



## **CITY COUNCIL REPORT**

**10A**

**DATE: MARCH 6, 2018**

**TO: MAYOR AND COUNCIL MEMBERS**

**FROM: MICHELLE FITZER, CITY MANAGER  
ANDREA MILLER, FINANCE DIRECTOR**

**SUBJECT: RECEIVE AND REVIEW THE FY 2017-18 MID-YEAR FINANCIAL  
REPORT AND APPROVE BUDGET ADJUSTMENTS**

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### **RECOMMENDATION**

Receive the FY 2017-18 Mid-Year Financial Report and adopt a resolution approving budget adjustments per staff recommendations in Attachment A.

### **BACKGROUND**

For the period July 2017 through December 2017, cash flows were sufficient to sustain normal City operations and to satisfy Enforceable Obligation payment commitments of the City's Successor Agency.

Staff has completed a review of the mid-year financial performance for the City's FY 2017-18 Budget. While revenue and expenditures midway through the fiscal year should average 50% of budget, there are cases where revenue and expenditures are above or below projections for the period based on timing of receipts and expenses. These are explained in this report.

### **REVIEW AND ANALYSIS**

#### **General Fund Revenue Analysis**

The adopted budget for FY 2017-18 anticipates current year expenditures to be fully offset by operating revenues generating a modest surplus of \$811,616. Staff is now projecting a FY 2017-18 surplus of \$718,824.

The economy in Pinole continues to show signs of improvement with revenue of 52% realized at mid-year. The City uses HdL, Coren & Cone Consultants to provide an analysis of property assessed values and Sales Tax projections. Budget projections are based on a 95% conservative estimate of HdL, Coren & Cone's analysis. Sales Tax revenue is the City's largest General Fund revenue stream which has shown steady increases year-over-year. Sales Tax collections at mid-year are 53% of projections compared to 40% for the same period in the prior fiscal year. However, we should note that the Pinole Toys R Us will be closing, which will

negatively impact our sales tax receipts. Toys R Us is one of the top 25 sales tax producers in Pinole. Property Tax is the City's second largest revenue stream with mid-year collections at 60% of projections compared to 40% for the same period in the prior fiscal year. Property Tax settlements are received in December, April, and June.

Utility Users Tax is the City's third largest General Fund revenue stream with 53% realized at mid-year compared to 47% for the same period in the prior fiscal year. Franchise Tax is at 43% of projections at mid-year; Other Taxes which include Transient Occupancy Tax and Business Licenses are at 56% of projections.

Intergovernmental tax which includes Motor Vehicle License Fees and Home Owner Property Tax Relief is at 55% of projections; State Grants are at 13% of projections, and Federal and Other Grant receipts have not been received during this period. Public Safety Charges includes Dispatch services are at 25% of projections; billing is in arrears with second quarter payment pending.

Other revenue categories are in line with expectations for the period with the exception of the following: Other Fees are at 143% of projections due to photocopy fees unbudgeted; Reimbursements are at 388% of projections due to restitution, damage recoveries, and Cal-Card rebates in excess of budget; Other Revenue is at 396% of projections due to building deposits, fingerprinting, Live Scan and report copies in excess of budget; and, Proceeds from Sale of Property are at 107% of budget due to sale of surplus fire engine and other property in excess of budget.

**Recommendation:**

Staff is recommending FY 2017-18 General Fund revenue adjustments in the amount of \$48,000 as follows:

	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Other Fees	2,000	1,000	3,000
Reimbursements	3,748	11,000	14,748
Other Revenue	11,752	35,000	46,752
Proceeds from Sale of Property	10,750	1,000	11,750
<b>Total Adjustments</b>	<b>28,250</b>	<b>48,000</b>	<b>76,250</b>

Updated Budget only reflects revenue with adjustments recommended.

**General Fund Expenditure Analysis**

The City Council approved the FY 2017-18 General Fund Budget with specific expenditure assumptions limiting expenditures to maintain a balance between anticipated revenues and planned expenditures. The goal was to maintain a

balanced budget and continue the process of rebuilding a General Fund Reserve. To build the reserve, we have used one-time allocations of Redevelopment Agency residual cash distributed to the City by the County Auditor-Controller, and have scheduled annual operating transfers in the amount of \$200,000 from Measure S 2014 funds beginning in fiscal year 2016-17.

Operating expenditures for the City's General Fund are at 51% of projections at mid-year. As outlined in Attachment A, the following expenditure additions are recommended:

- \$33,000 is proposed in the City Clerk's Office for election costs;
- \$2,500 is proposed in Finance for overtime;
- \$15,000 is proposed in General Government for consultant fees for a Public Employee Retirement System (PERS) analysis;
- \$40,192 is proposed in Police. Of that amount, \$10,000 is for web-based briefing software, and \$30,192 is to allocate funding from Equipment Replacement Fund Balance for a vehicle purchased;
- \$30,000 is proposed in Fire. Of that amount, \$7,000 is for Telestaff software to improve management efficiencies, and \$23,000 is needed to upgrade the alert system in Station 73; and
- \$2,100 is proposed in Public Works for the balance of a recruitment expense.
- \$18,000 is proposed for an additional contribution to Pinole Cable TV.

**Recommendation:**

Staff is recommending FY 2017-18 General Fund expenditure adjustments in the amount of \$140,792 as follows:

	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
City Clerk	203,016	33,000	236,016
Finance	399,312	2,500	401,812
Non-Departmental	2,299,003	33,000	2,332,003
Police	5,575,820	40,192	5,616,012
Fire	2,545,750	30,000	2,575,750
Public Works	862,101	2,100	864,201
<b>Total Adjustments</b>	<b>11,885,002</b>	<b>140,792</b>	<b>12,025,794</b>

**OTHER FUNDS**

**Measure S 2006 and 2014 Analysis**

The voter-approved 2006 City General Purpose Use Tax is levied at 0.5% on all retail sales. These taxes have been allocated by the City Council with Public Safety

Programs as their highest funding priority. Measure S 2006 revenue collections were 58% of projections at mid-year, while expenditures are at 44% of appropriations. Staff is proposing a revenue budget adjustment of \$1,700 for Interest earned on pooled funds.

Staff is proposing a \$200,000 expenditure budget adjustment in Fire for overtime in excess of budget due to staff shortages. This allocation will have to come from the \$2 million Fund Balance. Usually this overtime expense would be offset by salary savings from the vacant positions. Unfortunately, this year there were unexpected circumstances that used those savings. Specifically, we had three (3) long term employees of the Fire Department retire, generating a total payout of leave balances of \$57,588. In addition, we have had to rely on the Rodeo/Hercules Fire District to provide Battalion Chief coverage for our shift for several months. The good news is that we are preparing to bring on two (2) new Firefighters when they graduate from the Fire Academy this month, and we are welcoming our new full-time Battalion Chief soon. While we will still be left with two (2) vacant Firefighter positions, the addition of these employees will assist in reducing the overtime and outside coverage costs moving forward.

**Recommendation:**

Staff is recommending FY 2017-18 mid-year adjustments to Measure 2006 revenue and expenditures as follows:

	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
<b>Revenue:</b>			
Interest & Investments	1,000	1,700	2,700
<b>Expenditures:</b>			
Fire	654,949	200,000	854,949
<b>Net Adjustments</b>	<b>653,949</b>	<b>198,300</b>	<b>852,249</b>

The voter-approved 2014 City General Purpose Use Tax is also levied at 0.5% on all retail sales. These funds are used to address some of the City's operational needs, as well as ongoing and previously deferred capital improvements. Measure S 2014 revenue collections are 57% of projections at mid-year, while expenditures are 10% of appropriations. This level of expenditure is primarily due to capital projects that have not been initiated as of yet. Staff is proposing a revenue budget adjustment of \$1,700 for Interest earned on pooled funds. Staff is proposing expenditure adjustments for one-time uses from fund balance for the following:

- \$30,000 in Information Systems appropriations for SIRE software replacement; and,

- \$40,000 in Public Works appropriations to move the Louis Francis Park CIP lighting project from FY 2018-19 to FY 2017-18. This project had to be moved up due to excessive equipment failures.

