

City of Milpitas, California

BUDGET CHANGE FORM

Type of Change	From		To	
	Account	Amount	Account	Amount
Check one:				
<input checked="" type="checkbox"/> Budget Appropriation	100-2940	\$ 426,602	100-812-4113	\$ 426,602
<input type="checkbox"/> Budget Transfer	250-3559	127,090	250-551-4208	121,724
	251-3559	178,840	250-531-4111	5,366
	295-2938	187,738	251-551-4207	178,840
	500-2970	28,004	295-910-4205	183,057
	310-2931	39,970	295-551-4111	4,681
	500-3999	171,000	500-930-4851	28,004
			310-910-4610	39,970
			505-3899	171,000

Explain the reason for the budget change:

Background: Finance staff is in the process of closing the City revenue and expenditures accounts for the fiscal Year 2012-13. To maintain conformity with the City's budgeting policies and to prepare for the annual external audit, year-end budget adjustments are necessary to address items that were not known at the time the FY 12-13 budget was developed.

All funds, departments and project budgets have been reviewed to determine necessary adjustments. The detail for each budget adjustment item is described below.

- 1) Increase the budget appropriations for Fire Department by \$426,602. The Fire department incurred more overtime expenditure than anticipated in the budget. The source of funding will be from the General Fund.
- 2) Increase the budget appropriations for Planning and Neighborhood Services Department and Building Department by \$121,724 and \$5,366 respectively. The increased budget amounts are related to Community Development Block Grants (CDBG) administration costs and increased CDBG grants provided to the community in FY 12-13. Actual grants provided to the community were more than anticipated in the budget. These administration costs and grants will be fully reimbursable by the U.S. Department of Housing and Urban Development.
- 3) Increase the budget appropriations for Planning and Neighborhood Services Department by \$178,840. The increased budget amount is related to increased housing rehab loans provided to community in FY 12-13. The housing rehab loans will be fully reimbursable by the U.S. Department of Housing and Urban Development.
- 4) Increase the budget appropriations for Planning and Neighborhood Services and Non-departmental budget by \$4,681 and \$183,057 respectively. The increased budget amounts are related to Housing Authority administration costs and write down of the sales price of six affordable units owned by the Housing Authority. Three of the housing units were previously authorized by the Agency Board to convert from moderate income housing units to low income housing units.
- 5) Increase the budget appropriation of the Non-departmental budget by \$28,004 due to replacement of a police vehicle that was damaged in an accident. The City received full reimbursement from ABAG PLAN through its property insurance coverage. The funds were received and deposited in the Equipment Replacement Fund in

FY 11-12. The vehicle purchased in FY 12-13 was omitted from the FY 12-13 capital outlay budget requests.

- 6) Increase the budget appropriations of the Non-departmental budget by \$39,970. The budget adjustment is related to Project No. 4047 Dixon Landing Road/ I-880 Interchange. The project budget was about \$12.6 million and was funded by multiple funding sources, including RDA, development fees, grants, and reimbursements. PG&E reimbursements were one of the funding sources. However, during the construction of this project, PG&E filed for bankruptcy and the City was unable to collect a portion of the reimbursements from PG&E. This item was on the Accounts Receivable write off list. Funding is required from the Street Improvement Fund to make up the difference.
- 7) Transfer \$171,000 from the Equipment Replacement Fund to the Information Technology Replacement Fund. In FY 12-13, the City replaced its telephone system and other technological equipment. The Information Technology Replacement Fund did not have sufficient funding for these purposes, as the City has not maintained its funding in the last few years. Effective in FY 13-14, the revised Fiscal Policies authorized an annual funding in the amount of \$300,000 for technological equipment replacement.

Fiscal Impact: The budget adjustments reduce the fund balances of the various funds as follows:

\$426,602	General Fund
\$187,738	Housing Authority Fund
\$ 39,970	Street Improvement Fund
\$199,004	Equipment Replacement Fund

The budget adjustments related to the CDBG grants and loans will be reimbursed by the U.S. Department of Housing and Urban Development.

Recommendation: Approve the Fiscal Year 2012-13 year-end budget appropriations as itemized in the budget change form which is included in the City Council agenda packet.

Check if City Council Approval required.

Meeting Date: September 3, 2013

Requested by:	Division Head:	Date:
Reviewed by:	Finance Director: <i>m c Hall</i>	Date: <i>8/23/13</i>
Approved by:	City Manager:	Date:
Date approved by City Council, if required:		Confirmed by: