



**Finance Committee  
Council Chambers  
100 W California Ave.  
Ridgecrest, CA 93555  
(3<sup>rd</sup> Monday each month)**

**AGENDA**

**Monday, August 16, 2021**

**Meeting – 5:30 p.m.**

**Public participation is also allowed *and encouraged* via live streaming and call-in or via written correspondence. TO PARTICIPATE, PLEASE CALL: 1-650-479-3208**

**-Meeting number (access code): 126 249 6217**

**-Meeting password: PaXde4DrW88**

**Submit written comments: We encourage submittal of written comments supporting, opposing, or otherwise commenting on an agenda item or public comment. Send emails to [kisaac@ridgecrest-ca.gov](mailto:kisaac@ridgecrest-ca.gov) no later than 4:00 pm the date of the meeting. All communication is read by the Finance Committee**

**Committee Members – Mayor Bruen, Council Member Hayman**

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA**
- 4. APPROVAL OF MINUTES – July 19, 2021**
- 5. PUBLIC COMMENT (Items Not on the Agenda)**
- 6. DISCUSSION AND OTHER ACTION ITEMS**
  - A. Sales Tax Update
  - B. Preliminary 4<sup>th</sup> Quarter Update
  - C. Revised Appropriations Limits
- 7. COMMITTEE MEMBER COMMENTS**
- 8. SUPPORT STAFF COMMENTS**
- 9. FUTURE AGENDA ITEMS**
- 10. NEXT MEETING** September 20, 2021
- 11. ADJOURNMENT**

**Finance Committee  
Council Chambers  
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(3<sup>rd</sup> Monday each month)**

**AGENDA  
Monday, July 19, 2021  
Meeting – 5:30 p.m.**

City of Ridgecrest Finance Committee meetings will be held in the Council Chambers to allow for social distancing and meetings are OPEN to public attendance. We will have a maximum seating capacity due to social distancing needs and it will be on a first come, first serve basis.

Public participation is also allowed *and encouraged* via live streaming and call-in or via written correspondence. **TO PARTICIPATE, PLEASE CALL: 1-650-479-3208**

**-Meeting number (access code): 126 249 6217**

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Committee Members – Mayor Bruen, Council Member Hayman

**1. CALL TO ORDER – 1734**

**2. ROLL CALL**

**A. Mayor Bruen – Present**

**B. Council Member Hayman – Present**

**3. APPROVAL OF AGENDA – Approved**

**4. APPROVAL OF MINUTES –May 24, 2021 – Approved**

**5. PUBLIC COMMENT (Items Not on the Agenda) – None**

**6. DISCUSSION AND OTHER ACTION ITEMS**

**A. Sales Tax Update (Ref: Sales Tax Tracking)**

- i. April Sales Tax payment was received; Will meet budgeted amount for Fiscal Year 2021.
- ii. April Measure L/V Tax was received; Have met budgeted amount for Fiscal Year 2021.
- iii. April Transient Occupancy Tax was received; Is down from last year, Delayed response due to transitioning of payments to HDL, More accurate numbers will be given at next meeting.
- iv. Property Tax has been received; Have met budgeted amount for Fiscal Year 2021, Covid did not impact taxes.

**B. 3<sup>rd</sup> Quarter Update (Ref: City of Ridgecrest – Quarterly Financial Report)**

- i. General Fund Revenues; City has received 66% of Amended Budget, 49% from Sales Tax, 13% from Property Tax (Pg. 2).
- ii. Fines/Forfeitures will be amended in the budget to reflect unexpected revenue from PD.
- iii. General Fund Expenditures; City has expended 54% of Amended Budget, 47% by Police, 18% by Interfund Transfers, 11% Parks & Recreation. (Pg. 4)
- iv. Gas Tax Fund; 26% of Amended Budget in revenue received, 38% of Amended Budget in expenditures expended.
- v. T.D.A. Transit Fund; 14% of Amended Budget in revenue received, 49% of Amended Budget in expenditures expended.
- vi. Wastewater Fund; 64% of Amended Budget in revenue received, 33% of Amended Budget in expenditures expended.

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- vii. Human Resources/Risk Management ISF; 52% of Amended Budget in revenue received, 61% of Amended Budget in expenditures expended.
- viii. Fleet Maintenance ISF Fund; 80% of Amended Budget in revenue received, 52% of Amended Budget in expenditures expended.
- ix. Investment Summary; .37% interest rate for 3<sup>rd</sup> quarter

**7. COMMITTEE MEMBER COMMENTS**

**A. Council Member Hayman:** Thank Community for support of business in Ridgecrest during Covid.

**8. SUPPORT STAFF COMMENTS**

**A. Finance Director Freese**

- i. City received \$3,465,479 ARP Payment
- ii. ARP workshop in August
- iii. Review FAQ's on ARP Payment

