



City of Huntington Beach

File #: 20-1362

MEETING DATE: 2/3/2020

REQUEST FOR CITY COUNCIL ACTION

SUBMITTED TO: Honorable Mayor and City Council Members

SUBMITTED BY: Oliver Chi, City Manager

PREPARED BY: Dahle Bulosan, Interim Chief Financial Officer

Subject:

Approve Fiscal Year 2019/20 mid-year budget adjustments, and authorize additional Professional Services authority

Statement of Issue:

The Finance Department is undergoing the mid-year budget review for the fiscal year that began on July 1, 2019. Departments have requested adjustments to their budgets to: provide appropriations for essential services; and expend actual revenue that has been received in grants or restricted funds.

Financial Impact:

1. General Fund (100) budget adjustments are requested for the Fire Department for the Fire Strike team reimbursement costs (\$326,920); the Metro Cities JPA increased costs (\$36,361), and the payment to Department of Health care services (\$63,497). In addition, authorization is requested for inter-fund transfers of \$341,583 between two funds.
2. The Public Works Department is requesting to appropriate a total of \$627,733 in the: Refuse Collection Fund 504 (\$350,000); and Highway Safety Improvement Program Fund 995 (\$277,733).
3. The Senior Mobility Program Fund 963 requires an appropriation increase of \$46,436.

There are sufficient revenues, cash, and/or fund balances to support the above adjustments.

Recommended Action:

A) Approve mid-year budget adjustments to the FY 2019/20 Revised Budget in the Funds and by the amounts contained in Attachment 1; and,

B) Authorize additional Professional Services authority in the Fiscal Year 2019/20 Revised Budget in the departments and by the amounts contained in Attachment 2.

Alternative Action(s):

Do not approve the recommended action(s) 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, 2019. 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 City has received revenues or has set-aside prior year fund balances that will support the requested adjustments in the General Fund. The Other Funds adjustments will be funded by available revenue or fund balances within each distinct Fund.

GENERAL FUND (FUND 100)

As of December 22, 2019, California has seen over 6,876 fires according to Cal Fire and the US Forest Service, totaling an estimated of 253,214 acres of burned land in the calendar year 2019 wildfire season. The State of California Fire and Rescue Mutual Aid System coordinates resources from various jurisdictions in California when a local agency is quickly overwhelmed by an emergency event. As a result, the City of Huntington Beach Fire Department responded to multiple mutual aid requests throughout California to assist in the major fires. To date, the Fire Department spent \$326,920 in strike team personnel costs, which will be reimbursed by the State of California including 18 percent of administrative costs. Since there is no annual appropriation for this unit, the Fire Department is requesting corresponding appropriation.

California Welfare and Institutions authorized the Ground Emergency Medical Transportation Services (GEMT) supplemental reimbursement program. This voluntary Certified Public Expenditures based program provides additional funding to eligible governmental entities that provide GEMT services to Medi-Cal beneficiaries. The City received a notification of over payment pertaining to State Fiscal Year 2015/2016 audit of the City's GEMT Medi-Cal cost report amounting to \$63,497.

Additionally, the Fire Department is requesting appropriation increase of \$36,361 for the Metro Cities JPA increase costs.

OTHER FUNDS**Refuse Collection Service (504)**

The Public Works Department is requesting an appropriation of \$300,000 to fund the Refuse Collection and Disposal Services. Additionally, an appropriation of \$50,000 is requested to provide due diligence and negotiating assistance with Assembly Bill (AB) 1594 - Waste Management - rate proposal and solid waste franchise amendment. Based on current revenue collection amounts, these adjustments will have a net neutral impact.

Energy Efficiency (807)

The Public Works Department is requesting authorization to transfer \$305,172 from Energy Efficiency Fund in to the General Fund for energy projects. The City received authorization from I-Bank to extend the project period until April 1, 2020.

Senior Mobility Program (963)

The Community Services Department is requesting an appropriation of \$46,436 to reconcile the

budget with actual revenue received in the Senior Mobility Program Fund. There is sufficient FY 2019/20 fund balance to fully offset this request.

Highway Safety Improvement Program (995)

In 2015, the City was awarded seven (7) Federal Highway Safety Improvement Program (HSIP) grants for the design of traffic signal and signal interconnect improvements at various locations in the City. These grants are administered by the California Department of Transportation (Caltrans). In 2018, the City was awarded grant funds for construction of these improvements. Since that time, costs have increased over earlier estimates. Because of this, staff applied for and was eventually awarded additional construction funds for all seven (7) of these projects. Additional funds for three (3) of the projects were accounted for and appropriated at the time of the award in late FY 2018/19. In August 2019, the City was awarded additional funds for the remaining four (4) projects. As a result, the Public Works Department is requesting an appropriation of \$277,733.

Various Funds

An appropriation transfer is being requested for a total amount of \$36,411 from the General Fund (100) to the Community Development Block Grant (CDBG) Fund (863).

Professional Services:

Per Administrative Regulation No. 228, each Department has a list of professional services which are generally contained in the Adopted Budget. City Council authorization is requested to amend professional services authority in the departments listed on Attachment 2. No appropriation is requested and there is no fiscal impact to the General Fund.

Environmental Status:

Not applicable.

Strategic Plan Goal:

Enhance and maintain infrastructure
Improve quality of life
Strengthen economic and financial sustainability
Enhance and maintain public safety
Enhance and maintain city service delivery

Attachment(s):

1. Fiscal Year 2019/20 Recommended Mid-Year Adjustments
2. Fiscal Year 2019/20 Recommended Mid-Year Professional Services Authority