

CITY OF MORRO BAY

Citizens Oversight Committee

Acting as Citizens Finance Advisory Committee

NOTICE OF REGULAR MEETING

Mission Statement

The City of Morro Bay provides essential public services and infrastructure to maintain a safe, clean and healthy place for residents and visitors to live, work and play.

AGENDA

TUESDAY, FEBRUARY 19, 2019

VETERANS MEMORIAL HALL – 3:30 PM

209 SURF ST., MORRO BAY, CA

ESTABLISH QUORUM AND CALL TO ORDER
MOMENT OF SILENCE
PLEDGE OF ALLEGIANCE
COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS
STAFF ANNOUNCEMENTS

PUBLIC COMMENT PERIOD

Members of the audience wishing to address the TBID Board on City business matters not on the agenda may do so at this time. For those desiring to speak on items on the agenda, but unable to stay for the item, may also address the Board at this time.

Public comment is an opportunity for members of the public to provide input to the Board. To increase the effectiveness of the Public Comment Period, the City respectfully requests the following guidelines and expectations be followed:

- When recognized by the Chair, please come forward to the podium to speak. Though not required, it is helpful if you state your name, city of residence and whether you represent a business or group. Unless otherwise established by the Chair, comments are to be limited to three minutes.
- All remarks should be addressed to the Board, as a whole, and not to any individual member thereof.
- The Board respectfully requests that you refrain from making slanderous, profane or personal remarks against any elected official, commission, board and/or staff.
- Please refrain from public displays or outbursts such as unsolicited applause, comments or cheering.
- Any disruptive activities that substantially interfere with the ability of the TBID Board to carry out its meeting will not be permitted and offenders will be requested to leave the meeting.
- Your participation in TBID meetings is welcome and your courtesy will be appreciated.
- The Board in turn agrees to abide by its best practices of civility and civil discourse according to Resolution No. 07-19.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE DECEMBER 18, 2018, REGULAR CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

B. BUSINESS ITEMS

1. NEW MEMBER INTRODUCTIONS
2. ELECTION OF CHAIR PERSON AND VICE CHAIR PERSON
3. BRIEF FINANCE DEPARTMENT UPDATE
4. REVIEW OF FISCAL YEAR 2018/19 SECOND QUARTER BUDGET PERFORMANCE REPORT FOR THE SIX-MONTH PERIOD ENDING DECEMBER 31, 2018; (Finance Director)

Recommendation: Receive the draft FY 2018/19 Second Quarter Budget Performance and Status Report for the Six-Month Period ending December 31, 2018 and provide input.

5. REVIEW OF SECOND QUARTER INVESTMENT REPORT (PERIOD ENDING DECEMBER 31, 2018) FOR FISCAL YEAR 2018/19

Recommendation: Receive the Second Quarter Investment Report (Period Ending December 2018) for Fiscal Year 2018/19 and provide comments and suggestions as appropriate.

6. REVIEW OF COUNCIL ACTION FOR CFAC TO REVIEW FINANCIAL UPDATES RELATED TO THE WATER RECLAMATION FACILITY (WRF) AND REVIEW SUMMARY OF WRF PROJECT COSTS TO DATE

Recommendation:

1. Provide input on CFAC's role in review of the financials for the Water Reclamation Facility (WRF) Project.
2. Receive the financial update for the WRF Project.

7. FISCAL YEAR 2018/19 BUDGET BRIEF

Recommendation: Receive Draft FY 2018/19 Budget Brief and provide feedback.

C. DECLARATION OF FUTURE AGENDA ITEMS

D. SCHEDULE NEXT MEETING

March 19, 2019

E. ADJOURNMENT

MATERIALS RELATED TO AN ITEM ON THIS AGENDA SUBMITTED TO THE COMMITTEE AFTER DISTRIBUTION OF THE AGENDA PACKET ARE AVAILABLE FOR PUBLIC INSPECTION AT CITY HALL LOCATED AT 595 HARBOR STREET DURING NORMAL BUSINESS HOURS.

IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN A CITY MEETING, PLEASE CONTACT THE CITY CLERK'S OFFICE AT LEAST 24 HOURS PRIOR TO THE MEETING TO INSURE REASONABLE ARRANGEMENTS CAN BE MADE TO PROVIDE ACCESSIBILITY TO THE MEETING.

**MINUTES – CITIZENS OVERSIGHT/ FINANCE
ADVISORY COMMITTEE
REGULAR MEETING – DECEMBER 18, 2018
VETERANS MEMORIAL HALL – 3:30 P.M.**

| | | |
|-------------------------|--|---|
| MEMBERS PRESENT: | Barbara Spagnola John Martin Bart Beckman David Betonte | Chair Vice-Chairperson Member Member |
| MEMBERS ABSENT: | John Erwin Walter Heath | Member Member |
| STAFF PRESENT: | Jennifer Callaway Sandra Martin Valerie Webb | Finance Director Budget and Accounting Manager Senior Accounting Technician |

ESTABLISH A QUORUM AND CALL TO ORDER

Chair Spagnola called the meeting to order at 3:30 p.m., with four members present.

COMMITTEE MEMBERS ANNOUNCEMENTS & PRESENTATIONS

<https://youtu.be/By6iBuW7cUc?t=1m56s>

Member Beckman announced that the Morro Bay Winter Bird Festival is coming up mid-January. More details can be found online at <https://morrobaybirdfestival.org/>

PUBLIC COMMENT PERIOD

<https://youtu.be/By6iBuW7cUc?t=2m22s>

None.

A. CONSENT CALENDAR

1. APPROVAL OF MINUTES FOR THE OCTOBER 16, 2018, CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

<https://youtu.be/By6iBuW7cUc?t=2m57s>

MOTION: Member Beckman moved to approve A1 minutes as submitted. Member Martin seconded, and the motion carried 4-0.

2. APPROVAL OF MINUTES FOR THE NOVEMBER 20, 2018, CITIZENS OVERSIGHT/FINANCE ADVISORY COMMITTEE MEETING

<https://youtu.be/By6iBuW7cUc?t=3m14s>

MOTION: Member Beckman moved to approve A2 minutes as submitted. Member Martin seconded, and the motion carried 4-0.

B. BUSINESS ITEMS

1. BRIEF FINANCE UPDATE, (Finance Director)

<https://youtu.be/By6iBuW7cUc?t=3m57s>

Finance Director Callaway gave a brief update and answered questions from the Committee. Ms. Callaway noted there are four openings on the advisory board for the upcoming year, applications are available at City Hall or online and interviews are scheduled for January 23rd. The CSMFO annual conference is taking place January 8th-11th.

2. REVIEW OF THE FY 2017/18 DRAFT COMPREHENSIVE ANNUAL FINANCIAL REPORT

<https://youtu.be/By6iBuW7cUc?t=6m47s>

Finance Director Callaway gave the report and answered questions from the Committee. There was discussion regarding the pension liability. Measure Q fund balances can be found on page 120.

3. REVIEW OF FY 2017/18 UNAUDITED TRANSACTIONS FROM THE COLLECTION OF THE GENERAL PURPOSE LOCAL SALES TAX, COMMONLY KNOWN AS “MEASURE Q”

<https://youtu.be/By6iBuW7cUc?t=31m32s>

Finance Director Callaway gave the report and answered questions from the Committee.

The Committee reviewed the detail of purchases within the fire department and the pavement management project.

4. FUTURE AGENDA ITEMS

There was Committee consensus to hear the following items: CAFR review, budget brief, Coral Avenue payment.

C. SCHEDULE NEXT MEETING

The next Regular Meeting of the Citizens Finance Advisory Committee is scheduled for Tuesday, January 15, 2019.

D. ADJOURNMENT

The meeting adjourned at 4:50 p.m.

Recorded by:
Valerie Webb



AGENDA NO: B-4

MEETING DATE: February 19, 2019

Staff Report

TO: Chairman and Committee Members **DATE:** February 14, 2019
FROM: Jennifer Callaway, Finance Director
SUBJECT: Review of Fiscal Year 2018/19 Second Quarter Budget Performance Report for the Six-Month Period Ending December 31, 2018

RECOMMENDATION

Receive the draft Fiscal Year (FY) 2018/19 Second Quarter Budget Performance and Status Report for the Six-Month Period ending December 31, 2018 and provide input.

BACKGROUND

The attached draft Quarterly Budget Report covers the first six months of the fiscal year beginning July 1, 2018 and ending December 31, 2018. The report presents analysis related to the key General Fund revenues and expenditures by category as well as an analysis of the City's enterprise funds, Water Reclamation Facility (WRF), Pavement Management Plan, Tourism Business Improvement District, Measure Q and other funds.

Through financial analysis of activity through December 31, 2018, staff is able to provide an update based on revenue and expenditure trends for the current fiscal year and advise on potential future revenue and expenditure challenges which may materialize during the fiscal year.

The report provided to the CFAC committee is in draft format and may be revised for the February 26th Council update as staff continues to analyze and incorporate budget updates related to other Capital projects.

DISCUSSION

An analysis of FY 2018/19 General Fund revenues identified that revenues are trending well and on par with expectations. Both Sales Tax and Property Tax revenues are exceeding budget expectations and staff is recommended budget augmentations to both revenues' categories. This is a sign that the economy remains strong although the City's sales tax consultant, HDL has indicated that they are forecasting a flattening of the economy for next fiscal year.

In addition, staff has confirmed Cal Fire and FEMA reimbursements for the City's support of wildfires across the state totaling \$271,586.63. Staff is recommending that approximately \$200,000 be allocated to the general fund to offset personnel costs associated with the fire support and purchase of safety equipment. The remaining \$70,000 in reimbursement is recommended to be appropriate to the Vehicle Replacement Fund for purchase of future fire vehicles.

Staff is also recommending a budget adjustment to charges for service to account for unbudgeted revenue associated with the cannabis applications. There are direct offsetting expenditures related to review of these applications.

General Fund revenue adjustments recommended at this time total \$448,108.

General Fund expenditure adjustments recommended at this time total \$227,498. This is primarily related to offsetting direct expenses incurred for the mutual aid fire support. Mutual aid strike team support incurred \$182,511 in overtime and personnel costs. In addition, the fire department is requesting to utilize a portion of the mutual aid reimbursement to purchase safety equipment for Department staff, totaling \$18,000. Staff is also recommending expenditure augmentations to support the initial screening of the City's cannabis applications, purchase of the Polco online survey tool, a homeless point in time survey to be conducted by San Luis Obispo County, and installation of a new telephone service. Staff is recommending a reduction of the general fund contribution to TBID based on the calculation formula of \$60,000 plus 20% of TOT revenue above \$3,000,000. FY 17/18 year-end TOT results totaled \$3,429,186. Base funding of \$60,000 plus 20% of 429,186 totals \$145,837, a difference of \$11,163 from the budgeted contribution amount of \$157,000.

Measure Q

In June 2018, the City Council adopted the City of Morro Bay's FY 2018/19 Operating and Capital Budgets, which included an allocation of \$1,083,000 in Measure Q funds for Fire Station #53 debt service, full-time relief Firefighter position, fire equipment, police equipment, Police standby pay and an allocation to the Sheriff's Department for Bomb Team and Special Operations Unit, and pavement management repair and replacement. As part of the Measure Q ballot language, the City was to establish an independent Citizen's Advisory Committee to review annual expenditures. In accordance with this language, staff has compiled the second quarter revenues and expenditures, with supporting documentation from the City's Finance system, for the Committee's review and consideration. FY 2018/19 expenditure detail is provided in the chart below:

City of Morro Bay
Schedule of Measure Q
Operating Revenues vs. Operating Expenditures
Fiscal Year 2018/19

| | FY17/18 Actuals Audited | FY 18/19 Adopted Budget | FY 18/19 Second Quarter Transactions | FY 18/19 % YTD | G/L Acct Number from Accumulated Transactions Listing Report |
|---|-------------------------------|-------------------------------|--|----------------------|--|
| Beginning Fund Balance | \$ 73,557 | \$ 184,055 | | | |
| Revenues | | | | | |
| Sales Tax | \$ 1,062,872 | \$ 1,083,000 | \$ 309,983 | 29% | 003-1111-3051 |
| Charges for Services - Sale of Plans/Specs | | | | | |
| Interest | | | | | |
| Gain on Investment | 23 | | | | 003-1111-3750 |
| Grants - CalRecycle | | | | | |
| Total Revenues | <u>1,062,895</u> | <u>1,083,000</u> | <u>309,983</u> | <u>104%</u> | |
| Expenditures | | | | | |
| Fire | | | | | |
| Salaries & Benefits (Relief Firefighter) | 139,732 | 167,122 | 90,853 | 54% | 003-4210-4110 through 4912 |
| Transfer to General Fund (Remaining balance of Relief Firefighter) | 116,443 | 120,685 | 60,343 | 50% | 003-7710-8510 |
| Fire Station #53 Debt Service | 83,194 | 90,806 | 58,788 | 65% | 003-4210 8110 + 003-4210-8130 |
| Equipment | 63,364 | 101,600 | 37 | 0% | 003-4210-5130 through 7302 |
| EOC Emergency Management Plan | - | | | | 003-4120 6106 |
| Total Fire | <u>402,733</u> | <u>480,213</u> | <u>210,020</u> | <u>44%</u> | |
| Police | | | | | |
| School Resource Officer Salary and Benefits | - | | | | |
| Standby Pay/Admin Sgt Pay | 8,889 | 40,500 | - | 0% | 003-4110-4515 & 4910 |
| Equipment/Supplies | | 22,000 | 26,845 | 122% | 003-4110-5504 |
| Payment to Other Agency's - SLO Sheriff | 14,600 | 38,600 | 17,182 | 45% | 003-4110 8721 |
| Total Police | <u>23,489</u> | <u>101,100</u> | <u>44,027</u> | <u>44%</u> | |
| Public Works | | | | | |
| Streets | | | | | |
| Street Maintenance - Computer Operating Supplies | | | | | |
| Street Maintenance - Equipment Rental | 14,665 | | | | 003-5230 6810 |
| ADA Sidewalk Project | 24,159 | - | 12,080 | | 003-7710-8501 |
| Repairs/Maint Materials | | | | | |
| Pavement Management Plan | 487,351 | 501,687 | - | 0% | 003-7710-8501 |
| Total Public Works | <u>526,175</u> | <u>501,687</u> | <u>12,080</u> | <u>97%</u> | |
| Equipment - Black Hill Repeater | | | | | |
| Gain/Loss on Investment -GASB 31 | | | | | |
| Total Operating Expenditures | <u>\$ 952,397</u> | <u>\$ 1,083,000</u> | <u>\$ 266,127</u> | <u>25%</u> | |
| Use of Carryforward Funds | | | | | |
| Net Operating Revenues over Expenditures & Carryforwards | <u>\$ 110,498</u> | <u>\$ -</u> | <u>\$ 43,856</u> | | |
| Ending Fund Balance | \$ 184,055 | | | | |
| Assigned Fund Balance - Debt Service Reserve | \$ 38,586 | | | | |
| Unassigned Fund Balance | \$ 145,469 | | | | |

The accumulated transaction report accounting for the detail of the second quarter expenditures is included as Attachment 2 for review. The detail above includes reference to the General Ledger Account numbers so figures can be easily traced back to the source data.

Second quarter FY 2018/19 Measure Q sales tax has generated \$309,983 (29% of budgeted revenues) for the first five months of the fiscal year (July through November). While this is lower than in prior years, the State did incur a reporting error that was discussed during the first-year budget update. The City's sales tax consultant reports that the majority of corrections have been made through January (although there are some reporting errors still occurring) and with these corrections in place is forecasting that sales and transaction receipts for the year will be \$22,000 head of budgeted figures. Based on this analysis, staff is recommending a budget augmentation to increase revenues by \$22,000.

Measure Q second quarter expenditures are trending well at \$266,128 or approximately 25% of budgeted totals.

Budget Recommendations:

Staff is recommending a budget adjustment to Measure Q expenditures totaling \$65,500. If approved, this appropriation would be funded from unallocated fund balance of \$145,469. City staff have worked closely with the School District and have tentatively negotiated an agreement for the School District to fully fund the personnel costs of a School Resource Officer (SRO). The SRO would be dedicated to the School District and the City would be responsible for providing a vehicle, safety equipment, training, and other necessary items such as a laptop. The SRO contract will be presented to the City Council in March and pending approval of the contract, the School District would like for the SRO position to resume immediately. Should the contract be approved, staff is recommending that the necessary equipment, vehicle and safety items be purchased from Measure Q to support the SRO position. If the contract is not approved, the appropriation would not be spent.

Pavement Management Plan

Work under the pavement management plan began in early 2019. Due to the weather there have been several delays and rescheduling. As of December 31, 2018, no expenditures had hit the capital project for pavement management, therefore no funds have yet been transferred out of the Measure Q fund to support this item. Detail is provided below for the Committee to review.

| Schedule of Pavement Management Plan Capital Project Operating Revenues vs. Operating Expenditures Fiscal Year 2018/19 | | | | | |
|---|---------------------------------|-------------------------------|--|---------------------|-----------------------------------|
| | FY17/18 Actuals Unaudited | FY 18/19 Adopted Budget | FY 18/19 Second Quarter Transactions | FY17/18 % YTD | Notes |
| Revenues | | | | | |
| Road Maintenance & Rehav Alloc SB1-2032(h)(2) | \$ 49,609 | \$ 191,000 | \$ 62,355 | 33% | |
| SB1 - State GF Loan Repay from Traffic Congestion Relief (Prop 42) | 12,235 | | | | |
| State Grant Capital Improve | 245,000 | 35,985 | | 0% | |
| State Grant Other Govt Svc | 49,439 | | | | |
| Transfer In | 487,351 | 582,979 | | 0% | Transfer in from Measure Q |
| Total Revenues | 843,634 | 809,964 | 62,355 | 8% | |
| Expenditures | | | | | |
| Pavement Management Plan | | | | | |
| Salaries & Benefits | 8,851 | | | | |
| Miscellaneous Operating Supplies | | | | | |
| Consulting Services - Rick Engineering | 50,847 | | | | |
| Contractual Services - Pavement Coatings Co. | 782,591 | 809,964 | - | 0% | |
| Other Utilities | 1,344 | | | | |
| Total Operating Expenditures | \$ 843,634 | \$ 809,964 | \$ - | 0% | |
| Use of Carryforward Funds | | | | | |
| Net Operating Revenues over Expenditures & Carryforwards | \$ - | \$ - | \$ 62,355 | | |

Staff is continuing to review the mid-year report and would appreciate feedback from the Committee. For presentation to the City Council, staff will be including information related to the Capital projects.

CONCLUSION:

The second quarter report indicates that the economy remains strong and, with conservative budgeting, the City has positioned itself well going into the FY 2019/20 budget cycle.

ATTACHMENT

1. Second Quarter FY 2018/19 Budget Performance and Status Report for the period ending December 31, 2018.
2. Accumulated Transaction Report Measure Q, period ending December 31, 2018.

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

INTRODUCTION

Purpose

This is the second quarterly budget report for the Fiscal Year 2018/19, for the six-month period ending December 31, 2018. The purpose of this quarterly public reporting is twofold. First, it ensures that the City is consistently monitoring its revenues and expenditures so that it can proactively respond to unanticipated changes or emerging trends. Second, and equally important, these reports increase the transparency of City finances. The City is ultimately accountable to its residents to use the revenue it brings in efficiently and effectively to provide the highest quality services, and quarterly public reporting provides taxpayers with the information they need to hold the City to this standard.

