

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Steven Kueny, City Manager *SK*

BY: Irmira Lumbad, Finance/Accounting Manager *irl*

DATE: June 20, 2008 (City Council Meeting of July 2, 2008)

SUBJECT: Consider Resolution Adopting an Operating and Capital Improvements Budget for the City of Moorpark for the Fiscal Year 2008/2009.

SUMMARY

On June 4, 2008 the City Manager presented to the City Council the recommended Operating and Capital Improvement Budgets for the Fiscal Year 2008/2009. The Council held a public meeting to discuss the budget on June 11, 2008. Based on this meeting, Council directed staff to make several changes to the recommended budget and approved it. After further analysis of the June 11 action and current information, staff has included other adjustments for Council consideration and action. These changes resulted in a net increase of \$173,100 additional revenue and \$147,900 expenditure reductions.

DISCUSSION

On June 11, 2008 the City Manager presented to City Council the Operating and Capital Improvement Budgets for the City of Moorpark. As submitted, the budget had a General Fund deficit of \$739,000 that already reflected about \$251,000 net adjustment to the departments' original requested spending plan. The City Manager identified several options in expenditure reduction measures, revenue enhancements and reserve fund use that would directly or indirectly close the deficit gap. Based on these, the City Manager recommended several options with a total improvement of \$813,800 to the General Fund balance deficit - \$500,800 in expenditure reductions, \$97,000 of potential revenue source, \$216,000 reserve fund use. These options are listed as follows:

**As listed in the June 6, 2008 City Manager's Budget Message for FY 2008/09
 EXPENDITURE REDUCTIONS**

Item No.	Description	Amount	
3a	Eliminate the Home Town Holiday event	\$ 2,500	
3c	Eliminate the Arbor Day event	2,200	
4	Use the Endowment Fund to lease modular building for interim City Hall	49,000	
5c	Defer the City Hall/Community Center Flag Poles	15,000	
5d	Defer Campus Park Drive landscape enhancements	76,600	
5e	Defer the Community Center kitchen upgrade	26,000	
6	Postpone Youth Master Plan	15,000	
11a	Shift the Magnolia Park maintenance cost to MRA	6,200	
11b	Shift Poindexter Park maintenance cost to MRA (20%)	12,700	
11d	Shift Deputy City Manager personnel cost to MRA (50%)	90,000	
11e	Shift Code Compliance Technician and Senior Management Analyst personnel cost to MRA (50%)	77,000	
13b	Reduce Recreation staff classification (4 FT)	24,000	
14	Fill the Finance Department Administrative Assistant with half-time, part-time Secretary I	32,000	
17	Eliminate 3 of 5 Crossing Guard locations	15,000	
21a	Reduce Active Adult Center part-time staff	14,000	
21b	Reduce Active Adult monthly newsletter	6,500	
22	Postpone Tree master plan	7,100	
24	Shift Lassen Ave walkway General Fund contribution to MRA	30,000	\$ 500,800
REVENUE ENHANCEMENT			
1	Transfer of Endowment Fund interest to General Fund		97,000
USE OF FUND RESERVE			
2	Use one-third of the Traffic Safety Fund		216,000
	Total		\$ 813,800

In addition, the City Manager proposed these items for consideration:

Increase General Fund revenue to include special assessment for Police services fee from Pardee Moorpark Highlands	\$ 80,000
Eliminate the 10% rate increase in medical health premium	20,000
Shift General Fund contribution to MRA for Magnolia Park Swings	13,000
Eliminate Miller Park Swings; project completed in FY 2007/08	20,000
Reduce Library cost plan allocation by 50%	(54,000)
Additional contingency fund for staff salaries and benefits	(150,000)
Total	\$ (71,000)

The Council also directed staff to incorporate the following:

Add 40-hr patrol car to be funded by Traffic Safety Fund reserve, budgeted at 10 months	\$ (186,000)
Additional use of Traffic Safety Fund reserve	186,000
Reduce City Council Special Department expenses	1,875
Reduce City Council Community Promotion expenses	1,500
Total	\$ 3,375

Collectively, the above measures were anticipated to yield a total net improvement to the General Fund of \$746,175; that would result to a \$7,175 surplus for FY 2008/09.

