



## CITY COUNCIL BUDGET WORKSHOP

550 E. Sixth Street, Beaumont, CA

**Thursday, May 19, 2022**  
**Workshop Meeting: 5:00 PM**

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Materials related to an item on this agenda submitted to the City Council 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.

## WORKSHOP SESSION - 5:00 PM

### CALL TO ORDER

Mayor White, Mayor Pro Tem Martinez, Council Member Fenn, Council Member Santos, Council Member Lara

### ACTION ITEMS

*Approval of all Ordinances and Resolutions to be read by title only.*

#### **1. Second Draft FY 2023 City Wide Budget**

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

Review the proposed FY 2023 budget changes and provide guidance to staff prior to bringing the budget back for Council consideration and adoption

### ADJOURNMENT

The next regular meeting of the Beaumont City Council, Beaumont Financing Authority, the Beaumont Successor Agency (formerly RDA), the Beaumont Utility Authority, the Beaumont Parking Authority and the Beaumont Public Improvement Agency is scheduled for Tuesday, June 7, 2022, at 5:00 p.m., unless otherwise posted.



## Staff Report

**TO:** City Council  
**FROM:** Jennifer Ustation, Finance Director  
**DATE:** May 19, 2022  
**SUBJECT:** FY 2023 City Wide Budget

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### Background and Analysis:

The City prepares an annual budget that must be completed by June 30, 2022. The budget estimates the resources that will be available to meet City operational and capital needs. It then allocates those resources to meet those needs across the city operating departments and to meet priority capital projects.

A meeting was held on April 27, 2022, for City Council's first view of the budget. The budget for FY 2023 provides for total revenues of \$60,748,780 and total expenditures of \$40,716,471 for a budgeted surplus of \$20,032,309. The City Manager's recommended budget includes using \$5,175,594 of budget surplus to support additional positions and operational costs. This allows the City to keep up with growth and to improve service delivery. Additionally, there is \$937,200 of recommended General Fund funding requests for projects programmed within the CIP. Should City Council decide to fund the recommended enhancements, the budgeted surplus for the General Fund would be \$13,919,515.

City Council asked staff to reduce one of the enhancement requests from Economic Development from \$700,000 to \$500,000 and to include a Management Analyst position to support Economic Development with setting up and administering the forthcoming downtown programs for a total of \$168,000. City Council also provided staff with suggestions and priorities for the use of the General Fund surplus.

### Staff Recommended Options

Staff recommend using the remaining \$13.9M General Fund surplus on the following:

- Additional funds for the Stewart Park project \$4.75m
- A new project for the Memorial Park Plaza \$1.75m

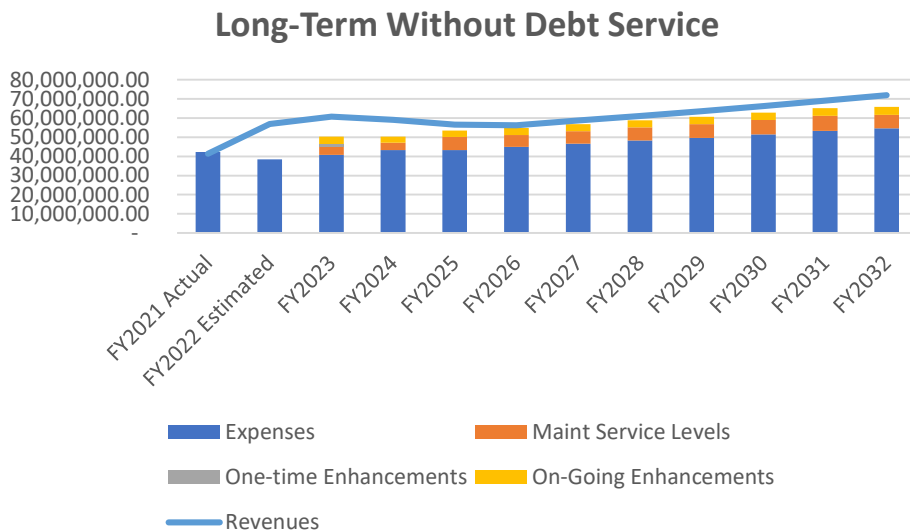
- Memorial Plaza Cameras (New Project) \$ 50k
- Additional funds for the Cherry Channel project \$250k
- Total \$6.8M

Staff have left \$7.1M available for appropriations throughout the year. Staff are currently in negotiations to payoff the WRCOG agreement. The total currently owed is \$9.4M.

