



Staff Report

File #: REPORT 19-0606, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of September 24, 2019**

**REAPPROPRIATION OF FUNDS FROM FY 2018-19 TO FY 2019-20,
APPROPRIATION OF ITEMS NOT INCLUDED IN THE FY 2019-20
BUDGET, AND REVENUE REVISIONS**
(Finance Director Viki Copeland)

Recommended Action:

Staff recommends that the City Council:

1. Reappropriate amounts in the attached Exhibit A to the Fiscal Year 2019-20 Budget. Totals by fund are highlighted in the attachments. The General Fund amount is \$699,213;
2. Appropriate amounts that were not included in the Fiscal Year 2019-20 Budget as shown in the attached Exhibit B in Fiscal Year 2019-20; and
3. Approve revenue revisions related to the reappropriations and new appropriation requests as shown in the attached Exhibit C.

Background:

Reappropriations

Budget appropriations for Fiscal Year 2018-19 expired on June 30, 2019. Equipment and supplies or services must have been received by June 30th in order to be charged to the 2018-19 Budget. Some departments have items or services that were budgeted in 2018-19 but were not delivered or complete by year-end. In these cases, unspent amounts for those items or projects need to be reappropriated, since they were not included in the Fiscal Year 2019-20 Budget.

In the case of Capital Improvement Projects, unspent funds are added to any amounts appropriated in the 2019-20 Budget, as necessary. The amount of prior year funding that would be left at year-end 2018-19 is estimated for 2019-20 Budget purposes. If expenditures are higher than estimated for 2018-19, the 2019-20 amount would be reduced. If expenditures are less in 2018-19, the amount for 2019-20 would be increased if the project is ongoing, as reflected in Exhibit A. Projects not completed in 2018-19 and not budgeted in 2019-20 would be carried forward into 2019-20.

New 2019-20 Appropriation Requests

Some departments have items or services that have come up in 2019-20 that were not budgeted or the cost exceeded the amount budgeted. Instead of waiting to request additional funds during the midyear budget process, additional appropriations are requested at this time. (See Exhibit B)

Revenue Revisions Related to the Reappropriations and New Appropriation Requests

For projects funded by grants, if amounts are reappropriated, the revenue estimate needs to be budgeted as well. (See Exhibit C) Conversely, if more funds are spent in the previous year, grant revenue estimated for 2019-20 would be reduced. Several grants would be added to the budget as a result of the new appropriation requests and the corresponding revenue estimates would be added to 2019-20.

Analysis:

The 2019-20 budgetary accounts would be revised to reflect the attached reappropriations, new appropriation requests, and related revenue. See Exhibits A, B, and C. All changes reflected in this agenda item would be reflected in the September Revenue, Expenditure, and Capital Improvement Project (CIP) Report by Project reports.

General Plan Consistency:

PLAN Hermosa, the City's long range planning document, was adopted by the City Council in August 2017, and envisions a future where "Hermosa Beach is the small town others aspire to be; a place where our beach culture, strong sense of community, and commitment to sustainability intersect." One of the guiding principles to achieve the vision is to make decisions and take actions that help contribute to the City's economic and fiscal stability.

Other relevant General Plan policies are listed below:

Parks and Open Space

- 1.1 Facility upgrades. Improve and upgrade park and open space facilities on a regular basis.
- 2.6 Investment and maintenance. Prioritize the investment and maintenance of existing facilities prior to development and expansion of new facilities.

Infrastructure

- 1.2 Priority investments. Use City Council established priorities and the Capital Improvement Program (CIP) to identify and allocate funding for projects identified in the infrastructure plan.

Public Safety

- 5.2 High level of response. Achieve optimal utilization of allocated public safety resources and provide desired levels of response, staffing, and protection within the community.

Fiscal Impact:

Appropriations in the General Fund would increase by \$699,213 in the FY 2019-20 Budget due to the requested reappropriations. There are no new appropriation requests or revenue estimates related to

General Fund. There are sufficient funds available to cover the reappropriation and new appropriation requests in the other funds.

Attachments:

1. Budget Reappropriations from 201819 (Exhibit A)
2. New Appropriation Requests for 2019-20 (Exhibit B)
3. Revenue Related to Budget Reappropriations And New 2019-20 Appropriation Requests (Exhibit C)

Respectfully Submitted by: Viki Copeland, Finance Director

Approved: Suja Lowenthal, City Manager