

Resolution No. **2021-06-22-1602**

STOCKTON CITY COUNCIL

RESOLUTION OF THE CITY OF STOCKTON APPROVING THE FISCAL YEAR 2021-22 ANNUAL BUDGET; APPROVING THE 2021-2026 CAPITAL IMPROVEMENT PLAN; APPROVING THE FISCAL YEAR 2021-22 FEE SCHEDULE; ADOPT THE FISCAL YEAR 2021-22 CALIFORNIA CONSTITUTIONAL APPROPRIATIONS LIMIT, AND ADMINISTRATIVE ACTIONS

On May 15, 2021, in accordance with City Charter, Article XIX, Section 1905, the City Manager provided City Council the Proposed Fiscal Year (FY) 2021-22 Annual Budget, Proposed 2021-2026 Capital Improvement Plan, and Proposed FY 2021-22 Fee Schedule; and

On May 14, 2021, the Planning Commission determined that the 2021-2026 Capital Improvement Plan conforms to the 2040 General Plan; and

On May 11, 2021, the City Council reviewed updates to the City's Long-Range Financial Plan; and

The City Council scheduled and conducted two budget study sessions on June 9 and 10, 2021, to review projections, allow for public discussion, and provide direction in the preparation of the annual budget. This study session included the proposed documents: FY 2021-22 Annual Budget, 2021-2026 Capital Improvement Plan, and FY 2021-22 Fee Schedule; and

On June 22, 2021, the City Council conducted a duly noticed public hearing on the Proposed FY 2021-22 Annual Budget, the Proposed 2021-2026 Capital Improvement Plan, and the Proposed FY 2021-22 Fee Schedule; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The FY 2021-22 Annual Budget with expenditure appropriations of \$991,770,073, as submitted by the City Manager is adopted.
2. The number of full-time positions authorized under the FY 2021-22 Annual Budget is 1,736.
3. The 2021-2026 Capital Improvement Plan with a five-year CIP project total of \$1.02 billion and \$162.6 million in appropriations for FY 2021-22 capital projects is adopted.

4. The 2021-2026 Capital Improvement Plan conforms to the City of Stockton 2040 General Plan.
5. The FY 2021-22 Fee Schedule is adopted effective July 1, 2021. Any fee changes that are not effective July 1, 2021, are noted in the document.
6. The fees on development projects will take effect 60 days following the final action on the increases in the FY 2021-22 Fee Schedule, where Government Code section 66017(a) applies.
7. The City Manager or designee is authorized to refund Development Oversight Commission fees paid on or after October 21, 2019 in amounts over \$50 Payees, subject to standard refund processing fees.
8. An appropriation limit is established in the amount of \$409,001,948 for FY 2021-22 pursuant to the requirements of the California Government Code. The City of Stockton selected the "change in California per capita personal income" for the "change in cost of living" component and the change in annual population for the County of San Joaquin as of January 1, 2021, component in the calculation of the appropriation limit.
9. The City Manager, or designee, is authorized to approve loans made through the City's Single-Family Housing Repair Loan Program, which meet all the requirements of the adopted program guidelines, within existing budget appropriations.
10. The City Attorney is authorized to enter into contracts for services and supplies where the total cost is: below the expenditure limit established in section 3.68.040 of the Stockton Municipal Code, within existing budget appropriation, and consistent with established administrative processes.
11. Fire Department Deputy Fire Chief I or II classifications shall be eligible to receive compensation at their hourly rate for any time worked beyond their normal 40-hour workweek while deployed as a State of California Office of Emergency Services (OES) resource, subject to City Manager approval. OES will fully reimburse the City of Stockton through our existing contract to cover this labor cost.
12. The City Manager or his designee is authorized to adjust appropriations from the General Fund Contingency account to General Fund Departments, subsidized programs and Internal Service Funds as needed for unexpected expenditures or emergencies that are unanticipated at the time of the budget adoption. The City Manager or his designee will report Contingency uses with each quarterly budget status report.

