



City of NORWALK

CITY COUNCIL AGENDA REPORT

DATE: January 23, 2017

TO: Honorable City Council

FROM: Michael J. Egan, City Manager

BY: Jana Stuard, Finance Director/Treasurer

**SUBJECT: RESOLUTION NO. 17-05 - FISCAL YEAR 2016/17 - REVISIONS OF
YEAR 2 OF THE 2015/17 BUDGET**

Background:

Enclosed are mid-year budget projections for fiscal year (FY) 2016/17, Year 2 of the 2015/17 Budget. The projections and recommended budget adjustments are based upon the final Audited Financial Statements for the fiscal year ending June 30, 2016 and six months actual expenses and revenues during the current fiscal year.

General Fund:

At the close of FY 2015/16, the City's General Fund balance totaled \$25.6 million. Out of this amount, the non-spendable balance was \$8.9 million. The balance assigned to capital projects was \$1.7 million, and the balance committed to future pension cost increases and potential loss of revenues was \$2.1 million. The unassigned fund balance of \$12.8 million increased \$0.5 million from the prior year, and is consistent with the interim results reported in June and October 2016. The positive results are due to actual revenues, which totaled \$44.8 million and were 1.6%, over the projections. Operating expenditures, including debt service and minor capital outlays, totaled \$42.6 million, 5% under the final budget amount, capital improvements \$305,000, and transfers to the Capital Reserve Funds \$1.4 million.

Current FY 2016/17 budget year to date results indicate that the City is generally on target with the projections, except as detailed in the following paragraphs.

Revenue Adjustments:

For FY 2016/17, the overall General Fund revenues are expected to be \$130,020 higher than originally projected, for a revised total of \$44,552,140. Since the time of staff's latest projections, several revenue categories have shown slight signs of variation, especially under utility user tax, transient occupancy tax, cable TV franchise tax, and building permits.

Property value derived revenues represent the most significant portion of General Fund revenues. Projections for all categories combined are proposed to be increased by \$104,840. The detail of adjustments is as follows:

- Property Tax In Lieu of VLF: This category is estimated to increase 4% from the prior year's actual amounts, and 0.9% over the original FY 2016/17 projections. It is estimated this revenue will be \$89,800 higher than projected.
- Property Tax from former South-East Recreation Area: Based on the year to date receipts, staff recommends increasing this category by \$50,840.
- No/Low Property Tax: City's allocations are anticipated to be \$34,200 higher than originally budgeted.
- AB 1290 Redevelopment Property Tax: Due to the dissolution of redevelopment and the sale of properties by the former Norwalk Redevelopment Agency, the City receives two allocations annually. Based on the amount received in January, estimates are recommended to be lowered by \$70,000 from the original projections.

Sales Tax: The second largest revenue category has shown no major changes from the prior year's actual amount of \$10,541,304. In the current fiscal year staff anticipates revenues of \$10,471,000, decrease of 0.7% from prior year actuals. However, prior year's substantial revenue boost is contributed to the unwinding of the triple-flip, roughly 6%. At the end of last fiscal year the City received a one-time payment of \$1.2 million by which the State of California repaid the City the sales tax borrowed back in 2004. Staff recommends no changes to the original budget estimates.

Utility User Tax (UUT): Even though the voters approved the modernization of the existing UUT ordinance in November 2014, staff estimates that this year the UUT will generate \$5,190,000 in revenues, which is \$234,600 short of the original estimates. The decline from prior year actual results is recorded under all categories, but is the most significant under the electricity and telecommunication utilities.

Transient Occupancy Tax: Local hotels collect 10% transient occupancy tax on behalf of the City. The revenues collected for the first six months of the fiscal year are 9.2% over staff's projections of \$1,450,000 and 3.3% from prior year actual collections of

\$1,532,516. Based on the current trend, staff proposes to increase the budget by \$133,200.

Franchise Fees – Cable TV: Local cable TV companies remit 5% of their gross revenues as a form of rent for use of City's streets and roadways. The revenues collected for the first quarter of the fiscal year are 10% under staff's projections of 797,000, and 3% down from prior year actual collections of \$739,954. Based on the current trend, staff proposes to decrease the budget by \$80,200.

Building Permits and Plan Checking Fees: Year to date revenues collected by City's Building and Safety division indicate the increased activity in issuance of building permits and plan checking fees. The annual revenues are expected to surpass the original projections by \$130,000 and \$50,000, respectively.

According to year to date receipts, staff recommends revision of additional revenue categories, net increase of \$26,780, as detailed in Exhibit A attached to Resolution No. 17-05.

Expenditure Adjustments:

During the course of the current fiscal year, appropriations have been increased by net of \$135,000 to reflect approved amendments to the budget. Appropriations for the carry-over capital project balances have been adjusted to reflect actual expenditures of the prior fiscal year.

The proposed mid-year budget decreases the operational spending by \$252,517. This amount is a net result of revisions detailed in Exhibit B attached to Resolution No. 17-05.

The most significant changes are as follows:

- Due to the prior years' positive risk management results, cost of General Liability and Workers' Compensation insurance premiums are \$360,000 lower than originally anticipated;
- Based on year to date cost of utilities staff recommends lowering the appropriations by \$128,240, mainly due to savings under electricity used for traffic signals and street lights;
- General Government requests total net increase of \$37,606:
 - ✓ City needs to increase the bandwidth needed to ensure the internet connection at optimal speed levels (\$22,920), other internet costs related mainly to use of mobile devices is estimated to be \$12,200 higher than originally budgeted, total net internet cost increase of \$35,120.
 - ✓ Human Resources requests \$25,000 to cover cost of legal counsel needed during the upcoming labor negotiations.
 - ✓ Administration's budget no longer needs appropriation of \$47,250, which was originally allocated to cover pension benefits of the former City

Attorney. Proposed revisions include personnel changes with a net current fiscal year cost increase of \$18,236:

