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FINANCIAL ADVISORY COMMISSION AGENDA

**CITY HALL STUDY SESSION ROOM
78-495 Calle Tampico, La Quinta**

REGULAR MEETING ON WEDNESDAY, NOVEMBER 15, 2017 AT 4:00 P.M.

CALL TO ORDER

ROLL CALL: Commissioners: Johnson, Lopez, Mills, Rosen, Turbow, Twohey,
Chairperson Batavick

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

At this time members of the public may address the Commission on any matter not listed on the agenda. Please complete a "Request to Speak" form and limit your comments to three minutes. The Financial Advisory Commission values your comments; however in accordance with State law, no action shall be taken on any item not appearing on the agenda unless it is an emergency item authorized by GC 54954.2(b).

ANNOUNCEMENTS, PRESENTATIONS, AND WRITTEN COMMUNICATIONS

CONFIRMATION OF AGENDA

CONSENT CALENDAR

- 1. APPROVE MINUTES OF AUGUST 9, 2017**
- 2. RECEIVE AND FILE THE FIRST QUARTER FISCAL YEAR 2017/18 TREASURY REPORTS FOR JULY, AUGUST, AND SEPTEMBER 2017.**
- 3. RECEIVE AND FILE REVENUE AND EXPENDITURE REPORTS DATED JUNE, 2017**

4. RECEIVE AND FILE REVENUE AND EXPENDITURE REPORTS DATED JULY AND AUGUST, 2017
5. RECEIVE AND FILE REVENUE AND EXPENDITURE REPORTS DATED SEPTEMBER, 2017

BUSINESS SESSION

1. APPOINT THE CHAIRMAN AND TWO COMMISSIONERS TO FORMULATE THE ANNUAL MEASURE G SALES TAX OVERSIGHT COMPLIANCE REPORT

STUDY SESSION

1. DISCUSS RESERVE ANALYSIS REPORT AND FINDINGS
2. DISCUSS BUDGET VS ACTUAL REVENUE AND EXPENSE REPORT OPTIONS

DEPARTMENTAL REPORTS

1. SECOND QUARTER SALES TAX UPDATE FOR THE CITY OF LA QUINTA

COMMISSIONERS' ITEMS

ADJOURNMENT

The next regular meeting of the Financial Advisory Commission will be held on February 12, 2018 commencing at 4:00 p.m. at the La Quinta West Conference Room, 78-495 Calle Tampico, La Quinta, CA 92253.

DECLARATION OF POSTING

I, Jessica Delgado, Management Assistant, of the City of La Quinta, do hereby declare that the foregoing Agenda for the La Quinta Financial Advisory Commission meeting was posted on the City's website, near the entrance to the Council Chamber at 78-495 Calle Tampico, and the bulletin boards at 78-630 Highway 111, and the La Quinta Cove Post Office at 51-321 Avenida Bermudas, on November 9, 2017.

DATED: November 9, 2017

Jessica Delgado, Management Assistant
City of La Quinta, California

Public Notices

The La Quinta City Study Session Room is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at 777-7103, twenty-four (24) hours in advance of the meeting and accommodations will be made.

If special electronic equipment is needed to make presentations to the FAC, arrangements should be made in advance by contacting the City Clerk's office at 777-7103. A one (1) week notice is required.

If background material is to be presented to the Financial Advisory Commission during a special FAC meeting, please be advised that five (5) copies of all documents, exhibits, etc., must be supplied to the Management Assistant for distribution. It is requested that this take place prior to the beginning of the meeting.

Any Writings or documents provided to a majority of the Financial Advisory Commission regarding any item(s) on the agenda will be made available for public inspection at the Community Development counter at City Hall located at 78-495 Calle Tampico, La Quinta, California, 92253, during normal business hours.



**FINANCIAL ADVISORY COMMISSION
MINUTES
WEDNESDAY, AUGUST 9, 2017**

CALL TO ORDER

A regular meeting of the La Quinta Financial Advisory Commission was called to order at 4:00 p.m. by Chairperson Batavick.

PRESENT: Commissioners Mills, Rosen, Turbow, Twohey, and Chairperson Batavick

ABSENT: Commissioners Johnson and Lopez

PLEDGE OF ALLEGIANCE

Commissioner Twohey led the audience in the pledge of allegiance.

COMMISSIONER LOPEZ JOINED THE MEETING AT 4:04 P.M.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

PUBLIC SPEAKER - None

CONFIRMATION OF AGENDA – Confirmed

ANNOUNCEMENTS, PRESENTATIONS, AND WRITTEN COMMUNICATIONS

1. INTRODUCTION OF VAVRINEK, TRINE, DAY & CO., LLP AUDIT FIRM

Certified Public Accountant Partner Phillip White and Certified Public Accountant Manager Lauryn Stapleton introduced Vavrinek, Trine, Day & Co., LLP, an audit firm and provided information on audit scope and timing; the audit firm's qualifications, experience and background.

2. INTRODUCTION OF FINANCE DEPARTMENT STAFF

Accountant Blondell, Account Technician Armendariz, and Senior Accountant Martinez introduced themselves and provided information on their experience and background. Finance Director Campos said Junior Accountant Laureano and Account Technician Gant were also part of the Finance Department team.

CONSENT CALENDAR ITEMS

- 1. APPROVE FINANCIAL ADVISORY COMMISSION MINUTES OF JUNE 8, 2017**
- 2. APPROVE FINANCIAL ADVISORY COMMISSION MINUTES OF JUNE 12, 2017**

The Commission said that under Consent Calendar Item No. 1, page No. 1, the name Batavick under the PRESENT section of CALL TO ORDER should be moved up one line. The CALL TO ORDER shall be amended to read:

PRESENT: Commissioner Mills, Rosen, Twohey, and Chairperson Batavick
ABSENT: Commissioner Turbow

Motion – A motion was made and seconded by Commissioners Rosen/Twohey to approve Consent Calendar Item Nos. 1 and 2, as amended and submitted, respectively. Motion passed: ayes 6, absent 1 (Johnson).

- 3. RECEIVE AND FILE THE 4TH QUARTER FISCAL YEAR 2016/17 TREASURY REPORT FOR APRIL, MAY, AND JUNE 2017**

Financial Services Analyst Hallick presented the staff report, which is on file in the Finance Department.

Motion – A motion was made and seconded by Commissioners Mills/Lopez to approve Consent Calendar Item No. 3, as submitted. Motion passed: ayes 6, absent 1 (Johnson).

- 4. RECEIVE AND FILE REVENUE AND EXPENDITURE REPORTS DATED APRIL 30 AND MAY 31, 2017**

Finance Director Campos presented the staff report, which is on file in the Finance Department.

Motion – A motion was made and seconded by Commissioners Mills/Turbow to approve Consent Calendar Item No. 4, as submitted. Motion passed: ayes 6, absent 1 (Johnson).

BUSINESS SESSION

- 1. APPOINT THREE COMMISSIONERS TO SERVE ON THE SUB-COMMITTEE TO REVIEW THE CITY'S RESERVE POLICY**

Finance Director Campos presented the staff report, which is on file in the Finance Department.

Commissioners Twohey, Mills, and Johnson expressed an interest to serve on the Sub-Committee.

Motion – A motion was made and seconded by Commissioners Batavick/Lopez to appoint Commissioners Twohey, Mills, and Johnson to serve on the Sub-Committee to review the City’s reserve policy. Motion passed: ayes 6, absent 1 (Johnson).

2. APPOINT FINANCIAL ADVISORY COMMISSION CHAIRPERSON AND VICE-CHAIRPERSON

Financial Services Analyst Hallick presented the staff report, which is on file in the Finance Department.

Motion – A motion was made and seconded by Commissioners Rosen/Turbow to appoint Commissioners Batavick and Mills, as Chairperson and Vice-Chairperson, respectively, for a period of one year. Motion passed: ayes 6, absent 1 (Johnson).

STUDY SESSION - NONE

DEPARTMENTAL REPORTS

All reports are on file in the Finance Department.

CORRESPONDENCE AND WRITTEN MATERIAL – None

COMMISSIONERS’ ITEMS – None

ADJOURNMENT

There being no further business, it was moved and seconded by Commissioners Turbow/Lopez to adjourn this meeting at 5:35 p.m. Motion passed: ayes 6, absent 1 (Johnson).

Respectfully submitted,

Jessica Delgado, Management Assistant
City of La Quinta, California

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING: November 15, 2017

STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE THE 1ST QUARTER 2017/18 TREASURY REPORTS- JULY, AUGUST, AND SEPTEMBER 2017

RECOMMENDATION

Receive and file the 1st quarter 2017/18 Treasury Reports- July, August, and September 2017.

BACKGROUND/ANALYSIS

Treasurer's Commentary on 1st Quarter FY 2017/18

For the 1st quarter period of FY 2017/18 (July 1, 2017 through September 30, 2017) the City's total book value of the portfolio decreased \$16.43 million, from \$139.49 million on June 30, 2017 to \$123.06 million on September 30, 2017. The decrease reflects revenue, expenditure, and investment activities during the quarter. Notably, there was a decrease of \$16.8 million in Local Agency Investment Funds (LAIF), the majority of which was used for Successor Agency (SA) debt service bond payments in August.

Investment Activity

July 2017

- Due to market conditions, a \$5 million US Agency Bond with Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac) was called on 6/29/17. The proceeds were used to purchase 11 new investments in order to spread maturities for liquidity purposes. All of the new investments settled in July and are listed below.
 - First Farmers Bank and Trust CD for \$240,000 with a coupon rate of 1.65% maturing on 11/21/2019
 - Douglas National Bank CD for \$240,000 with a coupon rate of 1.65% maturing on 1/21/2020
 - Mercantile Bank CD for \$240,000 with a coupon rate of 1.75% maturing on 7/7/2020
 - First Bank of Highland CD for \$240,000 with a coupon rate of 1.75% maturing on 7/13/2020
 - Bankers Bank CD for \$240,000 with a coupon rate of 1.80% maturing on 1/14/2021
 - Central State Bank CD for \$240,000 with a coupon rate of 1.85% maturing on 7/14/2021
 - Ohio Valley Bank CD for \$240,000 with a coupon rate of 1.90% maturing on 1/19/2022

- HSBC Bank CD for \$240,000 with a coupon rate of 2.30% maturing on 7/14/2022
- Federal Farm Credit Bank US Agency Bond with a PAR value of \$1,000,000 purchased at a discount for \$992,600 with a coupon rate of 1.08% maturing on 7/12/2019. This bond is callable.
- Federal Home Loan Mortgage Corp US Agency Bond with a PAR value of 1,000,000 purchased at a discount for \$999,500 with a coupon rate of 2.00%, maturing on 12/29/2021. This bond is callable.
- Federal Home Loan Mortgage Corp US Agency Bond with a PAR value of 1,000,000 and a coupon rate of 2.15%, maturing on 7/27/2022. This bond is callable.
- LAIF total was decreased by \$1.88 million:
 - \$116,191 in earned interest
 - \$2,000,000 withdrawals
- Bank service charges were covered by earnings allowance, no debits or credits were incurred.
- In July, the average-days-to-maturity of all investments was 347 days.

August 2017

- A new CD was purchased; American Express Federal Savings Bank for \$240,000 with a coupon rate of 2.40% maturing on 8/29/2022
- LAIF was decreased by a \$15.0 million transfer to the operating account to cover debt service payments on bonds.
- Bank service charges were covered by earnings allowance, no debits or credits were incurred.
- In August, the average-days-to-maturity of all investments was 344 days.

September 2017

- There were no sales, purchases or maturities in the month of September.
- Bank service charges were covered by earnings allowance, no debits or credits were incurred.
- In September, the average-days-to-maturity of all investments was 367 days.

Portfolio Performance

Overall during the 1ST quarter of FY 2017/18, market conditions have allowed for active trading to realize gains, increase yields, and spread maturities. The market continued to react to the changing political climate and economic news. Staff worked with the City's broker partner to capitalize on market conditions. The annual effective rate of return for this fiscal year is 0.95% as of September.

Total first quarter interest earnings and gains were as follows:

	Total Earnings	
July	\$	112,439.04
August	\$	102,075.57
September	\$	102,053.13
Total	\$	316,567.74

The first quarter portfolio was distributed as follows:

Investment Type	Percent of Portfolio		
	July	August	September
Local Agency Investment Fund (LAIF)	44%	34%	37%
Federal Agency Coupons	11%	11%	12%
Treasury Coupons	12%	12%	13%
Certificates of Deposit (CD's)	9%	10%	11%
Corporate Notes	2%	2%	2%
Bank Accounts	4%	3%	4%
Money Markets with Fiscal Agent	19%	29%	21%
Total	100%	100%	100%

Other Notes

Money market funds with the fiscal agent are bond proceeds subject to bond indentures, not the City's investment policy. In June, the City received Successor Agency (SA) property tax revenue to pay for debt service in August. SA funds cannot be invested in long-term investments. Therefore, SA funds are only invested in LAIF.

Looking Ahead

The Treasurer follows a "buy and hold" investment policy, unless fiscally advantageous to the City to actively trade outside of maturity dates. In the short term the Treasurer will invest in negotiable certificates of deposits and LAIF as needed. Longer term investments may include Government Sponsored Enterprise securities, U.S. Treasuries, and Corporate Notes. All investments recognize the City's immediate and long-term cash flow needs.

ALTERNATIVES - None

Prepared by: Rosemary Hallick, Financial Services Analyst

Approved by: Karla Campos, Finance Director/City Treasurer

Attachments: 1. Treasurer's Reports for July 1, 2017 to September 30, 2017



City of La Quinta
Portfolio Management
Portfolio Summary
August 31, 2017

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Local Agency Investment Funds	45,435,606.91	45,369,590.15	45,435,606.91	33.57	1	1	1.084
Federal Agency Coupon Securities	14,500,000.00	14,412,220.00	14,473,350.00	10.69	1,566	1,289	1.760
Treasury Coupon Securities	16,500,000.00	16,371,195.00	16,417,175.00	12.13	1,223	963	1.284
Certificate of Deposits	13,090,000.00	13,103,698.93	13,090,000.00	9.67	1,460	784	1.619
Corporate Notes	2,500,000.00	2,485,105.00	2,486,250.00	1.84	863	722	1.423
Bank Accounts	4,674,698.86	4,674,698.86	4,674,698.86	3.45	1	1	0.000
Money Market with Fiscal Agent	38,786,633.34	38,786,633.34	38,786,633.34	28.65	1	1	0.000
Investments	135,486,939.11	135,203,141.28	135,363,714.11	100.00%	473	344	0.890
Cash and Accrued Interest							
Accrued Interest at Purchase		610.64	610.64				
Subtotal		610.64	610.64				
Total Cash and Investments	135,486,939.11	135,203,751.92	135,364,324.75		473	344	0.890
Total Earnings							
	August 31	Month Ending	Fiscal Year To Date				
Current Year		102,075.57	214,514.61				
Average Daily Balance		124,305,794.24	131,720,050.16				
Effective Rate of Return		0.97%	0.96%				

I certify that this report accurately reflects all pooled investments and is in compliance with the California Government Code; and is in conformity with the City Investment Policy.

As Treasurer of the City of La Quinta, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the pools expenditure requirements for the next six months. The City of La Quinta used the Bureau of the Public Debt, U.S. Bank monthly statement, The Bank of New York, and First Empire monthly custodian reports to determine the fair market value of investments at month end.

Reporting period 08/01/2017-08/31/2017

Run Date: 11/07/2017 - 11:55

Portfolio CITY
CP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

City of La Quinta
Portfolio Management
August 31, 2017



Karla Campos, Finance Director

11-8-2017

Reporting period 08/01/2017-08/31/2017

Run Date: 11/07/2017 - 11:55

Portfolio CITY
CP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

**City of La Quinta
Portfolio Management
Portfolio Details - Investments
August 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Local Agency Investment Funds												
98-33-434	1055	Local Agency Inv Fund			45,435,606.91	45,369,590.15	45,435,606.91	1.084	1	1	1.084	
Subtotal and Average			46,887,219.81		45,435,606.91	45,369,590.15	45,435,606.91		1	1	1.084	
Federal Agency Coupon Securities												
3133EGLC7	1092	Federal Farm Credit Bank		07/10/2017	1,000,000.00	992,590.00	992,600.00	1.080	732	679	1.456	07/12/2019
3130A7QZ1	1053	Federal Home Loan Bank		04/28/2016	2,500,000.00	2,459,275.00	2,491,250.00	1.350	1,826	1,335	1.423	04/28/2021
3130A9UQ2	1064	Federal Home Loan Bank		10/26/2016	2,500,000.00	2,468,550.00	2,500,000.00	1.375	1,461	1,151	1.375	10/26/2020
3134G8Y37	1054	Federal Home Loan Mtg Corp		04/28/2016	2,500,000.00	2,495,425.00	2,500,000.00	1.250	1,826	1,335	2.115	04/28/2021
3134GBAE2	1073	Federal Home Loan Mtg Corp		03/29/2017	2,000,000.00	2,000,120.00	1,990,000.00	2.000	1,826	1,670	2.106	03/29/2022
3134GBXF4	1084	Federal Home Loan Mtg Corp		07/06/2017	1,000,000.00	1,000,180.00	999,500.00	2.000	1,637	1,580	2.012	12/29/2021
3134GBWG3	1090	Federal Home Loan Mtg Corp		07/27/2017	1,000,000.00	1,000,200.00	1,000,000.00	2.150	1,826	1,790	2.150	07/27/2022
3135G0S53	1072	Federal National Mtg Assn		03/27/2017	2,000,000.00	1,995,880.00	2,000,000.00	1.700	1,036	878	1.700	01/27/2020
Subtotal and Average			14,473,350.00		14,500,000.00	14,412,220.00	14,473,350.00		1,566	1,289	1.760	
Treasury Coupon Securities												
912828S27	1045	U.S. Treasury		07/18/2016	5,000,000.00	4,915,250.00	5,000,000.00	1.125	1,808	1,398	1.125	06/30/2021
912828L81	1063	U.S. Treasury		10/24/2016	2,500,000.00	2,489,250.00	2,502,250.00	0.875	721	409	0.829	10/15/2018
912828J84	1068	U.S. Treasury		03/20/2017	2,500,000.00	2,499,600.00	2,483,250.00	1.375	1,107	942	1.602	03/31/2020
912828U73	1069	U.S. Treasury		03/20/2017	2,500,000.00	2,501,075.00	2,490,750.00	1.375	1,000	835	1.513	12/15/2019
912828T67	1070	U.S. Treasury		03/27/2017	2,000,000.00	1,969,460.00	1,942,800.00	1.250	1,679	1,521	1.903	10/31/2021
912828Q45	1071	U.S. Treasury		03/27/2017	2,000,000.00	1,996,560.00	1,998,125.00	0.875	369	211	0.968	03/31/2018
Subtotal and Average			16,417,175.00		16,500,000.00	16,371,195.00	16,417,175.00		1,223	963	1.284	
Certificate of Deposits												
31938QH72	1019	First Business Bank		05/20/2014	240,000.00	240,424.80	240,000.00	1.750	1,826	626	1.751	05/20/2019
320165HX4	1091	First Farmers Bank & Trust Co.		07/21/2017	240,000.00	239,563.20	240,000.00	1.650	853	811	1.653	11/21/2019
32082BDF3	1020	First Merchants Bank		04/30/2014	240,000.00	240,717.60	240,000.00	1.500	1,644	424	1.501	10/30/2018
330459AY4	1044	First National-Mayfield		06/11/2015	248,000.00	247,997.52	248,000.00	1.000	914	101	1.002	12/11/2017
88413QAN8	1038	Third Saving Bank and Loan		04/29/2014	240,000.00	240,040.80	240,000.00	1.250	1,371	150	1.251	01/29/2018
02006LWX7	1001	Ally Bank Midvale		12/24/2015	240,000.00	240,218.40	240,000.00	1.700	1,096	479	1.702	12/24/2018
02587DP85	1077	Amex Centurion		04/19/2017	240,000.00	241,821.60	240,000.00	2.250	1,461	1,326	2.252	04/19/2021
02587CFU9	1096	American Express Fed Savings B		08/29/2017	240,000.00	241,543.20	240,000.00	2.400	1,826	1,823	2.402	08/29/2022
06740KGR2	1003	Barclays Bank		04/29/2014	240,000.00	241,396.80	240,000.00	1.900	1,826	605	1.901	04/29/2019
084601AL7	1004	Berkshire Bank		04/30/2014	240,000.00	240,314.40	240,000.00	1.350	1,461	241	1.351	04/30/2018
05580AGK4	1067	BMW Bank		02/24/2017	240,000.00	241,348.80	240,000.00	2.200	1,826	1,637	2.201	02/24/2022
06610RAP4	1086	Bankers Bank		07/14/2017	240,000.00	239,479.20	240,000.00	1.800	1,280	1,231	1.804	01/14/2021

**City of La Quinta
Portfolio Management
Portfolio Details - Investments
August 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Certificate of Deposits												
14042RGD7	1082	Capital One Natl Assn FDIC4297		06/07/2017	240,000.00	243,237.60	240,000.00	2.250	1,461	1,375	2.252	06/07/2021
140420RX0	1006	Capital One USA FDIC33954		06/10/2015	245,000.00	245,855.05	245,000.00	1.900	1,827	1,013	1.902	06/10/2020
14376RAM9	1007	Carolina Alliance		06/19/2015	248,000.00	247,618.08	248,000.00	1.000	1,004	199	1.000	03/19/2018
20033APG5	1009	Comenity Capital Bank		02/22/2016	240,000.00	238,632.00	240,000.00	1.700	1,827	1,270	1.702	02/22/2021
17284CKN3	1008	CitiBank		08/14/2013	240,000.00	240,950.40	240,000.00	1.900	1,826	347	1.901	08/14/2018
15523RBJ4	1085	Central State Bank		07/14/2017	240,000.00	239,728.80	240,000.00	1.850	1,461	1,412	1.851	07/14/2021
20451PLG9	1010	Compass Bank		06/05/2015	248,000.00	247,942.96	248,000.00	1.350	1,096	277	1.351	06/05/2018
20786ABD6	1011	Connect One		06/05/2015	248,000.00	247,942.96	248,000.00	1.500	1,461	642	1.501	06/05/2019
219240AZ1	1012	Cornerstone Community Bank		04/30/2014	240,000.00	240,028.80	240,000.00	1.350	1,461	241	1.351	04/30/2018
225645DC1	1013	Crescent Bank and Trust		04/30/2014	240,000.00	239,949.60	240,000.00	1.300	1,461	241	1.301	04/30/2018
2546722U1	1066	Discover Bank Greenwood DE CF		02/01/2017	240,000.00	242,078.40	240,000.00	2.250	1,826	1,614	2.251	02/01/2022
259744DS6	1093	Douglas National Bank		07/19/2017	240,000.00	239,383.20	240,000.00	1.650	916	872	1.655	01/21/2020
290800AL5	1015	Embassy National		06/17/2015	248,000.00	247,871.04	248,000.00	1.000	1,003	196	1.000	03/16/2018
294209AQ4	1016	Ephrata Bank		04/30/2014	240,000.00	241,440.00	240,000.00	1.650	1,826	606	1.651	04/30/2019
29976DXX3	1017	EverBank		06/05/2015	248,000.00	247,208.88	248,000.00	1.700	1,827	1,008	1.702	06/05/2020
307814DC4	1018	Farmers & Merch		06/05/2015	248,000.00	246,804.64	248,000.00	1.250	1,341	522	1.252	02/05/2019
402194EB6	1024	Gulf Coast Bank		05/19/2014	240,000.00	240,427.20	240,000.00	1.750	1,827	626	1.724	05/20/2019
38148PJK4	1078	Goldman Sachs		04/26/2017	240,000.00	242,834.40	240,000.00	2.400	1,826	1,698	2.401	04/26/2022
319141GT8	1094	First Bank of Highland		07/13/2017	240,000.00	239,431.20	240,000.00	1.750	1,096	1,046	1.752	07/13/2020
40434YLE5	1088	HSBC Bank USA, National Associ		07/14/2017	240,000.00	240,962.40	240,000.00	2.300	1,826	1,777	2.300	07/14/2022
45383UQY4	1025	Independent Bank		06/12/2015	248,000.00	247,970.24	248,000.00	0.900	945	133	0.902	01/12/2018
55266CME3	1027	MB Financial Bank		06/05/2015	248,000.00	247,737.12	248,000.00	1.100	1,096	277	1.101	06/05/2018
58403BL95	1028	Medallion Bank		04/25/2014	240,000.00	240,036.00	240,000.00	1.350	1,461	236	1.351	04/25/2018
58740XZL7	1087	Mercantile Bank of Michigan		07/07/2017	240,000.00	239,450.40	240,000.00	1.750	1,096	1,040	1.750	07/07/2020
564759QT8	1026	MFR Trade & Trust		06/10/2015	248,000.00	247,635.44	248,000.00	1.200	1,097	283	1.033	06/11/2018
063615AVO	1002	Bank Midwest		06/12/2015	248,000.00	246,846.80	248,000.00	1.650	1,827	1,015	1.652	06/12/2020
619165GE7	1030	Morton Community		06/12/2015	248,000.00	247,613.12	248,000.00	1.250	1,279	467	1.251	12/12/2018
59012Y6Q5	1029	Merrick Bank		05/09/2014	240,000.00	240,324.00	240,000.00	1.350	1,461	250	1.351	05/09/2018
677721CNO	1089	The Ohio Valley Bank		07/19/2017	240,000.00	238,684.80	240,000.00	1.900	1,645	1,601	1.903	01/19/2022
704692AL6	1031	Peapack-Gladstone Bank		05/28/2014	240,000.00	241,449.60	240,000.00	1.800	1,826	634	1.801	05/28/2019
74267GVG9	1032	PrivateBank & Trust		05/26/2016	240,000.00	237,604.80	240,000.00	1.500	1,826	1,363	1.501	05/26/2021
75874TAH4	1033	Regal Bank		05/16/2014	240,000.00	240,396.00	240,000.00	1.400	1,522	318	1.401	07/16/2018
319267GC8	1081	Fist Bank Richmond		06/21/2017	245,000.00	244,519.80	245,000.00	1.800	1,251	1,179	1.802	11/23/2020
76951DAL4	1034	Riverwood		06/05/2015	248,000.00	248,096.72	248,000.00	1.400	1,553	734	1.402	09/05/2019
795450A70	1083	Sallie Mae Bank Salt Lake City		06/21/2017	240,000.00	241,740.00	240,000.00	2.350	1,826	1,754	2.351	06/21/2022
83637AAP9	1036	South Atlantic		06/09/2015	248,000.00	247,538.72	248,000.00	1.000	1,035	220	1.001	04/09/2018

Portfolio CITY
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**City of La Quinta
Portfolio Management
Portfolio Details - Investments
August 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Certificate of Deposits												
83427LAX2	1035	Solomon State		06/04/2015	248,000.00	247,945.44	248,000.00	1.400	1,461	641	1.401	06/04/2019
857894TC3	1076	Stearnes Bank, N.A.		04/21/2017	240,000.00	238,768.80	240,000.00	1.600	1,096	963	1.588	04/21/2020
87164XQV1	1080	Synchrony Bank Retail		06/02/2017	240,000.00	242,474.40	240,000.00	2.400	1,826	1,735	2.401	06/02/2022
894333FE8	1040	Traverse City		05/30/2014	240,000.00	240,141.60	240,000.00	1.100	1,280	90	1.102	11/30/2017
94768NJQ8	1042	Webster Bank		04/23/2014	240,000.00	241,396.80	240,000.00	1.800	1,826	599	1.801	04/23/2019
9497483N5	1043	Wells Fargo		02/26/2016	240,000.00	240,134.40	240,000.00	1.200	1,096	543	1.201	02/26/2019
Subtotal and Average			12,873,225.81		13,090,000.00	13,103,698.93	13,090,000.00		1,460	784	1.619	
Corporate Notes												
037833CC2	1079	Apple Inc		06/12/2017	500,000.00	493,025.00	493,050.00	1.550	1,514	1,433	1.900	08/04/2021
478160BR4	1075	Johnson and Johnson Corp		03/29/2017	2,000,000.00	1,992,080.00	1,993,200.00	1.125	702	546	1.305	03/01/2019
Subtotal and Average			2,486,250.00		2,500,000.00	2,485,105.00	2,486,250.00		863	722	1.423	
Bank Accounts												
SYS1060	1060	First Empire Bank		07/01/2016	0.00	0.00	0.00		1	1	0.000	
SYS1062	1062	La Quinta Palms Realty		07/01/2016	106,157.03	106,157.03	106,157.03		1	1	0.000	
4159282482	1057	Wells Fargo		07/01/2016	3,466,977.96	3,466,977.96	3,466,977.96		1	1	0.000	
SYS1059	1059	Wells Fargo		07/01/2016	1,700.00	1,700.00	1,700.00		1	1	0.000	
SYS1061	1061	Washington St Apt La Quinta		07/01/2016	1,099,863.87	1,099,863.87	1,099,863.87		1	1	0.000	
Subtotal and Average			5,159,679.71		4,674,698.86	4,674,698.86	4,674,698.86		1	1	0.000	
Money Market with Fiscal Agent												
SYS1058	1058	US Bank		07/01/2016	38,786,633.34	38,786,633.34	38,786,633.34		1	1	0.000	
Subtotal and Average			26,008,893.91		38,786,633.34	38,786,633.34	38,786,633.34		1	1	0.000	
Total and Average			124,305,794.24		135,486,939.11	135,203,141.28	135,363,714.11		473	344	0.890	

**City of La Quinta
Portfolio Management
Portfolio Details - Cash
August 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365
		Average Balance	0.00	Accrued Interest at Purchase		610.64	610.64		0	0	
				Subtotal		610.64	610.64				
		Total Cash and Investments	124,305,794.24		135,486,939.11	135,203,751.92	135,364,324.75		473	344	0.890

**City of La Quinta
Portfolio Management
Activity By Type
August 1, 2017 through August 31, 2017**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
Local Agency Investment Funds (Monthly Summary)								
98-33-434	1055	Local Agency Inv Fund		1.084		0.00	15,000,000.00	
		Subtotal	60,435,606.91			0.00	15,000,000.00	45,435,606.91
Federal Agency Coupon Securities								
		Subtotal	14,473,350.00					14,473,350.00
Treasury Coupon Securities								
		Subtotal	16,417,175.00					16,417,175.00
Certificate of Deposits								
02587CFU9	1096	American Express Fed Savings B		2.400	08/29/2017	240,000.00	0.00	
		Subtotal	12,850,000.00			240,000.00	0.00	13,090,000.00
Corporate Notes								
		Subtotal	2,486,250.00					2,486,250.00
Bank Accounts								
SYS1060	1060	First Empire Bank				259,840.35	342,067.02	
SYS1062	1062	La Quinta Palms Realty				11,415.32	0.00	
4159282482	1057	Wells Fargo				17,845,995.53	18,229,382.01	
SYS1061	1061	Washington St Apt La Quinta				0.00	2,333.58	
		Subtotal	5,131,230.27			18,117,251.20	18,573,782.61	4,674,698.86
Money Market with Fiscal Agent								
SYS1058	1058	US Bank				13,203,664.08	0.00	
		Subtotal	25,582,969.26			13,203,664.08	0.00	38,786,633.34
		Total	137,376,581.44			31,560,915.28	33,573,782.61	135,363,714.11

**City of La Quinta
Portfolio Management
Interest Earnings Summary
August 31, 2017**

	August 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	17,040.54	34,782.04
Plus Accrued Interest at End of Period	155,132.71	155,132.71
Less Accrued Interest at Beginning of Period	(117,262.84)	(83,592.53)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	54,910.41	106,322.22
Interest Earned during Period	54,910.41	106,322.22
Adjusted by Capital Gains or Losses	0.00	0.00
	54,910.41	106,322.22
Earnings during Periods	54,910.41	106,322.22
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	0.00	0.00
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	4,390.47	125,076.51
Plus Accrued Interest at End of Period	54,743.49	54,743.49
Less Accrued Interest at Beginning of Period	(11,968.80)	(71,627.61)
	47,165.16	108,192.39
Interest Earned during Period	47,165.16	108,192.39
Total Interest Earned during Period	102,075.57	214,514.61
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	102,075.57	214,514.61



**City of La Quinta
Portfolio Management
Portfolio Summary
July 31, 2017**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Local Agency Investment Funds	60,435,606.91	60,369,590.15	60,435,606.91	43.99	1	1	1.051
Federal Agency Coupon Securities	14,500,000.00	14,368,995.00	14,473,350.00	10.54	1,566	1,320	1.760
Treasury Coupon Securities	16,500,000.00	16,328,015.00	16,417,175.00	11.95	1,223	994	1.284
Certificate of Deposits	12,850,000.00	12,854,801.54	12,850,000.00	9.35	1,453	796	1.605
Corporate Notes	2,500,000.00	2,480,075.00	2,486,250.00	1.81	863	753	1.423
Bank Accounts	5,131,230.27	5,131,230.27	5,131,230.27	3.74	1	1	0.000
Money Market with Fiscal Agent	25,582,969.26	25,582,969.26	25,582,969.26	18.62	1	1	0.000
Investments	137,499,806.44	137,115,676.22	137,376,581.44	100.00%	463	347	0.977

Cash and Accrued Interest					
Accrued Interest at Purchase		610.64	610.64		
Subtotal		610.64	610.64		
Total Cash and Investments	137,499,806.44	137,116,286.86	137,377,192.08	463	347

Total Earnings	July 31	Month Ending	Fiscal Year To Date
Current Year		112,439.04	112,439.04
Average Daily Balance		139,134,306.09	139,134,306.09
Effective Rate of Return		0.95%	0.95%

I certify that this report accurately reflects all pooled investments and is in compliance with the California Government Code; and is in conformity with the City Investment Policy.

