

**For the Special City Council Meeting of May 15, 2006**

**CITY OF SANTA PAULA  
MEMORANDUM**

To: Honorable Mayor and Members of the City Council  
From: Alvertina Rivera, Finance Dir. & Cliff Finley, Public Works Dir.  
Subject: FY 2005/06 Third Quarter Statement of Revenues & Expenditures  
Date: May 9, 2006

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

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**Fiscal Impact:** None

**Personnel Impacts:** None

**General Discussion:** The attached report is a summary of the financial activity for the City's most significant funds (i.e. General and Enterprises) as of March 31, 2006. The report is a summary of the revenues & expenditures for these funds with an Actual to Budget comparison to better assess the progress of each fund.

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

- a. Revenues & expenditures are recorded during the period received or paid. It is only at Year End that accrual entries are made to associate the revenues & expenditures to the corresponding period.
- b. The receipt schedule of revenues varies according to the source of funding. As an example, traditional property tax payments are received as follows; 55% in December, 41% in April, & 4% in June. This year, the triple flip and the MVLFF backfill has significantly altered the property tax payments as now 25% of the Sales Taxes and 67% of the Motor Vehicle license fees are paid as property taxes. Unlike the traditional property tax payments, these are paid half in January and the half in May.
- c. Although most expenditures are monthly, there are some quarterly, semi-annual, and even annual expenditures. Examples of such include Debt Service payments, Liability Insurance, Worker's Comp, and Audit Fees.

### **General Fund Revenue Analysis:**

- The **Sales Tax** figure of \$1,030,774 or 70% reflects revenues for only eight months. If an average of the monies received to-date was used to project the amounts to be received for an additional month, this figure would be \$128,847; bringing the total revenues to \$1,159,621 or 82% of the budgeted figure. If this revenue pattern persists throughout the remaining quarter, it could represent an additional \$98,900. Staff is conservatively recommending a \$90,000 increase in Sales Tax revenue.
- **Property Taxes** were at \$2,404,896 or 57% of the annual projection. The “traditional” Property taxes are at 59%, which is 4% higher than normal for the end of March. Typically by this time we have received 55% of the annual revenue for this category. This is the second and hopefully last year that the City of Santa Paula will contribute \$233,000 to the State in regards to ERAF 3. Staff is therefore leaving the estimate for traditional Property Taxes unchanged. For the second year there are two new components to the Property Tax category. These are the Property Taxes in lieu of Sales Tax and MVLFF. These payments are paid half in January and the other half in May. The projections for these categories are not expected to change.
- In the past 29% of **Franchise Fee Taxes** have been received by the end of March. Therefore the \$122,966, representing 34% of annual projections, is 5% above target. Potentially generating an increase in revenues of \$18,000.
- Projections for **All Other Taxes** also appear to be within target at \$270,120 or 74%.
- **Licenses and Permits** are performing as slightly better, with revenues at only 78% at third quarter. The high performance is due to Building and Safety department revenues materializing at 82% of projections. If this pattern continues it could generate an additional \$39,000 in revenues to the General Fund. However because the overall category variance is only 3% (78% versus 75% target), staff is not recommending a change to the revenue projections at this time.
- **Fines & Penalties** at \$66,310 or 58% reflect a shortfall. The shortfall is due to Vehicle Code Fines collection of only 48%. However last year 32% of all collections for that year were done during or after the month of June. Staff is therefore maintaining its revenue projections.
- **Interest & Rent Income** at \$232,913 or 70% of projections are slower than projected. This has been caused by the lower than expected cash balances of the General Fund. The low cash balances are due to the General Fund advancing funds to pay for projects that are grant funded on

a post completion basis. Staff recommends decreasing the revenue projection by \$16,500.

