



**AGENDA REPORT**  
**SAN CLEMENTE CITY COUNCIL MEETING**  
Meeting Date: June 19, 2012

Agenda Item 8A  
Approvals: [Signature]  
City Manager [Signature]  
Dept. Head [Signature]  
Attorney \_\_\_\_\_  
Finance \_\_\_\_\_

**Department:** Finance & Administrative Services  
**Prepared By:** Pall Gudgeirsson, Assistant City Manager/City Treasurer

**Subject:** **ADOPTION OF FISCAL YEAR 2013 BUDGET**

**Summary:** On May 17, 2012, the City held a budget workshop on the proposed FY 2013 operating and capital improvement budget. A list of items for Council consideration was submitted within the transmittal letter of the proposed budget. Council approved General Fund changes adding \$22,410 for social services (committee request), an additional \$45,000 for social services to be allocated by the Human Affairs Committee, \$15,000 for the adopted Marine unit and \$1,000 for Grad night. The Clean Ocean Fee Assessment review was also approved in the amount of \$70,000 for the Clean Ocean Fund. These items were incorporated into the proposed budget.

On June 12, 2012, City Council held a public hearing on the proposed FY 2013 operating and capital improvement budget. City Council deliberated the funding related to the Downtown Business Association and the Chamber of Commerce; however, no changes were made to the funding levels.

**All Funds:**

FY 2013 all funds revenues and expenditures, including fund balances, total \$207.7 million. Excluding fund balances, revenues for all funds total \$108,654,080 and expenditures total \$117,182,420. Attachment "A" – All Funds Budget summary presents the total budget for FY 2013. A resolution (Attachment "B") has been prepared to adopt and approve the budget for the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Fund, Enterprise Funds, and Internal Services Funds.

**General Fund:**

The FY 2013 General Fund budget, based on the public hearing, reflects total revenues of \$49,503,250 and total expenditures of \$53,653,670. The FY 2013 General fund ending fund balance is \$18.2 million.

City Council has committed General fund balance, based on Fiscal Policy, for the Sustainability Reserve (\$10 million), the Emergency Reserve (9% of operating costs), and the Vista Hermosa Sports Park Operating Reserve (to fund the net operating costs of the Sports Park). In accordance with Governmental Accounting Standards Board (GASB) Statement 54 these funds are included as part of a resolution and are to be used only for the identified purposes. This commitment is binding unless removed in the same manner.

Even though employee negotiations are still in process, as part of the routine budget process, a resolution is presented to adopt changes to the salary schedules to include new positions or reclassifications. A resolution (Attachment "D") has been prepared to approve the revised salary schedule and new job descriptions, where applicable, for the following personnel actions: eliminating one Information Systems Technician (1.0 FTE) and creating a Technical Applications Specialist classification and authorizing one (1.0 FTE) position; eliminating one Code Compliance Manager (1.0 FTE) and creating a Code Compliance Supervisor classification and adding one (1.0 FTE) position; and assigning a salary grade for the flexibly-staffed Accounting Specialist II classification.

**Recommended**

**Action:**

STAFF RECOMMENDS THAT the City Council:

1. Adopt Resolution No. \_\_\_ entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ADOPTING AND APPROVING THE BUDGET AT THE FUND LEVEL FOR THE CITY OF SAN CLEMENTE FOR THE 2013 FISCAL YEAR; and
2. Adopt Resolution No. \_\_\_ entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ADOPTING THE COMMITMENT OF FUND BALANCE BASED ON THE 2013 FISCAL YEAR BUDGET; and
3. Adopt Resolution No. \_\_\_ entitled: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ADOPTING REVISED SALARY SCHEDULES AND REVISED CITY CLASSIFICATIONS AND AMENDING RESOLUTION NO 97-09 AND ANY OTHER RESOLUTIONS IN CONFLICT THEREWITH.

**Fiscal Impact:** Yes. Funding levels for FY 2013 are established.

**Attachments:** Attachment "A" – All Funds Budget Summary  
 Attachment "B" – Resolution adopting the FY 2013 Operational and CIP budgets  
 Attachment "C" – Resolution adopting the commitment of Fund Balance  
 Attachment "D" – Resolution adopting new salary schedules and job descriptions for the FY 2013.  
 City of San Clemente salary Range Placement Table (on file in the City Clerk's office)  
 City of San Clemente job descriptions for new classification (on file in the City Clerk's office).

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# All Funds Budget Summary

	Beginning Balance	FY 2013 Revenues	FY 2013 Expenditures	Ending Balance	Change in Balances
<b>General Fund</b>	22,384,726	49,503,250	53,653,670	18,234,306	(4,150,420)
<b>Special Revenue Funds</b>					
Street Improvement	2,069,930	1,644,130	2,489,430	1,224,630	(845,300)
Gas Tax	3,559,030	2,764,640	4,524,340	1,799,330	(1,759,700)
Miscellaneous Grants	(5,150)	402,650	383,670	13,830	18,980
Air Quality Improvement	265,530	85,500	80,000	271,030	5,500
Police Grants	45,170	100,200	100,000	45,370	200
<b>Capital Project Funds</b>					
Parks Acquisition & Dev.	1,217,920	108,600	140,860	1,185,660	(32,260)
Local Drainage Facilities	3,891,760	61,500	6,970	3,946,290	54,530
RCFPP	2,880,650	45,000	57,290	2,868,360	(12,290)
Public Facilities Construction Fee	13,517,140	215,700	62,270	13,670,570	153,430
Developers Improvement	8,694,980	337,500	32,420	9,000,060	305,080
Reserve	3,408,990	531,270	658,000	3,282,260	(126,730)
<b>Debt Service Funds</b>					
Negocio Debt Service	(182,520)	753,900	569,610	1,770	184,290
<b>Enterprise Funds</b>					
Water - Operating	300,493	17,193,534	17,397,270	96,757	(203,736)
- Depreciation Reserve	5,102,414	2,106,677	2,280,230	4,928,861	(173,553)
- Acreage Fee	788,681	22,299	56,520	754,460	(34,221)
- Other Agency	1,875,632	752,080	831,260	1,796,452	(79,180)
Sewer - Operating	268,614	9,211,189	8,825,770	654,033	385,419
- Depreciation Reserve	5,461,786	2,720,663	3,752,940	4,429,509	(1,032,277)
- Connection Fee	5,460,901	2,456,400	2,333,730	5,583,571	122,670
- Other Agency	1,622,189	291,778	13,820	1,900,147	277,958
Storm Drain - Operating	1,113,552	1,666,688	1,699,630	1,080,610	(32,942)
- Depreciation Reserve	1,379,428	1,551,112	1,778,020	1,152,520	(226,908)
Solid Waste Management	440,450	120,600	220,790	340,260	(100,190)
Golf - Operating	41,631	2,296,600	2,292,700	45,531	3,900
- Depreciation Reserve	1,561,511	216,525	282,480	1,495,556	(65,955)
- Capital Improvement	545,918	139,875	26,010	659,783	113,865
Clean Ocean - Operating	1,809,908	2,162,291	2,996,160	976,039	(833,869)
- Depreciation Reserve	(303,288)	472,209	165,520	3,401	306,689
<b>Internal Service Funds</b>					
Central Services	231,210	486,630	605,480	112,360	(118,850)
Information Technology	278,610	1,336,430	1,469,570	145,470	(133,140)
Contract Fleet Services	186,025	1,164,469	1,200,730	149,764	(36,261)
Fleet Replacement Reserve	3,434,625	551,291	348,760	3,637,156	202,531
Medical Insurance	10,370	3,168,000	3,167,690	10,680	310
Workers' Compensation	1,674,100	407,000	503,990	1,577,110	(96,990)
General Liability Self Insurance	719,080	1,605,900	2,174,820	150,160	(568,920)
<b>Redevelopment Agency Funds *</b>					
Low & Moderate Housing	2,292,860	0	0	2,292,860	0
Debt Service	771,690	0	0	771,690	0
Capital Projects	142,200	0	0	142,200	0
<b>Total All Funds</b>	<b>98,958,746</b>	<b>108,654,080</b>	<b>117,182,420</b>	<b>90,430,406</b>	<b>(8,528,340)</b>

\* The Redevelopment Agency (RDA) is in the process of dissolution, these funds will be requested by the County and then be distributed to effected taxing agencies. Further information on the RDA dissolution is in the Redevelopment section of this budget.

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ADOPTING AND APPROVING THE BUDGET AT THE FUND LEVEL FOR THE CITY OF SAN CLEMENTE FOR THE 2013 FISCAL YEAR

THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The City Council does hereby approve and adopt the Budget for the City of San Clemente for the 2013 Fiscal Year at the fund level.

SECTION 2. Copies of the 2013 budget document are on file in the Office of the City Clerk.

