



City of Culver City

Staff Report Details (With Text)

File #: 16-667 **Version:** 1 **Name:** Fiscal Year 2016/2017 Mid-Year Budget Monitoring Report
Type: Minute Order **Status:** Action Item
File created: 2/21/2017 **In control:** City Council Meeting Agenda
On agenda: 3/6/2017 **Final action:**

Title: CC - Four-Fifths Vote Requirement - (1) Receive Presentation on Mid-Year Budget Monitoring Report and General Fund Financial Forecast, (2) Receipt and Filing of the Fiscal Year 2016/2017 Mid-Year Budget Monitoring Report, (3) Provide Notification to Public Inviting Comment and Input for the Upcoming Proposed Budget for Fiscal Year 2017/2018, (4) Approval of Proposed Blanket Purchase Order Amendments and (5) Approval of Proposed Budget Amendments.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Fiscal Year 2016/2017 Mid-Year Budget Monitoring Report, 2. Proposed Budget Amendments, 3. Proposed Blanket Purchase Order Summary Amendments

Date	Ver.	Action By	Action	Result
3/6/2017	1	City Council Meeting Agenda		

CC - Four-Fifths Vote Requirement - (1) Receive Presentation on Mid-Year Budget Monitoring Report and General Fund Financial Forecast, (2) Receipt and Filing of the Fiscal Year 2016/2017 Mid-Year Budget Monitoring Report, (3) Provide Notification to Public Inviting Comment and Input for the Upcoming Proposed Budget for Fiscal Year 2017/2018, (4) Approval of Proposed Blanket Purchase Order Amendments and (5) Approval of Proposed Budget Amendments.

Meeting Date: March 6, 2017

Contact Person/Dept: Jeff Muir/Finance Department
Phone Number: (310) 253-5865

Fiscal Impact: Yes No **General Fund:** Yes No

Public Hearing: **Action Item:** **Attachments:**

Public Notification: (Email) Meetings and Agendas - City Council (03/02/17); (Email) Ongoing Topics - Fiscal and Budget Issues (03/02/17)

Department Approval: Jeff Muir, Chief Financial Officer

RECOMMENDATION

Staff recommends the City Council (1) receive a presentation from staff on the Mid-Year Budget

Monitoring Report and General Fund Financial Forecast and (2) receive and file the Fiscal Year 2016/2017 Mid-Year Budget Monitoring Report, (3) provide notification to public inviting comment and input for the upcoming Proposed Budget for Fiscal Year 2017/2018, (4) approve proposed blanket purchase order amendments, and (5) approve related budget amendments.

A budget amendment requires a 4/5ths vote.

BACKGROUND/DISCUSSION

Mid-Year Budget Monitoring Report and General Fund Financial Forecast

The attached Mid-Year Budget Monitoring Report (Mid-Year Report) presents the City Council with a snapshot of General Fund, Enterprise Funds and Internal Service Funds expenditures and revenues through the first half of Fiscal Year 2016/2017, which began on July 1, 2016. Other City funds are performing within expectations and are not a part of this report. The General Fund Financial Forecast (Forecast) takes the mid-year projections and forecasts revenues and expenditures out to Fiscal Year 2027/2028. The Forecast, along with the various assumptions used to arrive at the revenue and expenditure estimates, will be presented by staff during the City Council meeting.

Notification Inviting Public Comment and Input

Consistent with the City Council's general policy, the City is committed to being open and transparent in all matters, especially those involving the collection and expenditure of public funds. In order to continue this commitment, the public is being provided this first of several opportunities to comment and offer input on the City's upcoming FY 2017/2018 proposed budget.

The City Manager's Proposed Budget for Fiscal Year 2017/2018 is scheduled to be formally presented to the City Council on Monday, May 8, 2017. Prior to this date, there will be additional public comment opportunities currently scheduled throughout the month of March, and opportunities during the period the City Council discusses the proposed budget with City staff in May and June.

The public is also invited to submit comments and suggestions to the City at the following e-mail address: Budget.Priorities@culvercity.org <<mailto:Budget.Priorities@culvercity.org>>.

FISCAL ANALYSIS

The Mid-Year Report provides detail into General Fund revenues received and expenditures disbursed through December 31, 2016, as well as adjusted projections through the end of the Fiscal Year (to June 30, 2017). General Fund expenditures through December 31, 2016 are \$53.7 million, or 47.1% of current revised budget projections. General Fund operating revenues through December 31, 2016 are \$37.6 million, or 36.1% of current revised budget projections. Full year General Fund projections for Fiscal Year 2016/2017 show total estimated operating revenues at \$107.0 million, \$3.0 more than the current revised budget total.

Total expenditures are estimated at \$113.5 million, \$0.6 less than the current budget. General Fund total expenditures are projected to exceed operating revenue by an estimated \$6.5 million. This, however, is largely due to substantial planned transfers to fund capital projects totalling \$5.7 million

as well as \$0.8 million to implement mitigation measures in dealing with urban runoff discharge requirements. Therefore, operating revenues are expected to meet operating expenditure requirements again for Fiscal Year 2016-17.

The General Fund Financial Forecast has been expanded to Fiscal Year 2027/28 in order to show the effect of the investment rate assumptions changes adopted by CalPERS in December of 2016. This has significantly affected the forecast. Staff will provide an in-depth presentation at the meeting.

ATTACHMENTS

1. Fiscal Year 2016/2017 Mid-Year Budget Monitoring Report
2. Proposed Budget Amendments
3. Proposed Blanket Purchase Order Summary Amendments

MOTION

That the City Council:

1. Receive a Presentation on the Mid-Year Budget Monitoring Report and General Fund Financial Forecast; and
2. Receive and file the Fiscal 2016/2017 Mid-Year Report as provided in Attachment 1; and
3. Provide notification to public inviting comment and input for the upcoming Proposed Budget for Fiscal Year 2017/2018; and
4. Approve the Blanket Purchase Order Summary Amendments as proposed in Attachment 3.
5. Approve the Budget Amendments as proposed in Attachment 2.

A budget amendment requires a 4/5th vote.