



**CITY OF PACIFICA
COUNCIL AGENDA SUMMARY REPORT**

6/25/2018

SUBJECT:

Adoption of the Fiscal Year 2018-2019 Annual Operating and Capital Budget

RECOMMENDED ACTION:

Move to adopt: 1) a FY 2018-19 appropriation totaling \$85,000 from the Roy Davies Trust Fund by 4/5 vote, and 2) a resolution Adopting the 2018-2019 Annual Operating and Capital Budget presented to Council tonight with a General Fund appropriation of \$34,600,000 and an All Funds appropriation of \$81,555,000.

STAFF CONTACT:

Kevin Woodhouse, City Manager
kwoodhouse@ci.pacifica.ca.us
650-738-7409

Lorenzo Hines Jr, Assistant City Manager
lhines@ci.pacifica.ca.us
650-738-7301

BACKGROUND/DISCUSSION:

Each year, the City of Pacifica adopts an annual operating budget which reflects the planned activities for the next fiscal year based on the best information available to the City Council and staff at the time of adoption.

The budget development process began in April and staff has worked with the City Council over the past several months to fully develop the 2018-2019 Operating Budget.

2018-19 OPERATING BUDGET

Tonight's report presents a balanced 2018-19 General Fund Budget of approximately \$34.6 million with an All Funds total of approximately \$81.6 million. This budget represents Council's review and discussion of staff's budget recommendations over the past few months. The attached draft 2018-2019 Annual Operating and Capital Budget document summarizes all the recommendations and discussion that occurred during the budget development process, and includes the following sections:

- **City Manager's Budget Message.** This message summarizes for the Council and the community the significant factors and changes incorporated in the 2018-19 Operating Budget.
- **Budget Highlights.** This document presents key financial information in easy-to-understand graphics.
- **2018-19 City Council Goals and Council-Prioritized Projects/Initiatives.** These lists represent the City Council's top priorities and are aligned with the budget.
- **General Fund Budget Summary.** A single page summary of the projected General Fund revenues and expenditures for next year.
- **One Page Department Budget Summaries.** Each department presents its summary budget information for this year including projected cost recovery and number of full time

employees. The same information from the 2017-18 budget is provided for comparison purposes.

- **All Funds Budget Summary.** Shows all funds held by the City and includes the estimated balance as of June 30, 2018, projected revenues and expenses for the year, and an estimated balance as of June 30, 2019.
- **All Funds - Fund Descriptions.** To help readers understand the funds in greater detail, descriptions of each are provided.
- **Pension Obligation Bonds Loan/Repayment Plan.** This is the same loan information included in the 2014-15 Operating Budget, repeated here with additional information for transparency.
- **Capital Budget for FY 2018-19.** The projects listed are expected to start or be underway during 2018-19. This section provides summaries of each project that include descriptions, funding sources, costs, and location.

Roy Davies Trust Budget

The 2018-19 Operating Budget expends \$85,000 from the Ray Davies Trust Fund for various projects. The Fund principal can only be appropriated by a 4/5 Council majority.

FISCAL IMPACT:

This report presents the 2018-19 Budget. If adopted, the City's General Fund operating budget for next year would be approximately \$34,600,000, and All Funds total Operating and Capital Budget would be \$81,555,000, including appropriately authorized expenditures from the Roy Davies Trust Fund, if adopted by a 4/5 vote.

ORIGINATED BY:

City Manager's Office

ATTACHMENT LIST:

City of Pacifica FY 2018-2019 Proposed Budget (PDF)



RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PACIFICA ADOPTING
OPERATING AND CAPITAL BUDGET OF EXPENDITURES FOR THE CITY OF PACIFICA
FOR THE FISCAL YEAR OF JULY 1, 2018 TO JUNE 30, 2019**

WHEREAS, the City is required to adopt the 2018-19 budget no later than June 30, 2018; and

WHEREAS, the City Council has been involved in a series of budget presentations at Council meetings of April 24, May 3, May 14, May 29, and June 11 where all interested parties were heard and Council provided direction to staff; and

WHEREAS, the City Council at its June 11, 2018 meeting adopted the 2018-2023 Capital Improvement Program and the 2018-19 Fees and Charges Master Schedule;

WHEREAS, the City has managed its budget to stay within current projected revenues by containing expenditure levels, and

WHEREAS, delayed maintenance of and lack of investment in important infrastructure over the past several years has resulted in costly, unplanned fixes; and

WHEREAS, the City's operating budget services have gradually been reduced over the past years to achieve balanced budgets, with short-term budget balancing actions, deferral of needed routine repairs and maintenance, operational streamlining to improve efficiencies, and other cost containment measures;

WHEREAS, expenditures from the Roy Davies Trust Fund are required to be approved by a 4/5 vote of the City Council, and the 2018-19 Roy Davies Trust Fund expenditures are part of the 2018-19 Operating and Capital Budget, and

NOW, THEREFORE, the City Council of the City of Pacifica does resolve as follows:

Section 1. The All Funds Budget Summary, included in the City's Operating Budget for Fiscal Year 2018-2019, contains the expenditures (including transfers) to be appropriated in the sum of \$81,555,000. The Capital Budget expenditures and expenditures from the Roy Davies Trust Fund are included.

A copy of the Operating and Capital budgets are on file with the City Clerk and are hereby adopted. The funds appropriated by this resolution are authorized to be expended as necessary and proper for municipal purposes.

Section 2. The City Manager shall be authorized to redistribute budgeted appropriations from one department to another, or one capital project to another. Such transfers shall be reported in writing to the City Council.

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PASSED AND ADOPTED at a regular meeting of the City Council of the City of Pacifica on this 25th day of June 2018 by the following vote:

AYES, Council members:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

John Keener, Mayor

ATTEST:

APPROVED AS TO FORM

Kathy O'Connell, City Clerk

Michelle Kenyon, City Attorney