



FY 2022/23 First Quarter (Q1) Report

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December 7, 2022



FY 2022/23 First Quarter Report

Presentation Overview

Section 1: ***Financial Performance***

- FY 2021/22 Update
- FY 2022/23 First Quarter Performance

Section 2: ***Meeting the Needs of the Community, Customers and Departments***

- Department Requests and Proposed Amendments
- Talent Recruitment and Retention

Section 3: ***Strategic Initiatives***

- Investment Playbook and the Nerve Center
- Housing Initiative and Navigation Center
- Temporary Housing Assistance for American Sports University Tenants



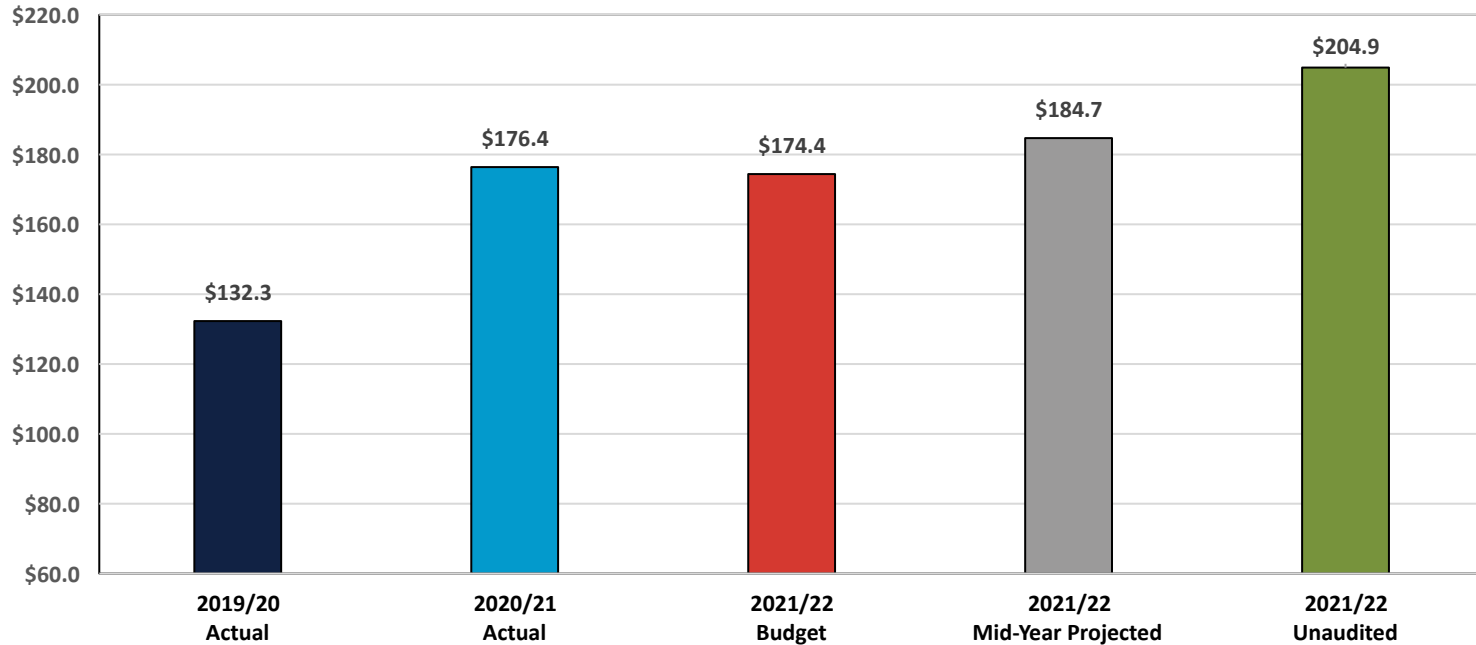
Section 1:

Financial Performance



FY 2021/22 Update

Total General Fund Revenue (In Millions)





FY 2021/22 Update

Revenue Performance

Better than expected revenue performance

- Exceeded mid-year projections by 11%
- Exceeded adopted budget by 17%

Measure S Tax higher than projected

- Expected \$42 Million; Actual \$49.4 Million
- 18% above projection





FY 2021/22 Update

Expenditures

Better than expected revenue performance--

- ***Accompanied by increased expenditures***
- 44 positions added in FY 2021/22

General Fund:	Revenue	\$155.5M
	Expenditure	\$148.0M

- Added \$7.5M to Fund Balance

City was ***strategic*** in spending and adding positions.





