

First Quarter FY 2024 Financial Report

Category	Current Year (in thousands)				Prior Yr. (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/23	Amd.	6/30/23	9/30/22	Act.
Revenue							
Property Taxes	46,950	46,950	4,580	10%	46,054	4,532	10%
From Other Gov't.	33,311	33,377	8,552	26%	32,121	8,108	25%
Fines/Forfeitures	1,353	1,353	810	60%	576	141	24%
Use of Money/Property	1,187	1,241	337	27%	2,124	0	0%
Charges for Services	7,742	7,742	3,612	47%	8,258	3,207	39%
Licenses/Permits	4,140	4,140	724	17%	3,363	724	22%
Other Revenue	6,943	6,943	2,103	30%	8,662	1,257	15%
Total Revenue (\$)	101,626	101,744	20,718	20%	101,157	17,969	18%
Expenditures							
Personnel	60,066	60,066	16,718	28%	55,765	15,569	28%
Operating	19,709	19,927	3,983	20%	14,818	3,635	25%
Capital Outlay	3,699	3,930	479	12%	4,300	458	11%
Other	3,643	3,785	809	21%	4,814	1,160	24%
CIP Transfer	9,200	9,200	2,300	25%	14,207	1,750	12%
Transfers Out	5,309	5,559	1,390	25%	5,887	1,430	24%
Total Expenditures (\$)	101,626	102,467	25,679	25%	99,791	24,003	24%

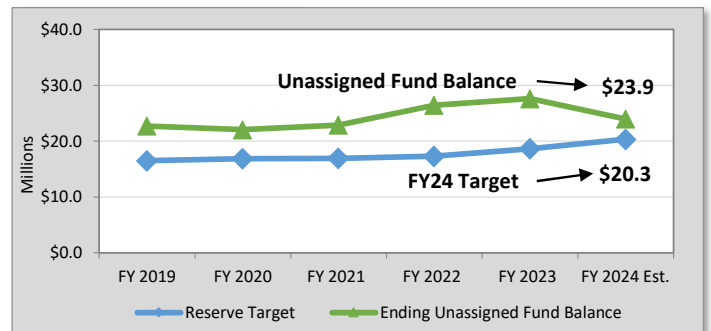
General Fund Summary

The FY24 amended budget in this report reflects adjustments included on the July budget amendment. October budget amendment adjustments will be shown on the 2Q report, but are factored into the discussion of unassigned fund balance below.

One of the most noticeable changes for 1Q FY24 is an increase in redlight camera citation revenue, which had declined due to aging and malfunctioning equipment. As discussed on page 2, this equipment has been replaced and is fully functioning. If revenues continue to exceed budgeted estimates this source may be adjusted on a budget amendment later this year.

General Fund Unassigned Fund Balance

The FY24 estimated ending unassigned fund balance equals \$23.9 million, which is \$3.6 million above the FY24 target. This amount factors in the funds adopted as part of the October budget amendment, including a transfer to the CIP to restore portions of projects unfunded during the FY24 budget process. The October amendment items are not included in the amended totals shown above, but will be shown in the 2Q report. The Mayor and Council may appropriate unassigned reserves in excess of the reserve target for one-time projects and capital needs.



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 1Q	Amount
Adopted FY24 General Fund Contingency	350,000
Police actuarial study	(2,500)
FY24 Contingency Remaining (\$)*	347,500

*In addition to the 1Q use shown, as of 11/16/2023 an additional \$167,600 has been set aside for hazmat cleanup, line striping contract award, branding project re-scope, MML collaborative paid parental leave RFP, outfield sports lighting system repair, and snow removal equipment.

