



STAFF REPORT
4/24/2024

TO: Honorable Mayor and City Council Members
FROM: Ruben Ramirez, Controller
SUBJECT: Resolution No. 2024-12, Approving Mid-Year Budget Adjustments for Fiscal Year 2023-24

STAFF RECOMMENDATION:

Staff recommends that the City Council approve the mid-year budget adjustments outlined below and adopt Resolution No. 2024-12, amending the fiscal year 2023-2024 budget.

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
 - Property Taxes \$30,000.00
 - Increase in Measure U tax \$500,000.00
 - Increase in Use Sales Tax \$200,000.00
 - Cannabis – cultivation \$50,000.00
 - Cannabis – retail \$150,000.00

- Water District – Revenues
 - Increase - Grants \$196,183.00

- Sanitary District – Revenues
 - Increase - Utility service revenue \$350,000.00
 - Decrease – Connection fees (\$550,000.00)

Expenses

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

- General Fund – Expenses
 - Decrease in other professional fees (\$30,000.00)
 - Increase in public safety \$63,000.00
 - Decrease in advertisement (\$8,500.00)
 - Increase in meetings and conferences \$11,300.00
 - Increase in supplies \$2,150.00
 - Increase in debt service \$150,629.00

The increase in safety includes one traffic officer starting in May or earlier.

- Sanitary District – Expenses
 - Administrative expenses \$120,000.00

FISCAL IMPACT:

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

- General Fund
 - Fund balance – net increase \$1,161,421.00
- Water District Fund
 - Net position – net increase \$196,183.00
- Sanitary District
 - Net position – net decrease (\$320,000.00)

ATTACHMENTS:

1. Resolution 2024-12 - Amending the budget for fiscal year 2023-2024