



## FINANCE AND AUDIT COMMITTEE MEETING

550 E. Sixth Street, Beaumont, CA

Monday, May 09, 2022 - 6:00 PM

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Materials related to an item on this agenda submitted to the Finance and Audit Committee after distribution of the agenda packets are available for public inspection in the City Clerk's office at 550 E. 6th Street during normal business hours.

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### AGENDA

#### MEETING PARTICIPATION NOTICE

This meeting will be conducted utilizing teleconference communications and will be recorded for live streaming as well as open to public attendance subject to social distancing and applicable health orders. All City of Beaumont public meetings will be available via live streaming and made available on the City's official YouTube webpage. Please use the following link during the meeting for live stream access.

[beaumontca.gov/livestream](https://beaumontca.gov/livestream)

Public comments will be accepted using the following options.

1. Written comments will be accepted via email and will be read aloud during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Comments can be submitted anytime prior to the meeting as well as during the meeting up until the end of the corresponding item. Please submit your comments to: [nicolew@beaumontca.gov](mailto:nicolew@beaumontca.gov)
2. Phone-in comments will be accepted by joining a conference line prior to the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Please use the following phone number to join the call **(951) 922 - 4845**.
3. In person comments subject to the adherence of the applicable health orders and social distancing requirements.

In compliance with the American Disabilities Act, if you require special assistance to participate in this meeting, please contact the City Clerk's office using the above email or call **(951) 572 - 3196**. Notification 48 hours prior to a meeting will ensure the best reasonable accommodation arrangements.

## **REGULAR SESSION**

6:00 PM

### **CALL TO ORDER**

Committee Members: Council Member Rey Santos, Council Member David Fenn, Treasurer Baron Ginnetti, Chair Steve Cooley, Vice Chair David Vanderpool, Member Thomas LeMasters, Member Dennis Garcia, Member Christina Nuno, Alternate Member Dameon Butler, and Alternate Member - vacant

Action of any Requests for Excused Absence

Pledge of Allegiance

Adjustments to Agenda

Conflict of Interest Disclosure

### **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):**

*Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or Secretary. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.*

### **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

#### **1. Approval of Minutes**

##### **Recommended Action:**

Approve Minutes dated April 11, 2022.

#### **2. FY2022 General Fund and Wastewater Budget to Actual through April 2022**

##### **Recommended Action:**

Receive and file report.

#### **3. FY2023 Budget Update**

##### **Recommended Action:**

Receive and file FY2023 Budget update.

### **SUB-COMMITTEE UPDATES**

Internal Control Committee

Financial Training Committee

CFD Training and FAQ Committee

Reserve Policy Committee

CalPERS Liability Committee

Long-Term Financial Sustainability

Bond Accountability

RFP Sub-Committee

## **FUTURE AGENDA ITEMS**

### **MEETING REVIEW - TREASURER**

### **FINANCE DIRECTOR'S COMMENTS**

### **ADJOURNMENT**

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, June 6, 2022, at 6:00 p.m.

Beaumont City Hall – Online [www.BeaumontCa.gov](http://www.BeaumontCa.gov)

# FINANCE AND AUDIT COMMITTEE MEETING

550 E. Sixth Street, Beaumont, CA

Monday, April 11, 2022 - 6:00 PM

## MINUTES

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### REGULAR SESSION

6:00 PM

#### **CALL TO ORDER at 6:01 p.m.**

**Present:** Committee Members: Council Member Rey Santos, Council Member David Fenn, Treasurer Baron Ginnetti, Chair Steve Cooley, Vice Chair David Vanderpool, Member Christina Nuno, Alternate Member Dameon Butler, and Alternate Member - vacant

Action of any Requests for Excused Absence: Member **Thomas LeMasters and Member Dennis Garcia**

Pledge of Allegiance

Adjustments to Agenda: **None**

Conflict of Interest Disclosure: **None**

#### **PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA):**

*Any one person may address the Committee on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the Committee Chair or Secretary. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Committee from discussing or taking actions brought up by your comments.*

**Elizabeth Gibbs introduced herself as the newly appointed Interim City Manager.**

#### **ACTION ITEMS / PUBLIC HEARINGS / REQUESTS**

1. Approval of Minutes

**Motion by Vice Chair Vanderpool**

**Second by Treasurer Ginnetti**

**To approve Minutes dated March 14, 2022.**

**Approved by a 5-0 vote**

**Abstain: Santos**

2. FY2022 General Fund and Wastewater Budget to Actual through March 2022, and Third Quarter Investment Report and Certification

**Motion by Treasurer Ginnetti**

**Second by Member Nuno**

**To receive and file presented reports.**

**Approved by a unanimous vote.**

3. FY2021 Single Audit Report

**Motion by Council Member Santos**

**Second by Council Member Fenn**

**To receive and file the Single Audit Report for FY2021.**

**Approved by a unanimous vote.**

4. Financial Training Subcommittee Presentation

**Motion by Council Member Fenn**

**Second by Treasurer Ginnetti**

**To present to City Council for their comments and approval.**

**Approved by a unanimous vote.**

#### **SUB-COMMITTEE UPDATES**

- Internal Control Committee - **No report.**
- Financial Training Committee - **Report given on Item 4.**
- CFD Training and FAQ Committee - **Update of current search for a GIS consultant. Project on hold until further direction.**
- Reserve Policy Committee - **No report.**
- CalPERS Liability Committee - **No report.**
- Long-Term Financial Sustainability - **No report.**
- Bond Accountability - **No report.**

#### **FUTURE AGENDA ITEMS**

*Add "RFP Sub-Committee" to the Sub-Committee Update section.*

#### **MEETING REVIEW - TREASURER**

**FINANCE DIRECTOR'S COMMENTS**

*Shared that the Finance Department is fully staffed. Announced an upcoming Budget Meeting on April 27.*

**ADJOURNMENT at 6:55 p.m.**

The next regular meeting of the Finance and Audit Committee Meeting is scheduled for Monday, May 9, 2022, at 6:00 p.m.



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** May 9, 2022  
**SUBJECT:** **FY2022 General Fund and Wastewater Budget to Actual through April 2022**

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### Background and Analysis:

City staff has updated the analysis of the General Fund and Wastewater Fund for FY2022 with results through April 2022.

#### General Fund Analysis:

- Eight months of sales tax has been received and has surpassed the budget, City staff is working with HDL and determined that a corporate restructure in the business industry sector has significantly increased this revenue;
- Increased building permit activity has surpassed budget;
- Investment earnings are trending below budget;
- 21 of 26 pay periods have been reported and costs are trending lower than budget;
- Utility costs are trending high;
- Fleet costs are trending high; and
- Contractual services are trending lower than budget. The two quarters of the fire service invoices have been paid and total \$1,977,775.07.

The attached report (Attachment A) provides preliminary estimates reflecting the initial ten months of FY2022. Estimates will be reviewed and revised as actual fiscal activity is recorded. Property tax is received in January and May of each year. Eight months of sales tax has been received and has outperformed forecasts. Building permit activity has surpassed the budget. Investment income is estimated to come in below budget. Personnel costs are trending to have a savings; however, recruitment is trending high. On August 3, 2021, City Council approved a budget amendment for unspent prior year appropriations and reappropriated \$214,799 for FY2022. This allows for \$741,845 of available funds for City Council to appropriate throughout the year.

Wastewater Fund Analysis:

- Four of six utility billings recorded and trending lower than budget;
- 21 of 26 pay periods recorded and costs are trending lower than budget;
- Utilities are trending higher than budget;
- Fleet costs have exceeded budget; and
- One of two debt service payments have been recorded.

**Recommended Action:**

Receive and file report.

**Attachments:**

- A. General Fund Budget to Actual through April 2022
- B. Wastewater Fund Budget to Actual through April 2022
- C. HDL Companies Sales Tax Info Sheet 2021 4<sup>th</sup> Quarter



**Budget Comparison Report  
City of Beaumont, CA  
General Fund Budget to Actual through April 2022**

**Beginning Fund Balance**

**17.5M**

	2019-2020 YTD Activity Through Per	2020-2021 YTD Activity Through Per	2021-2022 YTD Activity Through Per	Parent Budget 2021-2022 V3	Estimate	Notes
<b>Category: 40 - TAXES</b>						
400 - Real Property Taxes	3,795,416.69	4,316,193.15	4,595,265.19	6,516,588.00	6,799,783.00	
403 - Personal Property Taxes	254,416.12	210,630.22	238,447.81	277,822.00	221,115.00	
409 - Sales Taxes	3,871,886.43	4,991,229.73	12,203,002.33	7,402,550.00	22,611,272.00	8 months received
420 - Other Taxes	3,953,792.64	4,581,970.09	5,047,296.99	8,462,873.00	8,696,186.00	
<b>Total Category: 40 - TAXES:</b>	<b>11,875,511.88</b>	<b>14,100,023.19</b>	<b>22,084,012.32</b>	<b>22,659,833.00</b>	<b>38,328,356.00</b>	
<b>Category: 41 - LICENSES</b>						
430 - Business Licenses	153,388.06	223,686.46	177,385.93	405,000.00	426,658.00	
<b>Total Category: 41 - LICENSES:</b>	<b>153,388.06</b>	<b>223,686.46</b>	<b>177,385.93</b>	<b>405,000.00</b>	426,658.00	
<b>Category: 42 - PERMITS</b>						
450 - Building Permits	1,816,400.90	1,534,011.51	3,581,545.18	2,857,250.00	3,960,700.00	Building permit revenue has exceeded budget
453 - Inspections	171,895.33	200,320.70	31,375.00	376,200.00	45,636.00	
456 - Other Permits	448,560.77	420,161.83	607,948.82	746,575.00	770,827.00	
515 - Public Works	(75,974.50)	-	6,539.98	-	9,512.00	
<b>Total Category: 42 - PERMITS:</b>	<b>2,360,882.50</b>	<b>2,154,494.04</b>	<b>4,227,408.98</b>	<b>3,980,025.00</b>	<b>4,786,675.00</b>	
<b>Category: 43 - FRANCHISE FEES</b>						
406 - Franchise Fees	7,829,679.25	2,983,404.00	2,778,613.78	3,111,474.00	3,197,451.00	
<b>Total Category: 43 - FRANCHISE FEES:</b>	<b>7,829,679.25</b>	<b>2,983,404.00</b>	<b>2,778,613.78</b>	<b>3,111,474.00</b>	3,197,451.00	
<b>Category: 45 - INTERGOVERNMENTAL</b>						
465 - State	-	-	-	-	-	
470 - Local	2,549.65	-	-	-	-	
<b>Total Category: 45 - INTERGOVERNMENTAL:</b>	<b>2,549.65</b>	-	-	-	-	
<b>Category: 47 - CHARGES FOR SERVICE</b>						
500 - Sanitation	131,257.25	122,138.50	(23,189.88)	-	-	
505 - Animal Control	79,109.93	94,073.84	90,324.61	111,564.00	114,485.00	
510 - Community Development	5,144.00	4,846.00	5,006.00	6,135.00	4,337.00	
515 - Public Works	9,712.00	49,237.06	63,913.44	15,500.00	98,965.00	
525 - Abatements	40,412.33	54,791.40	58,084.63	67,399.00	83,927.00	
530 - Public Safety	181,634.78	299,686.86	509,142.22	611,696.00	586,553.00	
535 - Facilities	97,763.18	74,964.53	146,819.47	131,020.00	196,597.00	
540 - Programs	77,882.00	2,139.00	17,399.00	18,750.00	16,489.00	
545 - Other	119,467.53	85,796.14	104,538.46	280,050.00	143,317.00	
<b>Total Category: 47 - CHARGES FOR SERVICE:</b>	<b>742,383.00</b>	<b>787,673.33</b>	<b>972,037.95</b>	<b>1,242,114.00</b>	<b>1,244,670.00</b>	
<b>Category: 50 - FINES AND FORFEITURES</b>						
555 - Vehicle	63,588.17	64,812.06	79,888.43	76,608.00	86,990.00	
557 - Other	33,020.14	9,429.97	34,445.05	52,195.00	40,777.00	
<b>Total Category: 50 - FINES AND FORFEITURES:</b>	<b>96,608.31</b>	<b>74,242.03</b>	<b>114,333.48</b>	<b>128,803.00</b>	<b>127,767.00</b>	
<b>Category: 53 - COST RECOVERY</b>						
465 - State	24,870.02	-	16,749.68	20,000.00	22,050.00	
565 - Other Income	533,368.05	145,197.45	420,413.01	432,500.00	558,705.00	

