



Staff Report

File #: 24-0080

REQUEST FOR CITY COUNCIL ACTION

DATE: 02/07/2024

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:
FISCAL YEAR 2024 QUARTER 2 BUDGETARY ADJUSTMENTS

EXECUTIVE SUMMARY:

This staff report asks the Council to consider budgetary adjustments for Fiscal Year 2024 based on the Quarter 2 results and staff recommendations for funding level changes. On a quarterly basis, staff presents an update to the City Council on the current fiscal year revenue and expenditures. As part of the process, departments review the operating and capital improvement project funding levels and provide recommendations for budgetary adjustments. For Quarter 2, staff recommends appropriating \$950,651, and authorizing cash transfers across multiple funds, as noted in Exhibit 1.

RECOMMENDED ACTION:

That the City Council:

- a. Appropriate \$950,651 and authorize cash transfers across multiple funds as noted in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.
- b. Authorize a contingency increase for the purchase order with Voltaire Engineering, Inc. (PO# P23126) from 10% (\$41,358) up to 20% (\$82,716) for additional soil cement quantities and planting beyond the original construction drawings for the Dominguez Ranch Slope Improvements Project, No. FC-2023-03.
- c. Authorize the City Manager, or his designee, to execute a change order with Voltaire Engineering, Inc., based on the revised contingency amount.

That the Corona Utility Authority review, ratify, and to the extent necessary, direct that the City Council take the above action.

BACKGROUND & HISTORY:

On a quarterly basis, the Finance Department provides a budget update to the City Council. As part of the quarterly process, departments provide operating and Capital Improvement Project (CIP) adjustments that need to be addressed in the fiscal year (FY). The Finance Department prepares a consolidated request for the City Council's consideration.

ANALYSIS:

Appropriate \$950,651 and authorize cash transfers across multiple funds as noted in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.

The information below summarizes the recommended appropriations and cash transfers. The complete list is provided in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.

Appropriations

1. Annual Street Closure Notices

The annual street closure notice for the Independence Day parade was not budgeted in FY 2024. This includes notices previously mailed for the FY 2023 parade and upcoming notices anticipated for the FY 2024 parade (\$7,000 each).

Staff recommends an appropriation in the amount of \$14,000 to the Community Services Department's operating budget within the General Fund 110.

2. Gilbert Avenue Public Improvements Project No. ST-2014-01

The Development Services Division within the Planning and Development Department is requesting \$10,842 to install streetlights and wiring on Gilbert Ave, south of Romans Road. Fair share revenue was received in the same amount by the developer in December 2023.

Staff recommends an appropriation in the amount of \$10,842 from the General Fund 110 to the Gilbert Avenue Public Improvement Project No. ST-2014-01 for the installation of two streetlights and wiring on Gilbert Avenue, South of Romans Road.

3. Replenish the Inspection Division for Deposits Collected

The Inspection Division within the Planning and Development Department collects deposits from contractors, developers, utility companies, and other agencies alike. Deposits are collected for sewer and water inspection fees, overtime inspection fees, and other miscellaneous encroachment permits that do not have a fee and are used to bill inspectors' time on project to ensure 100% of cost recovery. Staff time spent on projects draw down against the deposit and is recorded as revenue. Revenue (Reimbursed Expenses - Inspection) received is being requested to be appropriated to the Inspection Division's operating budget.

Staff recommends an appropriation in the amount of \$186,693 to the Planning and Development's operating budget within the General Fund 110.

4. Skyline Trail Project

Staff recommends an appropriation in the amount of \$10,000 from the General Fund 110 to the Public Works Department's operating budget to prepare easement exhibits and documents for the Skyline Trail Project.

5. *Purchase APCO Intellicom Guide Card*

The Police Department is requesting the purchase of the APCO Intellicom Guide Card call-handling solution for the Police Department's Communications Center. Intellicom is a criteria-based guide card system, specifically designed to expedite and bring consistency to the training of police dispatchers and call-takers. The Information Technology Department will have an operating impact for ongoing maintenance of the software.

Staff recommends an appropriation in the amount of \$69,500 from the General Fund 110 to the Police Department's operating budget to purchase this educational tool and an appropriation in the amount of \$11,300 from the Information Technology Fund 681 to the Information Technology Department's operating budget for the ongoing maintenance.

6. *2020 COPS Hiring Grant Police Officer*

The Police Department used the COPS Hiring Grant to hire and/or rehire additional career law enforcement officers to increase community policing capacity and crime prevention. In FY 2024, three (3) Police Officers were budgeted in full in the US DOJ Grant Fund 411 erroneously, as COPS Hiring Grant funding ran through December 2023 and funds have been exhausted. The remaining costs will shift to the General Fund 110. Per the original approval, at the conclusion of the grant, the local jurisdiction must assure retention of grant-funded officer positions for a minimum of one year with local or state funds, over and above the number of locally funded positions that would have existed in the absence of the grant.

Staff recommends an appropriation in the amount of \$93,823 for the remainder of FY 2024 in the General Fund 110 for the remaining costs associated with the three (3) Police Officers previously budgeted in the US DOJ Grant Fund 411.

7. *Police Department Various Equipment Needs*

The Police Department is requesting \$7,535 to purchase 10 motor-one speaker mics with wireless control systems for Traffic Motor Officers.

In addition, the department is requesting \$1,600 to procure and install a DUI Trailer wrap designed to distinguish the DUI trailer utilized at DUI checkpoints as property belonging to the Corona Police Department.

Staff recommends an appropriation in the total amount of \$9,135 to the Police Department's operating budget within the Traffic Offender Fund 422. Both pieces of equipment are appropriate purchases for the funding source.