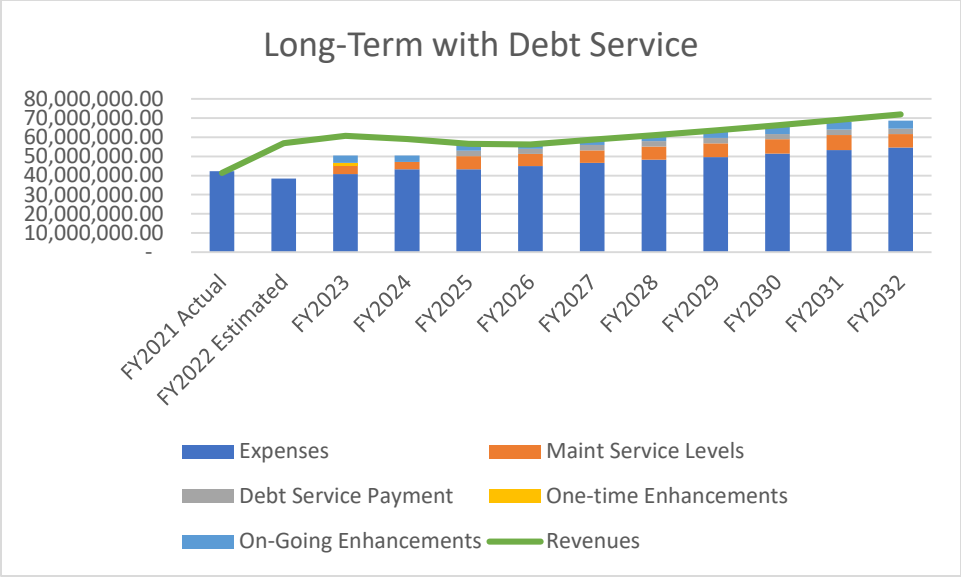
Long-Term Financial Forecast with Changes

Staff have analyzed the changes within the long-term financial forecast. Below is the outlook with the following change assumptions:

Long-Term Financial Forecast with added position and not paying off WRCOG.

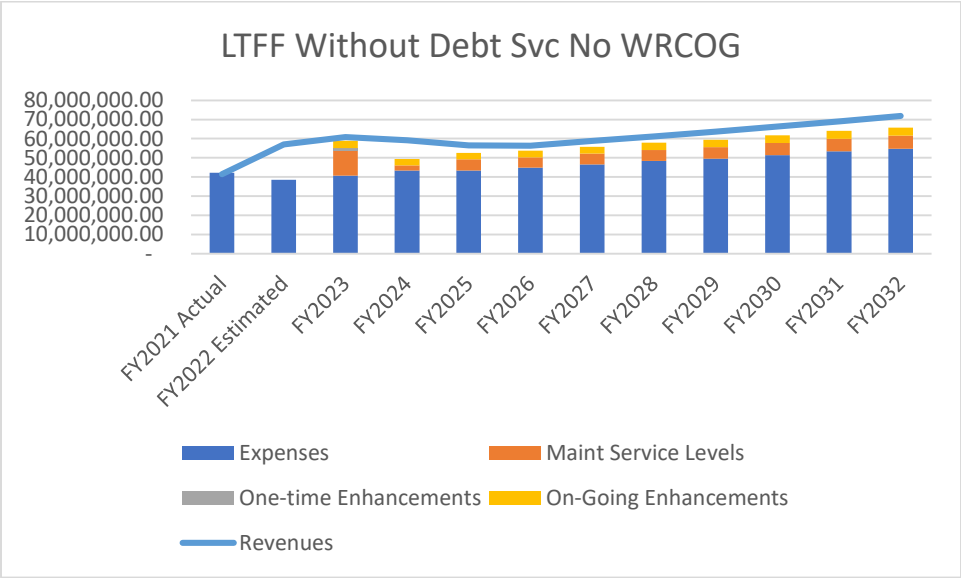


Long-Term Financial Forecast with added position, not paying off WRCOG and a debt service option to finance the new police station.

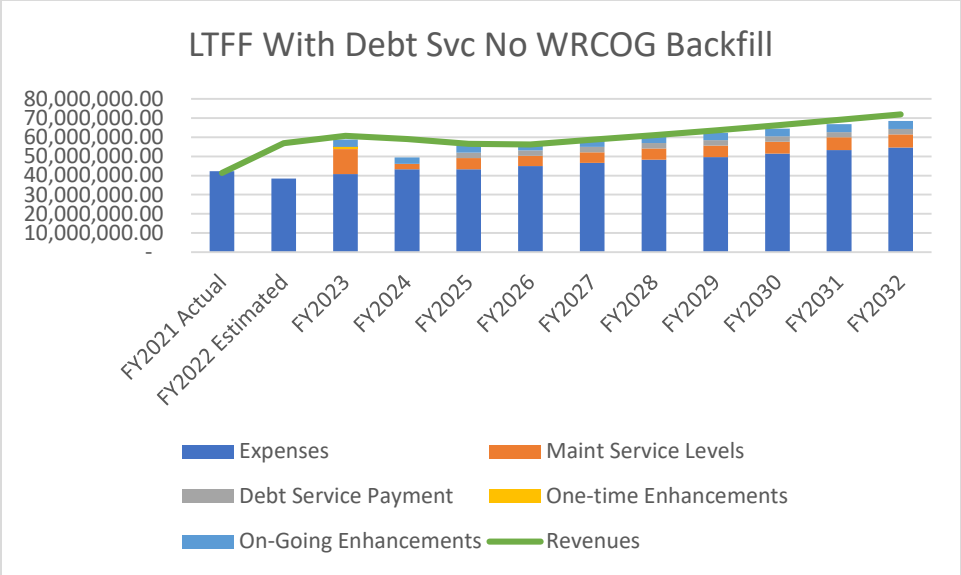


Staff also analyzed the impact of paying off the WRCOG Agreement.

Long-term financial forecast with added position, paying off the WRCOG Agreement, and removing the backfill of the Measure A revenue loss.



Long-term forecast with added position, paying off the WRCOG Agreement, removing the backfill of the Measure A revenue loss, and a debt service option to finance the new police station.



**Other Funding Changes Not General Fund**

Staff are also recommending the following changes in other funds.

- Added funding of \$750k to the Pennsylvania Grade Separation Design (Road and Bridge DIF)
- Ebike purchase – Bike Patrol Program, 2(two) ebikes and training for two (2) officers on team \$12,360 (AQMD)
- Field Training Program Reporting/Training Software - \$4,726 (SLESA)

**Fiscal Impact:**

This is the second meeting regarding the FY 2023 budget and is intended to seek guidance from City Council on the proposed changes. No fiscal impact is anticipated from this discussion.

**Recommended Action:**

Review the proposed FY 2023 budget changes and provide guidance to staff prior to bringing the budget back for Council consideration and adoption

**Attachments:**

- A. PowerPoint presentation



# DRAFT ANNUAL OPERATING & CAPITAL IMPROVEMENT BUDGET

*Fiscal Year 2022-2023*

**2<sup>nd</sup> Review**

May 19, 2022

# General Fund Overview & Highlights

## From April 27th Workshop

The FY2023 proposed budget provides for Revenues of \$60.7M and Expenses of \$40.7M for unprogrammed balance of **\$20.0M available** to City Council.

- Enhancements total \$5.2M first year and add 22.5 FTEs. On-going expenses for future years total \$3.6M
- General Fund capital projects funding requests total \$937,400 for FY2023 and include:
  - 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.*



# Council Directed Changes

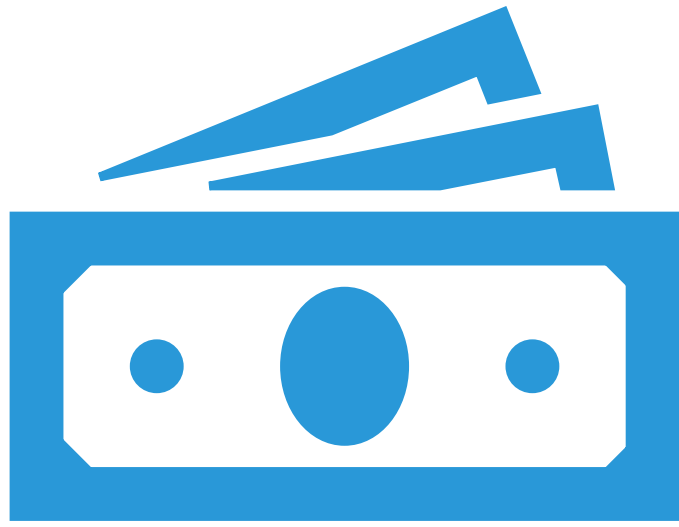
Enhancement Requests

- Economic Development enhancement request for Downtown Incentive Package reduced from \$700k to \$500k
- Addition of Management Analyst position to support Economic Development with setting up and administering the forthcoming downtown programs. \$168k

