



Staff Report

TO: Finance and Audit Committee Members
FROM: Jennifer Ustation, Finance Director
DATE: December 20, 2021
SUBJECT: **FY2022 General Fund and Wastewater Fund Budget to Actual through November 2021**

Background and Analysis:

General Fund and Wastewater Fund Budget to Actual

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, trending higher than budget;
- Increased building permit activity from prior years while other permitting activity is lower, mostly due to putting invoices directly against 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);
- 10 of 26 pay periods have been reported and costs are trending lower than budget but funds have been deposited with Trustee for investment with Public Trust, results will be monitored and reported quarterly;
- Recruitment costs are trending high;
- Utilities are trending slightly high; and
- Contractual services is trending lower than budget however the fire services contract has had no payments yet.

The City is 5 months into FY2022 and provided in the report are very preliminary estimates as receipts are normally collected in arrears. Estimate values can change as we record more activity. Property tax is received in Jan and May. Three months of sales tax received is trending high. Building permit activity is 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, City Council approved a budget amendment for unspent prior year appropriations and reappropriated \$214,799 for FY2022. This still leaves City Council with \$741,845 of available funds for appropriation throughout the year. Once City Council appropriates these funds they will be reflected in the appropriate expenditure categories and will reduce any estimated surplus balance.

Wastewater Fund Analysis:

- 2 of 6 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
- 1 of 2 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.

Recommended Action:

Receive and file the attached report.

Attachments:

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