



Memorandum

Financial Services Department

TO: Honorable Mayor and City Councilmembers

THROUGH: Peter Weiss, City Manager

FROM: Teri Ferro, Director of Financial Services

DATE: April 23, 2012

SUBJECT: Financial Status Report

Attached please find a copy of the Financial Status Report for the third quarter ending March 31, 2011.

General Fund revenues as of March 31st came in at 63% which is typical at this time of year due to cyclical receipts of revenues. Historically revenues for the third quarter are in the 60% - 62% range.

Overall General Fund expenditures, including purchase order encumbrances, are at 74% of the amended budget.

The following is a snapshot of General Fund revenues vs. expenditures as of March 31st.

Description	Amended Budget	YTD as of 3 rd Quarter	YTD % of Amended Budget
Revenues	\$112,358,194	\$70,487,452	62.74%
Expenditures	\$113,558,523	\$83,729,169	73.74%
Surplus/(Shortfall)	(\$1,200,329)		

RECOMMENDATION AND OUTLOOK

General Fund revenues are below projections by approximately \$521,000 with a corresponding expenditure reduction as noted on Attachment A.

I am available to answer any questions you may have.

cc: City Clerk
City Treasurer
Department Directors



**CITY OF OCEANSIDE
FINANCIAL STATUS REPORT
Fiscal Year 2011-12
Third Quarter Ending March 31, 2012**

The City has completed the third quarter of the 2011-12 fiscal year. This report summarizes the activities of the operating funds, but is not meant to be inclusive of all finance and accounting transactions. It is intended only to provide Council and the public with an overview of the state of the City's general fiscal condition.

GENERAL FUND BUDGET POSITION

The City Council adopted the FY 11/12 budget on June 1, 2011 with approved General Fund revenues of \$112,339,585 and expenditures of \$112,475,423. Table 1 delineates the year-to-date changes to the General Fund budget as of December 31, 2011.

The amended budget for the First Quarter reflects an increase of \$1,011,312 over the adopted budget. This is comprised of the following components:

- \$1,015,273 continued appropriations from FY 10/11 for incomplete projects and programs in accordance with Administrative Directive 20. This amount has been set aside in the General Fund Balance as Assigned and Committed reserves.
- \$11,266 approved by Council on 8/17/11 for certifying the Referendum Petition (vacancy decontrol). This amount is funded from Unassigned Fund Balance.
- (\$164,646) reduction approved by Council on 8/17/11 for Police Non-Sworn (OPON) contract.
- \$149,428 approved by Council on 8/31/11 for KOCT Telecommunication Grant. This amount is funded from Committed reserves.

The amended budget for the Second Quarter reflects an increase of \$106,084 over the First Quarter amendments. This is comprised of the following components:

- \$71,084 approved by Council on 9/15/11 for TriData to evaluate outsourcing options. This amount is funded from Unassigned Fund Balance.
- \$35,000 approved by Council on 10/26/11 in closed session for a settlement agreement. This amount is funded from a transfer from Risk Management Fund.

The amended budget for the Third Quarter reflects a decrease of \$34,304 over the Second Quarter amendments. This is comprised of the following components:

- \$93,000 approved by Council on 1/4/12 for special election regarding manufactured homes vacancy decontrol. This amount is funded from Economic Stabilization Fund.
- (\$339,304) reduction approved by Council on 2/1/12 as part of the Mid-Year adjustment to offset reduced revenues
- \$142,000 approved by Council on 2/1/12 for Oracle Phase V financial system project. This amount is funded from transfers from Information Technology Fund.
- \$70,000 approved by Council on 2/29/12 for special election regarding Charter amendments. This amount is funded from Economic Stabilization Fund.