**Recommendation:**

Staff is recommending FY 2017-18 mid-year adjustments to Measure 2014 revenue and expenditures as follows:

	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
<b>Revenue:</b>			
Interest & Investments	1,000	1,700	2,700
<b>Expenditures:</b>			
Information Systems	120,000	30,000	150,000
Public Works	404,412	40,000	444,412
<b>Net Adjustments</b>	<b>523,412</b>	<b>68,300</b>	<b>591,712</b>

**SPECIAL REVENUE FUNDS**

**Interest and Investment Income Analysis**

The City pools its cash together into one account to maximize interest earnings, and allocates interest earned to the pooled funds on a quarterly basis. The following funds generated modest interest earnings and staff is proposing revenue budget adjustments as follows: Gas Tax Fund, \$500; Public Safety Augmentation Fund, \$500; Traffic Safety Fund, \$250; Supplemental Law Enforcement Service Fund, \$175; and, NPDES Storm Water Fund, \$175.

**Recommendation:**

Staff is recommending FY2017 18 interest and investment revenue adjustments as follows:

<b>Revenue</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Gas Tax – Interest	0	500	500
Public Safety Augmentation – Interest	0	500	500
Traffic Safety Fund – Interest	0	250	250
Supplemental Law Enforcement – Interest	0	175	175
NPDES Storm Water – Interest	0	175	175
<b>Total Adjustments</b>	<b>0</b>	<b>2,600</b>	<b>2,600</b>

### Recreation Department

Overall, the Recreation Department has realized 41% of projected revenue projections at the end of the second quarter. Upon a closer evaluation of each Program, current year revenue projections require the following mid-year adjustments:

- Senior Center decrease of \$35,500;
- Tiny Tots decrease of \$4,011;
- Youth Center decrease of \$79,678;
- Day Camp decrease of \$12,543;
- Performing Arts increase of \$550; and,
- Tennis program decrease of \$1,300.

The approved Senior Center FY 2017-18 Budget projected a deficit of \$68,071. During the first six months of FY 2017-18, the Senior Center has experienced changes in staffing and the installation of new revenue software. This resulted in some reduction in revenue due to members not interested in registering for classes through the new system instead of attending without preregistering. Staff anticipates that attendance will increase once everyone becomes familiar with the system. There is also a projected savings in expenditures of \$35,680 which offsets the decrease in revenue of \$35,500. Therefore, the overall Senior Center projected net deficit is \$67,891 at year end.

Tiny Tots is projecting a small decrease in revenue due to a couple of unfilled spots in our afternoon classes. Overall, the Program is still projected to have a surplus of \$77,253 which will assist in offsetting the cost of other programs.

With the elimination of transportation from schools to the After School Program, Youth Center attendance declined by 90%. During the FY 2017-18 budget preparation, it was expected that attendance would remain the same as last year with 70 attendees. Based on this information, the Council approved a Budget with a deficit in the amount of \$52,361. As a result of the decline in attendance, staff is now projecting a decline in revenue of \$79,678 and a reduction in program expenses of \$18,101 increasing the projected deficit by an additional \$61,577 for a total of \$113,938.

While it is projected that Day Camp revenue will decrease by \$12,543, expenditures are also expected to decrease by \$10,251 for a net decrease of \$2,292. Overall, the Program is still projected to result in a net positive at year end.

It is anticipated that the Performing Arts Program will remain within the projected budget.

Historically, we have received \$1,500 in revenue from the Tennis club, however use has declined and staff is projecting a reduction in revenue of \$1,300. No

adjustments are proposed for expenditures resulting in a deficit of \$3,295 at year end.

The projected net Recreation deficit of \$233,450 will come from Recreation fund balance.

**Recommendation:**

Staff is recommending FY 2017-18 Recreation Fund revenue adjustments in the amount of (\$132,482) as follows:

	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Senior Center	397,200	(35,500)	361,700
Tiny Tots	195,568	(4,011)	191,557
Youth Center	130,975	(79,678)	51,297
Day Camp	66,684	(12,543)	54,141
Performing Arts	44,720	550	45,270
Tennis	1,500	(1,300)	200
<b>Total Adjustments</b>	<b>836,647</b>	<b>(132,482)</b>	<b>704,165</b>

Updated Budget only reflects programs with revenue adjustments recommended.

The Recreation Department has realized 40% of projected expenditure projections at the end of the second quarter. The following expenditure adjustments are proposed based on further program evaluation:

- \$2,400 increased in Recreation Administration;
- \$35,680 decreased in Senior Center;
- \$6,810 increased in Tiny Tots;
- \$18,101 decreased in Youth Center;
- \$10,251 decreased in Day Camp; and,
- \$1,888 increased in Swim Center.

**Recommendation:**

Staff is recommending FY 2017-18 Recreation Fund expenditure adjustments in the amount of (\$52,934) as follows:

	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Recreation Admin.	186,226	2,400	188,626
Senior Center	465,271	(35,680)	429,591
Tiny Tots	107,494	6,810	114,304
Youth Center	183,336	(18,101)	165,235
Day Camp	48,679	(10,251)	38,428
Swim Center	36,803	1,888	38,691
<b>Total Adjustments</b>	<b>1,027,809</b>	<b>(52,934)</b>	<b>974,875</b>

Updated Budget only reflects programs with expenditure adjustments recommended.

On June 30, 2017, the Recreation Department's Fund Balance was estimated at \$282,686. The City Council approved the FY 2017-18 Budget with a proposed deficit of \$191,162 which was to be funded from prior years reserves. With the proposed adjustments to the revenue and expenditures, the deficit is projected to increase by \$79,550 to \$270,710. Staff is proposing that the new projected deficit of \$270,710 be absorbed by the prior year's Fund Balance.

#### Building & Planning Fund Analysis

The Building Fund's FY 2017-18 adopted budget projected a net \$313,217 use of fund balance to achieve a balanced budget. Revenue at mid-year is 50% of projections, while expenditures are 25% of appropriations. Revenue adjustments of \$28,000 are proposed as follows:

- \$20,000 increase in Permit revenue due to additional development application submittals;
- \$1,500 increase in Interest and Investment income; and,
- \$6,500 to account for Other Revenue received in excess of budget.

Expenditure adjustments of \$58,000 are proposed as follows:

- \$20,000 increase in contract Planner services to address increased development application submittals;
- \$6,000 for computer hardware for budgeted new staff;
- \$25,000 increase for parking study; and
- \$7,000 to install smart IT equipment in the Community Room.

The last three (3) proposed expenditure adjustments are from fund balance.



**Recommendation:**

Staff is recommending revenue adjustments of \$28,000 and expenditures of \$58,000 as follows:

<b>Revenue</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Permits	893,000	20,000	913,000
Interest & Investment	0	1,500	1,500
Other Revenue	6,000	6,500	12,500
<b>Total Adjustments</b>	<b>899,000</b>	<b>28,000</b>	<b>927,000</b>

<b>Expenditures</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Community Development	1,374,067	58,000	1,432,067
<b>Total Adjustments</b>	<b>1,374,067</b>	<b>58,000</b>	<b>1,432,067</b>

**Refuse Management Fund Analysis**

The Refuse Management Fund accounts for resources received via Richmond Sanitary Service for a fee imposed under AB 939 of \$0.83 per can per month on all residential customers in Pinole. These revenues are restricted to programs and activities that encourage and promote recycling of solid waste products and generate source reduction for sanitary landfills used for refuse disposal and trash reduction. Revenue collections at mid-year are 52% of projections, and expenditures are 8% of projections. Staff is recommending a revenue adjustment of \$1,000 for Interest and Investment earnings, and an expenditure adjustment to decrease appropriations by \$56,209 due to the trash capture device project being completed under budget.

**Recommendation:**

Staff is recommending revenue adjustments of \$1,000 and expenditures of \$56,209 as follows:

<b>Revenue</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Interest & Investment	0	1,000	1,000
<b>Total Adjustments</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>

<b>Expenditures</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Public Works	558,522	-56,209	503,313
<b>Total Adjustments</b>	<b>558,522</b>	<b>-56,209</b>	<b>503,313</b>

### Measure J Fund Analysis

Measure J funds are received annually from the Contra Costa Transportation Authority (CCTA) for local street projects. Staff is proposing a revenue adjustment of \$1,000 for Interest and Investment income. Expenditures at mid-year are 50% of projections. Staff is proposing a \$4,000 expenditure adjustment for I-80 Mobility utilities, which are subsequently reimbursed from CCTA.

### Recommendation:

Staff is recommending revenue adjustments of \$1,000 and expenditures of \$4,000 as follows:

<b>Revenue</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Interest & Investment	0	1,000	1,000
<b>Total Adjustments</b>	<b>0</b>	<b>1,000</b>	<b>1,000</b>

<b>Expenditures</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Public Works	184,525	4,000	188,525
<b>Total Adjustments</b>	<b>184,525</b>	<b>4,000</b>	<b>188,525</b>

### Asset Seizure Fund

The Asset Seizure Fund accounts for proceeds from sales of assets seized during drug-related arrests and disbursed for authorized public safety purposes. Funds remain in the fund balance until equipment is identified for their use. Staff is requesting appropriations from fund balance in the amount of \$6,200 for a safe purchased, and \$1,638 for exercise equipment that allows staff to treadmill and Dispatch simultaneously. Staff is proposing revenue adjustments in the amount of \$1,300 for Fines and Forfeitures, and \$250 for Interest and Investment earnings received.

