

Fourth Quarter FY 2024 Financial Report

Note: Figures are unaudited and are subject to final adjustments.

GENERAL FUND	Category	Current Year (in thousands)				Prior Yr. (in thousands)		
		FY24	FY24	Actual	%	FY23	Actual	%
		Adp.	Amd.	6/30/24	Amd.	Amd.	6/30/23	Amd.
Revenue								
	Property Taxes	46,950	46,950	46,786	100%	45,950	46,054	100%
	From Other Gov't.	33,311	34,073	34,764	102%	32,087	32,121	100%
	Fines/Forfeitures	1,353	3,348	3,505	105%	503	576	115%
	Use of Money/Property	1,187	1,241	3,414	275%	1,294	2,124	164%
	Charges for Services	7,742	7,823	9,122	117%	7,446	8,258	111%
	Licenses/Permits	4,140	4,140	4,021	97%	3,337	3,363	101%
	Other Revenue	6,943	8,673	9,755	112%	5,993	8,662	145%
	Total Revenue (\$)	101,626	106,247	111,367	105%	96,610	101,157	105%
Expenditures								
	Personnel	60,066	61,083	60,483	99%	58,326	55,765	96%
	Operating	19,709	22,031	17,099	78%	19,744	14,818	75%
	Capital Outlay	3,699	5,866	4,829	82%	3,933	4,300	109%
	Other	3,643	5,539	4,684	85%	3,294	4,814	146%
	CIP Transfer	9,200	12,790	12,790	100%	14,207	14,207	100%
	Transfers Out	5,309	5,680	5,680	100%	5,887	5,887	100%
	Total Expenditures (\$)	101,626	112,989	105,563	93%	105,392	99,791	95%

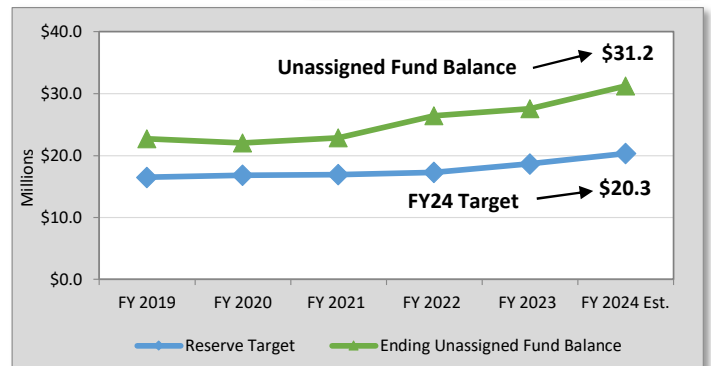
General Fund Summary

General Fund revenues exceeded the amended budget, and expenditures ended the year below the amended budget for FY24, leading to an increased unassigned fund balance. Significant variations from the amended budget are discussed on page 2 of this report.

There are several projects in the city's CIP that have unfunded needs. Staff will review updated project information in the coming months and may recommend allocating a portion of this unassigned fund balance on a later budget amendment to meet the city's long-term capital needs.

General Fund Unassigned Fund Balance

The FY24 unaudited ending unassigned fund balance equals \$31.2 million, well above the FY25 target of \$21.8 million. This figure factors in the commitments included on the FY25 budget ordinance, which were added to the FY25 budget with the approval of the August 5, 2024 budget amendment. The October 28, 2024 budget amendment recommends the use of an additional \$710,000 of this balance to support employee leave buyback and the Asphalt Repair & Replacement (TA21) CIP. Staff may recommend further programming of this balance to support CIP needs on a later FY25 amendment.



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 4Q	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

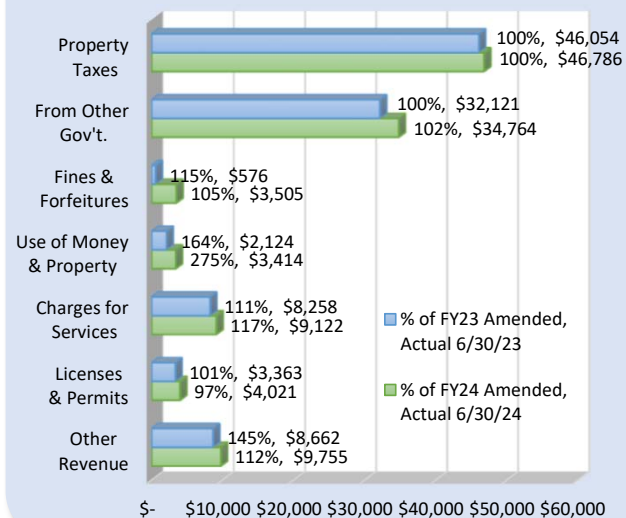
Unspent Personnel Funds

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.

