



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Meeting of February 27, 2018

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager  
Annie To, Finance Director

**SUBJECT:** FY 2017-18 Mid-Year Budget Review and Adopt a Resolution Approving Various Mid-Year Budget Appropriations and Adjustments

### **RECOMMENDED ACTION:**

Receive a report on the FY 2017-18 mid-year budget review and adopt a resolution approving various mid-year budget appropriations and adjustments.

### **FINANCE COMMISSION AND RECOMMENDATION:**

The mid-year review was presented to the Finance Commission on February 26, 2018. Any Commission comments will be provided to the City Council at the meeting.

### **FISCAL IMPACT OF RECOMMENDATION:**

The Discussion section below gives a synopsis of the General Fund and Wastewater Fund. There will be increases and decreases to a variety of revenue and expenditure accounts (budget appropriations).

### **DISCUSSION:**

#### **Prior Year Results**

With the completion of the audit for FY 2016-17, prior fiscal year end results are being provided for the same two funds being covered in the Mid-Year review and are shown in Chart 1 General Fund and Chart 2 Wastewater Fund, in order to provide the City Council with a point of reference for the overall status of these funds.

**Chart 1 – FY16-17 General Fund Revenue and Expenditures**

CITY OF HERCULES - FY16-17 ACTUAL REV AND EXP REPORT							
GENERAL FUND							
				Expenditure Fiscal Year 2017	Values		
Type	Activity Basic Account Description	Activity Sub Account Description	Sum of Budget Plan	Sum of YTD Encumbrance	Sum of YTD Actuals	Remaining Balance	
REV	TAXES	TRANSIENT OCCUPANCY TAX	8,000		8,128	(128)	
		PROPERTY TAXES	1,319,791		1,278,659	41,132	
		SALES AND USE TAX	3,687,450		3,324,807	362,643	
		DOCU TRANSFER TAX	131,990		136,467	(4,477)	
		BUSINESS LICENSE FEES	154,475		131,240	23,235	
		FRANCHISE	777,257		878,574	(101,317)	
		UTILITY USERS TAX	3,851,323		3,576,052	275,271	
	INTERGOVERNMENTAL	STATE/COUNTY	1,772,534		1,858,474	(85,940)	
	LICENSES & PERMITS	BUILDING FEES	429,642		362,215	67,427	
		ENGINEERING FEES	19,757		2,899	16,858	
	FINES & FORFEITURES	VEHICLE CODE FINES	40,000		47,824	(7,824)	
	USE OF MONEY & PROPERTY	INTEREST INCOME	210,638		56,352	154,286	
		CELL TOWER	118,625		132,817	(14,192)	
		SALE OF PROPERTY	0		3,500	(3,500)	
		LEASE PAYMENT	65,500		31,825	33,675	
	CHARGES FOR SERVICES	POLICE SERVICES	437,500		403,221	34,279	
		PLANNING SERVCS	18,000		185,398	(167,398)	
		RECREATION SERVICES	1,564,942		1,551,225	13,717	
	MISCELLANEOUS REVENUE	MISCELLANEOUS REVENUE	808,756		844,601	(35,845)	
		ASSET FORFEITURE	5,000		0	5,000	
		MISC REIMBURSEMENTS	303,923		322,388	(18,465)	
	TRANSFERS IN	TRANSFERS IN	94,192		131,899	(37,707)	
<b>REV Total</b>			<b>15,819,295</b>		<b>15,268,567</b>	<b>550,728</b>	
EXP	SALARIES AND BENEFITS	SALARIES AND WAGES	5,206,422	0	4,954,141	252,281	
		SALARIES AND BENEFITS	2,557,055	0	2,286,840	270,215	
	SERVICES	SEMI-PROFESSIONAL SERVICE	10,500	0	6,012	4,488	
		PROFESSIONAL SERVICES	1,554,979	97,402	1,078,658	378,919	
		REPAIR & MAINT	264,051	27,123	213,964	22,964	
		UTILITY SERVICES	251,131	0	206,372	44,759	
		ADMINISTRATIVE SERVICES	124,705	1,140	84,717	38,848	
		RENTS	1,826,404	0	906,060	920,344	
		INSURANCE SERVICES	714,300	(17,553)	651,279	80,574	
		MISCELLANEOUS SERVICES	783,850	(663)	780,334	4,178	
	OFFICE EXPENSES	MAINTENANCE SUPPLIES	111,630	1,980	98,705	10,945	
		OPERATING SUPPLIES	130,855	(2,700)	127,596	5,959	
		OFFICE	41,124	0	33,909	7,215	
	OTHER EXPENSES	OTHER MISCELLANEOUS EXP	972,782	0	659,147	313,635	
		CHARGEBACK	31,200	0	(35,366)	66,566	
	CAPITAL OUTLAY	IMPROVEMENTS	250,000	100,002	0	149,998	
	INTERFUND/ALLOC/TRANSFE	ALLOCATED COSTS	872,237	0	872,237	0	
	TRANSFERS OUT	TRANSFERS OUT TO	50,000	0	50,000	0	
<b>EXP Total</b>			<b>15,753,225</b>	<b>206,731</b>	<b>12,974,606</b>	<b>2,571,888</b>	
<b>EXCESS (DEFICIENCY) REVENUE OVER EXPENDITURE</b>			<b>66,070</b>	<b>(206,731)</b>	<b>2,293,961</b>	<b>(2,021,160)</b>	

