

CITY OF OXNARD
WATER FINANCIAL REPORT
JULY 1, 2016- NOVEMBER 30, 2016
FY 2016-17

Reporting for period ended November 30, 2016, 5 months with 7 months to go in FY17:

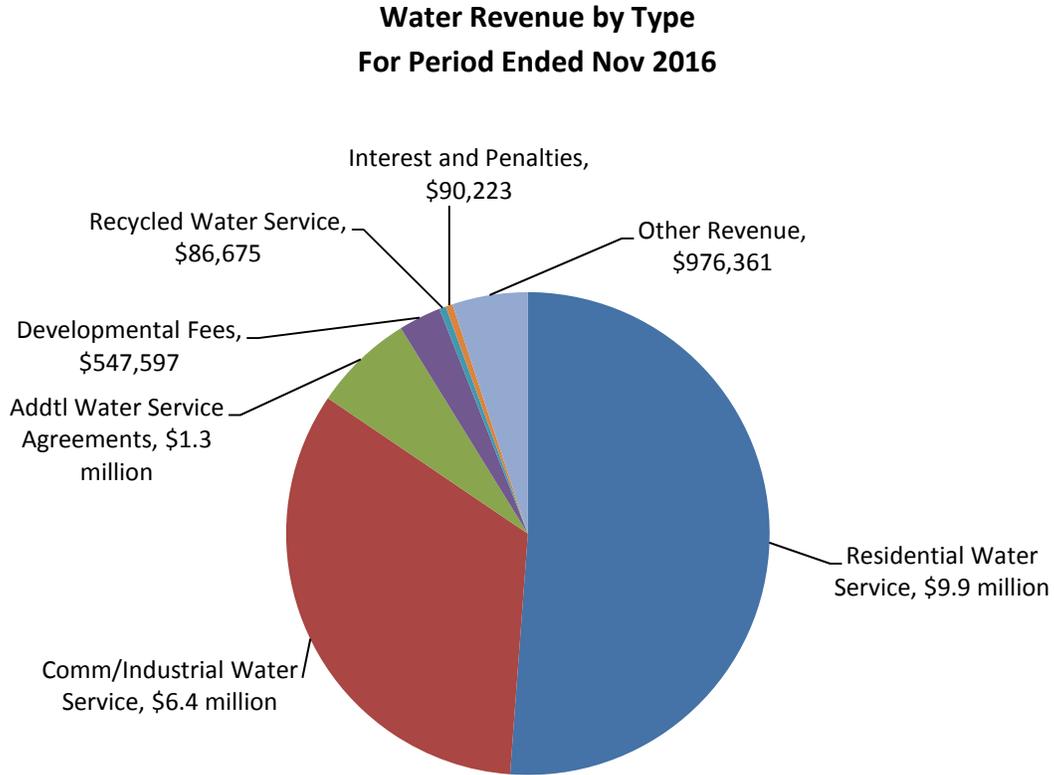
Table 1

	REVISED BUDGET FY16-17	YTD NOV 2016 ACTUALS	YTD NOV 2015 ACTUALS	\$ CHANGE FR YTD FY15 TO FY16	% CHANGE
WATER					
REVENUES:					
Residential Water Service	27,666,000	9,896,548	11,194,189	(1,297,641)	-11.6%
Comm/Industrial Water Service	14,016,000	6,438,860	6,360,910	77,950	1.2%
Addtl Water Service Agreements	2,839,500	1,301,032	1,421,997	(120,965)	-8.5%
Developmental Fees	1,657,200	547,597	449,922	97,675	21.7%
Recycled Water Service	1,104,000	86,675	38,725	47,950	123.8%
Interest and Penalties	2,202,300	90,223	911,891	(821,668)	-90.1%
Other Revenue	3,034,600	976,361	753,373	222,988	29.6%
TOTAL REVENUE	52,519,600	19,337,296	21,131,007	(1,793,711)	-8.5%
EXPENDITURES:					
Personnel Services	6,002,833	1,977,392	2,063,012	(85,620)	-4.2%
Operating Expenses	9,870,092	1,227,488	1,953,896	(726,408)	-37.2%
Utilities Expense	2,750,500	779,741	480,977	298,764	62.1%
Internal Services	6,465,936	2,624,428	2,490,737	133,691	5.4%
Water Acquisition	20,435,118	7,291,205	6,806,587	484,618	7.1%
Debt Service	14,614,828	6,021,952	6,027,196	(5,244)	-0.1%
Capital Projects	1,650,622	549,678	824,634	(274,956)	-33.3%
TOTAL EXPENDITURES	61,789,929	20,471,884	20,647,039	(175,155)	-0.8%
OPERATING INCOME/LOSS	(9,270,329)	(1,134,588)	483,968	(1,618,556)	

Water Revenue

Water revenue for fiscal year 2017 through November is approximately \$19.3 million, which is \$1.8 million, or 8.5% less than the same time last year. Residential water service makes up approximately 51.2% of incoming funds. Commercial/Industrial water service follows, making up 33.3% of water revenue. The following pie chart (Figure 1) shows a break out of each revenue source:

Figure 1



Total YTD: \$19.3 million

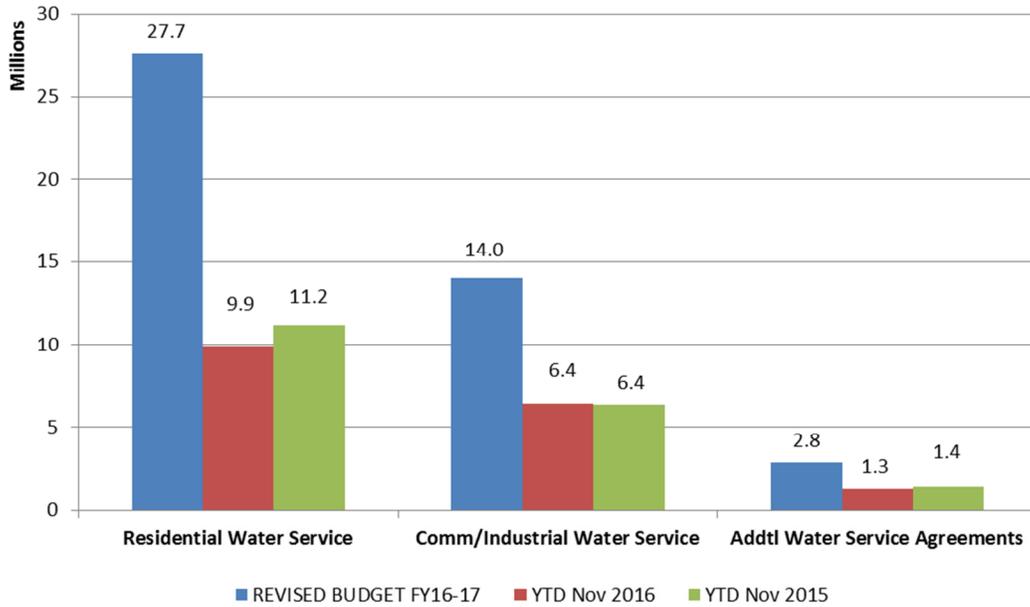
Revenue for FY17 is budgeted at approximately \$52.5 million for the year with Residential water service revenue budgeted at \$27.7 million and Commercial/Industrial water service at \$14.0 million. The \$52.5 million budgeted for water revenue reflects the proposed utility rate increases that were projected to have gone into effect as of January 1, 2017. The projected rate increase was expected to increase by 15.0%.

The Finance Department is analyzing the Water Fund during the mid-year review scheduled for February 2017. The following graph (Figure 2) compares FY17 year-to-date actuals with both the current year budget and prior year-to-date actuals as of November for water services by category. Residential water service has decreased \$1.3 million or 11.6% compared to last year's actuals and Commercial/Industrial water service has increased \$78,000 or 1.2%. This is primarily due to a decrease in consumption by residents conserving water during the drought and a rise in commercial developments. Additional water service agreement revenues, which include those with specialized rates, such as fire line service and Proctor & Gamble, have decreased \$120,965 or 8.5%.

Figure 2

Water Service Revenue- Comparison by Category of Service

For Period Ended Nov 2016



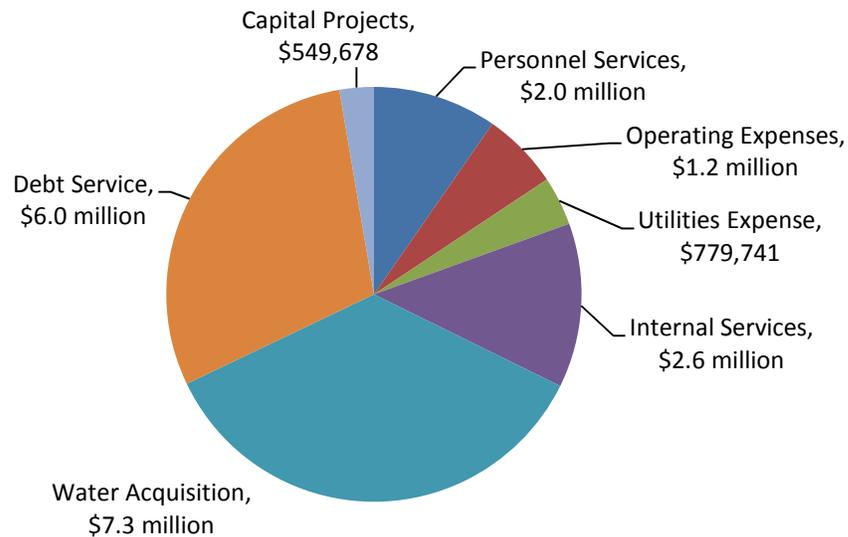
Additionally, the Interest and Penalties portion of revenues has decreased \$821,668, or 90.1%. This is primarily due to a timing issue from the IRS subsidy for the 2010B Water Bonds (Build America Bonds) that will be received in December 2017. Developmental Fee revenue has increased \$ 97,675, or 21.7%, and Recycled Water Service increased \$47,950, or 123.8%, when compared to last year. This is primarily due to credits through the Calleguas Municipal Water District agreement of increased sales in recycled water from the City. Total water revenue has decreased when comparing last fiscal year actuals by \$1.8 million or 8.5% largely due to less consumption by residents as water conservation efforts continue.

Water Expenditures

Water expenditures for fiscal year 2017 through November total approximately \$20.5 million, which is \$175,155, or 0.8% less than the same time last year. Water acquisition makes up approximately 35.6% of the cost. Debt Service follows, making up 29.4% of the expenses and Internal Services are 12.8% of the cost. The following pie chart (Figure 3) shows a break out of each type of Water expenditure:

Figure 3

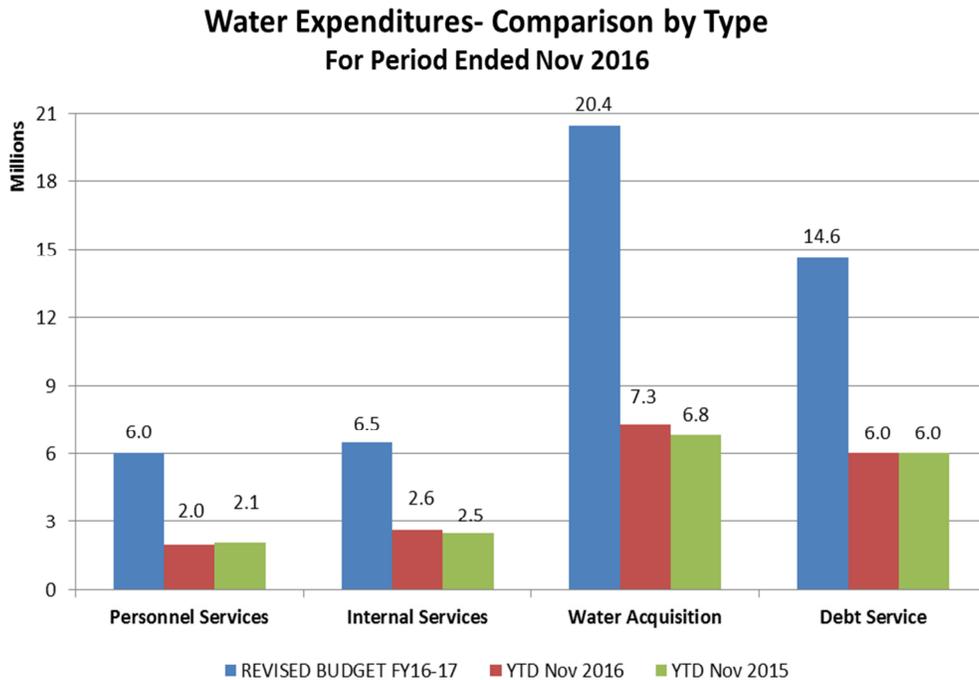
Water Expenditures by Type For Period Ended Nov 2016



Total YTD: \$20.5 million

Total expenditures are budgeted at \$61.8 million which leaves the Water enterprise at an operating loss of approximately \$9.3 million. Without the revenue of the budgeted rate increases this loss would continue to increase. Overall, year-to-date water revenue has decreased \$1.8 million or 8.5% and expenses have slightly decreased by \$175,155, or 0.8%. The top four budgeted expenditures for the Water enterprise are Personnel services, Internal Service charges, Water Acquisition and Debt Service. The cost of Personnel Services has decreased by \$85,620, or 4.2% compared to November of last fiscal year, primarily due to vacancies. Total cost of Internal Services for Water has increased by \$133,691, or 5.4%. The cost of shared Internal services, includes expenses such as infrastructure fee, utility billing, telephone services, data processing, liability insurance, facilities maintenance, etc. is determined by an annual city-wide cost allocation assessment. Water Acquisition costs have increased \$484,618, or 7.1% due to the rise in the cost of water attributed to the state-wide drought and inflation factors. Debt Service costs remains consistent at \$6.0 million. Figure 4 compares the FY17 year-to-date actuals of these expenses with both the current year budget and prior year-to-date actuals as of November:

Figure 4



Operating expenses have decreased overall \$726,408, or 37.2% compared to this point in time last fiscal year, largely due to the division's effort to save funds by decreasing the use of contractual/professional services. The Utilities Expense category has increased \$298,764, or 62.1%. Capital project expenses have decreased \$274,956, or 33.3%, however the Finance Department is reconciling the Capital Improvement Project budget carryovers from FY 2016. This is scheduled to be completed in the month of January 2017.

CITY OF OXNARD
WASTEWATER FINANCIAL REPORT
JULY 1, 2016- NOVEMBER 30, 2016
FY 2016-17

Reporting for period ended November 30, 2016, 5 months with 7 months to go in FY17:

Table 1

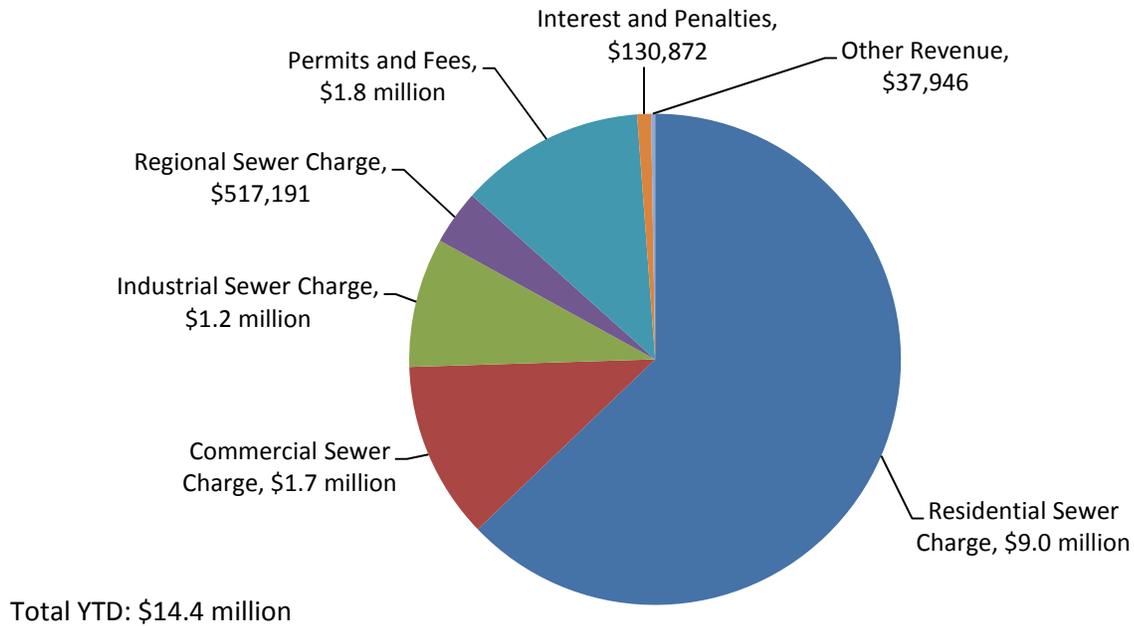
	REVISED BUDGET FY16-17	YTD NOV 2016 ACTUALS	YTD NOV 2015 ACTUALS	\$ CHANGE FR YTD FY15 TO FY16	% CHANGE
WASTEWATER					
REVENUES:					
Residential Sewer Charge	23,163,000	9,051,672	7,442,403	1,609,269	21.6%
Commercial Sewer Charge	4,245,000	1,681,739	1,571,259	110,480	7.0%
Industrial Sewer Charge	2,674,000	1,227,492	1,277,527	(50,035)	-3.9%
Regional Sewer Charge	2,352,000	517,191	433,997	83,194	19.2%
Permits and Fees	1,025,140	1,758,294	307,012	1,451,282	472.7%
Interest and Penalties	350,899	130,872	105,439	25,433	24.1%
Other Revenue	833,700	37,946	37,019	927	2.5%
TOTAL REVENUE	34,643,739	14,405,206	11,174,656	3,230,550	28.9%
EXPENDITURES:					
Personnel Services	8,561,580	2,685,371	2,789,179	(103,808)	-3.7%
Operating Expenses	8,299,401	2,484,749	2,527,445	(42,696)	-1.7%
Utilities Expense	1,122,000	385,382	534,419	(149,037)	-27.9%
Internal Services	4,530,640	1,888,572	2,027,473	(138,901)	-6.9%
Debt Service	9,879,607	2,677,616	2,562,707	114,909	4.5%
Capital Projects	630,028	306,629	265,704	40,925	15.4%
TOTAL EXPENDITURES	33,023,256	10,428,319	10,706,927	(278,608)	-2.6%
OPERATING INCOME/LOSS	1,620,483	3,976,887	467,729	3,509,158	

