



City of Del Mar Agenda Report

TO: Honorable Mayor and City Council Members

FROM: Monica Molina, Finance Manager/Treasurer
Ashley Jones, Interim City Manager

DATE: February 27, 2021

SUBJECT: Fiscal Year 2020-21 Second Quarter (Mid-Year) Financial Update

REQUESTED ACTION/RECOMMENDATION:

Staff recommends that the City Council review the Fiscal Year (FY) 2020-21 Second Quarter Financial Update and: 1) Authorize revenue adjustments totaling \$500,340, and expenditure adjustments totaling \$153,960 as included in Exhibit A of Attachment A; 2) Authorize reducing the Economic Contingency Reserve Fund by \$100,000 and returning it to the General Fund Contingency; and 3) Authorize an increase of \$100,000 to the Leave Liability Reserve from the General Fund Contingency.

DISCUSSION/ANALYSIS:

In June 2020, the City Council approved the updated FY 2020-21 Operating and Capital Budget, which took into consideration over \$4 million in projected revenue losses for the fiscal year in comparison to the original FY 2020-21 budget that was approved in June 2019. In order to address the projected revenue losses, extreme cuts were made to the City's FY 2020-21 budget including \$1,053,480 in capital and special projects; \$2,211,520 in Measure Q projects; \$550,450 in operating expenditures; \$1,028,270 in employee layoffs and concessions; elimination of the \$536,250 year-end transfer to the Pension Fund; and elimination of the \$300,000 year-end transfer to the Housing Fund. The Council also authorized use of the General Fund Contingency up to \$283,620 and borrowing up to \$283,620 from Measure Q Fund (to be repaid in full) to balance the budget.

Since the start of the pandemic in March 2020, staff have closely monitored the City's budget and provided frequently updates to the City's Finance Committee and the City Council. For the current fiscal year, staff committed to providing quarterly updates to the Finance Committee and City Council so that any necessary adjustments to the budget can be made timely and to ensure the City continues to have a balanced and well-managed budget throughout the current economic crisis. The First Quarter Financial Report was presented to the Finance Committee and City Council in October 2020, and the Second Quarter Financial Report was presented to the Finance Committee on February 23, 2021.

On February 1, 2021, the City Council reviewed the final FY 2019-20 financial results. The ending balances for FY 2019-20 are used as the new FY 2020-21 beginning fund balances, which are reflected in the Second Quarter Financial Summary Reports included as Exhibit A to Attachment A. The General Fund Contingency balance at the end of FY 2019-20 was \$2,498,712, which represented a 16.96% Contingency or 62 days of operations.

After a thorough review of the second quarter financial data, which is discussed in detail below, staff is recommending increasing General Fund revenues by \$369,810 and expenditures by \$105,940, resulting in an adjusted June 30, 2021 General Fund Contingency of \$2,317,331

(15.89% contingency or 58 operating days). For comparison purposes, the First Quarter Financial Report had an estimated June 30, 2021 General Fund Contingency of \$2,087,673 (14.61% contingency or 53 days of operations). The Second Quarter Financial Report represents a General Fund Contingency increase of \$229,658 when compared to the First Quarter Financial Report. A General Fund Cash Flow report is included as Attachment B, which shows the difference between the First Quarter Financial Report and Second Quarter Financial Report.

General Fund Revenues

Staff has reviewed revenues for the second quarter of the current fiscal year (July-December 2020) and an increase of \$369,810 in General Fund revenue adjustments are being recommended. Below is information regarding the revenues received for the first half of the fiscal year in each of the City’s largest sources of revenue, which is summarized, along with recommended adjustments, at the end of this section in Table C.

Property/Transfer Tax

To date, the City has received six property tax apportionments, with the largest of these distributions received in December. The total property tax received by the City for FY 2020-21, is \$2,638,238. In comparison to prior year collections, current receipts indicate that property tax is coming in around 6% higher and transfer tax is 27% higher, which is in line with budget projections. Staff is not recommending any adjustments at this time to property/transfer tax revenue.

Transient Occupancy Tax (TOT)

The following Table A summarizes the assumptions and actual TOT receipts for the first six months of the fiscal year:

Table A. FY2020-21 1st & 2nd Quarter TOT Revenues

Month	Projected Loss	Actual Loss	Projected Revenue	Actual Revenue	Difference
July	70%	52%	\$128,220	\$205,454	\$77,234
August	70%	39%	115,590	234,295	118,705
September	60%	25%	121,190	218,436	97,246
October	60%	31%	104,980	179,818	74,838
November	50%	53%	116,130	108,917	(7,213)
December	50%	78%	93,890	40,942	(52,948)
Total			\$680,000	\$987,862	\$307,862

In mid-November, the Governor announced a limited Stay at Home Order, which negatively impacted TOT collections for November and December. These two months resulted in a lower collection of \$60,161 than what was originally projected. However, the net gain of \$368,023 during the first four months of the fiscal year, more than offsets the increased losses in the last two months of the second quarter.

Staff continues to keep in regular communication with local hotel management staff, who have indicated that they are expecting declining stays for the month of January 2021. Some hotels have provided City staff with unaudited amounts for January and preliminary projections for February. Based on the confidential information provided by these hotels, receipts for January are anticipated to have an approximate loss of 88% in comparison to the 50% loss projection included in current fiscal year budget, and February collections could result in an up to 85% loss

in comparison to the 50% loss projection. Based on this information, and considering revenues received during the second half of last fiscal year, staff is recommending adjustments to the TOT projections for the remainder of the fiscal year, as shown in the table below. As indicated, any additional losses in the second half of the fiscal year (3rd/4th Quarters) are anticipated to be offset by higher than projected revenues in the first half of the fiscal year (1st/2nd Quarters).

The following Table B is a summary of the actual and revised projected TOT collections:

Table B. FY2020-21 Actual & Projected TOT Revenues

Month	Projected Loss	Actual Loss	Projected Revenue	Actual Revenue
July	70%	52%	\$128,220	\$205,454
August	70%	39%	115,590	234,295
September	60%	25%	121,190	218,436
October	60%	31%	104,980	179,818
November	50%	53%	116,130	108,917
December	50%	78%	93,890	40,942
January	50%	88%*	104,570	26,000*
February	50%	85%*	112,410	34,008*
March	50%	80%*	143,020	58,230*
April	50%	75%*	136,200	70,100*
May	50%	50%	125,640	125,640*
June	50%	50%	148,160	148,160*
Total			\$1,450,000	\$1,450,000

*these are amended projections based on current trends.

Sales Tax

As of February 23, 2021, the City received the final true-up payment for the second quarter sales tax receipts. However, the actual data report with detailed information about the second quarter distribution between pooled and non-pooled receipts is not yet available. This information will be provided by the City's new sales tax consultant, HDL, around the end of March 2021. In comparison to the 60% projected loss for the first six months of activity, actual receipts came in at a 58% loss, and equates to a \$40,000 increase in revenues than originally projected.

Based on current available information, first quarter non-pooled receipts came in at a 61% loss in comparison to the 90% projected loss, resulting in a \$177,920 gain in the first six months. However, pooled receipts for the same quarter came in at \$101,678 lower than projected. Although the gain/loss between second quarter pooled and non-pooled receipts cannot be determined until the detailed data reports are received, second quarter receipts are being calculated at a 57% loss in comparison to the 50% projected loss, resulting in \$35,355 lower revenue collections than projected. Fortunately, the gain in non-pooled receipts in the first quarter more than offsets any losses in the first and second quarter receipts.

Due to a universal increase in online shopping during the pandemic, it was surprising that County pooled receipts (online sales) to the City of Del Mar came in lower than the previous year. This is largely due to the formula on how pooled receipts are allocated to jurisdictions included in the County pool, which is based on the percentage of total sales tax receipts for the quarter. Although there has been an average growth of 47% on pooled receipts overall, the City of Del Mar has also

had the greatest impact on non-pooled sales tax losses. Last year at this time, the City was allocated 0.4% of the total pooled funds; however, during the first quarter, the City only received a 0.1% share of the pooled receipts. This decrease resulted in a \$101,678 loss in pooled revenues in the first quarter, which was fortunately offset by the net-gain in non-pooled receipts during the same period.

When FY 2020-21 sales tax projections were calculated, it was not anticipated that the pandemic would continue this long, and it was assumed that modified Fairground events would start to occur. As such, sales tax losses for the third and fourth quarter of the fiscal year were projected to be at 50%. Even though vaccines are being distributed and there has been a recent increase in Downtown area activity, there is still a lot of uncertainty about whether there will be revenue generating activity at the Fairgrounds, such as some version of the San Diego County Fair, prior to the end of this fiscal year. Since approximately 50% of the City's sales tax revenue comes from Fairgrounds activity, staff has conservatively reduced revenue projections by \$200,000 for the next two quarters. This assumes that activity for the next two quarters will be the same as the activities that occurred last year during the same reporting period.

Parking Meter and Violation Revenue

Parking meter and violation revenue for the first six months of the fiscal year came in approximately 33% higher than the prior year. Based on the current activity, staff has reevaluated projections for the second half of the fiscal year. Maintaining a conservative approach, staff is recommending increasing both parking meter and violation revenue by \$250,000, resulting in a new projection of \$750,000 for parking violations, and \$1.35 million in parking meter income. Revenues will be reevaluated for the third quarter financial report, and additional adjustments can be made at that time if needed.

Planning Services Charges

Planning, building, and engineering services continue to see an increase in activity. In comparison, the first six months of the fiscal year have generated an average of 27% more revenue than the same period last year. A portion of this increase is also attributable to the new user fees that were implemented on September 4, 2020. Although increased activity is anticipated through the remainder of the fiscal year, in order to remain conservative staff reviewed revenue that was generated for the last six months of the last fiscal year and used that amount as anticipated revenue for the last six months of the current fiscal year. Based on that calculation, staff is recommending increasing revenues by \$113,070 for a new projection of \$937,570 in planning services revenue.

Other General Fund Revenue Adjustments

Based on actual collections to date, staff is recommending other minor General Fund revenue adjustments including a \$45,000 reduction in red light enforcement revenue, and \$4,980 reduction in off-track pari-mutuel revenues. Increases of \$1,550 in parking in-lieu fees, and an expenditure reimbursement of \$5,170 are also recommended.

