

CITY COUNCIL / LRA BOARD

Mayor/Chair

Richard D. O'Brien

Vice Mayor/Chair (CM-D1) Luis Uribe

Council/Authority Members

District 2 Rachel Hernandez

District 3 Cal Campbell

District 4 Darlene Barber-Martinez



**City of Riverbank
Regular City Council and
Local Redevelopment Authority
Board Meetings**

(via Virtual Platform Only)

Council Chambers is located at
6707 Third St., Suite B
Riverbank, CA 95367



AGENDA

TUESDAY, FEBRUARY 23, 2021– 6:00 P.M.

(THE AGENDA PACKET IS ONLINE AT [HTTP://WWW.RIVERBANK.ORG/AGENDACENTER](http://www.riverbank.org/agendacenter))

NOTICE: THIS MEETING WILL BE HELD IN ACCORDANCE WITH THE GOVERNOR'S NEW EXECUTIVE ORDER N-29-20, ISSUED ON MARCH 17, 2020, REGARDING THE OPEN MEETING REQUIREMENTS OF THE RALPH M. BROWN ACT (CALIFORNIA GOVERNMENT CODE SECTION 54950, ET SEQ.), AND THE FEDERAL AMERICANS WITH DISABILITIES ACT IN AN EFFORT TO HELP AVOID THE SPREAD OF COVID-19, TO MAXIMIZE TRANSPARENCY, AND PROVIDE PUBLIC ACCESS TO CITY COUNCIL MEETINGS.

1. CALL TO ORDER

2. FLAG SALUTE

3. ROLL CALL

4. AGENDA CHANGES

5. CONFLICT OF INTEREST: *Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.*

6. PUBLIC COMMENTS (No Action Can Be Taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 3 minutes or as stated by the presiding Officer**. Under State Law, matters presented during the public comment period cannot be discussed or acted upon.

Refer to the last page of this agenda for the Public Comment Procedures via ZOOM.

7. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless requested by an individual Council/Authority Member or member of the public for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by motion of the City Council/LRA Board.

Item 7.1. Waive Readings. All Readings of ordinances and resolutions, except by title, are waived.

Item 7.2. Approval of the February 9, 2021 City Council and Local Redevelopment Authority Minutes.

8. PUBLIC HEARINGS

The public hearing notices were published in the Riverbank News on 02/10/2021.

Item 8.1. **Resolution Approving the Fiscal Year 2020-21 Mid-Year Budget Amendments** – It is recommended that the City Council consider approval of the Fiscal Year 2020-21 Mid-Year Budget Amendments.

LRA Item 8.2. **Resolution Approving the LRA Fiscal Year 2020-2021 Mid-Year Budget Amendments** – It is recommended that the Local Redevelopment Authority Board of Directors accept and adopt the attached resolution approving mid-year budget adjustments to the Fiscal Year 2020/2021 Local Redevelopment Authority Budget.

9. NEW BUSINESS

Item 9.1. **Riverbank Cheese and Wine Festival 2021 Discussion and Direction** – It is recommended that the City Council receive an update as to the status of the Cheese and Wine Festival and provide staff direction on whether or not to move forward with planning the event for the 2021 year.

10. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council/LRA Board during this time.

Item 10.1. Staff

Item 10.2. Council/Authority Member

Item 10.3. Mayor/Chair

11. CLOSED SESSION

The public will have a limit of **3 minutes** to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board adjourning to Closed Session.

Item 11.1. **CONFERENCE WITH REAL PROPERTY NEGOTIATORS**
Pursuant to Government Code Section 54956.8
Property: APN: 062-031-005, 062-031-006, 062-031-007
Agency Negotiator: Sean Scully, City Manager
Property Negotiator: Aemetis, Inc.
Under Negotiation: Price, terms of payment, or both

12. ADJOURNMENT OF THE PUBLIC PORTION OF THE MEETING

The City Council and the LRA Board will be going into Closed Session.

13. REPORT FROM CLOSED SESSION

The Mayor's report on the Closed Session Items will be made to the City Clerk, and the report will be reflected in the Minutes of this meeting. Anyone interested in obtaining the report may contact the City Clerk at cityclerk@riverbank.org or call (209) 863-7198.

14. ADJOURNMENT OF THE REGULAR MEETING (Immediately after Closed Session)
(The next regular meeting is on Tuesday, March 9, 2021 at 6:00 p.m.)**AFFIDAVIT OF POSTING**

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted on an accessible public location, and the City's website 72 hours prior to the meeting in accordance to the California Ralph M. Brown Act.

Posted this Friday, February 19, 2021

/s/ Annabelle H. Aguilar, CMC, City Clerk of Riverbank

ADA COMPLIANCE STATEMENT

In compliance with the Americans with Disabilities Act, and the Governor's Executive Order N-29-20, the City will make every effort to make reasonable modifications or accommodations from individuals with disabilities. Contact the Administration Dept. at (209) 863-7122 or the City Clerk at aaguilar@riverbank.org at least (48) hours prior to the meeting to enable the City to make reasonable arrangements for accessibility.

NOTICE REGARDING NON-ENGLISH SPEAKERS

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Riverbank City Council/LRA Board shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.



**PUBLIC PARTICIPATION PROCEDURES
FOR THE CITY COUNCIL/LRA BOARD MEETINGS HELD IN A
TELECONFERENCE OR VIRTUAL PLATFORM IN CONFORMANCE
WITH THE GOVERNOR'S EXECUTIVE ORDER N-29-20**

CHANGES TO THIS NOTICE OF PROCEDURES

In accordance with the Governor's Executive Order, should the meeting procedures change, the City may use the most rapid means of communication available at the time including, but not limited to, posting the notice of changes on the City's website.

PUBLIC "LIVE" VIEWING

- Charter Government Channel – 2
- AT&T U-VERSE Government Channel – 99
- YouTube Live <https://www.youtube.com/channel/UCq2x8QChEcknBq7uuJLcZow>
- Via ZOOM Platform (See instructions below)

SUBMITTING PUBLIC COMMENTS

Via Mail Service: Mail comments to City of Riverbank, Attn. City Clerk, 6707 Third Street, Suite A, Riverbank, CA 95367. (Must be received by 4:00 p.m. on the day of the meeting.)

Via Email to cityclerk@riverbank.org:

- Written comments must be received by 4:00 p.m. on the day of the meeting; and
- Indicate Agenda Item # in the *subject line*.

Join via ZOOM Platform:

- Visit <https://zoom.us/j/94943925973?status=success> for a free account or to download the app.
- Join by this link: <https://us02web.zoom.us/j/85211019427>
- Join by accessing website: <https://zoom.us/join>
 - Webinar ID: 852 1101 9472
- Join by telephone: 1 669 900 9128 or 1 346 248 7799 plus Webinar ID

HOW DO I COMMENT? The Mayor will announce when public comment may be made for the agenda item being considered, at which time you will:

- Using a computer – click on the “raise hand” feature in the webinar controls. This will let us know you wish to speak.
 - Once you confirm that you want to be unmuted, your 3 minutes will begin for you to make your comments.
- Using a Phone – press *9 to “raise the hand”.
 - Once you confirm that you want to be unmuted, your 3 minutes will begin for you to make your comments.

Learn about using ZOOM - Visit <https://support.zoom.us/hc/en-us/categories/201146643>

RIVERBANK CITY COUNCIL / LRA AGENDA ITEM NO. 7.1

SECTION 7: CONSENT CALENDAR

Meeting Date:	February 23, 2021
Subject:	Waiver of Readings
From:	Sean Scully, City Manager
Submitted by:	Annabelle Aguilar, CMC, City Clerk / LRA Recorder

RECOMMENDATION

It is recommended that the City Council / LRA Board approve the waiver of readings of any proposed ordinances and resolutions for consideration, except by title.

SUMMARY

In lieu of reading the entire text of a proposed ordinance or resolution that is introduced for consideration for adoption and approval, by majority vote, the City Council/LRA Board may waive the reading of the text and introduce the ordinance or resolution by title only for the record.

The full text of the proposed ordinances and resolutions, and any related documents that are part of the agenda packet, are available for review by the public on the City’s website and in the City Clerk’s office at City Hall (North) upon distribution to a majority of the City Council/LRA Board; typically 72 hours prior to the scheduled date and time of the meeting.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENTS

There are no attachments to this report.

**RIVERBANK CITY COUNCIL / LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 7.2**

SECTION 7: CONSENT CALENDAR

Meeting Date:	February 23, 2021
Subject:	Approval of the February 9, 2021, City Council and Local Redevelopment Authority Board Minutes
From:	Sean Scully, City Manager
Submitted by:	Annabelle Aguilar, CMC, City Clerk / LRA Recorder

RECOMMENDATION

It is recommended that the City Council / Local Redevelopment Authority Board approve the City Council /LRA Meeting Minutes as presented.