However, further analysis showed that \$129,100 of the above options would not improve the General Fund deficit directly or indirectly through transfers. The Campus Park Drive landscape enhancement project (\$76,600) and the Master Tree Plan expense (\$7,100) were adjusted. There will be no savings to the General Fund in FY 2008/09 but there will be a decrease in General Fund subsidy to the Assessment District funds in FY 2009/10. The City Attorney confirmed park maintenance costs are not allowable Agency expenses. Thus, the proposed shift of maintenance costs to the Redevelopment Agency for the Magnolia Park (\$6,200) and Poindexter Park (\$12,700) were not implemented. The revenue enhancement is short by \$21,000 since the remaining interest revenue from the Endowment Fund is only \$76,000. The elimination of three (3) Crossing Guard locations will only decrease the General Fund expense by \$9,500 (\$5,500 from other sources) and the remaining Crossing Guard positions will be one hundred percent (100%) funded by the Crossing Guard Fund. It has been difficult to

fill the part-time positions due to minimal hours and split shifts. As a compromise, the hours were increased and the classification was combined with clerical duties. To be able to continue providing this service, the part-time hours will have to be maintained at the same level and the costs relating to clerical aid duties will be funded out of the Crossing Guard Fund instead of being charged to Traffic Safety, Transit or General Fund. The Finance Department Secretary I vacancy is intended to be shared with the Agency. Therefore, the position will be filled with a full-time person and the fifty percent (50%) of the cost will be funded by the Agency and has been added to the budget.

Moreover, General Fund expenditure was adjusted to include \$18,500 additional for professional services needed for the Hazard Mitigation Plan Update (carried over from FY 2007/08), \$10,000 for Community Center Paving project and revenue was reduced by \$4,400 due to the lower rates adopted by City Council for NPDES business inspection.

Unless otherwise indicated, all changes enumerated under each division impacts the General Fund:

City Council

- Reduced Special Department Expenses for meeting supplies - \$1,875;
- Decreased Community Promotion for post-election reception - \$1,500;

City Manager

- Increased Professional Services for consulting services to complete the Hazard Mitigation Plan Update - \$ 18,500;

Finance

- Reduced the Secretary I personnel cost by fifty percent (50%) and shift the cost to the Agency - \$32,000;

Community Development

- Shifted one-half of personnel costs to the Moorpark Redevelopment Agency for the Deputy City Manager, Senior Management Analyst and Code Compliance Technician staff; whose primary duties have been shifted to benefit the Agency project area. The resulting costs transferred to the Agency was \$59,600 more than expected - \$226,600;

Parks, Recreation & Community Services

- Eliminated Home Town Holiday event and any offsetting revenues - \$5,000;
- Eliminated the Arbor Day event expenses - \$ 2,200;

- Postponed the Youth Master Plan - \$15,000;
- Reduced publication and distribution of Active Adult monthly newsletter - \$6,500;
- Reduced Active Adult part-time staff - \$14,000;
- Reduced classification level of Recreation staff; the cost savings was \$10,200 more than anticipated - \$34,200;
- Decreased the Library Cost Plan Allocation by fifty percent (50%) - \$54,000;

Public Works

- Reduced the Crossing Guard positions from five (5) to two (2); only \$9,500 or thirty-nine percent (39%) of total cost impacts the General Fund - \$24,600

Public Safety

- Added one (1) 40-hr patrol car, budgeted filled for ten (10) months due to delay in filling the deputy position; to be funded by Traffic Safety Fund - \$186,000;
- Increased vehicle purchase for the Volunteers in Policing; to be financed by Traffic System Management Fund - \$30,000;

Capital Improvement Projects

- Deferred City Hall/Community Center flag poles replacement - \$15,000;
- Shifted the General Fund contribution to the Agency for Lassen Walkway project, originally estimated at \$30,000 - \$31,250;
- Eliminated the cost for installation of swing equipment at Miller Park; as work has been completed in FY 2007/08 - \$13,000;
- Modify the financing source of Magnolia Park swing equipment installation from General Fund to the Agency - \$20,000;
- Added new project for Community Center paving repairs - \$10,000;

Personnel Costs

- Eliminated the assumed ten percent (10%) rate increase for medical health premium with actual savings of \$1,100 more than proposed amount - \$26,900;
- Increased salaries by one and a half percent (1.5%) for cost of living adjustment; net General Fund impact to staff salaries and benefits - \$87,500;

Inter-Fund Transfers

- Reduced the General Fund transfers to the Community Development Fund primarily due to the reassignment of some personnel costs to the Agency as enumerated above - \$225,300;
- Decreased General Fund transfer to Park Maintenance Fund due to the deferral of Capital Improvement Projects and personnel cost changes (1.5% COLA and

the elimination of 10% rate increase for medical health premium removal) - \$28,700;