### Recommendation:

Staff is recommending FY 2017-18 Asset Seizure Fund revenue adjustments of \$1,550 and expenditure appropriations in the amount of \$7,838 as follows:

<b>Revenue</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Fines & Forfeitures	0	1,300	1,300
Interest & Investment	0	250	250
<b>Total Adjustments</b>	<b>0</b>	<b>1,550</b>	<b>1,550</b>

<b>Expenditures</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Police Department	4,018	7,838	11,856
<b>Total Adjustments</b>	<b>4,018</b>	<b>7,838</b>	<b>11,856</b>

#### Housing Administration Analysis

Activities associated with administering housing programs of the former Pinole Redevelopment Agency and use of Housing Set Aside funds and the provision of affordable housing within the community are maintained within the Housing Fund.

Revenue at mid-year is 27% of projections, while expenditures are 51% of appropriations. No revenue adjustments are proposed at this time. Expenditure adjustments of \$34,000 are proposed to cover eucalyptus tree maintenance services.

#### **Recommendation:**

Staff is recommending expenditures adjustments of \$34,000 as follows:

<b>Expenditures</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Housing Admin	189,996	34,000	223,996
<b>Total Adjustments</b>	<b>189,996</b>	<b>34,000</b>	<b>223,996</b>

### **CAPITAL PROJECT FUNDS**

#### Public Facilities Fund Analysis

The Public Facilities Fund accounts for funds set aside by the City of Pinole for the purpose of building renovation and facility maintenance projects. Staff is proposing an appropriation adjustment of an additional \$20,000 for asbestos abatement at the Fowler House. The CIP project included \$25,000 but the bids came in at \$45,000.

#### **Recommendation:**

Staff is recommending expenditure adjustments from Facilities Fund reserves as follows:

<b>Expenditures</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Public Works	85,000	20,000	105,000
<b>Total Adjustments</b>	<b>85,000</b>	<b>20,000</b>	<b>105,000</b>

## **ENTERPRISE FUNDS**

### **Sewer Enterprise Analysis**

The Sewer Enterprise Fund accounts for fees charged to residents and businesses for sewer utilities. Fees are used to operate the Pinole-Hercules Wastewater Treatment Plant which services the Pinole and Hercules areas. Revenue collections at mid-year are 55% of projections and expenditures are 38% of projections. Staff is proposing a revenue adjustment of \$10,250 for Interest and Investment earnings received. There are no recommendations to expenditures appropriations.

### **Recommendation:**

Staff is recommending FY 2017-18 Sewer Enterprise adjustments as follows:

<b>Revenue</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Interest & Investment	0	10,250	10,250
<b>Total Adjustments</b>	<b>0</b>	<b>10,250</b>	<b>10,250</b>

### **Pinole Cable TV**

As of December 31, 2017, revenues of 20% have been realized through the second quarter of the fiscal year. This is partially due to our practice of quarterly billing, which staff is reevaluating and partially due to the loss of a contract agency. This fiscal year, the City initiated new contracts with various cities/agencies that contract with the City of Pinole for broadcast services. The charges for services were reflective of the City analysis for full cost recovery. Staff continues to seek other revenue opportunities. After reevaluating current year revenue projections, staff is proposing the following revenue adjustments: \$13,212 decrease to Franchise Taxes; \$4,000 decrease to Cable TV Charges; and, \$3,900 decrease to Other Revenue.

Expenditures continue to stay on track with 43% expended as of December 31, 2017.

### **Recommendation:**

Staff is recommending FY 2017-18 PCTV adjustments of (\$21,112) as follows:

<b>Revenue</b>	<b>FY 2017-18 Budget</b>	<b>Proposed Revisions</b>	<b>FY 2017-18 Updated Budget</b>
Franchise Taxes	50,000	(13,212)	36,788
Cable TV Charges	182,585	(4,000)	178,585
Other Revenue	6,000	(3,900)	2,100
Transfers In	165,566	18,000	183,566
<b>Total Adjustments</b>	<b>238,585</b>	<b>(3,112)</b>	<b>235,473</b>

Franchise fees have slightly declined over the past three years. While staff projected \$12,000 less in franchise fees compared to last year during the FY 2017-18 budget preparations, the first and second quarter fees received indicate that franchise fee will be realized at \$13,000 less than projected.

The City Council approved the FY 2017-18 Budget with a proposed deficit of \$163,505. With the proposed adjustments to the revenues, the overall projected deficit will increase by an additional \$18,000 for a total of \$181,700. The deficit will result in an additional contribution from the General Fund in the amount of \$18,000 for a total contribution of \$181,700.

### **FISCAL IMPACT**

Fiscal impacts of the FY 2017-18 Financial Report proposed budget adjustments are summarized below and described in detail above and in Attachment A:

1. Net increase in General Fund revenues of \$48,000 offset by a net increase in General Fund expenditures of \$140,792.
2. Net increase in Measure S 2006 revenue of \$1,700 offset by a net increase in Measure S 2006 expenditures of \$200,000.
3. Net increase of Measure S 2014 revenue of \$1,700 offset by a net increase in Measure S 2014 expenditures of \$70,000.
4. A net increase in Gas Tax revenue of \$500.
5. A net increase in Public Safety Augmentation Fund revenue of \$500.
6. A net increase in Traffic Safety Fund revenue of \$250.
7. A net increase in Supplemental Law Enforcement Services Fund revenue of \$175.
8. A net increase in NPDES Storm Water Fund revenue of \$175.
9. A net decrease in Recreation Fund revenue of \$132,482 offset by a net decrease in Recreation Fund expenditures of \$52,934.
10. A net increase in Building & Planning Fund revenue of \$28,000 offset by a net increase in Building & Planning Fund expenditures of \$58,000.
11. A net increase in Refuse Management Fund revenue of \$1,000 offset by a net decrease in Refuse Management Fund expenditures of \$56,209.
12. A net increase in Measure J Fund revenue of \$1,000 offset by a net increase in Measure J Fund expenditures of 4,000.
13. A net increase in Asset Seizure Fund revenue of \$1,550 offset by a net increase in Asset Seizure Fund expenditures of \$7,838.
14. A net increase in Housing Fund expenditures of \$34,000.
15. A net increase in Public Facilities Fund expenditures of \$20,000.
16. A net increase in Sewer Enterprise revenue of \$10,250.
17. A net decrease in Pinole Cable TV revenue of \$3,112.

