



# *CITY COUNCIL AGENDA REPORT*

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MEETING DATE: JUNE 19, 2012

ITEM NUMBER:

**SUBJECT: ADOPTION OF THE FISCAL YEAR 2012-2013 BUDGET**

**DATE: JUNE 13, 2012**

**FROM: FINANCE DEPARTMENT, ADMINISTRATION DIVISION**

**PRESENTATION BY: BOBBY YOUNG, BUDGET AND RESEARCH OFFICER**

**FOR FURTHER INFORMATION CONTACT: BOBBY YOUNG AT (714) 754-5241**

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## **RECOMMENDED ACTION:**

Adopt the attached Resolution Number 12-\_\_ approving the Fiscal Year 2012-2013 Operating and Capital Improvement Budget.

## **BACKGROUND:**

Staff has used multiple City Council Study Sessions throughout May and June to present to the City Council in more detail, the Proposed Operating & Capital Improvement Budget for Fiscal Year 2012-2013. The proposed budget is the City's preliminary spending plan for Fiscal Year 2012-2013.

## **ANALYSIS:**

As presented at the June 12, 2012 City Council Study Session, due to the State's dissolution of Redevelopment Agencies, the City CEO recommended the elimination and subsequent layoff of 4 City positions. Those positions are as follows:

### **Office Specialist II – Development Services – Building Division**

With the creation of additional Code Enforcement Officer positions, it is anticipated that the workflow from this position will be allocated to other positions within the Department.

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### **Office Specialist II – CEO's Office – City Clerk's Office Division**

It is anticipated that the workflow from this position will be allocated to other positions within the Division.

### **Information Technology Manager – Finance and I.T. Department – I.T. Division**

It is anticipated that the workflow from this position will be allocated to other positions within the Department.

The total proposed appropriations for all funds are \$132,676,130. Compared to the Fiscal Year 2011-2012 adopted budget, the Fiscal Year 2012-2013 proposed budget represents an increase of \$18.0 million or 15.45%, as shown in the following table. The proposed budget includes the operating and capital improvement budgets for the following funds: General Fund, Special Revenue, Capital Projects, and Internal Service Funds.

<b>PROPOSED BUDGET - ALL FUNDS</b>					
<b>Appropriations/ All Funds</b>	<b>Proposed FY 12-13</b>	<b>Adopted FY 11-12</b>	<b>Increase (Decrease)</b>		<b>Percent of Total</b>
			<b>Amount</b>	<b>Percent</b>	
Operating Budget	\$109,329,194	\$104,366,928	\$ 4,962,266	4.75%	82.40%
Transfers Out	2,640,000	100,000	2,540,000	2540.0%	1.99%
Capital Budget	20,706,936	10,449,122	10,257,814	98.17%	15.61%
	<u>\$132,676,130</u>	<u>\$114,916,050</u>	<u>\$17,760,080</u>	<u>15.45%</u>	<u>100.00%</u>
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>15.45%</u>	<u>%</u>

The following table is a summary of the Fiscal Year 2012-2013 total appropriations by fund type for all funds, compared with the adopted budget for the current year:

<b>Fund Type</b>	<b>Proposed FY 12-13</b>	<b>Adopted FY 11-12</b>	<b>Increase (Decrease)</b>		<b>Percent of Total</b>
			<b>Amount</b>	<b>Percent</b>	
General Fund*	\$101,119,710	\$ 94,650,182	\$6,569,528	6.84%	76.22%
Special Revenue Funds*	10,624,574	10,760,863	(136,289)	(1.27%)	8.01%
Capital Projects Funds*	14,052,360	4,301,535	9,750,825	226.68%	10.59%
Internal Service Funds*	6,879,486	5,203,470	1,676,016	32.21%	5.18%
Total	<u>\$132,676,130</u>	<u>\$114,916,050</u>	<u>\$17,760,080</u>	<u>15.45%</u>	<u>100.00%</u>

\* Includes transfers out

The following table illustrates the total estimated revenue, total appropriations, and total fund balances used for all funds.

<b>Description</b>	<b>General Fund</b>	<b>All Other Funds</b>	<b>Total</b>
Estimated Revenue	\$ 101,174,935	\$ 23,039,538	\$ 124,214,473
Transfers In	-	2,640,000	2,640,000
Use of Fund Balances	(55,225)	5,876,882	5,821,657
Total Resources	<u>\$ 101,119,710</u>	<u>\$ 31,556,420</u>	<u>\$ 132,676,130</u>
Proposed Operating Budget	\$ 98,479,710	\$ 10,849,484	\$ 109,329,194
Proposed Capital Budget	-	20,706,936	20,706,936
Transfers Out	2,640,000	-	2,640,000
Total Appropriations	<u>\$ 101,119,710</u>	<u>\$ 31,556,420</u>	<u>\$ 132,676,130</u>

The Fiscal Year 2012-2013 proposed budget includes the use of fund balance by some funds including the General Fund. The estimated amounts of fund balances to be used by those funds are listed in the following table:

<b><u>ESTIMATED FUND BALANCES TO BE USED</u></b>	
<b><u>Fund</u></b>	<b><u>Amount</u></b>
Gas Tax Fund	\$1,242,844
Proposition 172 Fund	21,357
Air Quality Management District Fund	223,200
Community Development Block Grant Fund	117,186
Park Development Fees Fund	609,250
Drainage Fees Fund	292,500
Supplemental Law Enforcement Fund	87,615
Traffic Impact Fees Fund	1,173,150
Narcotics Forfeiture Fund	31,050
Capital Improvement Fund	545,000
Measure "M" Construction Fund	3,408,027
Self Insurance Fund	<u>79,295</u>
Total use of fund balances	<u><u>\$7,830,474</u></u>

### **ALTERNATIVES CONSIDERED**

The State Government Code requires the annual budget to be adopted prior to the beginning of the fiscal year, which is July 1. Therefore, no alternatives were considered.

### **FISCAL REVIEW**

As presented, the proposed FY 12-13 budget provides for adequate resources to fund the total proposed appropriations for all funds.

### **LEGAL REVIEW**

The City Attorney has reviewed and approved the attached resolution as to form.

**CONCLUSION:**

The proposed budget continues to provide an outstanding level of service and is balanced within existing resources including the use of fund balance for some funds. Staff is available to answer any questions you may have about the Fiscal Year 2012-2013 proposed budget at your convenience.

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BOBBY YOUNG  
Budget & Research Officer

Attachment 1: [Resolution Adopting the Budget for FY 12-13](#)  
Attachment 2: [CEO's Recommended Changes to FY 2012-13 Preliminary Budget staff report dated June 11, 2012](#)