- Increased Local Transportation Art. 8 transfer to Gas Tax Fund due to the personnel cost adjustments - \$ 6,100;
- Included Traffic Safety Fund transfer to General Fund to offset current year street related expenditures and traffic enforcement costs - \$402,000;

Revenues

- Increased General Fund revenues for special assessment fees for police services from Pardee Moorpark Highlands CFD - \$80,000;
- Moved the remaining investment interest earnings from the Endowment Fund to the General Fund - \$ 76,000;
- Reduced the General Fund Cost Plan revenues charged to the Library by fifty percent (50%) - \$54,000;
- Eliminated offsetting revenues for Home Town Holiday event - \$2,500;
- Decreased the General Fund revenues from NPDES business inspection fees as City Council reduced FY 2008/09 rates from \$45.00 to \$22.50 per food facility inspection and from \$40.00 to \$20.00 per auto facility inspection - \$4,400;

The projected surplus for the General Fund in FY 2008/09 after the changes above is \$1,600.

Mayor Hunter is requesting consideration of Ventura County District Attorney Gregory Totten's request that the city of Moorpark assist with the funding of a Community Prosecutor in the east county.

Approximately 3 years ago, Moorpark participated in this program for one year in conjunction with the city of Thousand Oaks. Moorpark provided funding in the amount of \$5,000.

At this time, the District Attorney has requested funding in the amount of \$40,000. The City of Simi Valley has already committed funding in the amount of \$60,000. The District Attorney's Office will provide funding in the amount of approximately \$52,000 a year for 3 years.

In the spirit of cooperation and recognition of the many benefits of having more public safety services available in the east county, Mayor Hunter is recommending funding in the amount of \$20,000. The source of the funds would be the \$186,000 appropriation for the 10-month addition of the 40-hour car in the Public Safety budget. The addition of that car is not expected to consume the entire appropriation.

Honorable City Council
July 2, 2008
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If the City Council concurs with the changes to the City Manager's recommended budget as noted in this staff report, staff recommends that the City Council adopt the attached resolution. The final budget document with the referenced changes has been provided to the City Council under separate cover as well as made available to the public on the City's Home Page, at City Hall and the Moorpark Library.

STAFF RECOMMENDATION (Roll Call Vote)

Adopt Resolution No. 2008-_____.

Attachment: Resolution No. 2008-_____
Changes to Recommended Budget per June 11, 2008 Budget Workshop

RESOLUTION NO. 2008-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ADOPTING THE OPERATING AND CAPITAL IMPROVEMENTS BUDGET FOR THE CITY OF MOORPARK FOR THE FISCAL YEAR 2008/2009

WHEREAS, on June 4, 2008 the City Manager's Recommended Budget for Fiscal Year 2008/2009 was submitted to the City Council for its review and consideration; and

WHEREAS, the City Council has provided the opportunity for public comment at a public meeting held on June 11, 2008, and conducted detailed review of expenditure proposals; and

WHEREAS, as the result of the reviews and analysis, expenditure proposals and revenue projections have been modified as needed.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MOORPARK DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Operating and Capital Improvements Budget for Fiscal Year 2008/2009 (beginning July 1, 2008) for the City of Moorpark containing operating and capital expenditures and anticipated revenues as identified in Exhibit "A" to this resolution attached hereto and incorporated herein, shall be adopted as the City of Moorpark's Operating and Capital Improvements Budget for Fiscal Year 2008/2009.

SECTION 2. The City Manager is authorized to amend the capital improvement budget for the 2008/2009 Fiscal Year at the conclusion of the 2007/2008 Fiscal Year when a final accounting of project costs during the 2007/2008 Fiscal Year is complete and continuing appropriations are determined as long as the total project appropriation authorized by the City Council is not exceeded.

SECTION 3. The City Manager is authorized to approve appropriation transfers within departments and within individual funds as required to provide efficient and economical services, as long as the total department appropriation and fund appropriation authorized by the City Council is not exceeded.

SECTION 4. Except as otherwise provided in this resolution, amendments to the appropriations in Fiscal Year 2008/2009 Operating and Capital Improvements Budget shall require Council action by resolution.

SECTION 5. The City Manager is authorized to make such emergency appropriations as may be necessary to address emergency needs of the City, provided that the appropriation is presented to the City Council at its next regular meeting for ratification.

SECTION 6. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the book of original resolutions.

PASSED AND ADOPTED this 2nd day of July, 2008.

Patrick Hunter, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk

Attachment: Exhibit "A"

Exhibit A

Operating and Capital Improvements Budget

For the City of Moorpark

Fiscal Year 2008/2009

Provided Separately