



Council Agenda Report

From: Ryan Cornell, Administrative Services Director

Subject: Quarterly Financial Report and Adjustments

Date: October 19, 2021

Facts

1. In accordance with the Council's adopted fiscal policies, no less than semi-annually, there will be a comprehensive review of the operations in comparison to the existing budget. Projections of revenues and expenditures through the end of the fiscal year will be prepared and reviewed by the City Manager and the Director of Administrative Services with a report and presentation to the City Council.
2. This report provides an overview of the City's projected financial position based on actual transactions incurred for Fiscal Year (FY) 2020-21. However, financial information provided for FY 2020-21 has not been audited nor have all end-of-year adjustments been made. As a result, the amounts provided in this report are still considered projected and could change once the audit is complete; however, staff does not anticipate that they will change significantly.
3. Because of the uncertainty surrounding the COVID-19 pandemic, the City Council adopted a one-year budget for FY 2020-21 in June 2020 and another one-year budget for FY 2021-22 in June 2021. It is anticipated that 2-year budgets will be reinstated beginning in FY 2022-23.
4. There are four main components of this report: 1) the preliminary General Fund financial results for FY 2020-21; 2) recommended personnel changes; 3) update to the funding and budgeting of certain city facilities; and 4) budget corrections/amendments needed for FY 2021-22.

Options

1. Take no action;
2. Receive and file the report, and approve budget and position adjustments;
3. Provide alternative direction to staff.

Analysis and Conclusions

Section 1: Preliminary Financial Results FY 2020-21

Fiscal Year 2020-21 was a challenging year with the Coronavirus pandemic affecting many local businesses—especially the restaurant industry—for all twelve months, whereas in FY 2019-20, the pandemic only impacted three months of the year (April to June 2020). Uncertainty surrounding the pandemic caused City staff to take a conservative approach when estimating revenues and developing a “worse-case” scenario of how much City reserves will be needed to balance the budget. But as the year went on—and as mentioned during the quarterly update reports—revenues received were much better than anticipated and projected. Revenue projections presented in April 2021, during the budget development process, were exceptionally underestimated. At the start of the fiscal year, the City's worse-case scenario was to use \$5.7 million in reserves to mitigate revenue losses from the pandemic (expenditure reductions were also implemented to preserve reserves). In April 2021, the use of reserves was estimated at approximately \$2 million. All revenues have now been received and revenues grew the last quarter of FY 2020-21 so significantly that the City is now poised to end the fiscal year with a \$4.8 million surplus.

General Fund	Budget	Quarter 3 Projections	Preliminary Final
<i>Revenues</i>			
Sales Tax	\$13,445,000	\$15,668,135	\$17,868,737
Property Tax	12,050,100	11,804,661	11,723,491
Transient Occupancy Tax	4,654,400	5,528,027	7,132,691
All Other Taxes	4,636,200	4,601,229	4,928,368
All Other Revenues	7,091,567	5,885,951	10,276,747
Total Revenues	41,877,267	43,488,003	51,930,034
<i>Expenditures</i>			
City Council/City Manager's Office	3,140,400	3,100,731	2,997,398
Administrative Services	3,589,900	3,356,359	3,330,298
Police	11,356,824	10,194,251	10,395,808
Fire and Emergency Services	8,622,443	8,338,382	8,210,644
Public Works (excluding enterprise)	3,285,100	2,757,794	2,795,223
Community Services	7,020,400	6,289,044	6,421,463
Community Development	3,485,800	3,082,464	3,044,834
All Other Transfers and Expenses	8,160,000	8,310,000	9,957,369
Total Expenditures	48,660,867	45,429,025	47,153,037
Surplus/(Deficit)	\$(6,783,600)	\$(1,941,023)	\$4,776,997

The City's Fiscal Policy states the City shall maintain unrestricted reserves of no less than 30% of the actual 10-year revenue trend, or \$15.6 million. As of June 30, 2021, General Fund reserves were \$25.8 million, representing 50% of the revenue trend, and \$10.2 million more than required.

To estimate revenues for FY 2021-22, estimated revenue projections for FY 2020-21 were used as a starting point; and because prior year revenues were underestimated, original estimated revenues for FY 2021-22 are likely underestimated as well. Looking at actual revenues received in FY 2020-21 compared to estimated revenues in FY 2021-22 depicts an overall decrease in revenues; however, a decline in economic activity for this year is not expected, but rather our starting point was undervalued. When examining revenue history and revenue trends, actual and projected results for the upcoming year are 'above the trendline' indicating an economic bubble and that revenues will likely flatten in ensuing years. The City anticipates meeting all operating obligations and therefore recommends applying excess revenue towards the Replacement Funds, Pension Trust Funds, and other one-time and/or deferred projects.

