



Staff Report

File #: 23-0857

REQUEST FOR CITY COUNCIL ACTION

DATE: 11/01/2023
TO: Honorable Mayor and City Council Members
FROM: Finance Department
SUBJECT:
FISCAL YEAR 2024 QUARTER 1 BUDGETARY ADJUSTMENTS

EXECUTIVE SUMMARY:

This staff report asks the Council to consider budgetary adjustments for Fiscal Year 2024 based on the Quarter 1 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 1, staff recommends appropriating \$1,812,518, increasing revenues by \$329,152, and authorizing budget transfers across multiple funds, as noted in Exhibit 1.

RECOMMENDED ACTION:

That the City Council:

- a. Appropriate \$1,812,518, increase estimated revenues by \$329,152, and authorize budgetary transfers across multiple funds as noted in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.
- b. Approve an Exception to Bid to Smith & Loveless, Inc., for the sole source of critical components for lift stations in the amount of \$150,000 per fiscal year through June 30, 2027.
 - i. Authorize the City Manager, or his designee, to issue a purchase order to Smith & Loveless, Inc. in the amount of \$150,000 per fiscal year through June 30, 2027, for critical lift stations components pursuant to Corona Municipal Code [Section 3.08.140\(B\)](#), "No competitive market".
 - ii. Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders and amendments up to 10% of total contract cost or \$15,000 as authorized by Corona Municipal Code [Section 3.08.080\(I\)](#).

- iii. Make a determination under Corona Municipal Code [Section 3.08.140\(B\)](#) that competitive bidding is not required for this purchase based upon the reasons provided in this agenda report.
- c. Approve and authorize the City Manager, or his designee, to execute the First Amendment to the Professional Services Agreement with Spicer Consulting Group and increase the total compensation by \$147,336 to complete the annual tax roll billings, annual reports, and as needed, special tax consulting services for annexations, formations, and Prop 218 assessment engineering.
 - i. Authorize the City Manager, or his designee, to issue a Change Order to Spicer Consulting Group's Purchase Order in the amount of \$147,336 for a total Purchase Order amount of \$325,000.
 - ii. Authorize the City Manager, or his designee, to negotiate and execute non-substantive extensions, change orders, and amendments up to \$32,500 or 10% of the total contract cost as authorized by Corona Municipal Code [Section 3.08.070\(I\)](#).
- d. Adopt Resolution No. 2023-103, approving Administrative Policy 01200.608, Reserve Policy for Utilities Department Operating Funds and repealing Resolution No. 2022-039.

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

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 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:

Item a - Appropriate \$1,812,518, increase estimated revenues by \$329,152, and authorize budgetary transfers across multiple funds as noted in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.

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

Appropriations

1. 2021-2019 Housing Element Programs and Objectives

In accordance with the City of Corona's approved 2021-2029 Housing Element (HE), several housing programs and objectives must be conducted during the planning period. Some efforts include fair housing services, outlined below.

- Program 18 (Objective 3): Once a year, provide information to residents in Central Corona, Northwest Corona, and North Main Street on the services provided by the Fair

Housing Council by including informational pamphlet inserts in the city's mailed utility billing in English and Spanish.

- Program 19 (Objective 8) Once a year, provide information to residents on the services provided by the Fair Housing Council by including informational pamphlet inserts in the city's mailed utility billing in English and Spanish.

Since Program 19 requires a city-wide outreach effort, staff will comply with Program 18's targeted outreach by complying with this requirement. This unfunded mandate was not accounted for in the current FY. Moving forward, staff will budget funds annually under its Property Management operating budget for the remainder of the HE planning period.

Staff recommends an appropriation in the amount of \$3,400 to the Community Services Department's operating budget within the General Fund 110.