SUMMARY

The Draft Minutes of the February 9, 2021, regular City Council and the Local Redevelopment Authority Board meetings have been prepared for review and approval.

FINANCIAL IMPACT

There is no financial impact to this item.

ATTACHMENT

1. February 9, 2021, City Council and LRA Minutes

CITY COUNCIL / LRA BOARD

Mayor/Chair

Richard D. O'Brien

Vice Mayor/Chair (CM-D1) Luis Uribe

Council/Authority Members

District 2 Rachel Hernandez

District 3 Cal Campbell

District 4 Darlene Barber-Martinez



**City of Riverbank
Regular City Council and
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City Hall is located at
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MINUTES

TUESDAY, FEBRUARY 9, 2021 – 6:00 P.M.

Notice: this meeting was held in accordance with the Governor's new Executive Order N-29-20, issued on March 17, 2020, regarding the open meeting requirements of the Ralph M. Brown Act (California Government Code Section 54950, et seq.), and the federal Americans With Disabilities Act in an effort to help avoid the spread of covid-19, to maximize transparency, and provide public access to city council meetings.

1. CALL TO ORDER – *Due to technical difficulties with Councilmember Hernandez' connection, this meeting was opened via the virtual platform at 6:03 p.m. with Mayor/Chair Richard D. O'Brien presiding.*

2. FLAG SALUTE – *Lead by Councilmember Barber-Martinez*

3. ROLL CALL – *All Members of the City Council were present.*

Staff Present: City Manager Sean Scully, Asst. City Manager/ASD Marisela Garcia, City Attorney Nubia Goldstein, Police Chief Ed Ridenour, City Clerk Annabelle Aguilar, Development Services Administration Manager Kathleen Cleek, Parks and Recreation Directors Sue Fitzpatrick, and Administrative Analyst II/Human Services Specialist Norma Torres-Manriquez.

4. AGENDA CHANGES – *There were no changes made.*

5. CONFLICT OF INTEREST: *Any Council/Authority Member or Staff who has a direct Conflict of Interest on any scheduled agenda item to be considered is to declare their conflict at this time.*

No one declared a conflict.

6. PUBLIC COMMENTS (No Action Can Be Taken)

At this time, members of the public may comment on any item not appearing on the agenda, and within the subject matter jurisdiction of the City Council/LRA Board. Individual comments will be limited to a **maximum of 3 minutes or as stated by the presiding Officer**. Under State Law, matters presented during the public comment period cannot be discussed or acted upon.

(Public Comment Procedures via ZOOM were provided on the last page of the agenda.)

There were public comments.

7. PRESENTATIONS

Item 7.1. Summary of Face Mask Handout Program.

Council commented on their appreciation of staff administering the mask program and the community utilizing the program.

8. CONSENT CALENDAR

All items listed on the Consent Calendar are to be acted upon by a single action of the City Council/LRA Board unless requested by an individual Council/Authority Member or member of the public for special consideration. Otherwise, the recommendation of staff will be accepted and acted upon by motion of the City Council/LRA Board.

- Item 8.1.** Waive Readings. All Readings of ordinances and resolutions, except by title, are waived.
- Item 8.2.** Approval of the January 26, 2021 City Council and Local Redevelopment Authority Minutes.
- Item 8.3.** Acceptance of the Pavement Restoration Project 2020 Completed by Dryco Construction, Inc. and Authorization to File a Notice of Completion.
- Item 8.4.** A **Resolution [No. 2021-003]** to Approve and Adopt the Revised 2021 City of Riverbank Measure L Expenditure Plan Project List.
- Item 8.5.** Recommend Approval of **Resolution [No. 2021-004]** Adopting a List of Projects for Fiscal Year 2021-2022 Funded by SB 1: The Road Repair and Accountability Act of 2017.

ACTION: *By motion moved and seconded (Campbell / Barber-Martinez / passed 5-0) to approve Consent Calendar Items 8.1 through 8.5 as presented.*
Motion carried by unanimous City Council and LRA Board roll call vote.
AYES: Barber-Martinez, Campbell, Hernandez, Uribe, and Mayor/Chair O'Brien
NAYS: None / ABSENT: None / ABSTAINED: None

9. NEW BUSINESS

- Item 9.1.** **Provide Direction to City Staff Concerning an Amendment to the Development Agreement by and Between the City of Riverbank and Pacafi Cooperative, Inc., a California cooperative corporation doing business as Flavors to Extend the Term and Make Adjustments to the Public Benefits Schedule** – Staff requests direction from the City Council considering an amendment to the development agreement by and between the City of Riverbank and Pacafi Cooperative, Inc., a California cooperative corporation doing business as Flavors (“Development Agreement”) to extend the term of the Development Agreement for a term of three (3) years and make adjustments to the public benefit schedule. City staff will process the necessary Development Agreement amendment with the changes as directed by the City Council.

City Attorney Nubia Goldstein presented the staff report and explained the \$30,000 limited payment per month requested by Flavors as part of the next three-year Development Agreement between the two parties. Council spoke in favor of placing a cap on the payment to the City and continuing the good relationship.

ACTION: *By motion moved and seconded (Uribe / Campbell / passed 5-0) to approve the requested \$30,000 limit, per month payment, with added agreement provisions to have the ability to negotiate the cap should there be a need to do so.*
Motion carried by unanimous City Council roll call vote.
AYES: Barber-Martinez, Campbell, Hernandez, Uribe, and Mayor O'Brien
NAYS: None / ABSENT: None / ABSTAINED: None

Item 9.2. **Update on the Proposition 68 Grant Project** – It is recommended that the City Council hear an update on the proposition 68 grant project and application.

Parks and Recreation Director Sue Fitzpatrick and presented the staff report. Council was pleased with the proposed renderings of the Community Center Park renovations that would occur if awarded the grant.

Item 9.3. **Countryside Park Development** – It is recommended that the City Council review the options for the development of Countryside Park and give staff direction.

Parks and Recreation Director Sue Fitzpatrick and City Manager Sean Scully presented the staff report. Council considered the information and proposed Option 1) Move forward with current design with the new park standards, and gap funding could be authorized by Council to contribute \$309,904 through a reimbursement agreement with developer; and Option 2) Downscale the design to fit the amount of funding available for this park development, which would make it a smaller park with less amenities and would not include all of the new park standards

ACTION: *By motion moved and seconded (Barber-Martinez / Uribe / passed 5-0) to approve Option 1 as presented. Motion carried by unanimous City Council roll call vote.*
AYES: Barber-Martinez, Campbell, Hernandez, Uribe, and Mayor O'Brien
NAYS: None / ABSENT: None / ABSTAINED: None

10. COMMENTS/REPORTS

A brief report on notable attendance of a meeting or conference or other notable topics of City business shall be made. The Brown Act does not allow for discussion or action of items by the City Council/LRA Board during this time.

Item 10.1. Staff

- City Manager Sean Scully: 1) announced that staff is working to find the property for the homeless housing project, staff will be prepared to complete and submit the application upon its availability, and discussion are*

underway with the Housing Authority for partnership of a housing project; 2) announced the scheduled public forum webinar with experts on the Paycheck Protection Program – Round 2 would be hosted next Wednesday for small businesses; 3) announced that the Crossroads West project was very close to achieving its grading permit and once achieved a ribbon cutting ceremony would occur; 4) announced that the presentation of the mid-year budget would be presented at the next [City Council] meeting; 5) announced that he is working with a couple of property owners in regards to the installation of electronic signs on the east and south sides of town; 6) announced that there would be targeted staffing needs presented to Council during the mid-year budget to meet customer service due to the development projects that are and will be occurring; and 7) announced that a company named Circulus, a recycling plastics manufacturer will be a tenant of the Riverbank Industrial Complex.

Item 10.2. Council/Authority Member

- *Council/Authority Member Hernandez commented that the details of Love Riverbank are still being worked on, and announced the joining of efforts with tax services and United Way.*
- *Council/Authority Member Campbell commented on the receipt of his second vaccination and the need to continue with the COVID protection guidelines.*
- *Council/Authority Member Barber-Martinez announced her scheduled attendance of the Stanislaus Homeless Alliance Meeting on Wednesday; announced the Volunteer Income Tax Assistance Program that provides free tax services to the community and the various locations scheduled; and commented on the African-American History month and the 150-year struggle to be part of the democratic process, and is very proud to contribute to help others as an African-American.*
- *Vice Mayor/Chair Uribe reported on his attendance of the “Vaccinate all 58” webinar; announced the SB 1383 open forum by Gilton Waste Management on Friday; and reported on his participation of the County’s Evaluation Committee for the Homeless Housing Assistance and Prevention Funding process.*

Item 10.3. Mayor/Chair

Mayor/Chair O’Brien commented on the positive status of the vaccination roll out, and his concern with the County and Golden Valley Health organization’s decision to partner with CVS, Save-Mart, or others on administering the vaccinations; commented on his concern with the City of Oakdale placing teachers and healthcare workers ahead of the vaccination line, and will be working towards obtaining a mobile vaccination unit in Riverbank; and announced that as major projects begin to progress there will be invitations to various [government] representatives.

