

City of Piedmont
COUNCIL AGENDA REPORT

DATE: March 19, 2018

TO: Mayor and Council

FROM: Paul Benoit, City Administrator

SUBJECT: Midyear Fiscal Report for FY 2017-18

RECOMMENDATION

No action required. This report is provided for information only.

BACKGROUND

The City Council-approved City of Piedmont FY 2017-18 Budget is the annual fiscal outline, resource allocation, and expenditure plan that guides and ensures implementation of City programs and Council operating policies. The budget implements the vision and direction for the broad range of services meeting the needs of the community in accordance with City operations and priorities.

The annual Midyear Fiscal Report analyzes and examines the financial condition of the City budget at the mid-point of the fiscal year. This analysis measures the conformity of all revenues and expenditures from July 1, 2017 through December 31, 2017 to the adopted FY 2017-18 budget.

The adopted Budget incorporates the estimated revenues, planned expenditures, and transfers for all funds. This Midyear Fiscal Report focuses on the General Fund and the Capital Projects Funds. Fund Balance Summaries and Revenue Analysis for Other Funds are included in this report.

Midyear FY 2017-18 General Fund Summary

The General Fund finances the basic municipal services provided by the City. General Fund revenues are budgeted at \$25.5 million (plus Operating Transfers-In of \$1.1 million, primarily from the Sewer and Gas Tax funds). General Fund expenditures are budgeted at \$23.8 million (plus Transfers-Out of \$2.7 million, primarily to the Facilities Maintenance, Equipment Replacement, and the Pension Side funds).

Based on current trends and known expense variances, we are projecting General Fund revenues to exceed budget by approximately \$1.7 million and expenses to exceed budget by approximately \$0.6 million. The increase in revenue is primarily due to favorable trends in property tax and transfer tax receipts, as well as revenue received from Cal-OES related to mutual aid agreements for assistance in battling the season's wildfires throughout California. The increase in expenditures is primarily due to salary and wage adjustments negotiated with the various unions. It should also be noted that through the negotiation process the City was successful in obtaining a reduction in the benefit level of our existing

retiree medical program (OPEB), which translates into significantly lower long term costs, with savings estimated at approximately \$6.6 million over the next 15 years.

General Fund Revenues

Total General Fund revenue through December 31, 2017 was \$13.4 million, which is 52% of the annual revenue budget. Total General Fund revenues at midyear increased 12% as compared to the first six-months of the previous fiscal year, FY 2016-17.

We are projecting General Fund Revenues to be \$27.2 million for FY 2017-18, an increase of approximately \$1.7 million as compared to the budget. The increase is summarized as follows:

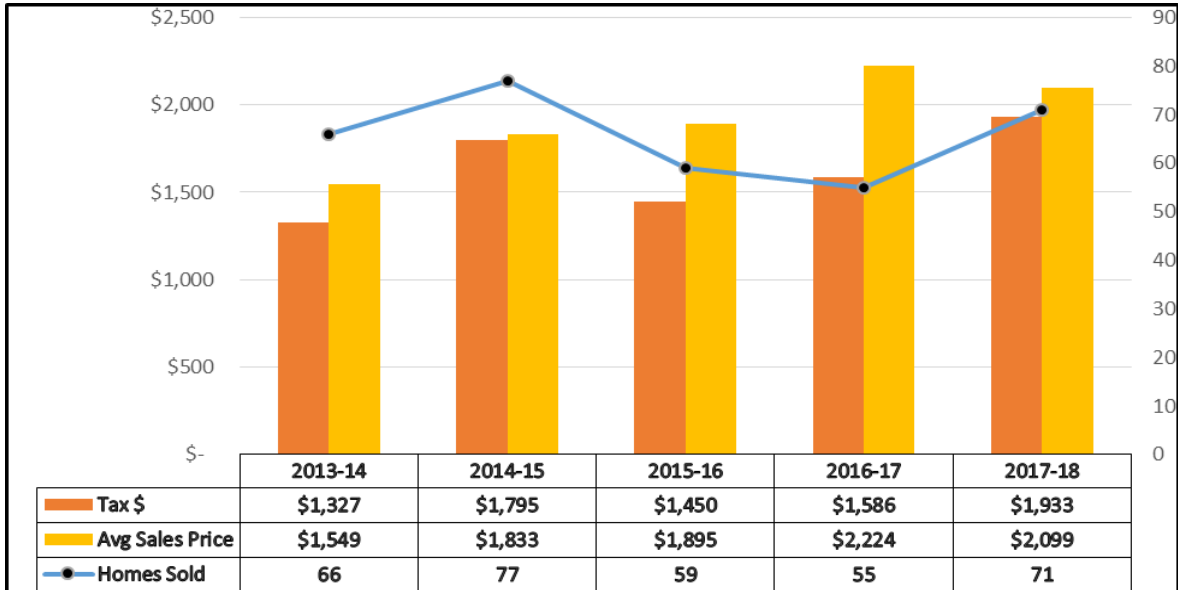
| Category | Annual Revenue 2017-18 (000's) | | |
|---------------------------|-----------------------------------|------------------|-----------------|
| | Budget | Projected | Variance |
| Property Tax | \$ 12,580 | \$ 13,194 | \$ 614 |
| Transfer Tax | 2,800 | 3,200 | 400 |
| Strike Team Revenue | - | 475 | 475 |
| Motor Vehicle License Fee | 1,100 | 1,222 | 122 |
| Interest | 29 | 91 | 62 |
| All Other | 9,000 | 9,011 | 11 |
| | \$ 25,509 | \$ 27,193 | \$ 1,684 |

