

# City of Camarillo

## Camarillo Sanitary District



FY 2018/19 – Mid-Year Budget Review  
Study Session  
February 13, 2019

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## Mid-Year Update

- Purpose of Mid-Year Review
- Budget vs. Actuals – Major Funds
  - General Fund
  - Capital Improvement Projects Fund
  - Solid Waste Fund
  - Transit Fund
  - Water Funds
  - Camarillo Sanitary District Funds
- Reserve Analysis
- General Fund Fiscal Forecast
- Community Service Grants

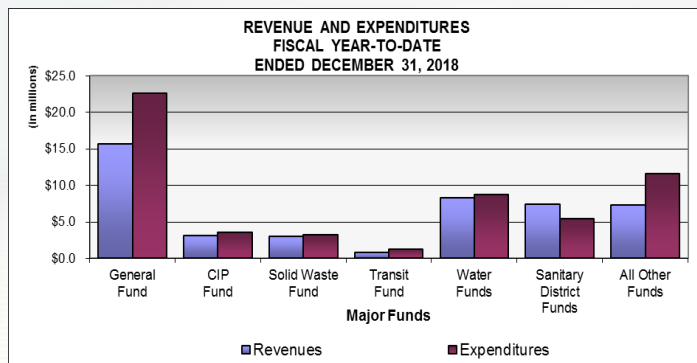
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# Purpose

- Budget is a dynamic document
  - Subject to adjustments throughout the year
    - i.e. additional appropriations as part of City Council Agenda action
  - Opportunity to evaluate activity for the first 6 months of the year and anticipated activity for the remaining Fiscal Year
  - Adjust for significant change to revenues and expenditures
  - Sets the foundation for Mid-Cycle budget

# Summary - All Funds

	Amended Budget	YTD Actuals	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Revenues	\$ 120,273,576	\$ 45,738,151	38.0%	\$ (791,198)	\$ 119,482,378
Expenditures	181,733,262	56,449,712	31.1%	1,360,435	183,093,697
Revenues Over/(Under) Expenses	(61,459,686)	(10,711,561)		(2,151,633)	(63,611,319)
Adjustments	5,459,988	2,959,517		-	5,459,988
Fund Balance/Working Capital, July 1	224,994,119	224,994,119			224,994,119
<b>Fund Balance/Working Capital, End of Period</b>	<b>\$ 168,994,421</b>	<b>\$ 217,242,075</b>		<b>\$ (2,151,633)</b>	<b>\$ 166,842,788</b>



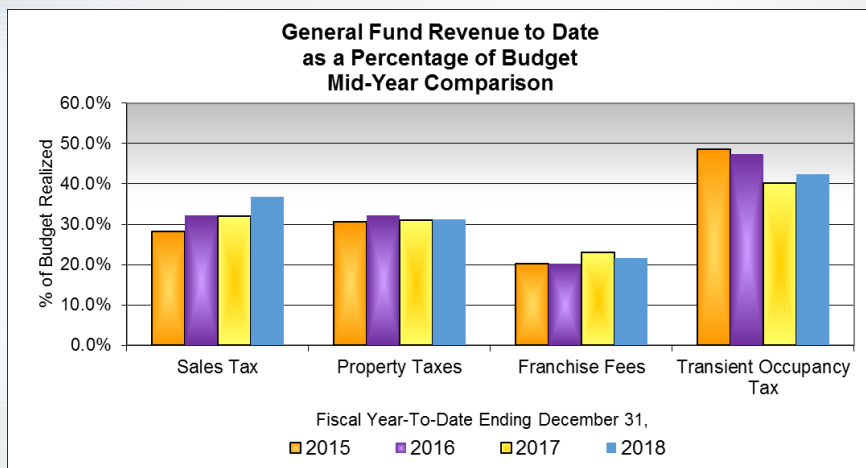
# General Fund

	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Revenues	\$40,430,548	\$40,644,540	\$15,660,952	38.5%	\$ 929,811	\$ 41,574,351
Transfers In	1,847,000	1,851,518	-	0.0%	25,237	1,876,755
Revenues & Transfers In	42,277,548	42,496,058	15,660,952	36.9%	955,048	43,451,106
Expenditures	37,629,074	43,097,814	20,847,193	48.4%	253,832	43,351,646
Transfers Out	4,151,233	4,291,633	1,777,000	41.4%	141,300	4,432,933
Expenditures & Transfers Out	41,780,307	47,389,447	22,624,193	47.7%	395,132	47,784,579
Revenues Over/(Under) Expenditures	497,241	(4,893,389)	(6,963,241)		559,916	(4,333,473)
Fund Balance, July 1	62,329,282	62,329,282	62,329,282			62,329,282
Fund Balance, End of Period	\$62,826,523	\$57,435,893	\$55,366,041		\$ 559,916	\$ 57,995,809

