



City of Del Mar Staff Report



TO: Honorable Mayor and City Council Members

FROM: Monica Molina, Interim Director of Finance/Treasurer
Via Scott W. Huth, City Manager

DATE: March 5, 2018

SUBJECT: Fiscal Year 2017-2018 Mid-Year Financial Report and Resolution
Amending the Fiscal Years 2017-2018 and 2018-2019 Operating
and Capital Budget

REQUESTED ACTION/RECOMMENDATION:

It is recommended that the City Council: 1) Accept the Fiscal Year 2017-2018 Mid-Year Financial Report; and 2) Adopt the resolution amending the Fiscal Years 2017-2018 and 2018-2019 Operating and Capital Budget.

EXECUTIVE SUMMARY:

The Mid-Year Financial Report (Mid-Year) provides the City Council with an opportunity to review the City's financial status based on six months of actual activity (July 2017 through December 2017) and adjust, if needed, the original revenue projections and budget estimates based on that review. The proposed adjustments at mid-year are a result of previously approved Council actions during this same time period which include encumbrances and continuing appropriations from unspent budgets from the prior year, and proposed adjustments from unanticipated expenditures due to information that was not previously available. The Mid-Year also reflects new beginning fund balances/net positions based on the final results of the previous year.

DISCUSSION/ANALYSIS:

The Mid-Year reflects the results from the year-end close and completion of the City's annual audit for Fiscal Year 2016-2017, which is shown for comparative purposes. For Fiscal Year 2016-2017, the total General Fund revenues, excluding Measure Q funds, were \$15,304,580, which was higher than the projection for by \$765,430, and the total General Fund expenditures were \$11,841,164, which was below last year's budget by \$653,371. The General Fund contingency reserve at June 30, 2017, before encumbrances and continuing appropriations, is \$5,419,498, resulting in a General Fund contingency of 40.19 percent.

City Council Action:

IT WAS MOVED BY DEPUTY MAYOR DRUKER, SECONDED BY COUNCIL MEMBER HAVILAND, TO ADOPT RESOLUTION 2018-13, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, AMENDING THE FISCAL YEARS 2017-2018 AND 2018-2019 OPERATING AND CAPITAL BUDGET" (VOTE 4-0)

IT WAS MOVED BY DEPUTY MAYOR DRUKER, SECONDED BY COUNCIL MEMBER PARKS TO APPROVE TRANSFER OF \$25,000 FOR SAFE RAIL FEASIBILITY STUDY. (VOTE 4-0)

The City continues to show positive financial activity in Property Tax and Transient Occupancy Tax (TOT) revenues compared to previous years, while Sales Tax, which has seen a regional decline in the fine dining category, projects similar revenue results to the prior year. The City remains conservative in its projections of revenue and strictly controls and manages expenditures.

The Fiscal Year 2017-2018 budget is changed by the following items:

- 1) The final audited ending balances from Fiscal Year 2016-2017 become the new beginning balances for Fiscal Year 2017-2018.
- 2) Encumbrances of \$412,300 and Continuing Appropriations of \$10,894,953 (Attachment B), which are primarily unspent budget amounts from ongoing CIP projects in the previous year, are added to the current budget. Note that these adjustments are offset by \$16,627,407 in revenues (\$216,661 in federal funds for the Torrey Pines Bridge and Camino del Mar Bridge projects, and ADA improvement project; \$3,078,851 in loan proceeds for Citywide Wastewater Infrastructure; \$331,182 reimbursement from Solana Beach for the Recycled Water Project; and \$13,000,713 in loan proceeds for the City Hall/Town Hall project). Note that due to the timing of loan proceeds, \$7,510,822 of the offsetting revenues relate to expenditures reported in Fiscal Year 2017.
- 3) Adjustments previously approved by the City Council since the Budget adoption of June 19, 2017, adjust the current budget expenditures by \$2,573,589 and revenues by \$418,890 (Attachment C). This represents a net increase of \$229,460 in the General Fund, a net increase of \$103,540 in the Special Revenue Funds, a net increase of \$1,729,010 in the Capital Improvement Fund, and an increase of \$92,689 in the Enterprise Fund.
- 4) The following adjustments are being proposed:
 - a. Expenditure adjustments of \$703,400 (Attachment D) include increases of:
 - i. \$242,700 in the General Fund, largely due to an increase in legal services of \$225,000 from litigation activity which is funded by the Self Insurance Reserve Fund; and \$17,700 in Lifeguard Services for the purchase of two Mercury engines and fuel tanks which is funded by the Equipment Replacement Fund. An analysis of legal fees is described below;
 - ii. \$83,700 in the Gas Tax Fund for street landscaping and maintenance expenditures including: additional service on median planting and replacement for Breeders' Cup and holiday season preparation; additional arborist services and

- assessments on recently identified public trees, and removing conflicting trees in advance of Streetscape project; additional funds for increase in utilities due to higher water bills and new irrigation systems; higher than expected street sweeping due to winds, and storms; additional sidewalk repairs; and replacement of meter pedestal at the intersection of 15th Street and Camino del Mar;
- iii. \$20,500 in the Open Space Fund due to staff augmentation program to perform wide range of street/sidewalk cleaning activities to increase curb appeal; and to cover higher than expected water bills due to dry weather, lifting of water restrictions and overwatering at Powerhouse Park;
 - iv. \$13,000 in the Open Space CIP Fund for the installation of new irrigation and landscaping along a sloped area between Winston School and Stratford Court;
 - v. \$8,000 in the TransNet Capital Improvement Fund for Roadway and Sidewalk Improvement Project based on available TransNet funds; and
 - vi. \$10,000 in the Capital Improvement Project Fund for the purchase of two radar flashing speed feedback signs, and
 - vii. \$325,500 in the Enterprise Funds largely due to \$200,000 in repair work associated with infiltration of salt water/ground water into our sewer system in the beach colony, and \$120,000 for water treatment and delivery costs that is offset by increase in Water sales revenue.
- b. Revenue adjustments are a net increase of \$1,002,690 (Attachment E) comprised of the following:
- i. Net increase of \$628,240 in the General Fund due to increases in Property Tax, Transient Occupancy Tax, Parking Violations, Rental Income, Parking Meter Revenue, On/Off Track Pari-Mutuel, and Claim Reimbursements, offset by reductions in Sales and Use Tax revenues;
 - ii. Net decrease in the Housing In-Lieu Fund of \$94,050 to account for current year collections;
 - iii. Net increase in the TransNet Fund of \$8,000 accounting for additional available TransNet funds used for Roadway & Sidewalk Improvement projects;
 - iv. Increase in the RTCIP Fund of \$2,400 to account for current year collections;
 - v. Decrease in the Workers' Compensation Fund of \$30,000 due to lower collections based on current vacancies; and

- vi. Increase in the Water Fund of \$250,000 and Clean Water Fund of \$50,000 based on higher water consumption due to dry weather, and lift of water drought restrictions.

Please note that all other revenues appear to be within original projections and are not being adjusted at this time. A summary of Revenue and Expenditure/Expense adjustments is included with this report as Exhibit A.

- 5) Based on the Finance Committee's recommendation to fund the CalPERS unfunded liability in 15 years, an increase of \$200,000 to the Pension Reserve fund is being requested. A total of \$135,000 of this request impacts the General Fund Contingency.

The total of these changes are an increase in total revenue of \$18,048,987 and a net increase in expenditures of \$14,584,242. After the proposed additional transfer of \$200,000 to the Pension Reserve, the projected ending General Fund contingency of \$2,812,304 is 19.89 percent.

The following provides more detailed information about revenues and expenditures based on six months of activity:

General Fund Revenues:

The top three primary revenue sources, which are Property Tax, Sales and Use Tax, and TOT, make up approximately 70 percent of all General Fund revenue.

Property taxes for the six months ended December 31, 2017, are \$2,192,480 which is 7.2 percent higher than the six months ended December 31, 2016.

