



Legislation Text

File #: 20-037, **Version:** 1

Report Prepared by: Venus Rodriguez, Finance Officer

SUBJECT: Mid-Year Budget Review for Fiscal Year 2019-2020 Including Requests for Approval of General Fund Supplemental Appropriations and Budget Amendments in Various Funds Totaling \$214,500

REPORT IN BRIEF

Presents the Fiscal Year 2019-2020 Mid-Year Financial Report and seeks approval for General Fund Supplemental Appropriations and Budget Amendments in Various Funds totaling \$214,500.

RECOMMENDATION

City Council - Adopt a motion:

A. Approving a Supplemental Appropriation from the unreserved, unencumbered General Fund balance in the amount of \$14,500, transferring to Fund 024 Parks and Community Services and appropriating the same; and,

B. Approving a Supplemental Appropriation from the unreserved, unencumbered General Fund balance in the amount of \$200,000, transferring to Fund 666 Workers Compensation and appropriating the same.

ALTERNATIVES

1. Approve, as recommended; or
2. Approve, subject to other than recommended (identify specific findings and/or conditions amended to be addressed in the motion; or
3. Deny; or
4. Continue to a future meeting (date and time to be specified in the motion).

AUTHORITY

Charter of the City of Merced, Section 1105.

DISCUSSION

The purpose of this agenda item is to provide the City Council with a reconciliation on how the City ended Fiscal Year 2018-19, a General Fund update for the current Fiscal Year 2019-20, and to request changes to the budget due to needs that have been identified since the budget was adopted on June 17, 2019.

Beginning Fund Balance July 1, 2019

The table below reflects the Fiscal Year 19-20 adopted budget assumptions compared to actual fund balance at June 30, 2019.

Fund	FY 2019-20 Actual Beginning Balance	FY 2019-20 Beginning Budget Balance	Savings or (Deficit)
General Fund	\$10,945,139	\$9,280,900	\$1,664,239
Development Services	\$1,548,903	\$1,227,174	\$321,729
Parks & Community Services	\$236	\$0	\$236
Airport	\$(19)	\$0	\$(19)
Measure C	\$2,201,091	\$1,561,071	\$ 640,020

Fiscal Year 2019-20

The City Council adopted the Fiscal Year 2019-20 budget for all funds on June 17, 2019. Subsequent to the budget adoption, there have been several actions approved by the City Council that affected the budget.

General Fund Expenditures

The City Council has approved revenue increases of \$2,017,454 with equal offsetting expenditures. In addition, there has been \$55,000 in Supplemental Appropriations for the following:

Outside Attorney Legal Services	\$ 30,000
Applegate Park MOAT Rehabilitation	<u>25,000</u>
Total	<u>\$ 55,000</u>

MID-YEAR RECOMMENDATIONS

General Fund Supplemental Appropriations:

Parks and Community Services

During the February 3, 2020 City Council meeting, the Council directed staff to include an appropriation for a Block Party Trailer through the Mid-Year budget process. The trailer is to be utilized in different neighborhoods of the City to create community unity and outreach. The supplemental appropriation includes a one-time purchase of \$10,000 for the trailer, popcorn and snow cone machines, portable generator, yard games, first aid kit, tables, and chairs. The additional \$4,500 will be for on-going costs of supplies through the end of the fiscal year. On-going costs are estimated to be \$9,000 annually and will be included in the Parks and Recreation department budget process in future years.

Worker's Compensation

The City of Merced's Workers' Compensation program is a self-funded plan. During the annual budget process, the Support Services department works with the City Attorney's office and Finance to estimate needs of existing claims and pending settlements to recommend funding for this program. During this fiscal year and last fiscal year, the City has experienced higher than anticipated workers' compensation claims activity. The Fiscal Year 2019-20 Workers Compensation budget is \$2.3 million. As of the end of January 2020 we should be at approximately 58% of the budget but have expended 71% of the budget. Through the completion of analysis, we have determined that in order to get us through the rest of the fiscal year the Workers Compensation program will need an additional \$200,000.

Total General Fund Supplemental Appropriations:

Block Party Trailer	\$ 14,500
Worker's Compensation	<u>200,000</u>
Total	<u>\$214,500</u>