



CITY COUNCIL STAFF REPORT



November 28, 2023

ITEM TITLE

Financial Report and Appropriation: Accept the Quarterly Financial Report for the Quarter Ending September 30, 2023 (First Quarter Report), and Appropriate Funds to Implement Required Budget Adjustments

Report Number: 23-0290

Location: No specific geographic location

Department: Finance

Environmental Notice: The activity is not a “Project” as defined under Section 15378 of the California Environmental Quality Act State Guidelines; therefore, pursuant to State Guidelines Section 15060(c)(3) no environmental review is required.

Recommended Action

Accept the quarterly financial report for the quarter ended September 30, 2023 (First Quarter Report) and adopt a resolution making various amendments to the Fiscal Year 2023-24 budget to adjust for variances and appropriating funds for that purpose **(4/5 Vote Required)**.

SUMMARY

The Finance Department, in collaboration with other City departments, prepares quarterly financial reports for the General Fund that reflect budget to actual comparisons, projected revenues and expenditures, and highlight major variances that may require additional action or changes. This First Quarter Report is as of September 30, 2023, and is in compliance with Section 505(f) of the City Charter, which requires that quarterly financial reports be filed by the Director of Finance through the City Manager.

In preparing the First Quarter Report, staff has identified various budget changes that are needed to accurately reflect actual revenues and expenditures or address changes in budgetary needs. For government entities, a budget creates a legal framework for spending during the fiscal year. After the budget is approved by the City Council, there are circumstances which arise that could require adjustments to the approved budget. Council Policy 220-02 “Financial Reporting and Transfer Authority” was established in January of 1996 and allows for budget transfers and adjustments to be completed. This First Quarter Report discusses budget adjustments that staff recommends in the General Fund as well as various other funds to address identified fiscal issues.

ENVIRONMENTAL REVIEW

The Director of Development Services has reviewed the proposed activity for compliance with the California Environmental Quality Act (CEQA) and has determined that the activity is not a “Project” as defined under Section 15378 of the State CEQA Guidelines because the proposed activity consists of a governmental fiscal/administrative activity which does not result in a physical change in the environment; therefore, pursuant to Section 15060(c)(3) of the State CEQA Guidelines, the activity is not subject to CEQA. Thus, no environmental review is required.

BOARD/COMMISSION/COMMITTEE RECOMMENDATION

Not applicable

DISCUSSION

The First Quarter Report is developed using three months of actual activity for Fiscal Year 2023-24 as of September 30, 2023. The data in this report is the most current data available; however, due to the limited data available, year-end projections for departmental revenues and expenditures are not included in this report but will be provided in future quarterly financial reports. As a result, the projections are likely to change.

This report will provide summary information for the following areas:

- General Fund Revenues and Expenditures
- Adjustments to General Fund Expenditures
- Adjustments to non-General Fund funds

The Finance Department will continue to monitor the City’s actual revenues and expenditures and will provide any significant changes in subsequent quarterly financial reports.

General Fund Overview

As of the Quarter ended, September 31, 2023, revenues and expenditures are projected to exceed the Amended Budget by \$1.8 million. There are unknown variables that may affect the General Fund including economic factors that may slow economic growth including inflation, changes to current interest rates, unemployment, and other financial uncertainties. Staff will continue to monitor and will provide updates in future quarterly financial reports.

Fiscal Year 2023-24 General Fund Overview

Table 1

In Millions

	Adopted Budget	Amended Budget	Year-end Projection	Variance¹
Revenue Source				
<i>Major Discretionary Revenues</i>				
Property Tax	\$ 48.3	\$ 48.3	\$ 49.0	\$ 0.7
Property Tax in lieu of VLF	29.3	29.3	29.9	0.6
Sales Tax	45.8	45.8	45.8	-
Measure P Sales Tax	27.8	27.8	27.8	-
Measure A Sales Tax	27.8	27.8	27.8	-
Franchise Fees	14.8	14.8	14.8	-
Transient Occupancy Tax	9.3	9.3	9.3	-
Utility User Tax	3.8	3.8	3.8	-
Major Discretionary Revenues Subtotal	207.1	207.1	208.3	1.3
<i>Other General Fund Revenues</i>				
Other Revenues	51.2	51.3	51.9	0.6
Other General Fund Revenues Subtotal	51.2	51.3	51.9	0.6
Total Revenues	\$ 258.2	\$ 258.4	\$ 260.2	\$ 1.8
Expenditures				
Personnel Services	\$ 132.9	\$ 133.0	\$ 133.7	\$ (0.7)
<i>Non-Personnel</i>				
Supplies and Services	25.2	26.6	27.5	(0.9)
Other Expenses	1.8	2.8	2.8	-
Transfers Out	86.8	86.8	87.0	(0.3)
Internal Service	4.5	4.5	4.5	-
Utilities	6.7	6.7	6.7	-
Other Expenditures Category ²	0.4	0.6	0.6	-
<i>Total Non-Personnel</i>	258.2	128.0	129.2	(1.2)
Total Expenditures	\$ 258.2	\$ 261.0	\$ 262.9	\$ (1.8)
Total General Fund Surplus/(Deficit)	\$ -	\$ (2.6)	\$ (2.6)	\$ -
Use of Prior Year Fund Balance	-	2.6	2.6	-
Total General Fund Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -

Note: Minor variances due to rounding.

¹ Variance compares the Amended Budget and the Year-End Projection.

² Other Expenditure Categories include: Other Capital, Non-CIP Projects Expenditures and CIP Project Expenditures.

General Fund Revenues

General Fund revenues are projected to exceed the Amended Budget by approximately \$1.8 million. This is due to increased Property Tax and Property Tax in-lieu of VLF. Based on Fiscal Year 2022-23 projected actuals as reported in the Fourth Quarter Report as well as the increased home prices and home sales that occurred in the past year, Property Tax is expected to exceed the Amended Budget by \$0.7 million, reflecting the County Assessor estimate of Assessed Valuations increasing by 6.6% instead of the 5% increase assumed in the Adopted Budget. Similarly, the Property Tax in-lieu of VLF will exceed the Amended Budget by \$0.6 million based on the updated information provided by the County of San Diego. The Other Revenues category is projected to exceed the Amended Budget by \$0.6 million in the Charges for Services category primarily associated with the reimbursement for permit fees associated with the Bayfront development for the Engineering Department as well as additional program revenue for Parks and Recreation Department.

General Fund Expenditures

General Fund expenditures are projected to exceed the Amended Budget by approximately \$1.8 million. This is due to various adjustments related to operations such as increased credit card fees for community service departments that are supported by increased revenues.

Additionally, on June 15, 2023, the City was notified that American Rescue Plan Act (ARPA) funds could not be used to reimburse stipends paid after April 10, 2023 by the U.S. Department of Treasury with the Federal government declaration an end to the global Public Health Emergency for COVID-19 on May 19, 2023. These stipends are now being paid out of the General Fund either directly or by reimbursement to comply with adherence to existing MOU agreements with various labor groups. The estimated impact of this action is approximately \$1.5 million for all funds combined. This was cited in the Staff Report for the ARPA amendment that was presented to the City Council on the July 25, 2023 Agenda (Item 8.2).

The total budgetary needs are anticipated to be \$1.8 million.

Departmental Revenues and Expenditures

Departmental Revenues

Table 2 below provides the Amended General Fund revenue budget, the projected year-end revenues, and the projected variance at the department level.

Fiscal Year 2023-24 General Fund Departmental Revenues			
<i>Table 2</i>			<i>In Thousands</i>
Department	Current Budget	Year-end Projection	Variance
City Council	\$ -	\$ -	\$ -
City Clerk	47.8	47.8	-
City Attorney	425.4	425.4	-
Administration	55.1	55.1	-
Information Technology	394.7	394.7	-
Human Resources	622.3	622.3	-
Finance	1,902.0	1,902.0	-
Non-Departmental	220,771.6	222,023.7	1,252.1
Animal Care Facility	1,530.3	1,530.3	-

Fiscal Year 2023-24 General Fund Departmental Revenues			
<i>Table 2</i>			<i>In Thousands</i>
Department	Current Budget	Year-end Projection	Variance
Economic Development	451.7	451.7	-
Development Services	2,253.1	2,253.1	-
Engineering/Capital Projects	8,810.7	9,229.6	418.9
Police	5,919.2	5,919.2	-
Fire	2,899.4	2,899.4	-
Public Works	8,478.3	8,478.3	-
Parks and Recreation	2,849.0	2,999.0	150.0
Library	1,002.6	1,002.6	-
Total Departmental Revenue	\$ 258,413.2	\$ 260,234.2	\$ 1,821.0

Note: Minor variances due to rounding.