- **Overall Impact of Adjustments on Fund Balance**
  - Year to date budget adjustments in the General Fund resulted in an overall decrease of fund balance of \$5.4M, for a total fund balance of \$57.4M
  - Recommended Mid-Year adjustments result in an overall increase of \$559,916 in fund balance, for a total of \$58.0M

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# General Fund



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## General Fund - Revenues

Revenue Sources	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Sales Tax	\$ 14,468,287	\$ 14,468,287	\$ 5,469,804	37.8%	\$ 385,000	\$ 14,853,287
Property Tax	14,112,809	14,112,809	4,409,800	31.3%	-	14,112,809
Franchise Fees	2,640,992	2,640,992	568,941	21.5%	-	2,640,992
Transient Occupancy Tax	2,479,515	2,479,515	1,175,515	47.4%	294,811	2,774,326
Building Permits	1,600,000	1,600,000	944,235	59.0%	-	1,600,000
Business Tax	1,387,410	1,387,410	675,610	48.7%	-	1,387,410
Development Services	980,507	1,040,105	861,907	82.9%	250,000	1,290,105
Total	37,669,520	37,729,118	14,105,812	37.4%	929,811	38,658,929
Other Revenue Sources	2,761,028	2,915,422	1,555,140	53.3%	-	2,915,422
Transfers In	1,847,000	1,851,518	-	0.0%	25,237	1,876,755
<b>Total Fund Revenue</b>	<b>\$ 42,277,548</b>	<b>\$ 42,496,058</b>	<b>\$ 15,660,952</b>	<b>36.9%</b>	<b>\$ 955,048</b>	<b>\$ 43,451,106</b>

### Recommended Adjustments

- \$385,000 increase in Sales Tax – Collection of prior year allocations
- \$294,811 increase in Transient Occupancy Tax – Hotel remodeling effected occupancy and rates
- \$250,000 increase in Development Services – Planning and Zoning development activity has increased
- \$25,237 increase in Transfers In from Gas Tax Fund – use of available fund balance

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## General Fund – Expenditures

Divisions	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
City Council	\$ 745,417	\$ 754,865	\$ 329,777	43.7%	\$ -	\$ 754,865
City Clerk	649,247	649,247	288,369	44.4%	-	649,247
City Attorney	635,840	635,840	277,074	43.6%	210,000	845,840
City Manager	1,531,622	1,606,622	594,966	37.0%	10,000	1,616,622
Finance	1,458,105	1,466,223	690,861	47.1%	-	1,466,223
Human Resources	401,154	401,154	179,330	44.7%	67,000	468,154
Community Development	1,779,759	1,812,689	728,664	40.2%	(140,000)	1,672,689
Code Compliance	734,450	734,450	302,221	41.2%	-	734,450
Police	17,537,871	17,537,871	7,197,603	41.0%	-	17,537,871
DART	18,767	22,934	3,922	17.1%	-	22,934
Building & Safety	1,267,728	1,267,728	416,723	32.9%	-	1,267,728
Public Works	2,372,020	2,612,033	996,108	38.1%	30,000	2,642,033
Traffic/Signal Maintenance	1,027,440	1,048,635	474,978	45.3%	-	1,048,635
Storm Water Management	1,229,919	1,229,919	392,173	31.9%	-	1,229,919
Street Maintenance	2,222,971	2,272,046	1,045,595	46.0%	-	2,272,046
Community Support	582,123	603,167	284,103	47.1%	-	603,167
Library Operations	3,086,937	3,086,937	1,456,958	47.2%	76,832	3,163,769
Economic Development	340,204	347,954	187,772	54.0%	-	347,954
Non Departmental	7,500	5,007,500	4,999,996	99.9%	-	5,007,500
Total	37,629,074	43,097,814	20,847,193	48.4%	253,832	43,351,646
Transfers Out	4,151,233	4,291,633	1,777,000	41.4%	141,300	4,432,933
<b>Total Fund Expenditures</b>	<b>\$ 41,780,307</b>	<b>\$ 47,389,447</b>	<b>\$ 22,624,193</b>	<b>47.7%</b>	<b>\$ 395,132</b>	<b>\$ 47,784,579</b>

