

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 11

Date: Nov. 16, 2011

TO: Honorable Mayor and Members of the City Council

FROM: Joyce Masterson, Assistant to the City Manager

SUBJECT: Budget Adjustment for Façade and Property Improvement Program

RECOMMENDATION:

It is requested that Council adopt Resolution No. 2011-146 modifying the Fund Balance Policy and authorize a budget adjustment in the amount of \$500,000 from the General Fund Economic Development Commitment Fund to the Façade and Property Improvement Program Account (229-101039) to provide matching grants for commercial property façade improvements.

FISCAL ANALYSIS:

Currently, there is \$9,059,255 in the General Fund Economic Development Commitment Fund. If this request is approved, it will reduce the fund to \$8,559,255.

CORRELATION TO THE CITY COUNCIL ACTION PLAN:

This item relates to the Council's Action Plan regarding Economic Development.

PREVIOUS ACTION:

None

BACKGROUND:

On September 14, 2011, the City Council approved the 2011-2012 City Council Action Plan which contained the objective of reinstating and funding the Façade and Property Improvement Program through the General Fund Economic Development Commitment Fund.

Since that time, Council has expressed its desire to use the General Fund Economic Development Commitment Fund, if needed, to protect the City's Redevelopment Agency. Should that become necessary in the future, then funds will need to be transferred from the

Budget Adjustment for Façade and Property Improvement Program

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General Fund Reserve Commitment Fund to the General Fund Economic Development Commitment Fund.

Respectfully submitted,

A handwritten signature in black ink, reading "Joyce Masterson". The signature is written in a cursive, flowing style.

Joyce Masterson

Assistant to the City Manager



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: 11/16/2011
Department: City Manager's Office
Division: _____
Project/Budget Manager: Joyce Masterson 4621
Name Extension
Council Date (if applicable): 11/16/2011
(attach copy of staff report)

For Finance Use Only	
Log #	_____
Fiscal Year	_____
_____	Budget Balances
_____	General Fund Accts
_____	Revenue
_____	Interfund Transfers
_____	Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
Economic Development Commitment Fund	3011-001		\$500,000
Façade & Property Improvement	229-101039	\$500,000	
Transfers IN	4999-229	500,000	
Transfers Out	5999-001	500,000	

Explanation of Request:

Transfer funds from the Economic Development Commitment Fund to the Façade and Property Improvement Program in accordance with the 2011-2012 City Council Action Plan

APPROVALS

Department Head Jodi Coz Cleveland 11/3/11
Date
Finance _____
Date

Clay Linn 11/3/11
City Manager Date
City Clerk _____
Date

RESOLUTION NO. 2011-146

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
MODIFYING THE CITY OF ESCONDIDO
FUND BALANCE POLICY, GENERAL FUND
RESERVE AND ECONOMIC DEVELOPMENT
COMMITMENT OF FUND BALANCE FOR
THE GENERAL FUND AND OTHER CITY
FUNDS

WHEREAS, the Governmental Accounting Standards Board ("GASB") has issued its Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions with the intent of improving financial reporting by providing fund balance categories that will be more easily understood; and

WHEREAS, the City Council of the City of Escondido has adopted Resolution No. 2011-56, the Fund Balance Policy; and

WHEREAS, the Fund Balance Policy provides that the City Council may commit General Fund balance for specific purposes by taking formal action and these committed amounts cannot be used for any other purpose unless the City Council removes or changes the specific use through the same formal action to establish the commitment; and

WHEREAS, the City Council has determined that the General Fund Reserve balance be established at \$19,727,333; and that the General Fund Economic Development Reserve be established at \$9,059,255; and

WHEREAS, the City Council has determined that the specific purposes for which the General Fund Economic Development Reserve be used to fund any capital project

that spurs economic development, and funding the Facade and Property Improvement Program for \$500,000 qualifies under this definition.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council hereby establishes and approves the new balance of the General Fund Economic Development Reserve at \$8,559,255 as of the date of this resolution and \$500,000 for the Façade and Property Improvement Program be established in the fiscal year 2011/12 budget.