A - Introduction

AGENDA ITEM # 8a

CITY OF FILLMORE
CENTRAL PARK PLAZA
250 Central Avenue
Fillmore, California 93015-1907
(805) 524-3701 • FAX (805) 524-5707

TO: Mayor and City Council DATE: June 26, 2012

THROUGH: Yvonne Quiring, City Manager

FROM: Glenda D. Jay, Finance Director

SUBJECT: CONSIDERATION AND ADOPTION OF RESOLUTION NO. 12-3340 ADOPTING THE RECOMMENDED BUDGET FOR FISCAL YEAR 2013 AND AUTHORIZING THE CITY MANAGER TO MAKE ANY NECESSARY CHANGES TO ACHIEVE THE INTENT OF THE CITY COUNCIL

SUMMARY:

The Board of Directors of the Successor Agency and the Oversight Board approved the administrative budget and the Recognized Obligation Payment Schedule at meetings on May 8 and May 10. The Successor Agency budget has been included under the Special Program category, but is informational only.

The City Council was presented the 2013 Recommended Budget for consideration on June 5, 2012. Three City Council meetings were conducted to present and review the budget; Tuesday, June 5; Tuesday, June 12; Tuesday, June 19 with proposed adoption on Tuesday, June 26, 2012.

The adoption of the Recommended Budget includes the changes that were made as a result of the budget deliberations; there is a proposed fee increase for Building & Safety After Hours Inspection from $80 to $85 per hour and increases to the Water and Sewer rates; implementation of the provisions of the Management/Mid-Management/Unrepresented Employees resolution and the inclusion of the final provisions relating to the classified (Represented) employees is being presented for action at this meeting.

The actual text and number changes will be included in the Adopted Budget which will be provided to the Council/Board in the next couple of months.

RECOMMENDATION:

1. **Adopt Resolution No. 12-3340 Adopting the Recommended Budget for Fiscal Year 2013 with the proposed changes and authorize the City Manager to make any necessary changes to achieve the intent of the City Council.**

BACKGROUND:

On June 4, 2012, the 2013 Recommended Budget was hand-delivered to the City Council. There was a special budget meeting on June 5. The City Manager and Finance Director presented a summary of the budget in a PowerPoint presentation.

The Recommended Budget was also made available on the City's website, and at the Library and Senior Center for review. Copies of the Recommended Budget were also available to purchase in the Finance Department. The Council reviewed the Recommended Budget at its June 5, 12 and, 19 meetings. The 2013 Recommended Budget with the proposed changes is scheduled for adoption at this meeting.

On Tuesday, June 12 and June 19, 2012, the City Council deliberated over the 2013 Recommended Budget. At that meeting, direction was given to decrease the City's facility fees. There is also a recommended change to the hourly rate for After Hours Inspection for Building and Safety. The revenue amounts will remain as budgeted as the changes to the fee schedule may or may not increase revenue. The Proposed Schedule of Fees and Charges for City Services are on this agenda for the public hearing and possible adoption.

The following are the clarifications/restatements/changes made to the FY 2013 Recommended Budget by the City Council during the hearings:

1. **Parks maintenance still in budget.** The Recommended Budget contains the full-year funding for parks maintenance which will remain in the budget.
2. **The Park restrooms will remain open.** Different ways of providing cleaning are being explored and, until such time that the method is decided, the City will continue to maintain the restrooms. For example, the Sports Group volunteered to provide the cleaning services.
3. **Central Park restrooms will <u>not</u> be cleaned by volunteers.** Approach Fillmore and Western to assume some or all of cost of cleaning the restrooms.
4. **The Community Services Supervisor and a Facilities Custodian position will be full-time until December 31, 2012.** This will allow time for volunteers or sports groups to make plans to assume responsibility for or to help with the cleaning of the restrooms and/or a smooth transition for the Senior Center and if the Veteran's Memorial Board decides to staff its own operation. On January 1, 2013, no funding is in the budget for these positions. Originally, both positions were part-time for a year in the Recommended Budget. Because the City was going to pay for some benefits on a pro-rata basis, the cost difference is not significant to make the positions full-time and will be handled in the Midyear fiscal report.
5. **Any positions recommended for reduction or elimination in the budget and not identified in this document for continuation will be eliminated June 29, 2012.**

