



SUPPLEMENTAL ITEM NO. 6 AGENDA REPORT

To: Mayor Celeste T. Rodriguez and Councilmembers

From: Nick Kimball, City Manager
By: Erica D. Melton, Director of Finance/City Treasurer

Date: February 21, 2023

Subject: Presentation and Discussion of the Mid-Year Budget Review for Fiscal Year 2022-2023, Consideration to Adopt a Resolution Approving the Mid-Year Proposed Budget Adjustments, and Review Fiscal Year 2023-2024 Budget Calendar

BACKGROUND:

The Agenda Report and associated attachments regarding the Mid-Year Proposed Adjustments have been updated as follows:

1. The Total Adopted Expenditures for Fiscal Year 2022-2023 were incorrectly noted as \$25,292,118 rather than \$25,292,228 resulting in subsequent required adjustments in the table. Additionally, the total adjusted General Fund Budget Surplus/Deficit is now correctly reflected at \$(3,098,280).
2. The Exhibit A for Resolution 8216 includes all funds with total adjustments to the General Fund, Internal Service Funds, Enterprise Fund and Special Revenue Funds.



AGENDA REPORT

To: Mayor Celeste T. Rodriguez and Councilmembers

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Subject: Presentation and Discussion of the Mid-Year Budget Review for Fiscal Year 2022-2023, Consideration to Adopt a Resolution Approving the Mid-Year Proposed Budget Adjustments, and Review Fiscal Year 2023-2024 Budget Calendar

RECOMMENDATION:

It is recommended that the City Council:

- a. Review and discuss the Fiscal Year (FY) 2022-2023 Mid-Year Budget Review;
- b. Adopt Resolution No. 8216 (Attachment "A") amending the City's FY 2022-2023 Budget to include the proposed mid-year adjustments; and
- c. Review the FY 2023-2024 Budget Calendar.

BACKGROUND:

1. On June 21, 2022, the City Council adopted Resolution No. 8157 approving the FY 2022-2023 City Budget.
2. Pursuant to the City's Adopted Budget Policy, the City Manager will present a mid-year fiscal review to City Council (typically in February or March). The purpose of the mid-year review is to update City Council on the financial condition of the City and recommend adjustments to the City's Budget that have been identified subsequent to budget adoption.
3. In late-January/early-February 2023, the Director of Finance met with various Departments to review any proposed changes that would be needed to continue the operations of the City. In addition, the City Manager and Director of Finance reviewed revenues and expenditures through January 2023, and reviewed proposed budget amendments.

Presentation and Discussion of the Mid-Year Budget Review for Fiscal Year 2022-2023, Consideration to Adopt a Resolution Approving the Mid-Year Proposed Budget Adjustments, and Review Fiscal Year 2023-2024 Budget Calendar

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ANALYSIS:

The annual mid-year budget review is an essential element in maintaining financial stability and transparency. The mid-year budget review process provides the City Council with an opportunity to review the General Fund, make the needed course corrections to achieve a more accurate budget for the current fiscal year (resulting in greater budget transparency), and help shape the development of the FY 2023-2024 Budget.

General Fund.

The General Fund is the chief operating fund for the City that provides funding for police and fire services, street, sidewalk and tree maintenance, development and construction permitting, recreation programming, cultural arts and special events, and management oversight. The City adopted a balanced budget for FY 2022-2023 with \$25,293,996 in revenues and \$25,292,128 in expenditures, resulting in net surplus of \$1,868.

Revenues. Total adopted General Fund revenues for FY 2022-2023 were \$25,293,996. Staff has reviewed receipts through mid-year and believes the current projected revenues are relatively conservative. In consultation with the City’s sales and use tax consultant, HDL Companies, staff projects a slight increase of one percent in Sales, Use and Transaction Tax receipts based on trends.

To account for the increased sales and transaction tax projects and a cost allocation plan adjustment entry due to CNG offsets, staff is recommending the following revenue adjustments, which will result in a net increase of about \$114,952, for a total adjusted revenue budget of \$25,408,948 (additional detail for the reason for each adjustment is provided in Exhibit “A” of Attachment “A”):

Revenue Category	Adjustment
Sales and Use Taxes	\$ 74,152
Transaction Tax (Measure A/SF combined)	\$ 51,906
Cost Allocation Plan	\$ (11,106)
Total Revenue Adjustment	\$ 114,952

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Expenditures. Total adopted General Fund expenditures for FY 2022-2023 were \$25,292,128. Adjusted expenditures through January 2023, which includes \$2,500,000 of appropriations approved by City Council and \$89,060 of prior year carry overs, result in a total adjusted expenditure budget (before recommended mid-year adjustments) of \$27,881,188:

City Council Approved During FY 2022-2023	Adjustment
HVAC for City Facility	\$ 2,500,000
<i>Subtotal</i>	<i>\$ 2,500,000</i>
Carryovers from FY 2022-2023	Adjustment
Police Server Warranty (2 Yrs)	\$ 568
Plan Check Consulting Services	\$ 1,905
Digital Voice Recorder for Field Personnel	\$ 1,779
On Call Planning & Design Services	\$ 9,454
Contract Planner	\$ 24,500
Analysis of Vehicle Miles Traveled	\$ 15,500
On Call Architectural Design Review Services	\$ 14,108
Laptop Replacement - CD Director	\$ 1,625
Homelessness Plan Consultant Services	\$ 1,995
Local Hazard Mitigation Plan	\$ 4,625
Laptop for Radios & Neighborhood Watch	\$ 1,085
Taser Conducted Energy Weapon & Accessories	\$ 9,824
City Wide GIS Services	\$ 1,061
Computer for Rec Leader Work Station	\$ 1,033
<i>Subtotal</i>	<i>\$ 89,060</i>
Total Exp. Adjustments through 1/31/2023	\$ 2,589,060

The primary mid-year adjustments proposed in the General Fund are related to labor attorney fees (no net impact since offset by transfers from other accounts), streetlights knockdowns (to be partially offset by reimbursements received from insurance companies). Additional clean up entries from prior directed items (e.g. transferring funding to the Annual Street Pavement Program) are also included. The most significant net increase is being recommended in the Compressed Natural Gas (CNG) Fund, due to the dramatic increase in cost of CNG, which caused a significant increase in expenditures. Staff is recommending transferring the 10% position salary temporarily to relieve this fund while revenues from the recently increased Per Gallon Equivalent (PGE) rate charged to customers can stabilize, at which time the position will be partially funded through the CNG fund again. A total of \$626,040 in adjustments recommendations are recommended as follows (additional detail for the reason for each adjustment is provided in Exhibit "A" of Attachment "A"):

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Expenditure Category	Adjustment
Annual Street Repavement Project	\$ 553,194
Streetlight Knockdowns	\$ 60,000
CNG – Salary Transfer to General Fund	\$ 12,846
Total Expenditure Adjustment	\$ 626,040

The mid-year adjustments result in a net budget deficit of \$3,098,280 in the General Fund, which is due primarily to the one-time HVAC for City Facilities Project. The General fund has sufficient funds reserved to cover the additional appropriations.

Fund	2022-23 Adopted Budget	Carryovers and Adjustments	Mid-Year Adjustments	2022-23 Adjusted Budget
Revenues	\$ 25,293,996	\$---	\$ 114,952	\$ 25,408,948
Expenditures	\$ 25,292,128	\$2,589,060	\$ 626,040	\$ 28,507,228
Surplus/(Deficit)	\$ 1,868			\$ (3,098,280)

Other Funds.

In addition to adjustments in the General Fund, there are a number of other funds that require mid-year adjustments. Specifically, budget adjustments are being proposed in the Self-Insurance Fund, CNG Fund, CDBG Fund, Measure R Fund, Measure M Fund, Road and Rehabilitation (SB1) Fund, Capital Outlay Fund, State Gas Tax Fund and American Rescue Plan Act Fund.

Key changes in the proposed revenue adjustments in other funds are noted below:

1. Increase Compressed Natural Gas Fund revenue by \$135,000 based on year-to-date revenues collected.
2. Increase Community Development Block Grant (CDBG) Fund revenue by \$78,639 from unallocated balance to close out FY 2022-2023 projects.

Key changes in the proposed expenditure adjustments in other funds are noted below:

1. Increase expenditures in Compressed Natural Gas Fund by \$275,548 to account for increased CNG PGE cost.
2. Increase Community Development Block Grant (CDBG) Fund by \$78,639 to close out FY 2022-2023 projects.
3. Increase in Capital Outlay Fund (\$3.1M) Measure R Fund (\$1.6M), Measure M Fund (\$178K), Road and Rehabilitation (\$65K) Fund, State Gas Tax Fund (\$178K) and American Rescue Plan Act Fund (\$1.0M) to align with direction by City Council on January 3, 2023 related to funding for HVAC and Street Pavement Projects.

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4. Transfer of \$2,000,000 from ARPA Water Capital set aside to Water Distribution due to continued water import through project completion. Staff anticipated a project completion date, including permitting from the State Division of Drinking Water (DDW), of December 31, 2022. Unfortunately, two key DDW staff members involved in the review of the City's permit resigned prior to that date and new staff members were brought in late to review the project. This created delays in permitting by DDW and eventually led to new additional requests from DDW to modify the nitrate removal system design. Staff needed to work with the Envirogen (treatment system designer), CWE (City's water engineering consultant), and FS Contractors to make necessary modifications to design and order new materials to construct the modifications. Staff is now waiting for materials to be ordered and delivered so that the necessary field work and system permitting can be completed. This change has added up to six months to project timeline and the new estimate for starting up the new treatment system is June 30, 2023. As a result of the delays, the City is continuing to incur average monthly charges of importing water from Metropolitan Water District (MWD) of \$250,000. Therefore, staff is recommending using the ARPA funding set aside for water projects to cover the increased cost of importing MWD water. Using ARPA funding will allow the City to avoid passing the increased costs of importing water though to the City's water customers. Otherwise, the City will need to include a significant increase in customer water rates through the next rate study.

Fiscal Year 2023-2024 Budget Outlook.

In order to meet the budget adoption deadline and give City Council and the public sufficient time to review and consider the City Manager's Proposed Budget, staff begins making preparations for the budget process in January each year. Preparations include initial revenue projections, providing direction to Departments regarding budget guidelines and expectations (e.g., reductions in Operations and Maintenance budgets, Maintenance of Effort budgets, funded enhancement requests only, etc.), and planning the budget calendar to get input from City Council.

To facilitate an efficient budget process, staff has developed a proposed calendar of events for the FY 2023-2024 budget process. The purpose of a budget calendar is to provide all parties involved with deadlines for submitting data and budget requests and provide the community opportunities to provide input.

A summary of some of the important dates, including the budget study session(s) and budget adoption, are as follows:

Tuesday, February 28, 2023

- Community Surveys due to inform budget priorities

Monday, March 3, 2023

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- City Council agenda item to discuss Citywide Strategic Goals for FY 2023-2024.

Thursday, March 9, 2023

- Measure A/SF Town Local Transaction Tax Meeting

Tuesday, March 21, 2023

- Finance/Budget Presentation to Community Academy

Monday, May 1, 2023

- Distribute FY 2023-2024 Proposed Budget Book to City Council and post it to the City's website for public view.

Monday, May 15, 2023

- Budget Study Session (Department Overview of Administration, City Clerk, Finance, Community Development, Recreation and Community Services)

Monday, May 22, 2023

- Special Budget Study Session (Department Overview of Police, Public Works – Operations and Capital Improvement Plan).

Tuesday, May 30, 2023

- Special Budget Study Session (if necessary)

Monday, June 5, 2023

- Budget Study Session (if necessary)

Tuesday, June 20, 2023

- Budget Adoption

BUDGET IMPACT:

The proposed adjustments in all funds are relatively minor and reflect adjustments needed during the normal course of business in any fiscal year. Although the General Fund mid-year adjustments result in a net one-time budget deficit of \$(3,098,280), the General Fund Reserves will cover this shortfall. That said, staff projects a year-end General Fund Balance of approximately of \$7.1M, which represents 25% of the City's General Fund FY 2022-2023 expenditures.

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CONCLUSION:

Adopting the proposed mid-year adjustments will provide staff with the budget authority to make the needed course corrections and achieve a more accurate budget for the current fiscal year and provide the basis for developing the FY 2022-2023 Budget.

ATTACHMENTS:

- A. Resolution No. 8216, including:
 - Exhibit A: Summary of FY 2022-2023 Proposed Mid-year Budget Adjustments
- B. Preliminary FY 2023-2024 Budget Calendar

RESOLUTION NO. 8216

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO,
CALIFORNIA, AMENDING THE ADOPTED BUDGET FOR FISCAL YEAR 2022-
2023 ADOPTED ON JUNE 21, 2022**

WHEREAS, the City Council has received and considered the proposed adjustment to the budget for Fiscal Year 2022-2023, commencing July 1, 2022, and ending June 30, 2023; and

WHEREAS, the purpose of the mid-year adjustment is to update the community on the financial condition of the City and recommend adjustments to the City's Budget that have been identified subsequent to budget adoption; and

WHEREAS, the City Council has determined that it is necessary to adjust the expenditures and revenues of the current City budget; and

WHEREAS, an annual budget for the City of San Fernando for the Fiscal Year beginning July 1, 2022 and ending June 30, 2023, a copy of which is on file in the City Clerk's Office, and has been adopted on June 21, 2022.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The City Council hereby amends the adopted Budget to adjust the expenditures and revenues as provided in Exhibit "A," attached hereto.

Section 2. The City Clerk shall certify to the adoption of this resolution and shall cause a certified resolution to be filed in the Office of the City Clerk

PASSED, APPROVED, AND ADOPTED this 21st day of February 2023.

Celeste T. Rodriguez, Mayor of the City of
San Fernando, California

ATTEST:

Julia Fritz, City Clerk

CERTIFICATION

I, City Clerk of the City of San Fernando, California, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. 8216 which was regularly introduced and adopted by the City Council of the City of San Fernando, California, at a regular meeting thereof held on the 21st day of February, 2023, by the following vote of the City Council:

AYES:

NAYS:

ABSENT:

ABSTAINED:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of San Fernando, California, this _____ day of February, 2023.

Julia Fritz, City Clerk

EXHIBIT A

GENERAL FUND
FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS

GENERAL FUND								
Beginning Fund Balance:						10,231,041		
ADOPTED GENERAL FUND REVENUES						25,293,996		
			REVENUE		2023	Proposed	Proposed	
Fund	Acct.	Project.	Account Title	Total Budget	Adjustment	Total	Justification:	
001	3210	0000	SALES AND USE TAXES	6,975,848	74,152	7,050,000	INCREASE BASED ON HDL MID YEAR PROJECTIONS	
001	3210	3202	MEASURE SF SALES TAX - 3/4 CENT	4,679,369	51,906	4,731,275	INCREASE BASED ON HDL MID YEAR PROJECTIONS	
001	3795	0000	COST ALLOCATION PLAN	1,519,956	(11,106)	1,508,850	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD	
Subtotal Revenue Adjustments						114,952		
TOTAL ADJUSTED GENERAL FUND REVENUES						25,408,948		
ADOPTED GENERAL FUND EXPENDITURES						25,292,128		
			EXPENDITURE		2023	Proposed	Proposed	
Fund	Div.	Project.	Acct.	Account Title	Total Budget	Adjustment	Total	
				CARRYOVERS PER RESOLUTION NO. 8157		89,060	89,060	PER BUDGET ADOPTION RESOLUTION NO. 8157
				APPROPRIATION APPROVED BY COUNCIL		2,500,000	2,500,000	PER BUDGET AMENDMENT RESOLUTION NO. 8212
SUBTOTAL CARRYOVERS/BUDGET AMENDMENTS						2,589,060		
001	110	0000	4270	PROFESSIONAL SERVICES	275,625	(75,000)	200,625	TRANSFER FOR LABOR ATTORNEY FEES
001	190	0000	4101	NON-DEPT SALARIES	85,000	(85,000)	-	TRANSFER FOR LABOR ATTORNEY FEES
001	190	0000	4267	APPROPRIATED RESERVE	75,000	(40,000)		TRANSFER FOR LABOR ATTORNEY FEES
001	112	0000	4270	PROFESSIONAL SERVICES	78,750	200,000	278,750	INCREASING DUE TO NEGOTIATIONS, INVESTIGATIONS & HEARINGS
SUBTOTAL ADMINISTRATION/FINANCE						-		
001	190	0303	4932	TRANSFER TO CAPITAL OUTLAY FUND	-	553,194	553,194	FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)
001	371	0564	4300	DEPARTMENT SUPPLIES	-	60,000	60,000	INCREASE DUE TO ST. LIGHT KNOCKDOWNS. COSTS TO BE OFFSET BY INSURANCE CLAIMS.
001	310	0000	4101	SALARIES - PERM	347,553	6,920	354,473	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
001	310	0000	4102	OASDI	19,956	529	20,485	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
001	310	0000	4124	RETIREMENT	26,049	1,669	27,718	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
001	310	0000	4126	HEALTH INSURANCE	65,692	2,482	68,174	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
001	310	0000	4128	DENTAL INSURANCE	3,178	214	3,392	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
001	310	0000	4130	WORKERS COMP	14,377	984	15,361	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
001	310	0000	4136	OPTICAL INS	594	39	633	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
001	310	0000	4138	LIFE INS	360	9	369	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
SUBTOTAL PUBLIC WORKS						626,040		
Subtotal Expenditure Adjustments						3,215,100		
TOTAL ADJUSTED GENERAL FUND EXPENDITURES						28,507,228		
TOTAL ADJUSTED GENERAL FUND SURPLUS(DEFICIT)						(3,098,280)		
Ending Fund Balance:						7,132,761		

EXHIBIT A

INTERNAL SERVICE FUNDS
 FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS

SELF INSURANCE FUND

Beginning Fund Balance:						(2,134,000)		
TOTAL SELF INSURANCE REVENUES						2,419,641		
Fund	Acct.	Project	REVENUE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
			NO REVENUE ADJUSTMENT	-		-		
<i>Subtotal Revenue Adjustments</i>						-		
TOTAL ADJUSTED SELF INSURANCE REVENUES						2,419,641		
TOTAL SELF INSURANCE EXPENDITURES						2,350,000		
Fund	Div.	Project	Acct.	EXPENDITURE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:
006	190	0000	4240	INSURANCE AND SURETY	350,000	10,000	360,000	ADDITIONAL FUNDS FOR INSURANCE PREMIUMS
006	190	0000	4800	LIABILITY INSURANCE CLAIMS	500,000	150,000	650,000	ADDITIONAL FUNDS FOR INSURANCE CLAIMS
006	190	0000	4830	LIABILITY INSURANCE REQUIREMENTS	1,000,000	156,905	1,156,905	ADDITIONAL FUNDS FOR INSURANCE CLAIMS
<i>Subtotal Expenditure Adjustments</i>						316,905		
TOTAL ADJUSTED SELF INSURANCE EXPENDITURES						2,666,905		
TOTAL ADJUSTED SELF INSURANCE FUND SURPLUS(DEFICIT)						(247,264)		
Ending Fund Balance:						(2,381,264)		

EXHIBIT A

ENTERPRISE FUNDS
 FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS

COMPRESSED NATURAL GAS FUND

Beginning Fund Balance:				146,129				
TOTAL CNG FUND REVENUES				120,000				
REVENUE				2022	Proposed	Proposed		
Fund	Acct.	Proj.	Account Title	Total Budget	Adjustment	Total	Justification:	
074	3735	3661	CNG FUELING STATION	120,000	135,000	255,000	APPROPRIATE EST. CNG STATION REVENUES.	
<i>Subtotal Revenue Adjustments</i>				135,000				
ADJUSTED CNG FUND REVENUES				255,000				
CNG FUND EXPENDITURES				120,816				
Fund	Div.	Proj.	Acct.	EXPENDITURE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:
074	320	0000	4101	SALARIES - PERM	6,920	(6,920)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4102	OASDI	529	(529)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4124	RETIREMENT	1,669	(1,669)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4126	HEALTH INSURANCE	2,482	(2,482)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4128	DENTAL INSURANCE	214	(214)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4130	WORKERS COMP	984	(984)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4136	OPTICAL INS	39	(39)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4138	LIFE INS	9	(9)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4260	CONTRACTUAL SERVICES	10,000	(7,500)	2,500	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4480	COST ALLOCATION PLAN	11,106	(11,106)	-	REDUCTIONS TO RELIEVE CNG DURING ADJ PERIOD
074	320	0000	4210	UTILITIES	18,000	42,000	60,000	INCREASES DUE TO HIGHER CONSUMPTION
074	320	0000	4402	FUEL	40,000	250,000	290,000	INCREASES DUE TO HIGHER CONSUMPTION
074	320	0000	4457	EXCISE TAX RETURN	10,000	15,000	25,000	INCREASES DUE TO HIGHER CONSUMPTION
<i>Subtotal Expenditure Adjustments</i>				275,548				
ADJUSTED CNG FUND EXPENDITURES				396,364				
TOTAL ADJUSTED CNG FUND SURPLUS(DEFICIT)				(141,364)				
Ending Fund Balance:				4,765				

EXHIBIT A

SPECIAL REVENUE FUNDS
 FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

				Beginning Fund Balance:		(26,995)			
				TOTAL REVENUES		225,000			
Fund	Acct.	Project.		REVENUE Account Title	2023 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
026	3693	0182		PIC ST & SF RD IMPROVEMENTS	-	78,639	78,639	APPROPRIATING UNALLOCATED CDBG BALANCE FOR PROJECT CLOSE-OUT	
				<i>Subtotal Revenue Adjustments</i>		78,639			
				TOTAL ADJUSTED REVENUES		303,639			
				TOTAL EXPENDITURES		225,000			
Fund	Div.	Project.	Acct.	EXPENDITURE Account Title	2023 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
026	311	0182	4260	CONTRACTUAL SERVICES	-	78,639	78,639	APPROPRIATING UNALLOCATED CDBG BALANCE FOR PROJECT CLOSE-OUT	
				<i>Subtotal Expenditure Adjustments</i>		78,639			
				TOTAL ADJUSTED EXPENDITURES		303,639			
				TOTAL ADJUSTED CDBG FUND SURPLUS(DEFICIT)		0			
				Ending Fund Balance:		(26,995)			

**SPECIAL REVENUE FUNDS
FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS**

CAPITAL OUTLAY FUND

Beginning Fund Balance:				1,857,537					
TOTAL REVENUES				-					
				2023	Proposed	Proposed			
Fund	Acct.	Project.	REVENUE Account Title	Total Budget	Adjustment	Total	Justification:		
032	3970	0000	TRANSFER FROM GENERAL FUND	-	2,500,000	2,500,000	FOR HVAC PROJECT (CORRECTION TO RESO. 8212)		
032	3970	0000	TRANSFER FROM GENERAL FUND	-	553,194	553,194	FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)		
Subtotal Revenue Adjustments					3,053,194				
TOTAL ADJUSTED REVENUES					3,053,194				
TOTAL EXPENDITURES						-			
Fund	Div.	Project.	Acct.	EXPENDITURE Account Title	2023 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
032	390	0765	4600	SELF GENERATION INCENTIVE PROGRAM	-	2,500,000	2,500,000	FOR HVAC PROJECT (CORRECTION TO RESO. 8212)	
032	311	0303	4600	ANNUAL SLURRY SEAL STREET PROJECT	-	553,194	553,194	FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)	
Subtotal Expenditure Adjustments						3,053,194			
TOTAL ADJUSTED EXPENDITURES						3,053,194			
TOTAL ADJUSTED CAPITAL OUTLAY FUND SURPLUS(DEFICIT)						-			
Ending Fund Balance:					1,857,537				

