RESOLUTION NO. 2019-033

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHINO, CALIFORNIA, APPROVING AND ADOPTING A BUDGET FOR FISCAL YEAR 2019-20

WHEREAS, the Chino City Manager presented to the Chino City Council a proposed budget for Fiscal Year 2019-20; and

WHEREAS, the City Council held a public budget workshop on May 9th, 2019, in the Council Chambers of the City, beginning at the hour of 4:00 p.m., in order to review the requested budget document for Fiscal Year 2019-20; and

WHEREAS, the City Council did review the requested budget for the Fiscal Year 2019-20; and

WHEREAS, the original of the requested budget has been revised so as to reflect each and all amendments, changes and modifications which the City Council, up to the time of the adoption of this Resolution, believes should be made in the proposed budget as so submitted and to correct any non-substantive errors discovered; and

WHEREAS, said changes and modifications to the requested budget have been incorporated into the proposed budget for Fiscal Year 2019-20.

WHEREAS, the City Council wishes to operate in a fiscally conservative manner to ensure the long-term viability of the City and its operations with respect to providing necessary public services to the residents of Chino, including, but not limited to, police, fire, community services, and transportation services:

WHEREAS, the City Council wishes to ensure that General Fund on-going expenditures are paid for with General Fund on-going revenues so that the City does not begin to operate in a deficit position year over year;

WHEREAS, adding new staffing positions during the budget process increases the on-going operating expenditures of the City in perpetuity and subjects the City to operating deficits should local economic conditions slow thereby resulting in lower General Fund revenues for the City;

WHEREAS, the City’s Comprehensive Annual Financial Report (CAFR), published by approximately December 31st of each year and prepared by an accountant independent of the City provides the most comprehensive financial picture of the City for the previous fiscal year (the “CAFR”) and provides a good mechanism to determine the heath of the general fund revenues and expenditures;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chino, as follows:

SECTION 1. The financial portion of the proposed budget for the City of Chino for Fiscal Year 2019-20, as so amended by the City Council and staff in an open session, as now before this Council, and on file in the office of the City Clerk of the City of Chino, is expressly incorporated in this Resolution and made a part thereof.
SECTION 2. The said proposed budget of the City of Chino for Fiscal Year 2019-20, as so amended, is hereby approved and adopted. In adopting said budget, the City Council hereby adopts and approves the total dollar amount under the column “FY 2019-20 Proposed” in each department’s department programs and department funding sources throughout the Fiscal Year 2019-20 proposed document. Further, the City Council hereby approves the salary allocations as presented throughout the various departmental programs, along with the schedule of interfund transfers, continuing appropriations, and Five-Year Capital Improvement Program. If, during the fiscal year, the Director of Finance certifies that there are sufficient funds available for appropriation, the City Council, by minute order, may make additional appropriations or other amendments to the budget for the fiscal year.

SECTION 3. The City Manager is hereby authorized and instructed to take all steps necessary to implement this Resolution.

SECTION 4. The City Manager, for the purpose of administrative necessity in implementing the budget, may authorize budget transfers between funds to cover expenses which have been approved by the City Council, except where such transfer is expressly prohibited in a resolution or ordinance approved by the City Council. The Director of Finance or his/her designee may authorize budgetary transfers within the same fund to the appropriate line items, programs, or projects, as long as the total budget has not exceeded the amount approved by the Mayor and City Council. The level of budgetary controls is to ensure compliance with the budget as approved and adopted by the City Council.

SECTION 5. The City Manager is hereby instructed to cause to be prepared a mid-year report on the status of expenditure and revenue levels in the General Fund as they pertain to the Fiscal Year 2019-20 budget as adopted herein.

SECTION 6. The City Clerk is hereby instructed to have copies of the adopted budget duplicated and available for public review and a copy provided to the Chino Library as soon as practicable.

SECTION 7. The Proposed Budget for Fiscal Year 2019-20 so submitted, amended, and filed shall be the budget for the City of Chino for Fiscal Year 2019-20 as contemplated to be made by the City Council under the requirements of Article XIII-B of the California Constitution.

SECTION 8. The City Council hereby desires to maintain sufficient reserves to fund on-going operations of the City. Therefore, the City will annually monitor the ending Fund Balance for the General Fund with a goal of maintaining reserves at a minimum of 50% of on-going expenditures. Should actual ending General Fund reserves fall below 50% of on-going operating expenditures, a hiring freeze of new staff and the replacement of existing staff will be implemented. Such hiring freeze shall continue in effect until the City Council approves an acceptable plan to bring the City’s General Fund on-going operating revenues (as defined below) equal to its General Fund on-going operating expenditures (as defined below) or a future CAFR shows that the General Fund reserves have risen above the 50% requirement. This requirement will commence with the Fiscal Year ending June 30, 2020 and will continue until repealed by the City Council.

General Fund on-going revenues and expenditures will be defined and measured by those identified on the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund contained within the City's CAFR. Transfers In and Transfers Out on the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual General Fund schedule contain both one-time and on-going transfers; therefore, on-going
transfers will be identified during the annual budget adoption process and contained in the Transfers section of the budget (see Exhibit 1 as an example). Calculating the percentage of Fund Balance at End of year for the General Fund to On-going expenditures will be performed by dividing Fund Balance – End of year for the General Fund, by total on-going General Fund expenditures. The calculation will utilize audited actual amounts from the CAFR and the City’s internal accounting records. See attached Exhibit 2 for an example of the calculation.

APPROVED AND ADOPTED by the City Council of the City of Chino, this 18th day of June 2019.

By: _____________________________

EUNICE M. ULLOA, MAYOR

ATTEST:

ANGELA ROBLES, CITY CLERK

State of California    }
County of San Bernardino   }ss
City of Chino          }

I, ANGELA ROBLES, City Clerk of the City of Chino, California, do hereby certify that the foregoing Resolution was adopted by the City Council of said City at a regular meeting of said City Council held on the 18th day of June 2019, and that it was so adopted by called vote as follows:

AYES:  COUNCIL MEMBERS:

NOES:  COUNCIL MEMBERS:

ABSENT:  COUNCIL MEMBERS:

ANGELA ROBLES, CITY CLERK
## Exhibit 1

On-Going General Fund Expenditure Transfers  
Adopted June 20, 2017

<table>
<thead>
<tr>
<th>Fund Number</th>
<th>Fund Name</th>
<th>FY 2017-18 Budget Amount</th>
<th>Actuals Based on Internal Accounting Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>320</td>
<td>Transportation Maintenance</td>
<td>4,240,321</td>
<td>3,018,321</td>
</tr>
<tr>
<td>330</td>
<td>Community Services</td>
<td>4,556,395</td>
<td>4,220,219</td>
</tr>
<tr>
<td>360</td>
<td>Landscape and Lighting</td>
<td>4,808,696</td>
<td>4,251,790</td>
</tr>
<tr>
<td>361</td>
<td>Assessment District</td>
<td>826,206</td>
<td>653,928</td>
</tr>
</tbody>
</table>

14,431,618  12,144,258
## Exhibit 2

Calculation of General Fund Reserves to On-Going Expenditures

Obtained from the Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund Page 111 of FY 2017-18 CAFR

<table>
<thead>
<tr>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fund Balance - End of year</strong></td>
</tr>
</tbody>
</table>

On-Going Expenditures:

<table>
<thead>
<tr>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAFRA page 111</strong></td>
</tr>
</tbody>
</table>

Actual Transfers Out:

<table>
<thead>
<tr>
<th>Actual Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transportation Maintenance</strong></td>
</tr>
<tr>
<td><strong>Community Services</strong></td>
</tr>
<tr>
<td><strong>Landscape and Lighting</strong></td>
</tr>
<tr>
<td><strong>Assessment District</strong></td>
</tr>
</tbody>
</table>

**Total On-Going Expenditures** | 70,782,766 |

**Percentage of Reserves to On-going Expenditures** | 78.88% |