



Staff Report

File #: 23-0335

**REQUEST FOR CITY COUNCIL AND
CORONA UTILITY AUTHORITY ACTION**

DATE: 05/03/2023

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:
FISCAL YEAR 2023 QUARTER 3 BUDGETARY ADJUSTMENTS

EXECUTIVE SUMMARY:

This staff report asks the City Council to consider budgetary adjustments for Fiscal Year 2023 based on the Quarter 3 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.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the following General Fund budgetary adjustments:
 - i. Accept and appropriate \$1,071,434.10, and increase revenue estimates by the same amount, in the General Fund 110, for the State Encampment Resolution funding grant received by the City Manager's Office, Homeless Solutions Programs.
 - ii. Appropriate \$200,000 from the Measure X Fund 120 to the Community Services Department operating budget to replace and install theater equipment in the Historic Civic Center Theatre.
 - iii. Accept and appropriate \$200,000, and increase revenue estimates by the same amount, in the General Fund 110, for the 2022-23 Local Assistance Specified Grant from the State of California received by the Fire Department.
 - iv. Appropriate \$32,000 from the Measure X Fund 120 to the Fire Headquarters Infrastructure Upgrades Project No. 77270.
 - v. Appropriate \$2,168 from the Measure X Fund 120 to the City Manager's Office, Homeless Programs, operating budget for staff cell phones and wireless services.
 - vi. Appropriate \$150,000 from the General Fund 110 to the Community Services

Department's operating budget to amend the contract for graffiti services.

- Approve the Second Amendment to the Maintenance/General Services Agreement with Graffiti Protective Coatings, Inc. to increase the total compensation by \$150,000 to a total of \$450,000 annually through June 30, 2023.
- Authorize the City Manager, or his designee, to execute the Second Amendment to the Maintenance/General Services Agreement with Graffiti Protective Coatings, Inc., including making minor non-substantive changes, change orders, and purchase orders up to the amount authorized by this action.

vii. Appropriate \$71,000 from the Measure X Fund 120 to the Public Works Department operating budget for additional costs due to inflation to purchase a Traffic Signal Bucket Truck.

viii. Authorize one (1) full-time Public Safety Information Coordinator. Considering recruitment time, no additional funding is requested for FY 2023. The recurring budget impact of this position is approximately \$125,618 and will be included in the Proposed Fiscal Year 2024 budget.

ix. Accept and appropriate \$104,610, and increase revenue estimates by the same amount, in the General Fund 110 for grant funding received by the Police Department from the California Board of State and Community Corrections 2022-23 Officer Wellness and Mental Health Grant.

x. Appropriate \$93,073 from the General Fund 110 and \$24,330 from the Measure X Fund 120 to the Police Department operating budget for a K9 Vehicle and Canine Replacements and authorize funds to be carried forward to FY 2024 if not spent or encumbered by June 30, 2023.

xi. Appropriate \$325,000 from the Measure X Fund 120 to the Fire Department operating budget for a Live Fire Training Simulator and authorize funds to be carried forward to FY 2024 if not spent or encumbered by June 30, 2023.

xii. Appropriate \$220,000 from the General Fund 110 to the Planning and Development Department for additional contract labor services.

b. Authorize an appropriation of \$3,306,000 from the Greenfield Electric Utility Fund 578 and \$2,394,000 from the Direct Access Electric Utility Fund 576 for a total of \$5,700,000 to the Electric Operations operating budget for an increase in the California Independent System Operator budget for power purchases.

c. Approve a purchase order for the purchase of an electrical transformer to be added to the Warehouse stock.

- i. Award the Notice of Inviting Bids 23-054SB to Anixter, Inc. for the purchase of an electric transformer, for the total bid amount of \$114,731.25, and waive any and all minor irregularities in the bidding documents as submitted by the said bidder.
- ii. Authorize the City Manager, or his designee, to execute the purchase with Anixter, Inc., including any non-substantive changes, purchase orders, and change orders up to ten percent of the award amount, or \$11,473, as authorized by Corona Municipal Code Section 3.08.080(l).

d. Authorize an appropriation in the amount of \$987,509 from the Fleet Operations Fund 682 to

the Vehicle Replacement Project No. 68340 for the purchase of 3 trucks for the Streets Division, 1 truck mounted sprayer for the Streets Division, and 2 mobile lighting units for the Utilities Department.

