

**CITY OF MOORPARK  
CITY COUNCIL AGENDA REPORT**

**TO:** Honorable City Council

**FROM:** Johnny Ea, Finance Director 

**DATE:** April 19, 2007 (City Council Meeting of May 2, 2007)

**SUBJECT:** Consider Resolution Approving Contribution of Endowment Fund Reserve for the Construction Costs of the Police Services Center

**BACKGROUND**

The City has been collecting a Police Facilities Fee from new residential and non-residential development within the City limits since adoption of Ordinance No. 9 in October 1983. Since 1983 this fee has been increased three times and the last fee increase was approved by the City Council in March of 2006. The purpose of this fee is to provide funding for construction of a new Police Services Center as a result of increased demand for Police services arising from additional development. The Police Services Center was completed and a grand opening took place in the fall of 2005.

**DISCUSSION**

Since FY 2005/06, an additional \$114,072 is estimated to be spent in FY 2006/07 for building modifications and follow up work. The projected total Police Services Center costs by the end of June 30, 2007 is approximately \$10 million. The March 2006 staff report to the City Council indicated that at build out, approximately \$6.6 million of the total facility costs will need to be absorbed by the Endowment Fund reserve. Below is a summary showing the projected fund balance for the Police Facilities Fund by June 30, 2007 and an updated amount that will need to be contributed from the Endowment Fund.

**Summary**

Estimated total revenue from inception to build-out	\$4,670,566
Less: Total estimated total revenue collected by 6/30/07	<u>(2,541,889)</u>
Remaining future revenues (from 7/1/07 to build-out)	2,128,677
Projected Police Facilities Fund (fund balance) @ 6/30/07	<u>(7,563,511)</u>
Projected amount that cannot be covered by the Police Facilities Fund	<b><u>\$5,434,834</u></b>

The Police Facilities Fund currently has an outstanding loan balance due to the Endowment Fund in an amount of \$7,641,592. Of this amount, \$5,434,834 cannot be repaid by the Police Facilities Fund as shown in the summary above. As such, a contribution of \$5,434,834 from the Endowment Fund reserve is needed to cover the shortfall in the Police Facilities Fund.

Staff recommends that the City Council adopt the attached resolution amending the FY 06/07 budget to transfer funds from the Endowment Fund reserve in an amount of \$5,434,834 to the Police Facilities Fund to cover construction costs that will not be absorbed by the Police Facilities Fund at build-out. With this fund transfer, the remaining loan balance due to the Endowment Fund will be \$2,206,758 (\$7,641,592 - \$5,434,834). Of this amount, approximately \$78,000 will be repaid by June 30, 2007 from FY 06/07 Police Facilities revenues. With the approval of this resolution, the estimated fund balance in the Endowment Fund at June 30, 2007 will be approximately \$5,602,271.

**STAFF RECOMMENDATION** (Roll Call Vote)

Adopt Resolution No. 2007-\_\_\_\_\_.

Attachment: Resolution No. 2007-\_\_\_\_\_

RESOLUTION NO. 2007-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOORPARK, CALIFORNIA, AMENDING THE FY 06/07 BUDGET TO TRANSFER \$5,434,834 FROM THE ENDOWMENT FUND (2800) RESERVE TO THE POLICE FACILITIES FUND (4002).

WHEREAS, on June 21, 2006, the City Council adopted the budget for Fiscal Year 2006/07; and

WHEREAS, a staff report has been presented to said Council requesting a budget amendment transferring \$5,434,834 from the Endowment Fund reserve to the Police Facilities Fund; and

WHEREAS, Exhibit "A" hereof describes said budget amendment and its resultant impacts to the budget line item(s).

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

SECTION 1. A budget amendment transferring \$5,434,834 from the Endowment Fund reserve to the Police Facilities Fund as more particularly described in Exhibit "A" attached hereto is hereby approved.

SECTION 2. The Finance Director is authorized to repay the Endowment Fund the remaining loan balance of approximately \$2,206,758 as fees are collected from development projects.

SECTION 3. 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 2<sup>nd</sup> day of May, 2007.

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Patrick Hunter, Mayor

ATTEST:

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Deborah S. Traffenstedt, City Clerk

Attachment: Exhibit "A"

**EXHIBIT A**

**BUDGET AMENDMENT FOR  
TRANSFER TO POLICE FACILITIES FUND  
FISCAL YEAR 2006/07**

**FUND ALLOCATION FROM:**

<b>Fund</b>	<b>Account Number</b>	<b>Amount</b>
Endowment	2800-5500	\$ 5,434,834
Total		\$ 5,434,834

**BUDGET APPROPRIATION:**

<b>Account Number</b>	<b>Current Budget</b>	<b>Revision</b>	<b>Amended Budget</b>
2800-2100-2005-9820	\$ -	\$ 5,434,834	\$ 5,434,834
Total	\$ -	\$ 5,434,834	\$ 5,434,834

**REVENUE ACCOUNT:**

<b>Account Number</b>	<b>Current Budget</b>	<b>Revision</b>	<b>Amended Budget</b>
4002-3720	\$ -	\$ 5,434,834	\$ 5,434,834
Total	\$ -	\$ 5,434,834	\$ 5,434,834

Approved as to Form: \_\_\_\_\_

