



DATE: February 23, 2021

TO: Mayor and City Council

FROM: Director of Finance

SUBJECT: FY 2021 Mid-Year Budget: Adopt Resolutions Approving FY 2021 Mid-Year Budget Review and General Fund Long Range Financial Model Update

RECOMMENDATION

That the City Council 1) Reviews the FY 2021 Mid-Year budget; 2) Adopts a resolution providing amendments to the previously adopted City of Hayward FY 2021 Operating Budget (Attachment II); and 3) Adopts a resolution providing amendments to the previously adopted City of Hayward FY 2021 Capital Improvement Program Budget (Attachment III).

SUMMARY

This report presents the mid-year review of the FY 2021 Adopted Budget, and an update to the General Fund Long Range Financial Model (model) presenting proposed changes and projected year-end results based on current trends and data. While staff considers the entire City budget in its mid-year review, this report focuses primarily on the General Fund.

Proposed FY 2021 mid-year expenditures net a total increase of \$4.5 million in General Fund expenses. Of this amount, \$4.6 million is related to previously authorized and approved appropriations, and proposed FY 2021 mid-year expenditure adjustments totaling a net decrease of \$71,500. The proposed FY 2021 mid-year expenditures are largely one-time in nature. Table 1 and Table 2 below detail the key changes in General Fund expenditures related to previous Council authorized and approved appropriations, and proposed new FY 2021 mid-year requests:

TABLE 1: PREVIOUS COUNCIL AUTHORIZED AND APPROVED APPROPRIATIONS

| Previous Council Approved Appropriation | FY 2021 Impact (\$) |
|--|----------------------------|
| CARES Act COVID-19 Relief Appropriation | \$1,979,381 |
| Additional Emergency Funding for COVID-19 Response | \$1,000,000 |
| La Familia Staffing Services for COVID-19 Testing Site | \$749,999 |
| RB Environmental Demolition and Hazmat Removal | \$690,000 |
| Appropriation of Donations to Purchase Navigation Center Trailer | \$86,950 |
| Equity Trainings/Services | \$62,500 |
| Hayward Literacy Council Reimbursement | \$15,800 |
| Previous Council Approved Appropriations Subtotal | \$4,584,630 |

TABLE 2: PROPOSED NEW FY 2021 MID-YEAR REQUESTS

| Mid-Year Request (NEW) | FY 2021 Impact (\$) |
|---|----------------------------|
| No Mid-Year Personnel Requests | \$0 |
| Personnel Expenses | \$0 |
| Dixon St Fire Emergency Shelter Assistance (City Manager's Office) | \$20,000 |
| Community Service Grants - Contingency Funds returned to Fund Balance (City Manager's Office) | (\$1,000,000) |
| Consultant Services (Development Services) | \$450,000 |
| Contract Services for Revenue Recovery Services (Finance) | \$25,000 |
| Costs for Payment Kiosk (Finance) | \$12,500 |
| Contract Legal Services (Human Resources) | \$229,000 |
| Contract Services - Job Classification Audit (Human Resources) | \$12,000 |
| Consultant Services for Employee Relations (Human Resources) | \$50,000 |
| Contract Services for COVID-19 Contact Tracing (Human Resources) | \$50,000 |
| Rapid Turnaround DNA Program per SB 22 (Police) | \$60,000 |
| Correction: restore operating budget inadvertently included in program reduction (PW) | \$60,000 |
| Transfer-Out: Correction program reduction should be a decrease in transfer-out to CIP | (\$60,000) |
| Transfer-Out: To Facilities Capital Fund - Secure City Center Parking Garage | \$20,000 |
| Non-Personnel Expenses | (\$71,500) |
| Mid-Year Requests (NEW) Subtotal | (\$71,500) |
| TOTAL GENERAL FUND EXPENSES | \$4,513,130 |

General Fund revenues are expected to exceed the originally projected FY 2021 amount by \$6.5 million. Changes in revenue projections are detailed in Table 3 of the report. Key changes in the General Fund revenues are as follows:

