



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: January 4, 2022
SUBJECT: **FY2022 General Fund and Wastewater Budget to Actual through November, 2021**

Background and Analysis:

City staff has updated the analysis of the General Fund and Wastewater Fund for FY2022 with results through November 2021.

General Fund Analysis:

- Three months of sales tax has been received and is trending higher than budget;
- Increased building permit activity in comparison to prior years while other permitting activity is lower, mostly due to applying invoices directly to deposits;
- Low-rate market is continuing to keep interest earnings estimated lower than budget, however, funds have been deposited with the trustee for investment with Public Trust. Will monitor results and report quarterly;
- 10 of 26 pay periods have been reported and costs are trending lower than budget;
- Recruitment costs are trending high;
- Utilities are trending slightly high; and
- Contractual services are trending lower than budget, however, the fire services contract has had no payments to date.

The attached report (Attachment A) provides preliminary estimates reflecting five months into FY2022. Estimate values can change as activity is recorded. Property tax is received in January and May of each year. Three months of sales tax has been received and seems to be trending high. Building permit activity is also trending high however other permit activity will be decreased due to a change in deposit accounting. Investment income remains lower than budget but will be monitored. Personnel costs are trending to have a savings; however, recruitment is trending high. On August 3, 2021, City Council approved a budget amendment for unspent prior year appropriations

and reappropriated \$214,799 for FY2022. This allows for \$741,845 of available funds for City Council to appropriate throughout the year.

Wastewater Fund Analysis:

- Two of six utility billings recorded;
- Low-rate market continuing to keep interest earnings estimated lower than budget, will monitor continuing results;
- 10 of 26 pay periods recorded and costs are trending lower than budget;
- Fuel costs are trending higher than budget;
- Supplies are trending lower than budget; and
- One of two debt service payments have been recorded.

Based on year-end projections the Wastewater fund is trending to have approximately \$424,000 to be retained for utility reserves for FY2022. This is driven by savings in both personnel and operating costs and a slight increase of revenues.

Fiscal Impact:

City staff estimates the cost to prepare this report to be \$350.

Recommended Action:

Receive and file the attached reports.

Attachments:

- A. General Fund Budget to Actual through November 2021
- B. Wastewater Fund Budget to Actual through November 2021