



**STAFF REPORT**  
**5/24/2023**

**TO:** Honorable Mayor and City Council Members

**FROM:** William B. Pattison, Finance Director

**SUBJECT:** Resolution No. 2023-28, Approving Mid-Year Budget Adjustments for Fiscal Year 2022-23

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**STAFF RECOMMENDATION:**

Staff recommends that City Council approve the mid-year budget adjustments outlined below and adopt Resolution No. 2023-28 amending the budget for fiscal year 2022-2023.

**BACKGROUND:**

As the City approached the middle of the fiscal year, City finance staff evaluated the adopted budget, revenue projections, and economic conditions for the remainder of the fiscal year. It is standard procedure to perform a mid-year review of the City's budgetary and financial position to ensure any deviations from the initial budget projections are proactively addressed. Staff also reviews requests for appropriations to address new priorities that are unfunded or underfunded.

**DISCUSSION/ANALYSIS:**

**Revenues**

Recommended mid-year budgeted revenue Increases:

- General Fund – Revenues
  - Increase in Measure U tax \$263,515.00
  - Increase in Use Sales Tax \$200,000.00
  - General Government Administration Fees \$150,000.00
  
- Development impact fees – Revenues
  - Dillon Road JPA \$25,000.00
  
- Grants – Revenues
  - State Grants \$567,597.00
  
- Capital projects – Revenues
  - Transfers in – Fire Station \$556,813.00

- Fire Department – Revenues
  - Increase – Transfer in \$93,775.00
- Water District – Revenues
  - Increase - Utility service revenue \$600,000.00
- Sanitary District – Revenues
  - Increase - Utility service revenue \$650,000.00

**Expenses**

Recommended mid-year budgeted expenditure increases/(decreases):

- General Fund – Expenses
  - Increase in payroll benefits \$32,000.00
  - Increase in Other professional contract services \$55,700.00
  - Decrease in Machinery and equipment (\$2,700.00)
  - Increase in Other legal services \$300,000.00
  - Increase in Animal Control Services \$119,740.00
  - Increase in Sponsorships \$2,500.00
  - Decrease in Community Based Grant Programs (\$2,500.00)
  - Transfer out – Fire Department \$93,775.00
- Fire Department – Expenses
  - Professional contract services \$93,775.00
- Water District – Expenses
  - Professional contract services \$100,000.00

**FISCAL IMPACT:**

Approval of these mid-year budget adjustments will have the following fiscal impacts:

- General Fund
  - Fund balance – net increase \$15,000.00
- Development Impact Fees Fund
  - Fund balance - net decrease \$25,000.00.
- Grants Fund
  - Fund balance – net increase \$567,597.00

- Fire District
  - Fund balance No impact
- Capital projects
  - Fund balance – net increase \$567,597.00
- Water District Fund
  - Net position – net increase \$500,000.00
- Sanitary District
  - Net position – net increase \$200,000.

**ATTACHMENTS:**

1. Resolution 2023-28 - Amending the budget for fiscal year 2022-2023