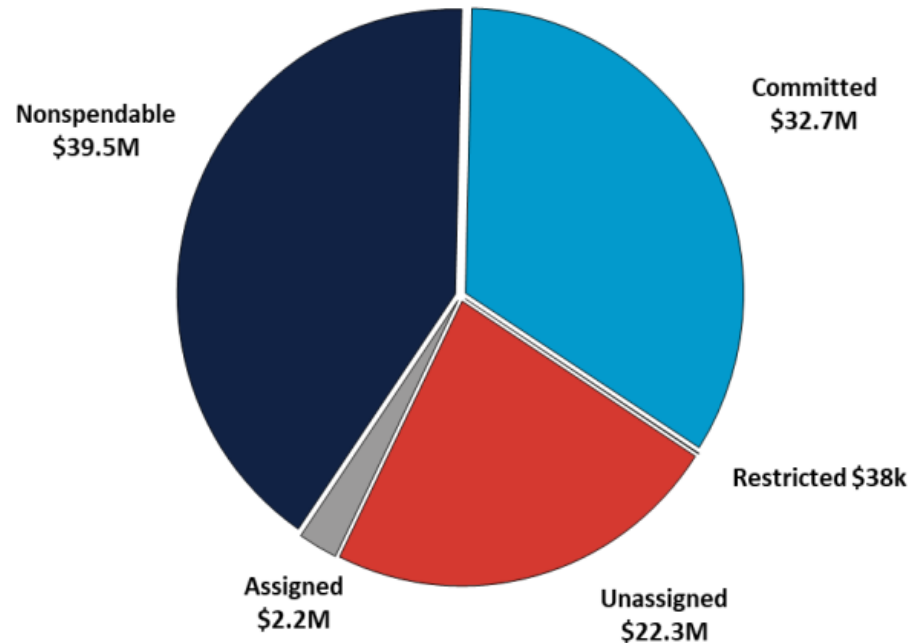
FY 2021/22 Update

Estimated General Fund Balance

Total General Fund Balance: \$104.3M

Emergency Reserve
(15% of adopted budget): \$19.6M

Economic Contingency Reserve
(10% of adopted budget): \$13.1M





First Quarter Revenue

	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Year to Date Sept. 30, 2022	Percent of Budget
Sales & Use Taxes	\$ 50,000,000	\$ 50,000,000	\$ 4,531,123	9.06%
Measure S Sales Tax	\$ 46,000,000	\$ 46,000,000	\$ 3,949,777	8.59%
Utility Users Tax	\$ 21,430,500	\$ 21,430,500	\$ 4,196,946	19.58%
Property Taxes in Lieu of VLF	\$ 22,500,000	\$ 22,500,000	\$ -	0.00%
Licenses & Permits	\$ 12,430,000	\$ 12,430,000	\$ 3,659,135	29.44%
Franchise Tax	\$ 11,781,000	\$ 11,781,000	\$ 439,960	3.73%
Other Taxes	\$ 11,656,000	\$ 11,656,000	\$ 1,507,316	12.93%
Charges for Services	\$ 8,232,400	\$ 8,232,400	\$ 2,209,195	26.84%
Miscellaneous	\$ 1,181,556	\$ 1,181,556	\$ 94,181	7.97%
Intergovernmental	\$ 2,367,000	\$ 2,367,000	\$ 315,105	13.31%
Fines & Forfeitures	\$ 1,365,500	\$ 1,365,500	\$ 225,623	16.52%
Use of Money & Property	\$ 529,000	\$ 529,000	\$ 168,202	31.80%
Investment Income	\$ 525,000	\$ 525,000	\$ 218,065	41.54%
Transfers In	\$ -	\$ -	\$ -	0.00%
Grand Total Revenues	\$ 189,997,956	\$ 189,997,956	\$ 21,514,629	11.32%



First Quarter Revenue



- Sales and Use Tax
- Measure S (Transaction and Use Tax)
 - These taxes come in two months after collections by the State.
 - While received in arrears, receipts are on track with budget.



First Quarter Revenue

- Revenues under budget:
 - Fines and Forfeitures-
 - Parking Citations
 - Other revenues, including Franchise Taxes and Property Tax in Lieu of Vehicle License Fees are received later in the year.





First Quarter Revenue



- With limited information available most revenue streams appear on track to meet budget.



First Quarter Expenditures

	FY 2022/23 Adopted Budget	FY 2022/23 Amended Budget	Year to Date Sept. 30, 2022	Percent of Budget
Mayor	\$ 377,224	\$ 377,135	\$ 123,704	32.80%
City Council	\$ 931,882	\$ 931,484	\$ 380,886	40.89%
City Clerk	\$ 1,486,807	\$ 1,486,542	\$ 382,350	25.72%
City Attorney	\$ 3,176,084	\$ 3,176,040	\$ 421,219	13.26%
General Government	\$ 15,685,165	\$ 15,780,223	\$ 3,731,497	23.65%
City Manager	\$ 2,331,558	\$ 2,343,071	\$ 661,974	28.25%
Human Resources	\$ 2,508,177	\$ 2,503,810	\$ 587,120	23.45%
Finance	\$ 6,000,647	\$ 5,911,137	\$ 1,886,925	31.92%
Special Assessment District	\$ 150,000	\$ 150,000	\$ -	0.00%
Capital Improvement Projects	\$ 5,050,000	\$ 6,230,061	\$ 18,201	0.29%
Community & Economic Development	\$ 9,647,543	\$ 10,088,952	\$ 2,615,604	25.93%
Police	\$ 106,395,588	\$ 106,390,232	\$ 47,481,131	44.63%
Parks Recreation & Community	\$ 4,596,710	\$ 4,595,809	\$ 1,308,505	28.47%
Public Works	\$ 26,567,943	\$ 26,361,753	\$ 6,049,281	22.95%
Library	\$ 2,633,501	\$ 2,632,877	\$ 764,140	29.02%
<i>Budgeted Expenditure Savings</i>	\$ (1,300,000)	\$ (1,300,000)	\$ -	0.00%
Grand Total Expenditures	\$ 186,238,828	\$ 187,659,126	\$ 66,412,535	35.39%



First Quarter Expenditures

INTERNAL SERVICE AND OTHER FUNDS				
Fund	Adopted Budget	Amended Budget	Year-to-Date Sept. 30, 2022	% of Budget
Information Technology	7,432,494	7,431,830	2,165,164	29.1%
Fleet Services	4,849,884	4,849,295	1,242,958	25.6%
Animal Services	3,719,863	3,718,756	1,174,610	31.6%
Total, Internal Service and Other Funds	16,002,241	15,999,881	4,582,732	28.6%
Total, General Fund, ISF and Other Funds	202,241,068	203,659,007	70,995,267	

Important Notes:

(1) The amended budget includes carryovers for encumbrances from previous year.

(2) The City pays the CalPERS unfunded actuarial liability (UAL) payment annually in July.



First Quarter Expenditures

Department Budget Performance

Over Budget

- Police 45% of budget
 - Annual CALPERS Safety Plan payment paid in July; without UAL PD at 20% of budget – on track





First Quarter Expenditures

Department Budget Performance On Track

- City Clerk
- City Attorney
- General Government
- City Manager
- Human Resources
- Finance,
- Community, Housing and Economic Dev.
- Parks, Recreation and Community Services
- Public Works, Operations and Maintenance
- Library Services





Section 2:

*Meeting the Needs of the Community, Customers and
Departments*



Budget Planning and Meeting Needs

Community Housing & Economic Development

Recent Accomplishments:

- Building and Safety issued a record 1,953 building permits with a construction valuation of \$61.3 million as compared to 1,161 building permits with a construction valuation of \$44.8 million for the same period last fiscal year.
- Established partnerships for two State funded Homekey Projects (Round 3).
 - Predevelopment phase with Lutheran Social Services.
 - Predevelopment phase with San Bernardino Valley College.



68% increase
in the number
of permits
year-over-
year!



Budget Planning and Meeting Needs

Community Housing & Economic Development



Code Enforcement

- Lacking essential equipment to safely and effectively perform duties.
- Increased demand for after hours “call-outs”

Requesting:

- \$80,000 for handheld transceiver radios for Code Enforcement Officers.
- \$20,000 overtime request.



Budget Planning and Meeting Needs

Community Housing & Economic Development

Planning Division

- Increasing workload due to building permit applications, plan review requests and development applications
- Limited staffing; difficulty recruiting

Requesting:

- Additional positions: one (1) Senior Planner and one (1) Assistant Planner
 - Cost of \$125,455 for the remainder of FY 2022/23
- Planning consultant services to assist Planning Division to catch up with plan review work and allow staff to focus on time-sensitive projects.
 - One-time cost of \$95,000





Budget Planning and Meeting Needs

Community Housing & Economic Development

Real Property Division

- Lacking software to adequately track City property assets and leases
- Staff requires additional training and credentials

Requesting:

- Property and leasing management software
 - One-time cost of \$18,000 (funding ½ General Fund, ½ CDBG)
- Int'l Rights of Way (IRWA) Membership and Credentialing
 - One-time addition to budget of \$2,620
- Contracted architect services
 - One-time cost of \$50,000 (funding CDBG)





Budget Planning and Meeting Needs

Community Housing & Economic Development

Economic Development

- Additional staff are needed to manage business attraction and retention program, marketing and communication with Chamber of Commerce and County Economic Development.
- Marketing firm requested to highlight citywide projects, community events.

Requesting:

- Additional position: one (1) Economic Development Specialist
 - Cost of \$56,704 for the remainder of FY 2022/23
- Contract with a marketing firm
 - Ongoing cost of \$45,000





Budget Planning and Meeting Needs

Animal Services



Recent Accomplishments:

- Impounded and cared for over 1,400 animals.
- Adopted 638 animals into new homes.
- Reunited 148 lost pets with their owners.
- Sent 448 pets to our rescue partners.
- The combined save rate for cats and dogs in the 1st quarter was 90%.
- Animal Control Officers responded to over 3,200 calls for service.

Requesting:

- Dispatch console and field radios
 - One-time cost of \$100,000



Budget Planning and Meeting Needs

Recent Accomplishments:

- Processed 370 California Public Records Act Requests.
- Began citywide records management project.

Requesting:

- Enhance staff training, promote professional development and attend the City Clerks Association of California Annual Conference.
 - \$1,950 one-time addition to budget
- Reclass of part-time Customer Service position to full-time for Passport Office. To be covered with salary savings in current fiscal year.

City Clerk





Budget Planning and Meeting Needs

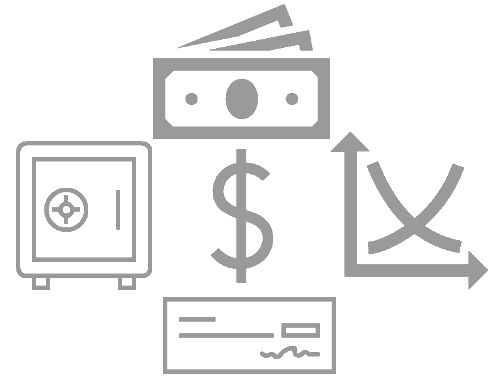
Recent Accomplishments:

- Received GFOA Budget and Annual Comprehensive Financial Report Awards for FY 2020/21.
- Drafted Grants Administration Manual.
- Received notice of award for Local Agency Technical Assistance Grant for development of a Broadband Master Plan (IT Department - \$425,256).

Requesting:

- Extend grants contract with Renne Public Policy Group (RPPG).
 - One-time cost of \$46,000

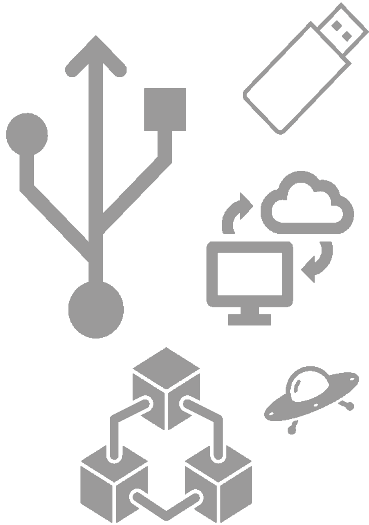
Finance





Budget Planning and Meeting Needs

Information Technology



Recent Accomplishments:

- Citywide implementation of DocuSign to improve internal efficiencies.
- Installed a new firewall improving citywide security and processing speed.
- Transitioned the Police Department from 1GB to 10GB internet speed capacity.

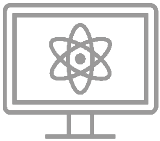
Requesting:

- Complete the upgrade of all workstations to Windows 11.
 - One-time cost of \$250,000
- Upgrade the Police CrimeView system data tool.
 - One-time cost of \$30,000



Budget Planning and Meeting Needs

Library



Recent Accomplishments:

- 1,132 participants in Summer Reading Program.
- Received a \$25k donation from Irving Hiller Living Trust.
- New Record of nearly 1,300 Overdrive eBook and eAudiobook checkouts in September.
- 26,567 patrons visited City libraries in Q1.
- Received nearly \$300k from Literacy Grant funding including more than \$53,000 for new ESL program.

Requesting:

- Additional Library Technician.
 - Cost of \$35,000 for remainder of FY 2022/23



Budget Planning and Meeting Needs

Parks, Recreation & Community Services



Recent Accomplishments:

- Lytle Creek Community Center hosted 1,714 program participants in Q1.
- 2,083 youth participated in arts, crafts and science programs at Ruben Campos Community Center.
- 252 community members attended Summer Movies in the Park.
- Center for Individual Development surpassed pre-covid participation numbers for Q1 with 1,266 engaged in developmental programs.
- Senior Nutrition Center served 14,937 nutritious meals to community members.

Requesting:

- Printer equipment for military banner program
 - \$7,000 ongoing cost



Budget Planning and Meeting Needs

Police Department



Recent Accomplishments:

- Awarded and accepted over \$1,000,000 in grant and contract awards.
- Hired 6 Police Officers, 7 professional staff, including 10 Law Enforcement Trainees.

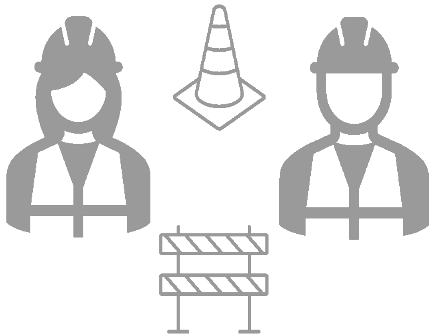
Requesting:

- Automated evidence inventory database
 - One-time cost of \$130,000
- Additional positions: four (4) Community Services Officers, one (1) Accounting Technician, three (3) Records Technicians, one (1) Senior Office Assistant, one (1) Crime Analyst, and one (1) Police Dispatcher
 - Cost of \$394,496 for the remainder of FY 2022/23



