

REPORT TO CITY COUNCIL

DATE: JUNE 22, 2022

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: CHRISTY TRUELSEN, DIRECTOR OF FINANCE

SUBJECT: CONDUCT A PUBLIC HEARING TO CONSIDER THE ADOPTION OF RESOLUTION NO. 22-2014; ESTABLISHING FISCAL YEAR 2022-23 APPROPRIATIONS LIMITATIONS, RESOLUTION NO. 22-2015; ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2022-23, INCLUDING FISCAL YEAR 2022-23 APPROPRIATIONS, AND AUTHORIZING AMENDMENTS TO THE FISCAL YEAR 2021-22 ANNUAL BUDGET

Article 13-b of the California State Constitution, known as Proposition 4, the Gann Initiative, was passed by the citizens of California on November 6, 1979. Proposition 4 placed limitations on the amount of annual appropriations "from the proceeds of taxes" for state and local governments. The legislation also provided a method to calculate the annual appropriation limit, using a growth factor comprised of the Consumer Price Index (CPI) for California per capital income and the percentage change in population. The City of Agoura Hills appropriation limit for the General Fund from the "proceeds of taxes" for Fiscal Year 2022-23 is \$21,206,659.

The City is in the second year of a two-year budget plan. This year, staff will recommend the adoption and appropriation of the Fiscal Year 2022-23 Annual budget. The General Fund operational budget is balanced. Revenues are projected to be \$18.8 million.

Proposed expenditures are recommended at \$17.7 million, with operating transfers of \$1.1 million (\$18.8 million total). Public safety continues to be one of the highest priorities, at 27% of the General Fund budget, to fund various programs. These include patrol and traffic personnel, a shared crime analyst, crossing guards and animal control services.

On June 8, 2022, the City Council held a budget workshop, extensively covering all budget matters, and direction by the City Council has been incorporated into the final budget.

The proposed amendments to the General Fund 2022-23 budget include adjusting the community service grants to include a \$20,000 grant to the Mountains Recreation and Conservation Authority (MRCA) and additional amounts to several other local

organizations. These recommendations are incorporated within the proposed budget for fiscal year 2022-23.

The fiscal year 2022-23 budget for the City of Agoura Hills is \$28.0 million, which includes approximately \$25.5 million in day-to-day operational/service costs, with an additional \$2.5 million in capital projects. The capital improvement projects include the completion of the Roadside Bridge widening and the annual citywide street resurfacing program.

For the budget year 2022-23 the General Fund projected ending fund balance is \$13.4 million, or 71% of operating expenditures and transfers. This year the City Council committed \$50,000 of the General Fund balance to Open Space. The rest of the fund balance within the General Fund will be used for operational needs during the upcoming fiscal year, and for cashflow on any grant related projects. These reserves serve as a temporary funding source for the many grants the City receives, as they come in the form of reimbursements. Additionally, the City utilizes the reserve for cash flow and emergency reserves.

RECOMMENDATION

Staff respectfully recommends the City Council conduct a public hearing to consider the adoption of:

Resolution No. 22-2014 Establishing fiscal year 2022-23 Appropriations Limitations.

Resolution No. 22-2015; Adopting the Annual Budget for fiscal year 2022-23 including fiscal year 2022-23 appropriations and authorizing amendments to the fiscal year 2021-22 Annual Budget

Attachments: Sources and Uses
City Council Resolution No. 22-2014
City Council Resolution No. 22-2015

RESOLUTION NO. 22-2014

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
AGOURA HILLS, CALIFORNIA, ESTABLISHING FISCAL
YEAR 2022-23 APPROPRIATIONS LIMITATIONS**

WHEREAS, Article 13-b of the California Constitution refers to a government entity's requirement for the establishment of an appropriations limit; and

WHEREAS, Senate Bill 1352, Chapter 1205, 1980, statute adds Revenue and Taxation Code, Section 7910, which requires each local government to establish its appropriation limits by resolution each year at a regularly scheduled meeting.

NOW, THEREFORE, BE IT RESOLVED, that the City of Agoura Hills', appropriation limitation for Fiscal Year 2022-23 shall be \$21,206.659.

BE IT FURTHER RESOLVED, that any challenge to the appropriations limits, as per the above mentioned government codes, must be brought to the City of Agoura Hills' attention within sixty (60) days of the effective date of this resolution.

