

## OVERVIEW

This financial report summarizes the City's General Fund's status as of March 31, 2017 and projects the City's financial position to June 30, 2017. The purpose of this report is to provide the City Council, Management and the citizens of Chula Vista an update on the City's fiscal condition based on the most recent financial information for fiscal year 2016-17.

## ECONOMIC UPDATE

The National Forecast<sup>1</sup> - In the first quarter report, UCLA Anderson Forecast Senior Economist David Schulman examines the impact of the current expectations of President Trump's economic policies. These include: approximately \$500 billion a year in personal and business tax reductions, a repatriation holiday for accumulated foreign earnings, increased defense and infrastructure spending, Medicaid cuts, relaxed regulations, modest changes to trade and immigration policies, and reductions in food and aircraft exports. Overall Shulman predicts real GDP growth of 2.4 percent, 3 percent and 2.2 percent in 2017, 2018 and 2019, respectively, noting that real growth trails off on a quarterly basis in 2019, as higher interest rates weigh on the economy.

The California Forecast<sup>2</sup> - In the California forecast, Senior Economist Jerry Nickelsburg somewhat walks back his previous prediction that the State will benefit from President elect's Trump's economic proposals calling for increased defense spending and other economic stimuli as momentum for these forces has waned somewhat in the early part of the Trump administration and thus may be delayed due to political developments in Congress. Nickelsburg turns his attention to the possible effect of the Trump administration's new 'rules of engagement' as they pertain to the enforcement of immigration laws within the state and the possible consequences to industries that include gardening and minor home maintenance, construction, non-durable goods manufacturing, and agriculture where most of the undocumented population is employed. Nickelsburg warns of a possible economic backlash should the aggressive enforcement of immigration laws result in employees in key sectors of the State's economy not showing up to work for fear of being deported. Nickelsburg further notes that the change in

enforcement of immigration laws and the current travel ban restrictions may also affect international tourism in the state. This could come true if these policies are perceived as being "less friendly" and a stronger dollar making travel to the United States relatively more expensive.

The San Diego Forecast<sup>3</sup> - The USD Burnham-Moores Center for Real Estate's Index of Leading Economic Indicators for San Diego County rose 0.7 percent in January. Three of the components—consumer confidence, help wanted advertising, and the outlook for the national economy—were up sharply during the month. There were also smaller gains in initial claims for unemployment insurance and local stock prices. The only negative component was building permits, which was down significantly.

Overall, the forecast for 2017 continues to be for positive growth at a slower pace. Improvement in the local economy will depend on the policies proposed by the new administration and whether or not they can be enacted. Among the proposals that might benefit the local economy include: spending on infrastructure, tax cuts, and a boost in defense spending. Of these proposals, San Diego could benefit from increased shipbuilding as the Navy expands. On the downside, increased trade barriers, particularly against Mexico and China, could hurt local companies that sell in an international market.

**San Diego Index of Leading Economic Indicators  
San Diego County, 2013 – 2017**



<sup>3</sup> Source: University of San Diego School of Business Administration, USD Index of Leading Economic Indicators, March 3, 2017; retrieved from URL: <http://home.sandiego.edu/~agin/usdle/index.html>

<sup>1</sup> Source: UCLA Anderson Forecast, March 2017

<sup>2</sup> Source: UCLA Anderson Forecast, March 2017

**General Fund Reserves** - The General Fund Reserve policy was established to ensure that the City's finances are managed in a manner which will:

1. Continue to provide for the delivery of quality services
2. Maintain and enhance service delivery as the community grows in accordance with the General Plan
3. Minimize or eliminate the need to raise taxes and fees because of temporary revenue shortfalls
4. Establish the reserves necessary to meet known and unknown future obligations and ability to respond to unexpected opportunities

The following table reflects the available General Fund reserves as of June 30, 2016 as well as the projected General Fund reserves for June 30, 2017.

General Fund Reserve	Amended Budget	Projected (millions)
Reserves - July 1, 2016 (Available)	\$ 17.86	\$ 17.86
Revenues & Transfers In <sup>1</sup>	\$ 151.73	\$ 150.91
Expenditures & Transfers Out <sup>2</sup>	\$ (151.95)	\$ (150.60)
Net Pending Appropriations	\$ -	\$ (0.30)
Projected Surplus/Deficit	\$ (0.21)	\$ 0.00
Projected Fund Balance for June 30, 2017	\$ 17.64	\$ 17.86
Percentage of Operating Budget	11.6%	11.8%

Notes:

1. The City Council Adopted budget was balanced and did not project an increase in fund balance for the General Fund. The minor deficit reflected in the Amended Budget column is a result of a mid-year Council approved budget amendment.
2. The Amended Budget and projections reflected in this table do not include prior year appropriations for capital improvement projects and other encumbrances totaling \$5.7 million that were carried forward into the fiscal year 2016/17 budget. These expenditure impacts are already reflected in the estimated fund balance as of July 1, 2016 and are therefore not included in the above table.

