



REPORT TO CITY COUNCIL

DATE: JUNE 23, 2015

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER 

BY: CHRISTY PINUELAS, DIRECTOR OF FINANCE 

SUBJECT: DISCUSSION TO CONSIDER THE ADOPTION OF RESOLUTION NO. 15-1793; ESTABLISHING FISCAL YEAR 2015-16 APPROPRIATIONS LIMITATIONS, AND RESOLUTION NO. 15-1794; ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2015-16, AND THE APPROVAL OF THE INDEPENDENT AUDITOR AND FINANCIAL POLICIES

Article 13-b of the California State Constitution, known as Proposition 4, the Gann Initiative, was passed by the citizens of California on November 6, 1979. Proposition 4 placed limitations on the amount of annual appropriations "from the proceeds of taxes" for state and local governments. The legislation also provided a method to calculate the annual appropriation limit, using a growth factor comprised of the Consumer Price Index (CPI) for California per capital income and the percentage change in population. The City of Agoura Hills appropriation limit for the General Fund from the "proceeds of taxes" for fiscal year 2015-16 is in the amount of \$15,492,106.

The General Fund operational budget is balanced, with revenues of \$13.9 million, operating expenditures of \$12.9 million, and operating fund transfers of \$912,825 (\$13.8 million total). Expenditures from proceeds of taxes are projected at \$11.6 million, well within the Appropriations Limit. The transfer-out represents \$672,000 to pay debt service on the 2007 bond refunding and \$240,825 to pay debt service on the 2013 bonds used to complete the Recreation Center. Public Safety continues to be a high priority, at 28% of the General Fund budget, to fund various safety programs. These include patrol and traffic personnel, a juvenile intervention team, school crossing guards, youth drug awareness education programs, and animal control services. In addition to the Agoura Road widening project, the Fiscal Year 2015-16 Budget includes funding for several capital improvement projects, including beautification through restoration work at Medea Creek, trash and weed abatement along the U.S. 101 corridor, the annual street overlay program, sidewalk repairs, and other traffic improvement projects.

On June 10, 2015, the City Council held a budget workshop, extensively covering all budget matters, and direction by the City Council has been incorporated into the final budget.

Since the presentation of the budget to the City Council, the City has opened Fiscal Year 2015-16 annual overlay project bids. While staff originally budgeted \$639,500 the lowest responsible bid was \$772,000. In order to complete all streets in the original scope, staff reviewed the budget, and recommends the following adjustments:

- Decrease the utility and street sweeping budgets in the Gas Tax Fund by \$35,000 in 2014/15 to account for savings in both of those areas.
- Increase the revenue in the Measure R Local Return fund by \$14,500 in both 2014/15 and 2015/16, as receipts are greater than anticipated.
- Increase the overlay budget in the Measure R Local Return Fund by \$29,000 and the Gas Tax Fund by \$103,500 for a total of \$132,500 in 2015/16.

The Fiscal Year 2015-16 Budget for the City of Agoura Hills of \$37.8 million includes approximately \$16 million in day-to-day operational/service costs, with an additional \$21.8 million in capital improvement projects. The Capital Improvement Projects include \$19.9 million to be spent on Measure R transportation related projects. In addition, \$1.6 million is proposed to be spent on the Medea Creek Restoration Project.

For the budget year 2015-16 the General Fund projected ending fund balance is \$8.5 million, or 63% of operating expenditures and transfers.

RECOMMENDATION

Staff respectfully recommends the City Council adopt Resolution No. 15-1793; Establishing the Appropriations Limit for Fiscal Year 2015-16, Resolution No. 15-1794; Adopting the Annual Budget for Fiscal Year 2015-16, and Amending the Annual Budget for Fiscal Year 2014-15.

