



Staff Report

File #: 23-0448

**REQUEST FOR CITY COUNCIL ACTION
CORONA HOUSING AUTHORITY ACTION
CORONA UTILITY AUTHORITY ACTION
CORONA PUBLIC FINANCING AUTHORITY**

DATE: 06/21/2023

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:

ADOPTION OF THE CITY OF CORONA PROPOSED BUDGET FOR FISCAL YEAR 2024, AS WELL AS RELATED CONTRACT AMENDMENTS, CHANGE ORDERS AND PURCHASE ORDERS.

EXECUTIVE SUMMARY:

The Fiscal Year 2024 Proposed Budget has been reviewed and discussed at the Spring Financial Workshop held on April 13, 2023, and at the Study Session held on May 17, 2023. This report recommends approval of the proposed budget and includes additional actions, identified after the last budget presentation, to be incorporated into the Fiscal Year 2024 Adopted Budget. In addition, this report includes recommended contract amendments, change orders, and purchase orders.

RECOMMENDED ACTION:

That the:

- a. City Council adopt Resolution No. 2023-039, adopting the City's budget for Fiscal Year 2024, Revised Budget Items, and General Fund Budget Policies.
- b. Corona Utility Authority adopt Resolution No. 2023-040, adopting said Authority's budget for Fiscal Year 2024, Revised Budget Items, and Budget Policies.
- c. Corona Public Financing Authority adopt Resolution No. 2023-041, adopting said Authority's budget for Fiscal Year 2024, Revised Budget Items, and Budget Policies.
- d. Corona Housing Authority adopt Resolution No. 2023-042, adopting said Authority's budget for Fiscal Year 2023, Revised Budget Items, and Budget Policies.

- e. City Council adopt Resolution No. 2023-043, adopting the annual appropriations limit for Fiscal Year 2024 and selecting the population and inflation factors accordingly.
- f. City Council and Corona Utility Authority approve the following additional budget items to be included in the Fiscal Year 2024 adopted budget:
- i. Authorize the reclassification of one City Management Fellow from Part-Time to Full-Time, in the General Fund 110 with an estimated cost of \$48,964.
 - ii. Authorize the creation of a new Capital Improvement Project titled Water Reclamation Facility No. 1 Chemical Injection Flash Mixer Piping Replacement and authorize an appropriation in the amount of \$200,000 from the Sewer Utility Fund 572.
 - iii. Authorize an appropriation in the amount of \$1,738,500 in the Fleet Replacement Fund 684 for the purchase of vehicles, trailers, and equipment on the Fiscal Year 2024 Vehicle Replacement List (Exhibit 9).
- g. City Council and Corona Utility Authority approve the following contract amendments, change orders, and purchase orders for Fiscal Year 2024:
- i. Authorize the City Manager, or his designee, to issue purchase orders for the attached list (Exhibit 8) of Information Technology software renewals for Fiscal Year 2024.
 - ii. Authorize an extension of the Professional Services Agreement with Alexander's Contract Services, Inc., for meter reading services.
 - Approve an Amendment to the Professional Services Agreement with Alexander's Contract Services Inc., for an additional one-year renewal and two one-year optional renewals in the amount of \$943,750.
 - Authorize the City Manager, or his designee, to execute an amendment to the Professional Services Agreement in the amount of \$943,750, including any non-substantive extensions, change orders, purchase orders, and amendments up to the amount authorized by Corona Municipal Code [Section 3.08.070\(I\)](#), which is equivalent to 10%, or \$94,375.
 - Make a determination under Corona Municipal Code [Section 3.08.140\(E\)](#) that competitive bidding is not required for this service based upon the reasons provided in this agenda report.
 - That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.
 - iii. Authorize an extension to the Master Services Agreement and approve a purchase order for \$500,000 with Paymentus Corporation through June 30, 2024.
 - Approve the successive one year auto-renewal option of the Master Services Agreement approved on November 3, 2021, with Paymentus Corporation.
 - Authorize the City Manager, or his designee, to issue a purchase order in the

amount of \$500,000 for Fiscal Year 2024.

- Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to \$50,000 or 10% of the original contract amount as authorized in Corona Municipal Code [Section 3.08.060\(J\)](#).
- That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council take the above actions.

iv. Authorize the City Manager, or his designee, to issue an annual purchase order for the purchase of Public Safety equipment to L.N. Curtis & Sons in the amount of \$285,000 through June 30, 2025, and to make a determination under Corona Municipal Code [Section 3.08.140\(C\)](#) that competitive bidding has been satisfied based upon the reasons provided in this report.

v. Authorize the issuance of a purchase order with Grainger for the purchase of industrial supplies and equipment using the Sourcewell National Cooperative Mater Price Agreement Number #091422-WWG.

- Approve the use of the Sourcewell Master Price Agreement Number #091422-WWG for the purchase of industrial supplies and equipment in the amount of \$275,000 for Fiscal Years 2024 through 2026.
- Make a determination under Corona Municipal Code [Section 3.08.140\(C\)](#), that competitive bidding has been otherwise accomplished as provided for in the "Basis for Exception to Competitive Bidding" section of this agenda report.
- Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to \$27,500 or 10% of the original purchase order amount as authorized in Corona Municipal Code [Section 3.08.080\(I\)](#).
- Authorize the City Manager, or his designee, to issue purchase orders to Grainger in the amount of \$275,000 for Fiscal Years 2024 through 2026.

h. City Council and Corona Utility Authority approve the following contract amendment and change order for Fiscal Year 2023:

i. Authorize a contract amendment and change order for A&Y Asphalt Contractors, Inc., for on-call Citywide asphalt repairs.

- Approve an amendment to the Maintenance/General Services Agreement with A&Y Asphalt Contractors, Inc. to increase the amount by \$100,000, to \$460,000, for on-call Citywide asphalt repairs.
- Authorize the City Manager, or his designee, to process a change order to purchase order B230638 for A&Y Asphalt Contractors, Inc. to increase the amount by \$100,000, to \$460,000.
- That the Corona Utility Authority review, ratify, and to the extent necessary, direct the City Council to take the above actions.

BACKGROUND & HISTORY:

The Fiscal Year (FY) 2024 budget process began in November 2022. On Thursday, April 13, 2023, the Spring Financial Workshop was held to discuss the budget, set goals, and receive direction from the City Council for the development of the FY 2024 budget. The Spring Financial Workshop was an extremely important step in the budget process, and included reviewing the City's Strategic Plan and discussions about the additional revenues generated from the sales tax measure, Measure X. From this workshop, staff prepared the operating budget, capital improvement plan, and additional service adjustment requests for the City Council's consideration.

On May 17, 2023, a Study Session was held to update the public and City Council on the progress of the FY 2024 proposed budget. Staff presented the proposed budget overview and a recap of the budget items discussed in the Spring Financial Workshop.

ANALYSIS:

The City of Corona FY 2024 Proposed Operating Budget and Capital Improvement Plan are presented in this report for the City Council's consideration and adoption. Additionally, there are budgetary adjustments identified after the Study Session meeting on May 17, 2023, which need to be incorporated in the FY 2024 budget, and budgetary amendments to the FY 2023 budget are presented for the City Council's consideration and approval.

The estimated revenue budget for FY 2024 is \$439.2 million, which represents a decrease of \$52.8 million, or 10.7%, compared to the FY 2023 revenue projections. The most significant decrease, \$35.6 million, is in the Capital Projects Fund Type. The second largest change is a decrease of \$16.8 million in the Special Revenue funds, this includes developer improvement funds, Gas Tax, Measure A, and Community Facilities Districts (CFD)/Landscape and Lighting Maintenance Districts (LMD) funds. The third largest change is in the Successor Agency funds, with a decrease of \$1.6 million.

