

RESOLUTION NO. 96-77

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF EL PASO DE ROBLES
ADOPTING FISCAL YEAR 1996-97
MAINTENANCE AND OPERATIONS APPROPRIATIONS**

WHEREAS, the City Council of the City of El Paso de Robles has adopted a Fiscal Policy which calls for a balanced budget; and

WHEREAS, the Fiscal Policy also calls for fund reserves should be maintained at 15% of operating expenditures; and

WHEREAS, the Fiscal Policy also calls for a "Reserve for Capital Asset Replacement" Fund; and

WHEREAS, the Fiscal Policy also calls for Proprietary Fund user fees to provide full coverage of direct and indirect costs including depreciation; and

WHEREAS, the City Council annually adopts an operating budget as its work plan for the coming fiscal year; and

WHEREAS, the budget document contains all projected revenues, appropriations and transfers, it shall be implemented by the City Manager per this resolution.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles does hereby approve and/or direct the following budgetary actions:

1. All existing programs remain in effect unless management can reduce a program's cost via installation of new technologies or any other cost efficiency therein enabling the City to reduce reoccurring operating expenditures; and
2. General Fund revenues shall be continuously monitored in order to measure collections against estimates. The City Manager is directed to develop a plan to address any projected revenue shortfalls and submit said plan to the City Council by the first meeting in January, 1997; and
3. The City Council hereby formally establishes a "Capital Replacement" Fund for the specific purpose of providing ongoing fiscal resources for the replacement and acquisition of non-proprietary fund equipment. Existing resources that become available as the City retires lease purchase debt shall be reallocated to the Capital Replacement Fund. In the event the State legislature adopts legislation providing for the return of reoccurring revenues to the City, the first 75% shall be allocated to the Capital Replacement Fund.
4. Because the City will retire two current lease purchase obligations with in approximately twelve months, the City

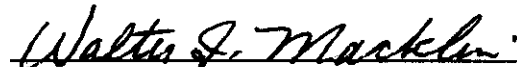
Manager is hereby authorized to utilize resources allocated for the retired lease purchase debt service payments to purchase the General Fund equipment identified in the attached Exhibit "A; and

5. The City Manager is authorized and directed to reduce General Fund expenditures to sufficiently fund the Salinas River Clean-up Project; and
6. Appropriations for the balance of the non-general fund capital equipment shall be made from unappropriated reserves in the as identified in the attached Exhibit "A".
7. All information services purchases, as identified in the attached Exhibit "A", shall be submitted and approved by the Information Systems Task Force.


BE IT FURTHER RESOLVED by the City Council of the City of El Paso de Robles, that the City Manager is hereby directed to invest the resources contained in Exhibit "B"; implement the 16% sewer user fee increase as identified in Exhibit "C"; and the final amended maintenance and operations budget, so as to implement the programs embodied in the fiscal year 1996-97 Program Budget.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles, this 4th day June, 1996 by the following vote:

AYES:	Heggarty, Picanco, Martin, Iversen, Macklin
NOES:	None
ABSENT:	None


Walter Macklin, Mayor

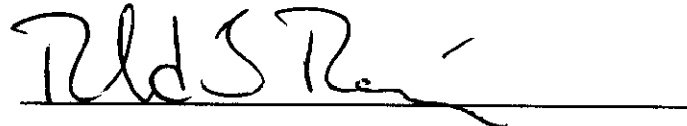
ATTEST:


Richard J. Ramirez, City Manager/City Clerk

() APPROVED () DENIED
() CONTINUED TO _____

1996/97 Operating Budget

The City Council will be meeting in an adjourned session/workshop on Thursday, May 30, 1996 to discuss the fiscal year 1996/97 Operating Budget. A staff report and draft resolutions have been prepared for use in this workshop. The May 30 report and draft resolutions are included herein in preparation for the June 4 Council hearing thereon. Due to the revised budget schedule approved by the City Council on May 21, 1996, any new information, revisions, or clarifications requested by the Council, as well as the City Manager's budget message, will be distributed following the May 30 workshop. The subject document will be forwarded prior to the June 4, 1996, City Council hearing.



