



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: August 20, 2024
SUBJECT: FY2023-2024 4th Quarter Budget Update and Financial Status Report

Description Receive a report on the status of the City's budget and financial status as of June 30, 2024, and approve recommended budget adjustments.

Background and Analysis:

The Fiscal Year 2023-24 4th quarter financials provide an update to the City's financial position relative to the FY 2023-24 budget.

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 Summary

Most of the 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.

General Fund Revenues

As of June 30, 2023, the City has collected 99% of the FY 2024 budgeted revenues. Sales tax has been recorded through May. Interest is well over budget but still needs to allocate interest to other funds. Revenues for FY24 received through August 30, 2024, will continue to be recorded. Below is a table for General Fund Revenues as of June 30, 2024.

	GENERAL FUND				
	ORIGINAL BUDGET FY2023/24	CURRENT BUDGET FY2023/24	ACTUAL FY2023/24	ESTIMATED ACTUALS	%
Taxes	48,020,578.00	48,020,578.00	45,498,809.30	47,986,347.00	95%
Licenses	375,000.00	375,000.00	419,887.18	419,887.00	112%
Permits	2,479,689.00	2,479,689.00	3,055,757.00	3,055,757.00	123%
Franchise Fees	3,299,914.00	3,299,914.00	3,260,678.45	3,283,706.00	99%
Charges for Services	2,543,775.00	2,543,775.00	2,388,559.22	2,771,356.00	94%
Fines and Forfeitures	115,000.00	115,000.00	204,978.62	185,659.00	178%
Cost Recovery	866,920.00	866,920.00	1,055,647.20	1,062,313.00	122%
Miscellaneous	1,120,860.00	1,120,860.00	3,961,579.51	3,311,580.00	353%
Other Financing Sources	750,000.00	750,000.00	750,840.61	750,000.00	100%
Transfers	8,218,067.00	8,281,367.00	6,999,170.71	8,218,067.00	85%
TOTAL REVENUES	67,789,803.00	67,853,103.00	67,595,907.80	71,044,672.00	100%

General Fund Departments

The table below provides an overview of the general fund department budgets through June 30, 2024.

DEPARTMENT	FY 2024 ORIGINAL BUDGET	CURRENT FY 2024 BUDGET	FY 2024 ACTUAL	%
Non-Departmental	10,935,086.00	15,869,199.00	15,501,494.82	97.7%
City Council	202,143.00	202,143.00	85,900.24	42.5%
City Clerk	459,449.00	570,908.82	482,267.29	84.5%
Administration	1,545,057.00	2,632,694.37	1,123,655.79	42.7%
Communications	390,477.00	393,783.09	309,157.01	78.5%
Finance	1,942,334.00	1,962,455.95	1,761,089.07	89.7%
IT	1,798,922.00	1,950,150.51	1,831,888.87	93.9%
Economic Developme	1,207,540.00	1,942,357.75	604,760.91	31.1%
Risk and HR	3,625,354.00	3,637,673.12	2,874,216.85	79.0%
Legal	1,500,000.00	1,500,000.00	1,425,407.89	95.0%
Community Developm	812,062.00	824,517.23	895,926.79	108.7%
Community Services	1,899,199.00	1,929,035.45	1,648,709.46	85.5%
Animal Control	385,923.00	389,859.50	372,201.64	95.5%
Community Enhancem	362,525.00	366,185.08	381,161.40	104.1%
OES	15,000.00	15,000.00	-	0.0%
Police	16,486,010.00	16,833,188.51	16,008,977.32	95.1%
K-9	14,214.00	14,214.00	14,214.00	100.0%
Police Support	2,928,561.00	2,970,921.44	2,590,228.68	87.2%
Fire	6,820,202.00	6,820,202.00	3,923,509.20	57.5%
Building and Safety	1,554,947.00	1,606,944.81	1,211,690.65	75.4%
Public Works	3,606,165.00	3,242,226.11	2,526,260.58	77.9%
Street Maintenance	2,720,618.00	2,793,353.52	2,505,021.37	89.7%
Building Maintenance	1,118,910.00	1,186,167.13	1,075,774.88	90.7%
Parks and Grounds	5,459,105.00	5,906,383.79	4,736,394.49	80.2%
TOTAL EXPENDITURE:	67,789,803.00	75,559,564.18	63,889,909.20	84.6%

Departments that have been highlighted in orange are over budget and will require a budget adjustment. Invoices for FY24 services and goods will continue to be paid through August 30, 2024, and posted to FY24.

The table below provides for expenditures by type. Personnel costs make up 44% of the actuals to date. Operating costs are 27% of actuals followed by capital at 5% and transfers at 24%. Currently, transfers are over budget due to an accounting error from the previous year. Overall, estimated actuals have revenues coming in \$3.1M above

budget and expenditures \$8.5M below budget for an overall estimated surplus of \$11.6M.

	EXPENSE TYPE	FY 2024 ORIGINAL BUDGET	FY 2024 CURRENT BUDGET	FY 2024 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	20,877,413.00	21,125,630.00	20,269,147.44	20,269,148.00	96%
	Benefits	8,927,668.00	8,927,668.00	7,162,711.67	7,162,712.00	80%
	Other	541,573.00	547,530.00	460,065.60	460,066.00	84%
	TOTAL PERSONNEL	30,346,654.00	30,600,828.00	27,891,924.71	27,891,926.00	91%
Operating						
	Utilities	2,057,770.00	2,057,770.00	1,974,821.59	1,985,000.00	96%
	Administration	1,212,541.00	1,358,867.00	1,071,505.88	1,103,651.00	79%
	Fleet Costs	793,125.00	797,625.00	787,215.74	810,832.00	99%
	Program Costs	1,944,870.00	2,470,112.00	820,387.84	844,999.00	33%
	Repairs & Maintenance	1,272,433.00	1,410,275.00	1,105,206.73	1,138,362.93	78%
	Supplies	1,564,176.00	1,637,384.00	1,153,215.59	1,487,812.06	70%
	Special Services	533,000.00	542,471.00	201,915.93	307,973.41	37%
	Contractual Service	11,174,441.00	12,940,389.00	7,791,825.77	10,154,348.25	60%
	Other	2,847,678.00	2,847,678.00	2,344,865.85	2,416,316.00	82%
	TOTAL OPERATING	23,400,034.00	26,062,571.00	17,250,960.92	20,249,294.65	66%
Capital						
	Equipment	1,176,142.00	1,170,636.00	1,117,966.00	1,127,966.00	96%
	Vehicle	1,974,043.00	1,898,486.00	1,668,259.89	1,668,260.00	88%
	Structure	465,057.00	465,057.00	465,057.00	465,057.00	100%
	Other	-	-	25,453.69	25,454.00	0%
	TOTAL CAPITAL	3,615,242.00	3,534,179.00	3,276,736.58	3,286,737.00	93%
Contingency						
	CONTINGENCY	150,000.00	150,000.00	44,700.51	50,000.00	30%
Transfers						
	TRANSFERS	5,562,079.00	15,066,312.00	15,419,302.82	15,419,303.00	102%
	Total Expenditures	63,074,009.00	75,413,890.00	63,883,625.54	66,897,260.65	85%

Wastewater Fund Summary

Revenues

Wastewater revenues are collected in arrears. The July billing is accrued back to prior FY24. Billing is completed bi-monthly. As of June 30, 2024, the Wastewater Fund has collected 112% of its budgeted revenues.

	WASTEWATER REVENUES				
	FY 2024 ORIGINAL BUDGET	FY 2024 CURRENT BUDGET	ACTUAL FY2023/24	ESTIMATED ACTUALS	%
Permits	-	-	-		0%
Fines and Forfeitures	-	-	18,432.29	18,432.00	0%
Cost Recovery	3,500.00	3,500.00	8,604.44	8,605.00	246%
Miscellaneous	120,000.00	120,000.00	482,881.28	507,882.00	402%
Proprietary Revenues	13,299,301.00	13,299,301.00	14,485,556.22	14,485,557.00	109%
Other Financing Sources			1,030.00	1,030.00	0%
Transfers	-	38,864.00	38,863.34	38,864.00	0%
TOTAL REVENUES	13,422,801.00	13,461,665.00	15,035,367.57	15,060,370.00	112%

Expenses

Wastewater expenses as of June 30, 2024, total \$12.6m which is 91% of the FY2024 budget. Personnel costs make up 19% of the actuals to date, operating costs make up 39%, capital costs make up 1%, Contingency makes up 2% of the actuals, and Transfers Out for projects and debt service make up the remaining 39%.

Currently, all categories are within budget except contingency. Overall, estimated actuals have revenues coming in \$1.5m above budget and expenses coming in \$615K below budget for an overall estimated surplus of \$2.2m.

Wastewater Expenses						
	EXPENSE TYPE	FY 2024 ORIGINAL BUDGET	FY 2024 CURRENT BUDGET	FY 2024 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	1,757,933.00	1,746,241.00	1,819,474.61	1,819,475.00	104%
	Benefits	692,866.00	692,866.00	546,751.95	546,752.00	79%
	Other	38,577.00	39,132.00	34,131.48	34,132.00	87%
	TOTAL PERSONNEL	2,489,376.00	2,478,239.00	2,400,358.04	2,400,359.00	97%
Operating						
	Utilities	955,648.00	955,648.00	1,322,763.03	1,349,218.00	138%
	Administration	293,429.00	293,429.00	189,431.70	193,220.00	65%
	Fleet Costs	99,080.00	99,080.00	69,663.24	71,056.00	70%
	Repairs & Maintenance	127,468.00	239,482.00	155,147.16	158,250.00	65%
	Supplies	920,700.00	920,700.00	743,689.81	758,563.00	81%
	Contractual Services	1,741,853.00	1,788,921.00	1,373,045.40	1,400,506.00	77%
	Admin Overhead	650,000.00	650,000.00	650,000.00	650,000.00	100%
	Other	682,270.00	682,270.00	456,386.42	465,514.00	67%
Capital	TOTAL OPERATING	5,470,448.00	5,629,530.00	4,960,126.76	5,046,327.01	88%
	Equipment	87,400.00	101,300.00	81,934.82	81,935.00	81%
	TOTAL CAPITAL	87,400.00	101,300.00	81,934.82	81,935.00	81%
Contingency	CONTINGENCY	200,000.00	200,000.00	265,154.06	265,154.00	133%
Transfers	TRANSFERS	5,356,153.00	5,356,153.00	4,885,016.10	5,356,153.00	91%
Total Expenses		13,603,377.00	13,765,222.00	12,592,589.78	13,149,928.01	91%

Transit Fund Summary

Revenues

Most of the transit fund revenues consist of funding from the Riverside County Transportation Commission (RCTC). Revenue from RCTC is received on a monthly basis. Other revenues received include ridership fares, Measure A taxes, interest and EV charging station revenue recorded in Miscellaneous revenue, and other financing sources which consist of sale of property. As of June 30, 2024, the Transit Fund has collected 108% of its budgeted revenues.

Attachment A is included to show all funds budget status to date.

	TRANSIT REVENUES				
	FY 2024 ORIGINAL BUDGET	FY 2024 CURRENT BUDGET	ACTUAL FY2023/24	ESTIMATED ACTUALS	%
Taxes	169,000.00	169,000.00	169,000.00	169,000.00	0%
Intergovernmental	2,785,644.00	2,785,644.00	2,841,111.00	2,841,111.00	102%
Miscellaneous	18,000.00	18,000.00	170,665.34	175,665.00	948%
Proprietary Revenues	21,025.00	21,025.00	57,310.25	57,310.00	273%
Other Financing Sources	-	-	3.75	4.00	0%
Transfers	-	39,101.00	36,298.97	36,299.00	0%
TOTAL REVENUES	2,993,669.00	3,032,770.00	3,274,389.31	3,279,389.00	108.0%

Expenses

Transit expenses as of June 30, 2024, total \$2.8m which is 93% of the FY2024 budget. Personnel costs make up 79% of the actuals to date and operating costs make up 21%.

Currently, utilities and repairs and maintenance are over budget. Overall expenses are estimated to be under budget by \$198,298.

Transit Expenses						
	EXPENSE TYPE	FY 2024 ORIGINAL BUDGET	FY 2024 CURRENT BUDGET	FY 2024 ACTUAL	ESTIMATED ACTUALS	%
Personnel						
	Salaries and Wages	1,663,500.00	1,702,041.36	1,629,500.87	1,629,501.00	96%
	Benefits	572,166.00	572,166.00	572,536.25	572,537.00	100%
	Other	47,481.00	48,039.88	32,023.83	32,024.00	67%
	TOTAL PERSONNEL	2,283,147.00	2,322,247.24	2,234,060.95	2,234,062.00	96%
Operating						
	Utilities	61,229.00	61,229.00	80,889.29	82,507.00	132%
	Administration	56,305.00	56,305.00	46,089.16	47,010.00	82%
	Fleet Costs	400,800.00	400,800.00	278,698.74	284,272.00	70%
	Repairs & Maintenance	23,362.00	23,362.00	26,929.13	27,467.00	115%
	Supplies	9,500.00	9,500.00	10,767.62	10,982.00	113%
	Contractual Services	46,100.00	46,100.00	34,457.50	35,146.00	75%
	Admin Overhead	100,000.00	100,000.00	100,000.00	100,000.00	100%
	Other	7,020.00	7,020.00	6,818.78	6,819.00	97%
Capital	TOTAL OPERATING	704,316.00	704,316.00	584,650.22	594,203.01	83%
	Structure	6,206.00	6,206.00	6,206.00	6,206.00	0%
	TOTAL CAPITAL	6,206.00	6,206.00	6,206.00	6,206.00	100%
Transfers						
	TRANSFERS					
Total Expenses		2,993,669.00	3,032,769.24	2,824,917.17	2,834,471.01	93%

This report was presented to the Finance and Audit Committee on July 22, 2024, and has been updated to reflect more current numbers.

Other Funds

Attachment A provides a budget report for all funds as of June 30, 2024. Clean-up budget amendments are requested.

City staff are currently preparing budget rollover requests and will be brought to the City Council for approval in September.

Fiscal Impact:

The budget amendment for the General Fund will increase spending authority by \$135,143, SLESA funds by \$13,643, Debt Service Funds by \$173,616, and other funds by \$50.

The estimated cost to prepare this report is \$430.

Recommended Action:

Receive and file report, and;

Approve recommended budgets adjustments as outlined in Attachment B

Attachments:

- A. All Funds Budget Report as of June 30, 2024
- B. Budget Adjustments Form