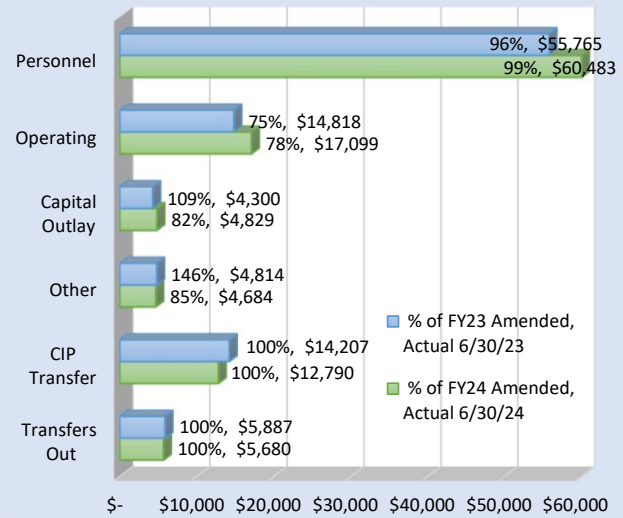
Unspent Personnel Funds	4Q Only	YTD FY24
Gross unspent funds from vacancies	443,404	2,239,105
Vacancy-related (costs)/savings	(334,526)	(1,738,645)
Net Unspent Funds	108,878	500,460
<i>Uses of Net Unspent Funds</i>		
Executive recruitment	-	(34,900)
Net Unspent Funds Remaining (\$)	108,878	465,560

*Due to a delay in the State's implementation of this program, this funding was not used in FY24.

General Fund Revenues (in thousands)



General Fund Expenditures (in thousands)



General Fund Revenues by Category

Property Taxes totaled \$46.8 million, or 100% of budget.

Revenue **From Other Governments** totaled \$34.8 million, or 102% of budget. This category includes County tax duplication (\$7.9 million for FY24) as well as income tax, which totaled \$20.6 million for FY24, the highest amount on record.

Revenue from **Fines & Forfeitures** totaled \$3.5 million, or 105% of budget. The main revenue source in this category is redlight camera citations, which totaled \$3.5 million for FY24. This revenue source totaled less than \$0.6 million in FY23 due to malfunctioning equipment.

Use of Money & Property revenue totaled \$3.4 million, far exceeding the total revenue target for the year mainly due to interest earnings.

Charges for Services revenue totaled \$9.1 million, or 117% of budget. Recreation revenue as well as fire safety and review fees exceeded the amended budget.

Licenses & Permits revenue totaled \$4 million, or 97% of budget. The majority of revenue in this category comes from rental licenses and building permits.

Other Revenue totaled \$9.8 million, or 112% 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 by Category

Personnel spending totaled \$60.5 million, or 99% of the total personnel budget. While overtime spending exceeded budget, this overage was offset by savings from vacant positions and savings in workers compensation insurance costs. Overtime increased by 33% compared to FY23 due to vacancies as well as the County's reduction in police support services within the city.

Operating expenditures totaled \$17.1 million, or 78% of budget. This category includes services and commodities, including utilities. Spending for subscription-based IT arrangements (SBITAs) was budgeted in this category but reclassified to the "other" category for reporting purposes in FY24. An additional \$1.5 million was encumbered in purchase orders for goods or services ordered but not yet received as of June 30, 2024. This funding will be reappropriated in FY25 on the Fall budget amendment.

Capital Outlay expenditures totaled \$4.8 million, or 82% 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. An additional \$2.3 million was encumbered in purchase orders for goods or services ordered but not yet received as of June 30, 2024. This funding will be reappropriated in FY25 on the Fall budget amendment.

Other expenditures totaled \$4.7 million, or 85% of budget. This category includes grants to outside agencies and funding for REDI, as well as lease agreements and SBITAs.

The **CIP Transfer** totaled \$12.8 million for FY24. 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 \$5.7 million for FY24. 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	%	FY23	Actual	%	
	Adp.	Amd.	6/30/24	Amd.	Amd.	6/30/23	Amd.	
Total Revenue (\$)	14,301	14,301	13,841	97%	14,260	13,230	93%	Operating and capital outlay spending categories appear under budget mainly due to spending for Water Treatment Plant chemicals being less than estimated, and purchase orders for goods and services that were placed in FY24 but not delivered. This purchase order funding will be re-appropriated in FY25 on the Fall budget amendment to cover the payment for these goods and services when delivered.
<i>Expenses</i>								
Personnel	4,385	4,385	4,487	102%	4,302	4,151	96%	
Operating ¹	3,293	3,844	3,340	87%	3,281	2,751	84%	
Capital Outlay ¹	137	618	416	67%	853	466	55%	
Admin/Other/Interest	6,175	6,242	6,225	100%	6,113	6,189	101%	
Total Expenses (\$)	13,989	15,088	14,468	96%	14,550	13,556	93%	

