

## INTRODUCTION

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The Financial Status Update provides a budget to actual comparison of revenues and expenditures for the General Fund and all other Funds from January through September 2023.

This report is comprised of the following four sections:

- General Fund
- Utility Funds
- All Other Funds
- Budget Adjustment Summary

It should be noted that, where significant, revenues are recognized when earned, regardless of when cash is received with the exception of B&O Tax revenues. Expenditures are recognized when a liability has been incurred or when resources have been transferred to another Fund. Beginning Fund Balance represents net excess resources from a prior year that have been appropriated to Fund budgeted expenditures in fiscal year 2023.

**NOVEMBER 21, 2023**

## FINANCIAL STATUS UPDATE

**AS OF SEPTEMBER 30, 2023**

### **2023 General Fund**

**Adopted Revenue Budget**

*\$34.8 million*

**Amended Revenue Budget**

*\$36.1 million*

**Revenue Actuals**

**as of September 30,**

*\$27.0 million*

*(75.0% of amended budget)*

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**Adopted Expenditure Budget**

*\$34.8 million*

**Amended Expenditure Budget**

*\$36.1 million*

**Expenditure Actuals**

**as of September 30,**

*\$26.7 million*

*(73.9% of amended budget)*

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**Contingency Fund Balance**

*\$4.5 million*

## GENERAL FUND

### Revenues

Overall, General Fund revenues met expectations through the first half of the year. The 2023 amended revenue budget is included in the table below along with year-to-date (YTD) actuals, and YTD actuals as a percentage of the amended budget. Prior YTD actuals are presented for comparative purposes.

The budget and actual amounts are for the first nine months of the year, through the end of September. Additional detail regarding primary General Fund revenues and material variances from the original budget is discussed in the narrative below.

### GENERAL FUND: Revenues

As of September 30, 2023

Revenue Category	2023 Adopted Budget	2023 Amended Budget	Prior YTD 9/30/2022	YTD 9/30/2023	YTD Revenue as % of Amended Budget
Property Tax	\$ 13,509,262	\$ 13,509,262	\$ 7,498,585	\$ 7,713,648	57.1%
Sales Tax - General	4,847,450	4,847,450	4,090,895	4,719,427	97.4%
Sales Tax - Criminal Justice	752,419	752,419	684,608	706,078	93.8%
Utility Taxes	4,447,601	4,447,601	3,739,377	3,688,512	82.9%
B&O Taxes	706,483	706,483	313,793	747,811	105.8%
Shared Revenues	1,570,068	1,802,083	983,206	1,122,604	62.3%
Cost Allocation-Overhead	1,055,857	1,055,857	605,043	791,893	75.0%
EMS Revenues	1,777,907	1,993,416	1,191,584	1,346,815	67.6%
Parks & Recreation	1,338,503	1,338,503	705,593	1,022,889	76.4%
License, Permit & Zoning	2,967,731	3,039,731	2,949,798	2,968,270	97.6%
Municipal Court	175,359	175,359	133,795	174,435	99.5%
Miscellaneous Revenue	251,433	251,433	316,168	350,434	139.4%
Interest Earnings	10,764	10,764	19,673	1,695,113	15748.0%
Interfund Transfers	0	0	0	0	N/A
<b>Total Revenues</b>	<b>\$ 33,410,837</b>	<b>\$ 33,930,361</b>	<b>\$ 23,232,117</b>	<b>\$27,047,928</b>	<b>79.7%</b>
Beginning Fund Balance	1,385,470	2,141,770	0	0	0.0%
<b>Total Resources</b>	<b>\$ 34,796,307</b>	<b>\$ 36,072,131</b>	<b>\$ 23,232,117</b>	<b>\$27,047,928</b>	<b>75.0%</b>

**Property Tax** is at 57.1 percent of the budget at the end of September. This reflects the annual timing of property tax payments to the City which typically occur in April and October.

**General Sales Tax** is 97.4 percent of the adopted budget through the first nine months of the year. Because of the delay in receiving Sales Tax from the State, tax revenue is recognized one month later than it is collected (i.e., September Sales Tax revenue numbers represent August sales). Sales Tax revenue is performing above budget expectations primarily due to higher-than-expected returns over the prior year across a handful of business sectors as well as an increase in revenues related to construction.