## **ATTACHMENTS**

Attachment A – FY 2017-18 Mid-Year Financial Report

Attachment B – Resolution Adjusting Fiscal Year 2017-18 Budget

Attachment C – FY 2017-18 Mid-Year PowerPoint Presentation



# City of Pinole - Mid-Year Budget Report

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

	FY 2017-18					
	Revised Budget	Actual to Date Jul 17 - Dec 17	Variance	Percent Used	Proposed Adjustment	Notes
<b>Fund: 100 - General Fund</b>						
<b>Revenue</b>						
311 - Property Taxes	3,140,193	1,891,130	(1,249,063)	60%		
312 - Sales and Use Taxes	3,638,966	1,915,930	(1,723,036)	53%		
313 - Utility Users Tax	1,912,350	1,009,055	(903,295)	53%		
314 - Franchise Taxes	712,350	307,179	(405,171)	43%		
315 - Other Taxes	780,000	438,540	(341,460)	56%		
321 - Intergovernmental Taxes	1,539,950	845,976	(693,975)	55%		
322 - Federal Grants	6,545	-	(6,545)	0%		
323 - State Grants	66,600	8,651	(57,949)	13%		
324 - Other Grants	49,437	-	(49,437)	0%		
332 - Permits	53,500	35,096	(18,404)	66%		
341 - Review Fees	57,905	7,905	(50,000)	14%		
342 - Other Fees	2,000	2,862	862	143%	1,000	[1]
343 - Abatement Fees	2,000	576	(1,424)	29%		
351 - Fines and Forfeiture	54,050	18,949	(35,101)	35%		
361 - Public Safety Charges	1,344,283	329,736	(1,014,547)	25%		
370 - Interest and Investment Income	55,000	21,299	(33,701)	39%		
381 - Rental Income	81,450	40,725	(40,725)	50%		
383 - Reimbursements	3,748	14,553	10,805	388%	11,000	[2]
384 - Other Revenue	11,752	46,500	34,748	396%	35,000	[2]
392 - Proceeds from Sale of Property	10,750	11,505	755	107%	1,000	[3]
<b>Revenue Total:</b>	<b>13,522,829</b>	<b>6,946,169</b>	<b>(6,576,660)</b>	<b>51%</b>	<b>48,000</b>	
399 - Transfers In	200,000	-	(200,000)	0%		[4]
<b>Sources Total:</b>	<b>13,722,829</b>	<b>6,946,169</b>	<b>(6,776,660)</b>	<b>51%</b>	<b>48,000</b>	
<b>Expenditures</b>						
Department: 10 - City Council Total:	113,248	40,034	73,214	35%		
Department: 11 - City Manager Total:	110,668	66,685	43,983	60%		
Department: 12 - City Clerk Total:	203,016	101,691	101,325	50%	33,000	[5]
Department: 13 - City Treasurer Total:	8,444	5,204	3,240	62%		
Department: 14 - City Attorney Total:	215,775	53,516	162,259	25%		
Department: 15 - Finance Department Total:	399,312	223,827	175,485	56%	2,500	[6]
Department: 16 - Human Resources Total:	310,609	156,974	153,635	51%		
Department: 17 - Non-Departmental Total:	2,299,003	1,798,833	500,170	78%	33,000	[7]
<b>Total Administrative</b>	<b>3,660,075</b>	<b>2,446,763</b>	<b>1,213,312</b>	<b>67%</b>	<b>68,500</b>	
Department: 22 - Police Department Total:	5,575,820	2,575,631	3,000,189	46%	40,192	[8]
Department: 23 - Fire Department Total:	2,545,750	1,044,617	1,501,133	41%	30,000	[9]
<b>Total Public Safety</b>	<b>8,121,570</b>	<b>3,620,248</b>	<b>4,501,322</b>	<b>45%</b>	<b>70,192</b>	
Department: 34 - Public Works Total:	862,101	428,944	433,157	50%	2,100	[10]
Department: 46 - Community Development Total:	67,467	3,943	63,524	6%		
<b>Total Public Works</b>	<b>929,568</b>	<b>432,886</b>	<b>496,682</b>	<b>47%</b>	<b>2,100</b>	
<b>Expense Total:</b>	<b>12,711,213</b>	<b>6,499,897</b>	<b>6,211,316</b>	<b>51%</b>	<b>140,792</b>	
<b>Fund: 100 - General Fund Surplus (Deficit):</b>	<b>811,616</b>	<b>446,272</b>	<b>(365,344)</b>	<b>55%</b>	<b>(92,792)</b>	

## NOTES:

- [1] Align fee revenue budget with actual receipts.
- [2] Align revenue budget with actual receipts.
- [3] Align proceeds from sale of property revenue with actual receipts.
- [4] General Reserve allocation. Not for operations.
- [5] Add budget for election costs.
- [6] Add budget for staff overtime.
- [7] Add budget for PERS analysis, \$15,000; and, additional Pinole Cable TV contribution, \$18,000.
- [8] Add budget for web-based software, \$10,000; and appropriate funding from equipment replacement fund for vehicle purchased.
- [9] Add budget for Telestaff software, \$7,000 and alert system, \$23,000.
- [10] Add budget for balance of recruitment expense.

	FY 2017-18					
	Revised	Actual to Date		Percent	Proposed	Notes
	Budget	Jul 17 - Dec 17	Variance	Used	Adjustment	
<b>Fund: 105 - Measure S -2006</b>						
<b>Revenue</b>						
312 - Sales and Use Taxes	1,919,000	1,106,524	(812,476)	58%		
370 - Interest and Investment Income	1,000	2,695	1,695	270%	1,700	[1]
383 - Reimbursements	6,500	6,478	(22)	100%		
<b>Revenue Total:</b>	<b>1,926,500</b>	<b>1,115,697</b>	<b>(810,803)</b>	<b>58%</b>	<b>1,700</b>	
<b>Expense</b>						
Department: 22 - Police Department Total:	1,702,837	725,862	976,975	43%		
Department: 23 - Fire Department Total:	654,949	317,350	337,599	48%	200,000	[2]
<b>Expense Total:</b>	<b>2,357,786</b>	<b>1,043,212</b>	<b>1,314,574</b>	<b>44%</b>	<b>200,000</b>	
<b>Fund: 105 - Measure S -2006 Surplus (Deficit):</b>	<b>(431,286)</b>	<b>72,485</b>	<b>503,771</b>	<b>-17%</b>	<b>(198,300)</b>	
<b>Fund: 106 - MEASURE S-2014</b>						
<b>Revenue</b>						
312 - Sales and Use Taxes	1,919,000	1,085,901	(833,099)	57%		
370 - Interest and Investment Income	1,000	2,674	1,674	267%	1,700	[1]
<b>Revenue Total:</b>	<b>1,920,000</b>	<b>1,088,574</b>	<b>(831,426)</b>	<b>57%</b>	<b>1,700</b>	
<b>Expenditures</b>						
Department: 14 - City Attorney Total:	45,000	29,313	15,688	65%		
Department: 15 - Finance Department Total:	5,000	-	5,000	0%		
Department: 17 - Non-Departmental Total:	900,000	-	900,000	0%		
Department: 18 - Information Systems Total:	120,000	81,334	38,666	68%	30,000	[3]
<b>Total Administrative</b>	<b>1,070,000</b>	<b>110,647</b>	<b>959,353</b>	<b>10%</b>	<b>30,000</b>	
Department: 22 - Police Department Total:	129,554	26,389	103,165	20%		
Department: 23 - Fire Department Total:	359,760	14,637	345,123	4%		
<b>Total Public Safety</b>	<b>489,314</b>	<b>41,026</b>	<b>448,288</b>	<b>8%</b>		
Department: 34 - Public Works Total:	404,412	49,513	354,899	12%	40,000	[4]
<b>Total Public Works</b>	<b>404,412</b>	<b>49,513</b>	<b>354,899</b>	<b>12%</b>	<b>40,000</b>	
Department: 55 - Recreation Total:	7,000	1,961	5,039	28%		
<b>Total Recreation</b>	<b>7,000</b>	<b>1,961</b>	<b>5,039</b>	<b>28%</b>	<b>-</b>	
<b>Expense Total:</b>	<b>1,970,726</b>	<b>203,147</b>	<b>1,767,579</b>	<b>10%</b>	<b>70,000</b>	
<b>Fund: 106 - MEASURE S-2014 Surplus (Deficit):</b>	<b>(50,726)</b>	<b>885,427</b>	<b>936,153</b>	<b>-1746%</b>	<b>(68,300)</b>	
<b>Fund: 200 - Gas Tax Fund</b>						
<b>Revenue</b>						
321 - Intergovernmental Taxes	528,732	201,546	(327,186)	38%		
370 - Interest and Investment Income	-	394	394	0%	500	[1]
<b>Revenue Total:</b>	<b>528,732</b>	<b>201,940</b>	<b>(326,792)</b>	<b>38%</b>	<b>500</b>	
<b>Expense</b>						
Department: 34 - Public Works Total:	462,791	118,202	344,589	26%		
<b>Total Public Works</b>	<b>462,791</b>	<b>118,202</b>	<b>344,589</b>	<b>26%</b>		
<b>Expense Total:</b>	<b>462,791</b>	<b>118,202</b>	<b>344,589</b>	<b>26%</b>	<b>-</b>	
<b>Fund: 200 - Gas Tax Fund Surplus (Deficit):</b>	<b>65,941</b>	<b>83,738</b>	<b>17,797</b>	<b>127%</b>	<b>500</b>	
<b>Fund: 201 - Restricted Real Estate Maintenance Fund</b>						
<b>Revenue</b>						
342 - Other Fees	3,175	1,350	(1,825)	43%		
381 - Rental Income	34,000	150	(33,850)	0%		
<b>Revenue Total:</b>	<b>37,175</b>	<b>1,500</b>	<b>(35,675)</b>	<b>4%</b>		
<b>Expense</b>						
Department: 34 - Public Works Total:	47,500	15,096	32,404	32%		
<b>Expense Total:</b>	<b>47,500</b>	<b>15,096</b>	<b>32,404</b>	<b>32%</b>		
<b>Fund: 201 - Restricted Real Estate Maintenance Fund</b>	<b>(10,325)</b>	<b>(13,596)</b>	<b>(3,271)</b>	<b>132%</b>		
<b>Surplus (Deficit):</b>						

**NOTES:**

- [1] Increase budget for interest earned.  
[2] Increase budget for overtime in excess of budget.  
[3] Increase budget for SIRE replacement.  
[4] Move budget for Louis Francis Park project #PA1708 from FY 2018-19 to FY 2017-18.



