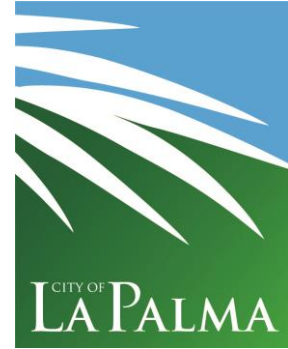


City of La Palma

Agenda Item No. 12



MEETING DATE: May 5, 2020

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBMITTED BY: Michael Matsumoto, Financial Consultant

AGENDA TITLE: Third Quarter Operating Report and Budget Adjustments
Fiscal Year 2019-20

RECOMMENDED ACTION:

It is recommended that the City Council take the following actions:

- a) Receive the presentation on the Third Quarter Operating Report and Proposed Budget Adjustments
- b) Approve a Resolution amending the Fiscal Year 2019-20 Budget to adjust certain revenue budgets.

BACKGROUND:

Staff is presenting a report to Council and the public on the state of the City's finances as of the end of the third quarter of fiscal year 2019-20. This report provides the following information:

1. A snapshot of the City's spendable fund balances at March 31, 2020, as well as the year-to-date change in spendable fund balances.
2. A review of the General Fund's revenue and expenditures through the third quarter of the fiscal year (75 percent of the year as of March 31, 2020), including brief discussions of relevant proposed budget amendments. A detailed schedule of the proposed budget amendments is presented as an attachment to this report.

For the quarterly report, no quarter-end accruals are recorded. Except at fiscal year-end when accruals are recorded in accordance with accounting standards, revenue is essentially reported when cash is received and expenditures are essentially reported when cash payments are made. Many revenue and expenditure transactions do not occur at uniform times or at equal intervals throughout the year. Consequently, although transactions through the third quarter represent 75 percent of the fiscal year, not all line items will be at 75 percent of the budget as of the end of the quarter.

Making sense of the information presented herein requires consideration of the cash flow factors of major revenues and expenditures. For instance, while expenditure outflows for normal operations tend to be relatively even, the cash flow timing of capital expenditures and major revenues such as property taxes are not distributed as evenly.

FINANCIAL SUMMARY:

The intent of this financial summary report is to provide an understanding for the changes in spendable fund balance. Spendable fund balance is calculated as cash, investments, and other current assets, less current liabilities. Attached for review are the following summary schedules through the end of the quarter:

- Schedule of General Fund Revenues by Type
- Schedule of General Fund Expenditures by Department
- Schedule of General Fund Expenditures by Category
- Schedule of Spendable Fund Balances by Fund

The City's overall spendable fund balance has increased by \$214,000 from the beginning of the fiscal year from \$29.4 million to \$29.6 million at March 31, 2020. This \$214,000 change is accounted for as follows:

- General Fund decreased by \$1,839,000
- Special Revenue Funds increased by \$716,000
- Capital Projects Funds increased by \$1,061,000
- Water & Sewer Funds increased by \$117,000
- Internal Service Funds decreased by \$159,000

The remainder of the financial review section will discuss the General Fund's revenue and expenditures and then will provide information on the other funds.

General Fund

As shown in the attached charts, General Fund revenues totaled \$7.5 million (62 percent of the amended budget) while expenditures totaled \$7.8 million (69 percent of the amended budget) through March 31, 2020. In addition to this \$0.3 million shortfall of revenues under expenditures, transfers to other funds were recorded totaling \$1.5 million, as budgeted. This total net outflow of \$1.8 million accounts for the reduction in spendable fund balance.

Proposed Budget Adjustments

The City completed its mid-year review on March 3, 2020, but soon after, the magnitude of the COVID 19 pandemic became much more significant. Staff reached out to various sources to estimate the impacts to the City. Revenue consultants have provided revised estimates for sales tax and transaction and use tax annual revenues. Based on year-to-date trends and other factors, these revised estimates reduce the City's expected revenues by \$307,900 and \$204,900, respectively. Additionally, transient occupancy tax revenue is anticipated to be reduced by \$144,000 as a result of the COVID 19 pandemic and the closing of much of the economy. Staff also identified some expenditure reductions that will help minimize the impact of the reduced revenue. General Government expenditures are proposed to be reduced by \$6,500 and Community Services expenditures are proposed to be reduced by \$97,000. The total effect of

these proposed budget amendments, is to move from a budgeted FY 2019-20 surplus of \$25,100 to a deficit of \$528,020.