- Eliminate one full-time position of Office Assistant II;
 - Hire part-time Office Assistant II at 26 hours per week;
 - Add one full-time position of Management Analyst;
- Overall increase of \$75,187 in Recreation department cost represents the impact of the additional week of programming needed in the month of June, due to the early end of the school year (\$54,387), and additional need in facilities maintenance cost (\$20,800);
 - Community Development total operating budget requested increase of \$61,805 is mainly due to the augmented plan check activities (\$40,000), and for work needed to be done on the full capture catch basin inserts (\$16,805);
 - Public Services requests additional funding of \$33,925 to cover the cost of the carry-over purchase of park gazebos (\$18,535), and cost of Mini Mr. Sun (\$8,000);
 - Cost of utilities is proposed to be reduced by \$128,240;
 - Proposed funding for the one-time expenses – total of \$20,700:
 - ✓ \$20,000 for replacement of Facilities Maintenance equipment – auto scrubber;
 - ✓ \$700 to purchase new monitors and dual stands for staff at Building and Safety counter.

Proposed revisions to the General Fund expenditure budget, are detailed in Exhibit B attached to Resolution No. 17-05.

Taking into consideration the proposed budget revisions, the estimated unassigned General Fund balance will be approximately \$10.3 million, or 2% over the City's reserve policy limit of 20%, or \$9.4 million. Exhibit C attached to Resolution No. 17-05 provides more detail of the General Fund balance projections.

Special Revenue Funds:

Based on the actual results, staff also proposes various adjustments to expenditures and revenues from Special Revenue Funds, which are identified in Exhibit D attached to Resolution No. 17-05.

Significant budget revisions are proposed in the following special revenue funds:

Child Care: \$584,122 increase is primarily due to the State grant contracts augmentation.

CDBG and HOME Grants: Due to the sufficient program income received, the additional

\$40,000 can be allocated to home repair activities; \$1,000 in CDBG spending is requested to replace existing computer equipment.

Housing Authority: Net budget increase under the Housing Authority is \$62,000, resulting mainly from the augmentation under housing assistance payments.

Highway User Tax: Based on the latest State budgetary projections, the estimated revenues generated from gas tax need to be lowered by \$99,420, thus reducing funds available to offset cost of street maintenance and improvement projects.

Enterprise Funds:

Transportation: Staff proposes an increase of \$27,296 in operational revenues and \$141,366 net increase in operational expenses. Proposed modifications to the Transportation budget are summarized in Exhibit E attached to Resolution No. 17-05. Staff anticipates ending the fiscal year with an operating surplus of \$154,913.

Transit capital revenues are proposed to be increased by a net of \$2,690,905. Capital expenses are requested to be increased by \$16,920, which include the request to use \$53,200 of Prop C moneys.

Budget revisions for the Water enterprise fund are detailed in Exhibit F attached to Resolution No. 17-05.

Water: Revenues are proposed to increase by \$200,000: lease of water rights was not included in the original budget and revenues already received total \$175,000; delinquent charges based on the current trend are expected to surpass the original projections by \$25,000. No changes are proposed for the operational and capital budgets.

Conclusion:

Staff is confident that the proposed mid-year revisions highlighted above and detailed in the exhibits attached to Resolution No. 17-05 are reasonable and within the guidance of preparing a financial plan that will maintain required services within the City's available resources. In light of a slowly recovering economy; slower than anticipated growth of major revenue categories; rising personnel costs resulting from changes in CalPERS' actuarial assumptions, Affordable Care Act, and unfunded other post-employment benefits; as well as aging infrastructure, staff maintained a cautious and fiscally responsible approach while evaluating the FY 2016/17 – Year 2 of the City's bi-annual 2015/17 budget.

Fiscal Impact:

The requested mid-year adjustments to the General Fund estimated revenues total a net increase of \$130,020. The net decrease in appropriations is \$252,517. The Unassigned General Fund balance as of June 30, 2017 is expected to be \$10.3 million, absent any future budget amendments approved by the City Council.

The proposed revisions to the FY 2016/17 – Year 2 of 2015/17 budget are subject to City Council review and consideration and any approved modifications will be reflected in the balances of the appropriate funds.

Citizens Advised: N/A

Strategic Action Plan Implementation:

The recommended actions will further the City's strategic plan goals of: (2.C.2.) Evaluate and make recommendations related to implementing two-year budget process.

Recommended Action:

Staff recommends City Council adopt Resolution No. 17-05, amending the FY 2016/17 – Year 2 of 2015/17 Budget.

Attachments:

Resolution No. 17-05 with Exhibits A-F as follows:

- A. General Fund – Revenue Revisions
- B. General Fund Expenditures – Mid-Year Revisions
- C. General Fund Unassigned Fund Balance Projection
- D. Special Revenue Funds – Revisions
- E. Transit Fund – Revisions
- F. Water Fund – Revisions

RESOLUTION NO. 17-05

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORWALK
AUTHORIZING AMENDMENTS TO THE FISCAL YEAR 2016/17 –
YEAR 2 OF THE 2015/17 ADOPTED BUDGET**

WHEREAS, the City Council of the City of Norwalk undertakes periodic review of its Operating and Capital Improvement budget; and

WHEREAS, the City Council desires to make certain adjustments to the 2015/17 budget as a result of the review; and

WHEREAS, it has been determined that the City has sufficient funds available to provide for these budget adjustments.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORWALK
HEREBY DETERMINES, FINDS, AND RESOLVES AS FOLLOWS:**

Section 1. The City Manager is authorized to make the appropriations and prepare the necessary budget amendments for the accounts as shown on Exhibits “A” through “F” attached hereto.

Section 2. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Norwalk and the City Clerk, or her duly appointed assistant, is directed to attest thereto.

APPROVED AND ADOPTED on this 23rd day of January 2017.

**MICHAEL MENDEZ
MAYOR**

ATTEST:

**THERESA DEVOY, CMC
CITY CLERK**

EXHIBIT A
GENERAL FUND - FISCAL YEAR 2016/17 - YEAR 2 OF THE 2015/17 BUDGET
PROPOSED REVENUE BUDGET REVISIONS

| FISCAL YEAR 2016/17 REVENUES | | Adopted Budget | Actual Revenues as of 1/10/17 | Budget Adjustments | REVISED BUDGET |
|--|--------------------------------------|-------------------|-------------------------------------|-----------------------|-------------------|
| Budget revisions: | | | | | |
| 101-10-0000-4011 | Property Tax (SE Recreation Area) | 2,829,100 | 1,188,857 | 50,840 | 2,879,940 |
| 101-10-0000-4012 | Property Tax in Lieu of VLF | 10,340,700 | 5,215,227 | 89,800 | 10,430,500 |
| 101-10-0000-4412 | No/Low Property Tax | 3,865,000 | 1,618,051 | 34,200 | 3,899,200 |
| 101-10-0000-4015 | SA RDA - AB 1484 Allocations (RPTTF) | 220,000 | 52,038 | (70,000) | 150,000 |
| SUBTOTAL REAL PROPERTY VALUE DERIVED REVENUES | | | | 104,840 | |
| 101-10-0000-4021 | Sales & Use Tax | 10,471,000 | 346,677 | - | 10,471,000 |
| 101-10-0000-4022 | Utility User Tax | 5,425,000 | 2,271,589 | (234,600) | 5,190,400 |
| 101-10-0000-4023 | Transient Occupancy Tax | 1,450,000 | 547,344 | 133,200 | 1,583,200 |
| 101-10-0000-4024 | Franchise Tax | 1,185,600 | 59,785 | - | 1,185,600 |
| 101-10-0000-4025 | Franchise Tax - Cable TV | 797,000 | 174,823 | (80,200) | 716,800 |
| SUBTOTAL OTHER TAXES CATEGORIES | | | | (181,600) | |
| 101-10-0000-4222 | Waste Management Forfeits | 16,000 | 750 | (11,000) | 5,000 |
| 101-10-0000-4237 | Animal License/Delinquent Charges | 30,000 | 29,199 | 5,000 | 35,000 |
| 101-10-0000-4316 | Purchasing Discounts | 12,000 | 11,125 | 3,000 | 15,000 |
| 101-10-0000-4446 | Beverage Container Recycling Grant | 27,000 | 27,290 | 290 | 27,290 |
| 101-10-0000-4491 | PEG Contributions | 159,400 | 34,963 | (16,100) | 143,300 |
| 101-10-0000-4626 | Insurance Refund | 20,000 | 1,900 | (10,000) | 10,000 |
| 101-10-0000-4690 | Misc. Other Revenue | 5,000 | 6,005 | 1,500 | 6,500 |
| SUBTOTAL GENERAL GOVERNMENT REVENUES | | | | (27,310) | |
| 101-20-0000-4212 | Fines - Other | 45,000 | 16,135 | 3,400 | 48,400 |
| 101-20-0000-4217 | Illegal Fireworks Citations | 20,000 | 17,191 | (2,810) | 17,190 |

EXHIBIT A
GENERAL FUND - FISCAL YEAR 2016/17 - YEAR 2 OF THE 2015/17 BUDGET
PROPOSED REVENUE BUDGET REVISIONS

| FISCAL YEAR 2016/17 REVENUES | | Adopted Budget | Actual Revenues as of 1/10/17 | Budget Adjustments | REVISED BUDGET |
|--|--------------------------------------|-------------------|-------------------------------------|-----------------------|-------------------|
| 101-20-0000-4524 | Admin Fees - Impounded Vehicles | 145,000 | 38,375 | (30,000) | 115,000 |
| SUBTOTAL PUBLIC SAFETY REVENUES | | | | (29,410) | |
| 101-30-0000-4438 | Other Local Agencies/Edison Rebates | 5,000 | 11,379 | 45,000 | 50,000 |
| SUBTOTAL PUBLIC SERVICES REVENUES | | | | 45,000 | |
| 101-50-0000-4324 | Field Reservations | 10,500 | 1,300 | (7,500) | 3,000 |
| 101-50-0000-4555 | Day Camps | 29,800 | 20,099 | 15,200 | 45,000 |
| 101-50-0000-4556 | Aquatic Programs | 126,000 | 113,609 | 12,000 | 138,000 |
| SUBTOTAL RECREATION REVENUES | | | | 19,700 | |
| 101-61-0000-4111 | Building Permits | 720,000 | 497,422 | 130,000 | 850,000 |
| 101-61-0000-4261 | Administrative Citations | 4,000 | 3,965 | 1,000 | 5,000 |
| 101-61-0000-4512 | Engineering/Plan Checking Fees | - | 1,386 | 2,000 | 2,000 |
| 101-61-0000-4513 | Building & Safety/Plan Checking Fees | 210,000 | 180,914 | 50,000 | 260,000 |
| 101-61-0000-4514 | Engineering/Inspection Fees | - | 686 | 800 | 800 |
| 101-61-0000-4544 | Board-Up Abatement Fees | 15,000 | 28,564 | 15,000 | 30,000 |
| SUBTOTAL COMMUNITY DEVELOPMENT REVENUES | | | | 198,800 | |
| Subtotal Budget Revisions: | | 38,183,100 | 12,516,648 | 130,020 | 38,313,120 |
| Other General Fund Revenues | | 6,239,020 | 5,871,845 | - | 6,239,020 |
| Revised Projected Revenues: | | 44,422,120 | 18,388,493 | 130,020 | 44,552,140 |