Table 1
CHANGES TO GENERAL FUND BUDGET
Fiscal Year 2010-2011

	Adopted Budget	Amended Budget	Increase (Decrease)
FIRST QUARTER			
Revenues	112,339,585	112,339,585	-
Expenditures	112,475,422	113,486,743	+1,011,321
SECOND QUARTER			
Revenues	-	112,376,098	+36,513
Expenditures	-	113,592,827	+106,084
THIRD QUARTER			
Revenues	-	112,358,194	+17,904
Expenditures	-	113,558,523	-34,304

GENERAL FUND REVENUES

Fiscal Year 2011-2012 General Fund adopted revenues were adopted to be \$112,339,585 which represents a \$935,326 or 0.82 percent decrease from the prior fiscal year. Included in the revenue projection is the use of one-time transfer from the Fleet Replacement Fund of \$306,483 approved by Council on July 6, 2011 as a budget amendment. The amended revenue budget of \$112,358,194 includes an additional \$54,417 consisting of various adjustments at mid-year, along with additional revenue from transfers in and federal grants.

Revenues received as of March 31, 2012 are approximately 63% of total projections. Historically, revenues for the third quarter are in the 60% - 62% range. Many of the taxes such as property taxes, sales taxes and franchise taxes are received either biannually or annually.

Table 2 below highlights the amount and percentage received in each of the major revenue types. A discussion follows below on any trending or concerns noted.

Table 2
GENERAL FUND REVENUES
Fiscal Year 2011-2012

Revenue Type	Adopted Budget	Amended Budget	YTD as of 3 rd Quarter	YTD % of Amended Budget
Property Taxes	45,131,200	45,131,200	25,866,870	57.32%
Sales Taxes	17,307,800	17,687,800	10,582,722	59.83%
All Other Taxes	10,706,600	10,706,600	5,986,570	55.92%
Licenses & Permits	1,534,160	1,514,160	1,141,032	75.36%
Fines/Forfeitures	4,643,060	4,493,060	2,690,258	59.88%
Use of Money & Property	4,837,754	4,581,754	3,156,777	68.90%
Intergovernmental	1,013,152	784,461	494,003	62.97%
Charges for Services	17,230,524	17,257,824	12,779,109	74.05%
Other Revenue & Transfers	9,892,335	10,158,335	7,790,111	76.69%
Use of Reserves	43,000	43,000	n/a	n/a
Total	112,339,585	112,358,194	70,487,452	62.74%



Property Taxes comprise 40% of the total General Fund revenues and are primarily received in the December/January and April/May timeframes. Revenues recognized at the end of the third quarter are at 57%, and consist of the following components:

Current Taxes – according to the County’s tax apportionment schedule, the City can expect to receive 56% of the current “secured” portion by March, along with 97% of the current “unsecured”. The City received 59% of the secured, and 78% of unsecured respectively as of March 31st.

Supplemental Taxes – these taxes are assessed when there is new construction to property or change of ownership. They are distributed monthly based on a county-wide “pooled” formula, and the City has received \$222k or 107% of projections.

In-Lieu of VLF – approximately 29% of the total property tax revenue (\$13.3 million) comes from In-Lieu of VLF which is distributed in January and May.

Prior Year Property Taxes – the City budgeted \$300,000 for collection of prior year taxes (including penalties and interest); 73% has been received as of the third quarter.

Sales Taxes comprise 15% of the total General Fund revenues, and consist of three components. Revenues recognized at the end of the third quarter are at 59%.

Bradley Burns Uniform Sales & Use Tax – this law provides for city/county rate of 1% to support local government general funds. (Effective July 1, 2004, ¼ of the one percent was confiscated by the State to guarantee state deficit bonds approved by Proposition 57 – also known as the Triple Flip.) The City receives a monthly “advance” of this portion from SBOE, with a “true up” each quarter. However, it should be noted that SBOE is several months in arrears in remitting payment to the City. As of March 31st, the City has received July-January payments totaling 61% of projections. HdL Companies, our sales tax consultant, has provided an updated analysis of expected revenues for FY

11/12 which reflects an increase of 1.6 percent over mid-year amended projections, which includes the total Hanson appeal deduction. The restaurant group realized a strong quarter as well as the increase due to fuel receipts. The sales tax budget will increase an additional \$204,000 for the remainder of the fiscal year.

Prop 172 Safety Funds – the 0.5% Public Safety Tax was approved by voters in 1993 to permanently extend a temporary state tax that had been enacted to offset the state’s fiscal crisis, and can only be used for specified public safety purposes. Remittance comes from the County each month, and as of March 31st, the City has received July-February payments totaling 84% of projections. The Prop 172 safety fund budget will increase an additional \$350,000 for the remainder of the fiscal year.