TABLE 3: GENERAL FUND REVENUES

| GENERAL FUND REVENUE ADJUSTMENTS | FY 2021 IMPACT (\$) |
|--|----------------------------|
| Intergovernmental Revenue for CARES Act | \$1,979,381 |
| Intergovernmental Revenue for Alameda County Reimbursement | \$1,500,000 |
| Projected increase in Sales Tax above budgeted amount | \$2,000,000 |
| Projected increase in Property Tax above budgeted amount | \$1,500,000 |
| Projected increase in Real Property Transfer Tax above budgeted amount | \$1,000,000 |
| Projected increase in Cannabis Tax above budgeted amount | \$400,000 |
| Projected decrease in Utility Users' Tax below budgeted amount | (\$1,000,000) |
| Projected decrease in Transient Occupancy Tax below budgeted amount | (\$800,000) |
| Projected decrease in Library Fines below budgeted amount | (\$30,000) |
| TOTAL GENERAL FUND REVENUES | \$6,549,381 |

If mid-year requests are approved as proposed, the FY 2021 Revised Budget would result in a projected shortfall, requiring the use of \$1.2 million in General Fund Reserves for FY 2021. While FY 2021 is projected to end of the year using \$1.2 million in General Fund Reserves, this is an improvement over what was projected at the time of adoption, which forecasted a use of \$3.3 million in General Fund Reserves.

This report provides an overall update to the City's General Fund long-term outlooks.

BACKGROUND

On June 23, 2020¹, Council adopted the FY 2021 Operating Budget projecting a net negative position at fiscal year end and a use of \$3.3 million in General Fund Reserves. Since the time of adoption of the FY 2021 Budget, the City has continued to address fiscal challenges related to the ongoing impacts of the COVID-19 pandemic. However, considering recently updated revenue projections, additional Council approved appropriations, and proposed new mid-year requests, the City's General Fund net position is projected to improve, amending the projected use of \$1.2 million in reserves to balance the budget rather than the \$3.3 million projected at the time of budget adoption.

Recent updated revenue projections reflect an estimated increase of \$6.5 million over the projected amount at the time of budget adoption. Also attributing to the change in projected use of General Fund reserves are previous Council approved appropriations. The largest of these appropriations are related to the City's response to COVID-19 pandemic. In July, Council authorized General Fund appropriations of \$1.0 million in emergency response funding and \$0.8 million to enter a contract with La Familia Counseling Services for ongoing operation of the COVID-19 Testing Site. In November, Council authorized the appropriation of the City's allocation of Coronavirus, Aid, Relief, and Economic Security (CARES) Act funding, which amounted to nearly \$2.0 million. In addition, Council authorized an appropriation of \$0.7 million for contract services related to the demolition and hazardous materials removal from the former Holiday Bowl site due health and safety concerns.

On February 17, 2021, the FY 2021 Mid-Year review and update to the General Fund Long Range Financial Model were presented to the Council Budget and Finance Committee for review and feedback. During the review, the Committee recommended that an additional \$1 million contribution to OPEB be presented to the full Council for consideration as part of the FY 2021 Mid-Year review. Staff is developing a revised projection of the Long Range Model that incorporates this additional contribution and will present it during the meeting.

This report includes an update to the General Fund Long Range Financial Model as part of the FY 2021 mid-year review, reflecting the proposed changes in revenue projections and expenditure adjustments.

DISCUSSION

GENERAL FUND REVENUES

FY 2021 General Fund revenues are projected to be \$6.5 million higher than originally projected. This is primarily attributed to projected increases in Sales Tax, Property Tax, and Cannabis Tax revenue. Updated revenue projections also include an increase in Intergovernmental Revenues, which include: 1) CARES Act funding allocation; and 2) Alameda County Reimbursement for COVID-19 testing kits. General Fund revenue projections also include anticipated decreases in

¹ Hayward City Council Meeting on June 23, 2020 - <https://hayward.legistar.com/LegislationDetail.aspx?ID=4576658&GUID=351E52E7-0DED-4DDC-8851-596E3E47D56B&Options=&Search=>

revenue in Utility Users' Tax (UUT), Transient Occupancy Tax (TOT), and Library Fines, all of which have been negatively impacted by the ongoing COVID-19 pandemic.

The following analysis highlights key revenue variances as it pertains to FY 2021 mid-year projections and the impact on future year projections as outlined in the model.

Intergovernmental Revenue (increase of \$3.5 million) – The City received nearly \$2.0 million in CARES Act funding in response to COVID-19 relief. An additional \$1.5 million is included as Intergovernmental Revenue, and reflects the amount reimbursed by Alameda County for COVID-19 testing kits as outlined in a previously approved Memorandum of Understanding (MOU).

Sales Tax (increase of \$2.0 million) – The amount projected at the time of adoption anticipated a greater decrease to Sales Taxes due to the uncertainties surrounding the impacts of the COVID-19 pandemic. The updated Sales Tax projections reflect an increase of \$2.0 million, as Alameda County is no longer under a full shelter-in-place order, and certain businesses are able to resume some level of business.

Property Tax (increase of \$1.5 million) – The FY 2021 Adopted Budget projected a decline of 3% year-over-year in Property Tax revenues as part of an overall projected economic slowdown. However, Property Tax revenues have remained stable, and an update in Property Tax projections reflect an increase of \$1.5 million.

Real Property Transfer Tax (RPTT) (increase of \$1.0 million) – The amount projected at the time of adoption anticipated a greater slowdown in home sales stemming from the uncertainties surrounding the pandemic. Revenues have been adjusted based on current trends to reflect an increase in projected RPTT revenues through the end of the fiscal year.

Cannabis Tax (increase of \$400,000) – The FY 2021 Adopted Budget projected Cannabis Tax revenue at \$100,000. As of mid-year, one cannabis business has been in operation since late summer 2020 and remitted a total of \$95,000 in cannabis taxes for the first quarter of the fiscal year. Updated projections anticipate additional revenue through the remainder of the fiscal year.

Utility Users' Tax (decrease of \$1,000,000) – The Mid-Year FY 2021 adjustments include a reduction in Utility Users' Tax (UUT). The impacts of the pandemic have attributed to the projected decrease in UUT revenue.

Transient Occupancy Tax (decrease of \$800,000) – The Mid-Year FY 2021 adjustments include a reduction in Transient Occupancy Tax (TOT). Alameda County remains under a restrictive tier (County Risk Level) in the current California tier system; the negative impacts to TOT are expected to continue until restrictions are fully lifted.

Library Fines (decrease of \$30,000) – The Mid-Year FY 2021 adjustments include a reduction in Library Fines and Fees. The decrease in projected revenue is the result of Council approval to waive fines and fee balances, and cessation of late fines.

GENERAL FUND EXPENDITURES

FY 2021 General Fund total adjustments include FY 2020 carryforwards, previous Council authorized and approved appropriations, and mid-year requests. FY 2021 General Fund expenditures, including proposed mid-year requests and previous Council authorized and approved appropriations are projected to be \$4.5 million higher than anticipated at the time the City adopted its budget. Of this amount, \$4.6 million is related to previously authorized and approved appropriations. Proposed FY 2021 mid-year expenditure requests total a net decrease of \$71,500. FY 2020 budget carryforwards total \$1.8 million and were approved with the FY 2020 Operating Budget. The following analysis highlights key expenditure variances as it pertains to FY 2021 mid-year projections and the fiscal impacts on future year projections, as illustrated in the model.

Operating Expenses

A number of adjustments are needed at mid-year to fund necessary and/or unanticipated expenditures, and to appropriate prior year carryforward requests into FY 2021.

Carryforward Requests (increase of \$1.8 million):

A carryforward is unspent budget that is linked to a commitment such as a contract, requisition, or purchase order. The carryforward of commitment to a new fiscal year carries with it the unspent budget associated with the balance of the commitment. Carryforwards represent budget amounts that were previously authorized and approved by Council during the prior fiscal year.

Previous Council Approved Appropriations - FY 2021 (increase of \$4.6 million):

City Council previously authorized and approved appropriations totaling \$4.6 million. A significant portion of these appropriations were authorized in response to the Novel Coronavirus (COVID-19) pandemic. Previously authorized and approved appropriations are as follows:

- Appropriation of CARES Act Coronavirus Relief Fund (increase of \$1,979,381);
- Emergency Response Funding in Response to COVID-19 (increase of \$1,000,000);
- Contract with La Familia for Operation of the COVID-19 Testing Site (increase of \$749,999);
- Contract with RB Environmental for Demolition and Hazardous Material Removal Services at the former Holiday Bowl Site (increase of \$690,000);
- Appropriation of Donations to Navigations Center for the Purchase of a Residential Trailer Unit (increase of \$86,950);
- Contract with Safir and Associates for Equity Leadership Training (increase of \$62,500); and
- Appropriation of Hayward Literacy Council Reimbursements (increase of \$15,800).

Proposed FY 2021 Mid-Year Requests – New (net decrease of \$71,500):

- Community Service Grants (decrease of \$1,000,000): \$1,000,000 in Community Services Funding returned to General Fund reserves. Funding had been approved on a contingency basis linked to revenues that fell short of projections.
- Supplies and Services (increase of \$60,000): A correction to the Adopted Budget will result in an increase of \$60,000 in the Public Works operating budget. The reduction was

inadvertently included as a program reduction to the operating budget rather than the transfer out to CIP Funds. A corresponding correction to Transfer-Out is included below.

- Contract Services (increase of \$908,500) – Additional contract services are necessary in multiple departments.
 - Development Services is requesting \$450,000 for consultant services for outside plan check, inspection, and permit technicians with anticipated offsetting revenue;
 - Human Resources is requesting an increase of \$341,000 for contract services to assist with employee relations, labor negotiations, COVID-19 contact tracing, and job classification audits;
 - The Police Department is requesting an increase of \$60,000 for Rapid Turnaround DNA (RADS) Testing Services in order to comply with SB-22 requirements – Alameda County previously covered the cost of processing each RADS testing kit; however, due to changes in laws and mandates, Alameda County is no longer covering this cost and responsibility of compliance has been placed on local agencies;
 - Finance is requesting an increase of \$25,000 for contract services to preform revenue recovery services, including transient occupancy tax collection, sales tax audits, unlicensed business discovery services, and collection agency services; as well as \$12,500 for the construction of a window frame for the new payment kiosk outside City Hall. The \$12,500 is a shared portion of the total cost (\$25,000) of the new payment kiosk. The remaining \$12,500 will be covered by the Water Enterprise Fund; and
 - The City Manager’s Office is requesting an increase of \$20,000 to provide sheltering assistance stipends to low- and fixed-income victims of the Dixon Street Fire.

Transfer-Out (net decrease of \$40,000)

- A transfer-out from the General Fund to the Facilities Capital Fund in the amount of \$20,000 is requested to cover the costs of security and maintenance services at the vacant Foothill City Center Parking Garage; and
- Correction: Program reduction at the time of budget should have been a decrease in the transfer-out to CIP Funds, rather than a reduction in department operating budget. The correction will result in a decrease of \$60,000 in Transfer-Out to CIP Funds.

The amounts shown below in Table 4 demonstrate the General Fund impact of the changes being proposed as part of the City’s FY 2021 Mid-Year Budget Review from the time that Council adopted the City’s Operating Budget in June of 2020. In total, the changes presented for consideration will require the projected use of \$1.2 million in General Fund reserves, reduced from \$3.3 million that was projected at the time of adoption.

TABLE 4: SUMMARY OF PROPOSED MID-YEAR CHANGES

| <i>\$ in thousands</i> | FY 2021 Adopted | Change | FY 2021 Mid-Year Revised |
|--|----------------------------|----------------|---|
| Revenue | | | |
| Property Tax | | \$1,500 | |
| Sales Tax | | \$2,000 | |
| Utility Users Tax | | (\$1,000) | |
| Real Property Transfer Tax | | \$1,000 | |
| Transient Occupancy Tax | | (\$800) | |
| Cannabis Tax | | \$400 | |
| Intergovernmental Revenue | | \$3,479 | |
| Library Fines | | (\$30) | |
| Total Revenue | \$166,315 | \$6,549 | \$172,864 |
| Expenditures | | | |
| No Mid-Year Personnel Requests | | \$0 | |
| Net Staffing Expenses | \$134,546 | \$0 | \$134,546 |
| Dixon St Fire Emergency Shelter Assistance (City Manager's Office) | | \$20 | |
| Contingency Funds returned to Fund Balance (City Manager's Office) | | (\$1,000) | |
| Consulting Services (Development Services) | | \$450 | |
| Contract Services for Revenue Recovery Services (Finance) | | \$25 | |
| Costs for Payment Kiosk (Finance) | | \$13 | |
| Legal Services (Human Resources) | | \$229 | |
| Contract Services - Job Classification Audit (Human Resources) | | \$12 | |
| Consultant Services Employee Relations Services (Human Resources) | | \$50 | |
| COVID-19 Contact Tracing (Human Resources) | | \$50 | |
| Rapid Turnaround DNA Program per SB 22 (Police) | | \$60 | |
| Correction: restore operating budget inadvertently reduced (PW) | | \$60 | |
| Previous Council Approved Appropriation - Non-Personnel Expenses | | \$4,585 | |
| Net Operating Expenses | \$25,987 | \$4,553 | \$30,540 |
| Transfer-Out to Facilities Capital Fund - Secure Foothill Parking Garage | | \$20 | |
| Transfer-Out: Correction program reduction to CIP | | (\$60) | |
| Transfers to Other Funds | \$9,034 | (\$40) | \$8,994 |
| Total Expenditures | \$169,567 | \$4,513 | \$174,080 |
| Total Surplus/(Shortfall) | (\$3,252) | | (\$1,216) |

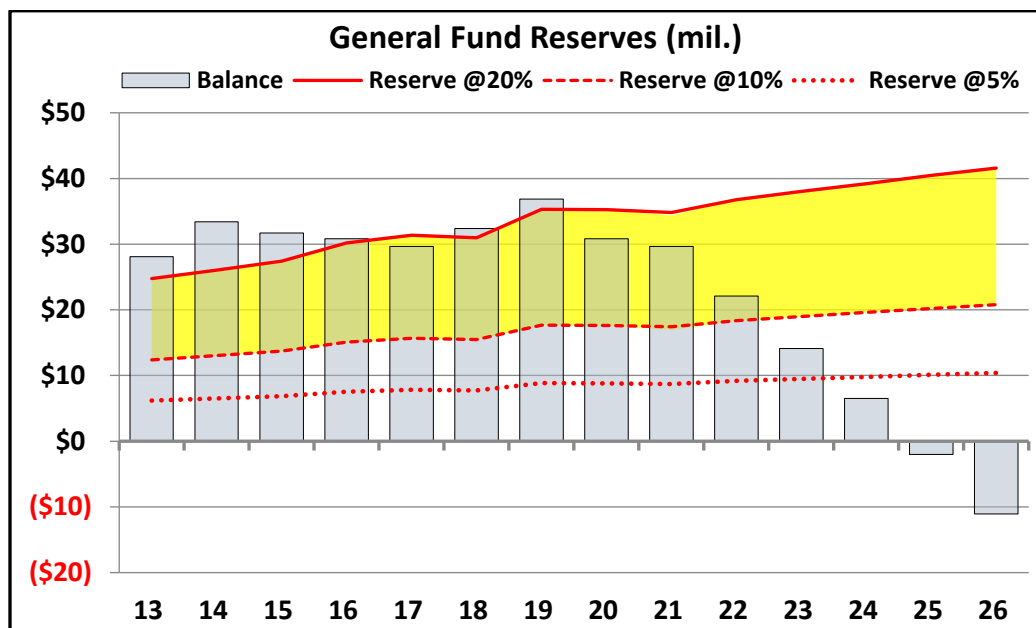
GENERAL FUND LONG RANGE FINANCIAL MODEL UPDATE

Attachment V is an updated version of the model that includes projected changes in revenue and expenses impacting the City's projected year-end fiscal position for FY 2021. The FY 2021 Adopted Budget assumed a \$3.3 million use of General Fund Reserves by the end of the fiscal year. Based on the FY 2021 Adopted Budget, the model projected that General Fund Reserves would fall to 16.3%

of the City's budgeted General Fund expenditures, with a further drop to 7.7% of expenditures by the end of FY 2022.