In the Sales and Use tax category, a separate line item was added to the report to reflect the additional one-percent District Transaction tax that the businesses began collecting on April 1, 2017, as a result of the passage of Measure Q. These funds will be set aside net of the reporting costs in a separate reserve account until it is decided what projects these monies would fund. For the first six months ended December 31, 2017, receipts for Sales and Use Tax are \$886,737; when adjusted to be comparable to the prior year's six months ending December 31, 2016, the amount has remained relatively flat, due to regional decreases in fine dining.

TOT collections for the six months ended December 31, 2017, is \$1,442,256. This is \$123,736, or 9.4 percent, higher than the previous year's six months of receipts. Collection information received through January 2018, show increases based on warmer weather, additional City events, for example, the Breeders' Cup, and higher rates. Based on this information, a \$232,700 increase is being proposed in this revenue category. Note that since October 2015, the City has been collecting an extra one-

percent for a total TOT rate of 12.5 percent. For ease of comparison, a separate line item for the additional one-percent has been added to this report since this amount has been designated towards the Del Mar Visitors Association (DMVA) contract for their marketing efforts.

Due to warmer weather and the Breeders' Cup mentioned above, an increase in visitors has resulted in an increase in Parking Violations, and Parking Meter revenue. Respectively, a \$40,000 and \$85,000 increase is being proposed for these two categories. Based on final Rental Income results in Fiscal Year 2017, a \$50,000 increase is being proposed in this revenue category based on similar projections for the current year. The Breeders' Cup brought in additional On-Track Pari-Mutuel revenues for this year. A \$10,540 increase is being requested in this category to account for the funds that have been collected. Insurance reimbursement on claims are not reimbursed until the City has exceeded the required \$100,000 self-insured retention. Based on current claims, it is projected that one claim will exceed the required retention and the balance of expenditures for that claim will be reimbursed. Based on this information, a \$100,000 increase is being proposed in this revenue category.

General Fund Expenditures:

General Fund expenditures for the six months ended December 31, 2017, are \$5,814,929, which is approximately \$250,000 higher than the previous year. This is primarily due to special projects, equipment purchases, and leave payout for employees retiring or leaving the organization.; all departments are on-track in staying within their budget allocations. The adjustments that are being proposed are in Legal Services for \$236,600 for litigation activity, and \$17,700 in the Equipment Replacement Fund for two Mercury engines and fuel tanks in the Lifeguard Services Department. These adjustments do not affect the General Fund contingency, as they are offset by separate reserves.

Legal Services Expenditures:

Fiscal Year 2017-2018 Operating Budget includes funding for legal services (Attachment F). This program includes services provided by the contract City Attorney, including basic monthly retainer services, funding for special projects that require legal services, a contingency for potential outside attorney services (provided by a specialty firm), and a small contingency for claims.

In Fiscal Year 2016-2017, the City's contract with Devaney Pate Morrison and Cameron was modified to include funding for special projects in addition to basic monthly retainer services. The monthly retainer includes 90 hours of services; anything over 90 hours within one month is charged at the proportional retainer hourly rate. Additionally, projects that require more than 20 hours of legal services are considered "special projects" and are billed separately but at this same rate. For the FY 2017-2018 budget,

the total combined amount for these two categories is projected to be \$375,520 which is consistent with the amount budgeted for this fiscal year of \$387,200.

In addition, the legal services budget includes a small amount of funding (\$20,000) for potential outside attorney services which may be needed. This year, \$29,610 has been spent in this category for specialized public employment law services. No additional funds are expected to be spent in this category this fiscal year.

For “City Attorney – Claims,” annually the City budgets \$25,000 for this category. Since it is unknown during the budget process what (if any) claims or litigation there will be during the fiscal year, this amount is a placeholder, with the actual amount necessary being transferred from the Legal Services Reserve each year. For Fiscal Year 2017-2018, the projected combined for legal services related to claims (which includes claims filed against the City and litigation) is \$667,380. These fall into the categories of:

- Litigation related to Development Projects (2 matters) \$112,380
- Train-Related Accident Claims (2 matters) \$200,000
- Short-Term Rental Litigation (2 matters) \$100,000
- Personnel Matters (3 matters) \$250,000
- Sales Tax-Related Claim (1 matter) \$5,000

Since several of these matters were initiated during Fiscal Year 2016-17, as part of closing out the budget for that year, as a standard accounting practice, the City’s auditor required that the City Attorney project the estimated cost for legal services for these matters in order for that amount of money to be booked as an expense for Fiscal Year 2016-2017. The amount booked to FY 2016-2017 was \$417,380.

In addition, the City’s insurance will be reimbursing the City for any costs over \$100,000 per claim. Those reimbursements are booked as revenue. Staff anticipates one claim will exceed the required retention and it is expected that the City will be reimbursed \$100,000 in Fiscal Year 2017-2018. The remaining \$225,000 unfunded portion will be transferred from the Self-Insurance Reserve Fund and will not impact the General Fund Contingency.

FISCAL IMPACT:

General Fund revenue is anticipated to have a net increase of \$628,240. General Fund expenditures are projected to have a net increase of \$242,700, which will be funded by the Self-insurance Reserve, and the Equipment Replacement Fund. The projected ending General Fund contingency reserve, in the amount of \$2,812,304 is 19.89 percent, and is within Council’s policy of a 10 to 20 percent contingency reserve.

Additionally, all departments reviewed current expenditures and estimated projected results for the end of the year. These projections are reported in the revenue and expenditure summary reports, and an additional reserve summary (Attachment G) is included to reflect these results. The Projected Summary Report ending General Fund contingency reserve is \$3,083,424 or 22.10%.

PRIOR CITY COUNCIL REVIEW:

The City Council adopted the Fiscal Years 2017-2018 and 2018-2019 Operating and Capital Budget on June 19, 2017.

INPUT/RECOMMENDATION FROM CITY BOARDS AND/OR CITIZENS' COMMITTEES:

The Finance Committee was presented with the Draft FY 2017-2018 Mid-Year Financial Report at its meeting on February 27, 2018. The Committee had no concerns with the proposed adjustments.

ATTACHMENTS:

- Attachment A – Resolution Amending the Fiscal Years 2017-2018 and 2018-2019 Operating and Capital Budget
- Attachment B – Summary of Encumbrances & Continuing Appropriations
- Attachment C – City Council Approved Budget
- Attachment D – Expenditure Mid-Year Request
- Attachment E – Revenue Mid-Year Request
- Attachment F – Legal Services Budget
- Attachment G – Projection Results Reserve Summary Report

RESOLUTION 2018-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR,
CALIFORNIA, AMENDING THE FISCAL YEARS 2017-2018 AND 2018-
2019 OPERATING AND CAPITAL BUDGET

WHEREAS, on June 17, 2017, the City Council of the City of Del Mar passed Resolution 2017-40, adopting the Fiscal Years 2017-2018 and 2018-2019 Operating and Capital Budget; and

WHEREAS, information not available at the time of the budget adoption requires adjustments to the Operating and Capital Budget in order to deliver the services expected by the City Council; and

WHEREAS, the City Council desires to review the budget on a regular basis to ensure close monitoring of activity; and

WHEREAS, the Pension Subcommittee of the Finance Committee recommends increasing the Pension Reserve Fund for Fiscal Year 2017-2018, by an additional \$200,000.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Del Mar, California, that the above recitals are true and correct.

BE IT FURTHER RESOLVED, that the Fiscal Years 2017-2018 and 2018-2019 Operating and Capital Budget is amended as shown on Exhibit "A" to the Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Del Mar, California, at a Regular Meeting held on the 5th day of March 2018.

DWIGHT WORDEN, Mayor
City of Del Mar

APPROVED AS TO FORM:

LESLIE E. DEVANEY, City Attorney
City of Del Mar

ATTEST AND CERTIFICATION:

STATE OF CALIFORNIA
COUNTY OF SAN DIEGO
CITY OF DEL MAR

I, Ashley Jones, Administrative Services Director/City Clerk of the City of Del Mar, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution 2018-_____, adopted by the City Council of the City of Del Mar, California, at a Regular Meeting held the 5th day of March 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ASHLEY JONES, Administrative Services
Director/City Clerk
City of Del Mar

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2017-2018**

Exhibit A

		BEGINNING BALANCE JUL 1, 2017 AUDITED	REVENUES FY 2018	O & M EXPENDITURES FY 2018	CIP EXPENDITURES FY 2018	TRANSFERS IN FY 2018	(OUT) FY 2018	ENDING BALANCE JUN 30, 2018 ESTIMATE
GENERAL FUND								
CONTINGENCY	19.89%	5,419,498	15,881,960	(12,248,348)		1,993,633	\$ (8,234,439)	2,812,304
RESTRICTED:								
SELF-INSURANCE		500,000	-	(225,000)		-	-	275,000
DESIGNATED:								
ENCUMBRANCES		-	-	-		-	-	-
DISTRICT TAX (MEASURE Q)		727,696	1,800,000	(10,000)		-	-	2,517,696
COASTAL PARKING REVENUE		12,930	81,900	(94,830)		-	-	-
SIDEWALK CAFÉ		-	4,590	(4,590)		-	-	-
PENSION RESERVE		105,194	-	-		557,500	-	662,694
LEAVE LIABILITY		100,000	-	-		-	-	100,000
EQUIPMENT REPLACEMENT		869,742	-	(112,180)		50,000	-	807,562
TOTAL GENERAL FUND		<u>7,735,060</u>	<u>17,768,450</u>	<u>(12,694,948)</u>	<u>-</u>	<u>2,601,133</u>	<u>(8,234,439)</u>	<u>7,175,256</u>
GAS TAX								
		-	154,380	(592,055)		437,675	-	-
OPEN SPACE								
		146,943	375,770	(901,385)		378,672	-	-
DESIGNATED								
ENCUMBRANCES		-	-	(870)	(146,942)	147,812	-	-
CAPITAL IMPROVEMENT PROJECTS		-	-	-	(322,700)	322,700	-	-
OPEN SPACE ACQUISITION		120,388						120,388
TREE RESERVE		32,357						32,357
TOTAL OPEN SPACE FUND		<u>299,688</u>	<u>375,770</u>	<u>(902,255)</u>	<u>(469,642)</u>	<u>849,184</u>	<u>-</u>	<u>152,745</u>
SUPPLEMENTAL LAW ENFORCEMENT FUND								
		-	100,000	(188,140)		88,140	-	-
REGIONAL COMMUNICATIONS FUND								
		52,829	45,000	(45,000)	-	-	-	52,829
GRANTS FUND								
		20,489	19,370	(19,370)	-	-	-	20,489
HOUSING FUND								
		400,180	144,650	(111,160)	-	-	-	433,670
AB 939 FUND								
		220,806	52,000	(71,510)	-	-	-	201,296
PEG FEE FUND								
		169,059	50,000	(18,000)	-	-	(201,059)	-

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2017-2018**

	BEGINNING BALANCE JUL 1, 2017 AUDITED	REVENUES FY 2018	O & M EXPENDITURES FY 2018	CIP EXPENDITURES FY 2018	TRANSFERS IN FY 2018	(OUT) FY 2018	ENDING BALANCE JUN 30, 2018 ESTIMATE
CAPITAL IMPROVEMENT FUND							
CONTINGENCY	-	403,890		(4,268,690)	3,864,800		-
DEBT SERVICE	-	-	(910,770)	-	910,770	-	-
ENCUMBRANCES	(5,702,715)	13,217,374	-	(8,915,975)	1,401,316	-	-
RESERVE FOR CAPITAL	2,131,452	-	-	-	-	(1,792,574)	338,878
TOTAL CAPITAL IMPROVEMENT FUND	(3,571,263)	13,621,264	(910,770)	(13,184,665)	6,176,886	(1,792,574)	338,878
TRANSNET FUND	84,731	8,000	-	(8,000)	-	-	84,731
RTCIP	-	2,400	-	-	-	-	2,400
WORKERS' COMPENSATION FUND	592,732	233,000	(300,000)	-	-	-	525,732
WATER FUND							
NET POSITION	787,898	3,204,900	(3,265,034)	-	-	(515,312)	212,452
RESTRICTED:							
CONTRIBUTED CAPITAL	4,028,272						4,028,272
DESIGNATED							
ENCUMBRANCES	-						-
SELF-INSURANCE	50,000		(5,000)				45,000
RATE STABILIZATION	150,000						150,000
CAPTIAL REPLACEMENT	400,000	331,182		(850,994)	369,812		250,000
NET PENSION LIABILITY	(924,126)						(924,126)
PENSION RESERVE	71,664				145,500		217,164
OPERATING RESERVE	100,000						100,000
EQUIPMENT REPLACEMENT	200,000		(24,850)				175,150
UTILITY PLANT IN SERVICE	7,290,299		(400,000)				6,890,299
TOTAL WATER FUND	12,154,007	3,536,082	(3,694,884)	(850,994)	515,312	(515,312)	11,144,211
CLEANWATER FUND	2,828	530,550	(608,432)	-	75,054	-	-

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2017-2018**

	BEGINNING BALANCE JUL 1, 2017 AUDITED	REVENUES FY 2018	O & M EXPENDITURES FY 2018	CIP EXPENDITURES FY 2018	TRANSFERS IN FY 2018	(OUT) FY 2018	ENDING BALANCE JUN 30, 2018 ESTIMATE
WASTEWATER FUND							
NET POSITION	39,353	3,291,400	(3,124,205)	-	-	(187,000)	19,548
	-						-
RESTRICTED							
IBANK RESERVE	228,828						228,828
CONTRIBUTED CAPITAL	650,814						650,814
LOAN RESERVE-STATE REVOLVING	332,979						332,979
DESIGNATED							
ENCUMBRANCES	-						-
SELF-INSURANCE	50,000		(40,000)		40,000		50,000
CAPITAL REPLACEMENT*	375,000	3,078,851		(1,735,292)	25,000		1,743,559
NET PENSION LIABILITY	(929,017)						(929,017)
PENSION RESERVE	72,229				147,000		219,229
OPERATING RESERVE	110,000						110,000
EQUIPMENT REPLACEMENT	100,000		(24,850)				75,150
UTILITY PLANT IN SERVICE	9,790,699		(590,000)				9,200,699
RATE STABILIZATION	230,000					(25,000)	205,000
TOTAL WASTEWATER FUND	11,050,885	6,370,251	(3,779,055)	(1,735,292)	212,000	(212,000)	11,906,789
TOTAL ENTERPRISE FUNDS	23,207,720	10,436,883	(8,082,371)	(2,586,286)	802,366	(727,312)	23,051,000
TOTAL - ALL FUNDS	29,212,031	43,011,167	(23,935,579)	(16,248,593)	10,955,384	(10,955,384)	32,039,026

