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# FY 2023-24 Budget Presentation

City Council  
June 6, 2023





# Preliminary 2023/24 Budget Overview

1. Measure I Revenue Discussion
2. Measure Y Revenue Discussion
3. Changes in General Fund Expenditures
4. City Council Discussion Items
5. FY 22-23 City Council Accounts
6. Ag Show
7. Enterprise Funds
8. Questions, Direction, & Next Steps



# Preliminary 2023/24 Budget - Measure I Revenues and Expenditures

	Audited Actual FY 2020-21	Percentage Appropriated	Audited Actual FY 2021-22	Percentage Appropriated	Adopted Budget FY 2022-23	Percentage Appropriated	Current Estimate FY 2022-23	Percentage Appropriated	PRELIMINARY FY 2023-24	Percentage Appropriated
Measure I - Revenues:	\$ 7,089,013		\$ 8,375,788		\$ 8,486,000		\$ 8,200,000		\$ 8,323,000	
4224 - Police - Measure I - Total:	\$ 4,476,813	63.15%	\$ 4,886,313	58.34%	\$ 5,256,780	61.95%	\$ 5,748,837	70.11%	\$ 5,224,486	62.77%
4231 - Fire - Measure I - Total:	\$ 1,880,176	26.52%	\$ 1,859,428	22.20%	\$ 2,160,810	25.46%	\$ 1,955,658	23.85%	\$ 1,829,316	21.98%
4321 - PW - Streets - Measure I	\$ 200,000	2.82%	\$ 200,000	2.39%	\$ 200,000	2.36%	\$ 200,000	2.44%	\$ 200,000	2.40%
Measure I - Expenditures:	\$ 6,556,989	92.50%	\$ 6,945,741	82.93%	\$ 7,617,590	89.77%	\$ 7,904,495	96.40%	\$ 7,253,802	87.15%
Measure I Balance	\$ 532,024	7.50%	\$ 1,430,047	17.07%	\$ 868,410	10.23%	\$ 295,505	3.60%	\$ 1,069,198	12.85%

- Measure I Allocation – Police (Code Enforcement Officer Included), Fire Department and Streets Allocation.
- Measure I has shown a positive balance after all expenditures have been appropriated, balance goes back into the General Fund.
- For FY 23-24 budget estimates, staff has followed previous years labor allocation and streets contribution.



# Preliminary 2023/24 Budget - Measure I Revenues and Expenditures (Continued)

Measure I Analysis (Continued)	FORECAST FY 2024-25	Percentage Appropriated	FORECAST FY 2025-26	Percentage Appropriated	FORECAST FY 2026-27	Percentage Appropriated	FORECAST FY 2027-28	Percentage Appropriated	FORECAST FY 2028-29	Percentage Appropriated
Sales Tax - Measure I - Revenues	\$ 8,447,845		\$ 8,574,563		\$ 8,703,181		\$ 8,833,729		\$ 8,966,235	
4224 - Police - Measure I - Total:	\$ 5,252,733	62.18%	\$ 5,273,425	61.50%	\$ 5,294,529	60.83%	\$ 5,316,438	60.18%	\$ 5,338,794	59.54%
4231 - Fire - Measure I - Total:	\$ 1,834,172	21.71%	\$ 1,839,318	21.45%	\$ 1,844,616	21.19%	\$ 1,850,071	20.94%	\$ 1,855,686	20.70%
4321 - PW - Streets - Measure I	\$ 200,000	2.37%	\$ 200,000	2.33%	\$ 200,000	2.30%	\$ 200,000	2.26%	\$ 200,000	2.23%
	\$ 7,286,905	86.26%	\$ 7,312,743	85.28%	\$ 7,339,145	84.33%	\$ 7,366,508	83.39%	\$ 7,394,480	82.47%
Measure I Balance	\$ 1,160,940	13.74%	\$ 1,261,820	14.72%	\$ 1,364,036	15.67%	\$ 1,467,221	16.61%	\$ 1,571,755	17.53%

