

RESOLUTION NO. 2023-_____

**A RESOLUTION OF THE CITY COUNCIL
OF THE CITY OF MERCED, CALIFORNIA,
ADOPTING THE BUDGET AND
APPROPRIATING REVENUE FOR FISCAL
YEAR 2023-2024**

WHEREAS, The City Manager has prepared and submitted to the City Council a Proposed Budget for the fiscal year commencing July 1, 2023, and ending June 30, 2024; and,

WHEREAS, The City Council has reviewed and modified the City Manager's Proposed Budget; and,

WHEREAS, The City Council held a public hearing on the Proposed Budget on June 5, 2023, where all interested persons were heard; and,

WHEREAS, The City Council has considered the Budget and comments thereon, and has determined it is necessary for the efficient management of the City that certain sums of revenue be appropriated to the various departments, officers, and agencies and activities of the City as set forth in said budget, and as amended.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MERCED DOES HEREBY FIND, DETERMINE, ORDER AND RESOLVE AS FOLLOWS:

SECTION 1. The annual Budget for the City of Merced for the Fiscal Year beginning July 1, 2023 and ending June 30, 2024, is hereby adopted.

SECTION 2. Said Budget hereby adopted is the aforementioned Proposed Budget prepared by the City Manager, entitled, "City of Merced 2023-2024 Budget," incorporated herein as though set forth in full.

SECTION 3. The sums of money therein set forth are hereby appropriated from the revenues of the City to the departments, functions, and funds therein set forth for expenditures during the Fiscal Year 2023-2024.

SECTION 4. The recommended ending balance for June 30, 2024, shown in the proposed annual Financial Summary section is an estimate, and the actual ending balance is hereby appropriated as a reserve for unanticipated uses as determined by the City Council.

SECTION 5. Pursuant to the City Council adopted General Fund Reserve Policy, the General Fund reserves have been set at the minimum. This included 30% set-aside in a separate fund and 5% remaining in the General Fund as contingency.

SECTION 6. Pursuant to Government Finance Officers Association best practice recommendation “Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund” the unassigned portion of the unrestricted Measure C Fund fund balance will at a minimum be the average of two months of revenue and expenditures.

SECTION 7. Capital Improvement Projects revenue and unspent appropriation actual carryover budget amounts from 2022-2023 shall be recalculated and updated to reflect actual balances as of June 30, 2023 and are hereby incorporated as part of the 2023-2024 approved Budget.

SECTION 8. Grant Funds received and appropriated and unspent appropriation actual carryover budget amounts from 2022-2023 shall be recalculated and updated to reflect actual balances as of June 30, 2023 and are hereby incorporated as part of the 2023-2024 approved Budget.

SECTION 9. State law requires that an Appropriations Limit be adopted annually by the City Council. Article XIII B of the California Constitution places certain restrictions on appropriations made by local governments and the restrictions are applicable to appropriations that meet the definition of “Proceeds of Taxes”. The law allows the option to select the factors to be used to calculate the annual Appropriations Limit. For one of the factors the City must select between: (A) the change in the City of Merced population, or (B) the change in the Merced County population, and the City has selected the change in the City of Merced population. For the second adjustment factor the City must select between (A) the change in the State per capita income; or (B) the change in the assessed valuation of local non-residential construction, and the City has selected the change in the State per capita income. The appropriations subject to limitation in Fiscal

Year 2023-2024 shall be as set forth on and as calculated on Exhibit "A" attached hereto and made a part hereof.

SECTION 10. The City Council hereby authorizes the Finance Officer to advance from Pooled Cash funds for which the City has received a reimbursable grant until such time as the grants funds are received by the City.

SECTION 11. Pursuant to Section 1112 of the Merced City Charter, the City Council hereby authorizes the use of the Cash Basis Fund for meeting General Fund expenditures prior to the receipt of the ad valorem tax revenues.

SECTION 12. As the Successor Agency for the housing obligations for the former Redevelopment Agency of the City of Merced, the City Council makes the findings and determinations set forth in Exhibit "B" attached hereto and made a part hereof.

SECTION 13. The City Manager or designee is authorized to make transfers of budget appropriations between classifications and activities within a fund to purchase such items and services needed to accomplish those purposes set forth in the Program Statements of said Budget document and to insure the efficient and effective administration of City services.

SECTION 14. The Finance Officer is authorized to continuously revise revenue budget and appropriation throughout the fiscal year based on actuals received from the Office of Emergency Services (Fire Department).

SECTION 15. The Finance Officer is authorized to continuously revise revenue budget and appropriation throughout the fiscal year if funding is available or up to \$10,000 based on actuals received for each Community Facilities District and/or Maintenance District.

SECTION 16. The City Manager or designee is authorized to execute public works project contracts which are below the threshold amount which is adjusted annually by the Finance Officer in accordance with the Engineering Construction Cost Index.

SECTION 17. The new positions as set forth in Exhibit "C" attached hereto and made a part hereof, are hereby approved and included in the Fiscal Year 2023-2024 Budget.

PASSED AND ADOPTED by the City Council of the City of Merced at an adjourned regular meeting held on the ____ day of June 2023, by the following called vote:

AYES: Council Members:

NOES: Council Members:

ABSTAIN: Council Members:

ABSENT: Council Members:

APPROVED:

Mayor

ATTEST:
STEPHANIE R. DIETZ, CITY CLERK

BY: _____
Assistant/Deputy City Clerk

(SEAL)

APPROVED AS TO FORM:

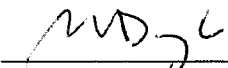
 6-6-2023
City Attorney Date

Exhibit "A"

**SUMMARY SCHEDULE
APPROPRIATION LIMIT**

1978-79 Revenue	\$	13,472,352	1978-79 Appropriations-	\$	16,362,969
Less: non-proceeds			as amended		
of taxes		7,236,508	Less: non-proceeds of		
debt service		<u>719,175</u>	taxes		7,236,508
Proceeds of taxes	\$	<u>5,516,669</u>	debt service		
			approp.		<u>719,175</u>
			1978-79 approp. limit		
			(Base Year)	\$	<u>8,407,286</u>

Year of Change	U.S. Con. Price Index	Per Capita Pers. Inc.	Pop.	Ratio of Change	Approp. Amount	Limit Year
78-79	1.1017		1.0440	1.1502	9,670,000	79-80
79-80		1.1211	1.0200	1.1435	11,057,858	80-81
80-81		1.0912	1.0160	1.1087	12,259,396	81-82
81-82	1.0679		1.1080	1.1832	14,505,724	82-83
82-83		1.0235	1.0534	1.0782	15,639,417	83-84
83-84	1.0474		1.0459	1.0955	17,132,601	84-85
84-85	1.0374		1.0514	1.0907	18,686,911	85-86
85-86	1.0230		1.0426	1.0666	19,931,082	86-87
86-87	1.0304		1.0546	1.0867	21,658,306	87-88
87-88	1.0393		1.0568	1.0983	23,788,016	88-89
88-89	1.0498		1.0429	1.0948	26,043,986	89-90
89-90		1.0421	1.0456	1.0896	28,378,042	90-91
90-91		1.0414	1.0366	1.0795	30,634,529	91-92
91-92		0.9936	1.0185	1.0120	31,001,580	92-93
92-93		1.0272	1.0193	1.0470	32,459,428	93-94
93-94		1.0071	1.0154	1.0226	33,193,314	94-95
94-95		1.0472	1.0131	1.0609	35,215,395	95-96
95-96		1.0467	1.0123	1.0596	37,313,331	96-97
96-97		1.0467	1.0127	1.0600	39,551,873	97-98
97-98		1.0415	1.0212	1.0636	42,066,574	98-99
98-99		1.0453	1.0182	1.0643	44,772,483	99-00
99-00		1.0491	1.0215	1.0717	47,980,685	00-01
00-01		1.0782	1.0181	1.0977	52,669,137	01-02
01-02		0.9873	1.0285	1.0154	53,482,246	02-03
02-03		1.0231	1.0203	1.0439	55,828,455	03-04
03-04		1.0328	1.0242	1.0578	59,054,991	04-05
04-05		1.0526	1.0454	1.1004	64,983,406	05-06
05-06		1.0396	1.0299	1.0707	69,576,696	06-07
06-07		1.0442	1.0509	1.0973	76,349,972	07-08
07-08		1.0429	1.0209	1.0647	81,289,556	08-09
08-09		1.0062	1.0123	1.0186	82,799,612	09-10
09-10		0.9746	1.0105	.9848	81,543,815	10-11
10-11		1.0251	1.0102	1.0356	84,443,189	11-12
11-12		1.0377	1.0055	1.0434	88,108,644	12-13
12-13		1.0512	1.0109	1.0627	93,629,362	13-14
13-14		0.9977	1.0096	1.0073	94,310,789	14-15
14-15		1.0382	1.0067	1.0452	98,569,482	15-16
15-16		1.0537	1.0103	1.0646	104,932,448	16-17
16-17		1.0369	1.0115	1.0488	110,055,707	17-18
17-18		1.0367	1.0173	1.0546	116,068,590	18-19
18-19		1.0385	1.0138	1.0528	122,200,645	19-20
19-20		1.0373	1.0237	1.0619	129,762,911	20-21
20-21		1.0573	1.0307	1.0898	141,410,314	21-22
21-22		1.0755	1.0097	1.0859	153,562,035	22-23
22-23		1.0444	1.0165	1.0616	163,026,462	23-24