	FY 2017-18 Revised Budget	Actual to Date Jul 17 - Dec 17	Variance	Percent Used	Proposed Adjustment	Notes
<b>Fund: 203 - Public Safety Augmentation Fund</b>						
<b>Revenue</b>						
321 - Intergovernmental Taxes	155,000	71,361	(83,640)	46%		
370 - Interest and Investment Income	-	317	317	0%	500	[1]
<b>Revenue Total:</b>	<b>155,000</b>	<b>71,678</b>	<b>(83,323)</b>	<b>46%</b>	<b>500</b>	
<b>Expense</b>						
Department: 22 - Police Department Total:	150,857	73,571	77,286	49%		
<b>Expense Total:</b>	<b>150,857</b>	<b>73,571</b>	<b>77,286</b>	<b>49%</b>		
<b>Fund: 203 - Public Safety Augmentation Fund Surplus (Deficit):</b>	<b>4,143</b>	<b>(1,893)</b>	<b>(6,036)</b>	<b>-46%</b>	<b>500</b>	
<b>Fund: 204 - Police Grants</b>						
<b>Revenue</b>						
324 - Other Grants	320,000	-	(320,000)	0%		
<b>Revenue Total:</b>	<b>320,000</b>	<b>-</b>	<b>(320,000)</b>	<b>0%</b>		
<b>Expense</b>						
Department: 22 - Police Department Total:	291,941	185,472	106,469	64%		
<b>Total Public Safety</b>	<b>291,941</b>	<b>185,472</b>	<b>106,469</b>	<b>64%</b>		
<b>Expense Total:</b>	<b>291,941</b>	<b>185,472</b>	<b>106,469</b>	<b>64%</b>		
<b>Fund: 204 - Police Grants Surplus (Deficit):</b>	<b>28,059</b>	<b>(185,472)</b>	<b>(213,531)</b>	<b>-661%</b>		
<b>Fund: 205 - Traffic Safety Fund</b>						
<b>Revenue</b>						
351 - Fines and Forfeiture	57,750	9,587	(48,163)	17%		
370 - Interest and Investment Income	-	148	148	0%	250	[1]
<b>Revenue Total:</b>	<b>57,750</b>	<b>9,735</b>	<b>(48,015)</b>	<b>17%</b>	<b>250</b>	
<b>Expense</b>						
Department: 22 - Police Department Total:	26,284	3,723	22,561	14%		
<b>Total Public Safety</b>	<b>26,284</b>	<b>3,723</b>	<b>22,561</b>	<b>14%</b>		
<b>Expense Total:</b>	<b>26,284</b>	<b>3,723</b>	<b>22,561</b>	<b>14%</b>		
<b>Fund: 205 - Traffic Safety Fund Surplus (Deficit):</b>	<b>31,466</b>	<b>6,012</b>	<b>(25,454)</b>	<b>19%</b>	<b>250</b>	
<b>Fund: 206 - Supplemental Law Enforcement Svc Fund</b>						
<b>Revenue</b>						
323 - State Grants	100,000	64,727	(35,273)	65%		
370 - Interest and Investment Income	-	89	89	0%	175	[1]
<b>Revenue Total:</b>	<b>100,000</b>	<b>64,816</b>	<b>(35,184)</b>	<b>65%</b>	<b>175</b>	
<b>Expense</b>						
Department: 22 - Police Department Total:	96,657	46,019	50,638	48%		
<b>Expense Total:</b>	<b>96,657</b>	<b>46,019</b>	<b>50,638</b>	<b>48%</b>		
<b>Fund: 206 - Supplemental Law Enforcement Svc Fund Surplus (Deficit):</b>	<b>3,343</b>	<b>18,797</b>	<b>15,454</b>	<b>562%</b>	<b>175</b>	
<b>Fund: 207 - NPDES Storm Water Fund</b>						
<b>Revenue</b>						
321 - Intergovernmental Taxes	315,768	32,974	(282,794)	10%		
370 - Interest and Investment Income	-	73	73	0%	175	[1]
<b>Revenue Total:</b>	<b>315,768</b>	<b>33,047</b>	<b>(282,721)</b>	<b>10%</b>	<b>175</b>	
<b>Expense</b>						
Department: 34 - Public Works Total:	305,420	123,489	181,931	40%		
<b>Total Public Works</b>	<b>305,420</b>	<b>123,489</b>	<b>181,931</b>	<b>40%</b>		
<b>Expense Total:</b>	<b>305,420</b>	<b>123,489</b>	<b>181,931</b>	<b>40%</b>		
<b>Fund: 207 - NPDES Storm Water Fund Surplus (Deficit):</b>	<b>10,348</b>	<b>(90,442)</b>	<b>(100,790)</b>	<b>-874%</b>	<b>175</b>	

## NOTES:

[1] Increase budget for interest earned.

	FY 2017-18					
	Revised Budget	Actual to Date Jul 17 - Dec 17	Variance	Percent Used	Proposed Adjustment	Notes
<b>Fund: 209 - Recreation Fund</b>						
<b>Revenue</b>						
Division: 551 - Recreation Administration	27,500	8,826	(18,674)	32%		
Division: 552 - Senior Center	397,200	173,829	(223,371)	44%	(35,500)	
Division: 553 - Tiny Tots	195,568	84,456	(111,112)	43%	(4,011)	
Division: 554 - Youth Center	130,975	25,702	(105,273)	20%	(79,678)	
Division: 555 - Day Camp	66,684	29,362	(37,322)	44%	(12,543)	
Division: 556 - Performing Arts	44,720	29,824	(14,896)	67%	550	
Division: 557 - Swim Center	52,500	28,020	(24,480)	53%		
Division: 558 - Memorial Hall	5,600	-	(5,600)	0%		
Division: 559 - Tennis	1,500	50	(1,450)	3%	(1,300)	
<b>Revenue Total:</b>	<b>922,247</b>	<b>380,069</b>	<b>(542,178)</b>	<b>41%</b>	<b>(132,482)</b>	[1]
<b>Expense</b>						
<b>Department: 55 - Recreation</b>						
Division: 551 - Recreation Administration	186,226	41,471	144,755	22%	2,400	
Division: 552 - Senior Center	465,271	195,582	269,689	42%	(35,680)	
Division: 553 - Tiny Tots	107,494	57,283	50,211	53%	6,810	
Division: 554 - Youth Center	183,336	72,875	110,461	40%	(18,101)	
Division: 555 - Day Camp	48,679	3,443	45,236	7%	(10,251)	
Division: 556 - Performing Arts	40,007	21,764	18,243	54%		
Division: 557 - Swim Center	36,803	32,098	4,705	87%	1,888	
Division: 558 - Memorial Hall	4,838	1,277	3,561	26%		
Division: 559 - Tennis	3,495	1,655	1,840	47%		
<b>Department: 55 - Recreation Total:</b>	<b>1,076,149</b>	<b>427,448</b>	<b>648,701</b>	<b>40%</b>	<b>(52,934)</b>	[2]
<b>Expense Total:</b>	<b>1,076,149</b>	<b>427,448</b>	<b>648,701</b>	<b>40%</b>		
<b>Fund: 209 - Recreation Fund Surplus (Deficit):</b>	<b>(153,902)</b>	<b>(47,379)</b>	<b>106,523</b>	<b>31%</b>		
<b>Fund: 212 - Building &amp; Planning</b>						
<b>Revenue</b>						
315 - Other Taxes	1,800	174	(1,626)	10%		
332 - Permits	893,000	425,181	(467,819)	48%	20,000	[3]
341 - Review Fees	105,000	61,883	(43,117)	59%		
342 - Other Fees	54,050	31,235	(22,815)	58%		
343 - Abatement Fees	500	-	(500)	0%		
370 - Interest and Investment Income	-	1,053	1,053	0%	1,500	[4]
384 - Other Revenue	6,000	12,214	6,214	204%	6,500	[5]
<b>Revenue Total:</b>	<b>1,060,350</b>	<b>531,741</b>	<b>(528,609)</b>	<b>50%</b>	<b>28,000</b>	
<b>Expense</b>						
Department: 46 - Community Development Total:	1,374,067	346,773	1,027,294	25%	58,000	[6]
<b>Expense Total:</b>	<b>1,374,067</b>	<b>346,773</b>	<b>1,027,294</b>	<b>25%</b>	<b>58,000</b>	
<b>Fund: 212 - Building &amp; Planning Surplus (Deficit):</b>	<b>(313,717)</b>	<b>184,967</b>	<b>(528,609)</b>	<b>-59%</b>	<b>(30,000)</b>	
<b>Fund: 213 - Refuse Management Fund</b>						
<b>Revenue</b>						
323 - State Grants	60,060	30,472	(29,588)	51%		
370 - Interest and Investment Income	-	968	968	0%	1,000	[4]
<b>Revenue Total:</b>	<b>60,060</b>	<b>31,439</b>	<b>(28,621)</b>	<b>52%</b>	<b>1,000</b>	
<b>Expense</b>						
Department: 34 - Public Works Total:	558,522	42,237	516,285	8%	(56,209)	[7]
<b>Expense Total:</b>	<b>558,522</b>	<b>42,237</b>	<b>516,285</b>	<b>8%</b>	<b>(56,209)</b>	
<b>Fund: 213 - Refuse Management Fund Surplus (Deficit):</b>	<b>(498,462)</b>	<b>(10,798)</b>	<b>487,664</b>	<b>2%</b>	<b>57,209</b>	

