



AGENDA
SPECIAL MEETING OF
CITY COUNCIL
TUESDAY, OCTOBER 22, 2013 5:30 P. M.
COUNCIL CHAMBERS CONFERENCE ROOM
245 E. BONITA AVE.

COUNCIL:

Mayor Curtis W. Morris
Mayor Pro Tem Denis Bertone
Councilmember Emmett Badar
Councilmember John Ebner
Councilmember Jeff Templeman

1. CALL TO ORDER

2. ORAL COMMUNICATIONS

(Members of the audience are invited to address the City Council on any item not on the agenda. Under the provisions of the Brown Act, the legislative body is prohibited from taking or engaging in discussion on any item not appearing on the posted agenda. However, your concerns may be referred to staff or set for discussion at a later date. If you desire to address the City Council on an item on this agenda, other than a scheduled public hearing item you may do so at this time or asked to be heard when that agenda item is considered. Comments on public hearing items will be considered when that item is scheduled for discussion. The Public Comment period is limited to 30 minutes. Each speaker shall be limited to three (3) minutes.)

a. Members of the Audience

- 3.** Receive report from staff – results from the 2012-13 financial audit. Act on recommendations from staff regarding the allocation of undesignated fund balance.

4. ADJOURNMENT

The next City Council meeting is Tuesday, October 22, 2013, 7:00 p.m.

AGENDA STAFF REPORTS: COPIES OF STAFF REPORTS AND/OR OTHER WRITTEN DOCUMENTATION PERTAINING TO THE ITEMS ON THE AGENDA ARE ON FILE IN THE OFFICE OF THE CITY CLERK AND ARE AVAILABLE FOR PUBLIC INSPECTION DURING THE HOURS OF 8:00 A.M. TO 5:00 P.M. MONDAY THROUGH FRIDAY. INFORMATION MAY BE OBTAINED BY CALLING (909) 394-6216. CITY COUNCIL MINUTES AND AGENDAS ARE ALSO AVAILABLE ON THE CITY'S HOME PAGE ON THE INTERNET:
<http://cityofsandimas.com/minutes.cfm>.

SUPPLEMENTAL AGENDA RELATED WRITINGS OR DOCUMENTS PROVIDED TO A MAJORITY OF THE SUBJECT BODY AFTER DISTRIBUTION OF THE AGENDA PACKET SHALL BE MADE AVAILABLE FOR PUBLIC INSPECTION AT THE CITY CLERK'S OFFICE DURING NORMAL BUSINESS HOURS. (PRIVILEGED AND CONFIDENTIAL DOCUMENTS EXEMPTED.)

POSTING STATEMENT: ON OCTOBER 18, 2013, A TRUE AND CORRECT COPY OF THIS AGENDA WAS POSTED ON THE BULLETIN BOARDS AT 245 EAST BONITA AVENUE (SAN DIMAS CITY HALL) 145 NORTH WALNUT AVENUE (LOS ANGELES COUNTY PUBLIC LIBRARY, SAN DIMAS BRANCH); 300 EAST BONITA AVENUE (UNITED STATES POST OFFICE), VONS SHOPPING CENTER (PUENTE/VIA VERDE) AND THE CITY'S WEBSITE AT WWW.CITYOFSANDIMAS.COM/MINUTES.CFM.



Agenda Item Staff Report

TO: Honorable Mayor and Members of City Council
For the Meeting of October 22, 2013

FROM: Blaine Michaelis, City Manager

INITIATED BY: Ken Duran, Assistant City Manager

SUBJECT: Report on 2012-13 Fiscal Year End

REPORT ON 2012-2013 FISCAL YEAR END

The City's auditors have finalized the year-end audit for FY 12-13. Later this evening at the regular City Council meeting the Council will be approving the Audit Report. The purpose of the item this evening is to review the fiscal year end revenues, expenditures and reserve balance based upon the audited numbers.

GENERAL FUND REVENUES

Overall General Fund revenues were \$20,065,619. This is compared to the adopted budgeted amount of \$17,825,523. As you can see the actual revenue was significantly, \$2,240,096, higher than the original adopted budget. The chart below shows the significant revenue sources and the deviations from budget.

CATEGORY	BUDGET	ACTUAL	NOTES
Property Tax	\$2,334,021	\$3,184,451	Includes \$433,544 in residual tax increment distribution from the former Redevelopment Agency dissolution and \$368,639 from the settlement with the County on the Administration Fees lawsuit.
Sales Tax	\$5,340,729	\$6,114,281	The revenue includes an unusually high triple flip payment, which is adjusted downward for next year.

Franchise Tax	\$2,079,820	\$2,105,262	Cable television franchise fees were up by 7%, \$27,536
Transient Occupancy Tax	\$711,300	\$779,370	This was prior to the new rate going into effect.
Document Stamp Tax	\$92,500	\$143,497	
Building Permits	\$359,860	\$940,883	The budget was very conservative. Actual revenue reflects a significant increase in permit activity. The increase should be considered one time revenue. Next year's budget is \$413,200.
Interest Earnings	\$202,300	\$150,046	Even after some diversification of investments, interest rates remain very low.
Vehicle License Fees	\$2,914,926	\$2,931,847	This is now classified as a property tax in-lieu fee.
Business License	\$408,000	\$402,796	
Parking Permits/Citations	\$406,000	\$413,864	
Local Ord. Violation /Vehicle Violations	\$230,500	\$194,645	There was a decrease in both motor vehicle violation fines and local ordinance fines.
Windstorm Damage Reimbursement	\$0	\$29,586	Reimbursement for damage from the prior year's windstorm damage.
Development Service Fees	\$54,500	\$96,370	As with permits there was a significant increase in planning fees.
Recreation Programs	\$500,000	\$513,485	
Swim & Racquet Club	\$250,000	\$248,044	
CRA Loans	\$0	\$0	Due to the RDA dissolution we did not budget for, and there

			were no loan repayments this year. We will not be eligible for partial loan repayments until FY 14-15.
CRA Payment for Admin Costs	\$200,000	\$222,999	Due to the RDA dissolution the amount of reimbursement to the General Fund for staff costs for Successor Agency has been drastically reduced.
Reimbursement for separation costs for former housing staff	\$0	\$112,418	The City received reimbursement for the separation costs for the former Agency housing staff. This is a one-time reimbursement.

GENERAL FUND EXPENDITURES

Overall General Fund expenditures were \$18,994,670 which included the unbudgeted one time transfer of \$1,452,732 to Fund 12 that was approved by Council in May 2013. This compares to the budgeted amount of \$18,006,781 which did not include the unanticipated \$1,452,732 Fund 12 transfer. Factoring out that transfer, General Fund expenses were \$17,541,938, \$464,843 below budget

Almost every Division held expenditures to below budget. The following is a list of budget savings by budget division.

BUDGET DIVISION	AMOUNT UNDER BUDGET	NOTES
City Manager's Office	\$33,081	
Administrative Services	\$7,791	
City Attorney	\$22,857	
General Services	\$36,851	
Law Enforcement	\$139,453	
Community Development	\$15,927	This amount of savings is net of increased expenses for the housing element

		and façade construction.
Development Services	\$40,234	
Public Works Engineering	\$31,925	
Building and Safety	\$10,905	
Public Works Streets	\$96,550	
Vehicle Maintenance	\$37,180	
Facilities	\$13,846	
Civic Center	\$1,681	
Park Maintenance	\$7,350	
Recreation	\$33,829	
Swim and Racquet Club	\$45,174	

GENERAL FUND ENDING FUND BALANCE

The July 1, 2012 beginning General Fund fund balance, or cash reserve, was \$13,888,650. The actual audited ending fund balance as of June 30, 2013 was \$14,959,598. Which means that the General Fund fund balance increased by \$1,070,949. The ending reserve fund balance of \$14,959,598 represents 78% of the FY 12 -13 General Fund expense.

SPECIAL FUNDS

The attached chart is a summary of the each of the City's Funds. The first column describes the fund. The column titled Beginning 7/1/2012 is the beginning cash fund balance at the beginning of the fiscal year. The next two columns, Actual Revenues and Actual In, represent the revenues, actual revenues generated or transfers in from another fund. The next two columns, Actual Out and Actual Expenditures, represent the actual expenses spent, either in transfers out to other funds or expenses. The last column describes the ending fund balance as of June 30, 2013, the end of the fiscal year.

It should be noted that there are four of the Special Funds whose primary source of revenue is transfers from the General Fund. Those are:

- Fund 4 - City Hall – This Fund is solely for the payment of the debt service on the bonds for the City Hall/Community Center renovation. The annual transfer to make the debt service obligation is a budgeted General Fund expense.
- Fund 12 – Infrastructure – The transfer of \$1,452,732 authorized by Council in May is shown in the Actual In 2012-13 column. The Actual ending Balance of \$1,522,387 is the amount available to be spent on

projects in FY 13-14 and that amount is fully committed. Meaning that the ending fund balance at the end of FY 13-14 is projected at \$0.

- Fund 20 – Park Development – A major source of revenue for this Fund is actually development fees. However, in recent years when there has been very little development there have been very few development fees generated, requiring the General Fund to transfer funds to meet the park development obligations.
- Fund 70 – Equipment Replacement – Other than very incidental revenue generated from the sale of surplus equipment, the only source of revenue to this fund is from the transfer of funds from the General Fund. The Fund Balance is \$408,847, however understanding the cost of major vehicle and computer equipment replacements this Fund does need to grow.