2. *Historic Civic Center Centennial Celebration*

One-time Only (OTO) 100th Anniversary program for the Historic Civic Center including a Birthday event (9/28) and six (6) additional City offerings in the Theater. The year-long celebration extends from September 2023 - September 2024. Staff recommends an appropriation of \$15,000 to the Community Services Department's operating budget within the General Fund 110.

3. *Create Program Coordinator Position/Eliminate Assistant Coordinator Position (part-time)*

The conversion of the currently vacant part-time Assistant Recreation Coordinator to a full-time Program Coordinator provides an opportunity to bring Adaptive Services (Library) and Park Reservations (Facilities, Parks, and Trails) under the purview of the Recreation Services Division for wholistic resident-focused services. The conversion of this position from part-time to full-time would allow for more responsive and dynamic recreation programming in gap areas, including services specifically intended for individuals with developmental disabilities. This would also provide the opportunity to provide a single point of contact for a more streamlined and user-friendly reservation experience. Staff recommends an appropriation in the amount of \$48,860 for the remainder of Fiscal Year 2024 to the Community Services Department's operating budget within the General Fund 110. Recurring annual costs are \$70,291.

4. *EMS Equipment, Training Personnel, and Training Non-Personnel & New Capital Improvement Project - Emergency Medical services Skills Lab Tennant Improvement*

The Riverside County EMS Agency (REMSA) assesses late response fees to American Medical Response. These fees are distributed annually to the cities within the Emergency Medical Services (EMS) system. In accordance with the MOU for Joint Monitoring of Ambulance Services, all monies collected by the City under the terms of the MOU shall be used for EMS system enhancements. Expenditures by the City for EMS system enhancements are reported to REMSA annually. At the end of FY 2023, the balance of AMR fees was \$241,379.45. Staff recommends an appropriation in the amount of \$141,379.45 to the Fire Department's operating budget within the General Fund 110 for the following: EMS equipment \$106,379.45;

Training Personnel \$25,000; and Training Non-Personnel \$10,000.

Additionally, staff recommends an appropriation in the amount of \$100,000 within the General Fund 110 to a newly created Capital Improvement Project titled, "Emergency Medical Services Skills Lab Tenant Improvements." EMS Skills Lab includes HQ tenant improvement consisting of plans, wall relocation, window installs, flooring, cabinetry, lighting, improved training equipment, and fire suppression system adjustments.

5. Special Tax Consulting Services

The Finance Department recommends a total appropriation in the amount of \$186,227 across multiple funds for special tax consulting services to support the City with the administration of new CFD 2016-1 zones levied for FY 2024 and as-needed annexations and formation services; Prop 218 assessment engineering; administration of zone 12 levied for FY 2024; new CFD 2016-3 zones levied for FY 2024; and to offset the General Benefit portion towards the zone 19 reducing the overall deficit the zone is incurring as a result of a Prop 218 balloting procedure in FY 2023. A detailed listing of appropriations by fund can be found in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.

6. Migration to Microsoft E5 Licensing from E3

The Information Technology Department requests an additional appropriation in the amount of \$290,325.78 within the Information Technology Fund 681 to migrate to Microsoft E5 licensing. The City uses various security products to provide layers of security in a dense, in-depth approach. However, during the City's security needs assessment, some vital areas were identified which require additional security software to provide optimal protection. The change in licensing will allow the City to utilize Microsoft's security suite of products: Microsoft Defender, Defender for Cloud Apps, Defender for Endpoint, Defender for Identity, Information Protection and Governance, and Inside Risk Management. The Microsoft security suite was identified as the best fit to address the City's security needs and will enhance the City's security footprint. The IT Department requests the Council's approval to renew the City's contract with Microsoft in a total amount not exceeding \$1,086,106.78. Because the Information Technology Fund is an Internal Service Fund, a fund used to improve the management of resources and generally provide goods and services to departments on a cost-reimbursement basis, this additional appropriation will result in an appropriation across multiple funds citywide totaling the same amount. A detailed listing of appropriations by fund can be found in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.

