

RESOLUTION NO. 2019-113

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE ADOPTING THE FISCAL YEAR 2019-20 BUDGET, THE FISCAL YEAR 2019-20 THROUGH FISCAL YEAR 2023-24 CAPITAL IMPROVEMENT PROGRAM AND THE ANNUAL APPROPRIATIONS LIMIT

WHEREAS, the City Manager has submitted the Fiscal Year 2019-20 Budget to the City Council for consideration and comment; and

WHEREAS, the Fiscal Year 2019-20 Budget was prepared in accordance with the City Council's goals, Departmental Work Plans, budget assumptions and policies; and

WHEREAS, the Fiscal Year 2019-20 Budget is balanced and does not require additional taxes; and

WHEREAS, Article XIII B of the California State Constitution and Government Code Section 7910 requires a City to establish its appropriations limit for each fiscal year; and

WHEREAS, as required by state law, on April 18, 2019, the Planning Commission adopted a resolution finding the Fiscal Year 2019-20 through 2023-24 Capital Improvement Program to be consistent with the General Plan; and

WHEREAS, a duly noticed public hearing was held on June 12, 2019 to consider information presented by staff and receive public comment regarding adoption of the proposed Fiscal Year 2019-20 through 2023-24 Capital Improvement Program.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby:

- A. Adopts the FY 2019-20 Budget and the FY 2019-20 through FY 2023-24 Capital Improvement Program as defined in Section 2.1, and the Appropriations Limit as presented on June 12, 2019; and
- B. Authorizes the City Manager to exercise the authority and undertake the responsibilities set forth in Sections 1 through 9 to implement the Approved Budget.

SECTION 1. SCOPE

- 1.1 This resolution defines the authority and responsibilities of the City Manager in implementing the Approved Budget of the City of Elk Grove.

SECTION 2. DEFINITIONS

- 2.1 "Approved Budget" includes the following documents:
 - (1) The FY 2019-20 Proposed Budget and FY 2019-20 through FY 2023-24 Proposed Capital Improvement Program as presented to/amended by the City Council.
- 2.2 "City Manager" means the City Manager or, if so designated, the Director of Finance or the Budget Manager.

SECTION 3. AUTHORIZED APPROPRIATIONS

- 3.1 The City Manager is authorized to make any expenditure and resource adjustments to the Approved Budget based on final City Council action to adopt the Budget.
- 3.2 The City Manager is authorized to establish the appropriations and staffing as indicated in the Budget.
- 3.3 Adjustments to appropriated expenditures that result in an increase or decrease in the overall Approved City Budget is considered an amendment to the Adopted Budget and must be approved by City Council unless such authority is granted to the City Manager within this resolution.
- 3.4 Operating appropriation transfers within the same fund must be approved by the City Manager; transfers between funds (except "like funds", see 3.5 below) must be approved by City Council.
- 3.5 Operating appropriation transfers between like funds must be approved by the City Manager. "Like Funds" are essentially extensions of other funds within the same Department and are defined specifically below.
 - 3.5.a) Like funds within the General Fund are 101, 105, 106, 107, and 108.
 - 3.5.b) Like funds within the Recycling and Waste Department are 501, 502, and 506.
 - 3.5.c) Like funds within the Transit Department are 511, 512, 514, 515, and 516.
- 3.6 Appropriations within the City's Asset Seizure funds can be amended based on available funds during the Fiscal Year if authorized by the City Manager.
- 3.7 Capital Outlay appropriation transfers within the same Capital Improvement Program Project, Minor Public Works Project or Study within the same fund must be authorized by the City Manager.
- 3.8 Capital Outlay appropriation transfers from a Capital Improvement Program project to another Capital Improvement Program Project must be approved by City Council unless such authority is granted to the City Manager within this resolution.
- 3.9 Capital Outlay appropriation transfers from a project, where the total project budget is \$250,000 or less, to a Capital Improvement Program Project, and both projects are within the same fund must be approved by the City Manager.
- 3.10 If inconsistencies exist in the Approved Budget that result in incorrect budget amounts being implemented, the City Manager is authorized to make amendments to the Adopted Budget to correct such inconsistencies based on Staff's conclusion and determination of the correct budgeted amount(s).
- 3.11 A Sales Tax Sharing agreement (C-17-161) exists between the City and THE RIDGE EG EAST, LP, a California Limited Partnership, that results in 50% of the non-fuel (warehouse only) sales tax revenue generated by Costco to be paid to Pappas Investments on a quarterly basis. The funding mechanism for the payment to Pappas is a transfer-out from the General Fund into the Economic Development

Fund (Fund 105). The City Manager is authorized to amend the General Fund and Economic Development Fund budgets during the fiscal year to reflect the actual activity (payments made) based on the actual sales tax activity of Costco.

- 3.12 The City Manager is authorized to amend repayments in interfund loan transfer-out and transfer-in expenditure and revenue budgets for Funds 261, 265, 315, 324, 330, 331, 332, 344, for the interfund loans authorized on February 13, 2019, Agenda Item No. 10.1 based on actual revenue activity in those funds. Essentially, the ability to repay and potentially accelerate interfund loan payments are contingent upon available funds to make debt service payments.
- 3.13 The City Manager has continuing authority to implement any and all budget amendments and adjustments necessary to execute and implement an agreement with Reynen & Bardis (Laguna Ridge), L.P. to cash out certain reimbursement agreements, at a discount to the City, including the approval of any and all inter-fund loans, in the same manner as previously authorized by Resolution 2019-025. In addition, the City Manager is authorized to amend the budget FY2019-20, to provide for the prepayment any of the inter-fund loans throughout the term of the inter-fund loans, in the event that funds become available.
- 3.14 The City Manager is authorized to amend budgeted revenues and expenditures in the Police Off-Duty Fund (Fund 213) during the fiscal year based on actual revenue activity and available funding.

SECTION 4. STAFFING AND COMPENSATION INCREASES

- 4.1 Any increase by department and fund in staffing count or staffing compensation as authorized in the Approved or Amended Budget for a department must be approved by the City Council.

SECTION 5. UNSPENT APPROPRIATIONS AND ENCUMBRANCES

- 5.1 All appropriations in the FY 2018-19 Budget which remain unencumbered or unexpended on June 30, 2019, shall revert to the fund balance of the respective funds, with the exception of those outlined in section 5.3.
- 5.2 All purchase order commitments outstanding on June 30, 2019, and associated appropriations are hereby continued for FY 2018-19 expenditures.
- 5.3 Unencumbered or unexpended appropriations:
 - a) Unencumbered or unexpended appropriations for Capital Outlay expenditures within the Capital Improvement Program, Minor Public Works Projects and Studies are eligible to be re-authorized in FY 2019-20 by project by fund in addition to the Adopted Capital Outlay appropriations in the FY 2019-20 Budget.
 - b) Unencumbered or unexpended appropriations for Facilities project expenditures in Funds 106 and 602 (Building and non-Building improvements) are eligible to be re-authorized in FY 2019-20 by project by fund.

- c) Unencumbered or unexpended appropriations in the City's Asset Seizure funds are eligible to be re-appropriated in FY 2019-20.
- d) Any FY 2018-19 encumbered purchase orders included in the calculation of FY 2018-19 year-end projected expenditures in which the City Manager determines that the authorized equipment, goods and services is needed for continued and efficient City operations is authorized to be re-appropriated and 'rolled over' to FY 2019-20.
- e) Unencumbered or unexpended appropriations in Fund 242 State Homeless Appropriation are eligible to be re-appropriated in future Fiscal Years.
- f) Unencumbered or unexpended appropriations from the Summer at City Hall or Civic Summer grant, awarded by the Institute of Local Government, are eligible to be re-appropriated in FY 2019-20.
- g) Reaffirms the authorization received in Grant authorization resolutions that unencumbered or unexpended appropriations from non-capital project Grants are approved for re-appropriation in subsequent Fiscal Years if any Grant funds were not expended in a prior fiscal year.
- h) Unencumbered or unexpended appropriations in Fund 231 Affordable Housing designated to provide loan financing for development of the Bow Street Apartments or the Gardens at Quail Run are eligible to be re-appropriated in FY 2019-20.
- i) Unencumbered or unexpended appropriations within the Community Service Grants division in the General Fund specifically associated with the Arts Commission are eligible to be re-appropriated in FY 2019-20

SECTION 6. APPROPRIATION LIMITS

- 6.1 The appropriation limitation established for FY 2019-20 shall be \$109,178,368 and the adopted FY 2019-20 Budget has not exceeded the appropriation limit.
- 6.2 Elect the growth in per capita income calculation method to determine the cost of living factor for the 2019-20 fiscal year. Per the California Department of Finance, the growth in Per Capita Personal Income for FY 2019-20 is 3.85%; hence the cost of living factor is 1.0385. The Annual Percent Change in Population for Elk Grove per the California Department of Finance is 1.11%; hence the population factor is 1.0111. Thus, the combined adjustment factor for the appropriation limit is calculated by multiplying the cost of living factor (1.0385) by the population factor (1.0111), equaling 1.05.
- 6.3 The actual appropriation for FY 2018-19 has not exceeded the appropriation limitation that was adopted for FY 2018-19.

SECTION 7. MID-YEAR PERFORMANCE AND FINANCIAL REPORT

- 7.1 The City Council shall be provided a Mid-Year Performance and Financial Report including a revised estimate of the financial condition of operating funds, prior year actual fund balances, revised estimated revenues and expenditures, projected

ending fund balances or deficits, recommendations for eliminating any projected fund deficits, and a progress report on performance measures as compared to Council adopted targets.

SECTION 8. MISCELLANEOUS CONTROLS / CONSIDERATIONS

- 8.1 No expenditures shall exceed the Approved or Amended Budget, by fund.
- 8.2 The City Manager is authorized to adjust budgets in the Capital Project funds for the current year based on previous actions of City Council for projects on a multi-year basis.
- 8.3 Performance targets presented for City Wide Performance Measures within each division are hereby adopted by the City Council and both fiscal and human resources shall be directed to pursue those targeted performance levels. Exhibit A, attached hereto and incorporated by reference, presents a listing of the additions and/or deletions to the City-Wide Performance Measures and is hereby adopted.
- 8.4 The City Manager is authorized to amend budgets and journal activity between the Roadway Fee Fund (Fund 328) and the Community Facilities District 2002-1 East Franklin Fund (Fund 341) associated with Capital Improvement Program projects related to improvements on and around Kammerer Road to take advantage of prioritized funding from more restricted funding sources over less restricted funding sources.
- 8.5 The City Manager is authorized to amend budgets for the repayment of funds from the Southeast Policy Area (SEPA) Drainage Impact Fees (Fund 334 and Funds 353 through 357), New Growth Area infrastructure, SEPA Planning/formation fee, and the Roadway Fee to the various funds that have funded monies including the General Fund and Laguna Ridge Community Facilities District. The repayment will likely happen over an extended period of time.

SECTION 9. REQUESTED CHANGES TO FY 2018-19 BUDGET AUTHORITY

- 9.1 Amends the FY 2018-19 Budget and FY 2018-2023 Capital Improvement Program by decreasing the Big Horn-Los Rios to Bilby Road project (WTR026) by \$790,000 in fund Community Facilities District 2005-1 Laguna Ridge (Fund 344) and increase the Civic Center (Aquatics Center) project (WCC002) by the same amount in the same fund.
- 9.2 Amends the FY 2018-19 Budget and FY 2018-2023 Capital Improvement Program as follows:
 - a) Decrease the New Growth Area Roadway ROW Acquisition (WTR027) by \$4,400,000 in the CFD 2002-1 East Franklin Fund (Fund 341) and decrease the Kammerer Rd Two-Lane Extension I-5 to Bruceville Road (WTR014) by \$8,200,000 also in the CFD 2002-1 East Franklin Fund (Fund 341). This funding will be appropriated in the FY 2019-20 Budget and FY 2019-2024 Capital Improvement Program for the Kammerer Rd Reconstruction Big

Horn Blvd to Lotz Parkway (WTR017) and Kammerer Rd Reconstruction Bruceville to Big Horn Blvd (WTR018) projects.

- b) Decrease the 2016 Bus Stop Accessibility Improvements (WAC027) by \$45,000 in LTF – Bike and Pedestrian (Fund 305). This funding will be appropriated in the FY 2019-20 Budget and FY 2019-2024 Capital Improvement Program for Alternative Transportation Modes (WAM) projects.
- 9.3 Amends the FY 2018-19 Budget and FY 2018-2023 Capital Improvement Program to decrease budget authority to zero for the following Capital Improvement Program Projects and Minor Public Works Projects or Studies. The remaining budget authority in the following projects is not anticipated to be needed nor programmed until after FY 2019-20:
- a) Bond Road Bridge Maintenance (WBR002)
 - b) Grant Line Road Operational Improvements (Bond Road to Sheldon Road) (WTR034)
 - c) SR 99 Pedestrian Bridge Trespassing Restrictions (WMI009)
- 9.4 Amends the FY 2018-19 Budget by increasing budgeted expenditures in the Non-Departmental division of the General Fund by \$1,288,530. As stated in the “Analysis/Discussion” section of the staff report for Agenda Item 10.4 of City Council meeting on April 24, 2019, 50% of the \$1,288,530 transfers out to the Capital Reserve (Fund 106) and the other 50% transfers out to the Economic Development Program (Fund 105).
- 9.5 Amends the FY 2018-19 Budget by authorizing any and all budget amendments necessary to transfer all revenue and budget authority (along with journaling any revenue and expenditure activity) from the Strategic Initiatives & Long-Range Planning Fund (Fund 107) to the Strategic Planning and Innovation division in the General Fund. Expenditures related to Strategic Initiatives & Long-Range Planning in the General Fund are budgeted in the new Strategic Planning & Innovation division under the City Manager department starting in FY 2020. These expenditures were budgeted in Fund 107 – Strategic Initiatives and Long-Range Planning in prior years. This fund will be closed and merged into Fund 101 and is no longer utilized starting in FY 2020.

This resolution shall take effect immediately.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 12th day of June 2019




STEVE LY, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:



JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS,
CITY ATTORNEY

RESOLUTION EXHIBIT A - Changes to Performance Measures

Division	Measure	Proposed Change
Purchasing	Average number of responses to formal solicitations	Delete Measures. Measures are more dependent on seasonal fluctuations and the unpredictability of the type of formal solicitations that may be issued in any given quarter than any type of performance.
	Number of formal solicitations (RFP/BID)	
Recycling & Waste - Commercial	Number of Outreach events attended targeting business and multifamily recycling.	Delete Measure. This activity is being tracked as part of a new proposed measure for all of the Recycling & Waste division (Residential, Commercial and for the SWCC) entitled "Number of Outreach Interactions" consolidating the entire division's efforts in this regard.
Recycling & Waste - ALL	Number of outreach interactions	New Measure. This new measure will track all City & Hauler interactions with the public which is an indicator of the the Recycling and Waste Division's public outreach and education efforts.
Recycling & Waste - Commercial	% of covered generators in compliance with State Mandatory Organics Recycling Requirements.	New Measures. Designed to measure the number of businesses that are compliant with State requirements and City Staff's efforts to assist non-compliant businesses towards compliance.
	% of covered generators in compliance with State Mandatory Commercial Recycling requirements.	
PD-Field Services	Total average diversion rate for all commercial haulers.	New Measure. Designed to measure the diversion rate performance for all commercial haulers.
	Number of Intelligence Led Policing meetings to address crime and quality of life issues.	
	Number of Interventions by the Mobile Crisis Support Team.	New Measure. Introduced as part of the EGD's commitment to deescalating crisis conditions, connecting clients with mental health resources and reducing repeat calls for service through long-term solutions.

EXHIBIT A

Division	Measure	Proposed Change
	Net Expenditures for Liability Claims, Dollars per Citizen	<p>All measures are being deleted, replaced and will now be tracked as Departmental measures. The reason for the deletion is due to the new measures proposed being more aligned with the business of Risk Management. The reason for the measures being Departmental is due to the nature of the measures and the Risk Management field in general not truly being a Performance Metric but rather serving as more of a tracking mechanism for the City internally.</p> <p>The new Departmental measures proposed are:</p> <p>Workers' Compensation: Cumulative claims received during Fiscal Year.</p> <p>Workers' Compensation: Cumulative lost full work days for claims received during Fiscal Year.</p> <p>Liability: Cumulative claims received during Fiscal Year.</p> <p>Liability: Cumulative total paid for claims received during Fiscal Year.</p>
Risk		
Risk	Number of General Liability Claims Per 10,000 Population	
Risk	Number of Work Days Lost per Claim	
Risk	Number of Workers Compensation Claims	
Risk	Workers' Compensation Expenditures, Dollars per Citizen	
Risk	Property Loss Expenditures per \$1000 of insured value (in dollars)	
Human Resources	% of Overall diversity ratio (other than White)	<p>Change to Citywide. This measure is being moved to a citywide measure to better reflect the ongoing Diversity and Inclusion efforts the City is working on. Staff wants to ensure the community is aware of staff's internal efforts and these percentages of staff diversity.</p>
Human Resources	Percentage of Overall Diversity Ratio relative to the Community (according to the most recent American Community Survey Demographic and Housing Estimates)	<p>Delete. Staff has recommended to move a similar measure from a departmental to a citywide measure. Due to that fact, this measure is duplicative and staff is recommending to remove it.</p>

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2019-113

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on June 12, 2019 by the following vote:

AYES: COUNCILMEMBERS: *Ly, Hume, Detrick, Nguyen, Suen*

NOES: COUNCILMEMBERS: *None*

ABSTAIN: COUNCILMEMBERS: *None*

ABSENT: COUNCILMEMBERS: *None*



Jason Lindgren, City Clerk
City of Elk Grove, California