



Legislation Text

File #: 17-321, **Version:** 1

Report Prepared by: Michael Miller, Public Works Manager-Tax Services; Kevin L. Johnson, Accountant II

SUBJECT: Supplemental Budget Appropriation - Maintenance and Community Facilities Districts Fiscal Year 2016/2017 Utility Expense Close-Out

REPORT IN BRIEF

Council considers approving budget appropriations to cover prior year utility expenses for landscape irrigation and storm pump costs.

RECOMMENDATION

City Council - Adopt a motion approving supplemental budget appropriations of funds from the Unappropriated Reserves in the amount of \$4,450, from the Silverado (\$1,100), Oakmont #3 (\$950), Moss Landing (\$200), Merced Auto Center (\$200), Fahrens Park (\$1,400), Hansen Park (\$300), and Moraga (\$300) Districts, to cover landscape irrigation and storm pump electrical costs for Fiscal Year 2016/2017.

ALTERNATIVES

1. Approve as recommended by the Director of Public Works; or,
2. Return to staff with specific direction; or,
3. Deny.

AUTHORITY

Article XI, Fiscal Administration of the Merced Municipal Code - At any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least five members.

DISCUSSION

The Public Works Department is requesting \$4,450, from prior year funding to cover landscape irrigation and storm pump expenses to close-out for Fiscal Year 2016/2017.

Each year staff formulates its operating budgets conservatively, based upon projected revenue, historical electrical and irrigation usage from previous years, and predetermined utility rate increase forecast.

Several of the Maintenance and Community Facilities Districts have minimum Fund Reserve balances and inadequate annual levies to cover necessary District expenses. Also, utility costs continue to increase faster than District revenue is received. The heavy amount of rainfall our area experienced this past fiscal year resulted in increased storm drain pump electrical costs, due to the longer operating run times of our pumps compared to the previous four-years when drought

conditions existed.

Although the drought has officially been declared over for the central valley, staff will continue its diligence in reducing irrigation expenses, such as temporarily turning off irrigation services during the winter season, as well as adjusting irrigation timers in relation to weather conditions.

In addition, discussions continue with the Merced Irrigation District to explore ways of reusing local canal water (gray water), as an irrigation supply for our landscaped areas.

The adopted budget resolution for Fiscal year 2017-18 included the ability of the Finance Officer to revise revenue and appropriations throughout the year if funding is available up to \$10,000 based on actuals received for Maintenance and Community Facilities Districts. This would eliminate the need to bring these small clean up appropriation requests to the Council in future years.

IMPACT ON CITY RESOURCES

The Finance Department has confirmed funding is sufficient for the requested appropriations and the allocation will be as follows:

<u>DISTRICT:</u>	<u>ACCOUNT NUMBER:</u>	<u>AMOUNT:</u>
Silverado	102-1165-532.11-00	\$1,100
Oakmont #3	103-1165-532.11-00	\$950
Moss Landing	111-1165-532.11-00	\$200
*Merced Auto Ctr	117-1165-532.11-00	\$200
Fahrens Park	122-1165-532.11-00	\$1,400
Hansen Park	127-1165-532.11-00	\$300
Moraga	185-1166-532.11-00	\$300
Total:		\$4,450

There are areas outside the boundaries of the Merced Auto Center Maintenance District that benefit from the storm drain system. Therefore, based upon the engineer's calculations the City contributes 90% of the storm drain cost for the Merced Auto Center.