

## REPORT TO THE CITY COUNCIL

**DATE: FEBRUARY 8, 2006**

**TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

**FROM: GREG RAMIREZ, CITY MANAGER**

**BY: JAMES THORSEN, ASSISTANT CITY MANAGER**

**SUBJECT: FY2005-06 MID-YEAR BUDGET REVIEW**

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Below are the recommended mid-year budget changes. After reviewing the budget with each department, only five budget adjustments are requested. Three of the changes involve budget adjustments to our two capital improvement projects, Morrison Park and the Old Agoura Equestrian Trails. These projects were to be partially funded with State grant funds. Unfortunately, we were unsuccessful in our attempts to obtain this grant funding. Therefore, in order to keep these projects moving, we will need to utilize general funds in-lieu of grant funds. Specifically, staff is requesting an allocation of \$250,000 to complete the design and construction of the Morrison Park improvements and \$20,000 to design the Old Agoura Equestrian Trails. The other two changes are revenue increases as itemized below.

Also, the revenue and expenditure reports are attached for your review. As you will see the City's accounts are on line with the FY2005-06 budget projections. While some of the individual revenue accounts appear low or high at the mid-year point, several accounts are received either quarterly or once a year.

This report was reviewed by the Finance Committee members.

### Revenue

1. Increase Account #010-0000-3310.03 – VLF GAP Loan (\$18,565). The City received unexpected reimbursed funds when the State made full repayment of the VLF GAP Loan on July 28, 2005. The State's early repayment produced interest income which was in excess of amounts needed to repay the Notes.
2. Increase Account #010-0000-3950.03 – Sale of property (\$72,000). The property on Canwood Street and easterly side of Derry Avenue has been declared surplus and is being processed for sale. The sale of land will generate this revenue.
3. Decrease Account #260-0000-3345.03 – State Park Grant (\$250,000). The City was unsuccessful in obtaining this grant for the Morrison Park improvements.

## Expenditures

1. Reallocate \$250,000 from Account #260-4620-6105.00 (grant fund) to Account #010-4620-6105 (general fund). Using general fund monies for park improvements.
2. Increase Account #010-4620-6102.00 – Driver Equestrian Trail Design (\$20,000). Grant money was not awarded for this project and general fund monies are needed to begin the design process.

No other budget adjustments are needed at this time.

## **RECOMMENDATION**

It is respectfully recommended that the City Council approve the Revenue/Expenditure changes outlined in this report be included in the FY2005-06 budget.

Attachments: Revenue Report  
Expenditure Report