

Mayor
Lois Wynne
Mayor Pro Tem
Jeff Chedester
Council Members
Ray Madrigal
Eddie Neal
William Siegel



**Office of the
City Manager**

119 Fox Street
Lemoore, CA 93245
Phone (559) 924-6700
Fax (559) 924-9003

Staff Report

ITEM NO. 4-2

To: Lemoore City Council
Jeff Laws, City Manager

From: Cheryl Silva, Finance Director

Date: January 29, 2015 **Meeting Date:** February 3, 2015

Subject: 2014-2015 Mid-Year Budget Adjustments

Discussion:

Staff has reviewed the current status of the 2014-2015 Operations and Maintenance Budget. Based on that review, staff is forwarding the following budget adjustments for Council consideration:

Revenues

Finance Director Silva and City Manager Laws have reviewed and analyzed all revenue for the past six months and recommend the following adjustments based on material changes:

Proposed Budget Adjustments Mid-Year 2014- 2015

General Fund		Budget	Proposed	Budget
		2014-15	Budget	Adjustments
			Estimates	
3010A	Secured Property Taxes - RDA	400,000	800,000	400,000
3022	Sales Tax	2,021,000	2,100,000	79,000
3034	Transient Occupancy Tax	120,000	130,000	10,000
3040	Building Permits	100,000	150,000	50,000
3045	Plumbing Permits	13,500	20,250	6,750
3050	Electrical Permits	7,200	10,800	3,600
3055	Mechanical Permits	2,700	4,050	1,350
3060	Plan Check Fees	50,000	75,000	25,000
3200	Public Improvement Plan Checks	50,000	90,000	40,000
3625	Public Building Rentals	34,000	40,000	6,000
3630	General Plan Update Fee	9,000	13,500	4,500
3635	Technology Fee	4,500	6,750	2,250
3755	Motor Vehicle In Lieu	1,975,000	1,880,000	(95,000)
3872	School Impact Fees	10,000	15,000	5,000
Total Difference		\$ 4,796,900	\$ 5,335,350	\$ 538,450

Non Salary/Benefit Expenditures for the General Fund

Staff is recommending an increase in the City Manager (4213) Printing and Publication (4330) of \$16,500. This is due to the zoning code update.

Staff is recommending an increase in Finance (4215) Worker’s Compensation (4315) of \$71,623. This is due to retroactive adjustments.

Staff is recommending an increase in the Maintenance Division (4220) Utilities (4340) of \$54,000. This is due to not realizing the projected savings for the solar project as it is still not online for the Cinnamon Municipal Complex Parking Structure.

Staff is recommending an increase in Building Inspector (4224) Operating Supplies (4220) of \$1,000 for a new computer.

Staff is recommending an increase in Public Works (4230) Operating Supplies (4220) of \$1,000 for a new computer. Also, an increase to Printing/Publications (4330) due to sending out public notices.

Staff is recommending an increase in the Streets Department (4231) Utilities (4340) of \$33,000 due to utilities for street lights and signals.

Operating Expenditure Adjustments	178,123
Approved to Date Budget Adjustment Agenda Items	<u>121,011</u>
General Fund Adjustments	\$ 299,134

Due to the previous agenda item, an increase in City Council (4211) RDA Assets (4291) of \$356,346 due to RDA Asset Transfer Review Adjustments.

Operating Expenditure Adjustments	299,134
RDA Asset Transfer Adjustment	<u>356,346</u>
Total General Fund Adjustments	\$ 655,480

Revenues for the Water Fund

Water Fund

	Budget	Proposed	Budget
	2014-15	Estimates	Adjustments
3300 Water Service Fees	3,800,000	3,500,000	(300,000)
3305 Water Meter Fees	40,500	45,500	5,000
3880 Water Miscellaneous	1,000	12,000	11,000
3320 Construction Meter Rental	5,000	18,000	13,000
3884 Bad Debt Recovery	4,000	7,000	3,000
Water Fund Difference	\$ 3,850,500	\$ 3,582,500	\$ (268,000)

Non Salary/Benefit Expenditures for the Water Fund (4250)

Staff is recommending an increase in the Repair/Maintenance Supplies (4230) of \$18,650 due to fire hydrant repair parts. Also, an increase in the Repair/Maintenance Services (4350) of \$110,000 for services to Wells 8, 11 and 12.

Operating Expenditure Adjustments	128,650
Approved to Date Budget Adjustment Agenda Items	<u>9,468</u>
Increase to Water Fund	\$ 138,118

Non Salary/Benefit Expenditures for the Refuse Fund (4256)

Staff is recommending an increase in the Operating Supplies (4220) of \$7,500 due to Morgan & Slates/repair and conversion of dumpsters for front loaders.

Operating Expenditure Adjustments	7,500
Approved to Date Budget Adjustment Agenda Items	<u>4,262</u>
Increase to Refuse Fund	\$ 11,762

Non Salary/Benefit Expenditures for the Sewer Fund (4260)

Staff is recommending an increase in the Repair/Maintenance Supplies (4230) of \$4,800 due to unexpected repairs. Also, an increase in the Professional/Contract Services (4310) of \$40,000. This is due to Quad Knopf bills associated with Leprino.

Operating Expenditure Adjustments	44,800
Approved to Date Budget Adjustment Agenda Items	<u>6,200</u>
Increase to Sewer Fund	\$ 51,000

Budget Impact:

The net effect to the 2014-2015 General Fund for all recommended adjustments is \$117,030 to the negative. The net effect to the Enterprise and Internal Service Fund for all recommended adjustments is \$468,880 to the negative.

	<u>Budget Adjustment</u>
GENERAL FUND	
Revenues	538,450
Expenditures (Mid-Year and Approved to Date Agenda Items)	<u>299,134</u>
NET DECREASE TO THE GENERAL FUND	293,316
RDA Asset Transfer	<u>356,346</u>
NET INCREASE TO THE GENERAL FUND	<u>(117,030)</u>
ENTERPRISE AND INTERNAL SERVICE FUND	
Revenue Decrease - Water	(268,000)
Water Expenditures (Mid-Year and Approved to Date Agenda Items)	138,118
NET INCREASE TO WATER FUND	<u>(406,118)</u>
Refuse Expenditures (Mid-Year and Approved to Date Agenda Items)	11,762
NET INCREASE TO REFUSE FUND	<u>(11,762)</u>
Sewer Expenditures (Mid-Year and Approved to Date Agenda Items)	51,000
NET INCREASE TO SEWER FUND	<u>(51,000)</u>
NET INCREASE TO ENTERPRISE AND INTERNAL SERVICE FUND	<u>(468,880)</u>

Recommendation:

That the City Council, by motion, approve the above described recommended budget adjustments.