



CITY COUNCIL AGENDA STATEMENT



November 19, 2019

File ID: 19-0466

TITLE

- A. QUARTERLY FINANCIAL REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2019
- B. RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHULA VISTA MAKING VARIOUS AMENDMENTS TO THE FISCAL YEAR 2019/20 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 FISCAL YEAR 2019/20 CIP PROGRAM BUDGET BY ESTABLISHING A NEW CIP PROJECT, SWR0317 "BAYFRONT RV LLC SEWER IMPROVEMENTS"; AND APPROPRIATING \$390,000 FROM THE AVAILABLE BALANCE OF THE SEWER INCOME FUND TO SWR0317 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 September 30, 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 September 30, 2019.

Establishing New CIP

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”). Per the Chula Vista Bayfront Development Policies certified by the California Coastal Commission in August 2012, development of the H-3 site requires the relocation of the existing recreational vehicle (RV) park. The developer selected for the relocation of the RV park has committed to not only building the replacement RV park, but also constructing a portion of the initial infrastructure, including in-road sewer improvements, required to serve the CVB that would otherwise have been constructed by RIDA, the City, or the District.

On August 13, 2019, the City Council of Chula Vista approved Resolution No. 2019-158 establishing a reimbursement agreement between the City and Chula Vista Bayfront RV LLC to construct specified Bayfront Development Fee and 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 to be constructed by RIDA, the City, the District, and others will be funded by the City. The sewer improvements are estimated to cost approximately \$390,000, including design. The City has identified sufficient funds to reimburse the developer 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.

Approval of the proposed resolution would amend the Fiscal Year 2019/2020 CIP Program Budget by establishing a new CIP, SWR0371, “Bayfront RV LLC Sewer Improvements”; and appropriate \$390,000 from the available balance of the Sewer Income Fund to SWR0317.

ENVIRONMENTAL REVIEW

Quarterly Financial Report

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.

Establishing New CIP

The Development Services Director has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity was covered in previously adopted Environmental Impact Report UPD#83356-EIR-65B/SCH#2005081077. The Development Services Director 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.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable.

DISCUSSION

Quarterly Financial Report

The First Quarter Report is developed using three months of recorded (July 2019 through September 2019) activity for Fiscal Year 2019/2020 as of September 30, 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 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; 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 Fiscal Year 2019/2020 financial outlook is primarily unchanged as overall General Fund revenues are projected to slightly exceed expenditures by approximately \$1.0 million. The positive change is due to a positive adjustment to the Property Tax In-Lieu Vehicle License Fee based upon updated information from the County of San Diego and departmental expenditures projected to be on budget. Measure P and Measure A funds are projected to increase by \$0.7 million each, 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 Adopted Budget amounts by approximately \$2.6 million as a result of increased projections for the Property Tax in Lieu of Vehicle License Fee (previously accounted for as Motor Vehicle License fees) and increased Measure P and Measure A revenues. 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 Adopted Budget	FY 2020 Projected Budget	Variance
Property Tax	\$ 36,361,038	\$ 36,361,038	\$ -
Sales Tax	\$ 35,127,600	\$ 35,127,600	\$ -
Measure A Sales Tax	\$ 18,266,000	\$ 19,000,000	\$ 734,000
Measure P Sales Tax	\$ 18,266,000	\$ 19,000,000	\$ 734,000
PT in lieu of Motor Vehicle License Fee (VLF) ¹	\$ 22,539,550	\$ 23,667,402	\$ 1,127,852
Franchise Fees	\$ 11,925,678	\$ 11,925,678	\$ -
Utility Users Taxes	\$ 5,633,423	\$ 5,633,423	\$ -
Transient Occupancy Tax	\$ 4,357,922	\$ 4,357,922	\$ -
Total	\$ 152,477,211	\$ 155,073,063	\$ 2,595,852

¹Property 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 reach the Adopted Budget amounts. All the General Fund revenues are summarized in Attachment A. The overall General Fund revenues are projected to exceed the Adopted Budget by approximately \$2.6 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 the table below. As of the end of the first quarter, overall personnel services and supplies and services expenditures are slightly statistically elevated which may be due to the seasonal/cyclical nature of specific staffing and/or contractual needs within certain City departments such as Parks and Recreation. 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.

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

Revenue Category	FY 2020 Revised Budget	FY 2020 Projected Budget	Projected Budget Expended to date	Projected Budget Expended (%)
Personnel Services	\$ 132,795,778	\$ 132,795,778	\$ 42,298,779	31.9%
Supplies and Services	12,448,934	12,448,934	4,187,299	33.6%
Utilities	5,016,805	5,016,805	1,242,245	24.8%
Total	\$ 150,261,517	\$ 150,261,517	\$ 47,728,323	31.8%

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 by approximately \$1.5 million. All other expenditures are anticipated to be in-line with the Adopted Budget amounts.

General Fund Adjustments

At the conclusion of the first 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 decrease of General Fund costs of approximately \$872,000. The following chart provides a summary of the proposed budgetary adjustments.

Table 3 - General Fund Budget Adjustments Summary - 1st Quarter Fiscal Year 2019/2020

DEPARTMENT	Footnote	PERSONNEL SERVICES	SUPPLIES & SERVICES	TOTAL EXPENSE	TOTAL REVENUE	NET COST
GENERAL FUND						
Non-Departmental	1	\$ -	\$ 329,100	\$ 329,100	\$ (1,456,952)	\$ (1,127,852)
Economic Development	2	1,484	-	1,484	-	1,484
Engineering/Capital Projects	3	46	-	46	-	46
Police Department	4	(10,786)	-	(10,786)	16,000	5,214
Fire Department	5	-	36,000	36,000	(36,000)	-
Public Works Department	6	(46)	253,558	253,512	(3,350)	250,162
Library Department	7	(1,484)	-	(1,484)	-	(1,484)
TOTAL OTHER FUNDS		\$ (10,786)	\$ 618,658	\$ 607,872	\$ (1,480,302)	\$ (872,430)

General Fund Amendment Footnotes

- 1 Non-Departmental - Appropriate \$329,100 in revenues and expenses for Special Events allocation for FY2020, and appropriate \$1,127,852 for Property Tax in Lieu of VLF for higher than anticipated revenues.
- 2 Economic Development Department - Transfer negative \$1,484 in Salary Savings from Economic Development Department to the Library Department.
- 3 Engineering/Capital Projects Department - Transfer \$46 in from the Public Works Department to Engineering related to Traffic Signals.
- 4 Police Department - Transfer appropriations of \$10,786 in Personnel Expenses and \$16,000 in Revenues from the General Fund to the City Jail Fund.
- 5 Fire Department - Appropriate \$36,000 in revenues and expenses for paramedic lease revenues and offsetting expenses for the Fire Department.
- 6 Public Works Department - Transfer personnel services of \$46 from Public Works to the Engineering Department; appropriate \$165,000 for the Street Sweeping Contract; appropriate \$85,208 for Emergency and Unanticipated Facility Repairs; and, appropriate \$3,350 both revenues and expenses for fencing repairs and reimbursements.
- 7 Library Department - Transfer negative \$1,484 in Salary Savings from Economic Development Department to the Library Department.

The significant adjustments to the General Fund are described below.

- Appropriation of \$329,100 in revenues and expenses within the Non-Departmental Department for the Special Events budget for Fiscal Year 2019/2020.
- Increase of approximately \$1.1 million in MVLFF revenue based upon updated information from the County of San Diego.
- Appropriation of \$165,000 in expenses to support the Street Sweeping contract within the Public Works Department.

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 \$0.6 million, which are entirely funded with fund balances or current year available revenues. A brief discussion follows the table on the significant proposed adjustments.

Table 4 - Other Funds Budget Admendments Summary - 1st Quarter Fiscal Year 2019/2020

DEPARTMENT	Footnote	PERSONNEL	SUPPLIES &	OTHER	OTHER	CIP	TRANSFERS	NON-CIP	UTILITIES	TOTAL	TOTAL	NET COST
		SERVICES	SERVICES	EXPENSES	CAPITAL	BUDGET	OUT	BUDGET		EXPENSE	REVENUE	
OTHER FUNDS												
Transportation Grants-Gas Tax	1	-	-	-	124,000	-	-	-	-	\$ 124,000	-	\$ 124,000
Advanced Life Support Program	2	-	17,430	-	(17,430)	-	-	-	-	-	-	-
Other Grants	3	47,370	55,493	75,000	-	-	-	-	-	177,863	(180,810)	(2,947)
Federal Grants	4	159,991	206,652	-	10,000	-	-	200,000	-	576,643	(571,886)	4,757
State Grants	5	91,305	25,000	-	-	-	-	-	-	116,305	(91,305)	25,000
CFD 11-M Rolling Hills McM	6	-	-	-	63	-	-	-	-	63	-	63
CFD 12-M Otay Ranch Village 7	7	-	-	-	1,682	-	-	-	-	1,682	-	1,682
CFD 13-M Otay Ranch Village 2	8	-	-	-	3,386	-	-	-	-	3,386	-	3,386
CFD 12M Village 7 Otay Ranch	9	-	-	-	519	-	-	-	-	519	-	519
CFD 14M-A-EUC Millenia	10	-	(32,754)	(23,836)	(808)	-	(15,426)	-	(2,488)	(75,312)	-	(75,312)
CFD 14M-B-EUC Millenia	11	-	(53,656)	154,000	-	-	-	-	34,100	134,444	-	134,444
CFD 19M Freeway Commercial 2	12	-	-	-	(150)	-	-	-	-	(150)	-	(150)
Bay Blvd Landscape District	13	-	-	-	-	-	-	20,000	-	20,000	-	20,000
Eastlake Maintenance Dist I	14	-	4,208	-	(67)	-	-	-	-	4,141	(4,208)	(67)
Open Space District #01	15	-	-	-	33	-	-	-	-	33	-	33
Open Space District #02	16	-	-	-	(74)	-	-	-	-	(74)	-	(74)
Open Space District #03	17	-	-	-	(54)	-	-	-	-	(54)	-	(54)
Open Space District #04	18	-	-	-	236	-	-	-	-	236	-	236
Open Space District #05	19	-	-	-	55	-	-	-	-	55	-	55
Open Space District #06	20	-	-	-	31	-	-	-	-	31	-	31
Open Space District #07	21	-	-	-	79	-	-	-	-	79	-	79
Open Space District #08	22	-	-	-	(96)	-	-	-	-	(96)	-	(96)
Open Space District #09	23	-	-	-	(55)	-	-	-	-	(55)	-	(55)
Open Space District #10	24	-	-	-	(9)	-	-	-	-	(9)	-	(9)
Open Space District #11	25	-	78,502	-	(94)	-	-	-	-	78,408	-	78,408
Open Space District #14	26	-	-	-	(210)	-	-	-	-	(210)	-	(210)
Open Space District #15	27	-	-	-	(101)	-	-	-	-	(101)	-	(101)
Open Space District #17	28	-	-	-	(4)	-	-	-	-	(4)	-	(4)
Open Space District #18	29	-	-	-	(99)	-	-	-	-	(99)	-	(99)
Open Space District #20	30	-	-	-	1,400	-	-	-	-	1,400	-	1,400
Open Space District #23	31	-	-	-	176	-	-	-	-	176	-	176
Open Space District #24	32	-	-	-	(107)	-	-	-	-	(107)	-	(107)
Open Space District #26	33	-	-	-	(68)	-	-	-	-	(68)	-	(68)
Open Space District #31	34	-	-	-	676	-	-	-	-	676	-	676
CFD 07M Eastlake Woods & Vista	35	-	-	-	378	-	-	-	-	378	-	378
CFD 08M Vlg 6 McMillin & OR	36	-	15,000	-	391	-	-	-	2,151	17,542	-	17,542
CFD 09M ORV II Brookfield-Shea	37	-	1,238	-	1,343	-	-	-	-	2,581	(1,238)	1,343
CFD 14M-2-EUC Millenia	38	-	32,777	23,836	597	-	15,426	-	2,488	75,124	-	75,124
CFD 99-2 Otay Ranch Vlg 1 West	39	-	-	-	1,125	-	-	-	-	1,125	-	1,125
CFD 98-3 Sunbow 2	40	-	-	-	2,102	-	-	-	-	2,102	-	2,102
CFD 97-1 Otay Ranch	41	-	-	-	3,743	-	-	-	-	3,743	-	3,743
City Jail	42	10,786	-	-	-	-	-	-	-	10,786	(16,000)	(5,214)
Sewer Income	43	-	-	(390,000)	-	390,000	-	-	-	-	-	-
Trunk Sewer Capital Reserve	44	-	-	150,000	-	-	-	-	-	150,000	(1,428,100)	(1,278,100)
Sewer DIFs	45	-	-	(150,000)	-	-	-	-	-	(150,000)	1,428,100	1,278,100
Public Facilities DIF	46	-	-	-	180,000	-	-	-	-	180,000	-	180,000
Capital Improvement Projects	47	-	-	-	-	129,889	-	-	-	129,889	(129,889)	-
TOTAL OTHER FUNDS		\$ 309,452	\$ 349,890	\$ (161,000)	\$ 312,589	\$ 519,889	\$ -	\$ 220,000	\$ 36,251	\$ 1,587,071	\$ (995,336)	\$ 591,735

