

STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Final Fiscal Year 2007-08 Budget Amendment

RECOMMENDED MOTION:

Approve Resolution Adopting Final Fiscal Year 2007-08 Budget Amendment

SUMMARY

This report reviews final FY 2007-2008 General Fund revenue and expenditure summaries and makes specific recommendations for adjustment.

BACKGROUND

The Administrative Services Director/Treasurer completed the year-end accounting. For the FY 2007-08, General Fund is projected to end the year with revenues over expenditures of over \$500,000. The surplus is due to higher than projected revenues from secured property tax \$118,600, sales tax \$91,312, transient occupancy tax \$25,985, and franchise tax \$40,080, business license \$122,514, SB 90 mandated cost reimbursement \$169,743.

All General Fund department expenditures came in below budget with the exception of Fire Department and Non-Department. Fire Department exceeded the fire expenditure budget by \$70,000 due to overtime. Non-Department exceeded budget by \$22,000 due to higher legal service cost.

The City external auditor Maze & Associates will return at the end of September 2008 to complete the field work and to confirm the year-end result.

ISSUES

Based on the Government Finance Officers Association (GFOA) recommended best practice and sound fiscal policy, staff is recommending that the City Council consider the following four options and accept the August 21, 2008 recommendation of the Finance Committee of option 2.

Option:

1. Transfer \$500,000 from the General Fund to the General Capital Improvement Fund to build up a reserve for capital improvement projects; designate any remaining surplus as budget stabilization reserve in the General Fund.

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2. Transfer \$250,000 from the General Fund to the General Capital Improvement Fund to build up a reserve for capital improvement projects; and

Designate \$250,000 as General Fund budget stabilization reserve. The City adopted a budget goal of having at least 5% of General Fund expenditures in unrestricted reserve to weather down turn in economy. Any use of stabilization fund will require prior City Council approval; and

Transfer any remaining surplus from the General Fund to the Disaster Assistance Fund for sudden and unexpected natural disaster needs. Any use of emergency reserve will require prior City Council approval.

3. Designate the entire surplus to budget stabilization reserve for General Fund to achieve a greater than 7.5% reserve balance.
4. Designate \$250,000 to General Fund budget stabilization reserve; transfer any remaining surplus to the Disaster Assistance Fund for sudden and unexpected natural disaster. Any use of emergency reserve will require prior City Council approval.

FISCAL IMPACT

None. General Fund ended the FY 2007-08 with a surplus.

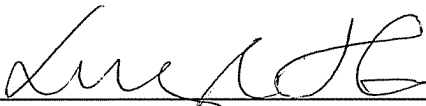
STAFF RECOMMENDATIONS

Staff recommends that the City Council adopt the attached resolution amending the FY 2007-08 budget. The resolution is based on option 2 as recommended by the Finance Committee.

ATTACHMENTS

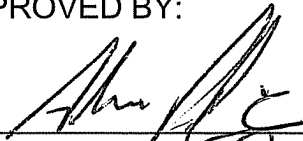
Resolution of the City Council of the City of Sausalito approving final FY 2007-08 budget amendment

PREPARED AND SUBMITTED BY:



Louise Ho, Administrative Services Director

APPROVED BY:



Adam Politzer, City Manager

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RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAUSALITO
APPROVING FINAL FY 2007-08 BUDGET AMENDMENT

WHEREAS, it is the goal of the City Council to continue to provide the highest level of cost-effective and exceptional service to Sausalito's residents and businesses within the funds available; and

WHEREAS, the City of Sausalito ended FY 2007-08 with General Fund revenues over expenditures of over \$500,000 due to certain larger than anticipated revenues; and

WHEREAS, the City Council wishes to allocate those excess revenues to build up the budget stabilization reserve, disaster assistance reserve, and to set aside one-time revenue for capital improvement projects; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sausalito does hereby:

1. Approve an amendment to the FY 2007-08 City Budget to enact the changes outlined in the Exhibit A, attached hereto.

PASSED AND ADOPTED at a meeting of the City Council of the City of Sausalito held on the day of _____, 2008, by the following vote:

AYES:	Councilmembers:
NOES:	Councilmembers:
ABSENT:	Councilmembers:

MAYOR OF THE CITY OF SAUSALITO

ATTEST:

DEPUTY CITY CLERK

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Exhibit A

1. Transfer \$250,000 from the General Fund to the General Capital Improvement Fund to build up a reserve for capital improvement projects.
2. Designate \$250,000 as General Fund budget stabilization reserve. The City adopted a budget goal of having at least 5% of General Fund expenditures in unrestricted reserve to weather down turn in economy. Any use of stabilization fund will require prior City Council approval.
3. Transfer any remaining surplus from the General Fund to the Disaster Assistance Fund for sudden and unexpected natural disaster needs. Any use of emergency reserve will require prior City Council approval.