

2023-24 Mid-Year Budget

City Council
February 20, 2024



Mid-Year Budget Overview



GENERAL FUND REVENUE AND
EXPENSE UPDATE



WORK FORCE CHANGE REQUESTS



PENSION/OPEB RESERVE PAYMENT
PER CITY POLICY

General Fund Proposed Revenue Budget

	Ongoing	One-Time	Total
Adopted FY 2023-24 Revenue Budget			\$ 128,833,457
Business License Tax	\$ 200,000		
Property Tax	1,815,000		
Property Transfer Tax		(2,200,000)	
Sales Tax City Portion	(200,000)		
Transaction/Use Tax (Meas F)	(200,000)		
Solid Waste Franchise	197,000		
Successor ROPS Residual Taxes	434,000		
Transfer In - AMP Reimbursable	39,000		
Utility User Tax	370,000		
Transfer-in State Earmark for CARE Team		1,800,000	
Increase Recreation Fee Projection	283,000		
Subtotal Proposed Revenue Adjustments	\$ 2,938,000	\$ (400,000)	\$ 2,538,000
Proposed Mid-Year Revenue Budget			\$ 131,371,457

Proposed FY 2023-24 General Fund Revised Operating Budget

Item	Department	Description	Ongoing	One-Time	Total
FY 2023-24 General Fund Adjusted Expense Budget					130,843,136
Operating Adjustments					
B1	City Attorney	Increase Transfer-out to Golf Fund - Legal Expenses	-	250,000	
B2	City Attorney	Add Deputy City Attorney II - Prosecution Unit (\$210,000 annual cost)	-	-	
B3	City Clerk	Add Overtime - Technical Correction	13,500	-	
B4	Council	Add Special Pay & Benefits for City Council - Technical Correction	90,000	-	
B5	Finance	Decrease Transfer-out to Aquatic Center Debt Service Fund - Technical Correction	(36,600)	-	
B6	Finance	Transfer Authorized Position from Fire Department to Finance (Payroll)	-	-	
B7	Finance	Upgrade Position - Admin Tech III to Sr Mgmt Analyst	11,000	-	
B8	Fire	Transfer Budget to Public Provider Ground Emergency Transport (PPGEMT) Fund	(85,276)		
B9	HR	Increase Professional Services due to Labor Negotiations	-	50,000	
B11	Police	Police - Concealed Carry Weapons (CCW) Project	30,000	-	
B12	Police	Increase Professional Services - In-Car Dash Cameras - Technical Correction	66,240	-	
B10	Non-Dept & Police	Reduce and reallocate salary savings. Reduce APD salary savings \$900,000/Increase Misc salary savings -\$(300,000)	-		
B14			-	600,000	
B14	Public Works	Increase Cost Allocation - Facility Maintenance Technical Correction	286,520	-	
B15	Public Works	Increase Part-Time Pay - Sewer, Streetlights, Traffic Signals	10,000	-	
B16	Rec & Park	Increase Part-Time Pay & Overtime	162,000	-	
B17	Rec & Park	Increase Professional Services & Supplies - Technical Correction	157,000	-	
B18	Rec & Park	Increase Part-Time Pay & Other Services for Extended Pool Operations	-	120,000	
Subtotal of Operating Adjustments			704,384	1,020,000	1,724,384
Subtotal Operating Expenditures					132,567,520

Proposed Mid-Year General Fund Capital Expenditures

Item	Department	Description	Ongoing	One-Time	Total
<u>Proposed FY 2023-24 Mid-Year Capital Transfers</u>					
B19	Public Works	Fleet Garage		50,000	
B20	Public Works	Uninterrupted Power Source Replacement Police Admin Building		50,000	
B21	Public Works	Bus Shelter Replacement		25,000	
B19	Rec & Park	Littlejohn Recreation Center	-	52,000	
B20	Rec & Park	Encinal Boat Ramp Project Closeout	-	33,254	
B21	Rec & Park	Playground Replacement	-	60,000	
Subtotal of Capital Transfers			-	270,254	270,254

