



Legislation Details (With Text)

File #:	22-408	Version:	1	Name:	Staff Report for Resolution Amending 2022-23 budget
Type:	Staff Report	Status:	Filed	In control:	City Council
On agenda:	6/21/2022	Final action:	6/21/2022	Enactment #:	2022-108
Enactment date:					
Title:	Adopt a Resolution Approving Proposed Adjustments to the 2021-2022 and 2022-2023 General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds Budget				
Sponsors:	Susan Hsieh Finance Director				
Indexes:					
Code sections:					
Attachments:	1. Att A - Budget Resolution 2022-23, 2. Att B - Proposed Budget Adjustments, 3. Att C - Revenue and Expenditure Appropriations FY 2021-22, 4. Att D - Revenue and Expenditure Appropriations FY 2022-23, 5. Att E - Summary of Staffing Changes, 6. Presentation Fiscal Year 2021-23 Mid-Cycle Budget Review Final				

Date	Ver.	Action By	Action	Result
6/21/2022	1	City Council	Approved	Pass

Adopt a Resolution Approving Proposed Adjustments to the 2021-2022 and 2022-2023 General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds Budget

SUMMARY AND RECOMMENDATIONS

Staff recommends the City Council adopt a resolution approving an amended 2021-2022 and 2022-2023 City Budget including adjusted revenue and expenditure appropriations.

BACKGROUND

The City Council approved the biennial 2021-2022 and 2022-2023 General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds budgets on June 28, 2021. The approved biennial budget is the City's plan for resource allocations that guides and insures implementation of City Council policies and priorities. The budget implements the City Council's vision and direction for the broad range of services meeting the needs of the community.

The City Manager's Budget Message in June 2021 predicted a positive future for the City. The past 12-months' revenue/expenditure experience affirms the confidence for exiting the pandemic-period in a positive place.

"With the rollout of vaccines and the stimulus funds provided by the Federal government, we hope life will begin to return to normal. Fortunately, the economic outlook for San Leandro is expected to be positive in the upcoming biennial period.

The budget for 2021-22 and 2022-23 envisions both the community and the City organization moving steadily out of the COVID-19 environment. The proposed budget projects a stable revenue platform and describes a work program and expenditure plan supporting continued delivery of all regular City

programs, services, and planned projects for the community. The budget also proposes enhancing services in key program areas related to human services, police oversight, economic development, resiliency, and capital projects.”

The City is fortunate to have strong growth in sales tax revenue during the pandemic, following a decline in fiscal year 2019-2020. The increase in sales tax has provided funding to support needed services and programs. Additional resources also make available funding for other community priority projects. Sales tax is the City’s top revenue source, and it is susceptible to economic cycles. Staff will continue to monitor the revenues closely to evaluate the impact from inflation, supply chain shortages, consumer confidence, and other key market conditions.

While revenue growth is expected to be steady in the short term, staff is mindful of the City’s obligations related to unfunded pension and retiree healthcare liabilities, deferred maintenance and facility and equipment replacement costs. The amounts below represent estimates for the City’s key obligations.

- \$204,000,000 in Net Pension Liability
- \$2,800,000 in Net Retiree Healthcare Liability
- \$200,000,000 for Road Pavement
- \$14,000,000 for Citywide Median Rehabilitation
- \$2,000,000 for Tree Replacement
- \$25,000,000 for Fire Station Renovation
- \$3,500,000 for Facility Maintenance
- \$9,000,000 for Park Maintenance
- \$13,000,000 for Traffic Equipment Replacement

The City Council has taken steps to fund the City’s unfunded pension and other post-employment benefits (OPEB) liabilities, including the establishment of trust accounts and additional contributions to CalPERS. The adoption of the Prioritizing Unfunded Liability Liquidation Plan (PULL) in 2015 put the City in a great position in terms of building assets. The City Council Finance Committee directed staff to develop an OPEB funding policy to fully fund the liability in roughly 12 years. A draft OPEB policy is planned for Committee review in September 2022. The Finance Committee also requested a pension study and planned for a policy discussion in the Fall of 2022. The goal is to fully fund the City’s obligations over time.

