



REPORT TO CITY COUNCIL

DATE: NOVEMBER 14, 2018
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 2017/18 CITY OF AGOURA HILLS BUDGET

The request before the City Council is to consider the amendments to the Fiscal Year 2017/18 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 101% of the amended budget:

General Fund Revenues	Unaudited Actual	Amended Budget
Total	\$16,072,590	\$15,880,747

While Franchise Fees came in slightly under budget (8% or \$66,000), they were offset by increases in Building Permits and Technician Fees (\$107,800), Property Taxes (\$63,200), Interest Earnings (\$45,000) and Planning Fees (\$31,350).

Fiscal Year 2017/18 amended General Fund budget for expenditures and transfers is shown as follows:

General Fund Expenditures	Unaudited Actual	Amended Budget
Operational Expenses	\$14,415,322	\$14,762,148
Transfers	1,096,808	1,096,825
Total	\$15,512,130	\$15,858,973

Operational Expenses were under budget by 3% or \$376,826. The Planning Department had \$60,000 in savings for contract services related to annexation and contract planning costs. There was \$25,000 in salary savings for costs allocated to grant related projects, and an

additional \$21,000 in savings for part-time salaries not used at the Event Center. Furthermore, the City's water costs at the parks were \$31,000 less than anticipated due to rain and a rate adjustment. There was a savings at the Event Center of \$35,000 which was budgeted for anticipated improvements, and an additional \$35,000 was saved for material and supplies that were budgeted for various camps and classes. The remaining details are shown in Exhibit "A".

The net General Fund surplus was \$560,460 or 4% 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 68% of operating expenses and transfers for Fiscal Year 2017/18. However, it is important to note that the reserves are broken into two components. The cash portion is \$8.2 million or 52% of operating expenses, and the remainder consists of a long-term receivable between the City and METRO for the Agoura Road Widening Project. The City will continue to need the reserves to serve as a temporary funding source for new projects and anticipates that the receivables could be approximately \$6 million during the year. 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 2017/18 by \$346,843 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 four departments are \$147,000 and are summarized below:

City Attorney

The costs for the City Attorney contract exceeded budget by \$24,000 (9%). This was due to unanticipated litigation.

Non-Departmental

Unforeseen litigation costs related to personnel issues resulted in a \$21,000 (2%) additional cost in this budget.

School Crossing Guards

These services are budgeted to be paid with vehicle fine revenues in a special fund. The City anticipated a shortfall, and budgeted some costs in the General Fund. However, due to declining revenues, the special fund still could not cover all of the costs. Therefore, an additional \$18,000 of the costs were reclassified to the General Fund.

Public Works Administration

Costs for Public Works Administration exceeded their budget by \$84,000 or 12%. This relates, primarily, to additional needs in contract services (\$54,000). 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.

Also, salaries (\$30,000) were budgeted to be allocated to special projects but were charged to the General Fund, leading to increased costs.

Park Improvements and Street Improvements

Various capital projects exceeded the estimated budget due to timing of the project completion. The costs were greater than anticipated in 2017/18, but will be less in 2018/19. Additionally, changes in the scope of certain projects resulted in higher than anticipated costs. The capital projects are primarily paid for with special funds, which are reimbursed to the City.

Agoura Hills Improvement Bond

The City spent \$5,200 in bond interest expense that was not included in the budget for the bond payment. Therefore, an increase is recommended to the budget.

RECOMMENDATION

Staff respectfully recommends the City Council adopt the proposed amendments to the Fiscal Year 2017/18 Budget for the amounts shown in Exhibit 'A'.

Attachments: Exhibit 'A'

City of Agoura Hills
Fiscal Year 2017/18 Budget Amendments
Exhibit 'A'

Project/Fund	Account	Account Number	Amendment	Reason
REVENUES				
General Fund	Building Permits	010-0000-323000	87,800	Conservative budgeting for development
General Fund	Planning Fees/General Plan Rec.	010-0000-341200	31,350	Conservative budgeting for development
General Fund	Bulding Technician Fee	010-0000-342300	20,000	Conservative budgeting for development
General Fund	Interest Earnings	010-0000-371000	<u>45,000</u>	Conservative budgeting for interest
			<u>184,150</u>	
EXPENSES				
City Attorney				
General Fund	Contract Services	010-4140-552000	24,000	Additional services needed
Non-Departmental				
General Fund	Contract Services	010-4190-551000	21,000	Unanticipated legal services
School Crossing Guards				
General Fund	Contract Services	010-4220-551000	18,000	Less Vehicle Fines received in special
Public Works				
General Fund	Regular Salaries	010-4505-510100	30,000	Less time allocated to projects than
General Fund	Contract Services	010-4505-552000	54,000	Unanticipated costs
			<u>147,000</u>	
Total General Fund Recommended Expense Increases			<u>147,000</u>	
Total General Fund Recommended Increase			<u>\$ (37,150)</u>	
City Manager				
General Fund	Personnel	010-4120-510800	(38,000)	Salaries allocated to special funds
City Clerk				
General Fund	Personnel	010-4125-510100	(7,000)	Salaries allocated to special funds
General Fund	Other Charges	010-4125-544000	(7,000)	costs less than anticipated
Public Facilities				
General Fund	Other Improvements	010-4180-568200	(11,000)	Savings on project
Los Angeles County Sheriff				
General Fund	Other Services	010-4210-552058	(22,000)	Savings for special services
Emergency Services				
General Fund	Equipment	010-4215-568300	(4,000)	Equipment not purchased
General Fund	Training	010-4215-541700	(3,700)	Less attendees than anticipated
Animal Control				
General Fund	Contract Services	010-4240-552000	(9,500)	Savings on services
Planning				
General Fund	Personnel	010-4305-510100	(10,000)	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	(60,000)	Projects less than anticipated
Recreation				
General Fund	Materials and Supplies	010-4420-54xx	(35,000)	Savings in various services
Reyes Adobe				
General Fund	Maintenance Buildings/Grounds	010-4425-543000	(20,000)	Less maintenance than anticipated
Recreation Center				
General Fund	Part-time Salaries	010-4426-510200	(21,000)	Less salaries than anticipated
General Fund	Utilities	010-4426-542800	(13,000)	Savings on SCE and SoCalGas
General Fund	Other Improvements	010-4426-568200	(35,000)	Timing of improvements
General Fund	Equipment	010-4426-568300	(5,000)	Less equipment than budgeted
Community Services				
General Fund	Printing	010-4440-542300	(9,000)	Less printing than anticipated

**City of Agoura Hills
Fiscal Year 2017/18 Budget Amendments
Exhibit 'A'**

<u>Project/Fund</u>	<u>Account</u>	<u>Account Number</u>	<u>Amendment</u>	<u>Reason</u>
Parks Maintenance				
General Fund	Water	010-4450-542801	(31,000)	Savings due to rain and rate adjustment
Traffic Safety				
General Fund	Traffic Signing	010-4510-552012	(22,000)	Less signage than anticipated
Stormwater & Flood Control				
General Fund	Storm drain maintenance	010-4525-552041	(22,000)	Contract savings
			<u>(389,700)</u>	
			(105,677)	
			<u>\$ (532,527)</u>	

**City of Agoura Hills
Fiscal Year 2017/18 Budget Amendments
Exhibit 'A'**

Project/Fund	Account	Account Number	Amendment	Reason
Capital Projects Fund				
Capital Projects Fund	Kanan Median Project	011-4610-600300	4,333	Costs greater than originally budgeted
Capital Projects Fund	Park Improvements	011-4620-610300	1,300	Costs greater than originally budgeted
Capital Projects Fund	Reyes Adobe LS Project	011-4640-632100	9,300	Timing of costs
Measure R Capital Projects				
Measure R Capital Projects	Agoura Road Widening	018-4640-631200	350,000	Additional monies approved
Road Rehab Fund (SB1)				
Road Rehab Fund (SB1)	Street Improvements	022-4640-630500	50	Costs greater than originally budgeted
Measure M Local Return				
Measure M Local Return	Traffic Engineer	064-4510-552010	13,000	Costs greater than originally budgeted
Measure M Local Return	Street Repairs and Maintenance	064-4510-552020	7,000	Costs greater than originally budgeted
Traffic Improvement				
Traffic Improvement Fund	Traffic Signal	110-4640-631900	20,000	Costs greater than originally budgeted
Supplemental Law Enforcement				
Suppl Law Enforcement	Juvenile Interventaion Program	240-4210-552054	2,500	Revenues greater than anticipated
Community Service Block Grant				
Comm. Service Block Grant	Recreation Transit Seniors	250-4420-552000	250	Costs greater than originally budgeted
Agoura Hills Authority Bond				
Agoura Hills Authority Bond	Debt Service - Interest Paid	305-41480-570200	5,200	Interest expense greater than budgeted
Housing Successor Agency				
Housing Successor Agency	Contract Services	620-4305-552000	1,100	Contract for housing report