

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Steven Kueny, City Manager 

BY: Ron Ahlers, Finance Director

DATE: June 24, 2009 (City Council Meeting of July 1, 2009)

SUBJECT: Consider Resolution Adopting the Operating and Capital Improvements Budget for the City of Moorpark for the Fiscal Year 2009/2010.

SUMMARY

On May 20, 2009 the City Manager presented to the City Council the recommended Operating and Capital Improvement Budgets for FY 2009/2010. The Council held a public meeting to discuss the budget on June 10, 2009. Based on this meeting, Council directed staff to make several changes to the recommended budget and approved it. After further analysis of the June 10 action and current information, staff has included other adjustments for Council consideration and action.

DISCUSSION

On June 10, 2009 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 surplus of approximately \$75,000. The City Manager identified several options in expenditure reduction measures for the General Fund and other funds that the General Fund supports. These reductions are in anticipation of further revenue declines in FY 2010/11 give the economic climate we are facing and the unexpected actions of the State of California. The City Manager recommended a two-year approach to reducing expenditures. The expenditure modifications are as follows:

**As listed in the May 20, 2009 City Manager’s Budget Message for FY 2009/10
 Potential Expenditure Reductions and Transfers to other Funds**

Item #	Description	Amount
4	Employee Training (Reduce annual \$400 per employee by one-half (\$200))	\$ 11,900
8	Eliminate Special Projects Coordinator	\$ 19,344
13	Potential City Council appraisal – potential conflict of interest If needed, take funding from the General Fund Reserve	\$ 2,500
15	Reduce tree trimming in parks	\$ 20,000
16	Reduce tree trimming by 50% LMD's (Citywide)	\$ 30,000
17	Reduce downtown area street sweeping from weekly to twice monthly	\$ 4,000
18	Use City Affordable Housing Fund to fund staff time on Housing element (Reduces General Fund contribution to the Community Development Fund)	\$ 18,000
19	Reduce mowing in Parks by 50%	\$ 30,000
20	Reduce mowing in Citywide LMD	\$ 20,000
24 A	Public Safety Budget: Discontinue DARE program	\$ 207,221
24 E	Public Safety Budget: Upgrade to 84-hour car	(\$ 80,257)
	Reduce City Council, Community Promotion	\$ 2,000
	Increase City Council, Employee Recognition	(\$ 2,000)
SUB-TOTAL SAVINGS / (EXPENSE)		\$ 282,708

Potential Revenue Options

10	Use Traffic System Management funds in place of TDA. For certain transit costs, such as CNG fuel when its use comes on line in FY 2010/11. \$50,000	Implement 2010/11
13	Consider establishing a street sweeping fee \$100,000	Implement 2010/11

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

<u>Item #</u>	<u>Description</u>	<u>Amount</u>
1	General Liability Insurance Premium increase	(\$ 3,344)
2	Unemployment Insurance set-aside	(\$ 12,000)
3	Decrease in TDA 8(A) Revenue from VCTC	(\$ 55,000)
4	Error in original submittal for Public Safety. Need to add three months for 40 hour patrol	(\$ 58,771)
5	City assume responsibility for Mammoth Highlands Park	
	Revenue: Pardee Payment for one year maintenance	\$ 85,000
	Mammoth Higlands Park maintenance costs	(\$ 48,100)
6	Error in original submittal for Parks Contractual Services	(\$ 23,400)
7	City awarded ARRA grant to purchase 3 CNG buses	
	Revenue: American Recovery & Reinvestment Act	\$ 1,260,000
	Purchase 3 new CNG buses	(\$ 1,260,000)
8	Active Adult Division Overtime	(\$ 1,500)
9	Paint wrought iron fence @ Cmpus Canyon Park	(\$ 6,200)
SUB-TOTAL SAVINGS / (EXPENSE)		(\$ 123,315)
GRAND TOTAL SAVINGS / (EXPENSE)		\$ 159,393

Collectively, the above measures yield a total net improvement to the General Fund of \$185,000; that results in an approximate \$260,000 surplus projected for FY 2009/10.