Revenues

Due to the timing of major revenue receipts, total General Fund revenue is at 62 percent of the amended budget through the end of the third quarter. This is in line with the prior year trend whereby 63 percent of the year's total revenue was received by the end of the third quarter.

Following is a discussion of the four largest General Fund revenue sources: property tax, sales tax, transaction and use tax, and utility users tax. Together, these four revenues account for approximately 70 percent of the General Fund's amended revenue budget.

- **Property Tax:** The General Fund's largest revenue source, property tax, has \$2.3 million revenue recorded through March 31 (57 percent of the \$4.0 million budget). In comparison, through the same time period of the prior year, the City had recorded 58 percent of the annual property tax revenue.

The property tax line item includes secured and unsecured property taxes (budgeted at \$2.4 million) as well as the property tax in lieu of vehicle license fees (budgeted at \$1.6 million). Secured property tax payments are distributed in four main payments with estimated distributions of 40 percent in November/December during the second quarter, 10 percent in January/March during the third quarter, 40 percent in April during the fourth quarter, and the final cleanup distribution at the end of the fiscal year. Property tax payments in lieu of vehicle license fees are received in two installments: 50 percent is distributed in January during the third quarter and the remaining 50 percent is distributed in May during the fourth quarter. Once all year-end accruals have been recorded, **actual property tax revenue is expected to be \$4.0 million, as budgeted.**

- **Sales Tax:** The City's revenue consultants have provided revised estimates for the remainder of the year, and a budget amendment reducing sales tax revenue by \$307,900 is being proposed. The City has received sales tax of \$1.1 million recorded through March 31 (66 percent of the \$1.66 million budget, as revised). In comparison, through the same time period of the prior year, the City had recorded 69 percent of the annual sales tax revenue. Once all year-end accruals have been recorded, **actual sales tax revenue is now anticipated to be \$1,657,200.**
- **Transaction & Use Tax:** The City's revenue consultants have provided revised estimates for the remainder of the year, and a budget amendment reducing the transaction and use tax revenue by \$204,900 is being proposed. The transaction and use tax is the City's third largest revenue source. Through March 31, \$1.0 million of transaction and use tax revenue has been recorded (70 percent of the \$1.44 million budget, as revised). In comparison, through the same time period of the prior year, the City had recorded 69 percent of the annual transaction and use tax revenue. Once all year-end accruals have been recorded, **actual transaction and use tax revenue is now anticipated to be 1,436,100.**
- **Utility Users Tax:** The fourth largest budgeted revenue source is utility users tax. Payments received through March 31 total \$639,000 which is 69 percent of the amended budget. In comparison, through the same time period of the prior year, the City had recorded 70 percent of the year's total utility users tax revenue. Once all year-end accruals

have been recorded, **actual utility users tax revenue is expected to be \$930,000 as budgeted.**

Following are descriptions of smaller revenue sources which have uneven revenue streams:

- Franchise fees: Total revenue through March 31 is \$144,000 (36 percent of the \$402,000 budget). The City receives payment from its largest franchise fee source in one payment for the entire fiscal year in April, during the fourth quarter, resulting in the proportionally low actual versus budget. **The City anticipates receiving \$402,000 in franchise fee revenue for the fiscal year, as budgeted.**
- Transient occupancy tax: Total revenue recorded through March 31 is \$196,000, which is 48 percent of the budget (currently \$409,000). The City receives four quarterly payments, with each payment received after the end of the applicable quarter. Consequently, payment for only the first two quarter has been received by March 31. This revenue is expected to be negatively impacted by the current economic shut-down, and the revised estimate of actual transient occupancy tax is \$264,000. Once all year-end accruals have been recorded, **actual transient occupancy tax revenue is expected to be \$264,000.**
- Licenses and permits: Total revenue recorded through March 31 is \$345,000 (99 percent of the \$349,300 budget). Historically, the City collects 80-85 percent of its business license revenue during the first half of the fiscal year, accounting for the most of the proportionately high actual versus budgeted percentage in this category. In addition, building and related permit revenues are higher than anticipated through the third quarter. **The City anticipates receiving a higher amount of license and permit revenue than was budgeted.**
- Intergovernmental: Total revenue recorded through March 31 is \$22,800 (22 percent of the \$102,900 budget). This revenue category varies from year to year, depending on what County and State revenue the City will receive for miscellaneous grants and other types of intergovernmental revenue such as mandated cost reimbursements. **The City anticipates receiving all intergovernmental revenue as budgeted.**
- Use of money and property: During the fiscal year, the City records interest revenue as dividend and interest payments are received. At year-end, the City adjusts interest revenue to record unrealized gains and losses based on market values of investments at that point in time. Because the City typically holds investments to maturity rather than realizing gains or losses by selling before maturity, this change in interest revenue is only recorded at fiscal year-end for financial reporting purposes. At March 31, the unrecorded, unrealized gain on investments is \$368,081. **Through March 31, dividend and interest revenue of \$378,000 has been recorded with an annual total budget of \$414,400 anticipated.**

Expenditures

The General Fund's expenditures total \$7.8 million at March 31 (69 percent of the \$11.3 million amended budget). This follows the trend of the prior year where expenditures recorded through

the same time period equaled 72 percent of the year's total expenditures. Additional budget reductions have been identified as explained in the following department discussion.

- The General Government Department is comprised of the divisions for City Council, City Manager, Legal Services, and City Clerk. The budget for this department totals \$707,200, and through March 31, expenditures total \$471,000 (67 percent of the budget). Budget reductions of \$6,500 have been identified, mainly a result of eliminating the cost of mosaic printing. **At fiscal year-end, expenditures are expected to approximate the revised budget of \$700,700.**
- The Administrative Services Department is comprised of the divisions for Administration, Community Promotions, Fiscal Services, Human Resources, and Technology and Communications. The budget for this department totals \$2.7 million, and through March 31, expenditures total \$2.1 million (77 percent of the budget). **Expenditures are expected to approximate the budget of \$2,720,500 at fiscal year-end.**
- The Police Department has an expenditure budget of \$3.6 million. Through March 31, department expenditures total \$3.6 million (69 percent of the budget). **Expenditures are expected to approximate the budget of \$5,190,800 at fiscal year-end.**
- The Community Services Department covers a wide range of services that are provided to the citizens including Health & Wellness, Recreation Facility Operations, Special Events, Youth and Family Services, Citywide Maintenance, Engineering, Parks & Medians, and Street Maintenance divisions. This department has a budget of \$2.1 million, and expenditures total \$1.3 million (61 percent of the budget) through March 31. By canceling a variety of festivals and contract classes and modifying the teen programs and day camp, staff has identified budget reductions of \$97,000. **Expenditures are expected to approximate the revised budget of \$2,040,300 at fiscal year-end.**
- The Community Development Department accounts for the Building and Safety, Code Enforcement, and Planning divisions. This department has an amended budget of \$520,300, and as of March 31, expenditures total \$307,000 (59 percent of the budget). **Expenditures are expected to approximate the budget of \$520,300 at fiscal year-end.**

Special Revenue Funds

The Special Revenue Funds consist of funds with revenue sources that are restricted by outside parties to specific types of expenditures. The revenues consist of remittances of state gas taxes, state road maintenance and rehabilitation funds, County Measure M taxes, grants, South Coast Air Quality funding, police grant funds, park development fees, housing-related sources, and other similar remittances.

