



To: Honorable City Council
From: John Moreno, City Manager
By: Kim Sao, Finance Director
Date: November 12, 2024

**SUBJECT: CARRYOVER OF UNSPENT CAPITAL IMPROVEMENT PROJECT (CIP)
BUDGET APPROPRIATION FROM FY 2023-24 TO FY 2024-25**

BACKGROUND

During the budget adoption process in June, staff estimated that certain capital improvement projects (CIP) would be completed and paid for by June 30, 2024, and other incomplete projects would be carried over to the next fiscal year. However, the true amount of unexpended CIP budget is not known until a few months after the close of the fiscal year when all FY 2023-24 invoices are paid. When a CIP budget appropriation is not utilized in the fiscal year in which it was approved, the savings are put back into the original fund balance at the close of the fiscal year, and then this funding becomes available for re-appropriation in the new fiscal year. Re-appropriation of only the unspent budget portion ensures that duplication of budget does not occur.

DISCUSSION

By nature, capital improvement projects typically take several years to complete, and therefore, the budget for many of these projects spans across fiscal years. Depending on the scope, nature, and type of the individual CIP project, not all appropriations are spent in one fiscal year. The process of budget carryover improves the management of CIP budgets and makes funding available for the continuation of capital improvement projects.

FISCAL IMPACT

The total Budget carryover of \$40,444,577 is needed to cover expenses expected to be incurred in FY 2024-25. The list of projects showing their unspent budget is provided in Attachment A. The budget carryover by fund is shown in the table below: (Table to be updated).

CARRYOVER OF UNSPENT CIP BUDGET APPROPRIATION

Fund No.	Fund Description	Amount
112	General Fund	\$ 11,411,477
211	Community Development Block Grant (CDB	\$ 413,300
225	AB 2766 Subvention	\$ 18,200
227	Road Maintenance & Repair Act (RMRA)	\$ 1,196,050
231	Prop A	\$ 400,000
232	Prop C	\$ 1,303,759
233	Measure R	\$ 804
234	Measure M	\$ 1,429,149
235	Measure A (Safe Clean Parks)	\$ 864,825
289	Measure W	\$ 195,871
292	Public Art	\$ 117,138
296	Other Grants	\$ 17,640,735
297	Community Benefit Agreement	\$ 227,031
511	Water	\$ 4,790,156
521	Equipment Replacment	\$ 436,082
Total Carryover		\$ 40,444,577

VISION, MISSION, VALUES, AND STRATEGIC OUTCOMES

The City's Vision, Mission, and Values set the standard for the organization, establish priorities, uniformity and guidelines; and provide the framework for policy decision making. The Strategic Outcomes were implemented to provide a pathway to achieving the City's Vision. This item aligns with Strategic Outcome No 6: Efficient, Effective, and Fiscally Responsible - Deliver an efficient and effective City government in a fiscally responsible, transparent and collaborative manner.

RECOMMENDED ACTION

Approve the carryover of \$40,444,577 in unspent CIP budget appropriations from FY 2023-24 to FY 2024-25 in the various funds and projects shown in Attachment A.