As Treasurer of the City of La Quinta, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the pools expenditure requirements for the next six months. The City of La Quinta used the Bureau of the Public Debt, U.S. Bank monthly statement, The Bank of New York, and First Empire monthly custodian reports to determine the fair market value of investments at month end.

City of La Quinta
Portfolio Management
July 31, 2017


Karla Campos, Finance Director

11-8-2017

Reporting period 07/01/2017-07/31/2017

Run Date: 11/07/2017 - 11:54

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Report Ver. 7.3.6.1

**City of La Quinta
Portfolio Management
Portfolio Details - Investments
July 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Local Agency Investment Funds												
98-33-434	1055	Local Agency Inv Fund			60,435,606.91	60,369,590.15	60,435,606.91	1.051	1	1	1.051	
Subtotal and Average			61,967,526.77		60,435,606.91	60,369,590.15	60,435,606.91		1	1	1.051	
Federal Agency Coupon Securities												
3133EGLC7	1092	Federal Farm Credit Bank		07/10/2017	1,000,000.00	991,750.00	992,600.00	1.080	732	710	1.456	07/12/2019
3130A7QZ1	1053	Federal Home Loan Bank		04/28/2016	2,500,000.00	2,433,075.00	2,491,250.00	1.350	1,826	1,366	1.423	04/28/2021
3130A9UQ2	1064	Federal Home Loan Bank		10/26/2016	2,500,000.00	2,460,325.00	2,500,000.00	1.375	1,461	1,182	1.375	10/26/2020
3134G8Y37	1054	Federal Home Loan Mtg Corp		04/28/2016	2,500,000.00	2,488,875.00	2,500,000.00	1.250	1,826	1,366	2.115	04/28/2021
3134GBAE2	1073	Federal Home Loan Mtg Corp		03/29/2017	2,000,000.00	1,997,680.00	1,990,000.00	2.000	1,826	1,701	2.106	03/29/2022
3134GBXF4	1084	Federal Home Loan Mtg Corp		07/06/2017	1,000,000.00	997,970.00	999,500.00	2.000	1,637	1,611	2.012	12/29/2021
3134GBWG3	1090	Federal Home Loan Mtg Corp		07/27/2017	1,000,000.00	1,000,040.00	1,000,000.00	2.150	1,826	1,821	2.150	07/27/2022
3135G0S53	1072	Federal National Mtg Assn		03/27/2017	2,000,000.00	1,999,280.00	2,000,000.00	1.700	1,036	909	1.700	01/27/2020
Subtotal and Average			13,185,256.45		14,500,000.00	14,368,995.00	14,473,350.00		1,566	1,320	1.760	
Treasury Coupon Securities												
912828S27	1045	U.S. Treasury		07/18/2016	5,000,000.00	4,892,000.00	5,000,000.00	1.125	1,808	1,429	1.125	06/30/2021
912828L81	1063	U.S. Treasury		10/24/2016	2,500,000.00	2,487,800.00	2,502,250.00	0.875	721	440	0.829	10/15/2018
912828J84	1068	U.S. Treasury		03/20/2017	2,500,000.00	2,495,325.00	2,483,250.00	1.375	1,107	973	1.602	03/31/2020
912828U73	1069	U.S. Treasury		03/20/2017	2,500,000.00	2,498,050.00	2,490,750.00	1.375	1,000	866	1.513	12/15/2019
912828T67	1070	U.S. Treasury		03/27/2017	2,000,000.00	1,958,980.00	1,942,800.00	1.250	1,679	1,552	1.903	10/31/2021
912828Q45	1071	U.S. Treasury		03/27/2017	2,000,000.00	1,995,860.00	1,998,125.00	0.875	369	242	0.968	03/31/2018
Subtotal and Average			16,417,175.00		16,500,000.00	16,328,015.00	16,417,175.00		1,223	994	1.284	
Certificate of Deposits												
31938QH72	1019	First Business Bank		05/20/2014	240,000.00	240,674.40	240,000.00	1.750	1,826	657	1.751	05/20/2019
320165HX4	1091	First Farmers Bank & Trust Co.		07/21/2017	240,000.00	239,731.20	240,000.00	1.650	853	842	1.653	11/21/2019
32082BDF3	1020	First Merchants Bank		04/30/2014	240,000.00	240,916.80	240,000.00	1.500	1,644	455	1.501	10/30/2018
330459AY4	1044	First National-Mayfield		06/11/2015	248,000.00	247,918.16	248,000.00	1.000	914	132	1.002	12/11/2017
88413QAN8	1038	Third Saving Bank and Loan		04/29/2014	240,000.00	239,959.20	240,000.00	1.250	1,371	181	1.251	01/29/2018
02006LWX7	1001	Ally Bank Midvale		12/24/2015	240,000.00	240,403.20	240,000.00	1.700	1,096	510	1.702	12/24/2018
02587DP85	1077	Amex Centurion		04/19/2017	240,000.00	240,933.60	240,000.00	2.250	1,461	1,357	2.252	04/19/2021
06740KGR2	1003	Barclays Bank		04/29/2014	240,000.00	241,687.20	240,000.00	1.900	1,826	636	1.901	04/29/2019
084601AL7	1004	Berkshire Bank		04/30/2014	240,000.00	240,333.60	240,000.00	1.350	1,461	272	1.351	04/30/2018
05580AGK4	1067	BMW Bank		02/24/2017	240,000.00	240,494.40	240,000.00	2.200	1,826	1,668	2.201	02/24/2022
06610RAP4	1086	Bankers Bank		07/14/2017	240,000.00	239,001.60	240,000.00	1.800	1,280	1,262	1.804	01/14/2021
14042RGD7	1082	Capital One Natl Assn FDIC4297		06/07/2017	240,000.00	242,397.60	240,000.00	2.250	1,461	1,406	2.252	06/07/2021

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**City of La Quinta
Portfolio Management
Portfolio Details - Investments
July 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Certificate of Deposits												
140420RX0	1006	Capital One USA FDIC33954		06/10/2015	245,000.00	245,828.10	245,000.00	1.900	1,827	1,044	1.902	06/10/2020
14376RAM9	1007	Carolina Alliance		06/19/2015	248,000.00	247,504.00	248,000.00	1.000	1,004	230	1.000	03/19/2018
20033APG5	1009	Comenity Capital Bank		02/22/2016	240,000.00	238,024.80	240,000.00	1.700	1,827	1,301	1.702	02/22/2021
17284CKN3	1008	CitiBank		08/14/2013	240,000.00	241,101.60	240,000.00	1.900	1,826	378	1.901	08/14/2018
15523RBJ4	1085	Central State Bank		07/14/2017	240,000.00	238,692.00	240,000.00	1.850	1,461	1,443	1.851	07/14/2021
20451PLG9	1010	Compass Bank		06/05/2015	248,000.00	247,928.08	248,000.00	1.350	1,096	308	1.351	06/05/2018
20786ABD6	1011	Connect One		06/05/2015	248,000.00	248,183.52	248,000.00	1.500	1,461	673	1.501	06/05/2019
219240AZ1	1012	Cornerstone Community Bank		04/30/2014	240,000.00	240,009.60	240,000.00	1.350	1,461	272	1.351	04/30/2018
225645DC1	1013	Crescent Bank and Trust		04/30/2014	240,000.00	239,920.80	240,000.00	1.300	1,461	272	1.301	04/30/2018
2546722U1	1066	Discover Bank Greenwood DE CF		02/01/2017	240,000.00	241,176.00	240,000.00	2.250	1,826	1,645	2.251	02/01/2022
259744DS6	1093	Douglas National Bank		07/19/2017	240,000.00	239,486.40	240,000.00	1.650	916	903	1.655	01/21/2020
290800AL5	1015	Embassy National		06/17/2015	248,000.00	247,794.16	248,000.00	1.000	1,003	227	1.000	03/16/2018
294209AQ4	1016	Ephrata Bank		04/30/2014	240,000.00	241,735.20	240,000.00	1.650	1,826	637	1.651	04/30/2019
29976DXX3	1017	EverBank		06/05/2015	248,000.00	247,139.44	248,000.00	1.700	1,827	1,039	1.702	06/05/2020
307814DC4	1018	Farmers & Merch		06/05/2015	248,000.00	246,926.16	248,000.00	1.250	1,341	553	1.252	02/05/2019
402194EB6	1024	Gulf Coast Bank		05/19/2014	240,000.00	240,676.80	240,000.00	1.750	1,827	657	1.724	05/20/2019
38148PJK4	1078	Goldman Sachs		04/26/2017	240,000.00	242,181.60	240,000.00	2.400	1,826	1,729	2.401	04/26/2022
319141GT8	1094	First Bank of Highland		07/13/2017	240,000.00	239,313.60	240,000.00	1.750	1,096	1,077	1.752	07/13/2020
40434YLE5	1088	HSBC Bank USA, National Associ		07/14/2017	240,000.00	240,528.00	240,000.00	2.300	1,826	1,808	2.300	07/14/2022
45383UQY4	1025	Independent Bank		06/12/2015	248,000.00	247,876.00	248,000.00	0.900	945	164	0.902	01/12/2018
55266CME3	1027	MB Financial Bank		06/05/2015	248,000.00	247,699.92	248,000.00	1.100	1,096	308	1.101	06/05/2018
58403BL95	1028	Medallion Bank		04/25/2014	240,000.00	240,019.20	240,000.00	1.350	1,461	267	1.351	04/25/2018
58740XZL7	1087	Mercantile Bank of Michigan		07/07/2017	240,000.00	239,344.80	240,000.00	1.750	1,096	1,071	1.750	07/07/2020
564759QT8	1026	MFR Trade & Trust		06/10/2015	248,000.00	247,590.80	248,000.00	1.200	1,097	314	1.033	06/11/2018
063615AVO	1002	Bank Midwest		06/12/2015	248,000.00	246,757.52	248,000.00	1.650	1,827	1,046	1.652	06/12/2020
619165GE7	1030	Morton Community		06/12/2015	248,000.00	247,756.96	248,000.00	1.250	1,279	498	1.251	12/12/2018
59012Y6Q5	1029	Merrick Bank		05/09/2014	240,000.00	240,343.20	240,000.00	1.350	1,461	281	1.351	05/09/2018
677721CNO	1089	The Ohio Valley Bank		07/19/2017	240,000.00	237,691.20	240,000.00	1.900	1,645	1,632	1.903	01/19/2022
704692AL6	1031	Peapack-Gladstone Bank		05/28/2014	240,000.00	241,752.00	240,000.00	1.800	1,826	665	1.801	05/28/2019
74267GVG9	1032	PrivateBank & Trust		05/26/2016	240,000.00	236,690.40	240,000.00	1.500	1,826	1,394	1.501	05/26/2021
75874TAH4	1033	Regal Bank		05/16/2014	240,000.00	240,460.80	240,000.00	1.400	1,522	349	1.401	07/16/2018
319267GC8	1081	Fist Bank Rlchmond		06/21/2017	245,000.00	244,176.80	245,000.00	1.800	1,251	1,210	1.802	11/23/2020
76951DAL4	1034	Riverwood		06/05/2015	248,000.00	248,359.60	248,000.00	1.400	1,553	765	1.402	09/05/2019
795450A70	1083	Sallie Mae Bank Salt Lake City		06/21/2017	240,000.00	241,240.80	240,000.00	2.350	1,826	1,785	2.351	06/21/2022
83637AAP9	1036	South Atlantic		06/09/2015	248,000.00	247,439.52	248,000.00	1.000	1,035	251	1.001	04/09/2018
83427LAX2	1035	Solomon State		06/04/2015	248,000.00	248,186.00	248,000.00	1.400	1,461	672	1.401	06/04/2019

**City of La Quinta
Portfolio Management
Portfolio Details - Investments
July 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Certificate of Deposits												
857894TC3	1076	Stearnes Bank, N.A.		04/21/2017	240,000.00	238,747.20	240,000.00	1.600	1,096	994	1.588	04/21/2020
87164XQV1	1080	Synchrony Bank Retail		06/02/2017	240,000.00	241,927.20	240,000.00	2.400	1,826	1,766	2.401	06/02/2022
894333FE8	1040	Traverse City		05/30/2014	240,000.00	240,117.60	240,000.00	1.100	1,280	121	1.102	11/30/2017
94768NJQ8	1042	Webster Bank		04/23/2014	240,000.00	241,687.20	240,000.00	1.800	1,826	630	1.801	04/23/2019
9497483N5	1043	Wells Fargo		02/26/2016	240,000.00	240,336.00	240,000.00	1.200	1,096	574	1.201	02/26/2019
Subtotal and Average			11,975,161.29		12,850,000.00	12,854,801.54	12,850,000.00		1,453	796	1.605	
Corporate Notes												
037833CC2	1079	Apple Inc		06/12/2017	500,000.00	490,915.00	493,050.00	1.550	1,514	1,464	1.900	08/04/2021
478160BR4	1075	Johnson and Johnson Corp		03/29/2017	2,000,000.00	1,989,160.00	1,993,200.00	1.125	702	577	1.305	03/01/2019
Subtotal and Average			2,486,250.00		2,500,000.00	2,480,075.00	2,486,250.00		863	753	1.423	
Bank Accounts												
SYS1060	1060	First Empire Bank		07/01/2016	82,226.67	82,226.67	82,226.67		1	1	0.000	
SYS1062	1062	La Quinta Palms Realty		07/01/2016	94,741.71	94,741.71	94,741.71		1	1	0.000	
4159282482	1057	Wells Fargo		07/01/2016	3,850,364.44	3,850,364.44	3,850,364.44		1	1	0.000	
SYS1059	1059	Wells Fargo		07/01/2016	1,700.00	1,700.00	1,700.00		1	1	0.000	
SYS1061	1061	Washington St Apt La Quinta		07/01/2016	1,102,197.45	1,102,197.45	1,102,197.45		1	1	0.000	
Subtotal and Average			7,524,036.79		5,131,230.27	5,131,230.27	5,131,230.27		1	1	0.000	
Money Market with Fiscal Agent												
SYS1058	1058	US Bank		07/01/2016	25,582,969.26	25,582,969.26	25,582,969.26		1	1	0.000	
Subtotal and Average			25,578,899.79		25,582,969.26	25,582,969.26	25,582,969.26		1	1	0.000	
Total and Average			139,134,306.09		137,499,806.44	137,115,676.22	137,376,581.44		463	347	0.977	

**City of La Quinta
Portfolio Management
Portfolio Details - Cash
July 31, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365
		Average Balance	0.00	Accrued Interest at Purchase		610.64	610.64		0	0	
				Subtotal		610.64	610.64				
		Total Cash and Investments	139,134,306.09		137,499,806.44	137,116,286.86	137,377,192.08		463	347	0.977

**City of La Quinta
Portfolio Management
Activity By Type
July 1, 2017 through July 31, 2017**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
Local Agency Investment Funds (Monthly Summary)								
98-33-434	1055	Local Agency Inv Fund		1.051		116,191.10	2,000,000.00	
		Subtotal	62,319,415.81			116,191.10	2,000,000.00	60,435,606.91
Federal Agency Coupon Securities								
3133EGLC7	1092	Federal Farm Credit Bank		1.080	07/10/2017	992,600.00	0.00	
3134GBXF4	1084	Federal Home Loan Mtg Corp		2.000	07/06/2017	999,500.00	0.00	
3134GBWG3	1090	Federal Home Loan Mtg Corp		2.150	07/27/2017	1,000,000.00	0.00	
		Subtotal	11,481,250.00			2,992,100.00	0.00	14,473,350.00
Treasury Coupon Securities								
		Subtotal	16,417,175.00					16,417,175.00
Certificate of Deposits								
320165HX4	1091	First Farmers Bank & Trust Co.		1.650	07/21/2017	240,000.00	0.00	
06610RAP4	1086	Bankers Bank		1.800	07/14/2017	240,000.00	0.00	
15523RBJ4	1085	Central State Bank		1.850	07/14/2017	240,000.00	0.00	
259744DS6	1093	Douglas National Bank		1.650	07/19/2017	240,000.00	0.00	
319141GT8	1094	First Bank of Highland		1.750	07/13/2017	240,000.00	0.00	
40434YLE5	1088	HSBC Bank USA, National Associ		2.300	07/14/2017	240,000.00	0.00	
58740XZL7	1087	Mercantile Bank of Michigan		1.750	07/07/2017	240,000.00	0.00	
677721CN0	1089	The Ohio Valley Bank		1.900	07/19/2017	240,000.00	0.00	
		Subtotal	10,930,000.00			1,920,000.00	0.00	12,850,000.00
Corporate Notes								
		Subtotal	2,486,250.00					2,486,250.00
Bank Accounts								
SYS1060	1060	First Empire Bank				29,037.98	4,946,811.31	
SYS1062	1062	La Quinta Palms Realty				7,369.72	0.00	
4159282482	1057	Wells Fargo				4,401,320.11	4,663,466.99	
SYS1061	1061	Washington St Apt La Quinta				18,897.98	0.00	
		Subtotal	10,284,882.78			4,456,625.79	9,610,278.30	5,131,230.27
Money Market with Fiscal Agent								
SYS1058	1058	US Bank				4,205.12	0.00	

**City of La Quinta
Portfolio Management
Activity By Type
July 1, 2017 through July 31, 2017**

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
		Subtotal	25,578,764.14			4,205.12	0.00	25,582,969.26
		Total	139,497,737.73			9,489,122.01	11,610,278.30	137,376,581.44

**City of La Quinta
Portfolio Management
Interest Earnings Summary
July 31, 2017**

	July 31 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	17,741.50	17,741.50
Plus Accrued Interest at End of Period	117,262.84	117,262.84
Less Accrued Interest at Beginning of Period	(83,592.53)	(83,592.53)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	51,411.81	51,411.81
Interest Earned during Period	51,411.81	51,411.81
Adjusted by Capital Gains or Losses	0.00	0.00
	51,411.81	51,411.81
Earnings during Periods	51,411.81	51,411.81
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	0.00	0.00
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	120,686.04	120,686.04
Plus Accrued Interest at End of Period	11,968.80	11,968.80
Less Accrued Interest at Beginning of Period	(71,627.61)	(71,627.61)
	61,027.23	61,027.23
Interest Earned during Period	61,027.23	61,027.23
Total Interest Earned during Period	112,439.04	112,439.04
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	112,439.04	112,439.04



**City of La Quinta
Portfolio Management
Portfolio Summary
September 30, 2017**


Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 365 Equiv.
Local Agency Investment Funds	45,435,606.91	45,369,590.15	45,435,606.91	36.92	1	1	1.111
Federal Agency Coupon Securities	14,500,000.00	14,351,975.00	14,473,350.00	11.76	1,566	1,259	1.760
Treasury Coupon Securities	16,500,000.00	16,303,695.00	16,417,175.00	13.34	1,223	933	1.284
Certificate of Deposits	13,090,000.00	13,097,922.30	13,090,000.00	10.64	1,460	754	1.619
Corporate Notes	2,500,000.00	2,475,915.00	2,486,250.00	2.02	863	692	1.423
Bank Accounts	4,914,491.04	4,914,491.04	4,914,491.04	3.99	1	1	0.000
Money Market with Fiscal Agent	26,241,506.96	26,241,506.96	26,241,506.96	21.32	1	1	0.000
Investments	123,181,604.91	122,755,095.45	123,058,379.91	100.00%	521	367	0.989
Cash and Accrued Interest							
Accrued Interest at Purchase		610.64	610.64				
Subtotal		610.64	610.64				
Total Cash and Investments	123,181,604.91	122,755,706.09	123,058,990.55		521	367	0.989

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	102,053.13	316,567.74
Average Daily Balance	134,953,540.59	132,774,449.21
Effective Rate of Return	0.92%	0.95%

I certify that this report accurately reflects all pooled investments and is in compliance with the California Government Code; and is in conformity with the City Investment Policy.

As Treasurer of the City of La Quinta, I hereby certify that sufficient investment liquidity and anticipated revenues are available to meet the pools expenditure requirements for the next six months. The City of La Quinta used the Bureau of the Public Debt, U.S. Bank monthly statement, The Bank of New York, and First Empire monthly custodian reports to determine the fair market value of investments at month end.

City of La Quinta
Portfolio Management
September 30, 2017



Karla Campos, Finance Director

11-8-2017

Reporting period 09/01/2017-09/30/2017

Run Date: 11/07/2017 - 11:57

Portfolio CITY
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PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

**City of La Quinta
Portfolio Management
Portfolio Details - Investments
September 30, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Local Agency Investment Funds												
98-33-434	1055	Local Agency Inv Fund			45,435,606.91	45,369,590.15	45,435,606.91	1.111	1	1	1.111	
Subtotal and Average			45,435,606.91		45,435,606.91	45,369,590.15	45,435,606.91		1	1	1.111	
Federal Agency Coupon Securities												
3133EGLC7	1092	Federal Farm Credit Bank		07/10/2017	1,000,000.00	989,300.00	992,600.00	1.080	732	649	1.456	07/12/2019
3130A7QZ1	1053	Federal Home Loan Bank		04/28/2016	2,500,000.00	2,442,825.00	2,491,250.00	1.350	1,826	1,305	1.423	04/28/2021
3130A9UQ2	1064	Federal Home Loan Bank		10/26/2016	2,500,000.00	2,456,225.00	2,500,000.00	1.375	1,461	1,121	1.375	10/26/2020
3134G8Y37	1054	Federal Home Loan Mtg Corp		04/28/2016	2,500,000.00	2,485,475.00	2,500,000.00	1.250	1,826	1,305	2.115	04/28/2021
3134GBAE2	1073	Federal Home Loan Mtg Corp		03/29/2017	2,000,000.00	1,989,760.00	1,990,000.00	2.000	1,826	1,640	2.106	03/29/2022
3134GBXF4	1084	Federal Home Loan Mtg Corp		07/06/2017	1,000,000.00	994,330.00	999,500.00	2.000	1,637	1,550	2.012	12/29/2021
3134GBWG3	1090	Federal Home Loan Mtg Corp		07/27/2017	1,000,000.00	996,560.00	1,000,000.00	2.150	1,826	1,760	2.150	07/27/2022
3135G0S53	1072	Federal National Mtg Assn		03/27/2017	2,000,000.00	1,997,500.00	2,000,000.00	1.700	1,036	848	1.700	01/27/2020
Subtotal and Average			14,473,350.00		14,500,000.00	14,351,975.00	14,473,350.00		1,566	1,259	1.760	
Treasury Coupon Securities												
912828S27	1045	U.S. Treasury		07/18/2016	5,000,000.00	4,884,400.00	5,000,000.00	1.125	1,808	1,368	1.125	06/30/2021
912828L81	1063	U.S. Treasury		10/24/2016	2,500,000.00	2,486,925.00	2,502,250.00	0.875	721	379	0.829	10/15/2018
912828J84	1068	U.S. Treasury		03/20/2017	2,500,000.00	2,488,375.00	2,483,250.00	1.375	1,107	912	1.602	03/31/2020
912828U73	1069	U.S. Treasury		03/20/2017	2,500,000.00	2,492,275.00	2,490,750.00	1.375	1,000	805	1.513	12/15/2019
912828T67	1070	U.S. Treasury		03/27/2017	2,000,000.00	1,955,320.00	1,942,800.00	1.250	1,679	1,491	1.903	10/31/2021
912828Q45	1071	U.S. Treasury		03/27/2017	2,000,000.00	1,996,400.00	1,998,125.00	0.875	369	181	0.968	03/31/2018
Subtotal and Average			16,417,175.00		16,500,000.00	16,303,695.00	16,417,175.00		1,223	933	1.284	
Certificate of Deposits												
31938QH72	1019	First Business Bank		05/20/2014	240,000.00	240,460.80	240,000.00	1.750	1,826	596	1.751	05/20/2019
320165HX4	1091	First Farmers Bank & Trust Co.		07/21/2017	240,000.00	239,596.80	240,000.00	1.650	853	781	1.653	11/21/2019
32082BDF3	1020	First Merchants Bank		04/30/2014	240,000.00	240,708.00	240,000.00	1.500	1,644	394	1.501	10/30/2018
330459AY4	1044	First National-Mayfield		06/11/2015	248,000.00	248,032.24	248,000.00	1.000	914	71	1.002	12/11/2017
88413QAN8	1038	Third Saving Bank and Loan		04/29/2014	240,000.00	240,069.60	240,000.00	1.250	1,371	120	1.251	01/29/2018
02006LWX7	1001	Ally Bank Midvale		12/24/2015	240,000.00	240,249.60	240,000.00	1.700	1,096	449	1.702	12/24/2018
02587DP85	1077	Amex Centurion		04/19/2017	240,000.00	240,806.40	240,000.00	2.250	1,461	1,296	2.252	04/19/2021
02587CFU9	1096	American Express Fed Savings B		08/29/2017	240,000.00	241,322.40	240,000.00	2.400	1,826	1,793	2.402	08/29/2022
06740KGR2	1003	Barclays Bank		04/29/2014	240,000.00	241,382.40	240,000.00	1.900	1,826	575	1.901	04/29/2019
084601AL7	1004	Berkshire Bank		04/30/2014	240,000.00	240,343.20	240,000.00	1.350	1,461	211	1.351	04/30/2018
05580AGK4	1067	BMW Bank		02/24/2017	240,000.00	240,981.60	240,000.00	2.200	1,826	1,607	2.201	02/24/2022
06610RAP4	1086	Bankers Bank		07/14/2017	240,000.00	239,025.60	240,000.00	1.800	1,280	1,201	1.804	01/14/2021

**City of La Quinta
Portfolio Management
Portfolio Details - Investments
September 30, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Certificate of Deposits												
14042RGD7	1082	Capital One Natl Assn FDIC4297		06/07/2017	240,000.00	242,505.60	240,000.00	2.250	1,461	1,345	2.252	06/07/2021
140420RX0	1006	Capital One USA FDIC33954		06/10/2015	245,000.00	245,678.65	245,000.00	1.900	1,827	983	1.902	06/10/2020
14376RAM9	1007	Carolina Alliance		06/19/2015	248,000.00	247,729.68	248,000.00	1.000	1,004	169	1.000	03/19/2018
20033APG5	1009	Comenity Capital Bank		02/22/2016	240,000.00	238,147.20	240,000.00	1.700	1,827	1,240	1.702	02/22/2021
17284CKN3	1008	CitiBank		08/14/2013	240,000.00	240,974.40	240,000.00	1.900	1,826	317	1.901	08/14/2018
15523RBJ4	1085	Central State Bank		07/14/2017	240,000.00	239,016.00	240,000.00	1.850	1,461	1,382	1.851	07/14/2021
20451PLG9	1010	Compass Bank		06/05/2015	248,000.00	248,032.24	248,000.00	1.350	1,096	247	1.351	06/05/2018
20786ABD6	1011	Connect One		06/05/2015	248,000.00	248,002.48	248,000.00	1.500	1,461	612	1.501	06/05/2019
219240AZ1	1012	Cornerstone Community Bank		04/30/2014	240,000.00	240,091.20	240,000.00	1.350	1,461	211	1.351	04/30/2018
225645DC1	1013	Crescent Bank and Trust		04/30/2014	240,000.00	240,021.60	240,000.00	1.300	1,461	211	1.301	04/30/2018
2546722U1	1066	Discover Bank Greenwood DE CF		02/01/2017	240,000.00	241,656.00	240,000.00	2.250	1,826	1,584	2.251	02/01/2022
259744DS6	1093	Douglas National Bank		07/19/2017	240,000.00	239,378.40	240,000.00	1.650	916	842	1.655	01/21/2020
290800AL5	1015	Embassy National		06/17/2015	248,000.00	247,947.92	248,000.00	1.000	1,003	166	1.000	03/16/2018
294209AQ4	1016	Ephrata Bank		04/30/2014	240,000.00	241,425.60	240,000.00	1.650	1,826	576	1.651	04/30/2019
29976DXX3	1017	EverBank		06/05/2015	248,000.00	247,082.40	248,000.00	1.700	1,827	978	1.702	06/05/2020
307814DC4	1018	Farmers & Merch		06/05/2015	248,000.00	246,918.72	248,000.00	1.250	1,341	492	1.252	02/05/2019
402194EB6	1024	Gulf Coast Bank		05/19/2014	240,000.00	240,463.20	240,000.00	1.750	1,827	596	1.724	05/20/2019
38148PJK4	1078	Goldman Sachs		04/26/2017	240,000.00	242,558.40	240,000.00	2.400	1,826	1,668	2.401	04/26/2022
319141GT8	1094	First Bank of Highland		07/13/2017	240,000.00	239,263.20	240,000.00	1.750	1,096	1,016	1.752	07/13/2020
40434YLE5	1088	HSBC Bank USA, National Associ		07/14/2017	240,000.00	240,873.60	240,000.00	2.300	1,826	1,747	2.300	07/14/2022
45383UQY4	1025	Independent Bank		06/12/2015	248,000.00	248,004.96	248,000.00	0.900	945	103	0.902	01/12/2018
55266CME3	1027	MB Financial Bank		06/05/2015	248,000.00	247,848.72	248,000.00	1.100	1,096	247	1.101	06/05/2018
58403BL95	1028	Medallion Bank		04/25/2014	240,000.00	240,098.40	240,000.00	1.350	1,461	206	1.351	04/25/2018
58740XZL7	1087	Mercantile Bank of Michigan		07/07/2017	240,000.00	239,289.60	240,000.00	1.750	1,096	1,010	1.750	07/07/2020
564759QT8	1026	MFR Trade & Trust		06/10/2015	248,000.00	247,759.44	248,000.00	1.200	1,097	253	1.033	06/11/2018
063615AVO	1002	Bank Midwest		06/12/2015	248,000.00	246,722.80	248,000.00	1.650	1,827	985	1.652	06/12/2020
619165GE7	1030	Morton Community		06/12/2015	248,000.00	247,682.56	248,000.00	1.250	1,279	437	1.251	12/12/2018
59012Y6Q5	1029	Merrick Bank		05/09/2014	240,000.00	240,355.20	240,000.00	1.350	1,461	220	1.351	05/09/2018
677721CNO	1089	The Ohio Valley Bank		07/19/2017	240,000.00	238,303.20	240,000.00	1.900	1,645	1,571	1.903	01/19/2022
704692AL6	1031	Peapack-Gladstone Bank		05/28/2014	240,000.00	241,440.00	240,000.00	1.800	1,826	604	1.801	05/28/2019
74267GVG9	1032	PrivateBank & Trust		05/26/2016	240,000.00	237,014.40	240,000.00	1.500	1,826	1,333	1.501	05/26/2021
75874TAH4	1033	Regal Bank		05/16/2014	240,000.00	240,458.40	240,000.00	1.400	1,522	288	1.401	07/16/2018
319267GC8	1081	Fist Bank Richmond		06/21/2017	245,000.00	244,120.45	245,000.00	1.800	1,251	1,149	1.802	11/23/2020
76951DAL4	1034	Riverwood		06/05/2015	248,000.00	248,153.76	248,000.00	1.400	1,553	704	1.402	09/05/2019
795450A70	1083	Sallie Mae Bank Salt Lake City		06/21/2017	240,000.00	241,591.20	240,000.00	2.350	1,826	1,724	2.351	06/21/2022
83637AAP9	1036	South Atlantic		06/09/2015	248,000.00	247,662.72	248,000.00	1.000	1,035	190	1.001	04/09/2018

**City of La Quinta
Portfolio Management
Portfolio Details - Investments
September 30, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365	Maturity Date
Certificate of Deposits												
83427LAX2	1035	Solomon State		06/04/2015	248,000.00	248,004.96	248,000.00	1.400	1,461	611	1.401	06/04/2019
857894TC3	1076	Stearnes Bank, N.A.		04/21/2017	240,000.00	238,704.00	240,000.00	1.600	1,096	933	1.588	04/21/2020
87164XQV1	1080	Synchrony Bank Retail		06/02/2017	240,000.00	242,275.20	240,000.00	2.400	1,826	1,705	2.401	06/02/2022
894333FE8	1040	Traverse City		05/30/2014	240,000.00	240,129.60	240,000.00	1.100	1,280	60	1.102	11/30/2017
94768NJQ8	1042	Webster Bank		04/23/2014	240,000.00	241,382.40	240,000.00	1.800	1,826	569	1.801	04/23/2019
9497483N5	1043	Wells Fargo		02/26/2016	240,000.00	240,175.20	240,000.00	1.200	1,096	513	1.201	02/26/2019
Subtotal and Average			13,090,000.00		13,090,000.00	13,097,922.30	13,090,000.00		1,460	754	1.619	
Corporate Notes												
037833CC2	1079	Apple Inc		06/12/2017	500,000.00	490,175.00	493,050.00	1.550	1,514	1,403	1.900	08/04/2021
478160BR4	1075	Johnson and Johnson Corp		03/29/2017	2,000,000.00	1,985,740.00	1,993,200.00	1.125	702	516	1.305	03/01/2019
Subtotal and Average			2,486,250.00		2,500,000.00	2,475,915.00	2,486,250.00		863	692	1.423	
Bank Accounts												
SYS1060	1060	First Empire Bank		07/01/2016	38,585.85	38,585.85	38,585.85		1	1	0.000	
SYS1062	1062	La Quinta Palms Realty		07/01/2016	119,452.87	119,452.87	119,452.87		1	1	0.000	
4159282482	1057	Wells Fargo		07/01/2016	3,636,712.72	3,636,712.72	3,636,712.72		1	1	0.000	
SYS1059	1059	Wells Fargo		07/01/2016	1,700.00	1,700.00	1,700.00		1	1	0.000	
SYS1061	1061	Washington St Apt La Quinta		07/01/2016	1,118,039.60	1,118,039.60	1,118,039.60		1	1	0.000	
Subtotal and Average			4,682,696.22		4,914,491.04	4,914,491.04	4,914,491.04		1	1	0.000	
Money Market with Fiscal Agent												
SYS1058	1058	US Bank		07/01/2016	26,241,506.96	26,241,506.96	26,241,506.96		1	1	0.000	
Subtotal and Average			38,368,462.46		26,241,506.96	26,241,506.96	26,241,506.96		1	1	0.000	
Total and Average			134,953,540.59		123,181,604.91	122,755,095.45	123,058,379.91		521	367	0.989	

**City of La Quinta
Portfolio Management
Portfolio Details - Cash
September 30, 2017**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM 365
		Average Balance	0.00	Accrued Interest at Purchase		610.64	610.64		0	0	
				Subtotal		610.64	610.64				
		Total Cash and Investments	134,953,540.59		123,181,604.91	122,755,706.09	123,058,990.55		521	367	0.989

**City of La Quinta
Portfolio Management
Activity By Type**

September 1, 2017 through September 30, 2017

CUSIP	Investment #	Issuer	Beginning Balance	Stated Rate	Transaction Date	Purchases or Deposits	Redemptions or Withdrawals	Ending Balance
Local Agency Investment Funds (Monthly Summary)								
		Subtotal	45,435,606.91					45,435,606.91
Federal Agency Coupon Securities								
		Subtotal	14,473,350.00					14,473,350.00
Treasury Coupon Securities								
		Subtotal	16,417,175.00					16,417,175.00
Certificate of Deposits								
		Subtotal	13,090,000.00					13,090,000.00
Corporate Notes								
		Subtotal	2,486,250.00					2,486,250.00
Bank Accounts								
SYS1060	1060	First Empire Bank				38,585.85	0.00	
SYS1062	1062	La Quinta Palms Realty				13,295.84	0.00	
4159282482	1057	Wells Fargo				2,874,641.65	2,704,906.89	
SYS1061	1061	Washington St Apt La Quinta				18,175.73	0.00	
		Subtotal	4,674,698.86			2,944,699.07	2,704,906.89	4,914,491.04
Money Market with Fiscal Agent								
SYS1058	1058	US Bank				657,771.28	13,202,897.66	
		Subtotal	38,786,633.34			657,771.28	13,202,897.66	26,241,506.96
		Total	135,363,714.11			3,602,470.35	15,907,804.55	123,058,379.91

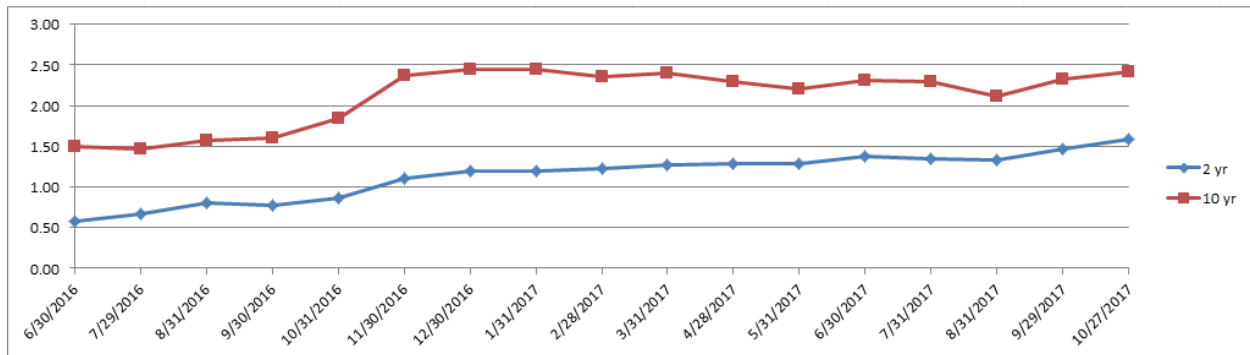
**City of La Quinta
Portfolio Management
Interest Earnings Summary
September 30, 2017**

	September 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	36,824.16	71,606.20
Plus Accrued Interest at End of Period	172,563.92	172,563.92
Less Accrued Interest at Beginning of Period	(155,132.71)	(83,592.53)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	<hr/>	<hr/>
Interest Earned during Period	54,255.37	160,577.59
Adjusted by Capital Gains or Losses	0.00	0.00
	<hr/>	<hr/>
Earnings during Periods	54,255.37	160,577.59
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
	<hr/>	<hr/>
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
	<hr/>	<hr/>
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	7,684.47	132,760.98
Plus Accrued Interest at End of Period	94,856.78	94,856.78
Less Accrued Interest at Beginning of Period	(54,743.49)	(71,627.61)
	<hr/>	<hr/>
Interest Earned during Period	47,797.76	155,990.15
	<hr/>	<hr/>
Total Interest Earned during Period	102,053.13	316,567.74
Total Capital Gains or Losses	0.00	0.00
	<hr/>	<hr/>
Total Earnings during Period	102,053.13	316,567.74

US Treasury Rates

<https://www.treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=yieldYear&year=2017>

Date	1 mo	3 mo	6 mo	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	20 yr	30 yr
7/31/2017	1.00	1.07	1.13	1.23	1.34	1.51	1.84	2.11	2.30	2.66	2.89
8/31/2017	0.95	1.01	1.08	1.23	1.33	1.44	1.70	1.95	2.12	2.47	2.73
9/29/2017	0.96	1.06	1.20	1.31	1.47	1.62	1.92	2.16	2.33	2.63	2.86
10/27/2017	0.98	1.10	1.28	1.42	1.59	1.73	2.03	2.26	2.42	2.71	2.93



Commercial Paper Rates

<https://www.federalreserve.gov/releases/cp/rates.htm>

Period	AA nonfinancial					
	1-day	7-day	15-day	30-day	60-day	90-day
Annual average						
2015	0.09	0.09	0.10	0.11	0.13	0.16
2016	0.35	0.35	0.36	0.39	0.45	0.52
2017*	0.89	0.89	0.90	0.92	0.96	1.02
Monthly average						
2017-May	0.83	0.82	0.83	0.84	0.89	0.95
June	0.98	0.98	1.00	1.02	1.06	1.10
July	1.09	1.08	1.09	1.10	1.13	1.17
Aug.	1.09	1.08	1.09	1.10	1.14	1.18
Sept.	1.09	1.09	1.10	1.11	1.14	1.18
Oct.*	1.10	1.09	1.11	1.12	1.17	1.21

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING: November 15, 2017

STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE REVENUE AND EXPENDITURE REPORT DATED JUNE 30, 2017

RECOMMENDATION

Receive and file revenue and expenditure report dated June 30, 2017.

EXECUTIVE SUMMARY

- Revenue and expenditure reports are submitted for review.
- The report summarizes the City's year-to-date (YTD) revenues and expenditures for June 2017 (Attachment 1).
- Revenue and expenditure reports are also reviewed by the Finance Advisory Commission (FAC).

FISCAL IMPACT – None.

BACKGROUND/ANALYSIS

Revenues

Below is a summary of the column headers used on the *Revenue Summary Report All Funds*:

Original Total Budget – represents the revenue budget the Council adopted in June 2016 for fiscal year 2016/17.

Current Total Budget – includes original adopted revenue budget plus carryovers from the prior fiscal year, as well as Council approved budget amendments. The bulk of the carryovers are related to Capital Improvement Project (CIP) matters. Each year total CIP projects are budgeted; however, project length may span over multiple years. Therefore, unfinished projects from the prior year are carried over (along with associated remaining budgets).

Period Activity – represents actual revenues received in the reporting month.

Fiscal Activity – represents actual revenues received YTD.

Variance Favorable/(Unfavorable) – represents the difference between YTD collections and the budgeted amount.

Percent Used – represents the percentage of budgeted revenues collected YTD.

The revenue report includes revenues and transfers into funds from other funds (income items). Revenues are not received uniformly throughout the year, which results in peaks and valleys depending upon large payments that are received throughout the year. For example, large property tax payments are usually received in December and May. Similarly, Redevelopment Property Tax Trust Fund (RPTTF) payments are typically received in January and June.

June Revenues

\$8 million in General Fund revenues were collected bringing the total YTD collections to 103 percent (\$43,515,283). Total collections for all funds were \$24.5 million, bringing total YTD collections to 122 percent (\$118,727,568).

The top five of General Fund revenues consisted of:

- \$ 2,172,606 – State Sales Tax
- \$ 1,897,652 – Motor Vehicle In Lieu
- \$ 1,462,650 – Measure G Sales Tax
- \$ 1,334,134 – Transient occupancy tax (hotels & short-term vacation rentals)
- \$ 819,757 – Property Tax- RPTTF

The larger non-General Fund income consisted of:

- \$ 11,645,604 – County Government Revenue for Debt Service
- \$ 2,750,038 – Housing Authority Coral Mountain Loan Repayments
- \$ 571,519 – Capital improvement transfers in from multiple funds
- \$ 212,200 – Information Technology Fund internal service charges
- \$ 179,702 – Measure A County Sales Tax

Expenditures

Below is a summary of the column headers used on the *Expenditure Summary Report All Funds*:

Original Total Budget – represents the expenditure budget adopted by Council in June 2016 for 2016/17.

Current Total Budget – includes the original adopted expenditure budget plus any carryovers from the prior fiscal year, and any Council approved budget amendments. The bulk of the carryovers are related to CIP matters. Each year total CIP projects are budgeted; however, project length can span over multiple years. Therefore, unfinished projects from the prior year are carried over (along with associated revenue reimbursements).

Period Activity – represents actual expenditures made in the reporting month.

Fiscal Activity – represents actual expenditures made YTD.

Variance Favorable/ (Unfavorable) – represents the difference between YTD expenditures and the budgeted amount (the amount yet to be expended).

Percent Used – represents the percentage of budgeted expenditures spent to date.

The expenditure report includes expenditures and transfers out to other funds. Unlike revenues, expenditures are fairly consistent month to month. However, large debt service payments or CIP expenditures can cause swings.

June Expenditures

General Fund expenditures totaled \$8.3 million bringing the total YTD expenditures to 83.58 percent (\$41,297,181). Of this amount, \$940,646 is related to personnel costs (salaries, benefits, etc.). In addition to personnel costs, the other larger General Fund expenditures were:

- \$ 4,033,376 – Sheriff contract (April, May, June)
- \$ 1,375,833 – Fire service contract
- \$ 362,996 – Sheriff annual facility fees and other
- \$ 155,853 – Transfers Out
- \$ 133,425 – Parks Equipment & Facility Fund internal service charge

Total expenditures for all funds were \$10.1 million bringing total expenditures to 67.29 percent (\$74,922,265). The larger non-General Fund expenditures were:

- \$ 175,748 – Transfer CV Violent Crime Task Force Fund to another agency
- \$ 139,233 – Silver Rock maintenance
- \$ 123,913 – Capital improvement contributions to other agencies (City of Indio) for Jefferson Street Interchange
- \$122,464 – Capital improvement design costs
- \$116,639 – Transportation DIF Fund transfers out

Summary

All funds are generally on target or under budget with regard to expenditures. The timing imbalance of revenues receipts versus expenditures is funded from the City's cash flow reserve.

Prepared by: Rosemary Hallick, Financial Services Analyst

Approved by: Karla Campos, Finance Director

Attachment: 1. Revenue and Expenditure Report for June 2017



City of La Quinta, CA

ATTACHMENT 1

Revenue Summary Report All Funds

June 2017

For Fiscal: 2016/17 Period Ending: 06/30/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	40,400,600.00	42,183,600.00	8,399,550.52	43,515,283.96	1,331,683.96	103.16 %
201 - GAS TAX FUND	1,299,100.00	1,264,500.00	69,390.21	1,252,611.65	-11,888.35	99.06 %
202 - LIBRARY & MUSEUM FUND	2,250,000.00	2,250,000.00	-10,995.62	1,386,169.79	-863,830.21	61.61 %
210 - FEDERAL ASSISTANCE FUND	125,800.00	125,800.00	5,032.44	125,755.00	-45.00	99.96 %
212 - SLESF (COPS) FUND	100,100.00	100,100.00	24,655.28	129,125.91	29,025.91	129.00 %
213 - JAG FUND	9,000.00	9,000.00	-25.11	8,978.31	-21.69	99.76 %
215 - LIGHTING & LANDSCAPING FUND	1,447,400.00	1,447,400.00	18,405.24	1,449,603.27	2,203.27	100.15 %
218 - CV VIOLENT CRIME TASK FORCE	22,600.00	22,600.00	-76.31	18,170.36	-4,429.64	80.40 %
219 - ASSET FORFEITURE	0.00	0.00	-7.51	69.06	69.06	0.00 %
220 - QUIMBY FUND	87,000.00	87,000.00	-19,144.61	128,218.04	41,218.04	147.38 %
221 - AB 939 - CALRECYCLE FUND	52,500.00	52,500.00	47,053.26	53,142.45	642.45	101.22 %
223 - MEASURE A FUND	752,500.00	752,500.00	177,499.34	727,379.78	-25,120.22	96.66 %
224 - TUMF FUND	0.00	0.00	0.92	218.67	218.67	0.00 %
225 - INFRASTRUCTURE FUND	0.00	0.00	-81.45	114.02	114.02	0.00 %
226 - EMERGENCY MANAGEMENT PERFORMANCE GRANT (EMPG)	0.00	0.00	11,064.19	17,696.19	17,696.19	0.00 %
231 - SUCCESSOR AGCY PA 1 RORF	0.00	19,212,171.00	11,578,867.15	53,768,083.10	34,555,912.10	279.86 %
235 - SO COAST AIR QUALITY FUND	45,300.00	45,300.00	25,766.72	51,874.89	6,574.89	114.51 %
237 - SUCCESSOR AGCY PA 1 ADMIN	0.00	-250,000.00	123,288.01	248,306.06	498,306.06	99.32 %
241 - HOUSING AUTHORITY	889,600.00	889,600.00	2,893,584.34	3,969,378.85	3,079,778.85	446.20 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	0.00	0.00	4,343.52	13,977.17	13,977.17	0.00 %
250 - TRANSPORTATION DIF FUND	669,000.00	669,000.00	28,432.10	388,472.15	-280,527.85	58.07 %
251 - PARKS & REC DIF FUND	350,000.00	350,000.00	17,801.36	200,092.81	-149,907.19	57.17 %
252 - CIVIC CENTER DIF FUND	200,000.00	200,000.00	10,172.04	98,740.01	-101,259.99	49.37 %
253 - LIBRARY DEVELOPMENT DIF	65,000.00	65,000.00	3,440.00	34,056.00	-30,944.00	52.39 %
254 - COMMUNITY CENTER DIF	35,600.00	35,600.00	954.02	13,324.58	-22,275.42	37.43 %
255 - STREET FACILITY DIF FUND	35,000.00	35,000.00	2,639.44	19,094.72	-15,905.28	54.56 %
256 - PARK FACILITY DIF FUND	7,000.00	7,000.00	400.83	3,969.00	-3,031.00	56.70 %
257 - FIRE PROTECTION DIF	80,000.00	80,000.00	4,684.66	45,398.85	-34,601.15	56.75 %
270 - ART IN PUBLIC PLACES FUND	98,500.00	98,500.00	1,467.52	47,660.32	-50,839.68	48.39 %
299 - INTEREST ALLOCATION FUND	0.00	0.00	-134,899.05	0.00	0.00	0.00 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	678,100.00	678,100.00	0.00	678,105.49	5.49	100.00 %
401 - CAPITAL IMPROVEMENT PROGRAMS	7,327,300.00	20,006,554.38	667,024.47	3,927,269.38	-16,079,285.00	19.63 %
501 - FACILITY & FLEET REPLACEMENT	456,100.00	456,100.00	80,707.27	457,382.23	1,282.23	100.28 %
502 - INFORMATION TECHNOLOGY	849,800.00	844,800.00	210,441.72	857,908.22	13,108.22	101.55 %
503 - PARK EQUIP & FACILITY FND	534,700.00	534,700.00	124,619.90	548,158.95	13,458.95	102.52 %
504 - INSURANCE FUND	648,300.00	648,300.00	157,054.27	637,031.26	-11,268.74	98.26 %
601 - SILVERROCK RESORT	4,034,800.00	4,034,800.00	43,169.51	3,847,639.83	-187,160.17	95.36 %
602 - SILVERROCK GOLF RESERVE	61,400.00	61,400.00	-3,897.83	59,107.54	-2,292.46	96.27 %
Report Total:	63,612,100.00	96,996,925.38	24,562,382.76	118,727,567.87	21,730,642.49	122.40 %



City of La Quinta, CA

Expense Summary Report All Funds

June 2017

For Fiscal: 2016/17 Period Ending: 06/30/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	41,240,600.00	49,411,154.96	8,272,972.66	41,297,180.95	8,113,974.01	83.58 %
201 - GAS TAX FUND	1,299,200.00	1,339,700.00	165,826.65	1,186,510.21	153,189.79	88.57 %
202 - LIBRARY & MUSEUM FUND	1,717,400.00	1,820,317.75	66,338.99	537,473.31	1,282,844.44	29.53 %
210 - FEDERAL ASSISTANCE FUND	20,200.00	20,200.00	112,840.70	112,840.70	-92,640.70	558.62 %
212 - SLESF (COPS) FUND	0.00	0.00	22,221.23	117,242.49	-117,242.49	0.00 %
215 - LIGHTING & LANDSCAPING FUND	1,467,400.00	1,468,700.00	218,534.17	1,244,237.86	224,462.14	84.72 %
218 - CV VIOLENT CRIME TASK FORCE	46,700.00	46,700.00	176,135.41	185,616.04	-138,916.04	397.46 %
219 - ASSET FORFEITURE	0.00	0.00	9,252.34	9,252.34	-9,252.34	0.00 %
220 - QUIMBY FUND	437,300.00	4,395,288.74	58,549.87	557,337.53	3,837,951.21	12.68 %
221 - AB 939 - CALRECYCLE FUND	20,000.00	20,000.00	983.72	15,056.53	4,943.47	75.28 %
223 - MEASURE A FUND	651,000.00	1,755,784.32	81,104.85	664,140.93	1,091,643.39	37.83 %
226 - EMERGENCY MANAGEMENT PERFORMANCE GRANT (EMPG)	0.00	0.00	0.00	11,082.00	-11,082.00	0.00 %
227 - State Homeland Security Programs (SHSP)	0.00	0.00	3,033.49	3,033.49	-3,033.49	0.00 %
231 - SUCCESSOR AGCY PA 1 RORF	0.00	18,077,120.00	-1,079,604.86	16,162,475.95	1,914,644.05	89.41 %
235 - SO COAST AIR QUALITY FUND	30,000.00	30,000.00	19,681.16	38,287.83	-8,287.83	127.63 %
237 - SUCCESSOR AGCY PA 1 ADMIN	0.00	292,000.00	23,913.75	354,740.00	-62,740.00	121.49 %
241 - HOUSING AUTHORITY	960,200.00	975,400.00	159,314.99	1,032,382.09	-56,982.09	105.84 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	0.00	0.00	0.00	250.00	-250.00	0.00 %
250 - TRANSPORTATION DIF FUND	675,900.00	3,489,738.61	116,638.94	203,047.04	3,286,691.57	5.82 %
252 - CIVIC CENTER DIF FUND	0.00	0.00	13,292.70	55,993.96	-55,993.96	0.00 %
253 - LIBRARY DEVELOPMENT DIF	0.00	0.00	3,044.56	12,890.49	-12,890.49	0.00 %
255 - STREET FACILITY DIF FUND	0.00	0.00	3,699.24	15,190.78	-15,190.78	0.00 %
256 - PARK FACILITY DIF FUND	0.00	0.00	1,001.06	3,969.17	-3,969.17	0.00 %
257 - FIRE PROTECTION DIF	0.00	0.00	1,059.25	4,580.57	-4,580.57	0.00 %
270 - ART IN PUBLIC PLACES FUND	129,000.00	329,000.00	183.28	64,311.62	264,688.38	19.55 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	678,100.00	678,100.00	4,157.25	678,200.50	-100.50	100.01 %
401 - CAPITAL IMPROVEMENT PROGRAMS	190,400.00	20,196,783.38	375,868.60	3,810,926.07	16,385,857.31	18.87 %
501 - FACILITY & FLEET REPLACEMENT	498,900.00	559,176.00	201,628.74	423,362.04	135,813.96	75.71 %
502 - INFORMATION TECHNOLOGY	848,800.00	848,800.00	159,272.40	847,674.01	1,125.99	99.87 %
503 - PARK EQUIP & FACILITY FND	603,700.00	680,200.00	538,673.65	646,007.92	34,192.08	94.97 %
504 - INSURANCE FUND	649,000.00	649,700.00	-4,085.62	604,244.56	45,455.44	93.00 %
601 - SILVERROCK RESORT	4,262,200.00	4,262,500.00	521,489.01	4,009,944.22	252,555.78	94.07 %
602 - SILVERROCK GOLF RESERVE	0.00	0.00	-159,778.17	12,782.25	-12,782.25	0.00 %
Report Total:	56,426,000.00	111,346,363.76	10,087,244.01	74,922,265.45	36,424,098.31	67.29 %

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING: November 15, 2017

STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE REVENUE AND EXPENDITURE REPORT DATED JULY 31 AND AUGUST 31, 2017

RECOMMENDATION

Receive and file revenue and expenditure report dated July 31 and August 31, 2017.

EXECUTIVE SUMMARY

- Revenue and expenditure reports are submitted for review.
- The report summarizes the City's year-to-date (YTD) revenues and expenditures for July and August 2017 (Attachment 1).
- Revenue and expenditure reports are also reviewed by the Finance Advisory Commission (FAC).

FISCAL IMPACT – None.

BACKGROUND/ANALYSIS

Revenues

Below is a summary of the column headers used on the *Revenue Summary Report All Funds*:

Original Total Budget – represents the revenue budget the Council adopted in June 2017 for fiscal year 2017/18.

Current Total Budget – includes original adopted revenue budget plus carryovers from the prior fiscal year, as well as Council approved budget amendments. The bulk of the carryovers are related to Capital Improvement Project (CIP) matters. Each year total CIP projects are budgeted; however, project length may span over multiple years. Therefore, unfinished projects from the prior year are carried over (along with associated remaining budgets). The 2016/17 CIP carryovers will be processed in October 2017, after the year-end audit is completed.

Period Activity – represents actual revenues received in the reporting month.

Fiscal Activity – represents actual revenues received YTD.

Variance Favorable/(Unfavorable) – represents the difference between YTD collections and the budgeted amount.

Percent Used – represents the percentage of budgeted revenues collected YTD.

The revenue report includes revenues and transfers into funds from other funds (income items). Revenues are not received uniformly throughout the year, which results in peaks and valleys depending upon large payments that are received throughout the year. For example, large property tax payments are usually received in December and May. Similarly, Redevelopment Property Tax Trust Fund payments are typically received in January and June.

July Revenues

\$126,672 in General Fund revenues were collected in July, or .27 percent of the YTD budget. Total collections for all funds were \$452,522, or .62 percent of the YTD budget.

The top General Fund revenues consisted of:

- \$ 46,862 – Building Plan Check Fees
- \$ 20,355 – Business Licenses
- \$ 15,512 – Building Permits
- \$ 14,775 – Miscellaneous Permits
- \$ 11,610 – Wellness Center Memberships

The larger non-General Fund income consisted of:

- \$ 76,973 – Tenant rent and federal assistance for the Housing Authority
- \$ 48,314 – Transportation developer impact fees (DIF)
- \$ 34,816 – Parks & Recreation developer impact fees (DIF)
- \$ 29,746 – SilverRock
- \$ 16,014 – Civic Center developer impact fees (DIF)

August Revenues

\$622,459 in General Fund revenues were collected in July, bringing the total YTD revenue to 1.55 percent (\$752,131) of the budget. Total collections for all funds were \$984,940, bringing the total YTD revenue to 1.96 percent (\$1,437,462) of the budget.

The top General Fund revenues consisted of:

- \$273,356 – Transient occupancy (hotel) tax
- \$ 60,244 – Building Plan Check Fees
- \$ 43,004 – Document Transfer Tax
- \$ 28,211 – Franchise Tax-Burrtec
- \$ 26,403 – Business Licenses

The larger non-General Fund income consisted of:

- \$ 150,163 – Gas Tax
- \$ 93,800 – Housing Authority land purchase
- \$ 30,368 – SilverRock
- \$ 19,894 – Transportation developer impact fees (DIF)
- \$ 14,336 – Parks & Recreation developer impact fees (DIF)

Expenditures

Below is a summary of the column headers used on the *Expenditure Summary Report All Funds*:

Original Total Budget – represents the expenditure budget adopted by Council in June 2017 for 2017/18

Current Total Budget – includes the original adopted expenditure budget plus any carryovers from the prior fiscal year, and any Council approved budget amendments. The bulk of the carryovers are related to CIP matters. Each year total CIP projects are budgeted; however, project length can span over multiple years. Therefore, unfinished projects from the prior year are carried over (along with associated revenue reimbursements). The 2016/17 CIP carryovers will be processed in October 2017, after the year-end audit is completed.

Period Activity – represents actual expenditures made in the reporting month.

Fiscal Activity – represents actual expenditures made YTD.

Variance Favorable/ (Unfavorable) – represents the difference between YTD expenditures and the budgeted amount (the amount yet to be expended).

Percent Used – represents the percentage of budgeted expenditures spent to date.

The expenditure report includes expenditures and transfers out to other funds. Unlike revenues, expenditures are fairly consistent month to month. However, large debt service payments or CIP expenditures can cause swings.

July Expenditures

General Fund expenditures totaled \$1.1 million, or 2.24 percent of the YTD budget. Of this amount, \$890,183 is related to personnel costs (salaries, benefits, etc.). In addition to personnel costs, the other larger General Fund expenditures were:

- \$ 66,388 – Greater Palm Springs Convention and Visitors Bureau
- \$ 60,230 – Coachella Valley Association of Governments and East Valley Coalition memberships
- \$ 11,560 – Legislative services contract
- \$ 11,011 – Marketing and tourism promotions
- \$ 4,500 – Human resources membership dues

Total expenditures for all funds were \$2.5 million, or 2.94 percent of the YTD budget. The larger non-General Fund expenditures were:

- \$ 448,537 – Liability insurance premium
- \$ 220,848 – Workers Compensation insurance premium
- \$ 157,700 – SilverRock maintenance
- \$ 62,444 – Software license renewals
- \$ 44,864 – SilverRock rental payment

August Expenditures

General Fund expenditures totaled \$810,787, bringing the total YTD expenditures to 3.90 percent (\$1,908,784). Of this amount, \$589,314 is related to personnel costs (salaries, benefits, etc.). In addition to personnel costs, the other larger General Fund expenditures were:

- \$ 63,614 – Park landscape maintenance
- \$ 17,767 – Marketing and tourism promotions
- \$ 16,739 – Utilities-electricity for public buildings
- \$ 12,500 – Jacqueline Cochran Regional Airport
- \$ 10,000 – Coachella Valley Economic Partnership membership

Total expenditures for all funds were \$1.9 million, bringing the total YTD expenditures to 5.19 percent (\$4,377,946). The larger non-General Fund expenditures were:

- \$ 223,760 – Capital improvement plan construction costs
- \$ 126,009 – Capital improvement plan contributions to other agencies CVAG interchange agreement
- \$ 114,748 – SilverRock maintenance
- \$ 96,393 – Software license renewals
- \$ 93,800 – Capital improvement plan land acquisition

Summary

All funds are generally on target or under budget with regard to expenditures. The timing imbalance of revenue receipts versus expenditures is funded from the City's cash flow reserve.

Prepared by: Rosemary Hallick, Financial Services Analyst

Approved by: Karla Campos, Finance Director

Attachment: 1. Revenue and Expenditure Report for July and August 2017



City of La Quinta, CA

Revenue Summary Report All Funds

July 2017

For Fiscal: 2017/18 Period Ending: 07/31/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	48,551,600.00	48,551,600.00	129,671.69	129,671.69	-48,421,928.31	0.27 %
201 - GAS TAX FUND	1,415,400.00	1,415,400.00	-531.15	-531.15	-1,415,931.15	0.04 %
202 - LIBRARY & MUSEUM FUND	2,254,000.00	2,254,000.00	-6,705.04	-6,705.04	-2,260,705.04	0.30 %
210 - FEDERAL ASSISTANCE FUND	125,800.00	125,800.00	0.00	0.00	-125,800.00	0.00 %
212 - SLESF (COPS) FUND	100,100.00	100,100.00	-0.59	-0.59	-100,100.59	0.00 %
215 - LIGHTING & LANDSCAPING FUND	1,448,900.00	1,448,900.00	-476.70	-476.70	-1,449,376.70	0.03 %
218 - CV VIOLENT CRIME TASK FORCE	0.00	0.00	-261.46	-261.46	-261.46	0.00 %
219 - ASSET FORFEITURE	0.00	0.00	-13.50	-13.50	-13.50	0.00 %
220 - QUIMBY FUND	55,000.00	55,000.00	-7,372.80	-7,372.80	-62,372.80	13.41 %
221 - AB 939 - CALRECYCLE FUND	62,500.00	62,500.00	-1,080.40	-1,080.40	-63,580.40	1.73 %
223 - MEASURE A FUND	724,500.00	724,500.00	-1,080.70	-1,080.70	-725,580.70	0.15 %
224 - TUMF FUND	0.00	0.00	-55.88	-55.88	-55.88	0.00 %
225 - INFRASTRUCTURE FUND	0.00	0.00	-34.86	-34.86	-34.86	0.00 %
231 - SUCCESSOR AGCY PA 1 RORF	0.00	0.00	1.00	1.00	1.00	0.00 %
235 - SO COAST AIR QUALITY FUND	50,300.00	50,300.00	-239.46	-239.46	-50,539.46	0.48 %
241 - HOUSING AUTHORITY	919,000.00	919,000.00	61,365.38	61,365.38	-857,634.62	6.68 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	0.00	0.00	4,204.12	4,204.12	4,204.12	0.00 %
250 - TRANSPORTATION DIF FUND	369,000.00	369,000.00	42,852.81	42,852.81	-326,147.19	11.61 %
251 - PARKS & REC DIF FUND	200,000.00	200,000.00	34,816.00	34,816.00	-165,184.00	17.41 %
252 - CIVIC CENTER DIF FUND	100,000.00	100,000.00	16,014.00	16,014.00	-83,986.00	16.01 %
253 - LIBRARY DEVELOPMENT DIF	30,000.00	30,000.00	5,848.00	5,848.00	-24,152.00	19.49 %
254 - COMMUNITY CENTER DIF	15,400.00	15,400.00	2,027.01	2,027.01	-13,372.99	13.16 %
255 - STREET FACILITY DIF FUND	15,000.00	15,000.00	1,972.00	1,972.00	-13,028.00	13.15 %
256 - PARK FACILITY DIF FUND	4,000.00	4,000.00	679.43	679.43	-3,320.57	16.99 %
257 - FIRE PROTECTION DIF	40,000.00	40,000.00	7,361.00	7,361.00	-32,639.00	18.40 %
270 - ART IN PUBLIC PLACES FUND	53,500.00	53,500.00	3,321.24	3,321.24	-50,178.76	6.21 %
299 - INTEREST ALLOCATION FUND	0.00	0.00	139,555.75	139,555.75	139,555.75	0.00 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	671,400.00	671,400.00	0.00	0.00	-671,400.00	0.00 %
401 - CAPITAL IMPROVEMENT PROGRAMS	8,423,900.00	9,173,900.00	0.00	0.00	-9,173,900.00	0.00 %
501 - FACILITY & FLEET REPLACEMENT	531,000.00	531,000.00	-4,260.33	-4,260.33	-535,260.33	0.80 %
502 - INFORMATION TECHNOLOGY	714,000.00	714,000.00	38.40	38.40	-713,961.60	0.01 %
503 - PARK EQUIP & FACILITY FND	680,000.00	680,000.00	-4,382.86	-4,382.86	-684,382.86	0.64 %
504 - INSURANCE FUND	1,001,000.00	1,001,000.00	-5.97	-5.97	-1,001,005.97	0.00 %
601 - SILVERROCK RESORT	4,004,200.00	4,004,200.00	29,746.29	29,746.29	-3,974,453.71	0.74 %
602 - SILVERROCK GOLF RESERVE	61,300.00	61,300.00	-450.62	-450.62	-61,750.62	0.74 %
Report Total:	72,620,800.00	73,370,800.00	452,521.80	452,521.80	-72,918,278.20	0.62 %



City of La Quinta, CA

Expense Summary Report All Funds

July 2017

For Fiscal: 2017/18 Period Ending: 07/31/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	48,081,400.00	48,951,400.00	1,097,997.13	1,097,997.13	47,853,402.87	2.24 %
201 - GAS TAX FUND	1,435,000.00	1,435,000.00	115,950.60	115,950.60	1,319,049.40	8.08 %
202 - LIBRARY & MUSEUM FUND	1,947,500.00	1,947,500.00	4,340.82	4,340.82	1,943,159.18	0.22 %
210 - FEDERAL ASSISTANCE FUND	125,800.00	125,800.00	0.00	0.00	125,800.00	0.00 %
212 - SLESF (COPS) FUND	100,000.00	100,000.00	0.00	0.00	100,000.00	0.00 %
215 - LIGHTING & LANDSCAPING FUND	1,519,300.00	1,519,300.00	59,616.70	59,616.70	1,459,683.30	3.92 %
221 - AB 939 - CALRECYCLE FUND	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00 %
223 - MEASURE A FUND	787,000.00	787,000.00	0.00	0.00	787,000.00	0.00 %
225 - INFRASTRUCTURE FUND	22,600.00	22,600.00	0.00	0.00	22,600.00	0.00 %
235 - SO COAST AIR QUALITY FUND	32,000.00	32,000.00	0.00	0.00	32,000.00	0.00 %
241 - HOUSING AUTHORITY	1,192,100.00	1,192,100.00	51,571.76	51,571.76	1,140,528.24	4.33 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	9,400,000.00	9,400,000.00	0.00	0.00	9,400,000.00	0.00 %
250 - TRANSPORTATION DIF FUND	1,005,100.00	1,005,100.00	0.00	0.00	1,005,100.00	0.00 %
254 - COMMUNITY CENTER DIF	101,600.00	101,600.00	0.00	0.00	101,600.00	0.00 %
270 - ART IN PUBLIC PLACES FUND	122,000.00	122,000.00	0.00	0.00	122,000.00	0.00 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	671,400.00	671,400.00	0.00	0.00	671,400.00	0.00 %
401 - CAPITAL IMPROVEMENT PROGRAMS	8,614,400.00	9,364,400.00	28,633.64	28,633.64	9,335,766.36	0.31 %
501 - FACILITY & FLEET REPLACEMENT	1,069,300.00	1,069,300.00	12,660.65	12,660.65	1,056,639.35	1.18 %
502 - INFORMATION TECHNOLOGY	914,000.00	914,000.00	101,387.99	101,387.99	812,612.01	11.09 %
503 - PARK EQUIP & FACILITY FND	670,000.00	670,000.00	0.00	0.00	670,000.00	0.00 %
504 - INSURANCE FUND	969,200.00	969,200.00	684,576.80	684,576.80	284,623.20	70.63 %
601 - SILVERROCK RESORT	4,003,400.00	4,003,400.00	328,106.03	328,106.03	3,675,293.97	8.20 %
Report Total:	82,803,100.00	84,423,100.00	2,484,842.12	2,484,842.12	81,938,257.88	2.94 %



City of La Quinta, CA

Revenue Summary Report All Funds

August 2017

For Fiscal: 2017/18 Period Ending: 08/31/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	48,551,600.00	48,551,600.00	622,459.30	752,130.99	-47,799,469.01	1.55 %
201 - GAS TAX FUND	1,415,400.00	1,415,400.00	150,162.53	149,631.38	-1,265,768.62	10.57 %
202 - LIBRARY & MUSEUM FUND	2,254,000.00	2,254,000.00	0.00	-6,705.04	-2,260,705.04	0.30 %
210 - FEDERAL ASSISTANCE FUND	125,800.00	125,800.00	0.00	0.00	-125,800.00	0.00 %
212 - SLESF (COPS) FUND	100,100.00	100,100.00	8,333.33	8,332.74	-91,767.26	8.32 %
215 - LIGHTING & LANDSCAPING FUND	1,448,900.00	1,448,900.00	0.00	-476.70	-1,449,376.70	0.03 %
218 - CV VIOLENT CRIME TASK FORCE	0.00	0.00	0.00	-261.46	-261.46	0.00 %
219 - ASSET FORFEITURE	0.00	0.00	0.00	-13.50	-13.50	0.00 %
220 - QUIMBY FUND	55,000.00	55,000.00	0.00	-7,372.80	-62,372.80	13.41 %
221 - AB 939 - CALRECYCLE FUND	62,500.00	62,500.00	2,509.59	1,429.19	-61,070.81	2.29 %
223 - MEASURE A FUND	724,500.00	724,500.00	0.00	-1,080.70	-725,580.70	0.15 %
224 - TUMF FUND	0.00	0.00	0.00	-55.88	-55.88	0.00 %
225 - INFRASTRUCTURE FUND	0.00	0.00	0.00	-34.86	-34.86	0.00 %
231 - SUCCESSOR AGCY PA 1 RORF	0.00	0.00	1.31	2.31	2.31	0.00 %
235 - SO COAST AIR QUALITY FUND	50,300.00	50,300.00	0.00	-239.46	-50,539.46	0.48 %
241 - HOUSING AUTHORITY	919,000.00	919,000.00	93,800.00	155,165.38	-763,834.62	16.88 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	0.00	0.00	4,344.90	8,549.02	8,549.02	0.00 %
250 - TRANSPORTATION DIF FUND	369,000.00	369,000.00	19,894.00	62,746.81	-306,253.19	17.00 %
251 - PARKS & REC DIF FUND	200,000.00	200,000.00	14,336.00	49,152.00	-150,848.00	24.58 %
252 - CIVIC CENTER DIF FUND	100,000.00	100,000.00	6,594.00	22,608.00	-77,392.00	22.61 %
253 - LIBRARY DEVELOPMENT DIF	30,000.00	30,000.00	2,408.00	8,256.00	-21,744.00	27.52 %
254 - COMMUNITY CENTER DIF	15,400.00	15,400.00	903.00	2,930.01	-12,469.99	19.03 %
255 - STREET FACILITY DIF FUND	15,000.00	15,000.00	812.00	2,784.00	-12,216.00	18.56 %
256 - PARK FACILITY DIF FUND	4,000.00	4,000.00	280.00	959.43	-3,040.57	23.99 %
257 - FIRE PROTECTION DIF	40,000.00	40,000.00	3,031.00	10,392.00	-29,608.00	25.98 %
270 - ART IN PUBLIC PLACES FUND	53,500.00	53,500.00	3,376.88	6,698.12	-46,801.88	12.52 %
299 - INTEREST ALLOCATION FUND	0.00	0.00	19,840.35	159,396.10	159,396.10	0.00 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	671,400.00	671,400.00	0.00	0.00	-671,400.00	0.00 %
401 - CAPITAL IMPROVEMENT PROGRAMS	8,423,900.00	9,173,900.00	0.00	0.00	-9,173,900.00	0.00 %
501 - FACILITY & FLEET REPLACEMENT	531,000.00	531,000.00	0.00	-4,260.33	-535,260.33	0.80 %
502 - INFORMATION TECHNOLOGY	714,000.00	714,000.00	1,486.00	1,524.40	-712,475.60	0.21 %
503 - PARK EQUIP & FACILITY FND	680,000.00	680,000.00	0.00	-4,382.86	-684,382.86	0.64 %
504 - INSURANCE FUND	1,001,000.00	1,001,000.00	0.00	-5.97	-1,001,005.97	0.00 %
601 - SILVERROCK RESORT	4,004,200.00	4,004,200.00	30,367.59	60,113.88	-3,944,086.12	1.50 %
602 - SILVERROCK GOLF RESERVE	61,300.00	61,300.00	0.00	-450.62	-61,750.62	0.74 %
Report Total:	72,620,800.00	73,370,800.00	984,939.78	1,437,461.58	-71,933,338.42	1.96 %



City of La Quinta, CA

Expense Summary Report All Funds

August 2017

For Fiscal: 2017/18 Period Ending: 08/31/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	48,081,400.00	48,951,400.00	810,786.59	1,908,783.72	47,042,616.28	3.90 %
201 - GAS TAX FUND	1,435,000.00	1,435,000.00	65,329.61	181,280.21	1,253,719.79	12.63 %
202 - LIBRARY & MUSEUM FUND	1,947,500.00	1,947,500.00	24,987.86	29,328.68	1,918,171.32	1.51 %
210 - FEDERAL ASSISTANCE FUND	125,800.00	125,800.00	0.00	0.00	125,800.00	0.00 %
212 - SLESF (COPS) FUND	100,000.00	100,000.00	0.00	0.00	100,000.00	0.00 %
215 - LIGHTING & LANDSCAPING FUND	1,519,300.00	1,519,300.00	42,860.56	102,477.26	1,416,822.74	6.75 %
221 - AB 939 - CALRECYCLE FUND	20,000.00	20,000.00	728.75	728.75	19,271.25	3.64 %
223 - MEASURE A FUND	787,000.00	787,000.00	0.00	0.00	787,000.00	0.00 %
225 - INFRASTRUCTURE FUND	22,600.00	22,600.00	0.00	0.00	22,600.00	0.00 %
235 - SO COAST AIR QUALITY FUND	32,000.00	32,000.00	0.00	0.00	32,000.00	0.00 %
237 - SUCCESSOR AGCY PA 1 ADMIN	0.00	0.00	1,500.00	1,500.00	-1,500.00	0.00 %
241 - HOUSING AUTHORITY	1,192,100.00	1,192,100.00	2,791.41	54,363.17	1,137,736.83	4.56 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	9,400,000.00	9,400,000.00	0.00	0.00	9,400,000.00	0.00 %
250 - TRANSPORTATION DIF FUND	1,005,100.00	1,005,100.00	0.00	0.00	1,005,100.00	0.00 %
254 - COMMUNITY CENTER DIF	101,600.00	101,600.00	0.00	0.00	101,600.00	0.00 %
270 - ART IN PUBLIC PLACES FUND	122,000.00	122,000.00	2,995.26	2,995.26	119,004.74	2.46 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	671,400.00	671,400.00	0.00	0.00	671,400.00	0.00 %
401 - CAPITAL IMPROVEMENT PROGRAMS	8,614,400.00	9,364,400.00	457,232.91	485,866.55	8,878,533.45	5.19 %
501 - FACILITY & FLEET REPLACEMENT	1,069,300.00	1,069,300.00	20,127.34	32,787.99	1,036,512.01	3.07 %
502 - INFORMATION TECHNOLOGY	914,000.00	914,000.00	145,045.97	246,433.96	667,566.04	26.96 %
503 - PARK EQUIP & FACILITY FND	670,000.00	670,000.00	1,000.00	1,000.00	669,000.00	0.15 %
504 - INSURANCE FUND	969,200.00	969,200.00	94,145.79	778,722.59	190,477.41	80.35 %
601 - SILVERROCK RESORT	4,003,400.00	4,003,400.00	223,571.80	551,677.83	3,451,722.17	13.78 %
Report Total:	82,803,100.00	84,423,100.00	1,893,103.85	4,377,945.97	80,045,154.03	5.19 %

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING: November 15, 2017

STAFF REPORT

AGENDA TITLE: RECEIVE AND FILE REVENUE AND EXPENDITURE REPORT DATED SEPTEMBER 30, 2017

RECOMMENDATION

Receive and file revenue and expenditure report dated September 30, 2017.

EXECUTIVE SUMMARY

- Revenue and expenditure reports are submitted for review.
- The report summarizes the City's year-to-date (YTD) revenues and expenditures and period activity as of September 30, 2017 (Attachment 1).
- Revenue and expenditure reports are also reviewed by the Finance Advisory Commission (FAC).

FISCAL IMPACT – None.

BACKGROUND/ANALYSIS

Revenues

Below is a summary of the column headers used on the *Revenue Summary Report All Funds*:

Original Total Budget – represents the revenue budget the Council adopted in June 2017 for fiscal year 2017/18.

Current Total Budget – includes original adopted revenue budget plus carryovers from the prior fiscal year, as well as Council approved budget amendments. The bulk of the carryovers are related to Capital Improvement Project (CIP) matters. Each year total CIP projects are budgeted; however, project length may span over multiple years. Therefore, unfinished projects from the prior year are carried over (along with associated remaining budgets). The 2016/17 CIP carryovers will be processed in October 2017, after the year-end audit is completed.

Period Activity – represents actual revenues received in the reporting month.

Fiscal Activity – represents actual revenues received YTD.

Variance Favorable/(Unfavorable) - the difference between YTD collections and the budgeted amount.

Percent Used – represents the percentage of budgeted revenues collected YTD.

The revenue report includes revenues and transfers into funds from other funds (income items). Revenues are not received uniformly throughout the year, which results in peaks and valleys depending upon large payments that are received throughout the year. For example, large property tax payments are usually received in December and May. Similarly, Redevelopment Property Tax Trust Fund payments are typically received in January and June.

September Revenues

\$2,580,481 in General Fund revenues were collected in September, bringing the total YTD revenue to 6.86 percent (\$3,332,612) of the budget. Total collections for all funds were \$2,827,195, bringing the total YTD revenue to 5.81 percent (\$4,264,656) of the budget.

The top General Fund revenues consisted of:

- \$966,477 – Measure G Sales/Transaction Tax
- \$709,405 – Sales Tax
- \$200,372 – Transient Occupancy Tax
- \$262,163 – Property Tax
- \$102,937 – Fire Service Credit

The larger non-General Fund income consisted of:

- \$ 64,756 – Measure A County Sales Tax
- \$ 41,557 – SilverRock
- \$ 38,586 – Allocated Interest
- \$ 24,601 – Rent Income
- \$ 22,736 – Transportation Developer Impact Fees (DIF)

Expenditures

Below is a summary of the column headers used on the *Expenditure Summary Report All Funds*:

Original Total Budget – represents the expenditure budget adopted by Council in June 2017 for 2017/18

Current Total Budget – includes the original adopted expenditure budget plus any carryovers from the prior fiscal year, and any Council approved budget amendments. The bulk of the carryovers are related to CIP matters. Each year total CIP projects are budgeted; however, project length can span over multiple years. Therefore, unfinished projects from the prior year are carried over (along with associated revenue reimbursements). The 2016/17 CIP carryovers will be processed in October 2017, after the year-end audit is completed.

Period Activity – represents actual expenditures made in the reporting month.

Fiscal Activity – represents actual expenditures made YTD.

Variance Favorable/ (Unfavorable) – represents the difference between YTD expenditures and the budgeted amount (the amount yet to be expended).

Percent Used – represents the percentage of budgeted expenditures spent to date.

The expenditure report includes expenditures and transfers out to other funds. Unlike revenues, expenditures are fairly consistent month to month. However, large debt service payments or CIP expenditures can cause swings.

September Expenditures

General Fund expenditures totaled \$1,015,081, bringing the total YTD expenditures to 5.97 percent (\$2,923,864). Of this amount, \$544,536 is related to personnel costs (salaries, benefits, etc.). In addition to personnel costs, the other larger General Fund expenditures were:

- \$ 62,361 – Marketing and Tourism Promotions
- \$ 45,384 – Police Contract Services
- \$ 38,235 – Contract Traffic Engineer
- \$ 37,021 – Professional Inspection Services
- \$ 31,939 – Parks Landscape Maintenance

Total expenditures for all funds were \$7,263,601 million, bringing the total YTD expenditures to 13.8 percent (\$11,654,597) of the budget. The larger non-General Fund expenditures were:

- \$ 4,717,898 – Successor Agency Bond Interest
- \$ 493,483 – Capital Improvement Plan - Construction
- \$ 138,518 – SilverRock Maintenance
- \$ 85,238 – Capital Improvement Plan – Design
- \$ 61,996 – Capital Improvement Plan – Inspection and Surveying Services

Summary

All funds are generally on target or under budget with regard to expenditures. The timing imbalance of revenue receipts versus expenditures is funded from the City's cash flow reserve.

Prepared by: Rosemary Hallick, Financial Services Analyst

Approved by: Karla Campos, Finance Director

Attachment: 1. Revenue and Expenditure Report for September 2017



City of La Quinta, CA

Revenue Summary Report All Funds

September 2017

For Fiscal: 2017/18 Period Ending: 09/30/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	48,551,600.00	48,551,600.00	2,580,481.20	3,332,612.19	-45,218,987.81	6.86 %
201 - GAS TAX FUND	1,415,400.00	1,415,400.00	0.00	149,631.38	-1,265,768.62	10.57 %
202 - LIBRARY & MUSEUM FUND	2,254,000.00	2,254,000.00	0.00	-6,705.04	-2,260,705.04	0.30 %
210 - FEDERAL ASSISTANCE FUND	125,800.00	125,800.00	0.00	0.00	-125,800.00	0.00 %
212 - SLESF (COPS) FUND	100,100.00	100,100.00	8,333.37	16,666.11	-83,433.89	16.65 %
215 - LIGHTING & LANDSCAPING FUND	1,448,900.00	1,448,900.00	0.00	-476.70	-1,449,376.70	0.03 %
218 - CV VIOLENT CRIME TASK FORCE	0.00	0.00	0.00	-261.46	-261.46	0.00 %
219 - ASSET FORFEITURE	0.00	0.00	0.00	-13.50	-13.50	0.00 %
220 - QUIMBY FUND	55,000.00	55,000.00	0.00	-7,372.80	-62,372.80	13.41 %
221 - AB 939 - CALRECYCLE FUND	62,500.00	62,500.00	2,641.68	4,070.87	-58,429.13	6.51 %
223 - MEASURE A FUND	724,500.00	724,500.00	64,755.88	63,675.18	-660,824.82	8.79 %
224 - TUMF FUND	0.00	0.00	0.00	-55.88	-55.88	0.00 %
225 - INFRASTRUCTURE FUND	0.00	0.00	0.00	-34.86	-34.86	0.00 %
231 - SUCCESSOR AGCY PA 1 RORF	0.00	0.00	3,327.06	3,329.37	3,329.37	0.00 %
235 - SO COAST AIR QUALITY FUND	50,300.00	50,300.00	0.00	-239.46	-50,539.46	0.48 %
241 - HOUSING AUTHORITY	919,000.00	919,000.00	24,761.97	179,927.35	-739,072.65	19.58 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	0.00	0.00	4,345.71	12,894.73	12,894.73	0.00 %
250 - TRANSPORTATION DIF FUND	369,000.00	369,000.00	22,736.00	85,482.81	-283,517.19	23.17 %
251 - PARKS & REC DIF FUND	200,000.00	200,000.00	16,384.00	65,536.00	-134,464.00	32.77 %
252 - CIVIC CENTER DIF FUND	100,000.00	100,000.00	7,536.00	30,144.00	-69,856.00	30.14 %
253 - LIBRARY DEVELOPMENT DIF	30,000.00	30,000.00	2,752.00	11,008.00	-18,992.00	36.69 %
254 - COMMUNITY CENTER DIF	15,400.00	15,400.00	1,032.00	3,962.01	-11,437.99	25.73 %
255 - STREET FACILITY DIF FUND	15,000.00	15,000.00	928.00	3,712.00	-11,288.00	24.75 %
256 - PARK FACILITY DIF FUND	4,000.00	4,000.00	320.00	1,279.43	-2,720.57	31.99 %
257 - FIRE PROTECTION DIF	40,000.00	40,000.00	3,464.00	13,856.00	-26,144.00	34.64 %
270 - ART IN PUBLIC PLACES FUND	53,500.00	53,500.00	2,315.66	9,013.78	-44,486.22	16.85 %
299 - INTEREST ALLOCATION FUND	0.00	0.00	38,585.85	197,981.95	197,981.95	0.00 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	671,400.00	671,400.00	0.00	0.00	-671,400.00	0.00 %
401 - CAPITAL IMPROVEMENT PROGRAMS	8,423,900.00	9,173,900.00	0.00	0.00	-9,173,900.00	0.00 %
501 - FACILITY & FLEET REPLACEMENT	531,000.00	531,000.00	0.00	-4,260.33	-535,260.33	0.80 %
502 - INFORMATION TECHNOLOGY	714,000.00	714,000.00	937.00	2,461.40	-711,538.60	0.34 %
503 - PARK EQUIP & FACILITY FND	680,000.00	680,000.00	0.00	-4,382.86	-684,382.86	0.64 %
504 - INSURANCE FUND	1,001,000.00	1,001,000.00	0.00	-5.97	-1,001,005.97	0.00 %
601 - SILVERROCK RESORT	4,004,200.00	4,004,200.00	41,557.13	101,671.01	-3,902,528.99	2.54 %
602 - SILVERROCK GOLF RESERVE	61,300.00	61,300.00	0.00	-450.62	-61,750.62	0.74 %
Report Total:	72,620,800.00	73,370,800.00	2,827,194.51	4,264,656.09	-69,106,143.91	5.81 %



City of La Quinta, CA

Expense Summary Report All Funds

September 2017

For Fiscal: 2017/18 Period Ending: 09/30/2017

Fun...	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
101 - GENERAL FUND	48,081,400.00	48,951,400.00	1,015,080.61	2,923,864.33	46,027,535.67	5.97 %
201 - GAS TAX FUND	1,435,000.00	1,435,000.00	62,615.30	243,895.51	1,191,104.49	17.00 %
202 - LIBRARY & MUSEUM FUND	1,947,500.00	1,947,500.00	29,837.81	59,166.49	1,888,333.51	3.04 %
210 - FEDERAL ASSISTANCE FUND	125,800.00	125,800.00	0.00	0.00	125,800.00	0.00 %
212 - SLESF (COPS) FUND	100,000.00	100,000.00	0.00	0.00	100,000.00	0.00 %
215 - LIGHTING & LANDSCAPING FUND	1,519,300.00	1,519,300.00	137,373.55	239,850.81	1,279,449.19	15.79 %
221 - AB 939 - CALRECYCLE FUND	20,000.00	20,000.00	0.00	728.75	19,271.25	3.64 %
223 - MEASURE A FUND	787,000.00	787,000.00	0.00	0.00	787,000.00	0.00 %
225 - INFRASTRUCTURE FUND	22,600.00	22,600.00	0.00	0.00	22,600.00	0.00 %
231 - SUCCESSOR AGCY PA 1 RORF	0.00	0.00	4,717,897.66	4,717,897.66	-4,717,897.66	0.00 %
235 - SO COAST AIR QUALITY FUND	32,000.00	32,000.00	0.00	0.00	32,000.00	0.00 %
237 - SUCCESSOR AGCY PA 1 ADMIN	0.00	0.00	0.00	1,500.00	-1,500.00	0.00 %
241 - HOUSING AUTHORITY	1,192,100.00	1,192,100.00	22,647.41	77,010.58	1,115,089.42	6.46 %
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)	9,400,000.00	9,400,000.00	0.00	0.00	9,400,000.00	0.00 %
250 - TRANSPORTATION DIF FUND	1,005,100.00	1,005,100.00	0.00	0.00	1,005,100.00	0.00 %
254 - COMMUNITY CENTER DIF	101,600.00	101,600.00	0.00	0.00	101,600.00	0.00 %
270 - ART IN PUBLIC PLACES FUND	122,000.00	122,000.00	37,000.00	39,995.26	82,004.74	32.78 %
310 - LQ FINANCE AUTHORITY DEBT SERVICE	671,400.00	671,400.00	0.00	0.00	671,400.00	0.00 %
401 - CAPITAL IMPROVEMENT PROGRAMS	8,614,400.00	9,364,400.00	753,070.03	1,238,936.58	8,125,463.42	13.23 %
501 - FACILITY & FLEET REPLACEMENT	1,069,300.00	1,069,300.00	67,032.92	99,820.91	969,479.09	9.34 %
502 - INFORMATION TECHNOLOGY	914,000.00	914,000.00	65,676.03	325,159.99	588,840.01	35.58 %
503 - PARK EQUIP & FACILITY FND	670,000.00	670,000.00	35,521.69	36,521.69	633,478.31	5.45 %
504 - INSURANCE FUND	969,200.00	969,200.00	6,309.00	785,031.59	184,168.41	81.00 %
601 - SILVERROCK RESORT	4,003,400.00	4,003,400.00	313,539.21	865,217.04	3,138,182.96	21.61 %
Report Total:	82,803,100.00	84,423,100.00	7,263,601.22	11,654,597.19	72,768,502.81	13.80 %

FINANCIAL ADVISORY COMMISSION MEETING: November 15, 2017

STAFF REPORT

AGENDA TITLE: APPOINT THE CHAIRMAN AND TWO COMMISSIONERS TO FORMULATE THE ANNUAL MEASURE G SALES TAX OVERSIGHT COMPLIANCE REPORT

RECOMMENDATION

Appoint the Chairman and two Commissioners to formulate the annual Measure G sales tax oversight compliance report.

EXECUTIVE SUMMARY

- Measure G, the one percent (1%) Transactions and Use Tax measure was approved by voters at the November 8, 2016 General Election and subsequently adopted by resolution on December 20, 2016 with an effective date of April 1, 2017. Additional funds are subject to citizen oversight.
- Staff recommends the Financial Advisory Commission (FAC) appoint the Chairman and two Commissioners to serve on the sub-committee to verify revenue and expenses associated with Measure G funds.
- The sub-committee shall prepare a report and present their findings to City Council in January.

BACKGROUND/ANALYSIS

The Measure was approved on November 8, 2016 and adopted by resolution on December 20, 2016 with an effective date of April 1, 2017. Additional funds generated by the Measure are subject to citizen oversight.

The verification of revenue and expenses will include the following:

1. A review of payments received to date
2. A review of approved uses of funds for capital projects, reserves, and contract services
3. A review of proposed uses for future funds
4. A review of funds available for appropriation

Starting in June 2016, Measure G funds have been received on a monthly basis. City staff recommends appointing the Chairman and two Commissioners on the sub-committee. The sub-committee shall present its report to the City Council during a community workshop in January. This annual budget workshop is intended to start the fiscal year 2018/19 budget cycle and identify priorities based on community input.

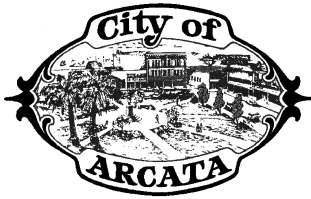
As a reference, attached is a transactions and use tax oversight committee report from the City of Arcata.

ALTERNATIVES

Select the Chairman and one Commissioner to the committee or none.

Prepared by: Karla Campos, Finance Director

Attachments: 1. Sample oversight report from the City of Arcata



MEMORANDUM

Date: November 2, 2016
To: Honorable Mayor and City Council Members
From: Transactions and Use Tax Oversight Committee
Re: Annual Report to the Council

Committee Members

Currently, the Transactions and Use Tax Oversight Committee (TUTOC) Committee is composed of the following members, each serving a 4-year term:

	<u>Term Expires</u>
Michael Machi, Chair	12/31/18
Jeff Knapp, Vice Chair	12/31/18
Ginger Campbell	12/31/18
Steve Cole	12/31/16
Robin Hashem	12/31/18
Josh Wolf	12/31/16
Vacancy	12/31/16
Staff Liaison: Janet Luzzi, Finance Director	

These community members were appointed to represent long institutional memory regarding the City's budget and community needs for street infrastructure improvements and public safety issues.

Since the Committee's report to Council in November 2015, the members of the TUTOC have met two times: May 12, 2016 and October 4, 2016.

Introduction

The TUTOC was created in conjunction with the approval of Measure "G" in November 2008, the ballot measure imposing a three-quarter cent general transactions and use tax in the City of Arcata for 20 years. Although this is a general tax, the City is committed to using the increased general fund revenue generated from this tax to improving public works (streets) and public safety services.

The duties of the TUTOC are as follows:

1. Review prior year general fund support of public works (streets) and public safety activity budgets relative to historical expenditures in those activities using historical data, community needs, and other information as required to assess the propriety of the City's expenditure of funds.
2. Report to the City Council the result of the Committee's review and make recommendations for general fund expenditures for the following fiscal year in the public works (streets) and public safety activity budgets.
3. Review and make recommendations on other general fund matters as the City Council may direct through resolution.

Transactions & Use Tax Revenue

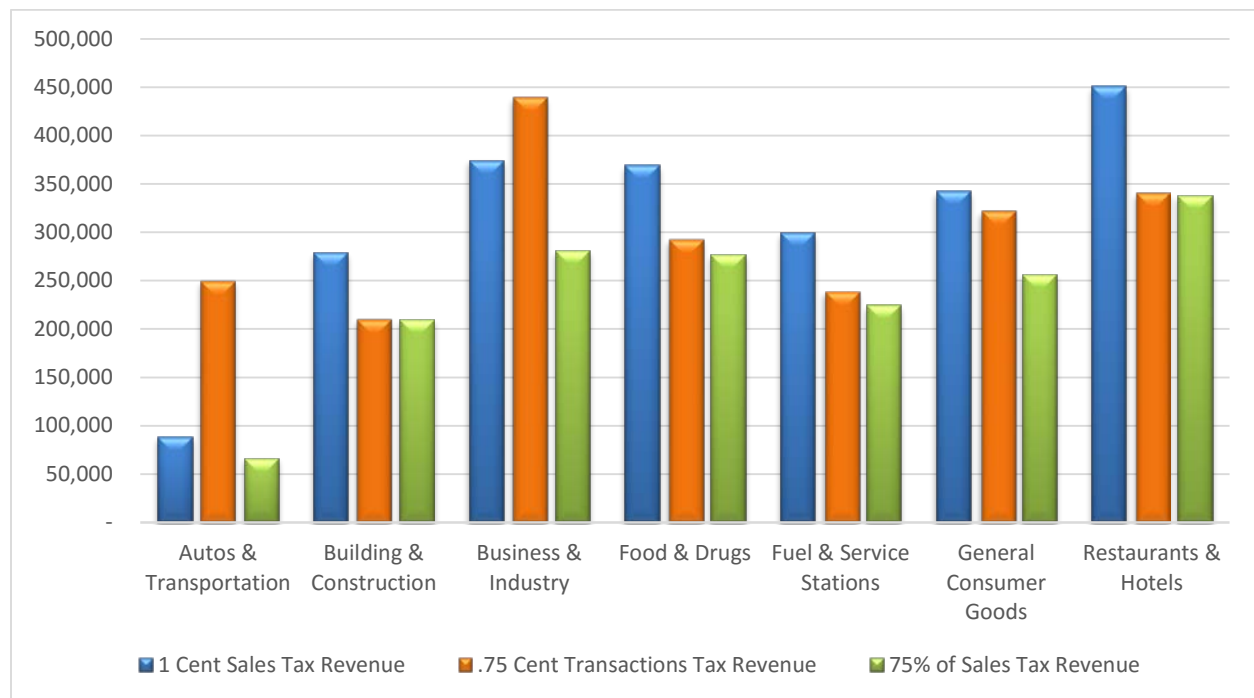
During fiscal year 2015/16, the City of Arcata received \$2,080,841 (net of administration costs of \$16,970) from the City's transactions and use tax, which represents approximately 15 percent of the

City's total general fund revenue. The following graphic data summarizes and compares the revenue generated by the City's TUT to sales tax by business type for fiscal year 2015/16.

Table 1: Tax Revenue by Business Type

	1 Cent Sales Tax Revenue	.75 Cent Transactions Tax Revenue	TUT Compared to 75% of Sales Tax Revenue		
			75% of Sales Tax Revenue	Favorable (Unfavorable) Variance	Percent Transactions Tax of Sales Tax
Autos & Transportation	\$ 88,598	\$ 250,538	\$ 66,449	\$ 184,090	282.78%
Building & Construction	279,281	211,179	209,461	1,718	75.62%
Business & Industry	374,816	439,506	281,112	158,394	117.26%
Food & Drugs	369,058	293,096	276,794	16,303	79.42%
Fuel & Service Stations	299,627	239,435	224,720	14,715	79.91%
General Consumer Goods	342,492	322,748	256,869	65,879	94.24%
Restaurants & Hotels	450,774	341,309	338,081	3,229	75.72%
Gross Revenue	\$ 2,204,646	\$ 2,097,811	\$ 1,653,485	\$ 444,327	95.15%
County/State Pool	269,032				
State Board of Equalization Admin Fees	(29,062)	(16,970)			
Net Revenue	\$ 2,444,616	\$ 2,080,841			

Chart 1: Comparison of Transactions and Use Tax as Percentage of Sales Tax



Effective April 1, 2015, the total sales tax rate in the City of Arcata is 8.75 percent. Of this amount, the State receives 6.5 percent and the City of Arcata receives 1.0 percent. The City's TUT tax rate adds another .75 percent. With the passage of the County's Measure Z, the City's overall sales tax rate increased by 0.50 percent to 8.75 percent.