* Ibank reimbursement

**CITY OF DEL MAR
MID-YEAR REVENUE SUMMARY REPORT
FISCAL YEAR 2017-2018**

	ACTUAL AT 6/30/2017	ACTUAL AT 12/31/2016	% RECEIVED	ADOPTED BUDGET FY 2017-2018	ACTUAL AT 12/31/17	% RECEIVED	VARIANCE FROM FY 2016-2017	PERCENT CHANGE FROM PY	ENC/ CON'T APPROP	APPROVED BUDGET THRU 12/31/17	MIDYEAR BUDGET ADJUSTMENTS	PROPOSED NEW BUDGET	PROJECTED RESULTS FY 2017-2018
General Fund													
Property Tax	5,674,971	2,045,525	36%	5,891,800	2,192,480	37%	146,955	7.2%	-	-	180,000	6,071,800	6,100,000
Sales and Use Tax	2,227,309	883,321	40%	2,296,000	886,737	39%	3,416	0.4%	-	-	(70,000)	2,226,000	2,230,000
Transient Occupancy Tax (11.5%)	2,481,513	1,213,038	49%	2,453,915	1,326,876	54%	113,838	9.4%	-	-	214,085	2,668,000	2,680,900
Transient Occupancy Tax (1%)	215,784	105,482	49%	213,385	115,380	54%	9,898	9.4%	-	-	18,615	232,000	233,100
Business License	240,103	64,565	27%	232,300	53,202	23%	(11,363)	-17.6%	-	-	-	232,300	240,000
Transfer Tax	141,208	30,021	21%	140,000	47,833	34%	17,812	59.3%	-	-	-	140,000	140,000
Franchise Fees	459,258	34,058	7%	325,000	69,075	21%	35,017	102.8%	-	-	-	325,000	340,000
License and Permits	91,250	55,477	61%	93,360	66,701	71%	11,224	20.2%	-	-	-	93,360	93,360
Parking Violations	332,558	181,016	54%	360,000	233,788	65%	52,772	29.2%	-	-	40,000	400,000	400,000
Red Light Enforcement	150,881	48,850	32%	140,000	74,059	53%	25,209	51.6%	-	-	-	140,000	160,000
Interest Income	20,682	16,695	81%	25,250	7,084	28%	(9,611)	-57.6%	-	-	-	25,250	15,000
Rental Income	210,576	99,927	47%	160,730	108,162	67%	8,235	8.2%	-	-	50,000	210,730	212,000
Parking Meter Revenue	844,671	432,930	51%	918,100	546,744	60%	113,814	26.3%	-	-	85,000	1,003,100	1,030,000
On/Off Track Pari-Mutuel	24,470	8,744	36%	34,460	41,833	121%	33,089	378.4%	-	-	10,540	45,000	50,000
Planning/Building/Zoning Fees	893,888	478,111	53%	930,000	395,868	43%	(82,243)	-17.2%	-	-	-	930,000	900,000
Administrative Charges	692,454	347,310	50%	808,540	404,270	50%	56,960	16.4%	-	-	-	808,540	808,540
Other Revenue Sources	603,003	203,524	34%	317,370	118,962	37%	(84,562)	-41.5%	-	-	100,000	417,370	417,370
Total General Fund Revenues	15,304,579	6,248,594	41%	15,340,210	6,689,054	44%	440,460	7.0%	-	-	628,240	15,968,450	16,050,270
District Tax (Measure Q)	734,344	-	0%	1,800,000	1,004,616	56%	1,004,616	100.0%	-	-	-	1,800,000	1,800,000

**CITY OF DEL MAR
MID-YEAR REVENUE SUMMARY REPORT
FISCAL YEAR 2017-2018**

	ACTUAL AT 6/30/2017	ACTUAL AT 12/31/2016	% RECEIVED	ADOPTED BUDGET FY 2017-2018	ACTUAL AT 12/31/17	% RECEIVED	VARIANCE FROM FY 2016-2017	PERCENT CHANGE FROM PY	ENC/ CON'T APPROP	APPROVED BUDGET THRU 12/31/17	MIDYEAR BUDGET ADJUSTMENTS	PROPOSED NEW BUDGET	PROJECTED RESULTS FY 2017-2018
Special Revenue Funds													
Gas Tax Fund	88,552	38,398	43%	124,380	34,732	28%	(3,666)	-9.5%	-	30,000	-	154,380	123,850
Open Space Fund	477,685	220,581	46%	375,770	244,731	65%	24,150	10.9%	-	-	-	375,770	475,770
Supplemental Law Enforcement Fund	139,416	59,324	43%	100,000	30,000	30%	(29,324)	-49.4%	-	-	-	100,000	100,000
Regional Communications Fund	44,076	-	0%	45,000	-	0%	-	0.0%	-	-	-	45,000	45,000
Grants Fund	95,104	6,724	7%	19,370	57,476	297%	50,752	754.8%	-	-	-	19,370	19,370
Housing Fund	72,833	-	0%	50,600	117,540	232%	117,540	100.0%	-	-	94,050	144,650	144,650
AB939 Fund	53,872	12,923	24%	52,000	26,621	51%	13,698	106.0%	-	-	-	52,000	54,000
PEG Fund	46,191	7,162	16%	50,000	2,711	5%	(4,451)	-62.1%	-	-	-	50,000	50,000
TransNet Fund	871,759	-	0%	-	1,478	100%	1,478	100.0%	-	-	8,000	8,000	8,000
RTCIP Fund	-	-	0%	-	2,404	100%	2,404	100.0%	-	-	2,400	2,400	2,404
Total Special Revenue Funds	1,889,488	345,112	18%	817,120	517,693	63%	172,581	50.0%	-	30,000	104,450	951,570	1,023,044
Capital Improvement Fund	4,222,678	632,714	15%	15,000	7,113,636	47424%	6,480,922	1024.3%	13,217,374	388,890	-	13,621,264	13,621,264
Workers' Compensation Fund	221,065	101,966	46%	263,000	106,255	40%	4,289	4.2%	-	-	(30,000)	233,000	230,000
Enterprise Funds													
Water Fund	3,068,780	1,545,298	50%	2,954,900	1,723,592	58%	178,294	11.5%	-	-	250,000	3,204,900	3,250,000
-CIP Reimbursement (Solana Beach)	360,572	-	0%	-	-	0%	-	0.0%	331,182	-	-	331,182	331,182
Clean Water Fund	482,451	229,839	48%	480,550	258,129	54%	28,290	12.3%	-	-	50,000	530,550	540,000
Wastewater Fund	3,291,494	1,524,563	46%	3,291,400	1,457,340	44%	(67,223)	-4.4%	-	-	-	3,291,400	3,300,000
-Loan Proceeds	456,149	456,149	100%	-	-	0%	-	0.0%	3,078,851	-	-	3,078,851	3,078,851
Total Enterprise Funds	7,659,446	3,755,849	49%	6,726,850	3,439,061	51%	139,361	-8.4%	3,410,033	-	300,000	10,436,883	10,500,033
TOTAL REVENUES	30,031,600	11,084,235	37%	24,962,180	18,870,315	76%	8,242,229	70.2%	16,627,407	418,890	1,002,690	43,011,167	43,224,611