# One-Time Funds

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

- Use of unprogrammed available resources recommended to be used on one-time expenditures taking into consideration the Long-Term Financial Forecast.
- *Discussion and direction from City Council on unprogrammed balance on next slide.*



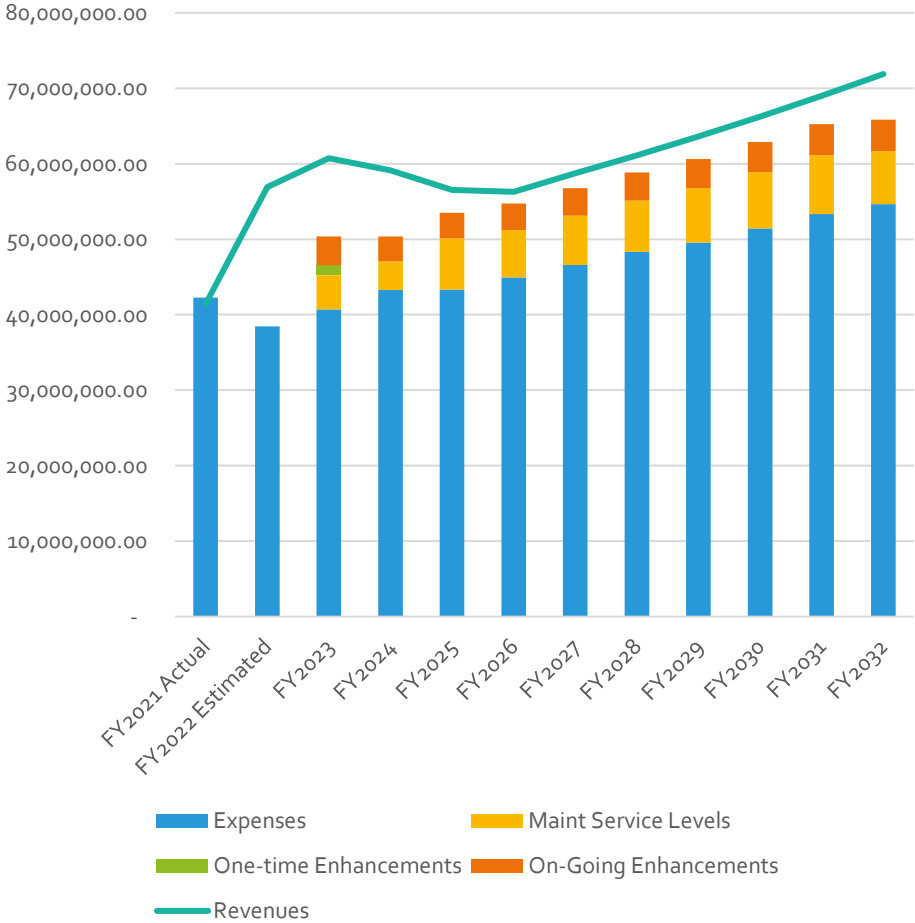
# Staff Recommended Options

One-Time Funds

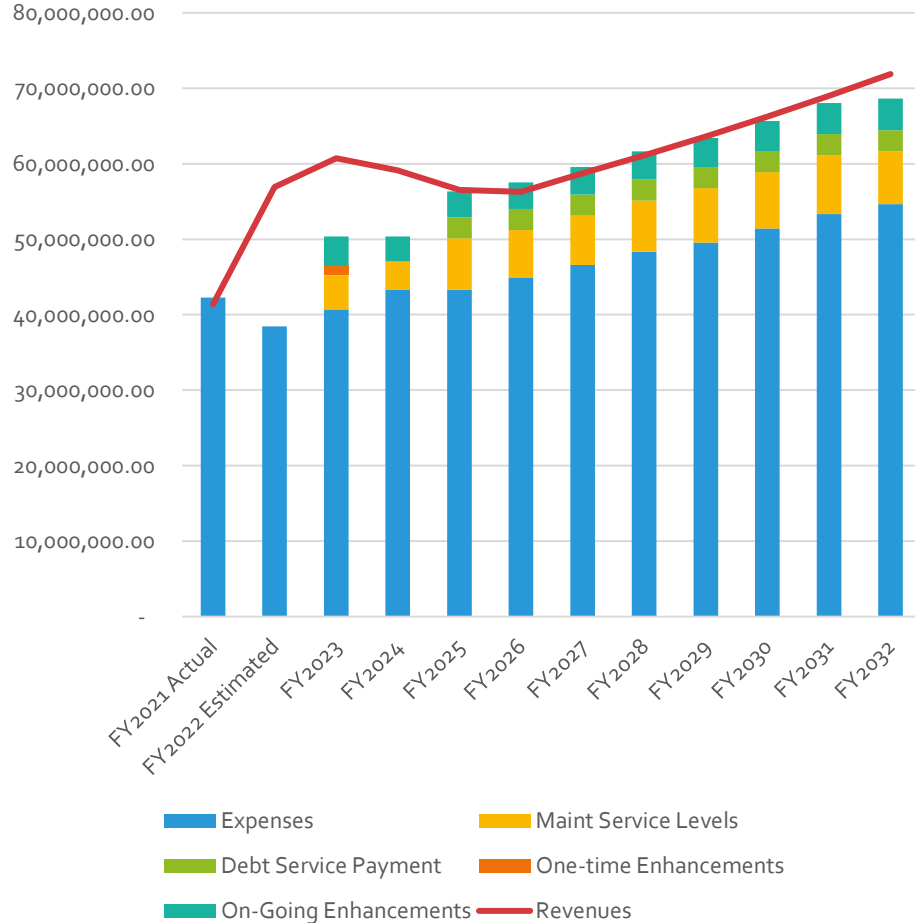
- Additional Funds for Stewart Park      \$4.75M
  - Memorial Plaza (New Project)      \$1.75M
  - Memorial Plaza Camera (New Project)      \$ 50k
  - Additional Funds for Cherry Channel      \$250k
  - Total      **\$6.8M**
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- Leaves \$7.1M available for appropriation throughout the year.
  - \*Note: Currently in negotiations for WRCOG agreement. Total currently owed \$9.4M.

