



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE** May 19, 2022  
**SUBJECT: FY 2023 City Wide Budget**

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### **Background and Analysis:**

The City prepares an annual budget that must be completed by June 30, 2022. The budget estimates the resources that will be available to meet City operational and capital needs. It then allocates those resources to meet those needs across the city operating departments and to meet priority capital projects.

A meeting was held on April 27, 2022, for City Council's first view of the budget. The budget for FY 2023 provides for total revenues of \$60,748,780 and total expenditures of \$40,716,471 for a budgeted surplus of \$20,032,309. The City Manager's recommended budget includes using \$5,175,594 of budget surplus to support additional positions and operational costs. This allows the City to keep up with growth and to improve service delivery. Additionally, there is \$937,200 of recommended General Fund funding requests for projects programmed within the CIP. Should City Council decide to fund the recommended enhancements, the budgeted surplus for the General Fund would \$13,919,515.

City Council asked staff to reduce one of the enhancement requests from Economic Development from \$700,000 to \$500,000 and to include a Management Analyst position to support Economic Development with setting up and administering the forthcoming downtown programs for a total of \$168,000. City Council also provided staff with suggestions and priorities for the use of the General Fund surplus.

### Staff Recommended Options

Staff recommend using the remaining \$13.9M General Fund surplus on the following:

- Additional funds for the Stewart Park project \$4.75m
- A new project for the Memorial Park Plaza \$1.75m

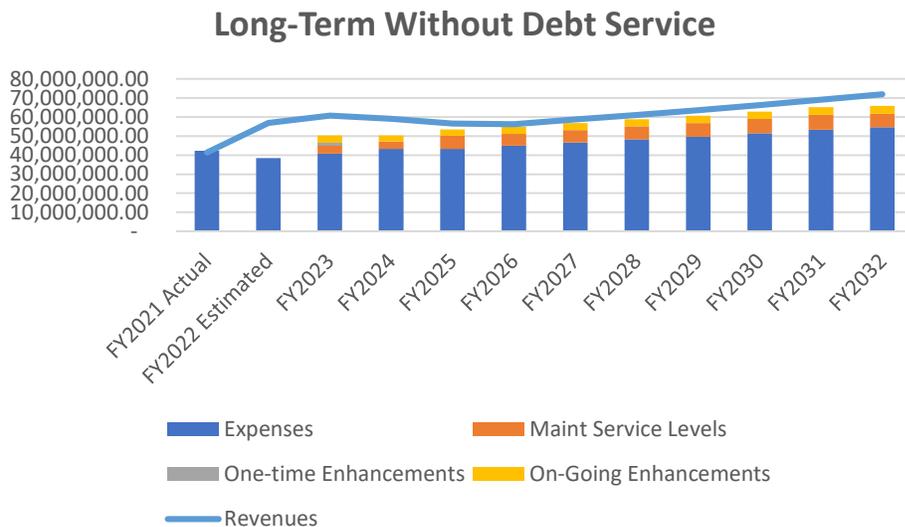
- Memorial Plaza Cameras (New Project) \$ 50k
- Additional funds for the Cherry Channel project \$250k
- Total \$6.8M

Staff have left \$7.1M available for appropriations throughout the year. Staff are currently in negotiations to payoff the WRCOG agreement. The total currently owed is \$9.4M.

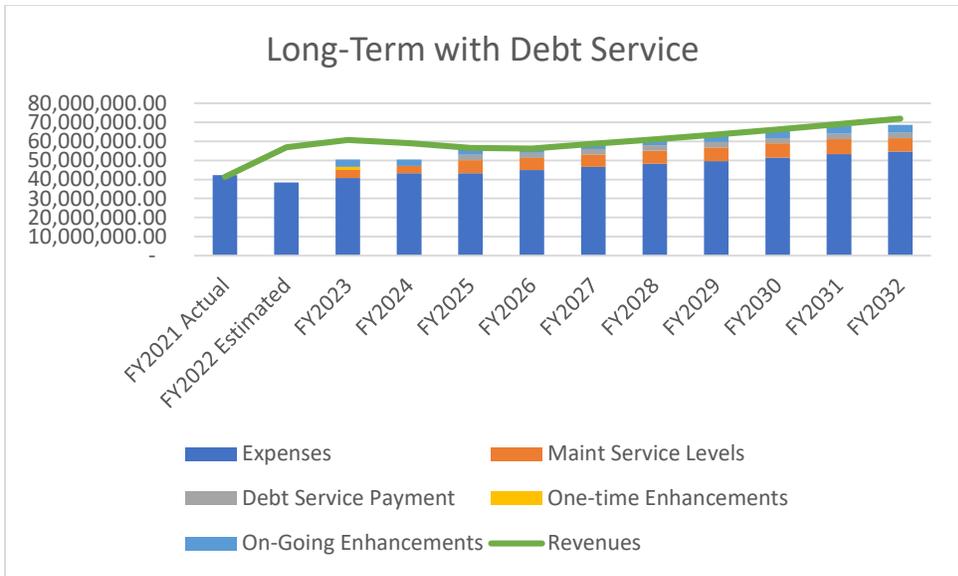
Long-Term Financial Forecast with Changes

Staff have analyzed the changes within the long-term financial forecast. Below is the outlook with the following change assumptions:

Long-Term Financial Forecast with added position and not paying off WRCOG.