**CITY OF DEL MAR
MID-YEAR EXPENDITURE SUMMARY REPORT
FISCAL YEAR 2017-2018**

	ACTUAL AT 6/30/17	ACTUAL AT 12/31/16	% SPENT	ADOPTED BUDGET FY 2017-2018	ACTUAL AT 12/31/17	% SPENT	VARIANCE FROM FY 2016-2017	PERCENT CHANGE FROM PY	ENC/ CON'T APPROP	APPROVED BUDGET THRU 12/31/17	MIDYEAR BUDGET ADJUSTMENTS	PROPOSED NEW BUDGET	PROJECTED RESULTS FY 2017-2018
<u>General Fund</u>													
City Council	85,866	38,320	45%	82,540	44,075	53%	5,755	15.0%	-	-	-	82,540	89,540
Legal Services	1,124,553	281,792	25%	432,200	280,921	65%	(871)	-0.3%	-	-	225,000	657,200	654,830
Community Support/Solid Waste	297,468	170,043	57%	303,230	168,880	56%	(1,163)	-0.7%	-	-	-	303,230	320,230
City Manager	773,716	412,888	53%	767,220	378,578	49%	(34,310)	-8.3%	-	57,200	-	824,420	824,420
City Memberships	73,028	73,028	100%	77,520	76,401	99%	3,373	4.6%	-	-	-	77,520	76,400
Engineering Services	278,374	81,845	29%	194,000	77,792	40%	(4,053)	-5.0%	-	-	-	194,000	238,000
Law Enforcement	2,162,238	917,267	42%	2,342,440	969,293	41%	52,026	5.7%	-	50,000	-	2,392,440	2,377,440
City Clerk	250,530	130,947	52%	234,750	120,050	51%	(10,897)	-8.3%	50,000	-	-	284,750	284,750
Information Systems	374,067	186,516	50%	414,270	191,114	46%	4,598	2.5%	6,569	-	-	420,839	420,000
Human Resources	168,574	59,897	36%	185,790	108,453	58%	48,556	81.1%	-	-	-	185,790	185,790
TV Studio	69,734	7,260	10%	82,910	34,682	42%	27,422	377.7%	-	-	-	82,910	82,910
Finance	761,546	345,048	45%	759,630	335,859	44%	(9,189)	-2.7%	-	-	-	759,630	709,630
City Hall General	103,965	47,912	46%	121,640	48,955	40%	1,043	2.2%	-	-	-	121,640	121,640
Risk Management	102,023	91,220	89%	125,700	102,866	82%	11,646	12.8%	-	-	-	125,700	120,700
Planning	980,209	453,911	46%	1,046,110	435,719	42%	(18,192)	-4.0%	-	28,780	-	1,074,890	1,064,890
Code Enforcement	75,921	37,663	50%	84,290	38,442	46%	779	2.1%	-	-	-	84,290	84,000
Building Review	371,562	171,627	46%	323,470	80,161	25%	(91,466)	-53.3%	-	-	-	323,470	283,470
Lifeguard Services	1,085,615	569,886	52%	1,083,210	584,541	54%	14,655	2.6%	-	-	-	1,083,210	1,083,210
Parking Enforcement	497,209	236,359	48%	630,460	318,133	50%	81,774	34.6%	-	27,752	-	658,212	672,200
Fire Services	1,916,182	962,482	50%	1,990,980	1,001,288	50%	38,806	4.0%	-	-	-	1,990,980	1,990,000
Public Works	171,053	250,990	147%	187,670	198,151	106%	(52,839)	-21.1%	-	18,648	-	206,318	215,000
	11,723,433	5,526,901	47%	11,470,030	5,594,354	49%	67,453	1.2%	56,569	182,380	225,000	11,933,979	11,899,050
Equipment Replacement	5,444	5,444	100%	56,480	73,246	130%	67,802	1245.4%	-	38,000	17,700	112,180	112,180
Special Projects	116,711	33,818	29%	373,000	147,329	39%	113,511	335.7%	266,709	9,080	-	648,789	623,790
Total General Fund Expenditures	11,845,588	5,566,163	47%	11,899,510	5,814,929	49%	248,766	4.5%	323,278	229,460	242,700	12,694,948	12,635,020
<u>Special Revenue Funds</u>													
Gas Tax Fund	467,874	235,574	50%	501,510	251,567	50%	15,993	6.8%	-	6,845	83,700	592,055	592,000
Open Space Fund	910,516	461,469	51%	863,890	403,205	47%	(58,264)	-12.6%	870	16,995	20,500	902,255	900,000
Open Space Fund CIP	331,820	35,452	11%	200,000	87,099	44%	51,647	145.7%	146,942	109,700	13,000	469,642	469,000
Supplemental Law Enforcement Fund	194,651	93,686	48%	188,140	97,287	52%	3,601	3.8%	-	-	-	188,140	190,000
Regional Communications Fund	69,911	-	0%	45,000	-	0%	-	0.0%	-	-	-	45,000	45,000
Grants Fund	98,523	6,708	7%	19,370	6,911	36%	203	3.0%	-	-	-	19,370	19,370
Housing Fund	69,779	38,804	56%	92,660	35,193	38%	(3,611)	-9.3%	18,500	-	-	111,160	120,000
AB939 Fund	17,622	12,489	71%	71,510	-	0%	(12,489)	-100.0%	-	-	-	71,510	20,000
PEG Fund	111,161	106,031	95%	18,000	4,907	27%	(101,124)	-95.4%	-	-	-	18,000	15,000
TransNet Fund	791,215	207,306	26%	-	5,628	100%	(201,678)	-97.3%	-	-	8,000	8,000	8,000
City Hall Debt Service	510,681	-	0%	910,770	654,524	72%	654,524	100.0%	-	-	-	910,770	910,770
Total Special Revenue Funds	3,573,753	1,197,519	34%	2,910,850	1,546,321	53%	348,802	29.1%	166,312	133,540	125,200	3,335,902	3,289,140

**CITY OF DEL MAR
MID-YEAR EXPENDITURE SUMMARY REPORT
FISCAL YEAR 2017-2018**

	ACTUAL AT 6/30/17	ACTUAL AT 12/31/16	% SPENT	ADOPTED BUDGET FY 2017-2018	ACTUAL AT 12/31/17	% SPENT	VARIANCE FROM FY 2016-2017	PERCENT CHANGE FROM PY	ENC/ CON'T APPROP	APPROVED BUDGET THRU 12/31/17	MIDYEAR BUDGET ADJUSTMENTS	PROPOSED NEW BUDGET	PROJECTED RESULTS FY 2017-2018
Total Capital Improvement Fund	11,020,599	2,471,352	22%	2,140,790	4,578,009	214%	2,106,657	85.2%	8,915,975	2,117,900	10,000	13,184,665	13,000,000
Total Workers' Compensation Fund	241,463	210,223	87%	300,000	173,144	58%	(37,079)	-17.6%	-	-	-	300,000	250,000
<u>Enterprise Funds</u>													
Water Fund	3,217,467	1,208,762	38%	3,533,290	1,139,807	32%	(68,955)	-5.7%	-	41,594	120,000	3,694,884	3,695,000
Water Fund CIP	340,225	150,925	44%	150,000	76,847	51%	(74,078)	-49.1%	700,994	-	-	850,994	850,990
Clean Water Fund	536,354	172,896	32%	592,210	152,649	26%	(20,247)	-11.7%	-	10,722	5,500	608,432	558,430
Wastewater Fund	2,377,151	658,421	28%	3,100,860	551,079	18%	(107,342)	-16.3%	65,402	40,373	-	3,206,635	3,200,000
Wastewater Debt Service	562,739	536,038	95%	572,420	537,161	94%	1,123	0.2%	-	-	-	572,420	572,420
Wastewater Fund CIP	1,544,580	742,670	48%	400,000	1,495,642	374%	752,972	101.4%	1,135,292	-	200,000	1,735,292	1,735,000
Total Enterprise Funds	8,578,516	3,469,712	40%	8,348,780	3,953,185	47%	483,473	13.9%	1,901,688	92,689	325,500	10,668,657	10,611,840
TOTAL EXPENDITURES	35,259,919	12,914,969	37%	25,599,930	16,065,588	63%	3,150,619	24.4%	11,307,253	2,573,589	703,400	40,184,172	39,786,000

CITY OF DEL MAR
MID-YEAR CAPITAL IMPROVEMENT SUMMARY REPORT
FISCAL YEAR 2017-2018

	BUDGET FY 2017-2018	ACTUAL AT 12/31/17	CONTINUING APPROPRIATIONS FY 2017-2018	APPROVED BUDGET THRU 12/31/17	MIDYEAR BUDGET ADJUSTMENTS	PROPOSED NEW BUDGET	REVENUE OFFSET	CIP RESERVE
TRANSNET CIP FUND								
ROADWAY & SIDEWALK SEGMENT #1	-	2,637	-	-	4,000	4,000	-	-
ROADWAY & SIDEWALK SEGMENT #9	-	2,991	-	-	4,000	4,000	-	-
	-	5,628	-	-	8,000	8,000	-	-
WATER CIP FUND								
SIDEWALK, STREET & DRAINAGE PROJECT	-	-	95,748	-	-	95,748	-	-
ANNUAL WATER IMPROVEMENTS	150,000	14,528	274,064	-	-	424,064	-	-
SOLANA BEACH RECYCLED WATER INFRAST	-	62,319	331,182	-	-	331,182	331,182	-
	150,000	76,847	700,994	-	-	850,994	331,182	-
WASTEWATER CIP FUND								
ANNUAL WASTEWATER IMPROVEMENTS	400,000	135	-	-	-	400,000	-	-
WASTEWATER PIPELINE PROJECT	-	36,066	-	-	-	-	-	-
CITYWIDE WASTEWATER INFRASTRUCTURE	-	1,459,441	1,135,292	-	200,000	1,335,292	3,078,851	-
	400,000	1,495,642	1,135,292	-	200,000	1,735,292	3,078,851	-
TOTAL CAPITAL IMPROVEMENT PROJECT BUDGET						\$ 16,248,593		

