



CITY COUNCIL REPORT

10A

DATE: NOVEMBER 21, 2017

TO: MAYOR AND COUNCIL MEMBERS

FROM: ANDREA MILLER, FINANCE DIRECTOR

**SUBJECT: RECEIVE THE FY 2017-18 FIRST QUARTER FINANCIAL REPORT
AND ADOPT A RESOLUTION APPROVING BUDGET
ADJUSTMENTS**

RECOMMENDATION

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

BACKGROUND

For the period July 1, 2017 through September 30, 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 reviewed the first quarter financial performance for the City's FY 2017-18 budget. While revenue and expenditures for the first quarter of the fiscal year should average 25% 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 & 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 \$836,366.

The economy in Pinole continues to show signs of improvement with revenues of 19% realized for the first quarter of the fiscal 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 for the first quarter are 27% of projections compared to 14% for the same period in the prior fiscal year. Property Tax is the City's second largest revenue

stream with first quarter collections at 22% of projections. This is the result of receipt of an RPTTF 19% proportionate share disbursement from the sale of a Successor Agency asset (Gateway). Property Tax settlements are received in December, April, and June.

Utility Users Tax is the City's third largest General Fund revenue stream with 26% realized for the first quarter compared to 18% for the same period in the prior fiscal year. Franchise Tax is at 18% of projections for the first quarter; Other Taxes which includes Transient Occupancy Tax and Business Licenses are at 16% of projections.

Intergovernmental tax which includes Motor Vehicle License Fee and Home Owner Property Tax Relief along with grant receipts has not been received during this period. Public Safety Charges includes Dispatch services, for which the first quarter billing is in progress.

Other revenue categories are in line with expectations for the period with the exception of the following: Reimbursements are at 164% of budget due to reimbursement of a prior year of duplicate payment; Other revenue is at 116% of budget due to reimbursement received for Police staffs attendance at training; and, Proceeds from Sale of Property is at 106% of budget due to sale of a surplus 1998 fire engine and other miscellaneous surplus property.

Recommendation:

Staff is recommending FY 2017-18 General Fund revenue adjustments in the amount of \$4,250 as follows:

	FY 2017-18 Budget	Proposed Revisions	FY 2017-18 Updated Budget
Reimbursements	2,000	1,500	3,500
Other Revenue	10,000	2,000	12,000
Proceeds from Sale of Property	10,000	750	10,750
Total Adjustments	22,000	4,250	26,250

Total adjustments only reflect 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 Budget Expenditures for the City's General Fund are at 34% of projections at the end of the first quarter. This is slightly higher than the average due to a discovery with the setup of the new financial software, employee health benefits are getting allocated to an expense account during payroll processing instead of a liability account. This resulted in overstating health benefit expenses. We have worked with our consultants to resolve this issue and a journal entry to adjust the expense accounts will be processed to the quarter ending September 30, 2017.

The only expenditure adjustment is \$2,000 in the City Council budget to host the Mayor's Conference, which was moved up to January 2018. This is outlined in Attachment A.

Recommendation:

Staff is recommending FY 2017-18 General Fund expenditure adjustments in the amount of \$2,000 as follows:

	FY 2017-18 Budget	Proposed Revisions	FY 2017-18 Updated Budget
City Council	111,248	2,000	113,248
Total Adjustments	111,248	2,000	113,248

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 to fund Public Safety programs as their highest funding priority. Measure S 2006 revenue collections were 31% of projections at the end of the first quarter, while expenditures are at 29% of appropriations. Staff is recommending a budget adjustment for a reimbursement received from Contra Costa County for Battalion Chief services.

Recommendation:

Staff is recommending FY 2017-18 Measure S 2006 revenue adjustments in the amount of \$6,500 as follows:

	FY 2017-18 Budget	Proposed Revisions	FY 2017-18 Updated Budget
Reimbursements	0	6,500	6,500
Total Adjustments	0	6,500	6,500

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 and ongoing and previously deferred capital improvement needs. Measure S 2014 revenue collections are 18% of projections at the end of the first quarter, while expenditures are 8% of appropriations. This level of expenditure is primarily due to capital projects that have not been initiated as of yet. While revenue receipts for Measure S 2014 should mirror that of Measure S 2006, some businesses are still being identified by our consultant, HdL, that may not have implemented the second use tax. Staff is recommending expenditure adjustments for one-time uses from fund balance resulting from prior year appropriation savings for the following: Information Systems appropriation of \$25,000 for Finance Department software implementation budgeted in FY 2016-17 that continued into FY 2017-18; and Fire Department appropriation of \$97,500 for communication devices and computer monitors (\$15,000), Fire Academy for two (2) new Firefighter/Paramedics (\$20,000), self-contained breathing apparatus (SCBA) compressor (\$45,000), and overtime for training (\$17,500).

Recommendation:

Staff is recommending FY 2017-18 Measure S 2014 expenditure adjustments in the amount of \$122,500 as follows:

	FY 2017-18 Budget	Proposed Revisions	FY 2017-18 Updated Budget
Information Systems	95,000	25,000	120,000
Fire Department	262,260	97,500	359,760
Total Adjustments	357,260	122,500	479,760

Again, these expenditures are proposed to be paid from the fund balance, as the FY 2016-17 surplus exceeded this value and has already been credited to the fund balance at prior fiscal year end.

Pinole Cable TV

As of September 30, 2017, revenues of 6% have been realized for the first quarter of the fiscal year. This is partial 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. One city/agency elected not to continue its services with the City which will result in a negative financial impact to the revenues of \$43,000 or 19% of the overall projected revenues. Staff is seeking other revenue opportunities.

Expenditures continue to stay on track with 25% of expended as of September 30, 2017.

Recommendation:

Staff is continuing to evaluate the impact of the loss of revenues to PCTV with any adjustments to revenues and expenditures occurring at mid-year.

Recreation Department

Overall, the Recreation Department has realized 22% of projected revenues and 19% of projections at the end of the first quarter. Upon a closer evaluation of each Program, the Youth Center has realized 11% of projected revenues and 21% of projected expenditures. The decrease in revenues is directly tied to less students registering for our after school program, which is attributed to the elimination of transportation from Schools to the program followed by an increase in the rates. Staff is working on a change to the Program which will include enrichment based activities which can be individually selected by students. This new program is aimed at offering more educational, cultural and enrichment opportunities for the students.

Recommendation:

Staff will continue to monitor this Program with any adjustment to revenues and expenditures occurring at the mid-year review.

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 an appropriation from fund balance for vehicle wrap, decals and lights on Police vehicles.

Recommendation:

Staff is recommending FY 2017-18 Asset Seizure Fund expenditure appropriations in the amount of \$4,018 as follows:

	FY 2017-18 Budget	Proposed Revisions	FY 2017-18 Updated Budget
Police Department	0	4,018	4,018
Total Adjustments	0	4,018	4,018

Sewer Enterprise Fund 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. The revenue budget was increased in FY 2016-17 based on the sewer model projection without taking into account historical actuals. Staff is proposing a budget reduction of \$971,914, in addition to a reduction in depreciation expense of \$290,000 to account for the Pinole only share of depreciation.

Recommendation:

Staff is recommending revenue adjustments of -\$971,814 to align with actual receipts as follows:

	FY 2017-18 Budget	Proposed Revisions	FY 2017-18 Updated Budget
Sewer Enterprise Charges	7,214,424	-971,814	6,242,610
Total Adjustments	7,214,424	-971,814	6,242,610

Staff is recommending expenditure adjustments of -\$290,000 for depreciation expense as follows:

	FY 2017-18 Budget	Proposed Revisions	FY 2017-18 Updated Budget
Sewer	5,835,948	-290,000	5,545,948
Total Adjustments	5,835,948	-290,000	5,545,948

FISCAL IMPACT

Fiscal impact of the First Quarter FY 2017-18 Financial Report proposed adjustments are summarized below and described in detail above and in Attachment A.

1. Net increase in General Fund revenue of \$4,250 offset by a net increase in expenditures of \$2,000.
2. Net increase in Measure S 2006 revenue of \$6,500.
3. Net increase in Measure S 2014 expenditures of \$122,500.
4. Net increase in Asset Seizure Fund expenditures of \$4,018.
5. Net decrease in Sewer Enterprise Fund revenue of -\$971,814 offset by a net decrease in expenditures of -\$290,000.

