



City Council Agenda Item Staff Report

CITY OF SAN BRUNO

DATE: February 28, 2023

TO: Honorable Mayor and Members of the City Council

FROM: Bobby Magee, Interim Finance Director

PREPARED BY: Esther Garibay-Fernandes, Financial Services Manager

SUBJECT: Receive Mid-Year Financial Update Report for FY2022-23 as of December 31, 2022 and Adopt a Resolution Approving a Second-Quarter Budget Amendment for the FY2022-23 Operating and Capital Budget

BACKGROUND:

The City Council approved the FY2022-23 Operating and Capital Improvement Budget on June 28, 2022 (City Council Special Meeting, Item 4B). The approved budget is the annual plan and resource allocation guiding and ensuring implementation of City Council policies and priorities. The budget implements the vision and direction for the broad range of services that meet the needs of the community in accordance with City Council policy.

The City of San Bruno operates on a July 1 to June 30 fiscal year cycle. This financial review covers the period of July 1, 2022 through December 31, 2022 and serves as the mid-year budget update to the City Council for the current fiscal year. Analysis of the revenues collected and expenditures incurred through December 31st measures the budget's adherence to the established resource allocation plan.

DISCUSSION:

Financial Overview

The Adopted Budget incorporates the estimated revenues and planned expenditures for all funds. The Mid-Year Financial Update Report as of December 31, 2022 provides a summary of revenues and expenditures for the General Fund, Enterprise Funds, and Internal Service Funds. The following discussion focuses on variances from the revenue and expenditure plans and allocations contemplated in the budget.

Development Related Payments

The most significant change in the City's fiscal position since the adoption of the FY 2022-23 Budget is the receipt of the community benefit payments, affordable housing

fees and development impact fees from Google, LLC in relation to the Phase 1 and 2 expansion of the YouTube Campus within the Bayhill Specific Plan.

In September and October of 2021, the City Council approved the Bayhill Specific Plan as well as various agreements with Google, LLC related to YouTube Campus. Total one-time payments from the built-out of the new development potential provided by the Bayhill Specific Plan is estimated at \$141,000,000. This amount is inclusive of citywide and area development impact fees, affordable housing fees and community benefit payments. A summary and explanation of these payments can be found in the September 28, 2021 staff report for the Bayhill Specific Plan Approvals, which can be located [here](#)¹. The City's development agreement with Google, LLC required concurrent payment of Phase 1 and 2 of community benefit funds and fees associates with the YouTube Campus expansion. There are a total of 5 phases planned.

In October 2022, the City received a \$57M payment of building, plumbing, plans check and other permits/fees as well as impact fees, affordable housing fees and negotiated community benefit payments for Phases 1 and 2 of the YouTube campus expansion.

A summary of the net payments for phases 1 and 2 from Google, LLC is below.

- \$2.0M – Building, Plumbing, Plans Check & Other Permits/Fees
- \$10.1M – Affordable Housing Fees
- \$4.5M – Bayhill Area Development Impact Fees
- \$25.4M – Community Benefit Payment
- \$14.5M – Citywide Development Impact Fees
- **Total = \$56.5M**
 - *\$54.5M excluding the permit fees (bullet 1)*

The \$14.5M payment for citywide Development Impact Fees (DIF) are separated into several categories. A breakdown is below.

Development Impact Fees from Google/YouTube Phase 1&2	
Community Facilities Impact Fee	\$6,631,968
Public Safety Impact Fee	\$442,177
General Govt Impact Fee	\$717,517
Transportation Impact Fee	\$5,341,834
Utilities Impact Fee	\$1,319,154
Total	\$14,452,650

¹ <https://www.sanbruno.ca.gov/DocumentCenter/View/1636/Bayhill-Specific-Plan---City-Council-Staff-Report-September-28-2021-PDF>

Based on the receipt of the aforementioned payments, the following table provides a summary of the projected ending total for the General Fund Balance, the General Fund Capital Reserve, Development Impact Fee accounts and the Affordable Housing Fund.

Fund	Balance @ FY 22/23 Mid-Year
General Fund Balance & Capital Reserve	
General Fund Balance (Proj. Ending @ 6/30/23)	\$7,186,707
General Fund Capital Reserve Fund	\$27,902,597
Subtotal: GF Fund Balance & Capital Reserve	\$35,089,304
Development Impact Fees	
Community Facilities Impact Fee	\$6,778,787
Public Safety Impact Fee	\$451,875
General Govt Impact Fee	\$733,774
Transportation Impact Fee	\$5,463,427
Utilities Impact Fee	\$1,348,663
Subtotal: Development Impact Fees	\$14,776,526
Affordable Housing Funds	\$13,084,120
Total	\$62,949,950

Additionally, within next 12-24 months and not included in the above table, is anticipated that the City will receive additional one-time funds related to the sale of City-owned lots within The Crossing Development (\$5M) and negotiated payments related to the Southline Development by Lane Partners (\$10.6M).

The City is preparing to launch a process to assess citywide facility needs and the City's fiscal condition prior to the allocation of the majority of the unrestricted funds that have been received and those that are anticipated to be received. However, because the assessment process and the policy setting process will take several months to complete, staff is preparing to bring forth recommendations for initial allocation of a portion of the forementioned funds in the March and April, so that important projects are not further delayed. Many of the projects or fund allocations that will be recommended have been presented to the Council and received majority support but are on hold-pending funding. Staffs' initial funding recommendations are summarized in the following table. At the February 28, meeting staff will request City Council feedback on the following recommended allocations.

Potential Upcoming Allocations

Fund	Balance @ FY 22/23 Mid-Year	Recommended Initial Allocations	Remaining Balance
General Fund Balance & Capital Reserve			
General Fund Balance (Proj. Ending @ 6/30/23)	7,186,707	1,000,000 Replenishment City's Emergency Reserve Fund	6,186,707
General Fund Capital Reserve Fund	27,902,597	9,200,000 \$1.2M Parking Fund Loan, \$3M CityNet Fiber Installation, \$5M Police Radio Project	18,702,597
Subtotal: GF Fund Balance & Capital Reserve	35,089,304	10,200,000	24,889,304
Development Impact Fees			
Community Facilities Impact Fee	\$6,778,787	\$2,000,000 Florida Park Project Funding	4,778,787
Public Safety Impact Fee	\$451,875	\$300,000 Fire Station 52 Replacement Project Funding (project management)	151,875
General Govt Impact Fee	\$733,774		733,774
Transportation Impact Fee	\$5,463,427		5,463,427
Utilities Impact Fee	\$1,348,663		1,348,663
Subtotal: Development Impact Fees	\$14,776,526	\$2,300,000	\$12,476,526
Affordable Housing Funds			
	\$13,084,120		\$13,084,120
Total	\$62,949,950	\$12,500,000	\$50,449,950

General Fund Budget Overview

The General Fund finances the operations of the City that have no special or dedicated revenue sources and pays for basic municipal services. The FY2022-23 adopted General Fund budget projected \$634,799 in operating deficit which the City Council authorized to use available fund balance to cover.

The table below compares the General Fund adopted budget with the mid-year financial update for FY 2022-23:

	Adopted Budget	Adopted Budget w/Enhancements	Mid-Year Amended Budget
Revenues	\$ 54,885,106	\$ 56,200,969	\$ 57,885,969
Expenditures	\$ 55,519,905	\$ 57,955,942	\$ 60,074,571
Surplus/(Deficit)	\$ (634,799)	\$ (1,754,973)	\$ (2,188,602)

It is important to note that on July 22, 2022, the City Council reviewed recommended budget enhancements and approved General Fund enhancements with a net impact on the FY 2022-23 budget of \$1,120,174. This is the difference between the deficit in the “Adopted Budget” and “Adopted Budget w/ Enhancements” columns above. The following table summarizes the fiscal impact of the adopted General Fund enhancements. Additionally, the specific adopted enhancements for the General Fund and all other funds can be found as Attachment 2.

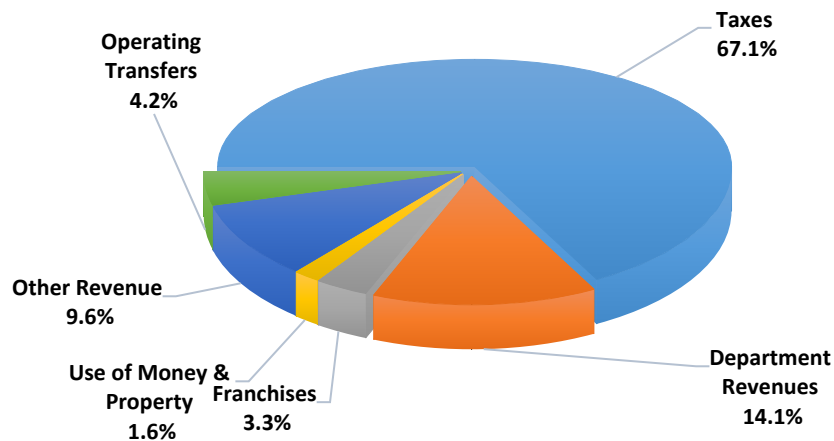
Attachment 3 provides additional details on revenue and expense changes adopted during the initial six months of the fiscal year.

FY2022-23 Adopted Service Level Enhancements

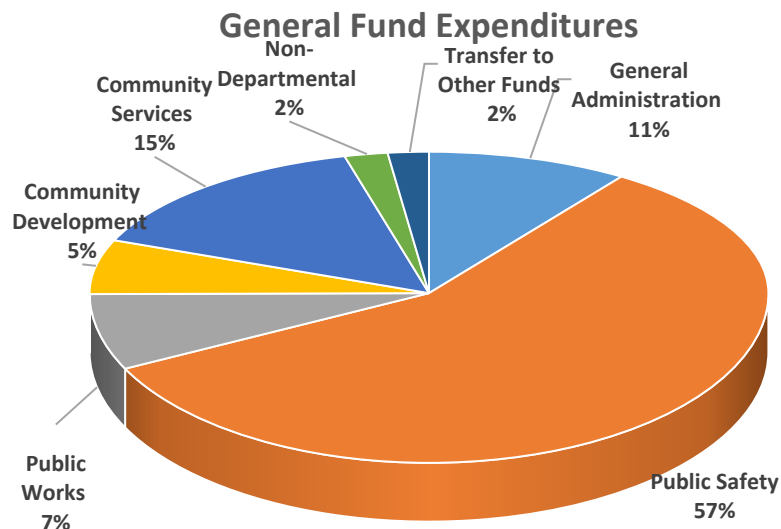
Cost of Ongoing Enhancements	\$1,614,277
Offsetting Revenue or Budget Reductions for Ongoing Enhancements	\$1,315,863
Net Impact of Adopted Ongoing Enhancements	\$298,414
One-Time Enhancements	\$821,760
FY2022-23 Budgetary Impact of Ongoing and One-time Enhancements	\$1,120,174

The chart below shows the proportional share of the major revenue sources in the City's General Fund for the adopted FY2022-23 budget, with property tax and sales tax being the most significant sources.

General Fund Revenues



The chart below shows the major City functions the General Fund is scheduled to fund in the FY2022-23 adopted budget. A majority of General Fund sources is expended for the public safety functions of the city at 57% of all spending.



Staff historically has used conservative budget projection methods when preparing financial projections, including estimating more stable revenues, such as property and business license taxes, at moderate growth rates compared to prior years and discounting higher fluctuating revenues, such as sales tax and building permit revenues, to account for timing and variability issues.

Revenue and expenditure data generated over the first six-months of the fiscal year is used as a basis for projecting trends for year-end actuals. A detailed review of revenues and expenditures is presented below.

Notable General Fund Revenues

Each major General Fund revenue source is discussed below. Those that significantly contribute to the projected shortfall are explained with additional detail.

Property Tax: (FY2022-23 Q2: 53% of budget compared to 51% in FY2021-22). The City receives the majority of the property tax revenue in December and April payments. There is an increase of 2% (totaling \$146,052) from same period last year. Per San Mateo County reports, the City will be receiving excess ERAF funds at the end of January 2023 for \$866,700. This projection is similar to the numbers previously forecasted. The City expects to be near budgeted total Property Tax revenues at the end of Fiscal Year 2022-23.

Sales Tax: (FY2022-23 Q2: 63% of budget compared to 52% in FY2021-22). These figure reflect increased Sales tax reported to the California Department of Tax and Fee Administration. This is a 23% increase from same period last year in the amount of \$1,274,470. It should be noted that a portion of these figures include increased sales tax revenues where the methodology used to calculate taxes owed is currently in dispute. At this time, it is unknown if the City can expect to retain these taxes collected, or if the City will need to provide a refund back to certain vendors. The Finance Department continues to monitor the dispute at the State level and will report back to the Council when more information is known.

Hotel/Motel Occupancy Tax: (FY2022-23 Q2: 53% of budget compared to 56% in FY2021-22). Transient Occupancy Tax (TOT) revenue was budgeted \$1,039,442 higher in FY2022-23 than FY2021-22, under the assumption that hotel tax revenues would increase about 60% from previous year. At the mid-year point, the City received \$500,800 more in TOT than during the same period last year. The hospitality industry continues the trend of increasing activity.

Motor Vehicle License Fee and Property Taxes in Lieu of Vehicle Fees (VLF): (FY2022-23 Q2: 44% of budget compared to 47% in FY2021-22). Staff increased the revenue budget from \$4.6 million from FY2022 to \$6.6 in FY23. Current estimates for this fiscal year are \$5.9 million, due primarily to a partial payment that has been deferred by the State. Finance staff will continue to monitor the status of this partial

payment, and will include it in future budgets if the State indicates it will make the payment in a future fiscal year.

Regulatory Card Room Tax: (FY2022-23 Q2: 49% of budget compared to 50% in FY2021-22). Regulatory Card Room Tax is billed to Artichoke Joe's on a quarterly basis. Revenue received to date is \$480,322 higher than the previous fiscal year. As previously explained in the First quarter, the card room tax is expected to increase over the previous fiscal year due to the recent review by Artichoke Joe's of the City services used. As a result, the Finance Department updated the rate calculation for the card room through a negotiated agreement. The City Council approved the resolution on July 12, 2022 (Item 7A), for a quarterly increase of Card Room Tax of \$225,000 in addition to a \$2,071 CPI Increase per table.

Business License Taxes: (FY2022-23 Q2: 86% of budget compared to 88% in FY2021-22). Business taxes are due to the City when applications are initially submitted and then annually on July 1st. The City has received majority of the business license taxes due in the current fiscal year. Consequently, it is not anticipated that any additional large payments will be received for the remaining part of the year. It is projected that Business License Tax will be near Budgeted amounts at the end of FY2022-23.

Use of Money and Property: (FY2022-23 Q2: 124% of budget compared to 75% in FY2021-22). Use of Money and Property is where the City's investment income is assumed. This number reflects an 80% increase, totaling \$451,123, due to increased investment activity. The monthly portfolio had an increase in investment activity by \$81 million compared to same period previous fiscal year.

Departmental Revenues: (FY2022-23 Q2: 57% of budget compared to 46% in FY2021-22). In aggregate, department revenues received to date is \$1,306,471 higher than last year. The biggest contributor to the increase was revenue received by the building division for increased permit activity and plan checks, and Fire department increased strike team reimbursements.

Notable General Fund Expenditures

Total Expenditures: (FY2022-23 Q2: 51% of budget compared to 52% in FY2021-22). Mid-Year expenditures were \$30,028,100 compared to \$26,900,000 same period last year. Most departments are within budgeted expenditures to date, with the exception of the City Attorney due to the transition to outside Counsel. It should be noted that there are increased personnel costs for public safety (due primarily to successful negotiations with bargaining units), increased fuel costs, internal service allocations, and maintenance & professional services. Overall expenditures to date are 12% higher than same period last year.

Enterprise Funds

Four Enterprise Funds make up the City's business type operations. The Water Fund, Stormwater Fund, Wastewater Fund, and CityNet Fund are City municipal operations designed to fully recover costs through user fees.

Water: (FY2022-23 Q2: 43% of budget compared to 42% in FY2021-22). Revenues for mid-year were 2% lower than same period in the prior year amounting to a \$168,880 difference. The City did not increase the water rates for the last two years. Water consumption for mid-year has decreased from last year as part of the "Water Conservation" efforts due to the drought in past years.

Wastewater: (FY2022-23 Q2: 51% of budget compared to 48% in FY2021-22). Revenues for the mid-year were \$8,534,000 compared to \$8,585,700 in the prior year. Similar to water operations, the City did not increase rates for wastewater operations for the last two years. Wastewater operations are updated in the billing system every July, based on the prior winter month water usages. Wastewater operations decreased by 1% in the amount of \$51,600.

Both Water and Wastewater Utility accounts continue to have significant delinquencies as a result of the pandemic. The City applied to the State Water Resource Board for water arrearages assistance for the period from March 2020 to June 2021 and received a check for water arrearages in February 2022 in the amount of \$434,100 and \$320,200 for wastewater arrearages in June 2022 which were applied to the respective accounts. However, there continues to be a high number of delinquent accounts due to no shutoffs or penalties being charged to those accounts.

Stormwater: (FY2022-23 Q2: 45% of budget compared to 50% of budget in FY2021-22). Stormwater fees are collected through the County property tax roll with the first payment in December. The higher amount reflected in the previous year was due to ARPA Funds monthly transfer for a total of \$1,000,000 by fiscal year end to help the Stormwater Fund per FY2021-22 Adopted Budget.

CityNet Services: (FY2022-23 Q2: 47% of budget compared to 43% in FY2021-22). Actual revenues of \$4,158,100 are less than last year by \$82,900 reflecting a 2% decrease in revenue. The budget for FY2022-23 was decreased by \$873,300. Cable Operations revenues account for Basic TV and Expanded TV revenues. These revenues are lower in the first half of fiscal 2023, as compared to FY2022 because they reflect revenues being accrued from the reduced number of CityNet cable TV subscriptions year over year. The Enterprise has been engaged in a multiyear effort to unbundle its cable TV & internet subscription products, and this is one result of that effort.

Internal Service Funds

Internal Service Funds, which include the Central Garage, Building & Facilities Maintenance, Self-Insurance, and Technology Support also operate as business activities exclusively supporting the City's internal operations. Charges for each of the Internal Service Funds are by monthly allocation based on the adopted budget.

Central Garage (FY2022-23 Q2: 49% of budget compared to 47% in FY2021-22)
Expenditures were higher by \$65,400 compared to last year.

Buildings & Facilities (FY2022-23 Q2: 52% of budget compared to 45% in FY2021-22)
Expenditures were \$138,700 higher than last year.

Self-Insurance Fund (FY2022-23 Q2: 70% of budget compared to 74% in FY2021-22)
Expenditures by mid-year of FY2022-23 are \$165,000 higher than FY2021-22.
Workers Compensation premiums were about \$25,000 higher than the same period last year. General Liability premium increased by \$140,000 from last year. Insurance premiums are typically paid at the beginning of the fiscal year.

Technology Support (FY2022-23 Q2: 48% of budget compared to 43% in FY2021-22)
Expenditures are \$93,700 higher than last year. The City enhanced the technology support budget for FY 2022-23 due to increased technological needs.

Budget Amendments

The table below summarizes recommended mid-year budget amendments:

Item	Fund	Program / Request	Revenue Increase / (Decrease)	Expense Increase / (Decrease)
A	General Fund	City Attorney		644,000
B	General Fund	Human Resources		90,834
C	General Fund	Fire Department		88,500
D	General Fund	Community Services: Recreation	(125,231)	(143,000)
E	General Fund	Community Services: Parks		16,650
Total General Fund Amendment Requests			(125,231)	696,984
F	Equipment Reserves	Fire Department	95,455	197,000
G	Building Reserves	Building & Facilities		500,000

H	Restricted Revenues	General Plan Maintenance		60,500
I	Restricted Revenues	Technology Fund-Planning		12,000
Total Operating Budget Amendments Requests			(\$29,776)	\$1,466,484

An explanation of the recommended budget amendments for the mid-year of FY2022-23 is below.

- A. **General Fund - City Attorney:** Additional appropriations in the amount of \$644,000 are recommended for the City Attorney. This figure represents an analysis of invoices already paid, current invoices in process, and expected legal services fees through the end of the fiscal year.
- B. **General Fund - Human Resources:** The City Attorney's budget for outside legal costs has trended over budget, and staff needed to reallocate appropriations from Human Resources to pay invoices received through October 2022 under the City Manager's delegated authority. The appropriations transferred out of the Human Resources budget, and into the City Attorney budget, totaled \$186,000. After an analysis of the current budget status, it is projected that the Human Resources budget will need to be replenished by \$90,834 for remaining FY23 expenditures.
- C. **General Fund - Fire Department:**
1. A vehicle accident in 2019 on El Camino Real across from fire Station 51 destroyed the traffic preemption system that allows emergency vehicles to preempt traffic at the intersections of Jenevein & El Camino Real to the South, and Angus & El Camino Real to the North. This traffic preemption system allows emergency vehicles to safely exit Station 51 onto El Camino Real and reduce travel times. The City has received a final design and quote to repair the damage to the equipment. This allocation would be to complete the repairs, and it is expected that the City will be reimbursed by the insurance carrier once the project is completed for an amount, estimated to be \$50,000.
 2. Through a recent Fire Department Standards of Cover Study, the City identified travel time as an area for improvement, and performed an analysis with various City departments to determine the first phase of repairs and determined the necessary steps to complete Phase I of the repairs. Staff is requesting an appropriation from the General Fund in the amount of \$38,500 to cover repairs/maintenance to the Opticom traffic pre-emption system.
- D. **General Fund – Recreation:** Part time Aquatic Staff ramp up was included in the FY2022-23 budget for May/June for the new Recreation and Aquatic Center. This staff will not be needed in current fiscal year. Ramp up for the program is currently projected to begin in FY2023-24. Therefore, the department is recommending to

reduce the expenditure Budget by \$143,000 as well as reducing the associated revenue budget anticipated for City-run Summer Camps by \$125,231. These programs will not occur in Summer 2023.

- E. **General Fund - Parks:** The department is recommending an appropriations increase of \$16,650 to cover Cal/OSHA fine related to a work zone accident.
- F. **Equipment Reserves – Fire Department:** The department is recommending an appropriations adjustment of \$197,000 from the Equipment Reserves Fund for replacement of three needed equipment items which are now obsolete:
1. AFG Radios \$160,000.
In early 2022, the San Bruno Fire Department applied for a Federal Emergency Management Agency Assistance to Firefighter Grant to replace the aging and obsolete mobile radios installed in all of the fire apparatuses. In September 2022, the City received notice that its grant application was awarded. Grant funds will be utilized to replace obsolete radio equipment and provide critical countywide communications & interoperability (including BART, San Francisco International Airport & San Francisco Fire). The intent is to leverage Federal funds from the grant, plus use equipment reserves to supplement the local share & cost, to install these radios.
 2. Airbags \$7,000.
Heavy lifting airbags utilized by the San Bruno Fire Department are in need of replacement as the existing equipment expires. The San Bruno Fire Department utilizes this mission-critical equipment to allow firefighters to free trapped victims that are pinned by heavy objects and vehicles (including CALTRAIN & BART trains). The request would replace them out of the Fire Department Equipment Reserve Fund.
 3. Bullet Proof Vests \$30,000.
Ballistic vests and helmets for the San Bruno Fire Department are in need of replacement as the existing equipment expires. The San Bruno Fire Department and its firefighters play critical roles during violent events, including active shooter incidents. Each riding position is assigned ballistic gear during a work shift. This essential safety equipment is necessary to allow firefighters to continue to operate side-by-side with law enforcement officers during these dynamic events. The request would replace these items out of fire department equipment reserve funds. This is mission-critical equipment and needs immediate replacement to maintain this equipment in compliance with recognized industry standards.
- G. **Building Reserves – Building & Facilities:** The department is recommending appropriations in the amount of \$500,000 for replacement of the City Hall roof. Recent weather events have exacerbated weak points in the roof causing severe

leaking into the city Attorneys' office and adjacent hallway. These roofing issues will continue to get worse over time, especially if severe weather continues.

- H. **Restricted Funds – General Plan Maintenance:** Safety Element. San Bruno's current Safety Element was prepared in 2010 and does not include information currently required by State law. California Senate Bill 379 requires all Cities & Counties to include climate adaptation and resiliency strategies in the Safety Elements of their respective General Plans. Additionally, Assembly Bill 162 requires updates to flood hazard information & policies, Senate Bill 1207 requires updates to fire hazard information & policies, and Senate Bill 99 requires identification of areas that do not have at least two emergency evacuation routes. Government Code 65302(g)(5) also requires that the City update the Safety Element with the update of the Housing Element. In order to reduce the cost of preparing a Safety Element, the city has joined in a collaborative effort which includes San Mateo County and other San Mateo County jurisdictions. Placeworks has been selected as the consultant to prepare the Safety Elements for the participating jurisdictions. To participate in this joint effort, the City's share would be \$155,500. The FY2022-23 budget includes funds of \$95,000 available for this effort. An additional budget of \$60,500 is recommended to complete this effort. The updated project is scheduled to take approximately 24 months.
- I. **Restricted Funds – Technology Fund -Planning:** Short-Term Residential Rentals – Location Identification and Monitoring Software. City Planning Division staff will be initiating the Short-Term Residential Rental Zoning Permit program in 2023. This permit process will implement the City's Short Term Residential Rental Ordinance. When implementing a brand new zoning permit, many cities have utilized a software vendor to assist in the initial identification of all short term rental properties in the city which are subject to the permit requirements. The City proposes to utilize the Granicus govService Host Compliance software to assist the City in this identification effort. This short-term residential rental property address identification is based on monitoring more than 60 short-term rental websites to ensure the highest level of accuracy to identify those properties. The City will utilize this information to notify all operators of short-term residential rentals to submit their zoning permit application. The software will also assist in compliance monitoring. **\$12,000** is requested for this software. The cost of this software will be partially recovered through required zoning permit fees and collected TOT.

Parking Meters / Fund

A Parking Fund has been established to record any parking funds received per Resolution 2022-108 dated 11/18/22. This action authorized the creation of a parking fund, authorized the transfer of \$331,000 from the Downtown Parking Program Capital Improvement Project into the Parking Fund.

FISCAL IMPACT:

The General Fund budget is now projected to end the year with a deficit of \$2,080,190. Sufficient fund balance is available to cover the additional deficit. Additionally, it is proposed that expenditures in the Equipment Reserves Fund increase by \$101,545, expenses in the Building Reserves for Building and Facilities increase by \$500,000, and expenses in the restricted revenue funds increase by \$72,500. The following table summarizes General Fund activity from budget adoption.

	Adopted Budget	Adopted Budget w/Enhancements	Mid-Year Amended Budget	Mid-Year Budget Estimates	Mid-Year Recommended Adjustments
Revenues	\$54,885,106	\$56,200,969	\$57,885,969	\$58,816,596	\$58,691,365
Expenditures	\$55,519,905	\$57,955,942	\$60,074,571	\$60,074,571	\$60,771,555
Surplus/(Deficit)	(\$634,799)	(\$1,754,973)	(\$2,188,602)	(\$1,257,975)	(\$2,080,190)

ALTERNATIVES:

1. Do not approve of the proposed budget balancing strategy for FY2022-23 for the General Fund and provide direction to staff.
2. Do not approve the proposed budget amendments and maintain budgeted amounts as approved in the FY2022-23 budget.
3. Amend the proposed budget adjustments by adding to or eliminating any proposed budget changes.

RECOMMENDATION:

Receive Mid-Year Financial Update Report as of December 31, 2022 and adopt a resolution approving the Budget Balancing Strategies and Second-Quarter Budget Amendment for the FY2022-23 Operating and Capital Budget.

ATTACHMENTS:

1. Resolution
2. Attachment 2: Adopted FY 2022-23 Enhancements for the General Fund and All Other Funds
3. Attachment 3: Summary of Adopted Budget Amendments and Enhancements from July 1, 2022 - December 31, 2022

DATE PREPARED:

February 17, 2023