Projections indicate City departments will expend 97% of the budget for the fiscal year resulting in additional one-time savings of \$1.5 million, some of which will be eligible to be carried forward into the next fiscal year. This 97% amount of budget is also higher than initially expected for two reasons: 1) Measure E-12 supplemental sales tax is used for street and road maintenance and all revenues received go into the General Fund with an equal amount to the Capital Improvement Fund. Because sales tax revenues exceeded projections, the amount of the transfer to the CIP Fund is more than budgeted; and 2) during the fiscal year, the City purchased improvements and leasehold value at Second Wind Way for \$6.1 million. As part of the Council action, lease revenues from that facility go back to the Facility Replacement Fund until the original purchase price is recouped. As such, both income revenue and transfers to the replacement fund are more than originally budgeted.

Section 2: Position Reclassifications

The City employs both full-time and part-time personnel, depending on the needs of the Department/ Division. Typically, a full-time employee works 40-hours per week, whereas a traditional part-time

employee works 18-hours per week. Part-time hours are typically capped at 20 hours per week to avoid incurring additional employee benefits (e.g., CalPERS pension, medical insurance, etc.). However, there are part-time employees who work more than 18-hours per week and receive enhanced benefits. These positions cost more than traditional part-time employees. When these employees leave the city, they are usually replaced with traditional part-time employee. For the Recreation Division, one of these part-time employees recently left the City triggering an analysis of how the division organizes and deploys resources. Outside of the Aquatics operations, the Recreation Division employs one manager, three full-time employees, and six part-time employees that provide a variety of services, including overseeing eight drop-in basketball sessions a week, processing class registrations and handling facility reservations. The team creates and hosts community events designed to draw individuals together to enjoy recreational or educational experiences that are meaningful, significant, and relevant to increasing the quality-of-life experience in Paso Robles. The division would like to reorganize and eliminate two part-time positions (one of which is the enhanced part-time position) to create one new full-time position. The proposed reorganization results in the division having one manager, four full-time employees, and four part-time employees, and a net annual increase of \$31,500 as summarized below:

	<u>Current Budget</u>	<u>Requested Reorganization</u>
FT Admin Assistant III	\$ -	\$ 92,200
30-Hr PT Staff Assistant III	39,600	-
20-Hr PT Staff Assistant II	<u>21,100</u>	<u>-</u>
Total	<u>60,700</u>	<u>92,200</u>
Net Increase		<u>\$ 31,500</u>

The Recreation Division’s budget for FY 2020-21 is \$1,236,600 and as a result, this reclassification would increase baseline expenditures by \$31,500, or 2.5%. Because of current year vacancies realized to-date, no budget amendments are needed this fiscal year; however, baseline budget assumptions will increase moving forward.

The second personnel reclassification comes from the Wastewater Treatment Plant (WWTP); WWTP’s reorganization will improve leadership and direction of treatment plant operators. The WWTP is staffed seven days a week: one by an early week shift (Sunday through Wednesday) and one by a late week shift (Wednesday through Saturday). The WWTP currently has only one Lead Operator to help the Chief Plant Operator oversee both shifts. To improve supervision, the Wastewater Division requests the reclassification of one vacant Treatment Plant Operator position (at a current cost of \$106,600 per year) to a Lead Operator position (at a cost of \$120,000 per year). If approved, the Lead Operator will oversee the entirety of each shift and properly carry out the direction of the Chief Plant Operator (CPO). This will reduce the scope of supervision and enable the CPO to complete administrative and regulatory tasks. This reclassification and net increase of \$13,400 were anticipated in 2019 and included in the operation and maintenance budget that formed the basis of the recently completed Sewer Rates Study.

Section 3: Facilities Analysis

On November 3, 2020, City Council authorized the [purchase and sale agreement of the 4301 Second Wind Way leasehold interest and improvements](#) for a total purchase price of \$6,110,000; with additional studies, inspections, and surveys, the total cost incurred-to-date is \$6,129,900. The site encompasses five separate buildings: one warehouse, two office buildings, and two airplane hangars. Originally, the intent of this purchase was to relocate City Hall Annex and the Corporation Yard to a more cost-effective location. However, significant onsite building improvements were needed to meet operational needs; therefore, no improvements or relocation has taken place to-date. Funding from development impact fees (DIF), the Airport Fund, and Facility Replacement Fund were used for the purchase, as follows:

Originally Approved Funding Sources	General Gov't DIF	Proceeds from Sale of 625 Riverside	Airport Fund	Facility Replc. Fund	Total
Office Building #1	\$ -	\$ -	\$ -	\$ 677,660	\$ 677,660
Office Building #2	206,701	-	-	443,302	650,003
Warehouse	2,850,737	1,574,000	-	-	4,424,737
Hangar #1	-	-	188,750	-	188,750
Hangar #2	-	-	188,750	-	188,750
Total	<u>\$3,057,438</u>	<u>\$1,574,000</u>	<u>\$ 377,500</u>	<u>\$1,120,962</u>	<u>\$6,129,900</u>

Over the past several months, staff has been analyzing city facilities and the corresponding operations to determine what is the best facility to operate, including purchasing of 2930 Union Road, the future home to Fire Station No. 3; City Hall Space Planning, including the Train Station building; as well as the Maintenance Shop located at the CYA Boys School. All of these sites present different benefits and challenges.

Staff concluded the Warehouse building at Second Wind Way is not the best solution for the Corporation Yard operations, and as result, on July 20, 2021, City Council selected [G3 Corporation as the preferred tenant for the warehouse building](#) and the City entered into a five-year lease agreement G3. Base rents will net the City approximately \$540,000 per year, with automatic escalations throughout the term of the lease. The City has already earned approximately \$159,000 from the previous tenant since purchasing the leasehold value and improvements in December.

Restricted development impact fee revenue was used to purchase the warehouse building, and because the building will not be used as originally intended, funding needs to come from unrestricted sources such as the General Fund, the Facility Replacement Fund, or the Airport Fund. Operationally speaking, it makes the most sense for the Airport Fund to purchase the warehouse, but the Airport Fund does not have the financial resources to purchase the site. When City Council deliberated on whether to purchase this site, there was the option to either use General Fund reserves or the Facility Replacement Fund to purchase one of the office buildings. With the COVID-19 pandemic well underway, General Fund reserves were preserved, and Facility Replacement Funds were used, with the intent that lease revenue proceeds would go back to the Replacement Fund until the purchase price was recouped. With the end of the fiscal year concluding, and actual results being received much better than anticipated in the General Fund, it is staff's recommendation to utilize both the Facility Replacement Fund and General Fund reserves to purchase the warehouse building and one of the office buildings. As a result, the General Fund reserves of \$950,000 and \$4.2 million in the Facility Replacement Fund will be utilized. With lease revenues of \$710,000 per year (\$540,000 for the warehouse and \$170,000 for the office building) being received moving forward; this represents approximately 14% return on investment, well above LAIF's current interest rate of 0.3%, and a payback period of about seven years.

The other change related to this site involves additional Police Department facility needs. On October 1, 2019, City Council [approved the land purchase at 2930 Union Road](#), for the purchase of constructing Fire Station No. 3 as well as other essential city operations including a police substation and shooting range. Rather than constructing new facilities, staff recommends using these existing buildings instead. This allows Police Development Impact Fee revenues to purchase one of the office buildings and one of the hangars. As a result, proposed funding for the purchase of Second Wind Way is now as follows:

Proposed Final Funding Sources	General/ Facility			Total
	Police DIF	Airport Fund	Repl. Fund	
Office Building #1	\$ -	\$ -	\$ 677,660	\$ 677,660
Office Building #2	650,003	-	-	650,003
Warehouse	-	-	4,424,737	4,424,737
Hangar #1	-	188,750	-	188,750
Hangar #2	188,750	-	-	188,750
Total	\$ 838,753	\$ 188,750	\$5,102,397	\$6,129,900

On October 1, 2019, City Council approved the land purchase at 2930 Union Road, for the purpose of constructing Fire Station No. 3 as well to include a backup Emergency Operations Center, a fire training facility, a police substation, and possibly a shooting range. Relocating the Corporation Yard was also planned when the site was purchased (before purchasing Second Wind Way). Funding for this property was as follows:

Originally Adopted Funding Sources	Amount
Fire DIF	\$2,480,000
Police DIF	260,000
General DIF	685,000
Total	\$3,425,000

These costs only include what was needed to obtain the land. Construction of the facilities was part of the FY 2021-22 Capital Improvement Program with Phase 1 consisting of an approximately 4,000 square-foot single-story building as well as onsite grading and site improvements, including two driveways on Union Road, vehicular access to Ardmore Road, security fencing, and parking for the Phase 1 facility. Because onsite grading and improvements benefit the entire parcel, each of the development impact fee funds would pay a proportionate share. Now that police department facilities will no longer be part of this site, the restricted police development impact fees funds must be returned and the land cost, onsite grading and improvements will be redistributed to the remaining operations: fire safety and general government (i.e., the Corporation Yard). If the Corporation Yard moves to the Boys School (discussed in more detail later in this report), the entire land purchase, construction and onsite improvements would entirely fall on fire safety development impact fees. That fund's resources are currently insufficient, and either an interfund loan will be needed or unrestricted funds must be appropriated.

