

City of Brisbane

Agenda Report

To: City Council via City Manager
From: Stuart Schillinger, Administrative Services Director
Subject: Resolution 2017-07 approving changes to the budget for the General Fund
Date: May 18, 2017

Purpose:

Provide for the long-term financial stability of Brisbane.

Recommendation:

Adopt Resolution 2017-07 to amend the FY 2016/17 Budget.

Background:

On June 30, 2015 City Council adopted the Fiscal Year 2016/17 budget. The budget projected General Fund Revenues at \$16,334,271 including \$94,084 in transfers in. General Fund expenditures were projected at \$18,523,099 including \$2,790,437 in transfers out. There was an anticipated use of fund balance of \$2,188,828. The beginning fund balance was estimated at \$10,700,000 and ending fund balance of 8,511,172.

The City completed its FY 2015/16 audit in March 2017. The audit provides the actual starting fund balance for FY 2014/15. Our actual General Fund balance as of July 1, 2016 was \$11,281,187. Not all of this is in cash as there are loans and advances to other funds included in this amount. This means beginning fund balance for FY 2016/17 was about \$500,000 higher than anticipated.

Discussion:

Attached are proposed changes to the FY 2016/17 budget.

Overall revenues are expected to be \$620,000 higher than originally projected. The major increases in revenue are. Account 40150- ERAF (Educational Revenue Augmentation Fund) reimbursement. We have received \$46,000 more than budgeted. Account 40211 – Sales Tax is \$500,000 higher than projected. Growth in this area has been more robust than originally thought. Our Sales Tax audit firm (MuniServices) suggest we actually may get back up to \$4,200,000 this year. However, to be conservative projecting \$3,900,000 seems reasonable. Account 40950 – Miscellaneous Revenues is \$56,000 higher than projected for reimbursement of overtime while our Firefighters were out of the area at wildland fires.

Overall expenditures are expected to be about \$57,000 above budget. This includes two accounts which have savings. First, \$75,000 was budgeted for economic development at the beginning of the year and it is anticipated that no more than \$50,000 will be spent in the remainder of the year. Second, the City Attorney's costs are much lower than anticipated. The City budgeted \$283,250 for

attorney services. Based on the use of these services to date the anticipated cost is no more than \$150,000 and possibly as low as \$125,000.

There has been some unanticipated expenditures throughout the year. These include repairing the Corp Yard Gate and sewer in City Hall \$17,500; Part-time salaries in Finance to work through the transition of our financial systems (although this has been offset in savings from a delay in hiring our third Accounting Assistant position) \$25,000; additional tree removals in the Brisbane Acres \$16,000; and body worn cameras for the police department \$24,200.

Some budget items have been higher than anticipated included in this category are; the ID Printer \$1,200, overtime for police due to training newer officers (\$97,000), fire due to wildland fire coverage which is reimbursed (\$32,800).

In addition to some expenses being higher than anticipated at the beginning of the year number of projects were approved last year and not spent so the savings went into Fund Balance and now needs to be transferred out of Fund Balance to be spent this year.

The City originally anticipated to end FY 2016/17 with a Fund Balance of \$8,511,172 and current expenditures over current expenditures of \$2,188,828. The new projection is a beginning Fund Balance of \$11,281,187 and expenditures over revenues of \$1,573,417. The anticipated ending fund balance is \$9,707,269. Or about \$1,200,000 higher than initially projected.

Since 2011 the City has increased its Fund balance by over \$2,000,000 while setting aside over \$2.7 million for our Unfunded Liabilities. Specifically these are; \$1,000,000 for our OPEB Liability, Funding over \$1,000,000 for vehicle replacement, \$500,000 for Building Repairs and Maintenance, and \$200,000 for our Unfunded PERS Liabilities.

There are a few other clean-up changes to the General Fund which include transferring funds from one account to another. Some of this is due to the change in our budgeting and accounting system from a Department/Division method to a Department/Division/Program method. The other change is to show the transfer from the General Fund to the OPEB and Pension Trusts as well as the Facility Maintenance Fund which Council approved with the budget but did not make it into the final version due to a staff oversight. The amount of these transfers are \$450,000.

The City has an outstanding loan to the Utility Fund from FY 2004-2005 when the rates were not high enough to pay on-going expenses. Staff recommends repaying the General Fund the \$540,219 since there is enough money in the Utility to pay back this loan. This will have no impact on the General Fund Balance since it will change one asset class (Receivables) for another Asset Class (Cash). In the Utility Fund it will decrease an Asset Class (Cash) and decrease a Liability Class (Advances).

Since the budget is adopted by resolution, changes to the budget also need to be adopted by resolution. Resolution 2017-07 would implement the changes in the attached mid-year reprojection.

Fiscal Impact:


The fiscal impact of the mid-year reprojection was described in the discussion section of the report. It is anticipated that revenues will be at a minimum \$615,000 higher than projected and expenditure will be about \$55,000 higher than expected.

