



CITY COUNCIL AGENDA STATEMENT



February 18, 2020

File ID: 20-0041

TITLE

- A. QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDING DECEMBER 31, 2019
- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA MAKING VARIOUS AMENDMENTS TO THE FISCAL YEAR 2019/2020 BUDGET TO ADJUST FOR VARIANCES AND APPROPRIATING FUNDS THEREFOR (4/5 VOTE REQUIRED)
- C. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE AUTHORIZED POSITION COUNT IN THE FIRE DEPARTMENT WITH NO NET INCREASE IN AUTHORIZED STAFFING
- D. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE FISCAL YEAR 2019/2020 CIP PROGRAM BUDGET BY ESTABLISHING A NEW CIP PROJECT, SWR0321 "RIDA BAYFRONT SEWER IMPROVEMENTS"; AND APPROPRIATING FUNDS THEREFOR (4/5 VOTE REQUIRED)
- E. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA AMENDING THE FISCAL YEAR 2019/20 CIP PROGRAM BUDGET BY ESTABLISHING A NEW CIP PROJECT, GGV0250 "ENERGY EFFICIENCY PROJECTS CV EATC"; AND APPROPRIATING FUNDS THEREFOR (4/5 VOTE REQUIRED)

RECOMMENDED ACTION

Council accept the report and adopt the resolutions.

SUMMARY

Quarterly Financial Report

The Finance Department, in collaboration with other 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 December 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 2019/2020 budget recommendations for City funds, this report includes an update on Measure P and Measure A actual revenues and expenditures as of December 31, 2019.

Establishing New CIPs

RIDA Bayfront Sewer Improvements – SWR0321

On April 24, 2018, the City of Chula Vista and the San Diego Unified Port District (the “District”) approved a Disposition and Development Agreement (DDA) with RIDA Chula Vista, LLC (“RIDA”) for the development of a large-scale destination resort and convention center project on parcel H-3 of the Chula Vista Bayfront Master Plan (also known as the “CVBMP”, “Chula Vista Bayfront”, or “CVB”).

On September 10, 2019, the City Council of Chula Vista approved Resolution No. 2019-170 establishing a reimbursement agreement between the City and RIDA Chula Vista LLC to construct specified Sewer Improvements and authorizing the appropriation of funds from the Sewer Income Fund to reimburse the developer pursuant to the Reimbursement Agreement for certain in-road sewer facilities.

Per the DDA, in-road sewer improvements (the “Sewer Improvements”) to be constructed by RIDA will be funded by the City’s Sewer Facility Contribution. RIDA’s Sewer Improvements are estimated to cost a total of \$1,195,000, including design. The City has identified sufficient funds to reimburse RIDA for these expenses in the City’s Sewer Income Fund. Per Chula Vista Municipal Code (CVMC) Section 13.14.030, the Sewer Income Fund is a repository for one-time fees collected from persons connecting, directly or indirectly, to the City’s sewer system. CVMC Chapter 3.16 provides that these funds may be used, in the discretion of the City Council and pursuant to written contract, to reimburse any person who constructs sewer facilities that benefit other properties. The planned sewer improvements are qualifying facilities.

On September 10, 2019, the City Council of Chula Vista approved Resolution No. 2019-171 establishing a reimbursement agreement between the City and RIDA Chula Vista LLC to design specified Bayfront Infrastructure Improvements and authorizing the appropriation of funds from the Bayfront reserve of the General Fund to reimburse RIDA. Authorize the transfer of \$715,000 from the Bayfront reserve in the General fund to the Capital Improvements Funds to establish a new CIP Project. Section 4.7(c) of the DDA provides that the District and the City will reimburse the developer in cash for any and all funds expended prior to the DDA close of escrow in connection with design, architectural work, and engineering work for the Developer’s Phase 1A Infrastructure Improvements. The City estimates a total project cost of \$715,000.

Approval of the proposed resolution would amend the Fiscal Year 2019/2020 CIP Program Budget by establishing a new CIP, SWR0321, “RIDA Bayfront Sewer Improvements”; appropriate \$1,195,000 from the available balance of the Sewer Income Fund to SWR0321; and appropriate \$715,000 from the Capital Improvement Projects Fund to SWR0321.