SECTION 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

ATTEST:

\_\_\_\_\_  
City Clerk of the City of  
San Clemente, California

\_\_\_\_\_  
Mayor of the City of San  
Clemente, California

SA 4

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) §  
CITY OF SAN CLEMENTE )

I, JOANNE BAADE, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the City Council of the City of San Clemente held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

Approved as to form:

\_\_\_\_\_  
City Attorney

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF SAN CLEMENTE, CALIFORNIA, ADOPTING  
THE COMMITMENT OF FUND BALANCE BASED ON  
THE FISCAL YEAR 2013 BUDGET

WHEREAS, the Governmental Accounting Standards Board (GASB) has issued Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, which changes the terminology used for fund balance reporting on balance sheets of Governmental Funds, and;

WHEREAS, for financial statement reporting purposes, the GASB Statement defines restricted amounts as those that are constrained to specific purposes by their providers through constitutional provisions or enabling legislation; and

WHEREAS, for financial statement reporting purposes, the GASB Statement defines committed amounts as amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council; and

WHEREAS, the City has established a General Fund emergency reserve equal to 9% of operating expenditures of the General Fund at the end of each fiscal year and be used only for the purposes identified in the City's Fiscal Policy; and

WHEREAS, the City has established a General Fund essential minimum fund balance policy. At the end of each fiscal year, the General Fund should have a Sustainability Reserve balance equal to \$10 million in the General Fund which shall be used only for the purposes identified in the City's Fiscal Policy; and

WHEREAS, the City has established a Vista Hermosa Sports Park Maintenance and Operations reserve, which provides to offset the annual net operating costs of the Vista Hermosa Sports Park.

NOW, THEREFORE, The City Council of the City of San Clemente does hereby resolve as follows.

Section 1. The City Council does hereby approve and adopt the Fund Balance and Reserve Policies in the Annual Budget for compliance with Governmental Accounting Standards Board statement No. 54, Fund Balance Reporting and Governmental Fund Type definitions

Section 2. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

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PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
City Clerk of the City of  
San Clemente, California

\_\_\_\_\_  
Mayor of the City of San  
Clemente, California

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE    ) §  
CITY OF SAN CLEMENTE   )

I, JOANNE BAADE, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the City Council of the City of San Clemente held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

Approved as to form:

\_\_\_\_\_  
City Attorney

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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN CLEMENTE, CALIFORNIA, ADOPTING A REVISED SALARY SCHEDULE AND NEW CLASSIFICATIONS AND AMENDING RESOLUTION NO. 97-09 AND ANY OTHER RESOLUTIONS IN CONFLICT THEREWITH

WHEREAS, Section 37206 of the Government Code requires the City Council to prescribe the time and method of paying salaries and wages of officers and employees of the City; and

WHEREAS, the City Council is authorized and directed under the provisions of its adopted Personnel Rules and Regulations to prepare the compensation schedules covering all classes of positions in the competitive service; and

WHEREAS, the City's classification/compensation resolution needs to be amended to eliminate one Sr. Utility Billing Specialist (1.0 FTE) position and add one Utility Billing Coordinator position (1.0 FTE); delete one Information Systems Technician (1.0 FTE) position and create a Technical Applications Specialist classification at salary Grade 47 and authorize one (1.0 FTE) position; create a Code Compliance Supervisor classification at salary Grade 56 and authorize one (1.0 FTE) position; and assign salary Grade 37 for the flexibly-staffed Accounting Specialist II classification.

NOW, THEREFORE, The City Council of the City of San Clemente does hereby resolve as follows:

Section 1. Resolution No. 97-09 is hereby amended by to add one (1.0 FTE) Sr. Utility Billing Coordinator position at Range 42 (\$3,993-\$4,853/month); add one (1.0 FTE) Technical Applications Specialist position at Range 47 (\$4,510-\$5,481/month) and approve a new job description; add one (1.0 FTE) Code Compliance Supervisor position at Range 56 (\$5,618-\$6,829/month) and approve a new job description; and place the Accounting Specialist II classification at Range 37 (\$3,533-\$4,295/month).

Section 2. The amended and restated All Employees salary schedule, dated June 19, 2012, with an effective date of July 1, 2012, which is on file in the City Clerk's Office, is hereby approved.

Section 3. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

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PASSED AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

ATTEST:

\_\_\_\_\_  
City Clerk of the City of  
San Clemente, California

\_\_\_\_\_  
Mayor of the City of  
San Clemente, California

STATE OF CALIFORNIA    )  
COUNTY OF ORANGE     ) §  
CITY OF SAN CLEMENTE   )

I, JOANNE BAADE, City Clerk of the City of San Clemente, California, do hereby certify that Resolution No. \_\_\_\_\_ was adopted at a regular meeting of the City Council of the City of San Clemente held on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Clemente, California, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
CITY CLERK of the City of  
San Clemente, California

Approved as to form:

\_\_\_\_\_  
City Attorney

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