

TO: James L. App, City Manager
FROM: Jim Throop, Director of Administrative Services
SUBJECT: Budget Appropriation for Fiscal Year 2010 Encumbrances
DATE: March 2, 2010

Needs: For the City Council to consider approval of carry-over appropriations for fiscal year 2010 encumbrance requests.

Facts:

1. Proposed encumbrances represent requests to carry-over unspent budget appropriations for the fiscal year just ended June 30, 2009. 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 \$3,099,900 of which \$147,600 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 2010.

Of the \$3.1 million in carryover, over \$2.9 million is for non-general fund related projects that were not completed in the prior fiscal year. For the General Fund, the impact is only \$147,600. Current year-end projection for the General Fund is a negative \$1.6M, which will be covered using reserves.

The projects associated with the \$147,600 are listed on the attached Exhibit A, but include items such as IT equipment and tourism web-design, pool replacement equipment and police safety equipment.

Options:

- a. That the Council adopt the attached resolution approving budget appropriations for fiscal year 2010 carry-over requests; or
- b. Amend, modify, or reject the above option.

RESOLUTION NO. 10-

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL PASO DE ROBLES
APPROVING BUDGET APPROPRIATIONS FOR
FISCAL YEAR 2010 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 2010 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 2010 budget previously adopted.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 2nd day of March, 2010 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Duane Picanco, Mayor

Attest:

Lonnie Dolan, Deputy City Clerk

EXHIBIT "A"

Schedule of Carry-over Appropriations
from
Fiscal Year 2009-2010

<u>Department</u>	<u>GL Account</u>	<u>Description</u>	<u>Appropriation</u>
City Manager's Office	100-130-5224-104	N.I.T. Elements Web Design	\$ 6,700
City Manager's Office	100-130-5224-104	Kraftwerks - Brand and Web Design	18,000
City Manager's Office	100-130-5224-104	Main Street Marketing Plan stipend	10,000
City Manager's Office	100-130-5235-120	GIS-IMS Server	9,000
City Manager's Office	100-130-5235-773	Salinas River Project	19,100
Poalice Services	100-210-5212-136	Online respirator medical testing	1,000
Police Services	100-210-5212-136	SWAT bullet-proof vest	1,800
Public Works	100-310-5212-191	Personal Computer	3,000
Public Works	100-310-5221-173	Diving Board Stands	30,000
Public Works	100-310-5221-173	Pulsar Chlorination Equipment	10,000
Public Works	100-310-5235-167	Engineering Services for landfill	20,500
Public Works	100-310-5454-193	Roll-off Bins and Truck	150,000
Public Works	100-000-4511-000	Financing for Roll-off Bins and Truck	(150,000)
Community Development	100-710-5224-212	National Flood Insurance Program	6,200
Community Development	100-710-5224-771	Purple belt	12,300
		Subtotal General Fund	147,600
Emergency Services	112-220-5454-150	Equipment, hardware and software for 2009 Ford	21,700
Public Works	112-220-5454-150	2009 Ford 4 x \$ Expedition	28,500
		Subtotal Equipment Replacement Fund	50,200
Police Services	117-210-5212-136	Grant - patrol rifles	8,100
Police Services	117-210-5212-136	Grant - patrol rifles	1,300
		Subtotal COPS Fund	9,400
Public Works	119-910-5452-794	Therapy Pool Upgrades	5,000
		Subtotal City Facility Repair Fund	5,000
Police Services	124-210-5454-136	Grant - tasers and electronic ticketing	48,900
Police Services	124-210-5454-136	Grant - bicycles and electronic ticketing	11,700
		Subtotal Police Grants Fund	60,600
Public Works	206-140-5221-130	Bus retrofits	54,000
		Subtotal Transit Operations Fund	54,000
Community Development	212-140-5224-125	Development Impact Fee - Proforma Analysis	13,300
Community Development	212-140-5224-125	AB 1600 Study	20,000
		Subtotal Fire Protection Facilities Fund	33,300
Community Development	224-140-5224-125	Development Impact Fee - Proforma Analysis	13,300
Community Development	224-140-5224-125	AB 1600 Study	20,000
		Subtotal Public Facilities Development Fund	33,300
Community Development	227-710-5235-548	First Five Center Demolition and Site Preparation	57,300
		Subtotal CDBG Grant Fund	57,300
Community Development	231-140-5224-125	Development Impact Fee - Proforma Analysis	13,300
Community Development	231-140-5224-125	AB 1600 Study	20,000
		Subtotal City Hall/General Gov't Facilities Fund	33,300
Community Development	236-710-5224-209	Olsen Beechwood Specific Plan	86,400
		Subtotal Olsen Beechwood Specific Plan Fund	86,400
Community Development	309-710-5224-222	Hwy 101/46 West traffic study	142,300
		Subtotal Hwy 101/46 West CFD Fund	142,300
Public Works	600-310-5212-165	Sherwood Well #9 Arsenic Media Regen	19,000
Public Works	600-310-5224-165	Groundwater Testing	2,700

