

Legislation Text

File #: #19-308, Version: 1

PREPARED BY: J. KELLY SESSIONS

DATE OF MEETING: 09/16/19

SUBJECT:

RECEIVE AND FILE THE FOURTH (4TH) QUARTER BUDGET REPORT FOR FISCAL YEAR ENDING JUNE 30, 2019

CITY MANAGER RECOMMENDATION

Receive and file

COMPLIANCE STATEMENTS

Enhance Community Resilience (City Council) is a Top City Council Priority item under the adopted FY 2019-21 City Council Priority Workplan, effective March 1, 2019.

CEQA Compliance Statement

This is not a project as defined by CEQA.

BACKGROUND

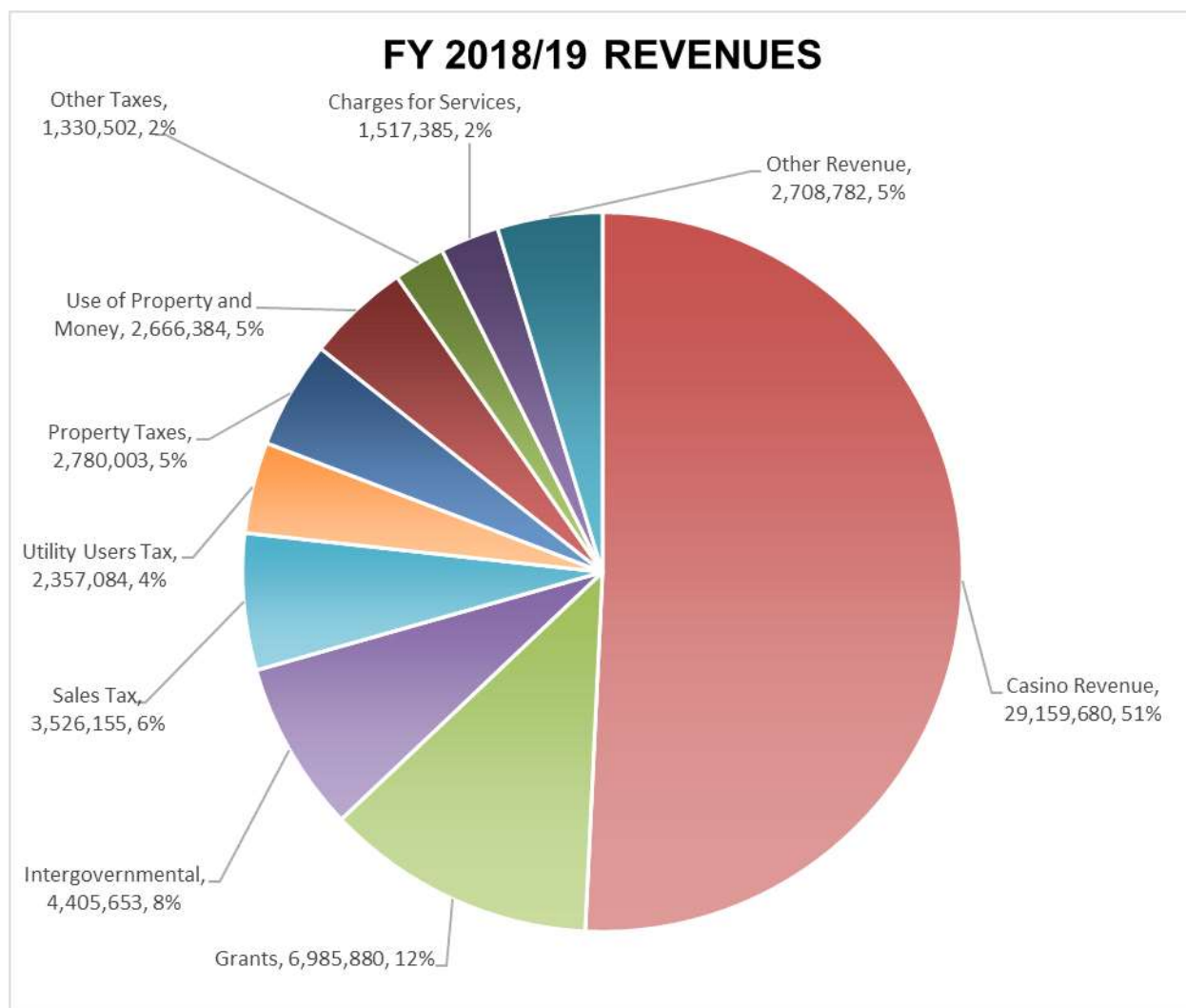
Best Management Practices (BMP's) established by the Government Finance Officers Association (GFOA) urge local governments to fulfill their financial reporting responsibilities by providing timely financial statements regarding the entire financial reporting entity. This 3rd quarter budget report, therefore, 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 for the fiscal year ending June 30, 2019. The final year-end audited fund balance will be contained in the Comprehensive Annual Financial Report (CAFR) and is generally presented to City Council in January, seven months after the end of the fiscal year.

