

CITY OF DANA POINT
AGENDA REPORT

Reviewed By:	
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DATE: APRIL 12, 2006

TO: CITY MANAGER / HONORABLE MAYOR AND CITY COUNCIL

FROM: SHARIE APODACA, DIRECTOR OF ADMINISTRATIVE SERVICES

SUBJECT: RATIFY FY 05-06 MID-YEAR BUDGET AMENDMENTS

RECOMMENDED ACTION:

That the City Council ratify the budget amendments identified in the Fiscal Year 2005-06 Mid-Year Budget Report and as presented by staff at the March 22, 2006 Council Meeting as follows:

- Authorize transfer of \$156,000 from Undesignated General Fund Balance to: Community Development-Building Budget #42-224 for Plan Check/Inspection Services for FY 04-05 expenditures.
- Authorize transfer of \$19,500 (\$17,000 – vehicle; \$2,500 – maintenance) from FY2005-06 estimated savings to fund a new VIPS patrol vehicle to replace the existing antiquated vehicle. Funds to be transferred from the Undesignated General Fund Balance to Police Services Budget (\$17,000 to #61-301; \$2,500 to #61-205).
- Authorize transfer of \$27,500 (\$25,000 – vehicle; \$2,500 – maintenance) from FY2005-06 estimated savings to fund a vehicle to be utilized by Emergency Services Manager for emergency response and related duties. Funds to be transferred from the Undesignated General Fund Balance to Emergency Services Budget (\$25,000 to #12-301; \$2,500 to #12-205).

BACKGROUND:

At the March 22, 2006 Council Meeting, staff presented the FY2005-06 Mid-year Budget Report covering the period July 1, 2005 through December 31, 2005. It was reported that to date all FY2006 expenditures are well within authorized budget levels. It was also reported that based on an analysis of each departmental budget, staff has estimated an under-expenditure of funds of approximately \$386,612 (1.6% of total budgeted GF Expenditures) to occur during this Fiscal Year through June 30, 2006. Due to this anticipated savings in General Fund operating expenditures, staff sought in its written and oral report the Council's approval of an expenditure adjustment in the amount of \$203,000, which would leave a favorable net impact of \$183,612. The City Council

subsequently took action to receive and file the report; however, it was brought to the staff's attention that the Council did not specifically vocalize approval of the budget adjustments in its motion. Therefore, staff is seeking ratification of the recommended budget adjustments for the record as justified below.

Building and Safety Services: The Community Development Department currently contracts its building and safety services to Charles Abbott Associates, Inc. for permit fees, plan checks and inspection services. Though the City is routinely billed monthly for these building and safety services, the invoices for the months of March, April and June 2005 were not received until well into FY2006. This billing delay resulted in FY2005-06 funds being utilized for FY2004-05 expenditures and created a \$156,000 shortfall in the Plan Check/Inspection Services budget line item # 42-224. Staff has addressed this issue of late billing with the contractor to avoid future budget impacts. However, since revenues derived from building related permits and fees in FY2004-05 were sufficient enough to off-set this \$156,000 shortfall, staff is requesting Council authorization to transfer funds from the Undesignated General Fund to Plan Check/Inspection Services budget line item # 42-224 to cover those costs this year.

Volunteers in Police Services (VIPS) Patrol Van: The VIPS van is used for a variety of duties including park patrols, graffiti removal, vacation home checks and special assignments such as distributing public information flyers. The existing VIPS van, nearly 7 years old, has a poor appearance, is difficult to maneuver due to its size, has poor visibility and is not a fuel efficient vehicle. In an effort to accommodate the VIPS and to encourage greater involvement in the VIPS program, the Police Services Department is requesting the purchase of a new VIPS vehicle that is more compact, fuel efficient and allows for easier egress and ingress.

Emergency Services/Facilities Vehicle: The Emergency and Support Services Manager (E&SSM) plays a critical role in the response to disasters. As the Deputy Director of Emergency Services his role is that of second in command in the Emergency Operations Center. Between disasters, the E&SSM spends much of his time driving between coordination meetings to maintain the critical relationships between the City and the San Onofre Nuclear Generating Station, other local response agencies, the County of Orange, the State of California and the Federal Government. Providing a city vehicle will help ensure his ability to effectively respond back to the City when disaster strikes, and to specific emergency locations.

It is also recommended that \$2,500 be budgeted for each vehicle for maintenance costs.

STRATEGIC PLAN INITIATIVE:

Achieve total excellence in municipal services and City administration/planning with excellent customer service and cost-effectiveness.

NOTIFICATION/FOLLOW-UP: None.

FISCAL IMPACT:

Increase General Fund revenue budget by \$0. Authorize transfer of \$203,000 from Undesignated General Fund Balance to the following funds as noted:

- Authorize transfer of \$156,000 from Undesignated General Fund Balance to: Community Development-Building Budget #42-224 for Plan Check/Inspection Services for FY 04-05 expenditures.
- Authorize transfer of \$19,500 (\$17,000 – vehicle; \$2,500 – maintenance) from FY2005-06 estimated savings to fund a new VIPS patrol vehicle to replace the existing antiquated vehicle. Funds to be transferred from the Undesignated General Fund Balance to Police Services Budget (\$17,000 to #61-301; \$2,500 to #61-205).
- Authorize transfer of \$27,500 (\$25,000 – vehicle; \$2,500 – maintenance) from FY2005-06 estimated savings to fund a vehicle to be utilized by Emergency Services Manager for emergency response and related duties. Funds to be transferred from the Undesignated General Fund Balance to Emergency Services Budget (\$25,000 to #12-301; \$2,500 to #12-205).

TOTAL PROPOSED FY06 BUDGET ADJUSTMENT	\$ 203,000
Anticipated Expenditure Savings in FY06	\$ 386,612
Anticipated Net Impact/Favorable	\$ 183,612

SUPPORTING/ACTION DOCUMENTS: None