<b>Total Category: 53 - COST RECOVERY:</b>		<b>558,238.07</b>	<b>145,197.45</b>	<b>437,162.69</b>	<b>452,500.00</b>	<b>580,755.00</b>	
<b>Category: 54 - MISCELLANEOUS REVENUES</b>							
	560 - Investment Earnings	106,258.80	68,319.54	37,856.65	275,000.00	45,000.00	
	565 - Other Income	32,400.23	21,970.15	149,720.29	34,000.00	234,539.00	
<b>Total Category: 54 - MISCELLANEOUS REVENUES:</b>		<b>138,659.03</b>	<b>90,289.69</b>	<b>187,576.94</b>	<b>309,000.00</b>	<b>279,539.00</b>	
<b>Category: 58 - OTHER FINANCING SOURCES</b>							
	595 - Sale of Assets	27,430.98	-	2,471.18	-	2,472.00	
	599 - Other	(31.75)	(26.94)	73.29	-	73.00	
<b>Total Category: 58 - OTHER FINANCING SOURCES:</b>		<b>27,399.23</b>	<b>(26.94)</b>	<b>2,544.47</b>	<b>-</b>	<b>2,545.00</b>	
<b>Category: 90 - TRANSFERS</b>							
	900 - Transfers	1,954,181.50	6,982,755.25	4,014,755.15	7,859,575.00	7,859,575.00	All transfers expected to be ma
<b>Total Category: 90 - TRANSFERS:</b>		<b>1,954,181.50</b>	<b>6,982,755.25</b>	<b>4,014,755.15</b>	<b>7,859,575.00</b>	<b>7,859,575.00</b>	
<b>Total Revenue</b>		<b>25,739,480.48</b>	<b>27,541,738.50</b>	<b>34,995,831.69</b>	<b>40,148,324.00</b>	<b>56,833,991.00</b>	
<b>Category: 60 - PERSONNEL SERVICES</b>							
	600 - SALARIES AND WAGES	9,667,660.26	10,009,322.21	11,566,591.60	14,823,198.00	14,785,459.00	21 of 26 pay periods recorded
	610 - BENEFITS	5,543,687.78	4,652,659.60	4,097,798.79	6,577,935.00	6,482,476.00	
	615 - OTHER	210,608.79	219,385.40	253,458.92	304,570.00	329,496.00	
	699 - OTHER	24,212.93	23,885.97	26,940.95	95,850.00	95,850.00	
<b>Total Category: 60 - PERSONNEL SERVICES:</b>		<b>15,446,169.76</b>	<b>14,905,253.18</b>	<b>15,944,790.26</b>	<b>21,801,553.00</b>	<b>21,693,281.00</b>	
<b>Category: 65 - OPERATING COSTS</b>							
	615 - OTHER	31,821.06	44,321.40	49,257.95	35,000.00	59,109.00	
	650 - UTILITIES	1,092,462.81	1,289,709.58	1,330,174.02	1,624,392.00	1,859,036.01	Utilities estimated to exceed budget
	655 - ADMINISTRATIVE	327,383.72	339,405.49	434,078.02	642,892.00	598,909.00	
	660 - FLEET COSTS	348,773.66	333,685.86	408,113.12	415,389.00	571,358.00	Fleet costs estimated to exceed budget
	665 - PROGRAM COSTS	470,129.87	540,264.26	505,123.78	750,250.00	647,115.00	
	670 - REPAIRS AND MAINTENANCE	327,832.77	701,437.87	514,872.01	885,627.00	765,401.00	
	675 - SUPPLIES	265,944.91	195,638.78	446,962.65	998,261.00	816,848.00	
	680 - SPECIAL SERVICES	601,704.68	172,093.69	286,604.58	906,200.00	811,941.00	
	690 - CONTRACTUAL SERVICES	4,392,470.10	4,366,302.41	4,413,483.95	7,813,297.00	7,526,901.00	Contractual services estimated to be below budget
	697 - ADMIN OVERHEAD	(562,500.00)	-	3,498.49	-	-	
	699 - OTHER	1,176,100.45	1,574,389.00	1,885,930.17	1,955,874.00	1,955,874.00	
<b>Total Category: 65 - OPERATING COSTS:</b>		<b>8,472,124.03</b>	<b>9,557,248.34</b>	<b>10,278,098.74</b>	<b>16,027,182.00</b>	<b>15,612,492.00</b>	
<b>Category: 70 - CAPITAL IMPROVEMENTS</b>							
	700 - EQUIPMENT	43,868.55	210,962.35	273,708.24	344,751.00	344,751.00	
	703 - FURNITURE	7,935.95	-	-	-	-	
	705 - VEHICLE	247,863.82	405,047.27	462,684.42	848,626.00	848,626.00	
	710 - STRUCTURE	-	-	125,000.00	-	-	
<b>Total Category: 70 - CAPITAL IMPROVEMENTS:</b>		<b>299,668.32</b>	<b>616,009.62</b>	<b>861,392.66</b>	<b>1,193,377.00</b>	<b>1,193,377.00</b>	
<b>Category: 77 - CONTINGENCY</b>							
	770 - CONTINGENCY	-	-	41,748.55	150,000.00	150,000.00	
<b>Total Category: 77 - CONTINGENCY:</b>		<b>-</b>	<b>-</b>	<b>41,748.55</b>	<b>150,000.00</b>	<b>150,000.00</b>	
<b>Category: 90 - TRANSFERS</b>							
	900 - Transfers	45,194.35	380,454.99	111,272.31	449,166.00	449,166.00	
<b>Total Category: 90 - TRANSFERS:</b>		<b>45,194.35</b>	<b>380,454.99</b>	<b>111,272.31</b>	<b>449,166.00</b>	<b>449,166.00</b>	
<b>Total Expenses</b>		<b>24,263,156.46</b>	<b>25,458,966.13</b>	<b>27,237,302.52</b>	<b>39,621,278.00</b>	<b>39,098,316.00</b>	

<b>Total Fund - 100 General Fund</b>	<b>1,476,324.02</b>	<b>2,082,772.37</b>	<b>7,758,529.17</b>	<b>527,046.00</b>	<b>17,735,675.00</b>
				<u>214,799.00</u>	<u>214,799.00</u>
				741,845.00	17,950,474.00
					\$35.4m
*Used FY23 Proposed Revenues					\$15.18m
					\$20.22m



**Budget Comparison Report  
City of Beaumont, CA  
Budget to Actual through April 2022**

Item 2.

**Beginning Fund Balance**

				\$6.4m			
				Parent Budget			
				2021-2022	FY 2022 Estimate	Notes	
				V3			
				2019-2020	2020-2021	2021-2022	
				YTD Activity	YTD Activity	YTD Activity	
				Through Per	Through Per	Through Per	
<b>Category: 42 - PERMITS</b>							
	453 - Inspections			-	-	150.00	
<b>Total Category: 42 - PERMITS:</b>				<b>-</b>	<b>-</b>	<b>150.00</b>	
<b>Category: 50 - FINES AND FORFEITURES</b>							
	557 - Other			1,000.00	1,945.93	1,600.00	
<b>Total Category: 50 - FINES AND FORFEITURES:</b>				<b>1,000.00</b>	<b>1,945.93</b>	<b>1,600.00</b>	
<b>Category: 53 - COST RECOVERY</b>							
	565 - Other Income			6,236.10	2,823.00	283.28	
<b>Total Category: 53 - COST RECOVERY:</b>				<b>6,236.10</b>	<b>2,823.00</b>	<b>283.28</b>	
<b>Category: 54 - MISCELLANEOUS REVENUES</b>							
	560 - Investment Earnings			40,158.22	16,638.37	9,395.45	
<b>Total Category: 54 - MISCELLANEOUS REVENUES:</b>				<b>40,158.22</b>	<b>16,638.37</b>	<b>9,395.45</b>	
<b>Category: 56 - PROPRIETARY REVENUES</b>							
	570 - WasteWater			6,748,770.26	7,074,311.08	7,911,149.32	
<b>Total Category: 56 - PROPRIETARY REVENUES:</b>				<b>6,748,770.26</b>	<b>7,074,311.08</b>	<b>7,911,149.32</b>	4 of 6 billings
<b>Category: 58 - OTHER FINANCING SOURCES</b>							
	599 - Other			780.00	-	2,160.00	
<b>Total Category: 58 - OTHER FINANCING SOURCES:</b>				<b>780.00</b>	<b>-</b>	<b>2,160.00</b>	
<b>Total Revenue</b>				<b>6,796,944.58</b>	<b>7,095,718.38</b>	<b>7,924,738.05</b>	
<b>Category: 60 - PERSONNEL SERVICES</b>							
	600 - SALARIES AND WAGES			922,470.29	942,822.92	1,200,720.85	
	610 - BENEFITS			282,486.57	277,580.79	389,741.22	
	615 - OTHER			15,071.28	14,547.14	18,216.13	
	699 - OTHER			1,265.36	2,875.69	2,334.42	
<b>Total Category: 60 - PERSONNEL SERVICES:</b>				<b>1,221,293.50</b>	<b>1,237,826.54</b>	<b>1,611,012.62</b>	21 of 26 pay periods recorded
<b>Category: 65 - OPERATING COSTS</b>							
	615 - OTHER			-	-	-	

650 - UTILITIES	598,916.09	639,437.71	629,630.06	767,796.00	881,482.00	Util <span style="border: 1px solid black; padding: 2px;">Item 2.</span> trending to exceed budget
655 - ADMINISTRATIVE	102,223.23	201,486.92	129,820.66	187,475.00	172,183.00	
660 - FLEET COSTS	22,002.02	36,187.91	37,845.14	34,820.00	52,983.00	Fleet costs have exceeded budget
670 - REPAIRS AND MAINTENANCE	43,720.01	30,802.83	56,802.05	96,200.00	75,736.00	
675 - SUPPLIES	159,170.16	342,911.79	364,748.15	553,900.00	510,647.00	
690 - CONTRACTUAL SERVICES	650,178.25	671,598.36	758,633.35	1,318,816.00	1,262,086.00	Contractual services estimated below budget
697 - ADMIN OVERHEAD	487,500.00	-	-	-	-	
699 - OTHER	92,204.62	66,059.42	204,871.48	562,106.00	336,820.00	
<b>Total Category: 65 - OPERATING COSTS:</b>	<b>2,155,914.38</b>	<b>1,988,484.94</b>	<b>2,182,350.89</b>	<b>3,521,113.00</b>	<b>3,291,937.00</b>	
<b>Category: 70 - CAPITAL IMPROVEMENTS</b>						
700 - EQUIPMENT	-	141,171.93	244,549.63	95,000.00	344,550.00	
705 - VEHICLE	-	-	174,837.22	405,582.00	365,291.00	
750 - OTHER	-	-	34,279.47	263,693.00	-	
<b>Total Category: 70 - CAPITAL IMPROVEMENTS:</b>	<b>-</b>	<b>141,171.93</b>	<b>453,666.32</b>	<b>764,275.00</b>	<b>709,841.00</b>	
<b>Category: 90 - TRANSFERS</b>						
900 - Transfers	3,858,375.12	5,530,352.45	3,062,650.90	5,622,405.00	5,622,405.00	All transfers expected to be made
<b>Total Category: 90 - TRANSFERS:</b>	<b>3,858,375.12</b>	<b>5,530,352.45</b>	<b>3,062,650.90</b>	<b>5,622,405.00</b>	<b>5,622,405.00</b>	
<b>Total Expense</b>	<b>7,235,583.00</b>	<b>8,897,835.86</b>	<b>7,309,680.73</b>	<b>12,335,500.00</b>	<b>11,820,804.00</b>	
<b>Total Fund 700 - Wastewater Fund</b>	<b>(438,638.42)</b>	<b>(1,802,117.48)</b>	<b>615,057.32</b>	<b>-</b>	<b>310,564.46</b>	

**Estimated Ending Fund Balance**

**\$6.7m**

\*Used FY23 proposed budget

**Reserve Policy Requirement 25% Annual Operating Expenses**

**\$3.2m**

**Estimated Ending Available Fund Balance**

**\$3.5m**

# CITY OF BEAUMONT

## SALES TAX UPDATE

### 4Q 2021 (OCTOBER - DECEMBER)



#### BEAUMONT

TOTAL: \$ 7,639,852

303.5%

4Q2021



27.4%

COUNTY



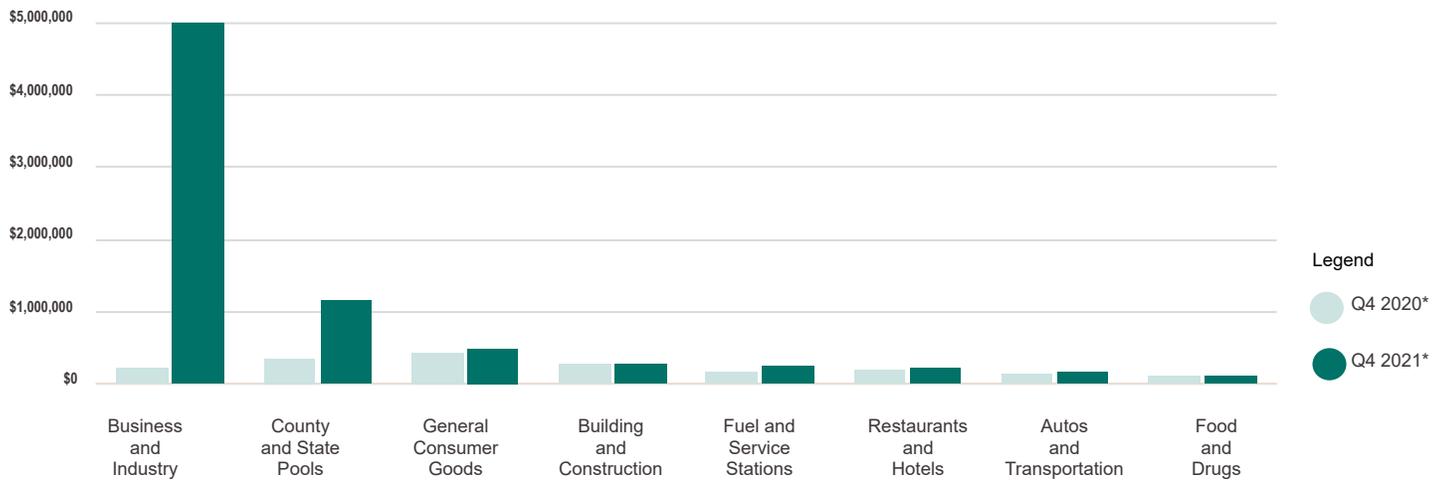
15.6%

STATE



\*Allocation aberrations have been adjusted to reflect sales activity

### SALES TAX BY MAJOR BUSINESS GROUP



### CITY OF BEAUMONT HIGHLIGHTS

Beaumont's receipts from October through December were 360.4% above the fourth sales period in 2020. Excluding reporting aberrations, actual sales were up 303.5%.

The local economy has returned to pre-pandemic levels. The largest sector by far is business-industry, led by a very strong growth in fulfillment centers and light industrial/printers. Since the City's point of sale cash as a percentage of the County's point of sale cash grew by a much bigger percentage on average than other cities in Riverside County, the county pool allocation skyrocketed.

The fuel and service stations sector has seen upward pressure on sales tax being generated, which include consumption and demand for fuel, record prices of regular and diesel at the pumps, strong oil barrel prices, and restricted supply

from the Russian-Ukraine crisis. This has caused a solid boost from service stations.

One of the industries that was hit the hardest in the state during the pandemic was restaurants and hotels, and most business types have now fully recovered. Consumers are continuing to increase their activity in dining, shopping, and traveling. As a result, strong returns were realized from casual and quick-service restaurants. Receipts from electronics/appliance and specialty stores, trailers/RVs, food-drugs, and building materials were also up. Results from contractors were down, which partially offset the overall gain.

Net of aberrations, taxable sales for all of Riverside County grew 27.4% over the comparable time period; the Southern California region was up 17.4%.



### TOP 25 PRODUCERS

- |                          |                        |
|--------------------------|------------------------|
| 84 Lumber Co             | Ross                   |
| Amazon Com Services      | Stater Bros            |
| Amazon MFA               | Trailer Factory Outlet |
| Arco AM PM               | USA Gas                |
| Beaumont Gas Mart        | Walmart Supercenter    |
| Beaumont RV              | Wolverine Worldwide    |
| Beaumont Service Station |                        |
| Best Buy                 |                        |
| Big Tex Trailers         |                        |
| Carson Trailer           |                        |
| Grove 76                 |                        |
| Home Depot               |                        |
| Icon Health & Fitness    |                        |
| In N Out Burger          |                        |
| Kohls                    |                        |
| Mayas Chevron            |                        |
| Oak Valley Chevron       |                        |
| Raising Cane's           |                        |
| Rite Aid                 |                        |



## STATEWIDE RESULTS

California’s local one cent sales and use tax receipts for sales during the months of October through December were 15% higher than the same quarter one year ago after adjusting for accounting anomalies. A holiday shopping quarter, the most consequential sales period of the year, and the strong result was a boon to local agencies across the State. Consumers spent freely as the economy continued its rebound from the pandemic and as robust labor demand reduced unemployment and drove up wages.

