



STAFF REPORT

DATE: 02/05/2025
TO: Honorable Mayor and City Council Members
FROM: Finance Department

2025-30

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:
FISCAL YEAR 2025 QUARTER 2 BUDGETARY ADJUSTMENTS

EXECUTIVE SUMMARY:

This staff report asks the Council to consider budgetary adjustments for Fiscal Year 2025 based on the Quarter 2 results and staff recommendations for funding level changes. Staff presents an update to the City Council on the current fiscal year revenue and expenditures quarterly. As part of the process, departments review the operating and capital improvement project funding levels and provide recommendations for budgetary adjustments. For Quarter 2, staff recommends appropriating \$484,421, as noted in Exhibit 1.

RECOMMENDED ACTION:
That the City Council:

- a. Appropriate \$484,421, as noted in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.
- b. Change Order to increase Ewing Irrigation Products Inc. Purchase Order to \$170,000.
 - i. Authorize an increase of \$75,000 to B250402 for a total purchase order of \$170,000.
- c. Change Order to increase Workday Inc. Purchase Order to a total of \$608,473.

- i. Authorize an increase of \$66,660 to P23756 for a total purchase order of \$608,473.
- d. Change Order to increase CanAm Technologies Inc. Purchase Order to \$380,121.
 - i. Authorize an increase of \$280,905 to P23703 for a total purchase order of \$380,121.
- e. Change Order to increase multiple Animal Enforcement Professional / Contractual Purchase Orders.
 - i. Authorize an increase of \$25,000 to B250057 for a total purchase order of \$80,000 for Animal Hospital of Eagle Glen.
 - ii. Authorize an increase of \$65,000 to B250188 for a total purchase order of \$120,000 for Animal Medical Center of Corona.
 - iii. Authorize an increase of \$25,000 to B250189 for a total purchase order of \$80,000 for Corona Community Veterinary Hospital.
- f. Change Order to increase DXP Enterprise, Inc. Purchase Order to \$350,000.
 - i. Authorize an increase of \$150,000 to B250025 for a total purchase order of \$350,000.
- g. Adopt Resolution No. 2025-009, approving the City of Corona Position Library and Compensation Plan and repealing all prior Plans, including Resolution No. 2024-112, effective February 8, 2025.
- h. Authorize and establish ownership of revenue for all funds deposited into the designated revenue account for the acquisition, replacement, and installation of new cameras to be utilized in the Community Partner Camera Funding Agreement.
- i. Authorize and establish ownership of revenue for all funds deposited into the designated revenue account for the tree trimming service pass-through fees.
- j. Authorize and establish ownership of lease and rental revenue for all funds deposited into the designated revenue account for the Corona Mall operations.

BACKGROUND & HISTORY:

On a quarterly basis, the Finance Department provides a budget update to the City Council. As part of the quarterly process, departments provide operating and Capital Improvement Project (CIP) adjustments that need to be addressed in the fiscal year (FY). The Finance Department prepares a consolidated request for the City Council's consideration.

ANALYSIS:

Item a - Appropriate \$484,421 as noted in Exhibit 1 - Appropriations, Estimated Revenues, and Transfers.

Appropriations

1. Part-Time to Full-Time Emergency Services Coordinator

Currently, the Emergency Services Coordinator position is a part-time position. One of the key initiatives in the Emergency Management Division involves enhancing the Department's education and outreach efforts. The transition from a part-time Emergency

Services Coordinator role to a full-time position will be instrumental over a five-year period.

Staff requests an appropriation in the amount of \$37,796 from the Opioid Settlement Fund 293 for the remainder of the fiscal year. The total recurring budget impact for this position is approximately \$136,997 (\$46,287 within the Measure X Fund 120 and \$90,710 within the Opioid Settlement Fund 293).

2. Animal Enforcement Professional/Contractual Services

Over the past several years, the cost of veterinary services has risen significantly, far surpassing the previously established budget for animal care. The City of Corona Animal Services section is fully committed to providing effective and humane treatment for all animals in its care, in strict accordance with animal care laws. However, the implementation of more stringent animal care regulations, coupled with the steady increase in the number of animals brought into the shelter each year, has resulted in substantially higher veterinary costs.

Staff requests an appropriation of \$133,620 from the General Fund 110, increasing the annual budget for Animal Enforcement Professional/Contractual Services to a total of \$330,000.

3. Down Payment for Vehicle Unit No. 33051 - Parks Division's New Truck

The Public Works Department oversees the Vehicle Replacement Program. After the FY 2025 budget was approved, a calculation error was identified, resulting in the down payment for the Parks Division's new truck being understated.

Staff requests an appropriation of \$8,000 from the Vehicle Replacement Fund 684 to the Operating and Maintenance Vehicle Procurement Project No. 68344.

4. Additional Auto CAD Licenses

Public Works Engineering staff use AutoCAD for internal design and review of consultant-designed project plans, construction as-builts, and coordination with outside agencies. Current licenses are assigned to staff members who use the software in their daily work, and there are no current unused licenses with the addition of new staff in the CIP-Parks and Facilities division.

Staff requests an appropriation of \$10,000 to the Public Works' operating budget within the General Fund 110.

5. LMD 84-2, Zone 19 Tree Trimming on Valencia Road

Currently, the landscape district is underfunded and lacks sufficient revenue to cover the necessary costs for this work. This maintenance is essential to ensure the safety of residents by addressing potential hazards posed by the overgrown trees. The proposed

increase will provide funding for deferred maintenance of overgrown trees in LMD 84-2, Zone 19, along Valencia Road, from California Avenue to Upper Drive.

Staff requests an appropriation of \$10,005 to the Community Services' operating budget within the LMD 84-2, Zone 19 Fund 468.

6. LMD 84-2, Zone 20 Concrete Repairs at Mt. Gate Greenbelt

The proposed increase will fund concrete repairs at Mt. Gate Greenbelt to address lifted sidewalks, which pose a liability risk. These repairs are essential to ensure public safety and prevent further damage. Staff is requesting an appropriation of \$85,000 to the Community Services operating budget within the LMD 84-2, Zone 20 Fund 470 to cover the costs of these repairs.

7. Create and Fund a New Operating and Maintenance Project Titled Temescal Desalter Clean-In-Place System Optimization

Recent failures of the Temescal Desalter's Clean-in-Place (CIP) system highlighted the need for system upgrades to improve reliability and performance. A study by Separation Processes Inc. recommended installing a larger pump, accurate flow metering, and advanced monitoring systems. By implementing these enhancements, which will be performed by Utilities staff, the Desalter will achieve more effective cleanings, optimize chemical usage, establish reliable process trends for the CIP system, and extend the system's lifespan.

Staff is requesting \$200,000 from the Water Utility Fund (570) to create and fund this project. This funding will cover the cost of materials, equipment, and staff time, ensuring the cost-effective implementation of the recommended improvements.

Item b. Change Order to Increase Ewing Irrigation Products Inc. Purchase Order to \$170,000.

Ewing Irrigation Products Inc. is a local vendor who supplies commercial grade irrigation parts used for repairs and maintenance of the citywide parks and LMD's. Additional materials and supplies will be needed throughout FY25, as a result of regular irrigation inspections which require supplies to perform needed repairs. The purchase order increase of \$75,000 to B250402 will allow for on-call irrigation supplies with Ewing Irrigation of City parks and facilities including LMD's and CFD's.

Item c. Change Order to Increase Workday Inc. Purchase Order to \$608,473.

The City Council approved the Enterprise Resource Planning (ERP) project on November 6, 2024. After the staff report was approved, purchase orders were issued to multiple vendors for software, project management, change management, and implementation services.

Workday was selected as the City's new ERP system. The system integrates human resources and finance functions in a user-friendly platform, automating many manual processes. The purchase order request approved on November 6, 2024, was for

\$541,813 for the first year's annual subscription fee. Additional one-time training costs of \$66,660 were overlooked when preparing the staff report. The one-time costs will include Workday's training of key finance and human resources staff to set up and implement the multiple modules. Staff is requesting an increase of \$66,660 to purchase order P23756 for Workday to incorporate the training costs for the project implementation. No additional funding is needed as the change order will utilize contingency funding included in the project funding (project 77880) in the General Fund 110.

Item d. Change Order to Increase CanAm Technologies Inc. Purchase Order to \$380,121.

CanAm Technologies is the vendor the City will be working with to improve the City's cashiering functionality by providing a system that integrates with Workday. enhance the City's cashiering functionality by providing a system that integrates with Workday. The purchase order request approved on November 6, 2024, was for \$99,216 for the first year's annual licensing fees. Additional one-time costs of \$280,904.50 were overlooked when preparing the staff report. The one-time costs include implementation services such as interface workshops, system configurations, testing, training, and travel. In addition, hardware items such as receipt printers, cash drawers, check scanners, and credit/debit devices need to be purchased. Staff requests an increase of \$280,904.50 to purchase order P23703 for CanAm Technologies to incorporate the one-time costs. No additional funding is needed as the change order will utilize contingency funding included in the project funding (project 77880) in the General Fund 110.

Item e. Change Order to Increase Animal Enforcement Professional / Contractual Purchase Orders to a Total of \$280,000.

City of Corona Animal Services relies on local vets for critical care, but rising costs, stricter regulations, and an increasing number of animals have exceeded their budget. Animal Services is actively working with the Purchasing Department to launch a Request For Proposal process to manage veterinary care costs better. In the meantime, staff is requesting to increase purchase orders for various local veterinary hospitals.

- i. Increase the purchase order for Animal Hospital of Eagle Glen by \$25,000 for a purchase order total of \$80,000.
- ii. Increase the purchase order for Animal Medical Center of Corona by \$65,000 for a purchase order total of \$120,000.
- iii. Increase the purchase order for Community Veterinary Hospital by \$25,000 for a purchase order total of \$80,000.

Item f. Change Order to Increase DXP Enterprise, Inc. Purchase Order to \$350,000.

DXP Enterprise, Inc. is the exclusive local distributor for critical pump and motor brands identified in the Utilities Department's (UD) Notice Designating PCC 3400 Exclusive Standard Equipment and Products List. Since the 2022 approval, the Utilities Department has seen an increase in failure on pumps, specifically KSB Submersible Pumps and Seepex Positive Displacement Pumps, in addition to the price increases from the

purchase of both new and refurbished pumps, that necessitate an increase in the annual purchase order amount for DXP.

The Utilities Department recommends increasing the annual purchase order total for DXP from \$200,000 to \$350,000 per fiscal year and extending the term through June 30, 2029, to accommodate the increased needs.

Item g. Adopt Resolution No. 2025-009, approving the City of Corona Position Library and Compensation Plan and repealing all prior Plans, including Resolution No. 2024-112, effective February 8, 2025.

State regulations for public employers require disclosure of position classifications and corresponding compensation. In an effort to ensure position compliance updates and for even greater transparency, the City Council regularly adopts and updates the Position Library and Compensation Plan (“Plan”). This document includes a list of all authorized employment positions for the City and their corresponding compensation ranges .

The Plan provides added organizational efficiency and permits departments to continue streamlining operations without impacting service levels. Additionally, it allows members of the public to see what any position, even those not currently filled, is paid. To this end, it is essential to note that this document is strictly a resource of all employment positions, and the positions listed will not necessarily be budgeted or funded in any given fiscal year. A list of full-time budgeted positions is located on the City’s website and within the City’s Operating Budget.

Updates to the City of Corona Position Library and Compensation Plan have been made to reflect a title change from City Traffic Engineer to Transportation Manager/City Traffic Engineer, the elimination of the Community Assistance Manager classification, [create a Real Estate/Business Retention Administrator classification](#), an increase in the salary range for the Environmental Compliance Coordinator and Supervisor, and the elimination of a footnote that is no longer applicable.

Item h. Authorize and Establish Ownership of Revenue for all Funds Deposited into the Designated Revenue Account for Acquisition, Replacement, and Installation of New Cameras to be Utilized in the Community Partner Camera Funding Agreement.

In accordance with the adopted Budget Resolution 2022-40, the City Council has the authority to approve specific revenues designated for particular purposes. These funds must be used solely for their intended purposes. Staff recommends the establishment of a new designated revenue account for the acquisition, replacement, and installation of new cameras throughout the City. This will serve as a pass-through account to be allocated for payment to the third-party vendors providing the services.

Item i. Authorize and Establish Ownership of Revenue for all Funds Deposited into the Designated Revenue Account for the Tree Trimming Service Pass-Through Fee, to be Allocated for Payment to the Third-Party Contractor Providing Tree Maintenance Services.

A recent update to the Urban Forest Management Plan, approved on October 2, 2024, introduced the Residential Pay Program, offering residents the option to pay for additional

tree trimming services beyond the regularly scheduled pruning. This program is designed to accommodate residents who wish to enhance the appearance of their trees or reduce issues like leaf litter and fruit drop. The fees for the Residential Pay Program will be consistent with the City's current contracted rates for tree maintenance services. Funds deposited into the designated revenue account will be passed through to the third-party contractor responsible for performing the tree maintenance services, ensuring that the funds are allocated for their intended purpose.

Item j. Authorize and establish ownership of lease and rental revenue for all funds deposited into the designated revenue account for the Corona Mall operations.

With the acquisition of certain Corona Mall properties, there will be related operating expenditures for maintenance, materials, and contract services. Lease and rental income received from the properties will be designated for the associated operating expenditures. Upon approval, this designation will be effective retroactively to July 1, 2024.

FINANCIAL IMPACT:

Approval of recommended action will have financial impacts as noted below. There is sufficient fund balance or working capital available in each of the respective funds for approval of the recommended actions.

Fund	Appropriations	Estimated Revenue Increase	Net Impact
General Fund (110)	143,620	-	143,620
Opioids Settlement Fund (293)	37,796	-	37,796
LMD 84-2, Zone 19 Fund (468)	10,005	-	10,005
LMD 84-2, Zone 20 Fund (470)	85,000	-	85,000
Water Utility Fund (570)	200,000	-	200,000
Fleet Replacement Fund (684)	8,000	-	8,000
Total	\$ 484,421	\$ -	\$ 484,421

Approval of recommended actions b through j will not have an additional financial impact.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the common sense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may

have a significant effect on the environment, the activity is not subject to CEQA. This action is to approve budgetary adjustments for Fiscal year 2025, and there is no possibility that approval of the recommended actions will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: JULIE KENNICUTT, DEPUTY FINANCE DIRECTOR

REVIEWED BY: KIM SITTON, FINANCE DIRECTOR

ATTACHMENTS:

1. Exhibit 1 – Appropriations, Estimated Revenues, and Transfers
2. Exhibit 2 – Resolution No. 2025-009 Position Library and Compensation Plan
3. Exhibit 3 – Position Library and Compensation Plan – Clean