



City of Del Mar Staff Report

TO: Honorable Mayor and City Council Members

FROM: Monica Molina, Finance Manager/Treasurer
Ashley Jones, Administrative Services Director
Via Scott W. Huth, City Manager

DATE: February 3, 2020

SUBJECT: Fiscal Year 2019-2020 Mid-Year Financial Report and Resolution
Amending the Fiscal Year 2019-2020 Operating and Capital Budget

REQUESTED ACTION/RECOMMENDATION

It is recommended that the City Council: 1) Accept the Fiscal Year 2019-2020 Mid-Year Financial Report; and 2) Adopt the Resolution (Attachment A) amending the Fiscal Year 2019-2020 Operating and Capital Budget as described in this report.

DISCUSSION/ANALYSIS

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 1-December 31, 2019) and make any necessary adjustments to the original revenue projections and budget estimates. The proposed mid-year adjustments are based on a comprehensive review of actual expenditures and revenues to date and includes updated projections through the end of the fiscal year.

The City continues to see slight decreases in revenues. Most of these declines are related to weather patterns. Del Mar is a tourist destination and the weather has an impact on revenue trends, especially Transient Occupancy Tax (TOT) and Sales Tax. Although the Mid-Year results for TOT show a decline, a large portion of the decline was due to the renovation of one of Del Mar's hotels and related impact on room reservations during that time. Renovations are now completed, and TOT revenues are expected to be positively affected during the second half of the fiscal year. The City continues to show positive financial activity in Property Tax revenues, however, the growth rate has slowed compared to previous years, indicating a possible transition into the next recession cycle. Although financial experts do not expect the next recession cycle to be anywhere close to the Great Recession of 2008, the City remains slightly conservative in its projections of revenue and continues to strictly control and manage expenditures.

As part of the Mid-Year budget process, and in accordance with the City's Investment Policy, a copy of the Treasurer's Report as of September 30 and December 31, 2019, are included as Attachment B.

IT WAS MOVED BY COUNCIL MEMBER WORDEN, SECONDED BY DEPUTY MAYOR GAASTERLAND TO 1) ACCEPT THE FISCAL YEAR 2019-2020 MID-YEAR FINANCIAL REPORT; AND 2) ADOPT THE RESOLUTION 2020-04, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR, CALIFORNIA, AMENDING THE FISCAL YEAR 2019-2020 OPERATING AND CAPITAL BUDGET." (VOTE 5-0)

The Fiscal Year 2019-2020 budget has been updated to reflect the final audited ending balances from Fiscal Year 2018-2019, which become the new beginning balances for Fiscal Year 2019-2020.

PROPOSED MID-YEAR BUDGET CHANGES:

The Mid-Year budget process includes a detailed review of every operating line item by each City department. Through this process, some department budget areas were identified as being over budget, largely due to unanticipated costs, and budget savings were also identified. As is within the City Manager’s authority, transfers within funds were completed which resulted in operational savings that were in excess of the loss in revenues reported below. These savings resulted in increasing the current General Fund Contingency (GFC) from 14.62% to 15.34% (Exhibit A of Attachment A). Proposed expenditure adjustments to the General Fund, Special Revenue Funds, and Enterprise Funds are described in the tables below:

GENERAL FUND ADJUSTMENTS

TABLE 1		GENERAL FUND EXPENDITURE ADJUSTMENTS	
Fund	Description	Adjustment	
Law Enforcement	Based on current Sheriff’s law and traffic enforcement contract rate.	(\$40,000)	
Parking Enforcement	Staff turn-over; lower merchant fees due to change in service provider; and lower processing fees offset by loss in revenue.	(\$66,000)	
Legal Fees-Claims/Litigation	Based on current claims/litigation and projected related costs (described below).	\$815,000	
Equipment Replacement	Receipt of grant funds used to purchase Fire rescue tool.	(\$15,500)	
Total Net Adjustments		\$693,500	

TABLE 2		GENERAL FUND REVENUE ADJUSTMENTS	
Fund	Description	Adjustment	
Sales Tax	Based on sales tax consultant projections for remainder of fiscal year.	(\$76,780)	
Parking Meters & Violations	Poor weather and temporary reduction in staffing due to vacant position.	(\$60,000)	
Building Fees	Increase in building activity; offset by increase in expenditures	\$35,000	
Excess Insurance Reimbursement	Reimbursement from excess insurance provider for several significant lawsuits against the City	\$598,000	

	(City only pays the first \$100,000 in expenses per lawsuit, then all costs are covered by insurance)	
Total Net Adjustments		\$496,220

SPECIAL REVENUE AND ENTERPRISE FUND ADJUSTMENTS

TABLE 3		
<i>SPECIAL REVENUE FUND EXPENDITURE ADJUSTMENTS</i>		
Fund	Description	Adjustment
Open Space	Salary/benefits savings related to F/T Maintenance worker position	(\$30,000)
Open Space/GF CIP	Transfer savings from Powerhouse Deck Expansion Project to City Hall Project	\$0 Net result
SLESF Fund	Reduced salary/benefit costs related to the Law Enforcement Manager position	(\$80,000)
Grants Fund	To account for expenses related to CERT grant; offset by grant revenues	\$2,500
Housing Fund	Increase in costs associated with rental subsidy program	\$4,470
Workers' Compensation	Increased insurance premiums	\$28,000
Total Net Adjustments		\$75,030

TABLE 4		
<i>SPECIAL AND INTERNAL SERVICE FUND REVENUE ADJUSTMENTS</i>		
Fund	Description	Adjustment
Open Space	Decrease in beach permit revenues related to volleyball instruction/camps	(\$65,000)
SLESF	To account for annual allocation received from the State from the Revenue Growth account	\$40,000
Grants Fund	To account for CERT grant received from SDGE	\$2,500
Total Net Adjustments		\$22,500

TABLE 5		
<i>ENTERPRISE FUNDS EXPENDITURE ADJUSTMENTS</i>		
Fund	Description	Adjustment
Water Fund	Increase in Insurance premiums and depreciation expense	\$41,590
Wastewater Fund	Increase in Insurance premiums and depreciation expense.	\$99,650
Total Net Adjustments		\$141,240

TABLE 6		
ENTERPRISE FUNDS REVENUE ADJUSTMENTS		
Fund	Description	Adjustment
Water Fund	Based on current collections	\$119,450
Total Net Adjustments		\$119,450

Legal Services Expenditures

The Fiscal Year 2019-2020 Operating Budget includes funding for legal services. Legal services provided by the contract City Attorney, include basic monthly retainer, legal review to support the City’s overall workplan; funding for special projects that require legal services; litigation, a contingency for potential outside attorney services (provided by a specialty firm; and a small contingency for claims.

The largest adjustment being requested for Mid-Year is for legal fees related to claims and litigation. Legal fees related to the monthly retainer are in line with projections. Legal fees for special projects are accounted for in the Special Project fund, which is being covered with special project savings. However, projections for legal fees related to claims and litigation are always hard to predict, since it is unknown how many new claims or lawsuits will be filed against the City. In order to avoid low/high projections, a minimal \$25,000 is budgeted each year and a separate self-insurance fund is set aside to cover potential claims and litigation costs.

As part of the annual Mid-Year budget process, staff works with legal counsel to review current claims and litigation and to project the cost for the remainder of the year based on the current status of each claim, lawsuit, special project, and services to support the City’s workplan. Based on that review, staff is requesting to adjust legal fees related to claims and litigation by \$815,000. At the same time, an increase to revenues in the amount of \$598,000 is being requested to account for reimbursement the City will receive for claims that exceed the City’s self-insurance retainer (\$100,000). The net difference of \$217,000 will be paid out of the self-insurance reserve and will not have an impact on the General Fund Contingency (GFC). As is past practice, the City will continue to replenish this reserve at year-end to acceptable levels for any future liability claims.