Content

This quarterly report presents an overview of the City's operating revenues and expenditures from the General Fund for the six-month period ending December 31, 2018, as compared to previous years, and explains any notable aberrations or trends in these numbers.

This report includes data on General Fund operating revenues and expenditures, as these represent the funds used to provide essential City services, as well as the City's three enterprise funds, Harbor, Water and Sewer, the Water Reclamation Facility (WRF) Capital Project, pavement management project, the City's District Sales Tax Measure known as Measure Q and lastly the City's Tourism Business Improvement District (TBID).

Timeframe and Limitations

The information in this report is the most accurate and up-to-date information available at the time of publication. However, this report is not an audited financial statement, and the numbers provided herein are preliminary and subject to change as the year progresses. No data on revenues and expenditures are final until the City has completed its

annual comprehensive audit, which is released in the winter of each year for the prior fiscal year.

With respect to revenues: The City monitors and adjusts its year-end revenue projections based on revenue performance and other developments that may affect City revenues in order to develop a more accurate picture of the City's anticipated year-end financial position.

With respect to expenditures: The expenditure information in this report is extracted directly from the City's financial management system, and adjustments are made to account for certain known payments, reimbursements, or transfers between City departments and funds that have not yet been processed in the system at the time of publication. It represents a snapshot of City expenditures at a certain point in time, and does not reflect final FY 2018/19 adjustments.

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QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

EXECUTIVE SUMMARY

Status of FY 2018/19 Adopted Budget

Overall, second quarter revenue trends are steady when compared to the second quarter of Fiscal Year 2017/18, at about 46% of budgeted levels. Of the City's most economically-sensitive revenues - sales tax is trending well and based on the update from the City's consultant staff is recommending a budget adjustment to increase sales tax revenue. Transient Occupancy Tax (TOT) is trending on par with actual receipts from the prior fiscal year at the second quarter period. Similarly, the City's business tax, charges for service and other sources is trending quite well when compared to prior year actuals. This is partly due to the Fire Department's mutual aid work and support of the wildfires and. The Fire Departments support of these tragedies is

reimbursed to the City to offset corresponding costs the City incurs.

Overall, General Fund expenditures for the second quarter are trending on target at 50% of budgeted levels. Supplies, Materials and Services expenditures at about 40% of budget. Overall salary and benefits are trending a bit high which is to be expected given the amount of mutual aid support provided for the fires and landslides that occurred down south. Staff is continuing to monitor both revenues and expenditures through the third quarter and continue to true-up budget figures to more closely align to actual results. As such, a series of budget adjustments in recommended for revenues and expenditures.

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

GENERAL FUND – KEY REVENUE ANALYSIS

The following discussion provides a status of significant General Fund revenue sources as of the second quarter, ending December 31, 2018.

Staff monitors each revenue source closely and may recommend certain revenue adjustments based on revenue actuals or state budget actions.

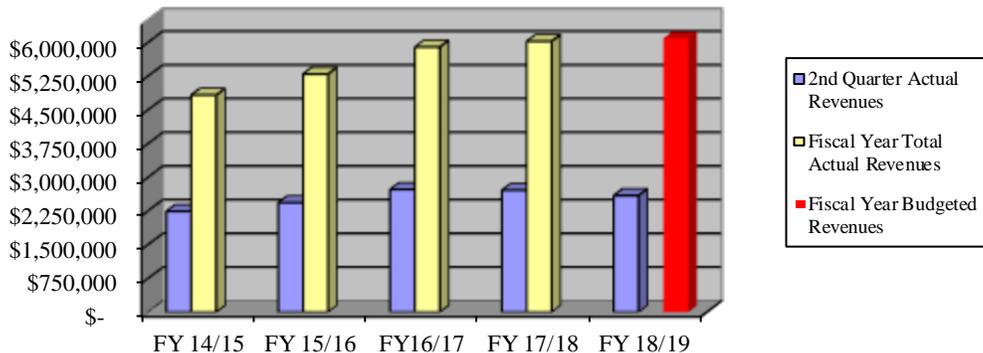
Other Taxes

Other taxes include sales and use tax, Prop 172 public safety sales tax, property transfer tax, transient occupancy tax (TOT), and Franchise Fees. As a category, other taxes represent 44% of the Cities total General Fund revenues, inclusive of transfers in, with transient occupancy tax being the second largest revenue source for the City. For purposes of the quarterly review, an analysis of Other Taxes as a grouping, as well as individual analysis of Sales and Use Tax, TOT and Franchise Fees will be discussed.

Analysis – Second quarter receipts is trending on par with those in prior years and therefore no budget recommendation is recommended at this time. A detailed analysis of sales tax, TOT and Franchise fees is following.

OTHER TAXES

Quarterly and Annual Revenues
5-Year History



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 2,242,006 | \$ 2,434,683 | \$ 2,727,457 | \$ 2,712,525 | \$ 2,593,026 |
| Fiscal Year Total Actual Revenues | \$ 4,828,679 | \$ 5,297,172 | \$ 5,896,997 | \$ 6,025,040 | |
| Fiscal Year Budgeted Revenues | | | | | \$ 6,091,317 |
| 2nd Quarter Percent of Total | 46.43% | 45.96% | 46.25% | 45.02% | 42.57% |

Recommended Budget Revision

-

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

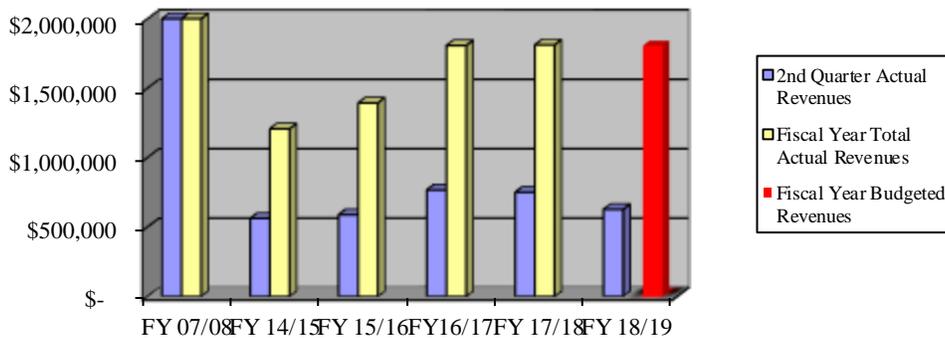
Sales Tax

Sales tax generates approximately 14% of revenues, the third largest revenue source for the City’s General Fund in FY 2018/19. The City’s General Fund receives 1 cents for every 7.5 cents of sales tax paid per dollar on retail sales and taxable services transacted within Morro Bay. Previously, the State Board of Equalization retained 25% of the City’s 1-cent share, referred to as the “Triple Flip,” requiring the San Luis Obispo County Auditor to replace it with an equal amount of property tax revenue. Revenues are remitted from the State to the City on a monthly basis, and from the County to the City on a biannual basis. These revenues are placed in the General Fund for unrestricted uses. The “triple flip” period ended in FY 2015/16, and is no longer impacting sales tax receipts.

Analysis – As a revenue category, second quarter receipts are trending slightly behind those in the same period in the past fiscal year, however the state is still in progress of trueing up receipts due to the reporting error with the state’s sales tax reporting system. Based on data available from the City’s sales tax consultant, staff is recommending a budget adjustment of \$47,490.

Sales Tax

**Quarterly and Annual Revenues
5-Year History**

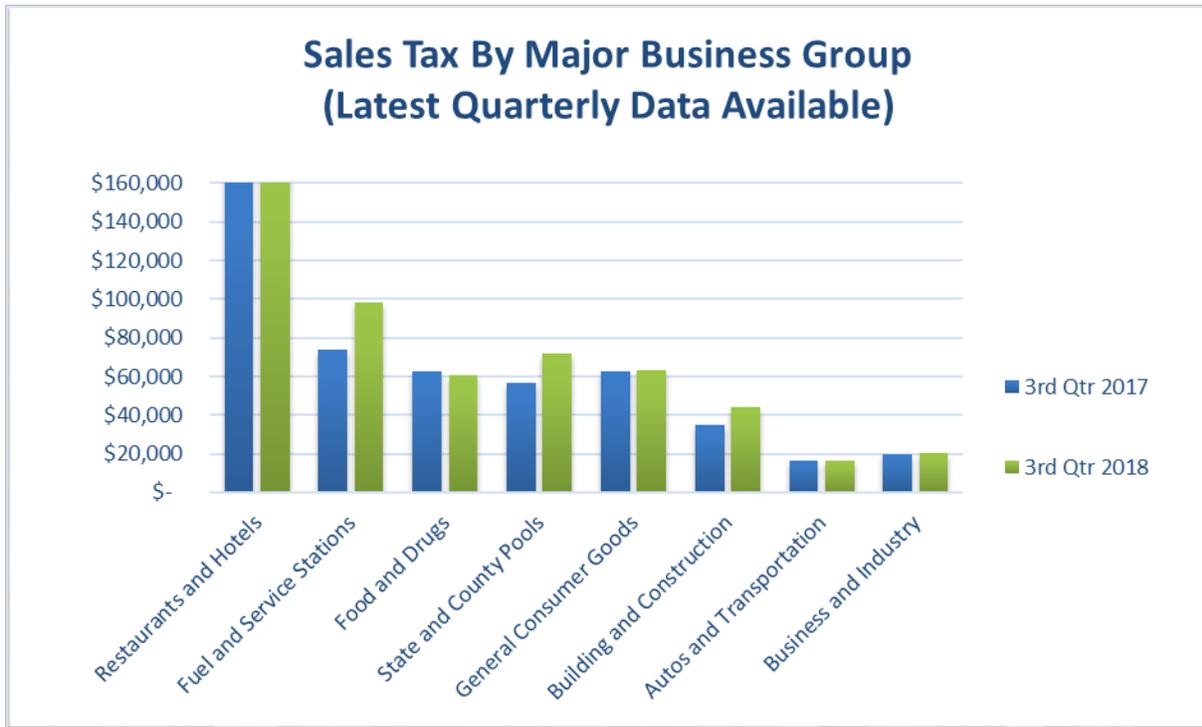


| | <u>FY 07/08</u> | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | | \$ 562,291 | \$ 588,667 | \$ 767,884 | \$ 750,841 | \$ 627,781 |
| Fiscal Year Total Actual Revenues | | \$ 1,207,332 | \$ 1,394,145 | \$ 1,807,642 | \$ 1,811,884 | |
| Fiscal Year Budgeted Revenues | | | | | | \$ 1,806,000 |
| 2nd Quarter Percent of Total | | 46.57% | 42.22% | 42.48% | 41.44% | 34.76% |

Recommended Budget Revision **47,490**

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

As depicted in the graph below, the categories of Fuel and Service Stations and State and County Pools represent the most significant increase in sales tax from the 3rd quarter of 2017 to the 3rd quarter of 2018. All other reporting categories remained steady.



QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

TOT Tax

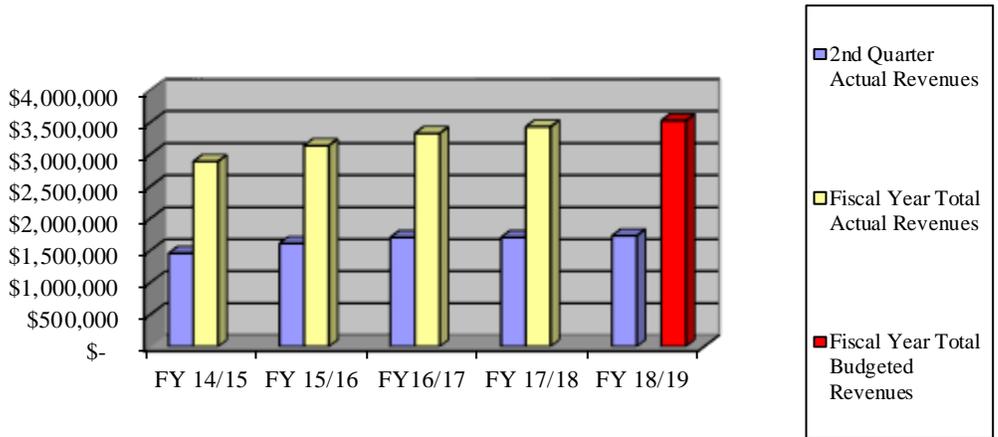
Transient Occupancy Tax (TOT) accounts for 25% of the City’s general fund revenues for FY 2018/19. As a highly economically-sensitive revenue source, the City closely monitors this funding source for any indication that the tourism market is slowing down.

The City levies a 10% transient occupancy tax (TOT) on all hotel, motel, vacation rentals and RV parks within the municipal limits of Morro Bay. This tax helps to fund City services provided to transitory visitors to Morro Bay. In addition, the City collects additional revenues for the Tourism Business Improvement District (TBID) in the amount of 3% on all hotels, motels, inns, etc., which funds the Tourism program within the City and a 1 percent tax on all hotels, motels, vacation rentals and RV parks which is the share for the County Tourism program.

Analysis –Second quarter TOT revenues are trending consistent with prior year second quarter results, when viewed as a percentage of budget. Therefore, no budget adjustment is recommended at this time.

Transient Occupancy Tax

**Quarterly and Annual Revenues
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 1,455,090 | \$ 1,607,926 | \$ 1,701,933 | \$ 1,702,037 | \$ 1,727,757 |
| Fiscal Year Total Actual Revenues | \$ 2,888,638 | \$ 3,136,366 | \$ 3,327,073 | \$ 3,429,186 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 3,524,835 |
| 2nd Quarter Percent of Total | 50.37% | 51.27% | 51.15% | 49.63% | 49.02% |

Recommended Budget Revision -

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

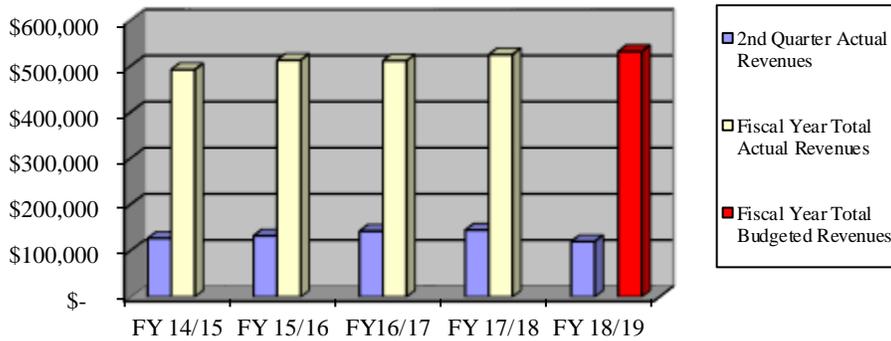
Franchise Fees

Franchise fees are collected by the City for the privilege of operating a utility service within Morro Bay, and as a fee in lieu of a business tax. Franchise fees are currently received for electricity, garbage, cable TV and natural gas. Franchise fees represent 4.0% of budgeted General Fund revenues in FY 2018-19.

Analysis – Historically, franchise payments are not remitted equally throughout the fiscal year; specifically, with Electricity Franchise Fees generally not be remitted until the third quarter. Based on the second quarter results, franchise fee revenues to date are 22.54% of budgeted total receipts, slightly behind prior year’s 2nd quarter results. No budget adjustment is recommended at this time.

Franchise Fees

**Quarterly and Annual Revenues
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 126,873 | \$ 132,314 | \$ 142,446 | \$ 144,862 | \$ 119,847 |
| Fiscal Year Total Actual Revenues | \$ 492,572 | \$ 513,081 | \$ 511,696 | \$ 524,997 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 531,799 |
| 2nd Quarter Percent of Total | 25.76% | 25.79% | 27.84% | 27.59% | 22.54% |

Recommended Budget Revision

-

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

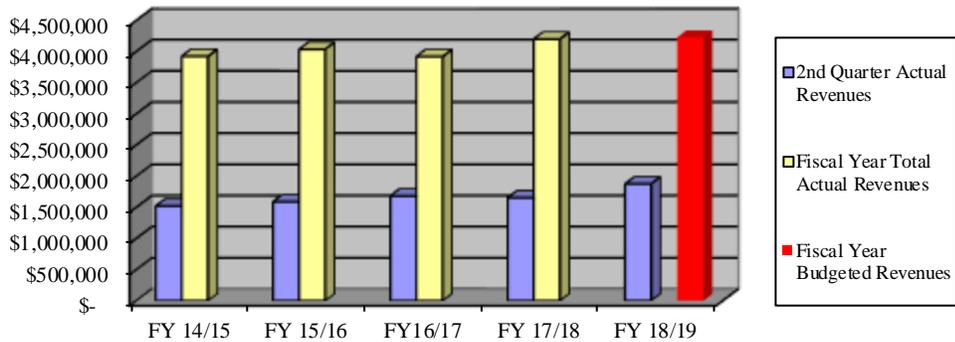
Property Tax

Property tax, including property tax in-lieu, is the second largest revenue category for the City’s General Fund, accounting for 30% of budgeted General Fund revenues in FY 2018/19. Property tax is levied by the San Luis Obispo County Assessor’s Office at 1% of a property’s assessed value, of which the City receives approximately 10.696 cents per dollar paid on property located within the municipal limits of Morro Bay.

Analysis – Property tax distributions are largely received in the third and fourth quarters, however the chart below depicts the 2nd quarter receipts for the past four years as compared to the current fiscal year. Second quarter receipts are trending higher than in prior years. This coupled with the most recent update from the San Luis Obispo Auditor, Controller, Treasurer, Tax Collector, staff is recommending a budget adjustment of \$95,000 to account for the increased collections.

PROPERTY TAX

**Quarterly and Annual Revenues
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 1,519,476 | \$ 1,588,966 | \$ 1,680,724 | \$ 1,651,301 | \$ 1,875,035 |
| Fiscal Year Total Actual Revenues | \$ 3,921,347 | \$ 4,035,432 | \$ 3,917,348 | \$ 4,197,259 | |
| Fiscal Year Budgeted Revenues | | | | | \$ 4,227,326 |
| 2nd Quarter Percent of Total | 38.75% | 39.38% | 42.90% | 39.34% | 44.36% |

| | |
|------------------------------------|------------------|
| Recommended Budget Revision | \$ 95,000 |
|------------------------------------|------------------|

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

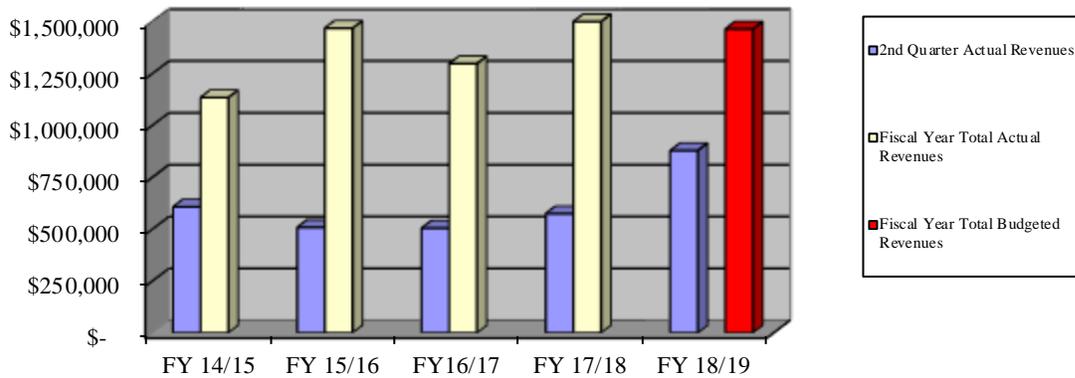
Charges for Services

City service revenues consist primarily of Plan Check fees, Building Inspection fees and Recreation sports and youth services fees. These fees are assessed based on recovery formulas, which reflect approximate costs of providing these services and, as a total category, account for 10% of the City’s General Fund revenues. Generally, community Development and Recreation Services account for most of these fees.