Measure of Success

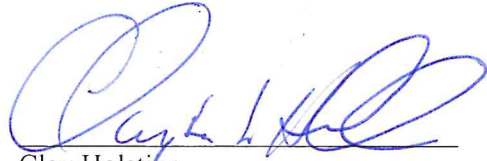
The City is able to maintain long-term fiscal stability.

Attachments:

Resolution 2017-07
Mid-year rejections.



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

RESOLUTION NO. 2017-07

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF BRISBANE
AMENDING THE ANNUAL BUDGET
FOR FISCAL YEAR 2016-17 AND MAKING APPROPRIATIONS FOR THE AMOUNT BUDGETED

WHEREAS, a proposed annual budget for the City of Brisbane for the Fiscal Year commencing July 1, 2016 and ending June 30, 2017 was adopted by City Council on June 30, 2016; and

WHEREAS, the City Council has reviewed the proposed changes to the FY 2016/17 on May 18, 2017, attached to the Resolution.

NOW THEREFORE, THE CITY COUNCIL DOES RESOLVE, that the amended budget, as submitted is adopted as the annual budget for the Fiscal Year commencing July 1, 2016 and thereby appropriates the amounts budgeted.

PASSED, APPROVED, AND ADOPTED this 18th day of May 2017

Lori Liu
Mayor

I hereby certify that the foregoing **Resolution No. 2017-07** was duly and regularly adopted at a regular meeting of the Brisbane City Council on May 18, 2017 by the following vote:

AYES:

NOES:

ABSENT:

Ingrid Padilla
City Clerk

Mid year Budget Review

Revenues

100	40102	3,000	Increase in Unsecured Property Tax based on actuals
100	40103	(2,370)	Prior year tax collections based on actuals
100	40107	5,000	VLF Property Tax Swap based on actuals
100	40150	46,000	Increase in ERAF revenue based on actuals
100	40211	500,000	Increase in Sales Tax based on two quarters of actuals
100	40242	12,000	Increase in Business License Penalties based on actuals
100	40340	100	Increase in Use Permits based on actuals
100	40342	2,000	Increase in Sign Permits based on actuals
100	40402	(15,000)	Decrease in City Violations based reduced revenue year over year
100	40404	(3,800)	Decrease in Abandoned Vehicle Abatement program based on reduced year over year
100	40670	81,000	Measure M actual revenue
100	40716	2,000	Increase in Tentative Parcel/Subdivision Map based on actuals
100	40722	(40,000)	Decrease in Plan Check Fees based on year over year information
100	40724	10,000	Increase in Engineering Plan Check Fees
100	40757	12,000	Increase in Recreation Classes
100	40759	(21,000)	Decrease in Lap Swim participation
100	40760	3,000	Increase in Recreational Swim
100	40773	(31,000)	Decrease in Facility Rentals partly due to non-profit use
100	40781	(300)	Decrease in PG&E Bill Collection Fee due to elimination of service
100	40950	56,300	Increase in Miscellaneous Revenues for reimbursement from State for Fire
100	40955	400	Increase in contributions based on actuals
100	40956	1,000	Increase in Reimbursement of Prior Year Expenses.

Additional Revenue not budgeted 620,330

Expenditures

Fund	Account	Dept	Amount	Notes
100	52015	6005	39,000	Trash Capture Devices designated in 2015/16 but unspent and in Fund Balance
100	52045	6300	10,000	Standard Operating Procedures for EOC designated in 2015/16 but unspent and in Fund Balance
Subtotal from Previous year			49,000	
100	52045	2112	16,000	Additional Tree Removal needed in Acres

100	51002	2200	25,000	Increase due to Part-time employee assistance during transition
100	51302	2200	1,800	Increase due to Part-time employee assistance during transition
100	51002	6001	10,000	Increase for Intern
100	51302	6001	500	Increase for Intern
100	52045	6010	17,500	Increase for Corp Yard Gate Replacement and City Hall Sewer Repair
100	53030	4120	24,200	Body Worn Cameras
			95,000	
				Subtotal new Expenditures
100	51301	1000	552	Medicare Tax higher than budget due to disbursements from Cafeteria Plan
100	52045	1000	(1,800)	Cost of 55th Annivesary less than budgeted
100	51001	2100	(14,180)	Savings due to temporary staffing in City Manager's Office
100	51002	2100	12,000	Increase due to internship program
100	51302	2100	700	Increase in Social Security Tax for Internship program
100	51510	2100	(3,229)	Savings due to temporary staffing in City Manager's Office
100	51512	2100	(289)	Savings due to temporary staffing in City Manager's Office
100	52045	2100	(39,000)	Savings from Economic Development Program
100	52055	2100	(1,200)	Savings due to City Manager traveling less than anticipated
100	51001	2110	(14,500)	Savings due to City Clerk Retirement
100	51002	2110	3,000	Increase for part-time assistance for Records Management
100	51301	2110	205	Medicare Tax higher than budget due to disbursements from Cafeteria Plan
100	51502	2110	(3,800)	Savings due to City Clerk Retirement
100	51509	2110	1,733	Increase due to Interim City Clerk having higher health plan than previous Clerk
100	51517	2110	(1,692)	Savings due to City Clerk Retirement
100	51519	2110	(340)	Savings due to City Clerk Retirement
100	51525	2110	959	Increase due to Interim City Clerk
100	51001	2112	26,165	Increase due to staff being charged to Full-time vs. Parttime
100	51002	2112	(34,192)	Decrease due in part to above and open Analyst Position
100	51302	2112	(2,120)	Decrease due to Analyst being part of PERS
100	51502	2112	2,390	Increase due to Analyst being part of PERS
100	51001	2200	(24,749)	Decrease due to open Senior Acct. Position
100	51005	2200	4,940	Increase in Overtime due to Computer Transition
100	51502	2200	3,171	Increase in PERs due to Temporary Assistance becoming PERS eligible
100	51509	2200	(11,816)	Decrease due current staff having lower health plans than budgeted
100	52005	2200	(100)	Decrease in Communications based on Actual costs
100	52025	2200	1,300	Increase based on Actuals
100	52045	2200	1,050	Increase for Tax Reports Filing Assistance

100	53030	2210	1,200	Increase for ID Printer
100	52030	2300	15,000	Kindr Morgan Costs
100	52031	2300	(133,250)	Decrease in City Attorney Expenses based on actual time spent
100	51301	3000	1,000	Increase in Overtime due to increase workload
100	51005	4101	50	Increase Overtime based on Actual
100	52025	4101	1,250	Chief is Chair of Area Police Chief Organization (reimbursed)
100	51001	4110	8,513	Managent Analyst Budgeted at lower step than actual
100	51502	4110	2,265	Managent Analyst Budgeted at lower step than actual
100	51001	4120	(41,203)	Fully staffed with two Speciality Pay Positions offset by Holiday Pay
100	51005	4120	97,000	Increase in Overtime to ensure all training for new officers occurred
100	51010	4120	65,000	Holiday Pay incorporated in Regular Pay at time of Budget
100	51301	4120	4,820	Increase in Medicare for increase in pay and cafeteria benefit taken as cash
100	51519	4120	840	Sergeants have cell phone allowance instead of department issued phones
100	52010	4120	(8,940)	General savings within department
100	52025	4120	4,370	General office supplies like business cards, citations, etc.
100	52055	4120	9,490	Increase for Tuition Reimbursement and skills trainings for new officers
100	51001	4501	(49,512)	Paramedic Pay budgeted in full-time salaries instead of separate line item
100	51005	4501	32,800	Increase for Wildfire coverage - Reimbursed
100	51020	4501	64,000	Paramedic pay budgeted in full-time salaries
100	52045	4501	3,950	
100	52050	4501	(3,000)	
100	52055	4501	(2,000)	
100	51005	6001	5,000	Overtime for Inspector split per original payroll set-up
100	51525	6001	(489)	Decrease in Deferred Compensation since no employee receives
100	52001	6001	(50)	Decrease in Safety Clothing
100	52005	6001	(300)	Decrease in Communications based on Actual costs
100	52010	6001	(200)	Decrease in Equipment Maintenance based on Actual costs
100	52030	6001	100	Increase in Professional Services based on Actual costs
100	51005	6005	(3,240)	Decrease in Overtime based on Actuals
100	52020	6010	126	Increase in Membership based on Actuals
100	51002	6015	(7,288)	Have not hired part-time employee for additional park work
100	51302	6015	(572)	Have not hired part-time employee for additional park work
100	52001	6015	700	Increase in Safety Clothing based on Actuals
100	51001	6300	(13,104)	Decrease in EOC Full-time Salary based on open position
100	51005	7001	60	Increase in Overtime based on Actuals - P&R Commission Coverage
100	52010	7001	20	Increase in Equipment Maintenance based on Actuals
100	52020	7001	(200)	Decrease in Memberships based on Actuals

100	52030	7001	(110)	Decrease in Professional Services based on Actuals
100	52055	7001	(2,650)	Decrease in Travel and Training based on Actual attendance at CPRS
100	52001	7002	(100)	Decrease in Safety Clothing based on Actuals
100	52005	7002	1,400	Increase in Communications based on Actuals
100	52010	7002	1,000	Increase in Equipment Maintenance based on Actuals
100	52015	7002	3,700	Increase in Maintenance- Structures/Improvements based on Actuals
100	51002	7003	(8,861)	Decrease in Part-time Staff costs
100	51005	7003	7,400	Increase in Overtime based on Actual Charges
100	51509	7008	(8,120)	Decrease in Cafeteria Plan Expenditures based on Employee
100	52015	7008	8,500	Increase due to Boiler Repairs and Plumbing Repairs

Subtotal changes in budget (38,477)

Total Change in Expenditures for General Fund 56,523

100			100,000	Transfer to OPEB Trust Account
100			100,000	Transfer to PERS Trust Account
100			250,000	Transfer to Building Maintenance Fund

Subtotal approved in Budget not on Resolution 450,000

Utility Fund
 Repay loan to General Fund 540,219