



Item No. 5 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER

FROM: ROBERT BARRON III, FINANCE DIRECTOR

DATE: FEBRUARY 21, 2024

SUBJECT: ADOPT THE ATTACHED BUDGET AMENDMENT RESOLUTION
FOR THE FY 2023/24 BUDGET

RECOMMENDATION

It is recommended that the Council adopt the attached Resolution authorizing a Budget Amendment for the FY 2023/24 Budget.

BACKGROUND

Staff presented the Mid-Year budget review for the General Fund FY 2023/24 at its February 7, 2024 Study Session. Staff noted that the FY 2023/24 Budget reflects the Town's positive financial outlook while maintaining City Council priorities. The FY 2023/24 Mid-Year Budget Report provides the Council with information about the status of the Town's financial condition at the half-way point in the Fiscal Year. The Report highlights the current year expenditures, year-end estimates, and identifies any significant issues which may impact the upcoming budget.

The Council discussed revenue and expenditure summaries across all departments. Staff advised that there were several areas that required a Mid-Year Budget Amendment. The majority of items identified are one-time expenditures for operations or maintenance; and/or one-time priority contract revenue adjustment and engaging a survey consultant for Town wide survey. For FY 2023/24, the Mid-Year adjustment is \$440,000 spread across the five identified areas. Overall, revenues are expected to exceed projections for the fiscal year by \$1,074,911 (inclusive of ERAF).

FINDINGS | ANALYSIS

There are several adjustments needed which require an increase in appropriations of \$440,000. The majority were identified as one-time expenditures related to specific staffing, one-time operational, contract services, and IT support. In addition to these one-time adjustments, staff advised that due to an increase in revenue projections, there is a related expenditure adjustment of (\$243,000) for building contract services. During the Mid-Year budget review discussion, the Council discussed a Town wide survey that will begin this fall. In anticipation, staff advised a

consultant will be tasked to perform this service. There is a one-time expenditure adjustment of (\$75,000) added to the Administration Department Mid-Year budget resolution as staff works to solicit survey consultants to perform the services. Staff also advised that there is an Inter-Department adjustment of (\$47,000) for IT support for the fiscal year due to IT upgrades within the Police Department and the required level of support services. The Police Department requires a budget adjustment for overtime expense of (\$55,000) for backfill to maintain staffing model for shifts mainly attributed to filling in for sick time, required training, and other related absences such as vacation. Lastly, there is a need for a budget adjustment in Public Works (\$20,000) for a part-time temporary employee to manage events at the park until an RFP for Event Management Services is released and the new services are in place.

FISCAL IMPACT

The overall fiscal impact to the General Fund due to Mid-Year adjustments is a General Fund Net expenditure increase of \$440,000 (2.2%) against a General Fund (plus ERAF) revenue increase of \$1,439,911 (6.5%).

GOAL ALIGNMENT

This Report and its contents are in alignment with the following Council Policy Goals:

- Goal Area A – Maintain Fiscal Responsibility

POLICY FOCUS

The Mid-Year Budget Report is an opportunity to make adjustments and operations corrections based on unanticipated changes and the goals and priorities of the City Council. If there are projects or priorities that the Council wishes to address at mid-year, this is the opportunity to do so. The Mid-Year Budget Report encompasses all changes to the budget thus far in the Fiscal Year. Staff is presenting a Budget Amendment Resolution for adoption to reflect the noted adjustments.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders –to include, but be not limited to, media outlets, school districts, Menlo Park Fire Protection District, service providers (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item has not been before a Town Committee or Commission

ATTACHMENTS

1. Mid-Year FY 23/24 Budget Adjustment Resolution No. 24-XX