

# Agenda Report

**TO:** City Council **DATE:** May 21, 2001  
**THROUGH:** Finance Committee  
**FROM:** City Manager  
**SUBJECT:** Fiscal Year 2001 Administrative Budget Amendments

## **RECOMMENDATION:**

It is recommended that the City Council:

Approve a journal voucher implementing certain administrative amendments to the fiscal year 2001 operating budget as described below and detailed in Attachment A of this report; and

## **BACKGROUND:**

Periodically the Department of Finance submits reports to the City Council recommending various amendments to the Adopted Operating Budget related to events that have transpired since adoption of the current year budget. Some of these recommendations are being made to "clean-up" various revenue and expenditure issues, while other administrative changes include the recognition of additional revenues and transfer of funds to closely reflect expenditure patterns.

The following outlines the journal voucher actions that are being recommended:

1. **Street Lights and Traffic Signals:** Staff is recommending \$420,000 in additional General Funds in electricity costs for street lights and traffic signals due to higher than anticipated electrical rates. This increase reflects the current rates and usage incurred by the City. In the City Manager's recommended operating budget, a similar amount is also included.
2. **Fire Department Fleet Equipment Replacement:** Staff is recommending to appropriate \$235,000 for costs related to actual fleet

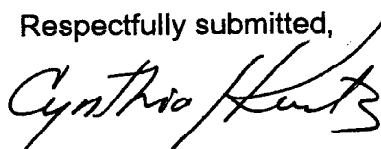
equipment replacement charges. Over the years the cost of replacing fire vehicles has been larger than the amount set aside through the vehicle replacement program. As more expensive vehicles have been purchased by the Department, an offsetting budget increase for future equipment replacement was not made. This modification will make the department whole in this area and allow the Department to stay within budget for fiscal year 2001.

3. **Los Angeles Impact Fund:** Staff is recommending to transfer \$50,000 from the L.A. Impact fund balance to provide additional assistance as requested by and to other San Gabriel Valley police departments. An estimated \$300,000 is available in the fund balance to cover this cost.
4. **Uptown Circulator Services:** Staff is requesting to correct an error in the Fiscal Year 2001 Operating Budget Exhibit A - Transfer Summary. In fiscal year 2001, the entire cost of operating the Uptown Circulator services is funded by Proposition C Local Transit Fund. In previous years, the cost had been allocated between both Transportation Sales Tax Proposition A and Proposition C funds. In the Transfer Summary a correction is required to reflect this change in funding. The fiscal year 2001 budget was adopted with a \$74,263 transfer from the Air Quality Improvement Fund to the Transportation Sales Tax Proposition A Fund; this transfer needs to be changed to a transfer to the Proposition C Local Transit Fund.
5. **Purchase of Fair Oaks Land:** Staff is requesting to recognize and appropriate \$4.0 million for the recent purchase of the property located at 965 North Fair Oaks Avenue. In an agenda report to City Council dated December 11, 2000, staff indicated that the debt service will be an expense of the General Fund. As such, the cost of the land purchase and the funds from the loan has been credited to the General Fund. This action will formalize the budget for this transaction.

**FISCAL IMPACT**

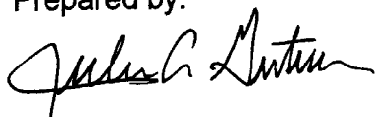
The net effect of the actions recommended in this report is an increase in Citywide appropriations of \$4,705,000. Specifically, General Fund appropriations would increase by a net amount of \$4,655,000 and Non-General Fund appropriations would increase by a net amount of \$50,000. Sufficient funds are available in the fund balances for the respective funds identified in the report.

Respectfully submitted,



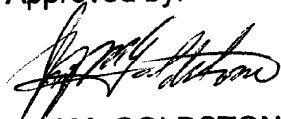
CYNTHIA J. KURTZ  
City Manager

Prepared by:



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Approved by:



JAY M. GOLDSTONE  
Director of Finance