

City of Brisbane

Agenda Report

To: City Council via City Manager
From: Stuart Schillinger, Administrative Services Director
Subject: Resolution 2016-08 approving changes to the budget for the General Fund
Date: April 7, 2016

Purpose:

Provide for the long-term financial stability of Brisbane.

Recommendation:

Adopt Resolution 2016-08 to amend the FY 2015/16 Budget.

Background:

On June 18, 2015 City Council adopted the Fiscal Year 2015/16 budget. The budget projected General Fund Revenues and transfers of \$15,798,000 including. General Fund expenditures were projected at \$16,773,200 including \$1,963,826 in transfers out. There was an anticipated deficit of \$681,748. The beginning fund balance was estimated at \$10,400,000 and ending fund balance of \$9,424,800.

The City completed its FY 2014/15 audit in December 2015. The audit provides the actual starting fund balance for FY 2014/15. Our actual General Fund balance as of July 1, 2015 was \$12,142,756. Not all of this is in cash as there are loans and advances to other funds included in this amount. This means beginning fund balance for FY 2014/15 was about \$1,700,000 higher than anticipated.

Discussion:

Attached are proposed changes to the FY 2015/16 budget.

Revenues General Fund

Overall revenues are expected to be \$34,000 lower than originally projected. The major increases in revenue are:

Property Taxes – Unseured - \$7,000 higher

Sales Tax – General - \$550,000 higher

Sales Tax from the Property Tax SWAP - \$550,000 lower (this is due to the triple flip ending this year)

Transient Occupancy Tax - \$200,000 higher

Recycling Business License Tax - \$375,000 lower (Anticipated an increase which will not take effect until next fiscal year)

Grading Permits and Inspections - \$20,000 higher

Mandated Cost Reimbursements - \$14,000 higher (we have received this amount to date and did not budget any)

Other Grants - \$50,000 lower (anticipated a grant for the Safe Route to Schools which we did not get).

Facility Rentals - \$44,000 lower (rentals at Mission Blue are still lower than anticipated)

Developers Reimbursements - \$152,400 higher (we received last year's payment later than anticipated).
Admin Fees - \$41,000 higher.

Utility Fund Revenues

Water Revenue - \$500,000 (reduction in water usage by landscape water users)

General Fund Expenditures

Overall expenditures are expected to be about \$61,000 lower than projected last June. Attached is a listing of all of the expenditure accounts in the General Fund with anticipated savings and additional expenditures.

Salaries in the City Manager's Office, City Clerk's Office, and Co-Sponsorships are due to not filling the Executive Assistant to the City Manager/Deputy City Clerk.

Reduction in Special Department Expense in the City Manger's Office is savings in the Economic Development Program.

Change in the Finance Department is due to the Deputy Finance Director retiring and needing to pay off her accrued leave balances and moving the part-time position to full-time (split 50/50 with the City Manger Office).

Human Resources Salaries are down with the transition from on Human Resource Technician to another.

Legal services are below projections due to the attorney spending less time this year than last year on City projects.

Fire Overtime is higher than anticipated partially due our firefighters being called out over the summer on wildland fires. This is reimbursed to the City.

Public Works Salaries are being changed to reflect where the employees are being paid from through the payroll system instead of where they were allocated in the budget.

Parks and Recreation is showing Salary savings due to the retirement of one of our Supervisors earlier this year.

Utility Fund Expenditures

The other change which needs to be made is increase the budget for waste water treatment in GVMID and Sewer Divisions. The amount is \$84,000 for GVMID and \$126,000 for the Sewer Division. SFPUC sent us their bill past the time we could enter into the previous fiscal year.

Motor Vehicle Fund

New vehicle for Code Enforcement Officer - \$30,700 (Moved from Planning to the Police Department no vehicle was included in the budget for this position)

Use of Unanticipated 2015/16 Beginning Fund Balance

On January 13, 2016 the Finance and Administrative Policy Subcommittee reviewed the 2014/15 General Fund, fund balance. As stated previously the fund balance was about \$12,100,000 instead of the anticipated \$10,400,000. At the meeting the Subcommittee reviewed a recommendation from staff on how to use the additional fund balance. The City Council had previously allocated \$500,000 for the Ice House Hill project which left about \$1,200,000 of unanticipated fund balance. Staff recommended using \$500,000 to put into the Other Post Employment Benefit (OPEB) Trust fund set up last year and place \$300,000 into the building maintenance fund which should be created after the building assessment report is completed and reviewed by City Council. This would leave \$400,000 available for either additional projects this year or to further boost fund balance going into FY 2016/17.

Staff will bring the 5-year fiscal model to the City Council for review and discussion at their April 21, 2016 meeting to further discuss required levels of reserves and additional needs of the City.

Fiscal Impact:

The fiscal impact of the mid-year reprojection was described in the discussion section of the report. It is anticipated that revenues will be about \$34,600 lower than projected mostly due the Recycling Business License Tax not increasing this year, and expenditures will be about \$61,000 under projections based on the explanations provided earlier in the report.

Measure of Success

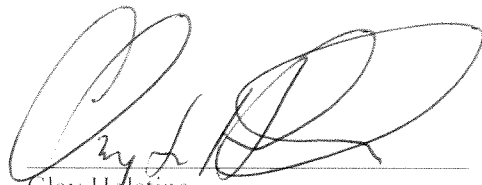
The City is able to maintain long-term fiscal stability.

Attachments:

Resolution 2016-08
Mid-year rejections.



