

# FY 2021/22 Fourth Quarter Report

Finance Department

**Budget Engagement Commission**  
January 12, 2023

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## GENERAL FUND OVERVIEW

### Budget Strategy

Focused on immediate fiscal challenges:

- Unpredictable impacts of COVID-19 pandemic
- Rising retirement costs
- Projected structural deficit
- Upcoming MOU negotiations
- Challenge to the Electric GFT

Balancing measures included:

- \$10.0M balancing measure allocated to departments
- Flat non-personnel costs with exceptions

### Revenue Highlights

Budget Strategy:

- Based on prior fiscal year-to-date revenue trends
- Gradual recovery from the pandemic

Mid-Cycle Adjustments:

- \$13.7M increase in projections based on FY 2021/22 audited results, updated trends.

Fiscal Year End Results:

- \$10.8M above revised projections, primarily in sales tax.

### Expenditure Highlights

Budget Strategy:

- \$10M balancing measure allocated to departments
- Flat non-personnel costs with exceptions

Mid-Cycle Adjustments:

- Rescind \$10M balancing measure upon certification of Measure C; not recorded due to late ruling

Fiscal Year End Results:

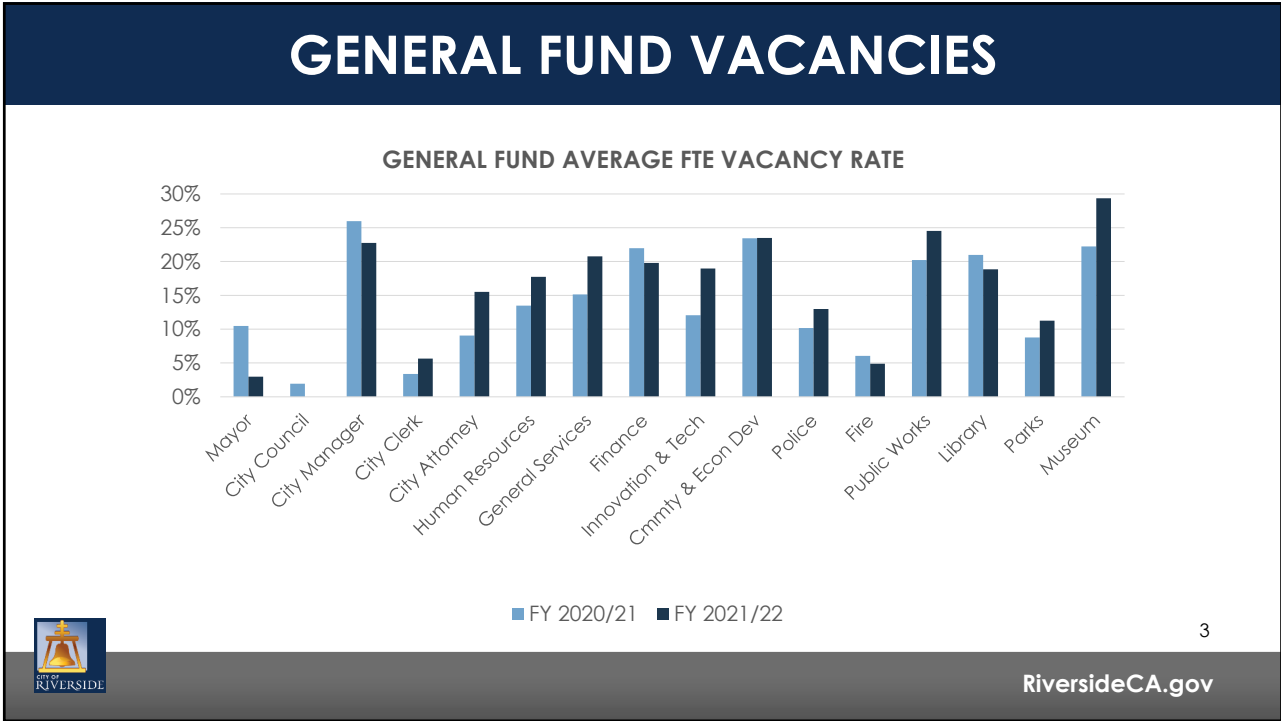
- \$15.4M savings, largely due to vacancies

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## GENERAL FUND – FUND BALANCE


*(in millions)*

<b>Beginning Fund Balance</b>	<b>\$ 64.69</b>
<b>FY 2021/22 Activity</b>	
Revenues	\$ 312.60
Expenditures	(271.32)
Encumbrances	(6.50)
Restricted Carryovers*	(0.89)
Discretionary Carryovers*	(2.44)
<b>Subtotal</b>	<b>\$ 31.45</b>
Change in Other Reserves	(0.31)
<b>Net Change in Fund Balance</b>	<b>\$ 31.14</b>