The City's financial outlook improved as of the end of the third quarter review. The improvement in the outlook indicates that the City is projected to complete the current fiscal year within budget.

Although the fiscal year-end projection is balanced, there are additional considerations that may impact how the General Fund will end the current fiscal year. These include the following:

- The Public Liability Expense Fund is anticipated to exceed budget. This trend reflects higher than anticipated litigation and settlement expenses. The

reserves funds for the Public Liability Trust Fund have been exhausted. In order to avoid ending the fiscal year with a deficit in this fund, it is likely that an additional transfer from the General Fund will be needed.

- Addressing unanticipated expenditures that may present themselves in the 4th quarter.
- Addressing the rising levels of Workers Compensation claims.
- Planning for the impact of future fiscal year budget reductions and allowing departments to roll forward savings.

The City's financial performance continues to be mixed at the end of the third quarter as the projections for both City expenditures and revenues exhibited offsetting increases and decreases that resulted in a balanced projection for the end the current fiscal year. The projections for the City's major revenue categories including Property Taxes, Sales Tax, and Utility Users Taxes continued to diverge as projected revenues in these categories stabilized in the third quarter and were relatively unchanged. Projected Franchise Fee revenues however initiated a downward trend and the third quarter projection for these revenues is lower by \$0.6 million in comparison to the amended budget. Lower franchise fees are projected in comparison to the second quarter by approximately \$0.7 million due to the following:

- Cable – In the second quarter report, staff had projected a 25% decrease in cable franchise fees from AT&T, one of two cable utility providers in the City. Although this decline was taken into consideration in the projections, staff was recently made aware of a one-time adjustment of over \$400,000 as a result of a remittance error from Cox cable, the second of the City's cable providers.
- Trash Franchise Fees - Through the second quarter, trash franchise fees increased 3% over the same timeframe from the previous year. In contrast, payments received through the third quarter decreased approximately 1% in comparison to the same time period in fiscal year 2015-16. This caused a downward fluctuation in trash franchise fees of about \$150,000.

- Gas and Electricity - Another major change from the second quarter was a decrease in energy franchise fee revenue. The third quarter projection includes a revised projection for energy related revenues which decreased 6.7% from the previous fiscal year. This equates to a downward projection adjustment of approximately \$174,000 for electricity and gas related franchise fees from the second quarter projection.

Overall, General Fund revenues are projected to be lower by \$0.8 million in comparison to the fiscal year 2016-17 amended budget. The net impact of the projected shortfall is expected to be mitigated by expenditure savings resulting in no adverse impact to the General Fund.

The increasing expenditure trend that resulted in the reported expenditure deficit in the second quarter subsided as City expenditures leveled off in the third quarter. Overall, a \$1.3 million savings in General Fund expenditures is projected as of the end of the third quarter. As previously reported, the factors affecting the projected overages in expenditures are the Personnel Services and Supplies and Services expenses within the Police, Fire, Public Works and Library departments.

The anticipated deficits for Personnel Services within the Police and Fire departments are primarily due to overtime costs. The impact of the labor negotiation agreement that was reached with the International Association of Firefighters (IAFF) Local 2180 union is also reflected in the Fire Department's Personnel services projection. The Library Department is also projecting a deficit in Personnel Services due to higher than expected hourly wage costs. The projected Personnel Services costs deficits in these departments will be mitigated through cost containment measures and the appropriation of over-realized revenues as to not affect the General Fund.

Deficits in the Supplies and Services category are projected for Non-Departmental, Police, Public Works, and Fire departments. As previously reported, the projected deficit in Police department is due to ammunition, uniforms, training, and contractual costs. The projected deficit in the Public Works department is attributed to unanticipated expenses related to numerous repairs to City facilities and infrastructure. The Fire Department's deficit is attributed to the rental trailer equipment used to house personnel pending the completion of water damage repairs at fire

station 9. The Fire Department is also projecting an overage in fleet maintenance charges due to cost of repairs and maintenance to the fire department fleet. The Non-Departmental budget supplies and services deficit is due to Winter 2017 Storm event expenses that are reflected in this budget. These expenses will be reimbursed through the Federal claiming process.