Wastewater Revenue

Wastewater revenue for fiscal year 2017 through November is approximately \$14.4 million, which is \$3.2 million, or 28.9% more than the same time last year. Residential sewer revenue makes up approximately 62.8% of incoming funds. Incoming revenue from the purchase of Permits and Fees follows, making up 12.2% of Wastewater revenue. The following pie chart (Figure 1) shows a break out of each revenue source:

Figure 1

**Wastewater Revenue by Type
For Period Ended Nov 2016**



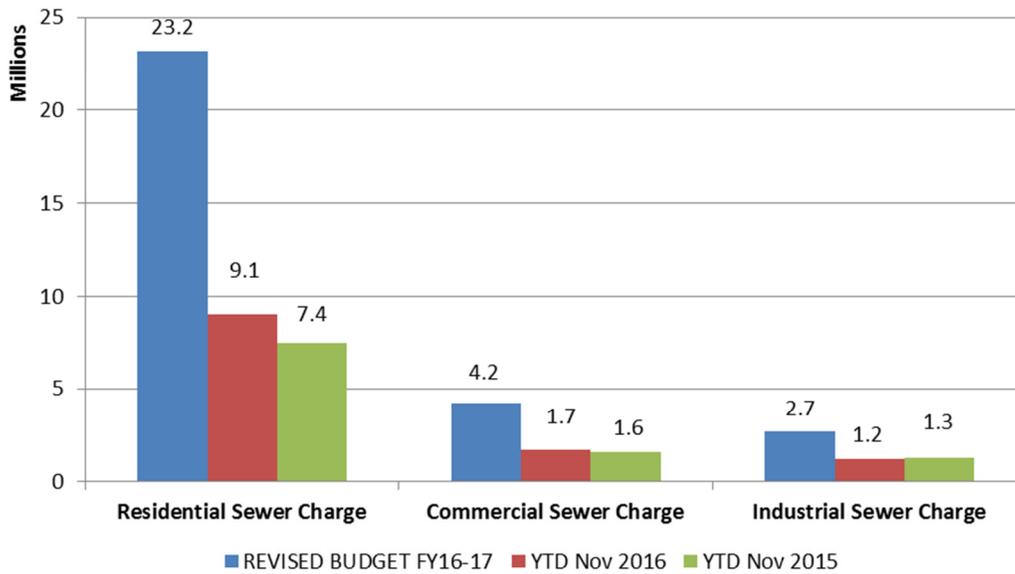
Revenue for FY17 has been budgeted at \$34.6 million for the year with Residential sewer revenue budgeted at \$23.2 million, Commercial sewer revenue at \$4.2 million and Industrial sewer revenue at \$2.7 million. This includes the 35.0% rate increase that was effective March 1, 2016 and 10.0% rate increase effective January 1, 2017. Due to the challenge of the rate increase for Wastewater the City was granted a stay by the court until the City completes a new Cost of Service Study that is scheduled to begin in February 2017. The Finance Department will be analyzing the accounts during the Mid-Year review scheduled for February 2017 to propose a revised budget based on current circumstances.

The following graph (Figure 2) compares FY17 year-to-date actuals with both the current year budget and prior year-to-date actuals as of the month of November for Wastewater services by type. Residential sewer revenue has increased \$1.6 million or 21.6% compared to last year's actuals and Commercial sewer revenue has increased \$110,480, or 7.0% due to the rate increases. Industrial sewer revenue has decreased \$50,035, or 3.9% compared to last year's actuals at this point in the year.

