



**REPORT TO CITY COUNCIL**

**DATE:** OCTOBER 26, 2016  
**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**FROM:** GREG RAMIREZ, CITY MANAGER   
**BY:** CHRISTY PINUELAS, DIRECTOR OF FINANCE   
**SUBJECT:** ADOPT AMENDMENTS TO FISCAL YEAR 2015/16 CITY OF AGOURA HILLS BUDGET

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The request before the City Council is to consider the amendments to the Fiscal Year 2015/16 City of Agoura Hills (City) budget, as shown on Exhibit 'A'. The recommended amendments have been reviewed by the Finance subcommittee and are recommended for consideration.

**General Fund**

Unaudited General Fund revenues, including the loan repayment from the Successor Agency to the Agoura Hills Redevelopment Agency, are 102% of the amended budget:

<b>General Fund Revenues</b>	<b>Unaudited Actual</b>	<b>Amended Budget</b>
<b>Total</b>	<b>\$14,904,915</b>	<b>\$14,627,306</b>

The majority of increased revenues came from two sources: Transient Occupancy Tax (\$204,300); and Building Permits (\$70,000). Hotel occupancy was very high due to the Porter Ranch gas leak, as well as high demand in the area. Building permits were budgeted very conservatively, because it is difficult to estimate when development will occur.

Fiscal Year 2015/16 amended General Fund budget for expenditures and transfers is shown as follows:

<b>General Fund Expenditures</b>	<b>Unaudited Actual</b>	<b>Amended Budget</b>
Operational Expenses	\$13,342,881	\$13,556,199
Transfers	1,328,830	1,326,829
<b>Total</b>	<b>\$14,671,711</b>	<b>\$14,883,028</b>

With the increased revenues and decreased expenditure/transfers, General Fund was \$542,928 under budget. The recommended amounts are shown on Exhibit "A". With the budget savings,

reserve levels are projected to be at 66% of operating expenses and transfers for Fiscal Year 2015/16. The recommended budget is balanced and in compliance with the Balanced Budget Policy. This means operating revenues cover operating expenditures, including debt service, and the ending fund balance meets the minimum policy level as defined by City Council resolution.

The City utilizes a departmental budget process, breaking out various functions of operations to allow for a transparent budget for the community to see and understand. Operational expenses were under budget in Fiscal Year 2015/16 by \$211,317 but various departments within the General Fund exceeded budgeted appropriations, as explained in Exhibit "A". These costs were offset by a like amount of savings in other departments. The total increases to the seven departments are \$255,700 and are summarized below:

### **City Attorney**

The costs for the city attorney contract exceeded budget by \$69,088 (27%).

### **Non-Departmental**

Due to unanticipated expenses for Community Service Days, costs for this department exceeded the budget by \$7,632 or 1%.

### **Public Works Administration**

Costs for Public Works Administration exceeded their budget by \$91,073 or 13% primarily due to plan check and inspection costs (\$20,000) related to the inspection of projects for Southern California Edison, and to salaries (\$40,000) which were budgeted to be allocated to Measure R Projects. Additionally, contract services exceeded budget by \$32,000, primarily due to costs for ADA compliance within the Civic Center parking lot.

### **Recreation Center Capital Projects Costs**

The grant related expenditures for planned trail improvements at the recreation center, were not included in the 2016/17 budget. Therefore, the request is being made to add \$15,000 to the budget. This is offset by grant revenue reimbursements.

### **Proposition C**

The budget for signal maintenance and administration related to the grant was exceeded by \$27,822 (25%). Repairs and maintenance of signals varies based on need. Administration of the program is allowed up to 20% of the total costs, and is recommended to be increased to fully capture the costs.

**Agoura Hills Improvement Bond**

The costs of a new consultant for continuing disclosure caused the 2013 bond fund to exceed the budget by \$6,045 (3%).

**Housing Successor Agency**

Reporting costs for state mandated reporting on the Housing Successor Agency in the amount of \$1,300, and the write-off of a bad loan in the amount of \$6,705, caused an overage in this fund.

**RECOMMENDATION**

Staff respectfully recommends the City Council adopt the proposed amendments to the Fiscal Year 2015/16 Budget for the amounts shown in Exhibit "A".