Brick and mortar retailers did exceptionally well as many shoppers returned to physical stores rather than shopping online as the COVID crisis waned. This was especially true for traditional department stores that have long been among the weakest categories in retail. Discount department stores, particularly those selling gas, family and women’s apparel and jewelry merchants also experienced strong sales. Many retailers are now generating revenue that is nearly as much, or even higher, than pre-pandemic levels.

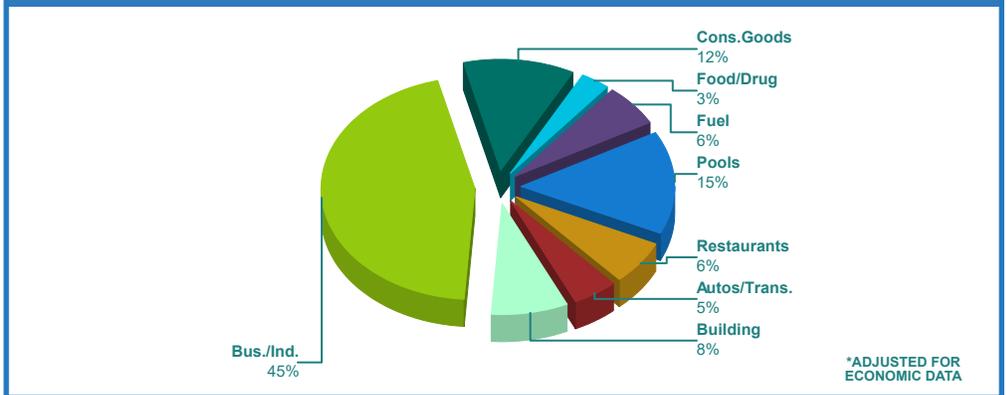
Sales by new and used car dealers were also much higher than a year ago. The inventory shortage has resulted in higher prices that have more than offset the decline in unit volume in terms of revenue generation for most dealerships. Restaurants and hotels were only moderately lower than last quarter, with both periods being the highest in the State’s history. Increased menu prices coupled with robust demand to dine out are largely responsible for these gains. These are impressive results for a sector that does not yet include the positive impact that will occur later this year as international travel steadily increases at major airports. Conference business, an important revenue component for many hotels, is also still in the early stages of recovery.

Building material suppliers and contractors were steady as growing residential and commercial property values boosted demand, particularly in the Southern California, Sacramento and San Joaquin Valley regions. Although anticipated interest rate increases by the Federal Reserve could dampen the short-term outlook for this sector, industry experts believe limited selling activity will inspire increased upgrades and improvements by existing owners. With demand remaining tight and calls for more affordable housing throughout the state, the long-term outlook remains positive.

The fourth quarter, the final sales period of calendar year 2021, exhibited a 20% rebound

in tax receipts compared to calendar year 2020. General consumer goods, restaurants, fuel and auto-transportation industries were the largest contributors to this improvement. However, the future growth rate for statewide sales tax revenue is expected to slow markedly. Retail activity has now moved past the easy year-over-year comparison quarters in 2021 versus the depths of the pandemic bottom the year before. Additional headwinds going into 2022 include surging inflation, a dramatic jump in the global price of crude oil due to Russia’s war in Ukraine and corresponding monetary tightening by the Federal Reserve. This is expected to result in weakening consumer sentiment and continued, but decelerating, sales tax growth into 2023.

### REVENUE BY BUSINESS GROUP Beaumont This Calendar Year\*



### TOP NON-CONFIDENTIAL BUSINESS TYPES

Beaumont Business Type	Q4 '21*	Change	County Change	HdL State Change
Service Stations	235.4	50.2% ↑	54.1% ↑	53.8% ↑
Building Materials	229.1	3.1% ↑	8.0% ↑	2.3% ↑
Quick-Service Restaurants	153.4	7.5% ↑	8.3% ↑	12.1% ↑
Trailers/RVs	116.9	14.5% ↑	16.1% ↑	11.2% ↑
Grocery Stores	67.7	-0.1% ↓	2.7% ↑	0.6% ↑
Casual Dining	50.1	59.3% ↑	67.5% ↑	66.4% ↑
Contractors	33.9	-26.5% ↓	3.8% ↑	5.3% ↑
Specialty Stores	28.2	84.7% ↑	22.1% ↑	18.7% ↑
Drug Stores	26.8	2.6% ↑	7.4% ↑	7.9% ↑
Fast-Casual Restaurants	24.2	-5.1% ↓	16.9% ↑	16.6% ↑

\*Allocation aberrations have been adjusted to reflect sales activity \*In thousands of dollars



## Staff Report

**TO:** Finance and Audit Committee Members  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** May 9, 2022  
**SUBJECT:** **FY2023 Budget Update**

### Background and Analysis:

The City is required to adopt a balanced budget by June 30 of each year. A balanced budget provides that revenues meet or exceed expenses. This can include planned drawdown of available reserves or allocation of fund balances. On April 27, 2022, the City Council held a budget workshop to review the first draft of the FY2023 budget. Below highlights the proposed FY2023 budget.

#### General Fund

Revenues	\$60.7M
Expenditures	(\$40.7M)
Enhancement Requests	(\$5.2m)
Capital Project Requests	(\$.94m)
<b>Unprogrammed Balance</b>	<b>\$13.9M</b>

Enhancement requests include 23 new full-time equivalent positions. City Council provided priorities for the use of the remaining available balance and an additional workshop will be held on May 19, 2022.

#### Wastewater Fund

Revenues	\$12.9m
Expenses	(\$12.5m)
Enhancement Requests	(\$.22m)
Capital Project Requests	(\$1.4m)
<b>Balance</b>	<b>(\$1.22m)</b>

Requested capital projects were all rated high priority and it was discussed to use available fund balance to fund the amount needed for the projects. It was also presented to use \$1m of fund balance to seed a new repair and replace fund that could be used for a spare pump and Variable Frequency Drive program that would allow inventory to be purchased avoiding disrupted service and costs associated with the emergency replacement of these capital items. Fund balance is then estimated to be at 32.7% of annual operating expenses which is still within the 25% reserve policy.

**Recommended Action:**

Receive and file FY2023 Budget update.

**Attachments:**

A. April 27, 2022 Budget Workshop Presentation



# **DRAFT ANNUAL OPERATING & CAPITAL IMPROVEMENT BUDGET**

*Fiscal Year 2022-2023*

April 27, 2022

# Overview of Draft Budget Review

- Budget Timeline and Requirements
- Budget Building Process
- Program Budgets
- General Fund Overview and Highlights
- Enhancement Requests
- Long-Term Financial Forecast
- One-Time Funds
- Wastewater Fund Overview
- Wastewater Enhancement Requests
- All Funds
- Internal Service Funds

# Budget Timeline & Requirements

The City is required to adopt a balanced budget by June 30<sup>th</sup> of each year.

A balanced budget provides that revenues meet or exceed expenses. This can include planned drawdown of available reserves or allocation of fund balances.

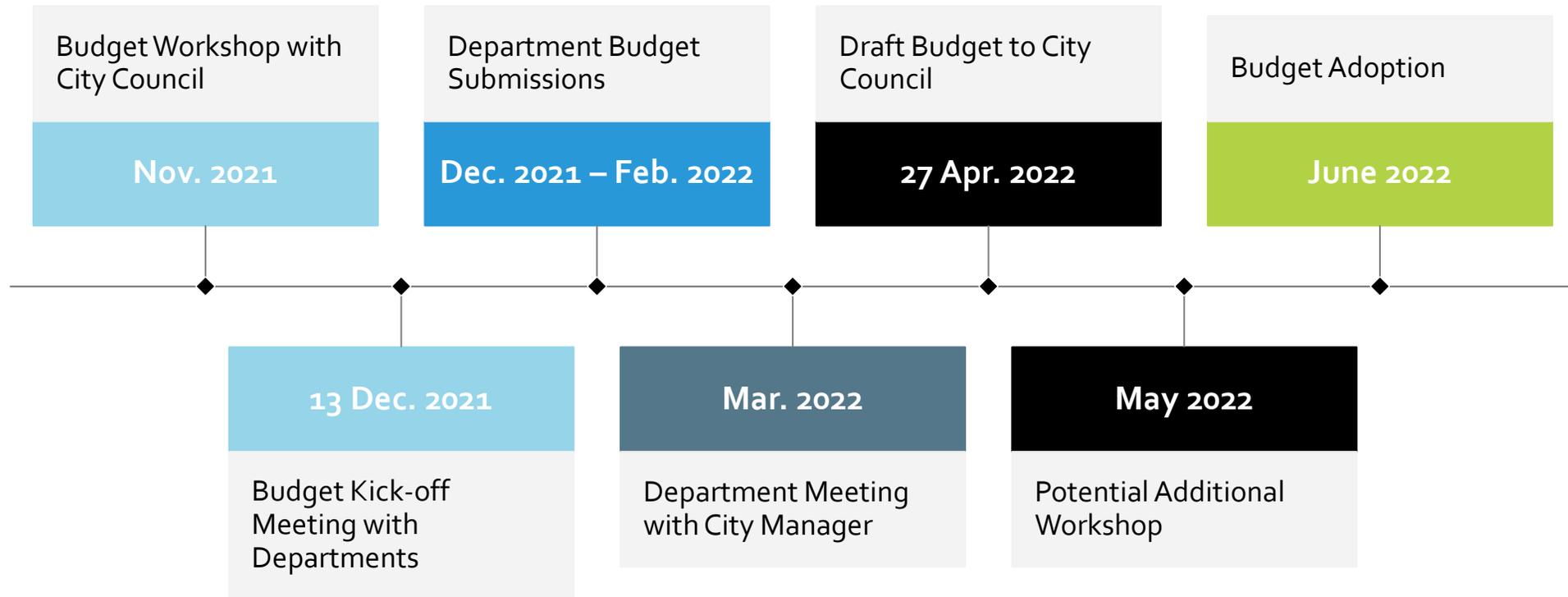
This is the first meeting to review the budget – the goal is to seek input as to whether additional information is needed by the City Council and/or whether modifications are required prior to adoption.

If the City Council is comfortable with the proposed budget with minor changes – it will be brought back for adoption with those changes by June 21, 2022.

If the City Council wants to review additional information or requires more substantive changes, it is likely an additional meeting will be required.



# Budget Building PROCESS



# GENERAL FUND



# General Fund Revenues

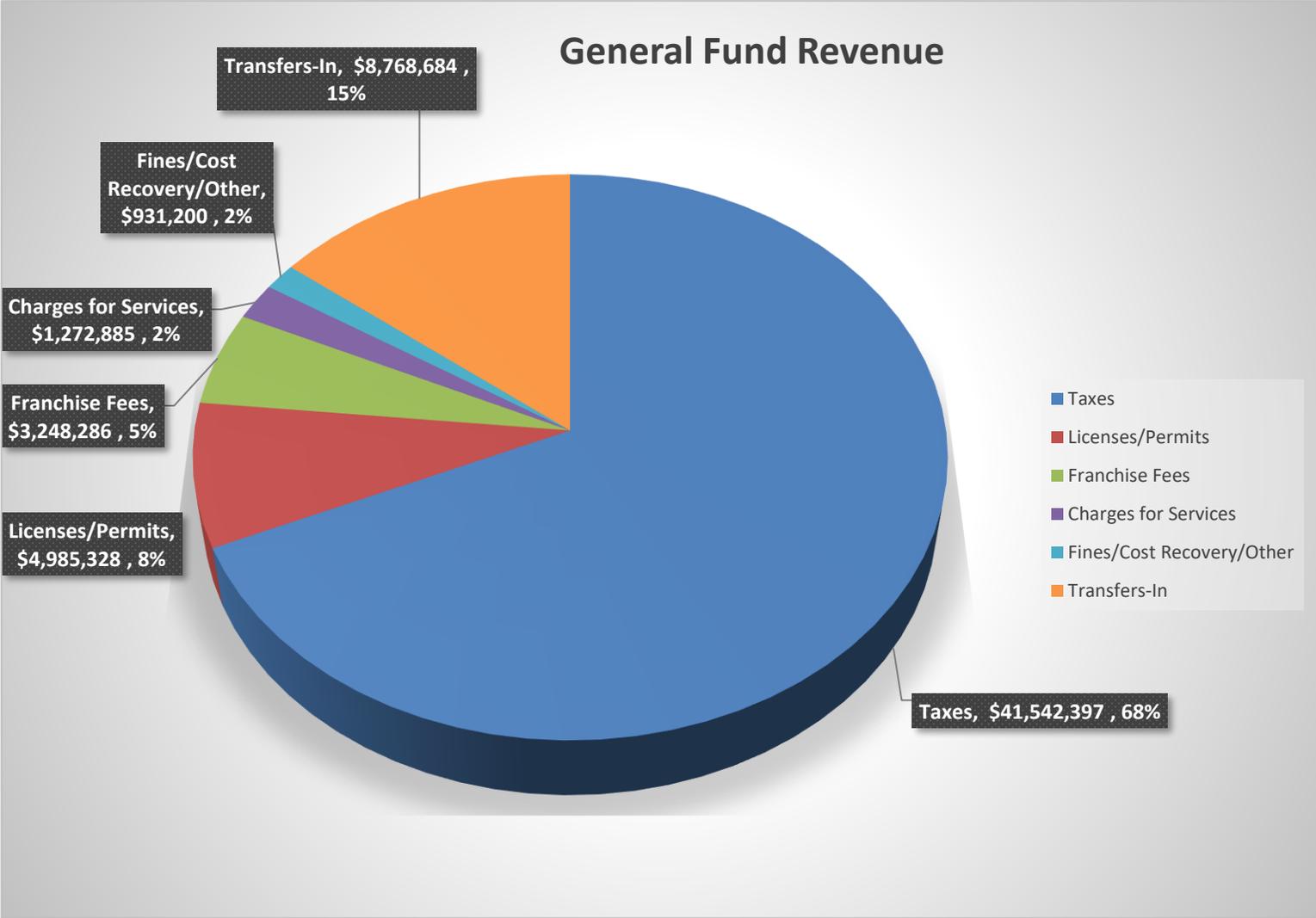
FY 2023 - total projected revenues = **\$60.7M**