Because the TUT rate is 75 percent of the City’s portion of the sales tax rate, one would expect the percentage of TUT revenue to sales tax revenue to be 75 percent. However for fiscal year 2015/16, the City’s TUT generated approximately 95.2 percent of the revenue received from sales tax before other adjustments. This is because the City’s TUT is assessed and allocated to the district where goods are delivered or placed into use rather than where the sale was negotiated. This means that the City is capturing TUT tax on the sale of automobiles and other registered modes of transportation, like boats, motorcycles and airplanes that occur outside of the City’s taxing district and also on business and industry items that are brought into the district from outside suppliers.

The table below compares the revenue received for the past seven years. This revenue has steadily increased over this time period to \$2.080 million. It is anticipated that the City will realize approximately \$2.1 million in fiscal year 2016/17.

Table 2: Tax Revenue Comparison

<u>Industry Group</u>	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>
Autos & Transportation	\$ 167,165	\$ 178,467	\$ 180,400	\$ 191,519	\$ 203,739	\$ 220,025	\$ 250,538
Building & Construction	182,476	188,855	197,778	181,762	211,377	212,151	211,179
Business & Industry	308,838	356,258	365,135	364,469	415,606	458,303	439,506
Food & Drugs	230,777	217,592	227,497	234,243	237,900	257,315	293,096
Fuel & Service Stations	191,606	260,727	325,665	298,330	288,205	270,813	239,435
General Consumer Goods	240,013	259,676	254,692	278,237	279,566	312,379	322,748
Restaurants & Hotels	222,434	252,529	259,346	273,311	299,056	316,338	341,309
Gross Revenue	<u>1,543,409</u>	<u>1,714,104</u>	<u>1,810,513</u>	<u>1,821,871</u>	<u>1,935,449</u>	<u>2,047,324</u>	<u>2,097,811</u>
Administration Cost	<u>(10,550)</u>	<u>(10,156)</u>	<u>(12,170)</u>	<u>(12,754)</u>	<u>(14,610)</u>	<u>(14,980)</u>	<u>(16,970)</u>
Net Revenue	<u>\$1,532,859</u>	<u>\$1,703,948</u>	<u>\$1,798,343</u>	<u>\$1,809,117</u>	<u>\$1,920,839</u>	<u>\$2,032,344</u>	<u>\$2,080,841</u>

Public Works Street Expenditures

The inability of the City to adequately maintain much of the City’s street infrastructure was the primary reason Measure G was brought to the voters and approved. Prior to the adoption of the City’s TUT, the general fund was not able to support the maintenance of City streets to the extent required.

The City’s general fund support of streets since fiscal year 2005/06 is detailed in Exhibit 1. Over the years presented, the ongoing general fund support has varied from a high of \$370,769 in fiscal year 2015/16 to low of \$12,505 in fiscal year 2012/13. On average, the City’s support of streets has amounted to approximately \$224,300 annually. For fiscal year 2016/17, the City’s support will increase to \$425,613.

During fiscal year 2015/16 the City utilized these funds for the following projects:

- Foster Avenue Extension funding gap based on years of cost escalation since funding was cut due to State Transportation Improvement Program funding availability (\$200,000). This project has been identified as a high priority project for many years by the City of Arcata and the Humboldt County Association of Governments (HCAOG) and creates a much needed east-west connection between Highway 101 and Alliance Road.
- Matching funds for Rails with Trails Project Phase 1 (\$399,080). The Arcata City Trail constitutes the northern end of a planned 13-mile long Humboldt Bay Trail. Once complete, it will become a component of the California Coastal Trail, providing transportation, recreation and coastal access opportunities to the public.

- 2015 Concrete and Asphalt Improvements (\$120,251)
 - Pedestrian improvements on 8th and H Street intersection and on F Street adjacent to Ball Park fence
 - Sidewalk and bus stop installations city-wide
 - Sidewalk infill on 11th Street and various locations
 - Traffic calming/turn pocket installation at West End Road and Aldergrove Road

For 2016/17, the City appropriated an additional \$1,175,000 of general funds generated by the City's TUT. These funds are slated to be used for the following projects which are expected to be completed during 2016/17:

- Matching funds for Humboldt Bay Trail Project (Approximately \$400,000), Phase 2 of the Arcata Rails with Trails project, which includes construction, operation and maintenance of approximately 3.0 miles of non-motorized multi-use trail that runs from State Route 255 through the Arcata Marsh and Wildlife Sanctuary south to the City limits south of Bayside Cutoff/Highway 101 intersection along Humboldt Bay.
- 2016 Pavement Management Project for pavement preservation of various City streets, including (\$600,000-\$800,000):
 - Buttermilk Lane between Bayside Road and Margaret Lane;
 - Bayside Road between Crescent Way and Buttermilk Lane;
 - Crescent Way between Old Arcata Road and Bayside Road; and
 - South H Street between Samoa Boulevard and South G Street
- Continuation of Citywide traffic calming measures, and sidewalk and ADA improvements
- Continue to work on Comprehensive traffic study in the Sunset/Foster/Alliance neighborhood (\$49,200)
- Continue to work on Old Arcata Road Design Project (\$54,450)
- Paving local streets using City forces (\$30,000 - \$40,000):
 - Intersection of Grant Avenue and Ross Streets
 - E Street between 4th and 5th Street
 - Eastern Avenue between Foster Avenue and Grant Avenue
 - L Street between 15th and 16th
 - Hauser Court
 - Westwood Court
 - 13th Street between A and C streets

Pavement Condition Index



The City uses the Pavement Condition Index (PCI) as a means to assess and rate the City's street conditions. This index is a numerical index between 0 and 100 which is used to indicate the general condition of a pavement, where 100 represents the best possible condition and 0 represents the worst possible condition. The latest available PCI for the City of Arcata is 66, a decrease of 4 points since 2013. Staff anticipates that this will remain relatively flat as deferred work continues to exist.

However, local sales tax on motor fuel and special fuel taxes have not been keeping up with ongoing maintenance needs and there is no foreseeable funding to replace these revenues. The City's Engineer estimates that the City of Arcata would require \$23.9 million today to increase the City's PCI from 66 (fair) to 83 (satisfactory). With our current levels of additional Measure G funding of approximately \$1,175,000 annually, the City's Engineer has indicated that it may be difficult to maintain our existing PCI and that the City's future PCI may fall below our current level.

Public Safety Expenditures

TUT funds have also been appropriated for the purpose of maintaining adequate staffing in the Police Department in order to provide police services commensurate with community needs. For many years, the Arcata Police Department had been understaffed due to under-allocation of personnel, injuries, or the inability of keeping officers, and difficulty in filling vacancies in a timely manner. This resulted in difficulty providing adequate levels of service throughout the entire City, and excessive overtime for employees.

As a result of the approval of the City's TUT, the City has been able to maintain the increased full-staffing levels in the Police Department. Exhibit 2 summarizes operating expenditures since 2009/10 when the positions funded by the TUT became fully staffed.

In general, most of the City's other general fund revenues have recovered from the Great Recession. However, the increases in revenues have not kept pace with the significant increases associated with the level of staffing that has been implemented in the Police Department since the passage of Measure G. As shown on Exhibit 2, since Fiscal Year 2009/10 in which the Police Department was fully staffed as a result of Measure G, total annual operating costs for the Police Department's Activity 21, Police, have increased by \$964,464 or 122 percent. This trend will be difficult to sustain and may cause the City to reduce appropriations for street purposes and dip into reserves to balance its budget. In order to maintain the level of service in the Police Department, the ratio of TUT funds allocated to Public Safety increased from 33 percent of total estimated TUT revenue to approximately 44 percent for fiscal year 2016/17. Also, in order to address the City's structural deficit in fiscal year 2015/16, the number of officers has decreased by one allocation, from 27 to 26.

A memo from the Police Chief (Exhibit 3) is attached to this report that provides more detail of the other benefits achieved by increased staffing levels.

Committee Recommendation of Future General Fund Expenditures

There are several points the committee wants to be sure the Council pays attention to:

1. The ongoing General Fund Support of streets varies from year to year depending on a variety of factors, including the street projects planned and budgeted, and status of all other demands for the City's General Funds. From fiscal years 2008/09 to 2016/17, the ongoing General Fund Support of Streets varied from a high of \$370,769 in 2015/16 to a low of \$12,505 in fiscal year 2012/13 which resulted from the loss of the City's redevelopment agency.

Since the passage of Measure G, an average of \$1,087,150 has been appropriated annually, ranging from a high of \$1,250,000 in fiscal year 2013/14 to a low of \$775,000 in fiscal year 2009/10 when it first became available. For fiscal year 2015/16, the amount of additional funds that has been allocated for street purposes was \$1,175,000.

2. The ratio of TUT funds allocated to the Police Department went from 33.0 percent of total estimated TUT revenue in 2013/14 to 49.3 percent in 2014/15. During the promotion of Measure G, the TUT funds were originally to be split 1/3 to public safety and 2/3 to street infrastructure. However, with a few years of experience under its belt, the committee has observed that perhaps this ratio cannot be held hard and fast. The significant fluctuation in the ratio may be necessary in order to maintain adequate public safety staffing. While street improvements can be done on a project-by-project basis, the Police Department's portion of the TUT monies are directly tied to funding personnel with its ever rising costs of employee health insurance and retirement benefits.

The committee highlights this information because it is important for the Council to remain aware during the budget process that while technically the TUT is a general use tax, the original promise of Measure G

is to support public safety and public works infrastructure and to be sure TUT monies are used for those purposes because that's what the citizens of Arcata voted for.

Committee members encourage the City continue to maintain the staffing levels in the Police Department and maintain the levels of appropriation for the Public Works Department for street improvements. In light of the City's ongoing financial uncertainty, we encourage the Council to continue making decisions regarding other General Fund expenditures as if TUT did not exist and focus TUT monies on improving the City's road infrastructure and public safety services.

Conclusion

In light of the continuing adverse economic conditions and instability at the state level, the Transaction and Use Tax funds have had a significant and positive effect on the financial stability of the City. These TUT funds have helped to provide a level of self-sufficiency, particularly for public safety and street improvement activities, that would have suffered if Arcata voters had not seen the need to support public safety and streets infrastructure and passed Measure G.

City of Arcata
Public Works - Streets
Summary of General Fund Support

	Actual General Fund Support										Budget	
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Ongoing GF Support of Streets	\$ 136,052	\$ 96,906	\$ 174,479	\$ 321,133	\$ 235,575	\$ 200,837	\$ 188,272	\$ 12,505	\$ 303,964	\$ 226,071	\$ 370,769	\$ 425,613
Additional Support:					775,000	1,150,000	1,000,000	1,145,000	1,250,000	1,115,000	1,175,000	1,175,000
Total GF Support	\$ 136,052	\$ 96,906	\$ 174,479	\$ 321,133	\$ 1,010,575	\$ 1,350,837	\$ 1,188,272	\$ 1,157,505	\$ 1,553,964	\$ 1,341,071	\$ 1,545,769	\$ 1,600,613
Pavement Mgmt Program - Contracted					\$ 662,500	\$ 987,500	\$ 810,000	\$ 940,000	\$ 1,054,000	\$ 975,000	\$ 1,000,000	\$ 1,000,000
Pavement Mgmt Program - Force Accounts					-	50,000	75,000	75,000	72,000	40,000	50,000	50,000
Traffic Calming					25,000	25,000	25,000	30,000	25,000	16,667	41,667	41,667
Handicapped Ramps					25,000	25,000	25,000	30,000	25,000	16,667	16,667	16,667
Sidewalk Improvements					25,000	25,000	25,000	30,000	25,000	16,666	16,666	16,666
Engineering Services					37,500	37,500	40,000	40,000	49,000	50,000	50,000	50,000
					\$ 775,000	\$ 1,150,000	\$ 1,000,000	\$ 1,145,000	\$ 1,250,000	\$ 1,115,000	\$ 1,175,000	\$ 1,175,000

**City of Arcata
Police Department - Activity 21
Summary of Expenditures**

	Initial	Fully Implemented								
	Base Year 2007-08	Actual 2008-09	Actual 2009-10	Actual 2010-11	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17
Regular Salaries	1,713,975	1,844,244	2,117,795	2,217,426	2,351,750	2,184,217	2,353,831	2,449,511	2,212,626	2,312,657
Overtime Wages	332,562	353,304	264,422	276,774	288,750	397,928	298,618	229,212	393,533	290,200
Part-time Wages	80,220	90,883	71,178	85,465	79,553	63,359	47,302	78,761	115,374	46,320
Employee Benefits	1,085,394	1,214,473	1,321,611	1,515,481	1,641,778	1,646,917	1,831,814	1,727,315	1,814,896	2,028,445
Total Personnel Costs	3,212,150	3,502,904	3,775,006	4,095,146	4,361,831	4,292,420	4,531,565	4,484,799	4,536,430	4,677,622
Materials & Supplies	422,834	521,816	623,496	567,730	534,858	481,975	580,010	662,749	669,760	685,344
Total Operating Costs			4,398,502	4,662,876	4,896,689	4,774,395	5,111,575	5,147,548	5,206,190	5,362,966
Percentage Increase Since 2009/10			100%	106%	111%	109%	116%	117%	118%	122%
Increased Annual Operating Costs Since 2009/10			-	264,374	498,187	375,893	713,073	749,046	807,688	964,464
# of Sworn Officers	24	27	27	27	27	27	27	27	26	26
# of Dispatchers	6	7	7	7	7	7	7	7	7	7
TUT Funds Allocated			500,000	525,000	585,000	730,000	625,000	1,110,000	925,000	925,000
TUT Funds Budgeted			585,000	1,575,000	1,755,000	1,875,000	1,875,000	2,250,000	2,100,000	2,100,000
% TUT Funds Allocated to Police			85.5%	33.3%	33.3%	38.9%	33.3%	49.3%	44.0%	44.0%
Additional TUT Funds used to cover other revenue losses due to State taking & reduction of other revenues.			305,000	-	-	105,000	-	360,000	225,000	225,000

Comments

The most appropriate year for comparison would be 2007/08 because this is the year that the Department was most severely understaffed. In fiscal year 2008/09, the City appropriated 4 additional unfunded positions using reserves with the hope that Measure G would be approved.

ARCATA POLICE DEPARTMENT

TO: Transaction and Use Tax Oversight Committee

FROM: Tom Chapman, Chief of Police

DATE: September 29, 2016

SUBJECT: Police Department Update



The police department's portion of the transaction and use tax is fully dedicated to funding personnel. As in the past year, rising personnel costs (supplemental benefits) have out-paced revenue from the transaction and use tax. Last year we reduced staffing that was paid by general fund for the first year since the adoption of the transaction and use tax. We reduced our allocation of sworn staff from 27 to 26, eliminated the Youth & Family Services Manager Position, and eliminated the evidence technician and record's specialist positions to be combined into a property and records specialist position. We were also prepared to eliminate one of the K-9 positions. However, with Measure Z funds from Humboldt County we have been able to fund a 27th sworn position dedicated as a School Resource Officer and two Juvenile Diversion Counselors. In addition, through community donations we have been able to reinstate the second K-9 position with the addition of Baron and K-9 Officer O'Donovan.

Staffing levels in dispatch and among officers has continued to fluctuate due to medical leave, turnover, accommodating mandatory training, and vacations. The staffing level before the transaction and use tax was inadequate to absorb turnover. The slightest change in staffing resulted in significant overtime and reduced services to the community. This fiscal year we allocated funds for a Dispatch Supervisor position. Even with the addition of this position we had the lowest staffing levels in dispatch that the Department has ever seen. At one point we were down to only one full-time dispatcher. We were able to continue services by having a dedicated dispatch supervisor, part-time employees and utilizing officers. We have hired two new dispatchers, but we have yet to reach our desired staffing level.

The department has been working towards community based solutions to prevent crime. The Department has committed resources to proactively recruit citizens to form Neighborhood Watch programs. We currently have 27 Neighborhood Watch groups. In addition to the Neighborhood Watch programs we have also participated in a Downtown Business Watch program to address public safety concerns specific to Downtown vendors.

Summary of Current Staffing Levels

- 23 fully trained sworn positions
- 2 officers in the field training program
- 1 officer in the police academy
- Total of 26 officers with 1 vacancy
- Two sworn staff out on injury. At any given time 2 or 3 officers are on vacation or at training.
- There are 6 dispatch positions allocated. We currently have 4 active dispatchers and one out on injury. We are still dependent on the dispatch supervisor, 2 part-time dispatchers and officers to cover routine shifts and additional coverage for training, sick leave and vacation. Even at that level we are covering open shifts with overtime.

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING: November 15, 2017

STAFF REPORT

AGENDA TITLE: DISCUSS RESERVE ANALYSIS REPORT AND FINDINGS

RECOMMENDATION

Discuss Reserve Analysis Report and Findings and provide further direction to present reserve policy finding to City Council.

EXECUTIVE SUMMARY

- City Council requested an analysis of the City's reserves.
- The subcommittee has prepared a Reserve Policy DRAFT Interim Report for review and discussion.

BACKGROUND/ANALYSIS

During the 2017/18 budget process City Council requested an analysis of the City's reserves. Three members of the Financial Advisory Commission (FAC) joined the Financial Services Analyst and Finance Director in an in depth analysis with additional hours of independent research.

The scope of the analysis included a review of:

- the current reserve policy and funding
- reserve categories
- a Coachella Valley wide comparison of reserves and funding
- best practices recommended by accounting standards boards
- City demographics, revenue sources, expenditure volatility, other funds dependency on the General Fund, growth projections, and unfunded capital projects
- mitigation risks, including a review of insurance policies
- a review of City infrastructures and vulnerability to extreme events

The sub-committee has prepared a Reserve Policy DRAFT Interim Report (Attachment 1) for review and discussion.

ALTERNATIVES

The FAC could request the sub-committee to conduct further analysis before presenting the report to City Council.

Prepared by: Karla Campos, Finance Director

Attachment: 1. Reserve Policy DRAFT Interim Report

City of La Quinta



Reserve Policy **DRAFT** Interim Report

Financial Advisory Commission
Reserve Policy Subcommittee

November 2017

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City of La Quinta Financial Advisory Commission Reserve Policy Sub-Committee Interim Report

Executive Summary

The La Quinta (City) City Council formed the La Quinta Financial Advisory Commission (FAC) in June 2017 to replace the long-standing Investment Advisory Board (IAB).

At the regular FAC meeting on August 9, 2017, the FAC appointed Commissioners Dick Mills, Daniel Twohey and Mark Johnson to serve on a sub-committee to analyze and recommend improvements to the City's Reserve Policy.

The Reserve Policy Subcommittee met with City Finance Staff four times and met/communicated together as a group on several occasions. The Subcommittee focused on developing a pragmatic methodology to determine the appropriate reserve levels as opposed to utilizing a percentage. This process establishes a rationale and protocol that will make it less feasible for an outside agency (the state) to access the City's reserves.

The following interim recommendations were reviewed and approved by the FAC on November 15, 2017.

Recommendations

The following Reserve Policy changes are recommended and summarized in Table 1:

1. Utilize a **Ten-Year Projection** to evaluate the City's financial condition and update it annually.
2. **Fund Balances and Reserves** should be referenced separately in presentations to eliminate confusion and give true picture of Reserves.
3. **Emergency Reserve** with two components: **Natural Disaster and Economic**
 - a. **Emergency Reserve Natural Disaster Component**
 - i. Modify the **City Ordinance** to simplify access to the Emergency Reserve.
 - ii. Undertake a comprehensive **Asset/Risk/Insurance/Government Funding Study (study)** which is essential to setting this reserve level.

- iii. Establish an **Asset Management Program** as part of this Study to better track, maintain and replace assets and develop a long-term Capital Improvement Program (CIP).
- iv. Fund this reserve initially with \$1.5 million and set the reserve level after the Study is complete.
- b. **Emergency Reserve Economic Disaster Component**-set at \$11 million and fund with \$1.0 million annually.
- 4. **Cash Flow Reserve.** Set at \$5 million initially and, reset annually using the formula.
- 5. **CIP Sinking Fund Reserve.** Set at \$10 million and fund with \$1.0 million annually.
- 6. **CalPERS Pension Trust.** Form an irrevocable trust and fund with \$1 million annually for 10 years as a General Fund Expense.

Table 1-Reserve/Trust Recommendations

Reserve/Trust	Reserve Target	Annual Funding (\$)
Emergency Reserve		
Natural Disaster	TBD	\$1,500,000
Economic Disaster	<u>\$11,000,000</u>	<u>\$1,000,000</u>
Total Emergency Reserve	TBD	\$2,500,000
Cash Flow	\$5,000,000	\$500,000
CIP Sinking Fund	<u>\$10,000,000</u>	<u>\$1,000,000</u>
Total Reserves	\$26,000,000	\$4,000,000
CalPERS Pension Trust	\$10,000,000	\$1,000,000

1.0 Background

1.0 Financial Advisory Commission & Reserve Analysis Subcommittee

The principal functions of the FAC are: (1) review at least annually the City's investment policy and recommend appropriate changes; (2) review monthly treasury reports and note compliance with the investment policy and adequacy of cash and investments for anticipated obligations; (3) receive and consider other reports provided by the City Treasurer; (4) meet with the independent auditor after completion of the annual audit of the city's financial statements, and receive and consider the auditor's comments on auditing procedures, internal controls, and findings for cash and investment activities; (5) review annually the revenue derived from the one percent (1%) transactions and use tax instituted by voters in November 2016 to ensure these funds are used to provide services, programs and capital projects in the City, and (6) serve as a resource for the City treasurer on matters such as proposed investments, internal controls, use of financial institutions, custodians, brokers and dealers.

The current FAC members include; George Batavick (Chairman), Richard (Dick) Mills (Vice-Chairperson), Steven Rosen, Javier Lopez, Sherwyn Turbow, , Daniel Twohey and Mark Johnson.

1.1 Reserve Policy Subcommittee

At the regular FAC meeting on August 8, 2017, the FAC appointed Dick Mills, Daniel Twohey and Mark Johnson to serve on a sub-committee to analyze and recommend improvements to the City's Reserve Policy.

2.0 Reserve Policy

2.1 Background

Financial Reserves provide the City with financial flexibility and strength to deal with planned and unplanned expenditures. Reserve levels must balance realistic financial need and risk. The reserve policy should strive to establish reserve levels that are not over or under funded.

2.2 Current Reserve Policy

The current Reserve Policy includes the following major Reserve Fund Descriptions:

- **Non-spendable:** not available to fund operating expenditures of the organization because they are in the form of land and receivables.
- **Restricted:** limited to special purpose funds such as Measure A (transportation), Gas Tax Fund (streets) and Quimby Funds (parks).
- **Committed:** cash flow (currently working capital), emergency, capital improvements.
- **Unassigned (Unappropriated):** net reserves available after satisfying the other reserve categories.

Table 2 depicts the General Fund Reserve/Fund Balances as of June 30, 2016.

Table 2 - General Fund Reserve/Fund Balances-6/30/16

Reserve:	Amount (\$)
Non-Spendable	
Prepaid Costs	\$204,589
Land Held for Resale	\$8,320,000
Advances on Other Funds	\$14,974,800
Due From Other Governments	<u>\$25,105,681</u>
Subtotal Non-Spendable	\$48,605,070
Committed	
Emergency Reserve	\$15,576,000
Post-Retirement Health Benefits	\$1,523,000
Capital Projects	\$2,302,000
Working Capital (Cash Flow) Reserve	\$3,894,000
Carryovers	<u>\$4,274,046</u>
Subtotal Committed	\$27,569,046
Unassigned (Unappropriated)	<u>\$13,822,012</u>
Total Fund Balance	\$89,996,128

Current Reserve Policy includes the following targets:

- Working Capital Reserve: 10% of Adopted Operating Budget
- Emergency Reserve: 40% of Adopted Operating Budget

The General Accounting Standards Board (GASB) is the organization that establishes and improves standards for accounting and financial reporting for state and local governments. GASB provides that it is common practice for governments to put aside resources to be used in a financial emergency or for cash flow purposes. Reserve funds are crucial to the financial viability and stability of a municipality.

Deferred maintenance, increased debt, and cash flow problems are common indicators of weak reserve balances. While strong reserve funds:

- manage cash flows and volatility in revenue and expenditures
- address unexpected economic fluctuations with long-term solutions
- provide needed money if a municipality should find itself facing unexpected financial difficulties
- reduce the cost of borrowing money

There is no guidance for a “maximum” reserve limit but rather each organization should evaluate reserves depending upon their unique circumstances. There will always be more needs and unanticipated events than there are resources; therefore governments must balance the need to be fiscally responsible with what are reasonable reserves. The amount of reserves a municipality maintains is determined by the community’s risk tolerance; a low-risk tolerance will result in higher reserves while a high-risk tolerance will result in lower reserves.

2.3 Guiding Principles, City of La Quinta Reserves

The City follows the following budgetary and cash management principles:

- One-time revenues should not be utilized for on-going expenditures. One-time revenues should be put into reserves, appropriated for one-time expenditures
- Reserves for capital improvements, equipment replacement, and infrastructure should be part of the on-going budget process. Based on depreciation, or other relevant criteria, contributions should be made annually (into a revolving fund) as part of the budget process toward replacement of equipment, buildings, infrastructure, etc.
- When authorizing the use of reserves, developing a plan to replenish those reserves should also be considered.
- The reserve policy can be amended by resolution and requires a 4/5th approval of the Council.

2.4 Ten-Year Financial Projection

A Ten-Year Financial Projection is essential to aid in determining appropriate Reserve Policy. The La Quinta Advisory Committee¹ developed this tool to analyze various Revenue and Expenditure Scenarios in FY 2015/16. Updated Ten-Year Financial Projections (Exhibits 1 and 2) are located in the Appendix.

The Ten-Year Financial Projection is an Excel Workbook (Model) that utilizes the FY 2017/18 Budget as the Base Year and applies a specific inflator (growth projection) for each revenue and expenditure line item to each of the remaining ten years.

The Model includes the following key features:

- **14 Revenue line items:** All revenue line items have a 1% inflator except for Motor Vehicle In-Lieu, Fire Service Credit, Property Tax, and Transient Occupancy Tax which have a 2% inflator. The largest revenue line items are Property Tax, Sales Tax, and Transient Occupancy Tax (TOT).
- **11 Expenditure line items:** Most Expenditure line items have a 2% inflator except for Salaries and Medical Insurance Costs which have a 3% inflator and Police Contract which has a 7% inflator (Exhibit 1) to resemble historical increases or a 10% inflator (Exhibit 2) based on current police contract projections. The Capital Improvements line item is not inflated as these costs are derived directly from the Ten-Year Capital Improvement Budget (updated) provided to the La Quinta Advisory Committee in 2015 and represent the annual minimum General Fund contribution for road maintenance to secure annual Measure A and SB1 Gas Tax Funding. The Fire Service Contract is anticipated to increase by 4% annually.
- **Additional Revenue Sources:** These include special revenues including (1) Redevelopment Agency (RDA) payback (ends in FY 2029/30), (2) estimated SilverRock Resort Net Revenue and (3) potential TOT tax increase (not used for this analysis).

The Model shows that before any Additional Revenue Sources are applied, there is a cumulative Revenues/Expenditure deficit of -\$40.6 million at the end of the Ten-Year period (Exhibit 1) or a deficit of -\$84.1 million (Exhibit 2).

After the Additional Revenue Sources are applied, there is a cumulative +\$56.7 million Revenues/Expenditure surplus (Exhibit 1) or +\$13.1 million (Exhibit 2).

¹ The La Quinta Advisory Committee Report of January 2016 is a good reference for the City's financial system.

The Ten-Year Projection demonstrates the importance of the RDA payback and the SilverRock development to the City's financial future. It also shows that there is about \$5 million/year available to fund the Reserve accounts during this Ten-Year period (Exhibit 1). However, if Police Contract services are escalated to 10% the available funding is reduced to \$13.1 million or \$1.31 million annually.

In addition to the projected Ten-Year surplus, the city currently has an unassigned fund balance of approximately \$14 million. These funds are non-restrictive and can be used to fund reserves, capital projects, or operating expenses at the discretion of the City Council.

The Ten-Year Projection provides an easy tool for the City to periodically analyze its financial condition as new information becomes available. One can easily glean the impact on City finances by simply changing an inflator assumption or line item starting balance. It is clear that small changes in some of the inputs can result in significant changes in the financial projections.

Recommendation: Utilize a Ten-Year Projection to evaluate the City's financial condition and update the reserve levels/policy. The Ten-Year Projection should be updated annually.

2.5 Reserves versus Fund Balances

The financial terminology utilized for current Reserve Policy is confusing but regulated by GASB Statement No. 54. The terms "reserve" and "fund balance" are used interchangeably and can lead to a misunderstanding of actual financial condition. For example, Table 2 shows a total General Fund Reserve/Fund Balance of \$90 million at the end of FY2015/16. The only line items in Table 2 classified as "reserves" are Emergency Reserve (\$15.6 million) and Cash Flow Reserve (\$3.9 million) for a total of \$19.5 million. Therefore, true "reserves" are much less than the reported \$90 million level.

Recommendation: To eliminate this confusion, the following classifications are suggested and should be re-categorized to place actual reserves together (at the top) in the Committed Fund Balance category:

General Fund Balances

- Non-Spendable

General Fund Committed Reserves²

- Emergency
- Cash Flow (replaces Working Capital)
- Capital Improvement Program (CIP) Sinking Fund
- Carryovers

This provides a grouping representation of reserves by re-categorizing the items of which there is no reserve funding potential. Fund balance reporting is governed by GASB. The GASB regulation is intended to provide a uniform method for reporting reserved and unreserved fund balances for all government agencies. Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purpose for which amounts in those funds can be spent. The proposed General Fund Reserve line items are further discussed in Section 3.

3.0 General Fund Reserves

The subcommittee focused on developing a pragmatic methodology to determine the appropriate reserve levels as opposed to utilizing an arbitrary percentage. This process establishes a rationale and protocol that will make it less feasible for an outside agency (the State) to access the City's reserves.

3.1 Emergency Reserve

As defined in the City's municipal code (§ 2.20.020 A), the terms emergency and disaster mean:

“ The actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within this City caused by such conditions as air pollution, fire, flood, storm, epidemic riot, earthquake or other conditions, including conditions resulting from war or imminent threat of war but other than conditions resulting from a labor controversy, which conditions are or are likely to be beyond the control of the services, regular personnel, equipment and facilities of the City and which may require the combined forces of other political jurisdictions to combat.”

Fiscal emergencies can be caused by natural disasters or swings in the economy.

² Note the Post-Retirement Health Benefits Fund is now an OPEB Trust being funded directly from the General Fund Budget.

Recommendation: One Emergency Reserve with two components---Natural Disaster and Economic. Modify the city ordinance to simplify access to the Emergency Reserve.

3.1.1 Natural Disaster Component

The Emergency Reserve-Natural Disaster component will provide funding for floods, earthquakes and other natural disasters. The determination of the level of this reserve component requires the following:

1. **Capital Asset Inventory & Valuation:** what do we have and what is it worth.
2. **Capital Asset Risk Assessment:** which assets are more critical in a disaster.
3. **Insurance Coverage:** how do we evaluate risk versus premium.
4. **Government Disaster Funding:** how much will government contribute in a disaster.

A proper Emergency Reserve-Natural Disaster component cannot be established until these four items are researched and analyzed.

Recommendation: Undertake a comprehensive Asset/Risk/Insurance/Government Funding Study as soon as possible. Establish an Asset Management Program as part of this Study to better track, maintain and replace assets and develop long-term Capital Improvement Program (CIP). Consider hiring a consultant to perform these functions.

Once the Study is complete, the Subcommittee will reconvene and evaluate and recommend the Emergency Reserve-Natural Disaster component reserve level.

Recommendation: Fund this reserve initially with \$1.5 million annually from the \$5.0 million/year available and set the reserve level after the Study is complete.

3.1.2 Economic Disaster Component

The Emergency Reserve-Economic Disaster component will provide funding to respond to a downturn in the economy.

