



**SAN FERNANDO CITY COUNCIL  
SPECIAL MEETING NOTICE AND AGENDA  
TUESDAY, FEBRUARY 17, 2015 – 4:30 PM  
CITY HALL - COMMUNITY MEETING ROOM  
117 MACNEIL STREET  
SAN FERNANDO, CA 91340**

**NOTICE IS HEREBY GIVEN** that the San Fernando City Council will hold a Special Meeting on **Tuesday, February 17, 2015, at 4:30 p.m.**, in the Community Meeting Room, located at 117 Macneil Street, San Fernando, California.

**CALL TO ORDER/ROLL CALL**

Mayor Sylvia Ballin  
Mayor Pro Tem Robert C. Gonzales  
Councilmember Jesse H. Avila  
Councilmember Joel Fajardo  
Councilmember Antonio Lopez

**PLEDGE OF ALLEGIANCE**

Mayor Ballin

**APPROVAL OF AGENDA**

**PUBLIC STATEMENTS – WRITTEN/ORAL**

There will be a three (3) minute limitation per each member of the audience who wishes to make comments in order to provide a full opportunity to every person who desires to address the City Council. Only matters contained in this notice may be considered.

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**RECESS TO CLOSED SESSION**

- A) CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(2) AND 54956.9(E)(1) - CONFERENCE WITH LEGAL COUNSEL TO DISCUSS FACTS AND CIRCUMSTANCES UNKNOWN TO POTENTIAL PLAINTIFF WHICH MAY GIVE RISE TO LITIGATION OR WHICH CREATE EXPOSURE TO LITIGATION  
One (1) matter
- B) CONFERENCE WITH LABOR NEGOTIATOR  
G.C. §54957.6  
Designated City Negotiator: Brian Saeki, City Manager

Employees and Employee Bargaining Units that are the Subject of Negotiation:

- San Fernando Management Group (SEIU, Local 721)
- San Fernando Public Employees' Association (SEIU, Local 721)
- San Fernando Police Officers Association
- San Fernando Police Officers Association Police Management Unit
- San Fernando Police Civilian Association (SEIU, Local 721)
- San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)
- All Unrepresented Employees

**RECONVENE/REPORT OUT FROM CLOSED SESSION****STUDY SESSION****1) CONSIDERATION OF FISCAL YEAR 2014-2015 MID-YEAR BUDGET REVIEW**

Recommend that the City Council:

- a. Review and discuss the FY 2014-2015 Mid-Year Budget Review report; and
- b. Adopt Resolution No. 7665 amending the City's FY 2014-2015 budget to include the proposed changes.

**ADJOURNMENT**

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*I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.*

*Elena G. Chávez, City Clerk*

*Signed and Posted: February 13, 2015 (9:00 a.m.)*

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*Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet Web site ([www.sfcity.org](http://www.sfcity.org)). These are also available for public reviewing prior to a meeting in the City Clerk's Office. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk's Office at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's Web Site at [www.sfcity.org](http://www.sfcity.org). In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk's Office at (818) 898-1204 at least 48 hours prior to the meeting.*

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# **Special Meeting San Fernando City Council**

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## AGENDA REPORT

**To:** Mayor Sylvia Ballin and Councilmembers

**From:** Brian Saeki, City Manager  
By: Nick Kimball, Finance Director

**Date:** February 17, 2015

**Subject:** Consideration of Fiscal Year 2014-2015 Mid-Year Budget Review

### **RECOMMENDATION:**

It is recommended that the City Council:

- a. Review and discuss the Fiscal Year (FY) 2014-2015 Mid-Year Budget Review report; and
- b. Adopt Resolution No. 7665, amending the City's FY 2014-2015 budget to include the proposed changes.

### **BACKGROUND:**

1. Pursuant to Section 2-647 of the City of San Fernando Municipal Code, a Notice of Public Hearing was published in the *Daily News* and the *San Fernando Valley Sun* newspapers on June 5, 2014 to notify interested parties and advise residents of the Public Hearing to adopt the FY 2014-2015 City Budget.
2. On June 16, 2014, the City Council adopted a Resolution approving the FY 2014-2015 City Budget.
3. Pursuant to the City's Adopted Budget Policy, the City Manager will present a Mid-Year Fiscal Review to City Council (typically between January and March). The purpose of the Mid-Year Review is to update City Council on the financial condition of the City and recommend adjustments to the City's Budget that have been identified subsequent to budget adoption.
4. In January and February 2015, the City Manager and Finance Department reviewed revenues and expenditures through December 31, 2014, met with various Departments to review proposed changes, and updated the General Fund's five-year forecast based on the proposed changes.

**Consideration of Fiscal Year 2014-2015 Mid-Year Budget Review**Page 2 of 6

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**ANALYSIS:**

The FY 2014-2015 Mid-Year Budget Review is an essential element in maintaining financial stability. It gives the City Council an opportunity to review the General Fund, make the needed course corrections to achieve a more accurate budget for the current fiscal year (resulting in greater budget transparency), and helps shape the development of the FY 2015-2016 Budget.

**Economic Outlook**

The economy has continued to improve at a slow and steady pace since the end of the recession. Nationally, Gross Domestic Product (GDP), which is a measure of productivity through output, has continued to expand. GDP growth has been broad-based, with consumer spending, business equipment production, manufacturing and nonresidential and residential construction all contributing to overall gains. The U.S. unemployment rate in December 2014 was 5.6%, which is the lowest since June 2008 and more closely resembles a “normal” unemployment rate.

California's economy has also experienced growth over the last few years. The State's unemployment rate in December 2014 was 7.0%, which is also the lowest since June 2008. The California housing market continues to send mixed signals as prices have seen significant increases, but numbers of sales have been somewhat disappointing. The median price for a home in the state is nearly 75% higher than it was at the bottom of 2009. Many of the distressed units that were driving significant price declines have largely worked through the system and foreclosures have dropped as a share of the sales mix. With traditional sales rising, interest rates remaining low, and loosening of lending restrictions by banks, price appreciation is expected to moderate toward levels that are more stable and in line with income and population growth.