11. CLOSED SESSION

The public will have a limit of **3 minutes** to comment on Closed Session item(s) as set forth on the agenda prior to the City Council/LRA Board adjourning to Closed Session.

Item 11.1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)

Title: City Manager

Item 11.2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Pursuant to Government Code Section 54956.8
Property: APN: 062-031-005, 062-031-006, 062-031-007
Agency Negotiator: Sean Scully, City Manager
Property Negotiator: Aemetis, Inc.
Under Negotiation: Price, terms of payment, or both

Mayor/Chair O'Brien announced the Closed Session Item and opened the Item for public comment; no one spoke.

12. ADJOURNMENT OF THE PUBLIC PORTION OF THE MEETING

There being no further open public business, Mayor/Chair O'Brien announced that the City Council and LRA Board would be going into closed session and that the reports from Closed Session would be made to the City Clerk, and would be reflected in the Minutes of the meetings. Anyone interested in obtaining the reports from Closed Session could contact the City Clerk at cityclerk@riverbank.org or call (209) 863-7198. The open public portion of the meeting was adjourned at 7:37 p.m.; City Council and the LRA Board went into Closed Session.

13. REPORT FROM CLOSED SESSION

*Mayor O'Brien reported that direction was provided to staff on Item 11.1.
Mayor/Chair O'Brien reported that direction was provided to staff on Item 11.2.*

14. ADJOURNMENT OF THE REGULAR MEETING (Immediately after Closed Session)

There being no further business, Mayor/Chair O'Brien adjourned the meetings at 9:02 p.m.

ATTEST: (Adopted 02/23/2021)

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk / LRA Recorder

Richard D. O'Brien
Mayor / Chair

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 8.1

SECTION 8: PUBLIC HEARING

Meeting Date:	February 23, 2021
Subject:	Resolution Approving the Fiscal Year 2020-21 Mid-Year Budget Amendments
From:	Sean Scully, City Manager
Submitted by:	Marisela H. Garcia, Assistant City Manager/Director of Finance

RECOMMENDATION

It is recommended that the City Council consider approval of the Fiscal Year 2020-21 Mid-Year Budget Amendments.

SUMMARY

The Finance Department has performed a mid-year review of the Fiscal Year 2020-21 budget and is recommending the following: 1) budget amendments based on actual beginning reserve changes and, 2) amendments based on revenue and expenditure trends and department requests.

BACKGROUND

On June 23, 2020 the City Council was presented with the FY 2020-21 Preliminary Operating Budget. This operating budget was prepared using estimates and projections on anticipated revenues and expenditures and was the result of the collaboration of all of the City's departments. For the General Fund, the City Council approved a budget reflecting a structural deficit where expenditures were projected to exceed revenues by \$664,100 and was projected to end with a reserve of 25%. The General Fund's Operating Budget was anticipated to be severely impacted as a result of loss of revenues due to COVID-19, primarily a loss of sales tax and other business-related revenues.

An important component of a mid-year budget evaluation is determining whether projections made during the preliminary budget adoption continue to remain true as revenues are received and expenditures have been made. In addition, new information that is received from Stanislaus County and/or the State of California is reviewed for its potential impact to the City's budget and amendments are requested accordingly.

The following is a **major** fund analysis of recommended adjustments to revenues and expenditures highlighting those changes that are of significant impact to the budget. A detailed listing of all funds and accounts being adjusted is attached as Exhibit A.

General Fund (Fund 101)

Revenues

The mid-year review of all General Fund revenues resulted in a recommended net increase of **\$297,900, the majority of which represents reimbursements from the CARES Act funding for public safety**. Significant adjustments were made to the following revenue sources:

Account	Adjustment	Reasoning
Property Tax in Lieu of VLF	\$74,500	Based on actual projections by the State.
Building Permit Fees	\$40,000	New Housing Construction permits
Miscellaneous Program Income	-\$10,000	Loss of rental revenue for the Sports Complex due to COVID.
Transfers In of Management Fee	+\$176,200	CARES Act offsets for Public Safety (first responders)

Expenditures

Expenditure reviews consisted of evaluating all accounts to ensure that the original budget would be sufficient to meet anticipated expenditures through the end of the fiscal year. When evaluating accounts Finance has taken into consideration new information affecting expenditures as well as spending trends. This mid-year evaluation (review) has resulted in a recommended net increase in expenditures for the General Fund of **\$60,900**.

Only Major expenditure adjustments over \$10,000 or staffing-related adjustment are reflected below, please see Exhibit A for additional recommended adjustments:

Department	Adjustment	Reasoning
Finance Department	-\$34,000	Net salary & benefit savings from full-time employee vacancy
Legal	+\$20,000	Additional legal fees due to COVID and lawsuits
Planning	+\$9,100	Salary & Benefits for Part-Time employee to assist Planning & Development Services Administration.
Police Services	+\$20,500	Upgrades to Traffic Unit Office
Development Services	+\$9,100	Salary and Benefits for Part-Time employee to assist Public Works Administration.

	+16,100	Consulting assistance to comply with AB 341, AB 1826, & SB 1383 Solid Waste
Storm Water Administration/Streets	+\$100,000	Subsidy to the Gas Tax Fund for Operations (MOE allocation)
Parks	+\$18,000	7 th Street Tennis Court Resurfacing

With the approved amendments, the General Fund is anticipated to end this fiscal year with a reserve of 28% or approximately \$2.8 million. An adjustment of +\$156,300 has been reflected to the General Fund's Beginning Reserve. This increase was due to significant savings achieved in FY 2019-20 as a result of COVID-19

Beginning Reserve Amended 07/1/2020	\$3,315,900
Amended Revenues	\$10,209,600
Amended Expenditures	\$10,671,700
Anticipated Ending Reserve 06/30/2021	\$2,853,800 (28%)
Structural Deficit	\$462,100
One-Time Capital Expenses	\$73,500
On-Going Structural Deficit	\$388,600

General Fund Analysis

The COVID-19 pandemic has not only impacted the City's revenues, but has also significantly impacted the method by which the City delivers services to its residents. The City has experienced decreases in Sales Tax Revenues as residents moved away from in-store purchasing to purchasing online. When purchases are made in-store, the City is allocated 1% of the purchase in Sales Tax revenue, whereas when purchases are made online, this allocation drops to approximately 0.33%, the balance being shared with the County and other cities within the County.

The City must take into consideration the continued increase in expenditures, particularly the CalPERS Unfunded Liability which is projected to increase by almost \$2 million by 2026.

Staff continues to recommend that the City Council consider appropriating a portion of the reserve to mitigate the impact of future expenditures (i.e. economic impacts such as COVID, unfunded liability or capital needs).

New Position Requests

The General Fund budget includes the proposal to add additional staffing that is necessary in order to begin preparing for the new development anticipated on both the Eastside (Countryside & Diamond Bar East) as well as the Westside (Crossroads West) of Riverbank.

The proposed part-time position for Planning & Development Services Administration will provide support to both divisions as there are similar duties that relate to both divisions.

The position will include assisting with receiving development applications, process development infrastructure plans, and provide general permit support to the department.

The second proposed position is a part-time clerical position for the Public Works Department. This position will handle the customer service aspect of public works, coordinate work orders, and provide general clerical support to the Department Head and supervisors. The salary for this position will be offset by water and sewer revenues.

Gas Tax Fund (Fund 102)

The Gas Tax Fund receives revenues from a variety of Highway User Taxes collected from the State of California via vehicle fuel purchases. Revenues may only be used to fund Street & Roads related maintenance and project expenses.

Revised revenue projections for the City’s Gas Tax Revenues have been received from the State of California. Increases are based on the increase in fuel prices experienced and the annual inflationary adjustment to all per-gallon fuel excise taxes. This will result in an additional **\$48,000** being received by the City in Gas Tax and SB1 Funding for projects.

Expenditures remain steady for the Gas Tax Account which funds important services such as street maintenance repairs, street sweeping, and street light utilities. Expenditure increases are recommended in the Gas Tax Fund due to additional street striping and overtime worked during COVID team schedules and the storm season. A net increase of \$7,800 in expenses has been projected for this mid-year revision.