## Revenues

The following table compares the projected revenues included in the adopted budget and the updated revenue projections for discretionary and departmental program revenues. Overall, General Fund revenues are projected at \$0.8 million below the current amended budget as detailed in the following table:

Category	Amended Budget as of 3/31/2017	Q3 Projected as of 3/31/2017	Variance
Property Taxes	\$ 31,174,827	\$ 31,764,989	\$ 590,162
Sales Tax	\$ 32,350,442	\$ 31,914,039	\$ (436,403)
Motor Vehicle License	\$ 19,692,436	\$ 19,965,585	\$ 273,149
Other Revenue	\$ 13,988,147	\$ 14,460,480	\$ 472,333
Transfers In	\$ 11,949,135	\$ 10,814,178	\$ (1,134,957)
Franchise Fees	\$ 11,795,951	\$ 11,156,290	\$ (639,661)
Charges for Services	\$ 7,103,654	\$ 7,826,639	\$ 722,985
Revenue from Other Agencies	\$ 2,090,808	\$ 2,008,106	\$ (82,702)
Utility Users Tax	\$ 6,379,964	\$ 5,724,660	\$ (655,304)
Transient Occupancy Taxes	\$ 3,654,779	\$ 3,654,779	\$ -
Use of Money & Property	\$ 2,731,862	\$ 2,496,323	\$ (235,540)
Other Local Taxes	\$ 5,456,753	\$ 5,639,834	\$ 183,081
Licenses and Permits	\$ 1,321,085	\$ 1,372,347	\$ 51,262
Fines, Forfeitures, Penalties	\$ 1,020,700	\$ 1,082,670	\$ 61,970
Real Property Transfer Tax	\$ 1,023,661	\$ 1,026,765	\$ 3,104
<b>TOTAL REVENUES</b>	<b>\$ 151,734,204</b>	<b>\$ 150,907,684</b>	<b>\$ (826,520)</b>

The major non-discretionary revenue variances are as follows:

- The projection for the Transfers In revenue category was reduced by \$1.1 million from the current amended budget in the third quarter as a result of a loan repayment from the Public Facilities Development Impact Fund that will not be realized in the current fiscal year.
- The Use of Money and Property revenue category is projected to be lower by \$0.2 million as result of lower rental and lease revenue for City Facilities.
- Charges for Services revenues are projected to exceed the current budget by \$0.7 million due to increased:

Police Reimbursements, Fire Construction Fees, Passport Fees, and Developer Fees.

- The Other Revenue category is projected to exceed the budget by \$0.5 million as a result of increased reimbursement revenues.

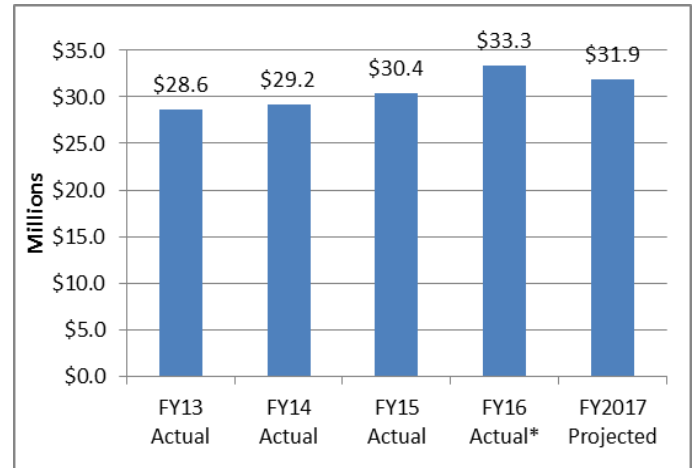
Overall, General Fund revenues are projected to be lower by \$0.8 million from the amended budget in fiscal year 2016-17. However, the net impact of this projected shortfall is expected to be mitigated by expenditure savings resulting in no adverse impact to the General Fund.

General Fund Major Revenues

**Sales Tax** - is projected to be the City’s largest revenue source, representing 21.3% of General Fund revenues in the fiscal year 2016/17 amended budget. HdL Companies, the City’s Sales Tax consultant, has provided data for fourth quarter of calendar year 2016. They report that the change in sales tax receipts between fourth quarter calendar year 2015 and the fourth quarter calendar year 2016 has increased by 1.2% in Chula Vista. General Consumer Goods represents the largest major industry group for Sales Tax generation. In this category, the change in Sales Tax decreased by 4.4% in Chula Vista when compared to the same quarter for 2015. The largest sector contributing to the decline in Sales Tax growth was the decrease in Fuel and Service Stations that declined by 16.7% mainly due to lower fuel prices. These decreases were somewhat offset by other smaller sectors that experienced increases when compared to the same quarter in 2015. These included: Autos and Transportation (4.5%), Restaurants and Hotels (5.2%), and Building and Business and Industry (20.3%).

