

**CITY OF SEBASTOPOL
CITY COUNCIL
STAFF REPORT**

Meeting Date: February 2, 2016
To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Finance Director
Subject: Consideration of Budget Amendments to the adopted FY 2015/16 City Budget and in acceptance of the Quarterly Financial Report
Recommendation That the City Council Adopt the Mid-Year Budget Adjustments
Funding: Currently Budgeted: Yes No N/A
Net General Fund Cost:
If Cost to Other Fund(s),

INTRODUCTION:

The Budget Subcommittee met in January and discussed the mid-year budget amendment requests and recommends the City Council Approve and Adopt the Resolution to amend the FY 2015/16 adopted operating budget and authorize the Finance Director to record changes in anticipated revenues and appropriations for expenditures.

BACKGROUND:

The City Council adopted the FY 2015/16 budget on June 30th, 2015. The mid-year budget amendment process occurs annually after the end of the second quarter of the fiscal year. The Budget Subcommittee has prepared a mid-year revenue projection for the general fund, water and sewer enterprise, and other special revenue funds for the most significant revenue categories and recommended adjustments accordingly.

Increases and/or decreases in anticipated revenues do not require formal City Council action, but they are shown in order to provide a clearer picture of updated financial expectations, and to provide a more valid benchmark from which to measure end-of-year final results. Revenue increases that support increases in service level expenditures are also recommended to be recorded to keep an accurate picture of the City's intention to not increase general fund net costs.

Total expenditure appropriations can only be increased by formal action of the City Council. We recommend the attached appropriations increases, as requested by Department Heads, with footnoted explanations.

DISCUSSION:

Quarterly Financial Update:

In conjunction with the mid-year budget adjustment, the Finance Department also submits reports to Council on a quarterly basis to provide assurance of budget compliance and for informational and comparative purposes in relation to the budget which the City Council adopted on June 30th, 2015. Attached to this staff report is FY2015-16 second quarter budget and financial status report for period ending December 31, 2015. The purpose of this report is to provide an accounting summary that give a general indication of progress to date and for Council's review.

The financial information reported includes transactions through December 31, 2015. We are at our six months point of the fiscal year that starts July 1st and ends June 30th. As we are half way through this fiscal year, the current actual collection shows total general fund revenue is \$3.39M, trending 43.7% of budget. Overall expenditures are tracking with 47.8% expended through December and some expenditures are not linear.

The Finance staff has analyzed the transaction in major accounts, and believe at half way through the fiscal year, the City continues to see healthy revenue growth in most major categories and in a smaller categories, revenues are neutral, and overall expenditures that are tracking favorable, compared to budget.

Mid-Year Budget Amendment:

The table below reflects the results of the analysis and recommended adjustments to revenue accounts.

GENERAL FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$INC/(DEC) FROM ADOPTED	% CHANGE
REVENUE					
Property Taxes	\$ 1,164,088	\$ 1,150,000	\$ 1,212,000	¹ \$ 62,000	5.1%
Other Property Taxes	1,271,184	1,030,500	\$ 962,000	¹ \$ (68,500)	-7.1%
Real Property Transfer	32,104	32,000	32,000	-	0.0%
Sales & Use Tax	3,469,788	3,799,496	3,737,000	² (62,496)	-1.7%
Transient Occupancy Tax	482,164	320,000	450,000	³ 130,000	28.9%
Franchise Fees	320,082	301,500	307,500	6,000	2.0%
Licenses and Permits	314,693	255,000	260,500	5,500	2.1%
Fines & Forfeitures	158,380	98,750	98,000	(750)	-0.8%
Interest and Rents	62,104	53,715	57,215	3,500	6.1%
Intergovernmental	154,233	87,000	104,000	⁴ 17,000	16.3%
Charges for Current Services	249,005	235,070	170,770	⁵ (64,300)	-37.7%
Miscellaneous/Other Income	345,291	301,000	296,500	(4,500)	-1.5%
TOTAL REVENUE	\$ 8,023,116	\$ 7,664,031	\$ 7,687,485	23,454	0.3%

1. Receipts through the County of Sonoma's Auditor Controller's Office for property taxes, increased from adopted to adjusted budget by 5.4% (\$62,000). Other property taxes including Redevelopment Property Tax Trust Fund (RPTTF), sales tax in lieu, and property taxes in lieu of vehicle license fees, are now estimated to generate \$962,000 which is

\$68,500 less than the adopted budget of \$1,030,500. This is primarily due to the true-up adjustment with the ending of the triple flip calculations.

2. Sales Tax is projected with a slight decrease with the latest update from Muni Services:
 - o General Sales Tax = 0.9% (\$13,000)
 - o Measure T (.25%) = 0.8% (\$5,000)
 - o Measure Y (.50%) = 2% (\$25,000)

3. TOT is projected to increase 40.6% increase (\$130K) based on current collections. Sonoma County overall has seen an average of 70% occupancy rate. Therefore, as the result of a strong occupancy rate, our bed tax collection has seen a recent uptick in activities.

4. Governmental & Grants overall is projected to increase 19.5% (\$17,000). The increase is attributed by the State who is catching-up on the backlog of the State mandated cost reimbursement.

5. Charges for Service is projected to decrease 27.4% (\$64,000) mostly due to Engineering's staff time reduction from \$80,000 to \$25,000. The original amount was erroneously projected. In addition, a few other line items such as Public Works services is decreasing from \$20,000 to \$10,000 due to decreasing inspections and plan checks work order. Planning staff time also adjusted down from \$40,000 to \$31,000 due to timing of some pending projects.

Overall General Fund revenue estimated budget will increase by 0.3%.

The following tables below provide the details and justifications when applicable of recommended budget adjustments by department. Only variances \$500 and above will be explained.

GENERAL FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$INC/(DEC) FROM ADOPTED	% CHANGE
EXPENSE BY DEPARTMENT					
City Council	\$ 183,488	\$ 203,737	\$ 202,568 ^a	\$ (1,169)	-0.6%
City Manager	101,568	154,877	154,802	(75)	0.0%
City Attorney	142,329	129,168	129,168	-	0.0%
City Clerk	188,523	223,834	224,059	225	0.1%
Finance	107,830	124,339	124,339	-	0.0%
Planning	535,423	602,590	602,590	-	0.0%
Building	169,503	168,153	171,113 ^b	2,960	1.8%
Police	3,222,751	3,535,165	3,522,585 ^c	(12,580)	-0.4%
Fire	690,609	782,740	782,740	-	0.0%
Public Works	890,204	920,254	916,254 ^d	(4,000)	-0.4%
Community Services	265,747	333,869	316,769 ^e	(17,100)	-5.1%
Other General Government	116,726	266,582	266,582	-	0.0%
Debt Service	285,247	250,668	250,668	-	0.0%
TOTAL EXPENSE	\$ 6,899,948	\$ 7,695,976	\$ 7,664,237	\$ (31,739)	-0.4%
Transfer In from Other Funds	\$ -	\$ 101,500	\$ 101,500	\$ -	0.0%
Transfer Out to Other Funds	(217,394)	(6,535)	(56,535) ^f	(50,000)	765.1%
TOTAL TRANSFERS	\$ (217,394)	\$ 94,965	\$ 44,965	\$ (50,000)	-52.7%
NET BUDGET RESULT	\$ 905,774	\$ 63,020	\$ 68,213	\$ 5,193	8.2%
Addition/(Uses) of Operating Reserve	\$ 905,774	\$ 63,020	\$ 68,213		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -		

- a. City Council budget shows a reduction of approximately \$1,200 due to an amount inadvertently budgeted for retiree medical insurance.
- b. Building has seen an unanticipated increase in permitting activities this year. Several large projects have been submitted, CVS, Pellascinni Mixed Use Building, Country French Garden Inn, Handline restaurant, and two large single family homes; which resulted in an increase in the use of consultant services.
- c. Police is postponing a replacement of a vehicle, resulting in \$25,000 budget savings. However, the raised floor in the Police Dispatch center must be replaced prior to completing of the 911 upgrade project. The floor replacement cost was included in the overall 911 grant budget. However, the actual replacement of the floor is the construction cost which is not an allowable expense. The cost of \$12,500 for the floor was not originally included in the Police Department budget, but can be absorbed by postponing the replacement of a vehicle which was budgeted. Although there were overall increases in

salary line items, with other small decreases in vehicle maintenance, equipment, supplies, and fingerprinting fees, this resulted in an overall \$12,580 budget savings.

