



CITY COUNCIL AGENDA REPORT

Meeting Date: 2/20/2020

From: Stuart Schillinger, Administrative Services Director

Subject: Mid Year Budget Update

Community Goal/Result

Fiscal Stability

Purpose

Provide funding for current approved programs and services and set funding aside for long-term liabilities.

Recommendation

City Council acknowledge mid-year update and allocate the following funding amounts

\$250,000 reserved for payment of future plan check and building permit work

\$175,000 placed into the City's Pension Trust Fund held at PARS

\$175,000 reserved for future Capital Projects

Background

On June 21, 2018, City Council adopted the FY 2019/20 budget. The budget projected General Fund Revenues at \$19,390,860 including transfers in. General Fund expenditures were projected at \$20,269,177 including transfers out.

Discussion

Staff has done a preliminary review of the revenues received and expenditures spent through December 2019. Based on this review it is anticipated that the City will have revenues approximately \$750,000 above expenditures. The anticipated increase in revenues is approximately \$2,450,000. The largest component of this is Sales Tax which is projected to be \$5,700,000 rather than the \$4,488,000 projected in June of 2018 when the budget was adopted. Additionally, the due to the new development at Sierra Point there continues to be a surge in Building Permit fees, Plan Check Fees, and Fire Fees. This is in excess of \$600,000 more than budgeted. Other areas that have seen larger revenues than originally projected are Property Tax from the former RDA area and ERAF (Educational Relief Augmentation Fund).

On the expenditure side of the City has seen growth due to a number of one-time projects including negotiations with the Eagles, purchase of Adobe Pro to assist in creating a paperless agenda, purchase of budgeting software, personnel issues, City Attorney time, new associate planner, new recreation coordinator, plan check and building permit work for Sierra Point, removal of trees from Trinity, dog park furniture, and Association Fees related to land swap at

Sierra Point for potential park. Staff will continue to monitor the budget and bring back a resolution for any necessary changes at a future meeting.

Fiscal Impact

The City is able to pay for all of its commitments of the 2019/20 budget and set additional money aside for its PERs liabilities and Capital Projects.

Measure of Success

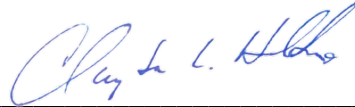
The City is able to meet the goals and policies adopted by the City Council.

Attachments

Mid-year Budget Overview

Stuart Schillinger

Stuart Schillinger, Administrative Services Director



Clay Holstine, City Manager