Energy Efficiency Projects CV EATC – GGV0250

Several HVAC units at the Chula Vista Elite Athlete Training Center (CVEATC) are reaching the end of their useful life. Staff is proposing a project to evaluate the replacement of the HVAC units and lighting upgrades to replace the failing units with more energy efficient units. The appropriation of \$100,000 is to hire a consultant to develop a study to assess the HVAC and Lighting systems for the CVEATC. The report will define

the scope, schedule, and budget as well as provide the basis for follow up implementation (criteria documents and RFQ/P). Once the scope is developed, staff will return to Council in order to appropriate funds in order to fund this project. The CV EATC Fund does not have sufficient funds for the anticipated costs of this project. Staff will evaluate various funding options but an interfund loan may be needed to fund the HVAC and lighting upgrades. Approval of the proposed resolution will amend the fiscal year 2019/2020 CIP Program Budget by appropriating \$100,000 to the newly created CIP project Energy Efficiency Projects CV EATC (GGV0250). The initial appropriation of \$100,000 may be included in the interfund loan once the total project budget is developed at a later date.

ENVIRONMENTAL REVIEW

Quarterly Financial Report

The Director of Development Services 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.

Establishing New CIPs

RIDA Bayfront Sewer Improvements – SWR0321

The Director of Development Services has reviewed the proposed project for compliance with the California Environmental Quality Act (CEQA) and has determined that the project was adequately covered in previously certified Final Environmental Impact Report UPD#83356-EIR-658/SCH#2005081077 for the Chula Vista Bayfront Master Plan. Notwithstanding the foregoing, the Director of Development Services has also reviewed the proposed activity for additional compliance with CEQA and has determined that there is no possibility that the activity may have a significant effect on the environment; therefore, pursuant to Section 15061(b)(3) of the State CEQA Guidelines the activity is not subject to CEQA. Thus, no environmental review is required.

Energy Efficiency Projects CV EATC – GGV0250

The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Quarterly Financial Report

The Second Quarter Report is developed using six months of recorded (July 2019 through December 2019) activity for Fiscal Year 2019/2020 as of December 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 and Expenditures

- Adjustments to General Fund Expenditures
- Adjustments to non-General Fund funds
- Update to the Measure P and Measure A Funds

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.

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 Fiscal Year 2019/2020 financial outlook is primary unchanged as overall General Fund revenues are projected to slightly exceed expenditures by approximately \$1.1 million. The positive change is due to a positive adjustment to the Sales Tax revenue projections based upon updated information from the City’s sales tax consultant. The City’s Sales Tax revenue projection (not including Measure P or Measure A) is reflecting a positive adjustment of approximately \$1.4 million. However, a negative adjustment to the City’s Utility User Tax (UUT) of approximately \$0.3 million will mitigate the net positive impact of the sales tax projection. Measure P and Measure A funds are projected to increase by a total of \$2.4 million, however a corresponding transfer out from the General Fund to the respective Measure P and Measure A Funds will result in a net zero impact to the General Fund. 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 78% of the City’s General Fund revenues, are projected to be over the Revised Budget amounts by approximately \$3.5 million as a result of increased projections for Sales Tax, Measure A, and Measure P revenues and a slight reduction to the UUT revenue projection (based on current trends). All other Major revenues are anticipated to meet their projected revenue year-end estimates. Table 1: Fiscal Year 2019/2020 Major General Fund Revenue Projections summarizes the revenue projections.

Table 1 - Fiscal Year 2019/2020 Major General Fund Revenue Projections

Revenue Category	FY 2020 Revised Budget	FY 2020 Projected Budget	Variance
Property Tax	\$ 36,361,038	\$ 36,361,038	\$ -
Sales Tax	\$ 35,127,600	\$ 36,551,311	1,423,711
Measure P Sales Tax	\$ 18,266,000	\$ 19,828,000	1,562,000
Measure A Sales Tax	\$ 19,000,000	\$ 19,828,000	828,000
PT in lieu of Motor Vehicle License Fee (VLF)	\$ 23,787,402	\$ 23,787,402	-
Franchise Fees	\$ 11,925,678	\$ 11,925,678	-
Utility Users Taxes	\$ 5,633,423	\$ 5,333,423	(300,000)
Transient Occupancy Tax	\$ 4,357,922	\$ 4,357,922	-
Total	\$ 154,459,063	\$ 157,972,774	\$ 3,513,711

The remaining General Fund revenues (not represented in Table 1) are anticipated to reach the Revised Budget amounts. All the General Fund revenues are summarized in Attachment A. The overall General Fund

revenues are projected to exceed the Revised Budget by approximately \$1.1 million.