In terms of capital related projects, the City Council continues to direct available resources to fund the various programs. The City also pursues grant opportunities on an ongoing basis. The 2022-2023 General Fund budget reflects significant one-time investments to the streets and roads program. Funding for a building condition assessment is authorized and expected to take place in 2022-2023. Staff is in the process of developing a comprehensive Capital Improvement Plan to address the City’s overall funding needs. Funding strategies will be formulated for short- and long-term needs and will be presented to the Council and the community for consideration.

DISCUSSION

The General Fund finances the operations of the City having no special or dedicated revenue sources and pays for basic municipal services. All General Fund 2022-2023 Adjusted Budget expenditures total \$150,694,000 as shown in Attachment 1. Adjusted Budget estimated revenues in the amount of \$133,527,000 finance the anticipated expenditures. The 2022-2023 General Fund

budget includes one-time expenditures, and reserves will be used to fund these projects. The 2021-2022 Adjusted Budget includes critical supplemental City Council-approved appropriations. These significant on-going adjustments impact 2022-2023 and are included in both the 2022-2023 Amended Budget and the proposed 2022-2023 Adjusted Budget.

- SLMO MOU-\$332,000
- Reorganization Plan-\$2,281,000
- SLCEA MOU-\$1,061,000

The 2021-2022 General Fund budget proposes adjustments including an increase in revenue appropriations and decreases in expenditure appropriations. Adjusted Budget revenues are increased by \$1,700,000 with higher projected Sales Tax revenues. Adjusted Budget expenditure appropriations are lowered reflecting 2021-2022 disencumbered Purchase Orders (with appropriations transferred to 2022-2023) and planned 2022-2023 re-appropriation of expenditure budget line items initially approved in 2021-2022. These purchase orders are for goods and services not to be completed until after June 30, 2022 total \$734,900. An adjustment of an additional \$4,462,000 reflects expenditure appropriations transfer from 2021-2022 to 2022-2023. Attachment 2 summarizes the proposed appropriation adjustments for 2021-2022.

All General Fund 2022-2023 Adjusted Budget expenditures total \$150,694,000. Staff recommends adjusting expenditures in 2022-2023 by \$10,949,000, including \$2,500,000 in new Transfers. The 2022-2023 General Fund budget reflects one-time investments to advance community priorities and projects such as streets and roads program. The adjusted 2022-2023 General Fund revenue/expenditure gap amounts to \$17,167,000-requiring the offsetting use of available General Fund reserves.

A detailed review of 2022-2023 revenue and expenditure appropriation adjustments are presented below.

General Fund

General Fund Revenues

The 2022-2023 Adjusted Budget appropriates total revenues of \$133,527,000, an increase of \$6,188,000. The General Fund tax revenue increases relate to expanded economic activity including Sales Tax and Transaction & Use Taxes, Utility User Taxes, and Other Taxes. Adjustments additionally are proposed for Charges for Services and Interest & Property Income. Please refer to Attachment 1-Table 1 for the details of the adjusted budget revenue increase in 2022-2023.

- Sales/Transaction and Use Tax (2022-2023 Adjusted Budget \$55,995,000, adjusted by \$4,669,000, 9% increase above Amended Budget of \$51,326,000).

The City experienced lower sales tax revenues in 2019-2020 at the beginning months of the COVID-19 pandemic. Diverging from ongoing negative impacts in other cities, San Leandro's rebound, and growth occurred more quickly, businesses delaying payments caught-up more quickly, and several categories (New and Used Light Vehicles, Taxes on Fuel, and Construction) realized extraordinary growth. Recent data shows an increase in revenue from General Retail, especially related to department stores as the economy recovers from the pandemic. Sales and Transaction and Use taxes combined are the City's largest revenue

source, with further growth increasing from 40% of total General Fund revenues to 42%.

(Note-2021-2022 Adjusted Budget \$52,927,000, adjusted by \$1,700,000, 3% increase above Amended Budget of \$51,227,000).

- **Utility Users Tax** (2022-2023 Adjusted Budget \$11,537,000, adjusted by \$770,000, 7% increase above Amended Budget of \$10,767,000)

Adjusted Budget revenue increase in 2022-2023 is related to higher revenue from gas and electric services as projected by the City's consultant Avenu, including nearly \$237,000 from legal action forcing PG&E to correctly account for greenhouse gas credits.

