



REPORT TO CITY COUNCIL

Approved by:



Tim Przybyla, Director of Financial Services



City Manager

Council Meeting of: April 10, 2019

Agenda Number: 4A

SUBJECT:

Mid-Year Operational Budget Report and Consideration of a Resolution Authorizing and Approving Amendments to the City's Fiscal Year (FY) 2018/2019 (18/19) Budget

RECOMMENDATION:

- A. Consider the Mid-Year Budget Report; and,
- B. Approve the Resolution Authorizing and Approving Amendments to the FY18/19 Budget.

DISCUSSION:

The City adopts an annual operating budget based on projected revenues and expenditures anticipated during the fiscal year, defined as July 1 through June 30 of the following year. This report provides a mid-fiscal year overview of how revenues and expenditures compare to original projections and offers amendments for consideration as needed. The purpose of a Mid-Year Budget Report is to:

- Measure how City departments are performing relative to adopted operational budgets;
- Determine if any budget adjustments are necessary; and
- Serve as a starting point in the preparation for next year's budget.

Upon review of the City's revenues and expenditures, departments are performing well and within their respective budgets. Staff has identified necessary budget amendments to be considered by Council to accurately reflect business needs for the remainder of FY 18/19. These amendments are necessary due to changes which occurred after adoption of the budget, such as:

- Changes resulting from the amended agreement with Mid Valley Disposal, the City's refuse collection service provider.
- Shifting of costs between street projects.
- Increased costs for some street projects.

Fund Overview

Prior to providing details of specific funds, it is worth providing an overview of three key elements that guide policy and funding: the City's General Fund Reserve Policy, Measure K, and the Utility Fund.

A. Summary of the General Fund Reserve Policy

In 2017, the Council approved a General Fund Balance Reserve Policy. This policy calls for a reserve to be held that is equal to 30 percent of the General Fund budget. The reserve is subdivided into the following designations:

1. Cash flow: 15%
2. Stabilize revenues: 5%
3. Catastrophic emergencies: 10%

The City of Madera General Fund currently holds approximately \$17 million in Fund Balance, with over \$11.6 million assigned to Reserves, \$2.7 million designated or assigned for certain obligations, and the remaining \$2.7 million in General Fund Unassigned Fund Balance. The \$11.6 million of Reserves in the General Fund represents 30 percent of the \$38.6 million adopted General Fund Budget for FY18/19. The City's General Fund Reserve Policy calls for the Unassigned Fund Balance (referred to in the Policy as "Undesignated and Unrestricted Reserves") to be appropriated to fund the following purposes:

- Emergency expenditures
- Capital improvement projects
- Other non-recurring expenditures
- To offset lost revenue during times of economic downturn

The Policy also calls for Council to establish a minimum for these Undesignated and Unrestricted Reserves during the adoption of the fiscal budget. This information is provided at this time so that Council can begin preparing for this discussion during the upcoming FY 19/20 budget process.

B. Summary of Measure K

Measure K, a component of the General Fund that per Council direction is solely to be used for public safety, was approved by the voters in November 2016. Measure K is a one-half percent transactions and use tax that is charged based on the destination of taxable goods rather than where the goods are sold. This tax revenue is not subject to the City's tax sharing agreement with the County of Madera. For FY18/19, Measure K is projected to generate approximately \$5 million. These funds are split equally between the Police and Fire Departments. To date, funds have been utilized for the following:

- 14 additional Police personnel positions.

- Equipment, vehicles, training and improvements in policing technology.
- Planning and designing a new City Fire Station, which is expected to be completed within the year.

Upon completion of the new Fire Station, Measure K will pay for the operations of said station, including the contracted (CalFire) staffing and debt service related to the station's construction.

C. **Overview of Utility Funds**

During the preceding four years, the City has repositioned itself from one of falling behind on its debt service coverage in the Water and Sewer Funds and facing a mounting list of deferred maintenance, to one that will generate adequate funds to maintain an adequate level of service for community residents. The positive impacts of the recent rate increases have also placed the City in a better position to borrow funds at lower interest rates than it would have otherwise been able.

Council directed staff to have Raftelis Consulting perform a Rate Study Update (Study) that assessed the appropriateness of the current water rates and scheduled increases, and sought potential opportunities to reduce rates or to defer implementation on previously approved rate increases. Based on the findings contained in the Study, Council elected to reduce the scheduled rate increase from 10 percent to 6 percent for the non-water conservation rates and postponed the implementation of that increase from July 1, 2018 until January 26, 2019. In addition, the water conservation portion of the water rates were reduced by 50 percent, considerably lowering water rates for those customers who use more water than average, particularly during the warmer months when they find it necessary to water their landscape more than usual.

General Fund:

The General Fund is the most unrestricted fund that holds the City's revenues to pay for such important services as police, fire, parks, urban planning, and roads. Most General Fund monies can be used for any legitimate public purpose that the City finds important.

During the FY18/19 Budget adoption process, Council and staff acknowledged the need to be fiscally prudent given that revenues were not anticipated to cover expenses. To date, the City is projected to generate adequate revenue to cover expenses, commonly referred to as a balanced budget.

At Mid-Year (i.e. December 31, 2018), the entire General Fund was at 47.2 percent of budgeted revenues and 47.1 percent of annual budgeted expenditures. A table is not provided for the entire General Fund. However, Table 1 and Table 2 provide the breakdown for the two major components of the General Fund, which are Fund 1020 (General) and Fund 1025 (Measure K).

Within the General Fund are various components. However, Funds 1020 and 1025 are the largest components of the General Fund, representing nearly 94 percent of the General Fund. As such, they are of most concern and will be the primary focus of this report.

Table 1: General Fund Account 1020					
<i>Description</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Year-to-date Actual</i>	<i>% of Original</i>	<i>% of Revised</i>
Total 1020 Revenue	(31,000,035)	(31,040,035)	(14,747,687)	48%	48%
Total 1020 Salaries & Benefits	20,693,781	20,712,031	9,680,371	47%	47%
Total 1020 Maintenance & Operations	11,066,050	11,131,604	4,452,788	40%	40%
Total 1020 Operational Expenditures	31,759,831	31,843,635	14,133,159	45%	44%
Total 1020 Operational (Surplus)/Deficit	759,796	803,600	(614,528)	Surplus	
<i>Capital Outlay</i>					
Total 1020 Capital Outlay	409,170	1,629,687	1,231,790	301%	76%
Total 1020 (Surplus)/Deficit after Cap Outlay	1,168,966	2,433,286	617,262	Deficit	

At Mid-Year, Fund 1020 revenues stood at approximately 47.6 percent of the annual budget and expenditures were approximately 47.8 percent of budget. A couple of points worth highlighting:

- Capital Outlay expenditures were at 301 percent of Original Budget at Mid-Year. This can largely be attributed to the \$1.2 million for the purchase of an additional Police facility. The purchase of this facility was approved in FY17/18 however funds were expended in FY18/19.
- The Capital Outlay budget for the Police facility purchase was carried over into the current FY, which revised the budget to \$1,629,687 (see Table 1 Capital Outlay figure under the Revised Budget column). This placed the Capital Outlay expenditures at 75.6 percent of the revised budget amount at Mid-Year.

To avoid such carry-overs in the future, staff is in the preliminary stages of creating a separate Capital Project Fund. This will:

- Simplify the accounting for such carry-overs.
- Allow staff to transfer funds from the General Fund by way of transfers directly into the separate account.
- Avoid spikes caused by projects that may span multiple fiscal years, but experience the majority of their funding in a single year.

Early reports indicate that all General Fund departments will complete the FY within their budgeted expenditures. Although expenditures appear to be low (under 50 percent), departments have indicated that they should come closer to budget on their expenditures.

With the savings from vacant positions and in maintenance and operational (M&O) costs, there appear to be adequate funds to result in the General Fund ending the FY with a balanced budget, rather than the originally projected \$1.3 million deficit.

As evidenced in Table 1, actual expenditures exceeded revenues by \$617,262 at Mid-Year. However, this is primarily due to the roughly \$1.2 million that was expended on the additional Police facility. If not for that carried-over expenditure, actual Fund 1020 revenues would be exceeding expenditures by approximately \$580,000 at Mid-Year.

