

City of Willows
Fiscal Year 2022-23
Proposed Budget



Presentation to City Council
June 27, 2022



FY 2022-23 Proposed Budget - Discussion Outline -

1. Overview of Budget Development Process to Date
2. Review of FY 2022-23 Citywide Proposed Budget
3. General Fund Revenues and Expenditures / Forecast
4. Enterprise Fund Update
5. Other Fund Groups / Special Revenue Funds Updates
6. Consider FY 2022-23 Proposed Budget – Questions / Comments

FY 2022-23 Proposed Budget - Budget Development Process -

Budget Development Process to Date:

- Update financial information for FY 2020-21 audit process – conform fiscal information to accounting principles and best practices / preparation of General Fund multi-year forecast.
- Review and update of FY 2021-22 financial activity – mid-year report and budget development overview – March 22, 2022.
- Work with management staff to update the budget for FY 2022-23.
- Presentation of FY 2022-23 Preliminary Budget for General Fund / Sewer Enterprise Fund – June 14, 2022.
- Consider adoption of the FY 2022-23 Proposed Budget – June 27, 2022.

FY 2022-23 Proposed Budget - Citywide Budget -

Fund(s)	----FY 2021-22 Estimated----		-----FY 2022-23 Final Budget-----			
	Revenues	Expenditures	Revenues	Percent Change	Expenditures	Percent Change
General Fund	\$ 5,036,627	\$ 4,749,232	\$ 5,633,759	11.9%	\$ 5,701,496	20.1%
Enterprise Funds	1,622,380	1,059,040	1,862,000	14.8%	1,844,578	74.2%
Special Revenue Funds	5,241,989	4,406,003	1,315,818	-74.9%	1,216,910	-72.4%
Subtotal - Operating Funds	\$ 11,900,996	\$ 10,214,275	\$ 8,811,577	-26.0%	\$ 8,762,984	-14.2%

FY 2022-23 Citywide Budget - \$8,762,984

Noted citywide decreases in revenues / expenditures attributed to:

- Winding down of capital projects (e.g., Basin Street; Sycamore Apartments; South Willows Infrastructure).

FY 2022-23 Proposed Budget - Citywide Budget -

Citywide Capital Outlay / Projects (where project is fully appropriated)			
General Fund	\$	659,000	RSTP / STIP Fund
Sewer Enterprise Fund		456,000	Fire Dvlp Impact Fee Fund
Gas Tax Fund		70,000	COVID-19 / ARPA Fund
			\$ 60,000
			65,938
			30,000
Total Capital Outlay / Projects: \$1,340,938			

- General Fund** ERP System Upgrade; Computer / Office Eqpt; Update Muni Code; Chambers Audio-Visual Fire Equipment – Thermal Imaging Camera; Difibrulator; Structural Fire Equipment; Hoses Nozzles; Mini-Split AC Unit
Public Works – Flat Bed Truck; Dump Truck; 2 Side-by-Sides; Backhoe; Civic Center Repairs; Security Fencing @ Corporation Yard
- Sewer Fund** Flat Bed Truck; Dump Truck; Backhoe; Security Fencing @ Corporation Yard; Update Muni Code; Sycamore St. Lift Station; Sewer Replacement Project; Clarifier Improvements; Administration Building
- Gas Tax Fund** Streets Maintenance; Streets Reconstruction & Resurfacing
- RSTP/STIP Fund** Streets Resurfacing Projects
- Fire Impact Fee Fund** Debt Service for Fire Truck
- ARPA Fund** Master Fee Schedule Update

FY 2022-23 Proposed Budget

- Citywide Budget -

Citywide Staffing <i>FUNDED POSITIONS</i>	
Department	FTE
Mayor / City Council	ELECTED
City Manager	1.00
Administrative Services / Finance	2.00
Community Development	2.00
City Clerk	1.00
Fire	4.00
Public Works / Sewer Operations	7.00
Library	1.00
Citywide Full Time Equivalents (FTE) :	18.00

FY 2022-23 Staffing

- Budget assumes full funding for entirety of fiscal year for all positions.
- New positions recently added / recommended:
 - Firefighter,
 - Accounting Manager,
 - Community Development & Services Director, and
 - 2.0 FTE Maintenance Workers.
- Part-Time / Temporary Functions:
 - Custodial Services,
 - Library Program (all branches),
 - Recreation / Swimming Programs, and
 - Firefighters.
- Allocation of staffing to Sewer to be variably costed – not by percentage (note: appropriated at 25% for Public Works).

FY 2022-23 Proposed Budget - Citywide Reserve Levels -

Reserve Levels @ June 30, 2023:

Fund	--Reserve Levels--	
	Designated	Undesignated
General Fund	\$ 205,000	1,924,587
Sewer Enterprise Fund	-	1,450,164
Water Enterprise Fund	-	489
Gas Tax Fund	-	263,437
RMRA / SB-1 Fund	-	381,753
RSTP Program	-	389,145
County Library Fund	-	54,418
Other Library Funds	-	13,828
Miscellaneous Op. Funds	-	128,405
CDBG / Housing Funds	-	(1,069)
Project Funds	-	138,902
Impact Fee Funds	-	1,248,895
COVID-19 / ARPA Fund	-	647,340

Reserve Notes

- Designated reserves include a Working Capital Reserve (\$200,000); Capital Reserve (\$5,000).
- Water Fund reserves expected to be low.
- Transportation-related reserves = \$1,034,335.
- Other Library Reserves include Zip Books; Northnet Training; CLSA Delivery.
- Impact Fee Reserves = \$1,248,895.
- Remaining ARPA Funding not appropriated = \$647,340.

FY 2022-23 Proposed Budget - General Fund -

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 5,036,627	\$ 4,749,232
FY 2022-23 Proposed Budget	\$ 5,633,759	\$ 5,701,496

FY 2021-22 Updated Budget anticipated surplus: \$287,395

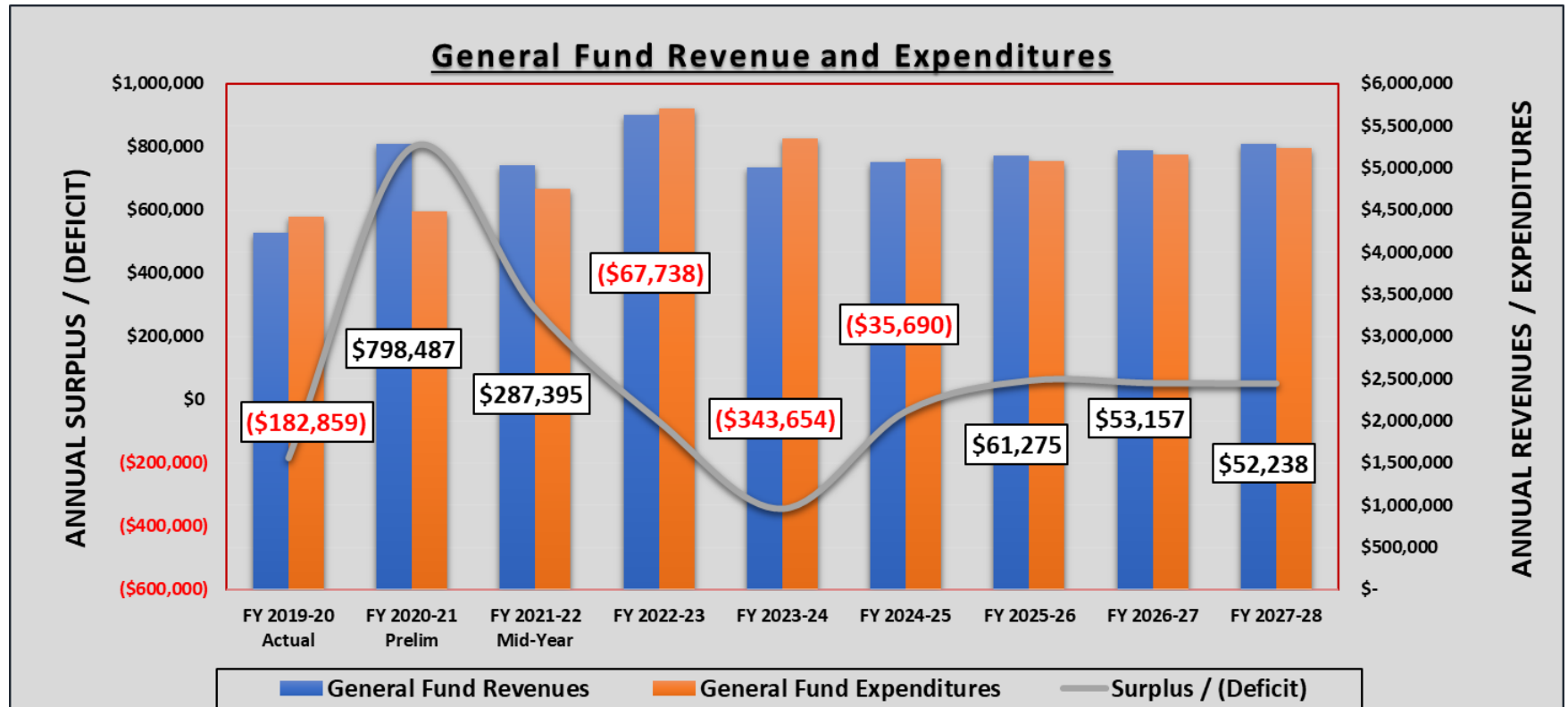
- Property Taxes; Transient Occupancy Taxes *Note: Watch sales tax...*
- Transfers from Library Fund; SLESF Fund (closed); Gas Tax Funds