Other Fund Amendment Footnotes

- 1 Transportation Grants-Gas Tax - Appropriate \$124,000 from Fund Balance for Other Capital for vehicle purchase.
- 2 Advanced Life Support Program - Transfer \$17,430 in expenses from Capital to Supplies and Services.
- 3 Other Grants - Appropriate \$177,863 in expenses and \$180,810 in Animal Care Facility, Police, and Fire Department grants.
- 4 Federal Grants - Appropriate \$576,643 in expenses and \$571,886 in revenues for various Federal grants in Development Services, Fire, and Police Departments.
- 5 State Grants - Appropriate \$91,305 in revenues and expenses for Tobacco Law Enforcement Grant, and appropriate an additional \$25,000 in expenses from available fund balance for the Police SLES grant.
- 6-41 Various CFD & Open Space Districts - Appropriate \$282,371 in expenses for the purchase of vehicles, contract services for maintenance; and, appropriate \$5,446 in Revenues related to reimbursement from damage recovery.
- 42 City Jail Fund - Transfer appropriations of \$10,786 in Personnel Expenses and \$16,000 in Revenues from the General Fund to the City Jail Fund.
- 43 Sewer Income Fund - Transfer \$390,000 from the Other Expenses category for the new Bayfront RV LLC Sewer Improvements (SWR0317).
- 44 Trunk Sewer Capital Reserve - Transfer \$150,000 in Other Expenses and \$1,428,100 in revenues to the Sewer Income Fund.
- 45 Sewer DIFs Fund - Transfer \$150,000 in Other Expenses and \$1,428,100 in revenues to the Trunk Sewer Capital Reserve Fund.
- 46 Public Facilities DIF - Appropriate \$180,000 for vehicle purchase and outfitting from available Fund Balance.
- 47 Capital Improvement Projects - Appropriate \$129,889 in both revenues and expenses for the receipt of an insurance claim for 610 Bay Blvd.

The significant adjustments to the General Fund are described below.

- Appropriate \$124,000 from fund balance of the Transportation Grants – Gas Tax fund for a vehicle purchase.
- Appropriate \$177,863 in expenses and \$180,810 in revenue in the Other Grants Fund for various Police and Fire Department grants.
- Appropriate \$576,643 in expense and \$571,886 in revenues for various Federal grants for Development Services, Fire and Police departments.
- Appropriate \$282,371 in expenses for the purchase of vehicles and maintenance service contracts for multiple Community Facilities Districts and Open Space Districts.
- Transfer \$390,000 in the Sewer Income Fund from Other Expenses category to the new Bayfront RV LLC Sewer Improvements (SWR0317) capital project.
- Transfer \$150,000 in expenses and \$1.4 million in revenues from the Trunk Sewer Capital Reserve to the Sewer Income Fund.
- Appropriate \$180,000 in expenses for a vehicle purchase and outfitting from available fund balance in the Public Facilities DIF Fund.
- Appropriate \$129,889 in revenues and expenses for the receipt of an insurance claim for 610 Bay Blvd within the Capital Improvements Projects 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 6 - Measure P

