

# Financial Status Report

## First Quarter 2022



The Financial Status Report provides a summary budget-to-actual comparison of revenues and expenditures for the City's general operating funds (General Fund and Street Fund). Information for the same quarter from prior years is also shown.

The last page shows Citywide FTE vacancy information and a summary of the American Rescue Plan Act (ARPA) Fund.

	2022 Budget	2022 Year-to-date
Revenues	\$ 51,811,616	\$ 6,626,881
Expenditures	51,680,114	8,234,242
Capital Transfers	3,350,000	837,500
Net Revenues Less Expenditures	\$ (3,218,498)	\$ (2,444,861)
Beginning Fund Balance	\$ 32,458,406	\$ 45,834,977
Ending Fund Balance (EFB)	\$ 29,239,908	\$ 43,390,116
Strategic Operating Reserves*	\$ 5,181,162	\$ 5,181,162

*General Fund includes the Street Fund*

### Overall highlights

After the first quarter, the City is on target with the operating budget.

Property taxes, which provide approximately 67% of total operating revenues are received primarily in the second and fourth quarters (April and October respectively).

The City has not received any invoices on the police contract yet and the first invoice is typically received in the second quarter. These expenditures are expected to be on budget for the year.

Additionally, many expenditures are seasonal and therefore it is typical that expenditures are less than 25% of the annual budget one quarter of the way through the year.

There are also position vacancies resulting in the personnel budget being underspent through the first quarter of 2022. However, the City has had a vacancy rate between 13% and 17% over the last few years, so it is likely this budget will remain underspent.

\*Current City Council policy sets the strategic operating reserve at 10% of the City's annual General Fund revenue budget.

The actual Year-to-Date Beginning Fund Balance for 2022 has been updated to reflect the anticipated 2021 year end estimates (unaudited). The actual 2022 ending fund balance should be considered a moving estimate as this would be updated as we progress through the 2022 fiscal year. The budget reflects a \$3.2 million use of fund balance as a result of transferring out \$3.35 million to a general facility capital fund.

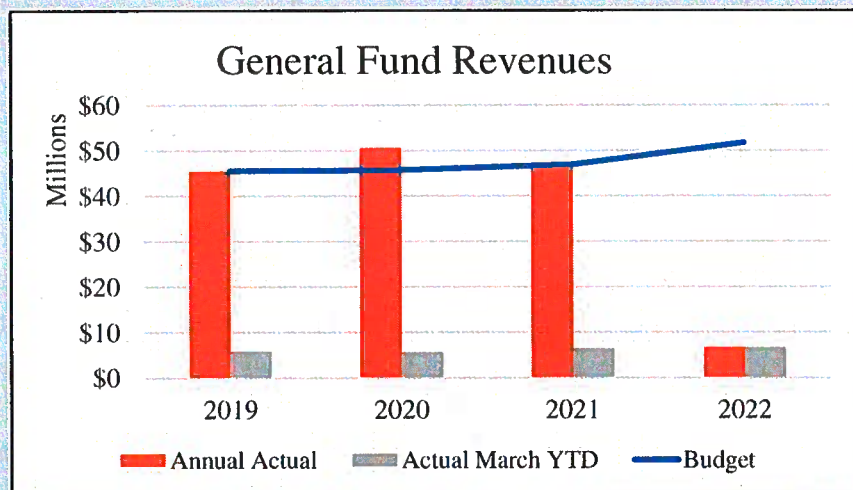
# Revenues

	Historical 1st Quarter Actual Revenues				Budget
	2019	2020	2021	2022	2022
Property Tax	\$ 1,427,306	\$ 1,524,639	\$ 2,199,114	\$ 1,963,646	\$ 33,322,125
Sales Tax	2,105,086	2,017,128	2,322,199	2,471,880	8,354,000
Other Tax	970	970	970	2,663	1,500
<i>Other Revenues</i>					
Licenses and Permits	473,805	325,931	480,059	513,973	1,620,000
Intergovernmental	603,906	616,402	594,273	662,027	4,391,350
Charges for Service	529,693	652,809	509,919	671,548	2,949,201
Fines & Forfeits	140,300	41,800	287	-	398,000
Miscellaneous	585,917	537,210	329,963	341,144	775,440
Transfers In	-	-	25,000	-	-
<b>Total Revenues</b>	<b>\$ 5,866,983</b>	<b>\$ 5,716,889</b>	<b>\$ 6,461,784</b>	<b>\$ 6,626,881</b>	<b>\$ 51,811,616</b>

