



## CITY OF COMMERCE AGENDA REPORT

Item No. \_\_\_\_\_

**TO:** Honorable City Council/Successor Agency

**FROM:** City Administrator/Executive Director

**SUBJECT:** Fiscal Year 2017-18 Budget – Initial General Fund Projected Numbers

**MEETING DATE:** April 18, 2017

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### **RECOMMENDATION:**

Receive a report regarding the initial General Fund projected numbers.

### **EXECUTIVE SUMMARY:**

Staff is projecting to begin this year's budget process with a projected modest surplus. As we highlighted in years past, the City Council is advised to exercise caution with respects to the preliminary April projections. These numbers as preliminary data for revenues and expenditures (cost increases determined by others) will change as staff solidifies the numbers based on new and revised information filtering in over the next few months.

Albeit that the City recognized a surplus in FY 2015-16, it is recommended that the City Council maintain a conservative approach continuing to error on the side of caution in adding to the baseline budget until the City can verify sufficient revenues and work through the entire budget establishing priorities in a comprehensive fashion. Being blessed with significant and consecutive year end fund balances has allowed the City Council to reinvest in critical one-time investments as well as strengthen ongoing programs to enhanced levels of service of benefit to the community.

### **DISCUSSION / ANALYSIS:**

The initial preliminary projection for the upcoming budget cycle stands at a surplus of just under **\$210,392**. During the budget process, the City Council will have discretion on whether or not to use said funds on items presented.

These presentations will occur at scheduled study sessions, which will begin May 17th.

The Director of Finance will provide more detail via a slide show presentation at this meeting.

### **ALTERNATIVES:**

1. Approve staff recommendation
2. Provide staff with further direction

## **FISCAL IMPACT:**

Despite the fact that we are looking at a projected surplus for the upcoming budget process, the City Council will still be facing some difficult decisions on how to best allocate those funds.

Mindful of the organizational and financial impact involving the last five fiscal years, staff will continue to make a concerted effort to keep the integrity of the services we provide the community during the upcoming process. Overall, we are looking at a status quo budget, with potential enhancements at the discretion of the Council.

## **RELATIONSHIP TO STRATEGIC GOALS:**

This report is applicable to the following 2016 Strategic Plan Guiding Principle 1: *Demonstrate fiscal responsibility through establishing financial policies, budgeting practices that meet the Financial Standards of Excellence requirements.*

Recommended by: Vilko Domic, Director of Finance

Approved as to form: Eduardo Olivo, City Attorney/Legal Counsel

Respectfully submitted: Matthew Rodriguez, Interim City Administrator/Interim Executive Director

DS/staff reports, city council/Budget/2017/SR FY 17-18 Budget Overview 4-18-17 VD