- e. Authorize a total appropriation in the amount \$388,000 from the Fleet Operations Fund 682 to the Public Works Department operating budget due to increased costs in unleaded, diesel, and CNG fuels.
- f. Authorize one (1) full-time Project Manager and three (3) full-time Assistant Project Managers in the Public Works Department. Considering recruitment time, no additional funding is requested for FY 2023. Recurring costs will be funded 20% in the salary/benefits budget and 80% through Capital Improvement Projects. The total recurring budget impact of these positions are approximately \$534,364 (\$196,227 in the General Fund 110, \$65,409 in the Gas Tax Fund 222, \$136,364 in the Reclaimed Water Utility Fund 567 and \$136,364 in the Sewer Utility Fund 572) and will be included in the Proposed Fiscal Year 2024 budget.
- g. Approve a change order for the FY 2023 Fastenal Purchase Order (B230051) and authorize a second Purchase Order for FY 2024 for warehouse supply and inventory control/vending machine program services.
 - i. Authorize the City Manager, or his designee, to increase Purchase Order B230051 to Fastenal, from \$250,000 to \$385,000 for the remainder of Fiscal Year 2023.
 - ii. Authorize the City Manager, or his designee, to issue a purchase order to Fastenal in the amount of \$385,000 for Fiscal Year 2024.
- h. Appropriate additional funds to the Community Services Department operating budget and increase estimated revenues due to various Community Facilities Districts (CFD) being levied for the first time in FY 2023.
 - i. Appropriate additional funds for:
 - CFD 2016-3 Zone 19 Fund 265 - \$3,416
 - CFD 2016-3 Zone 25 Fund 271 - \$825.46
 - CFD 2016-3 Zone 26 Fund 272 - \$3,996.49
 - CFD 2016-3 Zone 27 Fund 273 - \$1,102.35
 - CFD 2016-3 Zone 31 Fund 279 - \$2,602.45
 - CFD 2018-1 Imp Area 2 Tax A Fund 393 - \$4,295
 - CFD 2018-1 Imp Area 2 Tax B Fund 236 - \$5,295
 - ii. Increase estimated revenues for:
 - CFD 2016-3 Zone 19 Fund 265 - \$27,704
 - CFD 2016-3 Zone 25 Fund 271 - \$2,212
 - CFD 2016-3 Zone 26 Fund 272 - \$32,384
 - CFD 2016-3 Zone 27 Fund 273 - \$1,864
 - CFD 2016-3 Zone 31 Fund 279 - \$21,066
 - CFD 2018-1 Imp Area 2 Tax A Fund 393 - \$14,314
 - CFD 2018-1 Imp Area 2 Tax B Fund 236 - \$22,254
- i. Accept and appropriate \$2,500,000 to the Corona Innovation Center Project No. 71700, and

increase revenue estimates by the same amount, in the Reimbursement Grants Fund 480 for the State earmark from the California Governor's Office of Business and Economic Development (GO-Biz).

- j. Appropriate \$37,288 from the Law Enforcement Developer Impact Fee Fund 213 to the Police Equipment Acquisition Project No. 86450, to purchase a trailer to be used for Driving Under the Influence enforcement.
- k. Authorize an appropriation of \$500,000 and budgetary transfer of \$989,526 between projects in the American Rescue Plan Act (ARPA) Fund 413.
 - i. Approve an appropriation of \$500,000 of unallocated funds to the Sixth Street Beautification Project No. 7673 in APRA Fund 413.
 - ii. Approve a budgetary transfer of \$989,526 from the PPE/Vaccine Programs Project No. 7675 to the Sixth Street Beautification Project No. 7673 in APRA Fund 413.
- l. Adopt Resolution No. 2023-034 approving the City of Corona Position Library and Compensation Plan and repealing prior Plans, including Resolution No. 2023-001, effective January 4, 2023, to update the Position Library and Compensation Plan which provides the list of potential positions and salary ranges.

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

BACKGROUND & HISTORY:

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

ANALYSIS:

Item a - General Fund budgetary adjustments

- i. Accept and appropriate \$1,071,434.10, and increase revenue estimates by the same amount, in the General Fund 110, for the State Encampment Resolution funding grant received by the City Manager's Office, Homeless Solutions Program.

In April 2021, the City of Corona worked in collaboration with Supervisor Spiegel, County Agencies, nonprofit partners, US Army Corps of Engineers, and the cities of Eastvale, Jurupa Valley, Norco, and Riverside to establish the Santa Ana Riverbed Encampment Response Collaborative with several goals designed to reduce homeless encampments and negative impacts to the riverbed. To ensure that goals were achieved, the Collaborative established working groups with partner agencies that focused on public safety, homeless encampment response, and Facilities and Habitat.

In December 2021, the County's Housing and Workforce Services Department agreed to act

as the fiscal agent for a State ERF Grant Application. The City of Corona submitted a scope of work and budget to the County in the amount of \$1,071,434.10 which was included in the County's consolidated grant application totaling \$10,997,002. In March 2022, the County was notified that it was not funded in Round 1 for the ERF allocation; however, in the later part of 2022, the State funded the Riverside County application in Round 2. Riverside County received the 2nd highest allocation in the State. On November 8, 2022, the Riverside County Board of Supervisors approved the State Standard Agreement for the Encampment Resolution Grant along with funding allocations for the City of Corona, City of Norco, City of Jurupa Valley, City of Riverside, County Animal Services, County Housing Authority, County Housing and Workforce Services, and the County's Behavioral Health Department. Staff will return to City Council for approval of the contract with the County, an amendment to the Corona/Norco Memorandum of Understanding since the City of Norco also received funding, and an amendment to the agreement with City Net for the ERF scopes of services and program budgets for Corona and Norco.

