



## CITY OF COMMERCE AGENDA REPORT

**TO:** Honorable AA Advisory Committee **Item No.** \_\_\_\_\_

**FROM:** City Administrator

**SUBJECT:** Mid-Year Budget Adjustments Amending the Annual Measure AA Capital Budget for Fiscal Year 2018-2019

**MEETING DATE:** February 12, 2019

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### **RECOMMENDATION:**

Approve the proposed adjustments amending the annual Measure AA capital budget for fiscal year 2018-2019.

### **PURPOSE:**

The purpose of this report is to request the Measure AA Advisory Panel approval of mid-year adjustments to the Fiscal Year (FY) 2018-19 approved Capital Budget using FY 2018-19 unallocated AA funds that were not appropriated as part of the adopted budget.

In addition, this report is intended to provide the Measure AA Advisory Panel with an accurate-as-possible picture of how the City's Measure AA Fund is operating seven months into the fiscal year based on the original revenue and expenditure estimates. The middle of the fiscal year is also a good time to consider whether expenditures, outside the realm of the original approved budget, have surfaced which would potentially jeopardize the current budget authority and thus, require Council action of appropriate budgetary adjustments.

### **BACKGROUND:**

Normally, the Finance Department asks each department to review their existing budgetary appropriations to determine whether any changes need to be made as a result of unanticipated costs that may have occurred thus far during the fiscal year thru six months. As a result of that review conducted during the past several weeks, it was determined that some expenditures were unanticipated (defined as emergency items) and needed to be addressed.

### **DISCUSSION / ANALYSIS:**

In order to address the deficiencies highlighted below and allocate preliminary funding (design work) for two future projects, the Measure AA Advisory Panel will be asked to

appropriate funds from Category A unallocated reserve for the following:

<b>Gage – Slauson Connectivity Project – Design Work</b>	<b>\$265,000</b>
<b>Citywide Field Survey- Required by Metro</b>	<b>\$ 50,000</b>
<b>Brenda Villa Aquatic Center – Emergency Boiler Repair</b>	<b>\$ 9,560</b>
<b>Brenda Villa Aquatic Center – Emergency HVAC Repair</b>	<b>\$ 8,264</b>
<b>Rosewood Park/BVAC – Camera Installation</b>	<b>\$ 25,488</b>
<b>Camp Commerce – Installation of a Front Entrance Safety Gate</b>	<b>\$ 33,500</b>
<b>Rosewood Park Field – Lighting Installation</b>	<b>\$ 26,381</b>
<b>Data Center – HVAC Replacement (the unit is beyond its service life)</b>	<b>\$ 10,000</b>
<b>Bristow Park Kitchen Repair/Replacement – Counters/cabinets/sink</b>	<b>\$ 6,500</b>
<b>City Hall North Floor Replacement – Carpet damaged due to plumbing leak</b>	<b>\$ 6,500</b>

In summary, staff is recommending that the aforementioned 9 items be approved totaling **\$441,193**.

#### **ALTERNATIVES:**

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

#### **FISCAL IMPACT:**

If the Measure AA Advisory Panel approves staff's recommendation, the action would amend the FY 2018-19 Measure AA approved Capital budget by **\$441,193**. As mentioned above, the authorized action would need an appropriation from Category A unallocated reserve funds. If the Advisory Panel approves this amount, **\$696,439** of Category A unallocated reserve would remain discretionary for the upcoming FY 2019-20 budget process.

Recommended by: Vilko Domic, Director of Finance/City Treasurer  
Respectfully submitted: Edgar Cisneros, City Administrator