

City of Piedmont
COUNCIL AGENDA REPORT

DATE: February 20, 2024

TO: Mayor and Council

FROM: Rosanna Bayon Moore, City Administrator

SUBJECT: Consideration of FY 2023-24 Midyear General Fund Appropriations and FY 2023-24 Midyear Fiscal Report

RECOMMENDATION

- 1) By motion, approve the FY 2023-24 midyear General Fund appropriations of \$125,000 for Fire Department overtime and re-allocation of \$100,000 from the Public Works Department to the Planning & Building Department part-time salaries line item.
- 2) Consider the addition of one Dispatcher to the Police Department.

BACKGROUND

The adopted City of Piedmont FY 2023-24 Budget outlines the City's fiscal parameters, and presents the annual expenditure plan. The budget document guides and ensures implementation of programs and policies that reflect Council priorities and service level expectations. The annual Midyear Fiscal Report examines the financial condition of the City budget at the midpoint of the fiscal year, comparing estimated to actual revenues and expenditures. This analysis measures the conformity of all revenues and expenditures from July 1, 2023 through December 31, 2023 to the adopted FY 2023-24 budget.

The adopted Budget incorporates the estimated revenues, planned expenditures, and transfers for all funds. This Midyear Fiscal Report focuses on the General Fund and the Capital Projects Funds (Facility Maintenance, Equipment Replacement and Street Related).

Staff recommends the following budget adjustments as detailed below. Please note, Staff is only requesting additional appropriations for variances caused by known operational changes. Expense variances based only on estimation of current trends (i.e., recreation program expense and insurance claims) will be re-evaluated at year end.

Appropriation requests from the General Fund:

	Expense	
<u>Department</u>	<u>Account</u>	<u>Amount</u>
Fire	Personnel - Overtime	\$ 125,000
Planning & Building	Personnel - Part Time	\$ 100,000
Public Works	Personnel - Part Time	\$ (100,000)
		<u>\$ 125,000</u>

As part of the FY 2023-24 Annual Budget adoption in June 2023, City Council approved the hiring of one additional Dispatcher in FY 2023-24 and directed staff to revisit the hire of a second Dispatcher at the midyear financial review. In February 2024, the new Dispatcher position was filled. The expense associated with the first twelve months of the position is funded by the Citizens Option for Public Safety (COPS) Fund, a State of California funding stream allocated to Piedmont for front line capacity enhancement activities.

Based on prior Council discussion and the public's ongoing interest in bolstering the City's public safety response, the second Dispatcher position is presented for review and reconsideration. The first year of employment for this position can be supported by the COPS Fund. In subsequent years, the General Fund will need to assume an annual cost burden of approximately \$140,000 per Dispatcher.

Midyear FY 2023-24 General Fund Summary

The General Fund finances the basic municipal services provided by the City. General Fund revenues are budgeted at \$39.0 million (which includes Operating Transfers-In of \$1.1 million, primarily from the Sewer Fund). General Fund expenditures are budgeted at \$36.8 million. The adopted budget also includes Capital Transfers-Out of \$2.2 million to the Facilities Capital Fund, \$1.5 million to the Facilities Maintenance Fund, and \$690,000 to the Equipment Replacement Fund.

Based on current trends and known expense variances, staff is projecting General Fund revenues to exceed the budget by approximately \$1.4 million and expenses to be higher than the budget by approximately \$287,000. This results in positive General Fund operating net income, before capital transfers, of approximately \$3.3 million and an ending General Fund Balance of approximately \$7.0 million, which is 19% of total expenditures, for Fiscal Year 2023-24. The General Fund remains in a sound position, with revenues exceeding expenses. This is the result of conservative budgeting and prudent management of day to day operations. There can be no assurance these trends will continue as the economy continues to face stiff headwinds with high interest rates and inflation.

The increase in revenue is primarily due to:

- Higher than expected real property transfer tax receipts (+\$0.8 million)
- Increased Recreation Department revenue (+\$0.4 million),
- Property taxes, primarily unsecured property (+\$0.2 million),
- Interest and unrealized investment income (+\$0.2 million).

Revenue increases are partially offset by:

- Lower than anticipated building permits and planning related fee activity (-\$0.2 million).

