


OAKLEY



CALIFORNIA

STAFF REPORT

Date: June 13, 2017
To: Bryan H. Montgomery, City Manager
From: Deborah Sultan, Finance Director
Kevin Rohani, City Engineer
SUBJECT: Approve Resolution Adopting the FY 2017 - 2018 Recommended Budget, Statement of Financial Policies, Appropriations Limit and 5-Year Capital Improvement Program (CIP) for Fiscal Years 2017-2018 through 2021-2022 and Making Findings Related Thereto

Approved and Forwarded to the City Council:

Bryan Montgomery, City Manager

Background and Analysis

The City Council held a budget work session on May 23 to review and discuss the Preliminary City Fiscal Year 2017-2018 Operating and Capital Budgets, and the 5-Year Capital Improvement Plan (CIP) for Fiscal Years 2017-201 through 2021-2022. The Preliminary Budget also included the City's Fiscal Year 2017-2018 Appropriations Limit calculation and Statement of Financial Policies.

There were no changes to the preliminary budget resulting from that discussion.

Highlights of the Recommended Budget include:

Appropriations:

Total Fiscal Year 2017-2018 Recommended Appropriations by fund type are:

General Fund	\$19,988,721
Special Revenue Funds	\$12,817,568
Debt Service Funds	\$2,576,013
Capital Projects Funds	\$9,235,131
Internal Service Funds	\$2,017,932

General Fund Reserves:

The projected beginning unreserved, undesignated fund balance in the General Fund for the fiscal year 2017-2018 is approximately \$5.89 million, or approximately 34% of recommended fiscal year 2017-2018 General Fund expenditures before transfers. The projected fiscal year-end unreserved, undesignated fund balance in the General Fund for

fiscal year 2017-2018 is approximately \$3.58 million, or approximately 20% of projected fiscal year 2018-2019 General Fund expenditures before transfers. The reduction in fund balance is due to the use of fund balance for land acquisition and transfers to other funds for Capital Improvement projects.

A review of the 10 year plan, which anticipates the City's continued restoration of services and transfers for roadway maintenance, shows the reserve level remaining above the 20% minimum level required by the City's policies in the near future, but drops below the 20% further out. Adjustments are expected to the Plan and further adjustments will be need to remain in compliance with the City's policy.

Financial Policies:

In preparing the Budget each year, Staff provides an update on the comprehensive Statement of Financial Policies and proposes changes, if appropriate. The Preliminary Budget included a brief review of what is in the Statement, an assessment of whether the City is actually complying with each policy, and any recommendations for policy changes. This year, Staff is not recommending any changes.

Capital Projects:

Each year, the City's 5-Year CIP is presented to the Council with the Budget. Capital Projects planned for fiscal year 2017-2018 include new appropriations of \$12,626,800. Major projects include Laurel Road Widening, Reconstruction, and Intersection improvements, Oakley Recreation Center, Oakley Community Dog Park and Main Street Downtown Renovation. Other projects include street repair and resurfacing, sidewalk repairs, traffic calming, City Hall Development Services Counter renovation and implementation of the ADA transition plan.

Appropriations Limit:

State Law requires the annual calculation of the City's Appropriation (Gann) Limit, and the City's practice is to include the annual calculation and adoption at the same time as it reviews and approves the Budget. Staff has calculated the Fiscal Year 2017-2018 Limit at \$10,699,525. The calculation shown in the Budget shows last year's adjusted Limit and the growth factors used to calculate the Fiscal Year 2017-2018 Limit.

Fiscal Impact

The recommended operating and capital budgets total \$46,635,365 and are supported by estimated fiscal year 2017-2018 revenues and estimated June 30, 2017 fund balances.

A full discussion of the budget, and information regarding each fund's revenues and each fund and department recommended expenditures are included in the attached Recommended Budget document. A separate tab includes additional information about the Capital Improvement Plan.

