

# Fiscal Year 2023-24 Mid-Year Budget Report

February 22, 2024



# General Fund Balance Summary

FY 2022-23 City Council Goals	\$ 400,000
Employee Down Payment Assistance Program	\$ 100,000
Future Capital Improvement Projects	\$ 954,000
Operating Contingency	\$ 546,000
<b>Total Balance</b>	<b>\$ 2,000,000</b>

# FY 2022-23 Ongoing City Council Goals

Community Center (short-term needs)	\$ 150,000
Funding City Hall Options	\$ 50,000
Bluff / Cliff Drive Study	\$ 50,000
Noble Gulch Engineering Feasibility Analysis	\$ 50,000
Fire Risk Reduction (Eucalyptus Groves)	\$ 50,000
Peery Park Bridge Maintenance	\$ 50,000
<b>Total</b>	<b>\$ 400,000</b>

# General Fund Balance Summary

FY 2022-23 City Council Goals	\$ 400,000
Employee Down Payment Assistance Program	\$ 100,000
Future Capital Improvement Projects	\$ 390,000
Wharf Resiliency & Public Access Project If Item 8A. was approved earlier this evening	\$ 564,000
Operating Contingency	\$ 546,000
<b>Total Balance</b>	<b>\$ 2,000,000</b>

# Financial Highlights

- Sales Tax performing below projections
  - Approximately \$312,000 below the prior year
- Property Tax
  - Slightly above estimates
- Transient Occupancy Tax (TOT)
  - Slightly below estimates
- All other FY 2022-23 revenues and expenditures tracking close to budget projections
  - Revenues - Fines down, building permits and recreation fees up
  - Expenditures – minor amendments due to unanticipated events and cost increases

# Revenue Review

Account	Y-T-D Activity	% of Budget	Prior Year Activity	\$ Change	% Change
Taxes	\$ 6,440,904	43%	\$ 6,777,146	(\$ 336,242)	(6.3%)
Licenses & Permits	282,778	44	229,774	53,004	23.1
Intergovernmental	35,470	28	59,402	(23,932)	(40.3)
Charges for Services	971,490	45	1,000,345	(28,855)	(2.9)
Fines & Forfeitures	219,011	36	348,557	(129,546)	(37.2)
Use of Money & Property	69,762	36	73,711	(3,950)	(5.4)
Other	59,989	50	30,977	29,011	9.37
<b>Total</b>	<b>\$ 8,079,403</b>	<b>43%</b>	<b>\$ 8,519,912</b>	<b>(\$ 440,509)</b>	<b>(5.2%)</b>

# Expenditure Review

Account	Y-T-D Activity	% of Budget	Prior Year	\$ Change	% Change
Personnel	\$ 7,045,703	60%	\$ 6,710,066	\$ 335,637	5.0%
Contract Services	1,972,343	57	1,864,839	62,503	3.4
Training / Memberships	104,478	60	74,336	30,142	40.5
Supplies	519,688	86	339,244	180,443	53.2
Grants & Subsidies	62,500	50	62,500	0	0
Internal Service Funds	808,921	50	722,250	86,671	12.0
Other financing uses	1,269,394	55	1,635,662	(366,268)	(28.9)
<b>Total</b>	<b>\$ 11,738,025</b>	<b>59%</b>	<b>\$ 11,408,897</b>	<b>\$ 329,129</b>	<b>2.9%</b>

# Proposed General Fund Budget Amendments

Amount	Description
	Revenue
(\$300,000)	Sales Tax revenue reduction
	Expenditures
\$ 75,000	Personnel – Hit & Run & Murder Investigations, Dec. storm response
6,000	Training – catching up following pandemic
28,000	Administrative budget amendments – supplies
21,000	Billing error / correction
<b>\$ 130,000</b>	<b>Total</b>
<b>(\$ 430,000)</b>	<b>Net impact to General Fund Balance</b>



# Proposed Reserve & Special Revenue Fund Budget Amendments

Amount	Description
Expenditures	
\$ 80,000	Emergency Reserve – Storm Damage – possible FEMA/Cal OES reimbursement if emergency declared
25,000	General Plan Update Fund – Housing Element Implementation
50,000	General Plan Update Fund – Legal Fees – Housing Element
7,500	CDBG Fund – Grant Application
10,000	HOME Reuse Fund – Dakota Apartments Rehab Project
30,000	Equipment ISF – Lawn Way Pump Station equipment replacement
<b>\$ 202,500</b>	<b>Total</b>

# Budget Amendment Summary

- Fiscal Impact
  - If approved, reduces estimated June 30, 2024, General Fund balance by \$430,000
  - Reduces estimated June 30, 2024, fund balances in respective reserve and special revenue funds

# FY 2024-25 Budget Process

- Goal Setting – March 6, 2024
- Proposed Budget distribution
  - May 3<sup>rd</sup>
- Proposed Special City Council meeting budget hearings
  - May 16<sup>th</sup>
  - May 30<sup>th</sup>
  - June 6<sup>th</sup> (If necessary)
  - June 20<sup>th</sup> (If necessary)
- Proposed Finance Advisory Committee meetings
  - May 14<sup>th</sup> (special meeting)
  - May 21<sup>st</sup>
  - June 4<sup>th</sup> (special meeting, if necessary)
- Proposed Budget Adoption
  - June 27<sup>th</sup>



# Recommended Action

- Receive Fiscal Year 2023-24 Mid-Year Budget Report and Adopt Proposed Resolution Amending the Fiscal Year 2023-24 Budget