

**CITY OF TEMECULA/TEMECULA COMMUNITY SERVICES DISTRICT/SARDA
AGENDA REPORT**

TO: City Council/Board of Directors

FROM: Aaron Adams, City Manager/General Manager/Executive Director

DATE: June 13, 2023

SUBJECT: Approve Fiscal Years 2024-28 Capital Improvement Program (CIP) and Adopt Fiscal Year 2023-24 CIP and Annual Operating Budgets for the City of Temecula, the Temecula Community Services District (TCSD) and the Successor Agency to the Redevelopment Agency (SARDA)

PREPARED BY: Jennifer Hennessy, Finance Director/Treasurer

RECOMMENDATION: That the City Council/Board of Directors adopt the following resolutions entitled:

RESOLUTION NO. 2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMECULA APPROVING THE CAPITAL IMPROVEMENT PROGRAM FOR FISCAL YEARS 2024-28 AND ADOPTING THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2023-24

RESOLUTION NO. CSD 2023-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEMECULA COMMUNITY SERVICES DISTRICT OF THE CITY OF TEMECULA ADOPTING THE FISCAL YEAR 2023-24 PRELIMINARY ANNUAL OPERATING BUDGET AND ESTABLISHING CONTROLS ON CHANGES IN APPROPRIATIONS

RESOLUTION NO. SARDA 2023-

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE TEMECULA REDEVELOPMENT AGENCY APPROVING THE CAPITAL IMPROVEMENT PROGRAM FISCAL YEARS 2024-28, ADOPTING THE CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2023-24, ADOPTING THE

FISCAL YEAR 2023-24 ANNUAL OPERATING BUDGET AND
ESTABLISHING CONTROLS ON CHANGES IN
APPROPRIATIONS

RESOLUTION NO. 2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA ADOPTING THE FISCAL YEAR 2023-24
ANNUAL OPERATING BUDGET, ESTABLISHING
CONTROLS ON CHANGES IN APPROPRIATIONS,
ESTABLISHING CONTRACT AUTHORITY OF CITY
MANAGER, ESTABLISHING LAWSUIT SETTLEMENT
AUTHORITY OF CITY MANAGER

RESOLUTION NO. 2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA REVISING THE SCHEDULE OF AUTHORIZED
POSITIONS AND SALARY SCHEDULE

RESOLUTION NO. 2023-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TEMECULA ESTABLISHING THE APPROPRIATIONS LIMIT
FOR FISCAL YEAR 2023-24

DISCUSSION: At its May 25, 2023 Budget Workshop, the City Council was presented the Proposed Fiscal Years 2024-28 Capital Improvement Program and 2023-24 CIP and Annual Operating Budgets for the City, Temecula Community Services District (TCSD), and the Successor Agency to the Temecula Redevelopment Agency (SARDA).

At this workshop, the Council recommended bringing forward the Fiscal Years 2024-28 CIP and Proposed Budgets in their entirety. Since the workshop, a number of budget adjustments have been requested by staff to be reflected in the Final Budget, and are summarized below:

Fiscal Year 2022-23 Operating Budget Adjustments:

- **City Clerk**– increase Elections budget by \$40,000, due to higher than anticipated invoice received from Riverside County Registrar of Voters Office for the November 2022 election.
- **Information Technology** – decrease Equipment Lease budget by \$500,000, due to a deferral in the upgrade of the City’s storage infrastructure to next fiscal year and adjust associated Internal Service Fund Allocations to receiving departments.
- **Technology Replacement** – defer \$330,000 in Capital Outlay for the upgrade to the City’s UPS to next fiscal year.

- **Service Level D – Refuse/Recycling** – reduce grant-related expenditures reflected in the Other Outside Services budget by \$148,929, as these funds will be spent in FY23-24.

Fiscal Year 2023-24 Operating Budget Adjustments:

- **Information Technology:**
 - o Add 1.0 new authorized Management Analyst position.
 - o Adjust salaries and benefits.
 - o Adjust associated Internal Service Fund Allocations to receiving departments.
- **Technology Replacement** – add \$330,000 to Capital Outlay budget for the deferred UPS upgrade from the prior fiscal year.
- **Service Level D – Refuse/Recycling:**
 - o Reduce Assessment Revenue by \$349,285 to reflect the updated parcel count within Service Level D.
 - o Add \$3,000 in Investment in Interest Revenue.
 - o Reduce Waste Hauling budget by \$357,796 to reflect updated parcel counts and CR&R collection rates.
 - o Add \$11,028 to the grant-related Other Outside Services budget to reflect correct grant amount received in the prior fiscal year.

Fiscal Years 2024-28 Capital Improvement Program Adjustments:

- **Ynez Road Improvements – Phase I:**
 - o Add \$1,475,000 in grant funding from the RCTC Western Riverside County Regional call for projects, using Measure A Regional Arterial (MARA) grant funds.
 - o Add \$435,750 in Developer Contribution funding from the Rancho Highlands development.
 - o Reduce DIF-Street Improvement funding by \$960,750 and reprogram the funding to support the Rancho California Road Median Improvements project in Fiscal Year 2025-26.
 - o Associated adjustments to reflect the correct revenue and interfund transfers in the Development Impact Fee (Fund 120) and Capital Improvement Program (Fund 210) funds.

Additionally, administrative corrections with nominal fiscal impacts will be reflected in the Final Budget document.

The attached Transmittal Letter summarizes the highlights of the Fiscal Year 2023-24 Proposed Annual Operating Budget and Fiscal Years 2024-28 Capital Improvement Program documents.

FISCAL IMPACT: The specific fiscal impacts by Fund are noted in the Fiscal Years 2024-28 Capital Improvement Program and Fiscal Year 2023-24 Annual Operating Budget documents.

ATTACHMENTS:

1. Transmittal Letter
2. Resolution - Approving the CIP for Fiscal Years 2024-28 and Adopting the CIP Budget for Fiscal Year 2023-24
3. Resolution - Adopting the Fiscal Year 2023-24 TCSD Preliminary Annual Operating Budget
4. Resolution – Approving the SARDA CIP Fiscal Years 2024-28 and Adopting the CIP Budget for Fiscal Year 2023-24, and Adopting the Fiscal Year 2023-24 Annual Operating Budget
5. Resolution - Adopting the Fiscal Year 2023-24 Annual Operating Budget
6. Resolution - Schedule of Authorized Positions and Salary Schedule with attachments
7. Resolution - Appropriations Limit for Fiscal Year 2023-24 with attachment