Analysis – Second quarter receipts are trending very high, as both Community Development and Fire revenues have surged. The Fire Departments reimbursement for their strike team support of the various wildfires is included in the charges for services category. In addition, the City’s Cannabis Application Fees are included in this revenue category, both revenues have corresponding offsetting expenditures. As a result, a \$308,511 budget augmentation is recommended.

Charges for Services

**Quarterly and Annual Revenues
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 606,960 | \$ 507,974 | \$ 505,004 | \$ 574,312 | \$ 878,281 |
| Fiscal Year Total Actual Revenues | \$ 1,134,047 | \$ 1,468,119 | \$ 1,297,352 | \$ 1,726,241 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 1,464,253 |
| 2nd Quarter Percent of Total | 53.52% | 34.60% | 38.93% | 33.27% | 59.98% |

| | |
|------------------------------------|----------------|
| Recommended Budget Revision | 308,511 |
|------------------------------------|----------------|

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

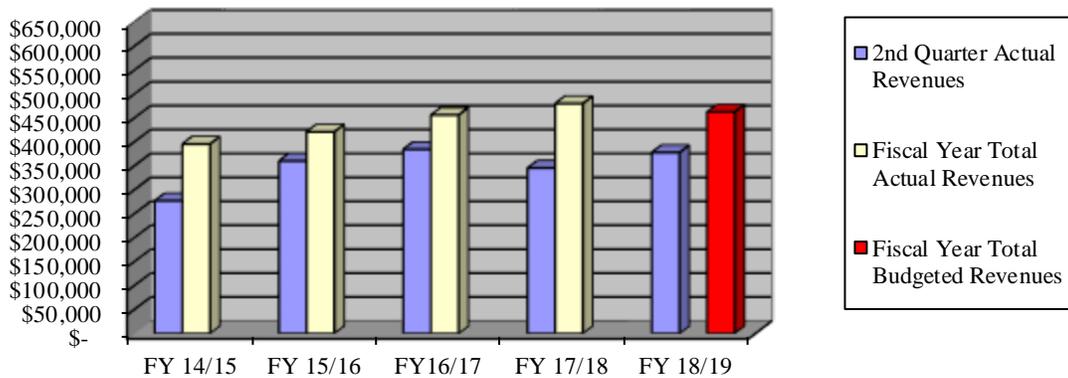
Licenses and Permits

Licenses and permits consist mainly of business and transient vendor taxes. Conditional use permits, and coastal permits are the other primary revenues sources in this category. The Licenses and Permits category represents approximately 3% of total City General Fund revenues for FY 2018/19. As business and transient vendor taxes are the largest subset of this revenue category, an independent analysis of that revenue source follows.

Analysis – Second quarter licenses and permit revenue as an overall category is trending higher than the second quarter results from the previous fiscal year. Staff is not recommending a budget adjustment at this time and will review licenses and permits again during the third quarter update.

Licenses & Permits

**Quarterly and Annual Revenues
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 277,300 | \$ 360,386 | \$ 384,530 | \$ 345,779 | \$ 378,197 |
| Fiscal Year Total Actual Revenues | \$ 395,769 | \$ 421,205 | \$ 456,319 | \$ 480,440 | \$ 462,859 |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 462,859 |
| 2nd Quarter Percent of Total | 70.07% | 85.56% | 84.27% | 71.97% | 81.71% |

| | |
|------------------------------------|---|
| Recommended Budget Revision | - |
|------------------------------------|---|

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

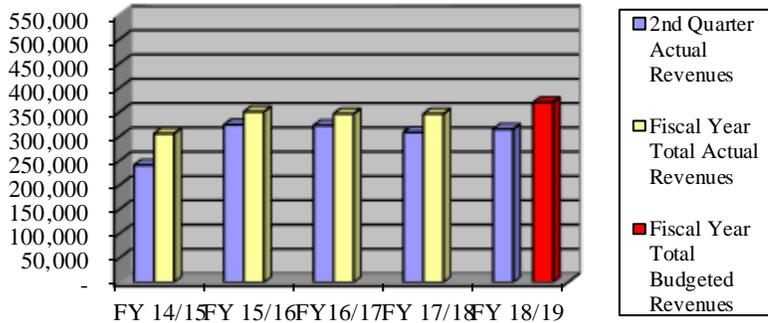
Business Tax

The City requires all business located within Morro Bay, or those that operate within Morro Bay, to obtain a business tax certificate. Business taxes apply to businesses operating as a general or sub-contractor, as a home occupation, from a commercial or office space rental, or as a business conducting temporary activities within the City limits. The amount of business tax paid by each business is based on the type of business being operated and varies depending on that type. Businesses, with gross receipts under \$4,000 per year for all work conducted within Morro Bay, are exempt from applying for and receiving a business tax certificate. These activities account for approximately 2.6% of annual General Fund operating revenues. Annual renewal payments are due in July, or for newer businesses, the month in which the business started.

Analysis – Business tax revenue grew steadily from FY 2013/14 through FY 2015/16, at which point revenues appear to have flattened out. When viewed as a percentage of budget, current year second quarter revenues are trending consistent with those of the previous years. Staff is not recommending a budget adjustment at this time.

Business Tax

**Quarterly and Annual Revenues
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | 241,281 | 324,236 | 322,787 | 308,867 | 315,155 |
| Fiscal Year Total Actual Revenues | \$ 305,844 | \$ 351,055 | \$ 346,704 | \$ 346,701 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 370,000 |
| 2nd Quarter Percent of Total | 78.89% | 92.36% | 93.10% | 89.09% | 85.18% |

Recommended Budget Revision -

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

GENERAL FUND – KEY EXPENDITURE ANALYSIS

The following discussion provides a status of significant General Fund expenditures as of the second quarter ending December 31, 2018. Staff monitors each revenue source closely, and may recommend certain expenditure adjustments based on actuals or state budget actions.

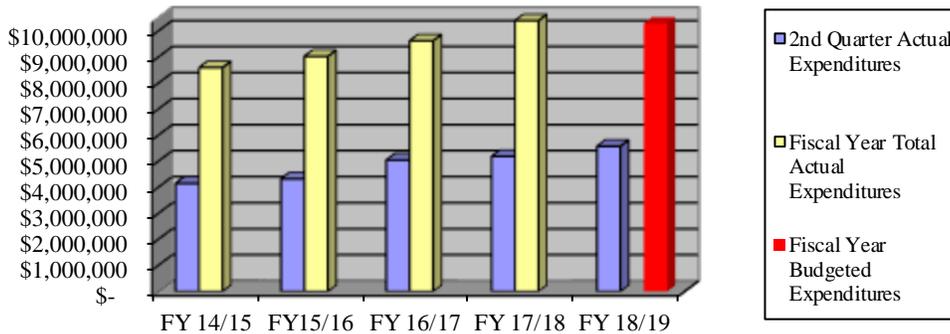
SALARIES AND BENEFITS

Salaries and benefits include full-time employee salaries, elected official’s stipends, temporary/relief employees, overtime, other benefits, pensions and health care. Under typical circumstances, it would be expected that salaries and benefits would be at approximately 50% of total budget at the end of the second quarter.

Analysis – Second quarter results are trending slightly high, at approximately 54.17% of budgeted totals. This includes substantial fire related personnel costs due to mutual aid assistance provided for the wildfires, totaling \$182,511. These expenditures are reimbursed, and an offsetting revenue adjustment was recommended in the Charges for Services Category previously discussed (page 9). In addition, this includes full payment of the City’s annual unfunded accrued liability, slightly skewing the figures when viewed on a quarterly basis. An overall budget augmentation of \$182,511 is recommended for Salaries and Benefits.

SALARIES AND BENEFITS

**Quarterly and Annual Expenditures
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Expenditures | \$ 4,151,356 | \$ 4,326,271 | \$ 5,050,750 | \$ 5,186,818 | \$ 5,577,502 |
| Fiscal Year Total Actual Expenditures | \$ 8,595,238 | \$ 9,027,716 | \$ 9,625,716 | \$ 10,400,062 | |
| Fiscal Year Budgeted Expenditures | | | | | \$ 10,296,042 |
| 2nd Quarter Percent of Total | 48.30% | 47.92% | 52.47% | 49.87% | 54.17% |
| Recommended Budget Revision | | | | | 182,511 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

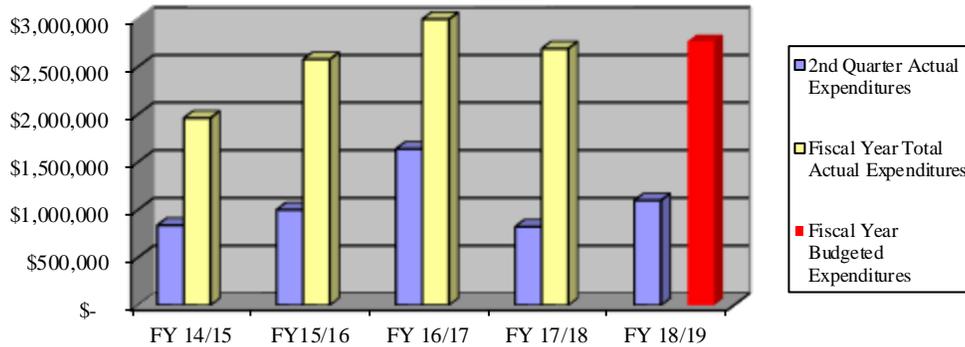
SUPPLIES, MATERIALS AND SERVICES

Operating expenditures consist of all General Fund costs to provide services, including supplies and materials, consulting services, contract services, and debt service. For analysis materials, utilities, insurance, payment to other agencies and transfers are categorized individually as they are often expenditure categories that staff have limited control or ability to reduce expenditures. The category of supplies, materials and services, the City’s most controllable expenditure category, should trend around the 50% level for the second quarter. Consulting and contractual services, a component of this category, may have various contract start dates and payments may not be equally spread throughout the fiscal year so variation from the 50% amount may be explained due to these consulting and contractual services.

Analysis – Second quarter results are trending a bit low at about 40% of budgeted totals (exclusive of transfers). As staff continues to provide services and looks towards the remainder of the fiscal year, a small budget augmentation of \$48,500 is recommended to help offset unbudgeted expenditures primarily related to purchase of fire uniforms and equipment from mutual aid support, the purchasing of an online surveying tool, review of the City’s cannabis applications, and a homeless study.

SUPPLIES, MATERIALS AND SERVICES

**Quarterly and Annual Expenditures
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|---------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Expenditures | \$ 840,080 | \$ 1,001,382 | \$ 1,638,283 | \$ 822,445 | \$ 1,099,247 |
| Fiscal Year Total Actual Expenditures | \$ 1,963,521 | \$ 2,579,514 | \$ 3,022,358 | \$ 2,691,066 | |
| Fiscal Year Budgeted Expenditures | | | | | \$ 2,767,232 |
| 2nd Quarter Percent of Total | 42.78% | 38.82% | 54.21% | 30.56% | 39.72% |

| | |
|------------------------------------|---------------|
| Recommended Budget Revision | 48,500 |
|------------------------------------|---------------|

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

FY 2018/19 Recommended Budget Adjustments

Budget adjustments are recommended for the following revenues and expenditures as of the second quarter as described below:

| GENERAL FUND | | | | |
|--|-------------|------------|---|-------------------|
| Fund | Acct | Sub | General Fund Revenues | |
| 001 | 3510 | 3051 | Sales Tax - City Portion | 47,490 |
| 001 | 3510 | 3011 | Property Tax Current Secured | 40,000 |
| 001 | 3510 | 3021 | Property Tax in Lieu-VLF | 55,000 |
| 001 | 4110 | 3391 | Other Grant Public Services | (20,979) |
| 001 | 4210 | 3472 | Other Revenue | 200,511 |
| 001 | 7105 | 3121 | Commercial Cannabis Application Fee | 108,000 |
| TOTAL GENERAL FUND REVENUES | | | | \$ 430,022 |
| | | | | |
| 001 | | | General Fund Expenditures | |
| 001 | 4210 | 4120 | Overtime Pay | 174,511 |
| 001 | 4210 | 4310 | Part-Time Pay | 8,000 |
| 001 | 4210 | 5109 | Uniforms/Safety Equipment | 18,000 |
| 001 | 3110 | 5201 | Other Expense - Polco Surveying Tool & Homelessness | 6,000 |
| 001 | 7710 | 8530 | Transfer to Special Revenue Fund (TBID) | (11,163) |
| 001 | | 6201 | Telephone | 7,650 |
| 001 | 7105 | 6106 | Contract Services: Cannabis Application Screening | 24,500 |
| TOTAL GENERAL FUND EXPENDITURES | | | | \$ 227,498 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

SUMMARY OF KEY RECOMMENDED BUDGET ADJUSTMENTS

General Fund

Revenues:

- Sales Tax – City Portion: A budget augmentation of \$47,490 is recommended due to higher than budgeted receipts. This budget adjustment is recommended based on the latest sales tax data received from the City's sales tax consultant HDL.
- Property Tax: A budget augmentation of \$40,000 is recommended based on the latest estimates provided by San Luis Obispo County Auditor, Controller, Treasurer, Tax Collector.
- Property Tax in Lieu-VLF: A budget augmentation of \$55,000 is recommended based on the latest estimates provided by San Luis Obispo County Auditor, Controller, Treasurer, Tax Collector.
- Other Fire Services: A budget augmentation of \$200,511 is recommended due to confirmed expected receipts for mutual aid services provided during the fires and debris flow that occurred during late 2018.
- Other Grant Public Services: A budget reduction of \$20,979 is recommended. This budget amount was a carryforward from previous years for one-time police grant receipts. The City does not anticipate receiving those grant funds this fiscal year and therefore staff recommends eliminating the budget.
- Commercial Cannabis Application Fee: A budget increase of \$108,000 is recommended to account for the cannabis application fees collected minus anticipated refunds. There are direct offsetting costs related to the review of these fees, an appropriate expenditure adjustment is also recommended.

Expenditures:

- Overtime Pay - Fire: A budget augmentation of \$174,511 is recommended as this is direct reimbursement for staff time and strike team support of the fires and landslide that occurred during the fiscal year. A revenue augmentation has also been recommended.
- Part-Time Pay - Fire: A budget augmentation of \$8,000 is recommended as this is direct reimbursement for staff time and strike team support of the fires and landslide that occurred during the fiscal year. A revenue augmentation has also been recommended.
- Operating Expenditures – Fire Department: A \$18,000 budget augmentation is recommended for the fire department to purchase uniforms and safety equipment related to use during the mutual aid support. These purchases are supported by the mutual aid received and the budget augmentation to Other Fire Service revenues.
- Other Expenses – City Manager: A budget augmentation of \$6,000 is recommended to support the purchase of the Polco online survey tool (\$4,000) and to complete a homeless point in time survey (\$2,000).
- Contract Services – A \$24,500 budget increase is recommended for the community development department to hire consultant services (HDL) to perform initial screening of the cannabis applications. There is a direct offsetting revenue adjustment to support these expenditures.
- Telephone – A total budget adjustment of \$7,650 is recommended to support a contract for new phone service.
- Transfers to Special Revenue Fund: A \$11,163 budget reduction to the transfer of funds to the Tourism Business Improvement District (TBID) fund is recommended as a result of prior year FY 2017/18 actual receipts.

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

FINANCIAL SUMMARIES, PROJECTIONS AND RECOMMENDATIONS

General Fund

The following table is the *Schedule of General Fund Operating Revenues vs. Operating Expenditures* for the second quarter of FY 2018/19, and is sorted by revenue and expenditure category, which includes comparison information from the prior year. In the last column are projections of final balances for the current fiscal year, based upon the trends observed through the second quarter.

**City of Morro Bay
Schedule of General Fund
Operating Revenues vs. Operating Expenditures
By Category
For the period ended December 31, 2018**

| | FY17/18 Final Balance | FY17/18 2nd Qtr Actuals | FY17/18 % YTD | FY18/19 Adopted Budget | FY18/19 2nd Qtr Actuals | FY18/19 % YTD | FY18/19 Finance Projection |
|---|--------------------------------------|--|------------------------------|---------------------------------------|--|------------------------------|---|
| Revenues | | | | | | | |
| Property Tax | \$ 4,197,259 | \$ 1,651,301 | 39% | \$ 4,227,326 | \$ 1,875,035 | 44% | \$ 4,322,326 |
| Other Taxes | 258,974 | 114,785 | 44% | 228,683 | 117,642 | 51% | 228,683 |
| Transient Occupancy Tax | 3,429,186 | 1,702,037 | 50% | 3,524,835 | 1,727,757 | 49% | 3,524,835 |
| Sales Tax | 1,811,884 | 750,841 | 41% | 1,806,000 | 627,781 | 35% | 1,853,490 |
| Franchise Fees | 524,997 | 144,862 | 28% | 531,799 | 119,847 | 23% | 531,799 |
| Licenses & Permits | 133,739 | 36,912 | 28% | 92,859 | 63,042 | 68% | 92,859 |
| Business Tax | 346,701 | 308,867 | 89% | 370,000 | 315,155 | 85% | 370,000 |
| Charges for Services | 1,726,241 | 574,312 | 33% | 1,464,253 | 878,281 | 60% | 1,772,764 |
| Fines & Forfeitures | 20,984 | 11,268 | 54% | 12,000 | 9,695 | 81% | 12,000 |
| Intergovernmental | 110,988 | 2,889 | 3% | 62,642 | 2,936 | 5% | 41,663 |
| Other Sources | 17,797 | 14,421 | 81% | 14,736 | 24,293 | 165% | 14,736 |
| Use of Money & Property | 528,707 | 225,748 | 43% | 379,200 | 261,751 | 69% | 379,200 |
| Fund Transfers | 1,528,702 | 566,837 | 37% | 1,605,795 | 623,432 | 39% | 1,605,795 |
| Total Revenues | 14,636,158 | 6,105,081 | 42% | 14,320,128 | 6,646,645 | 46% | 14,750,150 |
| Expenditures | | | | | | | |
| Salaries | 4,700,913 | 2,346,945 | 50% | 5,226,307 | 2,500,988 | 48% | 5,246,029 |
| Overtime | 476,464 | 250,156 | 53% | 202,529 | 256,213 | 127% | 377,040 |
| Part-time | 895,116 | 501,872 | 56% | 895,092 | 416,338 | 47% | 903,092 |
| Other Salaries | 342,199 | 217,612 | 64% | 325,391 | 235,746 | 72% | 325,391 |
| Labor Costs Applied | 145,152 | 94,897 | 65% | 26,280 | 2,859 | 11% | 26,280 |
| Benefits | 3,840,218 | 1,775,337 | 46% | 3,620,443 | 2,165,358 | 60% | 3,418,824 |
| Supplies, Materials and Services | 2,260,582 | 822,445 | 36% | 2,767,232 | 1,099,247 | 40% | 2,815,732 |
| Utilities | 463,334 | 192,886 | 42% | 434,222 | 213,470 | 49% | 441,872 |
| Insurance | 142,770 | 71,385 | 50% | 160,974 | 82,884 | 51% | 160,974 |
| Debt Service | 35,078 | 17,595 | 50% | 35,190 | 17,595 | 50% | 35,190 |
| Payment to other Agencies | 32,635 | 22,932 | 70% | 30,525 | 26,186 | 86% | 30,525 |
| Total Expenditures | \$ 13,334,461 | \$ 6,314,062 | 47% | \$ 13,724,185 | \$ 7,016,884 | 51% | \$ 13,780,949 |
| Transfers In/Out | 553,492 | 522,322 | 94% | 624,080 | 127,464 | 20% | 612,917 |
| Total Operating Expenditures | \$ 13,887,953 | \$ 6,836,384 | 49% | \$ 14,348,265 | \$ 7,144,348 | 50% | \$ 14,393,866 |
| Net Surplus or (Use) of Reserves | \$ 748,205 | \$ (731,303) | | \$ (28,137) | \$ (497,703) | | \$ 356,284 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

The following table is the *Schedule of General Fund Operating Revenues vs. Operating Expenditures* for the second quarter of FY 2018/19 displayed by revenue type and expenditures per department. The chart includes comparison information from the prior year and serves to monitor Department expenditures related to both budgeted amounts and prior year actuals. In the last column are projections of final balances for the current fiscal year based upon the trends observed through the second quarter.

