

RESOLUTION NO. 2019-64
RESOLUTION NO. 2019-01 (S/A MRA)
RESOLUTION NO. 2019-01 (NPC)
RESOLUTION NO. 2019-01 (PPSC-NPC)
RESOLUTION NO. 2019-01 (MAC)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MARINA, SUCCESSOR AGENCY TO THE MARINA REDEVELOPMENT AGENCY BOARD, ABRAMS B NPC BOARD, PRESTON PARK SUSTAINABLE COMMUNITY NPC BOARD AND AIRPORT COMMISSION ADOPTING THE FISCAL YEAR 2019-20 BUDGETS, ESTABLISHING PROCEDURES FOR AMENDING THE BUDGET, AND AUTHORIZING THE FINANCE DIRECTOR TO MAKE ALL NECESSARY ACCOUNTING AND BUDGETARY ENTRIES

WHEREAS, the City and Agency budget is an estimation of resources, revenues and expenditures for a fiscal year period, which is July 1st through June 30th and;

WHEREAS, the City Council held multiple public meetings to discuss the proposed FY2019-20 and FY2020-21 budget in May and June 2018 and;

WHEREAS, the City Council and Successor Agency to the Marina Redevelopment Agency Board are receiving the Successor Agency Fund budget schedules as provided hereto and;

WHEREAS, the City Council held a public hearing on June 4, 2019 to receive public input on the City's FY2019-20 and FY2020-21 budget; and,

WHEREAS, Staff made presentations and addressed questions, and Council provided direction.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Marina, Successor Agency of the Marina Redevelopment Agency Board, Corporation Boards and Commission Board:

1. That the Fiscal Year 2019-20 and Fiscal Year 2002-21 total appropriations will be as shown in Exhibit A, Budget Appropriations by Fund for FY 19/20 and FY 20/21, totaling \$110,367,303 for Fiscal Year 2019/20 and \$60,006,527 for Fiscal Year 2020/21.

Except for Capital Projects, budget appropriations lapse at the end of the fiscal year unless encumbered. Capital project appropriations shall continue until the project is completed.

2. Establish procedures for amending the budget as follows:

BUDGET ADJUSTMENTS, REALIGNMENTS & AMENDMENTS

The Marina City Manager and Executive Director of the Successor Agency to the Marina Redevelopment Agency, or his designee, shall be authorized to transfer budget authority within a fund as long as the total budget authority for that fund is not exceeded.

The Marina Finance Director for the City of Marina and the Successor Agency to the Marina Redevelopment Agency may move budget authority within a department amount operating expenditures and among salary accounts but may not move budget authority from operating accounts to salary accounts.

RESOLUTION NO. 2019-64
RESOLUTION NO. 2019-01(S/A MRA)
RESOLUTION NO. 2019-01(NPC)
RESOLUTION NO. 2019-01(PPSC-NPC)
RESOLUTION NO. 2019-01(MAC)

Page Two

Only the City Council or the Successor Agency to the Marina Redevelopment Agency Board of Directors shall be authorized to:

- a. Increase/decrease the appropriation of any fund
 - b. Transfer cash and/or appropriations from one fund to another
 - c. Authorize any interfund loan of cash or other resources
3. Authorize the Finance Director to make all necessary and budgetary accounting entries, including the temporary transfer of cash due to timing of revenue payments.

BE IT FURTHER RESOLVED that the adopted budget shall be available for Public viewing in the office of the City Clerk and shall be filed as required by law.

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 18th day of June 2019, by the following vote:

AYES: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: Urrutia, O'Connell, Berkley, Delgado

NOES: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: None

ABSENT: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: Berkley

ABSTAIN: COUNCIL/AGENCY/CORPORATIONS/COMMISSION MEMBERS: None

ATTEST:

Bruce C. Delgado, Mayor/Chair

Anita Sharp, Deputy City Clerk

EXHIBIT A

CITY OF MARINA SUMMARY OF ALL FUNDS Appropriations for FY19/20 and FY 20/21

Funds	FY 19/20 Uses				FY 20/21 Uses			
	Capital/ Debt				Capital/Debt			
General Fund	Operations	Service	Transfers Out	Total	Operations	Service	Transfers Out	Total
100 General Fund	22,901,807	275,300	5,234,300	27,650,387	22,453,407	256,000	5,702,000	28,411,407
110 Vehicle and Equipment		507,000		507,000		794,500		794,500
120 GASB 45 OPEB				-				-
125 Pension Stabilization Fund				-				-
130 Library Maintenance	50,000			50,000	50,000			50,000
Combined General Fund	22,951,807	782,300	5,234,300	28,207,387	22,503,407	1,050,500	5,702,000	29,255,907
Special Revenue Funds								
201 CDBG Community Dev Block Grant				-	-			-
202 CDBG Housing				-	-			-
210 Public Educ Govt PEG	100,000		50,000	150,000	100,000			100,000
215 Public Facilities Impact Fee			400,000	400,000			740,000	740,000
220 Gas Tax	334,150		62,400	396,550	344,250		62,400	406,650
221 Road Maintenance & Rehab Acct			400,000	400,000			400,000	400,000
222 Transportation Safety&Investment			16,600,000	16,600,000			600,000	600,000
225 National Park Service	11,475		18,917	30,392	11,475		418,917	430,392
Special Revenue Funds	445,625	-	17,531,317	17,976,942	455,725	-	2,221,317	2,677,042
Assessment District Funds								
231 Marina Woods AD				-				-
232 Seabreeze AD	7,255		1,740	8,995	6,255		1,740	7,995
233 Monterey Bay Estates AD	18,340		2,870	21,210	9,340		2,870	12,210
235 Cypress Cove II AD	20,120		2,750	22,870	9,620		2,750	12,370
251 CFD - Locke Paddon	7,410		-	7,410	7,410		-	7,410
252 CFD - Dunes No. 2015-1	5,000		2,770	7,770	5,000		2,770	7,770
Assessment District Funds	58,125	-	10,130	68,255	37,625	-	10,130	47,755
Debt Service Funds								
312 2015 GO Refunding Bonds Library	475,000		14,900	489,900	503,000		14,900	517,900
335 Marina Landing Improv Bonds	-			-	-			-
337 Marina Greens Improv Bonds	-			-	-			-
351 Abrams B Hsg Revenue Bond	-	731,000		731,000	-	732,000		732,000
Debt Service Funds	475,000	731,000	14,900	1,220,900	503,000	732,000	14,900	1,249,900
Capital Projects Funds								
460 Airport Capital Projects	-	2,606,469		2,606,469	20,000	3,366,000	-	3,386,000
462 City Capital Projects		44,110,300		44,110,300	-	8,115,000	-	8,115,000
Capital Projects Funds	-	46,716,769	-	46,716,769	20,000	11,481,000	-	11,501,000
Enterprise Funds (cash balances)								
555 Marina Airport	1,235,150	50,000	574,000	1,859,150	856,220	120,000	728,800	1,705,020
556 Preston Park NonProfit Corp	1,770,000	3,618,000	1,811,100	7,199,100	1,805,000	3,015,000	1,811,100	6,631,100
557 Abrams B NonProfit Corp	1,222,800	1,372,000	1,151,000	3,745,800	1,249,800	900,000	1,152,000	3,301,800
Enterprise Funds (cash balances)	4,227,950	5,040,000	3,536,100	12,804,050	3,911,020	4,035,000	3,691,900	11,637,920
Total City Funds	28,158,507	53,270,069	26,326,747	106,994,303	27,430,777	17,298,500	11,640,247	56,369,524
758 Successor Agency Retirement - Fiduciary	210,000	3,163,000		3,373,000	210,000	3,427,000		3,637,000
759 Successor Agency Housing	25,000			25,000	-			-
All Funds (City & Successor Agency)	28,368,507	56,433,069	26,326,747	110,367,303	27,640,777	20,725,500	11,640,247	60,006,524

Proposed Additions included in 6/12/19 Draft Budget

Council Directed Additions

1. Add the following positions to the budget:

Fiscal Year 2019/20

- a) 4 Fire Personnel, Three Captains and One Firefighter, \$600,000. Note, the eventual staff configuration will depend upon the service level developed to best meet the City's needs.
- b) 1 Public Safety Records Technician, \$75,000
- c) 1 Associate Planner, \$20,000. This is a conversion of a non-benefited position to a benefited position
- d) 1 Associate Engineer, net \$40,000 increase to the General Fund. The Position will cost \$160,000. Professional services cost in the General Fund will decrease by \$120,000. Project costs for service delivery will be include in projects.
- e) 1 part-time recreational coordinator, \$30,000.
- f) 1 Public Works Maintenance Worker I, \$75,000

Fiscal Year 2020/19

- g) 1 Public Safety Records Technician, \$75,000

2. Add \$25,000 to the Economic Development Department (440) for marketing of the proposed opportunity Zone.

3. Code Enforcement. Staff proposes creating a Combination Building Inspector/Code Enforcement Officer position at a cost of \$120,000, offset by reducing professional services contract cost by an equal amount.

4. Litigation. The special counsel costs for this last year have been about \$1.2 million. The proposed budget included \$0.65 million. Staff proposes to increase the FY 19/20 by \$0.5 million and FY 20/21 by \$0.3 million.

All these additions have been made to the revised budget.

Staff Proposed Additions/Corrections

In addition, three other changes are proposed to the draft budget, namely:

5. In the list of Council Priorities, the Council include an item on campaign finance reform, which will be a proposal from Councilmember O'Connell. That priority is now included in the list of Council Priorities as item 58.
6. The proposed expenditure for vehicles in the vehicle fund of \$507,000 and \$580,000 due to a transfer in for budgeted vehicles as outline on page 153 of the budget.
7. Add \$350,000 for stabilization and a new roof for fire station 3 in order to avoid further deterioration to the building. This money is proposed to be added to the Dunes Barracks Stabilization Project (#22) and be funded from the General Fund.

June 12, 2019

Item No. **11a**

Honorable Mayor and Members
of the Marina City Council

City Council Meeting
of June 18, 2019

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

Special Successor Agency Meeting
of June 18, 2019

Chair and Board Members of
Abrams B Non-Profit Corporation

Corporation Meeting
of June 18, 2019

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

Corporation Meeting
of June 18, 2019

Chair and Board Members of
Airport Commission

Commission Meeting
of June 18, 2019

**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. 2019- , 2019- (S/A MRA), 2019-
(NPC), 2019- (PPSC-NPC) AND 2019- (MAC) ADOPTING FISCAL YEAR 2019-
20 AND 2020-21 BUDGET, ESTABLISHING PROCEDURES FOR AMENDING
BUDGET.**

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. 2019-, 2019- (S/A MRA), 2019- (NPC), 2019- (PPSC-NPC) and 2019- (MAC) adopting Fiscal Year 2019-20 and 2020-21 Budgets, establishing procedures for amending budget, and authorizing the Finance Director to make necessary accounting and budgetary entries including the following adjustments as directed by City Council contained in Exhibit B from the City Council's meeting on June 4, 2019.

BACKGROUND:

The City Council implements fiscal policy via the adoption of its budget. It should be noted that the Council may revise its budget at any regular City Council meeting during the fiscal year; however, the budget is the primary source for directing the City's efforts in directing the fiscal affairs of the City. This year the City Council is considering adopting a two-year budget that essentially combines two fiscal year budgets into one document. The Council will review the status of the City's budget during its mid-year and mid-cycle reviews.

Council Actions:

As part of the budget process this year, the City Council held the following public meetings and hearings:

- March 1, 2 - Council Strategic Planning, Work Plan and Priority Setting Workshop
- May 7 - Review General Fund Major Priorities
- May 21 - Review Capital Improvement Program and Vehicle Fund
- May 31 - Draft budget available to Council and public for review
- June 4 - Public Hearing – Draft operating budget

At the June 4, 2019 Public Hearing, the City Council directed that the following adjustments be made to the proposed budget, namely:

Council Directed Additions

1. Add the following positions to the budget:

Fiscal Year 2019/20

- a) 4 Fire Personnel, Three Captains and One Firefighter, \$600,000. Note, the eventual staff configuration will depend upon the service level developed to best meet the City's needs.
- b) 1 Public Safety Records Technician, \$75,000
- c) 1 Associate Planner, \$20,000. This is a conversion of a non-benefited position to a benefited position
- d) 1 Associate Engineer, net \$40,000 increase to the General Fund. The Position will cost \$160,000. Professional services cost in the General Fund will decrease by \$120,000. Project costs for service delivery will be include in projects.
- e) 1 part-time recreational coordinator, \$30,000.
- f) 1 Public Works Maintenance Worker I, \$75,000

Fiscal Year 2020/21

- g) 1 Public Safety Records Technician, \$75,000
2. Add \$25,000 to the Economic Development Department (440) for marketing of the proposed opportunity Zone.
 3. Code Enforcement. Create a Combination Building Inspector/Code Enforcement Officer position at a cost of \$120,000, offset by reducing professional services contract cost by an equal amount.
 4. Litigation. The special counsel costs for this last year have been about \$1.2 million. The proposed budget included \$0.65 million. Staff proposes to increase the FY 19/20 by \$0.5 million and FY 20/21 by \$0.3 million.

All these additions have been made to the revised budget.

Staff Proposed Additions/Corrections

In addition, three other changes are proposed to the draft budget, namely:

5. In the list of Council Work Plan Priorities, the Council added an item on campaign finance reform, which was a proposal from Councilmember O'Connell. That priority is now included in the list of Council Work Plan Priorities as item 58.
6. The proposed expenditure for vehicles in the vehicle fund of \$507,000 and \$580,000 due to a transfer in for budgeted vehicles as outline on page 153 of the budget.
7. Add \$350,000 for the stabilization of fire station 3, including a new roof, in order to avoid further deterioration to the building. This money is proposed to be added to the Dunes Barracks Stabilization Project (#22) and be funded from the General Fund.

Community Request (Requiring further action if it is to be included in the upcoming budgets)

8. At the June 4, 2019 public hearing, Katy Castagna from the Monterey County United Way requested \$5,000 from the City to support the 211-service referral service run by the United Way which allows individuals seeking assistance from non-profits to contact this referral service in order to determine if they are eligible to receive assistance. ***This amount is not in the budget and would require the Council to direct that this allocation be added.***

The Council may wish to discuss the budget further and make further modifications. After the Council has addressed whatever changes they wish to make, if any, the Council should then consider adopting the budget for the next two fiscal years, understanding that the Council may revise the budget at any regularly scheduled City Council meeting.

Longer-term issues. In addition to these proposed actions, the Council discussed a number of other issues that are not in the budget and directed staff to schedule a special work session this Fall discuss these issues. Some of these issues are:

- a) Available Fund Balance. The Council has available fund balance to work on some projects. What, if any, projects should the City consider?
- b) Preston Park. How can the City position itself to be able to refinance Preston Park?
- c) Park Maintenance. Does the City have enough park workers or contractors to adequately take care of the City's parks?
- d) Improvements to Existing Parks. City should consider improvements to existing parks such as restrooms, drinking fountains and new playground equipment.
- e) Streets that need reconstruction. Is there a way to address some of the very worst streets in Marina rather than waiting for the 20-year plan to solve the problem?
- f) Civic Center. One of the primary policies in the General Plan was to create a civic center to create a focus for community life. Is it time to talk about a new city hall and civic center?
- g) Traffic Calming. What are traffic calming efforts the city can pursue?

Staff proposes to have that discussion as a work session on Nov. 12, 2019. The date is an off-Council meeting dates and will allow staff to potentially complete some of the Council's priorities before new priorities are given to staff.

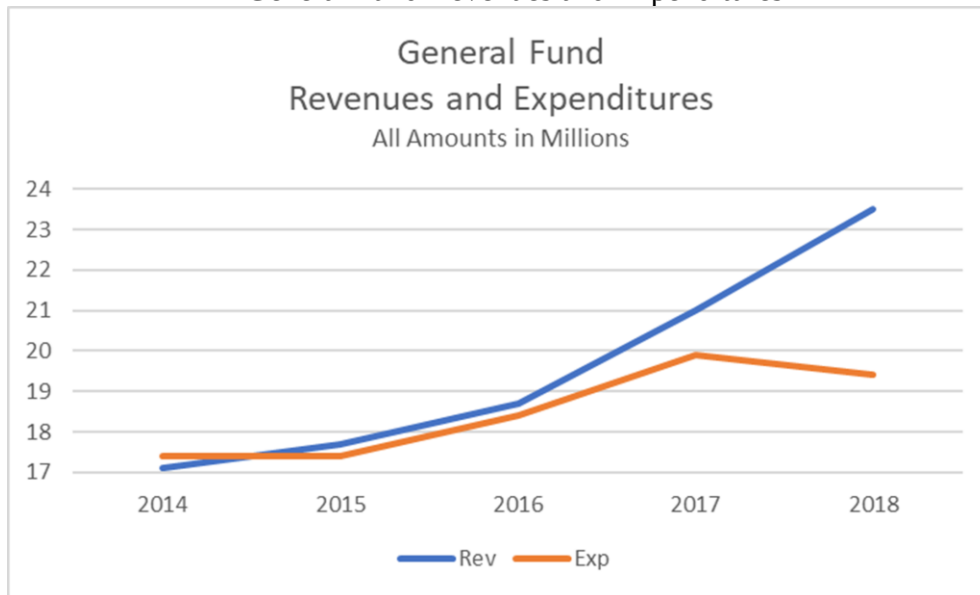
Councilwoman Berkley is gathering information about rent stabilization and plans to present that information to the Council in the fall.

A periodic review of Council Work Plan Priorities including a dashboard will be done.

ANALYSIS

The proposed budget is significant because it represents the culmination of a sustained effort by the City Council to set in order the City of Marina's fiscal house. As recently as FY 2013/14, the City had a deficit budget, as shown in Chart I, General Fund Revenues and Expenditures.

Chart I
General Fund Revenues and Expenditures



In 2012, the City adopted a balanced budget amendment which required the City Manager to submit a budget that was balanced. Resolution 2012-46 states that total revenues must be more than total expenditures, except that non-recurring transfers may be deducted from balanced budget calculation.

This year's budget meets those requirements for the General Fund as shown in Table I, Balanced Budget Calculation. After the proposed budget's operations for two years, Table II, Distribution of General Fund Balance, 6/30/21, shows what the fund balance will be as of that date. The forecast shows that approximately \$5 million will remain. Council has directed that staff schedule a work session to discuss this available balance and other matters raised during the budget process.

Table I

City of Marina
Two Year Budget, FY 19/20 and 20/21
All Amounts in Thousands

	Beg. Bal. 7/1/2019	Resources	Uses	Change	Balance, 6/30/2020	Resources	Uses	Change	Balance 6/30/2021
General Fund									
Operating	12,056	26,238	(27,650)	(1,413)	10,643	26,059	(28,411)	(2,352)	8,291
Reserves	3,475	1,462	(557)	905	4,380	1,355	(845)	511	4,891
Total GF	15,531	27,700	(28,207)	(508)	15,023	27,414	(29,256)	(1,842)	13,182
Special Revenues									
Special Revenues	14,456	19,094	(17,977)	1,117	15,573	2,658	(2,677)	(19)	15,554
Assessment Dist.	687	215	(68)	147	834	219	(48)	171	1,005
Debt Service	884	1,181	(1,221)	(40)	844	1,201	(1,250)	(49)	795
Capital Projects	8,969	46,652	(46,717)	(64)	8,904	9,380	(11,501)	(2,121)	6,783
Enterprises	10,280	11,777	(12,804)	(1,027)	9,253	12,011	(11,638)	373	9,626
City Total	50,807	106,619	(106,994)	(375)	50,432	52,883	(56,369)	(3,487)	46,945
Successor Agency	2,918	3,867	(3,373)	494	3,412	4,030	(3,637)	393	3,805
Total	53,726	110,486	(110,367)	119	53,844	56,913	(60,006)	(3,094)	50,750

NOTE:

Resources include both revenues and transfers in
Uses include both expenditures and transfers out

Table II
Distribution of General Fund Balance, 6/30/21

General Fund Balance Budget Calculation			
		<u>FY 19/20</u>	<u>FY 20/21</u>
	Revenues	26,237,667	26,059,217
	Expenditures	<u>(27,400,387)</u>	<u>(28,411,407)</u>
	Revenues Over/(Under)		
	Expenditures	(1,162,720)	(2,352,190)
Add Back One-time Transfers:			
	Capital	2,160,300	2,735,000
	Vehicles	<u>507,000</u>	<u>580,000</u>
	Amount Exceeding		
	Balanced Budget	<u>1,504,580</u>	<u>962,810</u>

Table IIb
Forecasted Distribution of General Fund Balance

Fund Balance 6/30/2021	13,181,773
Less:	
Emergency Reserves @ 20% of Revenues	(4,736,003)
Vehicle Replacement Fund	(2,470,500)
GASB 45 - OPEB Obligation	(200,000)
Pension Stabilization - 2025 Horizon	(2,050,000)
Library Maintenance	<u>(170,143)</u>
Available Gneral Fund Balance	3,555,127

As the Council has controlled expenses, the community showed confidence in their local government and have approved a number of revenue measures as shown in Table III, Voter Approved Ballot Measures.

Table III

Voter Approved Revenue Measures:

• Measure U (2016),	
Business Tax Measure	\$1.2mm
• Measure N (2018), District	
Sales Tax	\$1.5 mm
• Measure P (2018),	
Increased TOT	<u>\$0.6 mm</u>
• Total	\$ 3.3 mm

It is worthwhile to note that the budget has been constructed to anticipate an eventual slowing or even pausing in revenue growth. Many anticipate that the present economic cycle is due to slow down. As a result, the City has anticipated and programed in a \$500,000 contraction in revenues in the second year of the budget.

This year's budget reflects a new ability to address community concerns. Specifically, the City Council met last March and developed a Work Plan with a list of 58 priorities that will address a number of community desires. All 58 priorities are addressed and have sufficient resources and funding allocated except for three, namely:

- Stabilization of Useful Buildings
- Senior Center CDBG Grant
- FORA Sunset 2020 (Transition Plan)

One of these priorities, Stabilization of Useful Buildings in the former Fort Ord, is partly addressed and the other two priorities will be addressed as the cost and a plan to address the project becomes clearer.

The budget significantly addresses issues by:

- 1) Programming \$43.3 million in road projects over the next two years designed to improve circulation and maintain the City's streets at a Pavement Management Index of 70. The largest project is the Imjin Parkway Widening budgeted at \$35 million.
- 2) Some \$4.8 million in Airport projects are anticipated in this budget with another \$8.9 million in capital projects to improve public facilities and plans.
- 3) \$600,000 a year (on-going) in order to increase Fire protection and suppression.
- 4) \$300,000 a year (on-going) to improve a variety of city services ranging from code enforcement, to special recreational events to police records.

Although no planning effort is perfect, this year's budget addresses the Council's priorities while maintaining fiscal discipline, living within the City's resources. There is much work to be done in this budget. As this work is completed, Marina will have much to be proud of.

FISCAL IMPACT: None to receive this report.

CONCLUSION:

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

Respectfully submitted,

Eric Frost
Finance Director
City of Marina

REVIEWED/CONCUR:

Layne P. Long
City Manager
City of Marina