



CITY OF CLEARLAKE

City Council

STAFF REPORT

SUBJECT: Adopt Resolution 2022- 11 Amending the Fiscal Year 2021-22 Budget with Mid-Year Adjustments

MEETING DATE: 3/3/2022

SUBMITTED BY: Kelcey Young, Director of Finance

PURPOSE OF REPORT: ☐ Information only ☐ Discussion ☒ Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to consider adopting Mid-Year adjustments to the FY 2021-22 Budget to adjust various revenues and make various appropriation adjustments.

BACKGROUND/DISCUSSION:

Presented to the City Council is an update with recommended adjustments on the FY 2021-2022 Budget through the mid-point of the fiscal year (July 1st through December 31st, 2021). Based on the current trends and projections, this year's budget is on track and is expected to finish the year balanced, provided the current budget is followed and prudent spending is observed. A small increase in sales tax and planning fee revenue is anticipated, which offsets the additional expenses expected to increase costs because of Covid-19 and other factors. Other one time grants will result in additional revenue for specific projects.

A summary of the recommended changes is below:

Revenue Adjustments:

1. Increase Revenue for LEAP Grant for \$60,000
2. Increase Revenue for SB2 for \$160,000
3. Adjust CIRA Grant Revenue from \$75,000 to \$121,000
4. Add Revenue for \$5,000 for Cal Recycle Grants
5. Increase Planning Fees revenue by \$53,837
6. Increase Sales Tax revenue by \$70,347
7. Increase Measure P revenue by \$12,314
8. Increase CDBG Revenue by \$37,500

Appropriation Adjustments:

1. Adjust Non-Departmental Contract Services by \$40,000 to pay for increase in consultants for economic development outreach and strategy. This adjustment will be funded by SB2 Revenue.
2. Adjust Finance Department Consultant Services by \$55,000 to support capital projects and community development projects. This adjustment will be funded by additional Planning Fee revenue.
3. Adjust Finance Maintenance contracts to \$65,000 for planning, building and financial system to expedite reviews and citywide economic growth. This adjustment will be funded by the LEAP Grant.

4. Adjust Community Development Consultant Services by \$60,000 for additional review of community development projects. This adjustment will be funded by the increase in revenue in Planning Fees.
5. Adjust Building Maintenance from \$17,000 to \$66,000 for property abatement and lot improvement for the Homestead program and other City owned properties. This adjustment will be funded by one-time funds from the CIRA Grant.
6. Appropriate \$5,000 for Recycle Fund to pay for trash/recycle receptacle and supplies. This will be funded by the Cal Recycle Grant.
7. Increase PW salary budget by \$2,000 and \$2,000 to Special Duty Pay. This will be funded by additional Sales tax revenue.
8. Increase Park Department Salaries by \$20,000 to account for employee reorganization resulting in a senior employee in the position. Increase Special Duty Pay by \$1,000 and overtime by \$5,000. This will be funded by additional Sales Tax Revenue.
9. Increase Park Department Supplies account by \$5,000 to cover additional park maintenance supplies. This will be funded by additional Sales Tax Revenue.
10. Increase PD Overtime by \$30,000 due to increased overtime for Covid quarantines and vacant positions. This will be funded by additional Sales Tax Revenue.
11. Increase PD Fuel Cost by \$7,000 due to the rising costs of fuel and additional vehicle usage. This will be funded by additional Sales Tax Revenue.
12. Increase Measure P Overtime by \$12,314 due to Covid 19 quarantine and vacant position. This will be funded by additional Measure P Sales Tax Revenue.
13. Adjust Code Enforcement Vehicle Abatement by \$49,184 for Salvage Costs from 2020-21 but paid for in 2021-22.
14. Increase CDBG Code Enforcement overtime by \$37,500 to focus on CDBG areas of the city. Funded by CDBG Code Enforcement Grant Funds

FISCAL IMPACT:

☐ None ☒ \$444,998 Total/\$390,184 GF Budgeted Item? ☐ Yes ☒ No
 Budget Adjustment Needed? ☒ Yes ☐ No If yes, amount of appropriation increase: \$444,998
 Affected fund(s): ☒ General Fund ☒ Measure P Fund ☐ Measure V Fund ☒ Other: 350, 363
 Comments: No net impact as increased expenses are being covered by increased revenues.

STRATEGIC PLAN IMPACT:

- ☒ Goal #1: Make Clearlake a Visibly Cleaner City
- ☒ Goal #2: Make Clearlake a Statistically Safer City
- ☒ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☒ Goal #4: Improve the Image of Clearlake
- ☒ Goal #5: Ensure Fiscal Sustainability of City
- ☒ Goal #6: Update Policies and Procedures to Current Government Standards
- ☒ Goal #7: Support Economic Development

SUGGESTED MOTIONS:

Move to approve the resolution.

