



MIDYEAR BUDGET UPDATE FY 22-23

CITY COUNCIL MEETING

FEBRUARY 14, 2023

PURPOSE OF MIDYEAR REVIEW/UPDATE

The Midyear Budget Review is an essential element in maintaining financial stability.

It provides the City Council an opportunity to:

- Review the General Fund operating results for the first half of the year.
- Make adjustments to achieve a more accurate budget for the current fiscal year (resulting in a greater budget transparency); and
- Help shape the development of next year's budget

TONIGHT'S OBJECTIVES

Presentation

- Receive update on General Fund financial projections
- Proposed Midyear budget amendment request
- American Rescue Plan Act (ARPA) fund status

Action

- Consider resolution to amend the FY 22-23 budget

FY 22-23 MIDYEAR BUDGET REVIEW

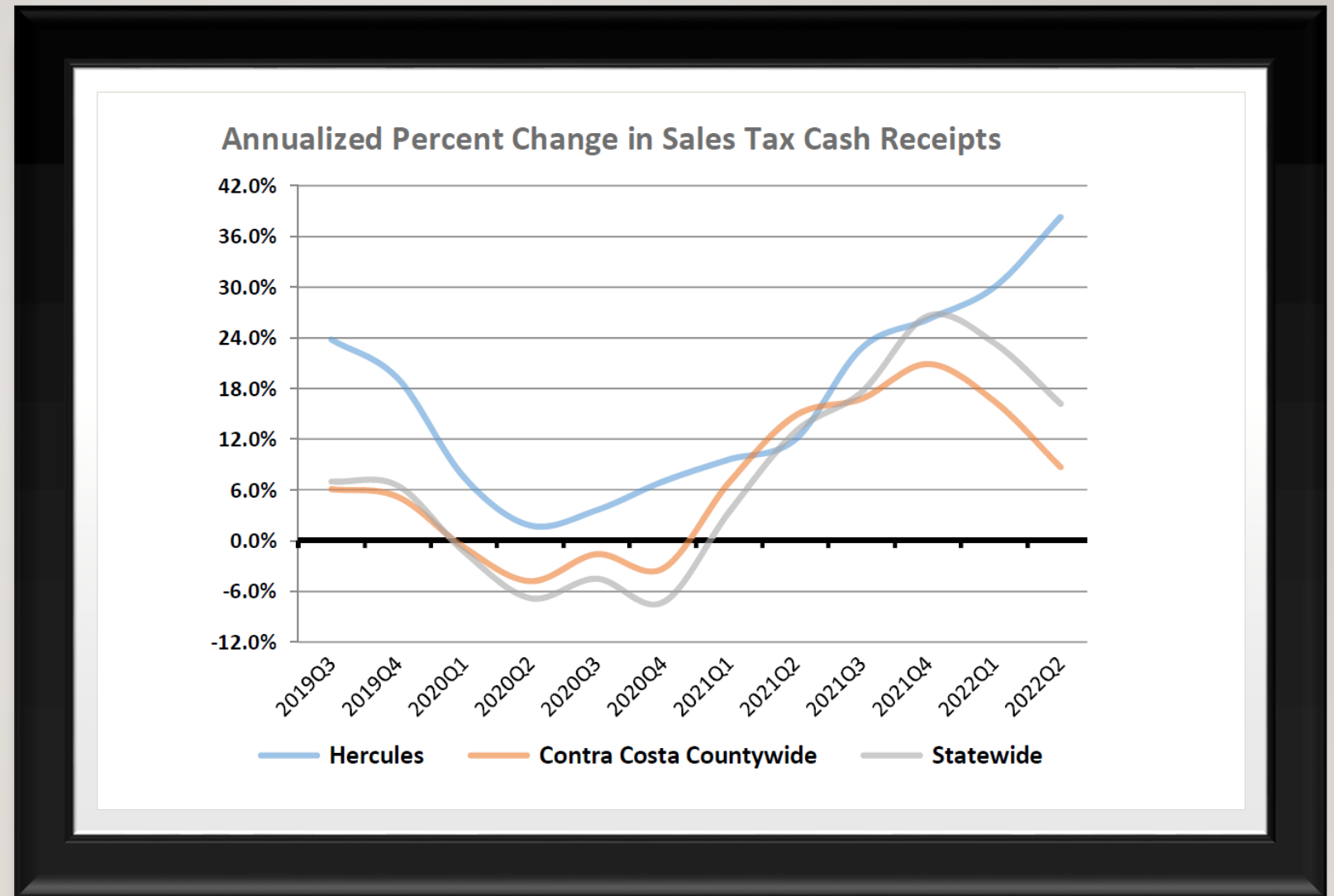
- General Fund Highlights

- Sales Tax revenues continue to grow in major tax groups
- Minimal midyear operating expenditure requests
- The General Fund ended last fiscal year with \$3.9 million of available cash balance, \$2.9 million better than projected

		Increase in Revenues	Increase in Expenditures	Net Impact
Sales Tax		\$400,000		\$400,000
Salary and Benefits (COLA	All Bargaining Groups		94,500	(94,500)
New Senior Planner	Community Development		44,000	(44,000)
Implementation of Standby and Call	Public Works		1,000	(1,000)
Pool Maintenance Contract	Parks & Recreation		15,000	(15,000)
		\$400,000	\$154,500	\$245,500

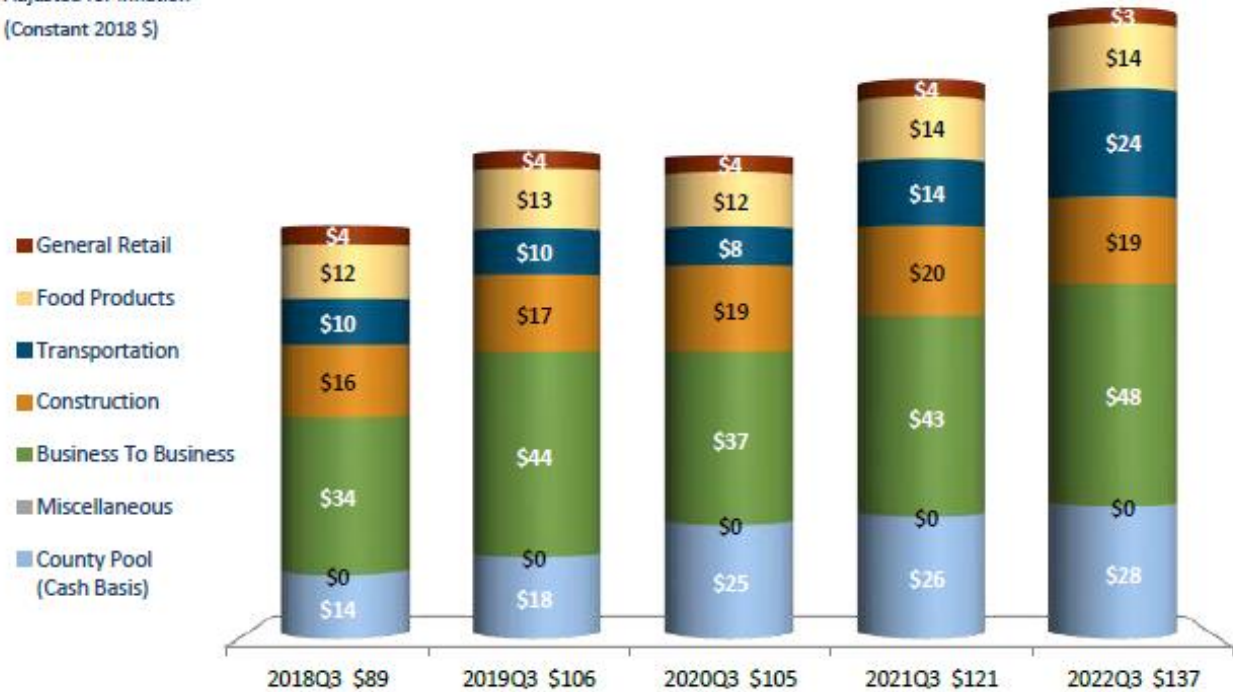
PROPOSED FY 22-23 MIDYEAR BUDGET ADJUSTMENTS
GENERAL FUND

ANNUALIZED PERCENT CHANGE IN SALES TAX CASH RECEIPTS



HERCULES ANNUAL PER CAPITAL SALES TAX

Hercules
Annual Per Capita Sales Tax
Adjusted for Inflation
(Constant 2018 \$)



	Adopted Budget	Midyear Adjustments	Midyear Projections
Revenues			
Taxes	11,597,000	400,000	11,997,000
Intergovernmental	2,511,000		2,511,000
Program Revenues	1,650,000		1,650,000
Miscellaneous	1,158,000		1,158,000
	16,916,000	400,000	17,316,000
Expenditures			
Police	7,821,727	60,000	7,881,727
Public Works	382,857	1,000	383,857
Community Development	810,561	48,000	858,561
Parks and Recreation	2,077,537	31,000	2,108,537
City Council	358,645	14,500	373,145
Administration	2,720,607		2,720,607
Workers Comp/General Liability	1,265,554		1,265,554
Miscellaneous	945,934		945,934
	16,383,422	154,500	16,537,922
Net Annual Activity	532,578	245,500	778,078

FY 22-23 MIDYEAR BUDGET PROJECTIONS GENERAL FUND

		Increase in Revenues	Increase in Expenditures	Net Impact
Salary and Benefits (COLA	All Bargaining Groups		30,000	(30,000)
Implementation of Standby and Call	Public Works		37,000	(37,000)
Uniform and Equipment for Special Response Team (SRT)	Police		30,000	(30,000)
Additional Training	Police		20,000	(20,000)
Pedestrian Sidewalk Improvement at Willow and Palm	Capital Projects	1,058,000	1,058,000	-
		1,058,000	1,175,000	(117,000)

**PROPOSED FY 22-23 MIDYEAR BUDGET ADJUSTMENTS
NON-GENERAL FUND**

	First Installment	Second Installment	Total
ARPA funding received	\$3,142,889	\$3,142,889	\$6,285,778
Appropriated:			
Communication Services	50,000		50,000
Willow/Palm Sidewalk Installation (Transit Center)	250,000		250,000
Refugio Tennis Court Tree Maintenance	6,000		6,000
Sidewalk and Safe Walkways	100,000		100,000
Community Swim Center Safety Fence Replacement	100,000		100,000
Community Swim Center Gym Floor Replacement & Other Building and Deferred Maintenance	250,000		250,000
Increase appropriation on All Abilities Swing Set	50,000		50,000
Reserve for COVID related expenses	50,000		50,000
E-Gift Card Program	65,000		65,000
HdL Contract - ARPA Administration	164,500		164,500
Building Facilities Plan	75,000		75,000
Parks Master Plan	150,000		150,000
Business Assistance Program	150,000		150,000
Business Rental Assistance Grants	150,000		150,000
Total, Use of Fund	1,610,500	-	1,610,500
Ending Balance	\$1,532,389	\$3,142,889	\$4,675,278

AMERICAN RECOVERY PLAN ACT (ARPA) REMAINING BALANCE

NEXT STEP

- Staff is currently in the process of preparing the FY 23-24 budget which will be introduced to the City Council on May 9, 2023. The table below outlines key Council meeting dates at which budget information will be provided.

Date	Action/Topic
February 14, 2023	FY 22-23 Midyear Review & Budget Amendments
March 28, 2023	Budget Workshop to discuss the Five-Year CIP and project priorities, including recommendations for the ARPA funds spending plan
April 11, 2023	Budget Workshop to discuss the Preliminary draft of the FY 23-24 Sewer Enterprise and Internal Service Funds budgets
April 15, 2023	Budget Workshop to discuss the Preliminary draft of the FY 23-24 General Fund Operating budget and other funds (Special Revenues, Debt Service, Agency and Successor Agency) budget
May 9, 2023	Introduction and First Public Hearing of the FY 23-24 Budget and Five-Year Capital Improvement Plan (CIP), including the appropriation of ARPA funds
June 6, 2023	Second Public Hearing and Adoption of the FY 23-24 Budget and Five-Year Capital Improvement Plan (CIP), including the appropriation of ARPA funds



QUESTIONS?
