

TO: James L. App, City Manager
FROM: Mike Compton, Director of Administrative Services
SUBJECT: Budget Appropriation for Fiscal Year 2007 Encumbrances
DATE: August 17, 2007

Needs: For the City Council to consider approval of carry-over appropriations for fiscal year 2007 encumbrance requests.

Facts:

1. Proposed encumbrances represent requests to carry-over unspent budget appropriations for the fiscal year just ended June 30, 2007. 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 \$2,738,400 of which \$342,300 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 the year end result for that fiscal year.

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 reduce year end operating results in the year into which they are carried forward. In this case, it would be fiscal year 2008.

For the General Fund, the impact is \$342,300. The adopted budget indicated a positive operating income/expense result of \$6,700. Additional appropriations approved by Council since 7/1/07 total \$37,000. Thus, this carry-over request and the additional appropriations would give rise to a projected operating negative result of \$(372,600) without regard for the \$6.4 million+ in General Fund savings accounts (i.e., cash reserves).

Reso 07-XXX Carry Over	\$342,300
Reso 07-132 National Flood Insurance	15,000
Reso 07-150 Wood Grinding & Hauling	<u>22,000</u>

Total YTD \$379,300

Options:

- a. That the Council adopt the attached resolution approving budget appropriations for fiscal year 2007 carry-over requests; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 07-

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL PASO DE ROBLES
APPROVING BUDGET APPROPRIATIONS FOR
FISCAL YEAR 2007 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 2008 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 2008 budget previously adopted.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 17th day of August, 2007 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