The Sales Tax revenue projection was revised downward by \$0.4 million from the first quarter projection because of a downward trend. This projection remains unchanged for the third quarter. Staff will continue to monitor the trends in economic activity in an effort to capture accurately the projected earnings within this category. The following chart represents actual Sales Tax collections since fiscal year 2012/13 and the projection for fiscal year 2016/17.

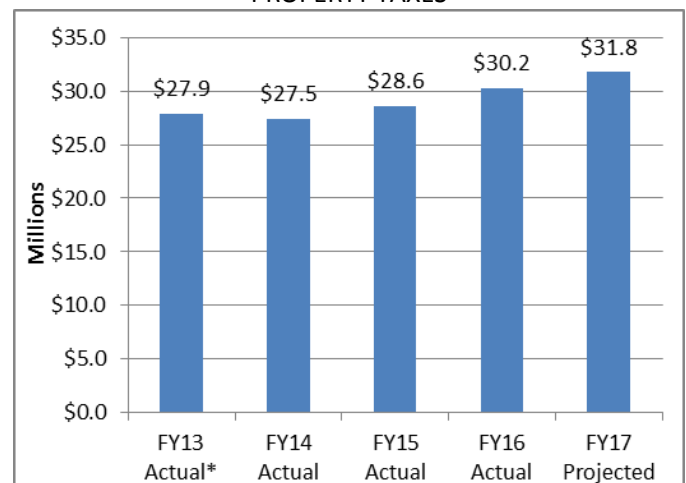
SALES TAX



\*Note: FY2016 Sales Tax revenues include a \$1.9 million one-time payment related to the wind down of the Triple Flip allocation.

**Property Taxes** – The City of Chula Vista receives property tax revenue based upon a 1.0% levy on the assessed value of all real property. Property tax is the City’s second largest revenue source, representing 20.9% of General Fund projected revenues for the fiscal year 2016/17. The second quarter property tax revenue projection reflected a \$0.5 million upward revision over the first quarter projection. This revision was based on an improvement in assessed valuations that reflected an increase of 5.7%. The projection for the third quarter property tax projection includes an additional \$0.1 million increase due to Redevelopment Agency pass through revenues. The following chart represents Property Tax revenues since fiscal year 2012/13 and the projection for fiscal year 2016/17.

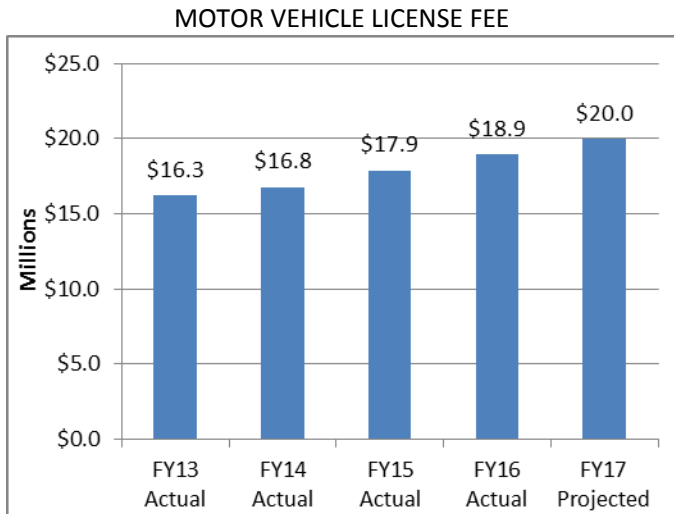
PROPERTY TAXES



Note FY2013 Property Tax revenues include a one-time payment related to the elimination of the City's Redevelopment Agency.

**Motor Vehicle License Fee (VLF)** – Since the State Budget Act of 2004, the allocation of VLF revenues to cities and counties was substantially changed. Beginning in 2005/06, the majority of VLF revenues for each city grew essentially in proportion to the growth in the change in gross assessed valuation. Due to this change in the formula by the State, the majority of the City's VLF revenues fluctuate with changes in assessed values in the City.

