



MINUTES OF THE BUDGET, FISCAL & LEGISLATIVE STANDING COMMITTEE MEETING

Tuesday, June 1, 2021

ROLL CALL

The special meeting held virtually via Zoom convened at 5:31 pm. Present were Committee members Mayor Elizabeth Pabon-Alvarado and Councilmember Patricia Ponce. Also present: City Manager Matt Rodriguez, City Attorney Lynn Tracy Nerland, Assistant City Manager Charles Ching, Interim Finance Director Jane Du, Public Works Director/City Engineer Jill Mercurio, City Treasurer Viviana Toledo, Executive Assistant to the City Manager LaTanya Fisher, and Deputy City Clerk Lehny Corbin.

NOTICE TO PUBLIC

An announcement was made by Deputy City Clerk Corbin regarding participation in the meeting. There were no public speakers.

ITEMS FOR COMMITTEE DIRECTION AND/OR ACTION:

1. Preliminary DRAFT FY 2021/22 Budget and 5-Year-CIP Budget Amendment Review

City Manager Rodriguez provided a brief overview of the preliminary draft FY21/22 budget, the process for the Standing Committee to review the draft budget and for final adoption by the City Council. He referenced the Budget Message and explained that due to COVID-19, a one-year budget is necessary and is cautiously optimistic about returning to normal operating levels and closing out this period with little to no substantial impacts. Mr. Rodriguez stated that when the city recovers from the COVID period, the multi-year budgets will resume.

Interim Director of Finance Du gave a PowerPoint presentation of the overview of the balanced Fiscal Year 2021/22 General Fund Budget, the city's financial condition with balance of \$24.6M for Fiscal Resiliency Reserve, \$4.4M in the General Fund Designated Reserve as of June 2021. Also presented were the City Manager's fiscal risk warnings, the financial strategy for the FY 21/22 General Budget; the FTE hiring freeze, and the General Funds Balancing Sheet showing the COVID-19 Impacted FY20/21 Adopted Budget (\$37M) and the post COVID-19 Economic Recovery FY 21/22 Proposed Budget (\$44.3M). Ms. Du presented the Major Revenue Factors – The Casino revenues, the sales tax, the property tax in lieu of VLF, the utility users tax, the General Property Taxes and others (\$44.3M); the Major Cost Factors which include the CalPERS Pension, Employee Labor Costs, Healthcare Costs, MPA Insurance and Increased supplies and services costs. Ms. Du presented the citywide budget expenses by departments and the next Fiscal Year's Resiliency Undesignated Reserves.

Public Works Director/City Engineer Mercurio presented the CIP funding by projects and their funding sources; the unscheduled/unfunded projects.

City Manager Rodriguez presented the Standing Committee with the actions and steps for budget consideration and adoption at the June 9 public budget hearing.

The Standing Committee members expressed their comments.

A motion was made and seconded by Ponce and Pabon-Alvarado, respectively.

2. FY 2020/21 General Fund Designated Reserves (GFDR) Amendment (One-time Funds Allocation) and Recommend Appropriation of \$562,500 for the SPEDC Operating Subsidy Agreement for FY 2020/21

City Manager Rodriguez presented the 2021 General Fund Designated Reserves allocations proposed for June 2021, which included the current GFDR Overview; an overview of the FY20/21 GFDR Amendments; the FY20/21 Proposed Amendments for June 2021; as well as the recommended FY 20/21 GFDR allocation proposed amendment, the allocation and appropriation of \$562,500 for SPEDC Operational Subsidy Agreement for FY 20/21; and any future GFDR amendments upon receipt of future one-time funds which would be reviewed in advance by the Standing Committee with recommendations to the City Council for approval by Resolution in July 2021.

The Standing Committee members expressed their comments.

A motion was made and seconded by Ponce and Pabon-Alvarado, respectively.

3. Annual Appropriations (“Gann”) Limit for FY2021/22

Interim Finance Director Du presented an overview of the annual Appropriations GANN Limit which included the history and purpose of GANN Appropriation Limit as well as the formula to reach \$50,377,828 amount, which includes the property tax, utility users tax, and business license tax.

The Standing Committee members expressed their comments.

A motion was made and seconded by Pabon-Alvarado and Ponce, respectively.

ADJOURNMENT

The meeting adjourn at 6:19 pm.