- d. The Department of Public Works (including Engineering Division) adopted budget assumed covering all of the City's Engineering cost. Budget savings will be achieved by the majority of the City Engineer's time being directly charged to specific projects; resulting in a \$19,000 budget reduction. In addition, an increase of \$20,000 to repair the crosswalk lights, plus a decrease in less than estimated work needed for tree work in park division, resulted in an overall net budget savings of \$4,000.
- e. The Community Service function has an overall budget reduction of \$17,100 due to less than estimated repairs needed for pool apparatus (\$3,000). Additionally, the replacement of the chlorine generator at the pool was cancelled and postponed to next year (\$14,100). Moreover, the Sebastopol Community and Cultural Center (SCCC) purchased new flooring for the main hall. SCCC received \$10K in upfront funding loan for the flooring purchase from a private donor. This loan needs to be repaid back to the private donor. This leaves a residual \$10,000 in the flooring expense. The Executive Director Diana Rich has requested the City fund the balance. A request was made that the \$10,000 that is currently allocated for the SCCC kitchen remodel be re-allocated to fund this flooring purchase.
- f. Annually, before end of the fiscal year, staff would obtain authorization to transfer residual balance of \$150,000 from the Special Sales Tax Fund 001 to the Street Pavement Reserve Fund 761. However, this type of transfer should have been part of the annual budget process and preparation. Therefore, the Budget Subcommittee has recommended to transfer \$50,000 during this budget amendment process with \$100,000 being transferred at the end of the year.

Overall, the General Fund departmental expenditures, including transfers are projected to decrease by approximately \$5K, which resulted in a surplus of \$68K projected by 6/30/16.

Department Needs Assessment List:

An additional portion to the General Fund is our departmental needs assessment listing. The attached list represents the ongoing above and beyond resources that department deems necessary to their current operations.

The following items (a) and (b) were discussed at the June 2015 City Council Meeting when the City Budget was adopted. At that time, the City Council directed staff to return these items to the mid-year budget agenda discussion. Items (c), (d) & (e) are new items that have been requested by staff to be included in the mid-year budget review.

- (a) Item#8: During the FY 2015-16 Budget, Finance staff proposed an additional 1 FTE to be shared between City Manager, City Clerk, and the Finance Department.
- (b) Item#33": During the FY 2015-16 Budget, a proposal of a ½ time Economic Development position was discussed. Due to budget constraints, the ½ time position was not funded at the budget adoption on June 30, 2015. Between the time of the budget adoption and now, priority has been shifted. Therefore, a request to use what would have been ear-marked for the Economic Development position be reallocated to fund contracted services for Pine Grove Square Project. A memo is attached (page 9-10) from that committee explaining in further detail of the project.
- (c) Item#7: The Finance Director has been evaluating and assessing the organizational structure in the Finance Department and determined that the department has been short staffed for a long time. Therefore, staff has reviewed the current operations and has provided in the attached memo (page 11-12), justification and options for the City Council to consider a proposal for an additional 1 FTE in the Finance Department. Please keep in mind, either option Council considers would be making a commitment to fund this full time position in future years.
- (d) Items#11, 13, 14, 22, & 31 are new and added by staff. Please note that item#31 is the request for the reception area for the flooring upgrade, also discussed in item (e) above. Diana Rich, SCCC Executive Director has submitted a formal request in the attached memo (page 13-19) to use the existing funds currently ear-marked for kitchen upgrade to be reallocated for the reception area flooring upgrade.
- (e) Item#35: Annually, before end of the fiscal year, staff would obtain authorization to transfer residual balance of \$150,000 from the Special Sales Tax Fund 001 to the Street Pavement Reserve Fund 761. However, this type of transfer should have been part of the annual budget process and preparation. Therefore, the Budget Subcommittee has recommended to transfer \$50,000 during this budget amendment process and residual of \$100,000 being transferred at the end of the fiscal year.

BUDGET SUBCOMMITTEE WORKSHEET

Departmental Needs Assessment

Seq. No	Department	Account Number	Description	Requested Amount	Funded FY15/16 Adopted Amount	FY15/16 Adjusted Request	Potential Funding Source	Comments
1	City Council	000-6010-7030	Library/CH Landscaping	30,000	24,000	-		Library Landscaping project
2	City Council	000-6010-6874	Community Support	80,550	55,400	-		Request from community at large for support
3	City Clerk	000-6021-6860	Contract Services	10,000	10,000	-		Municode update with searchable & Cross referenced ordinances
4	Non-Departmental	000-6120-6910	Capital Outlay	5,000	5,000	-		New Chairs (Chambers & City Hall Conference)
5	Non-Departmental	000-6120-6860	Contract Services	40,000	40,000	-		Website redesigned/upgrade
6	Finance	000-6030-6860	Contract Services	65,000	20,000	-		One Module of Financial Software
7	Finance - NEW	000-6030-6860	Contract Services	41,600	-	20,150	General Fund	Remainder cost of shared 1 FTE for FY15/16
8	Various	000-xxxx-xxxx	Salaries & Benefits	89,000	-	89,000	General Fund	Share (1) FTE Administrative Assistant position
9	Fire	001-6xxx-6916	Lease Payment	69,546	69,546	-		Set-aside Fire Engine Replacement Cost
10	Police	000-6200-6045	Capital Outlay	36,500	36,500	-		Police simulator training equipment
11	Police - NEW	000-6200-6860	Contract Services	-	-	15,000	Traffic Impact Fee Fund	Traffic Digital Signs
12	Engineering	000-6530-6070	Dues & Subscriptions	22,000	23,000	-		Russian River Water Shed Assoc
13	Engineering - NEW	xxx-6330-6860	Contract Services	-	-	50,000	Traffic Impact Fee Fund	Implementation of Local Street Project Engineering Design
14	Engineering - NEW	xxx-6330-6860	Contract Services	-	-	100,000	Traffic Impact Fee Fund	MTC Grant - 10% Local Match
15	Planning	000-6050-xxxx	Salaries & Benefits	12,500	12,500	-		Assistant Planner position to FTE
16	Planning	000-6050-6860	Contract Services	4,600	4,600	-		Arborist contract
17	Planning	000-6050-6860	Contract Services	23,000	23,000	-		Laguna Preserve Management Plan
18	Planning	000-6050-6860	Contract Services	6,000	6,000	-		LAFCO (VMHP Annexation)
19	Planning	000-6050-6860	Contract Services	100,000	10,000	-		Bike/Pedestrian Community Forums
20	Planning	000-6050-6860	Contract Services	55,000	-	-		Downtown Parking Study
21	Planning	000-6050-6860	Contract Services	175,000	175,000	-		General Plan Update
22	Planning - NEW	xxx-6051-6860	Contract Services	-	-	100,000	Traffic Impact Fee Fund	Feasibility Study - Class I Trail (E/W)
23	Community Center	001-6391-8xxx	Capital Outlay	25,000	10,000	-		Exterior Paint

BUDGET SUBCOMMITTEE WORKSHEET

Departmental Needs Assessment

Seq. No	Department	Account Number	Description	Requested Amount	Funded FY15/16 Adopted Amount	FY15/16 Adjusted Request	Potential Funding Source	Comments
24	Community Center	001-6391-8xxx	Capital Outlay	5,000	-	-		Floor Scrubber (cleaner)
25	Community Center	001-6391-8xxx	Capital Outlay	32,000	-	-		Entrance Arbor
26	Community Center	001-6391-8xxx	Capital Outlay	78,000	78,000	-		Reception Area
27	Community Center	001-6391-8xxx	Capital Outlay	50,200	50,200	-		Restroom Upgrade
28	Community Center	001-6391-8xxx	Capital Outlay	33,000	-	-		Kitchen Upgrade
29	Community Center	001-6391-8xxx	Capital Outlay	2,000	-	-		Tile Repairs Youth Annex
30	Community Center	001-6391-8xxx	Capital Outlay	1,500	-	-		Landscape Material Comm Cntr
31	Community Center - NEW	001-6391-8xxx	Contract Services	-	-	10,000	General Fund	Reception Area Flooring Upgrade
32	Fire	000-6280-xxxx	Capital Outlay	450,000	-	-		New Emergency/Rescue Vehicle
33	City Manager	000-6020-xxxx	Salaries & Benefits	60,000	-	-		Economic Development Services
34	City Manager - NEW	000-6020-xxxx	Contract Services	60,000	-	60,000	General Fund	Pine Grove Square Project
35	Non-Departmental - NEW	000-6999	Transfer out	-	-	50,000	General Fund	Annual Transfer out to Street Pavement Reserve Fund
36	Non-Departmental	000-6120-6860	Contract Services	60,000	60,000	-		Citywide I.T Support
37	Non-Departmental	000-6120-6860	Contract Services	25,000	25,000	-		SCA Fire Suppression/Sprinkler System
Grand Total				1,746,996	737,746	494,150		

Color Footnote

Added by staff and discussed with the budget subcommittee

Requested to bring back from last June adopted budget session

City Council

Mayor Sarah Glade Gurney
Vice Mayor Una Glass
John Eder
Robert Jacob
Patrick Slayter



City Manager

Larry McLaughlin
lmclaughlin@cityofsebastopol.org
City Clerk
Mary Gourley
mgourley@cityofsebastopol.org

City of Sebastopol

January 13, 2016

MEMORANDUM

TO: City Council Budget Committee

FROM: City Council Pine Grove Square Committee

SUBJECT: Request for Consideration of Funding the Pine Grove Square Consultant Proposal – Mid-Year Budget Review

The Pine Grove Square Committee respectfully requests the Budget Committee consider funding the Proposal received from Linda Herman Consulting to prepare a plan for the commercial development of the City-owned parking lots at the “Pine Grove Square” site, which plan would include a new civic center, and additional buildings for office, commercial and/or residential use in the downtown core.