**9. FUTURE AGENDA ITEMS**

- A.** Preliminary 4<sup>th</sup> Quarter report
- B.** Revised Gann Limits

**10. NEXT MEETING** August 16, 2021

**11. ADJOURNMENT – 1808**

Sales Tax							
2018		2019		2020		2021	
Month	Amount	Month	Amount	Month	Amount	Month	Amount
July	344,365.61	July	227,005.12	July	328,078.19	July	349,723.30
August	220,100.00	August	300,948.37	August	343,722.05	August	324,333.00
September	293,300.00	September	338,655.97	September	191,455.99	September	351,141.03
October	270,296.33	October	322,798.06	October	305,953.07	October	324,390.85
November	225,500.00	November	271,392.31	November	320,224.26	November	274,283.18
December	300,600.00	December	254,148.91	December	293,780.48	December	297,317.78
January	275,174.26	January	299,378.41	January	282,460.38	January	321,134.52
February	212,300.00	February	295,472.20	February	219,310.72	February	249,191.85
March	307,865.85	March	225,724.38	March	154,494.92	March	384,030.11
April	284,020.96	April	315,002.87	April	284,590.65	April	382,684.68
May	266,403.42	May	278,596.24	May	332,776.75	May	445,203.69
June	251,044.09	June	247,525.43	June	308,550.43	June	
Budget	3,240,000.00	Budget	3,326,279.00	Budget	3,378,352.00	Budget	3,363,977.00
Actual	3,250,970.52	Actual	3,376,648.27	Actual	3,365,397.89	Actual	3,703,433.99
Difference	10,970.52	Difference	50,369.27	Difference	(12,954.11)	Difference	339,456.99

Average of last 4 years	Median of last 4 years
312,293.06	336,221.90
297,275.86	312,640.69
293,638.25	315,977.99
305,859.58	314,375.57
272,849.94	272,837.75
286,461.79	295,549.13
294,536.89	290,919.40
244,068.69	234,251.29
268,028.82	266,795.12
316,574.79	299,796.76
330,745.03	305,686.50
	251,044.09

Measure L/V Add-On Tax							
2018		2019		2020		2021	
Month	Amount	Month	Amount	Month	Amount	Month	Amount
July	482,181.07	July	304,056.11	July	407,276.94	July	428,256.50
August	227,200.00	August	421,638.71	August	416,719.02	August	468,230.13
September	302,900.00	September	420,967.86	September	269,782.41	September	456,135.13
October	507,130.93	October	393,803.84	October	390,094.78	October	410,609.87
November	249,600.00	November	347,825.22	November	423,002.75	November	372,546.02
December	332,800.00	December	392,662.40	December	399,370.59	December	466,557.09
January	438,261.61	January	391,409.20	January	365,622.46	January	424,476.79
February	278,900.00	February	362,419.22	February	288,151.94	February	383,583.42
March	395,791.70	March	283,877.30	March	284,145.08	March	510,420.61
April	354,910.21	April	411,631.34	April	357,322.71	April	514,213.53
May	345,141.77	May	397,884.08	May	439,685.87	May	605,801.34
June	326,401.11	June	300,532.48	June	437,352.04	June	
Budget	4,000,000.00	Budget	4,044,643.00	Budget	4,449,922.00	Budget	4,371,979.00
Actual	4,241,218.40	Actual	4,428,707.76	Actual	4,478,526.59	Actual	5,040,830.43
Difference	241,218.40	Difference	384,064.76	Difference	28,604.59	Difference	668,851.43

Average of last 4 years	Median of last 4 years
405,442.66	417,766.72
383,446.97	419,178.87
362,446.35	361,933.93
425,409.86	402,206.86
348,243.50	360,185.62
397,847.52	396,016.50
404,942.52	407,943.00
328,263.65	325,285.58
368,558.67	339,968.39
409,519.45	384,477.03
447,128.27	418,784.98
	326,401.11

Transient Occupancy Tax							
2018		2019		2020		2021	
Month	Amount	Month	Amount	Month	Amount	Month	Amount
July	139,263.67	July	109,404.12	July	188,736.85	July	100,875.29
August	149,707.34	August	150,757.82	August	200,470.27	August	131,948.43
September	124,393.60	September	130,717.18	September	144,805.58	September	91,103.02
October	139,598.51	October	145,634.88	October	135,901.66	October	95,476.21
November	121,106.42	November	95,310.20	November	116,630.40	November	107,938.88
December	99,288.53	December	52,602.36	December	116,220.58	December	60,004.05
January	102,868.54	January	80,051.53	January	127,560.99	January	112,929.10
February	136,986.86	February	176,714.08	February	109,324.59	February	20,655.66
March	146,469.14	March	108,658.06	March	98,304.42	March	179,865.45
April	158,506.46	April	146,738.99	April	44,412.17	April	99,681.20
May	125,351.12	May	142,936.54	May	49,075.68	May	7,094.86
June	109,689.91	June	118,972.58	June	79,658.48	June	5,083.87
Budget	1,300,000.00	Budget	1,500,000.00	Budget	1,500,000.00	Budget	1,500,000.00
Actual	1,553,230.10	Actual	1,458,498.34	Actual	1,411,101.67	Actual	1,012,656.02
Difference	253,230.10	Difference	(41,501.66)	Difference	(88,898.33)	Difference	(487,343.98)

