



Legislation Text

File #: 18-023, **Version:** 1

Staff Report for a Resolution of the City Council for the City of San Leandro to Approve the City Manager Recommended Amendments and Appropriations to the City of San Leandro Budget for Fiscal Year 2018-19 (for the General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds budget)

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council review and approve the City Manager recommended amendments to revenues and appropriation requests for expenditures to the 2018-19 Budget (no change to the Successor Agency revenue and expenditure fund).

BACKGROUND

The City Council approves annual budgets based on the best revenue and expenditure information available several months prior to the actual adoption of budget appropriations. As a result, budget adjustments are periodically necessary for changes that arise and require additional budget appropriations or re-appropriations between budget line items and fund reserves. The City Council originally approved the 2018-19 budget on June 5, 2017.

Discussion

As a result of the January 20, 2018 City Council Winter Planning Session and Council's direction communicated in subsequent Council meetings, the City Manager proposes increases to the new fiscal year 2018-19 budget, not originally considered during the biennial budget process.

Revenues:

Overall, projected total revenues for 2018-19 of \$189.0 million essentially stayed the same as the 2018-19 adopted total revenues of \$188.9 million a slight increase of \$74,388.

The general fund revenue change (\$1.5 million) is attributed to the following:

- Property transfer tax revenues \$0.8 million - increased estimate based on improving indicators
- Sales tax revenues (\$2.4) million - loss of key sales tax revenue generator and slowing of auto sales
- Utility Users' tax revenues (\$0.5) million - decrease projected for declining use of telephone land lines
- Franchise fee revenues \$0.5 million - increased estimate based on improving indicators for cable, refuse and recycling
- Business license tax revenues \$0.1 million - increased estimate based on improving indicators
- 9-1-1 tax revenues \$0.1 million - increased estimate based on improving indicators

Special revenue fund amounts have increased due to the State Highway Users Gas Tax projected net increase of \$0.2 million.

Internal Service fund revenues increased by \$1,000,000 for the additional contribution to the Prioritizing Unfunded Liability Liquidation (PULL) program.

Use of fund balance increased due to increased CIP funding of \$300,000 for the Best/San Leandro Boulevard improvements and increased PULL program contribution of \$1,000,000 for 2018-19.

The following is a summary of projected revenues, by fund and the respective change:

Fund	Adopted	Projected	Change	% Change
General Fund		\$111,699,755	\$110,211,073	\$-1,488,682-1.3%
Special Revenue Funds		24,191,214	24,406,034	214,8200.9%
Capital Project Funds		7,325,000	7,625,000	300,0004.1%
Debt Service Funds		2,793,911	2,793,911	0 0.0%
Enterprise Activities		17,693,154	17,741,404	48,250 0.3%
Internal Services		17,746,359	18,746,359	1,000,0005.6%
<u>Successor Agency Fund</u>		<u>7,450,000</u>	<u>7,450,000</u>	<u>0 0.0%</u>
Total Operating Revenues		\$188,899,393	\$188,973,781	\$74,388-0.00%
<u>Use of Fund Balance</u>		<u>5,386,043</u>	<u>1,241,421</u>	<u>-4,144,622-76.9%</u>
Total Revenues/Resources		<u>\$194,285,436</u>	<u>\$190,215,202</u>	<u>\$-4,070,234-2.1%</u>

Expenditures:

There are ten appropriation increases for expenditures that total \$3,515,000 for 2018-19, as follows:

1. Financial forecast consultant	\$50,000
2. Emergency preparedness supplies	65,000
3. New Housing Specialist I position	160,798
4. Human Services upgraded position net change	39,202
5. Heron Bay tree removal	50,000
6. Election costs for 2018-19 election year	250,000
7. Boys and Girls Club support	300,000
8. Transfer out for PULL contribution and CIP	1,300,000
9. Self-insurance PULL program funding	1,000,000
<u>10. CIP Best/San Leandro Boulevard improvements</u>	<u>300,000</u>
Total Expenditure Appropriation Requests	\$3,515,000

The projected expenditure appropriations for 2018-19 are summarized below:

Fund	Adopted	Projected	Change	% Change
General Fund		\$115,100,922	\$117,315,922	\$2,215,0001.9%
Special Revenue Funds		21,031,002	21,031,002	0 0.0%
Capital Improvement Funds		7,315,000	7,615,000	300,0004.1%
Debt Service Funds		2,769,786	2,769,786	0 0.0%
Enterprise Funds		19,841,418	19,841,418	0 0.0%
Internal Service Funds		16,620,816	17,620,816	1,000,0006.0%
<u>Successor Agency Fund</u>		<u>4,021,258</u>	<u>4,021,258</u>	<u>0 0.0%</u>
Total Operating Expenditures		<u>\$186,700,202</u>	<u>\$190,215,202</u>	<u>\$3,515,0001.9%</u>

Fiscal Impact

The total 2018-19 amended revenues and resources is \$190,215,202 as summarized below:

Total Amended Operating Revenues	\$188,973,781
<u>Use of Fund Balance Amendment</u>	<u>1,241,421</u>
Total Proposed Revenues and Resources for 2018-19	\$190,215,202

The total proposed 2018-19 expenditure appropriation requested is \$190,215,202 as summarized below:

Total Adopted Expenditures	\$186,700,202
<u>Total Proposed Expenditure Appropriations</u>	<u>3,515,000</u>
Total Proposed Expenditures for 2018-19	\$190,215,202

Staff is requesting approval to amend revenues and the use of fund balance and to appropriate fund balance to operating expenditures for an additional \$3,515,000 for 2018-19.

ATTACHMENT

None.

PREPARED BY: David Baum, Finance Director, Finance Department