An adjustment of **+\$53,700** will be made to the beginning reserve as of July 1, 2020. This adjustment is due to the receipt of Gas Tax Revenues over and above those expended. The Gas Tax Fund reserve as of June 30, 2021 will be as follows:

Beginning Reserve Amended 07/1/2020	\$544,800
Amended Revenues	\$1,300, 100
Amended Expenditures	\$1,541,800
Anticipated Ending Reserve 06/30/2021	\$303,100 (23%)

Gas Tax Fund Analysis

Unfortunately, operating expenses in this fund continue to outpace the operating Gas Tax Revenues that are received by the city. For this fiscal year, the City’s General Fund will need to subsidize expenditures by approximately \$100,000 in order to ensure that there are sufficient funds to continue maintaining our streets to the highest level possible. For the FY 2021-22, the City will be recommending a possible decrease in services in order to avoid the need for further subsidies.

It is important to note, that Reserve funds in the Gas Tax Fund account reflect balances held from the SB1-Road Maintenance and Rehabilitation Account received from the State of California. These funds are allocated by the City Council via the approval of the SB 1 Expenditure List that is presented to Council on an annual basis. The last project approval

list was presented to Council on February 9th. It is normal for this fund to run a deficit as revenues are collected in one fiscal year and projects are completed in another.

Sewer Fund (Fund 106)

The Sewer Fund is a business-type account that has been established to fund the necessary maintenance and improvements of the sewer collection and sewer treatment systems. Revenues are received through user fees from residential, commercial, and industrial entities and may only be used for sewer-related expenditures. The City Council adopted five-year rate increases which went into effect as of November 21, 2015 and has provided funding for operations as well as capital upgrades to our sewer service lines and wastewater treatment facility. The last increase went into effect on July 1, 2019.

The Sewer Fund beginning reserve projection is being amended to \$4,548,800. A significant portion of this reserve is related to Sewer Collection improvements that will be made in FY 2020-21 as detailed in the 2015 Rate Study.

Sewer revenue projections for the current fiscal year are decreasing by \$95,000. This is primarily due to:

1. Loss of Industrial Permit Users thereby resulting in a decrease of \$55,000 in fees assessed, and
2. \$40,000 decrease in Penalty revenue as the City Council has waived the application of penalties to our residents during the COVID pandemic. This source has the potential of being reduced to \$0 should Council consider additional fee waivers.

Overall, the Sewer Fund is anticipated to end with a reserve of 80% providing funds for future projects and addressing deferred maintenance. **Future years are anticipated to continue reflecting a structurally balanced budget for operations.** Future capital improvements arising from the Smoke Test Study performed last year may need to be addressed through the consideration of future rate increases.

In summary, the Sewer Fund is anticipated to end as follows:

Beginning Reserve Amended 07/1/2020	\$4,548,800
Estimated Revenues	\$4,299,000
Estimated Expenditures**	\$5,397,800
Anticipated Ending Reserve 06/30/2021	\$3,450,000 (80%)

**The estimated expenditures for the current fiscal year include \$2.55 million in sewer line upgrades which were identified as part of the 2015 Rate Study.

Water Fund (Fund 114)

The Water Fund is a business-type account that has been established to fund the necessary maintenance and improvements of the water distribution system. Revenues

are received through user fees from residential, commercial, and industrial entities and may only be used for water-related expenditures.

The Fiscal Year 2020-21 beginning reserve is being adjusted to \$2,007,007, which reflects a slight increase of \$3,200, as of July 1, 2020.

Overall, the Water Fund is anticipated to end with a reserve of 69% providing funds for future projects and addressing deferred maintenance. For this Fiscal Year the Water Fund continues to run a structural deficit based on original revenue projections. With only one year since returning to consumption billing, staff will need additional time to review consumption practices by our residents to develop revenue projections for the upcoming fiscal year. Other than the Water Meter Project, the City has been unable to perform any other Capital Improvement Projects listed in the adopted Five-Year Rate Study due to the postponement of consumption billing. As the City continues to collect funds from consumption billing, it is anticipated that a Capital Reserve can be established to begin addressing the projects anticipated in the Study. In addition, the City will need to address funding for these projects in a future rate study.

Similar to the Sewer Fund, the Finance Department has made an amendment to Water Revenues due to the loss of Penalty/Fines revenue for delinquent accounts as a result of COVID. An initial decrease of \$20,000 in Penalty Revenue has been projected with the potential of decreasing this source to \$0 should Council continue to consider waiving fees due to COVID.

Major adjustments to expenditures include the following:

Account	Adjustment	Reasoning
Overtime	+\$10,000	Increase to Overtime as a result of Team Schedules
Utilities	+\$50,000	Electrical billing increases for the City's Water Well and Storage Tanks

In summary, the Water Fund is anticipated to end the 2020-21 fiscal year as follows:

Beginning Reserve Amended 07/1/2020	\$2,007,100
Estimated Revenues	\$2,253,700
Estimated Expenditures	\$2,703,500
Anticipated Ending Reserve 06/30/2021	\$1,557,300 (69%)

Public Benefit Fund (Fund 230)

In June 2018, the City Council authorized the creation of the Public Benefit Fund. The intent of the fund was to ensure that all cannabis-related revenues were segregated and easily accounted for in a specific fund. In addition to establishing the fund, the City Council developed an expenditure policy which was focused on allocating the funds received for public safety (including police and code enforcement) and other projects that would provide a public benefit.

Since its inception, the Public Benefit Fund has received approximately \$2,033,000 in cannabis revenue which have come directly from the Development Agreements between the City and three cannabis-related businesses in the City.

Expenditures from this fund have included the following:

Expenditure Type	Amount
Camera Project	\$202,900
Law Enforcement Services	\$50,000
Electronic Sign Project	\$41,000
Community Center Kitchen Remodel (to date)	\$31,900
Total Expended to Date (2/16/2021)	\$325,000

Ongoing costs include the funding of a Sheriff Deputy & Community Resource Officer, leasing of the camera system, a Neighborhood Improvement Officer position, and the funds allocated towards the completion of the Community Center Kitchen remodel.

For the current fiscal year, the Public Benefit fund status as of June 30, 2021 is as follows:

Beginning Reserve Amended 07/1/2020	\$1,198,600
Estimated Revenues	\$979,000
Estimated Expenditures	\$755,600
Anticipated Ending Reserve 06/30/2021	\$1,422,000 (145%)

Major adjustments to revenues and expenditures include the following:

Account	Adjustment	Reasoning
Public Benefit Fee – Flavors	+\$175,000	Adjustment based on additional revenues based on original and amended DA
Rents & Leases	+\$34,200	City-Wide Camera Project Monthly Fee
Other Contract Services	+18,500	Downtown Camera Project Installation
Equipment/Projects	+\$50,400	Electronic Sign Project & Additional Funds for Community Center Kitchen Remodel

Public Benefit Fund Analysis

As Development Agreements are re-negotiated there is a potential impact to revenues that must be taken into consideration. With fixed costs such as the camera project monthly fee and funding for two law enforcement officers, it is important to ensure that the City designate portions of the reserve to ensure continued funding for these on-going costs. The City has approved a fourth Development Agreement with DT California, LLC (DBA: Aeriz) who has proposed a project to be located at the current Cannery site. While this will have a positive impact on revenues, it is not yet anticipated when this project will begin.

CONCLUSION

The mid-year budget review is an opportunity for the City Departments to revisit their initial budgets and recommend adjustments based on actual activity that is occurring or on activity that is anticipated to occur. Therefore it is recommended that the City Council approve the mid-year budget amendments as presented in Exhibit A.

FINANCIAL IMPACT

Fund	Net Revenue Adjustment	Net Expenditure Adjustment
General Fund	+\$297,900	+\$60,900
Gas Tax Fund	+\$149,100	+\$7,800
Sewer Fund	-\$95,000	+\$2,900
Water Fund	-\$15,500	+\$68,000
Water Capital Improvement Fund	+\$2,503,800	\$0
Neighborhood Improvement Fund	+\$7,000	\$0
Fleet Services Fund	-\$9,700	-\$10,300
Recreation Fund	-\$85,500	-\$85,500
Workers' Comp Liability Fund	+\$75,300	+\$10,000
General Liability Fund	+\$81,900	+\$51,700
CDBG Fund	+\$10,000	\$0
Assessment District #1991-1	+\$100	\$0
Water Connection Fee Fund	+\$4,000	\$0
Sewer Connection Fee Fund	+\$4,000	\$0
SDF Streets/PW	+\$60,000	\$0
SDF Water	+\$70,000	\$0
SDF Waste Water	+\$40,000	\$0
SDF Storm Drainage	+\$80,000	\$0
SDF Parks	+\$35,000	\$0
SDF Police & General Gov't	+\$15,000	\$0
System Administration Fund	+\$20,000	\$0
System Development Imaging Fund	+\$6,500	\$0
Public Benefit Fund	+\$175,000	+\$103,100

STRATEGIC PLAN

On February 25, 2019, the City Council established a Strategic Plan Goal to “Ensure the City’s Continued Financial Stability”. This report addresses this matter.