*(in millions)*

<b>Fund Balance Reserves</b>	
15% Emergency Reserve	\$ (45.85)
5% Contingency Reserve	(15.28)
<b>Total Policy Reserves</b>	<b>\$ (61.13)</b>
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<b>Projected Surplus Reserves</b>	<b>\$ 34.70</b>

*\*Subject to Council approval*


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## GENERAL FUND – SURPLUS RESERVES

### RECOMMENDED USE OF SURPLUS RESERVES (in millions)

<b>Projected Surplus Reserves</b>	<b>\$34.70</b>
<b>Proposed Use of Surplus Reserves</b>	
MOU Impacts	\$(15.00)
Capital Replacement Fund	(10.00)
Section 115 Trust	(9.70)
<b>Total</b>	<b>\$(34.70)</b>
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<b>Remaining Surplus Reserves</b>	<b>\$0.00</b>



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## MEASURE Z FY 2021/22 RESULTS

<i>(in millions)</i>	2017	2018	2019	2020	2021	2022
Revenue	\$12.61	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91
Expenditures	(9.98)	(36.14)	(40.99)	(49.56)	(50.85)	(67.86)
Encumbrances & Carryovers						(49.05)
<b>Net Change in Fund Balance</b>	<b>\$ 2.63</b>	<b>\$ 20.10</b>	<b>\$ 21.83</b>	<b>\$ 13.58</b>	<b>\$ 21.80</b>	<b>\$(33.00)</b>
Beginning Unallocated Fund Reserves	\$ -	\$ 2.63	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94
Net Change in Fund Balance	2.63	20.10	21.83	13.58	21.80	(33.00)
Fund Balance Reserve Policy	-	-	(5.00)	-	-	-
<b>Ending Unallocated Fund Reserves</b>	<b>\$ 2.63</b>	<b>\$ 22.73</b>	<b>\$ 39.56</b>	<b>\$ 53.14</b>	<b>\$ 74.94</b>	<b>\$ 41.94</b>

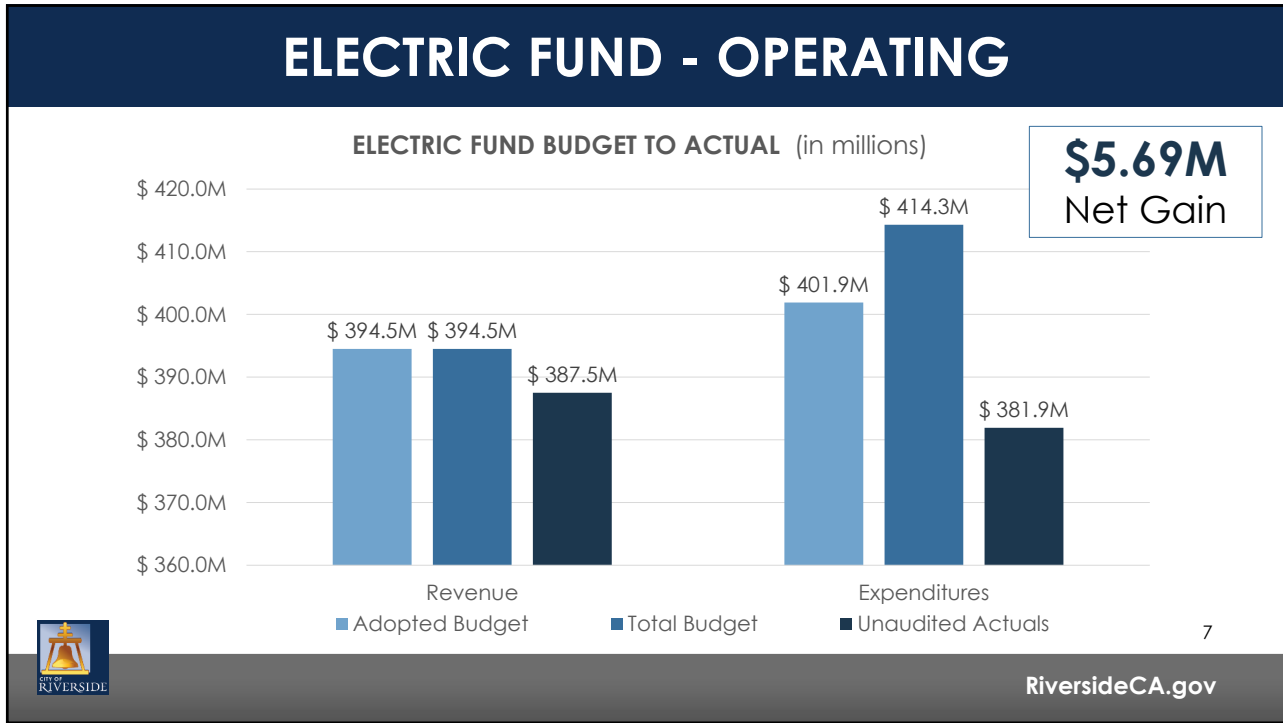
The FY 2022-2024 Adopted Budget and updated 5-Year Spending Plan includes a draw on unallocated reserves through FY 2026/27 totaling \$33 million.