7. Coastal Training Technologies Contract Increase

The City's Safety Division contracts with Coastal Training Technologies to provide computer-based/online training for employees city-wide. Additional costs, previously not budgeted, have been brought forth due to the addition of 150 users in the 2023 renewal agreement. As such, staff recommends an appropriation in the amount of \$20,000 to the Human Resources Department's operating budget within the General Fund 110.

8. Bulletproof Vest Partnership Grant Award

The Police Department has been awarded \$1,856 for the Fiscal Year 2023 Bulletproof Vest Partnership (BVP). The mission of the Bulletproof Vest Partnership Program is to outfit police officers with ballistic vests. Since 1999, the Bulletproof Vest Partnership program has funded over one million vests.

Ballistic safety vests are provided as per the police officer's Memorandum of Understanding for up to \$1,150.00 every five (5) years. The City of Corona has certified a "mandatory wear" body armor policy for all uniformed officers, as required for the application of the grant. The Bulletproof Vest Partnership will fund up to 50 percent of the cost of each qualifying vest purchased or replaced by law enforcement applicants. This grant will provide 50 percent funding for approximately six vests. Only vest models that comply with the requirements of the Office of Justice Programs' National Institute of Justice, or NIJ, and are purchased after April 1, 2023, can be purchased with 2023 grant funds. The program requires that the applicant jurisdiction be responsible for providing at least 50 percent of the cost of each qualifying vest purchased. The reimbursement period ends August 31, 2025. Staff recommends an appropriation in the amount of \$1,856 to the Police Department's operating budget within the General Fund 110.

9. Shift Differential Pay

Shift Differential pay is available to employees who work a Swing Shift (a shift that begins between 12:00 p.m. and 4:59 p.m.) and a Graveyard Shift (a shift that begins between 5:00 p.m. and 4:59 a.m.). Per section 5.6.2 of the Corona Public Service Employees Association Memorandum of Understanding (MOU), an employee shall receive shift differential pay of seven and one-half percent (7.5%) of base hourly rate for being assigned to work a swing shift. Similarly, an employee shall receive shift differential pay of ten percent (10%) of the base hourly rate for being assigned to work a graveyard shift. Staff recommends an appropriation in the amount of \$70,000 (\$60,000 within the General Fund 110 and \$10,000 within the Measure X Fund 120), previously not budgeted, to the Police Department's operating budget.

10. Canvas on the Curb Utility Box Art Program

The Canvas on the Curb Utility Box Art Program's funding was included in the Fiscal Year 2023 operating budget for the Public Works Department. Final artwork selections were made at the City Council meeting on May 5, 2023. The purchase order to wrap the utility boxes was not completed in Fiscal Year 2023, as such funds did not roll over to the new fiscal year since a purchase order was not encumbered, and funds still needed to be expensed for this program. Staff recommends an appropriation in the amount of \$20,000 to the Public Works Department's operating budget within the General Fund 110.

11. Create Associate Engineer - Traffic Position / Eliminate Traffic Management Technician I Flex Position

The Traffic Management Center (TMC) Technician position has been vacant since May 2020. The position has been advertised several times with little interest from qualified applicants. After an evaluation of the needs of the Traffic Division, and in anticipation of the upcoming Traffic Signal Optimization Project, the Division is requesting to upgrade the TMC Technician

position to an Associate Engineer position to provide support to the City Traffic Engineer and Senior Engineer by performing mid-level engineering tasks and responsibilities that a TMC Technician would not be able to do. Also, with the coming Artificial Intelligence upgrades to the TMC, a higher-level staffing position will be required. Therefore, staff requests to create an Associate Engineer - Traffic position and eliminate a Traffic Management Technician I Flex position. As such, staff recommends an appropriation in the amount of \$58,740 (\$11,748 in the General Fund 110 and \$46,992 in the Gas Tax Fund 222) for the remainder of Fiscal Year 2024 to the Public Works Department's operating budget.