- ii. Accept and appropriate \$200,000 from the Measure X Fund 120 to the Community Services Department operating budget to replace and install theater equipment in the Historic Civic Center Theatre.

The Community Services Department is requesting an appropriation of \$200,000 from Measure X Fund 120 to replace and install theater equipment for the Historic Civic Center Theatre's Centennial Celebration. The celebration of the hundredth anniversary of the theatre provides the community with a sense of place in Corona's rich history and cultural roots. Replacement of the new equipment will bring the theatre into the 21st Century in time for the celebration.

- iii. Accept and appropriate \$200,000, and increase revenue estimates by the same amount, within the General Fund 110 for the 2022-23 Local Assistance Specified Grant from the State of California received by the Fire Department.

During the Spring of 2022, the City of Corona met with several legislators to present projects that could be included in the State of California's FY 2022-23 budget, including a \$200,000 project for the Community Wildfire Protection Plan (CWPP). With the support of Assembly Member Sabrina Cervantes, the City of Corona was allocated \$200,000 for the City of Corona's CWPP. This grant subaward is administered through the California Office of Emergency Services (CalOES). On March 6, 2023, CalOES issued the grant subaward of funds originating from a line item in the State of California FY 2022-23 budget, Item Number 0690-101-0001, Provision CS 19.56, as amended by Assembly Bill 179. City staff have been in contact with CalOES to administer the grant. The grant's performance period ends June 30, 2024.

- iv. Appropriate \$32,000 from the Measure X Fund 120 to the Fire Headquarters Infrastructure Upgrades Project No. 77270.

A Capital Improvement Project was approved in the FY 2023 budget for the Fire Headquarters Infrastructure Upgrades. This project included the conversion of an existing 1,327 square foot

classroom into offices and open space for cubicles to support the expanding needs of the Fire Prevention Division. The reconfiguration of office space was needed due to the increased staffing at Fire Headquarters in recent years. This growth in personnel includes the Fire Prevention Division, which has been tasked with additional State and County mandates resulting in the need for more fire inspectors. The tenant improvements are currently underway and will be completed by the end of this fiscal year. Funding is being requested for Phase II of the project. The second phase improvements include hardware, software, and furniture installation.

- v. Appropriate \$2,168 from the Measure X Fund 120 to the City Manager's Office, Homeless Solutions operating budget for staff cell phones and wireless services.

Homeless program staff conducts business out in the field and performs work remotely. Due to the nature of the work, staff need cell phones and wireless service.

- vi. Appropriate \$150,000 from the General Fund 110 to the Community Services Department's operating budget to amend the contract for graffiti services.

The Community Services Department is responsible for graffiti removal and has continued to both proactively and reactively abate graffiti throughout Corona. The City has been utilizing the contractual services of Graffiti Protective Coatings. Community Services has removed 222,084 square feet of graffiti from July 1st to April 1st. The Community Services Department is requesting an additional appropriation of funds in the amount of \$150,000 to continue graffiti removal services through the end of FY 2023. In addition, staff is asking the agreement with Graffiti Protective Coatings be amended to increase the contract value by \$150,000. These services are essential to the community and provide a clean and safe community for all our residents.

- vii. Appropriate \$71,000 from the Measure X Fund 120 to the Public Works Department operating budget for additional costs due to inflation to purchase a Traffic Signal Bucket Truck.

The Traffic Engineering Division bucket truck was approved for \$155,000 during the FY 2023 budget. The quote is dated January 2021 with Altec for \$154,954. Altec's delivery timeframe is five years for the new unit due to supply and demand issues brought on by the pandemic. Public Works requested an additional quote from PB Loader; the 2023 estimate is \$225,318 with a one-year delivery. The price increase with the new manufacturer is due to inflation costs. Traffic Engineering needs the additional bucket truck to effectively service and maintain over 170 traffic signals throughout the city.

- viii. Authorize one (1) full-time Public Safety Information Coordinator. Considering recruitment time, no additional funding is requested for FY 2023.

The Police Department is requesting to add a full-time Public Safety Information Coordinator (PSIC). The PSIC will plan, organize, and coordinate public outreach and communications for the Police Department. Primary responsibilities will include leading sworn and professional

staff with various media and social media events. The PSIC will act as an official spokesperson and direct media contact for the Police Department and supervise personnel within the Community Outreach Team.