<u>Department</u>	<u>GL Account</u>	<u>Description</u>	<u>Appropriation</u>
City Manager's Office	100-130-5212-120	GPS equipment, Software	\$ 6,500
City Manager's Office	100-130-5224-120	GIS Parcel coding and development	32,000
City Manager's Office	100-130-5454-120	GIS Equipment	9,000
City Manager's Office	100-130-5235-120	Admin Svcs Web Component	1,000
City Manager's Office	100-130-5235-120	Microsoft Licenses	45,000
City Manager's Office	100-130-5235-120	LRS On Line Registration System	40,000
City Manager's Office	100-130-5235-120	Police Online Crime Reporting System	9,000
City Manager's Office	100-140-5235-125	Kermani & Associates - OES & FEMA Connsulting	15,300
City Manager's Office	100-130-5235-773	Salinas River Project - Develop Master Plan for	27,200
City Manager's Office	110-130-5224-116	Recruitment for AS Director	10,400
City Manager's Office	110-910-5452-542	Salinas River Parkway Project	393,000
City Manager's Office	112-130-5454-120	RCI 8 Port Master Console	2,000
City Manager's Office	112-130-5454-120	Cisco 3620 w/SMART net	1,100
City Manager's Office	112-130-5454-120	Cisco 3621 w/SMART net	1,100
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	Compaq ML370 P4-3.0 2GB Servers	48,900
City Manager's Office	112-130-5454-120	Network Color Printer AS 4600	2,600
City Manager's Office	112-130-5454-120	Network Printer AS 8150	3,600
CMO - Admin Services	112-140-5454-230	Canon Copier 7130 F	1,700
CMO - Police Services	112-210-5454-136	HP procurve 5348xl network switch	12,300
CMO - Police Services	112-210-5454-136	HP 4600 Color Network Printer	2,700
CMO - Lib & Rec Services	112-411-5454-183	Cisco 3621 router 3524 switch	3,200
CMO - Lib & Rec Services	112-411-5454-183	Compaq Pro. ML370 P4-3.0 2GB	9,700
CMO - Lib & Rec Services	112-411-5454-185	Canon Copier/Fax/Printer IR3300	10,300
CMO - Lib & Rec Services	112-411-5454-199	Cisco 2620 Router 2924 switch	2,600
CMO - Comm Development	112-710-5454-212	Blueprint copier	8,000
CMO - Admin Services	600-140-5454-127	HP Laserjet 8150 w/stacker/sheet	5,200
CMO - Public Works	602-310-5454-166	Cisco 2620 Router	4,000
CMO - Public Works	602-310-5454-166	Ricoh Copier 1015	3,500
Administrative Services	112-140-5454-125	PC for AS Director	1,800
Administrative Services	112-140-5454-125	HdL BL Software	11,100
Administrative Services	206-140-5454-230	Copier	1,700
Administrative Services	206-140-5452-131	Bus Headway Signs	77,000
Administrative Services	206-140-5235-131	Implement Marketing Program	55,000
Administrative Services	600-140-5454-127	Printer	6,700
Police Services	124-210-5103-136	Grant - Overtime Wages	10,000
Police Services	124-210-5103-136	Grant - Benefits	700
Police Services	124-210-5103-136	Grant - Benefits	900
Police Services	124-210-5103-136	Grant - Benefits	200
Police Services	124-210-5103-136	Grant Supplies	1,700
Police Services	124-210-5103-136	Grant Professional Services	50,400
Public Works	100-310-5454-292	Tractor w/front loader & Broom	44,400
Public Works	100-310-5224-538	Storm Water Management Plan	16,600
Public Works	100-310-5224-768	Geothermal Resource Reasibility Study	11,000
Public Works	110-910-5452-541	Flamson RTC	31,800
Public Works	213-910-5224-788	Hwy 101/46W PAED	315,600
Public Works	309-710-5224-222	Hwy 101/46W Theatre Drive Realignment	403,700
Public Works	225-910-5224-539	River Road Plan Line	51,500
Public Works	229-910-5452-544	Contract Management for NW Treatment Plant	68,600
PW - Community	600-310-5235-165	Water Well Use Policy	10,300
Public Works	600-310-5454-165	Tractor w/front loader & Broom	9,600
Public Works	601-310-5224-164	Interim WWTP Operations Management	63,000
Public Works	601-310-5454-164	Tractor w/front loader & Broom	9,600
Library & Rec Services	100-411-5102-285	Skate Park Attendants	37,000
Community Development	100-710-5212-209	Zoning Code Update	9,200
Community Development	100-710-5224-301	Gateway Plan	4,600
Community Development	100-710-5224-771	Purple Belt Plan	19,300
Community Development	100-910-5224-596	GP Fiscal Impact Model	15,200
Community Development	110-710-5224-781	Downtown Parking Plan	8,000
Community Development	200-910-5452-545	Airport Road/Hwy 46E Signal Study	15,000
Community Development	213-910-5224-302	4th & Pine Realignment Plans	2,500
Community Development	227-710-5235-211	Seismic Mitigation Grants	41,300
Community Development	227-910-5452-536	Carnegie Library Rehab	150,000
Community Development	227-910-5452-598	2nd Baptist Homeless Ministry	1,300

EXHIBIT "A"

Schedule of Carry-over Appropriations
from

<u>Department</u>	<u>GL Account</u>	<u>Fiscal Year 2005-2006 Description</u>	<u>Appropriation</u>
Community Development	232-710-5224-209	Chandler Ranch Area Specific Plan	33,100
Community Development	309-710-5224-222	Hwy 101/46W Traffic Study	401,200
Community Development	701-810-5235-597	Oark Park Senior Housing Project	29,900
			<u>\$ 2,738,400</u>
		100 General Fund	\$ 342,300
		110 Emergency & Contingency Fund	443,200
		112 Equipment Replacement Fund	129,700
		124 Police Grant Fund	63,900
		200 Gas Tax Fund	15,000
		206 Transit Operations Fund	133,700
		213 Traffic Mitigation Fund	318,100
		225 Borkey Specific Plan Fund	51,500
		227 CDBG Fund	192,600
		229 Nac Water Treatment Plant Fund	68,600
		232 Chandler Ranch Specific Plan Fund	33,100
		309 Hwy101/46W CFD Fund	804,900
		600 Water Operations Fund	31,800
		601 Sewer Operations Fund	72,600
		602 Airport Operations Fund	7,500
		701 Low/Moderate Income Housing Fund	29,900
			<u>\$ 2,738,400</u>