12. New Capital Improvement Project - Santa Ana River Trail

The Santa Ana River Trail projects that run through the City of Corona are funded by Riverside County Parks and are designed and constructed by the Riverside County Transportation Commission. The trail segments are in various phases of construction, design, or the environmental clearance process. Most of the trail is located in the City and within the Army Corps of Engineers jurisdiction. When complete, the trail will be turned over to the City for full maintenance responsibility. The City is establishing an account for its contribution to the projects to provide oversight for design review, construction inspection, and coordination with the various agencies to ensure it meets city standards and safety requirements prior to the trail segments being relinquished to the City. Staff recommends an appropriation in the amount of \$75,000 within the General Fund 110 to a newly created Capital Improvement Project titled, "Santa Ana River Trail."

13. New Animal Control Truck

The Animal Control Division within the Police Department currently has three (3) trucks used for field operations by Animal Control Officers, along with being used by the Animal Control Technicians for the vet run in the morning hours. The Officers and Technicians are responsible for picking up and transporting shelter pets throughout their shift to and from the vets as many times, a good Samaritan will bring in a sick/injured animal into the animal shelter that needs immediate vet care and would need a truck on hand to transport the animal. When one truck is down for service or repair, the Officers and Technicians would be left without a truck. Additionally, there is currently a recruitment process for some vacant positions which would give the division the need for another truck.

An additional truck will allow Officers and shelter staff to utilize it for their use rather than pulling a truck from the field. When the division is fully staffed, there will not be enough trucks to utilize when all are on shift. Also, it is always beneficial that there be an extra truck for emergencies. In the event there wasn't an extra truck, an officer would be required to be pulled from the field. This causes not only a delay in getting the sick or injured animal to the vet, but also delays field service calls while the Officer is handling the transport.

Staff recommends a one-time appropriation from the Public Safety Measure X Reserve in the amount of \$63,092 to the Police Department's operating budget for the purchase of a new truck for the Animal Control Division. A detailed listing of appropriations and estimated revenue increases by fund can be found in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.

14. Office Space Expansion Cost Increase

The City Council approved a budget in Fiscal Year 2024 for additional office space in Public Works to accommodate newly approved city staff. Due to the cost of inflation, the quote has increased from \$26,380.00 to \$33,500.00. Staff recommends an appropriation in the amount of \$7,120 to the Public Works Department's operating budget within the Measure X Fund 120.

15. New 2024 Bucket Truck Cost Difference / 2023 Model No Longer Available

The Traffic Engineering Division bucket truck was approved for \$226,000.00 during the FY 2024 budget on a quote dated April 5, 2023. Since the budget was approved, the 2023 model is no longer available. Now, the 2024 model is the only option; the price of the vehicle has increased to \$237,727.28. Traffic Engineering needs the additional bucket truck to effectively service and maintain over 170 traffic signals throughout the City. Staff recommends an appropriation in the amount of \$12,409.24 to the Public Works Department's operating budget within Measure X Fund 120.

16. E-Bikes and Pedal Bikes for Bike Team

The Police Department is requesting the purchase of new e-bikes and pedal bikes for the Police Department's Bike Team. Currently, our fleet of bikes dates to the early 2000s. There presently are approximately eight mountain-style bikes customized for police work. However, the bikes and the attached equipment have reached the end of their useful life, necessitating the purchase of new equipment for the Bike Team.

The new bikes will be custom-built for police use and will include all the necessary lighting, bags, and markings to identify them as police vehicles. These bikes will be employed for patrolling in the Temescal Valley Benefit Area, which encompasses the southern part of the City. Within this area are several large shopping centers ideal for bicycle patrols, enhancing community interaction. This \$40,000 appropriation represents a one-time purchase for eight bikes, including four e-bikes and four pedal bikes.

It is important to note that these bikes are not part of a motor pool, but minor maintenance may be required per the manufacturer's specifications. The costs associated with this maintenance are unknown, but they are anticipated to be minimal.

Staff recommends an appropriation in the amount of \$40,000 to the Police Department's operating budget within the Temescal Canyon Law Enforcement Development Impact Fee Fund 208. This equipment is an appropriate purchase for the funding source.

17. Various Equipment Needs

The Police Department is requesting several pieces of equipment for investigative and evidentiary purposes. The equipment includes three Digital Evidence Cabinets designed for radio frequency shielding, charging, and locking of evidentiary cellular phones and tablets. These cabinets would be placed strategically throughout the Police Department.

In addition, the department will purchase miscellaneous surveillance equipment to be utilized

by the Vice and Narcotics unit.

Staff recommends an appropriation in the amount of \$55,000 to the Police Department's operating budget within the Asset Forfeiture Fund 250. This equipment is an appropriate purchase for the funding source.

18. Booster Station Rehabilitation at Various Locations Project No. UT-2021-01

The Utilities Department (UD) has 22 booster stations. These booster stations provide and maintain pressure in different pressure zones throughout UD service area. Pumps, motors, flowmeters, flow controls valves, isolation valves and telemetry are essential components of a booster station. UD has a Computerized Maintenance Management Program (CMMS) for routine maintenance and maintains these booster stations on an established maintenance schedule. However, failures occur due to many unpredictable factors.

UD intended to complete the ongoing booster rehabilitation work in FY 2023 and resume work on additional boosters in FY 2025. However, the proactive maintenance schedule showed that a few booster locations need to be repaired sooner. Staff recommends an appropriation in the amount of \$300,000 from the Water Utility Fund 570 to the Capital Improvement Booster Station Rehabilitation at Various Locations Project No. UT-2021-01 for booster rehabilitation work required due to additional repairs needed.

19. Replacement Vehicle Down Payments

The Public Works Department oversees the Vehicle Replacement Program. After the FY 2024 budget was approved, a calculation error was identified resulting in five replacement vehicle down payments being understated. The five vehicles include two for the Streets Division within Public Works, one for the Parks and Recreation Division with Community Services, and two for the Utilities Department. As such, staff recommends an appropriation in the amount of \$76,875 from the Vehicle Replacement Fund 684 to the Operating and Maintenance Vehicle Procurement Project No. 68340.

Estimated Revenues

20. Historic Civic Center Centennial Celebration

Relating to the Historic Civic Center Centennial Celebration (mentioned previously), supplemental offerings will be offset by ticket sales. The revenue goal will offset the program by 80%. As such, staff recommends an estimated revenue increase in the amount of \$12,000 within the General Fund 110.

21. FY 2023 Bulletproof Vest Partnership Grant Award

Relating to the Fiscal Year 2023 Bulletproof Vest Partnership (BVP) grant award (mentioned previously), staff recommends an estimated revenue increase in the amount of \$1,856 within the General Fund 110.

22. Information Technology Cost Allocation / Migration to Microsoft E5 Licensing from E3

Relating to the Information Technology's Migration to Microsoft E5 Licensing (mentioned previously), staff recommends an estimated revenue increase in the amount of \$290,325.78 within the Information Technology Fund 681.

23. New Animal Control Truck Motor Pool

Relating to the Police Department's purchase of a new truck for the Animal Control Division (mentioned previously), staff recommends an estimated revenue increase in the amount of \$24,970 (\$3,202 in the Fleet Operations Fund 682 and \$21,768 in the Fleet Replacement Fund 684) for annual motor pool costs.

Transfers

24. The developer paid for construction improvements on Sherborn Street south of Magnolia Ave, which is a part of the Magnolia Avenue Bridge and Road Widening Project. Staff recommends a budgetary transfer in the amount of \$438,374 from the Sherborn Street Improvements Capital Improvement Project No. ST-2012-04 to the Magnolia Avenue Bridge and Road Widening Capital Improvement Project No. ST-2015-01 within the General Fund 110.

