




CITY of CALABASAS
CITY COUNCIL AGENDA REPORT

DATE: JUNE 2, 2022

TO: HONORABLE MAYOR AND COUNCILMEMBERS

FROM: KINDON MEIK, CITY MANAGER
RON AHLERS, CHIEF FINANCIAL OFFICER 

SUBJECT: CITY MANAGER RECOMMENDED BUDGET FOR FISCAL YEAR (FY)
2022-23 AND 2023-24

MEETING DATE: JUNE 8, 2022

SUMMARY RECOMMENDATION:

The City Manager's recommended budget for the City of Calabasas for Fiscal Year (FY) 2022-23 and 2023-24 was presented to the City Council on May 10, 2022. The City Council discussed the Capital Improvement Program and Deferred Maintenance Fund creation at the meeting of May 18th. The Council discussed the entire budget at the meeting on May 25. Staff presented changes to the budget and Council provided direction regarding those changes. This report details those changes from the recommended FY 2022-23 budget previously presented to Council on May 10, 2022. The attached budget, with those noted revisions, is presented to City Council for any further direction or changes. The City Council will adopt this budget, along with any changes, at the meeting of June 22, 2022.

BACKGROUND:

The annual budget serves as a major policy document and describes how the City intends to finance its services and infrastructure. The budget is a reflection of the City's policies, goals, and priorities for the upcoming fiscal year (July 1 thru June 30). The annual budget is a planning tool that assists the City Council and staff in planning for the future and learning from the past.

The City of Calabasas (City) budget has two primary components: The Operating Budget and the Capital Budget. The Operating Budget includes personnel costs, program costs and facility operating costs. It is funded primarily through a variety of taxes: property, sales, utility users and franchise. Other sources of revenue include permit fees such as building and development fees; charges for services; fines and other smaller sources of revenue such as interest on investments.

The Capital Improvement Budget funds major improvements to City facilities and infrastructure and is an annually revised document. It is supported through multiple funding sources: Gas Taxes, Prop A & C, Measures R & M, grants and the General Fund as well as other smaller sources of funding. While the operating budget often gets more attention (and scrutiny), a government's capital improvement plan provides the blueprint for acquiring the infrastructure, technology, large equipment, and other large and expensive assets that governments use to provide critical services. An effective capital improvement plan not only supports budgeting, it also provides direction for long-term financial planning, debt management, grants management, procurement, and many other processes.

DISCUSSION/ANALYSIS:

The FY 2022-23 and 2023-24 budgets are presented to the City Council for discussion and consideration. This report will focus on the changes from the prior year and the changes from the previous City Manager Recommended Budget.

PROPOSED CHANGES FROM THE PRIOR YEAR BUDGET

Staff proposes a Cost-of-Living-Adjustment (COLA) for full-time employees of 5.35%. Tuition reimbursement, 457 employer match of 2%, vacation cash-out and sick leave cash-out have all been restored for the full-time staff.

The recommended budget increases full-time staff by three positions. Staff is recommending the following additions/deletions to full-time staff:

- Deleted one Senior Planner position
- Added one Emergency Services Manager position
- Added one Executive Assistant I position *(6 months)*
- Added one Permit Technician position
- Added one Senior Code Enforcement Officer position

This year's budget includes a five-year Capital Improvement Plan (CIP). The five-year period begins with FY 2022-23 and ends with FY 2026-27. Staff is recommending a number of new projects for the City Council to consider. Please refer to those pages of the CIP for a detailed description of each project. The newly created fund for the American Rescue Plan Act (ARPA) is proposed to fund many projects over the next two years. The City Council also approved the creation of a "Deferred Maintenance Fund" which has a few CIP projects in FY 2022-23.

PROPOSED CHANGES FROM RECOMMENDED BUDGET FY 2022-23

At the meeting of May 25, 2022, Council provided direction to staff to add the following items to the budget for FY 2022-23.

- Fund six months of salary & benefits for the Executive Assistant I position. Therefore, the expected start date is January 2023. This action saves about \$30,000 and adds to the surplus in the General Fund.
- Fund the Film Festival at \$35,000 (\$15,000 from General Fund for normal operations and \$20,000 one-time money from ARPA since city businesses are recovering from the shut-down and contributing less).
- Fund \$200,000 in the budget for the purchase of 4-5 vehicles from ARPA. The purchase of the vehicles is in the CIP and will come to the City Council as a separate contract during FY 2022-23 for Council approval.
- The Climate Action Plan is funded in this year, FY 2021-22 in the amount of \$50,000. No funds have been spent to date, This will roll-over to next year's budget FY 2022-23 {General Fund}.
- Fund a total of \$20,250 for LVUSD campus supervision. This is an increase of \$7,425 from the recommended budget {General Fund}.
- Add \$10,000 for Business Meetings and Conferences in the Legislative and Policy budget {General Fund}.
- Add \$5,000 for Caring Calabasas Club for the Seniors. This is a permanent increase to the Senior Center budget within the General Fund.
- The CIP project "Turf Replacement" has been removed from the budget. This project is under review and may be revised or suspended.

FISCAL IMPACT/SOURCE OF FUNDING:

The Detailed Budget FY 2022-23 & 2023-24 as presented.

REQUESTED ACTION:

Review and consider the City Manager's Recommended Budget, with amendments, for FY 2022-23 and 2023-24.

ATTACHMENTS:

1. City Manager Recommended Budget, with amendments, FY 2022-23 & 2023-24