



# CITY COUNCIL AGENDA STATEMENT



May 29, 2019

File ID: 19-0208

## **TITLE**

A. QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDING MARCH 31, 2019

B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA MAKING VARIOUS AMENDMENTS TO THE FISCAL YEAR 2018/19 BUDGET TO ADJUST FOR VARIANCES AND APPROPRIATING FUNDS THEREFORE (4/5 VOTE REQUIRED)

## **RECOMMENDED ACTION**

Council accept the report and adopt the resolution.

## **SUMMARY**

The Finance Department, in collaboration with City departments, prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes as of March 31, 2019. The quarterly financial reports are in compliance with Section 504 (f) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager.

In preparing the quarterly financial projections, staff has identified various budget changes that are needed to reflect actual revenues and expenditures or address changes in budgetary needs. For government entities, a budget creates a legal framework for spending during the fiscal year. After the budget is approved by the City Council, there are circumstances which arise that could require adjustments to the approved budget. Council Policy 220-02 "Financial Reporting and Transfer Authority" was established in January of 1996 and allows for budget transfers and adjustments to be completed. This report discusses budget adjustments that staff recommends in the General Fund as well as various other funds to address identified fiscal issues.

In addition to the Fiscal Year 2018/2019 budget recommendations for City funds, this report includes an update on Measure P actual revenues and expenditures as of March 31, 2019.

## **ENVIRONMENTAL REVIEW**

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that filing of the quarterly financial status report is not a "Project" as defined under Section 15378 of the State CEQA Guidelines because it will not result in a physical change to the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines the actions proposed are not subject to CEQA.

## BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

## DISCUSSION

The Third Quarter Report is developed using nine months of recorded (July 2018 through March 2019) activity for Fiscal Year 2018/2019 as of March 31, 2019. The data in this report is the most current data available; however, the data and projections are subject to change.

This report will provide summary information for the following areas:

- Major General Fund Revenues
- Adjustments to General Fund Expenditures
- Adjustments to non-General Fund funds
- Update to the Measure P Fund
- Update to the Measure A Fund

Attachment A – Quarterly Financial Report provides additional information for the financial outlook for the General Fund for the current fiscal year including City revenues and expenditures; and a summary of the Long Term Financial Plan (LTFP) covering FY 2021 – FY 2030.

The Finance Department will continue to monitor the City’s actual revenues and expenditures and will provide any significant changes in subsequent quarterly budget monitoring reports.

### General Fund Overview

The City’s FY 2019 financial outlook continued to be positive as of the end of the third quarter as overall General Fund revenues are projected to exceed projected expenditures by approximately \$2.5 million. The projected improvement is primarily due to an anticipated positive correction from the State of California related to the amount of sales tax allocated to the City; an improved projection for Property Tax revenues; a positive adjustment to the Property Tax In-Lieu Vehicle License Fee based upon updated information from the County of San Diego; and increased reimbursements from the Federal Government for deployment of the City’s Fire Department Strike Team for assisting other jurisdictions responding to emergency situations(wildfires/storms). Additional information on General Fund revenue and expenditures are provided in the attachment to this report.

### Major General Fund Revenues

The City’s major General Fund revenues, which make up approximately 75% of the City’s General Fund revenues, are projected to be over the FY 2019 Revised Budget (Revised Budget) amounts by approximately \$1.6 million. The increased revenue projections are primarily due to an increased projection for the City’s Sales Tax Revenue (\$1.0 million), revised revenue projection for Property Tax (\$0.2 million) and the increased projection for Property Tax in Lieu of Vehicle License Fee (\$0.4 million). All other Major revenues are anticipated to meet their projected revenue year-end estimates. Table 1: Fiscal Year 2018/2019 Major General Fund Revenue Projections summarizes the revenue projections.

**Table 1 - Fiscal Year 2018/2019 Major General Fund Revenue Projections**

Revenue Category	FY 2019 Revised Budget	FY 2019 Projected Budget	Variance
Property Tax	\$ 35,301,979	\$ 35,452,775	\$ 150,796
Sales Tax	33,698,020	34,668,020	970,000
Measure P Sales Tax	18,085,000	18,085,000	-
Measure A Sales Tax <sup>1</sup>	13,430,000	13,430,000	-
PT in lieu of Motor Vehicle License Fee (VLF) <sup>2</sup>	21,886,241	22,333,660	447,419
Franchise Fees	11,691,841	11,691,841	-
Utility Users Taxes	5,605,396	5,605,396	-
Transient Occupancy Tax	4,102,798	4,102,798	-
<b>Total</b>	<b>\$ 143,801,275</b>	<b>\$ 145,369,490</b>	<b>\$ 1,568,215</b>

<sup>1</sup>Measure A Sales Tax approved by Chula Vista votes in June 2018 and tax commenced on October 1, 2018. Figure represents revenue projections for three quarters of the fiscal year.

