

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Steven Kueny, City Manager *SK*

BY: Ron Ahlers, Finance Director *RA*

DATE: June 6, 2011 (City Council Meeting of June 15, 2011)

SUBJECT: Consider Resolution Adopting the Operating and Capital Improvement Budget for the City of Moorpark for the Fiscal Year 2011/2012.

SUMMARY

On May 18, 2011, the City Manager presented to the City Council the recommended Operating and Capital Improvement Budget for FY 2011/2012. The Council held a public meeting to discuss the budget on May 25, 2011. Based on this meeting, Council directed staff to make several changes to the recommended budget and approved it. After further analysis of the May 25 action and current information, staff has included other adjustments for Council consideration and action. The General Fund is balanced, with a projected surplus of \$3,791.

DISCUSSION

On May 25, 2011, the City Manager presented to City Council the Operating and Capital Improvement Budget for the City of Moorpark. As submitted, the budget had a projected General Fund deficit of \$393,392. The City Manager identified several options in revenue increases as well as expenditure reduction measures for the General Fund and other funds that the General Fund supports. These reductions are in anticipation of further actions from the State of California and additional financial support required by the landscape maintenance districts, Community Development Fund and Parks Maintenance Fund. This resulted in the General Fund now having a surplus of \$3,791; the Council completely eliminated the projected General Fund deficit. The modifications are as follows:

Revenue Increases and Transfers to other Funds	General Fund	Other Funds
<u>Description</u>		
MUSD Contribution to Tennis Court resurfacing	\$ 18,000	
SUB-TOTAL REVENUE INCREASES	\$ 18,000	\$ 0

Expenditure Reductions and Transfers from other Funds	Amount	
<u>Description</u>		
General Plan update: Fund from General Fund reserves	\$ 150,000	
Parks maintenance contract savings	\$ 59,750	
Anti-graffiti film for Library		\$ 15,000
District Attorney's Community Prosecution Program	\$ 20,000	
Use Traffic Safety funds for signal maintenance; transfer more Gas Tax money for LMDs; less General Fund transfer to LMDs	\$ 75,000	
Tennis Court resurfacing at AVRC	(\$ 36,000)	
Post Office Parking Lot Maintenance	(\$ 4,500)	
Salary Savings	\$ 100,000	
Additional salary savings due to recent management benefit modifications	\$ 14,933	
SUB-TOTAL SAVINGS / (EXPENSE)	\$ 379,183	\$ 15,000

Collectively, the above measures yield a total net deficit reduction to the City budget of \$412,183 and the General Fund of \$397,183; that results in a \$3,791 General Fund surplus projected for FY 2011/12. The General Fund is balanced for FY 2011/12.

As previously mentioned in this report, the City's General Fund was projected to have an estimated \$393,392 deficit in fiscal year 2011/2012. In the Budget Message, the Council was presented a number of options to address the deficit. The City Manager

recommended and the City Council tentatively agreed to certain measures to reduce expenditures and transfer certain expenditures to another funding source.

One of the measures was to reduce staffing costs by \$100,000. This is proposed to be implemented through the elimination of the current Management Analyst position in the Community Development Department and the layoff of the person currently in that position, effective at the end of the current fiscal year (June 30, 2011).

This position was selected for the following reasons:

- 1) Changes in the duties assigned to the affected position have already been implemented, including:
 - a) Elimination of the Residential Rental Inspection Program;
 - b) Supervision of the code compliance program transferred to another staff person;
 - c) GIS contract responsibility transferred to Administrative Services Department;
and
 - d) City responsibilities for CDBG program absorbed by Ventura County.
- 2) The remaining duties of the position can be absorbed by other staff, including film permit processing (Assistant Planner); Business Registration field work (Animal/Vector Control Specialist and Technician); and administrative support to the director (Management Analyst to be reassigned to the department as part of the April 2011 reorganization plan).
- 3) The incumbent in the affected position has the least seniority of five Senior Management and Management Analyst positions.

The City has taken a number of actions over the last four years to reduce the General Fund expenses. This has included elimination of five Management positions through attrition and early retirement incentives (including the Director of Parks and Recreation) and one Competitive Service position, for a combined annual General Fund savings of about \$676,000. The proposed layoff would save about \$125,000 per year.

In fiscal year 2012/2013, it is projected that the increase in rates for Sheriff services will exceed growth in the General Fund revenue. Staff will be evaluating options to close this gap without impacting service levels.

In 2008, the City laid off a half-time, non-competitive service employee at the Active Adult Center. In about 1994, the City avoided layoffs of two positions in the Community Development Department (CDD) by transferring them to the Redevelopment Agency. One position was later eliminated through attrition and the other position was subsequently transferred back to the CDD but was later eliminated through attrition.

In summary, the City needs to reduce General Fund expenditures that provide ongoing savings since overall General Fund revenues are flat, and its single largest expense, law enforcement services, continues to increase above the rate of inflation, while the need to supplement revenue for engineering, community development, street lighting, and landscape maintenance expenses continue to increase.

Adoption of the budget as presented will approve the proposed layoff.

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 will be provided to the City Council under separate cover as well as made available to the public on the City's website, at City Hall and the Moorpark Library by early July.

STAFF RECOMMENDATION (Roll Call Vote)

Adopt Resolution No. 2011-_____.

Attachment: Resolution No. 2011-_____
Changes to Recommended Budget per May 25, 2011 Budget Workshop

RESOLUTION NO. 2011-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, ADOPTING THE OPERATING AND CAPITAL IMPROVEMENT BUDGET FOR THE CITY OF MOORPARK FOR THE FISCAL YEAR 2011/2012

WHEREAS, on May 18, 2011 the City Manager's Recommended Budget for Fiscal Year 2011/2012 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 May 25, 2011, 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 Improvement Budget for Fiscal Year 2011/2012 (beginning July 1, 2011) 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 Improvement Budget for Fiscal Year 2011/2012.

SECTION 2. The City Manager is authorized to amend the capital improvement budget for Fiscal Year 2011/2012 at the conclusion of Fiscal Year 2010/2011 when a final accounting of project costs during the Fiscal Year 2010/2011 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 2011/2012 Operating and Capital Improvement 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 15th day of June, 2011.

Janice S. Parvin, Mayor

ATTEST:

Maureen Benson, City Clerk

Attachment: Exhibit "A"

Exhibit A

Operating and Capital Improvement Budget

For the City of Moorpark

Fiscal Year 2011/2012

Provided Separately