



FY 2023-24
Adoption of Operating Budget,
Appropriations Limit &
Master Schedule of Fees and Charges

June 6, 2023

City of Fullerton, CA



Budget Study Session Agenda

- ❖ Budget Highlights
- ❖ Changes from FY 2023-24 Budget Study Session
- ❖ FY 2023-24 Proposed Operating Budget Overview
- ❖ Capital Improvement Plan (CIP) / Infrastructure
- ❖ Recommendations



Budget Highlights

- City's fiscal condition has improved and is stable.
 - City's credit rating of AA affirmed in 2021 during Covid
 - Revenues have increased by 19% since FY 2020-21 and at all time high.
 - 17% Contingency Reserve levels reached in FY 2021-22 and projected to be maintained through FY 2024-25
 - \$14.5 million for Streets in FY 2023-24; up from \$11.8 million in FY 2022-23
- Proposed Budget includes set aside for Measure M2 Maintenance of Effort to ensure the City continues to receive M2 funding.
- Proposed Budget includes City Council direction from 4/18/23 Budget Study Session & subsequent meetings.



FY 2023-24 Proposed General Fund Budget

	Study Session Proposed Budget FY 23-24	Revised Proposed Budget FY 23-24	Proposed Budget Variances
Beginning Fund Balance	\$ 26,114,097	\$ 26,114,097	\$ -
Revenues	119,722,607	120,671,857	949,250
Transfers In:	7,150,000	7,150,000	-
<i>Transfers In – Traffic Safety Fund</i>	200,000	200,000	-
<i>Transfers In – ARPA Revenue Replacement</i>	6,950,000	6,950,000	-
Total Revenues and Transfers In	126,872,607	127,821,857	949,250
Expenditures	(119,676,764)	(120,884,437)	(1,207,673)
Transfers Out:	(4,174,587)	(4,174,587)	-
<i>Transfers Out – Infrastructure Fund</i>	(2,674,587)	(2,674,587)	-
<i>Transfers Out – Residential Streets (CIP)</i>	(1,500,000)	(1,500,000)	-
Total Expenditures and Transfers Out	(123,851,351)	(125,059,024)	(1,207,673)
Net Operating Surplus/(Deficit)	3,021,256	2,762,833	(258,423)
MOE Reserve	(2,000,000)	(2,000,000)	-
Ending Fund Balance	\$ 27,135,353	\$ 26,876,930	\$ (258,423)



Changes from Budget Study Session ~ Revenues

- ❖ **4/18/23 Budget Study Session ~ \$119.7M General Fund Revenues**
- ❖ **General Fund Revenue Adjustments of \$0.95 Million**
 - Sales Tax Revenues ~ \$200,000
 - Fire User Fees Increases *(Approved on 5/2/23)*
 - Current Fire User Fees ~ \$509,000
 - New Fire Fees ~ \$240,000
- ❖ ***FY 2023-24 Revised Revenue Budget of \$120.7 Million***



