



OVERVIEW

This report summarizes the City's overall financial position for the period of July 1, 2019 through September 30, 2019. While the focus of this report is the General Fund, the fund balances of all funds can be found on page 6 and 7. The purpose of this report is to provide City Council, City Management, and the City of Palos Verdes Estates community an update on the City's fiscal status based on the most recent financial information available. All charts compare the year to date actuals to the Adjusted Budget and measure the actuals as a percentage of the budget used; with a target percentage of 25% for the first quarter. This report is on a modified accrual basis where revenues are recognized when they become measurable and available, and expenditures are recorded when the related liability is incurred. All proposed budget reductions presented to Council on September 24, 2019 have been incorporated in the Budget numbers. Likewise, the adopted contingency amount of \$75k has been allocated to the appropriate departments. The Adjusted Budget includes all Council-Approved budget adjustments that have been made since the start of the new fiscal year, July 01, 2019. Any reference to the year-end balances for FY 2018/19 are represented as unaudited actuals and will be updated once the Comprehensive Annual Financial Report (CAFR) is finalized.

GENERAL FUND

Overall, the General Fund appears to be tracking as expected. Although total revenues are only at 5.72% of the Adjusted Budget through the first quarter of the current year, this is due to the timing of remittance of major revenue sources to the City. First quarter results provide minimal data to assess what revenues will be by the end of the fiscal year because of this timing issue. For example, property tax is the largest source of General Fund revenue, but only a small portion of this is received in the first quarter. Secured tax, the largest portion of property tax, is not remitted to the City until the second quarter (December) and fourth quarter (April). Another example is sales tax, where revenue received through the first quarter only reflects one month's worth of collections, as collections from July and August are attributable to FY 2018/19. There are similar timing differences within the first quarter expenditures as expenditures are recorded when paid. Total expenditures are running slightly higher at 27.23% of the Adjusted Budget, this is largely due to the payment of the FY 2019/20 CalPERS Unfunded Accrued Liability (UAL) which occurs in July. Throughout the first six months of year, the City is engaged in what is commonly known as Dry Period Financing, a period of time during the fiscal year when cash inflows are exceeded by cash outflows.

GENERAL FUND ROLL-FORWARD	Adopted Budget FY 2019-20	TARGET % OF FISCAL YEAR USED 25.00%			
		Adjusted Budget FY 2019-20	Year to Date Actual FY 2019-20	Available Budget	% of Budget Used
AMOUNTS IN THOUSANDS					
Beginning Fund Balance	13,036	13,036	13,036		100.00%
Revenues					
Property Taxes & VLF	10,162	10,162	230	9,932	2.27%
PVE Law Enf. Spec. Tax, (transfer in)*	4,973	4,973	81	4,892	1.63%
Other Revenues	4,744	4,744	826	3,918	17.41%
Total Revenues	19,879	19,879	1,137	18,742	5.72%
Less: Expenditures					
	18,340	18,375	5,003	13,372	27.23%
Net Revenue Before Transfers	1,539	1,504	-3,866	5,370	-257.07%
Net Transfers In (Out)*			1	-1	0.00%
Net Revenue After Transfers	1,539	1,504	-3,865	5,369	-257.02%
Ending Fund Balance**	14,575	14,540	9,171	5,369	63.07%

* PVE Law Enforcement Special Tax (Measure E) funds are excluded from Net Transfers and reported separately under Revenue

** Committed, Assigned, and Undesignated Fund Balances will be reported at year end as an estimate.

GENERAL FUND REVENUE – General Fund revenue totaled \$1.1M and is 5.72% of adjusted budget; primarily due to property taxes and PVE Law Enforcement Special Taxes. Details of General Fund revenue sources are outlined as follows:

Property Taxes and Vehicle License Fees (VLF) – Make up 68% of the Adjusted Budget and the majority of the City property tax revenue will be received in December and April. (See General Revenue Bar Chart)



Sales, Real Estate & Business Tax – The City’s Sales Tax revenue is made up of CA State Sales Tax remittances and PSAF (Public Safety Augmentation Fund) received thru property tax remittances. Real Estate taxes consist of real estate transfer tax and are received throughout the year. The majority of Business License Taxes are collected during the renewal period, December through March.

