

FY 2023/24 Fourth Quarter Report

Finance Department

Budget Engagement Commission
December 12, 2024

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GENERAL FUND OVERVIEW

Budget Amendment

- Leverage one-time sales tax revenue growth, new baseline for future projections
- Recognize hiring challenges and personnel savings – allocate projected 5% personnel savings to spending priorities
- Assess operational needs
- Assess ways to advance the City's strategic priorities through funding allocations

Revenue Highlights

- Adopted 2022-2024 Budget:
- Based on FY 2020/21 and year-to-date (Spring 2022) revenue trends
 - Gradual recovery from the pandemic
- FY 2023/24 Budget Amendment:
- Based on new revenue trends
 - \$15.3M increase in revenue projections

Fiscal Year End Results:

- **\$3.57M excess**

Expenditure Highlights

- Adopted 2022-2024 Budget:
- CPI increase, no balancing measures, all positions funded
- FY 2023/24 Budget Amendment:
- Personnel refresh
 - Address rising costs
 - Address operational needs following years of budget constraints
 - Propose funding initiatives to advance the City's strategic priorities, including shoring up internal support services

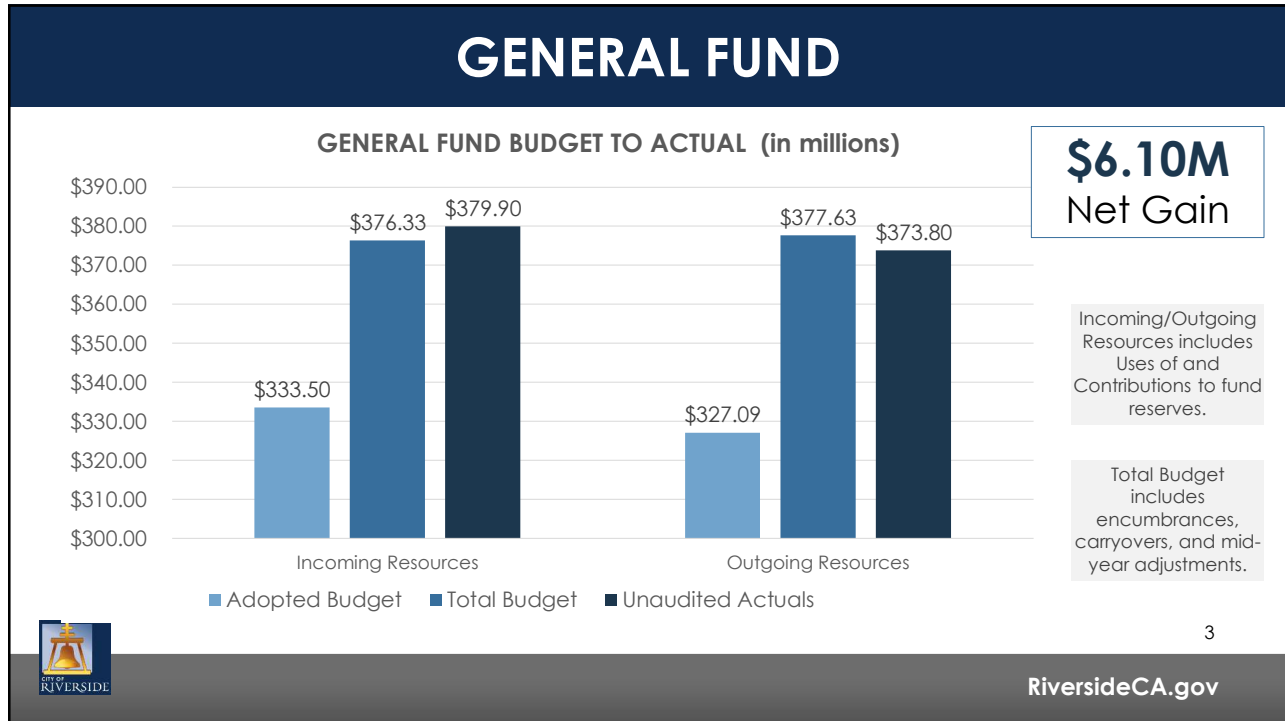
Fiscal Year End Results:

- **\$3.83M savings**



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GENERAL FUND – FUND BALANCE

<i>(in millions)</i>		<i>(in millions)</i>	
Beginning Fund Balance (Audited)	\$ 65.50	Policy Reserves	
FY 2023/24 Activity		15% Emergency Reserve	\$ (54.18)
Revenues	\$ 350.09	5% Contingency Reserve	(18.06)
Use of Infrastructure Reserve	16.11	Total Policy Reserves	\$ (72.24)
Use of Insurance Proceed Reserve	0.90	Projected Available Reserves*	\$ (1.54)
Use of Encumbrance/Carryover Reserves	12.80	* Reflects a timing difference and required accounting treatment to reserve the balance of interfund loan receivable as a nonspendable asset.	
Expenditures	(345.63)	<i>(in millions)</i>	
Escrow of Water GFT	(8.11)	Other Reserve Balances	
Contribution to Infrastructure Reserve	(3.00)	Reserved for Section 115 Trust Contributions	\$ 35.00
Contribution to Technology Reserve	(2.00)	Infrastructure Reserve	12.19
Encumbrances & Project/Grant Carryovers	(10.40)	Technology Reserve	5.00
Restricted Carryovers (pending approval)	(0.82)	Water GFT Escrow	8.11
Discretionary Carryovers (pending approval)	(3.84)	Section 115 Trust	58.29
Subtotal	\$ 6.10	Total Other Reserves	\$ 118.59
Change in Other Reserves	(0.90)		
Net Change in Fund Balance	\$ 5.20		

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MEASURE Z FY 2023/24 RESULTS

(in millions)	2018	2019	2020	2021	2022	2023	2024
Revenue	\$ 56.24	\$ 62.82	\$ 63.14	\$ 72.65	\$ 83.91	\$ 85.84	\$ 84.20
Expenditures	(36.14)	(40.99)	(49.57)	(50.85)	(67.45)	(69.61)	(86.10)
Encumbrances & Carryovers	-	-	-	-	-	-	(47.20)
Net Change in Fund Balance	\$ 20.10	\$ 21.83	\$ 13.57	\$ 21.80	\$16.46	\$ (32.42)	\$ (49.10)
Beginning Unallocated Fund Reserves	\$ 2.63	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 91.40	\$ 107.63
Net Change in Fund Balance	20.10	21.83	13.57	21.80	16.46	16.24	(49.10)
Fund Balance Reserve Policy	-	(5.00)	-	-	-	-	-
Ending Available Fund Balance	\$ 22.73	\$ 39.56	\$ 53.13	\$ 74.94	\$ 91.40	\$ 107.63	\$ 58.52

Permanent Policy Reserve Set-Aside: \$5M

The FY 2024-2026 Biennial Budget includes a Five-Year Spending Plan with a programmed draw on reserves totaling \$48.79M through FY 2028/29.

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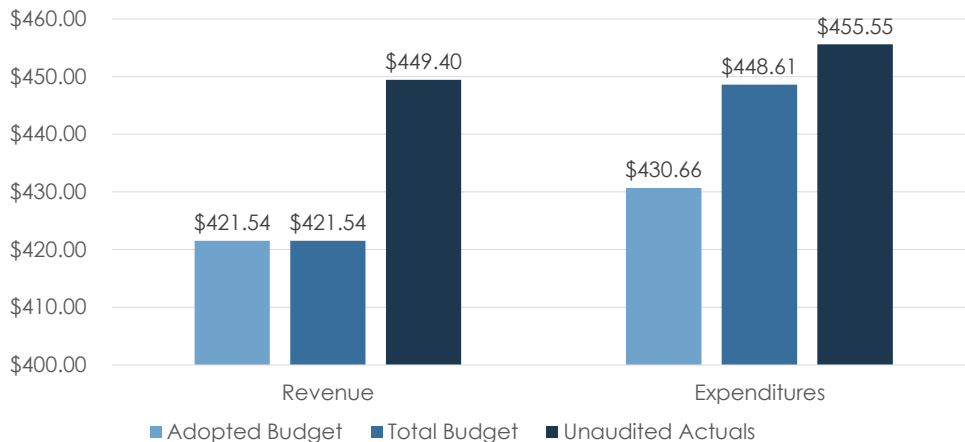


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ELECTRIC FUND - OPERATING

ELECTRIC FUND BUDGET TO ACTUAL (in millions)



