

FY 2016-17 Budget Amendment

January 24, 2017

City Council Meeting

Deborah Lauchner
Chief Financial Officer, Finance Department

Agenda

- Overview
- General Fund Reserves
- Amendments to the 2016-17 adopted budget
 - One-time Revenues, Expenditures (one-time and ongoing), New Position Request
- Personnel transactions including creation of new classifications and reclassifications of existing classifications

Overview

- This Mid-Year Budget Amendment addresses immediate operational needs outside of the budget process.
- Staff is requesting the City Council:
 - Recognize revenue over original estimates
 - Approve various one-time and ongoing expenditure requests, including the addition of one new position
 - Approve various miscellaneous personnel transactions

General Fund Reserves

- City Council policy establishes that General Fund reserves be 15% to 17% of General Fund expenditures
- General Fund unassigned reserves are \$12.8 million over the 17% reserve requirement. This is a result of:
 - Higher than expected revenue at Fiscal Year End (FYE) 2016 (\$10.4 million)
 - Less expenditures than budgeted at FYE 2016 (\$481K)
 - Prior year fund balance carried forward

General Fund Reserves - Revenues

Revenue Source	Variance Amount	Ongoing or Onetime
Property Tax	847,480	Ongoing
Redevelopment Residual	2,007,591	Onetime
Sales Tax	1,989,790	Ongoing
Utility Users Tax	797,961	Onetime
Real Property Transfer Tax	960,667	Ongoing/Onetime
Transient Occupancy Tax	658,908	Ongoing
Interest	572,021	Onetime
State Mandated Costs (SB90)	250,000	Onetime
Grants	2,040,721	Onetime

Cost Neutral General Fund Requests

	Description of Item	Rev Offset Request
1	Wildland Fire Strike Team Reimbursement	539,600
2	Building Inspection and Plan Check Consulting	200,000
	Engineering Inspection and Plan Check Consulting	300,000
3	Sr. IT Technician (CMedia)	-
4	Weapons Replacement	95,597

Cost Neutral General Fund Requests

- 1. Strike Team Reimbursements (\$539,600)
- \$400,000 budgeted; \$939,600 of reimbursements for various Strike Team assignments
- Amendment will increase recognize additional revenue of \$539,600; and increase appropriations of a corresponding amount
- Reimburse for strike team cost; also pay for portion of negotiated holiday pay (\$288,493). Remaining \$70,900 will be absorbed by the department's budget

Cost Neutral General Fund Requests

- 2. Planning and Economic Development Consulting (Building, \$200,000; Engineering, \$300,000)
 - Funds will pay for consulting services for Building Division and Engineering Divisions
 - Inspection and Plan Check consulting services are used to reduce workload and provide for quicker turnaround times
 - Building-related revenues are more than estimates, and are sufficient to pay for the additional services

Cost Neutral General Fund Requests

➤ 3. 1.0 FTE Sr. IT Technician (CMedia)

- Request is for 1.0 FTE Sr. IT Technician for the in-house broadcasting of City Council meetings, previously performed by CMedia
- Existing appropriations are sufficient to pay (through the end of this fiscal year) for this position, former CMedia temporary employees; and closed-captioning costs

Cost Neutral General Fund Requests

- 4. Police Weapons Replacement (Revenue \$95,597; Expenditures \$95,597)
 - Service weapons sold resulting in \$95,597 of unanticipated revenue
 - Corresponding appropriations to purchase replacement service weapons

New General Fund Requests

	Description of Item	Request
1	City Clerk – Election Costs	525,550
2	Human Resources – Professional Services	150,000
3	City Council – City Attorney Contract	425,000

New General Fund Requests

➤ 1. City Clerk – Election Costs (\$525,550)

- Request pays for November 2016 election costs exceeding budget
- Request also pays for Referendum and Special Election costs for June 2017, estimated at \$500,000

New General Fund Requests

➤ 2. Human Resources – Professional Services (\$150,000)

- Request pays for unanticipated and unbudgeted professional services for the remainder of the fiscal year
- Higher than expected number of department head-level recruitments which typically use consultants
- Funding requested at an estimated \$150,000 for consultants to support the current labor negotiation process

New General Fund Requests

➤ 3. City Council – City Attorney Contract (\$425,000)

- City has been filling the vacant City Attorney position on a contract basis. Contract paid for initially with salary savings, but the savings have now been exhausted
- Request will pay for the contract legal services, including City Attorney services, support for the Roseland Annexation and a potential cannabis tax
- Additional funding in the amount of \$425,000 is needed for these contract services until a permanent City Attorney is appointed

Personnel Transactions

	Description of Item
1	Reclassification – Storekeeper to Stores Specialist
2	Reclassification – Accounting Assistant to Payroll Specialist
3	New Classification –Economic Development Manager
4	New Classification – Department Information Technology Supervisor
5	New Classification – Water Reuse Engineer

Personnel Transactions

➤ Reclassification – Storekeeper to Stores Specialist

- Finance Department (Purchasing Division) requested study of positions in warehouse function
- Study concluded that given the higher-level work associated with the Central Warehouse, including increased contract management, it made sense to reclassify a vacant, lower-level Storekeeper position to Stores Specialist
- No budget impact in current year

Personnel Transactions

➤ Reclassification – Payroll Specialist

- Reclassification of (2) Accounting Assistants assigned to the Payroll Division in Finance
- Study took into account the work performed by this classification had changed significantly over time and warranted a new classification of Payroll Specialist
- The current year budget impact will be absorbed within existing appropriations

Personnel Transactions

➤ New Classification – Economic Development Manager

- As part of the City reorganization in 2015, Economic Development was moved into what is now Planning and Economic Development (PED)
- The classification for the manager of this operation was Housing and Economic Development Manager
- Human Resources and PED have created a new classification of Economic Development Manager based on current and anticipated duties
- The new classification will be applied to the currently vacant manager position, with no impact to the current year budget

Personnel Transactions

- **New Classification – Department Information Technology Supervisor**
- The Water Department added a Sr. Programmer Analyst (SPA) in the FY 2016-17 budget to provide direct supervision to the technical staff of the Asset Management team
- Prior to filling the position, it was determined that the SPA classification was not a good fit to find a technical supervisor
- Staff from HR, Water, and IT determined that Department Information Technology Supervisor classification would best meet the needs of the Water Department for this position
- Staff recommends reclassifying the vacant position into this new classification, with no budget impact

Personnel Transactions

➤ New Classification – Water Reuse Engineer

- The Water Department added a Supervising Engineer in the FY 2016-17 budget to coordinate design, planning and implementation of projects within the Water Reuse division
- This position will be providing oversight to external providers, and not supervising in-house staff
- Staff determined that the existing classification was not appropriate for the duties assigned, and recommends creating a new Water Reuse Engineer classification to take the place of the recently-added Supervising Engineer position
- There is no budget impact



Questions?