

FY 2022 Quarterly Budget Review (Second Quarter)

LONG TERM FINANCIAL POLICY AUDIT
SUBCOMMITTEE

JANUARY 27, 2022

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General Fund Revenues

General Fund Expenditures

Mid Year Budget Adjustment

Next Steps

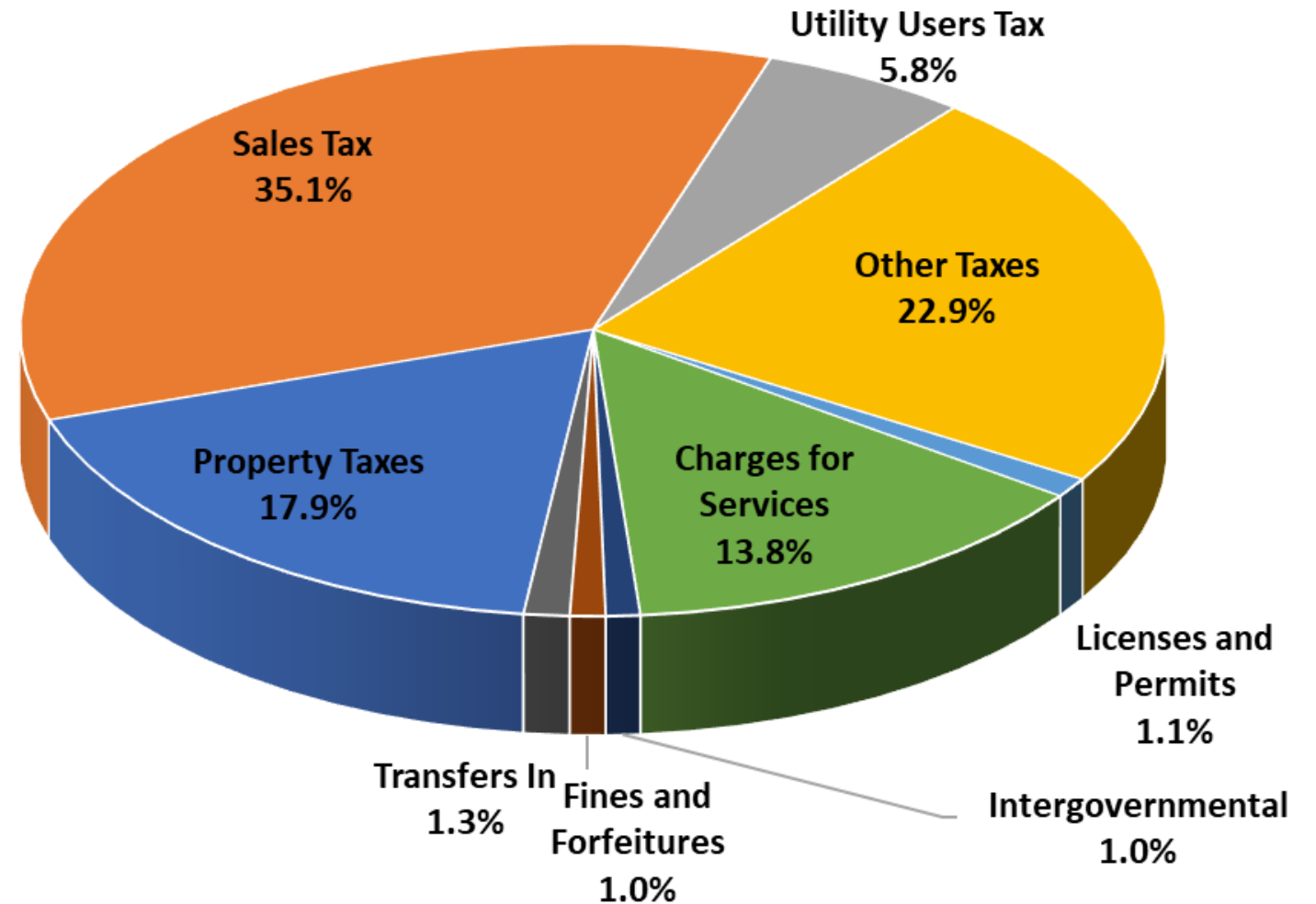
Questions

Quarterly Budget Review

FY 2021/22 Adopted Budget

- ✓ 177.9 million of Revenues and Transfers In were adopted in the Budget
- ✓ Approximately \$94.4 million or 53% of overall revenues are attributable to property and sales taxes

Budgeted General Fund Revenues

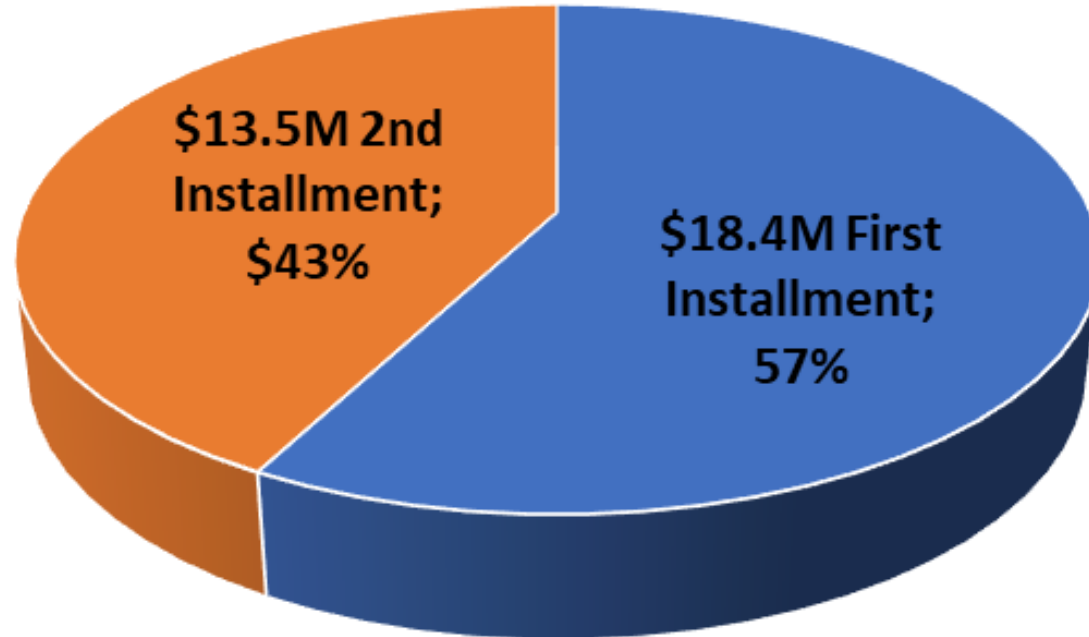


Q2 Revenues

- ✓ \$83.7 million of Revenues and Transfers In through the First Quarter (47.0%)
- ✓ First installment of Property Taxes are received in Q2
- ✓ Sales Taxes are received on a two month lag

Operating Revenues	Budget	Q2 Actuals	Percent of Budget
Property taxes	31,912,000	18,434,390	57.8%
Sales taxes	62,520,200	23,383,261	37.4%
Utility users tax	10,388,000	4,129,408	39.8%
Other taxes	40,738,600	17,830,345	43.8%
License and permits	1,991,000	1,930,968	97.0%
Charges for services	24,576,940	14,587,859	59.2%
Intergovernmental	1,723,510	1,407,398	81.7%
Fines and forfeitures	1,776,600	443,885	25.0%
Transfers	2,295,010	1,564,593	68.2%
Total Operating Revenues	177,921,860	83,712,107	47.0%