City of Del Mar
Summary of Encumbrances
Fiscal Year 2017-2018

Vendor	Program/Project	Account Number	Amounts
<u>General Fund</u>			
Lansolution	Admin Services	01.5320.2140	2,009
Learnsoft Consulting	Admin Services	01.5320.3801	4,560
Digitization Project (move to SP)	Admin Services	01.5300.3200	50,000
On-going Council priority projects	Planning	01.5890.5998	150,000
Special Projects	General Gov't	01.5890.5998	116,709
Total Fund			<u>323,278</u>
<u>Gas Tax Fund</u>			
Village Nurseries Wholesale	Public Works	21.6533.5900	870
Total Fund			<u>870</u>
<u>Housing Fund</u>			
Community Connections	Planning	25.5540.3200	18,500
Total Fund			<u>18,500</u>
<u>Capital Improvement Fund</u>			
Fluoresco Lighting & Signs	Public Works	40.6509.5900	4,250
Total Fund			<u>4,250</u>
<u>Wastewater Fund</u>			
Sloan Electric Company	Public Works	57.5840.2100	7,530
Flo-Systems, Inc	Public Works	57.5840.2100	44,272
San Elijo Joint Powers	Public Works	57.5840.2200	13,600
Total Fund			<u>65,402</u>
Total Encumbrances			<u><u>\$ 412,300</u></u>

City of Del Mar
 Summary of Continuing Appropriations
 Fiscal Year 2017-2018

Project Name	Department	Account Number	Amounts
<u>General Fund</u>			
Court Street Parallel Parking	Joe B.	40.6107.5900	\$ 45,942
NCTD Parking Lot Project	Clem B.	40.6308.5900	2,624
City Hall/Town Hall Project	Kristen C.	40.6410.5900	7,757,648 *
Trash/Recycling Receptacles	Kristen C.	40.6420.5900	16,445
City Hall Relocation	Kristen C.	40.6422.5900	86,298
Torrey Pines Bridge Project	Joe B.	40.6445.5900	154,574 *
Paid Parking Expansion	Clem B.	40.6451.5900	20,621
Parking Management Plan	Joe B.	40.6459.5900	26,092
Roadway & Sidewalk Imp. #5	Joe B.	40.6505.5900	625,277
Roadway & Sidewalk Imp #9	Joe B.	40.6509.5900	77,246
Tennis Court Drainage Ditch	Joe B.	40.6608.5900	30,770
CDM Bridge over San Dieguito-Federal	Joe B.	40.6631.5900	53,188 *
City Facilities ADA Improvements	Joe B.	40.6854.5900	15,000 *
Total Fund			8,911,725
<u>Open Space Fund</u>			
North Beach Boardwalk	Joe B.	21.6544.5900	78,321
Riverpath Del Mar	Joe B.	21.6545.5900	1,373
Shores Park Master Plan	Kathy G.	21.6817.5900	67,248
			\$ 146,942
<u>Water Fund</u>			
Sidewalk, Street & Drainage	Joe B.	51.6101.5900	\$ 95,748
Annual Water Improvements	Joe B.	51.6806.5900	274,064
Solana Beach Recycled Water	Joe B.	51.6918.5900	331,182 *
			700,994
<u>Wastewater Fund</u>			
Annual Sewer Program	Joe B.	57.6906.5900	\$ 324,198
Wastewater Pipeline Project	Joe B.	57.6917.5900	811,094 *
			1,135,292
Total Encumbrances			\$ 10,894,953

* offset by federal, local, and/or private grants, loans, and contributions. The City Hall/Town Hall project, will have an offset of \$13,000,713 in loan reimbursements due to the timing of the disbursement. CDM Bridge over San Dieguito project is offset by 88.53% in federal funds (\$47,087). Wastewater Pipeline project, will have an offset of \$3,078,851 in loan reimbursements due to the timing of the disbursement.

**CITY OF DEL MAR
EXPENDITURE MID-YEAR REQUEST
FISCAL YEAR 2017-2018**

<u>Department</u>	<u>Fund</u>	<u>Program</u>	<u>Description</u>	<u>Amount</u>
City Council	General Fund	Legal Services	Legal Costs	\$ 225,000
Community Services	Equipment Replacement	Lifeguard Services	(2) Mercury engines and fuel tanks	17,700
Total General Fund Request				242,700
Public Works	Gas Tax-GF Subsidy	Street Landscaping	Aztec additional service on new areas median replacement plantings, downtown preparation for Breeders' Cup and Holiday Season	25,000
Public Works	Gas Tax-GF Subsidy	Street Landscaping	West Coast Arborist for additional services. Arborist assessments, City recently identified public trees, removing conflicting trees in advance of Streetscape Segment 1 and 5	20,000
Public Works	Gas Tax-GF Subsidy	Street Landscaping	Utilities to cover water bills on new irrigation systems like Roundabout, drought restrictions lifted, and dry weather	24,000
Public Works	Gas Tax-GF Subsidy	Street Maintenance	Higher than expected street sweeping services (winds, storms, etc) and sidewalk repairs to remove trip hazards	11,000
Public Works	Gas Tax-GF Subsidy	Street Maintenance	Replace a meter pedestal at intersection of 15th Street and CDM that is rusted out and compromised	3,700
Public Works	Open Space-GF Subsidy	Park Maintenance	Staff augmentation program (2 guys and a truck, one day a week) to perform wide range of street/sidewalk cleaning activities to increase curb appeal	5,500

**CITY OF DEL MAR
EXPENDITURE MID-YEAR REQUEST
FISCAL YEAR 2017-2018**

<u>Department</u>	<u>Fund</u>	<u>Program</u>	<u>Description</u>	<u>Amount</u>
Public Works	Open Space-GF Subsidy	Park Maintenance	Cover higher than expected water bills due to dry weather, lifting of drought restrictions and overwater Powerhouse Park	15,000
Public Works	Open Space CIP-GF Subsidy	Street Light and Signs	Install new irrigation and landscaping along a sloped area between Winston School and Stratfort Court	13,000
Public Works	TransNet CIP	Capital Improvement	Available TransNet funds for Roadway and Sidewalk Improvement Project	8,000
Total Special Fund Request				125,200
Public Works	Capital Improvement-GF	Street Light and Signs	(2) Radar Flashing Speed Feedback signs Sidewalk Improvement Project	10,000
Total Capital Improvement Request				10,000
Public Works	Clean Water-GF Subsidy	Street Maintenance	Staff augmentation program (2 guys and a truck, one day a week) to perform wide range of street/sidewalk cleaning activities to increase curb appeal	5,500
Public Works	Water Fund	Treatment/Delivery	Due to increase in water treatment and delivery. This expense is offset by the revenue collection increase in water sales.	120,000
Public Works	Wastewater CIP	Capital Improvement	Additional funding required for Salt water treatment on Citywide Wastewater project	200,000
Total Enterprise Fund Request				325,500
Total Expenditure Mid-Year Request				\$ 703,400

**CITY OF DEL MAR
REVENUE MID-YEAR REQUEST
FISCAL YEAR 2017-2018**

<u>Program</u>	<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Property Tax	General Fund	Due to property turnover at higher valuation; and based on County estimates, a 7% increase in property tax is projected in comparison to prior year collections.	180,000
Sales and Use Tax	General Fund	A regional reduction in fine dining is leading to keep sales tax collection flat. A reduction is being requested to keep projections close to the amount received in the previous year.	(70,000)
Transient Occupancy Tax	General Fund	Warmer weather, additional events including Breeder's Cup have led to the increase in TOT. Beginning in March 2017, TOT has consistently increased in comparison to the prior year. An adjustment is being recommended based on the assumption that the remaining months will collect the same as last year.	232,700
Parking Violations	General Fund	Higher collections in comparison to prior year due to warmer weather and increase in visitors.	40,000
Rental Income	General Fund	Collections are anticipated to be similar to prior year.	50,000
Parking Meter Revenue	General Fund	Due to warmer weather, additional events, visitor traffic has increased.	85,000
On/Off Track Pari-Mutuel	General Fund	Based on current collections of On-Track betting revenue and expected Off-Track for the remaining six months.	10,540
Miscellaneous Revenue	General Fund	Based on legal fees exceeding \$100K, these funds represent insurance reimbursement in excess of \$100K per claim.	100,000
Total General Fund Revenue Request			\$ 628,240