The proposed expenditure budget for FY 2024 totals \$437.3 million, which is an increase of \$35.4 million, or 8.8%, compared to the FY 2023 adopted budget. The net change is based on increases in the following categories: \$13.2 million in Materials and Supplies, \$8.9 million in Operating and Maintenance Projects, \$6.2 million in Contractual Services, \$4.2 million in Personnel costs, and \$3.6 million in Utilities. In addition, there are decreases of \$0.3 million in Capital Improvement Projects and \$0.3 million in Capital Outlay.

Recommended actions a, b, c, and d: Annual Budget, Revised Budget Items and Budget Policies

The FY 2024 budget was developed in alignment with the City's adopted Strategic Plan and the following six strategic goals:

1. Financial Stability
2. Strong Economy
3. Sound Infrastructure
4. Safe Community
5. Sense of Place
6. High Performing Government

Presented for consideration by the City Council, Corona Utility Authority, Corona Housing Authority,

and Corona Public Financing Authority are the resolutions to adopt the Proposed FY 2024 budget and Ten-Year Capital Improvement Plan, along with Revised Budget Items as specified in Attachment A to each resolution, if applicable. The Revised Budget Items are changes that have been identified since the Study Session on May 17, 2023. The Ten-Year Capital Improvement Plan allows for coordination, financing, and timing of major City public improvements. These documents are prepared to communicate the City’s strategic goals and use of resources.

Recommended actions e: Appropriations Limit for FY 2024

Article XIII B of the California Constitution specifies that appropriations made by local governments may increase annually by a factor comprised of the change in population from one year to another combined with an inflation factor. For the population factor, jurisdictions have a choice between the percentage change in the City’s population growth or the County population growth. For the inflation factor, jurisdictions can choose between the California per capita personal income or the increase in non-residential assessed valuation due to new construction. Under the California Constitution, a jurisdiction is required to adopt the Gann Appropriation Limit annually by resolution, selecting each factor by a vote of the governing body. The factors that pertain to the Fiscal Year 2024 calculation are as follows:

Population Percentage Growth

City of Corona	-0.09%
County of Riverside	0.34%

Inflation Percentage Factors

California per capita personal income	4.44%
Change in non-residential assessed Valuation due to new construction	Not Available

Staff recommends that the County’s population change of 0.34% and the California per capita personal income change of 4.44% be approved by the City Council. The change in non-residential assessed valuation is usually not available to the City at the time the limit needs to be adopted. When the change in non-residential assessed valuation due to new construction is available, and if it is higher than the California per capita personal income change, staff will recalculate the Appropriations Limit and will resubmit to the City Council for approval. An attestation letter of the calculation is provided by the City’s audit firm during the audit process each fiscal year.

Recommended actions f: Budget Adjustments for Fiscal Year 2024

After the proposed budget information was presented to the City Council on May 17, 2023, the following items were identified as budget revisions and are being recommended for funding in the FY 2024 budget:

- i. Authorize the reclassification of one City Management Fellow from Part-Time to Full-Time, in the General Fund 110 with an estimated cost of \$48,964.

The City Manager’s Office currently has two part-time City Management Fellows included in their FY 2024 budget and is proposing to reclassify one of these positions into a full-time

temporary position. The City Management Fellowship offers current Master of Public Administration (MPA) students (or other graduate students in a closely related field) an opportunity to gain valuable work experience in the City Manager's Office and work closely with the City's executive leadership team on research activities, analytical work, and advising on special projects for a 9-12 month term. With the current challenging job market, there has been difficulty in recruiting high-quality candidates for part-time positions. Converting one of the Fellow positions into a full-time position will make it more desirable for qualified job seekers and provide greater opportunities for the Fellow to grow professionally and take on more meaningful assignments, which will benefit both the City and the Fellow.

- ii. Authorize the creation of a new Capital Improvement Project titled Water Reclamation Facility No. 1 Chemical Injection Flash Mixer Piping Replacement and authorize an appropriation in the amount of \$200,000 from the Sewer Utility Fund 572.