ATTACHMENTS

Attachment A – FY 2017-18 First Quarter Financial Report

Attachment B – Resolution Adjusting Fiscal Year 2017-18 Budget

Attachment C – PowerPoint Presentation



City of Pinole, CA

First Quarter Budget Report

For FY 2017-18 Period Ending: 09/30/2017

	Original Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used	Proposed Adjustment	Notes
Fund: 100 - General Fund						
Revenue						
311 - Property Taxes	3,140,193	691,006	(2,449,187)	22%		
312 - Sales and Use Taxes	3,638,966	993,103	(2,645,863)	27%		
313 - Utility Users Tax	1,912,350	494,021	(1,418,329)	26%		
314 - Franchise Taxes	712,350	125,115	587,235	18%		
315 - Other Taxes	780,000	127,775	(652,225)	16%		
321 - Intergovernmental Taxes	1,539,950	-	(1,539,950)	0%		
322 - Federal Grants	6,545	-	(6,545)	0%		
323 - State Grants	66,600	-	(66,600)	0%		
324 - Other Grants	49,437	-	(49,437)	0%		
332 - Permits	53,500	8,365	(45,135)	16%		
341 - Review Fees	20,000	3,988	(16,012)	20%		
342 - Other Fees	2,000	1,229	(772)	61%		
343 - Abatement Fees	2,000	576	(1,424)	29%		
351 - Fines and Forfeiture	54,050	4,781	(49,269)	9%		
361 - Public Safety Charges	1,344,283	-	(1,344,283)	0%		
370 - Interest and Investment Income	55,000	13,761	(41,239)	25%		
381 - Rental Income	81,450	27,150	(54,300)	33%		
383 - Reimbursements	2,000	3,282	1,282	164%	1,500	[1]
384 - Other Revenue	10,000	11,630	1,630	116%	2,000	[2]
392 - Proceeds from Sale of Property	10,000	10,555	555	106%	750	[3]
Revenue Total:	13,480,674	2,516,337	(9,789,866)	19%	4,250	
399 - Transfers In	200,000	-	(200,000)	-100%	-	[4]
Sources Total:	13,680,674	2,516,337	(9,989,866)	18%	4,250	
Expense						
Administration						
Department: 10 - City Council Total:	111,248	32,654	78,594	29%	2,000	[5]
Department: 11 - City Manager Total:	110,668	74,208	36,460	67%		[6]
Department: 12 - City Clerk Total:	203,016	66,546	136,470	33%		[6]
Department: 13 - City Treasurer Total:	8,444	5,965	2,479	71%		[6]
Department: 14 - City Attorney Total:	215,775	(39,522)	255,297	-18%		[6]
Department: 15 - Finance Department Total:	399,312	135,533	263,780	34%		[6]
Department: 16 - Human Resources Total:	310,609	94,406	216,203	30%		[6]
Department: 17 - Non-Departmental Total:	2,299,003	1,652,384	646,619	72%		[7]
Administration Total:	3,658,075	2,022,173	1,635,902	55%	2,000	
Public Safety						
Department: 22 - Police Department Total:	5,575,820	1,324,672	4,251,148	24%		
Department: 23 - Fire Department Total:	2,480,845	483,511	1,997,334	19%		
Public Safety Total:	8,056,665	1,808,183	6,248,482	22%	-	
Public Works						
Department: 34 - Public Works Total:	862,101	434,273	427,828	50%		[6]
Public Works Total:	862,101	434,273	427,828	50%	-	
Community Development						
Department: 46 - Community Development Total:	67,467	-	67,467	0%		[8]
Community Development Total:	67,467	-	67,467	0%	-	
Expense Total:	12,644,308	4,264,629	8,379,679	34%	2,000	
Fund: 100 - General Fund Surplus (Deficit):	836,366	(1,748,292)	(18,169,546)	-209%		

NOTES:

- [1] Add budget for prior year duplicate payment reimbursement.
 [2] Add budget for reimbursement received for police staffs attendance at training.
 [3] Add budget for sale of surplus 1998 fire engine and other miscellaneous property.
 [4] General Reserve allocation. Not for operations.
 [5] Add budget to host Mayor's Conference.
 [6] Benefits are hitting an expense account instead of a liability account during payroll duplicating actuals. Corrected in system and journal entry to correct will be made to quarter 1.
 [7] PERS prepayment processed for the year.
 [8] Labor allocations for the first quarter are in progress.

	Original Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used	Proposed Adjustment	Notes
Fund: 105 - Measure S -2006						
Revenue						
312 - Sales and Use Taxes	1,919,000	586,179	(1,332,821)	31%		
370 - Interest and Investment Income	1,000	-	(1,000)	0%		
383 - Reimbursements	-	6,478	6,478	-100%	6,500	[1]
Revenue Total:	1,920,000	592,657	(1,327,343)	31%	6,500	
Expense						
Public Safety						
Department: 22 - Police Department Total:	1,365,312	433,672	931,640	32%		
Department: 23 - Fire Department Total:	654,949	145,101	509,848	22%		
Public Safety Total:	2,020,261	578,773	1,441,488	29%	-	
Expense Total:	2,020,261	578,773	1,441,488	29%	-	
Fund: 105 - Measure S -2006 Surplus (Deficit):	(100,261)	13,884	114,145	-14%		
Fund: 106 - MEASURE S-2014						
Revenue						
312 - Sales and Use Taxes	1,919,000	344,545	(1,574,455)	18%		
370 - Interest and Investment Income	1,000	-	(1,000)	0%		
Revenue Total:	1,920,000	344,545	(1,575,455)	18%	-	
Expense						
Administration						
Department: 14 - City Attorney Total:	45,000	-	45,000	0%		
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:	95,000	78,647	16,353	83%	25,000	[2]
Administration Total:	1,045,000	78,647	966,353	8%	25,000	
Public Safety						
Department: 22 - Police Department Total:	129,554	14,108	115,446	11%		
Department: 23 - Fire Department Total:	262,260	14,637	247,623	6%	97,500	[3]
Public Safety Total:	391,814	28,745	363,069	7%	97,500	
Public Works						
Department: 34 - Public Works Total:	404,412	20,000	384,412	5%		
Public Works Total:	404,412	20,000	384,412	5%	-	
Recreation						
Department: 55 - Recreation Total:	7,000	1,961	5,039	28%		
Recreation Total:	7,000	1,961	5,039	28%	-	
Expense Total:	1,848,226	129,353	1,718,873	7%	122,500	
Fund: 106 - MEASURE S-2014 Surplus (Deficit):	71,774	215,192	143,418	300%		
Fund: 200 - Gas Tax Fund						
Revenue						
321 - Intergovernmental Taxes	528,732	109,321	(419,411)	21%		
Revenue Total:	528,732	109,321	(419,411)	21%	-	
Expense						
Department: 34 - Public Works Total:	462,791	46,697	416,094	10%		
Expense Total:	462,791.0	46,697.2	416,093.8	10%	-	
Fund: 200 - Gas Tax Fund Surplus (Deficit):	65,941	62,624	(3,317)	95%		

NOTES:

[1] Reimbursement from CCC for Battalion Chief services.

[2] Additional one-time expenses associated with financial software carried forward from prior year allocation. Financial software hosted service billed for the year.

[3] Request to allocate for one-time expenditures from prior year salary savings: \$15,000 for communications/IT monitors; \$20,000 for fire academy; \$45,000 for compressor; and \$17,500 for training OT.

	Original Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used	Proposed Adjustment	Notes
Fund: 201 - Restricted Real Estate Maintenance Fund						
Revenue						
342 - Other Fees	3,175	450	(3,175)	14%		
381 - Rental Income	34,000	-	(33,550)	0%		
Revenue Total:	37,175	450	(36,725)	1%	-	
Expense						
Department: 34 - Public Works Total:	47,500	10,024	37,476	21%		
Expense Total:	47,500	10,024	37,476	21%	-	
Restricted Real Estate Maintenance Fund Surplus (Deficit):	(10,325)	(9,574)	751	93%		
Fund: 203 - Public Safety Augmentation Fund						
Revenue						
321 - Intergovernmental Taxes	155,000	13,476	(141,524)	9%		
Revenue Total:	155,000	13,476	(141,524)	9%	-	
Expense						
Department: 22 - Police Department Total:	150,857	-	150,857	0%		
Expense Total:	150,857	-	150,857	0%	-	
Public Safety Augmentation Fund Surplus (Deficit):	4,143	13,476	9,333	325%		
Fund: 204 - Police Grants						
Revenue						
324 - Other Grants	320,000	-	(320,000)	0%		
Revenue Total:	320,000	-	(320,000)	0%	-	
Expense						
Department: 22 - Police Department Total:	291,941	74,524	217,417	26%		
Expense Total:	291,941	74,524	217,417	26%	-	
Fund: 204 - Police Grants Surplus (Deficit):	28,059	(74,524)	(102,583)	-266%		
Fund: 205 - Traffic Safety Fund						
Revenue						
351 - Fines and Forfeiture	57,750	2,260	(55,490)	4%		
Revenue Total:	57,750	2,260	(55,490)	4%	-	
Expense						
Department: 22 - Police Department Total:	26,284	1,634	24,650	6%		
Expense Total:	26,284	1,634	24,650	6%	-	
Fund: 205 - Traffic Safety Fund Surplus (Deficit):	31,466	626	(30,840)	2%		
Fund: 206 - Supplemental Law Enforcement Svc Fund						
Revenue						
323 - State Grants	100,000	11,522	(88,478)	12%		
Revenue Total:	100,000	11,522	(88,478)	12%	-	
Expense						
Department: 22 - Police Department Total:	96,657	-	96,657	0%		
Expense Total:	96,657	-	96,657	0%	-	
Supplemental Law Enforcement Svc Fund Surplus (Deficit):	3,343	11,522	8,179	345%		
Fund: 207 - NPDES Storm Water Fund						
Revenue						
321 - Intergovernmental Taxes	315,768	-	(315,768)	0%		
Revenue Total:	315,768	-	(315,768)	0%	-	
Expense						
Department: 34 - Public Works Total:	305,420	13,038	292,382	4%		
Expense Total:	305,420	13,038	292,382	4%	-	
Fund: 207 - NPDES Storm Water Fund Surplus (Deficit):	10,348	(13,038)	(23,386)	-126%		

	Original Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used	Proposed Adjustment	Notes
Fund: 209 - Recreation Fund						
Revenue						
Department: 55 - Recreation						
Division: 551 - Recreation Administration	27,500	7,352	(20,148)	27%		
Division: 552 - Senior Center	397,200	86,705	(310,495)	22%		
Division: 553 - Tiny Tots	195,568	34,310	(161,259)	18%		
Division: 554 - Youth Center	130,975	14,016	(116,959)	11%		
Division: 555 - Day Camp	66,684	25,254	(41,430)	38%		
Division: 556 - Performing Arts	44,720	20,454	(24,266)	46%		
Division: 557 - Swim Center	52,500	18,376	(34,124)	35%		
Division: 558 - Memorial Hall	5,600	-	(5,600)	0%		
Division: 559 - Tennis	1,500	30	(1,470)	2%		
Revenue Total:	922,247	206,747	(715,500)	22%	-	
Expense						
Department: 55 - Recreation						
Division: 551 - Recreation Administration	186,226	19,098	167,128	10%		
Division: 552 - Senior Center	465,271	93,583	371,688	20%		
Division: 553 - Tiny Tots	107,494	23,362	84,132	22%		
Division: 554 - Youth Center	180,642	38,252	142,390	21%		
Division: 555 - Day Camp	48,679	4,112	44,567	8%		
Division: 556 - Performing Arts	40,007	12,282	27,725	31%		
Division: 557 - Swim Center	36,803	11,715	25,088	32%		
Division: 558 - Memorial Hall	4,838	444	4,395	9%		
Division: 559 - Tennis	3,495	562	2,933	16%		
Expense Total:	1,073,455	203,410	870,045	19%	-	
Fund: 209 - Recreation Fund Surplus (Deficit):	(151,208)	3,336	(1,585,545)	-2%		
Fund: 212 - Building & Planning						
Revenue						
315 - Other Taxes	1,800	138	(1,662)	8%		
332 - Permits	663,000	171,755	(491,245)	26%		
341 - Review Fees	105,000	35,598	(69,403)	34%		
342 - Other Fees	54,050	14,819	(39,231)	27%		
343 - Abatement Fees	500	-	(500)	0%		
384 - Other Revenue	6,000	766	(5,234)	13%		
Revenue Total:	830,350	223,075	(607,275)	27%	-	
Expense						
Department: 46 - Community Development Total:	1,144,067	122,742	1,021,325	11%		
Expense Total:	1,144,067	122,742	1,021,325	11%	-	
Fund: 212 - Building & Planning Surplus (Deficit):	(313,717)	100,333	414,050	-32%		
Fund: 213 - Refuse Management Fund						
Revenue						
323 - State Grants	60,060	5,159	(54,901)	9%		
Revenue Total:	60,060	5,159	(54,901)	9%	-	
Expense						
Department: 34 - Public Works Total:	113,522	1,456	112,067	1%		
Expense Total:	113,522	1,456	112,067	1%	-	
Fund: 213 - Refuse Management Fund Surplus (Deficit):	(53,462)	3,703	57,165	-7%		
Fund: 215 - Measure C and J Fund						
Revenue						
324 - Other Grants	303,590	-	(303,590)	0%		
Revenue Total:	303,590	-	(303,590)	0%	-	
Expense						
Department: 17 - Non-Departmental Total:	42,772	-	42,772	0%		
Department: 34 - Public Works Total:	141,753	720	141,033	1%		
Expense Total:	184,525	720	183,805	0%	-	
Fund: 215 - Measure C and J Fund Surplus (Deficit):	119,065	(720)	(119,785)	-1%		

	Original Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used	Proposed Adjustment	Notes
Fund: 225 - Asset Seizure-Adjudicated Fund						
Expense						
Department: 22 - Police Department Total:	-	4,018	(4,018)	-100%	4,018	[1]
Expense Total:	-	4,018	(4,018)	-100%	4,018	
Fund: 285 - Housing Land Held for Resale						
Revenue						
370 - Interest and Investment Income	75,000	28,177	(46,823)	38%		
381 - Rental Income	72,253	18,063	(54,190)	25%		
384 - Other Revenue	35,000	5,500	(29,500)	16%		
393 - Loan/Bond Proceeds	81,000	-	(81,000)	0%		
Revenue Total:	263,253	51,740	(211,513)	20%	-	
Expense						
Department: 46 - Community Development Total:	189,996	30,490	159,506	16%		
Expense Total:	189,996	30,490	159,506	16%	-	
Fund: 285 - Housing Land Held for Resale Surplus (Deficit):	73,257	21,250	(52,007)	29%		
Fund: 310 - Lighting & Landscape Districts						
Revenue						
321 - Intergovernmental Taxes	33,870	-	(33,870)	0%		
399 - Transfers In	5,000	-	(5,000)	0%		
Revenue Total:	38,870	-	(38,870)	0%	-	
Expense						
Department: 34 - Public Works Total:	46,637	5,828	40,809	12%		
Expense Total:	46,637	5,828	40,809	12%	-	
Fund: 310 - Lighting & Landscape Districts Surplus (Deficit):	(7,767)	(5,828)	1,939	75%		
Fund: 317 - Pinole Valley Caretaker Fund						
Revenue						
381 - Rental Income	15,000	3,750	(11,250)	25%		
Revenue Total:	15,000	3,750	(11,250)	25%	-	
Expense						
Department: 34 - Public Works Total:	14,749	4,370	10,379	30%		
Expense Total:	14,749	4,370	10,379	30%	-	
Fund: 317 - Pinole Valley Caretaker Fund Surplus (Deficit):	251	(620)	(871)	-247%		
Fund: 500 - Sewer Enterprise Fund						
Revenue						
363 - Sewer Enterprise Charges	7,214,424	5,610	(7,208,814)	0%	(971,814)	[2]
Revenue Total:	7,214,424	5,610	(7,208,814)	0%	(971,814)	
Expense						
Department: 64 - Sewer Total:	5,835,948	662,549	5,173,399	11%	(290,000)	
Expense Total:	5,835,948	662,549	5,173,399	11%	(290,000)	[3]
Fund: 500 - Sewer Enterprise Fund Surplus (Deficit):	1,378,476	(656,939)	(2,035,415)	-48%		
Fund: 503 - Plant Expansion Fund						
Revenue						
370 - Interest and Investment Income	-	2,541	2,541	-100%		
383 - Reimbursements	18,277,900	5,125	(18,272,775)	0%		
Revenue Total:	18,277,900	7,665	(18,270,235)	0%	-	
Expense						
Department: 64 - Sewer Total:	18,277,900	1,785	18,276,115	0%		
Expense Total:	18,277,900	1,785	18,276,115	0%	-	
Fund: 503 - Plant Expansion Fund Surplus (Deficit):	-	5,880	5,880	-100%		