Major General Fund Expenditures

The City’s major General Fund expenditures, which make up approximately 76% of the City’s General Fund expenditures, are shown in Table 2. As of the end of the second quarter, Personnel Services expenditures are projected to be slightly under budget by approximately \$0.4 million and Utility expenditures are projected to be over budget by approximately \$0.6 million, resulting in a net increase of approximately \$0.2 million in expenses. Based on the percentage of the Projected Budget expended to date, the major General Fund expenditures are in line with projections. Staff will continue to monitor expenditures to identify any costs that might continue to trend higher than anticipated and propose future actions to address these expenses. Additionally, information related to departmental expenditures is provided in the attachment.

As mentioned previously, due to an increase in Measure P and Measure A revenues, a corresponding transfer out from the General Fund to the Measure P and Measure A funds will increase expenditures (transfers out) by approximately \$2.4 million. All other expenditures are anticipated to be in-line with the Revised Budget amounts.

Table 2 - Fiscal Year 2019/2020 General Fund Major Expenditure Projections

Revenue Category	FY 2020 Revised Budget	FY 2020 Projected Budget	Expended to date	Projected Budget Expended (%)
Personnel Services	\$ 133,403,157	\$ 132,958,708	\$ 71,849,949	54.0%
Supplies and Services	13,466,356	13,466,356	6,679,482	49.6%
Utilities	5,016,805	5,659,554	2,891,258	51.1%
Total	\$ 151,886,318	\$ 152,084,618	\$ 81,420,690	53.5%

Proposed Fund Adjustments

General Fund

At the conclusion of the second quarter of Fiscal Year 2019/2020, 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 increase of General Fund expenses of approximately \$139,000. The following chart provides a summary of the proposed budgetary adjustments.

Table 3 - General Fund Budget Adjustments Summary - 2nd Quarter Fiscal Year 2019/2020

DEPARTMENT	Footnote	PERSONNEL	SUPPLIES &	OTHER	OTHER	TRANSFERS	TOTAL		TOTAL	NET COST
		SERVICES	SERVICES	EXPENSES	CAPITAL	OUT	UTILITIES	EXPENSE	REVENUE	
GENERAL FUND										
Administration	1	\$ -	\$ 391,100	\$ -	\$ -	\$ -	\$ -	\$ 391,100	\$ (391,100)	\$ -
Human Resources	2	-	20,000	-	-	-	-	20,000	(20,000)	-
Non-Departmental	1-5	-	(3,158,283)	-	-	3,481,183	-	322,900	(202,900)	120,000
Engineering/Capital Projects	6	-	-	-	-	-	-	-	(40,000)	(40,000)
Police	7	-	-	-	14,660	-	-	14,660	(14,660)	-
Fire	8	25,825	-	-	-	-	-	25,825	-	25,825
Public Works	9	-	20,000	13,000	-	-	1,500	34,500	(1,500)	33,000
Library	10	2,944	1,425	-	-	-	-	4,369	(4,369)	-
TOTAL OTHER FUNDS		\$ 28,769	\$(2,725,758)	\$ 13,000	\$ 14,660	\$3,481,183	\$ 1,500	\$ 813,354	\$ (674,529)	\$ 138,825