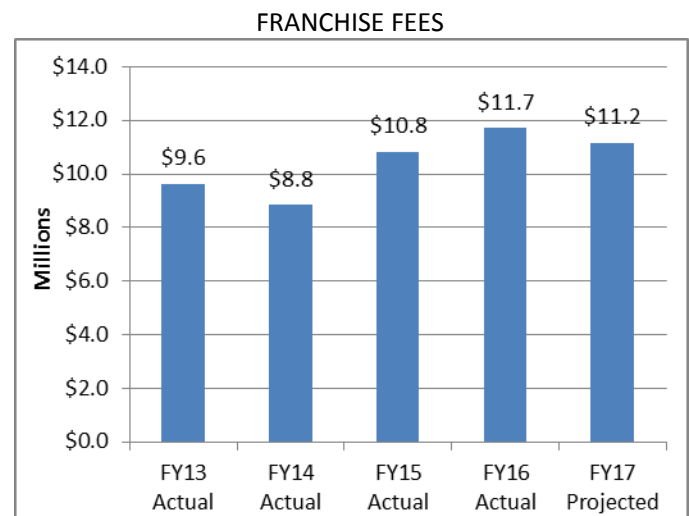
The second quarter projection for VLF revenues was revised upward \$0.3 million to \$20.0 million reflecting the improvement in assessed valuations. The projection for VLF revenues remains unchanged for the third quarter. The following chart represents actual VLF revenues since fiscal year 2012/13 and the projection for fiscal year 2016/17.



**Franchise Fees** - Franchise fee revenues are generated from public utility sources such as San Diego Gas & Electric (2% on gas and 1.25% on electricity), trash collection franchises (20% fee), and cable franchises (5% fee) conducting business within City limits. SDG&E collects the franchise fee from Chula Vista customers and remits these revenues to the City. Trash franchise fees and cable fees are based on fixed rates.

The projection for franchise fee revenues is lower by \$0.6 million in comparison to the current amended budget. Franchise Fee revenues are projected at \$11.2 million. This is a decrease over fiscal year 2015/16 actuals of

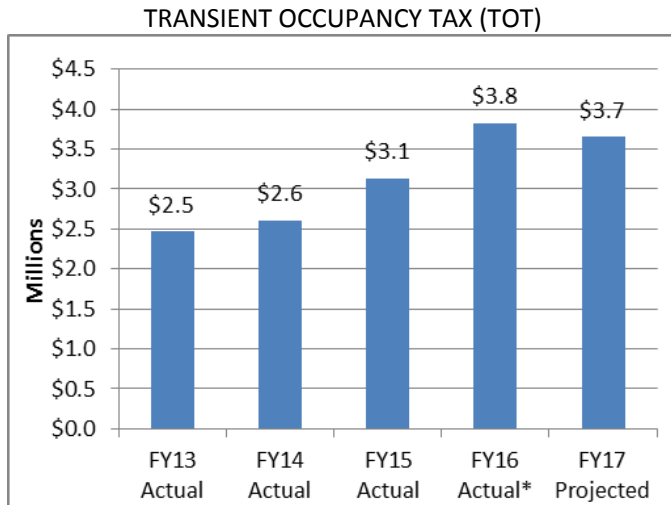
approximately 4.6% due to lower franchise fee remittances from the City's public utility sources. These sources include gas, electricity and the \$0.4 million adjustment due to a remittance error from the Cox cable franchise as previously discussed in the overall summary section above. The following chart represents actual franchise fee revenues since fiscal year 2012/13 and the projection for fiscal year 2016/17. Note that fiscal year actual 2012-13 revenues reflect previously accrued Franchise Fee revenues that were realized by the City resulting in higher actuals for that fiscal year.



**Transient Occupancy Tax (TOT)** - The City receives 10% of hotel and motel room rates for stays less than 30 days. TOT revenues have reflected a positive trend that began in fiscal year 2015 and has subsequently continued.

The potential for significant TOT tax revenue growth is feasible provided additional hotels are built capturing the market created by the growth in the eastern section of the City. Several impending new hotel developments are being proposed in the City, primarily in the Millenia and Bayfront projects. Fiscal year 2016/17 TOT revenues are estimated at \$3.7 million based on the previous fiscal year's growth trend. Eliminating prior year collections included in fiscal year 2015/16 actuals of \$0.3 million, TOT revenues are projected to increase by 3.9% in fiscal year 2016/17. TOT revenues are projected to increase slightly by \$0.02 million in the 2<sup>nd</sup> quarter. The projection for TOT revenues has been based on the revised collection trend.

The following chart represents actual TOT revenues since fiscal year 2012/13 and the projection for fiscal year 2016/17.