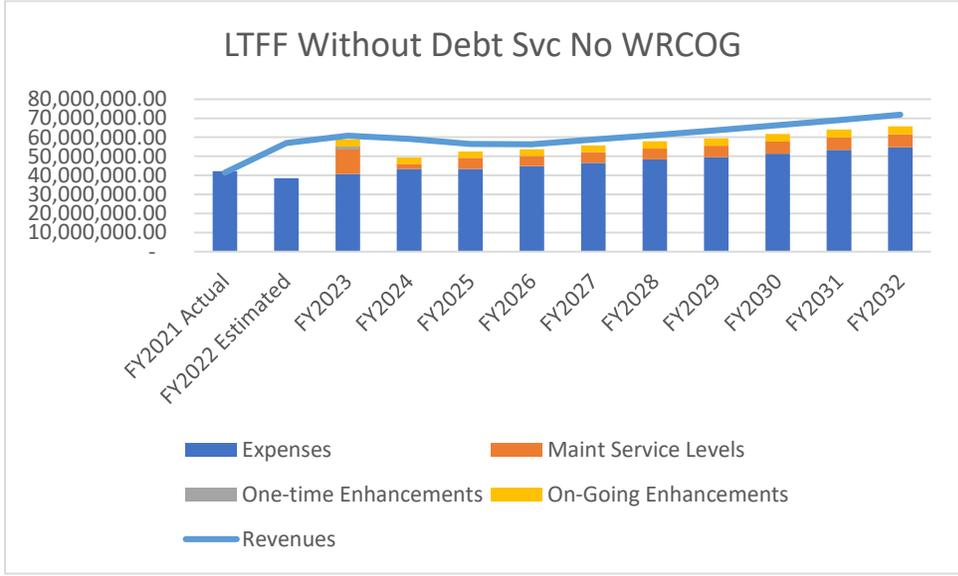


Long-Term Financial Forecast with added position, not paying off WRCOG and a debt service option to finance the new police station.

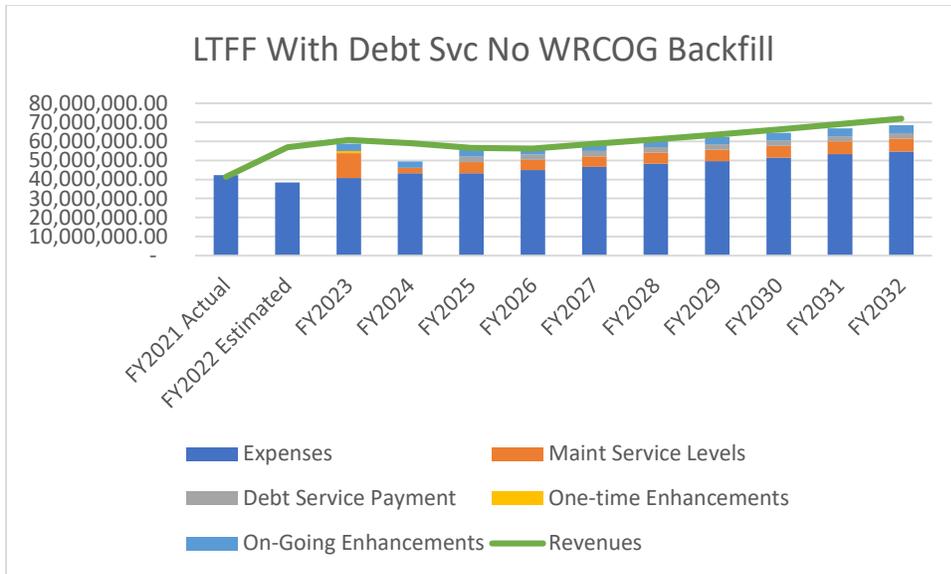


Staff also analyzed the impact of paying off the WRCOG Agreement.

Long-term financial forecast with added position, paying off the WRCOG Agreement, and removing the backfill of the Measure A revenue loss.



Long-term forecast with added position, paying off the WRCOG Agreement, removing the backfill of the Measure A revenue loss, and a debt service option to finance the new police station.



**Other Funding Changes Not General Fund**

Staff are also recommending the following changes in other funds.

- Added funding of \$750k to the Pennsylvania Grade Separation Design (Road and Bridge DIF)
- Ebike purchase – Bike Patrol Program, 2(two) ebikes and training for two (2) officers on team \$12,360 (AQMD)
- Field Training Program Reporting/Training Software - \$4,726 (SLESA)

**Fiscal Impact:**

This is the second meeting regarding the FY 2023 budget and is intended to seek guidance from City Council on the proposed changes. No fiscal impact is anticipated from this discussion.

**Recommended Action:**

Review the proposed FY 2023 budget changes and provide guidance to staff prior to bringing the budget back for Council consideration and adoption

**Attachments:**

- A. PowerPoint presentation