

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: Steven Kueny, City Manager *SK*

BY: Ron Ahlers, Finance Director *RA*

DATE: June 4, 2012 (City Council Meeting of June 20, 2012)

SUBJECT: Consider Resolution Adopting the Operating and Capital Improvement Budget for the City of Moorpark for the Fiscal Year 2012/2013.

SUMMARY

On May 24, 2012, the City Manager presented to the City Council the recommended Operating and Capital Improvement Budget for FY 2012/2013. The Council held a public meeting to discuss the budget on May 30, 2012. Based on this meeting, Council directed staff to make several changes to the recommended budget and approved it. After further analysis of the May 30 action and current information, staff has included other adjustments for Council consideration and action. The General Fund is balanced, with a projected surplus of \$1,327.

DISCUSSION

The proposed Budget as submitted by the City's operating departments had an approximate \$1,360,000 General Fund deficit. After review with the departments, the net General Fund (GF) operating deficit was reduced about \$257,400. On May 24, 2012, the City Manager presented to City Council the Operating and Capital Improvement Budget for the City of Moorpark. The City Manager identified several options: use of General Fund surplus from FY 2011/12, revenue increases, expenditure reduction measures for the General Fund and other funds that the General Fund supports and use General Fund reserves for one-time costs. As a reminder, the General Fund supports the following operations: landscape maintenance districts, Community Development Fund, Parks Maintenance Fund and Engineering Public Works Fund. These adjustments resulted in the General Fund now having a surplus of \$1,327; the Council completely eliminated the projected General Fund deficit. The modifications to the General Fund are as follows:

<u>Description</u>	<u>May 30, 2012 Recommendation</u>	<u>Budget Adoption</u>
1 Projected General Fund operating surplus FY 2011/12	290,000	290,000
2 Eligible traffic-related expenses in Public Safety - transfer to Traffic Safety Fund	32,000	32,883
3 Reduce Public Safety overtime by \$30,000 and vehicle maintenance/fuel by \$25,000	55,000	55,000
4 Increase revenue from Youth Sports leagues	23,600	23,600
5 Second Street Park - transfer to Endowment Fund	15,000	15,000
6 Transfer Tierra Rejada Valley open space parcel expenses to Endowment Fund	17,200	17,200
7 Use General Fund Reserve for specific costs that are not regularly re-occurring or ongoing activities, as follows:		
a PERS side fund	31,500	31,500
b November 2012 General Election	15,000	15,000
c Records scanning and reorganization	25,000	25,000
d Carpet replacement in the City Hall modular building	25,000	25,000
e Video system upgrades	22,000	22,000
f New website design	25,000	25,000
g General Plan EIR/Graphics & Housing Element update	185,000	185,000
h 30 th Anniversary activities	8,000	8,000
8 Eliminate part-time costs from Community Services since this related to the High Street Arts Center (HSAC)	9,800	9,930
9 Increase Revenue as the City's share of the Library tax increment as successor to Ventura County	120,000	120,000
10 Increase Revenue estimate for Property Tax Unsecured	40,000	40,000
11 Increase General Fund Transfers to various departments to fund retirement and workers' compensation costs	(24,000)	(23,043)
12 Reduce items in Information Systems (IS) / Cable TV		
d BBS/Character Generator	2,500	2,500
13 Increase in Parks Landscaping Contract	(18,000)	(17,182)
14 Law Enforcement Contract modifications		
a Eliminate School Resource Officer (SRO)	242,212	242,212
b Additional overhead due to elimination of SRO	(6,000)	(6,000)
c Upgrade Deputy to Senior Deputy (Differential Patrol)	(34,118)	(34,118)
d Upgrade Office Assistant to Administrative Assistant (ne)	(10,000)	(10,000)
15 Shift Contract Scanning \$10,000 to Part-Time staff	0	0
16 Redistribution of Overhead Costs due to reductions in IS	0	3,715
17 Additional General Fund Reserve	0	6,000

The following table lists the adjustments to funds other than the General Fund.

Description	May 30, 2012 Recommendation	Budget Adoption
12 Reduce items in Information Systems (IS) / Cable TV		
a Digital telephone support and maintenance	4,500	4,500
b Spam/web filter support	1,500	1,500
c Email archiving system maintenance	6,000	0
18 Second Street Park Endowment Fund CIP 5081	(50,000)	(69,500)
19 Alderbrook Street Overlay HUT 2103 Fund CIP 8091	(275,000)	(275,000)
20 Slurry Seal Project HUT 2103 & CIWMB Grant CIP 8002	(417,770)	(417,770)
21 Increase revenue from CIWMB Grant ~ Recycled Tires	54,000	54,000
22 Remove funding for Ball Wall Project CIP 7810	0	17,676

City Manager Recommendations/Adjustments after May 30, 2012

There are a few adjustments that need to be made to the May 30th recommendations.

The eligible traffic-related expenses in Public Safety originally were \$32,000. The actual amount of the items totals to \$32,883.

Staff initially calculated the increase in transfers to various departments in the amount of \$24,000. After refining all the figures, the amount is actually \$23,043.

At the May 30th meeting staff informed Council of the increase in the parks landscaping contract of \$18,000. The actual increase is \$17,182.

The reductions in Information Services costs of \$4,500 and \$1,500 for digital phone support and spam/web filter support have been distributed to the operating departments. The General Fund portion is \$3,715.

Staff recommended to Council the elimination of the email archiving system maintenance for a savings of \$6,000. It is currently showing as zero dollars removed. The item was already removed in the budget document that was presented to the Council in May. Therefore, we cannot eliminate it twice. Staff recommends using \$6,000 additional of General Fund reserves.

The costs for the Second Street Park had a preliminary estimate of \$50,000. The costs have been refined to \$69,500.

The City Manager is recommending the removal of the Ball Wall Project from the Capital Improvement Program. The remaining appropriation is \$17,676. The funding for the Ball Wall comes from the Park Development Zone 3, which currently has a negative fund balance estimated at (47,207) for June 30, 2012.

Collectively, the above measures yield a total net deficit reduction to the City budget of \$279,004 and the General Fund of \$1,361,327; that results in a \$1,327 General Fund surplus projected for FY 2012/13. The General Fund is balanced for FY 2012/13.

As previously mentioned in this report, the City's General Fund was projected to have an estimated \$1,360,000 deficit in fiscal year 2012/2013. 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: use of General Fund surplus for FY 2011/12, increase revenues, reduce expenditures, use General Fund reserves and transfer certain expenditures to another funding source.

In fiscal year 2013/2014, 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.

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.

Successor Agency to the Redevelopment Agency of the City of Moorpark

The budget approval is being done for City internal governance purposes and the approval of the Recognized Obligation Payment Schedule (ROPS) by the Oversight Board on May 15, 2012 and the State of California Department of Finance's (DOF) allowance of costs in the ROPS defined the parameters of the Successor Agency administrative and operating budget for the period of the ROPS. The Successor Agency understands that the annual budget may be modified should the ROPS for the second half of the fiscal year include substantial departures from the approved first-half ROPS

STAFF RECOMMENDATION (ROLL CALL VOTE REQUIRED)

Adopt Resolution No. 2012-_____.

Attachment: Resolution No. 2012-_____
Changes to Recommended Budget per May 30, 2012 Budget Workshop

RESOLUTION NO. 2012-_____

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 2012/2013

WHEREAS, on May 24, 2012 the City Manager's Recommended Budget for Fiscal Year 2012/2013 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 30, 2012, 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 2012/2013 (beginning July 1, 2012) 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 2012/2013.

SECTION 2. The City Manager is authorized to amend the capital improvement budget for Fiscal Year 2012/2013 at the conclusion of Fiscal Year 2011/2012 when a final accounting of project costs during the Fiscal Year 2011/2012 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 2012/2013 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 budget approval is being done for City internal governance purposes and the approval of the Recognized Obligation Payment Schedule (ROPS) by the Oversight Board on May 15, 2012 and the State of California Department of Finance's (DOF) allowance of costs in the ROPS defined the parameters of the Successor Agency administrative and operating budget for the period of the ROPS. The Successor Agency understands that the annual budget may be modified should the ROPS for the second half of the fiscal year include substantial departures from the approved first-half ROPS

SECTION 7. 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 20th day of June, 2012.

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 2012/2013

Provided Separately