Table C. Recommended FY 2020-21 General Fund Revenue Adjustments:

Account	Current Budget Projection	Recommended Adjustment	2nd Quarter Projection
Property tax	\$6,949,770	\$-	\$6,949,770
TOT	1,450,000	-	1,450,000
Sales tax	1,188,000	(200,000)	988,000
Parking meter	1,100,000	250,000	1,350,000
Parking violations	500,000	250,000	750,000
Planning services charges	824,500	113,070	937,570
Other revenue	2,939,180	(43,260)	2,895,920
Total	\$14,951,450	\$369,810	\$15,321,260

Other Non-General Fund Revenues

In addition to the General Fund adjustments described above, staff will be requesting an increase in the Emergency Expenditure Fund (fund created to account for emergency expenditures and Federal Emergency Management Agency (FEMA) reimbursement and other relief revenue) revenues in the amount of \$63,830, to account for the CARES Act funding allocated to the City; a total decrease of \$133,200 in the Open Space fund revenues, which is largely due to the continuous closure of the Powerhouse Community Center making it unavailable for special event rentals; an increase of \$44,960 in the Housing (In-Lieu) Fund to account for the revenue received to-date for Housing In-Lieu fees; and an increase of \$225,000 in the Special Projects Fund revenues to reflect a \$65,000 Leap grant that will provide reimbursement for prior Housing 6th Cycle expenditures, and \$160,000 for a Senate Bill 2 State grant that will be used to largely reimburse costs related to the NC/PC special project.

Included in this report are also adjustments to the Enterprise funds that do not impact the General Fund Contingency. This includes a net increase of \$38,540 in the Water Fund; a net increase of \$21,400 in the Clean Water Fund; and a net decrease of \$130,000 in the Wastewater Fund, which is largely due to lower usage charges based on current activity.

General Fund Operating Expenditures

Staff has reviewed the second quarter expenditures for the current fiscal year (July-December 2020) and will be recommending a total of \$105,940 in General Fund expenditure adjustments, which are further described below.

Implementation of Side-Letter Negotiations

On July 6, 2020, the City Council approved side letter agreements with the Del Mar Firefighters Association (Attachment C) and the Del Mar City Employees Association (Attachment D) related to employee concessions for FY 2020-21. As indicated in Section 3 of the side letter agreements, increases to salaries will be implemented in 1% increments for every 0.5% increase to actual General Fund receipts in the first six months. The baseline General Fund revenue adopted on June 17, 2020, was \$14,475,510. For the purpose of implementing the provision of the side letter agreements, a 0.5% increase in General fund revenues equates to \$72,378. For each increase of \$72,378 in revenues projected, 1% of the scheduled salary increase will be implemented.

The General Fund revenue increase based on six months of receipts is \$786,928, and does not include revenues related to insurance claim reimbursements, donations to the City, or grant funding. The six-month General Fund increase represents a 5.4% increase; therefore, the full 3% salary increase is required to be implemented. Staff has included \$83,620 in expenditure

adjustments to implement the full 3% scheduled salary increase to be retroactively effective to January 1, 2021, as required by the side letter agreements. It should be noted that of the \$83,620 in salary adjustments, only \$57,540 will impact the General Fund.

Other Expenditure Adjustments

In addition to the implementation of the side letter agreements, an increase to Building Inspection fees in the amount of \$38,400 is being requested, which will be offset by an increase in Building inspection revenue. Also included is \$10,000 for part-time staff to create capacity within the Administrative Services Department to help with shifting work assignments related to the recent appointment of the Administrative Services Director to serve as Interim City Manager. During this interim period, the Administrative Service Director position will remain unfilled. Additional resources may be needed moving forward but those details are still being evaluated at this time.

Other adjustments to Non-General Fund Expenditures include a \$5,500 increase in the Emergency Expenditure Fund to reflect reimbursed COVID safety measure costs; a \$14,000 increase in the Housing Fund to account for the City Council approved agreement with Del Mar Community Connections to continue the Housing Rental Assistance Program; a \$110,000 decrease in the Water Fund to reflect raw water supply and treatment/delivery costs; and a \$59,600 decrease in the Wastewater Fund, largely due to lower than anticipated treatment costs. Also included, are two expenditure items that were not completed or purchased in the previous year and funds were not carried over to the current year. This includes an increase in the Clean Water Fund of \$79,580 for the Clean Water Rate Study contract, and an increase in the Wastewater Fund of \$84,540 for the purchase of the mechanical sewer and storm water rodding machine that was approved for purchase last fiscal year.

Capital Improvement/Special Projects

Staff has reviewed the current status of all active capital improvement and special projects budgets and they are in line with projections. Some projects have been completed or are close to completion and are pending payment of final invoices. It is expected that these completed projects may result in approximately \$50,000 to \$80,000 in project savings. Once final invoices are paid, the projects will be reevaluated, and budget savings will be adjusted during the third quarter financial report. The only requested adjustment at this time is a decrease of \$300,000 in Wastewater Infrastructure Improvements due to the timing of the project.

Reserves

Based on the FY 2019-20 results and the conservative revenue projections included in the budget, staff does not anticipate the entire \$300,000 currently available in Economic Uncertainty Reserve will be needed during this fiscal year. However, there will be higher than normal leave liability cash out activity this fiscal year resulting from employee separations. As such, staff is recommending that the Economic Uncertainty Reserve be reduced by \$100,000, which would go back to the City's General Fund Contingency, and an appropriation of \$100,000 from the General Fund Contingency be made to the Leave Liability Fund. This additional appropriation of \$100,000 to the Leave Liability Fund will result in a new Leave Liability balance of \$207,278, which should be sufficient to cover charges to the fund for the remainder of the fiscal year. A breakdown of the new projected General Fund Reserve balances are included below in Table D.

Table D. Projected Ending General Fund Reserve Balance at June 30, 2021

Account	FY 2020-21 Adopted Budget Update	1st Quarter Report	Amended*	2 nd Quarter Report
General Fund Contingency	15.77%	14.61%	14.23%	15.89%
General Fund Contingency	\$2,209,867	\$2,087,673	\$2,030,531	\$2,317,331
Pension Reserve	1,220,200	1,220,200	1,220,200	1,220,200
Self-Insurance	160,000	421,553	421,553	421,553
Leave Liability	42,650	107,278	107,278	207,278
Equipment Replacement	724,850	724,850	724,850	724,850
Economic Uncertainty	125,000	300,000	300,000	200,000
Total	\$4,482,567	\$4,861,554	\$4,804,412	5,091,212

* The "Amended" column represents the new reserves based on FY 2019-20 actual results.

Reserve Recovery

In June 2019, as part of the two-year budget process for FY 2019-20 and 2020-21, the Council established a goal to increase the General Fund Contingency by 1% until it reached a 25% contingency or 90 days of operations. Beginning in FY 2020-21, the Council also established a Housing Reserve Fund with the intent to transfer \$300,000 into the newly established reserve at year-end. The purpose of the Housing Reserve Fund is for the City to start setting aside funds to help facilitate the production of affordable housing to meet the City's Housing Element goals. And, included as an on-going part of the budget process the City budgets for an annual transfer to the Pension Reserve Fund (previously budgeted at \$536,250 for FY20/21) with the goal of completely funding the City's pension liability in 15 years. Up until March 2020, the City was on track to achieve these financial goals.

Unfortunately, Del Mar was, and continues to be, significantly impacted by the COVID-19 pandemic. The City's largest sources of revenue have been hit the hardest, with the City projected to lose upwards of \$7M dollars in revenues over two fiscal years. And, as part of the extreme budget cuts that were required for the current fiscal year, the planned transfers to the Pension Reserve and Housing Fund were eliminated. Table E below provides a summary of the estimated General Fund Reserve balances at June 30, 2021, in comparison to those that were originally adopted in June 2019. As shown, the City would need to replenish reserves by \$2.1 million in order to get back to pre-COVID reserve levels.

Table E. Comparison of Original and Revised FY 2020-21 General Fund Reserve Balances

Account	Original FY 20/21 Budget (6/19/19)	2 nd Quarter Estimates	Difference
General Fund Contingency	23.01%	15.89%	(7.12%)
General Fund Contingency	\$3,559,025	\$2,317,331	(\$1,241,694)
Pension Reserve	2,292,694	1,220,200	(1,072,494)
Self-Insurance	400,000	421,553	21,553
Leave Liability	100,000	207,278	107,278
Equipment Replacement	546,995	724,850	177,855
Economic Uncertainty	-	200,000	200,000
Housing Reserve	300,000	-	(300,000)
Total	\$7,198,714	\$5,091,212	(\$2,107,502)

Based on what we know today, this is an economic downturn that is expected to take years for the City to fully recover from. Once the pandemic is under control and the economy begins to recover, City staff recommend continuing to take a very conservative approach to spending, with the goal of restoring reserve balances as funds become available to do so. In July 2020, the City Council adopted a resolution that prioritized how any additional revenues beyond what is projected would be used (Attachment E). Staff is not recommending any changes to the prioritization included in Resolution No. 2020-41 at this time. However, as part of the upcoming two-year budget process, staff will be asking the City Council to consider adopting a Reserve Balance Policy. As envisioned, the policy would lay out a framework for how each reserve fund would be calculated annually; how reserves will be replenished; how the City may deal with future economic emergencies; and may include changes to the Finnell Plan (if needed). The Finance Committee will be asked to review and provide feedback on the draft policy prior to it being presented to the City Council for consideration during the May budget workshop.

Measure Q Fund

Revenues

In comparison to sales tax, Measure Q revenues related to online sales made by Del Mar residents are allocated directly to Del Mar and not included in the County pool. Similar to sales tax, the City has received two advancements towards the second quarter receipts and has received the final true-up payment on February 23, 2020. Measure Q revenues for FY2020-21 assumed a 50% loss for each quarter of the fiscal year. The first quarter result came in at a 39% loss, and the second quarter came in at 31% loss, resulting in \$221,859 more revenue than projected in the first six month of the year. Based on this trend, staff is not recommending any changes to the Measure Q revenues projections for the second half of the fiscal year at this time.

Expenditures

In May 2020, the City Council put all Measure Q projects on hold due to the economic uncertainty surrounding COVID-19. As a result, the primary position dedicated to work on Measure Q projects in the Public Works department was defunded for the entirety of FY 2020-21. On October 19, 2020, the City Council authorized the carry-over of funds necessary to finish outstanding contractual commitments and minor project expenditures. After a review of the current outstanding Measure Q project commitments, staff is not recommending any expenditure adjustments at this time. However, as directed by the City Council on January 19, 2021, staff are currently working to put together options for restarting the Utility Underground Project for City Council consideration at an upcoming meeting on March 15, 2021.

