capital Improvement Projects (CIPs) which are budgeted at \$230,000 in the current fiscal year. The total CIP budget for fiscal year 2017-18 includes Water Treatment Plant Facilities Improvement, Water Treatment Backwash Reclamation Improvement Project, Water Meter Upgrades, Water Treatment Plant Booster Power Reliability, Water Distribution System Improvement, and Recycled Water Replacement Project.

On November 1, 2017, the second phase of water rate increases took effect, with the third phase becoming effective July 1, 2018. The rate increases will help reverse the operating deficit and fund the capital improvement projects. The operating loss has reversed as of the second quarter, and is currently operating with a surplus. The Water Fund ended the second quarter with approximately \$2.3 Million in cash and fund balance of approximately \$6 Million.

<b>Water Fund 020</b>	<b>FY 17/18 Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>			
Charge for Services	1,798,000	1,285,486	71%
Interest Income	8,500	3,720	44%
<b>Total Operating Revenue</b>	<b>1,806,500</b>	<b>1,289,206</b>	<b>71%</b>
Other Revenues	11,500	26,493	230%
Transfer from Reserves	679,255	0	0%
<b>Total Revenues</b>	<b>2,497,255</b>	<b>1,315,699</b>	<b>53%</b>
<b>Expenses</b>			
Operating	1,160,256	388,907	34%
Depreciation**	177,000	88,500	50%
State Water	1,390,000	474,489	34%
<b>Total Operating Expenses</b>	<b>2,727,256</b>	<b>951,896</b>	<b>35%</b>
Transfers Out - CIP	(230,000)	-	0%

**Water Capital**

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

<b>Water Capital 021</b>	<b>FY 17/18 Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>			
Connection Fees	400,000	78,420	20%
Interest Income		398	
Transfer In from Fund 020	230,000	-	0%
<b>Total Revenue</b>	<b>630,000</b>	<b>78,818</b>	<b>13%</b>
<b>Expenses</b>			
Transfer to CIP Projects	680,000	-	0%

**Wastewater Fund**

Wastewater Fund Operating expenditures exceeded operating revenues causing the Wastewater fund to experience a net operating loss of over \$44,000 in the second quarter of 2017-18 (excludes Capital Improvement Project expenses which are recorded in the Wastewater Capital Fund). The Wastewater fund utilizes reserves to fund Capital Improvement projects (CIPs) which are budgeted at \$435,000 in 2017-18. The total CIP budget for fiscal year 2017-18 includes Wastewater Treatment Plant Facilities Improvements, Sewer Collection System Clean (CCTV) and Sewer Line Replacement.

On November 1, 2017, the second phase of water rate increases took effect, with the third phase becoming effective July 1, 2018. The rate increases will help reverse the operating deficit and fund the capital improvement projects. The operating loss has not reversed as of the First quarter report; however, the trend is expected to improve once the Wastewater fund experiences a full fiscal year of the rate increase. The Wastewater fund ended the second quarter with about \$1.4 Million in cash and fund balance of approximately \$3.5 Million.

<b>Sewer Fund 005</b>	<b>FY 17/18 Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>			
Charge for Services	876,000	540,204	62%
Interest Income	7,000	2,908	42%
<b>Total Operating Revenue</b>	<b>883,000</b>	<b>543,112</b>	<b>62%</b>
Other Revenues	5,500	5,043	92%
Transfer from Reserves	300,308	0	0%
<b>Total Revenues</b>	<b>1,188,808</b>	<b>548,155</b>	<b>46%</b>
<b>Expenses</b>			
Operating	1,373,808	409,515	30%
Depreciation**	250,000	125,000	50%
<b>Total Operating Expenses</b>	<b>1,623,808</b>	<b>534,515</b>	<b>33%</b>
Transfers Out - CIP	(435,000)	(57,883)	13%

**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. CIP expenditures for FY 17/18 consisted of the above mentioned in the Wastewater Fund.