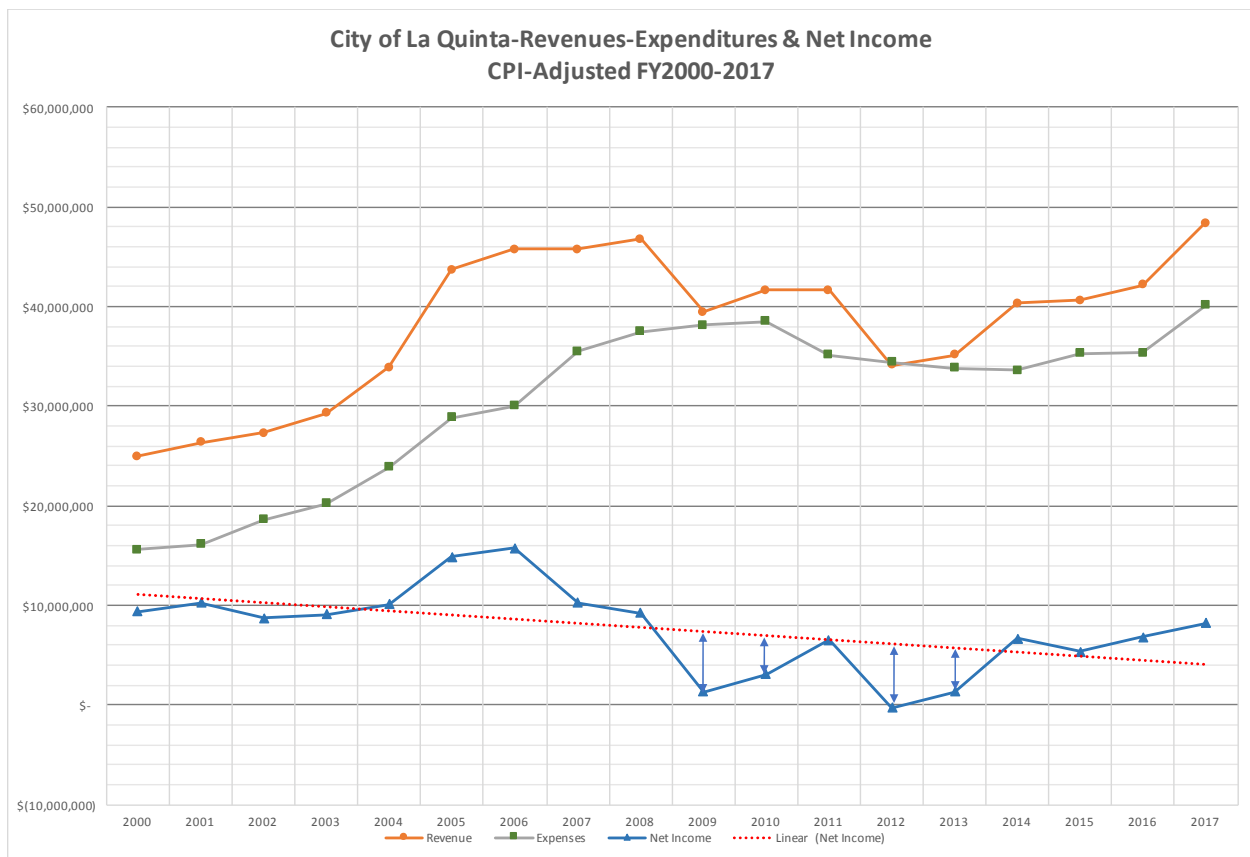
To establish this reserve level, the City's financial data was analyzed from 2000 to present as this period included probably the worst economic downturn since the Great Depression. Figure 1 (Long-Term Economic History) plots Revenue, Expenditures and Net Income adjusted for inflation from 2000-2017.

The Net Income line is the key data as this gives a good indication of the financial health of the City in any given year. A linear regression line was applied to the Net Income data to establish the normalized level of Net Income for this Seven-Year

period. Any Net Income below the Linear Regression curve indicates the need for economic input to recover. During the period from 2008 to 2014, there are two troughs. The period between 2008 and 2011 (economic recession) would require approximately \$10 million to recover and the period from 2011 to 2014 (redevelopment dissolution) would require \$11 million to recover.

Access to this reserve should be granted for economic stabilization and volatility as a direct result of economic conditions during periods of unanticipated economic downturns or unanticipated spikes in operating costs. Use of emergency reserves due to economic pressures should be limited to maintaining essential day-to-day services, such as public safety, in responding to adverse circumstances, while the City formulates a longer-term strategy.

Figure 1-Long-Term Economic History



This was a very unusual economic period and back-to-back downturns are unlikely in the future.

Recommendation: Set the Emergency Reserve-Economic Disaster component at \$11 million and fund with \$1.0 million annually from the \$5 million/year available.

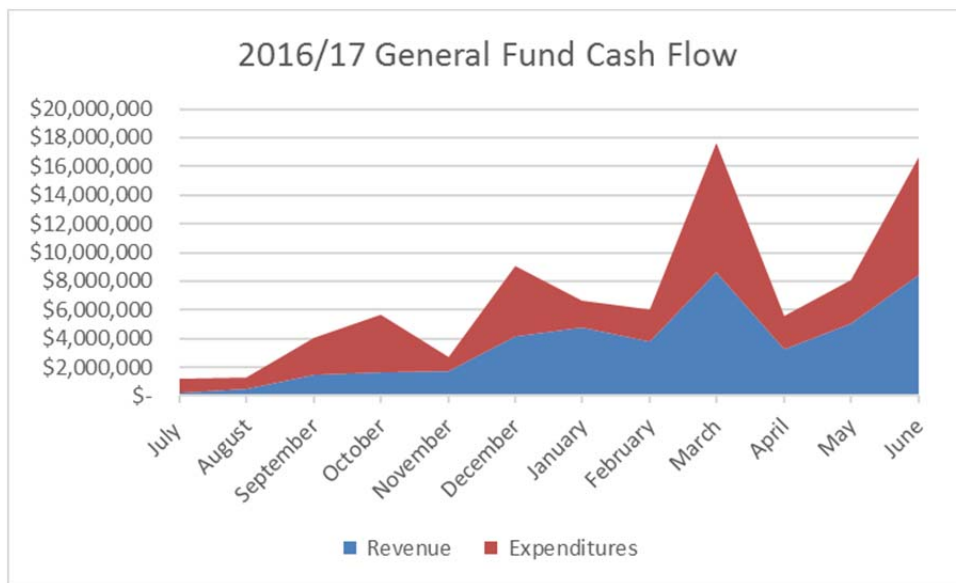
3.2 Cash Flow Reserve

The Cash Flow Reserve replaces the existing terminology of Working Capital Reserve. This reserve covers the inherent mismatch of revenues versus expenditures due primarily to tax revenue receipts. This reserve also serves as a funding source for capital projects with various state and federal grants, which are typically reimbursement based. Reserves allows for capital projects to incur costs and stay on track with reimbursement, typically within 90-180 days.

The Cash Flow Reserve is updated annually by calculating the monthly surplus/(deficit) of revenues versus expenditures; with the largest cumulative deficit becoming the updated Cash Flow Reserve. Figure 2 shows the monthly cash imbalances whereby revenues are not received uniformly throughout the year, which results in peaks and valleys depending upon large payments that are received throughout the year. For example, large property tax payments are usually received in December and May. Similarly, transient occupancy tax payments increase during months with large festivals and events. The timing imbalance of revenue receipts versus expenditures is funded from the City’s cash flow reserves. For FY 2016/17 this analysis yields \$4.7 million.

Recommendation: Set Cash Flow Reserve at \$5 million initially and fund annually subject to the calculation.

Figure 2-Cash Flow Imbalance for FY 2016/17



3.3 CIP Sinking Fund Reserve

Exhibit 3 (Appendix) is page 50 from the FY 2015/16 Comprehensive Annual Financial Report (CAFR) describing the City's capital assets. Table 2 summarizes the Depreciable Assets from this information.

Table 3-Depreciable Assets

Depreciable Assets	Balance 6/30/16
	(\$ million)
Total Assets	298
Accumulated Depreciation	<u>141</u>
Net Capital Assets	157
Annual Depreciation	9

The total Ten-Year Capital Improvement Program (CIP) utilized for Exhibits 1 and 2 is \$33.4 million or \$3.33 million/year. This amount of capital expenditure is approximately 37% of depreciation ($3.33/9.0 = 0.37$). Capital expenses are supplemented with restricted funds such as Measure A and Gas Tax for street improvements, Quimby for parks, developer impact fees, and grant funds. The city also maintains ten-year revenue and expenditure projections on these funding sources.

For FY 2017/18 General Fund capital expenses totaled 6.52 million or approximately 72% of depreciation ($6.52/9.00=72$) and are a reasonable barometer for evaluating the proper level of investment in capital assets.

Ideally it is desirable to match annual depreciation with capital spending, and it is recommended to establish a CIP Sinking Fund Reserve to develop funds to fill that gap.

Recommendation: Set CIP Sinking Fund Reserve at \$10 million and fund with \$1.0 million annually from the \$5 million/year available.

3.4 Unfunded Pension Liability

As of June 30, 2016, the CalPERS Net Pension Liability was \$8.7 million (7.5% discount rate). Exhibits 1 and 2 shows the actual CalPERS Unfunded Liability cost of \$454,756 in FY 2016/17. However, the CalPERS Net Pension Liability is a moving target and is dependent on the CalPERS discount rate. For example, if the discount rate lowers to 6.5%, the Net Pension Liability increases to \$14 million.

In December 2016, CalPERS lowered the discount rate (rate of return for investments) from 7.5% to 7%, which will increase the CalPERS total unfunded pension liability for all participating agencies, including the city. The City's annual unfunded pension liability payment will further increase starting in FY 2018/19 and continuing through 2021/22. In addition, every four year CalPERS evaluates all pension plans to ensure financial stability. This evaluation has been completed and is being presented to the CalPERS Board on November 13-15, 2017. Results from this valuation may further decrease the discount rate, increasing the unfunded liability for all participating agencies.

Eliminating or reducing the CalPERS Net Pension Liability is prudent as it will improve the financial condition of the City and send a message that the City is addressing this issue in a fiscally responsible manner.

Assuming the CalPERS Net Pension Liability is \$10 million (between \$8.7 and \$14.0 million), the liability could be eliminated or reduced in this Ten-Year period by contributing another \$1.0 million/year.

If the city chose to open and fund a pension trust, any additional discretionary payments would reduce the unfunded pension liability and future contributions.

In general, paying earlier reduces long-term pension costs because additional contributions have more time to compound investment returns, reducing the need for future contributions. The extent to which any additional contributions would lower future payments would depend largely on realized investment returns.

Recommendation: Form an irrevocable CalPERS Pension Trust and set at \$10 million and fund with \$1.0 million annually as a General Fund Expense.

4.0 Summary of All Recommendations

The following Reserve Policy changes are recommended and summarized in Table 3:

1. Utilize a **Ten-Year Projection** to evaluate the City's financial condition and update it annually.
2. **Fund Balances and Reserves** should be referenced separately in presentation to eliminate confusion and give a true picture of Reserves.
3. **Emergency Reserve** with two components: **Natural Disaster and Economic**.
 - a. **Emergency Reserve Natural Disaster Component:**
 - i. Modify the **City Ordinance** to simplify access to the Emergency Reserve.
 - ii. Undertake a comprehensive **Asset/Risk/Insurance/Government Funding Study (study)** which is essential to setting this reserve level.

- iii. Establish an **Asset Management Program** as part of this Study to better track, maintain and replace assets and develop long-term Capital Improvement Program (CIP).
- iv. Fund this reserve initially with \$1.5 million and set the reserve level after the Study is complete.
- b. **Emergency Reserve-Economic Disaster:** set at \$11 million and fund with \$1.0 million annually.
- 4. **Cash Flow Reserve:** set at \$5 million initially and reset annually using the formula.
- 5. **CIP Sinking Fund Reserve:** set at \$10 million and fund with \$1.0 million annually.
- 6. **CalPERS Pension Trust:** form an irrevocable trust and fund with \$1 million annually for 10 years as a General Fund Expense.

Table 4-Reserve/Trust Recommendations

Reserve/Trust	Reserve Target	Annual Funding (\$)
Emergency Reserve		
Natural Disaster	TBD	\$1,500,000
Economic Disaster	<u>\$11,000,000</u>	<u>\$1,000,000</u>
Total Emergency Reserve	TBD	\$2,500,000
Cash Flow	\$5,000,000	\$500,000
CIP Sinking Fund	<u>\$10,000,000</u>	<u>\$1,000,000</u>
Total Reserves	\$26,000,000	\$4,000,000
CalPERS Pension Trust	\$10,000,000	\$1,000,000

Appendix

List of Exhibits

Exhibit 1–Ten-Year Financial Projection with a 7% Increase in Police Service Contract

Exhibit 2–Ten-Year Financial Projection with a 10% Increase in Police Service Contract

Exhibit 3–FY 2015/16 CAFR Page 50-Capital Assets

GENERAL FUND FINANCIAL PROJECTIONS

City of La Quinta

As of November 7, 2017

	Actual	Growth	Budget											17/18 to 27/28
	2016/17	Projections	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
1. Cash Receipts														
Sales Tax - Bradley Burns	8,597,655	1%	8,776,100	8,863,861	8,952,500	9,042,025	9,132,445	9,223,769	9,316,007	9,409,167	9,503,259	9,598,291	9,694,274	101,511,698
Property Tax	9,237,781	2%	8,579,100	8,750,682	9,225,696	9,410,210	9,598,414	9,790,382	9,986,190	10,185,913	10,389,632	10,597,424	10,809,373	107,323,015
Transient Occupancy Tax	8,857,359	2%	8,516,900	8,687,238	8,860,983	9,038,202	9,218,966	9,403,346	9,591,413	9,783,241	9,978,906	10,178,484	10,382,054	103,639,732
Fire Service Property Tax	5,532,859	2%	6,726,000	6,860,520	6,997,730	7,137,685	7,280,439	7,426,047	7,574,568	7,726,060	7,880,581	8,038,193	8,198,956	81,846,780
Fire Property Tax Reserves				138,680	281,438	432,650	592,709	762,027	941,029	1,130,161	1,329,889	1,540,696	1,763,088	8,912,365
Motor Vehicle In-Lieu	\$3,813,213	2%	3,708,000	3,782,160	3,857,803	3,934,959	4,013,658	4,093,932	4,175,810	4,259,326	4,344,513	4,431,403	4,520,031	45,121,597
Franchise Fees	\$1,764,652	1%	1,553,000	1,568,530	1,584,215	1,600,057	1,616,058	1,632,219	1,648,541	1,665,026	1,681,676	1,698,493	1,715,478	17,963,294
Charges for Services	\$1,024,157	1%	1,258,200	1,270,782	1,283,490	1,296,325	1,309,288	1,322,381	1,335,605	1,348,961	1,362,450	1,376,075	1,389,836	14,553,391
Other Revenue/Intergovernmental	\$1,410,081	1%	1,699,600	1,466,596	1,481,262	1,496,075	1,511,035	1,526,146	1,541,407	1,556,821	1,572,389	1,588,113	1,603,994	17,043,439
Development Related Permits	\$759,969	1%	936,700	946,067	955,528	965,083	974,734	984,481	994,326	1,004,269	1,014,312	1,024,455	1,034,700	10,834,654
Document Transfer Tax	\$585,333	1%	531,000	536,310	541,673	547,090	552,561	558,086	563,667	569,304	574,997	580,747	586,554	6,141,989
Business Licenses/Permits	\$358,943	1%	321,000	324,210	327,452	330,727	334,034	337,374	340,748	344,155	347,597	351,073	354,584	3,712,954
Fines and Assessments	\$348,345	1%	246,000	248,460	250,945	253,454	255,989	258,548	261,134	263,745	266,383	269,047	271,737	2,845,441
SilverRock Resort Net Revenue					531,400	1,260,000	2,500,000	2,960,000	2,842,000	3,222,000	3,540,000	3,575,400	3,611,154	24,041,954
2. Total Revenue	\$42,290,347		\$42,851,600	\$43,444,096	\$45,132,114	\$46,744,541	\$48,890,330	\$50,278,738	\$51,112,444	\$52,468,151	\$53,786,584	\$54,847,894	\$55,935,813	\$118,216,760
3. Cash Paid Out														
Police Service Contract	\$14,417,358	7%	\$15,879,100	\$16,990,637	\$18,179,982	\$19,452,580	\$20,814,261	\$22,271,259	\$23,830,247	\$25,498,365	\$27,283,250	\$29,193,078	\$31,236,593	\$250,629,352
Maintenance and Operations	\$8,201,081	2%	\$8,994,136	\$9,174,019	\$8,957,499	\$9,136,649	\$9,319,382	\$9,505,770	\$9,695,885	\$9,889,803	\$10,087,599	\$10,289,351	\$10,495,138	\$105,545,230
Fire Service Contract	\$5,816,590	4%	\$6,730,000	\$6,999,200	\$7,279,168	\$7,570,335	\$7,873,148	\$8,188,074	\$8,515,597	\$8,856,221	\$9,210,470	\$9,578,888	\$9,962,044	\$90,763,145
Salaries (Full-Time Employees)	\$4,989,399	3%	\$5,518,200	\$5,683,746	\$5,854,258	\$6,029,886	\$6,210,783	\$6,397,106	\$6,589,019	\$6,786,690	\$6,990,291	\$7,199,999	\$7,415,999	\$70,675,978
Capital Expense, Street Maintenance	\$1,552,000		\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$17,072,000
Employee Medical Insurance Costs	\$890,529	3%	\$1,373,300	\$1,414,499	\$1,456,934	\$1,500,642	\$1,545,661	\$1,592,031	\$1,639,792	\$1,688,986	\$1,739,655	\$1,791,845	\$1,845,600	\$17,588,946
Other Personnel Costs	\$575,564	2%	\$896,100	\$914,022	\$932,302	\$950,948	\$969,967	\$989,367	\$1,009,154	\$1,029,337	\$1,049,924	\$1,070,922	\$1,092,341	\$10,904,386
PERS Unfunded Liability	\$454,756		\$592,784	\$711,814	\$948,500	\$986,100	\$1,138,800	\$1,341,000	\$1,348,200	\$1,425,600	\$1,454,112	\$1,483,194	\$1,512,858	\$12,942,962
Salaries (Part-Time/Temporary)	\$178,844	2%	\$340,400	\$347,208	\$354,152	\$361,235	\$368,460	\$375,829	\$383,346	\$391,013	\$398,833	\$406,810	\$414,946	\$4,142,231
PERS Normal Payroll Costs	\$178,844	2%	\$363,816	\$371,092	\$378,514	\$386,084	\$393,806	\$401,682	\$409,716	\$417,910	\$426,268	\$434,794	\$443,490	\$4,427,173
1996 Bond Debt Service	\$678,200		\$671,400	\$668,200										\$1,339,600
4. Total Cash Paid Out	\$37,933,165		\$42,911,236	\$44,826,437	\$45,893,310	\$47,926,460	\$50,186,269	\$52,614,118	\$54,972,957	\$57,535,924	\$60,192,402	\$63,000,881	\$65,971,009	\$586,031,003
5. Yearly Operating Cash Position														
(2 minus 4)	\$4,357,182		-\$59,636	-\$1,382,341	-\$761,196	-\$1,181,920	-\$1,295,939	-\$2,335,380	-\$3,860,512	-\$5,067,773	-\$6,405,818	-\$8,152,987	-\$10,035,196	-\$40,538,699
6. Measure G Revenue														
(85% of Sales Tax Bradley Burns)	1,462,650		5,700,000	7,534,282	7,609,625	7,685,721	7,762,578	7,840,204	7,918,606	7,997,792	8,077,770	8,158,548	8,240,133	\$84,525,258
7. Cash Position After Measure G														
(5 plus 6)	\$5,819,832		\$5,640,364	\$6,151,941	\$6,848,429	\$6,503,801	\$6,466,639	\$5,504,824	\$4,058,094	\$2,930,019	\$1,671,952	\$5,561	-\$1,795,063	\$43,986,559
8. Measure G Uses														
Capital Expenses	750,000		4,969,464	3,731,561	3,859,103	3,764,599								\$16,324,727
Measure G Reserves	712,650		330,500											\$330,500
Public Safety Fund			300,000											\$300,000
9. Total Measure G Uses	1,462,650		5,599,964	3,731,561	3,859,103	3,764,599	-	-	-	-	-	-	-	\$16,955,227
10. Cash Position After Measure G														
(7 minus 9)	\$4,357,182		\$40,400	\$2,420,380	\$2,989,326	\$2,739,202	\$6,466,639	\$5,504,824	\$4,058,094	\$2,930,019	\$1,671,952	\$5,561	-\$1,795,063	\$27,031,332
11. RDA Loan Repayment														
Repayment based on Last and Final ROPS	1,826,881		\$2,441,620	\$2,490,453	\$2,540,262	\$2,591,066	\$2,642,888	\$2,695,746	\$2,749,661	\$2,804,654	\$2,860,747	\$2,917,962	\$2,976,321	\$29,711,380
12. Cash Position After RDA Repayment														
(10 plus 11)	\$6,184,063		\$2,482,020	\$4,910,833	\$5,529,588	\$5,330,268	\$9,109,527	\$8,200,570	\$6,807,755	\$5,734,673	\$4,532,699	\$2,923,523	\$1,181,258	\$56,742,712

GENERAL FUND FINANCIAL PROJECTIONS

City of La Quinta

As of November 7, 2017

	Actual	Growth	Budget											17/18 to 27/28
	2016/17	Projections	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	TOTAL
1. Cash Receipts														
Sales Tax - Bradley Burns	8,597,655	1%	8,776,100	8,863,861	8,952,500	9,042,025	9,132,445	9,223,769	9,316,007	9,409,167	9,503,259	9,598,291	9,694,274	101,511,698
Property Tax	9,237,781	2%	8,579,100	8,750,682	9,225,696	9,410,210	9,598,414	9,790,382	9,986,190	10,185,913	10,389,632	10,597,424	10,809,373	107,323,015
Transient Occupancy Tax	8,857,359	2%	8,516,900	8,687,238	8,860,983	9,038,202	9,218,966	9,403,346	9,591,413	9,783,241	9,978,906	10,178,484	10,382,054	103,639,732
Fire Service Property Tax	5,532,859	2%	6,726,000	6,860,520	6,997,730	7,137,685	7,280,439	7,426,047	7,574,568	7,726,060	7,880,581	8,038,193	8,198,956	81,846,780
Fire Property Tax Reserves				138,680	281,438	432,650	592,709	762,027	941,029	1,130,161	1,329,889	1,540,696	1,763,088	8,912,365
Motor Vehicle In-Lieu	\$3,813,213	2%	3,708,000	3,782,160	3,857,803	3,934,959	4,013,658	4,093,932	4,175,810	4,259,326	4,344,513	4,431,403	4,520,031	45,121,597
Franchise Fees	\$1,764,652	1%	1,553,000	1,568,530	1,584,215	1,600,057	1,616,058	1,632,219	1,648,541	1,665,026	1,681,676	1,698,493	1,715,478	17,963,294
Charges for Services	\$1,024,157	1%	1,258,200	1,270,782	1,283,490	1,296,325	1,309,288	1,322,381	1,335,605	1,348,961	1,362,450	1,376,075	1,389,836	14,553,391
Other Revenue/Intergovernmental	\$1,410,081	1%	1,699,600	1,466,596	1,481,262	1,496,075	1,511,035	1,526,146	1,541,407	1,556,821	1,572,389	1,588,113	1,603,994	17,043,439
Development Related Permits	\$759,969	1%	936,700	946,067	955,528	965,083	974,734	984,481	994,326	1,004,269	1,014,312	1,024,455	1,034,700	10,834,654
Document Transfer Tax	\$585,333	1%	531,000	536,310	541,673	547,090	552,561	558,086	563,667	569,304	574,997	580,747	586,554	6,141,989
Business Licenses/Permits	\$358,943	1%	321,000	324,210	327,452	330,727	334,034	337,374	340,748	344,155	347,597	351,073	354,584	3,712,954
Fines and Assessments	\$348,345	1%	246,000	248,460	250,945	253,454	255,989	258,548	261,134	263,745	266,383	269,047	271,737	2,845,441
SilverRock Resort Net Revenue					531,400	1,260,000	2,500,000	2,960,000	2,842,000	3,222,000	3,540,000	3,575,400	3,611,154	24,041,954
2. Total Revenue	\$42,290,347		\$42,851,600	\$43,444,096	\$45,132,114	\$46,744,541	\$48,890,330	\$50,278,738	\$51,112,444	\$52,468,151	\$53,786,584	\$54,847,894	\$55,935,813	\$118,216,760
3. Cash Paid Out														
Police Service Contract	\$14,417,358	10%	\$15,879,100	\$17,467,010	\$19,213,711	\$21,135,082	\$23,248,590	\$25,573,449	\$28,130,794	\$30,943,874	\$34,038,261	\$37,442,087	\$41,186,296	\$294,258,255
Maintenance and Operations	\$8,201,081	2%	\$8,994,136	\$9,174,019	\$8,957,499	\$9,136,649	\$9,319,382	\$9,505,770	\$9,695,885	\$9,889,803	\$10,087,599	\$10,289,351	\$10,495,138	\$105,545,230
Fire Service Contract	\$5,816,590	4%	\$6,730,000	\$6,999,200	\$7,279,168	\$7,570,335	\$7,873,148	\$8,188,074	\$8,515,597	\$8,856,221	\$9,210,470	\$9,578,888	\$9,962,044	\$90,763,145
Salaries (Full-Time Employees)	\$4,989,399	3%	\$5,518,200	\$5,683,746	\$5,854,258	\$6,029,886	\$6,210,783	\$6,397,106	\$6,589,019	\$6,786,690	\$6,990,291	\$7,199,999	\$7,415,999	\$70,675,978
Capital Expense, Street Maintenance	\$1,552,000		\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$1,552,000	\$17,072,000
Employee Medical Insurance Costs	\$890,529	3%	\$1,373,300	\$1,414,499	\$1,456,934	\$1,500,642	\$1,545,661	\$1,592,031	\$1,639,792	\$1,688,986	\$1,739,655	\$1,791,845	\$1,845,600	\$17,588,946
Other Personnel Costs	\$575,564	2%	\$896,100	\$914,022	\$932,302	\$950,948	\$969,967	\$989,367	\$1,009,154	\$1,029,337	\$1,049,924	\$1,070,922	\$1,092,341	\$10,904,386
PERS Unfunded Liability	\$454,756		\$592,784	\$711,814	\$948,500	\$986,100	\$1,138,800	\$1,341,000	\$1,348,200	\$1,425,600	\$1,454,112	\$1,483,194	\$1,512,858	\$12,942,962
Salaries (Part-Time/Temporary)	\$178,844	2%	\$340,400	\$347,208	\$354,152	\$361,235	\$368,460	\$375,829	\$383,346	\$391,013	\$398,833	\$406,810	\$414,946	\$4,142,231
PERS Normal Payroll Costs	\$178,844	2%	\$363,816	\$371,092	\$378,514	\$386,084	\$393,806	\$401,682	\$409,716	\$417,910	\$426,268	\$434,794	\$443,490	\$4,427,173
1996 Bond Debt Service	\$678,200		\$671,400	\$668,200										\$1,339,600
4. Total Cash Paid Out	\$37,933,165		\$42,911,236	\$45,302,810	\$46,927,039	\$49,608,962	\$52,620,598	\$55,916,309	\$59,273,504	\$62,981,433	\$66,947,413	\$71,249,891	\$75,920,712	\$629,659,906
5. Yearly Operating Cash Position														
(2 minus 4)	\$4,357,182		-\$59,636	-\$1,858,714	-\$1,794,925	-\$2,864,421	-\$3,730,268	-\$5,637,570	-\$8,161,059	-\$10,513,282	-\$13,160,829	-\$16,401,997	-\$19,984,899	-\$84,167,602
6. Measure G Revenue														
(85% of Sales Tax Bradley Burns)	1,462,650		5,700,000	7,534,282	7,609,625	7,685,721	7,762,578	7,840,204	7,918,606	7,997,792	8,077,770	8,158,548	8,240,133	\$84,525,258
7. Cash Position After Measure G														
(5 plus 6)	\$5,819,832		\$5,640,364	\$5,675,568	\$5,814,699	\$4,821,300	\$4,032,310	\$2,202,633	-\$242,453	-\$2,515,490	-\$5,083,059	-\$8,243,449	-\$11,744,766	\$357,656
8. Measure G Uses														
Capital Expenses	750,000		4,969,464	3,731,561	3,859,103	3,764,599								\$16,324,727
Measure G Reserves	712,650		330,500											\$330,500
Public Safety Fund			300,000											\$300,000
9. Total Measure G Uses	1,462,650		5,599,964	3,731,561	3,859,103	3,764,599	-	-	-	-	-	-	-	\$16,955,227
10. Cash Position After Measure G														
(7 minus 9)	\$4,357,182		\$40,400	\$1,944,007	\$1,955,596	\$1,056,701	\$4,032,310	\$2,202,633	-\$242,453	-\$2,515,490	-\$5,083,059	-\$8,243,449	-\$11,744,766	-\$16,597,571
11. RDA Loan Repayment														
Repayment based on Last and Final ROPS	1,826,881		\$2,441,620	\$2,490,453	\$2,540,262	\$2,591,066	\$2,642,888	\$2,695,746	\$2,749,661	\$2,804,654	\$2,860,747	\$2,917,962	\$2,976,321	\$29,711,380
12. Cash Position After RDA Repayment														
(10 plus 11)	\$6,184,063		\$2,482,020	\$4,434,460	\$4,495,858	\$3,647,767	\$6,675,198	\$4,898,379	\$2,507,208	\$289,164	-\$2,222,312	-\$5,325,487	-\$8,768,445	\$13,113,809

CITY OF LA QUINTA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2016**Note 5: Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2016, is as follows:

	Beginning Balance at July 1, 2015	Additions	Deletions	Transfers	Ending Balance at June 30, 2016
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 69,816,674	\$ -	\$ -	\$ -	\$ 69,816,674
Right of way	284,928,794	-	-	-	284,928,794
Art purchases	-	-	-	-	-
Construction-in-progress	24,423,925	7,025,619	1,688,951	(21,067,981)	8,692,612
Total Capital Assets, Not Being Depreciated	379,169,393	7,025,619	1,688,951	(21,067,981)	363,438,080
Capital assets, being depreciated:					
Buildings and improvements	69,273,971	-	30,223	4,932,812	74,176,560
Equipment and furniture	2,982,523	503,369	42,927	-	3,442,965
Vehicles	1,696,250	83,294	27,725	-	1,751,819
Infrastructure	202,264,372	-	-	16,135,169	218,399,541
Total Capital Assets, Being Depreciated	276,217,116	586,663	100,875	21,067,981	297,770,885
Less accumulated depreciation:					
Buildings and improvements	25,869,210	2,320,922	30,223	-	28,159,909
Equipment and furniture	2,052,855	206,782	42,927	-	2,216,710
Vehicles	1,504,860	63,400	4,545	-	1,563,715
Infrastructure	102,360,326	6,428,995	-	-	108,789,321
Total Accumulated Depreciation	131,787,251	9,020,099	77,695	-	140,729,655
Total Capital Assets, Being Depreciated, Net	144,429,865	(8,433,436)	23,180	21,067,981	157,041,230
Governmental Activities Capital Assets, Net	\$ 523,599,258	\$ (1,407,817)	\$ 1,712,131	\$ -	\$ 520,479,310

Depreciation expense was charged to the following functions in the Statement of Activities:

General government	\$ 345,804
Community development	115,832
Community services	1,260,434
Public works	6,525,956
Internal service	772,073
	<u>\$ 9,020,099</u>

City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING: November 15, 2017

STAFF REPORT

AGENDA TITLE: DISCUSS BUDGET VS ACTUAL REVENUE AND EXPENSE REPORT OPTIONS

RECOMMENDATION

Discuss budget vs actual revenue and expense report options.

EXECUTIVE SUMMARY

- The Financial Advisory Commission (FAC) requested a review of alternatives to reporting revenues and expenses for the General Fund.
- Staff intends to start providing a quarterly report to the FAC and City Council for review and is seeking feedback on the format.

BACKGROUND/ANALYSIS

During the August 9, 2017 FAC meeting, Commissioners requested to review and discuss the current revenue and expenditure report. General Fund revenues are cyclical in nature and not generally uniform as expenditures typically are from month to month, however, a quarterly financial report could provide more details.

Staff had previously committed to start providing a quarterly financial report starting in January 2018 and has provided a Quarterly Financial Report (Attachment 1) from the City of Lakeport for review and discussion.

ALTERNATIVES

This is a discussion item, no alternatives are recommended.

Prepared by: Karla Campos, Finance Director

Attachment: 1. City of Lakeport Quarterly Financial Report

QUARTERLY FINANCIAL REPORT

DECEMBER 31, 2014

SECOND QUARTER, 2014-15



125 Years of pride, progress and service.

OVERVIEW

City management is pleased to present this quarterly financial report summarizing the City's overall financial activity and position through December 31, 2014. This financial information is unaudited. For audited information, or to find greater detail, please refer to the City's Comprehensive Annual Financial Report (CAFR), which is released by December 31 following the end of the fiscal year.

ADJUSTED BUDGETS AND REVENUE ESTIMATES. The revenue projections and budget expenditures presented herein include budget adjustments approved by the City Council.