<sup>2</sup>Property Tax in Lieu of Vehicle License Fees was previously accounted for as Motor Vehicle License fees (VLF) in the State Revenue category. VLF was replaced by a backfill from property taxes following the permanent reduction of the VLF rate from 2% to 0.65% in 2004.

The remaining General Fund revenues (not represented in Table 1) are anticipated to exceed the Revised Budget by approximately \$1.2 million. The projected increase in revenue is primarily due to increased reimbursements for the City's Fire Department Strike Team (\$0.7 million), an increase of approximately \$0.2 million in Staffing for Adequate Fire & Emergency Response (SAFER) Grant reimbursements, and a projected increase of \$0.3 million in department generated revenue from the Library Department for passport services.

All the General Fund revenue categories are shown in Attachment A. The overall General Fund revenues are projected to total \$193.8 million and exceed the Revised Budget of \$190.9 million by approximately \$2.8 million.

### Major General Fund Expenditures

The City's major General Fund expenditure categories (Personnel Services, Supplies and Services, and Utilities), which make up approximately 78% of the City's FY 2019 revised expenditure budget, are projected to be under budget by approximately \$2.3 million<sup>1</sup>. The decrease in projected expenditures is primarily due to a trend in additional salary savings over the revised budget amounts; and projected savings within the supplies and services category due to smaller than anticipated increases in costs. The increased salary savings are projected to generate approximately \$0.5 million in savings while supplies and services costs are projected to be \$1.7 million less than the revised budget amounts.

The major expense categories are shown in the following table and additional information related to departmental expenditures is provided in the attachment.

<sup>1</sup> Revised expenditure budget includes prior year appropriations encumbered in purchased orders which were carried forward into the fiscal year 2018/2019 budget.

**Table 2 - Fiscal Year 2018/2019 General Fund Major Expenditure Projections**

<b>Revenue Category</b>	<b>FY 2019 Revised Budget</b>	<b>FY 2019 Projected Budget</b>	<b>Variance</b>
Personnel Services	\$ 129,187,144	\$ 128,637,855	\$ (549,289)
Supplies and Services	\$ 16,846,207	\$ 15,145,901	\$ (1,700,306)
Utilities	\$ 4,800,388	\$ 4,763,233	\$ (37,155)
<b>Total</b>	<b>\$ 150,833,739</b>	<b>\$ 148,546,989</b>	<b>\$ (2,286,750)</b>

The remaining General Fund expenditure categories (not represented in Table 2) are anticipated to exceed the Revised Budget by approximately \$0.1 million. Overall, total projected expenditures are anticipated to total \$191.2 million and decrease by \$2.2 million from the Revised Budget of \$193.4 million. Staff continues to monitor expenses for potential impacts to current and future budgets.

One item of note is the assumed investment returns from the City's pension system (California Public Employees' Retirement System - CalPERS). One of the factors which influence the City's annual pension contribution (payment) is the annual investment return rate from the CalPERS investment portfolio. In calculating the City's pension contribution, CalPERS assumes a 7.25% return rate on their investments. However, in the current financial environment, CalPERS investments may not reach their return rate target. This would create a negative impact (increased contribution amount) on the projected future pension payments for the City. Staff will continue to monitor this issue and will make any necessary adjustments to the pension payment projections as more information is made available.

#### General Fund Adjustments

At the conclusion of the third quarter of FY 2019, the proposed adjustments are minor inter- and intra-Department transfers or are appropriations associated with offsetting revenue. The proposed adjustments are anticipated to result in a net zero impact to the General Fund. The following chart provides a summary of the proposed budgetary adjustments.