➤ *an increase of \$3.9M from FY 2022 estimated revenue collections*

➤ **WHY?**

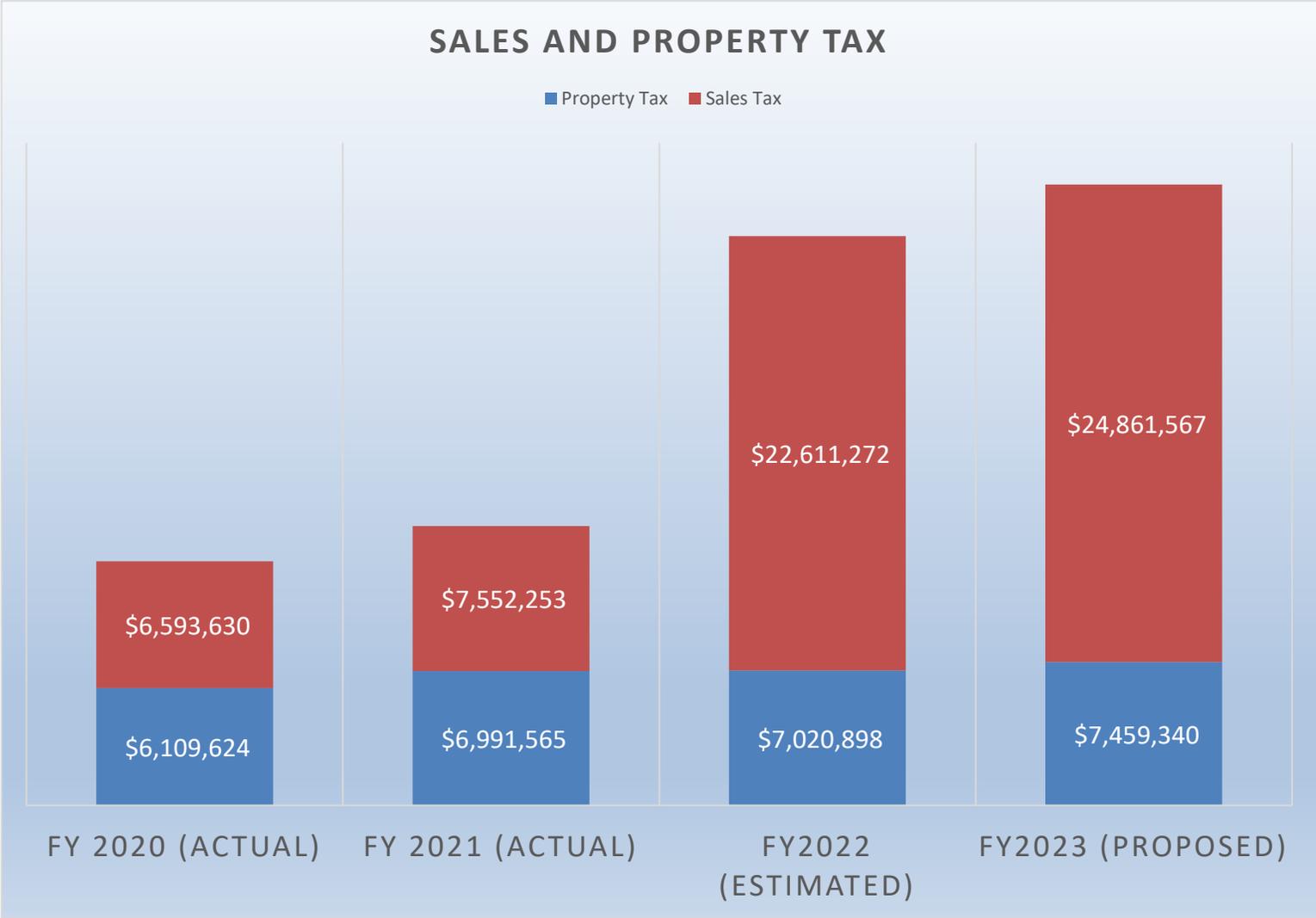
- Property Tax – Increase \$438K
- Sales Tax – Increase \$2.25M
- Motor Vehicle In-Lieu- Increase \$522K
- Transfers-In – Increase \$809K

# General Fund Revenues (cont.)



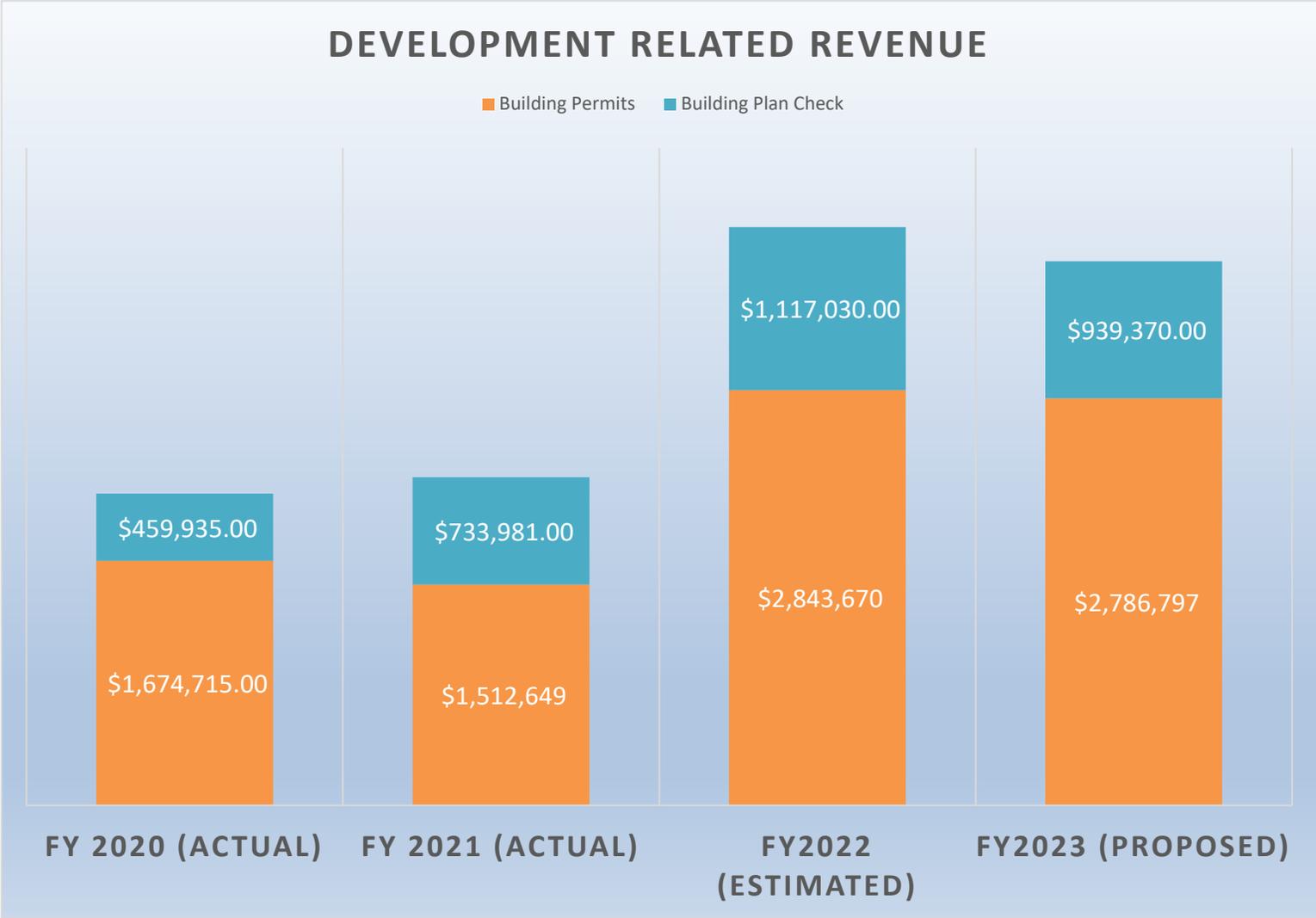
# General Fund Revenues

## *Sales & Property Tax*



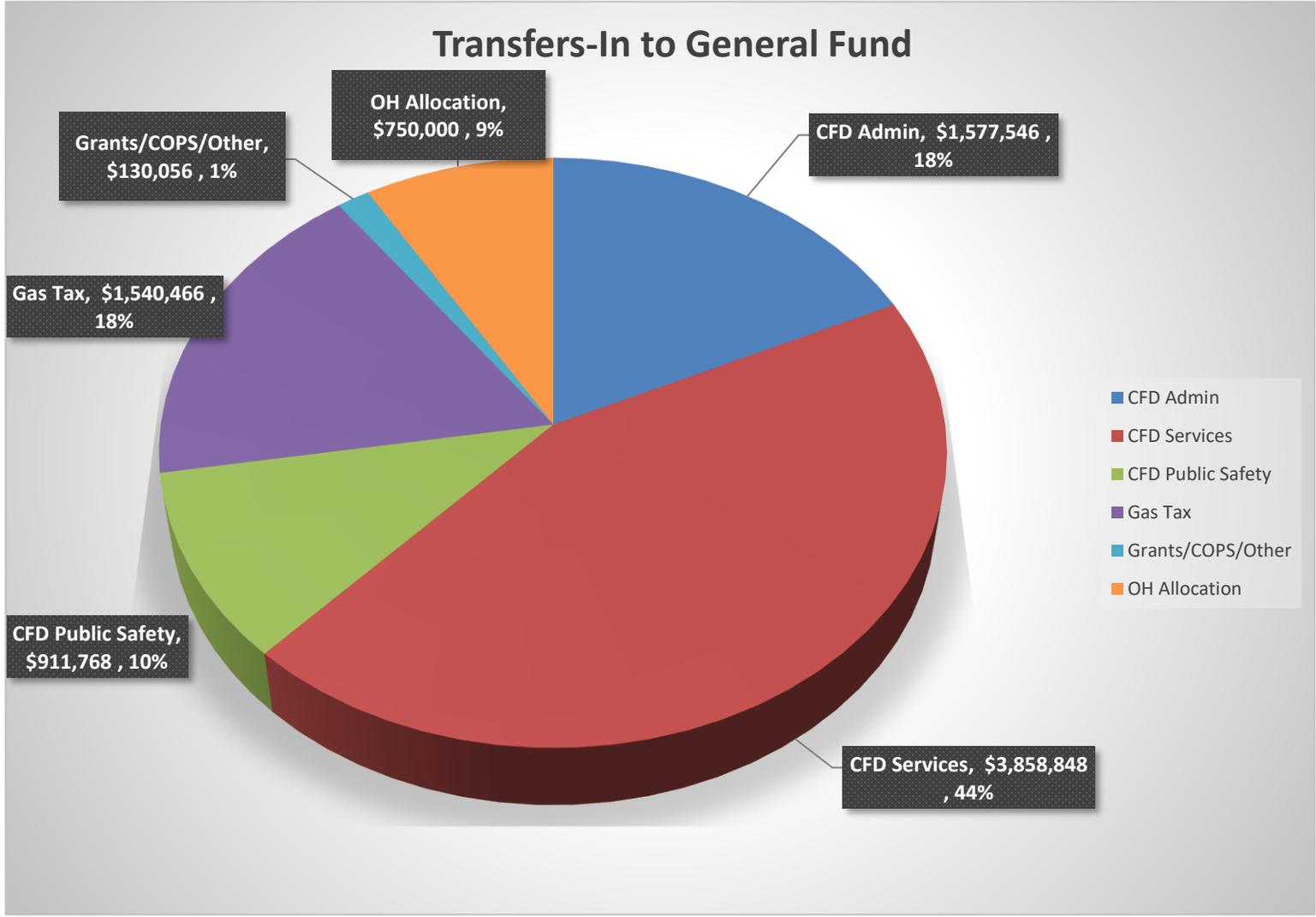
# General Fund Revenues

## *Development Related Revenues*



# General Fund Revenue

## Transfers-In



# General Fund Expenditures by Program



Citywide survey rated by City Council on criticality level and presented at budget workshop.



Program costs including position FTEs have been identified and roll-up to respective department budgets.



Program sheets presented as handouts in this meeting.



This is the first year developing program budgets using GFOA and CSMFO best budgeting practices.

# General Fund Expenditures

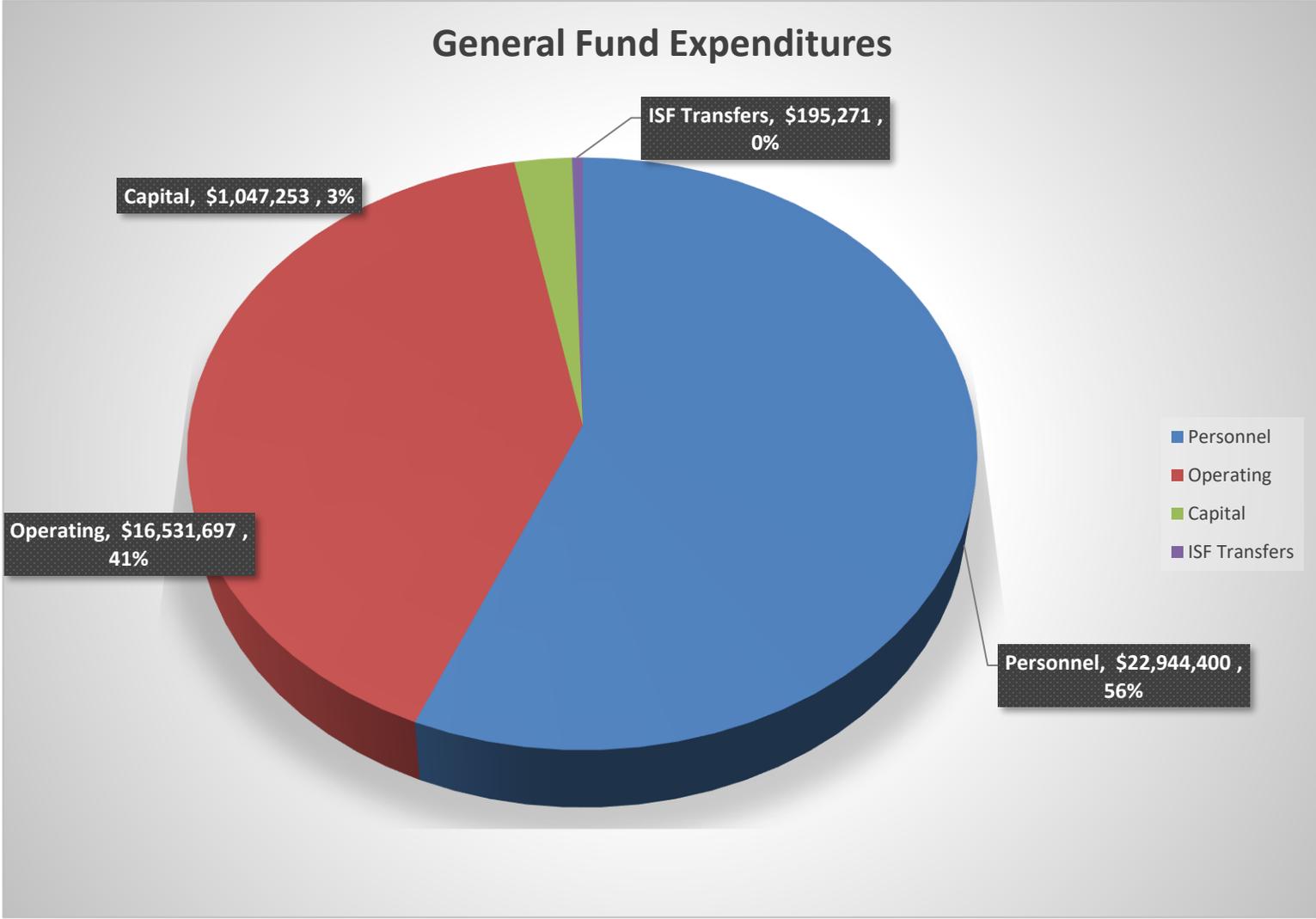
FY 2023 budgeted expenditures = **\$40.7M**