Recommendation and Alternatives

Staff recommends the City Council approve the attached Resolution that adopts the Fiscal Year 2017-2018 Recommended Budget, Statement of Financial Policies, Appropriations Limit, and CIP for Fiscal Years 2017-2018 through 2021-2022. As the City Council also currently serves in the role of the City's Planning Authority, the Resolution also includes the findings necessary for the City Council, as the Planning Authority of the

City, to adopt the City's Recommended 5-Year Capital Improvement Plan for FY's 2017-2018 through 2021-2022, confirming the Plan is consistent with the adopted Oakley General Plan and meets the requirements of Section 65401 of the Government Code.

The Council, as always, has the option of making changes to Recommended Budget prior to adoption.

Attachments

- 1) Resolution
- 2) Recommended Budget for Fiscal Year 2017-2018
- 3) Recommended 5-Year Capital Improvement Plan for Fiscal Years 2017-2018 through 2021-2022

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OAKLEY
TO ADOPT THE FY 2017-2018 RECOMMENDED BUDGET, STATEMENT OF
FINANCIAL POLICIES, APPROPRIATIONS LIMIT AND 5-YEAR CAPITAL
IMPROVEMENT PLAN (CIP) FOR FISCAL YEARS 2017-2018 THROUGH 2021-2022
AND MAKE FINDINGS RELATED THERETO**

WHEREAS, the City Council is required by law to adopt a budget and appropriations limit prior to the beginning of its new fiscal year, which is July 1, 2017; and

WHEREAS, the City desires to annually review and adopt a 5-year Capital Improvement Plan and comprehensive Statement of Financial Policies; and

WHEREAS, the City Manager and Staff have developed and the City Manager has presented Preliminary Operating and Capital Budgets, Statement of Financial Policies, Appropriations Limit, and 5-Year Capital Improvement Plan; and

WHEREAS, that the City Council did on May 23, hold a workshop to discuss these Preliminary documents and provide additional direction to the City Manager for the preparation of a final set of documents; and

WHEREAS, the City Manager has this day presented to the City Council for adoption a Recommended Budget document, including the updated Statement of Financial Policies, Recommended Operating and Capital Budgets, Fiscal Year 2017-2018 Appropriations Limit Calculation, and a separate Recommended 5-Year Capital Improvement Plan for Fiscal Years 2017-2018 through 2021-2022; and

WHEREAS, the City Council is currently serving in the role of the city's Planning Authority; and

WHEREAS, Section 65401 of the Government Code requires the Planning Authority of cities and counties to review any Capital Improvement Program (CIP) in their jurisdiction for conformance with the reviewing agency's adopted General Plan; and

WHEREAS, potentially adverse impacts of the CIP were adequately discussed in the Environmental Impact Report (EIR) for the Oakley 2020 General Plan, and project-by-project environmental assessments will be prepared when necessary; and

WHEREAS, the Recommended 5-Year Capital Improvement Plan for Fiscal Years 2017-2018 through 2021-2022 for the City of Oakley has been submitted and reviewed as to its conformance with the adopted Oakley General Plan by the Planning Authority; and

WHEREAS, the projects proposed reflect the major need for roadways, public utilities and other community facilities during the next five years in concert with anticipated growth areas as noted in the adopted General Plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Oakley:

1) Acting as the Planning Authority of the City, hereby adopts the City's Recommended 5-Year Capital Improvement Plan for FY's 2017-2018 through 2021-2022 and confirms the Plan is consistent with the adopted Oakley General Plan; and

2) As the City Council, hereby adopts the FY 2017-2018 Recommended Budget, Statement of Financial Policies, FY 2017-2018 Appropriations Limit, and 5-Year Capital Improvement Plan for FY's 2017-2018 through 2021-2022.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Oakley held on the 13th day of June 2017, and was adopted by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Sue Higgins, MAYOR

ATTEST:

Libby Vreonis, CITY CLERK