Sales Tax Compensation Funds – this constitutes the Triple Flip payment of the ¼ of one percent that is withheld by the State. Payment is remitted in January and May from County property taxes.

All Other Taxes comprise 9.5% of the total General Fund revenues, with third quarter remittance totaling 56% of projections.

Transient Occupancy Tax – the City collects 10% of the room rent charged by a hotel operator to tourists occupying a hotel room within the City for a period of less than 30 days. TOT receipts as of March 31st is at 69% which represents receipts through February 2012 (hotel operators have 30 days after month or quarter end to remit their tax return and check to the City.) The majority of businesses remit their tax returns on a quarterly basis.

Card Room Tax – this tax is 5% on gross revenues for the Ocean’s 11 card room, with 85% of projected revenues received as of March 31st. The card room tax budget is expected to increase an additional \$100,000 for the remainder of the fiscal year.

Business License Tax – the business license tax is \$0.50 per \$1,000 gross revenues. The



City has received 66% as of March 31st. Based on trending and a high delinquency rate, this revenue is expected to decrease \$300,000 the remainder of the fiscal year.

Franchise Tax – the City receives franchise taxes from Cox Communications on a quarterly basis and from SDG&E on an annual basis in April. The amount received as of March 31st is 33% which includes receipts for two quarters only. Based on annual remittances for April, this revenue is expected to increase \$70,000 for the remainder of the fiscal year.

Licenses & Permits comprise less than 1.4% of the total General Fund revenues, and is on target with 73% received during the third quarter.

Fines & Forfeitures comprise 4% of the total General Fund revenues and includes revenue from abandoned vehicle abatements (AVA), impound fees, false alarms, red light photo fines, administrative citations, parking citations and other miscellaneous fines. Approximately 60% of these revenues were received during the third quarter. The largest component of Fines & Forfeitures is parking citations. This revenue source is below projections due to fewer citations being written along with a higher rate of appeals and unpaid citations. This revenue will be reduced an additional \$500,000 from the mid-year amendment.

Use of Money and Property comprise 4.3% of the total General Fund revenues and includes interest earnings on the City's investment portfolio, as well as general rents and leases, cell towers in right-of way and City property, Municipal Golf Course, Harbor Tidelands, and parking machines collections. Over 68% has been received at March 31st. Revenues for the Municipal Golf Course are at 49% of projections, and will be reduced by an additional \$80,000 for the remainder of the fiscal year. Revenues from investment earnings are at 51 percent as of March 31st. The City Treasurer's Office attributes this to historically low interest rates, and is recommending these revenues be reduced

for the remainder of the fiscal year. This revenue will be reduced \$350,000. Revenues from parking machines and meters are cyclical due to the tourist season, and as of March 31st approximately 63% has been received. These revenues will be placed "on watch" for the remainder of the fiscal year.

Intergovernmental comprise slightly less than 1% of the total General Fund revenues and includes Motor Vehicle In-Lieu (VLF), Homeowner Property Tax Exemptions, POST reimbursement, and other grants and inter-agency reimbursements. Only 63% has been received as of March 31st. The public safety reimbursement revenues for POST are below projections for a revenue reduction of \$15,000.

Charges for Services comprise 15% of the total General Fund revenues, with approximately 69% being received as of March 31st. Ambulance billing is a large component of this revenue type, with 83% billed as of October 31st, and approximately \$1,532,500 in bad debt write-offs, resulting in net revenue as of March 31st of \$1.2 million or 37% of projections. In April, staff commenced a huge "push" of remitting 2,000 invoices for November – January generating an additional \$1,400,000. There is still a backlog that staff will focus on for the remainder of the fiscal year.

Other Revenues and Transfers comprise 8.8% of the total General Fund revenues, of which 77% has been received as of March 31st. The Finance Department has established a mechanism to automatically transfer 1/12th of the budgeted transfers each month.

A complete listing of recommended budget adjustments for General Fund revenues (along with corresponding expenditure reductions) are appended to this report.

