

## REPORT TO CITY COUNCIL

**DATE:** FEBRUARY 22, 2017  
**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**FROM:** GREG RAMIREZ, CITY MANAGER *GR*  
**BY:** CHRISTY PINUELAS, FINANCE DIRECTOR *CP*  
**SUBJECT:** FISCAL YEAR 2016/17 MID-YEAR BUDGET REVIEW

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The request before the City Council is to adopt the amendments to the Fiscal Year 2016/17 City of Agoura Hills (City) budget, as shown in Exhibit A. The report has been reviewed by the Finance Committee and is recommended to be adopted.

The mid-year adjustments recommended to the City of Agoura Hills budget reflect changes to several funds. Within the General Fund, staff is recommending a \$944,014 increase to Revenues, offset by a \$335,500 increase in Expenditures.

Original Budget Revenues	\$14,994,502
Original Budget Expenditures/Transfers	-14,972,686
Recommended Adj. Revenue	944,014
Recommended Adj. Expenditures	-335,500
<b>Recommended Net Income</b>	<b>\$630,330</b>

The City of Agoura Hills has been fiscally conservative and used prudent budgeting practices, which has allowed the City to have adequate reserves to absorb unanticipated costs. The City Council has a policy of maintaining a fund balance in the General Fund at 40% of operating expenses and transfers. At the end of 2015/16, the City's operating reserve level was 67% of General Fund expenses and operating transfers. With the projected changes, the reserve level is anticipated to increase to 68%. The City is planning several large capital projects that will be funded with grants and sales tax reimbursements (Measure R and M). The fund balance is needed for cash flow while the City is waiting for reimbursement. Staff will continue to monitor economic activities on the federal and state level to insure that the City's General Fund is adequate, no vital services are cut, and that the City remains fiscally stable.

As is customary at this time during each fiscal year, staff has completed a detailed review of the current fiscal year budget and is bringing this report forward to the City Council for review. Each of the items listed below is detailed in the attached "Recommended Mid-Year Adjustments" spreadsheet.

**Sale of Land:** The City sold a parcel of land to the Santa Monica Mountains Conservancy. This transaction reimbursed the City for the purchase of the land and provided the City with cash in the General Fund.

**State Impacts:** Due to declining fuel prices, the Gas Tax monies received by the City are anticipated to decline by \$20,000. This results in a decrease in the Gas Tax Fund and the necessity to pay for most of our landscaping charges along the streets and parks to be paid by the General Fund.

**Expenditures:** Staff is requesting an increase of \$20,000 for the scanning of permanent records. The City Attorney's budget is anticipated to need an additional \$115,000 for cost of services. Additionally, the Recreation Center is requesting an additional \$30,000 to cover the cost of automated blinds to be installed at the Event Center.

Within the Public Works department, Professional Services is recommended to be increased \$60,500 to cover the cost of additional traffic impact analyses, parking studies, and environmental documents/technical studies due to the steady increase in development applications. This request is offset by \$20,000 in revenue. Plan check and inspections are requested to increase \$50,000, to cover SCE plan checks during the big pole replacement project within the City and development related applications. Finally, staff is requesting an increase of \$60,000 for Landscape Maintenance. This is due to the decrease in Gas Tax monies (\$20,000) and the increased cost of Street Sweeping (\$40,000). The Street Sweeping is charged to the Gas Tax Fund, but there is limited funding available within that fund.

## **RECOMMENDATION**

Staff respectfully recommends the City Council adopt the proposed amendments to the Fiscal Year 2016/17 Budget for the amounts shown in Exhibit A.

Attachments: Exhibit A

**City of Agoura Hills**  
**Recommended mid-year adjustments**  
**Mid-Year 2016/17**

		<b>Current Budget</b>	<b>Proposed Budget</b>	<b>Proposed Adjustment Inc/(Dec)</b>	<b>Subtotal Adjustment Inc/(Dec)</b>
<b>Adjustments General Fund</b>					
<b>Revenue - General Fund</b>					
010-0000-391100	Proceeds on Sale of Land	-	924,014	924,014	
010-0000-343000	Traffic Plan Review	20,000	40,000	20,000	
					<u>944,014</u>
<b>Expenditures - General Fund</b>					
010-4125-544000	City Clerk - Other Charges	14,000	34,000	20,000	
010-4140-551000	City Attorney- Professional Serv	110,000	225,000	115,000	
010-4426-568200	Rec Center - Other Improvement	75,000	105,000	30,000	
010-4505-552000	Public Works - Contract Services	142,500	203,000	60,500	
010-4505-552002	Public Works - Plan Check	50,000	100,000	50,000	
010-4520-552000	Lands. Maint. - Contract Chrgs	162,000	222,000	60,000	
					<u>335,500</u>
<b>Net Adjustment</b>					<b>608,514</b>
<b>Revenue - Gas Tax Fund</b>					
020-0000-332600	State Gas Tax Section 2106	68,110	78,603	10,493	
020-0000-332700	State Gas Tax Section 2107	182,000	157,853	(24,147)	
020-0000-332800	State Gas Tax Section 7360	48,981	50,169	1,188	
020-0000-332500	State Gas Tax Section 2015	129,704	122,204	(7,500)	
					<u>(19,966)</u>
<b>Expense - Gas Tax Fund</b>					
020-4515-552121	Street Sweeping	100,000	140,000	40,000	
020-4520-552000	Lands. Maint. - Contract Chrgs	70,000	10,000	(60,000)	
					<u>(20,000)</u>
<b>Net Adjustment</b>					<b>34</b>