## Chart 2 – FY16-17 Wastewater Fund Revenue and Expenditure

CITY OF HERCULES - FY16-17 ACTUAL REV AND EXP REPORT						
WASTEWATER FUNDS						
			Expenditure F	Values		
			2017			
Type	Activity Basic Account Description	Activity Sub Account Description	Sum of Budget Plan	Sum of YTD Encumbrance	Sum of YTD Actuals	Remaining Balance
REV	USE OF MONEY & PROPERTY	INTEREST INCOME	21,000		47,424	(26,424)
	CHARGES FOR SERVICES	SEWER SERVICES	5,392,899		5,797,764	(404,865)
	MISCELLANEOUS REVENUE	MISCELLANEOUS REVENUE	8,000,000		9,251,800	(1,251,800)
		MISC REIMBURSEMENTS	0		(9,251,800)	9,251,800
	TRANSFERS IN	TRANSFERS IN	19,160,000		0	19,160,000
REV Total			32,573,899		5,845,188	26,728,711
EXP	SALARIES AND BENEFITS	SALARIES AND WAGES	318,480	0	331,673	(13,193)
		SALARIES AND BENEFITS	140,128	0	91,461	48,667
	SERVICES	PROFESSIONAL SERVICES	2,180,000	21,639	137,857	2,020,504
		REPAIR & MAINT	61,500	0	42,360	19,140
		UTILITY SERVICES	73,100	60	77,743	(4,703)
		ADMINISTRATIVE SERVICES	16	0	8	9
		MISCELLANEOUS SERVICES	1,778,000	209,904	985,785	582,311
	OFFICE EXPENSES	MAINTENANCE SUPPLIES	0	0	4,284	(4,284)
		OPERATING SUPPLIES	1,500	0	1,893	(393)
	OTHER EXPENSES	OTHER MISCELLANEOUS EXP	0	0	(9,829,532)	9,829,532
		CHARGEBACK	7,000	0	1,007	5,993
	CAPITAL OUTLAY	IMPROVEMENTS	13,485,000	704,424	10,635,684	2,144,892
		DEPRECIATION	0	0	355,940	(355,940)
	DEBT SERVICE	DEBT SERVICE	598,990	0	487,246	111,744
	INTERFUND/ALLOC/TRANSF	INTERFUND CHARGES	126,050	0	126,050	0
		ALLOCATED COSTS	45,949	0	45,949	0
	TRANSFERS OUT	TRANSFERS OUT TO	245,000	0	245,000	0
EXP Total			19,060,713	936,028	3,740,407	14,384,278
EXCESS (DEFICIENCY) REVENUE OVER EXPENDITURE			13,513,186	(936,028)	2,104,781	12,344,433

### Mid-Year Budget Review

The purpose of the mid-year budget review is to determine if the City's revenues and expenditures for the current fiscal year are tracking appropriately and if any adjustments are necessary. Departments are charged to operate within their adopted budgets, to utilize already appropriated funding, and to manage within their overall budget. In order to have a more refined projection, the data used in developing the mid-year reflects revenues and expenditures booked through mid-February. Adjustments recommended at this point in the fiscal year would be for those items of significance which have arose after the adoption of the budget and which cannot be handled within the already appropriated amounts or where an error or oversight in the adopted FY 2017/18 budget needs to be corrected. . The mid-year budget review also serves as a more refined starting point for the development of the proposed budget for the next fiscal year.

