



Staff Reports

File #: 466-2021, **Version:** 1

To: Honorable Mayor and Members of City Council

From: Anne Cardwell, Finance Director

Prepared By: Jessie Gooch, Budget Officer

TITLE:

Fiscal Year 2021/22 Mid-Year Report

RECOMMENDED ACTION:

1. Receive the Mid-Year Report for Fiscal Year 2021/22; and
2. Adopt a resolution amending the City Staffing Plan by adding one Systems Analyst and deleting one Management Analyst I/II in the Finance Department; and approving revenue and expenditure budget adjustments to the FY 2021/22 adopted budget, as documented in Budget Adjustment BE2202503.

DISCUSSION:

The City's Mid-Year Report for Fiscal Year 2021/22 (Attachment 2) provides an overview of the first half of the fiscal year (July through December 2021). The report includes a financial section which provides preliminary information on General Fund and proprietary fund revenue and expenditures through December 31, 2021. The report compares revenue sources and department expenditures to the budgeted amounts for each category, as well as to the prior year revenue and expenditure trends for the same period. An analysis of each of the three major revenues categories (property tax, sales tax, and transient occupancy tax) is provided. Information about national, state and local economic indicators and concerns is also provided.

At this time staff is projecting that General Fund revenue will be higher than budgeted, and budget adjustments are recommended to increase both revenue and expenditure budgets. There are also administrative adjustments recommended for other City funds, as well as a reclass of a vacant position in the Finance Department's Information Technology division. Public Works has requested an appropriation of \$0.15 million from the Non-Recurring General Fund to develop updated neighborhood traffic management and traffic calming guidelines in parallel with efforts to develop the City's Local Roadway Safety Plan. The Utilities Department has requested a \$1.0 million appropriation for NBA Water Supply costs.

The report also includes a section discussing the City's Investment Portfolio. This section includes an overview of the portfolio's performance for the period and a detailed listing of investment assets.

The Mid-Year Report is a public document that will be made available on the City's website, in the City Clerk's Office and at the Finance Department.

FINANCIAL IMPACTS:

Budget Adjustment No. BE2202503 will increase General Fund revenue by \$2.4 million and expenditures by \$2.1 million. Non-Recurring General Fund expenditures will increase by \$0.15 million. Damage Reimbursement Fund expenditures will increase by \$54,876, with Fleet Fund revenues increasing by the same amount (insurance revenue was booked to the incorrect fund in a prior fiscal year). The IT Fund's revenues will increase by \$100,000 due to the initial transfer from the General Fund for the new CDD Planning/Building Technology Reserve. The Water Fund's expenditure budget will increase by \$1,000,000 for NBA Water Supply costs; the fund has sufficient fund balance to support the increased expenditures.

CEQA:

The City Manager has determined that the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution to amend the City Staffing Plan and Adjust the Budget

EX A - Budget Adjustment No. BE2202503

ATCH 2 - Mid-Year Report, Fiscal Year 2021/22

NOTIFICATION:

None.