Richard J. Ramirez, City Manager/Clerk

City of Paso Robles
Preliminary Budget Adjustments
Fiscal Year 1996-97

	GENERAL FUND	WATER OPERATIONS	SEWER OPERATIONS	AIRPORT OPERATIONS	LANDSCAPE & LIGHTING
Preliminary Budget:					
Operating Expenditures	9,926,800	2,242,700	2,456,500	359,300	136,600
Operating Revenues	<u>9,552,600</u>	<u>1,986,000</u>	<u>1,986,000</u>	<u>336,000</u>	<u>120,000</u>
	(374,200)	(256,700)	(470,500)	(23,300)	(16,600)
CM revenue adjustments	<u>223,000</u>				
	(151,200)				
Post Preliminary Budget:					
Expenditure Adjustments:					
Leisure Guide Savings	21,000				
Fitness/Nutrition Grant	10,000				
Matured Library Lease-purchase	5,500				
Matured Police Lease-purchase	13,300				
Adjust CS Salaries	6,000				
Oak Park Program	(10,000)				
Schedule "A" Transfer Out	(18,800)				
Schedule "B" Additions (a)	(78,500)				
Reduce operating capital			47,900		
Reduce debt principal		10,000	336,900	34,500	
Revenue Adjustments:					
Reduce School Contribution	(9,000)				
New/Expanded Revenues	19,000				
Reduce Interest			(40,000)		
Back-out User Fee Increase			(132,000)		
Modify User Fee Estimate		246,700	28,000		16,600
Increase Operating Transfer			50,000		
Final Revenue Updates	223,600				
Proposed Rate Increase			<u>179,700</u>		
Net Increase(Decrease) Fund Balance	<u>30,900</u>	<u>-</u>	<u>-</u>	<u>11,200</u>	<u>-</u>

(a) Schedule "B": substitute Library service enhancement request (\$18,000) for web server (\$19,000)

Exhibit "A"

**City of Paso Robles
Schedule of Recommended Operating Capital
Fiscal Year 1996-97**

Description:	Dept/ Prog	Amount	Source	Lease	Reserves
City Manager Information System Security	130-120	\$ 30,000	GF	X	
Admin Services Fixed Route Buses (2)	140-131	120,000	LTF		X
Police Patrol Vehicles (2)	210-136	50,000	GF	X	
Police Fiber Optics Link	210-140	7,800	GF	X	
Fire Sedan	220-148	25,000	GF	X	
Fire Command Vehicle	220-150	50,000	GF	X	
Fire PC w/Printer	220-150	3,300	GF	X	
Fire Radio System	220-149	8,000	GF	X	
Public Works Sidewalk Program	320-162	30,000	LTF		X
Public Works Line Striper	320-162	5,000	GT		X
Public Works PC w/Printer	331-164	4,900	SO		X
Public Works Grit Chamber	331-164	8,000	SO		X
Public Works Office Trailer	331-164	35,000	SO		X
Public Works Copy Machine	340-165	3,700	WO		X
Public Works Plan Holder	340-165	2,000	WO		X
Public Works Jack Hammer	340-165	5,000	WO		X
Public Works PC w/Printer	340-165	4,900	WO		X
Comm Services Pool Covers	411-174	10,000	PD		X
Comm Development Permitting Software	711-217	13,600	GF	X	
TOTAL OPERATING CAPITAL		<u>\$416,200</u>			

GF = General Fund	\$187,700
GT = Gas Tax Fund	5,000
LTF = Local Transportation Fund (TDA)	150,000
PD = Park Development	10,000
SO = Sewer Operations Fund	47,900
WO = Water Operations Fund	15,600
	<u>\$416,200</u>

		Debt Capacity	
FY 1996-97 Debt Service Appropriations	\$ 18,800	\$ 48,000	
FY 1997-98 Debt Service Appropriations	60,800	155,000	
	<u>\$ 79,600</u>	<u>\$ 203,000</u>	

Note: 8 1/3 Annual Payts in Arrears/Compounded Monthly

*Requires balance of new service request to be operational (listed under new request)

