



**CITY OF MARTINEZ**

**CITY COUNCIL AGENDA  
June 27, 2012**

**TO:** Mayor and City Council  
**FROM:** Philip Vince, City Manager  
**PREPARED BY:** Alan Shear, Assistant City Manager  
Cathy Spinella, Finance Manager  
**SUBJECT:** Amending the Fiscal Year 2012-13 Budget and Budget Adjustments  
**DATE:** June 12, 2012

**RECOMMENDATION:**

Adopt a Resolution amending the Fiscal Year 2012-13 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 any additional 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 15, 2011, the City Council approved Resolution 070-11 adopting a Biennial Budget for the period July 1, 2011 – June 30, 2013. With the second year of the biennial budget starting July 1, 2012, staff has completed a review of the operating budget, including the General Fund, Special Revenue Funds, Internal Services Funds and Enterprise Funds in the 2012-13 adopted budget for any adjustments needed to the start of the year. Staff presented and discussed the adjustments with the Council appointed Budget Subcommittee on June 4<sup>th</sup> and June 11<sup>th</sup>, 2012, who recommended forwarding the budget report 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 \$3.5 million at June 30, 2012, which provides the City with a 19% General Fund Reserve.

After considerable review, staff is recommending to reduce Fiscal Year 2012-13 projected revenues by \$51,023. In keeping with City Council’s objective and philosophy that operational revenues cover operational expenditures, staff has reduced operational expenditures for Fiscal Year 2012-13 by \$51,023 as well.

Table 1 shows the recommended revenue changes by category.

<b>2012-13 OPERATING REVENUE</b>			
<b>By Category</b>			
Description	<b>2012-13 Adopted Budget</b>	<b>Recommended Changes</b>	<b>2012-13 Revised Budget</b>
Taxes	\$ 16,207,348		\$ 16,207,348
License, Permits & Fees	473,765		473,765
Fines & Forfeitures	379,252	(63,523)	315,729
Intergovernmental	590,036	(115,000)	475,036
Charges for Services	552,881	15,000	567,881
Use of Money & Property	124,736		124,736
Other Revenue	234,311	112,500	346,811
<b>Total</b>	<b>\$ 18,562,329</b>	<b>\$ (51,023)</b>	<b>\$ 18,511,306</b>

**Revenue Adjustments**

Fines & Forfeitures:

- reduction in parking citations of \$55,000
- reduction in tow releases by \$21,000
- increase abandoned vehicle by \$12,500

Intergovernmental:

- reduce Motor Vehicle license fee by \$135,000 due to the loss of the revenue to the State
- increase POST training reimbursements from the State by \$20,000 for police training.

Charges for Services:

- increase inspection fees by \$15,000 for the continued work in the public right-of-way by utility companies.

Other Revenue:

- reduce billboard revenue by \$62,500
- increase for a workers compensation and liability rebate of \$175,000.

Table 2 shows the recommended expenditure changes by category.

<b>2012-13 OPERATING EXPENDITURES</b>			
<b>By Department</b>			
Description	<b>2012-13 Adopted Budget</b>	<b>Recommended Changes</b>	<b>2012-13 Revised Budget</b>
General Government	\$ 1,172,706	\$ (26)	\$ 1,172,680
Non-Departmental	1,175,722	(3,772)	1,171,950
Admin Services	748,806	1,370	750,176
Public Works	3,507,893	21,247	3,529,140
Police	9,990,263	(77,251)	9,913,012
Community Development	1,964,655	7,409	1,972,064
<b>Total</b>	<b>\$ 18,560,045</b>	<b>\$ (51,023)</b>	<b>\$ 18,509,022</b>

### ***Expenditure Adjustments***

All departments:

- increase in PERS costs of \$151,409
- decrease in medical costs by \$130,836, due to a change in benefits and lower overall premiums
- Increase in worker's compensation and liability premium of \$46,874

Public Works:

- Increase in the premium for earthquake insurance coverage for City Hall.

Police:

- Reduce contract with County for crime lab services for \$50,000
- Remove purchase of mobile data terminals (MDT) for police vehicles of \$45,000. These computers were purchased in fiscal year 2011-12.

The budget subcommittee also recommended moving \$25,000 from assigned fund balance to the Main Street Streetscape project. This is the balance of the \$100,000 apportioned towards 630 Court Street for hazardous mitigation; \$75,000 was appropriated toward the flex-space program. With the current sale of the property, these funds are no longer necessary.

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

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

- Increase expense in the Gas Tax Fund by \$500,000:
  1. \$50,000 for patching potholes, and the replacing of concrete curbs and sidewalks in several areas by Public Works.
  2. \$450,000 transfer for annual paving.

**FISCAL IMPACT:**

The budget amendments to the General Fund transfers \$25,000 from assigned fund balance to CIP. The budget amendment for the Gas Tax Fund of \$500,000 will come from a combination of operating revenues and \$250,000 from its fund balance.

**ACTION:**

Motion adopting a resolution authorizing revisions to the Fiscal Year 2012-13 budget.

Attachment: Resolution

**APPROVED BY:**

  
City Manager

**RESOLUTION NO. -12**

**APPROVING ADJUSTMENTS TO THE ADOPTED BUDGET  
FOR THE FISCAL YEAR 2012-13**

**WHEREAS**, in June 2011, the City Council adopted the Biennial Budget for the City of Martinez for Fiscal Years 2011-12 and 2012-13; and

**WHEREAS**, at year end, it is necessary to amend the Fiscal Year 2012-13 Budget to update certain general fund and gas tax fund revenue projections and expenditures; and

**WHEREAS**, those changes to the Fiscal Year 2012-13 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 2012-13 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 27th day of June, 2012 by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK  
CITY OF MARTINEZ