

For the Special City Council Meeting of November 15, 2005

**CITY OF SANTA PAULA
MEMORANDUM**

To: Honorable Mayor and Members of the City Council

From: Alvertina Rivera, Finance Director & Cliff Finley, Public Works Director

Subject: FY 2005/06 First Quarter Statement of Revenues & Expenditures

Date: November 08, 2005

Recommendation: It is recommended that the City Council review and file the attached Statement of Revenues & Expenditures and CIP Update Report.

Fiscal Impact: None

Personnel Impacts: None

General Discussion: The attached report is a summary of the financial activity for the City's most significant funds (i.e. General and Enterprise) as of September 30, 2005. The report is a summary of the revenues & expenditures for these funds with an Actual to Budget comparison to better assess the progress of each fund.

In analyzing the attached report, the following information should to be taken into consideration:

- a. Revenues & expenditures are recorded during the period received or paid. It is only at Year End that accrual entries are made to associate the revenues & expenditures to the corresponding period.
- b. The receipt schedule of revenues varies according to the source of funding. As an example, property tax payments are received as follows; 55% in December, 41% in April, & 4% in June.
- c. Although most expenditures are monthly, there are some quarterly, semi-annual, and even annual expenditures. Examples of such include Debt Service payments, Liability Insurance, Worker's Comp, and Audit Fees.

General Fund Revenue Analysis:

- The **Sales Tax** figure of \$237,226 reflects revenues for only two months. If an average of the monies received to-date was used to project the amounts to be received for a complete quarter, this figure would bring the total revenues to \$355,839 or 25% of the budgeted figure.

- The minimal amount of **Property Taxes** received is due to the normal payment schedule. As previously mentioned, Property Tax payments are received in December, April and June. The Sales Tax and Motor Vehicle in Lieu Fees are also allocated as property taxes. These payments are received in January and May.
- In the past, the **Franchise Fee Taxes** have been received as follows: 26% in March, 47% in April, and 27% in June. Therefore, the \$0 reflected as of September 30th is normal for this category.
- The negative variation in **All Other Taxes** is attributed to the Business License Fees, which are calendar year based and collected for the most part within the 1st calendar quarter which is the 3rd quarter in the City's fiscal year.
- **Licenses and Permit** fees are significantly over projections due to the tremendous development activity within the City. This increase in revenues corresponds to a similar increase in workload for the Planning and Building & Safety Departments.
- **Fines and Penalties** are right on target.
- The **Motor Vehicle In-Lieu** figure of \$37,627 is a cumulative of only two months. If this figure were adjusted to reflect an additional payment, making it representative of a true ¼ year figure, it would bring revenues to \$56,440 or 28% of the annual projected revenue.
- **Other Intergovernmental Revenues** are less than projected due to the timing of the Homeowners Property Tax Relief (HPTR) and the Prop. 172 payments. The HPTR monies are normally received in December (15%), January (35%), May (35%), and June (15%). Although Prop. 172 monies for Public Safety are received monthly; they are usually 2 months in arrears. In light of this information, staff expects to receive the budgeted amounts for this category.
- There is a significant positive variation in the **Charges for Current Services** category. The increase is reflective of the increase in development.
- The excess in **Other Revenues** is related to un-anticipated Worker's Comp. Reimbursement payments for the Police Department.

At this point, staff is affirming their revenue projections and will continue to diligently monitor the progress made in each of these categories.

General Fund Expenditures:

All Department expenditures are below the first quarter benchmark figure with the exception of General Administration and Community Service. One reason Administration appears to be over the target figure is because of the large insurance payments made annually at the beginning of the fiscal year. Community Services has exceeded its benchmark due to un-budgeted expenses related to the Citrus Festival and higher than expected part-time salary costs. If expenditure patterns follow the preceding three months for the remainder of the FY 2005-06, the existing allocations should suffice to cover all General Fund operations.

Enterprise Funds:

Both revenues and expenditures for the **Refuse Fund** appear very close to the projected figures.