Unfunded Expenditure Requests

A list of unfunded expenditure requests is included with this report as Attachment C. During the current fiscal year, departments have been identifying potential new expenditures, both one-time and ongoing, that could be added to the budget. Staff is recommending holding-off on new non-essential items that have an impact to the GFC. Staff is recommending approval to replace the sewer rodder and Pump Station generator housing unit, which be funded by the Wastewater Fund and will not impact the GFC.

SUMMARY

The last reported GFC to the City Council was 14.62%. After an in-depth analysis of operating revenues and expenditures, with savings in special revenue expenditures (which are subsidized by the General Fund), the new GFC is projected at 15.34%. This includes reserving a total of \$825,000 to fund the Pension Reserve, and \$50,000 to fund the Equipment Replacement Reserve. The ending total General Fund balance at June 30, 2020, is projected to be \$5,027,609.

The City continues to maintain a healthy financial position. Although, the GFC is currently lower than recommended during the adoption of the budget, cash flow after operations is still high at over \$2 million, representing about 15% of current operating expenditures. However, with the City's aggressive special and capital project programs, these excess funds are being utilized the year they are earned alongside current reserves, resulting in overall cash flow deficit for the year (Attachment D).

Sufficient funds are available to complete all special and capital projects that are projected for the next two fiscal years. However, due to healthy but slightly declining revenues, the completion of those projects can result in lower than anticipated GFC levels. Aside from Measure Q and Water/Wastewater/Clean Water funded projects, staff is recommending that the City slow down the aggressive capital project program that has been in place over the past five years. Looking forward, it is recommendation that when the Council considers adoption of the next two-year budget (FY 2021-22 and FY 2022-23), that only required critical special and capital projects; Measure Q capital projects already committed to by Council; and Enterprise fund (Water, Wastewater) projects be considered. As in past practice, excess cash flow above the recommended GFC would be transferred to the capital improvement reserves for future (as early as the year after earned) capital projects. With the anticipation of a potential economic downturn in the near future, this practice would guarantee the City maintains a solid financial position.

The Finnell Plan has been updated to include FY 2018-19 actuals, and the recommended Mid-Year projections. After reduction of first year implemented operational items and one-time cost, the Finnell Plan continues to be met (Attachment E).

FISCAL IMPACT:

General Fund revenues are anticipated to have a net increase of \$496,220. General Fund expenditures are projected to have a net increase of \$693,500, which is partially funded with Self Insurance Reserve Fund. The projected ending General Fund contingency reserve, in the amount of \$2,291,659 is 15.34%, which is within the Council's 10-20% contingency reserve policy.

PRIOR CITY COUNCIL REVIEW:

The City Council adopted the Fiscal Years 2019-2020 and 2020-2021 Operating and Capital Budget on June 17, 2019. The City Council approved adjustments to the Fiscal Year 2019-2020 Operating and Capital Budget during the First Quarter Financial Review on December 2, 2019.

INPUT FROM CITY BOARDS AND/OR CITIZENS' COMMITTEES:

The Finance Committee was presented with the Draft FY 2019-2020 Mid-Year Financial Report at its meeting on January 28, 2020. The Committee asked questions, provided feedback, and unanimously approved a motion in agreement with the staff report and the proposed changes to the budget as presented in the Mid-Year report for FY 2019-20, and they recommended that the City Council limit future spending that would further lower the Contingency Reserves, which are now well below the Contingency Reserve goal that was set by the Council for the FY2019-20 Budget.

ATTACHMENTS:

- Attachment A - Resolution Amending the Fiscal Years 2019-2020 Operating and Capital Budget
- Attachment B - Treasurer's Report – Period Ending September 30, 2019 and December 31, 2019
- Attachment C - Unfunded Items List
- Attachment D - Cash Flow Report
- Attachment E - FY 2019-20 Expenditure Cap Calculation

RESOLUTION 2020-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR,
CALIFORNIA, AMENDING THE FISCAL YEAR 2019-2020 OPERATING
AND CAPITAL BUDGET

WHEREAS, on June 17, 2019, the City Council of the City of Del Mar passed Resolution 2019-26, adopting the Fiscal Years 2019-2020 and 2020-2021 Operating and Capital Budget; and

WHEREAS, on December 2, 2019, the City Council of the City of Del Mar passed Resolution 2019-67 adopting the Fiscal Year 2019-20 Operating and Capital Budget First Quarter report; and

WHEREAS, a comprehensive mid-year review of expenditures and revenues through December 31, 2019 has been completed; and

WHEREAS, based on the results of the review, adjustments to the Fiscal Year 2019-20 Operating and Capital Budget are needed in order to cover costs and account for anticipated revenues through the end of the current fiscal year (Exhibit A).

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 Year 2019-2020 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 3rd day of February 2020.

Ellie Haviland, 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 2020-_____, adopted by the City Council of the City of Del Mar, California, at a Regular Meeting held the 3rd day of February 2020, 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 2019-20**

		BEGINNING BALANCE JUL 1, 2019 AUDITED	REVENUES FY 2020	O & M EXPENDITURES FY 2020	CIP EXPENDITURES FY 2020	TRANSFERS IN FY 2020	(OUT) FY 2020	ENDING BALANCE JUN 30, 2020 ESTIMATE
GENERAL FUND								
CONTINGENCY	15.34%	3,205,557	17,596,020	(12,716,640)		123,125	\$ (5,916,403)	2,291,659
RESTRICTED:								
SELF-INSURANCE		400,000	674,000	(840,000)		-	-	234,000
DESIGNATED:								
ENCUMBRANCES		40,810	-	(40,810)		-	-	-
DISTRICT TAX (MEASURE Q)		-	-	-		-	-	-
COASTAL PARKING REVENUE		-	81,900	(81,900)		-	-	-
SIDEWALK CAFÉ		-	2,400	(2,400)		-	-	-
PENSION RESERVE		1,220,200	-	-		536,250	-	1,756,450
LEAVE LIABILITY		100,000	-	(78,080)		-	-	21,920
EQUIPMENT REPLACEMENT		750,000	-	(76,420)		50,000	-	723,580
TOTAL GENERAL FUND		5,716,567	18,354,320	(13,836,250)	-	709,375	(5,916,403)	5,027,609
MEASURE Q		2,355,856	2,888,180	-	(4,189,575)	-	-	1,054,461
ROAD MAINTENANCE & REHABILITATION ACCOUNT		6,715	76,410	-	-	-	(83,125)	-
GAS TAX		23,253	114,060	(634,103)	-	496,790	-	-
OPEN SPACE		-	369,260	(1,005,110)	-	635,850	-	-
DESIGNATED								
ENCUMBRANCES		241,971	-	(9,029)	(232,942)	-	-	-
CAPITAL IMPROVEMENT PROJECTS		-	15,000	-	(519,170)	504,170	-	-
OPEN SPACE ACQUISITION		120,388						120,388
TREE RESERVE		33,157						33,157
TOTAL OPEN SPACE FUND		395,516	384,260	(1,014,139)	(752,112)	1,140,020	-	153,545
SUPPLEMENTAL LAW ENFORCEMENT FUND		-	140,000	(281,640)		141,640	-	-
REGIONAL COMMUNICATIONS FUND		8,971	45,000	(85,010)	-	31,039	-	-
GRANTS FUND		58,116	137,100	(146,370)	-	-	-	48,846
HOUSING FUND		356,661	6,000	(120,000)	-	-	-	242,661
AB 939 FUND		232,114	60,500	(79,783)	-	-	-	212,831
PEG FEE FUND		14,060	47,780	(10,300)	-	-	(40,000)	11,540