GENERAL FUND EXPENDITURES

Fiscal Year 2011-2012 General Fund expenditures were adopted to be



\$112,475,433 which represents an approximate \$800,000 reduction from the prior fiscal year. The amended budget as of March 31st has been decreased to \$113,558,523 as noted in Table 1.

Table 3 highlights the amount and percentage expended by each department. The YTD Actual & PO's column includes outstanding encumbered Purchase Orders in the total, which provides a better representation of monies spent or committed for the third quarter.

As of March 31st, the General Fund has expended or committed 73.7% of the amended budget. All departments are within

75% of budgeted expenditures with the following exceptions noted:

Financial Services: the department has encumbered over \$609,645 in purchase orders. Only 67% of the actual budget has been expended at March 31st.

Human Resources: the department has expended 3% higher than the 75% benchmark due to payment of prior year invoices for temporary services.

Fire: the department has encumbered over \$129,503 in purchase orders. 77% of the actual budget has been expended at March 31st.

**Table 3
GENERAL FUND EXPENDITURES
Fiscal Year 2011-2012**

Department	Adopted Budget	Amended Budget	YTD Actual and PO's as of 3 rd Quarter	YTD % of Amended Budget
GENERAL GOVERNMENT				
City Council	891,586	891,586	635,439	71.27%
City Clerk	1,073,842	1,262,908	836,177	66.21%
City Treasurer	309,501	309,501	231,883	74.92%
City Manager	680,619	791,703	572,827	72.35%
City Attorney	1,535,860	1,530,860	1,095,579	71.57%
Financial Services	4,361,867	4,704,610	3,748,044	79.67%
Human Resources	694,834	694,834	544,112	78.31%
Non-Departmental	5,265,589	5,381,517	3,917,703	72.80%
PUBLIC SAFETY				
Fire	23,512,844	23,491,661	18,329,464	78.03%
Police	47,560,302	47,377,555	34,717,255	73.28%
PUBLIC WORKS				
Public Works	10,035,047	10,588,777	7,339,560	69.31%
COMMUNITY DEVELOPMENT				
Development Services	6,844,115	6,788,595	4,689,486	69.08%
COMMUNITY/CULTURAL SERVICES				
Neighborhood Services	4,293,502	4,293,502	3,060,090	71.27%
Library	4,381,041	4,416,041	3,273,470	74.13%
Economic Development	1,034,873	1,034,873	738,080	71.32%
Total	112,475,422	113,558,523	83,729,169	73.74%



ENTERPRISE FUNDS

Enterprise funds, also known as business-type activities, are used to account for the acquisition, operation and maintenance of governmental facilities and services that are entirely or predominantly self-supporting by user charges. The operations of Enterprise Funds are accounted for in such a manner as to show a profit or loss similar to comparable private enterprise.

Depreciation, while not a cash expense, is now booked to the Enterprise Funds on a quarterly basis and reflected in the quarterly financial reports as an operating expense.

The financial status of operating funds for Water, Sewer and Solid Waste Disposal are discussed below. Please note that Water and Sewer budgets consist of multiple funds (operating, replacement and developer connection). Debt service is not included. Generally accepted accounting principles (GAAP) call for fiscal analysis of Enterprise Funds to reflect a roll up all funds into one report.