**CITY OF DEL MAR
REVENUE MID-YEAR REQUEST
FISCAL YEAR 2017-2018**

<u>Program</u>	<u>Fund</u>	<u>Description</u>	<u>Amount</u>
Housing In-Lieu Fee	Housing Fund	To match current collection of Housing In-Lieu fees.	94,050
TransNet Allocation	TransNet Fund	Anticipated available TransNet funding.	8,000
RTCIP Fees Mitigation	RTCIP Fund	To match current collection of RTCIP Fees.	<u>2,400</u>
Total Special Revenue Fund Request			104,450
Service Charges	Workers' Compensation Fund	Based on staff vacancies, collections are anticipated to be lower than projected.	(30,000)
Water Sales	Water Fund	An increase in water sales due to warmer weather, and drought restrictions being lifted.	250,000
Clean Water Service Charges	Clean Water Fund	Fees based on water usage.	50,000
Total Mid-Year Request			<u>\$ 1,002,690</u>

Attachment F

Legal Services

Description	Budgeted Amount	Amount Expended at Mid-Year	Year-End Projection	Required Funding
City Attorney Retainer and Special Projects	\$ 387,200	\$ 184,473	\$ 375,520	\$ (11,680)
City Attorney - Claims	\$ 25,000	\$ 358,173	\$ 667,380	\$ 642,380
Outside Attorney Services	\$ 20,000	\$ 29,307	\$ 29,310	\$ 9,310
Total amount for Legal Services	\$ 432,200	\$ 571,953	\$ 1,072,210	\$ 640,010

Current Claims

Description	Budgeted Amount	Amount Expended at Mid-Year	Year-End Projection	Insurance Reimbursement
Train claims (2)*		\$ 96,594	\$ 200,000	\$ 100,000
Development Claims (2)		\$ 65,131	\$ 112,380	\$ -
Short Term Rental (2)		\$ 51,649	\$ 100,000	\$ -
Personnel		\$ 143,660	\$ 250,000	\$ -
Sales Tax		\$ 1,139	\$ 5,000	\$ -
Total amount for Legal Services	\$ 25,000	\$ 358,173	\$ 667,380	\$ 100,000

Funding for Claims

Description	Amount
Year-End Projection	\$ 667,380
FY 2017-2018 Budget	\$ (25,000)
Recorded/Expensed in FY 2017	\$ (417,380)
Transfer from Self-Insurance Reserve*	\$ (225,000)
	\$ -

* One Claim in this category is expected to exceed \$100,000. Amounts above required retention are reimbursed by insurance and recorded as revenue. Self-Insurance Reserve does not account for amounts reimbursed by insurance.

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
BASED ON PROJECTION RESULTS
FISCAL YEAR 2017-2018**

		BEGINNING BALANCE JUL 1, 2017 AUDITED	REVENUES FY 2018	O & M EXPENDITURES FY 2018	CIP EXPENDITURES FY 2018	TRANSFERS IN FY 2018	(OUT) FY 2018	ENDING BALANCE JUN 30, 2018 ESTIMATE
GENERAL FUND								
CONTINGENCY	22.10%	5,419,498	15,963,780	(12,188,420)		1,993,633	\$ (8,105,067)	3,083,424
RESTRICTED:								
SELF-INSURANCE		500,000	-	(225,000)		-	-	275,000
DESIGNATED:								
ENCUMBRANCES		-	-	-		-	-	-
DISTRICT TAX (MEASURE Q)		727,696	1,800,000	(10,000)		-	-	2,517,696
COASTAL PARKING REVENUE		12,930	81,900	(94,830)		-	-	-
SIDEWALK CAFÉ		-	4,590	(4,590)		-	-	-
PENSION RESERVE		105,194	-	-		557,500	-	662,694
LEAVE LIABILITY		100,000	-	-		-	-	100,000
EQUIPMENT REPLACEMENT		869,742	-	(112,180)		50,000	-	807,562
TOTAL GENERAL FUND		7,735,060	17,850,270	(12,635,020)	-	2,601,133	(8,105,067)	7,446,376
GAS TAX								
		-	123,850	(592,000)		468,150	-	-
OPEN SPACE								
		146,943	475,770	(899,130)		276,417	-	-
DESIGNATED								
ENCUMBRANCES		-	-	(870)	(146,942)	147,812	-	-
CAPITAL IMPROVEMENT PROJECTS		-	-	-	(322,700)	322,700	-	-
OPEN SPACE ACQUISITION		120,388						120,388
TREE RESERVE		32,357						32,357
TOTAL OPEN SPACE FUND		299,688	475,770	(900,000)	(469,642)	746,929	-	152,745
SUPPLEMENTAL LAW ENFORCEMENT FUND								
		-	100,000	(190,000)		90,000	-	-
REGIONAL COMMUNICATIONS FUND								
		52,829	45,000	(45,000)	-	-	-	52,829
GRANTS FUND								
		20,489	19,370	(19,370)	-	-	-	20,489
HOUSING FUND								
		400,180	144,650	(120,000)	-	-	-	424,830
AB 939 FUND								
		220,806	54,000	(20,000)	-	-	-	254,806
PEG FEE FUND								
		169,059	50,000	(15,000)	-	-	(201,059)	3,000

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
BASED ON PROJECTION RESULTS
FISCAL YEAR 2017-2018**

	BEGINNING BALANCE JUL 1, 2017 AUDITED	REVENUES FY 2018	O & M EXPENDITURES FY 2018	CIP EXPENDITURES FY 2018	TRANSFERS IN FY 2018	(OUT) FY 2018	ENDING BALANCE JUN 30, 2018 ESTIMATE
CAPITAL IMPROVEMENT FUND							
CONTINGENCY	-	403,890		(4,268,690)	3,864,800		-
DEBT SERVICE	-	-	(910,770)	-	910,770	-	-
ENCUMBRANCES	(5,702,715)	13,217,374	-	(8,915,975)	1,401,316	-	-
RESERVE FOR CAPITAL	2,131,452	-	-	-	-	(1,792,574)	338,878
TOTAL CAPITAL IMPROVEMENT FUND	(3,571,263)	13,621,264	(910,770)	(13,184,665)	6,176,886	(1,792,574)	338,878
TRANSNET FUND	84,731	8,000	-	(8,000)	-	-	84,731
RTCIP	-	2,404	-	-	-	-	2,404
WORKERS' COMPENSATION FUND	592,732	230,000	(250,000)	-	-	-	572,732
WATER FUND							
NET POSITION	787,898	3,250,000	(3,265,150)	-	-	(515,312)	257,436
RESTRICTED:							
CONTRIBUTED CAPITAL	4,028,272						4,028,272
DESIGNATED							
ENCUMBRANCES	-						-
SELF-INSURANCE	50,000		(5,000)				45,000
RATE STABILIZATION	150,000						150,000
CAPTIAL REPLACEMENT	400,000	331,182		(850,990)	369,812		250,004
NET PENSION LIABILITY	(924,126)						(924,126)
PENSION RESERVE	71,664				145,500		217,164
OPERATING RESERVE	100,000						100,000
EQUIPMENT REPLACEMENT	200,000		(24,850)				175,150
UTILITY PLANT IN SERVICE	7,290,299		(400,000)				6,890,299
TOTAL WATER FUND	12,154,007	3,581,182	(3,695,000)	(850,990)	515,312	(515,312)	11,189,199
CLEANWATER FUND	2,828	540,000	(558,430)	-	15,602	-	-

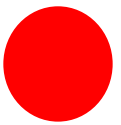
CITY OF DEL MAR
RESERVE SUMMARY REPORT
BASED ON PROJECTION RESULTS
FISCAL YEAR 2017-2018

