

Third Quarter FY 2022 Financial Report

Category	Current Year (in thousands)				Prior Yr. (in thousands)		
	FY22 Adp.	FY22 Amd.	Actual 3/31/22	% Amd.	Actual 6/30/21	Actual 3/31/21	% Act.
Revenue							
Property Taxes	44,890	44,890	43,857	98%	44,327	41,858	94%
From Other Gov't.	23,326	29,276	16,664	57%	24,560	15,662	64%
Fines /Forfeitures	1,353	1,353	403	30%	948	731	77%
Use of Money/Property	1,459	1,459	335	23%	1,553	875	56%
Charges for Services	6,871	6,857	4,484	65%	2,996	1,983	66%
Licenses/Permits	3,452	3,452	2,764	80%	2,833	1,797	63%
Other Revenue	5,129	5,150	3,958	77%	4,380	3,779	86%
Total Revenue (\$)	86,480	92,437	72,465	78%	81,597	66,684	82%
Expenditures							
Personnel	53,592	53,855	37,918	70%	49,248	36,198	74%
Operating	15,466	17,290	9,226	53%	12,515	8,390	67%
Capital Outlay	1,578	2,596	905	35%	1,797	536	30%
Other	2,580	2,580	2,068	80%	2,372	1,963	83%
CIP Transfer	7,000	9,300	6,975	75%	7,507	5,083	68%
Transfers Out	6,195	9,745	7,323	75%	6,962	4,696	67%
Total Expenditures (\$)	86,410	95,366	64,416	68%	80,401	56,867	71%

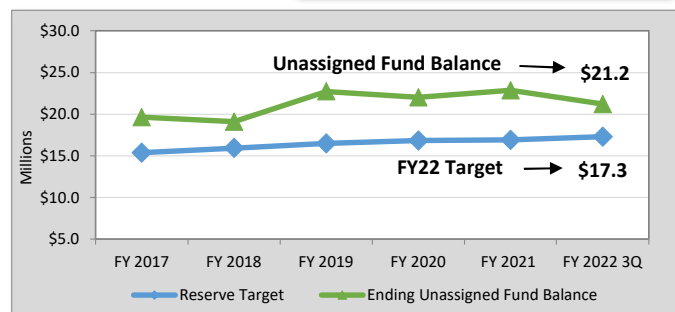
General Fund Summary

General Fund revenues are tracking in line with the amended budget. Personnel and operating expenditures are tracking below normal due to an atypically high level of vacant positions and resulting unspent personnel funding, as well as operating delays.

The amended budget includes a total of \$5.6 million in American Rescue Plan Act (ARPA) funds as directed by the Mayor and Council for the forgiveness of delinquent city utility bills and several CIP projects. The May budget amendment, which will be reflected in 4Q, appropriated an additional \$1.6 million in ARPA funds. An early FY23 amendment will appropriate \$0.5 million if adopted, leaving just over \$2 million in ARPA funds remaining for allocation.

General Fund Unassigned Fund Balance

The 3Q FY22 estimated ending unassigned fund balance equals \$21.2 million, or \$3.9 million above the FY22 reserve target. The May budget amendment added \$0.4 million to this total. Per the city's Financial Management Policies, the Mayor and Council may appropriate reserves available in excess of the target to fund one-time needs. During the FY23 budget worksessions the Mayor and Council discussed utilizing reserves to fund a retiree COLA (\$573,620), replacement of the wooden fire escape at Glenview Mansion (\$90,000), and a human services needs assessment (\$83,000) in early FY23.



General Fund Contingency Status

Per the city's Financial Management Policies, contingency funds are available for unanticipated, unbudgeted expenditures of a non-recurring nature and/or unexpected cost increases.

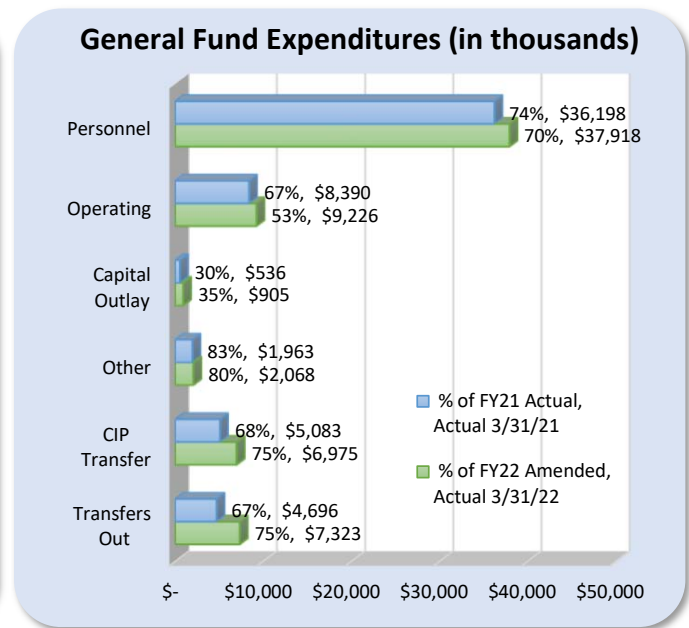
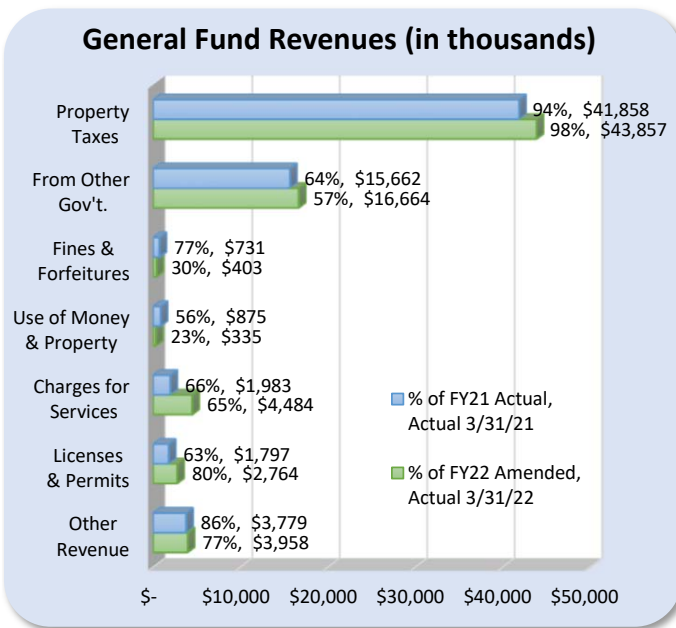
General Fund Contingency Usage through 3Q	Amount
Adopted FY22 General Fund Contingency	310,000
State of the City event costs	(7,000)
Fuel system replacement	(16,000)
Graphics Specialist temporary worker	(26,000)
Contract to produce Recreation Guides	(32,400)
External audit	(10,330)
Paver	(141,155)
Development fiscal impact analysis	(32,000)
AED equipment	(31,700)
FY22 Contingency Remaining (\$)	13,415

Unspent Personnel Funds

Unspent funds related to vacant General Fund positions are tracked and reported quarterly, along with any uses of these funds. Historically, in addition to vacancy-related costs, these funds have been used for weather-related needs such as snow removal.

Unspent Personnel Funds	3Q Only	YTD FY22
Gross unspent funds from vacancies	962,612	2,649,359
Vacancy-related (costs)/savings	(468,455)	(1,483,389)
Net Unspent Funds	494,157	1,165,970
<i>Uses of Net Unspent Funds</i>		
Premium pay*	(401,852)	(401,852)
Snow & Ice Needs	(55,100)	(55,100)
Net Unspent Funds Remaining (\$)*	37,205	709,018

*Premium pay across all funds totaled \$513,981, inclusive of related benefits. The non-General Fund portion was paid through contingency from the fund to which it was assigned.



General Fund Revenues by Category

Property Taxes totaled \$43.9 million for 3Q, or 98% of the target. The majority of property tax revenue is received in 2Q.

Revenue **From Other Governments** totaled \$16.7 million for 3Q, compared to \$15.7 million in FY21. Income tax through 2Q FY22 totaled \$10.2 million, compared to \$10.3 million in FY21.

Admissions and amusement revenue continues to increase; FY22 receipts totaled just under \$500,000 through 3Q compared to less than \$150,000 through 3Q FY21. This revenue source was increased on the May budget amendment, which will be reflected in 4Q. This category was adjusted on the October and January budget amendments to account for the appropriation of \$5.6 million in ARPA funding.

Revenue from **Fines & Forfeitures** totaled \$0.4 million for 3Q, compared to \$0.7 million in FY21. The May budget amendment included a reduction in redlight camera revenue, which makes up the majority of this category. Redlight camera revenue has declined due to equipment malfunctions and construction. Police Department staff are working on riding an updated contract that will include replacement of the current outdated equipment.

Use of Money & Property revenue totaled \$0.3 million for 3Q, down from \$0.9 million in FY21 due to investment losses.

Charges for Services revenue totaled \$4.5 million through 3Q, compared with \$2 million in FY21. This category includes recreation and public works fees which have improved since last year when activity was minimal due to the pandemic. Public works fee revenue was increased on the May budget amendment, which will be reflected in 4Q.

Licenses & Permits revenue totaled \$2.8 million, compared to \$1.8 million in FY21. Building permit and rental license revenues are both higher to date in FY22.

Other Revenue totaled \$4 million in 3Q, compared to \$3.8 million in FY21 primarily due to an increase in hotel tax revenue as travel has resumed.

General Fund Expenditures by Category

Personnel spending totaled \$37.9 million through 3Q, or 70% of the amended personnel budget. 3Q personnel totals include one-time premium pay for workers required to report in-person totaling just over \$400,000, which was funded with unspent personnel funds resulting from vacant positions.

Operating expenditures totaled \$9.2 million through 3Q, or 53% of the amended operating budget, which is lower than normal due to timing issues related to vacancies and contractor availability. This category includes contractual services, utilities, and supplies. The payment for the ARPA-funded forgiveness of delinquent city water and sewer bills is included in this category totaling just under \$1 million.

Capital Outlay expenditures totaled \$0.9 million through 3Q. This funding covers one-time equipment purchases including vehicle replacements, and varies from year to year based on needs and replacement schedules.

Other expenditures totaled \$2.1 million for 3Q. This category includes funding for outside and caregiver agencies.

The **CIP Transfer** totaled \$7 million through 3Q. This category is expended quarterly based on the amended budget. This transfer was increased on the October budget amendment to add \$1.2 million to the Maintenance and Emergency Operations Facility Improvements (GA19) CIP project, and on the January budget amendment to add \$1.1 million in ARPA funds to CIP projects at the King Farm Farmstead.

The **Transfers Out** category totaled \$7.3 million through 3Q. This category is expended quarterly based on the amended budget, and includes transfers to the Parking, Debt Service, Refuse (for RHE refuse bills), and Special Activities funds. The amended budget includes transfers of ARPA funds to the Water and Refuse funds.

WATER FUND

	Current Year (in thousands)				Prior Year (in thousands)		
	FY22	FY22	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/22	Amd.	6/30/21	3/31/21	Act.
Total Revenue (\$)	14,120	14,120	10,277	73%	13,284	11,055	83%
<i>Expenses</i>							
Personnel	3,988	3,988	2,870	72%	3,799	2,787	73%
Operating	2,378	2,434	1,380	57%	2,106	1,459	69%
Capital Outlay ¹	408	421	93	22%	196	170	87%
Admin/Other/Interest	5,945	5,945	1,433	24%	5,698	1,276	22%
Total Expenses (\$)	12,719	12,788	5,775	45%	11,798	5,692	48%

Usage decreased compared to FY21, resulting in a decrease in revenue.

The Mayor and Council adopted a new water rate structure based on property classification that went into effect on January 1, 2022. The new rate structure more equitably generates revenues based on the cost of providing water service to the actual users of the service.

SEWER FUND

	Current Year (in thousands)				Prior Year (in thousands)		
	FY22	FY22	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/22	Amd.	6/30/21	3/31/21	Act.
Total Revenue (\$)	15,887	15,925	8,851	56%	16,505	12,350	75%
<i>Expenses</i>							
Personnel	2,045	2,045	1,415	69%	1,960	1,420	72%
Operating	3,995	4,077	2,659	65%	3,470	2,386	69%
Capital Outlay ¹	17	326	300	92%	5	5	100%
Admin/Other/Interest	7,512	7,512	1,234	16%	7,212	1,166	16%
Total Expenses (\$)	13,570	13,961	5,608	40%	12,648	4,977	39%

Usage decreased compared to FY21, resulting in a decrease in revenue.

A large portion of Sewer Fund spending occurs in the CIP and goes toward the city's contribution to the Blue Plains Wastewater Treatment Facility.

The Mayor and Council adopted a new sewer rate structure based on property classification that went into effect on January 1, 2022. The new rate structure more equitably generates revenues based on the cost of providing sewer service to the actual users of the service.

REFUSE FUND

	Current Year (in thousands)				Prior Year (in thousands)		
	FY22	FY22	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/22	Amd.	6/30/21	3/31/21	Act.
Total Revenue (\$)	6,503	6,503	6,847	105%	6,320	6,174	98%
<i>Expenses</i>							
Personnel	3,278	3,278	2,176	66%	2,805	2,069	74%
Operating	2,221	2,228	1,514	68%	2,145	1,464	68%
Capital Outlay ¹	815	972	305	31%	590	81	14%
Admin/Other/Interest	1,686	1,686	860	51%	1,607	850	53%
Total Expenses (\$)	8,000	8,164	4,855	59%	7,148	4,464	62%

The city's refuse fee is collected through property tax bills, with the majority of the revenue being received in 2Q. 3Q revenue includes a portion of the ARPA funding transferred to the Refuse Fund in the January budget amendment to support the Gude Yard Recycle Transfer Enclosure (GC19) CIP project.

The city implemented a recruitment and retention program in late 2Q in response to difficulty filling and retaining refuse worker positions.

¹Capital outlay purchases with useful lives of more than five years are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The City's financial statements reflect this adjustment, whereas this report shows the actual expense. As a result, the prior year actuals shown on this report in enterprise funds with qualifying capital purchases will differ from the financial statements in the amount of the cost of any capitalized assets.

SWM FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY22	FY22	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/22	Amd.	6/30/21	3/31/21	Act.
Total Revenue (\$)	6,058	6,058	5,924	98%	5,471	5,178	95%
<i>Expenses</i>							
Personnel	2,750	2,750	1,941	71%	2,545	1,853	73%
Operating	848	1,094	640	58%	804	563	70%
Capital Outlay ¹	107	116	10	8%	80	80	100%
Admin/Other/Interest	1,956	1,956	598	31%	1,752	608	35%
Total Expenses (\$)	5,662	5,917	3,188	54%	5,181	3,103	60%

The city's stormwater management (SWM) fee is collected through property tax bills, with the majority of the revenue being received in 2Q.

A large portion of SWM Fund spending occurs in the multi-year CIP.

PARKING FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY22	FY22	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/22	Amd.	6/30/21	3/31/21	Act.
Total Revenue (\$)	2,883	2,883	2,051	71%	2,926	1,730	59%
<i>Expenses</i>							
Personnel	309	309	206	67%	279	215	77%
Operating	275	275	51	18%	49	32	65%
Capital Outlay ¹	0	0	0	0%	0	0	0%
Admin/Other/Int.	1,021	1,021	384	38%	1,102	474	43%
Total Expenses (\$)	1,604	1,604	641	40%	1,430	721	50%

General Fund transfers to the Parking Fund totaling \$1,125,000 have been recognized through 3Q, compared to \$937,500 in FY21.

Parking meter and fine revenues have increased by 56% compared to FY21 as shopping, dining, and travel habits have adjusted in the direction of pre-pandemic activity.

The operating budget includes funding to replace approximately 300 parking meters with smart meter technology. The installation of these meters will take place in Summer 2022.

Capital Improvements Program (CIP) Transfers, All Funds

The city's Financial Management Policies allow the City Manager to approve transfers of unspent project appropriations between capital projects within the same fund. These transfers will always net to zero, as any change in total appropriation by fund must be approved by the Mayor and Council through an appropriations ordinance. Any transfers between projects during the reporting period are shown below.

3Q CIP Transfers	Amount (\$)	Fund	Reason for Transfer
Skate Park (RJ16)	(18,500)	Capital Projects	Savings available due to final project total being under budget.
Playgrounds (RC21)	18,500		Additional funds needed to support cost increase for materials.
Bridge Rehabilitation (TB21)	(185,000)	Capital Projects	Funds available due to work reprioritization and minor repairs.
Promenade Park Elevator and Park Redesign (RD21)	185,000		Elevator construction estimates increased based on design, which included a detailed evaluation of current elevator conditions and pricing reflecting the current market.
Bridge Rehabilitation (TB21)	(100,000)	Capital Projects	Funds available due to work reprioritization and minor repairs.
Hurley Avenue Bridge Rehabilitation (TE16)	100,000		Funds needed for emergency repair.

¹Capital outlay purchases with useful lives of more than five years are capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP). The City's financial statements reflect this adjustment, whereas this report shows the actual expense. As a result, the prior year actuals shown on this report in enterprise funds with qualifying capital purchases will differ from the financial statements in the amount of the cost of any capitalized assets.