

# Mayor and Council Communication

DATE: 02/04/20

M&C FILE NUMBER: M&C 20-0057

LOG NAME: 03FY2019 ROLLOVERS

## SUBJECT

Authorize the Commitment of Fiscal Year 2019 Fund Balance from Fiscal Year 2019 Savings in the Amount of \$2,491,094.00 of the General Fund for Rollover into Fiscal Year 2020 (ALL COUNCIL DISTRICTS)

## RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the commitment of Fiscal Year 2019 Fund Balance from Fiscal Year 2019 savings in the amount of \$2,491,094.00 of the General Fund for contractual commitments of the Economic Development, City Manager's Office, Fire Department, and Library Department for rollover into Fiscal Year 2020; and
2. Adopt the attached supplemental appropriation ordinance increasing estimated receipts and appropriations in the General Fund in the amount of \$2,491,094.00 in Fiscal Year 2020 (FY20) and decreasing the unaudited fund balance of the General Fund by the same amount, from the rollover of surplus funds from Fiscal Year 2019 in order to fund contractual commitments.

## DISCUSSION:

The City's annual Operating Budget is formally enacted into law by City Council action adopting an appropriation ordinance that establishes spending limits for each department's operation.

The purpose of this Mayor and Council Communication (M&C) is to amend the Fiscal Year 2020 budget by increasing appropriations from Fiscal Year 2019 savings in the following General Fund Departments, for a combined total of \$2,491,094.00

- City Manager's Office by \$1,023,244.00
- Economic Development Department by \$227,100.00
- Fire Department \$828,750.00
- Library Department by \$412,000.00

## Authorize and Increase Appropriations for a Rollover of FY2019 funds as follows:

City Manager's Office \$1,023,244.00

Reason: The City Manager's Office had \$1.3M in one-time savings at FY2019 year end, and of this, \$1,023,244.00 is from the Directions Home Program. Due to a shift in their program year from April-March to coincide with the city's fiscal year, Directions Home realized these one-time savings. Staff requested that these funds be rolled over into FY2020 to fund several, one-time projects aimed at reducing family/childhood homelessness. (M&C C-29083 4/2/2019).

Economic Development Department \$227,100.00

Reason: Appropriated funds in Fiscal Year 2019 for contractual obligations related to the disparity study were not invoiced and paid before the end of FY2019. Since these operating dollars were not expended before the actual end of Fiscal Year 2019, they were swept back to the General Fund's fund balance, therefore, the rollover of funding into Fiscal Year 2020 to fulfill the contractual commitment represents re-appropriation of previously unspent authorized dollars.

Fire Department \$828,750.00

Reason: In April 2019, Fire's command vehicle suffered a total loss due to a fire caused by the vehicle's camera mounted mast coming in contact with power lines. In July 2019, the Fire Department was advised that the insurance company had accepted the claim for this vehicle and would be issuing an insurance settlement amount for \$828,750. These funds were receipted in the department's General Fund budget in FY2019 but remained unappropriated. The rollover into FY2020 will allow these funds to be transferred to capital project fund that will be used to replace the vehicle, which could potentially cost up to \$1.3M. The department has identified potential Urban Area Security Initiative (UASI) grant funds that can be used to fund the difference.

Library Department \$412,000.00

Reason: The Library allocated operating funds to complete the security system upgrade during FY2019 as most of the library's 14 facilities do not have appropriate, if any, security systems. The project was delayed as the city transitioned to a new vendor and the funds remained unspent. The library has an FY2019 remaining budget of \$482,626.00, and based on the cost estimates \$412,000.00 is needed for the project. The Library is still on track to spend all of the funds identified for this project. Since these operating dollars were not expended before the actual end of Fiscal Year 2019, they were swept back to the General Fund's fund balance, therefore, the rollover of funding into Fiscal Year 2020 to fulfill the contractual

commitment represents re-appropriation of previously unspent authorized dollars.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

---

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the recommendations, funds will be available in the current operating budget, as appropriated, of the General Fund and that, prior to an expenditure being made, the participating department has the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** Fernando Costa 8180

**Originating Business Unit Head:** Lynda Johnson 6222

**Additional Information Contact:** Terry Hanson 7934