

REPORT TO CITY COUNCIL

DATE: OCTOBER 10, 2012

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: NATHAN HAMBURGER, ASSISTANT CITY MANAGER
CHRISTY PINUELAS, DIRECTOR OF FINANCE

SUBJECT: ADOPT AMENDMENTS TO FISCAL YEAR 2011/12 CITY OF AGOURA HILLS BUDGET

Each fiscal year, following the closure of the financial books, an audit is conducted as required by law. Although the fiscal year ends on June 30, cities in California must wait until the end of September to close their books, due to the delays in receiving revenues from the State. The auditors review a variety of items, including the accuracy of the projected budgets, fiscal transactions, and proper use of restricted funds. Following the review, the reports are presented to the City Council for review and request of any fiscal amendments that are required. The request before the City Council is to consider amending the Fiscal Year 2011/12 City of Agoura Hills (City) budget as shown on Exhibit 'A'.

General Fund

The General Fund is the primary fund of the City, and contains the largest amount of discretionary funding. Unaudited General Fund revenues are 99.7% of the budget as shown below:

General Fund	Unaudited Actual	Amended Budget
Total	\$11,308,173	\$11,347,483

The amended budget for the General Fund expenditures for Fiscal Year 2011/12 is shown as follows:

General Fund	Unaudited Actual	Amended Budget
Operational Expenses	\$10,040,677	\$10,234,014
Transfers	2,654,879	2,655,000
Total	\$12,695,556	\$12,889,014

Operationally the City was on target for both revenues and expenses. The City Council authorizes the budget at the department level, breaking out various functions of city operations to allow for a

transparent budget for the community to see and understand. Although, in total, the operational expenses were at 98% of budget, various departments within the General Fund exceeded budgeted appropriations by a total of \$72,530. Offsetting these increases are several departments with realized savings in the amount of \$72,530. The savings can be primarily traced to a shifting of salaries to the Successor Agency in the City Manager and City Clerk budgets; these recommended budget adjustments are further explained in Exhibit "A". The total increases to the three departments are summarized below:

Public Facilities

The Public Facilities division exceeded their budget by \$11,830 or 6% primarily due to utility and fuel costs exceeding expectations, as well as unexpected variable air volume (VAV) unit and air conditioning repairs.

Community Development

The Community Development department went over budget by \$55,400, or 8%, due to the dissolution of the Redevelopment Agency (RDA). Because the dissolution of the RDA meant that the planning of future projects was no longer needed, salaries in Community Development were shifted from the RDA to the General Fund. However, as a balance, salaries in the City Manager, and City Clerk were distributed to the RDA (now known as the Successor Agency). This was anticipated in our discussions of the RDA dissolution, but the final impact was not known until legislation was finalized.

Public Works Administration

The Public Works department exceeded their operational budget by \$5,300, or 1%, due to the dissolution of the RDA. Costs associated with an affordable housing project were required to be shifted back to the General Fund.

Special Revenue Funds

Various other Funds had expenditure adjustments in various divisions. These funds are as follows:

Measure R Fund

Monies were used to provide funds for our annual overlay. The project work for 2011/12 (\$56,289) was originally budgeted to come from the Gas Tax Fund.

Traffic Improvements Fund

AT&T vault relocation project costs exceeded the estimate by \$230,000. This primarily relates to a vault originally located on the Kanan Bridge. The City has been working with AT&T to finalize the project for several years. Because the final completion date and expense was unknown until the work was completed, the City was unable to forecast the expense.

Miscellaneous Grants Fund

The City received a Federal Grant to complete LED lighting upgrades. The grant was not included in the budget because the timing was unknown. The \$122,450 in grant funds were expended and the City has been reimbursed.

RECOMMENDATION

Staff respectfully recommends the City Council approve amending the Fiscal Year 2011/12 Budget for the amounts shown in Exhibit "A".

Attachments: Exhibit 'A'

City of Agoura Hills
 Agoura Hills Redevelopment Agency
 Fiscal Year 2011/12 Budget Amendments
 Exhibit 'A'

Project/Fund	Account	Account Number	Amendment	Reason
Public Facilities				
General Fund	Utilities	010-4180-5428.00	2,250	Costs greater than anticipated
General Fund	Maintenance building/grounds	010-4180-5434.00	2,220	Software for PEG Channel
General Fund	Audio Visual Maintenance	010-4180-5434.01	650	Bulb replacement for projector
General Fund	Vehicle maintenance/fuel	010-4180-5434.02	1,210	Fuel prices greater than forecast
General Fund	Other improvement	010-4180-5682.00	3,500	VAV Units repairs
General Fund	Equipment	010-4180-5683.00	2,000	Air conditioning repairs
Community Development				
General Fund	Salaries	010-4305-5101.00	55,400	Salaries reclassified from RDA
Public Works Administration				
General Fund	Contract Services	010-4505-5520.00	5,300	Costs from RDA to General Fund
Total Recommended General Fund Operational Increases			<u>72,530</u>	
City Manager				
General Fund	Salaries	010-4120-5101.00	(10,000)	Salaries charged to Successor
City Clerk				
General Fund	Salaries	010-4125-5101.00	(10,000)	Salaries charged to Successor
City Attorney				
General Fund	Professional Services	010-4140-5510.00	(30,000)	Savings in Professional Services
Animal Control				
General Fund	Contract Services	010-4240-5520.00	(22,530)	Savings in Contract Services
Total Recommended General Fund Operational decreases			<u>(72,530)</u>	

**City of Agoura Hills
Agoura Hills Redevelopment Agency
Fiscal Year 2011/12 Budget Amendments
Exhibit 'A'**

Project/Fund	Account	Account Number	Amendment	Reason
Public Works				
Measure R Fund	Annual Overlay	063-4640-6305.00	56,289	progress
Street Improvement				
Traffic Improvement Fund	Kanan/101 Interchange	110-4640-6308.00	230,000	Greater than anticipated project costs
Street Improvement				
Miscellaneous Grants	Federal Grant LED Energy	260-4640-6310.00	122,450	Greater than anticipated project
City Manager				
Solid Waste- Contract	Contract Services	520-4395-5520.00	2,500	Additional contract costs