MEMO: October 31, 2005

TO: Mayor/Chairperson and Council/Agency Members

FROM: Marc S. Grisham, City Manager/Executive Director

RE: RECEIVE FISCAL YEAR 2005-2006 FIRST QUARTER FINANCIAL REVIEW AND ADOPT RESPECTIVE RESOLUTIONS OF THE CITY COUNCIL AND AGENCY BOARD.

EXECUTIVE SUMMARY

Staff has completed the review of the Fiscal Year 2005-2006 First Quarter financial status for all City and Redevelopment Agency (RDA) funds. The attached Fiscal Year 2005-2006 First Quarter Financial Report compares all actual revenues and expenses to the amended budget for all City and Redevelopment Agency funds.

FISCAL IMPACT

Upon completion of the 2005-2006 First Quarter Financial Review of all citywide funds staff has determined that most funds are on target as projected through the Fiscal Year 2005-2006 City and RDA Adopted Budget process except as mentioned briefly below.

- Transfer early payback of Vehicle-in-Lieu fees by State in the amount of $1,035,000 to the Budget Stabilization Fund.

- Increase the Fiscal Year 2005-2006 Water revenues by $1,145,000 to reflect the rate increase that became effective August 1, 2005. This will eliminate the current projected deficit of $637,338 as of June 30, 2006.
• Approve the deferred Supplemental Budget Requests that are now recommended by the City Manager to be funded as follows:

  $232,000  General Fund  
  200,000  Fleet Maintenance Fund  
  38,000  Water/Sewer Fund (50% Each)  
  $470,000

• Approve the set-up of a Redevelopment Agency Contingency in the amount of $1 million for unforeseen land acquisitions not currently programmed within the Agency budget.

• Approve miscellaneous adjustments to the CIP Carryover Resolutions that were adopted by the City Council and the Agency Board on October 3, 2005.

RECOMMENDATION

Receive the Fiscal Year 2005-2006 First Quarter Financial Review of all City and RDA funds and adopt respective resolutions of the City Council and Agency Board to be effective as of October 31, 2005.

BACKGROUND

1. The City’s General Fund received the Vehicle-in-Lieu early payback from the State in August, 2005. Originally this payment was not due from the State until August, 2006. During the Two-Year Citywide Operating Budget process these funds were programmed in the second year (Fiscal Year 2006-2007). With this consideration staff is recommending that these funds be transferred to the Budget Stabilization Fund to be used to cover General Fund operating expenses in Fiscal Year 2006-2007.

2. The City Council adopted water rate increases that were effective August 1, 2005. Staff is recommending that these rate increases be programmed into the estimated revenues by an additional $1,145,000 for a total of $12,595,000 in Water sales.

3. Staff is recommending the approval of certain Supplemental Budget Requests that had been deferred by the City Manager during the Fiscal Year 2005-2007 Two Year Budget process. These requests including two new items are as follows:

General Fund

| City Clerk (Deferred Requests): | $20,000  Agenda Management System |
|                                | 20,000  Recodification of Municipal Code |
|                                | 12,000  Council Chamber AMX System Upgrade |
|                                | $92,000  Sub Total |

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General Fund $ 92,000 Sub Total Carried Forward

Engineering/Building (New Request): $ 60,000 Rental Inspection Program
Public Works (Deferred Request): $ 80,000 Street Marker
$232,000 TOTAL General Fund

Fleet Maintenance Fund $200,000 Replacement Vehicles
(Deferred Request)

Water and Sewer Fund $ 38,000 Eden Cashiering System (50% Each)
(Deferred Request) $470,000 TOTAL Supplemental Budget Requests

Note: Descriptions regarding the above Supplemental Budget Requests are attached to staff’s report (Attachment 1).

4. Miscellaneous adjustments to the CIP Carryover Resolutions that was adopted by the City Council on October 3, 2005 are as follows:

• The Mirant Annexation project had reported Fiscal Year 2004-2005 expenses at $4,735 with a carryover budget of $15,265. The correct financial status is Fiscal Year 2004-2005 expenses of $15,000 with a carryover budget of $5,000.

• The Americana Park Project correctly reported Fiscal Year 2004-2005 expenses at $1,076,582, however the carryover budget was reduced to $60,000 and should have been set at $180,000 (not $60,000) to cover all costs that will be expended in Fiscal Year 2005-2006.

• The Marina Parking Lot Project reported Fiscal Year 2004-2005 expenses of $234,552 with a carryover budget of $455,165. The correct financial status is Fiscal Year 2004-2005 expenses of $304,972 with a carryover budget of $384,745.

• The Measure C funding to be carried forward for the Buchanan Road Improvement Project should have been reported at $381,164 which was inadvertently omitted from the Carryover Resolution for the City of Pittsburg.

• The Sewer funding to be carried over for the Old Town Infrastructure Project should have been reported at $210,000 which was inadvertently omitted from the Carryover Resolution for the City of Pittsburg Redevelopment Agency.

Marc S. Grisham, City Manager/Executive Director

Report Prepared by: Marie Simons, Director of Finance

Attachment: City Resolution
Fiscal Year 2005-2006 First Quarter Financial Review as of September 30, 2005