- Staff recommends keeping the allocations the same for FY 23-24
- Staff recommends full audit of Measure I since its inception to FY 23-24 to create Measure I as a Special Revenue Fund.
- Staff also recommends re-starting the oversight committee and a Town Hall presentation of Measure I



# Preliminary 2023/24 Budget - Measure Y Revenues

## Measure Y Analysis

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Total
J Street Solutions	\$ 47,970.30	\$ 50,314.00		\$ 29,391.59			\$ 127,675.89
Token Farms					\$ 51,829.92		\$ 51,829.92
Valley Pure	\$ 25,881.48			\$ 89,317.95			\$ 115,199.43
							\$ 294,705.24

- Staff is estimating that Measure Y will bring in about \$300K by end of FY22-23.
- The first quarter under the new 5% formula began April 1, 2023 and ends June 30, 2023 and therefore it is too early to estimate the FY23-24 revenues.
- City Council to discuss what City services to fund in the FY 23-24. Management recommendation is to focus revenues on Homeless Shelter operations.



# Preliminary 2023/24 General Fund Proposed Expenditures

<i>City of Tulare General Fund</i>					
	<i>Salaries</i>	<i>M&amp;O</i>	<i>Previous Total</i>	<i>Previous Total</i>	<i>Adjusted Total</i>
City Council	\$19,390	\$104,389	\$127,205	\$123,779	\$123,779
City Manager	\$497,829	\$193,388	\$611,758	\$691,217	\$691,217
Finance	\$894,584	\$601,879	\$1,496,160	\$1,496,463	\$1,496,462
Information Technology	\$289,338	\$531,657	\$745,892	\$820,995	\$920,996
Economic Development	\$459,275	\$152,620	\$577,720	\$611,895	\$611,895
Human Resources	\$330,520	\$236,290	\$558,993	\$566,810	\$566,810
Code Enforcement	\$620,552	\$152,223	\$858,272	\$772,775	\$772,774
Code Enforcement - Measure I		\$28,440	\$23,736	\$28,440	\$138,100
Animal Control	\$658,609	\$424,167	\$1,063,237	\$1,082,776	\$1,082,776
Non-Departmental		\$8,986,332	\$9,103,748	\$8,986,332	\$9,111,332
Police - Administration	\$3,149,651	\$1,614,576	\$4,758,305	\$4,764,227	\$4,764,227
Police - Patrol	\$6,363,183	\$1,869,085	\$8,135,998	\$8,232,268	\$8,232,268
Police - Investigations	\$2,048,209	\$485,520	\$2,514,480	\$2,533,729	\$2,533,729
Police Measure - I	\$4,801,806	\$422,680	\$5,225,765	\$5,224,486	\$5,224,486
Fire	\$5,379,359	\$1,918,238	\$7,094,066	\$7,297,597	\$7,297,597
Fire-Measure I	\$1,705,476	\$123,840	\$1,829,316	\$1,829,316	\$1,829,316
Streets	\$1,030,112	\$909,939	\$1,911,982	\$1,940,051	\$1,940,051
Streets Lighting	\$9,629	\$913,808	\$923,437	\$923,437	\$923,437
Streets - Measure I		\$200,000	\$200,000	\$200,000	\$200,000
Graffiti Abatement	\$94,550	\$78,522	\$168,699	\$173,072	\$173,072
Parks & Recreation Administration	\$337,941	\$138,016	\$476,104	\$475,957	\$475,957
Parks	\$1,182,031	\$1,666,380	\$2,764,743	\$2,848,411	\$2,848,411
Recreation and Community Services	\$1,148,957	\$412,350	\$1,445,507	\$1,561,307	\$1,561,307
Library	\$854,731	\$732,192	\$1,577,128	\$1,586,923	\$1,586,923
Storm Drainage		\$528,490	\$528,490	\$528,490	\$528,490
Printing		\$10,000	\$9,998	\$10,000	\$10,000
<b>Total General Fund</b>	<b>\$31,875,732</b>	<b>\$23,435,021</b>	<b>\$54,730,739</b>	<b>\$55,310,753</b>	<b>\$55,645,410</b>