➤ *an increase of \$1.07M from FY 2022 budget*

➤ *WHY?*

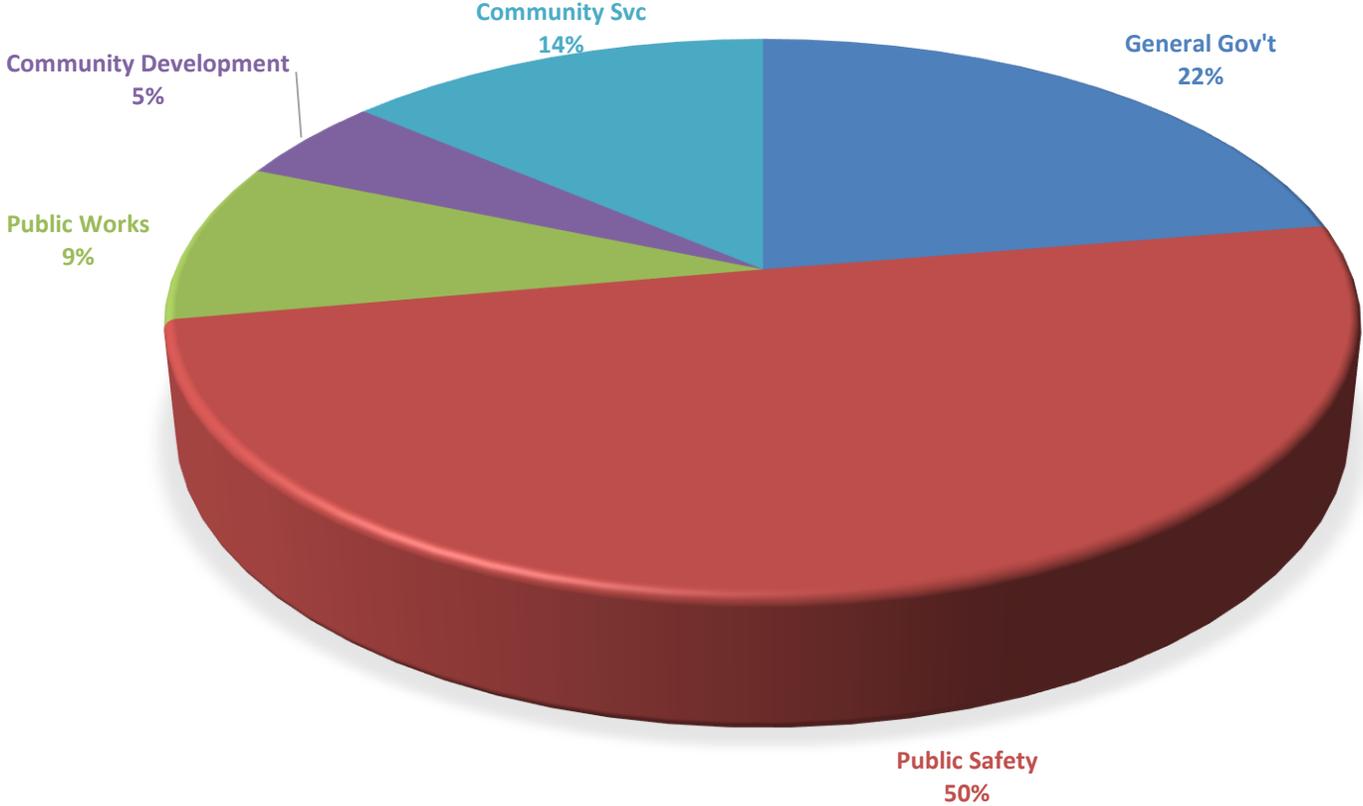
- Personnel (Current Positions Only) \$1.14M
- Operating \$334K
- Capital (\$146K)
- Transfers (\$254K)

# General Fund Expenditures (cont.)



# General Fund Expenditures (by Function)

GENERAL FUND BUDGET BY FUNCTION



# General Fund Overview & Highlights

## FY 2023 proposed budget

- Revenues = \$60.7M
- Expenses = \$40.7M\*
- Unprogrammed balance of **\$20.0M**

\*Note: Expenses do not include proposed enhancement requests

# General Fund Enhancement Requests

General Fund enhancement requests = **\$5.2M**

- includes proposed *23 new full-time equivalent positions*

# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Police Officers – Four (4) new positions	High	\$ 833,258	\$ 671,440
CSOs - Three (3) Community Service Officers	High	\$ 488,751	\$ 373,800
Upgrade 2 sworn positions: 1 Corporal and 1 Sergeant	High	\$ 107,023	\$ 108,150
	<b>TOTAL</b>	<b>\$ 1,429,032</b>	<b>\$ 1,153,390</b>



# FY 22/23 Budget Enhancement List

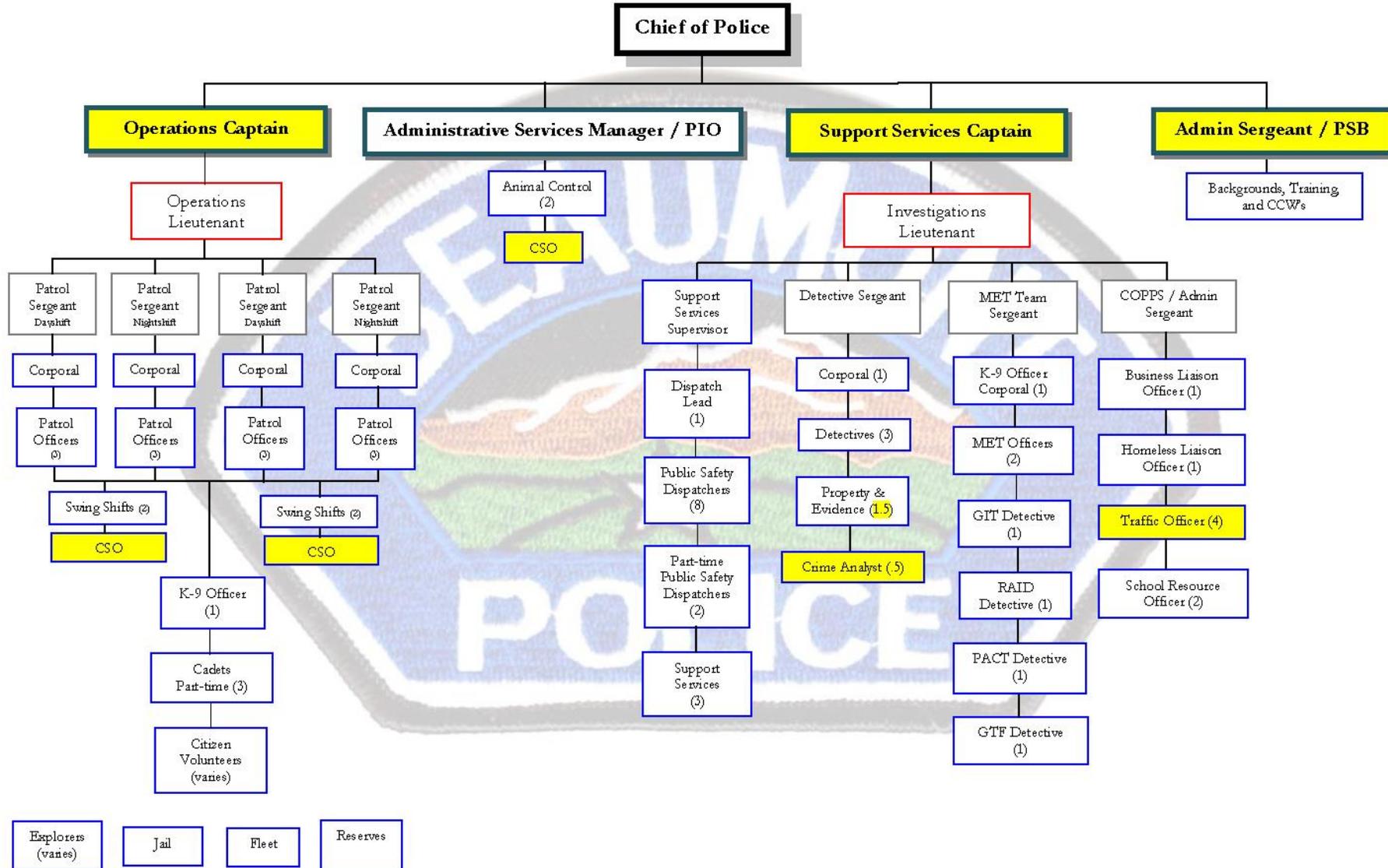
## Budget Enhancement

<u>Description</u>	<u>Ranking</u>	<u>Amount</u>	<u>On-Going</u>
Two (2) Support Services Specialist Positions	High	\$ 237,000	\$ 238,960
	<b>TOTAL</b>	<b>\$ 237,000</b>	<b>\$ 238,960</b>

ENHANCEMENTS

# POLICE SUPPORT SERVICES

BEAUMONT POLICE DEPARTMENT  
ORGANIZATIONAL CHART



## FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Assistant Planner	High	\$ 128,000	\$ 128,750
Additional Grant writing funds	High	\$ 30,000	\$ -
	<b>TOTAL</b>	<b>\$ 158,000</b>	<b>\$ 128,750</b>

ENHANCEMENTS  
**COMMUNITY DEVELOPMENT/  
PLANNING**

# FY 22/23 Budget Enhancement List

## Budget Enhancement

<u>Description</u>	<u>Ranking</u>	<u>Amount</u>	<u>On-Going</u>
Assistant Fire Marshal	High	\$ 179,153	\$ 183,392
<i>(Part of the Fire Contract)</i>	<b>TOTAL</b>	<b>\$ 179,153</b>	<b>\$ 183,392</b>

ENHANCEMENTS  
**FIRE SAFETY**

# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Permit Technician	High	\$ 98,500	\$ 101,455
Building Inspector	High	\$ 194,500	\$ 155,500
Stand-by Duty compensation for Building Inspector	High	\$ 27,000	\$ 27,000
Energov Training for Product Utilization	High	\$ 50,000	\$ -
	<b>TOTAL</b>	<b>\$ 370,000</b>	<b>\$ 283,955</b>

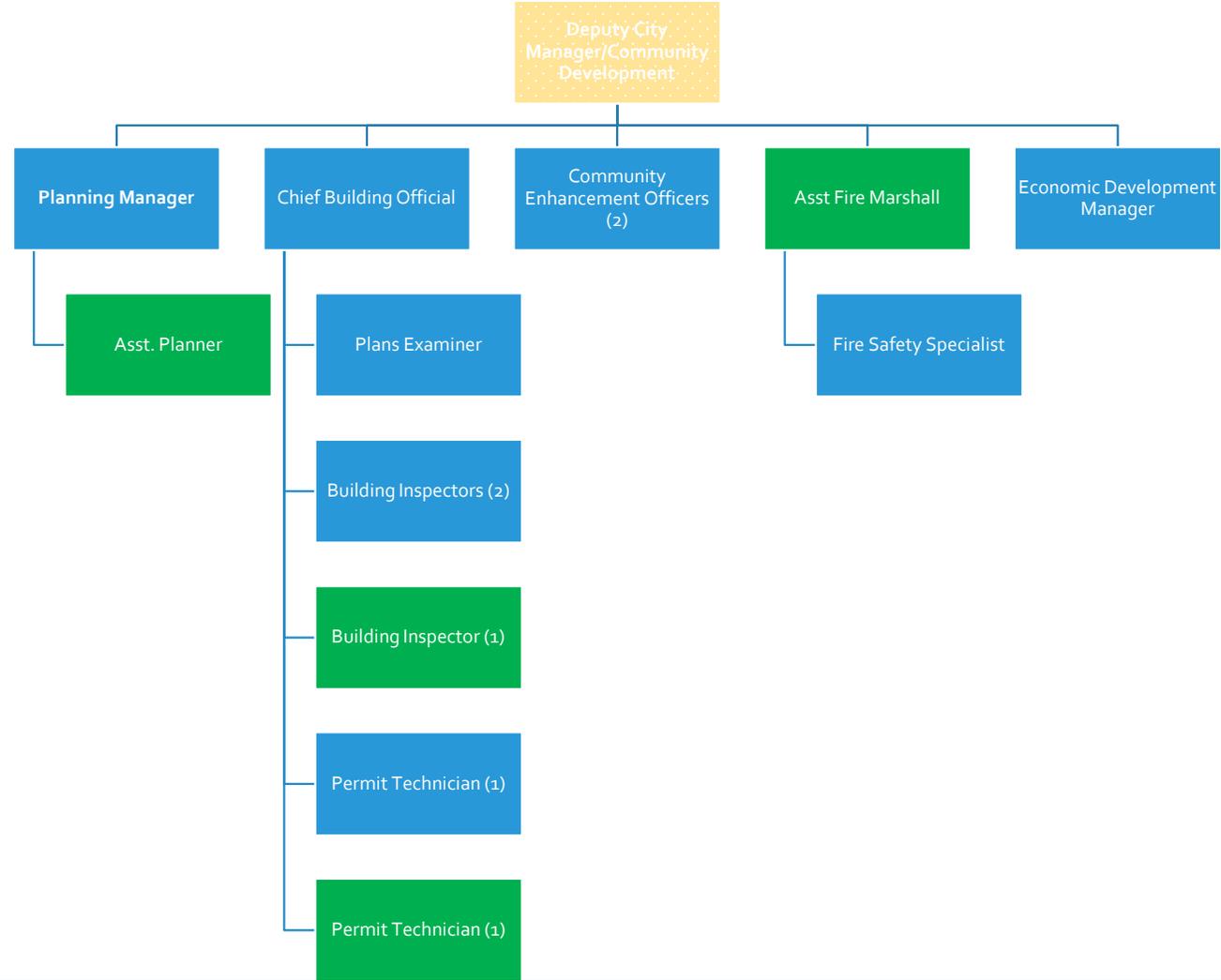
ENHANCEMENTS  
**BUILDING & SAFETY**

# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Downtown Incentive Package	High	\$ 700,000	\$ -
Economic 3D Modeling	High	\$ 75,000	\$ -
Downtown Revitalization Plan	High	\$ 250,000	\$ -
Travel to Washington, DC and Sacramento	Medium	\$ 32,000	\$ -
Costar subscription	Medium	\$ 5,500	\$ 5,500
	<b>TOTAL</b>	<b>\$ 1,062,500</b>	<b>\$ 5,500</b>

