



# 2<sup>ND</sup> 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
<b>Revenues:</b>					
MAJOR DISCRETIONARY REVENUES	\$	171.8	\$	181.3	\$ 9.6
OTHER GENERAL FUND REVENUES		51.0		50.6	\$ (0.4)
<b>TOTAL REVENUES</b>	<b>\$</b>	<b>222.8</b>	<b>\$</b>	<b>232.0</b>	<b>\$ 9.2</b>
<b>Expenditures:</b>					
PERSONNEL SERVICES	\$	124.7	\$	124.1	\$ (0.6)
OTHER EXPENDITURES		98.7		108.1	\$ 9.4
<b>TOTAL EXPENDITURES</b>	<b>\$</b>	<b>223.4</b>	<b>\$</b>	<b>232.2</b>	<b>\$ 8.8</b>
<b>TOTAL GENERAL FUND SURPLUS/(DEFICIT)</b>	<b>\$</b>	<b>(0.6)</b>	<b>\$</b>	<b>(0.2)</b>	



# 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	-
<b>TOTAL REVENUES</b>	<b>\$ 222,773,020</b>	<b>\$ 231,957,672</b>	<b>\$ 9,184,652</b>



# 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
<b>TOTAL EXPENDITURES</b>	<b>\$ 223,752,663</b>	<b>\$ 232,185,031</b>	<b>\$ (8,432,368)</b>



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



# City Council

## Comments/Feedback