- The **Motor Vehicle In-Lieu** figure of \$107,491 or 54% of the annual projected amount represents 8 months worth of payments. The average monthly receipts are approximately \$13,436. If we were to estimate a true 9-month total it would equal to \$120,927 or 60%. A 15% decrease in this revenue source would equate to a \$30,000 reduction, which is staff's recommendation.
- The **Other Intergovernmental Revenue** is made up of Prop. 172 funds for Public Safety and reimbursements from Post and the State for Mutual Aid. The third quarter figure of \$150,528 is made up of \$135,040 of Prop. 172 with the remaining \$15,488 of reimbursements. The Prop. 172 funds reflect revenues for only seven months. If the average of Prop. 172 monies received to-date was used to project the amounts to be received for the additional months, this figure would bring the total revenues to \$189,111 or 72% of the budgeted figure. At this time, staff is maintaining its original projections for this category.
- **Charges for Current Services** is 7% above the target. All departments with the exception of Building & Safety and Police have exceeded their targeted revenues by the 3<sup>rd</sup> quarter. Staff is recommending increasing revenues for Planning and Public Works in the amount \$50,000.
- **Other Revenues** have already exceeded the annual projection by more than \$20,000. The receipt of reimbursements for Disaster Recovery expensed in the prior year accounts for most of those revenues. Staff is recommending increasing Disaster Recovery prior year revenues by \$10,000 and another \$10,000 for other revenues in Building & Safety.

The bottom line is that the overall General Fund revenue projections will increase by approximately \$131,500.

#### **General Fund Expenditures:**

All departments with the exception of General Administration are within a reasonable target percentage of their annual budgets. At March 31<sup>st</sup> the Administration department has exceeded its budget projections by 6% or \$89,000. A large part of overage in General Administration is due to the large annual liability insurance payment that is paid at the beginning of the fiscal year.

Assuming the recommended budget adjustments are granted and expenditure patterns follow the preceding nine months for the remainder of the 2005-06 FY, the General Fund ending balance will net \$131,500 more than previously expected.

### **Enterprise Funds:**

Revenues for the **Sewer and Water** Funds are exceeding expectations by 5% to 8% due to higher than projected connection fees. **Refuse** charges appear very close to the projected figures. Staff is recommending increasing the Sewer connection fee projection by \$300,000 and Water revenues by \$225,000.

At this time, the **Refuse, Sewer and Water** Divisions are performing in accordance with the previous Maintenance & Operation expenditure projections. Expenditures are reflected on a cash basis.

The expenditures in the area of Capital Projects are reflective of the status of such projects. A CIP Status Summary report is attached for your review.

### **Alternatives:**

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

**STATEMENT OF REVENUES & EXPENDITURES  
BUDGET to ACTUAL  
FOR THE YEAR ENDED MARCH 31, 2006**

Revenues	General Fund			Refuse Enterprise			Wastewater Enterprise			Water Enterprise		
	Budget	Actual	% of Budget	Budget	Actual	% of Budget	Budget	Actual	% of Budget	Budget	Actual	% of Budget
Sales Taxes	1,484,075	1,030,774	69.5%									
Property Taxes	4,225,198	2,404,896	56.9%									
Franchise Fee Tax	360,000	122,966	34.2%									
All Other Taxes	364,000	270,120	74.2%									
Licenses & Permits	560,641	439,733	78.4%									
Fines & Penalties	113,550	66,310	58.4%									
Interest & Rent Income	335,308	232,913	69.5%	9,500	5,907	62.2%	80,000	42,759	53.4%	410,000	314,625	76.7%
Motor Vehicle In-Lieu	200,000	107,491	53.7%									
Other Intergovernmental Revenues	261,700	150,528	57.5%									
Charges for Current Services	1,044,563	857,876	82.1%	1,929,573	1,424,560	73.8%	4,105,000	3,408,992	83.0%	5,583,510	4,490,887	80.4%
Other Revenues	291,430	312,135	107.1%	36,000	34,411		0	458		97,940	94,942	96.9%
<b>Total Revenues</b>	<b>9,240,465</b>	<b>5,995,742</b>	<b>64.9%</b>	<b>1,975,073</b>	<b>1,464,878</b>	<b>74.2%</b>	<b>4,185,000</b>	<b>3,452,209</b>	<b>82.5%</b>	<b>6,091,450</b>	<b>4,900,454</b>	<b>80.4%</b>
Transfers In	938,703	699,544	74.5%							241,767	175,123	72.4%
<b>Total Revenues &amp; Transfers</b>	<b>10,179,168</b>	<b>6,695,286</b>	<b>65.8%</b>	<b>1,975,073</b>	<b>1,464,878</b>	<b>74.2%</b>	<b>4,185,000</b>	<b>3,452,209</b>	<b>82.5%</b>	<b>6,333,217</b>	<b>5,075,578</b>	<b>80.1%</b>
<b>Expenditures</b>												
General Administration	1,380,822	1,035,221	75.0%									
Building & Safety	532,103	355,683	66.8%									
Community Services	527,953	384,709	72.9%									
Financial Services	491,716	234,435	47.7%									
Fire	1,653,731	1,164,355	70.4%									
Planning	623,263	445,397	71.5%									
Police	4,555,555	3,182,462	69.9%									
Public Works- Maint. & Oper.	809,837	417,875	51.6%	2,015,520	1,404,601	69.7%	2,512,595	1,611,313	64.1%	6,075,534	3,896,025	64.1%
Public Works- Capital Projects	177,821	1,192	0.7%				8,662,326	951,335	11.0%	8,739,343	231,451	2.6%
Economic Development	2,500	0	0.0%									
Non Departmental	69,139	38,402	55.5%									
Reclassification Items				(278,863)	(207,878)	74.5%	(199,427)	(146,161)	73.3%	(1,153,543)	(891,186)	77.3%
<b>Total Expenditures</b>	<b>10,824,440</b>	<b>7,259,733</b>	<b>67.1%</b>	<b>1,736,657</b>	<b>1,196,723</b>	<b>68.9%</b>	<b>10,975,494</b>	<b>2,416,487</b>	<b>22.0%</b>	<b>13,661,333</b>	<b>3,236,291</b>	<b>23.7%</b>

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

	Project Name	Description	Status
<b>PUBLIC BUILDINGS</b>			
1	New Corporation Street Yard – Planning & Preliminary Design	The existing Corporation Yard does not meet current staffing and space needs for Public Works Maintenance and Utilities divisions. The new Corporation Yard will be sited with the new Water Recycling Facility.	A consultant has been hired to evaluate the Department needs and perform the design of the facility.
2	Paseo Rehabilitation – 926 E. Main Street	This project would provide a passageway from Main Street to the South Alley parking area. It would also provide public restrooms in the Downtown area.	Exterior façade work completed. Interior tenant improvements are under construction with completion anticipated in July 2006.
3	Roof Repair Project	This project is to repair/replace roofs on 4 City buildings: Fire Stations 81 & 82, Community Development Building and Oil Museum.	Insurance issues being resolved prior to commencement of work.
4	Fire Station 81 and 82 Exhaust Extraction System	The fire stations lack an exhaust extraction system. Firefighters are potentially exposed to gasoline and diesel exhaust when the vehicles are started in the station. It is becoming standard practice to install exhaust extraction systems that attach to the exhaust pipes on the engines and which automatically detach as the engines leave the station	Project complete
5	The Mill and Depot Historic Building Restoration	The Railroad Depot and the Mill are Historic Buildings. VCTC is taking the lead in retrofitting the buildings to meet current codes.	Project will proceed under VCTC. Construction is anticipated in early 2007.
<b>PARKS &amp; RECREATION</b>			
1	Teague Park Soccer Field Rehab and Master Plan	The City has limited soccer field space, therefore, the Teague Park soccer field is overused. The City wants to install an artificial turf field to increase the playing time per day.	Design work for Phase I proceeding. Design completion anticipated for August, 2006.
2	Central Bicycle Trail – Design & Construction	Also known as the Santa Paula Branch Line Bike Trail. This project is the Santa Paula portion of a planned 32-mile bike trail from Ventura to Santa Clarita. The alignment is generally along the Southern Pacific Railroad right-of-way. There is an existing portion in Fillmore. The trail is a combination of Class I and Class II bike trail from 8-12 feet wide, extending from Peck Road to Santa Paula Creek.	This project is currently under design by Pacific Coast Land Design. The design team is at the 30% design stage. Discussions with private property owners are underway.
3	Harding Park Master Plan Phase II	This project includes preparation of bid packages for the following work: Entry Way, Tom Moore 1 <sup>st</sup> and 3 <sup>rd</sup> base dugouts, Tom Moore Field Grandstand and Concrete Flatwork. This project has been recommended by the Santa Paula Recreation Commission and the Harding Park Advisory Board.	Scope of Work currently under review.
4	Boys and Girls Club Building Improvements	Improvements/rehabilitation to the building housing the Boys and Girls Club.	Contract for electrical work has been awarded.
5	Las Piedras Park Recreation Center	This project is to develop concept and construction plans for the center. It may also be able to fund parking improvements. The Las Piedras Park neighborhood has indicated an interest in additional public facilities in the park.	City Council approved Concept Plan, May 2006 and directed City Attorney to finalize agreement with Homeboys, Inc. Construction is anticipated to begin September, 2006.
6	Las Piedras Park Improvements (Restrooms)	Reconstruction of the restrooms to improve accessibility and safety.	Project complete.

