

General Fund Performance FYE 2021



Long-Term Financial Policy and Audit Subcommittee
Alan Alton, Acting Chief Financial Officer
November 18, 2021

Methodology:

Budget is developed based on forecasting revenues and expenditures; also based on past budget performance

Through COVID pandemic, revenues have been budgeted conservatively; coming out of pandemic, basing more on recent performance

Expenditures are budgeted with expectation of spending 100% of budget; ie., full employment, etc.

Usually, we use a credit to account for what we believe is a reasonable salary turnback amount

Moving forward – more proactive approach to budget adjustments: routine revenue and expenditure analysis and reporting; mid-year adjustments when needed

Fiscal Year-End Close

Fiscal Year End Numbers June 30, 2021

- Focus on Recurring Operating Revenues and Expenditures
- Revenue Stronger than Expected
- Expenditures less than budget

	<u>Adopted Budget</u>	<u>Actual Results</u>
Revenues	162,249,550	180,218,202
Transfers In	2,665,803	3,042,977
Expenditures	174,987,442	169,333,235
Transfers Out	5,654,724	5,011,342
Net Surplus (Deficit)	(15,726,813)	8,916,602

Excludes Non-Operating Revenues such as Grants, Investment Earnings, PG&E Funds

Excludes Non-Operating Expenditures such as Projects and Grants

Sales Tax came in over \$11M ahead of Budget

A hold on vacant positions resulted in over \$5M expenditure savings of Salaries and Benefits

General Fund Revenue Detail

	Adopted Budget	Actual Results	Variance
Property taxes	30,646,100	32,097,520	(1,451,420)
Sales taxes	54,298,000	65,523,210	(11,225,210)
Utility users tax	9,857,200	11,467,875	(1,610,675)
Other taxes	37,644,300	41,488,932	(3,844,632)
License and permits	1,680,910	3,200,754	(1,519,844)
Charges for services	24,916,240	23,755,376	1,160,864
Intergovernmental	1,870,000	1,635,566	234,434
Fines and forfeitures	1,336,800	1,048,970	287,830
Total Operating Revenues	162,249,550	180,218,202	(17,968,652)

GF Revenue Comparison

Major Revenue Sources

FY 2019-20

	Adopted	Actual	Variance
Property Taxes	29,062,400	30,473,325	(1,410,925)
Sales Taxes	61,824,000	58,435,657	3,388,343
Use Taxes	10,481,130	10,669,391	(188,261)
VLF Swap	14,560,900	14,578,349	(17,449)
Franchise Fees	10,062,100	10,870,638	(808,538)
Cannabis Industry Tax	1,300,000	1,837,911	(537,911)
Business Tax	4,585,440	4,546,166	39,274
Real Property Transfer Tax	3,876,000	3,431,689	444,311
Occupancy Tax	5,496,080	4,836,145	659,935
			-
Licenses & Permits	2,912,500	3,274,334	(361,834)
			-
Miscellaneous Fees	26,707,770	24,460,483	2,247,287
			-
Recreation Fees	3,568,500	2,216,537	1,351,963

FY 2020-21

	Adopted	Actual	Variance
Property Taxes	30,646,100	32,097,520	(1,451,420)
Sales Taxes	54,298,000	65,523,210	(11,225,210)
Use Taxes	9,857,200	11,467,875	(1,610,675)
VLF Swap	15,307,000	15,362,911	(55,911)
Franchise Fees	10,594,100	10,951,480	(357,380)
Cannabis Industry Tax	1,800,000	2,102,152	(302,152)
Business Tax	3,290,000	4,186,511	(896,511)
Real Property Transfer Tax	2,713,200	5,082,826	(2,369,626)
Occupancy Tax	3,850,000	3,675,706	174,294
			-
Licenses & Permits	1,680,910	3,200,754	(1,519,844)
			-
Miscellaneous Fees	22,560,370	22,401,178	159,192
			-
Recreation Fees	2,451,540	1,354,197	1,097,343

