



## PRESS RELEASE

# City of Camarillo

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February 12, 2014

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## 2013/14 Mid-Year Budget Spending Plan Review

A joint working session was held Wednesday, February 12 to present City Council with the Fiscal Year 2013/14 Mid-Year Budget Report. The budget is a dynamic document subject to a variety of adjustments and fine-tuning throughout the fiscal year. As changes occur in economic conditions, Council goals and objectives, and other areas affecting the budget, amendments are necessary to keep the document more reflective of the anticipated outcomes.

The 2013/14 Mid-Year Spending Plan totals \$125 million. Current year revenues total \$96 million and other sources and use of reserves total \$29 million. The following highlights outline the major Revenue adjustments:

- **General Fund increases \$760,815** – This figure primarily reflects:
  - An increase of \$208,737 in Sales Tax and In-lieu Sales Tax.
  - Transient Occupancy Tax is expected to increase \$129,590, reflecting the current trend for higher than expected occupancy rates.
  - Development related revenue, such as Engineering Inspection Fees, Subdivision Fees, Geotechnical Fees, and Zoning and Planning Fees reflect a recommended increase of \$147,180 due to the upturn in developer projects.
  - A \$202,016 one-time settlement of a property tax administrative fee dispute payment from the County.
- **TDA Article 8 Roads Fund increases \$355,062** – Primarily due to a \$390,962 one-time sales tax distribution, which was resolved by the State Board of Equalization.
- **Air Quality Management Fund decreases \$720,450** – Projected development projects have been removed or delayed to FY 2014/15 decreasing anticipated Air Quality Fees.
- **Capital Improvement Projects Fund increases \$2,477,669** – Increase primarily reflects:
  - Grant funding of \$2,330,369 secured subsequent to the time of original budget preparation.
  - Traffic Mitigation Fees for two development projects increase revenue by \$450,000.
- **Solid Waste Fund decreases \$269,283** – This adjustment is primarily due to revised Rubbish Collection revenue. Original fiscal year projections provided for a CPI adjustment to revenue which did not materialize.
- **Transit Fund increases \$486,395** – The City is recognizing the late timing receipt of the FTA Assistance Bus Operating & Maintenance grant reimbursement of \$500,000 for FY 2012/13, received September this fiscal year, which was received September this fiscal year.
- **Water Utility Fund increases \$410,530** – Increase primarily reflects:
  - Capital Improvement Fees of \$366,300 reflecting the upturn in developer projects.
  - Water Sales increase of \$271,900 is related to a conservative original budget that provided a contingency for reduced water demand in the event of abnormal precipitation, however, actual water usage volume has increased.

- A decrease of \$354,900 in Irrigation Water as agricultural and landscape water consumption has decreased, due to concentrated conservation efforts and more efficient water usage, and a State requirement to eliminate runoff.
- **Camarillo Sanitary District decreases \$3,389,441** – This downward adjustment primarily reflects:
  - A downward adjustment of \$1,800,000 in Proceeds of Bonds Issued, reflecting the revised timing of capital projects that may require issuance of debt.
  - A decrease of \$2,750,000 in state grant revenue for the construction of the Effluent Diversion Pipeline project, which has been delayed approximately nine months due to unforeseen environmental concerns by State regulatory agencies. The revenue will not be realized until FY 2014/15.
  - An upward adjustment to Sewer Regular Rate Charges of \$738,400, reflecting the anticipated reduced demand due to abnormal precipitation, however, the first six months indicate increased demand.
  - Capital Improvement Fees increase of \$298,760 reflect the upturn in developer projects.

Highlights of the major Expenditure adjustments are:

- **General Fund increases \$531,720** – This primarily reflects an increase of \$240,000 in developer related costs, such as Building & Safety Contract Services, Public Works consultant services, and Survey & Mapping. These additional costs are due to the upturn in developer projects, and are offset by the increase in related development services revenue highlighted in General Fund revenue above
- **Solid Waste Fund decreases \$310,937** – This primarily reflects a \$315,650 reduction in Net Pay for Collection, Franchise Fees, and City Collection Services costs as a projected CPI adjustment did not materialize.
- **Water Utility Fund increases \$422,028** – This adjustment primarily reflects a \$400,000 increase in Water Purchased-Resale due to weather, and Well A & D mechanical maintenance. This is offset by a decrease of \$75,000 in electrical costs reflecting less well pumping.

Overall, recommended Interfund Transfer adjustment reflect a net increase of \$2,708,793 (19.0%) over the December 31, 2013 adjusted budget. Highlights of the major Interfund Transfer adjustments are:

- **General Fund increases \$347,000** – Additional transfers:
  - To the Gas Tax Fund, Adolfo Glen II Maintenance District Fund, and the Library Operations Fund totaling \$322,000, are recommended to support operating costs in those funds.
  - A transfer to the Community Service Grants Fund of \$25,000 is replace the conduit bond funding from Hacienda de Camarillo, as the bonds have been paid.
- **Capital Improvement Projects Fund increases \$3,163,960** – Additional transfers to provide the appropriate project funding:
  - From the TDA Article 8 Roads Fund of \$2,775,159, TDA Article 3 Fund of \$54,000, the Gas Tax Fund of \$259,095, the Transit Fund of \$27,069, and the Water Utility Fund of \$48,637.

**Reserves Projected at Appropriate Levels.** The City of Camarillo has a policy that during the budget process and again at mid-year, as well as when any substantial changes are made in the budget, a reserve analysis will be prepared and submitted to the City Council.

The Reserve Policy sets a goal of 50% for the General Fund reserve. With the various staff recommendations in the General Fund for this mid-year analysis totaling an increase of \$117,905 in the fund balance, the reserve level for 2013/14 is projected to be met. While the fund will continue to meet/exceed the established reserve level, it will be important to continually monitor its level given the ongoing economic uncertainties at both the national and state levels. Several other select funds have reserve level goals and are in compliance.

**Fiscal Management.** Overall, the City and the Camarillo Sanitary District remain in a healthy fiscal condition. It is the goal of the City Council to maintain sound and conservative financial practices to ensure the fiscal sustainability of the City. The City of Camarillo is dedicated to providing effective and efficient municipal services that promote a high quality of life, economic vitality, and a safe environment.