Attachments: Exhibit 'A'

**City of Agoura Hills  
Fiscal Year 2015/16 Budget Amendments  
Exhibit 'A'**

Project/Fund	Account	Account Number	Amendment	Reason
<b>REVENUE</b>				
<b>Taxes</b>				
General Fund	Transient Occupancy	010-0000-313000	204,300	Revenue greater than anticipated
General Fund	Building Permits	010-0000-323000	70,000	Revenue greater than anticipated
<b>Total General Fund Recommended Revenue Increase</b>			<b>274,300</b>	
<b>EXPENSES</b>				
<b>City Attorney</b>				
General Fund	Contract Services	010-4140-552000	70,000	Additional services needed
<b>Non-Departmental</b>				
General Fund	Other Charges	010-4190-544000	8,000	Additional costs for Community Service Days
<b>School Crossing Guards</b>				
General Fund	Contract Services	010-4220-551000	16,700	Less Vehicle Fines received in special fund
<b>Animal Control</b>				
General Fund	Professional Services	010-4240-552000	8,000	Unanticipated increase in costs
<b>Public Works</b>				
General Fund	Regular Salaries	010-4505-510100	40,000	Less time spent on projects
General Fund	Contract Services	010-4505-552000	32,000	ADA improvements at Civic Center
General Fund	Plan Check and Inspection	010-4505-552002	20,000	SCE plan checks
General Fund	Annual Overlay	010-4640-630500	59,000	Less grant funds for Recycled Asphalt received than budgeted
<b>Transfer Out</b>				
General Fund	Transfer Out to Debt Service	010-4900-700000	2,000	Additional costs for trustee
<b>Total General Fund Recommended Expense Increases</b>			<b>255,700</b>	
<b>Total General Fund Recommended Increase</b>			<b>\$ 530,000</b>	
<b>Automated Office Systems</b>				
General Fund	Professional Services	010-4195-551000	(8,000)	Lower costs than anticipated
General Fund	Equipment	010-4195-568300	(9,000)	Computer project savings
<b>Finance</b>				
General Fund	Regular Salaries	010-4150-510100	(60,000)	Salaries allocated to special funds
<b>Community Development</b>				
General Fund	Contract Services	010-4305-552000	(68,000)	Savings on studies
General Fund	Professional Services	010-4305-551000	(16,000)	Savings on code enforcement violations
<b>Building and Safety</b>				
General Fund	Contract Services	010-4390-552000	(20,000)	Less costs for b/s contractors
<b>Traffic Safety</b>				
General Fund	Traffic counts/studies	010-4510-551001	(10,000)	Timing of traffic studies
<b>Landscape Maintenance</b>				
General Fund	Water	010-4520-542801	(10,000)	Water estimate was budgeted high

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Project/Fund	Account	Account Number	Amendment	Reason
<b>Storm drain &amp; Flood Control</b>				
General Fund	Storm drain Maintenance	010-4525-552041	(25,000)	Maintenance costs less than budgeted
<b>Street Improvements</b>				
General Fund	Ladyface Court Improvements	010-4610-631800	(18,600)	Savings in Project Costs
<b>Park Improvements</b>				
General Fund	Park Improvements	010-4620-610300	(14,000)	Park improvement less costly than anticipated
<b>Total General Fund Recommended Expense Decreases</b>			<u><u>(258,600)</u></u>	
<b>Net Savings General Fund</b>			<u><u>\$ (277,200)</u></u>	

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<b>Project/Fund</b>	<b>Account</b>	<b>Account Number</b>	<b>Amendment</b>	<b>Reason</b>
<b>Recreation Center</b>				
Recreation Center Cap Proj	Contract Services	015-4610-552000	15,000	Costs for trailhead improvements
<b>Proposition C</b>				
Proposition C	Signal Maintenance	061-4510-552013	20,000	Greater needs than anticipated
Proposition C	Finance Salaries	061-4150-510100	7,500	Administrative costs for Proposition C
<b>Medea Creek Repair</b>				
Miscellaneous Grants	Medea Creek Repair	260-4610-631300	45,000	Costs greater than originally budgeted
<b>Agoura Hills Imp. Bond</b>				
Agoura Hills Imp. Bond	Administrative Services	305-4180-580000	6,100	Trustee costs for bonds
<b>Housing Successor Agency</b>				
Finance	Contract Services	620-4150-552000	8,005	Consultant costs for State Mandated reporting