



Staff Report

File #: REPORT 20-0635, Version: 1

**Honorable Mayor and Members of the Hermosa Beach City Council
Regular Meeting of October 13, 2020**

REAPPROPRIATION OF FUNDS FROM FY 2019-20 TO FY 2020-21

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 2020-21 Budget. Totals by fund are highlighted in the attachments. The General Fund amount is \$684,995; and
2. Approve revenue revisions related to the reappropriations as shown in Exhibit B.

Executive Summary

Budget reappropriation requests for Fiscal Year 2019-20 total \$684,995. Staff recommends Council reappropriate this amount to Fiscal Year 2020-21.

Background:

Reappropriations

Budget appropriations for Fiscal Year 2019-20 expired on June 30, 2020. Equipment and supplies or services must have been received by June 30th in order to be charged to the 2019-20 Budget. Some departments have items or services that were budgeted in 2019-20 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 2020-21 Budget.

In the case of Capital Improvement Projects, unspent funds are added to any amounts appropriated in the 2020-21 Budget, as necessary. The amount of prior year funding that would be left at year-end 2019-20 is estimated for 2020-21 Budget purposes. If expenditures are higher than estimated for 2019-20, the 2020-21 amount would be reduced. If expenditures are less in 2019-20, the amount for 2020-21 would be increased if the project is ongoing, as reflected in Exhibit A. Projects not completed in 2019-20 and not budgeted in 2020-21 would be carried forward into 2020-21.

Revenue Revisions Related to the Reappropriations

For projects funded by grants, if amounts are reappropriated, the revenue estimate needs to be budgeted as well. (See Exhibit B.) Conversely, if more funds are spent in the previous year, grant revenue estimated for 2020-21 would be reduced.

Analysis:

The 2020-21 budgetary accounts would be revised to reflect the attached reappropriations and related revenue. See Exhibits A and B. 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:

Exhibit A shows the amounts being reappropriated from each fund. Appropriations in the General Fund will increase by \$684,995 in the FY 2020-21 Budget due to the requested reappropriations. There are sufficient funds available from the prior year to cover the reappropriation requests in the General Fund and other funds.

Attachments:

1. Budget Reappropriations from 2019-20 (Exhibit A)
2. Revenue Related to Budget Reappropriations (Exhibit B)

Respectfully Submitted by: Viki Copeland, Finance Director

Approved: Suja Lowenthal, City Manager

