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FISCAL YEAR 2022-2023 BUDGET PUBLIC HEARING & ADOPTION

JUNE 7, 2022



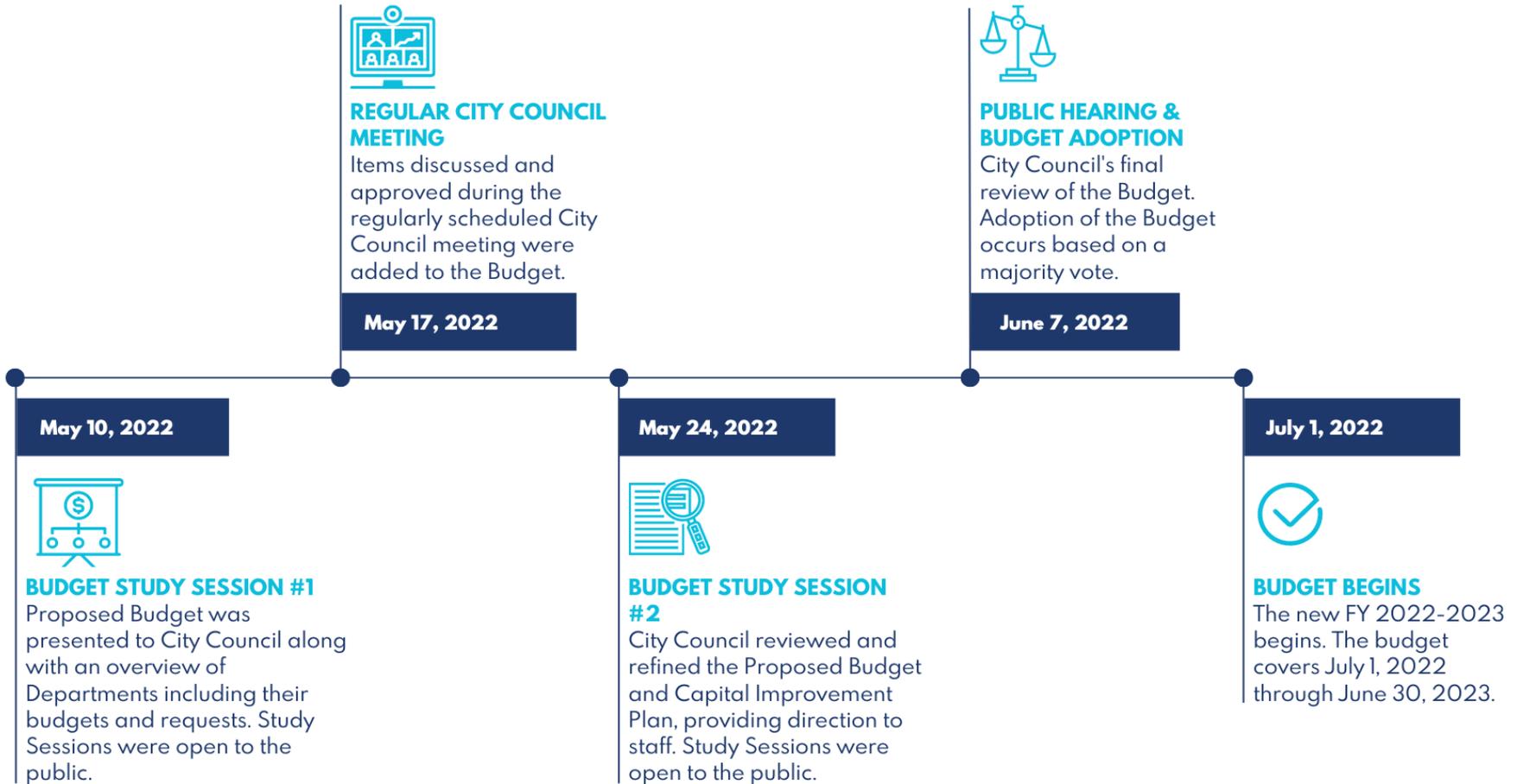
Tonight serves as the Public Hearing for the Fiscal Year (FY) 2022-2023 Operating Budget

- Proposed Operating Budget Overview
- Changes to the Proposed Operating Budget
 - Exhibit “A”
- Resolutions for Adoption
 - FY 2022-2023 Operating Budget
 - Gann Appropriation Limit Calculation



