



Legislation Text

File #: 18-052, **Version:** 1

Report Prepared by: Venus Rodriguez, Finance Officer

SUBJECT: Mid-Year Budget Review

REPORT IN BRIEF

FY 17-18 Mid-Year Financial Report and Budget Adjustments

RECOMMENDATION

City Council - Adopt a motion:

- A. Adopting **Resolution 2018-07**, Resolution of the City Council of the City of Merced, California Amending the Salary Range for the Position of Fabrication Technician/Storekeeper; and
- B. Adoption **Resolution 2018-08**, Resolution of the City Council of the City of Merced, California Amending the Salary Range for the Position of Finance Liaison; and
- C. Approving a Supplemental Appropriation in the amount of \$50,000 from Fund 061 Measure C for the purchase of fire nozzles; and
- D. Approving the addition of a Housing Specialist position in Fund 070 Housing Administration and allowing the Interim Finance Officer to make the necessary budget adjustments.

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 2016-17, a General Fund update for the current Fiscal Year 2017-18, and to request changes to the budget due to needs that have been identified since the budget was adopted on June 19, 2017.

Beginning Fund Balance July 1, 2017

The table below reflects the Fiscal Year 17-18 adopted budget assumptions and is compared to actual fund balance at June 30, 2017.

Fund	FY 2017-18 Actual Beginning Balance	FY 2017-18 Beginning Budget Balance	Savings or (Deficit)
General Fund	\$10,326,931	\$9,889,464	\$437,467
Development Services	\$ 512,708	\$ 512,708	\$ 0
Parks & Community Services	\$ 69,379	\$ 76,593	\$ (7,214)
Airport	\$ 70,998	\$ 84,297	\$ (13,299)
Measure C	\$1,190,511	\$1,051,250	\$139,261

Fiscal Year 2017-18

The City Council adopted the Fiscal Year 2017-18 budget for all funds on June 19, 2017. 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 \$90,656 with equal offsetting expenditures. In addition, there has been \$260,140 in Supplemental Appropriations for the following:

Legislative Consultant	\$ 20,000
Substandard Properties	100,000
City Attorney Recruiter	26,400
Cannabis Tax Measure Consultant	26,750
Interim City Attorney Services	85,000
Maintenance Districts Ballot	<u>1,990</u>
Total	<u>\$260,140</u>

Economic Development Opportunity Fund Expenditures

Subsequent to the adoption of the budget, the City Council has approved Supplemental Appropriations for the following:

Industrial Expansion Study	\$ 22,000
Heavy Maintenance Facility For High Speed Rail	<u>140,000</u>
Total	<u>\$162,000</u>

Mid-Year Recommendations

The adoption of Fiscal Year 2017-18 budget included additional positions in various operating funds. Two of these positions, Fabrication Technician/Storekeeper and Finance Liaison are new for the City. As the job descriptions and requirements were being drafted staff noticed that the approved salary scale should be equivalent to a Water Technician II since it would require obtaining specific certifications. We are recommending the City Council adopt the attached resolutions amending the salary range to match the required skills for the positions. There is no financial impact this fiscal year. Since the positions have been vacant, the salary savings will cover any increase in salary that was not accounted for in the budget. Public Works plans to fill these positions before the end of the fiscal year.

Measure C had a 2016-17 Fiscal Year end savings of \$139,261. The Fire Department is requesting a Supplemental Appropriation from the savings of \$50,000 to purchase fire nozzles. Ensuring an aggressive fire attack requires that the Fire Department have an effective fire flow or fire stream. Unfortunately, the current compliment of nozzles are well over 20 years old and meet “out of service” criteria per manufacturer’s recommendation and the National Fire Protection Association. While the current nozzles provide a fire stream and allows firefighters to extinguish fires, they are starting to have inconsistencies in flow ranges. These inconsistencies present unnecessary safety issues while engaged in a fire attack.

Due to the increasing needs and the Council priorities to get housing projects completed, the Housing Division is requesting the addition of a Housing Specialist II. The Housing Division currently consists of a Housing Manager, a Finance Specialist, and a part time Housing Specialist. Housing projects are complex and take time and resources not only to begin but also to see it through completion. Most large projects could take years to complete. A permanent employee who will be able to champion the project would be more beneficial than a 960-hour employee would. The Housing Division has already gone through two part time employees who choose to leave for other permanent opportunities. Each time this happens the division has to begin the training process again and this creates setbacks to the projects. The annual cost for a Housing Specialist II is \$98,400 (salary and benefits). If a permanent position is approved the Housing Division would eliminate approximately \$23,400 for the part time position. The net financial impact for the remaining fiscal year is \$32,800 if the position is filled by March 2018. This Housing Specialist II will be funded in Fund 070 Housing Administration. Fund 070 receives its revenue from activity delivery charges and administration of all of the Housing Funds and grants.

ATTACHMENTS

1. Resolution 2018-07
2. Resolution 2018-08