Locally, residential and commercial development in San Fernando has been consistently increasing, especially over the last 6 to 12 months, as evidenced by strong sales tax, property tax, and construction permit receipts. Assessed property values have returned to their pre-recession levels and San Fernando is generating more sales tax per capita than surrounding cities, including Santa Clarita, Simi Valley, and Los Angeles. San Fernando's unemployment rate continues to decline; although at 7.6%, it is still slightly higher than Los Angeles County's rate of 7.5%. Overall, the outlook for San Fernando is strong and economic growth is expected to be slow and steady.

**General Fund**

The General Fund is the chief operating fund for the City. The FY 2014-2015 Budget was adopted with an annual deficit of approximately \$300,000 as there were a number of items still in flux, including the renegotiated Fire Services contract with the City of Los Angeles and the

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regional pool lease agreement with the County of Los Angeles, which had an undetermined financial impact at the time of adoption. Now that those items have been finalized, and the City has six months of supporting revenue and expenditure data, a number of items are proposed to be adjusted that will balance the FY 2014-2015 General Fund budget.

**Revenue Analysis**

Total adopted revenues for FY 2014-2015 were \$18,105,024 in General Fund, which represents a 2% decrease from FY 2013-2014. Due to the uncertainties surrounding the City's financial position during the FY 2014-2015 budget development process, revenue estimates were very conservative to protect against the need for additional cuts at mid-year. In the months between budget development and mid-year, the City's financial picture has greatly improved. Consequently, a number of revenue adjustments are being recommended to more accurately reflect actual expected receipts.

The net proposed revenue adjustments result in an increase of approximately \$590,000. The key changes are noted below:

1. Increase Sales Tax revenue by \$200,000;
2. Increase Transaction Tax (Measure A) revenue by \$200,000;
3. Increase Property Tax (Secured and Unsecured) revenue by \$150,000;
4. Increase Residual Property Tax revenue by \$150,000;
5. Increase Property Tax in Lieu of Motor Vehicle License Fees revenue by \$71,000;
6. Increase Sale of Property & Equipment revenue by \$35,000;
7. Increase Successor Agency Administrative Cost Allowance by \$40,000;
8. Decrease Rental Income revenue by a net of \$27,886;
9. Decrease Pool related revenue by \$128,500; and
10. Decrease CNG fueling station revenue by \$100,000.

Based on mid-year receipts and estimates by the City's revenue consultant, HdL Companies, all of the sales and property related taxes are projected to increase due to improving economic conditions.

Pool related revenues are projected to decrease by \$128,500 due to the operating lease agreement with the County of Los Angeles. Since the City is no longer responsible for the operations of the pool, it will no longer generate annual revenues. Additionally, revenue generated from sales at the City's CNG fueling station are projected to decrease by approximately \$100,000 due primarily to a drop in crude oil prices. As crude oil prices drop, the use of crude oil vehicles increases and the use of alternative fuel vehicles (e.g. CNG) decreases.

The net result of the proposed changes is an increase in General Fund revenue to \$18,694,638.

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**Expenditure Analysis**

Total adopted expenditures for FY 2014-2015 were \$18,397,816 in General Fund, which included approximately \$230,000 in capital expenditures. Department Heads were asked to review their respective budgets and submit adjustments to account for any operational changes that have been implemented since July 1<sup>st</sup>.

The net proposed expenditure adjustments result in an increase of approximately \$300,000. The key changes are noted below:

1. Increase Other Expense in Non-Departmental by \$70,000 to pay the state Board of Equalization for Measure A Implementation/Administrative costs;
2. Increase transfer to Self-Insurance Fund by \$300,000 to fund increased workers' compensation and claims costs;
3. Decrease transfer to Grant Fund by \$100,000 to reflect early retirement of General Fund's liability to the Grant Fund;
4. Increase transfer to Gas Tax Fund by \$44,000 to transfer to reimburse Gas Tax for a portion of the street sweeping contract;
5. Net increase in Police Department salary accounts by \$170,000 to appropriate earned accrual (e.g. unused vacation leave, sick leave, floating holiday, etc.) payout for separated employees;
6. Increase Public Works Capital equipment by \$6,500 to replace four (4) obsolete computers for staff; and
7. Net decrease in Recreation and Community Services expenditures by approximately \$200,000 due to leasing pool operations to the County of Los Angeles and reclassifying the Recreation and Community Services Manager to Recreation and Community Services Director.

The adjustments proposed in the General Fund are clean-up items to appropriate funds that were overlooked, unknown, or unexpected at the time of budget adoption. The net result of the proposed changes is an increase in General Fund expenditures to \$18,704,153.

**Other Funds**

In addition to adjustments to the General Fund, there are a number of other funds that require mid-year adjustments. Specifically, budget adjustments are being proposed in the Self Insurance Fund (SIF), Equipment Replacement Fund (ERF), Water and Sewer Funds, Quimby Fund, and Community Investment Fund.

Key changes in the proposed revenue adjustments in other funds are noted below:

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1. Increase Self Insurance revenue by \$360,000, which is comprised \$300,000 from the General Fund to establish a reserve and \$60,000 from the Water Fund to reimburse the SIF for property insurance premiums on the various well sites.
2. Increase Equipment Replacement Fund revenue by \$12,000 to account for sale of surplus police and public works vehicles.
3. Net increase in Water Fund revenues by \$500,000 based on year-to-date receipts and staff projection.
4. Net increase in Sewer Fund revenues by \$100,000 based on year-to-date receipts and staff projection.