FY 2022-2023 BUDGET TIMELINE

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FISCAL OUTLOOK

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- Revenues have recovered and are expected at or above pre-pandemic levels in FY 2022-2023
 - Balanced Budget with nearly \$1.4 million surplus
- Expenditures have increased with
 - Re-investments in infrastructure, maintenance and service levels aligned Citizen Opinion Survey and City Council Work Plan
 - Reinstatement of contract services, departmental supplies and employee training & conferences
 - Inflationary increases affecting costs of Contract Services, Utilities, and other materials



BUDGET OVERVIEW

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- Investments aligned with Community Opinion Survey are built into the budget
- City Council Work Plan initiatives included:
 - General Fund
 - Consultant to manage Public Works Engineering projects
 - Capital Improvement Program Fund
 - Sand Dune Park Restoration \$1.2 million
 - Annual Parks Improvements Program - \$150,000
- Materials & Services increasing \$4.87 million
 - Includes significant “one-time” Contract Services additions



BUDGET OVERVIEW

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- Service Delivery Investments totaling \$1.4 million:
 - Eleven new full-time positions
 - General Fund Five Positions **\$455,050**
 - Water Fund Three Positions **\$280,420**
 - Wastewater Fund Two Positions **\$179,418**
 - IT Fund One Position **\$ 66,070**
 - Other staffing adjustments include position upgrades and reclassifications totaling \$404,386
 - Offset by:
 - Elimination of three “frozen” unfilled positions
 - Early Retirement Incentive resulted in reduction of five positions at approximate cost savings of \$500,000 annually
 - Resolution No. 22-0081 authorizes City Manager to take certain personnel-related actions as identified in the Resolution



FY 2022-2023 BUDGET ADOPTION

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- Resolution No. 22-0081 adopts the budget as presented in the Proposed Budget with modifications as identified in Exhibit “A”
- Exhibit “A” includes the following changes to Proposed Budget Revenues:

Carryforward Revenues for Homelessness Grant (General Fund)	\$216,000
Adjust Street Lighting Zone 10 City Contribution (Street Lighting Fund)	\$1,133
Adjust Gas Tax Revenues per revised State estimates (Streets & Highways Fund)	(\$76,516)



FY 2022-2023 BUDGET ADOPTION

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- Exhibit “A” includes the following changes to Proposed Budget Expenditures:

Senior & Scout House Funding (CIP Fund)	\$1,900,000
Part-time Salary Adjustments (General Fund)	\$130,000
Carryforward Expenditures for Homelessness Grant (General Fund)	\$146,000
Adjust Street Lighting Zone 10 City Contribution (General Fund)	\$1,133
Remove Joslyn Center Façade Improvements (CIP Fund)	(\$70,000)
Remove Outdoor Dining and Business Use Program Consultant (General Fund)	(\$245,000)



FY 2022-2023 SUMMARY

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TOTAL CITYWIDE BUDGET FOR ADOPTION

REVENUES	\$145.2 million
EXPENDITURES	148.6 million
<i>Operating</i>	<i>117.2 million</i>
<i>CIP & Equipment</i>	<i>20.9 million</i>
<i>Debt Service</i>	<i>10.5 million</i>

GENERAL FUND BUDGET FOR ADOPTION

REVENUES	\$86.7 million
EXPENDITURES	85.3 million
OPERATING SURPLUS	\$1.4 million



FY 2022-2023 SUMMARY

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Projected General Fund Reserve Ending Balances in FY 2022-2023

20% of Expenditures Policy	\$ 17.0 million
Economic Uncertainty	\$ 4.0 million
Unreserved Fund Balance	\$ 7.7 million

General Fund Balance impacted by transfers out to other funds:

Transfers to support operations and one-time projects:

- CIP Fund (one-time) - \$4.0 million
- Stormwater Fund - \$1.5 million
- Street Lighting & Landscape Fund - \$221,200

Recommended Transfers per UAL Pension Policy:

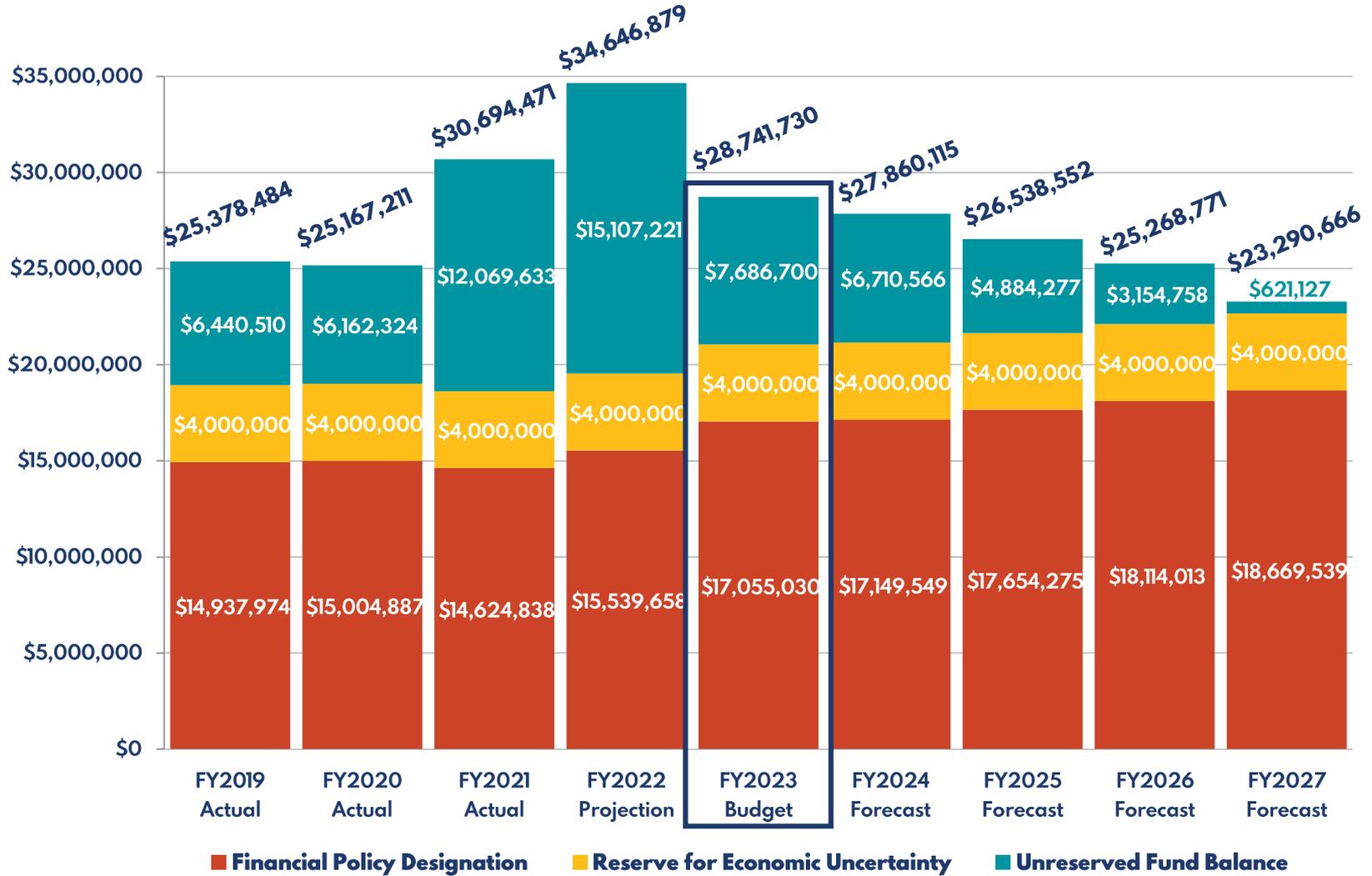
- CIP Fund - \$1,596,585
- Pension Stabilization Fund - \$399,146

Pension Stabilization Fund Estimated Ending Balance in FY 2022-2023: \$2.9 million



ESTIMATED GENERAL FUND BALANCE

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GANN APPROPRIATION LIMIT

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- Resolution No. 22-0082 establishes appropriation limit for government spending
- Calculations are performed each year to compare appropriations to the limit
- Gann Appropriation Limit Calculation:

FY 2022-2023 Appropriations limit:	\$95,823,415
Appropriations subject to the limit:	\$62,734,644
Remaining appropriation capacity:	<u>\$33,088,771</u>

Available capacity as a percent of the limit: *(34.53%)*



BUDGET MEETING RECAP

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- Citywide changes to the Proposed Budget:
 - Net increase of \$140,617 in revenues
 - Net increase of \$1.9 million in expenditures
- General Fund has strong revenues and balanced budget
 - Surplus of nearly \$1.4 million
 - Essential services maintained
- Re-investments aligned with Citizen Survey and Work Plan:
 - Maintenance
 - Infrastructure
 - Service delivery



RECOMMENDATIONS

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- Staff recommends that the City Council:
 - Conduct a Public Hearing
 - Adopt Resolution No. 22-0081 adopting the FY 2022-2023 Operating Budget and authorizing City Manager to take certain personnel-related actions as identified in the Resolution
 - Adopt Resolution No. 22-0082 establishing the Gann appropriation limit for FY 2022-2023



QUESTIONS

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