Average of last 4 years	Median of last 4 years
134,569.98	124,333.90
158,220.97	150,232.58
122,754.85	127,555.39
129,152.82	137,750.09
110,246.48	112,284.64
82,028.88	79,646.29
105,852.54	107,898.82
110,920.30	123,155.73
133,324.27	127,563.60
112,334.71	123,210.10
81,114.55	87,213.40
78,351.21	94,674.20

Property Taxes (All Accounts Included)							
2018		2019		2020		2021	
Month	Amount	Month	Amount	Month	Amount	Month	Amount
July	2,644.08	July	10,682.74	July	2,654.99	July	2,012.65
August	3,589.54	August	1,776.73	August	1,990.32	August	-
September	28,589.46	September	26,966.23	September	28,286.96	September	-
October	8,714.79	October	10,953.89	October	6,066.17	October	11,868.39
November	13,796.61	November	102,004.27	November	13,523.08	November	25,681.33
December	1,085,932.13	December	1,002,754.93	December	1,196,305.41	December	1,264,046.30
January	7,635.81	January	36,664.31	January	5,407.24	January	156,932.33
February	7,361.23	February	4,692.33	February	171,308.42	February	7,185.38
March	2,472.16	March	2,160.09	March	3,693.13	March	3,120.39
April	984,735.98	April	1,028,365.03	April	968,992.13	April	1,113,041.14
May	5,897.45	May	2,550.30	May	89,595.63	May	2,929.12
June	172,159.17	June	160,630.08	June	80,687.67	June	168,903.69
Budget	2,008,000.00	Budget	2,347,574.00	Budget	2,354,201.00	Budget	2,592,358.00
Actual	2,323,528.41	Actual	2,390,200.93	Actual	2,568,511.15	Actual	2,755,720.72
Difference	315,528.41	Difference	42,626.93	Difference	214,310.15	Difference	163,362.72

Average of last 4 years	Median of last 4 years
4,498.62	2,649.54
1,839.15	1,883.53
20,960.66	27,626.60
9,400.81	9,834.34
38,751.32	19,738.97
1,137,259.69	1,141,118.77
51,659.92	22,150.06
47,636.84	7,273.31
2,861.44	2,796.28
1,023,783.57	1,006,550.51
25,243.13	4,413.29
	164,766.89

# City of Ridgecrest – Quarterly Financial Report

Fiscal Year 2020-2021

Preliminary Fourth Quarter Ending June 30, 2021

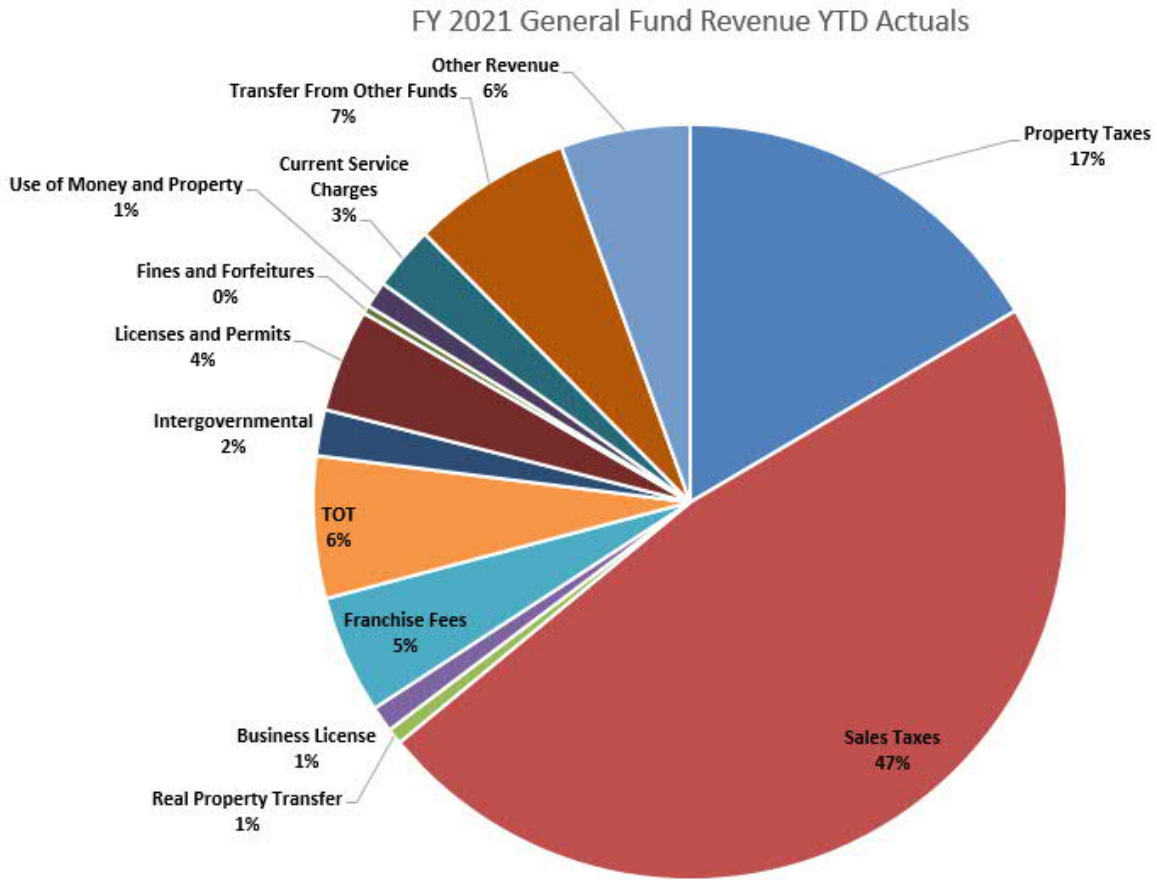
This report summarizes the activities of the major operating funds and is not meant to be inclusive of all finance and accounting transactions and excludes encumbrances. The report is written to provide the Council and the public with an overview of the state of the City’s general fiscal condition. It covers the amounts of the preliminary fourth quarter of fiscal year 2021.

## General Fund Revenues

The table below highlights the amounts and percentages of revenues received in each of the major classifications as of June 30, 2021. The preliminary fourth quarter reports show General Fund revenues coming in at 99% of the Amended Budget amount. This is higher than the previous year, which was 87% at this time last year.

Revenue Type	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
Property Taxes	2,592,358	2,592,358	2,755,721	106%
Sales Taxes	7,975,956	7,975,956	7,905,592	99%
Real Property Transfer	85,000	85,000	113,785	134%
Business License	195,000	195,000	184,983	95%
Franchise Fees	790,000	790,000	845,068	107%
TOT	1,500,000	1,500,000	1,012,656	68%
Intergovernmental	445,135	527,941	329,298	62%
Licenses and Permits	532,500	532,500	732,091	137%
Fines and Forfeitures	45,500	45,493	59,056	130%
Use of Money and Property	256,400	256,400	187,159	73%
Current Service Charges	580,928	580,928	457,727	79%
Transfer From Other Funds	1,341,490	1,411,813	1,145,489	81%
Other Revenue	353,300	353,300	924,256	262%
<b>TOTAL REVENUES</b>	<b>16,693,567</b>	<b>16,846,689</b>	<b>16,652,880</b>	<b>99%</b>

The pie chart below shows the percentage of each revenue type to the total amount of revenue received for the reporting period. As the chart shows, 47% of the General Fund revenue is coming from sales tax.



## General Fund Expenditures

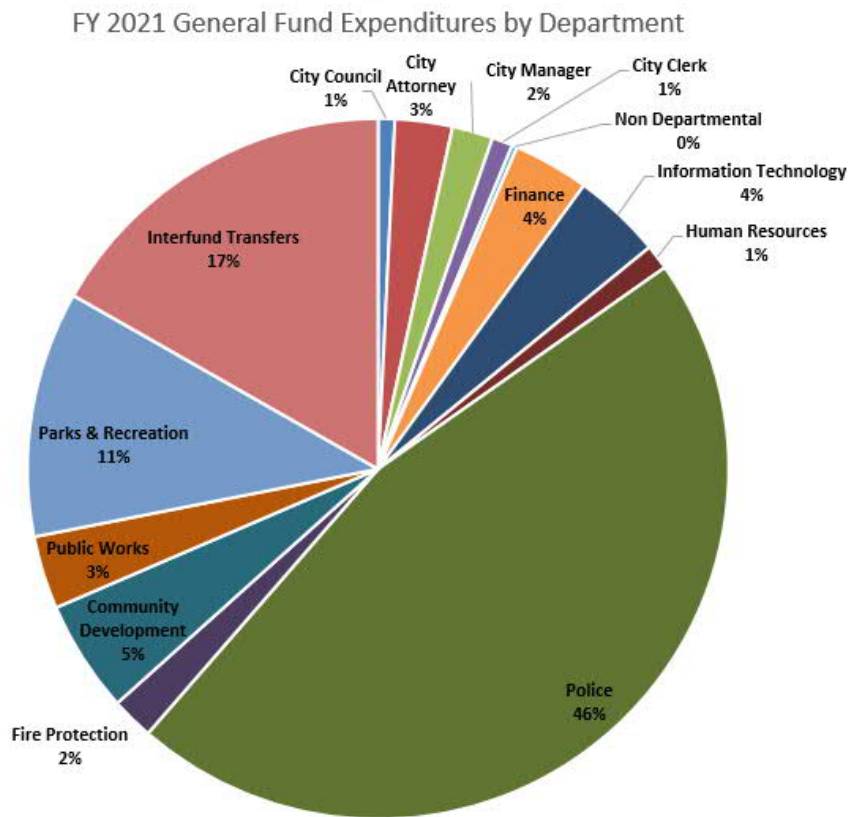
The City has spent 71% of the Amended Budget amount in general fund expenditures during the preliminary fourth quarter of FY 2021. This is consistent with the preliminary fourth quarter of FY 2020, which was at 75%.