Key changes in the proposed expenditure adjustments in other funds are noted below:

1. Increase Self Insurance claims expenses by \$350,000 due to higher than anticipated liability and workers' compensation claims costs.
2. Increase Equipment Replacement Fund expenses by \$10,000 to cover the cost to fully equip the new Police Interceptor vehicle. Expenses are offset by revenues from sale of surplus PD vehicles.
3. Increase operating expenses in the Water Fund by approximately \$380,000 to appropriate retirement costs for employees funded by the Water Fund.
4. Increase capital expenses in the Water Fund by \$1.3 million to carryover unspent FY 2013-2014 Capital Project funds for the Nitrate Removal System.
5. Increase operating expenses in the Sewer Fund by approximately \$33,000 to appropriate retirement costs for employees funded by the Sewer Fund.
6. Increase Quimby Fund expenses by \$36,000 to appropriate funds for the Rec Park Building improvement project. Quimby Funds are developer impact funds and must be spent on park and park related improvements within a specified period of time.
7. Appropriate \$20,000 in Community Investment Funds to reflect Councilmember contributions to community events. As required by the City's waste management franchise agreement, Community Investment Funds are set-aside to fund community events.

**BUDGET IMPACT:**

The proposed General Fund adjustments will reduce the General Fund's FY 2014-2015 budget deficit from \$300,000 to \$11,000. The proposed adjustments to the other funds are necessary to more accurately reflect financial activity in each respective fund, resulting in greater overall budget transparency.

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**CONCLUSION:**

Overall, the Mid-year Budget Review of the FY 2014-2015 is very positive. Many General Fund revenues are expected to outperform the original budget estimate and departments are holding the line on expenditures.

Additionally, the five year General Fund Financial Projection (Attachment "B") has been revised based on the mid-year adjustments. The Projection shows, if the City continues on the current course without any major bumps in the road, the General Fund deficit is projected to be eliminated in five (5) years.

**ATTACHMENTS:**

- A. Resolution No. 7665 with Exhibit A: Summary of FY 2014-2015 Proposed Mid-year Budget Adjustments
- B. Updated Five-Year General Fund Financial Projection

**ATTACHMENT "A"****RESOLUTION NO. 7665****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO AMENDING THE ADOPTED BUDGET FOR FISCAL YEAR 2014-2015**

**WHEREAS**, the City Council has received and considered the proposed adjustment to the budget for Fiscal Year 2015, commencing July 1, 2014, and ending June 30, 2015; and

**WHEREAS**, the City Council has determined that it is necessary to adjust the expenditures and revenues of the current City budget; and

**WHEREAS**, an annual budget for the City of San Fernando for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015, a copy of which is on file in the City Clerk's Office, was been adopted on June 16, 2014;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:**

**Section 1.** The City Council hereby amends the adopted Budget to adjust the expenditures and revenues as provided in Exhibit "A", attached hereto.

**PASSED, APPROVED, AND ADOPTED** this 17<sup>th</sup> day of February 2015.

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Sylvia Ballin, Mayor

**ATTEST:**

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Elena G. Chávez, City Clerk

**STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) ss  
CITY OF SAN FERNANDO )**

**I HEREBY CERTIFY** that the foregoing Resolution was approved and adopted at a regular meeting of the City Council held on the 17<sup>th</sup> day of February, 2015, by the following vote to wit:

AYES:

NOES:

ABSENT:

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Elena G. Chavez, City Clerk

**EXHIBIT "A"**
**GENERAL FUND**  
**FY 2014-2015 MID-YEAR BUDGET ADJUSTMENTS**

<b>TOTAL REVENUES</b>			<b>2015</b>			<b>Proposed</b>			<b>Proposed</b>				
<b>Fund</b>	<b>Acct.</b>	<b>REVENUE Account Title</b>	<b>Total Budget</b>			<b>Adjustment</b>			<b>Total</b>				
001 3210 0000		SALES AND USE TAXES	2,944	171	200,000				3,144	171	Based on YTD receipts and HdL projection		
001 3210 3201		TRANSACTION SALES TAX - 1/2 CENT	1,600	000	200,000				1,800	000	Based on YTD receipts and HdL projection		
001 3110 0000		PROPERTY TAXES	1,317	701	100,000				1,417	701	Based on YTD receipts and HdL projection		
001 3120 0000		UNSECURED PROPERTY TAXES	23	683	50,000				73	633	Based on YTD receipts and HdL projection		
001 3142 0000		RESIDUAL TAX REVENUE	150,000		150,000				300,000		Based on YTD receipts and staff projection		
001 3605 3110		PROP TAX IN LIEU OF MOTOR VHCL LIC FEES	2,009	253	71,000				2,080	253	Based on actual YTD receipts		
001 3910 0000		SALE OF PROPERTY & EQUIPMENT	1,000,000		35,000				1,035,000		Based on actual YTD receipts		
001 3520 0000		RENTAL INCOME	213	212	(27,886)				185	326	Loss of rent from two properties sold; Add USPSCU Revenue		
001 3731 0000		SWIMMING POOL AREA RENTAL FEES	15,000		(7,500)				7,500		Loss of revenue due to lease of pool to County		
001 3732 0000		UPSTAIRS BANQUET RENTAL AT REC PARK	20,000		(10,000)				10,000		Loss of revenue due to lease of pool to County		
001 3733 0000		SWIM TEAM FEES	134,652		(75,000)				59,652		Loss of revenue due to lease of pool to County		
001 3770 1338		SWIM LESSONS	53,285		(31,000)				22,285		Loss of revenue due to lease of pool to County		
001 3779 0000		SWIMMING POOL	20,000		(5,000)				15,000		Loss of revenue due to lease of pool to County		
001 3947 0000		SA ADMINISTRATIVE COST ALLOWANCE	180,000		40,000				220,000		Based on YTD receipts and staff projection		
001 3735 3661		CNG FUELING STATION	375,000		(100,000)				275,000		Reduction due to lower than anticipated fuel price:		
<i>Subtotal Revenue Adjustments</i>			<b>589,614</b>										
<b>TOTAL REVENUE W/ ADJUSTMENTS</b>			<b>18,694,638</b>										
<b>TOTAL EXPENDITURES</b>			<b>2015</b>			<b>Proposed</b>			<b>Proposed</b>				
<b>Fund</b>	<b>Div.</b>	<b>Proj. Acct.</b>	<b>EXPENDITURE Account Title</b>	<b>Total Budget</b>			<b>Adjustment</b>			<b>Total</b>			<b>Justification:</b>
001 101 0101		4370 S. BALLIN -MEETINGS MEMBERSHIPS & TRAVEL	3,220		(3,126)				94			94 Trnsfr to Div 424 for Tree Lighting	
001 115 0000		4103 WAGES-TEMPORARY & PART-TIME	-		8,250				8,250			Inc. approved by Council (Reso 7651), less \$750 for computer	
001 115 0000		4300 DEPARTMENT SUPPLIES	500		750				1,250			Computer for PT Dep. Clerk	
001 116 0000		4103 WAGES-TEMPORARY & PART-TIME	-		8,250				8,250			Inc. approved by Council (Reso 7651), less \$750 for computer	
001 116 0000		4300 DEPARTMENT SUPPLIES	500		750				1,250			Computer for PT Dep. Clerk	
<b>SUBTOTAL ADMINISTRATION</b>						<b>14,874</b>							
001 190 0000		4132 UNEMPLOYMENT INSURANCE	18,000		(10,000)				8,000			Transfer to Admin for PT Clerk (Reso 7651)	
001 190 0000		4450 OTHER EXPENSE	15,000		77,200				92,200			Pay BoE Admin costs for Measure A (\$70,000) and costs to relocate Treasurer's Office to Finance, to be offset by USP's Credit Union lease revenue (\$7,200)	
001 190 0000		4906 TRANSFER TO SELF-INSURANCE FND	100,000		300,000				400,000			Increase to address SIF shortfall	
001 190 0000		4910 TRANSFER TO GRANT FUND	100,000		(100,000)				-			Grant fund deficit already addressed. Transfer not necessary	
001 190 0000		4911 TRANSFER TO GAS TAX FUND	-		44,000				44,000			Return of disallowed Gas Tax funds transferred to Gen Fnd	
<b>SUBTOTAL FINANCE</b>						<b>311,200</b>							

