



# City of Lathrop Mid-Year Budget Review

March 13, 2023

Item 5.3

# Overview



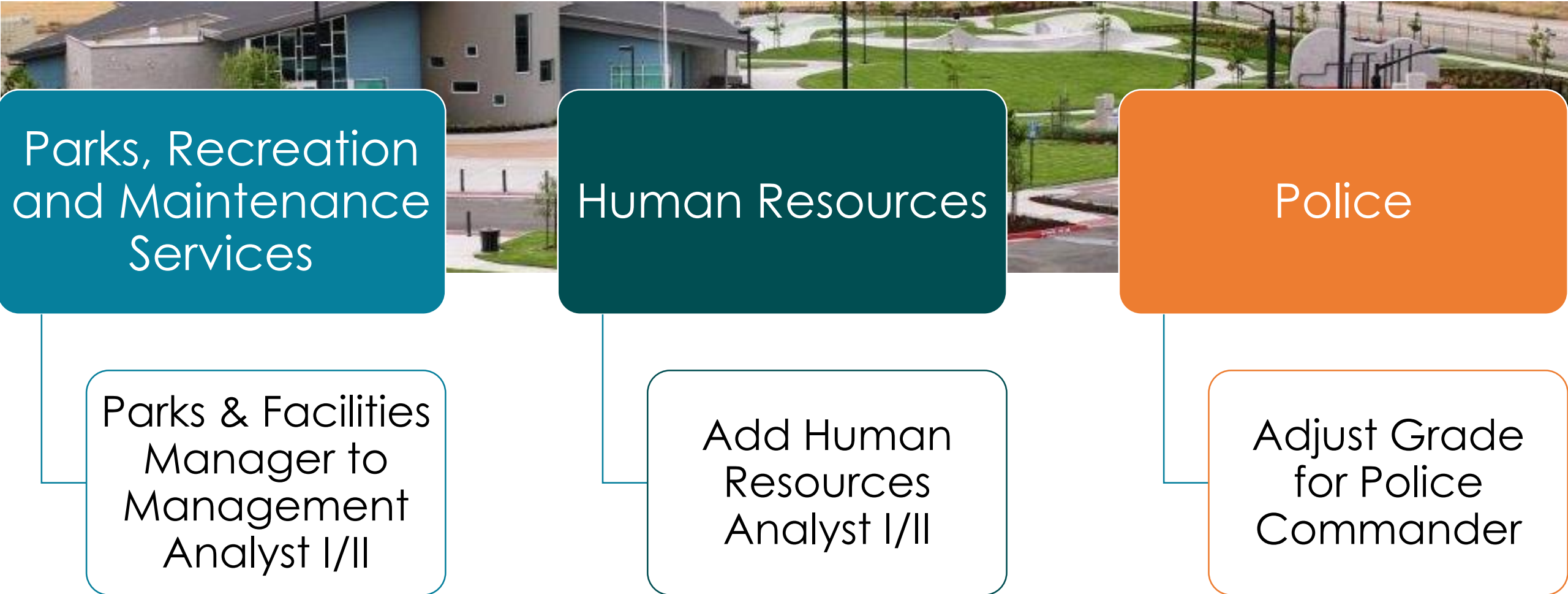
- In June 2021, the City Council adopted the Biennial Budget for Fiscal Years 2021/22 and 2022/23.
- At the mid-point of the fiscal year, staff is updating Council on the City's financial status.
- Items for Council review include:
- Mid-Year Budget Report for Year 2 of Biennial Budget FY 2022 and 2023
  - Amendments to Year 2 of the Biennial Budget FY 2023 including:
    - Program Requests
    - New Police Lieutenant Job Description
    - Amended Grade Step Table
    - Amended Position Control Roster
    - Amend Sworn Compensation Plan

# Mid-Year Update

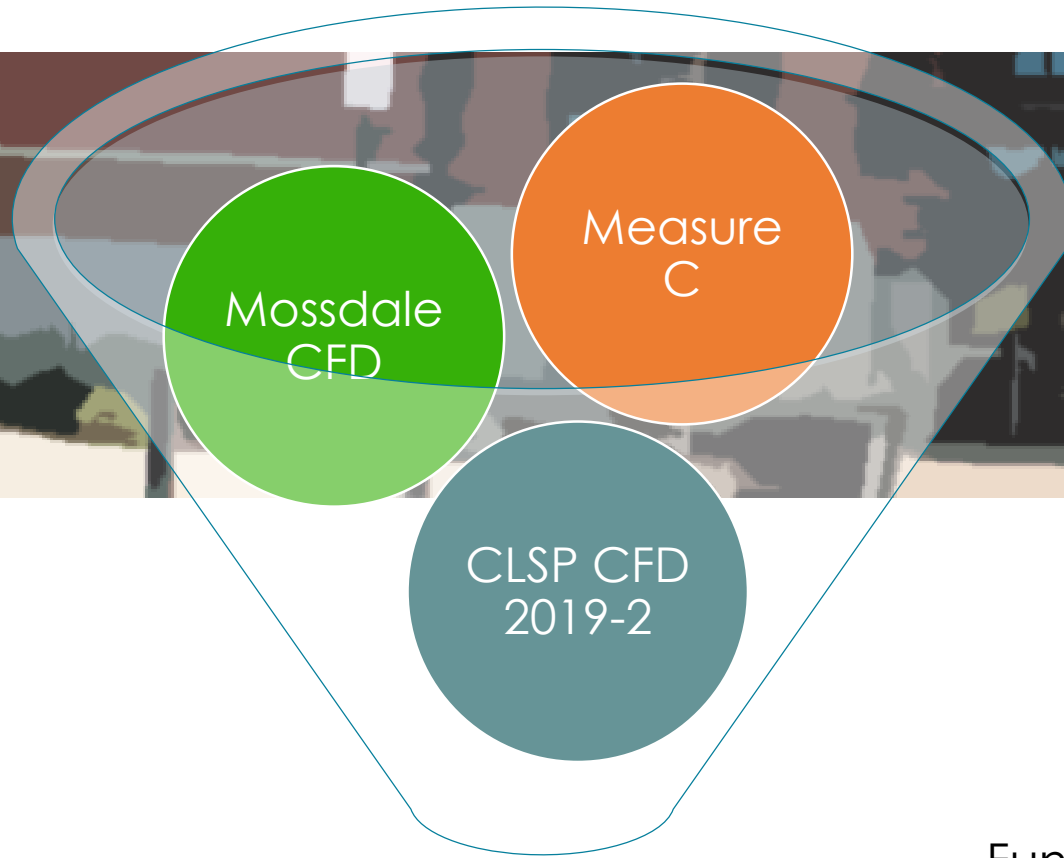
- Overall, staff is projecting General Fund revenues will finish the year at \$28.5 million. FY 22-23 Sales Tax and Property Tax revenue is performing better than expected. This is mainly due to an increase in economic development activity throughout the fiscal year. Due to the revised projections, staff proposes increasing sales tax and property tax revenue by \$559 thousand each. Current revenue trends in property tax and sales tax seem favorable and will be evaluated at the end of Year 2 (FY 2023) to recommend additional adjustments to projections if needed. Last year Lathrop was the 3rd fastest growing City in the State of California. With the growing population there comes a need for additional staffing to provide services to our residents.