Changes from Budget Study Session ~ Expenditures

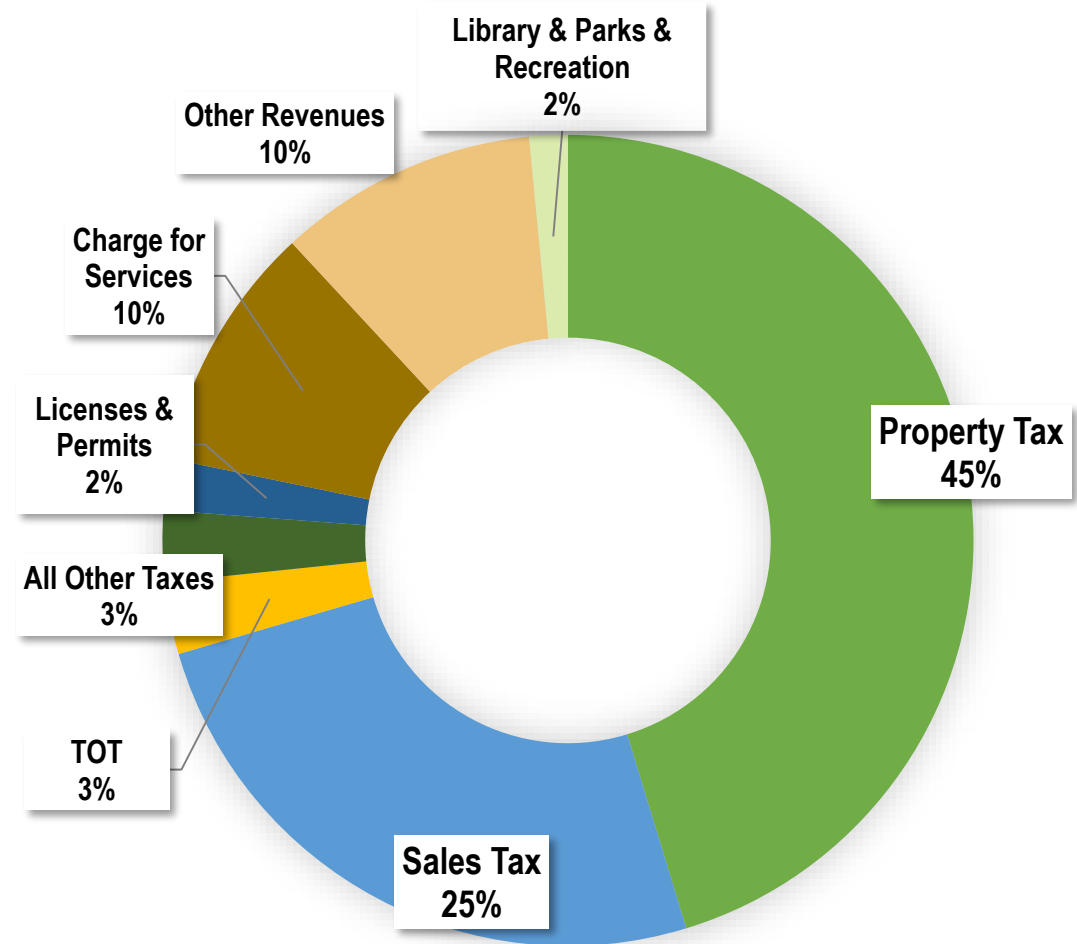
- ❖ **4/18/23 Budget Study Session ~ \$119.7M General Fund Expenditures**
- ❖ **General Fund Expenditure Adjustments of \$1.2 Million**
 - Public Safety (\$300,000) ~ *Software & Vehicle Lease Program*
 - Community Preservation (\$260,000) ~ *Add'l Homeless Encampment Cleanups and 1.0 FTE Code Enforcement Officer*
 - Organizational Efficiency & Sustainability (\$460,000) ~ *Personnel Costs*
 - Community Services & Programs (\$190,000) ~ *Hunt Library Bridge Program*
- ❖ ***FY 2023-24 Revised Expenditure Budget of \$120.9 Million***



FY 2023-24 General Fund Revenues of \$120.7 Million

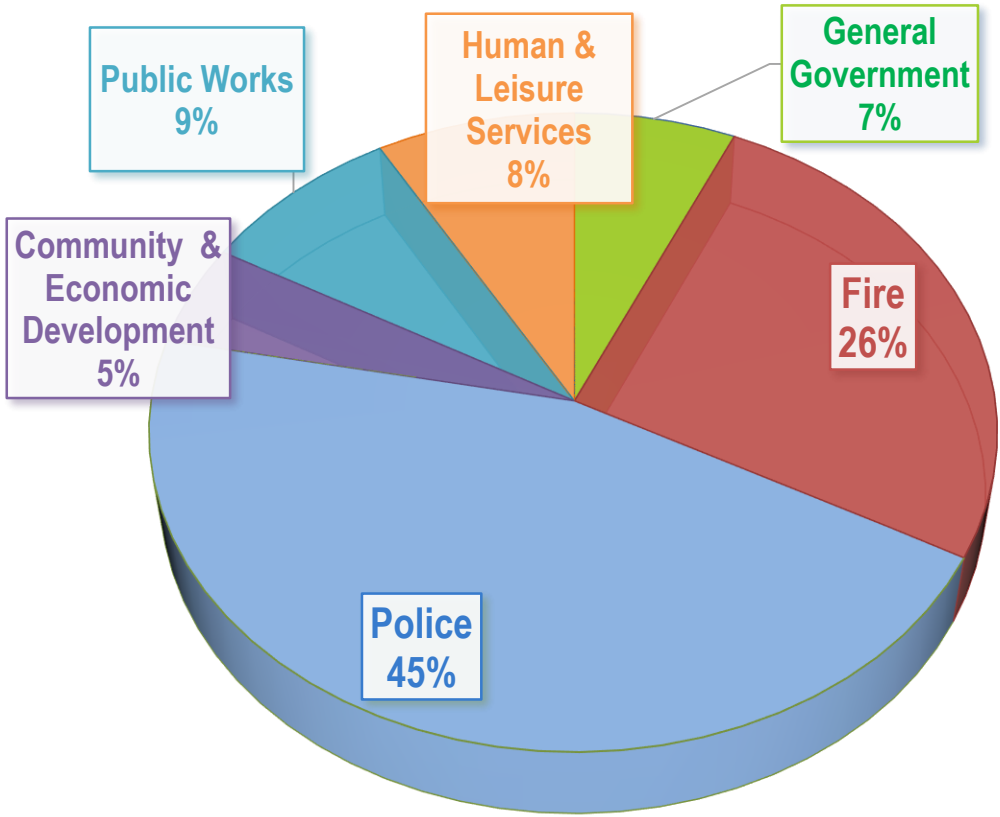
Major Revenue Category	Proposed Budget FY 23-24
Property Tax	54,649,098
Sales Tax	30,402,492
Transient Occupancy Tax (TOT)	3,460,000
All Other Taxes	3,426,110
Licenses & Permits	2,464,846
Charge for Services	11,903,311
Other Revenues *	12,517,925
Human & Leisure Services (<i>Library & Parks & Recreation</i>)	1,848,075
Total General Fund Revenue	\$120,671,857

