



Fiscal Year (FY) 2023 Year-End Budget Report and Related Amendments

Item 5.7

October 9, 2023



General Fund Year-End Status



Revenues:

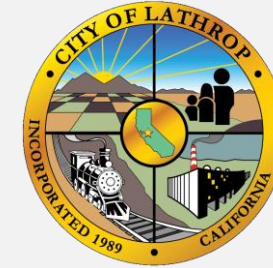
- Economic development paired with smart and strategic growth in the past two years has led to increased property tax and sales tax receipts. The growth of commercial real estate along with the highly technical unsecured property that occupies the distribution facilities has delivered property tax and sales taxes that have exceeded the budget that was established during the pandemic. This growth resulted in an operating revenue surplus of \$11.3 million over the budgeted amount. This amount includes the \$2.9 million in American Rescue Plan Act (ARPA) funding that was recorded in Fiscal Year 2023

Expenditures:

- The City experienced budget savings by constantly seeking value through planning properly and executing consistently. These operational efficiencies have equated to expenditure savings of about \$1.0 million. Payroll savings occurred by doing more with less through collaborating across departments to best identify and put to work unused employee talent.

General Fund Reserves (Unaudited):

- As of June 30, 2023, the current General Fund Unallocated Reserve total, after staff recommended uses, is approximately \$8.9 million or 28% of targeted levels.
- Staff recommends applying prior year's savings to the categories outlined in the City Manager's Report, this action will allow the City to be proactive in its approach to these areas without affecting its structure and core services.



General Fund Summary

GENERAL FUND YEAR-END REQUESTS SUMMARY

<i>(in millions)</i>	FY 2023 Budgeted	FY 2023 Year- End (Unaudited)	Variance
Revenue (Includes beginning GF unallocated)	\$41.6	\$51.7	+\$10.2
Expenditures	\$32.9	\$31.9	-\$1.0
Street Repair Reserve		\$7.0	+\$7.0
Landscape Reserve		\$3.0	+\$3.0
Retirement Stabilization Reserve		\$1.0	+\$1.0
Unallocated Fund Balance	\$8.7	\$8.9	+ \$0.2

The City's Reserve Policy has established an acceptable reserve balance range of 10%-50% of operating expenditures, with a primary goal of 50%.

- Current projected unallocated Fund Balance is 28% of operating Expenses



Council Action

Staff recommends that the City Council:

- Adopt the proposed resolution approving the FY 2022/23 Year-End Report and related budget amendments and amending the FY 2023/24 Budget.