

RESOLUTION NO 2018-45
RESOLUTION NO. 2018-01 (MAC)
RESOLUTION NO. 2018-02 (NPC)
RESOLUTION NO. 2018-02 (PPSC NPC)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA, MARINA
AIRPORT COMMISSION, ABRAMS B NON-PROFIT CORPORATION, PRESTON PARK
SUSTAINABLE COMMUNITY NON-PROFIT CORPORATION RECEIVING THE CITY 2018-19
PROPOSED BUDGETS, RECEIVING STAFF PRESENTATION THEREOF, AND PROVIDING
DIRECTION TOWARDS BUDGET ADOPTION

WHEREAS, the FY18-19 proposed budget are provided as **EXHIBIT A** and;

WHEREAS, Staff presented a summary of the FY18-19 budgets to the Council, received and answered questions and;

WHEREAS, as the City's fiscal year begins on July 1st; Staff request Council direction towards budget adoption before June 30th.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina, Marina Airport Commission, Abrams B Non-Profit Corporation Board, Preston Park Sustainable Community Non-Profit Corporation and Successor Agency to the Former Marina Redevelopment Agency board do hereby:

1. Receive the City 2018-19 proposed budgets,
2. Receive staff presentation thereof, and

BE IT FURTHER RESOLVED that the City Council/Board hereby directs staff to:

1. having a May 22nd budget session as a placeholder,
2. to come up with a skeletal initial plan addressing our Preston loan;
3. to provide a conservative estimate in this budget for new service fees that would help balance our general fund budget;
4. staff to come up with definitions of our various reserves

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 8th day of May 2018, by the following vote:

AYES: COUNCIL/BOARD MEMBERS: Amadeo, Morton, O'Connell, Brown, Delgado

NOES: COUNCIL/BOARD MEMBERS: None

ABSENT: COUNCIL/BOARD MEMBERS: None

ABSTAIN: COUNCIL/BOARD MEMBERS: None

Bruce C. Delgado, Mayor

ATTEST:

Anita Sharp, Deputy City Clerk

May 4, 2018

amended

Item No. **4a**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of May 8, 2018

CITY COUNCIL, AIRPORT COMMISSION, ABRAMS B NON-PROFIT CORPORATION, AND PRESTON PARK SUSTAINABLE COMMUNITY NON-PROFIT CORPORATION CONSIDER ADOPTING RESOLUTION NO. 2018-, RESOLUTION NO. 2018-NPC, RESOLUTION NO. 2018-PPSC NPC, RECEIVING THE CITY 2018-19 PROPOSED BUDGETS, RECEIVING STAFF PRESENTATION THEREOF, AND PROVIDING DIRECTION TOWARDS BUDGET ADOPTION

REQUEST:

It is requested the City Council, Airport Commission, Abrams B Non-Profit Corporation, and Preston Park Sustainable Community Non-Profit Corporation consider adopting Resolution No. 2018-, Resolution No. 2018-NPC, Resolution No. 2018- PPSC NPC:

1. Receiving the City 2018-19 proposed budgets,
2. Receiving staff presentation thereof, and
3. Providing direction towards budget adoption.

BACKGROUND:

Annually the City Council, Staff and Community engage in the consideration of the fiscal budget, wherein resources are allocated to provide various City services and programs. This is an important exercise in local government, and usually begins in May for the fiscal year that begins July 1st. Enclosed for the City Council consideration is the FY 2018-19 proposed budgets.

ANALYSIS: --

The service level in this proposed budget is fairly consistent with prior year. The City continues to prioritize and fund pavement maintenance, public safety, economic development and various reserves. Consistent with prior year, this is a balanced General Fund budget and maintains the Council reserve policies for emergency reserve, vehicle replacement and pension stabilization. Public safety investments include retaining ½ FTE for the police officer that was previously half funded by MPUSD, replacement of multiple police vehicles and emergency response communication equipment for police, fire and public works. Funding is set aside for the replacement of one fire engine, which Staff will request Council authorization before acquisition.

In May 2018, the Council approved the new City fees for service, however, this budget does not reflect the anticipated fee increases. Consistent with prior years, it is financially prudent to not appropriate revenues before such revenues are garnered, so Staff plans to bring an update to the City Council on the actual new revenues during the FY18/19 mid-year update.

On April 3, the Council directed staff to provide additional information regarding the proposed citizen initiatives on the upcoming November election, the additional revenue that might be generated from these initiatives, and how they would address funding shortfalls and city needs as part of the budget discussion. The three citizen initiatives are:

1. Transaction and Use Tax increase from one percent (1%) to one and one half percent (1.5%), generating approximately \$1.5 million dollars annually.
2. Transient Occupancy Tax increase from twelve percent (12%) to fourteen percent (14%), generating approximately \$.5 million dollars annually.
3. Cannabis Business Tax of between two and five percent (2-5%) of gross receipts, which would generate approximately \$40,000 to \$200,000 annually.

There is insufficient resources to fund many Council and community priorities, especially pavement maintenance, facility acquisition and repairs, public safety (staffing and equipment), and pension liability. Staff remains focused on economic development, being financial stewards and implementing best practices to make the most of taxpayer resources. This budget supports the City Council's mission of creates a safe community, where we can live-work-play, and maintains economic and environmental sustainability.

Combined General Fund -- The City combined General Fund includes the General Fund and all other general-purpose funds, at the City Council's discretion. The summary is as follows:

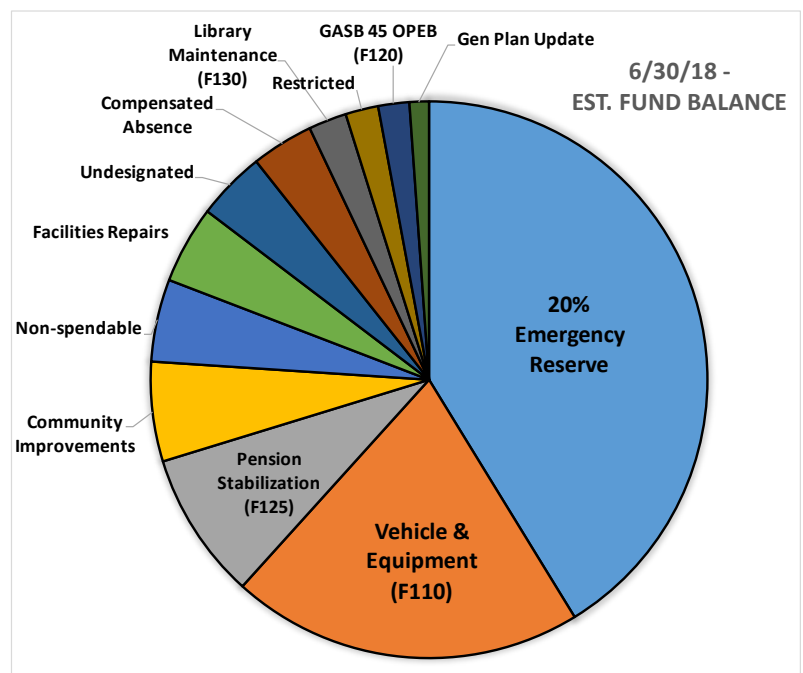
Funds	7/1/2018 Estimate	FY18/19 Revenues	FY18/19 Expenditures	Change in Fund Balance	6/30/2018 Estimate
100 General Fund	9,309,825	22,562,714	22,862,714	(300,000)	9,009,825
110 Vehicle and Equipment	1,627,500	640,000	-	640,000	2,267,500
120 GASB 45 OPEB	200,000		-	-	200,000
125 Pension Stabilization Fund	300,000	650,000		650,000	950,000
130 Library Maintenance	295,143	-	50,000	(50,000)	245,143
140 Marina Technology Cluster	-	-	-	-	-
150 Development Activity	(1,585,228)	-	-	-	(1,585,228)
Combined General Fund	10,147,240	23,852,714	22,912,714	940,000	11,087,240

Staffing -- Overall for FY18/19, staffing is maintained at the FY17/18 level with the following changes: (1) assume ½ FTE funding for police officer, which MPUSD discontinued funding, (2) increase permit technician from 0.8 FTE to 1.0 FTE and (3) addition of intern within the Engineering Department. Below is a summary of the City authorized positions (FTE units or full-time equivalent):

	FY17/18 Authorized	FY18/19 Authorized
General Fund	90.5	91.5
Airport Fund	2.0	2.0
Total FTE	92.5	93.5
Recreation Hourly (total hrs)	12,000	12,000

General Fund Reserves Overview – To ensure long-term sustainability and mitigate risks, the City maintains various reserves. Importantly, the City maintains a 20% emergency reserve, vehicle & equipment reserve and pension stabilization reserve.

Designated Fund Balance 6/30/18 (estimated)	
20% Emergency Reserve	\$ 4,572,543
Vehicle & Equipment (F110)	2,267,500
Pension Stabilization (F125)	950,000
Community Improvements	641,268
Non-spendable	530,713
Facilities Repairs	500,000
Undesignated	443,702
Compensated Absence	400,000
Library Maintenance (F130)	245,143
Restricted	211,371
GASB 45 OPEB (F120)	200,000
Gen Plan Update	125,000
Fund Balance 6/30/18 - est.	\$ 11,087,240



Other City Funds Overview – The City maintains twenty-two (22) other funds, which include Special Revenue Funds, Assessment District Funds, Debt Service Funds, Capital Funds and Enterprise Funds. The summary is as follows:

Funds	7/1/2018	FY18/19	FY18/19	Change in		6/30/2018
	Estimate	Revenues	Expenditures	Fund Balance	Adj (non-cash)	Estimate
Special Revenue Funds	10,447,449	5,848,421	2,459,913	3,388,508		13,835,957
Assessment District Funds	255,250	208,858	52,056	156,802		412,052
Debt Service Funds	855,953	1,204,517	1,198,524	5,993		861,946
Capital Projects Funds	5,516,380	3,071,000	3,561,000	(490,000)		5,026,380
Enterprise Funds (cash bal)*	1,536,004	11,083,600	12,328,724	(1,245,124)	1,363,960	1,654,840
Other Funds Total	18,611,036	21,416,396	19,600,217	1,816,179	1,363,960	21,791,175

* Enterprise Fund - \$1.4M non-cash adjustments such as depreciation expense.

FISCAL IMPACT: None to receive this report.

CONCLUSION:

This request is submitted for City Council consideration and possible action.

Respectfully submitted,

Lauren Lai, CPA
Finance Director
City of Marina

REVIEWED/CONCUR:

Layne P. Long
City Manager
City of Marina