# ENHANCEMENTS

# ECONOMIC DEVELOPMENT



# Organization Chart

# COMMUNITY DEVELOPMENT

# FY 22/23 Budget Enhancement List

## Budget Enhancement

### Description

### Ranking

### Amount

### On-Going

Senior Engineer (CIP)

High

\$ 194,075

\$ 190,550

GIS Analyst

High

\$ 163,000

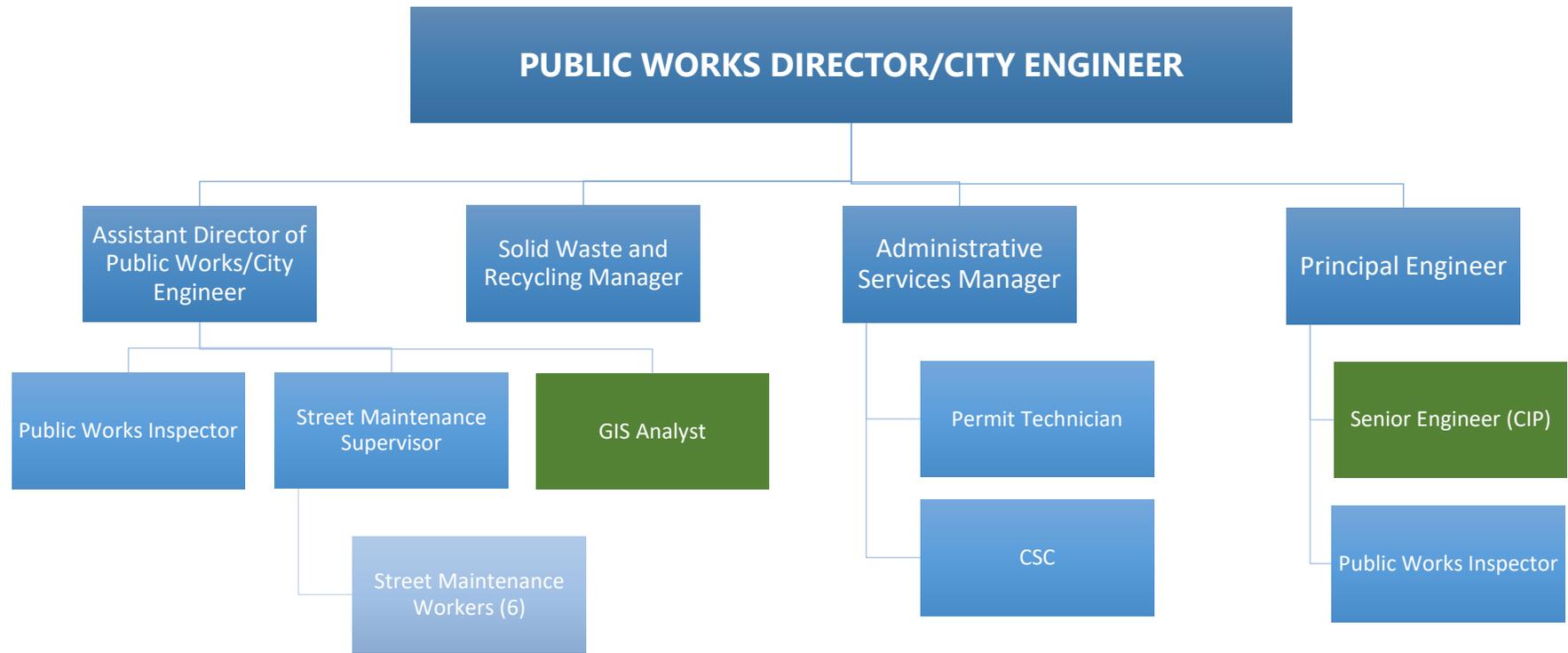
\$ 147,290

**TOTAL**

**\$ 357,075**

**\$ 337,840**

ENHANCEMENTS  
**PUBLIC WORKS**



# Organization Chart

# **PUBLIC WORKS**

# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Increase part-time Rec Specialist positions and additional programs	Medium	\$ 174,050	\$ 176,200
Furniture for Senior Center/New tables & chairs for CRC	Medium	\$ 34,000	\$ -
	<b>TOTAL</b>	<b>\$ 208,050</b>	<b>\$ 176,200</b>



# FY 22/23 Budget Enhancement List

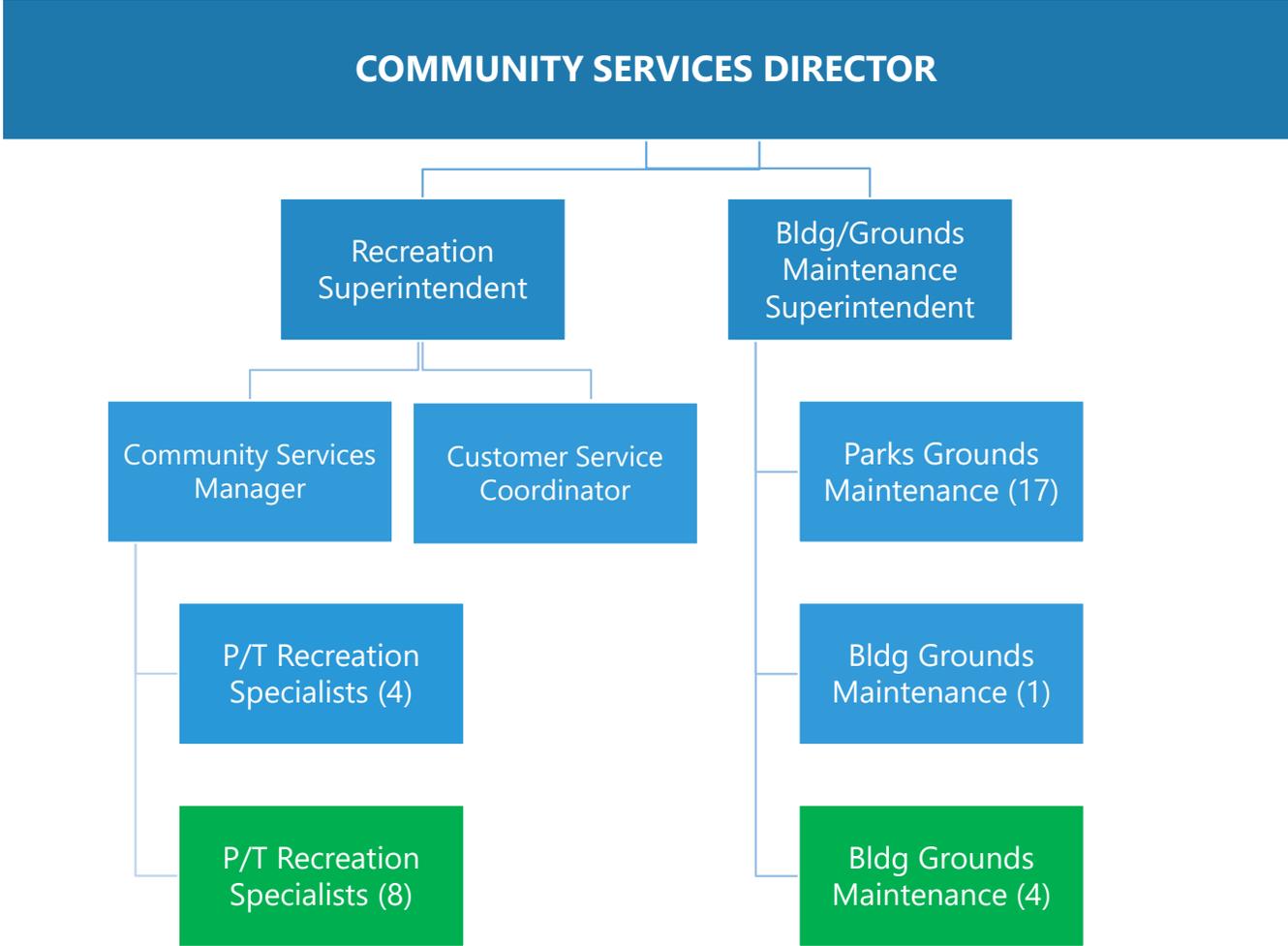
<u>Budget Enhancement Description</u>	<u>Ranking</u>	<u>Amount</u>	<u>On-Going</u>
Four (4) Building/Grounds Maintenance Workers	High	\$ 558,000	\$ 407,400
	<b>TOTAL</b>	<b>\$ 558,000</b>	<b>\$ 407,400</b>



# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Additional tree trimming costs	Medium	\$ 125,000	\$ 125,000
Park and irrigation survey and trip hazard survey	Medium	\$ 50,000	\$ -
	<b>TOTAL</b>	<b>\$ 175,000</b>	<b>\$ 125,000</b>

ENHANCEMENTS  
**PARKS & GROUNDS**  
**MAINTENANCE**



Organization Chart  
**COMMUNITY SERVICES**

# FY 22/23 Budget Enhancement List

## Budget Enhancement

### Description

### Ranking

### Amount

### On-Going

Assistant HR Payroll Technician

High

\$ 90,000

\$ 92,700

**TOTAL**

**\$ 90,000**

**\$ 92,700**

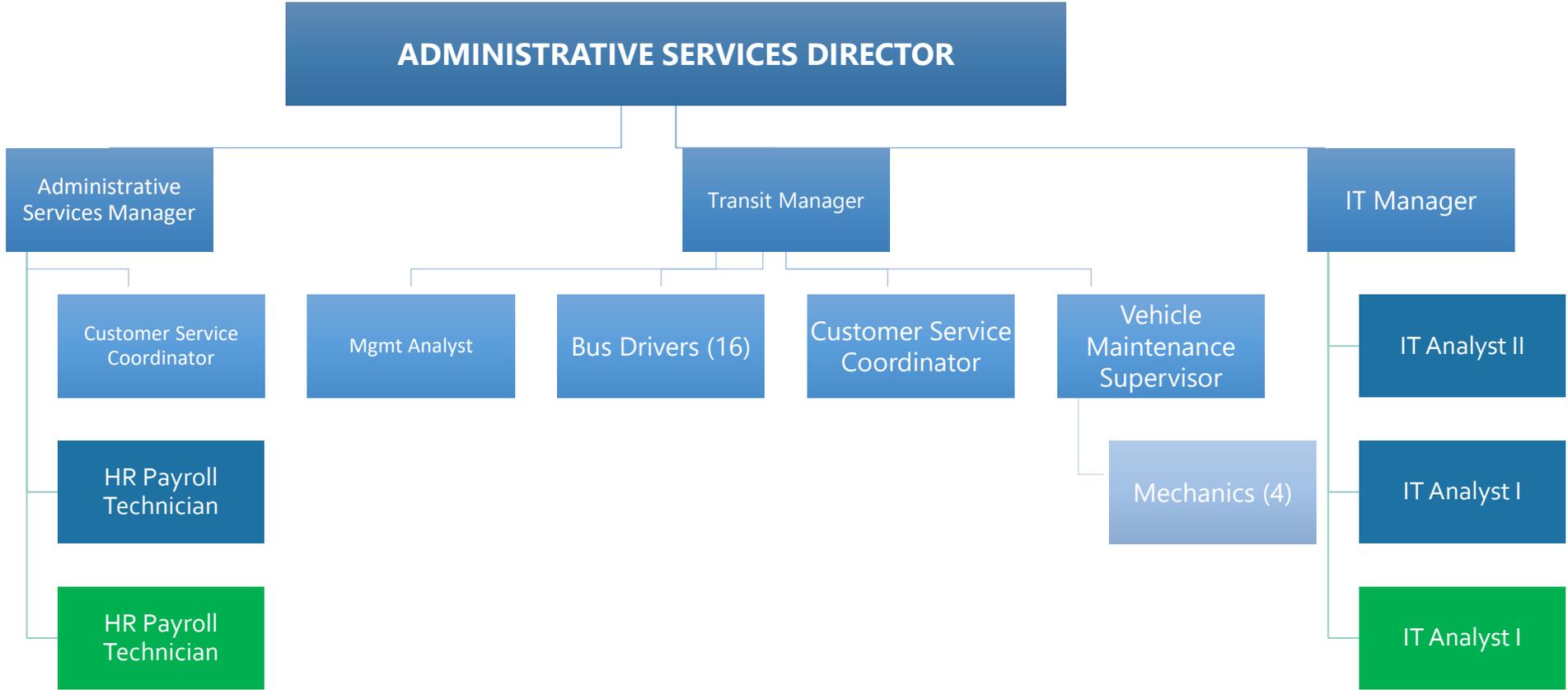
ENHANCEMENTS

**HR/RISK MANAGEMENT**

# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Information Technology Analyst I	Medium	\$ 117,500	\$ 118,450
Turbo Data	Medium	\$ 51,000	\$ 51,000
CCTV police cameras	Medium	\$ 10,169	\$ -
	<b>TOTAL</b>	<b>\$ 178,669</b>	<b>\$ 169,450</b>