City of Morro Bay
Schedule of General Fund
Operating Revenues vs. Operating Expenditures
By Department
For the period ended December 31, 2018

| | FY17/18 Y/E Actuals | FY17/18 2nd Qtr Actuals | FY17/18 % YTD | FY18/19 Adopted Budget | FY18/19 2nd Qtr Actuals | FY18/19 % YTD | FY18/19 Finance Projection |
|--|---------------------------|-------------------------------|---------------------|------------------------------|-------------------------------|---------------------|----------------------------------|
| Revenues | | | | | | | |
| Property Tax | \$ 4,197,259 | \$ 1,651,301 | 39% | \$ 4,227,326 | \$ 1,875,035 | 44% | \$ 4,322,326 |
| Other Taxes | 258,974 | 114,785 | 44% | 228,683 | 117,642 | 51% | 228,683 |
| Transient Occupancy Tax | 3,429,186 | 1,702,037 | 50% | 3,524,835 | 1,727,757 | 49% | 3,524,835 |
| Sales Tax | 1,811,884 | 750,841 | 41% | 1,806,000 | 627,781 | 35% | 1,853,490 |
| Franchise Fees | 524,997 | 144,862 | 28% | 531,799 | 119,847 | 23% | 531,799 |
| Licenses & Permits | 133,739 | 36,912 | 28% | 92,859 | 63,042 | 68% | 92,859 |
| Business Tax | 346,701 | 308,867 | 89% | 370,000 | 315,155 | 85% | 370,000 |
| Charges for Services | 1,726,241 | 574,312 | 33% | 1,464,253 | 878,281 | 60% | 1,772,764 |
| Fines & Forfeitures | 20,984 | 11,268 | 54% | 12,000 | 9,695 | 81% | 12,000 |
| Intergovernmental | 110,988 | 2,889 | 3% | 62,642 | 2,936 | 5% | 41,663 |
| Other Sources | 17,797 | 14,421 | 81% | 14,736 | 24,293 | 165% | 14,736 |
| Use of Money & Property | 528,707 | 225,748 | 43% | 379,200 | 261,751 | 69% | 379,200 |
| Fund Transfers | 1,528,702 | 566,837 | 37% | 1,605,795 | 623,432 | 39% | 1,605,795 |
| Total Revenues | 14,636,158 | 6,105,081 | 42% | 14,320,128 | 6,646,645 | 46% | 14,750,150 |
| Expenditures | | | | | | | |
| City Council | 108,530 | 65,279 | 60% | 150,550 | 79,843 | 53% | 150,550 |
| City Manager | 257,365 | 121,204 | 47% | 353,343 | 165,103 | 47% | 356,807 |
| Contract Services | 788,610 | 187,539 | 24% | 646,176 | 299,551 | 46% | 645,513 |
| City Attorney | (2,184) | | | 409,376 | 103,992 | 25% | 409,376 |
| City Clerk/HR/Elections | 405,309 | 215,026 | 53% | 409,880 | 188,106 | 46% | 412,869 |
| Deputy City Manager | 50,968 | 55,932 | 110% | - | - | | - |
| Accounting & Treasury | 619,031 | 318,592 | 51% | 629,073 | 413,256 | 66% | 627,995 |
| Police Department | 3,276,678 | 1,650,541 | 50% | 3,166,165 | 1,729,960 | 55% | 3,166,165 |
| Support Services | 244,871 | 106,263 | 43% | 233,099 | 121,024 | 52% | 233,099 |
| Fire Department | 3,195,989 | 1,476,602 | 46% | 2,557,512 | 1,518,163 | 59% | 2,591,159 |
| Emergency Operations Center | 4,720 | (7,874) | -167% | 11,967 | 1,637 | 14% | 11,967 |
| Community Development | 849,906 | 385,280 | 45% | 1,136,633 | 494,273 | 43% | 1,138,205 |
| Public Works | 554,914 | 310,117 | 56% | 713,183 | 250,219 | 35% | 742,559 |
| Consolidated Maintenance | 1,195,537 | 558,131 | 47% | 866,162 | 501,384 | 58% | 861,897 |
| Vehicle, Parks, Facilities | 120,789 | 57,194 | 47% | 127,231 | 70,395 | 55% | 126,309 |
| Streets, Street Trees, Storm Drains/Creeks | 388,662 | 248,008 | 64% | 870,390 | 390,729 | 45% | 865,660 |
| Street lighting | 111,380 | 47,491 | 43% | 122,000 | 46,482 | 38% | 122,000 |
| Curbside Recycling | 23,920 | - | 0% | 26,280 | - | 0% | 26,280 |
| Recreation Services - Administration | 279,454 | 134,890 | 48% | 324,961 | 150,384 | 46% | 322,333 |
| Recreation Services - Dance 39+ | 12,539 | 5,100 | 41% | 10,000 | 5,535 | 55% | 10,000 |
| Recreation Services - Sports | 450,441 | 190,982 | 42% | 554,673 | 264,775 | 48% | 554,673 |
| Recreation Services - Youth Services | 328,472 | 183,314 | 56% | 345,532 | 189,999 | 55% | 345,532 |
| Electricity | 68,561 | 4,450 | 6% | 60,000 | 32,074 | 53% | 60,000 |
| Total Expenditures | \$ 13,334,461 | \$ 6,314,062 | 47% | \$ 13,724,186 | \$ 7,016,884 | 51% | \$ 13,780,948 |
| Transfers In/Out | 553,492 | 522,322 | 94% | 624,080 | 127,464.04 | 20% | 612,917 |
| Total Operating Expenditures | \$ 13,887,953 | \$ 6,836,384 | 49% | \$ 14,348,266 | \$ 7,144,348 | 50% | \$ 14,393,866 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

The groups of financial summaries on the following pages present data by governmental fund type: For purposes of this 2nd quarter report we have focused on the Enterprise Funds, Harbor, Water, and Sewer.

Enterprise Funds

The Enterprise Funds are Proprietary Funds used to report the same functions presented as business-type activities. The Harbor Enterprise Fund accounts for revenues received from harbor leases, rentals, moorings, and other sources, which are expended for maintenance, operation, patrolling, and improvements of the harbor. The Water Enterprise Fund accounts for revenues received primarily from water service charges, which are expended for maintenance, operations, and improvements to the water system while the sewer enterprise fund accounts for revenues received primarily from sewer service charges, which are expended for maintenance, operations and improvements to the sanitary sewer system.

A summary of each operating fund is found below:

Harbor Operating Fund - 331

| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 844,693 | \$ 832,086 | \$ 882,218 | \$ 809,290 | \$ 846,662 |
| Fiscal Year Total Actual Revenues | \$ 1,992,648 | \$ 2,104,019 | \$ 1,940,152 | \$ 2,129,177 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 2,001,255 |
| 2nd Quarter Percent of Total | 42.39% | 39.55% | 45.47% | 38.01% | 42.31% |
| 2nd Quarter Actual Expenditures* | \$ 939,398 | \$ 1,031,230 | \$ 1,057,560 | \$ 948,674 | \$ 1,109,626 * |
| Fiscal Year Total Actual Expenditures | \$ 2,096,385 | \$ 2,118,296 | \$ 2,166,628 | \$ 1,978,382 | |
| Fiscal Year Total Budgeted Expenditures | | | | | \$ 2,001,966 |
| 2nd Quarter Percent of Total | 44.81% | 48.68% | 48.81% | 47.95% | 55.43% |
| Recommended Budget Revision Revenues | | | | | (35,000) |
| Recommended Budget Revision Expenditures | | | | | |

**Includes incumbrance of \$10,753.35*

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

WATER FUND - 311

| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|---|-----------------|-----------------|-----------------|-----------------|---------------------|
| 2nd Quarter Actual Revenues | \$ 1,586,902 | \$ 2,062,875 | \$ 2,417,816 | \$ 2,686,792 | \$ 2,815,256 |
| Fiscal Year Total Actual Revenues | \$ 3,657,206 | \$ 4,338,311 | \$ 4,928,645 | \$ 5,533,392 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 5,814,501 |
| 2nd Quarter Percent of Total | 43.39% | 47.55% | 49.06% | 48.56% | 48.42% |
| 2nd Quarter Actual Expenditures | \$ 2,264,964 | \$ 2,464,111 | \$ 1,694,995 | \$ 2,110,540 | \$ 2,175,044 |
| Fiscal Year Total Actual Expenditures | \$ 4,477,798 | \$ 5,416,380 | \$ 3,659,970 | \$ 3,655,468 | |
| Fiscal Year Total Budgeted Expenditures | | | | | \$ 5,741,179 |
| 2nd Quarter Percent of Total | 50.58% | 45.49% | 46.31% | 57.74% | 37.88% |
| Recommended Budget Revision Revenues | | | | | \$ 3,067,573 |
| Recommended Budget Revision Expenditures | | | | | \$ 3,098,145 |

SEWER FUND - 321

| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 17/18</u> |
|---|-----------------|-----------------|-----------------|-----------------|---------------------|
| 2nd Quarter Actual Revenues | \$ 2,011,389 | \$ 2,269,228 | \$ 2,660,409 | \$ 2,955,602 | \$ 3,249,946 |
| Fiscal Year Total Actual Revenues | \$ 4,336,206 | \$ 5,118,266 | \$ 5,690,877 | \$ 6,379,674 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 6,719,876 |
| 2nd Quarter Percent of Total | 46.39% | 44.34% | 46.75% | 46.33% | 48.36% |
| 2nd Quarter Actual Expenditures | \$ 1,915,074 | \$ 1,019,443 | \$ 1,424,012 | \$ 2,065,045 | \$ 1,206,180 |
| Fiscal Year Total Actual Expenditures | \$ 4,696,610 | \$ 3,814,036 | \$ 3,170,631 | \$ 2,325,296 | |
| Fiscal Year Total Budgeted Expenditures | | | | | \$ 6,719,876 |
| 2nd Quarter Percent of Total | 40.78% | 26.73% | 44.91% | 88.81% | 17.95% |
| Recommended Budget Revision Revenues | | | | | |
| Recommended Budget Revision Expenditures | | | | | \$ 3,829,219 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

FY 2018/19 Recommended Budget Adjustments

Budget adjustments are recommended for the following revenues and expenditures as of the second quarter as described below:

| ENTERPRISE FUNDS | | | | |
|--|------|------|--|---------------------|
| <i>Enterprise Funds - Revenues</i> | | | | |
| <i>Harbor Operating Fund</i> | | | | |
| 331 | | | | |
| 331 | 6510 | 3371 | State Grant Public Services | (11,000) |
| 331 | 6510 | 3499 | Other Rev/Current Services | (24,000) |
| <i>Water Accumulation Fund</i> | | | | |
| 951 | 1111 | 3860 | Transfer In From Water Revenue Fund | 3,067,573 |
| <i>Sewer Accumulation Fund</i> | | | | |
| 952 | 1111 | 3860 | Transfer In From Sewer Revenue Fund | 3,829,219 |
| 303 | | | TOTAL ENTERPRISE FUND REVENUES | \$ 6,861,792 |
| <i>Enterprise Funds - Expenditures</i> | | | | |
| <i>Water Revenue Fund</i> | | | | |
| 311 | | | | |
| 311 | 7710 | 8520 | Transfer to Other Gov't Fund | 30,572 |
| 311 | 7710 | 8410 | Transfer Out to Accumulation | 3,067,573 |
| | | | | 3,098,145 |
| <i>Sewer Revenue Fund</i> | | | | |
| 321 | | | | |
| 321 | 7710 | 8410 | Transfer Out to Accumulation | 3,829,219 |
| 321 | | | | 3,829,219 |
| | | | TOTAL ENTERPRISE FUND EXPENDITURES | \$ 6,927,364 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

SUMMARY OF KEY RECOMMENDED BUDGET ADJUSTMENTS

Enterprise Funds

Revenues:

- State Grant Public Services: A budget reduction of \$11,000 is recommended due to revised amounts received from SAVE grant for boat demolition.
- Other Revenue/Current Services: A budget reduction of \$24,000 is recommended due to budgeted revenue from the Triangle Boat Parking Lot – rental income is now retained in fund 925.
- Transfer in from Water Accumulation Fund: A budget adjustment of \$3,067,573 is recommended to transfer revenues over expenditure from the water revenue fund to the water accumulation fund.
- Transfer in from Sewer Accumulation Fund: A budget adjustment of \$3,829,219 is recommended to transfer revenues over expenditure from the sewer revenue fund to the sewer accumulation fund.

Expenditures:

- Transfer to Other Government Fund - Water Operations: A budget augmentation of \$30,572 is recommended due to transfer money from the water operations fund to the facilities fund. This is a correction of utility charges that the general fund paid for the Juniper & Elena Street Booster station. These utility charges were inadvertently paid by the General Fund when they should have been charged to the Water Revenue Fund. Staff recommends that the Water Revenue fund reimburse the General Fund for these expenses.
- Transfer out to Accumulation – Water Operations: A budget augmentation of \$3,067,573 is recommended to transfer excess revenues over expenditures from the water operations fund to the water accumulation fund.
- Transfer out to Accumulation – Sewer Operations: A budget adjustment of \$3,829,219 is recommended to transfer excess revenues over expenditures from the sewer operations fund to the sewer accumulation fund.

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

Water Reclamation Facility Capital Project

The Water Reclamation Facility (WRF) project has been on-going for many years. As of FY 2017/18 staff established a separate capital project to account for the transactions associated with this project. Prior to that the costs had been captured through various sewer related accounts.

Below is a snapshot of expenditures, by category for the WRF project for the first six months of FY 2017/18. Staff is working to capture all prior year costs in a similar format for the Council and Community.

**City of Morro Bay
Schedule of WRF
Project Expenditures
For the period ended December 31, 2018**

| | FY17/18 Y/E Actuals | FY18/19 Adopted Budget | FY18/19 2nd Qtr Encumbrances | FY18/19 2nd Qtr Actuals | FY18/19 % YTD | FY18/19 Finance Projection |
|---|---------------------------|------------------------------|------------------------------------|-------------------------------|---------------------|----------------------------------|
| Expenditures | | | | | | |
| Salaries & Benefits | 107,537 | 75,000 | | 67,004 | 89% | \$ 75,000 |
| Laboratory Testing | - | 25,000 | | - | 0% | \$ 25,000 |
| Miscellaneous Operating Supplies | 13,157 | 5,000 | | 19,864 | 397% | \$ 5,000 |
| Legal Services - General | - | 25,000 | | 27,848 | 111% | \$ 25,000 |
| Engineering Services | 81,567 | 450,000 | 351,000 | (750) | 78% | \$ 450,000 |
| Consulting Services | 21,065 | - | 24,000 | 14,007 | 78% | \$ 24,000 |
| Contractual Services | 650 | - | | 19,350 | | \$ - |
| Licenses & Permits | - | - | | 1,232 | | \$ - |
| Rate Study | - | 21,000 | | - | 0% | \$ 21,000 |
| Program Management and DB Procurement | 914,638 | 500,000 | | 28,906 | 6% | \$ 500,000 |
| Grant Support | 94,880 | 30,000 | | 39,465 | 132% | \$ 30,000 |
| Government Relations | 57,017 | 57,000 | | 27,131 | 48% | \$ 57,000 |
| Postage | 4,547 | - | | 3,450 | | \$ - |
| Meetings & Conferences | 225 | - | | - | | \$ - |
| Meals & Lodging | 3,009 | - | | - | | \$ - |
| Travel Expense | 7,567 | - | | - | | \$ - |
| Maintenance Contracts | 44,776 | 44,776 | | - | 0% | \$ 44,776 |
| Notices & Publications | 6,129 | - | | 451 | | \$ - |
| Business Equipment Rental | 433 | - | | - | | \$ - |
| Land Acquisition | - | 337,000 | | 1,000 | 0% | \$ 1,000 |
| Water Reclamation Facility (WRF)-OnSite Improv Design/Build | - | 6,075,000 | | - | 0% | \$ 6,075,000 |
| Design Phase - Lift Station & Force Main | 275,162 | 839,000 | | 14,433 | 2% | \$ 839,000 |
| Planning & Permitting | 313,155 | 270,000 | | 10,937 | 4% | \$ 270,000 |
| Design Phase - Injection Wells & Recycled Water Pipeline | - | 625,000 | | - | 0% | \$ 625,000 |
| Total Operating Expenditures | \$ 1,945,515 | \$ 9,378,776 | \$ 375,000 | \$ 274,329 | 3% | \$ 9,066,776 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

Other Funds

Other Funds can consist of internal service type funds that are used to account for various types of insurance coverage for the City, and to manage the City's information technology needs. In addition, the City has other funds that have been set-up to accumulate monies for various projects or capital and equipment needs, such as the facility maintenance fund. The report covers the Morro Bay Tourism Business Improvement District, the Measure Q fund. Both the Measure Q and Morro Bay Tourism Business Improvement District are discussed in more detail below:

Morro Bay Tourism Business Improvement District

On April 27, 2009, Ordinance No. 546 was enacted, establishing Chapter 3.60 of the Morro Bay Municipal Code, which is entitled Tourism Business Improvement District (MBTBID) Law. Lodging establishments self-assess an additional transient occupancy tax on rooms rented, which is paid to the City, then returned to the Tourism Bureau for promoting tourism in Morro Bay. For the first year, the MBTBID assessment rate was 3%; ensuing years were set at 2%, per the Ordinance.

On September 13, 2010, Staff introduced Ordinance No. 562, which increased the MBTBID assessment rate back to 3%. The Ordinance was passed on September 27th and became effective October 28, 2010.

Annually in May, the MBTBID's annual report and budget are presented to the City Council, and a public hearing is set, which allows affected businesses the opportunity to protest the MBBID assessment. A Resolution is brought forward to confirm the results of the public hearing, renew the activities of the MBTBID for the upcoming fiscal year, and approve the levy and collection of the 3% assessments from the hoteliers.

In 2013, the MBTBID formed a 501c(6) corporation, Morro Bay Tourism Bureau, to carry out the marketing activities of the MBTBID, as well as manage the Visitors Center.

As part of the Management Partners' 2015 Organizational Study, the recommendation to *develop a proposal for integrating Tourism Bureau activities with City operations* was explored by staff. City staff held a public workshop on September 22, 2015, to discuss this with stakeholders, presented the concept to the MBTBID board at a special meeting on 12/10/15, and ultimately presented the results of the City's outreach and recommendations to the City Council on January 12, 2016, with two management scenarios. The Council adopted Resolution No. 03-16, discontinuing the City's contract with the Morro Bay Tourism Bureau, and merging operations and marketing (via Mental Marketing) efforts into the City, beginning June 2016.

