

Third Quarter FY 2024 Financial Report

Category	Current Year (in thousands)				Prior Yr. (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/24	Amd.	6/30/23	3/31/23	Act.
Revenue							
Property Taxes	46,950	46,950	45,908	98%	46,054	45,195	98%
From Other Gov't.	33,311	34,073	22,494	66%	32,121	21,611	67%
Fines/Forfeitures	1,353	3,348	2,725	81%	576	400	69%
Use of Money/Property	1,187	1,241	2,307	186%	2,124	1,151	54%
Charges for Services	7,742	7,823	6,556	84%	8,258	6,178	75%
Licenses/Permits	4,140	4,140	2,334	56%	3,363	2,274	68%
Other Revenue	6,943	6,943	6,228	90%	8,662	4,650	54%
Total Revenue (\$)	101,626	104,517	88,551	85%	101,157	81,459	81%
Expenditures							
Personnel	60,066	61,083	45,300	74%	55,765	40,598	73%
Operating	19,709	22,031	11,480	52%	14,818	11,011	74%
Capital Outlay	3,699	5,866	1,412	24%	4,300	1,550	36%
Other	3,643	3,809	2,638	69%	4,814	2,330	48%
CIP Transfer	9,200	12,790	9,142	71%	14,207	6,830	48%
Transfers Out	5,309	5,680	4,290	76%	5,887	4,290	73%
Total Expenditures (\$)	101,626	111,259	74,263	67%	99,791	66,609	67%

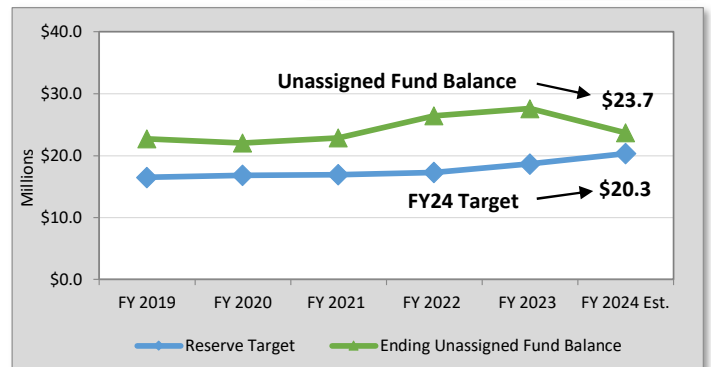
General Fund Summary

The FY24 amended budget in this report reflects adjustments included on the July, October, and March budget amendments. Any adjustments approved via the May budget amendment will be reflected in the 4Q FY24 report.

Several General Fund revenue adjustments have been reflected on earlier budget amendments and are mentioned on page 2. Income tax revenue remains slightly behind FY23 levels and may fall short of the budgeted \$20.2 million; however, the city's interest and investment earnings have far exceeded the \$250,000 budgeted and are expected to offset the potential shortfall in income tax.

General Fund Unassigned Fund Balance

The FY24 estimated ending unassigned fund balance as of 3Q equals \$23.7 million, which is \$3.4 million above the FY24 target. The FY25 budget ordinance commits \$1.2 million in reserves for a 1% retiree COLA, outdoor fitness pool replastering, a comprehensive permit and fee study, and the development of a maintenance complex master plan. If adopted, these uses would result in an estimated ending unassigned fund balance of \$22.5 million, or \$2.2 million above the FY24 target.



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.

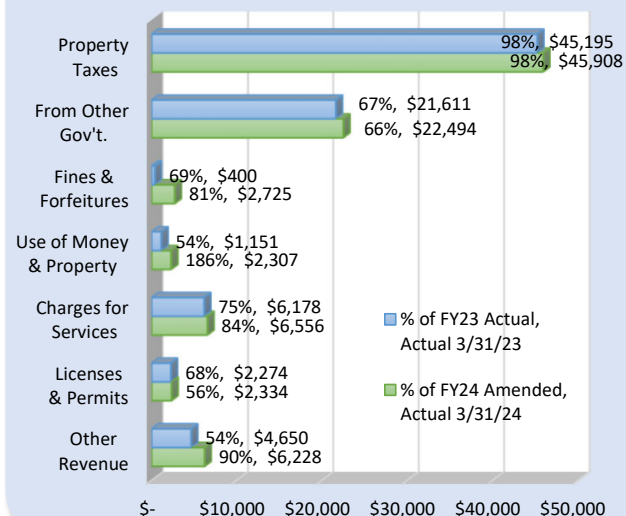
General Fund Contingency Usage through 3Q	Amount
Adopted FY24 General Fund Contingency	350,000
Police actuarial study	(2,500)
Hazmat cleanup	(9,000)
Line striping contract award	(13,700)
Branding project re-scope	(58,400)
MML collaborative paid parental leave RFP	(10,000)
Outfield sports lighting system repair	(25,000)
Snow removal equipment	(51,500)
Change in branding project scope	(17,000)
Dawson Farm Pavilion design	(20,000)
JEDI training	(13,000)
Economic development incentive	(10,000)
FY24 Contingency Remaining (\$)	119,900