The work will focus on what the Committee believes is essentially an underdeveloped area from the Joe Rodota trailhead to Ives Park. It will provide for the revitalization of S. Main St., and will create interest in the development of near-by properties such as the postal annex, the former gas station, etc.

If agreed to, this request would replace the line item for “Economic Development Services” carried over from the FY 15/16 Budget approval last June. The cost is approximately the same, and there is an overlap of services in that Linda Herman’s proposal contemplates performing a comprehensive analysis of the potential commercial development of Sebastopol’s downtown area, including an assessment of community needs, which are tasks which were also part of the services which would have been performed by an economic development specialist.

The Committee believes that there will actually be time saved through this process, since it eliminates the time needed to locate an economic development specialist, and the time that person would need to become familiar with the City.

The result of Linda Herman’s work would be a specific proposal for the commercial development of PGS, including a financial analysis, cost estimates, and preliminary design (suggested site plan and some details of representative buildings such as height and footprint), which would be put in a “package” to go out to prospective developers, who could use our plan, or propose a plan of their own.

Should the PGS project not move forward, the work done will continue to be beneficial to the City. The proposed scope of work contains significant tasks a potential EDS would complete, at a likely faster pace. As previously identified, the PGS project moves many existing City goals

forward (both under the existing and draft new General Plan), including: completing a connection from the Joe Rodota trailhead to the downtown; promoting higher densities in downtown; eliminating an undeveloped block facing existing downtown buildings; and creating an incentive for neighboring property owners to improve their properties.

The cost of Linda Herman's proposal is in the range of \$32,000-50,000, and would be done between March and September of 2016. Thus, it would be possible to fund the work over two fiscal years. And, the Council could again consider an Economic Development specialist following completion of the Pine Grove Square work.

If recommended by the Budget Committee, and approved by the City Council on February 2nd, the PGS committee would return for formal approval of the Linda Herman Consulting proposal at the February 17th Council meeting.

City Council

Mayor Sarah Glade Gurney
Vice Mayor Una Glass
John Eder
Robert Jacob
Patrick Slayter



City Manager

Larry McLaughlin
lmclaughlin@cityofsebastopol.org
City Clerk
Mary Gourley
mgourley@cityofsebastopol.org

City of Sebastopol

FINANCE DEPARTMENT

MEMORANDUM

Date: January 15, 2016
To: Budget Subcommittee Members
From: Ana Kwong – Finance Director
Subject: Request for Mid-Year Budget Adjustment for 1 FTE position

I've been evaluating the organizational structure in the Finance Department since I was hired as the Finance Director on January 5, 2015. I've determined that my predecessor was involved with too many lower level functions which ultimately limited her time spent doing budget, forecasting, and other higher level financial analysis. Therefore, these functions continue to be assumed by the Finance Director.

Based on the current structure, the Finance Department has one Junior Accountant job description with two employees sharing that job description as it's humanly impossible for one person to do it all. One Junior Accountant provides the customer service at the front counter. This entails receiving high volume utility payments from walk-in citizens and over the phone. In addition, other duties include: reconciling daily cash activities; processing twice a month and sometimes three times a month warrants; performing monthly retiree and other accounts receivable billings; and preparing monthly utility billing. Last but not least, this position also receives and processes Business Licenses (BL) applications. Based on my research with the City of Cotati, Town of Windsor, City of Rohnert Park, and City of Petaluma, the BL functions in those cities resides with the Planning department.

The other Junior Accountant assumes the full service payroll function including bi-monthly payroll processing, and tax reporting. Additional duties include processing monthly deposit accounts billing, cash reconciliation, and Human Resource related functions with new hires and benefit administration.

This current set up limits the amount of time in a work day to take on more important tasks such as revenue and expenditures analysis, mandated reporting, and evaluating and streamlining our current processes when applicable.

This proposal is to request for one FTE position in the Finance Department. This is a journey level position. This person's main focus will be providing customer service at the front counter and other administrative duties as assigned. This addition would relieve both Junior Accountants of lower level operations that could be shifted to this position. This proposed change to add 1 FTE will create a smoother flow of operations and facilitate cross-training between the two Junior Accountants for succession planning and development of all staff. It would also allow more time for the Finance Director to attend quarterly and annual meetings/conferences off site.

Options to consider. Either option 1 or 2, Council would be making a commitment to fund this full time permanent position in future years.

Option 1: To add the additional 1 FTE Office Assistant to handle lower level operations and free up the Junior Accountants to concentrate on revenue collection/analysis and higher level tasks. The fiscal impact to add 1 FTE with fully loaded salary and benefits is \$62,400. Of this amount, approximately \$15,600 (25%) will be paid for by the General Fund and \$23,700 (38%) and \$23,100 (37%) will be funded by Water and Sewer departments respectively.

Option 2: To add the additional 1 FTE Account Clerk I to handle lower level operations and free up the Junior Accountants to concentrate on revenue collection/analysis and higher level tasks. Moreover, it's critical for staff to attend training to keep up with the ever changing Human Resource laws. The fiscal impact to add 1 FTE with fully loaded salary and benefits is \$80,600. Of this amount, approximately \$20,150 (25%) will be paid for by the General Fund and \$30,600 (38%) and \$29,850 (37%) will be funded by Water and Sewer departments respectively.

For the remainder of this fiscal year, staff is requesting an increase in the Finance budget \$20,150 for the shared cost of 1 new FTE using temporary staffing support in FY15/16 budget cycle.

Option 3: To continue operating with the current structure. The Junior Accountants would continue to handle the lower level day-to-day operations. However, this will not provide sufficient time to work on higher level analysis and will hinder long-term staff training and development.



January 18, 2016

Sebastopol City Council
Budget Committee
7120 Bodega Avenue
Sebastopol CA 95472

Dear Vice Mayor Una Glass and Council Member Robert Jacob:

Please consider this a formal request by the Sebastopol Community Cultural Center for City funding to help pay for the purchase of new wood-laminate flooring for SCCC's Main Hall. As will be explained below, SCCC has already obtained private donor funding for more than 50% of the expense and requests that the City cover the remaining balance by allocating funds already set aside this year for SCCC in the kitchen remodel fund.

Discounted Price for Flooring: In November of 2015, the Sebastopol Community Cultural Center had the opportunity to purchase new wood-laminate flooring for the Main Hall, at a heavily discounted price. The price offered was \$17,691.10, including shipping and handling, for 4445 square feet of flooring. This was 25% off the regular \$23,680.55 retail price, a substantial savings of \$5989.45.

The Right Flooring, Attractive and Flood-Ready: The product is manufactured by Snaplock Industries. It is particularly suited to our needs, because it is not only attractive and durable, but is also modular and portable. As you undoubtedly know, the Main Hall is in the Laguna de Santa Rosa's 100 year flood plain, and has a history of serious flooding. In 1995 it was filled with 4-6 feet of muddy, sewage-filled water, and in 1986 it was worse. Any floor product purchased for the Main Hall would have to be easily and efficiently removable in the event of a flood. The Snaplock product meets those needs – it is an appealing parquet wood-look laminate flooring, in 12"x12" squares that easily snap together, and (importantly) snap apart.

The Need for New Flooring: The Main Hall flooring is due for replacement. The Hall gets constant use. Each weekend there are one to two big events, with 200-500 in attendance, not to mention weekday classes held here regularly. In any given year, 35,000 people walk across (or dance on!) the Main Hall floor. The gym-style flooring we have become accustomed to in the Hall was originally purchased in 1995, more than 20 years ago, with

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limited replacement pieces bought in 2004, more than 10 years ago. Although it was a sturdy product, years of constant use had left it stained, pitted, and discolored. Additionally, we had found it's gym-like look to be a major barrier to upscale private event rentals. As the City Council knows, income from private event rentals subsidizes our core community services, and is therefore an important element in our plan to continue to be as self-sustaining as possible.

The Deadline: The discounted price of \$17,691.10 was offered to us on November 26, 2015, and extended until December 8, 2015. After December 8th, the price would increase by \$5,989.45 to \$23,680.55.

Funding Challenge - \$10,000 in Private Donor Funds Received: We were able to obtain \$10,000 in private donor funds (from The Monastery Fund) for the floor purchase. I approached the City Manager about possible re-allocation of a portion of the kitchen remodel funds to cover the remaining cost of the flooring. I was informed that the City Council would be considering mid-year funding requests, but not until February 2. Of course, waiting until February 2 to make this purchase would mean paying almost \$6000 more for the very same product.

