

## **Attachment 1**

For City Council Meeting [May 9, 2023]

TO: Honorable Mayor and City Council

APPROVAL: Arron Brown, Acting City Manager

FROM: Katherine Stevens, Director of Finance

### **..Title**

Request City Council to Set a Public Hearing for **June 13, 2023**, to Approve and Adopt the Budget Plan for Fiscal Year 2023-24.

### **..Body**

#### **BACKGROUND:**

In accordance with Section 2.04.140 of the Rialto Municipal Code, the City Administrator must present the fiscal budget to the City Council for approval annually. Under the direction of the Director of Finance the Finance Division conducts the analysis and makes the projections required to complete the budget document after receiving input from all the City departments. The process begins in March and requires the cooperation of staff organization-wide.

#### **ANALYSIS/DISCUSSION:**

In accordance with Section 2.04.140 of the Rialto Municipal Code, staff hereby submits the budget plan for fiscal year 2023-24 for City Council consideration. The budget submitted is a one-year financial plan, for which an appropriation is submitted concurrently with the budget document. The budget presentation consists of eight categories of funds as follows:

- General Fund
- Special Revenue Funds
- Enterprise Funds
- Internal Service Funds
- Rialto Utility Authority
- Rialto Housing Authority
- Capital Projects Funds
- Debt Service Funds

#### **General Fund**

This is the general operating fund of the City. All general tax receipts and fee revenue not allocated by law, Council policy, or contractual agreement to other funds, are accounted for in the General Fund. General Fund expenditures include operations traditionally associated with activities that are not required to be accounted for or paid by another fund.

#### **Special Revenue Funds**

The City's various special revenue funds include grant program funds and other funds that by law are required to be segregated.

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### Enterprise Funds

The City has three Enterprise funds: Cemetery, Community Services, and Utility Services.

### Internal Service Funds

The City has two internal service funds. The purpose of internal service funds is to centralize certain services that benefit all functions of the City. The expenditures of the internal service funds are allocated to all of the City's departments commensurate to the services provided. The two internal service funds are:

- Workers' Compensation
- General Liability

### Rialto Utility Authority

The Rialto Utility Authority (RUA) accounts for Water and Waste Water Services provided by Rialto Water Services.

### The Rialto Housing Authority

The Rialto Housing Authority (RHA) assumed the housing functions of the former Redevelopment Agency.

### Capital Projects Funds

The Capital Projects Funds exist to enhance transparency by reporting one-time capital expenditures in a separate fund.

### Debt Service Funds

The Debt Service Funds account for the accumulation of funds for the payment of principal and interest on financing instruments.

### **ENVIRONMENTAL IMPACT:**

The action is exempt from California Environmental Quality Act (CEQA) pursuant to Section 15378(b) (5) of the CEQA Guidelines because the preparation of a budget plan is a governmental administrative activity that will not result in direct or indirect physical changes in the environment.

### **GENERAL PLAN CONSISTENCY:**

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

Goal 3-6: Require that all developed areas within Rialto are adequately served with essential public services and infrastructure.

Policy 3-6.1: Coordinate all development proposals with other affected public entities to ensure the provision of adequate public facilities and infrastructure services.

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Policy 3-6.3: Require an increasing level of public safety infrastructure and service capability tied to population increase and increasing service demand.

Policy 3-6.4: Complete infrastructure master plans for sewer, water, and drainage.

Policy 5-3.7: Add service level capability and infrastructure to meet increasing demand of new development.

### **LEGAL REVIEW:**

The City Attorney has reviewed and approved this staff report.

### **FINANCIAL IMPACT:**

#### **Operating Budget Impact**

Appropriations for fiscal year 2023-24 for the City, Rialto Utility Authority, and Rialto Housing Authority provide the basis for City operations.

#### **Capital Improvement Budget Impact**

Appropriations for fiscal year 2023-24 for the City, Rialto Utility Authority, and Rialto Housing Authority provide the basis for the City's Capital Improvement Plan.

### **RECOMMENDATION:**

Staff recommends that the City Council Set a Public Hearing for June 13, 2023, to Approve and Adopt the Budget Plan for Fiscal Year 2023-24.