The increase in expenditures is primarily due to the following:

- Higher overtime costs in the Fire Department as a result of once vacant positions and, to a lesser extent, workers compensation claims.
- Additional costs incurred to process the backlog of building permit applications and to maintain current permit processing headway amid the delayed implementation of the new Community Development and eTRACKiT systems.
- Higher costs in the Recreation Department due to higher than expected program interest and third party contract program costs. These expenditures are more than offset by the corresponding program revenue.

General Fund Revenues

Total General Fund revenue through December 31, 2023 was \$17.9 million, which is 46% of the annual revenue budget.

Staff projects General Fund Revenues to be \$40.4 million for FY 2023-24, an increase of \$1.4 million as compared to the budget.

The increase is summarized as follows:

REVENUE				
(in thousands)	FY 2023-24		Variance	
	Projected	Budget	\$	%
CATEGORY				
Property Taxes	18,263	18,110	153	1%
Real Property Transfer Tax	4,200	3,400	800	24%
Parcel Tax	2,622	2,622	-	0%
Other Taxes and Franchises	3,052	2,963	89	3%
License and Permits	762	759	3	0%
Revenue from Use of Money or Property	1,012	868	144	17%
Revenue from Other Agencies	4,619	4,573	46	1%
Charges for Current Services	4,698	4,545	154	3%
Other Revenue	187	88	100	113%
Transfers In	1,005	1,056	(51)	-5%
	40,420	38,984	1,435	4%

The major revenue categories (property tax, parcel tax, and transfer tax) which account for 69% of the General Fund budgeted revenue are discussed below:

- The City has received property tax revenues of \$9.4 million through December 31, 2023 which is 52% of the annual budget of \$18.1 million. This is 6% higher than the amount received in the same period last year. Based on the total amount of secured and unsecured property taxes to be received as communicated by Alameda County, staff projects total property tax revenue to be approximately \$18.3 million, which is \$153,000 (1%) higher than the adopted budget.
- Parcel tax revenue received through December 31, 2023 was \$1.3 million, which is 50% of the annual budget. This revenue increased \$51,000 as compared to the same period last year. Staff expects parcel tax revenue to be in line with budget for the year.
- Real property transfer tax revenue received through December 31, 2023 was \$1.9 million, which is 56% of the annual budget of \$3.4 million, and 27% lower than the amount received in the same period last year. Year over year, the number of homes sold decreased 3% (63 homes sold compared to 65 in the same period last year), and a 7% decline in the average home sale price to \$2.9 million from \$3.2 million in the same period last year. This is the first decrease since 2011. For FY 2023-24, staff projects transfer tax revenues to be \$4.2 million, which is \$0.8 million greater than estimated values in the adopted budget.

Other revenue categories to note include the following:

American Rescue Plan Act (ARPA). The federal government allocated \$2.6 million in ARPA funds to the City of Piedmont - \$1.3 million was received in July 2021 and the remaining \$1.3 million was received in July 2022. In accordance with accounting rules, these monies cannot be recognized as revenue until spent. Of the \$2.6 million received, \$516,929 was spent through June 30, 2023. The remaining \$2.1 million, as approved by the City Council in October 2021, is earmarked for the Dispatch relocation/renovation project. This project is currently out for bid.

Interest Income and Unrealized Investment Gains. This category is projected to exceed the budget by approximately \$0.2 million due to the continued high interest rates. General Fund monies are invested primarily in Government Agency Securities, Treasury Bills, Certificates of Deposit, and the Local Agency Investment Fund (LAIF).

Revenue from Recreation Programs and Facility Rentals. As of December, recreational programs have been strong, especially contract camps and programs. This is partially offset by lower than planned revenue from facility rentals. Assuming this trend continues, this category is anticipated to exceed the approved budget by approximately \$0.4 million. It should be noted that the majority of Recreation Department expenses are variable in nature, and accordingly, an increase in expenses is expected.

Revenue from Other Agencies. In December 2023, Piedmont was awarded a \$197,040 Hazard Mitigation Grant to update the City's Local Hazard Mitigation Plan which is set to expire in August 2024. The City's share of approximately \$40,000 is anticipated to be contributed through in-kind staff management of the grant and planning process. A consultant will be selected through an RFP process expected to open in March of 2024. Revenue is not expected to be received until next fiscal year.

General Fund Expenditures

General Fund expenditures are budgeted at \$36.8 million. Total estimated expenditures for FY 2023-24 are \$37.2 million, or \$369,000 (1 %) higher than budget.

The following table compares budget and projected expenditures for the full fiscal year:

EXPENDITURES					
(in thousands)	FY 2023-24		% of	Variance	
	Projected	Budget	Total	\$	%
CATEGORY					
Personnel Costs	23,245	23,330	63%	(85)	0%
Operating Expenses	9,859	9,395	26%	464	5%
Non-Deputmental	4,005	3,947	11%	58	1%
Aquatics Subsidy	-	150	0%	(150)	-100%
	37,110	36,823	100%	287	1%

Personnel related costs, the largest expenditure component of the General Fund, represent 63% of the total expenditure budget and are estimated at \$23.2 million. The variance is primarily due to:

- Increased personnel costs in the Fire Department:
 - Overtime was higher than budget as vacant positions needed to be backfilled. The majority of the overtime is offset by lower regular salary and benefit costs. Net budget overage is estimated at \$125,000.
- Additional personnel costs incurred to process the backlog of building permit applications and implementation of the new Community Development and eTRACKit solution (+\$100,000).
 - When the budget was developed in the spring of 2023, the new eTRAKiT system was estimated to launch in July 2023. The need for part time staffing would then be re-evaluated once work flow normalized post-launch. The launch was delayed, and the system did not go live until December 2023. Implementation challenges with the software solution continue to require additional staff time to address. Forecasted benefits and efficiencies associated with eTRAKiT, including reduced workloads, have yet to materialize.
 - The Public Works Department budget includes a part time Facilities Project Manager position at \$100,000 which has not been recruited or hired. This vacancy provides part-time salary savings that are unlikely to be expended in the current fiscal year. Staff recommends the ongoing use of part time staffing in Planning & Building to keep pace with the workload and complete implementation of eTRACKit. This will be funded by the resources allocated for the part time Facilities Project Manager in Public Works. Staffing and fee studies associated with the Planning & Building functions are budgeted and scheduled for later this year. The findings of the staffing study will be used to shape the structure of these activities in future years.

Operating expenses are expected to be higher than budgeted by approximately \$0.4 million primarily due to:

- Higher costs in the Recreation Department (+\$354,000), primarily third party contract program costs, due to greater than expected increase in Recreation program offerings.

Non-Departmental costs will be higher than budgeted due to:

- Increased Workers Compensation claims (+\$120,000)
- Offset by lower retiree medical premiums (-\$50,000)

An Aquatics subsidy of \$150,000 was budgeted for the hiring of personnel prior to the opening of the new community pool. With the pool opening date estimated for Fall 2024, the hiring timeline is delayed. As a result, the residual balance in the Aquatics fund will be adequate to cover the anticipated personnel costs.

Please see the following pages for schedules detailing this information.