Temporary Funding for Balance: A second supporter stepped in at this juncture and offered to cover the remaining cost, but only on a temporary basis - until a decision was made by the City Council about re-allocation of the kitchen remodel funding. By March 1, 2016, this supporter's funds must be reimbursed.

Interim Plan: After consulting with the City Manager and weighing the risk of not receiving funding from the City against the risk of paying almost \$6000 more for the same product, I made the decision to purchase the flooring at the discounted price. It was delivered on Monday, January 11 and installed by the end of the day Tuesday, with minor finishing details done by days-end on Wednesday January 13. This weekend the new floor was enjoyed by hundreds of West Sonoma County citizens, on Saturday for the Sonoma West Medical Center celebration, and on Sunday for a folk music acoustic guitar concert.

With this letter I now turn to the Budget Committee and the City Council in the hopes that this funding re-allocation request will be approved.

Total Cost of New Flooring - \$18,733.96: In addition to the \$17,691.10 for the laminate flooring itself, we have incurred various expenses related to this project. The total costs are as follows:

1. \$17691.10 for 4445 units of laminate flooring (includes 100 replacement units).

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2. \$192.50 for edging & laminate surface replacement pieces.
 3. \$850.36 in employee labor costs to remove old flooring and install new flooring (56 total employee hours over 3 days).
- = \$18733.96 Total Expenditure for New Wood Laminate Flooring

Requested Allocation from Kitchen Remodel Funds - \$8733.96: The total flooring expense remaining to be funded, after application of the \$10,000 received from The Monastery Fund, is \$8,733.96. As a source of funding for this request, SCCC proposes the use of \$8733.96 of the \$10,000 currently allocated to SCCC for a kitchen remodel this fiscal year. These kitchen remodel funds have already been set aside for SCCC, which means that the budgetary impact of approving this request would be net zero. Moreover, allocation of these funds from the kitchen remodel to the flooring purchase would put the money to work doing exactly what was intended by the kitchen remodel: completion of a major aesthetic improvement, making the Hall more attractive for community use, as well as for private event rentals. This flooring upgrade eliminates a major barrier to increasing our rental rates, and therefor supports our continuing effort to be largely self-sustaining.

Remaining Kitchen Remodel Funds for Kitchen - \$1266.04: SCCC requests that the remaining \$1266.04 of the original \$10,000 in kitchen remodel funds be made available to SCCC for cosmetic improvements to the kitchen (e.g. painting or replacement of the existing outdated and damaged kitchen flooring).

I am hopeful that the Budget Committee and the City Council will see the benefits of this expenditure, and will make the requested re-allocation of kitchen remodel funds to the Main Hall flooring purchase.

I have attached the invoices from Snaplock Industries, as well as "before" and "after" photographs of the Main Hall.

Please let me know if you would like any additional information. I am of course available to meet with the Budget Committee or the City Council or make any presentation you feel would be helpful.

Thank you for your consideration of this request.

Sincerely,



Diana Gardner Rich, Executive Director
dianagrigh@gmail.com, 707 479-1717

390 Morris Street, PO Box 2028, Sebastopol, CA 95473
Phone: 707 823-1511 Fax: 707 823-2549 Web: seb.org

SCCC Main Hall "After"



SCCC Main Hall
"Before"



SNAPLOCK INDUSTRIES

Sales Order

Order Date: Order Number:

11/27/2015 0077289

SnapLock Industries

SNAPLOCK INDUSTRIES
CALIFORNIA AVENUE
SALT LAKE CITY, UT 84104
(800) 457-0174

Customer Number: SEBASTO

Sold To:

SEBASTOPOL COMM. CULTURAL CNTR
DIANA RICH
915 FIRST STREET
707-479-1717
Sebastopol, CA 95472
USA

Ship To:

SEBASTOPOL COMM. CULTURAL CNTR
DIANA RICH
390 MORRIS STREET
707-823-1511
Sebastopol, CA 95472
USA

Confirm To: 707-479-1717
707-479-1717

Customer P.O.	Terms	Ship VIA	Salesperson:	Sales Type	Customer Email
	CREDIT CARD		BLFR	Direct	DIANAGRICH@GMAIL.COM

Item Number	Description	Ordered	UOM	Price	Amount
VTOAKS	12" VINYL OAK	4,445.0000	EACH	3.98	17,691.10

BLACK FRIDAY

Net Order:	17,691.10
Less Discount:	0.00
Freight:	0.00
Sales Tax:	0.00
Order Total:	17,691.10
Less Deposit	16,477.20
Order Balance	1,213.90

Invoice

Date 1/12/2016 Invoice # 0084618-IN
 Customer# SEBASTO
 Order Date 1/12/2016

Sold To:

SEBASTPOL COMMUNITY CULTURAL
 DIANA RICH
 PO BOX 2028
 707-479-1717
 Sebastopol, CA 95473

Ship To:

SEBASTPOL COMMUNITY CULTURAL
 DIANA RICH
 390 MORRIS STREET
 907-823-1511
 Sebastopol, CA 95472

DRANAGRICH@GMAIL.COM

PO #	Terms	Invoice Due Date	Salesperson	Ship VIA	Sales Order #
	CREDIT CARD	1/12/2016	BLFR	UPS	0080951

Item Code	Quantity Ordered	Quantity Shipped	Unit Price	Total
E3MBLK 3" EDGE MALE BLACK	40.0000	40.0000	1.25	50.00
E3FBLK EDGE 3" FEMALE BLACK	10.0000	10.0000	1.25	12.50
RVTPARTYM RAW VINYL 12" X 12" PARTY MAPL VINYL OAK TOP ***MUST SHIP TODAY 01/12/2016***	50.0000	50.0000	2.00	100.00

Net Invoice:	162.50
Less Discount:	0.00
Freight:	30.00
Sales Tax:	0.00
Invoice Total:	192.50
Less Deposit:	192.50
	0.00

The tables below represent the Water/Sewer Fund request for budget adjustment. Water/Sewer revenue are projected to be on target. Water/Sewer expenditures increase/decrease are due to the cost allocation from each of the respective departments. In addition, Sewer operation is requesting an additional \$20,000 for sewer main and manhole work. Moreover, due to popular inquiry from the customers, the rebate program is recommended to be extended and increased from \$1,000 to \$5,000.

WATER FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$ INC/(DEC) FROM AMENDED	%CHANGE
<u>OPERATING REVENUE</u>					
Charges for Services					
Residential	\$ 1,389,770	\$ 1,572,562	\$ 1,572,562	\$ -	0.00%
Commercial	532,728	502,746	502,746	-	0.00%
Other Income	6,505	4,000	4,000	-	0.00%
Interest Earnings	422	600	600	-	0.00%
TOTAL REVENUE	<u>\$ 1,929,425</u>	<u>\$ 2,079,908</u>	<u>\$ 2,079,908</u>	<u>\$ -</u>	<u>0.00%</u>
<u>OPERATING EXPENSES</u>					
City Council	\$ 20,253	\$ 24,979	\$ 24,789	\$ (190)	-0.76%
City Manager	32,483	37,292	36,934	(358)	-0.96%
City Attorney	7,735	7,020	7,020	-	0.00%
City Clerk	16,504	20,690	20,570	(120)	-0.58%
Finance	155,540	180,332	180,332	-	0.00%
Fire	50,983	57,512	57,512	-	0.00%
Planning	17,258	22,929	22,929	-	0.00%
Building	29,285	29,013	29,533	520	1.79%
Public Works - Engineering	94,256	122,787	105,787	(17,000)	-13.85%
Public Works - Corporation Yard	165,723	168,124	168,124	-	0.00%
Public Works - Government Buildings	12,963	14,330	14,330	-	0.00%
Public Works - Water Operations	551,801	926,527	931,804	5,277	0.57%
Debt Service - Operations	108,744	108,743	108,743	-	0.00%
Debt Service - Capital	-	176,068	176,068	-	0.00%
Transfer to CIP	496,975	68,358	68,358	-	0.00%
Non Departmental	12,811	29,259	29,259	-	0.00%
TOTAL OPERATING EXPENSE	<u>\$ 1,773,314</u>	<u>\$ 1,993,963</u>	<u>\$ 1,982,092</u>	<u>\$ (11,871)</u>	<u>-0.60%</u>
NET BUDGETARY RESULT	<u>\$ 156,111</u>	<u>\$ 85,945</u>	<u>\$ 97,816</u>	<u>\$ 11,871</u>	
Addition/(Use) of Reserves	<u>\$ 156,111</u>	<u>\$ 85,945</u>	<u>\$ 97,816</u>		
TOTAL BUDGETARY BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

SEWER FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$ INC/(DEC) FROM AMENDED	% CHANGE
<u>OPERATING REVENUE</u>					
Charges for Services	\$ 2,947,761	\$ 2,980,000	\$ 2,980,000	\$ -	0.0%
Other Income	1,305	50,000	50,000	-	0.0%
Interest Earnings	1,085	5,000	5,000	-	0.0%
TOTAL REVENUE	\$ 2,950,151	\$ 3,035,000	\$ 3,035,000	\$ -	0.0%
<u>OPERATING EXPENSES</u>					
City Council	\$ 23,628	\$ 29,142	\$ 28,921	\$ (221)	-0.8%
City Manager	32,486	37,292	36,934	(358)	-1.0%
City Attorney	4,641	4,212	4,212	-	0.0%
City Clerk	14,441	18,104	17,999	(105)	-0.6%
Finance	151,447	175,586	175,586	-	0.0%
Planning	10,355	13,757	13,757	-	0.0%
Building	29,285	29,013	29,533	520	1.8%
Public Works - Engineering	77,623	101,119	87,119	(14,000)	-13.8%
Public Works - Corporation Yard	120,939	122,590	122,590	-	0.0%
Public Works - Government Buildings	12,963	14,330	14,330	-	0.0%
Public Works - Sewer Operations	1,798,992	1,963,388	1,988,388	25,000	1.3%
Debt Service	76,775	76,774	76,774	-	0.0%
Transfer to Capital Projects Fund	686,422	305,790	305,790	-	0.0%
Non Departmental	12,811	29,259	29,259	-	0.0%
TOTAL OPERATING EXPENSE	\$ 3,052,808	\$ 2,920,356	\$ 2,931,192	\$ 10,836	0.4%
NET BUDGETARY RESULT	\$ (102,657)	\$ 114,644	\$ 103,808	\$ (10,836)	
Addition/(Use) of Reserves	\$ (102,657)	\$ 114,644	\$ 103,808		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -		

The table below represents several special revenue funds which we are requesting budget adjustments. These adjustments are recommended based on a combination of year-to-date collections, historical revenue data, as well as approximate revenue from several known development projects that could potentially obtain building permits this fiscal year.

SPECIAL REVENUE FUND

<u>REVENUE BY FUND</u>	<u>2014-15 ACTUAL</u>	<u>2015-16 ADOPTED BUDGET</u>	<u>2015-16 ADJUSTED BUDGET</u>	<u>\$INC/(DEC) FROM ADOPTED</u>	<u>% CHANGE</u>
Art in-lieu	\$ 18,729	\$ 23,000	\$ 42,000	\$ 19,000	45.2%
Housing Linkage Fee	1,907	12,000	15,216	3,216	21.1%
General Plan Update Fee	13,459	7,200	22,200	15,000	67.6%
Park in-lieu	26,989	89,900	37,800	(52,100)	-137.8%
Traffic Impact Fee	202,112	79,300	58,700	(20,600)	-35.1%
TOTAL REVENUE	\$ 263,196	\$ 211,400	\$ 175,916	(35,484)	-20.2%

There is only one request for an additional \$4,000 increase in expenditures to Building Permit Fee fund for staff training and development.

Additionally, on the January 5, 2016 City Council meeting, the council had expressed interest and requested staff to analyze the Traffic Impact Fee (TIF) Fund balance to determine what projects have been encumbered for this fiscal year and ear-marked for future years. This table attempts to layout the next 5 years, including the current fiscal year of existing projects. Staff has added the Speed Control Devices to the existing projects in the TIF fund. The estimated cost is \$13,000. Moreover, the \$200,000 originally ear-marked for the 10% local match for the Bike Lane on SR 116 construction cost from MTC grant, is proposed to be reallocated to potentially funding for the following projects:

- a) Implementation of engineering design for the local streets project (\$50,000), which City Council directly staff to initiate the design phase;
- b) New Sebastopol Gateway Signs - \$4,700
- c) Speed Control Devices on Bodega Avenue - \$13,000
- d) Multi Use trail feasibility study - \$80,000
- e) Reapply for another MTC grant and set aside 10% local match (\$50,000).

Furthermore, all projects listed in red font currently in the CIP plan does not have adequate funding in the Traffic Impact Fee fund to allocate to each project.

Agenda Item Number: _____

Project Cost	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Total
Beginning Balance @ 7/1/15						965,879
Projected Revenue	58,700	43,726	71,974	75,000	75,000	324,400
Estimated CIP Expenditures:						
Bike Lanes on SR 116 (Designed, Env, Permitting)	(25,443)					(25,443)
Bike Lanes on SR 116 (Construction)	(200,000)					-
Local Streets (Engineering Design Cost) - \$50K	(50,000)					(50,000)
New Sebastopol Gateway Signs	(4,700)					(4,700)
Speed Control Devices Bodega Avenue	(13,000)					(13,000)
Multi use trail feasibility study	(80,000)					(80,000)
MTC Grant - 10% Local Match		(100,000)				(100,000)
Petaluma/Sebastopol Trail Feasibility Study	(6,564)					(6,564)
Traffic Signal Synchronization Study	(45,000)					(45,000)
Wayfinding Signs (Design)	(31,200)					(31,200)
<hr/>						
Class 2 Bike Lanes on Local Streets			(489,254)			(489,254)
Bikeways on Local Streets (Sharrows)			(50,145)			(50,145)
Bikeways on Local Streets (Class 3/Signage)			(5,780)			(5,780)
<hr/>						
Bodega Ave Sidewalk Gap Closure (Between Golden Rideg & PHAN)				(250,000)		(250,000)
McKinley St Sidewalk Gap Closure				(80,224)		(80,224)
<hr/>						
Crosswalk Improvements - Bodega & Ragle (No funding identified)	(206,785)					-
Crosswalk Improvements - Bodega & Nelson (No funding identified)	(51,696)					-
Grav Hwy N Sidewalk Gap Closure (between Live Oak & Soll Ct) (No funding identified)	(300,000)					-
Intersection Control - SR116 at McKinley Street (No funding identified)	(500,000)					-
Intersection Control - SR116 at Covert Lane (No funding identified)	(2,000,000)					-
Total Expenditures	(3,258,481)	(255,907)	(100,000)	(545,179)	(330,224)	- (1,231,310)

Projected Fund Balance @ 6/30/20	58,969
---	---------------

RECOMMENDATION:

That the City Council Approve and Adopt the Resolution to accept increases and decreases in various line item adjustments, including the current listing of priority projects for Traffic Impact Fee fund.

Attachments:

Resolution

Quarterly Financial Update

Special Revenue Fund Analysis:

1. Traffic Impact Fee
2. Park in-lieu Fee
3. Community Development Block Grant (CDBG) Fund
4. Measure M/Street Pavement Reserve Fund

RESOLUTION NO. _____

A RESOLUTION OF THE SEBASTOPOL CITY COUNCIL APPROVING ADJUSTMENTS TO THE BUDGET OF FISCAL YEAR 2015/2016

WHEREAS, the City of Sebastopol City Council did, on June 30, 2015, adopt the budget for fiscal year 2015/2016; and

WHEREAS, the City of Sebastopol has experienced various adjustments to changing conditions since the budget was adopted and needs to amend the budget to reflect these adjustments; and

THEREFORE, BE IT RESOLVED, that the City Council of the City of Sebastopol adopts the following changes to the operating budgets for 2015/2016:

GENERAL FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$INC/(DEC) FROM ADOPTED	% CHANGE
<u>REVENUE</u>					
Property Taxes	\$ 1,164,088	\$ 1,150,000	\$ 1,212,000	\$ 62,000	5.1%
Other Property Taxes	1,271,184	1,030,500	\$ 962,000	\$ (68,500)	-7.1%
Real Property Transfer	32,104	32,000	32,000	-	0.0%
Sales & Use Tax	3,469,788	3,799,496	3,737,000	(62,496)	-1.7%
Transient Occupancy Tax	482,164	320,000	450,000	130,000	28.9%
Franchise Fees	320,082	301,500	307,500	6,000	2.0%
Licenses and Permits	314,693	255,000	260,500	5,500	2.1%
Fines & Forfeitures	158,380	98,750	98,000	(750)	-0.8%
Interest and Rents	62,104	53,715	57,215	3,500	6.1%
Intergovernmental	154,233	87,000	104,000	17,000	16.3%
Charges for Current Services	249,005	235,070	170,770	(64,300)	-37.7%
Miscellaneous/Other Income	345,291	301,000	296,500	(4,500)	-1.5%
TOTAL REVENUE	\$ 8,023,116	\$ 7,664,031	\$ 7,687,485	23,454	0.3%

GENERAL FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$INC/(DEC) FROM ADOPTED	% CHANGE
<u>EXPENSE BY DEPARTMENT</u>					
City Council	\$ 183,488	\$ 203,737	\$ 202,568	\$ (1,169)	-0.6%
City Manager	101,568	154,877	154,802	(75)	0.0%
City Attorney	142,329	129,168	129,168	-	0.0%
City Clerk	188,523	223,834	224,059	225	0.1%
Finance	107,830	124,339	124,339	-	0.0%
Planning	535,423	602,590	602,590	-	0.0%
Building	169,503	168,153	171,113	2,960	1.8%
Police	3,222,751	3,535,165	3,522,585	(12,580)	-0.4%
Fire	690,609	782,740	782,740	-	0.0%
Public Works	890,204	920,254	916,254	(4,000)	-0.4%
Community Services	265,747	333,869	316,769	(17,100)	-5.1%
Other General Government	116,726	266,582	266,582	-	0.0%
Debt Service	285,247	250,668	250,668	-	0.0%
TOTAL EXPENSE	\$ 6,899,948	\$ 7,695,976	\$ 7,664,237	\$ (31,739)	-0.4%
Transfer In from Other Funds	\$ -	\$ 101,500	\$ 101,500	\$ -	0.0%
Transfer Out to Other Funds	(217,394)	(6,535)	(56,535)	(50,000)	765.1%
TOTAL TRANSFERS	\$ (217,394)	\$ 94,965	\$ 44,965	\$ (50,000)	-52.7%
NET BUDGET RESULT	\$ 905,774	\$ 63,020	\$ 68,213	\$ 5,193	8.2%
Addition/(Uses) of Operating Reserve	\$ 905,774	\$ 63,020	\$ 68,213		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -		

WATER FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$ INC/(DEC) FROM AMENDED	% CHANGE
<u>OPERATING REVENUE</u>					
Charges for Services					
Residential	\$ 1,389,770	\$ 1,572,562	\$ 1,572,562	\$ -	0.00%
Commercial	532,728	502,746	502,746	-	0.00%
Other Income	6,505	4,000	4,000	-	0.00%
Interest Earnings	422	600	600	-	0.00%
TOTAL REVENUE	<u>\$ 1,929,425</u>	<u>\$ 2,079,908</u>	<u>\$ 2,079,908</u>	<u>\$ -</u>	<u>0.00%</u>
<u>OPERATING EXPENSES</u>					
City Council	\$ 20,253	\$ 24,979	\$ 24,789	\$ (190)	-0.76%
City Manager	32,483	37,292	36,934	(358)	-0.96%
City Attorney	7,735	7,020	7,020	-	0.00%
City Clerk	16,504	20,690	20,570	(120)	-0.58%
Finance	155,540	180,332	180,332	-	0.00%
Fire	50,983	57,512	57,512	-	0.00%
Planning	17,258	22,929	22,929	-	0.00%
Building	29,285	29,013	29,533	520	1.79%
Public Works - Engineering	94,256	122,787	105,787	(17,000)	-13.85%
Public Works - Corporation Yard	165,723	168,124	168,124	-	0.00%
Public Works - Government Buildings	12,963	14,330	14,330	-	0.00%
Public Works - Water Operations	551,801	926,527	931,804	5,277	0.57%
Debt Service - Operations	108,744	108,743	108,743	-	0.00%
Debt Service - Capital	-	176,068	176,068	-	0.00%
Transfer to CIP	496,975	68,358	68,358	-	0.00%
Non Departmental	12,811	29,259	29,259	-	0.00%
TOTAL OPERATING EXPENSE	<u>\$ 1,773,314</u>	<u>\$ 1,993,963</u>	<u>\$ 1,982,092</u>	<u>\$ (11,871)</u>	<u>-0.60%</u>
NET BUDGETARY RESULT	<u>\$ 156,111</u>	<u>\$ 85,945</u>	<u>\$ 97,816</u>	<u>\$ 11,871</u>	
Addition/(Use) of Reserves	\$ 156,111	\$ 85,945	\$ 97,816		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -		

SEWER FUND

	2014-15 ACTUAL	2015-16 ADOPTED BUDGET	2015-16 ADJUSTED BUDGET	\$ INC/(DEC) FROM AMENDED	% CHANGE
<u>OPERATING REVENUE</u>					
Charges for Services	\$ 2,947,761	\$ 2,980,000	\$ 2,980,000	\$ -	0.0%
Other Income	1,305	50,000	50,000	-	0.0%
Interest Earnings	1,085	5,000	5,000	-	0.0%
TOTAL REVENUE	\$ 2,950,151	\$ 3,035,000	\$ 3,035,000	\$ -	0.0%
<u>OPERATING EXPENSES</u>					
City Council	\$ 23,628	\$ 29,142	\$ 28,921	\$ (221)	-0.8%
City Manager	32,486	37,292	36,934	(358)	-1.0%
City Attorney	4,641	4,212	4,212	-	0.0%
City Clerk	14,441	18,104	17,999	(105)	-0.6%
Finance	151,447	175,586	175,586	-	0.0%
Planning	10,355	13,757	13,757	-	0.0%
Building	29,285	29,013	29,533	520	1.8%
Public Works - Engineering	77,623	101,119	87,119	(14,000)	-13.8%
Public Works - Corporation Yard	120,939	122,590	122,590	-	0.0%
Public Works - Government Buildings	12,963	14,330	14,330	-	0.0%
Public Works - Sewer Operations	1,798,992	1,963,388	1,988,388	25,000	1.3%
Debt Service	76,775	76,774	76,774	-	0.0%
Transfer to Capital Projects Fund	686,422	305,790	305,790	-	0.0%
Non Departmental	12,811	29,259	29,259	-	0.0%
TOTAL OPERATING EXPENSE	\$ 3,052,808	\$ 2,920,356	\$ 2,931,192	\$ 10,836	0.4%
NET BUDGETARY RESULT	\$ (102,657)	\$ 114,644	\$ 103,808	\$ (10,836)	
Addition/(Use) of Reserves	\$ (102,657)	\$ 114,644	\$ 103,808		
TOTAL BUDGETARY BALANCE	\$ -	\$ -	\$ -		

SPECIAL REVENUE FUND

<u>REVENUE BY FUND</u>	<u>2014-15 ACTUAL</u>	<u>2015-16 ADOPTED BUDGET</u>	<u>2015-16 ADJUSTED BUDGET</u>	<u>\$INC/(DEC) FROM ADOPTED</u>	<u>% CHANGE</u>
Art in-lieu	\$ 18,729	\$ 23,000	\$ 42,000	\$ 19,000	45.2%
Housing Linkage Fee	1,907	12,000	15,216	3,216	21.1%
General Plan Update Fee	13,459	7,200	22,200	15,000	67.6%
Park in-lieu	26,989	89,900	37,800	(52,100)	-137.8%
Traffic Impact Fee	202,112	79,300	58,700	(20,600)	-35.1%
TOTAL REVENUE	\$ 263,196	\$ 211,400	\$ 175,916	(35,484)	-20.2%

An additional request of \$4,000 increase in expenditure to Building Permit Fee fund in account 069-6291-6860 for staff training and development.

IN COUNCIL DULY PASSED this 2nd day of February 2016.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

APPROVED: _____
SARAH GLADE-GURNEY
Mayor, City of Sebastopol

City of Sebastopol City Council:
VOTING AYE:
VOTING NO:
ABSENT:
ABSTAIN:

ATTEST: _____
Mary Gourley, CMC, City Clerk

APPROVED AS TO FORM: _____
Larry McLaughlin, City Attorney



City of Sebastopol

Quarterly Financial Update

Fiscal Year 2015-16 * 2nd Quarter * October – December

OVERVIEW

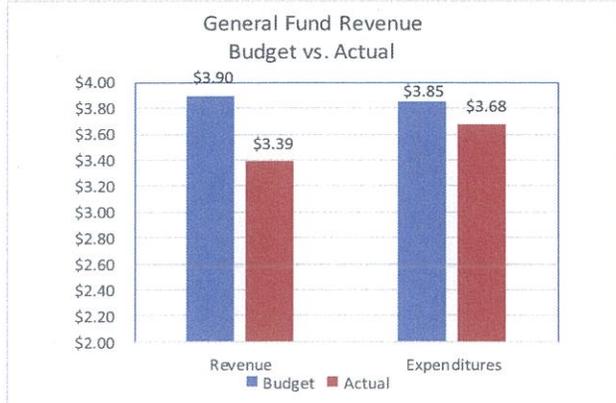
The City has completed the second quarter of the fiscal year 2015-16. This report summarizes the activities of the City General Fund, but is not meant to be inclusive of all financial and accounting transactions. This report is intended to provide the City Council and the public with an overview of the state of the City's general fiscal condition. The General Fund is the primary operating fund of the City and is used to account for most operating activities.

At the time of the issuing of this update, Council is in the process of approving the mid-year budget adjustments. The comparative analysis is still based on the original adopted budget. Overall picture, on a cash basis, revenue is trending at 41.8% and expenditures is at 44.7% through December 31, 2015.

GENERAL FUND 000

With 50% of the fiscal year completed, General Fund revenues are at 41.8% of projections, and expenditures are at 44.7% budget.

General Fund	Budget	YTD Actual	Actual as of % of Budget
Revenues	\$ 7,765,531	\$ 3,393,303	43.7%
Expenditures	\$ 7,702,511	\$ 3,684,297	47.8%
Balance	\$ 63,020	\$ (290,994)	



Top Revenues

These highlights our top revenues performance which accounted for approximately 88.2% of General Fund revenues. Overall, these major revenues are performing at or above that of 50% mark:

Property Tax: The first County apportionment received in December 2015. Based on the current receipt, property revenue shows 5.4% increase. The second apportionment occurs in April.

Sales Tax: Year-to-date included the month of July, August, September, and October advance, and is running slightly below the \$118,000 monthly budgeted average amount.

Transient Occupancy Tax: Year-to-date revenue collections include July, August, September, October and partial November at \$206,643 to-date, revenue exceeds the \$27,000 monthly average. The increase is attributed to a strong occupancy rate through Sonoma County which resulted in an uptick in bed taxes activities.

Utility User Tax: Results to-date is trending slightly below budget. The original revenue projected is proposed to be adjusted down based on current collection status.

Franchise Fees: The franchise fee category includes PG&E, Video, Garbage, and Cable TV. The PG&E franchise fees are received in April. The Garbage franchise fees include 4 months and revenue is on target to match the budget. Cable TV franchise fees are submitted quarterly and 2 quarters revenue has been received this fiscal year.

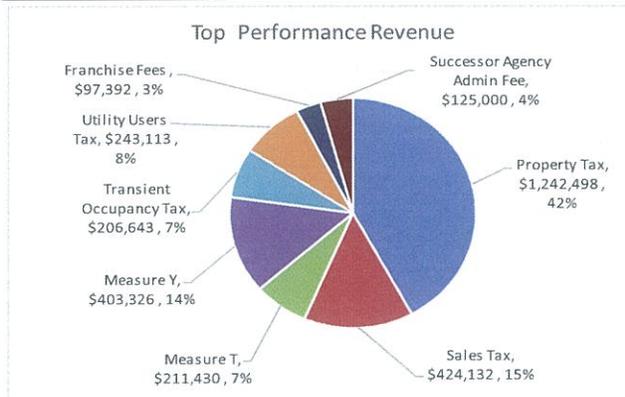
Successor Agency Administrative Fee: The Successor Agency for the City has received \$125,000 for its administration of the former Community Development Agency.



City of Sebastopol Quarterly Financial Update

Fiscal Year 2015-16 * 2nd Quarter * October – December

General Fund	Budget	YTD Actual	Actual as of % of Budget
Property Tax	\$2,180,500	\$1,242,498	57.0%
Sales Tax	\$1,415,596	\$424,132	30.0%
Measure T	\$614,000	\$211,430	34.4%
Measure Y	\$1,239,900	\$403,326	32.5%
Transient Occupancy Tax	\$320,000	\$206,643	64.6%
Utility Users Tax	\$530,000	\$243,113	45.9%
Franchise Fees	\$301,500	\$97,392	32.3%
Successor Agency Admin Fee	\$250,000	\$125,000	50.0%
Total	\$6,851,496	\$2,953,533	43.1%



General Fund	Budget	YTD Actual	Actual as of % of Budget
City Council	\$ 178,037	\$ 50,467	28.3%
City Manager	\$ 111,877	\$ 48,699	43.5%
City Attorney	\$ 129,168	\$ 56,006	43.4%
City Clerk	\$ 219,834	\$ 93,772	42.7%
Cittaslow	\$ 20,000	\$ 6,115	30.6%
Finance	\$ 118,639	\$ 51,547	43.4%
Non-Departmental	\$ 273,117	\$ 73,457	26.9%
Police	\$ 3,044,436	\$ 1,727,763	56.8%
Fire	\$ 767,990	\$ 317,386	41.3%
Planning	\$ 421,890	\$ 197,478	46.8%
Building	\$ 165,153	\$ 84,848	51.4%
Engineering	\$ 137,233	\$ 59,135	43.1%
Govt Bldgs	\$ 28,658	\$ 18,150	63.3%
Parking Lots	\$ 45,372	\$ 20,044	44.2%
Parks & Landscapes	\$ 158,157	\$ 51,858	32.8%
Ives Pool	\$ 87,230	\$ 29,853	34.2%
Community Center	\$ 82,339	\$ 38,623	46.9%
Total	\$ 5,989,130	\$ 2,925,202	48.8%

GENERAL FUND AND T & U EXPENDITURES

General Fund 000:

Combined General and Transaction User Tax Funds, departments have spent 47.8% of their annual budget, with half of the fiscal year has passed. Those departments that are trending above the 50% mark, it's due to a variety of circumstances, ie. actual expenditures are not linear, and/or budget amendments are pending for approval. Most other departments are within or below the 50% actual as of percentage of budget range at the close of the second quarter.

Transaction and Use Tax 001:

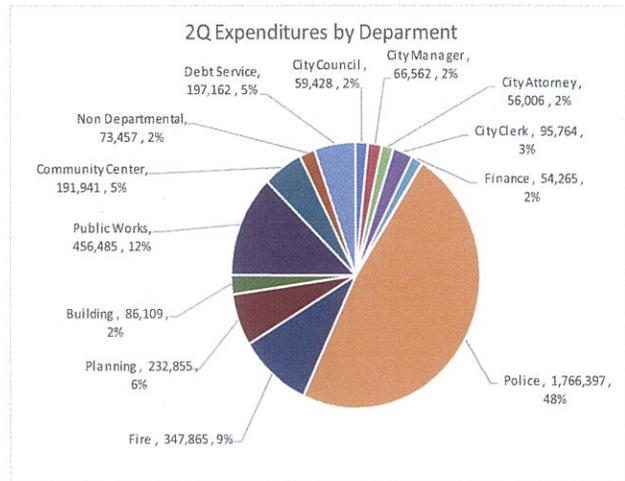
Overall expenditures is at 42.6%, well below the second quarter range of 50%. The Streets account has realized significant expenses due to needed repairs to the pedestrian signal and lighted crosswalks, specifically Bodega & Jewell, Petaluma & Walker, Petaluma @ Rodota Trail, Healdsburg & Murphy, and Healdsburg & Pitt. These repairs were unbudgeted, however they are critical to the safety of the pedestrians in town, therefore, expenditures were unavoidable. These expenses were proposed for an increase during mid-year budget adjustment process and is pending for approval.



City of Sebastopol Quarterly Financial Update

Fiscal Year 2015-16 * 2nd Quarter * October – December

Transaction Use Tax	Budget	YTD Actual	Actual as of % of Budget
City Council	\$ 5,700	\$ 2,847	49.9%
City Manager	\$ 43,000	\$ 17,863	41.5%
City Clerk	\$ 4,000	\$ 1,992	49.8%
Finance	\$ 5,700	\$ 2,718	47.7%
Police	\$ 490,729	\$ 38,633	7.9%
Fire	\$ 14,750	\$ 1,721	11.7%
Planning	\$ 180,700	\$ 35,377	19.6%
Building	\$ 3,000	\$ 1,261	42.0%
Engineering	\$ 83,200	\$ 32,339	38.9%
Corp Yard	\$ 76,144	\$ 53,188	69.9%
Govt Bldgs	\$ 6,500	\$ 628	9.7%
Streets	\$ 257,454	\$ 150,760	58.6%
Parks & Landscapes	\$ 127,536	\$ 70,385	55.2%
Pool	\$ 26,100	\$ 11,989	45.9%
Community Center	\$ 138,200	\$ 111,476	80.7%
Debt Service	\$ 250,668	\$ 197,162	78.7%
Total	\$ 1,713,381	\$ 730,338	42.6%



ENTERPRISE FUNDS

The following summarizes year-to-date revenues, expenditures and changes in working capital for the enterprise funds. Tables are provided for both the operating accounts, and the CIP Capital Improvement accounts. Revenues are trending slightly above budget, and expenditures for Water is lower than budget but will eventually even out by the end of the fiscal year. Sewer expenditure is right on target.

Water Operations

Water Operation - 510	Budget	YTD Actual	Actual as of % of Budget
Revenues	\$ 2,079,908	\$ 1,128,949	54%
Expenditures	\$ 1,993,963	\$ 758,975	38%
Working Capital	\$ 85,945	\$ 369,974	



City of Sebastopol
 Quarterly Financial Update
 Fiscal Year 2015-16 * 2nd Quarter * October – December

Water CIP

Water CIP - 511/512	Budget	YTD Actual	Actual as of % of Budget
Revenues	\$ 966,000	\$ 93,024	10%
Expenditures	\$ 966,000	\$ 93,024	10%

at the end of January.