ATTACHMENT

1. Resolution
2. Exhibit A: FY 2020-21 Mid-Year Budget Adjustments

CITY OF RIVERBANK

RESOLUTION

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERBANK,
CALIFORNIA, APPROVING THE FISCAL YEAR 2020-2021 MID YEAR BUDGET
ADMENDMENTS**

WHEREAS, as part of the mid-year budget review, staff has projected that all reserve accounts will remain within or above the parameters as initially forecast; and,

WHEREAS, certain critical needs to personnel, supplies, programs, and equipment have arisen in certain operational areas; and,

WHEREAS, to satisfactorily meet all current needs of the City, it is recommended that the adjustments presented in Exhibit A: FY 2020-2021 Mid-Year Budget Adjustments be approved.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Riverbank hereby authorizes the budget adjustments presented in **Exhibit A: FY 2020-2021 Mid-Year Budget Adjustments** to satisfactorily meet the needs of our residents.

PASSED AND ADOPTED by the City Council of the City of Riverbank at a regular meeting held on the 23rd day of February, 2021; motioned by Councilmember _____, seconded by Councilmember _____, and upon roll call was carried by the following vote of ____:

AYES:

NAYS:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
City Clerk

Richard D. O'Brien
Mayor

Attachments: Exhibit A – Mid Year Budget Adjustments

EXHIBIT A: FY 2020-21 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Amendment	Budget		
					Original	Amended	
101: General Fund							
Revenues	101-000.000-400.190	VLF Swap - Property Tax	Increase in revenues based on actual Assessed Value	74,500	2,056,900	2,131,400	
	101-000.000-450.030	Building Permit Fees	Increase in revenues for new construction	40,000	100,000	140,000	
	101-000.000-600.090	Plan Check Fees	Increase in revenues for new construction	11,000	34,000	45,000	
	101-000.000-665.020	Electronic Sign Revenue	Monthly revenue from Hwy 108 Electronic Sign	6,200	0	6,200	
	101-000.000-680.025	Misc. Program Income	Decrease in revenues due to COVID	(10,100)	23,100	13,000	
	101-000.000-699.000	Transfers In	Increase in reimbursements from CARES Funding	176,200	1,922,900	2,099,100	
	101-000.000-675.050	AB939 Reimbursement	Reimbursement for AB939 Solid Waste	100	0	100	
			Net General Fund Revenue Adjustments		297,900	\$9,911,700	\$10,209,600
General Fund Expenditure Amendments							
City Council	101-401.000-702.032	Professional/Special Services	Decrease due to COVID	(3,000)	22,300	19,300	
	101-401.000-706.037	Conferences & Meetings	Decrease due to COVID	(8,000)	15,500	7,500	
						0	
City Manager	101-402.000-706.037	Conferences & Meetings	Decrease due to COVID	(2,000)	6,000	4,000	
	101-402.000-708.008	Medical Insurance	Increase based on Actual	1,600	13,400	15,000	
Finance	101-403.000-701.001	Personnel Regular	FT Employee recruitment completed	16,000	494,800	510,800	
	101-403.000-701.002	Personnel Part Time	Part-Time employee salary during recruitment	11,500	0	11,500	
	101-403.000-701.080	Salary Request	Original Salary Request for FT Position	(73,600)	73,600	0	
	101-403.000-708.005	Medicare	FT Employee recruitment completed	300	7,200	7,500	
	101-403.000-708.006	PERS Retirement	FT Employee recruitment completed	3,000	99,500	102,500	
	101-403.000-708.008	Medical Insurance	FT Employee recruitment completed	4,000	41,500	45,500	
	101-403.000-708.009	National Retirement	FT Employee recruitment completed	1,800	28,300	30,100	
	101-403.000-708.010	Self Insurance (Workers Comp)	FT Employee recruitment completed	2,200	70,100	72,300	
	101-403.000-708.012	Deferred Compensation	Asst. City Manager Contract re-negotiation	800	9,900	10,700	
Legal	101-404.000-702.033	Special Council	Increase in legal fees due to COVID & other lawsuits	20,000	200,000	220,000	
Planning	101-405.000-706.016	Commissioners Training	Decrease due to COVID	(5,000)	9,000	4,000	
	101-405.000-701.080	Salary Request	Part Time position for Development Services (Admin & Planning)	9,100	0	9,100	
Building	101-406.000-706.038	Staff Development	Decrease due to COVID	(1,500)	3,500	2,000	
	101-406.000-708.008	Medical Insurance	Increase based on Actual	1,200	49,800	51,000	

EXHIBIT A: FY 2020-21 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Amendment	Budget	
					Original	Amended
Building Maintenance	101-407.000-708.008	Medical Insurance	Increase based on Actual	700	32,800	33,500
						0
Administrative Services	101-408.000-701.003	Personnel Overtime	Overtime costs for training	300	0	300
	101-408.000-701.080	Salary Request	Employee Promotional Opportunity	3,000	0	3,000
	101-408.000-702.030	Maint. Of Operations Equipment	Savings due to contract reduction	(1,500)	7,900	6,400
	101-408.000-706.047	Website	Increase in annual fee for ADA Accessibility	4,700	5,700	10,400
	101-408.000-708.008	Medical Insurance	Increase based on Actual	1,200	65,200	66,400
Police Services	101-409.000-704.022	Communications	Decrease in monthly communication fees	(1,500)	3,500	2,000
	101-409.000-707.003	Equipment/Projects	Traffic Unit Office Upgrade Project	20,500	0	20,500
	101-409.000-708.006	PERS Retirement	Unfunded Liability savings due to pre-payment	(2,200)	66,000	63,800
Development Services Administration	101-412.000-701.080	Salary Request	Part Time position for Public Works	9,100	0	9,100
	101-412.000-701.003	Personnel Overtime	Overtime costs for after hours inspections	1,000	0	1,000
	101-412.000-702.032	Professional/Special Services	Solid Waste Unfunded Mandates (AB 341/1826 & SB 1383 Compliance)	16,000	3,500	19,500
	101-412.000-703.023	Advertising	Additional advertising costs	200	800	1,000
	101-412.000-706.038	Conferences & Meetings	Decrease due to COVID	(1,500)	4,700	3,200
	101-412.000-708.008	Medical Insurance	Decrease based on Actual	(1,200)	83,300	82,100
Storm Water Administration	101-413.000-706.056	State/County Fee	Increase in annual assessment	500	19,700	20,200
	101-413.000-999.000	Transfers Out	Subsidy for Streets/Gas Tax Operations	100,000	0	100,000
Parks	101-414.000-708.008	Medical Insurance	Increase based on Actual	800	69,100	69,900
	101-414.000-707.003	Equipment/Projects	Tennis Court Resurfacing - shared project with RUSD	18,000	35,000	53,000
Recreation Subsidy	101-459.000-999.000	Transfers Out	Decrease in Recreation Subsidy to due salary savings from vacant position/COVID PT staffing decreases	(85,600)	506,800	421,200

Net General Fund Expenditure Adjustments

\$60,900 \$10,610,800 \$10,671,700

Net General Fund Revenue Adjustments
Net General Fund Expenditure Adjustments
Net Effect to the General Fund Reserve