2023-24 Projected Revenue Subject to Appropriation:

Limit:

Taxes	\$	55,381,362
Other Agencies (State Subventions)		10,993,446
Interest		<u>556,553</u>
Total	\$	<u>66,931,361</u>

Revenues to be received during 2023-24 will not exceed the appropriation limit for 2022-23 in compliance with the State Constitution.

EXHIBIT “B”

FINDINGS AND DETERMINATIONS AS THE HOUSING SUCCESSOR AGENCY

FINDINGS:

1. Pursuant to California Redevelopment Law (Health & Safety Code Section 33000 *et seq.*) the City of Merced, California as the housing successor to the former Redevelopment Agency of the City of Merced (“Successor Agency”) is required to establish a fund for the purpose of increasing, improving, and preserving the community’s supply of low and moderate income housing available at affordable housing cost using Low and Moderate Income funds; and,
2. The Successor Agency has established Low and Moderate Income Housing Funds for the purpose of increasing, improving, and preserving the community’s supply of low and moderate income housing in the City’s former two project areas; and,
3. The City of Merced’s General Plan Housing Element provides substantial evidence that there is a significant need for affordable housing throughout the City of Merced; and,
4. Affordable housing development opportunities are not confined to the Successor Agency’s former two Project Areas but instead are found throughout the entire community of Merced; and,
5. Residential housing development opportunities are particularly limited in the forth Project Area 2 due to the small amount of residentially-zoned land in the former Project Area; and,
6. The California Health and Safety Code provides authority for expending Redevelopment Low-Moderate Income Housing funds throughout the community without limit as to project area boundaries if the use of such funds will of benefit to the project areas.

DETERMINATIONS:

1. Expenditures of Low-Moderate Income Housing funds outside the Successor Agency's former two Project Areas are necessary and reasonable and will be of benefit to the Project Area 2 and Gateways Project Area.

2. The expenditure of the former Project Area 2 and Gateways Project Area Low-Moderate Income Housing funds anywhere in the City of Merced, including areas inside and outside of the former Project Area 2 and Gateways Project Area, is hereby authorized.

Exhibit C									
New Postions Proposed FY 2023-24									
JOB TITLE	GRADE	Step Range	1	2	3	4	5		
Deputy Dev Services Director	891	Annual	118,873.04	124,816.64	131,057.47	137,610.30	144,490.74		
		Monthly	9,906.09	10,401.39	10,921.46	11,467.53	12,040.89		
		Hourly	57.1505	60.0080	63.0084	66.1588	69.4667		
		Annual Premium	3,566.19	3,744.50	3,931.72	4,128.31	4,334.72		
Business & Aviation Manager	878	Annual	118,142.75	124,049.95	130,252.51	136,765.20	143,603.41		
		Monthly	9,845.23	10,337.50	10,854.38	11,397.10	11,966.95		
		Hourly	56.7994	59.6394	62.6214	65.7525	69.0401		
		Annual Premium	3,544.28	3,721.50	3,907.58	4,102.96	4,308.10		