☒ **Attachments:** 1) Resolution No 2022-11

RESOLUTION NO. 2022-11

ADOPTION OF MID-YEAR ADJUSTMENTS TO THE FY 2021-22 BUDGET (RESOLUTION 2021-33)

WHEREAS, the City Council desires to review the Adopted Budget Mid-Year and make appropriate adjustments as deemed necessary for the financial health of the City of Clearlake.

WHEREAS, the City Council adopted the FY 2021-22 Budget in June of 2021.

WHEREAS, The City Council of the City of Clearlake reviewed revenue and expenditures through December 31, 2022 at the March 3, 2022 Council Meeting.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Clearlake that the FY 2021-22 Budget is amended as specified below.

Appropriation Adjustments							
Fund	Fund Name	Department	Account	Description	FY 21-22 Adopted	Adjustment	FY 21-22 Amended Budget
100	General	Non Departmental	100-1110-750-561	Contract Services	\$ 67,650	\$ 40,000	\$ 92,650
100	General	Finance	100-1300-750-560	Consultant Services	\$ 57,107	\$ 55,000	\$ 107,107
100	General	Finance	100-1300-600-532	Maintenance Contracts	\$ 40,000	\$ 65,000	\$ 100,000
100	General	Community Development	100-1400-750-560	Consultant Services	\$ 85,000	\$ 60,000	\$ 135,000
100	General	Facilities	100-3015-650-341	Building Maintenance	\$ 17,000	\$ 49,000	\$ 66,000
363	Cal Recycle	Non-Departmental	363-104-21	Cal-Recycle Grant	\$ -	\$ 5,000	\$ 5,000
100	General	Public Works	100-3000-500-101	Salaries	\$ 96,229	\$ 2,000	\$ 98,229
100	General	Public Works	100-3000-500-105	Special Duty Pay	\$ 474	\$ 2,000	\$ 2,474
100	General	Parks	100-3030-500-101	Salaries	\$ 130,909	\$ 20,000	\$ 150,909
100	General	Parks	100-3030-500-105	Special Duty Pay	\$ 4,895	\$ 1,000	\$ 5,895
100	General	Parks	100-3030-500-106	Overtime	\$ 8,000	\$ 5,000	\$ 13,000
100	General	Parks	100-3030-600-235	Supplies	\$ 22,000	\$ 5,000	\$ 27,000
100	General	Police Department	100-2000-500-106	Overtime	\$ 238,415	\$ 30,000	\$ 268,415
100	General	Police Department	100-2000-600-340	Vehicle Fuel	\$ 85,500	\$ 7,000	\$ 92,500
130	Measure P	Police Department	130-2020-500-106	Overtime	\$ 91,445	\$ 12,314	\$ 103,769
100	General	Code Enforcement	100-2010-750-568	Vehicle Abatement	\$ 100,000	\$ 49,184	\$ 149,184
350	CDBG Code Enforcement	Code Enforcement	350-2045-500-106	Overtime	\$ -	\$ 37,500	\$ 37,500
Revenue Adjustment							
Fund	Fund Name	Department	Account	Description	FY 21-22 Adopted	Adjustment	FY 21-22 Amended Budget
100	General	Non-Departmental	100-410-885	Leap Grant	\$ -	\$ 60,000	\$ 60,000
100	General	Non-Departmental	100-410-995	SB2	\$ -	\$ 160,000	\$ 160,000
100	General	Non-Departmental	100-410-825	Parsac	\$ 75,000	\$ 46,000	\$ 121,000
363	Cal Recycle	Non-Departmental	363-104-21	Cal Recycle	\$ -	\$ 5,000	\$ 5,000
100	General	Non-Departmental	100-414-510	Planning Fees	\$ 30,000	\$ 53,837	\$ 133,651
100	General	Non-Departmental	100-401-140	Sales Tax	\$ 2,173,418	\$ 70,347	\$ 2,257,732
130	Measure P	Police Department	130-401-145	Sales Tax	\$ 1,246,300	\$ 12,314	\$ 1,258,614
350	CDBG Code Enforcement	Code Enforcement	350-405-895	Misc. Income	\$ 326,121	\$ 37,500	\$ 363,621

PASSED AND ADOPTED by the City Council of the City of Clearlake, County of Lake, State of California, on this 3rd day of March, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____

City Clerk

Mayor