	CITY OF PIEDMONT							
	GENERAL FUND ANALYSIS							
	2020-21 to 2023-24							
	(000's)							
	Actual			Projected	Budget	Variance		
	2020-21	2021-22	2022-23	2023-24	2023-24	\$	%	
General Fund Beginning Balance	\$ 5,591	\$ 6,509	\$ 7,403	\$ 7,423	\$ 9,110	\$ (1,687)	-19%	
Property Taxes	15,442	16,224	17,529	18,263	18,110	153	1%	
Real Property Transfer Tax	6,287	5,981	4,465	4,200	3,400	800	24%	
Parcel Tax	2,411	2,425	2,520	2,622	2,622	-	0%	
Other Taxes and Franchises	2,664	2,721	3,097	3,052	2,963	89	3%	
License and Permits	710	766	695	762	759	3	0%	
Revenue from Use of Money or Property	209	508	827	1,012	868	144	17%	
Revenue from Other Agencies	2,436	2,615	2,269	4,619	4,573	46	1%	
Charges for Current Services	2,977	4,179	4,630	4,698	4,545	154	3%	
Other Revenue	128	140	392	187	88	99	113%	
	33,266	35,559	36,424	39,415	37,928	1,486	4%	
Operating Transfers in	1,008	905	879	1,005	1,056	(51)	-5%	
Total Revenue	34,274	36,464	37,303	40,420	38,984	1,435	4%	
Departmental Expenditures								
Administration	3,603	3,509	3,730	4,325	4,425	(100)	-2%	
Public Works	3,795	4,206	4,562	4,591	4,691	(100)	-2%	
Planning & Building	1,455	2,390	2,170	3,664	3,564	100	3%	
Recreation	2,405	3,296	3,727	3,938	3,584	354	10%	
Police	6,715	7,315	7,503	8,189	8,189	-	0%	
Fire	6,875	7,700	8,042	8,398	8,273	125	2%	
Departmental Expenditures	24,848	28,416	29,734	33,104	32,725	379	1%	
Non Departmental Expenditures								
Library	350	350	350	350	350	-	0%	
Unemployment Insurance	134	17	22	20	20	-	0%	
Workers Compensation	722	872	1,014	1,070	950	120	13%	
Liability Insurance	1,015	1,104	1,472	1,502	1,502	-	0%	
Pension rate stabilization	1,000			-	-	-	#DIV/0!	
OPEB - Retiree payments	654	750	883	975	1,025	(50)	-5%	
Other	-	100	1	88	100	(12)	-0.12	
Non Departmental Expenditures	3,875	3,193	3,742	4,005	3,947	58	1%	
Aquatics	-	-	-	-	150	(150)	-100%	
Operating Transfers-out	-	-	-	-	150	(150)	-100%	
Total Expenditures and Transfers-out	28,723	31,609	33,476	37,110	36,823	287	1%	
Operating Net Income	5,550	4,855	3,827	3,310	2,161	1,148	53%	
Capital Transfers-out								
Equipment Replacement Fund	610	1,361	690	-	690	(690)	-100%	
Facility Maintenance\Sidewalk	522	900	1,300	1,500	1,500	-	0%	
Facility Capital	3,500	1,700	1,817	2,184	2,184	-	0%	
Capital Improvements				-	-	-	#DIV/0!	
Total Capital Transfers	4,632	3,961	3,807	3,684	4,374	(690)	-16%	
Net Income after Capital Transfers	918	894	20	(374)	(2,213)	1,838	-83%	
Prior Year Adjustment (audit)								
General Fund Ending Fund Balance	\$ 6,509	\$ 7,403	\$ 7,423	\$ 7,049	\$ 6,897	\$ 151	2%	
Fund Balance as % of Operating Exp	23%	23%	23%	19%	19%			