**Table 3 - General Fund Adjustments Summary - 3rd Quarter Fiscal Year 2018-19**

DEPARTMENT	Footnote	PERSONNEL SERVICES	SUPPLIES & SERVICES	TOTAL EXPENSE	TOTAL REVENUE	NET COST
<b>GENERAL FUND</b>						
Non-Departmental	1, 2, 5	(222,395)	20,930	(201,465)	(255,930)	(457,395)
Police	2	-	225,000	225,000	-	225,000
Fire	3	-	36,000	36,000	(36,000)	-
Public Works	4	-	75,000	75,000	(75,000)	-
Parks and Recreation	5	232,395	-	232,395	-	232,395
Library	6	-	54,724	54,724	(54,724)	-
<b>TOTAL GENERAL FUNDS</b>		<b>\$ 10,000</b>	<b>\$ 411,654</b>	<b>\$ 421,654</b>	<b>\$ (421,654)</b>	<b>\$ -</b>

General Fund Adjustments Footnotes

- 1 - Non-Departmental - Appropriate \$9,050 in revenue and expense for reimbursement from United Health Care to support the City's Wellness program; appropriate \$11,880 in revenue and expenses for insurance claim on Building C to make repairs due to a broken water pipe; appropriate \$10,000 in revenue and expenses for recently negotiated MM/PR labor agreement professional enrichment allocation; and, authorize the transfer of \$15,600 from Professional Enrichment - MM/PR to Professional Enrichment - MM UC/CF labor group as required under the current labor agreement.
- 2 - Police - Appropriate \$225,000 in the Police Department in Supplies and Services for body worn police cameras, and appropriate excess revenues in Non-Departmental from Property Tax in Lieu of VLF for \$225,000.
- 3 - Fire Department - Appropriate \$36,000 in revenue and expenses in Supplies and Services for the fire training program from unbudgeted revenues.
- 4 - Public Works - Appropriate \$75,000 in revenue and expenses in Supplies and Services for contractual services.
- 5 - Parks and Recreation Department - Budget \$232,395 correction related to the restructuring of the Parks Division when the FY19 Budget was build, which incorrectly posted One time salary savings in both Parks and Recreation Budget and Non-Departmental budget.
- 6 - Library - Appropriate \$54,724 in revenue and expenses to Supplies and Services for passport services and donations.

The significant adjustments to the General Fund Expenditures are described below.

- Appropriation of \$0.2 million in the Police Department in Supplies and Services for body worn police cameras, and appropriate excess revenue in Non-Departmental from Property Tax in Lieu of VLF for \$0.2 million to offset the expense.
- Budgetary correction of \$0.2 million related to the restructuring of the Parks Division in the FY 2019 Budget. One-time salary savings incorrectly posted to Parks Division, and will be transferred to Non-Departmental.

Other Funds Adjustments

The following recommended adjustments are for funds outside of the General Fund. The proposed adjustments, displayed in Table 4, have a net cost of approximately \$0.4 million, which are entirely funded with available fund balances or current year revenues. A brief discussion follows the table on the major proposed adjustments.

