

RESOLUTION NO. 2020-232

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE AMENDING THE FISCAL YEAR 2020-21 BUDGET, CLARIFYING PURCHASE ORDER RE-APPROPRIATIONS FOR FISCAL YEAR 2020-21 AND RETAINING A HIGHER RESERVE FOR FUTURE RESERVE TARGET SUPPORT

WHEREAS, the City Council approved Resolution No. 2019-083 on April 24, 2019 amending the Fund Balance Reserve Policy; and

WHEREAS, the City Council approved Resolution No. 2020-125 on June 10, 2020 adopting the Fiscal Year 2020-21 Budget; and

WHEREAS, an overview of the City's Year-End financial condition for Fiscal Year 2019-20 was presented to the City Council at the September 23, 2020 City Council meeting; and

WHEREAS, staff has proposed amendments to revenues and expenditures presented in the Fiscal Year 2020-21 Adopted Budget to more accurately reflect projected estimates of activity in various funds in support of Council Goals and Priorities; and

WHEREAS, the City Council recognizes the need for the proposed budget amendments, amending section 5.3.d of Resolution No. 2020-125 to clarify purchase order re-appropriation authority for Fiscal Year 2020-21, and granting a one-time exception to section 2.0.5 of the City's reserve policy for the close-out of Fiscal Year 2019-20 in order to retain an adequate reserve to support future year reserve target levels given the uncertainties of the current economic climate.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby

- 1) Amends the Fiscal Year 2020-21 Operating Budget as presented in Exhibit A, attached hereto and incorporated herein by reference; and
- 2) Approves the information regarding projected impacts to available fund balances from the proposed amendments to the Operating Budget (presented in Exhibit A) as presented in Exhibit B, attached hereto and incorporated herein by reference; and
- 3) Amends section 5.3.d of Resolution No. 2020-125 to now read as follows: "Any FY 2019-20 encumbered purchase orders included in the calculation of FY 2019-20 year-end projected expenditures for which the City Manager determines that the authorized equipment, goods and services are needed for continued and efficient City operations are authorized to be re- appropriated and 'rolled over' to FY 2020-21"; and

- 4) Authorizes a one-time exception to section 2.0.5 of the City of Elk Grove Fund Balance Reserve Policy by suspending the reallocation of General Fund reserves over 30% to Capital Reserves (Fund 106) and Economic Development Programs (Fund 105) for the close-out of Fiscal Year 2019-20; and
- 5) Authorizes \$2,000,000 of General Fund balance to be assigned for tenant improvements to the Studio Court property.

This resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 23rd day of September 2020




STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:



JASON LINDGREN, CITY CLERK

APPROVED AS TO FORM:



JONATHAN P. HOBBS,
CITY ATTORNEY

EXHIBIT A
Quarterly Budget Update Amendments - September
Fiscal Year 2020-21

Account Number	Account Description	Current Budget	Amendments	Revised Budget
CITY WIDE				
101 - General Fund				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 2,000,000	\$ 2,000,000
	Total Revenue Adjustments	\$ -	\$ 2,000,000	\$ 2,000,000
Expense Adjustment:				
	1011900-5509000 Transfers Out	\$ 2,251,612	\$ 2,000,000	\$ 4,251,612
	Total Expense Adjustments	\$ 2,251,612	\$ 2,000,000	\$ 4,251,612
106 - General Capital Reserve				
Revenue Adjustment:				
	1061900-3810000 Interfund Transfer-In	\$ 15,088	\$ 2,000,000	\$ 2,015,088
	Total Revenue Adjustments	\$ 15,088	\$ 2,000,000	\$ 2,015,088
Expense Adjustment:				
	Transfer to Fund Balance	\$ -	\$ 2,000,000	\$ 2,000,000
	Total Expense Adjustments	\$ -	\$ 2,000,000	\$ 2,000,000