The major revenue categories (property tax, parcel tax, and transfer tax) which account for 69% of the General Fund budgeted revenue are discussed below:

- We have received property tax revenues of \$6.8 million through December 31, 2017 which is 54% of the annual budget of \$12.6 million. This is 6% higher than the amount received in the same period last year. Based on the total expected secured and unsecured property taxes as communicated to us by Alameda County, and an increase in supplemental property taxes based on the rise in transfer tax collected, we are projecting total property tax revenue to be approximately \$13.2 million, which is \$0.6 million, or 5%, higher than the adopted budget.
- Parcel tax revenue received through December 31, 2017 was \$1.1 million, which is 50% of the annual budget. This revenue increased \$0.2 million, or 26%, as compared to the same period last year. We expect parcel tax revenue to be in line with budget for the year.
- Real property transfer tax revenue received through December 31, 2017 was \$1.9 million, which is 69% of the annual budget of \$2.8 million, and 22% higher than was received in the same period last year. The increase was due to a jump in the number homes sold, 71 homes sold compared to 55 in the same period last year, an increase of 29%. However, the average sale price declined approximately 6% to \$2.1 million this year. Due to the volatile nature of this

revenue, we are projecting annual transfer tax revenue of \$3.2 million, an increase of \$0.4 million over budget.

Transfer Tax - Six Months ending December 31
(000's except homes sold)



Other revenue categories to note are:

“Revenue from Other Agencies” totaled \$0.9 million in the first six-months of FY 2017-18 as compared to \$0.6 million in the same period last year. The increase is due primarily to revenue received from Cal-OES related to mutual aid agreements for assistance in battling the season’s wildfires (strike teams) and increased Motor Vehicle License fees collected. Total “Revenue from Other Agencies” in FY 2017-18 is estimated at \$1.9 million, an increase of \$0.6 million over the budget, due to the revenue expected for the Fire Department strike teams (\$0.5 million) and increased Motor Vehicle License fees (\$0.1 million).

General Fund Expenditures

General Fund expenditures are budgeted at \$23.8 million (not including Transfers-Out of \$2.7 million). At midyear expenditures totaled \$11.9 million which accounts for 50% of the budgeted total for FY 2017-18. Total estimated expenditures for FY 2016-17 are \$24.4 million, or \$0.6 million (2%) over budget. The following table compares budget and projected expenditures for the full fiscal year:

General Fund Expenditures
(000's)

| Category | Budget | % of Total | Projected | Variance |
|--------------------------|------------------|---------------|------------------|-----------------|
| Personnel Costs | \$ 16,810 | 71% | \$ 17,485 | \$ (675) |
| Maintenance & Operations | 5,309 | 22% | 5,309 | - |
| Capital Outlay | 19 | 0% | 19 | - |
| Non-Departmental | 1,698 | 7% | 1,549 | 149 |
| Total | \$ 23,836 | 100% | \$ 24,362 | \$ (526) |

Personnel related costs, the largest expenditure component of the General Fund representing 71% of the total expenditure budget, are estimated at \$17.5 million, an increase of \$0.7 million over budget. The variance is due in part to compensation increases related to the newly negotiated MOU's. The increase consisted of salary adjustments granted to bring employees closer to 3% of the median pay for comparable cities, 3% annual cost of living increases (COLA), and one-time annual payments to Tier 1 employees designed to result in a net pay increase given the estimated increases in pension cost sharing. The adjustments were negotiated in recognition that over the past several years employee pay had actually declined due to increases in benefit cost sharing which exceeded their cost of living adjustments. In addition, overtime incurred by the Fire Department is estimated to be \$0.4 million over budget. The increase is primarily driven by our participation in wildfire strike teams across the state. This amount will be more than offset by revenue received from the deployment of the strike teams (\$0.5 million). Lastly, we are estimating insurance costs, liability and workmen's compensation, will exceed budget by \$83 thousand due to higher than budgeted insurance premiums.

In summary, we estimate positive General Fund operating net income (excluding capital transfers) of \$2.4 million and an ending General Fund Balance of \$5.9 million after capital transfers which is 24% of total expenditures. The General Fund remains in a sound position, with revenues exceeding expenses. This is the result of conservative budgeting and prudent management of day to day operations. This approach to budget management and resident support for the recent increase in the Parcel Tax are positioning the City to make long needed investments to address a backlog in facilities maintenance, invest in bringing our technology systems to a modern standard, and address our pension liabilities.

**CITY OF PIEDMONT
GENERAL FUND ANALYSIS
2013-14 to 2017-18
(000's)**

| | Actual | | | | BUDGET | Projected | Variance | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2017-18 | \$ | % |
| General Fund Beginning Balance | \$ 4,198 | \$ 4,490 | \$ 4,618 | \$ 4,718 | \$ 4,488 | \$ 4,689 | \$ 200 | 4% |
| Revenues | | | | | | | | |
| Property Taxes | 10,149 | 10,846 | 11,923 | 12,512 | 12,580 | 13,194 | 614 | 5% |
| Real Property Transfer Tax | 4,001 | 3,901 | 3,118 | 3,522 | 2,800 | 3,200 | 400 | 14% |
| Parcel Tax | 1,606 | 1,647 | 1,629 | 1,746 | 2,192 | 2,198 | 5 | 0% |
| Other Taxes and Franchises | 2,361 | 2,359 | 2,384 | 2,474 | 2,230 | 2,230 | - | 0% |
| License and Permits | 474 | 517 | 585 | 577 | 449 | 449 | - | 0% |
| Revenue from Use of Money or Property | 425 | 548 | 529 | 616 | 580 | 642 | 62 | 11% |
| Revenue from Other Agencies | 1,295 | 1,477 | 1,525 | 1,699 | 1,418 | 2,011 | 593 | 42% |
| Charges for Current Services | 2,772 | 2,870 | 3,155 | 3,342 | 3,185 | 3,185 | - | 0% |
| Other Revenue | 126 | 140 | 1,201 | 169 | 75 | 85 | 10 | 13% |
| | 23,208 | 24,304 | 26,050 | 26,657 | 25,509 | 27,193 | 1,684 | 7% |
| Operating Transfers in | | | | | | | | |
| Sewer Fund Reimbursement | 900 | 780 | 724 | 728 | 745 | 745 | - | 0% |
| Traffic Safety Fund Reimbursement | 60 | - | 50 | 50 | 50 | 50 | - | 0% |
| EECBG Reimbursement | - | 5 | - | - | - | - | - | N/A |
| Schoolmates Fund Reimbursement | - | 46 | 47 | 49 | - | - | - | N/A |
| Private Contribution Fund | - | 3 | 36 | 1 | 5 | 5 | - | 0% |
| Gas Tax Supplement | 300 | 320 | 250 | 250 | 300 | 300 | - | 0% |
| COPS | - | 9 | 7 | 6 | - | - | - | N/A |
| Urban County CDBG | 30 | - | - | - | - | - | - | N/A |
| Measure D Reimbursement | 14 | 18 | 38 | 25 | 17 | 17 | - | 0% |
| | 1,304 | 1,182 | 1,152 | 1,109 | 1,117 | 1,117 | - | 0% |
| Total Income | 24,512 | 25,486 | 27,202 | 27,767 | 26,626 | 28,310 | 1,684 | 6% |
| Departmental Expenditures | | | | | | | | |
| Administration | 2,465 | 2,239 | 2,271 | 2,528 | 2,859 | 2,866 | (6) | 0% |
| Public Works | 4,145 | 3,929 | 3,896 | 4,161 | 4,301 | 4,364 | (62) | -1% |
| Recreation | 2,440 | 2,331 | 2,605 | 2,770 | 2,959 | 2,959 | - | 0% |
| Police | 5,225 | 5,531 | 5,517 | 5,757 | 6,288 | 6,487 | (199) | -3% |
| Fire | 4,957 | 4,989 | 5,327 | 5,441 | 5,711 | 6,119 | (408) | -7% |
| | 19,232 | 19,019 | 19,616 | 20,656 | 22,119 | 22,794 | (676) | -3% |
| Non Departmental Expenditures | | | | | | | | |
| Library \ UI \ Other | 355 | 446 | 363 | 359 | 370 | 370 | - | 0% |
| Liability Insurance | 410 | 425 | 444 | 435 | 444 | 520 | (76) | -17% |
| Workers Compensation | 525 | 1,127 | 572 | 555 | 572 | 579 | (7) | -1% |
| Pension rate stabilization | | | | 2,000 | - | - | - | N/A |
| OPEB | 917 | 914 | 776 | 312 | 312 | 80 | 232 | 74% |
| | 2,207 | 2,912 | 2,156 | 3,661 | 1,698 | 1,549 | 149 | 9% |
| Operating Capital Outlay | 82 | 22 | 9 | 2 | 19 | 19 | - | 0% |
| Operating Transfers-out | | | | | | | | |
| Aquatics | 160 | 120 | - | 130 | 130 | 130 | - | 0% |
| 2014 Pension Obligation Fund | 101 | 1,232 | 1,338 | 1,347 | 1,388 | 1,388 | - | 0% |
| | 261 | 1,352 | 1,338 | 1,477 | 1,518 | 1,518 | - | 0% |
| Total Expenditures and Transfers-out | 21,782 | 23,305 | 23,119 | 25,796 | 25,354 | 25,881 | (527) | -2% |
| Operating Net Income | 2,730 | 2,182 | 4,083 | 1,971 | 1,271 | 2,429 | 1,158 | 91% |
| Capital Transfers-out | | | | | | | | |
| Equipment Replacement Fund | 1,219 | 1,052 | 1,212 | 400 | 400 | 400 | - | 0% |
| Facility Maintenance | 1,219 | 1,002 | 2,771 | 1,600 | 800 | 800 | - | 0% |
| Total Capital Transfers | 2,439 | 2,054 | 3,983 | 2,000 | 1,200 | 1,200 | - | 0% |
| Net Income after Capital Transfers | 291 | 128 | 100 | (29) | 71 | 1,229 | 1,158 | 1620% |
| General Fund Ending Fund Balance | \$ 4,490 | \$ 4,618 | \$ 4,718 | \$ 4,689 | \$ 4,560 | \$ 5,918 | \$ 1,358 | 30% |
| Fund Balance as % of Operating Exp | 21% | 21% | 22% | 19% | 19% | 24% | | |
| Fund Balance as % of Exp & Debt | 21% | 20% | 20% | 18% | 18% | 23% | | |

| CITY OF PIEDMONT | | | | | | | |
|---|----------------|----------------|-----------------|-----------------|------------------|-----------------|-----------|
| GENERAL FUND REVENUE ANALYSIS | | | | | | | |
| (000'S) | | | | | | | |
| | REVENUE | | | | | Variance | |
| | Actual | Budget | Actual | Percent | Projected | Variance | |
| | 2016-17 | 2017-18 | 6 Months | Received | 2017-18 | \$ | % |
| PROPERTY TAXES | | | | | | | |
| Property Tax - Secured | \$ 11,521 | \$ 11,790 | \$ 6,149 | 52% | \$ 12,359 | \$ 569 | 5% |
| Property Tax - Unsecured | 564 | 585 | 518 | 88% | 580 | (5) | -1% |
| Supplemental Assessment | 423 | 200 | 94 | 47% | 250 | 50 | 25% |
| Delinquent Taxes & Penalties | 4 | 5 | - | 0% | 5 | - | 0% |
| TOTAL Property Taxes | 12,512 | 12,580 | 6,760 | 54% | 13,194 | 614 | 5% |
| TRANSFER TAX & PARCEL TAX | | | | | | | |
| Real Property Transfer Tax | 3,522 | 2,800 | 1,933 | 69% | 3,200 | 400 | 14% |
| Parcel Tax | 1,746 | 2,192 | 1,099 | 50% | 2,198 | 5 | 0% |
| TOTAL Transfer Tax and Parcel Tax | 5,268 | 4,992 | 3,032 | 61% | 5,398 | 405 | 8% |
| OTHER TAXES & FRANCHISES | | | | | | | |
| Other Taxes | | | | | | | |
| Sales & Use Tax | 167 | 200 | 72 | 36% | 200 | - | 0% |
| Business License Tax | 539 | 425 | 136 | 32% | 425 | - | 0% |
| TOTAL Other Taxes | 706 | 625 | 209 | 33% | 625 | - | 0% |
| Franchises | | | | | | | |
| Gas & Electric | 74 | 70 | - | 0% | 70 | - | 0% |
| Waste Management/Republic | 158 | 150 | 77 | 51% | 150 | - | 0% |
| Cable Television /Comcast | 213 | 190 | 61 | 32% | 190 | - | 0% |
| TOTAL Franchises | 445 | 410 | 138 | 34% | 410 | - | 0% |
| Utility Users Tax | | | | | | | |
| Gas & Electric | 888 | 750 | 267 | 36% | 750 | - | 0% |
| Telephone | 390 | 400 | 105 | 26% | 400 | - | 0% |
| Water | 45 | 45 | 23 | 50% | 45 | - | 0% |
| TOTAL Utility Users Tax | 1,323 | 1,195 | 395 | 33% | 1,195 | - | 0% |
| TOTAL Other Taxes & Franchises | 2,474 | 2,230 | 741 | 33% | 2,230 | - | 0% |
| LICENSES & PERMITS | | | | | | | |
| Dog License | 25 | 20 | 9 | 43% | 20 | - | 0% |
| Building Permits | 528 | 400 | 241 | 60% | 400 | - | 0% |
| Other Permits | 20 | 20 | 11 | 57% | 20 | - | 0% |
| Fines & Forfeitures | 4 | 9 | 2 | 22% | 9 | - | 0% |
| TOTAL Licenses & Permits | 577 | 449 | 263 | 59% | 449 | - | 0% |

**CITY OF PIEDMONT
GENERAL FUND REVENUE ANALYSIS
(000'S)
(Continued)**

| | Actual Revenue 2016-17 | Budget Revenue 2017-18 | Actual Revenue 6 Months | Percent Revenue Received | Projected Revenue 2017-18 | Better / (Worse) | |
|---|---------------------------|---------------------------|----------------------------|-----------------------------|------------------------------|------------------|-----------|
| | | | | | | \$ | % |
| REVENUE FROM MONEY OR PROPERTY | | | | | | | |
| Interest Earnings | \$ 44 | \$ 29 | \$ 45 | 157% | \$ 91 | \$ 62 | 214% |
| Community Hall Rental | 411 | 390 | 118 | 30% | 390 | - | 0% |
| Veterans' Building | 82 | 90 | 48 | 54% | 90 | - | 0% |
| Piedmont Post | 2 | 1 | 1 | 124% | 1 | - | 0% |
| City Hall Rental (Telecommunications) | 77 | 70 | 41 | 59% | 70 | - | 0% |
| TOTAL Revenue from Money or Property | 616 | 580 | 254 | 44% | 642 | 62 | 11% |
| REVENUE FROM OTHER AGENCIES | | | | | | | |
| State of California | | | | | | | |
| Forestry & Fire Protection | 194 | - | 244 | N/A | 475 | 475 | N/A |
| Homeowner's Property Tax Relief | 85 | 87 | - | 0% | 84 | (3) | -3% |
| POST Fund | 4 | 10 | 1 | 7% | 10 | - | 0% |
| Mandated / State & County Grants/ Misc. | 16 | 1 | 19 | 1929% | 1 | - | 0% |
| Motor Vehicle License Fees | 1,165 | 1,100 | 611 | 56% | 1,222 | 122 | 11% |
| 1/2 Cent Sales Tax (Public Safety) | 117 | 80 | 36 | 45% | 80 | - | 0% |
| TOTAL State of California | 1,581 | 1,278 | 912 | 71% | 1,872 | 594 | 46% |
| County of Alameda | | | | | | | |
| County of Alameda-FRALS | 49 | 70 | - | 0% | 70 | - | 0% |
| County Paramedic Tax | 69 | 70 | 35 | 50% | 69 | (1) | -1% |
| TOTAL County of Alameda | 119 | 140 | 35 | 25% | 139 | (1) | 0% |
| TOTAL Revenue from Other Agencies | 1,699 | 1,418 | 946 | 67% | 2,011 | 593 | 42% |
| CHARGES FOR CURRENT SERVICES | | | | | | | |
| Planning Fees | 318 | 245 | 127 | 52% | 245 | - | 0% |
| Plan Check Fees | 267 | 230 | 123 | 53% | 230 | - | 0% |
| Emeryville Animal Control | 93 | 93 | - | 0% | 93 | - | 0% |
| Ambulance Service Charges | 391 | 275 | 165 | 60% | 275 | - | 0% |
| Recreation | 2,225 | 2,324 | 868 | 37% | 2,324 | - | 0% |
| Police Services | 46 | 18 | 5 | 27% | 18 | - | 0% |
| Variance Appeal | 1 | 1 | 1 | N/A | 1 | - | 0% |
| TOTAL Charges for Current Services | 3,342 | 3,185 | 1,288 | 40% | 3,185 | - | 0% |
| OTHER REVENUE | | | | | | | |
| Sale of Property | 9 | 5 | 0 | 1% | 5 | - | 0% |
| Other Revenue | 161 | 70 | 70 | 100% | 80 | 10 | 14% |
| TOTAL Other Revenue | 169 | 75 | 70 | 94% | 85 | 10 | 13% |
| TOTAL GENERAL FUND REVENUE | \$ 26,657 | \$ 25,509 | \$ 13,354 | 52% | \$ 27,193 | \$ 1,684 | 7% |

| CITY OF PIEDMONT | | | | | | | |
|----------------------------------|------------------|------------------|------------------|------------|------------------|-----------------|------------|
| OPERATING BUDGET | | | | | | | |
| ALL OPERATING DEPARTMENTS | | | | | | | |
| (000'S) | | | | | | | |
| EXPENDITURES | | | | | | | |
| | Actual | Budget | Actual | % | Projected | Variance | |
| | 2016-17 | 2017-18 | 6 Months | Expended | 2017-18 | \$ | % |
| SALARIES | \$ 12,088 | \$ 12,704 | \$ 6,517 | 51% | \$ 13,420 | \$ (716) | -6% |
| FRINGE BENEFITS | 4,607 | 5,246 | 2,800 | 53% | 5,243 | 3 | 0% |
| PERSONNEL EXPENSES | 220 | 340 | 108 | 32% | 340 | - | 0% |
| SUPPLIES & SERVICES | 5,150 | 5,244 | 2,102 | 40% | 5,244 | - | 0% |
| CAPITAL EXPENDITURES | 37 | 40 | 10 | 25% | 40 | - | 0% |
| OTHER | 1,661 | 1,698 | 977 | 57% | 1,549 | 149 | 9% |
| TOTAL - ALL DEPARTMENTS | 23,763 | 25,271 | 12,513 | 50% | 25,835 | (564) | -2% |
| EXPENDITURE DETAIL: | | | | | | | |
| SALARIES | | | | | | | |
| Regular Salaries | 9,334 | 10,388 | 4,972 | 48% | 10,571 | (183) | -2% |
| Part Time Salaries | 1,692 | 1,593 | 747 | 47% | 1,633 | (40) | -3% |
| Overtime Salaries | 1,062 | 723 | 797 | 110% | 1,216 | (494) | -68% |
| Subtotal | 12,088 | 12,704 | 6,517 | 51% | 13,420 | (716) | -6% |
| FRINGE BENEFITS | | | | | | | |
| Health Insurance | 2,133 | 2,393 | 1,059 | 44% | 2,355 | 38 | 2% |
| Retirement | 2,184 | 2,535 | 1,588 | 63% | 2,558 | (23) | -1% |
| Other Benefits | 290 | 317 | 152 | 48% | 330 | (13) | -4% |
| Subtotal | 4,607 | 5,246 | 2,800 | 53% | 5,243 | 3 | 0% |
| PERSONNEL EXPENSES | | | | | | | |
| Memberships/Conferences/Training | 220 | 340 | 108 | 32% | 340 | - | 0% |
| SUPPLIES & SERVICES | | | | | | | |
| Department Supplies | 392 | 467 | 168 | 36% | 467 | - | 0% |
| Utilities/Telephone/Radio | 584 | 530 | 256 | 48% | 530 | - | 0% |
| Equipment/Maintenance/Gas/Oil | 262 | 265 | 128 | 48% | 265 | - | 0% |
| Contract Services | 2,051 | 2,108 | 687 | 33% | 2,108 | - | 0% |
| Buildings/Grounds Maintenance | 79 | 75 | 25 | 34% | 75 | - | 0% |
| Other Expenses | 1,351 | 1,121 | 641 | 57% | 1,121 | - | 0% |
| Information Services | 431 | 676 | 197 | 29% | 676 | - | 0% |
| Subtotal | 5,150 | 5,244 | 2,102 | 40% | 5,244 | - | 0% |
| CAPITAL EXPENDITURES | | | | | | | |
| Capital Outlay | 37 | 40 | 10 | 25% | 40 | - | 0% |
| OTHER | | | | | | | |
| General Fund Non Departmental | 671 | 682 | 3 | 0% | 450 | 232 | 34% |
| Liability Insurance Fund | 435 | 444 | 471 | 106% | 520 | (76) | -17% |
| Workers Comp Fund | 555 | 572 | 502 | 88% | 579 | (7) | -1% |
| Subtotal | 1,661 | 1,698 | 977 | 57% | 1,549 | 149 | 9% |
| TOTAL - ALL DEPARTMENTS | \$ 23,763 | \$ 25,271 | \$ 12,513 | 50% | \$ 25,835 | \$ (564) | -2% |

