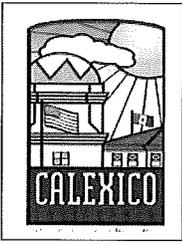


**AGENDA
ITEM**

6



AGENDA STAFF REPORT

DATE: June 27, 2018

TO: Mayor and City Council

PREPARED BY: David Dale, City Manager *DD*

SUBJECT: Adopt a Resolution of the City Council of the City of Calexico Approving the Budget for Fiscal Year July 1, 2018 to June 30, 2019.

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Recommendation:

The objective of this report is to present the 2018-19 Proposed Budget for Non General Fund Programs. City Council has previously received proposed Budget for General Fund on June 19th. After hearing the budget presentation and receiving public input, staff requests City Council to approve and adopt Resolution Approving Budget for General Fund and Non General Fund Programs for Fiscal year 2018-19.

Background:

The 2018-19 Citywide proposed budget authorizes expenditures of \$ 81,613,196. Non General Fund programs reflect increasing operating revenues in the Water, Wastewater, and Solid Waste Funds due to recent rate increase presented to City Council for consideration. The 5-year Capital Improvement Program of \$ 89 million reflects significant investment in the City's infrastructure for transportation, water, and wastewater facilities. An \$ 18 million bond issue is proposed to finance improvements at the Wastewater Treatment Plant. Federal grants provide continued funding to the Cesar Chavez road project.

During the General Fund budget workshop on June 19, 2018, General Fund projections reflected a 2018-19 annual budget deficit of \$3.2 million. Since the workshop, staff has updated the General Fund cost projection, eliminated additional positions, transferred several positions to other funds, and included proposed contract savings that are in discussion with Police employees. The City Council also took action to increase the Fire Department ambulance fees. With these budget actions in place, the General Fund annual deficit is now projected at \$1.3 million. The City is evaluating 5 new revenue programs that can further close this gap, and \$ 220,000 savings from holding vacancies and reducing temporary staffing. Until new revenues are realized a hiring freeze is recommended to ensure financial stability.

The Budget also proposes a reserve policy of \$ 250,000.

Attachments:

1. 2018-19 Proposed Annual Budget
2. Resolution of the City of Calexico approving the Budget for Fiscal Year 2018-19.

**AGENDA
ITEM**

06

RESOLUTION NO. 2018-_____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALEXICO APPROVING
THE BUDGET FOR FISCAL YEAR JULY 1, 2018 TO JUNE 30, 2019**

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 2018-19 Budget, attached hereto as Exhibit 1, shall be the budget for the City of Calexico for the fiscal year 2018-19.

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.

Section 3. Staff positions by fund are authorized as detailed in the budget. However, because the General Fund budget includes **\$1,385,000** in revenues for programs that have not yet been implemented, authorization to fill vacant positions will be limited until revenue programs are implemented. Specifically, hiring authorization to fill new or vacant positions, or to reclassify employees into higher level positions, is suspended. The City Manager is directed to continue plans to identify and implement new revenue programs to provide for City services. This hiring suspension may be lifted concurrent with a midyear budget report that demonstrates that funds are available to implement the proposed staff positions by fund.

Section 4. A General Fund reserve policy is established to continue the City's path to fiscal recovery. An annual operating surplus of \$250,000 is included in the 2018-19 budget. This reserve will provide contingency funds in the event of economic or other disruption in City operations. It is the intent of City Council to build on this reserve each year with an initial target working capital reserve of \$250,000 at June 2019 and \$1 million after four years.

PASSED, ADOPTED and APPROVED this 27th day of June, 2018, by the City Council of the City of Calexico.

Maritza Hurtado, Mayor

ATTEST:

Gabriela Garcia, City Clerk

APPROVED AS TO FORM:

Carlos Campos, City Attorney

State of California)
Count of Imperial) ss.
City of Calexico)

I, Gabriela T. Garcia, Deputy City Clerk of the City of Calexico do hereby certify the above Resolution No. 2018-_____ was approved at a regular City Council meeting held on the 27th day of June, 2018, by the following vote to-wit:

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

Gabriela T. Garcia, City Clerk