# Long-Term Financial Forecast without WRCOG Payoff

### Long-Term Without Debt Service

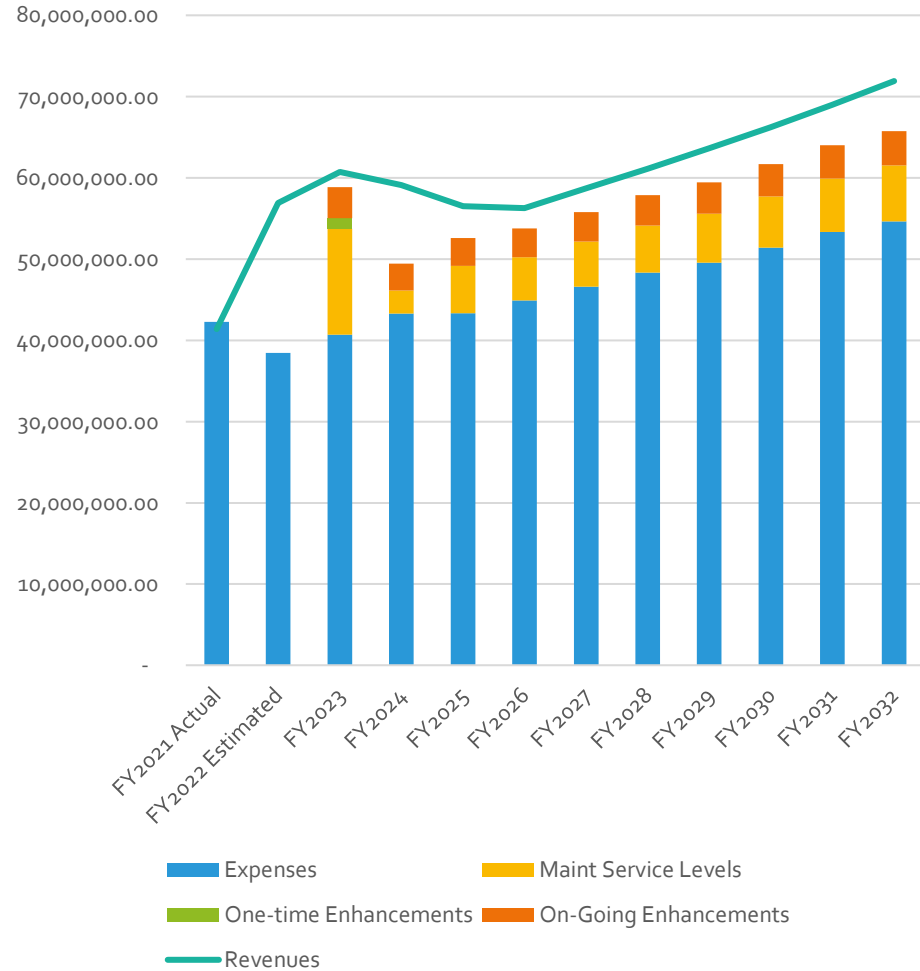


### Long-Term with Debt Service

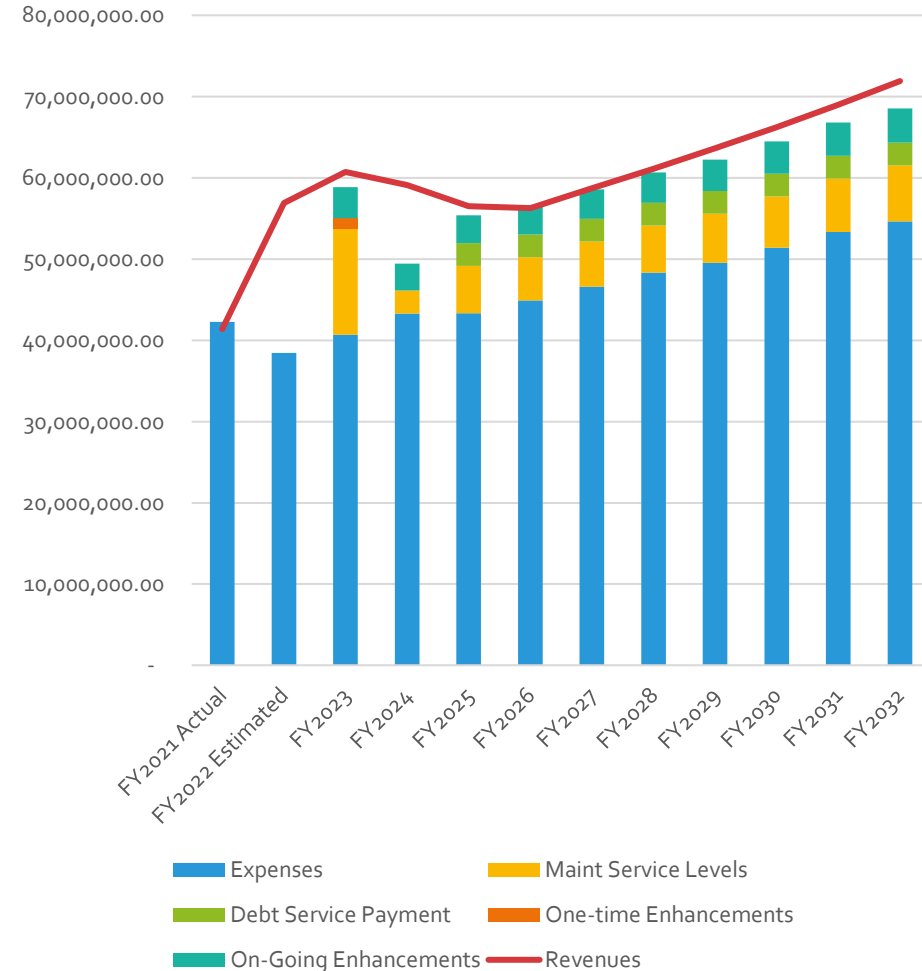


# Long-Term Financial Forecast with WRCOG Agreement Payoff

### LTFF Without Debt Svc No WRCOG Backfill



### LTFF With Debt Svc No WRCOG Backfill



# Other Funding Changes-Not General Fund

- Added funding of \$750k to Pennsylvania Grade Separation Design (Road and Bridge DIF)
- Ebike Purchases for bike patrol program, two (2) ebikes and training for two (2) officers on team \$12,360 (AQMD)
- Field training program reporting/training software \$4,726 (SLESA)



Questions from the City Council regarding the proposed FY 2023 Budget



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



Is Council comfortable with bringing the budget forward for adoption with any modifications discussed at this meeting?

# QUESTIONS & CITY COUNCIL DIRECTION