EXHIBIT B
CITY OF NORWALK
GENERAL FUND EXPENDITURES - BUDGET REVISIONS OF FISCAL YEAR 2016/17 (YEAR 2 OF BUDGET YEAR 2015/17)

| DEPARTMENT NAME | ACCOUNT # | | REASON FOR EXPENDITURE ADJUSTMENT | Budget | Actual Expenditures as of 1/10/17 | AMOUNT Increase / (Decrease) | REVISED BUDGET |
|--|-------------|------|---|---------|-----------------------------------|------------------------------|----------------|
| Administration / Communications & Public Affairs/Management Services | 101-10-12xx | 1xxx | Personnel Reorganization: Add position of Management Analyst (\$37,169 - cost of five months); eliminate FT Office Assistant II (FY savings \$33,021); hire PT OAll (26 hrs. per week, cost \$14,088) | 497,261 | 201,653 | 18,236 | 515,497 |
| City Attorney | 101-10-1202 | 108x | PERS - Employer & Employees' Portions (no longer a cost to the City) | 47,250 | - | (47,250) | - |
| Administration - E-Waste | 101-10-1206 | 2170 | Recycling Outreach Forms and Material | 4,500 | 1,080 | (3,000) | 1,500 |
| | | 2080 | Door to Door Used Oil Collection Program | 3,000 | - | 3,000 | 6,000 |
| MIS | 101-10-1205 | 2192 | Internet - Adjust estimated cost (\$12,200) and cost of upgrading bandwidth citywide due to increased internet usage to perform duties (\$22,920) | 84,500 | 51,740 | 35,120 | 119,620 |
| City Clerk | 101-10-1301 | 2055 | Legal Advertising | 3,000 | 4,661 | 4,500 | 7,500 |
| Human Resources | 101-10-1401 | 2251 | Tuition - Carryover of FY 2016 unspent balance per MOU Article 26, Section B | 6,000 | 1,917 | 2,000 | 8,000 |
| | | 2080 | Contract Services - Legal Counsel needed for labor negotiations | 69,000 | 26,726 | 25,000 | 94,000 |
| GENERAL GOVERNMENT BUDGET REVISIONS SUBTOTAL | | | | | | 37,606 | |
| Public Safety | 101-20-2101 | 1040 | Overtime Salary & Wages - increase due to higher than usual amount of overtime due to covering shifts with few employees | 5,000 | 5,719 | 2,500 | 7,500 |
| PUBLIC SAFETY BUDGET REVISIONS SUBTOTAL | | | | | | 2,500 | |

EXHIBIT B
CITY OF NORWALK
GENERAL FUND EXPENDITURES - BUDGET REVISIONS OF FISCAL YEAR 2016/17 (YEAR 2 OF BUDGET YEAR 2015/17)

| DEPARTMENT NAME | ACCOUNT # | | REASON FOR EXPENDITURE ADJUSTMENT | Budget | Actual Expenditures as of 1/10/17 | AMOUNT Increase / (Decrease) | REVISED BUDGET |
|--|-------------|------|--|---------|-----------------------------------|------------------------------|----------------|
| Public Services - Mr. Sun | 101-30-3103 | 2170 | Special Materials - Mini Mr. Sun (Additional cost for HHW and paint pickup - 2 trucks per event | 2,200 | 3,029 | 8,000 | 10,200 |
| Public Services - Facilities | 101-30-3202 | 2080 | Contract Services - increase due for fire sprinkler repairs resulting from 5 year test deficiencies | 56,100 | 35,020 | 5,210 | 61,310 |
| | | 2190 | Telephone & Fax - Cost of Alarm lines for Honeywell system | 4,794 | 4,267 | 2,180 | 6,974 |
| Public Services - Park Maintenance/Facilities | 101-30-3506 | 2069 | Contract Services/Projects - cost of gazebos. Order was received after 7/1/16, purchase was budgeted in FY 2016 | 11,000 | 20,114 | 18,535 | 29,535 |
| PUBLIC SERVICES BUDGET REVISIONS SUBTOTAL | | | | | | 33,925 | |
| Social Services | 101-40-4101 | 2063 | Facility Maintenance Services -Electrical panel repair | 25,300 | 10,769 | 4,000 | 29,300 |
| SOCIAL SERVICES BUDGET REVISIONS SUBTOTAL | | | | | | 4,000 | |
| Recreation Administration | 101-50-5101 | 1030 | Part-Time Wages: Increase for opening 8 parks one week earlier in June due to schools ending school year early. Add 768 hours PT Recreation leader II | 555,956 | 275,331 | 11,466 | 567,422 |
| | | 1080 | Medicare - increase due to PT hours | 20,792 | 7,908 | 166 | 20,958 |
| Recreation Summer Youth Employment | 101-50-5106 | 1030 | Youth Workers Wages - increase due to one additional week in June. | 97,884 | 74,729 | 14,000 | 111,884 |
| | | 1080 | Medicare - increase due to PT hours | 1,419 | 1,084 | 203 | 1,622 |
| | | 2080 | Contract Services for Youth Workers | 9,000 | 5,117 | 1,000 | 10,000 |
| | | 2230 | Programs & Activities | 5,000 | 3,792 | 500 | 5,500 |
| Aquatics | 101-50-5203 | 1030 | Part Time Wages - addition for one additional week of operation in June: 374 hrs. Lifeguard (\$5,584); 182 hrs. Recreation Leader II (\$2,717); 112 hrs. Sr. Guard hrs. (\$2,064); 480 hrs. Instructor Guard (\$7,954) | 236,136 | 176,799 | 18,319 | 254,455 |
| | | 1080 | Medicare - increase due to PT hours increase | 3,423 | 2,551 | 266 | 3,689 |
| | | 2230 | Programs & Activities | 10,700 | 2,942 | 500 | 11,200 |
| | | 2062 | Public Services Maintenance & Repair services - Electrical Panel Repair | 21,600 | 10,547 | 14,286 | 35,886 |

EXHIBIT B
CITY OF NORWALK
GENERAL FUND EXPENDITURES - BUDGET REVISIONS OF FISCAL YEAR 2016/17 (YEAR 2 OF BUDGET YEAR 2015/17)

| DEPARTMENT NAME | ACCOUNT # | | REASON FOR EXPENDITURE ADJUSTMENT | Budget | Actual Expenditures as of 1/10/17 | AMOUNT Increase / (Decrease) | REVISED BUDGET |
|--|-------------|------|---|---------|-----------------------------------|------------------------------|----------------|
| General Recreation Programs | 101-50-5204 | 2230 | Park supplies for one more week in June | 33,400 | 10,527 | 1,200 | 34,600 |
| Day Camp | 101-50-5504 | 1030 | Part-Time Wages - Cost of one extra week of Day Camp in June | 30,299 | 18,522 | 3,285 | 33,632 |
| | | 1080 | Medicare - increase due to PT hours increase | 439 | 269 | 48 | 1,687 |
| | | 2080 | Excursions | 10,100 | 7,920 | 1,200 | 11,300 |
| | | 2170 | Special Materials & Supplies | 2,000 | 575 | 225 | 2,225 |
| | | 2230 | Programs & Activities | 5,000 | 2,826 | 600 | 5,600 |
| NASC | 101-50-5702 | 2062 | Public Services Maintenance & Repair services - Retrofit/replacement of entry doors | 14,200 | 13,015 | 6,514 | 20,714 |
| Cultural Arts | 101-50-5732 | 1030 | Part-Time Wages - Cost of one extra week of Cultural Arts Center Classes in June (60 hrs. Recreation Leader II) | 67,988 | 37,888 | 896 | 68,884 |
| | | 1080 | Medicare - increase due to PT hours increase | 995 | 545 | 13 | 1,008 |
| | | 2230 | Programs & Activities | 12,000 | 5,812 | 500 | 12,500 |
| RECREATION BUDGET REVISIONS SUBTOTAL | | | | | | 75,187 | |
| Community Development - Building & Safety | 101-61-6102 | 2070 | Contract Services - Plan Check | 130,000 | 74,583 | 40,000 | 170,000 |
| Community Development - Code Compliance | 101-61-6104 | 2085 | Weed & Litter Abatement | 25,000 | 17,201 | 5,000 | 30,000 |
| Community Development - Environmental Services | 101-61-6106 | 2080 | Contract Services - Full capture catch basin inserts | 308,990 | 162,201 | 16,805 | 325,795 |
| COMMUNITY DEVELOPMENT BUDGET REVISIONS SUBTOTAL | | | | | | 61,805 | 525,795 |

EXHIBIT B
CITY OF NORWALK
GENERAL FUND EXPENDITURES - BUDGET REVISIONS OF FISCAL YEAR 2016/17 (YEAR 2 OF BUDGET YEAR 2015/17)

| DEPARTMENT NAME | ACCOUNT # | | REASON FOR EXPENDITURE ADJUSTMENT | Budget | Actual Expenditures as of 1/10/17 | AMOUNT Increase / (Decrease) | REVISED BUDGET |
|---|-------------|------|---|---------|-----------------------------------|------------------------------|----------------|
| Workers' Comp Insurance | 101-xx-xxxx | 1097 | General Fund Workers' Comp insurance cost | 501,133 | 193,878 | (110,000) | 391,133 |
| General Liability Insurance | 101-10-1401 | 2450 | JPIA General Liability Insurance | 922,730 | 862,517 | (250,000) | 672,730 |
| TOTAL INSURANCE PREMIUMS | | | | | | (360,000) | |
| General Fund - Phone & Fax Cost | 101-50-5101 | 2190 | Recreation | 23,300 | 17,267 | 19,300 | 42,600 |
| | 101-61-6101 | 2190 | Community Development | 11,832 | 8,045 | 6,400 | 18,232 |
| General Fund - Utilities | 101-30-3304 | 2102 | Public Services - Traffic Signals | 64,700 | 22,124 | (29,000) | 35,700 |
| | 101-30-3304 | 2104 | Public Services - Street Lights | 890,400 | 327,349 | (79,500) | 810,900 |
| | 101-30-3503 | 2100 | Public Services - Greenscape | 246,700 | 87,630 | (68,000) | 178,700 |
| | 101-50-5702 | 2100 | Norwalk Arts Sports Complex | 175,800 | 69,117 | 22,560 | 198,360 |
| UTILITIES BUDGET REVISIONS SUBTOTAL | | | | | | (128,240) | |
| SUBTOTAL REVISIONS TO THE OPERATIONAL EXPENDITURES | | | | | | \$ (273,217) | |
| Public Services - Parks Facilities | 101-30-3506 | 3850 | Replacement of Auto Scrubber (asset #7260) | - | 19,564 | 20,000 | 20,000 |
| Community Development - Building & Safety | 101-61-6102 | 3860 | Office equipment - monitors & dual stands for building permit technicians | - | - | 700 | 700 |
| SUBTOTAL REVISIONS TO CAPITAL OUTLAYS EXPENDITURES | | | | | | \$ 20,700 | |
| GENERAL FUND TOTAL BUDGET REVISIONS | | | | | | \$ (252,517) | |

EXHIBIT C
GENERAL FUND UNASSIGNED FUND BALANCE PROJECTION
FISCAL YEAR 2016/17 - YEAR 2 OF 2015/17 BUDGET

AMOUNT

AUDITED BEGINNING UNASSIGNED FUND BALANCE AS OF JUNE 30, 2016

\$ 12,816,975

Plus Fund Balance Assigned to Capital Improvement Projects

\$ 1,303,843

Plus Release of Assigned Fund Balance & On SCE Bill Financing Proceeds

730,937

AVAILABLE FUND BALANCE AS OF JULY 1, 2016

\$ 14,851,755

FISCAL YEAR 2016-17

ESTIMATED REVENUES PER APPROVED BUDGET

44,422,120

REVENUE REVISIONS (per Attachment A)

130,020

REVISED REVENUE ESTIMATES

44,552,140

LESS APPROVED APPROPRIATIONS:

49,322,349

Operating Budget

44,659,043

Contribution to OPEB Irrevocable Trust Fund

1,228,300

One-Time Special Projects/Studies

816,525

Capital Outlays

346,839

Transfers to Capital Reserve Funds

347,800

Transfer to Parking Structure Fund - Capital Outlay funding

500,000

Capital Projects

1,423,842

LESS PROPOSED CHANGES TO APPROPRIATIONS (per Attachment B):

(252,517)

Operating Budget

(273,217)

Capital Outlays

20,700

ESTIMATED DECREASE IN FUND BALANCE

(4,517,692)

ESTIMATED ENDING FUND BALANCE AS OF JUNE 30, 2017

\$ 10,334,063

EXHIBIT D

**CITY OF NORWALK - SPECIAL REVENUE FUNDS
FISCAL YEAR 2016/17 BUDGET REVISIONS - YEAR 2 OF BUDGET 2015/17**

REVENUES

| DEPARTMENT NAME | | | | | | | | ACCOUNT # | | | | | | | | REASON FOR REVENUE ADJUSTMENT | | | | | | | | Budget | | | | | | | | AMOUNT Increase / (Decrease) | | | | | | | | Revised Budget | | | | | | | |
|--------------------------------|-------------|------|---------------------------------|-----------|-----------|------------------|-----------|-----------|--|--|--|--|--|--|--|-------------------------------|--|--|--|--|--|--|--|--------|--|--|--|--|--|--|--|------------------------------|--|--|--|--|--|--|--|----------------|--|--|--|--|--|--|--|
| CHILD CARE GRANTS | 203-40-0000 | 4449 | CDE grants | 2,864,431 | 1,365,286 | 612,951 | 3,477,382 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 203-40-0000 | 4439 | Administrative Reimbursement | 1,087,632 | 538,357 | 3,518 | 1,091,150 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 203-40-0000 | 4438 | Gateway & LAROCCS Grants Closed | 46,000 | - | (46,000) | 46,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CHILD CARE GRANTS TOTAL | | | | | | 570,469 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Highway User Tax | 204-30-0000 | 4421 | State Gas Tax - 2107 | 929,460 | 274,551 | (114,870) | 814,590 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 4423 | State Gas Tax - 2105 | 669,320 | 200,492 | (38,700) | 630,620 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | 4424 | State Gas Tax - 2106 | 331,500 | 121,633 | 54,150 | 385,650 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CHILD CARE GRANTS TOTAL | | | | | | (99,420) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CDBG/HOME | 207-62-0000 | 4652 | CDBG - loan repayment | 46,300 | 135,734 | 156,200 | 202,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 020-86-2000 | 4654 | Home - loan repayment | 19,800 | 12,184 | 21,700 | 41,500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CDBG/HOME TOTAL | | | | | | 177,900 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| HOUSING AGENCY | 026-26-3000 | 4592 | Portability move-ins | 5,800 | 1,698 | (2,400) | 5,800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

EXHIBIT D

**CITY OF NORWALK - SPECIAL REVENUE FUNDS
FISCAL YEAR 2016/17 BUDGET REVISIONS - YEAR 2 OF BUDGET 2015/17**

| DEPARTMENT NAME | ACCOUNT # | REASON FOR EXPENDITURE ADJUSTMENT | Budget | Expenditures as of 1/10/17 | AMOUNT Increase / (Decrease) | Revised Budget | |
|-----------------|--------------------------------|-----------------------------------|---|----------------------------|------------------------------|-----------------|-----------|
| Child Care | 203-40-4103 | 1xxx | Personnel Cost - transfer from LAROCCS & Gateway Grants | 315,212 | 16,285 | 24,645 | 339,857 |
| | | 2080 | Contract Services | 5,783 | 3,844 | 22,896 | 28,679 |
| | | 2030 | CAPP - DPP contract augmentation | 111,392 | 79,265 | 78,326 | 189,718 |
| | | 2032 | C2AP - DPP contract augmentation | 1,199,024 | 556,439 | 287,975 | 1,486,999 |
| | | 2034 | C3AP - DPP contract augmentation | 588,578 | 314,654 | 182,929 | 771,507 |
| | | 2130 | Office Equipment & Maintenance | 900 | 1,049 | 2,138 | 3,038 |
| | | 2141 | Postage | 2,900 | 3,106 | 3,307 | 6,207 |
| | | 2161 | Administrative Cost | 17,400 | 104 | 1,492 | 18,892 |
| | 203-40-4105 | 2057 | Promotional Advertising | 840 | 1,079 | 2,578 | 3,418 |
| | | 2080 | Contract Services | 4,157 | 3,025 | 22,896 | 27,053 |
| | | 2400 | Audit Fees | 962 | 1,902 | 940 | 1,902 |
| | 203-40-4109 | 1xxx | LAROCCS Grant - Personnel Cost - Grant Closed | 6,000 | - | (6,000) | - |
| | 203-40-4110 | 1xxx | Gateway Grant - Personnel Cost - Grant Closed | 18,645 | - | (18,645) | - |
| | | 2080 | Contract Services | 19,863 | - | (19,863) | - |
| | | 2161 | Administrative Cost | 1,492 | - | (1,492) | - |
| | TOTAL CHILD CARE GRANTS | | | | | 584,122 | |
| | | | | | | | |

EXHIBIT D

**CITY OF NORWALK - SPECIAL REVENUE FUNDS
FISCAL YEAR 2016/17 BUDGET REVISIONS - YEAR 2 OF BUDGET 2015/17**

| DEPARTMENT NAME | ACCOUNT # | | REASON FOR EXPENDITURE ADJUSTMENT | Budget | | AMOUNT Increase / (Decrease) | Revised Budget |
|-------------------------------------|-------------|------|--|-----------|-----------|------------------------------------|-------------------|
| Prop C/Public Services | 227-30-3204 | 2150 | Rental Expense - City Yard | - | - | 5,000 | 5,000 |
| Prop C/Transit | 227-45-4501 | 2090 | Adjustment to utilize Prop C as direct pay for Annual Parking Permit Maintenance Fees. | - | 624 | 1,550 | 1,550 |
| | 227-45-4503 | 3853 | ITS project (Intelligent Transportation System) - appropriation for local match to FTA funding | - | - | 70,000 | 70,000 |
| | 227-45-4501 | 3995 | Adjustment to utilize Prop C as direct pay for Senior Center Transit Program. | 103,250 | 42,450 | (18,350) | 84,900 |
| PROP C FUND TOTAL | | | | | | 58,200 | |
| CDBG | 207-62-6201 | 3860 | Capital Outlay - computer replacement | - | - | 1,000 | 1,000 |
| HOME | 208-62-6203 | 2119 | Home Repair | 10,000 | 28,895 | 40,000 | 50,000 |
| HOME FUND TOTAL | | | | | | 41,000 | |
| HOUSING | 261-63-6303 | 2080 | Successor to Housing Redevelopment - Admin Cost | 50,000 | 8,750 | 60,000 | 110,000 |
| | 436-70-7360 | 2080 | 11556 Imperial Hwy Project | 6,163,000 | 44,730 | (60,000) | 6,103,000 |
| | 262-63-6302 | 2495 | Reduction in FSS Escrow Deposits | 50,000 | 13,190 | (18,000) | 32,000 |
| | | 2240 | Housing Assistance Payments | 5,906,000 | 2,496,502 | 80,000 | 5,986,000 |
| HOUSING AUTHORITY FUND TOTAL | | | | | | 62,000 | |

EXHIBIT E

**CITY OF NORWALK - TRANSIT & VEHICLE MAINTENANCE FUNDS
FISCAL YEAR 2016/17 BUDGET REVISIONS - YEAR 2 OF 2015/17 BUDGET**

| ACCOUNT # | | REASON FOR ADJUSTMENT | | Budget | ACTUALS as of 1/10/17 | AMOUNT Increase / (Decrease) | Revised Budget |
|---|------|--|--|-----------|--------------------------|------------------------------------|----------------|
| TRANSIT OPERATIONAL REVENUES - ORIGINAL BUDGET | | | | | | \$ 12,448,342 | |
| 710-45-0000 | 4454 | Adjustment to reflect restoration of STA funds from last two quarters of FY 1516 per SB 838. | | 233,897 | | 109,777 | 343,674 |
| | 4582 | Adjustment to reflect decreased revenue projection for fixed route ridership. | | 1,715,000 | | (230,000) | 1,485,000 |
| | 4627 | Adjustment to reflect Refund of Excise Taxes for 2016 through use of CNG fuel. | | - | | 147,519 | 147,519 |
| TOTAL PROPOSED REVISIONS - OPERATIONAL REVENUES: | | | | | | \$ 27,296 | |
| TRANSIT OPERATIONAL REVENUES - REVISED BUDGET TOTAL: | | | | | | \$ 12,475,638 | |

EXHIBIT E

**CITY OF NORWALK - TRANSIT & VEHICLE MAINTENANCE FUNDS
FISCAL YEAR 2016/17 BUDGET REVISIONS - YEAR 2 OF 2015/17 BUDGET**

| ACCOUNT # | | REASON FOR ADJUSTMENT | | Budget | ACTUALS as of 1/10/17 | AMOUNT Increase / (Decrease) | Revised Budget |
|---|-------------|-----------------------|--|-----------|--------------------------|------------------------------------|----------------|
| TRANSIT OPERATIONAL EXPENSES - ORIGINAL BUDGET | | | | | | \$ 12,179,359 | |
| TRANSIT - ADMINISTRATION | 710-45-4500 | 1040 | Overtime wages | 1,000 | 2,620 | 4,500 | 5,500 |
| | | 2080 | Contract Services - Consulting Services: Grants/Procurement Administration due to vacancies, federal reporting requirement for Passenger Miles Travelled and Temporary Services (Customer Service Lobby) | 20,000 | 24,507 | 70,000 | 90,000 |
| | | 2090 | Equipment Maintenance & Supplies - UPS Battery Back- up for CCTV System | 500 | 8,585 | 9,000 | 9,500 |
| | | 2192 | Adjustment to reflect upgrade of higher bandwidth of 50 Mbps to improve internet speed at Transit/Public Services Facility. | 1,400 | | 4,650 | 6,050 |
| | | 2450 | Adjustment to reflect reduced actual costs for Liability/Insurance versus budget. | 728,420 | 563,678 | (164,742) | 563,678 |
| | | 2494 | Adjustment to reflect accrued expense of \$362,969.86 (JPIA insurance payment) which may result in a refund in FY1617 as part of the retrospective look-back. | - | | 362,970 | 362,970 |
| TOTAL: TRANSIT ADMINISTRATION - BUDGET REVISIONS | | | | | | 286,378 | |
| TRANSIT - OPERATIONS | 710-45-4501 | 1031 | Part-Time Coach Operators Salaries: Adjustment to reflect actual costs for PT Coach Operators versus budget (due to vacancies). | 1,349,920 | 547,288 | (91,106) | 1,258,814 |
| | | 1041 | Overtime wages - Adjustment to reflect actual costs for Coach Operator Overtime to cover labor needs while recruitment is in progress for FT/PT Coach Operator vacancies. | 60,000 | 160,653 | 190,446 | 250,446 |
| | | 1097 | Workers Comp - Adjustment to reflect reduced actual costs for Worker's Compensation versus budget. | 688,144 | 203,746 | (280,662) | 407,482 |