FY 2022-23 Proposed Budget anticipated use of reserves: (\$67,738)

- All positions funded for entirety of year – addition of 4 positions - \$345,984
- Capital and outlay needs - \$659,000
- Refined budgets in departments (Citywide / Non-Departmental)

FY 2022-23 Proposed Budget - General Fund -

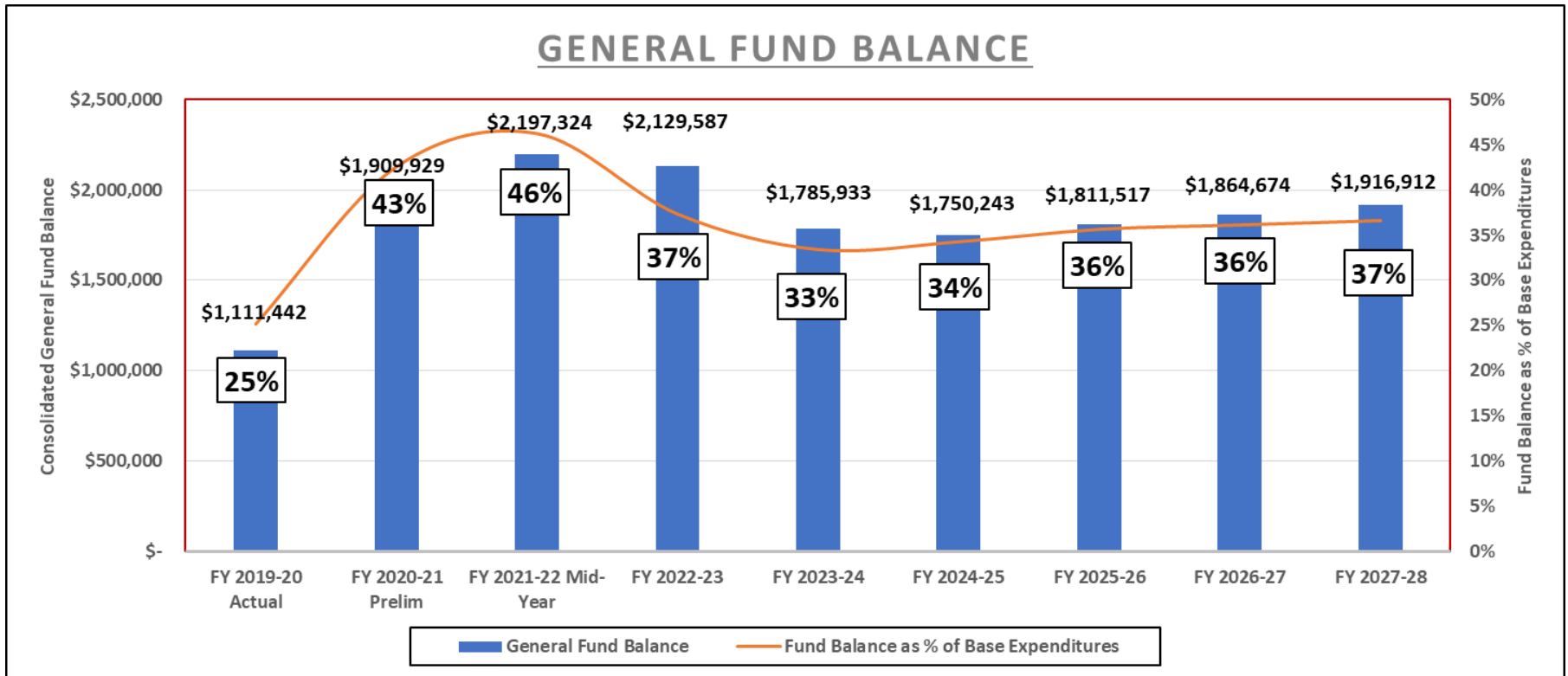
Multi-Year Forecast – General Fund:



Note: FY 2023-24 Forecast includes \$30,000 more for fee schedule update; \$135,000 PW Equipment; CalPERS debt service at highest year; No inclusion of ARPA funding transfer.

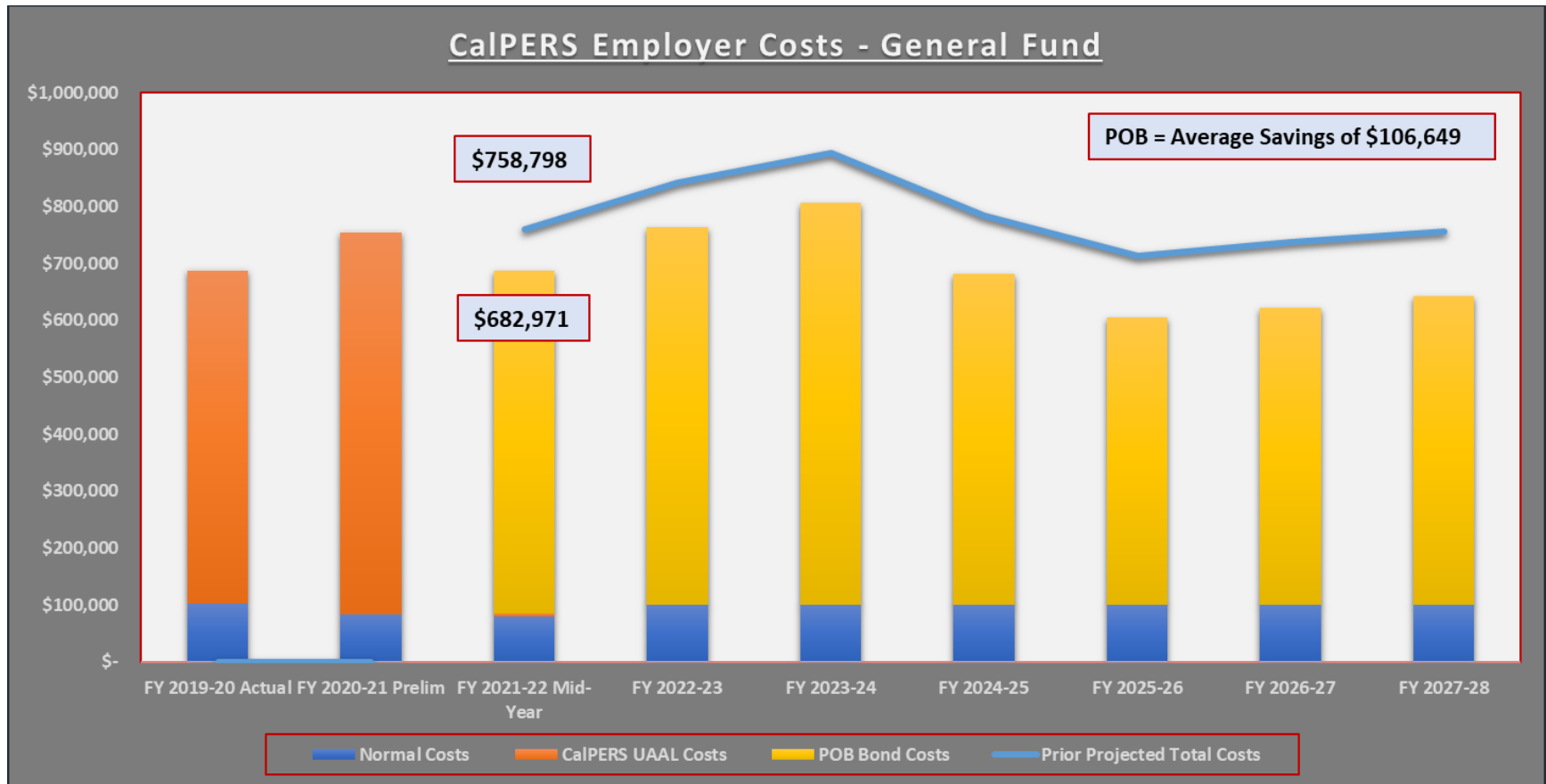
FY 2022-23 Proposed Budget - General Fund -

