



CITY COUNCIL REPORT

10B

DATE: FEBRUARY 19, 2019

TO: MAYOR AND COUNCIL MEMBERS

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

**SUBJECT: RECEIVE AND REVIEW THE FY 2018-19 MID-YEAR FINANCIAL
REPORT AND APPROVE BUDGET ADJUSTMENTS**

RECOMMENDATION

Receive the FY 2018-19 Mid-Year Financial Report and adopt a resolution approving budget adjustments per staff recommendations in Attachment A.

BACKGROUND

For the period July 2018 through December 2018, 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 2018-19 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 adjusted budget for FY 2018-19 anticipates a use of fund balance from fiscal year ending June 30, 2018 surplus in the amount of -\$2,352,858 for Council approved one-time expenditures, primarily a new Fire engine and loan repayment to the former Redevelopment Agency. Staff is now projecting a FY 2018-19 use of fund balance in the amount of -\$6,267,214.

The economy in Pinole remains strong with revenue of 46% 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. Property Tax revenue is the City's largest General Fund revenue stream for FY 2018-19, with mid-year collections at 36% of projections compared to 60% for the same period in the prior

fiscal year. This is the result of a Redevelopment Property Tax Trust Fund (RPTTF) disbursement in the amount of \$691,000 received in the prior fiscal year from the sale of Gateway. Property Tax settlements are received in December, April, and June. Sales Tax revenue is the City's second largest General Fund revenue stream which has shown steady increases year-over-year. Sales Tax collections at mid-year are 57% of projections compared to 53% for the same period in the prior fiscal year.

Utility Users Tax is the City's third largest General Fund revenue stream with 46% realized at mid-year compared to 53% for the same period in the prior fiscal year. Franchise Tax is at 41% of projections at mid-year; Other Taxes which include Transient Occupancy Tax and Business Licenses are at 58% of projections.

Intergovernmental tax which includes Motor Vehicle License Fees and Home Owner Property Tax Relief is at 52% of projections; State Grants are at 150% of projections as a result of prior year vehicle abatement fees received in the current fiscal year, and Other Grant receipts are at 17% for the period. Public Safety Charges includes Dispatch services and are at 31% of projections; billings are issued in arrears (after services are provided) in October, January, April and July. The second quarter payments are pending.

Other revenue categories are in line with expectations for the period with the exception of the following: Reimbursements are at 631% of projections due to restitution and damage recoveries in excess of budget; and, Interest and Investment Income is at 88% of projections. We are seeing a steady increase in interest on investments due to increased utilization of the Local Agency Investment Fund (LAIF) for more than a year.

Recommendation:

Staff is recommending FY 2018-19 General Fund revenue adjustments in the amount of \$44,031 as follows:

	FY 2018-19 Budget	Proposed Revisions	FY 2018-19 Updated Budget
State Grants	35,000	20,000	55,000
Reimbursements	4,276	24,031	28,307
Total Adjustments	39,276	44,031	83,307

Updated Budget only reflects revenue with adjustments recommended.

General Fund Expenditure Analysis

The City Council approved the FY 2018-19 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, and now have fully funded the reserve per Council's direction at the November 13, 2018 meeting from fiscal year ending June 30, 2018 fund balance with an additional \$4,600,806 allocated. In addition, staff has executed the following during this period per Council's direction at the November 13, 2018 meeting: repaid the balance of the loan from the former Redevelopment Agency in the amount of \$1,592,071 (this is a balance sheet entry that does not require a budget allocation); established a Disaster Relief Reserve in the amount of \$100,000; and, sold remaining investments in the PALC Trust account to allocate additional funding in the amount of \$3,287,510 to the Section 115 Pension Trust.

Operating expenditures for the City's General Fund are at 46% of projections at mid-year.

Staff is proposing budget adjustments in the Human Resources Department in the amount of \$12,000 as follows: \$10,000 for FLSA analysis, and \$2,000 for pre-employment exams. In addition, \$3,000 is proposed in General Government for audit and appraisal services for Pinole Shores II; \$4,600,806 is proposed for the transfer to General Reserves; \$3,287,510 is proposed for the transfer of the PALC Trust balance to the Section 115 Trust; and, a \$1,592,071 budget reduction is proposed to adjust for the loan repayment to the former Redevelopment Agency which is a balance sheet item and not recorded as an expense. These are outlined in Attachment A.

Recommendation:

Staff is recommending FY 2018-19 General Fund expenditure adjustments in the amount of \$6,311,245 as follows:

	FY 2018-19 Budget	Proposed Revisions	FY 2018-19 Updated Budget
Human Resources	409,020	12,000	421,020
General Government	4,123,046	6,299,245	10,422,291
Total Adjustments	4,532,066	6,311,245	10,843,311

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 39% of appropriations. Staff is not recommending any revenue budget adjustments.

Staff is proposing a \$171,560 expenditure budget adjustment in the Fire Department as follows:

- \$10,000 for organizational development;
- \$14,000 additional funding for the approved Station Alert System;
- \$11,560 for the mandatory EBRCSA radio upgrades;
- \$55,000 additional funding for the approved Dorm Room Privacy project;
- \$15,000 for a Dorm Room air separation door from the apparatus bay to eliminate exhaust entering the living/office quarters;
- \$46,000 for Station 73 kitchen remodel (most everything is original from 1985); and,
- \$20,000 for Station 74 flooring, sheetrock, and paint repairs/replacement due to water damage. This amount also includes repairing a drainage issue identified that caused the water damage.

These allocations will have to come from the Fund Balance, which is currently \$2,300,655.

Recommendation:

Staff is recommending FY 2018-19 mid-year adjustments to Measure 2006 expenditures as follows:

	FY 2018-19 Budget	Proposed Revisions	FY 2018-19 Updated Budget
Expenditures:			
Fire	615,046	171,560	786,606
Net Adjustments	615,046	171,560	786,606

The voter-approved 2014 City General Purpose Use Tax is also levied at 0.5% on all retail sales. These funds are currently used to address some of the City's operational and ongoing needs, as well as previously deferred capital improvements. Measure S 2014 revenue collections are 57% of projections at mid-year, while expenditures are 11% of appropriations. This level of expenditure is primarily due to capital projects that have not been initiated as of yet. Staff is not recommending any revenue or expenditure budget adjustments for Measure S 2014.

SPECIAL REVENUE FUNDS

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. Currently the fund balance is \$130,813. Staff is requesting appropriations from fund balance in the amount of \$6,750 for a therapy dog. Staff is proposing revenue adjustments in the amount of \$1,314 for Fines and Forfeitures, and \$250 for Interest and Investment earnings received.

Recommendation:

Staff is recommending FY 2018-19 Asset Seizure Fund revenue adjustments of \$1,564 and expenditure appropriations in the amount of \$6,750 as follows:

Revenue	FY 2018-19 Budget	Proposed Revisions	FY 2018-19 Updated Budget
Fines & Forfeitures	0	1,314	1,314
Interest & Investment	0	250	250
Total Adjustments	0	1,564	1,564

Expenditures	FY 2018-19 Budget	Proposed Revisions	FY 2018-19 Updated Budget
Police Department	0	6,750	6,750
Total Adjustments	0	6,750	6,750

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 Pollution Control Plant, which services the Pinole and Hercules areas. Revenue collections at mid-year are 42% of projections and expenditures are 29% of projections. Staff is proposing a revenue adjustment of \$100 for miscellaneous Other Revenue received, and \$550 for Wastewater Impact Fees received. There are no recommendations to adjust expenditure appropriations.

Recommendation:

Staff is recommending FY 2018-19 Sewer Enterprise revenue adjustments as follows:

Revenue	FY 2018-19 Budget	Proposed Revisions	FY 2018-19 Updated Budget
Other Revenue	0	100	100
Impact Fees	0	550	550
Total Adjustments	0	650	650

FISCAL IMPACT

Fiscal impact of the FY 2018-19 Mid-Year 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 \$44,031 offset by a net increase in General Fund expenditures of \$6,311,245.
2. Net increase in Measure S 2006 expenditures of \$171,560.
3. Net increase of Asset Seizure-Adjudicated revenue of \$1,564 offset by a net increase in Asset Seizure-Adjudicated expenditures of \$6,750.
4. A net increase in Sewer Enterprise revenue of \$650.

ATTACHMENTS

Attachment A – FY 2018-19 Mid-Year Financial Report
Attachment B – Resolution Adjusting Fiscal Year 2018-19 Budget
Attachment C – FY 2018-19 Mid-Year PowerPoint Presentation