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2019-20**

	BEGINNING BALANCE JUL 1, 2019 AUDITED	REVENUES FY 2020	O & M EXPENDITURES FY 2020	CIP EXPENDITURES FY 2020	TRANSFERS IN FY 2020	(OUT) FY 2020	ENDING BALANCE JUN 30, 2020 ESTIMATE
CAPITAL IMPROVEMENT FUND							
CONTINGENCY	-	410,000	-	(1,564,709)	1,154,709	-	-
DEBT SERVICE	-	-	(908,290)	-	908,290	-	-
ENCUMBRANCES	320,494	107,221	-	(543,545)	115,830	-	-
RESERVE FOR CAPITAL	-	-	-	-	-	-	-
TOTAL CAPITAL IMPROVEMENT FUND	320,494	517,221	(908,290)	(2,108,254)	2,178,829	-	-
SPECIAL PROJECTS FUND	144,208	-	-	(1,027,558)	883,350	-	-
TRANSNET FUND	-	205,000	(205,000)	-	-	-	-
RTCIP	4,992	-	-	-	-	-	4,992
WORKERS' COMPENSATION FUND	519,845	255,000	(320,000)	-	-	-	454,845
WATER FUND							
NET POSITION	229,021	3,780,000	(3,320,450)	-	-	(500,762)	187,809
RESTRICTED:							
CONTRIBUTED CAPITAL	4,028,272						4,028,272
DESIGNATED							
SELF-INSURANCE	50,000	-	-	-	-	-	50,000
RATE STABILIZATION	200,000	-	-	-	-	-	200,000
CAPTIAL REPLACEMENT	325,000	-	-	(585,512)	360,512	-	100,000
NET PENSION LIABILITY	(1,293,186)	-	-	-	-	-	(1,293,186)
PENSION RESERVE	357,670	-	-	-	140,250	-	497,920
OPERATING RESERVE	475,000	-	-	-	-	-	475,000
EQUIPMENT REPLACEMENT	200,000	-	(11,550)	-	-	-	188,450
UTILITY PLANT IN SERVICE	7,738,233	-	(390,000)	-	-	-	7,348,233
TOTAL WATER FUND	12,310,010	3,780,000	(3,722,000)	(585,512)	500,762	(500,762)	11,782,498
CLEANWATER FUND	46,785	686,500	(746,770)	(445,000)	458,485	-	-

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2019-20**

WASTEWATER FUND	BEGINNING BALANCE JUL 1, 2019 AUDITED	REVENUES FY 2020	O & M EXPENDITURES FY 2020	CIP EXPENDITURES FY 2020	TRANSFERS IN FY 2020	(OUT) FY 2020	ENDING BALANCE JUN 30, 2020 ESTIMATE
NET POSITION	611,122	3,581,640	(3,170,890)	-	-	(722,993)	298,879
RESTRICTED							
IBANK RESERVE	228,828						228,828
CONTRIBUTED CAPITAL	650,814						650,814
LOAN RESERVE-STATE REVOLVING	332,979						332,979
DESIGNATED							
SELF-INSURANCE	50,000	-	-	-	-		50,000
CAPITAL REPLACEMENT	350,000	-	-	(574,493)	574,493		350,000
NET PENSION LIABILITY	(1,300,031)	-	-	-	-		(1,300,031)
PENSION RESERVE	371,300	-	-	-	148,500		519,800
OPERATING RESERVE	385,000	-	-	-	-		385,000
EQUIPMENT REPLACEMENT	50,000	-	(11,550)	-	-	-	38,450
UTILITY PLANT IN SERVICE	8,451,007	-	(697,510)	-	-		7,753,497
RATE STABILIZATION	200,000	-	-	-	-	-	200,000
TOTAL WASTEWATER FUND	10,381,019	3,581,640	(3,879,950)	(574,493)	722,993	(722,993)	9,508,216
TOTAL ENTERPRISE FUNDS	22,737,814	8,048,140	(8,348,720)	(1,605,005)	1,682,240	(1,223,755)	21,290,714
TOTAL - ALL FUNDS	32,895,182	31,278,971	(25,989,605)	(9,682,504)	7,263,283	(7,263,283)	28,502,044

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**CITY OF DEL MAR
FISCAL YEAR 2019-20 MID-YEAR FINANCIAL REPORT
REVENUE REPORT**

	FISCAL YEAR 2017-2018			FISCAL YEAR 2018-2019			FISCAL YEAR 2019-2020							
	ACTUAL AT 6/30/18	ACTUAL AT 12/31/17	%	ACTUAL AT 6/30/19	ACTUAL AT 12/31/18	%	1ST QTR BUDGET FY 2019-20	ADD'TL BUDGET ADJ DURING YR	INTERNAL TRANSFERS DURING YR	MID-YEAR BUDGET ADJ PROPOSED	PROPOSED NEW BUDGET	ACTUAL AT 12/31/19	%	PROJECTED YEAR END RESULTS
<u>General Fund</u>														
Property Tax	5,978,965	2,192,480	37%	6,265,952	2,250,028	36%	6,618,830	-	8,000	-	6,626,830	2,397,025	36%	6,626,540
Sales and Use Tax	2,136,523	886,737	42%	2,208,416	1,017,546	46%	2,296,780	-	-	(76,780)	2,220,000	818,622	37%	2,220,000
Transient Occupancy Tax	3,001,300	1,434,960	48%	2,982,510	1,474,578	49%	3,151,800	-	-	-	3,151,800	1,432,079	45%	3,151,800
Business License	241,008	53,202	22%	243,198	65,400	27%	240,000	-	-	-	240,000	64,056	27%	240,000
Transfer Tax	192,372	47,833	25%	202,674	36,505	18%	145,000	-	70,050	-	215,050	77,156	36%	222,900
Franchise Fees	387,465	69,074	18%	424,931	72,434	17%	433,430	-	(35,000)	-	398,430	99,295	25%	398,430
License and Permits	96,261	66,701	69%	108,644	70,631	65%	98,000	-	-	-	98,000	54,109	55%	98,000
Parking Violations	446,410	235,422	53%	508,842	271,211	53%	540,000	-	-	(30,000)	510,000	205,669	40%	510,000
Red Light Enforcement	138,624	74,059	53%	102,118	41,660	41%	120,000	-	-	-	120,000	43,839	37%	120,000
Interest Income	90,651	59,939	66%	229,761	70,266	31%	223,000	-	-	-	223,000	52,576	24%	223,000
Rental Income	272,621	70,157	26%	221,258	64,707	29%	197,880	-	-	-	197,880	88,039	44%	202,000
Parking Meter Revenue	1,062,478	544,941	51%	1,127,508	628,217	56%	1,200,000	-	-	(30,000)	1,170,000	622,245	53%	1,170,000
On/Off Track Pari-Mutuel	54,189	41,833	77%	19,208	4,399	23%	20,000	-	(8,000)	-	12,000	2,140	18%	12,000
Building Fees	334,143	96,241	29%	323,506	175,129	54%	365,000	-	-	35,000	400,000	201,173	50%	400,000
Planning/Zoning Fees	561,464	299,347	53%	538,920	249,621	46%	550,000	-	-	-	550,000	269,360	49%	550,000
Administrative Charges	808,540	404,270	50%	841,650	350,703	42%	875,320	-	-	-	875,320	437,661	50%	875,320
Other Revenue Sources	404,279	112,871	28%	546,489	152,330	28%	707,060	-	(35,050)	-	672,010	252,448	38%	672,010
Total General Fund Revenues	16,207,293	6,690,067	41%	16,895,585	6,995,364	41%	17,782,100	-	-	(101,780)	17,680,320	7,117,492	40%	17,692,000
Insurance Claim Reimb	-	-	0%	577,174	-	0%	76,000	-	-	598,000	674,000	314,018	47%	674,000
District Tax (Measure Q)	2,717,990	1,042,363	38%	2,863,314	1,200,330	42%	2,888,180	-	-	-	2,888,180	1,077,763	37%	2,888,180
Total General Fund Revenues	18,925,283	7,732,430	41%	20,336,073	8,195,693	40%	20,746,280	-	-	496,220	21,242,500	8,509,273	40%	21,254,180

**CITY OF DEL MAR
FISCAL YEAR 2019-20 MID-YEAR FINANCIAL REPORT
REVENUE REPORT**

	FISCAL YEAR 2017-2018			FISCAL YEAR 2018-2019			FISCAL YEAR 2019-2020							
	ACTUAL AT 6/30/18	ACTUAL AT 12/31/17	%	ACTUAL AT 6/30/19	ACTUAL AT 12/31/18	%	1ST QTR BUDGET FY 2019-20	ADDT'L BUDGET ADJ DURING YR	INTERNAL TRANSFERS DURING YR	MID-YEAR BUDGET ADJ PROPOSED	PROPOSED NEW BUDGET	ACTUAL AT 12/31/19	%	PROJECTED YEAR END RESULTS
<u>Special Revenue Funds</u>														
SB1	25,179	-	0%	80,755	31,922	40%	76,410	-	-	-	76,410	28,455	37%	75,900
Gas Tax Fund	96,287	34,732	36%	94,697	39,033	41%	114,060	-	-	-	114,060	49,719	44%	114,130
Open Space Fund	510,465	245,427	48%	450,467	227,210	50%	449,260	-	-	(65,000)	384,260	172,230	45%	345,000
Supplemental Law Enforcement Fund	148,747	69,416	47%	155,948	30,000	19%	100,000	-	-	40,000	140,000	30,000	21%	140,000
Regional Communications Fund	45,025	131	0%	44,702	67	0%	45,000	-	-	-	45,000	-	0%	45,000
Grants Fund	167,416	57,553	34%	44,914	10,673	24%	134,600	-	-	2,500	137,100	18,602	14%	144,600
Housing Fund	146,801	119,073	81%	33,467	1,539	5%	6,000	-	-	-	6,000	3,412	57%	6,000
AB939 Fund	56,567	27,470	49%	66,108	19,471	29%	60,500	-	-	-	60,500	19,661	32%	67,000
PEG Fund	162,535	9,533	6%	47,946	11,751	25%	47,780	-	-	-	47,780	13,766	29%	48,000
TransNet Fund	209,784	2,494	1%	196,019	-	0%	205,000	-	-	-	205,000	-	0%	205,000
RTCIP Fund	2,427	2,404	99%	2,565	9	0%	-	-	-	-	-	15		15
Total Special Revenue Funds	1,571,233	568,233	36%	1,217,588	371,675	31%	1,238,610	-	-	(22,500)	1,216,110	335,860	28%	1,190,645
Capital Improvement Fund	11,859,174	1,274,792	11%	2,317,929	1,628,213	70%	507,221	10,000	-	-	517,221	-	0%	517,221
Workers' Compensation Fund	232,692	108,932	47%	262,053	115,298	44%	255,000	-	-	-	255,000	122,231	48%	265,000
<u>Enterprise Funds</u>														
Water Fund	3,462,653	1,692,073	49%	3,392,019	1,670,320	49%	3,660,550	-	-	119,450	3,780,000	1,905,650	52%	3,780,000
-CIP Reimbursement (Solana Beach)	192,233	-	0%	-	-	0%	-	-	-	-	-	-	0%	-
Clean Water Fund	552,411	258,225	47%	549,173	265,681	48%	686,500	-	-	-	686,500	276,537	40%	586,500
Wastewater Fund	3,108,660	1,460,375	47%	3,341,084	1,595,564	48%	3,581,640	-	-	-	3,581,640	1,706,350	48%	3,581,640
Total Enterprise Funds	7,315,957	3,410,673	47%	7,282,276	3,531,565	48%	7,928,690	-	-	119,450	8,048,140	3,888,537	49%	7,948,140
TOTAL REVENUES	37,186,349	12,052,697	32%	27,975,431	12,642,115	45%	30,599,801	10,000	-	593,170	31,202,971	12,855,901	42%	31,175,186

**CITY OF DEL MAR
FISCAL YEAR 2019-2020 MID-YEAR FINANCIAL REPORT
EXPENDITURE REPORT**

	FISCAL YEAR 2017-2018			FISCAL YEAR 2018-2019			FISCAL YEAR 2019-2020							
	ACTUAL	ACTUAL	%	ACTUAL	ACTUAL	%	1ST QTR	ADDT'L	INTERNAL	MID-YEAR	PROPOSED		PROJECTED	
	AT 6/30/18	AT 12/31/17		AT 6/30/19	AT 12/31/18		BUDGET	BUDGET ADJ	TRANSFERS	BUDGET ADJ	NEW	ACTUAL		YEAR END
							FY 2019-20	DURING YR	DURING YR	PROPOSED	BUDGET	AT 12/31/19	RESULTS	
General Fund														
City Council	94,684	44,075	47%	85,832	41,382	48%	85,590	-	(1,300)	-	84,290	41,614	49%	83,000
Legal Services	375,713	126,894	34%	407,467	206,204	51%	432,480	-	(10,000)	-	422,480	141,953	34%	420,000
Community Support/Solid Waste	317,107	168,880	53%	317,907	170,026	53%	382,000	-	(7,900)	-	374,100	221,445	59%	373,800
City Manager	826,886	378,578	46%	919,151	427,943	47%	972,500	-	19,500	-	992,000	428,496	43%	992,000
City Memberships	76,401	76,401	100%	80,029	80,029	100%	85,790	-	4,210	-	90,000	84,881	94%	90,000
Engineering Services	226,213	77,792	34%	252,122	74,156	29%	233,750	-	(5,000)	-	228,750	75,098	33%	230,000
Law Enforcement	2,302,587	781,498	34%	2,409,932	821,335	34%	2,622,070	-	-	(40,000)	2,582,070	872,337	34%	2,580,000
City Clerk	246,298	120,050	49%	277,157	117,431	42%	299,520	-	(7,520)	-	292,000	139,732	48%	292,000
Information Systems	374,082	191,114	51%	432,371	231,473	54%	459,204	-	3,796	-	463,000	226,872	49%	463,000
Human Resources	188,872	108,453	57%	169,371	78,519	46%	212,260	-	(22,260)	-	190,000	73,967	39%	190,000
TV Studio	76,573	34,682	45%	87,902	34,819	40%	103,220	-	(1,400)	-	101,820	34,499	34%	101,820
Finance	585,886	297,516	51%	761,238	403,359	53%	797,690	-	(63,165)	-	734,525	741,042	101%	730,000
City Hall General	109,850	47,143	43%	165,953	81,911	49%	163,431	-	(10,401)	-	153,030	56,559	37%	150,000
Risk Management	112,317	102,866	92%	196,567	118,691	60%	184,870	-	(20,000)	-	164,870	193,106	117%	165,000
Planning	995,114	431,696	43%	1,057,049	524,385	50%	1,122,870	-	(31,170)	-	1,091,700	453,503	42%	1,096,700
Code Enforcement	79,305	38,442	48%	91,341	49,425	54%	120,500	-	4,000	-	124,500	49,497	40%	125,000
Building Review	308,379	80,161	26%	309,959	133,841	43%	335,570	-	24,430	-	360,000	181,117	50%	360,000
Lifeguard Services	1,053,707	573,986	54%	1,066,742	524,312	49%	1,063,900	-	46,100	-	1,110,000	631,817	57%	1,110,000
Parking Enforcement	715,867	318,133	44%	817,868	396,650	48%	733,100	-	-	(66,000)	667,100	302,541	45%	660,000
Fire Services	1,989,295	1,001,288	50%	2,170,615	1,111,637	51%	2,292,375	-	-	-	2,292,375	1,166,349	51%	2,294,200
Public Works	174,049	198,190	114%	247,552	354,639	143%	323,140	-	-	-	323,140	119,847	37%	325,000
	11,229,185	5,197,838	46%	12,324,125	5,982,169	49%	13,025,830	-	(78,080)	(106,000)	12,841,750	6,236,272	49%	12,831,520
Leave Liability	60,566	58,660	97%						78,080	-	78,080	20,080	26%	78,080
Legal Services-Claims	301,515	129,930	43%	797,169	338,359	42%	25,000	-	-	815,000	840,000	243,455	29%	840,000
Equipment Replacement	133,270	73,246	55%	137,517	103,934	76%	91,920	-	-	(15,500)	76,420	63,476	83%	75,920
Special Projects	213,168	165,118	77%	228,213	92,038	40%	1,027,558	-	-	-	1,027,558	29,832	3%	958,000
Total General Fund Expenditures	11,937,704	5,624,792	47%	13,487,024	6,516,500	48%	14,170,308	-	-	693,500	14,863,808	6,593,115	44%	14,783,520