Construction has historically been the largest component of Sales Tax revenue and has outperformed the Retail & Wholesale Trade sector in both 2022 and 2023. Both sectors are performing higher than the prior

year. The following table compares Sales Tax revenue by business sector through September for 2022 and 2023.

2022-2023 General Sales Tax Revenue by Business Sector (\$ in thousands)						
Business Sector	Year to Date 9/30/2022	Year to Date 9/30/2023	Increase / (Decrease)	% of Total		
				2022	2023	Sector Totals Change
Construction	\$1,393	\$1,904	\$511	34.0%	40.3%	6.3%
Retail & Wholesale Trade	\$1,326	\$1,407	\$80	32.4%	29.8%	-2.6%
All Other Sectors	\$382	\$413	\$31	9.3%	8.8%	-0.6%
Admin & Support Services	\$370	\$367	(\$3)	9.1%	7.8%	-1.3%
Food Services	\$200	\$224	\$24	4.9%	4.7%	-0.1%
Professional, Scientific & Tech	\$162	\$157	(\$5)	4.0%	3.3%	-0.6%
Finance/Insurance/Real Estate	\$144	\$143	(\$1)	3.5%	3.0%	-0.5%
Telecommunications	\$113	\$104	(\$8)	2.8%	2.2%	-0.5%
<b>Total</b>	<b>\$4,091</b>	<b>\$4,719</b>	<b>\$629</b>	<b>100.0%</b>	<b>100.0%</b>	

**Criminal Justice Sales Tax** is 93.8 percent of the adopted budget at the end of September. This revenue consists of a 0.1 percent sales tax imposed by King County that is shared amongst cities in the county on a per capita (population) basis. It is closely tied to county wide taxable sales numbers. According to King County’s Office of Economic and Financial Analysis, taxable sales showed solid growth through 2022 and into 2023, although the rate of growth has slowed in 2023 as high interest rates impact consumer behaviors.

**Business & Occupation (B&O) Tax** is 105.8 percent of budget at the end of the third quarter. This revenue exceeds budget expectations at quarter end reflecting the timing of annual B&O tax payments received. Most of the City’s registered businesses file an annual B&O tax return where the deadline for remitting annual taxes due is April 15<sup>th</sup> of the following year. With the extended timeline for remitting annual taxes, finance staff elected to transition this revenue to cash-basis whereby revenues are recognized as received.

Accrual-based revenue recognition was used in prior years. For example, in 2021 B&O tax payments received in the first quarter were accrued back to year-end 2020. This one-time change in accounting procedure impacts the timing of revenue recognition only. B&O tax revenue is expected to exceed budget expectations by year-end.

**Shared Revenues** are 62.3 percent of the budget through the first nine months of the year. Major revenue sources include State shared taxes; hazardous waste grants; the I-90 corridor landscape maintenance revenue from the Washington State Department of Transportation; vessel registration fees received from the state through King County; the marine patrol services contract revenue from multiple contract cities; and financial support for the School Resource Officer received from the Mercer Island School District. The timing of these revenues is variable with most expected in the fourth quarter of the year. Revenues received to date are in line with historical expectations.

**Parks and Recreation** revenues are 76.4 percent of budget at the end of September. Revenue sources include field rentals, boat launch fees, program fees, and rent payments from the annex building outside

the Mercer Island Community and Event Center (MICEC). Recreation program revenues are mostly expected in the third and fourth quarters of the year.

**License, Permit, and Zoning Fees** are 97.6 percent of budget at the end of the third quarter. This revenue category consists of fees related to development services, business licenses, and a cable franchise. Revenues are performing well in part due to improved administration of development services and permit revenues. Permit revenues are also trending higher than the previous year due to two active high valuation projects; work on the Riot Games building in Town Center along with the King County Pump Station and North Mercer Sewer Upgrades.

**Municipal Court** revenues are 99.5 percent of budget through the end of September. Revenues in this category have increased compared to the prior year due to case filings exceeding pre-Pandemic levels.

**Miscellaneous Revenues** are 139.4 percent of the budget at the end of the third quarter. Included in this revenue category are electric vehicle charging fees, judgment and settlement proceeds, and disability reimbursements, among others. Disability reimbursements received from the Washington State Department of Labor and Industries continue to exceed budget expectations. These reimbursements are a result of the buy-back policy the City has with active employees that qualify for time-loss compensation through the Department of Labor and Industries.

