



Staff Report

TO: Finance and Audit Committee Members
FROM: Jennifer Ustation, Finance Director
DATE May 9, 2022
SUBJECT: FY2023 Budget Update

Background and Analysis:

The City is required to adopt a balanced budget by June 30 of each year. A balanced budget provides that revenues meet or exceed expenses. This can include planned drawdown of available reserves or allocation of fund balances. On April 27, 2022, the City Council held a budget workshop to review the first draft of the FY2023 budget. Below highlights the proposed FY2023 budget.

General Fund

Revenues	\$60.7M
Expenditures	(\$40.7M)
Enhancement Requests	(\$5.2m)
Capital Project Requests	(\$.94m)
Unprogrammed Balance	\$13.9M

Enhancement requests include 23 new full-time equivalent positions. City Council provided priorities for the use of the remaining available balance and an additional workshop will be held on May 19, 2022.

Wastewater Fund

Revenues	\$12.9m
Expenses	(\$12.5m)
Enhancement Requests	(\$.22m)
Capital Project Requests	(\$1.4m)
Balance	(\$1.22m)

Requested capital projects were all rated high priority and it was discussed to use available fund balance to fund the amount needed for the projects. It was also presented to use \$1m of fund balance to seed a new repair and replace fund that could be used for a spare pump and Variable Frequency Drive program that would allow inventory to be purchased avoiding disrupted service and costs associated with the emergency replacement of these capital items. Fund balance is then estimated to be at 32.7% of annual operating expenses which is still within the 25% reserve policy.

Recommended Action:

Receive and file FY2023 Budget update.

Attachments:

A. April 27, 2022 Budget Workshop Presentation