

## Legislation Text

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**File #:** #18-258, **Version:** 1

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**PREPARED BY:** J. KELLY SESSIONS

**DATE OF MEETING:** 08/06/18

**SUBJECT:**

RECEIVE AND FILE THE 4TH QUARTER BUDGET REPORT FOR FISCAL YEAR ENDING JUNE 30, 2018

**RECOMMENDATION**

For Informational Purposes Only

**COUNCIL PRIORITY WORKPLAN COMPLIANCE STATEMENT:**

*General Fund Reserves Protection, Budget Spending Controls, and Increase Financial Transparency* are adopted policy items under the FY 2018-21 Council Priority Workplan, effective November 1, 2017.

**CEQA Compliance Statement**

This is not a project as defined by CEQA.

**BACKGROUND**

Best Management Practices (BMP's) established by the Government Finance Officers Association (GFOA) urge local governments to fulfill their financial reporting responsibilities by providing timely financial statements regarding the entire financial reporting entity. This 4<sup>th</sup> quarter budget report, therefore, is provided to the City Council to support meeting the City's fiduciary responsibilities to the residents of San Pablo.

This report uses unaudited figures and is for budgetary control purposes only. The final year-end audited fund balance will be contained in the Comprehensive Annual Financial Report (CAFR) and will be presented to City Council no later than January 2019.

**4<sup>th</sup> Quarter Revenues**

At \$43.5 million, revenues collected are 110% of budget, resulting in the addition of \$4.0 million. The excess is primarily due to additional casino revenue of \$2.7 million, property tax of \$0.8 million, charges for service of \$0.7 million and miscellaneous revenues of \$0.7 million. This overage is offset by shortages in intergovernmental revenue of \$0.5 million and sales tax of \$0.7 million. However, because of the lag in collection of sales tax, staff expects that the entire sales tax shortfall will be made up in subsequent payments from the State.

Description	Adopted	Adjustments	Adjusted	YTD Actual	Variance	% Over (Under)
Casino Revenue	(22,940,000)	-	(22,940,000)	(25,666,813)	2,726,813	12%
Charges for Services	(998,774)	-	(998,774)	(1,683,840)	685,066	69%
Intergovernmental	(3,881,906)	-	(3,881,906)	(3,428,969)	(452,937)	-12%
Miscellaneous Revenue	(1,210,800)	170,921	(1,381,721)	(2,128,523)	746,802	54%
Other Taxes	(1,345,000)	-	(1,345,000)	(1,261,099)	(83,901)	-6%
Property Taxes	(1,478,000)	-	(1,478,000)	(2,295,009)	817,009	55%
Sales Tax	(4,158,078)	-	(4,158,078)	(3,487,998)	(670,080)	-16%
Use of Property and Money	(877,000)	-	(877,000)	(1,119,628)	242,628	28%
Utility Users Tax	(2,367,000)	-	(2,367,000)	(2,390,349)	23,349	1%
<b>Total Revenues</b>	<b>(39,256,558)</b>	<b>170,921</b>	<b>(39,427,479)</b>	<b>(43,462,229)</b>	<b>4,034,750</b>	<b>10%</b>

#### 4<sup>th</sup> Quarter Expenditures

At fiscal year-end, the operating expenditure budget is in good shape. With an adjusted budget of \$41.1 million, a total of \$36.9 million was spent, leaving 10% of the budget unspent. When accounting for the \$2.2 million in encumbered funds, \$2.0 million is left available, or 5% of budget. The City ended the fiscal year under budget on the expenditure side and should return at least \$2.0 million to fund balance.

