



**CITY OF PACIFICA
COUNCIL AGENDA SUMMARY REPORT**

6/22/2020

SUBJECT:

Adoption of the Fiscal Year 2020-2021 Annual Operating and Capital Budget

RECOMMENDED ACTION:

The City Manager recommends the following actions:

1. Move to adopt a FY 2020-21 appropriation totaling \$600,000 from the Roy Davies Trust Fund by 4/5 vote; and
2. Move to adopt a resolution Adopting the 2020-2021 Annual Operating and Capital Budget presented to Council tonight with a General Fund appropriation of \$37,000,000 and an All Funds appropriation of \$36,000,000.

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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 2020-21 Operating Budget.

PROPOSED FISCAL YEAR 2020-21 OPERATING BUDGET

The City Manager is pleased to present a balanced FY2020-21 General Fund Budget totaling \$37M, with an All Funds total of \$73M. This Proposed Budget represents Council's review and discussion of budget recommendations over the past couple months. The attached Proposed FY2020-21 Annual Operating and Capital Budget document summarizes all the recommendations pursuant to 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 Proposed FY2020-21 Operating Budget;
- **Budget Highlights:** To be developed and inserted once the budget is adopted, this document presents key financial information in easy-to-understand graphics;
- **FY2020-21 City Council Goals and Priorities:** These lists represent the City Council's top priorities and the budget contains resources necessary to make progress on them;
- **General Fund Budget Summary:** A single page summary of the projected General Fund revenues and expenditures for next year;

- **One Page Department Budget Summaries:** Presents each department's summary budget information for this year including projected cost recovery and number of employees. The same information from the FY2019-20 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, 2020, projected revenues and expenses for the year, and an estimated balance as of June 30, 2021;
- **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 FY2019-20 Operating Budget, repeated here with additional information for transparency;

ROY DAVIES TRUST FUND

The Proposed Budget recommends expending \$600,000 from the Roy Davies Trust Fund for various projects related to Parks, Beaches, and Recreation. The Fund principal can only be appropriated by a 4/5 Council majority.

FISCAL IMPACT:

This report presents the 2020-21 Budget. If adopted, the City's General Fund operating budget for next year would be approximately \$37M, and All Funds total Operating and Capital Budget would be \$73M, 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 2020-2021 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, 2020 TO JUNE 30, 2021**

WHEREAS, the City is required to adopt the 2020-21 budget no later than June 30, 2020; and

WHEREAS, the City Council has been involved in a series of budget presentations at Council meetings of April 27, May 11, May 26, and June 8 where all interested parties were heard and Council provided direction to staff; and

WHEREAS, the City Council at its June 8, 2020 meeting adopted the 2020-2025 Capital Improvement Program and the 2020-21 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 2020-21 Roy Davies Trust Fund expenditures are part of the 2020-21 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 2020-2021, contains the expenditures (including transfers) to be appropriated in the sum of \$73,000,000. 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 22th day of June 2020 by the following vote:

AYES, Councilmembers:

NOES, Councilmembers:

ABSENT, Councilmembers:

ABSTAIN, Councilmembers:

Deirdre Martin, Mayor

ATTEST:

APPROVED AS TO FORM

Sarah Coffey, City Clerk

Michelle Kenyon, City Attorney