

# City Council Agenda Memo

**From:** Erick Rangel, Chief Financial Officer

**Council Meeting:** February 25, 2020

**Subject:** Ordinance 20-004, an Ordinance Authorizing Supplemental Appropriation #3 to the 2020 Budget.

**Person(s) Responsible:** Erick Rangel, Chief Financial Officer

## **Summary:**

This ordinance will amend the 2020 Budget for the following changes:

- 1) To carry over items from the 2019 Budget
- 2) Priority items not initially funded when the 2020 budget was passed
- 3) Add funds to the SDSU Student Visitor Promotion Program

## **Background:**

### Part 1

Allocates expenditures for projects or expenses which were budgeted in 2019 but not completed by December 31, 2019.

### Part 2

Recommends funding of items that were taken off the 2020 budget given the overall objective of passing a balanced budget or that were not initially considered. City staff is recommending funding these priority items with a portion of the 2019 General Fund estimated surplus.

### Part 3

Adds \$7,000 to the SDSU Visitor Promotional Program fund. For the 2020 budget, this fund was decreased to \$10,000 from the historical \$50,000 level. City Council requested an evaluation of 2019 3B revenues to potentially increase the SDSU Visitor Promotional Fund. 2019 revenues were greater than expected mostly due to a one-time increase, which led to surplus funds.

At the February 18, 2020 City Council Study Session, staff divulged the SDSU promotional fund carried over \$33,000 from 2019 which was unspent. Therefore, staff recommends an additional \$7,000 to solidify \$50,000 in total 2020 available funds.

## **Discussion:**

Staff recommends the proposed budget amendment.

**Legal Consideration:**

None.

**Financial Consideration:**

Part 1:

No impact as they are carryover items budgeted in 2019 which were not completed.

Part 2:

No impact as these items will be funded with a portion of the 2019 estimated budget surplus.

Part 3.

The 2019 3B Tax came in greater than projected and City Council can afford to increase the SDSU Promotional Fund. However, the funding level is not sustainable unless other agencies decrease or a revenue increase is realized matching expenditures.

**Options:**

The City Council has the following options:

1. Approve as presented
2. Approve with recommended adjustments
3. Deny
4. No Action

**Recommendation:**

Staff recommends approval of the Ordinance as presented.

**Action Requested:**

Approval of the Ordinance to amend the 2020 Budget.

**Supporting Documentation:**

1. Ordinance