25. The boundaries of 6th Street and Main Street are within the Business Improvement Development to assist in funding all necessary costs associated with the Sixth Street Beautification and Revitalization project. Staff recommends a budgetary transfer in the amount of \$115,220 from the Corona Mall BID Establishment Operating and Maintenance Project No. 77090 within the General Fund 110 and \$312,655 from the Corona Mall Business Improvement District Operating and Maintenance Project No. 84220 within the Corona Mall Business Improvement District Fund 218 to the Sixth Street Beautification and Revitalization Capital Improvement Project No. ST-2022-02.

26. The City's current accounting/finance system is over 20 years old and lacks functionality that causes additional work for staff. Over the last couple of years, the City has conducted business process mapping and process evaluations in anticipation of securing a new Enterprise Resource Planning (ERP) system. The City is currently advertising a request for proposals for the system, with an anticipated contract award prior to the end of Fiscal Year 2024. The recommended action will close the existing Timekeeping System Project and consolidate the funding with the ERP Project. Staff recommends a budgetary transfer in the amount of \$427,239 (\$327,239 from the General Fund 110 and \$100,000 from the Measure X Fund 120) from the Timekeeping System Implementation Capital Improvement Project No. TC-2017-01 to the Enterprise Resource Planning (ERP) System Operating and Maintenance Project No. 77880. Additional funding for the ERP system will be requested once the vendor/system evaluation process is complete.

27. 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 Fall Policy Workshop on October

12, 2023, staff discussed two changes to the current ARPA allocations, due to a remaining balance for two completed projects.

- Open Air Stage at Circle City Center Operating and Maintenance Project No. 76840 has been completed with a remaining balance of \$5,639.
- Computer Equipment at Senior Center Operating and Maintenance Project No. 76850 has been completed with a remaining balance of \$3,539.

Staff recommends transferring the remaining balances totaling \$9,178 to the Sixth Street Beautification and Revitalization Capital Improvement Project No. ST-2022-02.

Item b - Approve an Exception to Bid to Smith & Loveless, Inc., for the sole source of critical components for lift stations in the amount of \$150,000 per fiscal year through June 30, 2027.

The Utilities Department (UD) Maintenance Staff has identified a list of wearable components critical to maintaining the functionality of lift stations within the City. The list includes gaskets, seals, impeller bolts, motor adapters, check valves, and more, all of which are customized to align with the specific equipment specifications to ensure seamless compatibility, reliability, and consistent performance within the wastewater management system.

Recognizing the extended lead times required for the production and delivery of these specialized items, UD deems it necessary to procure and maintain these components in the City warehouse, ensuring timely access and the uninterrupted operation of the City's vital infrastructure. Any procurement delays or disruptions could expose the City to lift station failure, reliability risks, and lead to increased maintenance costs.

BASIS FOR EXCEPTION TO COMPETITIVE BIDDING

Staff believes that an exception to competitive bidding is warranted for this purchase pursuant to Corona Municipal Code (CMC) Section 3.08.140 (B), which states as follows:

“No competitive market. When the purchasing agent and the authorized contracting party, with the approval of the City Manager, determines, in accordance with applicable law, that a competitive market does not exist and that no competitive advantage will be gained by the public bidding process.”

Staff believes that there is no competitive market for these items because Smith & Loveless lift station parts cannot be replaced with other brands due to their proprietary design. Smith & Loveless, Inc. is the exclusive supplier of these components. The City has a longstanding history of procuring essential items from Smith & Loveless, Inc. Their track record of delivering high-quality products that meet the exact specifications has established them as trusted and dependable in ensuring the smooth operation of the City's wastewater collections system.

Item c - Approve and authorize the City Manager, or his designee, to execute the First Amendment to the Professional Services Agreement with Spicer Consulting Group and increase the total compensation by \$147,336 to complete the annual tax roll billings, annual reports, and as needed,

special tax consulting services for annexations, formations, and Prop 218 assessment engineering.

