

TO: James L. App, City Manager  
FROM: Mike Compton, Director of Administrative Services  
SUBJECT: Budget Appropriation for Fiscal Year 2006 Encumbrances  
DATE: September 19, 2006

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Needs: For the City Council to consider approval of carry-over appropriations for fiscal year 2006 encumbrance requests.

Facts:

1. Proposed encumbrances represent requests to carry-over unspent budget appropriations for the fiscal year just ended June 30, 2006. Carry-over appropriations are *not* new requests. They represent previously approved Council budget appropriations for projects and/or equipment purchases that were not completed in the prior budget year.
2. It has been past practice to limit carryovers to one-time expenses such as capital outlay, capital improvements, special consultant services, etc.
3. Carry-over requests total \$27,373,600 of which only \$249,800 is for the General Fund. Refer to attached Exhibit "A" for full details.

Analysis &  
Conclusion:

Encumbrances (carry-over requests) are recorded upon the financial records of the City as budget adjustments in the fiscal year they are planned for expenditure and, subsequently, as an expense only when they are actually expended. For example, if there were a budget appropriation to replace the air conditioner at city hall and the work contract had not yet been let, the appropriation would NOT be included in year end results as an expenditure or payable. However, budget appropriations in the following year would be increased by the unspent amount and, when the expenditure is actually made, recorded against that year end result.

For a variety of reasons, not all of the projects and/or purchases authorized by Council for last year were completed. This is especially true for the capital improvement projects budgets which make up the bulk of the carry-over requests.

Fiscal  
Impact:

Generally accepted accounting principals (GAAP) do not recognize the use of reserves/savings when measuring or reporting year end results. Thus, approved carry-over requests negatively impact year end operating results for fiscal year 2007.

For the General Fund the impact is \$249,800. The adopted budget indicated a positive operating income/expense result of \$48,200. Thus, the carry-over request would give rise to a projected operating negative result of \$(201,600) without regard for the \$7.6 million + in General Fund savings accounts (i.e., reserves).

Options:

- a. That the Council adopt the attached resolution approving budget appropriations for fiscal year 2006 carry-over requests; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 06-

A RESOLUTION OF THE CITY COUNCIL  
OF THE CITY OF EL PASO DE ROBLES  
APPROVING BUDGET APPROPRIATIONS FOR  
FISCAL YEAR 2006 BUDGET CARRY-OVER REQUESTS

WHEREAS, the City has historically recorded encumbrances (carry-over requests) as budget appropriation increases in the subsequent fiscal year; and

WHEREAS, said requests have not yet been formally approved by the Council; and

WHEREAS, it is desirable to formally approve appropriations to be added to the fiscal year 2007 budget.

THEREFORE BE IT HEREBY RESOLVED by the City Council of the City of El Paso de Robles that the encumbrances (carry-over) requested in the attached Exhibit "A" are approved and shall be added to the fiscal year 2007 budget previously adopted.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 19<sup>th</sup> day of September, 2006 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Frank Mecham, Mayor

Attest:

\_\_\_\_\_  
Deborah Robinson, Deputy City Clerk

**EXHIBIT "A"**

Schedule of Carry-over Appropriations  
from  
Fiscal Year 2005-2006

City Manager's Office	100-130-5235-116	Koff & Associates - Employee Classification and	\$ 5,900
City Manager's Office	100-130-5212-120	GPS equipment, Software	12,700
City Manager's Office	100-130-5224-120	GIS Parcel coding and development	30,000
City Manager's Office	100-130-5454-120	GIS-IMS Server	11,000
City Manager's Office	100-130-5212-120	Admin Svcs Web Component	1,000
City Manager's Office	100-140-5235-125	Kermani & Associates - OES & FEMA Connsulting	19,400
City Manager's Office	100-130-5235-773	Salinas River Project - Develop Master Plan for	16,100
Administrative Services	100-140-5224-125	Software Upgrade to 'Select'	1,700
Administrative Services	100-140-5224-125	GASB 45 Conversion (Actuarial)	10,000
Police Services	100-210-5103-136	Grant - Overtime Wages	57,900
Police Services	100-210-5226-136	Grant - Travel & Training	3,000
Police Services	100-210-5212-136	Grant - Equipment	7,400
Police Services	100-000-4617-000	Grant Revenues	(68,300)
Public Works	100-310-5224-768	Geothermal Resource Reasibility Study	71,100
Public Works	100-310-5235-168	Balloting Services/L&L Dist. #1	5,900
Community Development	100-710-5224-209	County GIS Project	700
Community Development	100-710-5224-771	Purple Belt Plan	24,000
Community Development	100-130-5224-121	Zoning Code Update	9,200
Community Development	100-910-5224-596	GP Fiscal Impact Model	31,100
		Subtotal General Fund	<u>249,800</u>
Community Development	110-710-5224-781	Downtown Parking Plan	<u>14,400</u>
City Manager's Office	112-130-5454-120	Compaq DL380R01 w/redundant power	5,700
City Manager's Office	112-130-5454-120	Cisco Catalyst 3548 XL	3,500
City Manager's Office	112-130-5454-120	Cisco Catalyst 3548 XL	3,500
City Manager's Office	112-130-5454-120	RCI 8 Port Master Console	2,000
City Manager's Office	112-210-5454-135	Nokia IP350 Firewall	5,000
City Manager's Office	112-210-5454-136	HP 4600 Color Network Printer	2,700
City Manager's Office	112-210-5454-136	HP procurve 5348xl network switch	5,500
City Manager's Office	112-210-5454-136	HP procurve 2650 network switch	6,800
City Manager's Office	112-411-5454-183	Cisco 3621 w/SMART net	1,100
City Manager's Office	112-411-5454-183	Cisco Catalyst 3524 XL	2,100
City Manager's Office	112-411-5454-183	Cisco Catalyst 2924 Switch	1,400
City Manager's Office	112-411-5454-183	Cisco 2620 Router	1,200
City Manager's Office	112-130-5454-191	Cisco 2620 w/SMART net	3,700
City Manager's Office	112-411-5454-171	Canon Copier 7130F	1,700
City Manager's Office	112-710-5454-217	Ricoh F10760 Copier/blueprint	8,000
		Subtotal Equipment Replacement Fund	<u>53,900</u>
Public Works	119-910-5452-174	Reroof Centennial Park Gym & Admin Bldg.	150,000
		Subtotal City Facility Repair Fund	<u>150,000</u>
Public Works	120-910-5452-492	Install Landscaping @ Robbins Field	70,000
		Subtotal Capital Improvement Projects Fund	<u>70,000</u>
Public Works	130-910-5452-412	13th Street Bridge Expansion	656,000
		Subtotal MD 98 Construction Fund	<u>656,000</u>
Public Works	200-910-5224-778	Pavement Mgmt. Maintenance Strategic Plan	9,400
Public Works	200-910-5224-779	Sidewalk Inventory & Maintenance Program	34,800
Public Works	200-910-5452-787	13th Street Improvements - Hwy 101/16th St/Riversi	834,200
Public Works	200-910-5452-797	4th & Spring Traffic Signal	6,900
		Subtotal Gas Tax Fund	<u>885,300</u>
Administrative Services	206-140-5224-130	Contract Mgt Services	30,000
Administrative Services	206-140-5224-131	Contract Mgt Services	30,000
		Subtotal Transit Operations Fund	<u>60,000</u>
Public Works	213-910-5224-302	4th Street Realignment	60,000
Public Works	213-910-5452-510	Creston Road Corridor Study	250,000
Public Works	213-910-5452-788	PAED for Hwy 101/46W	524,900
Public Works	213-910-5452-789	Preliminary Design Creston/Lana roundabout	35,800
Public Works	213-910-5452-790	Pre-Design Charolais/River Road roundabout	23,000
		Subtotal Traffic Mitigation Impact Fee Fund	<u>893,700</u>