Most line-items were projected using a straight-line approach based on Year to Date extrapolated out to the end of the fiscal year. The Finance Director and City Manager did review the initial straight-line projections and modified them where necessary to ensure a more refined projection based on known timing or other impacts. For example, property tax revenues were projected to be the budgeted number given three factors – our property tax consultant's projections, the timing of property tax receipts, and factoring in a higher level of property owners having paid both installments in December in order to avoid impacts of changes in Federal tax laws. The projection also assumes that all Decision Packages are completed or carried-over.

In addition, attached is a Decision Package Status Update (Attachment 2) as requested by the City Council.

## GENERAL FUND

As of February 17, 2018, the General Fund has received revenue of \$7.4 million and expended approximately \$9.0 million.

**Chart 3 – FY17-18 General Fund Revenue and Expenditure**

CITY OF HERCULES - FY17-18 REV AND EXP REPORT 02-17-18 (62%)								
FUND 100 - GENERAL FUND								
Type	Activity Basic Account Description	Activity Sub Account Description	Budget Plan	YTD Encumbrance	YTD Actuals	Remaining Balance	YE Projection	Sum Projected Variance
REV	TAXES	TRANSIENT OCCUPANCY TAX	9,000		4,757	4,243	8,202	798
		SECURED PROP TAX	1,189,548		739,225	450,323	1,189,548	0
		UNSECURED PROP TAX	50,000		31,604	18,396	57,463	(7,463)
		PRIOR YR SECURED/UNSECURD	(7,356)		(3,184)	(4,172)	(5,789)	(1,567)
		SUPPLMNTL-SECURD PROP TX	30,000		4,587	25,413	8,341	21,659
		PROPERTY TAX ADMIN COSTS	(9,825)		0	(9,825)	0	(9,825)
		GARBAGE LIENS/ASSMTS	125,000		57,834	67,166	105,153	19,847
		SALES AND USE TAX	2,062,711		820,753	1,241,958	1,992,000	70,711
		SALES TAX-PROP 172/SB 509	159,929		58,474	101,455	141,800	18,129
		MEASURE O	1,001,061		471,437	529,624	1,079,000	(77,939)
		DOCU TRANSFER TAX	118,208		60,229	57,979	103,844	14,364
		BUSINESS LICENSE FEES	187,377		62,082	125,295	107,038	80,339
		CASP FEE	0		768	(768)	1,323	(1,323)
		GAS	32,257		977	31,280	1,685	30,572
		ELECTRIC	63,590		2,997	60,593	5,167	58,423
		CABLE	368,022		110,042	257,980	262,005	106,017
		1% PEG	44,977		22,009	22,969	37,946	7,031
		GARBAGE	279,268		178,150	101,118	307,155	(27,887)
		GAS UUT	341,416		121,816	219,600	347,715	(6,299)
		ELECTRICITY UUT	1,217,746		674,938	542,808	1,230,556	(12,810)
		TELEPHONE UUT	953,400		455,221	498,179	882,566	70,834
		WATER UUT	542,725		326,920	215,805	563,654	(20,929)
		CABLE UUT	482,910		292,916	189,994	551,810	(68,900)
	INTERGOVERNMENTAL	STATE/COUNTY	1,791,105		1,068,340	722,765	1,852,262	(61,157)
	LICENSES & PERMITS	BUILDING FEES	410,200		266,138	144,062	458,858	(48,658)
		ENGINEERING FEES	12,269		180	12,089	310	11,959
	FINES & FORFEITURES	VEHICLE CODE FINES	20,000		23,541	(3,541)	40,587	(20,587)
	USE OF MONEY & PROPERTY	INTEREST INCOME	181,500		50,946	130,554	87,839	93,661
		CELL TOWER	106,500		46,953	59,547	80,954	25,546
		LEASE PAYMENT	37,500		17,790	19,710	30,672	6,828
	CHARGES FOR SERVICES	POLICE SERVICES	420,887		229,519	191,368	479,860	(58,973)
		PLANNING SVCS	19,166		31,049	(11,883)	53,533	(34,367)
		RECREATION SERVICES	1,497,500		923,567	573,933	1,592,357	(94,857)
	MISCELLANEOUS REVENUE	MISCELLANEOUS REVENUE	172,349		104,960	67,389	180,966	(8,617)
		MISC REIMBURSEMENTS	331,698		166,025	165,673	286,250	45,448
	TRANSFERS IN	TRANSFERS IN	110,000		0	110,000	100,000	10,000
REV Sum			14,352,638		7,423,558	6,929,080	14,222,628	130,010
EXP	SALARIES AND BENEFITS	SALARIES AND WAGES	5,890,355	0	3,488,656	2,401,699	5,508,900	381,455
		SALARIES AND BENEFITS	2,694,806	0	1,450,851	1,243,955	2,340,082	354,724
	SERVICES	SEMI-PROFESSIONAL SERVICE	10,500	0	2,790	7,710	4,500	6,000
		PROFESSIONAL SERVICES	2,053,152	37,171	384,227	1,631,754	1,602,522	450,630
		REPAIR & MAINT	229,491	39,556	134,730	55,205	181,470	48,021
		UTILITY SERVICES	277,022	0	63,547	213,475	102,494	174,528
		ADMINISTRATIVE SERVICES	136,672	1,771	64,465	70,436	90,211	46,461
		RENTS	1,011,820	0	226,481	785,339	1,008,207	3,613
		INSURANCE SERVICES	624,148	5,435	554,585	64,128	641,133	(16,985)
		MISCELLANEOUS SERVICES	763,850	7,619	186,230	570,001	757,378	6,472
	OFFICE EXPENSES	MAINTENANCE SUPPLIES	107,880	11,294	59,120	37,467	106,648	1,232
		OPERATING SUPPLIES	136,805	1,242	65,254	70,308	106,491	30,314
		OFFICE	41,814	1,354	15,453	25,007	26,278	15,536
	OTHER EXPENSES	OTHER MISCELLANEOUS EXP	257,352	0	128,906	128,446	207,912	49,440
		CHARGEBACK	(5,227)	0	(18,212)	12,985	(29,374)	24,147
	CAPITAL OUTLAY	IMPROVEMENTS	150,000	0	249,821	(99,821)	250,000	(100,000)
		FIXED ASSETS	559,000	14,242	37,291	507,467	559,000	0
	INTERFUND/ALLOD/TRANSFERS	ALLOCATED COSTS	898,382	0	453,764	444,618	900,382	(2,000)
	TRANSFERS OUT	TRANSFERS OUT TO	847,366	0	50,000	797,366	847,366	0
EXP Sum			16,685,188	119,685	7,597,957	8,967,546	15,211,601	1,473,587
LESS ONE TIME EXP AND COUNCIL APPROVED ITEMS FROM BUDGET BALANCING SPREADSHEET							(2,808,422)	(2,808,422)
EXCESS (DEFICIENCY) REVENUE OVER EXPENDITURE							1,819,449	1,464,845

### **Notes to General Fund Revenue and Expenditure Report:**

1. Cable revenue is projected to be under-budget by approximately \$106K at year end.
2. Salaries and Wages are projected to be under-budget by approximately \$381K at year end.
3. Salaries and Benefits are projected to be under-budget by approximately \$354K at year end.
4. Professional Services expenditures are projected to be under-budget by approximately \$450K at year end.
5. Utility Services expenditures are projected to be under-budget by \$174K at year end.
6. Capital Outlay expenditures are projected to be over budget by \$100K due to carryforward from FY15-16.  
A midyear adjustment to re-appropriate the \$100K has been requested in the midyear budget adjustments.

### **LANDSCAPE AND LIGHTING DISTRICTS FUNDS**

Staff will bring back to the Council the analysis of The Landscape and Lighting District Funds within the next 30 to 60 days as part of the annual renewal and proposed Proposition 218 balloting process.

### **WASTEWATER FUND**

The Revenue for Wastewater is received in December (55%), April (40%), and June (5%) with the property taxes.

The Wastewater Fund has received \$3.9 million and expended \$3.2 million as of February 17, 2018.

## Chart 4 – Wastewater Revenue and Expenditures

As of February 17, 2018, the Wastewater fund has received approximately \$3.9 million and expended \$3.2 million.

CITY OF HERCULES - FY17-18 REV AND EXP REPORT 02-17-18 (62%)										
FUND 420 - WASTEWATER FUND										
Type	Department Description	Activity Basic Account Description	Activity Sub Account Description	Budget Plan	YTD Encumbrance	YTD Actuals	Remaining Balance	YE Projection	Sum Projected Variance	
REV		USE OF MONEY & PROPERTY	INTEREST INCOME	24,895		28,323	(3,428)	51,496	(26,601)	
		CHARGES FOR SERVICES	SEWER SERVICES	5,790,870		3,850,374	1,940,496	7,000,681	(1,209,811)	1
		MISCELLANEOUS REVENUE	MISCELLANEOUS REVENUE	0		3,364,515	(3,364,515)	6,117,300	(6,117,300)	2
			MISC REIMBURSEMENTS	0		(3,329,091)	3,329,091	(6,052,892)	6,052,892	3
		TRANSFERS IN	TRANSFERS IN	16,000,000		0	16,000,000	0	16,000,000	
REV Sum				21,815,765		3,914,121	17,901,644	7,116,584	14,699,181	
EXP	ASSET CAPITALIZATION	OTHER EXPENSES	OTHER MISCELLANEOUS EXP	0	0	(2,844,877)	2,844,877	(7,503,804)	7,503,804	4
	CAPITAL PROJECTS	OTHER EXPENSES	OTHER MISCELLANEOUS EXP	0	0	3,500	(3,500)	5,645	(5,645)	
		CAPITAL OUTLAY	IMPROVEMENTS	9,600,000	0	4,652,359	4,947,641	7,503,804	2,096,196	5
	OTHER PUBLIC WORKS	DEBT SERVICE	DEBT SERVICE	734,950	0	240,675	494,275	476,966	257,984	
		SALARIES AND BENEFITS	SALARIES AND WAGES	331,020	0	236,259	94,761	381,063	(50,043)	
			SALARIES AND BENEFITS	145,854	0	104,077	41,777	167,866	(22,012)	
		SERVICES	PROFESSIONAL SERVICES	2,242,000	161,358	99,200	1,981,441	321,359	1,920,641	6
			REPAIR & MAINT	55,000	0	46,983	8,017	75,778	(20,778)	
			UTILITY SERVICES	74,000	5,000	43,275	25,725	74,798	(798)	
			ADMINISTRATIVE SERVICES	5,500	0	0	5,500	0	5,500	
			MISCELLANEOUS SERVICES	4,862	1,567,423	292,890	(1,855,451)	1,862,000	(1,857,138)	7
		OFFICE EXPENSES	MAINTENANCE SUPPLIES	4,000	0	1,188	2,812	1,916	2,084	
			OPERATING SUPPLIES	1,500	0	923	577	1,488	12	
		OTHER EXPENSES	CHARGEBACK	7,000	0	0	7,000	0	7,000	
		CAPITAL OUTLAY	IMPROVEMENTS	40,000	5,000	0	35,000	5,000	35,000	
			DEPRECIATION	31,292	0	256,269	(224,977)	413,336	(382,044)	8
		INTERFUND/ALLOC/TRANSFERS	INTERFUND CHARGES	129,831	0	64,916	64,916	104,702	25,129	
			ALLOCATED COSTS	47,326	0	23,663	23,663	38,166	9,160	
EXP Sum				13,454,135	1,738,781	3,221,298	8,494,056	3,930,086	9,524,049	
EXCESS (DEFICIENCY) REVENUE OVER EXPENDITURE								3,186,498	5,175,132	

### **Notes to the Wastewater Revenue and Expenditure**

1. Sewer Service Charge revenues is expected to be over budget by \$1.2 million at year end.
2. Misc. Revenue from Wells Fargo Trust account is expected to be \$6.1 million at year end. This is the projected loan reimbursements from the State Water Resource Board.
3. The Misc. Reimbursement account is the offset to the Misc. Revenue account from Wells Fargo Trust account which is expected to be \$6.1 million at year end.
4. Other expenses and capital outlay is expected to be \$7.5 million. This is the offset account for the capital outlay account at year end.
5. Other expenses and capital outlay is expected to be \$7.5 million at year end.
6. Professional Services is expected to be \$321K at year end and will be under budget by \$1.9 million at year end.
7. Miscellaneous Services is expected to be (\$1.8) million and will be over budget by \$ 1.8 million. The net amount between Professional Services will be approximately under budget by \$100K at year end.
8. Depreciation Expenses is expected to be \$415K at year end. A mid-year budget adjustment is requested for this line item.

## **BUDGET APPROPRIATIONS**

Staff is recommending that the Council adopt the following FY17-18 budget appropriations:

### **Request for FY17-18 Midyear Budget Appropriations**

#	Type	Fund	Fund Desc	Amount	Description
1	Expenditure	100	General Fund	\$ 115,000	1% PEG Fee - BugID
2	Expenditure	100	General Fund	\$ 100,000	Street Maintenance Program from FY16-17
	<b>TOTAL</b>		<b>General Fund</b>	<b>\$ 215,000</b>	
3	Revenue	226	CFD	\$ (44,000)	Increase in Revenue
4	Expenditure	226	CFD	\$ 12,852	New Expenditure Budget for CFD
	<b>TOTAL</b>		<b>CFD</b>	<b>\$ (31,148)</b>	
5	Expenditure	262	State Gas Tax	\$ 150,000	Additional Appropriation from Fund Balance for Prof Services
6	Expenditure	262	State Gas Tax	\$ 10,000	Additional Appropriation for a Regular Part-Time Employee
	<b>TOTAL</b>		<b>State Gas Tax</b>	<b>\$ 160,000</b>	
7	Expenditure	262	Measure J	\$ 10,000	Additional Appropriation for a Regular Part-Time Employee
	<b>TOTAL</b>		<b>State Gas Tax</b>	<b>\$ 10,000</b>	
8	Revenue	295	Grant	\$ (8,600,000)	Transfer In from Capital Project
9	Expenditure	331	Capital Project	\$ 8,600,000	Transfer Out to Grant Fund
	<b>TOTAL</b>		<b>Grant</b>	<b>\$ -</b>	
10	Expenditure	420	Sewer Fund	\$ 1,860,138	Correct typo. The budgeted should be \$1,862,000 not \$1,862.
11	Expenditure	420	Sewer Fund	\$ 482,083	Increase Depreciation Amount for Fixed Asset
12	Expenditure	420	Sewer Fund	\$ 5,000	Additional Appropriation for Regular Part-Time
	<b>TOTAL</b>		<b>Sewer Fund</b>	<b>\$ 2,347,221</b>	
13	Revenue	470	Facility Maintenance	\$ (200,000)	Revenues from BART Parking Lot
14	Expenditure	470	Facility Maintenance	\$ 5,690	Additional Appropriation for a Regular Part-Time Employee
15	Expenditure	470	Facility Maintenance	\$ 7,500	Onsite Maintenance
16	Expenditure	470	Facility Maintenance	\$ 15,000	Landscaping and stormwater
17	Expenditure	470	Facility Maintenance	\$ 15,000	Street Light Maintenance
18	Expenditure	470	Facility Maintenance	\$ 3,600	Water - EBMUD
19	Expenditure	470	Facility Maintenance	\$ 18,000	Electricity - PG&E
20	Expenditure	470	Facility Maintenance	\$ -	Capital Upgrade & Infrastructure Allowance
21	Expenditure	470	Facility Maintenance	\$ 3,600	Equipment -Annual Porta Pottie Maint
22	Expenditure	470	Facility Maintenance	\$ 2,500	Equipment -Annual Bike Locker Maint
23	Expenditure	470	Facility Maintenance	\$ 3,600	Internal Service Fund - Admin
24	Expenditure	470	Facility Maintenance	\$ 2,400	Internal Service Fund - IT
25	Expenditure	470	Facility Maintenance	\$ 4,800	Internal Service Fund - Facilities
26	Expenditure	470	Facility Maintenance	\$ 4,800	Internal Service Fund - Vehicle Replacement
27	Expenditure	470	Facility Maintenance	\$ -	Police Services
28	Expenditure	470	Facility Maintenance	\$ 29,000	WestCat for Permits
29	Expenditure	470	Facility Maintenance	\$ 53,000	Capital Improvements for Parking Kiosk, Landscape, LED...
30	Expenditure	470	Facility Maintenance	\$ 37,000	Appropriation from Fund Balance for Prof Services
31	Expenditure	470	Facility Maintenance	\$ 35,000	Appropriation from Fund Balance for Repair & Maint
32	Expenditure	470	Facility Maintenance	\$ 25,000	Appropriation from Fund Balance for HVAC
33	Expenditure	470	Facility Maintenance	\$ 42,000	Appropriation from Fund Balance for Bldgs&Structures
34	Expenditure	470	Facility Maintenance	\$ 2,000	Appropriation from Fund Balance for Other
35	Expenditure	470	Facility Maintenance	\$ 25,000	Appropriation from Fund Balance for Fire
36	Expenditure	470	Facility Maintenance	\$ 650	Appropriation from Fund Balance for Cell Phone/Pager
37	Expenditure	470	Facility Maintenance	\$ 45,000	Appropriation from Fund Balance for Water
38	Expenditure	470	Facility Maintenance	\$ 50,000	Appropriation from Fund Balance for Contract Janitorial
39	Expenditure	470	Facility Maintenance	\$ 8,000	Appropriation from Fund Balance for Vehicle Repair
40	Expenditure	470	Facility Maintenance	\$ (22,500)	Correction of a typo. Should be \$2,500 not \$25,000
	<b>TOTAL</b>		<b>Facility Maintenance</b>	<b>\$ 215,640</b>	