The presence of social media has changed the landscape of mainstream media and the role of the traditional law enforcement PSIC. The PSIC is at the forefront of social media strategy, content creation, and community engagement. Social media and community engagement strategies are largely successful based on engaging community members with timely posts, tweets, or stories that are shared online. Law enforcement's use of social media has become more sophisticated and requires formal education or a specialized skill set to manage social media sites. Therefore, many law enforcement agencies have moved towards an effective and efficient way of handling media tasks by implementing a civilian PSIC program.

The authorization of a full-time civilian Public Safety Information Coordinator will allow the recruitment process to begin. Considering recruitment time, no additional funding is requested for FY 2023. The recurring budget impact of this position is approximately \$125,618 and will be included in the Proposed Fiscal Year 2024 budget.

- ix. Accept and appropriate \$104,610, and increase revenue estimates by the same amount, in the General Fund 110 for grant funding received by the Police Department from the California Board of State and Community Corrections 2022-23 Officer Wellness and Mental Health Grant.

The Police Department has been awarded \$104,610 for the 2022-23 California Board of State and Community Corrections (BSCC) Officer Wellness and Mental Health grant. The California 2022 Budget Act included the grant to improve officer wellness and expand mental health sources. This funding is available to all city and county law enforcement agencies employing officers as described in Section 830.1 of the Penal Code. The purpose of the Officer Wellness grant is to expand mental health sources through the establishment of officer wellness or peer support units, providing the services of a licensed mental health professional, expanding multiagency mutual aid programs focused on officer wellness and mental health, or other programs or services that are evidence-based and have a successful track record of enhancing officer wellness.

Studies have shown that protocols designed to reduce the stigma of peace officers asking for help and programs aimed at physical fitness are two of the most successful ways to increase officer wellness. Readily available and confidential mental health resources and easy access to a quality 24-hour physical fitness training area are common factors shown to increase the likelihood of officer participation and acceptance of the programs.

The Police Department will use the grant funds to address mental wellness via programs that include but are not limited to: on-site access to a licensed mental health professional, stress management training, conflict resolution, financial well-being, and physical fitness programs to increase the overall health of officers.

This grant has no match requirement, but any funding not utilized by December 1, 2025, must

be returned to the State of California.

- x. Appropriate \$94,073 from the General Fund 110 and \$24,330 from the Measure X Fund 120 to the Police Department's operating budget for a K9 Vehicle and Canine Replacements and authorize funds to be carried forward to FY 2024 if not spent or encumbered by June 30, 2023.

The canine team is adjusting a canine handler position from the Detective Bureau to the Special Enforcement Bureau. Since this movement is to a uniformed patrol position, a new black and white police vehicle will be needed to replace the Detective canine unmarked minivan. The car will be built similarly to the current canine vehicles based on equipment availability.

Two of the Corona Police Department canines have reached an age when their replacement may be imminent. Currently, one of the police canines is a Patrol dog, cross trained in narcotic detection, while the other canine resides in Investigations and is solely narcotic detection trained. Both canines will need to be replaced within the next year. The Police Department has applied for and received approval to purchase one of the replacement canines with a grant. However, while this grant will provide funding to replace the dog, the basic handler training course will still need to be provided. Funding is being requested to replace one of the canines with a dual-purpose Patrol K9 and allow for the basic handler training course for both canines. Replacement of these police dogs is essential and increases officer, citizen, and suspect safety.

- xi. Appropriate \$325,000 from the Measure X Fund 120 to the Fire Department's operating budget for a Live Fire Training Simulator and authorize funds to be carried forward to FY 2024 if not spent or encumbered by June 30, 2023.

The current fire training simulator was purchased in 2014 and is at the end of its usable life. This equipment is critical for continuing live fire training education for current firefighters and entry-level recruit firefighters. This simulator will be built in the same location as the current training simulator at the public safety training center.

- xii. Appropriate \$220,000 from the General Fund 110 to the Planning and Development Department for additional contract labor services.

Consultant services are used on an as-needed basis for specialized reviews involving land surveys, civil and structural engineering plans, and technical studies that include but are not limited to sewer capacity, water supply assessments, and geotechnical analysis. The department uses the plan review fees and permit fees paid by the project proponent to cover the costs of the services provided by the consultant. The use of this service has increased due to the volume of projects being submitted to the Planning and Development Department.

Item b - Authorize an appropriation of \$3,306,000 from the Greenfield Electric Utility Fund 578 and \$2,394,000 from the Direct Access Electric Utility Fund 576 for a total of \$5,700,000 to the Electric Operations operating budget for an increase in the California Independent System Operator budget for power purchases.

The Utilities Department (UD) Electric Division purchases power through the California Independent System Operator (CAISO) for 2,773 customer accounts located in the UD's service area. In calendar year 2022, UD purchased a total of 149,008 megawatt hours (MWh) of power for its customers.