<b>Wastewater Capital 006</b>	<b>FY 17/18 Budget</b>	<b>FY 17/18 YTD</b>	<b>Percent</b>
<b>Revenues</b>			
Connection Fees	200,000	49,976	25%
Transfer In from Fund 005	435,000	57,883	13%
<b>Total Revenue</b>	<b>635,000</b>	<b>107,859</b>	<b>17%</b>
<b>Expenses</b>			
Transfer to CIP Projects	650,000	57,883	9%



# Capital Improvement Budget Report

## Second Quarter Summary

For Fiscal: 2017-2018 Period Ending: 12/31/2017

		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<b>Fund: 092 - Capital Improvement Proj Fund</b>						
<b>Revenue</b>						
<a href="#">092-49676</a>	Transfer between 091/092	\$ -	\$ -		-	0%
<a href="#">092-49726</a>	Transfer from Gas Tax Fund	\$ 500,000.00	\$ 500,000.00	211,264.99	288,735.01	42%
<a href="#">092-49727</a>	Transfer from General Fund	\$ 1,028,500.00	\$ 1,028,500.00	356,735.48	671,764.52	35%
<a href="#">092-49728</a>	Transfer from Measure A	\$ 625,000.00	\$ 625,000.00	327,103.21	297,896.79	52%
<a href="#">092-49729</a>	Transfer from Sewer Fund	\$ 650,000.00	\$ 650,000.00	97,431.52	552,568.48	15%
<a href="#">092-49732</a>	Transfer from Water Fund	\$ 680,000.00	\$ 680,000.00	-	680,000.00	0%
<a href="#">092-49733</a>	Trsf from Local Trans Fund	\$ 95,000.00	\$ 95,000.00	-	95,000.00	0%
	<b>Revenue Total:</b>	<b>\$ 3,578,500.00</b>	<b>\$ 3,578,500.00</b>	<b>992,535.20</b>	<b>2,585,964.80</b>	<b>28%</b>

<b>Expense</b>						
<b>Department: 101 - Storm Drain Cleaning and Retrofit</b>						
<a href="#">092-101-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-101-74100</a>	Improvements	\$ 20,000.00	\$ 20,000.00	8,580.00	-	43%
<a href="#">092-101-76000</a>	Contribution	\$ -	\$ -	-	-	0%
	<b>Department: 101 - Storm Drain Cleaning and Retrofit Total:</b>	<b>\$ 20,000.00</b>	<b>\$ 20,000.00</b>	<b>8,580.00</b>	<b>-</b>	<b>43%</b>

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

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

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

<b>Department: 206 - Ave of Flags Park Pedestrian Sidewalk Impvmts</b>						
<a href="#">092-206-74100</a>	Riverview Park Pedestrian Sidewalk Improvements	\$ 50,000.00	\$ 50,000.00	-	-	0%
	<b>Department: 206 - Riverview Park Pedestrian Sidewalk Impvmts Total:</b>	<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

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

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

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

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

**Status:**

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

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

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

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

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

Department: 311 - Industrial Way Street Lights		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-311-60800</a>	Contract Services	\$ 82,500.00	\$ 82,500.00	372.50	-	0%
<a href="#">092-311-74100</a>	Improvements	\$ -	\$ -	-	-	0%
<b>Department: 311 - Industrial Way Street Lights Total:</b>		<b>\$ 82,500.00</b>	<b>\$ 82,500.00</b>	<b>372.50</b>	<b>-</b>	<b>0.5%</b>

**Status:**

Staff is still working on coordination with PG&E.

Department: 312 - Hwy 246 /Sidewalk (CalTrans)		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-312-60800</a>	Contract Services	\$ 24,000.00	\$ 24,000.00	12,635.00	11,365.00	53%
<a href="#">092-312-74100</a>	Improvements	\$ 56,000.00	\$ 56,000.00	60,950.22	(4,950.22)	109%
<b>Department: 312 - Hwy 246 /Sidewalk (CalTrans) Total:</b>		<b>\$ 80,000.00</b>	<b>\$ 80,000.00</b>	<b>73,585.22</b>	<b>6,414.78</b>	<b>92%</b>

**Status:**

Pedestrian lights are complete. Minor items are pending to finish reinstallation of crosswalk signs.

