

**RESOLUTION NO. 2022-03**

**A RESOLUTION OF THE CITY OF SAN JUAN BAUTISTA MAKING CERTAIN FINDINGS IN RELATION TO THE FY 2021/22 BUDGET AND APPROVING CERTAIN ADJUSTMENTS AT THE MID-YEAR TO ACCOUNT FOR SEVERAL SMALL VARIANCES FROM THE ORIGINAL FY 2021/22 BUDGET**

**WHEREAS**, Resolution 2021-34 was adopted June 15, 2021, and the City adopted its budget for FY 2021/22; and

**WHEREAS**, Resolution 2021-75 was adopted December 21, 2021, the City Council received its audit for FY 2020/21, and the auditor opinion is unmodified, or it is a “clean” report with no material findings; and

**WHEREAS**, upon analysis of the audit results and final fund balances moving forward, and after reviewing City’s budget performance over the past six months staff has summarized its Mid-Year budget review in the two attachments (“Exhibits A” and “B”), one for revenue adjustments and one for expenditure adjustments; and

**WHEREAS**, as a result of its review, staff anticipates substantial growth in the general fund revenues, particularly attributable to a 30% growth in Sales Tax (Exhibit A); General Fund expenditures are 13% below budget, that can be summarized as follows:

- 1) **General Fund** ~ General revenues are running at 43% for the year to date. Correspondingly, general fund expenditures are at 30% for the year to date. The net effect is a positive change in general fund balance of \$308k; and

**WHEREAS**, as a result of its review, the Water Enterprise fund and Wastewater Enterprise Funds can be summarized as follows:

- 1) **Water Enterprise Fund** ~ The water enterprise fund revenues are running at 40% for the year to date, and expenses are also at 45%. The net effect is a positive change in the water enterprise fund of \$170k,
- 2) **Sewer Enterprise Fund** ~ The sewer enterprise fund revenues are running at 41% for the year to date, and expenses are at 41%. The net effect is a positive change in the sewer enterprise fund of \$142k; and

**WHEREAS**, Exhibit B outlines a few one-time adjustments in its major contracts to adjust for cost increase beyond the budget amounts increasing some expenditures while reducing other major contracts, with a net savings of \$63,900, suggesting that the savings and revenue increases be targeted for the reserves in the respective funds; and

**WHEREAS**, the Operational Budget will be amended to American Rescue Plan – Coronavirus State and Local Fiscal recovery Fund (“CSLFRF”) include allocations provided in Attachment “C” to this resolution (four COVID related programs and one new Capital Improvement Program related to the joint use of school facilities);

**WHEREAS,** The Capital Improvement Budget be further amended adding \$975 to CIP 21-01 from Proposition 68 grant funds and reducing the General Fund Contribution by the same amount, add a new CIP in the amount of \$33,000 from the Wastewater Enterprise Fund to upgrade the waste Water Treatment Plant aeration and filtration system (Exhibit C), and add \$175,000 from the American Rescue Plan for programs developing from a new joint use agreement with the Aromas San Juan Bautista Unified School District (Exhibit C).

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of San Juan Bautista:

- 1) That the Staff report submitted for the January 18, 2022 Council meeting and its conclusions are hereby deemed to be true and correct, and are made a part of this resolution by reference.
- 2) That the completed Audit of the FY 2020/21 has confirmed and finalized the fund balances heading into FY 2022/23, and that a Mid-Year Budget review of this fiscal year's activity has been completed and that the assumptions and projections made in prior budget preparations have been confirmed and quantified.
- 3) The details of the recommended Mid-Year Budget adjustments for Fiscal Year 2021/22 are provided in Exhibit "A" for revenues, and Exhibit "B" for expenditures and "C" for the allocation of \$250,000 (\$175,000 to the CIP, and \$75,000 to the Operational Budget) of American Rescue Plan- Coronavirus State and Local relief Funds and \$33,000 from the Wastewater Enterprise Fund to upgrade the Wastewater Treatment Plant.
- 4) That the balance of savings in all funds will be used to increase the reserve amounts in each of the three funds for consideration of new programs and initiatives during FY 22/23.

**PASSED AND ADOPTED** at a regular meeting of the San Juan Bautista City Council on the 18<sup>rd</sup> day of January, 2022, by the following vote:

**AYES:** Jordan, Edge, Flores, Freeman

**NOES:** None

**ABSENT:** Freels

**ABSTAIN:** None

**ATTEST:**

  
\_\_\_\_\_  
**Trish Paetz, Deputy City Clerk**

  
\_\_\_\_\_  
**Leslie Q. Jordan, Mayor**

**Attachments:** A. Revenue Summary  
B. Expense Summary  
C. Allocation of Coronavirus State and Local Fiscal Relief Funds

**EXHIBIT A**  
**FY 2021/22 MID-YEAR BUDGET REVENUE ADJUSTMENTS**

<b>REVENUES</b>	<b>Annual</b>	<b>Proposed</b>		
<b>Fund</b>	<b>Budget</b>	<b>Revised</b>	<b>Difference</b>	<b>Footnotes</b>
		<b>Budget</b>		
<b>General Fund</b>	2,137,076	2,137,076	-	
<b>Special Revenue Funds:</b>				
Capital Projects Fund	2,477,368	2,477,368	-	
Community Developer	404,514	404,514	-	
COPS	100,000	100,000	-	
Parking & Restroom Fd	25,000	25,000	-	
Gas Tax Fund	100,784	100,784	-	
Valle Vista LLD	25,928	25,928	-	
Rancho Vista CFD	58,716	58,716	-	
Copperleaf CFD	21,945	21,945	-	
<b>Development Impact Fee Funds:</b>				
Public/Civic Facility	-	-	-	
Library	-	-	-	
Storm Drain	-	-	-	
Park In-Lieu	-	-	-	
Public Safety	-	-	-	
Traffic	-	-	-	
Zone 1 TIMF	-	-	-	
<b>Internal Service Funds:</b>				
Blg Rehab. & Replace	38,000	38,000	-	
Vehicle Replacement	60,000	60,000	-	
<b>Enterprise Funds:</b>				
Water				
Operations	1,239,670	1,239,670	-	
Capital	576,400	576,400	-	
Sewer				
Operations	1,142,430	1,142,430	-	
Capital	733,275	733,275	-	
<b>TOTAL Funds</b>	<b>9,141,106</b>	<b>9,141,106</b>	<b>-</b>	

Footnotes ~

## EXHIBIT B

### FY 2021/2022 MID-YEAR EXPENDITURE ADJUSTMENTS

EXPENDITURES	Annual	Proposed	
<u>Fund</u>	<u>Budget</u>	<u>Budget</u>	<u>Variance</u>
<b>General Fund</b>	2,050,876	2,068,376	17,500
<b>Special Revenue Funds:</b>			
Capital Projects Fund	2,477,368	2,477,368	-
Community Development	650,768	550,768	(100,000)
COPS	100,000	100,000	-
Parking & Restroom Fd	117,899	117,899	-
Gas Tax Fund	100,784	100,784	-
Valle Vista LLD	25,928	25,928	-
Rancho Vista CFD	58,716	58,716	-
Copperleaf CFD	21,945	21,945	-
<b>Development Impact Fee Funds</b>			
Public/Civic Facility	169,540	169,540	-
Library	29,440	29,440	-
Storm Drain	10,932	10,932	-
Park In-Lieu	17,884	17,884	-
Public Safety	180,852	180,852	-
Traffic	5,432	5,432	-
<b>Internal Service Funds:</b>			
Blg Rehab. & Replace	25,000	25,000	-
Vehicle Replacement	-	-	-
<b>Enterprise Funds:</b>			
<b>Water:</b>			
Operations	725,548	744,148	18,600
Capital	547,705	547,705	-
<b>Sewer</b>			
Operations	805,565	805,565	-
Capital	717,205	717,205	-
<b>TOTAL Funds</b>	<b>8,839,387</b>	<b>8,775,487</b>	<b>(63,900)</b>

**EXHIBIT C**

**Allocation of Coronavirus  
State and Local Fiscal Relief Funds**

<u>ARP Funds</u>	<u>FY 21/22</u>
COVID Tests	\$ 5,000
Business Grants	\$ 25,000
New start-up Businesses	\$ 20,000
Homeless programs	\$ 10,000
Non-Profits Grants	\$ 15,000
<u>School/Facility Joint Use Program</u>	<u>\$ 175,000</u>
	\$ 250,000

ARP Funds FY 22/23

TBD

**Wastewater Enterprise Fund**

<u>Budget Amendment 21/22</u>	
<u>Wastewater Treatment Plant Upgrades</u>	
New Aerator	\$ 20,000
Filtration System Control Panel	\$ 10,000
Filtration System Media/Polymer	\$ 3,000
<b>TOTAL</b>	<b>\$ 33,000</b>