*General Fund includes the Street Fund*

## Highlights for Operating Revenues

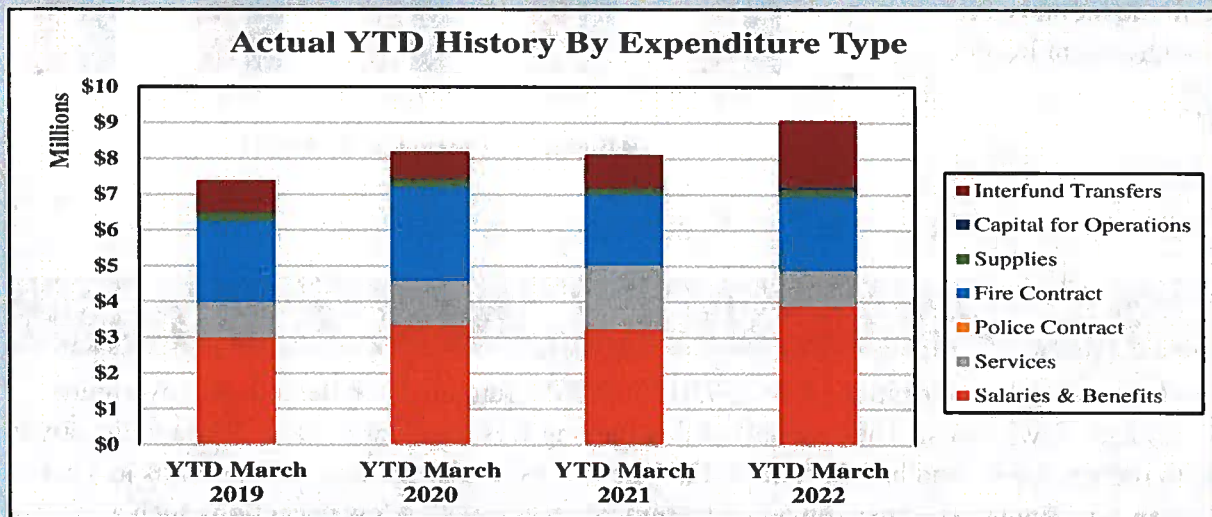
- **Property tax revenues** are primarily received in the April/May and October/November timeframes. YTD the City has received 6% of the annual budgeted revenues and this is comparable to prior years at this time
- **Sales tax revenues** are 6% higher than 2021 through the first quarter. The pandemic led to a shift in the spending by the City's residents where they shopped more online than in neighboring cities. The majority of these year over year increases came from online sites for general merchandise retailers.
- **Licenses & Permits and Charges for Services** categories had some re-classifications in 2022, so comparisons to the budget and prior years, should be done as one group. For YTD 2022 these categories of revenue are 26% of the annual budget and 20% higher than 2021 levels through March. The City has experienced higher levels of permit revenues due to residents additional permit requests as well as higher fees introduced in 2022.
- **Intergovernmental** includes a \$1.53 million US DOT grant for the 228th Ave. overlay project in the budget. The grant revenues will be received as the project progresses.



# Expenditures

Historical 1st Quarter Actual Expenditures by Type					Budget
	2019	2020	2021	2022	2022
Salaries & Benefits	\$ 2,997,985	\$ 3,349,390	\$ 3,243,824	\$ 3,887,831	\$ 17,331,150
Supplies	231,444	197,991	162,226	213,519	1,338,520
Police Contract	-	-	-	-	8,569,200
Fire Contract	2,260,399	2,637,691	1,977,088	2,069,411	8,132,914
Services	993,047	1,229,157	1,783,852	980,924	12,495,970
Transfers Out	891,766	754,491	939,945	1,851,057	7,081,360
Capital for Operations	14,373	27,179	10,783	69,001	81,000
<b>Total Expenditures</b>	<b>\$ 7,389,014</b>	<b>\$ 8,195,899</b>	<b>\$ 8,117,718</b>	<b>\$ 9,071,742</b>	<b>\$ 55,030,114</b>