Expenditure Type	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
Personnel	10,511,016	9,313,327	8,662,342	93%
Services	3,403,004	3,644,715	2,244,376	62%
Materials	315,761	438,085	222,897	51%
Capital	327,500	423,280	170,874	40%
ISF Allocation	222,863	222,863	133,279	60%
Debt Service	152,910	152,910	0	0%
Other Financing Uses	3,804,936	5,185,286	2,301,160	44%
<b>TOTAL EXPENDITURES</b>	<b>18,737,990</b>	<b>19,380,466</b>	<b>13,734,928</b>	<b>71%</b>

	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
Total Revenues	16,693,567	16,846,689	16,652,880	99%
Total Expenditures	18,737,990	19,380,466	13,734,928	71%
Revenue over (under) expenditures	(2,044,423)	(2,533,777)	2,917,952	



The pie chart below shows the percentage of General Fund dollars spent by department or division.



### Interfund Transfers – General Fund

Interfund transfers received by General Fund came from the following:

Fund 102 Gas Tax Fund for admin overhead allocation	\$ 284,782
Fund 103 SB1/RMRA Fund for admin overhead allocation	\$ 37,083
Fund 300 TDA Transit Fund for admin overhead allocation	\$ 216,542
Fund 310 Wastewater Fund for admin overhead allocation	\$ 278,131
Fund 410 Self Insurance Fund for admin overhead allocation	\$ 8,113
Fund 440 Fleet ISF Fund for admin overhead allocation	\$ 70,838
Fund 939 RDA/Successor Agency for RDA admin allowance	\$ 250,000
	<u>\$1,145,489</u>

Interfund transfers made by General Fund to the following funds:

Fund 102 Gas Tax Fund for Streets maintenance (Measure V)	\$ 551,229
Fund 118 Capital Projects Fund for Projects ST.1702 & ST.1901	\$ (3,000)
Fund 410 Self Insurance Fund for insurance allocation	\$ 387,593
Fund 191 PERS COP Debt Service Fund for COP payment	\$1,365,338
	<u>\$2,301,160</u>

## Gas Tax Fund

The Gas Tax fund has received 30% of the Amended Budget amount for the preliminary fourth quarter of FY 2021. This is lower than the previous year, which was at 36% at the end of the preliminary fourth quarter. The fund has spent 55% of the Amended Budget amount in expenditures, which is consistent with the previous year's preliminary fourth quarter, which was 52%. The table below shows the fund's revenue and expenditure budget and actual comparison.

	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
<b>Revenue</b>				
Intergovernmental	670,284	670,284	617,778	92%
Use of property & money	-	-	324	0%
Transfer from other funds	3,232,149	3,239,988	551,229	17%
Other revenue			950	0%
<b>Total Revenues</b>	<b>3,902,433</b>	<b>3,910,272</b>	<b>1,170,281</b>	<b>30%</b>
<b>Expenditures</b>				
Personnel	781,510	697,286	717,516	103%
Services	1,392,450	1,488,015	381,677	26%
Materials	1,127,050	1,241,428	503,974	41%
Capital	145,500	145,500	82,181	56%
ISF Allocation	49,829	49,829	56,756	114%
Other Financing Uses	371,815	470,842	516,028	110%
<b>Total Expenditures</b>	<b>3,868,154</b>	<b>4,092,900</b>	<b>2,258,132</b>	<b>55%</b>
<b>Revenue over (under) expenditures</b>	<b>34,279</b>	<b>(182,628)</b>	<b>(1,087,852)</b>	

## Interfund Transfers – Gas Tax Fund

Interfund transfers received by Gas Tax Fund came from the following:

Fund 100 General Fund for the Measure V funding	\$ 551,229
	<u>\$ 551,229</u>

Interfund transfers made by Gas Tax Fund to the following:

Fund 100 General Fund for the admin overhead allocation	\$ 284,782
Fund 410 Self Insurance Fund for the insurance allocation	\$ 87,033
Fund 191 PERS COP Debt Service Fund for COP payment	\$ 144,213
	<u>\$ 516,028</u>

### T.D.A. Transit Fund

The Transit Fund has received 14% of the Amended Budget amount in revenue for the preliminary fourth quarter of FY 2021. This is slightly lower than the preliminary fourth quarter of FY 2020, which was 19%. The preliminary fourth quarter expenditure amount is 63% of the Amended Budget amount, which is lower than the preliminary fourth quarter of FY 2020, which was 68%. The table below shows the fund's revenue and expenditure budget and actual comparison.

	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
<b>Revenue</b>				
Taxes	1,223,687	1,230,749	-	0%
Intergovernmental	195,000	994,165	149,111	15%
Use of property & money	8,000	8,000	4,409	55%
Current service charges	223,710	223,710	184,940	83%
Transfer from other funds	-	-	-	0%
Other revenue	-	-	-	0%
<b>Total Revenues</b>	<b>1,650,397</b>	<b>2,456,624</b>	<b>338,459</b>	<b>14%</b>
<b>Expenditures</b>				
Personnel	783,740	705,618	524,240	74%
Services	336,650	319,702	172,842	54%
Materials	15,000	71,658	8,357	12%
Capital	142,684	239,224	-	0%
ISF Allocation	115,968	115,968	49,373	43%
Other financing uses	256,355	350,040	377,773	108%
<b>Total Expenditures</b>	<b>1,650,397</b>	<b>1,802,210</b>	<b>1,132,585</b>	<b>63%</b>
<b>Revenue over (under) expenditures</b>	<b>-</b>	<b>654,414</b>	<b>(794,126)</b>	

### Interfund Transfers – T.D.A. Transit Fund

Interfund transfers made by Transit T.D.A. Fund to the following:

Fund 100 General Fund for the admin overhead allocation	\$ 216,542
Fund 410 Self Insurance Fund for the insurance allocation	\$ 39,812
Fund 191 PERS COP Debt Service Fund for COP payment	\$ 121,419
	<u>\$ 377,773</u>

## Wastewater Fund

The Wastewater Fund has received 104% of the Amended Budget amount in revenue for the preliminary fourth quarter of FY 2021, which is much higher than the preliminary fourth quarter of FY 2020, which was 93%. This is due, in part, to the catching up of the sewer billing by the Jr. Accountant position. The expenditures for the preliminary fourth quarter are at 51% of the Amended Budget amount. The expenditure amount for the preliminary fourth quarter of FY 2020 was at 46%. The table below shows the fund's revenue and expenditure budget and actual comparison.

	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
<b>Revenue</b>				
Intergovernmental	-	-	-	0%
Use of property & money	450,000	450,000	179,699	40%
Current service charges	6,285,000	6,285,000	6,594,566	105%
Other revenue	11,300	11,300	240,303	2127%
<b>Total Revenues</b>	<b>6,746,300</b>	<b>6,746,300</b>	<b>7,014,568</b>	<b>104%</b>
<b>Expenditures</b>				
Personnel	1,225,166	1,088,810	843,479	77%
Services	1,846,863	2,303,324	1,067,128	46%
Materials	119,100	139,920	50,120	36%
Capital	1,290,500	1,324,815	223,847	17%
ISF Allocation	51,162	51,162	53,601	105%
Other financing uses	361,039	513,679	516,829	101%
<b>Total Expenditures</b>	<b>4,893,830</b>	<b>5,421,710</b>	<b>2,755,004</b>	<b>51%</b>
<b>Revenue over (under) expenditures</b>	<b>1,852,470</b>	<b>1,324,590</b>	<b>4,259,565</b>	

## Interfund Transfers – Waste Water Fund

Interfund transfers made by Waste Water Fund to the following:

Fund 100 General Fund for the admin overhead allocation	\$ 278,131
Fund 410 Self Insurance Fund for the insurance allocation	\$ 82,908
Fund 191 PERS COP Debt Service Fund for COP payment	<u>\$ 155,790</u>
	<u>\$ 516,829</u>

## Human Resources/Risk Management ISF

The Human Resources/Risk Management Fund, (also known as the Self-Insurance Fund) has received 80% of the Amended Budget amount in revenue for the preliminary fourth quarter of FY 2021. The expenditures for the preliminary fourth quarter are at 68%. The preliminary fourth quarter of FY 2020 was at 77% and 63%, respectively. The table below shows the fund's revenue and expenditure budget and actual comparison.

	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
<b>Revenue</b>				
Use of property & money	20,000	20,000	10,102	51%
Current service charges	305,000	305,000	316,429	104%
Transfer from other funds	624,027	624,027	624,027	100%
Other revenue	350,000	350,000	87,437	25%
<b>Total Revenues</b>	<b>1,299,027</b>	<b>1,299,027</b>	<b>1,037,995</b>	<b>80%</b>
<b>Expenditures</b>				
Personnel	384,721	355,744	314,139	88%
Services	580,600	580,600	530,940	91%
Materials	300	300	91	30%
Other financing uses	333,113	362,590	44,087	12%
<b>Total Expenditures</b>	<b>1,298,734</b>	<b>1,299,234</b>	<b>889,257</b>	<b>68%</b>
<b>Revenue over (under) expenditures</b>	<b>293</b>	<b>(207)</b>	<b>148,738</b>	

## Interfund Transfers – Human Resources/Risk Management ISF Fund

Interfund transfers received by the Self Insurance Fund came from the following:

Fund 100 General Fund for insurance allocation	\$ 387,593
Fund 102 Gas Tax Fund for insurance allocation	\$ 87,033
Fund 103 SB1/RMRA Tax Fund for insurance allocation	\$ 9,551
Fund 300 TDA Transit Fund for insurance allocation	\$ 39,812
Fund 310 Waste Water Fund for insurance allocation	\$ 82,908
Fund 440 Fleet Maintenance ISF for insurance allocation	\$ 17,130
	<u>\$ 624,027</u>

Interfund transfers made by the Self Insurance Fund to the following:

Fund 100 General Fund for admin overhead allocation	\$ 8,113
Fund 191 PERS COP Debt Service Fund for COP payment	\$ 35,974
	<u>\$ 44,087</u>

### Fleet Maintenance ISF Fund

This fund charges back the fund that uses its services by allocating its actual expenses by mileage/hours driven/used of the fund's vehicles and equipment. This fund has received 80% of the Amended Budget amount in revenue for the preliminary fourth quarter of FY 2021. The expenses for the preliminary fourth quarter of FY 2021 are at 74% of the Amended Budget amount. The preliminary fourth quarter of FY 2020 was at 63% and 64%, respectively. The table below shows the fund's revenue and expenditure budget and actual comparison.

	FISCAL YEAR 2020-2021			YTD % of Amended Budget
	Adopted Budget	Amended Budget	YTD Actuals	
<b>Revenue</b>				
Intergovernmental	-	-	61,835	0%
Use of property & money	2,500	2,500	1,187	47%
Current service charges	439,822	439,822	293,009	67%
Transfer from other funds	-	-	-	0%
<b>Total Revenues</b>	<b>442,322</b>	<b>442,322</b>	<b>356,030</b>	<b>80%</b>
<b>Expenditures</b>				
Personnel	138,128	122,221	120,177	98%
Services	23,500	30,000	27,540	92%
Materials	284,500	313,300	186,977	60%
Capital	45,000	45,000	-	0%
Other financing uses	87,968	104,875	120,608	115%
<b>Total Expenditures</b>	<b>579,096</b>	<b>615,396</b>	<b>455,302</b>	<b>74%</b>
<b>Revenue over (under) expenditures</b>	<b>(136,774)</b>	<b>(173,074)</b>	<b>(99,271)</b>	

### Interfund Transfers – Fleet Maintenance ISF Fund

Interfund transfers made by the Fleet Maintenance Fund to the following:

Fund 100 General Fund for admin overhead allocation	\$ 70,838
Fund 410 Self Insurance Fund for insurance allocation	\$ 17,130
Fund 191 PERS COP Debt Service Fund for COP payment	<u>\$ 32,640</u>
	<u>\$120,608</u>

**City of Ridgecrest**  
**Investment Summary Report**  
 Fiscal Year 2020-2021  
 Fourth Quarter Ending June 30, 2021

Name of Institution	Rate	Maturity	Market Value	% of Portfolio
Mission Bank - Checking Account	0.00%	N/A	\$ 4,077,880	6%
<b>Local Agency Investment Funds</b>				
City of Ridgecrest	0.33%	N/A	\$ 58,246,007	
Assessment District	0.33%	N/A	\$ 486,168	
Successor Agency	0.33%	N/A	<u>\$ 2,128,899</u>	
<b>Total LAIF Investment</b>			<u>\$ 60,861,073</u>	<b>94%</b>
<b>TOTAL CITY INVESTMENTS</b>			<u><u>\$ 64,938,953</u></u>	<b>100%</b>

To the best of my knowledge, there are not misstatements of material amounts within this Quarterly Investment Report; or omissions of material accounts to cause this investment report to be misleading.

I certify that this report accurately reflects all City of Ridgecrest investments and complies with the investment policy of the City as approved by the governing board; and there are sufficient funds available to meet the City's expenditure requirements for the next six months.




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Cheri Freese  
Finance Director

**Ridgecrest City Council  
Successor Redevelopment Agency  
Financing Authority  
Housing Authority  
STAFF REPORT**

**SUBJECT:** A Resolution Of The Ridgecrest City Council Adopting A Revised Appropriations Limit For Fiscal Year 2021-2022

**PRESENTED BY:** Cheri Freese, Finance Director

**SUMMARY:**

The voters of California, during a special election in 1979, approved Article XIII-B of the California State Constitution (also known as Proposition 4, or the "Gann Limit Initiative"), which restricts the total amount of appropriations allowed in any given fiscal year from the proceeds of taxes.

In 1980, the State Legislative added Section 9710 to the Government Code that required the governing body of each local agency to establish, by resolution, an appropriations limit for the following year. The appropriations limit for any fiscal year was equal to the previous year's limit, adjusted for population changes and the change in the U.S. Consumer Price Index (or California per Capita Personal Income, if smaller). The necessary statistical information is provided each year by the California State Department of Finance.

In June 1990, the voters modified the original Article XIII-B (Proposition 4/Gann Limit) with the passage of Proposition 111 and its implementing legislation (California Senate Bill 88). Beginning with the 1990-91 appropriations limit, a City may choose annual adjustment factors. The adjustment factors include the growth in the California Per Capita Income or the growth in the non-residential assessed valuation due to construction within the City, and the population growth within the County or the City. Under Proposition 4, if a city ends the fiscal year having more proceeds of taxes than the Limit allows, it must return the excess to the taxpayers within two years (either by reducing taxes levied or fees charged).

On June 16, 2021, with the adoption of the FY 2021-22 operating budget, the Council also adopted the resolution for setting the Appropriations Limit for FY 2021-22. The limit calculated for 2021-22 was \$28,433,039. Since the adoption of the resolution, the City has had its interim audit performed by The Pun Group. The independent auditor reviewed the Appropriations Limit (Gann Limit) calculation during audit testing and found an error in the calculation percentage used for the economic factor. They recommended we correct the calculation and update the resolution for FY 2021-22 Appropriations Limit.

After correcting the economic factor in the calculation, the limit for 2021-22 is \$28,764,357. With the correction to the calculation, the City is still in compliance with the Appropriations Limit requirement for FY 2021-22.

