



CITY COUNCIL STAFF REPORT

TO: Honorable Mayor and City Council **DATE:** March 6, 2017
FROM: Matthew Bronson, City Manager
PREPARED BY: Gayla R. Chapman, Administrative Services Director
SUBJECT: Mid-Year 2016-17 Budget Adjustments

RECOMMENDATION

Adopt the Resolution recognizing additional revenues and the Resolution authorizing mid-year budget adjustments to the 2016-17 budget.

BACKGROUND

On February 27, 2017 the City Council held a budget workshop which included presentation of the Mid-Year Financial Report. Staff identified a projected increase of \$200,000 in General Fund revenues by the end of the year primarily through higher sales and transient occupancy tax revenue and shared recommendations for funding adjustments to the 2016-17 budget. Staff indicated that the revenue increases and recommended adjustments would come to the Council for action at the March 6, 2017 Council meeting.

Below are the recommended mid-year adjustments and costs presented at the workshop:

- Re-appropriation of Funding for Fire Station Security Gate: \$23,950
- Previously Approved Funding for Five Cities Fire Authority: \$93,479
- Annual Payment for Replacement of Five Public Works Trucks \$58,000
- Replacement of Nacimiento Lift Station Pumps \$35,000
- Storm Water Inflow Repairs \$10,000

The first two adjustments are General Fund items that were approved by Council but inadvertently not included in this year's budget. The replacement of five Public Works maintenance trucks will be charged out to multiple funds with the General Fund paying 40% of the cost and the balance spread to the Wastewater and Water funds. Factoring in \$31,750 currently budgeted in the General Fund this year for replacement of one maintenance truck, the net cost of this adjustment for this year is \$27,900 including one-time setup costs with the General Fund contributing 40% or \$11,160. These five new maintenance trucks will begin to replace existing outdated trucks used by the City's field maintenance crews and will be paid for over a five-year period. Pending Council approval, staff will bring the vehicle purchase agreement to the Council at the March 20, 2017 meeting. Lastly, the final two adjustments are Wastewater Fund items to address impacts from recent storms.

In addition to these items presented at the workshop, staff is proposing two additional General Fund adjustments to continue addressing facility improvement needs:

- Initial Phase of Fire Station Improvements \$10,000
 - Additional City Hall Improvements \$20,000
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The funding for the Fire Station improvements would go along with \$5,000 in outside grant funding for this project which involves new flooring, window coverings, and other improvements. The additional City Hall improvements would include installation of monument signage and new building signage along with initial improvements to common spaces including the conference room and employee breakroom. These costs will be split by the General, Wastewater, and Water funds.

FISCAL IMPACT

General Fund:

Additional Revenues	\$200,000
Additional Expenditures	
Security Gate at Fire Station	(\$ 23,950)
Five Cities Fire Authority Funding	(\$ 94,479)
Public Works Trucks	(\$ 11,160)
Fire Station Improvements	(\$ 10,000)
Additional City Hall Improvements	<u>(\$ 10,000)</u>
Revenues Over (Under) Expenditures	<u>\$ 50,411</u>

Wastewater Fund

Replacement of Nacimiento Lift Station Pumps	\$35,000
Storm Water Inflow Repairs	\$10,000
Public Works Trucks	\$11,160
Additional City Hall Improvements	<u>\$ 5,000</u>
Total Expenditures	<u>\$61,160</u>

Water Fund

Public Works Trucks	\$ 5,580
Additional City Hall Improvements	<u>\$ 5,000</u>
Total Expenditures	<u>\$10,580</u>

ALTERNATIVES

The City Council has the following alternatives to consider:

1. Adopt the Resolution recognizing additional revenues and the Resolution authorizing mid-year budget adjustments for expenditures to the 2016-17 budget as listed in the staff report; or
2. Provide alternate direction to staff.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Amendment to the Annual Appropriation Resolution to recognize additional revenues
2. Amendment to the Annual Appropriation Resolution to appropriate mid-year budget adjustments

RESOLUTION NO. 17-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH,
CALIFORNIA, ADOPTING THE 6th AMENDMENT TO THE ANNUAL
APPROPRIATION RESOLUTION NO. 16-48 RECOGNIZING \$200,000 IN
ADDITIONAL REVENUES FOR FY 2016-17**

WHEREAS, the Grover Beach City Council received a Mid-Year Budget Review on February 27, 2017; and

WHEREAS, the Grover Beach City Council has determined that additional Revenues are anticipated in FY 2016-17 and desires to formally recognize these additional revenues in an Amendment to the Annual Appropriation Resolution.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach does hereby amend the Annual Appropriation Resolution to budget the following revenues:

		<u>Sources</u>	<u>Uses</u>
A/C No.: 01-000-30000-000	Fund Balance	\$ -0-	\$ 200,000
A/C No.: 01-000-40020-000	Property Taxes Street Lighting	\$ 25,000	
A/C No.: 01-000-40070-000	Sales & Use Tax	\$ 90,000	
A/C No.: 01-000-40080-000	Sales & Use Tax – Add On	\$ 40,000	
A/C No.: 01-000-40100-000	Transient Occupancy Tax	\$ 35,000	
A/C No.: 01-000-40110-000	Property Transfer Tax	<u>\$ 10,000</u>	<u>\$ -0-</u>
Total General Fund		\$200,000	\$ 200,000

On motion by Council Member, seconded by Council Member, and on the following roll-call vote, to wit:

AYES: Council Member –
NOES: Council Member –
ABSENT: Council Member –
ABSTAIN: Council Member –
RECUSED: Council Member –

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a regular meeting of the City Council of the City of Grover Beach, California this 6th day of March, 2017.

**** D R A F T ****

JOHN P. SHOALS, MAYOR

Attest:

DONNA L. McMAHON, CITY CLERK

RESOLUTION NO. 17-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH,
CALIFORNIA, ADOPTING THE 7th AMENDMENT TO THE ANNUAL
APPROPRIATION RESOLUTION NO. 16-48 TO ALLOCATE FUNDING FOR
CERTAIN EXPENDITURES FOR FY 2016-17**

WHEREAS, the Grover Beach City Council received a Mid-Year Budget Review on February 27, 2017 and considered recommendations to allocate funding for additional expenditures in the current fiscal year; and

WHEREAS, the Grover Beach City Council desires to amend the Annual Appropriation Resolution for FY 2016-17 to include funding for:

Installation of Gate at Fire Station	\$ 23,950
Five Cities Fire Authority	\$ 94,479
5 Public Works Vehicles	\$ 27,900
Fire Station Improvements	\$ 5,000
Additional City Hall Improvements	\$ 20,000
Replacement of Nacimiento Lift Station Pumps	\$ 35,000
Storm Water Inflow Repairs	\$ 10,000

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach does hereby amend the Annual Appropriation Resolution to budget the following expenditures:

General Fund

	<u>Sources</u>	<u>Uses</u>
A/C No.: 01-000-30000-000 Fund Balance	\$144,589	\$ -0-
A/C No.: 01-000-54110-000 Contractual Obligations	-0-	94,479
A/C No.: 01-000-54090-000 Services – Other	-0-	23,950
A/C No.: 01-000-50000-000 Transfers Out (Equipment Replacement Fund)	-0-	11,160
A/C No.: 01-164-55040-102 Facility Maintenance (Fire Station)	-0-	5,000
A/C No.: 01-900-58030-000 Project 3263	\$ -0-	\$10,000
Total General Fund	<u>\$144,589</u>	<u>\$144,589</u>

Wastewater Fund

A/C No.: 80-000-30000-000 Fund Balance	\$ 61,160	\$ -0-
A/C No.: 80-161-54110-000 Contractual Obligations	-0-	35,000
A/C No.: 80-163-54050-000 Services Maintenance	-0-	10,000
A/C No.: 80-900-58030-000 Project 3263	-0-	5,000
A/C No.: 80-161-57050-000 Vehicle Acquisition	-0-	5,580
A/C No.: 80-163-57050-000 Vehicle Acquisition	-0-	5,580
Total Wastewater Fund	<u>\$ 61,160</u>	<u>\$ 61,160</u>

Water Fund

A/C No.: 81-000-30000-000 Fund Balance	\$11,580	\$ -0-
A/C No.: 81-162-57050-000 Vehicle Acquisition	-0-	5,580
A/C No.: 81-900-58030-000 Project 3263	<u>-0-</u>	<u>5,000</u>
Total Water Fund	<u>\$10,580</u>	<u>\$10,580</u>

Equipment Replacement Fund

A/C No.: 71-000-40000-000 Transfers In	\$11,160	\$ -0-
A/C No.: 71-164-57050-000 Vehicle Acquisition	-0-	5,580
A/C No.: 71-165-57050-000 Vehicle Acquisition	<u>-0-</u>	<u>5,580</u>
Total Equipment Replacement Fund	<u>\$ 11,160</u>	<u>\$ 11,160</u>

On motion by Council Member, seconded by Council Member, and on the following roll-call vote, to wit:

AYES: Council Member –
NOES: Council Member –
ABSENT: Council Member –
ABSTAIN: Council Member –
RECUSED: Council Member –

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a regular meeting of the City Council of the City of Grover Beach, California this 6th day of March, 2017.

**** D R A F T ****

JOHN P. SHOALS, MAYOR

Attest:

DONNA L. McMAHON, CITY CLERK