Revenues for **Sewer** Services are slightly higher than predicted. The Interest Income category for the Sewer appears under-budget because of a debt service payment due from the Redevelopment Agency during the latter part of this fiscal year. The Maintenance and Operational costs for the Sewer fund appear under budget because they do not reflect 3-months of contractual payments for the plant's operation. In reality both expenditures and revenues are well within budget projections.

Service charges for the **Water Enterprise** are slightly higher than previously anticipated. The variation in Maintenance & Operation expenditures for the Water Fund are due to the significant Debt Service payments payable in the latter part of the fiscal year, as well as expenditures being reflected on a cash basis.

The expenditures for Capital Projects are reflective of the payment status of such projects, not necessarily the work progress. The Public Works staff has provided the attached Capital Improvement Program Status Report for your review.

Alternatives:

1. Receive and file the attached Statement of Revenues & Expenditures
2. Refer report back to staff for additional review and/or modifications

**STATEMENT OF REVENUES & EXPENDITURES
BUDGET to ACTUAL
FOR THE QUARTER ENDED SEPTEMBER 30, 2005**

Revenues	General Fund			Refuse Enterprise			Wastewater Enterprise			Water Enterprise		
	Budget	Actual	% of Budget	Budget	Actual	% of Budget	Budget	Actual	% of Budget	Budget	Actual	% of Budget
Sales Taxes	1,413,405	237,226	16.8%									
Property Taxes	4,005,167	28,285	0.7%									
Franchise Fee Tax	320,000	0	0.0%									
All Other Taxes	364,000	28,845	7.9%									
Licenses & Permits	384,042	168,249	43.8%									
Fines & Penalties	78,000	18,320	23.5%									
Interest & Rent Income	335,308	75,888	22.6%	2,500	0	0.0%	25,000	1,652	6.6%	160,000	56,380	35.2%
Motor Vehicle In-Lieu	200,000	37,627	18.8%									
Other Intergovernmental Revenues	261,700	18,172	6.9%									
Charges for Current Services	830,058	360,848	43.5%	1,929,573	464,820	24.1%	3,955,000	1,090,988	27.6%	5,333,510	1,810,858	34.0%
Other Revenues	45,000	47,697	106.0%	36,000	10,642		0	0		85,000	(58)	-0.1%
Total Revenues	8,236,680	1,021,158	12.4%	1,968,073	475,462	24.2%	3,980,000	1,092,639	27.5%	5,578,510	1,867,179	33.5%
Transfers In	938,703	233,181	24.8%							241,767	55,804	23.1%
Total Revenues & Transfers	9,175,383	1,254,339	13.7%	1,968,073	475,462	24.2%	3,980,000	1,092,639	27.5%	5,820,277	1,922,983	33.0%
Expenditures												
General Administration	1,178,444	455,053	38.6%									
Building & Safety	331,050	75,948	22.9%									
Community Services	441,585	128,645	29.1%									
Financial Services	373,516	69,204	18.5%									
Fire	1,513,684	308,779	20.4%									
Planning	556,261	104,672	18.8%									
Police	4,435,629	905,621	20.4%									
Public Works- Maint. & Oper.	494,839	111,510	22.5%	1,976,027	401,749	20.3%	2,439,055	350,401	14.4%	6,042,492	818,916	13.6%
Public Works- Capital Projects	162,821	0	0.0%				952,326	45,910	4.8%	8,671,843	19,374	0.2%
Economic Development	2,500	0	0.0%									
Non Departmental	140,732	15,920	11.3%									
Total Expenditures	9,631,061	2,175,353	22.6%	1,976,027	401,749	20.3%	3,391,381	396,311	11.7%	14,714,335	838,289	5.7%

