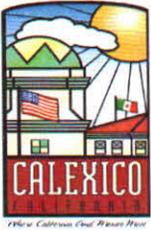


AGENDA
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AGENDA STAFF REPORT

DATE: May 28, 2020

TO: Mayor and City Council

APPROVED BY: David B Dale, City Manager *DD*

PREPARED BY: Karla E. Lobatos, Finance Director *KL*

SUBJECT: Presentation of Proposed Additional Expenditures for Fiscal Year July 1, 2020 to June 30, 2021 Contingent of Additional Revenues.

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Recommendation:

The objective is to receive City Council direction regarding additional requests by Departments to be included on FY 2020-21 Budget and to finalize the annual budget process. Budget Hearings with individual program departments were held on May 13th and May 21st providing additional detail on program budget requests. After receiving City Council feedback, the final budget adoption will be scheduled for June 3rd, 2020.

Background:

The 2020-21 City-wide budget proposed annual expenditures of \$100 million. This includes operating expenditures of \$30 million and a capital improvement program of \$61 million.

Discussion & Analysis:

The General Fund budget anticipates a positive fund balance for the first time in five years after retirement of its 2016 inter-fund operating advance. The proposed budget continues to improve the City's financial position and includes a 5-year fund projection as a planning model that shows a path to achieving an 8% (one month) operating reserve over the next five years. General Fund revenues, in particular sales tax revenues, have increased with the completion of street improvements that have improved access to the City and its retail establishments. Sales tax gains early in 2019-20 are partially offsetting virus-related revenue impacts and community sheltering-in-place that bring an uncertain timeline for recovery. The City is fortunate that for now, revenues are conservatively projected to cover current operations and payroll. However, until revenues fully recover to pre-virus levels, a list of additional department requests for your consideration and recommendation to the proposed budget defers \$1,952,639 of General Fund and \$ 260,631 of Enterprise funds new spending requests submitted by departments for staff, vehicle and equipment replacements, park maintenance improvements, and programing at the Library, Recreation and Cultural Arts Center. Revenues will be closely monitored and adjusted during the year to stay current with virus impacts. Finance staff will continue to return to City Council quarterly with updates and to request authorization to proceed with listed new program spending when the community is re-open and revenues have stabilized.

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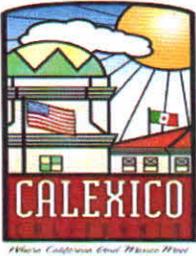
It is recommended that City Council establishes operating reserves for the General Fund and Internal Service Self-Insurance funds at an amount to cover one-month or 8% of annual expenditures. The resolution also recommends continuing the existing operating reserve policies for the Water and Wastewater Funds.

Coordinated With:

All City Departments.

Attachments:

1. Fiscal Year 2020-21 Proposed Additional Departmental Expenditures.



City of Calexico
 FY 2020-21 Budget
 Proposed Additional Department Expenditures

		Quantity	Price Ea.	Total Cost	
<u>Police</u>					
<u>Staff</u>					
111-20-210	Dispatch	1	77,848	77,848	
<u>Office Equipment</u>					
111-20-210	Copiers	4	3,000	12,000	
111-20-210	Computers	8	2,000	16,000	
<u>Equipment</u>					
111-20-210	Bullet Proof Vest	25	1,200	30,000	
111-20-210	Vehicles	5	65,000	325,000	
111-20-216	Vehicle - Animal Control	1	75,000	75,000	
111-20-210	Handguns & Rifles	1	54,000	54,000	
111-20-210	Building Repairs	1	30,000	30,000	
				Police Department Total:	619,848
 <u>Fire Department</u>					
<u>Staff</u>					
111-20-250	Firefighters	3	99,719	299,158	
<u>Equipment</u>					
111-20-250	Ambulance	1	187,000	187,000	
111-20-250	Vehicles	2	35,000	70,000	
111-20-250	Building Repairs	1	50,000	50,000	
111-20-250	PPE	1	25,000	25,000	
111-20-250	Bullet Proof Vest	1	6,000	6,000	
111-20-250	Radios	1	40,000	40,000	
<u>Operation Expenses</u>					
111-20-250	Training	1	20,000	20,000	
				Fire Department Total:	697,158
 <u>Finance</u>					
<u>Staff</u>					
111-10-160	Payroll Technician	1	80,888	80,888	
111-10-160	Records Clerk	-1	72,595	(72,595)	
111-10-160	Code Enforcement	0.6	99,803	59,882	
111-30-330	Code Enforcement	-1	99,803	(99,803)	
				Finance Total:	(31,629)