* Includes Fines & Penalties, Use of Money & Property, Intergovernmental & Other Miscellaneous Revenue.

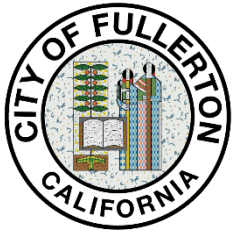




FY 2023-24 General Fund Expenditures of \$120.9 Million



Expenditures by Major Program Area	Proposed FY 23-24
General Government (<i>Administration, Admin Svcs, HR</i>)	8,158,699
Fire	31,543,067
Police	54,718,263
Community & Economic Development	6,155,592
Public Works	10,260,788
Human & Leisure Services (<i>Library and Parks & Rec</i>)	10,048,028
Total General Fund Expenditures	\$120,884,437



5-Year General Fund Financial Forecast

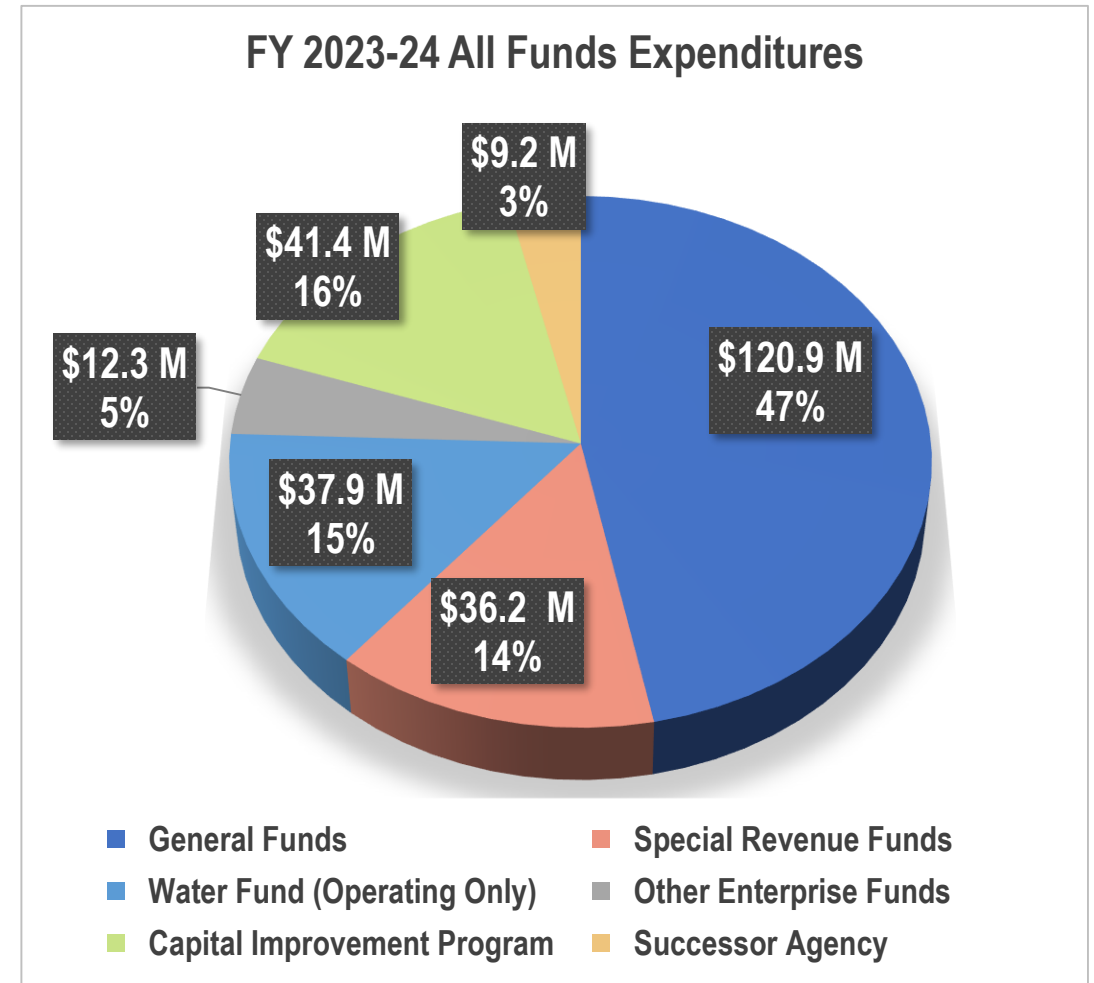
GENERAL FUND FIVE-YEAR FINANCIAL FORECAST	Proposed Budget FY 23-24	FY 24-25	(Recession) FY 25-26	FY 26-27	FY 27-28
		Forecast	Forecast	Forecast	Forecast
Beginning Fund Balance	\$26,114,097	\$26,876,930	\$24,161,259	\$18,988,306	\$15,495,297
Revenues	120,671,857	124,727,174	125,208,281	128,868,002	133,296,037
Transfers In	7,150,000	200,000	200,000	200,000	200,000
Transfers In-Traffic Safety Fund	200,000	200,000	200,000	200,000	200,000
Transfers In-ARPA Fund for Revenue Replacement	6,950,000	-	-	-	-
Revenues & Transfers In Total	127,821,857	124,927,174	125,408,281	129,068,002	133,496,037
Expenditures	(120,884,437)	(124,812,858)	(128,157,682)	(130,366,428)	(132,366,650)
Transfers Out	(4,174,587)	(2,329,987)	(4,173,552)	(4,023,334)	(4,254,108)
Transfers Out (Infrastructure Fund)	(2,674,587)	(2,329,987)	(2,423,552)	(2,194,584)	(2,343,064)
Transfers Out for Residential Streets (CIP Fund)	(1,500,000)	-	-	-	-
Transfers Out (Measure M2 MOE Match)	-	-	(1,750,000)	(1,828,750)	(1,911,044)
Expenditures & Transfers Out Total	(125,059,024)	(127,142,845)	(132,331,234)	(134,389,762)	(136,620,758)
Net Operating Surplus/(Deficit)	\$2,762,833	(\$2,215,671)	(\$6,922,953)	(\$5,321,760)	(\$3,124,721)
MOE Reserve	(2,000,000)	(500,000)	1,750,000	1,828,750	1,911,044
Ending Fund Balance	\$26,876,930	\$24,161,259	\$18,988,306	\$15,495,297	\$14,281,619
10% Contingency Reserve (Minimum)	\$12,088,444	\$12,481,286	\$12,815,768	\$13,036,643	\$13,236,665
17% Contingency Reserve (Goal)	\$20,550,354	\$21,218,186	\$21,786,806	\$22,162,293	\$22,502,330
Over/(Under) 10% Contingency Reserve	14,788,486	11,679,973	6,172,538	2,458,654	1,044,954
Over/(Under) 17% Contingency Reserve	6,326,576	2,943,073	(2,798,500)	(6,666,996)	(8,220,711)



FY 2023-24 Proposed All Funds Budget of \$257.9 Million

All Funds by Fund Type	FY 23-24 Proposed
General Fund	120,884,437
Special Revenue Funds	36,150,094
Water Fund <i>(Operating Only)</i>	37,853,377
Other Enterprise Funds <i>(Operating Only)</i>	12,300,226
CIP Program	41,419,550
Successor Agency	9,248,190
All Funds Expenditures Total	\$257,855,874

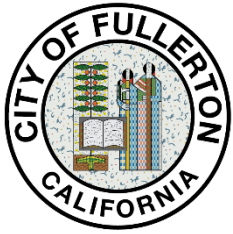
All Funds Revenues Total	\$245,960,621
Designated Funds for Capital Projects	21,070,440
All Funds Revenues and Capital Designated	\$267,031,061





Proposed Capital Improvements Program (CIP) / Infrastructure Projects

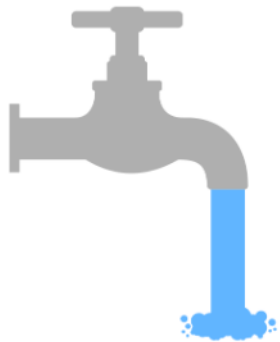


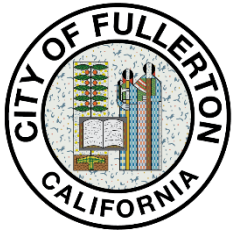


CIP / Infrastructure Projects

Street Rehabilitation			
Funding Source	Budget Study Session	FY23-24 Proposed	Change from Study Session
American Rescue Plan Act (ARPA)	\$5.5 million	\$5.5 million	-
SB1 / RMRA	\$3.5 million	\$3.5 million	-
Measure M2	\$2.5 million	\$2.5 million	-
Infrastructure Fund	\$1.0 million	\$1.2 million	\$0.25 million
Community Development Block Grant	\$0.3 million	\$0.3 million	-
General Fund	\$1.5 million	\$1.5 million	-
Total Street Rehabilitation	\$14.3 million	\$14.5 million	\$0.25 million

Utility Infrastructure			
Funding Source	Budget Study Session	FY23-24 Proposed	Change from Study Session
Water Fund	\$17.0 million	\$17.0 million	
Water State Grant	\$0.0 million	\$0.5 million	\$0.5 million
Sewer Fund	\$1.5 million	\$1.5 million	
Drainage Capital Outlay	\$2.0 million	\$2.0 million	
Total Utility Infrastructure	\$20.5 million	\$21.0 million	\$0.5 million





CIP / Infrastructure Projects

Facility Improvements			
Funding Source	Budget Study Session	FY23-24 Proposed	Change from Study Session
Facility Capital Repair	\$0.6 million	\$0.6 million	-
General Fund	\$0.1 million	\$0.1 million	-
Library State Grant	\$0.0 million	\$0.3 million	\$0.3 million
Infrastructure Fund	\$1.4 million	\$1.4 million	-
Library Foundation	\$0.3 million	\$0.3 million	-
Total Facility Improvements	\$2.4 million	\$2.7 million	\$0.3 million

Traffic Systems			
Funding Source	Budget Study Session	FY23-24 Proposed	Change from Study Session
Measure M2 Regional	\$ 38,610	\$ 38,610	-
Measure M2	\$0.5 million	\$0.5 million	-
Federal Traffic Grant	\$0.2 million	\$0.2 million	-
Gas Tax	\$0.3 million	\$0.3 million	-
Traffic Mitigation Fees	\$0.1 million	\$0.1 million	-
Total Traffic Systems	\$1.2 million	\$1.2 million	\$0.0 million





CIP / Infrastructure Projects

Parks & Recreation			
Funding Source	Budget Study Session	FY23-24 Proposed	Change from Study Session
Park Dwelling Fund	\$ 0.8 million	\$ 0.8 million	-
Community Development Block Grant	\$ 0.4 million	\$ 0.4 million	-
Total Parks & Recreation	\$ 1.2 million	\$ 1.2 million	\$0.0 million

Airport			
Funding Source	Budget Study Session	FY23-24 Proposed	Change from Study Session
Airport Fund	\$33,000	\$33,000	-
Federal FAA Grants	\$740,000	\$740,000	-
State Aviation Grants	\$49,000	\$49,000	-
Total Airport	\$822,000	\$822,000	\$0.0 million





Infrastructure Fund

Infrastructure Fund				
Funding Source	Pre-Budget Study Session (March 2023)	Budget Study Session	FY23-24 Proposed	Change from Study Session
Street Rehabilitation	\$0.8 million	\$1.00 million	\$1.25 million	\$0.25 million
Facility Improvements	\$1.63 million	\$1.43 million	\$1.43 million	-
Total Infrastructure Fund	\$2.43 million	\$2.43 million	\$2.68 million	\$0.25 million



Recommendation

Upon conclusion of the Public Hearing, it is recommended that the City Council approve and adopt the following resolutions:

- Resolution 2023-XXX - A Resolution of the City Council of the City of Fullerton, California, Approving and Adopting the City of Fullerton's Operating Budget for Fiscal Year 2023-24 and Appropriating the Funds Necessary to Meet the Expenditures Set Forth Therein.
- Resolution 2023-XXX - A Resolution of the City Council of the City of Fullerton, California, Adopting the Annual Appropriations Limit for Fiscal Year 2023-24 Pursuant to Article XIII B of the California State Constitution.
- Resolution 2023-XXX - A Resolution of the City Council of the City of Fullerton, California, Adopting the City of Fullerton's Master Schedule of Fees and Charges for Fiscal Year 2023-24



Questions