EXHIBIT E

**CITY OF NORWALK - TRANSIT & VEHICLE MAINTENANCE FUNDS
FISCAL YEAR 2016/17 BUDGET REVISIONS - YEAR 2 OF 2015/17 BUDGET**

| ACCOUNT # | | REASON FOR ADJUSTMENT | Budget | ACTUALS as of 1/10/17 | AMOUNT Increase / (Decrease) | Revised Budget | |
|--|-------------|--|---|--------------------------|------------------------------------|-----------------|---------|
| | 2080 | Contract Services - Adjustment to reflect actual costs for Consulting Services (i.e. CCTV Maintenance Agreement, Route Runcutting Services,) versus budget. | 396,068 | 135,957 | 59,120 | 455,188 | |
| | 2170 | Special Materials & Supplies Adjustment to cover increased expenses in Special Materials & Supplies (i.e. Route Schedules) due to service changes. | 5,000 | 7,167 | 11,577 | 16,577 | |
| TOTAL: TRANSIT OPERATIONS- BUDGET REVISIONS | | | | | (110,625) | | |
| TRANSIT - VEHICLE MAINTENANCE | 710-45-4520 | 1040 | Overtime Wages - Adjustment to reflect actual costs for Staff Overtime versus budget due to coverage challenges (i.e. FMLA, Sick Leave Absences, Service Worker departure, etc.). | 3,975 | 4,257 | 6,582 | 10,557 |
| | | 1097 | Workers' Comp - Adjustment to reflect reduced actual costs for Worker's Compensation versus budget. | 78,564 | 19,382 | (32,047) | 46,517 |
| | | 2080 | Contract Services - Adjustment to reflect need for increase in Contract Services (i.e. CNG Maintenance & Inspection Services, New Flyer Services Agreement for Bus Repair, etc.). | 111,878 | 54,269 | 23,191 | 135,069 |
| | | 2222 | Fuel & Lubrication - Adjustment to reflect Transit's reduced use of Unleaded Gasoline due to inception of 4 new CNG Buses. | 483,940 | 193,864 | (32,113) | 451,827 |
| TOTAL: TRANSIT EQUIPMENT NON-VEHICLE MAINTENANCE - BUDGET REVISIONS | | | | | (34,387) | | |
| TOTAL PROPOSED EXPENSE REVISIONS: | | | | | \$ 141,366 | | |
| TRANSIT OPERATIONAL EXPENSES - REVISED BUDGET TOTAL: | | | | | \$ 12,320,725 | | |
| TRANSIT ESTIMATED ANNUAL OPERATIONAL SURPLUS: | | | | | \$ 154,913 | | |

EXHIBIT E

**CITY OF NORWALK - TRANSIT & VEHICLE MAINTENANCE FUNDS
FISCAL YEAR 2016/17 BUDGET REVISIONS - YEAR 2 OF 2015/17 BUDGET**

| ACCOUNT # | | REASON FOR ADJUSTMENT | | Budget | ACTUALS as of 1/10/17 | AMOUNT Increase / (Decrease) | Revised Budget |
|---|-------------|-----------------------|--|-----------|--------------------------|------------------------------------|----------------|
| TRANSIT CAPITAL REVENUES | | | | | | | |
| Capital FTA Grants | 711-45-0000 | 4454 | Adjustment to recognize deferred revenue. | - | - | 554,544 | 554,544 |
| | 712-45-0000 | 4471 | Adjustment to recognize capital revenues to budgeted expenses. | 1,283,421 | 26,387 | 43,293 | 1,326,714 |
| | 712-70-0000 | 4471 | Adjustment to recognize capital revenues for CIP expenses. | - | - | 2,093,068 | 2,093,068 |
| TOTAL PROPOSED REVISIONS - CAPITAL REVENUES: | | | | | | \$ 2,690,905 | |
| TRANSIT CAPITAL EXPENSE | | | | | | | |
| Transit - Capital Outlays (FTA grants) | 712-45-4503 | 3833 | ACM | 152,000 | 68,274 | (40,000) | 112,000 |
| | | 3853 | ITS Project (Intelligent Transportation System) | 280,000 | - | - | 280,000 |
| | | 3884 | Tires | 41,338 | 38,912 | 40,000 | 81,338 |
| | 712-70-7188 | 2080 | Adjustment to reflect correction of awarded FTA funds of \$240,000. | 276,280 | - | (36,280) | 240,000 |
| Prop A | 210-45-4503 | 3833 | ACM | 38,000 | 17,068 | (8,000) | 30,000 |
| | | 3884 | Tires | 10,334 | 9,728 | 8,000 | 18,334 |
| Prop C / Transit | 227-45-4501 | 2090 | Adjustment to utilize Prop C as direct pay for Annual Parking Permit Maintenance Fees. | - | 624 | 1,550 | 1,550 |
| | 227-45-4503 | 3853 | ITS project (Intelligent Transportation System) - appropriation for local match to FTA funding | - | - | 70,000 | 70,000 |
| | 227-45-4501 | 3995 | Adjustment to utilize Prop C as direct pay for Senior Center Transit Program. | 103,250 | 42,450 | (18,350) | 84,900 |
| TOTAL PROPOSED REVISIONS - CAPITAL EXPENSE: | | | | | | \$ 16,920 | |

EXHIBIT F

CITY OF NORWALK - WATER AND SEWER FUNDS
 FISCAL YEAR 2016/17 MID-YEAR REVISIONS OF YEAR 2 - BUDGET 2015/17

REVENUES

| DEPARTMENT NAME | ACCOUNT # | REASON FOR REVENUE ADJUSTMENT | Budget | Actual Revenues as of 1/10/17 | AMOUNT Increase / (Decrease) | Revised Budget |
|-------------------------|-------------|-------------------------------|--------|----------------------------------|------------------------------------|-------------------|
| WATER FUND | 702-30-0000 | 4575 Lease of Water Rights | - | 175,000 | 175,000 | 175,000 |
| | | 4231 Delinquent Charges | 75,000 | 53,930 | 25,000 | 100,000 |
| WATER FUND TOTAL | | | | | 200,000 | |