Franchise Fees – Franchise Fees are received from four sources including water, gas, electric and cable. The following Franchise Fee payments are received as follows; Water received in February, Electric and Gas in April, and Cable is received quarterly.

Development Fees – Make up 11% of the total General Fund adjusted budget. The number of permits issued to date is 373 compared to 340 for the same period last year.

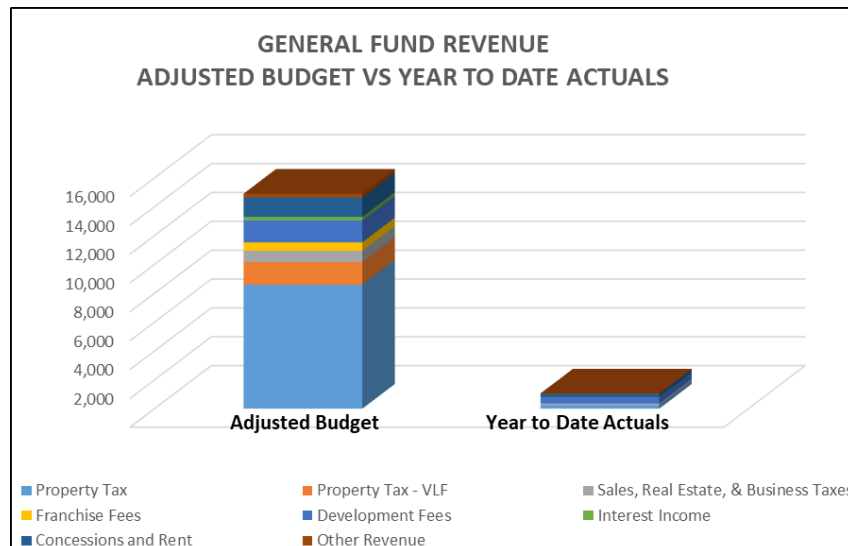
Concession Fees – The City receives concessions from the Golf Course, Tennis Club, Beach & Athletic Club, and Stables and rent from the ballfield lease & other miscellaneous rent.

Other Revenue – Consists mainly of licenses, permits, safety fines and other service charges.

PVE Law Enforcement Special Tax – Similar to property taxes, the City will receive the majority in December and April. The funds are transferred into the General Fund after it being approved by the Oversight Committee and Council. The transfer in balance of \$81K represents residual taxes received in July and August for FY 2018/19.

GENERAL FUND Revenues	Adopted Budget FY 2019-20	TARGET % OF FISCAL YEAR USED 25.00%			
		Adjusted Budget FY 2019-20	Year to Date Actual FY 2019-20	Available Budget	% of Budget Used
AMOUNTS IN THOUSANDS					
Property Tax	8,592	8,592	230	8,361	2.68%
Property Tax - VLF	1,571	1,571		1,571	0.00%
Sales, Real Estate, & Business Taxes	781	781	126	655	16.19%
Franchise Fees	587	587		587	0.00%
Development Fees	1,511	1,511	430	1,081	28.48%
Interest Income	250	250	10	240	3.99%
Concessions and Rent	1,334	1,334	226	1,108	16.91%
Other Revenue	281	281	34	247	11.98%
Total General Fund Revenues	14,906	14,906	1,056	13,850	7.09%
PVELaw Enf. Spec. Tax, (Transfer in)*	4,973	4,973	81	4,892	1.63%
Total General Fund & PVE Law Enf.	19,879	19,879	1,137	18,742	5.72%

* PVE Law Enforcement Special Tax (Measure E) funds are excluded from Net Transfers and reported separately under Revenue



Note: The major revenue sources are received in the month of December and April



GENERAL FUND EXPENDITURES - General Fund expenditures totaled \$5.0M, which is 27.23% of the budget as of September 30, 2019. Departments are trending relatively on target as compared to the adjusted budget except for the Fire and Paramedic service expenditures; as these contract payments are due prior to the service month and reflect four (4) months of expenditures. Overall, each department reflects its allocation of CalPERS UAL that was paid in July; this is most evident within the Benefits & Pension line item in the Expenditure by Category chart, rendering a 43.72% use of adjusted budget. It is important to point out that several staff position vacancies exist in different departments affecting year to date salary and benefit expenditures (see Full-Time Equivalents (FTE) By Division chart).