The Utilities Department (UD) operates three water reclamation facilities. Water Reclamation Facility 1 (WRF 1), located at 2205 Railroad, receives and treats approximately 10 million gallons per day of raw sewage. WRF 1 produces approximately 8.5-9.5 million gallons of tertiary water daily. 1.5 million gallons per day of tertiary water is discharged to the creek as required by the California Regional Water Quality Control Board Santa Ana Region Order No. R8-202-0021 and National Pollutant Discharge Elimination System (NPDES) permit no. CA8000383 (permit). The remaining tertiary water is used for recycled water usage throughout the City.

The Flash Mixer at WRF 1 is a vital part of the treatment process. It is installed before the sand filters to provide mixing for chemical addition to meet turbidity limits established in the permit. The Flash mixer pump is above ground, while the injection piping is all below ground and encased in concrete. During a recent inspection, staff observed corrosion and evidence of water leaking from the injection piping. Upon further investigation and removal of part of the concrete, staff discovered significant corrosion. To make the necessary repairs, staff is requesting to authorize the creation of the Water Reclamation Facility No. 1 Chemical Injection Flash Mixer Piping Replacement Project and an appropriation in the amount of \$200,000 from the Sewer Utility Fund 572. In order to replace the corroded piping, a bypass pump system will need to be set up for the duration of the project.

The project scope of work will be competitively bid and completed following Corona Municipal Code competitive bidding requirements for non-public projects.

- iii. Authorize an appropriation in the amount of \$1,738,500 in the Fleet Replacement Fund 684 for the purchase of vehicles, trailers, and equipment on the Fiscal Year 2024 Vehicle Replacement List (Exhibit 9).

The City of Corona's Fleet Division monitors the life and condition of vehicles, trailers, and equipment in the motor pool. In accordance with Administrative Policy No. 09100.508, these vehicles, trailers, and equipment have met the end of their life cycle and need to be replaced. The Fleet Division requests the City Council to authorize an appropriation in the Fleet Replacement Fund 684 in the amount of \$1,738,500 to replace the vehicles, trailers and

equipment listed in Exhibit 9.

Recommended actions g: Contract Amendments, Change Orders, and Purchase Orders for FY 2024

With the adoption of the FY 2024 budget, the following contract amendments, change orders, and purchase orders are recommended for approval:

- i. Authorize the City Manager, or his designee, to issue purchase orders for the attached list (Exhibit 8) of Information Technology software renewals for Fiscal Year 2024.

The City utilizes a wide range of software for City operations. In an effort to streamline the procurement process for annual routine software renewals, staff is recommending approval of the attached list of annual renewals. By including a comprehensive list of items greater than \$55,000, this will help to ensure maximum efficiency and savings are realized in the procurement of the annual technology maintenance agreements. The City's ability to continue to use technology is typically tied to the continuation of annual maintenance payments or subscriptions for that technology. Many vendors are the sole providers of support for their products (i.e., software, hardware, and professional services). Due to the nature of the security requirements related to credit card processing and online payment gateways, many of the financial software vendors have established relationships with specific third-party providers so their products can maintain certifications and ensure that they meet current and future security standards. These relationships result in making those service providers the sole source for that application.

- ii. Authorize an extension of the Professional Services Agreement with Alexander's Contract Services, Inc., for meter reading services.

The Utilities Department (UD) has been using Alexander's Contract Services, Inc., (ACS) since March 2011 and is requesting an extension of their Professional Services Agreement to sustain services until the completion of the Advanced Metering Infrastructure Meter Replacement Project (AMI). ACS's current contract amount is \$943,750 and staff believes this amount is sufficient to cover the necessary services until the AMI project is fully implemented. ACS is familiar with the UD's service standards and procedures and over the years has provided excellent reliable service to the UD.

Basis for Determination of Competitive Bidding

UD is requesting an exception to competitive bidding for ACS annually through June 30, 2026, pursuant to Corona Municipal Code ("CMC") [Section 3.08.140\(E\)](#), which states as follows:

"Purpose of bidding is otherwise accomplished. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that it is in the best interest of the city and its administrative operations to dispense with public bidding for non-public projects under this chapter."

The Utilities Department (UD) is currently conducting a bid for the Advanced Metering Infrastructure Meter Replacement Project (AMI), which will eliminate the need for meter reading

services upon completion of the project in FY 2026. As AMI meters are installed and begin providing automatic reads, meter reading services will be diminished; thereby, reducing meter read services provided by the contractor. Staff believes that it is in the best interest of the City to extend the current contract to ACS to ensure meter reading services are continuous and accurate during the transition to AMI meters. Since ACS has been working with the City for more than 10 years, they are very familiar with City streets and routes. It takes time to learn the locations of the meters and to be able to run the routes efficiently. Taking on a new contractor for a short period of time does not benefit the UD as it will take time for them to learn the routes and meter locations. Both ACS and UD staff are familiar with the systems used and processes to obtain reads to produce accurate billing statements and perform ancillary services such as lid replacements and turning services on and off. ACS is readily available for UD staff to re-check and verify meter reads to prevent delays and ensure accuracy with daily billing, and ensure water is turned on the same day for our residents. The department does not have the additional resources to assist a new meter reading contractor with the routes due to the number of projects that are taking place concurrently such as the AMI meter replacement project, utility billing software upgrade, and a new portal for utility customers.

Additionally, staff conducted a survey to ensure ACS continues to provide the City with competitive pricing. The table below summarizes rates for FY 2024 for other agencies utilizing ACS for meter reading services.

FISCAL 2024 RATES					
Task	City of Corona	Western Water	City of Atascadero	City of Seal Beach	City of Paso Robles
Number of Meters	42,130	1,551	10,918	5,392	10,935
Meter Reading*	\$1.23	\$1.25	\$1.38	\$1.20	\$1.20
Certified Read Surcharge*	\$0.07	\$0.25	\$0.15	\$0.25	\$0.07
Service Disconnection/Reconnection*	\$12.37	\$10.89	N/A	N/A	N/A

- iii. Authorize an extension to the Master Services Agreement and approve a purchase order for \$500,000 with Paymentus Corporation through June 30, 2024.

The Utilities Department (UD) requested City Council approval for a Master Services Agreement with Paymentus Corporation for electronic processing of utility payments on November 3, 2021. The "initial term" of this agreement ends on June 30, 2023. The contract allows for automatic renewal for successive one-year periods unless either the City or Paymentus provide the other party with at least a 6 (six) month written notice before such automatic renewal date that such party elects not to automatically renew the terms of the agreement. The UD would like to request City Council approval to exercise the automatic one-year successive extension as there are no changes to the terms of the agreement.

- iv. Authorize the City Manager, or his designee, to issue an annual purchase order for the purchase of Public Safety equipment to L.N. Curtis & Sons in the amount of \$285,000 through

June 30, 2025, and to make a determination under Corona Municipal Code [Section 3.08.140\(C\)](#) that competitive bidding has been satisfied based upon the reasons provided in this report.

The City has purchased public safety equipment from L.N. Curtis & Sons and Curtis Blue Line, a subsidiary of L.N. Curtis & Sons, for over 30 years. L.N. Curtis offers a wide range of high-quality protective gear and has access to a vast network of suppliers and manufacturers, allowing them to offer a diverse selection of products at competitive prices. The Fire Department and Police Department are jointly requesting an Exception to Bid for the purchase of personal protective equipment, firefighting equipment, and law enforcement equipment from L.N. Curtis & Sons, in the amount of \$285,000 per year, through June 30, 2025.

Staff believes that an exception to competitive bidding is warranted for this purchase pursuant to Corona Municipal Code [Section 3.08.140\(C\)](#), which states as follows:

When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determine that: (1) A competitive bid procedure has been conducted by another public agency including, but not limited to, another local agency, the state through the California Multiple Award Schedule (CMAS), the federal government through the General Services Administration (GSA), the U.S. Communities Government Purchasing Alliance, or the Western States Contracting Alliance (WSCA); and (2) The price to the city is equal to or better than the price to that public agency.

On January 23, 2020, Sourcewell issued a Request for Proposal RFP #032620 for Firefighting Personal Protective Equipment. L.N. Curtis & Sons was awarded contract #032620-LNC with Sourcewell on May 5, 2020. Pricing for this contract is provided at a discount range of 2%- 40% of the manufacturer's suggested retail price. The initial contract term is effective through May 7, 2024, with an optional one-year extension.

