



Staff Report

File #: 23-0671

REQUEST FOR CITY COUNCIL ACTION

DATE: 09/06/2023

TO: Honorable Mayor and City Council Members

FROM: Finance Department

SUBJECT:
FISCAL YEAR 2023 YEAR-END BUDGETARY ADJUSTMENTS

EXECUTIVE SUMMARY:

This staff report asks the City Council to consider budgetary adjustments for Fiscal Year 2023, based on year-end 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. The budgetary adjustments being considered happened after the Quarter 4 update to the City Council on August 2, 2023.

RECOMMENDED ACTION:

That the City Council:

- a. Authorize an appropriation in the amount of \$14,215 to the Landscape Maintenance District (LMD) 84-2, Zone 20 Fund 470 to offset the overage due to first-year of grid pruning.
- b. Authorize an appropriation in the amount of \$2,013 to the Eagle Glen HOA Streetlight Fund 473 due to an increase in electric utility costs with Southern California Edison.
- c. Authorize an appropriation in the amount of \$25,023 to the Workers' Compensation Self Insurance Fund 683 due to an accrued invoice for Excess Workers' Compensation premiums.

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:

Recommended Action a: Authorize an appropriation in the amount of \$14,215 to the LMD 84-2 Zone 20, Fund 470 to offset the overage due to the first year of grid pruning

This overage was due to the trees in this LMD being trimmed in year one of the grid pruning cycle. Now that grid pruning has been adopted, the appropriate budget will be requested during the budget process. Community Services requests an appropriation for Fund 470 (LMD 84-2 Zone 20) from fund balance to adjust the budget for the additional tree trimming costs.

Recommended Action b: Authorize an appropriation in the amount of \$2,013 to the Eagle Glen HOA Streetlight Fund 473 due to an increase in electric utility costs with Southern California Edison

An increase in electric utility costs, previously not budgeted, is due to January and March 2023 rate increases. Public Works requests an appropriation in the Eagle Glen HOA Streetlight Fund 473 to adjust the budget for the additional utility costs. Future fiscal years will be adjusted based on the FY 2023 actuals.

Recommended Action c: Authorize an appropriation in the amount of \$25,023 to the Workers' Compensation Self Insurance Fund 683 due to an accrued invoice for Excess Workers' Compensation premiums

After submitting the final Workers' Compensation Audit Report in early August, the City received notification of the final invoice for FY 2023 Excess Workers' Compensation premiums. The invoice will be received in November 2023, however, the item will be accrued as a FY 2023 expense based on the time period for which the activity occurred. As such, Legal and Risk Management requests an appropriation in the Workers' Compensation Self-Insurance Fund 683 to adjust the budget for the additional premium costs.

FINANCIAL IMPACT:

Approval of Action a will result in an appropriation in the amount of \$14,215 to the LMD 84-2, Zone 20 Fund 470.

Approval of Action b will result in an appropriation in the amount of \$2,013 to the Eagle Glen HOA Streetlight Fund 473.

Approval of Action c will result in an appropriation in the amount of \$25,023 to the Workers' Compensation Self Insurance Fund 683.

There is sufficient fund balance for the recommended actions.

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

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activity 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.

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REVIEWED BY: KIM SITTON, FINANCE DIRECTOR