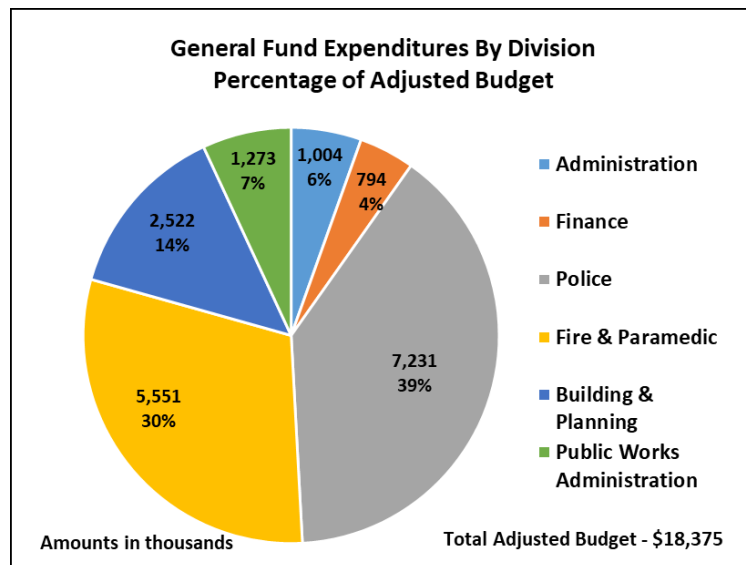
STAFF POSITIONS - FULL-TIME EQUIVALENTS (FTE) BY DIVISION

STAFF POSITIONS	Adopted Budget	Adjusted Budget	Current as of September 30, 2019	
	FY 2019-20	FY 2019-20	Filled	Vacant
Administration	3.56	3.56	2.56	1.00
Finance & Treasury	4.50	4.50	4.50	0.00
Police	35.50	35.50	34.50	1.00
Planning & Building	7.50	7.50	7.00	0.50
Public Works	3.50	3.50	3.00	0.50
Total General Fund Expenditures	54.56	54.56	51.56	3.00

* Does not include seasonal workers

GENERAL FUND Expenditures by Division	Adopted Budget	Adjusted Budget	TARGET % OF FISCAL YEAR USED 25.00%		
			Year to Date Actual	Available Budget	% of Budget Used
AMOUNTS IN THOUSANDS	FY 2019-20	FY 2019-20	FY 2019-20	Budget	Used
Administration	1,004	1,004	211	793	21.03%
Finance	794	794	172	622	21.63%
Police	7,223	7,231	2,015	5,217	27.86%
Fire & Paramedic	5,551	5,551	1,820	3,731	32.78%
Building & Planning	2,497	2,522	503	2,019	19.95%
Public Works Administration	1,272	1,273	283	990	22.21%
Total General Fund Expenditures	18,340	18,375	5,003	13,372	27.23%

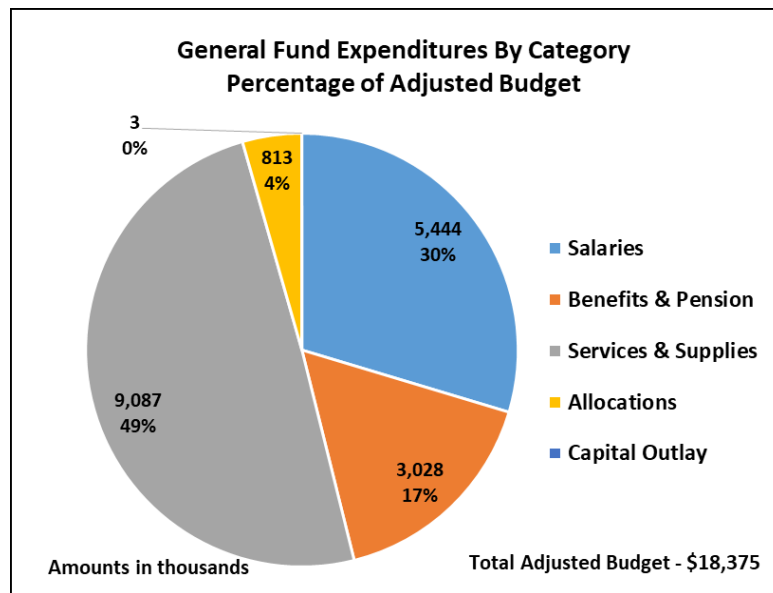
Adjusted Budget		
	FY19-20	%
Admin	1,004	5%
Finance	794	4%
Police	7,231	39%
Fire	5,551	30%
Bldg&Plan	2,522	14%
PW	1,273	7%
Total	18,375	100%