13. The remaining balances on all capital projects, capital transfers, and grant funds are authorized to continue beyond the fiscal year in which they are originally appropriated until project cancellation or completion, grant expiration, or funds are fully expended.
14. Upon completion of a capital project, the City Manager, or his designee, is authorized to distribute any remaining unencumbered unrestricted appropriation balances up to \$100,000 to incomplete projects previously authorized in a five-year Capital Improvement Plan as allowed by funding source.
15. Budget adjustments and transfer activity between funds and subfunds that do not increase total appropriation or expenditures, including transfers that net to zero, and are necessary to implement chart of account changes in the new financial system are authorized.
16. Revenues from the Waterfront Office Towers operations in excess of the buildings operating costs may be transferred to the New City Hall Renovation and Relocation Project in the General Capital fund and the City Manager or his designee is authorized to adjust the budget appropriation of the transfer and the capital project based on revenues greater than the budget estimate for FY 2021-22.
17. The City Manager or his designee is authorized to close out inactive Area of Benefit project accounts and transfer all residual or surplus account balances based on a reconciliation of developer deposits to city accounts in FY 2021-22 in accordance with section 16.72.050 of the Stockton Municipal Code.
18. Upon completion or cancellation of a proportional share traffic impact project, the City Manager or his designee is authorized to distribute any remaining unencumbered unrestricted appropriation balance, up to \$75,000, to a traffic and transportation fund or project with appropriate support and justification.
19. City of Stockton Fire Department, as a member of the San Joaquin County Regional Fire Dispatch Authority (SJCRFDA), shall receive reimbursement of its pro rata share of surplus funds after termination of the SJCRFDA Joint Exercise of Powers Agreement on June 30, 2021. Reimbursed funds are authorized to be applied in full as early repayment of the seven-year interfund loan of the Emergency Communications Fund from the Information Technology Internal Service Fund that was approved under Item No. 9 of Council Resolution No. 2020-06-23-1503.

20. The FY 2020-21 Information Technology Capital Plan, including the Enterprise Resource Planning project, totaling \$18,669,461 is adopted and remaining appropriations in the technology projects are authorized to continue to future fiscal years until the project is fully expended, completed, or cancelled.
21. The continuation of FY 2020-21 appropriations to FY 2021-22 is authorized for the completion of specific programs as listed in the following table:

Description	Department	Fund	Not to Exceed Amount
Council Discretionary Project Funds	Mayor and City Council	General Fund	256,000
Scoreboard Installation Misty Holt	Community Services	Strong Communities	20,000
Marina SMG/ASM Contract	Economic Development	Downtown Marina	60,969
GIS Migration	Information Tech.	Technology Fund	100,000
Cisco DNA Appliance	Information Tech.	Technology Fund	70,000
Electrical Arc Hazard Assessment-Safety	Municipal Utilities	Water Utility Fund	25,000
Electrical Arc Hazard Assessment-Safety	Municipal Utilities	Wastewater Utility Fund	50,000
Electrical Arc Hazard Assessment-Safety	Municipal Utilities	Stormwater Utility Fund	25,000
Economic Development Strategic Plan	Economic Development	General Fund	65,000
Infrastructure Improvements	Public Works	General Fund	568,000
Tax Collections	Admin. Services	General Fund	47,000
Leadership Training	Human Resources	General Fund	67,000
Open Data and iLab	City Manager	General Fund	290,808
Training/Equipment	City Manager	General Fund	107,000
Grand Total			1,751,777

22. The following administrative actions required to implement the FY 2021-22 Annual Budget are authorized:
- a) Level of Budgetary Control – Budgetary control is established at the following levels: a) General Fund - Department Level; b) Other Funds - Fund level; and c) Capital Fund - Project level. The City Manager or his designee may authorize line item budget transfers within a General Fund department, or within a fund other than the General Fund. The City Manager may authorize line item budget transfers

between departments to implement Council Member direction regarding the use of Council Discretionary funds.