**Other Funds Adjustments Summary - 3rd Quarter Fiscal Year 2018-19**

FUND	Footnote	PERSONNEL	SUPPLIES &	OTHER	OTHER	CIP	TRANSFERS	TOTAL	TOTAL		
		SERVICES	SERVICES	EXPENSES	CAPITAL	BUDGET	OUT	UTILITIES	EXPENSE	REVENUE	NET COST
<b>OTHER FUNDS</b>											
Transportation Grants-Gas Tax Fund	1	\$ -	\$ -	\$ -	\$ 320,000	\$ -	\$ -	\$ -	\$ 320,000	\$ -	\$ 320,000
Advanced Life Support Fund	2	10,188	21,000	-	17,000	-	-	-	48,188	(48,188)	-
Traffic Safety Fund	3	-	25,000	-	-	-	-	-	25,000	-	25,000
Other Grants Fund	4	(100,000)	(163,200)	265,793	(2,593)	-	-	-	-	-	-
Federal Grants Fund	5	-	60,000	-	-	-	-	-	60,000	(10,000)	50,000
State Grants Fund	6	32,707	28,400	-	-	-	3,401	-	64,508	(64,508)	-
Environmental Services Fund	7	-	122,000	22,000	-	-	-	10,520	154,520	(154,520)	-
CFD 11-M Rolling Hills McM Fund	8	-	-	-	(486)	-	-	-	(486)	-	(486)
CFD 12-M Otay Ranch Village 7 Fund	9	-	-	-	(5,540)	-	-	-	(5,540)	-	(5,540)
CFD 12M Village 7 Otay Ranch Fund	10	-	-	-	(2,326)	-	-	-	(2,326)	-	(2,326)
CFD 07M Eastlake Woods & Vista Fund	11	-	-	-	(5,304)	-	-	-	(5,304)	-	(5,304)
CFD 08M Vlg 6 McMillin & OR Fund	12	-	-	-	(3,940)	-	-	-	(3,940)	-	(3,940)
CFD 09M ORV II Brookfield-Shea Fund	13	-	-	-	(5,488)	-	-	-	(5,488)	-	(5,488)
CFD 99-2 Otay Ranch Vlg 1 West Fund	14	-	-	-	(4,192)	-	-	-	(4,192)	-	(4,192)
CFD 98-3 Sunbow 2 Fund	15	-	-	-	(4,424)	-	-	-	(4,424)	-	(4,424)
CFD 97-1 Otay Ranch Fund	16	-	5,633	-	(10,994)	-	-	-	(5,361)	(5,633)	(10,994)
Eastlake Maintenance Dist. I Fund	17	-	10,815	-	-	-	-	-	10,815	-	10,815
Open Space District #04 Fund	18	-	8,000	-	-	-	-	-	8,000	-	8,000
Open Space District #14 Fund	19	-	2,465	-	-	-	-	-	2,465	(2,465)	-
Otay Ranch Reserve Fund	20	-	35,150	-	-	-	-	-	35,150	-	35,150
Transit Capital Projects Fund	21	-	165,827	-	(165,827)	-	-	-	-	-	-
Development Services Fund	22	-	-	176,000	-	-	-	-	176,000	(176,000)	-
Transportation DIFs Fund	23	-	-	-	-	-	-	-	-	(107,415)	(107,415)
Other Transportation Program Fund	23	-	-	-	-	-	107,415	-	107,415	-	107,415
Capital Improvement Project Fund	24	-	-	-	-	-	75,000	-	75,000	(75,000)	-
Measure P Fund (Org Key 220368)	25	-	-	-	-	181,473	-	-	181,473	-	181,473
Measure P Fund (Org Key 220350)	25	-	-	-	-	(181,473)	-	-	(181,473)	-	(181,473)
Measure A Fund (Org Key 222088)	26	-	-	-	(75,000)	-	-	-	(75,000)	-	(75,000)
Measure A Fund (Org Key 222160)	26	-	-	-	75,000	-	-	-	75,000	-	75,000
<b>TOTAL OTHER FUNDS</b>		<b>\$ (57,105)</b>	<b>\$ 321,090</b>	<b>\$ 463,793</b>	<b>\$ 125,886</b>	<b>\$ -</b>	<b>\$ 185,816</b>	<b>\$ 10,520</b>	<b>\$ 1,050,000</b>	<b>\$ (643,729)</b>	<b>\$ 406,271</b>

Other Fund Adjustments Footnotes

- 1 - Transportation Grants-Gas Tax - Appropriate \$320,000 in expenses to purchase street sweeper and streets equipment from fund balance.
- 2 - Advanced Life Support Fund - Appropriate of \$48,188 in expenses from fund balance to support program operations.
- 3 - Traffic Safety - Appropriate \$25,000 from available fund balance to Supplies and Services.
- 4 - Other Grants - Reallocation of appropriations from Personnel Services, Supplies and Services, and Other Capital to Other Expenses to support program operations.
- 5 - Federal Grants - Appropriate \$10,000 in both revenue and expenses; and, appropriate \$50,000 from fund balance to Supplies and Services.
- 6 - State Grants - Appropriate \$64,508 in both revenue and expenses from State Grant to Personnel Services, Supplies and Services, and Transfers Out.
- 7 - Environmental Services - Appropriate \$154,520 in both revenue and expenses from CalRecycle program for Other Expenses, Supplies and Services, and Utilities.
- 8-16 - Appropriate \$37,061 for the purchase of vehicles that were posted incorrectly as part of the 2nd Quarter report.
- 17 - Eastlake Maintenance Dist. I - Appropriate \$10,815 from fund balance to Supplies and Services.
- 18 - Open Space District #04 - Appropriate \$8,000 from fund balance to Supplies and Services.
- 19 - Open Space District #14 - Appropriate \$2,465 in revenue and expenses for Supplies and Services.
- 20 - Otay Ranch Reserve - Appropriate \$35,150 from fund balance to Supplies and Services.
- 21 - Transit Capital Projects - Reallocation of \$165,827 in expense appropriations from Other Capital to Supplies and Services.
- 22 - Development Services Fund - Appropriate \$176,000 in revenue and expenses to Other Expenses.
- 23 - Transfer \$107,415 from the Other Transportation Program Fund to the Transportation DIFs Fund.
- 24 - Appropriate \$75,000 in revenue and expenses for interest earnings and transfer for contractual services.
- 25 - Transfer of \$181,473 in expense appropriation from Measure P Fund 220350 (CIP Expenditure) to Measure P Fund 220368 (CIP Expenditure) for Staff time reimbursements.
- 26 - Transfer of \$75,000 in expense appropriation from Measure A Fund 222088 (Other Capital) to Measure A Fund 222160 (Other Capital) for phone equipment for dispatchers.

