



## STAFF REPORT

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**MEETING DATE:** March 22, 2023

**PRESENTER:** Josefina Alvarez, Finance Director

**SUBJECT:** Mid-Year Budget Status Report Fiscal Year 2022-2023 (JA)

**RECOMMENDATION:** Council review the Mid-Year Budget Report and approve resolution adopting revisions to the Fiscal Year 2022-2023 Budget.

**EXECUTIVE SUMMARY:** The City of Kerman performs a mid-year budget analysis of revenue and expenditures for the first half of fiscal year (July 1st through December 31st). This analysis is also used as part of the preparation for the upcoming FY 2023-2024 budgeting process.

The Fiscal Year 2022-2023 annual budget was adopted on June 22, 2022, with a General Fund deficit of \$3,741,109 when considering Measure M capital projects. On November 9, 2022, staff brought forth the 1st quarter budget adjustments which resulted in reducing the General Fund deficit of \$3,741,109 down to \$1,888,857.68, if the ARPA money is included and the SLESF money (included in last quarters budget adjustment) is excluded. The 1st quarter budget adjustments also reduced the surplus of the the Enterprise Funds of \$199,742 to \$5,597.90. Staff is recommending some budget adjustments to the General Fund and other funds due to unforeseen operational expenses and revenues. Exhibit 'B' lists each revenue and expense that staff is proposing to adjust this fiscal year.

With the proposed adjustments, the General Fund will eliminate the deficit and end up with a surplus of \$901,589 by increasing revenues by \$254,145.82 and reducing expenses by \$4,364,190.44.

**FISCAL IMPACT:** The overall fiscal impact based on the budget adjustments listed above will eliminate the General Fund deficit of \$3,716,748 and generate a surplus of \$901,589 not including the ARPA money since Hart Ranch Park will not be completed this fiscal year. The overall fiscal impact on the Enterprise Funds excluding the Internal Service Funds would increase the combined surplus of \$5,597.90 to \$65,120.

**ATTACHMENTS:**

A. Resolution w/Exhibits

Attachment 'A'

**RESOLUTION NO. 23-\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KERMAN ADOPTING REVISIONS TO THE FISCAL YEAR 2022-2023 BUDGET**

WHEREAS, the City Council approved the Fiscal Year 2022-2023 Budget by Resolution 22-43 dated June 22, 2022; and

WHEREAS, adjustments are requested for the Fiscal Year 2022-2023 budget based on the actual and estimated sources and uses; and

WHEREAS, the Fiscal Year 2022-2023 Budget adjustments requests include adjustments totaling minus (-) \$4,513,856.34 per the attached schedule identified as Exhibit 'A' to this resolution; and

WHEREAS, a Mid-Year Budget Report is attached as Exhibit 'B' which includes more detailed information on the City's mid-year status.

NOW, THEREFORE, be it resolved by the City Council of the City of Kerman as follows:

1. The foregoing recitals are true and correct and incorporated by reference.
2. The Council approves adjustments to expenditures for the Fiscal Year 2022-2023 budget as outlined in the schedule attached as Exhibit 'A'.
3. The Council accepts and has considered the Mid-Year Budget Report as outlined in Exhibit 'B' in adopting this resolution.

The foregoing resolution was introduced at a regular meeting of the City Council of the City of Kerman held on the 22<sup>nd</sup> day of March 2023, and passed at said meeting by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby approved.

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Maria Pacheco  
Mayor

ATTEST:

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Marci Reyes  
City Clerk