RESOLUTION NO. 2018-66
RESOLUTION NO. 2018-05 (S/A MRA)
RESOLUTION NO. 2018-05 (NPC)
RESOLUTION NO. 2018-05 (PPSC-NPC)
RESOLUTION NO. 2018-04 (MAC)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA, SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY BOARD, ABRAMS B NPC BOARD, PRESTON PARK SUSTAINABLE COMMUNITY NPC BOARD AND AIRPORT COMMISSION AUTHORIZING THE FINANCE DIRECTOR TO MAKE CERTAIN POST-YEAR-END ACCOUNTING ADJUSTMENTS TO THE FY 2017-18 AND FY 2018-19 BUDGETS

WHEREAS, in adopting the 2018-19 fiscal year budget, actual 2017-18 revenues, expenditures, encumbrances, fund balances, existing (continuing) contracts and other carry-overs are necessarily unknown; and

WHEREAS, after the 2017-18 fiscal year-end, various audit and accounting accruals, deferrals and other adjustments must be made based on information not available at year end; and

WHEREAS, routine, required post year-end adjustments could cause inadvertent budget variances that could be avoided except that such adjustments cannot be known in advance; and

WHEREAS, inadvertent budget variances might result in unnecessary adverse audit comments.

NOW, THEREFORE, BE IT RESOLVED that after the 2017-2018 fiscal year has been closed and year-end adjustments recorded to reflect actual amount(s) of carryover balances, revenues, expenditures, encumbrances and continuing contracts for authorized programs and activities, the City of Marina Finance Director shall record such budget adjustments and realignments for the 2017-18 and 2018-19 fiscal year(s) budget(s) necessary to reflect carry-forward items and avoid inadvertent variances.

PASSED AND ADOPTED by the City Council of the City of Marina, Successor Agency to the Redevelopment Agency Board, Abrams B NPC Board, Preston Park Sustainable Community NPC Board, and Airport Commission at a regular meeting duly held on the 5th day of June 2018, by the following vote:

AYES: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: Amadeo, Morton, O'Connell, Brown, Delgado
NOES: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: None
ABSENT: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: None
ABSTAIN: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: None

Bruce C. Delgado, Mayor/Chair

ATTEST:

Anita Sharp, Deputy City Clerk

June 1, 2018 Item No. **11a**

Honorable Mayor and Members
of the Marina City Council

Special City Council Meeting
of June 5, 2018

Honorable Chairperson and Members
of the Successor Agency to Marina Redevelopment Agency

Special Successor Agency Meeting
of June 5, 2018

Chair and Board Members of
Abrams B Non-Profit Corporation

Special Corporation Meeting
of June 5, 2018

Chair and Board Members of
Preston Park Sustainable Community Non-Profit Corporation

Special Corporation Meeting
of June 5, 2018

Chair and Board Members of
Airport Commission

Special Commission Meeting
of June 5, 2018

CITY COUNCIL, SUCCESSOR AGENCY TO THE MARINA REDEVELOPMENT AGENCY, ABRAMS B NPC BOARD, PRESTON PARK SUSTAINABLE COMMUNITY NPC BOARD AND AIRPORT COMMISSION CONSIDER ADOPTING RESOLUTION NO. 2018- , 2018- (S/A MRA), 2018- (NPC), 2018- (PPSC-NPC) AND 2018– (MAC) ADOPTING FISCAL YEAR 2018-19 BUDGET, ESTABLISHING PROCEDURES FOR AMENDING BUDGET, AND AUTHORIZING THE FINANCE DIRECTOR TO MAKE NECESSARY ACCOUNTING AND BUDGETARY ENTRIES; CONSIDER ADOPTING RESOLUTION NO. 2018-, 2018- (S/A MRA), 2018- (NPC) 2018- (PPSC-NPC) AND 2018- (MAC), AUTHORIZING FINANCE DIRECTOR TO MAKE CERTAIN POST YEAR-END ACCOUNTING ADJUSTMENTS TO FY 2017-18 AND FY 2018-19 BUDGETS AND CONSIDER ADOPTING RESOLUTION NO. 2018-, ESTABLISHING POSITION CLASSIFICATIONS AND PAY RATES FOR PAYROLL TECHNICIAN, ASSISTANT/ASSOCIATE PLANNER AND GIS COORDINATOR

REQUEST:

It is requested that the City Council, Successor Agency to Marina Redevelopment Agency Board, Abrams B NPC Board, Preston Park Sustainable Community NPC Board, and Airport Commission:

1. Consider adopting Resolution No. 2018-, 2018- (S/A MRA), 2018- (NPC), 2018- (PPSC-NPC) and 2018– (MAC) adopting Fiscal Year 2018-19 Budget, establishing procedures for amending budget, and authorizing the Finance Director to make necessary accounting and budgetary entries; and

2. Consider adopting Resolution No. 2018-, 2018- (S/A MRA), 2018- (NPC), 2018- (PPSC-NPC) and 2018– (MAC) authorizing Finance Director to make certain post year-end accounting adjustments to FY 2017-18 and FY 2018-19 Budgets; and

3. Consider adopting Resolution No. 2018-, establishing position classifications and pay rates for Payroll Technician, Assistant/Associate Planner and GIS Coordinator.

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, that began with a strategic planning and priority setting 2-day retreat on February 2 and 3. On May 8 and 22, the City Council held two special meetings to discuss the proposed budget and receive public participation and input. During these meetings, Council also began defining fund balance definitions and the utilization of such resources. These meetings were publicly noticed and held at the City Council Chambers. Since May 8, the FY18-19 budgets have been posted on the city website and made available at City Hall.

ANALYSIS:

The service level in this FY18-19 budget is fairly consistent with prior year. The City continues to prioritize and increase funding for pavement maintenance, public safety, economic development, various reserves, land use policies and community quality of life. 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 and this budget reflects a conservative revenue enhancement estimate. Consistent with prior years, 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 $0.5 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.

As of the date of this report, signatures for the three citizen's initiatives have been submitted to the Marina Deputy City Clerk for review. At a later date, the Monterey County Clerk will review the signatures and if signature requirements are met, the citizen initiative(s) will be brought to the City Council and then to the Marina voters on the November 2018 ballot.

There are 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	Estimated Beginning Fund Bal.	FY18/19 Revenues	FY18/19 Expenditures	Change in Fund Balance	Estimated Ending Fund Bal.
100 General Fund	9,309,825	22,937,714	22,937,714	-	9,309,825
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**	**24,227,714**	**22,987,714**	**1,240,000**	**11,387,240**

Staffing – Staying fairly consistent with FY17-18 staffing, the FY18-19 staffing includes 94 total authorized full-time equivalents (FTE) and 12,000 hours for recreation hourly staffing. The strategic staffing changes include:

Increase of 1.45 FTE (from Adopted FY17/18 to Adopted FY18/19):

- Permit Technician from 0.8 FTE to 1.0 FTE
- Intern within the Engineering Department (0.5 FTE)
- Intern within the City Manager Department (Increase 0.25 FTE)
- Assistant/Associate Planner, previously professional service contractor (0.5 FTE in FY17-18 Amended and FY18-19 Authorized)
- Police Officer, which MPUSD discontinued funding

Modifications of classifications:

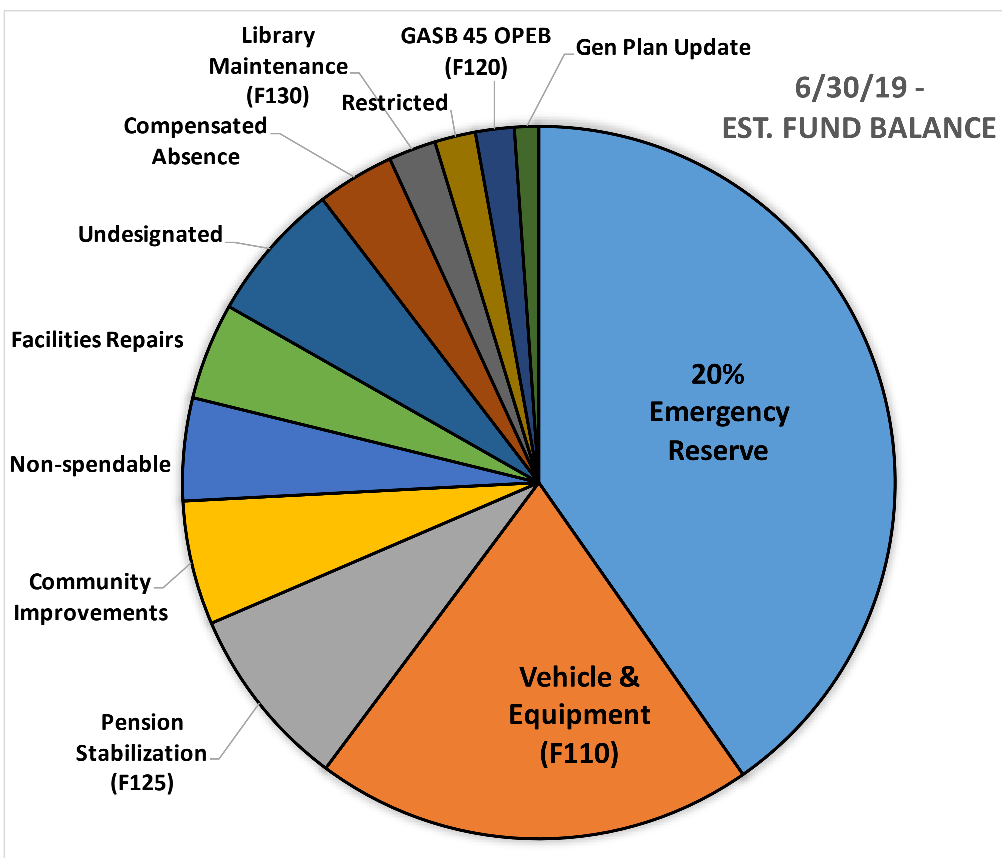
- Police Corporal to Police Sergeant
- PW Custodian to PW Maintenance Worker I
- Senior Building Inspector to Building Inspector
- Account Technician to Payroll Technician

	FY17/18 Authorized	FY17/18 Amended	FY18/19 Authorized
General Fund	90.5	91.0	92.0
Airport Fund	2.0	2.0	2.0
Total FTE	92.5	93.0	94.0
Recreation Hourly Staffing (total hrs)	12,000	12,000	12,000

The position classifications and pay rates for Assistant/Associate Planner, Payroll Technician and GIS Coordinator are provided for Council approval (refer to resolution exhibits).

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 6/30/19 (estimated)		
20% Emergency Reserve	$	4,587,543
Vehicle & Equipment (F110)		2,267,500
Pension Stabilization (F125)		950,000
Community Improvements		641,268
Non-spendable		530,713
Facilities Repairs		500,000
Undesignated		728,702
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 6/30/19 - est.	$	11,387,240



Other City Funds Overview – The City maintains twenty-five (25) other funds, which include Special Revenue Funds, Assessment District Funds, Debt Service Funds, Capital Funds, Enterprise Funds and Successor Agency Fiduciary Funds. The summary is as follows:

Funds	Estimated Beginning Fund Bal.	FY18/19 Revenues	FY18/19 Expenditures	Change in Fund Balance	Adj (non-cash)	Estimated Ending Fund Bal.
Special Revenue Funds	10,447,449	5,848,421	2,509,913	3,338,508	-	13,785,957
Assessment District Funds	264,688	208,858	53,148	155,710	-	420,398
Debt Service Funds	855,953	1,204,517	1,198,524	5,993	-	861,946
Capital Projects Funds	5,516,380	3,862,809	4,427,809	(565,000)	-	4,951,380
Enterprise Funds (cash balances) *	1,536,004	11,083,600	12,328,724	(1,245,124)	1,363,960	1,654,840
Other City Funds	**18,620,474**	**22,208,205**	**20,518,118**	**1,690,087**	**1,363,960**	**21,674,521**
Successor Agency	**1,238,044**	**1,495,200**	**2,154,124**	**(658,924)**	**-**	**579,120**
* 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,

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Lauren Lai, CPA
Finance Director
City of Marina

REVIEWED/CONCUR:

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Layne P. Long
City Manager
City of Marina