

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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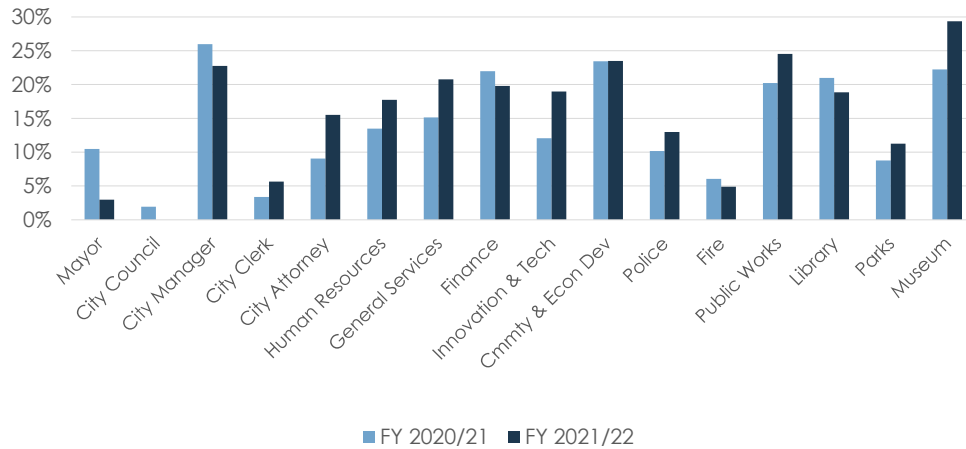


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GENERAL FUND VACANCIES

GENERAL FUND AVERAGE FTE VACANCY RATE



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GENERAL FUND – FUND BALANCE

(in millions)

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

(in millions)

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

*Subject to Council approval



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GENERAL FUND – SURPLUS RESERVES

RECOMMENDED USE OF SURPLUS RESERVES

(in millions)

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



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MEASURE Z FY 2021/22 RESULTS

(in millions)	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)
Net Change in Fund Balance	\$ 2.63	\$ 20.10	\$ 21.83	\$ 13.58	\$ 21.80	\$(33.00)
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)	-	-	-
Ending Unallocated Fund Reserves	\$ 2.63	\$ 22.73	\$ 39.56	\$ 53.14	\$ 74.94	\$ 41.94

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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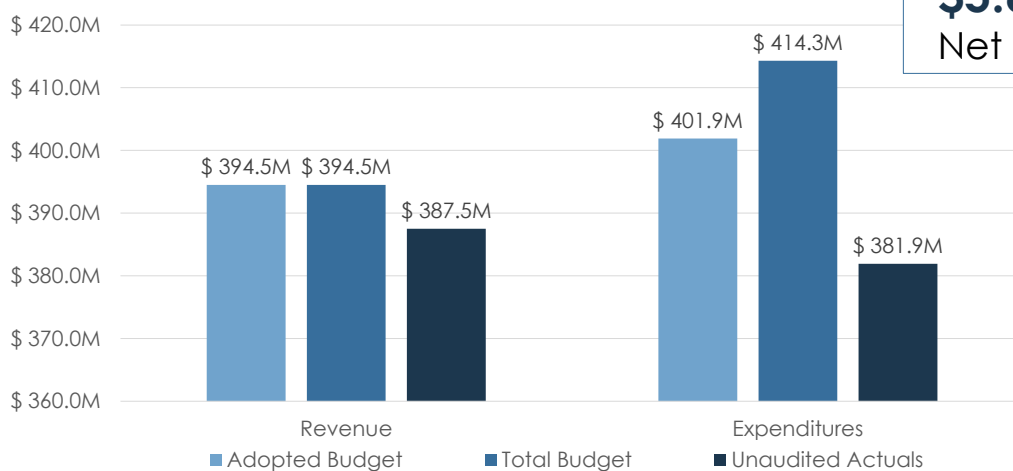


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ELECTRIC FUND - OPERATING

ELECTRIC FUND BUDGET TO ACTUAL (in millions)

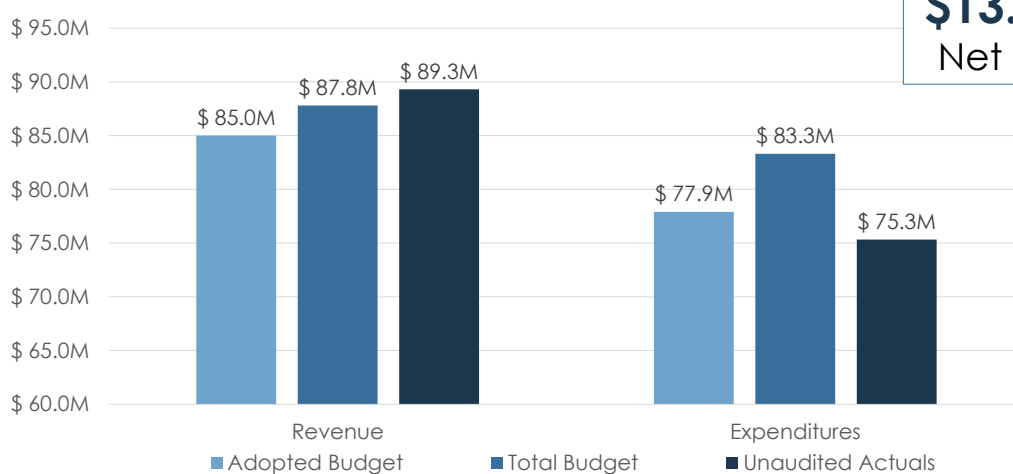


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WATER FUND - OPERATING

WATER FUND BUDGET TO ACTUAL (in millions)

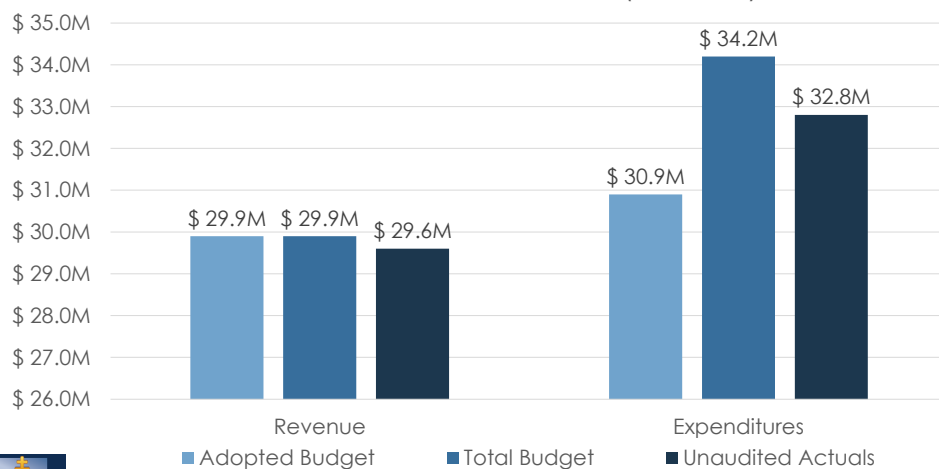


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REFUSE FUND - OPERATING

REFUSE FUND BUDGET TO ACTUAL (in millions)



\$3.15M
Net Loss

\$3.33M
Reserves



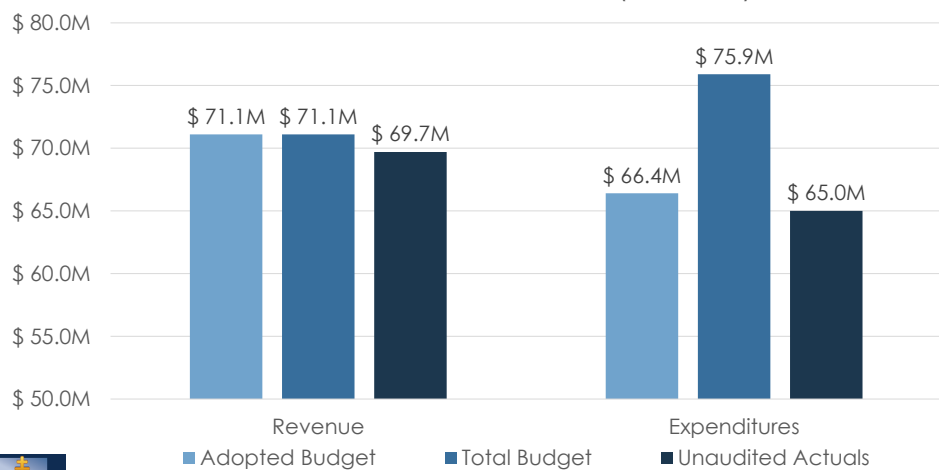
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SEWER FUND

SEWER FUND BUDGET TO ACTUAL (in millions)



\$4.73M
Net Gain

\$55.54M
Reserves



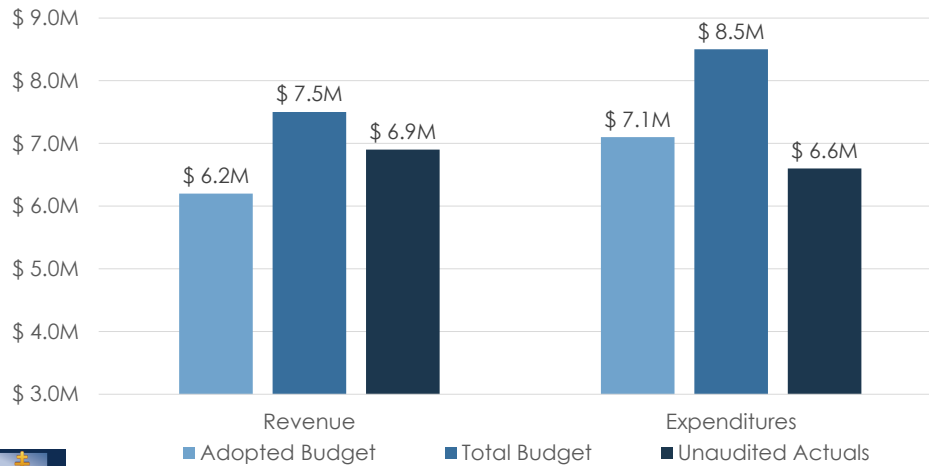
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PUBLIC PARKING FUND

PUBLIC PARKING FUND BUDGET TO ACTUAL (in millions)



\$0.25M
Net Gain

\$1.81M
Reserves



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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
Total Carryovers	\$4,902,211	\$37,723,645	\$42,625,856



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STRATEGIC PLAN ALIGNMENT



HIGH PERFORMING GOVERNMENT

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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