**CITY OF SANTA PAULA
CAPITAL IMPROVEMENT PROGRAM
Quarterly Update**

	Project Name	Description	Status
PUBLIC BUILDINGS			
1	735 E. Santa Barbara Street Rehabilitation (Old County Fire Station)	Building not in use and in need of rehabilitation.	
2	Railroad Depot – Remove Lead Based Paint/Repaint	The Railroad Depot is a State Historical Landmark. The existing paint is lead-based and considered hazardous. The existing paint will be removed and abated properly, then repainted with a non-lead based paint.	Project will continue forward under VCTC. Repainting is anticipated in 2006
3	New City Hall – Planning & Preliminary Design	The existing City Hall Complex does not meet current City staffing and space needs for all employees and the public. A consultant will select and evaluate potential sites for the new City Hall Complex.	
4	New Corporation Street Yard – Planning & Preliminary Design	The existing Corporation Yard does not meet current staffing and space needs for Public Works Maintenance and Utilities divisions. The new Corporation Yard will likely be sited with the new Water Recycling Facility. A consultant will be hired to evaluate the Department needs and perform a preliminary design of the facility.	Project architect, Lauterbach Associates, has completed preliminary space use study. Will be incorporated into WRF project
5	Paseo Rehabilitation – 926 E. Main Street	This project would provide a passageway from Main Street to the South Alley parking area. It would also provide public restrooms in the Downtown area. If the \$200,000 identified funding sources do not cover all the improvements, the project could be phased.	Exterior façade work completed. Bid award for interior tenant improvements anticipated mid-November. Completion of interior TI's anticipated April, 2006
6	The Mill and Depot Historic Building Restoration Grant	Funds to restore The Mill and Depot (including painting)	Project will proceed under VCTC. Construction is anticipated in 2006.
PARKS & RECREATION			
1	Teague Park Soccer Field Rehab and Master Plan	The City has limited soccer field space, therefore, the Teague Park soccer field is overused. The City wants to install an artificial turf field to increase the playing time per day. A consultant will evaluate the field layout and design an artificial turf field at Teague Park and prepare the bid package to advertise the project for construction.	Contract for design in the amount of \$81,255 was awarded to CPS Landscape Architects at the 2/7/05 City Council meeting. Design work by CPS proceeding.
2	Central Bicycle Trail – Design & Construction	Also known as the Santa Paula Branch Line Bike Trail. This is a planned 32-mile bike trail from Ventura to Santa Clarita. The alignment is generally along the Southern Pacific Railroad right-of-way. There is an existing portion in Fillmore. The Santa Paula portion of the trail is currently being designed and construction of Phase I is anticipated to begin in 2005. The trail is a combination of Class I and Class II trail from 8-12 feet wide.	Caltrans rejected design firm. Project has been rebid. New contract awarded by Council. Design starting.
3	Harding Park Master Plan Phase II	This project includes preparation of bid packages for the following work: Entry Way, Tom Moore 1 st and 3 rd base dugouts, Tom Moore Field Grandstand and Concrete Flatwork. This project has been recommended by the Santa Paula Recreation Commission and the Harding Park Advisory Board.	
4	Boys and Girls Club Building Improvements	Improvements/rehabilitation to the building housing the Boys and Girls Club.	Boys & Girls Club received CDBG funding for electrical utility undergrounding. Anticipated project will be out to bid in December with construction completed by March, 2006
5	Las Piedras Park Recreation Center	This project is to develop concept and construction plans for the center. It may also be able to fund parking improvements. The Las Piedras Park neighborhood has indicated an interest in additional public facilities in the park.	Staff is in negotiations with non-profit developer (Homeboys, Inc.) for construction of neighborhood center in Las Piedras Park.
6	Las Piedras Park Improvements (Restrooms)	Reconstruction of the restrooms to improve accessibility and safety.	Restroom construction complete. Exterior concrete work to be out to bid in December.