As part of the mid-year review process, the model has been updated to include current revenue projections, mid-year expenditure requests, and previous Council approved appropriations as discussed in this report. The updated model projects the use of \$1.2 million in General Fund Reserves. The reduction in use of reserves can be attributed to an increase in projected revenues as of mid-year, specifically in Sales Tax, Property Tax, Real Property Transfer Tax, and Cannabis Tax revenues. The mid-year review also includes the CARES Act allocation, and reimbursement from Alameda County for COVID-19 testing kits, which reflect an increase of nearly \$3.5 million in Intergovernmental revenue. It is uncertain whether local agencies will receive additional CARES Act funding before the end of FY 2021. As a result, the model does not include assumptions of further COVID-19 funding.

Per current policy, General Fund Reserve should equal 20% of budgeted General Fund expenditures. Based on the updated model and current projections, the City is expected to fall short of compliance with the policy. Mid-year updates to the model project ending the fiscal year with a General Fund balance of 17.0% of FY 2021 General Fund expenditures. The graph below depicts revised General Fund revenues and expenditures based on updated FY 2021 projections.



MEASURE C FUND

Measure C Operating

The Council, as well as the ballot language for Measure C, established a number of spending priorities for these funds. These priorities include a mix of capital projects and funding allocations toward operating services. While Measure C revenues are to primarily be used to fund capital projects, operating activities, such as police services, addressing illegal dumping, litter control, and graffiti abatement, which also fulfill the promises of Measure C.

FY 2021 Measure C operating fund total adjustments include FY 2020 carryforwards and a mid-year request. Proposed FY 2021 Measure C expenditure related requests total an increase of \$105,993. Proposed FY 2021 Measure C revenue is projected to be approximately \$1.6 million higher than originally projected. The following details the additional requests:

- FY 2020 budget carryforwards (increase of \$5,933)
- Maintenance Services Overtime for Citywide Cleanup (increase \$100,000)

Measure C Capital

While Measure C funds operating programs and related expenses, Measure C funds are primarily used to fund capital projects. FY 2021 Measure C capital total adjustments include prior year carryforwards.

FY 2021 Council adopted expenditure appropriations of \$16 million in the Measure C capital fund. Total adjustments included in the mid-year review are \$52.5 million. These adjustments are comprised entirely of FY 2020 carryforwards, and are primarily related to construction costs for the Fire Station 6 and Regional Fire Training Center project.

Attachment VI is an update to the Measure C 20-Year Financial Forecast that includes projected changes in revenue and expenses impacting the project year-end fiscal position for FY 2021.

OTHER FUNDS

Total adjustments for FY 2021 Other Funds include FY 2020 carryforwards, previous Council approved appropriations, and mid-year requests. Expenditure increases in Other Funds total \$28.7 million. Of this total, FY 2020 budget carryforwards total \$21.2 million; and appropriations previously approved by City Council total \$4.7 million. Increase in expenditure requests at mid-year amount to \$2.9 million. Detail of mid-year adjustments are as follows:

Previous City Council Approved Appropriations (increase of \$4.7 million)

- Appropriations of additional allocation in CDBG funds in response to the COVID-19 pandemic (increase of \$1.2 million);
- Appropriation of various grants and donations (increase of \$0.5 million)
- Appropriation for East Bay Dischargers Authority (EBDA) Maintenance Agreement (increase of \$134,000)
- Appropriation for 2020 Urban Water Management Plan (increase of \$140,000)
- Appropriations of Measure BB Paratransit funds for Safe Route for Seniors (increase of \$2.7 million)

Proposed Mid-Year Requests (increase of \$2.9 million)

- Water and Sewer Funds (increase of \$147,500): Water Fund (\$25,000) and Sewer Fund (\$15,000) for COVID PPE supplies for utilities operations and maintenance field staff; Water Fund increase of \$95,000 for bank processing fees; and \$12,500 for half of the estimated cost to construct the payment kiosk window frame.