Multi-Year Forecast – General Fund Reserves:



FY 2022-23 Proposed Budget - General Fund -

Impacts of POB Issuance – General Fund:



FY 2022-23 Proposed Budget - Sewer Enterprise Fund -

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 1,615,355	\$ 1,044,040
FY 2022-23 Proposed Budget	\$ 1,855,000	\$ 1,839,578

Projected Sewer Fund Balance @ 06/30/23: \$1,450,164

Sewer Fund Budget Notes:

- Programmed rate increase for FY 2022-23
- Initial debt service payment on refunded USDA note - \$335,519
- Funds \$456,000 towards variety of capital outlay and projects:
 - Sycamore St. Lift Station,
 - Vehicles / Security Fence (shared with General Fund),
 - Update Municipal Code,
 - Annual Sewer Replacement Project,
 - WWTP – Clarifier Improvements, and
 - WWTP – Administration Building.

FY 2022-23 Proposed Budget - Water Enterprise Fund -

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 7,025	\$ 15,000
FY 2022-23 Proposed Budget	\$ 7,000	\$ 5,000

Projected Water Fund Balance @ 06/30/23: \$489

Water Fund Budget Notes:

- Funds very little fiscal activity for FY 2022-23 (few customers).
- Anticipated this fund will have close to no fund balance left on June 30, 2023.

FY 2022-23 Proposed Budget - Special Revenue Funds – Transportation -

Gas Tax Fund

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 164,680	\$ 302,579
FY 2022-23 Proposed Budget	\$ 155,937	\$ 143,500

Projected Gas Tax Fund Balance @ 06/30/23: \$263,437

Gas Tax Fund Budget Notes:

- The Lassen Street Rehabilitation Project is fully appropriated in FY 2021-22 (will be carried over to FY 2022-23 if not completed).
- Street lighting and staffing costs related to street maintenance built into this budget (\$69,500).
- Capital @ \$70,000 includes Street Maintenance, Rehabilitation and Resurfacing.

FY 2022-23 Proposed Budget - Special Revenue Funds – Transportation -

RMRA / SB-1 Fund

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 130,351	\$ 100,000
FY 2022-23 Proposed Budget	\$ 124,497	\$ -

Projected RMRA / SB-1 Fund Balance @ 06/30/23: \$381,753

RMRA / SB-1 Fund Budget Notes:

- The Lassen Street Rehabilitation Project is fully appropriated in FY 2021-22 (will be carried over to FY 2022-23 if not completed).
- There are no expenditures budgeted at this time from RMRA/SB-1 Fund.

FY 2022-23 Proposed Budget - Special Revenue Funds – Transportation -

RSTP Fund

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 762,195	\$ 675,000
FY 2022-23 Proposed Budget	\$ 87,195	\$ 60,000

Projected RSTP Fund Balance @ 06/30/23: \$389,145

RSTP Fund Budget Notes:

- The Lassen Street Rehabilitation Project is fully appropriated in FY 2021-22 (will be carried over to FY 2022-23 if not completed).
- Capital @ \$70,000 includes Street Resurfacing.

Note: \$1 million+ available for streets- / transportation-related needs.

FY 2022-23 Proposed Budget - Special Revenue Funds – Library -

County Library / Literacy Pass-Through Fund

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 144,215	\$ 230,382
FY 2022-23 Proposed Budget	\$ 148,000	\$ 124,300

Projected County Library Fund Balance @ 06/30/23: \$54,418

County Library Fund Budget Notes:

- Literacy Grant from State of CA built in @ \$50,000 (passed through to Glenn County).
- Assumed \$98,000 Library funding from Glenn County - \$56,000 transferred to General Fund (balance covers Bayliss / Elk Creek costs).
- Funds remaining may be used for any library purpose (note: Willows Branch costs are appropriated in General Fund – Dept. 120).