Figure 2

Wastewater Service Revenue- Comparison by Category of Service

For Period Ended Nov 2016



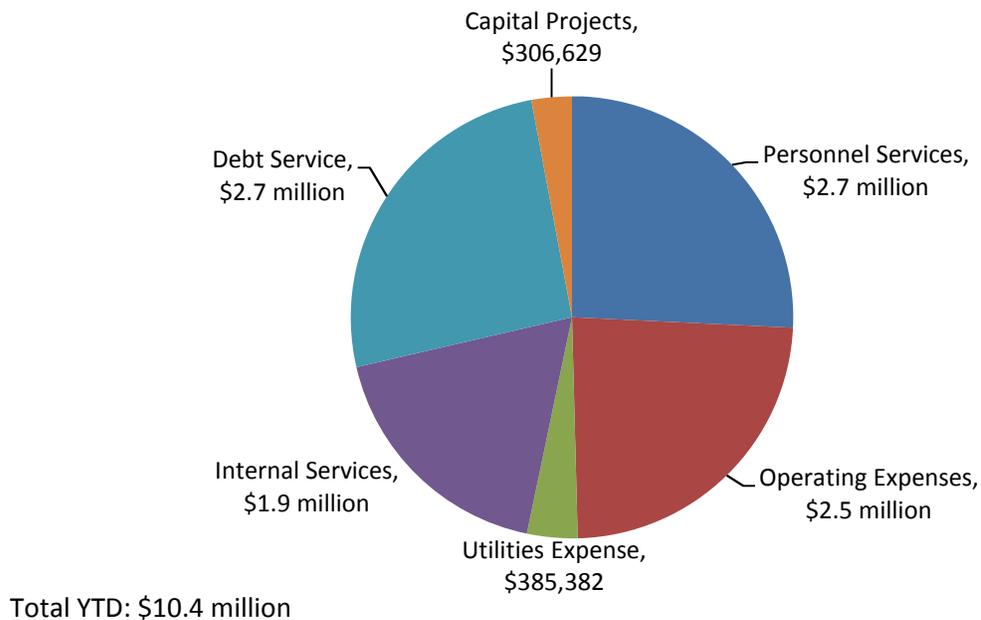
Additionally, Permit and Fee revenue has increased \$1.5 million or 472.7% when comparing to last year's year-to-date actuals due to nonrecurring developmental fees collected, such as sewer connection fees collected for the new Wagon Wheel development, the new Press Courier development and Senior housing developments. Total Wastewater revenue has increased \$3.2 million or 28.9% when comparing last fiscal year actuals, however any change in rates will drastically change this trajectory.

Wastewater Expenditures

Wastewater expenditures for fiscal year 2017 through November total approximately \$10.4 million, which is \$278,608, or 2.6% less than the same time last year. Personnel services makes up approximately 25.8% of the cost. Debt Service follows, making up 25.7% of the expenses and Operating Expenses 23.8%. The following pie chart (Figure 3) shows a break out of each type of Wastewater expenditure:

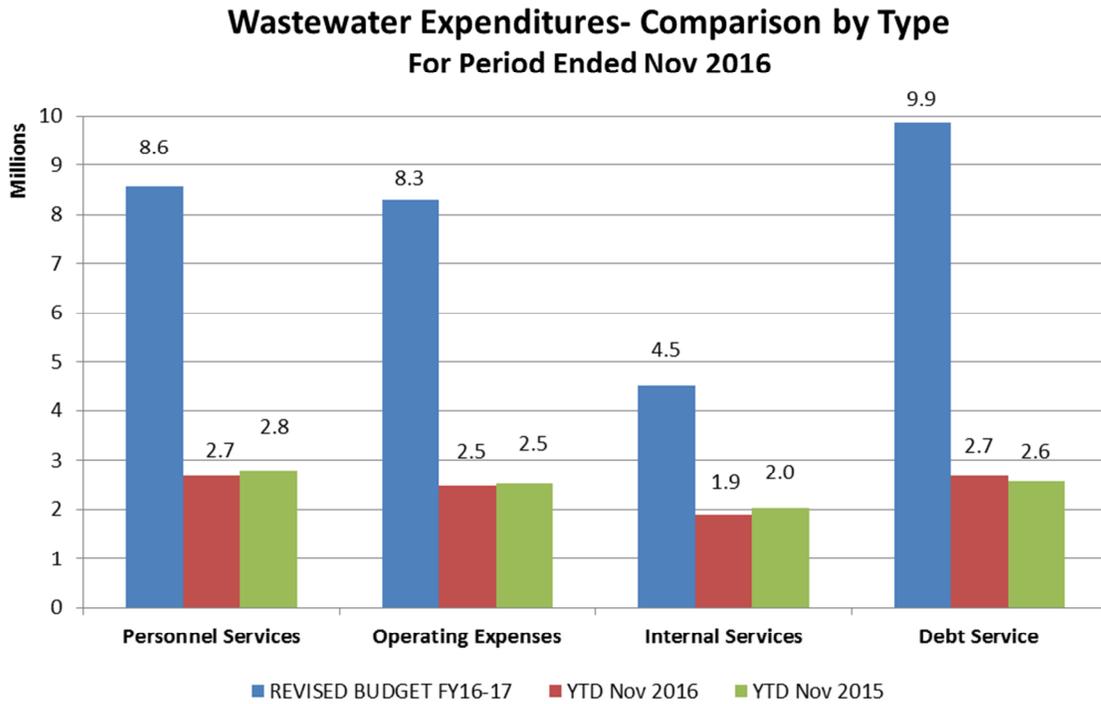
Figure 3

**Wastewater Expenditures by Type
For Period Ended Nov 2016**



Total expenditures for the City’s wastewater system are budgeted at \$33.0 million which leaves the Wastewater enterprise with an operating income of approximately \$1.6 million. Without the continuation of the rate increase the budgeted revenues would drastically change. Overall, year-to-date Wastewater revenue has increased \$3.2 million or 28.9% and expenditures have decreased \$278,608, or 2.6%. The top four budgeted expenditures for the Wastewater enterprise are Personnel services, Operating expenses, Internal Service charges, and Debt Service. The costs of Personnel services and Operating expenses have decreased \$103,808, or 3.7% and \$42,696, or 1.7% compared to November last fiscal year due to revenue saving efforts by the Wastewater division. The city-assessed cost of shared Internal Services for Wastewater has decreased \$138,901, or 6.9%. The cost of shared Internal Services which includes expenses such as the collection of infrastructure fees, utility billing, telephone services, data processing, liability insurance, facilities maintenance, etc. is determined by an annual city-wide cost allocation assessment. Debt Service costs has increased \$114,909, or 4.5% primary due to higher interest costs. Figure 4 compares the FY17 year-to-date actuals of these expenses with both the current year budget and prior year-to-date actuals as of November:

Figure 4



The Utilities Expenses category has decreased overall \$149,037, or 27.9% compared to this point in time last fiscal year. Capital Project expenses have increased \$40,925, or 15.4%, however the Finance Department is reconciling the Capital Improvement Project budget carryovers from FY 2016. This is scheduled to be completed in the month of January 2017.

CITY OF OXNARD
ENVIRONMENTAL RESOURCES FINANCIAL REPORT
JULY 1, 2016- NOVEMBER 30, 2016
FY 2016-17

Reporting for period ended November 30, 2016, 5 months with 7 months to go in FY17:

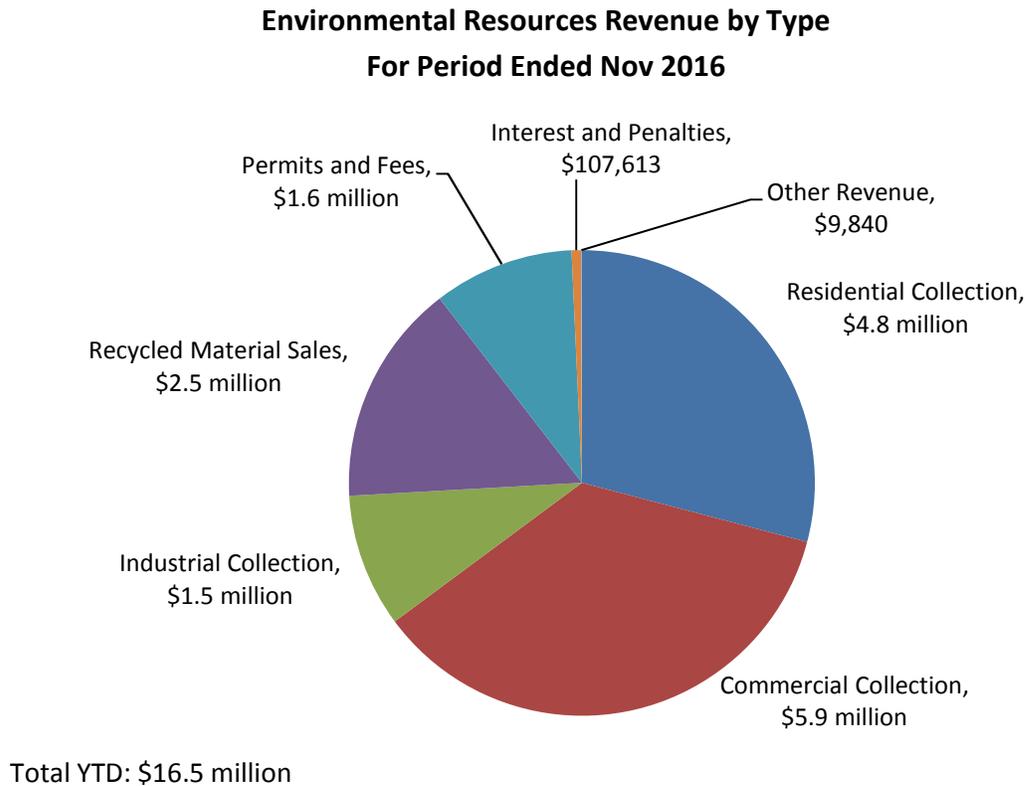
Table 1

	REVISED BUDGET FY16-17	YTD NOV 2016 ACTUALS	YTD NOV 2015 ACTUALS	\$ CHANGE FR YTD FY15 TO FY16	% CHANGE
ENVIRONMENTAL RESOURCES					
REVENUES:					
Residential Collection	13,411,340	4,791,322	5,225,517	(434,195)	-8.3%
Commercial Collection	13,911,000	5,892,041	5,470,599	421,442	7.7%
Industrial Collection	4,215,372	1,528,148	1,744,687	(216,539)	-12.4%
Recycled Material Sales	6,500,000	2,544,068	2,085,251	458,817	22.0%
Permits and Fees	6,331,468	1,603,316	2,700,066	(1,096,750)	-40.6%
Interest and Penalties	264,500	107,613	100,288	7,325	7.3%
Other Revenue	119,318	9,840	68,512	(58,672)	-85.6%
TOTAL REVENUE	44,752,998	16,476,348	17,394,920	(918,572)	-5.3%
EXPENDITURES:					
Personnel Services	12,278,427	4,390,000	4,143,555	246,445	5.9%
Operating Expenses	18,923,423	5,214,752	5,503,081	(288,329)	-5.2%
Utilities Expense	273,972	61,370	60,303	1,067	1.8%
Buy Back Recycles	4,100,000	2,133,253	1,765,010	368,243	20.9%
Internal Services	4,866,831	1,982,794	2,122,311	(139,517)	-6.6%
Debt Service	1,690,426	232,151	238,948	(6,797)	-2.8%
Capital Projects	880,000	165,372	197,230	(31,858)	-16.2%
TOTAL EXPENDITURES	43,013,079	14,179,692	14,030,438	149,254	1.1%
OPERATING INCOME/LOSS	1,739,919	2,296,656	3,364,482	(1,067,826)	

Environmental Resources Revenue

Environmental Resources (ER) revenue for fiscal year 2017 through November is approximately \$16.5 million, which is \$918,572, or 5.3% less than the same time last year. Commercial collection makes up approximately 35.8% of incoming funds. Incoming revenue from Residential collection follows, making up 29.1% of ER revenue. The following pie chart (Figure 1) shows a break out of each revenue source:

Figure 1



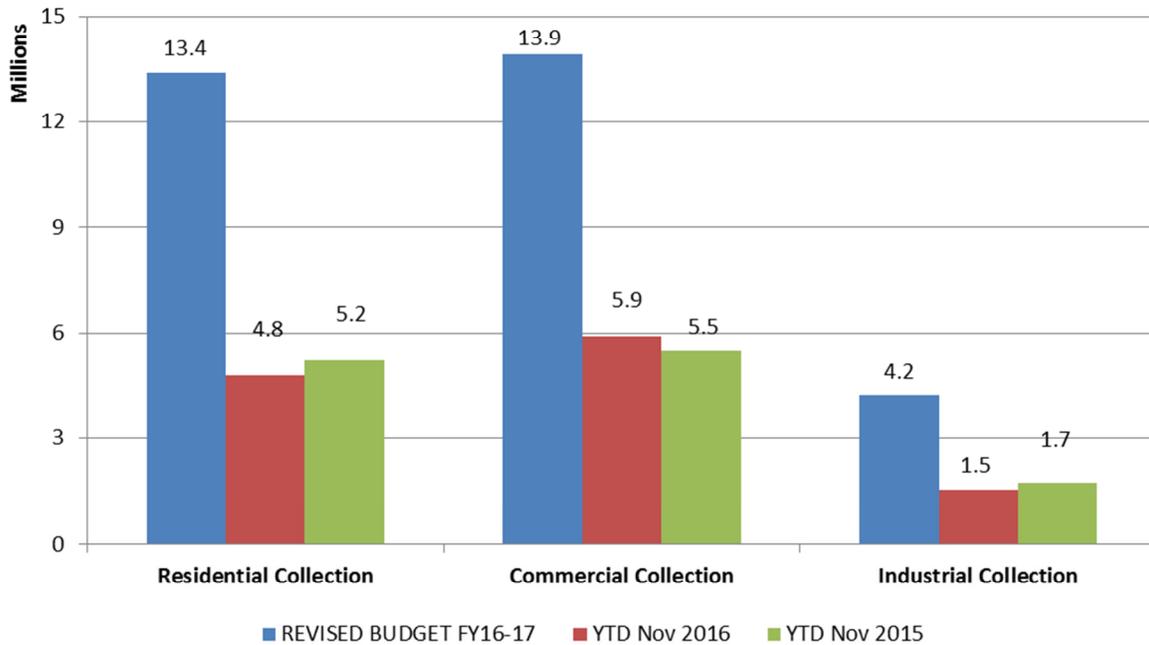
Revenue for FY17 has been budgeted at \$44.8 million for the year with Residential collection revenue budgeted at \$13.4 million, Commercial collection at \$13.9 million and Industrial collection at \$4.2 million. However, all three of the utilities (Water, Wastewater and Environmental Resources) revenue budgets reflect the proposed utility rate increases that were projected to have gone into effect as of January 1, 2017; for ER the increase was budgeted at 4%. The Finance Department will be analyzing the accounts during the Mid-Year review scheduled for February 2017 to propose a revised budget based on current circumstances.

The following graph (Figure 2) compares FY17 year-to-date actuals with both the current year budget and prior year-to-date actuals as of November for Environmental Resources services by type. Residential collection and Industrial collection revenues have decreased \$434,195, or 8.3% and \$216,539, or 12.4% compared to last year's actuals, meanwhile Commercial collection has increased \$421,442, or 7.7%.