Department: 313 - Road Mtce Project 15-16 and 16/17		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-313-60800</a>	Contract Services	\$ 113,605.00	\$ 113,605.00	40,570.00	73,035.00	36%
<a href="#">092-313-74100</a>	Improvements	\$ 836,395.00	\$ 836,395.00	762,236.96	74,158.04	91%
<b>Department: 313 - Road Mtce Project 15-16 Total:</b>		<b>\$ 950,000.00</b>	<b>\$ 950,000.00</b>	<b>802,806.96</b>	<b>147,193.04</b>	<b>85%</b>

**Status:**

Project is near completion. Punch list items remain, but the bulk of work is complete.

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

Department: 316- Road Maintenance Project (17/18)		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-316-60800</a>	Contract Services	\$ 180,000.00	\$ 180,000.00	-	-	0%
<a href="#">092-316-74100</a>	Improvements	\$ 270,000.00	\$ 270,000.00	-	-	0%
<b>Department: 316 - Road Maintenance Project (17/18)</b>		<b>\$ 450,000.00</b>	<b>\$ 450,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

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

Department: 607 - Water Meter Upgrades		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-607-74100</a>	Improvements	\$ 50,000.00	\$ 50,000.00	-	-	0%
<b>Department: 607 - WTP Backwash Reclamation Improvement Project Total:</b>		<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 608 - WTP/Booster Power Reliability		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-608-74100</a>	Improvements	\$ 300,000.00	\$ 300,000.00	-	-	0%
<b>Department: 608 - WTP/Booster Power Reliability</b>		<b>\$ 300,000.00</b>	<b>\$ 300,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 610 - Water Distribution System Improvements		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-610-74100</a>	Water Distribution System Improvements	\$ 200,000.00	\$ 200,000.00	-	-	0%
<b>Department: 610 - Water Distribution System Improvements Total:</b>		<b>\$ 200,000.00</b>	<b>\$ 200,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 611 - Recycled Water Program		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-611-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-611-74100</a>	Improvements	\$ 30,000.00	\$ 30,000.00	-	-	0%
<b>Department: 611 - Recycled Water Program Total:</b>		<b>\$ 30,000.00</b>	<b>\$ 30,000.00</b>	<b>-</b>	<b>-</b>	<b>0%</b>

Department: 702 - Sewer Collections System Cleaning		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-702-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-702-74100</a>	Improvements	\$ 50,000.00	\$ 50,000.00	44,266.66	5,733.34	89%
<b>Department: 702 - Sewer Collections System Cleaning Total:</b>		<b>\$ 50,000.00</b>	<b>\$ 50,000.00</b>	<b>44,266.66</b>	<b>5,733.34</b>	<b>89%</b>