PASSED, APPROVED, AND ADOPTED, this 22nd day of June 2022, by the following vote to wit;

AYES: ()
NOES: ()
ABSENT: ()
ABSTAIN: ()

Deborah Klein Lopez, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk

**CITY OF AGOURA HILLS
GANN APPROPRIATION LIMIT
FY 2022-23**

Appropriation Limitation Calculation				Schedule 1	Appropriation Subject to Limit			
% Change in				Appropriation Limit by Fiscal Year				
Per Capita Income	Population per DOF	Growth Factor						
					Source	Estimated Revenues	Proceeds of Tax	Non Proceeds of Tax
1981-82 Base Year Approp Subject to Limit:				\$2,200,000	Unrestricted:			
Allowed Growth Rate:					Taxes	\$15,994,437	\$15,194,437	\$800,000
1992-93	0.9936	1.0133	1.0068149	5,920,556	License and Permits	523,000		523,000
1993-94	1.0272	1.0080	1.0354176	6,130,248	Charges for Services	955,800		955,800
1994-95	1.0071	1.0028	1.0099199	6,191,060	Fines and Forfeitures	64,000		64,000
1995-96	1.0472	0.9969	1.0439537	6,463,180	Interest Earnings	60,000	47,400	12,600
1996-97	1.0467	1.0034	1.0502588	6,788,011	Miscellaneous	1,236,657		1,236,657
1997-98	1.0467	1.0104	1.0575857	7,178,904	Total Unrestricted	18,833,894	15,241,837	3,592,057
1998-99	1.0415	1.0120	1.0539980	7,566,550	Restricted:			
1999-00	1.0453	1.0158	1.0618157	8,034,282	Taxes	36,000	36,000	0
2000-01	1.0491	1.0148	1.0646267	8,553,511	License and Permits			0
2001-02	1.0782	1.0137	1.0929713	9,348,742	Intergovernmental	6,901,385		6,901,385
2002-03	0.9873	1.0400	1.0267920	9,599,213	Charges for Services	73,000		73,000
2003-04	1.0231	1.0157	1.0391627	9,975,145	Fines and Forfeitures	40,000		40,000
2004-05	1.0328	1.0102	1.0433346	10,407,413	Interest Earnings	70,200		70,200
2005-06	1.0526	1.0540	1.1094404	11,546,405	Miscellaneous	50,000		50,000
2006-07	1.0396	1.0017	1.0413673	12,024,049	Total Restricted	7,170,585	36,000	7,134,585
2007-08	1.0442	1.0034	1.0477503	12,598,200	Total Source of Funds	\$26,004,479	\$15,277,837	\$10,726,642
* 2008-09	1.0429	1.0056	1.0487402	13,212,239				
* 2009-10	1.0062	1.0058	1.0120360	13,371,262				
2010-11	0.9746	1.0059	0.9803501	13,108,518				
* 2011-12	1.0251	1.0025	1.0276628	13,471,136				
* 2012-13	1.0377	1.0021	1.0398792	14,008,354				
2013-14	1.0512	1.0045	1.0559304	14,791,847				
2014-15	0.9977	1.0047	1.0023892	14,827,188				
2015-16	1.0382	1.0064	1.0448445	15,492,106				
2016-17	1.0537	1.0068	1.0608652	16,435,036				
2017-18	1.0369	1.0001	1.0370037	17,043,191				
2018-19	1.0367	1.0010	1.0377367	17,686,345				
2019-20	1.0385	0.9985	1.0369430	18,339,732				
2020-21	1.0373	0.9973	1.0344993	18,972,440				
2021-22	1.0573	0.9931	1.0500046	19,921,149				
2022-23	1.0755	0.9898	1.0645299	21,206,659				
2022-23 Appropriation Limit				\$21,206,659				
Less Appropriations subject to limit (Sched 2)				15,277,837				
2021-22 Appropriations Under Allowed Limit				\$5,928,822				

* Revised

RESOLUTION NO. 22-2015

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AGOURA HILLS, CALIFORNIA, ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2022-23, INCLUDING FISCAL YEAR 2022-23 APPROPRIATIONS, AND AUTHORIZING AMENDMENTS TO THE FISCAL YEAR 2021-22 ANNUAL BUDGET

WHEREAS, the City Council has reviewed the preliminary budget for Fiscal Years 2022-23 and the amended budget for Fiscal Year 2021-22; and

WHEREAS, a Budget Workshop concerning the Fiscal Year 2022-23 proposed budget was held on Wednesday, June 8, 2022.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Agoura Hills, as follows:

1. That the Fiscal Years 2022-23 Budget be adopted, pursuant to Chapter 6, Section 2603 (Ordinance No. 22) of the City of Agoura Hills Municipal Code,
2. That the amounts shown on Exhibit "A" for the Fiscal Year 2022-23 Budget are hereby appropriated.
3. That the proposed amendments to the Fiscal Year 2021-22 Budget be approved.
4. Any unused appropriations from the Fiscal Year 2021-22 Adopted Budget at the end of Fiscal Year 2021-22 may be re-appropriated by the City Manager for continued use in Fiscal Year 2022-23.

