



City of Culver City

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Staff Report

File #: 21-1118, **Version:** 1

Item #: PH-1.

CC:SA:HA:PA - PUBLIC HEARING: (1) Adoption of a City Council Resolution Approving and Adopting the Annual Appropriations Limit for Fiscal Year (FY) 2021/2022; (2) Adoption of Respective Resolutions Adopting the FY 2021/2022 Budget for the City of Culver City, the Successor Agency to the Culver City Redevelopment Agency, the Culver City Housing Authority, and the Culver City Parking Authority; and (3) Adoption of a Resolution Approving Salary Schedules for Miscellaneous Employees, Police Safety Employees and Fire Safety Employees Effective July 1, 2021.

Meeting Date: June 28, 2021

Contact Person/Dept: Onyx Jones/Finance

Phone Number: (310) 253-5865

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☒ No ☐

Public Hearing: ☒ **Action Item:** ☐

Attachments: Yes ☐ No ☐

Commission Action Required: Yes ☐ No ☐ **Date:**

Commission Name:

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/23/2021)

Department Approval: Onyx Jones, Chief Financial Officer (06/23/2021)

RECOMMENDATION

Staff recommends (1) the City Council adopt a resolution approving and adopting the Annual Appropriations Limit for FY 2021/2022; (2) the City Council and the Boards of the Successor Agency to the Culver City Redevelopment Agency (Successor Agency), Culver City Housing Authority (Housing Authority), and the Culver City Parking Authority (Parking Authority) (collectively, "Boards") adopt respective resolutions approving the FY 2021/2022 Budgets for the City of Culver City, Successor Agency, Housing Authority, and Parking Authority; and (3) the City Council adopt a resolution approving Salary Schedules for Miscellaneous Employees, Police Safety Employees and Fire Safety Employees effective July 1, 2021

PROCEDURE

- 1) Mayor/Chair seeks motion to receive and file the Affidavit of Publication;
- 2) Mayor/Chair seeks a Motion to open the Joint Public Hearing;
- 3) Mayor/Chair requests a staff report, if desired;
- 4) Mayor/Chair calls for, and the City Council/Boards receive, public testimony;
- 5) Mayor/Chair seeks a Motion to close the Joint Public Hearing;
- 6) City Council adopts resolution approving the Annual Appropriations Limit for FY 2021/2022;
- 7) City Council and Boards adopt respective resolutions approving the FY 2021/2022 Budgets for the City of Culver City, Successor Agency, Housing Authority, and Parking Authority;
- 8) City Council adopts a resolution approving salary schedules for Miscellaneous Employees, Police Safety Employees, and Fire Safety Employees effective July 1, 2021.

BACKGROUND / DISCUSSION

Annual Appropriation Limit:

Proposition 4, approved by the voters on November 6, 1979, added Article XIII B to the State Constitution. Article XIII B places an appropriations limit on the State and local governments and requires them to establish their appropriations limit by resolution each year at a regularly scheduled meeting or a noticed special meeting.

As adopted in 1979, Article XIII B provided that FY 1978/1979 would be considered the “base year” used to calculate the appropriations limit. Article XIII B was amended by the voters in 1990 through the approval of Proposition 111, which provided FY 1986/1987 would become the “base year.” Each subsequent year, the total annual appropriations subject to the limit may not exceed the appropriations limit for the prior year adjusted for changes in the cost-of-living and city or county population.

FY 2021/2022 Budget

The City Manager’s/Executive Director’s Proposed Budgets for FY 2021/2022 were presented to the City Council and Boards on Monday, May 10, 2021. Since that time, City Council held Special Meetings on May 17 and 18, 2021, to review the associated budget requests and allow for public input. These meetings were in addition to the opportunities provided to the City’s various Commissions, Committees, and Boards to provide input on the City Manager’s Proposed Budget.