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## General Fund - Expenditures

### ▪ Recommended Adjustments

- \$210,000 increase to City Attorney for unanticipated legal activity
- \$10,000 increase to City Manager for costs of CVRA public outreach noticing, flyers, and materials
- \$67,000 increase to Human Resources for accumulated leave adjustments and costs related to reviewing CalPERS regulations on contracted labor
- \$140,000 decrease to Community Development for General Plan Element update moved to FY 2019/20

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## General Fund - Expenditures

### ▪ Recommended Adjustments

- \$30,000 increase to Public Works related to consultant services for minor construction projects
- \$76,832 increase to Library Operations for accumulated leave adjustments and grant-related program costs
- \$141,300 increase to Transfers Out to Transit Fund to maintain positive fund balance

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## Capital Improvement Projects Fund

	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Total Revenue and Transfers In	\$ 4,932,943	\$ 11,278,296	\$ 3,145,473	27.9%	\$ (77,943)	\$ 11,200,353
Total Expenditures and Transfers Out	5,680,000	13,066,964	3,561,716	27.3%	-	13,066,964
Revenues Over/(Under) Expenditures	(747,057)	(1,788,668)	(416,243)		(77,943)	(1,866,611)
Fund Balance, July 1	6,529,623	6,529,623	6,529,623			6,529,623
Fund Balance, End of Period	\$ 5,782,566	\$ 4,740,955	\$ 6,113,380		\$ (77,943)	\$ 4,663,012

- **Recommended Adjustments**
  - A \$77,943 decrease in Transfers In from other funds related to reduced Air Quality funding available

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## Solid Waste Fund

	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Revenue	\$ 7,094,000	\$ 7,094,000	\$ 3,040,289	42.9%	-	\$ 7,094,000
Expenses	7,249,651	7,249,651	3,219,020	44.4%	-	7,249,651
Revenues Over/(Under) Expenses	(155,651)	(155,651)	(178,731)		-	(155,651)
Adjustments	567	567	533			567
Working Capital, July 1	493,242	493,242	493,242			493,242
Working Capital, End of Period	\$ 338,158	\$ 338,158	\$ 315,044		\$ -	\$ 338,158

- **No recommended adjustments**

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## Transit Fund

	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Revenue	\$ 2,823,174	\$ 2,932,604	\$ 766,250	26.1%	\$ 221,000	\$ 3,153,604
Expenses	3,391,846	3,528,644	1,263,854	35.8%	141,000	3,669,644
Revenues Over/(Under) Expenses	(568,672)	(596,040)	(497,604)		80,000	(516,040)
Working Capital Balance, July 1	660,541	660,541	660,541			660,541
Adjustments to Working Capital	172,078	172,078	107,682			172,078
Working Capital, End of Period	\$ 263,947	\$ 236,579	\$ 270,619		\$ 80,000	\$ 316,579

### Recommended Adjustments

- Revenue increase of \$79,700 in FTA Grant funding related to additional operating expenses, plus additional Transfers In from the General Fund of \$141,300 to maintain positive fund balance
- Additional \$141,000 for increased regional transit expenses

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## Water Funds

All Water Funds	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Revenue	32,180,210	32,180,210	8,360,503	26.0%	(124,961)	31,605,249
Expenses	49,027,789	53,425,283	8,716,259	16.3%	561,703	53,986,986
Revenues Over/(Under) Expenses	(16,847,579)	(21,245,073)	(355,756)		(686,664)	(21,931,737)
Working Capital, July 1	44,984,819	44,984,819	44,984,819			44,984,819
Adjustments to Working Capital	1,062,982	1,062,982	541,533			1,062,982
Working Capital, End of Period	\$29,200,222	\$24,802,728	\$45,170,596		\$ (686,664)	\$24,116,064

