

City of Piedmont
COUNCIL AGENDA REPORT

DATE: November 19, 2018

TO: Mayor and Council

FROM: Paul Benoit, City Administrator

SUBJECT: Consideration of FY 2017-18 Year End Appropriations, Adjustments, and Carryforwards

RECOMMENDATION

Approve year end appropriations, adjustments, and carryforwards for FY 17-18 in the General Fund and other funds as detailed in this report.

BACKGROUND

The City Council adopted the FY 2017-18 Budget on June 19, 2017. In order to close the books and appropriately account for the required budget adjustment and recommended carryforward for the fiscal year, I recommend that the City Council approve the adjustments as detailed below.

Appropriations and Carryforwards:

General Fund

All operating department expenditures were lower than budget, with the exception of the fire department. Fire Department expenditures exceeded budget by \$235,017, primarily due to higher overtime costs, which were partially offset by lower salary and retirement costs. This overage is justified as mutual aid revenue received for wildfire assistance totaled \$480,000. No additional appropriation necessary.

Workers compensation and liability insurance costs exceeded budget by \$109,186 and \$42,638, respectively, due to higher than expected insurance premiums. We request FY 2017-18 appropriation be increased by these amounts.

Other Funds

In July of 2017, staff submitted to the City Council an informational report concerning the condition of Piedmont's streets. The report indicated, that on a scale of 1 to 100, Piedmont's streets have been rated by the Metropolitan Transportation Commission at an average Pavement Condition Index (PCI) of 64 (PCI of 70 or greater = Very Good to Excellent, PCI of 50 to 69 = good, PCI of 25 to 49 = Poor).

The breakdown of the condition of the street system in 2017 follows:

- 53% in “Very Good” to “Excellent” condition (PCI = 70 or greater)
- 20% in “Good” condition (PCI = 50-69)
- 16% in “Poor” condition (PCI = 25-49)
- 1% in “Very Poor” condition (PCI = 0-24)

While the City’s overall 2017 PCI is 64, and may be favorable in comparison to neighboring jurisdictions, it is not where the City should be, especially considering 17% of the City’s streets are in poor or very poor condition. With the relatively recent passage of SB1 by the state legislature our 2018-19 paving budget is \$1.0 million.

We are recommending an increase in spending in years when funds are available. In prior years, the City used \$300,000 of the revenue received from the Gas Tax to offset personnel and materials costs related to street maintenance expended from the General Fund (Public Works Department). Given the relative health of the General Fund, we propose to retain this amount in the Gas Tax Fund in FY 2017-18, and increase our street paving budget for FY 2018-19 from \$1.0 million to \$1.3 million.

By: Michael Szczech, Finance Director