**GENERAL FUND**  
**FY 2014-2015 MID-YEAR BUDGET ADJUSTMENTS**

<b>Fund</b>	<b>Div.</b>	<b>Proj.</b>	<b>Acct.</b>	<b>EXPENDITURE Account Title</b>	<b>2015 Total Budget</b>	<b>Proposed Adjustment</b>	<b>Proposed Total</b>	<b>Justification:</b>
001	222	0000	4101	SALARIES-PERMANENT EMPLOYEES	417,571	70,000	487,571	Appropriate earned accrual payout for separated employees
001	222	0000	4300	DEPARTMENT SUPPLIES	115,467	(1,900)	113,567	Transfer to cover laptops for EOC
001	250	0000	4300	DEPARTMENT SUPPLIES	-	1,900	1,900	Transfer to cover laptops for EOC
001	225	0000	4101	SALARIES-PERMANENT EMPLOYEES	2,734,025	100,000	2,834,025	Appropriate earned accrual payout for separated employees
001	225	0000	4101	SALARIES-PERMANENT EMPLOYEES	2,834,025	(100,000)	2,734,025	Transfer to cover add'l OT resulting from vacant positions
001	225	0000	4105	OVERTIME	2,734,025	100,000	2,834,025	Transfer to cover add'l OT resulting from vacant positions
<b>SUBTOTAL POLICE DEPARTMENT</b>				<b>170,000</b>				
001	310	0000	4270	PROFESSIONAL SERVICES	110,400	(3,680)	106,720	Trnsfr to 001-310-0000-4300/4370/4380/4450
001	310	0000	4300	DEPARTMENT SUPPLIES	5,550	1,253	6,803	Trnsfr from 001-310-0000-4270
001	310	0000	4370	MEETINGS, MEMBERSHIPS & TRAVEL	400	981	1,381	Trnsfr from 001-310-0000-4270
001	310	0000	4380	SUBSCRIPTIONS DUES & MMBRSHPNS	400	946	1,346	Trnsfr from 001-310-0000-4270
001	310	0000	4450	OTHER EXPENSE	1,400	500	1,900	Trnsfr from 001-310-0000-4270
001	310	0000	4500	CAPITAL EQUIPMENT	2,500	6,500	9,000	Replace 4 obsolete computers for staff
001	320	0000	4320	DEPARTMENT EQUIPMENT MAINTENANCE	1,080	(200)	880	Trnsfr to 001-390-0000-4300 for new ice machine
001	320	0000	4400	POLICE K-9 VEH. MAINT.	1,000	2,500	3,500	Trnsfr from 001-320-0028-4402
001	320	0228	4402	FUEL	7,903	(2,500)	5,403	Trnsfr to 001-320-0228-4400
001	320	0346	4400	STREET TREES VEH. MAINT.	1,500	1,000	2,500	Trnsfr from 001-320-0370-4400/4402
001	320	0370	4400	TRAFFIC SAFETY VEH. MAINT.	2,300	(500)	1,800	Trnsfr to 001-320-0346-4400
001	320	0370	4402	FUEL	7,660	(500)	7,160	Trnsfr to 001-320-0346-4400
001	341	0000	4210	UTILITIES	250	100	350	Trnsfr from 001-341-0000-3310
001	341	0000	4310	EQUIPMENT AND SUPPLIES	5,000	(100)	4,900	Trnsfr to 001-341-0000-4310
001	346	0000	4260	CONTRACTUAL SERVICES	93,692	2,000	95,692	Trnsfr from 001-346-0000-4430 cvr bee removal
001	346	0000	4310	EQUIPMENT AND SUPPLIES	500	500	1,000	Trnsfr from 001-346-0000-4430
001	346	0000	4430	ACTIVITIES AND PROGRAMS	4,000	(2,500)	1,500	Trnsfr to 001-346-0000-4260 for bee removal
001	346	0301	4300	PW MAINT. & REPAIR SUPPLIES	1,500	(700)	800	Trnsfr to 001-390-0000-4300 for new ice machine
001	370	0000	4300	DEPARTMENT EQUIPMENT MAINTENANCE	712	288	1,000	Trnsfr from 001-370-0000-4320 to cover cost of add'l supplies
001	370	0000	4320	DEPARTMENT EQUIPMENT MAINTENANCE	9,950	(288)	9,662	Trnsfr to 001-370-0000-4300
001	370	0301	4300	PW MAINT. & REPAIR SUPPLIES	7,488	(112)	7,376	Trnsfr to 001-390-0000-4300 for new ice machine
001	371	0301	4300	PW MAINT. & REPAIR SUPPLIES	5,750	(112)	5,638	Trnsfr to 001-390-0000-4300 for new ice machine
001	390	0310	4300	DEPARTMENT SUPPLIES	1,200	200	1,400	Trnsfr from 001-390-0456-4330
001	390	0410	4340	SMALL TOOLS	1,000	250	1,250	Trnsfr from 001-390-0456-4260
001	390	0456	4300	1211 1ST STREET LEASE	250	(250)	-	Trnsfr to 001-390-0410-4340 to cover cost of add'l costs
001	390	0456	4330	BLDG MAINT & REPAIRS	200	(200)	-	Trnsfr to 001-390-0310-4300 to cover cost of add'l costs
001	390	0000	4300	DEPARTMENT SUPPLIES	300	2,024	2,324	Trnsfr for new ice machine
001	390	0410	4330	BLDG MAINT & REPAIRS	19,000	(500)	18,500	Trnsfr to 001-390-0000-4300 for new ice machine
001	390	0450	4330	BLDG MAINT & REPAIRS	4,750	(400)	4,350	Trnsfr to 001-390-0000-4300 for new ice machine
<b>SUBTOTAL PUBLIC WORKS</b>				<b>6,500</b>				