Citywide Infrastructure, Facilities and Equipment Expenditure Plan

1/2 cent Sales Tax Revenues over 10 year period

Summary Table as of 9/30/19

Total by Major Category	10-Year Timeframe	To Date Totals	Remaining Balance
REVENUES:			
Sales Tax Revenues	186,299,869	43,725,831	142,574,038
Investment Earnings	-	2,125,325	(2,125,325)
Miscellaneous	-	152,838	(152,838)
Total Revenues	\$ 186,299,869	\$ 46,003,994	\$ 140,295,875
EXPENDITURES:			
Fire Stations Repairs/Replacement	24,611,549	874,855	23,736,694
Fire Response Vehicles	19,847,580	6,005,069	13,842,511
Fire Safety Equipment	5,197,913	470,540	4,727,373
Total Fire Services	\$ 49,657,042	\$ 7,350,464	\$ 42,306,578
Police Response Vehicles	12,951,470	2,829,487	10,121,983
Public Safety Communication Systems	8,678,863	2,509,764	6,169,099
Police Facility Repairs	2,101,000	677,569	1,423,431
Police Equipment	611,145	173,166	437,979
Total Police Services	\$ 24,342,478	\$ 6,189,986	\$ 18,152,492
Streets	24,474,861	8,497,085	15,977,776
Other Public Infrastructure	14,154,295	5,022,826	9,131,469
Sports Fields and Courts	16,966,595	713,475	16,253,120
Non-Safety Vehicles	11,195,100	3,210,339	7,984,761
Recreation and Senior Centers	5,000,000	561,416	4,438,584
Civic Center and South Libraries	3,250,000	1,211,276	2,038,724
Other Public Facilities	6,036,000	1,176,613	4,859,387
Traffic Signal Systems	7,000,000	164,285	6,835,715
Park Infrastructure	10,307,740	1,391,162	8,916,578
Citywide Network Replacement	2,080,700	2,014,183	66,517
Citywide Telecommunications	2,155,602	1,797,647	357,955
Total Infrastructure	\$ 102,620,893	\$ 25,760,307	\$ 76,860,586
Total Proposed Allocations	\$ 176,620,413	\$ 39,300,757	\$ 137,319,656

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 5 - Measure A
Intended Public Safety Expenditure Plan
Phase I - Critical Needs
Summary Table as of 9/30/19

POLICE DEPARTMENT	FY 2020 Budget	As of 9/30/2019	Remaining Balance
REVENUES:			
Transfer In	9,133,000	3,101,699	6,031,301
Total Police Department Revenues	\$ 9,133,000	\$ 3,101,699	\$ 6,031,301
EXPENDITURES:			
Personnel Costs	3,489,182	788,230	2,700,952
Supplies & Services	310,327	305	310,022
Other Expenses	342,488	-	342,488
Other Capital	165,000	-	165,000
Total Police Department Expenditures	\$ 4,306,997	\$ 788,535	\$ 3,518,462
FIRE DEPARTMENT			
FY 2020 Budget			
As of 9/30/2019			
Remaining Balance			
REVENUES:			
Transfer In	9,133,000	3,101,699	6,031,301
Total Fire Department Revenues	\$ 9,133,000	\$ 3,101,699	\$ 6,031,301
EXPENDITURES:			
Personnel Costs	5,852,317	1,249,052	4,603,265
Supplies & Services	361,882	80	361,802
Other Expenses	342,488	-	342,488
Other Capital	-	127,060	(127,060)
Transfers Out	218,942	-	218,942
Total Fire Department Expenditures	\$ 6,775,629	\$ 1,376,192	\$ 5,399,437
Total Measure A Revenues	\$ 18,266,000	\$ 6,203,398	\$ 12,062,602
Total Measure A Expenditures	\$ 11,082,626	\$ 2,164,727	\$ 8,917,899

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 CIP

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 First Quarter Monitoring Report presents updates to revenue and expenditure projections as of September 30, 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 \$1.0 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 first quarter, leading to a net cost of approximately \$0.6 million to non-General Fund accounts. These costs are to be addressed with fund balances or revenues from current year services.

Approval of the proposed resolution would amend the Fiscal Year 2019/2020 CIP Program Budget by establishing a new CIP, SWR0371, "Bayfront RV LLC Sewer Improvements"; and appropriate \$390,000 from the available balance of the Sewer Income Fund to SWR0317.

ONGOING FISCAL IMPACT

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

ATTACHMENTS

1. FY2019 First Quarter Financial Report

Staff Contact: David Bilby, Finance Department