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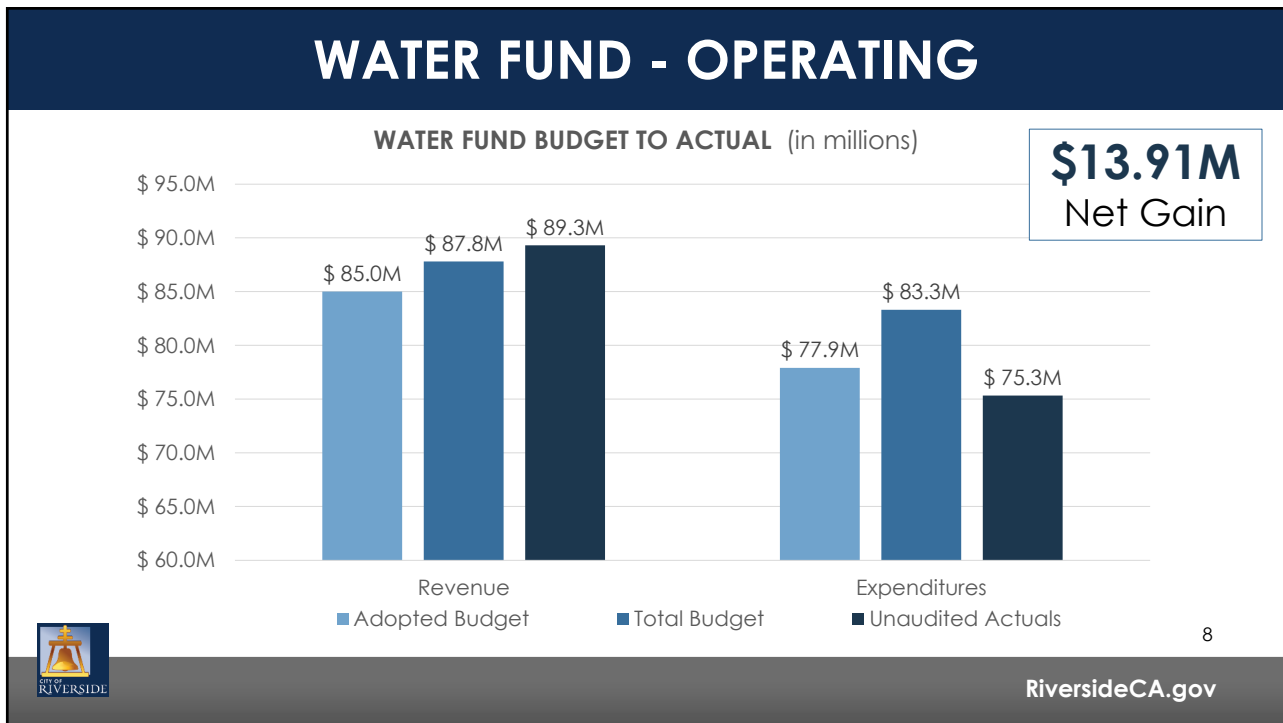


