

REPORT

To the Honorable Mayor and City Council
From the City Manager

July 11, 2005

Subject

Fiscal Year 2005/06 Budget

Recommendation

It is recommended that the ordinance adopting the FY 2005/06 budget be introduced.

Background

On June 20 and 27, the City Council held budget study sessions at which the Council reviewed and conceptually approved the Recommended FY2005/06 Budget as submitted by the City Manager with the following changes:

- Increase the appropriation in Community Development Services, Engineering and Construction Division, to fund a part-time traffic engineer position - \$50,000
- Decrease the appropriation in Human Resources for employee development - \$14,674
- Decrease the appropriation in Community Development Services, Administration, for professional services - \$30,000
- The balance (\$5,326) is expected to be provided from fee increases that will be submitted to the City Council for approval later this fiscal year.

Corrections

When publishing the FY 2005/06 document, staff overlooked updating the estimated FY 2005/06 interest income in the water fund. The amount contained in the budget document (\$24,024) is the amount estimated as of June 2004. The amount estimated as of June 2005 is \$597,100. Although this is a sizable difference, this will have no impact on the rates charged for water service and will be taken into consideration when calculating the size of the next bond issue to finance the recycled water project.

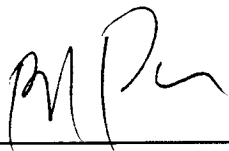
After the budget was submitted to Council, staff from the Parks, Recreation and Community Services Department discovered that staff had miscalculated the amount of funds available and required to finance the Human Services Financial Assistance (HSFA) program. This miscalculation arose in part from a misunderstanding of the level of funding required for Shelter Network and the amount of this funding that would be provided through the City's Community Development Block Grant (CDBG) program. As a result an additional \$55,000 is needed to fund the HFSA program at the level approved on June 20.

8B-2

To remedy this situation, staff recommends using funds from the following sources:

- Reduce building maintenance expenditures and internal service charges to the Parks, Recreation and Community Services Department - \$30,000
- Utilize funds available in the Fair Oaks Community Center copier reimbursement special deposit account (increase revenues to the general fund) - \$10,000
- Reduce expenditures in the Administration Division of the Parks, Recreation and Community Services Department - \$15,000

A copy of the Recommended Budget is on file with the City Clerk for public review.



Brian Ponty
Director of Finance and
Financial Planning



Edward Everett
City Manager

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF REDWOOD CITY ADOPTING THE FINAL BUDGET OF THE CITY OF REDWOOD CITY FOR FISCAL YEAR JULY 1, 2005 - JUNE 30, 2006; PROVIDING FOR THE APPROPRIATION AND EXPENDITURE OF ALL SUMS SET FORTH IN SAID BUDGET; PROVIDING FOR EMERGENCY EXPENDITURES, TRANSFERS, ADDITIONAL APPROPRIATIONS, CANCELLATIONS AND REAPPROPRIATIONS OF EXISTING APPROPRIATIONS; ADOPTING THE BUDGET FOR GENERAL IMPROVEMENT DISTRICT NO. 1-64 FOR FISCAL YEAR JULY 1, 2005 - JUNE 30, 2006; MAKING PROVISION FOR INTERIM EXPENDITURES AS OF JULY 1, 2005; AND REPEALING ORDINANCE NO. 2267, AND ALL ORDINANCES AND RESOLUTIONS IN CONFLICT HEREWITH

THE COUNCIL OF REDWOOD CITY DOES ORDAIN AS FOLLOWS:

WHEREAS, in accordance with the Charter of the City of Redwood City, the City Manager has submitted to the Council of Redwood City a proposed annual budget for Fiscal Year July 1, 2005 - June 30, 2006; and

WHEREAS, pursuant to Section 51.5 of the Charter of the City of Redwood City, after duly noticed public hearing, the Council of Redwood City has approved said budget and said budget has been certified by the City Clerk and City Manager as the Final Budget of the City for Fiscal Year 2005/2006; and

WHEREAS, it is the intention of the Council of Redwood City to adopt the certified copy of the Budget, as amended, presently on file in the office of the City Clerk;

NOW, THEREFORE:

SECTION 1. Adoption of Budget. The Budget for the Fiscal Year July 1, 2005 - June 30, 2006, approved by the Council of Redwood City and certified by the City Clerk and City Manager, presently on file in the office of the City Clerk, included in that document entitled "City of Redwood City - Recommended Budget FY 2005/2006," is

hereby referred to and incorporated herein as if fully set forth herein verbatim, and that portion of said document relating to Fiscal Year 2005/06 is hereby adopted as the Annual Budget of the City of Redwood City for the Fiscal Year July 1, 2005 - June 30, 2006.

SECTION 2. Appropriations. From and after the operative date of this ordinance, the several amounts stated in the Annual Budget referenced in Section 1 hereof as Resources Allocated for the Fiscal Year July 1, 2005 - June 30, 2006 shall become and thereafter be appropriated to the offices, departments (therein referred to as "programs" and "subprograms"), objects and purposes therein stated for said Fiscal Year, and said monies are hereby authorized to be expended for said offices, departments, objects and purposes by the offices and departments specified in the Budget. The Budget Transmittal Letter and Budget Message, Explanation of the Budget Process, the Program Summaries, notations, memoranda and information contained in the Operating Programs consisting of the portions thereof designated program financing, goals, subprogram goals, objectives, comments, subprogram changes, priorities, personnel, performance indicators and financing; the Capital Improvement Summary and project listings; the financial summaries, and personnel allocations are for informational purposes only and shall not be construed to limit or affect in any manner any appropriation item. To the extent otherwise permissible, actions affecting such information items may be taken from time to time without amendment hereto, or to the Budget adopted hereby. The annual budgets of the Redevelopment Agency, the Redwood City Public Financing Authority and special assessment districts, are likewise set forth in said document for informational purposes only.