*General Fund includes the Street Fund*

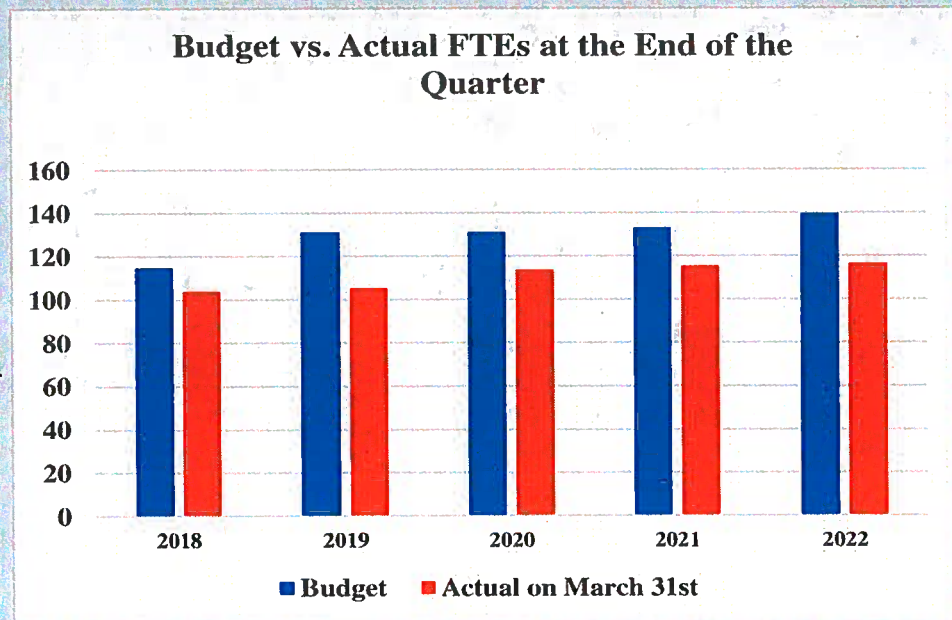


## Highlights for Operating Expenditures:

- **Salaries & benefits** are less than one quarter of the annual budget due to experiencing a vacancy rate of 16.5%, yet they are higher than last year due to step and COLA increases.
- **Police Contract** expenditures have not yet been invoiced, as invoices on the police contract are typically not received until the second quarter of the year.
- **Fire Contract** expenditures are at 25% of the budget YTD, as expected.
- **Services expenditures** are only at 8% of the annual budget, which is similar to past years at this time. Many of these expenditures are from outside consultants whose services are not used uniformly throughout the year. At this time no significant projects in the budget have changed, so the full budget is still expected to be spent.
- **Interfund Transfers** primarily are to the internal service funds paying for items like information technology services, fleet maintenance and replacement to the equipment rental fund, citywide insurance through the risk management fund and transfers to capital funds as budgeted. These transfers have increased over time as the cost of providing these services has increased. Year to date expenditures are in line with the budget.

## Personnel Vacancy Information

The 2022 budget includes 139.5 Full Time Equivalents (FTEs) and on March 31st, 2022 there were 116.5 FTEs employed at the City, representing a vacancy rate of 16.5. This vacancy rate is comparable to the last few years where it has been between 13% and 20%. At the end of March. Additional headcount data is available in the monthly Financial Management Report (FMR)



## American Rescue Plan Act (ARPA)

The City has received an allocation of \$4,759,912 in ARPA funding from the federal government over the course of two years. The first half of this funding was received in June 2021 and the city is eligible to request the second half in June 2022. The City is receiving these federal funds in a category that allows the funds to be spent on any government service with a few exceptions such as debt service and pension funding. The funds must be obligated by December 31, 2024 and spent by December 31, 2026. Any unspent funds must be returned to the federal government.

To date the funds have been authorized for spending on personnel and professional services to ensure city facilities are safe for employees and the public and for computer equipment to enable employees to work remotely.

### ARPA Fund-Fund Balances, Budget vs. Actual Revenues & Expenditures

	2021 Actual	2022 Budget	2022 Year-to-date
Revenues-Federal Funding	\$ 2,379,956	\$ 2,379,956	\$ -
Expenditures			
Personnel	138,839	136,900	34,102
Services & Charges	-	2,243,056	-
Gain/(Loss)	\$ 2,241,117	\$ -	\$ (34,102)
Beginning Fund Balance	\$ -	\$ -	\$ 2,241,117
Ending Fund Balance	\$ 2,241,117	\$ -	\$ 2,207,015