General Fund Amendment Footnotes

- Administration Department - Transfer \$391,100 appropriations for revenues and expenses from Non-Departmental to the Administration Department for the Special Events budget.
- Human Resources Department - Transfer \$20,000 appropriations revenues and expenses from Non-Departmental to the Human Resources Department for AETNA reimbursement.
- Non-Departmental - Increase of \$734,000 for Measure P Sales Tax for revenues and Transfers-Out from the General Fund to the Measure P Fund.
- Non-Departmental - Transfer \$2,747,183 expense budget from Supplies and Services to Transfers-Out to establish the CV Bayfront Finance Authority Fund from the Bayfront Commitment.
- Non-Departmental - Decrease \$120,000 revenue budget from Property Tax in Lieu of VLF account.
- Engineering/Capital Projects Department - Increase \$40,000 revenue appropriations for a Capital Improvement Project for the CVEATC Bridge Repair (GGV0241).
- Police Department - Increase the revenue and expense budget by \$14,660 for the Operation Alliance program, and transfer \$149,970 expense budget from Org Key 1451088 (Community Patrol) to Org Key 1451090 (Local Law Enforcement 1997).
- Fire Department - Increase Personnel Services budget by \$25,825 for Millenia Fire Station operating costs.
- Public Works Department - Increase revenues and expenses by \$1,500 to pay for utility expenses for the South Bay BRT, and increase expenses of \$33,000 for unanticipated building repairs at various City facilities.
- Library Department - Appropriate \$4,369 in revenue and expenses for donations and grants.

The significant adjustments to the General Fund are described below.

- Transfer \$391,000 appropriations for revenues and expenses from Non-Departmental to the Administration Department for the Special Events budget.
- Increase of \$734,000 for Measure P Sales Tax for revenues and Transfers-Out from the General Fund to the Measure P Fund.
- Transfer \$2,747,183 expense budget from Supplies and Services to Transfers-Out to establish the Chula Vista (CV) Bayfront Finance Authority Fund from the Bayfront Commitment.
- Increase the revenue and expense budget by \$14,660 for the Operation Alliance program and transfer \$149,970 expense budget from the Community Patrol to Local Law Enforcement 1997.
- Increase Personnel Services budget by \$25,825 for Millenia Fire Station operating costs.

Other Funds

The following recommended adjustments are for funds outside of the General Fund. The proposed adjustments, displayed in Table 4, reduce net cost by approximately \$0.2 million. A brief discussion follows the table on the significant proposed adjustments.

Table 4 - Other Funds Budget Admndments Summary - 2nd Quarter Fiscal Year 2019/2020

DEPARTMENT		PERSONNEL	SUPPLIES &	OTHER	OTHER	CIP	INTERNAL	TRANSFERS	NON-CIP	TOTAL	TOTAL		
	Footnote	SERVICES	SERVICES	EXPENSES	CAPITAL	BUDGET	SERVICE	OUT	BUDGET	EXPENSE	REVENUE	NET COST	
OTHER FUNDS													
2016 Measure P Sales Tax	1	\$ -	\$ -	\$ -	\$ -	\$ (100,000)	\$ -	\$ -	\$ 100,000	\$ -	\$ -	(734,000)	\$ (734,000)
Transportation Grants-Gas Tax	2	-	-	-	-	(26,817)	-	-	-	(26,817)	-	(26,817)	-
Parking Meter	3	-	15,000	-	-	-	-	-	-	15,000	-	15,000	-
Other Grants	4	7,500	24,700	-	-	-	-	-	-	32,200	(32,200)	-	-
Federal Grants	5	-	100,000	-	-	-	-	348,863	-	448,863	(448,863)	-	-
State Grants	6	42,203	217,082	(8,000)	-	-	203	-	-	251,488	(243,655)	7,833	-
CFD 14M-B-EUC Millenia	7	-	5,700	-	-	-	-	-	-	5,700	-	5,700	-
Open Space District #20	8	-	2,000	-	-	-	-	-	5,000	7,000	-	7,000	-
CFD 08M Vlg 6 McMillin & OR	9	-	15,000	-	-	-	-	-	-	15,000	-	15,000	-
Central Garage Fund	10	(20,000)	20,000	-	30,000	-	-	-	-	30,000	-	30,000	-
City Jail	11	-	75,000	-	-	-	-	-	-	75,000	(75,000)	-	-
CV Elite Athlete Training Ctr	12	-	-	-	-	100,000	-	-	-	100,000	-	100,000	-
Sewer Income	13	-	-	(1,195,000)	-	1,195,000	-	-	-	-	-	-	-
Public Facilities DIF	14	-	-	262,000	-	-	-	-	-	262,000	-	262,000	-
Transportation DIFs	15	-	-	71,000	-	-	-	-	-	71,000	-	71,000	-
Capital Improvement Projects	16	-	-	-	-	715,000	-	-	-	715,000	(715,000)	-	-
CV Bayfront Finance Authority Fund	17	-	2,032,183	-	-	-	-	715,000	-	2,747,183	(2,747,183)	-	-
TOTAL OTHER FUNDS		\$ 29,703	\$ 474,482	\$(870,000)	\$ 30,000	\$ 1,883,183	\$ 203	\$ 348,863	\$ 100,000	\$ 5,000	\$ 2,001,434	\$(2,248,718)	\$ (247,284)

Other Fund Amendment Footnotes

- 2016 Measure P Sales Tax - Transfer \$100,000 appropriations from CIP Project Expense to Non-CIP Project Expense, and appropriate \$734,000 in unbudgeted revenues for Measure P Sales Tax from the General
- Transportation Grants-Gas Tax Fund - Decrease \$26,817 in appropriations for the following CIP's: \$4,415 expense increase for Payment Minor Rehab for FY19/20 (STM0400)project; and, \$31,232 expense decrease to RMRA Major Pavement Rehab FY19/20 (STL0440) project.
- Parking Meter Fund - Increase expense budget by \$15,000 for Supplies and Services related to the Norman Park Senior Center parking lot maintenance from available Fund Balance.
- Other Grants Fund - Appropriate revenues and expenses of \$7,500 for the Fire Department CERT Program, and appropriate revenue and expenses of \$24,700 for the Holleman Grant for the Animal Care Facility.
- Federal Grants - Appropriate \$348,863 in revenue and expenses for the 2019 SAFER Grant to the Fire Department, and \$100,000 in revenue and expenses for the DOJ Asset Seizures program for the Police Dept.
- State Grant Funds - Appropriate \$68,000 in revenue and expenses for the Library Literacy Program, and \$175,655 in revenues and \$183,488 expenses for the Oil Payment Program Grant.
- CFD 14M-B-EUC Millenia Fund - Increase expense appropriations by \$5,700 for Supplies and Services coming from available Fund Balance.
- Open Space District #20 Fund - Increase expense appropriations by \$7,000 for meter replacement and tree removals from available Fund Balance.
- CFD 08M Vlg 6 McMillin & OR Fund - Increase expense appropriations by \$15,000 to fix damages incurred from available Fund Balance .
- Central Garage Fund - Transfer \$20,000 from salary savings to Supplies and Service for automotive maintenance expenses, and appropriate \$30,000 in Capital expenses for the purchase of a Tire Alignment Lift from available Fund Balance .
- City Jail Fund - Appropriate \$75,000 for unbudgeted revenues and expenses for Jail operations.
- CV Elite Athlete Training Center Fund - Appropriate \$100,000 for Energy Efficiency Projects from available Fund Balance.
- Sewer Income Fund - Transfer \$1,195,000 from Other Expenses to CIP Project Expense for RIDA Bayfront Sewer Improvements (SWR0321).
- Public Facilities DIF Fund - Appropriate \$262,000 for Other Expenses related to applicant refunds from available Fund Balance.
- Transportation DIFs Fund - Appropriate \$71,000 for Other Expenses related to applicant refunds from available Fund Balance.
- Capital Improvement Projects Fund - Appropriate revenues and expenses of \$715,000 to establish a new CIP for the RIDA Bayfront Sewer Improvements (SWR0321) from the Bayfront Project commitment from the Bayfront JEPA Fund.
- CV Bayfront Finance Authority Fund - Appropriate revenues and expenses of \$2,747,183 from the General Fund for the Bayfront Commitment, which includes the FY2019 amount of \$1,259,364 and \$ FY2020 amount of \$1,487,819. Transfer \$715,000 for a new CIP for the RIDA Bayfront Sewer Improvements (SWR0321) in the Capital Improvement Fund.

The significant adjustments to the Other Funds are described below.

- 2016 Measure P Sales Tax Fund - Transfer \$100,000 in appropriations from CIP Project Expense to Non-CIP Expense, and appropriate \$734,000 in unbudgeted revenues for Measure P Sales Tax from the General Fund.
- Federal Grants Fund - Appropriate \$348,863 in revenue and expenses for the 2019 SAFER Grant to the Fire Department, and \$100,000 in revenue and expense for the DOJ Asset Seizures program for the Police Department.
- State Grants Fund - Appropriate \$68,000 in revenue and expenses for the Library Literacy Program, and \$175,655 in revenues and \$183,488 in expenses for the Oil Payment Program Grant.
- City Jail Fund - Appropriate \$75,000 for unbudgeted revenues and expenses for Jail operations.
- CV Elite Athlete Training Center Fund - Appropriate \$100,000 for Energy Efficiency Projects from available fund balance.
- Sewer Income Fund - Transfer \$1,195,000 from Other Expenses to CIP Project Expense for RIDA Bayfront Sewer Improvements (SWR0321).
- Public Facilities DIF Fund - Appropriate \$262,000 from Other Expenses related to applicant refunds from available fund balance.
- Transportation DIF Fund - Appropriate \$71,000 from Other Expenses related to applicant refunds from available fund balance.

- Capital Improvement Projects Fund - Appropriate \$715,000 in revenues and expenses to establish new CIP for the RIDA Bayfront Sewer Improvements (SWR0321) from the Bayfront Project commitment from the CV Bayfront Finance Authority Fund.
- CV Bayfront Finance Authority Fund – Appropriate revenues and expenses of \$2,747,183 from the General Fund for the Bayfront Commitment, which includes the FY 2019 amount of \$1,259,364 and FY 2020 amount of \$1,487,819. Transfer \$715,000 for a new CIP for SWR0321 in the Capital Improvement Fund.

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 (unaudited) for the Measure P funds.

**Table 5 - Measure P
Citywide Infrastructure, Facilities and Equipment Expenditure Plan
1/2 cent Sales Tax Revenues over 10 year period
Summary Table as of 12/31/19**

Total by Major Category	10-Year Timeframe	Unaudited Totals	Remaining Balance
REVENUES:			
Sales Tax Revenues	194,419,278	49,011,674	145,407,604
Investment Earnings	-	2,125,908	(2,125,908)
Miscellaneous	-	152,838	(152,838)
Total Revenues	\$ 194,419,278	\$ 51,290,420	\$ 143,128,858
EXPENDITURES:			
Fire Stations Repairs/Replacement	26,210,449	1,501,143	24,709,306
Fire Response Vehicles	19,847,580	6,243,482	13,604,098
Fire Safety Equipment	5,197,913	564,872	4,633,041
Total Fire Services	\$ 51,255,942	\$ 8,309,497	\$ 42,946,445
Police Response Vehicles	12,951,470	2,967,100	9,984,370
Public Safety Communication Systems	8,678,862	2,509,764	6,169,098
Police Facility Repairs	2,101,000	725,466	1,375,534
Police Equipment	611,145	173,166	437,979
Total Police Services	\$ 24,342,477	\$ 6,375,496	\$ 17,966,981
Streets	24,474,861	13,801,692	10,673,169
Other Public Infrastructure	14,854,295	8,110,560	6,743,735
Sports Fields and Courts	16,966,595	713,475	16,253,120
Non-Safety Vehicles	11,195,100	3,690,327	7,504,773
Recreation and Senior Centers	15,076,617	1,187,464	13,889,153
Civic Center and South Libraries	3,250,000	1,412,835	1,837,165
Other Public Facilities	6,036,000	1,744,043	4,291,957
Traffic Signal Systems	7,000,000	169,150	6,830,850
Park Infrastructure	10,307,740	1,818,626	8,489,114
Citywide Network Replacement	2,080,700	2,045,964	34,736
Citywide Telecommunications	2,155,602	1,828,100	327,502
Total Infrastructure	\$ 113,397,510	\$ 36,522,236	\$ 76,875,274
Total Proposed Allocations	\$ 188,995,929	\$ 51,207,229	\$ 137,788,700

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.

