



## AGENDA ITEM ANALYSIS

Project/Issue Name: 24-51 An Ordinance of the City Council Approving Budget Amendment No. 1 to the Budget for the Fiscal Year 2024.

Submitted By: Bob Ford, Finance Director

Date: August 27, 2024

### Issue Statement

To amend the 2024 Budget to better reflect revenues, expenses/expenditures & net cash contribution for fiscal year 2024.

### Discussion and/or Analysis

On November 14, 2023, City Council approved the Annual Budget for the fiscal year 2024 as part of Ordinance No. 23-56. The FY 2024 Budget is attached hereto as Exhibit A outlines that approved Annual Budget and is further broken down into Capital and Operating components by Fund.

Given current revenue & expense/expenditure trends, the City of Republic's updated forecast captured in Budget Amendment #1 reflects a \$251K improvement in the consolidated net surplus (deficit) by Fund. (See Budget Amendment #1 By Fund on the following page). Additionally, the summary table on page 3 breaks that data down by Revenue, Expense, and Capital Uses & Sources.

- The City's operating forecast is primarily due to the consolidated operating results driven by three facts:
  - \$376K increase in interest income due to improved interest rates on selected investments and slower cash spending.
  - \$350K increase in Operational Revenue primarily due to an increase in Parks & Recreation revenue due to improved performance of the RUSH partially offset by increased cost – but the net providing a positive contribution to Parks & Recreation's overall forecasted financial results
  - \$272K decrease in operating expenses due to the combination of an improvement in compensation/benefits savings of \$711K offset by an increase in other operating expenses of \$440K.
- Capital Expenditures (uses) are down \$2.9MM but so are the funding sources for those capital projects (\$3.6MM) for a deficit of \$746K.
  - In some cases, the project was to be funded with cash from the Balance Sheet, but as the expenditure need is reduced, the cash required to fund it is reduced and just goes back onto the balance (to continue earning interest income).
  - In other cases, a grant was to fund the project; but once again, as the expenditure need is reduced, the timing of the receipt of the grant funds is pushed into FY 2025 and will be reflected in next year's budget.



### Budget Amendment #1 By Fund

Description	Budget	Change	Amendment
<b><u>Operating Budget</u></b>			
Taxes   City Sales	\$14,345,944	\$0	\$14,345,944
Taxes   Other Sales	\$1,807,126	\$0	\$1,807,126
Taxes   Property	\$1,919,027	\$0	\$1,919,027
Revenue   Other Operating	\$12,063,287	\$349,781	\$12,413,068
Transfer In - Building Maintenance	\$195,673	\$0	\$195,673
Transfer In - Admin Allocation	\$2,004,104	\$0	\$2,004,104
Interest Income	\$1,336,578	\$375,565	\$1,712,143
Transfers In From Cash	\$0	\$0	\$0
Transfers In from General Fund	\$3,629,425	\$0	\$3,629,425
Transfers In from CIST	\$0	\$0	\$0
<b>Operating Revenues</b>	<b>\$37,301,164</b>	<b>\$725,346</b>	<b>\$38,026,510</b>
Transfers Out To Building Facilities	(\$226,172)	\$0	(\$226,172)
Transfers Out From General Fund	(\$3,629,422)	\$0	(\$3,629,422)
Transfers Out From CIST	(\$675,000)	\$0	(\$675,000)
Expenses - Personnel	(\$16,490,403)	\$711,505	(\$15,778,899)
Expenses - Personnel - Indirect	(\$2,004,104)	\$0	(\$2,004,104)
Expenses - Operating	(\$5,575,686)	(\$439,643)	(\$6,015,329)
Debt Service	(\$5,065,599)	\$0	(\$5,065,599)
<b>Operating Expenses</b>	<b>(\$33,666,387)</b>	<b>\$271,862</b>	<b>(\$33,394,526)</b>
<b>Net Operating Surplus (Deficit)</b>	<b>\$3,634,777</b>	<b>\$997,207</b>	<b>\$4,631,984</b>
<b><u>Capital Budget</u></b>			
<b>Capital Expenditures   Use</b>	<b>(\$65,361,454)</b>	<b>\$2,854,103</b>	<b>(\$62,507,351)</b>
Transfers In From General Fund   Source	\$0	\$0	
Transfers In From Cash - Restricted   Source	\$30,767,949	(\$2,620,219)	\$28,147,731
Transfers In From Cash- Unrestricted   Source	\$1,542,500	\$0	\$1,542,500
Transfers In From CIST   Source	\$675,000	\$0	\$675,000
Grants   Source	\$28,257,835	(\$1,100,000)	\$27,157,835
Reimbursements	\$2,030,000	\$120,000	\$2,150,000
Other Funding Sources   Source	\$1,300,000	\$0	\$1,300,000
<b>Capital   Sources</b>	<b>\$64,573,284</b>	<b>(\$3,600,219)</b>	<b>\$60,973,066</b>
<b>Capital Surplus (Deficit)</b>	<b>(\$788,170)</b>	<b>(\$746,116)</b>	<b>(\$1,534,285)</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$2,846,608</b>	<b>\$251,091</b>	<b>\$3,097,699</b>



**Budget vs Budget Amendment 1 by Fund**

Description	Budget	Change	Amendment
<b>General Fund</b>			
Administration	\$1,512,094	(\$47,465)	\$1,464,629
Data Analytics	\$0	(\$128,800)	(\$128,800)
Court	\$33,472	(\$22,684)	\$10,788
Animal Control	(\$325,859)	(\$4,720)	(\$330,579)
Community Development	(\$186,730)	\$42,622	(\$144,108)
	<b>\$1,032,978</b>	<b>(\$161,048)</b>	<b>\$871,930</b>
<b>Parks &amp; Recreation</b>	<b>\$315,386</b>	<b>\$67,357</b>	<b>\$382,743</b>
<b>Public Safety</b>			
Police	(\$364)	\$71,164	\$70,800
Fire	(\$229,293)	\$415,187	\$185,894
Fire Sales Tax	\$550,244	\$0	\$550,244
	<b>\$320,588</b>	<b>\$486,351</b>	<b>\$806,938</b>
<b>BUILDS</b>			
Water	(\$90,824)	(\$105,301)	(\$196,125)
Wastewater	\$620,122	(\$64,677)	\$555,445
Streets	\$247,777	\$28,409	\$276,186
	<b>\$777,075</b>	<b>(\$141,568)</b>	<b>\$635,506</b>
<b>Capital Improvement Sales Tax</b>	<b>\$400,581</b>	<b>\$0</b>	<b>\$400,581</b>
<b>Consolidated Surplus (Deficit)</b>	<b>\$2,846,608</b>	<b>\$251,091</b>	<b>\$3,097,699</b>

**Recommended Action**

Staff recommends approval.