

## REPORT TO CITY COUNCIL

**DATE:** JUNE 22, 2016

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

**FROM:** GREG RAMIREZ, CITY MANAGER *GR*

**BY:** CHRISTY PINUELAS, DIRECTOR OF FINANCE *CP*

**SUBJECT:** DISCUSSION TO CONSIDER THE ADOPTION OF RESOLUTION NO. 16-1816; ESTABLISHING FISCAL YEAR 2016-17 APPROPRIATIONS LIMITATIONS, AND RESOLUTION NO. 16-1817; ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2016-17, INCLUDING FISCAL YEAR 2016-17 APPROPRIATIONS AND APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2017-18 AND AUTHORIZING AMENDMENTS TO THE FISCAL YEAR 2015-16 BUDGET

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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 2016-17 is in the amount of \$15,492,106.

The City is implementing its first two year budget plan. This year staff will recommend the adoption and appropriation of the 2016-17 annual budget. Furthermore staff recommends the approval of the 2017-18 annual budget. The General Fund operational budget is balanced in each fiscal year. In 2016-17 revenues are projected to be \$14.9 million, and in 2017-18 revenues are projected to increase to \$15.5 million. In 2016-17 proposed expenditures are recommended at \$13.9 million, and operating transfers of \$1,051,432 (\$14.9 million total). In 2017-18 expenditures increase to \$14.5 million, and operating transfers decrease to \$992,357 for a total of \$15.5 million.

Safety continues to be a high priority, at 29% 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 2016-17 Budget includes funding for several capital improvement projects, including the Roadside bridge widening, weed abatement along the U.S. 101 corridor, the annual street overlay program, sidewalk repairs, and other traffic improvement projects.

On June 8, 2016, 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.

The Fiscal Year 2016-17 General Fund budget for Non-Departmental Other Charges (010-4190-544000), which includes Community Service Days, and other miscellaneous events, has been increased by \$5,000.

Staff recommends that the Council appropriate the Fiscal Year 2016-17 Budget for the City of Agoura Hills of \$23.2 million which includes approximately \$17 million in day-to-day operational/service costs, with an additional \$6.2 million in capital improvement projects. The Capital Improvement Projects include \$5.2 million to be spent on Measure R transportation related projects. In addition, \$430,000 is proposed to be spent on Stormwater projects.

For the budget year 2016-17 the General Fund projected ending fund balance is \$9.2 million, or 61% of operating expenditures and transfers. For the budget year 2017-18 the General Fund projected ending fund balance is \$9.2 million, or 59% of operating expenditures and transfers.

## **RECOMMENDATION**

Staff respectfully recommends the City Council adopt Resolution No. 16-1816; Establishing Fiscal Year 2016-17 Appropriations Limitations and, Resolution No. 16-1817; Adopting the Annual Budget for Fiscal Year 2016-17, including Fiscal Year 2016-17 appropriations and approving the annual budget for fiscal year 2017-18 and authorizing amendments to the Fiscal Year 2015-16 Budget.

Attachments: Sources and Uses  
City Council Resolution Nos. 16-1816 and 16-1817

**RESOLUTION NO. 16-1816**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY  
OF AGOURA HILLS, CALIFORNIA, ESTABLISHING  
FISCAL YEAR 2016-17 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 2016-17 shall be \$16,435,036.

**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 22nd day of June, 2016, by the following vote to wit;

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

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Harry Schwarz, Mayor

ATTEST:

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Nathan Hamburger, Assistant City Manager