**Table 6 - Measure A
Intended Public Safety Expenditure Plan
Phase I - Critical Needs
Summary Table as of 12/31/19**

POLICE DEPARTMENT	FY 2020 Budget	As of 12/31/2019	Remaining Balance
REVENUES:			
Transfer In	9,500,000	3,419,660	6,080,340
Total Police Department Revenues	\$ 9,500,000	\$ 3,419,660	\$ 6,080,340
EXPENDITURES:			
Personnel Costs	3,805,790	1,223,276	2,582,514
Supplies & Services	322,544	7,189	315,355
Other Expenses	356,250	-	356,250
Other Capital	165,000	-	165,000
Total Police Department Expenditures	\$ 4,649,584	\$ 1,230,465	\$ 3,419,119
FIRE DEPARTMENT			
REVENUES:			
Transfer In	9,587,216	3,419,660	6,167,556
Total Fire Department Revenues	\$ 9,587,216	\$ 3,419,660	\$ 6,167,556
EXPENDITURES:			
Personnel Costs	5,904,374	1,923,904	3,980,470
Supplies & Services	499,865	28,397	471,468
Other Expenses	356,250	-	356,250
Other Capital	-	417,351	(417,351)
Transfers Out	218,942	-	218,942
Total Fire Department Expenditures	\$ 6,979,431	\$ 2,369,652	\$ 4,609,779
Total Measure A Revenues	\$ 19,087,216	\$ 6,839,320	\$ 12,247,896
Total Measure A Expenditures	\$ 11,629,015	\$ 3,600,117	\$ 8,028,898

GENERAL FUND POSITION ADJUSTMENTS

On December 3, 2019, the City Council approved the staffing position count for the Millenia Fire Station as part of the request actions related to amending the Measure A Public Safety Plan and amending the FY 2020

General Fund operating budget for SAFER Grant reimbursements and Fire Academy expenses. The proposed staffing for the Millenia Fire Station includes a total of twelve positions: three funded via Measure A and nine funded via the General Fund. In the approved actions, the nine General Fund supported positions were approved as Firefighter/EMT positions. However, the General Fund supported positions should have been three Fire Captains, three Fire Engineers, and three Firefighter / Paramedics. The proposed resolution would reduce the General Fund position count by nine Firefighter / EMTs and add the nine correct classifications for a net zero impact to the position count. The projected fiscal impact of the position adjustment is included in the proposed General Fund adjustments. Table 7 illustrates the proposed position adjustments.

Table 7 - Proposed Fire Department Position Adjustments

Department	Fund	Position Title	FTE
Fire	General Fund	Firefighter/EMT	(9.00)
		Fire Captain	3.00
		Firefighter/Paramedic	3.00
		Fire Engineer	3.00
Total Fire Departments Position Changes - Net Increase/(Decrease)			0.00

DECISION-MAKER CONFLICT

Quarterly Financial Report

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.).

Establishing New CIPs

Staff has reviewed the property holdings of the City Council 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)(7) or (8), 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 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 Second Quarter Monitoring Report presents updates to revenue and expenditure projections as of December 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 \$1.1 million. 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 second quarter, leading to a net reduction in cost of approximately \$0.2 million to non-General Fund accounts.

Approval of the proposed resolution would amend the Fiscal Year 2019/2020 CIP Program Budget by establishing a new CIP, SWR0321, "RIDA Bayfront Sewer Improvements"; appropriate \$1,195,000 from the available balance of the Sewer Income Fund to SWR0321; and appropriate \$715,000 in the Capital Improvement Projects Fund to SWR0321.

Approval of the proposed resolution will amend the fiscal year 2019/2020 CIP Program Budget by appropriating \$100,000 to the newly created CIP project Energy Efficiency Projects CV EATC (GGV0250). Upon completion of the scoping of the project, staff will determine an appropriate budget and financing mechanism to support the project. The scoping of the project is not anticipated to be completed in the current fiscal year.

ONGOING FISCAL IMPACT

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

ATTACHMENTS

1. FY2019 Second Quarter Financial Report

Staff Contact: David Bilby, Finance Department