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	3Q Only	YTD FY24
Gross unspent funds from vacancies	545,400	1,795,701
Vacancy-related (costs)/savings	(458,528)	(1,404,119)
Net Unspent Funds	86,872	391,582
<i>Uses of Net Unspent Funds</i>		
Executive recruitment	-	(34,900)
Net Unspent Funds Remaining (\$)	86,872	356,682

General Fund Revenues (in thousands)



General Fund Revenues by Category

Property Taxes totaled \$45.9 million, or 98% of budget, in line with 3Q FY23. The majority of property tax revenue is received in 2Q.

Revenue **From Other Governments** totaled \$22.5 million, or 66% of budget. This category includes County tax duplication as well as income tax, which totaled \$11.8 million in 3Q, slightly behind the 3Q FY23 total of \$12 million.

Revenue from **Fines & Forfeitures** totaled \$2.7 million, or 81% of budget. The main revenue source in this category is redlight camera citations, which was increased on the March budget amendment.

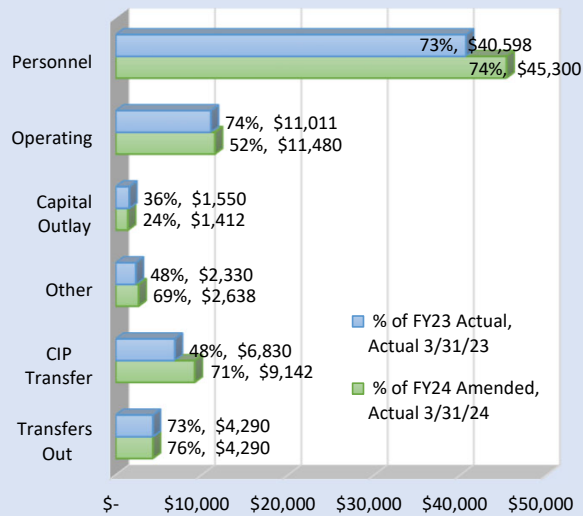
Use of Money & Property revenue totaled \$2.3 million, exceeding the total revenue target for the year due to better interest and investment earnings than budgeted.

Charges for Services revenue totaled \$6.6 million, or 84% of budget. Recreation revenue continues to drive the increase in this category. Several recreation program adjustments were included on the March budget amendment to recognize greater than expected program participation.

Licenses & Permits revenue totaled \$2.3 million, or 56% of budget. The majority of revenue in this category comes from rental licenses and building permits. Rental license revenue is received mostly in the second half of the fiscal year.

Other Revenue totaled \$6.2 million, or 90% of budget. Revenue reflected in this category includes a total of \$1.6 million (\$2.1 million all funds) in workers compensation collateral returned from the city's former insurance carrier.

General Fund Expenditures (in thousands)



General Fund Expenditures by Category

Personnel spending totaled \$45.3 million, or 74% of the total personnel budget. Other than budgeted increases in regular wages and health insurance costs, both overtime and temporary employee spending show the largest increases compared to FY23. Temporary employee spending, up 8%, is tied to strong recreation program participation and resulting increased revenues. Overtime spending, up 44%, is tied primarily to the Police Department, and has increased significantly in FY24 due to vacancies as well as the County's reduction in police support services within the city.

Operating expenditures totaled \$11.5 million, or 52% of budget. This category includes services and commodities, including utilities. Current spending appears under budget due to payment timing.

Capital Outlay expenditures totaled \$1.4 million, or 24% of budget. This funding covers one-time major repairs and equipment purchases including vehicle replacements, and varies from year to year based on needs and repair/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 \$2.6 million, or 69% of budget. This category includes grants to outside agencies and funding for REDI, as well as lease agreements.

The **CIP Transfer** totaled \$9.1 million for 3Q. Through the October and March budget amendments the Mayor and Council authorized the use of available reserves to fund portions of CIP projects that were unfunded during the FY24 budget process, as well as additional funds for the Maintenance and Emergency Operations Facility Improvements (GD19) CIP project.

The **Transfers Out** category totaled \$4.3 million for 3Q. This category includes quarterly transfers to the Parking, Debt Service, Refuse (for RHE refuse bills), and Special Act. funds.

WATER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/24	Amd.	6/30/23	3/31/23	Amd.
Total Revenue (\$)	14,301	14,301	8,441	59%	13,230	7,905	60%
<i>Expenses</i>							
Personnel	4,385	4,385	3,438	78%	4,151	3,067	74%
Operating ¹	3,293	3,769	2,396	64%	2,751	1,777	65%
Capital Outlay ¹	137	618	112	18%	466	205	44%
Admin/Other/Interest	6,175	6,175	1,568	25%	6,189	1,415	23%
Total Expenses (\$)	13,989	14,946	7,514	50%	13,556	6,464	48%

Usage patterns have changed in recent years due to the pandemic, making forecasting more challenging. Staff worked with a consultant to update the utility rate model to propose rates for FY25 and beyond. Revenue received through 3Q includes a total of \$144,547 in workers compensation collateral returned from the city's former insurance carrier.

A large portion of Water Fund spending occurs in the CIP.

SEWER FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/24	Amd.	6/30/23	3/31/23	Amd.
Total Revenue (\$)	16,133	16,133	9,463	59%	15,071	8,892	59%
<i>Expenses</i>							
Personnel	2,203	2,203	1,613	73%	2,039	1,511	74%
Operating ¹	4,793	4,937	3,521	71%	5,011	2,921	58%
Capital Outlay ¹	276	735	277	38%	594	27	5%
Admin/Other/Interest	7,397	7,397	1,202	16%	7,438	1,163	16%
Total Expenses (\$)	14,668	15,271	6,612	43%	15,081	5,622	37%

Usage patterns have changed in recent years due to the pandemic, making forecasting more challenging. Staff worked with a consultant to update the utility rate model to propose rates for FY25 and beyond. Revenue received through 3Q includes a total of \$70,064 in workers compensation collateral returned from the city's former insurance carrier.

Operating category costs have increased compared to FY23 due to the city's share of operating costs for sewage disposal. An adjustment is recommended on the May budget amendment to account for these increased costs.

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.	3/31/24	Amd.	6/30/23	3/31/23	Amd.
Total Revenue (\$)	7,144	7,144	7,372	103%	7,072	6,914	98%
<i>Expenses</i>							
Personnel	3,667	3,667	2,517	69%	3,202	2,395	75%
Operating ¹	2,346	2,346	1,445	62%	2,051	1,393	68%
Capital Outlay ¹	516	1,069	822	77%	790	60	8%
Admin/Other/Interest	1,849	1,849	976	53%	1,625	919	57%
Total Expenses (\$)	8,379	8,932	5,760	64%	7,668	4,767	62%

The majority of refuse revenue is received during 2Q, as it is collected through property tax bills. Revenue received through 3Q includes a total of \$145,390 in workers compensation collateral returned from the city's former insurance carrier.

Overtime and temporary labor usage remain down compared to 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.	3/31/24	Amd.	6/30/23	3/31/23	Amd.
Total Revenue (\$)	6,282	6,319	6,331	100%	7,274	6,527	90%
<i>Expenses</i>							
Personnel	2,942	2,942	2,082	71%	2,697	1,993	74%
Operating ¹	1,264	1,333	494	37%	1,146	681	59%
Capital Outlay ¹	110	110	88	81%	15	15	100%
Admin/Other/Interest	2,583	2,614	886	34%	2,112	671	32%
Total Expenses (\$)	6,898	6,998	3,550	51%	5,970	3,359	56%

The majority of the city's SWM fee revenue is received during 2Q, as it is collected through property tax bills. Revenue received through 3Q includes a total of \$89,422 in workers compensation collateral returned from the city's former insurance carrier. Revenue was higher in FY23 due to larger developments paying permit fees. A large portion of SWM Fund spending occurs in the multi-year CIP.

PARKING FUND	Current Year (in thousands)				Prior Year (in thousands)		
	FY24	FY24	Actual	%	Actual	Actual	%
	Adp.	Amd.	3/31/24	Amd.	6/30/23	3/31/23	Amd.
Total Revenue (\$)	2,380	2,380	1,752	74%	2,817	1,779	63%
<i>Expenses</i>							
Personnel	304	304	235	77%	301	220	73%
Operating ¹	149	149	74	49%	115	74	64%
Capital Outlay ¹	0	0	0	0%	0	0	0%
Admin/Other/Int.	1,635	1,635	359	22%	1,685	397	24%
Total Expenses (\$)	2,089	2,089	668	32%	2,100	691	33%

The General Fund transfer to the Parking Fund totaled \$750,000 through 3Q, compared to \$825,000 in FY23. Parking meter revenue increased by 12% compared to 3Q FY23. Revenue from parking fines and violations remained flat. Revenue received through 3Q includes a total of \$15,569 in workers compensation collateral returned from the city's former insurance carrier.

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
Town Center Road Diet (TB22)	(75,000)	Speed Camera	Savings from completed project
Pedestrian and Bicycle Safety (TD21)	75,000		Tower Oaks Blvd/Preserve Pkwy intersection safety improvement

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.