In 2018, the City conducted a review and analysis of all real estate holdings, and it was determined the City's Corporation Yard should be relocated, and the Riverside property was subsequently sold for private use. At the time, the preferred site to relocate the Corporation Yard was the Boys School. However, to-date this opportunity has not come to fruition and staff began exploring other options. Staff explored two additional alternatives: 2930 Union Road and 4301 Second Wind Way. After careful consideration, staff recommends moving forward with developing design and plans for the Corporation Yard being relocated to Union Road. By building on Union Road, the City will be able to utilize development impact fees. The City's General Government Development Impact Fees Funds has a reserve balance as of June 30, 2021, of \$7.8 million. As such, there are sufficient restricted funds received and available, reducing the use of fire development impact fees which are depleted. Additionally, when the City receives the designs for all facilities, impact fees will be 'trued-up' based on the actual allocation of each function. Development impact fees are restricted funds and can only be used for specific reasons. General Government DIFs can be applied to the Corporation Yard but cannot be used for the new Fire Station; but onsite improvements and grading can be shared.

<u>Proposed Final Funding Sources</u>	<u>Amount</u>
Fire DIF	\$1,166,000
Sale of 625 Riverside	1,574,000
General DIF	685,000
Total	<u>\$3,425,000</u>

Section 4: Budget Corrections

With the completion of the budget process, departments reviewed their adopted budgets for errors/omissions and subsequently identified additional necessary appropriations. Appropriations requested for Council’s consideration are listed below (including (decreases) and increases):

1. On April 20, 2021 (and continued on April 21, 2021), City Council received the [General Fund’s FY 2021-22 Preliminary Budget Report](#). A component of that report was discussion of six supplemental budget requests, both on-going and one-time, totaling \$458,400, less than 1% of General Fund revenues. Further detail of each request can be found in the April 20, 2021 staff report but in summary they include monies to the recreation and library divisions for strategic planning; bilingual and other community outreach communications; a composting facility at the landfill; a pavement condition index study to help better prioritize maintenance of city streets; and certain central irrigation control systems at city facilities. At that time, staff received positive direction from City Council to include these in the FY 2020-21 budget. Unfortunately, the appropriations were left out of the final budget document and as a result, this adjustment will correct this error.
2. Another correction to the budget, but in the positive direction, was to Fleet division operations. For Fleet, their ‘operating costs’ included both operating (like it was supposed to) and personnel costs. In other words, Fleet’s personnel costs were counted twice.

Fiscal Impact

With the FY 2020-21 concluded, and all revenues received, the City is estimating a fiscal surplus (revenues in excess of expenditures) of \$4.8 million. Furthermore, General Fund reserves were \$25.8 million on June 30, 2021, representing 50% of fund revenues, and all reserves used during the COVID-19 pandemic replenished. That being said, there is still some amount of uncertainty around the economy (e.g., inflation, unemployment, supply chain impacts, etc.) and the current economic surge is likely not sustainable over the long-term; however, City does not anticipate a decline in revenue for FY 2021-22. Staff will continue to monitor the economic activity with quarterly check-ins.

Two position reclassifications are recommended: one is reclassifying two part-time recreation staff members to one full-time employee; the other is reclassifying one Technician II position to a Technician III position in the wastewater division. The net increase in cost of the recreation position is \$31,500, or a division-wide increase of 2.5%. The net increase in the wastewater position is \$13,400 and was included as part of the rate study developed and approved by City Council earlier this year. In both instances, additional increase in cost can be absorbed with current year budget savings an increased costs will be added to the department’s baseline assumption moving forward.

The City purchased land, improvements, and facilities at Second Wind Way (SWW) and Union Road for City operations; a component of the funding sources was restricted developer impact fees. The City is no longer using these buildings for their initial intended purpose—and what the impact fees can be used towards—budget amendments are needed. It should be noted that, in total, there is no net impact. Rather the impacts are within each different funding source, as follows:

	SWW		Union Rd		Net Change in Budget by Fund
	Original Funding Sources	Revised Funding Sources	Original Funding Sources	Revised Funding Sources	
General Fund	\$ -	\$ 950,000	\$ -	\$ -	\$ 950,000
Facility Replacement Fund	1,120,962	4,152,397	-	-	3,031,435
Proceeds from Sale of 625 Riverside	1,574,000	-	-	1,574,000	-
Fire DIF Fund	-	-	2,480,000	1,166,000	(1,314,000)
Police DIF Fund	-	838,753	260,000	-	578,753
General Gov't DIF Fund	3,057,438	-	685,000	685,000	(3,057,438)
Airport Fund	377,500	188,750	-	-	(188,750)
Total	\$6,129,900	\$6,129,900	\$3,425,000	\$3,425,000	\$ -

Additional budget amendments are needed for construction, on-site grading and improvements, etc. for the Union Road property based on the site's updated uses. Those budget amendments will be brought to City Council for approval (restricted developer impact fees can be used towards on-site and grading improvements, but only up to their proportionate share. As such, staff is still determining the overall footprint of each of the public facilities).

