

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: GAYLA R. CHAPMAN, ADMINISTRATIVE SERVICES DIRECTOR
SUBJECT: AMENDMENT OF THE FY16 BUDGET

Gayla R. Chapman

BACKGROUND

During the Mid-Year Budget Review, the City Council elected to delay funding for two Capital Improvement Projects (CIP). The first was CIP Number 390 for the Meter Replacement Program for \$140,000 and the second was for CIP Number 391 for Reservoir Maintenance for \$100,000. The Council will review the funding for these items in the FY 17 Budget.

DISCUSSION

At the March 7, 2016 City Council meeting, staff was directed to bring back an Amendment to the Annual Appropriation Resolution No. 15-26 to amending the FY 16 Budget to not include the funding for CIP numbers 390 and 391. By amending the FY 16 Budget an additional \$240,000 will be added back to the Water Fund.

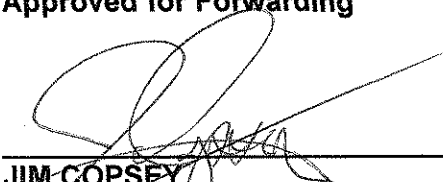
As a point of clarification, the amount shown in the budget resolutions, such as the attached amendment, indicates the ending balance in the fund. That balance is based on the budget for the year, not actuals. Therefore, the number shown in the mid-year budget review, presented on February 1, 2016, of \$449,467 ending cash reserves indicated where staff believes we would end the fiscal year, at that set point in time, which included the \$240,000 in Capital Expenditures not being spent and that beginning cash reserves were higher than anticipated at the time the FY 16 Budget was adopted. Budgeted numbers are shown in the resolution amendments in order to be consistent throughout the fiscal year. When deducting the amounts from the resolution amendments and comparing those deductions with the budget documents, staff is able to get a cash balance based on the approved budget. The cash reserves shown in the amendments would not flow from one amendment to the next if not compared to the budget.

ALTERNATIVES

The City Council has the following alternatives to consider:

1. Adopt the Resolution amending the FY 16 Budget by amending the Annual Appropriation Resolution No. 15-26.
2. Provide direction to staff.

Approved for Forwarding



JIM COPSEY
INTERIM CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- | | |
|--|----------------------------------|
| <input checked="" type="checkbox"/> None Identified by Staff | <input type="checkbox"/> Bright |
| <input type="checkbox"/> Shoals | <input type="checkbox"/> Nicolls |
| <input type="checkbox"/> Lee | <input type="checkbox"/> Shah |

RECOMMENDED ACTION

Staff recommends that the City Council Adopt the Resolution amending the FY 16 Budget.

FISCAL IMPACT

An additional \$240,000 will be added to budgeted cash reserves in the Water Fund.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

Attachments

1. Resolution amending the Annual Appropriation Resolution No. 15-26.

RESOLUTION NO. 16-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH,
CALIFORNIA, ADOPTING THE 15th AMENDMENT TO THE ANNUAL APPROPRIATION
RESOLUTION NO. 15-26 TO AMEND THE FY 16 BUDGET**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GROVER BEACH:

THAT Section 6 of Part III of the Annual Appropriation Resolution No. 15-26 is hereby amended as follows:

		Increase/(Decrease)
TO:	Capital Improvement Plan Numbers 390 & 391	(\$240,000)
FROM:	RESERVES	\$240,000
	Total Section 6	<u>\$ -0-</u>

THAT account titles and numbers requiring adjustment by this Resolution are as follows:

Water Fund

Resources/Uses:

		<u>Resources</u>	<u>Uses</u>
A/C No.: 06-000-2800	Fund Balance	\$ -0-	\$240,000
A/C No.: 06-391-4874	Capital Construction	\$100,000	\$ -0-
A/C No.: 06-390-4874	Capital Construction	\$140,000	<u>\$ -0-</u>
	Total Water Fund	<u>\$240,000</u>	<u>\$240,000</u>

THAT the purpose of this Resolution is to defund Capital Improvement Plan Number 390 for the Meter Replacement Program for \$140,000 and Capital Improvement Plan Number 391 for \$100,000 for Reservoir Maintenance.

THAT the balance in total Water Fund reserves after the adoption of this resolution would be \$220,294.

Upon motion by Council Member, second by Council Member, and on the following roll call vote, to wit:

AYES: Council Members –
NOES: Council Members –
ABSENT: Council Members –
ABSTAIN: Council Members –

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at the Regular Meeting by the City Council of the City of Grover Beach, California, this 21th day of March, 2016.



JOHN P. SHOALS, MAYOR

ATTEST:

DONNA L. McMAHON, CITY CLERK