



## Staff Report

**TO:** City Council  
**FROM:** Claudia Shedd, Budget Specialist  
**DATE** May 7, 2024  
**SUBJECT:** FY2023-2024 3rd Quarter Budget to Actuals Report

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**Description** Receive and file the 3<sup>rd</sup> quarter budget to actuals report.

### **Background and Analysis:**

The Fiscal Year 2023-2024 3<sup>rd</sup> Quarter financials provide an update to the City's current financials and estimates for year end.

### Budget Control and Monitoring

The City of Beaumont Budget Policy provides that the Finance Department will maintain a system of tools for departments to manage their budgets and for financial monitoring and control of the City's budget during the fiscal year. This system will provide the departments and City Council with information on revenue, expenditures, and budget performance at both the department and fund level.

### *General Fund Revenues*

The majority of General Fund revenue budget is from taxes. Property tax is usually recorded in December and May. Sales tax is received in monthly advanced estimated payments and then a quarterly actual clean-up payment. Other taxes include Motor Vehicle In-Lieu, which is received in February and June, as well as Utility Users tax which is received monthly.

As of March 31, 2024, the City has collected 68% of the Fiscal Year (FY) 2024 budgeted revenues. The miscellaneous revenue line is higher than budget because the 3<sup>rd</sup> quarter interest allocation to other funds has not been completed yet. Also, there is an audit entry on unrecognized interest that will most likely be reduced for the current FY. It is anticipated that this revenue line will still be higher than budget by year-end as interest income has been coming in higher than anticipated. Below is a table for general fund revenues as of March 31, 2024.

|                         | GENERAL FUND                    |                                |                      |                      |            |
|-------------------------|---------------------------------|--------------------------------|----------------------|----------------------|------------|
|                         | ORIGINAL<br>BUDGET<br>FY2023/24 | CURRENT<br>BUDGET<br>FY2023/24 | ACTUAL<br>FY2023/24  | ESTIMATED<br>ACTUALS | %          |
| Taxes                   | 48,020,578.00                   | 48,020,578.00                  | 29,380,733.39        | 47,706,228.00        | 61%        |
| Licenses                | 375,000.00                      | 375,000.00                     | 163,640.29           | 376,880.00           | 44%        |
| Permits                 | 2,479,689.00                    | 2,479,689.00                   | 2,458,443.06         | 3,262,325.00         | 99%        |
| Franchise Fees          | 3,299,914.00                    | 3,299,914.00                   | 3,171,450.35         | 3,438,166.00         | 96%        |
| Charges for Services    | 2,543,775.00                    | 2,543,775.00                   | 1,487,402.53         | 2,487,662.00         | 58%        |
| Fines and Forfeitures   | 115,000.00                      | 115,000.00                     | 130,075.83           | 173,424.00           | 113%       |
| Cost Recovery           | 866,920.00                      | 866,920.00                     | 474,795.78           | 632,658.00           | 55%        |
| Miscellaneous           | 1,120,860.00                    | 1,120,860.00                   | 4,125,877.04         | 1,855,772.00         | 368%       |
| Other Financing Sources | 750,000.00                      | 750,000.00                     | 400,810.21           | 750,000.00           | 53%        |
| Transfers               | 8,218,067.00                    | 8,281,367.00                   | 4,619,772.71         | 8,218,067.00         | 56%        |
| <b>TOTAL REVENUES</b>   | <b>67,789,803.00</b>            | <b>67,853,103.00</b>           | <b>46,413,001.19</b> | <b>68,901,182.00</b> | <b>68%</b> |

*General Fund Departments*

The table below provides an overview of the general fund department budgets through March 31, 2024. 3<sup>rd</sup> quarter expenses for each department should range from 65% to 85%.

| <b>General Fund Expenditures</b> |                                |                               |                       |              |
|----------------------------------|--------------------------------|-------------------------------|-----------------------|--------------|
| <b>DEPARTMENT</b>                | <b>FY 2024 ORIGINAL BUDGET</b> | <b>CURRENT FY 2024 BUDGET</b> | <b>FY 2024 ACTUAL</b> | <b>%</b>     |
| Non-Departmental                 | 10,935,086.00                  | 12,697,257.00                 | 114,331.12            | 0.9%         |
| City Council                     | 202,143.00                     | 202,143.00                    | 58,982.00             | 29.2%        |
| City Clerk                       | 459,449.00                     | 570,908.82                    | 358,762.49            | 62.8%        |
| Administration                   | 1,545,057.00                   | 2,632,694.37                  | 790,363.26            | 30.0%        |
| Communications                   | 390,477.00                     | 393,783.09                    | 171,058.76            | 43.4%        |
| Finance                          | 1,942,334.00                   | 1,962,455.95                  | 1,275,731.44          | 65.0%        |
| IT                               | 1,798,922.00                   | 1,950,150.51                  | 1,411,092.34          | 72.4%        |
| Economic Development             | 1,207,540.00                   | 1,942,357.75                  | 514,071.79            | 26.5%        |
| Risk and HR                      | 3,625,354.00                   | 3,637,673.12                  | 2,572,921.11          | 70.7%        |
| Legal                            | 1,500,000.00                   | 1,500,000.00                  | 1,041,487.37          | 69.4%        |
| Community Development            | 812,062.00                     | 824,517.23                    | 554,658.95            | 67.3%        |
| Community Services               | 1,899,199.00                   | 1,929,035.45                  | 1,214,134.35          | 62.9%        |
| Animal Control                   | 385,923.00                     | 389,859.50                    | 265,495.83            | 68.1%        |
| Community Enhancement            | 362,525.00                     | 366,185.08                    | 232,762.65            | 63.6%        |
| OES                              | 15,000.00                      | 15,000.00                     | -                     | 0.0%         |
| Police                           | 16,486,010.00                  | 16,833,188.51                 | 11,889,169.54         | 70.6%        |
| K-9                              | 14,214.00                      | 14,214.00                     | 11,063.55             | 77.8%        |
| Police Support                   | 2,928,561.00                   | 2,970,921.44                  | 1,824,819.90          | 61.4%        |
| Fire                             | 6,820,202.00                   | 6,820,202.00                  | 2,672,317.88          | 39.2%        |
| Building and Safety              | 1,554,947.00                   | 1,606,944.81                  | 823,320.50            | 51.2%        |
| Public Works                     | 3,606,165.00                   | 3,677,732.11                  | 1,798,585.58          | 48.9%        |
| Street Maintenance               | 2,720,618.00                   | 2,793,353.52                  | 1,639,562.76          | 58.7%        |
| Building Maintenance             | 1,118,910.00                   | 1,186,167.13                  | 781,580.32            | 65.9%        |
| Parks and Grounds                | 5,459,105.00                   | 5,906,383.79                  | 3,353,112.69          | 56.8%        |
| <b>TOTAL EXPENDITURES</b>        | <b>67,789,803.00</b>           | <b>72,823,128.18</b>          | <b>35,369,386.18</b>  | <b>48.6%</b> |

Internal Service Fund for 3<sup>rd</sup> quarter total \$453K and are not included in Department Expenses therefore charges will reflect in April 2024. Economic Development and Fire have a significantly lower percentage in 3<sup>rd</sup> quarter than other departments. Economic Development has a program budget line of \$550,000 to create a Downtown Incentive Program and downtown market night assistance. This program is in progress and funds continue to be expended. The Fire Department budget is below average since only two quarters of the fire services have been processed through the County of Riverside.

The table below provides for expenditures by type. Personnel costs make up 66% of the actual total to date. Operating costs are 47% of actuals followed by capital at 67%. Currently, there are no categories over budget, however, estimated actuals are putting fleet costs and other (insurance and equipment leasing and rentals) at risk of exceeding budget. Overall, estimated actuals have revenues coming in \$1.1M above budget and expenditures 8% below budget for an overall estimated surplus of \$1.8M.

|                           | EXPENSE TYPE           | FY 2024 ORIGINAL BUDGET | FY 2024 CURRENT BUDGET | FY 2024 ACTUAL       | ESTIMATED ACTUALS    | %          |
|---------------------------|------------------------|-------------------------|------------------------|----------------------|----------------------|------------|
| <b>Personnel</b>          |                        |                         |                        |                      |                      |            |
|                           | Salaries and Wages     | 20,877,413.00           | 21,125,630.00          | 14,420,417.43        | 19,996,312.00        | 68%        |
|                           | Benefits               | 8,927,668.00            | 8,927,668.00           | 5,486,425.19         | 7,607,842.00         | 61%        |
|                           | Other                  | 541,573.00              | 547,530.00             | 331,732.75           | 541,417.73           | 61%        |
|                           | <b>TOTAL PERSONNEL</b> | <b>30,346,654.00</b>    | <b>30,600,828.00</b>   | <b>20,238,575.37</b> | <b>28,145,571.73</b> | <b>66%</b> |
| <b>Operating</b>          |                        |                         |                        |                      |                      |            |
|                           | Utilities              | 2,057,770.00            | 2,057,770.00           | 1,376,539.29         | 2,018,923.52         | 67%        |
|                           | Administration         | 1,212,541.00            | 1,358,867.00           | 773,137.48           | 1,210,475.76         | 57%        |
|                           | Fleet Costs            | 793,125.00              | 797,625.00             | 544,027.76           | 832,075.00           | 68%        |
|                           | Program Costs          | 1,944,870.00            | 2,470,112.00           | 579,350.45           | 934,829.00           | 23%        |
|                           | Repairs & Maintenance  | 1,272,433.00            | 1,410,275.00           | 953,064.71           | 1,397,827.47         | 68%        |
|                           | Supplies               | 1,564,176.00            | 1,637,384.00           | 611,992.99           | 1,271,624.00         | 37%        |
|                           | Special Services       | 533,000.00              | 542,471.00             | 57,762.76            | 428,023.00           | 11%        |
|                           | Contractual Services   | 11,174,441.00           | 12,940,389.00          | 5,183,191.39         | 11,432,190.00        | 40%        |
|                           | Other                  | 2,847,678.00            | 2,847,678.00           | 2,203,079.36         | 3,231,182.29         | 77%        |
|                           | <b>TOTAL OPERATING</b> | <b>23,400,034.00</b>    | <b>26,062,571.00</b>   | <b>12,282,146.19</b> | <b>22,757,150.04</b> | <b>47%</b> |
| <b>Capital</b>            |                        |                         |                        |                      |                      |            |
|                           | Equipment              | 1,176,142.00            | 1,176,142.00           | 832,833.82           | 1,176,142.00         | 71%        |
|                           | Vehicle                | 1,974,043.00            | 2,328,486.00           | 1,460,166.32         | 2,328,486.00         | 63%        |
|                           | Structure              | 465,057.00              | 465,057.00             | 348,792.75           | 465,057.00           | 75%        |
|                           | <b>TOTAL CAPITAL</b>   | <b>3,615,242.00</b>     | <b>3,969,685.00</b>    | <b>2,641,792.89</b>  | <b>3,969,685.00</b>  | <b>67%</b> |
| <b>Contingency</b>        |                        |                         |                        |                      |                      |            |
|                           | <b>CONTINGENCY</b>     | <b>150,000.00</b>       | <b>150,000.00</b>      | <b>32,429.22</b>     | <b>150,000.00</b>    | <b>22%</b> |
| <b>Transfers</b>          |                        |                         |                        |                      |                      |            |
|                           | <b>TRANSFERS</b>       | <b>5,562,079.00</b>     | <b>12,040,044.00</b>   | <b>52,687.12</b>     | <b>12,040,044.00</b> | <b>0%</b>  |
| <b>Total Expenditures</b> |                        | <b>63,074,009.00</b>    | <b>72,823,128.00</b>   | <b>35,247,630.79</b> | <b>67,062,450.78</b> | <b>48%</b> |

### Wastewater Fund Summary

#### Revenues

Wastewater revenues are collected in arrears. The July billing is accrued back to prior FY 2023 and the first billing for FY 2024 was collected in September. Billing is completed bi-monthly and there have been four billings to date. As of March 31, 2024,

the Wastewater Fund has collected 72% of its budgeted revenues. The Cost Recovery line has collected more than budget due to a PH water level violation with Perricone Juice invoiced and collected in February 2024. The Miscellaneous revenues category has collected lease revenue from the Terra Gen Development Company which was not included in the budget. This lease revenue is shared with Transit.

|                         | WASTEWATER REVENUES     |                        |                     |                      |            |
|-------------------------|-------------------------|------------------------|---------------------|----------------------|------------|
|                         | FY 2024 ORIGINAL BUDGET | FY 2024 CURRENT BUDGET | ACTUAL FY2023/24    | ESTIMATED ACTUALS    | %          |
| Permits                 | -                       | -                      | -                   | -                    | 0%         |
| Fines and Forfeitures   | -                       | -                      | -                   | -                    | 0%         |
| Cost Recovery           | 3,500.00                | 3,500.00               | 8,604.44            | 8,605.00             | 246%       |
| Miscellaneous           | 120,000.00              | 120,000.00             | 227,239.41          | 332,978.00           | 189%       |
| Proprietary Revenues    | 13,299,301.00           | 13,299,301.00          | 9,453,402.49        | 14,190,103.00        | 71%        |
| Other Financing Sources |                         |                        | 1,030.00            | 1,030.00             | 0%         |
| Transfers               | -                       | 38,864.00              | -                   | -                    | 0%         |
| <b>TOTAL REVENUES</b>   | <b>13,422,801.00</b>    | <b>13,461,665.00</b>   | <b>9,690,276.34</b> | <b>14,532,716.00</b> | <b>72%</b> |

Expenses

Wastewater expenses as of March 31, 2024, total \$8.6M which is 63% of the FY 2024 budget. Personnel costs are 20% of the actual total to date, operating costs make up 36%, capital costs 36% and contingency is 3%, and transfers out for debt service paid and capital project funding is 41%.

Currently, the overall budget is on target for FY 2024. Contingency is over budget due to emergency rental at Marshall Lift station plus an additional encumbrance of \$16,668.21 for any future traffic collisions near the Marshall Lift Station. Estimated actuals have utilities potentially going over budget by year-end. Overall, estimated actuals have revenues coming in \$1.0M above budget and expenses coming in \$731K below budget for an overall estimated surplus of \$1.4M.

| Wastewater Expenses   |                        |                         |                        |                     |                      |             |
|-----------------------|------------------------|-------------------------|------------------------|---------------------|----------------------|-------------|
|                       | EXPENSE TYPE           | FY 2024 ORIGINAL BUDGET | FY 2024 CURRENT BUDGET | FY 2024 ACTUAL      | ESTIMATED ACTUALS    | %           |
| <b>Personnel</b>      |                        |                         |                        |                     |                      |             |
|                       | Salaries and Wages     | 1,757,933.00            | 1,746,241.00           | 1,277,507.93        | 1,703,343.00         | 73%         |
|                       | Benefits               | 692,866.00              | 692,866.00             | 415,968.08          | 584,623.00           | 60%         |
|                       | Other                  | 38,577.00               | 39,132.00              | 24,214.70           | 37,692.00            | 62%         |
|                       | <b>TOTAL PERSONNEL</b> | <b>2,489,376.00</b>     | <b>2,478,239.00</b>    | <b>1,717,690.71</b> | <b>2,325,657.99</b>  | <b>69%</b>  |
| <b>Operating</b>      |                        |                         |                        |                     |                      |             |
|                       | Utilities              | 955,648.00              | 955,648.00             | 883,068.77          | 1,177,424.00         | 92%         |
|                       | Administration         | 293,429.00              | 293,429.00             | 177,141.40          | 236,188.00           | 60%         |
|                       | Fleet Costs            | 99,080.00               | 99,080.00              | 54,584.01           | 87,334.00            | 55%         |
|                       | Repairs & Maintenance  | 127,468.00              | 239,482.00             | 141,280.36          | 188,373.00           | 59%         |
|                       | Supplies               | 920,700.00              | 920,700.00             | 498,474.33          | 777,619.00           | 54%         |
|                       | Contractual Services   | 1,741,853.00            | 1,788,921.00           | 870,890.38          | 1,458,588.00         | 49%         |
|                       | Admin Overhead         | 650,000.00              | 650,000.00             | 325,000.00          | 650,000.00           | 50%         |
|                       | Other                  | 682,270.00              | 682,270.00             | 177,672.65          | 419,810.00           | 26%         |
| <b>Capital</b>        | <b>TOTAL OPERATING</b> | <b>5,470,448.00</b>     | <b>5,629,530.00</b>    | <b>3,128,111.90</b> | <b>4,995,336.01</b>  | <b>56%</b>  |
|                       | Equipment              | 87,400.00               | 101,300.00             | 36,410.38           | 101,300.00           | 36%         |
|                       | <b>TOTAL CAPITAL</b>   | <b>87,400.00</b>        | <b>101,300.00</b>      | <b>36,410.38</b>    | <b>101,300.00</b>    | <b>36%</b>  |
| <b>Contingency</b>    | <b>CONTINGENCY</b>     | <b>200,000.00</b>       | <b>200,000.00</b>      | <b>254,861.35</b>   | <b>274,862.00</b>    | <b>127%</b> |
| <b>Transfers</b>      | <b>TRANSFERS</b>       | <b>5,356,153.00</b>     | <b>5,356,153.00</b>    | <b>3,547,608.75</b> | <b>5,356,153.00</b>  | <b>66%</b>  |
| <b>Total Expenses</b> |                        | <b>13,603,377.00</b>    | <b>13,765,222.00</b>   | <b>8,684,683.09</b> | <b>13,053,309.00</b> | <b>63%</b>  |

### Transit Fund Summary

#### Revenues

Transit revenues are collected daily and reported weekly. Miscellaneous revenue includes interest, EV charging stations and lease revenue. Each of these revenues have exceeded the current budget and anticipate \$177K above budget.

