

STAFF REPORT

City of Lancaster

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02/09/16
MVB

Date: February 9, 2016

To: Mayor Parris and City Council Members

From: Barbara Boswell, Finance Director

Subject: **Fiscal Year 2015-2016 Mid-Year Budget Adjustment**

Recommendations:

- a. Approve the proposed Fiscal Year 2015-2016 Mid-Year Budget Revenue and Expenditure Adjustments, as summarized in Attachment A.
- b. Approve addition of three new positions to the 2015-2016 Workforce. Positions are Lead Maintenance Worker, Maintenance Worker II, Maintenance Worker I.

Fiscal Impact:

The proposed changes result in an overall increase of \$4,317,255 in total revenues and \$4,444,470 increase in total expenditures. General Fund revenues are projected to increase by \$4,145,955 and expenditures are recommended to increase by \$1,547,245. Other City revenues are estimated to increase by \$171,300 and expenditures are recommended to increase \$2,897,255. For funds without revenue increases to offset proposed expenditure increases, sufficient fund balances exist to cover increasing expenditures. Detail is provided in the Attachment.

Background:

The primary purpose of the Mid-Year Budget is to review assumptions used in developing the fiscal year budget, particularly revenue assumptions. The Mid-Year Budget is not a new fiscal year budget; the fiscal year budget is developed over a period of six months to address Council goals and direction and requires significant planning, analysis, and program development effort on the part of staff. In essence, the Mid-Year Budget should be viewed as a “mid-point correction” to estimated revenues and expenditures due to updates of the assumptions.

The largest increases in revenue projections result from an expected \$813,000 settlement payment, related to Los Angeles County’s withholding of property tax administrative fee, and an approximate \$2.2 million increase in property tax revenues, as a result of an increase in assessed valuations.

Large increases in recommended expenditures result from higher than expected legal fees, a contribution to the CalPERS Retiree Health Trust Fund account and reprogramming of Neighborhood Stabilization Program income. Other recommended increases are as a result of the Westlake Emergency Rain Event.

BB:ps

Attachment:

Attachment A – FY 2015-2016 Mid-Year Budget Adjustment