



Fiscal Year (FY) 2024 Year-End Budget Report and Related Amendments

Item 5.1

September 9, 2024



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. This growth resulted in an operating revenue surplus of \$7.8 million over the budgeted amount.

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 \$2.6 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 Year-End Status



General Fund Reserves (Unaudited):

- As of June 30, 2024, the current General Fund Unallocated Reserve total, after staff recommended uses, is approximately \$8.1 million or 22% of actual operating expenditures. This balance combined with the \$1.85 million set aside in the Fiscal Stabilization reserves brings the General Fund reserves available for emergency to \$9.85 million or 27% of actual operating expenditures. The City’s Fund Balance Reserve Policy Adopted via Council Resolution states that “The City Council will approve any fund balance between 10% and 50% of Adjusted Appropriations as part of the Annual Budget resolution”, the estimated fund balance remains above the 25% recommended target.
- 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 2024 Budgeted	FY 2024 Year-End (Unaudited)	Variance
Revenue (Includes beginning GF unallocated)	\$52.7	\$60.5	+\$7.8
Expenditures	\$44.7	\$42.1	-\$2.6
Street Repair Reserve		\$5.0	+\$5.0
Sidewalk Reserve		\$1.3	+\$1.3
Corporation Yard Reserve		\$4.0	+\$4.0
Unallocated Fund Balance	\$8.0	\$8.1	+ \$0.1

The City's Reserve Policy adopted via Resolution 10-3102 has established an acceptable reserve balance range of 10%-50% of operating expenditures, with a primary goal of 50%.



Council Action

Staff recommends that the City Council:

- Adopt the proposed resolution approving the FY 2023/24 Year-End Report and related budget amendments and amending the FY 2024/25 Budget.