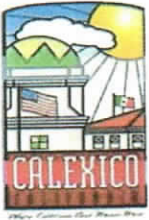


**AGENDA
ITEM**

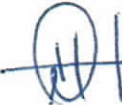
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AGENDA STAFF REPORT

DATE: June 27, 2022

TO: Mayor and City Council

APPROVED BY: Diego Favila, Interim City Manager 

PREPARED BY: Sandra L. Fonseca, Interim Finance Director 

SUBJECT: Adopt a Resolution of the City Council of the City of Calexico Approving the Budget for Fiscal Year July 1, 2022 to June 30, 2023

Recommendation:

It is recommended the City Council approve a resolution adopting the 2022-23 annual budget for the July 1, 2022 to June 30, 2023 fiscal year. The resolution also proposes updates to the 2021-22 fiscal year budget.

Background:

The City's annual budget provides the fiscal operating authority to provide City services.

The 2021-22 Citywide budget proposes annual expenditures of \$162 million. This includes General Fund Operating Expenditures of \$18 million, Enterprise and other Operations of \$20 million, Debt Service of \$6 million, and a Capital Improvement Program of \$117 million. Exhibit 1 to the proposed resolution provides a listing of the Citywide budget by Fund. The Proposed Budget book provides additional program details and includes the fiscal status of each City program Fund.

Discussion & Analysis:

City Council received a briefing on the Proposed Budget on June 14, 2022. Budget Hearings were conducted with the City's management staff on June 21, 2022, to provide opportunity for questions and public input. Also on June 21, 2022, staff met with the Economic Development and Finance Advisory Commission to present and discuss the Proposed Budget.

The Measure H Advisory Oversight committee discussed the Measure H section of the budget on June 8, 2022. After a presentation by Recreation staff, the Measure H Advisory Oversight Committee considered, edited, and formally recommended the Measure H budget to the City Council.

Coordinated With:

All City Departments.

Attachments:

1. Resolution No. 2022-____ - Resolution of the City Council of the City Calexico Approving the Budget for Fiscal Year July 1, 2022 to June 30, 2023.



RESOLUTION NO. 2022-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO APPROVING
THE BUDGET FOR FISCAL YEAR JULY 1, 2022 TO JUNE 30, 2023**

WHEREAS, the City of Calexico is a general law city that operates under the council-manager form of government; and

WHEREAS, the City Council of the City of Calexico annually adopts a budget that estimates revenues and authorizes expenditures, subject to the City's existing purchasing policies and procedures, employment policies and other adopted city policies;

NOW, THEREFORE, be it resolved, determined, and ordered by the City Council of the City of Calexico:

Section 1. The fiscal year 2022-23 Budget, attached hereto as Exhibit 1, shall be the budget for the City of Calexico for the fiscal year 2022-23.

Section 2. The City Manager, or his duly appointed representative, has the authority to expend appropriated amounts subject to policies and procedures adopted by the City Council. Budget appropriations shall be controlled at the department level within the General Fund, at the fund level for other funds, and at the capital project level within the capital improvement program. The City Manager is authorized to transfer appropriations between accounts within a General Fund Department, and within other individual funds, to meet the operating needs of the City. The City Manager is also authorized to carry-over any unspent capital project or grant appropriations to the following fiscal year until the projects are complete.

Section 3. The City Manager, or his duly appointed representative, is authorized to fill staff positions as listed in the full-time staff position chart in the budget.

Section 4. A General Fund and Internal Service Fund Operating Reserve Policy was established in the 2020-21 budget and is updated with this 2022-23 budget. It will be the City Council's policy to target and build over 5-year period a fund balance reserve for the combined General Fund and Measure H Funds that follows the Best Practices established by the Government Finance Officers Association (September 2015) equal to 60 days (16%) of General Fund operations. For Internal Service Self-Insurance Funds, the Operating Reserve Policy will remain at a one-month reserve equal to 8% of annual operating expenditures. These reserves will provide contingency funds in the event of economic or other disruption in City operations.

Section 5. A Water and Wastewater Operating Reserve policy was established in the 2019-20 budget and continues with the 2022-23 budget. It is the City Council's policy that both the Water and the Wastewater Enterprise Funds will maintain a \$3 million operating reserve. Water and Wastewater revenues that exceed the amounts needed to maintain this operating reserve will be transferred to the respective Water and Wastewater Capital Funds for investment in their long-term capital improvement programs.

