



Agenda Item: 9.C
Date of Meeting: February 10, 2025
Department: Finance

STAFF REPORT

To: City Council
From: Ethan Aukee
Subject: **Mid-Year Budget Adjustments**
Prepared On: February 3, 2025
Attachments: General Fund Revenue FY 2024-25 Midyear Budget Adjustment
City Council FY 2024-25 Midyear Budget Adjustment
Administration FY 2024-25 Midyear Budget Adjustment
Finance FY 2024-25 Midyear Budget Adjustment
Police Department FY 2024-25 Midyear Budget Adjustment
Fire Department FY 2024-25 Midyear Budget Adjustment
Public Works FY 2024-25 Midyear Budget Adjustment
Community Services FY 2024-25 Midyear Budget Adjustment
Sewer Fund Midyear Analysis
Gas Tax Fund Midyear Analysis
Water Fund Midyear Analysis
SMHP Fund Midyear Analysis
COPS Fund Midyear Analysis

Background/History:

The City adopted a FY 2024-25 budget prior to the start of the 2024-25 fiscal year. Following the conclusion of December, City staff analyzed the adopted budget in reference to actual performance through 50% of the fiscal year. City staff attempted to adjust revenue accounts to more accurately reflect expected revenue. With regard to expense accounts, City staff attempted to decrease expenses where possible, while ensuring that all planned spending for the remainder of the fiscal year is approved by City Council.

A main focus of the Finance Director during this process is to more accurately reflect capital outlay in the capital expense accounts. Some of the capital expense accounts include a budget figure for larger projects that will not be actualized during the fiscal year. These accounts are being adjusted to more accurately reflect the cash activity associated with the portion of projects that will be completed during the fiscal year.

Analysis/Discussion:

Analysis within this staff report is limited to the General Fund. Analysis of the other substantial City funds is included in the attachments.

- General Fund budgeted revenue would increase from \$11,535,564 to \$12,023,189. The majority of the \$487,625 increase in budgeted revenue can be attributed to prior year TOT collected pursuant to prior year audit results, as well as interest earned on bank deposits.
- General Fund budgeted "expenses" (including transfers out) would decrease from \$13,706,566 to \$13,586,842. This bottom line decrease of \$119,724 can be attributed to decreases in capital expense accounts to more accurately reflect capital outlay for the fiscal year. The adjusted budget maintains an operating surplus.
- If the budget adjustments are approved as presented, and all revenue is earned and all expenses are incurred, the net effect on cash within the General Fund would be a decrease of \$1,563,653. At the start of FY 2024-25, the General Fund maintained a cash balance of \$10,612,319, and if the adjusted budget is actualized, the General Fund should maintain a cash balance of \$9,048,666 at the conclusion of the fiscal year.

All substantial budget adjustments include commentary within the attached, respective reports.

Economic Impacts:

There are implicit economic impacts associated with the City's budget and the adjustments being presented.

Budget Impacts:

All budget impacts are included within the reports being presented.

Legal Review:

City Attorney Pucci has reviewed this item and finds that the recommended action complies with the law.

Recommended Action:

City Council to review and approve the budget adjustments as presented.

Approved By: Ethan Aukee 2/3/2025

Approved By: Robin Picken 2/4/2025

Approved By: Deston Dishion 2/4/25

Approved By: