



City of Lathrop Mid-Year Budget Review

March 11, 2024

Item 5.3



Overview



- In June 2023, the City Council adopted the Biennial Budget for Fiscal Years 2023/24 and 2024/25.
- At the mid-point of the fiscal year, staff is updating Council on the City's financial status.
- Items for Council review include:
- Mid-Year Budget Report for Year 1 of Biennial Budget FY 2024 and 2025
 - Amendments to Year 1 of the Biennial Budget FY 2024 including:
 - Program Requests
 - New/ Revised Job Description's
 - Amended Grade Step Table
 - Amended Position Control Roster

Mid-Year Update

- **Current revenue trends in property tax and interest earnings from the City's investment portfolio are better than projected; therefore, staff is recommending increasing property tax revenue by \$200,000, property tax in lieu of VLF by \$200,000, and interest earnings by \$100,000. Staff will continue to evaluate revenues at the end of Year 1 (FY 2024) to recommend additional adjustments to projections if needed.**
- **Last year Lathrop was the fastest growing City in the State of California. With the growing population there comes a need for additional staffing to provide services to our residents.**
- **The City's tax base and development activity have become solid indicators that Lathrop needs additional staffing to be able to continue to deliver the high level of service that the community has come to expect from City Hall.**
- **In addition, the City has new facilities and equipment that need to be staffed. In order for the City to ensure they have qualified and experienced staff in place, the mid-year includes several reclassifications and new positions.**
- **The following slides summarize the proposed mid-year staffing requests to add/create/ unfund positions as well as proposed reclassifications**

Mid-Year Staffing Requests – Add/ Create/ Unfund

Information Systems

Unfund (Vacant) Chief Information Officer

Add Information Technology Technician

Add Information Technology Engineer I/II

Parks, Recreation & Fleet

Unfund Recreation Leader Part-time

Add Fleet Attendant Part-time

Police

Add Police Lieutenant

Add Crime and Intelligence Analyst

Add/ Create/ Reclass Property and Evidence Manager

Public Works

Unfund (Vacant) Senior Civil Engineer

Add Principal Engineer

Add/ Update Project Manager

Mid-Year Staffing Requests - RECLASSIFICATION

City Attorney

Administrative Assistant III to Legal Secretary

Legal Secretary to Legal Assistant

Finance

Customer Service Representative I to Accountant I/II

Parks, Recreation and Fleet

Recreation Manager to Parks and recreation Manager

Landscape & Irrigation Specialist to Maintenance Services Supervisor

Mid-Year Staffing Requests - RECLASSIFICATION



Police

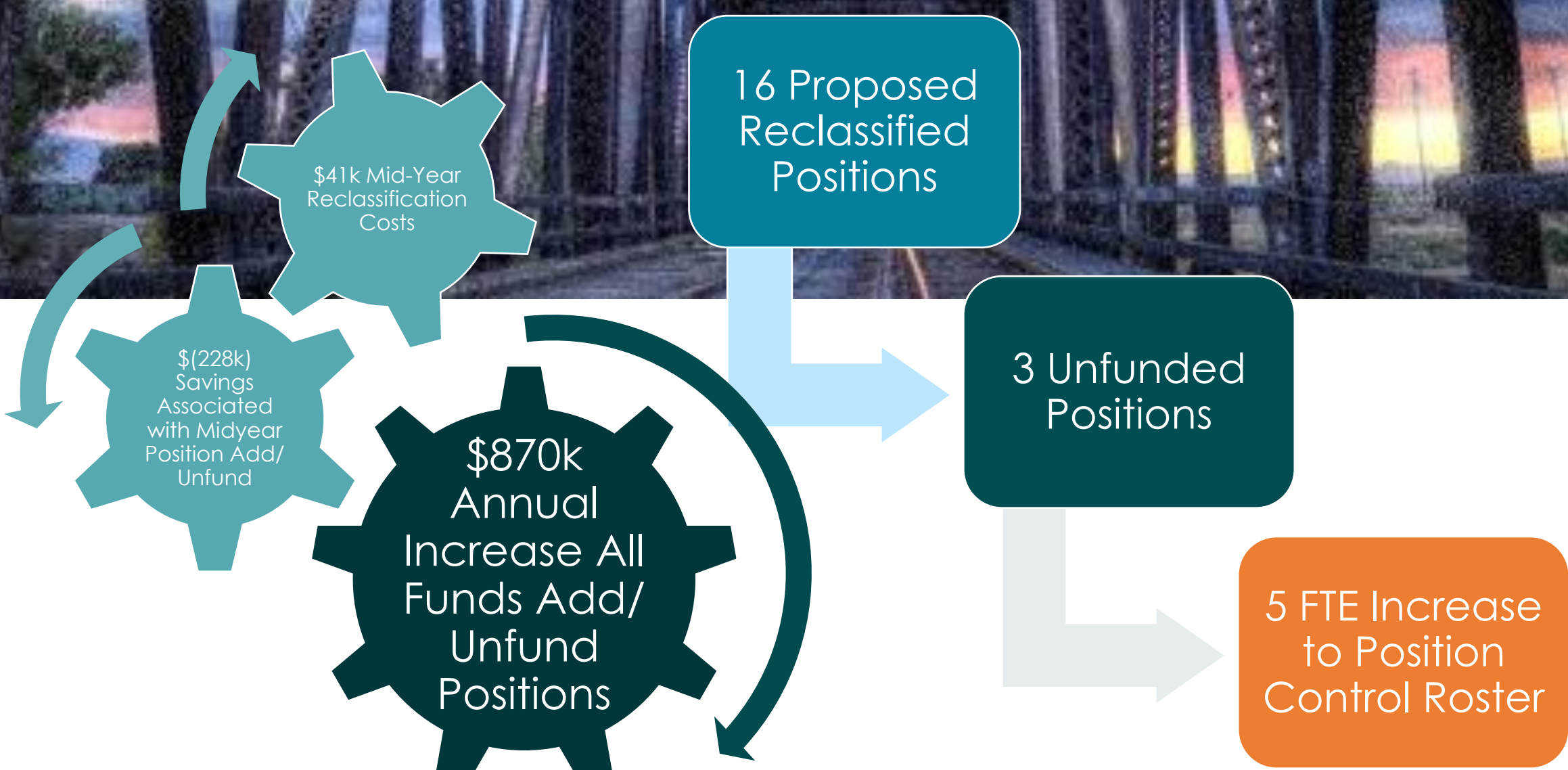
Police Officer
to Police
Corporal
(5 FTE)

Police
Commander to
Police Captain
(2 FTE)

Public
Works

Assistant
Engineer to
Associate
Engineer (2 FTE)

Mid Year Staffing Requests - SUMMARY



Mid-Year General Fund Program Requests



The following program/project requests require additional funding from the General Fund to address a specific need:

1. City Council: Increase training & travel in the amount of \$7,500 for anticipated in state training and travel.
2. City Clerk: Increase professional services by \$26,000 to cover Phase II Record Management Improvements.
3. Information Technology: Increase subscription and computer equipment in the amount of \$440,000 for the purchase of various software and hardware to become compliant with the Department of Homeland Security's requirements for cyber security posture while complying with the recommendations to lower our cyber security insurance.
4. Parks and Recreation: Increase Leisure contracts in the amount of \$30,000 to cover the growth of the programs that are performing better than expected, this will be offset by service charge revenue of \$30,000.

General Fund Summary

- Current revenue trends in property tax and sales tax seem favorable and will be evaluated at the end of Year 1 (FY 2024) to recommend additional adjustments to projections if needed.
- Expenditures are projected to end the year at \$34.6 million.
- The City's Reserve Policy has established an acceptable reserve balance range of 10%-50% of operating expenditures, with a primary goal of 50%.
 - Current projected unallocated Fund Balance is 24% of operating Expenses
- Staff will continue to update Council as additional financial and economic data becomes available.



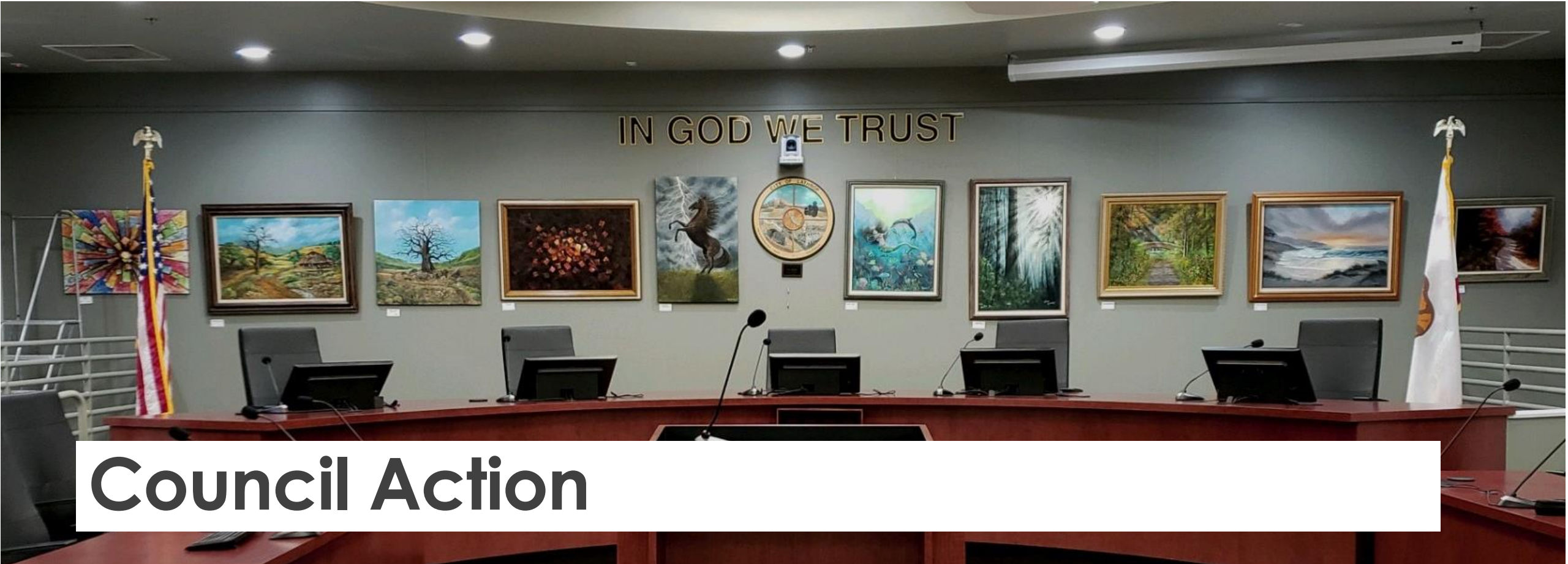
GENERAL FUND MID-YEAR REQUESTS SUMMARY

<i>(in millions)</i>	FY 2024 Amended	FY 2024 Mid-Year
Begin Balance	\$8.8	\$8.8
Revenue	\$34.2	\$34.8
Expenditures	\$34.6	\$35.1
Unallocated Fund Balance	\$8.4	\$8.5



Notable Mid-Year Non General Fund Program Requests

- \$200,000 for Measure C for the Streets CIP PS24-30 Pedestrian Safety Enhancement to upgrade existing facilities as well as construct new facilities to increase pedestrian safety and access throughout the City
- \$64,731 for Sewer Fund Communication Equipment Repair for PRIMEX services to update SCADA control hardware and software
- \$55,770 for Water Fund Communications Equipment Repair associated with PRIMEX services to update SCADA control hardware and software PLC/ OIT
- \$79,390 for Water Fund Professional Services for Sustainable Groundwater Management Act Compliance for Lathrop's proportionate share of Tracy Sub basin GSP Implementation
- \$25,000 for Crossroads Storm Drain Zone 1A for repair of radiator and oil cooler at the Crossroads Storm Drain Pump Station
- \$12,000 for Measure C for the purchase and installation of two pipe swing gates at the Lathrop Generation Center



Council Action

Staff recommends that the City Council:

- Adopt the proposed resolution amending Year 1 (FY 2024) of the adopted Biennial Budget for various funds and projects as identified
- Approve New & Revised Job Description's
- Amend the City's Grade Step Table
- Amend the City's Position Control Roster