



Legislation Details (With Text)

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Title: Fiscal Year 2019/20 Year End Budget Adjustments and Inter-Fund Transfers

Attachments: 1. Att#1 FY 19-20 Year-End Budget Adjustment

Date	Ver.	Action By	Action	Result
10/19/2020	1	City Council/Public Financing Authority	approved	Pass

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Dahle Bulosan, Chief Financial Officer

Subject:

Fiscal Year 2019/20 Year End Budget Adjustments and Inter-Fund Transfers

Statement of Issue:

The Finance Department is currently undergoing the year-end closing process for Fiscal Year (FY) 2019/20, which began on July 1, 2019, and ended on June 30, 2020. Certain technical adjustments and fund transfers need to be made to reconcile the budget with actual expenditures incurred, and to comply with auditing, actuarial, accounting, or legal requirements. City Council authorization is requested to perform these reconciliations in order to properly close FY 2019/20. There are sufficient revenues, available cash, and/or fund balances to support these adjustments.

Financial Impact:

1. Inter-Fund Transfers (Various Funds): Authorization is requested for inter-fund transfers totaling \$244,884 from various funds to reconcile budget and close out fund account (Attachment 1).
2. Appropriation Increases (Various Funds): Appropriation increases totaling \$1,612,000 are requested to reconcile the budget with actual expenditures incurred in two funds (Attachment 1).

Recommended Action:

A) Approve the year-end inter-fund transfers for the FY 2019/20 Revised Budget in the Funds and by the amounts contained in Attachment 1; and,

B) Increase appropriations for the FY 2019/20 Revised Budget by \$1,612,000 in the Funds and

amounts contained in Attachment 1 to reconcile the budget with actual expenses incurred.

Alternative Action(s):

Do not approve the recommendation and direct staff accordingly.

Analysis:

The FY 2019/20 Budget was adopted by the City Council on June 3, 2019, for the fiscal year beginning July 1, 2020. The Finance Department has compiled recommended budget adjustments to cover additional costs and/or provide appropriations necessary to expend funds that have been received for specific purposes. The requested adjustments will be funded by available revenue or fund balances within each distinct Fund.

Inter-Fund Transfers and Budget Adjustments

Technical year-end budget adjustments to the FY 2019/20 Revised Budget are requested to align appropriations in certain funds with actual expenditures incurred through June 30, 2020, as actual expenditures cannot exceed the appropriation amounts contained in the Revised Budget. Adjustments are also required to ensure compliance with GAAP, GASB, and other regulatory, contractual, or legal requirements. Please note any appropriation increases are fully offset by commensurate amounts of revenues, available cash, or fund balances in each Fund.

1. Fire JPA (704): An appropriation increase of \$12,000 is requested to fund Training Center improvements approved by the CNOA Board of Directors.
2. Retirement Supplemental (703): An appropriation increase of \$1.6 million is requested to align budget with actual required supplemental retirement benefit payments.
3. Debt Service Funds (406 and 410): An appropriation increase of \$65,847 is requested to reconcile the budget with actual debt service payments made in FY 2019/20 for Mello Roos and the Bella Terra parking structure.
4. Grants (239 and 1222): An appropriation increase of \$179,037 is requested to increase the appropriation to the level of the grants and/or funds received, and to reconcile funding with the Integrated Disbursement and Information Systems (IDIS) for CDBG Program and to reconcile and close the Hazard Mitigation Grant Program.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Enhance and maintain high quality City services

Enhance and maintain the infrastructure.

Strengthen long-term financial and economic sustainability.

Enhance and modernize public safety service delivery.

Attachment(s):

1. Fiscal Year 2019/20 Year-End Budget Adjustment by Fund