Table 4
WATER COMBINED FUNDS (excluding debt service)
Fiscal Year 2011-2012

	Adopted Budget	Amended Budget	YTD Actuals and PO's as of 3 rd Quarter	YTD % of Amended Budget
Water Sales	49,601,115	49,601,115	34,718,925	70.00%
Developer Fees	400,000	400,000	1,259,049	314.77%
Grants	2,058,920	2,058,920	209,393	10.17%
Other Revenue	950,544	950,544	955,973	100.58%
Inter-fund Transfers In	20,500	687,529	693,225	100.83%
TOTAL OPERATING REVENUES	53,031,079	53,698,108	37,836,565	70.46%
Use of Reserves	6,406,827	6,406,827	0	n/a
TOTAL FUNDING SOURCES	59,437,906	60,104,935	37,836,565	n/a
EXPENDITURES				
Administration & General	31,325,394	31,415,035	18,471,809	58.80%
Flood Control/Storm Drains	785,666	785,666	589,248	75.00%
Water Distribution	1,503,241	1,503,241	1,134,196	75.45%
Water Filtration Plant	1,520,451	1,520,451	1,271,776	83.64%
Desalting Plant	2,245,681	2,245,681	1,419,786	63.22%
Water Maintenance	2,078,391	2,078,391	1,546,499	74.41%
Water Meter Service	1,926,718	1,926,718	1,468,956	76.24%
Clean Water Program	1,191,615	1,231,362	812,083	65.95%
Other Water Programs	1,228,829	1,228,829	772,150	62.84%
Inter-fund Transfers Out	900,000	900,000	709,770	78.53%
Replacement Projects (capital)	2,204,882	2,154,882	1,069,807	49.65%
Connection Projects (capital)	7,325,750	1,900,000	1,384,086	72.85%
Transfer to Fund 710 (capital)	0	5,475,750	3,340,644	61.01%
TOTAL CASH EXPENSES	54,236,618	54,366,006	33,990,810	62.53%
Depreciation Expense	0	0	2,929,367	n/a
TOTAL OPERATING EXPENSES	54,236,618	54,366,006	36,920,177	n/a
OPERATING INCOME/(LOSS)	5,201,288	5,738,929	916,388	n/a

WATER FUND REVENUES

Overall revenues for the Water Combined Funds are at 70% at the end of the third quarter as noted in Table 4 above.

- Water Sales – this revenue comprise 82% of the total revenues for Water operations, and is used for the purpose of purchasing, treating, transporting and delivering water to customers. These revenues also fund debt service and fixed asset replacement costs.
- Grants – the Water department is eligible for funding from various grants for the following programs/projects: CBI-SLR Bacteria Tracking and 511 Pump Station.

- Other Revenue - includes interest earnings, reimbursement for services, settlements and sale of surplus equipment.

WATER FUND EXPENDITURES

Table 4 highlights the amount and percentage expended by each water program. The YTD Actual & PO's column includes outstanding encumbered Purchase Orders in the total, which provides a better representation of monies spent or committed for the third quarter. As of March 31st, the Water Combined Funds has expended or committed 62% of the amended budget.



**Table 5
SEWER COMBINED FUNDS (excluding debt service)
Fiscal Year 2011-2012**

	Adopted Budget	Amended Budget	YTD Actuals and PO's as of 3 rd Quarter	YTD % of Amended Budget
Sewer Service & Flow Fees	31,971,533	31,971,533	22,360,803	69.94%
Developer Fees	500,000	500,000	1,501,788	300.36%
Other Revenue	1,260,324	1,260,324	388,840	90.81%
TOTAL OPERATING REVENUES	33,731,857	33,731,857	24,244,431	71.87%
Use of Reserves	252,500	252,500	0	n/a
TOTAL FUNDING SOURCES	33,984,357	33,984,357	24,244,431	n/a
EXPENDITURES				
Administration & General	4,377,060	4,377,060	3,181,884	72.70%
Facilities Maintenance	2,078,657	2,078,657	1,492,687	71.81%
Sewer Collections	3,131,680	3,135,265	2,381,926	75.97%
La Salina Wastewater	3,186,192	3,186,192	2,452,447	76.97%
San Luis Rey Wastewater	6,872,474	7,019,312	5,460,269	77.79%
Sewer Laboratory	902,120	916,492	607,522	66.29%
SCADA Program	322,535	322,535	238,407	73.92%
GIS Program	375,642	375,642	213,032	56.71%
Replacement Projects (capital)	3,246,133	3,246,133	1,134,294	34.94%
Expansion Projects (capital)	290,000	290,000	124,469	42.92%
TOTAL CASH EXPENSES	24,782,493	24,947,288	17,286,937	69.30%
Depreciation Expense	0	0	3,960,267	n/a
TOTAL OPERATING EXPENSES	24,782,493	24,947,288	21,247,204	n/a
OPERATING INCOME/(LOSS)	9,201,864	9,037,069	2,997,227	n/a

SEWER FUND REVENUES

Overall revenues for the Sewer Combined Funds are at 72% at the end of the third quarter as noted in Table 5 above.