GENERAL FUND Expenditures by Category	Adopted Budget FY 2019-20	Adjusted Budget FY 2019-20	TARGET % OF FISCAL YEAR USED 25.00%		
			Year to Date Actual FY 2019-20	Available Budget	% of Budget Used
AMOUNTS IN THOUSANDS					
Salaries	5,444	5,444	1,066	4,378	19.58%
Benefits & Pension	3,028	3,028	1,324	1,704	43.72%
Services & Supplies	9,052	9,087	2,410	6,677	26.52%
Allocations	813	813	203	610	25.00%
Capital Outlay	3	3		3	0.00%
Total General Fund Expenditures	18,340	18,375	5,003	13,372	27.23%

Adjusted Budget		
	FY19-20	%
Salaries	5,444	30%
Ben & Pens	3,028	16%
Srvs & Supp	9,087	49%
Allctns	813	4%
Cap Out	3	0%
Total	18,375	100%



Pension Costs- Normal pension costs are paid as bi-weekly payroll is processed. The Unfunded Accrued Liability (UAL) is pre-paid in July in a lump sum payment to take advantage of an approximate 3.4% discount.

PENSION COSTS		Normal Costs		UAL	
		EMPLOYEE Contribution Rates	EMPLOYER Contribution Rates	Employer Paid	Employer Paid (with prepay disc)
Member Category	Rate Plan#				
Classic Safety	479	8.989%	21.927%	\$ 739,444.00	\$ 714,014.00
Pepra Safety	25381	12.000%	13.034%	\$ 1,347.00	\$ 1,301.00
Classic Misc	478	6.906%	10.221%	\$ 171,284.00	\$ 165,393.00
Pepra Misc	26358	6.750%	6.985%	\$ 2,280.00	\$ 2,201.00
Total				\$ 914,355.00	\$ 882,909.00



CAPITAL IMPROVEMENTS

Capital Improvement expenditures for year to date totaled \$67K or 1.3% of adjusted budget. A portion of the funding of these projects utilizes restricted funds. Below are the projects that were started in the first quarter of the fiscal year. Capital projects are generally in the development phase in the first quarter of the year with construction and implementation expenditures ramping up throughout the remainder of the year.

CAPITAL IMPROVEMENTS FUNDS	Adopted Budget	Adjusted Budget	TARGET % OF FISCAL YEAR USED		25.00%
			Year to Date Actual	Available Budget	% of Budget Used
AMOUNTS IN THOUSANDS	FY 2019-20	FY 2019-20	FY 2018-19	Budget	Used
30 - CAPITAL IMPROVEMENT					
TRAFFIC CALMING	29	29		29	0.00%
SLURRY SEAL	478	478	1	477	0.19%
REPAIRS STORM	426	426		426	0.00%
CATCH BASIN REPLACEMENT	375	375		375	0.00%
CROSS GUTTER	64	64		64	0.00%
CATCH BASIN INSERTS	120	120		120	0.26%
STREET CONSTRUCTION & MAINT	653	653	2	651	0.32%
CITY HALL SAFETY PROJECT	110	110		110	0.00%
CITY HALL ADA IMPROVEMENT	188	188		188	0.00%
ON-CALL ROADWAY MAINT/RE	421	421	1	420	0.17%
ADA UPGRADES CITYWIDE	408	408		408	0.00%
SERVER ROOM UPGRADE/RELOCATION	150	150		150	0.00%
ADA UPGRADES FOR CITY HALL & POLICE STATION	200	200		200	0.00%
INFRASTRUCTURE MANAGEMENT PLAN	57	57	13	44	22.67%
CTY STRM DRAIN #3 REPAIR	287	287	3	284	1.14%
TREE MANAGEMENT PLAN	50	50		50	0.00%
PVDW TRIANGLE STUDY	79	79	38	41	48.30%
FARNHAM MARTIN PARK FOUNTAIN UPGRADES	24	24		24	0.00%
TREE INVENTORY	50	50		50	0.00%
CURB & GUTTERS	202	202		202	0.00%
GUARDRAIL PROJECT	240	240		240	0.00%
REFLECT ROAD REG SIGNS	100	100		100	0.00%
TOTAL CAPITAL EXPENDITURES	4,709	4,709	58	4,650	1.24%
NET TRANSFERS					0.00%
TOTAL EXPENDITURES AND NET TRANSFERS	4,709	4,709	58	4,650	1.24%
62 - SEWER					
SALARIES & BENEFITS (Operating Expenditures)	8	8	1	7	13.49%
SUPPLIES & SERVICES (Operating Expenditures)	9	9		9	0.00%
VIA CORONEL/ZURITA UPGRAD	274	274	7	268	2.42%
SEWER COND ASSESSMENT	100	100		100	0.50%
TOTAL EXPENDITURES	391	391	8	383	2.09%
NET TRANSFERS					-
TOTAL EXPENDITURES AND NET TRANSFERS	391	391	8	383	2.09%
GRAND TOTAL	5,100	5,100	67	5,033	1.30%