**Interest Earnings** are budgeted in the General Fund as an estimate of earnings tied to the balance of the reserve for LEOFF-1 long-term care. The City's idle cash resources are invested in the State Treasury Local Government Investment Pool (LGIP). Per current budget policy, interest earnings are distributed to the various Funds based on their relative cash balances at the end of each quarter.

Revenues are higher than anticipated in this category due to LGIP yields continuing to rise as well as no earnings being transferred to the Contingency Fund in the current year. The Contingency Fund achieved its funding target at 12.5 percent of budgeted General Fund expenditures, as defined in the Council adopted financial management policies, and is not currently receiving interest earnings distributions.

All other revenues are within expectations through the end of September.

## Expenditures

Overall, General Fund expenditures are within budget estimates at the end of the third quarter. The table below lists the 2023 amended expenditure budget, year-to-date actuals, and year-to-date actuals as a percentage of the amended budget. Prior year actuals are presented for comparative purposes.

The budget and actual amounts are for the first nine months of the year, through the end of September. Additional details of material variances from the adopted budget are discussed in the narrative below.

### GENERAL FUND: Expenditures

As of September 30, 2023

General Fund Department	2023 Adopted Budget	2023 Amended Budget	Prior YTD 9/30/2022	YTD 9/30/2023	YTD Expense as % of Amended Budget
Administrative Services	\$ 526,124	\$ 526,124	\$ 323,820	\$ 419,292	79.7%
City Attorney's Office	931,671	931,671	943,509	683,753	73.4%
City Council	54,727	54,727	103,324	30,707	56.1%
City Manager's Office	1,121,286	1,121,286	816,106	681,439	60.8%
Community Planning & Development	3,229,273	3,431,198	2,291,295	2,223,446	64.8%
Finance	1,333,731	1,333,731	642,465	775,355	58.1%
Fire	7,526,847	7,742,356	5,560,296	6,330,045	81.8%
Human Resources	822,303	822,303	536,849	667,201	81.1%
Information & Geographic Services	184,841	184,841	122,557	128,472	69.5%
Municipal Court	519,208	561,423	304,745	332,281	59.2%
Non-Departmental	2,212,039	2,858,624	1,451,962	2,173,959	76.0%
Parks & Recreation	2,127,581	2,127,581	814,920	1,365,032	64.2%
Police	8,459,228	8,478,668	6,040,498	6,446,976	76.0%
Public Works	5,120,270	5,182,895	3,454,739	3,898,534	75.2%
<b>Total Expenditures</b>	<b>\$ 34,169,129</b>	<b>\$ 35,357,428</b>	<b>\$ 23,407,085</b>	<b>\$ 26,156,491</b>	<b>74.0%</b>
Interfund Transfers	627,178	714,703	1,271,212	517,621	72.4%
<b>Total Expenditures + Interfund Transfers</b>	<b>\$ 34,796,307</b>	<b>\$ 36,072,131</b>	<b>\$ 24,678,297</b>	<b>\$ 26,674,112</b>	<b>73.9%</b>

In reviewing expenditures by department, the following are noteworthy:

**Fire** department expenditures are 81.8 percent of budget at the end of the third quarter. This reflects payment of transition costs to represented Fire staff. Other expenditures are expected to remain within budget throughout the remainder of the year.

**Human Resources** division expenditures are 81.1 percent of budget at the end September. This higher than anticipated expenditure spending to date is the result of legal and professional services in support of negotiating the Fire CBA transition impact agreement.

All other expenditures are meeting expectations through the end of September.

## UTILITY FUNDS

At the end of September, all three utility Funds are within expectations for operating revenues and expenditures.

### Revenues

The table below lists the 2023 adopted and amended revenue budget, January through September actuals, and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the first nine months of the year. Additional details of major variances are discussed in the narrative following the table.

#### UTILITY FUNDS: Revenues

As of September 30, 2023

Revenue Category	2023 Adopted Budget	2023 Amended Budget	Prior YTD 9/30/22	YTD 9/30/23	YTD Revenue as % of Amended Budget
<b>Operating Revenues</b>					
Water Utility	\$ 10,829,978	\$ 10,829,978	\$ 7,667,539	\$ 8,962,736	82.8%
Sewer Utility	11,438,627	11,438,627	8,513,106	8,743,507	76.4%
Storm Water Utility	2,333,300	2,333,300	1,785,748	1,990,320	85.3%
<b>Interest Earnings</b>					
Water Utility	86,860	86,860	145,793	671,621	773.2%
Sewer Utility	38,496	38,496	69,120	377,831	981.5%
Storm Water Utility	21,200	21,200	36,564	174,565	823.4%
<b>Proceeds of Debt Issuance</b>					
Water Utility	19,259,798	19,259,798	-	-	0.0%
Sewer Utility	-	-	-	-	N/A
Storm Water Utility	-	-	-	-	N/A
<b>Total Revenues</b>	<b>\$ 44,008,259</b>	<b>\$ 44,008,259</b>	<b>\$ 18,217,870</b>	<b>\$ 20,920,580</b>	<b>47.5%</b>

Water, Sewer, and Storm Water Utility operating revenues are within budget expectations and reflect the seasonality of utility revenues. Adopted rate increases that became effective January 1, 2023, result in dollar increases as compared to FY 2022 revenues over the same period.

Interest earnings for the Water, Sewer, and Storm Water Utility Funds have continued to exceed revenue expectations. The Local Government Investment Pool saw a constant increase in yields throughout the third quarter of 2023.

## Expenditures

The table below lists the 2023 adopted and amended expenditure budget by Utility Fund and category, January through September actuals, and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of the third quarter. Additional details of major variances are discussed following the table.

### UTILITY FUNDS: Expenditures

As of September 30, 2023

Category	2023 Adopted Budget	2023 Amended Budget	Prior YTD 9/30/22	YTD 9/30/23	YTD Expense as % of Amended Budget
<b>Operating Expenditures</b>					
Water Utility	\$ 6,786,814	\$ 6,786,814	\$ 3,312,489	\$ 3,984,628	58.7%
Sewer Utility	7,966,290	8,532,934	5,620,861	5,920,903	74.3%
Storm Water Utility	2,110,445	2,110,445	1,072,014	1,422,866	67.4%
<b>Capital Projects</b>					
Water Utility	13,685,599	24,099,121	2,552,854	5,252,714	38.4%
Sewer Utility	5,119,475	6,896,144	651,485	1,317,904	25.7%
Storm Water Utility	1,082,504	1,250,870	360,138	373,237	34.5%
<b>Debt Service</b>					
Water Utility	1,579,873	1,579,873	13,438	12,305	0.8%
Sewer Utility	1,034,242	1,034,242	463,221	454,047	43.9%
Storm Water Utility	-	-	-	-	N/A
<b>Total Expenditures</b>	<b>\$ 39,365,242</b>	<b>\$ 52,290,443</b>	<b>\$ 14,046,499</b>	<b>\$18,738,604</b>	<b>48%</b>

Due to the seasonal nature of utility operations, expenditures in the Water, Sewer, and Storm Water Utility funds are within expectations at the end of September. Through the third quarter of 2023, multiple large capital improvement projects are either in the design phase or in early stages of construction.

The **Water Reservoir Improvements** project will replace the interior coatings of both the City's water reservoirs, repaint the exteriors of both tanks, and install numerous safety improvements such as stairwells and hand railings. Council awarded this contract in February 2023 ([AB 6211](#)). Construction started in Q3 2023 following material procurement and permitting. Because only one reservoir can be under construction at a time, this project will take until Q1/Q2 2025 to be completed.

The **Meter Replacement Implementation** project will replace approximately 7,900 aging water meters throughout the City with a new Advanced Metering Infrastructure (AMI) system. City Council awarded the bid in July 2022 ([AB 6112](#)). Deployment is anticipated to begin in Q2 2024, with project completion anticipated in Q4 2024. The installation of data collection equipment is delayed by unforeseen permit needs. Once completed, the new meters will send water usage data directly to the City's utility billing system and will allow customers to access information about water use, leak notifications, and alerts via an online portal.

The **2023 Water System Improvements** project consists of installing over 6,500 linear feet of new 8-inch ductile iron water mains at six different locations on the northern portion of Mercer Island. Water services

and fire hydrants in these areas will also be replaced. The contract was awarded to Kar-Vel Construction in July ([AB 6300](#)). Construction started in September. Project completion is planned for Q2 2024.

Design work for the **Sewer SCADA System Replacement** was completed in Q3 2022 and was bid in Q4 2022. A construction contract was awarded in December 2022 ([AB 6190](#)). Review of material submittals is underway. Due to material supply shortages, mobilization on the project is not expected until Q3 2024.

The current **Comprehensive Pipeline Replacement R & R Program** involves the relining of existing sewer mains using a cured-in-place pipe process. Phase 1 work in the Sewer Basin 40 area (the Mercerwood neighborhood) was awarded in December 2022 ([AB 6191](#)) and construction is substantially complete. Design work on a Phase 2 project in Sewer Basin 40 is complete and the construction contract was awarded to Insta-Pipe, Inc. in July ([AB 6295](#)). Construction is expected to start in Q4 2023, with project completion anticipated in Q1 2024. Project phases 1 and 2 will reline approximately 3.0 miles of City sewer mains.

The **2023 Residential Street Overlays** resurfaced 1.5 miles of roadways within the Madrona Crest West and Madrona Crest East neighborhoods (lying north of SE 40<sup>th</sup> Street). Construction bids were received in May and the construction contract was awarded to Lakeside Industries, Inc. in June ([AB 6276](#)). Construction began in late July and work was substantially complete by the end of September. The project should be fully complete in November 2023.

The **80<sup>th</sup> Avenue Sidewalk Improvements** project is in the design phase. Work will consist of replacing sidewalks along the east side of 80<sup>th</sup> Avenue from SE 27<sup>th</sup> Street to SE 32<sup>nd</sup> Street. In addition, street lighting will be replaced on both sides of 80<sup>th</sup> Avenue. Bidding and contract award is planned for Q4 2023 and construction should begin in Q1 2024.

The **Luther Burbank Boiler Building Improvements Phase 1** project is currently in the bidding phase, with project construction planned to begin in Q1 2024 and be completed in Q3 2024. This project will reinforce the building's masonry structure against earthquake damage and install a new roof.

The **Luther Burbank South Shoreline Restoration** contract was awarded in January 2023 ([AB 6209](#)) and construction of the new trail and shoreline improvements took place over the summer. The completed project was reopened to the public in early October. Planting and other restoration activities will begin in October 2023 and be ongoing through 2024.



## ALL OTHER FUNDS

### Revenues

The table below lists the 2023 amended revenue budget, end of September actuals, and a percentage of budget received. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of the third quarter. Additional details of major variances are discussed in the narrative following the table.

#### ALL OTHER FUNDS: Revenues

As of September 30, 2023

Fund Name	2023 Adopted Budget	2023 Amended Budget	Prior YTD 9/30/2022	YTD 9/30/2023	YTD Revenue as % of Amended Budget
Self Insurance Claim	\$ 10,000	\$ 10,000	\$ -	\$ 5,250	N/A
Street	5,170,584	5,170,584	2,448,766	3,590,177	69.4%
Contingency	150,900	150,900	295,134	-	0.0%
1% for the Arts	25,000	25,000	2,069	-	0.0%
Youth & Family Services	3,275,282	3,284,172	2,114,076	1,851,387	56.4%
ARPA	-	291,000	3,009,226	-	N/A
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	142,800	142,800	4,550	1,400	1.0%
Town Center Parking Facilities	-	-	-	-	N/A
Capital Improvement	7,659,505	7,659,505	2,401,530	2,364,744	30.9%
Technology & Equipment	268,000	268,000	913,000	210,000	78.4%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	1,503,754	1,503,754	1,200,232	997,116	66.3%
Computer Equipment	1,264,611	1,264,611	857,574	952,983	75.4%
Firefighter's Pension	68,210	68,210	170,562	91,654	134.4%

**Street Fund** revenues are 69.4 percent of budget at the end of September. The primary revenue sources in the Street Fund for FY 2023 are Real Estate Excise Tax (REET) and expected reimbursements from Sound Transit Mitigation monies. A total of \$1.4 million of Sound Transit Mitigation reimbursements have been received at the end of September. As for REET, revenues ended the quarter more than \$248,200 below prior year totals. This is primarily due to a lower number of property sales through September than was recorded during the same period in FY 2022.