As previously mentioned in the General Fund Revenues section above, the largest variances in Departmental Revenues are projected to be in Non-Departmental. The Non-Departmental positive variance of \$1.3 million is where the major revenues are recorded, including Property Tax, Sales Tax, Measure A, Measure P, and Motor Vehicle License Fees (VLF). Property Tax positive variance of \$0.7 million reflects an updated projection of the Assessed Valuations based on the County’s Assessors estimates in Fiscal Year 2023-24. The Property Tax in-lieu of VLF positive variance of \$0.6 million is based on the updated information provided by the County of San Diego.

The Engineering/Capital Projects Department increase in revenues by \$0.4 million is due to an increase to the Charges for Services for permit inspection work performed for the Bayfront development project. The Parks and Recreation Department increase reflects \$0.2 million in increased program revenues.

Departmental Expenditures

Table 3 below provides the Amended General Fund expenditure budget, the projected year-end expenditures, and the projected variance at the department level.

Fiscal Year 2023/24 General Fund Departmental Expenditures			
<i>Table 3</i>			<i>In Thousands</i>
Department	Current Budget	Year-end Projection	Variance
City Council	\$ 1,527.4	\$ 1,529.9	\$ (2.5)
Boards & Commissions	2.1	2.1	-
City Clerk	3,497.5	3,498.5	(1.0)
City Attorney	3,177.4	3,178.2	(0.9)
Administration	2,591.7	2,592.7	(1.0)
Information Technology	4,597.7	4,599.2	(1.5)
Human Resources	3,524.3	3,527.9	(3.5)
Finance	4,703.2	4,710.3	(7.1)
Non-Departmental	97,090.7	97,351.5	(260.7)
Animal Care Facility	3,437.4	3,449.0	(11.6)
Economic Development	1,760.6	1,762.6	(2.0)

Fiscal Year 2023/24 General Fund Departmental Expenditures

Table 3

In Thousands

Department	Current Budget	Year-end Projection	Variance
Development Services	2,758.2	2,765.8	(7.6)
Engineering/Capital Projects	10,856.4	11,278.1	(421.6)
Police	55,402.3	55,836.5	(434.2)
Fire	34,924.3	35,346.8	(422.5)
Public Works	23,015.7	23,066.9	(51.2)
Parks and Recreation	4,363.4	4,548.8	(185.4)
Library	3,805.7	3,812.0	(6.3)
Total Expenditure Budget	\$ 261,036.0	\$ 262,857.0	\$ (1,821.0)

Note: Minor variances due to rounding.

As previously mentioned in the General Fund Expenditures section above, the employee stipends that were previously reimbursed by ARPA funds have resulted in an approximately \$1.5 million expense in the General Fund, which expenditures in excess of the amended budget are projected in multiple departments. The largest variances are reported in both the Police and Fire Departments of over \$0.4 million each, primarily due to ARPA funds not covering stipends. The third largest variance is reported in the Engineering/Capital Project Department by \$0.4 million and is primarily due to consultant services required for the Bayfront development project. The recommended budget amendments are reflected in the General Fund Adjustments section of this report.

Fiscal Year 2023-24 Budget Adjustments

Staff is recommending various adjustments, appropriations, and transfers to City Departmental and Fund budgets that require City Council authorization. Attachment 1 summarizes all budget transfers processed in Fiscal Year 2023-24 and Attachment 2 summarizes all budget amendments approved by Council in Fiscal Year 2023-24.

General Fund Adjustments

In the General Fund, some of the transfers are between expense categories within the same Department and some transfers are between Departments. There are also proposed budget adjustments reflecting increased revenue where needed to address unanticipated expenditure category overages and ensure accurate year-end reporting. Additionally, this reflects an increased appropriation for the estimated transfer to the Pension Reserve Fund per Council Policy 220-09. The recommended budget adjustments are shown in Table 4 below.

General Fund Budget Adjustments Summary - First Quarter Fiscal Year 2023-24

Table 4

DEPARTMENT	Footnote	PERSONNEL SERVICES	NON-PERSONNEL EXPENSES	TOTAL EXPENSE	TOTAL REVENUE	NET IMPACT
GENERAL FUND						
City Council	1	\$ 2,536	\$ -	\$ 2,536	\$ -	\$ 2,536
City Clerk	1	1,015	-	1,015	-	1,015
City Attorney	1	887	-	887	-	887
Administration	1	1,521	-	1,521	-	1,521
Information Technology	1	1,522	-	1,522	-	1,522

General Fund Budget Adjustments Summary - First Quarter Fiscal Year 2023-24

Table 4

Human Resources	1	3,550	-	3,550	-	3,550
Finance	1	7,103	-	7,103	-	7,103
Non-Departmental	1, 2-6	-	242,152	242,152	(1,151,220)	(909,068)
Animal Care Facility	1	11,616	-	11,616	-	11,616
Economic Development	1, 7	2,029	(100,000)	(97,971)	100,000	2,029
Development Services	1, 8	7,610	35,660	43,270	(35,660)	7,610
Engineering/Capital Projects	1, 9	2,768	418,861	421,629	(418,861)	2,768
Police	1, 10	134,206	300,000	434,206	-	434,206
Fire	1	422,540	-	422,540	-	422,540
Public Works	1, 11-13	51,233	33,985	85,218	(118,985)	(33,767)
Parks and Recreation	1, 6, 11, 14	6,592	150,000	156,592	(135,000)	21,592
Library	1, 15	6,340	16,000	22,340	-	22,340
TOTAL GENERAL FUND		\$ 663,068	\$ 1,096,658	\$1,759,726	\$(1,759,726)	\$ -

The proposed General Fund budget adjustments result in no net impact to the Fiscal Year 2023-24 budget, primarily being derived by the following transactions:

1. On June 15, 2023, the City was notified that ARPA funds could not be used to reimburse stipend paid after April 10, 2023 by the U.S. Department of Treasury with the Federal government declaration an end to the global Public Health Emergency for COVID-19 on May 19, 2023. These stipends are now being paid out of the General Fund either directly or by reimbursement to comply with adherence to existing MOU agreements with various labor groups. The estimated impact of this action is approximately \$1.5 million for all funds combined.
2. Increase the revenue budget for Property Tax in Lieu of Vehicle License Fees (VLF) by \$567,421 to reflect the Fiscal Year 2023-24 allocation due from the County of San Diego.
3. Increase the revenue budget for Property Taxes based on revised estimates by \$684,725 to reflect the Fiscal Year 2023-24 allocation based on an increase in Assessed Valuations going from 5% used in the budget to 6.6% based on the projection from the County Assessor’s office.
4. Transfer the Special Events expenditure appropriations and decrease the revenue budget related to donations from the General Fund to the Donation Fund by \$120,000.
5. Increase Transfers Out expenditure appropriations for debt service payment by \$1,423.
6. Increase both the Transfers Out expenditure appropriations in Non-Departmental and the revenue budget in Parks and Recreation by \$100,000 to cover utility expenses for the Living Coast Discovery Center.
7. Decrease both the Non-CIP expenditure appropriations and decrease the revenue budget by \$100,000 to remove the ARPA reimbursement from Fiscal Year 2022-23.
8. Increase both the Other Expenses expenditure appropriations and the revenue budget by \$35,660 for the MRLLP (Mobile home Residency Law Protection Program) payment to the State of California.
9. Increase both the Supplies and Services expenditure appropriations and the revenue budget by \$418,861 for permit inspection work related to the Bayfront development project.

10. Decrease the Personnel Services expenditure appropriations and increase the Supplies and Services expenditure appropriations by \$300,000 from Salary Savings to increase recruitment and training budgets in the Police Department.
11. Decrease the revenue budget in the Parks and Recreation Department and increase the revenue budget in the Public Works Department as part of the Parks Maintenance restructuring in Fiscal Year 2023 by \$115,000 for the reimbursement of CFD Maintenance staff.
12. Increase both the Other Expenses expenditure appropriations and the revenue budget in Public Works for damage to City Property by \$3,985.
13. Increase the Supplies and Services expenditure appropriations in Public Works for root pruning of trees by \$30,000.
14. Increase both the Other Expenses expenditure appropriations and the revenue budget by \$150,000 for credit card transaction fees.
15. Increase the Utilities expenditure appropriations by \$16,000 for gas and electricity costs.

Other Fund Adjustments

The following recommended adjustments are for funds outside of the General Fund. The proposed adjustments, displayed in Table 5, have a net cost decrease of approximately \$0.2 million to the various identified funds. The proposed adjustments are to impact the fund balances or current year available revenues of the respective noted funds.

Other Fund Budget Adjustments Summary – First Quarter Fiscal Year 2023-24						
<i>Table 5</i>						
	Footnote	PERSONNEL SERVICES	NON-PERSONNEL EXPENSES	TOTAL EXPENSE	TOTAL REVENUE	NET IMPACT
OTHER FUNDS						
2016 Measure P Sales Tax	2, 3	\$ -	\$ 925,000	\$ 925,000	\$ -	\$ 925,000
Transportation Grants-Gas Tax	1	1,522	-	1,522	(1,522)	-
2018 Measure A Sales Tax	1	200,364	-	200,364	(200,364)	-
Advanced Life Support Program	1, 4	507	60,000	60,507	(60,507)	-
Donations	5	-	120,000	120,000	(120,000)	-
Special Revenue Endowments	6	-	20,000	20,000	-	20,000
American Rescue Plan Act 2021	7, 8	-	(1,844,633)	(1,844,633)	-	(1,844,633)
Other Grants	9	-	50,000	50,000	(50,000)	-
Federal Grants	1, 10-14	4,698,447	97,132	4,795,579	(6,304,524)	(1,508,945)
State Grants	1, 15	26,594	394,093	420,687	(584,747)	(164,060)
Environmental Services	1	4,058	-	4,058	(4,058)	-
CDBG Housing Program	10	-	-	-	(719,863)	(719,863)
Chula Vista Housing Authority	1	1,015	-	1,015	(1,015)	-
Public Educational & Govt Fee	16	-	225,000	225,000	-	225,000
Section 115 Trust	17	-	80,000	80,000	-	80,000
Public Liability Trust	18	-	481,044	481,044	-	481,044
Open Space District #09	19	-	10,000	10,000	-	10,000
Central Garage Fund	1	4,565	-	4,565	(1,015)	3,550

Other Fund Budget Adjustments Summary – First Quarter Fiscal Year 2023-24

Table 5

		PERSONNEL	NON- PERSONNEL	TOTAL	TOTAL	
	Footnote	SERVICES	EXPENSES	EXPENSE	REVENUE	NET IMPACT
Living Coast Discovery Center	20	-	100,000	100,000	(100,000)	-
Development Services Fund	1	12,769	-	12,769	(18,769)	(6,000)
Transport Enterprise	1, 21	9,638	1,042,073	1,051,711	(1,042,580)	9,131
Sewer Service Revenue	1	23,349	-	23,349	(24,349)	(1,000)
Long Term Debt - City of CV	12	-	-	-	560,082	560,082
Public Facilities DIF	22	-	3,576	3,576	-	3,576
Capital Improvement Projects	8	-	-	-	1,765,000	1,765,000
TOTAL OTHER FUNDS		\$4,982,828	\$1,763,285	\$6,746,113	\$(6,908,230)	\$ (162,118)

The Other Funds proposed budget adjustments result in a positive net impact of \$162,118, primarily being derived by the following transactions:

1. On June 15, 2023, the City was notified that ARPA funds could not be used to reimburse stipend paid after April 10, 2023 by the U.S. Department of Treasury with the Federal government declaration an end to the global Public Health Emergency for COVID-19 on May 19, 2023. These stipends are now being paid out of the General Fund either directly or by reimbursement to comply with adherence to existing MOU agreements with various labor groups. The estimated impact of this action is approximately \$1.5 million for all funds combined.
2. Decrease the Supplies and Services expenditure appropriations by \$100,000 and increase Other Capital expenditure appropriations by \$100,000 for the Motorola CAD Server.
3. Increase CIP Project Expenditures by \$925,000 from available Measure P Sales Tax fund balance for Fire Station #1 repairs (GGV0252).
4. Increase both the Supplies and Services expenditure appropriations and the revenue budget by \$60,000 to cover program supplies.
5. Transfer the Special Events expenditure appropriations and decrease the revenue budget related to donations from the General Fund to the Donation Fund by \$120,000.
6. Increase the Supplies and Services expenditure appropriations by \$20,000 from available fund balance for the Bella Lago Preserve.
7. Decrease the Transfers Out expenditure appropriations by \$100,000 to remove the ARPA reimbursement from Fiscal Year 2022-23 to the General Fund.
8. Decrease the Transfers Out expenditure appropriations by \$1,765,000 to remove the ARPA reimbursement from Fiscal Year 2022-23 to the Capital Improvements Project Fund.
9. Increase both the Supplies and Services expenditure appropriations and the revenue budget by \$50,000 to cover program supplies.
10. Increase the revenue budget for the HUD Fiscal Year 2023-24 allocation by \$3,418,050, which the expenditure appropriations were included on the City Council Resolution No. 2023-045 on May 9, 2023.

11. Increase expenditures appropriations for HIDTA CBAG grant by \$2,027,818 and increase expenditures appropriations by \$2,542,295, and the revenue budget by \$3,478,002 for the SD Law Enforcement Coordination Center HSGP grant.
12. Decrease both the Transfers Out in the Federal Grants Fund expenditure appropriations and the revenue budget in the Long-Term Debt Fund by \$560,082 related to the HIDTA CBAG grant to correct the transfer schedule in Fiscal Year 2023-24.
13. Increase both the Personnel Services expenditure appropriations and the revenue budget by \$126,305 for the OPSG Grant approved by the City Council on Resolution No. 2022-220 for the Fiscal Year 2023-24 allocation.
14. Increase the Transfers Out expenditure appropriations by \$657,214 for the CDBG Section 108 Loan to match the debt service payment schedule.
15. Increase the expenditure appropriations in various categories by \$414,093, and the revenue budget by \$578,153 for the State Grants Other - Fire.
16. Increase the Supplies and Services expenditure appropriations by \$225,000 from available fund balance for the Public Educational & Govt Fee Fund.
17. Increase the Supplies and Services expenditure appropriations by \$80,000 from available fund balance for the Section 115 Fund to cover trustee fees.
18. Increase the Other Expenses expenditure appropriations by \$481,044 from available fund balance for the Public Liability Trust Fund to cover various legal expenses.
19. Increase the Supplies and Services expenditure appropriations by \$10,000 from available fund balance for the Open Space District #09 Fund for the unanticipated removal of 14 palm trees.
20. Increase the revenue budget by \$100,000 to cover utility expenses for the Living Coast Discovery Center.
21. Increase both the Supplies and Services expenditure appropriations and the revenue budget by \$1,032,942 for participation in the PP-IGT (Public Provider Intergovernmental Transfer) program.
22. Increase Transfers Out expenditure appropriations for debt service payment by \$3,576.

DECISION-MAKER CONFLICT

Staff has reviewed the decision contemplated by this action and has determined that it is not site-specific and consequently, the real property holdings of the City Council members do not create a disqualifying real property-related financial conflict of interest under the Political Reform Act (Cal. Gov't Code § 87100, et seq.).

Staff is not independently aware and has not been informed by any City Council member, of any other fact that may constitute a basis for a decision-maker conflict of interest in this matter.

CURRENT-YEAR FISCAL IMPACT

The First Quarter Report presents projected revenue and expenditure actuals as of September 30, 2023. Approval of the resolution amending the Fiscal Year 2023-24 budget will result in the following impacts:

General Fund – The proposed adjustments result in no net impact to the Fiscal Year 2023-24 budget. This includes an increase in General Fund appropriations of approximately \$1,759,726 and an increase in estimated revenues of \$1,759,726.

Other Funds – The proposed adjustments result in a net impact to the Fiscal Year 2023-24 budget of the Other (non-General Fund) Funds of \$162,118. This includes an increase in appropriations of approximately \$6,746,113 and an increase in estimated revenues of \$6,908,230.

ONGOING FISCAL IMPACT

Staff will review the impacted budgets to identify potential ongoing impacts and will incorporate as required during the Fiscal Year 2024-25 budget development process.

ATTACHMENTS

1. General Fund Budget Transfers
2. General Fund Budget Amendments

*Staff Contact: Sarah Schoen, Director of Finance/Treasurer
Ed Prendell, Budget and Analysis Manager*

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CHULA VISTA MAKING VARIOUS AMENDMENTS TO THE
FISCAL YEAR 2023-24 BUDGET TO ADJUST FOR
VARIANCES AND APPROPRIATING FUNDS THEREFOR

WHEREAS, the City Charter states that at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by a motion adopted by the affirmative votes of at least four members; and

WHEREAS, staff has completed the budget review for the quarter ending September 30, 2023 and is recommending a number of budget amendments in the General Fund and various other funds to align the budget with anticipated year-end actuals where the actuals are expected to exceed the budget; and

WHEREAS, staff is recommending increasing the revenue budget by \$1,759,726 in and expense appropriations by \$1,759,726 to various departments in the General Fund, resulting in no net fiscal impact to the General Fund; and

WHEREAS, the American Rescue Plant Act 2021 Fund, Federal Grants Fund, State Grants Fund, CDBG Housing Program Fund, Development Services Fund, and the Sewer Service Revenue Fund will be positively impacted as a result of increased revenue appropriations resulting from the recommended changes; and

WHEREAS, the 2016 Measure P Sales Tax Fund, Special Endowments Fund, Public Educational & Government Fee Fund, Section 115 Trust Fund, Public Liability Trust Fund, Open Space District #09 Fund, Central Garage Fund, Transport Enterprise Fund, Long Term Debt – City of CV Fund, Public Facilities DIF Fund, and Capital Improvement Projects Fund will be negatively impacted due to adjustments that will add appropriations that will be made from the available balances of these funds; and

WHEREAS, the recommended adjustments to the 2018 Measure A Sales Tax Fund, Advanced Life Support Program Fund, Donations Fund, Other Grants Fund, Chula Vista Housing Authority and Living Coast Discovery Center Fund consist of offsetting adjustments between revenue and expenditure categories and are neutral resulting in no net fiscal impact to these funds; and

WHEREAS, staff recommends that the City Council authorize the City Manager to amend the Fiscal Year 2023-24 budget and approve appropriations and transfers in the General Fund and various other funds in order to ensure audited actuals do not exceed budget resulting from any year-end closing entries.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it does hereby amend the Fiscal Year 2023-24 budget and approves the following appropriations and transfers:

Summary of General Fund Appropriations and/or Transfers

General Fund Budget Amendments Summary – First Quarter Fiscal Year 2023-24

DEPARTMENT	PERSONNEL SERVICES	NON-PERSONNEL EXPENSES	TOTAL EXPENSE	TOTAL REVENUE	NET IMPACT
City Council	\$ 2,536	\$ -	2,536	\$ -	\$ 2,536
City Clerk	1,015	-	1,015	-	1,015
City Attorney	887	-	887	-	887
Administration	1,521	-	1,521	-	1,521
Information Technology	1,522	-	1,522	-	1,522
Human Resources	3,550	-	3,550	-	3,550
Finance	7,103	-	7,103	-	7,103
Non-Departmental	-	242,152	242,152	(1,151,220)	(909,068)
Animal Care Facility	11,616	-	11,616	-	11,616
Economic Development	2,029	(100,000)	(97,971)	100,000	2,029
Development Services	7,610	35,660	43,270	(35,660)	7,610
Engineering/Capital Projects	2,768	418,861	421,629	(418,861)	2,768
Police	134,206	300,000	434,206	-	434,206
Fire	422,540	-	422,540	-	422,540
Public Works	51,233	33,985	85,218	(118,985)	(33,767)
Parks and Recreation	6,592	150,000	156,592	(135,000)	21,592
Library	6,340	16,000	22,340	-	22,340
TOTAL GENERAL FUND	\$ 663,068	\$ 1,096,658	\$ 1,759,726	\$(1,759,726)	\$ -

