



Staff Report

TO: City Council
FROM: Jennifer Ustation, Interim Finance Director
DATE: June 15, 2021
SUBJECT: Fiscal Year 2021 General Fund Budget Adjustments and Receipt and Allocation of State and Local Fiscal Recovery Funds

Background and Analysis:

This report requests adjustments to the General Fund budget and seeks approval to allocate State and Local Fiscal Recovery Funds.

General Fund

As the fiscal year progresses, City staff has reviewed the budgets of the various City departments and recommends a few adjustments to ensure each department has sufficient resources to meet expenditure requirements. City staff recommends the following adjustment to the General Fund Operating budget.

Revenue Adjustments:

Type	Increase/Decrease	Explanation
Public Works-Plan Check	\$ 35,000	Directly correlated to plan check expense
Total	\$ 35,000	

Expenses Adjustments:

Department/Type	Increase/(Decrease)	Explanation
HR/Recruitment Costs	\$ 48,000	There were 23 external recruitments/numerous public safety vacancies – which require the most comprehensive level of background investigation

Risk/Insurance Costs	\$ 22,000	Adjusted in March but was not enough once billing came in
Admin/Contingency	\$ (70,000)	Adjust Contingency Funds to balance department difference
Public Works/Plan Check	\$ 35,000	Increase in activity
Total	\$ 35,000	

Treasury’s Coronavirus State and Local Fiscal Recovery Funds

The Coronavirus Local Fiscal Recovery Fund provides for funding for metropolitan cities, non-entitlement units of local government, and counties. The City of Beaumont was allocated \$7,306,318 of funds as a metropolitan city, which allocated funds based on populations greater than 50,000. The funds are received in two tranches and the City of Beaumont received its first tranche on June 7, 2021, in the amount of \$3,653,159. The second tranche of \$3,653,159 is expected to be received 365 days after receiving the first tranche.

City staff is recommending a budget adjustment to include the receipt of the first tranche of funds and to allocate \$2,099,507 of those dollars to address eligible use B, premium pay to eligible workers who performed essential work during the COVID-19 public health emergency. The remaining portion of the first tranche and the second tranche of funds will be brought back to Council at a later date as a budget adjustment for allocation in the FY2022 budget.

Fiscal Impact:

The impact of the General Fund adjustments is an increase in the revenue budget of \$35,000 and an increase in the expenditure budget of \$35,000 for a balanced adjustment.

The impact of the receipt of Coronavirus Local Fiscal Recovery Funds is an increase in revenue to the CDBG/Grants Fund of \$3,653,159.

The impact of the allocation of Coronavirus Local Fiscal Recovery Funds is an increase in expenditures to the CDBG/Grants fund of \$2,099,507 as a transfer-out, an increase in the General Fund revenues of \$2,099,507 as a transfer-in, and an increase in GF expenditures of \$2,099,507.

Recommended Action:

Approve the proposed operating budget adjustments for the FY2021 General Funds as highlighted in this report,
Approve the receipt of Coronavirus Local Fiscal Recovery Funds through FY2021 budget adjustment as highlighted in this report, and
Approve the proposed allocation of the Coronavirus Local Fiscal Recovery Funds through FY2021 budget amendments.

Attachments:

- A. General Fund Recommended Operating Budget Adjustments
- B. CDBG/Grants Fund Revenue Budget Adjustment
- C. Recommended Allocation of Coronavirus Local Fiscal Recovery Funds