### Recommended Adjustments

- Increase of \$516,000 to Water Sales revenue due to revised water cost projections, offset by decreases of \$30,000 due to current year Plan Check Fee activity, and \$610,961 in Capital Improvement Fee revenue due to the timing of development projects
- Increase of \$500,000 for purchased imported water required to meet water quality standards and new customer demand, and \$61,703 for increased costs of chemicals, credit card processing fees, and accumulated leave adjustments

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# Camarillo Sanitary District Funds

	Adopted Budget	Amended Budget	YTD Actual	YTD Percent	Recommended Adjustments	Recommended Revised Budget
Revenue	\$ 16,098,486	\$ 16,098,486	\$ 7,446,409	46.3%	\$ (665,070)	\$ 15,433,416
Expenses	21,576,770	23,737,403	5,473,741		286,500	24,023,903
Revenues Over/(Under) Expenses	(5,478,284)	(7,638,917)	1,972,668		(951,570)	(8,590,487)
Working Capital, July 1	42,009,278	42,009,278	42,009,278			42,009,278
Adjustments to Working Capital	2,483,131	2,483,131	1,334,909			2,483,131
Working Capital, End of Period	\$ 39,014,125	\$ 36,853,492	\$ 45,316,855		\$ (951,570)	\$ 35,901,922

## Recommended Adjustments

- Decreases of \$650,070 to Capital Improvement Fee revenue due to the timing of development projects, and \$15,000 due to current year Plan Check Fee activity
- Increase of \$286,500 to Maintenance and Operations expense for costs of chemicals and supplies, various maintenance services, credit card processing fees, and accumulated leave adjustments

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## Other Funds

### Recommended Adjustments

- TDA Article 8:** a \$99,613 decrease to revenue to reflect the final apportionment from VCTC
- Gas Tax:** a \$303,957 decrease to revenue based on revised State allocations
- SB1:** a \$66,136 decrease to revenue based on revised State allocations
- SIBA:** a \$636,760 decrease to revenue due to timing of development projects

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## Other Funds (cont.)

- **Recommended Adjustments**
  - **Bridge Policy:** a \$92,961 increase to revenue due to collection of fees for development projects that were not originally budgeted
  - **Air Quality:** a \$77,943 decrease to revenue due to timing of development projects
  - **Library Special Revenue:** a \$72,000 increase to donations due to higher than anticipated contributions

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## Budget Reserve Analysis

- **Reserve Analysis Calculation**
  - Projected Fund Balance at June 30, 2019
  - Calculated required reserve balance per policy
  - Considered all other commitments
  - Determined net available fund balance above policy levels

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# Budget Reserve Analysis

Reserve Basis	Fund	Projected 6/30/19 Fund Balance (1)	Budgeted Expend. & Transfers *	Reserve Policy Requirement	Other Committed Fund Balance	Net Available Fund Balance	Available Fund Balance %								
<b>General Fund: Minimum of 50% of the operating expenditures plus transfers to other funds for operations:</b>															
<b>Zone 2-10 Funds: Minimum of 20% of the operating expenditures:</b>															
50%	101 General Fund (2)	\$57,995,809	\$47,784,579	\$ 23,892,290	\$ 21,700,000	\$ 12,403,519	21%								
20%	221 Zone 1-Mission Oaks MD-1A	1,493,898	1,453,700	290,740		1,203,158	81%								
20%	222 Zone 2-Wittenberg Maint. Dist.	92,391	37,023	7,405		84,986	92%								
20%	223 Zone 3-Armitos Storm Basins MD	2,613	2,851	570		2,043	78%								
20%	224 Zone 4-Mission Oaks Industrial MD	49,578	44,117	8,823		40,755	82%								
20%	225 Zone 5-Presley Maint. Dist.	37,050	18,742	3,748		33,302	90%								
20%	226 Zone 6-Spanish Hills Maint. Dist.	12,180	18,937	3,787		8,393	69%								
20%	227 Zone 7-Sares/Regis Maint. Dist.	23,866	12,425	2,485		21,381	90%								
20%	228 Zone 8-Vista Las Posas Maint. Dist.	48,705	42,957	8,591		40,114	82%								
20%	230 Zone 10-Adolfo Glen III Maint. Dist.	39,257	38,413	7,683		31,574	80%								
20%	231 Zone 9-Adolfo Glen II Maint. Dist.	52,438	46,506	9,301		43,137	82%								
<p>(1) The working capital measurement is used for Internal Service Funds (5xx) and Enterprise Funds (8xx)</p> <p>(2) General Fund Commitments of Fund Balance</p> <table border="0"> <tr> <td>\$11,500,000</td> <td>Economic Development</td> </tr> <tr> <td>\$10,000,000</td> <td>Natural Disaster Recovery</td> </tr> <tr> <td>\$200,000</td> <td>Camarillo Springs Debris Barrier Remediation Maintenance</td> </tr> <tr> <td><u>\$21,700,000</u></td> <td><b>Total</b></td> </tr> </table> <p>* Expenditures and transfers exclude capital projects and depreciation, and include principal payments on debt</p>								\$11,500,000	Economic Development	\$10,000,000	Natural Disaster Recovery	\$200,000	Camarillo Springs Debris Barrier Remediation Maintenance	<u>\$21,700,000</u>	<b>Total</b>
\$11,500,000	Economic Development														
\$10,000,000	Natural Disaster Recovery														
\$200,000	Camarillo Springs Debris Barrier Remediation Maintenance														
<u>\$21,700,000</u>	<b>Total</b>														

