

OPERATING BUDGET FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
CONTACT DEPARTMENT(S):
FUND:

5/19/16
Parks and Recreation
General

SUBJECT: Approve an ordinance amending the Fiscal Year 2015-2016 Budget Stabilization Reserve Fund Operating Budget (Ordinance No. 20150908-001) to transfer out \$418,000 to the General Fund; and amending the General Fund Operating Budget (Ordinance No. 20150908-001) to transfer in \$418,000 from the Budget Stabilization Reserve Fund Operating Budget (Ordinance No. 20150908-001); and to appropriate \$418,000 to increase expenditures in the Parks and Recreation Department Operating Budget (Ordinance No. 20150908-001) to hire temporary and seasonal staff for the 2016 summer swim season.

CURRENT YEAR IMPACT:

	2015-16 Amended	This Action	2015-16 Amended
Beginning Balance	0	0	0
Total Revenue	764,157,576	0	764,157,576
Transfers			
Budget Stabilization Reserve	1,660,000	418,000	2,078,000
All Other Transfers	146,993,280	0	146,993,280
Total Transfers In	148,653,280	418,000	149,071,280
Total Appropriated Funds	912,810,856	418,000	913,228,856
Requirements			
Parks and Recreation	75,014,093	418,000	75,432,093
All Other Departments	807,990,360	0	807,990,360
Total Department Requirements	883,004,453	418,000	883,422,453
Total Transfers Out	25,094,978	0	25,094,978
Total Other Requirements	4,711,425	0	4,711,425
Total Requirements	912,810,856	418,000	913,228,856
Excess (Deficiency) of Total Available Over Total Requirements	0	0	0
Ending Balance	0	0	0

FIVE-YEAR IMPACT:

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Requirements	418,000	418,000	418,000	418,000	418,000

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ANALYSIS / ADDITIONAL INFORMATION: This budget amendment will provide funding in the amount of \$418,000 to the Parks and Recreation Department to help remedy the pay issues for lifeguards, which are affecting recruitment efforts as well as morale. Upon approval, this item will provide one-time funds for this effort in FY 2016. The total ongoing five-year impact of this amendment is \$2.1 million.

Approval of this item will result in the General Fund Reserves dipping to 11.9%. This would not be consistent with the City's adopted General Fund Financial Policy No. 14, which states that the Emergency Reserve and Budget Stabilization Reserve should be at least 12% of total fund requirements.

This action is also not consistent with the City's adopted General Fund Financial Policy No. 3, which states that to improve financial planning and control, budget amendments should be infrequent and limited to cases where:

- Funding is required to address extraordinary circumstances resulting from a natural disaster, a public health emergency, or other similar critical need that could not have been reasonably anticipated when the budget was adopted; or
- There is verifiable evidence of significant costs or risks associated with delaying funding until the next budget cycle; or
- Errors or omissions in the Council Approved Budget require correction.