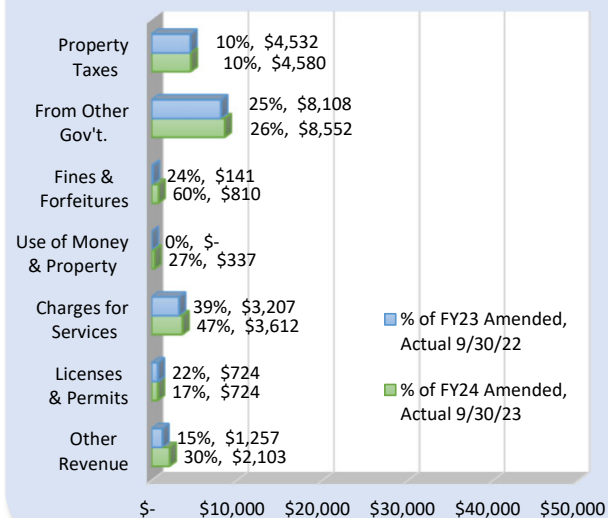
Unspent Personnel Funds

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

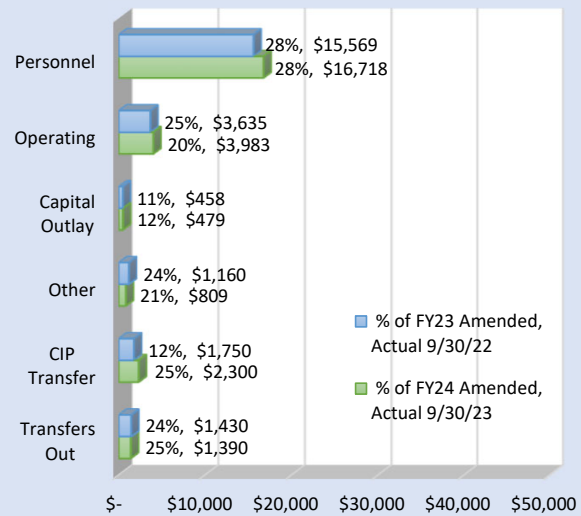
Unspent Personnel Funds	1Q Only	YTD FY24
Gross unspent funds from vacancies	639,137	639,137
Vacancy-related (costs)/savings	(511,797)	(511,797)
Net Unspent Funds	127,340	127,340
Uses of Net Unspent Funds		
No uses in 1Q.	-	-
Net Unspent Funds Remaining (\$)*	127,340	127,340

*As of 11/16/2023, \$34,900 has been set aside for executive recruitment.

General Fund Revenues (in thousands)



General Fund Expenditures (in thousands)



General Fund Revenues by Category

Property Taxes totaled \$4.6 million, or 10% of the adopted budget, in line with 1Q FY23. The majority of property tax revenue is received in 2Q.

Revenue **From Other Governments** totaled \$8.6 million, slightly ahead of 1Q FY23 due to the increase in County tax duplication revenue. This category includes income tax, which totaled \$1 million in 1Q, roughly equal to last year.

Revenue from **Fines & Forfeitures** totaled \$0.8 million, significantly ahead of 1Q FY23. The main revenue source in this category is redlight camera citations. After long supply-chain delays the city's redlight cameras were upgraded over the summer and are now fully operational, resulting in a rebound in citation revenue. If the current trend continues this revenue source may be adjusted on a budget amendment later this year.

Use of Money & Property revenue totaled \$0.3 million, ahead of 1Q FY23 due to better interest and investment earnings.

Charges for Services revenue totaled \$3.6 million, ahead of 1Q FY23 due to recreation revenues and fire safety and review fees outpacing last year's totals to date.

Licenses & Permits revenue totaled \$0.7 million, equal to 1Q FY23. The majority of revenue in this category comes from rental licenses and building permits.

Other Revenue totaled \$2.1 million, and includes a return of workers compensation collateral from the city's former insurance carrier of \$670,099 (\$863,307 all funds).

General Fund Expenditures by Category

Personnel spending totaled \$16.7 million, or 28% of the total personnel budget, in line with 1Q FY23. The city's pension contribution payments are made in full for the year in 1Q, so total personnel spending is typically highest in 1Q.

Operating expenditures totaled \$4 million, or 20% of the amended operating budget. This category includes services and commodities, including utilities. Based on actual FY23 electricity costs, staff anticipates savings in electricity in FY24, and may include savings on a later budget amendment if warranted.

Capital Outlay expenditures totaled \$0.5 million, similar to 1Q FY23. This funding covers one-time equipment purchases including vehicle replacements, and varies from year to year based on needs and replacement schedules. Due to long lead times for this type of equipment, the majority of spending in this category typically occurs later in the fiscal year.

Other expenditures totaled \$0.8 million, compared to \$1.2 million in 1Q FY23. This category includes the city's outside agency grants and contribution to REDI, as well as lease agreements.

The **CIP Transfer** totaled \$2.3 million for 1Q. The October budget amendment, which will be reflected on the 2Q report, includes a use of available reserves to fund portions of CIP projects that were unfunded during the FY24 budget process.

The **Transfers Out** category totaled \$1.4 million for 1Q. This category includes transfers to the Parking, Debt Service, Refuse (for RHE refuse bills), and Special Activities funds. These transfers are expended quarterly based on the amended budget.

WATER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/23	Amd.	6/30/23	9/30/22	Amd.
Total Revenue (\$)	14,301	14,301	1,449	10%	13,230	1,600	12%
<i>Expenses</i>							
Personnel	4,385	4,385	1,182	27%	4,151	1,120	27%
Operating ¹	3,293	3,293	740	22%	2,751	412	15%
Capital Outlay ¹	137	137	55	40%	466	37	8%
Admin/Other/Interest	6,175	6,175	281	5%	6,189	284	5%
Total Expenses (\$)	13,989	13,989	2,258	16%	13,556	1,853	14%

Usage patterns have changed in recent years due to the pandemic, making forecasting more challenging. Staff are currently working with a consultant to update the current rate model that will be used to set rates for FY25 and beyond.

