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2017 JUN 22 PM 3:49

AGENDA REPORT

TO: Sabrina B. Landreth
City Administrator

FROM: Katano Kasaine
Director of Finance

SUBJECT: FY 2017-19 Proposed Policy
Budget Adoption - Supplemental

DATE: June 20, 2017

City Administrator Approval

Date:

6/22/17

RECOMMENDATION

Staff Recommends That The City Council Approve: 1) A Resolution Authorizing The Fiscal Year (FY) 2017-2019 Biennial Budget And Appropriating Certain Funds To Provide For The Expenditures Proposed By Said Budget; And

2) A Resolution Authorizing The Use Of One-Time Revenues And Excess Real Estate Transfer Tax Revenues For Purposes Other Than Those Denoted In The City's Consolidated Fiscal Policy Adopting A Finding Of Necessity, And Describing Prospective Steps To Be Taken To Return To The Prescribed Uses Of Said Revenues.

REASON FOR SUPPLEMENTAL

The purpose of this supplemental report is to provide a consolidated set of exhibits stating the Administration's revisions, and errata subsequent to the publication of the Mayor's Proposed Budget on April 28, 2017, and submitting additional amendments to the Fiscal Year (FY) 2017-19 Proposed Budget.

BACKGROUND / LEGISLATIVE HISTORY

The Administration published the FY 2017-19 Proposed Policy Budget on April 28, 2017. The Mayor delivered an oral presentation of the budget on May 2, 2017. On May 16, 2017, staff provided a detailed presentation of the Proposed Budget and provided an initial set of amendments to the proposed budget for the General Purpose Fund (1010). On May 30, 2017 an additional set of amendments were published for all funds that included amendments from May 16, 2017. On June 19, 2017 the City Council received a second set of budget amendments for all City funds.

Item: _____
Special City Council
June 26, 2017

ANALYSIS

Consolidation of Prior Amendments & Errata

Exhibits 1, 2 and 3 attached provide a comprehensive list of all the Administration's proposed revisions and errata subsequent to the publication of the Mayor's Proposed Budget on April 28, 2017. These items have each been described in prior reports to the City Council as heard on May 30, 2017 and June 19, 2017. Amendments not previously submitted (all non-GPF) are described below, and the Exhibits are inclusive of these amendments.

New Amendments (Non-General Purpose Funds)

Transportation

Add one Concrete Crew and one Paving Crew in the Grant Clearing Fund (7760) – Capital Project Delivery project and the State Gas Tax Fund (2230) to aid in the delivery of road construction projects. The crews total 20 Full Time Equivalent (FTE) positions: 1.0 Public Works Supervisor II; 2.0 Public Works Supervisor I, 3.0 Heavy Equipment Operators, 5.0 Street Maintenance Leaders, 9.0 Public Works Maintenance Workers. Costs are estimated at \$1.55 million in FY 2017-18 (6-month costing) and \$3.11 million in FY 2018-19.

These crews are funded through existing transportation funds that are currently available in FY 2017-18 through the Project Clearing Fund. The second year, FY 2018-19, is funded by allocating a portion of the annual street paving program funded in the Capital Improvement Program from the State Gas Tax Fund (2230) in the amount of \$3.11 million.

Housing & Human Services

Increase Measure KK: Infrastructure and Affordable Housing Fund (5330) funds for Affordable Housing projects in the amount of \$5 million in FY 2017-18 to support expected grant matching requirements. This amendment is in addition to the \$50 million Measure KK allocation provided for in the May 30 budget amendment, for a total of \$55 million to support Affordable Housing projects in the FY 2017-19 Budget.

Minor adjustments in the US Department of Housing and Urban Development (HUD) grant award amounts based on HUD adjustments provided to the City on June 15:

- HUD-ESG/SHP/HOPWA Fund (2103) award is increasing by \$303,449, of which all of the increase is to HOPWA with a minor decrease to ESG supporting a net increase to the third-party grant contracts.
- HUD-CDBG Fund (2108) is decreasing by \$94,850, which will be offset by a transfer from fund balance based on actual program income received in the HUD-CDBG Fund (2108) of \$94,850 in both fiscal years.
- HUD HOME Fund (2109) has a minor increase of \$15,075 in FY 2017-18 and a minor decrease of \$4,092 in FY 2018-19.

Economic & Workforce Development

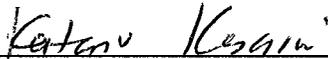
Increase the estimated revenue for the Workforce Innovations and Opportunities Act (WIOA) Grant Fund (2195) for the Rapid Response program by \$106,452 in each fiscal year based on funding that is being considered by the WIOA Board for a total revenue estimate of just over \$4 million.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends the City Council approve a resolution adopting the Fiscal Year (FY) 2017-2019 Biennial Budget, including the three exhibits attached here. Staff also recommends the City Council approve a resolution adopting a finding of necessity and authorizing the use of one-time revenues of ongoing purposes.

For questions regarding this report, please contact Sarah T. Schlenk, Budget Administrator at 510-238-3982.

Respectfully submitted,



KATANO KASAINÉ
Director of Finance

Prepared by:
Sarah Schlenk, Budget Administrator
Budget Bureau

Attachments (4):

- 1) Exhibit 1: General Purpose Fund (GPF) Revenues by Category
- 2) Exhibit 2: General Purpose Fund (GPF) – Consolidated Amendments
- 3) Exhibit 3: All Other Funds – Consolidated Amendments
- 4) Exhibit 4: TBD: All Approved City Council Amendments