

DATE SUBMITTED 11/07/2023  
 SUBMITTED BY FINANCE DIRECTOR  
 DATE ACTION REQUIRED 11/15/2023

COUNCIL ACTION (X)  
 PUBLIC HEARING REQUIRED ( )  
 RESOLUTION (X)  
 ORDINANCE 1<sup>ST</sup> READING ( )  
 ORDINANCE 2<sup>ND</sup> READING ( )  
 CITY CLERK'S INITIALS ( )

**IMPERIAL CITY COUNCIL  
 AGENDA ITEM**

SUBJECT: Q1 FY 2024 QUARTERLY BUDGET REPORT AND BALANCE SHEET CHANGES.

1. Receive and file the Q1 Quarterly Budget Report for Fiscal Year 2024, summarizing transactions for July 1, 2023 through September 30, 2023.
2. Establish a new Sanitation/Solid Waste Enterprise Fund and remove the Sanitation Budget from the General Fund.
3. Establish a new Equipment/Vehicle Replacement Fund, transferring assets to fund future replacement of equipment and vehicles per the City's inventory schedule.
4. Establish a new Imperial IT Services Fund and remove the IT Budgets from the General Fund.
5. Establish a new Risk Management Fund, transferring assets to establish a reserve fund for future claims and related legal costs, separate from the Operating Budget.
6. Establish the new Capital Improvement Program (CIP) Fund to begin work on the City's 5-Year CIP Budget.
7. Approve Q1 Budget Amendment Resolution with sundry list of budget adjustments to keep the FY 2024 City Budget on track through June 30, 2024.
8. Approve the revised Personnel Budget Position Control schedule with Q1 changes requesting reclassification of 1.0 FTE Police Corporal to Sergeant, and adding a 0.5 FTE School Resource Officer in the Police budget.

DEPARTMENT INVOLVED:

BACKGROUND/SUMMARY:

See attached Staff Report.

FISCAL IMPACT: Budget changes as requested in item #7 above in the Q1 Budget Amendment Resolution for FY 2024.

ADMIN SERVICES SIGN INITIALS 

STAFF RECOMMENDATION: Staff recommends that the City Council receive and file the Q1 Quarterly Budget Report for the 1<sup>st</sup> quarter of FY 2024 ending September 30, 2023, as well as approve Balance Sheet changes and the establishment of new Enterprise Funds, which will strengthen the long-term fiscal capacity of the City for economic development initiatives, future budgets and the financial plans that will assist with managing the growth of the City of Imperial.

DEPT. INITIALS \_\_\_\_\_

CITY MANAGER'S RECOMMENDATION:

*approve staff recommendation*

CITY MANAGER'S INITIALS 

MOTION:

SECONDED:

AYES:

NAYES:

ABSENT:

APPROVED ( )

DISAPPROVED ( )

REJECTED ( )

DEFERRED ( )

REFERRED TO:



# Staff Report

## Agenda Item No.

**To:** City of Imperial City Council  
**From:** John Herrera, Interim Finance Director / City Treasurer  
**Date:** November 15, 2023  
**Subject:** Q1 Quarterly Budget Report as of September 30, 2023

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### Summary:

As directed by the City Council, staff continues to place greater emphasis on transparency and accountability as well as regularly evaluating the fiscal health of the City. This staff report presents a "**Budget vs Actual**" fiscal analysis for **Q1 ending September 30, 2023**.

### Background/Discussion and Analysis

This Q1 Budget Report is comprehensive. The focus is on redesigning the financial accounting system and updating purchasing policies to provide the most accurate Quarterly Budget Updates in the future. The major financial items covered in this Q1 Report includes the following:

1. **Solid Waste Enterprise Fund:** This fund is being created to move the Sanitation / Solid Waste financial activities out of the General Fund and into a separate Enterprise Fund.
2. **Equipment / Vehicle Replacement Fund:** By transferring cash and assets into a separate fund, this expands the City's cost-savings options when replacing vehicles and equipment.
3. **IT Services Fund:** By moving IT activities and assets out of the General Fund and into its own Fund, our IT staff can better track financial results from services IT provides to users.
4. **Risk Management Fund:** To set aside funding for future claims, legal services, and related risk management activities that are outside of the operating side of the annual City budget.
5. **Establishment of Citywide CIP Fund:** To design a comprehensive Capital Improvement Program with capital budgeting and investment planning to develop a 5-Year CIP Budget that will come before the Council as part of the FY 2025 Budget Calendar that begins in January 2024.
6. **Personnel Budget Position Control:** Updates the list of "authorized" positions and FTE count to allow the City Council greater control, reconciliation, and ongoing recruiting efforts.
7. **Purchasing Policy Update:** This ensures "large" purchases are "encumbered" in the budget for more accurate Budget Reports. This policy update improves the math in the "Budget Equation"  
**Available Budget = Adopted Budget less Actual Expense less Encumbrances.**

## **BALANCE SHEET vs CITY BUDGET**

Equally important as the quarterly review of the revenues and expenditures in the City Budget is the review of the assets and liabilities of the City as presented in the Balance Sheet. The Balance Sheet is basically a financial report that lists the Assets, Liabilities, and residual Equity (Fund Balance) for every Fund of the City.

Few if any City organizations open up their Balance Sheet, for numerous reasons that are beyond the scope of this staff report. This is not the case in Imperial where the City Council is committed to asking the tough questions to achieve their transparency and accountability goals for the community which they represent. During the last 12 months, the City Council has reiterated their request to make the City Budget more accessible to the public, by expanding the availability of financial information to the public, not only to receive feedback from the community on the budget, but to allow the Council to better carry out their fiscal stewardship responsibilities.

As the **Mayor stated in the 2023 State of the City** last month, ***"Our focus needs to be on our budget, and keeping our financial house in order"***. This is truly an exciting time at the City of Imperial, and even during times of economic volatility, the leadership of the City Council is vital to remaining nimble, adjusting the ship on a quarterly basis as spelled out in this staff report.

By reviewing the Balance Sheet together with the Budget, the City Council can have the information to be well-versed in both the current financial position of the City, as well as lay the foundation to expand their planning horizon with a 5-year forecast to stay ahead of leading economic trends locally and nationally.

### **MUNICIPAL CORPORATION COMPETES IN THE ECONOMIC DEVELOPMENT MARKETPLACE**

The City of Imperial is a municipal corporation with over \$100 million in total assets, \$30 million in annual revenues, and an investment portfolio with over \$45 million. The accounting, auditing, budgeting, financial planning, and investing activities must adhere to "best practices" to ensure the City of Imperial remains fiscally strong today and a "going concern" for generations to come.

Like any private corporation in the Imperial Valley, the City of Imperial must continually look for economic development opportunities to maintain and expand its fiscal sustainability in the long term.

The old adage on the definition of luck is relevant here: *"Luck is when preparation meets opportunity"*.

By always "knowing our numbers", knowing exactly where the City stands financially (at any moment), the City will be "lucky" (competitive) and in a stronger financial position to go out and compete in the marketplace for economic development opportunities which are out there.

By no means should the City ever take unreasonable risks when considering economic development opportunities. However, with a strong Balance Sheet, a good credit rating, and a solid set of financial statements, the City Council and management can approach economic development opportunities with confidence and negotiation "toughness" to ensure that the City gets the "best deal" and achieves the best ROI (return on investment) for the community.

## REVIEW OF THE BUDGET AND THE BALANCE SHEET

### GENERAL FUND:

The General Fund is the fund that accounts for all of the operating departments of the City, unless there is a legal or statutory requirement that expenditures be in a separate fund. Although staff monitors and posts cash flows on a "daily" basis, the General Fund follows the "cash basis" of accounting for Q1 – Q3. It is not until Q4 that staff performs GAAP basis of accounting, using the "modified accrual" basis of accounting for governmental funds and the "full accrual" basis of accounting for proprietary type funds like enterprise funds and internal service funds. However, by Q2 of FY 2025, staff expects to be able to expand the use of GAAP basis accounting within the Quarterly Budget Updates provided to City Council.

**Bottom line:** The General Fund was "**positive**" at Q1 ending September 30, 2023 on a "cash basis". However, to get a more accurate Quarterly Budget Report, it is important to consider not just the "cash flow basis" data, but also "budgetary basis", and "encumbrance accounting" data as discussed below.

**Cash Flow Basis:** Q1 ended the quarter in a \$16,056 positive nominal position, generated through cash inflows of \$3,379,139 and cash outflows of \$3,363,083 (average of **\$1,121,028** per month). The reconciled cash balance in the General Fund stands at \$7,938,329 at September 30, 2023. Total cash balances of the City stand at \$47,877,910 for the same period.

**Budgetary Basis:** The \$19,614,700 FY 2024 General Fund budget stands at 17% of budget, well below the 25% target at Q1. The 8% savings is substantial; however, before we do the math and conclude that the City Budget is inflated, it is important to perform more in depth analysis of the budget as we are doing through the Q1 and subsequent Quarterly Budget Updates.

The "actual" budget savings may well be less than 8% at Q1 because the City budget estimates the City will spend \$1,634,558 per month in the General Fund, which is \$513,530 more than the \$1,121,028 "average" expenditures in the General Fund during Q1.

This \$513,530 "per month" budget savings during Q1 may very well be due, in part, to the lack of the use of Purchase Orders. A Purchase Order "encumbers" the City budget for all purchases made by City Departments, to show more accurate budget figures pending receipt of the vendor invoice.

**Encumbrance Accounting Basis:** During any month of the fiscal year, the City has about \$500,000 or more in purchases which have not been invoiced by vendors, and therefore these invoices may not be reflected in the Q1 Budget Report because those purchases were "not encumbered" in the budget. **It can take 30 to 60 days for vendor invoices to be processed from the date of purchase.**

**Note:** This is why Purchase Orders (which encumber the budget) are essential, to improve the "accuracy" of the Quarterly Budget Reports. We do not want to simply present expenditures in the Quarterly Budget Report; we need to include "encumbrances" which reflects "purchases" made which have not yet generated an invoice for payment by the City.

**Purchasing Policy & Procedure Update Project:** The City Manager and Departments are currently working with the Finance Director to update the City's Purchasing Policy & Procedures, to implement an effective Purchase Order and Encumbrance accounting system for all purchases "above a certain dollar amount". Staff is also working to determine the "dollar amount" threshold for "encumbering" purchases and obtaining City Manager approval of the Purchase Order "before" the purchase is made by City Departments. Once this Purchase Order and Encumbrance policy is established, it will be followed as part of the City's Purchasing Policy & Procedures going forward. *Staff expects to complete its update of the Purchasing Policy & Procedures for the Q2 or Q3 Quarterly Budget Update report.*

## LEGAL LEVEL OF BUDGETARY CONTROL

After the Purchasing Policy & Procedures are updated and approved by the City Manager, the Accounts Payable desk in the Finance Department will be the front-line employee responsible for performing the role of "gatekeeper" on the City Budget. Any purchase order or vendor invoice submitted to the Finance Department with "insufficient" money in each line item of the budget, will require the City Department to prepare a "Budget Transfer". The Budget Transfer will be approved by the City Manager and/or Finance Director, to move money from one budget line item to another, to make sure there is "available budget" for Purchase Orders, and/or to post and pay vendor invoices, especially when City Manager approval for purchase was not obtained "in advance".

The Budget Transfer will only be allowed "within" their Department budget, "not" from one Department budget to another Department budget.

The reason for this limitation is that the City Council has delegated budgetary "control" of the City Budget to the City Manager at the "Department Level". This means that the City Manager has authority to approve Budget Transfers "within" individual City Department budgets, not "from one Department budget to another Department budget".

This is another example of the importance of the Encumbrance Accounting system, advance approval of purchases using the "duly authorized" Purchase Order (approved by the City Manager "before purchase is made"), and the Purchasing Policy & Procedures are essential for the accurate reporting of Budget vs Actual reports within the Quarterly Budget Update reports that come before the City Council.

## FUND BALANCE ANALYSIS IN THE GENERAL FUND

The fund balance in the General Fund for Q1 stands at **\$8,171,590** as of September 30, 2023. The General Fund spent an "average" of **\$1,121,028 monthly** on a cash flow basis for general government, public safety, public services, community development, library, parks and recreation, and related General Fund activities. However, the budgeted amount approved for FY 2024 is \$1,634,558 per month. Thus, the City has over 5 months of "liquid" reserves in the General Fund to provide these vital public services to the residents of Imperial. Put another way, the City's General Fund could continue to operate for up to 5 months without receiving "any" revenues and still be able to pay all of its bills.

The City as a whole has **\$44,877,910** in cash at Q1 ending September 30, 2023 for all funds. On an "acid test" balance sheet basis, the City potentially has significantly more than 5 months of liquidity should there be a serious fiscal emergency. Nevertheless, the \$44.9 million cash balance is not all General Fund cash; it is part of a Citywide investment portfolio which is being "safely" invested in higher-yielding US government securities to enhance both the General Fund and all other funds of the City.

To provide a historical perspective, the General Fund has "positive" net revenue at Q1 of FY 2024. During the past 12 months, staff has been actively monitoring cash flows, posting revenues on a "daily" basis, rather than waiting for the end of month or even quarter. Thus, the prior four (4) fiscal years show "negative" net revenue, even though in all likelihood this was just due to a lack of timely accounting:

Q1 Quarter	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Revenue	\$3,379,139	\$ 1,754,417	\$ 699,553	\$ 728,682	\$ 1,023,169
Expenditure	\$3,363,083	\$ 3,066,090	\$ 2,959,233	\$ 2,322,967	\$ 2,250,118
<b>Net Revenue</b>	<b>\$ 16,056</b>	<b>\$1,311,673</b>	<b>\$2,259,680</b>	<b>\$1,594,285</b>	<b>\$1,226,949</b>

## SINGLE LEADING ECONOMIC INDICATOR FLASHING YELLOW AT Q1

The single most important leading indicator affecting the Q1 Budget Report is Sales Tax.

The City's Sales Tax revenues is the largest revenue source in the General Fund, estimated at **\$3,419,000** for FY 2024. This was conservatively estimated by staff based on "actual" Sales Tax revenues in FY 2023 which totaled **\$3,429,052**. The FY 2023 Sales Tax revenue estimate was **\$3,399,500**. Thus, staff basically estimated the FY 2024 Sales Tax revenue with "zero change" when compared to FY 2023.

The City Manager and Finance Director met last month with the City's Sales Tax consultant. HdL's fiscal analysis for Q4 of FY 2023, shows that auto sales, and other retailers, are experiencing declining sales. This is an important leading indicator that requires careful consideration and monitoring, with a **possible downward adjustment of \$192,000 to Sales Tax** revenue estimates in the Budget.

Staff will monitor and bring back a budget amendment to the FY 2024 Budget based on the "actual" Sales Tax revenues received by the City and the next quarter report from HdL Companies.

At the Q2 Budget Update, if Sales Tax revenues continue on their trajectory, staff will recommend a solution this and any other budget adjustment needed.

**Note:** This \$192,000 possible revenue impact from Sales Tax represents 1% of the total General Fund budget. Staff believes this item is material, but manageable, and can be addressed as part of our \$19,614,700 "total" Budget.

The detailed Q1 FY 2023 report for Revenues and Expenditures, with Budget vs Actual numbers by Department is attached to this staff report.

## GENERAL FUND ADJUSTMENTS TO THE BUDGET AND THE BALANCE SHEET

### BUDGET

The City's FY 2024 Adopted Budget has a "budgetary" net revenue of \$8,500 determined as follows:

- Revenues \$19,623,200
- Expenditures \$19,614,700
- **Net Revenue** \$ 8,500

As requested in the Resolution #2023-57 (Exhibit A), staff is requesting \$4,200 "net" increase in General Fund expenditures for the FY 2024 City Budget. These can be funded out of the \$8,500 budgetary Net Revenue shown. This leaves a residual budgetary Net Revenue of \$4,300 as of Q1.

### BALANCE SHEET

The General Fund has a fund balance at Q1 of \$8,171,590 and a cash balance of \$7,938,329. Staff is recommending that the City Council approve a Balance Sheet transfer of \$4.0 million as it establishes the new proprietary type funds in the general ledger as follows:

- Equipment / Vehicle Replacement Fund \$ 2,000,000
- Information Technology Services Fund \$ 1,000,000
- Risk Management Fund \$ 1,000,000
  - **Total Transfers** \$4,000,000

### **Equipment / Vehicle Replacement Fund**

The original cost basis of the City's fleet of vehicles and equipment is about \$4 million. The replacement cost is significantly higher than \$4 million; however, the entire fleet does not have to be replaced at the same time. Based on the life cycle of the vehicle and/or equipment to be replaced, as well as the "residual value" at the time of replacement, the \$2 million Balance Sheet transfer from the General Fund to the new Equipment / Vehicle Replacement Fund should fully fund what is needed in FY 2024. Staff will perform a more comprehensive analysis of this Replacement Fund and provide it to the City Council as part of the FY 2025 City Budget analysis that begins in January 2024.

### **Information Technology Services Fund**

The IT Fund is being established with a \$1 million Balance Sheet transfer from the General Fund. This \$1 million is being requested to fully fund the City's IT infrastructure as well as provide working capital and an IT Capital Improvement Program CIP Fund that allows the City to be forward-looking as it considers mission-critical IT investments in hardware, software, and other IT initiatives of high value to the City Council and the IT Director that leads this Department.

As we have said before, the City has to be on the "cutting edge" of technology for risk management and going concern purposes. Notice we are not saying "bleeding edge", but "cutting edge" technology as there are more risks than ever to the City's data processing, communications, and information technology infrastructure.

### **Risk Management Fund**

Staff believes it is important to fully-fund the risk management activities of the City in a separate fund. This allows the City to achieve fiscal stability in its General Fund by setting aside funds for legal matters that are above and beyond the ongoing annual legal costs of managing the City. The Balance Sheet transfer of \$1 million provides a long-term funding structure for the inevitable costs of doing business as a City government organization. However, there is more budget analysis needed on the fiscal review of the Risk Management Fund, which will be provided during the FY 2025 Budget Calendar.

### **25% Emergency Reserve Fund in the General Fund at Q1 FY 2024**

The General Fund "emergency" reserves would decrease from \$8,171,590 to **\$4,171,590** in the General Fund. This \$4.1 million General Fund reserve constitutes a **25% "emergency" reserve**, which equates to three (3) months operating reserve.

Most Cities in California strive to maintain a minimum 25% operating reserve in their General Fund. At the City of Imperial, our goal is to increase that reserve, however, given that the City of Imperial is achieving important fiscal objectives of funding (a) an Equipment / Vehicle Replacement Fund, and (b) an IT Services Fund, and (c) a Risk Management Fund, this strengthening the fiscal capacity of the General Fund and the City as a whole, makes the 25% a conservative emergency reserve for the City of Imperial.

### **LIGHTING & LANDSCAPE FUNDS**

The City of Imperial operates three different Lighting & Landscape District funds, the Wildflower, Paseo Del Sol, and Sky Ranch District Funds. During the Q2 Report, staff will provide a more comprehensive analysis of all three (3) of its Lighting and Landscape Districts.



The following schedule shows the "actual" revenues vs expenditures for the last five fiscal years:

**Wildflower Lighting & Landscape Fund 21**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
Revenues	\$ 2,569	\$78	\$0	\$ 17,977	\$ 671
Expenditures	<u>\$ 4,562</u>	<u>\$812</u>	<u>\$0</u>	<u>\$ 1,000</u>	<u>\$ 3,275</u>
<b>Net Revenue</b>	<b><u>\$1,993</u></b>	<b><u>\$734</u></b>	<b><u>\$0</u></b>	<b><u>\$16,977</u></b>	<b><u>\$2,604</u></b>

**Paseo Del Sol Lighting & Landscape Fund 23**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
Revenues	\$ 1,787	\$88	\$0	\$20,987	\$ 867
Expenditures	<u>\$ 17,951</u>	<u>\$10,101</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 4,410</u>
<b>Net Revenue</b>	<b><u>\$16,164</u></b>	<b><u>\$10,013</u></b>	<b><u>\$0</u></b>	<b><u>\$20,987</u></b>	<b><u>\$3,543</u></b>

**Sky Ranch Landscape District Fund 35**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
Revenues	\$ 6,982	\$ 246	\$ 245	\$ 74,970	\$0
Expenditures	<u>\$ 28,284</u>	<u>\$ 4,580</u>	<u>\$ 2,230</u>	<u>\$ 49,535</u>	<u>\$32,363</u>
<b>Net Revenue</b>	<b><u>\$21,302</u></b>	<b><u>\$4,334</u></b>	<b><u>\$1,985</u></b>	<b><u>\$25,435</u></b>	<b><u>\$32,363</u></b>

**ENTERPRISE FUNDS**

The City of Imperial operates two different enterprise funds, the Water Fund and the Wastewater Fund. The following schedule shows the "actual" revenues vs expenditures for the last five fiscal years:

**Water Fund 50**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
Revenues	\$1,928,191	\$1,822,109	\$1,187,376	\$1,194,954	\$1,102,629
Expenses	<u>\$1,878,763</u>	<u>\$1,723,969</u>	<u>\$1,525,317</u>	<u>\$1,925,185</u>	<u>\$1,714,282</u>
<b>Net Revenue</b>	<b><u>\$ 49,428</u></b>	<b><u>\$ 98,140</u></b>	<b><u>\$ 337,941</u></b>	<b><u>\$ 730,231</u></b>	<b><u>\$ 611,653</u></b>

The Q1 budget vs actual results for FY 2023 ending September 30, 2023 excludes "capital improvement" costs which total **\$558,944**.

Historically, there have been inconsistencies in the classification of capital and operating expenditures in the "operating" expenses of the Water Fund. Also, **due to the \$906,817 bond debt payment made during Q1, this "front loads" expenses in the Water Fund.** This is why we see deficits in FY 2020 – FY 2022 when **Water revenues were 75% lower than they are in FY 2024.**

**Wastewater Fund 55**

	<b>FY 2024</b>	<b>FY 2023</b>	<b>FY 2022</b>	<b>FY 2021</b>	<b>FY 2020</b>
Revenues	\$ 1,673,699	\$ 1,485,146	\$ 913,109	\$ 896,968	\$ 860,774
Expenses	<u>\$ 1,837,542</u>	<u>\$ 1,542,077</u>	<u>\$1,425,335</u>	<u>\$1,570,332</u>	<u>\$1,168,661</u>
<b>Net Revenue</b>	<b><u>\$ 163,843</u></b>	<b><u>\$ 56,931</u></b>	<b><u>\$ 512,226</u></b>	<b><u>\$ 673,364</u></b>	<b><u>\$ 307,887</u></b>

Like the Water Fund, there are inconsistencies in the classification of expenditures in the Wastewater Fund. However, for Q1, the reason for the deficit cash flows is due to \$1,125,877 bond debt service payments that "front load" Fund 55 expenses. These costs will balance out by the Q2 and Q3 reports.

### Enterprise Funds – Balance Sheet and Cash Balances

The Enterprise Funds do not report fund balances, like the General Fund. No, Enterprise Funds of the City are operated more like a private business. Here we use accounting terms like "working capital" and "retained earnings". A detailed balance sheet analysis of the Water and Wastewater Funds will be expanded upon during the Q2 Quarterly Budget Report; however, we can consider the existing liquidity in these two funds at Q1 to show the Council the possible "reserves" available for emergencies and for financing capital improvements on a "pay as you go" basis.

The Water Fund cash balance totals **\$6,342,178** at September 30, 2023. The Wastewater Fund cash balance stands at **\$11,044,442** for the same period ending September 30, 2023.

### CFD FUNDS (COMMUNITY FACILITIES DISTRICTS)

The CFD's for six (6) different districts were established to finance the construction of tax-exempt financed infrastructure, with the ultimate goal of providing more affordable housing costs to residents moving into newly developed housing. Bonds were issued and, except for the Mayfield CFD, all CFDs have generated sufficient special taxes to pay for the bond debt service (facilities taxes) and the services related to the maintenance of related amenities.

The CFD special taxes also pay for reimbursement of a minimum level of administrative costs incurred in the General Fund to manage the CFD program.

*Since inception*, the City erroneously accounted for the \$3 million annual program of Community Facilities Districts (CFDs) special taxes, bond debt service payments, and related CFD facilities and services costs, for all six (6) CFDs; CFD funds were incorrectly "comingled" with the General Fund.

All CFD special taxes and CFD expenditures were accounted for through a **Deposits Payable** account **01-000-2300**. Due to accounting for the CFD program as a "trust fund", City has never even adopted a budget for the CFDs in prior years as discuss during the FY 2023 Q4 Quarterly Budget Update.

On April 11, 2023 staff completed a comprehensive financial accounting analysis to separate out the entire CFD special tax and bond program into six (6) separate funds in the budget. In FY 2024 and going forward, City staff and Council will be able to present a Quarterly Budget Report for the adopted budget for each CFD, and project out revenues and estimate expenditures in the City budget.

The following Q1 Quarterly Budget Report presents the results of financial operations for each of the six CFDs. However, because FY 2023 is the first year that revenue and expenditure detail exists for the CFD program at the City of Imperial, there is no 5-year historical comparison to provide. The FY 2024 financial results of Q1 are presented below:

### Fund 61 – Bratton Paseo CFD

The Bratton Paseo CFD has a fund balance of **\$180,535** at end of Q1. Total revenues were **\$405** and expenditures are **\$347,640**, for a net revenue of **(\$347,235)** decreasing the total fund balance for the fiscal year ending September 30, 2023. The reason for the deficit cash flow at Q1 is due to the fact that **CFD special tax revenues are received by the City during Q2, while CFD bond payments begin in Q1.**

### **Fund 62 – Mayfield CFD**

The Mayfield CFD has a fund balance of **\$77,037** as of September 30, 2023. Total revenues total **\$92** and expenditures total **\$158,890**, for a net revenue of **(\$158,798)** decreasing the total fund balance as of Q1 ending September 30, 2023. The reason for the deficit cash flow at Q1 is due to **CFD special tax revenues not received by the City until Q2, while CFD bond payments begin in Q1.**

**Note:** The Mayfield CFD has some fiscal matters and proceedings related to delinquent parcels with unpaid special taxes from prior years. The General Fund will benefit from potential reimbursement for prior-year “advances” made from the General Fund for the Mayfield CFD. Staff will update the Council on a “quarterly” basis on the Mayfield CFD fiscal matters as part of the budget vs actual presentations.

### **Fund 63 – Monterrey CFD**

The Monterrey CFD has a fund balance of **\$184,893** at September 30, 2023. Total revenues are **\$416** and expenditures are **\$367,878**, for a net revenue of **(\$367,462)** decreasing the total fund balance as of FY ending Q1 on September 30, 2023. The reason for the deficit cash flow at Q1 is due to the fact that **CFD special tax revenues are received by the City during Q2, while CFD bond payments begin in Q1.**

### **Fund 71 – Savannah CFD**

The Savannah CFD has a fund balance of **\$112,687** at September 30, 2023. Total revenues are **\$263** and expenditures ended the year at **\$247,179**, for a net revenue of **(\$246,916)** decreasing the total fund balance for Q1 of the fiscal year ended September 30, 2023. The reason for the deficit cash flow at Q1 is due to the fact that **CFD special tax revenues are received by the City during Q2, while CFD bond payments begin in Q1.**

### **Fund 73 – Springfield CFD**

The Springfield CFD has a fund balance of **\$62,569** at end of Q1. Total revenues for Springfield totaled **\$129** and expenditures were **\$330,008**, for a net revenue of **(\$329,879)** decreasing the total fund balance for Q1 ending September 30, 2023. The reason for the deficit cash flow at Q1 is due to the fact that **CFD special tax revenues are received by the City during Q2, while CFD bond payments begin in Q1.**

### **Fund 74 – Victoria CFD**

The Victoria CFD has a fund balance of **\$99,181** as of September 30, 2023. Total revenues were **\$183** and actual expenditures were **\$344,449**, for a net revenue of **(\$344,266)** decreasing the total fund balance for Q1 of the fiscal year ended September 30, 2023. The reason for the deficit cash flow at Q1 is due to the fact that **CFD special tax revenues are received by the City during Q2, while CFD bond payments begin in Q1.**

The Council will note that any fund balances remaining at the end of any fiscal year ending September 30<sup>th</sup>, is reserved for bond debt service (principal and interest) that matures every six months, shortly after the end of the fiscal year on September 30<sup>th</sup> of each year. CFD fund balances are “reserved” on September 30<sup>th</sup> for debt service in the 3125 Facilities account and the 3126 Services account as required under GAAP (generally accepted accounting principle).

As stated above, now that all CFDs have their own separate and distinct fund within the City’s Fund Balance accounting system, the City Council will now be able to adopt an annual budget and prepare and include CFD activities within the independent audit performed each year. Also, a Quarterly Budget Report like this Q1 report, will be prepared every three months, with annual comparisons of CFD budget results going forward.

## **NEXT QUARTERLY BUDGET UPDATE FOR Q2 DUE JANUARY 17, 2024**

The Q2 Budget Report will be brought to the City Council for review and approval on **January 17, 2024**.

### **IN CONCLUSION**

Staff appreciates the patience and consideration of this rather lengthy Q1 Budget Update report which has expanded into a lot more than simply a presentation of Budget vs Actuals for FY 2024 quarter ending September 30, 2023.

Council has delved into a discussion of the Balance Sheet vs the City Budget to "know the numbers" and become more familiar with the fiscal health of the City. A cup of espresso is needed to gruel through a 10-page 5,000-word staff report on the rigorous subject of economics, accounting, and finance. However, the fruits of this labor will result in the City's goal of "keeping its financial house in order".

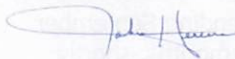
The Council considered the redesign of City's General Ledger, and the need to create new Enterprise Funds that will allow the City to present the most accurate financial position of the City at any point in time, while also establishing reserve funds for future replacement of vehicles, equipment, and other fixed assets of the City. Staff proposed establishing a new Information Technology Fund which is self-supporting through internal service charges across the City, and outside the City as our very capable IT Director and staff are positioned to even provide IT services to our partners in the Imperial Valley. We also established a CIP Fund, with a focus on long-term capital infrastructure investments, with the goal of creating a 5-Year Budget for adoption as part of the FY 2025 process. Lastly, the City Council was presented with an updated Personnel Budget Position Control chart, to allow the Council to manage the "authorized" staff positions and FTE count in the City, including the reclassification of a Police Corporal to a Police Sergeant position, and the addition of a 0.5 FTE School Resource Officer (SRO).

Much credit to our City Council and their conservative and proactive fiscal leadership, along with that of our City Manager and the team of Directors and staff who work at City Hall day in and day out to ensure the Mayor and Council achieves their mission to improve the quality of life of our residents, businesses, and all those who call Imperial home.

### **Recommendation**

Staff recommends receive and file this Q1 Quarterly Budget Report for quarter ending September 30, 2023, along with the attached detailed 5-Year History of Revenues and Expenditures.

Respectfully Submitted,



John Herrera, CPA  
Interim Finance Director / City Treasurer

### **Attachments:**

- Q1 Quarterly Budget Report ending September 30, 2023, with 5-Year History (by Department).
- Budget Amendment Resolution #2023-57 for Various Q1 Budget Amendments.
- Personnel Budget Position Control Schedule for Q1 FY 2024.

**RESOLUTION NO. 2023-57**

**RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF IMPERIAL, CALIFORNIA AMENDING THE MUNICIPAL BUDGET FOR FIRST QUARTER (Q1) OF THE FISCAL YEAR THAT BEGINS JULY 1, 2023 AND ENDS JUNE 30, 2024 AND CREATING NEW CITY FUNDS IN THE GENERAL LEDGER**

**WHEREAS**, the FY 2024 City Budget was adopted with a City resolution, and all amendments to said budget will also be made by Resolution; and

**WHEREAS**, the City is requesting to establish a Sanitation / Solid Waste Fund as a proprietary type fund in its general ledger; and

**WHEREAS**, the City is requesting to establish an Equipment & Vehicle Replacement Fund as a proprietary type fund in its general ledger; and

**WHEREAS**, the City is requesting to establish an Information Technology Fund as a proprietary type fund in its general ledger; and

**WHEREAS**, the City is requesting to establish a Risk Management Fund as a proprietary type fund in its general ledger; and

**WHEREAS**, the City is requesting to establish a Capital Improvement Program (CIP) Fund as a governmental type fund in its general ledger; and

**WHEREAS**, the City is requesting a list of \$4,200 “net” budget adjustments to the General Fund as shown in Exhibit “A”.

**WHEREAS**, the City is updating its Purchasing Policy to encumber all purchases in the Budget above a given dollar amount.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF IMPERIAL DOES RESOLVE, DETERMINE, ORDER AND PROCLAIM AS FOLLOWS:**

**SECTION 1.** The City establish the follow new funds in the City’s general ledger:

- a. Sanitation / Solid Waste Fund with a zero cash transfer.
- b. Equipment / Vehicle Replacement Fund with \$2 million cash transfer from the General Fund.
- c. Information Technology Fund with \$1 million cash transfer from the General Fund.
- d. Risk Management Fund with \$1 million cash transfer from the General Fund.
- e. Citywide CIP Fund

**SECTION 2.** The FY 2024 General Fund Budget be amended by \$4,200 “net” expenditures as shown in attached **Exhibit “A”**.

**SECTION 3.** That Purchasing Policy be updated to require “advanced” approval of Purchase Requisitions for issuance of duly authorized Purchase Orders above a “certain amount”, to encumber the Budget and present a more accurate Available Budget balance. And that the City Manager be authorized to establish the “threshold” at which a Purchase Order is required to be obtained “in advance” for all purchases “before” a City Department makes a purchase from any vendor. The only exception for obtaining a duly authorized Purchase Order is when a health & safety issue exists or an emergency is due cause for ignoring the Purchasing Policy. This update to the Purchasing Policy allows the City to achieve the **Available Budget Equation**:

- a. Budget Less Actual Expenditures Less Encumbrances = Available Budget.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Imperial on the 15<sup>th</sup> day of November, 2023.

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KATHERINE BURNWORTH,  
Mayor

ATTEST:

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KRISTINA M. SHIELDS,  
City Clerk

**CERTIFICATION**

I, Kristina M. Shields, City Clerk of the City of Imperial, California, hereby certify that the foregoing resolution was duly adopted at a meeting of the City Council of said City at its meeting held on the 15<sup>th</sup> day of November, 2023, by the following vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of Imperial, California, this \_\_\_\_\_ day of November, 2023.

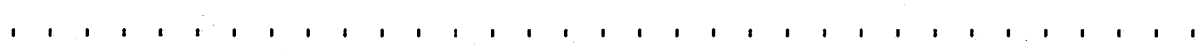
\_\_\_\_\_  
KRISTINA M. SHIELDS,  
City Clerk





Product Code	Product Name	Quantity	Unit Price	Total Price	Notes
101	Product A	100	1.50	150.00	Standard grade
102	Product B	50	3.00	150.00	High quality
103	Product C	200	0.75	150.00	Basic model
104	Product D	100	1.50	150.00	Special features
105	Product E	300	0.50	150.00	Mass production
106	Product F	100	1.50	150.00	Advanced version
107	Product G	50	3.00	150.00	Professional grade
108	Product H	200	0.75	150.00	Standard grade
109	Product I	100	1.50	150.00	High quality
110	Product J	300	0.50	150.00	Basic model

Total: 3000 units @ 0.50 = 1500.00  
 Total: 100 units @ 1.50 = 150.00  
 Total: 50 units @ 3.00 = 150.00  
 Total: 200 units @ 0.75 = 150.00  
 Total: 100 units @ 1.50 = 150.00  
 Total: 300 units @ 0.50 = 150.00  
 Total: 100 units @ 1.50 = 150.00  
 Total: 50 units @ 3.00 = 150.00  
 Total: 200 units @ 0.75 = 150.00  
 Total: 100 units @ 1.50 = 150.00  
 Total: 300 units @ 0.50 = 150.00



1. 2018-2019 Annual Report

2. 2019-2020 Annual Report

3. 2020-2021 Annual Report

4. 2021-2022 Annual Report

8,400.00

8,400.00

**Funding Source for Budget Adjustment**

62-000-4471 grant

Currently at \$17,178.87

Cell phones for Library staff  
Request not included in budget

City of Imperial

Q1 - QUARTER ENDING SEPTEMBER 30TH	FY 2024		FY 2023		FY 2022		FY 2021		FY 2020	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>CITY COUNCIL</b>										
Salaries & Benefits	66,600	7,768	25,306	5,943	24,545	5,970	24,545	6,013	24,655	6,067
Maintenance & Operations	29,600	1,412	27,675	12,480	20,825	9,949	14,210	822	19,660	1,156
<b>TOTAL CITY COUNCIL</b>	<b>96,200</b>	<b>9,180</b>	<b>52,981</b>	<b>18,422</b>	<b>45,370</b>	<b>15,919</b>	<b>38,755</b>	<b>6,835</b>	<b>44,315</b>	<b>7,223</b>
<b>CITY CLERK</b>										
Salaries & Benefits	5,900	1,316	112,615	5,759	112,615	98,101	81,248	18,665	80,889	18,809
Maintenance & Operations	38,600	3,157	45,280	955	18,925	1,257	37,420	641	20,980	283
<b>TOTAL CITY CLERK</b>	<b>44,500</b>	<b>4,473</b>	<b>157,895</b>	<b>6,714</b>	<b>131,540</b>	<b>99,359</b>	<b>118,668</b>	<b>19,306</b>	<b>101,869</b>	<b>19,092</b>
<b>CITY ATTORNEY</b>										
Contract Attorney	150,000	2,375	115,000	16,000	135,000	16,000	160,000	930	120,000	60,767
Maintenance & Operations	1,800	-	1,650	347	-	-	-	-	-	-
<b>TOTAL CITY ATTORNEY</b>	<b>151,800</b>	<b>2,375</b>	<b>116,650</b>	<b>16,347</b>	<b>135,000</b>	<b>16,000</b>	<b>160,000</b>	<b>930</b>	<b>120,000</b>	<b>60,767</b>
<b>CITY MANAGER</b>										
Salaries & Benefits	631,400	56,577	482,745	121,248	539,094	128,270	221,513	54,183	230,937	58,989
Maintenance & Operations	189,800	85,065	164,978	35,945	154,738	32,333	131,408	23,044	163,498	25,775
<b>TOTAL CITY MANAGER</b>	<b>821,200</b>	<b>141,642</b>	<b>647,723</b>	<b>157,193</b>	<b>693,832</b>	<b>160,603</b>	<b>352,921</b>	<b>77,228</b>	<b>394,435</b>	<b>84,765</b>
<b>ADMIN/FINANCIAL</b>										
Salaries & Benefits	614,100	43,902	255,155	85,071	451,611	100,170	146,135	48,894	137,994	38,725
Maintenance & Operations	98,300	3,617	89,520	26,394	77,733	4,411	64,208	4,538	68,765	5,361
<b>TOTAL ADMIN/FINANCIAL</b>	<b>712,400</b>	<b>47,520</b>	<b>344,675</b>	<b>111,466</b>	<b>529,344</b>	<b>104,581</b>	<b>210,343</b>	<b>53,432</b>	<b>206,759</b>	<b>44,085</b>
<b>INFORMATION TECHNOLOGY</b>										
Salaries & Benefits	578,600	62,121	224,820	75,559	358,616	67,426	94,450	21,134	72,190	18,170
Maintenance & Operations	461,700	152,468	393,833	66,049	351,164	117,355	201,178	111,344	363,741	80,449
<b>TOTAL INFORMATION TECHNOLOGY</b>	<b>1,040,300</b>	<b>214,589</b>	<b>618,653</b>	<b>141,608</b>	<b>709,780</b>	<b>184,781</b>	<b>295,628</b>	<b>132,478</b>	<b>435,931</b>	<b>98,619</b>
<b>HUMAN RESOURCES</b>										
Salaries & Benefits	627,900	99,299	274,583	6,741	273,588	5,762	233,189	24,304	204,950	18,954
Maintenance & Operations	696,900	8,828	421,607	7,113	387,857	5,613	339,000	55,599	418,405	5,671
<b>TOTAL HUMAN RESOURCES</b>	<b>1,324,800</b>	<b>108,127</b>	<b>696,190</b>	<b>13,854</b>	<b>661,445</b>	<b>11,374</b>	<b>572,189</b>	<b>79,903</b>	<b>623,355</b>	<b>24,625</b>
<b>GENERAL SERVICES (NON-DEPARTMENTAL)</b>										
Salaries & Benefits	65,000	22,730	82,500	30,651	87,500	27,989	55,000	48,459	58,500	17,634
Maintenance & Operations	201,800	134,828	261,010	88,812	249,352	28,030	92,450	43,260	90,000	20,604
<b>TOTAL GENERAL SERVICES</b>	<b>266,800</b>	<b>157,558</b>	<b>343,510</b>	<b>119,463</b>	<b>336,852</b>	<b>56,019</b>	<b>147,450</b>	<b>91,720</b>	<b>148,500</b>	<b>38,238</b>
<b>SANITATION - SOLID WASTE MANAGEMENT</b>										
Salaries & Benefits	1,971,200	473,535	1,635,500	443,267	1,456,346	282,902	1,161,319	257,755	1,162,180	249,576
Maintenance & Operations	-	-	-	-	-	-	-	-	-	-
<b>TOTAL SANITATION - SOLID WASTE MANAGEMENT</b>	<b>1,971,200</b>	<b>473,535</b>	<b>1,635,500</b>	<b>443,267</b>	<b>1,456,346</b>	<b>282,902</b>	<b>1,161,319</b>	<b>257,755</b>	<b>1,162,180</b>	<b>249,576</b>

City of Imperial

	FY 2024		FY 2023		FY 2022		FY 2021		FY 2020	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>Q1 - QUARTER ENDING SEPTEMBER 30TH</b>										
<b>POLICE</b>										
Salaries & Benefits	3,405,100	709,394	3,029,844	678,558	2,808,715	662,876	2,479,741	596,902	2,540,840	627,655
Maintenance & Operations	1,134,000	145,553	497,840	230,953	564,791	139,190	547,054	136,546	467,394	118,024
<b>TOTAL POLICE</b>	<b>4,539,100</b>	<b>854,947</b>	<b>3,527,684</b>	<b>909,511</b>	<b>3,373,506</b>	<b>802,065</b>	<b>3,026,795</b>	<b>733,448</b>	<b>3,008,234</b>	<b>745,679</b>
<b>FIRE</b>										
Salaries & Benefits	1,300,000	158,958	1,112,185	163,062	1,079,791	137,000	1,079,791	201,990	1,048,341	181,519
Maintenance & Operations	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FIRE</b>	<b>1,300,000</b>	<b>158,958</b>	<b>1,112,185</b>	<b>163,062</b>	<b>1,079,791</b>	<b>137,000</b>	<b>1,079,791</b>	<b>201,990</b>	<b>1,048,341</b>	<b>181,519</b>
<b>ANIMAL CONTROL</b>										
Salaries & Benefits	94,100	20,074	81,080	18,632	79,758	18,048	63,370	17,571	69,213	18,674
Maintenance & Operations	30,800	2,023	17,043	2,915	15,578	2,628	11,108	2,697	11,650	1,702
<b>TOTAL ANIMAL CONTROL</b>	<b>124,900</b>	<b>22,096</b>	<b>98,123</b>	<b>21,547</b>	<b>95,336</b>	<b>20,676</b>	<b>74,478</b>	<b>20,268</b>	<b>80,863</b>	<b>20,376</b>
<b>PUBLIC SERVICES MANAGEMENT</b>										
Salaries & Benefits	623,300	42,355	196,946	85,464	532,282	112,965	75,854	26,602	73,160	21,611
Maintenance & Operations	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PUBLIC SERVICES MANAGEMENT</b>	<b>623,300</b>	<b>42,355</b>	<b>196,946</b>	<b>85,464</b>	<b>532,282</b>	<b>112,965</b>	<b>75,854</b>	<b>26,602</b>	<b>73,160</b>	<b>21,611</b>
<b>CODE ENFORCEMENT - COMM DEV</b>										
Salaries & Benefits	77,800	-	-	-	-	-	-	-	-	-
Maintenance & Operations	11,600	647	-	-	-	-	-	-	-	-
<b>TOTAL CODE ENFORCEMENT - COMM DEV</b>	<b>89,400</b>	<b>647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>ENGINEERING</b>										
Salaries & Benefits	333,700	57,500	244,079	64,441	240,920	58,501	195,372	32,576	129,544	31,276
Maintenance & Operations	40,200	341	28,232	1,153	15,026	1,184	7,120	840	6,600	1,065
<b>TOTAL ENGINEERING</b>	<b>373,900</b>	<b>57,842</b>	<b>272,311</b>	<b>65,593</b>	<b>255,946</b>	<b>59,685</b>	<b>202,492</b>	<b>33,417</b>	<b>136,144</b>	<b>32,342</b>
<b>STREET MAINTENANCE</b>										
Salaries & Benefits	377,600	83,978	193,502	64,308	254,495	60,994	207,567	47,978	226,071	43,904
Maintenance & Operations	1,218,700	266,476	927,710	86,907	738,797	43,394	529,096	116,433	569,400	62,453
<b>TOTAL STREET MAINTENANCE</b>	<b>1,596,300</b>	<b>350,454</b>	<b>1,121,212</b>	<b>151,215</b>	<b>993,292</b>	<b>104,388</b>	<b>736,663</b>	<b>164,411</b>	<b>795,471</b>	<b>106,357</b>
<b>STORM DRAINS</b>										
Salaries & Benefits	-	311	-	-	-	110	-	156	-	-
Maintenance & Operations	105,200	4,848	27,800	12,136	17,250	7,409	17,850	1,140	20,250	2,392
<b>TOTAL STORM DRAINS</b>	<b>105,200</b>	<b>5,160</b>	<b>27,800</b>	<b>12,136</b>	<b>17,250</b>	<b>7,519</b>	<b>17,850</b>	<b>1,295</b>	<b>20,250</b>	<b>2,392</b>

City of Imperial

Q1 - QUARTER ENDING SEPTEMBER 30TH	FY 2024		FY 2023		FY 2022		FY 2021		FY 2020	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>SHOP</b>										
Salaries & Benefits	154,500	25,032	93,225	26,995	127,239	28,412	81,423	19,169	88,960	21,504
Maintenance & Operations	81,000	14,621	80,023	12,975	55,090	10,243	35,840	4,001	21,250	1,063
<b>TOTAL SHOP</b>	<b>235,500</b>	<b>39,653</b>	<b>173,248</b>	<b>39,970</b>	<b>182,329</b>	<b>38,654</b>	<b>117,263</b>	<b>23,171</b>	<b>110,210</b>	<b>22,567</b>
<b>BUILDINGS &amp; GROUNDS</b>										
Salaries & Benefits	315,900	33,516	215,568	43,745	269,272	45,816	98,519	22,188	109,615	14,284
Maintenance & Operations	370,500	17,457	170,180	17,298	228,165	16,874	41,200	8,381	36,250	9,615
<b>TOTAL BUILDINGS &amp; GROUNDS</b>	<b>686,400</b>	<b>50,974</b>	<b>385,748</b>	<b>61,043</b>	<b>497,437</b>	<b>62,690</b>	<b>139,719</b>	<b>30,569</b>	<b>145,865</b>	<b>23,899</b>
<b>COMMUNITY DEVELOPMENT</b>										
Salaries & Benefits	287,700	54,908	206,382	56,938	357,851	70,338	293,204	97,173	377,240	93,387
Maintenance & Operations	106,900	11,593	62,965	9,326	13,220	56,663	56,770	1,827	42,405	3,543
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>394,600</b>	<b>66,501</b>	<b>269,347</b>	<b>66,263</b>	<b>371,071</b>	<b>127,001</b>	<b>349,974</b>	<b>99,001</b>	<b>419,645</b>	<b>96,931</b>
<b>BUILDING &amp; SAFETY</b>										
Salaries & Benefits	174,500	43,172	225,766	52,806	174,017	40,846	145,904	39,084	157,068	36,951
Maintenance & Operations	28,400	7,301	23,810	2,737	17,818	4,616	15,855	1,568	20,300	2,469
<b>TOTAL BUILDING &amp; SAFETY</b>	<b>202,900</b>	<b>50,473</b>	<b>249,576</b>	<b>55,543</b>	<b>191,835</b>	<b>45,462</b>	<b>161,759</b>	<b>40,653</b>	<b>177,368</b>	<b>39,419</b>
<b>LIBRARY SERVICES</b>										
Salaries & Benefits	813,700	96,539	345,692	59,681	225,856	33,038	185,056	37,256	158,446	75,680
Maintenance & Operations	157,000	31,306	71,361	14,219	59,127	9,737	53,027	6,892	61,100	7,092
<b>TOTAL LIBRARY SERVICES</b>	<b>970,700</b>	<b>127,845</b>	<b>417,053</b>	<b>73,900</b>	<b>284,983</b>	<b>42,775</b>	<b>238,083</b>	<b>44,148</b>	<b>219,546</b>	<b>82,772</b>
<b>COMMUNITY SERVICES MANAGEMENT</b>										
Salaries & Benefits	-	-	154,930	37,707	156,629	36,703	148,208	38,629	161,241	38,358
Maintenance & Operations	-	-	5,350	530	7,001	1,511	3,275	1,166	13,640	4,023
<b>TOTAL COMMUNITY SERVICES MANAGEMENT</b>	<b>-</b>	<b>-</b>	<b>160,280</b>	<b>38,237</b>	<b>163,630</b>	<b>38,214</b>	<b>151,483</b>	<b>39,795</b>	<b>174,881</b>	<b>42,381</b>
<b>PARKS MAINTENANCE SERVICES</b>										
Salaries & Benefits	1,254,700	231,579	764,658	156,384	653,050	135,651	353,728	76,217	291,216	68,676
Maintenance & Operations	246,000	32,753	313,760	41,296	636,679	219,324	165,185	60,940	220,600	28,689
<b>TOTAL PARKS MAINTENANCE SERVICES</b>	<b>1,500,700</b>	<b>264,332</b>	<b>1,078,418</b>	<b>197,680</b>	<b>1,289,729</b>	<b>354,975</b>	<b>518,913</b>	<b>137,157</b>	<b>511,816</b>	<b>97,365</b>
<b>RECREATIONAL PROGRAMS</b>										
Salaries & Benefits	29,500	38,180	159,375	45,444	94,884	38,368	63,426	7,900	94,934	44,668
Maintenance & Operations	37,600	2,834	19,130	4,204	17,626	1,896	54,010	485	61,995	34,190
<b>TOTAL RECREATIONAL PROGRAMS</b>	<b>67,100</b>	<b>41,014</b>	<b>178,505</b>	<b>49,648</b>	<b>112,510</b>	<b>40,264</b>	<b>117,436</b>	<b>8,384</b>	<b>156,929</b>	<b>78,858</b>
<b>POOL PROGRAMS</b>										
Salaries & Benefits	-	29,214	28,713	25,436	28,713	26,777	8,972	-	28,863	24,958
Maintenance & Operations	-	3,064	11,450	7,486	10,800	479	3,775	-	10,800	2,090
<b>TOTAL POOL PROGRAMS</b>	<b>-</b>	<b>32,278</b>	<b>40,163</b>	<b>32,922</b>	<b>39,513</b>	<b>27,256</b>	<b>12,747</b>	<b>-</b>	<b>39,663</b>	<b>27,048</b>

City of Imperial

Q1 - QUARTER ENDING SEPTEMBER 30TH	FY 2024		FY 2023		FY 2022		FY 2021		FY 2020	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
<b>SPECIAL EVENTS</b>										
Salaries & Benefits	78,500	6,411	33,195	1,194	33,195	938	17,048	-	22,505	825
Maintenance & Operations	297,000	32,145	188,401	12,828	76,214	5,169	55,038	(1,012)	76,740	707
<b>TOTAL SPECIAL EVENTS</b>	<b>375,500</b>	<b>38,556</b>	<b>221,596</b>	<b>14,023</b>	<b>109,409</b>	<b>6,107</b>	<b>72,086</b>	<b>(1,012)</b>	<b>99,245</b>	<b>1,532</b>
<b>GRAND TOTAL</b>	<b>19,614,700</b>	<b>3,363,083</b>	<b>14,143,972</b>	<b>3,066,090</b>	<b>14,289,358</b>	<b>2,959,233</b>	<b>10,150,829</b>	<b>2,322,967</b>	<b>10,455,318</b>	<b>2,250,118</b>
	19,614,700	3,363,083	14,143,972	3,066,090	14,289,358	2,959,233	10,150,829	2,322,967	10,455,318	2,250,118
	-	(0)	-	0	-	0	-	0	-	0

FY 2023-2024 BUDGET	FY 2023-2024	Current	Hourly rate	FY 2024 SUPPLEMENTAL CHANGES	FY 2024	Proposed	Proposed New	FY 2024 BUDGET	Filled	Vacant	FY 2024
Council Approved Positions	FTE Count	Range/Step	w/COLA	Q1 Position Changes Requested	FTE Change	Range/Step	Hourly Rate	Q1 PROPOSED Positions	Allocation	Allocations	FTE Count
<b>City Council</b>											
City Council	5.0				-			City Council	5.0		5.0
City Clerk	1.0				-			City Clerk	1.0		1.0
<b>Total City Council Positions</b>	<b>6.0</b>				<b>-</b>				<b>6.0</b>	<b>-</b>	<b>6.0</b>
<b>City Manager</b>											
Public Records Analyst	1.0				-			Public Records Analyst	1.0		1.0
Assistant to the City Manager	1.0				-			Assistant to the City Manager		1.0	1.0
City Manager	1.0				-			City Manager	1.0		1.0
Executive Assistant	1.0				-			Executive Assistant	1.0		1.0
<b>Total City Manager Positions</b>	<b>4.0</b>				<b>-</b>				<b>3.0</b>	<b>1.0</b>	<b>4.0</b>
<b>Human Resources</b>											
Human Resources Manager	1.0				-			Human Resources Manager	1.0		1.0
Human Resources Specialist	1.0				-			Human Resources Specialist	1.0		1.0
Human Resources Analyst	1.0				-			Human Resources Analyst	1.0		1.0
<b>Total Human Resources Positions</b>	<b>3.0</b>				<b>-</b>				<b>3.0</b>	<b>-</b>	<b>3.0</b>
<b>Administrative Services</b>											
Administrative Services Director	1.0				-			Administrative Services Director		1.0	1.0
Finance Manager	1.0				-			Finance Manager	1.0		1.0
Accounting Technician	1.0				-			Accounting Technician	1.0		1.0
Accounting Assistant II	2.0				-			Accounting Assistant II	1.0	1.0	2.0
Accounting Assistant III	1.0				-			Accounting Assistant III	1.0		1.0
<b>Total Administrative Positions</b>	<b>6.0</b>				<b>-</b>				<b>4.0</b>	<b>2.0</b>	<b>6.0</b>
<b>Information Technology</b>											
Information Technology Director	1.0				-			Information Technology Director	1.0		1.0
GIS Project Manager	1.0				-			GIS Project Manager		1.0	1.0
IT Technician III	2.0				-			IT Technician III	2.0		2.0
Administrative Assistant	1.0				-			Administrative Assistant	1.0		1.0
<b>Total Information Technology Positions</b>	<b>5.0</b>				<b>-</b>				<b>4.0</b>	<b>1.0</b>	<b>5.0</b>
<b>Existing Positions</b>											
FY 2023 BUDGET	FY 2023		Hourly rate w/COLA	FY 2024 SUPPLEMENTAL CHANGES	FY 2024	Proposed	Proposed New	FY 2024 BUDGET	Filled	Vacant	FY 2024
Existing Positions	FTE Count			Position Changes Requested	FTE Change	Range/Step	Hourly Rate	PROPOSED Positions	Allocation	Allocations	FTE Count
<b>Police Department</b>											
Chief of Police (Interim)	1.0				-			Chief of Police (Interim)	1.0		1.0
Police Captain	1.0				-			Police Captain	1.0		1.0
Sergeant	5.0				-			Sergeant	5.0		5.0
Corporal	1.0				-			Corporal	1.0		1.0
Corporal (Filled as Police Officer)	1.0			Reclass to Police Officer	-	76/1	\$29.53	Police Officer	1.0		1.0
Corporal	1.0			Reclass to Sergeant	-	87/1	\$38.74	Sergeant		1.0	1.0
Police Officer	13.0				-			Police Officer	13		13.0
Police Officer	-			New Police Officer (50% SRO/50% Traffic)	1.0	76/1	\$29.53	Police Officer			1.0
Police Service Officer III	3.0				-			Police Service Officer III	3		3.0
Police Service Officer I	1.0				-			Police Service Officer I	1		1.0
Criminal Analyst	1.0				-			Criminal Analyst	1.0		1.0
Police Chief's Administrative Assistant	1.0				-			Police Chief's Administrative Assistant		1.0	1.0
<b>Total Police Positions</b>	<b>29.0</b>				<b>1.0</b>				<b>27.0</b>	<b>2.0</b>	<b>30.0</b>
<b>Public Services</b>											
Public Services Director	1.0				-			Public Services Director	1.0		1.0
Public Services Manager	1.0				-			Public Services Manager		1.0	1.0
Public Services Foreman	1.0				-			Public Services Foreman	1.0		1.0
Management Analyst	1.0				-			Management Analyst	1.0		1.0
Lead Equipment Mechanic	1.0				-			Lead Equipment Mechanic	1.0		1.0
Equipment Mechanic	1.0				-			Equipment Mechanic	1.0		1.0
Maintenance Electrician	1.0				-			Maintenance Electrician	1.0		1.0



General Maintenance Technician I	1.0			-			General Maintenance Technician I	1.0		1.0	
Building Services Worker	1.0			-			Building Services Worker	1.0		1.0	
Crew Leader	1.0			-			Crew Leader	2.0		1.0	
General Maintenance III	3.0			-			General Maintenance III	3.0		3.0	
General Maintenance II	1.0			-			General Maintenance II	1.0		1.0	
General Maintenance I	4.0			-			General Maintenance I	4.0		4.0	
<b>Total Public Services Positions</b>	<b>18.0</b>			<b>-</b>				<b>18.0</b>	<b>1.0</b>	<b>18.0</b>	
<b>FY 2023 BUDGET</b>	<b>FY 2023</b>			<b>FY 2024 SUPPLEMENTAL CHANGES</b>	<b>FY 2024</b>	<b>Proposed</b>	<b>Proposed New</b>	<b>FY 2024 BUDGET</b>	<b>Filled</b>	<b>Vacant</b>	<b>FY 2024</b>
<b>Existing Positions</b>	<b>FTE Count</b>		<b>Hourly rate w/COLA</b>	<b>Position Changes Requested</b>	<b>FTE Change</b>	<b>Range/Step</b>	<b>Hourly Rate</b>	<b>PROPOSED Positions</b>	<b>Allocation</b>	<b>Allocations</b>	<b>FTE Count</b>
<b>Community Development</b>											
Planning Commissioner	5.0			-			Planning Commissioner	5.0			5.0
Community Development Director	1.0			-			Community Development Director	1.0			1.0
Project Manager	1.0			-			Project Manager	1.0			1.0
Administrative Assistant	1.0			-			Administrative Assistant	1.0			1.0
Building Inspector I	1.0			-			Building Inspector I	1.0			1.0
Code Enforcement Inspector	1.0			-			Code Enforcement Inspector	1.0			1.0
Planner I	1.0			-			Planner I	1.0			1.0
Engineer Tech/Inspector	1.0			-			Engineer Tech/Inspector	1.0			1.0
Community Development Technician	1.0			-			Community Development Technician	1.0			1.0
Organic Waste Monitor	0.5			-			Organic Waste Monitor	0.5			0.5
<b>Total Community Development Positions</b>	<b>13.5</b>			<b>-</b>				<b>13.5</b>	<b>-</b>	<b>-</b>	<b>13.5</b>
<b>Library</b>											
Community Services Director (Vacant)	1.0			-			Community Services Director (Vacant)			1.0	1.0
Library Administrator	1.0			-			Library Administrator	1.0			1.0
Librarian	1.0			-			Librarian	1.0			1.0
Literacy Coordinator	1.0			-			Literacy Coordinator	1.0			1.0
Library Technician	1.0			-			Library Technician	1.0			1.0
Library Assistant I	2.0			-			Library Assistant I	2.0			2.0
Literacy Coordinator PT	1.0			-			Literacy Coordinator PT	1.0			1.0
Library Page PT	0.5			-			Library Page PT	0.5			0.5
<b>Total Library Services Positions</b>	<b>8.5</b>			<b>-</b>				<b>7.5</b>	<b>1.0</b>	<b>-</b>	<b>8.5</b>
<b>FY 2023 BUDGET</b>	<b>FY 2023</b>			<b>FY 2024 SUPPLEMENTAL CHANGES</b>	<b>FY 2024</b>	<b>Proposed</b>	<b>Proposed New</b>	<b>FY 2024 BUDGET</b>	<b>Filled</b>	<b>Vacant</b>	<b>FY 2024</b>
<b>Existing Positions</b>	<b>FTE Count</b>		<b>Hourly rate w/COLA</b>	<b>Position Changes Requested</b>	<b>FTE Change</b>	<b>Range/Step</b>	<b>Hourly Rate</b>	<b>PROPOSED Positions</b>	<b>Allocation</b>	<b>Allocations</b>	<b>FTE Count</b>
<b>Parks &amp; Recreation</b>											
Parks & Recreation Director	1.0			-			Parks & Recreation Director	1.0			1.0
Special Events Coordinator	1.0			-			Special Events Coordinator	1.0			1.0
Recreation Coordinator	1.0			-			Recreation Coordinator	1.0			1.0
Recreation Specialist	3.0			-			Recreation Specialist	1.0	2.0		3.0
Administrative Assistant	1.0			-			Administrative Assistant	1.0			1.0
Crew Leader Parks	1.0			-			Crew Leader Parks	1.0			1.0
Park Maintenance Worker III	2.0			-			Park Maintenance Worker III	2.0			2.0
Park Maintenance Worker II	4.0			-			Park Maintenance Worker II	4.0			4.0
Park Maintenance Worker I	4.0			-			Park Maintenance Worker I	4.0			4.0
Lifeguard/Rec Leaders 25 PT	13.0			-			Lifeguard/Rec Leaders 25 PT	13.0			13.0
<b>Total Parks &amp; Recreation Positions</b>	<b>31.0</b>			<b>-</b>				<b>29.0</b>	<b>2.0</b>	<b>-</b>	<b>31.0</b>
<b>Water</b>											
Water Plant Chief Operator	1.0			-			Water Plant Chief Operator	1.0			1.0
Water Treatment Operator III	3.0			-			Water Treatment Operator III	3.0			3.0
Water Treatment Operator II	1.0			-			Water Treatment Operator II	1.0			1.0
Distribution Utility Worker II	1.0			-			Distribution Utility Worker II	1.0			1.0
Distribution Utility Worker I	1.0			-			Distribution Utility Worker I	1.0			1.0
General Maintenance III	2.0			-			General Maintenance III	2.0			2.0
General Maintenance II	1.0			-			General Maintenance II	1.0			1.0
<b>Total Water Positions</b>	<b>10.0</b>			<b>-</b>				<b>10.0</b>	<b>-</b>	<b>-</b>	<b>10.0</b>
<b>FY 2023 BUDGET</b>	<b>FY 2023</b>			<b>FY 2024 SUPPLEMENTAL CHANGES</b>	<b>FY 2024</b>	<b>Proposed</b>	<b>Proposed New</b>	<b>FY 2024 BUDGET</b>	<b>Filled</b>	<b>Vacant</b>	<b>FY 2024</b>

Existing Positions	FTE Count	Hourly rate w/COLA	Position Changes Requested	FTE Change	Range/Step	Hourly Rate	PROPOSED Positions	Allocation	Allocations	FTE Count
<b>Wastewater</b>										
Wastewater Plant Chief Operator	1.0			-			Wastewater Plant Chief Operator	1.0		1.0
Wastewater Operator III	1.0			-			Wastewater Operator III	1.0		1.0
Wastewater Operator II	1.0			-			Wastewater Operator II	1.0		1.0
Wastewater Operator I	2.0			-			Wastewater Operator I	2.0		2.0
General Maintenance III	1.0			-			General Maintenance III	1.0		1.0
General Maintenance I	1.0			-			General Maintenance I	1.0		1.0
<b>Total Wastewater Positions</b>	<b>7.0</b>			<b>-</b>				<b>7.0</b>	<b>-</b>	<b>7.0</b>
<b>GRAND TOTAL ALL DEPARTMENTS</b>	<b>141.0</b>			<b>1.0</b>				<b>132.0</b>	<b>10.0</b>	<b>142.0</b>

CITY OF IMPERIAL - Q1 QUARTERLY BUDGET UPDATE

GENERAL FUND REVENUE SUMMARY

TOP REVENUES IN THE GENERAL FUND								
REVENUES	FY 2024		FY 2023		FY 2022		FY 2021	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
<b>Fund: 01 - GENERAL FUND</b>								
TOTAL PROPERTY TAXES	2,105,200	16,395	1,926,846	16,964	1,492,392	9,152	1,492,392	14,534
01-000-4120 SALES TAX	3,419,100	523,657	-	646,625	2,597,436	242,520	1,943,000	157,734
TOTAL CANNBIS TAX	765,000	43,093	750,000	10,038	484,000	(900)	368,000	55,835
01-000-4130 FRANCHISES	360,000	94,458	250,000	85,804	250,000	47,853	250,000	35,648
01-000-4140 TRANSIENT OCCUPANCY TAX	350,000	97,505	35,000	33,241	20,000	-	20,000	(14,396)
01-000-4210 BUSINESS LICENSES	66,300	4,741	65,000	4,760	60,000	3,974	55,000	2,627
COMMUNITY DEVELOPMENT PERMITS & FEES	622,500	350,973	600,000	58,364	565,000	122,168	590,000	149,259
01-000-4330 UTILITY PENALTIES	168,300	45,843	100,000	44,398	-	30,266	125,000	25,370
01-000-4410 MOTOR VEHICLE IN LIEU	2,173,800	-	2,131,142	-	1,757,357	-	1,757,357	-
01-000-4508 CFD SERVICE FEE	100,000	-	100,000	-	100,000	-	100,000	-
SOLID WASTE & RELATED REVENUES	2,142,600	485,514	1,817,000	441,359	1,537,004	141,903	1,244,880	262,851
PARKS & RECREATION FEES	60,000	11,071	36,800	7,196	36,500	11,748	36,500	150
01-000-4610 INTEREST EARNED	490,000	59,951	6,000	2,494	6,500	671	6,500	671
01-000-4910 OPERATING TRANSFERS IN	5,991,000	1,496,500	1,946,558	-	4,391,878	-	1,363,797	-
<b>TOTAL REVENUES GENERAL FUND</b>	<b>19,623,200</b>	<b>3,379,139</b>	<b>10,776,620</b>	<b>1,376,643</b>	<b>14,087,588</b>	<b>699,553</b>	<b>10,149,367</b>	<b>728,682</b>

TOP 5 REVENUES IN THE GENERAL FUND								
	FY 2024		FY 2023		FY 2022		FY 2021	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
01-000-4910 OPERATING TRANSFERS IN	5,991,000	1,496,500	1,946,558	-	4,391,878	-	1,363,797	-
01-000-4120 SALES TAX	3,419,100	523,657	-	646,625	2,597,436	242,520	1,943,000	157,734
01-000-4410 MOTOR VEHICLE IN LIEU	2,173,800	-	2,131,142	-	1,757,357	-	1,757,357	-
SOLID WASTE & RELATED REVENUES	2,142,600	485,514	1,817,000	441,359	1,537,004	141,903	1,244,880	262,851
TOTAL PROPERTY TAXES	2,105,200	16,395	1,926,846	16,964	1,492,392	9,152	1,492,392	14,534
<b>TOTAL REVENUES GENERAL FUND</b>	<b>19,623,200</b>	<b>3,379,139</b>	<b>10,776,620</b>	<b>1,376,643</b>	<b>14,087,588</b>	<b>699,553</b>	<b>10,149,367</b>	<b>728,682</b>
<b>Top 5 Revenues</b>	<b>15,831,700</b>	<b>2,522,066</b>	<b>7,821,546</b>	<b>1,104,948</b>	<b>11,776,067</b>	<b>393,575</b>	<b>7,801,426</b>	<b>435,119</b>
		81%		73%		84%		77%

**CITY OF IMPERIAL - Q1 QUARTERLY BUDGET UPDATE**

**GENERAL FUND REVENUE SUMMARY**

FY 2020	
Budget	Actual
1,738,243	19,729
2,204,964	131,544
-	-
265,000	14,283
26,000	-
55,000	7,595
590,000	117,542
100,000	33,426
1,637,565	-
100,000	25,000
1,244,880	234,820
68,000	27,278
6,500	671
1,648,647	316,065
<b>10,312,690</b>	<b>1,027,833</b>

FY 2020	
Budget	Actual
1,648,647	316,065
2,204,964	131,544
1,637,565	-
1,244,880	234,820
1,738,243	19,729
<b>10,312,690</b>	<b>1,027,833</b>
<b>8,474,299</b>	<b>702,157</b>
	82%