		General Fund Revenue (000's)							
		Actual - Fiscal Year Ended:			Fiscal Year 2023-24				
Account #	Description	June-21	June-22	June-23	6 Months Actual	Budget	% Attained	Projected Annual	\$ Variance
See Below for Details	PROPERTY TAX - SECURED	14,271	14,974	16,027	8,463	16,948	50%	16,975	27
See Below for Details	PROPERTY TAX - UNSECURED	724	726	761	770	757	102%	883	126
101-0301-005-000	PROPERTY TAX-SUPPLEMENTAL	438	515	733	149	400	37%	400	0
101-0301-006-000	PROPERTY TAX-DELINQ & PENLTY	9	9	8	0	5	0%	5	0
	SUB-TOTAL Property Tax	15,442	16,224	17,529	9,382	18,110	52%	18,263	153
101-0302-003-000	REAL PROPERTY TRANSFER TAX	6,287	5,981	4,465	1,894	3,400	56%	4,200	800
101-0302-005-000	PARCEL TAX: MUNI TAX	2,411	2,425	2,520	1,311	2,622	50%	2,622	0
	TOTAL Property Related Taxes	24,140	24,629	24,514	12,587	24,132	52%	25,085	953
See Below for Details	BUSINESS LICENSE TAX	255	301	391	108	341	32%	352	11
See Below for Details	REAL ESTATE RENTAL TAX	366	339	354	1	350	0%	355	5
101-0302-001-000	SALES & USE TAXES	245	243	227	68	250	27%	225	-25
	TOTAL Business & Sales Taxes	865	883	972	178	941	19%	932	-9
101-0302-002-002	ELECTRIC FRANCHISE FEE	103	109	133	0	115	0%	125	10
101-0302-002-003	GARBAGE FRANCHISE FEE	257	267	275	153	284	54%	290	6
See Below for Details	CABLE T.V. FRANCHISE FEE	201	201	183	43	208	21%	180	-28
	TOTAL Franchise Fees	561	577	591	195	607	32%	595	-12
101-0302-008-000	GAS & ELECTRIC USERS TAX	1,003	1,043	1,314	384	1,155	33%	1,300	145
See Below for Details	TELEPHONE USERS TAX	190	173	175	62	215	29%	180	-35
101-0302-010-000	WATER USERS TAX	45	45	45	23	45	50%	45	0
	TOTAL Utility Users Tax	1,238	1,260	1,534	469	1,415	33%	1,525	110
See Below for Details	BUILDING & OTHER PERMITS	689	740	673	365	734	50%	740	6
101-0307-001-000	PLANNING FEES	252	266	210	81	230	35%	180	-50
See Below for Details	PLAN CHECK FEES	366	363	335	151	357	42%	305	-52
101-0307-001-001	GENERAL PLAN MAINT. FEES	280	427	419	194	500	39%	375	-125
101-0307-004-000	RECORDS MANAGEMENT FEES	41	27	25	15	30	48%	30	0
	TOTAL Permits & Planning fees	1,628	1,823	1,662	806	1,851	44%	1,630	-221
101-0305-002-001	COMMUNITY HALL - RENTAL	47	477	468	266	475	56%	466	-9
101-0305-002-002	VETERANS HALL - RENTAL	19	41	49	18	53	35%	33	-20
101-0305-002-003	RECREATION BUILDING - RENTAL	0	0	3	1	6	18%	2	-4
101-0305-002-004	801 MAGNOLIA - RENTAL	0	1	3	2	36	5%	5	-31
See Below for Details	RECREATION PROGRAMS	1,355	2,153	2,617	1,490	2,391	62%	2,891	501
See Below for Details	PRE-SCHOOL	338	455	496	223	537	41%	537	0
	TOTAL Recreation Revenue	1,760	3,127	3,637	1,999	3,498	57%	3,934	437

		General Fund Revenue (000's)							
		Actual - Fiscal Year Ended:			Fiscal Year 2023-24				
Account #	Description	June-21	June-22	June-23	6 Months	Budget	% Attained	Projected	\$ Variance
101-0306-003-017	MOTOR VEHICLE LICENSE FEE	1,429	1,493	1,595	841	1,671	50%	1,680	9
101-0306-003-005	HOMEOWNER PROP. TAX RELIEF	79	79	78	0	80	0%	80	0
101-0306-003-011	MISCELLANEOUS RECEIPTS-STATE	212	6	17	160	410	39%	410	0
101-0306-003-014	MISC GRANTS - ABAG	0	0	0	20	0	#DIV/0!	20	20
101-0306-003-018	MISCELLANEOUS-COUNTY	19	39	35	0	0	#DIV/0!	0	0
101-0306-002-000	FEDERAL GRANTS	0	284	233	0	2,079	0%	2,079	0
	TOTAL Other Agency Revenue	1,739	1,902	1,958	1,021	4,240	24%	4,269	29
101-0306-003-015	FORESTRY & FIRE PROTECTN	513	510	0	0	0	#DIV/0!	0	0
101-0306-004-002	PARAMEDIC TAX	70	70	70	35	70	50%	70	1
101-0307-005-000	AMBULANCE SERVICE CHARGE	226	302	367	102	325	31%	300	-25
101-0307-011-004	FIRE CPR COURSES	0	0	2	0	0	#DIV/0!	0	0
	TOTAL Fire Related Revenue	809	881	438	137	395	35%	370	-25
101-0306-003-012	STATE GRANTS - TOBACCO	0	0	106	0	132	0%	132	1
101-0306-019-000	1/2% SALES TAX FOR PUB SAFE	109	124	127	56	125	45%	125	0
101-0306-003-009	P.O.S.T.	6	9	8	20	7	291%	23	16
101-0307-003-000	EMERYVILLE ANIMAL CONTROL	91	121	100	0	120	0%	20	-100
101-0307-011-001	CROSSING GUARD	21	61	48	0	55	0%	55	0
101-0307-011-000	SPECIAL SERVICES	5	4	10	2	0	#DIV/0!	5	5
101-0303-001-000	DOG LICENSES	21	26	22	6	25	25%	22	-3
	TOTAL Police Related Revenue	253	345	421	85	464	18%	382	-82
101-0305-001-001	INTEREST	87	76	279	114	160	72%	300	140
101-0320-008-000	UNREALIZED GAIN/LOSS	-46	-217	-124	68	0	#DIV/0!	68	68
	TOTAL Investment Income\\(Loss)	41	-141	155	182	160	114%	368	208
101-0305-002-005	TELECOMMUNICATIONS - LEASE	100	108	112	52	104	50%	104	0
101-0305-003-002	VETERANS HALL - LEASE	0	20	20	10	21	49%	21	0
101-0305-003-004	801 MAGNOLIA - LEASE	0	2	12	6	13	48%	13	0
101-0308-003-005	SALE OF MISC. PROPERTY	28	33	1	2	0	#DIV/0!	2	2
101-0308-008-000	MISCELLANEOUS REVENUE	96	108	393	179	88	203%	185	97
101-0325-030-103	TRANSFER IN	1,013	905	882	0	1,056	0%	1,005	-51
See Below for Details	OTHER REVENUE	2	1	1	0	0	#DIV/0!	0	0
	TOTAL Miscellaneous Revenue	1,239	1,177	1,422	250	1,282	19%	1,330	48
	TOTAL GENERAL FUND REVENUE	34,274	36,464	37,303	17,909	38,984	46%	40,419	1,435

Recreation Related Operations

In aggregate, staff is projecting recreation related activities to exceed budgeted figures and approach 100% cost recovery. The first half of the year yielded better than expected results in Piedmont's recreation programs. Recreation program revenue was driven by strong registrations for summer camps and classes and the addition of the New Camp Kaleidoscope program, which generated almost \$200,000 in registrations. Preschool revenue is projected to be on target while expenses are trending lower than estimates. Community Hall and Veterans Hall rentals are expected to be in alignment with estimated revenues, while 801 Magnolia facility rentals are trending lower than budget.

Below is a summary of operations and second half projections for each of the Recreation areas:

	Fiscal Year 2023-24				
	Actual	Next	Annual		
	6 Months	6 Months	Total	Budget	Variance
<u>TOTAL GENERAL FUND:</u>					
<u>RECREATION</u>					
Revenue	\$ 2,008,283	\$ 1,940,000	\$ 3,948,283	\$ 3,482,500	\$ 465,783
Salaries	757,280	775,000	1,532,280	1,631,895	(99,615)
Benefits & Taxes	191,415	207,300	398,715	408,670	(9,955)
Operating Exp	891,097	985,000	1,876,097	1,411,700	464,397
Total Expenses	1,839,791	1,967,300	3,807,091	3,452,265	354,826
Net Income/(Loss)	\$ 168,492	\$ (27,300)	\$ 141,192	\$ 30,235	\$ 110,957