6. **Fiscal Sustainability Plan.** The General Fund has a minimum shortfall of $1.3 million in FY 2013-14 and limited funds to address the problem. In the upcoming year, the City needs to develop a fiscal sustainability plan to address the shortfall.
7. **Graffiti removal by City staff will be limited to City property.**
8. **Only emergency housing Code enforcement will be done (no zoning or public nuisance)**
9. **Request for an audit of Edison Franchise fees.**
10. **Heritage Valley Tourism Bureau**. Add up to $5,000 for Visitors Bureau—with match by City of Santa Paula. The increase will be offset by a transfer from the General Purpose Reserve.
11. **Animal Control**. Examine possibility of other provider in upcoming year.
12. **Equestrian Center Request for Proposal or Request for Qualifications.** Closed session to be scheduled.
13. **Conversation with Boys and Girls Club picking up full cost of facility.**
14. **City facility rents to be lowered.** Please see chart in Master Fee Schedule.
15. **Show Developer Impact Fees in "Description" in budget for a typical Single Family residential unit.**
16. **Wastewater Treatment Plant operation Request For Qualifications (RFQ) or Request for Proposal (RFP).**
17. **City Hall will reopen every other Friday and will be closed from 12-1 p.m. and at 4 p.m. each day. Community Development will be open from 8 a.m. until 12 p.m, Monday through Thursday.**

During the discussion of the Recommended Budget, the following line items were amended:

Fund/Account	Description	Adjustment
101-0000-0400-506	Transfer In – General Purpose Reserve	$5,000
	Increase in Revenue	$5,000
101-4533-0031-430	Add Heritage Valley Tourism Board	$5,000
	Increase in Expenditures	$5,000
	Net change – General Fund	**$0**

Fund/Account	Description	Adjustment
304-0000-0310-240	Runners Club	$500
	Increase in Revenue	$500
	Net change – Recreation Fund	**$500**
	Revised Estimated Balance	**($46,546)**

Fund/Account	Description	Adjustment
305-0000-0303-240	Runners Club	($500)
	Decrease in Revenue	($500)
	Net change – Swimming Pool Fund	**($500)**
	Revised Estimated Balance	**($241,427)**

Fund/Account	Description	Adjustment
506-8500-0000-101	Transfer Out - General Fund	$5,000
	Increase in Transfer Out	$5,000
	Net change – General Purpose Reserve Fund	**($5,000)**
	Revised Estimated Balance	**$394,755**

The following table represents a summary of the two fiscal years and the amounts presented to the City Council in the recommended budget:

	FY 2012	FY 2013
CITY FUNDS		
Total Revenue and Transfers In	$17,928,075	$19,527,857
Total Expend. and Transfers Out	18,901,238	20,235,389
RDA FUNDS		
Total Revenue and Transfers In	4,380,787	0
Total Expend. and Transfers Out	7,263,581	0
SPECIAL PROGRAM FUNDS		
Total Revenue and Transfers In	5,625,700	10,077,132
Total Expend. and Transfers Out	4,845,701	10,883,338
TOTAL ALL FUNDS		
Total Revenue and Transfers In	$27,934,562	$29,604,989
Total Expend. and Transfers Out	$31,010,520	$31,118,727

FISCAL IMPACT:

The fiscal impact of the changes made to the budget in the General Fund is an increase in expenditures of $5,000. This increase will be offset by a Transfer In to the General Fund from the General Purpose Reserve Fund so revenue will also be increased. The increase in both revenue and expenditures will go from $5,981,684 to $5,986,684.

There is a proposed transfer of $500 of revenue for the Runners Club which is budgeted in the Swimming Pool Fund 305 to the Recreation Fund 304. This will decrease the deficit in the Recreation Fund from $47,046 to $46,546 and will increase the deficit in the Swimming Pool Fund 305 from $240,927 to $241,427.

The transfer to the General Fund from the General Purpose Reserve of $5,000 will increase the transfer from $500,000 to $505,000 and will decrease the General Purpose Reserve estimated balance to $394,755, approximately 7 percent of the appropriations.

There will be other fiscal changes to the Adopted Budget based on the implementation of the restructuring plan and the employee negotiations. These amounts are not known at this time, as the amounts are based on actual positions that are eliminated and the bumping process.

Attachment 1: Previously provided 2013 Recommended Budget
Attachment 2: City Resolution No. 12-3340