In Fiscal Year 2023, UD experienced two events that significantly increased costs for power purchases through CAISO. Southern California experienced an unprecedented heat event followed by a natural gas shortage due to extreme temperatures, reduced pipeline capacity, and a lack of supply.

The Governor proclaimed a state of emergency during the initial heat event, Flex Alerts were issued, and customers were asked to conserve as much energy as possible. Due to the high demand for power, energy prices increased significantly. The average CAISO real time settlement energy prices increased by 82% from the prior year.

Natural gas-fired generation is one source of electric generation in the CAISO's balancing area and natural gas prices are the variable cost determinant for CAISO energy settlement pricing. According to the U.S. Energy Information Administration (EIA), this period of widespread below-normal temperatures and increased demand coincided with natural gas storage levels 30% below the five-year average in the Pacific Region. Maintenance work in West Texas resulted in reduced pipeline capacity for westbound natural gas flows from the El Paso Natural Gas pipeline system. Compared to the prior year, the supply and demand imbalance drove wholesale natural gas prices up 334% in December 2022 and 232% in January 2023. This in turn caused the average CAISO real time settlement energy prices to increase as shown in the table below.

CAISO Real Time Settlement Energy Prices (\$/MWh)

Month	2019	2020	2021	2022	2023	Percent Change from Prior Year
Jan	\$ 38.95	\$ 28.06	\$ 30.58	\$ 50.71	\$ 139.75	176%
Feb	69.53	25.56	78.10	44.38	73.06	65%
Mar	37.41	26.01	30.75	40.42	72.89	80%
April	28.42	20.33	33.06	59.22		79%
May	18.38	20.23	31.60	59.45		88%
June	29.86	21.65	51.73	68.63		33%
July	30.04	29.12	67.09	77.73		16%
Aug	33.13	60.24	61.62	97.40		58%
Sept	38.46	40.28	68.40	124.66		82%
Oct	34.29	43.07	60.74	69.20		14%
Nov	41.44	36.99	54.27	89.96		66%
Dec	38.92	36.83	56.89	246.37		333%

UD currently has power purchase agreements for renewable solar and hydro power through the Astoria 2, Boulder Canyon, and Parker Davis projects. To mitigate rising and unpredictable energy

purchase costs, UD has entered into three additional power purchase agreements for fixed energy costs.

- Alta Mesa Wind Energy Center
 - Renewable Wind Power at \$40 per MWh for 25 years
- Gaskell West Solar Energy and Battery Storage Facility
 - Renewable Solar Power at \$26.65 per MWh for 25 years
 - Battery Storage at \$6.65 per kW-mo for 20 years
- Constellation Energy
 - Physical Power at \$46.50 per MWh through June 30, 2023
 - Plan to negotiate an extension to this agreement prior to June 30, 2023

UD will continue to monitor pricing on the market and execute power purchase agreements that are in the best interest of the utility and its customers. To cover cost increases for the current fiscal year, UD requests an appropriation of \$3,306,000 from the Greenfield Electric Utility Fund 578 and \$2,394,000 from the Direct Access Electric Utility Fund 576 to the Electric Operations operating budget.

Item c - Approve a purchase order for the purchase of an electrical transformer to be added to the Warehouse stock.

The Warehouse routinely purchases and stocks items for use by the City Departments. The Utilities Department has electric transformer equipment that is stocked at the Warehouse. This item, a three-phase pad-mounted transformer was out of stock at the Warehouse and needed to be replenished. This electrical component is critical to allow the City's electric utility to provide continuous and reliable electric service to its customers and businesses of Corona.

A Notice Inviting Bids (NIB) was issued by the Purchasing Division on February 10, 2023, and distributed to four vendors known to supply this electrical equipment pursuant to Corona Municipal Code 3.08.120 informal bidding procedure for non-public projects. On February 28, 2023, two bids were received. A summary of the bids is presented below:

Bid Summary (NIB 23-054SB)				
Qty.	Description of Product	Unit Cost	Vendor Name	
			Anixter, Inc.	CED
1	1500KVA – PAD -12KV – 480/277 SWITCHED, FUSED, LOOP TAPS; Product Manufacturer: Howard	\$105,500.00	\$105,500.00	\$110,940.23
Sub Total:			\$105,500.00	\$110,940.23
CA Sales Tax (8.75%):			\$9,231.25	\$9,707.27
Shipping (FOB Destination):			\$0.00	\$0.00
Grand Total:			\$114,731.25	\$120,647.50
Lead time:			52 weeks ARO	52 weeks ARO

Staff recommends awarding the bid award to Anixter, Inc. a wholly owned subsidiary of Wesco, Inc. as the lowest, responsive bidder.