CITY OF DEL MAR
FISCAL YEAR 2019-2020 MID-YEAR FINANCIAL REPORT
EXPENDITURE REPORT

	FISCAL YEAR 2017-2018			FISCAL YEAR 2018-2019			FISCAL YEAR 2019-2020							
	ACTUAL AT 6/30/18	ACTUAL AT 12/31/17	%	ACTUAL AT 6/30/19	ACTUAL AT 12/31/18	%	1ST QTR BUDGET FY 2019-20	ADDT'L BUDGET ADJ DURING YR	INTERNAL TRANSFERS DURING YR	MID-YEAR BUDGET ADJ PROPOSED	PROPOSED NEW BUDGET	ACTUAL AT 12/31/19	%	PROJECTED YEAR END RESULTS
Special Revenue Funds														
RMRA Fund				-	-	0%	-				-	-	0%	-
Gas Tax Fund	440,148	251,567	57%	506,437	242,063	48%	634,103	-	-	-	634,103	235,586	37%	633,000
Open Space Fund	834,529	403,774	48%	916,560	442,294	48%	1,044,139	-	-	(30,000)	1,014,139	460,554	45%	1,014,000
Open Space Fund CIP	190,315	87,100	46%	101,557	61,496	61%	762,112	-	-	(10,000)	752,112	13,496	2%	444,950
Supplemental Law Enforcement	215,490	97,287	45%	223,155	104,090	47%	361,640	-	-	(80,000)	281,640	115,105	41%	280,000
Regional Communications Fund	74,275	-	0%	72,217	-	0%	85,010	-	-	-	85,010	-	0%	85,010
Grants Fund	150,808	6,911	5%	23,895	4,559	19%	143,870	-	-	2,500	146,370	105,384	72%	143,870
Housing Fund	114,555	35,193	31%	109,232	42,031	38%	115,530	-	-	4,470	120,000	59,405	50%	120,000
AB939 Fund	44,800	9,342	21%	16,567	1,826	11%	79,783	-	-	-	79,783	30,505	38%	57,000
PEG Fund	9,815	4,907	50%	5,663	3,315	59%	10,300	-	-	-	10,300	2,919	28%	6,000
TransNet Fund	294,515	5,628	2%	196,019	-	0%	205,000	-	-	-	205,000	-	0%	205,000
City Hall Debt Service	910,756	654,524	72%	909,542	659,068	72%	908,290	-	-	-	908,290	663,759	73%	908,290
Total Special Revenue Funds	3,280,006	1,556,233	47%	3,080,844	1,560,741	51%	4,349,777	-	-	(113,030)	4,236,747	1,686,713	40%	3,897,120
Total Capital Improvement Fund	12,150,658	4,568,667	38%	4,064,321	1,381,221	34%	1,692,254	406,000	-	10,000	2,108,254	620,605	29%	2,098,254
Total Measure Q Fund	-	-	0%	4,102,363	-	0%	4,189,575	-	-	-	4,189,575	2,472,394	59%	3,489,500
Total Workers' Compensation Fund	292,405	173,145	59%	275,226	211,402	77%	292,000	-	-	28,000	320,000	238,169	74%	320,000
Enterprise Funds														
Water Fund	3,525,136	1,275,483	36%	3,384,488	1,227,863	36%	3,680,410	-	-	41,590	3,722,000	1,373,738	37%	3,830,000
Water Fund CIP (Note only)	338,103	76,848	23%	833,246	124,180	15%	585,512	-	-	-	585,512	21,006	4%	585,512
Clean Water Fund	498,070	152,649	31%	561,472	227,129	40%	746,770	-	-	-	746,770	229,856	31%	757,500
Clean Water Fund CIP (Note only)	-	-	0%	-	-	0%	445,000	-	-	-	445,000	11,738	3%	445,000
Wastewater Fund	3,780,970	686,729	18%	3,196,982	1,113,860	35%	3,198,850	10,000	-	99,650	3,308,500	1,055,623	32%	3,308,500
Wastewater Debt Service	494,610	537,161	109%	462,415	538,309	116%	571,450	-	-	-	571,450	539,481	94%	571,440
Wastewater Fund CIP (Note only)	1,419,630	1,495,642	105%	484,222	83,188	17%	574,493	-	-	-	574,493	9,480	2%	574,493
Total Enterprise Funds	10,056,519	4,224,512	42%	8,922,825	3,314,529	37%	9,802,485	10,000	-	141,240	9,953,725	3,240,922	33%	10,072,445
TOTAL EXPENDITURES	37,717,292	16,147,349	43%	33,932,602	12,984,393	38%	34,496,399	416,000	-	759,710	35,672,109	14,851,918	42%	34,660,839

**CITY OF DEL MAR
FY 2019-20 MID-YEAR FINANCIAL REPORT
CAPITAL IMPROVEMENT PROGRAM**

	1ST QTR BUDGET FY 2019-20	ADDT'L BUDGET ADJ DURING YR	MID-YEAR ADJUSTMENTS FY 2019-20	PROPOSED NEW BUDGET FY 2018-2019	ACTUAL AT 12/31/19	%	PROJECTED YEAR END RESULTS
<u>GENERAL CIP FUND</u>							
ROADWAY & SIDEWALK IMPROVEMENTS	162,487	35,000	-	197,487	132,000	67%	197,000
PAVEMENT REHABILITATION	75,000	-	-	75,000	75,300	100%	75,000
MAJOR FACILITIES REPAIRS/IMPROVEMENTS	100,062	(9,000)	(4,000)	87,062	3,304	4%	87,062
CDM BRIDGE OVER SAN DIEGUITO	450,000	-	-	450,000	55,786	12%	450,000
PUBLIC WORKS BUILDING IMPROVEMENTS	25,000	-	-	25,000	-	0%	25,000
JIMMY DURANTE STREET STRIPING	20,000	-	-	20,000	-	0%	20,000
COAST @ 22ND ST INTERSECTION IMPROVEMENTS	99,817	-	-	99,817	553	1%	99,817
LOS PENASQUITOS LAGOON REPAIRS	50,000	-	-	50,000	-	0%	50,000
CITY/TOWN HALL SOLAR PROJECT	10,000	-	-	10,000	10,741	107%	10,741
JIMMY DURANTE EMERGENCY BLUFF REPAIRS	454,854	-	-	454,854	240,357	53%	454,854
COURT ST PARK & DRAINAGE IMPROVEMENTS	29,116	396,000	-	425,116	15,404	4%	425,116
CITY HALL DEVELOPMENT	37,684	-	14,000	51,684	51,611	100%	51,611
TORREY PINES BRIDGE	32,404	-	-	32,404	24,712	76%	32,404
CARMEL VALLEY STORM DRAIN REPAIRS	30,000	80,830	(40,000)	70,830	10,837	15%	70,830
CITY HALL BIKE LOCKERS	-	19,000	-	19,000	-	0%	19,000
	1,576,424	521,830	(30,000)	2,068,254	620,605	30%	2,068,435
<u>MEASURE Q CIP FUND</u>							
UTILITY UNDERGROUNDING	578,026	-	-	578,026	29,959	5%	578,026
DOWNTOWN STREETScape	3,186,669	-	-	3,186,669	2,442,435	77%	2,911,516
SHORES PARK MASTER PLAN	424,880	-	-	424,880	-	0%	-
	4,189,575	-	-	4,189,575	2,472,394	59%	3,489,542
<u>OPEN SPACE CIP FUND</u>							
SHORES PARK MASTER PLAN	102,558	-	-	102,558	-	0%	102,558
POWERHOUSE DECK EXPANSION	100,000	-	-	100,000	12,395	12%	72,840
POWERHOUSE TRELLIS/DECK/SKYLIGHTS	25,000	-	(10,000)	15,000	-	0%	15,000
SEAGROVE PARK LIGHTING	156,137	-	-	156,137	1,689	1%	156,135
RIVERPATH DEL MAR	71,189	-	-	71,189	-	0%	71,189
29TH ST SEAWALL & BEACH ACCESS	300,000	-	-	300,000	-	0%	20,000
POWERHOUSE PATH LIGHTING	7,228	-	-	7,228	-	0%	7,228
POWERHOUSE PARK TURF	35,000	(35,000)	-	-	-	0%	-
LANDSCAPING ENHANCEMENTS	80,830	(80,830)	-	-	-	0%	-
	877,942	(115,830)	(10,000)	752,112	14,084	2%	444,950

CITY OF DEL MAR
 FY 2019-20 MID-YEAR FINANCIAL REPORT
 CAPITAL IMPROVEMENT PROGRAM

	1ST QTR BUDGET FY 2019-20	ADD'T'L BUDGET ADJ DURING YR	MID-YEAR ADJUSTMENTS FY 2019-20	PROPOSED NEW BUDGET FY 2018-2019	ACTUAL AT 12/31/19	%	PROJECTED YEAR END RESULTS
<u>WATER CIP FUND</u>							
SIDEWALK, STREET & DRAINAGE PROJECT	108,748	-	-	108,748	21,006	19%	108,748
WATER INFRASTRUCTURE IMPROVEMENTS	444,764	-	-	444,764	-	0%	444,764
CHRISTIE LANE PROJECT	12,000	-	-	12,000	-	0%	12,000
WATER VALVE REPLACEMENTS	20,000	-	-	20,000	-	0%	20,000
	585,512	-	-	585,512	21,006	4%	585,512
<u>CLEAN WATER CIP FUND</u>							
LOS PENASQUITOS LAGOON REPAIRS	10,000	-	-	10,000	-	0%	10,000
TRASH FULL CAPTURE DEVICES	40,000	-	-	40,000	-	0%	40,000
10TH ST DRAINAGE IMPROVEMENTS	70,000	-	-	70,000	-	0%	70,000
LA AMATISTA/NOBB DRAINAGE IMPROVEMENTS	160,000	-	-	160,000	-	0%	160,000
STORM DRAIN SYSTEM INFRASTRUCTURE ASSESS	65,000	-	-	65,000	11,738	18%	65,000
STORM DRAIN IMPROVEMENTS	100,000	-	40,000	140,000	-	0%	140,000
	445,000	-	40,000	485,000	11,738	2%	485,000
<u>WASTEWATER CIP FUND</u>							
WASTEWATER INFRASTRUCTURE IMPROVEMENTS	574,493	-	-	574,493	9,480	2%	574,493
	574,493	-	-	574,493	9,480	2%	574,493
TOTAL CAPITAL IMPROVEMENT PROJECT BUDGET	\$ 8,248,946	\$ 406,000	\$ -	\$ 8,654,946	\$ 3,149,307	36%	\$ 7,647,932

CITY OF DEL MAR
TREASURER'S REPORT
SEPTEMBER 30, 2019

S&P RATING	TYPE	INSTITUTION	ACCT #	CUSIP NO.	MATURITY DATE	QUARTERLY YIELD/ COUPON RATE	BOOK VALUE	PAR VALUE	MARKET VALUE
-	General Account	UNION BANK	2740012145	N/A	N/A	N/A	1,589,841	1,589,841	1,589,841
-	Workers Comp	UNION BANK	2740020806	N/A	N/A	N/A	13,071	13,071	13,071
-	MM	LAIF - GENERAL	98-37-244	N/A	N/A	2.280%	5,195,730	5,195,730	5,204,266
AAA	MM	SAN DIEGO COUNTY	44076	N/A	N/A	2.180%	2,698,902	2,698,902	2,705,382
	MM	US BANK	157518707631	N/A	N/A	0.004%	17,411	17,411	17,411
							9,514,956	9,514,956	9,529,971
AA+	FARM	FEDERAL GOVERNMENT AGENCY	6736303800	3133EFX36	4/5/2021	1.680%	200,930	200,000	199,073
	FHLB	FEDERAL GOVERNMENT AGENCY	6736303800	3130A9Z61	11/9/2021	1.500%	246,804	250,000	248,413
	CD	CERTIFICATE OF DEPOSITS	SEE	ATTACHED	DETAIL	2.462%	3,407,000	3,407,000	3,410,814
							3,854,734	3,857,000	3,858,299
							13,369,689	13,371,956	13,388,270

TYPE OF INVESTMENT	INVESTMENT DESCRIPTION	PRINCIPAL BALANCE JUN 30, 2019	FOURTH QUARTER PURCHASES	FOURTH QUARTER CALLED/MATURED	NET ACTIVITY JUL - SEP	PRINCIPAL BALANCE SEP 30, 2019	TOTAL PERCENTAGE BY TYPE
Cash on Hand		685,081	-	-	904,760	1,589,841	11.89%
Workers Comp		12,638	-	-	433	13,071	0.10%
LAIF	Local Agency Investment Fund	9,341,616	-	-	(4,145,886)	5,195,730	38.86%
SD Invest Pool	San Diego Co. Investment Pool	2,669,693	-	-	29,209	2,698,902	20.19%
Investment MM	US Bank Investment Account	342,223	-	247,000	(571,812)	17,411	0.13%
FHLB	Federal Government Agencies	447,734	-	-	-	447,734	3.35%
CD	Certificate of Deposits	3,654,000	-	(247,000)	-	3,407,000	25.48%
Total		17,152,986	-	-	(3,783,297)	13,369,689	100.00%

This investment report reflects the City of Del Mar's pooled investments which conform to the City of Del Mar's Investment Policy approved by the City Council on June 17, 2019. This program provides sufficient estimated revenues and cash flow liquidity to meet estimated expenses for the next six months. The Local Agency Investment Fund information is a synopsis. The complete reports are available from the Treasurer.

Prepared by: R. Arguelles
Rosanna Arguelles, Finance Officer

Date: 11/13/19

Reviewed by: [Signature]
Monica Molina, Finance Manager/Treasurer

Date: 11.14.2019

CITY OF DEL MAR
CERTIFICATE OF DEPOSITS (with U.S. BANK)
As of September 30, 2019

			Annualized				
	CUSSIP	PRINCIPAL AMOUNT	NOMINAL COUPON	Rate of Return	Portfolio Weighting	Weighted Coupon	MATURITY DATE
Barclays Bank - CD	06740KHK6	-	2.10000	2.10000	0.00%	0.00000000	7/23/2019
Discover Bank Greenwood-CD	254672MH8	148,000.00	1.85000	1.85000	4.34%	0.08036396	4/22/2020
Ally Bank - CD	02006I3C5	200,000.00	1.90000	1.90000	5.87%	0.11153507	6/8/2020
Capital One USA - CD	140420VX5	247,000.00	2.30000	2.30000	7.25%	0.16674494	9/23/2020
Capital One VA - CD	14042RAB7	247,000.00	2.30000	2.30000	7.25%	0.16674494	9/23/2020
JP Morgan Chase Bank - CD	48125YS47	200,000.00	1.55000	1.55000	5.87%	0.09098914	4/19/2021
Wells Fargo Bank - CD	949763RR9	240,000.00	3.00000	3.00000	7.04%	0.21132962	6/14/2021
Comenity Cap Bank - CD	20033ASN7	248,000.00	1.70000	1.70000	7.28%	0.12374523	10/12/2021
Morgan Stanley Bank - CD	61760AYP8	246,000.00	2.60000	2.60000	7.22%	0.18773114	4/11/2022
Goldman Sachs Bank - CD	38148PKT3	200,000.00	2.35000	2.35000	5.87%	0.13795128	6/14/2022
Allegiance BK Tex Housten	01748DAX4	248,000.00	2.15000	2.15000	7.28%	0.15650132	9/29/2022
Sallie Mae Bank - CD	795450H32	246,000.00	2.50000	2.50000	7.22%	0.18051071	12/20/2022
Citibank - CD	17312QL98	240,000.00	3.20000	3.20000	7.04%	0.22541826	5/23/2023
Medallion Bank - CD	58404DCM1	248,000.00	3.25000	3.25000	7.28%	0.23657176	7/31/2023
Enerbank USA - CD	29278TDM9	249,000.00	3.20000	3.20000	7.31%	0.23387144	9/28/2023
Morgan Stanley Bank NA	61690UGC8	200,000.00	2.60000	2.60000	5.87%	0.15262694	5/23/2024
		\$ 3,407,000.00	1.75833	1.75833	100.00%	2.46263575	

**CITY OF DEL MAR
TREASURER'S REPORT
DECEMBER 31, 2019**

S&P RATING	TYPE	INSTITUTION	ACCT #	CUSIP NO.	MATURITY DATE	QUARTERLY YIELD/ COUPON RATE	BOOK VALUE	PAR VALUE	MARKET VALUE
-	General Account	UNION BANK	2740012145	N/A	N/A	N/A	916,545	916,545	916,545
-	Workers Comp	UNION BANK	2740020806	N/A	N/A	N/A	13,777	13,777	13,777
-	MM	LAIF - GENERAL	98-37-244	N/A	N/A	2.043%	5,430,183	5,430,183	5,439,104
AAA	MM	SAN DIEGO COUNTY	44076	N/A	N/A	2.020%	2,714,069	2,714,069	2,721,698
	MM	US BANK	157518707631	N/A	N/A	0.005%	48,101	48,101	48,101
							9,122,674	9,122,674	9,139,224
AA+	FARM	FEDERAL GOVERNMENT AGENCY	6736303800	3133EFX36	4/5/2021	1.680%	200,930	200,000	199,683
	FHLB	FEDERAL GOVERNMENT AGENCY	6736303800	3130A9Z61	11/9/2021	1.500%	246,804	250,000	248,685
	CD	CERTIFICATE OF DEPOSITS	SEE	ATTACHED	DETAIL	2.463%	3,407,000	3,407,000	3,410,168
							3,854,734	3,857,000	3,858,536
							12,977,408	12,979,674	12,997,760

TYPE OF INVESTMENT	INVESTMENT DESCRIPTION	PRINCIPAL BALANCE JUN 30, 2019	SECOND QUARTER PURCHASES	SECOND QUARTER CALLED/MATURED	NET ACTIVITY OCT - DEC	PRINCIPAL BALANCE DEC 31, 2019	TOTAL PERCENTAGE BY TYPE
Cash on Hand		1,589,841	-	-	(673,296)	916,545	7.06%
Workers Comp		13,071	-	-	705	13,777	0.11%
LAIF	Local Agency Investment Fund	5,195,730	-	-	234,453	5,430,183	41.84%
SD Invest Pool	San Diego Co. Investment Pool	2,698,902	-	-	15,167	2,714,069	20.91%
Investment MM	US Bank Investment Account	17,411	-	-	30,690	48,101	0.37%
FHLB	Federal Government Agencies	447,734	-	-	-	447,734	3.45%
CD	Certificate of Deposits	3,407,000	-	-	-	3,407,000	26.25%
Total		13,369,689	-	-	(392,281)	12,977,408	100.00%

This investment report reflects the City of Del Mar's pooled investments which conform to the City of Del Mar's Investment Policy approved by the City Council on June 17, 2019. This program provides sufficient estimated revenues and cash flow liquidity to meet estimated expenses for the next six months. The Local Agency Investment Fund information is a synopsis. The complete reports are available from the Treasurer.

Prepared by: 
Rosanna Arguelles, Finance Officer

Date: 1/17/2020

Reviewed by: 
Monica Molina, Finance Manager/Treasurer

Date: 01-27-2020

CITY OF DEL MAR
CERTIFICATE OF DEPOSITS (with U.S. BANK)
As of December 31, 2019

			Annualized				
	CUSSIP	PRINCIPAL AMOUNT	NOMINAL COUPON	Rate of Return	Portfolio Weighting	Weighted Coupon	MATURITY DATE
Discover Bank Greenwood-CD	254672MH8	148,000.00	1.85000	1.85000	4.34%	0.08036396	4/22/2020
Ally Bank - CD	02006I3C5	200,000.00	1.90000	1.90000	5.87%	0.11153507	6/8/2020
Capital One USA - CD	140420VX5	247,000.00	2.30000	2.30000	7.25%	0.16674494	9/23/2020
Capital One VA - CD	14042RAB7	247,000.00	2.30000	2.30000	7.25%	0.16674494	9/23/2020
JP Morgan Chase Bank - CD	48125YS47	200,000.00	1.55000	1.55000	5.87%	0.09098914	4/19/2021
Wells Fargo Bank - CD	949763RR9	240,000.00	3.00000	3.00000	7.04%	0.21132962	6/14/2021
Comenity Cap Bank - CD	20033ASN7	248,000.00	1.70000	1.70000	7.28%	0.12374523	10/12/2021
Morgan Stanley Bank - CD	61760AYP8	246,000.00	2.60000	2.60000	7.22%	0.18773114	4/11/2022
Goldman Sachs Bank - CD	38148PKT3	200,000.00	2.35000	2.35000	5.87%	0.13795128	6/14/2022
Allegiance BK Tex Housten	01748DAX4	248,000.00	2.15000	2.15000	7.28%	0.15650132	9/29/2022
Sallie Mae Bank - CD	795450H32	246,000.00	2.50000	2.50000	7.22%	0.18051071	12/20/2022
Citibank - CD	17312QL98	240,000.00	3.20000	3.20000	7.04%	0.22541826	5/23/2023
Medallion Bank - CD	58404DCM1	248,000.00	3.25000	3.25000	7.28%	0.23657176	7/31/2023
Enerbank USA - CD	29278TDM9	249,000.00	3.20000	3.20000	7.31%	0.23387144	9/28/2023
Morgan Stanley Bank NA	61690UGC8	200,000.00	2.60000	2.60000	5.87%	0.15262694	5/23/2024
		\$ 3,407,000.00	1.75833	1.75833	100.00%	2.46263575	

CITY OF DEL MAR UNFUNDED ITEMS FISCAL YEAR 2019-20			
Description of Item	Amount	Fund	Notes
Recommended by staff for approval			
Replace Sewer Rodder	85,000	Wastewater	One-Time
Replace Pump Station Generator Housing	40,000	Wastewater	One-Time
TOTAL	\$ 125,000		
Not recommended by staff for approval			
Expand Shores Park Landscape Maintenance	6,000	Open Space	One-Time
Expand Shores Park Landscape Maintenance	13,100	Open Space	On-going
Survey Control Capital Improvement Project	65,000	GF CIP	One-Time
Downtown Flower Pot Watering	14,400	General Fund	On-going
21st Street Tennis Court Resurfacing	20,000	Open Space	One-Time
Replace Powerhouse Park Tot Lot	140,000	Open Space	One-Time
Infrastructure Sea Level Rise Impact Analysis	100,000	General Fund	One-Time
Storm Water Master Plan	200,000	General Fund	One-Time
TOTAL	\$ 558,500		
Total Unfunded Items	\$ 683,500		

**City of Del Mar
Mid-Year Financial Report
Cash Flow Report
(in millions)**

General Fund Revenues	\$	17.8
GF Operating Exp		(12.7)
GF Subsidy		(1.3) ⁽¹⁾
City Hall Debt Service		(0.9)
Reserve Transfers		<u>(0.6) ⁽²⁾</u>
Total Cash Flow after operations	\$	2.3
Special Project Exp		(0.9)
CIP Exp		<u>(2.2)</u>
Total Cash Flow after CIP	\$	(0.8)
General Fund Contingency Balance	\$	2.4
Total General Fund Balance	\$	5.0

Notes:

GF Subsidy (in millions)