The spendable fund balance increased by a net of \$716,000 due to the receipt of restricted monies from Road Maintenance and Rehabilitation Account (RMRA), gas tax, Measure M, and the public safety grants in advance of spending for street and law enforcement purposes. In addition, housing loan interest payments have been received. These increases are offset slightly by the expenditure of grant monies in advance of reimbursements for state and county public safety grants.

Capital Outlay Reserve and Civic Center Rehabilitation Reserve Funds

The City's capital improvement program is for multi-year projects which improve City facilities, buildings, grounds, streets, parks, and roads. The Capital Outlay Reserve Fund accumulates monies for funding of projects which are not able to be funded by other sources such as gas tax, Measure M, RMRA, or park development funds. In FY 2019-20, a transfer of \$1.5 million from the General Fund has been recorded, as budgeted.

For FY 2019-20, the Capital Outlay Reserve Fund is estimated to provide \$5.1 million of funds for the City's projects which include \$2.1 million for facility improvement projects and \$3.0 million for street rehabilitation and intersection improvement projects. Through the end of the third quarter, the City has charged \$1.0 million to projects funded by the Capital Outlay Reserve Fund. Capital project activity is expected to increase slightly during the remainder of the year, but **total annual expenditures are expected to be less than the \$5.8 million budget; unspent monies are expected to be carried over to the FY 2020-21 budget.**

The Civic Center Rehabilitation Reserve Fund increased by \$56,000 as a result of a budgeted transfer of \$50,000 from the General Fund in addition to interest earnings.

Water and Sewer Funds

The Water and Sewer Funds had a net addition to spendable fund balance of \$117,000 through March 31 due to revenues exceeding expenses. However, the water fund's spendable fund balance decreased by \$64,000 while the sewer fund's spendable fund balance increased by \$181,000.

Water Fund: Due to the timing of recording revenues and expenses, the operating water fund's revenues are at 58 percent of the budget while expenses are at 60 percent of the budget through March 31. Revenues were budgeted to be \$3.140 million and expenses were budgeted to be \$3.158 million. This budgeted deficit is reflected in the decrease to the water fund's spendable fund balance.

Sewer Fund: The operating sewer fund's revenues are at 61 percent of the budget while expenses are at 58 percent of the budget. Revenues were budgeted to be \$490,000 and expenses were budgeted to be \$189,600. This budget surplus is reflected in the increase to the sewer fund's spendable fund balance.

Internal Service Funds

The Internal Service Funds began the year with a spendable fund balance of \$2.8 million which has been increased by \$0.2 million to \$3.0 million at March 31. Payments from other funds are charged evenly over the fiscal year and are calculated to fully reimburse internal service funds for incurred costs.

ALTERNATIVES:

The City Council can approve the recommended budget adjustments or direct staff to further review all or specific budget adjustments prior to approval.

FISCAL IMPACT:

The adjustments identified will decrease estimated revenues by \$657,850.

RECOMMENDED ACTION:

It is recommended that the City Council adopt the proposed resolution to amend the budget.

APPROVED:



Financial Consultant



City Manager

- Attachments:
1. Third Quarter Summary Schedules:
 - General Fund Revenue Summary
 - General Fund Expenditures by Department
 - General Fund Expenditures by Category
 - Spendable Fund Balance Summary
 2. Proposed Resolution Recommended Budget Adjustments

**THIRD QUARTER FINANCIAL REPORT, FISCAL YEAR 2019-20
GENERAL FUND REVENUES BY TYPE
QUARTER ENDING MARCH 31, 2020**

Revenue Type	FY 2019-20				FY 2018-19			Q3 Variance FY 2019-20 to FY 2018-19 Increase / <Decrease>
	Adopted Budget	Amended Budget	Year-to-Date Actual through 3/31/2020 (75% of FY)	Q3 Actual as a % of Amended Budget	Prior Year Actual Annual Revenue	Prior YTD Actual through 3/31/2019 (75% of FY)	Q3 Actual as a % of Annual Revenue	
Property Tax	\$ 4,012,300	\$ 4,000,780	\$ 2,299,796	57%	\$ 3,863,599	\$ 2,240,943	58%	\$ 58,853
Sales Tax	2,000,000	1,965,100	1,097,458	56%	2,010,833	1,384,031	69%	(286,573)
Transaction & Use Tax	1,376,000	1,641,000	1,002,733	61%	1,663,764	1,144,770	69%	(142,037)
Utility Users Tax	980,000	930,000	638,919	69%	951,388	669,490	70%	(30,571)
Residual Property Tax	122,400	213,000	163,385	77%	156,224	93,082	60%	70,303
Franchise Fees	402,000	402,000	144,058	36%	437,747	114,312	26%	29,746
Transient Occupancy Tax	409,000	409,000	196,132	48%	398,343	203,263	51%	(7,131)
Licenses and Permits	349,300	349,300	344,878	99%	366,063	290,931	79%	53,947
Intergovernmental	102,900	102,900	22,820	22%	38,885	11,733	30%	11,087
Charges for Services	500,700	500,700	346,732	69%	495,744	318,362	64%	28,370
Fines and Forfeitures	95,100	95,100	66,105	70%	83,110	54,888	66%	11,217
Use of Money and Property**	414,400	414,400	378,036	91%	568,945	334,897	59%	43,139
Other Revenue	494,200	494,200	305,525	62%	499,041	297,467	60%	8,058
Interfund Charges	634,000	634,000	475,500	75%	587,700	440,775	75%	34,725
Total Revenues	\$ 11,892,300	\$ 12,151,480	\$ 7,482,077	62%	\$ 12,121,386	\$ 7,598,944	63%	\$ (116,867)

** The City typically holds investments rather than realizing losses by selling before maturity; therefore, the active investment portfolio's unrealized market value gain as of March 31 of \$368,081 (per US Bank) has been excluded.

**THIRD QUARTER FINANCIAL REPORT, FISCAL YEAR 2019-20
GENERAL FUND EXPENDITURES BY DEPARTMENT
QUARTER ENDING MARCH 31, 2020**

Department	FY 2019-20				FY 2018-19			Q3 Variance FY 2019-20 to FY 2018-19 Increase / <Decrease>
	Adopted Budget	Amended Budget	Year-to-Date Actual through 3/31/2020 (75% of FY)	Q3 Actual as a % of Amended Budget	Prior Year Actual Annual Expenditures	Prior YTD Actual through 3/31/2019 (75% of FY)	Q3 Actual as a % of Annual Expenditures	
General Government	\$ 707,200	\$ 707,200	\$ 470,730	67%	\$ 633,722	\$ 473,530	75%	\$ (2,800)
Administrative Services	2,720,500	2,720,500	2,105,790	77%	2,415,824	1,892,200	78%	213,590
Police	5,190,800	5,190,800	3,584,604	69%	4,736,822	3,448,444	73%	136,160
Community Services	2,137,300	2,137,300	1,310,844	61%	1,999,596	1,211,473	61%	99,371
Community Development	470,200	520,300	306,840	59%	407,030	267,178	66%	39,662
Total	\$ 11,226,000	\$ 11,276,100	\$ 7,778,808	69%	\$ 10,192,994	\$ 7,292,825	72%	\$ 485,983

**THIRD QUARTER FINANCIAL REPORT, FISCAL YEAR 2019-20
GENERAL FUND EXPENDITURES BY CATEGORY
QUARTER ENDING MARCH 31, 2020**

Expenditure Type	FY 2019-20				FY 2018-19			Q3 Variance FY 2019-20 to FY 2018-19 Increase / <Decrease>
	Adopted Budget	Amended Budget	Year-to-Date Actual through 3/31/2020 (75% of FY)	Q3 Actual as a % of Amended Budget	Prior Year Actual Annual Expenditures	Prior YTD Actual through 3/31/2019 (75% of FY)	Q3 Actual as a % of Annual Expenditures	
Personnel Services	\$ 7,199,800	\$ 7,169,800	\$ 5,230,570	73%	\$ 6,535,272	\$ 4,951,607	76%	\$ 278,963
Maintenance and Operations	3,895,500	3,975,600	2,532,000	64%	3,606,321	2,328,633	65%	203,367
Capital Outlay/Improvements	130,700	130,700	16,238	12%	51,401	12,585	24%	3,653
Total	\$ 11,226,000	\$ 11,276,100	\$ 7,778,808	69%	\$ 10,192,994	\$ 7,292,825	72%	\$ 485,983

THIRD QUARTER FINANCIAL REPORT, FISCAL YEAR 2019-20
SPENDABLE FUND BALANCE - FISCAL YEAR CHANGE
QUARTER ENDING MARCH 31, 2020

<u>Fund #</u>	<u>Fund Title</u>	<u>Balance</u> <u>6/30/2019</u>	<u>Balance</u> <u>3/31/2020</u>	<u>FY Change</u> <u>through</u> <u>3/31/2020</u>
1	General Fund	\$ 3,655,045	\$ 1,368,114	\$ (2,286,931)
3	Emergency Reserve Fund	5,447,500	5,897,700	450,200
5	Economic Development Fund	221,864	219,768	(2,096)
	Subtotal General Funds	9,324,409	7,485,582	(1,838,827)
10	Road Maintenance & Rehabilitation Account (RMRA)	\$ 393,402	\$ 572,051	178,649
11	Streets Fund	146,266	251,465	105,199
12	Measure M2	386,739	533,198	146,459
14	Community Development Block Grant	-	-	-
15	Air Quality Fund	159,205	171,622	12,417
16	PEG Fund	276,244	292,958	16,714
20	Asset Seizure Fund	72,737	73,323	586
21	Public Safety Augmentation Fund	228,729	219,311	(9,418)
22	Supplemental Law Enforcement Fund	214,597	229,754	15,157
23	SVC Authority for Abandoned Vehicles	27,158	27,585	427
24	BSCC Local Law Enforcement Grant	53,860	49,503	(4,357)
25	Community Foundation Public Safety Grant	801	67,234	66,433
33	Park Development Fund	67,423	68,438	1,015
38	SA Housing Entity Fund	775,060	961,662	186,602
	Subtotal Special Revenue Funds	2,802,221	3,518,104	715,883
35	Capital Outlay Reserve Fund	5,802,651	6,807,387	1,004,736
37	Civic Center Rehabilitation Reserve Fund	358,512	414,524	56,012
	Subtotal Capital Projects Funds	6,161,163	7,221,911	1,060,748
50	Water Fund	451,298	223,395	(227,903)
55	Water Capital reserve Fund	4,092,343	4,256,259	163,916
	Subtotal Water Related Funds	4,543,641	4,479,654	(63,987)
52	Sewer Fund	1,454,183	1,542,914	88,731
56	Sewer Capital Reserve Fund	2,313,989	2,406,155	92,166
	Subtotal Sewer Related Funds	3,768,172	3,949,069	180,897
60	Risk Management/Insurance	963,854	842,851	(121,003)
61	Employee Benefits Fund	303,750	308,535	4,785
62	Building Maintenance & Replacement Fund	53,671	54,516	845
63	Vehicle Replacement Fund	880,622	1,059,735	179,113
64	Technology Replacement Fund	596,270	691,969	95,699
	Subtotal Internal Service Funds Funds	2,798,167	2,957,606	159,439
	Total All Funds	\$ 29,397,773	\$ 29,611,926	\$ 214,153

Note: Spendable Fund Balance is defined as cash and current assets less current liabilities.