Item d - Authorize an appropriation in the amount of \$987,509 from the Fleet Operations Fund 682 to the Vehicle Replacement Project No. 68340 for the purchase of 3 trucks for the Streets Division, 1 truck mounted sprayer for the Streets Division, and 2 mobile lighting units for the Utilities Department.

The City of Corona's Fleet Division monitors the life and condition of vehicles and equipment in the motor pool. In accordance with Administrative Policy No. 09100.508, these 3 vehicles and 3 pieces of equipment have met the end of their life cycle and need to be replaced. Due to C.A.R.B. (California Air Resources Board) mandates, government entities are no longer allowed to purchase new vehicles with diesel engines. The 2 diesel trucks will be replaced with CNG (Compressed Natural Gas) vehicles for the City of Corona to stay compliant. The Fleet Division requests the City Council to authorize an appropriation from the Fleet Operations Fund 682 of \$987,509 to replace the vehicles and equipment in the list below. The annual motor pool costs will be included in the Proposed Fiscal Year 2024 budget.

Unit Being Replaced	Dept.	Replacement Unit			Lease Down Payment	Purchase Cost (one-time)	Motor Pool (annual)
		Year	Make	Model			
43031	39-ST	2023	Freightliner	114SD		\$296,644.43	\$31,065.00
43032	39-ST	2023	Freightliner	114SD		\$296,644.43	\$31,440.00
43033	39-ST	2024	Ford	F-750		\$327,648.53	\$30,375.00
47066	39-ST	2023	FIMCO	200Gal Sprayer		\$5,299.99	\$1,187.00
57021	50-UD	2023	Generac	MLT4200IVLED-STD4		\$30,636.05	\$2,925.00
57022	50-UD	2023	Generac	MLT4200IVLED-STD4		\$30,636.05	\$2,724.00
						\$987,509.48	\$99,716.00
						Total	\$1,087,225.48

Item e - Authorize a total appropriation in the amount \$388,000 from the Fleet Operations Fund 682 to the Public Works Department operating budget due to increased costs in unleaded, diesel, and CNG fuels.

Fuel prices fluctuated erratically in 2022 - 2023, including a 300% increase in Compressed Natural Gas (CNG) cost in January 2023. With the trends of fuel purchase and usage for the current fiscal year, a budget increase for all three fuel types (unleaded, diesel, and CNG) is needed to provide fuel to conduct Citywide services through the remainder of the fiscal year.

Item f - Authorize one (1) full-time Project Manager and three (3) full-time Assistant Project Managers in the Public Works Department. Considering recruitment time, no additional funding requested for FY 2023. Recurring costs will be funded 20% in the salary/benefits budget and 80% through Capital Improvement Projects. The total recurring budget impact of these positions are approximately \$534,364 (\$196,227 in the General Fund 110, \$65,409 in the Gas Tax Fund 222, \$136,364 in the Reclaimed Water Utility Fund 567 and \$136,364 in the Sewer Utility Fund 572) and will be included in the Proposed Fiscal Year 2024 budget.

- *Project Manager (Utilities):* The City has a backlog of multi-million dollar projects from the Utilities Department funded with Enterprise Funds. The Public Works Department is currently using two Consultants to manage these projects. This Project Manager will phase out the consultants assigned in the Utilities CIP section.
- *Assistant Project Manager (Utilities):* The City has a backlog of multi-million dollar projects from the Utilities Department funded with Enterprise Funds. The Public Works Department is currently using two Consultants to manage these projects. This Assistant Project Manager will phase out the consultants assigned in the Utilities CIP section.
- *Assistant Project Manager (Parks and Facilities):* Only one Project Manager is assigned to the

Parks and Facilities section, with over 30 assigned projects with various complexities. This position will help alleviate and distribute the workload and create support and backup for the Project Manager and the future Asset Management Coordinator.

- *Assistant Project Manager (Streets)*: The City has a backlog of Streets, Traffic Engineering, and Storm Drain projects. The City receives approximately \$7-10 million yearly from a constant revenue stream such as Measure A, Gas Tax, and SB1-RMRA, and grant funding. The funds are being received faster than projects can be delivered. This Assistant Project Manager will also be assigned as the ADA Specialist to work directly with the Director as the ADA Coordinator. There are currently two consultants assigned to Street projects, and this position will phase out the need for the consultants.

Item g - Approve a change order for the Fastenal Purchase Order (B230051) and authorize a Purchase Order for FY 2024.

Staff recommends increasing the FY 2023 Fastenal purchase order by \$110,000, from \$275,000 to \$385,000. Fastenal has provided warehouse supply and inventory control/vending machine program services since 2013. Fastenal owns and maintains the vending machines and inventory. The City is charged for items after they are selected from the devices. Vending is controlled through employee identification badges. Fastenal products include facility maintenance supplies, lighting products, safety items, industrial supplies, and tools with the pricing provided by a cooperative agreement, Sourcwell contract 091422-FAS, which expires in November 2026. Many departments throughout the organization utilize the vending machine program.