For second quarter 2018/19 revenues and expenditures are trending well and in line with budget projects. It should be noted that revenues include fund transfers in which is the General Fund's contribution towards TBID. For FY 2018/19 the General Fund contribution was budgeted at \$157,000. Staff is recommending a revenue reduction of \$11,163 as the General Fund contribution to TBID is \$60,000 base funding plus 20% of prior year actual TOT revenues above \$3,000,000. FY 2017/18 TOT receipts totaled \$3,429,186. Therefore, the General Fund TBID contribution should total \$145,837 (\$60,000 base funding + 20%*\$429,186), a difference of \$11,163 from budgeted amounts. In addition, staff recommend augmentation to budgeted revenues to account for the transfer in of \$65,000 from the TBID Accumulation Fund and \$32,000 for SLOCAL's support of Amgen. This was previously approved by the Board

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

and City Council to support Amgen, with the expenditure budget adjustment approved during the first quarter budget update.

With respect to revenues, the FY 2017/18 budget included allocation of funds to a TBID specific accumulation fund. The accumulation was not officially established, and funds remained within the TBID’s operating fund (Fund 007) as fund balance. Staff has established a separate TBID accumulation fund (Fund 954). As a result, staff is recommending a budget augmentation to the TBID operating fund (Fund 007) expenditures of \$273,521 to transfer fund balance to the accumulation fund.

TBID OPERATING FUND

| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| 2nd Quarter Actual Revenues | \$ 467,151 | \$ 392,912 | \$ 510,489 | \$ 538,016 | \$ 543,929 |
| Fiscal Year Total Actual Revenues | \$ 882,109 | \$ 841,295 | \$ 935,834 | \$ 935,691 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ 997,135 |
| 2nd Quarter Percent of Total | 52.96% | 46.70% | 54.55% | 57.50% | 54.55% |
| 2nd Quarter Actual Expenditures | \$ 485,699 | \$ 425,537 | \$ 434,309 | \$ 531,601 | \$ 541,586 |
| Fiscal Year Total Actual Expenditures | \$ 872,550 | \$ 660,205 | \$ 917,560 | | |
| Fiscal Year Total Budgeted Expenditures | | | | \$ 1,046,791 | \$ 1,046,791 |
| 2nd Quarter Percent of Total | 55.66% | 64.46% | 47.33% | 50.78% | 51.74% |
| Recommended Budget Revision Revenues | | | | | \$ 85,837 |
| Recommended Budget Revision Expenditures | | | | | \$ 273,521 |

*Revenues includes transfers in

TBID ACCUMULATION FUND

| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| 2nd Quarter Actual Revenues | \$ - | \$ - | \$ - | \$ - | \$ 273,521 |
| Fiscal Year Total Actual Revenues | \$ - | \$ - | \$ - | \$ - | |
| Fiscal Year Total Budgeted Revenues | | | | | \$ - |
| 2nd Quarter Percent of Total | | | | | |
| 2nd Quarter Actual Expenditures | \$ - | \$ - | \$ - | \$ - | \$ 65,000 |
| Fiscal Year Total Actual Expenditures | \$ - | \$ - | \$ - | \$ - | |
| Fiscal Year Total Budgeted Expenditures | | | | | \$ 65,000 |
| 2nd Quarter Percent of Total | | | | | 100.00% |
| Recommended Budget Revision Revenues | | | | | \$ 273,521 |
| Recommended Budget Revision Expenditures | | | | | \$ 65,000 |

*Revenues includes transfers in

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

Measure Q

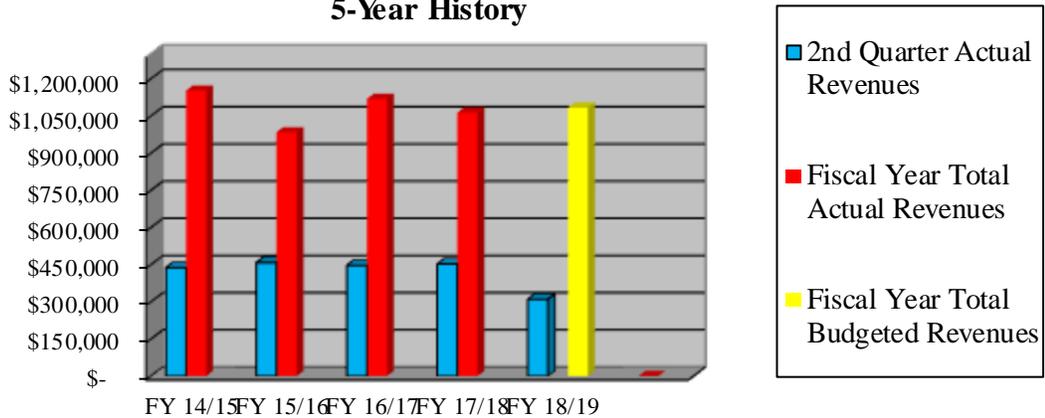
With the November 7, 2006 election, the citizens of Morro Bay voted in a ½ cent district sales tax, commonly known as “Measure Q.” This is a general tax and has no sunset date. The ballot measure stated: *The Morro Bay Vital Public Services Restoration and Protection Measure. To preserve Morro Bay’s safety and character by funding essential services including upgrading firefighter/paramedic equipment, fire stations, police, street and pothole repairs, improving storm drains to protect the bay from pollution and other general city services, shall an ordinance be adopted increasing the City sales tax by one-half cent, subject to independent annual financial audits, and establishing an independent citizens’ advisory committee to review annual expenditures?”*

Ordinance 519 was enacted on August 14, 2006, to establish Chapter 3.22, City of Morro Bay Transactions and Use Tax. The City Council divides the annual revenue estimate between the departments, based on the language in the Measure, campaign polls, and departmental requests.

Measure Q revenues are trending well and a budget adjustment of \$22,000 is recommended to align budget with the most recent sales tax update provided by the City’s sales tax consultant.

Measure Q Revenues

Quarterly and Annual Revenues
5-Year History



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Revenues | \$ 437,892 | \$ 458,250 | \$ 446,882 | \$ 452,616 | \$ 309,983 |
| Fiscal Year Total Actual Revenues | \$ 1,151,549 | \$ 983,602 | \$ 1,118,270 | \$ 1,062,895 | |
| Fiscal Year Total Budgeted Revenues | | | | | \$1,083,000 |
| 2nd Quarter Percent of Total | 38.03% | 46.59% | 39.96% | 42.58% | 28.62% |

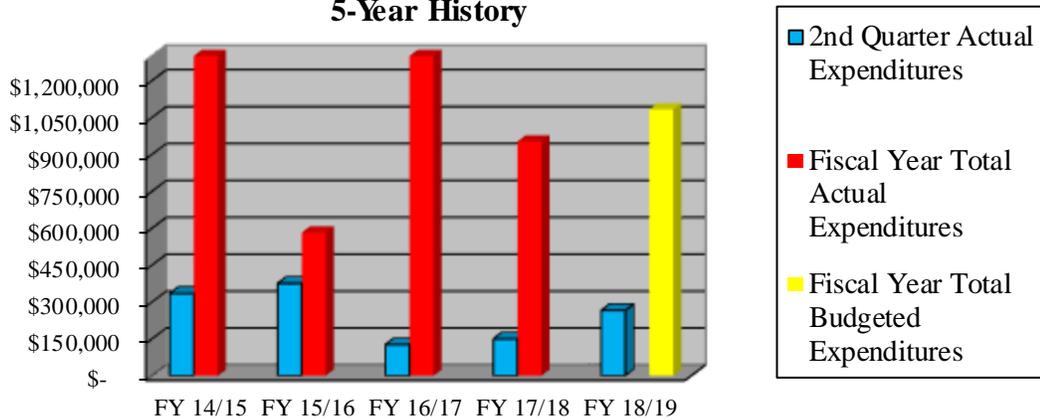
| | |
|------------------------------------|---------------|
| Recommended Budget Revision | 22,000 |
|------------------------------------|---------------|

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

Measure Q Expenditures are generally trending well when compared to prior year actuals. Staff is recommending a budget augmentation of \$65,500 from fund balance (\$145,469) to fund equipment (i.e. patrol vehicle, safety equipment, uniform and laptop) for a School Resource Officer (SRO), pending contract approval from the City Council. Staff have worked closely with the School District to negotiate an agreement for the School District to fully fund the personnel costs of a School Resource Officer. The City’s obligation will be to purchase the necessary equipment and provide the required training. A contract will be brought forth for City Council consideration in March. Pending approval of the Contract, the School District would like the SRO to begin immediately. Staff is requesting the that one-time equipment supplies mentioned above be purchased from Measure Q fund unallocated fund balance.

Measure Q Expenditures

**Quarterly and Annual Revenues
5-Year History**



| | <u>FY 14/15</u> | <u>FY 15/16</u> | <u>FY 16/17</u> | <u>FY 17/18</u> | <u>FY 18/19</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2nd Quarter Actual Expenditures | \$ 335,296 | \$ 375,877 | \$ 126,949 | \$ 150,342 | \$ 266,128 |
| Fiscal Year Total Actual Expenditures | \$ 1,408,279 | \$ 582,073 | \$ 1,491,240 | \$ 952,399 | |
| Fiscal Year Total Budgeted Expenditures | | | | | \$ 1,083,000 |
| 2nd Quarter Percent of Total | 23.81% | 64.58% | 8.51% | 15.79% | 24.57% |

| | |
|------------------------------------|---------------|
| Recommended Budget Revision | 65,500 |
|------------------------------------|---------------|

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

Pavement Management Plan

In FY 2017/18 the Citizen Finance Advisory Committee (CFAC) agreed with staff's recommendation to establish one pavement management plan and have all revenues and expenditures related to the City's pavement management plan identified in one capital project. Therefore, the Measure Q allocation to pavement management is transferred into the pavement management plan capital project. As such, staff provides the CFAC committee with a detailed analysis of revenues and expenditures for the project. As of December 31, 2018, the City had not expensed costs related to the pavement management plan and as such revenues from Measure Q have not been transferred to the project. Detail is provided below:

**City of Morro Bay
Schedule of Pavement Management
Project Expenditures
For the period ended December 31, 2018**

| | FY17/18 Y/E Actuals | FY18/19 Adopted Budget | FY18/19 2nd Qtr Encumbrances | FY18/19 2nd Qtr Actuals | FY18/19 % YTD | FY18/19 Finance Projection |
|---|---------------------------|------------------------------|------------------------------------|-------------------------------|---------------------|----------------------------------|
| Revenues | | | | | | |
| Road Maint. & Rehab Alloc SB1-2032(h)(2) | \$ 49,609 | \$ 191,000 | | \$ 62,355 | 33% | \$ 191,000 |
| SB1-State GF Loan Repay from Traffic Congestion Relief(Prop 42) | 12,235 | - | | - | | \$ - |
| State Grant Capital Impv | 245,000 | 35,985 | - | - | 0% | \$ 35,985 |
| State Grant Other Govt Sv | 49,439 | - | | - | | |
| Transfers In | 487,351 | 582,979 | | - | 0% | \$ 582,979 |
| Total Project Revenues | \$ 843,634 | \$ 809,964 | \$ - | \$ 62,355 | | |
| Expenditures | | | | | | |
| Salaries & Benefits | 8,851 | - | | - | 0% | \$ - |
| Engineering Services | 405,117 | - | | - | 0% | \$ - |
| Consulting Services | 50,847 | - | | - | 0% | \$ - |
| Contractual Services | 377,474 | 809,964 | | - | 0% | \$ 809,964 |
| Other Utilities | 1,344 | - | | - | 0% | \$ - |
| Total Operating Expenditures | \$ 843,634 | \$ 809,964 | \$ - | \$ - | 0% | \$ 809,964 |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

FY 2018/19 Recommended Budget Adjustments

Budget adjustments are recommended for the following expenditures as of the second quarter as described below:

| <i>OTHER FUNDS</i> | | | | |
|--|------|------|---|--------------------------|
| <i>Other Funds Revenues</i> | | | | |
| | | | <i>TBID Operating Fund</i> | |
| 007 | | | Transfers In | (11,163) |
| 007 | 7710 | 3801 | Transfers In | 65,000 |
| 007 | 3170 | 3990 | Other Misc. Revenues | 32,000 |
| 954 | | | <i>TBID Accumulation Fund</i> | |
| 954 | 7710 | 3801 | Transfers In | 273,521 |
| | | | <i>Measure Q</i> | |
| 003 | 1111 | 3051 | Sales Tax- City Portion | 22,000 |
| | | | <i>Vehicle Replacement Fund</i> | |
| 050 | 4210 | 3472 | Other Revenue | 71,076 |
| <i>TOTAL OTHER FUNDS REVENUES</i> | | | | <i>\$ 452,434</i> |
| <i>Other Funds Expenditures</i> | | | | |
| | | | <i>TBID Operating Fund</i> | |
| 007 | | | Transfers Out: Transfer to Accumulation | 273,521 |
| 007 | 7710 | 8510 | | |
| 954 | | | <i>TBID Accumulation Fund</i> | |
| 954 | 7710 | 8501 | Transfers Out | 65,000 |
| | | | <i>Measure Q Fund</i> | |
| 003 | 4110 | 7302 | Equipment Acquisition: Patrol Vehicle - SRO | 60,000 |
| 003 | 4110 | 5109 | Uniforms/Safety Equipment:SRO Uniform/Gear | 3,000 |
| 003 | 4110 | 5504 | Machinery/Equip/Supplies: SRO Laptop | 2,500 |
| <i>TOTAL OTHER FUNDS EXPENDITURES</i> | | | | <i>\$ 404,021</i> |

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

SUMMARY OF KEY RECOMMENDED BUDGET ADJUSTMENTS

Other Funds

Revenues:

- Transfers In – TBID: Staff recommends a reduction in the general fund contribution to TBID of \$11,163 to agree with the funding calculation approved by City Council as discussed above.
- Transfers In – TBID: A budget adjustment of \$65,000 is recommended to transfer in funds from the TBID Accumulation Fund to support the AMGEN expenditures previously approved.
- Other Miscellaneous Revenues – TBID: A budget adjustment of \$32,000 is recommended to account for SLOCAL support of AMGEN.
- Transfers In – TBID Accumulation: Staff recommends budget increase of \$273,521 to account for TBID fund balance to be transferred into the newly created accumulation fund.
- Sales Tax – City Portion – Measure Q: Staff recommends a budget increase of \$22,000 in sales and transaction tax due to recent budget update provided by the City’s sales tax consultant HDL.
- Other Revenue – Vehicle Replacement Fund: Staff recommends a budget increase of \$71,076 to the City’s Fire Department Vehicle Replacement Fund for accumulation for future vehicle purchase. This is revenue received from mutual aid support.

Expenditures:

- Transfer to Accumulation Fund - TBID Operations: A budget augmentation of \$273,521 is recommended to transfer fund balance from the TBID operating fund to the TBID accumulation fund.
- Transfer out to Operatons – TBID Accumulation: A budget augemetnation of \$65,000 is recommended to transfer funds from the accumulation fund to the TBID operating fund to support AMGEN as previously approved.
- Equipment Acquisition – Measure Q Police: A budget adjustment of \$60,000 is recommended to support the purchase of a patrol vehicle for the School Resource Officer.
- Uniforms/Safety Equipment – Measure Q Police: A budget adjustment of \$3,000 is recommended to support the purchase of uniform and safety gear for the School Resource Officer.
- Machinery/Equipment/Supplies – Measure Q Police: A budget adjustment of \$2,500 is recommended to support the purchase of a laptop for the School Resource Officer.

QUARTERLY BUDGET REPORT – 2nd QUARTER FY 2018/19

CONCLUSION

The financial results from the FY 2018/19 second quarter data highlighted areas where budget expectations exceeded actual receipts and areas where the City is in good position. While the economy is holding strong and staff is remaining conservative with spending habits, the City's sales tax consultant has cautioned that they are forecasting a flattening of the economy. As the fiscal year progresses, staff will continue to closely monitor revenue and expenditure activity and work to identify opportunities to enhance revenue to support current and future operating and capital needs.