	Project Name	Description	Status
	<b>STREET IMPROVEMENTS PROJECTS</b>		
1	Harvard Blvd. Streetscapes	The planting of approximately 164 Queen Palms along Harvard Blvd.	Project complete.
2	Arterial Street Paving	The next arterial streets to be repaired will be Palm Avenue and Santa Paula Street east of Cemetery Road .	Plans and Specs being prepared.
3	Pavement Maintenance Program	Pavement Maintenance Program – Repair and Slurry Seal City streets at various locations. Update the City's Pavement Management Program	Awaiting budget allocations.
4	School Crossing Warning Lights – Phase II	The Public Works Department has applied for grant funding for three additional lighted crosswalks. If the City's application is approved by Caltrans, the City will complete the design and bid the project to install lighted crosswalks on Ventura Street at Oak Street; on Palm Avenue at Ventura Street, and on Santa Paula Street at Sixth Street.	Project is on hold pending maintenance issues on the existing crossings.
5	Green Street Alley	Improvements to Green Street Alley parking lot, planters, irrigation system, street lights and parking lot striping.	Contract for Construction awarded to Mendez Concrete, May 2006.
6	Route 150 By-Pass Study	Preliminary Plan/Study for Route 150 By-Pass on the east side of Santa Paula	The proposed project did not receive grant funding.
7	Route 126 @ 10th & @ Palm: Traffic Signals	Installation of traffic signal improvements at the Route 126 off-ramps at 10th Street and at Palm.	Funds have been extended. VCTC is preparing paperwork for CalTrans.
8	Curb Ramp Project	Project will install approximately 40 handicapped-accessible curb ramps. The ramps will be constructed in the Las Piedras Park area.	The project has been awarded to Mendez Concrete.

	Project Name	Description	Status
<b>WASTEWATER PROJECTS</b>			
1	Waste Water Treatment Plant Improvements	Planning, design, environmental and site acquisition work toward the ultimate construction of a new Water Recycling Facility to comply with RWQCB requirements.	Design at 30% level.
<b>WATER PROJECTS</b>			
1	400 Zone # 2/600 Zone #1 Booster Station Improvements	This project entails the construction of a new booster station at the main reservoir on Tenth Street. The existing booster stations are at the end of their economically useful lives. Replacement is necessary to maintain a reliable supply of water in the 400 and 600 pressure zones. This project is on hold until the water master plan is complete.	Staff developing project scope.
2	Fuschia Tank Drain Improvements	The existing tank drain leaks with the possibility of damaging neighboring properties. This project will prevent the water from running to the east, water will be diverted down 10th Street and controlled.	Complete.
3	400 Zone Reservoir #2 Design & Site Acquisition	Also known as Teague Tank, the present reservoir is a very old steel bolted tank that is beyond rehabilitation and needs to be replaced. A new tank will also provide additional storage capacity for system optimization. This project is awaiting work on the water master plan.	Staff developing alternatives for replacement.
4	Well 6 Abandonment	The County of Ventura requires the City to abandon wells not used in a twelve-month period. Well 6 is located on Peck Road. It has not been used in several years. It produced only a small volume of poor quality water, high in iron, manganese and total dissolved solids. A contractor will properly abandon the wells by filling the casing with cement concrete to prevent contamination of the aquifer.	Project complete.
5	Well #7 Abandonment	The County of Ventura requires the City to abandon wells not used in a twelve-month period. Well 7 is located in Mill Park. It has not been used in several years. It is not economically viable due to the very low volume of water able to be produced from the well. A contractor will properly abandon the wells by filling the casing with cement concrete to prevent contamination of the aquifer.	Project complete.
6	Water Main Replacement Program Phase I and Phase II	The City has several miles of older two-inch steel mainlines that should be upgraded to eight or ten inch C-900 PVC pipe to provide better volume and fire protection. A consultant will be hired to prepare construction bid packages for the water mainline replacements, then the projects will be constructed.	Phase I Project out to bid. Phase II Project going out to bid.
7	Well #1B Rehabilitation & Pumping Equipment Repairs	Routine well maintenance and rehabilitation to maintain efficiency and longevity of our water production facilities. After evaluation of the Master Plan, it was determined that Well 12 should be done before Well 1B.	Funding diverted to Well 12 project.
8	Fagan Wellfield Evaluation Study	Study to determine optimal site of additional water supply source in the Fagan Canyon Barranca area.	Study is underway.
9	Lemonwood Wellfield Evaluation Study	Study to determine optimal site of additional water supply source; additional supply sources are especially needed on the east side of the City. This work may be completed in conjunction with the Fagan Canyon Development work.	Study is underway.
10	Well #15 Site Study	Study to determine optimal site of additional water supply source.	Study is underway.

	Project Name	Description	Status
11	400 Zone Booster #3 Improvements Design	Project to design additional pumping capacity and to add needed redundancy to the system. This project will follow the water master plan.	Staff is reviewing project scope.
12	Water Storage Capacity/Energy Efficiency Study Update (Orig. 1994)	A study to optimize capital for storage facilities in order to take advantage of "off peak" pumping rates. This project will follow the water master plan.	Staff is reviewing project scope.
13	Reservoirs Safety Improvements (Ladders, Rails, Fall Protection)	Construct various safety features throughout system to comply with Cal/OSHA safety requirements.	Reservoirs have been reviewed. Recommendation Report prepared. Staff is reviewing
14	Harvard Blvd. From Peck Road to 12th Street Distribution Main Upgrade Design & Construction	Harvard Boulevard is a combination of eight, ten and twelve inch water mainlines that will be upgraded to an 18 or 20 inch DIP pipe from Peck Road to Twelfth Street. The upgrade is required to improve system reliability and future commercial development in the City's main business corridor. A consultant will be hired to prepare construction bid packages for this project and construction will follow. The project will follow completion of the water master plan.	Staff is reviewing project scope.
15	Electrical Maintenance Program Study	This study will produce a program of planned, scheduled electrical system maintenance to increase reliability of the water system.	Preparing RFP for implementation.
16	Steckel Well field to 200 Zone Reservoir Transmission Design	Design project for east/west transmission of water through the City. Presently, east/west transmission capacity is limited such that full utilization of the centralized water conditioning facility is not possible and peak system loads result in increased operating pressure in the system, raising operating costs and increasing risks of leaks and other malfunctions. This project will follow completion of the water master plan.	Staff is reviewing project scope.
17	200 Zone Reservoir #1 Evaluation	Evaluation of existing 100 year old reservoir to provide direction as to upgrades.	RFP being prepared.
18	200 Zone Reservoir #2 Design and Site Acquisition 400,000	Additional storage in the 200 Zone to allow redundancy and to take advantage of "off peak" pumping rates.	Staff is reviewing project scope.
19	Urban Water Management Plan 2005	The Urban Water Management Planning Act (Water Code §§ 10610-10657) was adopted in 1983. It requires urban water suppliers to prepare and adopt an Urban Water Management Plan (UWMP) every five years. The last update was for year 2000; by law, it is time to again prepare and adopt the UWMP.	Plan is nearing completion.
20	Flow Meter Replacement	Replacement of worn-out and soon-to-wear-out flow meters at well sites, to maintain optimal system performance and to accurately comply with mandated regulatory reporting requirements.	City staff performing.
21	Park Street Pump & Motor Replacement	Project to add additional pumping capacity and to add needed redundancy to the system. Existing pumps are undersized for the existing pumping demands and are therefore working too hard and are wearing out. The Park Street Pump Station is the sole means for pumping water north of Mill Park. This project will follow the water master plan.	Staff is reviewing project scope.
22	Steckel Water Facility- Building Improvements	Improvements to the building housing the central water conditioning facility to prevent water leakage.	Staff is completing.
23	Well #11 Site and Piping Improvements	Existing piping is undersized and inefficient causing excess pressures with increased likelihood of leaks and increased operating costs. This project will connect a piping configuration between Well 11 and Well 13, improving efficiency of both wells.	Contractor selected. Work commencing.
24	Well # 12 Rehab	The well is a critical water production facility for the City and routine well rehabilitation is required.	Contract awarded. Work underway.
25	Well # 12 Filter Media Replacement	The filter is necessary to deal with iron and manganese. The media is part of the original installation and is past its useful life.	Contract awarded. Work underway.