**GENERAL FUND**  
**FY 2014-2015 MID-YEAR BUDGET ADJUSTMENTS**

<b>Fund</b>	<b>Div.</b>	<b>Proj.</b>	<b>Acct.</b>	<b>EXPENDITURE Account Title</b>	<b>2015</b>		<b>Proposed Total</b>	<b>Proposed Adjustment</b>	<b>Justification:</b>
					<b>Total Budget</b>	<b>Proposed Adjustment</b>			
001	420	0000	4101 SALARIES-PERMANENT EMPLOYEES		197,853	22,000	219,853		Reclass of Rec Manager to RCS Director
001	423	0000	4101 SALARIES-PERMANENT EMPLOYEES		-	50,000	50,000		Transfer of Rec Supervisor From Aquatics
001	424	1367	4260 CONTRACTUAL SERVICES		-	2,950	2,950		Trnsfr fr Div 101 for Tree Lighting (From S. Ballin)
001	424	1367	4300 TREE LIGHTING		-	176	176		Trnsfr fr Div 101 for Tree Lighting (From S. Ballin)
001	430	0000	4101 SALARIES-PERMANENT EMPLOYEES		73,188	(33,188)	40,000	Adjustment to reflect lease of pool to County	
001	430	0000	4103 WAGES-PERMANENT EMPLOYEES		205,000	(83,000)	122,000	Adjustment to reflect lease of pool to County	
001	430	0000	4105 OVERTIME		-	1,000	1,000	Adjustment to reflect lease of pool to County	
001	430	0000	4120 O.A.S.D.I.		20,871	(7,871)	13,000	Adjustment to reflect lease of pool to County	
001	430	0000	4126 HEALTH INSURANCE		14,661	(7,161)	7,500	Adjustment to reflect lease of pool to County	
001	430	0000	4128 DENTAL INSURANCE		357	(170)	187	Adjustment to reflect lease of pool to County	
001	430	0000	4136 OPTICAL INSURANCE		357	(170)	187	Adjustment to reflect lease of pool to County	
001	430	0000	4138 LIFE INSURANCE		108	(53)	55	Adjustment to reflect lease of pool to County	
001	430	0000	4210 UTILITIES		97,000	(66,500)	30,500	Adjustment to reflect lease of pool to County	
001	430	0000	4220 TELEPHONE		2,100	(1,300)	800	Adjustment to reflect lease of pool to County	
001	430	0000	4260 CONTRACTUAL SERVICES		60,000	(40,000)	20,000	Adjustment to reflect lease of pool to County	
001	430	0000	4300 DEPARTMENT SUPPLIES		59,000	(26,250)	32,750	Adjustment to reflect lease of pool to County	
001	430	0000	4330 BLDG MAINT & REPAIRS		3,000	(700)	2,300	Adjustment to reflect lease of pool to County	
001	430	0000	4500 ***CAPITAL EXPENSES***		6,000	(6,000)	-	Adjustment to reflect lease of pool to County	
<b>SUBTOTAL RECREATION &amp; COMMUNITY SERVICE</b>							<b>(196,237)</b>		
 <i>Subtotal Expenditure Adjustments</i>									
<b>TOTAL EXPENDITURES W/ ADJUSTMENTS</b>									
<b>TOTAL ADJUSTED GENERAL FUND SURPLUS(DEFICIT)</b>									
<b>(9,515)</b>									

*Subtotal Expenditure Adjustments*

306,337

**TOTAL EXPENDITURES W/ ADJUSTMENTS**

18,704,153

**TOTAL ADJUSTED GENERAL FUND SURPLUS(DEFICIT)**

(9,515)

**INTERNAL SERVICE FUNDS**  
**FY 2014-2015 MID-YEAR BUDGET ADJUSTMENTS**

**SELF INSURANCE FUND**

TOTAL REVENUES			2015			2015		
Fund	Acct.	Proj.	REVENUE	Total Budget	Proposed Adjustment	Proposed Total	Proposed	Justification:
006	3970	0000	TRANSFER FROM GENERAL FUND	100,000	300,000	400,000	400,000	Increase needed to address SIF shortfall
006	3995	0000	TRANSFER FROM WATER FUND	-	59,054	59,054	59,054	Property Ins. Premium for Water sites
<b>TOTAL REVENUE W/ ADJUSTMENTS</b>								<b>1,656,050</b>