# Preliminary 2023/24 Budget Workshop

## General Fund Only

Anticipated General Fund Reserve	\$55,841,187
<u>Estimated Expenditures</u>	<u>\$55,645,410</u>
Revenues in Excess of Expenditures	\$195,777

Expenditures increased from \$55,310,753 to \$55,645,410 (an increase of \$334,657) due to a labor adjustment, Zumwalt Park Marketing and Artist Deposit, and appropriations to economic Development

The City still has a surplus of \$334,657.



# Preliminary 2023/24 Budget - Council Discussion Items

- Bike Lanes (Councilmember Sigala) – Appropriate \$50K from Measure I to the funding of bike lanes in the City of Tulare. *Staff Recommendation:* Staff needs to assess the fund balance in Measure I to provide Council with direction on the use of funds outside of dedicated divisions.
- Arts Center (Councilmember Sigala) – Appropriate \$50K of general fund monies to develop an Arts Center within the Parks and Rec budget division for City Residents. *Staff Recommendation:* Staff is currently working to create a partnership with an outside entity to assist in developing an arts center in the City and requiring limited on going use of City funds.
- Utility Payment Increase to Softball and Baseball Leagues (Councilmember Sigala) – Utility pricing has been increasing for every consumer in State of California, a request to appropriate \$40K for utility payments for each league has been requested. *Staff Recommendation:* Each league should request an increase via a presentation to City Council along with staff analysis and if approved, staff can seek to identify resources to accommodate this request.

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# Preliminary 2023/24 Budget - FY 22-23 CITY Council Accounts

Account Number	Adjusted Appropriation (BUDGET)	Expenditures & Encumbrance	Remaining Funds Available	Account Number	Adjusted Appropriation (BUDGET)	Expenditures & Encumbrance	Remaining Funds Available
2116 TRAVEL - DISTRICT 1 - Councilmember Sigala	2,500.00	-		2117 COMMUNITY IMPROVEMENT - DISTRICT 1	2,500.00	-	
2116 TRAVEL - DISTRICT 1	2,500.00	2,082.80	417.20	2117 COMMUNITY IMPROVEMENT - DISTRICT 1	5,000.00	1,977.59	3,022.41
2216 TRAVEL - DISTRICT 2 - Mayor Terry Sayre	2,500.00	-		2217 COMMUNITY IMPROVEMENT - DISTRICT 2	2,500.00	-	
2216 TRAVEL - DISTRICT 2	2,500.00	2,220.63	279.37	2217 COMMUNITY IMPROVEMENT - DISTRICT 2	5,000.00	1,977.59	3,022.41
2316 TRAVEL - DISTRICT 3 - Councilmember Harrell	2,500.00	-		2317 COMMUNITY IMPROVEMENT - DISTRICT 3	2,500.00	-	
2316 TRAVEL - DISTRICT 3	2,500.00	50.00	2,450.00	2317 COMMUNITY IMPROVEMENT - DISTRICT 3	5,000.00	1,977.59	3,022.41
2416 TRAVEL - DISTRICT 4 - Councilmember Mederos	2,500.00	-		2417 COMMUNITY IMPROVEMENT - DISTRICT 4	2,500.00	-	
2416 TRAVEL - DISTRICT 4	2,500.00	352.44	2,147.56	2417 COMMUNITY IMPROVEMENT - DISTRICT 4	5,000.00	1,977.59	3,022.41
2516 TRAVEL - DISTRICT 5 - Councilmember Isherwood	2,500.00	-		2517 COMMUNITY IMPROVEMENT - DISTRICT 5	2,500.00	-	
2516 TRAVEL - DISTRICT 5	2,500.00	1,828.52	671.48	2517 COMMUNITY IMPROVEMENT - DISTRICT 5	5,000.00	1,977.58	3,022.42
<b>Total MAYOR AND COUNCIL</b>	<b>12,500.00</b>	<b>6,534.39</b>	<b>2,982.81</b>		<b>25,000.00</b>	<b>9,887.94</b>	<b>7,556.03</b>



# Preliminary 2023/24 Budget - Ag Show

- Ag Show is on the revenues side and not on the expenditure side
- City staff are assigned to Ag Show upon request and based on need
- City issues an invoice to reimburse for all costs including salary and overtime charges.



# Preliminary 2023/24 Budget - Enterprise Funds

## Enterprise Funds Preliminary 2023-2024 Budget



# Proposed Expenditures

Department	Salaries & Benefits	Maintenance & Operations	Capital Outlay	Debt Service	Subtotal Expenditures	Other Financing Uses	FY 2023/24 Proposed
<b>Water</b>							
Administration/Sales/Collections	787,960	1,103,600		119,610	2,011,170	7,350	2,018,520
Distribution	1,058,790	2,054,100	102,000	1,145,510	4,360,400		4,360,400
Extraction	305,490	3,748,270		1,145,510	5,199,270		5,199,270
Treatment	238,410	1,018,770			1,257,180		1,257,180
Groundwater	75,630	1,326,490			1,402,120	703,880	2,106,000
<b>Total Water Expenditures</b>	<b>2,466,280</b>	<b>9,251,230</b>	<b>102,000</b>	<b>2,410,630</b>	<b>14,230,140</b>	<b>711,230</b>	<b>14,941,370</b>
<b>Solid Waste/Street Sweeping</b>							
Solid Waste – Residential	2,469,480	4,310,360	210,000		6,989,840	306,150	7,295,990
Solid Waste – Commercial	1,291,560	1,966,190	151,000		3,408,750	100,000	3,508,750
Street Sweeping	25,040	672,300			697,340	50,000	747,340
Solid Waste – Roll Off	523,500	934,080	160,000		1,617,580	50,000	1,667,580
<b>Total Solid Waste Expenditures</b>	<b>4,309,580</b>	<b>7,882,930</b>	<b>521,000</b>	<b>0</b>	<b>12,713,510</b>	<b>506,150</b>	<b>13,219,660</b>
<b>Sewer/Wastewater</b>							
Sewer System	951,080	3,070,910		941,840	4,963,830		4,963,830
Wastewater – Domestic	1,512,800	4,232,340		1,910,710	7,655,850	462,290	8,118,140
Wastewater – Industrial	1,636,920	8,391,010		7,030,970	17,058,900		17,058,900
Wastewater – Pretreatment	124,540	114,250			238,790		238,790
Wastewater – Energy	28,220	1,490,790		522,970	2,041,980		2,041,980
<b>Total Sewer/Wastewater Expenditures</b>	<b>4,253,560</b>	<b>17,299,300</b>	<b>0</b>	<b>10,406,490</b>	<b>31,959,350</b>	<b>462,290</b>	<b>32,421,640</b>



# Estimated Revenue vs. Expenditures

## Water

Estimated Revenue	10,469,750
Proposed Expenditures	14,941,370
Less: Depreciation	<u>2,169,990</u>
Estimated Revenue in Excess of Expenditures	<b>-2,301,630</b>

## Solid Waste/Street Sweeping

Estimated Revenue	12,245,500
Proposed Expenditures	13,219,660
Less: Depreciation	<u>9,410</u>
Estimated Revenue in Excess of Expenditures	<b>-964,750</b>

## Sewer/Wastewater

Estimated Revenue	27,156,600
Proposed Expenditures	32,421,640
Less: Depreciation	<u>6,156,190</u>
Estimated Revenue in Excess of Expenditures	891,150



