



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: June 7, 2016

TITLE: THIRD QUARTER BUDGET REVIEW AND APPROVAL OF THE REVISED OPERATING BUDGET FOR FISCAL YEARS 2015/16 AND 2016/17

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Receive and file the third quarter budget summary.
2. Adopt Resolution No. 2016-46, a Resolution of the City Council of the City of Moreno Valley, California, Adopting the Revised Budget for Fiscal Years 2015/16 - 2016/17.

Recommendations: That the CSD:

1. Adopt Resolution No. CSD 2016-14, a Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Adopting the Revised Budget for Fiscal Years 2015/16 – 2016/17.

SUMMARY

This Third Quarter Budget Report updates the Mayor and City Council regarding current year financial trends, provides the Fiscal Year 2015/16 Third Quarter Budget Review through March 31, 2016 and requests the approval of certain FY 2015/16 revenue and expenditure appropriations.

The Third Quarter staff report was made public as part of the May 24, 2016 Finance Subcommittee agenda and was recommended for presentation to the City Council for review.

The proposed budget revenue and expenditure amendments total less than

approximately 1% of the total General Fund.

DISCUSSION

On June 23, 2015, the City Council adopted the Two-Year Operating Budget for Fiscal Years 2015/16 – 2016/17. The budget included all component units of the City, including the General Fund, Community Services District, and Successor Agency. During the two-year budget period, the City Council will be kept informed of the City's financial condition through the process of First Quarter, Mid-Year, and Third Quarter Budget Reviews. This ongoing process ensures a forum to review expenditure and revenue changes from the estimates made in the budget document. Additionally, any significant changes in projected revenue or unanticipated expenditures will be shared with the City Council should they occur.

This report will provide a FY 2015/16 Third Quarter Review for the first nine months of FY 2015/16, July through March. The third quarter budget review will focus primarily on the City's General Fund. This review will also present nine-month operational results from other key funds.

The City Council's direction of "Maintain a Balanced General Fund Budget" continues to be the goal regarding the fiscal status of City operations. Changes were considered where necessary to adjust for expenditure needs that could not be absorbed within currently approved appropriations and to correct some one-time requirements in some funds. This report identifies the budget adjustments as recommended by the City Manager.

FISCAL YEAR 2015/16 THIRD QUARTER:

This Third Quarter Report updates the Mayor and City Council regarding current year financial trends and provides the opportunity for the City Council to review the recommended actions as they relate to revenues and expenditures.

General Fund Revenue Update

Revenue receipts do not follow an even schedule. Although 75% of the fiscal year has elapsed, based on historic trends revenues are estimated to be at approximately 61% of the budgeted amount. Actual revenues received are currently 59% of the budget. Revenue amounts continue to be stable. Although there will be variances in some of the amounts budgeted, the total is expected to remain within 1% of the amended budget for the year. Total General Fund revenue is estimated to be \$93 million. It should be noted that this lag in timing of revenue receipts is one reason an operating cash reserve is always necessary.

General Fund Expenditure Update

Although not all expenditures follow a straight-line spending pattern, operating expenditures should track close to within 75% of budget for the year at the end of the first nine months. As of March 31, 2016 total General Fund expenditures were at 68%.

This pace is within expectations for most activities in the General Fund and reflects a continued focus on savings.

FISCAL YEAR 2015/16-2016/17 BUDGET ADJUSTMENTS

The FY 2015/16 General Fund revenue budget, as currently amended totals \$93.7 million. The recommended third quarter budget changes decrease revenue by \$620,755 down to approximately \$93 million. The FY 2016/17 General Fund revenue budget, as currently amended totals approximately \$95.4 million. The recommended budget requests a decrease by \$11,988 remains at approximately \$95.4 million.

The FY 2015/16 General Fund expenditures budget, as currently amended, totals approximately \$93.8 million. The recommended third quarter budget changes decrease expenditures by \$1,276,004 down to approximately \$92.6 million. The FY 2016/17 General Fund expenditures budget, as currently amended, totals approximately \$94.5 million. There are no recommended budget requests for FY 2016/17 General Fund expenditures.

The majority of the budget adjustments were attributed to the amending of the building permit budget to equal projected year-end revenue, the reduction of the General Fund contribution to the street lighting programs, and a decrease in the Fleet Operations expenditures.

Police Budget

As a follow up to the May 3, 2016 City Council discussion on CDBG grant funding, in-lieu of allocating CDBG funds, it is being proposed that the Police Department utilize up to \$25,000 of estimated current fiscal years savings to fund additional overtime hours for the Problem Oriented Policing (POP) program. This will increase Police service hours without an increase to the current amendment budget.

SUMMARIES OF MAJOR FUNDS

The following provides a summary of some of the proposed budget adjustments. A complete list of all changes is identified in Exhibits A and B to the Resolutions.

Neighborhood Stabilization Program (Fund 2507)

Following the adoption of the Boulder Ridge project, staff is proposing a reduction of expenditures by \$150,000 to bring budgeted expenditures in line with projected revenues. A portion of the expenditure adjustments includes reducing personnel costs based on available administrative budgets.

2011 Priv Place Ref 97 Lease Revenue Bonds and General Fund (Funds 3751 and 1010)

The Successor Agency submitted a Recognized Obligation Payment Schedule for the period of January 1 through June 30, 2016 (ROPS 15-16B) to the California Department

of Finance (DOF). The ROPS 15/16B approved a new allocation of \$150,000 for debt service payment. This new revenue will allow for an equal reduction of the General Fund transfer to the bonds.

Zone C Arterial Street Lights, LMD 2014-01, and General Fund (Funds 5110, 5012, and 1010)

Based on existing fund balances within the street light programs, staff requests a reduction of the General Fund transfer to the street lighting program by \$506,749. The budget adjustments will continue to fund street light funding through FY 2016/2017.

Special Districts Admin. and Moreno Valley Utility (Funds 2006 and 6010)

Moreno Valley Utility (MVU) is proposing accelerating the existing payments due for the Special Districts loan of \$379,893. This will allow for the loan to be paid back in full in FY 2015/16 and reduce any potential future interest costs to MVU.

Equipment Maintenance/Fleet Operations (Fund 7410)

Due to a projected decrease in diesel fuel usage, the budget is being proposed to be reduced by \$132,500. Through the third quarter of the fiscal year, the diesel fuel expenditures are currently only at 39% of the annual budget.

Fleet Operations Replacement Reserve, Equipment Replacement Reserve, and General Fund (Funds 7430, 7510, and 1010)

Staff is requesting a reduction of the fleet purchasing budget by \$620,755 to align with the current fiscal year projected expenditures. The funds still have an adequate budget to cover the current City Council approved purchase of vehicles. The fund balance shall be retained for future vehicle replacements.