TOTAL EXPENDITURES			2015			2015		
Fund	Div.	Proj. Acct.	EXPENDITURE	Total Budget	Proposed Adjustment	Proposed Total	Proposed	Justification:
006	190	0000	4240 INSURANCE AND SURETY	-	300,000	300,000	300,000	Transfr from Liability/Work Comp Ins. for Property Insurance
006	190	0000	4800 LIABILITY INSURANCE CLAIMS	350,000	150,000	500,000	500,000	Increase based on YTD expenses and staff estimate
006	190	0000	4810 WORKER'S COMP CLAIMS	350,000	150,000	500,000	500,000	Increase based on YTD expenses and staff estimate
006	190	0000	4830 LIABILITY INS REQUIREMENTS	670,000	(250,000)	420,000	420,000	Transfr to Property Insurance account
<b>TOTAL EXPENDITURES W/ ADJUSTMENTS</b>								<b>1,736,852</b>
<b>TOTAL ADJUSTED SELF INSURANCE FUND SURPLUS(DEFICIT)</b>								<b>(80,802)</b>

**EQUIPMENT REPLACEMENT FUND**

TOTAL REVENUES			2015			2015		
Fund	Acct.	Proj.	REVENUE	Total Budget	Proposed Adjustment	Proposed Total	Proposed	Justification:
041	3910	0000	SALE OF PROPERTY AND EQUIPMENT	-	12,000	12,000	12,000	Appropriate revenue from sale of surplus vehicles
<b>TOTAL REVENUE W/ ADJUSTMENTS</b>								<b>52,000</b>

TOTAL EXPENDITURES			2015			2015		
Fund	Div.	Proj. Acct.	EXPENDITURE	Total Budget	Proposed Adjustment	Proposed Total	Proposed	Justification:
041	225	0000	4500 CAPITAL EXPENSES	40,000	10,000	50,000	50,000	Appropriate revenue from sale of surplus PD vehicle to equip new PD Interceptor.
<b>TOTAL EXPENDITURES W/ ADJUSTMENTS</b>								<b>50,000</b>

**TOTAL ADJUSTED EQUIPMENT REPLACEMENT FUND SURPLUS(DEFICIT)**

**2,000**

**ENTERPRISE FUNDS**  
**FY 2014-2015 MID-YEAR BUDGET ADJUSTMENTS**

**WATER FUND**

<b>TOTAL REVENUES</b>			<b>3,121,526</b>		
<b>Fund</b>	<b>Acct.</b>	<b>REVENUE Account Title</b>	<b>2015 Total Budget</b>	<b>Proposed Adjustment</b>	<b>Proposed Total</b>
070	3810 0000	SALE OF WATER	2,784,526	575,000	3,359,526
070	3840 0000	CAPITAL FACILITY CHARGES	102,000	(75,000)	27,000
<b>TOTAL REVENUE W/ ADJUSTMENTS</b>			<b>500,000</b>		

<b>TOTAL REVENUE W/ ADJUSTMENTS</b>			<b>3,621,526</b>		
<b>Fund</b>	<b>Div.</b>	<b>Proj. Acct.</b>	<b>2015 Total Budget</b>	<b>Proposed Adjustment</b>	<b>Proposed Total</b>

<b>OPERATING EXPENDITURES</b>			<b>3,387,333</b>		
<b>Fund</b>	<b>Div.</b>	<b>EXPENDITURE Account Title</b>	<b>2015 Total Budget</b>	<b>Proposed Adjustment</b>	<b>Proposed Total</b>
070	***	0000 4124 RETIREMENT	-	241,000	241,000
070	***	0000 4127 RETIRED EMP. HEALTH INS.	-	70,000	70,000
070	382	0000 4300 DEPARTMENT SUPPLIES	10,000	7,000	17,000
070	382	0000 4320 DEPARTMENT EQUIPMENT MAINT	12,000	6,000	18,000
070	382	0000 4400 VEHICLE OPERATION & MAINT	875	1,500	2,375
070	382	0000 4402 FUEL	6,340	(1,500)	4,840
070	384	0000 4260 CONTRACTUAL SERVICES	351,428	(10,000)	341,428
				Maint \$2500	
070	384	0000 4320 DEPARTMENT EQUIPMENT MAINT	11,500	2,500	14,000
070	384	0000 4400 VEHICLE OPERATION & MAINT	1,150	3,000	4,150
070	381	0000 4906 TRANSFER TO SELF INSURANCE FUND	-	59,054	59,054
				Reimburse SIF for Property Insurance	
<b>TOTAL OPERATING EXPENDITURES W/ ADJUSTMENTS</b>			<b>3,765,887</b>		
<b>TOTAL ADJUSTED OPERATING WATER FUND SURPLUS(DEFICIT)</b>			<b>(144,361)</b>		

<b>TOTAL ADJUSTED OPERATING WATER FUND SURPLUS(DEFICIT)</b>			<b>(144,361)</b>		
<b>Fund</b>	<b>Div.</b>	<b>CAPITAL EXPENDITURE Account Title</b>	<b>2015 Total Budget</b>	<b>Proposed Adjustment</b>	<b>Proposed Total</b>

<b>CAPITAL EXPENDITURES</b>			<b>1,371,322</b>		
<b>Fund</b>	<b>Div.</b>	<b>CAPITAL EXPENDITURE Account Title</b>	<b>2015 Total Budget</b>	<b>Proposed Adjustment</b>	<b>Proposed Total</b>
070	384	0000 4500 CAPITAL EQUIPMENT	-	7,500	7,500
070	384	0857 4600 NITRATE REMOVAL SYSTEM	-	1,283,630	1,283,630
<b>TOTAL CAPITAL EXPENDITURES W/ ADJUSTMENTS</b>			<b>1,291,130</b>		
<b>TOTAL CAPITAL EXPENDITURES W/ ADJUSTMENTS</b>			<b>2,662,452</b>		