- **Other Tax** (2022-2023 Adjusted Budget \$1,516,000, adjusted by \$400,000, 36% increase above Amended Budget of \$1,116,000)

Cannabis Add-On Tax revenue projected at \$1,000,000, exceeding the amended budget for payments from licensed dispensaries.

- **Charges for Services** (2022-2023 Adjusted Budget \$2,590,000, adjusted by \$425,000, 20% increase above Amended Budget of \$2,165,000)

Adjusted Budget revenue increase in 2022-2023 related to higher revenues from Community Development planning services and Recreation programs.

- **Interest & Property Income** (2022-2023 Adjusted Budget \$2,564,000, decreased by \$75,000, 3% decrease below Amended Budget of \$2,639,000)-Adjusted Budget revenue reduces based on projected reduction in rental income from Marina Community Center.

All other taxes and revenue receipts are projected to align with the amended budget.

General Fund Expenditures

The 2022-2023 Adjusted Budget appropriates total expenditures of \$150,694,000, an increase of \$10,949,000 above the Amended Budget. Adjusted Budget expenditure appropriations increase in 2022-2023 based on departmental requests for changes in service levels, increases in internal allocations to the City's Internal Service Funds, appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023, and the 2022-2023 re-appropriation of expenditure budget line items approved in 2021-2022. Appropriating department 2021-2022 Purchase Orders re-encumbered in 2022-2023 in the General Fund amounts to \$734,900.

- **General Administration** (2022-2023 Adjusted Budget \$7,686,000, adjusted by \$450,000 above Amended Budget of \$7,236,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to redesigning and reconfiguring City-wide office space (\$100,000), communication services enhancements in City Manager's Office (\$100,000), executive recruitment services (\$25,000), continuing City Hall security services (\$70,000), appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$127,600), and increasing internal allocation to Building Services and IT Internal

Service Funds (\$27,300).

- **Finance** (2022-2023 Adjusted Budget \$4,666,000, adjusted by \$160,000 above Amended Budget of \$4,506,000)

Adjusted Budget expenditure appropriation increases in 2022-2023 relate to appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$11,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$24,200), and re-appropriating expenditure budget for Fee Study from 2021-2022 (\$125,000). The amendment also includes upgrading a Finance Supervisor position to a Financial Services Manager position. There is no net cost impact to this change due to projected savings from underfilling the Assistant Finance Director position. The upgrade will put the City in a better position recruiting in a tight labor market and provide a more effective structure to build a modern finance operation.

- **Police** (2022-2023 Adjusted Budget \$45,633,000, adjusted by \$546,000 above Amended Budget of \$45,087,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to increasing internal allocation to Building Services and IT Internal Service Funds (\$398,700) and appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$147,100). The budget also proposes to add five Police Service Technician II positions to better serve the community - this is a pilot program. The Police Department has been understaffed due to vacant positions. The new positions will help to bridge the service gap. There is no cost impact to the additions due to expected savings from unfilled police Officer positions.

- **Fire** (2022-2023 Adjusted Budget \$27,682,000, adjusted by \$690,000 above Amended Budget of \$26,992,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to the fire service contract with Alameda County Fire Department as updated in May 2022. The adjustment is mainly due to increase in labor costs.

- **Recreation & Human Services** (2022-2023 Adjusted Budget \$9,046,000, adjusted by \$954,000 above Amended Budget of \$8,092,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to increasing internal allocation to Building Services and IT Internal Service Funds (\$72,100), adding a Part-Time Specialist I position (\$12,300), appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$150,000), and re-appropriating expenditure budget for Navigation Center and Recreation Park Assessment (\$720,000).

- **Engineering & Transportation** (2022-2023 Adjusted Budget \$4,941,000, adjusted by \$104,000 increase above Amended Budget of \$4,836,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to retaining traffic consultants (\$60,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$29,500), and appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$15,000).

- **Library** (2022-2023 Adjusted Budget \$7,622,000, adjusted by \$718,000 increase above Amended Budget of \$6,904,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to adding a Librarian position and converting two Library Assistant positions from part-time to full-time (\$318,000), retaining strategic planning consultant (\$150,000), retaining designer/architect for study room/recording studio project (\$56,000), increasing facility utility costs (\$23,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$128,400), and re-appropriating expenditure budget for Friends of the Library (\$42,800).

- **Public Works** (2022-2023 Adjusted Budget \$8,349,000, adjusted by \$526,000 above Amended Budget of \$7,823,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to increasing median and landscape irrigation costs (\$15,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$124,300), appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$20,900), and re-appropriating expenditure budget for Building Assessment and Storm Water inspection (\$365,800).

- **Community Development** (2022-2023 Adjusted Budget \$8,331,000, adjusted by \$437,000 increase above Amended Budget of \$7,894,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to adding a Project Specialist II position and retaining plan check services (\$333,300), adding vehicle for Code Enforcement Officer (\$29,900), eliminating a Senior Engineer position (-\$222,000), adding a Housing Manager position (\$142,540), adding vehicle for Chief Building Official (\$26,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$41,700), and appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$227,100). The budget also proposes to convert a temporary Associate Planner position to a permanent position. There is no net cost impact since the position is already included in the 2022-2023 budget. The Housing Manager position is not expected to be filled immediately, and the position is budgeted for eight months.

- **Non-Departmental** (2022-2023 Adjusted Budget \$3,858,000, adjusted by \$3,864,000 above Amended Budget of -\$6,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to increase internal allocation to Building Services and IT Internal Service Funds (\$4,500), appropriate 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$36,200), and re-appropriate expenditure budget for CalPERS/Pension Trust (\$3,608,500), 150th Celebration (\$170,000) and Arts Commission (\$42,000). The stock market has been volatile, and it is more prudent to invest the pension funds in 2022-2023 to preserve capital.

- **Transfers** (2022-2023 Adjusted Budget \$16,240,000, adjusted by \$2,500,000 above Amended Budget of \$13,740,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to transfers from the

General Fund to the Parking Fund (\$100,000), the Capital Project Fund for the Mulford Library grant match (\$2,000,000) and to the Information Technology Fund (\$400,000).

The City Council initially adopted the 2021-2022 and 2022-2023 expenditure appropriations based on the best projections available in the Spring of 2021. Since that time, conditions have changed, and an amendment is required to the previously approved General Fund expenditure levels. These revisions are necessary to maintain current operations and enhance service levels in some areas.

Maintaining current operations and service levels in 2022-2023 also requires adjustments to revenue appropriations and expenditure appropriations in Enterprise & Internal Service Funds and Special Revenue Funds. The only Special Revenue Funds requiring adjustments are the Parking Fund, Measure BB Funds, Asset Seizure Fund, Heron Bay Maintenance Fund, Measure B Funds, Community Development Block Grants Fund and the Capital Improvement Fund.

Enterprise & Internal Service Funds

Adjusted Budget expenditure appropriation increase in 2022-2023 based on departmental requests for changes in service levels, increases in internal allocations to the City's Internal Service Funds, appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023, and the 2022-2023 re-appropriation of expenditure budget line items approved in 2021-2022.

- **Water Pollution Control Plant, expenditure** (2022-2023 Adjusted Budget \$16,524,000, adjusted by \$593,000 above Amended Budget of \$15,931,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to disinfectant supply cost (\$155,000), replacing Water Pollution Control Plant's roof (\$237,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$24,100), and appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$177,100).

- **Environmental Services, expenditure** (2022-2023 Adjusted Budget \$941,000, adjusted by \$26,000 above Amended Budget of \$915,000). The increase is related to internal allocation and program expenses.
- **Shoreline Enterprise, expenditure** (2022-2023 Adjusted Budget \$7,191,000, adjusted by \$1,170,000 above Amended Budget of \$6,021,000)
Adjusted Budget expenditure appropriation increase in 2022-2023 related to Golf Course operations and repair costs (\$649,700), removing abandoned vessels (\$61,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$7,900), and re-appropriating expenditure budget for Golf Course repairs (\$451,500).
- **Facilities Maintenance, revenue** (2022-2023 Adjusted Budget \$4,194,000, adjusted by \$283,000 above Amended Budget of \$3,911,000). The increase reflects contributions from the General Fund and other funds for internal services.
- **Facilities Maintenance, expenditure** (2022-2023 Adjusted Budget \$4,405,000, adjusted by \$300,000 above Amended Budget of \$4,105,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to building

maintenance services (\$283,000), increasing internal allocation to Building Services and IT Internal Service Funds (\$5,700), and appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$11,300).