Stuart Schillinger
Administrative Services Director



Clay Holstine
City Manager

RESOLUTION NO. 2016-08

A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF BRISBANE
AMENDING THE ANNUAL BUDGET
FOR FISCAL YEAR 2015-16 AND MAKING APPROPRIATIONS FOR THE AMOUNT BUDGETED

WHEREAS, a proposed annual budget for the City of Brisbane for the Fiscal Year commencing July 1, 2015 and ending June 30, 2016 was adopted by City Council on June 18, 2015; and

WHEREAS, the City Council has reviewed the proposed changes to the FY 2015/16 on April 7, 2016 2015.

NOW THEREFORE, THE CITY COUNCIL DOES RESOLVE, that the amended budget, as submitted is adopted as the annual budget for the Fiscal Year commencing July 1, 2015 and thereby appropriates the amounts budgeted.

PASSED, APPROVED, AND ADOPTED this 7th day of April 2016

Clifford Lentz
Mayor

I hereby certify that the foregoing **Resolution No. 2016-08** was duly and regularly adopted at a regular meeting of the Brisbane City Council on April 7, 2016 by the following vote:

AYES:

NOES:

ABSENT:

Sheri Marie Spediacci
City Clerk

General Fund

For revenues numbers in parenthesis are under budget

For expenditures numbers in parenthesis are over budget

Revenues	Budget	Mid-year reprojction	Difference
Property Taxes - Unsecured	50,000	57,000	7,000
Sales Tax - General	2,250,000	2,800,000	550,000
Sale Tax/Property Tax Swap	750,000	200,000	(550,000)
Transient Occupance Tax	2,500,000	2,700,000	200,000
Recycling Business License Tax	2,475,000	2,100,000	(375,000)
Grading Permits/Inspections	95,000	115,000	20,000
Mandated Cost Reimbursements	-	14,000	14,000
Other Grants	53,000	3,000	(50,000)
Facilities Rentals	104,000	60,000	(44,000)
Developers' Reimbursements	174,000	326,400	152,400
Admin Fee	31,000	72,000	41,000
Total			(34,600)

Utility Fund

Water Sales	2,950,000	2,450,000	(500,000)
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Expenditures	Budget	Mid-year reprojction	Difference
City Council			
Flexible Benefits	75,075	65,000	10,075
City Clerk			
Part-time Salaries	13,949	2,000	11,949
Social Security	865	-	865
City Manager			
Full-time Salaries	332,919	310,000	22,919
Part-time Salaries	13,949	5,800	8,149
Social Security	865	500	365
Special Department Expense	89,000	50,000	39,000

Expenditures	Budget	Mid-year reprojction	Difference
City Co-Sponsorship			
Full-time Salaries	7,768	1,000	6,768
City PERS Contribution	851	110	741
Life/ADD	41	5	36
Medicare Tax	113	20	93
Long Term Disability	49	10	39
Auto Allowance	360	40	320
Open Space			
Finance Department			
Full-time Salaries	542,675	614,941	(72,266)
Part-time Salaries	29,328	100	29,228
Overtime	500	3,000	(2,500)
Social Security	1,818	-	1,818
Professional Services	126,000	110,000	16,000
Human Resources			
Full-time Salaries	145,857	115,000	30,857
Special Department Expense	6,500	5,000	1,500
Legal			
Professional Services	300,000	250,000	50,000
Community Development			
Part-time Salaries	32,945	20,000	12,945
Library			
Police - Administration			
Police - Communications			
Travel and Training	2,150	3,500	(1,350)
Police - Patrol			
Full-time Salaries	1,444,858	1,350,000	94,858
Fire			
Overtime	240,000	300,000	(60,000)

	Budget	Mid-year reprojction	Difference
Public Works - Administration			
Special Department Expense	1,500	3,500	(2,000)
Public Works - Streets and Storm Drains			
Full-Time Salaries	185,609	140,000	45,609
Part-Time Salaries	-	6,000	(6,000)
Small Tools	1,000	3,000	(2,000)
Public Works - Building and Grounds			
Full- Time Salaries	17,294	60,000	(42,706)
Overtime	6,000	2,000	4,000
City PERS	1,895	6,000	(4,105)
Special Department Expense	-	13,600	(13,600)
Public Works - Park Maintenance			
Full-time Salaries	74,153	66,000	8,153
Part-time Salaries	16,784	5,000	11,784
Overtime	-	8,000	(8,000)
Social Security Tax	1,041	500	541
Maintenance - Structures	15,000	40,000	(25,000)
Professional Service	21,300	40,000	(18,700)
Special Department Expense	45,000	10,000	35,000
Public Works - Landscape Maintenance			
Full Time Salaries	17,294	-	17,294
Overtime	-	200	(200)
City PERS	1,895	-	1,895
Flexible Benefits	1,976	-	1,976
Maintenance - Structures	10,000	35,000	(25,000)
Professional Services	124,000	150,000	(26,000)
Special Department Expense	-	9,000	(9,000)
Public Works - Emergency Operations Center			
Full-time Salaries	61,266	50,000	11,266
Parks and Recreation - Administration			
Full-time Salaries	221,226	210,000	11,226
Part-time Salaries	4,200	8,000	(3,800)
Travel and Training	3,650	1,000	2,650
Equipment	-	4,000	(4,000)

	Budget	Mid-year reprojection	Difference
Central Services			
Office Expense	20,000	40,000	(20,000)
Professional Services	94,000	150,000	(56,000)
Special Department Expense	8,740	35,000	(26,260)
Total			61,432
Utility Fund			
GVMID - Sewer Processing	381,000	465,000	(84,000)
Sewer - Sewer Processing	572,000	698,000	(126,000)
Motor Vehicle Fund			
Code Enforcement Vehicle	-	30,700	(30,700)

For revenues numbers in parenthesis are under budget
For expenditures numbers in parenthesis are over budget