**CITY OF AGOURA HILLS  
GANN APPROPRIATION LIMIT  
FY 2016-17**

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	
Per Capita Income	in								
<b>1981-82 Base Year Approp Subject to Limit:</b>				<b>\$2,200,000</b>	<b>Unrestricted:</b>				
<b>Allowed Growth Rate:</b>									
1992-93	0.9936	1.0133	1.0068149	5,920,556	Taxes	\$12,594,916	\$11,728,916	\$866,000	
1993-94	1.0272	1.0080	1.0354176	6,130,248	License and Permits	468,000		468,000	
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	1,155,430		1,155,430	
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	25,000	21,000	4,000	
1998-99	1.0415	1.0120	1.0539980	7,566,550	Miscellaneous	687,156		687,156	
1999-00	1.0453	1.0158	1.0618157	8,034,282	<b>Total Unrestricted</b>	<b>14,994,502</b>	<b>11,749,916</b>	<b>3,244,586</b>	
2000-01	1.0491	1.0148	1.0646267	8,553,511	<b>Restricted:</b>				
2001-02	1.0782	1.0137	1.0929713	9,348,742	Taxes	36,000	36,000	0	
2002-03	0.9873	1.0400	1.0267920	9,599,213	License and Permits	9,750		9,750	
2003-04	1.0231	1.0157	1.0391627	9,975,145	Intergovernmental	8,990,167		8,990,167	
2004-05	1.0328	1.0102	1.0433346	10,407,413	Charges for Services	1,664,996		1,664,996	
2005-06	1.0526	1.0540	1.1094404	11,546,405	Fines and Forfeitures	70,000		70,000	
2006-07	1.0396	1.0017	1.0413673	12,024,049	Interest Earnings	19,700		19,700	
2007-08	1.0442	1.0034	1.0477503	12,598,200	Miscellaneous	197,704		197,704	
* 2008-09	1.0429	1.0056	1.0487402	13,212,239	<b>Total Restricted</b>	<b>10,988,317</b>	<b>36,000</b>	<b>10,952,317</b>	
* 2009-10	1.0062	1.0058	1.0120360	13,371,262	<b>Total Source of Funds</b>	<b>\$25,982,819</b>	<b>\$11,785,916</b>	<b>\$14,196,903</b>	
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					
2016-17	1.0537	1.0068	1.0608652	16,435,036					
<b>2016-17 Appropriation Limit</b>				<b>\$16,435,036</b>					
<b>Less Appropriations subject to limit (Sched 2)</b>				<b>11,785,916</b>					
<b>2016-17 Appropriations Under Allowed Limit</b>				<b>\$4,649,120</b>					

\* Revised

**RESOLUTION NO. 16-1817**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2016-17, INCLUDING FISCAL YEAR 2016-17 APPROPRIATIONS AND APPROVING THE ANNUAL BUDGET FOR FISCAL YEAR 2017-18 AND AUTHORIZING AMENDMENTS TO THE FISCAL YEAR 2015-16 ANNUAL BUDGET**

**WHEREAS**, the City Council has reviewed the City Manager's preliminary budget for Fiscal Years 2016-17 and 2017-18 and the amended budget for Fiscal Year 2015-16; and

**WHEREAS**, a budget workshop concerning the Fiscal Years 2016-17 and 2017-18 proposed budget was held Wednesday, June 8, 2016.

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

1. That the Fiscal Year 2016-17 Budget be adopted, pursuant to Chapter 6, Section 2603 (Ordinance No. 22) of the City of Agoura Hills Municipal Code.
2. That the amounts shown on Exhibit A for the Fiscal Year 2016-17 Budget are hereby appropriated.
3. That the Fiscal Year 2017-18 Budget be approved, subject to modification prior to the commencement of Fiscal Year 2017-18.
4. That the proposed amendments to the Fiscal Year 2015-16 Budget be approved.
5. Any unused appropriations from the Fiscal Year 2015-16 Adopted Budget at the end of Fiscal Year 2015-16 may be re-appropriated by the City Manager for continued use in Fiscal Year 2016-17.

**PASSED, APPROVED, AND ADOPTED**, this 22nd day of June, 2016, by the following vote to wit;

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

Harry Schwarz, Mayor

ATTEST:

Nathan Hamburger, Assistant City Manager

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

----- Estimate 2015/16 -----

Fund	Fund Balance 6/30/2015	Revenues	Expenditures	Transfers (Out)/In	Fund Balance 6/30/2016
<b>City of Agoura Hills</b>					
<b>Major Funds</b>					
10 General Fund*	9,128,350	14,627,603	13,560,199	(1,036,015)	9,159,739
18 Measure R Capital Projects	(2,742,039)	13,184,729	13,384,728		(2,942,038)
260 Misc. Grants	13,901	1,750,455	1,869,874		(105,518)
620 Successor Housing	210,374			94,004	304,378
Subtotal Major Funds	<u>6,610,586</u>	<u>29,562,787</u>	<u>28,814,801</u>	<u>(942,011)</u>	<u>6,416,561</u>
<b>Non-Major Funds</b>					
20 Gas Tax	298,922	469,290	738,260		29,952
40 Traffic Safety	2,573	70,200	70,000		2,773
60 Proposition A	555,617	509,630	460,152		605,095
61 Proposition C	205,576	295,500	109,362		391,714
63 Measure R	21,774	230,000	249,000		2,774
70 SCAQMD	1,502	27,000	1,200		27,302
110 Traffic Improvement	1,425,823	354,000	725,000	(290,814)	764,009
111 Utility Undergrounding	49,697	500	-		50,197
240 Suppl. Law Encfmt	12,184	100,700	100,000		12,884
250 CDBG	11	62,000	62,000		11
520 Waste Management	106,832	108,750	98,500		117,082
420 Inc. Housing In-Lieu	2,765,448	8,000			2,773,448
300 Public Fin Auth Debt Service	5,199		676,000	672,000	1,199
305 Improvement Authority Debt Ser	248,247		240,825	240,825	248,247
12 Facilities Fund	-			50,000	50,000
15 Rec Center Capital Projects	(412,672)	75,000			(337,672)
16 Stormwater Capital Projects	406,163		150,000	270,000	526,163
17 Reyes Adobe Interchange Proje	57				57
Subtotal Non-Major Funds	<u>5,692,952</u>	<u>2,310,570</u>	<u>3,680,299</u>	<u>942,011</u>	<u>5,265,234</u>
<b>Total City of Agoura Hills</b>	<b><u>12,303,537</u></b>	<b><u>31,873,357</u></b>	<b><u>32,495,100</u></b>	<b><u>-</u></b>	<b><u>11,681,794</u></b>