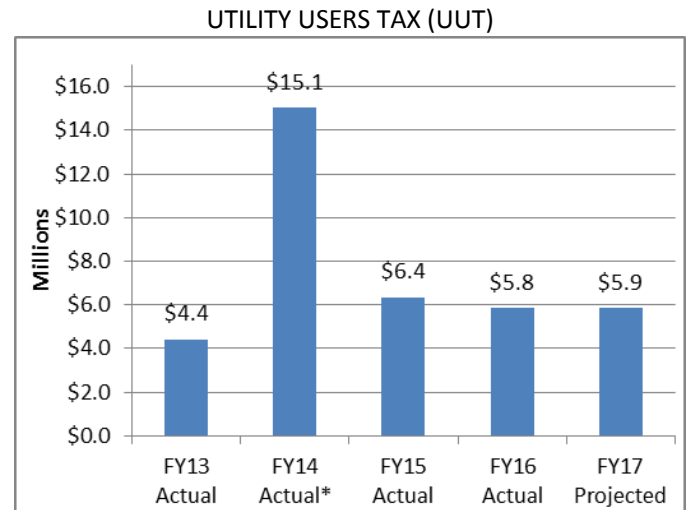


\*Note: FY2016 TOT revenues include \$0.3 million in payments for prior year collections.

**Utility Users Tax (UUT)** - by The City adopted its Utility Users Tax (UUT) in 1970. The City of Chula Vista imposes a UUT on the use of telecom at the rate of 4.75% of gross receipts. The UUT on natural gas services is \$0.00919 per therm and \$0.00250 per kilowatt on electricity services, which equates to approximately a 1% tax.

The projection for UUT revenues was revised downward in the second quarter by \$0.5 million reflecting the trend of remittances from the City's utility providers over the current fiscal year. This projection remains unchanged for the third quarter. Fiscal year 2016/17 UUT projected revenues include a full year of anticipated prepaid wireless UUT revenues that became effective on January 1, 2016.

The following chart reflects actual UUT revenue since fiscal year 2012/13. Fiscal year 2016/17 is projected and does not reflect actual collections.



\*Note: Increased fiscal year 2013/14 Utility User's tax revenue reflect a mid-year appropriation (Council resolution 2013-092) of previously collected wireless telecommunication related tax revenue that was utilized to fund attorney and City administrative costs pertaining to a City class-action lawsuit.

## Expenditures

The General Fund's amended budget reflects the Council adopted budget of \$146.5 million, Council approved mid-year appropriations of \$5.4 million, and \$5.7 million of prior year encumbrances carried forward into the current fiscal year. As of the end of the third quarter, the amended budget totals \$157.7 million.

The following table reflects the General Fund amended budget and actual expenditures by department as of March 31, 2017. In total, Departments have expended \$109.0 million or 69% of the General Fund budget after 75% of the fiscal year has elapsed.

GENERAL FUND EXPENDITURES AS OF 3/31/2017

Department	Amended Budget as of 3/31/2017	Expended as of 3/31/2017	Variance
City Council	\$ 1,568,272	\$ 1,103,036	\$ 465,236
Boards and Commissions	\$ 19,179	\$ 14,535	\$ 4,644
City Clerk	\$ 1,115,332	\$ 720,642	\$ 394,690
City Attorney	\$ 3,080,051	\$ 2,149,615	\$ 930,436
Administration	\$ 2,093,362	\$ 1,568,204	\$ 525,158
Information Technology Svcs	\$ 4,063,238	\$ 2,455,628	\$ 1,607,610
Human Resources	\$ 2,726,895	\$ 1,893,782	\$ 833,113
Finance	\$ 3,686,918	\$ 2,690,229	\$ 996,689
Non-Departmental	\$ 15,743,554	\$ 6,283,539	\$ 9,460,015
General Fund	\$ 2,998,062	\$ 2,112,746	\$ 885,316
Community Development	\$ 2,260,555	\$ 1,434,093	\$ 826,462
Planning & Building Services	\$ 2,688,047	\$ 1,775,854	\$ 912,193
Police	\$ 50,441,737	\$ 38,388,930	\$ 12,052,807
Fire	\$ 29,392,826	\$ 21,086,669	\$ 8,306,157
Public Works	\$ 27,418,166	\$ 19,419,138	\$ 7,999,028
Recreation	\$ 4,476,996	\$ 3,030,198	\$ 1,446,798
Library	\$ 3,911,276	\$ 2,882,512	\$ 1,028,764
<b>TOTAL EXPENDITURES</b>	<b>\$ 157,684,465</b>	<b>\$ 109,009,350</b>	<b>\$ 48,675,115</b>

The following table reflects the projected expenditures for June 30, 2017. Overall, a \$1.3 million savings in General Fund expenditures is projected as of the end of the third quarter. This improvement is attributed to focused management of the Police department's overtime budget where significant strides were made in reducing the projected deficit that was estimated in the second quarter. The City's financial outlook also improved due to projected retirement cost savings. These savings will be realized due to the City choosing the pre-payment option on the PERS amount owed to CalPERS for normal retirement costs and unfunded liability for fiscal year 2016/17. Overall, the third quarter projection represents an improvement over the previous quarter's projection that reported a deficit in expenditures. The third quarter personnel services cost projection reflects an estimated \$1.3 million PERS cost savings.