- **Information Technology, revenue** (2022-2023 Adjusted Budget \$6,865,000, adjusted by \$1,064,000 above Amended Budget of \$5,802,000). The increase reflects contributions from the General Fund and other funds for internal services, consulting services, and server purchases.
- **Information Technology, expenditure** (2022-2023 Adjusted Budget \$8,007,000, adjusted by \$1,938,000 above Amended Budget of \$6,069,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to telephone and computer services (\$663,800), increasing costs in services and servers' replacement (\$400,000), increasing internal allocation to Building Services (\$5,400), and appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$868,600).

- **Insurance Services, expenditure** (2022-2023 Adjusted Budget \$7,474,000, adjusted by \$1,578,000 above Amended Budget of \$5,895,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to Workers' Compensation insurance (\$450,000) and Liability insurance (\$1,128,300). The adjustment reflects projected increases in premiums and claim expenses.

- **Equipment Maintenance, expenditure** (2022-2023 Adjusted Budget \$3,269,000, adjusted by \$734,000 above Amended Budget of \$2,536,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to vehicle purchases and replacements (\$193,400), increasing internal allocation to Building Services and IT Internal Service Funds (\$6,400), and appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$533,700).

Special Revenue Funds

- **Parking Fund, revenue** (2022-2023 Adjusted Budget \$1,156,000, adjusted by \$570,000 above Amended Budget of \$586,000). General Fund subsidy to offset lost revenue impacted by the pandemic.
- **Parking Fund, expenditure** (2022-2023 Adjusted Budget \$1,237,000, adjusted by \$550,000 above Amended Budget of \$687,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to parking administration program (\$402,800), increasing internal allocation to Building Services and IT Internal Service Funds (\$6,900), appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$107,200), and re-appropriating expenditure budget for credit card enabled meters (\$35,500).

- **Measure BB (Fund 141), revenue** (2022-2023 Adjusted Budget \$9,401,000, adjusted by

\$2,267,000, above Amended Budget of \$7,134,000). Additional funding from Measure BB is expected due to the discontinuation of Measure B funding. Measure BB is an extension and augmentation of Measure B.

- **Measure BB (Fund 141), expenditure** (2022-2023 Adjusted Budget \$2,821,000, adjusted by \$1,311,000, above Amended Budget of \$1,510,000). Due to discontinuation of funding from Measure B, existing projects that were previously supported by Measure B will now be supported by funding from Measure BB.
- **Measure B (Fund 144), revenue** (2022-2023 Adjusted Budget \$0, adjusted by -\$2,065,000 below Amended Budget of \$2,065,000). Budget is adjusted to reflect sunset of Measure B in March 2022 and the Measure BB replacement fund as noted above.
- **Measure B (Fund 144), expenditure** (2022-2023 Adjusted Budget \$0, adjusted by -\$1,791,000 below Amended Budget of \$1,791,000). Budget is adjusted to reflect sunset of Measure B in March 2022 and the existing projects will now be supported by Measure BB replacement fund as noted above.
- **Asset Seizure, expenditure** (2022-2023 Adjusted Budget \$824,000, adjusted by \$330,000 above Amended Budget of \$494,000)

Adjusted Budget expenditure appropriation increase in 2022-2023 related to appropriating 2021-2022 Purchase Orders re-encumbered in 2022-2023 (\$329,800).

- **Heron Bay Maintenance Fund, expenditure** (2022-2023 Adjusted Budget \$436,000, adjusted by \$14,000 above Amended Budget of \$422,000). Costs for ongoing trails and paths improvements.
- **Special Grant Funds (Fund 150), revenue** (2022-2023 Adjusted Budget \$1,313,000, adjusted by -\$595,000 below Amended Budget of \$1,908,000). Budget is adjusted to reflect sunset of Measure B paratransit funds in March 2022 and the Measure BB replacement fund as noted above.
- **Special Grant Funds (Fund 150), expenditure** (2022-2023 Adjusted Budget \$521,000, adjusted by -\$521,000 below Amended Budget of \$1,042,000). Budget is adjusted to reflect sunset of Measure B paratransit funds in March 2022 and reclassification of the existing project appropriations to the Measure BB Fund.
- **Measure BB (Fund 153), revenue** (2022-2023 Adjusted Budget \$549,000, adjusted by \$549,000 above Amended Budget of \$0). Budget is adjusted to reflect the Measure BB replacement fund as noted above.
- **Measure BB (Fund 153), expenditure** (2022-2023 Adjusted Budget \$480,000, adjusted by \$480,000 above Amended Budget of \$0). Budget is adjusted to reflect the Measure BB replacement fund for existing projects as noted above.
- **Measure BB (Fund 154), revenue** (2022-2023 Adjusted Budget \$614,000, adjusted by \$614,000 above Amended Budget of \$0). Budget is adjusted to reflect the Measure BB