ALTERNATIVES

1. Recommend approval of proposed resolutions adopting the revised operating budgets for fiscal years 2015/16 and 2016/17. The approval of these items will allow the City to modify budgets and operations as necessary through this third quarter review. *Staff recommends this alternative as approval of these items will allow for the necessary budgetary adjustments.*
2. Do not recommend approval of proposed resolutions adopting the revised operating budgets for fiscal years 2015/16 and 2016/17; or recommended actions. *Staff does not recommend this alternative as this will not allow for the necessary budgetary adjustments.*

FISCAL IMPACT

The City's budget provides the funding and expenditure plan for all funds. As such, it serves as the City's financial plan for the fiscal year. The fiscal impacts of the proposed

budget amendments are identified in Exhibits A and B to the Resolutions.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Stephanie Cuff
Management Analyst

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

Concurred By:
Dena Heald
Financial Operations Division Manager

CITY COUNCIL GOALS

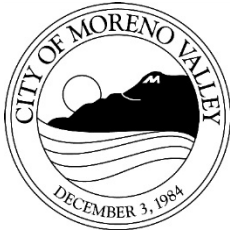
Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

ATTACHMENTS

1. FY 2015-16 Third Quarter Financial Report
2. Resolution No. 2016-46
3. Resolution No. CSD 2016-14
4. Exhibit A - Gen Fund
5. Exhibit B - Non Gen Fund

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	5/20/16 3:56 PM
City Attorney Approval	<u>✓ Approved</u>	5/24/16 4:49 PM
City Manager Approval	<u>✓ Approved</u>	5/25/16 1:41 PM



City of Moreno Valley

Fiscal Year 2015/16

Third Quarter Financial Summary

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer/City Treasurer

DATE: June 7, 2016

INTRODUCTION

On June 23, 2015, the City Council adopted the Two-Year Operating Budget for Fiscal Years (FY) 2015/16 – 2016/17. During the two-year budget period the City Council will be kept apprised of the City’s financial condition through the process of First Quarter, Mid-Year Budget and Third Quarter Reviews. This ongoing process ensures a forum to look at expenditure and revenue deviations from the estimates made in the budget document. Additionally, any significant variances in projected revenue or unanticipated expenditures will be shared with the City Council should they occur.

This report provides a review of the unaudited financial results at the third quarter of FY 2015/16 (July 2015 – March 2016, 75% of the fiscal year).

CITYWIDE OPERATING EXPENDITURE SUMMARY

The following table contains a summary of the adopted budget, amended budget and the Third Quarter expenditures. The totals represent each major fund type and component unit of the City.

Table 1. Citywide Operating Expenditures

Fund/Component Unit	FY 2015/16 Adopted Budget	FY 2015/16 Amended Budget	Actuals as of 3/31/16 (unaudited)	% of Amended Budget
General Fund	\$ 90,909,226	\$ 93,834,986	\$ 63,985,480	68.2%
Community Services District (CSD)	\$ 19,313,385	\$ 20,975,318	\$ 13,189,230	62.9%
Successor Agency	\$ 5,394,517	\$ 5,394,517	\$ 4,112,166	76.2%
Housing Fund	\$ 72,000	\$ 159,800	\$ 59,909	37.5%
Special Revenue Funds	\$ 27,492,559	\$ 57,576,878	\$ 23,561,255	40.9%
Capital Projects Funds	\$ 2,391,884	\$ 22,116,135	\$ 9,890,460	44.7%
Electric Utility Funds	\$ 23,688,897	\$ 28,107,477	\$ 16,426,707	58.4%
Internal Service Funds	\$ 20,106,545	\$ 25,534,037	\$ 15,359,038	60.2%
Debt Service Funds	\$ 6,237,300	\$ 6,237,300	\$ 4,746,154	76.1%
Total	\$ 195,606,313	\$ 259,936,448	\$ 151,330,400	58.2%

Actions taken by the City Council subsequent to the June 23, 2015 adoption of the two-year budget and included in the Amended Budget are:

- On May 26, 2015, the City Council approved the Capital Improvement Plan including approx. \$29.3 million (\$24,000 General Fund) of one-time carryovers from FY 2014/15.
- On September 22, 2015, the City Council approved the first phase of the City's El Niño Storm Preparation Strategy and the expenditure of \$325,000 for preparation and response.
- On October 13, 2015, the City Council approved the appropriation of \$200,000 for planning and design efforts of the Hubbard Street Storm Drain to fast track the project. These funds will be reimbursed by the Riverside County Flood Control and Water Conservation District.
- On November 10, 2015, the City Council approved one-time carryovers from FY 2014/15 with a net impact to the General Fund of \$389,734.
- Throughout the fiscal year there are also budget amendments to reflect the acceptance of grants and adjustments to contractual services and material/supplies. The individual amendments are reviewed as part of separate City Council agenda items.

The majority of this third quarter update will focus on the General Fund, as it supports all basic services provided to City residents. Highlights for other key component funds will be discussed at a summary level as well.

GENERAL FUND OPERATING

Table 2. General Fund Operations

	FY 2015/16 Adopted Budget	FY 2015/16 Amended Budget	Actuals as of 3/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 12,072,224	\$ 12,072,224	\$ 7,133,295	59.1%
Property Tax in-lieu	\$ 15,732,303	\$ 15,732,303	\$ 8,204,504	52.2%
Utility Users Tax	\$ 15,912,000	\$ 15,912,000	\$ 11,278,441	70.9%
Sales Tax	\$ 19,269,321	\$ 19,269,321	\$ 8,885,096	46.1%
Other Taxes	\$ 9,155,250	\$ 9,155,250	\$ 6,143,684	67.1%
Licenses & Permits	\$ 2,090,930	\$ 2,090,930	\$ 2,433,931	116.4%
Intergovernmental	\$ 230,000	\$ 774,655	\$ 700,232	90.4%
Charges for Services	\$ 10,733,409	\$ 10,815,689	\$ 7,960,945	73.6%
Use of Money & Property	\$ 3,469,962	\$ 3,469,962	\$ 1,507,831	43.5%
Fines & Forfeitures	\$ 623,760	\$ 623,760	\$ 366,416	58.7%
Miscellaneous	\$ 103,400	\$ 143,400	\$ 235,213	164.0%
Total Revenues	\$ 89,392,559	\$ 90,059,494	\$ 54,849,589	60.9%
Expenditures:				
Personnel Services	\$ 17,141,774	\$ 17,194,599	\$ 13,037,195	75.8%
Contractual Services	\$ 61,100,017	\$ 61,806,020	\$ 42,284,682	68.4%
Material & Supplies	\$ 3,614,989	\$ 5,113,905	\$ 1,597,813	31.2%
General Government	\$ -	\$ -	\$ -	-
Debt Service	\$ -	\$ -	\$ -	-
Fixed Charges	\$ 5,603,063	\$ 5,603,063	\$ 4,184,254	74.7%
Fixed Assets	\$ 50,000	\$ 419,000	\$ 32,526	7.8%
Total Expenditures	\$ 87,509,843	\$ 90,136,587	\$ 61,136,469	67.8%
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	\$ 1,882,716	\$ (77,093)	\$ (6,286,880)	
Transfers:				
Transfers In	\$ 2,492,842	\$ 3,618,199	\$ 663,239	18.3%
Transfers Out	\$ 3,399,383	\$ 3,698,399	\$ 2,849,011	77.0%
Net Transfers	\$ (906,541)	\$ (80,200)	\$ (2,185,772)	
Total Revenues & Transfers In	\$ 91,885,401	\$ 93,677,693	\$ 55,512,828	59.3%
Total Expenditures & Transfers Out	\$ 90,909,226	\$ 93,834,986	\$ 63,985,480	68.2%
Net Change of Fund Balance	\$ 976,175	\$ (157,293)	\$ (8,472,652)	

General Fund Operating Revenues

The General Fund is comprised of several revenue types. However, the main sources include property tax, utility users tax, and sales tax. Each of these are affected by different economic activity cycles and pressures.