<b>Justification:</b>		
070	384	0000 4500 CAPITAL EQUIPMENT
070	384	0857 4600 NITRATE REMOVAL SYSTEM

<b>Justification:</b>		
070	384	0000 4500 CAPITAL EQUIPMENT
070	384	0857 4600 NITRATE REMOVAL SYSTEM

**ENTERPRISE FUNDS**  
**FY 2014-2015 MID-YEAR BUDGET ADJUSTMENTS**

**SEWER FUND**

		TOTAL REVENUE			3,088,575		
Fund	Acct.	Proj.	Revenue Account Title	2015 Total Budget	Proposed Adjustment	Proposed Total	Justification:
072	3745	0000	SEWER SERVICE CHARGES	2,882,575	200,000	3,082,575	Based on YTD receipts and staff projection
072	3840	0000	CAPITAL FACILITY CHARGES	143,000	(100,000)	43,000	Based on YTD receipts and staff projection
				100,000			
			<b>TOTAL REVENUE W/ ADJUSTMENTS</b>	<b>3,188,575</b>			

		TOTAL EXPENDITURES			3,222,012		
Fund	Div.	Proj.	Acct.	Expenditure Account Title	2015 Total Budget	Proposed Adjustment	Proposed Total
072	***	0000	4124	RETIREMENT	-	100,000	100,000
072	***	0000	4127	RETIR ED EMP. HEALTH INS.	-	18,000	18,000
					118,000		
			<b>TOTAL EXPENDITURES W/ ADJUSTMENTS</b>	<b>3,340,012</b>			
			<b>TOTAL ADJUSTED SEWER FUND SURPLUS(DEFICIT)</b>	<b>(151,437)</b>			

		CAPITAL EXPENDITURES			1,533,000		
Fund	Div.	Proj.	Acct.	Capital Expenditure Account Title	2015 Total Budget	Proposed Adjustment	Proposed Total
				NA - No Proposed Capital Adjustments	-	-	-
			<b>TOTAL CAPITAL EXPENDITURES W/ ADJUSTMENTS</b>	<b>1,533,000</b>			

## **SPECIAL REVENUE FUNDS FY 2014-2015 MID-YEAR BUDGET ADJUSTMENTS**

QUIMBY FUND						
TOTAL REVENUES		REVENUE Account Title	2015 Total Budget	Proposed Adjustment	Proposed Total	Justification:
Fund	Acct.	Proj.				
019	3*** ***	No Revenue Adjustments	-	-	-	
<b>TOTAL REVENUE W/ ADJUSTMENTS</b>						
TOTAL EXPENDITURES		EXPENDITURE Account Title	2015 Total Budget	Proposed Adjustment	Proposed Total	Justification:
Fund	Div.	Proj.	Acct.			
019	423	0201	4500 RECREATION PARK	-	36,000	36,000 Improvements to Rec. Park Building and MPR
				36,000		
<b>TOTAL EXPENDITURES W/ ADJUSTMENTS</b>			<b>36,000</b>			
<b>TOTAL ADJUSTED QUIMBY FUND SURPLUS(DEFICIT)</b>			(36,000)			
<b>COMMUNITY INVESTMENT FUND</b>						
TOTAL REVENUES		REVENUE Account Title	2015 Total Budget	Proposed Adjustment	Proposed Total	Justification:
Fund	Acct.	Proj.				
			N/A - REVENUE ALREADY APPROPRIATED	-	-	
<b>TOTAL REVENUE W/ ADJUSTMENTS</b>			<b>10,000</b>			
TOTAL EXPENDITURES		EXPENDITURE Account Title	2015 Total Budget	Proposed Adjustment	Proposed Total	Justification:
Fund	Div.	Proj.	Acct.			
053	101	0101	4430 S. BALLIN	-	3,000	3,000 Carryover \$2,000 from FY 13-14 plus \$2,000 for FY 14-15; less \$1,000 to 5K Race
053	101	0109	4430 A. LOPEZ	-	2,000	2,000 Carryover \$2,000 from FY 13-14 plus \$2,000 for FY 14-15; less \$2,000 to 5K Race
053	101	0111	4430 R. GONZALEZ	-	2,000	2,000 Carryover \$2,000 from FY 13-14 plus \$2,000 for FY 14-15; less \$2,000 to 5K Race
053	101	0103	4430 J. FAJARDO	-	4,000	4,000 Carryover \$2,000 from FY 13-14 plus \$2,000 for FY 14-15
053	101	0113	4430 J. AVILA	-	4,000	4,000 Carryover \$2,000 from FY 13-14 plus \$2,000 for FY 14-15
053	194	1395	4260 CONTRACTUAL SERVICES	-	2,000	2,000 5K Race expenditures
053	194	1395	4300 DEPARTMENT SUPPLIES	-	3,000	3,000 5K Race expenditures
<b>TOTAL EXPENDITURES W/ ADJUSTMENTS</b>			<b>20,000</b>			
<b>TOTAL ADJUSTED COMMUNITY INVESTMENT FUND SURPLUS(DEFICIT)</b>			(10,000)			