- Sewer Service & Flow Fees – this revenue comprise 95% of the total revenues for Sewer operations, debt service and fixed asset replacement costs.
- Other Revenue - includes interest earnings, reimbursement for services, and Rainbow MWD pass-thru fees.

SEWER FUND EXPENDITURES

Table 5 highlights the amount and percentage for each sewer program. The YTD Actual & PO's column includes outstanding encumbered Purchase Orders in the total, which provides a better representation of monies spent or committed for the third quarter. As of March 31st, the Sewer Combined Funds has expended or committed 69% of the amended budget.



Table 6
SOLID WASTE DISPOSAL FUND 731
Fiscal Year 2011-2012

	Adopted Budget	Amended Budget	YTD Actuals and PO's as of 3 rd Quarter	YTD % of Amended Budget
REVENUES				
Trash P/U Fees	21,330,061	21,330,061	16,183,286	72.96%
Waste Mgmt Rate Stabilization	1,000,000	850,000	0	0.00%
Other Revenue	0	0	2,418	n/a
TOTAL OPERATING REVENUES	22,330,061	22,180,061	16,185,704	72.98%
Use of Reserves	1,700,000	1,700,000	0	n/a
TOTAL FUNDING SOURCES	24,030,061	23,880,061	16,185,704	n/a
EXPENDITURES				
Personnel	1,669,880	1,669,880	1,126,548	67.46%
Maintenance & Operations	17,198,358	17,198,358	11,254,375	65.44%
Internal Service Charges	1,940,251	1,940,251	1,455,192	75.00%
Inter-Fund Transfers Out	2,247,227	2,247,227	1,685,421	75.00%
Rate Stabilization Set-Aside	656,000	656,000	492,000	75.00%
TOTAL CASH EXPENSES	23,711,716	23,711,716	16,013,536	67.54%
Depreciation Expense	0	0	2,367	n/a
TOTAL OPERATING EXPENSES	23,711,716	23,711,716	16,015,903	n/a
INCOME/(LOSS)	318,345	168,345	169,801	n/a

SOLID WASTE DISPOSAL FUND REVENUES

Overall revenues for the Solid Waste Disposal Fund are at 73% at the end of the third quarter as noted in Table 6 above.

Trash Pick-Up Fees – these fees are collected to provide all the costs associated with solid waste disposal. Approximately 73% has been received as of March 31st.

Waste Management Rate Stabilization Fee – per the new contract with Waste Management, starting March 2012 they will be remitting \$425,000 to the City on a quarterly basis.

SOLID WASTE DISPOSAL FUND EXPENDITURES

Table 6 highlights the amount and percentage expended by expenditure category. YTD Actual & PO's include outstanding encumbered Purchase Orders in the total, which provides a better representation of monies expended or committed for the third quarter.

As of March 31st, the Solid Waste Disposal Fund has expended or committed 67% of the amended budget. There is a one-month delay in remitting payment to Waste Management, so as of March 31st there are only seven monthly payments expended in Maintenance & Operations.



**Table 7
HARBOR FUND 751
Fiscal Year 2011-2012**

	Adopted Budget	Amended Budget	YTD Actuals and PO's as of 3 rd Quarter	YTD % of Amended Budget
REVENUES				
Slip Rental Revenue	4,403,000	4,403,000	3,423,745	77.76%
Harbor Leases	1,030,000	1,030,000	773,308	75.08%
Interest	100,000	50,000	31,878	63.76%
Other Revenue (parking meters)	430,000	430,000	321,380	74.94%
TOTAL OPERATING REVENUES	5,963,000	5,913,000	4,550,311	76.96%
Use of Reserves	3,225,000	3,225,000	n/a	n/a
TOTAL FUNDING SOURCES	9,188,000	9,138,000	4,550,311	n/a
EXPENSES				
Transfer – Harbor Police	1,809,236	1,809,236	1,356,927	75.00%
Transfer – Harbor Admin	729,479	729,479	547,109	75.00%
Transfer – Harbor Maint	2,224,849	2,224,849	1,668,637	75.00%
Transfer – Prop Mgmt	38,110	38,110	28,582	75.00%
Transfer – Risk Management	31,500	31,500	23,625	75.00%
Transfer – Harbor Lifeguard	150,868	150,868	113,151	75.00%
Transfer – Tideland Lease	476,170	476,170	357,128	75.00%
Debt Service	411,311	411,311	411,311	100.00%
Capital Projects	3,225,000	3,225,000	2,073,663	64.30%
TOTAL CASH EXPENSES	9,096,523	9,096,523	6,580,133	72.34%
Depreciation Expense	0	0	328,616	n/a
TOTAL OPERATING EXPENSES	9,096,523	9,096,523	6,908,749	n/a
OPERATING INCOME/(LOSS)	91,477	41,477	(2,358,438)	n/a