- Recycled Water Fund (increase of \$35,000) for unanticipated repair and maintenance of the new recycled water system.
- Airport (increase of \$53,000): \$23,000 increase of estimated annual energy expenditure and \$10,000 increase of estimated annual water expenditure; \$20,000 increase to replace encumbrance utilized for other urgent needs at Airport during the first half FY 2021.
- City Manager (net increase of \$7,602): an increase of \$7,602 to match the FY 2021 Federal HOME award project allocation.
- Landscape and Lighting Assessment District (increase of \$80,000): LLAD 7 (\$45,000) and LLAD 11 (\$35,000) for additional water budget needed for large leak and dry conditions.
- Measure BB Paratransit funds for Safe Routes for Seniors (decrease of \$2.7 million). Mid-Year request includes a transfer of funds out of the Operating Budget and into the Capital Improvement Program Budget.
- Transfer-Out to Other Funds (increase of \$5.3 million): Transfer-Out of Operating Water Fund to Recycled Water Fund (\$600,000); and Transfer Out from Operating Sewer Fund to Sewer Capital Improvement Fund (\$4.7 million). The Transfer-Out is a correction to FY 2019 deposit of connection fee revenue that should have been deposited into the Sewer Capital Fund rather than the Sewer Operating Fund. Corresponding Transfer-in shown under the Sewer Capital Improvement Fund of \$4.7 million will result in a net-zero impact.

CAPITAL IMPROVEMENT FUNDS

Total adjustments for FY 2021 Capital Improvement Funds include FY 2020 carryforwards, previous Council approved appropriations, and mid-year requests. The FY 2021 Capital Improvement Budget adjustments total a net increase of \$188.7 million. Of this amount, FY 2020 carry forwards total \$120.5 million; and prior Council authorized and approved appropriations total \$5.5 million. Proposed mid-year adjustments reflect an increase in projected expenditures in the amount of \$2.6 million. **Table 5** provides detail of the proposed FY 2021 CIP mid-year changes.

TABLE 5: PROPOSED FY 2021 MID-YEAR CIP CHANGES

| Mid-Year CIP Changes | FY 2021 Mid-Year Changes |
|--|--------------------------|
| Measure BB-CIP Paratransit (Fund 219) - Transfer of Budget from Operating Budget Measure BB Paratransit (Fund 214) into newly created Measure BB-CIP Paratransit Fund. | \$2,700,000 |
| Capital Project (Fund 405) - Secure Foothill City Center Parking Garage Perimeter. | \$20,000 |
| Water Improvement (Fund 604) – Reduction in Transfer-Out to correct duplicate budget entry for debt service payment. | (\$273,000) |
| Sewer Replacement (Fund 611) - Unanticipated Emergency and Spot Repairs. | \$100,000 |
| Airport Capital (Fund 621) - Project Scope Revision to CCTV Upgrade Project, including Installation of New Gate Card Readers. | \$100,000 |
| Total Net Change | \$2,647,000 |

STRATEGIC ROADMAP

This agenda item is a routine operational item and does not specifically relate to any of the six priorities outlined in the Council's Strategic Roadmap.

FISCAL IMPACT

The overall fiscal impact of the proposed mid-year adjustments is an increase to General Fund revenue of \$4.1 million, and an increase to General Fund expenditures of \$6.3 million (\$4.5 million in previously approved appropriations, \$1.8 million in carryforwards, and a net decrease of \$71,500 in newly requested adjustments). All Other Funds (including Measure C) proposed adjustments will result in an increase of \$3.0 million in newly requested expenditures; and Capital Improvement Funds will result in a proposed net increase in expenditures of \$2.6 million in newly requested expenditures.

SUSTAINABILITY FEATURES

The actions in this report do not have an impact on sustainability. Sustainability elements are more directly identified with specific projects as they are carried out.

PUBLIC CONTACT/NEXT STEPS

Upon approval by Council of the recommendations contain herein, staff will post the budget amendments per the approved resolutions. Staff will continue to refine the General Fund Long Range Model as part of the upcoming FY 2022 budget process.

Prepared by: Nicole Gonzales, Deputy Director of Finance
Nicholas Mullins, Management Analyst I
Rick Rivera, Management Analyst I

Recommended by: Dustin Claussen, Director of Finance

Approved by:



Kelly McAdoo, City Manager