The recommended appropriations fall into the following categories:

Items 1- 2: Carryover of prior year's capital allocations for projects that did not proceed until FY 2017/18.

Items 3-4: A new Community Facilities District was formed to maintain the retention basin adjacent to Muir Pointe and the revenues and expenditures need to be added.

Items 5: The City will be receiving additional gas tax revenues as a result of SB 1. Funding is requested to commence design in FY 2017/18 of street improvements to be constructed in 2018/19.

Items 6, 7, and 12: Additional appropriations are requested to provide more part-time resources to assist in a project manager role for the implementation of the Hercules Regional Intermodal Transportation Center (RITC) and the Bayfront development. An existing part-time position filled at the Planning Manager level will transition from a 20 hour or less to a 32 hour per week position effective March 5th. This project manager role will support the City Manager, Public Works Director, and Planning Director in the planning and implementation activities for these important and high-profile efforts. This will include the identification of an application for grant funding for the RITC; securing commitments from partner agencies for service; management of future phase RITC design and construction; managing the City's obligations under the Bayfront Development Agreements; and, assisting with the entitlement process for future entitlements for Bayfront phases. The existing part-time position has been funded from a mix of developer reimbursements and funds budgeted in the Planning Department Budget. Developer Reimbursements will continue to a source of funding for a portion of the hours as this project manager role will also support the entitlements for future Bayfront phases. In addition, a portion of the position will be funded from Measure J, Gas Tax, and Sewer funds given those are the primary funding sources for the City's infrastructure obligations for both the RITC and under the Development Agreements. A portion of the costs will also be funded from existing Professional Services budgeted in the City Manager's Office, though the funds will be utilized for part-time staffing instead. The total cost of a 32 hour per week position for the four months remaining in the 2017/18 fiscal is \$50,000 with the Gas Tax, Measure J and Sewer funds needing appropriation.

Items 8 -9: Balancing adjustments needed to reflect grant activities.

Items 10-11: Corrections needed in the Sewer Fund.

Items 13-29: With the approval of the new three way agreement between BART, WestCAT and the City for the operation of the Hercules Transit Center, revenues and expenditures for this facility need to be appropriated in the Facilities Fund and not Redevelopment.

Items 30 – 40: Corrections required for amounts inadvertently not budgeted in the Facilities Fund.

## **ATTACHMENTS:**

1. Budget Resolution
2. Decision Package Status Update

**Description: FY 2017-18 mid-year budget review and forecast and appropriation request**

**Funding Source:** Various funding sources

**Budget Recap:**

Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/>			