# Mid-Year Staffing Requests



# Proportionate Share of Police Department Funding



Lathrop General Fund  
**Police Department Staffing & Expenditures**



Funds for police services that were budgeted in Measure C, Mossdale CFD 2004-1, COPS, and CLSP 2019-2 need to be transferred to the General Fund. These transfers align with the funding of the Police Department and are where costs are charged within the General Fund.

# Mid-Year General Fund Program Requests



The following program/project requests require additional funding from the General Fund to address a specific need:

- 1. Information Technology:** Increase technical and cyber security support in the amount of \$100,000 for the purchase of various software and to assist with detecting intrusion of potential cyber-attacks.
- 2. Finance:** Increase professional services in the amount of \$10,000 to conduct a Fair Labor Standards Act (FLSA) Payroll audit. Conducting an FLSA audit can benefit the City by ensuring payroll compliance with the transition to the new Lathrop Police Department.

# Mid-Year Measure C Requests



The following program/project requests require additional funding from the Measure C Fund to address a specific need:

1. **Generation Center Skate Park Security** - \$50,000 Installation of Gates, Mesh Fencing and Security Cameras/Alarm System at the Generations Center.
2. **Tidewater Park Fitness Equipment** - \$26,000 Purchase and installation of fitness equipment at Tidewater Park in River Islands. This citizen(s) request promotes health and wellness for years to come within the community.

# Mid-Year Measure C Requests



The following program/project requests require additional funding from the Measure C Fund to address a specific need:

- 1. Park Rule and Regulation Signs** - \$18,500 Will update and replace Park Rule and Regulation signs to reflect the newly revised Lathrop Municipal Codes, including the Park Hours and the new Lathrop Police Department emergency and non-emergency phone numbers. This will also include new park signs for parks that are opening in the upcoming year.
- 2. Park West Shade Structure** - \$130,000 Purchase and installation of a shade structure at Park West. Park West is one of the few parks that does not currently have a shade structure gathering area and there has been a request from the community for a shade structure to be installed. The shade structure will provide a space to gather to enjoy the park and amenities while being protected from the elements.



# ARPA Funding Allocation



Eligible Programs	Funding Allocation from Special Meeting
Economic Assistance - Measure D Reimbursement	\$233,689 (+\$331,311 CARES ACT)
Community Center Land Acquisition	\$1,500,000
Weekend/ School Break Food Backpack Program	\$61,583
Income Based Drought Landscaping Grant	\$61,582
Utility Capital Project/ Citizen Rate Buydown	\$4,000,000
<b>Total</b>	<b>\$5,856,854</b>

# General Fund Summary

- Current revenue trends in property tax and sales tax seem favorable and will be evaluated at the end of Year 2 (FY 2023) to recommend additional adjustments to projections if needed.
- Expenditures are projected to end the year at \$28.5 million.
- 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 unallocated Fund Balance is 32% of operating Expenses
- Staff will continue to update Council as additional financial and economic data becomes available.



## GENERAL FUND MID-YEAR REQUESTS SUMMARY

<i>(in millions)</i>	FY 2023 Amended	FY 2023 Mid-Year
Begin Balance	\$9.1	\$9.1
Revenue	\$24.2	\$28.5
Expenditures	\$25.2	\$28.5
Unallocated Fund Balance	\$8.1	\$9.1



# Notable Mid-Year Non General Fund Program Requests

- Recognize CA State Grant funding for developing preapproved ADU Building Permit Plans. Fund 2160- \$75,000
- CIP PS06-06 Louise Ave. and I-5 Improvements payoff CFD 2018-1 IA#5 for City owned parcels. Fund 2320- \$72,801
- CLSP Water Tank #1 CFD No. 2018-1 IA#4 payoff for City owned parcel water tank site. Fund 5620- \$103,934
- Harlan Road Sewer Pump Station Facility vandalism repairs. Fund 6010- \$100,000



# Council Action

## Staff recommends that the City Council:

- Adopt the proposed resolution amending Year 2 (FY 2023) of the adopted Biennial Budget for various funds and projects as identified
- Approve Police Lieutenant Job Description
- Amend the City's Grade Step Table
- Amend the City's Position Control Roster
- Amend Sworn Compensation Plan



# QUESTIONS