GENERAL FUND

GENERAL FUND FINANCIAL CONDITION

General Fund Balance	Budget	YTD Actual	Percent
Revenues	\$ 4,502,500	\$ 1,858,896	41%
Expenditures	5,412,981	2,163,699	40%
Transfers in (out), net	266,444	43,522	16%
Use of fund balance	644,037	-	0%
Surplus (deficit)	<u>\$ -</u>	<u>\$ (261,282)</u>	
Total fund balance, beginning		3,313,489	
Total fund balance, ending		3,052,207	
Spendable fund balance, ending		<u>\$ 1,964,729</u>	
Fund balance as a percent of total expenditures, including transfers		<u>141%</u>	

GENERAL FUND FINANCIAL CONDITION. The City's general fund is its primary source of discretionary resources for the provision of service deemed necessary and desirable by the citizens of Lakeport and the City Council.

The general fund is holding well with a total fund balance of \$3.05 million as of the December 31, 2014, of which \$1.96 million is available for spending.

The City Manager recommended using \$580,126 of the general fund reserve to engage in one-time uses in the 2014-15 budget, which was later augmented to \$644,037 to maintain funding capital expenditures with increased personnel costs.

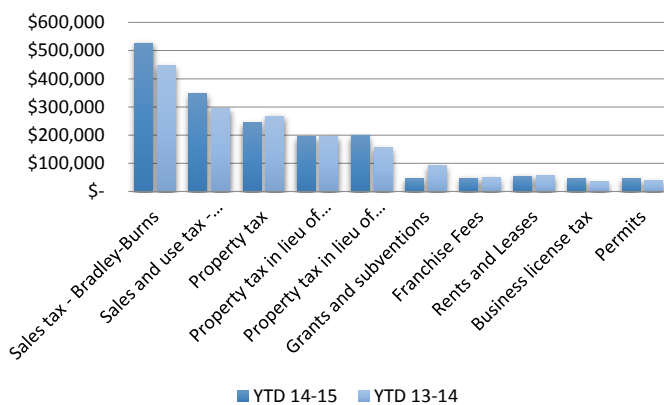
TOP 10 REVENUES. The City's top ten revenue sources account for approximately 82% of total general fund income. Focusing on these sources can provide a useful understanding of the City's revenue position.

The bar graph to the left illustrates the performance of top ten revenues as compared to a year ago.

Sales tax. The City collects sales tax from two sources: normal Bradley-Burns sales taxes - which are shared between City, county, and the state - and a ½ cent sales and use tax, commonly referred to as Measure I and devoted entirely to the City. Both tax sources are general taxes and can be used for any regular, general governmental purpose.

Overall, sales taxes receipts (Bradley-Burns and Measure I) are up 18.3% from a year ago due in part to stronger retail sales in the City's transportation sector. The declining price of gas, unfortunately, will have an adverse effect on this revenue source, yet to be realized. An additional bump was due to true-up allotments from the state as it winds down the triple flip of 2004.

TOP TEN REVENUES COMPARED FY 14-15 TO FY 13-14



CITY OF LAKEPORT

Finance Department
225 Park Street
707.263.5615, ext. 16

QUARTERLY FINANCIAL REPORT

DECEMBER 31, 2014

SECOND QUARTER, 2014-15

Measure I collections were stronger than anticipated and up from last year for similar reasons, although Triple Flip adjustments do not apply to this revenue source. Sales tax generally, however, is coming in slightly lower than anticipated for this time of year, but we will monitor it closely and recommend adjustments to the budget later, if needed.

Property tax. Receipts came in lower than anticipated as the county continues to process Prop 8 (1978) property value adjustments. Economically, the City experienced a surge in residential property sales during 2011 and 2012, driving home values upward, but that trend has cooled in recent months. This revenue source is down further compared to a year ago but is coming in stronger than anticipated in the budget, signaling stability in the housing market and nominal changes to the tax roll.

Property tax in lieu of VLF (Vehicle License Fee). These are property tax shares allocated to cities and counties beginning in FY 04-05 as compensation for the state's take of Vehicle License Fees (VLF). This revenue source typically follows regular property tax collections and is almost identical to last year, reflecting nominal changes to the property tax roll.

Property tax in lieu of sales tax (Triple Flip). This is a mechanism used to repay the state fiscal recovery bonds pursuant to Prop 57 of 2004. Under the Triple Flip, the local sales and use tax rate is reduced from 1.00% to 0.75% with the 0.25% diverted to repay state fiscal recovery bonds. Cities and counties are reimbursed for the lost revenue from a shift of property tax revenue. The 26.6% increase is the result of final true-up processes by the state and County Auditor-Controller.

Grants and subventions. The City receives several grants and subventions to fund public safety activities: COPS, RSTP, and Indian Gaming. The normal annual RSTP allocation is around \$65,000 and has yet to be requested by the City. The amount to date is lower than last year due to the completion of the CHRP grant as well as timing differences in funds received.

Franchise fees. This includes revenues from franchise fees paid by PG&E, MediaCom (Cable), and Lakeport Disposal. It is slightly lower this year than last due to timing differences in payments received. The underlying data suggests that it remains in line with budget estimates.

Rents and leases. This is revenue collected from leasing properties to private parties and other funds/agencies, i.e. water, and sewer enterprises. This revenue source is lower than last year due to timing differences in payments received and an accounting correction.

TOP TEN GENERAL FUND REVENUES BUDGET TO ACTUAL

Top Ten Revenues	Budget	YTD Actual	Percent
Sales tax - Bradley-Burns	\$ 1,053,492	\$ 525,873	49.9%
Sales and use tax - Measure I	730,299	348,369	47.7%
Property tax	453,400	245,081	54.1%
Property tax in lieu of VLF	408,000	195,720	48.0%
Property tax in lieu of sales tax	376,306	197,195	52.4%
Grants and subventions	181,710	45,147	24.8%
Franchise fees	193,194	47,170	24.4%
Rents and leases	160,319	54,682	34.1%
Business license tax	95,000	45,326	47.7%
Permits	69,050	45,850	66.4%
Total	\$ 3,720,770	\$ 1,750,414	47.0%

TOP TEN GENERAL FUND REVENUES COMPARED

Top Ten Revenues Compared	YTD 14-15	YTD 13-14	Percent Change
Sales tax - Bradley-Burns	\$ 525,873	\$ 445,953	17.9%
Sales and use tax - Measure I	348,369	292,768	19.0%
Property tax	245,081	266,593	-8.1%
Property tax in lieu of VLF	195,720	195,781	0.0%
Property tax in lieu of sales tax	197,195	155,747	26.6%
Grants and subventions	45,147	90,657	-50.2%
Franchise Fees	47,170	49,234	-4.2%
Rents and Leases	54,682	57,248	-4.5%
Business license tax	45,326	34,371	31.9%
Permits	45,850	38,943	17.7%
Total	\$ 1,750,414	\$ 1,627,295	7.6%

Business license tax. Businesses that operate within City limits are required to obtain a business license. A tax is assessed for the privilege of doing so, the proceeds of which are available for unrestricted use in the general fund. Receipts are up significantly from a year ago primarily due to timing differences of payments received.

Permits. Fees collected from the issuance of building and planning permits are up from last year and exceeding budget estimates due to increased building and planning activity.

CITY OF LAKEPORT

Finance Department
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QUARTERLY FINANCIAL REPORT

DECEMBER 31, 2014

SECOND QUARTER, 2014-15

EXPENDITURES BY DEPARTMENT CITY-WIDE – BUDGET TO ACTUAL

Expenditures by Department	Budget	YTD Actual	Percent
City Council	\$ 146,212	\$ 40,806	28%
Administration	500,608	282,534	56%
City Manager: Econ Dev	109,000	24,437	22%
City Attorney	122,000	91,832	75%
Finance	555,393	282,665	51%
Planning	302,116	134,114	44%
Building	237,246	89,162	38%
Housing	505,434	120,863	24%
Engineering and IT	6,913,618	1,239,710	18%
Police	1,789,426	916,194	51%
Public Works:			
Roads & Infrastructure	1,440,780	458,375	32%
Parks, Building, Grounds	566,843	133,030	23%
Westshore Pool	63,505	17,026	27%
Water O&M	1,574,477	1,445,328	92%
Sewer O&M	1,870,667	575,851	31%
Total	\$ 16,697,325	\$ 5,851,928	35%

EXPENDITURES BY MAJOR CATEGORY CITY-WIDE – BUDGET TO ACTUAL

Expenditures by Major Category	Budget	YTD Actual	Percent
Salaries and benefits			
Active employee	\$ 4,549,875	\$ 2,289,466	50%
Retiree	388,380	385,534	99%
Total	4,938,255	2,674,999	54%
Operations			
Departmental	3,133,640	1,455,299	46%
Non-departmental	870,222	215,963	25%
Total	4,003,862	1,671,262	42%
Loans/grants	438,360	160,594	37%
Debt service	1,112,022	821,427	74%
Capital improvements	8,581,299	1,992,647	23%
Total	\$ 19,073,798	\$ 7,320,929	38%
Reconciliation to Expenditures by Department			
Departmental	\$ 16,697,325	\$ 5,851,928	
Non-departmental	2,376,473	1,469,001	
Total	\$ 19,073,798	\$ 7,320,929	38%

DEPARTMENTAL EXPENDITURES

Departmental expenditures City-wide (i.e., general fund, special revenues funds, RDA Successor Agency, water and sewer) were 35% of budgeted appropriations. Non-departmental activity brought expenditures up to 38%.

Non-departmental activity includes debt service, retiree health administration, and minor administrative expenses provided by third parties, including bank, merchant, and trustee fees.

A large portion of the budget was the downtown improvement project - funded by unspent former redevelopment bond proceeds - as well as other capital projects, including those funded by USDA. The majority of construction on Main Street is expected to commence in the summer, and unspent bond proceeds will be carried over to next fiscal year to complete the project.

City policy maintains budget control at the fund level. However, the Finance Department monitors expenditures at the object or account level (i.e., salaries and benefits, electricity, professional services, etc.) and reports that information monthly to all departments and the City Manager. As of December 31, 2014, departments are reporting expenditures in line with expected budgeted appropriations for this time of year with the following exceptions:

City Attorney: Costs related to legal settlements were approved by the City Council but unbudgeted.

Public Works, Water O&M Division: Capital costs associated with USDA projects are being managed by the Public Works Department and charged to this division. It was budgeted as the responsibility of the City Engineer. A budget adjustment will be proposed at mid-year to reflect this activity and provide appropriations moving forward.

The City Manager meets with each department during the mid-year to review expenditures and potential budget adjustments. Adjustments made within any major category (e.g., salaries and benefits, operations, or capital outlay) typically are made by the City Manager upon request by a department head. Adjustments between those major categories, or net increases in appropriations to any particular fund or department require Council review and approval.

CITY OF LAKEPORT

Finance Department
225 Park Street
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City of La Quinta

FINANCIAL ADVISORY COMMISSION MEETING

DEPARTMENT REPORT

TO: Honorable Chair and Financial Advisory Commissioners

FROM: Rosemary Hallick, Financial Services Analyst

DATE: November 15, 2017

SUBJECT: Second Quarter 2017 (April – June 2017) Sales Tax Update for the City of La Quinta

The attached report was prepared by HdL Companies, the City's sales tax consultant, as an update of sales tax receipts for second quarter sales from April to June 2017.

Highlights

- Generally all major business groups, except autos and transportation, have experienced an increase in sales in comparison to the second quarter of 2016.
- City of La Quinta sales per capita were higher than both the state and county averages, which has been the case for all quarters except the third quarter (consisting of July –September) for all years since 2014.
- General consumer goods (such as department stores) and restaurants/hotels made up 61% of sales tax revenue during this quarter.
- La Quinta's overall adjusted sales increase was 3.9%, which compares to Riverside County at 5.7%, Southern California at 3.4%, and the state at 3.2%.
- Most categories of general consumer goods continue to see declines or zero growth as online shopping continues to shift tax receipts into the countywide allocation pools.
- Allocation of sales tax continues to be based on the basic principles of location and ownership. County pools benefit if the sale is negotiated and the goods are shipped from out of state or if a fulfillment center is located in California but the inventory is not owned by the seller. Local jurisdictions benefit when the seller owns the inventory and it is delivered from inside California.

The City continuously monitors local development, statewide economic conditions, international impacts on travel and trade, as well as significant shifts in sales to non-traditional sources (such as online purchases).

Measure G Update

- Measure G transaction taxes came in above our conservative estimates for the quarter.
- General consumer goods (such as department stores) and restaurants/hotels made up 60% of transaction tax revenue during this quarter, a similar share to sales taxes.
- Autos and transportation made up 15% of transaction tax revenue as opposed to only 9% of sales tax revenue.

- A transaction tax, such as our Measure G, is based on the place of purchase. As an example, automobile transaction taxes go to the jurisdiction in which the buyer's vehicle is registered, not the location of the dealership.
- Our top 25 transactions tax producers predominately consisted of LA Quinta businesses; however there was activity from online retailers as well as several auto dealerships located outside of City limits.

City staff will continue to monitor Measure G activity to establish baselines for future budgeting purposes. No updates were provided by the consultants at this time, as they are waiting until there are at least two quarters of collections before making projections for future revenue.

Attachment 1: City of La Quinta Sales Tax Update

Q2
2017



City of La Quinta Sales Tax *Update*

Third Quarter Receipts for Second Quarter Sales (April - June 2017)

La Quinta In Brief

La Quinta's allocation of sales and use tax from its April through June sales was 0.7% higher than the same quarter of 2016. Actual sales activity gained 3.9% after factoring for accounting anomalies.

Recent additions to the specialty retail and family apparel categories plus an overall solid quarter for general consumer goods and resort hotels were the primary contributors to the actual increase. A rise in purchases of building-construction supplies was also a factor.

The gains were partially offset by a decline in some categories within the auto-transportation group and by a decline in county pool receipts that were inflated by onetime audit recoveries in last year's comparable quarter.

The first quarter of voter approved Measure G added \$2,072,771 to the amounts discussed above and 96.1% of what was generated by the city's sales and use tax.

Net of aberrations, sales and use tax receipts for all of Riverside County increased 5.7% over the comparable time period while Southern California as a whole was up 3.4%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

Arco AM PM	La Quinta Resort & Club
AT&T Mobility	Lowes
Bed Bath & Beyond	Marshalls
Best Buy	Ross
Chevrolet Cadillac of La Quinta	Stater Bros
Circle K	Stein Mart
Cliffhouse	Target
Costco	TJ Maxx
Home Depot	Torre Nissan
Hyundai of La Quinta	Tower Mart
In N Out Burgers	Verizon Wireless
Kohls	Vons
	Walmart Supercenter

REVENUE COMPARISON

One Quarter – Fiscal Year To Date

	2016-17	2017-18
Point-of-Sale	\$1,890,112	\$1,942,395
County Pool	226,217	189,964
State Pool	645	(981)
Gross Receipts	\$2,116,975	\$2,131,378
Less Triple Flip*	\$0	\$0
Measure G	\$0	\$2,073,057

California Overall

Local government's one-cent share of statewide sales and use tax from transactions occurring April through June was 3.2% higher than the same quarter of 2016 after payment aberrations are factored out.

The largest percentage increases were from the countywide allocation pools, building supplies and rising fuel prices. Auto sales and restaurants continued to post solid gains. Except for value priced apparel and dollar stores, most categories of general consumer goods were down or flat with the growth in online shopping shifting tax receipts to in-state distribution centers or to the countywide allocation pools.

Receipts from business and industrial transactions were lower than last year's comparable quarter because of declines in new alternative energy projects. Agricultural and new technology related purchases exhibited healthy gains as did sales of warehouse and construction equipment. Most other categories were down from 2016.

Where does the Money Go?

E-commerce, technology and changing consumer preferences have retailers undergoing a dizzying transformation as they compete for customers through online websites, mobile apps, home delivery, social media, pop-up/flex stores and pick-up lockers as well as traditional brick and mortar businesses.

The changes in how goods are inventoried, sold and delivered has created some confusion in allocating local sales and use tax. However, it still involves three basic principles:

- Location where the sale is negotiated
- Location of goods at time of sale
- Ownership of goods being sold

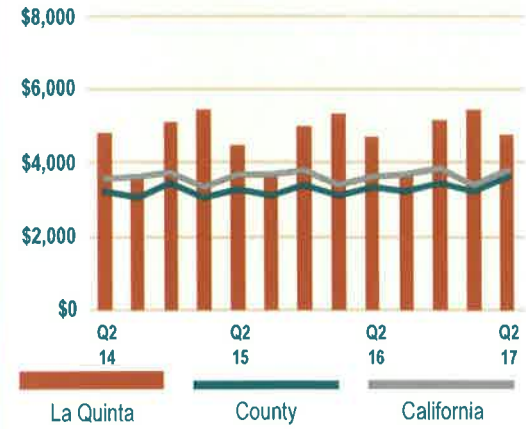
Place of sale continues to be California's primary rule for allocating local sales tax. If the inventory is owned by the seller and is located in-state, the tax goes to the location that participates in the sale, either by receiving the order or

shipping the goods. If the order is taken outside the state but the seller owns the inventory and delivers the goods from inside California, the tax is allocated to the jurisdiction where the warehouse is located. Otherwise, the tax is shared by all agencies in the county where the goods are shipped on a pro-rata basis through the county allocation pools.

Ownership of the goods being sold is also a factor. In order for an agency to receive a direct allocation of local tax for goods shipped from a California fulfillment center, the location must be the retailer's place of business and not owned or operated by a separate legal entity. If the retailer has no place of business in California, the only opportunity for local tax is an indirect allocation through the countywide pools

For jurisdictions with transactions tax overrides, that tax goes to the place of purchase rather than the place of the seller. For example, the sales tax on the purchase of an automobile goes to the seller's location. However, the transactions tax, if any, goes to the jurisdiction where the buyer's vehicle is registered.

SALES PER CAPITA

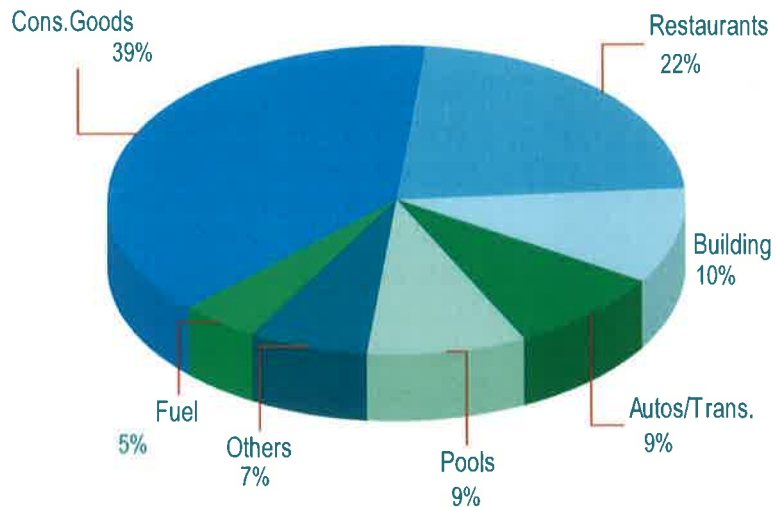


**COUNTY OVERALL
2Q YOY RECEIPTS % CHANGE**

Major Industry Groups	Cash	Adjusted*
Autos and Transportation	7.9%	6.2%
Building and Construction	11.9%	10.6%
Business and Industry	42.8%	7.4%
Food and Drugs	2.7%	3.3%
Fuel and Service Stations	2.7%	7.1%
General Consumer Goods	0.5%	0.1%
Restaurants and Hotels	6.6%	5.8%
County and State Pools	-10.6%	9.5%
Total	8.0%	5.7%

*Accounting anomalies factored out

REVENUE BY BUSINESS GROUP
La Quinta This Quarter



HAND OUTS

FAC

MEETING

NOVEMBER 15, 2017



2016/17 General Fund Year-End Budget Report – City of La Quinta

GEM of the DESERT

FISCAL RESPONSIBILITY & TRANSPARENCY

General Fund Financial Update

OVERVIEW

Finance is pleased to present this annual financial report summarizing the City's overall financial activity and position through June 30, 2017. The revenues and expenditures include budget adjustments and carryovers approved by the City Council. For 2016/17, the carryovers total \$4,859,920 for Capital Improvement Projects (CIP) and \$120,000 for General Fund (GF) expenditures, resulting in a net savings of \$3,096,656. The Use of Fund Balance represents Council approved use of unassigned reserves; these funds were used for the SilverRock sheep fence and the acquisition of land on Eisenhower Drive for drainage improvements.

General Fund	Final Budget	Actual	%
Revenues	42,183,600	43,544,086	103%
Use of Fund Balance	3,055,606	2,723,617	89%
Total Revenues	45,239,206	46,267,703	102%
Expenditures	49,411,655	41,335,079	84%
CIP Carryovers		4,859,920	
GF Carryovers		120,000	
Total Expenditures	49,411,655	46,314,999	94%

GENERAL FUND FINANCIAL CONDITION

The GF funds operating services and infrastructure investment. Overall, 2016/17 revenue was \$1.3 million higher (3%) than anticipated after mid-year adjustments.

Without the carryover expenses, expenditures were underbudget by \$8 million; after carryovers, this decreased to \$3 million. These savings replenish the unassigned fund balance (reserves).

A General Fund summary of revenues and expenses can be found in Attachment 2.

GENERAL FUND REVENUE VARIANCES

Compared to 2015/16, revenues increased by \$2 million or 5%. In 2016/17, tax revenue experienced the largest positive variance from the final budget. This is attributed to property tax, Measure G sales tax, and transient occupancy tax (TOT). A detail listing of revenues can be found in Attachment 3.

PROPERTY TAX

In 2014/15 the county adjusted the City's no-low distribution, which increased the no-low allocation and its unpredictability thereafter. Revenue from the Redevelopment Property Tax Trust Fund increases each year as the former Redevelopment Agencies' dissolution (City and County Agencies) continues and debts are retired. This reallocates taxes to cities, counties, schools, and special districts. The City has contracted with HdL for property tax analysis and will reviewing of all property tax revenue in preparation for the 2018/19 budget.

SALES TAX

As of April 1, 2017, the City collects sales tax from two sources: the normal Bradley-Burns sales taxes – which are shared between City (1%), County (.25%), and the State (6%) – and the 1% sales and use tax, commonly referred to as Measure G, which is allocated exclusively to the City. An additional .5% is collected for County transportation funding.

The 2016/17 sales tax revenue increase is attributed to Measure G. Actual revenues exceeded budgeted projections by \$462,000. The Coachella Valley hosts numerous events in neighboring cities, which also boosted sales tax revenue. After a year of Measure G implementation, the City will ascertain the cyclical nature of this new revenue source.

TRANSIENT OCCUPANCY TAX (TOT)

Combined TOT revenue was \$8.9 million or \$1.6 million over budget. Hotels and short-term vacation rentals both experienced an increase in revenue (in part to events hosted in Valley cities).

INTERGOVERNMENTAL

The largest revenue variance is due to lower fire service costs and therefore lower fire service property tax revenue. Riverside County deposits excess fire service property tax revenue in a trust account, which is reserved for future City fire service expenses.

In addition, the City anticipates receiving County Service Area 152 revenue for 2016/17 in 2017/18. Revenue was not recognized due to a lag in the County reimbursement request for expenses incurred for reducing storm water pollution.

General Fund Revenues	Final Budget	Actual	Variance
Tax Revenue	27,741,600	31,001,941	3,260,341
Licenses & Permits	1,364,400	1,118,912	(245,488)
Intergovernmental	10,612,200	9,544,110	(1,068,090)
Charges for Services	1,366,400	1,021,296	(345,104)
Fines, Forfeitures & Abatements	253,400	348,345	94,945
Use of Money & Property	516,600	360,068	(156,532)
Miscellaneous	138,600	149,911	11,311
Transfers In	190,400	9,503	(180,897)
Total Revenues	42,183,600	43,554,086	1,370,486

CHARGES FOR SERVICES

This revenue category is comprised of 32 different items including development and community service fees. Building plan check and public works

development plan check fees experienced the largest negative variances from budget. Many large projects have secured their entitlements but this has not yet translated into building permits.



La Quinta

— GEM of the DESERT —

General Fund Expenditures	Final Budget	Actual	Variance
City Council	293,400	272,268	(21,132)
City Manager	849,000	845,572	(3,428)
City Attorney	506,000	410,887	(95,113)
Human Resources	417,100	407,779	(9,321)
City Clerk	577,600	528,440	(49,160)
Finance	1,145,900	1,018,009	(127,891)
Centralized Services	11,264,049	6,173,386	(5,090,663)
Police	14,832,400	14,451,364	(381,036)
Fire	6,591,300	5,816,590	(774,710)
Community Resources Admin.	836,300	783,382	(52,918)
Wellness Center Operations	606,700	522,039	(84,661)
Recreational Programs & Events	135,700	129,865	(5,835)
Parks Maintenance	1,718,500	1,708,801	(9,699)
Marketing & Community Relations	905,100	830,898	(74,202)
Public Buildings	1,413,100	1,376,355	(36,745)
Design & Development Admin.	1,061,400	1,003,341	(58,059)
Planning	594,300	504,011	(90,289)
Building	909,100	695,620	(213,480)
Code Compliance/Animal Control	1,017,600	911,979	(105,621)
The Hub	717,800	638,565	(79,235)
Public Works Dev. Services	623,100	436,843	(186,257)
Streets	-	10,755	10,755
Engineering Services	2,396,206	1,858,331	(537,875)
Total Expenditures	49,411,655	41,335,079	(8,076,576)
Capital Improvement Carryovers		4,859,920	
General Fund Carryovers		120,000	
Total Expenditures After Carryovers	49,411,655	46,314,999	(3,096,656)

GENERAL FUND EXPENDITURE VARIANCES

General Fund expenditures, before carryovers, totaled \$41,335,079 (84% of budget expended). CIP carryovers totaled \$4.8 million and GF carryovers were \$120,000. Total expenditures (including carryovers) were \$46.3 million (94% of budget), leaving total expenditures \$3,096,656 under the approved budget.

For 2016/17, all departments were under budget except for Streets (\$10,700), which was due to expenditures not qualifying under the restricted Gas Tax Fund.

NOTABLE SAVINGS

The **City Attorney** budget realized savings of \$95,113. Savings were recognized because of reimbursement agreements and prudent use of retainer hours.

Police and Fire contract services were lower than anticipated by \$381,036 and \$774,710, respectively. Police savings are attributed to vacancies in the special enforcement team and motor officer positions, as well as prudent management of overtime. The Fire service contract budgeted a full-year of labor increases, which were subsequently

phased in by the State, resulting in savings for half the year.

Prudent oversight of contract services and staff completing projects internally such as updating the batting cages at the Sports Complex realized savings for **Parks Maintenance** of \$9,699.

Prudent contract management and in-house collaboration of **Marketing and Community Relations** yielded savings of \$74,202.

Building, Public Works Development Services, and Engineering Services realized a combined savings of \$937,612, primarily for contract services. This correlates directly with the decrease in revenue for building plan check and public works development plan check fees.

Overall **Salaries and Benefits** realized savings of \$676,848. This was due to vacant positions, staff turnover, and using current staff to temporarily assist while vacant positions were filled.

The greatest savings were realized in **Centralized Services** (\$5,090,613); however, as noted earlier \$4.8 million is contractually obligated to multi-year CIP projects.

A summary of expenses by department and category is found in Attachment 4.



	2016/17 Final Budget	2016/17 Actuals	Variance w/ Final Budget
GENERAL FUND OVERVIEW			
REVENUE SUMMARY			
Tax Revenues	27,741,600.00	31,001,940.60	3,260,340.60
Licenses & Permits	1,364,400.00	1,118,912.10	(245,487.90)
Intergovernmental	10,612,200.00	9,544,110.43	(1,068,089.57)
Charges for Services	1,366,400.00	1,021,296.11	(345,103.89)
Fines, Forfeitures & Abatements	253,400.00	348,344.70	94,944.70
Use of Money & Property	516,600.00	360,067.95	(156,532.05)
Miscellaneous	138,600.00	149,910.74	11,310.74
Transfers In	190,400.00	9,502.95	(180,897.05)
	<u>42,183,600.00</u>	<u>43,554,085.58</u>	<u>1,370,485.58</u>
EXPENSE SUMMARY			
Salaries and Benefits	8,112,600.00	7,435,751.88	(676,848.12)
Contract Services	26,100,006.00	23,882,328.95	(2,217,677.05)
Maintenance & Operations	2,454,400.00	2,274,236.30	(180,163.70)
Utilities	416,300.00	492,227.18	75,927.18
Capital Expenses	2,305,500.00	2,280,802.17	(24,697.83)
Internal Service Charges	1,941,100.00	1,941,100.00	0.00
Transfers Out	8,081,748.96	3,028,632.48	(5,053,116.48)
	<u>49,411,654.96</u>	<u>41,335,078.96</u>	<u>(8,076,576.00)</u>
BUDGET (SHORTFALL)/SURPLUS	<u>(7,228,054.96)</u>	<u>2,219,006.62</u>	<u>9,447,061.58</u>

General Fund Revenue Comparison

		2015/16 Actual Revenues	2016/17 Original Budget	2016/17 Final Budget	2016/17 Activity	Variance w/ Final Budget
101 - GENERAL FUND						
0000 - Undesignated						
310 - Tax Revenues						
101-0000-40310	Property Tax Revenue	4,141,871.70	2,178,500.00	2,178,500.00	2,186,077.61	7,577.61
101-0000-40311	No-Low City Property Tax	4,656,424.13	4,332,700.00	4,332,700.00	4,969,009.81	636,309.81
101-0000-40315	RPTTF Pass Through	0.00	1,900,000.00	1,900,000.00	2,082,693.73	182,693.73
101-0000-41320	State Sales Tax	7,891,651.99	8,604,000.00	8,604,000.00	8,597,655.49	(6,344.51)
101-0000-41325	Sales Tax Reimbursement	502,623.65	0.00	0.00	0.00	0.00
101-0000-41326	Measure G Sales Tax	0.00	0.00	1,000,000.00	1,462,649.75	462,649.75
101-0000-41327	Document Transfer Tax	516,963.74	531,000.00	531,000.00	585,333.35	54,333.35
101-0000-41400	TOT - Hotels	7,442,169.08	5,345,100.00	5,345,100.00	6,426,594.01	1,081,494.01
101-0000-41401	TOT - Short Term Vac. Rentals	0.00	1,395,300.00	1,895,300.00	2,383,229.26	487,929.26
101-0000-41402	TOT - Bed and Breakfast	0.00	0.00	0.00	123,360.49	123,360.49
101-0000-41410	TOT - Mitigation Measures	393,575.33	365,000.00	365,000.00	420,684.94	55,684.94
101-0000-41505	Franchise Taxes - Burrtec	353,746.72	644,000.00	644,000.00	663,060.76	19,060.76
101-0000-41506	Burrtec AB 939 Fee	369,087.78	0.00	0.00	38,801.62	38,801.62
101-0000-41508	Southern California Gas	130,290.94	149,000.00	149,000.00	120,634.61	(28,365.39)
101-0000-41509	Cable Television	591,137.53	600,000.00	600,000.00	602,052.47	2,052.47
101-0000-41510	Communications Franchise Fees	355,674.36	197,000.00	197,000.00	340,102.70	143,102.70
310 - Tax Revenues Totals:		27,345,216.95	26,241,600.00	27,741,600.00	31,001,940.60	3,260,340.60
320 - Licenses & Permits						
101-0000-41415	STVR Registration Fee	20,299.80	22,500.00	62,500.00	80,102.00	17,602.00
101-0000-41600	Business Licenses	334,465.17	307,000.00	307,000.00	358,943.44	51,943.44
101-0000-41601	Cannabis Delivery License	0.00	0.00	0.00	1,368.00	1,368.00
101-0000-41610	Film Permits	0.00	1,000.00	1,000.00	1,095.00	95.00
101-0000-42400	Building Permits	101,259.66	138,000.00	188,000.00	104,776.28	(83,223.72)
101-0000-42401	Plumbing Permits	52,712.21	86,300.00	86,300.00	51,407.11	(34,892.89)
101-0000-42402	Mechanical Permits	75,331.90	101,200.00	101,200.00	80,867.16	(20,332.84)
101-0000-42403	Electrical Permits	55,560.54	74,800.00	74,800.00	47,294.38	(27,505.62)
101-0000-42404	Miscellaneous Permits	190,944.50	152,000.00	152,000.00	151,603.31	(396.69)
101-0000-42405	Garage Sale Permits	10,950.00	12,000.00	12,000.00	10,090.00	(1,910.00)
101-0000-42406	Golf Cart Permits	220.00	10,000.00	10,000.00	160.00	(9,840.00)
101-0000-42408	Grading Permits	8,871.75	5,800.00	5,800.00	8,675.67	2,875.67
101-0000-42409	Animal Licenses	10.00	0.00	0.00	0.00	0.00
101-0000-42410	Driveway Permits	30,307.00	6,000.00	6,000.00	3,354.00	(2,646.00)
101-0000-42414	Massage Permits	2,000.00	100.00	100.00	660.00	560.00
101-0000-42430	Transportation Permits	3,360.00	2,000.00	2,000.00	1,300.00	(700.00)
101-0000-42431	Conditional Use Permits	23,143.75	16,100.00	16,100.00	24,914.00	8,814.00
101-0000-42433	Minor Use Permit	3,000.00	2,800.00	2,800.00	1,600.00	(1,200.00)
101-0000-42434	Sign Permit	14,975.00	15,200.00	15,200.00	20,546.00	5,346.00
101-0000-42435	Site Development Permit	26,722.00	67,900.00	67,900.00	64,278.00	(3,622.00)
101-0000-42436	Final Landscaping Plans	5,740.00	11,600.00	11,600.00	14,589.00	2,989.00
101-0000-42437	Development Agreement	1,885.00	0.00	0.00	1,394.25	1,394.25
101-0000-42439	Temporary Use Permit	12,840.00	40,100.00	40,100.00	8,757.50	(31,342.50)
101-0000-43632	Public Works Permits	187,220.00	200,000.00	200,000.00	81,137.00	(118,863.00)
101-0000-43638	NPDES Inspections	0.00	0.00	2,000.00	0.00	(2,000.00)
320 - Licenses & Permits Totals:		1,161,818.28	1,272,400.00	1,364,400.00	1,118,912.10	(245,487.90)
330 - Intergovernmental						
101-0000-41800	Motor Vehicle In Lieu	3,651,548.63	3,635,500.00	3,635,500.00	3,813,213.14	177,713.14
101-0000-42500	Fire Service Credit	5,349,899.94	6,531,300.00	6,571,300.00	5,480,897.29	(1,090,402.71)
101-0000-43100	FEMA	1.45	0.00	0.00	0.00	0.00
101-0000-43633	CSA 152 Assessments	238,587.96	238,600.00	238,600.00	0.00	(238,600.00)
101-0000-43634	CVWD	0.00	16,800.00	16,800.00	0.00	(16,800.00)
101-0000-43650	Contributions from Other Agencies	300,000.00	150,000.00	150,000.00	250,000.00	100,000.00
330 - Intergovernmental Totals:		9,540,037.98	10,572,200.00	10,612,200.00	9,544,110.43	(1,068,089.57)
340 - Charges for Services						
101-0000-42200	Leisure Enrichment	58,533.82	45,000.00	45,000.00	57,857.54	12,857.54
101-0000-42202	Gift Shop	6,496.96	6,000.00	6,000.00	8,585.85	2,585.85
101-0000-42208	Coffee/Cards-Senior Center	0.00	100.00	100.00	0.00	(100.00)
101-0000-42210	Youth Sports	53,369.36	45,500.00	45,500.00	45,079.70	(420.30)
101-0000-42211	Adult Sports	1,067.00	5,000.00	5,000.00	4,589.28	(410.72)