Table 3. General Fund Operating Revenues

	FY 2015/16 Adopted Budget	FY 2015/16 Amended Budget	Actuals as of 3/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 12,072,224	\$ 12,072,224	\$ 7,133,295	59.1%
Property Tax in-lieu	\$ 15,732,303	\$ 15,732,303	\$ 8,204,504	52.2%
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Sales Tax	\$ 19,269,321	\$ 19,269,321	\$ 8,885,096	46.1%
Other Taxes	\$ 9,155,250	\$ 9,155,250	\$ 6,143,684	67.1%
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Charges for Services	\$ 10,733,409	\$ 10,815,689	\$ 7,960,945	73.6%
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Fines & Forfeitures	\$ 623,760	\$ 623,760	\$ 366,416	58.7%
Miscellaneous	\$ 103,400	\$ 143,400	\$ 235,213	164.0%
Total Revenues	\$ 89,392,559	\$ 90,059,494	\$ 54,849,589	60.9%

Property Taxes/Property Taxes In-Lieu

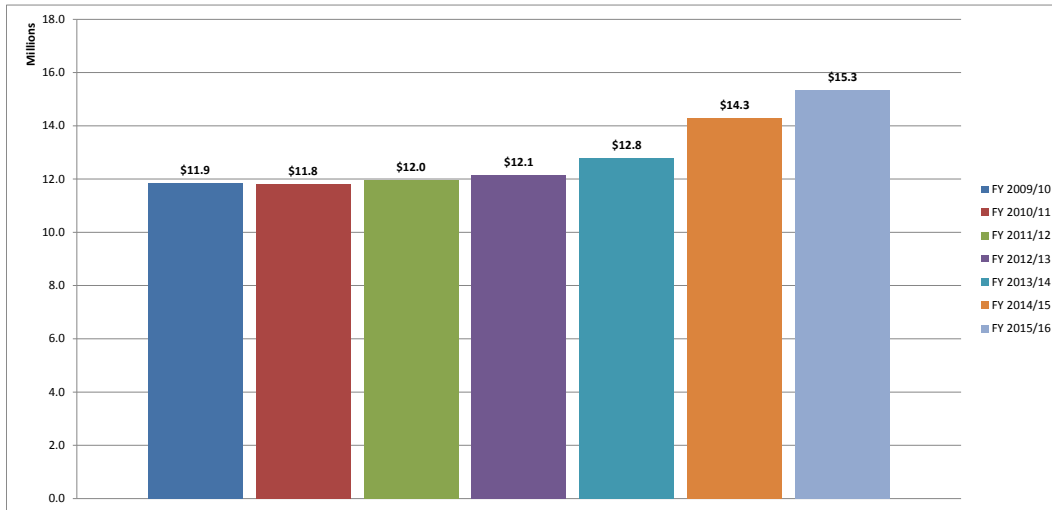
Property taxes were budgeted to increase by 6.5% from the FY 2014/15 Amended Budget. The annual schedule of property tax payments from the County of Riverside will provide payments to the City based on the following estimated schedule:

Secured Property Tax Payment Dates

Settlement 1	January
Settlement 2	May
Settlement 3	August
Teeter Settlement	October

Based on historical averages of actual receipts, the City is estimated to receive 53% of the budgeted property tax revenue through third quarter. The City has currently received 55% through third quarter. Property taxes will continue to be monitored as property valuations may adjust through the year based on property sales and assessment appeals filed with the County.

Chart 1. General Fund Third Quarter Revenue Trend – Property Taxes

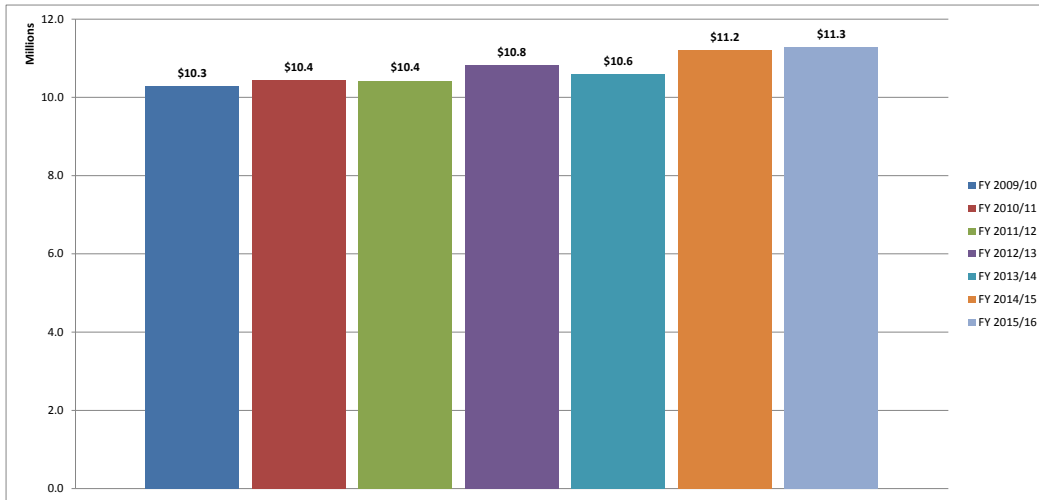


Utility Users Tax

Utility Users taxes were budgeted to remain flat from the FY 2014/15 Amended Budget. This projection is primarily due to competitive forces within the communications markets. Both the wireless and wired markets experienced downturns year over year. Based on our discussions with utility tax experts, there are a couple of causes for this trend. First is competition and bundling practices within the market as more small players continue to join the market. Second is the migration of customers from contract plans to prepaid plans. Currently there is no method within the State to capture UUT related to prepaid wireless plans. There is currently legislation in Sacramento trying to address this and close that gap.

Based on historical averages of actual receipts, the City is estimated to receive 68% of the budgeted utility users tax revenue through third quarter. The City has currently received 71% through third quarter.