PASSED, APPROVED, AND ADOPTED, this 22nd day of June 2022, by the following vote to wit;

AYES: (
NOES: (
ABSENT: (
ABSTAIN: (
)

Deborah Klein Lopez, Mayor

ATTEST:

Kimberly M. Rodrigues, City Clerk

**City of Agoura Hills
Sources and Uses
Estimated Budget 2021-22**

Fund	----- Estimate 2021/22-----				Fund Balance 6/30/2022
	Fund Balance 6/30/2021	Revenues	Expenditures	Transfers (Out)/In	
<u>City of Agoura Hills</u>					
10 General Fund	10,654,100	21,394,747	16,772,027	(1,936,005)	13,340,815
20 Gas Tax	5,967	537,389	481,000	0	62,356
22 RRAA	448,097	424,216	787,000	0	85,313
30 Retirement Rate Stabilization	200,975	3,000	0	0	203,975
40 Traffic Safety	13,770	40,200	40,000	0	13,970
60 Proposition A	883,827	625,450	559,140	0	950,137
61 Proposition C	831,525	454,500	796,621	0	489,404
63 Measure R	167,879	340,500	344,883	0	163,496
64 Measure M	10,353	360,500	297,758	0	73,095
65 Measure W	104,517	340,000	423,000	0	21,517
70 SCAQMD	113,926	27,000	95,700	0	45,226
110 Traffic Improvement	1,632,326	4,000	0	0	1,636,326
111 Utility Undergrounding	53,441	500	0	0	53,941
240 Suppl. Law Enfcmt	134,404	136,700	152,865	0	118,239
250 CDBG	109	115,026	115,026	0	109
260 Misc. Grants	(419,915)	3,350,186	3,350,186	0	(419,915)
520 Waste Management	219,053	113,000	121,900	0	210,153
420 Inc. Housing In-Lieu	1,809,035	20,000	10,000	0	1,819,035
300 Public Fin Auth Debt Service	1,095	-	0	0	1,095
305 Improvement Authority Debt Ser	292,614	1,500	913,025	913,025	294,114
620 Successor Housing	702,080	10,000	103,412	147,980	756,648
11 Capital Projects Fund	12,544	0	106,000	625,000	531,544
12 Facilities Fund	210,553	2,500	60,425	250,000	402,628
15 Rec Center Capital Projects	(23,560)	25,000	25,000	0	(23,560)
16 Stormwater Capital Projects	1,004,462	709,700	434,000	0	1,280,162
18 Measure R Capital Projects	(3,197,741)	1,350,500	1,344,027	0	(3,191,268)
19 Measure M Capital Projects	(1,101,474)	600,000	801,756	0	(1,303,230)
Total City of Agoura Hills	14,763,960	30,986,114	28,134,751	0	17,615,323

**City of Agoura Hills
Sources and Uses
Estimated Budget 2022-23**

Fund	----- Estimate 2022/23-----				Fund Balance 6/30/2023
	Fund Balance 6/30/2022	Revenues	Expenditures	Transfers (Out)/In	
<u>City of Agoura Hills</u>					
10 General Fund	13,340,815	18,833,891	17,748,424	(1,056,005)	13,370,277
20 Gas Tax	62,356	598,034	654,800	0	5,590
22 RRAA	85,313	466,810	450,000	0	102,123
30 Retirement Rate Stabilization	203,975	3,000	0	0	206,975
40 Traffic Safety	13,970	40,200	40,000	0	14,170
60 Proposition A	950,137	634,535	734,847	0	849,825
61 Proposition C	489,404	414,478	185,992	0	717,890
63 Measure R	163,496	312,983	342,547	0	133,932
64 Measure M	73,095	352,381	342,754	0	82,722
65 Measure W	21,517	340,000	328,000	0	33,517
70 SCAQMD	45,226	27,000	60,000	0	12,226
110 Traffic Improvement	1,636,326	4,000	600,000	0	1,040,326
111 Utility Undergrounding	53,941	500	0	0	54,441
240 Suppl. Law Encfmt	118,239	100,700	192,866	0	26,073
250 CDBG	109	100,000	100,000	0	109
260 Misc. Grants	(419,915)	2,472,464	2,472,460	0	(419,911)
520 Waste Management	210,153	112,000	118,900	0	203,253
420 Inc. Housing In-Lieu	1,819,035	20,000	30,000	0	1,809,035
300 Public Fin Auth Debt Service	1,095	0	0	0	1,095
305 Improvement Authority Debt Ser	294,114	1,500	905,475	908,025	298,164
620 Successor Housing	756,648	10,000	261,435	147,980	653,193
11 Capital Projects Fund	531,544	0	517,500	0	14,044
12 Facilities Fund	402,628	0	0	0	402,628
15 Rec Center Capital Projects	(23,560)	0	0	0	(23,560)
16 Stormwater Capital Projects	1,280,162	10,000	500,000	0	790,162
18 Measure R Capital Projects	(3,191,268)	550,000	351,402	0	(2,992,670)
19 Measure M Capital Projects	(1,303,230)	600,000	1,065,264	0	(1,768,494)
Total City of Agoura Hills	17,615,323	26,004,476	28,002,666	0	15,617,133