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|--|--------------------------------|--------------|------------|-------------------------------------|---------------------|---------------------|-----------------------|------------------|---------------------|
| G/L Account Number 003-4110 5504 Machinery/Equip/Supplies | | | | | | | Balance To Date: | | \$0.00 |
| 07/12/2018 | 2019-00000021 | JE | AP | A/P Invoice Entry | Accounts Payable | | 26,844.78 | | 26,844.78 |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> |
| 18-0530 | LensLock | | | Body Cam/In Unit video system | 07/06/2018 | Check | 159266 | 26,844.78 | 26,844.78 |
| | | | | | | | Total | \$26,844.78 | \$26,844.78 |
| Month July 2018 Totals | | | | | | | \$26,844.78 | \$0.00 | \$26,844.78 |
| Account Machinery/Equip/Supplies Totals | | | | | | | \$26,844.78 | \$0.00 | \$26,844.78 |
| G/L Account Number 003-4110 8721 Payment To Other Agency | | | | | | | Balance To Date: | | \$0.00 |
| 09/20/2018 | 2019-00000217 | JE | AP | A/P Invoice Entry | Accounts Payable | | 12,582.29 | | 12,582.29 |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> |
| 136-11 | San Luis Obispo County Sheriff | | | Narcotics/Gang Unit | 08/29/2018 | Check | 159880 | 10,000.00 | 10,000.00 |
| 136-12 | San Luis Obispo County Sheriff | | | CAD & Mobile Fees | 09/05/2018 | Check | 159880 | 2,582.29 | 2,582.29 |
| | | | | | | | Total | \$12,582.29 | \$12,582.29 |
| Month September 2018 Totals | | | | | | | \$12,582.29 | \$0.00 | \$12,582.29 |
| 12/13/2018 | 2019-00000463 | JE | AP | A/P Invoice Entry | Accounts Payable | | 4,600.00 | | 17,182.29 |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> |
| 136-35 | San Luis Obispo County Sheriff | | | Bomb Task Force | 10/30/2018 | Check | 160612 | 4,600.00 | 4,600.00 |
| | | | | | | | Total | \$4,600.00 | \$4,600.00 |
| Month December 2018 Totals | | | | | | | \$4,600.00 | \$0.00 | \$17,182.29 |
| Account Payment To Other Agency Totals | | | | | | | \$17,182.29 | \$0.00 | \$17,182.29 |
| Department Police Department Totals | | | | | | | \$44,027.07 | \$0.00 | |
| G/L Account Number 003-4210 4110 Regular Pay | | | | | | | Balance To Date: | | \$0.00 |
| 07/02/2018 | 2019-00000110 | JE | GL | Accrue PR for PP 06/30/18 - 7/13/18 | JE 1300-18 | | | 572.93 | (572.93) |
| 07/13/2018 | 2019-00000033 | JE | HR | Payroll Post B Bi-Weekly 180713 | Payroll Post | | 2,745.28 | | 2,172.35 |
| <i>Payroll Batch</i> | <i>Batch Number</i> | | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | 180713 | | | Brady, Grant N | | | | 3,204.62 | 2,745.28 |
| | | | | | | | Total | \$3,204.62 | \$2,745.28 |
| 07/27/2018 | 2019-00000067 | JE | HR | Payroll Post B Bi-Weekly 180727 | Payroll Post | | 2,756.56 | | 4,928.91 |
| <i>Payroll Batch</i> | <i>Batch Number</i> | | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | 180727 | | | Brady, Grant N | | | | 4,961.11 | 2,756.56 |
| | | | | | | | Total | \$4,961.11 | \$2,756.56 |
| Month July 2018 Totals | | | | | | | \$5,501.84 | \$572.93 | \$4,928.91 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|---|---------------|---------------------|------------|------------------------------------|--------------|-----------|--------------|------------------|---------------------|
| G/L Account Number 003-4210 4110 Regular Pay | | | | | | | | Balance To Date: | \$0.00 |
| 08/10/2018 | 2019-00000095 | JE | HR | Payroll Post B Bi-Weekly 180810 | Payroll Post | | 2,894.55 | | 7,823.46 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180810 | | Brady, Grant N | | | | 9,454.98 | 2,894.55 |
| | | | | | | | Total | \$9,454.98 | \$2,894.55 |
| 08/24/2018 | 2019-00000147 | JE | HR | Payroll Post B Bi-Weekly 180824 | Payroll Post | | 2,894.56 | | 10,718.02 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180824 | | Brady, Grant N | | | | 3,138.20 | 2,894.56 |
| | | | | | | | Total | \$3,138.20 | \$2,894.56 |
| Month August 2018 Totals | | | | | | | \$5,789.11 | \$0.00 | \$10,718.02 |
| 09/07/2018 | 2019-00000191 | JE | HR | Payroll Post B Bi-Weekly 180907 | Payroll Post | | 2,894.56 | | 13,612.58 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180907 | | Brady, Grant N | | | | 4,799.44 | 2,894.56 |
| | | | | | | | Total | \$4,799.44 | \$2,894.56 |
| 09/21/2018 | 2019-00000239 | JE | HR | Payroll Post B Bi-Weekly 180921 | Payroll Post | | 2,894.56 | | 16,507.14 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180921 | | Brady, Grant N | | | | 3,240.75 | 2,894.56 |
| | | | | | | | Total | \$3,240.75 | \$2,894.56 |
| Month September 2018 Totals | | | | | | | \$5,789.12 | \$0.00 | \$16,507.14 |
| 10/05/2018 | 2019-00000279 | JE | HR | Payroll Post B Bi-Weekly 181005 | Payroll Post | | 2,894.56 | | 19,401.70 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181005 | | Brady, Grant N | | | | 3,138.20 | 2,894.56 |
| | | | | | | | Total | \$3,138.20 | \$2,894.56 |
| 10/19/2018 | 2019-00000320 | JE | HR | Payroll Post B Bi-Weekly 181019 | Payroll Post | | 2,894.56 | | 22,296.26 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181019 | | Brady, Grant N | | | | 4,430.27 | 2,894.56 |
| | | | | | | | Total | \$4,430.27 | \$2,894.56 |
| Month October 2018 Totals | | | | | | | \$5,789.12 | \$0.00 | \$22,296.26 |
| 11/02/2018 | 2019-00000366 | JE | HR | Payroll Post B Bi-Weekly 181102 | Payroll Post | | 2,894.56 | | 25,190.82 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181102 | | Brady, Grant N | | | | 4,471.29 | 2,894.56 |
| | | | | | | | Total | \$4,471.29 | \$2,894.56 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance | |
|--|---------------|---------------------|------------|------------------------------------|--------------|-----------|-----------------------------------|------------------|---------------------|-------------|
| G/L Account Number 003-4210 4110 Regular Pay | | | | | | | | Balance To Date: | \$0.00 | |
| 11/16/2018 | 2019-00000408 | JE | HR | Payroll Post B Bi-Weekly 181116 | Payroll Post | | 2,894.56 | | 28,085.38 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 181116 | | Brady, Grant N | | | | 5,107.07 | 2,894.56 | |
| | | | | | | | Total | \$5,107.07 | \$2,894.56 | |
| 11/30/2018 | 2019-00000440 | JE | HR | Payroll Post B Bi-Weekly 181130 | Payroll Post | | 2,894.56 | | 30,979.94 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 181130 | | Brady, Grant N | | | | 4,122.63 | 2,894.56 | |
| | | | | | | | Total | \$4,122.63 | \$2,894.56 | |
| | | | | | | | Month November 2018 Totals | \$8,683.68 | \$0.00 | \$30,979.94 |
| 12/14/2018 | 2019-00000477 | JE | HR | Payroll Post B Bi-Weekly 181214 | Payroll Post | | 2,894.56 | | 33,874.50 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 181214 | | Brady, Grant N | | | | 4,122.63 | 2,894.56 | |
| | | | | | | | Total | \$4,122.63 | \$2,894.56 | |
| 12/28/2018 | 2019-00000504 | JE | HR | Payroll Post B Bi-Weekly 220191 | Payroll Post | | 3,176.46 | | 37,050.96 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 220191 | | Brady, Grant N | | | | 3,420.10 | 3,176.46 | |
| | | | | | | | Total | \$3,420.10 | \$3,176.46 | |
| | | | | | | | Month December 2018 Totals | \$6,071.02 | \$0.00 | \$37,050.96 |
| | | | | | | | Account Regular Pay Totals | \$37,623.89 | \$572.93 | \$37,050.96 |
| G/L Account Number 003-4210 4120 Overtime Pay | | | | | | | | Balance To Date: | \$0.00 | |
| 07/13/2018 | 2019-00000033 | JE | HR | Payroll Post B Bi-Weekly 180713 | Payroll Post | | 215.70 | | 215.70 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180713 | | Brady, Grant N | | | | 3,204.62 | 215.70 | |
| | | | | | | | Total | \$3,204.62 | \$215.70 | |
| 07/27/2018 | 2019-00000067 | JE | HR | Payroll Post B Bi-Weekly 180727 | Payroll Post | | 1,960.91 | | 2,176.61 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180727 | | Brady, Grant N | | | | 4,961.11 | 1,960.91 | |
| | | | | | | | Total | \$4,961.11 | \$1,960.91 | |
| | | | | | | | Month July 2018 Totals | \$2,176.61 | \$0.00 | \$2,176.61 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|--|---------------|---------------------|------------|---------------------------------|--------------|-----------|--------------|------------------|---------------------|
| G/L Account Number 003-4210 4120 Overtime Pay | | | | | | | | Balance To Date: | \$0.00 |
| 08/10/2018 | 2019-00000095 | JE | HR | Payroll Post B Bi-Weekly 180810 | Payroll Post | | 6,316.79 | | 8,493.40 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180810 | | Brady, Grant N | | | | 9,454.98 | 6,316.79 |
| | | | | | | | Total | \$9,454.98 | \$6,316.79 |
| Month August 2018 Totals | | | | | | | \$6,316.79 | \$0.00 | \$8,493.40 |
| 09/07/2018 | 2019-00000191 | JE | HR | Payroll Post B Bi-Weekly 180907 | Payroll Post | | 1,661.24 | | 10,154.64 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180907 | | Brady, Grant N | | | | 4,799.44 | 1,661.24 |
| | | | | | | | Total | \$4,799.44 | \$1,661.24 |
| Month September 2018 Totals | | | | | | | \$1,763.79 | \$0.00 | \$10,257.19 |
| 09/21/2018 | 2019-00000239 | JE | HR | Payroll Post B Bi-Weekly 180921 | Payroll Post | | 102.55 | | 10,257.19 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180921 | | Brady, Grant N | | | | 3,240.75 | 102.55 |
| | | | | | | | Total | \$3,240.75 | \$102.55 |
| Month September 2018 Totals | | | | | | | \$1,763.79 | \$0.00 | \$10,257.19 |
| 10/19/2018 | 2019-00000320 | JE | HR | Payroll Post B Bi-Weekly 181019 | Payroll Post | | 1,292.07 | | 11,549.26 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181019 | | Brady, Grant N | | | | 4,430.27 | 1,292.07 |
| | | | | | | | Total | \$4,430.27 | \$1,292.07 |
| Month October 2018 Totals | | | | | | | \$1,292.07 | \$0.00 | \$11,549.26 |
| 11/02/2018 | 2019-00000366 | JE | HR | Payroll Post B Bi-Weekly 181102 | Payroll Post | | 1,333.09 | | 12,882.35 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181102 | | Brady, Grant N | | | | 4,471.29 | 1,333.09 |
| | | | | | | | Total | \$4,471.29 | \$1,333.09 |
| Month October 2018 Totals | | | | | | | \$1,292.07 | \$0.00 | \$11,549.26 |
| 11/16/2018 | 2019-00000408 | JE | HR | Payroll Post B Bi-Weekly 181116 | Payroll Post | | 1,968.87 | | 14,851.22 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181116 | | Brady, Grant N | | | | 5,107.07 | 1,968.87 |
| | | | | | | | Total | \$5,107.07 | \$1,968.87 |
| Month October 2018 Totals | | | | | | | \$1,292.07 | \$0.00 | \$11,549.26 |
| 11/30/2018 | 2019-00000440 | JE | HR | Payroll Post B Bi-Weekly 181130 | Payroll Post | | 984.43 | | 15,835.65 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181130 | | Brady, Grant N | | | | 4,122.63 | 984.43 |
| | | | | | | | Total | \$4,122.63 | \$984.43 |
| Month November 2018 Totals | | | | | | | \$4,286.39 | \$0.00 | \$15,835.65 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|--|---------------|---------------------|------------|--|--------------|-----------|--------------|------------------|---------------------|
| G/L Account Number 003-4210 4120 Overtime Pay | | | | | | | | Balance To Date: | \$0.00 |
| 12/14/2018 | 2019-00000477 | JE | HR | Payroll Post B Bi-Weekly 181214 | Payroll Post | | 984.43 | | 16,820.08 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181214 | | Brady, Grant N | | | | 4,122.63 | 984.43 |
| | | | | | | | Total | \$4,122.63 | \$984.43 |
| Month December 2018 Totals | | | | | | | \$984.43 | \$0.00 | \$16,820.08 |
| Account Overtime Pay Totals | | | | | | | \$16,820.08 | \$0.00 | \$16,820.08 |
| G/L Account Number 003-4210 4599 Other Pay | | | | | | | | Balance To Date: | \$0.00 |
| 07/02/2018 | 2019-00000110 | JE | GL | Accrue PR for PP 06/30/18 - 7/13/18 | JE 1300-18 | | | 50.85 | (50.85) |
| 07/13/2018 | 2019-00000033 | JE | HR | Payroll Post B Bi-Weekly 180713 | Payroll Post | | 243.64 | | 192.79 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180713 | | Brady, Grant N | | | | 3,204.62 | 243.64 |
| | | | | | | | Total | \$3,204.62 | \$243.64 |
| 07/27/2018 | 2019-00000067 | JE | HR | Payroll Post B Bi-Weekly 180727 | Payroll Post | | 243.64 | | 436.43 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180727 | | Brady, Grant N | | | | 4,961.11 | 243.64 |
| | | | | | | | Total | \$4,961.11 | \$243.64 |
| Month July 2018 Totals | | | | | | | \$487.28 | \$50.85 | \$436.43 |
| 08/10/2018 | 2019-00000095 | JE | HR | Payroll Post B Bi-Weekly 180810 | Payroll Post | | 243.64 | | 680.07 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180810 | | Brady, Grant N | | | | 9,454.98 | 243.64 |
| | | | | | | | Total | \$9,454.98 | \$243.64 |
| 08/24/2018 | 2019-00000147 | JE | HR | Payroll Post B Bi-Weekly 180824 | Payroll Post | | 243.64 | | 923.71 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180824 | | Brady, Grant N | | | | 3,138.20 | 243.64 |
| | | | | | | | Total | \$3,138.20 | \$243.64 |
| Month August 2018 Totals | | | | | | | \$487.28 | \$0.00 | \$923.71 |
| 09/07/2018 | 2019-00000191 | JE | HR | Payroll Post B Bi-Weekly 180907 | Payroll Post | | 243.64 | | 1,167.35 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180907 | | Brady, Grant N | | | | 4,799.44 | 243.64 |
| | | | | | | | Total | \$4,799.44 | \$243.64 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|---|---------------|---------------------|------------|------------------------------------|--------------|-----------|--------------|------------------|---------------------|
| G/L Account Number 003-4210 4599 Other Pay | | | | | | | | Balance To Date: | \$0.00 |
| 09/21/2018 | 2019-00000239 | JE | HR | Payroll Post B Bi-Weekly 180921 | Payroll Post | | 243.64 | | 1,410.99 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180921 | | Brady, Grant N | | | | 3,240.75 | 243.64 |
| | | | | | | | Total | \$3,240.75 | \$243.64 |
| Month September 2018 Totals | | | | | | | \$487.28 | \$0.00 | \$1,410.99 |
| 10/05/2018 | 2019-00000279 | JE | HR | Payroll Post B Bi-Weekly 181005 | Payroll Post | | 243.64 | | 1,654.63 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181005 | | Brady, Grant N | | | | 3,138.20 | 243.64 |
| | | | | | | | Total | \$3,138.20 | \$243.64 |
| Month October 2018 Totals | | | | | | | \$487.28 | \$0.00 | \$1,898.27 |
| 10/19/2018 | 2019-00000320 | JE | HR | Payroll Post B Bi-Weekly 181019 | Payroll Post | | 243.64 | | 1,898.27 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181019 | | Brady, Grant N | | | | 4,430.27 | 243.64 |
| | | | | | | | Total | \$4,430.27 | \$243.64 |
| Month October 2018 Totals | | | | | | | \$487.28 | \$0.00 | \$1,898.27 |
| 11/02/2018 | 2019-00000366 | JE | HR | Payroll Post B Bi-Weekly 181102 | Payroll Post | | 243.64 | | 2,141.91 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181102 | | Brady, Grant N | | | | 4,471.29 | 243.64 |
| | | | | | | | Total | \$4,471.29 | \$243.64 |
| Month October 2018 Totals | | | | | | | \$487.28 | \$0.00 | \$1,898.27 |
| 11/16/2018 | 2019-00000408 | JE | HR | Payroll Post B Bi-Weekly 181116 | Payroll Post | | 243.64 | | 2,385.55 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181116 | | Brady, Grant N | | | | 5,107.07 | 243.64 |
| | | | | | | | Total | \$5,107.07 | \$243.64 |
| Month October 2018 Totals | | | | | | | \$487.28 | \$0.00 | \$1,898.27 |
| 11/30/2018 | 2019-00000440 | JE | HR | Payroll Post B Bi-Weekly 181130 | Payroll Post | | 1,228.79 | | 3,614.34 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181130 | | Brady, Grant N | | | | 4,122.63 | 243.64 |
| B | | 181130 | | Brady, Grant N | | | | 985.15 | 985.15 |
| | | | | | | | Total | \$5,107.78 | \$1,228.79 |
| Month November 2018 Totals | | | | | | | \$1,716.07 | \$0.00 | \$3,614.34 |
| 12/14/2018 | 2019-00000477 | JE | HR | Payroll Post B Bi-Weekly 181214 | Payroll Post | | 243.64 | | 3,857.98 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181214 | | Brady, Grant N | | | | 4,122.63 | 243.64 |
| | | | | | | | Total | \$4,122.63 | \$243.64 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance | |
|--|---------------|---------------------|------------|--|--------------|-----------|-----------------------------------|------------------|---------------------|------------|
| G/L Account Number 003-4210 4599 Other Pay | | | | | | | | Balance To Date: | \$0.00 | |
| 12/28/2018 | 2019-00000504 | JE | HR | Payroll Post B Bi-Weekly 220191 | Payroll Post | | 243.64 | | 4,101.62 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 220191 | | Brady, Grant N | | | | 3,420.10 | 243.64 | |
| | | | | | | | Total | \$3,420.10 | \$243.64 | |
| | | | | | | | Month December 2018 Totals | \$487.28 | \$0.00 | \$4,101.62 |
| | | | | | | | Account Other Pay Totals | \$4,152.47 | \$50.85 | \$4,101.62 |
| G/L Account Number 003-4210 4910 Employer Paid Benefits | | | | | | | | Balance To Date: | \$0.00 | |
| 07/02/2018 | 2019-00000110 | JE | GL | Accrue PR for PP 06/30/18 - 7/13/18 | JE 1300-18 | | | 323.22 | (323.22) | |
| 07/13/2018 | 2019-00000033 | JE | HR | Payroll Post B Bi-Weekly 180713 | Payroll Post | | 1,306.99 | | 983.77 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180713 | | Brady, Grant N | | | | 3,204.62 | 1,306.99 | |
| | | | | | | | Total | \$3,204.62 | \$1,306.99 | |
| 07/27/2018 | 2019-00000067 | JE | HR | Payroll Post B Bi-Weekly 180727 | Payroll Post | | 809.65 | | 1,793.42 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180727 | | Brady, Grant N | | | | 4,961.11 | 809.65 | |
| | | | | | | | Total | \$4,961.11 | \$809.65 | |
| | | | | | | | Month July 2018 Totals | \$2,116.64 | \$323.22 | \$1,793.42 |
| 08/10/2018 | 2019-00000095 | JE | HR | Payroll Post B Bi-Weekly 180810 | Payroll Post | | 2,327.05 | | 4,120.47 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180810 | | Brady, Grant N | | | | 9,454.98 | 2,327.05 | |
| | | | | | | | Total | \$9,454.98 | \$2,327.05 | |
| 08/24/2018 | 2019-00000147 | JE | HR | Payroll Post B Bi-Weekly 180824 | Payroll Post | | 512.15 | | 4,632.62 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180824 | | Brady, Grant N | | | | 3,138.20 | 512.15 | |
| | | | | | | | Total | \$3,138.20 | \$512.15 | |
| | | | | | | | Month August 2018 Totals | \$2,839.20 | \$0.00 | \$4,632.62 |
| 09/07/2018 | 2019-00000191 | JE | HR | Payroll Post B Bi-Weekly 180907 | Payroll Post | | 1,567.26 | | 6,199.88 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180907 | | Brady, Grant N | | | | 4,799.44 | 1,567.26 | |
| | | | | | | | Total | \$4,799.44 | \$1,567.26 | |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|--|---------------------------|--------------|------------|--|--------------|-----------|--------------|------------------------------|---------------------------------|
| G/L Account Number 003-4210 4910 Employer Paid Benefits | | | | | | | | Balance To Date: | \$0.00 |
| 09/21/2018 | 2019-00000239 | JE | HR | Payroll Post B Bi-Weekly 180921 | Payroll Post | | 528.89 | | 6,728.77 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 180921 | | | | <i>Gross Pay</i> 3,240.75 | <i>Dist. Amount</i> 528.89 |
| | | | | <i>Employee Name</i> Brady, Grant N | | | | | |
| | | | | | | | Total | \$3,240.75 | \$528.89 |
| Month September 2018 Totals | | | | | | | \$2,096.15 | \$0.00 | \$6,728.77 |
| 10/05/2018 | 2019-00000279 | JE | HR | Payroll Post B Bi-Weekly 181005 | Payroll Post | | 1,296.14 | | 8,024.91 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 181005 | | | | <i>Gross Pay</i> 3,138.20 | <i>Dist. Amount</i> 1,296.14 |
| | | | | <i>Employee Name</i> Brady, Grant N | | | | | |
| | | | | | | | Total | \$3,138.20 | \$1,296.14 |
| Month October 2018 Totals | | | | | | | \$2,019.17 | \$0.00 | \$8,747.94 |
| 10/19/2018 | 2019-00000320 | JE | HR | Payroll Post B Bi-Weekly 181019 | Payroll Post | | 723.03 | | 8,747.94 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 181019 | | | | <i>Gross Pay</i> 4,430.27 | <i>Dist. Amount</i> 723.03 |
| | | | | <i>Employee Name</i> Brady, Grant N | | | | | |
| | | | | | | | Total | \$4,430.27 | \$723.03 |
| Month October 2018 Totals | | | | | | | \$2,019.17 | \$0.00 | \$8,747.94 |
| 11/02/2018 | 2019-00000366 | JE | HR | Payroll Post B Bi-Weekly 181102 | Payroll Post | | 1,513.70 | | 10,261.64 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 181102 | | | | <i>Gross Pay</i> 4,471.29 | <i>Dist. Amount</i> 1,513.70 |
| | | | | <i>Employee Name</i> Brady, Grant N | | | | | |
| | | | | | | | Total | \$4,471.29 | \$1,513.70 |
| Month October 2018 Totals | | | | | | | \$2,019.17 | \$0.00 | \$8,747.94 |
| 11/16/2018 | 2019-00000408 | JE | HR | Payroll Post B Bi-Weekly 181116 | Payroll Post | | 833.47 | | 11,095.11 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 181116 | | | | <i>Gross Pay</i> 5,107.07 | <i>Dist. Amount</i> 833.47 |
| | | | | <i>Employee Name</i> Brady, Grant N | | | | | |
| | | | | | | | Total | \$5,107.07 | \$833.47 |
| Month October 2018 Totals | | | | | | | \$2,019.17 | \$0.00 | \$8,747.94 |
| 11/30/2018 | 2019-00000440 | JE | HR | Payroll Post B Bi-Weekly 181130 | Payroll Post | | 833.59 | | 11,928.70 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 181130 | | | | <i>Gross Pay</i> 4,122.63 | <i>Dist. Amount</i> 672.82 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 181130 | | | | <i>Gross Pay</i> 985.15 | <i>Dist. Amount</i> 160.77 |
| | | | | <i>Employee Name</i> Brady, Grant N | | | | | |
| | | | | | | | Total | \$5,107.78 | \$833.59 |
| Month November 2018 Totals | | | | | | | \$3,180.76 | \$0.00 | \$11,928.70 |
| 12/14/2018 | 2019-00000477 | JE | HR | Payroll Post B Bi-Weekly 181214 | Payroll Post | | 1,456.81 | | 13,385.51 |
| | <i>Payroll Batch</i> B | | | <i>Batch Number</i> 181214 | | | | <i>Gross Pay</i> 4,122.63 | <i>Dist. Amount</i> 1,456.81 |
| | | | | <i>Employee Name</i> Brady, Grant N | | | | | |
| | | | | | | | Total | \$4,122.63 | \$1,456.81 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance | |
|--|---------------|---------------------|------------|------------------------------------|--------------|-----------|--|------------------|---------------------|-------------|
| G/L Account Number 003-4210 4910 Employer Paid Benefits | | | | | | | | Balance To Date: | \$0.00 | |
| 12/28/2018 | 2019-00000504 | JE | HR | Payroll Post B Bi-Weekly 220191 | Payroll Post | | 757.21 | | 14,142.72 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 220191 | | Brady, Grant N | | | | 3,420.10 | 757.21 | |
| | | | | | | | Total | \$3,420.10 | \$757.21 | |
| | | | | | | | Month December 2018 Totals | \$2,214.02 | \$0.00 | \$14,142.72 |
| | | | | | | | Account Employer Paid Benefits Totals | \$14,465.94 | \$323.22 | \$14,142.72 |
| G/L Account Number 003-4210 4911 Pension Normal Cost | | | | | | | | Balance To Date: | \$0.00 | |
| 07/13/2018 | 2019-00000033 | JE | HR | Payroll Post B Bi-Weekly 180713 | Payroll Post | | 358.37 | | 358.37 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180713 | | Brady, Grant N | | | | 3,204.62 | 358.37 | |
| | | | | | | | Total | \$3,204.62 | \$358.37 | |
| 07/27/2018 | 2019-00000067 | JE | HR | Payroll Post B Bi-Weekly 180727 | Payroll Post | | 364.25 | | 722.62 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180727 | | Brady, Grant N | | | | 4,961.11 | 364.25 | |
| | | | | | | | Total | \$4,961.11 | \$364.25 | |
| | | | | | | | Month July 2018 Totals | \$722.62 | \$0.00 | \$722.62 |
| 08/10/2018 | 2019-00000095 | JE | HR | Payroll Post B Bi-Weekly 180810 | Payroll Post | | 381.01 | | 1,103.63 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180810 | | Brady, Grant N | | | | 9,454.98 | 381.01 | |
| | | | | | | | Total | \$9,454.98 | \$381.01 | |
| 08/24/2018 | 2019-00000147 | JE | HR | Payroll Post B Bi-Weekly 180824 | Payroll Post | | 381.01 | | 1,484.64 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180824 | | Brady, Grant N | | | | 3,138.20 | 381.01 | |
| | | | | | | | Total | \$3,138.20 | \$381.01 | |
| | | | | | | | Month August 2018 Totals | \$762.02 | \$0.00 | \$1,484.64 |
| 09/07/2018 | 2019-00000191 | JE | HR | Payroll Post B Bi-Weekly 180907 | Payroll Post | | 381.01 | | 1,865.65 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 180907 | | Brady, Grant N | | | | 4,799.44 | 381.01 | |
| | | | | | | | Total | \$4,799.44 | \$381.01 | |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|---|---------------|---------------------|------------|------------------------------------|--------------|-----------|--------------|------------------|---------------------|
| G/L Account Number 003-4210 4911 Pension Normal Cost | | | | | | | | Balance To Date: | \$0.00 |
| 09/21/2018 | 2019-00000239 | JE | HR | Payroll Post B Bi-Weekly 180921 | Payroll Post | | 381.01 | | 2,246.66 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 180921 | | Brady, Grant N | | | | 3,240.75 | 381.01 |
| | | | | | | | Total | \$3,240.75 | \$381.01 |
| Month September 2018 Totals | | | | | | | \$762.02 | \$0.00 | \$2,246.66 |
| 10/05/2018 | 2019-00000279 | JE | HR | Payroll Post B Bi-Weekly 181005 | Payroll Post | | 381.01 | | 2,627.67 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181005 | | Brady, Grant N | | | | 3,138.20 | 381.01 |
| | | | | | | | Total | \$3,138.20 | \$381.01 |
| Month October 2018 Totals | | | | | | | \$762.02 | \$0.00 | \$3,008.68 |
| 10/19/2018 | 2019-00000320 | JE | HR | Payroll Post B Bi-Weekly 181019 | Payroll Post | | 381.01 | | 3,008.68 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181019 | | Brady, Grant N | | | | 4,430.27 | 381.01 |
| | | | | | | | Total | \$4,430.27 | \$381.01 |
| Month October 2018 Totals | | | | | | | \$762.02 | \$0.00 | \$3,008.68 |
| 11/02/2018 | 2019-00000366 | JE | HR | Payroll Post B Bi-Weekly 181102 | Payroll Post | | 381.01 | | 3,389.69 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181102 | | Brady, Grant N | | | | 4,471.29 | 381.01 |
| | | | | | | | Total | \$4,471.29 | \$381.01 |
| Month October 2018 Totals | | | | | | | \$762.02 | \$0.00 | \$3,008.68 |
| 11/16/2018 | 2019-00000408 | JE | HR | Payroll Post B Bi-Weekly 181116 | Payroll Post | | 381.01 | | 3,770.70 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181116 | | Brady, Grant N | | | | 5,107.07 | 381.01 |
| | | | | | | | Total | \$5,107.07 | \$381.01 |
| Month October 2018 Totals | | | | | | | \$762.02 | \$0.00 | \$3,008.68 |
| 11/30/2018 | 2019-00000440 | JE | HR | Payroll Post B Bi-Weekly 181130 | Payroll Post | | 381.01 | | 4,151.71 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181130 | | Brady, Grant N | | | | 4,122.63 | 381.01 |
| | | | | | | | Total | \$4,122.63 | \$381.01 |
| Month November 2018 Totals | | | | | | | \$1,143.03 | \$0.00 | \$4,151.71 |
| 12/14/2018 | 2019-00000477 | JE | HR | Payroll Post B Bi-Weekly 181214 | Payroll Post | | 381.01 | | 4,532.72 |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> |
| B | | 181214 | | Brady, Grant N | | | | 4,122.63 | 381.01 |
| | | | | | | | Total | \$4,122.63 | \$381.01 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance | |
|--|-----------------------------|---------------------|---------------------------------------|-----------------------------------|---------------------|-----------------------|--|------------------|---------------------|-------------|
| G/L Account Number 003-4210 4911 Pension Normal Cost | | | | | | | | Balance To Date: | \$0.00 | |
| 12/28/2018 | 2019-00000504 | JE | HR | Payroll Post B Bi-Weekly 220191 | Payroll Post | | 415.23 | | 4,947.95 | |
| <i>Payroll Batch</i> | | <i>Batch Number</i> | | <i>Employee Name</i> | | | | <i>Gross Pay</i> | <i>Dist. Amount</i> | |
| B | | 220191 | | Brady, Grant N | | | | 3,420.10 | 415.23 | |
| | | | | | | | Total | \$3,420.10 | \$415.23 | |
| | | | | | | | Month December 2018 Totals | \$796.24 | \$0.00 | \$4,947.95 |
| | | | | | | | Account Pension Normal Cost Totals | \$4,947.95 | \$0.00 | \$4,947.95 |
| G/L Account Number 003-4210 4912 PERS Unfunded Accrued Liability | | | | | | | | Balance To Date: | \$0.00 | |
| 07/27/2018 | 2019-00000072 | JE | AP | A/P Invoice Entry | Accounts Payable | | 13,789.32 | | 13,789.32 | |
| <i>Invoice Number</i> | <i>Vendor</i> | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | | <i>Amount</i> | <i>Dist. Amount</i> | |
| FY 18/19 UAL | Public Empl Retirement | | Unfunded Accrued Liabilities FY 18/19 | 07/27/2018 | EFT | 1723 | | 1,256,767.00 | 13,789.32 | |
| | | | | | | | Total | \$1,256,767.00 | \$13,789.32 | |
| | | | | | | | Month July 2018 Totals | \$13,789.32 | \$0.00 | \$13,789.32 |
| | | | | | | | Account PERS Unfunded Accrued Liability Totals | \$13,789.32 | \$0.00 | \$13,789.32 |
| G/L Account Number 003-4210 5199 Miscellaneous Operating Supplies | | | | | | | | Balance To Date: | \$0.00 | |
| 09/30/2018 | 2019-00000307 | JE | AP | A/P Invoice Entry | Accounts Payable | | 37.14 | | 37.14 | |
| <i>Invoice Number</i> | <i>Vendor</i> | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | | <i>Amount</i> | <i>Dist. Amount</i> | |
| 3Q2018 Local | State Board of Equalization | | 3Q2018 Sales Tax, Local | 09/30/2018 | EFT | 1754 | | 296.17 | 37.14 | |
| | | | | | | | Total | \$296.17 | \$37.14 | |
| | | | | | | | Month September 2018 Totals | \$37.14 | \$0.00 | \$37.14 |
| | | | | | | | Account Miscellaneous Operating Supplies Totals | \$37.14 | \$0.00 | \$37.14 |
| G/L Account Number 003-4210 8110 Interest Expense | | | | | | | | Balance To Date: | \$0.00 | |
| 09/30/2018 | 2019-00000315 | JE | GL | Semi-annual payment for USDA loan | JE 914-19 | | 24,787.50 | | 24,787.50 | |
| | | | | | | | Month September 2018 Totals | \$24,787.50 | \$0.00 | \$24,787.50 |
| | | | | | | | Account Interest Expense Totals | \$24,787.50 | \$0.00 | \$24,787.50 |
| G/L Account Number 003-4210 8130 Principal Repayment | | | | | | | | Balance To Date: | \$0.00 | |
| 09/30/2018 | 2019-00000315 | JE | GL | Semi-annual payment for USDA loan | JE 914-19 | | 34,000.00 | | 34,000.00 | |
| | | | | | | | Month September 2018 Totals | \$34,000.00 | \$0.00 | \$34,000.00 |
| | | | | | | | Account Principal Repayment Totals | \$34,000.00 | \$0.00 | \$34,000.00 |
| | | | | | | | Department Fire Department Totals | \$150,624.29 | \$947.00 | |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance | |
|--|-------------------------------------|--------------|------------|--|---------------------|---------------------|------------------------------------|------------------|---------------------|------------|
| G/L Account Number 003-5230 6810 Equipment Rental | | | | | | | | Balance To Date: | \$0.00 | |
| 07/12/2018 | 2019-00000021 | JE | AP | A/P Invoice Entry | Accounts Payable | | 915.65 | | 915.65 | |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> | |
| 18934200 | Caterpillar Financial Services Corp | | | Equip. Lease - Tax - 15-Jul-2018 | 05/30/2018 | Check | 159246 | 915.65 | 915.65 | |
| | | | | | | | Total | \$915.65 | \$915.65 | |
| 07/26/2018 | 2019-00000053 | JE | AP | A/P Invoice Entry | Accounts Payable | | 2,928.94 | | 3,844.59 | |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> | |
| 19022366 | Caterpillar Financial Services Corp | | | Taxes - Skid Steer/Equipment 15-Jul-2018 - 15-Aug-2018 | 06/30/2018 | Check | 159312 | 2,928.94 | 2,928.94 | |
| | | | | | | | Total | \$2,928.94 | \$2,928.94 | |
| 07/31/2018 | 2019-00000232 | JE | GL | Reverse AP Inv for 17/18 to offset actual pmt in 18/19 | | | | 915.65 | 2,928.94 | |
| | | | | | | | Month July 2018 Totals | \$3,844.59 | \$915.65 | \$2,928.94 |
| 08/23/2018 | 2019-00000122 | JE | AP | A/P Invoice Entry | Accounts Payable | | 1,097.64 | | 4,026.58 | |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> | |
| 19101206 | Caterpillar Financial Services Corp | | | 15-Sep-2018 Interest Payments - 0742962-000 | 07/31/2018 | Check | 159602 | 1,097.64 | 1,097.64 | |
| | | | | | | | Total | \$1,097.64 | \$1,097.64 | |
| | | | | | | | Month August 2018 Totals | \$1,097.64 | \$0.00 | \$4,026.58 |
| 09/20/2018 | 2019-00000217 | JE | AP | A/P Invoice Entry | Accounts Payable | | 2,013.29 | | 6,039.87 | |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> | |
| 19182277 | Caterpillar Financial Services Corp | | | Tax Payments on Equipment - Consolidated - 15-Oct-2018 | 08/30/2018 | Check | 159807 | 2,013.29 | 2,013.29 | |
| | | | | | | | Total | \$2,013.29 | \$2,013.29 | |
| | | | | | | | Month September 2018 Totals | \$2,013.29 | \$0.00 | \$6,039.87 |
| 10/18/2018 | 2019-00000307 | JE | AP | A/P Invoice Entry | Accounts Payable | | 2,013.29 | | 8,053.16 | |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> | |
| 19266801 | Caterpillar Financial Services Corp | | | Tax/Payments on Equipment - Conslidated - 15-Nov-2018 | 09/30/2018 | Check | 160066 | 2,013.29 | 2,013.29 | |
| | | | | | | | Total | \$2,013.29 | \$2,013.29 | |
| | | | | | | | Month October 2018 Totals | \$2,013.29 | \$0.00 | \$8,053.16 |