Department	Adopted	Adjustments	YTD Adjusted	YTD Actual	Variance	Encumbered	Available	% Available
<b>Administrative Services</b>	<b>6,400,999</b>	<b>7,164</b>	<b>6,408,163</b>	<b>4,869,714</b>	<b>1,538,449</b>	<b>185,146</b>	<b>1,353,303</b>	<b>21%</b>
Capital Outlay	55,000	129	55,129	55,984	(855)	727	(1,581)	-3%
Salary and Benefits	3,242,547	0	3,242,547	3,022,658	219,889	0	219,889	7%
Service and Supplies	3,103,452	7,035	3,110,487	1,791,072	1,319,414	184,419	1,134,995	36%
<b>City Attorney</b>	<b>481,861</b>	<b>0</b>	<b>481,861</b>	<b>426,202</b>	<b>55,659</b>	<b>46,202</b>	<b>9,457</b>	<b>2%</b>
Salary and Benefits	409,261	(25,000)	384,261	381,864	2,397	0	2,397	1%
Service and Supplies	72,600	25,000	97,600	44,338	53,262	46,202	7,060	7%
<b>City Council</b>	<b>2,846,994</b>	<b>670,593</b>	<b>3,517,587</b>	<b>3,281,974</b>	<b>235,613</b>	<b>25,584</b>	<b>210,029</b>	<b>6%</b>
Salary and Benefits	129,712	0	129,712	144,698	(14,986)	0	(14,986)	-12%
Service and Supplies	2,717,282	670,593	3,387,875	3,137,276	250,599	25,584	225,015	7%
<b>City Manager</b>	<b>2,235,313</b>	<b>182,737</b>	<b>2,418,050</b>	<b>2,048,456</b>	<b>369,595</b>	<b>197,216</b>	<b>172,379</b>	<b>7%</b>
Salary and Benefits	1,250,506	(24,700)	1,225,806	1,234,671	(8,865)	0	(8,865)	-1%
Service and Supplies	984,807	207,437	1,192,244	813,784	378,460	197,216	181,244	15%
<b>Community &amp; Econ Dev</b>	<b>1,424,713</b>	<b>58,905</b>	<b>1,483,618</b>	<b>1,505,254</b>	<b>(21,637)</b>	<b>53,504</b>	<b>(75,141)</b>	<b>-5%</b>
Salary and Benefits	983,988	(135,300)	848,688	913,140	(64,452)	0	(64,452)	-8%
Service and Supplies	440,725	194,205	634,930	592,114	42,815	53,504	(10,689)	-2%
<b>Community Services</b>	<b>3,717,052</b>	<b>81,646</b>	<b>3,798,698</b>	<b>3,341,217</b>	<b>457,481</b>	<b>142,269</b>	<b>315,212</b>	<b>8%</b>
Capital Outlay	5,780	0	5,780	0	5,780	0	5,780	100%
Salary and Benefits	2,149,964	0	2,149,964	2,004,158	145,806	0	145,806	7%
Service and Supplies	1,561,308	81,646	1,642,954	1,337,059	305,895	142,269	163,626	10%
<b>Police Department</b>	<b>15,600,806</b>	<b>62,377,485</b>	<b>17,978,291</b>	<b>17,338,495</b>	<b>639,796</b>	<b>1,248,887</b>	<b>(609,091)</b>	<b>-3%</b>
Capital Outlay	0	1,106,034	1,106,034	579,347	526,686	568,448	(41,762)	-4%
Salary and Benefits	13,317,684	(225,334)	13,092,350	13,114,614	(22,264)	0	(22,264)	0%
Service and Supplies	2,283,122	1,496,785	3,779,907	3,644,533	135,374	680,438	(545,064)	-14%
<b>Public Works</b>	<b>5,011,215</b>	<b>(13,960)</b>	<b>4,997,255</b>	<b>4,063,103</b>	<b>934,153</b>	<b>319,584</b>	<b>614,569</b>	<b>12%</b>
Capital Outlay	374,139	133,830	507,969	279,327	228,642	270,603	(41,961)	-8%
Salary and Benefits	2,665,222	(67,066)	2,598,156	2,393,673	204,483	0	204,483	8%
Service and Supplies	1,971,854	(80,723)	1,891,131	1,390,103	501,027	48,981	452,047	24%
<b>Grand Total</b>	<b>37,718,953</b>	<b>3,364,569</b>	<b>41,083,523</b>	<b>36,874,413</b>	<b>4,209,109</b>	<b>2,218,392</b>	<b>1,990,717</b>	<b>5%</b>

Expenditure Detail (YTD Adjusted Budget). *Salary & Benefits*: At \$23.7 million, salary and benefits makes up the largest part of the budget (58%). At year-end, \$23.2 million was spent, leaving 2% of the salary and benefits budget available. With \$15.7 million, service and supplies makes up 38% of the budget. \$12.8 million was spent with \$1.4 million encumbered, leaving a balance of \$1.6 million available (10%). The capital budget totals \$1.7 million or 4% of budget. A total of \$0.9 million was spent. With encumbrances of approximately \$0.8 million, the capital budget is overcommitted by \$79,525 (-5%). Staff expects this overage to be corrected through the closing of unused purchase orders and through the audit process.

Department	Adopted	Adjustm	tYTD Adjusted	TD Actual	Variance	Encumbered	Available	% Availabl
Capital Outlay	434,919	1,239,993	1,674,912	914,658	760,253	839,778	(79,525)	-5%
Salary and Benefits	24,148,884	(477,400)	23,671,484	23,209,475	462,009	0	462,009	2%
Service and Supplies	13,135,150	2,601,977	15,737,127	12,750,281	2,986,846	1,378,614	1,608,233	10%
<b>Grand Total</b>	<b>37,718,953</b>	<b>3,364,569</b>	<b>41,083,523</b>	<b>36,874,413</b>	<b>4,209,109</b>	<b>2,218,392</b>	<b>21,990,717</b>	<b>5%</b>

### **FISCAL IMPACT**

This report describes the budget status of the City through the month of June for FY 2017/18 and has no direct fiscal impact.