FY 2022-23 Proposed Budget - Special Revenue Funds – Library -

Other Library-related Funds:

Zip Books Fund -	Fund Balance @ June 30, 2023 - \$1,883 No budgeted activity for FY 2022-23 Revenues received from the State used for applicable expenditures
Northnet Training Fund -	Fund Balance @ June 30, 2023 - \$4,768 No budgeted activity for FY 2022-23
CLSA Delivery Fund-	Fund Balance @ June 30, 2023 – \$7,177 E-Rate revenues used for applicable expenditures

FY 2022-23 Proposed Budget

- Special Revenue Funds – Miscellaneous -

Miscellaneous Operating Funds:

Certified ADA Access Fund -	Fund Balance @ June 30, 2023 - \$8,431 Portion of business license fees for ADA upgrades
Willows Lighting / Landscp. Fund -	Fund Balance @ June 30, 2023 - \$76,806 Used towards expenditures consistent with Engineer's Report Budget may require updating
Recreation Reimbursement Fund-	Activity moved to General Fund
Recreation Cultural Fund -	Activity moved to General Fund
Community Discretionary Fund -	Fund Balance @ June 30, 2023 – \$19,795 Revenues include defederalized CDBG program income loan payments Expenditures include LAFCO; 3-Core; Community Promotion; ED Committee
Mall Maintenance Fund -	Fund Balance @ June 30, 2023 - \$14,404 Funding appropriated for FY 2021-22 moved to FY 2022-23
State Recycling Grant Fund-	Fund Balance @ June 30, 2023 - \$8,969 No activity budgeted for fund May be used for recycling-related activities



FY 2022-23 Proposed Budget

- Special Revenue Funds – CDBG/Housing -

CDBG / Housing Funds:

CDBG Housing Fund -

Fund Balance @ June 30, 2023 - \$0

No changes to fund

Receives program income and transfers to Community Discretionary Fund

HOME Program Income Fund -

Fund Balance @ June 30, 2023 – **(\$1,069)**

Appropriation for administrative costs associated with HOME Program

Determine if loans will be paid back or transfer costs to General Fund

FY 2022-23 Proposed Budget

- Special Revenue Funds – Projects -

Projects Operating Funds:

CDBG OTC Grant / Loan Fund -	Anticipated Fund Balance @ June 30, 2023 - \$15,787 Fund used to account for Rumiano Cheese Company grant / loan Fund expected to be reconciled and converted to Loan Program Income Fund
Basin Street Fund-	Anticipated Fund Balance @ June 30, 2023 – \$0 Fund accounts for upgrades to Basin Street funded by CDBG Grant Fund expected to be reconciled and closed out during FY 2022-23
EDA Grant Fund -	Anticipated Fund Balance @ June 30, 2023 – \$123,115 Fund accounts for South Willows Project infrastructure - completed Fund expected to be reconciled and closed out during FY 2022-23
SB-2 Grant Fund -	Anticipated Fund Balance @ June 30, 2023 – \$0 Fund accounts for Planning grant activity Fund expected to be reconciled and closed out during FY 2022-23
HOME Grant Fund -	Anticipated Fund Balance @ June 30, 2023 - \$0 Fund accounts for Sycamore Street Apartments project Fund expected to be reconciled and closed out during FY 2022-23

FY 2022-23 Proposed Budget

- Special Revenue Funds – Impact Fees -

Impact Fees Operating Funds

Anticipated Fund Balances @ June 30, 2023

- Fire - \$ - *(note: used for Fire Truck debt service.)*
- Police - \$ 60,727
- Storm Drain - \$ 143,741
- Library - \$ 141,490
- Streets - \$ 181,856
- Parks - \$ 333,153
- I-5 Interchange - \$ 387,928

Funds may be used towards any nexus-based project/expenditure.

FY 2022-23 Proposed Budget - Special Revenue Funds – ARPA -

COVID-19 / ARPA Fund

	<u>Revenues</u>	<u>Expenditures</u>
FY 2021-22 Estimated Actuals	\$ 726,276	\$ 75,212
FY 2022-23 Proposed Budget	\$ 726,276	\$ 730,000

Projected COVID-19 / ARPA Fund Balance @ 06/30/23: \$647,340

COVID-19 / ARPA Fund Budget Notes:

- First receipt of ARPA funding received in July 2021, second receipt anticipated July 2022.
- \$75,212 funding used in FY 2021-22 includes one-time payments to employees; other costs.
- \$730,000 funding appropriated in FY 2022-23 includes transfers to General Fund for capital outlay; \$30,000 for Master Fee Schedule Update.

All ARPA Funding must be obligated by Dec. 31, 2024; and spent by Dec. 31, 2026.



FY 2022-23 Proposed Budget - Recommended Action -

Adopt the FY 2022-23
Proposed Budget for the City of Willows.

Comments & Questions