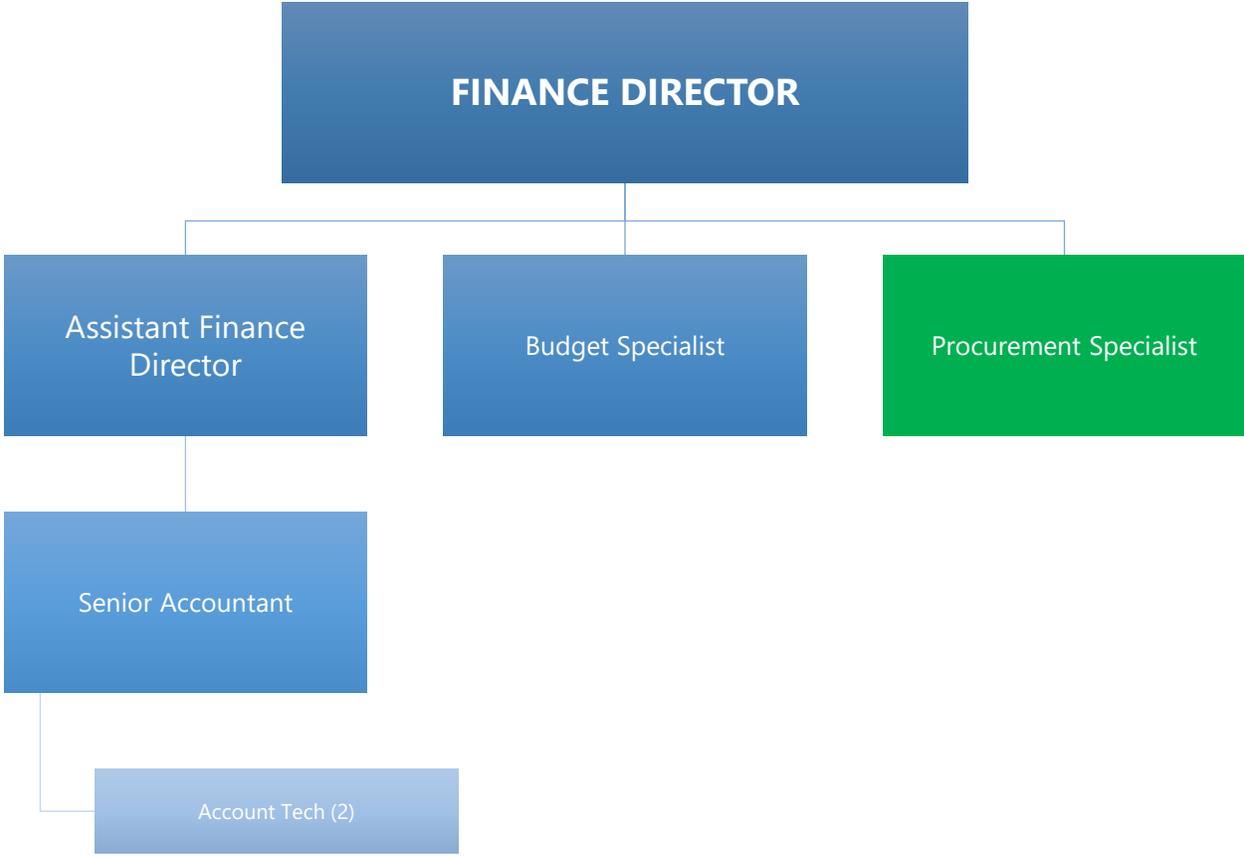
# Organization Chart

# ADMINISTRATIVE SERVICES

# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Procurement and Contract Specialist position	High	\$ 138,000	\$ 132,850
Tyler Account Receivable Suite	Medium	\$ 27,115	\$ 4,125
Forecasting Software	Low	\$ 24,500	\$ 24,500
	<b>TOTAL</b>	<b>\$ 189,615</b>	<b>\$ 161,475</b>





# Organization Chart

# FINANCE

# General Fund *Capital Improvement Funding*

- General Fund capital projects funding requests = \$937,400
  - Michigan Avenue Storm Drain Culvert Crossing: \$30,200
  - Mid Year Street Enhancement Program 22/23: \$907,200

*\*Annual Citywide Street Rehab and Maintenance is a backfill of Measure A revenue loss from WRCOG agreement.*

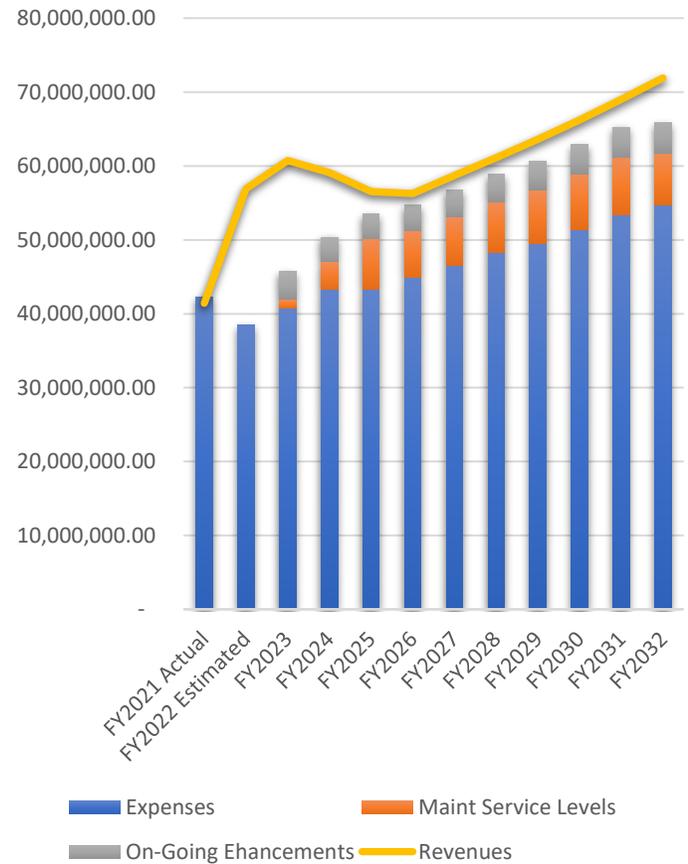
# Long-Term Financial Forecast

## Assumptions used:

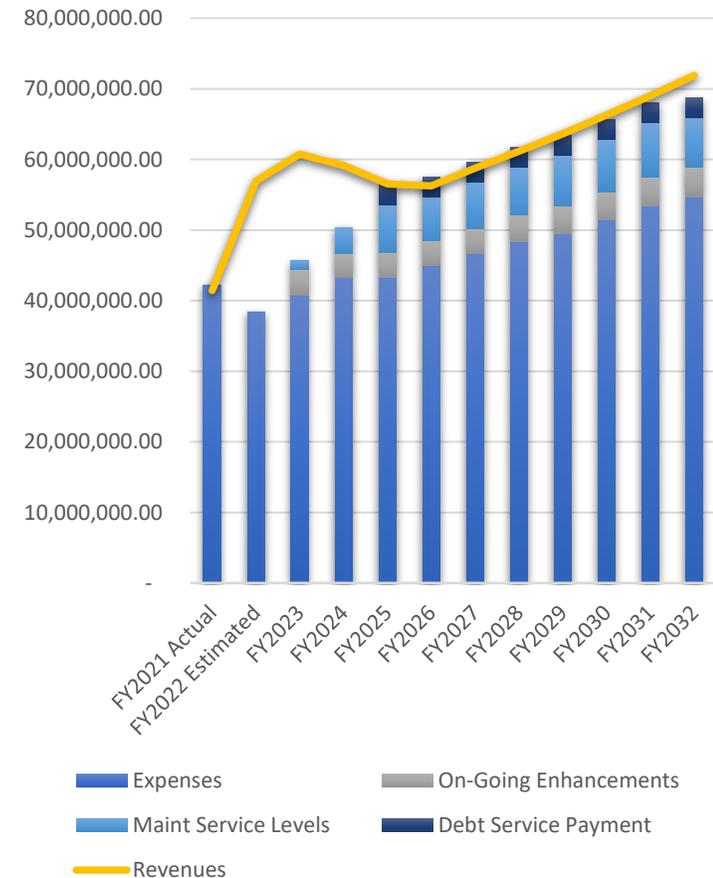
- Recession years – FY 2024-2026
- Reduction in Gas Tax transfer-in as more vehicles move to electric
- Using Pension 115 to reduce costs starting FY 2029
- Includes all enhancement requests
- Beginning FY 2023, General Fund offsetting the loss of Measure A revenues, 60% reduction.
- Beginning FY 2024, full operations of new fire station
- Beginning FY 2024, two new positions added each fiscal year to maintain current service level
- Scenario 2 model
  - Beginning in FY 2025, option for City Council to fund new police station

# Long-Term Financial Forecast (cont.)

### Long-Term Financial Forecast Scenario 1



### Long-Term Financial Forecast Scenario 2



# One-Time Funds

 Unprogrammed/available resources in the General Fund *after enhancements and CIP* = **\$13.9M**

 Recommendation for use:  
One-time expenditures

 *Discussion and possible direction*

# WASTEWATER FUND



# Wastewater Fund Overview

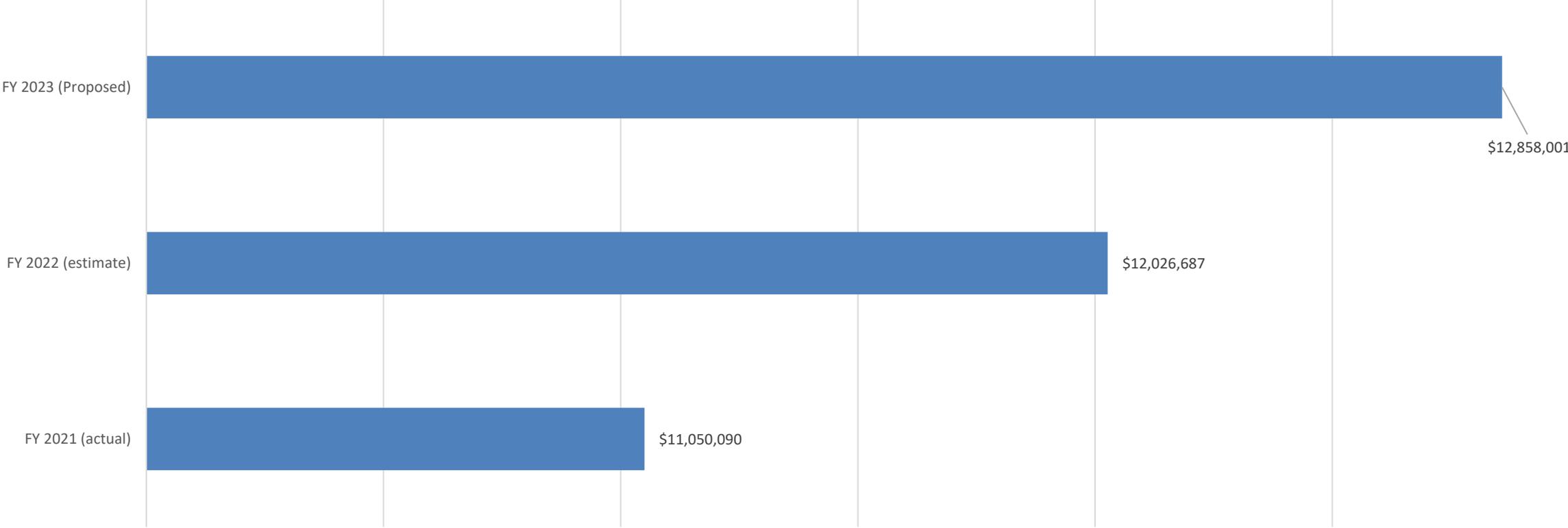
## FY 2023 Proposed Budget

- Revenues = \$12,858,001
- Expenses = ~~\$12,532,234~~
- Surplus = \$ 325,767

Revenues have increased by \$831,314 (6.9%) from FY 2022 *estimated actuals*.

Expenses have increased by \$196,734 (1.6%) from FY 2022 current budget.

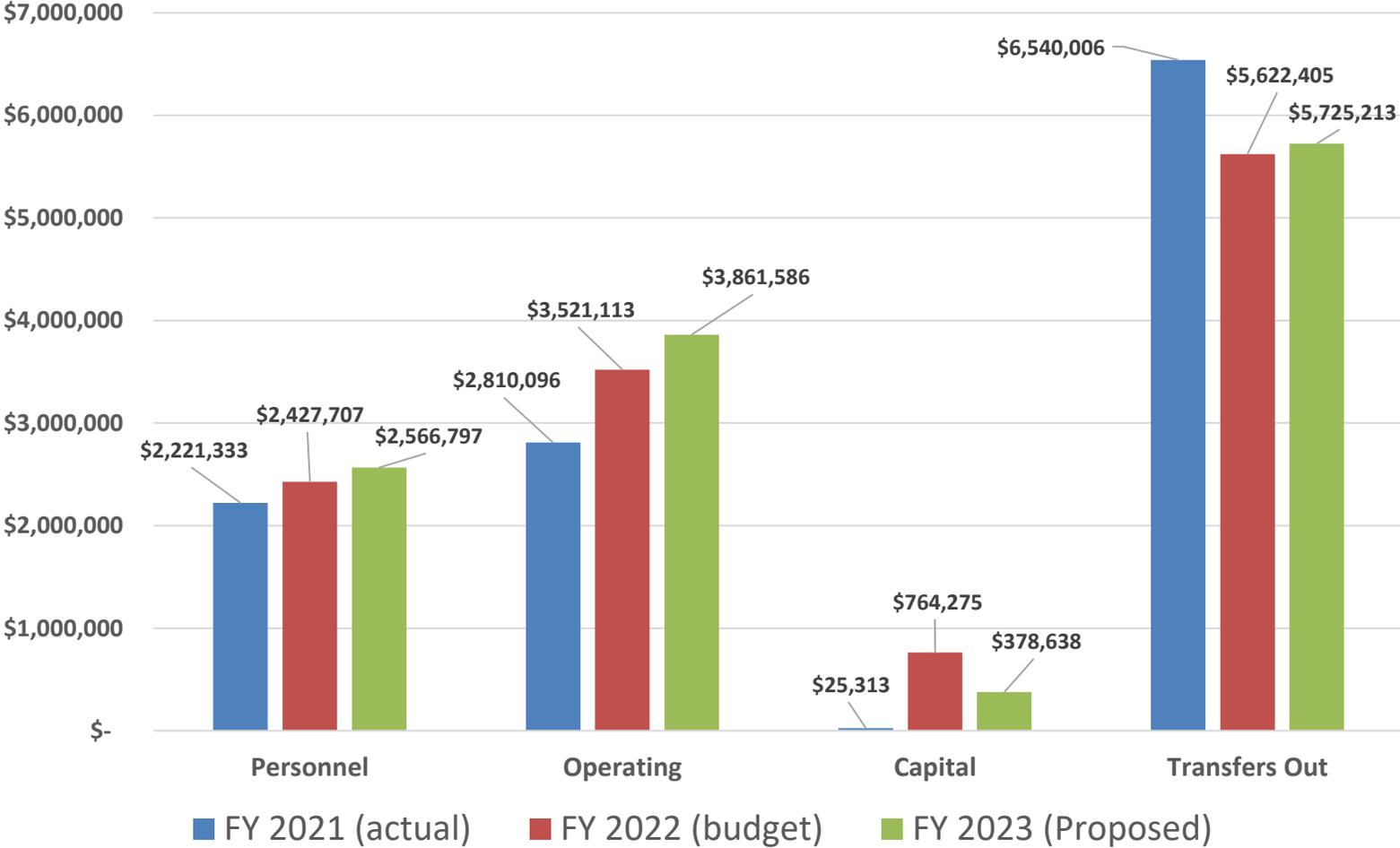
Wastewater Revenue



REVENUES  
**WASTEWATER OPERATING**

# Wastewater Operating Fund Expenses

### Wastewater Operating Fund - Expenses



# FY 22/23 Budget Enhancement List

<b>Budget Enhancement Description</b>	<b>Ranking</b>	<b>Amount</b>	<b>On-Going</b>
Instrument Calibration Services	High	\$ 24,999	\$ 24,999
Replace Brine Line Monitoring equipment	High	\$ 34,000	\$ -
GIS based Collection Tracking Software	Med-High	\$ 70,000	\$ 50,000
Mechanical Maintenance Services	Medium	\$ 25,000	\$ 25,000
Restoration & Addition of Electric Actuated Gates	Low	\$ 65,900	\$ -
	<b>TOTAL</b>	<b>\$ 219,899</b>	<b>\$ 99,999</b>