Budget Planning and Meeting Needs

Public Works, Operations and Maintenance



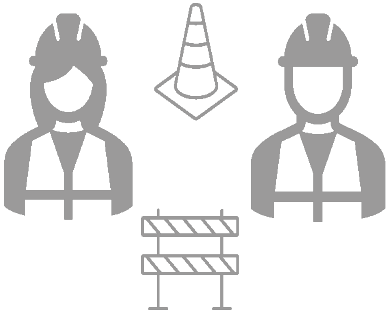
Recent Accomplishments:

- Citywide emergency removal of 1,666 cubic yards of debris.
- Responded to 183 storm response related customer service requests.
- Resolved more than 5,804 customer service requests including:
 - potholes repair
 - trim trimming
 - illegal dumping
 - street marking
 - park repairs
 - weed abatement
 - graffiti abatement
- Processed nearly 300 land development projects.
- Responded to and resolved more than 25 traffic signal/street light knockdowns.
- Removed 96 dead or decaying trees.



Budget Planning and Meeting Needs

Public Works, Operations and Maintenance



Requesting:

- Deputy Director of Operations (U)
 - Cost of \$89,046 for remainder of FY 2022/23
- Contract internal process auditors to identify issues, develop a plan for improvement to enhance workflow, efficiency and customer service.
 - One-time cost of \$250,000
- Tree rental for holiday lighting ceremony, *Miracle on Court Street*
 - Annual cost of \$14,000
- Additional positions for Clean-up/Maintenance Team: four (4) Maintenance Workers, one (1) Lead Maintenance Worker, and one (1) Maintenance Supervisor
 - Cost of \$306,839 for remainder of FY 2022/23



Quarter 1 Budget Amendment: \$2,088,110

Only the Military Banner Program, the Holiday Tree, and Economic Development Marketing are recurring costs.

These programs add ongoing costs in future fiscal years of \$72,000 (assuming increased demand for Military banners)

Equipment and Services		
Item Requested	Department	Amount
Handheld Transceiver Radios	CED	80,000
Overtime for Code Enforcement	CED	20,000
Planning Consulting Services	CED	95,000
Property and Leasing Mgmt. Software	CED	9,000
Intl. ROW Membership and Credentialing	CED	2,620
Economic Development Marketing	CED	45,000
Dispatch Console and Field Radios	Animal Services	100,000
Staff Training and Conferences	City Clerk	1,950
RPPG Grant Contract Extension	Finance	46,000
Windows 11 Citywide Upgrade	IT	250,000
CrimeView System Upgrade	IT	30,000
Military Banner Prgm Supplies	Parks, Rec, & Com. Svcs	7,000
Automated Evidence Inventory	Police	130,000
Contracted Internal Process Auditors	Public Works	250,000
Holiday Tree for Lighting Ceremony	Public Works	14,000
SUBTOTAL, Equipment and Services		1,080,570



Quarter 1 Budget Amendment: \$2,088,110

The ongoing cost of adding these positions will be approximately \$2.2M annually.

Personnel		
Position	Department	Cost FY 2022/23
Customer Service Representative	City Clerk	-
Senior Planner	CED	70,998
Assistant Planner	CED	54,457
Economic Development Specialist	CED	56,704
Library Technician I	Library	35,000
Community Service Officers (4)	Police Dept.	162,159
Accounting Technician I (flex)	Police Dept.	32,437
Police Records Technician (flex) (3)	Police Dept.	87,402
Senior Office Assistant	Police Dept.	29,751
Crime Analyst	Police Dept.	46,687
Police Dispatcher I (flex)	Police Dept.	36,060
Deputy Director of Operations	Public Works	89,046
Maintenance Workers (4)	Public Works	177,724
Lead Maintenance Worker	Public Works	55,509
Maintenance Supervisor	Public Works	73,606
SUBTOTAL, Personnel, FY 2022/23		1,007,540



Section 3:

Strategic Initiatives



Strategic Initiative

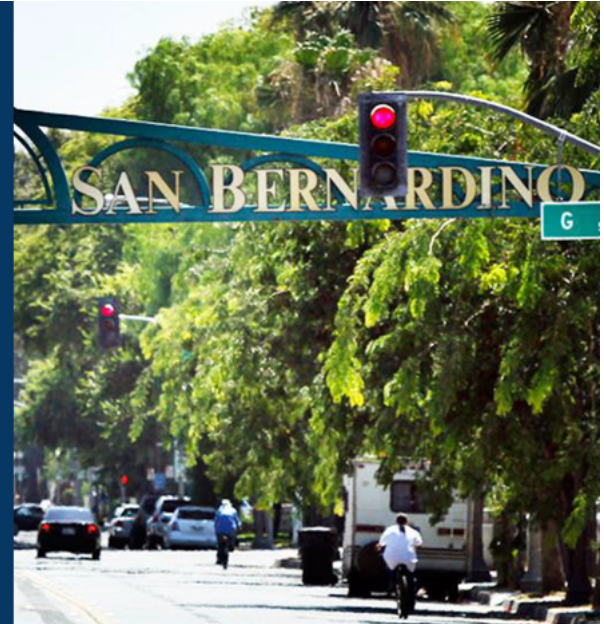
Investment Playbook and Nerve Center

Requesting:

- \$300,000 to continue Playbook with New Localism and Aspen Institute
- \$700,000 for Nerve Center stand-up and initial operations

San Bernardino Investment Playbook

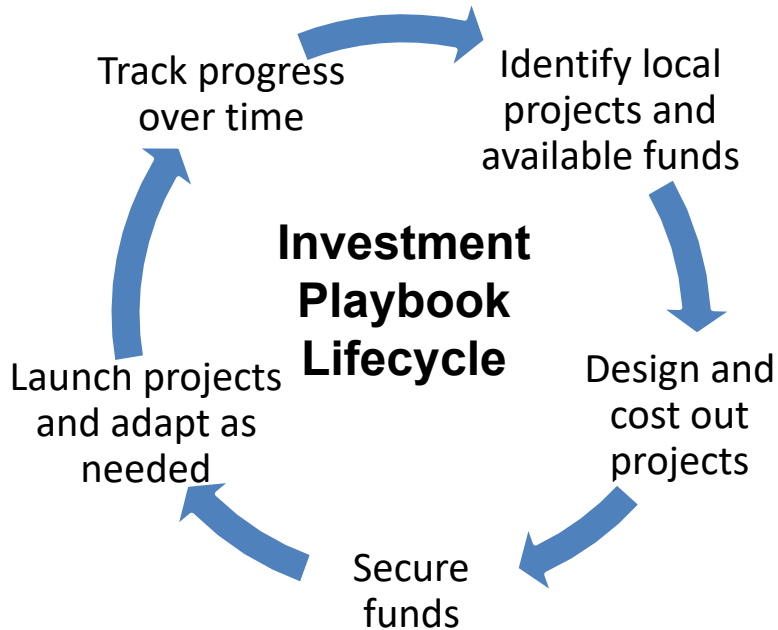
For equitable and sustainable
economic growth





Strategic Initiatives

Investment Playbook and Nerve Center



The Nerve Center will:

- Oversee Playbook implementation,
- Help ensure that activities are coordinated and aligned with identified priorities, and
- Coordinate stakeholders to ensure consistent communication, drive collaboration, and reduce duplicative efforts.

Objectives

- Ensure action and coordination amongst stakeholders and across investments.
- Keep Playbook on schedule and on budget.
- Support Playbook evolution as new projects and priorities emerge.



Strategic Initiative

Investment Playbook Projects

Capacity

Nerve Center
City Staffing Surge
Climate Solutions Team
Technical Assistance for
Community
Organizations

Infrastructure

Zero-Emission Buses
Complete Streets
Fiber Network
Installation
Enhanced Infrastructure
Financing District
City Hall Renovation
Climate-Ready SB

Housing

Carousel Mall
Heart of Mobility
Homelessness initiative
Homeownership
initiative
Downtown Habitat for
Humanity Project
Permanent Residential
Real Estate Cooperative

Innovation

Sustainable Mobility Hub
National Security
Innovation Ecosystem
Enterprise District
Sustainable Logistics
Center of Excellence
Downtown Satellite
Campuses
Annual Climate Readiness
Summit

Entrepreneurship

Entrepreneurial
Resource Center
Food Entrepreneurship
Hub
Supply SB
Local Small Business
Retail Plaza
Center for Youth
Financial Literacy and
Entrepreneurship

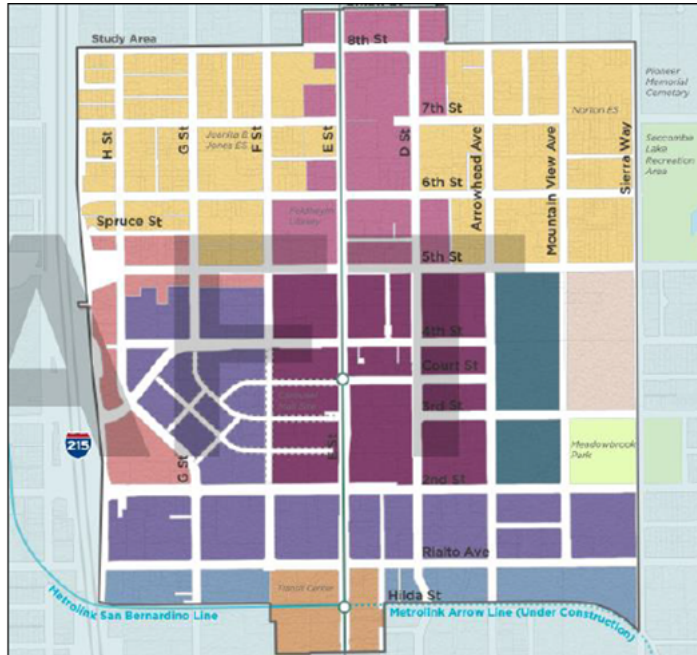
Community

Cybersecurity Tech
Workforce Hub
El Sol Holistic Campus
Community Leadership
Empowerment
Workshop
Olympic Aquatic Center
Institute for Child
Development and
Family Relations –
Downtown
Economic Opportunity
Center
E Street Arts Corridor
Inland Port Career
Resource Center
Purposeful Pathways



Strategic Initiatives

Investment Playbook and Nerve Center



- Staff recommends dedicating Measure S Funds.
- \$1,000,000 annually for three years.
- As the Playbook is completed and the Nerve Center becomes self-sustaining, less funding will be required from Measure S.



Requesting:

- # Street Outreach

- \$1,500,000
- Mobile shower and laundry
 - \$150,000
- Navigation Center
 - \$12,450,000



Strategic Initiatives

Temporary Housing Funds for ASU Tenants

- American Sports University (ASU) tenants lack funds to obtain replacement housing
- Emergency housing provided is only two-weeks
- City is continuing to work with community partners to find housing

Requesting:

- Two-months equivalent rent for tenants
 - One-time cost of up to \$150,000 for an estimated 75 tenants
 - ARPA eligible



Strategic Initiatives

Homeless Initiative and Navigation Center; Funding for ASU Tenant Housing

Staff recommends dedicating
ARPA funding

- TOTAL allocation: \$77,656,407
- Previously committed: (\$32,210,000)
- Remaining: \$45,446,407
- LESS: (\$20,150,000)
- Funds remaining: \$25,296,407





Summary

Funding Requested	Source	Amount
Various Departmental Needs	General Fund	\$ 2,088,110
Housing and Real Estate	CDBG	\$ 59,000
Investment Playbook, Nerve Center	Measure S	\$ 1,000,000
Homeless Initiatives	ARPA	\$ 20,150,000

- 23 positions
 - 11 Police support positions
 - 7 positions in Public Works; 6 in Operations, plus the Deputy Director to support the Operations and Maintenance Divisions
 - 3 positions to address the workload in Community, Housing and Economic Development
 - 1 Library position, 1 position in City Clerk's Office



Discussion