|                         | TRANSIT REVENUES        |                        |                     |                     |              |
|-------------------------|-------------------------|------------------------|---------------------|---------------------|--------------|
|                         | FY 2024 ORIGINAL BUDGET | FY 2024 CURRENT BUDGET | ACTUAL FY2023/24    | ESTIMATED ACTUALS   | %            |
| Taxes                   | 169,000.00              | 169,000.00             | 126,750.00          | 169,000.00          | 0%           |
| Intergovernmental       | 2,785,644.00            | 2,785,644.00           | 2,374,310.63        | 2,785,644.00        | 85%          |
| Miscellaneous           | 18,000.00               | 18,000.00              | 132,215.96          | 167,520.67          | 735%         |
| Proprietary Revenues    | 21,025.00               | 21,025.00              | 44,190.69           | 88,380.62           | 210%         |
| Other Financing Sources | -                       | -                      | 3.75                | -                   | 0%           |
| Transfers               | -                       | 39,101.00              | -                   | -                   | 0%           |
| <b>TOTAL REVENUES</b>   | <b>2,993,669.00</b>     | <b>3,032,770.00</b>    | <b>2,677,471.03</b> | <b>3,210,545.29</b> | <b>88.3%</b> |

### Expenses

Transit expenses for the 3<sup>rd</sup> quarter total \$2.0M, which is 65% of the budget. Estimated actuals expect utilities, repair & maintenance and other to go over budget by year-end. Overall Transit expenses are on target and estimated year-end actuals expect to come in below budget by \$251K.

| Transit Expenses      |                        |                         |                        |                     |                     |            |
|-----------------------|------------------------|-------------------------|------------------------|---------------------|---------------------|------------|
|                       | EXPENSE TYPE           | FY 2024 ORIGINAL BUDGET | FY 2024 CURRENT BUDGET | FY 2024 ACTUAL      | ESTIMATED ACTUALS   | %          |
| <b>Personnel</b>      |                        |                         |                        |                     |                     |            |
|                       | Salaries and Wages     | 1,663,500.00            | 1,702,041.00           | 1,174,870.76        | 1,629,154.00        | 69%        |
|                       | Benefits               | 572,166.00              | 572,166.00             | 410,377.45          | 569,056.00          | 72%        |
|                       | Other                  | 47,481.00               | 185,740.00             | 23,154.06           | 32,107.00           | 12%        |
|                       | <b>TOTAL PERSONNEL</b> | <b>2,283,147.00</b>     | <b>2,459,947.00</b>    | <b>1,608,402.27</b> | <b>2,230,317.00</b> | <b>65%</b> |
| <b>Operating</b>      |                        |                         |                        |                     |                     |            |
|                       | Utilities              | 61,229.00               | 61,229.00              | 49,495.40           | 72,594.00           | 81%        |
|                       | Administration         | 56,305.00               | 56,305.00              | 27,576.69           | 45,501.00           | 49%        |
|                       | Fleet Costs            | 400,800.00              | 400,800.00             | 226,235.09          | 373,288.00          | 56%        |
|                       | Repairs & Maintenance  | 23,362.00               | 23,362.00              | 19,152.17           | 28,089.00           | 82%        |
|                       | Supplies               | 9,500.00                | 9,500.00               | 6,901.57            | 10,122.00           | 73%        |
|                       | Contractual Services   | 46,100.00               | 46,100.00              | 24,392.50           | 35,775.00           | 53%        |
|                       | Other                  | 107,020.00              | 107,020.00             | 79,633.26           | 116,795.40          | 74%        |
|                       | <b>TOTAL OPERATING</b> | <b>704,316.00</b>       | <b>704,316.00</b>      | <b>433,386.68</b>   | <b>682,164.40</b>   | <b>62%</b> |
| <b>Capital</b>        |                        |                         |                        |                     |                     |            |
|                       | Structure              | 6,206.00                | 6,206.00               | 4,654.50            | 6,206.00            | 0%         |
|                       | <b>TOTAL CAPITAL</b>   | <b>6,206.00</b>         | <b>6,206.00</b>        | <b>4,654.50</b>     | <b>6,206.00</b>     | <b>75%</b> |
| <b>Transfers</b>      | <b>TRANSFERS</b>       |                         |                        |                     |                     |            |
| <b>Total Expenses</b> |                        | <b>2,993,669.00</b>     | <b>3,170,469.00</b>    | <b>2,046,443.45</b> | <b>2,918,687.41</b> | <b>65%</b> |

**Fiscal Impact:**

The estimated cost to prepare this report is \$375.

**Recommended Action:**

Receive and file report.

**Attachments:**

- A. Budget to Actuals Report