EXHIBIT A
Quarterly Budget Update Amendments - September
Fiscal Year 2020-21

Account Number	Account Description	Current Budget	Amendments	Revised Budget
FINANCE - FINANCIAL PLANNING				
758 - Debt Service – CFD 2003-1 Poppy Ridge				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 175,000	\$ 175,000
	Total Revenue Adjustments	\$ -	\$ 175,000	\$ 175,000
Expense Adjustment:				
	7581900-5530000 Bond CIP Project	\$ 150,000	\$ 175,000	\$ 325,000
	Total Expense Adjustments	\$ 150,000	\$ 175,000	\$ 325,000
756 - Debt Service – CFD 2005-1 Laguna Ridge				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 175,000	\$ 175,000
	Total Revenue Adjustments	\$ -	\$ 175,000	\$ 175,000
Expense Adjustment:				
	7561900-5530000 Bond CIP Project	\$ 1,100,000	\$ 175,000	\$ 1,275,000
	Total Expense Adjustments	\$ 1,100,000	\$ 175,000	\$ 1,275,000
343 - CFD 2003-1 Poppy Ridge				
Revenue Adjustment:				
	3431900-3820000 Community Facilities District	\$ 150,000	\$ 175,000	\$ 325,000
	Total Revenue Adjustments	\$ 150,000	\$ 175,000	\$ 325,000
Expense Adjustment:				
	3431900-5509500 Transfers Out	\$ -	\$ 175,000	\$ 175,000
	Total Expense Adjustments	\$ -	\$ 175,000	\$ 175,000
344 - CFD 2005-1 Laguna Ridge				
Revenue Adjustment:				
	3441900-3820000 Community Facilities District	\$ 1,100,000	\$ 175,000	\$ 1,275,000
	Total Revenue Adjustments	\$ 1,100,000	\$ 175,000	\$ 1,275,000
Expense Adjustment:				
	3441900-5509500 Transfers Out	\$ -	\$ 175,000	\$ 175,000
	Total Expense Adjustments	\$ -	\$ 175,000	\$ 175,000
360 - Laguna Ridge Park Fee				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ (350,000)	\$ (350,000)
	Total Revenue Adjustments	\$ -	\$ (350,000)	\$ (350,000)
Expense Adjustment:				
	3601900-5509500 Transfers Out	\$ 350,000	\$ (350,000)	\$ -
	Total Expense Adjustments	\$ 350,000	\$ (350,000)	\$ -

EXHIBIT A

Quarterly Budget Update Amendments - September

Fiscal Year 2020-21

Account Number	Account Description	Current Budget	Amendments	Revised Budget
POLICE - INVESTIGATIONS COMMUNITY SERVICES				
101 - General Fund				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ (179,549)	\$ (179,549)
	Total Revenue Adjustments	\$ -	\$ (179,549)	\$ (179,549)
Expense Adjustment:				
1012263-50*****	Payroll Lines	\$ -	\$ (179,549)	\$ (179,549)
	Total Expense Adjustments	\$ -	\$ (179,549)	\$ (179,549)
242 - State Homelessness Grant				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 179,549	\$ 179,549
	Total Revenue Adjustments	\$ -	\$ 179,549	\$ 179,549
Expense Adjustment:				
2422263-50*****	Payroll Lines	\$ -	\$ 179,549	\$ 179,549
	Total Expense Adjustments	\$ -	\$ 179,549	\$ 179,549
PUBLIC WORKS - OPERATIONS AND MAINTENANCE				
221 - Gas Tax				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 69,776	\$ 69,776
	Total Revenue Adjustments	\$ -	\$ 69,776	\$ 69,776
Expense Adjustment:				
2214130-50*****	Payroll Lines	\$ -	\$ 69,776	\$ 69,776
	Total Expense Adjustments	\$ -	\$ 69,776	\$ 69,776
294 - Measure A Maintenance				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 31,012	\$ 31,012
	Total Revenue Adjustments	\$ -	\$ 31,012	\$ 31,012
Expense Adjustment:				
2944130-50*****	Payroll Lines	\$ -	\$ 31,012	\$ 31,012
	Total Expense Adjustments	\$ -	\$ 31,012	\$ 31,012
503 - Drainage				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 54,270	\$ 54,270
	Total Revenue Adjustments	\$ -	\$ 54,270	\$ 54,270
Expense Adjustment:				
5034130-50*****	Payroll Lines	\$ -	\$ 54,270	\$ 54,270
	Total Expense Adjustments	\$ -	\$ 54,270	\$ 54,270
PUBLIC WORKS - TRANSIT				
511 - Transit Operations				
Revenue Adjustment:				
	Transfer From Fund Balance	\$ -	\$ 655,088	\$ 655,088
	Total Revenue Adjustments	\$ -	\$ 655,088	\$ 655,088
Expense Adjustment:				
5114600-5519500	Overhead Transfer	\$ 327,544	\$ 655,088	\$ 982,632
	Total Expense Adjustments	\$ 327,544	\$ 655,088	\$ 982,632

Exhibit B

Quarterly Budget Update - Fund Balance Projections - September

Fiscal Year 2020-21

Fund	Fund Balance on July 01, 2020	Current Revised Budget	Amendments	Proposed Revised Budget
101 - General Fund				
Revenues		\$ 75,092,109	\$ -	\$ 75,092,109
Expenditures		\$ 76,506,324	\$ 1,820,451	\$ 78,326,775
Surplus / (Deficit)		\$ (1,414,215)	\$ (1,820,451)	\$ (3,234,666)
Reserve for Economic Uncertainty	\$ 17,766,504	\$ 17,766,504		\$ 17,766,504
Opportunity Reserve	\$ 3,553,301	\$ 3,553,301		\$ 3,553,301
Future Reserve Target Support	\$ 1,728,705	\$ 1,728,705		\$ 1,728,705
Subsequent Year Expenditures	\$ 627,715	\$ 627,715		\$ 627,715
Studio Court Property Improvements	\$ 2,000,000	\$ 2,000,000		\$ -
Undesignated	\$ 1,017,535	\$ 1,017,535		\$ 1,197,084
106 - General Capital Reserve				
Revenues		\$ 542,055	\$ 2,000,000	\$ 2,542,055
Expenditures		\$ 6,105,105	\$ -	\$ 6,105,105
Surplus / (Deficit)		\$ (5,563,051)	\$ 2,000,000	\$ (3,563,051)
Available Fund Balance	\$ 9,863,721	\$ 4,300,671		\$ 6,300,671
221 - Gas Tax				
Revenues		\$ 3,771,812	\$ -	\$ 3,771,812
Expenditures		\$ 4,869,757	\$ 69,776	\$ 4,939,533
Surplus / (Deficit)		\$ (1,097,945)	\$ (69,776)	\$ (1,167,721)
Available Fund Balance	\$ 2,438,787	\$ 1,340,842		\$ 1,271,066
242 - State Homelessness Grant				
Revenues		\$ 43,931	\$ -	\$ 43,931
Expenditures		\$ 4,021,875	\$ 179,549	\$ 4,201,424
Surplus / (Deficit)		\$ (3,977,944)	\$ (179,549)	\$ (4,157,493)
Available Fund Balance	\$ 4,497,155	\$ 519,211		\$ 339,662
294 - Measure A Maintenance				
Revenues		\$ 3,271,595	\$ -	\$ 3,271,595
Expenditures		\$ 7,430,050	\$ 31,012	\$ 7,461,062
Surplus / (Deficit)		\$ (4,158,455)	\$ (31,012)	\$ (4,189,467)
Available Fund Balance	\$ 5,675,801	\$ 1,517,346		\$ 1,486,334

Exhibit B

Quarterly Budget Update - Fund Balance Projections - September

Fiscal Year 2020-21

Fund	Fund Balance on July 01, 2020	Current Revised Budget	Amendments	Proposed Revised Budget
343 - CFD 2003-1 Poppy Ridge				
Revenues		\$ 163,443	\$ 175,000	\$ 338,443
Expenditures		\$ 758,074	\$ 175,000	\$ 933,074
Surplus / (Deficit)		\$ (594,631)	\$ -	\$ (594,631)
Available Fund Balance	\$ 615,944	\$ 21,313		\$ 21,313
344 - CFD 2005-1 Laguna Ridge				
Revenues		\$ 1,135,000	\$ 175,000	\$ 1,310,000
Expenditures		\$ 7,846,104	\$ 175,000	\$ 8,021,104
Surplus / (Deficit)		\$ (6,711,104)	\$ -	\$ (6,711,104)
Available Fund Balance	\$ 9,222,386	\$ 2,511,282		\$ 2,511,282

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2020-232

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) **ss**
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on September 23, 2020 by the following vote:

AYES: COUNCILMEMBERS: *Ly, Hume, Nguyen, Suen*

NOES: COUNCILMEMBERS: *None*

ABSTAIN: COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *Detrick*



Jason Lindgren, City Clerk
City of Elk Grove, California