ENHANCEMENT REQUESTS

# WASTEWATER OPERATING

# Wastewater Available Funds

## Available funds after enhancements = \$105,868

- Capital projects requests = \$1,410,000
- Capital Project requests are all rated as high priority and include:
  - 4<sup>th</sup> Street Manhole Replacement      \$200,000
  - Oak Valley Lift Station Access Point      \$210,000
  - Vactor Dump Station      \$450,000
  - Lift Station Spare Pump Program      \$300,000
  - Variable Frequency Drive      \$250,000
- Balance = \$1,304,132 of unfunded capital projects

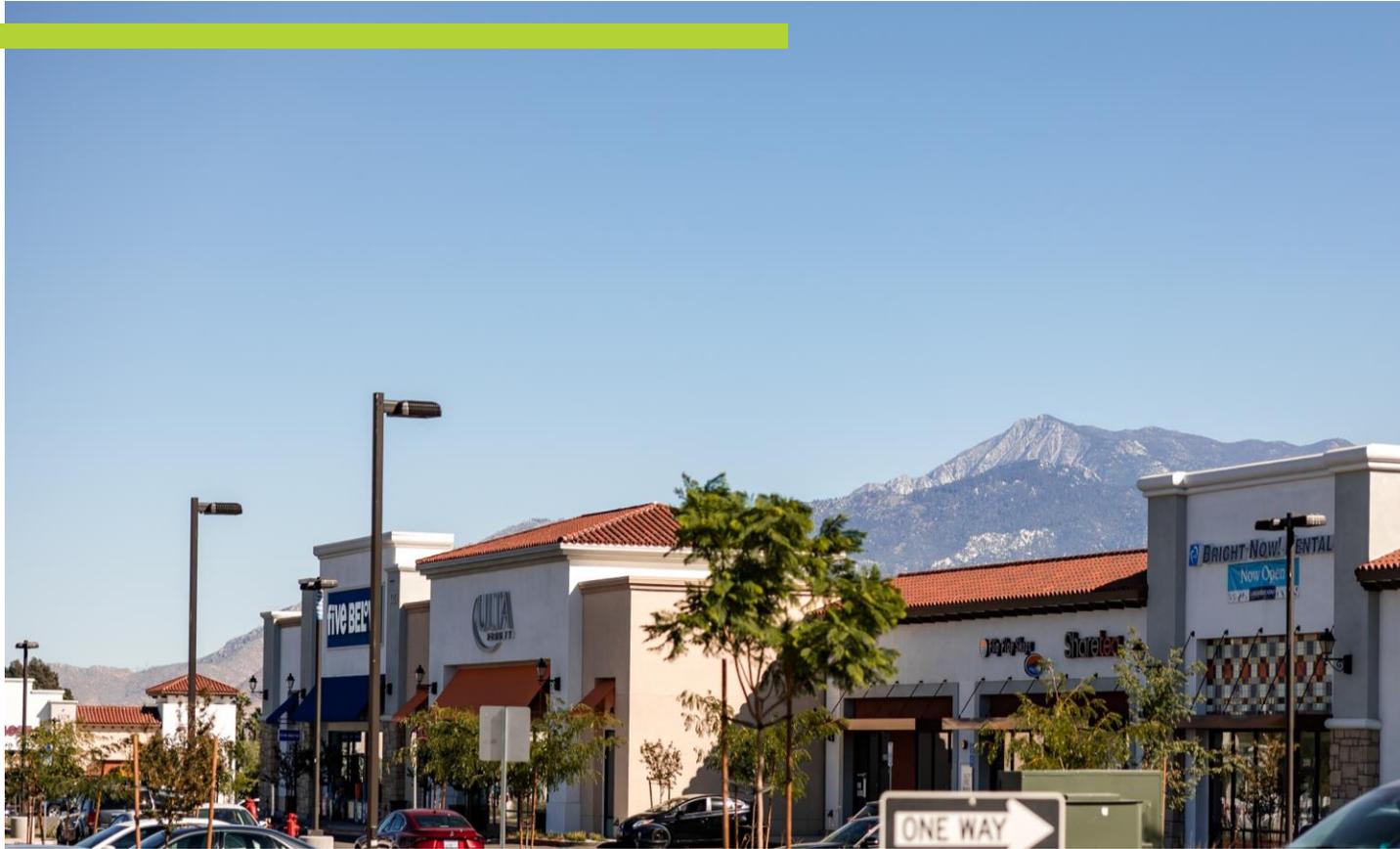
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Estimated FY2022 Ending Fund Balance	\$6.5M
Unfunded Capital Projects	(\$1.3M)
Seed for new R&R Capital Account	(\$1.0M)
Remaining Fund Balance	\$4.2M
FY2023 Proposed Budget	\$12.85M
Percent of Fund Balance Remaining	32.7%

**FY2022-2023  
Wastewater  
Unfunded  
Capital  
Requests**

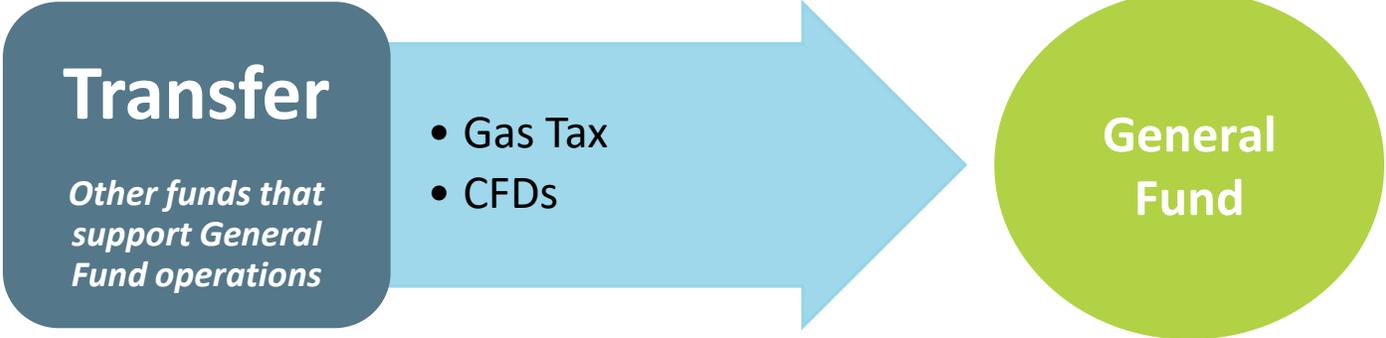
*Options and  
Discussion*

# ALL OTHER FUNDS



# ***Special Revenue Funds that Support Operations***

- General Fund contains most of the City operations.
- Wastewater Fund includes all the direct operations to run the City’s sewer system.
- All other operating funds help to support General Fund operations and, in some instances, have direct expenditures.



# FY 2023 BUDGET FOR OPERATING FUNDS

## FUNDS TRANSFERRING TO GENERAL FUND

- Fund 200 – Gas Tax \$1,540,466**
- Fund 215- Grant Funds \$50,000**
- Fund 220 – COPS \$70,456**
- Fund 240- Other Special Revenue \$9,600**
- Fund 250 – CFD Admin \$1,577,546**
- Fund 255 – CFD Maintenance \$3,858,848**
- Fund 260 – CFD Public Safety \$911,768**

## SERVICES PROVIDED BY THESE FUNDS

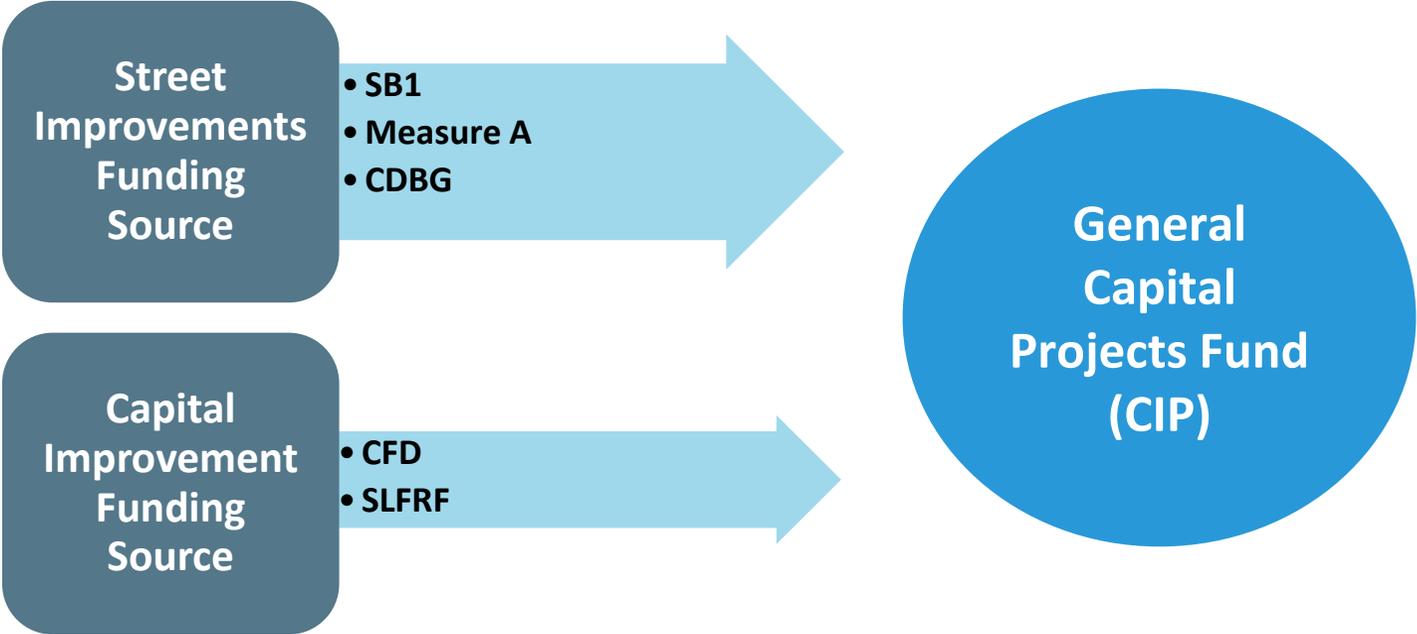
Streets Maintenance, PD overtime grant, Cadet Program, Donations to K9 program, CFD Administration, Parks and Grounds, Street Light Maintenance, Fire Services

*\*These funds are restricted in their uses and are transferred into the GF to support these specific functions*

# ***Special Revenue Funds That Support Capital Improvements***

## **Funds used to support capital improvements**

*Funds are restricted in use and can either have expenditures directly within their own fund or transfer to the General Capital Projects Fund (CIP).*



# FY 2023 BUDGET FOR CAPITAL IMPROVEMENTS

**FUNDS TRANSFERRING TO GENERAL CAPITAL  
PROJECTS FUND & WASTEWATER CAPITAL  
PROJECTS FUND**

**Fund 201 – SB1 \$892,435**

**Fund 202 – Measure A \$604,800**

**Fund 215 – CDBG \$130,000**

**SLFRF \$100,000**

**Fund 510 – CFD \$1,300,000**

*These funds transfer in for Capital Improvement  
Projects specified within the Capital Improvement  
Plan. Projects include:*

Annual Citywide Street Rehab and Maintenance  
22/23 – (SB1, Measure A, CDBG) \$1,672,235

Mesa Lift Station Construction – (SLFRF ) \$100,000

New Police Station Design – (CFD) \$1,300,000

# CAPITAL EXPANSION FUNDS

## *Development Impact Fees*

These funds are used to track each type of Development Impact Fee charged to developers for development within the City.

- Restricted for new expansion projects to address new development
  - *Not available for maintenance of current infrastructure*
- Transfer to the General Capital Projects Fund or Wastewater Capital Projects Fund where the actual expenditures occur



# FY 2023 Budget for **CAPITAL EXPANSION**

<p><b>Fund 562 - Road and Bridge Mitigation \$1,500,000 – 2<sup>nd</sup> Street Extension Construction</b></p> <p><b>Fund 556 – Traffic Signal Mitigation \$150,000 total which includes Citywide Traffic Signal Upgrade &amp; Capacity Improvement Phase 3</b></p> <p><b>Fund 559 – Police Facilities Mitigation total \$1,450,000 which includes (1) Building C Renovation \$750,000 and (2) New Police Station Design \$700,000</b></p>	<p><i>Transfers to General Capital Projects Fund for specific project within the Capital Improvement Plan</i></p>
<p><b>Fund 705 – Wastewater Mitigation \$3,650,000 – which includes (1) 16” Mesa Force Main Construction \$2,000,000 and (2) Mesa Lift Station Pump Capacity Enhancement Construction \$750,000 (3) Mesa Lift Station Construction \$900,000</b></p>	<p><i>Transfers to the Wastewater Capital Projects Fund for specific project within the Capital Improvement Plan</i></p>

# INTERNAL SERVICE FUNDS



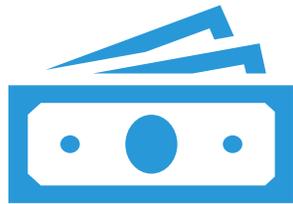
# Internal Service Fund

Allows the City to address capital needs on a useful life schedule.



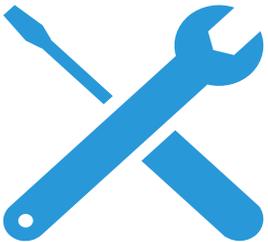
The fund provides for the following capital categories:

Facility Maintenance Fund	Vehicle Replacement Fund	Information Technology Fund	Equipment Replacement Fund
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**Contributions to the fund from departments include:**

- Facility Maintenance \$317,104
- Info Technology Equipment Replacement \$205,229
- Vehicle Replacement \$425,974



**ISF expenditures for FY 2023 include:**

- Vehicle Replacements \$754,936
- Info Technology Equipment Replacement \$440,000
- Grace Avenue Bldg Roof (Remove and Replace) \$350,000

**Internal Service Fund (cont.)**



Questions from the City Council regarding the proposed FY 2023 Budget



Staff is seeking direction regarding any changes or additional information needed by the City Council



Potential need for additional meetings prior to proposed final adoption – June 21st

# QUESTIONS & CITY COUNCIL DIRECTION