Exhibit "B"

**City of Paso Robles
Schedule of Recommended New/Expanded Service Requests
Fiscal Year 1996-97**

Description:	Dept/ Prog	Amount	Source
City Manager/City Clerk Elections/Survey/etc.	130-xxx	\$ 10,000	GF
City Manager/City Clerk Information System Security*	130-120	20,000	GF
Police Patrol Bomb Squad Contract	210-136	1,000	GF
Public Works Personnel Reclassification	310-161	3,000	GF
Public Works Salinas River Bikeway Match	310-162	4,000	LTF
Public Works Adopt-a-Street Program	320-162	3,500	GF
Public Works Hwy 46/Golden Hill M & O	320-162	4,000	GF
Library Service Enhancement Program	610-199	18,000	GF
Comm Services Event Staff Payroll***	411-174	7,000	GF
Comm Services Expand Swim Program***	411-182	10,000	GF
Comm Services Expand Senior Facility Use***	411-185	1,000	GF
Comm Services Expand Pre-school Program***	411-189	<u>1,000</u>	GF
TOTAL OPERATING CAPITAL		<u>\$ 82,500</u>	

GF = General Fund	\$ 78,500
LTF = Local Transportation Fund (TDA)	4,000
	<u>\$ 82,500</u>

*Requires balance of new service request to be operational (listed under capital schedule)

**Requires balance of new service request to be operational (listed under capital)

***Program cost increases are to be offset by increased program revenues

Exhibit "C"

City of Paso Robles
Proposed Schedule
of
Sewer User Fees
Effective 7/1/96

	Rate
	<u>7/1/96</u>
Sewer User Fees (1)	

Monthly Residential Fees:

Single Family Unit	\$ 12.05
Multi-Family Unit	\$ 12.05
Mobile Home Unit	\$ 12.05

Monthly Commercial Fees:

All commercial users shall pay a flat rate fee plus a variable rate based upon water consumption:

Flat rate portion		\$ 12.05
Variable rate portion	(2)	\$ 1.07

Sewer Connection Fees:

Single Family Residential Unit	\$ 2,017
Multi-Family Residential Unit	\$ 1,856
Mobile Home per Unit/Space	\$ 2,017
Commercial per Unit:	
Hospital/Convalescent	\$ 2,017
- plus per bed	\$ 93
Motel/Hotel	\$ 2,017
- plus per room	\$ 38
School	\$ 2,850
- plus per classroom	\$ 38
Industrial	\$ 1,856
- plus per 5 employees	\$ 22

(1) Sewer user and connection fees shall be double for those units outside the City limits.

(2) Variable rate portion of the fee shall be applied after the first 500 cu.ft. of metered water is consumed / multi-units and motel/hotel units shall receive the consumption credit for each flat rate unit.

Exhibit "D"

City of Paso Robles
Sewer User Fee
Rate Calculation

Wastewater Collections Per Preliminary Budget	\$ 423,500
Wastewater Treatment Per Preliminary Budget	<u>2,033,000</u>
Total Appropriations Request	2,456,500
less Capital Outlay Request	(47,900)
Debt Service Adjustment	<u>(336,900)</u>
NET ADJUSTED PRELIMINARY BUDGET	<u>\$ 2,071,700</u>

Revenues Per Preliminary Budget \$ 1,986,000

Adjustments:

Reduce Interest Estimate	(40,000)
Back-out User Fee Increase (1)	(132,000)
Modify Original User Fee Collections (2)	28,000
Increase Operating Transfer In (3)	<u>50,000</u>

\$ 1,892,000

PROJECTED OPERATING DEFICIT **\$ (179,700)**

PROJECTED USER FEE INCREASE
(applied to flat rate portion only)

\$ 1.65 per month
16¢ per month

- (1) Preliminary budget revenue estimate for fy 1996-97 included a 10¢ rate increase.
- (2) Preliminary budget revenue estimate for fy 1995-96 was underestimated by \$28,000.
- (3) Projecting higher no. of sewer connection units than originally estimated in Preliminary Budget.