	Project Name	Description	Status
	STREET IMPROVEMENTS PROJECTS		
1	Harvard Blvd. Streetscapes	The planting of approximately 370 Queen Palms along Harvard Blvd, comprising replacement tree plantings for those trees removed in the recent past and new plantings for a net increase in street trees.	CalTrans approval has been received.
2	Arterial Street Paving	The next arterial street to be repaired if funding becomes available will be Palm Avenue and Santa Paula Street east of Cemetery Road .	
3	Pavement Maintenance Program	Pavement Maintenance Program – Repair and Slurry Seal City streets at various locations. Update the City's Pavement Management Program	Specific neighborhood selected. Design being compiled.
4	School Crossing Warning Lights – Phase II	The Public Works Department has applied for grant funding for three additional lighted crosswalks. If the City's application is approved by Caltrans, the City will complete the design and bid the project to install lighted crosswalks on Ventura Street at Oak Street; on Palm Avenue at Ventura Street, and on Santa Paula Street at Sixth Street.	
5	Green Street Alley	Improvements to Green Street Alley parking lot, planters, irrigation system, street lights and parking lot striping.	Currently under review by Caltrans prior to advertising project for bids. Anticipated authorization for construction in late November.
6	Route 150 By-Pass Study	Preliminary Plan/Study for Route 150 By-Pass on the east side of Santa Paula	The proposed project did not receive grant funding.
7	Route 126 @ 10th & @ Palm: Traffic Signals		Funds have been extended. VCTC is preparing paperwork for CalTrans.

	Project Name	Description	Status
WASTEWATER PROJECTS			
1	Waste Water Treatment Plant Improvements	Planning, design, environmental and site acquisition work toward the ultimate construction of a new Water Recycling Facility to comply with RWQCB requirements.	Final EIR certified. Design contract awarded by council to Kennedy/Jenks.
2	Water/Wastewater System Master Plan	The City of Santa Paula has some neighborhoods 80 to 90 years old. An evaluation of the City's water and wastewater collection systems is required for future improvements and planning. The consultant selected for this project will analyze the system hydraulics and age to develop a master improvement plan.	Final Wastewater report submitted in November. Final Water report submitted in November. Council approved in November.
WATER PROJECTS			
1	400 Zone # 2/600 Zone #1 Booster Station Improvements	This project entails the construction of a new booster station at the main reservoir on Tenth Street. The existing booster stations are at the end of their economically useful lives. Replacement is necessary to maintain a reliable supply of water in the 400 and 600 pressure zones. This project is on hold until the water master plan is complete.	Awaiting master plan.
2	Fuschia Tank Drain Improvements	The existing tank drain leaks with the possibility of damaging neighboring properties. This project will prevent the water from running to the east, water will be diverted down 10th Street and controlled.	Design firm assembling proposal.
3	400 Zone Reservoir #2 Design & Site Acquisition	Also known as Teague Tank, the present reservoir is a very old steel bolted tank that is beyond rehabilitation and needs to be replaced. A new tank will also provide additional storage capacity for system optimization. This project is awaiting work on the water master plan.	Awaiting master plan.
4	Well 6 Abandonment	The County of Ventura requires the City to abandon wells not used in a twelve-month period. Well 6 is located on Peck Road. It has not been used in several years. It produced only a small volume of poor quality water, high in iron, manganese and total dissolved solids. A contractor will properly abandon the wells by filling the casing with cement concrete to prevent contamination of the aquifer.	Contract in the amount of \$47,080 for destructions of Wells 6 & 7 awarded to Valley Well Drilling, Inc at 2/22/05 City Council meeting.
5	Well #7 Abandonment	The County of Ventura requires the City to abandon wells not used in a twelve-month period. Well 7 is located in Mill Park. It has not been used in several years. It is not economically viable due to the very low volume of water able to be produced from the well. A contractor will properly abandon the wells by filling the casing with cement concrete to prevent contamination of the aquifer.	Contract in the amount of \$47,080 for destructions of Wells 6 & 7 awarded to Valley Well Drilling, Inc at 2/22/05 City Council meeting.
6	Water Main Replacement Program Phase I and Phase II	The City has several miles of older two-inch steel mainlines that should be upgraded to eight or ten inch C-900 PVC pipe to provide better volume and fire protection. A consultant will be hired to prepare construction bid packages for the water mainline replacements, then the projects will be constructed.	Phase I and Phase II design work proceeding
7	Well #1B Rehabilitation & Pumping Equipment Repairs	Routine well maintenance and rehabilitation to maintain efficiency and longevity of our water production facilities. The project will begin in the Fall of 2004 as water needs diminish.	Design complete. Awaiting construction.