4th Quarter Revenues

With the entire fiscal year behind us, the City is in excellent fiscal shape, having collected \$57.4 million of its \$47.6 million amended revenue budget. Casino Revenue, comprised of both Casino business tax and the Payment In-Lieu of Tax (PILOT), made up 51% of all budgeted revenues, and was the City's largest revenue source at \$29.2 million (124% collected). At \$7.0 million, Grants comprised the second largest source of revenue for the City at 12%. Intergovernmental Revenue (e.g. Gas Tax, Property Tax in Lieu of VLF, Measure C, etc.), ranked third in terms of actual revenues collected, totaling \$4.4 million or 8% of all revenues. With \$3.5 million collected of the \$3.9 million budget, sales tax, which lags behind a couple of months, is expected to end the year very close to budget. Property Tax also ended the year on a high note, with \$2.8 million collected, more than \$500,000 over last year's amount. The City's two remaining largest revenue sources, Use of Property and Money and Utility Users Tax (UUT), will both end the year over or at the budgeted amounts with \$2.7 million collected (218%) and \$2.4 million collected (100%).

4TH QUARTER REVENUES		FISCAL YEAR 2018/19		
Revenue Type	Amended Budget	YTD Actuals	Variance	% Collected
Casino Revenue	23,570,000	29,159,680	5,589,680	124%
Grants	7,405,465	6,985,880	-419,585	94%
Intergovernmental	4,246,051	4,405,653	159,602	104%
Sales Tax	3,905,058	3,526,155	-378,903	90%
Utility Users Tax	2,367,000	2,357,084	-9,916	100%
Property Taxes	1,478,000	2,780,003	1,302,003	188%
Use of Property and Money	1,220,500	2,666,384	1,445,884	218%
Other Taxes	1,345,000	1,330,502	-14,498	99%
Charges for Services	999,774	1,517,385	517,611	152%
Licenses and Permits	628,000	801,031	173,031	128%
Miscellaneous Revenue	199,800	785,215	585,415	393%
Fines and Fees	268,000	294,453	26,453	110%
Note Repayment	0	828,083	828,083	--
Total	47,632,648	57,437,507	9,804,859	121%

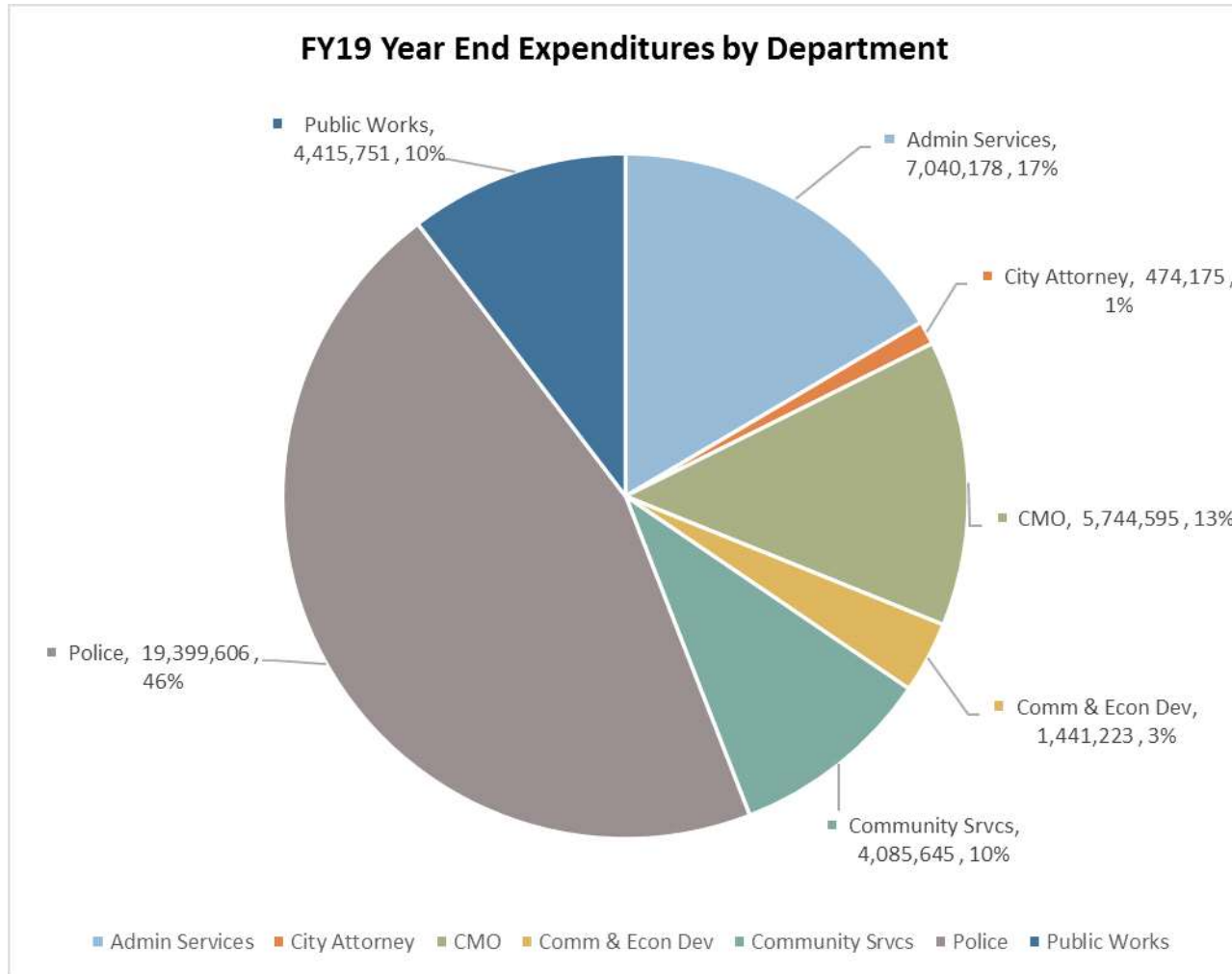


4th Quarter Expenditures

At the end of the fourth fiscal quarter, the City's operating expenditure budget finished the year under budget. With an adjusted budget of \$49.0 million, a total of \$42.6 million was spent, leaving 13% unspent. Of the unspent amount, however, an additional \$5.5 million was encumbered for future FY 2018/19 obligations, leaving approximately \$0.9 million uncommitted.

At \$19.4 million, 46% of the City's overall expenditures went to Police Department operations. Police ended the year \$474,715 over budget (-2.5%). An overage of \$446,452 occurred in the labor budget because police officer vacancies were filled much sooner than anticipated and with more-expensive lateral recruits. Additionally, a FY 2017/18 purchase of a \$225,000 Axon camera system was not processed timely and hit the FY 2018/19 budget instead. At \$7.0 million, Administrative Services comprises the next largest expenditure amount (17% of the whole), and includes \$5.3 million for Multi-Departmental from which the PERS smoothing payment was made (\$2.1 million), debt service on the 2015 and 2018 bonds for the Library and new City Hall (\$1.5 million total), City insurances with MPA (\$760,000), and utilities, gasoline, etc. The City Manager's Office expenditures total \$5.7 million (13.5% of total), and include budgets for the City Manager, City Council, and Economic Development Divisions. In the City Council budget, a large budget adjustment of \$4.5 million for Fire Station #70

remained unspent and will carry over to next fiscal year.