And lastly, two budget corrections are needed: the first amendment updates six supplemental budget requests presented to City Council on April 20, 2021, totaling \$458,400 which were not enumerated in the original budget document; and the other reduces Fleet Divisions expenses by \$377,900 which represents a double accounting of operating expenses.

Recommendation

Approve Resolution 21-XXX, amending the budget and position listing for Fiscal Years 2020-21 and 2021-22.

Attachments

1. Resolution 21-XXX, amending the budget and position listing for Fiscal Years 2020-21 and 2021-22.
2. Financial Statements: Unaudited Actuals FY 2020-21 and Quarter 1 Actuals FY 2021-22– General, Water, Wastewater, and Parking Funds.

Attachment 1

RESOLUTION 21-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE EL CITY OF PASO DE ROBLES AMENDING THE BUDGET AND POSITION LISTING FOR FISCAL YEARS 2020-21 AND 2021-22

WHEREAS, the City Council of City of El Paso de Robles is required to adopt a comprehensive operating and capital expenditure budget in order to authorize the receipt of revenues and to authorize, guide, and direct the City's activities; and

WHEREAS, because of the uncertainty surrounding the COVID-19 pandemic, the City Council adopted a one-year budget for FY 2020-21 on June 16, 2020, and another one-year budget for FY 2021-22 on June 15, 2021; and

WHEREAS, the City Council of the City of El Paso de Robles adopted goals and strategic priorities on March 3, 2021; and

WHEREAS, the budget contained all projected revenues, appropriations, and transfers, as well as the number and classification of all approved positions, to be implemented by the City Manager; and

WHEREAS, budget are plans, and plans change as new information comes to light and as the environment in which the City operates changes; and

WHEREAS, it is desirable to formally approve appropriations added to FY 2020-21 to reflect the facilities change in uses and FY 2021-22 budget to reflect additional budget corrections found after the budget document was completed and update the position listing in the recreation and wastewater divisions.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of El Paso de Robles does hereby approve and/or direct the following budgetary actions:

1. The proposed amendments to the FY 2020-21 Operating and Capital Improvement Budget as follows:
 - a. General Fund: \$950,000
 - b. Facility Replacement Fund: \$3,031,435
 - c. Redirect proceeds from the sales of 625 Riverside from the Second Wind Way facility to the Union Road property
 - d. Fire Development Impact Fee Fund: \$(1,314,000)
 - e. Police Development Impact Fee Fund: \$578,753
 - f. General Government Development Impact Fee Fund: \$(3,057,438)
 - g. Airport Fund: \$(188,750)
2. The proposed amendments to the FY 2021-22 Operating and Capital Improvement Budget as follows:
 - a. General Fund: \$458,400 (with an equal increase to estimated Sales Tax revenues)
 - b. Fleet Internal Service Fund: \$(377,900)

Attachment 1

3. The list of authorized positions shall be changed to remove one part-time Staff Assistant III and one part-time Staff Assistant II positions, and add one full-time Administrative Assistant III to the Recreation Division; and to remove one full-time Technician II position, and add one full-time Technician III position to the Wastewater Division.

APPROVED by the City Council of the City of Paso Robles this 19th day of October 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Steven W. Martin, Mayor

