

**STAFF REPORT****CITY OF OCEANSIDE**

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DATE: September 13, 2006

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **APPROVAL OF A BUDGET APPROPRIATION IN THE AMOUNT OF \$175,000 FROM THE GENERAL FUND UNALLOCATED FUND BALANCE TO INCREASE THE FY 06-07 BUDGET FOR THE PUBLIC WORKS DEPARTMENT**

**SYNOPSIS**

Staff recommends that the City Council approve a budget appropriation in the amount of \$175,000 from the General Fund Unallocated Fund Balance to increase the FY 06-07 budget for the Public Works Department.

**BACKGROUND**

During the budget preparation in January 2006, the Transportation and Development Engineering Department had already been formed and was responsible for producing its own budget for the two-year cycle. Due to organizational changes, the Transportation and Development Engineering Department's budget was consolidated into Public Works.

On November 16, 2005, Council approved a mid-budget adjustment in the amount of \$90,000 for a signal maintenance contract with the further understanding that this would also have an ongoing annual impact to the General Fund. The FY 05-06 budget was adjusted on November 30, 2005, to include the new \$90,000, but this amount failed to be included in the FY 06-07 budget. The second item involved a needed \$60,000 for equipment rental or purchase. Historical information shows that funds had been spent on equipment rental in previous years, but the request for the funds was not included in the final budget.

During the Council's budget review for FY 06-08, a series of budget workshops were held to discuss the budget and the individual decision packages were presented by the Financial Services Director. One of these decision packages was a request by Public Works for \$50,000 for an airport economic study, which was subsequently approved and included in the FY 06-07 budget. An additional \$25,000 was discussed to pay for a legal analysis that had already been obligated.

**ANALYSIS**

The \$175,000 change to the budget will impact two different Public Works business units – Traffic Control and the Airport. The Traffic Control business unit will use the \$150,000 for a signal maintenance program and to rent necessary equipment to perform its regularly scheduled duties. If it does not receive the \$150,000, the Traffic Control business unit will be severely impacted and will be unable to provide the services necessary to meet the needs of the City.

The other \$25,000 will be used to pay legal analysis fees already incurred regarding the airport. It will not be possible to pay these legal fees from the \$50,000 set aside for the airport economic study, as the study has already begun with a contracted price of \$50,000.

**FISCAL IMPACT**

The \$175,000 from the General Fund Unallocated Fund Balance will amend the FY 06-07 budget in the following business units: \$90,000 to business unit 101.416083.5211, \$60,000 to business unit 101.416083.5342, and \$25,000 to business unit 101.604810.5241.

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY’S ANALYSIS**

City Attorney analysis does not apply.

**RECOMMENDATION**

Staff recommends that the City Council approve a budget appropriation in the amount of \$175,000 from the General Fund Unallocated Fund Balance to increase the FY 06-07 budget for the Public Works Department.

PREPARED BY:

  
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Peter Weiss  
Public Works Director

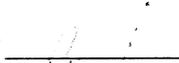
SUBMITTED BY:

  
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Barry E. Martin  
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Assistant to the City Manager

Nita McKay, Financial Services Director

  
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