General Fund Revenue Five-Year Lookback

Revenue Type	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021
Property Taxes	26,002,786	27,192,090	30,199,833	30,473,325	32,097,520
Sales Taxes	45,892,182	47,798,993	54,881,478	58,435,657	65,523,210
Utility User Taxes	10,628,206	10,688,677	10,257,162	10,669,391	11,467,875
VLF Swap	13,026,335	13,621,449	14,516,269	14,578,349	15,362,911
Franchise Fees	8,590,209	8,835,493	10,420,528	10,870,638	10,951,480
Motor Vehicle License Fees	78,696	93,064	85,675	138,999	127,345
Cannabis Industry Tax	-	462,849	949,663	1,837,911	2,102,152
Business Tax	4,197,680	4,557,289	5,267,710	4,546,166	4,186,511
Real Property Transfer Tax	3,787,724	3,849,649	3,450,614	3,431,689	5,082,826
Occupancy Tax	6,095,325	6,506,175	5,527,481	4,836,145	3,675,706
Licenses and Permits	1,562,458	3,439,182	4,775,177	3,274,334	3,200,754
Miscellaneous Fees and Charges	22,741,267	32,850,905	28,782,365	24,460,483	22,401,178
Recreation Fees	3,760,459	3,331,430	3,379,645	2,216,537	1,354,197
InterGovernmental (Recurring)	876,875	2,754,384	1,976,511	5,456,832	1,635,566
Fines and Forfeitures	1,666,707	1,707,565	1,843,599	1,704,249	1,048,970
Total Recurring Revenue	148,906,908	167,689,194	176,313,709	176,930,706	180,218,202

General Fund Expenditure Detail

	Adopted Budget	Actual Results	Variance
General Government	22,078,928	19,782,006	2,296,922
Planning & Economic Development	15,005,062	14,642,338	362,724
Housing & Community Services	193,535	124,311	69,224
Recreation	9,669,070	8,225,721	1,443,349
Fire	43,626,123	46,319,178	(2,693,055)
Police	60,940,443	61,504,479	(564,036)
Public Works	27,697,943	26,033,535	1,664,408
Water	604,210	613,793	(9,583)
Non Departmental	(4,827,872)	(7,912,126)	3,084,254
Total Operating Expenditures	174,987,442	169,333,235	5,654,207

Status of General Fund Reserves

	Amount
FYE 2020-21 Unaudited Reserves for Contingencies	122.8M
Policy-Mandated Reserve Requirement – 15%	(\$26.9M)
PG&E Funds: Roseland Library- \$10M, Coffey Park- \$20M, RED- \$10M, Uncommitted- \$7M	(\$47M)
Committed PG&E Funds for General Fund Reserves	(\$40M)
Over/(Under) Council Policy	\$8.9M

Future Cost Impacts

- Ongoing Cost of Labor Agreements
 - \$9.2M in the General Fund
- Pension Costs Relative to Unfunded Liability
 - Additional \$110M of UAL cost over next 14 years
- Capital Replacement Costs
 - Fire Apparatus
 - Body-Worn Cameras

General Fund Budget

FY 2021-22

	Adopted Budget	Mid-Year Changes	Revised Budget
Revenues	\$ 175,626,850	\$ 7,500,000	\$ 183,126,850
Transfers In	\$ 2,295,010	\$ -	\$ 2,295,010
Expenditures	\$ 179,927,586	\$ 6,051,910	\$ 185,979,496
Transfers Out	\$ 6,132,668	\$ -	\$ 6,132,668
Net Surplus (Deficit)	\$ (8,138,394)		\$ (6,690,304)
Revenue increases: ST: \$4M; UUT: \$1M; RPTT: \$1.5M; Licenses/Permits: \$1M			
Revenue increases bring revenues in line with YE actuals, Sales Tax a bit more			
Added Y1 MOU costs for GF units			
Added salary savings credit of \$1.5M			