- b) The City Manager may revise the schedule of any appropriation made in this resolution where the revision is of a technical nature and is consistent with the intent of Council. Notice of any revisions shall be included in subsequent budget updates to Council. The City Manager or his designee is authorized to make administrative corrections to the FY 2021-22 Annual Budget with a subsequent report to Council on any corrections greater than \$100,000.
- c) The City Manager or his designee is authorized to establish and amend revenue estimates and expenditure appropriations corresponding to receipt or award of grant funding, donations, and reimbursements where these special monies and any matching City funds are under the expenditure limit established in Section 3.68.040 of the Stockton Municipal Code.
- d) The City Manager or his designee is authorized to establish revenue estimates and corresponding budget appropriations in General Fund Fire Department accounts as needed during FY 2021-22 to recognize the costs, and the associated reimbursement revenue for providing wild-land firefighting and other disaster response services requested by state or federal governments.
- e) The City Manager or his designee is authorized to abolish positions and/or reduce and reorganize personnel, programs, services, departments, offices, or agencies and take such other action as is necessary to maintain a balanced budget.
- f) The City Manager is authorized to adjust classifications, including salary and benefit adjustments, to ensure comparability with similar classifications to maintain equity in the City's salary schedules as recommended by the Human Resources Department classification studies and reviews, and to incorporate changes into the Salary Schedule, as appropriate.
- g) The City Manager or his designee is authorized to hire fire academy recruits in an amount above the total City Council authorized full-time positions to accommodate attrition.
- h) The City Manager or his designee is authorized to fill additional Special Revenue Fund positions, such as grant funded, Measure W, and contract reimbursement positions, if additional funding becomes available.

- i) The indirect cost rate, as detailed in the City of Stockton Full Cost Allocation Plan and Cost Recovery Allocation Plan, shall be charged to departments and capital projects as project funding and regulations permit. The City Manager or his designee is authorized to modify appropriations for changes that result from an independently prepared indirect cost allocation plan.
- j) The City Manager or his designee is authorized to prepay the City's annual CalPERS payments in a lump sum consistent with FY 2021-22 budget.
- k) The City Manager or his designee is authorized to approve temporary interfund borrowing within the fiscal year, and at the June 30 fiscal year end, to finance the collection period for tax, grant, and other accounts receivable. Any new interfund loans extending beyond these terms must be approved by the City Council. The City Manager is authorized to repay interfund loans when funding becomes available.
- l) The City Council delegates investment authority to the Chief Financial Officer, acting in capacity of Treasurer, for the period of July 1, 2021 through June 30, 2022, pursuant to sections 53601 and 53607 of the California Government Code.
- m) The City Manager or his designee is authorized to execute health benefit policies and plans consistent with the annual Health Benefits Report approved by City Council on April 13, 2021 to address the health care needs of the City's employees.
- n) The City Manager or his designee is authorized to move appropriations and transfer between funds within a single budget unit, such as the water utility, Federal grant funds, and other funds where multiple funds have been established in the general ledger for purposes other than legal restrictions and the fund relationship has been identified in the FY 2021-22 Annual Budget, or established by subsequent City Council action.
- o) The City Manager or his designee is authorized to make the Contingent General Fund Payment to Assured Guaranty per the terms of the Reimbursement Agreement. Should the amount exceed the FY 2021-22 budget estimate, the City Manager or designee is authorized to increase the budget appropriation and transfer from the General Fund.

- p) The City Manager or his designee is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this resolution including adjusting appropriations from the General Fund Non-Departmental accounts to General Fund Departments, subsidized programs and Internal Service Funds as needed to implement budget revisions authorized by Council.

PASSED, APPROVED, and ADOPTED June 22, 2021.

ATTEST:



ELIZA R. GARZA, CMC
City Clerk of the City of Stockton





KEVIN J. LINCOLN II
Mayor of the City of Stockton