



## AGENDA REPORT

**Meeting Date:** November 20, 2012  
**Item Number:** E-3  
**To:** Honorable Mayor & City Council  
**From:** Noel Marquis, Acting Administrative Services Director and Chief Financial Officer  
Don Harrison, Budget & Revenue Officer

**Subject:** APPROPRIATING FUNDS IN THE AMOUNT OF \$10,240,000 FROM FISCAL YEAR 2011/2012 REVENUES

**Attachments:** None

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### RECOMMENDATION

Staff recommends that the City Council appropriate funds in the amount of \$10,240,000 from fiscal year 2011/2012 revenues to replace funding reductions that were made as a part of the approved FY 2012/13 budget and to fund other needs as follows:

From	To
General Fund Revenues	General Fund Salaries & Benefits
	General Fund Operating Transfers Out
	General Fund Budget Stabilization Desig.

### INTRODUCTION

During preparation of the FY 2012/2013 budget, reductions were made in several areas related to position vacancies and internal service/replacement funds to avoid more severe service level cuts in City programs. As a result of improvements in City revenues for FY 2011/2012, and budget savings realized as a result of numerous position vacancies in the City, the City finished the FY 2011/2012 fiscal year with greater available revenues in excess of expenditures than anticipated during budget preparation.

## DISCUSSION

Replacement funding for general equipment, information technology and vehicles was reduced in FY 2012/2013 budget along with salaries and benefits for police officer vacancies in proportion to the expected period of vacancy. These reductions were expected to be temporary with the recommendation that the funding be restored if revenues received were greater than expected or through higher payments in future years, where necessary. Given the budget savings and the excess of revenues over budget, the City ended fiscal year 2011/2012 with a budget surplus of \$10,240,000. This allows for the restoration of replacement funds reduced, salary and benefit funding reduced, and the funding of needed capital assets land acquisition, unfunded liability reduction and further designation of budget stabilization funds. Making these appropriations will avoid impacts on future year's budgets.

## FISCAL IMPACT

Funds were not budgeted but are available from increased revenue to restore full funding and to invest in the following:

- \$1,200,000 for restoration of General Fund salaries and benefits partially unfunded for vacant police officer positions and recruitment incentives
- \$200,000 for general office equipment replacement (Fund 40)
- \$200,000 for information technology replacement (Fund 41)
- \$290,000 for vehicle replacement (Fund 49)
- \$100,000 for PAL Fund 48 for City Visioning and Strategic Plan – community survey
- \$1,000,000 for revised NPDES permit requirements for storm water treatment (Fund 85)
- \$5,000,000 for capital assets land acquisition (Fund 08)
- \$1,250,000 for reduction of unfunded OPEB liability (Fund 44)
- \$1,000,000 for Budget Stabilization designation

Using the increased revenues and unspent appropriations will not affect the City's reserves and will avoid increasing operating costs in future years to make up these reductions and to make these investments.



Don Harrison  
Budget and Revenue Approval



Noel Marquis  
Approved By