



BN 2023-2025 Finance Department

April 27, 2023

Finance Department

The Finance Department is responsible for overseeing the fiscal health of the City. The Department accomplishes this by providing financial information, policy analysis, and recommendations that help the City Council, Standing Committees, and all City departments make decisions on how to best allocate and manage the City's financial resources. The department also ensures internal controls and regulatory compliance are adhered to and followed.

Finance is organized in three divisions:

- Finance Administration
- Accounting
- Customer Service

The Customer Service division provides billing and collections for most services and taxes flowing through the City. Accounting and Administration provide support to operating departments with financial and operational analysis, procurement, and transaction processing and reporting.



BN 2023/25 Priorities

Finance

- Risk Reduction
- Affordability
- Customer Service Focus

Implement add'l modules in ERP system

Improve transparency through Open Gov

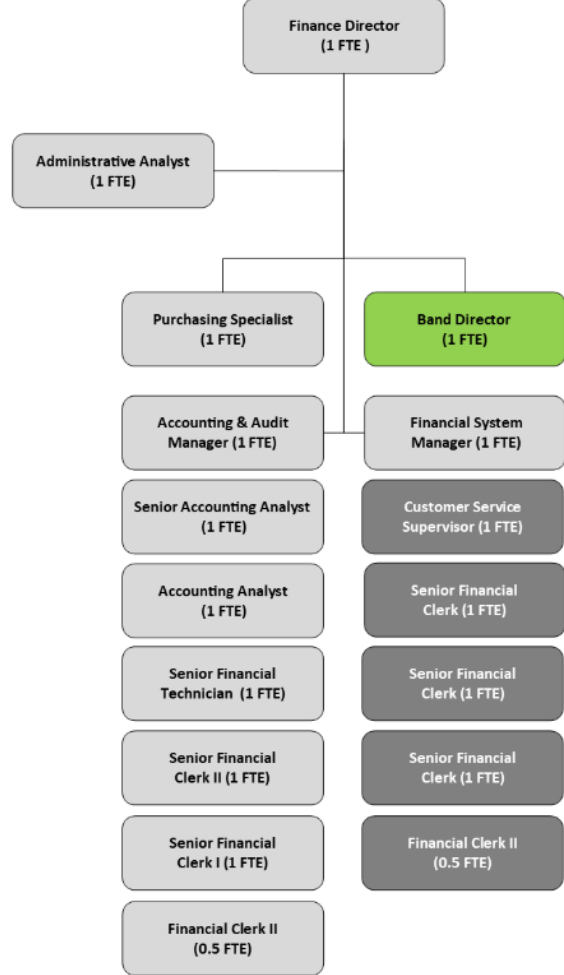
Support self-payment options for utility billing customers

Monitor and craft the budget

Successful audit

Timely and accurate payments





Citizens Budget Committee



Significant Changes

- Increase in bank charges for citywide credit card processing due to estimated volume increases
- Increase in licensing costs due to additional modules for ERP software



BN 2023/25 Proposed

Finance Department

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Material and Services	\$3,646,213	\$4,113,384	\$4,890,786	\$5,160,890
Personnel Services	\$3,669,187	\$3,417,294	\$3,523,986	\$3,970,189
Capital Outlay	\$541,348	\$48,571	\$150,000	\$150,000
TOTAL	\$7,856,749	\$7,579,249	\$8,564,772	\$9,281,079

Clarifying an incorrect perception

General Fund Budget does not have a deficit

General Fund-Revenue by Type

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Taxes	\$36,413,899	\$37,729,274	\$38,759,657	\$41,616,364
Franchise Fees	\$7,063,961	\$7,317,819	\$6,269,963	\$8,124,059
Licenses and Permits	\$1,697,877	\$3,507,218	\$2,614,500	\$2,525,713
Intergovernmental Revenue	\$4,313,110	\$6,710,981	\$5,645,709	\$4,496,099
Charges for Services	\$17,242,206	\$19,826,919	\$17,411,998	\$25,651,340
Fines and Forfeitures	\$1,133,905	\$692,145	\$1,089,000	\$349,000
Miscellaneous Revenues	\$147,685	\$135,713	\$115,300	\$181,325
Interest on Pooled Investments	\$259,491	\$204,684	\$76,000	\$600,000
Operating Transfers In	\$2,206,701	\$426,834	\$230,000	\$1,243,184
TOTAL	\$70,478,834	\$76,551,587	\$72,212,127	\$84,787,084

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General Fund-Expense by Type

	BN 2017/19 Actual	BN 2019/21 Actual	BN 2021/23 Adopted	BN 2023/25 Proposed
Personnel Services	\$39,829,135	\$40,425,340	\$39,927,906	\$55,378,559
Material and Services	\$29,098,205	\$28,231,998	\$19,668,927	\$29,715,337
Capital Outlay	\$340,479	\$207,871	\$810,000	\$3,476,818
Operation Transfers Out	\$377,351	\$268,368	\$9,100,936	\$621,000
Contingency	\$0	\$0	\$2,215,847	\$2,279,998
TOTAL	\$69,645,171	\$69,133,578	\$71,723,616	\$91,471,712

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Total Revenues \$84.8M
 Working Capital \$ 6.7M
 Total Expenditures < \$91.5M >
 Balanced Budget \$ 0



Working Capital Carryover

➤ Working Capital Carryover is a Budget Source

- Standard in government accounting/budgeting
- See Fund Policy – Appendix of City Budget
- Example below is from Adopted BN21-23 Budget for all funds

Sources Summary						
	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Adopted Budget	2021-22 Proposed Budget	2022-23 Proposed Budget
Revenues:						
Taxes	\$ 25,009,359	\$ 25,940,766	\$ 25,394,514	\$ 27,858,098	\$ 24,597,816	\$ 25,560,771
Licenses and Permits	838,832	859,045	1,095,600	949,150	1,490,500	1,124,000
Intergovernmental Revenues	3,938,740	4,132,531	4,890,829	6,073,768	8,361,338	13,756,761
Charges for Services	54,692,456	57,628,778	59,014,547	60,831,340	60,903,735	62,115,697
Systems Development Charges	779,520	898,309	752,284	396,500	300,000	300,000
Fines and Forfeitures	545,835	588,070	418,514	607,900	544,500	544,500
Assessment Payments	17,535	8,924	3,319	-	-	-
Interest on Investments	708,809	1,035,443	945,387	784,207	348,780	343,480
Miscellaneous Revenues	1,469,462	2,369,877	522,180	1,685,070	566,650	677,850
Total Revenues	88,000,548	93,461,743	93,037,174	99,186,033	97,113,319	104,423,059
Budgetary Sources:						
Working Capital Carryover	39,472,221	42,476,929	45,295,588	20,054,502	50,353,559	45,043,109
Debt Revenue	971,842	3,065,628	1,226,580	24,232,562	17,842,650	22,998,450
Interfund Loan	-	-	-	-	-	-
Operating Transfers In	7,275,692	6,593,043	6,067,044	6,381,572	6,402,611	4,396,093
Total Budgetary Sources	47,719,755	52,135,600	52,589,212	50,668,636	74,598,820	72,437,652
Total Sources	\$ 135,720,303	\$ 145,597,343	\$ 145,626,386	\$ 149,854,669	\$ 171,712,139	\$ 176,860,711

Fund Balance Policy-General Fund

The General Fund accounts for all financial resources not accounted for in other funds. Resources include **working capital carryover**, taxes, licenses and permits, intergovernmental revenue, fines and forfeitures, charges for services, miscellaneous revenues, and inter-fund transfers. Expenditures are for Social Services, Economic and Cultural Development, Police Department, Municipal Court Department, Fire and Rescue Department, City Band, Cemeteries, and the Department of Community Development and payments for services provided by other funds. This fund uses the modified accrual method of accounting.

- The General Fund will maintain an unrestricted and undesignated balance no less than 20 percent of the average annual expenditures of the prior three years. This is the minimum needed to maintain the City's credit worthiness and to adequately provide for economic uncertainties and cash flow needs.

➤ No Change to Process of using Ending Fund Balance in Proposed Budget

- This Biennium, lowered Working Capital Carryover to 16.7% due to accumulated funds in Reserve Fund and Contingency.



General Fund					
	BN 2017/19 Adopted Budget	BN 2019/21 Adopted Budget	BN 2021/23 Adopted Budget	BN 2023/25 Proposed Budget	
Revenues:					
Taxes	\$ 42,958,500	\$ 47,833,328	\$ 44,829,620	\$ 49,740,423	
Licenses and Permits	1,660,300	1,898,300	2,614,500	2,525,713	
Intergovernmental Revenues	2,187,589	3,013,342	5,645,709	4,496,099	
Charges for Services	3,327,000	3,328,001	17,411,998	25,651,340	
Fines and Forfeitures	857,900	1,210,800	1,089,000	349,000	
Interest on Investments	75,000	251,250	76,000	600,000	
Miscellaneous Revenues	395,200	140,245	115,300	181,325	
Total Revenues	51,461,489	57,675,266	71,782,127	83,543,900	1
Operating Expenditures:					
Personnel Services	\$ 28,543,950	\$ 30,882,181	\$ 43,306,409	\$ 60,288,304	
Materials and Services	24,899,100	26,038,380	19,668,927	29,715,337	
Debt Service					
Total Operating Expenditures	53,443,050	56,920,561	62,975,336	90,003,641	
Capital Construction					
Capital Outlay	30,000	460,000	810,000	3,476,818	
Total Operating Expenditures	53,473,050	57,380,561	63,785,336	93,480,459	3
Excess of Revenues over Expenditu	(2,011,561)	294,705	7,996,791	(9,936,559)	
Net Excess Expenditures Before Working Capital				(6,684,528)	
Budgetary Sources:					
Working Capital Carryover	4,412,535	4,119,443	10,402,912	17,784,964	
Debt Revenue					
Interfund Loan					
Operating Transfers In	513,000	850,000	230,000	1,243,184	
Total Budgetary Sources	4,925,535	4,969,443	10,632,912	19,028,148	2
Budgetary Requirements					
Operating Transfers	211,000	211,000	9,100,936	621,000	
Contingencies	800,000	800,000	2,215,847	2,279,998	
Unappropriated Ending Fund Balance	1,902,974	4,253,148	7,312,918	6,190,591	
Total Budgetary Requirement	\$ 2,913,974	\$ 5,264,148	\$ 18,629,701	\$ 9,091,589	4
Net Sources				9,936,559	
Balanced Budget:					
Total Sources	\$ 56,387,024	\$ 62,644,709	\$ 82,415,037	\$ 102,572,048	1-2
Total Requirements	\$ 56,387,024	\$ 62,644,709	\$ 82,415,037	\$ 102,572,048	3-4
Appropriation	54,484,050	58,391,561	75,102,119	96,381,457	
Unappropriated Ending Fund Balance	1,902,974	4,253,148	7,312,918	6,190,591	
	56,387,024	62,644,709	82,415,037	102,572,048	

\$6.7M came from Working Capital Carryover

These monies were appropriated in last biennium but were not spent (eg personnel vacancies).

Reappropriated in this BN.

Brought Ending Fund Balance to \$6.2M per proposed 23-25 Financial Fund Policy

General Fund Budget is balanced.



QUESTIONS?