Reserves

Based on the final FY 2019-20 year-end results, revenues received to date, and projected activity through the remainder of the fiscal year, the fund balance at June 30, 2021 is projected at \$2,199,151. This projected fund balance takes into consideration Council's authorization to transfer up to \$283,620 from the Measure Q Fund to the General Fund (as a loan to be repaid in full) to offset potential revenue shortfalls through the end of FY 2020-21. Staff is pleased to report that to date, no transfer from the Measure Q fund has been necessary.

City's Cash and Investments

Pursuant to the City's Investment Policy, included with this report as Attachment F, is the Treasurer's Report as of September 30, 2020 and December 31, 2020.

Finance Committee Feedback

Staff presented the Second Quarter Financial Results to the City's Finance Committee on February 23, 2021. The committee was highly complementary of staff's efforts, indicating that they found the report and presentation to be thorough and easy to follow. The committee was supportive of staff's conservative approach to revenue projections related to the Fairgrounds, and sales tax projections. The committee also inquired about the potential to implement TOT on short-term rentals in the community, and indicated they would be interested in assisting with this effort should it be considered by the City Council in the future. They also expressed concern about the potential cost of holding a special election related to the referendum seeking to repeal City Council Ordinance 973, and potential penalties that could be levied against the City by the State Department of Housing and Community Development for non-compliance with the City's 5th Cycle Housing Element.

At their meeting, the Finance Committee unanimously passed the following motion: The Finance Committee recommends that the City Council adopt the recommendations as outlined in the February 23 staff report (to the Finance Committee) for revenue and expenditure increases and the resulting General Fund Reserve adjustments to the FY 2021 Budget. The Finance Committee is also very interested in reviewing the proposed Reserve Balance Policy prior to the Budget Workshop in May to help create a policy that restores General fund Reserves to the levels targeted prior to the COVID budgets.

SUMMARY

After a very thorough review of the second quarter activity, staff is recommending an increase of \$369,810 to projected General Fund revenues, and an increase of \$105,940 in General Fund expenditures. If these adjustments are approved, the new ending General Fund Contingency balance will increase from \$2,087,673 in the first quarter to \$2,317,331, which represents a 15.89% contingency or 58 days of operations, and equates to a \$229,658 gain.

To ensure the City works within the existing very restricted fiscal year budget, only Tier 1 essential services are being provided at this time, and expenditures continue to be limited to only essential/critical items. The one-hour per week furlough for all City employees continues to be in place, and vacant and/or defunded positions will remain unfilled, with the exception of a critical wastewater position that is funded in the approved FY 20-21 budget, but vacant due to a recent retirement. Due to the essential nature of this position, the City will be conducting a recruitment to fill the position over the next two months.

NEXUS TO CITY COUNCIL PRIORITIES

This item is operational in nature and is not directly related to the City Council's list of Goals and Priorities.

FISCAL IMPACT:

Approval of the recommended actions for this agenda item will require budget adjustments to the Fiscal Year 2020-21 Operating and Capital Budget as included in Attachment A of this report. The net impact to each fund is as follow:

Fund	Amount
General Fund	\$263,870
Special Projects Fund	225,000
Special Revenue Funds	(35,700)
Water Fund	141,940
Clean Water Fund	(72,050)
Wastewater Fund	131,240
Total Adjustments	\$654,300

ENVIRONMENTAL IMPACT:

The proposed City Council action does not constitute a “project” under the definition set forth in California Environmental Quality Act (CEQA) Guidelines Section 15378 because it will not have a potential to result in a direct or indirect physical change in the environment and is, therefore, not subject to CEQA. No further action under CEQA is required.

ATTACHMENTS

- Attachment A - Resolution Amending the Fiscal Year 2020-2021 Operating and Capital Budget
- Attachment B - Fiscal Year 2020-21 General Fund Cash Flow Report
- Attachment C - Del Mar Firefighter Association Side Letter Agreement
- Attachment D - Del Mar City Employees Association Side Letter Agreement
- Attachment E - Resolution No. 2020-41 Setting Priorities for the Use of Increased Revenues during FY 2020-21
- Attachment F - First and Second Quarter Treasurer’s Reports

RESOLUTION 2021-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR,
CALIFORNIA, AMENDING THE FISCAL YEAR 2020-2021 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 June 17, 2020, the City Council of the City of Del Mar passed Resolution 2020-38 updating the Fiscal Year 2020-21 Operating and Capital Budget; and

WHEREAS, on July 6, 2020, the City Council of the City of Del Mar passed side-letter agreements with the Del Mar Firefighters Association and Del Mar City Employees Association; and

WHEREAS, on October 19, 2020, the City Council of the City of Del Mar reviewed the Fiscal Year 2020-21 Operating and Capital Budget First Quarter report; and

WHEREAS, a comprehensive second quarter review of expenditures and revenues through December 31, 2020 has been completed; and

WHEREAS, the General Fund actual receipts for the second quarter came in \$786,928 higher than projected, therefore, the City will implement the full 3% salary increases based on side-letter agreements with the City's represented employees; and

WHEREAS, based on the results of the review, adjustments to the Fiscal Year 2020-21 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 2020-2021 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 Special Meeting held on the 27th day of February 2021.

Terry Gaasterland, 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, Sarah Krietor, Acting City Clerk of the City of Del Mar, California, DO HEREBY CERTIFY that the foregoing is a true and correct copy of Resolution 2021-_____, adopted by the City Council of the City of Del Mar, California, at a Special Meeting held the 27th day of February 2021, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Sarah Krietor, Acting City Clerk
City of Del Mar

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2020-2021**

		BEGINNING BALANCE JUL 1, 2020 ACTUAL	REVENUES FY 2021	O & M EXPENDITURES FY 2021	CIP EXPENDITURES FY 2021	TRANSFERS IN FY 2021	(OUT) FY 2021	ENDING BALANCE JUN 30, 2021 ESTIMATE
GENERAL FUND								
CONTINGENCY	15.89%	2,498,712	14,984,060	(12,542,880)	-	572,651	\$ (3,195,212)	2,317,331
RESTRICTED:								
SELF-INSURANCE		245,553	250,000	(588,200)	-	514,200	-	421,553
DESIGNATED:								
ENCUMBRANCES		5,348	-	(5,348)	-	-	-	-
COASTAL PARKING REVENUE		-	81,900	(81,900)	-	-	-	-
SIDEWALK CAFÉ		-	5,300	(5,300)	-	-	-	-
COVID ECONOMIC UNCERTAINTY RESERVE		213,808	-	-	-	13,192	(27,000)	200,000
PENSION RESERVE		1,220,200	-	-	-	-	-	1,220,200
LEAVE LIABILITY		80,000	-	(35,200)	-	162,478	-	207,278
EQUIPMENT REPLACEMENT		724,850	-	-	-	-	-	724,850
TOTAL GENERAL FUND		4,988,471	15,321,260	(13,258,828)	-	1,262,521	(3,222,212)	5,091,212
MEASURE Q								
		1,164,831	1,488,350	-	(170,410)	-	(283,620)	2,199,151
EMERGENCY EXPENDITURE FUND								
		11,801	63,830	(30,000)	-	-	(45,631)	-
ROAD MAINTENANCE REHABILITATION ACCT								
		-	76,400	-	-	-	(76,400)	-
GAS TAX FUND								
		23,253	110,780	(471,643)	-	337,610	-	-
OPEN SPACE FUND								
		3,570	157,170	(830,560)	-	669,820	-	-
DESIGNATED								
ENCUMBRANCES		105,180	-	-	(195,180)	90,000	-	-
CAPITAL IMPROVEMENT PROJECTS		-	-	-	-	-	-	-
OPEN SPACE ACQUISITION		126,388	-	-	-	-	-	126,388
TREE RESERVE		33,157	-	-	-	-	-	33,157
TOTAL OPEN SPACE FUND		268,295	157,170	(830,560)	(195,180)	759,820	-	159,545
SUPPLEMENTAL LAW ENFORCEMENT FUND								
		-	100,000	-	-	-	(100,000)	-
REGIONAL COMMUNICATIONS FUND								
		7,051	45,000	(85,010)	-	40,010	-	7,051

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2020-2021**

	BEGINNING BALANCE JUL 1, 2020 ACTUAL	REVENUES FY 2021	O & M EXPENDITURES FY 2021	CIP EXPENDITURES FY 2021	TRANSFERS IN FY 2021	TRANSFERS (OUT) FY 2021	ENDING BALANCE JUN 30, 2021 ESTIMATE
GRANTS FUND	80,179	51,470	(60,740)	-	-	-	70,909
HOUSING FUND	285,166	47,960	(87,640)	-	-	-	245,486
AB 939 FUND	256,264	61,710	(59,932)	-	-	-	258,042
PEG FEE FUND	13,759	48,740	(6,770)	-	-	(40,000)	15,729
CAPITAL IMPROVEMENT FUND	278,064	460,350		(1,048,065)	309,651	-	-
ENCUMBRANCES	-						
RESERVE FOR CAPITAL	-						
DEBT SERVICE	-	-	(907,000)	-	907,000	-	-
TOTAL CAPITAL IMPROVEMENT FUND	278,064	460,350	(907,000)	(1,048,065)	1,216,651	-	-
SPECIAL PROJECT FUND	79,100	225,000	-	(313,000)	8,900	-	-
TRANSNET FUND	19,864	205,000	(205,000)	-	-	-	19,864
RTCIP	7,650	-	-	-	-	-	7,650
WORKERS' COMPENSATION FUND	438,948	250,000	(288,750)	-	-	-	400,198
WATER FUND							
NET POSITION	672,899	3,639,120	(3,378,480)	-	-	(810,559)	122,980
RESTRICTED:							
CONTRIBUTED CAPITAL	4,028,272	-	-	-	-	-	4,028,272
DESIGNATED							
ENCUMBRANCES	-	-	-	-	-	-	-
SELF-INSURANCE	50,000	-	-	-	-	-	50,000
RATE STABILIZATION	200,000	-	-	-	-	-	200,000
CAPITAL REPLACEMENT	197,621	-	-	(867,930)	670,309	-	-
NET PENSION LIABILITY	(1,409,823)	-	-	-	-	-	(1,409,823)
PENSION RESERVE	500,000	-	-	-	140,250	-	640,250
OPERATING RESERVE	475,000	-	-	-	-	-	475,000
EQUIPMENT REPLACEMENT	200,000	-	-	-	-	-	200,000
UTILITY PLANT IN SERVICE	7,448,196	-	(370,000)	-	-	-	7,078,196
TOTAL WATER FUND	12,362,165	3,639,120	(3,748,480)	(867,930)	810,559	(810,559)	11,384,875

**CITY OF DEL MAR
RESERVE SUMMARY REPORT
FISCAL YEAR 2020-2021**

	BEGINNING BALANCE JUL 1, 2020 ACTUAL	REVENUES FY 2021	O & M EXPENDITURES FY 2021	CIP EXPENDITURES FY 2021	TRANSFERS IN FY 2021	(OUT) FY 2021	ENDING BALANCE JUN 30, 2021 ESTIMATE
CLEANWATER FUND							
NET POSITION	-	561,500	(649,590)		88,090		-
DESIGNATED							-
UTILITY PLANT IN SERVICE	20,000						-
ENCUMBRANCES	67,629		-	(67,629)	-		-
CAPITAL REPLACEMENT				(54,261)	54,261		-
TOTAL CLEAN WATER FUND	87,629	561,500	(649,590)	(121,890)	142,351	-	-
WASTEWATER FUND							
NET POSITION	252,957	3,289,870	(3,250,890)	-	250,000	(491,948)	49,989
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	-	-	-	-	-	50,000
CAPITAL REPLACEMENT	287,152	-	-	(586,650)	299,498	-	-
NET PENSION LIABILITY	(1,417,285)	-	-	-	-	-	(1,417,285)
PENSION RESERVE	520,000	-	-	-	148,500	-	668,500
OPERATING RESERVE	385,000	-	-	-	-	(100,000)	285,000
EQUIPMENT REPLACEMENT	40,550	-	(84,500)	-	43,950	-	-
UTILITY PLANT IN SERVICE	8,252,042	-	(695,000)	-	-	-	7,557,042
RATE STABILIZATION	200,000	-	-	-	-	(150,000)	50,000
TOTAL WASTEWATER FUND	9,783,037	3,289,870	(4,030,390)	(586,650)	741,948	(741,948)	8,455,867
TOTAL ENTERPRISE FUNDS	22,232,831	7,490,490	(8,428,460)	(1,576,470)	1,694,858	(1,552,507)	19,860,742
TOTAL - ALL FUNDS	30,155,527	26,203,510	(24,720,333)	(3,303,125)	5,320,370	(5,320,370)	28,335,579

**CITY OF DEL MAR
FISCAL YEAR 2020-21
SECOND QUARTER REPORT
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FY 2019-20	2ND QTR ACTUAL 12/30/19 FY 2019-20	% RECV'D FY 19-20	ADOPTED BUDGET 06/15/2020 FY 2020-21	BUDGET ADJ THRU 2/1 FY 2020-21	2ND QTR BUDGET REQUEST FY 2020-21	PROPOSED AMENDED BUDGET FY 2020-21	2ND QTR ACTUAL 12/31/20 FY 2020-21	% RECV'D FY 20-21
GENERAL FUND									
TAXES									
PROPERTY TAX	5,983,399	2,397,025	40.1%	6,284,250		-	6,284,250	2,638,238	42.0%
VLf IN LIEU OF PROPERTY TAX	641,659	-	0.0%	665,520		-	665,520	26	0.0%
SALES AND USE TAX	1,472,389	818,622	55.6%	1,188,000		(200,000)	988,000	406,607	41.2%
TRANSIENT OCCUPANCY TAX	2,300,504	1,432,079	62.3%	1,450,000		-	1,450,000	922,840	63.6%
FRANCHISE TAX	390,482	99,296	25.4%	396,200		-	396,200	66,940	16.9%
BUSINESS LICENSE TAX	235,557	63,610	27.0%	220,000		-	220,000	23,916	10.9%
REAL PROPERTY TRANSFER TAX	160,983	77,157	47.9%	150,000		-	150,000	87,027	58.0%
TOTAL	11,184,973	4,887,789	43.7%	10,353,970	-	(200,000)	10,153,970	4,145,594	40.8%
LICENSES & PERMITS									
LICENSES & PERMITS	5,778	2,818	48.8%	7,000		-	7,000	-	0.0%
JUNIOR LIFEGUARD	39,651	39,651	100.0%	52,020		-	52,020	-	0.0%
PARKING PERMITS	29,465	11,640	39.5%	32,000		-	32,000	7,615	23.8%
TOTAL	74,894	54,109	72.2%	91,020	-	-	91,020	7,615	8.4%
FINES & FORFEITURES									
MOVING VIOLATIONS/VEHICLE CODE FINES	78,894	38,517	48.8%	85,000		-	85,000	20,619	24.3%
PENALTIES	13,257	6,946	52.4%	12,000		-	12,000	3,095	25.8%
PARKING VIOLATIONS	593,192	355,042	59.9%	500,000		250,000	750,000	471,582	62.9%
ADMINISTRATIVE CITATIONS	23,893	6,350	26.6%	20,000		-	20,000	9,050	45.3%
RED LIGHT ENFORCEMENT	88,651	52,112	58.8%	100,000		(45,000)	55,000	33,717	61.3%
TOTAL	797,887	458,967	57.5%	717,000	-	205,000	922,000	538,063	58.4%
REVENUE FROM USE OF ASSETS									
INV EARN-GENERAL	135,117	38,462	28.5%	57,830		-	57,830	-	0.0%
SIDEWALK CAFÉ USER FEE	5,194	-	0.0%	5,300		-	5,300	-	0.0%
RENTAL INCOME	195,857	88,039	45.0%	201,840		-	201,840	67,384	33.4%
PARKING METER INCOME	1,072,694	622,245	58.0%	1,100,000		250,000	1,350,000	840,844	62.3%
TOTAL	1,408,862	748,746	53.1%	1,364,970	-	250,000	1,614,970	908,228	56.2%
REVENUE FROM OTHER AGENCIES									
MOTOR VEHICLE LICENSE FEE	3,523	-	0.0%	3,530		-	3,530	-	0.0%
PUBLIC SAFETY AUGMENTATION FUND	81,422	36,115	44.4%	83,900		-	83,900	34,968	41.7%
HOMEOWNER EXEMPT	37,493	5,595	14.9%	38,740		-	38,740	5,468	14.1%
STATE MANDATED COST REIMB	6,583	-	0.0%	3,000		-	3,000	-	0.0%
CONTRACT SOLANA BEACH	2,925	2,925	100.0%	-		-	-	-	0.0%
ON-TRACK PARIMUTUEL	-	-	0.0%	-		-	-	-	0.0%
OFF-TRACK PARIMUTUEL	5,026	2,140	42.6%	5,000		(4,980)	20	19	95.0%
FEDERAL/STATE/LOCAL GRANTS	-	-	0.0%	-		-	-	-	0.0%
SOLID WASTE	30,369	15,436	50.8%	27,540		-	27,540	15,263	55.4%
TOTAL	167,341	62,211	37.2%	161,710	-	(4,980)	156,730	55,718	35.6%

**CITY OF DEL MAR
FISCAL YEAR 2020-21
SECOND QUARTER REPORT
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FY 2019-20	2ND QTR ACTUAL 12/30/19 FY 2019-20	% RECV'D FY 19-20	ADOPTED BUDGET 06/15/2020 FY 2020-21	BUDGET ADJ THRU 2/1 FY 2020-21	2ND QTR BUDGET REQUEST FY 2020-21	PROPOSED AMENDED BUDGET FY 2020-21	2ND QTR ACTUAL 12/31/20 FY 2020-21	% RECV'D FY 20-21
<u>CHARGES - PLANNING SERVICES</u>									
PLANNING SERVICES	364,135	202,165	55.5%	362,000		55,070	417,070	265,654	63.7%
ENGINEERING SERVICES	128,420	64,247	50.0%	127,500		10,000	137,500	72,855	53.0%
BUILDING SERVICES	325,694	201,173	61.8%	335,000		48,000	383,000	258,492	67.5%
TOTAL	818,249	467,585	57.1%	824,500	-	113,070	937,570	597,001	63.7%
<u>OTHER REVENUE SOURCES</u>									
PARKING IN-LIEU FEE	-	-	0.0%	-		1,550	1,550	1,554	100.0%
SALE OF PROPERTY	-	-	0.0%	-		-	-	-	0.0%
ADMINISTRATIVE CHARGE	875,320	437,661	50.0%	910,340		-	910,340	379,307	41.7%
CONTRIBUTIONS	17,939	10,259	57.2%	-	204,595	-	204,595	127,582	62.4%
ADMINISTRATIVE CHARGE-MEASURE Q	154,603	-	0.0%	-		-	-	-	0.0%
NUISANCE ALARM REIMBURSEMENT	2,250	2,675	118.9%	2,000		-	2,000	-	0.0%
WORKER'S COMP REIMBURSEMENT	37,640	22,067	58.6%	-		-	-	-	0.0%
INSURANCE CLAIM REIMBURSEMENT	596,159	314,018	52.7%	250,000		-	250,000	-	0.0%
EXPENDITURE REIMBURSEMENT	210,622	83,518	39.7%	-		5,170	5,170	5,167	0.0%
MISCELLANEOUS	69,157	24,989	36.1%	50,000	21,345	-	71,345	27,275	38.2%
TOTAL	1,963,690	895,187	45.6%	1,212,340	225,940	6,720	1,445,000	540,885	37.4%
TOTAL GENERAL FUND	16,415,896	7,574,594	46.1%	14,725,510	225,940	369,810	15,321,260	6,793,104	44.3%
MEASURE Q FUND	2,320,275	1,077,763	46.4%	1,488,350		-	1,488,350	757,564	50.9%
EMERGENCY EXPENDITURE FUND	77,494	-	0.0%	-	-	63,830	63,830	63,836	100.0%
ROAD MAINTENANCE REHAB ACCOUNT	78,438	28,394	36.2%	76,400	-	-	76,400	26,068	34.1%
GAS TAX FUND	108,677	49,719	45.7%	110,780	-	-	110,780	45,366	41.0%
<u>OPEN SPACE FUND</u>									
CONSTRUCTION TAX	2,528	193	7.6%	2,070		2,480	4,550	4,553	100.1%
PERMITS/PARK AND COMMUNITY CENTER	136,545	119,795	87.7%	150,000		(144,050)	5,950	5,950	100.0%
SURF CAMP PERMITS	49,167	32,539	66.2%	55,000		10,000	65,000	33,585	51.7%
INVESTMENT EARNINGS	680	680	100.0%	500		-	500	476	95.2%
ON-TRACK PARIMUTUEL	-	-	0.0%	-		-	-	-	0.0%
OFF-TRACK PARIMUTUEL	3,351	1,426	42.6%	2,000		(1,990)	10	13	130.0%
CONTRIBUTIONS	15,000	6,000	40.0%	-	40,000	-	40,000	-	0.0%
TREE MITIGATION	6,000	-	0.0%	-		360	360	360	100.0%
MISCELLANEOUS	45,220	12,277	27.1%	40,800		-	40,800	14,662	35.9%
TOTAL OPEN SPACE FUND	258,491	172,910	66.9%	250,370	40,000	(133,200)	157,170	59,599	37.9%
SUPPLEMENTAL LAW FUND	156,727	30,000	19.1%	100,000		-	100,000	30,000	30.0%
REGIONAL COMMUNICATION	48,001	-	0.0%	45,000		-	45,000	-	0.0%

**CITY OF DEL MAR
FISCAL YEAR 2020-21
SECOND QUARTER REPORT
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FY 2019-20	2ND QTR ACTUAL 12/30/19 FY 2019-20	% RECV'D FY 19-20	ADOPTED BUDGET 06/15/2020 FY 2020-21	BUDGET ADJ THRU 2/1 FY 2020-21	2ND QTR BUDGET REQUEST FY 2020-21	PROPOSED AMENDED BUDGET FY 2020-21	2ND QTR ACTUAL 12/31/20 FY 2020-21	% RECV'D FY 20-21
GRANTS FUND	149,340	18,602	12.5%	51,470		-	51,470	14,381	27.9%
HOUSING FUND	31,413	3,412	10.9%	3,000		44,960	47,960	47,963	100.0%
AB 939	71,308	19,661	27.6%	61,710		-	61,710	14,038	22.7%
PEG FEE FUND	45,479	13,766	30.3%	48,740		-	48,740	10,832	22.2%
CAPITAL IMPROVEMENT FUND									
STATE GRANTS	-	-	0.0%	-		-	-	-	0.0%
FEDERAL GRANTS	656,854	-	0.0%	460,350		-	460,350	241,505	52.5%
LOCAL GRANTS	-	-	0.0%	-		-	-	9,203	0.0%
INVESTMENT EARNINGS	-	-	0.0%	-		-	-	-	0.0%
CONTRIBUTIONS - CIVIC CENTER PROJ	-	-	0.0%	-		-	-	-	0.0%
LOAN PROCEEDS	-	-	0.0%	-		-	-	-	0.0%
MISCELLANEOUS	-	-	0.0%	-		-	-	-	0.0%
TOTAL CAPITAL IMPROVEMENT FUND	656,854	-	0.0%	460,350	-	-	460,350	250,708	54.5%
TRANSNET FUND	214,328	-	0.0%	205,000		-	205,000	15,002	7.3%
RTCIP FUND	2,658	15	0.6%	-		-	-	-	0.0%
SPECIAL PROJECTS FUND	-	-	0.0%	-	-	225,000	225,000	19,000	8.4%
TOTAL GENERAL GOVERNMENTAL FUNDS	20,635,379	8,988,836	43.6%	17,626,680	265,940	570,400	18,463,020	8,147,461	44.1%
WORKERS' COMPENSATION FUND									
SERVICE CHARGES	256,055	120,423	47.0%	245,000		-	245,000	114,557	46.8%
INVESTMENT EARNINGS	17,462	1,808	10.4%	5,000		-	5,000	-	0.0%
TOTAL WORKERS' COMPENSATION	273,517	122,231	44.7%	250,000	-	-	250,000	114,557	45.8%

**CITY OF DEL MAR
FISCAL YEAR 2020-21
SECOND QUARTER REPORT
REVENUE SUMMARIES**

SOURCE OF FUNDS	ACTUAL REVENUE FY 2019-20	2ND QTR ACTUAL 12/30/19 FY 2019-20	% RECV'D FY 19-20	ADOPTED BUDGET 06/15/2020 FY 2020-21	BUDGET ADJ THRU 2/1 FY 2020-21	2ND QTR BUDGET REQUEST FY 2020-21	PROPOSED AMENDED BUDGET FY 2020-21	2ND QTR ACTUAL 12/31/20 FY 2020-21	% RECV'D FY 20-21
WATER UTILITY FUND									
PENALTIES	7,275	7,266	99.9%	10,500	-	-	10,500	4,024	38.3%
INVESTMENT EARNINGS	43,510	5,436	12.5%	26,260	-	-	26,260	-	0.0%
WATER SALES	2,049,166	1,144,401	55.8%	2,063,820	-	-	2,063,820	1,241,927	60.2%
READY TO SERVE CHARGE	1,533,110	692,544	45.2%	1,471,600	-	-	1,471,600	747,968	50.8%
WATER CONNECTION FEES	54,145	41,918	77.4%	-	-	6,980	6,980	6,988	100.1%
BACKFLOW DEVICE FEES	18,255	8,106	44.4%	16,400	-	-	16,400	6,484	39.5%
MISCELLANEOUS	13,347	6,491	48.6%	12,000	-	31,560	43,560	26,117	60.0%
TOTAL OPERATING REVENUE	3,718,808	1,906,162	51.3%	3,600,580	-	38,540	3,639,120	2,033,508	55.9%
CLEAN WATER PROGRAM									
PENALTIES	1,545	1,428	92.4%	2,000	-	(1,000)	1,000	728	72.8%
ADMINISTRATIVE CITATIONS	1,050	950	90.5%	-	-	-	-	-	0.0%
INVESTMENTS	244	244	100.0%	500	-	-	500	-	0.0%
SERVICE CHARGE	559,754	274,159	49.0%	537,600	-	22,400	560,000	281,618	50.3%
STATE GRANTS	-	-	-	-	-	-	-	-	0.0%
TOTAL CLEAN WATER PROGRAM	562,593	276,781	49.2%	540,100	-	21,400	561,500	282,346	50.3%
WASTEWATER FUND									
PENALTIES	6,611	6,875	104.0%	10,000	-	-	10,000	3,382	33.8%
INVESTMENT EARNINGS	69,079	8,701	12.6%	35,000	-	-	35,000	-	0.0%
SERVICE CHARGES	1,592,732	721,914	45.3%	1,547,600	-	-	1,547,600	763,984	49.4%
USAGE CHARGES	1,647,404	886,100	53.8%	1,722,500	-	(100,000)	1,622,500	821,028	50.6%
SEWER INCLUSION FEES	99,875	77,322	77.4%	54,770	-	-	54,770	12,887	23.5%
MISCELLANEOUS	16,197	5,950	36.7%	50,000	-	(30,000)	20,000	10,104	50.5%
TOTAL WASTEWATER FUND	3,431,898	1,706,862	49.7%	3,419,870	-	(130,000)	3,289,870	1,611,385	49.0%
TOTAL ENTERPRISE FUNDS	7,713,299	3,889,805	50.4%	7,560,550	-	(70,060)	7,490,490	3,927,239	52.4%
TOTAL ALL FUNDS	28,622,195	13,000,872	45.4%	25,437,230	265,940	500,340	26,203,510	12,189,257	46.5%

**CITY OF DEL MAR
FISCAL YEAR 2020-21
SECOND QUARTER REPORT
EXPENDITURE SUMMARIES**

DEPARTMENT	AUDITED ACTUAL FY 2019-20	2ND QTR ACTUAL FY 2019-20	% EXPENSED FY 19-20	ADOPTED BUDGET 6/20/2020 FY 2020-21	ENC AND APPROP FY 2020-21	BUDGET ADJ THRU 2/1 FY 2020-21	2ND QTR BUDGET REQUEST FY 2020-21	PROPOSED AMENDED BUDGET FY 2020-21	2ND QTR ACTUAL FY 2020-21	% EXPENSED FY 2020-21
GENERAL FUND										
GENERAL GOVERNMENT										
CITY COUNCIL	71,543	41,614	58.2%	22,740		-	-	22,740	9,013	39.6%
LEGAL SERVICES	1,047,924	385,408	36.8%	879,640		80,000	-	959,640	228,507	23.8%
CITY MANAGER	1,049,395	481,541	45.9%	782,810	1,182	1,630	8,080	793,702	365,733	46.1%
HUMAN RESOURCES	186,593	73,967	39.6%	238,620		3,500	6,230	248,350	131,038	52.8%
CITY CLERK	283,423	151,642	53.5%	297,200		-	7,830	305,030	158,805	52.1%
INFORMATION SYSTEMS	457,784	267,562	58.4%	394,350	1,520	1,090	16,030	412,990	223,097	54.0%
FINANCE SERVICES	718,672	343,662	47.8%	699,610	2,414	-	5,770	707,794	366,150	51.7%
RISK MANAGEMENT	328,290	193,106	58.8%	220,000		140,000	-	360,000	333,814	92.7%
PLANNING SERVICES	1,102,865	553,032	50.1%	965,180		-	10,550	975,730	507,664	52.0%
CODE ENFORCEMENT	124,211	64,955	52.3%	118,200		-	1,220	119,420	72,306	60.5%
BUILDING SERVICES	287,513	181,117	63.0%	268,500		-	38,400	306,900	159,222	51.9%
TOTAL	5,658,213	2,737,606	48.4%	4,886,850	5,116	226,220	94,110	5,212,296	2,555,349	49.0%
PUBLIC SAFETY										
LAW ENFORCEMENT	2,545,856	867,604	34.1%	2,696,180		-	-	2,696,180	891,590	33.1%
LIFEGUARD SERVICES	1,141,311	631,817	55.4%	1,086,050		9,875	6,920	1,102,845	599,273	54.3%
PARKING ENFORCEMENT	689,980	336,517	48.8%	744,590		3,000	3,260	750,850	390,002	51.9%
FIRE PROTECTION	2,328,292	1,148,039	49.3%	2,346,690		15,300	-	2,361,990	1,210,599	51.3%
HAZARDOUS WASTE MANAGEMENT	16,417	16,417	100.0%	19,160		-	-	19,160	17,648	92.1%
SOLID WASTE	2,845	791	27.8%	2,500		-	-	2,500	1,300	52.0%
EMERGENCY PREPAREDNESS	2,878	1,893	65.8%	4,510		-	-	4,510	571	12.7%
TOTAL	6,727,579	3,003,078	44.6%	6,899,680		28,175	10,180	6,938,035	3,110,983	44.8%
PUBLIC WORKS										
ENGINEERING SERVICES	238,745	75,098	31.5%	165,000		-	-	165,000	40,788	24.7%
STORM WATER	104,104	47,595	45.7%	100,400	232	-	850	101,482	50,722	50.0%
FACILITIES	196,114	81,321	41.5%	204,530		-	800	205,330	80,377	39.1%
TOTAL	538,963	204,014	37.9%	469,930	232	-	1,650	471,812	171,887	36.4%
NON-DEPARTMENTAL										
COMMUNITY SUPPORT	302,690	220,653	72.9%	206,290		41,345	-	247,635	179,837	72.6%
TV STUDIO	101,613	34,499	34.0%	96,470		-	-	96,470	11,428	11.8%
CITY MEMBERSHIPS	89,063	84,881	95.3%	87,750		-	-	87,750	84,909	96.8%
CITY HALL - GENERAL	125,338	56,557	45.1%	150,030		-	-	150,030	52,009	34.7%
TOTAL	618,704	396,590	64.1%	540,540	-	41,345	-	581,885	328,183	56.4%
TOTAL GENERAL FUND BEFORE EQUIPMENT REPLACEMENT										
	13,543,459	6,341,288	46.8%	12,797,000	5,348	295,740	105,940	13,204,028	6,166,402	46.7%
EQUIPMENT REPLACEMENT										
	75,149	63,476	84.5%	-	-	54,800	-	54,800	5,434	0.0%
TOTAL GENERAL FUND INCLUDING EQUIPMENT REPLACEMENT										
	13,618,608	6,404,764	47.0%	12,797,000	5,348	350,540	105,940	13,258,828	6,171,836	46.5%

**CITY OF DEL MAR
FISCAL YEAR 2020-21
SECOND QUARTER REPORT
EXPENDITURE SUMMARIES**

DEPARTMENT	AUDITED ACTUAL FY 2019-20	2ND QTR ACTUAL FY 2019-20	% EXPENSED FY 19-20	ADOPTED BUDGET 6/20/2020 FY 2020-21	ENC AND APPROP FY 2020-21	BUDGET ADJ THRU 2/1 FY 2020-21	2ND QTR BUDGET REQUEST FY 2020-21	PROPOSED AMENDED BUDGET FY 2020-21	2ND QTR ACTUAL FY 2020-21	% EXPENSED FY 2020-21
MEASURE Q FUND	3,009,140	2,547,394	84.7%	75,000	95,410	-	-	170,410	10,153	6.0%
EMERGENCY EXPENDITURE FUND	65,693	-	0.0%	-	-	24,500	5,500	30,000	25,261	84.2%
ROAD MAINTENANCE REHAB ACCOUNT	-	-	0.0%	-	-	-	-	-	-	0.0%
GAS TAX FUND										
STREET MAINTENANCE	175,828	65,814	37.4%	150,780	16,550	-	1,060	168,390	70,727	42.0%
STREET LIGHTS/SIGNS	141,233	51,331	36.3%	116,880	6,703	-	430	124,013	45,750	36.9%
STREET LANDSCAPING	242,857	133,227	54.9%	166,430	-	12,400	410	179,240	66,685	37.2%
TOTAL GAX TAX FUND	559,918	250,372	44.7%	434,090	23,253	12,400	1,900	471,643	183,162	38.8%
OPEN SPACE FUND										
POWERHOUSE OPERATIONS	373,555	182,348	48.8%	296,800	-	3,000	-	299,800	131,588	43.9%
BEACH MAINTENANCE	312,320	171,371	54.9%	336,230	3,570	-	(11,030)	328,770	142,135	43.2%
PARK MAINTENANCE	256,872	122,243	47.6%	201,540	-	-	450	201,990	129,351	64.0%
TOTAL OPEN SPACE FUND	942,747	475,962	50.5%	834,570	3,570	3,000	(10,580)	830,560	403,074	48.5%
SUPPLEMENTAL LAW ENFORCEMENT	252,745	115,105	45.5%	-	-	-	-	-	-	0.0%
REGIONAL COMMUNICATION FUND	79,273	-	0.0%	85,010	-	-	-	85,010	-	0.0%
GRANTS FUND	127,277	105,384	82.8%	60,740	-	-	-	60,740	19,340	31.8%
HOUSING FUND	102,908	59,405	57.7%	73,640	-	-	14,000	87,640	44,100	50.3%
AB 939	47,158	30,505	64.7%	58,750	1,182	-	-	59,932	19,640	32.8%
PEG FEE FUND	5,780	2,919	50.5%	6,300	-	-	470	6,770	2,955	43.6%
TOTAL GENERAL O&M FUNDS	18,811,247	9,991,810	53.1%	14,425,100	128,763	390,440	117,230	14,815,540	6,879,521	46.4%
CAPITAL IMPROVEMENT FUNDS										
OPEN SPACE CIP	188,091	13,496	7.2%	-	105,180	90,000	-	195,180	2,953	1.5%
GENERAL FUND CIP	1,759,265	545,604	31.0%	740,000	278,065	30,000	-	1,048,065	147,407	14.1%
DEBT SERVICE-CITY HALL	922,153	663,759	72.0%	907,000	-	-	-	907,000	668,602	73.7%
TRANSNET II CIP	193,004	-	0.0%	205,000	-	-	-	205,000	-	0.0%
TOTAL CAPITAL IMPROVEMENT FUNDS	3,062,513	1,222,859	39.9%	1,852,000	383,245	120,000	-	1,972,000	818,962	41.5%
SPECIAL PROJECT FUND	840,409	112,459	13.4%	191,400	79,100	42,500	-	313,000	169,778	54.2%

**CITY OF DEL MAR
FISCAL YEAR 2020-21
SECOND QUARTER REPORT
EXPENDITURE SUMMARIES**

DEPARTMENT	AUDITED ACTUAL FY 2019-20	2ND QTR ACTUAL FY 2019-20	% EXPENSED FY 19-20	ADOPTED BUDGET 6/20/2020 FY 2020-21	ENC AND APPROP FY 2020-21	BUDGET ADJ THRU 2/1 FY 2020-21	2ND QTR BUDGET REQUEST FY 2020-21	PROPOSED AMENDED BUDGET FY 2020-21	2ND QTR ACTUAL FY 2020-21	% EXPENSED FY 2020-21
TOTAL GENERAL GOVERNMENTAL FUNDS	22,714,169	11,327,128	49.9%	16,468,500	591,108	552,940	117,230	17,021,440	7,868,261	46.2%
WORKERS' COMPENSATION FUND	354,414	238,169	67.2%	288,750	-	-	-	288,750	164,960	57.1%
WATER FUND										
GENERAL ADMINISTRATION	1,732,667	635,446	36.7%	1,704,040	530	-	6,600	1,711,170	640,660	37.4%
RISK MANAGEMENT	65,813	65,813	100.0%	103,500	-	-	-	103,500	94,604	91.4%
RAW WATER SUPPLY	1,440,942	592,579	41.1%	1,651,560	-	-	(50,000)	1,601,560	628,084	39.2%
TREATMENT/DELIVERY	299,852	129,573	43.2%	392,250	-	-	(60,000)	332,250	134,635	40.5%
TOTAL WATER FUND O&M	3,539,274	1,423,411	40.2%	3,851,350	530	-	(103,400)	3,748,480	1,497,983	40.0%
WATER CAP IMPROVEMENT	127,379	22,241	17.5%	390,500	477,430	-	-	867,930	6,034	0.7%
TOTAL WATER FUND	3,666,653	1,445,652	39.4%	4,241,850	477,960	-	(103,400)	4,616,410	1,504,017	32.6%
CLEAN WATER FUND										
PLANNING	58,320	30,650	52.6%	43,290	-	-	550	43,840	22,990	52.4%
CODE ENFORCEMENT	30,425	15,993	52.6%	31,890	-	-	330	32,220	18,099	56.2%
CLEAN WATER MANAGEMENT	235,516	107,990	45.9%	276,000	-	-	-	276,000	73,969	26.8%
PUBLIC WORKS	232,774	93,758	40.3%	204,540	420	-	92,570	297,530	106,172	35.7%
TOTAL CLEAN WATER O & M	557,035	248,391	44.6%	555,720	420	-	93,450	649,590	221,230	34.1%
CLEAN WATER CAP IMPROVEMENT	42,607	11,738	27.5%	54,500	67,390	-	-	121,890	12,708	10.4%
TOTAL CLEAN WATER FUND	599,642	260,129	43.4%	610,220	67,810	-	93,450	771,480	233,938	30.3%
WASTEWATER FUND										
RISK MANAGEMENT	175,772	65,813	37.4%	142,500	-	-	-	142,500	98,838	69.4%
WASTEWATER TRANSPORTATION	186,764	23,114	12.4%	14,600	-	-	10,400	25,000	12,750	51.0%
WASTEWATER TREATMENT	709,837	310,504	43.7%	998,670	-	-	(70,000)	928,670	443,632	47.8%
DEBT SERVICE	565,740	539,481	95.4%	570,960	-	-	-	570,960	540,679	94.7%
WASTEWATER PROGRAM	2,328,919	711,798	30.6%	2,234,100	800	30,000	98,360	2,363,260	738,386	31.2%
TOTAL WASTEWATER FUND O&M	3,967,032	1,650,710	41.6%	3,960,830	800	30,000	38,760	4,030,390	1,834,285	45.5%
WASTEWATER CAPITAL IMPROVEMENT	62,848	8,245	13.1%	375,000	511,650	-	(300,000)	586,650	9,366	1.6%
TOTAL WASTEWATER FUND	4,029,880	1,658,955	41.2%	4,335,830	512,450	30,000	(261,240)	4,617,040	1,843,651	39.9%
TOTAL ENTERPRISE FUNDS	8,296,175	3,364,736	40.6%	9,187,900	1,058,220	30,000	(271,190)	10,004,930	3,581,606	35.8%
TOTAL EXPENDITURES	31,364,758	14,930,033	47.6%	25,945,150	1,649,328	582,940	(153,960)	28,023,458	11,614,827	41.4%

**City of Del Mar
Cash Flow Report
General Fund
Fiscal Year 2020-21**

	Adopted FY 2021 Jun 2019 (A)	Amended Adopted FY 2021 Jun 2020 (B)	First Quarter FY 2021 Oct 2020 (C)	Second Quarter FY 2021 Feb 2021 (D)	Difference (E=D-C)
Total Revenue	18,218,680	14,725,510	14,930,105	15,321,260	391,155
Total Expenditures	13,511,970	12,797,000	13,131,543	13,258,828	127,285
Transfers					
Measure Q Loan	-	(283,620)	(283,620)	(283,620)	-
Emergency Fund	-	-	-	(45,631)	(45,631)
Gas Tax	434,710	323,310	335,710	337,610	1,900
Open Space	584,180	584,200	587,200	669,820	82,620
SLESF	271,190	(100,000)	(100,000)	(100,000)	-
Regional Comm	40,010	40,010	40,010	40,010	-
Housing Fund Transfer	347,000	-	-	-	-
Clean Water (non-CIP)	-	15,620	15,620	88,090	72,470
RMRA Reimb	(77,940)	(76,400)	(76,400)	(76,400)	-
PEG Fee Reimb	(40,000)	(40,000)	(40,000)	(40,000)	-
Total Transfers	<u>1,559,150</u>	<u>463,120</u>	<u>478,520</u>	<u>589,879</u>	<u>111,359</u>
City Hall Debt	907,000	907,000	907,000	907,000	-
Cash Flow (before CIP & SP)	\$ 2,240,560	\$ 558,390	\$ 413,042	\$ 565,553	\$ 152,511
Transfer to CIP					
Open Space	210,000	-	50,000	90,000	40,000
General Fund	775,000	279,650	309,651	309,651	-
Clean Water	121,180	54,500	54,498	54,261	(237)
Total CIP	<u>1,106,180</u>	<u>334,150</u>	<u>414,149</u>	<u>453,912</u>	<u>39,763</u>
Transfer to Special Projects	524,380	191,400	193,900	8,900	(185,000)
Pension Reserve	536,250	-	-	-	-
Cash Flow (after CIP & SP)	\$ 73,750	\$ 32,840	\$ (195,007)	\$ 102,741	\$ 297,748
Reserves					
Contingency Reserves	3,403,025	1,926,237	2,087,673	2,317,331	229,658
Self-Insurance	400,000	410,000	421,553	421,553	-
Encumbrances	-	-	-	-	-
Economic Contingency	-	125,000	300,000	200,000	(100,000)
Pension Reserves	2,292,694	1,220,200	1,220,200	1,220,200	-
Leave Liability	100,000	42,650	107,278	207,278	100,000
Equipment Replcement	546,995	724,850	724,850	724,850	-
	<u>6,742,714</u>	<u>4,448,937</u>	<u>4,861,554</u>	<u>5,091,212</u>	<u>229,658</u>

Side Letter of Agreement: Employee Concessions for Fiscal Year 2020-21
City of Del Mar and the Del Mar Firefighters Association, IAFF Local 4163

This Side Letter of Agreement to the existing Memorandum of Agreement dated July 1, 2017 (hereinafter referred to as "MOA") is entered into between the City of Del Mar (hereinafter "City") and the Del Mar Firefighters Association, IAFF Local 4163 (hereinafter "Association"), and will take effect on July 1, 2020.

The Association recognizes that the City is experiencing extreme economic losses as a result of the COVID-19 pandemic, with projected revenue losses estimated at \$7.2 Million from March 2020 to June 2021. As a result, implementing an agreed upon increase to the salaries for Association members on July 1, 2020, as required by the MOA, will further deepen the City's current and projected financial deficit that can impair the City's ability to operate.

Accordingly, the Association and City do hereby agree as follows:

1. The 3% scheduled salary increase for Association members will be frozen starting July 1, 2020, for up to twelve months.
2. During the twelve-month period beginning on July 1, 2020, and ending June 30, 2021, Association members will continue to be eligible for merit increases to their salary based on performance in accordance with the MOA.
3. The City will monitor revenues and provide quarterly updates to the Association and if the actual General Fund revenues received come in higher than the projected General Fund revenues included in the adopted FY 2020-21 Budget Update during the second (October-December 2020) or third financial (January-March 2021) quarters, increases to salaries will be implemented in 1% increments for every 0.5% increase to General Fund revenues.
4. Salary increases related to increased General Fund revenues received through the second financial quarter would be implemented starting January 1, 2021; and salary increases related to increased General Fund revenues received through the third financial quarter would be implemented starting April 1, 2021.
5. At such time that all or a portion of the scheduled salary increases are implemented, they will be implemented in similar manner for all employees.
6. This Side Letter of Agreement shall be incorporated by reference in the MOA between the parties and is valid from July 1, 2020, until June 30, 2021.

[Signatures on the Following Page]

CITY OF DEL MAR



CJ Johnson, City Manager

DEL MAR FIREFIGHTERS ASSOCIATION



Joel Carrington, President

Date: 7-8-2020

Date: July 2nd 2020

Side Letter of Agreement: Employee Concessions for Fiscal Year 2020-21
City of Del Mar and the Del Mar City Employees Association

This Side Letter of Agreement to the existing Memorandum of Agreement dated July 1, 2018 (hereinafter referred to as "MOA") is entered into between the City of Del Mar (hereinafter "City") and the Del Mar City Employees Association (hereinafter "Association") (together hereinafter referred to as "Parties") and will take effect on July 1, 2020.

The Association recognizes that the City is experiencing extreme economic losses as a result of the COVID-19 pandemic, with projected revenue losses estimated at \$7.2 Million from March 2020 to June 2021. As a result, the Parties mutually agree as follows:

1. The Association is agreeing to defer the 3% scheduled salary increase for Association members starting July 1, 2020, for up to twelve months or until financial conditions permit for the restoration of salaries, whichever may occur sooner.
2. During the twelve-month period beginning on July 1, 2020, and ending June 30, 2021, Association members will continue to be eligible for merit increases to their salary based on performance in accordance with the City's Personnel Rules.
3. The City will monitor revenues and provide quarterly updates to the Association and if the actual General Fund revenues received come in higher than the projected General Fund revenues included in the adopted FY 2020-21 Budget Update during the second (October-December 2020) or third financial (January-March 2021) quarters, increases to salaries will be implemented in 1% increments for every 0.5% increase to General Fund revenues.
4. Salary increases related to increased General Fund revenues received through the second financial quarter would be implemented starting January 1, 2021; and salary increases related to increased General Fund revenues received through the third financial quarter would be implemented starting April 1, 2021.
5. At such time that all or a portion of the scheduled salary increases are implemented, they will be implemented in similar manner for all employees.
6. At the conclusion of FY 2020-21, if all or a portion of the scheduled 3% salary increase for Association members for FY 2020-21 have not been implemented, the City agrees to restore any remaining amount of the negotiated FY 20/21 salary increase as soon as financial conditions permit. The City also agrees to meet and confer with the Association at the conclusion of FY 2020-21 to discuss a timeline for how to restore any remaining amount.
7. Beginning July 1, 2020, all Association members will begin taking a mandatory one-hour a week furlough (unpaid) for a period up to twelve months, which will be taken in accordance with the rules for implementation of the furlough as approved by the City Manager.

8. Beginning July 1, 2020, the Network Systems Technician II position will be furloughed 20 hours per week (50%) for a period up to twelve months.
9. Beginning July 1, 2020, the Facilities Coordinator position will be eliminated from the City's budget for the Fiscal Year 2020/21. The City will meet and confer with the Association regarding the work performed by this position prior to making any permanent decisions regarding the position after Fiscal Year 2020/21.
10. The City will close on December 28, 29, and 30, 2020, which will be three additional paid holidays for City employees (except Fire) for Fiscal Year 2020/21, and employees required to work those days will receive that time as a floating holiday(s).
11. The City Manager previously increased the vacation accrual maximum for Association members by 40 hours from May 28, 2020 through December 31, 2020. Effective July 1, 2020, the City Manager will implement a second one-time increase to the vacation accrual maximum by an additional 40 hours. All hours accrued over the vacation accrual maximum of 380 hours for Association members, must be used prior by June 30, 2021, and may not be cashed out by an employee at any time. Any accrued hours over 380 hours remaining on June 30, 2021 will be forfeited.
12. This Side Letter of Agreement shall be incorporated by reference in the MOA between the parties and is valid from July 1, 2020, until June 30, 2021.

CITY OF DEL MAR

DEL MAR CITY EMPLOYEES ASSOCIATION



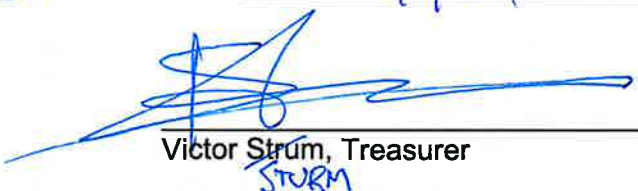
 CJ Johnson, City Manager



 Andre Proano, Vice President

Date: 7-8-2020

Date: 7/8/2020



 Victor Strum, Treasurer
 STRUM

Date: 7/8/2020

RESOLUTION NO. 2020-41

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEL MAR,
CALIFORNIA, SETTING PRIORITIES FOR THE USE OF INCREASED
REVENUES DURING FISCAL YEAR 2020-21

WHEREAS, on June 17, 2019, the City Council adopted a two-year Operating and Capital Budget for Fiscal Years 2019-2020 and 2020-2021; and

WHEREAS, on March 14, 2020, the City declared an emergency related to the COVID-19 pandemic, which has resulted in revenue losses that have created an economic crisis for the City; and

WHEREAS, from March through June 2020, the City will lose an estimated \$3.2 Million in revenues; and

WHEREAS, the City is projected to lose an additional \$4 Million in revenues in Fiscal Year 2020-21 (FY20/21); and

WHEREAS, the pandemic and related economic crisis have necessitated dramatic action to maintain essential services, a balanced budget, and adequate reserves; and

WHEREAS, all aspects of the City government have been impacted and sacrifices, including financial concessions by City staff and consultants, as well as reductions in all but essential city programs and services; and

WHEREAS, the City Council adopted an update to the FY20/21 Operating and Capital Budget on June 17, 2020, which included over \$1 Million in employee concessions and more than \$550,000 in reduced operating expenditures; and

WHEREAS, the City Council has authorized the use of the City's General Fund Contingency and Measure Q Fund in an equal share to offset the City's budget shortfall; and

WHEREAS, the City Council authorized the deferral of year-end funding for the City's Pension Reserve Fund in FY19/20 and FY20/21 totaling \$1,072,500; and

WHEREAS, the City Council authorized the deferral of a year-end transfer to a Housing Reserve totaling \$300,000 for FY20/21; and

WHEREAS, the forgoing actions were necessary to allow adoption of a balanced budget as required by law; and

WHEREAS, the City Council wants to be clear that these emergency financial actions are intended to be temporary; and

WHEREAS, it is the City Council's commitment that all Measure Q funds used during the emergency for other than the Measure Q priority projects of: (1) citywide utility undergrounding; (2) downtown streetscape; (3) Shores Park Master Planning and Development; and (4) the

Measure Q share of the City's Maintenance of Effort (MOE) obligation, are to be repaid to the Measure Q fund under the priorities set forth below; and

WHEREAS, it is City Council's intention that the City's Pension Reserve Fund, Measure Q Fund, and General Fund Contingency all be replenished as a matter of priority when revenues permit; and

WHEREAS, it is the goal to replenish the General Fund Contingency to at least the pre-COVID-19 level of 14.87% during the fiscal year 2020-21; and,

WHEREAS, the City Manager will reassess staffing and operational expenditures and make a recommendation to the City Council prior to restoring any General Fund reserves; and,

WHEREAS, it is further the goal to replenish the Pension Reserve Fund and the Measure Q fund as soon as practicable; and

WHEREAS, the City Council wishes to identify how, and the order of priority, in which revenues should be used if revenues come in higher than projected for FY20/21; and

WHEREAS, with the assistance of the City Manager and staff it will always be the highest priority of City Council to manage city finances in a cautious and prudent manner so as to provide essential services to Del Mar residents and businesses.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby sets the following priorities, in order, on how increased revenues received during FY20/21, in comparison to the revenues included in the updated budget, should be used:

1. For every .5% in increased General Fund revenues, a 1% increase to employee salaries will be implemented, up to the previously approved salary increase of 3% for FY20/21. Increases to be implemented following the second financial quarter will be effective January 1, 2021, and increases to be implemented following the third financial quarter will be implemented on April 1, 2021.
2. Employee hours will be restored from 39 hours to 40 hours, therefore eliminating the 2.5% reduction in current salaries.
3. The Pension Reserve Fund, Measure Q Fund, and General Fund Contingency have equal priority. As General Fund revenues become available the City Manager shall make recommendations to the City Council on how these available revenues should be allocated across these three funds. The City Council will make the final decision at a noticed public hearing. Any funds borrowed from Measure Q to offset the City's budget shortfall will be repaid in full.
4. The City's Equipment Replacement Reserve (ERR) schedule will be updated and funds will be deposited into ERR Fund to ensure sufficient funding is available for future equipment replacement.

