



Staff Report

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

Background and Analysis:

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

General Fund Analysis:

- Five months of sales tax has been received and is trending higher than budget;
- Property Tax In-Lieu of Vehicle License Fees are received in February and May and is majority of the other taxes line, thus a lower actual then trended estimate but that should change in the next month's report;
- Increased building permit activity in comparison to prior years while other permitting activity is lower, mostly due to applying invoices directly to deposits;
- Franchise fees are trending lower than budget;
- 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;
- 15 of 26 pay periods have been reported and costs are trending lower than budget;
- Utilities are trending high;
- Fleet costs are trending high mostly due to fuel costs; and
- Contractual services are trending lower than budget. The first quarter fire service invoice has been paid and was \$914,004.51.

(Attachment A) provides preliminary estimates reflecting seven months into FY2022. Estimate values can change as activity is recorded. 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 within the fiscal year.

Wastewater Fund Analysis:

- 3 of 6 utility billings recorded and trending lower than budget;
- 15 of 26 pay periods recorded and costs are trending lower than budget;
- Utilities are trending higher than budget;
- Fuel costs are trending higher than budget; and
- One of two debt service payments have been recorded.

(Attachment B) provides preliminary estimates reflecting seven months into FY2022. Based on year-end projections the Wastewater fund is trending to have approximately \$522,000 to be retained for utility reserves for FY2022. This is driven by a slight decrease in revenues with cost savings in personnel and operating expenses.

Recommended Action:

Receive and file the attached reports.

Attachments:

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