

## REPORT TO CITY COUNCIL

**DATE:** NOVEMBER 8, 2017  
**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL  
**FROM:** GREG RAMIREZ, CITY MANAGER *GR*  
**BY:** CHRISTY PINUELAS, DIRECTOR OF FINANCE *CP*  
**SUBJECT:** ADOPT AMENDMENTS TO FISCAL YEAR 2016/17 CITY OF AGOURA HILLS BUDGET

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The request before the City Council is to consider the amendments to the Fiscal Year 2016/17 City of Agoura Hills (City) budget, as shown on Exhibit 'A'. The recommended amendments have been reviewed by the Finance Committee and are recommended for consideration.

### General Fund

Unaudited General Fund revenues, including the loan repayment from the Successor Agency, are 99% of the amended budget:

<b>General Fund Revenues</b>	<b>Unaudited Actual</b>	<b>Amended Budget</b>
<b>Total</b>	<b>\$16,030,120</b>	<b>\$16,110,716</b>

While Sales Tax came in slightly under budget (3% or \$160,000), they were offset by increases in Building Permits (\$40,000) and Planning Fees (\$60,000).

Fiscal Year 2016/17 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	\$13,932,654	\$14,213,817
Transfers	1,896,432	1,896,432
<b>Total</b>	<b>\$15,829,086</b>	<b>\$16,110,249</b>

The net General Fund surplus was \$201,033 or 1% of the budget. Because the City budgets by department, adjustments are recommended within the General Fund. The recommended adjustments are shown on Exhibit 'A'. With the budget savings, reserve levels are projected to be at 58% of operating expenses and transfers for Fiscal Year 2016/17. 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 2016/17 by \$201,033 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 \$298,500 and are summarized below:

### **City Attorney**

The costs for the City Attorney contract exceeded budget by \$60,000 (15%). This was due to unanticipated litigation.

### **School Crossing Guards**

These services are budgeted to be paid with vehicle fine revenues in a special fund. Due to declining revenues, the special fund could not cover all of the costs. Therefore, \$30,000 of the costs were reclassified to the General Fund.

### **Animal Control**

Due to a greater number of patrol services needed for off-leash and barking dogs, costs for this department exceeded the budget by \$14,500 or 25%.

### **Public Works Administration**

Costs for Public Works Administration exceeded their budget by \$154,000 or 19%. This relates, primarily, to additional needs in contract services (\$63,000). The additional contract services costs can be explained as follows: Traffic engineering (\$27,000) for assistance with the pavement striping plan and several community events; an aerial photo (\$10,000), which was not included in the budget; and additional assistance from Burns Construction, related to various repairs needed throughout the City.

Additionally, Plan Check and Inspection costs related to the inspection of projects for Southern California Edison and development exceeded the budget by \$17,000, this was offset by additional revenue in Plan Check Fees. Also, salaries (\$21,000) were budgeted to be allocated to Measure R Projects but were charged to the General Fund, leading to increased costs. Finally, Special Projects exceeded the budget by \$45,000 (90%) due to storm cleanup, following the flooding throughout the City.

### **Park Improvements and Street Improvements**

An amendment is requested for \$9,000 in concrete repairs at Reyes Adobe Park. This project was originally scheduled to be completed in 2015/16, but delays in the project led to the work being performed in 2016/17.

The City had an ADA study performed by CJPIA, which recommended sidewalk repairs. In order to be cost efficient, the City requested some of this work be performed during the annual sidewalk repair project. Therefore, an additional \$15,000 is requested

### **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 \$6,350 to the budget. This is offset by grant revenue reimbursements.

### **Traffic Improvement**

The City received a bill for work on the Kanan/101 Interchange from SCE. While the amount is still being reviewed, an amendment of \$299,200 is requested to accrue the liability to the Traffic Improvement Fund.

### **Aqoura Hills Improvement Bond**

The costs of refinancing the debt on the Civic Center were not known when the budget was adopted. The City refinanced \$11,300,000 in bonds. While the City had a net savings, an amendment is requested.

## **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  
Fiscal Year 2016/17 Budget Amendments  
Exhibit 'A'**

<b>Project/Fund</b>	<b>Account</b>	<b>Account Number</b>	<b>Amendment</b>	<b>Reason</b>
<b>Sales Tax</b>				
General Fund	Sales Tax		(160,000)	Lower sales than anticipated
General Fund	Building Plan Check		40,000	Conservative budgeting for development
General Fund	Planning Fees		60,000	Conservative budgeting for development
			<u>(60,000)</u>	
<b>EXPENSES</b>				
<b>City Attorney</b>				
General Fund	Contract Services	010-4140-552000	60,000	Additional services needed
<b>School Crossing Guards</b>				
General Fund	Contract Services	010-4220-551000	31,000	Less Vehicle Fines received in special fund
<b>Animal Control</b>				
General Fund	Professional Services	010-4240-552000	14,500	Unanticipated increase in costs
<b>Recreation</b>				
General Fund	Personnel	010-4420-5102CO	15,000	Additional costs for programs
<b>Public Works</b>				
General Fund	Regular Salaries	010-4505-510100	21,000	Less time allocated to projects than anticipated
General Fund	Professional Services	010-4505-551000	7,500	Additional costs for traffic and const. related services
General Fund	Contract Services	010-4505-552000	63,000	SCE plan checks and reviews
General Fund	Plan Check and Inspection	010-4505-552002	17,500	Storm related work
General Fund	Special Projects	010-4505-552003	45,000	
<b>Park Improvements</b>				
General Fund	Park Improvements	010-4620-610300	9,000	Additional ADA compliance and repairs
<b>Street Improvements</b>				
General Fund	Annual Sidewalk Repairs	010-4640-630100	15,000	Additional ADA compliance and repairs
			<u>298,500</u>	
<b>Total General Fund Recommended Expense Increases</b>				
			<u>\$ 358,500</u>	
<b>City Council</b>				
General Fund	Personnel	010-4110-510800	(4,500)	Savings on services
General Fund	Travel, conferences, meetings	010-4110-541500	(4,800)	Less travel than anticipated
<b>City Clerk</b>				
General Fund	Books and Subscriptions	010-4125-542200	(3,700)	Less than anticipated
General Fund	Other Charges	010-4125-544000	(21,000)	Savings on scanning
<b>Finance</b>				
General Fund	Regular Salaries	010-4150-510100	(40,000)	Salaries allocated to special funds
<b>Public Facilities</b>				
General Fund	Equipment	010-4180-568300	(32,000)	Lower costs on project than anticipated
General Fund	Utilities	010-4180-542800	(19,000)	Lower costs than anticipated
General Fund	Maintenance Buildings/Grounds	010-4180-543000	(15,000)	Cost savings on maintenance projects
General Fund	Maintenance of Equipment	010-4180-543400	(3,800)	Maintenance less than anticipated
<b>Non-Departmental</b>				
General Fund	Other Charges	010-4190-544000	(15,000)	Savings on planned events

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<b>Los Angeles County Sheriff</b>				
General Fund	Special Events	010-4210-552052	(6,500)	Less costs than budgeted
General Fund	Other Services	010-4210-552058	(15,000)	Savings for special services
General Fund	Equipment	010-4210-568300	(3,000)	No equipment requested
<b>Automated Office Systems</b>				
General Fund	Professional Services	010-4195-551000	(18,000)	Project savings
<b>Emergency Services</b>				
General Fund	Communications	010-4215-542700	(4,000)	Billing less than anticipated
General Fund	Training	010-4215-541700	(2,000)	Less attendees than anticipated
<b>Community Development</b>				
General Fund	Personnel	010-4305-510100	(28,000)	Allocated time to special projects
General Fund	Travel, conferences, meetings	010-4305-541500	(4,500)	Less attendees than anticipated
General Fund	Contract Services	010-4305-552000	(30,000)	Projects less than anticipated
General Fund	Professional Services	010-4305-551000	(10,000)	Projects less than anticipated
<b>Building and Safety</b>				
General Fund	Contract Services	010-4390-552000	(10,000)	More reviews performed in house
<b>Reyes Adobe</b>				
General Fund	Maintenance Buildings/Grounds	010-4425-543000	(5,000)	Less maintenance than anticipated
<b>Recreation Center</b>				
General Fund	Utilities	010-4426-542800	(2,000)	Savings on SCE and SoCalGas
General Fund	Other Improvements	010-4426-568200	(45,000)	Timing of shade installation
General Fund	Equipment	010-4426-568300	(2,500)	Less equipment than budgeted
<b>Parks Maintenance</b>				
General Fund	Special Supplies - Comm Srvc	010-4450-5424HO	(44,000)	Timing of Picnic bench installation
General Fund	Water	010-4450-542801	(38,000)	Savings due to rain and rate adjustment
General Fund	Other Improvements	010-4450-568200	(13,000)	Project savings
<b>Landscape Maintenance</b>				
General Fund	Water	010-4520-542801	(7,000)	Savings due to rain and rate adjustment
General Fund	Contract Services	010-4520-552000	(75,000)	Timing of landscape projects
<b>Total General Fund Recommended Expense Decreases</b>			<b><u>(521,300)</u></b>	
<b>Various Departments</b>			<b>(38,233)</b>	
<b>Net Savings General Fund</b>			<b><u>\$ (201,033)</u></b>	

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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	6,350	Costs for trailhead improvements
<b>Measure R Capital Projects</b>				
Measure R Capital Projects	Chesebro Bridge	018-4640-630700	207,000	Additional monies approved
Measure R Capital Projects	Agoura Road Widening	018-4640-631200	730,000	Additional monies approved
<b>Measure R Local Return</b>				
Measure R Local Return	Annual Overlay	063-4640-630500	2,400	Costs greater than originally budgeted
<b>AQMD</b>				
AQMD	Maintenance of Equipment	070-4190-543400	4,500	Truck battery replaced
<b>Traffic Improvement</b>				
Traffic Improvement Fund	Kanan/101 Interchange	110-4640-630800	299,200	Billing from SCE for prior work
<b>Agoura Hills Imp. Bond</b>				
Agoura Hills Imp. Bond	Debt Service	305-4180-570401	11,300,000	Refinancing of Bonds on Civic Center