



City of Colusa California

STAFF REPORT

DATE: February 18th, 2025
TO: Mayor and Members of the City Council
FROM: Ishrat Aziz-Khan, through Jesse Cain, City Manager

AGENDA ITEM:

Consideration of the Resolution approving the Mid-Year budget as City Manager and City Staff recommended.

Recommendation: Council to adopt the Resolution approving the Mid-Year updated budget for the Fiscal Year 2024-2025.

BACKGROUND ANALYSIS:

The proposed Budget FY 2024-25 was prepared before the fiscal year 2023-2024 closing, and the annual audit was conducted. The City policy allows sixty days to post the revenue and expenditure of the prior year at the closing of the year. Now, the annual audit is completed and adopted by the council on February 4th, 2025, the final fund balances as of July 1st, 2024, are attached in the Mid-Year budget as beginning balances.

Below are some highlights from the Mid-year 2024-25 budget.

The beginning balance for General funds are \$3,387,878 including the \$23,196 in reserve fund with NCCSIf, and \$11.674 in general plan fee account.

The General Fund's projected revenue and expenditure for the Mid-Year 2024-25 budget are \$7,616,701 and \$7,747,590 resulted in a \$130,889 deficit.

The revenue decreased by \$211,927 when compared with the adopted budget of FY 2024-25. The projected decreases in sales tax are \$300,450 and \$131,584 for prop 64 moved to a newly created fund #220, \$3,700 for permits, and \$2,000 transaction Occupancy tax. The budget also includes projected increases in property tax \$120,000, VLF \$12,208, franchise fees \$8,000 interest income by \$30,000, \$14,349 from USDA grant, and 41,250 other Misc revenue.

The general fund expenditure increased by \$192,941 when compared with FY 2024-25 adopted budget. The increase in expenditure is due to \$175,000 for the C.D. Semple Park equipment allocated from the Measure B fund. Other increases in general fund expenditures are council

members' personnel cost \$16,228, City Clerk \$5,668, Fire department \$8,035, Police \$ 59,352, Administration \$2,324, Finance \$11,571, Recreation \$1,113, Street \$27,590, Perilli Building \$15,000, Park \$2,193, and City Hall \$451. The Code enforcement (prop 64 grant) revenue and expense of \$131,584 were moved to a separate fund # 220.

The Water Fund beginning audited balance was \$6.85 million with an increase in revenue \$37,500 and the expenditure increase \$112,022. The expenditures increase was mainly from direct and indirect personnel cost.

The Sewer Fund beginning balance of \$10.6 million included \$4.5 million in cash and \$6.39 million in reserve funds. The balance in reserve funds is required by the State Water Resource Board. The \$1.2 million is supported with cash and remaining with assets. The increase in revenue was \$65,000 and expenditures by \$28,000 when compared with the adopted budget. The Wastewater Recycle grant for \$7.06 million was also added to the Mid- year budget for both revenue and expenditure side.

The cannabis funds beginning balance on July 1st, 2024, was \$1.59 million with the anticipation of 150,000 in revenue for FY 2024-25. The Cannabis money was also allocated to pay the payments for Asphalt Street project \$300,000, and \$800,000 for the Arco signal light. The \$50,000 was allocated to the Safe Street for All (SS4) grant match.

The beginning balance for SELF was \$366,325 and there was no change in revenue and expense when compared to the adopted budget.

The new fund (220) was created to keep track of prop 64 related revenue and expenses that was added in the Mid-Year budget.

The Gas tax fund has not changed from adopted budget to Mid-Year budget

LTF fund is a reimbursable account. The County allocates the money from LTF fund and RSTP on an annual basis. The city requests the expenditure report to utilize those funds. There is no significant change from the adopted budget to the Mid-Year budget.

The Park/ Pool & Tree has a beginning balance of \$3,097. There was no change in revenue, but the expense was increased by \$3,000 for pool services and supplies.

CDBG home rehab and CDBG Home Buyer budget don't have any significant changes. The city received a \$500k home grant in 2018 but could not utilize it because of the higher home prices than the state defined threshold.

The state park budget does not have any change from the adopted budget to the Mid-year budget. The LOSSP grant is also added in both revenue and expense.

There is no change in the Boat ramp revenue but the expenditure increased by 35,000 due to the contract with NV5 approved by council on January 21st, 2025.

The impact fee balances as of July 1st. 2024 were Street \$481,964 Law Enforcement \$ 242,851, Fire \$277,117, and Drainage Development \$100,481. These funds are used and allocated to various projects with the council's approval.

BUDGET IMPACT:

The General Fund will result in a deficit of \$130,889. The City has three major projects underway for Water and Sewer fully funded with Grants.

STAFF RECOMMENDATION:

Approve Resolution 25-

ATTACHMENTS:

- Mid-Year Budget Updates
- Resolution