8. *Dominguez Ranch Slope Improvements Project No. FC-2023-03*

The Dominguez Ranch Slope Improvements Project is located in the slope areas behind 1559 and 1563 Dominguez Ranch Road residences in the City of Corona's Landscape Maintenance

District 55 (LMD 55) of the Sierra Del Oro community in the City of Corona. The slope area is a steep natural slope approximately 200 feet long that descends approximately 80 to 90 feet to the adjacent Fresno Canyon trail below. The project will repair the eroded areas and mitigate potential future slope failure and erosion with the placement of soil cement sourced from local soil to restore the eroded slope area. During the course of construction, it was identified that the slope area had been exposed to more erosion due to the frequency of rain events since the design plans were developed; thus, additional quantities of soil cement will be required to stabilize the impact area to mitigate potential future failures. The project has also committed to additional planting as part of a coordination effort with the Riverside-Corona Resource Conversation District to support the Foothill Extension Mitigation Site No.1 which is within the immediate vicinity of the project location. The costs for additional soil cement quantities and planting beyond the original construction drawings will exceed the contingency that was previously authorized by the City Council.

The original construction contract and purchase order with Voltaire Engineering, Inc. (PO# P23126), was approved on September 6, 2023, for \$413,579, with a contingency amount of up to 10%, or \$41,358. Based on the additional work needed for the slope improvements, staff is recommending a contingency increase of up to 20%, or \$82,716. Approval of the recommended actions will authorize the City Manager, or his designee, to execute a change order when appropriate.

Staff recommends an appropriation in the amount of \$41,358 from the LMD 84-2, Zone 10 Fund 460 to the Dominguez Ranch Slope Improvements Project No. FC-2023-03 for Dominquez Ranch Slope repairs.

9. Services for MLD, Contractors and Consultants to Continue Conferral Process

The project is ongoing as the City is in the conferral process with three (3) Most Likely Descendants (MLDs) determined by the Native American Heritage Commission (NAHC). The project requires tribal monitoring with the three (3) MLDs, efforts from City staff in Public Works, Utilities, City Manager's Office, etc., and special counsel resources. For the current fiscal year, Public Works is requesting an additional \$500,000 to fund the necessary services from MLDs, contractors, and consultants and allow city and special counsel staff to dedicate time for ongoing meetings, maintain appropriate site conditions during the conferral process, and collaborate with the MLDs.

Staff recommends an appropriation in the amount of \$500,000 from the Sewer Utility Fund 572 to the Water Reclamation Facility #3 Lift Station Capital Improvement Project No. UT-2015-05 for Services for MLD, Contractors, and Consultants to continue the conferral process.

10. Questica Budget Software Custom Report Add on for CIP Document

The City currently utilizes Questica Budget software to streamline the annual budget preparation process. The Public Works Department is requesting to add a custom report within Questica Budget to improve Capital Improvement Project (CIP) reporting and visualization.

Staff recommends an appropriation in the amount of \$4,000 to the Information Technology Fund 681 for the custom report with Questica Budget.

Cash Transfers

11. Cash Transfer from General Fund 110 to the Fleet Replacement Fund 684

The Street Division within the Public Works Department issued a purchase order to PB Loader Corporation to procure a CNG powered dump truck to replace vehicle unit 43031 - a retained vehicle - using replacement funds. As a retained vehicle, the vehicle no longer qualifies for replacement and only pays the operating & maintenance component of motor pool.

Staff recommends a cash transfer in the amount of \$296,644 from General Fund 110 to Fleet Replacement Fund 684 to reimburse the replacement fund for the purchase of a CNG powered dump truck.

12. Cash Transfer from Fleet Operations Fund 682 to Fleet Replacement Fund 684

Historically, the motor pool rate has included replacement/lease payment, operations and maintenance, fuel, and fixed charges. The annual motor pool rate is collected and held in Fleet Operations Fund 682 and over the years it has been difficult to track replacement/lease payments contributed for each replacement vehicle and by various departments. To address this issue, an accounting change was made in FY 2024 to add the Fleet Replacement Fund 684. Separating the activity will provide for better tracking of replacement funds and aid in fleet program administration. Public Works and Finance have worked together to separate the replacement portion from regular Fleet operations.

Staff recommends a cash transfer of \$4,805,000 from the Fleet Operations Fund 682 to Fleet Replacement Fund 684 to separate the replacement portion from the operating funds for better tracking and analysis of Fleet activities.

FINANCIAL IMPACT:

Approval of recommended actions will have financial impacts as noted below. There is sufficient fund balance or working capital available in each of the respective funds for approval of the recommended actions.

Fund	Appropriations	Estimated Revenue Increase	Net Impact
General Fund (110)	\$384,858	-	\$384,858
Traffic Offender Fund (422)	\$9,135	-	\$9,135
LMD 84-2, Zone 10 Fund (460)	\$41,358	-	\$41,358
Sewer Utility Fund (572)	\$500,000	-	\$500,000
Information Technology Fund (681)	\$15,300	-	\$15,300
Total	\$950,651	\$-	\$950,651

Cash Transfers		
Fund	Transfer In	Transfer Out
General Fund (110)	-	\$(296,644)
Fleet Operations Fund (682)	-	\$(4,805,000)
Fleet Replacement Fund (684)	\$5,101,644	-
Total	\$5,101,644	\$(5,101,644)

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environment Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is to approve budgetary adjustments for Fiscal Year 2024, and there is no possibility that approval of the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JULIE KENNICUTT, BUDGET MANAGER

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

Attachments:

1. Exhibit 1 - Appropriations, Estimated Revenues, and Transfers