\$297,900
\$60,900
\$237,000

EXHIBIT A: FY 2020-21 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Amendment	Budget	
					Original	Amended
102: Gas Tax Fund						
Revenues	102-000.000-400.140	State Gas Tax 2106	Increase based on revised State estimates	3,000	75,500	78,500
	102-000.000-400.150	State Gas Tax 2107	Increase based on revised State estimates	20,000	145,300	165,300
	102-000.000-400.170	State Gas Tax 2105	Increase based on revised State estimates	5,000	120,800	125,800
	102-000.000-600.050	SB1-RMRA Revenue	Increase based on revised State estimates	20,000	391,600	411,600
	102-000.000-664.000	Interest Income	Interest earned on investments	800	0	800
	102-000.000-675.090	Miscellaneous Revenues	Sale of surplus equipment/scrap metal	300	0	300
	102-000.000-699.000	Transfers In	General Fund Subsidy for Operations	100,000	215,100	315,100
	Net Gas Tax Fund Revenue Adjustments			149,100	1,151,000	1,300,100
Expenditures	102-418.000-701.001	Personnel Regular	Approved Employee Promotions	12,800	278,600	291,400
	102-418.000-701.003	Personnel Overtime	Increase in OT due to COVID/Storms	2,000	5,000	7,000
	102-418.000-701.080	Salary Request	Transfer of Salary for Promotions	(12,800)	12,800	0
	102-418.000-702.036	Street Sweeping Contract	Annual contract increase based on CPI	3,500	92,000	95,500
	102-418.000-704.022	Communications	Increase in monthly communication costs	1,300	200	1,500
	102-418.000-707.060	SB1-RMRA Projects	Transfer to Project Account	(104,300)	240,600	136,300
	102-418.000-707.070	SB1-Santa Fe Street Imp.	Transfer of Original Budget to Project Acct.	104,300	0	104,300
	102-418.000-708.008	Medical Insurance	Increase based on Actual	1,000	70,100	71,100
	Net Gas Tax Fund Expenditure Adjustments			7,800	1,534,000	1,541,800
106: Sewer Fund						
Revenues	106-000.000-655.000	Fines, Forfeitures, Penalties	Decrease due to COVID	(40,000)	60,000	20,000
	106-000.000-675.160	Industrial Permit Revenue	Decrease in permit holder	(55,000)	75,000	20,000
	Net Sewer Fund Revenue Adjustments			(95,000)	4,394,000	4,299,000
Expenditures						
Sewer Collection	106-423.000-702.032	Professional/Special Services	Decrease in contract services	(2,900)	38,660	35,760
	106-423.000-706.056	State/County Fees	Annual SWRCB Fee	3,800	100	3,900
	106-423.000-708.008	Medical Insurance	Increase based on Actual	600	27,500	28,100
Sewer Treatment (WWTP)	106-424.000-704.022	Communications	Increase in Communicatin fees	500	1,200	1,700
	106-424.000-708.008	Medical Insurance	Increase based on Actual	900	35,400	36,300
	Net Sewer Fund Expenditure Adjustments			2,900	5,394,960	5,397,860
114: Water Fund						
Revenues	114-000.000-655.000	Fines, Forfeitures, Penalties	Decrease due to COVID	(20,000)	40,000	20,000
	114-000.000-675.090	Miscellaneous Revenues	Sale of surplus equipment/scrap metal	3,500	1,000	4,500
	114-000.000-699.000	Transfers In	CARES Reimbursement due to COVID	1,000	0	1,000
	Net Water Fund Revenue Adjustments			(15,500)	2,269,200	2,253,700

EXHIBIT A: FY 2020-21 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Amendment	Budget	
					Original	Amended
Expenditures	114-433.000-701.003	Personnel Overtime	Increase in OT due to COVID	10,000	30,000	40,000
	114-433.000-703.024	Postage	Increased postage costs for UB mailings	400	7,200	7,600
	114-433.000-704.021	Utilities	Increase in PG&E and MID Fees	50,000	350,000	400,000
	114-433.000-704.022	Communications	Increase in Communication fees	1,100	4,200	5,300
	114-433.000-706.028	Small Tools	Increase in small tool costs	300	1,500	1,800
	114-433.000-706.036	Memberships, Dues, Books	Increase in membership fees	200	2,000	2,200
	114-433.000-706.999	Bad Debt	Bad Debt Write Off for uncollectible accounts	5,000	0	5,000
	114-433.000-707.003	Equipment/Projects	Deed Recording Fee for High Street Property	100	0	100
	114-433.000-708.005	Medicare	Increased Medicare costs due to OT	900	3,500	4,400
		Net Water Fund Expenditure Adjustments			68,000	2,635,500
116: Water Capital Improvement Fund						
Revenues	116-000.000-664.000	Interest Income	Interest Earnings on Investments	3,800	0	3,800
	116-000.000-675.090	Miscellaneous Revenues	Legal Settlement	2,500,000	0	2,500,000
	Net Water Capital Improvements Fund Adjustments			2,503,800		
117: Neighborhood Improvement Fund						
Revenues	117-000.000-655.000	Fines, Forfeitures, Penalties	Firework Citation Revenue	15,000	5,000	20,000
	117-000.000-660.010	Abandoned Vehicle Abatement	Fee decrease due to position vacancy	(8,000)	30,000	22,000
	Net Neighborhood Improvement Fund Adjustments			7,000		
119: Fleet Services Fund						
Revenues	119-000.000-675.130	Maintenance Charges-Labor	Decrease in Internal Service Charge due to salary savings	(10,700)	141,900	131,200
	119-000.000-699.000	Transfers In	CARES Reimbursement due to COVID	1,000	0	1,000
						0
Expenditures	119-442.000-701.001	Personnel Regular	FT Employee recruitment completed	24,000	68,100	92,100
	119-442.000-701.080	Salary Request	FT Employee recruitment completed	(22,200)	22,200	0
	119-442.000-708.007	Payroll Taxes	FT Employee recruitment completed	400	400	800
	119-442.000-708.008	Medical Insurance	Decrease based on Actual	(12,500)	21,200	8,700
						0
	Net Fleet Services Fund Adjustments			(20,000)		

EXHIBIT A: FY 2020-21 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Amendment	Budget	
					Original	Amended
134: Recreation Fund						
Revenues	134-000.000-672.001	Pool Concessions	Pool concessions for Summer 2020	100	0	100
	134-000.000-999.000	Transfers In	Decrease in General Fund Subsidy due to position vacancy/decrease in programs due to COVID	(85,600)	491,800	406,200
	Net Recreation Fund Revenue Adjustments			(85,500)		
Expenditures	134-459.000-701.001	Personnel Regular	Salary savings due to position vacancy	(29,800)	257,400	227,600
	134-459.000-701.002	Personnel Part-Time	Salary savings due to COVID	(36,000)	106,000	70,000
	134-459.000-708.005	Medicare	Benefit savings due to position vacancy	(500)	5,200	4,700
	134-459.000-708.006	PERS Retirement	Benefit savings due to position vacancy	(6,200)	51,200	45,000
	134-459.000-708.007	Payroll Taxes	Benefit savings due to position vacancy	(1,000)	8,200	7,200
	134-459.000-708.008	Medical Insurance	Benefit savings due to position vacancy	(2,700)	49,600	46,900
	134-459.000-708.009	National Retirement	Benefit savings due to position vacancy	(3,700)	14,200	10,500
	134-459.000-708.010	Self Insurance (Workers Comp)	Benefit savings due to position vacancy	(4,700)	36,700	32,000
	134-459.000-708.012	Deferred Compensation	Benefit savings due to position vacancy	(900)	3,300	2,400
	Net Recreation Fund Expenditure Adjustments			(85,500)		
137: Workers Comp Liability Fund						
Revenues	137-000.000-675.445	Premium Rebate	Rebate of previous years premium savings	75,300	0	75,300
Expenditures	137-460.000-702.032	Professional Services	Workspace Modifications	10,000		10,000
	Net Workers Comp Liability Fund Adjustments			65,300		
138: General Liability Fund						
Revenues	138-000.000-675.445	Premium Rebate	Rebate of previous years premium savings	22,700	0	22,700
	138-000.000-699.000	Transfers In	Reimbursement of COVID Expenses from CARES Funding (Mar-Dec 2020)	59,200	0	59,200
Expenditures	138-461.000-702.032	Professional Services	City Hall Safety Enhancements	11,600	0	11,600
	138-461.000-707.003	Equipment/Projects	COVID Expenses (reimbursed by CARES)	40,100	0	40,100
	Net General Liability Fund Adjustments			30,200		

EXHIBIT A: FY 2020-21 Mid-Year Budget Adjustments

Fund	Account	Account Name	Amendment Justification	Amendment	Budget	
					Original	Amended
153: CDBG Fund						
Revenues	153-000.000-664.000	Interest Income	Interest received from loan payoffs	10,000	3,800	13,800
	Net CDBG Program Income Fund Adjustments			10,000		
156: Assessment District #1991-1						
Revenues	156-000.000-664.000	Interest Income	Interest received from investments	100	0	100
	Net Assessment District Revenue Adjustments			100		
157: Water Connection Fee Fund						
Revenues	157-000.000-600.150	Water Connection Fees	Connection fees from new construction	4,000	5,000	9,000
	Net Water Connection Fund Adjustments			4,000		
158: Sewer Connection Fee Fund						
Revenues	158-000.000-660.050	Sewer Connection Fees	Connection fees from new construction	4,000	5,000	9,000
	Net Sewer Connection Fund Adjustments			4,000		
205: Sys Dev Fees-Streets/PW						
Revenues	205-000.000-675.330	Developer Fees	Fees from new construction	60,000	6,200	66,200
	Net SDF Streets/PW Fund Adjustments			60,000		
206: Sys Dev Fees-Water						
Revenues	206-000.000-675.330	Developer Fees	Fees from new construction	70,000	20,000	90,000
	Net SDF Water Fund Adjustments			70,000		
207: Sys Dev Fees-Waste Water						
Revenues	207-000.000-675.330	Developer Fees	Fees from new construction	40,000	10,000	50,000
	Net SDF Waste Water Fund Adjustments			40,000		

EXHIBIT A: FY 2020-21 Mid-Year Budget Adjustments

<u>Fund</u>	<u>Account</u>	<u>Account Name</u>	<u>Amendment Justification</u>	<u>Amendment</u>	<u>Budget</u>	
					<u>Original</u>	<u>Amended</u>
208: Sys Dev Fees-Storm Drainage						
Revenues	208-000.000-675.330	Developer Fees	Fees from new construction	80,000	30,000	110,000
	Net SDF Storm Drainage Fund Adjustments			80,000		
209: Sys Dev Fees-Parks						
Revenues	209-000.000-675.330	Developer Fees	Fees from new construction	35,000	10,000	45,000
	Net SDF Parks Fund Adjustments			35,000		
210: Sys Dev Fees-Police & General Government						
Revenues	210-000.000-675.330	Developer Fees	Fees from new construction	15,000	10,000	25,000
	Net SDF Police & General Govt Fund Adjustments			15,000		
211: System Administration Fee Fund						
Revenues	211-000.000-665.010	System Admin Fees	Admin Fees from new construction	20,000	6,000	26,000
	Net SDF System Admin Fee Fund Adjustments			20,000		
212: System Development Imaging Fee Fund						
Revenues	212-000.000-600.200	Imaging Fees - Building Dept	GIS updates for new development	1,000	1,000	2,000
	212-000.000-600.205	Imaging Fees - Planning Dept	GIS updates for new development	500	200	700
	212-000.000-600.215	Zoning, GP, Base Map Updates	GIS updates for new development	5,000	500	5,500
	Net SDF System Dev. Imaging Fee Fund Adjustments			6,500		
230: Public Benefit Fee Fund						
Revenues	230-000.000-600.100	Public Benefit Fee - Flavors	Adjustment based on Tier Schedule (current and proposed)	175,000	600,000	775,000
Expenditures	230-411.000-702.031	Rents & Leases	City-wide camera project monthly fee	34,200	86,500	120,700
	230-411.000-702.034	Other Contract Services	Downtown Camera Project	18,500	35,000	53,500
	230-411.000-707.003	Equipment/Projects	Electronic Signs Project	38,600	0	38,600
	230-441.000-707.003	Equipment/Projects	Architect Expenses for Community Center Kitchen Remodel	11,800	231,000	242,800
	Net Public Benefit Fund Adjustments			71,900		

**RIVERBANK LOCAL REDEVELOPMENT AUTHORITY
AGENDA ITEM NO. 8.2**

SECTION 8: PUBLIC HEARING

Meeting Date:	February 23, 2021
Subject:	Resolution Approving the LRA Fiscal Year 2020-2021 Mid-Year Budget Amendments
From:	Sean Scully, City Manager
Submitted by:	Melissa Holdaway, Administrative Analyst II

RECOMMENDATION

It is recommended that the Local Redevelopment Authority (“LRA”) Board of Directors (“Board”) accept and adopt the attached resolution approving mid-year budget adjustments to the Fiscal Year (“FY”) 2020/2021 Local Redevelopment Authority Budget.

SUMMARY

The LRA has performed a mid-year review of the Fiscal Year 2020/2021 budget and is recommending amendments based on revenue and expenditure trends the first half of this budget year. Based on this assessment, budget adjustments are proposed for the remainder of the fiscal year. These suggested changes are presented to the LRA Board for discussion, consideration and possible amendment.

BACKGROUND

The LRA Board adopted the FY 2020/2021 preliminary proposed operating budget on June 23,2020. After a mid-year review of the budget some fiscal assumptions have changed. An updated budget is provided with this report that shows proposed revisions to the financial plan for the remainder of the fiscal year.

After the proposed mid-year adjustments the LRA budget will show a structural deficit of \$-121,726. This is due to the expenses on the site outpacing the revenue this Fiscal Year. This is mainly due to the delay in sale of personal property (i.e. presses) with the final approval of the US EPA cleanup methods ongoing discussions at the time the report was due.

A summary of the revenue and expenditures for the LRA budget mid-year proposed changes are listed by category below:

REVENUES

Office of Economic Adjustment Grant – This grant funds a large portion of our salaries and fringe, a portion of professional services (legal, engineering, and other consultant services), a portion of administrative expenses including equipment, office supplies, phones, copier costs, postage and janitorial. This line item needs adjusted as the funding is over two fiscal years (18 months).

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$361,162	\$262,489	\$-98,673

Rents – Original projections are expected to increase with current tenant lease renegotiations and new leases being signed.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$1,280,000	\$1,395,000	\$115,000

Sale of Personal Property – This line item reflects a tenant purchasing presses in this fiscal year. With the delay in approval from the US EPA on cleaning it has postponed this sale. The LRA doesn't expect this to be resolved before year end.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$262,850	\$0	\$-262,850

Miscellaneous Revenue – Settlement of an insurance claim from truck driver hitting Broadway overpass.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$20,000	\$30,000	\$10,000

EXPENDITURES

Salary/Fringe – Estimates for fringe increases to preliminary budget were less than predicted.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$206,538	\$195,000	\$-11,538

Equipment - The LRA had to replace some worn equipment in Building 16 and 17.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$0	\$3,600	\$3,600

Legal General Municipal –This line item has increased considerably due to the ongoing legal review for Aemetis CEQA and property transfer.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$25,000	\$100,000	\$75,000

Legal Conveyance –This line item has increased considerably due to the ongoing legal review for the FOSET and MDA negotiations. The majority of funding came from the Office of Economic Adjustment grant but all funds have been exhausted thus the increase to our line item.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$150,000	\$200,000	\$50,000

Other Services – Circulus broker fee to PMZ.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$10,000	\$90,000	\$80,000

Insurance Premiums – Circulus broker fee to PMZ.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$100,000	\$96,000	\$-4,000

Electrical PM's – Some of the maintenance was covered at the prior fiscal year end.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$150,000	\$100,000	\$-50,000

Fire Suppression Maintenance – 5-year inspection deficiencies.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$14,000	\$16,000	\$2,000

Infrastructure Improvements – Unavoidable roof repairs.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$25,000	\$30,000	\$5,000

Tenant Improvements – Circulus improvements.

FY 20/2021 Preliminary Budget	FY 20/2021 Mid-year Budget	Change
\$10,000	\$25,000	\$15,000

RECAP OF MID-YEAR ADJUSTMENTS

REVENUE		EXPENDITURES	
OEA Grant	\$ (98,673)	Salary/Benefits	\$ 11,538
Rents	\$ 115,000	Equipment	\$ (3,600)
Sale of Personal Property	\$ (262,850)	Legal - General Municipal	\$ (75,000)
Misc Revenue	\$ 10,000	Legal - Conveyance	\$ (50,000)
	\$ (236,523)	Other Services	\$ (80,000)
		Insurance Premiums	\$ 4,000
		Electrical PM's	\$ 50,000
		Fire Suppression Maintainance	\$ (2,000)
		Infrastructure Improvements	\$ (5,000)
		Tenant Improvements	\$ (15,000)
			\$ (165,062)

SNAPSHOT OF TOTAL BUDGET

	FY 20/2021 Preliminary Budget	FY 20/2021 Mid-Yr Proposed	Difference
Total Revenue	\$ 5,103,810	\$ 4,867,287	\$ (236,523)
Total Expenditures	\$ 4,823,951	\$ 4,989,013	\$ 165,062
NET	\$ 279,859	\$ (121,726)	Structural Deficit

At mid-year, there is an opportunity to assess the revenues and expenditures for the first half of the fiscal year (through December 31, 2020) and identify variances between actual transactions and estimated budget amounts that might be considered material. Based on this assessment, budget adjustments are proposed for the remainder of the fiscal year. These suggested changes are presented to the LRA Board for discussion, consideration and possible amendment.

STRATEGIC PLAN

The presentation of the LRA’s mid-year budget adjustment request supports the City’s mission and reinforces the City’s core values of transparency and fiscal responsibility.

FINANCIAL IMPACT

LRA funds are generated from grants, leasing revenue and payments from the Army for operations and maintenance of the former Riverbank Army Ammunition Plant. No General Fund monies are used to operate the agency or for upkeep of the Riverbank Industrial Complex, however, due to timing difference with how revenues are received the City's pooled cash system does float negative balances that may occur within the LRA operating budget. Any net negative balance that remains over multiple budget years will need to be reimbursed to the City's general fund by revenues received upon eventual (and hopefully imminent) sale of the property to a Master Developer. Alternatively, in the event that excess revenues exists in a given budget year, by agreement with the Army, all revenues from the site must be reinvested in the property and used for the protection, repair, operation and maintenance of the facilities. Based on the revenue and expenditure estimates the LRA will have a structural deficit that will carry over into the following fiscal year.

ATTACHMENT

Proposed Mid-Year LRA Budget w/proposed changes

RIVERBANK LOCAL REDEVELOPMENT AUTHORITY

RESOLUTION

A RESOLUTION OF THE LOCAL REDEVELOPMENT AUTHORITY BOARD OF THE CITY OF RIVERBANK, CALIFORNIA, APPROVING THE FISCAL YEAR 2020-2021 MID-YEAR BUDGET AMENDMENTS

WHEREAS, the Riverbank Local Redevelopment Authority (“LRA”) acts in accordance with the Defense Base Closure and Realignment Act of 1990; and,

WHEREAS, the LRA has obtained a lease to operate and manage the 175 acre premises, including the private sector businesses leasing space on the site; and,

WHEREAS, as a condition of the lease with the Army, the LRA must obligate all of its revenues to be spent on the protection, maintenance and improvement of the facilities; and,

WHEREAS, the LRA has reviewed mid-year budget revenue and expenditure and to meet all current needs of the LRA, it is recommended that the adjustments presented in Exhibit A: FY 2020-2021 Mid-Year Budget Adjustments be approved.

NOW, THEREFORE, BE IT RESOLVED that the Local Redevelopment Authority Board of the City of Riverbank hereby approves the Mid-Year budget adjustments for Fiscal Year 2020-2021 attached hereto as **Exhibit A**.

PASSED AND ADOPTED by the Local Redevelopment Authority Board of the City of Riverbank at a meeting held on the 23rd day of February, 2021; motioned by Authority Member _____, seconded by Authority Member _____, and upon roll call was carried by the following vote of ____:

AYES:
NAYS:
ABSENT:
ABSTAINED:

ATTEST:

APPROVED:

Annabelle H. Aguilar, CMC
LRA Secretary

Richard D. O’Brien
Chair

FY 2020-21 Mid-Year Proposed Budget

	FY 2020-21 Preliminary	FY 2020-21 Mid-Year	Increase/ Decrease	Change in %	Notes
Revenue					
OEA Grants	361,162	262,489	-98,673	-38%	Grant funds over 18 mo this is available this FY
Rents	1,280,000	1,395,000	115,000	8%	New tenant revenue
Sale of Real Property					
Sale of Personal Property	262,850	0	-262,850	100%	Miller Arms \$116,500/AM2T \$146,350
DOD Caretaker Revenue	102,765	102,765			
Utility Revenue from Tenants	258,000	258,000			
ESCA #2**	2,819,033	2,819,033			
Miscellaneous Revenue	20,000	30,000	10,000	33%	Insurance claim
Total Revenue	5,103,810	4,867,287	-236,523	-5%	
Expenditures					
Salaries/Benefits	206,538	195,000	-11,538	-6%	% of City Mgr/Interim Exec Director salary/fringe
Administrative Expenses					
Travel	500	500			
Equipment	0	3,600	3,600	100%	
Office Supplies/Legal Ads	8,450	8,450			
Phones	3,000	3,000			
Copier	1,200	1,200			
Postage	200	200			
Janitorial	1,800	1,800			
Professional Services					
Legal - General Municipal	25,000	100,000	75,000	300%	Aemetis CEQA review/property transfer/leases
Legal - Conveyance	150,000	200,000	50,000	33%	FOSET/MDA - Grant funds exhausted
Other Services	10,000	90,000	80,000	800%	Circulus broker fee to PMZ \$90K
Insurance Premiums	100,000	96,000	-4,000	-4%	Actual costs
Facility Operations & Maintenance					
Well maintenance	1,000	1,000			
Permits	2,000	2,000			
Water Testing	3,150	3,150			
Electrical PM	150,000	100,000	-50,000	-33%	
Fire Supression Maintenance	14,000	16,000	2,000	14%	5 yr inspection deficiencies
Landscaping	9,480	9,480			
Propane	3,200	3,200			
Repairs	55,000	55,000			
Fire Assessment Fees	200	200			
Common Area Costs	515,200	515,200			
Infrastructure Improvements	25,000	30,000	5,000	33%	Bldg #7 and #8 roof repairs
Tenant Improvements	10,000	25,000	15,000	150%	Circulus improvements
Facility Mgmt/Security Services Contracts					
Security	210,000	210,000			
Facility Management	500,000	500,000			
Marketing/Branding					
Weston Contract ESCA #2	1,914,217	1,914,217			
SJES Contract ESCA #2	742,367	742,367			
ESCA Admin	162,449	162,449			
Total Expenditures	4,823,951	4,989,013			
Net Revenues Less Expenditures**	279,859	-121,726	*		

*Structural deficit to carry over in the next FY

RIVERBANK CITY COUNCIL AGENDA ITEM NO. 9.1

SECTION 9: NEW BUSINESS

Meeting Date:	February 23, 2021
Subject:	Riverbank Cheese and Wine Festival 2021 Discussion and Direction
From:	Sean Scully, City Manager

RECOMMENDATION

It is recommended that the City Council receive an update as to the status of the Cheese and Wine Festival and provide staff direction on whether or not to move forward with planning the event for the 2021 year.

SUMMARY

In February of 2020 the City Council authorized contracting with a new festival coordination and promotion company (SS Consulting) to manage the Wine and Cheese festival for the 2020 year. Shortly thereafter planned efforts began for the Wine and Cheese Festival planned for October of 2020. In March the reality of the upcoming COVID 19 pandemic became clear to the City of Riverbank. After a series of prohibitions on mass gatherings issued by the State of California, direction was received to cancel the event (in addition to a number of other planned events) for the 2020 year.

Since that time staff has sought guidance numerous times from Council with regard to which recreation programs and events can proceed (in sometimes amended or limited capacities) based on a variety of risk assessment factors as well as guidance from State with regard to public health considerations.

As Council is aware, two important criteria have changed recently with regard to the pandemic. While Stanislaus County currently remains within the most restrictive tier based on case rates and hospital capacity, the general trend with regard to those metrics have been improving over the past three weeks. Additionally, a vaccination program has been rolled out at the Federal, State and local levels. The combination of the factors may lead to some optimism about the possibility of greater allowances for events and recreational programs later this year. It should also be noted that there are still a number of unknowns related to widely reported occurrences of new COVID-19 mutations/strains and the level of protection the currently approved vaccines may offer.

With all of that in mind, the conversation and eventual policy direction from the Council on whether or not to move forward with the planning and preparation of the Cheese and

Wine is critical due to the lead time required to plan an event with the scale and size of the Cheese and Wine. In normal (non-pandemic) years planning and preparation for the festival begins in March with the culmination of that work coming together at the festival in October. In order for the event to be appropriately coordinated this work must commence no later than the beginning of April should Council wish to move forward with planning for the event.

Staff has performed some research on other local and semi local events. There appears to be a variety of options with most events choosing to move forward or delaying into later in the calendar year. Based on the information received it appears that the Asparagus Festival in Stockton has been postponed to September, the Oakdale Rodeo will be moving forward in June, the Chocolate Festival is being planned for May and the Stanislaus County Fair is moving forward with planning for the event in July. Additionally, the City's promoter (SS Consulting) has advised that concerts are currently being planned to return in August.

Staff has already begun discussions and brainstorming sessions with the promoter about amendments to the festival that may increase the public safety of the event (in the case that the event can move forward). Reducing the size and scope of the event could be problematic from a financial perspective because historically the event (in its full form) just barely exceeds costs for putting the event on.

DIRECTION

Option 1: Council could direct staff to move forward immediately with the planning phase and return periodically with updates as they relate to COVID, local mass gathering prohibition changes, and new ideas for the event. There would be some minor cost to this effort that would not be recouped if the event was cancelled at a later date but it would give the ability for the event to be ready to go if the public health climate allows it.

Option 2: Alternatively, Council could choose to cancel the event this year. The obvious downsides to this would be another year without the festival and likely some lingering difficulty restarting the event in future years.

FINANCIAL IMPACT

The true financial impact is difficult to forecast due to the uncertainty with regard to the event and the current pandemic. With that said, option 1 would create some limited financial exposure if the event is planned and then cancelled at a later date. The next sixty days of event planning could be undertaken with minimal budgetary exposure. Alternatively, if the event was planned and cancelled much further into the year (July, September etc.) the cost to the City could be substantial as contracts are typically executed within that time frame to coordinate the event. Staff could work with the City Attorney to create agreements to hedge against that risk or staff could return with this item regularly so that if cancellation is necessary that decision can be made as soon as possible.

Option 2 would have some minor financial impact with regard to revenues not received that are in excess of operating the festival. Depending on the given year revenues received in excess of expenditures are minor within the scale of the general fund (though still important to the ongoing fund balance of the Cheese and Wine festival).

ATTACHMENTS

None