SEWER FUND	Current Year (in thousands)				Prior Year (in thousands)			
	FY24	FY24	Actual	%	FY23	Actual	%	
	Adp.	Amd.	6/30/24	Amd.	Amd.	6/30/23	Amd.	
Total Revenue (\$)	16,133	16,133	15,830	98%	16,292	15,071	93%	Operating and capital outlay spending categories appear under budget due to purchase orders for goods and services that were placed in FY24 but not delivered. This funding will be re-appropriated in FY25 on the Fall budget amendment to cover the payment for these goods and services when delivered.
<i>Expenses</i>								
Personnel	2,203	2,203	2,154	98%	2,094	2,039	97%	
Operating ¹	4,793	5,172	4,654	90%	5,448	5,011	92%	
Capital Outlay ¹	276	735	558	76%	1,057	594	56%	
Admin/Other/Interest	7,397	7,626	7,614	100%	7,416	7,438	100%	
Total Expenses (\$)	14,668	15,737	14,979	95%	16,014	15,081	94%	

REFUSE FUND	Current Year (in thousands)				Prior Year (in thousands)			
	FY24	FY24	Actual	%	FY23	Actual	%	
	Adp.	Amd.	6/30/24	Amd.	Amd.	6/30/23	Amd.	
Total Revenue (\$)	7,144	7,144	7,553	106%	6,732	7,072	105%	Refuse revenue exceeded budget due to utility charges and interest earnings exceeding estimates, as well as a total of \$145,390 in workers compensation collateral returned from the city's former insurance carrier. Personnel costs came in under budget due to savings from vacant positions. Operating costs came in under budget due to savings in contract transportation and recycling processing fees.
<i>Expenses</i>								
Personnel	3,667	3,667	3,375	92%	3,565	3,202	90%	
Operating ¹	2,346	2,346	2,176	93%	2,293	2,051	89%	
Capital Outlay ¹	516	1,069	1,118	105%	1,401	790	56%	
Admin/Other/Interest	1,849	1,849	1,765	95%	1,763	1,625	92%	
Total Expenses (\$)	8,379	8,932	8,434	94%	9,022	7,668	85%	

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 Adp.	FY24 Amd.	Actual 6/30/24	% Amd.	FY23 Amd.	Actual 6/30/23	% Amd.
Total Revenue (\$)	6,282	6,319	6,912	109%	6,316	7,274	115%
<i>Expenses</i>							
Personnel	2,942	2,942	2,762	94%	2,904	2,697	93%
Operating ¹	1,264	1,333	1,233	93%	1,278	1,146	90%
Capital Outlay ¹	110	110	109	100%	17	15	88%
Admin/Other/Interest	2,583	2,614	2,437	93%	2,291	2,112	92%
Total Expenses (\$)	6,898	6,998	6,542	93%	6,491	5,970	92%

Total SWM revenue was lower in FY24 than in FY23 due to larger developments paying permit fees in FY24.

Operating costs in FY24 were under budget due to additional time required for permits for public stormwater facility cleanouts. FY24 spending in the "other" category came in under budget mainly due to lower than anticipated spending in the Stormwater Incentive Program. Staff anticipates spending in this program will increase in FY25 due to outreach done around this grant program.

PARKING FUND

	Current Year (in thousands)				Prior Year (in thousands)		
	FY24 Adp.	FY24 Amd.	Actual 6/30/24	% Amd.	FY23 Amd.	Actual 6/30/23	% Amd.
Total Revenue (\$)	2,380	2,380	2,689	113%	2,403	2,817	117%
<i>Expenses</i>							
Personnel	304	304	302	99%	291	301	104%
Operating ¹	149	169	108	64%	131	115	87%
Capital Outlay ¹	0	0	0	0%	0	0	0%
Admin/Other/Interest	1,635	1,644	1,576	96%	1,722	1,685	98%
Total Expenses (\$)	2,089	2,118	1,987	94%	2,144	2,100	98%

The General Fund transfer to the Parking Fund totaled \$1 million for FY24, compared to \$1.1 million in FY23.

Revenue from parking meter violations came in under budget due to a decrease in citations, but this was offset by revenue from parking meters and other fines exceeding estimates.

Operating costs were under budget mainly due to unused contingency funds.

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.

4Q CIP Transfers

Amount (\$)	Fund	Reason for Transfer
-		

There were no CIP transfers in 4Q 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.