

REPORT TO CITY COUNCIL

DATE: JULY 22, 2020

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: CHRISTY PINUELAS, DIRECTOR OF FINANCE

SUBJECT: CONDUCT A PUBLIC HEARING TO CONSIDER THE ADOPTION OF RESOLUTION NO. 20-1952; ESTABLISHING FISCAL YEAR 2020-21 APPROPRIATIONS LIMITATIONS, AND RESOLUTION NO. 20-1953; ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2020-21, INCLUDING FISCAL YEAR 2020-21 APPROPRIATIONS AND AUTHORIZING AMENDMENTS TO THE FISCAL YEAR 2019-20 BUDGET

Although the City Council traditionally adopts the annual budget in June, this year, due to the COVID-19 pandemic, the City Council determined to delay the adoption of the budget, until July, as allowed by the City's Municipal Code.

On March 4, 2020, the State of California, the Los Angeles County Board of Supervisors, and the Los Angeles Department of Public Health, declared a state of emergency and a local and public health emergency, respectively, in response to the increased spread of the novel coronavirus causing the COVID-19 pandemic. On March 20, 2020, the City Manager of the City of Agoura Hills signed Executive Order No. 2020-01 imposing certain emergency regulations relating to the COVID-19 public health crisis. These circumstances caused complications in the projections of revenues and expenditures necessary to modify and finalize the Fiscal Year 2020-21 budget.

Article 13-b of the California State Constitution, known as Proposition 4, the Gann Initiative, was passed by the citizens of California on November 6, 1979. Proposition 4 placed limitations on the amount of annual appropriations "from the proceeds of taxes" for state and local governments. The legislation also provided a method to calculate the annual appropriation limit, using a growth factor comprised of the Consumer Price Index (CPI) for California per capital income and the percentage change in population. The City of Agoura Hills appropriation limit for the General Fund from the "proceeds of taxes" for Fiscal Year 2020-21 is \$18,972,440.

The City has a two-year budget plan, and is currently in the second year of that plan. Due to the global pandemic, General Fund revenues have been adjusted downward \$929,000 from the originally adopted Fiscal Year 2020-21 budget. With the realization of the revenue reductions in sales tax, transient occupancy taxes and recreation fees the City

Council delayed adoption of the budget and held additional workshops and sub-committee meetings to reconsider goals and budget accordingly. Staffing adjustments were made, special events and excursions/classes were reduced or eliminated and the Los Angeles Sheriff's Department contract was reduced in size and cost.

As a result of the hard work and decisions made, the General Fund operational budget is balanced. Revenues are projected to be \$16.8 million. Proposed expenditures are recommended at \$15.8 million, with operating transfers of \$1 million (\$16.8 million total).

Even with the proposed changes to the Sheriff's contract, public safety continues to be one of the highest priorities, at 31% of the General Fund budget. Programs include patrol and traffic personnel, a juvenile intervention team, a shared crime analyst, school crossing guards, youth drug awareness education programs, and animal control services.

The Fiscal Year 2020-21 budget for the City of Agoura Hills is \$30.2 million, which includes approximately \$20.8 million in day-to-day operational/service costs, with an additional \$9.3 million in capital projects. The capital improvement projects (CIP) include the Roadside Bridge widening and the completion of the Palo Comado Interchange. Also included within the CIP is additional funding in the amount of \$195,000 for the park restroom renovation project which comes from a State Bond.

For the Fiscal Year 2020-21, the General Fund projected ending fund balance is \$8.6 million, or 51% of operating expenditures and transfers. It is important to note that the General Fund reserves serve as a temporary funding source for the many grants the City receives. Additionally, the City utilizes the reserve for cash flow and emergency reserves.

RECOMMENDATION

Staff respectfully recommends the City Council conduct a Public Hearing to consider the adoption of Resolution No. 20-1952; Establishing Fiscal Year 2020-21 Appropriations Limitations, and Resolution No. 20-1953; Adopting the Annual Budget for Fiscal Year 2020-21, including Fiscal Year 2020-21 appropriations and authorizing amendments to the Fiscal Year 2019-20 Annual Budget.

Attachments: Sources and Uses
City Council Resolution No. 20-1952
City Council Resolution No. 20-1953