Melissa Boyer, City Clerk

	FY 2020-21			Projected % Received/ Expended	FY 2021-22	
	Final Budget	Unaudited Actuals	Variance Budget to Actuals		Originally Adopted Budget	Actuals 7/1 to 9/30
REVENUES						
Taxes						
Sales Tax	\$ 13,445,000	\$ 17,868,737	\$ 4,423,737	132.9%	\$ 16,558,300	\$ 1,351,585
Property Tax	12,050,100	11,723,491	(326,609)	97.3%	12,098,000	281,727
Transient Occupancy Tax	4,654,400	7,132,691	2,478,291	153.2%	6,910,000	1,097,830
Other Taxes	4,636,200	4,928,368	292,168	106.3%	4,766,000	1,003,535
Total Taxes	<u>34,785,700</u>	<u>41,653,287</u>	<u>6,867,587</u>	<u>119.7%</u>	<u>40,332,300</u>	<u>3,734,677</u>
Charges for Current Services	2,973,600	3,469,193	495,593	116.7%	1,893,000	458,491
Licenses and Permits	600,000	555,477	(44,523)	92.6%	495,000	147,628
Use of Money and Property	655,000	2,934,898	2,279,898	448.1%	1,811,000	356,324
Fines and Forfeitures	100,000	134,811	34,811	134.8%	97,000	24,578
Operating Grants	1,326,067	1,351,227	25,160	101.9%	625,000	(72,776)
Other Revenues	16,900	138,056	121,156	816.9%	122,000	43,154
Interfund Transfers	1,420,000	1,693,085	273,085	119.2%	1,143,200	-
Total Revenues	<u>41,877,267</u>	<u>51,930,034</u>	<u>10,052,767</u>	<u>124.0%</u>	<u>46,518,500</u>	<u>4,692,076</u>
EXPENDITURES						
City Council/City Manager's Office						
Personnel Services	1,782,500	1,812,342	29,842	101.7%	1,174,100	162,396
Operating Expenses	1,255,500	1,076,356	(179,144)	85.7%	919,200	113,212
Transfer to Replacement Funds:	102,400	108,700	6,300	106.2%	-	-
Total City Manager's Office	<u>3,140,400</u>	<u>2,997,398</u>	<u>(143,002)</u>	<u>95.4%</u>	<u>2,093,300</u>	<u>275,608</u>
Administrative Services						
Personnel Services	1,237,100	1,090,264	(146,836)	88.1%	1,261,400	226,491
Operating Expenses	2,346,600	2,233,834	(112,766)	95.2%	966,600	178,096
Transfer to Replacement Funds:	6,200	6,200	-	100.0%	-	-
Total Administrative Services	<u>3,589,900</u>	<u>3,330,298</u>	<u>(259,602)</u>	<u>92.8%</u>	<u>2,228,000</u>	<u>404,587</u>
Police						
Personnel Services	9,351,970	8,435,088	(916,882)	90.2%	9,598,500	1,796,330
Operating Expenses	1,494,654	1,444,598	(50,056)	96.7%	1,089,800	254,218
Capital Outlay	24,800	24,800	-	100.0%	-	-
Transfer to Replacement Funds:	485,400	491,322	5,922	101.2%	-	-
Total Police	<u>11,356,824</u>	<u>10,395,808</u>	<u>(961,016)</u>	<u>91.5%</u>	<u>10,688,300</u>	<u>2,050,548</u>
Emergency Services						
Personnel Services	6,935,600	6,903,396	(32,204)	99.5%	6,539,200	1,774,374
Operating Expenses	1,006,400	687,064	(319,336)	68.3%	394,900	46,632
Capital Outlay	238,543	164,687	(73,856)	69.0%	36,800	56,077
Transfer to Replacement Funds:	441,900	455,497	13,597	103.1%	-	-
Total Emergency Services	<u>8,622,443</u>	<u>8,210,644</u>	<u>(411,799)</u>	<u>95.2%</u>	<u>6,970,900</u>	<u>1,877,083</u>
Public Works						
Personnel Services	1,208,800	964,028	(244,772)	79.8%	756,400	147,685
Operating Expenses	1,833,700	1,580,859	(252,841)	86.2%	1,315,500	112,167
Debt Service	70,000	69,299	(701)	99.0%	-	-
Capital Outlay	-	8,350	8,350	100.0%	100,000	-
Transfer to Replacement Funds:	172,600	172,687	87	100.1%	-	-
Total Public Works	<u>3,285,100</u>	<u>2,795,223</u>	<u>(489,877)</u>	<u>85.1%</u>	<u>2,171,900</u>	<u>259,852</u>