Figure 2

ER Service Revenue- Comparison by Category of Service

For Period Ended Nov 2016

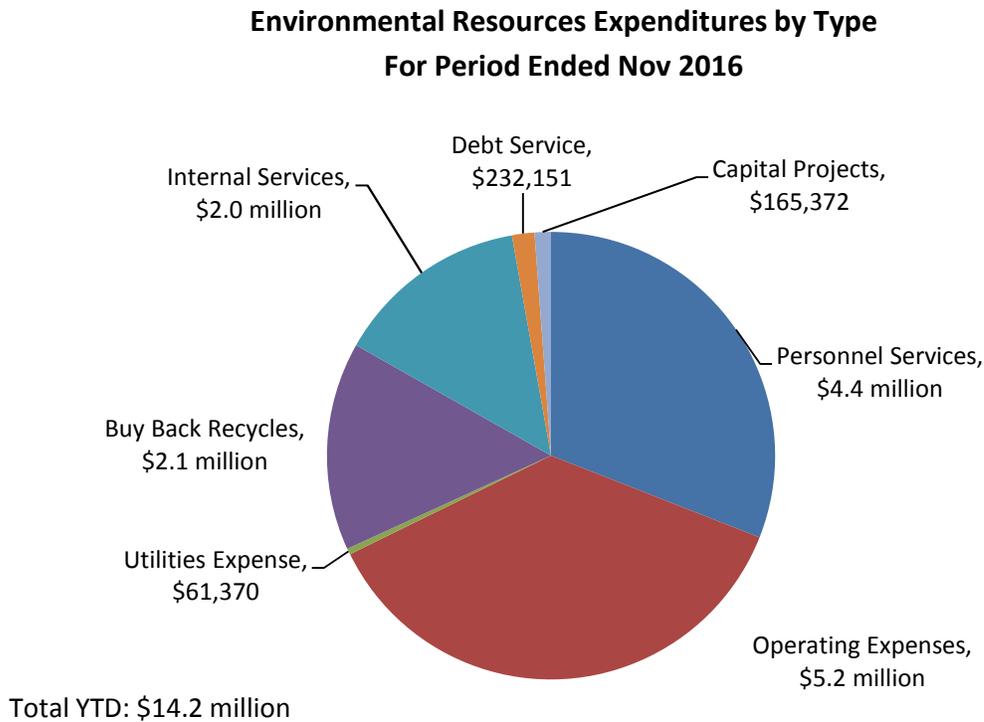


Additionally, the sale of Recycled Material has increased \$458,817, or 22%. Permits and Fee Revenue has decreased \$1.1 million or 40.6%, primarily due to Tipping Fees for waste. Currently the ER staffs are invoicing the vendors for this revenue source. We are currently working with Treasury to transition this duty to improve on the collection of the revenues. Interest and Penalties have increased \$7,325, or 7.3%. Total Environmental Resources revenue has decreased when comparing last fiscal year actuals by \$918,572, or 5.3% largely due to the reduction of revenue in the Tipping Fees.

Environmental Resources Expenditures

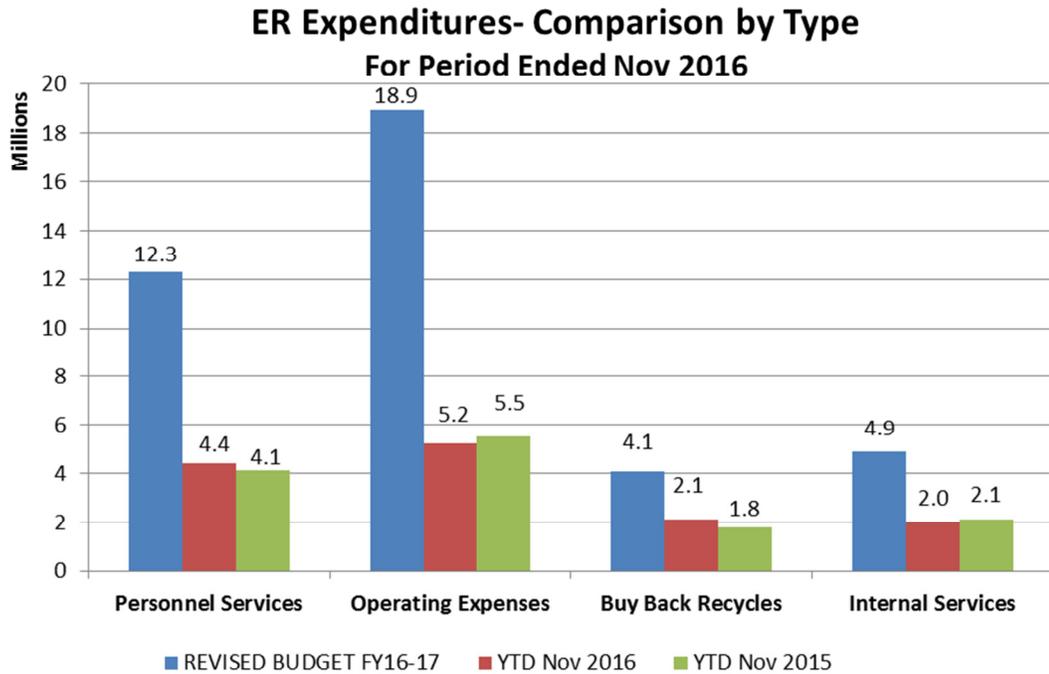
Environmental Resources expenditures for fiscal year 2017 through November total approximately \$14.2 million, which is \$149,254, or 1.1% more than the same time last year. Operating expenses make up approximately 36.8% of the cost. Personnel services follow, making up 31.0% of the expenses. The following pie chart (Figure 3) shows a break out of each type of Wastewater expenditure:

Figure 3



Total expenditures are budgeted at \$43.0 million which leaves the Environmental Resources enterprise with an operating income of approximately \$1.7 million. Overall, year-to-date ER revenue has decreased \$918,572, or 5.3% and expenditures have a slight increase of \$149,254, or 1.1%. The top four budgeted expenditures for the Environmental Resources enterprise are Personnel services, Operating expenses, Internal Service charges, and Buy Back Recycles. The cost of Personnel services has increased \$246,445, or 5.9% with the filling of many critical vacancies and a plan for overall personnel restructure in the near future. Operating expenses have decreased \$288,329, or 5.2% compared to November last fiscal year due to the reduction of expenditures by the ER division. The total cost of shared Internal Services for ER has decreased \$139,517, or 6.6%. The cost of shared Internal Services which includes expenses such as the collection of infrastructure fees, utility billing, telephone services, data processing, liability insurance, facilities maintenance, etc. is determined by an annual city-wide cost allocation assessment. The Buy Back of recycled materials has increased \$368,243, or 20.9% compared to last year. Figure 4 compares the FY17 year-to-date actuals of these expenses with both the current year budget and prior year-to-date actuals as of November:

Figure 4



Capital Project expenses have decreased \$31,858, or 16.2%, however the Finance Department is reconciling the Capital Improvement Project budget carryovers from FY 2016. This is scheduled to be completed in the month of January 2017.