General Fund Revenue:

As noted above, the General Fund is comprised of various funding sources. In short, more than 170 revenue line items make up total revenues for Fund 1020 alone. Rather than provide an in-depth analysis of each line item, the top 10 General Fund revenue sources, which generate nearly 77 percent of revenue, are summarized below.

<i>Description</i>	<i>Original Budget</i>	<i>Year-to-date</i>	<i>% Received</i>
Sales & Use Taxes	\$ 8,200,000	\$ 3,570,260	44%
Property Tax In-Lieu of VLF	\$ 5,530,000	\$ 2,975,217	54%
Current Secured Property Tax	\$ 3,500,000	\$ 2,308,121	66%
Engineering Fees, Projects and Transfers In	\$ 1,712,459	\$ 395,843	23%
Interfund Charges/Admin OH	\$ 1,597,655	\$ 798,827	50%
Police Fees, Grants and Contracts	\$ 1,596,256	\$ 672,198	42%
Building Permit and Plan Check Fees	\$ 1,167,500	\$ 713,462	61%
Transient Occupancy Tax	\$ 800,000	\$ 473,317	59%
Business License Tax	\$ 450,000	\$ 437,973	97%
Cable Utility Franchise Tax	\$ 695,000	\$ 72,159	10%
Total 10 Ten Revenues - Fund 1020	\$ 25,248,870	\$ 12,417,377	49%

1. **Sales & Use Tax:** At Mid-Year, the City’s Sales Tax receipts amounted to 43.5 percent of the annual budget. Of note:
 - a. Sales Tax receipts shown are as of November 2018 due to a lag in when payments are received from the State.
 - b. A small percentage of these revenues (3.75 percent plus \$50,000 annually) will need to be paid out to the County of Madera, per the Tax Sharing Agreement.
 - c. Based on updated projections prepared by Muni Services, staff is estimating that Sales Tax for FY18/19 will exceed the \$8.2 million budgeted by approximately \$458,000.

2. **Property Tax In-Lieu of VLF (Vehicle License Fees):** This revenue source reflects the “VLF Swap” made in 2005 under which the State significantly reduced VLF payments (and ultimately eliminated them) but backfilled (“swapped”) them in an equal amount for an increased share of property roll taxes. As such, this is another form of property tax where the “base” is determined on the amount “swapped” in 2005 plus growth in assessed valuation like the City’s “regular” property taxes. Worth noting:
 - a. The City is in receipt of its first installment from the County.
 - b. The second installment is anticipated to be received from the County sometime in May and should be in the same amount as the first installment.
 - c. Based on this information, the City should anticipate a total of \$5,950,434 for FY18/19 rather than the budgeted \$5,530,000. This \$420,434 difference will help reduce the \$1.3 million deficit that was projected at the time of budget adoption.
3. **Current Secured Property Tax:** The first installment of Property Tax was received from the County in late January, and the second installment is likely to be received sometime in May. However, included in the first installment is nearly \$546,864 of Redevelopment Property Tax Trust Fund (RPTTF) money, which is pass-through money for the City that is related to the former Madera Redevelopment Agency. Property Tax collections are much less predictable than Property Tax In-Lieu of VLF, as the second installments vary considerably from the first installment. However, based on past receipt trends, staff anticipates that total Property Tax receipts for FY18/19 may approximate the original budgeted amount of \$3.5 million.
4. **Engineering Fees, Projects and Transfers In:** Engineering revenues are budgeted at \$1,712,459 for FY18/19. At Mid-Year, actual revenues amount to \$408,701 or 23 percent of the budget. The primary reason for this low percentage is that project management charges have not been charged at the time of this report. At \$920,000, Interfund Charges/Project Management makes up 53.7 percent of the Engineering Division’s revenue budget. Engineering indicates that the posted project charges will be \$463,359 of revenues for the first half of the FY to Interfund Charges/Project Management. This amount was not included in any of the rest of the discussions in this report. But, this additional revenue would bring these revenues up to 50.2 percent as of Mid-Year.
5. **Interfund Charges (Administration and Overhead):** Certain administration and overhead costs can be allocated to departments that are served by such administrative departments as the City Clerk, City Council, City Attorney, City Manager, Human Resources, and Finance Departments. The City recaptures these costs from non-General Fund departments in the amounts that are based on various factors such as number of employees, number of agenda items, budget amounts, and square footage. The City employs formulas provided by Cost Tree, an independent company, to determine

universally accepted methods. Charges are recorded by way of monthly recurring journal entries and are at 50 percent of budget at Mid-Year.

6. **Police Fees, Grants and Contracts:** Police Department revenues in Fund 1020 are budgeted at \$1,596,256 for FY18/19 with 42 percent of that having been received as of Mid-Year. Staff anticipates that sufficient additional revenues (including drawdowns on grants and contracted charges) will roll in during the FY to bring revenues close to the budgeted \$1.6 million amount.
7. **Building Permit and Plan Check Fees:** The Building Division generates revenues for services rendered. As of Mid-Year, the Building Division collected 61 percent of projected budgeted revenues and anticipated that they are likely to meet and exceed their revenue budget by the end of the current FY.
8. **Transient Occupancy Tax:** At Mid-Year, Transient Occupancy Tax (TOT) was reported at 59.2 percent of the annual budgeted revenues for FY18/19. This tax is levied on persons staying in hotels.
9. **Business License Tax:** A Business License Tax is a tax imposed on businesses for the privilege of conducting business in the City. The bulk of this tax is collected and recorded in July when business licenses are renewed. At Mid-Year, 97 percent of budgeted revenues had been recorded. As new businesses apply for licenses or as delinquent payments are remitted, these revenues appear to be on target to meet the anticipated \$450,000 budget.
10. **Franchise Tax:** Franchise Fees are funds paid to the City from utility companies for use of public streets or right-of-way, such as cable and electric services. For simplicity in this report, staff has combined the Cable and Electric Franchise Tax line items. Combined, they were budgeted at \$695,000 for FY18/9 with only \$72,159 or 10.4 percent being received at Mid-Year. The majority of these funds are commonly received during the second half of the FY. These revenues appear to be consistent with projected revenues and past practice.

Measure K Revenues:

As summarized in Table 3, Measure K funding has generated 43.5 percent of budgeted revenues while 31.5 percent of budgeted expenditures have been spent, with encumbrances not included in the expenditure percentages. The Measure K Sales Tax revenues are at less than 50 percent at Mid-Year given that there is a two to three-month delay in monthly Sales and Use Tax receipts.

Early estimates provided by Muni Services indicate that the City will reach its anticipated projections, and should the economy not experience a downturn, the fund may potentially exceed forecasts.

A few items worth highlighting pertaining to Measure K:

- a. Operational expenditures combined (Salaries & Benefits and M&O) were at 57 percent of budget at Mid-Year.
- b. Capital Outlay was only at 10.5 percent given that much of the Capital Outlay will be expended on the new Fire Station over the next year or so.
- c. Expenditures were at 31.5 percent of budget at Mid-Year, however it is anticipated that expenditures will be at 100 percent by FY end.
- d. While the new Fire Station will be constructed, there are not adequate funds to finance its construction. As a result, additional funding will be required in the form of financing.

Table 3: Measure K Fund 1025

<i>Description</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Year-to-date Actual</i>	<i>% of Original</i>	<i>% of Revised</i>
Total 1025 Revenue	(4,266,621)	(4,266,621)	(1,854,066)	43%	43.5%
Total 1025 Salaries & Benefits	1,532,050	1,532,050	953,345	62%	62.2%
Total 1025 Maintenance & Operations	385,954	415,833	146,608	38%	35.3%
Total 1025 Operational Expenditures	1,918,004	1,947,883	1,099,953		
Total 1025 Operational (Surplus)/Deficit	(2,348,617)	(2,318,738)	(754,113)	Surplus	
<i>Capital Outlay</i>					
Total 1025 Capital Outlay	2,348,617	2,525,684	245,481	10%	9.7%
Total 1025 (Surplus)/Deficit	-	206,946	(508,632)	Surplus	

Enterprise Funds:

Enterprise funds are municipal services that are funded through fees charged to partly or wholly cover the costs of the services provided. Enterprise activities are roughly analogous to a private sector business.