General Fund Proposed Expenditure Budget

	Ongoing	One-Time	Total
Adopted FY 2023-24 Revenue Budget			\$ 128,833,457
Proposed Revenue Adjustments	\$ 2,938,000	\$ (400,000)	\$ 2,538,000
Proposed Mid-Year Revenue Budget			\$ 131,371,457
Budgeted Use of Fund Balance			
Budgeted Use of Residual Fund Balance		\$ 23,772,830	\$ 23,772,830
Net Amendments & Adjustments		\$ 2,009,679	\$ 2,009,679
Budgeted FY 2022-23 Carryforward		\$ 4,304,076	\$ 4,304,076
Subtotal all General Fund Funding Sources			\$ 161,458,042
	Ongoing	One-Time	Total
Adjusted FY 2023-24 Expense Budget			\$ 130,843,136
Budgeted FY 2022-23 Carryforward		\$ 4,304,076	\$ 4,304,076
Budgeted Transfers to Capital Budget*			\$ 23,772,830
Subtotal all Budgeted Expenditures			\$ 158,920,042
Proposed Operating Adjustments	\$ 704,384	\$ 1,020,000	\$ 1,724,384
Proposed Capital Budget Adjustments		\$ 270,254	\$ 270,254
Proposed Mid-Year Expense Budget			\$ 160,914,680
		Total Surplus/(Deficit)	\$ 543,362

* On June 20, 2023, City Council adopted the FY 2023-25 Biennial Budget which included use of residual fund balance to fund significant capital expenditures including \$15m for construction of the Aquatic Center.

General Fund Residual Fund Balance

FY 2024 Beginning Assigned and Unassigned Fund Balance (in millions)	\$	105.59
FY 2023-24 Budgeted Revenues	\$	131.37
FY 2023-24 Budgeted Expenditures	\$	(132.84)
Subtotal	\$	104.12
Add: Carry-forwards		
FY 2022-23 Carryover	\$	4.30
Less: Fund Assignments		
Outstanding Encumbrances	\$	(10.92)
Economic Uncertainty	\$	(10.10)
Reserve Policy	\$	(24.39)
FY 2023-24 Projected Use of Fund Balance	\$	(23.76)
FY 2024-25 Projected Use of Fund Balance	\$	(6.07)
Projected Ending Unassigned Fund Balance	\$	33.18

Reserve Policy- Total 20% of General Fund planned expenditures.


Additionally, the City has an Economic Uncertainty Policy which is 5% of planned General Fund Expenditures plus an additional \$4 million temporary set-aside for FYs 2023-25.

Workforce Changes – All Departments


Department	FY 2023 -24 Mid-Year Proposal	FY 2023-24 Budget Adjustment	Funding Source(s)	Notes
City Attorney (Prosecution)	Add Deputy City Attorney II – Prosecution Unit (Upgrade existing part-time position)	\$0.00	General Fund; Rent Stabilization; General Liability; Worker's Compensation	Ongoing: No additional budget needed in current year. Future appropriations will be offset by part-time salary savings
Finance (Payroll) / Fire	Transfer Payroll Position from Fire to Finance	Net \$0	General Fund	Ongoing
Finance (Payroll)	Upgrade Admin Tech III to Senior Management Analyst	\$11,000	General Fund	Ongoing: Cost \$11,000 through remainder of fiscal year
Planning Building & Transportation	Add Senior Management Analyst	\$188,000	Measure BB	Ongoing: No additional budget needed in current year
TOTAL		\$199,000		

Pension/OPEB Reserve Policy

The City commits half of the increase in the General Fund unassigned residual fund balance from the end of the prior fiscal year to advance pay-down of pension/OPEB obligations



The General Fund unassigned residual fund balance did not increase from June 2022 to June 2023 due to one-time projected use of fund balance in FY 2023-24 and FY 2024-25



No advance pay-down is recommended according to the funding formula, although Council could direct staff to return with options for a discretionary contribution

Questions?