

## **ITEM 9.E.**

### **MOORPARK CITY COUNCIL AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** Steven Kueny, City Manager 

**BY:** Ron Ahlers, Finance Director 

**DATE:** June 11, 2013 (City Council Meeting of June 19, 2013)

**SUBJECT:** Consider Resolution Adopting the Operating and Capital Improvement Budget for the City of Moorpark for the Fiscal Year 2013/2014.

#### **SUMMARY**

On May 21, 2013, the City Manager presented to the City Council the recommended Operating and Capital Improvement Budget for Fiscal Year (FY) 2013/2014. The Council held a public meeting to discuss the budget on May 29, 2013. Based on this meeting, Council directed staff to make several changes to the recommended budget and approved it. After further analysis of the May 29 action and current information, staff has included other adjustments for Council consideration and action. The General Fund is balanced.

#### **DISCUSSION**

On May 21, 2013, the City Manager presented to City Council the Operating and Capital Improvement Budget for the City of Moorpark. The proposed Budget as submitted by the City's operating departments had an approximate \$899,000 General Fund deficit. As discussed below, the recommendations for balancing the FY 2013/14 General Fund (GF) budget include use of the FY 2012-13 General Fund projected surplus of \$1,060,000 for one-time expenses included in the proposed budget.

General Plan	150,000	
Housing Element	20,000	
General Plan Graphics	15,000	
East County Courthouse Funding	25,000	
scanning	10,000	
New website	25,000	
Phase 2 Records Reorganization	15,000	
Video System Optimization	10,000	
AVCP Parking lots, backflow, lighting plan & utility plan	372,000	*
Central Irrigation System - phase 2	188,404	*
Poindexter Park Play Equipment	115,000	*
AVRC HVAC Replacement	100,000	*
Back-up Generators	94,000	
AVRC Walkway Improvement	75,000	
Turf Renovation - AVCP	40,700	*
Security Card Readers	28,000	
Ballfield light replacement-Peach Hill	25,000	*
Recreation Software	24,000	
Turf Renovation-Tierra Rejada	15,000	*
Landscape Renovation-Mammoth Highlands	7,500	*
Turf Renovation-Miller Park	6,500	*
	\$ 1,361,104	

If none of the one-time expenses were in the budget, the General Fund would have a projected surplus of approximately \$462,000. Some of the one-time expenses (denoted by \*) are representative of items in Parks and Facilities that will need to be considered each year to maintain the City's current standards.

As a reminder, the General Fund supports the following operations: landscape maintenance districts, Community Development Fund, Parks Maintenance Fund and Engineering Public Works Fund.

The modifications to the budget, as approved by the City Council on May 29, 2013, are: General Fund, \$1,000 funding for the film industry liaison with the Economic Development Collaborative of Ventura County. Second Street Park maintenance cost reduction of \$15,000 was used to absorb the personnel reassignment cost increase in the General Fund of \$15,000. There is a \$3,972 increase in parks maintenance costs due to new contract. The \$3,972 increase was absorbed by adjusting other parks maintenance line item accounts; therefore no net change to the budget. Assessment revenue for the landscape/lighting districts (decrease of \$125,000) and the parks district

(increase of \$10,000) were updated to match the final engineers report approved by the City Council on June 5, 2013.

Additionally, there were certain omissions, typographical errors and other missing items from the budget book given to the City Council on May 21, 2013. These have now been corrected in this version of the budget. These omissions were supplied to the City Council at the budget study session on May 29 via a budget addendum report.

Five project detail sheets were missing from the Capital Improvement Program. The projects were listed correctly on the summary page 216 and their budgets were correctly posted to the proper funds. The five project sheets are now included in the budget document:

- 5081 161 2<sup>nd</sup> Street Neighborhood Park
- 5084 450 High Street
- 5088 224 Charles Street
- 5089 236 Charles Street
- 8001 Sidewalk Reconstruction Project

Staff also added back a few capital projects with zero budgets:

- 5056 High Street Streetscape, zero budget
- 7810 Handball Wall, zero budget
- 7805 Campus Park Restroom Upgrade, zero budget
- 7809 Monte Vista Park Landscape, zero budget

#### City Manager Recommendations/Adjustments after May 29, 2013

As previously mentioned in this report, the City's General Fund was projected to have an estimated \$899,000 deficit in FY 2013/2014. 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 use the projected General Fund surplus from FY 2012/13. The City is currently in negotiations with the employees regarding cost-of-living-adjustment and other benefit adjustments. Staff has not included any cost increases for these adjustments; however staff is recommending the Council include \$100,000 in the General Fund for potential salary and benefit adjustments (Exhibit C in Resolution). Per City Council direction, staff sent a letter to the Moorpark Unified School District (MUSD) proposing the City and MUSD share the cost of adding one Sheriff Deputy functioning as the school resource officer (SRO). As of this writing, the City has not received a reply from MUSD. The General Fund cost is approximately \$125,000 annually and is not currently in the budget. If subsequently approved, as tentatively agreed on May 29<sup>th</sup> by the City Council, staff recommends funding the first year from the General Fund reserve. This action would need to occur by the July 17, 2013 City Council meeting in order to have the SRO activated by the start of the school year.

Staff recommends reallocating the funding for Second Street Park from the Endowment Fund to the Successor Agency, 2001 and 2006 Tax Allocation Bond Proceeds Funds in the amount of \$550,925. The project funding from the bond proceeds has been

approved by the Oversight Board and the State Department of Finance (DOF) on the Recognized Obligation Payment Schedule (ROPS) for July to December 2013 (Exhibit B in Resolution).

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 2013.

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 February 19, 2013 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. As previously explained, 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. 2013-\_\_\_\_\_.

Attachment: Resolution No. 2013-\_\_\_\_\_

RESOLUTION NO. 2013-\_\_\_\_\_

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 2013/2014

WHEREAS, on May 21, 2013 the City Manager's Recommended Budget for Fiscal Year 2013/2014 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 29, 2013, 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 2013/2014 (beginning July 1, 2013) 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 2013/2014.

SECTION 2. That a decrease in the Endowment Fund of \$550,925 and an increase in the 2001 and 2006 Tax Allocation Bond Proceeds Funds of \$550,925, as more particularly described in Exhibit "B", is hereby approved.

SECTION 3. That an aggregate increase of \$100,000 in the General Fund expenditure budget, as more particularly described in Exhibit "C", is hereby approved.

SECTION 4. The City Manager is authorized to amend the capital improvement budget for Fiscal Year 2013/2014 at the conclusion of Fiscal Year 2012/2013 when a final accounting of project costs during the Fiscal Year 2012/2013 is complete and continuing appropriations are determined as long as the total project appropriation authorized by the City Council is not exceeded.

SECTION 5. 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 6. Except as otherwise provided in this resolution, amendments to the appropriations in Fiscal Year 2013/2014 Operating and Capital Improvement Budget shall require Council action by resolution.

SECTION 7. 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 8. 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 February 19, 2013 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 9. 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 19<sup>th</sup> day of June, 2013.

\_\_\_\_\_  
Janice S. Parvin, Mayor

ATTEST:

\_\_\_\_\_  
Maureen Benson, City Clerk

Attachment: Exhibit "A", "B" and "C"

Exhibit A

Operating and Capital Improvement Budget

For the City of Moorpark

Fiscal Year 2013/2014

Provided Separately

**EXHIBIT B**

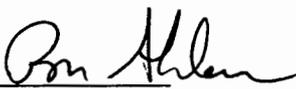
**BUDGET AMENDMENT FOR  
Endowment Fund and Redevelopment Tax Allocation Bond Proceeds Funds  
Reallocate 161 Second Street Park Funding from Endowment Fund  
to Redevelopment Bond Proceeds Funds  
FY 2013-14**

**FUND BALANCE ALLOCATION:**

<b>Fund Title</b>	<b>Fund-Account Number</b>	<b>Amount</b>
Endowment Fund	2800-5500	\$ (550,925.00)
RDA-SA 2001 TAB Proceeds Fund	9104-5500	\$ 386,675.00
RDA-SA 2006 TAB Proceeds Fund	9105-5500	\$ 164,250.00
Total		\$ -

**EXPENDITURE APPROPRIATION:**

<b>Account Number</b>	<b>Current Budget</b>	<b>Revision</b>	<b>Amended Budget</b>
2800.2410.5081.9613	\$ 305,425.00	\$ (305,425.00)	\$ -
2800.2410.5081.9631	\$ 81,250.00	\$ (81,250.00)	\$ -
2800.2410.5081.9633	\$ 144,250.00	\$ (144,250.00)	\$ -
2800.2410.5081.9625	\$ 20,000.00	\$ (20,000.00)	\$ -
9104.2410.5081.9613	\$ -	\$ 305,425.00	\$ 305,425.00
9104.2410.5081.9631	\$ -	\$ 81,250.00	\$ 81,250.00
9105.2410.5081.9633	\$ -	\$ 144,250.00	\$ 144,250.00
9105.2410.5081.9625	\$ -	\$ 20,000.00	\$ 20,000.00
	\$ -	\$ -	\$ -
Total	\$ 550,925.00	\$ -	\$ 550,925.00

Finance Approval: 

**EXHIBIT C**

**BUDGET AMENDMENT FOR  
General Fund  
Allocate Funding for Salary and Benefit Adjustments**

**FY 2013-14**

**FUND BALANCE ALLOCATION:**

Fund Title	Fund-Account Number	Amount
General Fund	1000-5500	\$ 100,000.00
Total		\$ 100,000.00

**EXPENDITURE APPROPRIATION:**

Account Number	Current Budget	Revision	Amended Budget
various General Fund	\$ 4,432,215.00	\$ 100,000.00	\$ 4,532,215.00
Salary/Benefit accounts			
Total	\$ 4,432,215.00	\$ 100,000.00	\$ 4,532,215.00

Finance Approval: 