# Budget Reserve Analysis

Reserve Basis	Fund	Projected 6/30/19 Fund Balance (1)	Budgeted Expend. & Transfers *	Reserve Policy Requirement	Other Committed Fund Balance	Net Available Fund Balance	Available Fund Balance %
<b>Three times the self-insured retention for liability claims (\$30,000 * 3), + 100% greatest deductible for single property damage coverage (\$100,000), + 25% annual appropriation for workers' compensation expense:</b>							
	510 Risk Management	1,012,958	2,225,396	242,131		770,827	76%
<b>100% of accumulated depreciation:</b>							
	530 Information Services	1,764,405	2,610,316	1,416,101		348,304	20%
<b>120% of accumulated depreciation:</b>							
	540 Vehicles & Equipment	4,352,116	1,651,775	3,894,283		457,833	11%
<b>100% of the reserve study capital replacement plan components:</b>							
	550 City Hall Facility	2,508,437	2,683,853	714,626		1,793,811	72%
	551 Corporation Yard Facility (3)	910,504	1,257,973	940,889		(30,385)	-3%
	552 Police Facility	1,454,437	394,395	819,496		634,941	44%
	553 Library Facility	1,727,951	2,312,582	1,276,027		451,924	26%
	554 Camarillo Ranch Facility	361,147	542,596	186,435		174,712	48%
	555 Camarillo Chamber of Commerce Facility	116,807	24,019	71,583		45,224	39%
<p>(1) The working capital measurement is used for Internal Service Funds (5xx) and Enterprise Funds (8xx)</p> <p>(3) Reserve target levels for Corp Yard Facility Fund and Solid Waste Fund will be addressed during Mid-Cycle Budget for FY 19/20 per Policy.</p> <p>* Expenditures and transfers exclude capital projects and depreciation, and include principal payments on debt</p>							

# Budget Reserve Analysis

Reserve Basis	Fund	Projected 6/30/19 Fund Balance	Expend. & Transfers *	Current Reserve Policy	Other Committed Fund Balance	Net Available Fund Balance	Available Fund Balance %
<b>Solid Waste</b>							
805	Operations (3) 5%	\$ 338,158	\$ 7,249,651	\$ 362,483		\$ (24,325)	-7%
<b>Water Utility</b>							
860	Operations 25%		15,398,267	3,849,567			
	Rate Stabilization 5% Commodity Sales			485,000			
	Capital Annual Depreciation (RC)**			3,900,000			
	Restricted/Emergency 1% Assets (RC)			1,100,000			
	Operating Fund	12,370,742		9,334,567		3,036,175	25%
<b>Wastewater Utility</b>							
871	Operations 25%		11,960,123	2,990,031			
	Capital Annual Depreciation (RC)**			2,700,000			
	Restricted/Emergency 1% Assets (RC)			2,000,000			
	Debt Service 1 Year Debt Service			1,310,650			
	Operating Fund	12,571,807		9,000,681		3,571,126	28%