General Fund Revenue Comparison

Attachment 2

		2015/16 Actual Revenues	2016/17 Original Budget	2016/17 Final Budget	2016/17 Activity	Variance w/ Final Budget
101-0000-42212	Facility Rental	56,595.26	56,000.00	51,000.00	41,902.00	(9,098.00)
101-0000-42213	Special Event	0.00	0.00	0.00	1,086.30	1,086.30
101-0000-42214	Wellness Center Leisure Enrichment	53,266.50	45,000.00	40,000.00	54,625.85	14,625.85
101-0000-42215	City Facilities Rental Fee	0.00	34,100.00	34,100.00	0.00	(34,100.00)
101-0000-42216	Senior Center Special Events	2,112.50	0.00	0.00	2,152.00	2,152.00
101-0000-42218	Wellness Center Memberships	108,096.00	75,000.00	75,000.00	125,867.51	50,867.51
101-0000-42300	Cash Over/Short	673.04	100.00	100.00	(38.90)	(138.90)
101-0000-42301	Miscellaneous Revenue	171,085.42	25,000.00	25,000.00	33,220.09	8,220.09
101-0000-42303	NSF Charges	480.00	200.00	200.00	350.00	150.00
101-0000-42411	Village Use Permit	5,656.00	0.00	0.00	8,484.00	8,484.00
101-0000-42412	Minor Adjustment	2,030.00	2,000.00	2,000.00	1,796.00	(204.00)
101-0000-42415	Tentative Tract Map	22,663.00	11,300.00	11,300.00	13,338.00	2,038.00
101-0000-42417	Modification by Applicant	1,450.00	3,800.00	3,800.00	2,100.00	(1,700.00)
101-0000-42440	Appeals - Planning Commission	3,349.50	3,200.00	3,200.00	1,500.00	(1,700.00)
101-0000-42441	Planning Compliance Review	200.00	3,200.00	3,200.00	0.00	(3,200.00)
101-0000-42443	Zone Change	17,590.00	18,700.00	18,700.00	4,068.00	(14,632.00)
101-0000-42445	Environmental Assessment	8,124.00	3,000.00	3,000.00	5,629.00	2,629.00
101-0000-42446	General Plan Amendment	6,236.00	12,500.00	12,500.00	0.00	(12,500.00)
101-0000-42447	Home Occupations	4,725.00	5,000.00	5,000.00	4,480.00	(520.00)
101-0000-42448	Parcel Map	15,218.75	13,900.00	13,900.00	12,333.00	(1,567.00)
101-0000-42451	Specific Plan	6,381.00	0.00	0.00	13,310.30	13,310.30
101-0000-42453	Zoning Letters	0.00	1,600.00	1,600.00	0.00	(1,600.00)
101-0000-42600	Building Plan Check Fees	447,152.48	460,000.00	556,000.00	438,638.13	(117,361.87)
101-0000-42610	SMIP Fees	305.18	300.00	300.00	0.00	(300.00)
101-0000-42615	CBSC Administrative Fees	384.10	800.00	800.00	181.80	(618.20)
101-0000-42810	Public Works Dev. Plan Check Fee	278,950.00	392,100.00	402,100.00	139,392.83	(262,707.17)
101-0000-43631	CVMSHCP Admin Fee	1,022.52	2,000.00	2,000.00	767.83	(1,232.17)
	340 - Charges for Services Totals:	1,333,213.39	1,270,400.00	1,366,400.00	1,021,296.11	(345,103.89)
	350 - Fines, Forfeitures & Abatements					
101-0000-42700	Administrative Citations	21,661.99	18,000.00	18,000.00	17,334.00	(666.00)
101-0000-42701	Lot Abatement	9,237.80	2,000.00	2,000.00	37,849.13	35,849.13
101-0000-42702	Vehicle Abatement	4,713.61	15,000.00	15,000.00	19,779.55	4,779.55
101-0000-42703	Vehicle Impound Fee	73,831.00	50,000.00	65,000.00	86,997.00	21,997.00
101-0000-42705	Motor Vehicle Code Fines	104,632.52	83,900.00	99,900.00	123,257.44	23,357.44
101-0000-42706	Parking Violations	45,377.00	30,000.00	40,000.00	46,086.02	6,086.02
101-0000-42707	Misc Fines	16,879.16	7,000.00	7,000.00	10,064.56	3,064.56
101-0000-42708	Graffiti Removal	6,742.00	6,500.00	6,500.00	6,977.00	477.00
	350 - Fines, Forfeitures & Abatements Totals:	283,075.08	212,400.00	253,400.00	348,344.70	94,944.70
	360 - Use of Money & Property					
101-0000-41900	Allocated Interest	605,186.47	210,000.00	210,000.00	143,436.65	(66,563.35)
101-0000-41910	Gain or Loss	(375.00)	0.00	0.00	(8,850.00)	(8,850.00)
101-0000-41915	Non-Allocated Interest	174,415.61	62,000.00	62,000.00	112,476.96	50,476.96
101-0000-42111	Rental Income	146,700.00	146,700.00	146,700.00	9,600.00	(137,100.00)
101-0000-42120	Lease Revenue	102,373.14	97,900.00	97,900.00	103,404.34	5,504.34
	360 - Use of Money & Property Totals:	1,028,300.22	516,600.00	516,600.00	360,067.95	(156,532.05)
	370 - Miscellaneous					
101-0000-35110	AMR Compliance	0.00	8,000.00	0.00	0.00	0.00
101-0000-41504	AMR Compliance	14,650.48	0.00	14,000.00	17,411.69	3,411.69
101-0000-41507	Burrtec Admin Cost Reimbursement	126,233.19	102,000.00	102,000.00	50,837.50	(51,162.50)
101-0000-41920	Memorial Tree Revenue	0.00	0.00	0.00	500.00	500.00
101-0000-41925	AD Surplus	0.00	1,000.00	1,000.00	0.00	(1,000.00)
101-0000-42000	Insurance Recoveries	525,189.24	10,000.00	10,000.00	948.62	(9,051.38)
101-0000-42100	Advertising Co-Op Revenue	0.00	9,000.00	9,000.00	0.00	(9,000.00)
101-0000-42130	SB 1186 Revenue	2,863.60	2,000.00	2,000.00	4,109.10	2,109.10
101-0000-42140	Sales of Publications & Materials	69.40	400.00	400.00	147.80	(252.20)
101-0000-42204	Donations - Senior Center	200.00	200.00	200.00	0.00	(200.00)
101-0000-42305	Miscellaneous Reimbursements	31,334.89	0.00	0.00	69,991.43	69,991.43
101-0000-43505	Credit Card Fee Revenue	1,031.87	0.00	0.00	6,004.35	6,004.35
101-0000-45000	Sale of Other Assets	0.00	0.00	0.00	(39.75)	(39.75)
	370 - Miscellaneous Totals:	701,572.67	132,600.00	138,600.00	149,910.74	11,310.74

General Fund Revenue Comparison

Attachment 2

		2015/16	2016/17	2016/17	2016/17	Variance w/ Final
		Actual Revenues	Original Budget	Final Budget	Activity	Budget
380 - Transfers In						
101-0000-49500	Transfers In	27,418.75	190,400.00	190,400.00	9,502.95	(180,897.05)
380 - Transfers In Totals:		27,418.75	190,400.00	190,400.00	9,502.95	(180,897.05)
0000 - Undesignated Totals:		41,420,653.32	40,408,600.00	42,183,600.00	43,554,085.58	1,370,485.58
101 - GENERAL FUND Totals:		41,420,653.32	40,408,600.00	42,183,600.00	43,554,085.58	1,370,485.58

General Fund Expenditure Comparison

	2015/16 Actual Expenses	2016/17 Original Budget	2016/17 Final Budget	2016/17 Actual Expenses	Variance w/ Final Budget
1001 - City Council	271,383.88	288,300.00	293,400.00	272,268.06	(21,131.94)
Salaries and Benefits	258,837.97	265,000.00	270,100.00	245,309.03	(24,790.97)
Maintenance & Operations	12,545.91	23,300.00	23,300.00	26,959.03	3,659.03
1002 - City Manager	1,105,930.02	815,400.00	849,000.00	845,572.30	(3,427.70)
Salaries and Benefits	739,969.94	471,000.00	484,600.00	507,337.29	22,737.29
Contract Services	204,840.96	222,900.00	242,900.00	225,658.68	(17,241.32)
Maintenance & Operations	114,127.12	90,100.00	90,100.00	81,176.33	(8,923.67)
Internal Service Charges	46,992.00	31,400.00	31,400.00	31,400.00	0.00
1003 - City Attorney	419,119.01	416,000.00	506,000.00	410,886.97	(95,113.03)
Contract Services	419,119.01	416,000.00	506,000.00	410,886.97	(95,113.03)
1004 - Human Resources	302,452.37	385,100.00	417,100.00	407,779.18	(9,320.82)
Salaries and Benefits	230,643.02	246,100.00	248,100.00	236,680.86	(11,419.14)
Contract Services	31,015.83	69,100.00	69,100.00	96,965.02	27,865.02
Maintenance & Operations	25,097.52	51,100.00	81,100.00	55,333.30	(25,766.70)
Internal Service Charges	15,696.00	18,800.00	18,800.00	18,800.00	0.00
1005 - City Clerk	511,290.53	568,800.00	577,600.00	528,439.58	(49,160.42)
Salaries and Benefits	418,043.60	420,600.00	417,400.00	365,570.45	(51,829.55)
Contract Services	47,045.14	105,100.00	117,100.00	121,051.57	3,951.57
Maintenance & Operations	7,897.79	12,600.00	12,600.00	11,317.56	(1,282.44)
Internal Service Charges	38,304.00	30,500.00	30,500.00	30,500.00	0.00
1006 - Finance	951,178.92	1,094,500.00	1,145,900.00	1,018,008.84	(127,891.16)
Salaries and Benefits	731,218.27	804,600.00	811,700.00	684,806.55	(126,893.45)
Contract Services	142,273.96	127,700.00	172,000.00	163,073.74	(8,926.26)
Maintenance & Operations	13,786.69	15,300.00	15,300.00	23,228.55	7,928.55
Internal Service Charges	63,900.00	146,900.00	146,900.00	146,900.00	0.00
1007 - Central Services	4,542,802.03	4,654,900.00	11,264,048.96	6,173,386.27	(5,090,662.69)
Salaries and Benefits	109,543.58	340,000.00	217,700.00	168,954.95	(48,745.05)
Maintenance & Operations	503,216.66	308,600.00	379,600.00	382,755.46	3,155.46
Utilities	55,999.06	0.00	0.00	6,367.35	6,367.35
Capital Expenses	0.00	0.00	2,253,000.00	2,254,676.03	1,676.03
Internal Service Charges	345,295.92	332,000.00	332,000.00	332,000.00	0.00
Transfers Out	3,528,746.81	3,674,300.00	8,081,748.96	3,028,632.48	(5,053,116.48)
2001 - Police	14,085,960.09	14,670,400.00	14,832,400.00	14,451,363.86	(381,036.14)
Contract Services	14,037,475.37	14,631,300.00	14,793,300.00	14,417,358.37	(375,941.63)
Maintenance & Operations	2,377.88	2,500.00	2,500.00	1,401.40	(1,098.60)
Utilities	6,662.14	6,500.00	6,500.00	2,504.09	(3,995.91)
Capital Expenses	4,440.70	0.00	0.00	0.00	0.00
Internal Service Charges	35,004.00	30,100.00	30,100.00	30,100.00	0.00
2002 - Fire	5,405,679.94	6,531,300.00	6,591,300.00	5,816,590.43	(774,709.57)
Contract Services	5,227,265.50	6,340,900.00	6,390,900.00	5,643,879.97	(747,020.03)
Maintenance & Operations	71,786.84	69,100.00	79,100.00	64,526.13	(14,573.87)
Utilities	37,472.81	54,800.00	54,800.00	52,804.50	(1,995.50)
Capital Expenses	19,850.75	14,500.00	14,500.00	3,379.83	(11,120.17)
Internal Service Charges	49,304.04	52,000.00	52,000.00	52,000.00	0.00
3001 - Community Resources Administration	974,951.46	832,200.00	836,300.00	783,381.65	(52,918.35)
Salaries and Benefits	478,225.72	464,400.00	468,500.00	469,592.03	1,092.03
Contract Services	64,770.75	60,000.00	60,000.00	48,360.00	(11,640.00)
Maintenance & Operations	272,449.06	232,800.00	232,800.00	190,429.62	(42,370.38)
Capital Expenses	122,905.93	0.00	0.00	0.00	0.00
Internal Service Charges	36,600.00	75,000.00	75,000.00	75,000.00	0.00
3002 - Wellness Center Operations	472,612.68	612,600.00	606,700.00	522,038.55	(84,661.45)
Salaries and Benefits	290,955.54	440,400.00	434,500.00	361,513.86	(72,986.14)
Contract Services	42,955.62	87,300.00	87,300.00	88,593.37	1,293.37
Maintenance & Operations	74,668.50	44,900.00	44,900.00	30,080.32	(14,819.68)

General Fund Expenditure Comparison

	2015/16 Actual Expenses	2016/17 Original Budget	2016/17 Final Budget	2016/17 Actual Expenses	Variance w/ Final Budget
Utilities	31,333.02	0.00	0.00	1,851.00	1,851.00
Internal Service Charges	32,700.00	40,000.00	40,000.00	40,000.00	0.00
3003 - Recreation Programs & Special Events	234,010.19	134,200.00	135,700.00	129,864.59	(5,835.41)
Salaries and Benefits	147,118.44	62,000.00	62,000.00	59,721.27	(2,278.73)
Contract Services	46,114.88	0.00	0.00	373.46	373.46
Maintenance & Operations	31,380.87	39,200.00	40,700.00	36,769.86	(3,930.14)
Internal Service Charges	9,396.00	33,000.00	33,000.00	33,000.00	0.00
3004 - Library	8.49	0.00	0.00	0.00	0.00
Maintenance & Operations	8.49	0.00	0.00	0.00	0.00
3005 - Parks Maintenance	1,445,249.85	1,694,900.00	1,718,500.00	1,708,800.97	(9,699.03)
Salaries and Benefits	138,760.58	353,000.00	356,600.00	358,327.61	1,727.61
Contract Services	396,397.50	403,300.00	423,300.00	365,284.91	(58,015.09)
Maintenance & Operations	141,384.28	139,600.00	139,600.00	128,412.80	(11,187.20)
Utilities	211,607.49	235,100.00	235,100.00	292,875.65	57,775.65
Internal Service Charges	557,100.00	563,900.00	563,900.00	563,900.00	0.00
3006 - Museum	28.07	0.00	0.00	0.00	0.00
Maintenance & Operations	28.07	0.00	0.00	0.00	0.00
3007 - Marketing & Community Relations	698,261.43	828,100.00	905,100.00	830,897.63	(74,202.37)
Salaries and Benefits	65,734.22	198,700.00	200,700.00	170,937.27	(29,762.73)
Contract Services	208,996.96	212,500.00	242,500.00	282,830.83	40,330.83
Maintenance & Operations	418,826.25	400,400.00	443,400.00	360,629.53	(82,770.47)
Capital Expenses	0.00	0.00	2,000.00	0.00	(2,000.00)
Internal Service Charges	4,704.00	16,500.00	16,500.00	16,500.00	0.00
3008 - Public Buildings	1,120,889.49	1,409,500.00	1,413,100.00	1,376,354.84	(36,745.16)
Salaries and Benefits	182,446.30	337,700.00	341,300.00	298,172.55	(43,127.45)
Contract Services	75,203.07	108,600.00	90,600.00	93,031.41	2,431.41
Maintenance & Operations	725,189.58	773,800.00	773,800.00	775,079.98	1,279.98
Utilities	97,762.47	119,900.00	119,900.00	135,824.59	15,924.59
Capital Expenses	6,796.07	18,000.00	36,000.00	22,746.31	(13,253.69)
Internal Service Charges	33,492.00	51,500.00	51,500.00	51,500.00	0.00
6001 - Design & Development Administration	1,346,755.83	1,052,600.00	1,061,400.00	1,003,341.29	(58,058.71)
Salaries and Benefits	1,138,088.77	840,900.00	849,700.00	778,504.07	(71,195.93)
Contract Services	66,899.91	113,200.00	113,200.00	111,944.22	(1,255.78)
Maintenance & Operations	31,763.15	18,900.00	18,900.00	33,293.00	14,393.00
Internal Service Charges	110,004.00	79,600.00	79,600.00	79,600.00	0.00
6002 - Planning	516,302.45	566,300.00	594,300.00	504,010.65	(90,289.35)
Salaries and Benefits	298,763.49	399,600.00	402,600.00	338,110.10	(64,489.90)
Contract Services	194,111.99	90,000.00	115,000.00	95,534.54	(19,465.46)
Maintenance & Operations	1,034.97	24,200.00	24,200.00	17,866.01	(6,333.99)
Internal Service Charges	22,392.00	52,500.00	52,500.00	52,500.00	0.00
6003 - Building	581,904.14	905,000.00	909,100.00	695,619.70	(213,480.30)
Salaries and Benefits	292,968.23	439,800.00	443,900.00	433,369.42	(10,530.58)
Contract Services	254,175.50	391,000.00	391,000.00	191,036.17	(199,963.83)
Maintenance & Operations	2,060.41	11,600.00	11,600.00	8,614.11	(2,985.89)
Internal Service Charges	32,700.00	62,600.00	62,600.00	62,600.00	0.00
6004 - Code Compliance/Animal Control	822,455.82	1,001,500.00	1,017,600.00	911,979.40	(105,620.60)
Salaries and Benefits	547,021.24	588,600.00	614,700.00	568,625.32	(46,074.68)
Contract Services	161,109.10	290,000.00	280,000.00	213,371.01	(66,628.99)
Maintenance & Operations	5,833.48	15,000.00	15,000.00	22,083.07	7,083.07
Internal Service Charges	108,492.00	107,900.00	107,900.00	107,900.00	0.00
6005 - Emergency Services	11,049.31	0.00	0.00	0.00	0.00
Utilities	11,049.31	0.00	0.00	0.00	0.00
6006 - The Hub	7,554.48	672,200.00	717,800.00	638,565.28	(79,234.72)
Salaries and Benefits	7,554.48	534,500.00	540,100.00	507,741.50	(32,358.50)

General Fund Expenditure Comparison

Attachment 3

	2015/16 Actual Expenses	2016/17 Original Budget	2016/17 Final Budget	2016/17 Actual Expenses	Variance w/ Final Budget
Contract Services	0.00	48,200.00	88,200.00	48,067.44	(40,132.56)
Maintenance & Operations	0.00	10,100.00	10,100.00	3,356.34	(6,743.66)
Internal Service Charges	0.00	79,400.00	79,400.00	79,400.00	0.00
7001 - Public Works Administration	418,617.45	0.00	0.00	0.00	0.00
Salaries and Benefits	319,596.96	0.00	0.00	0.00	0.00
Contract Services	69,881.89	0.00	0.00	0.00	0.00
Maintenance & Operations	11,834.60	0.00	0.00	0.00	0.00
Internal Service Charges	17,304.00	0.00	0.00	0.00	0.00
7002 - Public Works Development Services	565,598.04	617,100.00	623,100.00	436,843.46	(186,256.54)
Salaries and Benefits	384,049.00	312,900.00	318,900.00	313,261.27	(5,638.73)
Contract Services	144,938.35	255,000.00	255,000.00	79,082.50	(175,917.50)
Maintenance & Operations	5,620.69	6,200.00	6,200.00	1,499.69	(4,700.31)
Capital Expenses	2,790.00	0.00	0.00	0.00	0.00
Internal Service Charges	28,200.00	43,000.00	43,000.00	43,000.00	0.00
7003 - Streets	540.47	0.00	0.00	10,754.70	10,754.70
Salaries and Benefits	440.47	0.00	0.00	0.00	0.00
Maintenance & Operations	100.00	0.00	0.00	10,754.70	10,754.70
7006 - Engineering Services	1,420,100.24	1,491,200.00	2,396,206.00	1,858,330.76	(537,875.24)
Salaries and Benefits	514,336.40	620,400.00	629,500.00	569,216.48	(60,283.52)
Contract Services	824,561.48	766,700.00	1,662,606.00	1,185,944.77	(476,661.23)
Maintenance & Operations	5,410.36	9,600.00	9,600.00	8,669.51	(930.49)
Internal Service Charges	75,792.00	94,500.00	94,500.00	94,500.00	0.00
GENERAL FUND EXPENSES	38,232,686.68	41,242,100.00	49,411,654.96	41,335,078.96	(8,076,576.00)

POWER POINTS

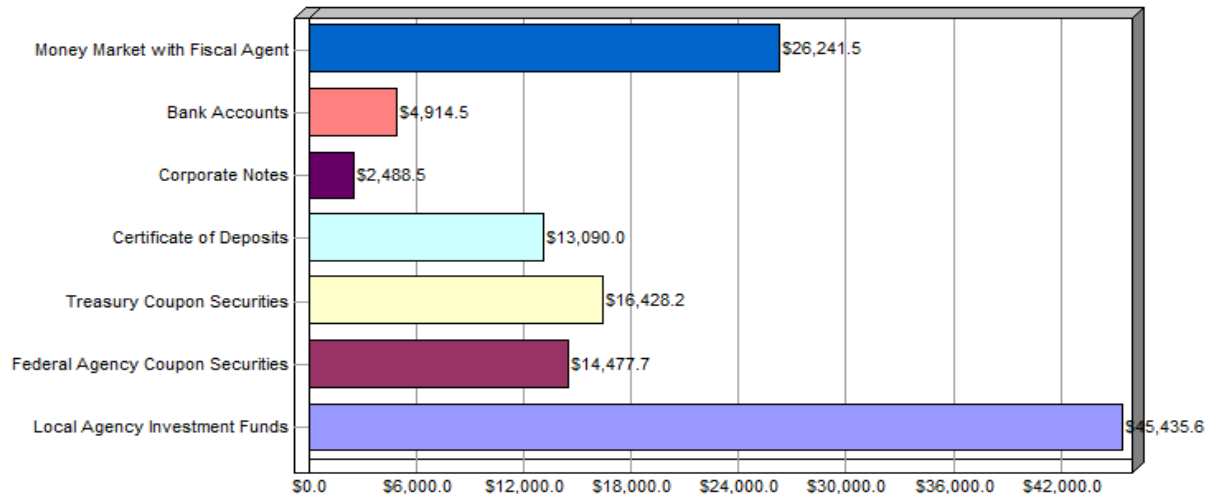
**FAC
MEETING**

NOVEMBER 15, 2017

Book Value by Investment Type

September 30, 2017

Total Book Value by Investment Type



* Units = Thousands

Financial Advisory Commission November 15, 2017

C3-Receive and File Revenue and Expenditure Reports dated
June, 2017



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Financial Advisory Commission November 15, 2017

C4-Receive and File Revenue and Expenditure Reports dated
July and August, 2017



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Financial Advisory Commission November 15, 2017

C5-Receive and File Revenue and Expenditure Reports dated
September, 2017



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Measure G Oversight Sub-Committee

- Chairman plus two Commissioners
- Review of revenue to date
- Review of actual and proposed expenditures
- Prepare report for Council January workshop, January 13 (Saturday)

Financial Advisory Commission November 15, 2017

S1-Discuss Reserve Analysis Report and Findings



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Reserve Analysis Review

- Current reserve categories and funding
- Best practices
- Comparison to other cities
- Revenue and expenditure volatility
- Growth projections
- Mitigation risks & insurance policies
- Vulnerability to extreme events (natural, economic)

Initial Recommendations

- Continue to utilize 10-year projections
- Emergency reserves split into “natural disaster” and “economic disaster” components
- Cash flow reserves based on history
- Establish CIP sinking fund
- Establish CalPERS Pension trust

Reserve Targets

Reserve/Trust	Reserve Target	Annual Funding (\$)
Emergency Reserve		
Natural Disaster	TBD	\$1,500,000
Economic Disaster	<u>\$11,000,000</u>	<u>\$1,000,000</u>
Total Emergency Reserves	TBD	\$2,500,000
Cash Flow	\$5,000,000	
CIP Sinking Fund	<u>\$10,000,000</u>	<u>\$1,000,000</u>
Total Reserves	\$26,000,000	\$3,500,000
CalPERS Pension Trust	\$10,000,000	\$1,000,000

Financial Advisory Commission November 15, 2017

S2-Discuss Budget VS Actual Revenue and Expense Report Options



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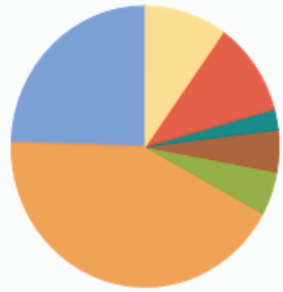
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Budget vs. Actual Reporting

- Review alternatives for presenting actual revenue and expenditures as compared to budget
- Review sample quarterly report and discuss options

Comparisons to County and State

Major Business Groups



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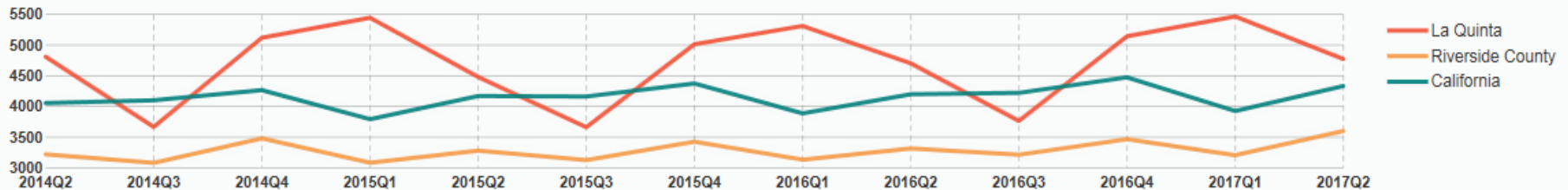
Riverside County



California

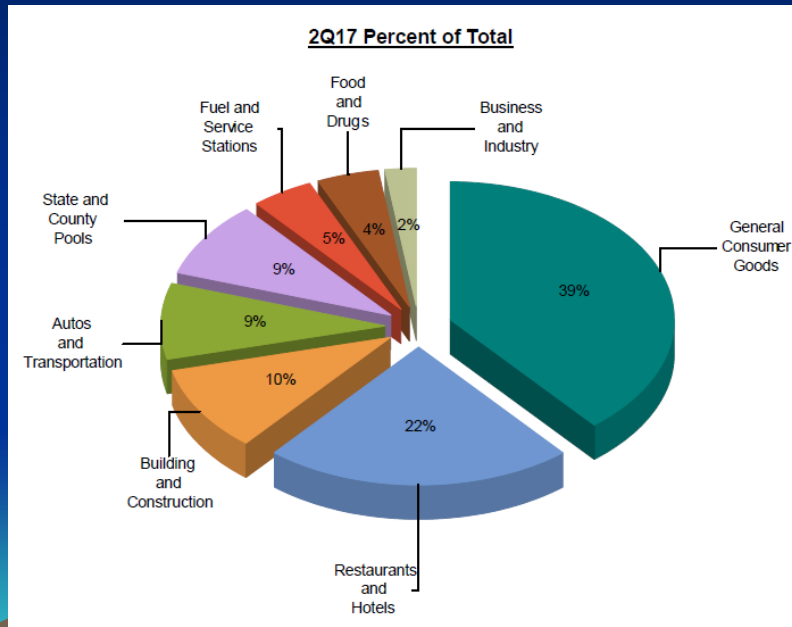
- Autos and Transportation
- Building and Construction
- Business and Industry
- Food and Drugs
- Fuel and Service Stations
- General Consumer Goods
- Restaurants and Hotels
- Transfers and Unidentified

Per Capita Sales

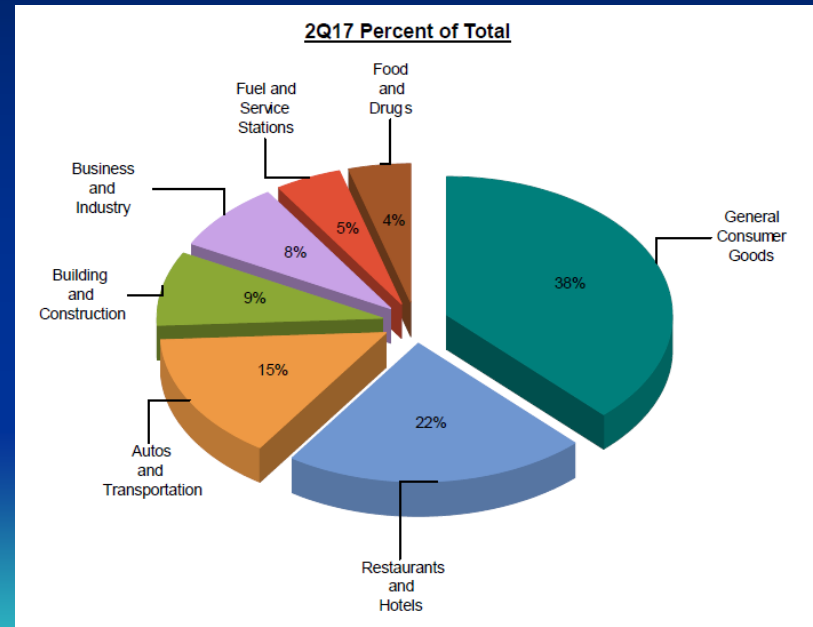


Major Industry Groups

Sales Tax



Measure G



Top 25 Producers

Sales Tax

Arco AM PM	Lowes
AT&T Mobility	Marshalls
Bed Bath & Beyond	Ross
Best Buy	Stater Bros
Chevy/Cadillac of LQ	Stein Mart
Circle K	Target
Cliffhouse	TJ Maxx
Costco	Torre Nissan
Home Depot	Tower Mart
Hyundai of LQ	Verizon Wireless
In n Out Burger	Vons
Kohls	Walmart
LQ Resort	

Measure G

Amazon.com	Marshalls
Arco AM PM	Mathis Bros Furniture
Bed Bath & Beyond	Ross
Benchmark Education Co	Stater Bros
Best Buy	Stein Mart
Circle K	Target
Costco	TJ Maxx
Desert European Motorcar	Torre Nissan
Home Depot	Tower Mart
I10 Toyota	Verizon Wireless
Kohls	Vons
LQ Resort	Walmart
Lowes	

Financial Advisory Commission Meeting November 15, 2017



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