\* The General Fund has been restated to eliminate the Successor Agency Loan (\$17,206,059) and the land held for resale (\$115,000) shown in the CAFR.

**City of Agoura Hills  
Sources and Uses  
Estimate 2016-17**

Fund	----- Estimate 2016/17 -----				Fund Balance 6/30/2017
	Fund Balance 6/30/2016	Revenues	Expenditures	Transfers (Out)/In	
<u>City of Agoura Hills</u>					
010 General Fund	9,159,739	14,994,502	13,921,254	(1,051,432)	9,181,555
20 Gas Tax	29,952	434,795	463,300		1,447
40 Traffic Safety	2,773	70,200	70,000		2,973
60 Proposition A	605,095	537,400	559,509		582,986
61 Proposition C	391,714	321,643	593,020		120,337
63 Measure R	2,774	240,840	210,000		33,614
70 SCAQMD	27,302	27,000	1,200		53,102
110 Traffic Improvement	764,009	1,608,996			2,373,005
111 Utility Undergrounding	50,197	500			50,697
240 Suppl. Law Enfcmt	12,884	100,700	100,000		13,584
250 CDBG	11	199,458	199,392		77
260 Misc. Grants	(105,518)	403,672	323,561		(25,407)
520 Waste Management	117,082	115,250	98,500		133,832
420 Inc. Housing In-Lieu	2,773,448	8,000			2,781,448
300 Public Fin Auth Debt Service	1,199		668,515	675,000	7,684
305 Improvement Authority Debt Sei	248,247		245,024	247,100	250,323
620 Successor Housing	304,378		24,079	79,332	359,631
12 Facilities Fund	50,000			50,000	100,000
15 Rec Center Capital Projects	(337,672)	500,000	105,125		57,203
16 Stormwater Capital Projects	526,163		430,000		96,163
17 Reyes Adobe Interchange Proje	57				57
18 Measure R Capital Projects	(2,942,038)	6,419,863	5,167,092		(1,689,267)
<b>Total City of Agoura Hills</b>	<b>11,681,795</b>	<b>25,982,819</b>	<b>23,179,571</b>	<b>-</b>	<b>14,485,043</b>



**City of Agoura Hills  
Sources and Uses  
Estimate 2017-18**

Fund	----- Estimate 2017/18-----				Fund Balance 6/30/2018
	Fund Balance 6/30/2017	Revenues	Expenditures	Transfers (Out)/In	
<u>City of Agoura Hills</u>					
010 General Fund	9,181,555	15,510,640	14,512,756	(992,357)	9,187,082
20 Gas Tax	1,447	432,909	433,800		556
40 Traffic Safety	2,973	70,200	70,000		3,173
60 Proposition A	582,986	530,734	439,749		673,971
61 Proposition C	120,337	331,300	445,621		6,016
63 Measure R	33,614	236,693	210,000		60,307
70 SCAQMD	53,102	27,000	1,200		78,902
110 Traffic Improvement	2,373,005	1,743,952			4,116,957
111 Utility Undergrounding	50,697	500			51,197
240 Suppl. Law Enfcmt	13,584	100,700	100,000		14,284
250 CDBG	77	64,392	64,358		111
260 Misc. Grants	(25,407)	340,672	320,561		(5,296)
520 Waste Management	133,832	118,500	98,500		153,832
420 Inc. Housing In-Lieu	2,781,448	8,000			2,789,448
300 Public Fin Auth Debt Service	7,684		670,031	670,000	7,653
305 Improvement Authority Debt Ser	250,323		234,512	243,025	258,836
620 Successor Housing	359,631		25,079	79,332	413,884
12 Facilities Fund	100,000				100,000
15 Rec Center Capital Projects	57,203				57,203
16 Stormwater Capital Projects	96,163		75,000		21,163
18 Measure R Capital Projects	(1,689,267)	1,689,267			-
<b>Total City of Agoura Hills</b>	<b>14,485,043</b>	<b>21,205,459</b>	<b>17,701,167</b>	<b>-</b>	<b>17,989,335</b>