RESOLUTION NO. 2020-__**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LA PALMA AMENDING THE FISCAL YEAR 2019-20
ADOPTED BUDGET**

WHEREAS, the Financial Consultant did on May 5, 2020, present to the City Council an update of estimated revenues and expenditures for Fiscal Year 2019-20; and

WHEREAS, the City Council did receive information about various adjustments needed to Department and Program budgets in order to more closely align projected expenditures and revenues with appropriations; and

WHEREAS, the proposed amendments to the Fiscal Year 2019-20 budget are enumerated in Exhibit A to this resolution; and

WHEREAS, the adopted Fiscal Year 2019-20 Budget will be revised so as to reflect each and all of the amendments which the City Council, up to the time of adoption of this Resolution, believes should be made as per Exhibit A; and

NOW, THEREFORE, The City Council of the City of La Palma does hereby resolve as follows:

SECTION 1. The amendments for the Fiscal Year 2019-20 adopted budget as so amended, modified, revised, and corrected including those changes directed by the City Council at the May 5, 2020, Council Meeting, are approved and adopted. In adopting the budget amendments, the City Council hereby approves and instructs the City Manager to implement changes as necessary.

SECTION 2. The budget amendments for the Fiscal Year 2019-20 as now before this City Council and as enumerated in Exhibit A, and as amended, modified, revised, and corrected by the City Council and staff, in open session, shall be placed on file in the office of the City Clerk, shall be open to public inspection, and are expressly incorporated in this Resolution and made a part hereof.

SECTION 3. The City Manager is hereby authorized and instructed to take all steps necessary to implement this resolution.

SECTION 4. The City Manager, for the purpose of administrative necessity in implementing the budget, shall have the authority to transfer monies to the appropriate item, account, program, or fund to cover expenditures which have been approved by the

City Council, except where such transfer is expressly prohibited in a resolution or ordinance approved by the City Council such as utility replacement funds.

APPROVED AND ADOPTED by the City Council of the City of La Palma at a regular meeting held on the 5th day of May 2020.

Peter L. Kim
Mayor

ATTEST:

Kimberly Kenney, CMC
City Clerk

STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS.
CITY OF LA PALMA)

I, KIMBERLY KENNEY, City Clerk of the City of La Palma, California, DO
HEREBY CERTIFY that the foregoing Resolution was adopted by the City Council of said
City at a regular meeting of said City Council held on the 5th day of May 2020, and that it
was so adopted by called vote as follows:

AYES:

NOES:

Kimberly Kenney, CMC
City Clerk

Item Description		Adopted Budget	Budget Adjustment	Amended Budget	Justification
General Fund (001)					
REVENUES					
001	100 4050-00000	1,965,100	(307,900)	1,657,200	Revised HdL Estimate
001	100 4055-00000	1,641,000	(204,900)	1,436,100	Revised HdL Estimate
001	100 4083-00000	409,000	(144,000)	265,000	Revised Estimate
TOTAL GENERAL FUND REVENUES		12,151,480	<u><u>(656,800)</u></u>	11,494,680	
EXPENDITURES					
General Government					
001	110 6000-00000	32,500	(30,000)	2,500	Move CM Recruitment Costs to City Mgr
001	120 6000-00000	1,500	28,500	30,000	Move CM Recruitment & No Billboard Ad Design
001	320 6540-00000	20,000	(5,000)	15,000	Mosaic Printing
Police Services					
NONE					
Community Services					
001	340 5100-00000	11,900	(3,300)	8,600	Cancel Festival of Nations and Others
001	340 5300-00000	8,500	(3,400)	5,100	Cancel Festival of Nations and Others
001	320 6000-32010	98,900	(40,000)	58,900	Cancel contract classes
001	340 6000-34030	7,000	(7,000)	-	Cancel Festival of Nations and Others
001	340 6000-00000	3,400	(2,700)	700	Cancel Volunteer Recognition
001	340 6530-00000	2,200	(1,000)	1,200	Cancel Festival of Nations
001	340 7130-00000	7,800	(6,500)	1,300	Cancel Festival of Nations
001	340 7330-34030	6,500	(6,500)	-	Cancel Festival of Nations
001	340 7330-34040	2,600	(200)	2,400	
001	340 7330-34050	400	(400)	-	
001	340 7330-34065	2,000	(2,000)	-	Cancel State of the City
001	340 7400-00000	4,400	(400)	4,000	
001	350 5100-00000	88,700	(2,900)	85,800	Modify Teen Programs
001	350 6000-00000	7,600	(1,300)	6,300	Modify Teen Programs
001	350 7460-00000	39,000	(19,500)	19,500	Modify Day Camp - no Excursion
Community Development					
Professional Contract Services					
Subtotal General Fund Expenditure Adjustments			<u><u>(103,600)</u></u>		
FY 2019-20 Surplus (Deficit)		CURRENT BUDGET	PROPOSED AMENDED BUDGET		
Revenues		12,151,480	11,494,680		
Expenditures		(11,276,100)	(11,172,500)		
Transfer Out		(850,200)	(850,200)		
FY 2019-20 Surplus (Deficit)		<u><u>25,180</u></u>	<u><u>(528,020)</u></u>		
UNASSIGNED GENERAL FUND BALANCE as of June 30, 2019		3,282,300			
Transfer to COR - in original 19-20 budget		(1,140,000)			
Transfer to Emergency Reserve		(284,700)			
AVAILABLE UNASSIGNED GENERAL FUND BALANCE		<u><u>1,857,600</u></u>			