Despite the projected savings in the General Fund, some departments are projecting expenditure deficits in the current fiscal year. These include Police, Fire, and Library. The projected deficits for these departments are within the Personnel Services and Supplies and Services expenditure categories. The Police department projects to exceed its personnel services budget by \$0.4 million due to overtime costs. This is in contrast to the \$1.6 million deficit

in personnel services estimated in the second quarter. The improvement in the projection is due to department-wide efforts by the Police Department to curb overtime usage. The Police Department has made a concentrated effort to mitigate their projected Personnel Services deficits through efforts by Police Command staff to increase awareness of the overtime deficit and providing updates of staff efforts to achieve cost savings.

The projected deficit in the Fire department's personnel services budget is \$0.6 million. This deficit is due to overtime costs and the projected \$116,000 impact of the labor negotiation agreement that was reached with the International Association of Firefighters (IAFF) Local 2180 union. The department will offset this deficit with capital cost savings and over-realized revenues generated by fire construction fees.

The projected \$0.1 million deficit in the Library Department's Personnel Services expenditures is due to increased hourly wage expenses that are required to maintain current operation levels. The Library Department will offset this deficit with over-realized passport fee revenues.

Overall, the projected Personnel Services deficits in these departments will be partially offset with savings in other departments that are either under-filling or maintaining vacant positions.

Deficits in the Supplies and Services category are projected within the Police and Fire Departments. The Police department is projected to exceed its supplies and services budget by \$0.2 million. As reported in second quarter, the cause for the deficit is due to ammunition, uniforms, training, and contractual costs. The estimated deficit for the third quarter is a \$0.1 million improvement over the second quarter projection reflecting the Police Department's efforts to mitigate this deficit.

The Fire Department projects to exceed its supplies and services budget by \$0.1 million. The deficit is primarily due to equipment rental charges and fleet maintenance expenses. The equipment rental expenses are due to rental charges for trailers used to house personnel at fire station 9 pending the completion of water damage repair. The fleet maintenance expenses represent the projected charges to maintain/repair the Fire Department's fleet in

the current fiscal year. The department will explore offsetting this deficit by reviewing and closing supplies and services expenditure encumbrances and appropriating over-realized revenues.

The following departments are also projecting deficits within their Supplies and Services budget categories but are not projected to exceed their overall departmental budgets:

The Public Works department is projected to exceed its supplies and services budget by \$0.4 million. This is due to unanticipated expenses related to numerous repairs to City facilities and infrastructure. The department will be transferring a portion of its supplies and services expenditures to other eligible cost centers and appropriating unanticipated revenues in an effort to mitigate this deficit.

A \$0.1 million deficit in the supplies and services category of the Non-Departmental budget is projected due to Winter 2017 Storm event expenses that are captured in this projection. This deficit is projected to be largely offset by revenues that will be received upon completion of the damage claims process by the City.

#### GENERAL FUND PROJECTIONS BY DEPARTMENT FOR JUNE 30, 2017

Department	Amended Budget as of 3/31/2017	Q3 Projected as of 3/31/2017	Variance
City Council	\$ 1,568,272	\$ 1,505,196	\$ 63,076
Boards and Commissions	\$ 19,179	\$ 14,535	\$ 4,644
City Clerk	\$ 1,115,332	\$ 937,068	\$ 178,264
City Attorney	\$ 3,080,051	\$ 2,901,032	\$ 179,020
Administration	\$ 2,093,362	\$ 2,040,057	\$ 53,305
Information Technology Svcs	\$ 4,063,238	\$ 3,844,930	\$ 218,308
Human Resources	\$ 2,726,895	\$ 2,528,858	\$ 198,037
Finance	\$ 3,686,918	\$ 3,521,557	\$ 165,361
Non-Departmental	\$ 15,743,554	\$ 15,313,558	\$ 429,996
Animal Care Facility	\$ 2,998,062	\$ 2,937,540	\$ 60,522
Economic Development	\$ 2,260,555	\$ 2,140,667	\$ 119,888
Development Svcs - GF	\$ 2,688,047	\$ 2,482,470	\$ 205,577
Police	\$ 50,441,737	\$ 50,978,980	\$ (537,243)
Fire	\$ 29,392,826	\$ 29,962,500	\$ (569,674)
Public Works	\$ 27,418,166	\$ 26,985,520	\$ 432,645
Recreation	\$ 4,476,996	\$ 4,319,939	\$ 157,057
Library	\$ 3,911,276	\$ 3,928,172	\$ (16,896)
<b>TOTAL EXPENDITURES</b>	<b>\$ 157,684,465</b>	<b>\$ 156,342,578</b>	<b>\$ 1,341,887</b>

Staff will continue to monitor General Fund expenses and look for potential cost saving measures in order to remain within budget during the current fiscal year.

