



## MEMORANDUM

**DATE:** August 26, 2024  
**TO:** City Manager  
**FROM:** Anita Fuller, Finance Director  
**SUBJECT:** Finance & Budget Staff Report

### STAFF REPORT

- Revenue and Expense review for February, March, April, and May 2024
- Balance Sheet
- Qwestica
- FY24 Audit update
- Department staffing
- Property Tax
- Business License
- Collections
- Budget

#### Revenue and Expense Report – February-May 2024:

Information provided for trends from February through May 2024. May 2024 impact on the fund balance is a reduction of \$1,357,065. This is less than the \$4,595,919 reduction that was budgeted for.

- Transient Lodging –has maintained a higher-than-expected average.
- Gaming Sales Tax – remains below 40% and is not recovering.
- Tobacco Excise Tax – remains low and ends May at 68%.
- All sales and excise tax are one month behind and does not reflect end of year adjustment. Overall percentages are healthy.
- Real and personal property taxes are as expected. Penalty & Interest is high.
- The Telephone State Tax is historically adjusted after end of year entries.
- Raw Fex tax is reduced from expected.
- Community sharing is higher & budget revision reflects increase.
- State Jail contract has not been received. Final signed amendment completed August 2024.
- Motor Vehicle Tax is reduced from expected.
- PERS Forfeiture fund journal entries were made after budget revision and recognized as higher than expected.
- Other Revenues are impacted by Online Alcohol sales tax revenue, property tax P&I, Equipment sales and investments income at \$159,393 which is 797% of original budget.

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### *Special Revenues & Other Funds Revenue*

- Dock revenue is low as expected and levels out in May.
- Harbor revenue is low and is met by end of June.
- Asset Forfeiture fund revenue is based on interest. Fund balance is low and is corrected with budget revision.
- Senior Center non-grant revenue is lower than budgeted; however, grant revenue is higher.
- Debt Services revenue is high due to unexpected bond return from project.
- Carlson Estate investments have returned higher than expected.
- Ambulance rental was not expected, budget revision required.

### *Transfers*

- Expenditure continues to stay low at this point due to low expenses in those areas.
- SRF loan transfer is higher due to interest not calculated in the budget.
- Street transfer is less due to revenue received from bond return.
- School Bond transfer is higher due to timing of school bond reimbursement that will be reflected in June.
- Dock revenue does not exceed expenses by much and reduced amount of transfer available to the Harbor.

### *General Fund Expenditures*

- Overall expenditures are lower and ending at 72% in May.
- Administration expenses are low due to new positions not being filled during the year.
- Legal is high due to an increase in legal support.
- Foreclosure approved at the January council meeting but not filed to the court until FY25 due to staffing turnover.
- Public Safety Admin is low due to reduced department expenses such as travel, inspections, etc.
- Public Safety Patrol is low due to reduced staff.
- Fire Department Donation subclass has not been fully expensed. Volunteer recognition has happened.
- Public Works Administration expenses are low due to staffing vacancies.
- Grandma's House is a new subdepartment and requires budget revisions.
- Transfers to other funds decreased, see transfer revenue section for explanation.

### *Special Revenues & Other Funds Expenditures*

- Throughout the entire year this budget has stayed low and ends May at 70% due to several budget areas.
- Landfill revenue is at 49% and much less than expected.
- Dock Revenue is at 40% now, will increase in June and will be impacted by end of year adjustments that are entered in July and August.
- Asset Forfeiture has no expenditures which is expected.
- Senior Center non grant is lower at 59% due to open positions over the year.
- Ambulance reserve is at 24% due to timing of volunteer payments happening in June.
- Equipment replacement is in process and will be expensed after items are received. Several will be pushed to FY25.

### *Grant and Bond Revenues/Expenditures*

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- Revenue and Expenses are reduced due to staff turnover and timing of projects.

#### *Capital Project Revenues/Expenditures*

- Revenue and Expenses are reduced due to staff turnover and timing of projects. Larger impacts will be seen in FY25.

#### **Balance Sheet:**

Will be presented with June 2024 report

#### **Questica:**

Implementation in process. At the stage of importing all data and employee information. Looking at a September start date to assist with FY25 Budget Revisions.

#### **Audit Update:**

FY23 Audit – Completed.

FY24 Audit – Test work lists have been requested from auditors.

#### **Department staffing:**

Account Tech I – Position filled starting 8/26/2024.

#### **Property Tax**

Tax payments have started coming in. Working with taxpayers on several questions to evaluate ownership and a deeper review of escaped taxes.

Review of personal property tax has started with F&B Committee 09/25/2023 and is ongoing.

Personal property tax has been sent to Code Committee for review 09/28/2023 and is ongoing.

#### **Collections**

A foreclosure list has been filed with the courthouse. Two properties have been paid in full and are removed from the list. There are ten remaining properties.

#### **Grants**

One grant report was completed in August.

#### **Budget**

FY25 Budget revisions will begin at the next F&B meeting.

#### **Other News:**

No other news at this time.

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