



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE November 1, 2022
SUBJECT: Public Hearing and Consideration of a Resolution for the First Amendment to the Five-Year FY23-27 Capital Improvement Plan and Amendment to the FY23 Budget

Description Hold a public hearing to consider amending the five-year FY23-27 Capital Improvement Plan (CIP) and amend the FY23 budget.

Background and Analysis:

On June 21, 2022, the City Council, by resolution, adopted the Fiscal Year (FY) 2022-2023 citywide budget. The General Fund was adopted with revenues exceeding expenditures by \$7,376,932.

On October 25, 2022, the City Council held a special workshop to discuss the current financial condition of the City, and to discuss recommendations that were brought forward to the City Council for programming of the unprogrammed revenues of \$7.3M. The City Council also discussed the current General Fund unaudited fund balance (also known as unassigned fund balance) of \$40.4M and decided on the level of reserves necessary for the following three categories:

Working Capital Reserve requirement to remain at 16% of the operating budget which currently is \$60,668,702. This would leave the required current FY reserve at \$9.7M to cover any cash needs throughout the year.

Budget Stabilization Reserve set at \$5.0M to provide City staff time to address an economic downturn without having to dip into the Working Capital Reserve.

Emergency Disaster Reserve set at \$1.0M to provide funds that may not be available within the budget to address an unforeseen emergency disaster brought upon by nature or man.

Leave a placeholder in the fund balance for MOU agreements which is an anticipated lump sum payment for any years that revenues exceed budget by 10%. This amount is

based off the annual audited financial statements and is anticipated for the FY22 financial statements.

The remaining amount of fund balance available for the City Council to appropriate is \$24.2M.

Recommended Appropriation of FY23 Unprogrammed Revenues

DEPT	REQUEST	COST	CIP
Street Maintenance/Wastewater	Vector truck payoff	\$185,917.00	
HR/Risk Management	Liability and Property Insurance increase	\$334,948.00	
Police	Public Safety Radio System Upgrade	\$415,323.00	Yes
Police	Police Station Renovations (Perimeter fencing)	\$175,000.00	Yes
City Clerk	Advertising increase costs	\$20,000.00	
Parks/Grounds	Electrician work for Cherry Festival	\$45,860.00	
Public Works	Pennsylvania Widening	\$4,000,000.00	Yes
Fire	Increased Cal Fire MOU	\$500,000.00	
Fire	Fire Truck increase over SLFRF appropriation	\$400,000.00	Yes
Police	Overtime for Downtown Patrol Pilot Program	\$50,000.00	
Community Development/Planning	Assistant Planner	\$70,000.00	
Parks and Rec/Community Services	Sports Park Field Lighting and Field Expansion (Lighting)	\$1,019,884.00	Yes
Parks and Rec/Community Services	Concert in the Park	\$60,000.00	
Community Development/Planning	Legislative Affairs budget increase	\$100,000.00	
	Total	\$7,376,932.00	

Recommended Appropriation of Available Fund Balance

DEPT	REQUEST	COST	CIP
Parks and Rec/Community Services	Sports Park Field Lighting and Field Expansion (Turf)	\$4,000,000	Yes
Community Development/Planning	Downtown Revitalization/Grace Bldg/Real Estate Acquisition	\$5,000,000	Yes
Public Works	Public Works Corporate Yard	\$1,000,000	Yes
Public Works	Mid Year Street Enhancement Program 2022 (Pavement mg	\$1,000,000	Yes
Public Works	6th Street Medians	\$2,000,000	Yes
Community Development/Planning	Zoning code update and citywide design guidelines	\$350,000	Yes
City Clerk	Plans Retention (document scanning)	\$50,000	
Public Works	City-wide Traffic Analysis	\$250,000	Yes
Public Works	City-wide Monument Program (streets and parks)	\$2,000,000	Yes
Public Works	2nd Street Construction increase	\$500,000	Yes
Public Works	Pennsylvania Grade Separation	\$1,000,000	Yes
Public Works	Downtown Street Light Replacement	\$1,000,000	Yes
	Total	\$18,150,000	

Recommended Appropriation of Alternative Funding Sources

DEPT	REQUEST	COST	CIP
Public Works	Pennsylvania Avenue/Ramp Additions (Penn Interchange)	\$2,800,000	Yes
Public Works	Pennsylvania Widening	\$1,200,000	Yes
Parks and Rec/Community Services	Shadow Creek Park Playground Rehab - 100% matching gra	\$250,000	Yes
Parks and Rec/Community Services	Master Park Plan - Citywide	\$250,000	Yes
	Total	\$4,500,000	

Some of the identified items within the recommendations are identified capital improvements that need to be included within the Capital Improvement Plan and have been identified in the tables above.

Fiscal Impact:

The recommended appropriations will program \$7,376,932 of expenditures from the current General Fund budget balancing current FY budgeted revenues to equal current FY expenditures. It will also decrease the General Fund unassigned fund balance by \$18,150,000. It will increase the current FY Wastewater Fund revenue and expense budget by \$157,335 for the payoff of the vector truck. The recommended alternative funding recommendations will decrease the Road and Bridge Development Impact Fee fund balance by \$4,000,000 and decrease the Community Facility District Fund balance by \$500,000.

Recommended Action:

Conduct a Public Hearing, and

Waive the full reading and adopt by title only, “A Resolution of the City Council of the City of Beaumont Amending the Five-Year Capital Improvement Plan for Fiscal Years 2022/2023-2027.” and

Approve the FY2022-2023 budget amendments provided within Attachment C

Attachments:

- A. Resolution
- B. FY2022/2023-2027 Capital Improvement Plan
- C. Schedule of FY2022-2023 Budget Amendments