**Measure P Fund Overview**

In November 2016, Chula Vista voters approved Measure P, authorizing a ½ cent sales tax increase on retail sales within the City for ten years. The funding from the sales tax measure is to allow the City to make progress toward replacing and repairing failing City assets. In December 2016, the City Council adopted the expenditure plan for the Measure P funding. The expenditure plan identified critical deferred maintenance and infrastructure projects for which the Measure P funding was to be allocated toward.

The following table provides an update on the allocation and expenditures (to date totals) for the Measure P Fund.

## Measure P

### Citywide Infrastructure, Facilities and Equipment Expenditure Plan

1/2 cent Sales Tax Revenues over 10 year period

Summary Table as of 3/31/19

Total by Major Category	10-Year Timeframe	To Date Totals	Remaining Balance
<b>REVENUES:</b>			
Sales Tax Revenues	186,299,869	34,270,188	152,029,681
Investment Earnings	-	1,372,528	(1,372,528)
Miscellaneous	-	150,842	(150,842)
<b>Total Revenues</b>	<b>\$ 186,299,869</b>	<b>\$ 35,793,558</b>	<b>\$ 150,506,311</b>
<b>EXPENDITURES:</b>			
Fire Stations Repairs/Replacement	24,611,549	146,481	24,465,068
Fire Response Vehicles	19,847,580	4,816,393	15,031,187
Fire Safety Equipment	5,197,913	355,809	4,842,104
<b>Total Fire Services</b>	<b>\$ 49,657,042</b>	<b>\$ 5,318,683</b>	<b>\$ 44,338,359</b>
Police Response Vehicles	13,301,470	2,383,311	10,918,159
Public Safety Communication Systems	8,678,863	2,164,503	6,514,360
Police Facility Repairs	2,101,000	604,039	1,496,961
Police Equipment	611,145	159,719	451,426
<b>Total Police Services</b>	<b>\$ 24,692,478</b>	<b>\$ 5,311,572</b>	<b>\$ 19,380,906</b>
Streets	24,474,861	6,816,635	17,658,226
Other Public Infrastructure	14,154,295	1,461,801	12,692,494
Sports Fields and Courts	16,966,595	595,819	16,370,776
Non-Safety Vehicles	11,195,100	2,469,200	8,725,900
Recreation and Senior Centers	5,000,000	233,254	4,766,746
Civic Center and South Libraries	3,250,000	828,585	2,421,415
Other Public Facilities	6,036,000	754,404	5,281,596
Traffic Signal Systems	7,000,000	87,817	6,912,183
Park Infrastructure	10,307,740	752,917	9,554,823
Citywide Network Replacement	2,080,700	1,951,309	129,391
Citywide Telecommunications	2,000,000	1,715,222	284,778
<b>Total Infrastructure</b>	<b>\$ 102,465,291</b>	<b>\$ 17,666,963</b>	<b>\$ 84,798,328</b>
<b>Total Proposed Allocations</b>	<b>\$ 176,814,811</b>	<b>\$ 28,297,218</b>	<b>\$ 148,517,593</b>

## Measure A Fund Overview

In June 2018, the citizens of Chula Vista approved Measure A which enacted the ½ cent sales tax to support public safety staffing. The measure imposed a ½ cent transaction and use tax (sales tax) on retail sales within the City of Chula Vista and became effective on October 1, 2018. Concurrent with the approval of placing the measure on the ballot, the City Council adopted an Intended Public Safety Expenditure Plan for the anticipated revenues generated from the measure. By doing so, the City Council expressed its intent to spend the sales tax revenues exclusively on the critical staffing needs of the City's police and fire departments, including necessary equipment and support provided by other City departments.

