



ADJOURNED MEETING OF THE CITY COUNCIL

AGENDA

Wednesday, February 24, 2021
6:00 p.m.

Zoom Link: <https://zoom.us/j/95810699851>

Dial-in Number: 1-669-900-6833

Meeting ID: 958-1069-9851

*Please mute yourself while the meeting is in session, unless you are requested to speak (Dial *6 on the phone to toggle mute).*

*Persons wishing to make a public comment or speak on an agenda item are requested to complete a Virtual Speaker Card (VSC) at www.cityofmontclair.org/cc-comment. The Mayor/Chair (or the meeting's Presiding Officer) will recognize those who have submitted a VSC at the time of the item's consideration and invite those individuals to provide comments on the item at that time. Those who did not fill out a VSC will have an opportunity to speak after those who did by using the "raise hand" function on the ZOOM meeting platform or over the phone by dialing *9.*

Audio recordings of City Council meetings are available on the City's website at www.cityofmontclair.org and can be accessed by the end of the next business day following the meeting.

I. CALL TO ORDER

II. ROLL CALL

III. COUNCIL WORKSHOP

A. Fiscal Year 2020-21 Midyear Budget Review

1. Consider Review of the City's Fiscal Operations and Approval of Proposed Changes to the Fiscal Year 2020-21 Budget

IV. PUBLIC COMMENT

This section intended to provide members of the public with an opportunity to comment on any subject not on this agenda. Each speaker will be afforded up to five minutes to address the City Council. (Government Code §54954.3)

Under provisions of the Brown Act, the Council is prohibited from taking action on items not listed on the agenda.

V. ADJOURNMENT

Reports, backup materials, and additional materials related to any item on this Agenda distributed to the City Council after distribution of the Agenda packet are available for public inspection in the Office of the City Clerk between 7:00 a.m. and 6:00 p.m., Monday through Thursday. Pursuant to the Governor's Executive Orders in relation to the COVID-19 pandemic, please call the City Clerk's Office at (909) 625-9416 or e-mail cityclerk@cityofmontclair.org to request such review of items via e-mail.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (909) 625-9416 or e-mail cityclerk@cityofmontclair.org. Notification prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II)

I, Andrea M. Phillips, City Clerk, hereby certify that I posted, or caused to be posted, a copy of this Agenda not less than 72 hours prior to the meeting on the bulletin board adjacent to the north door of Montclair City Hall at 5111 Benito Street, Montclair, CA 91763 on Thursday, February 18, 2021.

NOTICE

THIS MEETING WILL BE CONDUCTED VIA WEBINAR/TELECONFERENCE. THE COUNCIL CHAMBERS WILL NOT BE OPEN TO THE PUBLIC.

Pursuant to Executive Orders issued by Governor Newsom to ensure the health and safety of the public by limiting human contact that could spread the COVID-19 virus, this meeting will be conducted remotely via the ZOOM virtual meeting platform. In compliance with the Executive Orders, there will be no in-person meeting location, however the public may participate using any of the remote methods described below.

LISTEN TO THE MEETING LIVE VIA ZOOM

Members of the public may participate in this meeting by joining the ZOOM conference via PC, Mac, iPad, iPhone, or Android device using the URL:

<https://zoom.us/j/95810699851>

LISTEN TO THE MEETING LIVE VIA TELEPHONE

The public may participate via phone only (without a computer/smart device) by dialing the below numbers:

Dial Number: 1-669-900-6833

Meeting ID: 958-1069-9851

**ALL PARTICIPANTS WILL BE MUTED AUTOMATICALLY UPON ENTERING THE MEETING.
THE CITY CLERK WILL UNMUTE THOSE WHO WISH TO SPEAK AT THE APPROPRIATE TIME.
PLEASE KEEP YOURSELF ON MUTE WHEN NOT SPEAKING.**

VERBAL PARTICIPATION USING ZOOM

Please use the "Raise Hand" button to request to speak. Raised hands will only be acknowledged during the Public Hearing and Public Comment sections of the agenda and when the Meeting's presiding officer requests comments from the public.

If you want to provide public comments and are using a computer or laptop without a microphone connected or built in, you will also need to call in using the Teleconference Number and Meeting ID highlighted below, and dial your Participant ID on the phone when prompted. Your Participant ID is found in the "Phone Call" tab of the "Join Audio" settings. This option will also switch your audio over to the phone. Please do not use speaker mode and turn off your computer audio when speaking to prevent audio feedback.

VERBAL PARTICIPATION OVER THE PHONE

Please dial *6 to mute and unmute yourself, and *9 to "raise your hand" to request to speak. Raised hands will only be acknowledged during the Public Hearing and Public Comment sections of the agenda and when the Meeting's presiding officer requests comments from the public. Do not use speaker mode when speaking.

ADA COMPLIANCE INFORMATION

Meetings are accessible to people with disabilities. Requests in advance of the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the City Clerk at cityclerk@cityofmontclair.org or call (909) 625-9416. Every attempt will be made to swiftly address each request. (28 CFR 35.102-35.104 ADA Title II)

PUBLIC COMMENT PROCEDURES

MAKING VERBAL COMMENTS

To provide verbal comments during the meeting, please visit www.cityofmontclair.org/cc-comment to fill out a Virtual Speaker Card to request to speak in advance. You may also call the City Clerk in advance at (909) 625-9416 to fill out the Virtual Speaker Card over the phone or e-mail your name, phone number if calling in during the meeting, and subject of comment or agenda item to cityclerk@cityofmontclair.org with "[Meeting Date] Virtual Speaker Card" as the subject line.

Meeting attendees who did not fill out the Virtual Speaker Card in advance will be given an opportunity to speak after those who requested to speak in advance.

SUBMITTING WRITTEN COMMENTS

Written comments (250 word limit) may be submitted prior to the meeting by filling out the Virtual Speaker Card (www.cityofmontclair.org/cc-comment), via e-mail (cityclerk@cityofmontclair.org), or via U.S. Mail (Mailing Address: City of Montclair, Attn: City Clerk, Re: [Meeting Date] Public Comment, 5111 Benito Street, Montclair, CA 91763), and will be read aloud during the meeting by the City Clerk at the appropriate time.

Please submit all requests to speak or written comments at least one hour prior to the start of the meeting. The City cannot be held responsible for U.S. Mail that does not arrive on time prior to the subject meeting.



CITY COUNCIL AGENDA REPORT

DATE:	FEBRUARY 24, 2021	FILE I.D.:	FIN262
SECTION:	COUNCIL WORKSHOP	DEPT.:	FINANCE
ITEM NO.:	A-1	PREPARER:	J. KULBECK
SUBJECT:	CONSIDER REVIEW OF THE CITY'S FISCAL OPERATIONS AND APPROVAL OF PROPOSED CHANGES TO THE FISCAL YEAR 2020-21 BUDGET		

REASON FOR CONSIDERATION: The City Council reviews fiscal operations at midyear and considers revisions to the estimated revenue and appropriations budgets as necessary.

BACKGROUND: The City Council annually reviews the organization's fiscal operations for the first six months of the fiscal year. To assist in this Midyear Budget Review process, the following information is provided:

1. GENERAL FUND ANALYSIS – TABLE 1

Table 1 provides actual revenues and expenditures for the first six months of Fiscal Year 2020-21. Also included are current revenue and expenditure authorizations presented as "Adopted Budget," "6 Months Actual, and "Proposed Revised"— the latter incorporating changes contained within this midyear budget report. Specific reasons for revisions are discussed below.

The *General Fund Analysis* is a summary of data contained in **Tables 2** through **4**.

2. GENERAL FUND REVENUE DETAIL – TABLE 2

Table 2 provides supporting detail to the *General Fund Analysis* (**Table 1**) and contains each specific revenue account within revenue categories.

3. STATEMENT OF GENERAL FUND EXPENDITURES FOR SIX MONTHS – TABLE 3

Table 3 compares the adopted budget to six months of actual expenditures for each department. Expenditures are broken down into the following categories: (1) Personnel Services; (2) Services and Supplies; and (3) Capital Outlay.

Totals from **Table 3** are summarized in **Table 1** by department utilizing the breakdowns described above.

4. RECOMMENDED CHANGES TO THE 2020-21 REVENUE AND APPROPRIATIONS BUDGET – TABLE 4

Table 4 contains requests by departments to revise the Adopted Budget to address over-expenditures and/or unanticipated needs. These requests, when added to the Current Budget Appropriation, represent the 2020-21 Proposed Revised Budget summarized in **Table 1**.

City Council Members will recall that due to the COVID-19 pandemic and the Emergency Stay-At-Home Executive Order ([N-33-20](#)) issued by Governor Newsom, significant reductions were made to Montclair's Fiscal Year 2020-21 operating budgets for each Department. These reductions were based, in part, on an estimated \$2.1 million loss in revenues for the last two quarters of Fiscal Year 2019-20, and a projected \$2.5 million decline in revenues for Fiscal year 2020-21. Based on these reductions, City staff anticipated that Midyear Budget requests would represent an opportunity for adjustment, based on improved revenue projections, including the passage of a proposed transactions and use tax measure (*Measure L*) projected to generate approximately \$7 million annually during the downturned economy.

An analysis of Fiscal Year 2020-21 Midyear Budget requests indicates that, for the most part, Departments are successfully operating within their restricted budgets, thereby minimizing a Midyear drawdown on limited General Fund Reserves.

Estimated Revenue Budget Adjustments

A summary of proposed changes to the Revenue Budget are included in the Fiscal Year 2020-21 Proposed Revised column in **Table 1** and in detail in **Table 2**.

The City's Total Proposed Revised General Operating Fund revenues and budgeted transfers for Fiscal Year 2020-21 are \$29,312,375. For the midyear review of fiscal operations, staff is recommending an increase of \$1,513,884 in General Operating Fund revenues. The following discussion focuses on significant revenue changes from the Adopted Budget:

- Tax revenues reflect increases of \$2,009,034. Voter approval of *Measure L*, a one percent transactions and use tax that goes into effect April 1, 2021, represents the majority of this upward adjustment. Minor to modest tax increases are, however, also expected for the following revenue sources: sales and use taxes (particularly distributions from the County pool), property taxes, transient occupancy taxes, and Successor Redevelopment Agency property tax pass thru distributions.
- Licenses and Permits revenue reflect a decrease of \$7,500. This revenue decline is due primarily to a reduction in yard sale permits and construction permits related to the ongoing COVID-19 pandemic.
- Intergovernmental Revenues reflect no recordable change.
- Fines and Forfeitures reflect a decrease of \$109,200. This revenue decline is due primarily to a \$100,000 reduction in estimated vehicle impound fees, a \$5,200 reduction in administrative citation fees, and a \$10,000 reduction in court fines, offset by a \$6,000 increase in false alarm fees.
- Charges for Services reflect a decrease of \$83,800. This revenue decline is due primarily to pandemic-related decreases in zoning/subdivision fees, recreation fees, and reimbursed program costs.
- Miscellaneous Revenues reflect a decrease of \$294,650. This revenue decline is due primarily to decreases in interest income, reimbursed expenditures, and other miscellaneous revenue.

Appropriations Budget Adjustments

The *Statement of General Operating Fund Expenditures for Six Months (Table 3)* is included to provide the City Council with information necessary to assess whether departments are performing within their respective operating budgets. This table represents a snapshot at a point in time, and should serve only as a general guide as to where the City in total and the various departments stand. Expenditures are not typically incurred uniformly throughout the year; therefore, in order to show expenditures applicable through December 2020 the actual amounts displayed were adjusted to include costs which related to December but which were paid in the following month. This Statement shows an overall utilization of 62% of the appropriations for uses applicable through December 2020.

Proposed adjustments to the expenditure budget are included in the *Recommended Changes to the 2020–21 Appropriations Budget (Table 4)*.

The City's Total Proposed Revised General Fund uses for Fiscal Year 2020–21 are \$28,446,070. For the midyear review of fiscal operations, staff is recommending an increase of \$447,905 in General Operating Fund expenditures as follows.

- **City Council** – The City Manager is recommending no changes to the City Council Department.
- **City Manager** – The City Manager is recommending no changes to the City Manager Department.
- **Administrative Services** – The City Manager is recommending the following increases:
 - Personnel Special Consulting Services by \$4,500 due to an unanticipated increase in Worker's Compensation related matters
 - Personnel Psychological Assistance by \$6,000 due to an increase in the number of projected recruitments
 - Personnel Medical Examinations by \$4,500 due to an increase in the number of projected recruitments
 - Personnel Personnel Testing by \$7,000 due to an increase in the number of projected recruitments
 - Personnel Psychological Exams by \$4,000 due to an increase in the number of projected recruitments

The above adjustments result in a net increase of \$26,000 for the Administrative Services Department.

- **Human Services Department** – The City Manager is recommending no changes to the Human Services Department.
- **Police Department** – The City Manager is recommending no net increase to the Police Department budget; however, certain intra-department transfer of funds were made to ensure adequate Department funding.

- **Fire Department** – The City Manager is recommending the following adjustments:
 - Emergency Services Overtime – increase by \$300,000
 - Emergency Services Uniforms – increase by \$9,000 for uniforms for new hires and existing employees
 - Emergency Services Personnel Protective Equipment – increase by \$20,000 for turnouts for new employees
 - Personnel Development Program Supplies – increase by \$4,000 for training supplies, with \$1,900 of the total transferred from Emergency Services Medical Examinations
 - Several intra-department transfer of funds were also made to ensure adequate Department funding.

The above adjustments result in a net increase of \$439,600 in this department.