**ATTACHMENT "B"**

**FIVE-YEAR GENERAL FUND FINANCIAL PROJECTION**  
**SUMMARY REVENUES AND EXPENDITURES DATA**  
as of 12/31/2014

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budget 2014-15	Estimate 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20
<b>REVENUES</b>										
Property Taxes	1,412,861	1,993,288	2,715,153	1,938,309	2,238,309	2,220,586	2,264,318	2,308,924	2,354,423	2,400,831
Sales Tax	3,153,155	3,687,386	4,043,947	4,125,517	4,325,517	4,579,220	4,784,597	4,928,134	5,075,979	5,228,258
Franchise Fees	307,119	297,319	409,176	541,250	541,250	560,055	566,056	572,177	578,421	584,789
Other Taxes	3,934,870	3,923,837	3,990,338	3,965,821	4,036,821	4,299,213	4,379,170	4,461,093	4,545,035	4,631,045
Licenses and Permits	299,465	278,696	389,237	317,500	317,500	322,466	328,915	335,494	342,203	349,048
Fines and Forfeitures	831,983	643,363	560,920	511,100	511,100	678,739	692,314	706,160	720,283	734,689
Use of Money & Property	245,487	284,162	372,947	315,332	269,946	120,500	121,100	121,718	122,355	123,010
Fees and Charges	1,042,572	1,337,223	1,516,844	1,329,639	1,118,639	1,058,130	1,079,293	1,100,879	1,122,896	1,145,354
Miscellaneous Revenue	451,990	229,330	218,270	260,762	260,762	284,406	289,594	294,886	300,284	305,790
Cost Allocation Revenue	1,417,165	1,173,341	1,456,653	1,217,321	1,257,321	1,424,416	1,447,904	1,471,862	1,496,299	1,521,225
Transfers In	3,671,955	3,238,164	972,685	982,473	982,473	812,687	828,340	844,307	860,593	877,205
<b>Operating Revenue</b>	<b>16,788,621</b>	<b>17,086,108</b>	<b>16,646,169</b>	<b>15,505,024</b>	<b>15,859,638</b>	<b>16,360,418</b>	<b>16,781,600</b>	<b>17,145,635</b>	<b>17,518,770</b>	<b>17,901,244</b>
Transaction Tax (Measure A)	-	-	1,286,012	1,600,000	1,800,000	1,854,000	1,909,620	1,966,909	2,025,916	2,086,693
Sale of Property	120,000	-	16,631	1,000,000	1,035,000	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-	-	-	-
<b>One-time Revenue</b>	<b>120,000</b>	<b>-</b>	<b>1,302,643</b>	<b>2,600,000</b>	<b>2,835,000</b>	<b>1,854,000</b>	<b>1,909,620</b>	<b>1,966,909</b>	<b>2,025,916</b>	<b>2,086,693</b>
<b>TOTAL REVENUE</b>	<b>16,888,621</b>	<b>17,086,108</b>	<b>17,948,812</b>	<b>18,105,024</b>	<b>18,694,638</b>	<b>18,214,418</b>	<b>18,691,220</b>	<b>19,112,543</b>	<b>19,544,686</b>	<b>19,987,938</b>
<b>EXPENDITURES</b>										
Personnel Expenses	10,889,182	10,881,995	10,041,271	10,870,917	10,988,804	10,860,558	11,083,359	11,365,056	11,637,657	11,912,362
Operating Expense	6,179,725	6,134,837	5,160,085	6,125,195	6,069,145	5,850,591	5,967,603	6,086,955	6,208,694	6,332,868
Capital Outlay	26,027	98,572	81,354	233,750	234,250	25,000	25,000	25,000	25,000	25,000
Transfers to Other Funds	200,000	200,000	112,413	378,929	622,929	-	-	200,000	200,000	200,000
<b>Operating Expenditures</b>	<b>17,304,934</b>	<b>17,315,404</b>	<b>15,395,123</b>	<b>17,608,791</b>	<b>17,915,128</b>	<b>16,736,148</b>	<b>17,075,961</b>	<b>17,477,010</b>	<b>17,871,351</b>	<b>18,270,230</b>
Debt Reduction	3,034	-	94,787	789,025	789,025	-	-	-	-	-
Transfer to Equipment Replacement	-	-	-	-	-	150,000	150,000	150,000	150,000	150,000
Transfer to SIF	-	-	-	-	-	170,000	170,000	170,000	170,000	170,000
Capital Improvement	-	-	-	-	-	200,000	200,000	200,000	200,000	200,000
Other	198,118	280,974	6,405,755	-	-	-	-	-	-	-
<b>One-time Expenditures</b>	<b>201,152</b>	<b>280,974</b>	<b>6,500,542</b>	<b>789,025</b>	<b>789,025</b>	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>	<b>520,000</b>
<b>TOTAL EXPENDITURE</b>	<b>17,506,087</b>	<b>17,596,378</b>	<b>21,895,665</b>	<b>18,397,816</b>	<b>18,704,153</b>	<b>17,256,148</b>	<b>17,595,961</b>	<b>17,997,010</b>	<b>18,391,351</b>	<b>18,790,230</b>
Operating Surplus(Deficit)	(536,313)	(229,296)	1,251,046	(2,103,767)	(2,055,490)	(375,731)	(294,361)	(331,376)	(352,581)	(368,986)
<b>Total Surplus(Deficit)</b>	<b>(617,465)</b>	<b>(510,270)</b>	<b>(3,946,853)</b>	<b>(292,792)</b>	<b>(9,515)</b>	<b>958,269</b>	<b>1,095,259</b>	<b>1,115,533</b>	<b>1,153,335</b>	<b>1,197,708</b>

**FIVE-YEAR GENERAL FUND FINANCIAL PROJECTION**  
**SUMMARY REVENUES AND EXPENDITURES DATA**  
as of 12/31/2014

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Budget 2014-15	Estimate 2014-15	Projected 2015-16	Projected 2016-17	Projected 2017-18	Projected 2018-19	Projected 2019-20
<b>Beginning Fund Balance</b>	(619,317)	(1,236,782)	(1,747,053)	(5,693,906)	(5,693,906)	(5,703,421)	(4,745,152)	(3,649,892)	(2,534,359)	(1,381,024)
<b>Ending Fund Balance</b>	(1,236,782)	(1,747,053)	(5,693,906)	(5,986,698)	(5,703,421)	(4,745,152)	(3,649,892)	(2,534,359)	(1,381,024)	(183,316)
<b>Reserve %</b>	-7%	-10%	-37%	-34%	-32%	-28%	-21%	-21%	-8%	-1%