replacement fund as noted above.

- **Measure BB (Fund 154), expenditure** (2022-2023 Adjusted Budget \$521,000, adjusted by \$521,000 above Amended Budget of \$0). Budget is adjusted to reflect the Measure BB replacement funding for existing projects as noted above.
- **Community Development Block Grant Fund (Fund 165), expenditure** (2022-2023 Adjusted Budget \$711,000, adjusted by \$82,000 above Amended Budget of \$711,000). Budget is adjusted to reflect the addition of the Housing Manager position.
- **Capital Improvement, revenue** (2022-2023 Adjusted Budget \$13,654,000, adjusted by \$2,000,000 above Amended Budget of \$11,654,000). Contribution from the General Fund intended for Mulford-Marina Branch Library grant match.

Performance Measures

Staff is in the process of developing performance measures, and the measures will be included in the upcoming 2023-2025 biennial budget.

FISCAL IMPACT

Proposed adjustments to both the 2021-2022 and 2022-2023 General Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds budget are incorporated in the staff report. The 2022-2023 Adjusted Budget appropriates total revenues of \$133,527,000, an increase of \$6,188,000. All General Fund 2022-2023 Adjusted Budget expenditures total \$150,694,000. Staff recommends adjusting expenditures in 2022-2023 by \$10,949,000, including \$2,500,000 in new Transfers. The adjusted 2022-2023 General Fund revenue/expenditure gap amounts to \$17,167,000-requiring the offsetting use of available General Fund reserves to support community priority projects.

Maintaining current operations and service levels in 2022-2023 also requires adjustments to revenue appropriations and expenditure appropriations in Enterprise & Internal Service Funds and Special Revenue Funds as described in the staff report.

The full list of added and deleted positions is attached to the staff report for Council consideration.

Committee Action

The City Council Finance Committee reviewed the proposed amended 2022-2023 City Budget including adjusted revenue and expenditure appropriations on June 7, 2022 and recommends City Council approval. The Finance Committee made the following recommendations/comments:

- Consider giving funds back to the Americans with Disabilities Act (ADA) Projects and Façade Improvement Program as funds were taken away for COVID-19 response.
- Continue to provide grant funds to support small businesses.
- Provide additional resources to support economic development and attract businesses to relocate to San Leandro.

Investments to economic development will be beneficial to the City in driving economic growth and enhancing the quality of life for all residents. Staff recommends allocating \$100,000 to assist the Community Development Department's Economic Development Division with staff support and/or

consulting assistance, which may include implementation of ARPA-funded programs, including small business technical assistance and improved marketing; evaluating ways to improve or streamline recruitment and retention of businesses including assessing City permitting procedures in Building, Engineering/Transportation, and Planning/Zoning; and real estate research/analysis, reviewing existing contracts or leases with the City to clarify roles/responsibilities, etc.

This recommended appropriation will be presented to the City Council for consideration on June 21, 2022. If approved by the Council, this \$100,000 allocation will be included in the 2022-2023 General Fund Adjusted Budget.

ATTACHMENT

- Attachment A: Resolution, Approving Proposed Budget Adjustments
- Attachment B: Proposed Budget Adjustments
- Attachment C: Revenue and Expenditure Appropriations FY 2021-2022 (Table 1, Table 2, and Table 3)
- Attachment D: Revenue and Expenditure Appropriations FY 2022-2023 (Table 4, Table 5, and Table 6)
- Attachment E: Summary of Staffing Changes
- Attachment F: Presentation

PREPARED BY

Susan Hsieh, Finance Director