



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
June 18, 2014**

**TO:** Mayor and City Council

**FROM:** Alan Shear, Assistant City Manager  
Cathy Spinella, Finance Manager

**SUBJECT:** Resolution Amending the Fiscal Year 2014-15 Budget and  
Recommended Budget Adjustments

**DATE:** June 6, 2014

**RECOMMENDATION:**

Adopt a Resolution amending the fiscal year 2014-15 Budget and approving the recommended budget adjustments.

**BACKGROUND:**

The City's Operating Budget is developed on a biennial basis and adopted by the City Council. The City Council approves all appropriations from fund balance and any adjustments to the adopted biennial budget in excess of 1%. All budgetary procedures conform to State regulations and Generally Accepted Accounting Principles (GAAP).

On June 19, 2013, the City Council approved Resolution 062-13 adopting a Biennial Budget for the period July 1, 2013 – June 30, 2015. With the second year of the biennial budget starting July 1, 2014, staff has completed a review of the operating budget, including the General Fund, Special Revenue Funds, Internal Services Funds and Enterprise Funds in the 2014-15 adopted budget for any adjustments needed to the start of the year. Staff presented and discussed the adjustments with the Budget Subcommittee on June 5, 2014, who recommended forwarding to the full Council.

**Recommended General Fund Budget Adjustments**

As stated in the budget document, the City will exercise prudent fiscal management by maintaining an adequate fund balance to protect the City in times of economic uncertainty or unforeseen circumstances. The General Fund unassigned fund balance is estimated to be approximately \$4.8 million at June 30, 2014.

After considerable review, staff is recommending adjustments to the Taxes and Charges for Services categories as shown below. There are no recommended adjustments to expenditures.

	<b>Budget</b>	<b>Actual at 3/31/2014</b>	<b>Variance</b>	<b>% of Budget Realized</b>
<b>General Fund Revenue</b>				
Taxes	\$ 17,085,763	\$ 10,173,109	\$ 6,912,654	59.54%
Intergovernmental	517,095	299,252	217,843	57.87%
Licenses, Permits & Fees	666,500	434,129	232,371	65.14%
Charges for Services	880,294	808,301	71,993	91.82%
Fines and Forfeits	350,000	253,735	96,265	72.50%
Use of Money & Property	128,950	86,611	42,339	67.17%
Miscellaneous	213,029	167,356	45,673	78.56%
Sub-total	19,841,631	12,222,493	7,619,138	62.34%
Transfers In	54,000		54,000	
<b>TOTAL</b>	<b>\$ 19,895,631</b>	<b>\$ 12,222,493</b>	<b>\$ 7,673,138</b>	<b>61.43%</b>
<b>General Fund Expenditures</b>				
General Government	\$ 1,141,825	\$ 776,642	\$ 365,183	68.02%
Nondepartmental	1,191,172	822,237	368,935	69.03%
Administrative Services	890,939	646,979	243,960	72.62%
Public Works	3,820,055	2,481,866	1,338,189	64.97%
Community Development	2,329,341	1,639,010	690,331	70.36%
Police Department	10,044,993	7,238,617	2,806,376	72.06%
Sub-total	19,418,325	13,605,351	5,812,974	42.73%
Transfers Out	31,000	21,663	9,337	69.88%
<b>TOTAL</b>	<b>\$ 19,449,325</b>	<b>\$ 13,627,014</b>	<b>\$ 5,822,311</b>	<b>70.06%</b>

### ***Revenue Adjustments***

#### Taxes:

- increase in property tax by \$263,800
- increase VLF property tax swap by \$105,000
- increase document transfer tax by \$25,000
- reduction in sales tax by \$376,200
- reduction in sales tax in-lieu by \$125,000

#### Charges for Services:

- increase inspection fees by \$45,000
- increase engineering plan check fees by \$15,000
- increase building plan check fees by \$30,000
- increase planning plan check fees by \$10,000
- increase large event fees by \$7,400

Property tax has increased due to an increase in assessed valuations, which also increases VLF property tax swap. Document transfer tax is increasing due to an increase in sales transaction and increased property values. Sales tax and sales tax in-lieu are decreasing due to the loss of a business. The increase in charges for services is due to new residential developments. Large event fee increase is based on a recently passed fee schedule for large events.

## **Recommended Non-General Fund Budget Adjustments**

The Budget Subcommittee also accepted staff's recommendations to increase non-general fund revenues and expenditures:

### ***Expenditure Adjustments***

Water Fund: *Totaling \$37,500*

- Increase of \$5,000 for compressor maintenance
- Increase of \$7,500 for operator training
- Increase of \$5,000 for safety programs & safety equipment
- Increase of \$5,000 for equipment
- Increase of \$15,000 for water system services

Recycle Fund: *Totaling \$57,400*

- Add \$9,900 for charges associated with the electric charging stations.
- Add \$12,500 for recycle programs associated with the plastic bag ordinance
- Add \$10,000 for recycle bins for parks & downtown
- Add \$10,000 for recycle programs and promotion
- Add funding to extend the CYES program \$15,000

Local Measure J: *Totaling \$15,000*

- Add \$15,000 for the maintenance of the Pacheco Transit Hub.

### ***Revenue Adjustments***

Recycle Fund: *Totaling \$5,000*

- Add \$5,000 for electric charging station fees.

Local Measure J: *Totaling \$20,000*

- Add \$20,000 for CCTA funding for the maintenance of the Pacheco Transit Hub.

### **FISCAL IMPACT:**

The budget amendments proposed for the Water Fund of \$37,500 and Recycle Fund of \$52,400 will come from each funds' Fund Balance respectively. The budget amendments to the Local Measure J Fund will net an increase in the total Assigned Fund Balance of \$5,000.

### **ACTION:**

Motion adopting a resolution amending the fiscal year 2014-15 Budget, and approving the recommended budget adjustments.

Attachment: Resolution

**APPROVED BY:**

  
Interim City Manager

RESOLUTION NO. -14

APPROVING ADJUSTMENTS TO THE ADOPTED BUDGET  
FOR THE FISCAL YEAR 2014-15

**WHEREAS**, in June 2013, the City Council adopted the Biennial Budget for the City of Martinez for Fiscal Years 2013-14 and 2014-15; and

**WHEREAS**, at year end, it is necessary to amend the Fiscal Year 2014-15 Budget to update certain general fund, water system fund, recycle fund and local measure J fund revenue projections and expenditures; and

**WHEREAS**, those changes to the Fiscal Year 2014-15 Budget have been described, including their fiscal impact, in the attached staff report.

**NOW, THEREFORE**, BE IT RESOLVED that the City Council of the City of Martinez adopts the adjustments to the Fiscal Year 2014-15 Budget.

\* \* \* \* \*

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 18th day of June, 2014, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