

## 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 2022.

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, and 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 the current year.

**NOVEMBER 15, 2022**

## FINANCIAL STATUS UPDATE

**SEPTEMBER 30, 2022**

### **2022 General Fund**

**Adopted Revenue Budget**

*\$32.2 million*

**Amended Revenue Budget**

*\$34.5 million*

**Revenue Actuals**

**as of September 30,**

*\$23.1 million (67.0% of  
amended budget)*

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**Adopted Expenditure Budget**

*\$31.9 million*

**Amended Expenditure Budget**

*\$35.3 million*

**Expenditure Actuals**

**as of September 30,**

*\$24.5 million (69.5% of  
amended budget)*

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**Contingency Fund Balance**

*\$4.1 million*

## GENERAL FUND

### Revenues

Overall, General Fund revenues met expectations through nine months of the year. The 2022 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 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, 2022

Revenue Category	2022 Adopted Budget	2022 Amended Budget	Prior YTD 9/30/2021	YTD 9/30/2022	YTD Revenue as % of Amended Budget
Property Tax	\$ 13,215,386	\$ 13,215,386	\$ 7,433,656	\$ 7,498,585	56.7%
Sales Tax - General	4,322,610	4,407,846	3,876,877	4,090,895	92.8%
Sales Tax - Criminal Justice	708,600	708,600	605,717	684,608	96.6%
Utility Taxes	4,730,750	4,734,540	3,623,387	3,739,377	79.0%
B&O Taxes	483,200	483,200	282,339	313,793	64.9%
Shared Revenues	1,185,880	1,365,614	859,501	983,205	72.0%
Cost Allocation-Overhead	806,724	839,724	594,612	556,236	66.2%
EMS Revenues	1,599,400	1,707,400	1,087,216	1,191,584	69.8%
Parks & Recreation	293,063	1,029,502	332,796	705,593	68.5%
License, Permit & Zoning	2,900,700	3,144,353	3,083,481	2,949,798	93.8%
Municipal Court	257,400	257,400	160,576	133,795	52.0%
Miscellaneous Revenue	218,700	223,700	228,938	316,168	141.3%
Interest Earnings	24,700	24,700	5,007	19,673	79.6%
Interfund Transfers	0	0	50,000	0	N/A
<b>Total Revenues</b>	<b>\$ 30,747,113</b>	<b>\$ 32,141,965</b>	<b>\$ 22,224,104</b>	<b>\$23,183,309</b>	<b>72.1%</b>
Beginning Fund Balance	1,548,074	2,468,183	0	0	0.0%
<b>Total Resources</b>	<b>\$ 32,295,187</b>	<b>\$ 34,610,148</b>	<b>\$ 22,224,104</b>	<b>\$ 23,183,309</b>	<b>67.0%</b>

**Property Tax** is at 56.7 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 92.8 percent of the amended budget at the end of the third quarter. 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 across all business sectors. Most of these higher than anticipated returns are due to inflationary pressures on prices as well as an increase of revenues related to food services and new construction.

Construction has historically been the largest component of Sales Tax revenue and has outperformed the Retail & Wholesale Trade sector for the third quarter in both 2021 and 2022. This can be attributed to the seasonal timing of revenues in each sector with most construction revenues received during the third quarter of the year. Both sectors are performing higher than the prior year. The following table compares Sales Tax revenue by business sector through September for 2021 and 2022.

2021-2022 General Sales Tax Revenue by Business Sector (\$ in thousands)						
Business Sector	Year to Date 9/30/2021	Year to Date 9/30/2022	Increase / (Decrease)	% of Total		
				2021	2022	Sector Totals Change
Construction	\$1,322	\$1,393	\$71	34.1%	34.0%	-0.1%
Retail & Wholesale Trade	\$1,292	\$1,326	\$35	33.3%	32.4%	-0.9%
All Other Sectors	\$344	\$382	\$39	8.9%	9.3%	0.5%
Admin & Support Services	\$360	\$370	\$10	9.3%	9.1%	-0.2%
Food Services	\$168	\$200	\$32	4.3%	4.9%	0.6%
Professional, Scientific & Tech	\$137	\$162	\$25	3.5%	4.0%	0.4%
Finance/Insurance/Real Estate	\$154	\$144	(\$10)	4.0%	3.5%	-0.4%
Telecommunications	\$100	\$113	\$13	2.6%	2.8%	0.2%
<b>Total</b>	<b>\$3,877</b>	<b>\$4,091</b>	<b>\$214</b>	<b>100.0%</b>	<b>100.0%</b>	

**Criminal Justice Sales Tax** is 96.6 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 recovered significantly in 2021 and are expected to continue recovering throughout 2022 but at a slower rate of growth compared to 2021.

**Business & Occupation (B&O) Tax** is 64.9 percent of budget at the end of September. This revenue is tracking 10% higher than the prior year and is within expectations through the third quarter. Most of the City’s registered businesses file an annual, rather than quarterly, B&O tax return.

**Shared Revenues** are 72.0 percent of budget through three quarters of the fiscal 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 the City of Renton; and financial support for the School Resource Officer received from the Mercer Island School District. Timing of these revenues is variable with most typically received in the third and fourth quarter of the year. Revenues are within expectations through September.

**EMS Revenues** are 69.8 percent of budget at the end of the third quarter. Revenues in this line are slightly behind amended budget expectations due to the Mobile Integrated Healthcare (MIH) program not having been staffed yet. The dollars associated with the MIH program will roll-forward because we have not yet spent the funding. The levy dollars remain available to invoice once the program is online.

**Parks and Recreation** revenues are 68.5 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). FY 2022 is the first year many Recreation

programs that were canceled in 2020 with the onset of the Pandemic are returning. Revenues from these programs currently lag behind budget expectations in a handful of program categories. Programs performing above budget expectations include field rentals, park facilities rentals, and MICEC Drop-In Sports available at the Community Center.

**License, Permit, and Zoning Fees** are 93.8 percent of budget at the end of September. This revenue category consists of fees related to development services, business licenses, and a cable franchise. This revenue stream is performing well due to improved administration of development services, an updated fee schedule, and staff being able to collect deferred revenues on a handful of commercial and residential projects early in the current fiscal year.

**Municipal Court** revenues are 52.0 percent of budget through the end of the third quarter. Revenues in this category have declined compared to the prior year primarily due to historically low case filings that began at the onset of the Pandemic and have been slow to recover to pre-Pandemic levels. Revenues are expected to end 2022 under budget expectations but recover in 2023-2024 due to new court administration efficiencies.

**Miscellaneous Revenue** is at 141.3 percent of the budget primarily due to higher-than-expected employee disability reimbursements received from the Washington State Department of Labor and Industries. These reimbursements are a result of the voluntary 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. Per current budget policy, interest earnings are distributed to the various Funds based on their relative cash balances at the end of each quarter. Across all Funds, interest earnings experienced a decline throughout 2021 but yields are now expected to continue to rise as interest rates rise in the latter half of 2022.

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

## Expenditures

Overall, General Fund expenditures are within budget estimates at the end of September. The table below lists the 2022 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 through nine months of the year, through the end of September. Additional detail of material variances from the adopted budget are discussed in the narrative below.

### GENERAL FUND: Expenditures

As of September 30, 2022

General Fund Department	2022 Adopted Budget	2022 Amended Budget	Prior YTD 9/30/2021	YTD 9/30/2022	YTD Expense as % of Amended Budget
Administrative Services	\$ 489,438	\$ 529,438	\$ 316,495	\$ 322,505	60.9%
City Attorney's Office	758,528	1,072,937	1,387,073	941,856	87.8%
City Council	37,875	162,875	38,293	102,786	63.1%
City Manager's Office	904,734	1,141,534	625,417	814,138	71.3%
Community Planning & Development	2,901,549	3,376,034	1,914,753	2,281,577	67.6%
Finance	1,058,817	1,154,317	589,536	638,909	55.3%
Fire	7,200,781	7,424,060	5,247,645	5,539,975	74.6%
Human Resources	583,410	888,124	539,775	536,317	60.4%
Information & Geographic Services	163,517	163,517	111,565	122,392	74.8%
Municipal Court	484,370	484,370	322,829	303,022	62.6%
Non-Departmental	2,003,460	2,582,976	1,584,275	1,449,458	56.1%
Parks & Recreation	431,311	1,526,250	701,495	806,509	52.8%
Police	7,947,376	8,152,376	5,414,023	5,990,733	73.5%
Public Works	5,023,869	5,040,069	3,108,942	3,424,016	67.9%
<b>Total Expenditures</b>	<b>\$ 29,989,035</b>	<b>\$ 33,698,877</b>	<b>\$ 21,902,115</b>	<b>\$ 23,274,193</b>	<b>69.1%</b>
Interfund Transfers	1,998,862	1,627,100	1,005,412	1,271,212	78.1%
<b>Total Expenditures + Interfund Transfers</b>	<b>\$ 31,987,897</b>	<b>\$ 35,325,977</b>	<b>\$ 22,907,527</b>	<b>\$ 24,545,405</b>	<b>69.5%</b>

In reviewing expenditures by department, the following are noteworthy:

**Administrative Services** has expended 60.9 percent of budget at the end of September. This is the result of the professional services budget line currently being unspent. Staff anticipate utilizing these funds in the last quarter of the year.

**City Attorney's Office** has expended 87.8 percent of budget at the end of September. The City Attorney budget for 2022 includes \$314.4 thousand in funding for case litigation of which 100 percent has been expended to date. Regular operating expenditures in the City Attorney's office are within expectations at the end of the third quarter.

**City Council** expenditures ended September at 63.1 percent of budget. Ordinance No. 21-03 included a budget amendment of \$125 thousand for the development of a Climate Action Plan, of which 50 percent has been spent to date. Regular operating expenditures are within budget expectations.

**Community Planning & Development** has expended 67.9 percent of budget at the end of September. This is the result of lower than anticipated spending in the general professional services and Comprehensive

Plan Update budget lines which ended the third quarter at 40.4 percent and 40.6 percent, respectively of budget spent.

**Finance** expenditures ended the third quarter at 55.3 percent of budget. This can be attributed to a later than anticipated start on the project rollout for the City's new replacement financial software system. The project was officially started in mid-October and staff on the core project team are working with the Tyler Technologies implementation team to create the foundation of the new system.

**Human Resources** has expended 60.4 percent of budget at the end of September. This is the result of unspent budget in the professional services line.

**Municipal Court** has expended 62.6 percent of budget at the end of the third quarter. This is a result of salary savings resulting from new staff hires in multiple positions throughout the year. Regular operating expenditures are in line with budget expectations.

**Parks and Recreation** has expended 52.8 percent of budget at the end of September. This expenditure shortfall is due to a delay in hiring full-time staff members with work relating to the Community Center. Staff confirmed all positions were filled by the end of the third quarter. In addition, staff has been charging time to the Recreation Restart project in the ARPA Fund to utilize the one-time resources allocated for the work involved in returning services that were temporarily eliminated during the onset of the Pandemic.

**Public Works** has expended 67.9 percent of budget at the end of the third quarter. This is a result of salary savings from two vacant FTE positions in Parks Maintenance, as well as the salary savings from casual labor positions that have been difficult to fill in the last few years.

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 2022 adopted 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 end of September. Additional detail of major variances is discussed in the narrative following the table.

#### UTILITY FUNDS: Revenues

As of September 30, 2022

Revenue Category	2022 Adopted Budget	2022 Amended Budget	Prior YTD 9/30/21	YTD 9/30/22	YTD Revenue as % of Adopted Budget
<b>Operating Revenues</b>					
Water Utility	\$ 9,192,900	\$ 9,192,900	\$ 8,006,910	\$ 7,667,539	83.4%
Sewer Utility	10,922,700	10,922,700	8,138,055	8,513,106	77.9%
Storm Water Utility	2,333,300	2,333,300	1,732,422	1,785,748	76.5%
<b>Interest Earnings</b>					
Water Utility	157,100	157,100	28,139	145,793	92.8%
Sewer Utility	63,400	63,400	13,207	69,120	109.0%
Storm Water Utility	45,400	45,400	7,349	36,564	80.5%
<b>Total Revenues</b>	<b>\$ 22,714,800</b>	<b>\$ 22,714,800</b>	<b>\$ 17,926,082</b>	<b>\$ 18,217,870</b>	<b>80.2%</b>

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, 2022, result in dollar increases as compared to FY 2021 revenues over the same period.

Water Utility operating revenues are above budget expectations but performing worse than the prior year due to a lower volume of water sales in April, May, and June. This could be influenced by several factors, one of which is weather. The Puget Sound area experienced a historically wet Spring season which would drive down consumer water needs for those months.

Interest earnings for the Water, Sewer, and Storm Water Utility Funds are exceeding revenue expectations. The local government investment pool saw an increase in yields throughout the third quarter of 2022, ending September at 2.56%, which represents an increase of 1.55% when compared to the end of June.

## Expenditures

The table below lists the 2022 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 September. Additional detail of major variances is discussed following the table.

### UTILITY FUNDS: Expenditures

As of September 30, 2022

Category	2022 Adopted Budget	2022 Amended Budget	Prior YTD 9/30/21	YTD 9/30/22	YTD Expense as % of Adopted Budget
<b>Operating Expenditures</b>					
Water Utility	\$ 6,101,297	\$ 6,434,801	\$ 3,793,785	\$ 3,276,087	53.7%
Sewer Utility	7,966,290	8,093,090	5,285,605	5,584,524	70.1%
Storm Water Utility	1,875,851	1,922,290	923,623	1,054,155	56.2%
<b>Capital Projects</b>					
Water Utility	10,493,737	14,820,914	2,010,379	2,552,378	24.3%
Sewer Utility	2,321,310	3,880,002	249,360	651,172	28.1%
Storm Water Utility	1,111,982	1,459,941	431,234	359,662	32.3%
<b>Debt Service</b>					
Water Utility	415,958	415,958	14,531	13,438	3.2%
Sewer Utility	1,256,361	1,256,361	472,228	463,221	36.9%
Storm Water Utility	-	-	-	-	N/A
<b>Total Expenditures</b>	<b>\$ 31,542,786</b>	<b>\$ 38,283,357</b>	<b>\$ 13,180,745</b>	<b>\$ 13,954,636</b>	<b>44%</b>

Operating expenditures in all three Utility funds are within expectations at the end of the third quarter.

Utility capital projects continue to be below budget projections in 2022. This expenditure shortfall is typical for the third quarter of the fiscal year as projects are often in the middle of construction and may not be complete until later in the year. The unspent budget allocation is also a result of delays due to supply chain issues (a Pandemic-related impact) for projects such as the water and sewer SCADA System Upgrades, Water System Improvements, and the Booster Chlorination System. This will be present at least throughout 2022.

The water system SCADA upgrade is currently in the construction phase. New control panels for the five water sites have completed factory testing and are being deployed. Control panels have been installed at the north and south fire stations and the boat ramp. The panels for the First Hill and Reservoir sites are scheduled for installation in early December to complete the project.

Design was completed for the sewer system SCADA Upgrade in Q3 2022. The project is currently out for bid and the permitting process for the pump station upgrades is underway. Construction is expected to start in Q3 or Q4 2023, as supply chain delays continue.

The Meter Replacement project will replace approximately 7,900 aging water meters throughout the City, of which more than 60 percent are 15 years or older. City Council awarded the bid on July 19, 2022 ([AB6112](#)) and equipment procurement began in August. Deployment is anticipated to begin in Q2 2023, with project completion by Q4 2024. Once completed, the project will implement new Advanced Metering Infrastructure (AMI) technologies that support enhanced customer service, system analyses, and operations.

Approximately 95% of the components in the hypochlorite tank room have been installed during Q3 2022 for the Booster Chlorination Station. The conduit inside the building and the chemical tubing from the hypochlorite tank room to both reservoir tanks have been installed. Most of the work in the four remote sites was completed during this period. The next phase of work involves modifications to the underground piping within the reservoir site and on 89th Ave SE directly east of the reservoir site. This work is anticipated to start in mid-November. Project completion is expected by Q1 2023. The purpose of this project is to construct a booster disinfection system to reduce the risk of future water system contaminations, a need identified by the 2014 Boiled Water Advisory long-term action plan.

The 2022 Arterial and Residential Street Overlays project reached substantial completion at the end of August, with all the paving and striping work completed before the start of the school year. A second project, the 2022 Street Related Utility Improvements, was completed in July, just ahead of the repaving work. Supply chain issues had delayed some of the water utility work under this contract, but not critically. Minor work items remain on these projects, but both contracts are on track to be completed within their approved budgets. The combined construction cost of these two projects is just over \$1.8M.

## ALL OTHER FUNDS

### Revenues

The table below lists the 2022 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 September. Additional detail of major variances is discussed in the narrative following the table.

#### ALL OTHER FUNDS: Revenues

As of September 30, 2022

Fund Name	2022 Adopted Budget	2022 Amended Budget	Prior YTD 9/30/2021	YTD 9/30/2022	YTD Revenue as % of Amended Budget
Self Insurance Claim	\$ 10,000	\$ 10,000	\$ -	\$ -	N/A
Youth Services Endowment	5,000	5,000	411	-	0.0%
Street	4,143,618	4,372,861	2,879,061	2,448,766	56.0%
Contingency	261,800	261,800	44,637	295,134	112.7%
1% for the Arts	17,000	17,000	12,000	2,069	12.2%
Youth & Family Services	2,027,918	3,854,719	1,999,414	2,114,076	54.8%
ARPA	-	2,769,000	200,000	3,009,226	108.7%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	234,100	234,100	316,100	4,550	1.9%
Town Center Parking Facilities	-	-	-	-	N/A
Capital Improvement	3,625,844	3,720,044	2,897,018	2,401,530	64.6%
Technology & Equipment	360,500	1,063,500	210,000	913,000	85.8%
Capital Reserve	-	-	-	-	N/A
Equipment Rental	1,492,626	1,492,626	1,334,675	1,108,126	74.2%
Computer Equipment	1,158,213	1,158,213	850,723	762,288	65.8%
Firefighter's Pension	174,210	174,210	151,306	170,562	97.9%

**Youth Services Endowment Fund** revenues are at 0.0 percent of budget at the end of September. Following guidance provided by the City Council, staff closed the Youth Services Endowment Fund and transferred the remaining balance into the Youth & Family Services Fund. The transferred balance will be reserved as part of a YFS operating fund balance reserve equivalent to six-months of average monthly expenditures. The operating fund balance provides adequate reserves to address the asynchronous nature between the City's biennial budget and the Mercer Island School District's academic year.

**Street Fund** revenues are at 56.0 percent of budget at the end of September. The primary revenue source in the Street Fund is Real Estate Excise Tax (REET). Staff believes REET revenues are on track to end the year close to budget estimates, but totals are still down compared to FY 2021 due to a lower number of property sales recorded through nine months of the fiscal year. The average sale price of homes is up but not to a degree to cover the difference from a lower volume of total sales.

Revenues in the **Contingency Fund** are made up of interest earnings, which totaled 112.7 percent of budget at the end of September. Across all funds, interest earnings saw explosive growth in the third

quarter of 2022 increasing a total of 1.55 percentage points when compared to yields in June. This represents a more than a doubling of total interest yields.

**Youth & Family Services** revenues ended September at 54.8 percent of budget. This apparent lag in revenues can be attributed to two federal grants that have not yet been received in entirety and counted as revenue. Thrift Shop revenues are also lagging budget expectations with only 57.5 percent of budget received through the third quarter.

**Capital Improvement Fund** revenues ended the third quarter at 64.6 percent of budget. Like the Street Fund, the Capital Improvement Fund's primary revenue source is REET. Total REET revenues for this Fund through September are 74.9 percent of forecasted revenue expectations. This is consistent with historical averages with FY 2021 being an exceptional year and subsequent outlier.

**Technology & Equipment Fund** revenues are at 85.8 percent of budget at the end of September. This apparent overage is a result of multiple fund contributions being posted in June as the projects those dollar amounts are tied to have begun.

**Firefighter's Pension Fund:** Total revenues are 97.9 percent of budget at the end of September. This is a result of a one-time interfund transfer using General Fund surplus from FY 2020 into the Firefighter's Pension Fund to pay down long term liability related to the Fund. Investment interest earnings are at 72.2 percent of total budget expectations, up nearly \$6,300 when compared to 2021. This increase in interest earnings comes as local government investment pool yields saw notable growth in the third quarter of 2022, more than a doubling of total interest yields seen in June.

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

## Expenditures

The table below lists the 2022 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 September. Additional detail of major variances is discussed in the narrative following the table.

### ALL OTHER FUNDS: Expenditures

As of September 30, 2022

Fund Name	2022 Adopted Budget	2022 Amended Budget	Prior YTD 9/30/2021	YTD 9/30/2022	YTD Expense as % of Amended Budget
Self Insurance Claim	\$ 10,000	\$ 10,000	\$ 50,000	\$ -	N/A
Youth Services Endowment	5,000	294,469	-	289,469	98.3%
Street	4,045,768	5,568,002	3,205,352	3,312,040	59.5%
Contingency	-	-	-	-	N/A
1% for the Arts	15,000	15,000	29,211	9,856	65.7%
Youth & Family Services	2,127,962	3,454,995	1,604,750	2,316,396	67.0%
ARPA	-	3,034,226	21,696	660,030	21.8%
Bond Redemption (Voted)	-	-	-	-	N/A
Bond Redemption (Non-Voted)	234,100	234,100	13,600	4,550	1.9%
Town Center Parking Facilities	-	222,975	19,066	3,762	1.7%
Capital Improvement	4,228,583	9,169,851	686,504	2,502,631	27.3%
Technology & Equipment	234,500	1,044,740	80,149	110,176	10.5%
Capital Reserve	-	169,999	-	169,999	100.0%
Equipment Rental	1,647,322	2,111,404	1,319,405	955,118	45.2%
Computer Equipment	1,171,434	1,258,414	676,299	878,380	69.8%
Firefighter's Pension	87,000	94,500	75,261	68,393	72.4%

**Street Fund:** Total expenditures are 59.5 percent of budget at end of September. Expenditures are up \$106 thousand from the prior year. This is within expectations when comparing the second year of a biennium to the first as progress on multi-year projects is historically slow to start.

**ARPA:** Total expenditures are 21.8 percent of budget at the end of the third quarter. These expenditures consist of projects that were determined to qualify for ARPA funding. The largest expenditure to date has been the Recreation Restart project which has expended \$330 thousand, or nearly 79 percent, of its total budget.

**Capital Improvement Fund** expenditures ended September at 27.3 percent of budget. Projects are well underway at this point of the year with significant expenditures expected within the final quarter of the year.

**Technology & Equipment Fund:** Total expenditures are 10.5 percent of budget at end of September. This expenditure underage is a result of the Enterprise Resource Planning System project that was approved as part of [Ordinance No. 22-04](#). Work on this project has been delayed due to contract negotiations with the preferred vendor. The project officially kicked-off in mid-October.

**Equipment Rental** expenditures ended June at 45.2 percent of budget. Expenditures in this fund include Honeywell Site Remediation costs which have totaled only 4.7 percent of budget. Operating expenditures, consisting of fleet services, are well within budget estimates.

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

Two summary listings of the originally adopted 2021-2022 Budget (expenditures only), broken down by year, and amendments adopted by Ordinance through September 6, 2022, are presented below.

Fund Type / Fund Name	Original 2021 Budget	2021 Budget Adjustments					Amended 2021 Budget	
		Administrative Biennial Corrections	ORD 21-07 4/20/2021	ORD21-11 5/18/2021	ORD21-15 7/6/2021	ORD21-20 9/21/2021		ORD21-31 12/7/2021
<b>General Purpose Funds:</b>								
General	30,533,485	(1,134,909)	1,590,252	897,860		500,078	32,386,766	
Self-Insurance	60,000						60,000	
Youth Services Endowment	5,000						5,000	
<b>Special Revenue Funds:</b>								
Street*	3,366,531	(1,034,481)	25,000		1,193,000	437,872	3,987,922	
Contingency	-						-	
1% for the Arts	15,000			17,000			32,000	
Youth & Family Services	2,178,182		212,750	220,372		60,000	2,934,632	
ARPA Funds	-	(265,226)				200,000	126,274	
<b>Debt Service Funds:</b>								
Bond Redemption (Voted)	-						-	
Bond Redemption (Non-Voted)	847,200						847,200	
<b>Capital Projects Funds:</b>								
Town Center Parking Facilities*	-	(222,975)	237,645				14,670	
Capital Improvement*	3,590,573	(2,287,780)	86,079			495,182	1,884,054	
Technology & Equipment*	287,560	(107,240)	10,000				190,320	
Capital Reserve*	-						-	
<b>Enterprise Funds:</b>								
Water*	12,317,373	(4,342,177)	300,000	441,960			8,717,156	
Sewer*	10,950,027	(1,436,392)	49,309				9,562,944	
Stormwater*	2,756,580	(351,659)	45,420				2,450,341	
<b>Internal Service Funds:</b>								
Equipment Rental*	2,043,931	(464,082)	467,380				2,047,229	
Computer Equipment*	1,060,228	(65,280)					994,948	
<b>Trust Funds:</b>								
Firefighter's Pension	83,000						83,000	
<b>Total</b>	<b>70,094,670</b>	<b>(11,712,201)</b>	<b>3,023,835</b>	<b>1,577,192</b>	<b>1,193,000</b>	<b>1,693,132</b>	<b>454,828</b>	<b>66,324,456</b>

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

Fund Type / Fund Name	Original 2022 Budget	2022 Budget Adjustments							Amended 2022 Budget
		Administrative Biennial Corrections	ORD21-11 5/18/2021	ORD21-20 9/21/2021	ORD21-31 12/7/2021	ORD22-04 4/19/2022	ORD22-08 5/17/2022	ORD22-16 9/6/2022	
<b>General Purpose Funds:</b>									
General	31,987,897	1,134,909	30,000	428,199	1,867,000	(203,608)	51,580	30,000	35,325,977
Self-Insurance	10,000								10,000
Youth Services Endowment	5,000					289,469			294,469
<b>Special Revenue Funds:</b>									
Street*	4,045,768	1,034,481				392,020	95,733		5,568,002
Contingency	-								-
1% for the Arts	15,000								15,000
Youth & Family Services	2,127,962		122,757		980,276	9,000		215,000	3,454,995
ARPA Funds		265,226			1,671,000	1,073,000	25,000		3,034,226
<b>Debt Service Funds:</b>									
Bond Redemption (Voted)	-								-
Bond Redemption (Non-Voted)	234,100								234,100
<b>Capital Projects Funds:</b>									
Town Center Parking Facilities*	-	222,975							222,975
Capital Improvement*	4,228,583	2,287,780				1,838,700		814,788	9,169,851
Technology & Equipment*	234,500	107,240				703,000			1,044,740
Capital Reserve*	-					169,999			169,999
<b>Enterprise Funds:</b>									
Water*	17,010,992	4,342,177				318,504			21,671,673
Sewer*	11,543,961	1,436,392				249,100			13,229,453
Stormwater*	2,987,833	351,659				42,739			3,382,231
<b>Internal Service Funds:</b>									
Equipment Rental*	1,647,322	464,082							2,111,404
Computer Equipment*	1,171,434	65,280			21,700				1,258,414
<b>Trust Funds:</b>									
Firefighter's Pension	87,000				15,000				102,000
<b>Total</b>	<b>77,337,352</b>	<b>11,712,201</b>	<b>152,757</b>	<b>428,199</b>	<b>4,554,976</b>	<b>4,881,923</b>	<b>172,313</b>	<b>1,059,788</b>	<b>100,299,509</b>

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