### Budget Transfers

The following table reflects the administrative budget transfers that have been approved through the third quarter. These changes result in no net fiscal impact to the General Fund budget and are within the Council policy allowing for transfers up to \$15,000.

#### SUMMARY OF GENERAL FUND BUDGET TRANSFERS

Date	Description	Amount	From/To
<b>Human Resources</b>			
Jul-16	Transfer for copier lease	\$352	Supplies and Services to Capital
<b>Animal Care Facility</b>			
Sep-16	Transfer to cover contract expenditures	\$15,000	Personnel Services to Supplies and Services
<b>City Clerk</b>			
Nov-16	Transfer to cover various supplies and services	\$8,600	Capital to Supplies and Services
<b>Administration</b>			
Dec-16	Transfer for Communications Intern	\$15,000	Supplies and Services to Personnel Services
<b>Finance</b>			
Feb-17	Transfer for Office Furniture	\$11,461	Personnel Services to Supplies and Services
Feb-17	Transfer for Office Modifications	\$6,000	Personnel Services to Supplies and Services
<b>Police</b>			
Mar-17	Transfer for Boiler Control Repairs	\$15,000	Utilities to Supplies and Services
<b>Public Works</b>			
Mar-17	Transfer for Soil/Sod amendments	\$15,000	Utilities to Supplies and Services

### Mid-Year Budget Amendments

Mid-year expenditure appropriations approved through March 31, 2017 total \$5,485,361. The City Council approved changes to budgeted revenues of \$5,272,874. Combined, these changes result in a net negative of \$212,487.

The following table summarizes the City Council approved budget amendments through the third quarter:



**SUMMARY OF GENERAL FUND BUDGET AMENDMENTS**

Date	Description/Dept	Revenue	Expenditure	Net Impact
7/1/2016	Principal Management Analyst and Senior Civil Engineer Reclassification (Public Works)	\$ 32,212	\$ 32,212	\$ -
7/1/2016	Senior Economic Development Specialist Classification review (Economic Development)	\$ -	\$ -	\$ -
8/2/2016	Addition of 1.00 Latent Print Examiner through County of San Diego Cal-ID Program (Police)	\$ 23,000	\$ 23,000	\$ -
8/16/2016	Budget adjustments related to the new ERP Software with Tyler Technologies (Various)	\$ -	\$ -	\$ -
9/13/2016	Addition of Administrative Fees for Fiscal Agent Positions (Police)	\$ 18,576	\$ -	\$ 18,576
11/1/2016	Addition of Administrative Fees for Fiscal Agent Positions (Police)	\$ 5,094		\$ 5,094
11/15/2016	1st Quarter Budget Adjustments (Various)	\$ 1,535,989	\$ 1,532,854	\$ 3,135
11/15/2016	Transfer from Personnel Services to Supplies and Services for Veterinarian Svcs. (\$35,000) (Animal Care Facility)	\$ -	\$ -	\$ -
11/15/2016	Reduction of Dispatch Supervisor (Police)	\$ -	\$ (46,661)	\$ 46,661
11/15/2016	Addition of Dispatcher (Police)	\$ -	\$ 40,473	\$ (40,473)
11/15/2016	Reduction of Sr. Mgmt. Analyst (Police)	\$ -	\$ (54,092)	\$ 54,092
11/15/2016	Addition of Supervising Public Safety Analyst (Police)	\$ -	\$ 59,572	\$ (59,572)
12/6/2016	FY 17 Measure P Revenues	\$ 3,200,000	\$ 3,200,000	\$ -
1/10/2017	Addition of Fiscal Office Spe. (Economic Development)	\$ 27,549	\$ 27,549	\$ -
1/10/2017	(Economic Development/Non-Departmental)	\$ 86,000	\$ 86,000	\$ -
1/10/2017	Business Attraction/Retention (Economic Development/Non-Departmental)	\$ 200,000	\$ 200,000	\$ -
1/17/2017	In County Contract Services (Animal Care Facility)	\$ 25,000	\$ 25,000	\$ -
2/7/2017	2nd Quarter Budget Adjustments (Various)	\$ 119,454	\$ 359,454	\$ (240,000)
	<b>Total Appropriations to Date</b>	<b>\$ 5,272,874</b>	<b>\$ 5,485,361</b>	<b>\$ (212,487)</b>