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

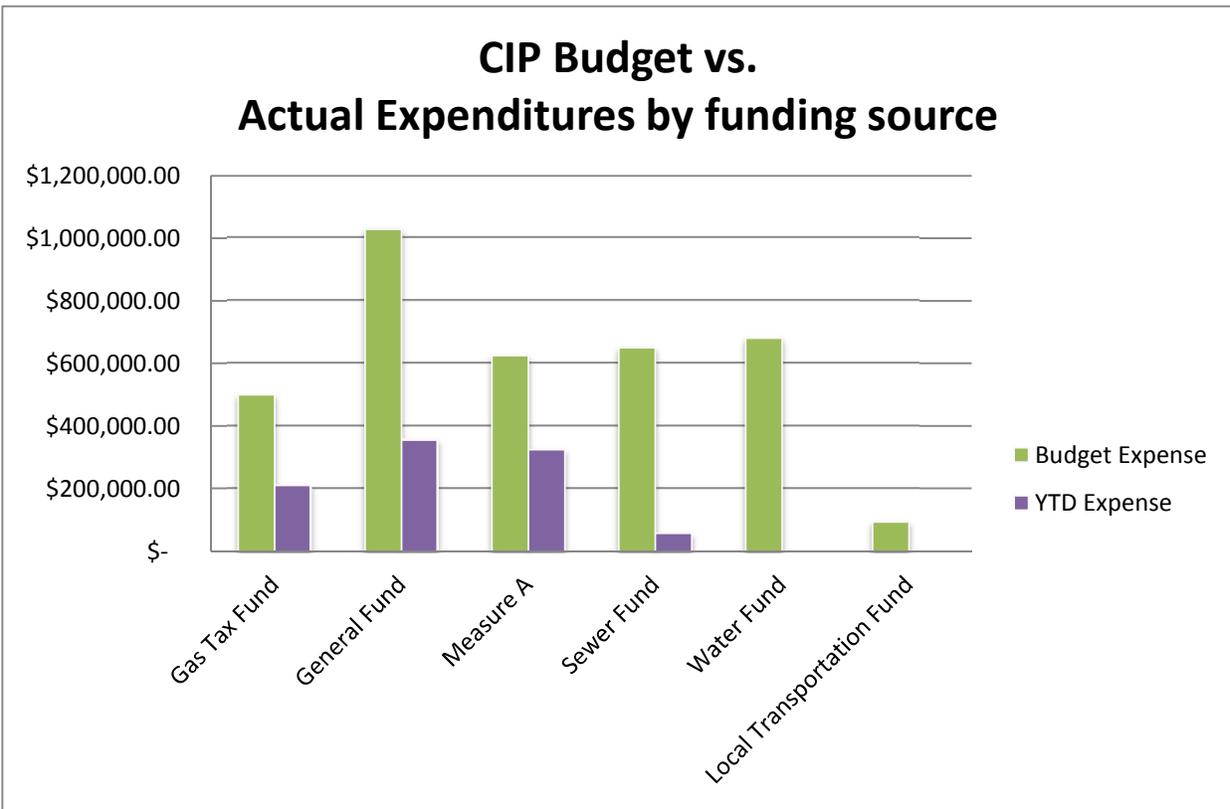
Department: 704 - Sewer Line Replacement		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-704-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-704-74100</a>	Improvements	\$ 100,000.00	\$ 100,000.00	-	-	0%
<b>Department: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

Department: 706 - WWTP Facilities Improvement		Original Total Budget	Current Total Budget	Fiscal Activity	Remaining Favorable (Unfavorable)	Percent Used
<a href="#">092-706-60800</a>	Contract Services	\$ -	\$ -	-	-	0%
<a href="#">092-706-74100</a>	Improvements	\$ 500,000.00	\$ 500,000.00	53,164.86	-	11%
<b>Department: 706 - WWTP Facilities Improvement Total:</b>		<b>\$ 500,000.00</b>	<b>\$ 500,000.00</b>	<b>53,164.86</b>	<b>-</b>	<b>11%</b>

Status:  
Repairs for clarifiers have started.

<b>Fund: 092 - Capital Improvement Proj Fund Surplus (Deficit):</b>	<b>\$ 3,578,500.00</b>	<b>3,578,500.00</b>	<b>992,535.20</b>	<b>2,585,964.80</b>	<b>28%</b>
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## Capital Improvement Project (CIP) Analysis



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

Of the six CIPs currently in progress, four CIPs are near completion. These include Storm Drain Cleaning, Highway 246 and Ave of Flags Pedestrian Improvements, FY 15/16 and 16/17 Road Maintenance Project, and Sewer Collection System Cleaning. The Post Office alarm system replacement was completed with only 49 percent of the budget expended.

At the end of the second quarter, the following projects have begun their initial phases: Industrial Way Street Lights and Wastewater Treatment Plant Improvements.