



Addition of Two Community Service Officer Positions and Appropriation of Funds- February 28, 2023



Background

- January 24, 2023, the Finance Director gave a mid-year budget review and projections from the first quarter financial report were revisited. With expenditures expected to exceed total revenues at the end of the fiscal year, a year-end deficit is projected.
- At that meeting, the City Council had the opportunity to discuss any proposed mid-year budget adjustments.
- Because of the projected deficit, the only opportunity for an addition to the budget is to use the unassigned fund balance, or the “emergency reserve.”

Background



- A motion was made to add two Community Service Officer positions to the FY 2022-23 budget and to appropriate funds from the unassigned fund balance to pay for these positions.
- The motion passed with a three-two vote. Per the City of Folsom Municipal Code, this action needs to be approved by resolution.

- The initial cost of adding two Community Service Officers is \$216,539 annually in salary, benefits and equipment. These are ongoing costs that will increase over time.
- For the remaining four months of the fiscal year, the cost is \$75,513
- In order to amend the budget, the Council will need to:
 1. Find that an emergency or extraordinary need exists to justify the use of the unassigned fund balance
 2. Authorize the additional positions
 3. Appropriate revenue of equal value, and
 4. Make appropriations to various salary, benefit and equipment accounts

Considerations

In deliberating such an amendment, the Council should consider the following:

1. You are doing so in isolation of considerations to other programs or capital projects.
2. There are known factors that will impact the FY 2023-24 budget:
 - FY 2023-24 budget must accommodate increases approved in collective bargaining agreements this year
 - Departmental operating and maintenance costs have increased significantly in recent years due to inflation, but the constrained budget has not allowed for standard CPI increases to be added to operating line items

Considerations

- We were notified by Sacramento County that they are replacing their property tax software system and during the next two years the property tax administration fees the City pays to the County will increase, adding up to \$375,000 a year in additional expenses
 - We know that the Fire Department overtime budget is significantly underfunded and does not reflect the reality of department overtime costs
3. Prudent budgeting would suggest that on-going costs should be funded by on-going revenue streams.

Resolution No. 10998



NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Folsom **finds that an emergency or extraordinary need exists to justify the use of the undesignated fund balance;**

AND, BE IT FURTHER RESOLVED that the City Council of the City of Folsom directs the Finance Director to **add two Community Service Officer positions** to the General Fund (010) in the Police Department, **appropriate \$75,513 to the Police Department budget** in the General Fund (010) for the remaining four months of the 2022-23 fiscal year, and **appropriate a use of the unassigned fund balance in the General Fund (010) in the amount of \$75,513** to pay for these positions for the remaining four months of the 2022-23 fiscal year.