Attachments: Sources and Uses
City Council Resolution Nos. 15-1793 and 15-1794

**City of Agoura Hills
Sources and Uses
2014-15**

Fund	2014/15				Fund Balance 06/30/2015
	Fund Balance 06/30/2014	Revenues	Expenditures	Transfers (Out)/In	
<u>City of Agoura Hills</u>					
010 General Fund	8,654,633	13,597,865	12,056,200	(1,518,406)	8,677,892
20 Gas Tax	305,604	671,678	588,505		388,777
40 Traffic Safety	3,763	70,200	70,000		3,963
60 Proposition A	626,771	556,718	597,663		585,826
61 Proposition C	414,826	305,980	515,711		205,095
63 Measure R	216,592	230,000	420,560		26,032
70 SCAQMD	37,111	27,000	61,200		2,911
110 Traffic Improvement	1,231,027	185,000	15,000		1,401,027
111 Utility Undergrounding	49,560	500	-		50,060
240 Suppl. Law Enfcmnt	5,907	100,700	100,000		6,607
250 CDBG		171,000	119,000		52,000
260 Misc. Grants	9,019	1,017,986	764,714	(32,000)	230,291
520 Waste Management	120,095	73,170	92,510		100,755
420 Inc. Housing In-Lieu	2,757,821	8,000			2,765,821
300 Public Fin Auth Debt Service	5,224	-	174,825	672,000	502,399
305 Improvement Authority Debt Serv	1,111,020		170,825	(689,279)	250,916
620 Successor Housing	206,968	3,400		3,406	213,774
500 Public Fin Auth Cap Projcts	1				1
15 Rec Center Capital Projects	4,449,842	835,000	6,589,121	1,304,279	(0)
16 Stormwater Capital Projects	163,543	-	20,000	260,000	403,543
18 Measure R Capital Projects	2,232,013	8,033,704	8,973,334		1,292,383
Total City of Agoura Hills	22,601,395	25,887,901	31,329,168	-	17,160,128

**City of Agoura Hills
Sources and Uses
2015-16**

Fund	2015/16				Fund Balance 06/30/2016
	Fund Balance 06/30/2015	Revenues	Expenditures	Transfers (Out)/In	
<u>City of Agoura Hills</u>					
010 General Fund	8,677,892	13,991,257	12,969,479	(912,825)	8,786,845
20 Gas Tax	388,777	502,884	818,260		73,401
40 Traffic Safety	3,963	70,200	70,000		4,163
60 Proposition A	585,826	509,630	530,152		565,304
61 Proposition C	205,095	295,500	109,362		391,233
63 Measure R	26,032	230,000	249,000		7,032
70 SCAQMD	2,911	27,000	1,200		28,711
110 Traffic Improvement	1,401,027	602,526	-		2,003,553
111 Utility Undergrounding	50,060	500	-		50,560
240 Suppl. Law Enfcmnt	6,607	100,700	100,000		7,307
250 CDBG	52,000	63,000	115,000		-
260 Misc. Grants	230,291	1,768,225	1,762,719		235,797
520 Waste Management	100,755	72,750	109,500		64,005
420 Inc. Housing In-Lieu	2,765,821	8,000			2,773,821
300 Public Fin Auth Debt Service	502,399		676,000	672,000	498,399
305 Improvement Authority Debt Serv	250,916		240,825	240,825	250,916
620 Successor Housing	213,774				213,774
500 Public Fin Auth Cap Projects	1				1
15 Rec Center Capital Projects	(0)				(0)
16 Stormwater Capital Projects	403,543	-	150,000		253,543
18 Measure R Capital Projects	1,292,383	18,830,720	19,942,116		180,987
Total City of Agoura Hills	17,160,128	37,072,892	37,843,613	-	16,389,407

RESOLUTION NO. 15-1793

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY
OF AGOURA HILLS, CALIFORNIA, ESTABLISHING
FISCAL YEAR 2015-16 APPROPRIATIONS LIMITATIONS**

WHEREAS, Article 13-b of the California Constitution refers to a government entity's requirement for the establishment of an appropriations limit; and

WHEREAS, Senate Bill 1352, Chapter 1205, 1980, statute adds Revenue and Taxation Code, Section 7910, which requires each local government to establish its appropriation limits by resolution each year at a regularly scheduled meeting.

NOW, THEREFORE, BE IT RESOLVED, that the City of Agoura Hills' appropriation limitation for Fiscal Year 2015-16 shall be \$15,492,106.

BE IT FURTHER RESOLVED, that any challenge to the appropriations limits, as per the above mentioned government codes, must be brought to the City of Agoura Hills' attention within sixty (60) days of the effective date of this resolution.

PASSED, APPROVED, AND ADOPTED, this 23th day of June, 2015, by the following vote to wit;

AYES: ()
NOES: ()
ABSENT: ()
ABSTAIN: ()

Illece Buckley Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk

**CITY OF AGOURA HILLS
GANN APPROPRIATION LIMIT
FY 2015-16**

Appropriation Limitation Calculation				Schedule 1	Appropriation Subject to Limit				Schedule 2
% Change in		Population per DOF	Growth Factor	Appropriation Limit by Fiscal Year	Source	Estimated Revenues	Proceeds of Tax	Non Proceeds of Tax	
Personal Income	in								
1981-82 Base Year Approp Subject to Limit:				\$2,200,000	Unrestricted:				
Allowed Growth Rate:									
1992-93	0.9936	1.0133	1.0068149	5,920,556	Taxes	\$12,316,577	\$11,556,577	\$760,000	
1993-94	1.0272	1.0080	1.0354176	6,130,248	License and Permits	418,000		418,000	
1994-95	1.0071	1.0028	1.0099199	6,191,060	Intergovernmental	0		0	
1995-96	1.0472	0.9969	1.0439537	6,463,180	Charges for Services	862,680		862,680	
1996-97	1.0467	1.0034	1.0502588	6,788,011	Fines and Forfeitures	64,000		64,000	
1997-98	1.0467	1.0104	1.0575857	7,178,904	Interest Earnings	45,000	37,350	7,650	
1998-99	1.0415	1.0120	1.0539980	7,566,550	Miscellaneous	285,000		285,000	
1999-00	1.0453	1.0158	1.0618157	8,034,282	Total Unrestricted	13,991,257	11,593,927	2,397,330	
2000-01	1.0491	1.0148	1.0646267	8,553,511	Restricted:				
2001-02	1.0782	1.0137	1.0929713	9,348,742	Bonds			0	
2002-03	0.9873	1.0400	1.0267920	9,599,213	License and Permits	3,250		3,250	
2003-04	1.0231	1.0157	1.0391627	9,975,145	Intergovernmental	22,114,044		22,114,044	
2004-05	1.0328	1.0102	1.0433346	10,407,413	Charges for Services	658,526		658,526	
2005-06	1.0526	1.0540	1.1094404	11,546,405	Fines and Forfeitures	73,000		73,000	
2006-07	1.0396	1.0017	1.0413673	12,024,049	Interest Earnings	16,700		16,700	
2007-08	1.0442	1.0034	1.0477503	12,598,200	Miscellaneous	201,615		201,615	
* 2008-09	1.0429	1.0056	1.0487402	13,212,239	Total Restricted	23,067,135	0	23,067,135	
* 2009-10	1.0062	1.0058	1.0120360	13,371,262	Total Source of Funds	\$37,058,392	\$11,593,927	\$25,464,465	
2010-11	0.9746	1.0059	0.9803501	13,108,518					
* 2011-12	1.0251	1.0025	1.0276628	13,471,136					
* 2012-13	1.0377	1.0021	1.0398792	14,008,354					
2013-14	1.0512	1.0045	1.0559304	14,791,847					
2014-15	0.9977	1.0047	1.0023892	14,827,188					
2015-16	1.0382	1.0064	1.0448445	15,492,106					
2015-16 Appropriation Limit				\$15,492,106					
Less Appropriations subject to limit (Sched 2)				11,593,927					
2015-16 Appropriations Under Allowed Limit				\$3,898,179					

* Revised

RESOLUTION NO. 15-1794

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2015-16 AND AMENDING THE ANNUAL BUDGET FOR FISCAL YEAR 2014-15

WHEREAS, the City Council has reviewed the City Manager's preliminary budget for Fiscal Year 2015-16 and the amended budget for Fiscal Year 2014-15; and

WHEREAS, a budget workshop concerning the Fiscal Year 2015-16 proposed budget was held Wednesday, June 10, 2015.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Agoura Hills, as follows:

1. That the Fiscal Year 2015-16 Budget be approved, pursuant to Chapter 6, Section 2603 (Ordinance No. 22) of the City of Agoura Hills Municipal Code, and that the proposed amendments to the Fiscal Year 2014-15 Budget be approved.
2. Any unused appropriations from the Fiscal Year 2014-15 Adopted Budget at the end of Fiscal Year 2014-15 may be re-appropriated by the City Manager for continued use in Fiscal Year 2015-16.

PASSED, APPROVED, AND ADOPTED, this 23rd day of June, 2015, by the following vote to wit;

AYES: ()
NOES: ()
ABSENT: ()
ABSTAIN: ()

Illece Buckley Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk