



Administrative Report

L.2., File # 22-4390

Meeting Date: 6/21/2022

To: MAYOR AND CITY COUNCIL
From: JENNIFER PAUL, FINANCE DIRECTOR

TITLE

CONTINUED PUBLIC HEARING TO CONSIDER THE FISCAL YEAR 2022-23 PROPOSED BUDGET, FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM, AND ASSOCIATED BUDGET RESPONSE REPORTS

ADOPT BY TITLE ONLY RESOLUTION NO. CC-2206-041, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDONDO BEACH, CALIFORNIA, ADOPTING AN ANNUAL BUDGET FOR FISCAL YEAR 2022-23

- a. Reconvene the Public Hearing, take testimony;
- b. Close the Public Hearing; and
- c. Receive and file Budget Response Reports; and
- d. Adopt by title only Resolution No. CC-2206-041, including Budget Response Report No. 1.

EXECUTIVE SUMMARY

On May 16, 2022, in accordance with the City Charter, the Mayor and City Council received the Proposed Budget for FY 2022-23 and the Proposed Five-Year Capital Improvement Program (CIP). On May 17, 2022, the first Public Hearing on the documents was conducted and continued to June 7, 2022, then to June 14, 2022 and again to June 21, 2022. The May 17th Public Hearing provided an introduction and summary of the proposed budget. The June 7th Budget Hearing focused on department operations. The June 14th Budget Hearing focused on proposed capital projects. The June 21st Hearing will be focused on the Council's consideration of budget adoption.

The City Charter requires the annual budget be adopted by June 30, 2022. A resolution for City Council adoption of the FY 2022-23 Budget (which includes annual appropriations for operations and capital) is attached for City Council consideration of approval. It is also recommended that the City Council approve Budget Response Report #1 as part of the final budget motion, to incorporate the corrections in the proposed document included in the "updated" budget link on the City's website.

BACKGROUND

The Proposed Fiscal Year 2022-23 Budget is balanced in accordance with the City Council's adopted Financial Principles. If all recommended Decision Packages are adopted as modifications to the core budget, the General Fund's unallocated balance (total revenues over expenditures) would be \$1.8M. This year, 46 Budget Response Reports have been prepared and submitted to the City Council. These reports provide detailed information on prospective projects or policy changes the City Council

may wish to consider during the budget adoption process. Additionally, Budget Response Report No. 1 provides the City Council with corrections and adjustments to the Proposed Budget for inclusion in the Adopted Budget. At City Council's request, a staff memo has also been attached along with the Pier Parking Structure Assessments completed by Walker Consultants.

The budget document includes the City Manager's message, which describes the budget development process, the City's projected financial outlook for the upcoming fiscal year, proposed General Fund revenues and expenditures, and recommended decision packages. The document also includes departmental sections which discuss core service activities, key projects and assignments, and customer service and referral work measures. Financial Summary (mini-financial) reports, which spotlight important business units, are also included in the document. The Capital Improvement Program (CIP) identifies the capital investment required to meet the City's General Plan and other policy goals and to ensure good stewardship of public infrastructure. The CIP identifies the projects, their estimated costs, and the financing methods needed to implement the City's capital investment goals and the maintenance of new and existing infrastructure.

In summary, the Proposed FY 2022-23 Budget contains the following:

- A total annual budget including all funds of \$156.5 million.
- A total core General Fund Budget (with transfers and before Decision Packages) of roughly \$102 million.
- \$90.8 million of Capital Funding for 122 Projects.
- Funding for 425 Full-Time employees (before Decision Packages).
- 83 Decision Packages.
- A General Fund Contingency Reserve of \$8.26 million.
- A CalPERS Reserve Fund of \$5.1 million.
- A General Fund Unallocated Balance of \$1.8 million (if all proposed Decision Packages are approved).

Adjustments to the Proposed Budget will be made via the final Budget Adoption Resolution, and tabulated in real time, after the City Council concludes the Public Hearing and completes its deliberation.

COORDINATION

All City Departments participated in the preparation of the Fiscal Year 2022-23 City Manager's Proposed Budget and Five-Year Capital Improvement Program. The Budget and Finance Commission reviewed the Proposed Budget at their meetings on May 26, 2022 and June 9, 2022. The Harbor Commission reviewed the Proposed Budget on June 13, 2022. The input provided by the commissions has been included in Budget Response Report No. 46.

FISCAL IMPACT

The adopted version of the Fiscal year 2022-23 Budget will serve as the financial guide for all City operations. The Fiscal Year 2022-27 Five-Year Capital Improvement Program is a planning document only. Funding for capital projects in the first year of the plan will be appropriated as part of the Fiscal Year 2022-23 Budget.

APPROVED BY:

Mike Witzansky, City Manager

ATTACHMENTS

- Budget Adoption Resolution
- Resolution Exhibit A - FY 2022-23 Financial Summary Reflecting Decision Packages
- FY 2022-23 Budget Response Reports
- Walker Pier Parking Structure Assessments and Memo