**City of Agoura Hills
Sources and Uses
Estimated Budget 2019-20**

----- Estimate 2019/20-----					
Fund	Fund Balance 6/30/2019	Revenues	Expenditures	Transfers (Out)/In	Fund Balance 6/30/2020
<u>City of Agoura Hills</u>					
10 General Fund	9,362,056	16,568,345	15,934,631	(1,467,253)	8,528,517
20 Gas Tax	2,334	489,534	491,100	0	768
22 RRAA	62,636	300,500	358,000	0	5,136
30 Retirement Rate Stabilization	194,975	3,000	0	0	197,975
40 Traffic Safety	5,920	50,200	50,000	0	6,120
60 Proposition A	756,265	620,654	707,668	0	669,251
61 Proposition C	783,562	1,530,500	1,385,786	0	928,276
63 Measure R	42,177	252,500	279,437	0	15,240
64 Measure M	49,672	300,500	294,372	0	55,800
65 Measure W	0	0	0	0	0
70 SCAQMD	49,712	27,000	1,200	0	75,512
110 Traffic Improvement	1,203,298	513,000	300,000	0	1,416,298
111 Utility Undergrounding	52,034	500	0	0	52,534
240 Suppl. Law Enfcmt	121,136	102,300	152,866	0	70,570
250 CDBG	0	210,200	210,200	0	0
260 Misc. Grants	(170,899)	266,335	270,075	0	(174,639)
520 Waste Management	209,659	113,000	102,500	0	220,159
420 Inc. Housing In-Lieu	1,775,015	30,000	35,000	0	1,770,015
300 Public Fin Auth Debt Service	1,073	25	0	0	1,098
305 Improvement Authority Debt Ser	281,897	1,500	908,725	913,025	287,697
620 Successor Housing	606,209	10,000	74,280	74,228	616,157
11 Capital Projects Fund	73,135	0	135,200	80,000	17,935
12 Facilities Fund	205,553	2,500	0	0	208,053
15 Rec Center Capital Projects	840	4	0	0	844
16 Stormwater Capital Projects	606,499	310,000	300,000	400,000	1,016,499
18 Measure R Capital Projects	(4,401,382)	5,000,500	2,460,500	0	(1,861,382)
19 Measure M Capital Projects	0	4,300,000	4,075,000	0	225,000
Total City of Agoura Hills	11,873,373	31,002,597	28,526,540	0	14,349,430

**City of Agoura Hills
Sources and Uses
Estimated Budget 2020-21**

Fund	----- Estimate 2020/21-----				Fund Balance 6/30/2021
	Fund Balance 6/30/2020	Revenues	Expenditures	Transfers (Out)/In	
<u>City of Agoura Hills</u>					
10 General Fund	8,528,517	16,815,374	15,733,062	(1,039,825)	8,571,004
20 Gas Tax	768	495,256	453,300	0	42,724
22 RRAA	5,136	346,055	0	0	351,191
30 Retirement Rate Stabilization	197,975	3,000	0	0	200,975
40 Traffic Safety	6,120	50,200	50,000	0	6,320
60 Proposition A	669,251	651,956	783,143	0	538,064
61 Proposition C	928,276	964,889	934,963	0	958,202
63 Measure R	15,240	275,820	156,611	0	134,449
64 Measure M	55,800	310,231	248,722	0	117,309
65 Measure W	0	370,000	277,000	0	93,000
70 SCAQMD	75,512	27,000	1,200	0	101,312
110 Traffic Improvement	1,416,298	4,000	120,000	0	1,300,298
111 Utility Undergrounding	52,534	500	0	0	53,034
240 Suppl. Law Encmnt	70,570	100,700	152,866	0	18,404
250 CDBG	0	299,346	299,346	0	-
260 Misc. Grants	(174,639)	3,386,147	3,341,975	0	(130,467)
520 Waste Management	220,159	113,000	135,000	0	198,159
420 Inc. Housing In-Lieu	1,770,015	20,000	10,000	0	1,780,015
300 Public Fin Auth Debt Service	1,098	25	0	0	1,123
305 Improvement Authority Debt Sei	287,697	1,500	908,025	913,025	294,197
620 Successor Housing	616,157	10,000	107,703	126,800	645,254
11 Capital Projects Fund	17,935	0	0	0	17,935
12 Facilities Fund	208,053	2,500	0	0	210,553
15 Rec Center Capital Projects	844	4	0	0	848
16 Stormwater Capital Projects	1,016,499	760,000	750,000	0	1,026,499
18 Measure R Capital Projects	(1,861,382)	750,500	690,927	0	(1,801,809)
19 Measure M Capital Projects	225,000	4,895,436	5,002,039	0	118,397
Total City of Agoura Hills	14,349,430	30,653,439	30,155,882	0	14,846,987

RESOLUTION NO. 20-1952

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
AGOURA HILLS, CALIFORNIA, ESTABLISHING FISCAL
YEAR 2020-21 APPROPRIATIONS LIMITATIONS**

WHEREAS, Article 13-b of the California Constitution refers to a government entity's requirement for the establishment of an appropriations limit; and

WHEREAS, Senate Bill 1352, Chapter 1205, 1980, statute adds Revenue and Taxation Code, Section 7910, which requires each local government to establish its appropriation limits by resolution each year at a regularly scheduled meeting.

NOW, THEREFORE, BE IT RESOLVED, that the City of Agoura Hills' appropriation limitation for Fiscal Year 2020-21 shall be \$18,972,440.

BE IT FURTHER RESOLVED, that any challenge to the appropriations limits, as per the above mentioned government codes, must be brought to the City of Agoura Hills' attention within sixty (60) days of the effective date of this resolution.

