

**AGENDA  
ITEM**

**3**



# AGENDA STAFF REPORT

**DATE:** June 30, 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, California Authorizing and Approving Specific Expenditures for Fiscal Year 2022-23

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**Recommendation:**

It is recommended the City Council adopt a Resolution of the City Council of the City of Calexico, California to Clarify and Augment the Resolution of the City Council of the City of Calexico, California authorizing and approving interim expenditures prior to adoption of the FY 2022-2023 budget for the City of Calexico by authorizing and approving specific expenditures for Fiscal Year 2022-23.

**Background:**

The Calexico City Council at their special meeting of June 27, 2022 requested a continuing Resolution to approve interim expenditures prior to adoption of the FY 2022-2023 Budget. At Said meeting, City Staff requested Council consideration of certain budget items to provide for continued operations for Fiscal Year 2022-23.

**Discussion & Analysis:**

Pending approval of a continuing resolution to approve interim expenditures prior to adoption of the FY 2022-2023 Budget, Staff submits the attached resolution to clarify and augment City Council’s budget authorization to address specific employee compensation, benefits, grants, capital projects, debt service, and other program and contractual obligations to sustain City services as July 1, 2022. The proposed resolution has numbered sections to provide City Council with the opportunity to consider and adopt or strike individual budget items. The proposed resolution positions the City to meet its contractual obligations to employees, CalPERS, insurance providers, contractors, bond holders, and granting agencies at 2022-23 rates.

**Coordinated With:**

All City Departments.

**Attachments:**

1. Resolution No. 2022-\_\_\_\_ - Resolution of the City Council of the City of Calexico, California Authorizing and Approving Specific Expenditures for Fiscal Year 2022-23.

<b>AGENDA</b>
<b>ITEM</b>
<b>3</b>

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA  
AUTHORIZING AND APPROVING SPECIFIC EXPENDITURES FOR FISCAL YEAR  
2022-23**

**WHEREAS**, the Calexico City Council adopted a resolution Authorizing And Approving Interim Expenditures Prior to Adoption of the FY 2022-2023 Budget for the City of Calexico; and

**WHEREAS**, at the June 27, 2022 Special Meeting, staff requested City Council consideration of additional specific 2022-23 budget items to best meet ongoing operational requirements,

**WHEREAS**, staff has identified a list of specific budget items to address current employee compensation rates, employee benefit rates, required CalPERS contributions, insurance premiums, grants, capital projects, debt service, and other program requirements to sustain City services as July 1, 2022 at 2022-23 rates;

**NOW, THEREFORE**, the City Council of the City of Calexico does hereby authorize the following specific budget items for Fiscal Year 2022-23:

A. Employee Salaries and Compensation

Employee salaries, related compensation, and benefits for previously authorized FTE positions at employee contract/MOU rates are authorized as listed in the 2022-23 Proposed Budget.

B. Employee Benefit and Insurance Programs

Employee benefit and insurance program budgets included in the following Internal Service Funds are approved as listed in the 2022-23 Proposed Budget to sustain current benefit and insurance coverage at 2022-23 rates. The supporting program fund contributions to these funds are also approved.

Fund #601 – Active Employee Medical

Fund #602 – Retiree Medical

Fund #603 – Workers Compensation

Fund #604 – Unemployment Insurance

Fund #605 – General Liability

C. Measure H

The Measure H Fund budget for Debt Service Transfer, Public Safety staff cost allocations, and a new \$100,000 allocation for Recreation programs is approved as recommended by the Measure H Oversight Advisory Committee.

D. Operating Grants

Federal, State, and Local operating grant, donation, and reimbursement programs that are restricted by the grantor/customer for specific programs are approved as listed in the 2022-23 Proposed Budget for the following Funds:

Fund #221 – Library Grants

Fund #222 – Community Donations

Fund #231 – Gas Tax

Fund #242 – Prop 172/Public Safety Tax

Fund #243 – COPS State Grant Program

Fund #256 – Cannabis Applicant Cost Reimbursement Fund

Fund #299 – Operating Grants (State Cultural Arts Grant, State Recycling Grant, Local ICTC Grant)

The prior year budget for Fund #712 – Business Improvement District – will not be carried over and will be reconsidered in the future with input from the Business Improvement District Board.

The Solid Waste Fund #281 budget is approved as listed in the 2022-23 Proposed Budget to provide services under the current franchise agreement consistent with the annual CPI fee increase.

E. Housing Funds

The following Housing Fund budgets are carried over from the prior 2021-22 fiscal year budget with the following exceptions:

Fund #802 - Housing Successor – Loan administration fees are approved as listed in the 2022-23 Proposed Budget. An additional \$100,000 cost allocation reimbursement to the General Fund is approved as listed in the 2022-23 budget.

Fund #813 – Federal Home Grant – Grant programs are not carried over and will be reconsidered in the future with Federal/State approvals.

Fund #840 – Federal CDBG Program Income - Grant programs are not carried over and will be reconsidered in the future with Federal/State approvals. Loan administration fees are approved as listed in the 2022-23 Proposed Budget.

Fund #841 – Federal Home Program Income - Grant programs are not carried over and will be reconsidered in the future with Federal/State approvals. Loan administration fees are approved as listed in the 2022-23 Proposed Budget.

Fund #842/3 – Local Housing Programs - Loan administration fees are approved as listed in the 2022-23 Proposed Budget.

Fund #846 – State CalHome Program Income - Grant programs are not carried over and will be reconsidered in the future with Federal/State approvals. Loan administration fees are approved as listed in the 2022-23 Proposed Budget.

F. Capital Grant, Bond, and Development Funds

Capital Project budgets for the following restricted grant, bond, and development funds are approved as listed in the 2022-23 Proposed Budget to maintain execution and delivery of these programs:

Fund #223 – Art In Public Places

Fund #233 – LTA/Measure D

Fund #234/6 – State Transportation Development Act

Fund #237 – State Road Maintenance Rehab (Separately Authorized by City Council on June 15, 2022)

Fund #402 – Measure D Bond Proceeds

Fund #412 - Capital Grants

Funds #430-6 – Development Impact Fees

Funds #452-64 – Developer Reimbursement Funds

Funds #474-6 – New River Grants

Fund #516 – Water Capital Projects (Bond Funds)

Fund #525 – Airport Capital Projects (Federal Grant)

Fund #547 – Wastewater Capital Projects (Bond Funds)

The Local Capital Fund #411 Fund includes both existing and proposed projects under local discretion. Previously approved capital projects in this fund are re-approved as listed in the 2022-23 Proposed Budget. New projects in this fund are not approved and will be reconsidered in the future. The proposed FTE reclassification from the Capital Fund #411 to the Water/Wastewater Fund is approved.

G. Enterprise Funds

Operating programs supported by Water, Airport, and Wastewater customer fees are approved as listed in the 2022-23 Proposed Budget to best support service delivery. This includes the FTE additions/ reclassifications proposed to meet State Water/Wastewater operating requirements and fuel delivery service at the airport.

H. Debt Service

The debt service budgets for existing debt/bond obligations and related payments are authorized as listed in the 2022-23 proposed budget for the following Debt Service Funds:

Fund #301 – Measure D Debt Service (2012 Bonds)

Fund #302 – Measure D Debt Service (2018 Bonds)

Fund #310 – Measure H Debt Service

Fund #514 - Water Debt Service

Fund #544 - Waste Water Debt Service

I. Community Facility District (CFD) Funds

The Community Facilities District budgets for operations, capital, and debt service are authorized as previously approved by City Council for property levy on June 1, 2022 and as listed in the 2022-23 Proposed Budget for the following Community Facilities District Funds:

Fund #261 - Bravo Victoria

Fund #903 - Hearthstone

Fund #906 - Gran Plaza

J. General Fund

In addition to the continuation of the 2021-22 budget, as periodically amended during the 2021-22 fiscal year, the following program augmentations are approved:

a. CPI Factor

Material/supply, repair/maintenance, professional services, and administrative cost budgets for each General Fund department are increased by a 3% CPI factor. This amount will be revisited as needed during the fiscal year.

b. Police Department

The operating budget is increased by \$150,000 from the prior year to address specific increasing contact and licensing operational costs. This includes the cross-over of the communications system to the new Countywide Pro-Phoenix system. To partially pay for these increases, the Traffic Control temporary help budget is reduced by \$50,000.

c. Fire Department

- i. The ambulance fee billing contract is increased by \$14,825 to match the increase in projected revenues.
- ii. The Medical Equipment budget is increased by \$89,685 to cover heart monitors, gurneys, and other related equipment
- iii. Radio replacement budget is authorized at \$105,000.

d. Planning and Building Services

- i. The staffing plan for the department is increased by a net 1.0 FTE to cover the following staff updates:

- a. New 1.0 FTE – An Engineering Tech is reclassified from the Water/Wastewater Funds
- b. A 1.0 FTE Office Assistant is reclassified to a Permit Technician
- c. A 1.0 FTE Executive Assistant is reclassified to two part-time positions, including a part-time Engineering Tech and a part-time Building Inspector
- ii. To partially pay for this FTE cost increase, the Professional Services budget is reduced by a net \$87,500.
  
- e. Public Works
  - i. The Park Maintenance temporary help budget is increased by \$20,000.
  
- f. Library
  - i. The Sierra System contract budget is increased by \$5,700 to cover the final contract payment
  - ii. The temporary help budget is increased by \$15,000
  
- g. Recreation and Cultural Arts
  - i. The temporary help and student budget is increased by \$28,216
  
- h. Administration and Non-Department
  - i. Software contracts are increased by \$9,200
  - ii. The sales tax contribution to the Gran Plaza CFD is increased by \$108,000 to comply with District Covenants

K. Revenues

Revenues for all City funds (including taxes, fees, assessments, grants, and other sources) are approved as projected in the 2022-23 budget to provide the sources to cover authorized expenditures.

**APPROVED, PASSED AND ADOPTED** at the special meeting held on the 29<sup>th</sup> day of June, 2022.

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Javier Moreno, Mayor

**ATTEST:**

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Gabriela T. Garcia, City Clerk

**APPROVED AS TO FORM:**

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Carlos Campos, City Attorney

State of California        )  
County of Imperial       ) §  
City of Calexico         )

I, Gabriela T. Garcia, City Clerk of the City of Calexico do hereby certify the above Resolution No. 2022-\_\_\_\_\_ was approved at a special City Council meeting held on the 29th day of June, 2022, by the following vote to wit.

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

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Gabriela T. Garcia, City Clerk