

REPORT TO CITY COUNCIL

DATE: FEBRUARY 12, 2020
TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL
FROM: GREG RAMIREZ, CITY MANAGER
BY: CHRISTY PINUELAS, FINANCE DIRECTOR
SUBJECT: FISCAL YEAR 2019/20 MID-YEAR BUDGET REVIEW

The request before the City Council is to consider the amendments to the Fiscal Year 2019/20 City of Agoura Hills (City) budget, as shown in Exhibit A. The amendments have been reviewed and are recommended by the Finance Committee.

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 \$1,646,000 increase to Revenues, and a \$668,000 increase in Expenditures.

Original Budget Revenues	\$16,791,510
Original Budget Expenditures/Transfers	-16,791,416
Previously Recommended Adj. (AV Equipment)	-64,846
Recommended Adj. Revenue	1,646,000
Recommended Adj. Expenditures/Transfers	-668,000
Recommended Net Expenditures	913,248

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 Finance Committee for review. Each of the items listed below is detailed in the attached "Recommended Mid-Year Adjustments" spreadsheet.

Sales and Use Tax

The City's sales tax is projected to be \$451,000 greater than originally budgeted (12%). When the budget is projected in March, a conservative number is used, based on information provided by the City's sales tax consultant. This year several businesses performed better than anticipated. Furthermore, last year the State converted their collection system. This conversion delayed payment of several entities. This year, there have been greater catch-up payments than anticipated.

Transient Occupancy Tax

The City's Transient Occupancy Tax (bed tax paid by hotels) is projected to be down \$300,000 or 9%. When the budget was originally prepared, it was anticipated two new hotels would open in February. Those hotels are now projected to open in April.

Miscellaneous Income

During budget preparation, the likelihood of a settlement from Southern California Edison (SCE) and the amount of reimbursement from CalOES for fire and flood related incidents was unknown. These revenues are now projected to be \$1,390,000.

Additionally, the City has received two grants from the California Department of Housing and Community Development. They are SB2 (\$50,000) and SB35 (\$110,000), for a total of \$160,000. These two grants will be used by our Planning division for updates to our Accessory Dwelling Unit codes and guidelines, as well as code amendments and guidelines for compliance with SB35 streamlining affordable housing projects.

Community Development

Community Development is requesting an additional \$108,000 for consultants to work on the SB2 and SB35 code and guidelines.

Public Works

Public works is requesting \$30,000 to offset the design of the Forest Cove Park ADA Improvement design. This cost was unknown when the budget was originally prepared. Additionally \$20,000 is requested for traffic safety measures and various miscellaneous costs within the contract services account. Finally, \$30,000 is being requested for road and sidewalk repairs on Kanan Road due to base failure above a storm drain line.

Storm Water Projects

It is recommended that the City set-aside \$400,000 of the additional revenues in the Storm Water Capital Projects Fund. These monies are set-aside to match grants, or to pay matching costs for projects such as the linear park or the storm water treatment project.

Reyes Adobe Landscape Project

Over the last several years, the City has undertaken a landscape project along Reyes Adobe Road. The City had to ask homeowners for permission to undertake the improvements. Due to an overwhelming response, an additional \$80,000 is being requested to pay for the cost of this beautification project.

RECOMMENDATION

Staff respectfully recommends the City Council adopt the proposed amendments to the Fiscal Year 2019/20 Budget for the amounts shown in Exhibit A.

Attachment: Exhibit A

City of Agoura Hills
Recommended mid-year adjustments
Mid-Year 2019/20

	Current Budget	Proposed Budget	Proposed Adjustment Inc/(Dec)	Subtotal Adjustment Inc/(Dec)
--	-------------------	--------------------	-------------------------------------	-------------------------------------

Adjustments General Fund

Revenue - General Fund

010-0000-311000	Sales and Use Tax	4,049,000	4,500,000	451,000	
010-0000-313000	Transient Occupancy Tax	3,495,000	3,195,000	(300,000)	
010-0000-391000	Miscellaneous Revenue	55,000	1,550,000	1,495,000	
					<u>1,646,000</u>

Expenditures - General Fund

Community Development

010-4305-552000	Contract Services	426,000	534,000	108,000	
	Subtotal Community Development				<u>108,000</u>

Public Works

010-4505-552000	Contract Services	72,550	152,550	80,000	
	Subtotal Public Works				<u>80,000</u>

Transfers - Out

010-4900-700000	Transfer Capital Projects Fund		80,000	80,000	
010-4900-700000	Transfer Storm Water Fund	-	400,000	400,000	
	Subtotal Transfers				<u>480,000</u>

	Adjustments to Expenditures	<u>668,000</u>
--	------------------------------------	----------------

	Net Adjustment General Fund	978,000
--	------------------------------------	----------------

Adjustments Capital Projects Fund

Revenue - Capital Projects Fund

011-0000-396100	Transfer from General Fund		80,000	80,000	
	Subtotal Transfers				<u>80,000</u>

Expenditures- Capital Projects Fund

011-4640-632100	Reyes Adobe LS Project		-	135,200	
					<u>135,200</u>