**FISCAL IMPACT:** None

**ACTION REQUESTED:** Adopt this attached revised resolution setting the Appropriation Limit for FY 2021-22

**CITY MANAGER'S RECOMMENDATION:** Action as requested



**RESOLUTION NO. 21-xx**

**A RESOLUTION OF THE RIDGECREST CITY COUNCIL  
ESTABLISHING THE APPROPRIATIONS LIMIT FOR FISCAL YEAR  
2021-2022 PURSUANT TO ARTICLE XIII-B OF THE CALIFORNIA  
STATE CONSTITUTION**

**WHEREAS**, the voters of California, during a special election in 1979, approved Article XIII-B of the California State Constitution, which restricts the total amount of appropriations allowed in any given fiscal year from the proceeds of taxes; and,

**WHEREAS**, in 1980, the State Legislative added Section 9710 to the Government Code that required the governing body of each local agency to establish, by resolution, an appropriations limit for the following year; and,

**WHEREAS**, on June 16, 2021, with the adoption of the fiscal year 2021-22 operating budget, the Council also adopted the resolution for setting the Appropriations Limit of \$28,433,039 for fiscal year 2021-22; and,

**WHEREAS**, since the adoption of the resolution, the City has had its interim audit and the independent auditor reviewed the Appropriations Limit (Gann Limit) during audit testing and found an error in the calculation.

**NOW, THEREFORE, BE IT RESOLVED** that after correcting the calculation, the Appropriations Limit for fiscal year 2021-22 is \$28,764,357 and the City is still in compliance with the Appropriations Limit requirement for fiscal year 2021-22.

**APPROVED AND ADOPTED** this 18th day of August 2021, by the following vote:

AYES:  
NOES:  
ABSTAIN:  
ABSENT:

\_\_\_\_\_  
Eric A. Bruen, Mayor

ATTEST:

\_\_\_\_\_  
Ricca Charlon, CMC  
City Clerk

**CITY OF RIDGECREST  
Fiscal Year 2022**

**Appropriations Limit**

**BACKGROUND**

The voters of California, during a special election in 1979, approved Article XIII-B of the California State Constitution (also known as Proposition 4, or the “Gann Limit Initiative”), which restricts the total amount of appropriations allowed in any given fiscal year from the proceeds of taxes.

In 1980, the State Legislative added Section 9710 to the Government Code that required the governing body of each local agency to establish, by resolution, an appropriations limit for the following year. The appropriations limit for any fiscal year was equal to the previous year’s limit, adjusted for population changes and the change in the U.S. Consumer Price Index (or California per Capita Personal Income, if smaller). The necessary statistical information is provided each year by the California State Department of Finance.

In June 1990, the voters modified the original Article XIII-B (Proposition 4/Gann Limit) with the passage of Proposition 111 and its implementing legislation (California Senate Bill 88). Beginning with the 1990-91 appropriations limit, a City may choose annual adjustment factors. The adjustment factors include the growth in the California Per Capita Income or the growth in the non-residential assessed valuation due to construction within the City, and the population growth within the County or the City. Under Proposition 4, if a city ends the fiscal year having more proceeds of taxes than the Limit allows, it must return the excess to the taxpayers within two years (either by reducing taxes levied or fees charged).

## **CALCULATION OF LIMITATION**

	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>	<b>FY</b>
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
PRIOR YEAR APPROPRIATIONS LIMIT	20,378,371	22,374,542	23,272,083	24,456,697	25,718,298	27,016,396
POPULATION FACTOR - RIDGECREST	1.0420	1.0031	1.0137	1.0126	1.0127	1.0573
ECONOMIC FACTOR	1.0537	1.0369	1.0367	1.0385	1.0373	1.0070
TOTAL ADJUSTMENT RATIO	1.0980	1.0401	1.0509	1.0516	1.0505	1.0647
NEW YEAR APPROPRIATIONS LIMIT	22,374,542	23,272,083	24,456,697	25,718,298	27,016,396	28,764,357

## **RIDGECREST'S APPROPRIATIONS LIMIT AND THE FUTURE**

The following table provides an analysis of the City of Ridgecrest's appropriations limit. As seen in the below table, the City's appropriations have remained well below the Appropriations Limit. With such a significant margin, the provision related to the return of taxes clearly does not apply to Ridgecrest at any time in the future. The decrease in appropriations subject to the limit is indicative of the recessionary nature of the national economy and the negative housing market on Ridgecrest.

<b>Fiscal Year</b>	<b>Appropriation Limit</b>	<b>General Fund Appropriations</b>
2009	\$ 16,759,072	\$ 14,480,171
2010	\$ 17,120,983	\$ 11,426,282
2011	\$ 16,883,003	\$ 11,753,054
2012	\$ 17,554,253	\$ 7,561,437
2013	\$ 18,405,495	\$ 10,160,460
2014	\$ 19,556,487	\$ 11,929,014
2015	\$ 19,667,895	\$ 10,355,298
2016	\$ 20,378,371	\$ 10,197,620
2017	\$ 22,374,542	\$ 10,030,150
2018	\$ 23,272,083	\$ 11,764,300
2019	\$ 24,456,632	\$ 12,539,621
2020	\$ 25,718,298	\$ 13,081,500
2021	\$ 27,016,396	\$ 13,657,199
2022	\$ 28,764,357	\$ 15,121,038