	Project Name	Description	Status
8	Fagan Wellfield Evaluation Study	Study to determine optimal site of additional water supply source in the Fagan Canyon Barranca area.	Awaiting master plan.
9	Lemonwood Wellfield Evaluation Study	Study to determine optimal site of additional water supply source; additional supply sources are especially needed on the east side of the City. This work may be completed in conjunction with the Fagan Canyon Development work.	Awaiting master plan.
10	Well #15 Site Study	Study to determine optimal site of additional water supply source.	Siting Study being prepared.
11	400 Zone Booster #3 Improvements Design	Project to design additional pumping capacity and to add needed redundancy to the system. This project will follow the water master plan.	Awaiting master plan.
12	Water Storage Capacity/Energy Efficiency Study Update (Orig. 1994)	A study to optimize capital for storage facilities in order to take advantage of "off peak" pumping rates. This project will follow the water master plan.	Awaiting master plan.
13	Reservoirs Safety Improvements (Ladders, Rails, Fall Protection)	Construct various safety features throughout system to comply with Cal/OSHA safety requirements.	Reservoirs have been reviewed. Recommendation Report prepared. Staff is reviewing
14	Harvard Blvd. From Peck Road to 12th Street Distribution Main Upgrade Design & Construction	Harvard Boulevard is a combination of eight, ten and twelve inch water mainlines that will be upgraded to an 18 or 20 inch DIP pipe from Peck Road to Twelfth Street. The upgrade is required to improve system reliability and future commercial development in the City's main business corridor. A consultant will be hired to prepare construction bid packages for this project and construction will follow. The project will follow completion of the water master plan.	Awaiting master plan.
15	Electrical Maintenance Program Study	This study will produce a program of planned, scheduled electrical system maintenance to increase reliability of the water system.	Report complete.
16	Steckel Well field to 200 Zone Reservoir Transmission Design	Design project for east/west transmission of water through the City. Presently, east/west transmission capacity is limited such that full utilization of the centralized water conditioning facility is not possible and peak system loads result in increased operating pressure in the system, raising operating costs and increasing risks of leaks and other malfunctions. This project will follow completion of the water master plan.	Awaiting master plan.
17	200 Zone Reservoir #1 Evaluation	Evaluation of existing 100 year old reservoir to provide direction as to upgrades.	RFP being prepared.
18	200 Zone Reservoir #2 Design and Site Acquisition 400,000	Additional storage in the 200 Zone to allow redundancy and to take advantage of "off peak" pumping rates.	Awaiting master plan.
19	Urban Water Management Plan 2005	The Urban Water Management Planning Act (Water Code §§ 10610-10657) was adopted in 1983. It requires urban water suppliers to prepare and adopt an Urban Water Management Plan (UWMP) every five years. The last update was for year 2000; by law, it is time to again prepare and adopt the UWMP.	Consultant preparing plan
20	Well #1B Facility Construction	Construction of facilities improvements to Well #1 B.	City staff performing.
21	Well #1 B Rehabilitation Project	This project consists of the periodic rehabilitation of the water well to remove mineral build-up and clogging that occurs in the well. Well production capacity declines with age due to this clogging. This treatment restores capacity.	Staff analyzing.
22	Flow Meter Replacement	Replacement of worn-out and soon-to-wear-out flow meters at well sites, to maintain optimal system performance and to accurately comply with mandated regulatory reporting requirements.	City staff performing.

	Project Name	Description	Status
23	Park Street Pump & Motor Replacement	Project to add additional pumping capacity and to add needed redundancy to the system. Existing pumps are undersized for the existing pumping demands and are therefore working too hard and are wearing out. The Park Street Pump Station is the sole means for pumping water north of Mill Park. This project will follow the water master plan.	Awaiting master plan.
24	Steckel Water Facility- Building Improvements	Improvements to the building housing the central water conditioning facility to prevent water leakage.	Proposal submitted.
25	Well #11 Site and Piping Improvements	Existing piping is undersized and inefficient causing excess pressures with increased likelihood of leaks and increased operating costs.	City staff performing.
26	Foothill Road, Briggs Road, Santa Paula Street Water Line Construction	Part of Middle Road Mutual Water Company acquisition. To tie in mainlines and to create a better circulating system. This project will follow the water master plan.	Awaiting master plan.