EXHIBIT A

SPECIAL REVENUE FUNDS
 FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS

MEASURE R

Beginning Fund Balance:				1,185,191				
TOTAL REVENUES				375,701				
Fund	Acct.	Project.	REVENUE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
			NO REVENUE ADJUSTMENT	-	-	-		
<i>Subtotal Revenue Adjustments</i>					-			
TOTAL ADJUSTED REVENUES				375,701				
TOTAL EXPENDITURES				1,542,156				
Fund	Div.	Project.	Acct.	EXPENDITURE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:
012	311	0303	4600	ACTIVITIES AND PROGRAMS	-	18,236	18,236	FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)
<i>Subtotal Expenditure Adjustments</i>						18,236		
TOTAL ADJUSTED EXPENDITURES				1,560,392				
TOTAL ADJUSTED MEASURE R FUND SURPLUS(DEFICIT)				(1,184,691)				
Ending Fund Balance:				500				

EXHIBIT A

SPECIAL REVENUE FUNDS
 FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS

MEASURE M

Beginning Fund Balance:				1,409,850				
TOTAL REVENUES				425,794				
Fund	Acct.	Project.	REVENUE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
			NO REVENUE ADJUSTMENT	-	-	-		
<i>Subtotal Revenue Adjustments</i>					-			
TOTAL ADJUSTED REVENUES				425,794				
TOTAL EXPENDITURES				1,656,729				
Fund	Div.	Project.	Acct.	EXPENDITURE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:
024	311	0303	4600	ACTIVITIES AND PROGRAMS	-	178,415	178,415	FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)
<i>Subtotal Expenditure Adjustments</i>						178,415		
TOTAL ADJUSTED EXPENDITURES				1,835,144				
TOTAL ADJUSTED MEASURE M FUND SURPLUS(DEFICIT)				(1,409,350)				
Ending Fund Balance:				500				

**SPECIAL REVENUE FUNDS
FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS**

ROAD MAINTENANCE & REHAB (SB1) FUND

				Beginning Fund Balance:	1,537,258			
				TOTAL REVENUES	564,259			
Fund	Acct.	Project.	REVENUE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
			NO REVENUE ADJUSTMENT	-	-	-		
<i>Subtotal Revenue Adjustments</i>					-			
				TOTAL ADJUSTED REVENUES		564,259		
				TOTAL EXPENDITURES		2,036,453		
Fund	Div.	Project.	Acct.	EXPENDITURE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:
025	311	0303	4600	ACTIVITIES AND PROGRAMS	-	64,564	64,564	FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)
<i>Subtotal Expenditure Adjustments</i>						64,564		
				TOTAL ADJUSTED EXPENDITURES		2,101,017		
TOTAL ADJUSTED SB1 FUND SURPLUS(DEFICIT)						(1,536,758)		
Ending Fund Balance:						500		

**SPECIAL REVENUE FUNDS
FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS**

STATE GAS TAX FUND

				Beginning Fund Balance:	71,119			
				TOTAL REVENUES	721,383			
Fund	Acct.	Project.	REVENUE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
			NO REVENUE ADJUSTMENT	-	-	-		
				<i>Subtotal Revenue Adjustments</i>	-			
				TOTAL ADJUSTED REVENUES	721,383			
				TOTAL EXPENDITURES	613,643			
Fund	Div.	Project.	Acct.	EXPENDITURE Account Title	2022 Total Budget	Proposed Adjustment	Proposed Total	Justification:
011	311	0303	4600	ACTIVITIES AND PROGRAMS	-	178,359	178,359	FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)
				<i>Subtotal Expenditure Adjustments</i>		178,359		
				TOTAL ADJUSTED EXPENDITURES		792,002		
				TOTAL ADJUSTED GAS TAX FUND SURPLUS(DEFICIT)		(70,619)		
				Ending Fund Balance:		500		

EXHIBIT A

SPECIAL REVENUE FUNDS
 FY 2022-2023 MID-YEAR BUDGET ADJUSTMENTS

AMERICAN RESCUE PLAN ACT (ARPA)

Beginning Fund Balance:				7,527				
TOTAL REVENUES				-				
Fund	Acct.	Project.	REVENUE Account Title	2023 Total Budget	Proposed Adjustment	Proposed Total	Justification:	
121	3668	3689	REVENUE FROM OTHER AGENCIES	-	5,568,340		APPROPRIATING REMAINING ARPA BALANCE	
TOTAL ADJUSTED REVENUES				5,568,340				
TOTAL EXPENDITURES				4,568,635				
Fund	Div.	Project.	Acct.	EXPENDITURE Account Title	2023 Total Budget	Proposed Adjustment	Proposed Total	Justification:
121	385	3689	4600	CAPITAL PROJECTS - WATER	2,000,000	(2,000,000)	-	TRANSFER TO WATER DISTRIBUTION DUE TO PROJECT DELAYS
121	384	3689	4450	DISTRIBUTION - WATER	-	2,000,000		INCREASE TO WATER DISTRIBUTION DUE TO PROJECT DELAYS
121	311	3689	4600	PUBLIC WORKS - STREETS	500,000	1,007,232		FOR ANNUAL STREET REPAVEMENT PROJECT (CORRECTION TO RESO. 8204)
<i>Subtotal Expenditure Adjustments</i>				1,007,232				
TOTAL ADJUSTED EXPENDITURES				5,575,867				
TOTAL ADJUSTED AMERICAN RESCUE FUND SURPLUS(DEFICIT)				(7,527)				
Ending Fund Balance:				-				



FISCAL YEAR 2023-2024 BUDGET CALENDAR

Time Frame	Task	Department(s)
January - April 2023	Review and calculate revenue projections for General Fund, Special Revenue Funds, Enterprise Funds and Capital Projects Funds.	Finance
January 17, 2023	Agenda item to discuss Citywide Strategic Goals.	Administration
February 2023	Review/Update salary projections.	Personnel, Finance
February 21, 2023	City Council update and presentation: <ul style="list-style-type: none"> FY 2021-2022 Audited Financial Statements FY 2022-2023 Mid-year Budget FY 2023-2024 Budget Kickoff 	Administration, Finance
March – May 2023	Public Engagement: <ul style="list-style-type: none"> Community Surveys Review for Input on Budget Priorities Local Transaction Tax Town Hall Meeting Commission Meeting Presentations Citizens' Academy: Budget Module Chamber of Commerce Presentation 	Administration, Finance
March 3, 2023	Facilitated study session to set City Council priorities for FY 2023-2024.	All Departments
March 7, 2023	City Manager meets with Department Heads to discuss the budget schedule and provide direction regarding budget guidelines.	All Departments
March 8 - 24, 2023	Departments review and complete budget forms.	All Departments
March 27 - 31, 2023	Preliminary review of department budget forms, including review of enhancement and Capital requests.	Administration, Finance
April 4 - 7, 2023	City Manager/Finance Director meetings with Department Heads to discuss budget requests.	All Departments
April 12, 2023	Finalize City Manager's recommendations.	Administration, Finance
April/May 2023	Prepare Proposed Budget document.	Administration, Finance
May 1, 2023	Provide Proposed Budget to City Council and post to the City's website.	Administration, Finance
May 15, 2023 May 22, 2023 May 30, 2023 June 5, 2023 (if necessary)	Budget Study Sessions.	All Departments
May/June 2023	Update Proposed Budget based on City Council direction.	Administration, Finance
June 1, 2023	Publish Notice of Public Hearing for budget adoptions.	City Clerk
June 20, 2023	Budget hearing and adoption, including adopting of Gann Limit.	Administration, Finance
July 1, 2023	Post adopted budget to the City's Finance system.	Finance
July/August 2023	Produce Adopted Budget Book, distribute to City Council, post to the City's website, and submit for GFOA Award.	Finance