City of Pinole Mid-Year Budget Report

For Fiscal: 2018-2019 Period Ending: 12/31/2018



	FY 2018-19 Revised Budget	Actual-to-Date Jul 18 - Dec 18	Variance	Percent Used	Proposed Adjustment	Notes
Fund: 100 - General Fund						
Revenue						
311 - Property Taxes Total:	3,787,392	1,372,209	(2,415,183)	36%		
312 - Sales and Use Taxes Total:	3,685,921	2,112,091	(1,573,830)	57%		
313 - Utility Users Tax Total:	1,930,000	884,316	(1,045,684)	46%		
314 - Franchise Taxes Total:	744,128	307,327	(436,801)	41%		
315 - Other Taxes Total:	790,000	459,489	(330,511)	58%		
321 - Intergovernmental Taxes Total:	1,736,706	898,704	(838,003)	52%		
323 - State Grants Total:	35,000	52,605	17,605	150%	20,000	[1]
324 - Other Grants Total:	59,437	10,000	(49,437)	17%		
332 - Permits Total:	76,700	27,504	(49,196)	36%		
341 - Review Fees Total:	30,000	21,912	(8,088)	73%		
342 - Other Fees Total:	60,500	10,666	(49,834)	18%		
343 - Abatement Fees Total:	4,000	624	(3,376)	16%		
351 - Fines and Forfeiture Total:	59,050	24,319	(34,731)	41%		
361 - Public Safety Charges Total:	1,123,939	343,797	(780,142)	31%		
370 - Interest and Investment Income Total:	35,000	30,884	(4,116)	88%		
381 - Rental Income Total:	81,450	40,725	(40,725)	50%		
383 - Reimbursements Total:	4,276	26,979	22,703	631%	24,031	[2]
384 - Other Revenue Total:	14,000	4,448	(9,552)	32%		
392 - Proceeds from Sale of Property Total:	11,000	769	(10,231)	7%		
Revenue Total:	14,268,499	6,629,368	(7,639,131)	46%	44,031	
Expenditures						
Department: 10 - City Council Total:	130,636	48,414	82,222	37%		
Department: 11 - City Manager Total:	149,871	82,261	67,610	55%		
Department: 12 - City Clerk Total:	249,583	118,267	131,316	47%		
Department: 13 - City Treasurer Total:	11,434	5,415	6,019	47%		
Department: 14 - City Attorney Total:	96,820	41,785	55,035	43%		
Department: 15 - Finance Department Total:	494,175	267,222	226,953	54%		
Department: 16 - Human Resources Total:	409,020	186,681	222,339	46%	12,000	[3]
Department: 17 - General Government Total:	4,123,046	6,296,168	2,845,072	153%	6,299,245	[4]
Administrative Total:	5,664,585	7,046,214	3,636,565	124%	6,311,245	
Department: 22 - Police Department Total:	5,996,214	2,997,113	2,999,101	50%		
Department: 23 - Fire Department Total:	4,018,161	1,075,521	2,942,640	27%		
Public Safety Total:	10,014,375	4,072,634	5,941,741	41%	-	
Department: 34 - Public Works Total:	859,810	454,990	404,820	53%		
Department: 46 - Community Development Total:	82,587	14,445	68,142	17%		
Development Services Total:	942,397	469,435	472,962	50%	-	
Expenditure Total:	16,621,357	11,588,283	10,051,268	70%	6,311,245	
Fund: 100 - General Fund Surplus (Deficit):	(2,352,858)	(4,958,915)	2,412,137	211%	(6,267,214)	

NOTES:

[1] Vehicle abatement fees from FY2017-18 received and recorded in FY2018-19.

[2] Miscellaneous reimbursements and damage recoveries received.

[3] FLSA analysis \$10,000; and, pre-employment exams \$2,000.

[4] Audit/appraisal services for Pinole Shores II, \$3,000; Adjust budget allocation for RDA loan repaid per Council direction -\$1,592,071 (balance sheet entry); Adjust budget for Transfer to General Reserve \$4,600,806 per Council direction; and, adjust budget for Transfer of balance of PALC Trust to Section 115 Pension Trust, \$3,287,510 per Council direction.

	FY 2018-19 Revised Budget	Actual-to-Date Jul 18 - Dec 18	Variance	Percent Used	Proposed Adjustment	Notes
Fund: 105 - Measure S -2006						
Revenue						
312 - Sales and Use Taxes Total:	1,945,600	1,125,990	(819,610)	58%		
370 - Interest and Investment Income Total:	13,000	3,234	(9,766)	25%		
Revenue Total:	1,958,600	1,129,224	(829,376)	58%		
Expenditures						
Department: 22 - Police Department Total:	1,445,220	545,304	899,916	38%		
Department: 23 - Fire Department Total:	615,046	254,091	360,955	41%	171,560	[1,2,3]
Expenditure Total:	2,060,266	799,395	1,260,871	39%	171,560	
Fund: 105 - Measure S -2006 Surplus (Deficit):	(101,666)	329,829	431,495	-324%		
Fund: 106 - MEASURE S-2014						
Revenue						
312 - Sales and Use Taxes Total:	1,945,600	1,123,223	(822,377)	58%		
370 - Interest and Investment Income Total:	16,000	4,554	(11,446)	28%		
Revenue Total:	1,961,600	1,127,776	(1,020,824)	57%		
Expenditures						
Department: 14 - City Attorney Total:	35,000	16,242	18,759	46%		
Department: 15 - Finance Department Total:	4,865	118	4,747	2%		
Department: 17 - General Government Total:	852,000	18,433	833,568	2%		
Department: 18 - Information Systems Total:	125,000	341	124,659	0%		
Administrative Total:	1,016,865	35,133	981,732	3%	-	
Department: 22 - Police Department Total:	106,306	15,693	90,613	15%		
Department: 23 - Fire Department Total:	314,663	161,919	152,744	51%		
Public Safety Total:	420,969	177,612	243,357	42%	-	
Department: 34 - Public Works Total:	1,133,447	71,357	1,062,090	6%		
Public Works Total:	1,133,447	71,357	1,062,090	6%	-	
Expenditure Total:	2,571,281	284,101	2,287,180	11%		
Fund: 106 - MEASURE S-2014 Surplus (Deficit):	(609,681)	843,675	1,266,356	-138%		
Fund: 200 - Gas Tax Fund						
Revenue						
321 - Intergovernmental Taxes Total:	804,375	346,804	(457,571)	43%		
370 - Interest and Investment Income Total:	2,000	723	(1,277)	36%		
Revenue Total:	806,375	347,527	(458,848)	43%		
Expenditures						
Department: 34 - Public Works Total:	918,328	138,361	779,967	15%		
Expenditure Total:	918,328	138,361	779,967	15%		
Fund: 200 - Gas Tax Fund Surplus (Deficit):	(111,953)	209,166	321,119	-187%		
Fund: 201 - Restricted Real Estate Maintenance Fund						
Revenue						
342 - Other Fees Total:	3,175	1,825	(1,350)	57%		
381 - Rental Income Total:	34,000	34,000	-	100%		
Revenue Total:	37,175	35,825	(1,350)	96%		
Expenditures						
Department: 34 - Public Works Total:	37,175	8,122	29,053	22%		
Expenditure Total:	37,175	8,122	29,053	22%		
Fund: 201 - Restricted Real Estate Maintenance Fund Surplus (Deficit):	-	27,703	27,703	-100%		

NOTES:

[1] Organizational development, \$10,000.

[2] Station Alert System, \$14,000; EBRCSA radio upgrades, \$11,560.

[3] Dorm Room Privacy project, \$55,000; Dorm Room Air Separation Door, \$15,000; Station 73 kitchen remodel, \$46,000; and, Station 74 flooring, sheetrock, and paint, \$20,000.

	FY 2018-19 Revised Budget	Actual-to-Date Jul 18 - Dec 18	Variance	Percent Used	Proposed Adjustment	Notes
Fund: 203 - Public Safety Augmentation Fund						
Revenue						
321 - Intergovernmental Taxes Total:	174,069	75,954	(98,115)	44%		
370 - Interest and Investment Income Total:	500	456	(44)	91%		
Revenue Total:	174,569	76,410	(98,159)	44%		
Expenditures						
Department: 22 - Police Department Total:	151,406	47,797	103,609	32%		
Expenditure Total:	151,406	47,797	103,609	32%		
Fund: 203 - Public Safety Augmentation Fund Surplus (Deficit):	23,163	28,612	5,449	124%		
Fund: 204 - Police Grants						
Revenue						
324 - Other Grants Total:	320,000	-	(320,000)	0%		
384 - Other Revenue Total:	-	(20)	20	-100%		
Revenue Total:	320,000	(20)	(319,980)	0%		
Expenditures						
Department: 22 - Police Department Total:	274,003	128,194	145,809	47%		
Expenditure Total:	274,003	128,194	145,809	47%		
Fund: 204 - Police Grants Surplus (Deficit):	45,997	(128,194)	(174,191)	-279%		
Fund: 205 - Traffic Safety Fund						
Revenue						
351 - Fines and Forfeiture Total:	57,750	11,368	(46,382)	20%		
370 - Interest and Investment Income Total:	500	222	(278)	44%		
Revenue Total:	58,250	11,590	(46,660)	20%		
Expenditures						
Department: 22 - Police Department Total:	18,458	3,443	15,015	19%		
Expenditure Total:	18,458	3,443	15,015	19%		
Fund: 205 - Traffic Safety Fund Surplus (Deficit):	39,792	8,147	(31,645)	20%		
Fund: 206 - Supplemental Law Enforcement Svc Fund						
Revenue						
323 - State Grants Total:	100,000	101,841	1,841	102%		
370 - Interest and Investment Income Total:	600	200	(400)	33%		
Revenue Total:	100,600	102,041	1,441	101%		
Expenditures						
Department: 22 - Police Department Total:	100,000	36,667	63,333	37%		
Expenditure Total:	100,000	36,667	63,333	37%		
Fund: 206 - Supplemental Law Enforcement Svc Fund Surplus (Deficit):	600	65,375	64,775	10896%		
Fund: 207 - NPDES Storm Water Fund						
Revenue						
321 - Intergovernmental Taxes Total:	315,768	-	(315,768)	0%		
370 - Interest and Investment Income Total:	150	118	(32)	78%		
Revenue Total:	315,918	118	(315,800)	0%		
Expenditures						
Department: 34 - Public Works Total:	318,173	103,257	214,916	32%		
Expenditure Total:	318,173	109,851	208,322	35%		
Fund: 207 - NPDES Storm Water Fund Surplus (Deficit):	(2,255)	(109,733)	(107,478)	4866%		

	FY 2018-19 Revised Budget	Actual-to-Date Jul 18 - Dec 18	Variance	Percent Used	Proposed Adjustment	Notes
Fund: 209 - Recreation Fund						
Revenue						
Division: 551 - Recreation Administration	391,902	7,240	(384,662)	2%		
Division: 552 - Senior Center	321,500	182,977	(138,523)	57%		
Division: 553 - Tiny Tots	195,589	92,067	(103,522)	47%		
Division: 554 - Youth Center	76,375	12,442	(63,933)	16%		
Division: 555 - Day Camp	32,000	8,109	(23,891)	25%		
Division: 556 - Performing Arts	48,280	26,760	(21,520)	55%		
Division: 557 - Swim Center	83,920	23,551	(60,369)	28%		
Division: 558 - Memorial Hall	5,600	-	(5,600)	0%		
Division: 559 - Tennis	500	250	(250)	50%		
Revenue Total:	1,155,666	353,396	(802,270)	31%		
Expenditures						
Division: 551 - Recreation Administration	192,844	68,716	124,128	36%		
Division: 552 - Senior Center	470,458	219,076	251,382	47%		
Division: 553 - Tiny Tots	119,030	62,014	57,016	52%		
Division: 554 - Youth Center	202,913	77,294	125,619	38%		
Division: 555 - Day Camp	37,572	2,324	35,248	6%		
Division: 556 - Performing Arts	43,950	24,739	19,211	56%		
Division: 557 - Swim Center	80,811	50,921	29,890	63%		
Division: 558 - Memorial Hall	4,838	1,409	3,429	29%		
Division: 559 - Tennis	3,250	998	2,252	31%		
Department: 55 - Recreation Total:	1,155,666	507,490	648,176	44%		
Expenditure Total:	1,155,666	507,490	648,176	44%		
Fund: 209 - Recreation Fund Surplus (Deficit):	0	(154,094)	(154,094)	-100%		
Fund: 212 - Building & Planning						
Revenue						
315 - Other Taxes Total:	1,800	15	(1,785)	1%		
332 - Permits Total:	530,750	184,121	(346,629)	35%		
341 - Review Fees Total:	160,000	100,382	(59,618)	63%		
342 - Other Fees Total:	44,500	33,915	(10,585)	76%		
370 - Interest and Investment Income Total:	5,000	1,539	(3,461)	31%		
384 - Other Revenue Total:	31,000	3,142	(27,858)	10%		
Revenue Total:	773,050	323,114	(449,936)	42%		
Expenditures						
Department: 46 - Community Development Total:	1,039,853	371,766	668,086	36%		
Expenditure Total:	1,039,853	371,766	668,086	36%		
Fund: 212 - Building & Planning Surplus (Deficit):	(266,803)	(48,652)	218,151	18%		
Fund: 213 - Refuse Management Fund						
Revenue						
323 - State Grants Total:	60,060	30,594	(29,466)	51%		
370 - Interest and Investment Income Total:	1,000	1,078	78	108%		
Revenue Total:	61,060	31,672	(29,388)	52%		
Expenditures						
Department: 34 - Public Works Total:	413,507.4	53,638.0	359,869.4	13%		
Expenditure Total:	413,507.4	53,638.0	359,869.4	13%		
Fund: 213 - Refuse Management Fund Surplus (Deficit):	(352,447.4)	(21,966.1)	330,481.3	6%		
Fund: 214 - Solid Waste Fund						
Revenue						
370 - Interest and Investment Income Total:	4,000	1,367	(2,633)	34%		
383 - Reimbursements Total:	63,000	126,398	63,398	201%		
Revenue Total:	67,000	127,765	60,765	191%		
Expenditures						
Department: 34 - Public Works Total:	42,000	2,703	39,297	6%		
Expenditure Total:	42,000	2,703	39,297	6%		
Fund: 214 - Solid Waste Fund Surplus (Deficit):	25,000	125,062	100,062	500%		

	FY 2018-19 Revised Budget	Actual-to-Date Jul 18 - Dec 18	Variance	Percent Used	Proposed Adjustment	Notes
Fund: 215 - Measure C and J Fund						
Revenue						
324 - Other Grants Total:	303,590	-	(303,590)	0%		
370 - Interest and Investment Income Total:	5,000	1,707	(3,293)	34%		
Revenue Total:	308,590	1,707	(306,883)	1%		
Expenditures						
Department: 17 - Non-Departmental Total:	47,049	47,049	-	100%		
Department: 34 - Public Works Total:	601,734	354,623	247,111	59%		
Expenditure Total:	648,783	401,672	247,111	62%		
Fund: 215 - Measure C and J Fund Surplus (Deficit):	(340,193)	(399,965)	(59,772)	118%		
Fund: 225 - Asset Seizure-Adjudicated Fund						
Revenue						
351 - Fines and Forfeiture Total:	-	1,314	1,314	-100%	1,314	[1]
370 - Interest and Investment Income Total:	-	220	220	-100%	250	[2]
Revenue Total:	-	1,533	1,533	-100%	1,564	
Expenditures						
Department: 22 - Police Department Total:	-	-	-	0%	6,750	[3]
Expenditure Total:	-	-	-	0%	6,750	
Fund: 225 - Asset Seizure-Adjudicated Fund Surplus (Deficit):	-	1,533	1,533	0%		
Fund: 285 - Housing Land Held for Resale						
Revenue						
370 - Interest and Investment Income Total:	35,000	3,806	(31,194)	11%		
381 - Rental Income Total:	72,253	-	(72,253)	0%		
384 - Other Revenue Total:	5,795	5,795	-	100%		
392 - Proceeds from Sale of Property Total:	1,150	1,150	-	100%		
393 - Loan/Bond Proceeds Total:	116,810	152,355	35,545	130%		
Revenue Total:	231,008	163,106	(67,902)	71%		
Expenditures						
Department: 46 - Community Development Total:	202,136	106,612	95,524	53%		
Expenditure Total:	202,136	106,612	95,524	53%		
Fund: 285 - Housing Land Held for Resale Surplus (Deficit):	28,872	56,494	27,622	196%		
Fund: 310 - Lighting & Landscape Districts						
Revenue						
321 - Intergovernmental Taxes Total:	43,565	20,270	(23,295)	47%		
399 - Transfers In Total:	5,000	-	(5,000)	0%		
Revenue Total:	48,565	20,270	(28,295)	42%		
Expenditures						
Department: 34 - Public Works Total:	56,637	41,594	15,043	73%		
Expenditure Total:	56,637	41,594	15,043	73%		
Fund: 310 - Lighting & Landscape Districts Surplus (Deficit):	(8,072)	(21,325)	(13,253)	264%		
Fund: 317 - Pinole Valley Caretaker Fund						
Revenue						
381 - Rental Income Total:	15,000	7,500	(7,500)	50%		
Revenue Total:	15,000	7,500	(7,500)	50%		
Expenditures						
Department: 34 - Public Works Total:	14,777	7,903	6,874	53%		
Expense Total:	14,777	7,903	6,874	53%		
Fund: 317 - Pinole Valley Caretaker Fund Surplus (Deficit):	223	(403)	(626)	-181%		

NOTES:

- [1] Add budget for fines received.
[2] Add budget for interest allocation received.
[3] Add budget for Therapy Dog from fund balance.

	FY 2018-19 Revised Budget	Actual-to-Date Jul 18 - Dec 18	Variance	Percent Used	Proposed Adjustment	Notes
Fund: 500 - Sewer Enterprise Fund						
Revenue						
363 - Sewer Enterprise Charges Total:	6,937,332	2,890,292	(4,047,040)	42%		
370 - Interest and Investment Income Total:	50,000	16,022	(33,978)	32%		
383 - Reimbursements Total:	650	650	-	100%		
384 - Other Revenue Total:	-	94	94	-100%	100	[1]
344 - Impact Fees Total:	-	501	501	-100%	550	[2]
Revenue Total:	6,987,982	2,913,339	(4,074,643)	42%	650	
Expense						
Department: 64 - Sewer Total:	7,462,694	2,176,662	5,286,031	29%		
Expense Total:	7,462,694	2,176,662	5,286,031	29%		
Fund: 500 - Sewer Enterprise Fund Surplus (Deficit):	(474,712)	736,677	1,211,388	-155%		
Fund: 503 - Plant Expansion Fund						
Revenue						
370 - Interest and Investment Income Total:	3,500	7,831	4,331	224%		
383 - Reimbursements Total:	6,367,678	3,940,943	(2,426,735)	62%		
Revenue Total:	6,371,178	3,948,774	(2,422,404)	62%		
Expense						
Department: 64 - Sewer Total:	7,545,667	4,849	7,540,818	0%		
Expense Total:	7,545,667	4,849	7,540,818	0%		
Fund: 503 - Plant Expansion Fund Surplus (Deficit):	(1,174,489)	3,943,925	5,118,414	-336%		
Fund: 505 - Cable Access TV						
Revenue						
314 - Franchise Taxes Total:	40,000	8,285	(31,715)	21%		
365 - Cable TV Charges Total:	205,810	40,080	(165,730)	19%		
384 - Other Revenue Total:	3,900	3,900	-	100%		
399 - Transfers In Total:	178,736	-	(178,736)	0%		
Revenue Total:	428,446	52,265	(376,181)	12%		
Expense						
Department: 19 - Cable Access TV Total:	424,546	157,442	267,104	37%		
Expense Total:	424,546	157,442	267,104	37%		
Fund: 505 - Cable Access TV Surplus (Deficit):	3,900	(123,217)	(127,117)	-3159%		
Fund: 750 - Recognized Obligation Retirement Fund						
Revenue						
311 - Property Taxes Total:	250,000	-	(250,000)	0%		
370 - Interest and Investment Income Total:	-	3,797	3,797	0%		
384 - Other Revenue Total:	-	1,232	1,232	0%		
393 - Loan/Bond Proceeds Total:	-	8,113	8,113	0%		
Revenue Total:	250,000	13,142	(236,858)	5%		
Expense						
Department: 46 - Community Development Total:	250,000	92,969	157,031	37%		
Expense Total:	250,000	92,969	157,031	37%		
Fund: 750 - Recognized Obligation Retirement Fund Surplus (Deficit):	-	(79,827)	(79,827)	0%		

NOTES:

[1] Add budget for miscellaneous revenue received.

[2] Add budget for Wastewater Impact Fees received.

RESOLUTION NO. 2019-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 2018-19**

WHEREAS, the City Council did adopt an Operations Budget for City Operations by Resolution number 2018-56 on June 19, 2018; and

WHEREAS, the City Council did adopt adjustments to the Operations Budget by Resolution number 2018-118 on December 18, 2018; and

WHEREAS, the Finance Director has presented proposed recommendations for amendment of the adopted budget for the City of Pinole Operations for fiscal year 2018-19 as part of a Mid-Year Budget Review at the regular City Council Meeting held on February 19, 2019; 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 2018-19 City Operations Budget.

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 2018-19 commencing July 1, 2018 and ending June 30, 2019 are hereby approved and adopted, as set forth in Exhibit #1 (herein incorporated).

PASSED AND ADOPTED this 19th day of February 2019, by the following vote:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

ABSTAIN: COUNCILMEMBERS:

I hereby certify that the foregoing resolution was introduced, passed and adopted on this 19th day of **February, 2019**.

Patricia Athenour, MMC
Interim City Clerk

Exhibit 1

FY 2018-19 Mid-Year Adjustments

General Fund

Revenue	\$44,031
Expenditures	\$6,311,245

Measure S 2006

Expenditures	\$171,560
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Asset Seizure Fund

Revenue	\$1,564
Expenditures	\$6,750

Sewer Enterprise

Revenue	\$650
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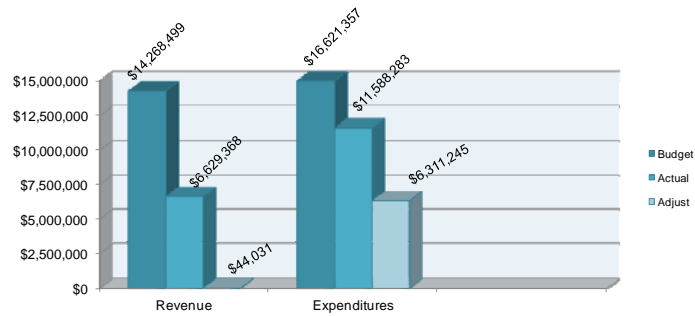