Item Description		Adopted Budget	Budget Adjustment	Amended Budget	Justification
General Fund (001)					
REVENUES					
001	100 4014-00000	1,562,700	(11,520)	1,551,180	Revised Estimate
001	100 4050-00000	2,000,000	(34,900)	1,965,100	Revised HdL Estimate
001	100 4055-00000	1,376,000	265,000	1,641,000	Revised HdL Estimate
001	100 4060-00000	980,000	(50,000)	930,000	Trending Lower
001	100 4072-00000	122,400	90,600	213,000	Revised Estimate
TOTAL GENERAL FUND REVENUES		11,892,300	259,180	12,151,480	
EXPENDITURES					
General Government					
001	120 5010-00000	253,700	(30,000)	223,700	City Manager Vacancy Savings
001	110 6000-00000	2,500	30,000	32,500	City Manager Recruitment Costs
Police Services					
NONE					
Community Services					
NONE					
Community Development					
001	510 6000-00000	700	50,100	50,800	Housing Consultant - City Council 12/17/19
Subtotal General Fund Expenditure Adjustments			50,100		
TRANSFERS OUT					
035	300 4951-00000	350,000	-	350,000	
037	300 4951-00000	50,000	-	50,000	
003	300 4951-00000	165,500	284,700*	165,500	Additional transfer to meet Fund Balance Reserve Policy of 25% of previous year surplus to be transferred to Emergency Reserve Fund. Funded through Unassigned General Fund balance.
TOTAL TRANSFERS OUT		565,500	284,700	565,500	
TOTAL GENERAL FUND EXPENDITURE ADJUSTMENTS			334,800		
FY 2019-20 Surplus (Deficit)		CURRENT BUDGET		PROPOSED AMENDED BUDGET	
Revenues		11,892,300		12,151,480	
Expenditures		(11,226,000)		(11,276,100)	
Transfer Out		(565,500)		(850,200)	
FY 2019-20 Surplus (Deficit)		100,800		25,180	
UNASSIGNED GENERAL FUND BALANCE as of June 30, 2019		3,282,300			
Transfer to COR - in original 19-20 budget		(1,140,000)			
Transfer to Emergency Reserve		(284,700)			
AVAILABLE UNASSIGNED GENERAL FUND BALANCE		1,857,600			

Item Description		Adopted Budget	Budget Adjustment	Amended Budget	Justification	
OTHER FUNDS (Non-General)						
EXPENDITURES						
Housing (Low Income) Fund						
038	710 6000-00000	Professional Contract Services	29,900	25,100	55,000	Professional Services - funded by Developer
Vehicle Replacement Fund - Police						
063	640 8050-00000	Vehicles	95,000	7,720	102,720	Quotes for vehicles slightly higher
063	640 8050-00000	Vehicles - other vehicles	130,000		130,000	
Total Other Funds Expenditure Adjustments			254,900	32,820	287,720	