On February 13, 2020, Sourcewell issued a Request for Proposal RFP #040220 for Firefighting Equipment and Rescue Tools. L.N. Curtis & Sons dba Curtis, was awarded contract #040220-LNC with Sourcewell on May 5, 2020. Pricing for this contract is provided at a discount range of 2%-54% of the manufacturer's suggested retail price. The initial contract term is effective through May 7, 2024, with an optional one-year extension.

On July 14, 2022, Sourcewell issued a Request for Proposal RFP #090122 for Law Enforcement Equipment. L.N. Curtis & Sons was awarded contract #090122-LNC with Sourcewell on November 11, 2022. Pricing for this contract is provided at a discount range of 2%-40% of the manufacturer's suggested retail price. The initial contract term is effective through November 7, 2026, with an optional one-year extension.

Sourcewell's cooperative contracts are available and open to all government entities registered as a participating agency. By utilizing the cooperative contracts, the City will be leveraging a purchasing solicitation that Sourcewell performed to obtain the best pricing.

- v. Authorize the issuance of a purchase order with Grainger for the purchase of industrial supplies and equipment using the Sourcewell National Cooperative Mater Price Agreement Number #091422-WWG.

Grainger is used Citywide by several departments. A wide variety of industrial items are purchased from drill bits and electrical tape to lab coats. These items are used by City staff to maintain operations for all City facilities.

Sourcewell is a cooperative purchasing agency that establishes an approved vendor list for the use by public entities through nationwide competitive bid processes. On July 26, 2022, Sourcewell, on behalf of Sourcewell and its current and potential member agencies issued RFP #091422. The solicitation was advertised in various publications throughout the United States including the USA Today newspaper and posted on the Sourcewell website. The solicitation was distributed to approximately 84 potential vendors. On September 14, 2022, Sourcewell received 20 proposals on the bid opening date. The proposals were evaluated on eight criteria with a total point value of 1,000. Grainger was ranked number one, receiving a total point value of 871.

On November 7, 2022, a four-year contract term with two one-year extensions was awarded to Grainger by the Sourcewell Board of Directors in response to this RFP. Staff is recommending the City take advantage of the pricing as provided through the Sourcewell contract. Grainger was selected because this firm has a cooperative purchasing agreement that allows the City to purchase items online and have them delivered the next day, at a competitive price. Grainger has items in stock that would not be available at a local hardware store that are necessary to maintain City operations.

Basis for Exception to Competitive Bidding:

Staff believes that an exception to competitive bidding is warranted for this purchase under Corona Municipal Code ("CMC") [Section 3.08.140\(C\)](#), which states as follows:

(C) Competitive bidding already completed. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determines that:

(1) A competitive bid procedure has been conducted by another public agency including, but not limited to, another local agency, the state through the California Multiple Award Schedule (CMAS), the federal government through the General Services Administration (GSA), the U.S. Communities Government Purchasing Alliance, or the Western States Contracting Alliance (WSCA); and

(2) The price to the city is equal to or better than the price to that public agency.

The City of Corona is a member agency of Sourcewell, and staff recommends approval of a purchase order with Grainger in the amount of \$275,000 for fiscal years 2024 through 2026. Staff believes awarding this contract is in the best interest of the City because the City is receiving prices that have been competitively bid consistent with Sourcewell's contract price and

there would be no competitive advantage gained from conducting a bid with City staff.

Recommended actions h: Contract Amendment and Change Order for Fiscal Year 2023

The following contract amendment and change order is recommended for Fiscal Year 2023:

- i. Authorize a contract amendment and change order for A&Y Asphalt Contractors, Inc., for on-call Citywide asphalt repairs.