SECTION 3. Transfers, Additional Appropriations, Cancellations. From time to time during the Fiscal Year, the Council may transfer sums from any appropriated item to any other appropriated item by resolution. Additional appropriations may be made and authorized in accordance with the procedure referenced in Section 51.5 of the Charter of the City of Redwood City. No appropriation set forth in the Budget, or in any subsequent ordinance or resolution, shall be cancelled in whole or in part except by ordinance adopted by the affirmative vote of 5/7ths of all members of the Council; provided, however, that transfers of sums from one appropriated item to any other appropriated item may be accomplished by resolution.

SECTION 4. Expenditures. The City Manager and Director of Finance are hereby authorized to expend all sums set forth in the Budget for the purposes and objects specified therein.

Expenditures made, liabilities incurred, or warrants issued in excess of any of the budget appropriations as originally approved or as thereafter increased or decreased shall not constitute an obligation or liability of the City. Any official making or incurring such expenditures in an amount known to him or her to be in excess of the available balance of the appropriation against which it is drawn, shall be liable therefor upon his or her official bond. The City Manager and the City Council shall approve no claims and the Director of Finance shall issue no warrant or check for any expenditure in excess of existing appropriations except on an order of a Court of competent jurisdiction or for an emergency as herein provided.

SECTION 5. Emergency Expenditures. Upon the happening of any emergency caused by fire, flood, explosion, storm, earthquake, epidemic, riot or

insurrection, or for the immediate preservation of public order, peace, health or safety, or for the restoration to a condition of usefulness of any public property, the usefulness of which has been destroyed by accident or Act of God, or for the relief of an area stricken by calamity, or to meet monetary expenditure required by law, the Council may, upon 2/3rds vote of the members present at any regular, adjourned or special meeting, adopt a resolution stating the facts constituting the emergency, thereby making the expenditure necessary to meet such emergency. All emergency expenditures shall be paid by warrant or check from any fund properly chargeable therewith and the Director of Finance is hereby authorized and directed to pay such warrants.

SECTION 6. Budget for General Improvement District No. 1-64. The budget designated as the budget for General Improvement District No. 1-64, for the Fiscal Year July 1, 2005 - June 30, 2006, in the Annual Budget referenced in Section 1 hereof, is hereby adopted.

SECTION 7. Provision for Interim Expenditures as of July 1, 2005; Reappropriations. All unencumbered General Fund balances remaining at the close of the Fiscal Year June 30, 2005, except for those amounts otherwise legally disposed of, are hereby appropriated to the General Fund program "Resources Held in Reserve." The Director of Finance is hereby authorized to transfer monies hereby appropriated to the program resources held in reserve from said program to any other program or budget item established by Annual Budget referenced in Section 1 hereof, or by this 2005/06 Fiscal Year Budget Ordinance, for expenditure from such other program or budget item, without further Council approval for such transfer; provided, however, that the sum of all expenditures of General Fund monies during Fiscal Year July 1, 2005 -

June 30, 2006, plus expenditures during the interim period between the close of Fiscal Year June 30, 2005, and the date of adoption of the 2005/06 Fiscal Year budget shall not exceed the total amount appropriated by this 2005/06 Fiscal Year Budget Ordinance.

All unencumbered balances remaining in all funds other than the General Fund at the close of Fiscal Year June 30, 2005, are hereby appropriated to those same funds for purposes of expenditure during the interim period as previously specified in this section. Any fund(s) which has or have no unencumbered balances as of June 30, 2005, shall receive no additional appropriation during said interim period, and no expenditure of monies shall be authorized during said interim period except as transferred from the General Fund by the Finance Director.

All encumbered balances remaining in all funds at the close of Fiscal Year June 30, 2005, are hereby reappropriated to the same funds and for the same purposes and objects for Fiscal Year July 1, 2005 - June 30, 2006, and all unexpended appropriations for capital projects for Fiscal Year ending June 30, 2005, are hereby reappropriated for expenditure for the same purposes and objects during Fiscal Year July 1, 2005 - June 30, 2006, unless otherwise provided in this ordinance or in the Annual Budget referenced in Section 1 hereof.

SECTION 8. Repeal. Ordinance No. 2267, adopted July 26, 2004, and all ordinances amending said Ordinance No. 2267, and resolutions authorizing or revising appropriations mentioned therein, and all ordinances in conflict with the terms of this ordinance to the extent of such conflict, are hereby repealed, as of the effective date of this ordinance.

8B-8

SECTION 9. Effective Date and Operative Date. In accordance with Section 51.5 of the Charter of the City of Redwood City, this ordinance shall be effective immediately upon final adoption thereof, and shall be operative retroactively from and after July 1, 2005.

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