5. Funds will be transferred into a Housing Reserve Fund in an amount equal to the FY20/21 year-end transfer payment that was deferred.
6. The priorities set forth herein are subject to revision by City Council action at a noticed public hearing as may be appropriate to address changes in circumstances and needs.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Del Mar, California, at the Regular Meeting held the 6th day of July 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 No. 2020-41, adopted by the City Council of the City of Del Mar, California, at a Regular Meeting held the 6th day of July, 2020, by the following vote:

AYES: Mayor Haviland, Deputy Mayor Gaasterland, Council Members Druker, Parks and Worden

NOES: None

ABSENT: None

ABSTAIN: None



Ashley Jones, Administrative Services
Director/City Clerk
City of Del Mar

**CITY OF DEL MAR
TREASURER'S REPORT
September 30, 2020**

Attachment F

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	751,347	751,347	751,347
-	Workers Comp	UNION BANK	2740020806	N/A	N/A	N/A	18,725	18,725	18,725
-	MM	LAIF - GENERAL	98-37-244	N/A	N/A	0.685%	3,835,515	3,835,515	3,851,297
AAA	MM	SAN DIEGO COUNTY	44076	N/A	N/A	1.080%	2,753,552	2,753,552	2,786,109
	MM	US BANK	157518707631	N/A	N/A	0.010%	232,429	232,429	232,429
							7,591,568	7,591,568	7,639,906
-	FHLB	FEDERAL GOVERNMENT AGENCY	6736303800	3134GWPT7	8/19/2025	0.600%	200,000	200,000	199,851
	CD	CERTIFICATE OF DEPOSITS	SEE	ATTACHED	DETAIL	2.454%	2,614,000	2,614,000	2,614,000
							2,814,000	2,814,000	2,813,851
							10,405,568	10,405,568	10,453,757

TYPE OF INVESTMENT	INVESTMENT DESCRIPTION	PRINCIPAL BALANCE JUN 30, 2020	FIRST QUARTER PURCHASES	FIRST QUARTER CALLED/MATURED	NET ACTIVITY JUL-SEP	PRINCIPAL BALANCE SEP. 30, 2020	TOTAL PERCENTAGE BY TYPE
Cash on Hand		617,394	-	-	133,953	751,347	7.22%
Workers Comp		21,257	-	-	(2,532)	18,725	0.18%
LAIF	Local Agency Investment Fund	7,109,634	-	-	(3,274,119)	3,835,515	36.87%
SD Invest Pool	San Diego Co. Investment Pool	2,742,085	-	-	11,467	2,753,552	26.46%
Investment MM	US Bank Investment Account	223,749	-	-	8,680	232,429	2.23%
FHLB	Federal Government Agencies	-	200,000	-	-	200,000	1.92%
CD	Certificate of Deposits	3,307,000	249,000	(942,000)	-	2,614,000	25.12%
	Total	14,021,118	449,000	(942,000)	(3,122,550)	10,405,568	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 15, 2020. 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: 11.18.2020

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

Date: 11.18.2020

CITY OF DEL MAR
CERTIFICATE OF DEPOSITS (with U.S. BANK)
As of September 30, 2020

			Annualized				
	CUSSIP	PRINCIPAL AMOUNT	NOMINAL COUPON	Rate of Return	Portfolio Weighting	Weighted Coupon	MATURITY DATE
Wells Fargo Bank - CD	949763RR9	240,000.00	3.00000	3.00000	9.18%	0.27543994	6/14/2021
Comenity Cap Bank - CD	20033ASN7	248,000.00	1.70000	1.70000	9.49%	0.16128539	10/12/2021
Morgan Stanley Bank - CD	61760AYP8	246,000.00	2.60000	2.60000	9.41%	0.24468248	4/11/2022
Goldman Sachs Bank - CD	38148PKT3	200,000.00	2.35000	2.35000	7.65%	0.17980107	6/14/2022
Allegiance BK Tex Housten	01748DAX4	248,000.00	2.15000	2.15000	9.49%	0.20397858	9/29/2022
Sallie Mae Bank - CD	795450H32	246,000.00	2.50000	2.50000	9.41%	0.23527161	12/20/2022
Citibank - CD	17312QL98	240,000.00	3.20000	3.20000	9.18%	0.29380260	5/23/2023
Medallion Bank - CD	58404DCM1	248,000.00	3.25000	3.25000	9.49%	0.30833971	7/31/2023
Enerbank USA - CD	29278TDM9	249,000.00	3.20000	3.20000	9.53%	0.30482020	9/28/2023
Morgan Stanley Bank NA	61690UGC8	200,000.00	2.60000	2.60000	7.65%	0.19892884	5/23/2024
BMW Bank North America	05580AXF6	249,000.00	0.50000	0.50000	9.53%	0.04762816	9/25/2025
		\$ 2,614,000.00	1.70800	1.70800	100.00%	2.45397858	

**CITY OF DEL MAR
TREASURER'S REPORT
December 31, 2020**

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	609,823	609,823	609,823
-	Workers Comp	UNION BANK	2740020806	N/A	N/A	N/A	10,472	10,472	10,472
-	MM	LAIF - GENERAL	98-37-244	N/A	N/A	0.540%	7,144,702	7,144,702	7,160,930
AAA	MM	SAN DIEGO COUNTY	44076	N/A	N/A	0.880%	2,762,751	2,762,751	2,786,133
	MM	US BANK	157518707631	N/A	N/A	0.005%	30,599	30,599	30,599
							10,558,348	10,558,348	10,597,956
-	FHLB	FEDERAL GOVERNMENT AGENCY	6736303800	3134GWPT7	8/19/2025	0.600%	200,000	200,000	198,983
	CD	CERTIFICATE OF DEPOSITS	SEE	ATTACHED	DETAIL	2.307%	2,839,000	2,839,000	2,958,455
							3,039,000	3,039,000	3,157,438
							13,597,347	13,597,347	13,755,394

TYPE OF INVESTMENT	INVESTMENT DESCRIPTION	PRINCIPAL BALANCE SEP. 30, 2020	SECOND QUARTER PURCHASES	SECOND QUARTER CALLED/MATURED	NET ACTIVITY OCT-DEC	PRINCIPAL BALANCE DEC. 31, 2020	TOTAL PERCENTAGE BY TYPE
Cash on Hand		751,347	-	-	(141,524)	609,823	4.48%
Workers Comp		18,725	-	-	(8,253)	10,472	0.08%
LAIF	Local Agency Investment Fund	3,835,515	-	-	3,309,187	7,144,702	52.55%
SD Invest Pool	San Diego Co. Investment Pool	2,753,552	-	-	9,199	2,762,751	20.32%
Investment MM	US Bank Investment Account	232,429	-	-	(201,830)	30,599	0.23%
FHLB	Federal Government Agencies	200,000	-	-	-	200,000	1.47%
CD	Certificate of Deposits	2,614,000	225,000	-	-	2,839,000	20.88%
Total		10,405,568	225,000	-	2,966,779	13,597,347	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 15, 2020. 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: 1/28/21

Reviewed by: Monica Molina
Monica Molina, Finance Manager/Treasurer

Date: 2/1/2021

CITY OF DEL MAR
CERTIFICATE OF DEPOSITS (with U.S. BANK)
As of December 31, 2020

			Annualized				
	CUSSIP	PRINCIPAL AMOUNT	NOMINAL COUPON	Rate of Return	Portfolio Weighting	Weighted Coupon	MATURITY DATE
Wells Fargo Bank - CD	949763RR9	240,000.00	3.00000	3.00000	8.45%	0.25361043	6/14/2021
Comenity Cap Bank - CD	20033ASN7	248,000.00	1.70000	1.70000	8.74%	0.14850299	10/12/2021
Morgan Stanley Bank - CD	61760AYP8	246,000.00	2.60000	2.60000	8.67%	0.22529060	4/11/2022
Goldman Sachs Bank - CD	38148PKT3	200,000.00	2.35000	2.35000	7.04%	0.16555125	6/14/2022
Allegiance BK Tex Housten	01748DAX4	248,000.00	2.15000	2.15000	8.74%	0.18781261	9/29/2022
Sallie Mae Bank - CD	795450H32	246,000.00	2.50000	2.50000	8.67%	0.21662557	12/20/2022
Citibank - CD	17312QL98	240,000.00	3.20000	3.20000	8.45%	0.27051779	5/23/2023
Medallion Bank - CD	58404DCM1	248,000.00	3.25000	3.25000	8.74%	0.28390278	7/31/2023
Enerbank USA - CD	29278TDM9	249,000.00	3.20000	3.20000	8.77%	0.28066221	9/28/2023
Morgan Stanley Bank NA	61690UGC8	200,000.00	2.60000	2.60000	7.04%	0.18316309	5/23/2024
BMW Bank North America	05580AXF6	249,000.00	0.50000	0.50000	8.77%	0.04385347	9/25/2025
Texas Exchange Bank Crowley	88241TJN19	225,000.00	0.60000	0.60000	7.93%	0.04755195	11/25/2025
		\$ 2,839,000.00	1.66538	1.66538	100.00%	2.30704473	