

**RESOLUTION NO. 2020-06**

**A RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA MAKING CERTAIN FINDINGS IN RELATION TO THE FY 2019/20 BUDGET AND APPROVING CERTAIN ADJUSTMENTS AT THE MID-YEAR TO ACCOUNT FOR SEVERAL SMALL VARIANCES FROM THE ORIGINAL FY 2019/20 BUDGET**

**WHEREAS**, at its June 18, 2019 Council meeting, the City adopted its budget for FY 2019/20; and

**WHEREAS**, on December 17, 2019, the City Council received its audit for FY 2018/19, and the auditor opinion is unmodified, or it is a “clean” report with no material findings; and

**WHEREAS**, in the attached staff report, analyzing the audit results and final fund balances moving forward, and after reviewing City’s budget performance over the past five months staff has summarized its Mid-Year budget review in the two attachments (“Exhibits A” and “B”), one for revenue adjustments and one for expenditure adjustments; and

**WHEREAS**, as a result of its review, staff anticipates savings at year-end in the General Fund, Sewer and Water Enterprise Funds, and consistent with Council’s Reserve Policy, Exhibit B outlines a few one-time expenditures that account for less than 46% of the projected savings as described in staff’s report and that the remaining 54% be used to increase the Reserves for these funds.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of San Juan Bautista:

- 1) That the Staff report submitted for the January 21, 2020 Council meeting and its conclusions are hereby deemed to be true and correct, and are made a part of this resolution by reference.
- 2) The details of the recommended Mid-Year Budget adjustments for Fiscal Year 2019/20 are provided in Exhibit “A” for revenues, and Exhibit “B” for expenditures.
- 3) That the completed Audit of the FY 2018/19 has confirmed and finalized the fund balances heading into FY 2019/20, and that a Mid-Year Budget review of this fiscal year’s activity has been completed and that the assumptions and projections made in prior budget preparations have been confirmed and quantified.
- 4) That sufficient savings have occurred to increase one-time expenditures in the General Fund by \$86,622, to pay for a portion of the Senior Planner position, two special fiscal studies, and to meet staffing and training needs for the balance of the fiscal year.
- 5) Sufficient savings have occurred in the Water and Sewer Enterprise Funds to increase the capital improvements to match the final design estimates for the Third Street reconstruction project.
- 6) That the balance of savings in all funds will be used to increase the reserve amounts in each of the three funds.


**PASSED AND ADOPTED** at a regular meeting of the San Juan Bautista City Council on the 21<sup>st</sup> day of January, 2020, by the following vote:

**AYES:**        **Edge, Jordan, Flores, Freeman, DeVries**

**NOES:**        **None**

**ABSENT:**    **None**

**ABSTAIN:**   **None**

  
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**Mary V. Edge, Mayor**

**ATTEST:**

  
\_\_\_\_\_  
**Laura Cent, City Clerk**

## EXHIBIT A

### FY 2019/20 MID-YEAR BUDGET REVENUE ADJUSTMENTS

REVENUES	Annual	Proposed		
Fund	Budget	Budget	Difference	Footnotes
<b>General Fund</b>	1,854,841	1,854,841	-	
<b>Special Revenue Funds:</b>				
Capital Projects Fund	1,722,000	1,722,000	-	C
Community Development	553,058	553,058	-	
COPS	100,000	120,000	20,000	A
Parking & Restroom Fd	32,200	32,200	-	
Gas Tax Fund	53,851	204,851	151,000	B
Valle Vista LLD	21,717	21,717	-	
Rancho Vista CFD	92,744	92,744	-	
Copperleaf CFD	34,390	34,390	-	
<b>Development Impact Fee Funds:</b>				
Public/Civic Facility	25,000	25,000	-	
Library	33,000	33,000	-	
Storm Drain	80,000	80,000	-	
Park In-Lieu	10,000	10,000	-	
Public Safety	15,000	15,000	-	
Traffic	10,000	10,000	-	
Zone 1 TIMF	30,000	30,000	-	
<b>Internal Service Funds:</b>				
Big Rehab. & Replace	38,000	38,000	-	
Vehicle Replacement	60,000	60,000	-	
<b>Enterprise Funds:</b>				
Water				
Operations	979,000	979,000	-	
Capital	100,000	100,000	-	
Sewer				
Operations	1,010,600	1,010,600	-	
Capital	600,000	600,000	-	
<b>TOTAL Funds</b>	<b>7,455,401</b>	<b>7,626,401</b>	<b>171,000</b>	

**Footnotes ~**

A ~ Funding for law enforcement has exceeded the budget for the year to date. At minimum an additional \$20,000 is expected.

B ~ Unbudgeted SB1 revenue anticipated to be \$35,000 for the year. Restricted for road improvements.  
Plus received \$116,000 RST funding from prior road project from the County, State passthrough.

C~ Several Revenue sources anticipated in 2019 rely on Fed., State and other sources that have not yet materialized

## EXHIBIT B

### FY 2019/20 MID-YEAR EXPENDITURE ADJUSTMENTS

EXPENDITURES Fund	Annual	Proposed	Variance	Footnotes
	Budget	Budget		
<b>General Fund</b>	1,740,248	1,826,870	86,622	A/D/F/H
<b>Special Revenue Funds:</b>				
Capital Projects Fund	1,763,000	1,763,000	-	J
Community Development	553,058	608,392	55,334	B
COPS	100,000	100,000	-	
Parking & Restroom Fd	15,000	15,000	-	
Gas Tax Fund	53,851	53,851	-	
Affordable Housing Fund	18,877	18,877	-	
Valle Vista LLD	26,717	26,717	-	
Rancho Vista CFD	40,904	40,904	-	
Copperleaf CFD	21,523	21,523	-	
<b>Development Impact Fee Funds</b>				
Public/Civic Facility	33,000	33,000	-	
Library	24,000	24,000	-	
Storm Drain	196,000	196,000	-	
Park In-Lieu	115,000	115,000	-	
Public Safety	25,000	25,000	-	
Traffic	109,000	109,000	-	
<b>Internal Service Funds:</b>				
Blg Rehb. & Replace	20,000	20,000	-	
Vehicle Replacement	11,890	11,890	-	
<b>Enterprise Funds:</b>				
Water:				
Operations	738,921	910,921	172,000	A/C/G
Capital	349,979	541,979	192,000	I
Sewer				
Operations	1,608,450	1,650,450	42,000	A/E
Capital	638,979	868,979	230,000	I
<b>TOTAL Funds</b>	<b>8,203,397</b>	<b>8,981,353</b>	<b>777,956</b>	

**Footnotes:**

- A ~ Removed budgeted position for deputy city manager, added part-time positions for code enforcement and water and sewer special projects. Savings of \$20,000. Allocated to impacted departments.
  - B ~ Increase budget for planner contract which was unbudgeted. Expected annual cost to be \$90,000. Duties for the Sr. Planner described for Council 11.19.19, and include processing of current planning applications and CEQA review.
  - C ~ Contract services for All Clear have exceeded budget and area expected to continue. Overall increase expected to be \$60,000.
  - D ~ Added \$4,000 to general fund for additional training and education for City Council and Manager.
  - E ~ Added \$50,000 for unbudgeted cost for sewer lift station chemicals, water testing and parts.
  - F ~ Added \$50,000 for general government fiscal sustainability studies with City Gate and Clear Gov.
  - G ~ Added an additional \$120,000 for increase in operational contracts.
  - H ~ Added \$5,000 for public works uniforms.
  - I ~ Third Street Recon. Budget = \$50,000/ea for Water and Sewer & completed design estimates = additional funds
  - J ~ Capital Projects are in flux as many revenues were estimates and funded by State and other resources not yet available
- The most significant CIP is 3rd Street recon. Design is done & will be bid soon at an estimated cost of \$1.6 million