One of the primary benefits of the program is staff efficiency by allowing these smaller purchase transactions to be provided by a single vendor, reducing staff time spent seeking quotes from multiple vendors.

The current purchase order for Fiscal Year 2023 is \$275,000. Due to inflation and supply chain issues, there have been increases in the cost of the products provided by Fastenal, similar to issues the City has experienced with other vendors. In addition, one-time inventory purchases were made in FY 2023 as Fastenal had the items in stock and other vendors could not provide the products promptly. Monthly expenditures with Fastenal are averaging approximately \$31,000 per month.

Based on the current expenditure trend, the revised estimated expenditures for FY 2023 are \$385,000. Staff also recommends approving a second purchase order for the same amount in FY 2024. Approval of the FY 2023 and FY 2024 purchase orders will allow operations to continue moving forward and provide time for staff to analyze the expenditures and re-evaluate the program. Staff will return to City Council during the FY 2025 budget process with the analysis results and recommendations. No additional funding is needed for approval of the Purchase Orders.

Item h - Appropriate additional funds to the Community Services Department operating budget and increase estimated revenues due to various Community Facilities Districts (CFD) being levied for the first time in FY 2023.

The following maintenance district CFDs were levied for the first time in FY 2023. These districts were added to the tax roll in July 2022, which was after the FY 2023 budget process was completed.

Description	Fund	FY 2023 Amount	
		Revenues	Expenditures
CFD 2016-3 Zone 19	265	27,704.00	3,416.00
CFD 2016-3 Zone 25	271	2,212.00	825.46
CFD 2016-3 Zone 26	272	32,384.00	3,996.49
CFD 2016-3 Zone 27	273	1,864.00	1,102.35
CFD 2016-3 Zone 31	279	21,066.00	2,602.45
CFD 2018-1 Imp Area 2 Tax A	393	14,314.00	4,295.00
CFD 2018-1 Imp Area 2 Tax B	236	<u>22,254.00</u>	<u>5,295.00</u>
Total		121,798.00	21,532.75

Item i - Accept and appropriate \$2,500,000 to the Corona Innovation Center Project No. 71700, and increase revenue estimates by the same amount, in the Reimbursement Grants Fund 480 for the State earmark from the California Governor's Office of Business and Economic Development (GO-Biz).

The Economic Development Department is requesting the acceptance and appropriation of \$2,500,000 in State earmarks to develop a Corona Innovation Center. The Innovation Center will offer business services, events, trainings, and entrepreneurship development opportunities. It will serve as a hub for innovation and will also place emphasis on youth as it pertains to career pathways and introductions to STEM industries. The City will work alongside various local and regional partners to carry out operational and programmatic elements. This project aligns with the Citywide Strategic Plan to develop a stronger economy, which seeks to expand the local economy by supporting businesses and providing ample job opportunities. It will also serve as a key economic tool for business attraction and retention, identified in the Corona Economic Development Strategic Plan adopted by Council in 2022. Funds may be utilized for the following:

- a. Renovations and related expenses
- b. Limited-term staffing to help plan and operate the Corona Innovation Center
- c. Operational Expenses
- d. Consulting Fees
 - a. This includes consulting fees to help provide specific services for the venter, such as business consulting to support aspiring entrepreneurs/ business owners
 - b. This includes fees to host classes and keynote speakers
- e. Small and Large Equipment
- f. Furniture
- g. Small Business Grants

Item j - Appropriate \$37,288 from the Law Enforcement Developer Impact Fee Fund 213 to the Police Equipment Acquisition Project No. 86450 to purchase a trailer to be used for Driving Under the Influence enforcement.

The Police Department requests an appropriation of \$37,288 from the Law Enforcement Developer Impact Fund 213 to supplement the 2022-2023 California Office of Traffic Safety (OTS) Selective

Traffic Enforcement Program grant. This grant awarded the Police Department \$45,000 for a new Driving Under the Influence (DUI) trailer. The Police Department has a current 2014 trailer #76013 that is being utilized for DUI Checkpoints, but it is insufficient for long-term deployments. The current trailer is included in the motor pool rates. The department wishes to retain the current trailer to be utilized for other suitable calls. This trailer will be removed from the Motor Pool rates, currently budgeted at \$7,421 for FY 2023, and kept as an On Account vehicle.

This new trailer will be customized for the department's needs and utilized to store all the equipment related to DUI enforcement and checkpoints. The equipment includes signs, cones, generators, mobile lighting, and other items used at DUI Checkpoints.

The City issued a Request for Proposal #RFP 23-041RH on March 20, 2023, and it closed on April 10, 2023. One bid was received for a total price of \$82,287.40; \$45,000 will be funded out of the OTS grant and the remaining balance of \$37,288 will be funded from the 213 Developer Impact Fund. The Motor Pool for this trailer will replace the Motor Pool for unit #76013 in future budget years.

