



DATE: November 10, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Police Department

SUBJECT: **APPROVAL OF A BUDGET TRANSFER OF \$250,000 FROM THE HARBOR UNRESTRICTED FUNDS ACCOUNT TO THE POLICE DEPARTMENT'S HARBOR TRANSFER-IN ACCOUNT AND APPROVAL OF A \$250,000 INCREASE TO THE POLICE HARBOR BUSINESS UNIT'S EXPENSE BUDGET**

SYNOPSIS

Staff recommends City Council approve a transfer in the amount of \$250,000 from the Harbor Unrestricted Funds Account to the Police Department's Harbor Transfer-In Account to pay for budgeted Police Harbor operational expenses, and approval of a \$250,000 increase to the Police Harbor business unit's operational expense budget to match approved "Operation Stonegarden" revenues.

BACKGROUND

The Council approved operating expenses for the FY 10/11 Police Harbor business unit totaling \$1,829,068. It was recently discovered that expenses for the approved \$250,000 "Operation Stonegarden" grant revenue were mistakenly omitted from the approved Police Harbor expense budget. As a result, the "Operation Stonegarden" revenue was erroneously applied to the Police Harbor general operating expenses. The application of funds for this purpose is not allowed by the grantor; therefore the budget must be amended to include approved expenses. This amendment will result in a shortfall in revenue for Police Harbor general operating expenses that requires a transfer-in from the Harbor Unrestricted Funds Account to balance the budget.

ANALYSIS

The Harbor Unrestricted Funds Account balance as of July 31, 2010, is \$4,692,119.16. Staff is requesting a budget transfer in the amount of \$250,000 from the Harbor Unrestricted Funds Account to the Police Harbor business unit to cover general operating expenses for Police Harbor services. Staff is also requesting a \$250,000 budget increase in the Police Harbor business unit to cover the personnel, fuel and equipment that are approved by the grantor and were previously approved by Council when the "Operation Stonegarden" grant was awarded.

FISCAL IMPACT

\$250,000 will be transferred from the Harbor Unrestricted Funds Account #751.3100.0002 to the Police Department's Harbor business unit as a transfer-in to cover budgeted operating expenses. The Police Harbor business unit expense budget will increase by a total of \$250,000 to meet our expense obligations for the approved "Operation Stonegarden" FY 10/11 revenue budget, in the following accounts: Personnel #500509101.5120 S-100520 (\$191,984.75), Personnel Fringe Benefits #500509101.5205.0002 S-100520 (\$2,780.18), Repair/Maintenance #500509101.5320 S-100520 (\$31,876.11) and Equipment #500509101.5330 S-100520 (\$23,358.96).

COMMISSION OR COMMITTEE REPORT

This matter was presented to the Police and Fire Commission on October 21, 2010; the Commission recommended City Council approval.

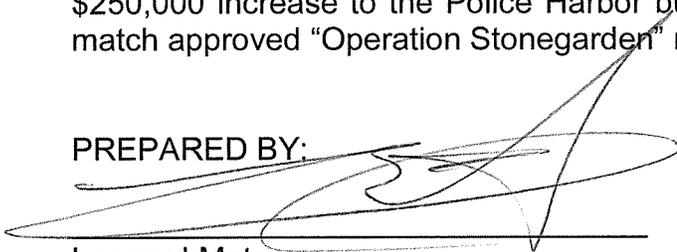
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

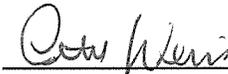
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PREPARED BY:



Leonard Mata
Police Lieutenant

SUBMITTED BY:



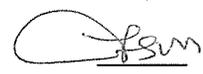
Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



Frank S. McCoy, Chief of Police



Teri Ferro, Financial Services Director



Frank Quan, Harbor and Beaches Coordinator



Attachment: Budget Change Form



**CITY OF OCEANSIDE
ADMINISTRATIVE DIRECTIVE**

BUDGET CHANGE FORM

NUMBER
AD-17

ISSUE DATE:
12/1/2008

DATE: October 12, 2010
TO: City Manager
FROM: Frank S. McCoy, Chief of Police

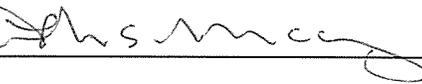
Source of Funds or Transfer from:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
<u>Harbor Unrestricted Funds</u>	<u>751.3100.002</u>	<u>\$ \$250,000</u>
<u> </u>	<u> </u>	<u>\$</u>
<u> </u>	<u> </u>	<u>\$</u>
<u> </u>	<u> </u>	<u>\$</u>
<u> </u>	<u> </u>	<u>\$</u>

New Appropriation or Transfer to:

<u>Account Description</u>	<u>Account Number</u>	<u>Amount</u>
<u>Police Harbor Business Unit Transfers In</u>	<u>500509101.6800</u>	<u>\$ \$250,000</u>
<u>Police Harbor Business Unit Personnel Grant</u>	<u>500509101.5120 S-100520</u>	<u>\$ \$191,984.75</u>
<u>Police Harbor Business Unit Personnel Fringe Grant</u>	<u>500509101.5205.0002 S-100520</u>	<u>\$ \$2,780.18</u>
<u>Police Harbor Business Unit Repair/Maint Grant</u>	<u>500509101.5320 S-100520</u>	<u>\$ \$31,876.11</u>
<u>Police Harbor Business Unit Equipment Grant</u>	<u>500509101.5330 S-100520</u>	<u>\$ \$23,358.96</u>

Justification for Change: Grant funds erroneously applied to general operating expenses. Correction requires transfer from Harbor unrestricted funds to Police budget, and increase in appropriations that are approved grant expenditures. (see attached staff report)

Department Director:  Date: 10-12-2010
Financial Services Director: _____ Recommended: Yes No
City Manager: _____ Approved: Yes No

Note: If this change requires City Council approval attach the Council Staff report. Attach any information necessary to inform the reviewing parties. If bidding is required please attach the required bid document. If a new account number is required Financial Services will establish the new number. If this change requires a change to the distribution of an existing position, complete the sections above. If the change involves the addition, elimination, reclassification or compensation of a position, complete the reverse side of this form.