



## COUNCIL AGENDA SUMMARY

**TO:** Mayor Craft & Members of the City Council

**THROUGH:** Steve Griffin, City Administrator

**FROM:** Cindy King, Finance & Administrative Services Director

**SUBJECT:** 2020 Budget Amendment 2

**DATE:** August 20, 2020

**ISSUE:** Due to COVID-19 reductions in General Fund Revenue and Expenses can be made. Grants and loans received after the start of the year need to be brought into the budget as well. The 2020 Amendment 2 proposes the following to address COVID-19, refinancing, grants and loans:

### **General Fund Revenue total decrease of \$353,408:**

- Reduce \$350,000 ADCNR/NRDA Laguna Cove grant funds for construction work that won't be completed in 2020.
- Reduce Miscellaneous Revenue by \$826,308 to correct coding from Am#1 for ALDOT match funds from 2014 LOC.
- Reduce Recreation & Cultural Affairs revenue \$456,200 for reduced program revenues due to COVID-19.
- Transfer \$1,279,100 from 2014 GO Warrant for ALDOT Match funds received on closed 2014 LOC.

### **General Fund Expense total decrease of \$2,665,850 or 5.1%:**

- Overtime reductions of \$186,688 for the Hangout Music Festival offset by reimbursements not received of \$233,197 and additional Police/Fire Beach patrol overtime of \$46,509.
- Executive reduction of \$200K for HOMF related expenses and \$800K Capital Reduction for Laguna Cove work that won't be done in 2020.
- Other Departmental operational cuts of \$608,310.
- Zoo Appropriation \$1 million reduction for Zoo expenses paid from the 2020C Taxable term debt issue.
- Appropriations Outside Agencies cut of \$175,000 for cancelled NCAA Volleyball tournament.
- Increase Transfer to Debt Service \$70,951 for interest due on 2020 loans.

### **Fund 14 Impact Fees Fund Revenue and Expense \$60K add:**

- Add \$60,000 increased collections for Sportsplex shade sails expense.

### **Fund 38 – Capital Improvements Fund net add of \$8,338,680**

- Increase revenue by \$17 million for 2020-B proceeds offset by \$8,661,320 payoff of 2019 C School Line of Credit



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**Fund 40 – Non Taxable Lines of Credit**

- Repayment to General Fund of \$1,279,100 for match from closed 2014 LOC; \$826,308 Am #1 revenue correction

**Fund 41 – Debt Service Fund Revenue and Expense increase of \$27,802,271**

- Increase for interest earned and \$27,661,320 borrowed funds for 2020 debt issues

**Fund 42 – Taxable GO Warrants Fund Revenue increase of \$2.415 million**

- Record Proceeds from 2020-C GO Warrant (used for Zoo & RSA advance Pension Liability Payment) offset with private match payments reductions since funds won't be received until 2021.

**Taxable GO Warrants Fund Expense increase of \$1.545 million**

- Added \$65K for Medical Facility Phase 2 Design; \$400K Waterway East construction plans; \$80K Fort Morgan Access and \$1 million for Zoo payment out of 2020 Taxable Line of Credit.

**Fund 43 – 2018A GO Warrant Fund**

- Increase warrant usage by \$225,000 for the following Pedestrian Bridge Master Plan and 25% of design costs.
- Land Expense remove \$70K for Oyster Bay Fire Station land payment offset by \$70K for Transfer to Debt Service

**Total All Funds Revenue increased by \$47,148,863 to \$139,806,513**

**Total All Funds Expense increased by \$36,080,533 to \$129,642,851**

**Total Revenues exceed Expenses by \$11,068,330 for Amendment 2 reflecting revenue received from borrowed funds in 2020.**

**BACKGROUND:** Council passed the original 2020 Budget November 25th, 2019 and Amendment 1 February 10, 2020.

**PREVIOUS COUNCIL ACTION:** None

**BUDGET IMPLICATIONS:** Overall 51% increase in revenues and 39% in expenses from 2020 Budget.

**RELATED ISSUES:** None

**ATTACHMENTS:** 2020 Budget Amendment 2

**DEPARTMENT:** Finance and Administrative Services

**STAFF CONTACT:** Cindy King



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