Revenues in the **Contingency Fund** are made up of interest earnings. The Contingency Fund achieved its desired cash balance, dictated by the City's financial management policies, of at least 12.5 percent of the General Fund expenditures budget at the end of FY 2022. Interest earnings that would typically be transferred to this fund at the end of each quarter currently remain in the General fund for all of FY 2023.

**Youth & Family Services** revenues ended September at 56.4 percent of the amended budget. Revenues appear lower than budget expectations halfway through the year due to grant reimbursements for two Federal grants only having 18.0 percent of revenues received to date. Thrift shop revenues are up \$186.4

thousand from the third quarter of FY 2022. Other revenues are within budget expectations through the end of September.

**Capital Improvement Fund** revenues are 30.9 percent of budget at the end of the third quarter. Similar to the Street Fund, the Capital Improvement Fund's primary revenue source is REET. Total REET revenues for this fund through September are 66.4 percent of budget expectations. Staff will continue to monitor factors relating to REET to better inform the mid-biennium revenue forecast in fall of this year. In addition, budgeted revenues in 2023 include \$1.2 million in State Grant funding, of which none has been received to date.

All other revenues are within expected norms through the end of September.

## Expenditures

The table below lists the 2023 amended expenditures budget by Fund, end of September actuals, and a percentage of budget spent. Prior year actuals are presented for comparative purposes. The budget and actual amounts are through the end of the third quarter. Additional details of major variances are discussed in the narrative following the table.

### ALL OTHER FUNDS: Expenditures

As of September 30, 2023

Fund Name	2023 Adopted Budget	2023 Amended Budget	Prior YTD 9/30/2022	YTD 9/30/2023	YTD Expense as % of Amended Budget
Self Insurance Claim	\$ 10,000	\$ 10,000	\$ -	\$ -	N/A
Youth Services Endowment	-	-	289,469	-	N/A
Street	5,136,091	6,891,571	3,313,092	2,568,098	37.3%
Contingency	-	-	-	-	N/A
1% for the Arts	15,000	65,000	9,856	31,842	49.0%
Youth & Family Services	3,325,282	3,390,145	2,325,317	2,331,869	68.8%
ARPA	1,983,672	3,131,890	660,030	359,382	11.5%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	142,800	142,800	4,550	1,400	1.0%
Town Center Parking Facilities	-	-	3,762	-	N/A
Capital Improvement	10,664,404	11,236,309	2,503,412	1,697,917	15.1%
Technology & Equipment	495,186	1,203,326	110,176	416,222	34.6%
Capital Reserve	-	-	169,999	-	N/A
Equipment Rental	1,610,914	2,380,977	955,809	1,057,725	44.4%
Computer Equipment	1,155,078	1,155,078	878,380	873,620	75.6%
Firefighter's Pension	100,000	100,000	68,393	56,848	56.8%

**Street Fund:** Total expenditures are 37.3 percent of budget at end of September. The Sunset Highway and 77<sup>th</sup> Ave SE Improvement project is ongoing. Additional capital projects include Island Crest Way Corridor improvements and residential and arterial street resurfacing.

**Capital Improvement Fund** expenditures ended the quarter at 15.1 percent of budget. Expenditures are on track with historical expectations for the first portion of the two-year biennium though appear low relative to the prior year due to City Hall's closure in April. Scheduled expenditures to begin replacing the HVAC system (GB0111) were cancelled with the building's permanent closure. Unspent funds will remain in the fund.

**Technology & Equipment Fund:** Total expenditures are 34.6 percent of budget at the end of September. Expenditures are up over the prior year due to project costs relating to the new Financial ERP implementation. Total expenditures are expected to be within budget at year-end.

**Equipment Rental Fund** expenditures ended September at 44.4 percent of budget. Expenditures in this fund include Honeywell Site Remediation and fleet services. Funds are encumbered for fleet replacements but, due to supply chain issues and delivery dates for new vehicles being pushed back if not canceled, staff

are holding onto current fleet assets for longer, resulting in lower-than-expected expenditures to date. What is more, new vehicles and equipment prices are 15-70% higher than anticipated.

With these current market pressures, staff is carefully managing current fleet assets and adjusting replacement schedules as required. An appropriation request may be required to use additional replacement reserves depending on how market conditions evolve over the next 6-12 months.

All other variances meet budget expectations through the end of September.

Two summary listings of the originally adopted 2023-2024 Budget (expenditures only), broken down by year, and amendments adopted by Ordinance through September 13, 2023, are presented below.

Fund Type / Fund Name	Original 2023 Budget	2023 Budget Adjustments						Amended 2023 Budget
		Administrative Biennial Corrections	ORD 23-05 22 to 23 Carry forward	ORD 23-06 Q1 FSU	ORD 23-12 Q2 FSU			
<b>General Purpose Funds:</b>								
General	34,796,307		440,209	676,090	159,525		36,072,131	
Self-Insurance	10,000						10,000	
Youth Services Endowment	-						-	
<b>Special Revenue Funds:</b>								
Street*	5,136,091		1,505,480		250,000		6,891,571	
Contingency	-				217,725		217,725	
1% for the Arts	15,000				50,000		65,000	
Youth & Family Services	3,325,282		64,863				3,390,145	
ARPA Funds	1,983,672		857,218		291,000		3,131,890	
<b>Debt Service Funds:</b>								
Bond Redemption (Voted)	-						-	
Bond Redemption (Non-Voted)	142,800						142,800	
<b>Capital Projects Funds:</b>								
Town Center Parking Facilities*	-						-	
Capital Improvement*	10,664,404		571,905				11,236,309	
Technology & Equipment*	495,186		708,140				1,203,326	
Capital Reserve*	-						-	
<b>Enterprise Funds:</b>								
Water*	22,052,286		9,168,243	1,245,279			32,465,808	
Sewer*	14,120,007		809,688	1,533,625			16,463,320	
Stormwater*	3,192,949		168,366				3,361,315	
<b>Internal Service Funds:</b>								
Equipment Rental*	1,610,914	27,452	596,861		145,750		2,380,977	
Computer Equipment*	1,155,078						1,155,078	
<b>Trust Funds:</b>								
Firefighter's Pension	100,000						100,000	
<b>Total</b>	<b>98,799,975</b>	<b>27,452</b>	<b>14,890,973</b>	<b>3,454,994</b>	<b>1,114,000</b>	<b>-</b>	<b>-</b>	<b>118,287,394</b>

\* Capital Improvement Program (CIP) projects are accounted for in these funds.

Fund Type / Fund Name	Original 2024 Budget	2024 Budget Adjustments							Amended 2024 Budget
		Administrative Biennial Corrections	ORD 23-06 Q1 FSU	ORD 23-12 Q2 FSU					
<b>General Purpose Funds:</b>									
General	36,220,358		1,587,500	132,000					37,939,858
Self-Insurance	10,000								10,000
Youth Services Endowment	-								-
<b>Special Revenue Funds:</b>									
Street*	9,658,917			55,000					9,713,917
Contingency	-								-
1% for the Arts	15,000								15,000
Youth & Family Services	3,368,606								3,368,606
ARPA Funds	1,259,017			594,500					1,853,517
<b>Debt Service Funds:</b>									
Bond Redemption (Voted)	-								-
Bond Redemption (Non-Voted)	-								-
<b>Capital Projects Funds:</b>									
Town Center Parking Facilities*	-								-
Capital Improvement*	11,121,741								11,121,741
Technology & Equipment*	145,250								145,250
Capital Reserve*	-								-
<b>Enterprise Funds:</b>									
Water*	20,738,920								20,738,920
Sewer*	13,678,876								13,678,876
Stormwater*	3,676,021								3,676,021
<b>Internal Service Funds:</b>									
Equipment Rental*	1,377,116	(27,452)							1,349,664
Computer Equipment*	1,316,488								1,316,488
<b>Trust Funds:</b>									
Firefighter's Pension	103,000								103,000
<b>Total</b>	<b>102,689,310</b>	<b>(27,452)</b>	<b>1,587,500</b>	<b>781,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,030,858</b>

\* Capital Improvement Program (CIP) projects are accounted for in these funds.