- **Public Works Department** – The City Manager is recommending the following adjustments:
 - Management and Construction Special Consulting Services by \$1,300 to cover a deficit created for costs related to the Central Avenue Bridge Project
 - Streets Overtime – increase by \$7,000
 - Parks Overtime – increase by \$15,000
 - Streets Uniforms – increase by \$2,300 for uniform costs for new and existing employees
 - Vehicle Maintenance Propane – increase by \$2,000 due to an increase in the vendor rate
 - Vehicle Maintenance compressed Natural Gas – increase by \$7,000 due to an increase in the vendor rate
 - Vehicle Maintenance Maintenance Transportation Work Equipment – increase by \$10,000 due to unexpected vehicle collision repairs
 - Sewer Maintenance Services Overtime – increase by \$9,000
 - Building Maintenance Overtime – increase by \$6,500
 - Building Maintenance Uniforms – increase by \$1,500 for uniform rental
 - Building Maintenance Special Contract Services— increase by \$13,000 for pest control and fire ant prevention
 - Heating and Air Conditioning Overtime – increase by \$3,000
 - Heating and Air Conditioning Materials Miscellaneous Maintenance and Repair – increase by \$11,705 for Youth Center and other facilities AC repairs
 - Janitorial Services Overtime – increase by \$1,500

The above adjustments result in a net increase of \$90,805 in this department.

- **Community Development Department** – The City Manager is recommending no changes to the Community Development Department.
- **City Attorney** – The City Manager is recommending no changes to the City Attorne Department.
- **Citywide** – The City Manager is recommending no changes to the Citywide program.

Estimated General Fund – Fund Balances

As a result of the proposed adjustments to revenues and appropriations, revised General Fund operating and assigned balances estimates are shown in the table below.

As approved in the Fiscal Year 2020–21 Budget, proposed transfers into the General Fund include \$100,000 in budgeted amounts from the Traffic Safety Fund and additional amounts totalling \$654,010 from special fund reserves including Technology Enhancements, CalPERS and Employee Post Benefits, and Retiree Medical Liabilities. These transfers were necessary to produce a balanced budget. The remaining initial budgetary deficit of \$528,124 was eliminated through reductions in personnel and layoff actions.

CITY OF MONTCLAIR GENERAL OPERATING FUND BALANCE AND RESERVES

	Audit FY 2019-2020 Balances	Current Increases (Uses)	Subtotal	Transfers	Estimated Budgeted Balances
General Fund:					
Unavailable - Prepaid Expenditures at Year-End	121,741	-	121,741	-	\$ 121,741
Unassigned - General Operating Fund	4,795,696	1,065,979	5,861,675	(41,522)	\$ 5,820,153
Assigned to:					
Reserve - Equipment Replacement	1,363,956	(150)	1,363,806	150	1,363,956
Reserve - Self-Insurance	850,000	-	850,000	-	850,000
Reserve - Technology Enhancements	320,751	(34,500)	286,251	-	286,251
Reserve - CalPERS and Employee Post Benefits	2,700,000	(200,000)	2,500,000	-	2,500,000
Reserve - Retiree Medical Liabilities	900,000	(340,000)	560,000	-	560,000
Reserve - Unanticipated Personnel Adjustment	700,000	-	700,000	-	700,000
Reserve - Building Maintenance	600,000	-	600,000	-	600,000
Reserve - Budgetary Contingency	200,000	(120,882)	79,118	41,372	120,490
Total Assigned	7,634,707	(695,532)	6,939,175	41,522	\$ 6,980,697
Total	12,552,144	370,447	12,922,591	-	\$ 12,922,591

Uses for Equipment Replacement consist of miscellaneous equipment for the fire ladder truck. Uses for Technology Enhancements, CalPERS and Employee Post Benefits, and Retiree Medical Liabilities are to cover the budgetary excess of Uses over Sources. Uses for Budgetary Contingency consist of the Emergency Replacement of HVAC Unit at the Kids Station, Fire Department AFG Exhaust Extraction Systems and to cover a portion of the budgetary excess of Uses over Sources. All uses of these monies were approved in previously submitted budgets and/or separate City Council actions and some are still in process.

FISCAL IMPACT: Revising the City's Appropriations Budget increases the spending authority by \$447,905 in the General Operating Fund.

Revising the City's Estimated Revenue Budget has a total positive impact to the General Operating Fund of \$1,513,884.

Approval of both the Appropriations and Estimated Revenues Budgets would have a positive budgetary impact to the General Operating Fund of \$1,065,979.

RECOMMENDATION: Staff recommends the City Council consider the City's Midyear Budget Review documents and approve both revenue and appropriation proposed changes to the Fiscal Year 2020–21 Budget.