# Personnel Request

<i>Requested New Positions FY 2023-24 Budget</i>							
Department	Division	Classification	C Step mo.	Benefits	C Step Annual Salary + benefits	GF Impact	Notes/Funding Source
Public Works	Solid Waste	Senior Solid Waste Operator	\$4,351	\$7,212	\$86,540	none	Enterprise fund: Offset by increased revenue
<i>Recommended Classification/Compensation Upgrades or Position Changes FY 2023-24 Budget</i>							
Department	Division	Classification	Current Mo. Salary Range	New Mo. Salary Range	Est Add'l Annual Cost w/Benefits	GF Impact	Notes/Funding Source
Public Works	WW Collections	Management Analyst to Senior Management Analyst	\$6,604	\$7,193	\$9,452	none	
Public Works	WWTP	Lab Assistant to Lab Technician	\$3,379	\$4,403	\$16,589	none	
						<b>\$0</b>	



# Fleet Replacement Fund Overview

Department	Estimated Reserve 7/01/2023	Projected 2022/23 Expenditures	Projected Insurance Premium	Projected 2022/23 Revenue	Estimated Reserve 7/01/2024
Water	620,301	372,500	3,900	115,320	359,221
Solid Waste	3,878,444	667,500	63,150	746,960	3,894,754
Sewer / Wastewater	355,767	125,000	6,300	173,700	398,167
<b>Total Utilities Funds</b>	<b>\$4,854,512</b>	<b>\$1,165,000</b>	<b>\$73,350</b>	<b>\$1,035,980</b>	<b>\$4,652,142</b>
<b>Proposed Vehicle &amp; Equipment Replacement</b>					
Expansion:1 Side Loader		Solid Waste – Commercial (compost route)		1	\$325,000
Expansion:1 Side Loader		Solid Waste – Residential (carryover FY 22/23)		1	\$325,000
Replace Unit #920 (2007 Chevy truck)		Wastewater		1	\$35,000
Replace Unit #973 (2016 Ford F250 service truck)		Wastewater		1	\$50,000
Replace Unit #608 (2008 Chevy 1-ton)		Water (carryover from FY 21/22)		1	\$75,000
Replace Unit #604 (2008 Chevy ¾ ton)		Water (carryover from FY 21/22)		1	\$75,000
Replace Unit #624 (2006 Chevy 1-ton)		Water (carryover from FY 21/22)		1	\$85,000
Replace Unit #635 (2001 Ford F650 service truck)		Water (carryover from FY 21/22)		1	\$120,000
Expansion: Hybrid or electric sedan or SUV (Air Board Grant?)		Solid Waste / Water – Conservation Coordinator		1	\$35,000
Expansion: 3 Electric Golf Cars for Public Works (Air Board Grant?)		Wastewater		2	\$40,000
<b>Total Replacement</b>		<b>TOTALS</b>		<b>11</b>	<b>\$1,165,000</b>



# Next Steps

- May 23 – Special City Council Meeting to review the FY 2023/24 proposed budget including:
  - All operating budgets
  - Proposed 5-year Capital Improvement Program (CIP) budget
  - Proposed Position Control Budget (PCB) including new positions and reclassifications
  - Proposed Vehicle and Equipment budget (Fleet Replacement budget)
- June 1 – Board of Public Utilities Meeting
  - Public Hearing to adopt:
    - FY 2023/24 Enterprise Fund budgets – Water, Solid Waste, and Sewer/Wastewater
    - FY 2023/24 Position Control Budget
    - FY 2023/24 – 2028/29 Capital Improvement Program budget
- June 20 – City Council Meeting
  - Adopt citywide budget, PCB and CIP





# Conclusion - 2023/2024 Preliminary Budget

1. Questions, Directions, and Next Steps?
2. Next Meeting presentation of Special Revenue Funds and Final Changes to General Fund