Summary of Appropriations and/or Transfers for Other Funds
Other Funds Budget Amendments Summary – First Quarter Fiscal Year 2023-24

DEPARTMENT	PERSONNEL SERVICES	NON-PERSONNEL EXPENSES	TOTAL EXPENSE	TOTAL REVENUE	NET IMPACT
OTHER FUNDS					
2016 Measure P Sales Tax	\$ -	\$ 925,000	\$ 925,000	\$ -	\$ 925,000
2018 Measure A Sales Tax	200,364	-	200,364	(200,364)	-
Advanced Life Support Program	507	60,000	60,507	(60,507)	-
Donations	-	120,000	120,000	(120,000)	-
Special Revenue Endowments	-	20,000	20,000	-	20,000
American Rescue Plan Act 2021	-	(1,844,633)	(1,844,633)	-	(1,844,633)
Other Grants	-	50,000	50,000	(50,000)	-
Federal Grants	4,698,447	97,132	4,795,579	(6,304,524)	(1,508,945)
State Grants	26,594	394,093	420,687	(584,747)	(164,060)
Environmental Services	4,058	-	4,058	(4,058)	-
CDBG Housing Program	-	-	-	(719,863)	(719,863)
Chula Vista Housing Authority	1,015	-	1,015	(1,015)	-
Public Educational & Govt Fee	-	225,000	225,000	-	225,000
Section 115 Trust	-	80,000	80,000	-	80,000
Public Liability Trust	-	481,044	481,044	-	481,044
Open Space District #09	-	10,000	10,000	-	10,000
Central Garage Fund	4,565	-	4,565	(1,015)	3,550
Living Coast Discovery Center	-	100,000	100,000	(100,000)	-
Development Services Fund	12,769	-	12,769	(18,769)	(6,000)
Transport Enterprise	9,638	1,042,073	1,051,711	(1,042,580)	9,131
Sewer Service Revenue	23,349	-	23,349	(24,349)	(1,000)
Long Term Debt - City of CV	-	-	-	560,082	560,082
Public Facilities DIF	-	3,576	3,576	-	3,576
Capital Improvement Projects	-	-	-	1,765,000	1,765,000
TOTAL OTHER FUNDS	\$4,982,828	\$ 1,763,285	\$6,746,113	\$(6,908,230)	\$ (162,118)

Presented by

Approved as to form by

Sarah Schoen
Director of Finance/Treasurer

Jill D.S. Maland
Lounsbury Ferguson Altona & Peak
Acting City Attorney

GENERAL FUND BUDGET TRANSFERS
Approved by Administration
Fiscal Year 2023-2024 (as of September 30, 2023)

Attachment 1

Department	From	To	Reason	Amount
Finance	Contracted Services	Gas & Electric	Transfer for Utility Overage	\$ 23,000
Finance	Contracted Services	City Staff Services	Transfer for Staff Time Expense	10,594
Police	Salaries	Software Maint. Fees	Transfer for Software	29,000
Eng	Salaries	Contracted Services	Transfer for Bayfront Contract	75,000
Total General Fund Budget Transfers				\$ 137,594

General Fund Budget Amendments
Fiscal Year 2023-2024 (as of September 30, 2023)

Attachment 2

Resolution	Date	Budget Amendments	Revenue	Expenditure	Net Impact
2023-083	7/1/2023	Personnel Appropriations (Animal Care)	\$ 156,800	\$ 156,800	\$ -
2023-141	9/12/2023	Personnel Appropriations (City Clerk)	34,279	68,557	(34,278)
Total General Fund Budget Amendments			\$ 191,079	\$ 225,357	\$ (34,278)