Special Revenues Fund - Income	Budget	YTD Actual	Actual as of % of Budget
County Measure M	\$ 50,950	\$ 14,223	27.9%
Community Fund	\$ 1,000	\$ 500	50.0%
Art In Lieu	\$ 23,000	\$ 9,269	40.3%
Housing Linkage	\$ 12,000	\$ 14,244	118.7%
Inclusionary Housing	\$ 80,500	\$ -	0.0%
Permit Tech Fee	\$ 4,000	\$ 3,388	84.7%
Incremental Fee	\$ 5,000	\$ 3,327	66.5%
Downtown Assn	\$ 8,225	\$ 6,955	84.6%
General Plan	\$ 7,200	\$ 6,359	88.3%
Vehicle Abatement	\$ 2,000	\$ 1,956	97.8%
SLESF	\$ 100,100	\$ -	0.0%
Gas Tax Fund	\$ 173,600	\$ 88,132	50.8%
Park In Lieu	\$ 89,900	\$ -	0.0%
Traffic Impact	\$ 79,300	\$ 9,482	12.0%
Undergrounding	\$ 6,000	\$ -	0.0%
Total	\$ 642,775	\$ 157,835	24.6%

Sewer Operations:

Sewer Operation - 420	Budget	YTD Actual	Actual as of % of Budget
Revenues	\$ 3,035,000	\$ 1,591,905	52%
Expenditures	\$ 2,920,356	\$ 1,446,726	50%
Working Capital	\$ 114,644	\$ 145,179	

Sewer CIP

Sewer CIP - 421	Budget	YTD Actual	Actual as of % of Budget
Transfer In from Ops	\$ 602,860	\$ 144,494	24%
Expenditures	\$ 602,860	\$ 144,494	24%

OTHER FUND REVENUE

Overall of special revenues fund at the close of the second quarter is at 24.6% due to timing and nature of the majority of revenue sources. Most of the fees listed in the table are collected on building permits, and that includes: Art in Lieu, Housing Linkage, Permit Tech fee, Incremental fee, General Plan, and Traffic Impact. All of those building permit fees are controlled by either the Planning, Engineering, or Building departments.

In addition, Supplemental Law Enforcement Service fund (SLESF) is delayed in receiving the income from the County because of staffing issue due to retirement, staffing turn over and shifting of internal assignment which created a backlog. The funds is being disbursed

OTHER FUNDS EXPENDITURES

Most of the other fund expenditures are based upon specific projects or purchases, with the exception of Gas Tax, which is at above budgeted amount at the end of 2nd quarter.



City of Sebastopol
 Quarterly Financial Update
 Fiscal Year 2015-16 * 2nd Quarter * October – December

Special Revenues Fund - Expenditures	Budget	YTD Actual	Actual as of % of Budget
County Measure M	\$ 153,557	\$ 2,480	1.6%
Community Fund	\$ 1,000	\$ -	0.0%
Art In Lieu	\$ -	\$ -	0.0%
Housing Linkage	\$ -	\$ -	0.0%
Inclusionary Housing	\$ -	\$ -	0.0%
Permit Tech Fee	\$ 1,000	\$ 875	87.5%
Incremental Fee	\$ 5,000	\$ 3,943	78.9%
Downtown Assn	\$ 8,460	\$ -	0.0%
General Plan	\$ 7,000	\$ -	0.0%
Vehicle Abatement	\$ -	\$ -	0.0%
SLESF	\$ 93,500	\$ 40,319	43.1%
Gas Tax Fund	\$ 169,414	\$ 111,764	66.0%
Park In Lieu	\$ 235,670	\$ 19,770	8.4%
Traffic Impact	\$ 141,541	\$ 934	0.7%
Undergrounding	\$ -	\$ -	0.0%
Total	\$ 816,142	\$ 180,084	22.1%

**City of Sebastopol
Traffic Impact Fee Fund Balance Analysis**

	Project Cost	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Total
Beginning Balance @ 7/1/15							965,879
Projected Revenue		58,700	43,726	71,974	75,000	75,000	324,400
Estimated CIP Expenditures:							
Bike Lanes on SR 116 (Designed, Env, Permitting)		(25,443)					(25,443)
Bike Lanes on SR 116 (Construction)	(200,000)						-
Local Streets (Engineering Design Cost) - \$50K		(50,000)					(50,000)
New Sebastopol Gateway Signs		(4,700)					(4,700)
Speed Control Devices Bodega Avenue		(13,000)					(13,000)
Multi use trail feasibility study		(80,000)					(80,000)
MTC Grant - 10% Local Match			(100,000)				(100,000)
Petaluma/Sebastopol Trail Feasibility Study		(6,564)					(6,564)
Traffic Signal Synchronization Study		(45,000)					(45,000)
Wayfinding Signs (Design)		(31,200)					(31,200)
Class 2 Bike Lanes on Local Streets				(489,254)			(489,254)
Bikeways on Local Streets (Sharrows)				(50,145)			(50,145)
Bikeways on Local Streets (Class 3/Signage)				(5,780)			(5,780)
Bodega Ave Sidewalk Gap Closure (Between Golden Ridge & PHAN)					(250,000)		(250,000)
McKinley St Sidewalk Gap Closure					(80,224)		(80,224)
Crosswalk Improvements - Bodega & Ragle (No funding identified)	(206,785)						-
Crosswalk Improvements - Bodega & Nelson (No funding identified)	(51,696)						-
Grav Hwy N Sidewalk Gap Closure (between Live Oak & Soll Ct) (No funding identified)	(300,000)						-
Intersection Control - SR116 at McKinley Street (No funding identified)	(500,000)						-
Intersection Control - SR116 at Covert Lane (No funding identified)	(2,000,000)						-
Total Expenditures	(3,258,481)	(255,907)	(100,000)	(545,179)	(330,224)	-	(1,231,310)

Projected Fund Balance @ 6/30/20	58,969
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**City of Sebastopol
Park In-Lieu Fund Balance Analysis**

	Project Cost	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Total
Beginning Balance @ 7/1/15							396,506
Projected Revenue							
Charges for Services		37,800	206,700	136,500	100,000	100,000	581,000
Skate Park Donations		-	-	-	-	-	-
Total Revenues		37,800	206,700	136,500	100,000	100,000	581,000
Estimated CIP Expenditures:							
Debt Service Payment		(31,470)	(31,470)	(31,470)	(31,470)	(31,470)	(157,350)
Occupy Bench		(8,400)					(8,400)
Ives Park Accessibility		(24,000)					(24,000)
Driveway Connection to Chamber Parking Lot			(30,000)				(30,000)
Skategarden Expansion		(337,701)	(337,701)				(675,402)
Tomadachi/Village Park-Fabricate & Install Sign		(15,000)					(15,000)
Ives Park Renovation	(5,000,000)						-
Total Expenditures	(5,000,000)	(416,571)	(399,171)	(31,470)	(31,470)	(31,470)	(910,152)

Projected Fund Balance @ 6/30/20 **67,354**

**City of Sebastopol
Community Development Block Grant (CDBG) Fund Balance Analysis**

	Project Cost	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Total
Beginning Balance @ 7/1/15							1,426
Projected Revenue							
CDBG Grant Allocation		40,000	50,000	50,000	50,000	50,000	240,000
Others Income		-	-	-	-	-	-
Total Revenues		40,000	50,000	50,000	50,000	50,000	240,000
Estimated CIP Expenditures:							
ADA Transition Plan (Architectural Design)		(61,395)					(61,395)
Construction Ives Complex			(295,246)				(295,246)
Construction City Hall				(37,911)			(37,911)
Construction Youth annex					(88,527)		(88,527)
Construction Police and Fire Stations						(87,850)	(87,850)
Construction Corp. Yard and Garzot Building						(104,475)	(104,475)
Fire Station 4th Bay Addition						-	-
Total Expenditures	-	(61,395)	(295,246)	(37,911)	(88,527)	(192,325)	(675,404)
Projected Fund Balance @ 6/30/20							(433,978)

**City of Sebastopol
Measurer M/Street Pavement Reserve Fund Balance Analysis**

	Project Cost	FY15/16	FY16/17	FY17/18	FY18/19	FY19/20	Total
Beginning Balance @ 7/1/15							844,385

Projected Revenues:							
County - Measure M		50,000	50,000	50,000	50,000	50,000	250,000
Street Pavement (Special Sales Tax)		50,000	150,000	150,000	150,000	150,000	650,000
MTC - One Bay Area Grant (OBAG) Program			187,391				187,391
Total Revenues		100,000	387,391	200,000	200,000	200,000	1,087,391

Estimated CIP Expenditures:

PMP Update (2015)							-
Keating Ave Reconstruction (PSE Phase)		(21,879)					(21,879)
Keating Ave Reconstruction (Construction Phase)		(187,391)					(187,391)
Local Streets Pavement Rehabilitation Spot Repairs (incl. allow. For extra work)		(270,000)					(270,000)
Local Streets Pavement Rehabilitation Slurry Seals (estimate, not bid yet)		(180,000)					(180,000)
Bodega Ave/High St Intersection Pavement Repairs			(100,000)				(100,000)
Local Streets Rehabilitation (2017)			(400,000)				(400,000)
PMP Update (2017)				(5,000)			(5,000)
Local Streets Rehabilitation (2019)					(400,000)		(400,000)
PMP Update (2019)						(5,000)	(5,000)
Total Expenditures		(659,270)	(500,000)	(5,000)	(400,000)	(5,000)	(1,569,270)

Projected Fund Balance @ 6/30/20

362,506