HARBOR FUND REVENUES

Overall revenues for the Harbor Fund are at 77% for the third quarter as noted in Table 7 above.

The Harbor Fund has received approximately 77% in slip rental revenue at March 31st. Leases and other revenue (parking meters) are on target.

HARBOR FUND EXPENDITURES

Table 7 highlights the amount and percentage expended by expenditure category. YTD Actual & PO's include outstanding encumbered Purchase Orders in the total, which provides a better representation of monies expended or committed for the third quarter.

As of March 31st the Harbor Fund has transferred 75% of the budget to the General and Risk Management Funds for those services. The Harbor & Aquatic Center capital project is funded from the Harbor Fund "reserves."



BUDGET TRANSFERS

In compliance with Section OB-2 of Council Policy 200-13 “Financial Policies”, the City Manager has the authority to transfer monies appropriated within the same fund for the same department provided the total amount

within a fund has not changed. Budget transfers in excess of \$25,000 are presented to the City Council on a quarterly basis for notification purposes. Table 8 below highlights the budget transfers.

**Table 8
BUDGET TRANSFERS IN EXCESS OF \$25,000
Fiscal Year 2011-2012
January-March Activity Only**

Description of Business Unit or Project	From Account	To Account	Reason	Amount
CIP – Road Maintenance Projects	Infrastructure < \$100k	Infrastructure (capital)	TC Construction purchase order	\$180,000
Recreation Programs	Beach Rec Ctr & Baldarama Rec Program	Recreation Programs	Electricity and Gas	\$81,000
CIP – Downtown Storm Drain Project	Professional Services	Infrastructure (capital)	TC Construction purchase order	\$1,000,000
CIP – Parking Lot #26	Professional Services	Infrastructure (capital)	Land Forms Landscaping purchase order	\$300,000

