



Staff Report

TO: Finance and Audit Committee Members
FROM: Jennifer Ustation, Finance Director
DATE: March 14, 2022
SUBJECT: **FY2022 General Fund and Wastewater Budget to Actual through February 2022**

Background and Analysis:

City staff has updated the analysis of the General Fund and Wastewater Fund for FY2022 with results through February 2022.

General Fund Analysis:

- Six months of sales tax has been received and has surpassed the budget, city staff are working with HDL to determine if the most recent payment is one-time in nature or will be a continuous revenue;
- Other taxes include motor vehicle in-lieu of property tax which has recorded 1 of 2 payments and is trending higher than budget;
- Increased building permit activity trending higher than budget;
- Investment earnings are trending below budget;
- 17 of 26 pay periods have been reported and costs are trending lower than budget;
- Utility costs are trending high; and
- Contractual services are trending lower than budget. The first quarter fire service invoice has been paid and was \$914,004.51.

The attached report (Attachment A) provides preliminary estimates reflecting the initial eight months of FY2022. Estimates will be reviewed and revised as actual fiscal activity is recorded. Property tax is received in January and May of each year. Six months of sales tax has been received and has outperformed forecasts. 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 and will be closely 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:

- Three of six utility billings recorded and trending lower than budget;
- 17 of 26 pay periods recorded and costs are trending lower than budget;
- Utilities are trending higher 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 \$369k to be retained for utility reserves for FY2022. This is driven by savings in both personnel and operating costs.

Recommended Action:

Receive and file report.

Attachments:

- A. General Fund Budget to Actual through February 2022
- B. Wastewater Fund Budget to Actual through February 2022