	Fiscal Year 2023-24				
	Actual	Next	Annual		
	6 Months	6 Months	Total	Budget	Variance
RECREATION (404)					
Revenue	\$ 1,490,831	\$ 1,400,000	\$ 2,890,831	\$ 2,396,500	\$ 494,331
Salaries	513,434	505,000	1,018,434	1,037,346	(18,912)
Benefits & Taxes	146,960	155,000	301,960	304,558	(2,598)
Operating Exp	818,891	900,000	1,718,891	1,260,700	458,191
Total Expenses	1,479,285	1,560,000	3,039,285	2,602,604	436,681
Net Income/(Loss)	\$ 11,546	\$ (160,000)	\$ (148,454)	\$ (206,104)	\$ 57,650
PRE-SCHOOL (407)					
Revenue	\$ 222,596	\$ 315,000	\$ 537,596	\$ 537,000	\$ 596
Salaries	167,466	190,000	357,466	404,098	(46,632)
Benefits & Taxes	28,558	35,000	63,558	65,505	(1,947)
Operating Exp	22,582	30,000	52,582	53,000	(418)
Total Expenses	218,607	255,000	473,607	522,603	(48,996)
Net Income/(Loss)	\$ 3,989	\$ 60,000	\$ 63,989	\$ 14,397	\$ 49,592
COMMUNITY HALL (405)					
Revenue	\$ 266,092	\$ 200,000	\$ 466,092	\$ 475,000	\$ (8,908)
Salaries	67,686	70,000	137,686	154,442	(16,756)
Benefits & Taxes	13,875	15,000	28,875	32,159	(3,284)
Operating Exp	30,871	35,000	65,871	66,500	(629)
Total Expenses	112,432	120,000	232,432	253,101	(20,669)
Net Income/(Loss)	\$ 153,660	\$ 80,000	\$ 233,660	\$ 221,899	\$ 11,761
VETERAN'S HALL (406)					
Revenue	\$ 28,765	\$ 25,000	\$ 53,765	\$ 74,000	\$ (20,236)
Salaries	8,694	10,000	18,694	36,009	(17,315)
Benefits & Taxes	2,021	2,300	4,321	6,448	(2,127)
Operating Exp	18,753	20,000	38,753	31,500	7,253
Total Expenses	29,468	32,300	61,768	73,957	(12,189)
Net Income/(Loss)	\$ (703)	\$ (7,300)	\$ (8,003)	\$ 43	\$ (8,046)
801 MAGNOLIA (414)					
Revenue	\$ 8,055	\$ 10,000	\$ 18,055	\$ 49,000	\$ (30,946)
Salaries	4,994	6,000	10,994	20,124	(9,130)
Benefits & Taxes	1,623	2,000	3,623	4,178	(555)
Operating Exp	14,629	15,000	29,629	29,000	629
Total Expenses	21,246	23,000	44,246	53,302	(9,056)
Net Income/(Loss)	\$ (13,192)	\$ (13,000)	\$ (26,192)	\$ (4,302)	\$ (21,890)

Schoolmates (non-General Fund) is exceeding budget as maximum enrollments were increased to accommodate community demand for afterschool childcare. In addition, personnel expenses are lower than expected due primarily to staffing challenges in the current low unemployment environment.

	Fiscal Year 2023-24				
	Actual	Next	Annual		
	6 Months	6 Months	Total	Budget	Variance
SCHOOLMATES (415)					
Revenue	\$ 677,640	\$ 800,000	\$ 1,477,640	\$ 1,410,000	\$ 67,640
Salaries	364,520	275,000	639,520	887,978	(248,458)
Benefits & Taxes	75,586	70,000	145,586	293,399	(147,813)
Operating Exp	48,070	75,000	123,070	356,000	(232,930)
Total Expenses	488,176	420,000	908,176	1,537,377	(629,201)
Net Income/(Loss)	\$ 189,464	\$ 380,000	\$ 569,464	\$ (127,377)	\$ 696,841

Capital Funds

FACILITIES CAPITAL

As of December 31, 2023, the City has spent approximately \$230,000 of the \$6.6 million of expenditures included in the FY 23-24 Approved Budget. Projects currently in process include Crocker Park pathway renovation, Dracena Park ADA improvements, the Dispatch Center relocation, the Piedmont Park pedestrian bridge, Linda Beach courts, Recreation building windows and lighting, and various improvements to additional City facilities.

FACILITIES MAINTENANCE

As of December 31, 2023, the City has spent approximately \$310,000, including \$186,000 spent on sidewalk repair/replacement, of the \$1.8 million of expenditures included in the FY 23-24 Approved Budget. Expenditures are estimated to be within budget for the fiscal year.

EQUIPMENT REPLACEMENT

Below is a summary schedule of activity in the Equipment Replacement Fund. Current fiscal year expenditures are estimated to be consistent with or below the Approved Budget. Staff had included a \$690,000 transfer from the General Fund to the Equipment Replacement Fund in the FY 2023-24 Approved Budget. Action approved by the City Council in October of 2023 resulted in a transfer of the surplus generated in FY 2022-23 to the current year.