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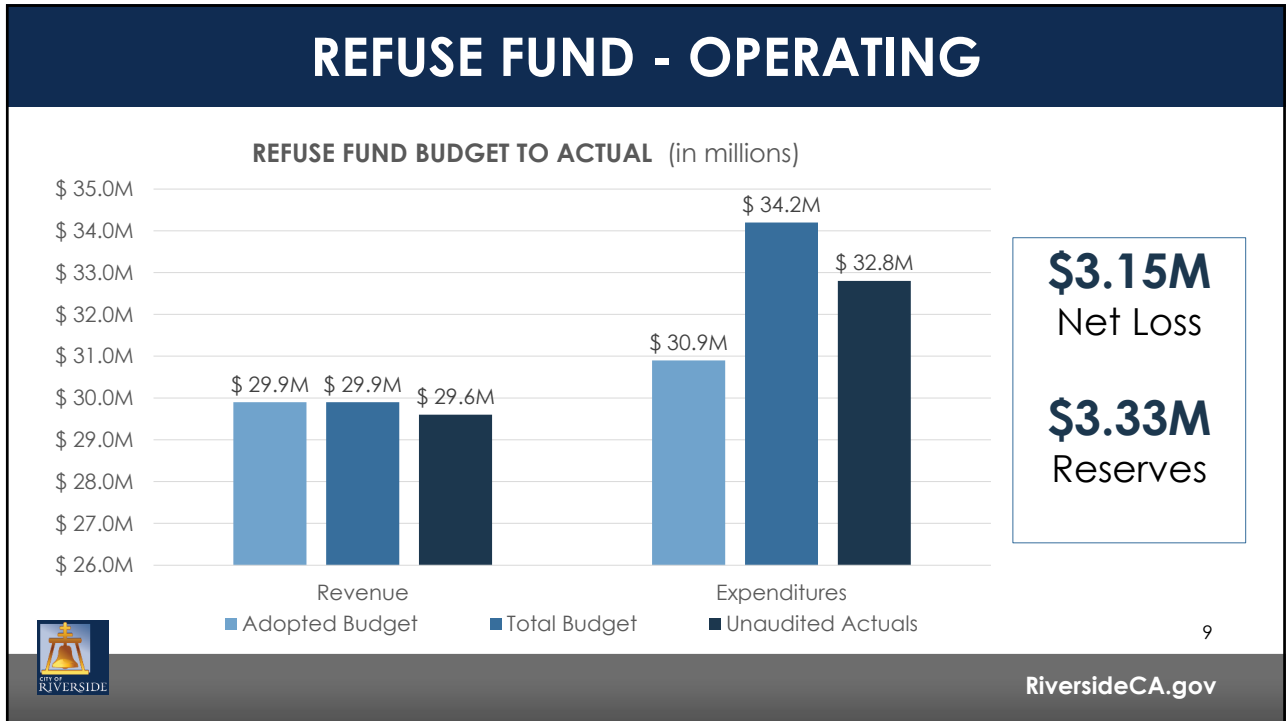
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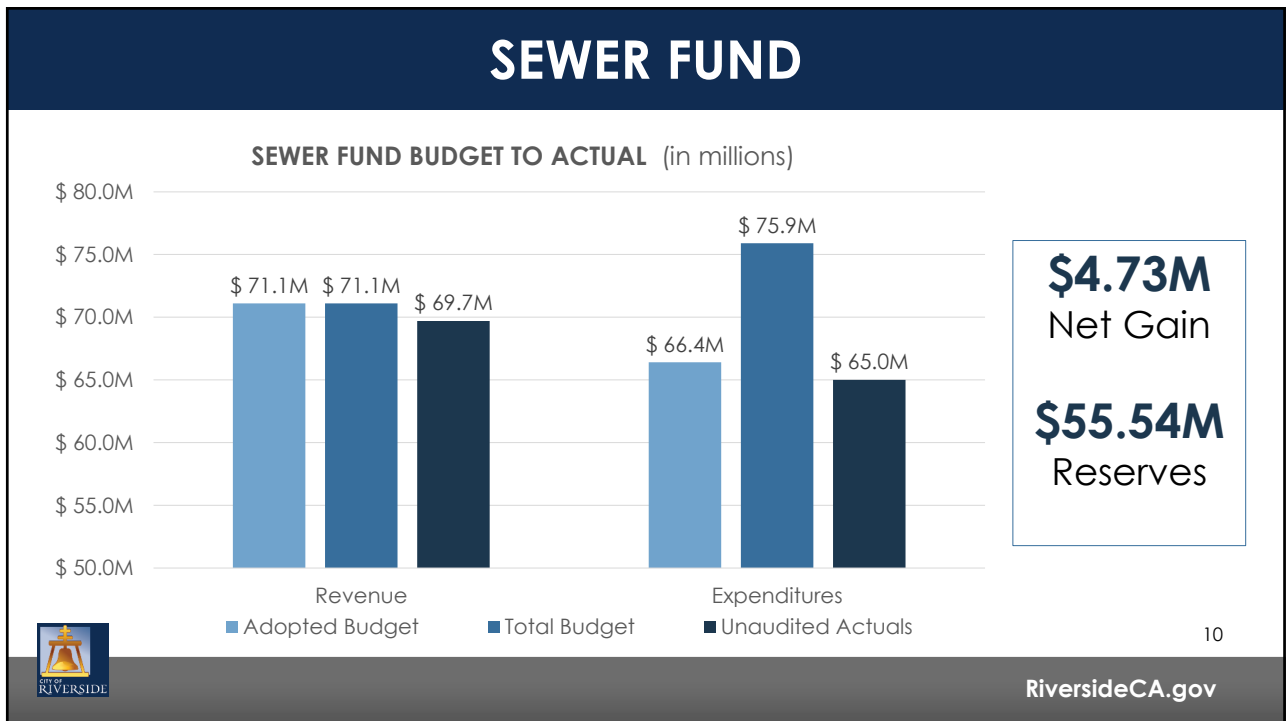
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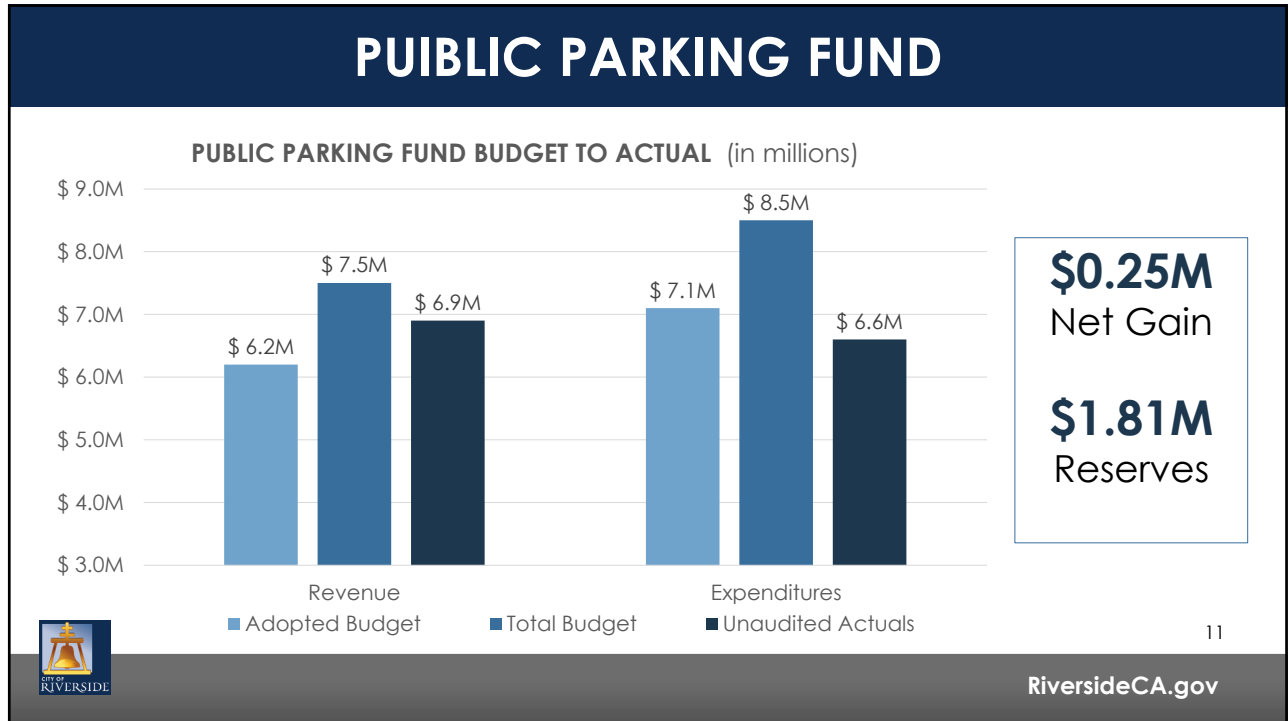
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## CARRYOVERS

Fund	Restricted	Discretionary	Total
General Fund	\$890,184	\$2,442,594	\$3,332,778
Measure Z Fund	-	16,472,798	16,472,798
Electric Fund	-	9,154,491	9,154,491
Water Fund	-	965,891	965,891
Refuse Fund	-	113,812	113,812
Sewer Fund	9,991	6,722	16,713
Other Funds	4,002,036	8,567,337	12,569,373
<b>Total Carryovers</b>	<b>\$4,902,211</b>	<b>\$37,723,645</b>	<b>\$42,625,856</b>

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# STRATEGIC PLAN ALIGNMENT

 **HIGH PERFORMING GOVERNMENT**

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## CROSS-CUTTING THREADS

 Community Trust       Equity       Innovation

 Fiscal Responsibility       Sustainability and Resiliency




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# RECOMMENDATIONS

That the Budget Engagement Commission receive and provide input on the Fiscal Year 2021/22 Fourth Quarter Financial Report.



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