



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Manager

SUBJECT: A Resolution Amending the Annual Operating Budget for Fiscal Year 2023-2024

MEETING DATE: September 26, 2023

RECOMMENDATION

Approve and adopt the proposed Resolution amending the annual operating budget for fiscal year 2023-2024.

BACKGROUND/ANALYSIS

On September 12, 2023 the City Council approved new capital outlay requests and several of the most pressing adjustments to the adopted budget. Nevertheless, City Council has requested a comprehensive overview of the department requests as well as City Council inquiries related to the budget.

The City Council had previously entertained a presentation at a budget hearing on June 22, 2023 in the City Council Chambers. Following the feedback and guidance received during the hearing, the staff worked diligently on revising the budget proposal, which was presented at the City Council meeting on June 27, 2023. After further discussion, the City Council adopted a FY2023-24 General Fund budget totaling \$63,962,083. This budget included the following elements:

➤ FY 2022-23 Baseline Budget	\$60,478,095
➤ FY 2022-23 Budget Revisit	\$ 1,455,134
➤ LA County Safety Services	\$ 1,463,978
➤ Public Works Contracts	\$ 153,926
➤ Utilities	\$ 192,130
TOTAL	\$63,962,083

With the approval of the “Status Quo” budget, the projected surplus that City staff anticipates was estimated at \$6,517,045. As part of the presentation, there were a number of departmental personnel requests (totaling \$1,129,063) that the City Council voted to defer to a future date because they desired more time to digest the details provided, and mull over the need thereof.

Further information related to the aforementioned departmental requests are presented as part of this report and will be presented at the City Council meeting taking place on September 26, 2023.

On September 12, 2023, the City Council approved 5 personnel requests totaling \$294,753 and one expenditure related to Travel Dance in the amount of \$17,520 along with \$490,437 in capital outlay costs. As a result of this set of approvals on September 12, the surplus is now projected to be at \$5,731,855. An overview of these expenditures with related details was sent to the City Council on September 14 and will be presented at this meeting. The following updates were shared with the City Council on September 14, 2023 as well with further updates provided in *italics*:

Communications Webcasts – Can be absorbed under the existing budget if conducted during normal business hours with a slight budget adjustments if after-hours offerings were included.

Economic Needs Assessment - Staff coordinating with Metro regarding an economic analysis that may have been done as part of the Gold Line extension project. Staff's hope is that the analysis may provide land use opportunities, potentially providing economic strategies for future investments. *Staff is also in communication with other firms that perform this type of work to obtain a quote for this type of report.*

Request Light Rail – Staff met with Atkins Global, a notable rail and transit consulting firm that has completed work for the Los Angeles International Airport, California High-Speed Rail, and is currently contracted to perform systems engineering for LA Metro ahead of the 2028 Olympics. The discussion centered around a feasibility study related to an aerial light rail installation in Commerce. Following the meeting, staff requested for a scope of work from the firm and anticipate a proposal and follow-up discussion with the firm before the end of September. *It should be noted that they stated that constructing an aerial transportation system would cost anywhere from \$150,000,000 to \$300,000,000 per mile.*

ALTERNATIVES

1. Approve staff recommendation
2. Provide staff with further direction

FISCAL IMPACT

If the City Council chooses to approve all the departmental requests, an amendment to the adopted FY 2023-24 budget will need to be approved.

RELATIONSHIP TO STRATEGIC GOALS

This report before the Council is not applicable to any specific 2016 Strategic Plan goal; however, it is related to the following: Fiscal Sustainability – *The City of Commerce will implement innovative and responsible policies and business practices to effectively manage its fiscal and human resources. The City will maintain a stable financial environment that is*

transparent and supports an outstanding quality of life for our community. City business practices will be efficient, business friendly and ensure exceptional customer service.

Respectfully submitted: Edgar P. Cisneros, City Manager
Recommended by: Vilko Domic, Assistant City Manager
Approved as to form: Noel Tapia, City Attorney