**EXHIBIT "A"**

Schedule of Carry-over Appropriations  
from  
Fiscal Year 2005-2006

Public Works	216-910-5452-426	Sherwood Park Improvements	935,000
		Subtotal Park Development Impact Fee Fund	<u>935,000</u>
Public Works	217-310-5224-497	Drainage Master Plan	201,300
		Subtotal Drainage Development Impact Fee Fund	<u>201,300</u>
Public Works	220-910-5452-322	Southeast Reservoir Siting Study & Design	4,667,800
Public Works	220-910-5452-555	Tower Road Well	324,200
Public Works	220-910-5452-750	Nacimiento Water Project	933,200
Public Works	220-910-5452-764	Relocate Booster Station & Telemetry	15,200
		Subtotal Water Impact Fee Fund	<u>5,940,400</u>
Public Works	221-910-5452-425	Lift Station No. 11 Upgrade	184,400
Public Works	221-910-5452-494	Templeton Interceptor Upgrade/Reach 7	1,491,800
Public Works	221-910-5452-495	Templeton Interceptor Upgrade/Reach 8	2,723,700
Public Works	221-910-5452-573	Upgrade Headworks & Primary Sludge	560,000
Public Works	221-910-5452-575	Upgrade Lift Station No. 9-Palm Court	194,700
Public Works	221-910-5452-577	Upgrade Lift Station No. 4	193,500
Public Works	221-910-5452-579	Upgrade Clarifier & Replace Chlorinator	990,000
		Subtotal Sewer Impact Fee Fund	<u>6,338,100</u>
Public Works	225-910-5452-507	Rehab Union Rd.-Riverglen to Kleck	2,090,700
		Subtotal Union/46 Specific Plan Fee Fund	<u>2,090,700</u>
Community Development	227-910-5452-487	MuniPool/Therapy Pool Improvements	8,900
Community Development	227-910-5452-529	LED Lighted Crosswalks	74,500
Community Development	227-910-5452-598	2nd Baptist Homeless Ministry	11,500
Community Development	227-910-5235-599	Homeless Motel Voucher Program	8,000
Community Development	227-910-5452-784	Children's Museum Rehab	135,900
Community Development	227-910-5235-785	Women's Shelter Rehab Project	6,000
Community Development	227-910-5452-798	28th Street Improvements	162,200
Community Development	227-910-5452-799	LED Lighted Crosswalks	74,800
		Subtotal CDBG Grant Fund	<u>481,800</u>
Public Works	235-910-5452-235	Airport Road/Highway 46 PSR	205,000
		Subtotal Airport Road PSR Fund	<u>205,000</u>
City Manager's Office	600-310-5224-772	TJ Cross - General Engineering for Principle	2,900
Administrative Services	600-140-5454-127	Software Upgrade to 'Northstar'	1,600
Administrative Services	600-140-5226-127	NorthStar Training	8,800
Administrative Services	600-140-5224-127	Update Sewer/Water Impact Fees	25,000
Public Works	600-910-5452-501	Rehab Osborne Well #14	100,000
Public Works	600-910-5452-502	Rehab Sherwood Well #19	100,000
Public Works	600-910-5452-503	Rehab Sherwood Well #11	100,000
Public Works	600-910-5452-504	Rehab Thunderbird Well #23	97,300
Public Works	600-910-5452-505	Install Water Main-Golden Hill Rd to Dallons	800,000
Public Works	600-910-5452-554	Fire Flow @ South City Limits	2,289,800
Public Works	600-910-5452-556	Replace Roof of Westside Reservoir	1,102,000
Public Works	600-910-5452-559	Rehab Dry Creek Well #18	100,000
Public Works	600-910-5452-561	SCADA/Telemetry Improvements	30,000
Public Works	600-910-5452-564	Rehab Royal Oak Well #20	70,600
Public Works	600-910-5224-765	Sherwood Well Treatment Upgrade	1,000,000
Public Works	600-910-5224-770	Adaptive Integrated Water/Wastewater Master Plan	31,100
Public Works	600-310-5224-782	Tank Site Studies	7,500
		Subtotal Water Operations Fund	<u>5,866,600</u>
City Manager's Office	601-310-5224-772	TJ Cross - General Engineering for Principle	2,400
City Manager's Office	601-310-5454-163	HP Vectra VL8 6/350 Computer	1,800
Administrative Services	601-310-5454-163	Software Upgrade to 'Northstar'	1,100
Administrative Services	601-310-5454-164	Software Upgrade to 'Northstar'	1,100
Public Works	601-910-5452-574	Replace Grinder @ Lift Station No. 12	70,000
Public Works	601-910-5452-578	SCADA/Telemetry System Upgrade	614,300
Public Works	601-910-5224-756	Sewer Master Plan Update	60,700
Public Works	601-310-5224-757	Sewer Standards Update	2,400
Public Works	601-910-5224-770	Adaptive Integrated Water/Wastewater Master Plan (	32,400
		Subtotal Sewer Operations Fund	<u>862,200</u>

EXHIBIT "A"

Schedule of Carry-over Appropriations  
from  
Fiscal Year 2005-2006

City Manager's Office	602-310-5454-166	Cisco 2620 Router	4,000
City Manager's Office	602-310-5454-166	Ricoh Copier 1015	3,500
Public Works	602-910-5452-586	Slurry Seal Parking Apron	34,900
Public Works	602-910-5452-587	Slurry Seal Runway 13-31	94,000
Public Works	602-910-5452-588	Slurry Seal Taxiway A-E	82,900
Public Works	602-910-5452-589	Parking Apron Improvements	306,700
Public Works	602-910-5452-590	Hanger Taxiway	175,000
Public Works	602-910-5452-591	Taxiway A Extension	345,000
Public Works	602-910-5452-592	Taxiway C Extension	394,500
		Subtotal Airport Operations Fund	<u>1,440,500</u>
Public Works	612-910-5452-300	Repair Landfill Access Road	25,000
		Subtotal Solid Waste Contingency Fund	<u>25,000</u>
Community Development	701-810-5235-597	Oak Park Senior Housing	29,900
		Subtotal RDA Low & Moderate Housing Fund	<u>29,900</u>
			<u><u>\$27,373,600</u></u>