Chart 2. General Fund Third Quarter Revenue Trend – Utility Users Taxes

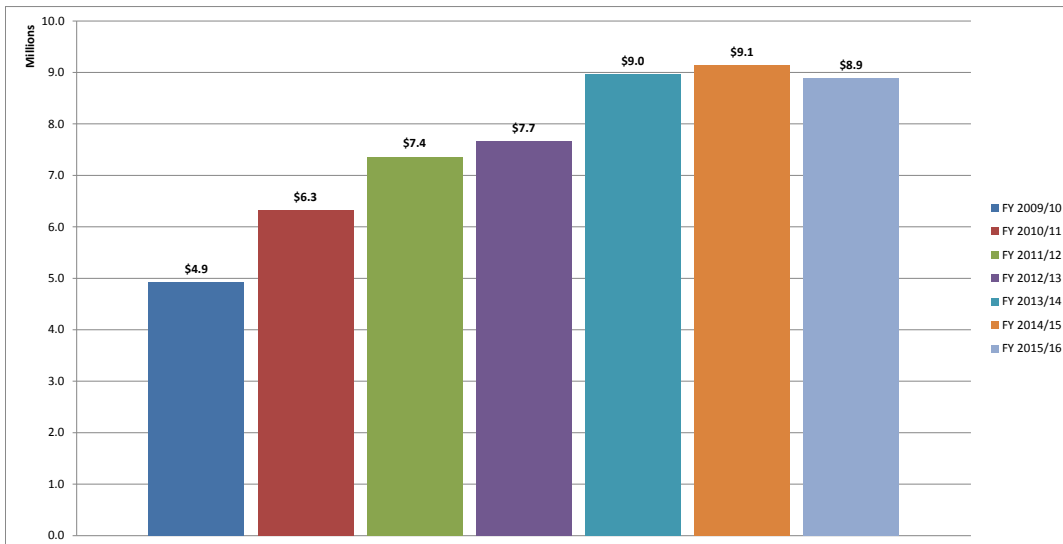


Sales Taxes

Based on the recovering economy and new businesses that began operating in the City, the FY 2015/16 sales tax budget was increased by 8.5%. Sales tax receipts will need to be continually monitored through the year to determine if current trends begin to plateau or begin to decrease.

Based on historical averages of actual receipts, the City is estimated to receive 56% of the budgeted sales tax revenue through third quarter. The City has currently received 46% through third quarter.

Chart 3. General Fund Third Quarter Revenue Trend – Sales Taxes

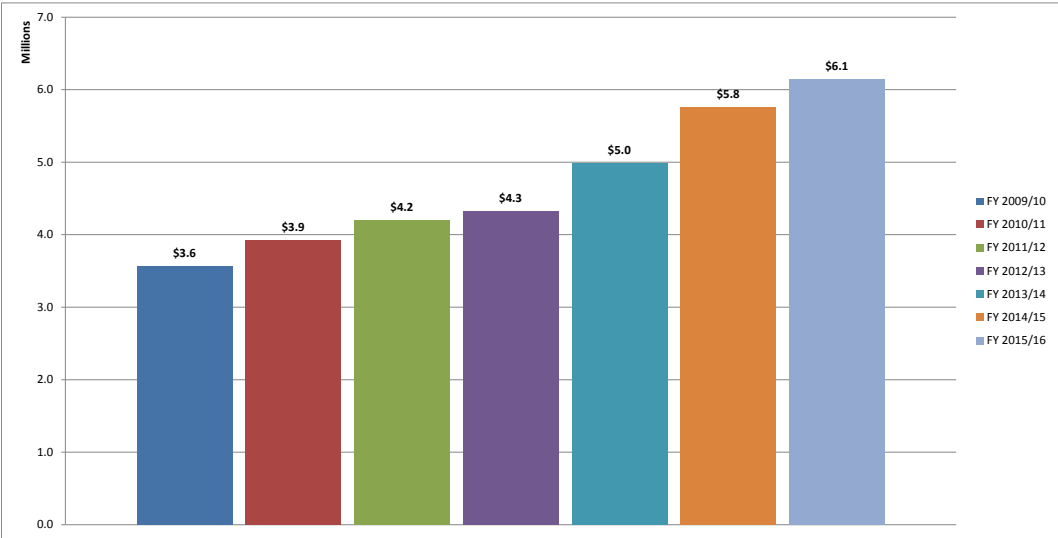


Other Taxes

Other taxes are primarily composed of Business Gross Receipts, Transient Occupancy Tax, Documentary Transfer Tax, and Franchise Fees. Collectively, other taxes were budgeted to increase 9.7% from the FY 2014/15 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 60% of the budgeted Other Taxes revenue through third quarter. The City has currently received 67% through third quarter.

Chart 4. General Fund Third Quarter Revenue Trend – Other Taxes

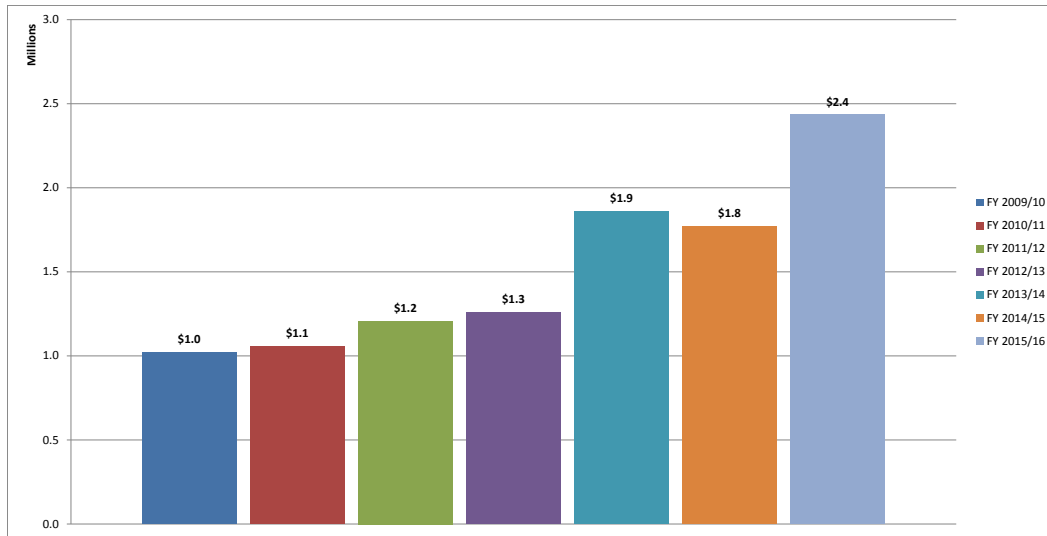


Licenses & Permits

Licenses & Permits are primarily composed of Business and Animal Licenses, along with Building, Electrical, Mechanical, Plumbing and other permits. Collectively, Licenses & Permits were budgeted to increase 27% from the FY 2014/15 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 90% of the budgeted Licenses & Permits revenue through third quarter. The City has currently received 116% through third quarter. The higher growth rate is related primarily to the recent building permit activities.

Chart 5. General Fund Third Quarter Revenue Trend – Licenses & Permits

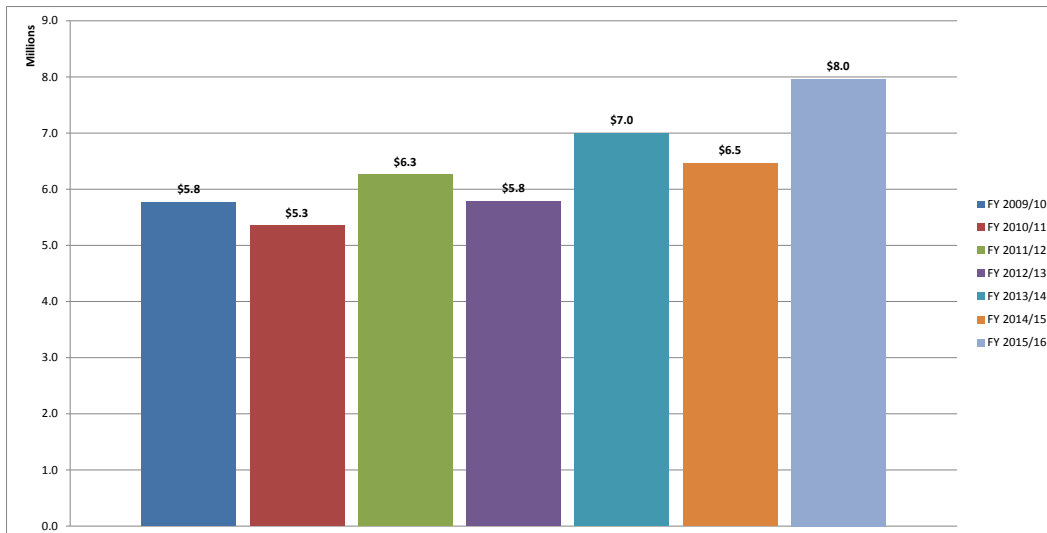


Charges for Services

Charges for Services are primarily composed of Plan Check Fees, Inspection Fees, Administrative Charges to other funds, and Parking Control Fines. Collectively, Charges for Services were budgeted to increase 14% from the FY 2014/15 Amended Budget.

Based on historical averages of actual receipts, the City is estimated to receive 72% of the budgeted Charges for Services revenue through third quarter. The City has currently received 74% through third quarter.

Chart 6. General Fund Third Quarter Revenue Trend – Charges for Services



Use of Money and Property

Investment income continues to remain low due to extremely low rates of return for fixed income investments. The investments managed by Chandler Asset Management totaled \$82,721,056 at par and achieved a Yield to Maturity (YTM) for March 2016 of 1.46%. This compares to a YTM in December 2015 of 1.43% and a YTM in June 2015 of 1.38%. The investments managed by Insight Investments totaled \$54,499,863 at par and achieved a Yield to Maturity (YTM) for March 2016 of 1.08%. This compares to a YTM in December 2015 of 1.08% and a YTM in June 2015 of 1.08%. In addition, the City maintained \$34,310,627 in the State Local Agency Investment Fund Pool (LAIF) with a YTM of 0.51%. This is a very low rate of return compared to historical experience, but is indicative of how investment income is performing everywhere. As the market begins to move upward, there will be less opportunity for the trading gains that are generally available under an active management approach.

General Fund Expenditures

Expenditures are being spent in-line with prior year expenditures. Each Department's activities will be monitored throughout the year as they may be impacted by different economic activity cycles and pressures.

Table 4. General Fund Expenditures

Department	FY 2015/16 Adopted Budget	FY 2015/16 Amended Budget	Actuals as of 3/31/16 (unaudited)	% of Amended Budget
City Council	\$ 621,116	\$ 805,346	\$ 522,870	64.9%
City Clerk	\$ 512,583	\$ 512,583	\$ 375,154	73.2%
City Manager	\$ 1,640,137	\$ 3,948,482	\$ 1,726,629	43.7%
City Attorney	\$ 723,542	\$ 733,587	\$ 390,201	53.2%
Community Development	\$ 5,624,400	\$ 5,721,900	\$ 3,735,450	65.3%
Economic Development	\$ 1,129,753	\$ 1,184,478	\$ 728,413	61.5%
Financial & Management Services	\$ 7,496,505	\$ 5,051,530	\$ 3,757,561	74.4%
Administrative Services	\$ 3,938,047	\$ 4,025,872	\$ 2,801,002	69.6%
Public Works	\$ 7,884,460	\$ 9,084,176	\$ 3,874,387	42.6%
Non-Departmental	\$ 3,973,383	\$ 4,272,399	\$ 4,802,179	112.4%
Non-Public Safety Subtotal	\$ 33,543,926	\$ 35,340,353	\$ 22,713,848	64.3%
Public Safety				
Police	\$ 39,309,484	\$ 39,885,346	\$ 28,220,134	70.8%
Fire	\$ 18,055,816	\$ 18,609,287	\$ 13,051,498	70.1%
Public Safety Subtotal	\$ 57,365,300	\$ 58,494,633	\$ 41,271,632	70.6%
Total	\$ 90,909,226	\$ 93,834,986	\$ 63,985,480	

OTHER KEY FUNDS

The following summaries describe other major funds in the City.

Moreno Valley Community Services District

The Moreno Valley Community Services District (CSD) was formed by the voters in 1984 to collect fees and certain taxes to provide an array of services including parks, recreation and community services, streetlights, landscaping and ongoing maintenance. The CSD provides these services through separate “zones” that define the services that are provided.

For certain zones, the primary revenue source used to provide services to properties is parcel fees or taxes levied on properties via their annual tax bill. Proposition 218, passed by California voters in November 1996, has posed a serious challenge to managing the future operation of the CSD zones. Prop. 218 requires any revenue increase to be addressed through a voting process by affected property owners. For a period following the initial implementation of Prop. 218, the CSD was successful in receiving approval for some new or increased revenues. There were also revenue increases due to the growth of developed parcels within the zones. However, due to cost increases that exceed any offsetting increases in the revenues over the past years, and the recent economic downturn slowing new parcel growth, property owners have been resistant to efforts to fully fund service levels.

Table 5. CSD Operations

	FY 2015/16 Adopted Budget	FY 2015/16 Amended Budget	Actuals as of 3/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 4,045,429	\$ 4,045,429	\$ 2,444,923	60.4%
Other Taxes	\$ 6,392,300	\$ 6,392,300	\$ 3,357,214	52.5%
Charges for Services	\$ 6,162,347	\$ 5,969,447	\$ 3,448,161	57.8%
Use of Money & Property	\$ 743,900	\$ 743,900	\$ 583,882	78.5%
Fines & Forfeitures	\$ 50,000	\$ 50,000	\$ 28,308	56.6%
Miscellaneous	\$ 9,150	\$ 1,036,052	\$ 42,440	4.1%
Transfers In	\$ 1,560,375	\$ 1,893,140	\$ 1,183,737	62.5%
Total Revenues	\$ 18,963,501	\$ 20,130,268	\$ 11,088,665	55.1%
Expenditures:				
Library Services Fund (5010)	\$ 1,747,334	\$ 1,747,334	\$ 1,309,889	75.0%
Zone A Parks Fund (5011)	\$ 9,068,071	\$ 9,092,929	\$ 6,240,789	68.6%
LMD 2014-01 Residential Street Lighting Fund (5012)	\$ 1,700,769	\$ 1,700,769	\$ 1,009,076	59.3%
Zone C Arterial Street Lighting Fund (5110)	\$ 1,005,200	\$ 1,005,200	\$ 601,192	59.8%
Zone D Standard Landscaping Fund (5111)	\$ 1,228,678	\$ 1,665,407	\$ 1,077,641	64.7%
Zone E Extensive Landscaping Fund (5013)	\$ 527,795	\$ 535,095	\$ 248,952	46.5%
5014 LMD 2014-02	\$ 2,326,393	\$ 2,807,326	\$ 1,455,005	51.8%
Zone M Median Fund (5112)	\$ 195,126	\$ 493,071	\$ 360,397	73.1%
CFD No. 1 (5113)	\$ 1,410,481	\$ 1,461,879	\$ 849,189	58.1%
Zone S (5114)	\$ 53,346	\$ 70,490	\$ 37,100	52.6%
5211 ZONE A PARKS - RESTRICTED ASSETS	\$ 50,192	\$ 395,818	\$ -	0.0%
Total Expenditures	\$ 19,313,385	\$ 20,975,318	\$ 13,189,230	62.9%
Net Change or Adopted Use of Fund Balance	\$ (349,884)	\$ (845,050)	\$ (2,100,565)	

Community Services District Zone A – Parks & Community Services

The largest Zone within the CSD is Zone A. It accounts for the administration and maintenance of the Parks & Community Services facilities and programs. Funding sources for these services come from a combination of property taxes, fees for service and smaller amounts from other City funds.

Table 6. CSD Zone A Operations

	FY 2015/16 Adopted Budget	FY 2015/16 Amended Budget	Actuals as of 3/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Property Tax	\$ 2,133,544	\$ 2,133,544	\$ 1,257,159	58.9%
Other Taxes	\$ 4,930,000	\$ 4,930,000	\$ 2,607,578	52.9%
Charges for Services	\$ 1,075,350	\$ 1,075,350	\$ 843,744	78.5%
Use of Money & Property	\$ 671,200	\$ 671,200	\$ 537,361	80.1%
Miscellaneous	\$ 7,150	\$ 7,150	\$ 36,011	503.6%
Transfers In	\$ 521,021	\$ 521,021	\$ 390,762	75.0%
Total Revenues	\$ 9,338,265	\$ 9,338,265	\$ 5,672,614	60.7%
Expenditures:				
35010 Parks & Comm Svcs - Admin	\$ 496,229	\$ 502,485	\$ 322,471	64.2%
35210 Park Maintenance - General	\$ 3,362,922	\$ 3,327,346	\$ 2,246,580	67.5%
35211 Contract Park Maintenance	\$ 485,131	\$ 485,131	\$ 240,171	49.5%
35212 Park Ranger Program	\$ 379,377	\$ 379,377	\$ 233,837	61.6%
35213 Golf Course Program	\$ 271,857	\$ 351,625	\$ 219,778	62.5%
35214 Parks Projects	\$ 205,777	\$ 205,777	\$ 146,972	71.4%
35310 Senior Program	\$ 564,102	\$ 564,102	\$ 382,739	67.8%
35311 Community Services	\$ 188,893	\$ 165,098	\$ 126,180	76.4%
35312 Community Events	\$ 82,767	\$ 93,767	\$ 101,811	108.6%
35313 Conf & Rec Cntr	\$ 486,736	\$ 486,736	\$ 378,140	77.7%
35314 Conf & Rec Cntr - Banquet	\$ 342,162	\$ 342,162	\$ 246,660	72.1%
35315 Recreation Programs	\$ 1,333,706	\$ 1,333,706	\$ 952,486	71.4%
35317 July 4th Celebration	\$ 134,054	\$ 134,054	\$ 70,699	52.7%
35318 Sports Programs	\$ 666,855	\$ 654,060	\$ 438,439	67.0%
35319 Towngate Community Center	\$ 67,503	\$ 67,503	\$ 49,379	73.2%
95011 Non-Dept Zone A Parks	\$ -	\$ -	\$ 84,448	
Total Expenditures	\$ 9,068,071	\$ 9,092,929	\$ 6,240,789	68.6%
Net Change or Adopted Use of Fund Balance	\$ 270,194	\$ 245,336	\$ (568,175)	

Electric Utility

The Moreno Valley Utility (MVU) manages the operation, maintenance and business planning of the City’s electric utility. MVU’s basic purpose is to purchase and distribute electricity to customers in newly developed areas of the City. The City began serving new customers in February 2004, and now serves more than 5,600 customers. As it reaches fiscal and operational maturity, MVU will continue to be a key component of the City’s economic development strategy. The City Council has established special tiered rates for electric utility customers based upon factors such as the number of jobs created.

The main revenue source for this fund is derived from charges for services. The customer base includes residential, commercial and industrial customers. The growth in customer base will continue to provide for the ability to create rate stabilization and replacement reserve funding.

Table 7. MVU Operations

	FY 2015/16 Adopted Budget	FY 2015/16 Amended Budget	Actuals as of 3/31/2016 (unaudited)	% of Amended Budget
Revenues:				
Taxes:				
Intergovernmental	-	20,000	-	0.0%
Charges for Services	\$ 27,153,398	\$ 27,153,398	\$ 22,283,355	82.1%
Use of Money & Property	\$ 80,500	\$ 80,500	\$ 71,028	88.2%
Miscellaneous	\$ 81,721	\$ 81,721	\$ 162,089	198.3%
Total Revenues	\$ 27,315,619	\$ 27,335,619	\$ 22,516,471	82.4%
Expenditures:				
45510 Electric Utility - General	\$ 18,809,614	\$ 18,815,870	\$ 13,226,131	70.3%
45511 Public Purpose Program	\$ 2,740,147	\$ 2,831,586	\$ 1,201,972	42.4%
Taxable Lease Rev Bonds	\$ 1,831,700	\$ 1,831,700	\$ 653,665	35.7%
80005 CIP - Electric Utility	\$ -	\$ 4,320,885	\$ 255,528	5.9%
96032 Non-Dept 2014 Refunding 2005 LRB	\$ 128,986	\$ 128,986	\$ 163	0.1%
Total Expenditures	\$ 23,510,447	\$ 27,929,027	\$ 15,337,459	54.9%
Net Change or Adopted Use of Fund Balance	\$ 3,805,172	\$ (593,408)	\$ 7,179,012	

MVU's revenues and expenses will fluctuate annually based on energy demands.

SUMMARY

The City of Moreno Valley is experiencing certain levels of growth and continues to maintain a balanced Budget without the use of reserves.

Although the City has experienced positive results in some areas through FY 2014/15 and through the third quarter of FY 2015/16, the City should remain cautiously optimistic as we proceed through the fiscal year.

As positive fund balances begin to grow, we will bring back to the City Council for discussion options to address the other challenges and unfunded liabilities, as well as examining the reserve fund balances held by the City.