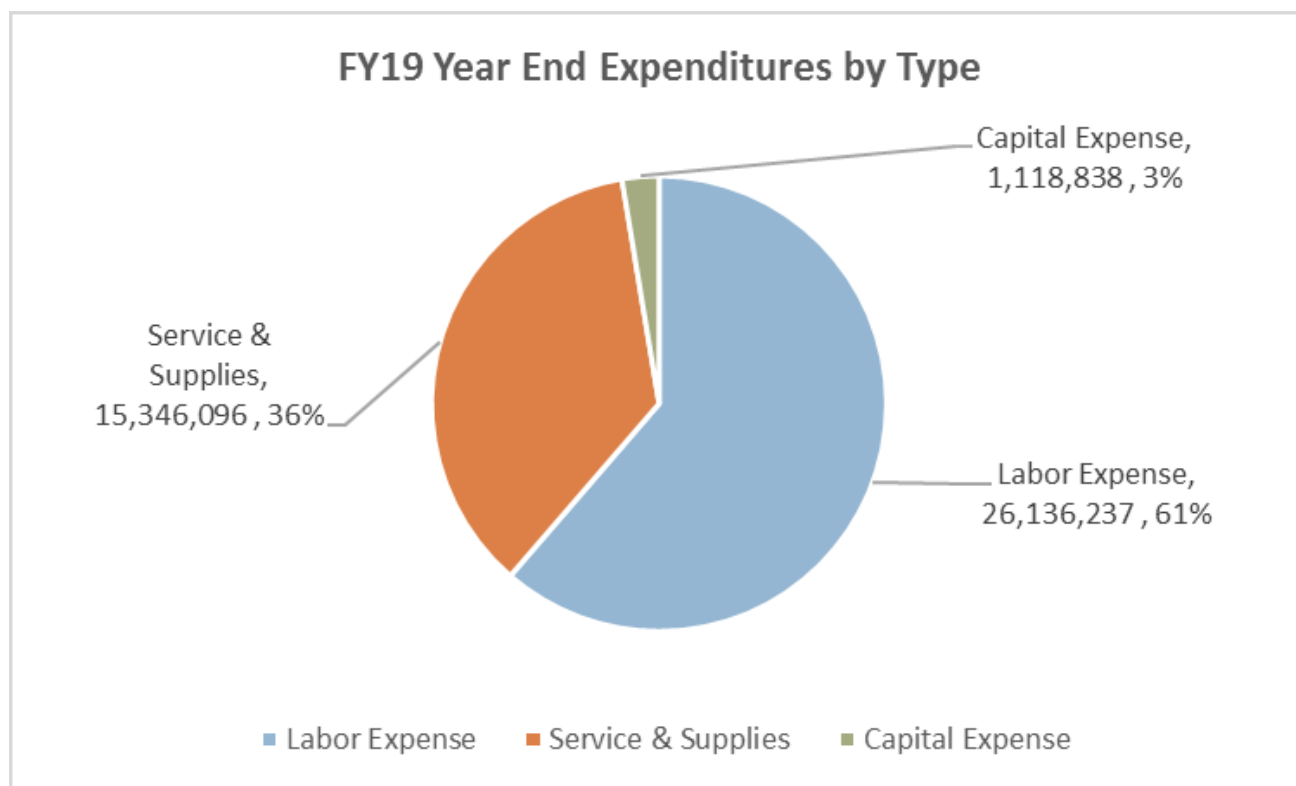


Public Works ended the year 16% under their \$5.3 million budget with surpluses ranging from 5.8% to 19.4% in each division. Community Services (CS) spent nearly all of their \$4.1 million budget and finished the year with \$14,197 left (0.3%). Discrepancies in the labor budget caused two CS divisions to go over, but that shortage was offset by extra budget in the two other divisions allowing the Department to remain under as a whole. Community & Economic Development spent \$1.4 million of their \$1.6 million budget, finishing the year 8% under budget, while the City Attorney spent \$474,175 of their \$545,559 adjusted budget, finishing the year 13% under.