Note: The Sewer Fund includes operating expenditures that are legally allowable to be charged to this account.



FUND BALANCES

The fund balances for FY 2019/20 account for the first quarter year to date revenue and expenditures including net transfers. The beginning fund balance is based on the audited financials as of June 30, 2019. The Fund Balance for each Fund should be viewed individually, as a discrete figure, as each Fund has a specific purpose and unique expenses and revenues.

FUND BALANCE	UNAUDITED ACTUALS FUND BALANCE June 30, 2019	YEAR TO DATE ACTUALS FUND BALANCE September 30, 2019
AMOUNTS IN THOUSANDS		
TOTAL - GENERAL FUND	13,036	9,171
CAPITAL PROJECTS FUNDS		
CAPITAL IMPROVEMENT	5,138	5,084
PARKLANDS	104	104
SEWER	3,688	3,683
TOTAL - CAPITAL PROJECTS	8,930	8,872
SPECIAL REVENUE FUNDS		
SPECIAL PROJECTS	996	995
FIRE PARCEL TAX	1	
PVE LAW ENFORCEMENT	98	17
TRANSIT PROP A	77	139
TOTAL - SPECIAL REVENUE	1,171	1,150
OTHER GOVERNMENTAL FUNDS		
GAS TAX	61	38
DRUG INTERVENTION	656	657
POLICE GRANTS (SLESF)	454	510
CORRECTIONS	7	7
RMRA	332	354
MEASURE W		
MEASURE M	343	391
MEASURE R	183	226
TRANSIT PROP C	850	908
TOTAL - OTHER GOVERNMENTAL	2,887	3,091
INTERNAL SERVICE FUNDS		
EQUIP REPLACEMENT	2,166	2,168
INSURANCE	1,064	100
TOTAL - INTERNAL SERVICE	3,230	2,268

Note: Internal Service Funds are presented as Government-wide financials with net position fund balance

NEXT STEPS

Long Term Financial Plan (LTFP) – Presentation to City Council in November 2019

FY 2019/2020 Mid-Year Report – A City Council Meeting by February 2020 will present the mid-year results

FY 2019/2020 Year-End Projections – A City Council meeting by March/April 2020 will present the projections

FY 2020/2022 Budget Preparation and Presentations – Starts in April and continues thru June 2020



FUND BALANCE OVERVIEW, ROLL-FORWARD

FUND	UNAUDITED ACTUALS					YEAR TO DATE ACTUALS	
	FUND BALANCE June 30, 2019	REVENUE	OPERATING EXP.	REV/EXP	CAPITAL EXP	NET TRANSFERS	FUND BALANCE Sept. 30, 2019
IN DOLLARS	(a)	(b)	(c)	(b-c)	(d)	€	(a+b-c-d+/-e)
TOTAL - GENERAL FUND	13,036,330	1,056,113	5,003,031	(3,946,919)	-	81,639	9,171,050
CAPITAL PROJECTS FUNDS							
CAPITAL IMPROVEMENT	5,138,015	4,805	-	4,805	58,339	-	5,084,481
PARKLANDS	104,040	97	-	97	-	-	104,137
SEWER	3,688,054	3,436	-	3,436	8,174	-	3,683,315
TOTAL - CAPITAL PROJECTS	8,930,109	8,337	-	8,337	66,513	-	8,871,933
SPECIAL REVENUE FUNDS							
SPECIAL PROJECTS	996,136	8,165	9,515	(1,350)	-	-	994,787
FIRE PARCEL TAX	645	-	-	-	-	(645)	-
PVE LAW ENFORCEMENT	97,760	85	-	85	-	(80,994)	16,851
TRANSIT PROP A	76,745	69,061	7,102	61,959	-	-	138,705
TOTAL - SPECIAL REVENUE	1,171,286	77,311	16,616	60,695	-	(81,639)	1,150,342
OTHER GOVERNMENTAL FUNDS							
GAS TAX	61,456	48,434	72,155	(23,721)	-	-	37,734
DRUG INTERVENTION	656,264	612	-	612	-	-	656,876
POLICE GRANTS (SLESF)	453,932	56,388	-	56,388	-	-	510,320
CORRECTIONS	6,553	-	-	-	-	-	6,553
RMRA	332,062	21,575	-	21,575	-	-	353,637
MEASURE W	-	-	-	-	-	-	-
MEASURE M	342,918	48,386	-	48,386	-	-	391,304
MEASURE R	182,948	43,063	-	43,063	-	-	226,011
TRANSIT PROP C	850,403	58,028	-	58,028	-	-	908,432
TOTAL - OTHER GOVERNMENTA	2,886,536	276,486	72,155	204,331	-	-	3,090,867
INTERNAL SERVICE FUNDS							
EQUIP REPLACEMENT	2,166,022	1,492	-	1,492	-	-	2,167,514
INSURANCE	1,064,035	321,332	1,285,329	(963,997)	-	-	100,039
TOTAL - INTERNAL SERVICE	3,230,058	322,825	1,285,329	(962,504)	-	-	2,267,553

Note: Internal Service Funds are presented as Government-wide financials with net position fund balance



GOVERNMENTAL FUNDS

Are typically used to account for tax-supported (governmental) activities. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

GENERAL FUND (01)

The General fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.

SPECIAL REVENUE FUNDS:

Are used to account for proceeds of specific sources (other than for major capital projects) that are legally restricted for specific purposes. The following funds are considered Special Revenue Funds:

State Gas Tax Fund (02): Accounts for a share of revenues derived from the State Highway Users' Tax under Sections 2103, 2105, 2106, 2107, and 2107.5. The revenue is derived from a share of the gasoline taxes and is restricted to be used for the construction and maintenance of the road network system of the City.

Drug Intervention Fund (03): Accounts for receipt and disbursement of narcotic forfeitures received from the County, State, and Federal agencies pursuant to Section 11470 of State Health & Safety Code and Federal Statute 21USC Section 881.

SLESF (COPS) Fund (05): Account for receipt and disbursement of funds received under the State Citizens' Option for Public Safety (COPS) program allocated pursuant to Government Code Section 30061 enacted by AB 3229, Chapter 134 of the 1996 Statutes. This fund, also known as the Supplemental Law Enforcement Services Fund (SLESF), is allocated based on population and can only be spent for "front line municipal police services" such as local crime prevention and community-oriented policing, per Government Code Section 30061 (c)(2).

Special Projects Fund (06): Account for revenue for grants or disbursements from Federal, State, County, and special agencies and districts, including but not limited to monies received from Transportation Development Act Article 3, AB 2766, AB 939, CalRecycle Rubberized Pavement and Container Grants, STP-L Fund Exchange.

Corrections Fund (07): Account for revenue received from the State Department of Corrections.

RMRA Fund (08): Account for receipt of funds received from the State Controller's Road Maintenance and Rehabilitation Account (RMRA). RMRA funds can be used for basic road maintenance, rehabilitation, and critical safety projects on the local streets and road system. The City currently uses these funds for certain capital projects such as street rehabilitation.

Measure W Fund (21): New for FY 2019-20 – Account for a share of revenues received under The Safe, Clean Water Program (Measure W) that was passed in November 2018. 40% of funds will be allocated directly to municipalities. This will provide funding to increase the local water supply, improve water quality and protect public health from the special tax of 2.5 cents per square foot of impermeable surface area on private property within the LA County Flood Control District. The City is estimated to receive \$260,000 in FY 2019-20 from Measure W funds that can be used towards storm drain cleaning and repairs.

