

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: February 1, 2022
To: Honorable Mayor and City Councilmembers
From: Budget Committee
Subject: Discussion and Consideration of Adoption of Resolution Approving the Mid-Year Budget adjustments to the City of Sebastopol Budget for FY 2021-22

Recommendation That the City Council Adopt the Mid-Year Budget Adjustments

Funding: Currently Budgeted: Yes No N/A

Net General Fund Cost: \$328,820 deficit

If Cost to Other Fund(s):

Water: \$371,936 deficit

Wastewater: \$654,631 deficit

Costs authorized in City Approved Budget AK (verified by Administrative Services Department)

INTRODUCTION/PURPOSE:

This item is to request the City Council discuss and consider the Mid-Year budget amendment requests and approve and adopt Resolution to amend the FY 2021-22 adopted operating budget and authorize the Administrative Services Director to record changes in anticipated revenues and appropriations for expenditures.

BACKGROUND:

The City Council adopted the FY 2021-22 budget on July 20, 2021. That budget was presented with a planned use of reserve to cover the budgetary shortfall of \$1,052,433. The mid-year budget amendment process occurs annually after the end of the second quarter of the fiscal year. The mid-year budget process provides an opportunity for each department to update the City Council on the major financial factors affecting the City's current fiscal year budget. As the mid-year budget review is not intended to be a full discussion of the budget, it is an opportunity for City Council to:

1. Review the General Fund and other funds;
2. Make adjustments to achieve a more accurate budget for the current fiscal year (resulting in greater budget transparency); and
3. To help shape the development of next year's budget.

The Budget Committee briefly met one time and has reviewed and revised the mid-year revenue projections for the general fund, water and sewer enterprise, and for the most significant revenue categories and recommended adjustments accordingly. To that end, a revised budget is presented with a planned use of reserve to cover the adjusted budgetary shortfall of \$328,820. The original budget reflected a shortfall of \$1,052,433 to be covered by the use of reserve.

DISCUSSION:

As discussed above, the mid-year budget process provides an opportunity for each department to update the City Council on the major financial factors affecting the City’s current fiscal year budget and allows the City to reexamine the revenue projections as more information becomes available after adoption of the original budget in July.

Increases and/or decreases in anticipated revenues do not require formal City Council action, but they are shown in order to provide a clear picture of updated financial expectations, and to provide a more valid benchmark from which to measure end-of-year final results. Revenue increases that support increases in service level expenditures are also recommended to be recorded to keep an accurate picture of the City’s intention to not increase general fund net costs.

Total expenditure appropriations can only be increased by formal action of the City Council.

The table below reflects the results of the analysis and recommended adjustments to revenue accounts.

Description	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
<u>OPERATING REVENUE</u>							
Property Taxes	\$2,781,985	\$2,770,952	\$2,733,000	\$2,780,700	\$3,070,534 ¹	\$ 289,834	10.4%
Real Property Transfer	38,066	79,547	39,000	41,000	50,000	9,000	22.0%
Sales Tax	3,697,725	4,362,811	3,765,000	3,977,500	4,547,000 ²	569,500	14.3%
Use Tax	763,643	795,113	744,600	742,600	755,700	13,100	1.8%
Transient Occupancy Tax	518,175	402,255	400,000	400,000	400,000	-	0.0%
Franchise Fees	336,738	363,167	335,500	335,500	355,000	19,500	5.8%
Licenses and Permits	449,875	498,475	292,900	292,900	347,900 ³	55,000	18.8%
Fines & Forfeitures	48,171	30,439	46,500	35,000	30,000	(5,000)	-14.3%
Intergovernmental	1,729,540	503,343	166,700	938,950	1,018,350 ⁴	79,400	8.5%
Interest and Rents	237,347	8,173	200,500	170,500	68,500 ⁵	(102,000)	-59.8%
Charges for Current Services	179,196	176,848	128,600	128,600	122,600	(6,000)	-4.7%
Miscellaneous/Other Income	555,280	299,831	262,625	60,000	60,000	-	0.0%
TOTAL	11,335,741	10,290,954	9,114,925	9,903,250	10,825,584	922,334	9.3%

General Fund Revenues:

The overall increases for the mid-year revenue of 9.3% include:

1. Adjustment to property tax revenue based on a recent December receipt. Increase in this line item is due to a shifting of those taxes received on properties within the Sebastopol RDA boundary that are no longer being carved out for RDA (RPTTF) funds following the finalization of dissolution of successor agency in late October 2021.
2. Sales tax took a major adjustment upward based on new forecast level since the adoption of the budget. The adopted budget was based on a conservative approach and available data during the time of the budget process.
3. Licenses and permits also being adjusted based on what had been seen in previous years actual receipts. This line item will continue to be a moving target as it depends on the building activities climate and environment.

4. Intergovernmental increase is the amount awarded from the County to support the RV Village being operated by Sonoma Applied Village Services. This category also includes a reduction to P.O.S.T (Peace Officer Standards & Training) reimbursement income by \$600 based on prior year actual collections.
5. Interests and Rents took a major hit as higher yield investments have matured. The new investments portfolio has very low interest earning rates. The positive side of having low interest rates is that the City has benefited by refinancing multiple debts services to allow for lower debt service payments. However, the downside of low interest rates remains, as we are seeing the impact of our investment returns decreasing drastically.

During fiscal year 2020-21, the County of Sonoma Treasury, used as a depository for city pooled cash, paid \$1,200,000 to an unknown party based on a fraudulent wire transfer request that was not initiated by the City of Sebastopol. The loss of \$1,200,000 is accounted for as an extraordinary item per criteria established by Governmental Accounting Board Standards (GASB) statement No. 62. Other sources section shows the reimbursement of the insurance claim the City made against the County due to the 2021 cyber theft. As of the date of this analysis and update, the City has already received \$375,000 from 5 different insurance carriers from the County. Another carrier is anticipated to provide an additional \$500,000 reimbursement. However, the City doesn't have confirmation if this claim will be paid; therefore it has not been incorporated into the mid-year adjustment. Additionally, the City has 2 outstanding claims with our own insurance carrier pending further review.

General Fund Expenditures:

The table below provides a summary of overall recommended budget adjustment expenditures by department. The Budget Committee reviewed the requests for each department and provided their recommendations as shown in the chart and description below.

Description	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget		\$ Inc/(Dec)	% Change
OPERATING EXPENDITURE								
City Council	\$226,256	\$226,795	\$257,729	\$290,990	\$285,070	I	\$ (5,920)	-2.0%
City Manager	258,082	353,044	324,758	366,894	431,694	I	64,800	17.7%
City Attorney	153,522	153,522	142,623	146,050	238,050	II	92,000	63.0%
Assistant City Manager City Clerk	285,483	285,483	321,978	313,791	346,142	III	32,351	10.3%
Administrative Services (Finance)	180,045	180,045	268,756	306,073	342,073	IV	36,000	11.8%
Planning	467,783	467,783	536,505	588,574	588,574		-	0.0%
Building	239,296	239,296	227,347	197,510	197,510		-	0.0%
Police	4,831,685	4,831,685	5,158,415	5,112,900	5,167,900	V	55,000	1.1%
Fire	965,223	965,223	1,126,880	1,265,369	1,265,369		-	0.0%
Public Works	1,336,565	1,336,565	1,358,254	1,284,027	1,335,477	VI	51,450	4.0%
Engineering / Storm Water	193,153	193,153	266,346	279,846	302,646	VII	22,800	8.1%
Sr. Cntr/SCCC / Ives Pool	568,624	568,624	525,555	487,850	584,420	VIII	96,570	19.8%
Non Departmental	241,064	241,065	206,394	230,699	235,619		4,920	2.1%
TOTAL	9,946,781	10,042,283	10,721,540	10,870,571	11,320,542		449,971	4.1%
OTHER SOURCES/(USES)								
Debt Service	204,670	204,670	204,790	175,112	175,112		-	0.0%
Other Sources - Insurance Reimbursement	-	819,000	1,200,000	-	251,250	c	251,250	0.0%
TOTAL	204,670	1,023,670	1,404,790	175,112	76,138		251,250	143.5%
TRANSFERS IN/(OUT)								
Transfers In	4,493	107,373	102,000	211,000	211,000		-	0.0%
Transfers Out	(2,154,774)	(113,152)	(190,000)	(121,000)	(121,000)		-	0.0%
TOTAL	(2,150,281)	(5,779)	(88,000)	90,000	90,000		-	0.0%
TOTAL OPERATING EXPENDITURES	12,306,225	11,179,105	12,316,330	11,166,683	11,616,654		449,971	4.0%
Net General Fund Surplus/(Deficit)	(965,991)	(780,778)	(3,099,405)	(1,052,433)	(328,820)			
Beginning Unassigned Fund Balance	4,993,434	4,027,443	3,246,665	3,246,665	3,246,665			
Ending Unassigned Fund Balance	4,027,443	3,246,665	147,260	2,194,232	2,917,845			
RESERVE								
Policy Reserve Level (Minimum-15%)	1,845,934	1,676,866	1,847,449	1,675,002	1,742,498			
Actual Reserve Level	32.7%	29.0%	1.2%	19.6%	25.1%			
<p>^a \$1.2M in budget expense due to April 2021 cyber theft</p> <p>^b This actual calculation allocates the loss across the general fund, water, and wastewater funds based on their respective share of cash balances. Recoveries during FY 21-22 will be allocated back to the funds based on their respective percentages shared</p> <p>^c \$375,000 year to date recovery funds through insurance reimbursement. As mentioned above in item#2, recovery is allocated back to funds based on their respective percentages shared</p>								

I. The decrease in the City Council budget is a result of moving the RCPA membership payment from this budget to the City Manager budget. This is purely clean up between budgets. Additionally, the City Manager budget also included the \$60,000 lease payment contract to St. Vincent De Paul that was approved by the City Council on December 21, 2021.

- II. The City Attorney budget is proposed to increase due to pending litigation related to SAVS project.
- III. The Assistant City Manager/City Clerk budget increase that was approved by the full Council on November 16, 2021 for \$35,000 is for the Request for Proposal City Web Site Redesign.
- IV. Administrative Service Department budget increase is due to mainly the cost of the cyber investigation (insurance retention cost portion) as a result of the loss of \$1.2 million of City funds that the County Treasury made to an unknown party based on a fraudulent wire transfer request that was not initiated by the City of Sebastopol. The requests for increases are as follows:

- a. Cyber investigation/review (retention) \$100,000
- b. Cyber Security Risk Assessment \$40,000
- c. Data Breach – Credit Monitoring \$4,000

The \$100,000 retention must be added to the budget because it is the deductible for the City's insurance policy. The \$40,000 cyber security risk assessment is an essential expense in order to ensure the City is fully protected against future cyber security risk. The \$4,000 addition is needed because of an unfortunate data breach incident to provide credit monitoring protection.

V. Police Department requested an increase of \$55,000 to cover accruals from 2 employee separations and 1 retirement that were not budgeted or anticipated.

VI. Public Works Department requested the following:

- a. Skate Park fencing alterations to prevent vandalism
- b. Fire Department tankless water heater replacement
- c. Public Works vehicle accident repairs*
 - i. *Reimbursement claim is made to offset deductible cost
- d. Public Works accruals payout for upcoming retirement

VII. Engineering Department budget increase due to City Engineer retirement and a change in consultant needs.

VIII. Senior Center: The Senior Center requested a budget adjustment of \$11,570 to address the kitchen return air unit replacement as the current unit failed and needed replacement in order to function properly for meal preparation.

Community Center: In addition, increased funding was requested for \$85,000 for the installation of makeup air system for the kitchen remodel that SCCC did in the latter half of 2020. This is not a new project. The SCCC remodeling project has been approved in the CIP budget; however, this portion of the scope was not included in the original scope of work. The SCCC increase is needed to comply with health department requirements, imposed when the commercial kitchen was inspected.

Other departments such as Fire and Planning had requested mid-year adjustments as well. However, those items at this time are not deemed within the scope of the goals of a mid-year budget adjustment by the budget committee. The committee has reviewed their requests and recommended for postponement to be discussed at the next year budget process which will be underway later this month.

In summary: As noted above, the adjusted budget includes an increase in projected revenue of \$1,173,584 which includes a one time insurance reimbursement of \$251,250. In addition, projected expenses increased to \$449,971. The net effect is a decrease in the projected deficit from 1,052,433 to \$328,820. This adjusted budget proposes that the newly projected deficit be covered by unrestricted fund balance.

	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
General Fund Revenue (income)	9,903,250	10,825,584	922,334	9.3%
General Fund Transfer in	211,000	211,000	-	0.0%
General Fund One-time income (Other Sources)	-	251,250	251,250	0.0%
Total General Fund Revenue (with onetime)	10,114,250	11,287,834	1,173,584	11.6%
General Fund Expenditures	(10,870,571)	(11,320,542)	(449,971)	4.1%
General Fund Debt Service	(175,112)	(175,112)	-	0.0%
General Fund Transfers out	(121,000)	(121,000)	-	0.0%
Total General Fund Expenditures	(11,166,683)	(11,616,654)	(449,971)	4.0%
Projected use of reserves (shortfall):	(1,052,433)	(328,820)	723,613	-68.8%

ARPA Funds Allocation Discussion: We have been living in unprecedented times. The COVID-19 pandemic has had a profound impact on the health and economic wellbeing not only for the citizenry of Sebastopol but people around the world. The City overcame barriers and found creative ways to continue to provide essential services even during the initial shelter-in-place order and rapidly adjusted the way we do business to address the needs of the community. While there are always uncertainties and challenges, the amended budget communicates what we can reasonably predict what we think is the most fiscally responsible approach to continue funding operations and capital investments to best serve the Sebastopol community with the assistance of the American Rescue Plan Act (ARPA), a Federal \$1.9 trillion stimulus package adopted on March 11, 2021, includes relief for local governments to assist in the public health response and lay the foundation for economic recovery.

The ARPA funds allocated to cities and counties may be used under four categories of eligible uses:

- A) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and non profits, or aid to impacted industries such as tourism, travel and hospitality;
- B) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;
- C) For the provision of government services to the extent of the reduction in revenue due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and
- D) To make necessary investments in water, sewer, or broadband infrastructure

The adjusted FY 2021-22 budget includes uses of this ARPA one-time funding to enable the City to continue to maintain current levels of service. The City’s ARPA allocation was \$1,835,784. Funds can be used to backfill for revenue loss and expenses incurred due to COVID-19 and to make investments in broadband and storm drain infrastructure. Funds must be allocated by December 31, 2024 and expended by December 31, 2026. If the funds are not spent by the said deadline, the City will need to return the funds. Sebastopol received the first disbursement of \$917,892 in July 2021 and the amended budget earmarked expenditures of ARPA funds for the following:

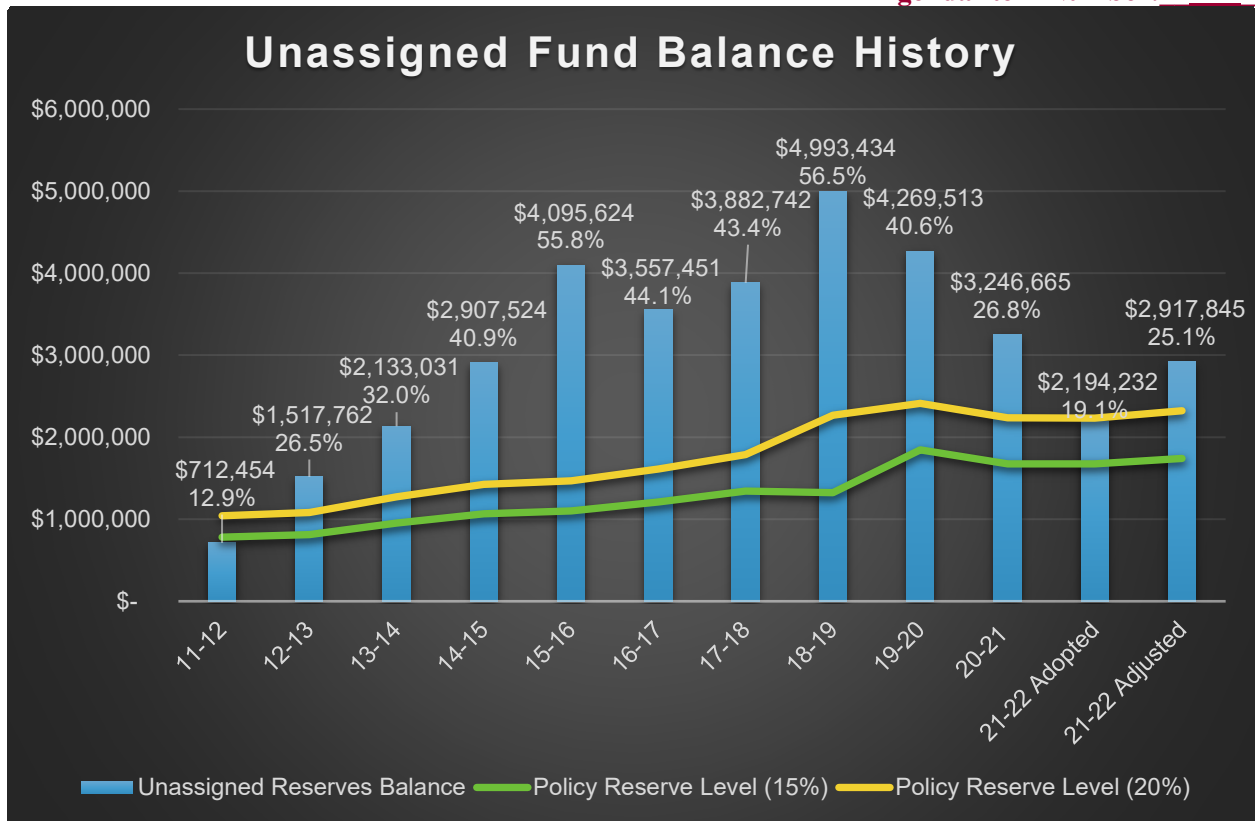
Item	Description	Amount
1	General Fund Revenue Loss Through December 2020	\$ 171,000
2	COVID Expenses (year to date)	\$ 385,000
	Labor	\$ 133,000
	Materials & Services	\$ 252,000
3	Business Economic Development - Co-Mission	\$ 155,000
4	Relaunch Sebastopol Consulting Service	\$ 86,000
5	Homeless Case Manager	\$ 72,000
6	Storm Drain Maintenance	\$ 94,000
7	Calder Creek Storm Drain & Outfall Maintenance (CIP 0701-34)	\$ 75,000
	Total Allocated Expenses	\$1,038,000

While one-time ARPA funding has enabled the City to continue its operation, there are many more future needs that the Budget Committee and staff will continue to focus on, including operational improvements. The Budget Committee will reconsider the funding shortfall during the FY 2022-23 budget preparation process, considering for example the pending staffing study assessment result or other studies that will target the City Council goals and priorities for FY2022-23 and beyond.

Overall, the General Fund departmental expenditures including transfers results in a net increase of \$449,971 or 4.0%. The projected deficit is approximately \$328,820 by 6/30/22. To that end, the following graph provides 10 years of reserve history; including the current year adopted and adjusted general fund unassigned fund balance as follows:

- Unassigned audited fund balance as of 6/30/21 was \$3,247,000.
- Adopted Budget with deficit of (\$1,052,433) will reduce fund balance to \$2,194,000. This is 19.6 % of policy reserve level.
- Adjusted budget with deficit of \$328,820 will increase fund balance to \$2,918,000. This is 25.1 % of policy reserve level.

The City Council Reserve Policy is to maintain an unassigned fund balance within the range of not less than 15% of annual operating expenditures for the fiscal year with a multi-year goal of achieving a 20% unassigned fund balance level.



Water & Wastewater Fund:

There's a slight adjustments to both Enterprise revenues as a result of the calculation of cyber insurance recovery received year to date from the County. Water expenditure also increased are due to a direct G&A cost allocations through various departments.



WATER FUND - COMBINED FINANCIAL REPORTING

DESCRIPTION	2019-20 Actuals	2020-21 Actuals	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc(Dec)	% Change
OPERATING REVENUE							
Charges for Services							
Residential	1,777,550	\$ 1,885,097	\$ 1,812,800	\$ 1,867,180	\$ 1,867,180	\$ -	0.00%
Commercial	492,000	504,700	482,040	496,500	496,500	-	0.00%
Other Income	23,312	138,672	37,000	37,000	226,250	189,250	511.49%
Interest Earnings	47,748	15,105	14,000	14,000	14,000	-	0.00%
TOTAL	\$ 2,340,610	\$ 2,543,574	\$ 2,345,840	\$ 2,414,680	\$ 2,603,930	\$ 189,250	7.84%
OPERATING EXPENDITURES							
Salaries & Benefits	\$ 535,807	\$ 447,255	\$ 396,750	\$ 425,500	\$ 425,500	\$ -	0.00%
Contracted Services	117,826	72,395	185,850	170,500	170,500	-	0.00%
Services & Supplies	136,154	297,596	198,125	176,600	176,600	-	0.00%
Training / Meetings / Travels	3,868	1,927	9,000	8,000	8,000	-	0.00%
Telecommunicatons	6,077	6,171	8,900	9,000	9,000	-	0.00%
Utilites	193,363	216,582	254,300	268,700	268,700	-	0.00%
Allocated Insurance	62,620	65,145	65,375	77,600	77,600	-	0.00%
Capital Outlay	102,454	23,658	107,000	26,700	26,700	-	0.00%
Debt Service	304,824	148,564	291,984	212,220	212,220	-	0.00%
Other Sources (Uses)	-	222,735	-	-	-	-	0.00%
TOTAL	1,462,993	1,502,028	1,517,284	1,374,820	1,374,820	-	0.00%
OTHER SOURCES/(USES)							
G & A Allocation - City Council	\$ 27,803	\$ 32,238	\$ 34,253	\$ 37,669	\$ 36,709	\$ (960)	-2.55%
G & A Allocation - City Manager	46,244	47,399	48,586	50,798	52,398	1,600	3.15%
G & A Allocation - City Attorney	7,466	7,752	7,751	7,938	12,938	5,000	62.99%
G & A Allocation - City Clerk	26,606	25,941	28,374	28,874	31,919	3,045	10.54%
G & A Allocation - Finance	387,540	364,938	401,670	456,110	510,830	54,720	12.00%
G & A Allocation - Planning	22,711	25,598	27,975	31,798	31,798	-	0.00%
G & A Allocation - Building	41,417	35,492	39,237	33,995	33,995	-	0.00%
G & A Allocation - Engineering	112,678	117,390	137,562	122,128	142,528	20,400	16.70%
G & A Allocation - Fire	71,070	77,768	80,214	84,382	84,382	-	0.00%
G & A Allocation - PW Corp Yard	231,432	224,615	243,780	240,852	267,252	26,400	10.96%
G & A Allocation - PW Govt Bldg	30,894	38,795	42,625	39,938	39,938	-	0.00%
G & A Allocation - Non Departmental	24,718	22,652	22,653	25,321	25,861	540	2.13%
TOTAL	1,030,579	1,020,578	1,114,681	1,159,801	1,270,546	110,745	9.55%
TRANSFERS IN/(OUT)							
Transfers In		\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Transfers Out	-	-	\$ (157,350)	\$ (330,500)	\$ (330,500)	\$ -	0.00%
TOTAL	\$ -	\$ -	\$ (157,350)	\$ (330,500)	\$ (330,500)	\$ -	0.00%
TOTAL OPERATING EXPENDITURES	2,493,572	2,522,606	2,789,315	2,865,121	2,975,866	\$ 110,745	3.87%
Net Surplus/(Deficit)	(152,962)	20,968	(443,475)	(450,441)	(371,936)		
Beginning Unrestricted Net Position	2,239,409	2,239,409	2,260,377	2,260,377	2,260,377		
Ending Unrestricted Net Position	\$ 2,086,447	\$ 2,260,377	\$ 1,816,902	\$ 1,809,936	\$ 1,888,441		
RESERVE							
Policy Reserve Level (25%)	623,393	630,652	697,329	716,280	743,966		
Actual Reserve Level	84%	90%	65%	63%	63%		

WASTEWATER FUND - COMBINED FINANCIAL REPORTING



DESCRIPTION	2019-20 Actuals	2020-21 Actuals	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
OPERATING REVENUE							
Charges for Services	\$ 2,874,449	\$ 2,870,250	\$ 3,165,750	\$ 3,260,723	\$ 3,260,723	\$ -	0.00%
Other Income	13,011	19,217	13,000	13,000	135,500	122,500	942.31%
Interest Earnings	39,376	9,446	10,000	6,000	6,000	-	0.00%
TOTAL	\$ 2,926,836	\$ 2,898,913	\$ 3,188,750	\$ 3,279,723	\$ 3,402,223	122,500	3.74%
OPERATING EXPENSES							
Salaries & Benefits	\$ 375,722	\$ 307,020	\$ 296,700	\$ 398,850	\$ 398,850	\$ -	0.00%
Contracted Services	75,139	70,061	195,700	86,700	86,700	-	0.00%
Subregional Expense	1,621,200	1,650,400	1,650,400	1,650,780	1,650,780	-	0.00%
Services & Supplies	63,195	66,321	132,475	109,300	109,300	-	0.00%
Training / Meetings / Travels	6,910	3,717	12,000	9,500	9,500	-	0.00%
Telecommunications	2,576	1,930	4,000	3,500	3,500	-	0.00%
Utilities	40,159	43,630	59,700	59,700	59,700	-	0.00%
Allocated Insurance	35,850	38,264	38,285	50,900	50,900	-	0.00%
Capital Outlay	41,471	99,764	28,000	38,750	46,500	7,750	20.00%
Debt Service	89,132	96,423	91,107	72,781	72,781	-	0.00%
Other Sources (Uses)	-	158,226	-	-	-	-	0.00%
TOTAL	2,351,354	2,535,756	2,508,367	2,480,761	2,488,511	7,750	0.31%
OTHER SOURCES/(USES)							
G & A Allocation - City Council	\$ 32,437	\$ 37,614	\$ 39,962	\$ 43,947	\$ 43,947	\$ -	0.00%
G & A Allocation - City Manager	46,244	47,399	48,586	50,798	52,398	1,600	3.15%
G & A Allocation - City Attorney	4,478	4,652	4,651	4,763	7,763	3,000	62.99%
G & A Allocation - City Clerk	23,280	22,696	24,828	25,265	27,929	2,664	10.54%
G & A Allocation - Finance	388,100	364,802	391,099	444,107	497,387	53,280	12.00%
G & A Allocation - Planning	13,627	15,357	16,785	19,079	19,079	-	0.00%
G & A Allocation - Building	41,417	35,492	39,237	33,995	33,995	-	0.00%
G & A Allocation - Engineering	92,792	96,673	113,287	100,576	117,376	16,800	16.70%
G & A Allocation - PW Corp Yard	168,752	163,781	177,756	175,621	194,871	19,250	10.96%
G & A Allocation - PW Govt Bldg	30,894	38,795	42,625	39,938	39,938	-	0.00%
G & A Allocation - Non Departmental	24,718	22,652	22,653	25,321	25,861	540	2.13%
TOTAL	\$ 866,739	\$ 849,913	\$ 921,468	\$ 963,408	\$ 1,060,543	\$ 97,134	0.00%
TRANSFERS IN/(OUT)							
Transfers In		\$ -	\$ 80,000	\$ -	\$ -	\$ -	0.00%
Transfers Out	(206,995)	-	(18,000)	(507,800)	(507,800)	-	0.00%
TOTAL	\$ (206,995)	\$ -	\$ 62,000	\$ (507,800)	\$ (507,800)	-	0.00%
TOTAL OPERATING EXPENDITURES	\$ 3,425,088	\$ 3,385,669	\$ 3,367,836	\$ 3,951,969	\$ 4,056,853		
Net Surplus/(Deficit)	(498,252)	(486,756)	(179,086)	(672,247)	(654,631)		
Beginning Unrestricted Net Position	1,891,464	1,393,212	906,456	906,456	906,456		
Ending Unrestricted Net Position	1,393,212	906,456	727,370	234,209	251,825		
RESERVE							
Policy Reserve Level (25%)	\$ 856,272	\$ 846,417	\$ 841,959	\$ 987,992	\$ 1,014,213		
Actual Reserve Level	41%	27%	22%	6%	6%		

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, staff anticipates receiving public comment from interested parties following the publication and distribution of this staff report. Such comments will be provided to the City Council as supplemental materials before or at the meeting. In addition, public comments may be offered during the public comment portion of this item.

PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

FISCAL IMPACT:

General Fund deficit amount \$328,820

Water Fund deficit amount \$371,936

Sewer Fund deficit amount \$654,631

RECOMMENDATION:

Adoption of Resolution Approving the Mid-Year Budget adjustments to the City of Sebastopol Budget for FY 2021-22. Approval of the allocation of ARPA funds received to date, to the categories identified in this Staff Report.

Attachments:

Resolution

Budget Amendment Pages

RESOLUTION NO. _____

A RESOLUTION OF THE SEBASTOPOL CITY COUNCIL APPROVING ADJUSTMENTS TO THE BUDGET OF FISCAL YEAR 2021-22

WHEREAS, the City of Sebastopol City Council did, on July 20, 2021, adopt the budget for fiscal year 2021-22; and

WHEREAS, the City of Sebastopol has experienced various adjustments to changing conditions continues due to COVID-19 since the budget was adopted and needs to amend the budget to reflect these adjustments.

WHEREAS, the adjusted FY 2021-22 budget includes uses of this ARPA one-time funding to enable the City to continue to maintain current levels of service. Funds can be used to backfill for revenue loss and expenses incurred due to COVID-19 and to make investments in broadband and storm drain infrastructure. Funds must be allocated by December 31, 2024 and expended by December 31, 2026. If the funds are not spent by the said deadline, the City will need to return the funds.

WHEREAS, Sebastopol received the first disbursement of \$917,892 in July 2021 and the amended budget earmarked expenditures of ARPA funds for the following:

Item	Description		Amount
1	General Fund Revenue Loss Through December 2020		\$ 171,000
2	COVID Expenses (year to date)		\$ 385,000
	Labor	\$ 133,000	
	Materials & Services	\$ 252,000	
3	Business Economic Development - Co-Mission		\$ 155,000
4	Relaunch Sebastopol Consulting Service		\$ 86,000
5	Homeless Case Manager		\$ 72,000
6	Storm Drain Maintenance		\$ 94,000
7	Calder Creek Storm Drain & Outfall Maintenance (CIP 0701-34)		\$ 75,000
	Total Allocated Expenses		\$1,038,000

THEREFORE, BE IT RESOLVED, that the City Council of the City of Sebastopol adopts the following changes to the operating budgets for 2021-22:



CONSOLIDATED GENERAL FUND FINANCIAL SCHEDULE

Description	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
OPERATING REVENUE							
Property Taxes	\$2,781,985	\$2,770,952	\$2,733,000	\$2,780,700	\$3,070,534	\$ 289,834	10.4%
Real Property Transfer	38,066	79,547	39,000	41,000	50,000	9,000	22.0%
Sales Tax	3,697,725	4,362,811	3,765,000	3,977,500	4,547,000	569,500	14.3%
Use Tax	763,643	795,113	744,600	742,600	755,700	13,100	1.8%
Transient Occupancy Tax	518,175	402,255	400,000	400,000	400,000	-	0.0%
Franchise Fees	336,738	363,167	335,500	335,500	355,000	19,500	5.8%
Licenses and Permits	449,875	498,475	292,900	292,900	347,900	55,000	18.8%
Fines & Forfeitures	48,171	30,439	46,500	35,000	30,000	(5,000)	-14.3%
Intergovernmental	1,729,540	503,343	166,700	938,950	1,018,350	79,400	8.5%
Interest and Rents	237,347	8,173	200,500	170,500	68,500	(102,000)	-59.8%
Charges for Current Services	179,196	176,848	128,600	128,600	122,600	(6,000)	-4.7%
Miscellaneous/Other Income	555,280	299,831	262,625	60,000	60,000	-	0.0%
TOTAL	11,335,741	10,290,954	9,114,925	9,903,250	10,825,584	922,334	9.3%
OPERATING EXPENDITURE							
City Council	\$226,256	\$226,795	\$257,729	\$290,990	\$285,070	\$ (5,920)	-2.0%
City Manager	258,082	353,044	324,758	366,894	431,694	64,800	17.7%
City Attorney	153,522	153,522	142,623	146,050	238,050	92,000	63.0%
Assistant City Manager City Clerk	285,483	285,483	321,978	313,791	346,142	32,351	10.3%
Administrative Services (Finance)	180,045	180,045	268,756	306,073	342,073	36,000	11.8%
Planning	467,783	467,783	536,505	588,574	588,574	-	0.0%
Building	239,296	239,296	227,347	197,510	197,510	-	0.0%
Police	4,831,685	4,831,685	5,158,415	5,112,900	5,167,900	55,000	1.1%
Fire	965,223	965,223	1,126,880	1,265,369	1,265,369	-	0.0%
Public Works	1,336,565	1,336,565	1,358,254	1,284,027	1,335,477	51,450	4.0%
Engineering / Storm Water	193,153	193,153	266,346	279,846	302,646	22,800	8.1%
Sr. Cntr/SCCC / Ives Pool	568,624	568,624	525,555	487,850	584,420	96,570	19.8%
Non Departmental	241,064	241,065	206,394	230,699	235,619	4,920	2.1%
TOTAL	9,946,781	10,042,283	10,721,540	10,870,571	11,320,542	449,971	4.1%
OTHER SOURCES/(USES)							
Debt Service	204,670	204,670	204,790	175,112	175,112	-	0.0%
Other Sources - Insurance Reimbursement	-	819,000 ^b	1,200,000 ^a	-	251,250	251,250	0.0%
TOTAL	204,670	1,023,670	1,404,790	175,112	76,138	251,250	143.5%
TRANSFERS IN/(OUT)							
Transfers In	4,493	107,373	102,000	211,000	211,000	-	0.0%
Transfers Out	(2,154,774)	(113,152)	(190,000)	(121,000)	(121,000)	-	0.0%
TOTAL	(2,150,281)	(5,779)	(88,000)	90,000	90,000	-	0.0%
TOTAL OPERATING EXPENDITURES	12,306,225	11,179,105	12,316,330	11,166,683	11,616,654	449,971	4.0%
Net General Fund Surplus/(Deficit)	(965,991)	(780,778)	(3,099,405)	(1,052,433)	(328,820)		
Beginning Unassigned Fund Balance	4,993,434	4,027,443	3,246,665	3,246,665	3,246,665		
Ending Unassigned Fund Balance	4,027,443	3,246,665	147,260	2,194,232	2,917,845		
RESERVE							
Policy Reserve Level (Minimum-15%)	1,845,934	1,676,866	1,847,449	1,675,002	1,742,498		
Actual Reserve Level	32.7%	29.0%	1.2%	19.6%	25.1%		

^a \$1.2M in budget expense due to April 2021 cyber theft

^b This actual calculation allocates the loss across the general fund, water, and wastewater funds based on their respective share of cash balances. Recoveries during FY 21-22 will be allocated back to the funds based on their respective percentages shared

^c \$375,000 year to date recovery funds through insurance reimbursement. As mentioned above in item#2, recovery is allocated back to funds based on their respective percentages shared

WATER FUND - COMBINED FINANCIAL REPORTING



DESCRIPTION	2019-20 Actuals	2020-21 Actuals	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc(Dec)	% Change
OPERATING REVENUE							
Charges for Services							
Residential	1,777,550	\$ 1,885,097	\$ 1,812,800	\$ 1,867,180	\$ 1,867,180	\$ -	0.00%
Commercial	492,000	504,700	482,040	496,500	496,500	-	0.00%
Other Income	23,312	138,672	37,000	37,000	226,250	189,250	511.49%
Interest Earnings	47,748	15,105	14,000	14,000	14,000	-	0.00%
TOTAL	\$ 2,340,610	\$ 2,543,574	\$ 2,345,840	\$ 2,414,680	\$ 2,603,930	\$ 189,250	7.84%
OPERATING EXPENDITURES							
Salaries & Benefits	\$ 535,807	\$ 447,255	\$ 396,750	\$ 425,500	\$ 425,500	\$ -	0.00%
Contracted Services	117,826	72,395	185,850	170,500	170,500	-	0.00%
Services & Supplies	136,154	297,596	198,125	176,600	176,600	-	0.00%
Training / Meetings / Travels	3,868	1,927	9,000	8,000	8,000	-	0.00%
Telecommunicatons	6,077	6,171	8,900	9,000	9,000	-	0.00%
Utilites	193,363	216,582	254,300	268,700	268,700	-	0.00%
Allocated Insurance	62,620	65,145	65,375	77,600	77,600	-	0.00%
Capital Outlay	102,454	23,658	107,000	26,700	26,700	-	0.00%
Debt Service	304,824	148,564	291,984	212,220	212,220	-	0.00%
Other Sources (Uses)	-	222,735	-	-	-	-	0.00%
TOTAL	1,462,993	1,502,028	1,517,284	1,374,820	1,374,820	-	0.00%
OTHER SOURCES/(USES)							
G & A Allocation - City Council	\$ 27,803	\$ 32,238	\$ 34,253	\$ 37,669	\$ 36,709	\$ (960)	-2.55%
G & A Allocation - City Manager	46,244	47,399	48,586	50,798	52,398	1,600	3.15%
G & A Allocation - City Attorney	7,466	7,752	7,751	7,938	12,938	5,000	62.99%
G & A Allocation - City Clerk	26,606	25,941	28,374	28,874	31,919	3,045	10.54%
G & A Allocation - Finance	387,540	364,938	401,670	456,110	510,830	54,720	12.00%
G & A Allocation - Planning	22,711	25,598	27,975	31,798	31,798	-	0.00%
G & A Allocation - Building	41,417	35,492	39,237	33,995	33,995	-	0.00%
G & A Allocation - Engineering	112,678	117,390	137,562	122,128	142,528	20,400	16.70%
G & A Allocation - Fire	71,070	77,768	80,214	84,382	84,382	-	0.00%
G & A Allocation - PW Corp Yard	231,432	224,615	243,780	240,852	267,252	26,400	10.96%
G & A Allocation - PW Govt Bldg	30,894	38,795	42,625	39,938	39,938	-	0.00%
G & A Allocation - Non Departmental	24,718	22,652	22,653	25,321	25,861	540	2.13%
TOTAL	1,030,579	1,020,578	1,114,681	1,159,801	1,270,546	110,745	9.55%
TRANSFERS IN/(OUT)							
Transfers In		\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Transfers Out	-	-	\$ (157,350)	\$ (330,500)	\$ (330,500)	\$ -	0.00%
TOTAL	\$ -	\$ -	\$ (157,350)	\$ (330,500)	\$ (330,500)	\$ -	0.00%
TOTAL OPERATING EXPENDITURES	2,493,572	2,522,606	2,789,315	2,865,121	2,975,866	\$ 110,745	3.87%
Net Surplus/(Deficit)	(152,962)	20,968	(443,475)	(450,441)	(371,936)		
Beginning Unrestricted Net Position	2,239,409	2,239,409	2,260,377	2,260,377	2,260,377		
Ending Unrestricted Net Position	\$ 2,086,447	\$ 2,260,377	\$ 1,816,902	\$ 1,809,936	\$ 1,888,441		
RESERVE							
Policy Reserve Level (25%)	623,393	630,652	697,329	716,280	743,966		
Actual Reserve Level	84%	90%	65%	63%	63%		

WASTEWATER FUND - COMBINED FINANCIAL REPORTING



DESCRIPTION	2019-20 Actuals	2020-21 Actuals	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
OPERATING REVENUE							
Charges for Services	\$ 2,874,449	\$ 2,870,250	\$ 3,165,750	\$ 3,260,723	\$ 3,260,723	\$ -	0.00%
Other Income	13,011	19,217	13,000	13,000	135,500	122,500	942.31%
Interest Earnings	39,376	9,446	10,000	6,000	6,000	-	0.00%
TOTAL	\$ 2,926,836	\$ 2,898,913	\$ 3,188,750	\$ 3,279,723	\$ 3,402,223	122,500	3.74%
OPERATING EXPENSES							
Salaries & Benefits	\$ 375,722	\$ 307,020	\$ 296,700	\$ 398,850	\$ 398,850	\$ -	0.00%
Contracted Services	75,139	70,061	195,700	86,700	86,700	-	0.00%
Subregional Expense	1,621,200	1,650,400	1,650,400	1,650,780	1,650,780	-	0.00%
Services & Supplies	63,195	66,321	132,475	109,300	109,300	-	0.00%
Training / Meetings / Travels	6,910	3,717	12,000	9,500	9,500	-	0.00%
Telecommunicatiions	2,576	1,930	4,000	3,500	3,500	-	0.00%
Utilites	40,159	43,630	59,700	59,700	59,700	-	0.00%
Allocated Insurance	35,850	38,264	38,285	50,900	50,900	-	0.00%
Capital Outlay	41,471	99,764	28,000	38,750	46,500	7,750	20.00%
Debt Service	89,132	96,423	91,107	72,781	72,781	-	0.00%
Other Sources (Uses)	-	158,226	-	-	-	-	0.00%
TOTAL	2,351,354	2,535,756	2,508,367	2,480,761	2,488,511	7,750	0.31%
OTHER SOURCES/(USES)							
G & A Allocation - City Council	\$ 32,437	\$ 37,614	\$ 39,962	\$ 43,947	\$ 43,947	\$ -	0.00%
G & A Allocation - City Manager	46,244	47,399	48,586	50,798	52,398	1,600	3.15%
G & A Allocation - City Attorney	4,478	4,652	4,651	4,763	7,763	3,000	62.99%
G & A Allocation - City Clerk	23,280	22,696	24,828	25,265	27,929	2,664	10.54%
G & A Allocation - Finance	388,100	364,802	391,099	444,107	497,387	53,280	12.00%
G & A Allocation - Planning	13,627	15,357	16,785	19,079	19,079	-	0.00%
G & A Allocation - Building	41,417	35,492	39,237	33,995	33,995	-	0.00%
G & A Allocation - Engineering	92,792	96,673	113,287	100,576	117,376	16,800	16.70%
G & A Allocation - PW Corp Yard	168,752	163,781	177,756	175,621	194,871	19,250	10.96%
G & A Allocation - PW Govt Bldg	30,894	38,795	42,625	39,938	39,938	-	0.00%
G & A Allocation - Non Departmental	24,718	22,652	22,653	25,321	25,861	540	2.13%
TOTAL	\$ 866,739	\$ 849,913	\$ 921,468	\$ 963,408	\$ 1,060,543	\$ 97,134	0.00%
TRANSFERS IN/(OUT)							
Transfers In		\$ -	\$ 80,000	\$ -	\$ -	\$ -	0.00%
Transfers Out	(206,995)	-	(18,000)	(507,800)	(507,800)	-	0.00%
TOTAL	\$ (206,995)	\$ -	\$ 62,000	\$ (507,800)	\$ (507,800)	-	0.00%
TOTAL OPERATING EXPENDITURES	\$ 3,425,088	\$ 3,385,669	\$ 3,367,836	\$ 3,951,969	\$ 4,056,853		
Net Surplus/(Deficit)	(498,252)	(486,756)	(179,086)	(672,247)	(654,631)		
Beginning Unrestricted Net Position	1,891,464	1,393,212	906,456	906,456	906,456		
Ending Unrestricted Net Position	1,393,212	906,456	727,370	234,209	251,825		
RESERVE							
Policy Reserve Level (25%)	\$ 856,272	\$ 846,417	\$ 841,959	\$ 987,992	\$ 1,014,213		
Actual Reserve Level	41%	27%	22%	6%	6%		

IN COUNCIL DULY PASSED this 1st day of February 2022.

I, the undersigned, hereby certify that the foregoing Resolution was duly adopted by the City of Sebastopol City Council by the following vote:

APPROVED: _____

Patrick Slayter
Mayor, City of Sebastopol

VOTE:

AYES:

NOES:

ABSENT:

ABTAIN:

ATTEST: _____

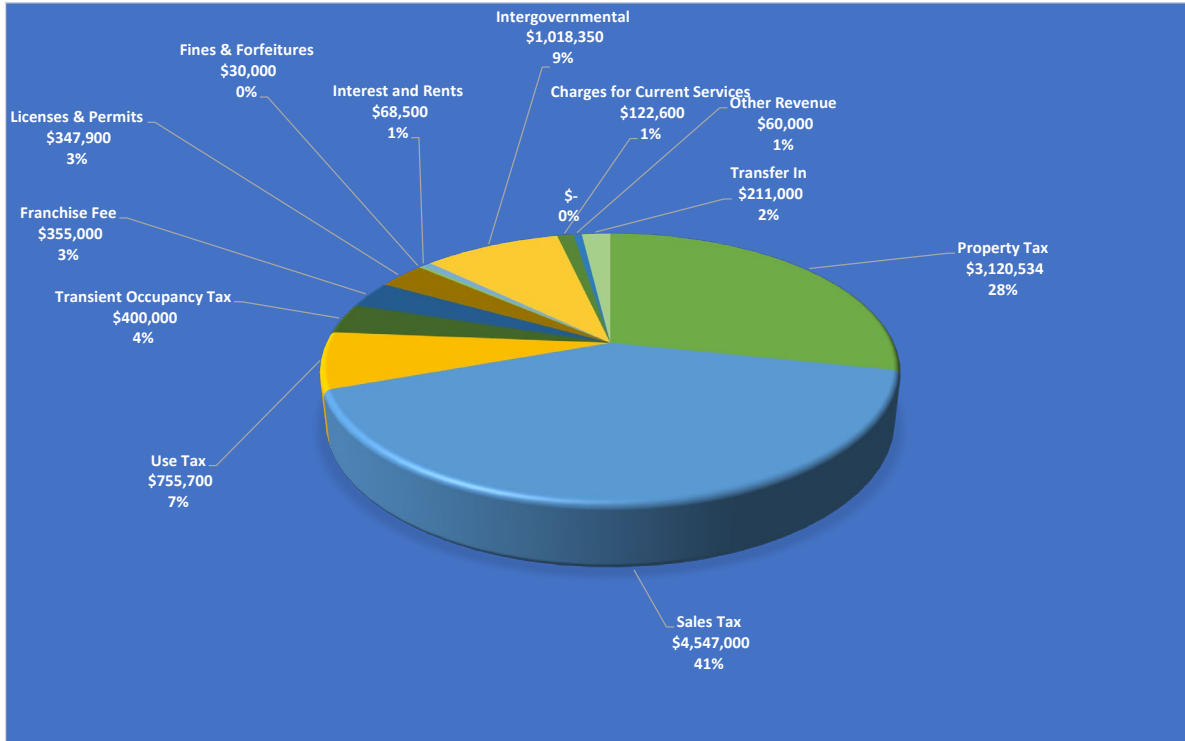
Mary Gourley, MMC, Assistant City Manager/City Clerk

APPROVED AS TO FORM: _____

Larry McLaughlin, City Manager/Attorney

2021-22 Adjusted General Fund Revenue Budget at a Glance Where does the City's Money Come From?

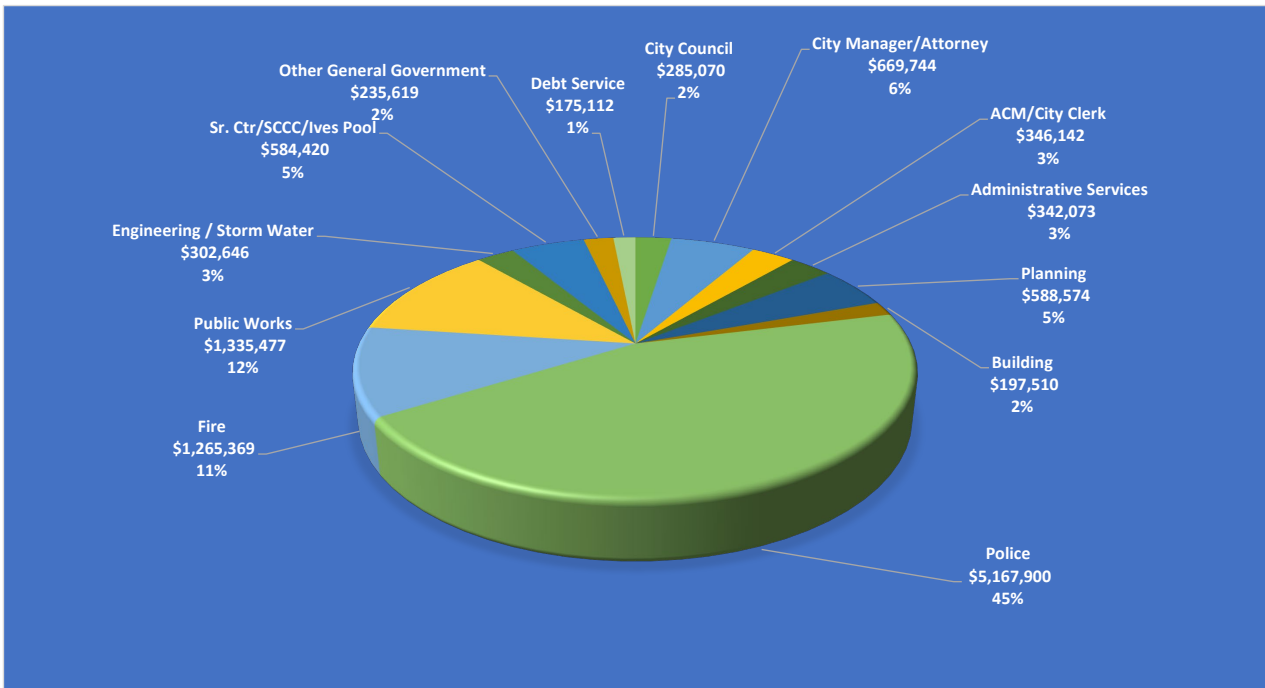
Revenue Summary	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Increase (Decrease)	% Change
Property Tax	\$ 2,820,051	\$ 2,850,499	\$ 2,772,000	2,821,700	3,120,534	\$ 298,834	10.6%
Sales Tax	\$ 3,697,725	\$ 4,362,811	\$ 3,765,000	3,977,500	4,547,000	\$ 569,500	14.3%
Use Tax	\$ 763,643	\$ 795,113	\$ 744,600	742,600	755,700	\$ 13,100	1.8%
Transient Occupancy Tax	\$ 518,175	\$ 402,255	\$ 400,000	400,000	400,000	\$ -	0.0%
Franchise Fee	\$ 336,738	\$ 363,167	\$ 335,500	335,500	355,000	\$ 19,500	5.8%
Licenses & Permits	\$ 449,875	\$ 498,475	\$ 292,900	292,900	347,900	\$ 55,000	18.8%
Fines & Forfeitures	\$ 48,171	\$ 30,439	\$ 46,500	35,000	30,000	\$ (5,000)	-14.3%
Interest and Rents	\$ 237,347	\$ 8,173	\$ 200,500	170,500	68,500	\$ (102,000)	-59.8%
Intergovernmental	\$ 1,729,540	\$ 503,343	\$ 166,700	938,950	1,018,350	\$ 79,400	8.5%
Charges for Current Services	\$ 179,196	\$ 176,848	\$ 128,600	128,600	122,600	\$ (6,000)	-4.7%
Other Revenue	\$ 555,280	\$ 299,831	\$ 262,625	60,000	60,000	\$ -	0.0%
Other Sources - Ins Reimb	\$ -	\$ -	\$ -	-	251,250	\$ 251,250	0.0%
Transfer In	\$ 4,493	\$ 107,373	\$ 102,000	211,000	211,000	\$ -	0.0%
TOTAL REVENUES	\$ 11,340,234	\$ 10,398,327	\$ 9,216,925	10,114,250	11,287,834	\$ 1,173,584	11.6%



2021-22 Adjusted General Fund Expenditures Budget at a Glance

How does the City Spend the Money It Receives?

Expenditures by Department	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Increase (Decrease)	% Change
City Council	\$ 226,256	\$ 226,795	\$ 257,729	\$ 290,990	\$ 285,070	\$ (5,920)	-2.0%
City Manager/Attorney	\$ 411,604	\$ 506,566	\$ 467,381	\$ 512,944	\$ 669,744	\$ 156,800	30.6%
ACM/City Clerk	\$ 285,483	\$ 285,483	\$ 321,978	\$ 313,791	\$ 346,142	\$ 32,351	10.3%
Administrative Services	\$ 180,045	\$ 180,045	\$ 268,756	\$ 306,073	\$ 342,073	\$ 36,000	11.8%
Planning	\$ 467,783	\$ 467,783	\$ 536,505	\$ 588,574	\$ 588,574	\$ -	0.0%
Building	\$ 239,296	\$ 239,296	\$ 227,347	\$ 197,510	\$ 197,510	\$ -	0.0%
Police	\$ 4,831,685	\$ 4,831,685	\$ 5,158,415	\$ 5,112,900	\$ 5,167,900	\$ 55,000	1.1%
Fire	\$ 965,223	\$ 965,223	\$ 1,126,880	\$ 1,265,369	\$ 1,265,369	\$ -	0.0%
Public Works	\$ 1,336,565	\$ 1,336,565	\$ 1,358,254	\$ 1,284,027	\$ 1,335,477	\$ 51,450	4.0%
Engineering / Storm Water	\$ 193,153	\$ 193,153	\$ 266,346	\$ 279,846	\$ 302,646	\$ 22,800	8.1%
Sr. Ctr/SCCC/Ives Pool	\$ 568,624	\$ 568,624	\$ 525,555	\$ 487,850	\$ 584,420	\$ 96,570	19.8%
Other General Government	\$ 241,064	\$ 241,065	\$ 206,394	\$ 230,699	\$ 235,619	\$ 4,920	2.1%
Debt Service	\$ 204,670	\$ 204,670	\$ 204,790	\$ 175,112	\$ 175,112	\$ -	0.0%
Transfer Out	\$ 2,154,774	\$ 113,152	\$ 190,000	\$ 121,000	\$ 121,000	\$ -	0.0%
TOTAL EXPENDITURES	\$ 12,306,225	\$ 10,360,105	\$ 11,116,330	\$ 11,166,683	\$ 11,616,654	\$ 449,971	4.0%
Chargeback Services *							
Insurance	\$ 995,150	\$ 1,081,028	\$ 1,076,450	\$ 1,039,100	\$ 1,039,100	\$ -	0.0%
* Allocated across departments							





CONSOLIDATED GENERAL FUND FINANCIAL SCHEDULE

Description	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
OPERATING REVENUE							
Property Taxes	\$2,781,985	\$2,770,952	\$2,733,000	\$2,780,700	\$3,070,534	1 \$ 289,834	10.4%
Real Property Transfer	38,066	79,547	39,000	41,000	50,000	9,000	22.0%
Sales Tax	3,697,725	4,362,811	3,765,000	3,977,500	4,547,000	2 569,500	14.3%
Use Tax	763,643	795,113	744,600	742,600	755,700	13,100	1.8%
Transient Occupancy Tax	518,175	402,255	400,000	400,000	400,000	-	0.0%
Franchise Fees	336,738	363,167	335,500	335,500	355,000	19,500	5.8%
Licenses and Permits	449,875	498,475	292,900	292,900	347,900	3 55,000	18.8%
Fines & Forfeitures	48,171	30,439	46,500	35,000	30,000	(5,000)	-14.3%
Intergovernmental	1,729,540	503,343	166,700	938,950	1,018,350	4 79,400	8.5%
Interest and Rents	237,347	8,173	200,500	170,500	68,500	5 (102,000)	-59.8%
Charges for Current Services	179,196	176,848	128,600	128,600	122,600	(6,000)	-4.7%
Miscellaneous/Other Income	555,280	299,831	262,625	60,000	60,000	-	0.0%
TOTAL	11,335,741	10,290,954	9,114,925	9,903,250	10,825,584	922,334	9.3%
OPERATING EXPENDITURE							
City Council	\$226,256	\$226,795	\$257,729	\$290,990	\$285,070	I \$ (5,920)	-2.0%
City Manager	258,082	353,044	324,758	366,894	431,694	II 64,800	17.7%
City Attorney	153,522	153,522	142,623	146,050	238,050	III 92,000	63.0%
Assistant City Manager City Clerk	285,483	285,483	321,978	313,791	346,142	IV 32,351	10.3%
Administrative Services (Finance)	180,045	180,045	268,756	306,073	342,073	V 36,000	11.8%
Planning	467,783	467,783	536,505	588,574	588,574	-	0.0%
Building	239,296	239,296	227,347	197,510	197,510	-	0.0%
Police	4,831,685	4,831,685	5,158,415	5,112,900	5,167,900	VI 55,000	1.1%
Fire	965,223	965,223	1,126,880	1,265,369	1,265,369	-	0.0%
Public Works	1,336,565	1,336,565	1,358,254	1,284,027	1,335,477	VII 51,450	4.0%
Engineering / Storm Water	193,153	193,153	266,346	279,846	302,646	VIII 22,800	8.1%
Sr. Cntr/SCCC / Ives Pool	568,624	568,624	525,555	487,850	584,420	96,570	19.8%
Non Departmental	241,064	241,065	206,394	230,699	235,619	4,920	2.1%
TOTAL	9,946,781	10,042,283	10,721,540	10,870,571	11,320,542	449,971	4.1%
OTHER SOURCES/(USES)							
Debt Service	204,670	204,670	204,790	175,112	175,112	-	0.0%
Other Sources - Insurance Reimbursement	-	819,000	1,200,000 ^a	-	251,250 ^c	251,250	0.0%
TOTAL	204,670	1,023,670	1,404,790	175,112	76,138	251,250	143.5%
TRANSFERS IN/(OUT)							
Transfers In	4,493	107,373	102,000	211,000	211,000	-	0.0%
Transfers Out	(2,154,774)	(113,152)	(190,000)	(121,000)	(121,000)	-	0.0%
TOTAL	(2,150,281)	(5,779)	(88,000)	90,000	90,000	-	0.0%
TOTAL OPERATING EXPENDITURES	12,306,225	11,179,105	12,316,330	11,166,683	11,616,654	449,971	4.0%
Net General Fund Surplus/(Deficit)	(965,991)	(780,778)	(3,099,405)	(1,052,433)	(328,820)		
Beginning Unassigned Fund Balance	4,993,434	4,027,443	3,246,665	3,246,665	3,246,665		
Ending Unassigned Fund Balance	4,027,443	3,246,665	147,260	2,194,232	2,917,845		
RESERVE							
Policy Reserve Level (Minimum-15%)	1,845,934	1,676,866	1,847,449	1,675,002	1,742,498		
Actual Reserve Level	32.7%	29.0%	1.2%	19.6%	25.1%		

^a \$1.2M in budget expense due to April 2021 cyber theft

^b This actual calculation allocates the loss across the general fund, water, and wastewater funds based on their respective share of cash balances. Recoveries during FY 21-22 will be allocated back to the funds based on their respective percentages shared

^c \$375,000 year to date recovery funds through insurance reimbursement. As mentioned above in item#2, recovery is allocated back to funds based on their respective percentages shared

GENERAL FUND REVENUES DETAILED



Revenue Categories	Account No.	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
Taxes								
Property Taxes	100-3000	1,506,239	1,548,230	1,550,000	1,581,000	2,183,934	602,934	38.1%
Property Taxes (RPTTF)	100-3001	467,287	384,411	345,000	345,000	21,000	(324,000)	-93.9%
Transfer Tax	100-3002	38,066	79,547	39,000	41,000	50,000	9,000	22.0%
Property Tax In-Lieu of VLF	100-3004	808,459	838,311	838,000	854,700	865,600	10,900	1.3%
Sales Tax - Bradley Burn	100-3010	1,819,956	2,134,401	1,860,000	1,977,500	2,187,000	209,500	10.6%
Sales Tax - 1/4 cent	124-3011	622,348	740,161	635,000	663,000	787,000	124,000	18.7%
Sales Tax - 1/2 cent	124-3012	1,255,421	1,488,249	1,270,000	1,337,000	1,573,000	236,000	17.7%
Sales Tax - Prop 172 pass thru	100-3014	87,755	91,860	89,400	99,600	100,500	900	0.9%
Utility Users Tax	100-3015	666,765	695,399	650,000	637,800	650,000	12,200	1.9%
Utility Users Tax - AB1717 (Wireless)	100-3016	2,882	2,173	1,700	1,700	1,700	-	0.0%
Vehicle In-Lieu Tax	100-3017	6,241	5,681	3,500	3,500	3,500	-	0.0%
Transient Occupancy Tax	100-3020	518,175	402,255	400,000	400,000	400,000	-	0.0%
Garbage Franchise	100-3050	177,953	207,633	177,000	177,000	200,000	23,000	13.0%
PG&E Franchise	100-3051	82,256	84,700	82,000	82,000	84,000	2,000	2.4%
Cable/Video TV Franchise	100-3052	76,529	70,834	76,500	76,500	71,000	(5,500)	-7.2%
Total Taxes		8,136,332	8,773,845	8,017,100	8,277,300	9,178,234	900,934	10.9%
Licenses and Permits								
Business Licenses	100-3101	151,321	136,949	130,000	130,000	135,000	5,000	3.8%
Building Permits	100-3103	283,714	347,681	150,000	150,000	200,000	50,000	33.3%
Dog License Fees	100-3104	1,440	2,045	1,500	1,500	1,500	-	0.0%
RBS Training Fees	100-3107	13,400	11,800	11,400	11,400	11,400	-	0.0%
Total Licenses & Permits		449,875	498,475	292,900	292,900	347,900	55,000	18.8%
Fines, Forfeits & Penalties								
Vehicle / Criminal Code Fines	100-3105	28,822	16,415	27,000	20,000	15,000	(5,000)	-25.0%
Parking Violations	100-3106	19,349	14,024	19,500	15,000	15,000	-	0.0%
Total Fines, Forfeits & Penalties		48,171	30,439	46,500	35,000	30,000	(5,000)	-14.3%
Intergovernmental & Grants								
State Mandated Cost Reimb.	100-3202	10,996	3,793	3,700	3,700	3,700	-	0.0%
P.O.S.T Reimbursements	100-3203	2,238	1,830	2,400	2,400	1,800	(600)	-25.0%
Casino Mitigation Reimbursements	100-3204	13,189	17,781	15,000	15,000	15,000	-	0.0%
County Grant	100-3206	-	370,000	-	-	80,000	80,000	0.0%
State Grant	100-3207	1,595,176	109,939	95,600	-	-	-	0.0%
Federal Grant	100-3209	107,941	-	50,000	917,850	917,850	-	0.0%
Total Intergovernmental & Grants		1,729,540	503,343	166,700	938,950	1,018,350	79,400	8.5%
Interest & Rents								
Interest Income	100-3300	144,253	(40,245)	130,000	110,000	20,000	(90,000)	-81.8%
Interest Income	124-3300	46,080	3,015	25,000	15,000	3,000	(12,000)	-80.0%
Cell Tower Lease Rental	100-3301	40,298	39,962	40,000	40,000	40,000	-	0.0%
City Property Rental - Little League	100-3302	2,611	1,901	2,000	2,000	2,000	-	0.0%
City Property Rental - Parking Space	100-3304	1,105	540	500	500	500	-	0.0%
City Property Rental - Palm Ave	100-3305	3,000	3,000	3,000	3,000	3,000	-	0.0%
Total Interest & Rents		237,347	8,173	200,500	170,500	68,500	(102,000)	-59.8%
Charges for Current Services								
Park and Plaza Rental Fees	100-3401	16,175	3,275	3,300	3,300	3,300	-	0.0%
Finance Staff Time	100-3405	5,674	7,633	-	-	7,000	7,000	0.0%
Pet Shelter Release Fees	100-3406	3,365	2,215	3,500	3,500	2,000	(1,500)	-42.9%
Building Inspector Fees	100-3421	784	642	-	-	-	-	0.0%
Fire Department Fees	100-3425	52,842	69,256	30,000	30,000	30,000	-	0.0%
Planning Fees	100-3426	27,720	25,563	30,000	30,000	25,000	(5,000)	-16.7%
Sale of Plans & Specifications	100-3427	615	990	300	300	300	-	0.0%
Encroachment Permits	100-3441	32,135	47,835	30,000	30,000	40,000	10,000	33.3%
Grading Permits	100-3442	2,700	650	1,000	1,000	500	(500)	-50.0%

GENERAL FUND REVENUES DETAILED



Revenue Categories	Account No.	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
Public Works Services	100-3445	2,774	654	1,500	1,500	500	(1,000)	-66.7%
Police Services	100-3502	25,390	13,835	25,500	25,500	10,000	(15,500)	-60.8%
Police D.U.I. Recovery	100-3503	450	-	-	-	-	-	0.0%
Vehicle Releases	100-3504	4,515	4,300	3,500	3,500	4,000	500	14.3%
Police Overtime Reimbursement	100-3507	4,057	-	-	-	-	-	0.0%
Total Charges for Current Services		179,196	176,848	128,600	128,600	122,600	(6,000)	-4.7%
<u>Miscellaneous/Other Income</u>								
Planning Publication Sales	100-3800	7	-	-	-	-	-	0.0%
Sale of Surplus Property	100-3801	10,869	-	-	-	-	-	0.0%
Sale of Publications	100-3803	-	-	-	-	-	-	0.0%
Insurance Reimbursement	100-3804	224,835	13,050	-	-	251,250	251,250	0.0%
Miscellaneous Income	100-3805	20,247	18,406	500	500	500	-	0.0%
Ives Pool Reimbursement	100-3810	49,022	57,901	52,000	59,500	59,500	-	0.0%
Successor Agency Administration	100-3999	250,300	210,474	210,125	-	-	-	0.0%
Total Miscellaneous/Other Income		555,280	299,831	262,625	60,000	311,250	251,250	418.8%
Subtotal General Fund Revenue		11,335,741	10,290,954	9,114,925	9,903,250	11,076,834	1,173,584	11.9%
Transfer In	3999	4,493	107,373	102,000	211,000	211,000	-	0.0%
Total General Fund Revenue		11,340,234	10,398,327	9,216,925	10,114,250	11,287,834	1,173,584	11.6%



GENERAL FUND - TRANSFERS

Description	2019-20 Actual	2020-21 Actual	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)
OTHER SOURCES (USES):						
Transfer in						
From Police Grant		107,373	100,000	127,000	127,000	-
From Vehicle Abatement		-	-	4,000	4,000	-
From General Plan Update		-	-	-	-	-
From Building Permit Incremental Fund		-	2,000	-	-	-
From Vehicle Buiding Reserve		-	-	80,000	80,000	-
From Capital Project		-	-	-	-	-
From Committed Reserve		-	-	-	-	-
Subtotal Transfer in	-	107,373	102,000	211,000	211,000	-
Transfer out						
To Woodstone Assessment District Fund		-	-	-	-	-
To SLESF	-	-	-	-	-	-
To Retirement Fund	(1,000,000)	-	-	(28,000)	(28,000)	-
To Bldg Facilities Infrass Fund	(466,000)	(23,705)	(110,000)	-	-	-
To Vehicle Replacement Fund	-	-	-	-	-	-
To Capital Project Fund	(688,774)	(89,447)	-	(93,000)	(93,000)	-
To Police Grant Fund	-	-	-	-	-	-
To Sewer Fund	-	-	(80,000)	-	-	-
To Gas Tax	-	-	-	-	-	-
To Street Pavement Reserves	-	-	-	-	-	-
Subtotal Transfer out	(2,154,774)	(113,152)	(190,000)	(121,000)	(121,000)	-
TOTAL TRANSFERS	(2,154,774)	(5,779)	(88,000)	90,000	90,000	-

GENERAL FUND RESERVES CATEGORIES

	(1)	(2)	(3)	(4)	(5)		
	City Unassigned Reserves @ 6/30/20 (Audited)		City Assigned Reserves @ 6/30/20 (Audited)				
	2020-21 Actual	2021-22 Adopted Budget	2020-21 Adjusted Budget	Buildings, Facilities & Infrastructure Reserve 103-00-00-2900	Equipment, Technology & Vehicle Replacement Reserve 104-00-00-2900	CalPERS Retirement & OPEB Reserves 105-00-00-2900	Column 3+4+5 Grand Total
Beginning Balance @ 7/1/21	3,246,665	3,246,665	3,246,665	1,009,788	1,221,288	2,818,458	5,049,534
FY21-22 Adopted Budget Addition/(Uses)		(1,052,433)		(1,500)	205,000	28,000	
FY21-22 Adjusted Budget Addition/(Uses)			(328,820)		146,475		
FY21-22 Adopted Budget Addition/(Uses)					(80,000)		
Total Anticipated Reserve @ 6/30/22	3,246,665	2,194,232	2,917,845	1,008,288	1,492,763	2,846,458	5,049,534
Actual Reserve Level in relation to expenditures	26.4%	19.6%	25.1%	8.7%	12.9%	24.5%	43.5%

WATER FUND - COMBINED FINANCIAL REPORTING



DESCRIPTION	2019-20 Actuals	2020-21 Actuals	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc(Dec)	% Change
OPERATING REVENUE							
Charges for Services							
Residential	1,777,550	\$ 1,885,097	\$ 1,812,800	\$ 1,867,180	\$ 1,867,180	\$ -	0.00%
Commercial	492,000	504,700	482,040	496,500	496,500	-	0.00%
Other Income	23,312	138,672	37,000	37,000	226,250	189,250	511.49%
Interest Earnings	47,748	15,105	14,000	14,000	14,000	-	0.00%
TOTAL	\$ 2,340,610	\$ 2,543,574	\$ 2,345,840	\$ 2,414,680	\$ 2,603,930	\$ 189,250	7.84%
OPERATING EXPENDITURES							
Salaries & Benefits	\$ 535,807	\$ 447,255	\$ 396,750	\$ 425,500	\$ 425,500	\$ -	0.00%
Contracted Services	117,826	72,395	185,850	170,500	170,500	-	0.00%
Services & Supplies	136,154	297,596	198,125	176,600	176,600	-	0.00%
Training / Meetings / Travels	3,868	1,927	9,000	8,000	8,000	-	0.00%
Telecommunicatons	6,077	6,171	8,900	9,000	9,000	-	0.00%
Utilites	193,363	216,582	254,300	268,700	268,700	-	0.00%
Allocated Insurance	62,620	65,145	65,375	77,600	77,600	-	0.00%
Capital Outlay	102,454	23,658	107,000	26,700	26,700	-	0.00%
Debt Service	304,824	148,564	291,984	212,220	212,220	-	0.00%
Other Sources (Uses)	-	222,735	-	-	-	-	0.00%
TOTAL	1,462,993	1,502,028	1,517,284	1,374,820	1,374,820	-	0.00%
OTHER SOURCES/(USES)							
G & A Allocation - City Council	\$ 27,803	\$ 32,238	\$ 34,253	\$ 37,669	\$ 36,709	\$ (960)	-2.55%
G & A Allocation - City Manager	46,244	47,399	48,586	50,798	52,398	1,600	3.15%
G & A Allocation - City Attorney	7,466	7,752	7,751	7,938	12,938	5,000	62.99%
G & A Allocation - City Clerk	26,606	25,941	28,374	28,874	31,919	3,045	10.54%
G & A Allocation - Finance	387,540	364,938	401,670	456,110	510,830	54,720	12.00%
G & A Allocation - Planning	22,711	25,598	27,975	31,798	31,798	-	0.00%
G & A Allocation - Building	41,417	35,492	39,237	33,995	33,995	-	0.00%
G & A Allocation - Engineering	112,678	117,390	137,562	122,128	142,528	20,400	16.70%
G & A Allocation - Fire	71,070	77,768	80,214	84,382	84,382	-	0.00%
G & A Allocation - PW Corp Yard	231,432	224,615	243,780	240,852	267,252	26,400	10.96%
G & A Allocation - PW Govt Bldg	30,894	38,795	42,625	39,938	39,938	-	0.00%
G & A Allocation - Non Departmental	24,718	22,652	22,653	25,321	25,861	540	2.13%
TOTAL	1,030,579	1,020,578	1,114,681	1,159,801	1,270,546	110,745	9.55%
TRANSFERS IN/(OUT)							
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
Transfers Out	-	-	(157,350)	(330,500)	(330,500)	-	0.00%
TOTAL	\$ -	\$ -	\$ (157,350)	\$ (330,500)	\$ (330,500)	\$ -	0.00%
TOTAL OPERATING EXPENDITURES	2,493,572	2,522,606	2,789,315	2,865,121	2,975,866	\$ 110,745	3.87%
Net Surplus/(Deficit)	(152,962)	20,968	(443,475)	(450,441)	(371,936)		
Beginning Unrestricted Net Position	2,239,409	2,239,409	2,260,377	2,260,377	2,260,377		
Ending Unrestricted Net Position	\$ 2,086,447	\$ 2,260,377	\$ 1,816,902	\$ 1,809,936	\$ 1,888,441		
RESERVE							
Policy Reserve Level (25%)	623,393	630,652	697,329	716,280	743,966		
Actual Reserve Level	84%	90%	65%	63%	63%		

WASTEWATER FUND - COMBINED FINANCIAL REPORTING



DESCRIPTION	2019-20 Actuals	2020-21 Actuals	2020-21 Adjusted Budget	2021-22 Adopted Budget	2021-22 Adjusted Budget	\$ Inc/(Dec)	% Change
OPERATING REVENUE							
Charges for Services	\$ 2,874,449	\$ 2,870,250	\$ 3,165,750	\$ 3,260,723	\$ 3,260,723	\$ -	0.00%
Other Income	13,011	19,217	13,000	13,000	135,500	122,500	942.31%
Interest Earnings	39,376	9,446	10,000	6,000	6,000	-	0.00%
TOTAL	\$ 2,926,836	\$ 2,898,913	\$ 3,188,750	\$ 3,279,723	\$ 3,402,223	122,500	3.74%
OPERATING EXPENSES							
Salaries & Benefits	\$ 375,722	\$ 307,020	\$ 296,700	\$ 398,850	\$ 398,850	\$ -	0.00%
Contracted Services	75,139	70,061	195,700	86,700	86,700	-	0.00%
Subregional Expense	1,621,200	1,650,400	1,650,400	1,650,780	1,650,780	-	0.00%
Services & Supplies	63,195	66,321	132,475	109,300	109,300	-	0.00%
Training / Meetings / Travels	6,910	3,717	12,000	9,500	9,500	-	0.00%
Telecommunicatons	2,576	1,930	4,000	3,500	3,500	-	0.00%
Utilites	40,159	43,630	59,700	59,700	59,700	-	0.00%
Allocated Insurance	35,850	38,264	38,285	50,900	50,900	-	0.00%
Capital Outlay	41,471	99,764	28,000	38,750	46,500	7,750	20.00%
Debt Service	89,132	96,423	91,107	72,781	72,781	-	0.00%
Other Sources (Uses)	-	158,226	-	-	-	-	0.00%
TOTAL	2,351,354	2,535,756	2,508,367	2,480,761	2,488,511	7,750	0.31%
OTHER SOURCES/(USES)							
G & A Allocation - City Council	\$ 32,437	\$ 37,614	\$ 39,962	\$ 43,947	\$ 43,947	\$ -	0.00%
G & A Allocation - City Manager	46,244	47,399	48,586	50,798	52,398	1,600	3.15%
G & A Allocation - City Attorney	4,478	4,652	4,651	4,763	7,763	3,000	62.99%
G & A Allocation - City Clerk	23,280	22,696	24,828	25,265	27,929	2,664	10.54%
G & A Allocation - Finance	388,100	364,802	391,099	444,107	497,387	53,280	12.00%
G & A Allocation - Planning	13,627	15,357	16,785	19,079	19,079	-	0.00%
G & A Allocation - Building	41,417	35,492	39,237	33,995	33,995	-	0.00%
G & A Allocation - Engineering	92,792	96,673	113,287	100,576	117,376	16,800	16.70%
G & A Allocation - PW Corp Yard	168,752	163,781	177,756	175,621	194,871	19,250	10.96%
G & A Allocation - PW Govt Bldg	30,894	38,795	42,625	39,938	39,938	-	0.00%
G & A Allocation - Non Departmental	24,718	22,652	22,653	25,321	25,861	540	2.13%
TOTAL	\$ 866,739	\$ 849,913	\$ 921,468	\$ 963,408	\$ 1,060,543	\$ 97,134	0.00%
TRANSFERS IN/(OUT)							
Transfers In		\$ -	\$ 80,000	\$ -	\$ -	\$ -	0.00%
Transfers Out	(206,995)	-	(18,000)	(507,800)	(507,800)	-	0.00%
TOTAL	\$ (206,995)	\$ -	\$ 62,000	\$ (507,800)	\$ (507,800)	-	0.00%
TOTAL OPERATING EXPENDITURES	\$ 3,425,088	\$ 3,385,669	\$ 3,367,836	\$ 3,951,969	\$ 4,056,853		
Net Surplus/(Deficit)	(498,252)	(486,756)	(179,086)	(672,247)	(654,631)		
Beginning Unrestricted Net Position	1,891,464	1,393,212	906,456	906,456	906,456		
Ending Unrestricted Net Position	1,393,212	906,456	727,370	234,209	251,825		
RESERVE							
Policy Reserve Level (25%)	\$ 856,272	\$ 846,417	\$ 841,959	\$ 987,992	\$ 1,014,213		
Actual Reserve Level	41%	27%	22%	6%	6%		