The City Council also called two Special Meetings in March 2021 to review the work plans of each of the City’s Departments and allow for additional public input. As a result of the various meetings, staff has prepared any changes directed by the City Council and incorporated such changes into the budget resolutions presented to the City Council and Boards for approval this

evening.

Salary Schedules Effective July 1, 2021

All agencies that are members of CalPERS are required to ensure that pay schedules are publicly adopted and available as prescribed by the California Code of Regulations, Title 2, §570.5 and §571 (b). "Publicly available" is defined as posted at the employer's office or immediately accessible and available for public review. Placing the adopted pay schedules on the employer's internet website meets this requirement. The attached resolutions for Miscellaneous and Safety employees reflect all required changes to the salary schedule per the budget being adopted for FY 2021/2022.

FISCAL ANALYSIS

As mentioned, the base year for calculating the appropriations limit is FY 1986/1987. Based on the City Managers/Executive Director's Proposed Budget for FY 2021/2022, the Finance Department has calculated the City's FY 2021/2022 Appropriation Limit to be \$124,471,221. The City's FY 2021/2022 appropriations from the proposed budget that are applicable to this limit are \$93,841,536, which is \$30,629,686 under the appropriations limit.

The proposed budget presented to City Council in May 2021 for appropriations and revenues was \$288,673,457 and \$276,733,987 respectively. Adjustments to these amounts have been summarized in the tables below by affected Fund. Detail for these adjustments can be found in Attachment 3 of the staff report.

Expenditure Adjustments from FY 2021/2022 Proposed Budget			
Fund	Proposed Budget	Adjusted Amount	Difference
General Fund	\$ 134,079,378	\$ 135,220,053	\$ 1,140,675
Transportation Fund	43,083,326	43,347,139	263,813
Sewer Fund	13,184,920	13,540,878	355,958
Equipment Maintenance/Fleet Services Fund	8,467,906	8,395,558	(72,348)
Self Insurance Fund	8,747,626	9,611,057	863,431
Arts Fund	577,906	484,991	(92,915)
Gas Tax Fund	1,727,660	2,014,660	287,000
Community Improvement Fund	-	652,745	652,745
Other Funds	78,804,735	78,852,735	48,000
Total	\$ 288,673,457	\$ 292,119,816	\$ 3,446,359

Revenue Adjustments from FY 2021/2022 Proposed Budget			
Fund	Proposed Budget	Adjusted Amount	Difference
General Fund	\$ 131,887,993	\$ 132,287,993	\$ 400,000
Sewer Fund	10,839,000	9,294,000	(1,545,000)
Self Insurance Fund	9,405,571	10,255,571	850,000
Gas Tax Fund	1,849,893	1,760,471	(89,422)
Other Funds	122,751,530	122,751,530	-
Total	\$ 276,733,987	\$ 276,349,565	\$ (384,422)

The final Proposed FY 2021/2022 Budget provides \$292,119,816 of appropriations authority in all funds (including Internal Service Funds). It anticipates \$276,349,565 in revenue, with the balance to be made up from reserves. General Fund operational costs will be covered by operating revenues and the use of reserves. Further information is provided in the City Manager's/Executive Director's Budget Message.

ATTACHMENTS

1. Proposed Resolution for Annual Appropriation Limit and related Exhibits and Schedule I
2. Budget Resolutions and related Exhibits A - G
3. Adjustments to the City's Proposed Budget FY 2021/2022
4. Salary Schedule Resolution and related Exhibit A
5. Fiscal Year 2021/2022 Capital Improvement Budget

MOTIONS

That the City Council:

Adopt a resolution approving and adopting the annual Appropriations Limit for FY 2021/2022; and

That the City Council and Boards:

Adopt respective resolutions approving the FY 2021/2022 Budget for the City of Culver City, Successor Agency, Housing Authority, and Parking Authority; and

That the City Council:

Adopt a resolution approving the Salary Schedule for Miscellaneous Employees, Police Safety Employees, and Fire Safety Employees effective July 1, 2021.