On January 18, 2023, City Council approved a Professional Services Agreement (PSA) with Spicer Consulting Group, LLC for annual tax roll billing and special tax consulting services. The City utilizes special tax consultants to assist with the administrative tasks for the Assessment District, Community Facilities Districts, Lighting and Landscape Maintenance Districts, County Service Area, and as-needed special tax consulting services for annexations, formations, and Prop 218 assessment engineering. Due to an increase in annexation applications, Prop 218 assessment engineering work, and new CFD zones included in the FY 2024 final enrolled levies, additional funds are needed.

Item d - Adopt Resolution No. 2023-103, approving Administrative Policy 01200.608, Reserve Policy for Utilities Department Operating Funds, and repealing Resolution No. 2022-039.

On May 18, 2022, the City Council adopted Resolution No. 2022-039, Reserve Policy for Utilities Department Operating Funds. The Policy establishes a target reserve amount for the Utilities Department operating funds, which consist of the Water Utility Fund, the Reclaimed Water Utility Fund, the Sewer Utility Fund, and the Electric Utility Fund. The Policy was inadvertently assigned number 01200.606, which had already been used for another Policy. Resolution No. 2023-103 includes two changes to the original resolution: (1) updated Administrative Policy number 01200.608 and (2) updated the Water Reclamation Utility Fund to Sewer Utility Fund. The updated Policy reflects the same changes as noted for the resolution.

FINANCIAL IMPACT:

Approval of recommended action a 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.

Approval of recommended actions b, c, and d will not have an additional financial impact.

Fund	Appropriations	Estimated Revenue Increase	Net Impact
General Fund (110)	816,004	13,856	802,148
Measure X Fund (120)	29,529	-	29,529
Temescal Canyon Law Enforcement Fund (208)	40,000	-	40,000
Gas Tax Fund (222)	50,611	-	50,611
CFD 2016-3, Zone 12 Fund (235)	1,168	-	1,168
NPDES Fund (245)	1,853	-	1,853

Asset Forfeiture Fund (250)	55,000	-	55,000
LMD 2003-1 Lighting Fund (252)	220	-	220
CFD 2011-1 Landscape/Lighting Fund (253)	89	-	89
CFD 2016-3, Zone 24 Fund (270)	1,032	-	1,032
Airport Fund (275)	265	-	265
CFD 2016-3, Zone 32 Fund (280)	1,032	-	1,032
CFD 2016-3, Zone 33 Fund (281)	1,032	-	1,032
LMD 84-2, Zone 17 Fund (463)	15,000	-	15,000
LMD 84-2, Zone 18 Fund (464)	15,000	-	15,000
LMD 84-2, Zone 19 Fund (468)	47,563	-	47,563
Successor Agency Admin Fund (475)	22	-	22
Reclaimed Water Utility Fund (567)	815	-	815
Water Utility Fund (570)	334,511	-	334,511
Sewer Utility Fund (572)	27,244	-	27,244
Transit Service Fund (577)	220	-	220
Direct Access Electric Utility Fund (576)	2,985	-	2,985
Greenfield Electric Utility Fund (578)	4,122	-	4,122
Information Technology Fund (681)	290,326	290,326	-
Fleet Operations Fund (682)	-	3,202	(3,202)
Fleet Replacement Fund (684)	76,875	21,768	55,107
Total	\$ 1,812,518	\$ 329,152	\$ 1,483,366

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 common sense 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
2. Exhibit 2 - Smith and Loveless Sole Source Letter
3. Exhibit 3 - Spicer Consulting, First Amendment to Professional Services Agreement
4. Exhibit 4 - Resolution 2023-103 Adopting Reserve Policy for Utilities Department
5. Exhibit 5 - Bulletproof Vest Partnership Award