NOTES:

[1] Appropriate fund balance used to apply wrap, decals, and lights to police vehicles.

[2] Reduce budget to align with historical actuals. Sewer usage fees received with property taxes in December, April and June. Hercules billing in progress.

[3] Depreciation expense overstated.

	Original Total Budget	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used	Proposed Adjustment	Notes
Fund: 505 - Cable Access TV						
Revenue						
314 - Franchise Taxes	50,000	10,026	39,974	20%		
365 - Cable TV Charges	182,585	14,650	(167,935)	8%		
384 - Other Revenue	6,000	30	(5,970)	1%		
399 - Transfers In	165,566	-	(165,566)	0%		
Revenue Total:	404,151	24,706	(299,496)	6%	-	
Expense						
Department: 19 - Cable Access TV Total:	399,091	100,267	298,824	25%		
Expense Total:	399,091	100,267	298,824	25%	-	
Fund: 505 - Cable Access TV Surplus (Deficit):	5,060	(75,561)	(598,320)	-1493%		

RESOLUTION NO. 2017-xx

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

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

WHEREAS, the City Manager has presented proposed recommendations for modification of the adopted budget and programs of service for the City of Pinole Operations for fiscal year 2017-18 as part of a 1st Quarter Financial Report at the regular City Council Meeting held on November 21, 2017; 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 modifications to the FY 2017-18 Operations Budget.

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

Modifications to the budget 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 21st day of November 2017, 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 21st day of **November, 2017**.

Rosa G. Acosta
City Clerk

Exhibit 1

FY 2017-18 Budget Adjustments

General Fund - 100

Revenue	\$4,250
Expenditures	\$2,000

Measure S 2006 Fund - 105

Revenue	\$6,500
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Measure S 2014 Fund - 106

Expenditures	\$122,500
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Asset Seizure Fund - 225

Expenditures	\$4,018
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Sewer Enterprise Fund - 500

Revenue	-\$971,914
Expenditures	-\$290,000

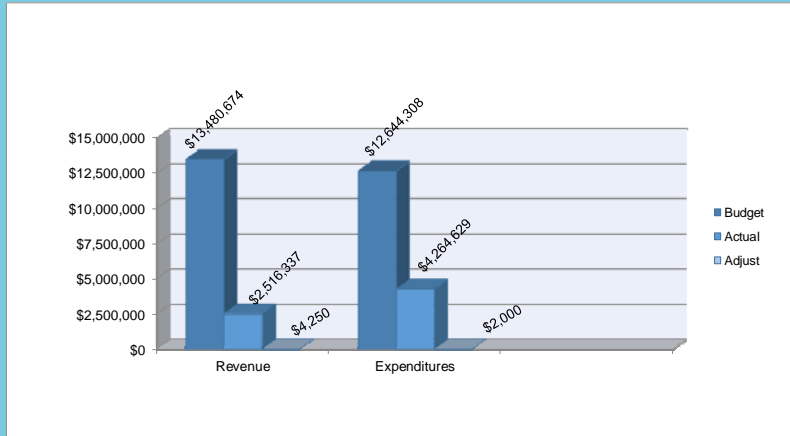


FY 2017-18 FIRST QUARTER FINANCIAL REPORT AND BUDGET ADJUSTMENTS

Highlights:

- ▶ Adopted FY 2017-18 budget projects
General Fund surplus of \$836,366
- ▶ Revenue and expenditures should
average 25% for the period
- ▶ General Fund revenues realized - 19% of
projections
- ▶ General Fund expenditures realized - 34%
of projections

General Fund Overview



General Fund Revenue Budget-to-Actual

	Adopted Budget	1 st Qtr Actual	Budget Adjust	Updated Budget
Property Tax	3,140,193	691,006	0	3,140,193
Sales Tax	3,638,966	993,103	0	3,638,966
Utility Users Tax	1,912,350	494,021	0	1,912,350
Other Taxes	3,032,300	252,890	0	3,032,300
Other Revenue	1,756,865	85,317	4,250	797,263
Total Revenue	13,480,674	2,516,337	4,250	13,659,668

General Fund Expenditures by Function Budget-to-Actual

	Adopted Budget	1 st Qtr Actual	Budget Adjust	Updated Budget
Administration	2,774,209	2,022,173	2,000	2,776,209
Public Safety	8,056,665	1,808,183	0	8,056,665
Public Works	862,101	434,273	0	862,101
Comm. Dev.	67,767	0	0	67,767
Debt/Transfers	883,866	0	0	883,866
Total Expenditures	12,644,308	4,264,629	2,000	12,646,308

Measure S 2006 Budget-to-Actual

	Adopted Budget	1 st Qtr Actual	Budget Adjust	Updated Budget
Sales Tax	1,919,000	586,179	0	1,919,000
Other Revenue	1,000	6,478	6,500	7,500
Total Revenue	1,920,000	592,657	6,500	1,926,500
Police Dept	1,365,312	433,672	0	1,365,312
Fire Dept	654,949	145,101	0	654,949
Total Expenditures	2,020,261	578,773	0	2,020,261

Measure S 2014 Revenue Budget-to-Actual

	Adopted Budget	1 st Qtr Actual	Budget Adjust	Updated Budget
Sales Tax	1,919,000	344,545	0	1,919,000
Other Revenue	1,000	0	0	7,478
Total Revenue	1,920,000	344,545	0	1,920,000

Measure S 2014 Expenditures Budget-to-Actual

	Adopted Budget	1 st Qtr Actual	Budget Adjust	Updated Budget
Administration	270,000	78,647	25,000*	295,000
Public Safety	391,814	28,745	97,500*	489,314
Public Works	404,412	20,000	0	404,412
Recreation	7,000	1,961	0	7,000
Transfers Out	775,000	0	0	775,000
Total Expenditures	1,848,226	129,353	122,500	1,970,726

* Funding will come from Measure S 2014 Fund Balance

Asset Seizure Fund Budget-to-Actual

	Adopted Budget	1 st Qtr Actual	Budget Adjust	Updated Budget
Police Dept	0	4,018	4,018	4,018
Total Revenue	0	4,018	4,018	4,018

Sewer Enterprise Fund Budget-to-Actual

	Adopted Budget	1 st Qtr Actual	Budget Adjust	Updated Budget
Revenue:				
Sewer Enterprise	7,214,424	5,610	-971,814	6,242,610
Total Revenue	7,214,424	5,610	-971,814	6,242,610
Expenditures:				
Sewer	5,835,948	662,549	-290,000	5,545,948
Total Expenditures	5,835,948	662,549	-290,000	5,545,948

FY 2017-18 1st Quarter Budget Adjustments

General Fund - 100

Revenue	\$4,250
Expenditures	\$2,000

Measure S 2006 Fund - 105

Revenue	\$6,500
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Measure S 2014 Fund - 106

Expenditures	\$122,500
--------------	-----------

Asset Seizure Fund - 225

Expenditures	\$4,018
--------------	---------

Sewer Enterprise Fund - 500

Revenue	-\$971,914
Expenditures	-\$290,000

Questions and Comments?