The trailer is an appropriate purchase for the funding source.

Item k - Authorize an appropriation of \$500,000 and budgetary transfer of \$989,526 between projects in the American Rescue Plan Act (ARPA) Fund 413.

The American Rescue Plan Act (ARPA) of 2021 allocated nearly \$200 billion to states, territories, and tribal areas, and \$130 billion to cities and counties for pandemic relief. The City of Corona received \$29,158,725 in ARPA funds. The funding allocations were originally approved by the City Council on November 3, 2021. Funds must be encumbered by December 31, 2024 and fully expended by December 31, 2026. At the Spring Financial Workshop on April 13, 2023, staff discussed two changes to the current ARPA allocations, which will provide additional funding for the Sixth Street Beautification Project No. 7673.

With the scope of work for the Sixth Street Beautification Project, additional funding is needed for the project.

- There is currently \$500,000 of unallocated ARPA funds, due to a change in the original ARPA allocation for the Corona Innovation Center project. Staff recommends appropriating the unallocated \$500,000 to the Sixth Street Beautification Project No. 7673.
- There is an ARPA allocation of \$989,526 for the PPE/Vaccine Programs. When the original allocations were approved, there was still substantial uncertainty about the pandemic and how it would impact the Corona community. With multiple Riverside County resources available for vaccine programs, the funding has not been utilized for the original purpose. Staff recommends transferring \$989,526 from the PPE/Vaccine Programs Project No. 7675 to the Sixth Street Beautification Project No. 7673.

Item l - City Council to adopt Resolution No. 2023-034 approving the City of Corona Position Library and Compensation Plan and repealing prior Plans, including Resolution No. 2023-001 effective January 4, 2023, to update the Position Library and Compensation Plan which provides the list of potential positions and salary ranges.

State regulations for public employers require disclosure of position classifications and corresponding compensation. In an effort to ensure compliance, and for even greater transparency, the City Council

has previously adopted and updated the Position Library and Compensation Plan ("Plan"), a document which includes a list of all authorized employment positions for the City and their corresponding compensation rangers.

The Plan provides added organizational efficiency and permits departments to continue streamlining operations without impacting service levels. Additionally, it allows members of the public to see what any given position, even those not currently filled, would be paid. To this end, it is important to note that this document is strictly a resource document of available employment positions, as the positions listed will not necessarily be budgeted for funding in any given fiscal year. A current list of full-time budgeted positions can be located on the City's website.

The proposed revisions to the Plan are highlighted on the attached document, Exhibit 6.

FINANCIAL IMPACT:

Approval of the 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	APPROPRIATION	OFFSETTING REVENUE	NET IMPACT TOTAL
General Fund 110	1,839,117	1,376,044	464,073
Measure X Fund 120	654,498	-	654,498
Law Enforcement Developer Impact Fee Fund 213	37,288	-	37,288
CFD 2018-1 Spec Tax B (Bedford) Fund 236	5,295	22,254	(16,959)
CFD 2016-3 Zone 19 Cresta/Promenade Fund 265	3,416	27,704	(24,288)
CFD 2016-3 Zone 25 Promenade Distribution Center Fund 271	825	2,212	(1,387)
CFD 2016-3 Zone 26 TM 36605/36608 Fund 272	3,996	32,384	(28,388)
CFD 2016-3 Zone 27 Corona TLE Fund 273	1,102	1,864	(762)
CFD 2016-3 Zone 31 Latitude Business Fund 279	2,602	21,066	(18,464)
CFD 2018-1 Bedford IA2 TAX A Fund 393	4,295	14,314	(10,019)
American Rescue Plan Act Fund 413	500,000	-	500,000
Reimbursement Grants Fund 480	2,500,000	2,500,000	-
Direct Access Electric Utility Fund 576	2,394,000	-	2,394,000
Greenfield Electric Utility Fund 578	3,306,000	-	3,306,000
Fleet Operations Fund 682	1,375,509	-	1,375,509
TOTAL	\$12,627,945	\$3,997,842	\$8,630,103

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have 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 action is not subject to CEQA. This action is to approve budgetary adjustments for Fiscal Year 2023, 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 - County Board of Supervisors Agenda Staff Report for funding approval
2. Exhibit 2 - County Board of Supervisors List of Grant Awarded Agencies
3. Exhibit 3 - NIB 23-054SB
4. Exhibit 4 - Resolution No. 2023-034
5. Exhibit 5 - Position Library and Compensation Plan
6. Exhibit 6 - Position Library and Compensation Plan - Redline
7. Exhibit 7 - Graffiti Protective Coatings Second Amendment
8. Exhibit 8 - Governor's Office of Business and Economic Development Agreement