CITY OF PIEDMONT
ESTIMATED FUND BALANCE DETAIL
2017 - 2018

| | Description | 7/1/2017 Fund Balance | Estimated | | Estimated Transfer | | 6/30/2018 Estimated Fund Balance |
|-----------------------------------|--------------------------------|-----------------------------|------------------|------------------|-----------------------|-----------------|---|
| | | | Revenue | Expenditures | In | Out | |
| GENERAL FUND | General Fund | \$ 4,688 | \$ 27,193 | \$ 24,362 | \$ 1,152 | \$ 2,753 | \$ 5,918 |
| INTERNAL SERVICE FUNDS | Employee Benefits Fund | (5,218) | 80 | 1,600 | - | - | (6,738) |
| | Liability Insurance | 287 | 444 | 520 | - | - | 211 |
| | Workers Compensation | 746 | 572 | 579 | - | - | 739 |
| SPECIAL REVENUE FUNDS | Abandoned Vehicle | 53 | 4 | - | - | 35 | 22 |
| | Athletic Facility Preservation | 85 | 53 | 35 | - | - | 103 |
| | COPS | 407 | 131 | - | - | - | 538 |
| | Gas Tax | 152 | 315 | 120 | - | 340 | 7 |
| | Measure B | 76 | 444 | 445 | - | 70 | 5 |
| | Measure BB | 238 | 418 | 440 | - | 120 | 97 |
| | Measure D | 68 | 35 | 21 | - | 17 | 65 |
| | Measure F | 5 | 44 | 29 | - | - | 20 |
| | Private Contribution | 872 | 400 | - | - | 5 | 1,267 |
| | Schoolmates Program | 326 | 652 | 745 | - | - | 234 |
| | Sidewalk Repair | 62 | - | 3 | - | - | 59 |
| | Traffic Safety | 9 | 56 | - | - | 50 | 15 |
| CAPITAL PROJECT FUNDS | Equipment Replacement | 3,937 | 50 | 1,048 | 435 | - | 3,374 |
| | Facilities Maintenance | 3,782 | 101 | 1,248 | 800 | - | 3,435 |
| | Capital Improvement | 440 | - | 681 | 311 | - | 70 |
| | Urban County CDBG | - | 120 | 35 | - | 81 | 4 |
| DEBT SERVICE FUND | 2014 Taxable Pension Oblig. | - | - | 1,388 | 1,388 | - | - |
| ENTERPRISE FUNDS | Aquatics | 130 | 550 | 690 | 130 | - | 119 |
| | Sewer | 1,304 | 6,694 | 5,754 | - | 745 | 1,500 |
| | TOTAL | \$ 12,449 | \$ 38,358 | \$ 39,743 | \$ 4,216 | \$ 4,216 | \$ 11,064 |
| TRUST FUNDS | OPEB | \$ 7,171 | \$ 502 | \$ - | \$ 80 | \$ - | \$ 7,753 |
| | Police & Fire Pension | 11,934 | 835 | (230) | - | - | 12,999 |
| | Pension Stabilization | 2,000 | 30 | - | - | - | 2,030 |
| | TOTAL TRUST FUNDS | \$ 21,105 | \$ 1,367 | \$ (230) | \$ 80 | \$ - | \$ 22,782 |