In the operating category, costs have increased for a number of services and commodities, with the biggest year-over-year increases being in electricity and chemicals.

SEWER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/23	Amd.	6/30/23	9/30/22	Amd.
Total Revenue (\$)	16,133	16,133	1,428	9%	15,071	1,551	10%
<i>Expenses</i>							
Personnel	2,203	2,203	591	27%	2,039	586	29%
Operating ¹	4,793	4,793	1,190	25%	5,011	849	17%
Capital Outlay ¹	276	276	0	0%	594	9	2%
Admin/Other/Interest	7,397	7,397	175	2%	7,438	159	2%
Total Expenses (\$)	14,668	14,668	1,956	13%	15,081	1,603	11%

Usage patterns have changed in recent years due to the pandemic, making forecasting more challenging. Staff are currently working with a consultant to update the current rate model that will be used to set rates for FY25 and beyond.

Operating category costs have increased compared to 1Q FY23 due to the city's share of operating costs for sewage disposal.

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

REFUSE FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	9/30/23	Amd.	6/30/23	9/30/22	Amd.
Total Revenue (\$)	7,144	7,144	663	9%	7,072	586	8%
<i>Expenses</i>							
Personnel	3,667	3,667	902	25%	3,202	937	29%
Operating ¹	2,346	2,346	407	17%	2,051	334	16%
Capital Outlay ¹	516	516	0	0%	790	3	0%
Admin/Other/Interest	1,849	1,849	323	17%	1,625	304	19%
Total Expenses (\$)	8,379	8,379	1,632	19%	7,668	1,578	21%

The majority of refuse revenue is received during 2Q, as it is collected through property tax bills.

Total Refuse Fund expenses were similar to 1Q FY23. Overtime and temporary labor usage were both down compared to 1Q FY23 due to fewer vacancies.

¹Capital outlay purchases and operating leases with useful lives of more than five years are capitalized and depreciated or amortized 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 will differ from the financial statements in the amount of the cost of any capitalized assets or leases.

SWM FUND	Current Year (in thousands)				Prior Year (in thousands)			
	FY24	FY24	Actual	%	Actual	Actual	%	
	Adp.	Amd.	9/30/23	Amd.	6/30/23	9/30/22	Amd.	
Total Revenue (\$)	6,282	6,282	1,068	17%	7,274	1,450	20%	SWM revenue is lower compared to FY23 due to timing and higher than usual permit fees paid in 1Q FY23. The majority of the city's SWM fee revenue is received during 2Q, as it is collected through property tax bills.
<i>Expenses</i>								
Personnel	2,942	2,942	764	26%	2,697	772	29%	A large portion of SWM Fund spending occurs in the multi-year CIP.
Operating ¹	1,264	1,264	214	17%	1,146	187	16%	
Capital Outlay ¹	110	110	88	81%	15	9	59%	
Admin/Other/Interest	2,583	2,583	242	9%	2,112	200	9%	
Total Expenses (\$)	6,898	6,898	1,308	19%	5,970	1,167	20%	

PARKING FUND	Current Year (in thousands)				Prior Year (in thousands)			
	FY24	FY24	Actual	%	Actual	Actual	%	
	Adp.	Amd.	9/30/23	Amd.	6/30/23	9/30/22	Amd.	
Total Revenue (\$)	2,380	2,380	571	24%	2,817	764	27%	The General Fund transfer to the Parking Fund totaled \$250,000 for 1Q, compared to \$275,000 in FY23.
<i>Expenses</i>								
Personnel	304	304	82	27%	301	85	28%	Parking meter revenue increased by 36% over 1Q FY23; however, total revenue is lower than FY23 due to the timing of a grant payment from the County.
Operating ¹	149	149	25	17%	115	15	13%	
Capital Outlay ¹	0	0	0	0%	0	0	0%	
Admin/Other/Int.	1,635	1,635	25	2%	1,685	32	2%	
Total Expenses (\$)	2,089	2,089	132	6%	2,100	133	6%	

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.

1Q CIP Transfers	Amount (\$)	Fund	Reason for Transfer
There were no CIP transfers in 1Q FY24.	-		

¹Capital outlay purchases and operating leases with useful lives of more than five years are capitalized and depreciated or amortized 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 will differ from the financial statements in the amount of the cost of any capitalized assets or leases.