As evident in the below schedule, the City's Equipment Replacement is fully funded, barring any unforeseen circumstances.

	EQUIPMENT REPLACEMENT FUND ACTIVITY				
Fiscal Year	Begin Balance	Planned Funding	Interest	Expenditures	End Balance
17/18	\$ 3,937,414	\$ 517,193		\$ (651,165)	\$ 3,803,442
18/19	3,803,442	433,000	81,148	(1,216,799)	3,100,791
19/20	3,100,791	400,000	76,067	(513,171)	3,063,687
20/21	3,063,687	610,500	13,195	(590,280)	3,097,101
21/22	3,097,101	1,361,391	(28,188)	(338,713)	4,091,591
22/23	4,091,591	690,000	58,713	(1,260,947)	3,579,357
23/24	3,579,357	0	50,000	(2,404,542)	1,224,814
24/25	1,224,814	928,407	28,171	(1,320,584)	860,808
25/26	860,808	931,790	21,520	(463,858)	1,350,260
26/27	1,350,260	835,657	33,757	(523,112)	1,696,562
27/28	1,696,562	1,006,292	42,414	(818,292)	1,926,977
28/29	1,926,977	800,455	48,174	(752,788)	2,022,818
29/30	2,022,818	744,470	50,570	(2,127,803)	690,055
30/31	690,055	508,506	17,251	(206,840)	1,008,973
31/32	1,008,973	466,896	25,224	(378,896)	1,122,197
32/33	1,122,197	501,641	28,055	(345,974)	1,305,919

Street/Sidewalk Related Funds

Funding sources for streets and sidewalks include Measure BB, Measure F, Gas Tax, and SB-1. The majority of available funding is dedicated to street resurfacing and sidewalk repair work, with the balance dedicated to important sub-categories such as the implementation of projects prioritized by the approved Pedestrian & Bicycle Master Plan, and those related to the Complete Streets program.

Funding for streets for the Fiscal Year 2023-24 is just under \$2.6 million, \$0.8 million of which is being carried forward from Fiscal Year 2022-23. Major projects planned for this year are the 2023-24 Paving Project and the Oakland Avenue bulb-outs project.

Below is a recap of the current status of the street related funds:

<u>Street Related Funds</u>							
Activity Thru:							
<u>12/31/2023</u>							
	Measure BB (136)			Measure F	Gas Tax	SB 1	
	LSR	Bike\Ped	Total	143	121	133	TOTAL
Fund Balance - 7/1/2023	\$ 353,314	\$ (6,398)	\$ 346,916	\$ 51,123	\$ 332,965	\$ 49,890	780,894
Revenue - BUDGET							
STATE \ COUNTY FUNDS	1,100,000	60,000	1,160,000	40,000	322,579	278,325	1,800,904
							-
Actual Expenses							
STREET RESURFACING	11,873		11,873	-	1,803	44,383	58,058
DESIGN STREET RESURFACING			-				-
BIKE & PEDESTRIAN		51,561	51,561	-	37,862	-	89,423
SIDEWALKS & CURBS		-	-	-	-	-	-
Total Expenditures	11,873	51,561	63,434	-	39,664	44,383	147,481
Open to Spend	\$ 1,441,441	\$ 2,041	\$ 1,443,482	\$ 91,123	\$ 615,880	\$ 283,832	\$ 2,434,317

COMMUNITY POOL

In December 2023, City Council approved the following:

- An allocation of \$800,000 from the Facilities Capital Fund to the approved construction budget of \$24,291,550 with Wickman Development & Construction to provide for available contingency for the Piedmont Community Pool Project for a revised total authorized construction budget in the amount of \$25,091,550.
- An allocation of \$200,000 from the Facilities Capital Fund to the Total Project Contingency budget for soft costs for a revised total soft cost budget in the amount of \$4,876,000.

Such allocations will only be completed if necessary. The total Community Pool project budget is \$29,967,550. Through December 31, 2023, approximately \$12.5 million has been expended. Staff expects the project will come in at or below budget.

By: Michael Szczech, Finance Director