The following table provides an update on the allocation and expenditures (to date totals) for the Measure A funds.

**Measure A**

**Intended Public Safety Expenditure Plan**

**Phase I - Critical Needs**

**Summary Table as of 3/31/19**

<b>POLICE DEPARTMENT</b>	<b>FY 2019 Budget</b>	<b>As of 03/31/2019</b>
<b>REVENUES:</b>		
Transfer In	6,715,000	3,101,699
<b>Total Police Department Revenues</b>	<b>\$ 6,715,000</b>	<b>\$ 3,101,699</b>
<b>EXPENDITURES:</b>		
Personnel Costs	825,116	79,152
Civilian Non-Personnel Costs	15,000	-
Computers and Other Equipment	100,000	-
Police Vehicles, Outfitting, Maint., Fuel, etc.	110,000	-
Temporary Public Safety Training Facility	200,000	-
Reimbursement for Support Staff (IT, Fin, HR, City Attorney)	251,813	83,938
<b>Total Police Department Expenditures</b>	<b>\$ 1,501,929</b>	<b>\$ 163,090</b>
<b>FIRE DEPARTMENT</b>		
	<b>FY 2019 Budget</b>	<b>As of 03/31/2019</b>
<b>REVENUES:</b>		
Transfer In	6,715,000	3,101,699
<b>Total Fire Department Revenues</b>	<b>\$ 6,715,000</b>	<b>\$ 3,101,699</b>
<b>EXPENDITURES:</b>		
Personnel Costs	2,542,768	878,623
Academy Costs	-	-
PPE Maintenance	118,272	5,652
Computers and Other Equipment	14,168	-
Fire Vehicles, Outfitting, Maint., Fuel, etc.	1,416,640	13,737
Reimbursement for Support Staff (IT, Fin, HR, City Attorney)	251,813	83,938
<b>Total Fire Department Expenditures</b>	<b>\$ 4,343,661</b>	<b>\$ 981,950</b>
<b>Total Measure A Revenues</b>	<b>\$ 13,430,000</b>	<b>\$ 6,203,398</b>
<b>Total Measure A Expenditures</b>	<b>\$ 5,845,590</b>	<b>\$ 1,145,040</b>

**DECISION-MAKER CONFLICT**

Staff has reviewed the property holdings of the City Council of the City of Chula Vista members and has found no property holdings within 1,000 feet of the boundaries of the property which is the subject of this action. Consequently, this item does not present a disqualifying real property-related financial conflict of interest under California Code of Regulations Title 2, section 18702.2(a)(11), for purposes of the Political Reform Act (Cal. Gov't Code §87100, et seq.).

Staff is not independently aware, and has not been informed by any City of Chula Vista City Council member, of any other fact that may constitute a basis for a decision maker conflict of interest in this matter.



## **LINK TO STRATEGIC GOALS**

The City's Strategic Plan has five major goals: Operational Excellence, Economic Vitality, Healthy Community, Strong and Secure Neighborhoods and a Connected Community. This action supports the Operational Excellence goal by communicating the City's projected financial position for the current fiscal year in an open and transparent manner. This transparency supports City Initiative 1.3.1. - "Foster public trust through an open and ethical government."

## **CURRENT-YEAR FISCAL IMPACT**

The Third Quarter Monitoring Report presents updates to revenue and expenditure projections as of March 31, 2019. As a result of the revised projected revenues and expenditures within this report, the overall General Fund revenues are projected to exceed projected expenditures by approximately \$2.5 million. Actions within this report result in a net zero impact to the General Fund budget. Staff will continue to monitor actual revenue receipts and expenditures to determine if any budget adjustments will be needed in the future.

Across the non-General Fund funds, multiple actions are recommended for the third quarter, leading to a net cost of approximately \$0.4 million to non-General Fund funds. These costs are to be addressed with fund balances or revenues from current year services.

## **ONGOING FISCAL IMPACT**

There is no ongoing fiscal impact related to this action for the General Fund.

## **ATTACHMENTS**

1. FY2019 Third Quarter Financial Report

*Staff Contact: David Bilby, Finance Department*