⁽¹⁾ Gas Tax Fund	\$	0.50
Open Space Fund		0.62
SLESF Fund		0.14
RCS Fund		0.03
Clean Water Fund		<u>0.01</u>
Total	\$	1.30

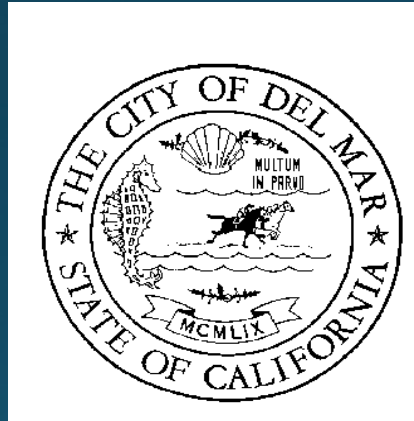
Reserve Transfers (in millions)

⁽²⁾ Pension Reserve	\$	0.54
Equipment replacement		<u>0.05</u>
Total	\$	0.59

City of Del Mar
FYs 2018-2019 and 2019-2020 Expenditure Cap Calculation

	Fiscal Year 2018-19 <u>Actual</u>	Fiscal Year 2019-20 <u>Budget</u>
Governmental Revenues	17,596,697	18,318,640
Adjustments to Revenues for Finnell Plan		
-Claim Settlement -Cells on Wheels Tower Lease backpay Workers' Compensation Reimbursement Expenditure Reimbursement Miscellaneous (if one-time only) PEG Fee (One-time settlement) <u>Proposed Changes at Mid-Year</u>	- (19,314) (70,834) - - - -	- - - - - -
Total Adjustments	-	(90,148)
Adjusted Non-Capital Governmental Revenues	17,506,549	18,318,640
Revenue Increase(Decrease) from Prior Year		812,091
% Revenue Increase over Prior Year		4.64%
Less Finnell Plan Factor		<u>-1.40%</u>
Allowable Expenditure Growth Cap		3.24%
Governmental Expenditures - Operating	13,970,277	14,771,632
Adjustments to Expenditures		
<u>One-time cost for first year only</u> Management Analyst (new position) P/T Law Enforcement (new position) Administrative Assistant (filled position) Beach Maintenance Worker (new position-5 mos) Public Work Maintenance Worker (new position-5 mos) Increased donation to Del Mar Community Connections <u>One-time cost for current year</u> Executive Search Consultant Sign Reflectivity Replacements	- - - - - - - - - - - - -	- (115,000) (45,000) (78,000) (30,420) (30,420) (20,000) (17,664) (60,000)
Total Expenditure Adjustments	-	(396,504)
Net Finnell Plan Governmental Operating Expenditures	13,970,277	14,375,128
Percent Increase in Operating Expenditures		2.90%
Cap (allowable increase)		<u>3.24%</u>
Amount Over (Under) Cap		-0.34%
Amount (Over)/Under Cap		\$ 47,616

Fiscal Year 2019-2020 Mid-Year Financial Report



City Council Meeting
February 3, 2020

Presentation Overview

- Mid-Year Financial Summary
- Proposed Mid-Year Adjustments
- Cash Flow Report
- Unfunded Items
- Staff's Recommendation

Mid-Year Financial Report



Preparation of Mid-Year Financial Report

- New July 1, 2019 beginning balances
- First Quarter Budget adjustments approved by City Council on December 2, 2019
- City Council approved adjustments after First Quarter
- Proposed Mid-Year Adjustments

General Fund Adjustments

Mid-Year Revenue Adjustments

General Fund Revenue Adjustments	
Sales Tax	(\$76,780)
Parking Meter/Violations	(60,000)
Building Fees	35,000
Insurance Claim Reimbursements	<u>598,000</u>
Total Revenue Adjustments	\$ 496,220

Mid-Year Expenditure Adjustments

General Fund Expenditure Adjustments	
Law Enforcement	(\$40,000)
Parking Enforcement	(66,000)
Legal Services-Claims	815,000
Equipment Replacement	<u>(15,500)</u>
Total Expenditure Adjustments	\$693,500

Special Revenue Fund Adjustments

Special Revenue Funds

- **Open Space Fund** – (\$35,000) Impact to GFC
 - \$65,000 decrease in beach permit revenue related to volleyball instruction and camps
 - \$30,000 decrease in unfilled (2) F/T Maintenance Workers benefit savings
- **Open Space/GF CIP Fund** - \$0 Impact to GFC
 - \$10,000 transfer to GF CIP from Powerhouse Trellis project savings to City Hall Project
- **SLEF**- \$120,000 Impact to GFC
 - \$40,000 increase to account for Growth Rate allocation
 - \$80,000 decrease in salary/benefit costs related to the Law Enforcement Manager position
- **Grants Fund**– \$0 Impact to GFC
 - \$2,500 increase in both revenues and expenditures to account for fire grant funds received by SDG&E

Special Revenue Funds

- **Capital Improvement Fund** – No Impact to GFC
 - \$40,000 transfer from Carmel Valley Storm Drain Repairs project to Storm Drain Improvements Project
- **Workers' Compensation Fund**– No Impact to GFC
 - \$28,000 due to increase in Workers' Compensation insurance premium costs
- **Water Fund** - No Impact to GFC
 - \$119,450 increase in Water collections based on current activity
 - \$41,590 increase in liability insurance premiums and depreciation expense
- **Wastewater Fund**- No Impact to GFC
 - \$99,650 increase in liability insurance premiums and depreciation expense

Legal Services Increase

- Legal expenses incurred by the City include monthly retainer fees, fees for special projects, outside special counsel, and claims/litigation
- FY 2019-20, projected legal costs related to claims/litigation are \$840,000
- Of the total costs listed above, the City will be reimbursed \$674,000 from the City's excess insurance provider for lawsuits totally over \$100,000 (per matter)

Mid-Year Financial Summary

Impacts to General Fund Contingency		
General Fund-Contingency		
Decrease in GF Revenues	(\$101,780)	
Decrease Special Fund Revenues	(25,000)	
Decrease in GF Expenditures	106,000	
Decrease in Special Fund Exp	<u>120,000</u>	
GF Operating Budget Savings	\$99,220	
General Fund Contingency	15.34%	

General Fund

General Fund Contingency:

\$2,291,659; or 15.34% ; or 56 operating days

General Fund Balance:

\$5,027,609; or 33.64%; or 123 operating days

Cash Flow Report

(in millions)	FY 2018-19	FY 2019-20
General Fund Revenues	\$16.81	\$17.60
Less:		
GF Operating Expenditures	(12.16)	(12.72)
General Fund Subsidy	(0.98)	(1.19)
City Hall Debt	(0.91)	(0.91)
Reserves Transfers	<u>(0.68)</u>	<u>(0.59)</u>
Total cash flow after operations	\$2.08	\$2.19
Capital/Special Projects	(1.83)	(3.11)
Total cash flow after CIP/SP	<u>\$0.25</u>	<u>(\$0.92)</u>
General Fund Contingency Balance	\$3.21	\$2.29
Total General Fund Balance	\$5.72	\$5.03

Unfunded Items

Description of Item		Amount
Replace Sewer Rodder	One-Time	\$85,000
Replace Pump Station Generator Housing	One-Time	40,000
Expand Shores Park Landscape Maintenance	One-Time	6,000
Expand Shores Park Landscape Maintenance	On-going	13,100
Survey Control Capital Improvement Projects	One-Time	65,000
Downtown Flower Pot Watering	On-going	14,400
21 st Street Tennis Court Resurfacing	One-Time	20,000
Replace Powerhouse Park Tot Lot	One-Time	140,000
Infrastructure Sea Level Rise Impact Analysis	One-Time	100,000
Storm Water Master Plan	One-Time	200,000
TOTAL		\$683,500

Staff Recommendation:

- 1) Accept the Fiscal Year 2019-2020 Mid-Year Adjustments as presented;**
- 2) Hold the line on Expenditures and only fund the first two items on the Unfunded Items List; and**
- 3) Approve the Resolution included as Attachment “A”**

QUESTIONS?