(1) The working capital measurement is used for Internal Service Funds (5xx) and Enterprise Funds (8xx)  
 (3) Reserve target levels for Corp Yard Facility Fund and Solid Waste Fund will be addressed during Mid-Cycle Budget for FY 19/20 per Policy.  
 \* Expenditures and transfers exclude capital projects and depreciation, and include principal payments on debt  
 \*\* (RC) Replacement Cost

# Budget Reserve Analysis

- Per City Policy, staff has evaluated all fund reserve levels
- Based on this analysis, the Corporation Yard Facility Internal Service Fund and the Solid Waste Enterprise Fund are not meeting their reserve level goal
- As required by City policy, staff will work on a plan to bring these funds to meet reserve goal levels and update Council at the next budget review

## General Fund Balance Commitments

- Reserve Policy Goal \$23.9M
- Committed Fund Balance of \$21.7M for
  - \$11.5M Economic Development
  - \$10.0M Natural Disaster Recovery
  - \$200,000 Camarillo Springs Debris Barrier Remediation Maintenance
- Total Committed Fund Balance \$45.6M
- Total Unassigned Fund Balance \$12.4M

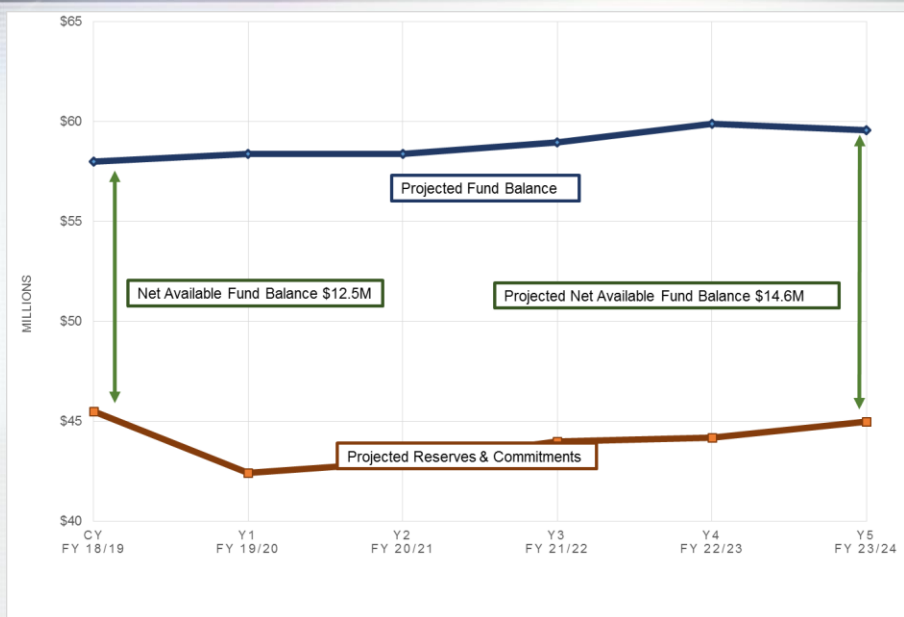
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## General Fund Fiscal Forecast

- **Fiscal Forecast 5-Year**
  - Revenue projections evaluated to include new development
  - Expenditures adjusted for CPI and other development related expenditures
  - Fund Balance Reserves and Commitments
  - Unassigned Fund Balance is calculated
  - Fund Pavement Management program maintained \$5M

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## General Fund Fiscal Forecast



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## Community Service Grants Fund

- Calculation guideline
  - Recommendation should be .0005 of 1% of Citywide property assessed valuation, as reported by the Ventura County Assessor for the current fiscal year. Funding will only be available in those fiscal years in which the citywide property assessed valuation has grown at least 2% over the previous year

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## Community Service Grants

Prior Year General Fund Contribution Amount	\$59,550
Prior Year Assessed Valuation	\$11,910,526,493
2018/19 Assessed Valuation	\$12,482,858,458
% Change in Assessed Valuation	4.8%
2018/19 General Fund Recommended Contribution Amount (.0005 of 1% of AV)	\$62,400

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## Community Service Grants Funding

Contribution from Conduit Financing	\$1,000
<b>Total Funding Available</b>	<b>\$63,400</b>
Number of Applications Received	16
Total Funding Requested	\$68,202

- **Next Steps**
  - Study session March 13, 2019

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# City of Camarillo Camarillo Sanitary District



FY 2018/19 – Mid-Year Budget Review  
Study Session  
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