

City of Lathrop

Mid-Year Budget Review

MARCH 8, 2021

ITEM #5.5





Overview

In June 2019, the City Council adopted the Biennial Budget for Fiscal Years 2019/20 and 2020/21.

At the mid-point of the fiscal year, staff is updating Council on the City's financial status.

Items for Council review include:

- Mid-Year Budget Report for Year 2 of Biennial Budget FY 2019/20 and 2020/21
- Amendments to Year 2 of the Biennial Budget FY 2019/20 and 2020/21 including:
 - Program Requests
 - Grade Step Table, Effective 3/8/2021
 - New Job Description



General Fund Mid-Year Status

Most City's administrative expenditures are supported by the General Fund (GF). At the mid-point of Year 2 (FY 2020) of the Biennial Budget, the GF is tracking within budgeted levels and is anticipated to end the year as projected.

Revenues:

- Projected to end the year at \$33.3 million (includes one-time resources)
- Property Tax and Sales Tax are currently trending favorably despite the impacts of the ongoing coronavirus pandemic.

Expenditures:

- Projected to end the year at \$24.7 million.
- Trending below the amended budget level due to salary savings from vacant positions and expense reductions as a result of reduced training and travel.

General Fund Reserves:

- Projected to end the year at \$8.6 million.



Mid-Year Staffing Requests

- Reclassify the City Clerk to the Director of Government Services/City Clerk; and amend the position control roster to reflect these changes.
- This position will oversee and direct the operations and services of the Government Services/City Clerk Department, Code Compliance, Emergency and Community Services; while also serving as the City's Public Information Officer, Elections and FPCC Filing Official.
- This position will also continue to provide executive level support and project management to the City Council, City Manager, and Departments as assigned by the City Manager.



Mid-Year General Fund Program Requests

Information Technology:

- Increase technical support in the amount of \$31,000 for the purchase of various software's compliant with the Uniform Electronic Transactions Act as it related to electronic records and signatures, and to assist with detecting intrusion of potential cyber-attacks. Increase Miscellaneous Equipment account by \$26,500 to cover new router, WIFI support hardware modem, AC power connection and mountable panel.

Public Works:

- Increase park maintenance account by \$60,000 to cover landscape improvements to the Valverde Park Veteran's Memorial and parking lot.



General Fund Summary

With the proposed Mid-Year Budget Adjustments the FY 2021 appropriations are as follow:

GENERAL FUND MID-YEAR REQUESTS SUMMARY			
<i>(in millions)</i>	FY 2021 Amended	FY 2021 Mid-Year	FY 2021 Adopted
Revenue	\$33.1	\$33.3	\$33.3
Expenditures	\$24.6	\$24.7	\$24.7
Fund Balance	\$8.5	\$8.6	\$8.6

The City's Reserve Policy has established an acceptable reserve balance range of 10%-50% of operating expenditures, with a primary goal of 50%.

- Current projected Fund Balance is 35% of operating Expenses

Staff will continue to update Council as additional financial and economic data becomes available.



Mid-Year Non-General Fund Program Requests

- **Measure C Fund**

- Provide funding via a transfer in the amount of \$300,000 to further fund CIP GG19-07 Citywide Surveillance System.
- Provide funding via a transfer in the amount of \$15,000 to fund CIP GG20-24 Back-Up Generator, electrical services associated with the Community Center. City will be reimbursed from awarded PSPS Grant Funds.

- **Developer Deposits Fund**

- The City request an appropriation increase of \$1,707,604 offset by Capacity Reimbursement revenue of \$1,707,604.

- **MWQCF Wastewater Fund**

- Increase machines and equipment account by \$28,000 for the repair of the Crossroad Facility Caterpillar Generator Radiator. Increase improvements non-structure by \$23,117 for repairs on O Street wastewater pump station.

- **Consolidated Treatment Facility Wastewater Fund**

- Increase professional service account by \$250,000 to cover one-time cost to operate the facility. Increase improvements non-structure by \$20,000 for antenna tower relocation to Consolidated Treatment Facility to recover better signal coverage.



Council Action

Staff recommends Council to:

- Approve Mid-Year Budget Report for Year 2 of the Biennial Budget 2019/20 and 2020/21

- Approve Amendments to Year 2 of the Biennial Budget 2019/20 and 2020/21, including:
 - Program Requests
 - Grade Step Table, Effective 3/8/2021
 - New Job Description
 - Amended Position Control Roster, Effective 3/8/2021