PASSED, APPROVED, AND ADOPTED, this 22nd day of July, 2020, by the following vote to wit;

AYES: ()
NOES: ()
ABSENT: ()
ABSTAIN: ()

Illece Buckley Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk

**CITY OF AGOURA HILLS
GANN APPROPRIATION LIMIT
FY 2020-21**

Appropriation Limitation Calculation				Schedule 1	Appropriation Subject to Limit			
				Appropriation Limit by Fiscal Year				
% Change in Per Capita in		Population per DOF	Growth Factor					
Personal Income	Growth Factor			Estimated Revenues	Proceeds of Tax	Non Proceeds of Tax		
1981-82 Base Year Approp Subject to Limit:				\$2,200,000	Unrestricted:			
Allowed Growth Rate:								
1992-93	0.9936	1.0133	1.0068149	5,920,556	Taxes	\$13,917,625	\$13,051,625	\$866,000
1993-94	1.0272	1.0080	1.0354176	6,130,248	License and Permits	458,000		458,000
1994-95	1.0071	1.0028	1.0099199	6,191,060	Charges for Services	874,500		874,500
1995-96	1.0472	0.9969	1.0439537	6,463,180	Fines and Forfeitures	64,000		64,000
1996-97	1.0467	1.0034	1.0502588	6,788,011	Interest Earnings	100,000	79,000	21,000
1997-98	1.0467	1.0104	1.0575857	7,178,904	Miscellaneous	1,401,249		1,401,249
1998-99	1.0415	1.0120	1.0539980	7,566,550	Total Unrestricted	16,815,374	13,130,625	3,684,749
1999-00	1.0453	1.0158	1.0618157	8,034,282	Restricted:			
2000-01	1.0491	1.0148	1.0646267	8,553,511	Taxes	36,000	36,000	0
2001-02	1.0782	1.0137	1.0929713	9,348,742	License and Permits	9,000		9,000
2002-03	0.9873	1.0400	1.0267920	9,599,213	Intergovernmental	11,789,281		11,789,281
2003-04	1.0231	1.0157	1.0391627	9,975,145	Charges for Services	120,000		120,000
2004-05	1.0328	1.0102	1.0433346	10,407,413	Fines and Forfeitures	50,000		50,000
2005-06	1.0526	1.0540	1.1094404	11,546,405	Interest Earnings	73,229		73,229
2006-07	1.0396	1.0017	1.0413673	12,024,049	Miscellaneous	1,760,555		1,760,555
2007-08	1.0442	1.0034	1.0477503	12,598,200	Total Restricted	13,838,065	36,000	13,802,065
* 2008-09	1.0429	1.0056	1.0487402	13,212,239	Total Source of Funds	\$30,653,439	\$13,166,625	\$17,486,814
* 2009-10	1.0062	1.0058	1.0120360	13,371,262				
2010-11	0.9746	1.0059	0.9803501	13,108,518				
* 2011-12	1.0251	1.0025	1.0276628	13,471,136				
* 2012-13	1.0377	1.0021	1.0398792	14,008,354				
2013-14	1.0512	1.0045	1.0559304	14,791,847				
2014-15	0.9977	1.0047	1.0023892	14,827,188				
2015-16	1.0382	1.0064	1.0448445	15,492,106				
2016-17	1.0537	1.0068	1.0608652	16,435,036				
2017-18	1.0369	1.0001	1.0370037	17,043,191				
2018-19	1.0367	1.0010	1.0377367	17,686,345				
2019-20	1.0385	0.9985	1.0369430	18,339,732				
2020-21	1.0373	0.9973	1.0344993	18,972,440				
2020-21 Appropriation Limit				\$18,972,440				
Less Appropriations subject to limit (Sched 2)				13,166,625				
2019-20 Appropriations Under Allowed Limit				\$5,805,815				

* Revised

RESOLUTION NO. 20-1953

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2020-21, INCLUDING FISCAL YEAR 2020-21 APPROPRIATIONS AND AUTHORIZING AMENDMENTS TO THE FISCAL YEAR 2019-20 ANNUAL BUDGET

WHEREAS, the City Council has reviewed the preliminary budget for Fiscal Year 2020-21 and the amended budget for Fiscal Year 2019-20; and

WHEREAS, a Budget Workshop concerning the Fiscal Year 2020-21 proposed budget was held on Wednesday, July 8, 2020.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Agoura Hills, as follows:

1. That the Fiscal Year 2020-21 Budget be adopted, pursuant to Chapter 6, Section 2603 (Ordinance No. 22) of the City of Agoura Hills Municipal Code,
2. That the amounts shown on Exhibit "A" for the Fiscal Year 2020-21 Budget are hereby appropriated.
3. That the proposed amendments to the Fiscal Year 2019-20 Budget be approved.
4. Any unused appropriations from the Fiscal Year 2019-20 Adopted Budget at the end of Fiscal Year 2019-20 may be re-appropriated by the City Manager for continued use in Fiscal Year 2020-21.

PASSED, APPROVED, AND ADOPTED, this 22nd day of July, 2020, by the following vote to wit;

AYES: ()
NOES: ()
ABSENT: ()
ABSTAIN: ()

Illece Buckley Weber, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk