



2ND QUARTER BUDGET REPORT

FISCAL YEAR 2022



Fiscal Year 2022 Budgetary Notes

- Sales tax revenue anticipated to increase by approximately \$3.1 million.
- Both Measure A and Measure P Sales Tax both anticipated to increase by approximately \$2.6 million (\$5.2M), which will increase the transfers to those respective funds.
- Transfer to the Pension Reserve Fund of \$2.4 million from the General Fund prior year fund balance in accordance with City Council Policy 220-09.



Fiscal Year 2022 Budgetary Notes

- Fire Department expenditures projected to exceed budget by approximately \$5.1 million for a new Fire Academy (\$1 million) and projected personnel costs (\$3.8 million) related to additional overtime.
- Higher than anticipated fuel and maintenance costs are increasing Fleet costs to exceed budget by \$0.7 million.
- Republic Services strike impact on Franchise Fee revenues or expenditures have not been included in the projections

Fiscal Year 2022

Second Quarter Monitoring Report

General Fund Budget

| Description | FY 2022 Revised Budget | | FY 2022 Projected Actuals | | Variance |
|---|---------------------------|--------------|---------------------------------|--------------|---------------|
| Revenues: | | | | | |
| MAJOR DISCRETIONARY REVENUES | \$ | 171.8 | \$ | 181.3 | \$ 9.6 |
| OTHER GENERAL FUND REVENUES | | 51.0 | | 50.6 | \$ (0.4) |
| TOTAL REVENUES | \$ | 222.8 | \$ | 232.0 | \$ 9.2 |
| Expenditures: | | | | | |
| PERSONNEL SERVICES | \$ | 124.7 | \$ | 124.1 | \$ (0.6) |
| OTHER EXPENDITURES | | 98.7 | | 108.1 | \$ 9.4 |
| TOTAL EXPENDITURES | \$ | 223.4 | \$ | 232.2 | \$ 8.8 |
| TOTAL GENERAL FUND SURPLUS/(DEFICIT) | \$ | (0.6) | \$ | (0.2) | |

General Fund Revenue Projections

| Revenue Category | FY 2022 Revised Budget | FY 2022 Projected Actuals | Variance |
|---|------------------------------|---------------------------------|---------------------|
| Property Taxes | 39,433,546 | 39,433,546 | - |
| Sales Tax | 39,717,123 | 42,859,459 | 3,142,336 |
| Measure P Sales Tax | 23,042,000 | 25,702,243 | 2,660,243 |
| Measure A Sales Tax | 23,042,000 | 25,719,709 | 2,677,709 |
| PT in lieu of Motor Vehicle License Fee (VLF) | 24,886,300 | 25,981,110 | 1,094,810 |
| Franchise Fees | 12,901,132 | 12,901,132 | - |
| Utility Users Tax | 3,800,000 | 3,800,000 | - |
| Transient Occupancy Taxes | 4,942,189 | 4,942,189 | - |
| Development Revenue | 2,008,833 | 2,091,906 | 83,073 |
| Licenses and Permits | 1,581,670 | 1,335,543 | (246,127) |
| Fines, Forfeitures, Penalties | 999,830 | 630,583 | (369,247) |
| Use of Money & Property | 3,312,678 | 3,480,131 | 167,453 |
| Other Local Taxes | 2,671,161 | 2,671,161 | - |
| Police Grants | 830,440 | 727,856 | (102,584) |
| Revenue from Other Agencies | 852,655 | 811,546 | (41,110) |
| Charges for Services | 7,884,486 | 8,552,185 | 667,699 |
| Interfund Reimbursements | 9,842,397 | 9,568,411 | (273,986) |
| Other Revenue | 3,824,387 | 3,548,770 | (275,617) |
| Transfers In | 17,200,193 | 17,200,193 | - |
| TOTAL REVENUES | \$ 222,773,020 | \$ 231,957,672 | \$ 9,184,652 |

General Fund Expenditure Projections

| Department | FY 2022 Revised Budget | FY 2022 Projected Actuals | Variance |
|------------------------------|------------------------------|---------------------------------|-----------------------|
| City Council | 1,518,216 | 1,428,216 | 90,000 |
| Boards & Commissions | 58,536 | 58,536 | - |
| City Clerk | 1,251,343 | 1,385,656 | (134,313) |
| City Attorney | 3,107,127 | 2,814,595 | 292,532 |
| Administration | 2,473,469 | 2,302,188 | 171,281 |
| Information Technology | 3,737,145 | 3,562,217 | 174,928 |
| Human Resources | 2,774,869 | 2,787,990 | (13,121) |
| Finance | 3,886,067 | 3,719,427 | 166,640 |
| Non-Departmental | 78,703,124 | 85,513,643 | (6,810,519) |
| Animal Care Facility | 2,752,905 | 2,727,181 | 25,724 |
| Economic Development | 2,107,287 | 2,051,022 | 56,265 |
| Planning & Building | 2,559,946 | 2,497,231 | 62,715 |
| Engineering/Capital Projects | 9,901,339 | 9,354,304 | 547,035 |
| Police | 52,023,815 | 50,844,506 | 1,179,309 |
| Fire | 29,786,584 | 34,858,552 | (5,071,967) |
| Public Works | 12,159,457 | 11,907,693 | 251,764 |
| Parks and Recreation | 11,002,662 | 10,961,989 | 40,673 |
| Library | 3,948,772 | 3,410,086 | 538,687 |
| TOTAL EXPENDITURES | \$ 223,752,663 | \$ 232,185,031 | \$ (8,432,368) |

Fiscal Year 2022

Second Quarter Adjustments

General Fund Significant Budget Adjustments

- **Non-Departmental**
 - Increase revenues by \$1.1 million for Motor Vehicle License Fee.
- **Fire Department**
 - Increase of \$1.0 million in revenues and expenditures for overtime related to Strike Teams; and
 - Fire Academy expenditures of \$986k
- **Various Departments**
 - Increased expenditures of \$608k for Internal Service costs due to increased fuel and maintenance costs.

All proposed adjustments result in a net cost **increase** for the General Fund of **\$498,485**.



Fiscal Year 2022

Second Quarter Adjustments

Other Funds Significant Budget Adjustments

- **Central Garage Fund** – Increase expenditures by \$1 million, and revenues by \$810k for increased fuel, maintenance costs, and capital equipment.
- **Public Liability Trust**- Appropriate \$350,000 from fund balance due to higher than budgeted costs.

All proposed adjustment result in a net cost increase for the Other Funds by \$746,430.

Next Steps

| | |
|----------|---|
| April | <ul style="list-style-type: none">• Preliminary City Manager Proposed Budget Council Discussion Item• Fiscal Year 2022 Third Quarter Financial Report |
| May | <ul style="list-style-type: none">• Hold public workshop to provide overview of proposed budget• City Manager Proposed Budget document submitted to Council• City Council: Present Fiscal Year 2023 All Funds Budget and CIP Overview |
| May/June | <ul style="list-style-type: none">• Public Hearing and Recommend Council adoption of Proposed FY 2023 Budget (All Funds) |



City Council

Comments/Feedback