Special Fire Parcel Tax Special Revenue Fund (22): Account for funds received from a voter approved direct assessment levied by the City for the purpose of funding contract fire suppression services through Los Angeles County. This assessment sunset after FY 16-17 and is no longer funded.

Measure M Fund (25): Account for a share of the revenues received under Measure M, a portion of a ½ cent sales tax levied in Los Angeles County in November 2016 to provide transportation related projects and programs. These are restricted funds. Eligible projects include street and road repair and maintenance, green streets, complete streets, storm drains, traffic control



measures, bicycle and pedestrian transportation improvements, transit services and vehicles, transportation marketing, and transportation demand management. The City currently uses Measure M Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction.

Prop “C” Transportation Fund (26): Account for a share of the revenues received under Proposition C, a portion of a ½ cent of sales tax levied in Los Angeles County in November 1990 to provide transportation-related programs and projects. These are restricted funds, eligible to be used to improve transit services and operations; reduce traffic congestion; improve air quality; operate and improve the condition of the streets and freeways utilized by public transit; and reduce foreign oil dependence. The City currently uses these funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction on fixed transit routes.

Measure R Fund (27): Account for a share of the revenues received under Measure R, a portion of a ½ cent sales tax levied in Los Angeles County in November 2008 to provide for transportation related projects and programs. Revenues are funneled to the City through the Los Angeles County Metropolitan Transportation Authority. These are restricted funds. Eligible projects include street and road repair, traffic signal improvements, bicycle and pedestrian transportation improvements, transit services and vehicles, transportation marketing, and transportation demand management. The City currently uses Measure R Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction.

Prop “A” Transportation Fund (28): Account for a share of the revenues received under Proposition A, a portion of a ½ cent of sales tax levied in Los Angeles County in November 1980 to provide transportation-related programs and projects. These are restricted funds, eligible to be used for transit and bus stop improvements and maintenance only. The City uses these funds to pay the City’s annual funding obligation to Palos Verdes Peninsula Transit Authority (PVPTA) as a member of the Palos Verdes Peninsula Joint Powers Authority. Unused accumulated balance is sold to the PVPTA or other cities in exchange for non-restricted General Fund dollars.

Parklands (31): Account for the improvements to/in the City’s parklands. The primary source of general capital funds is an annual transfer of General Fund Operating surplus. The actual amount of the transfer, if any, is determined each year by the City Council after review of the annual audit report.

PVE Law Enforcement Fund (23): Account for funds received from a voter approved (by Measure E in April 2018) direct assessment levied by the City for the purpose of funding the Palos Verdes Estates Police Department. This levy will be for fiscal years 2018-19 through 2026-27.

CAPITAL PROJECTS FUNDS:

Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The following is considered Capital Projects Fund:

Capital Improvement Fund (30): Account for the construction of capital facilities typically financed by the City’s General Fund, transfers from Special Revenue Funds, and any grant not accounted for in a special revenue fund. The primary source of general capital funds is an annual transfer of General Fund Operating surplus. The actual amount of the transfer, if any, is determined each year by the City Council after review of the annual audit report. Capital projects typically improve City-owned assets such as buildings, parks, streets, and other infrastructure components.

Sewer Fund (62): Account for accumulated fund balance and expenses for the City’s wastewater collection system, including replacement and maintenance of sewer facilities. As authorization for the property-owner approved sewer user fee expired in FY 12/13, these operations will become General Fund dependent once available resources are used towards capital and maintenance as outlined in prospective budget plans.



PROPRIETARY FUNDS

Proprietary funds are used to account for a government's "business" type activities. Enterprise Funds and Internal Service Funds are considered proprietary funds. The City of Palos Verdes Estates does not currently have any enterprise funds.

INTERNAL SERVICE FUNDS

The following are the City's Internal Service Funds:

Equipment Replacement Fund (60): Account for the financing of equipment on a cost reimbursement basis from charges to City departments and from proceeds from the sale of surplus equipment, which are used to purchase replacement of office furniture and equipment; vehicles; and other capital equipment.

Insurance Fund (65): Account to fund the City's annual contribution to the California Joint Powers Insurance Authority (CJPIA). The total funding requirement for self-insurance programs is estimated using actuarial models, with costs allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. CJPIA provides for both liability and worker's compensation coverage.