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from
Fiscal Year 2009-2010

<u>Department</u>	<u>GL Account</u>	<u>Description</u>	<u>Appropriation</u>
Public Works	600-310-5224-165	Professional Services County WRAC	8,300
Public Works	600-310-5224-165	Professional Services County Ground Banking	4,700
Public Works	600-310-5224-165	Support Services Groundwater Basin Mgt	6,700
Public Works	600-310-5224-165	Support Services Hydrogeologic Evaluation	4,000
Public Works	600-310-5224-165	2008 Water Rate Study - TJ Cross	8,800
Public Works	600-310-5224-165	2008 Water Rate Study - Kennedy/Jenks	2,400
Public Works	600-310-5224-165	General Engineering Support TJ Cross	100
Public Works	600-310-5224-165	Paso Basin Pumpiong Update Review	1,800
Public Works	600-310-5224-165	Review Co Conservation Element/Resource Study	1,000
Public Works	600-310-5224-165	Margarita Lake Permit Renewal	10,000
Public Works	600-310-5224-165	Margarita Lake Permit Renewal	4,300
Public Works	600-310-5224-458	AB3030 Groundwater Basin Mgmt Plan	189,700
Public Works	600-000-4617-000	AB3030 Grant Revenue	(189,700)
Public Works	600-310-5235-165	Ronconi Wells Microfiltration Systems	2,000
Public Works	600-310-5235-165	Completion of Water Well Policy	5,900
Public Works	600-310-5454-165	Water Yard Modular Furniture	14,000
Public Works	600-910-5454-435	PALL Mobile Water Treatment	453,800
		Subtotal Water Operations Fund	549,500
Public Works	601-310-5224-164	Review Co Conservation Element/Resource Study	1,100
Public Works	601-310-5224-164	Mgt Services for Final Source Control Report	700
Public Works	601-310-5454-163	1 Ton Pickup w/Service Body w/Crane	57,500
		Subtotal Sewer Operations Fund	59,300
City Manager's Office	602-310-5224-166	Airport Professional Services - Coffman/Klaasje Nairne	8,500
		Subtotal Airport Operations Fund	8,500
Community Development	700-810-5224-548	First Five Center - RDA Fund	160,600
Community Development	700-810-5235-240	Uptown/Town Centre	1,009,300
		Subtotal RDA Operations Fund	1,169,900
Community Development	701-810-5235-442	Oak Park Senior Housing (LMIH Funds)	600,000
		Subtotal RDA Low/Moderate Income Housing Fund	600,000
			<u>\$ 3,099,900</u>
		100 General Fund	\$ 147,600
		112 Equipment Replacement Fund	50,200
		117 COPS Fund	9,400
		119 City Facility Repair Fund	5,000
		124 Police Grant Fund	60,600
		206 Transit Operations Fund	54,000
		212 Fire Protection Facilities Fund	33,300
		224 Public Facilities Development Fund	33,300
		227 CDBG Fund	57,300
		231 City Hall/General Gov't Facilities Fund	33,300
		236 Olsen Beechwood Specific Plan Fund	86,400
		309 Hwy101/46W CFD Fund	142,300
		600 Water Operations Fund	549,500
		601 Sewer Operations Fund	59,300
		602 Airport Operations Fund	8,500
		700 Subtotal RDA Operations Fund	1,169,900
		701 Low/Moderate Income Housing Fund	600,000
			<u>\$ 3,099,900</u>