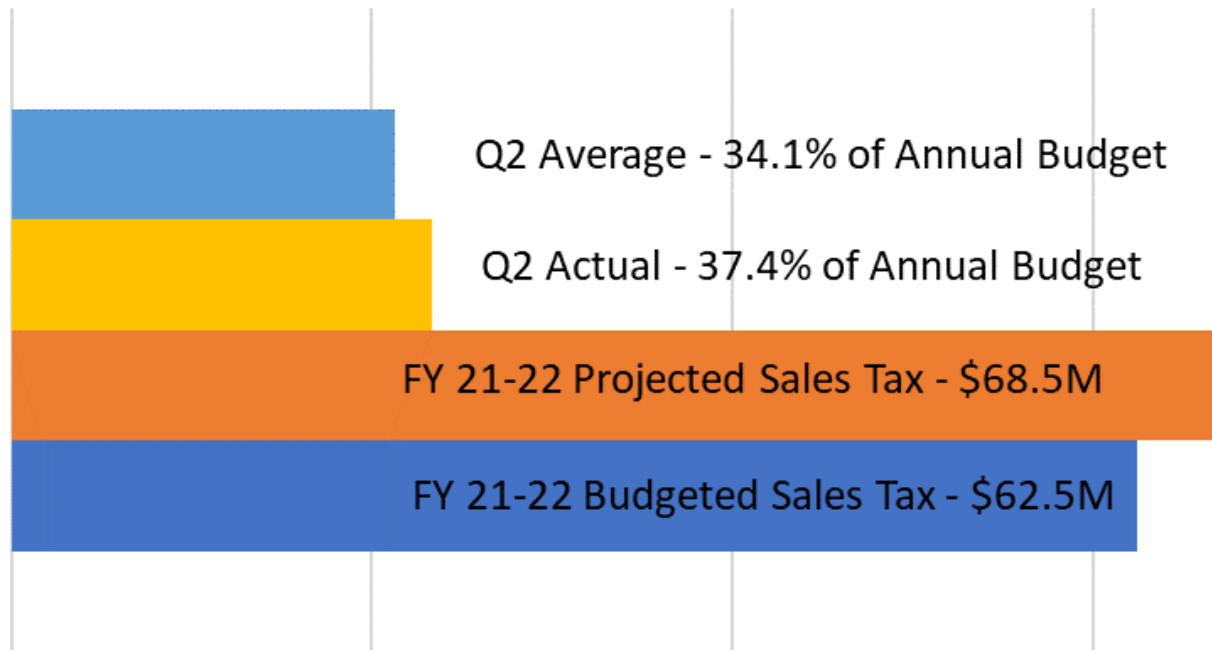
Property Tax Revenue



Q2 Property Taxes

- First Installment of Property Taxes are received in December
- First Installment is Typically 55% of annual total
- \$1.5M Mid Year budget adjustment recommended

Q2 Sales Tax Performance



Q2 Sales Tax

- YTD Sales Taxes received represents 4 months
- Sales Taxes are projected to come in ahead of budget
- \$6M Mid-Year budget adjustment recommended

Q2 Other Taxes

Other Taxes	Budget	Q2 Actuals	Percent of Budget
VLF Swap	15,670,200	7,955,660	50.8%
Franchise Fees	10,653,400	3,610,870	33.9%
Motor Vehicle License Fees	100,000	-	0.0%
Cannabis Industry Tax	1,800,000	714,682	39.7%
Business Tax	4,515,000	372,179	8.2%
Real Property Transfer Tax	3,500,000	2,650,975	75.7%
Occupancy Tax	4,500,000	2,525,980	56.1%
Total Other Taxes	40,738,600	17,830,346	43.8%

- Most revenue sources in line with expectations
- RPTT revenues are forecasted to be \$5.5M
- \$2M Mid Year budget adjustment recommended for RPTT

Q2 Expenditures

- ✓ \$96.3 million of Expenditures and Transfers Out in the 2nd Quarter (51.8%)
- ✓ Non-Operating Expenditures (projects) are not included

Operating Expenditures	Budget	Q2 Actuals	Percent of Budget
City Council	1,169,785.00	387,554.38	30.9%
City Manager	2,115,190.00	878,810.56	39.4%
City Attorney	3,824,241.00	1,851,657.95	48.3%
Human Resources	2,778,452.00	1,686,247.14	53.7%
Finance	10,986,983.00	5,068,237.30	45.8%
Comms & Intergovt Relations	1,378,362.00	600,199.84	43.2%
Planning, Economic Development	15,052,699.00	7,832,307.45	50.6%
Housing & Community Services	195,057.00	154,956.13	74.3%
Recreation	9,491,797.00	4,385,889.41	45.5%
Fire	45,242,770.00	24,152,977.85	53.5%
Police	64,327,871.00	34,109,378.69	50.7%
Public Works	28,632,359.00	14,289,583.48	49.4%
Water	736,453.00	411,100.61	55.8%
Non Departmental	(6,004,433.00)	(5,124,679.18)	85.3%
Transfers	6,132,668.00	5,628,117.98	86.8%
Total Operating Expenditures	186,060,254.00	96,312,339.59	51.8%

Mid Year Budget Adjustment General Fund Revenue

Revenue Source	Amount
Property Taxes	\$1,500,000
Sales Tax	\$6,000,000
Real Property Transfer Tax	\$2,000,000
Total	\$9,500,000

Mid Year Budget Adjustment General Fund Expenditures

Description	Amount
General Fund Labor Agreement Costs	\$7,500,000
Vacancy Credit	(\$1,500,000)
Staffing Changes – Partial Annual Appropriations 1.0 FTE Devlpt Review Coordinator, 1.0 FTE Building Plans Examiner, 1.0 FTE Civil Engineer Tech, 1.0 FTE Human Resources Analyst	\$150,000
Public Safety Building Boiler Line Replacement	\$500,000
Fire Department Overtime	\$1,550,000
Total	\$8,200,000

Mid Year Budget Adjustment Labor Agreement Costs in Other Funds

Fund	Description	Revenue	Expenditures
1205	Police Measure O	\$125,000	\$125,000
1206	Fire Measure O	\$100,000	\$100,000
1207	Violence Prevention Measure O	\$100,000	\$100,000
1611	Water Enterprise Fund		\$810,000
1621	Water Regional Enterprise Fund		\$560,000

Next Steps

- Finance Department Council Items for February 15, 2022
 - Mid-Year Budget Adjustment
 - Appropriation of One-Time Funds
 - Budget Priorities Public Hearing
- Finance will report on Q3 Budget Performance in April 2022

Questions?