**NOTES:**

[1] Re-evaluation of current year revenue projections requires mid-year adjustments.

[2] Re-evaluation of current year expenditure projections requires mid-year adjustments.

[3] Increase budget for for additional contract planner revenue generated.

[4] Increase budget for interest earned.

[5] Increase budget for other revenue received in excess of initial budget projection.

[6] Increase budget for additional contract planner services (\$20,000); computer hardware (\$6,000); parking study (\$25,000); and smart IT equipment in Community Room (\$7,000).

[7] Trash capture device project was completed under budget.

	FY 2017-18 Revised Budget	Actual to Date Jul 17 - Dec 17	Variance	Percent Used	Proposed Adjustment	Notes
<b>Fund: 215 - Measure C and J Fund</b>						
<b>Revenue</b>						
324 - Other Grants	303,590	-	(303,590)	0%		
370 - Interest and Investment Income	-	738	738	0%	1,000	[1]
<b>Revenue Total:</b>	<b>303,590</b>	<b>738</b>	<b>(302,852)</b>	<b>0%</b>	<b>1,000</b>	
<b>Expense</b>						
Department: 34 - Public Works Total:	184,525	91,470	93,055	50%	4,000	[2]
<b>Expense Total:</b>	<b>184,525</b>	<b>91,470</b>	<b>93,055</b>	<b>50%</b>		
<b>Fund: 215 - Measure C and J Fund Surplus (Deficit):</b>	<b>119,065</b>	<b>(90,732)</b>	<b>(209,797)</b>	<b>-76%</b>		
<b>Fund: 225 - Asset Seizure-Adjudicated Fund</b>						
<b>Revenue</b>						
351 - Fines and Forfeiture	-	1,251	1,251	0%	1,300	[3]
370 - Interest and Investment Income	-	200	200	0%	250	[1]
<b>Revenue Total:</b>	<b>-</b>	<b>1,451</b>	<b>1,451</b>	<b>0%</b>	<b>1,550</b>	
<b>Expense</b>						
Department: 22 - Police Department Total:	4,018	5,656	(1,638)	141%	7,838	[4]
<b>Expense Total:</b>	<b>4,018</b>	<b>5,656</b>	<b>(1,638)</b>	<b>141%</b>	<b>7,838</b>	
<b>Fund: 225 - Asset Seizure-Adjudicated Fund Surplus (Deficit):</b>	<b>(4,018)</b>	<b>(4,205)</b>	<b>(187)</b>	<b>105%</b>	<b>(6,288)</b>	
<b>Fund: 285 - Housing Land Held for Resale</b>						
<b>Revenue</b>						
370 - Interest and Investment Income	75,000	30,020	(44,980)	40%		
381 - Rental Income	72,253	36,127	(36,126)	50%		
384 - Other Revenue	35,000	5,500	(29,500)	16%		
393 - Loan/Bond Proceeds	81,000	-	(81,000)	0%		
<b>Revenue Total:</b>	<b>263,253</b>	<b>71,646</b>	<b>(191,607)</b>	<b>27%</b>		
<b>Expense</b>						
Department: 46 - Community Development Total:	189,996	96,094	93,902	51%	34,000	[5]
<b>Expense Total:</b>	<b>189,996</b>	<b>96,094</b>	<b>93,902</b>	<b>51%</b>	<b>34,000</b>	
<b>Fund: 285 - Housing Land Held for Resale Surplus (Deficit):</b>	<b>73,257</b>	<b>(24,448)</b>	<b>(97,705)</b>	<b>-33%</b>	<b>34,000</b>	
<b>Fund: 310 - Lighting &amp; Landscape Districts</b>						
<b>Revenue</b>						
321 - Intergovernmental Taxes	33,870	19,139	(14,731)	57%		
399 - Transfers In	5,000	-	(5,000)	0%		
<b>Revenue Total:</b>	<b>38,870</b>	<b>19,139</b>	<b>(19,731)</b>	<b>49%</b>		
<b>Expense</b>						
Department: 34 - Public Works Total:	46,637	12,359	34,278	27%		
<b>Expense Total:</b>	<b>46,637</b>	<b>12,359</b>	<b>34,278</b>	<b>27%</b>		
<b>Fund: 310 - Lighting &amp; Landscape Districts Surplus (Deficit):</b>	<b>(7,767)</b>	<b>6,779</b>	<b>14,546</b>	<b>-87%</b>		
<b>Fund: 317 - Pinole Valley Caretaker Fund</b>						
<b>Revenue</b>						
381 - Rental Income	15,000	7,500	(7,500)	50%		
<b>Revenue Total:</b>	<b>15,000</b>	<b>7,500</b>	<b>(7,500)</b>	<b>50%</b>		
<b>Expense</b>						
Department: 34 - Public Works Total:	14,749	8,332	6,417	56%		
<b>Expense Total:</b>	<b>14,749</b>	<b>8,332</b>	<b>6,417</b>	<b>56%</b>		
<b>Fund: 317 - Pinole Valley Caretaker Fund Surplus (Deficit):</b>	<b>251</b>	<b>(832)</b>	<b>(1,083)</b>	<b>-331%</b>		
<b>Fund: 324 - Public Facilities Fund</b>						
<b>Expense</b>						
Department: 34 - Public Works Total:	85,000	10,730	74,270	13%	20,000	[6]
<b>Expense Total:</b>	<b>85,000</b>	<b>10,730</b>	<b>74,270</b>	<b>13%</b>	<b>20,000</b>	
<b>Fund: 324 - Public Facilities Fund Total:</b>	<b>85,000</b>	<b>10,730</b>	<b>74,270</b>	<b>13%</b>	<b>20,000</b>	

**NOTES:**

[1] Increase budget for interest earned.

[2] Add budget for I-80 Mobility project utilities.

[3] Add budget for fines and forfeitures received.

[4] Allocate budget from fund balance for safe, \$6,200 and treadmill, \$1,638 purchased.

[5] Add funding for eucalyptus tree grove maintenance.

[6] Increase budget for Fowler House asbestos abatement.

	FY 2017-18					
	Revised Budget	Actual to Date Jul 17 - Dec 17	Variance	Percent Used	Proposed Adjustment	Notes
<b>Fund: 500 - Sewer Enterprise Fund</b>						
<b>Revenue</b>						
363 - Sewer Enterprise Charges	6,242,610	3,447,570	(2,795,040)	55%		
370 - Interest and Investment Income	-	10,009	10,009	0%	10,250	[1]
<b>Revenue Total:</b>	<b>6,242,610</b>	<b>3,457,579</b>	<b>(2,785,031)</b>	<b>55%</b>	<b>10,250</b>	
<b>Expense</b>						
Department: 64 - Sewer Total:	5,545,948	2,090,961	3,454,987	38%		
<b>Expense Total:</b>	<b>5,545,948</b>	<b>2,090,961</b>	<b>3,454,987</b>	<b>38%</b>		
<b>Fund: 500 - Sewer Enterprise Fund Surplus (Deficit):</b>	<b>696,662</b>	<b>1,366,619</b>	<b>669,957</b>	<b>196%</b>	<b>10,250</b>	
<b>Fund: 503 - Plant Expansion Fund</b>						
<b>Revenue</b>						
370 - Interest and Investment Income	-	3,490	3,490	0%		
383 - Reimbursements	18,277,900	1,553,564	(16,724,336)	8%		
<b>Revenue Total:</b>	<b>18,277,900</b>	<b>1,557,054</b>	<b>(16,720,846)</b>	<b>9%</b>		
<b>Expense</b>						
Department: 64 - Sewer Total:	18,277,900	1,012,300	17,265,600	6%		
<b>Expense Total:</b>	<b>18,277,900</b>	<b>1,012,300</b>	<b>17,265,600</b>	<b>6%</b>		
<b>Fund: 503 - Plant Expansion Fund Surplus (Deficit):</b>	<b>-</b>	<b>544,754</b>	<b>544,754</b>	<b>0%</b>		
<b>Fund: 505 - Cable Access TV</b>						
<b>Revenue</b>						
314 - Franchise Taxes	50,000	18,988	(31,012)	38%	(13,212)	[2]
365 - Cable TV Charges	182,585	61,199	(121,386)	34%	(4,000)	[2]
384 - Other Revenue	6,000	630	(5,370)	11%	(3,900)	[2]
399 - Transfers In	165,566	-	(165,566)	0%	18,000	[3]
<b>Revenue Total:</b>	<b>404,151</b>	<b>80,817</b>	<b>(323,334)</b>	<b>20%</b>	<b>(3,112)</b>	
<b>Expense</b>						
Department: 19 - Cable Access TV Total:	399,091	170,930	228,161	43%		
<b>Expense Total:</b>	<b>399,091</b>	<b>170,930</b>	<b>228,161</b>	<b>43%</b>		
<b>Fund: 505 - Cable Access TV Surplus (Deficit):</b>	<b>5,060</b>	<b>(90,113)</b>	<b>(95,173)</b>	<b>-1781%</b>	<b>(3,112)</b>	
<b>Fund: 750 - Recognized Obligation Retirement Fund</b>						
<b>Revenue</b>						
311 - Property Taxes	253,500	-	(253,500)	0%		
370 - Interest and Investment Income	-	4,737	4,737	0%		
393 - Loan/Bond Proceeds	-	6,705	6,705	0%		
<b>Revenue Total:</b>	<b>253,500</b>	<b>11,442</b>	<b>(242,058)</b>	<b>5%</b>		
<b>Expense</b>						
Department: 46 - Community Development Total:	253,500	4,058,856	(3,805,356)	1601%		
<b>Expense Total:</b>	<b>253,500</b>	<b>4,058,856</b>	<b>(3,805,356)</b>	<b>1601%</b>		
<b>Fund: 750 - Recognized Obligation Retirement Fund Surplus (D</b>	<b>-</b>	<b>(4,047,414)</b>	<b>(4,047,414)</b>	<b>0%</b>		

**NOTES:**

[1]Increase budget for interest earned.

[2]Re-evaluation of current year revenue projections requires mid-year adjustments.

[3]Additional General Fund contribution to cover projected deficit.

**RESOLUTION NO. 2018-xx**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PINOLE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA, AMENDING THE CITY BUDGET FOR FISCAL YEAR 2017-18**

**WHEREAS**, the City Council did adopt an Operations Budget for City Operations by Resolution number 2017-46 on June 20, 2017; and

**WHEREAS**, the Finance Director has presented proposed recommendations for amendment of the adopted budget for the City of Pinole Operations for fiscal year 2017-18 as part of a Mid-Year Budget Review at the regular City Council Meeting held on March 6, 2018; and

**WHEREAS**, the City Council has considered these recommended changes, as to the matter of the City budget; and

**WHEREAS**, the City Council has solicited public input on the proposed amendments to the 2017-18 City Operations Budgets.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Pinole as follows:

Amendments to the budget and program of services for the City of Pinole for fiscal year 2017-18 commencing July 1, 2017 and ending June 30, 2018 are hereby approved and adopted, as set forth in Exhibit #1 (herein incorporated).

**PASSED AND ADOPTED** this 6<sup>th</sup> day of March 2018, by the following vote, to-wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

---

Rosa Acosta  
City Clerk

## Exhibit 1

## FY 2017-18 Mid-Year Adjustments

**General Fund**

Revenue	\$48,000
Expenditures	\$140,792

**Measure S 2006**

Revenue	\$1,700
Expenditures	\$200,000

**Measure S 2014**

Revenue	\$1,700
Expenditures	\$70,000

**Gas Tax**

Revenue	\$500
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**Public Safety Augmentation**

Revenue	\$500
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**Traffic Safety**

Revenue	\$250
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**Supplemental Law Enforcement**

Revenue	\$175
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**NPDES Storm Water**

Revenue	\$175
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**Recreation Fund**

Revenue	(\$132,482)
Expenditures	(\$52,934)

**Building Fund**

Revenue	\$28,000
Expenditures	\$58,000

**Refuse Management**

Revenue	\$1,000
Expenditures	(\$56,209)

**Measure J Fund**

Revenue	\$1,000
Expenditures	\$4,000

<b>Asset Seizure Fund</b>	
Revenue	\$1,550
Expenditures	\$7,838
<b>Housing Fund</b>	
Expenditures	\$34,000
<b>Public Facilities Fund</b>	
Expenditures	\$20,000
<b>Sewer Enterprise</b>	
Revenue	\$10,250
<b>Pinole Cable TV</b>	
Revenue	(\$3,112)



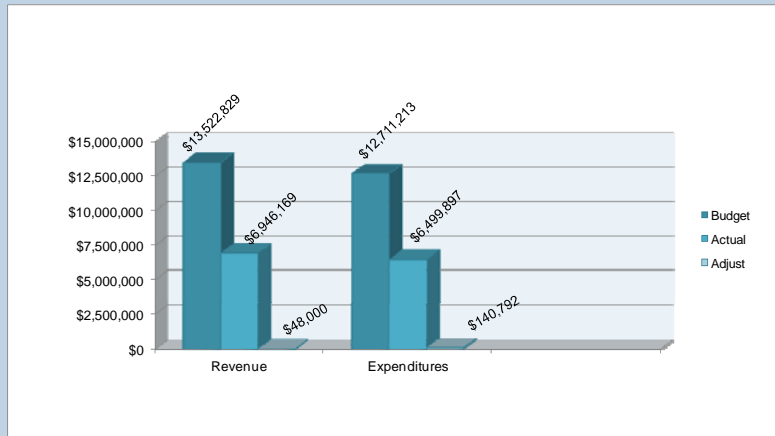
# FY 2017-18 MID-YEAR BUDGET REVIEW AND BUDGET ADJUSTMENTS

## Highlights:

- Adopted FY 2017-18 budget projects  
General Fund surplus of \$811,616
- General Fund revenues realized at 51% of projections
- General Fund expenditures realized at 51% of projections



## General Fund Overview



## General Fund Revenue Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
Property Tax	3,140,193	1,891,130	0	3,140,193
Sales Tax	3,638,966	1,915,930	0	3,638,966
Utility Users Tax	1,912,350	1,009,055	0	1,912,350
Other Taxes	3,032,300	1,591,695	0	3,032,300
Other Revenue	1,799,020	538,359	48,000	1,847,020
<b>Total Revenue</b>	<b>13,522,829</b>	<b>6,946,169</b>	<b>48,000</b>	<b>13,570,829</b>

## General Fund Expenditures by Function Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
Administration	2,776,209	1,941,763	50,500	2,826,709
Public Safety	8,121,570	3,620,248	70,192	8,191,762
Public Works	862,101	428,944	2,100	864,201
Comm. Dev.	67,467	3,943	0	67,467
Debt/Transfers	883,866	505,000	18,000	901,866
<b>Total Expenditures</b>	<b>12,711,213</b>	<b>6,499,897</b>	<b>140,792</b>	<b>12,852,005</b>

## Measure S 2006 Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
Sales Tax	1,919,000	1,106,524	0	1,919,000
Other Revenue	7,500	9,173	1,700	9,200
<b>Total Revenue</b>	<b>1,926,500</b>	<b>1,115,697</b>	<b>1,700</b>	<b>1,928,200</b>
Police Dept	1,702,837	725,862	0	1,702,837
Fire Dept	654,949	317,350	200,000*	854,949
<b>Total Expenditures</b>	<b>2,357,786</b>	<b>1,043,212</b>	<b>200,000</b>	<b>2,557,786</b>

\* Funding will come from Measure S 2006 Fund Balance

## Measure S 2014 Revenue Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
Sales Tax	1,919,000	1,085,901	0	1,919,000
Other Revenue	1,000	2,674	1,700	2,700
<b>Total Revenue</b>	<b>1,920,000</b>	<b>1,088,574</b>	<b>1,700</b>	<b>1,921,700</b>

## Measure S 2014 Expenditures Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
Administration	295,000	110,647	30,000*	325,000
Public Safety	489,314	41,026	0	489,314
Public Works	404,412	49,513	40,000*	444,412
Recreation	7,000	1,961	0	7,000
Transfers Out	775,000	0	0	775,000
<b>Total Expenditures</b>	<b>1,970,726</b>	<b>203,147</b>	<b>70,000</b>	<b>2,040,726</b>

\* Funding will come from Measure S 2014 Fund Balance

## Recreation Fund Revenue Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
Administration	27,500	8,826	0	27,500
Senior Center	397,200	173,829	(35,500)	361,700
Tiny Tots	195,568	84,456	(4,011)	191,557
Youth Center	130,975	25,702	(79,678)	51,297
Day Camp	66,684	29,362	(12,543)	54,141
Performing Arts	44,720	29,824	550	45,270
Swim Center	52,500	28,020	0	52,500
Memorial Hall	5,600	0	0	5,600
Tennis	1,500	50	(1,300)	200
<b>Total</b>	<b>922,247</b>	<b>380,069</b>	<b>(132,482)</b>	<b>789,765</b>

## Recreation Fund Expenditures Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
Administration	186,226	41,471	2,400	188,626
Senior Center	465,271	195,582	(35,680)	429,591
Tiny Tots	107,494	57,283	6,810	114,304
Youth Center	183,336	72,875	(18,101)	165,235
Day Camp	48,679	3,443	(10,251)	38,428
Performing Arts	40,007	21,764	0	40,007
Swim Center	36,803	32,098	1,888	38,691
Memorial Hall	4,838	1,277	0	4,838
Tennis	3,495	1,655	0	3,495
<b>Total</b>	<b>1,076,149</b>	<b>427,448</b>	<b>(52,934)</b>	<b>1,023,215</b>

## Recreation Fund Revenue & Expenditures Actual

	Revenue Actual	Expenditure Actual	Net Difference
Administration	8,826	41,471	(32,645)
Senior Center	173,829	195,582	(21,753)
Tiny Tots	84,456	57,283	27,173
Youth Center	25,702	72,875	(47,173)
Day Camp	29,362	3,443	25,919
Performing Arts	29,824	21,764	8,060
Swim Center	28,020	32,098	(4,078)
Memorial Hall	0	1,277	(1,277)
Tennis	50	1,655	(1,605)
<b>Total</b>	<b>380,069</b>	<b>427,448</b>	<b>(47,379)</b>

## Building & Planning Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
Permits	893,000	425,181	20,000	913,000
Review Fees	105,000	61,883	0	105,000
Other Revenue	62,350	44,677	8,000	70,350
<b>Total</b>	<b>1,060,350</b>	<b>531,741</b>	<b>28,000</b>	<b>1,088,350</b>
<b>Expenditures:</b>				
Community Dev.	1,374,067	346,773	58,000*	1,432,067
<b>Total</b>	<b>1,374,067</b>	<b>346,773</b>	<b>58,000</b>	<b>1,432,067</b>

\* Funding will come from Building & Planning Fund Balance

## Refuse Management Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
State Grants	60,060	30,472	0	60,060
Interest & Invest	0	968	1,000	1,000
<b>Total</b>	<b>60,060</b>	<b>31,439</b>	<b>1,000</b>	<b>61,060</b>
<b>Expenditures:</b>				
Public Works	558,522	42,237	(56,209)	502,313
<b>Total</b>	<b>558,522</b>	<b>42,237</b>	<b>(56,209)</b>	<b>502,313</b>

## Measure J Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
Other Grants	303,590	0	0	303,590
Interest & Invest.	0	738	1,000	1,000
<b>Total</b>	<b>303,590</b>	<b>738</b>	<b>1,000</b>	<b>304,590</b>
<b>Expenditures:</b>				
Public Works	184,525	91,470	4,000	188,525
<b>Total</b>	<b>184,525</b>	<b>91,470</b>	<b>4,000</b>	<b>188,525</b>

## Asset Seizure Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
Fines & Forfeit.	0	1,251	1,300	1,300
Interest & Invest.	0	200	250	250
<b>Total</b>	<b>0</b>	<b>1,451</b>	<b>1,550</b>	<b>1,550</b>
<b>Expenditures:</b>				
Police Dept	4,018	5,656	7,838	11,856
<b>Total</b>	<b>4,018</b>	<b>5,656</b>	<b>7,838</b>	<b>11,856</b>

## Housing Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
Interest & Invest.	75,000	30,020	0	75,000
Rental Income	72,253	36,127	0	72,253
Other Revenue	116,000	5,500	0	116,000
<b>Total</b>	<b>263,253</b>	<b>71,646</b>	<b>0</b>	<b>263,253</b>
<b>Expenditures:</b>				
Community Dev.	189,996	96,094	34,000	223,996
<b>Total</b>	<b>189,996</b>	<b>96,094</b>	<b>34,000</b>	<b>223,996</b>

## Special Revenue Funds - Interest Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
Gas Tax Fund	0	394	500	500
Public Safety Aug.	0	317	500	500
Traffic Safety Fund	0	148	250	250
Supplemental Law Enforcement Fund	0	89	175	175
NPDES Storm Water Fund	0	148	250	250
<b>Total</b>	<b>263,253</b>	<b>71,646</b>	<b>1,675</b>	<b>264,928</b>

## Public Facilities Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Expenditures:</b>				
Public Works	85,000	10,730	20,000	105,000
<b>Total</b>	<b>85,000</b>	<b>10,730</b>	<b>20,000</b>	<b>105,000</b>



## Sewer Enterprise Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
Sewer Enterprise	6,242,610	3,447,570	0	6,242,610
Interest & Invest.	0	10,009	10,250	10,250
<b>Total Revenue</b>	<b>6,242,610</b>	<b>3,457,579</b>	<b>10,250</b>	<b>6,252,860</b>
<b>Expenditures:</b>				
Sewer	5,545,948	2,090,961	0	5,545,948
<b>Total Expenses</b>	<b>5,545,948</b>	<b>2,090,961</b>	<b>0</b>	<b>5,545,948</b>

## Cable Access TV Fund Budget-to-Actual

	Adopted Budget	2 <sup>nd</sup> Qtr Actual	Budget Adjust	Updated Budget
<b>Revenue:</b>				
Franchise Taxes	50,000	18,988	(13,212)	36,788
Cable TV Chg.	182,585	1,199	(4,000)	178,585
Other Revenue	6,000	630	(3,900)	2,100
Transfers In	165,566	0	18,000	165,566
<b>Total Revenue</b>	<b>404,151</b>	<b>80,817</b>	<b>(3,112)</b>	<b>401,039</b>
<b>Expenditures:</b>				
Cable Access TV	399,091	170,930	0	399,091
<b>Total Expenses</b>	<b>399,091</b>	<b>170,930</b>	<b>0</b>	<b>399,091</b>

## FY 2017-18 2<sup>nd</sup> Quarter Mid-Year Budget Adjustments

### General Fund - 100

Revenue	\$48,000
Expenditures	\$140,792

### Measure S 2006 Fund - 105

Revenue	\$1,700
Expenditures	\$200,000

### Measure S 2014 Fund - 106

Revenue	\$1,700
Expenditures	\$70,000

### Gas Tax Fund - 200

Revenue	\$500
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### Public Safety Augmentation Fund - 203

Expenditures	\$500
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### Traffic Safety Fund - 205

Revenue	\$250
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## FY 2017-18 2<sup>nd</sup> Quarter Mid-Year Budget Adjustments

### Supplemental Law Enforcement Fund - 206

Revenue	\$175
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### NPDES Storm Water Fund - 207

Revenue	\$175
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### Recreation Fund - 209

Revenue	(\$132,482)
Expenditures	(\$52,934)

### Building & Planning Fund – 212

Revenue	\$28,000
Expenditures	\$58,000

### Refuse Management Fund - 213

Revenue	\$1,000
Expenditures	(\$56,209)

## FY 2017-18 2<sup>nd</sup> Quarter Mid-Year Budget Adjustments

### Measure C Fund - 215

Revenue	\$1,000
Expenditures	\$4,000

### Asset Seizure Fund - 225

Revenue	\$1,550
Expenditures	\$7,838

### Housing Fund - 285

Expenditures	\$34,000
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### Public Facilities Fund – 324

Expenditures	\$20,000
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### Sewer Enterprise Fund - 500

Revenue	10,250
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### Cable Access TV Fund - 505

Revenue	(\$3,112)
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Questions and Comments?