



# Agenda Report

**MEETING DATE:** Tuesday, May 25, 2021

**TO:** City Council

**FROM:** ADMINISTRATIVE SERVICES DIRECTOR CZERWIN  
MARISSA DURAN, ASSISTANT FINANCE DIRECTOR

**SUBJECT:** RESOLUTION APPROVING BUDGETARY APPROPRIATION  
CHANGES FOR FY 20-21 FOR AIRPORT, RISK MANAGEMENT  
AND FIRE OVERTIME

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## STATEMENT OF ISSUES:

A 9-month budgetary appropriations projected review has resulted in a recommendation for additional appropriations. This is based on the result of operations year to date as compared to the remaining obligations in the fiscal year.

## RECOMMENDED ACTION:

Resolution approving appropriation changes for FY2020-2021 for the Watsonville Municipal Airport, Risk Management and Fire overtime.

The appropriations request is shown below:

Proposed Expenditure Appropriations				
	Fund	Purpose	Amount	
a.	Airport	Ongoing Litigation	200,000	
	Airport	Golf Cart	15,000	
	Airport	Replace Fuel Pumps	45,000	
			260,000	
b.	Risk Management	Workers Compensation	1,000,000	
	Risk Management	General Insurance	300,000	
			1,300,000	
c.	General Fund	Fire Overtime	100,000	
			100,000	
	Total Expenditures/Expenses		\$ 1,660,000	

**DISCUSSION:**

Overtime costs in the fire department continue to offer a challenge in managing the City's budget. The projected cost overrun in the department's budget for the current fiscal year is at approximately \$100,000. Overtime was budgeted at \$325,000, with an additional appropriation given at mid- year of \$708,759. However, it is still anticipated that the Fire Department will exceed appropriations by \$100,000. Vacancies in the firefighter and fire engineer rank have contributed to this increase. In addition the Fire Department is required to assign a firefighter paramedic on each shift which currently is done as an overtime assignment. This fiscal year has posed additional strain on the City's Fire Department with having to respond to the Coronavirus as well as the California Fires in 2020.

The Airport Enterprise Department has been defending lawsuits that have caused the Airport to need additional appropriations to pay for counsel. It is estimated that these costs will be about \$200,000 this fiscal year. In addition the Airport will be replacing its aging fuel pumps. Over the years it has become more apparent that repairs are more costly than replacing the fuel pumps. The cost is estimated at \$45,000. The Airport will be holding its Fire in the Sky event in 2021 and will be purchasing a golf cart to assist handicapped patrons around the event. This cart will also be used for tours and other purposes to aid transporting people around the Airport. The estimated cost is about \$15,000. It is projected that revenues will exceed budgeted amounts with enough funds to cover about \$200,000 of this request. The additional \$60,000 will come from Fund Balance.

Lastly, we have also identified the Risk Management Fund in need of appropriations in the current fiscal year. Worker Compensation Claims/ Insurance have increased in the past year and need about \$1,000,000 to finish off the year. General Insurance has also increased and is in need of additional \$300,000. A review of projected revenues show there will be enough funds to cover this additional request.

**STRATEGIC PLAN:**

02-Fiscal Health

06-Public Safety

**FINANCIAL IMPACT:**

Increase in Budgetary Appropriations	
Airport	260,000
Risk Management	1,300,000
General Fund	100,000
<b>TOTAL</b>	<b>1,660,000</b>

**ALTERNATIVE ACTION**

No reasonable alternatives are known at this time.

**ATTACHMENTS AND/OR REFERENCES (If any):**

None.