At Mid-Year, Enterprise Fund revenues stood at approximately 50 percent of the annual budget and expenditures were approximately 43 percent of budget. Included in the Enterprise Funds are:

- Water
- Solid Waste
- Dial-A-Ride
- Wastewater (sewer)
- Airport
- Fixed Route Bus
- Drainage
- Golf Course

At Mid-Year, it is anticipated that all divisions within the Enterprise Funds will complete the FY within their budgeted expenditures. Although expenditures appear to be lower than anticipated, the departments have indicated that they should come close to budget on their annual operational expenditures. Total Enterprise Fund capital expenditures at Mid-Year were at 56

percent of original budget and 26 percent of revised budget (not shown in tables). Unexpended capital outlay budgets from prior years are carried forward and added to the current year's original budgets. Therefore, capital outlay expenditures could potentially exceed original budget amounts for the current FY. Public Works and Engineering are working closely together to prioritize projects and to ensure that funds are available for the most pressing capital projects. The Water, Sewer, and Solid Waste Funds make up about 90 percent of the total Enterprise Fund budget, which are discussed in greater detail below.

Table 4: Enterprise Fund Totals

Description	Original Budget	Year-to-date	% of Budget Used
Revenue	(30,931,010)	(15,501,029)	50%
Salaries & Benefits	6,926,070	3,061,491	44%
Maintenance & Operations	19,508,406	7,679,095	39%
Capital Outlay	4,325,500	2,423,191	56%
Total Expenditures	30,759,976	13,163,777	43%
(Surplus)/Deficit	(171,034)	(2,337,252)	Surplus

Water Fund

Water revenues are at nearly 52 percent at Mid-Year. This is consistent with historic trends due to the fact that the warmest months that drive increased outdoor watering fall at the beginning of the fiscal year. The 6 percent increase to the regular water rates along with the 50 percent reduction to the water conservation portion of the rates that became effective in February should have a slight impact on actual revenues. However, staff anticipates that actual water revenues for FY 18/19 will at least meet original budget projections. Operational expenditures are at 48 percent for Salaries and Benefits and 40 percent for M&O. Capital Outlay is well below 50 percent, with only 8 percent expended at Mid-Year (excluding encumbrances). This can be attributed to the process which requires that the City bid projects and the complexity of such projects. Regardless, the Public Works Division estimates that total actual Water Fund revenues and expenditures will approximate budgeted revenue and expenditure amounts by the end of the current FY.

Table 5: Water Fund - Account 2030

Description	Original Budget	Revised Budget	Year-to-date Actual	% of Original	% of Revised
Total 2030 Revenue	(12,003,611)	(12,003,611)	(6,193,875)	52%	52%
Total 2030 Salaries & Benefits	2,463,654	2,463,654	1,183,104	48%	48%
Total 2030 Maintenance & Operations	5,413,711	5,619,028	2,178,865	40%	39%
Total 2030 Operational Expenditures	7,877,365	8,082,682	3,361,969	43%	42%
Total 2030 Operataional (Surplus)/Deficit	(4,126,246)	(3,920,929)	(2,831,906)	Surplus	
<i>Capital Outlay</i>					
Total 2030 Capital Outlay	2,675,000	2,910,135	213,207	8%	7%
Total 2030 (Surplus)/Deficit	(1,451,246)	(1,010,794)	(2,618,699)	Surplus	

Sewer Fund

The Sewer Fund revenues appears to be on track at 51 percent of projected revenue. However, operational expenditures are running lower than budget at Mid-Year, with 41 percent of the annual Salaries and Benefits budget and 25 percent of the M&O budget expended. Similar to the General Fund’s Capital Outlay revisions to the budget related to the Police facility, the Sewer Division carried-over and/or increased its Capital Outlay budget during the current FY to complete critical projects that are needed to maintain and improve operations at the Waste Water Treatment Plant (WWTP). Although the Sewer Fund’s Capital Outlay budget was at 161 percent of Original Budget at Mid-Year, it has not exceeded its Revised Budget. Public Works, Engineering, and Finance have been working closely together to prioritize projects and to ensure that funds are available and budgeted to complete the said projects.