Accumulated Transaction Listing

G/L Date Range 07/01/18 - 12/31/18

Include Sub Ledger Detail

Exclude Accounts with No Activity

| G/L Date | Journal | Journal Type | Sub Ledger | Description/Project | Source | Reference | Debit Amount | Credit Amount | Actual Balance |
|--|-------------------------------------|--------------|------------|--|---------------------|---------------------|-----------------------|---------------|---------------------|
| G/L Account Number 003-5230 6810 Equipment Rental | | | | | | | Balance To Date: | | \$0.00 |
| 11/15/2018 | 2019-00000394 | JE | AP | A/P Invoice Entry | Accounts Payable | | 2,013.29 | | 10,066.45 |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> |
| 19349003 | Caterpillar Financial Services Corp | | | Tax/Payments on Equipment-Consolidated 15-Dec-2018 | 10/30/2018 | Check | 160310 | 2,013.29 | 2,013.29 |
| | | | | | | | Total | \$2,013.29 | \$2,013.29 |
| Month November 2018 Totals | | | | | | | \$2,013.29 | \$0.00 | \$10,066.45 |
| 12/27/2018 | 2019-00000490 | JE | AP | A/P Invoice Entry | Accounts Payable | | 2,013.29 | | 12,079.74 |
| <i>Invoice Number</i> | <i>Vendor</i> | | | <i>Description</i> | <i>Invoice Date</i> | <i>Payment Type</i> | <i>Payment Number</i> | <i>Amount</i> | <i>Dist. Amount</i> |
| 19438093 | Caterpillar Financial Services Corp | | | Tax/Payments on Equipment - 15-Jan-2019 | 11/30/2018 | Check | 160669 | 2,013.29 | 2,013.29 |
| | | | | | | | Total | \$2,013.29 | \$2,013.29 |
| Month December 2018 Totals | | | | | | | \$2,013.29 | \$0.00 | \$12,079.74 |
| Account Equipment Rental Totals | | | | | | | \$12,995.39 | \$915.65 | \$12,079.74 |
| Department Street Maintenance Totals | | | | | | | \$12,995.39 | \$915.65 | |
| G/L Account Number 003-7710 8510 Transfer To General Fund | | | | | | | Balance To Date: | | \$0.00 |
| 09/30/2018 | 2019-00000336 | JE | GL | Quarterly Cost Allocation Plan | 911-19 | | 30,171.25 | | 30,171.25 |
| Month September 2018 Totals | | | | | | | \$30,171.25 | \$0.00 | \$30,171.25 |
| 12/31/2018 | 2019-00000549 | JE | GL | Quarterly Cost Allocation Plan | 1211-19 | | 30,171.25 | | 60,342.50 |
| Month December 2018 Totals | | | | | | | \$30,171.25 | \$0.00 | \$60,342.50 |
| Account Transfer To General Fund Totals | | | | | | | \$60,342.50 | \$0.00 | \$60,342.50 |
| Department Interfund Transactions Totals | | | | | | | \$60,342.50 | \$0.00 | |
| Fund Sales & Use Tax Measure Q Totals | | | | | | | \$267,989.25 | \$1,862.65 | |
| Grand Totals | | | | | | | \$267,989.25 | \$1,862.65 | |

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AGENDA NO: B-5

MEETING DATE: February 19, 2019

Staff Report

TO: Honorable Mayor and City Council

DATE: February 12, 2019

FROM: Jennifer Callaway, Finance Director

SUBJECT: Review of Second Quarter Investment Report (Period ending December 31, 2018) for Fiscal Year 2018/19

RECOMMENDATION

Receive the attached Second Quarter Investment Report (July through December 2018) for Fiscal Year 2018/19 and provide comments and suggestions as appropriate.

FISCAL IMPACT

There is no fiscal impact associated with this recommendation.

DISCUSSION

Attached for your consideration is the Second Quarter Investment Report for FY 2018/19.

As of December 31, 2018, the City's weighted portfolio yield of 1.54% was below the Local Agency Investment Fund (LAIF) yield of 2.4%. Several investments matured at the end of 2018 and as a result in January staff purchased four new CDs, total value of just under one million. Staff will be purchasing additional CDs of for a total value of \$2,000,000 in February and transferring \$1.5 million to \$2 million into LAIF from the sweep account. Interest recorded through December 31, 2018 totaled \$144,662.

During the quarter, yields have generally been increasing anticipating continued economic growth. Staff have been cautioned that the rates are likely to flatten out or decrease and longer-term investments may be optimal at this time. Staff's focus is to monitor account balances and transfer funds into the highest earning account (LAIF).

CONCLUSION

Staff recommends that the Committee receive the Second Quarter Investment Report (July through December 2018) for Fiscal Year 2018/19 and provide feedback.

ATTACHMENT

Second Quarter Investment Report for FY 2018/19 (July through December 2018)

Prepared By: JC

Dept Review: _____

City Manager Review: _____

City Attorney Review: _____

CITY OF MORRO BAY
QUARTERLY PORTFOLIO PERFORMANCE
12/31/2018

| INVESTMENT OR CUSIP NUMBER | INSTITUTION | PURCHASE PRICE | MARKET VALUE | COUPON INTEREST RATE | PURCHASE DATE | MATURITY DATE | DAYS TO MATURITY |
|----------------------------------|--------------------------------|----------------------|----------------------|----------------------------|---|--|--|
| LAIF | LOCAL AGENCY INVESTMENT FUND | \$ 10,368,771 | \$ 10,368,771 | 2.40% | DAILY | DAILY | 1 |
| MONEY MARKET ACCOUNT: | | | | | | | |
| MM | RABOBANK - MONEY MARKET | 2,320,573 | 2,320,573 | 0.20% | DAILY | DAILY | 1 |
| SWEEP | RABOBANK - SWEEP | 7,647,114 | 7,647,114 | 0.05% | DAILY | DAILY | 1 |
| MM | OPUS BANK | 5,113,383 | 5,113,383 | 2.35% | DAILY | DAILY | 1 |
| Government Agency | | | | | | | |
| 3134G8PD5 | FHLM Corp | 500,003 | 497,548 | 1.350% | 3/30/2016 | 9/30/2019 | |
| CERTIFICATES OF DEPOSIT: | | | | | | | |
| 1404202A7 | ZION BANK - CAPITAL ONE BANK | 250,005 | 252,772 | 2.400% | 4/12/2017 | 4/12/2022 | 1,198 |
| 902856 | TBK BANK | 250,000 | 250,000 | 2.050% | 1/24/2017 | 1/11/2019 | 11 |
| 4100093030 | LEADER BANK | 250,000 | 250,000 | 1.551% | 1/6/2014 | 1/6/2019 | 6 |
| 38148PGK7 | ZION BANK - GOLDMAN SACHS BANK | 250,003 | 245,243 | 1.550% | 8/3/2016 | 8/3/2021 | 946 |
| 3090683803 | STATE FARM BANK | 250,000 | 250,000 | 1.980% | 10/21/2013 | 10/21/2018 | -71 |
| 4923509568 | PENTAGON FEDERAL CREDIT UNION | 250,000 | 250,000 | 3.000% | 2/5/2014 | 2/5/2019 | 36 |
| | | <u>\$ 27,449,852</u> | <u>\$ 27,445,404</u> | | | | |
| | | | | | % OF LIQUID PORTFOLIO HOLDINGS | WEIGHTED AVERAGE RATE OF EARNINGS | WEIGHTED AVERAGE MATURITY |
| | | | | | <u>92.714%</u> | <u>1.514%</u> | <u>20</u> |

Portfolio holdings as of the second quarter ended December 31, 2018, are in compliance with the current Investment Policy. With 92.714%

of the portfolio held in liquid instruments, the City's portfolio is well above the 65% to 70% target liquidity rate approved by the City Council in March 2018.



AGENDA NO: B-6

MEETING DATE: February 19, 2019

Staff Report

TO: Chairman and Committee Members **DATE:** February 14, 2019

FROM: Rob Livick, PE/PLS – Public Works Director/City Engineer
Eric Casares, PE – Water Reclamation Facility (WRF) Program Manager

SUBJECT: Review of Council Action for CFAC to Review Financial Updates Related to the Water Reclamation Facility (WRF) and Review Summary of WRF Project Costs to Date

RECOMMENDATION

Staff recommends CFAC:

1. Provide input on CFAC's role in review of the financials for the Water Reclamation Facility (WRF) Project.
2. Receive the financial update for the WRF Project.

DISCUSSION

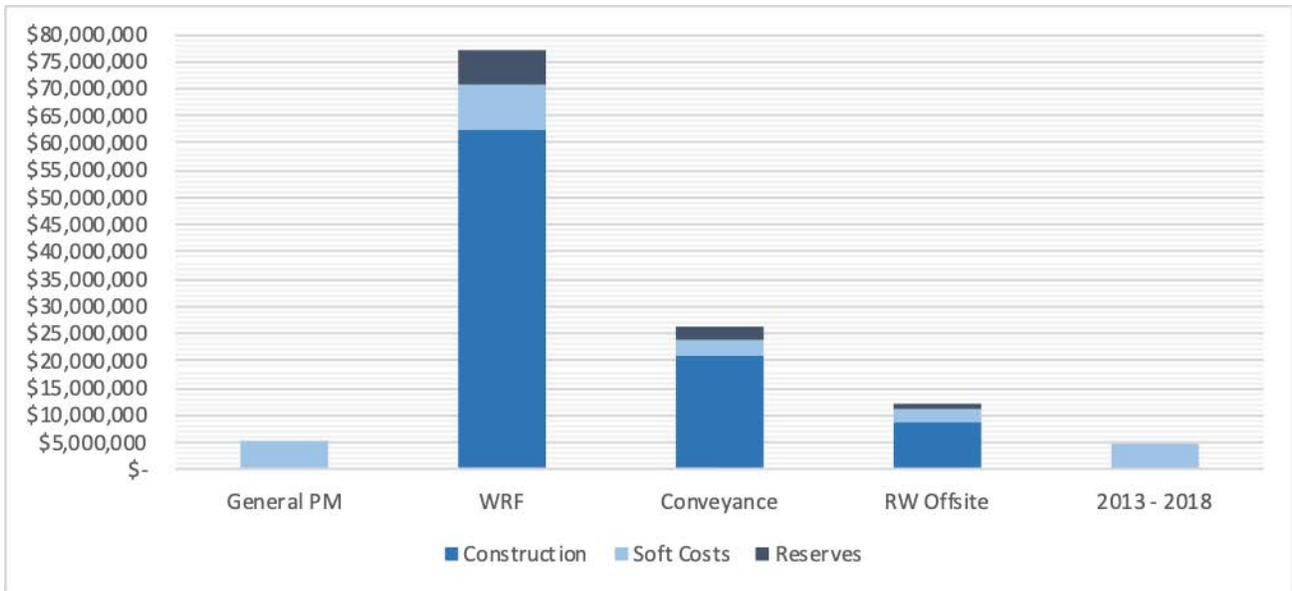
CFAC Role in Review of the WRF Project Financials

Traditionally the Water Reclamation Facility Citizen's Advisory Committee (WRFCAC) has been responsible for reviewing project budget and expenditures to date. As a result of Council action on January 08, 2019, this function will now be the responsibility of CFAC. Based on discussion with staff, the WRF Subcommittee, and the WRF Program Manager regarding Council direction on CFAC's role in review of the WRF financials is proposed to now include the following:

- The WRF Program Manager is responsible for preparation of a comprehensive monthly project report that will be submitted to Council and presented at the second Council meeting of each month. The finance-related information in that report will be extracted and delivered to CFAC.
- As part of the overall program controls, the WRF Program Manager will be performing a detailed review of the WRF Project budget on a quarterly basis. Changes to the project budget will be detailed in the monthly status report delivered to Council. Staff will make a presentation to CFAC on a quarterly basis to review changes to the project budget as well as an overview on expenditures to date.

Budget Summary

In June 2018, City staff, the Program Manager and the Blue Ribbon Commission developed a revised WRF Project budget of \$126 million. That budget was used to complete the rate study by Bartle Wells Associates (BWA), which led the Proposition 218 process and the adoption of the new \$41-per month surcharge (for single family homes) to fund the WRF Project. A breakdown of the \$126 million budget is included below:



It should be noted that soft costs include engineering design, construction management, Program Management, hydrogeological studies, permitting, etc. It should also be noted the budget includes a total of \$9.5 million in reserves, of which \$6.2 million has been reserved for design and construction of the WRF, in addition to the current guaranteed maximum price (GMP) of \$67.2 million pursuant to the approved Design-Build Agreement. Below is a summary of the WRF Project expenditures to date:

| Description | FY 12/13 - FY 17/18 Amount Expended | FY 18/19 Amount Expended | FY 18/19 Amount Budget | FY 18/19 Amount Remaining | Program Total |
|---|---|-----------------------------|---------------------------|------------------------------|--------------------|
| City Staff | \$388,799 | \$67,004 | \$75,000 | \$7,996 | \$455,803 |
| Legal | \$2,583 | \$27,848 | \$25,000 | (\$2,848) | \$30,431 |
| Program Management | \$914,639 | \$28,906 | \$500,000 | \$471,094 | \$943,545 |
| Other Contracts | \$3,754,408 | \$110,140 | \$872,776 | \$762,636 | \$3,864,547 |
| Miscellaneous | \$193,914 | \$25,997 | \$367,000 | \$341,003 | \$219,911 |
| Conveyance Facilities Project (Design) | \$275,162 | \$14,433 | \$839,000 | \$824,567 | \$289,595 |
| Conveyance Facilities Project (Construction) | \$0 | \$0 | \$0 | \$0 | \$0 |
| WRF Design/Build (Design) | \$0 | \$0 | \$6,075,000 | \$6,075,000 | \$0 |
| WRF Design/Build (Construction) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Offsite RW Facilities (Design) | \$0 | \$0 | \$625,000 | \$625,000 | \$0 |
| Offsite RW Facilities (Construction) | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$5,529,503 | \$274,329 | \$9,378,776 | \$9,104,447 | \$5,803,832 |

Capital Program Budget Financial Summary

The FY 2018/19 Capital budget includes funding for \$13,194,030 in capital improvements through the City as outlined below:

| | | |
|-------------------------------|-----------|-------------------|
| WRF* | \$ | 9,378,776 |
| Street Improvements | | 1,295,715 |
| General Government** | | 1,185,196 |
| Harbor Projects | | 595,576 |
| Transit | | 327,255 |
| Water Projects | | 205,756 |
| Sewer Projects | | 205,756 |
| Total Capital Projects | \$ | 13,194,030 |

*Water Reclamation Facility

**Capital Projects that are not funded through an enterprise fund or Measure Q funding.

Significant FY 2018/19 Projects

- Water Reclamation Facility
- Fire Engine Replacement
- Pavement Management Plan
- City Park Play Equipment
- ADA Transition Plan Improvement Sidewalks/Crosswalks
- Audio Visual and Facility upgrades for Council Chambers
- Replacement Vehicle—Trolley
- Beach Street Slips—South

2018 Council Goals

1. **Achieve Economic and Fiscal Sustainability**
2. **Complete WRF Project and OneWater Program**
3. **Improve Infrastructure and Public Spaces**
4. **Review and Update Significant City Land Use Plans**
5. **Improve Communication to the Community**

GLOSSARY

Balanced Budget: A budget with operating revenues equal to operating expenditures. Generally, it refers to a budget with no deficit, but possibly with surplus.

Capital Projects Funds: Funds that account for financial resources to be used for the acquisition or construction of capital facilities.

Enterprise Fund: Fund-type established to account for the financing of self-supporting activities of governmental units, which render services on a user charge basis to the general public. Enterprise funds are **Water, Sewer, Harbor and Transit Funds.**

Fund: A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

General Fund: Primary fund used by the City for which revenues and expenditures are not legally restricted for use.

Government Funds: Funds used to account for all assets and liabilities of a government agency, except those particularly assigned for other purposes in another more specialized fund. There are five different types of governmental funds: the **general fund** (primary operating fund), **special revenue funds, debt service funds, capital project funds, and permanent funds.**

Special Revenue Funds: Revenues received that have specific purposes for which they are earmarked

Internal Service Funds: A fund that collects money from departments/funds to pay for the established purpose of the fund (i.e. Risk Management Fund).

Transfers: Authorized exchanges of money, positions, or other resources between organizational units or funds.

Utility Discount Program: A discount program offered on the City's Water and Sewer utility bills (10% of bill) for eligible customers who are currently enrolled in the Pacific Gas and Electric Company (PG&E) Care Program.

CITY OF MORRO BAY Summary of FY 2018/19 Adopted Budget



PUT LIFE ON COAST

Mayor
John Headding

City Manager
Scott Collins

Mayor Pro-Tem
Red Davis

City Clerk:
Dana Swanson

Council Members
Dawn Addis
Jeff Heller
Marlys McPherson

Department Heads:
Jody Cox, Police
Steve Knuckles, Fire
Rob Livick, PW
Scot Graham, CDD
Eric Endersby, Harbor
Jen Callaway, Finance

**595 Harbor St.
Morro Bay, CA
805-772-6222**

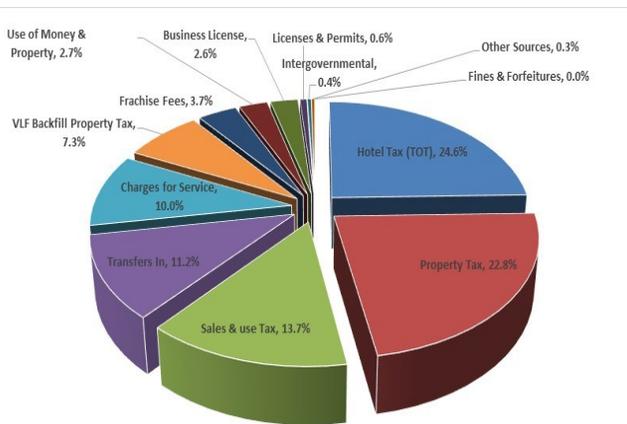
BUDGET SUMMARY

GENERAL FUND

Revenues: (By Category)

| | | |
|-----------------------------------|-----------|-------------------|
| Hotel Tax (TOT) | \$ | 3,524,835 |
| Property Tax | | 3,262,077 |
| Sales & use Tax | | 1,964,510 |
| Charges for Service | | 1,435,473 |
| VLF Backfill Property Tax | | 1,048,184 |
| Franchise Fees | | 531,799 |
| Use of Money & Property | | 389,600 |
| Business License | | 376,500 |
| Licenses & Permits | | 92,859 |
| Intergovernmental | | 50,380 |
| Other Sources | | 43,005 |
| Fines & Forfeitures | | 5,511 |
| Total Revenues | \$ | 12,724,733 |
| Transfers In | | 1,605,795 |
| Total Revs & Transfers | \$ | 14,330,528 |

FY 2018/19 Revenues by Category
\$14.3 Million



Hotel Tax (TOT): Tax that is levied on occupants of hotel and motel rooms in the city for

VLF back-fill property Tax: A state fee charged for the privilege of operating a vehicle on public streets. A VLF is levied annually against the market value of a motor vehicle and is imposed by the state "in lieu" of local property taxes

Licenses & Permits: Revenues earned by the issuance of licenses or permits levied in accordance with the benefits conferred by the license or permit.



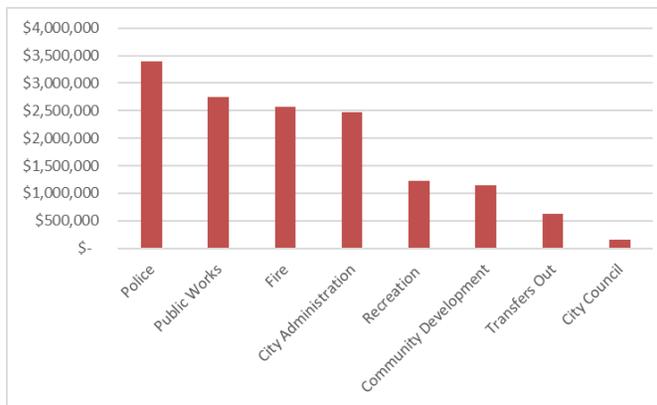
GENERAL FUND

Expenditures (By Department):

| | Total | % of Bud |
|-----------------------|----------------------|-------------|
| Police | \$ 3,399,264 | 23.7% |
| Public Works | 2,751,209 | 19.2% |
| Fire | 2,569,479 | 17.9% |
| City Administration* | 2,472,243 | 17.3% |
| Recreation | 1,225,166 | 8.6% |
| Community Development | 1,136,633 | 7.9% |
| Transfers Out | 624,080 | 4.4% |
| City Council | 150,550 | 1.1% |
| Total | \$ 14,328,624 | 100% |

*City Manager, Legal Services, Finance, Human Resources, Clerk, Contract Services

FY 2018/19 Expenditures by Department



Expenditures (By Category):

| | Total | % of Bud |
|------------------------------|----------------------|--------------|
| Salary & Benefits | \$ 10,228,403 | 71.5% |
| Services | 2,876,599 | 19.9% |
| Transfers Out | 624,080 | 4.4% |
| Supplies | 499,017 | 3.5% |
| Other Uses | 65,335 | 0.5% |
| Debt Service | 35,190 | 0.2% |
| Total | \$ 14,328,624 | 100% |

City Services are highly dependent on labor—the City's General Fund budget primarily supports personnel costs and the City's team that provides services to the community.

CITY-WIDE DATA

Personnel

| | |
|-----------------------------|------|
| Authorized Funded Positions | 99.5 |
| Elected Officials | 5.0 |

| Source of Funds: | Revenues | Transfers In | Total |
|------------------|----------------------|---------------------|---------------------|
| General Fund | \$ 12,727,733 | \$ 1,605,795 | \$14,330,528 |
| Capital Projects | 1,699,967 | 11,469,063 | 13,169,030 |
| Enterprise Funds | 15,466,555 | 6,954,744 | 22,401,299 |
| Internal Service | 1,962,915 | 382,515 | 2,345,430 |
| Other Revenue | 1,486,211 | | 1,486,211 |
| Special Revenue | <u>1,923,135</u> | <u>157,000</u> | <u>2,080,135</u> |
| Totals | \$ 35,243,516 | \$20,569,117 | \$55,812,633 |

Expenditures (By Fund)

| | |
|-------------------------------------|----------------------|
| General Fund & Transfers | \$ 14,328,624 |
| Capital Projects Funds | 13,194,030 |
| Enterprise Funds | 11,693,754 |
| Internal Service Funds | 2,083,631 |
| Other Funds | 1,730,851 |
| Special Revenue Funds | 1,536,632 |
| Other Transfers Out | <u>7,266,100</u> |
| Total Expend & Transfers | \$ 51,209,542 |

Cash Balance Reserves*

| | 2017/18 Est YE | 2018/19 Bud YE |
|--------------------------|---------------------|---------------------------------|
| Sewer Funds ¹ | \$7,238,220 | \$1,268,928 |
| Water Funds | 4,092,434 | 5,373,916 |
| Other Funds | 3,733,595 | 2,918,528 |
| General Fund | 3,120,415 | 3,291,415 |
| Internal Service Funds | 1,416,537 | 1,507,336 |
| Harbor Funds | 989,288 | 682,037 |
| Utility Discount | 413,829 | 413,829 |
| Tourism | 283,022 | 304,675 |
| Measure Q | <u>118,299</u> | <u>118,299</u> |
| Total Cash | \$21,405,639 | \$15,878,963² |

*The "cash balances" presented are a blend of fund balance and cash balance. Future budgets will be revised to provide fund balance for all funds.

1—Sewer Fund balance decreases year over year due to planned work on the Water Reclamation Facility Capital Project.

2—Decrease in available cash is primarily due to the budgeted expenditures for the City's new Water Reclamation Facility. The City budgeted use of available cash to reduce overall debt service and interest costs.