\$6.15M
Net Loss

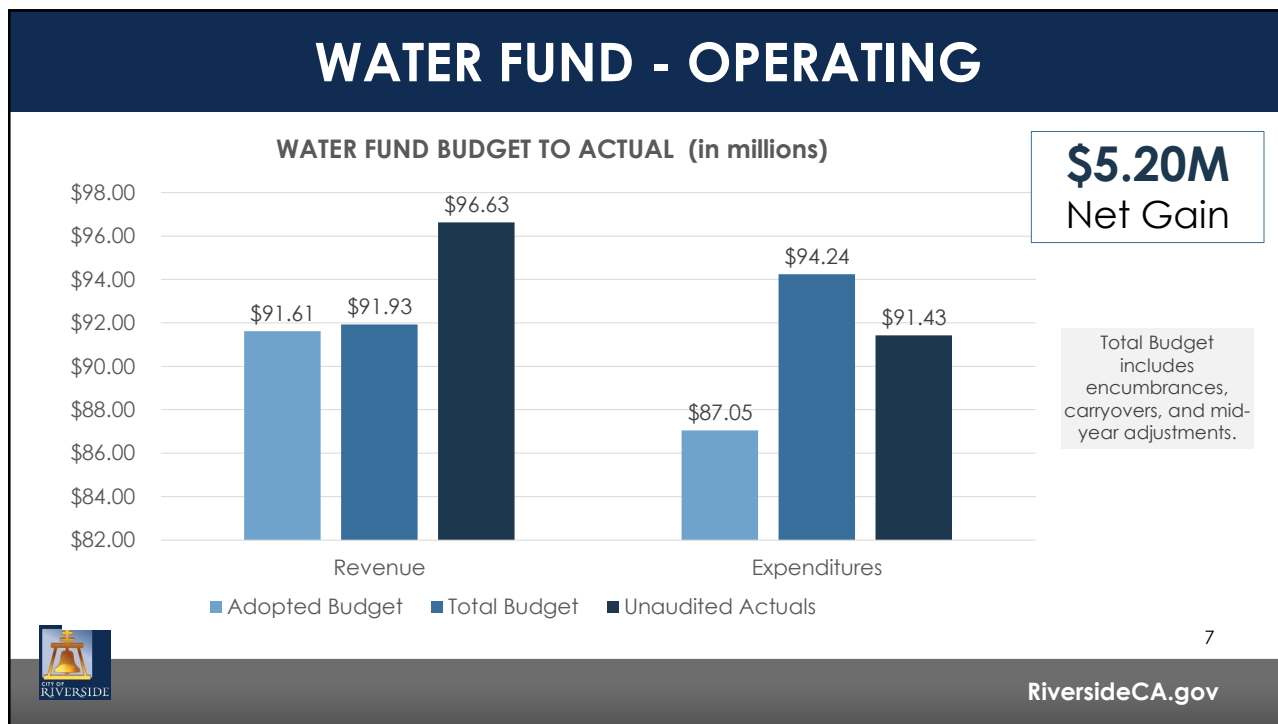
Total Budget includes encumbrances, carryovers, and mid-year adjustments.



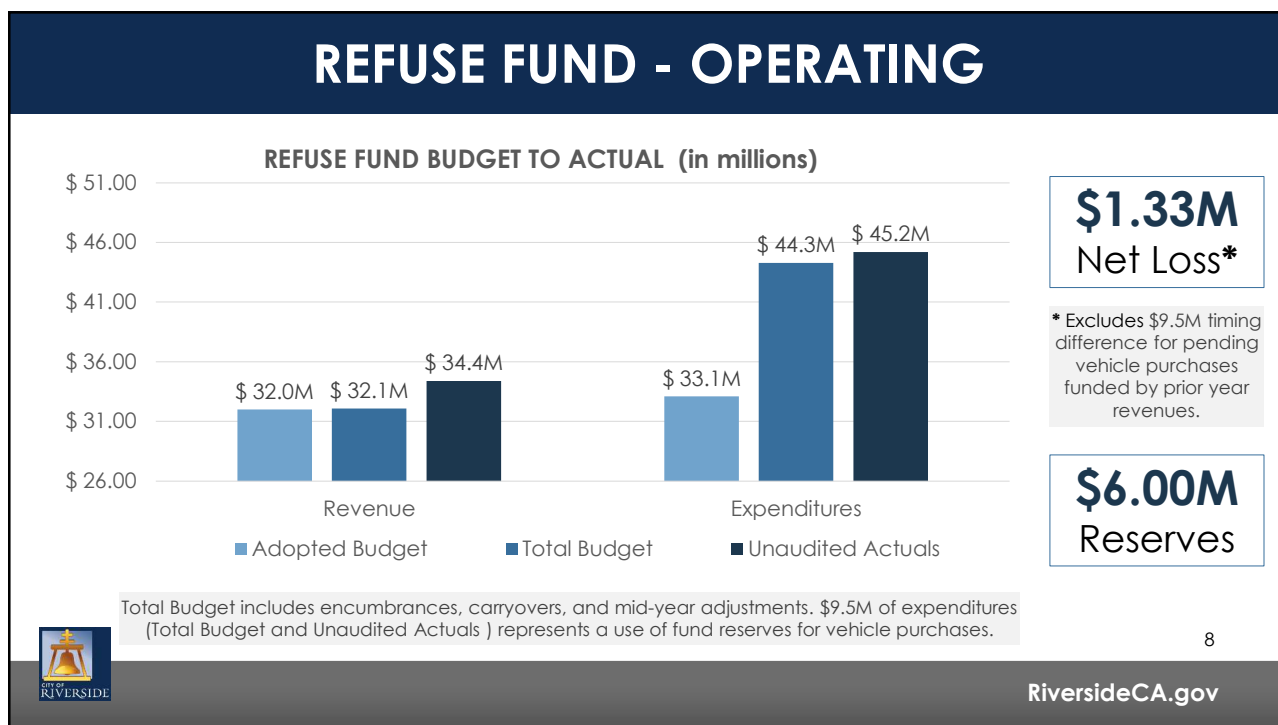
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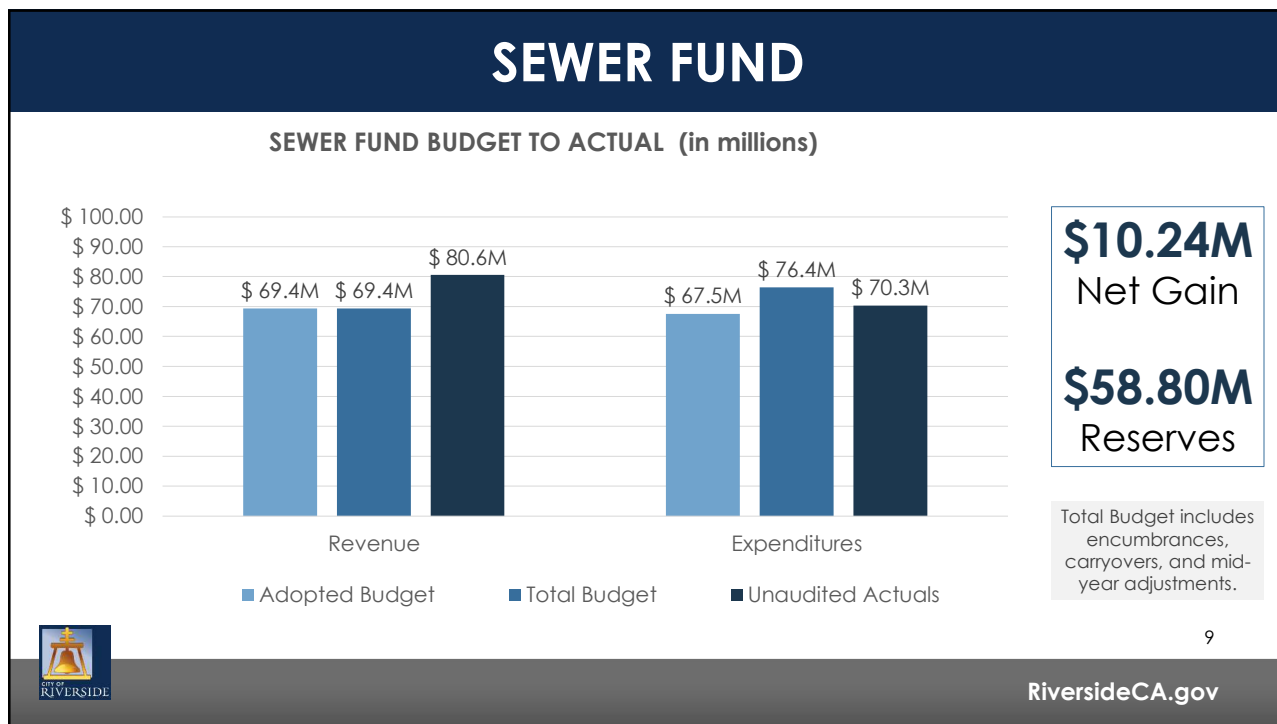
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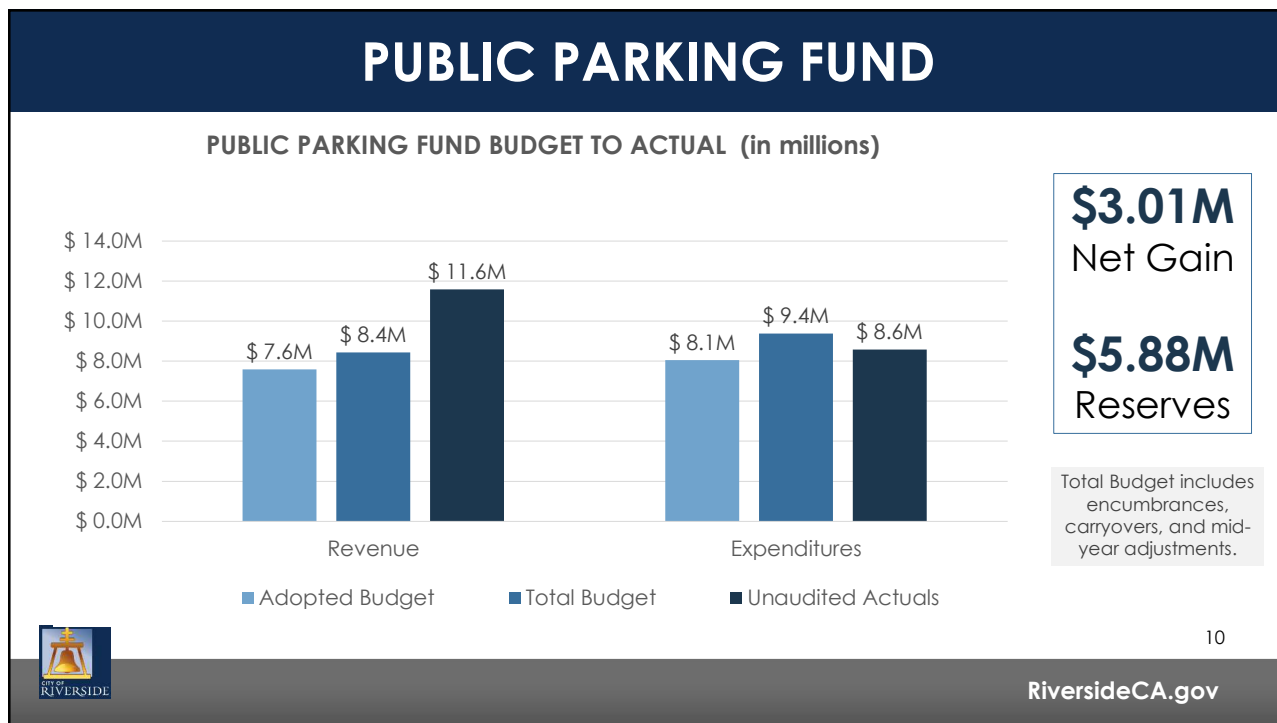
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CARRYOVERS

Fund	Restricted	Discretionary	Total
General Fund	\$ 818,322	\$ 3,837,062	\$ 4,655,384
Measure Z Fund	-	6,385,293	6,385,293
Electric Fund	-	11,128,497	11,128,497
Water Fund	-	880,510	880,510
Refuse Fund	83,000	-	83,000
Other Funds	9,312,138	11,299,041	20,611,179
Total Carryovers	\$ 10,213,460	\$ 33,530,403	\$ 43,743,863


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RECOMMENDATIONS

That the Budget Engagement Commission:

1. Receive and provide input on the Fiscal Year 2023/24 Fourth Quarter Financial Report;
2. Recommend that the City Council, with at least five affirmative votes, a carryover of unexpended funds of approximately \$4.66 million in the General Fund and \$39.09 million in other City funds into Fiscal Year 2024/25.



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