Table 6: Sewer Fund - Account 2040

<i>Description</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Year-to-date Actual</i>	<i>% of Original</i>	<i>% of Revised</i>
Total 2040 Revenue	(10,014,257)	(10,014,257)	(5,123,104)	51%	51%
Total 2040 Salaries & Benefits	2,700,788	2,700,788	1,094,005	41%	41%
Total 2040 Maintenance & Operations	6,585,371	7,001,068	1,633,294	25%	23%
Total 2040 Operational Expenditures	9,286,159	9,701,856	2,727,299		
Total 2040 Operational (Surplus)/Deficit	(728,098)	(312,401)	(2,395,805)	Surplus	
<i>Capital Outlay</i>					
Total 2040 Capital Outlay	1,360,250	5,825,183	2,190,007	161%	38%
Total 2040 (Surplus)/Deficit	632,152	5,512,783	(205,798)	Surplus	

Solid Waste Fund

The Solid Waste Fund appears to be on trend to complete the year on budget.

Table 7: Solid Waste Fund - Account 4760					
<i>Description</i>	<i>Original Budget</i>	<i>Revised Budget</i>	<i>Year-to-date Actual</i>	<i>% of Original</i>	<i>% of Revised</i>
Total 4760 Revenue	(5,960,674)	(6,010,674)	(3,087,736)	52%	51%
Total 4760 Salaries & Benefits	900,243	900,243	402,230	45%	45%
Total 4760 Maintenance & Operations	5,538,906	5,607,998	2,998,943	54%	53%
Total 4760 Operational Expenditures	6,439,149	6,508,241	3,401,172		
Total 4760 Operational (Surplus)/Deficit	478,475	497,567	313,436	Deficit	
<i>Capital Outlay</i>					
Total 4760 Capital Outlay	150,250	150,250	-	0%	0%
Total 4760 (Surplus)/Deficit	628,725	647,817	313,436	Deficit	

PROPOSED FY18/19 BUDGET AMENDMENTS

The Mid-Year budget provides a snap shot of how the City is performing based on budget projections and actual expenditures. In addition, it allows an opportunity to identify potential amendments to ensure that the departments have adequate budgets to provide for their necessary expenditures throughout the FY. The departments appear to be functioning well within their budgets, thus far. However, Engineering and Public Works have identified a few amendments to make at this time. These proposed amendments include:

1. A shift of budget dollars between capital projects and/or additional appropriations for projects by the Engineering Division.
2. The recognition of additional transportation revenues and expenditures for Fixed Route, Dial-A-Ride and Low Carbon Transit Operations Program (LCTOP), plus a line item to line item transfer within Measure T.
3. A budget amendment to the Public Works budget related to the amended agreement with Mid Valley Disposal which increases Contracted Services by \$392,000. That increase is partially offset by \$249,000 of savings related to the amended agreement.

In total, a net increase of \$422,000 in appropriations is being requested in Exhibit AA. None of those requested amendments impact the General Fund.

FINANCIAL IMPACT:

The proposed budget amendments result in a total net increase in appropriations of \$422,000, with \$143,000 going to the Solid Waste Fund (Enterprise Fund) and \$279,000 going to various Special Revenue Funds that fund street projects.

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

Approval of this item is consistent with Strategy 115 of the Vision Plan - Economic Resource Provision: Ensure sufficient economic resources to provide adequate City services and prepare

for future growth. It is also in line with funding core services as articulated by the Vision Madera 2025 Plan.

ALTERNATIVES:

Should Council not take action on the proposed mid-year budget amendments, the adopted budget will remain unchanged.

ATTACHMENTS:

1. Resolution authorizing and approving amendments to the City of Madera FY18/19 Budget

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MADERA, CALIFORNIA, AUTHORIZING
AND APPROVING AMENDMENTS TO THE CITY OF MADERA
FISCAL YEAR 2018/2019 BUDGET**

WHEREAS, City staff has completed a Mid-Year budget review and determined that certain budget amendments are necessary; and

WHEREAS, funds are available for capital projects and operational costs; and

WHEREAS, the additional capital project and operational costs are necessary for the City; and

WHEREAS, the amendments to the City of Madera Fiscal Year 2018/2019 Budget, listed in Exhibit AA attached hereto, are necessary to fund the capital project and operational expenses of their respective departments and to account for the expenses.

NOW THEREFORE, THE COUNCIL OF THE CITY OF MADERA DOES HEREBY resolve, find and order as follows:

1. The above recitals are true and correct.
2. The appropriations for the items listed in Exhibit AA, attached hereto, are approved.
3. The City Clerk is authorized and directed to forward a copy of the resolution to the Director of Financial Services, who is authorized to take such action as necessary to implement the terms of this resolution.
4. The resolution is effective immediately upon adoption.

**EXHIBIT AA
CITY OF MADERA**

Budget Appropriations: Res. 19- 4/10/2019

Mid-Year Budget Adjustments for Fiscal Year 2018/19

FUND	ORG CODE	OBJECT CODE	DESCRIPTION	DEBITS (+)	CREDITS (-)
<u>Solid Waste Disposal (4760)</u>					
	47603600	5000	Salaries/Full-Time		99,000
	47603600	7000	Vehicles and Equipment		150,000
	47603600	6440	Contracted Services	392,000	
	Adjustments related to amended Mid Valley Disposal agreement				
<u>Transportation - Fixed Route (2129)</u>					
	21295300	4423	Grant - Federal Section 5307		62,630
	21295300	4424	Local Transportation Fund - City (LTF)		8,114
	21295300	6440	Contracted Services	70,744	
	To recognize additional revenues and appropriate them to Contracted Services				
<u>Transportation - Dial-A-Ride (2128)</u>					
	21285290	4423	Grant - Federal Section 5307		26,559
	21295300	4424	Local Transportation Fund - City (LTF)		3,441
	21295300	6440	Contracted Services	30,000	
	To recognize additional revenues and appropriate them to Contracted Services				
<u>Low Carbon Transit Operations Program (LCTOP)</u>					
	21295491	4162	Interest Income		1,949
	21295491	4266	Allocation Award		100,537
	21295491	7030	Facilities & Improvements	102,486	
	To carry over idle 16/17 and 17/18 Allocations and appropriate them to Facilities & Improvements				
<u>Measure T Transit Enhancements (4155)</u>					
	41550000	7030	Facilities and Improvements		6,000
	41550000	6416	Office Supplies/Expendables	6,000	
	Transfer for new Object level expenditure				
<u>RSTP Federal Exchange (4131)</u>					
	41313250	7050	R-000057 Fourth-Lake-Central		505,000
	41313250	7050	R-000010 Olive Ave Widening	505,000	
	41313250	7050	R-000046 Lake St Widening		14,363
	41313250	7050	R-000010 Olive Ave Widening	14,363	
	Transfers between projects				
<u>Measure T Capital Facilities (4151)</u>					
	41514470	7050	R-000046 Lake St Widening		900,000
	41514470	7050	R-000010 Olive Ave Widening	900,000	
	41514470	7050	R-000065 2017-18 City Streets 3R/ADA		90,000
	41514470	7050	R-000070 2018-19 City Streets 3R/ADA	90,000	
	Transfers between projects				
<u>Local Transportation Funding Street Projects (4200)</u>					
	42005330	7050	R-000068 Golden State Shoulder Paving	30,000	
	42005330	7050	R-000060 Storey Rd Shoulder Paving	4,000	
	To appropriate additional funds for increased construction costs, coming from Fund Balance				
<u>Measure T Environmental Enhancement (4157)</u>					
	41570000	7050	PK-00008 FRT Gateway/UPRR Crossing	218,000	
	To appropriate additional funds for increased construction costs, coming from Fund Balance				
<u>Congestion Mitigation and Air Quality - CMAQ (4170)</u>					
	42005330	7050	R-000060 Storey Rd Shoulder Paving	27,000	
	To appropriate additional funds for increased construction costs, coming from Fund Balance				
				2,389,593	1,967,593

Note: The balance of \$422,000 in credits is to come from Fund Balance of the respective funds listed above.