Continued

Attachment 2

CITY OF EL PASO DE ROBLES
FINANCIAL REPORT
General Fund

	FY 2020-21			Projected % Received/ Expended	FY 2021-22	
	Updated Budget	Unaudited Actuals	Variance Budget to Actuals		Budget	Actuals 7/1 to 9/30
EXPENDITURES - continued						
Community Services						
Personnel Services	3,420,400	3,136,003	(284,397)	91.7%	3,606,200	744,476
Operating Expenses	3,178,200	2,842,638	(335,562)	89.4%	3,114,400	788,249
Debt Service	205,500	205,469	(31)	100.0%	205,500	51,367
Capital Outlay	30,000	51,035	21,035	170.1%	97,400	-
Transfer to Replacement Funds	186,300	186,318	18	100.0%	-	-
Total Community Services	<u>7,020,400</u>	<u>6,421,463</u>	<u>(598,937)</u>	<u>91.5%</u>	<u>7,023,500</u>	<u>1,584,092</u>
Community Development						
Personnel Services	2,161,300	2,113,914	(47,386)	97.8%	2,471,800	445,572
Operating Expenses	1,282,900	889,287	(393,613)	69.3%	1,029,900	94,219
Transfer to Replacement Funds	41,600	41,633	33	100.1%	-	-
Total Community Development	<u>3,485,800</u>	<u>3,044,834</u>	<u>(440,966)</u>	<u>87.3%</u>	<u>3,501,700</u>	<u>539,791</u>
Non-Departmental/Interfund Transfers/City-wide Contingency						
Transfers to Capital Projects Fu	6,833,000	8,222,755	1,389,755	120.3%	5,863,800	-
All Other Interfund Transfers O	1,127,500	1,366,591	239,091	121.2%	5,820,000	-
Other Post-Employment Benef	349,500	361,055	11,555	103.3%	-	61,839
Budgeted Salary Savings	(250,000)	6,968	256,968	-2.8%	(458,400)	-
City-wide contingency	100,000	-	(100,000)	0.0%	250,000	-
Total Interfund Transfers	<u>8,160,000</u>	<u>9,957,369</u>	<u>1,797,369</u>	<u>122.0%</u>	<u>11,475,400</u>	<u>61,839</u>
Total Expenditures	<u>48,660,867</u>	<u>47,153,037</u>	<u>(1,507,830)</u>	<u>96.9%</u>	<u>46,153,000</u>	<u>7,053,400</u>
Deficiency of Revenues under Expenditures	<u>\$ (6,783,600)</u>	<u>\$ 4,776,997</u>	<u>\$ 11,560,597</u>		<u>\$ 365,500</u>	<u>\$ (2,361,324)</u>

Concluded

	FY 2020-21			Projected % Received/ Expended	FY 2021-22	
	Final Budget	Unaudited Actuals	Variance Budget to Actuals		Originally Adopted Budget	Actuals 7/1 to 9/30
REVENUES						
Water Sales	\$ 14,312,000	\$ 16,521,765	\$ 2,209,765	115.4%	\$ 16,255,000	\$ 5,600,570
Water Connection Fees	750,000	495,526	(254,474)	66.1%	748,000	102,002
Fines and Penalties	165,000	55,034	(109,966)	33.4%	221,000	12,712
Service Installation	15,000	10,009	(4,991)	66.7%	10,000	1,931
Use of Money and Property	25,000	(108,533)	(133,533)	-434.1%	50,000	(14,381)
Other Revenues	4,000	20,725	16,725	518.1%	5,000	9,571
Total Revenues	15,271,000	16,994,526	1,723,526	111.3%	17,289,000	5,712,405
EXPENDITURES						
Utility Billing						
Personnel Services	199,400	176,797	(22,603)	88.7%	190,800	33,760
Operating Expenses	254,000	185,919	(68,081)	73.2%	237,800	41,919
Total Utility Billing	453,400	362,716	(90,684)	80.0%	428,600	75,679
Water Production						
Personnel Services	1,341,100	1,153,186	(187,914)	86.0%	1,348,000	236,989
Operating Expenses	2,829,200	2,371,604	(457,596)	83.8%	3,151,400	445,275
Nacimiento Operations	6,482,500	6,381,106	(101,394)	98.4%	5,871,200	5,302,178
Debt Service	681,500	679,446	(2,054)	99.7%	677,000	(24,975)
Capital Outlay	50,000	181,127	131,127	362.3%	185,000	-
Total Water Production	11,384,300	10,766,469	(617,831)	94.6%	11,232,600	5,959,467
Water Treatment						
Personnel Services	688,800	581,205	(107,595)	84.4%	694,200	124,932
Operating Expenses	933,100	425,496	(507,604)	45.6%	965,500	76,475
Total Water Treatment	1,621,900	1,006,701	(615,199)	62.1%	1,659,700	201,407
Water Conservation						
Personnel Services	255,300	93,167	(162,133)	36.5%	217,100	9,189
Operating Expenses	71,600	15,699	(55,901)	21.9%	71,800	524
Total Water Conservation	326,900	108,866	(218,034)	33.3%	288,900	9,713
Capital Projects	7,176,627	3,816,469	(3,360,158)	53.2%	1,991,000	3,000
Cost Allocation Transfer	750,000	771,782	21,782	102.9%	1,835,400	-
Total Expenditures	21,713,127	16,833,003	(4,880,124)	77.5%	17,436,200	6,249,266
Excess (deficiency) of Revenues over (under)	\$ (6,442,127)	\$ 161,523	\$ 6,603,650		\$ (147,200)	\$ (536,861)

	FY 2020-21			Projected % Received/ Expended	FY 2021-22	
	Final Budget	Unaudited Actuals	Variance Budget to Actuals		Originally Adopted Budget	Actuals 7/1 to 9/30
REVENUES						
Charges for Services	\$ 8,756,400	\$ 9,451,236	\$ 694,836	107.9%	\$ 11,199,000	\$ 2,917,723
Sewer Connection Fees	250,000	215,805	(34,195)	86.3%	700,000	13,515
Fines and Penalties	30,000	-	(30,000)	0.0%	30,000	-
Use of Money and Property	32,000	34,039	2,039	106.4%	126,000	(15,078)
Proceeds from Debt Issuance	3,270,000	-	(3,270,000)	0.0%	-	-
Other Revenues	1,600	1,374	(226)	85.9%	-	-
Total Revenues	12,340,000	9,702,454	(2,637,546)	78.6%	12,055,000	2,916,160
EXPENDITURES						
Utility Billing						
Personnel Services	199,400	176,802	(22,598)	88.7%	190,800	33,761
Operating Expenses	255,800	179,697	(76,103)	70.2%	252,800	40,918
Total Utility Billing	455,200	356,499	(98,701)	78.3%	443,600	74,679
Stormwater Management						
Personnel Services	228,200	225,919	(2,281)	99.0%	233,900	46,311
Operating Expenses	117,660	68,832	(48,828)	58.5%	135,900	9,047
Debt Service	1,600	1,562	(38)	97.6%	1,600	781
Total Stormwater Mgmt	347,460	296,313	(51,147)	85.3%	371,400	56,139
Sewer Collection						
Personnel Services	873,000	736,931	(136,069)	84.4%	864,700	172,914
Operating Expenses	379,100	291,159	(87,941)	76.8%	339,100	36,300
Debt Service	6,300	6,249	(51)	99.2%	6,300	3,124
Capital Outlay	134,600	198,606	64,006	147.6%	223,100	-
Total Sewer Collection	1,393,000	1,232,945	(160,055)	88.5%	1,433,200	212,338
Sewer Treatment						
Personnel Services	2,067,700	1,660,076	(407,624)	80.3%	1,922,500	337,926
Operating Expenses	1,992,228	1,535,648	(456,580)	77.1%	2,004,700	141,155
Debt Service	3,616,600	3,616,061	(539)	100.0%	3,623,000	2,711,858
Total Sewer Treatment	7,676,528	6,811,785	(864,743)	88.7%	7,550,200	3,190,939
Source Control						
Personnel Services	234,100	231,771	(2,329)	99.0%	240,100	47,811
Operating Expenses	74,800	11,468	(63,332)	15.3%	82,000	4,793
Capital Outlay	-	-	-	n/a	42,400	-
Total Source Control	308,900	243,239	(65,661)	78.7%	364,500	52,604
Capital Projects	6,999,428	1,293,406	(5,706,022)	18.5%	870,000	34,766
Cost Allocation Transfer	500,000	613,883	113,883	122.8%	1,038,300	125,000
Total Expenditures	17,680,516	10,848,070	(6,832,446)	61.4%	12,071,200	3,746,465
Excess (deficiency) of Revenues over (under)	\$ (5,340,516)	\$ (1,145,616)	\$ 4,194,900		\$ (16,200)	\$ (830,305)

	FY 2017-18 Actual	FY 2018-19 Actual	FY 2019-20 Actual	FY 2020-21 Unaudited Actuals	Total To-Date
REVENUES					
Permit Revenue	\$ -	\$ 5,430	\$ 13,785	\$ 17,294	\$ 36,509
Parking Revenue	-	-	26,199	64,863	91,062
Parking Fines	-	-	10,213	13,661	23,874
Use of Money and Property	178	3,946	(111)	-	4,014
Other Revenues	-	-	-	72	72
Total Revenues	178	9,376	50,086	95,890	155,530
EXPENDITURES					
On-Going Police Services:					
Personnel Services	-	-	73,524	120,971	194,495
Operating Expenses	-	6,746	43,704	85,412	135,862
Debt Service	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Police Services	-	6,746	117,228	206,383	330,357
One-Time Set Up Costs:					
Consulting Services	25,505	102,274	101,399	30,042	259,220
Capital Outlay	-	6,926	410,643	-	417,569
Total Set Up Costs	25,505	109,200	512,042	30,042	676,789
Total Expenditures	25,505	115,946	629,270	236,425	1,007,146
General Fund Loan Balance	-	-	(490,958)	(644,310)	