



City Council Staff Report

Subject: Fiscal Year 2023/24 Budget and the 2024-2028 Capital Improvement Plan

Date: June 27, 2023

Submitted By: Daniel Choe, Deputy Director of Administrative Services

Department: Administrative Services - Finance

Recommendation:

Adopt a Resolution of the City Council of the City of Rocklin Adopting the Fiscal Year 2023/24 Budget and the 2024-2028 Capital Improvement Plan.

Background:

Section 3.28.010 of the Rocklin Municipal Code (RMC) requires the City Manager to submit to the City Council a proposed budget for the fiscal year (FY) commencing July 1 of that year. The City Manager's FY 2023/24 draft budget was submitted to the City Council on May 15, 2023 and is available at <https://www.rocklin.ca.us/post/city-rocklin-budgets>.

Section 3.28.040 of the RMC requires the City Council to conduct one or more hearings on the proposed budget and shall make such changes therein as may be deemed appropriate. Accordingly, the proposed budget was presented and discussed during the May 23, 2023 City Council meeting. The City Council budget has been increased by \$2,200 for travel expenses. No other changes have been made to the FY 2023/24 draft budget. The FY 2023/24 budget is included as Attachment 2.

The FY 2023/24 budget totals \$119 million for all funds. This budget supports approximately 270 full-time equivalent positions and resources needed to provide public services. The proposed budget is balanced and is developed with focus on the City's long-term needs and fiscal sustainability, consistent with City Council direction.

Anticipated General Fund resources total \$68.3 million. These include a General Fund revenue estimate of \$65.7 million, an 8% increase from the FY 2022/23 budget, and \$2.6 million from the General Fund balance. The increase in the General fund revenue is primarily a result of increasing assessed values for existing properties. The majority of other revenue categories are anticipated to increase. Of the \$2.6 million from the General Fund balance, \$1 million will be used to offset the Sunset Whitney Recreation Area (SWRA) Demolition and Improvements project, and \$1.6 million will be transferred to reserve funds.

The most significant City costs in the General Fund are related to personnel, which comprise approximately \$46 million. Public Safety (police and fire services) totals \$32 million. Citywide, there are 6.53 net new positions being added.

The Capital Improvement Plan (CIP) is a five-year planning document that identifies the current and future capital improvement project needs of the City. Each year, all project and equipment requests are considered and analyzed by taking into account the City's Strategic Plan, long-range planning objectives, need, priority, and the City's ability to implement them using available resources. The FY 2023/24 CIP budget totals \$16.6 million, including \$1.5 million in the General Fund, providing resources for 22 programs/projects and one equipment purchase. Pursuant to California Government Code section 66002, the CIP is adopted by, and annually updated by, a resolution of the City Council, adopted at a noticed public hearing. The CIP is included as Attachment 3.

Consistent with City Council direction, long-term fiscal sustainability is reflected in this budget. By year end, General Fund operating reserves will be approximately \$15.7 million; reserved funds for disaster contingency and self-insured losses will be \$1 million and \$2 million, respectively.

The ratio between personnel expenditures and operations/maintenance for all funds is 63:37, in keeping with the "75:25" operating expenditure rule. This is another indicator of strong fiscal stability.

ATTACHMENTS:

1. [Resolution](#)
2. [Exhibit A - FY 2023/24 Annual Budget](#)
3. [Exhibit B - 2024-2028 CIP](#)