ATTACHMENT A

CITY OF OCEANSIDE
RECOMMENDED BUDGET ADJUSTMENTS
THIRD QUARTER FOR FY 2011-2012

BUSINESS UNIT	ACCOUNT	DESCRIPTION	REVENUE (INCREASE / (DECREASE)	EXPENDITURE INCREASE / (DECREASE)	REASON
1101	4121.0001	Sales & Use Tax - County	\$ 204,000	\$ -	Revenue projections higher per HdL (fuel, auto, other)
1101	4121.0002	Sales & Use Tax - Prop 172	\$ 350,000	\$ -	Revenue projections trending higher (strong 3rd quarter)
1101	4126.0001	Card Room Taxes - Table Fees	\$ 100,000	\$ -	Casino revenues increasing
1101	4156.0001	Business License	\$ (300,000)	\$ -	High delinquencies, reduction in businesses
1101	4166	Franchise Fees	\$ 70,000	\$ -	Actual receipts in April higher than projected
1101	4196.0007	Parking Citation Current	\$ (500,000)	\$ -	Fewer citations written this year; higher appeals and non-payments
1101	4216.0001	Investment Earnings-Pool	\$ (350,000)	\$ -	Interest rate historically low, recommended reduction per City Treasurer's Office
1101	4353.0001	R&L - Muni Golf Course	\$ (80,000)	\$ -	Additional revenue reduction
500010101	4368.0006	POST	\$ (15,000)	\$ -	Reduction in POST revenue per Captain Armijo
120120101	5355	Materials & Supplies	\$ -	\$ (3,000)	Austerity budget reduction
120120101	5345	Travel & Conference	\$ -	\$ (1,400)	Austerity budget reduction
120122101	5345	Travel & Conference	\$ -	\$ (1,960)	Austerity budget reduction
120122101	5355	Materials & Supplies	\$ -	\$ (3,040)	Austerity budget reduction
150010101	5355	Materials & Supplies	\$ -	\$ (4,000)	Austerity budget reduction
150150101	5450	Contingency	\$ -	\$ (40,000)	Austerity budget reduction
150151101	5305	Professional Services	\$ -	\$ (2,500)	Austerity budget reduction
150151101	5355	Materials & Supplies	\$ -	\$ (1,000)	Austerity budget reduction
150151101	5370	Postage	\$ -	\$ (500)	Austerity budget reduction
160000101	5375	Dues, Books & Subs	\$ -	\$ (5,000)	Austerity budget reduction
170181101	5355	Materials & Supplies	\$ -	\$ (3,000)	Austerity budget reduction
310332101	5355	Materials & Supplies	\$ -	\$ (3,500)	Austerity budget reduction
320000101	5305	Professional Services	\$ -	\$ (10,000)	Austerity budget reduction
320000101	5320	Repair & Maintenance	\$ -	\$ (20,000)	Austerity budget reduction
320000101	5355	Materials & Supplies	\$ -	\$ (4,000)	Austerity budget reduction
350351101	5330	Machinery & Equipment	\$ -	\$ (900)	Austerity budget reduction
350351101	5355	Materials & Supplies	\$ -	\$ (1,300)	Austerity budget reduction
350350101	5120	Overtime	\$ -	\$ (1,000)	Austerity budget reduction
350356101	5120	Overtime	\$ -	\$ (500)	Austerity budget reduction
350357101	5120	Overtime	\$ -	\$ (300)	Austerity budget reduction
425407101	5110	Temporary/Part Time	\$ -	\$ (40,000)	Austerity budget reduction
500010101	5320	Repair & Maintenance	\$ -	\$ (30,000)	Austerity budget reduction
500010101	5330	Machinery & Equipment	\$ -	\$ (25,000)	Austerity budget reduction
500010101	5345	POST	\$ -	\$ (15,000)	Reduction in POST per Captain Armijo
500010101	5345	Travel & Conference	\$ -	\$ (10,000)	Austerity budget reduction
500010101	5355	Materials & Supplies	\$ -	\$ (75,000)	Austerity budget reduction
500501101	5120	Overtime	\$ -	\$ (20,000)	Austerity budget reduction
500501101	5330	Machinery & Equipment	\$ -	\$ (30,000)	Austerity budget reduction
500501101	5355	Materials & Supplies	\$ -	\$ (30,000)	Austerity budget reduction
500503101	5330	Machinery & Equipment	\$ -	\$ (30,000)	Austerity budget reduction
500503101	5355	Materials & Supplies	\$ -	\$ (50,000)	Austerity budget reduction
600010101	5105	Regular Employees	\$ -	\$ (5,000)	Austerity budget reduction (vacancy)
600010101	5345	Travel & Conference	\$ -	\$ (2,000)	Austerity budget reduction
600010101	5355	Materials & Supplies	\$ -	\$ (4,000)	Austerity budget reduction
600010101	5370	Postage	\$ -	\$ (3,000)	Austerity budget reduction
600612101	5120	Overtime	\$ -	\$ (5,000)	Austerity budget reduction
640618101	5355	Materials & Supplies	\$ -	\$ (9,000)	Austerity budget reduction
933900101	5355	Materials & Supplies	\$ -	\$ (2,100)	Austerity budget reduction
935939101	5105	Regular Employees	\$ -	\$ (25,000)	Austerity budget reduction (vacancy)
935939101	5315.0001	Electricity	\$ -	\$ (4,000)	Austerity budget reduction
935938101	5110	Temporary/Part Time	\$ -	\$ (15,500)	Austerity budget reduction
935940101	5110	Temporary/Part Time	\$ -	\$ (17,000)	Austerity budget reduction
935948101	5110	Temporary/Part Time	\$ -	\$ (33,500)	Austerity budget reduction
TOTAL GENERAL FUND			\$ (521,000)	\$ (587,000)	