**CITY OF PIEDMONT
FUND BALANCE SUMMARY
Fiscal Years 2009-2018
(000's)**

| FUND | ACTUAL FUND BALANCE | | | | | | | | | 2017-18 Projected Fund Balance |
|-------------------------------------|---------------------|-----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|---|
| | 2008-09 | 2009-10 | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | |
| GENERAL FUND | \$ 2,716 | \$ 2,194 | \$ 3,101 | \$ 4,007 | \$ 4,198 | \$ 4,490 | \$ 4,618 | \$ 4,718 | \$ 4,688 | \$ 5,918 |
| INTERNAL SERVICE FUNDS | | | | | | | | | | |
| Employee Benefits | - | (1,152) | (2,329) | (3,212) | (3,853) | (3,875) | (4,136) | (4,136) | (5,218) | (6,738) |
| Liability Insurance | 315 | 215 | 215 | 215 | 265 | 282 | 293 | 287 | 287 | 211 |
| Workers Compensation | 736 | 336 | 336 | 329 | 258 | 328 | 586 | 746 | 746 | 739 |
| PERS Medical | 1,606 | 17 | 17 | - | - | - | - | - | - | - |
| TOTAL INTERNAL SERVICE FUNDS | 2,657 | (585) | (1,761) | (2,669) | (3,330) | (3,264) | (3,256) | (3,103) | (4,186) | (5,789) |
| SPECIAL REVENUE FUNDS | | | | | | | | | | |
| Abandoned Vehicle | 65 | 47 | 52 | 56 | 35 | 40 | 42 | 45 | 53 | 22 |
| Athletic Facility Preservation | - | - | - | - | 32 | 29 | 130 | 25 | 85 | 103 |
| COPS | - | - | - | 234 | 153 | 213 | 298 | 283 | 407 | 538 |
| EECBG | - | - | 3 | 5 | 5 | 5 | - | - | - | - |
| Gas Tax | 251 | 137 | 208 | 370 | 442 | 489 | 495 | 498 | 152 | 7 |
| Measure B Sales Tax | 411 | 317 | 681 | 421 | 558 | 396 | 118 | 85 | 76 | 5 |
| Measure BB Sales Tax | - | - | - | - | - | - | 79 | 24 | 238 | 97 |
| Measure D | 146 | 107 | 136 | 150 | 148 | 143 | 87 | 48 | 68 | 65 |
| Measure F | - | - | - | 49 | 94 | 142 | 30 | 3 | 5 | 20 |
| Private Contribution | 206 | 57 | 100 | 220 | 242 | 129 | 141 | 47 | 872 | 1,267 |
| Schoolmates Program | 442 | 393 | 195 | 78 | 93 | 227 | 316 | 345 | 326 | 234 |
| Sidewalk Repair | 67 | 41 | 42 | 59 | 63 | 48 | 55 | 60 | 62 | 59 |
| Traffic Congestion Relief | 72 | 195 | - | - | - | - | - | - | - | - |
| Traffic Safety | 5 | 5 | 5 | 4 | 7 | 0 | 51 | 9 | 9 | 15 |
| TOTAL SPECIAL REVENUE FUNDS | 1,663 | 1,300 | 1,422 | 1,647 | 1,873 | 1,862 | 1,843 | 1,472 | 2,354 | 2,432 |
| CAPITAL PROJECT FUNDS | | | | | | | | | | |
| Equipment Replacement | 2,214 | 2,188 | 2,283 | 2,017 | 2,173 | 2,862 | 2,959 | 3,703 | 3,937 | 3,374 |
| Facilities Maintenance | 306 | 287 | 283 | 140 | 919 | 2,114 | 2,124 | 4,376 | 3,782 | 3,435 |
| Capital Improvement | 2,963 | 2,064 | 1,743 | 1,072 | 1,195 | 493 | 475 | 330 | 440 | 70 |
| Urban County CDBG | 90 | - | - | - | 30 | 4 | 2 | 2 | - | 4 |
| Signal @ Grand, Arroyo | 9 | 25 | 25 | - | - | - | - | - | - | - |
| TOTAL CAPITAL PROJECT FUNDS | 5,582 | 4,563 | 4,333 | 3,229 | 4,317 | 5,473 | 5,560 | 8,411 | 8,160 | 6,884 |
| DEBT SERVICE FUND | | | | | | | | | | |
| 2014 Taxable Pension Obligation | - | - | - | - | - | - | - | - | - | - |
| ENTERPRISE FUNDS | | | | | | | | | | |
| Aquatics | - | - | 49 | (125) | (72) | 13 | 43 | 29 | 130 | 119 |
| Sewer | 1,063 | 1,186 | 1,175 | 1,204 | 1,153 | 680 | 1,296 | 801 | 1,304 | 1,500 |
| TOTAL ENTERPRISE FUNDS | 1,063 | 1,186 | 1,224 | 1,079 | 1,081 | 693 | 1,339 | 830 | 1,433 | 1,619 |
| TOTAL FUNDS | \$ 13,679 | \$ 8,658 | \$ 8,319 | \$ 7,294 | \$ 8,139 | \$ 9,253 | \$ 10,103 | \$ 12,328 | \$ 12,449 | \$ 11,064 |
| TRUST FUNDS | | | | | | | | | | |
| Police & Fire Pension | \$ 7,580 | \$ 8,230 | \$ 9,418 | \$ 8,968 | \$ 10,165 | \$ 11,719 | \$ 11,645 | \$ 10,853 | \$ 11,934 | \$ 12,999 |
| OPEB | - | 1,762 | 2,447 | 3,053 | 3,427 | 4,353 | 5,531 | 6,195 | 7,171 | 7,753 |
| Pension rate Stabilization | | | | | | | | | 2,000 | 2,030 |
| TOTAL TRUST FUNDS | \$ 7,580 | \$ 9,992 | \$ 11,865 | \$ 12,021 | \$ 13,592 | \$ 16,073 | \$ 17,176 | \$ 17,048 | \$ 21,105 | \$ 22,782 |

CITY OF PIEDMONT
OTHER FUND REVENUE ANALYSIS
(000'S)

| | REVENUE | | | | | Variance | |
|-------------------------------------|-----------------|------------------|-----------------|------------|------------------|----------------|-------------|
| | Actual | Budget | Actual | Percent | Projected | \$ | % |
| | 2016-17 | 2017-18 | 6 Months | Received | 2017-18 | | |
| SPECIAL REVENUE FUNDS | | | | | | | |
| Abandoned Vehicle Abatement | \$ 7 | \$ 4 | \$ 1 | 30% | \$ 4 | \$ - | 0% |
| Athletic Facility Preservation | 103 | 53 | 32 | 60% | 53 | - | 0% |
| COPS | 132 | 131 | 100 | 76% | 131 | - | 0% |
| Gas Tax Fund | 220 | 353 | 105 | 30% | 315 | (38) | -11% |
| Measure B (Sales Tax) | 461 | 444 | 161 | 36% | 444 | - | 0% |
| Measure BB (Sales Tax) | 427 | 418 | 150 | 36% | 418 | - | 0% |
| Measure D | 49 | 35 | - | 0% | 35 | - | 0% |
| Measure F | 48 | 44 | 16 | 37% | 44 | - | 0% |
| Private Contributions | 944 | 35 | 387 | 1107% | 400 | 365 | 1043% |
| Schoolmate's Program | 901 | 652 | 339 | 52% | 652 | - | 0% |
| Sidewalk Repair | 2 | 3 | (4) | -125% | - | (3) | -100% |
| Traffic Safety | 54 | 56 | 10 | 18% | 56 | - | 0% |
| TOTAL Special Revenue Funds | 3,347 | 2,229 | 1,296 | 58% | 2,553 | 324 | 15% |
| INTERNAL SERVICE FUNDS | | | | | | | |
| Employee Benefits | 312 | 712 | - | 0% | 80 | (632) | -89% |
| Liability Insurance | 435 | 444 | - | 0% | 444 | - | 0% |
| Worker's Compensation | 555 | 572 | - | 0% | 572 | - | 0% |
| TOTAL Capital Projects Funds | 1,302 | 1,728 | - | 0% | 1,096 | (632) | -37% |
| CAPITAL PROJECTS FUNDS | | | | | | | |
| Equipment Replacement | 40 | 16 | 27 | 177% | 50 | 35 | 223% |
| Facilities Maintenance | 407 | 1 | - | 0% | 101 | 101 | 11174% (a) |
| Capital Improvements | - | - | - | N/A | - | - | N/A |
| Urban County CDBG | 78 | 35 | - | 0% | 120 | 85 | 242% |
| TOTAL Capital Projects Funds | 526 | 51 | 27 | 53% | 271 | 220 | 427% |
| ENTERPRISE FUNDS | | | | | | | |
| Aquatics | 544 | 550 | 336 | 61% | 550 | - | 0% |
| Sewer | 2,418 | 6,694 | 1,251 | 19% | 6,694 | - | 0% |
| TOTAL Enterprise Funds | 2,962 | 7,244 | 1,587 | 22% | 7,244 | - | 0% |
| DEBT SERVICE FUNDS | | | | | | | |
| 2014 Pension Obligation Fund | - | - | - | N/A | - | - | N/A |
| TOTAL OTHER FUND REVENUE | \$ 8,138 | \$ 11,253 | \$ 2,911 | 26% | \$ 11,165 | \$ (88) | -1% |

(a) Revenue in both years from Measure WW - Park Bond

Capital Projects Funds

The Public Works Department is completing an assessment of the basic systems and condition of City owned facilities. This study will be reviewed with the City Council and will guide budget appropriations for future years.

The following is a recap of our capital funds, including the status at December 31, 2017 and projected activity for the full fiscal year 2017-18.

| CITY OF PIEDMONT | | | | |
|---------------------------------------|----|---------|----------|-----------|
| CAPITAL PROJECTS FUNDS | | | | |
| 2017-2018 | | | | |
| (000'S) | | | | |
| | | | Actual | Projected |
| | | Budget | 6 Months | Annual |
| <u>FACILITY MAINTENANCE</u> | | | | |
| Fund Balance, July 1, 2017 | \$ | 1,880 | \$ 3,782 | \$ 3,782 |
| Revenue | | 1 | | 101 |
| Transfers | | 800 | | 800 |
| Expenditures | | (1,248) | (597) | (1,248) |
| Estimated Fund Balance, June 30, 2018 | \$ | 1,432 | \$ 3,185 | \$ 3,435 |
| <u>EQUIPMENT REPLACEMENT</u> | | | | |
| Fund Balance, July 1, 2017 | \$ | 3,623 | \$ 3,937 | \$ 3,937 |
| Revenue | | 16 | 27 | 50 |
| Transfers | | 435 | | 435 |
| Expenditures | | (1,048) | (180) | (1,048) |
| Estimated Fund Balance, June 30, 2018 | \$ | 3,025 | \$ 3,784 | \$ 3,374 |
| <u>CAPITAL IMPROVEMENTS</u> | | | | |
| Fund Balance, July 1, 2017 | \$ | 157 | \$ 440 | \$ 440 |
| Revenue | | - | | - |
| Transfers | | 50 | 251 | 311 |
| Expenditures | | (206) | (454) | (681) |
| Estimated Fund Balance, June 30, 2018 | \$ | 1 | \$ 237 | \$ 70 |

By: Michael Szczech, Finance Director