FY 2018-19 MID-YEAR BUDGET REVIEW AND BUDGET ADJUSTMENTS

Highlights:

- Adjusted FY 2018-19 budget projected General Fund use of fund balance in the amount of $-\$2,352,858$, primarily due to the purchase of a new Fire engine, and RDA loan repayment
- General Fund revenues realized at 46% of projections
- General Fund expenditures realized at 46% of projections

General Fund Overview



General Fund Revenue Budget-to-Actual

	Adopted Budget	2 nd Qtr Actual	Budget Adjust	Updated Budget
Property Tax	3,787,392	1,372,209	0	3,787,392
Sales Tax	3,685,921	2,112,091	0	3,685,921
Utility Users Tax	1,930,000	884,316	0	1,930,000
Other Taxes	3,270,834	1,665,520	0	3,270,834
Other Revenue	1,594,352	595,232	44,031	1,638,383
Total Revenue	14,268,499	6,629,368	44,031	14,312,530

General Fund Expenditures by Function Budget-to-Actual

	Adopted Budget	2 nd Qtr Actual	Budget Adjust	Updated Budget
Administration	5,664,585	7,046,214	6,311,245	11,975,830
Public Safety	10,014,375	5,941,741	0	10,014,375
Public Works	859,810	454,990	0	859,810
Comm. Dev.	82,587	14,445	0	82,587
Total Expenditures	16,621,357	11,588,283	6,311,245	22,932,602

Measure S 2006 Budget-to-Actual

	Adopted Budget	2 nd Qtr Actual	Budget Adjust	Updated Budget
Sales Tax	1,945,600	1,125,990	0	1,945,600
Interest & Invest	13,000	3,234	0	13,000
Total Revenue	1,958,600	1,129,224	0	1,958,600
Police Dept	1,445,220	545,304	0	1,445,220
Fire Dept	615,046	254,091	171,560*	786,606
Total Expenditures	2,060,266	799,395	171,560*	2,231,826

* Funding will come from Measure S 2006 Fund Balance, currently \$2.3M

Measure S 2014 Revenue Budget-to-Actual

	Adopted Budget	2 nd Qtr Actual	Budget Adjust	Updated Budget
Sales Tax	1,945,600	1,123,223	0	1,945,600
Interest & Invest	16,000	4,554	0	16,000
Total Revenue	1,961,600	1,127,776	0	1,961,600

Measure S 2014 Expenditures Budget-to-Actual

	Adopted Budget	2 nd Qtr Actual	Budget Adjust	Updated Budget
Administration	1,016,865	35,133	0	1,016,865
Public Safety	420,969	177,612	0	420,969
Public Works	1,133,447	71,357	0	1,133,447
Total Expenditures	2,571,281	284,101	0	2,571,281

Asset Seizure Fund Budget-to-Actual

	Adopted Budget	2 nd Qtr Actual	Budget Adjust	Updated Budget
Revenue:				
Fines & Forfeit.	0	1,314	1,314	1,314
Interest & Invest.	0	220	250	250
Total	0	1,533	1,564	1,564
Expenditures:				
Police Dept	0	0	6,750*	6,750
Total	0	0	6,750*	6,750

* Funding will come from Asset Seizure Fund Balance, currently \$130,813

Sewer Enterprise Fund Budget-to-Actual

	Adopted Budget	2 nd Qtr Actual	Budget Adjust	Updated Budget
Revenue:				
Sewer Enterprise	6,937,332	2,890,292	0	6,937,332
Interest & Invest.	50,000	16,022	0	50,000
Other Revenue	650	1,245	650	1,300
Total Revenue	6,987,982	2,913,339	650	6,988,632
Expenditures:				
Sewer	7,462,694	2,176,662	0	7,462,694
Total Expenses	7,462,694	2,176,662	0	7,462,694

FY 2018-19 2nd Quarter Mid-Year Budget Adjustments

General Fund - 100

Revenue	\$44,031
Expenditures	\$6,311,245

Measure S 2006 Fund - 105

Expenditures	\$171,560
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Asset Seizure Fund - 225

Revenue	\$1,564
Expenditures	\$6,750

Sewer Enterprise Fund - 500

Revenue	\$650
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Questions and Comments?