Section 6. The City Manager is directed to establish an IRS Section 115 trust fund to accumulate resources to pay for the City's OPEB (Other Post Employment Benefits) obligations, specifically the City's retiree medical benefit obligations, with a funding model similar to the CalPERS pension trust fund. The initial deposit to the trust fund will be funds accumulated in the Fund #602 Retiree Medical Fund for this purpose as listed in the proposed budget.

Section 7. The 2021-22 Budget will be updated to reflect the following current projections and program requirements. The General Fund revenue budget will be updated to match currently projected revenues of \$18,122,348 as listed in the General Fund budget. The General Fund expenditure budget will be updated to authorize \$600,000 of 2021-22 operating surplus for one-time capital equipment and vehicle replacement requirements of the City as listed in the General Fund and Local Capital Fund budgets. The Fund #255 ARPA (American Rescue Plan Act) budget will be updated to allocate \$1,000,000 to the current Heber Park Project #999, with a corresponding reduction to the ARPA Downtown Project allocation.

PASSED, ADOPTED and APPROVED this __ day of June, 2022, by the City Council of the City of Calexico.

Javier Moreno, Mayor

ATTEST:

Gabriela Garcia, City Clerk

State of California)

Count of Imperial)

City of Calexico)

I, Gabriela T. Garcia, Deputy City Clerk of the City of Calexico do hereby certify the above Resolution No. 2022-_____ was approved at a regular City Council meeting held on the __th day of June, 2022, by the following vote to-wit:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Gabriela T. Garcia, City Clerk



EXHIBIT 1 to Budget Resolution

City of Calexico
2022-23 Budget

City-wide Expenditures
Summary of Expenditures by Fund

| | 2021-22 | | 2022-23 | | | | | Total |
|---|---|--|-----------------------|----------------------|-----------------------|-----------------------|-------------------------|-----------------------|
| | Gross Projection Including Transfers | | Salaries/ Benefits | Other Operations | Capital | Debt Service | Inter-fund Transfers | |
| General Fund | | | | | | | | |
| 111 General Fund | \$ 18,071,849 | | \$ 14,520,919 | \$ 4,180,540 | \$ - | \$ 44,356 | \$ - | 18,745,815 |
| 120 Measure H Sales Tax | 3,325,000 | | 1,250,000 | 100,000 | - | - | 2,098,000 | 3,448,000 |
| Operating Grant Funds | | | | | | | | |
| 221 Library Grants | 53,418 | | - | 53,874 | - | - | - | 53,874 |
| 222 Community Donations | 30,454 | | - | 62,662 | - | - | - | 62,662 |
| 231 Gas Tax | 1,455,200 | | 555,181 | 548,314 | - | - | - | 1,103,495 |
| 242 Prop 172/Public Safety Tax | 250,000 | | 260,000 | - | - | - | - | 260,000 |
| 243 COPS State Grant Program | 200,000 | | 150,000 | 50,000 | - | - | - | 200,000 |
| 255 FEMA/Disaster Recovery/ARPA | 1,230,000 | | - | - | 8,296,487 | - | - | 8,296,487 |
| 256 Cannabis/Applicant Reimburse | 10,000 | | - | 10,000 | - | - | - | 10,000 |
| 281 Solid Waste | 2,375,784 | | 85,220 | 2,485,515 | - | - | - | 2,570,735 |
| 299 Operating Grants | 143,163 | | 138,988 | 86,585 | - | - | - | 225,573 |
| 712 Business Imp District | - | | - | - | - | - | - | - |
| Housing Funds | | | | | | | | |
| 802 Successor Housing | 1,500 | | - | 2,076,500 | - | - | 87,000 | 2,163,500 |
| 813 Fed Home Grant | - | | - | - | - | - | - | - |
| 840 Fed CDBG - Program Income | 6,000 | | - | 6,000 | - | - | - | 6,000 |
| 841 Fed Home - Program Income | 5,000 | | - | 5,000 | - | - | - | 5,000 |
| 842/3 Local Funds | 1,500 | | - | 1,500 | - | - | - | 1,500 |
| 846 CalHome - Program Income | 1,000 | | - | 1,000 | - | - | - | 1,000 |
| Capital Project and Debt Service Funds | | | | | | | | |
| 223 Art in Public Places | - | | - | - | 103,000 | - | - | 103,000 |
| 233 LTA/Measure D | 151,181 | | - | 150,000 | 8,420,340 | - | - | 8,570,340 |
| 234/6 Transportation Development | 329,367 | | 23,165 | 11,000 | 192,000 | - | - | 226,165 |
| 237 Road Maintenance Rehab | 80,000 | | - | 470,000 | 1,616,700 | - | - | 2,086,700 |
| 401 Measure H Bond Proceeds | 2,058,578 | | - | - | - | - | - | - |
| 402 Measure D Bond Proceeds | 377,120 | | - | - | 2,171,273 | - | - | 2,171,273 |
| 411 Local Capital Projects | 333,000 | | - | - | 3,061,192 | - | - | 3,061,192 |
| 412 Capital Grants | 509,119 | | - | - | 9,766,323 | - | - | 9,766,323 |
| 430-6 Development Impact Fees | 99,000 | | - | - | 2,788,082 | - | - | 2,788,082 |
| 452-64 Development Projects | - | | - | - | 2,963,457 | - | - | 2,963,457 |
| 474-6 New River Projects | 1,981,719 | | - | - | 28,000,000 | - | - | 28,000,000 |
| 301/2 Measure D Debt Service | 1,791,850 | | - | 4,000 | - | 1,789,200 | - | 1,793,200 |
| 310 Measure H Debt Service | 999,600 | | - | 4,000 | - | 994,000 | - | 998,000 |
| Enterprise Funds | | | | | | | | |
| 513 Water Operations | 8,300,000 | | 3,746,602 | 2,997,388 | - | - | 1,916,010 | 8,660,000 |
| 514 Water Debt Service | 875,326 | | - | 4,000 | - | 869,326 | - | 873,326 |
| 515 Water Development Fees | 25,000 | | - | - | - | - | - | - |
| 516 Water Capital Program | 263,740 | | - | - | 14,742,000 | - | - | 14,742,000 |
| 522 Airport Operations | 454,827 | | 180,792 | 212,172 | - | - | - | 392,964 |
| 525 Airport Captial | 165,000 | | - | - | 4,212,565 | - | - | 4,212,565 |
| 544 Wastewater Operations | 5,980,000 | | 2,132,851 | 2,212,100 | - | - | 1,754,049 | 6,099,000 |
| 545 Wastewater Debt Service | 1,186,111 | | - | 4,000 | - | 1,180,411 | - | 1,184,411 |
| 546 Wastewater Impact Fees | 20,000 | | - | - | - | - | - | - |
| 547 Wastewater Capital | 1,473,453 | | - | - | 29,968,002 | - | - | 29,968,002 |
| CFD/Special Districts | | | | | | | | |
| 261 Bravo Victoria | 467,062 | | - | 145,000 | 740,000 | - | - | 885,000 |
| 903 Hearthstone | 833,951 | | - | 191,617 | - | 1,025,000 | - | 1,216,617 |
| 906 Gran Plaza | 541,081 | | - | 35,431 | - | 648,975 | - | 684,406 |
| Internal Service Funds | | | | | | | | |
| 601/2 Active and Retire Medical | 4,370,000 | | 5,514,152 | - | - | - | - | 5,514,152 |
| 603 Workers Compensation | 1,197,000 | | 1,278,000 | - | - | - | - | 1,278,000 |
| 604 Unemployment Insurance | 57,000 | | 62,271 | - | - | - | - | 62,271 |
| 605 General Liability Insurance | 817,122 | | - | 1,020,200 | - | - | - | 1,020,200 |
| 601-5 Net Internal Charges | (6,441,121) | | (6,854,423) | (1,020,200) | - | - | - | (7,874,623) |
| Total | \$ 56,455,954 | | \$ 23,043,718 | \$ 16,108,199 | \$ 117,041,421 | \$ 6,551,268 | \$ 5,855,059 | \$ 168,599,664 |
| Net (Excluding Transfers) | \$ 50,355,382 | | | | | \$ 162,744,606 | | - |