RESOLUTION NO. 2016-46

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADOPTING THE REVISED BUDGET FOR FISCAL YEARS 2015/16 – 2016/17

WHEREAS, the City Council approved the Operating Budget for the City for Fiscal Years 2015/16 – 2016/17, a copy of which, as may have been amended by the City Council, is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the City Manager has heretofore submitted to the City Council proposed amendments to the Budgets for the City for Fiscal Years 2015/16 – 2016/17, a copy of which, as may have been amended by the City Council, is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said proposed amendments to the Budgets contain estimates of the services, activities and projects comprising the budget, and contain expenditure requirements and the resources available to the City; and

WHEREAS, the said proposed amendments to the Budgets contain the estimates of uses of fund balance, if required, to stabilize the delivery of City services during periods of operational deficits; and

WHEREAS, the amended Budgets, as herein approved, will enable the City Council to make adequate financial plans and will ensure that City officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed Amendments to the Budgets, as shown on Exhibits A and B to this Resolution and as on file in the Office of the City Clerk, and as may have been amended by the City Council, is hereby approved and adopted as part of the Budgets of the City of Moreno Valley for Fiscal Years 2015/16 – 2016/17.
2. The amounts of proposed expenditures, which may include the uses of fund balance specified in the approved budget, are hereby appropriated for the various budget programs and units for said fiscal years.
3. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be

posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 7th day of June, 2016.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-46 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

RESOLUTION NO. CSD 2016-14

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADOPTING THE REVISED BUDGET FOR FISCAL YEARS 2015/16 – 2016/17

WHEREAS, the President and Board Members of the Moreno Valley Community Services District approved the Operating Budgets for the District for Fiscal Years 2015/16 – 2016/17, a copy of which, as may have been amended by the District's Board of Directors, is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the City Manager has heretofore submitted to the President and Board Members of the Moreno Valley Community Services District proposed amendments to the Budgets for the District for Fiscal Years 2015/16 – 2016/17, a copy of which, as may have been amended by the District's Board of Directors, is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said Proposed Revised Budget contains estimates of the services, activities and projects comprising the budget, and contains expenditure requirements and the resources available to the Community Services District; and

WHEREAS, the said Proposed Revised Budget contains the estimates of uses of fund balance as required to stabilize the delivery of City services; and

WHEREAS, the President and Board of Directors have made such revisions to the Proposed Revised Operating Budget as so desired; and

WHEREAS, the Proposed Revised Budget, as herein approved, will enable the Community Services District to make adequate financial plans and will ensure that District officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed Amendments to the Budgets, as shown on Exhibits A and B to this Resolution and as on file in the Office of the City Clerk, and as may have been amended by the Community Services District's Board of Directors, is hereby approved and adopted as part of the Budgets of the Moreno Valley Community Services District for the Fiscal Years 2015/16 – 2016/17.
2. The amounts of proposed expenditures, which may include the uses of fund

balance specified in the approved budget, are hereby appropriated for the various budget programs and units for said fiscal years.

3. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 7th day of June, 2016.

Mayor of the City of Moreno Valley
Acting in the capacity of President
of the Moreno Valley
Community Services District

ATTEST:

City Clerk, acting in the capacity
of Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno Valley
Community Services District

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-14 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 7th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

**CITY OF MORENO VALLEY
GENERAL FUND
FY 2015/16 Proposed Amendments**

EXHIBIT A

Department	Fund	Account Description	GL Account	FY 2015/16 Amended Budget	Proposed Amendment	Revised Budget	Description - Proposed Adjustment
Non-Departmental	1010	Transfers to LMD 2014-01	1010-99-99-91010-905012	459,008.00	\$ (300,000.00)	\$ 159,008.00	Reduction of General Fund contribution to the street lighting programs. Budget adjustments to maintain operations through FY 2016/17.
Non-Departmental	1010	Transfers to ZONE "C" ART LGHT FUND	1010-99-99-91010-905110	206,749.00	\$ (206,749.00)	\$ -	
Non-Departmental	1010	Transfers to 2011 PRIV PLACE REF. 97 LRBS	1010-99-99-91010-903751	340,000.00	\$ (150,000.00)	\$ 190,000.00	Record ROPS 15/16B approved debt service funding. General Fund transfer can be reduced accordingly.
Public Works	1010	Mach-Equip, Repl - Vehicles	1010-70-78-45370-660322	2,815,509.00	\$ (620,755.00)	\$ 2,194,754.00	Staff is requesting a reduction of the fleet purchasing budget by \$620,755 to align with the current fiscal year projected expenditures. The funds still have an adequate budget to cover the City Council approved purchase of vehicles. The fund balance shall be retained for future vehicle purchases.
Non-Departmental	1010	Transfers in - from FLEET OPS REPLACEMENT RESERVE	1010-99-99-91010-807430	2,482,909.00	\$ (452,570.00)	\$ 2,030,339.00	
Non-Departmental	1010	Transfers in - from EQUIP REPLACEMENT (FURN & EQUIP)	1010-99-99-91010-807510	1,130,738.00	\$ (168,185.00)	\$ 962,553.00	
City Council	1010	Council - Mayor Differential	1010-10-01-10010-620130	\$ 3,000.00	\$ 1,500.00	\$ 4,500.00	Mayor discretionary allocation for newly appointed Mayor.
Non-Departmental	1010	Revenue Close to Bal Sheet	1010-99-99-91010-589999	\$ -	\$ (763,000.00)	\$ (763,000.00)	Adjustment to revenue received from the Towngate Mall note for amounts currently reflected as a receivable.
Community Development	1010	Building Permits	1010-20-28-20310-425000	\$ 939,000.00	\$ 763,000.00	\$ 1,702,000.00	Amending of the building permit budget to equal projected year-end revenue.
TOTAL					\$ (1,896,759.00)		

**CITY OF MORENO VALLEY
GENERAL FUND
FY 2016/17 Proposed Amendments**

Department	Fund	Account Description	GL Account	FY 2016/17 Amended Budget	Proposed Amendment	Revised Budget	Description - Proposed Adjustment
Non-Departmental	1010	Administrative Charges	1010-99-99-91010-585020	\$ 3,552,861.00	\$ (11,988.00)	\$ 3,540,873.00	Reducing Technical Services ISF's to the NSP fund due to available NSP funding.
TOTAL					\$ (11,988.00)		

Department	Fund	Account Description	GL Account	FY 2015/16 Amended Budget	Proposed Amendment	Revised Budget	Description - Proposed Adjustment
Financial Management Services	6010	Note Principal	6010-30-80-45510-670322	\$ 147,632.00	\$ 379,893.00	\$ 527,525.00	Moreno Valley Utilities (MVU) is proposing accelerating the existing payments for the Special District Admin loan of \$379,893. This will allow for the loan to be paid back in full in FY 2015/16 and reduce any potential additional interest costs. This action was directed by Council.
Public Works	2006	Principal Repayment	2006-70-79-25701-461000	\$ 116,163.00	\$ 348,362.00	\$ 464,525.00	
Public Works	2006	Principal - Contra	2006-70-79-25701-461999	\$ (116,163.00)	\$ (348,362.00)	\$ (464,525.00)	
Financial Management Services	6010	Principal Pymt- Contra Ac	6010-30-80-45510-670312	\$ (147,632.00)	\$ (379,893.00)	\$ (527,525.00)	
Non-Departmental	5012	Transfers in - from GENERAL FUND	5012-99-99-95012-801010	\$ 459,008.00	\$ (300,000.00)	\$ 159,008.00	Based on existing fund balances within the street light programs, Staff requests a reduction of the General Fund transfer to the street lighting program by \$506,749. The budget adjustments will continue street light funding through the FY 2016/2017 budget.
Public Works	5012	Professional Svcs - Legal Svcs	5012-70-79-25703-620230	\$ 15,000.00	\$ (14,000.00)	\$ 1,000.00	
Public Works	5012	Professional Svcs - Other	5012-70-79-25703-620299	\$ 36,000.00	\$ (27,500.00)	\$ 8,500.00	
Public Works	5012	Agency Svcs - Cnty	5012-70-79-25703-620320	\$ 25,700.00	\$ (8,785.00)	\$ 16,915.00	
Public Works	5012	Utilities - Electricity	5012-70-79-25703-621010	\$ 1,399,461.00	\$ (99,461.00)	\$ 1,300,000.00	
Public Works	5012	Postage - Mail	5012-70-79-25703-630110	\$ 29,700.00	\$ (26,700.00)	\$ 3,000.00	
Non-Departmental	5110	Transfers in - from GENERAL FUND	5110-99-99-95110-801010	\$ 206,749.00	\$ (206,749.00)	\$ -	
Public Works	5110	Professional Svcs - Other	5110-70-79-25703-620299	\$ 36,000.00	\$ (33,000.00)	\$ 3,000.00	
Public Works	5110	Agency Svcs - Cnty	5110-70-79-25703-620320	\$ 30,000.00	\$ (10,122.00)	\$ 19,878.00	
Public Works	5110	Utilities - Electricity	5110-70-79-25703-621010	\$ 790,151.00	\$ (109,391.00)	\$ 680,760.00	
Public Works	5110	Postage - Mail	5110-70-79-25703-630110	\$ 29,700.00	\$ (24,700.00)	\$ 5,000.00	
Financial Management Services	2507	NSP Programs	2507-30-33-72701-733201	\$ 3,200,000.00	\$ (150,000.00)	\$ 3,050,000.00	Following the adoption of the Boulder Ridge project, staff is proposing a reduction of expenditures by \$150,000 to bring budgeted expenditures in line with projected revenues. A portion of the expenditure adjustments include reducing personnel cost based on available administrative budgets.
Public Works	2001	Admin Chrg - Fleet Ops	2001-70-76-45122-692050	\$ 81,666.00	\$ (81,666.00)	\$ -	Reducing based on fleet demands to Measure A.
Non-Departmental	7410	Administrative Charges	7410-99-99-97410-585020	\$ 2,141,005.00	\$ (81,666.00)	\$ 2,059,339.00	
Non-Departmental	3451	Transfers to PW GENERAL CAPITAL PROJECTS FD	3451-99-91-93451-903002	\$ -	\$ 11,001.00	\$ 11,001.00	Closing fund 3451 Warner Ranch Assessment District.
Non-Departmental	3002	Transfers in - from WARNER RANCH ASDST FUND	3002-99-99-93002-803451	\$ -	\$ 11,001.00	\$ 11,001.00	
Non-Departmental	3451	Admin Chrg - Special Dist	3451-99-91-93451-692020	\$ -	\$ 2,672.00	\$ 2,672.00	
Public Works	2006	Administrative Charges	2006-70-79-25701-585020	\$ -	\$ 2,672.00	\$ 2,672.00	
Non-Departmental	4800	Transfers to 2011 PRIV PLACE REF. 97 LRBS	4800-99-99-94800-903751	\$ -	\$ 150,000.00	\$ 150,000.00	
Non-Departmental	3751	Transfers In - From SUCCESSOR AGENCY ADMIN FUND	3751-99-90-93751-804800	\$ -	\$ 150,000.00	\$ 150,000.00	The City Council submitted a Recognized Obligation Payment Schedule for the period of January 1 through June 30, 2016 (ROPS 15-16B) to the California Department of Finance (DOF). The ROPS 15/16B approved a new allocation of \$150,000 for debt service payment. This new revenue will allow for an equal reduction of the General Fund transfer to the bonds.
Non-Departmental	3751	Transfers in - from GENERAL FUND	3751-99-90-93751-801010	\$ 340,000.00	\$ (150,000.00)	\$ 190,000.00	
Non-Departmental	7430	Transfers to GENERAL FUND	7430-99-99-97430-901010	\$ 2,482,909.00	\$ (452,570.00)	\$ 2,030,339.00	
Non-Departmental	7510	Transfers to GENERAL FUND	7510-99-97-88190-901010	\$ 633,675.00	\$ (168,185.00)	\$ 465,490.00	Staff is requesting a reduction of the fleet purchasing budget by \$620,755 to align with the current fiscal year projected expenditures. The funds still have an adequate budget to cover the City Council approved purchase of vehicles. The fund balance shall be retained for further vehicle purchases.
Public Works	7410	Oper Mtrls - Fuel: Diesel	7410-70-78-45370-630356	\$ 265,000.00	\$ (132,500.00)	\$ 132,500.00	Due to a projected decrease in diesel fuel usage, the budget is being proposed to be reduced by \$132,500. Through the third quarter of the fiscal year, the diesel fuel expenditures are currently only at 39% of the annual budget.

Department	Fund	Account Description	GL Account	FY 2015/16 Amended Budget	Proposed Amendment	Revised Budget	Description - Proposed Adjustment	
Public Works	5013	Admin Chrg - Fleet Ops	5013-70-79-25705-692050	\$ 30,448.00	\$ (29,303.00)	\$ 1,145.00	Allocating Fleet Ops (vehicle lease) amongst all landscape districts based on actual usage; decrease amount in Zone E and increase proportionate share to LMD No. 2014-02	
Public Works	5111	Admin Chrg - Fleet Ops	5111-70-79-25704-692050	\$ -	\$ 6,273.00	\$ 6,273.00		
Public Works	5112	Admin Chrg - Fleet Ops	5112-70-79-25719-692050	\$ -	\$ 1,159.00	\$ 1,159.00		
Public Works	5114	Admin Chrg - Fleet Ops	5114-70-79-25720-692050	\$ -	\$ 231.00	\$ 231.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 2,165.00	\$ 2,165.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 558.00	\$ 558.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 4,221.00	\$ 4,221.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 6,519.00	\$ 6,519.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 501.00	\$ 501.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 5,220.00	\$ 5,220.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 728.00	\$ 728.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 827.00	\$ 827.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	\$ 349.00	\$ 349.00		
Public Works	5014	Admin Chrg - Fleet Ops	5014-70-79-25721-692050	\$ -	552	552		
TOTAL					\$ (1,749,649)			

**CITY OF MORENO VALLEY
NON - GENERAL FUND
FY 2016/17 Proposed Amendments**

Department	Fund	Account Description	GL Account	FY 2016/17 Amended Budget	Proposed Amendment	Revised Budget	Description - Proposed Adjustment
Financial Management Services	2507	ISF - TS Oper	2507-30-33-72703-690118	-	(11,988.00)	(11,988.00)	Reducing Technical Services ISF's to the NSP due to available NSP funding.
Financial Management Services	2001	Admin Chrg - Fleet Ops	2001-70-76-45122-692050	81,666.00	(81,666.00)	-	Reducing based on fleet demands to Measure A.
Non-Departmental	7410	Administrative Charges	7410-99-99-97410-585020	2,141,005.00	(81,666.00)	2,059,339.00	
Public Works	7410	Oper Mtrls - Fuel: Diesel	7410-70-78-45370-630356	265,000.00	(132,500.00)	132,500.00	Due to a projected decrease in diesel fuel usage, the budget is being proposed to be reduced by \$132,500. Through the third quarter of the fiscal year, the diesel fuel expenditures are currently only at 39% of the annual budget.
TOTAL					\$ (307,820)		