4TH QUARTER EXPENDITURES			FISCAL YEAR 2018/19 BUDGET			
Departments	Adopted	Adjustments	Adjusted	YTD Actual	Variance	Var %
Admin Services	7,873,354	108,522	7,981,876	7,040,178	941,698	11.8%
Finance	1,035,250	134,940	1,170,190	975,804	194,386	16.6%
Information Technology (IT)	1,068,761	2,533	1,071,294	703,039	368,255	34.4%
Multi-Dept	5,695,843	(28,951)	5,666,892	5,289,287	377,605	6.7%
EBRCS	73,500	-	73,500	72,048	1,452	2.0%
City Attorney	494,357	51,202	545,559	474,175	71,385	13.1%
City Attorney	494,357	51,202	545,559	474,175	71,385	13.1%
CMO	5,322,353	5,322,272	10,644,625	5,744,595	4,900,030	46.0%
City Council	3,150,119	5,081,609	8,231,728	3,653,294	4,578,434	55.6%
City Manager	1,747,060	190,946	1,938,006	1,854,177	83,829	4.3%
Economic Development	425,174	49,717	474,891	237,124	237,767	50.1%
Community & Economic Developmt Dept	1,450,303	109,186	1,559,489	1,441,223	118,266	7.6%
Community & Economic Developmt	1,450,303	109,186	1,559,489	1,441,223	118,266	7.6%
Community Services	3,728,694	371,148	4,099,842	4,085,645	14,197	0.3%
YSCP	1,243,500	43,848	1,287,348	1,535,840	(248,492)	-19.3%
Recreation	1,930,997	209,312	2,140,309	1,871,512	268,797	12.6%
Senior Services	183,591	94,678	278,269	362,732	(84,463)	-30.4%
Paratransit	370,606	23,310	393,916	315,560	78,356	19.9%
Police Department	16,119,524	2,805,367	18,924,891	19,399,606	(474,715)	-2.5%
Police Operations	16,119,524	2,771,171	18,890,695	19,383,203	(492,508)	-2.6%
Supp Law Enforcemt Grants (COPS)	-	34,196	34,196	16,403	17,793	52.0%
Public Works	4,835,682	415,056	5,250,738	4,415,751	834,987	15.9%
Engineering	1,110,553	60,532	1,171,085	1,029,540	141,546	12.1%
Bldg & Fleet Maintenance	529,689	141,214	670,903	551,913	118,990	17.7%
Maintenance & Graffiti	1,169,368	93,637	1,263,005	1,045,217	217,788	17.2%
NPDES	434,178	-	434,178	408,999	25,179	5.8%
Street Lighting & Landscaping Assmt	1,591,894	119,673	1,711,567	1,380,082	331,484	19.4%
Grand Total	39,824,267	9,182,753	49,007,020	42,601,172	6,405,848	13.1%

Expenditures By Type. Labor expense comprised 61% of all expenditures and ended the year right on budget, with only \$24,746 of the \$26.2 million budget remaining (0.1%). Service and Supplies made up 36% of all expenditures with \$15.3 million spent of its \$21.4 million budget; however, approximately \$5.3 million of this \$6.1 million surplus is obligated, leaving only \$600,000 uncommitted. Capital expense is the smallest portion of the FY 2018/19 operating budget actuals with \$1.1 million in expenditures out of a \$1.4 million budget and approximately \$200,000 committed to future obligations.

4TH QUARTER EXPENDITURES			FISCAL YEAR 2018/19 BUDGET			
Expense Type	Adopted	Adjustments	Adjusted	YTD Actual	Variance	Actuals %
Labor Expense	25,230,506	930,477	26,160,983	26,136,237	24,746	61.4%
Service & Supplies	14,362,819	7,077,863	21,440,682	15,346,096	6,094,585	36.0%
Capital Expense	230,942	1,174,414	1,405,356	1,118,838	286,517	2.6%
Grand Total	39,824,267	9,182,753	49,007,020	42,601,172	6,405,848	100.0%



FISCAL IMPACT

The Fiscal Year 2018/19 budget is in good shape. Year-to-date revenue collections of \$57.4 million exceeded budgeted amounts by \$9.8 million. On the expenditure side, the City ended the year \$6.4 million under its adjusted year-end budget of \$49.0 million. However, of the unspent amount, an additional \$5.5 million was encumbered for future FY 2018/19 obligations, leaving approximately \$0.9 million uncommitted.

This report describes the unaudited budget status of the City through the end of the 2018/19 fiscal year and has no direct fiscal impact. Actual audited figures will be released in January 2020 with the publication of the 2018/19 Comprehensive Annual Financial Report (CAFR).