	BEGINNING BALANCE JUL 1, 2017 AUDITED	REVENUES FY 2018	O & M EXPENDITURES FY 2018	CIP EXPENDITURES FY 2018	TRANSFERS IN FY 2018	TRANSFERS (OUT) FY 2018	ENDING BALANCE JUN 30, 2018 ESTIMATE
WASTEWATER FUND							
NET POSITION	39,353	3,300,000	(3,117,570)	-	-	(187,000)	34,783
	-						-
RESTRICTED							
IBANK RESERVE	228,828						228,828
CONTRIBUTED CAPITAL	650,814						650,814
LOAN RESERVE-STATE REVOLVING	332,979						332,979
DESIGNATED							
ENCUMBRANCES	-						-
SELF-INSURANCE	50,000		(40,000)		40,000		50,000
CAPITAL REPLACEMENT*	375,000	3,078,851		(1,735,292)	25,000		1,743,559
NET PENSION LIABILITY	(929,017)						(929,017)
PENSION RESERVE	72,229				147,000		219,229
OPERATING RESERVE	110,000						110,000
EQUIPMENT REPLACEMENT	100,000		(24,850)				75,150
UTILITY PLANT IN SERVICE	9,790,699		(590,000)				9,200,699
RATE STABILIZATION	230,000					(25,000)	205,000
TOTAL WASTEWATER FUND	11,050,885	6,378,851	(3,772,420)	(1,735,000)	212,000	(212,000)	11,922,316
TOTAL ENTERPRISE FUNDS	23,207,720	10,500,033	(8,025,850)	(2,585,990)	742,914	(727,312)	23,111,515
TOTAL - ALL FUNDS	29,212,031	43,224,611	(23,723,010)	(16,248,297)	10,826,012	(10,826,012)	32,465,335

* Ibank reimbursement



City of Del Mar Memo



TO: Honorable Mayor and City Council Members

FROM: Monica Molina, Interim Director of Finance/Treasurer
Via Scott W. Huth, City Manager

DATE: March 5, 2018

RE: Item 11: Mid-Year Financial Budget Report - Appropriation of \$25,000 for Safe Rail Crossing Feasibility Study

A City Council priority project is to work with the North County Transit District (NCTD) to develop rail crossings and trails along the bluffs and rail corridor rights-of-way. Recent discussions with NCTD regarding a joint effort to complete a safe rail crossing feasibility study for the railroad tracks in Del Mar have determined the cost will be approximately \$50,000, and NCTD is willing to share this cost with the City. Staff is requesting City Council authorization to proceed with discussions with NCTD to move forward with the study. Council discussion on the scope of the study will occur at a future meeting.

Included in the Mid-Year Financial report are \$150,000 of encumbrances available for on-going City Council priority projects. At this time, it has been determined that not all funds will be expensed by the end of the fiscal year, and sufficient funds are available to cover the City's portion of the safe rail crossing study. Staff is requesting approval to appropriate \$25,000 from the Planning Department budget line-item for City Council priority projects.

This item will have no financial impact to the General Fund Contingency.



From: City Clerk Mail Box
Subject: FW: Revised red dot (List of Demands and Mid-Year Financial Report): Mounting Legal Expenses and Claims

From: Laura DeMarco [mailto:laurastanleydemarco@yahoo.com]
Sent: Monday, March 5, 2018 4:15 PM
To: Dwight Worden <dworden@delmar.ca.us>; David Druker <ddruker@delmar.ca.us>; Ellie Haviland <ehaviland@delmar.ca.us>; Terry Sinnott <tsinnott@delmar.ca.us>; Sherryl L. Parks <sparks@delmar.ca.us>
Cc: City Clerk Mail Box <CityClerk@delmar.ca.us>; Tom McGreal [REDACTED]
Subject: Revised red dot (List of Demands and Mid-Year Financial Report): Mounting Legal Expenses and Claims

Dear Council members,

After a noticeable lapse, the City's latest legal payments are finally included in the List of Demands that you are set to approve at tonight's Council meeting. They total \$104,104 and include partial monthly billings for December, November and October.

With these newly released payments, total legal expenses for 2017 are now \$908,995. In addition, legal expenses for the first half of FY2017-18 are \$549,779. At this rate, legal expenses for the entire fiscal year will be over \$1M.

The latest lawsuit filed against the City adds to outstanding claims of \$5M+. Here is more detail about the lawsuit from an article that recently appeared in the Del Mar Times:

The Mid-year financial report states that insurance will cover the City's costs for each legal claim over \$100,000. However, insurance is not a blank check. There are significant exclusions in coverage which still exposes the City to millions in costs for litigation, settlements and judgements.

Laura

News

New claim filed against Del Mar in lifeguard case



People and dogs enjoy an afternoon at Dog Beach in Del Mar, where a lifeguard department controversy has roiled the community. (Union-Tribune file photo by Hayne Palmour IV)

By **Phil Diehl**

MARCH 3, 2018, 2:55 PM

A new claim has been filed against Del Mar's City Council and top administrators by former employee Liza Rogers, this time stating that she was wrongfully terminated for being a "whistleblower."

Rogers says she sounded the alarm about administrators using the city's vehicles, parks, power tools and even manual labor for their personal benefit, and that she was fired for it.

An attorney for the city, Jeff Morris, said Roger's latest claim has been rejected.

"We expect her to be filing a civil lawsuit," Morris said in an email Friday afternoon, March 2. "The city will vigorously defend its actions in court through the legal process."

Article continues below

An advertisement for Financial Designs Ltd. The background is a collage of US dollar bills. The text is as follows:

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Listen Saturdays at 8am**

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Rogers worked for the city as an administrative assistant, a lifeguard, parking enforcement officer and facility manager. She and her supervisor, Chief Lifeguard and Director of Community Service Pat Vergne, were both laid off last year after an extensive

independent investigation of their department.

An earlier wrongful termination claim filed for Rogers by attorney Kenneth Hoyt was based on violations of public policy and discrimination, and it was denied by the city in January. The new claim was filed Feb. 7 by attorney Dan Gilleon.

In addition to the grounds made in the former claim, the new one is based on California's "whistleblower" law, which states that an employee can't be fired for refusing to violate a law or for reporting a violation.

"She's taken a stand, and it's going to benefit everybody," Gilleon said Friday, March 2.

"This kind of abuse of power ... is not good for the rest of us," he said. "It took a lot for her to say she wants to speak out on this."

Vergne, a 37-year Del Mar employee, also filed a wrongful termination claim that the city rejected. He has since filed a lawsuit.

A four-month investigation found evidence that Vergne had improperly waived fees for the use of the city's Powerhouse Park and community center, allowed events

without permits, abused overtime, used a city credit card for personal purchases, and misused public funds.

A subsequent investigation by the San Diego County Sheriff's Department found no evidence of criminal wrongdoing.

Rogers' wrongful termination claim states she was fired Sept. 21 in retaliation for her "disclosure of multiple violations of law by City officials and employees."

Those violations include the use of a city vehicle for personal activities, authorization of payment for hours not worked, inappropriate and sexual-related comments to new lifeguards, the use of city employees to work at a personal residence while on the city clock, the use of city power tools at personal residences and more.

All of Rogers' allegations are against the Community Services Department's deputy director, Mark Rathsam, and lifeguard Lt. John Edelbrock, whom the city promoted to Vergne's former position in January.

She also claimed Rathsam and Edelbrock had used the Powerhouse facilities for personal events without obtaining the necessary permits or paying the required fees.

The lifeguard department investigation has roiled the community for almost a year. Many residents have called for the termination of City Manager Scott Huth, saying Huth had unfairly accused Vergne of wrongdoing.

However, after the completion of an extended performance review, the City Council voted in February to extend Huth's employment contract to 2020.

Huth also received a 3 percent consumer price index increase, a 2 percent merit increase, and a 4 percent one-time bonus on his base annual salary of about \$210,000.

--Phil Diehl is a writer for The San Diego Union-Tribune