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

Administrative Services

- Increase for Unemployment Insurance of \$12,000

City Council

- Eliminate conflict of interest appraisal \$2,500

City Manager

- Eliminate Special Projects Coordinator \$19,344

Finance

- Increase in General Liability Insurance Premiums of \$3,344

Community Development

- Use City Affordable Housing Fund to fund staff time on Housing element \$18,000 and reduce General Fund transfer to Community Development fund by the same amount

Parks, Recreation & Community Services

- Reduce tree trimming in Parks by 50% \$20,000 {Parks Maintenance Fund}
- Reduce tree trimming in city-wide LMD \$30,000 {LMD Fund}
- Reduce mowing in Parks by 50% \$30,000 {Parks Maintenance Fund}
- Reduce mowing in city-wide LMD \$20,000 {LMD Fund}
- Accept Pardee payment for City to maintain Mammoth Highlands Park
 - Pardee contribution of \$85,000 {Parks Maintenance Fund}
 - Maintenance costs of \$48,100 {Parks Maintenance Fund}
- Increase in Parks contractual services of \$23,400
- Increase in overtime for Active Adult Center of \$1,500
- Paint wrought iron fence at Campus Canyon Park \$6,200 {Parks Maintenance Fund}

Public Works

- Decrease in TDA Article 8 Revenues by \$55,000 {Local Transportation Article 8a Fund}
- Reduce downtown street sweeping to twice monthly vs. weekly \$4,000 {Gas Tax Fund}
- Use Traffic System Management Funds in place of TDA. Effective 2010/11 \$50,000
- Federal Grant to purchase 3 new CNG buses under ARRA
 - Federal Grant revenue \$1,260,000 {Local Transit Programs 8C Fund}

- Purchase three buses \$1,260,000 {Local Transit Programs 8C Fund}

Public Safety

- Eliminate one DARE officer \$198,221
- Eliminate DARE supplies \$9,000
- Increase in costs: 3 months of a 40 hour car \$58,771
- Increase in costs: Upgrade two 40 hour cars to one 84 hour car \$80,257

Personnel Costs

- Reduce employee training from \$400 per employee to \$200 per employee. Savings of \$11,900 city-wide, \$6,300 General Fund

Revenues

- Establish a street sweeping fee. Effective 2010/11 \$100,000

The projected surplus for the General Fund in FY 2009/10 after the changes above is approximately \$152,000.

The City Manager's recommended budget contained a new fund: Engineering/Public Works (Fund 2620). This new fund will account for the development related fees that were previously in the Community Development Fund along with the associated expenses. The revenues of \$170,000 include: encroachment permits, plan check fees and inspection fees. Expenses are budgeted at \$226,000, with a transfer from other funds of \$57,000 to make up the difference. These amounts, both revenues and expenses have been pulled out of the Community Development fund.

On May 6, 2009 the Library Service agreement with Library Systems & Services, LLC (LSSI) for FY 2009/10 was considered and approved by the City Council. The staff report included discussion of adding a part-time professional librarian and stated that staff would discuss with the Council during the budget workshop. Staff failed to bring the matter up at the workshop. The FY 2009/10 budget document included sufficient funds for this purpose. It is recommended that the Council include \$34,100 to fund 10 months of a half-time part-time professional librarian position. The goal would be to have LSSI complete recruitment and have someone for the position by early September 2009.

The City recently received \$467,538 and \$233,723 from the County of Ventura as part of the settlement agreement transferring Library assets to the City as part of the City's withdrawal from the County Library System. The funds have been placed in the Library fund and are reflected in the final budget document.

Review of last year's (FY 2008/09) budget actions by the City Council

On June 11, 2008, the FY 2008/09 recommended budget presented to the City Council reflected a \$739,000 General Fund deficit. To balance the budget, City Council used

expenditure reductions of \$240,525, one-time revenue enhancements of \$97,600 and \$402,000 from the Traffic Safety Fund reserves.

The net expenditure reductions included the following options:

Reductions:

Eliminated Home Town Holiday	\$2,500
Eliminated Arbor Day	\$2,200
Used Endowment Fund for Modular Bldg	\$49,300
Deferred City Hall/Community Center Flag Poles	\$15,000
Deferred Community Center kitchen upgrade	\$26,000
Postponed Youth Master Plan	\$15,000
Shifted 50% of personnel costs to MRA for Deputy City Manager, Senior Management Analyst and Code Compliance Technician whose primary duties have been re-assigned to benefit the Agency	\$226,600
Reduced Recreation staff classification (4 FT)	\$34,200
Split Finance Administrative Assistant to half-time; part-time	\$32,000
Eliminated 3 of 5 Crossing Guard locations	\$9,500
Reduced AAC part-time staff	\$14,000
Modified AAC monthly newsletter	\$6,500
Shifted funding of Lassen Ave Walkway project to MRA	\$31,250
Removed the installation cost of swing equipment at Miller Park - project was completed in FY 2007/08	\$20,000
Shifted General Fund Contribution to MRA for Magnolia Park swing equipment	\$13,000
Reduced City Council Special department expense	\$1,875
Reduced City Council Community Promotion expense	\$1,500
Eliminated assumed 10% rate increase for medical health premiums	\$21,100
Total Reductions	<u>\$521,525</u>

Additions:

One 40-hr patrol car (to be funded by Traffic Safety Fund)	(\$166,000)
Share of cost for Community Prosecutor in the east county	(\$20,000)
Professional services for Hazard Mitigation Plan Update	(\$18,500)
Community Center paving repairs	(\$10,000)
Contingency fund for staff salaries and benefits	(\$66,500)
Total Additions	<u>(\$281,000)</u>

Net Expenditure Reductions **\$240,525**

The net revenue enhancement of \$97,600 in the General Fund, comprised of a transfer of interest earnings from Endowment fund to the General Fund - \$76,000; additional CFD fees for police services - \$80,000; reduction of the cost plan revenues charged to the Library - \$54,000 and decrease of NPDES business inspection revenues - \$4,400. In FY 2008/09, all of the interest revenue earned from monies in the Endowment Fund was credited to the General Fund; therefore there were zero interest earnings for the Endowment Fund.

An aggregate amount of \$402,000 from the Traffic Safety Fund was used to fund police services. If a similar level of service is provided in FY 2009/10 this transfer is not necessary, but can be used to allow a larger General Fund surplus which would be used in the event of unforeseen circumstances or State diversion of city revenues.

Therefore, the two year total on-going changes to the General Fund amount to \$425,000 (\$240,000 {FY 2008/09} and \$185,000 {FY 2009/10}).

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 Home Page, at City Hall and the Moorpark Library.

STAFF RECOMMENDATION (Roll Call Vote)

Adopt Resolution No. 2009-_____.

Attachment: Resolution No. 2009-_____
Changes to Recommended Budget per June 10, 2009 Budget Workshop

RESOLUTION NO. 2009-_____

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 2009/2010

WHEREAS, on May 20, 2009 the City Manager's Recommended Budget for Fiscal Year 2009/2010 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 10, 2009, 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 2009/2010 (beginning July 1, 2009) 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 2009/2010.

SECTION 2. The City Manager is authorized to amend the capital improvement budget for Fiscal Year 2009/2010 at the conclusion of the Fiscal Year 2008/2009 when a final accounting of project costs during the Fiscal Year 2008/2009 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 2009/2010 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 1st day of July, 2009.

Janice S. Parvin, Mayor

ATTEST:

Deborah S. Traffenstedt, City Clerk

Attachment: Exhibit "A"

Exhibit A

Operating and Capital Improvements Budget

For the City of Moorpark

Fiscal Year 2009/2010

Provided Separately