On July 7, 2021, the City Council awarded Notice of Inviting Bid (NIB) 21-076RH for on-call Citywide asphalt repairs to A&Y Asphalt Contractors, Inc., (A&Y) in the amount of \$600,000. A&Y is a shared contract used mainly by two departments; Public Works and Utilities. The Public Works Department oversees the street pavement maintenance and rehabilitation program which preserves the existing infrastructure by proactively maintaining the condition of the City's streets. The Public Works Department receives work requests from the public as well as staff for minor street improvements. The Public Works Department evaluates each request and schedules this work based on priority, scope, and work request aging; a third-party contractor is utilized to complete this work. The Utilities Department (UD) also uses paving services to repair roadways after repairs to the water, sewer, and reclaimed water infrastructure are made. This work is scheduled monthly to obtain the best available contract pricing from the third-party contractor.

This past winter season, the City experienced above-average water main breaks that resulted in additional paving. Staff has exhausted the 10% change order allowance of \$60,000 for this contract and is requesting City Council approve a change order in the amount of \$100,000 to A&Y Asphalt Contractors, Inc., to conduct as-needed services through the end of Fiscal Year 2023.

FINANCIAL IMPACT:

Recommended actions a, b, c, d, and e: FY 2024 Budget Resolutions and Annual Appropriations Limits

Recommended actions a, b, c, d, and e will adopt the budget for Fiscal Year 2024 for each of the City's authorities and approve the annual appropriations limit calculation. The total expenditures for all Governmental, Proprietary, and Agency funds in Fiscal Year 2024 is \$437,277,502. The City's appropriations subject to the limit, based on the annual appropriations limit (a.k.a. Gann Limit) are \$181,820,217. With an appropriations limit of \$704,393,624, the City of Corona's proposed expenditure budget is \$267,116,122 under the appropriations limit. Approval of the resolutions will not result in any additional financial impacts.

Recommended action f: Budget Adjustments for Fiscal Year 2024

The Fiscal Year 2024 fiscal impacts of Recommended Action f are shown in the following table. There is sufficient fund balance or working capital available in each of the respective funds for approval of the recommended actions. Once authorized by the City Council and the Corona Utility Authority, the items will be incorporated into the FY 2024 Adopted Budget.

FUND	APPROPRIATION	OFFSETTING REVENUE	NET IMPACT TOTAL
General Fund 110	\$48,964	\$0	\$48,964
Sewer Utility Fund 572	\$200,000	\$0	\$200,000
Fleet Replacement Fund 684	\$1,738,500	\$0	\$1,738,500

Recommended action g: Contract Amendments, Change Orders, and Purchase Orders for FY 2024

The budget for the recommended action items is already included in the FY 2024 Proposed Budget. Approval of those items do not have an additional financial impact.

Recommended action h: Contract Amendment and Change Order for Fiscal Year 2023

The contract amendment and change order for the recommended action is already included in the FY 2023 budget. Approval of this item does not have an additional financial impact.

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 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 adopts the City's FY 2024 budget, and makes other budgetary and contract amendments, and there is no possibility that approval of the report 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 - Fiscal Year 2024 Proposed Budget
2. Exhibit 2 - Fiscal Year 2024 Proposed Capital Improvement Plan
3. Exhibit 3 - Resolution 2023-039, City Council Budget Resolution for Fiscal Year 2024
4. Exhibit 4 - Resolution 2023-040, Corona Utility Authority Budget Resolution for Fiscal Year 2024
5. Exhibit 5 - Resolution 2023-041, Corona Public Financing Authority Budget Resolution for Fiscal Year 2024
6. Exhibit 6 - Resolution 2023-042, Corona Housing Authority Budget Resolution for Fiscal Year 2024
7. Exhibit 7 - Resolution 2023-043, Annual Appropriations Limit for Fiscal Year 2024

8. Exhibit 8 - IT Renewal Items 2023-2024
9. Exhibit 9 - FY 2024 Vehicle Replacement List
10. Exhibit 10 - 4TH Amendment to PSA with Alexander's Contract Services
11. Exhibit 11 - Paymentus Agreement Update
12. Exhibit 12 - 2nd Amendment to MGSA with A&Y Asphalt
13. Exhibit 13 - FY 2024 Budget Presentation