



Staff Report

TO: City Council
FROM: Jennifer Ustation, Finance Director
DATE: November 19, 2024
SUBJECT: FY2024-2025 1st Quarter Budget Update and Financial Status Report

Description Receive and file a report on the status of the City's budget and financial status as of September 30, 2024.

Background and Analysis:

The Fiscal Year 2024-25 1st quarter financials provide an update to the City's financial position relative to the Fiscal Year 2024-25 budget.

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 September 30, 2024, the city has collected 10% of FY2024-25 budgeted revenues. Sales tax for the month of July has been recorded. Interest from all accounts is creating the Miscellaneous category to look over budget, however, staff still need to allocate other funds their portion. Below is a table for General Fund Revenues as of September 30, 2024, including final unaudited results from FY2023-24.

	FY2024 Final Budget	Actual FY2023/24	GENERAL FUND				
			ORIGINAL BUDGET FY2024/25	CURRENT BUDGET FY2024/25	ACTUAL FY2024/25	ESTIMATED ACTUALS	%
Taxes	48,020,578.00	48,419,015.74	47,697,416.00	47,697,416.00	2,740,963.91	47,697,416.00	6%
Licenses	375,000.00	419,887.18	398,437.00	398,437.00	126,040.59	398,437.00	32%
Permits	2,479,689.00	3,027,161.14	2,204,998.00	2,204,998.00	798,690.04	3,098,917.00	36%
Franchise Fees	3,299,914.00	3,347,040.05	3,421,662.00	3,421,662.00	1,092,000.00	3,421,662.00	32%
Charges for Services	2,543,775.00	2,886,120.85	2,666,801.00	2,666,801.00	408,780.91	1,798,636.00	15%
Fines and Forfeitures	115,000.00	216,122.71	174,194.00	174,194.00	27,373.24	120,442.00	16%
Cost Recovery	866,920.00	1,084,535.93	950,988.00	950,988.00	330,258.00	1,321,032.00	35%
Miscellaneous	1,120,860.00	4,017,859.35	1,749,915.00	1,749,915.00	1,063,509.28	1,548,205.00	61%
Other Financing Sources	750,000.00	750,840.61	1,589,468.00	1,589,468.00	105.50	1,589,468.00	0%
Transfers	8,281,367.00	8,208,389.83	7,263,776.00	7,263,776.00	-	7,263,776.00	0%
TOTAL REVENUES	67,853,103.00	72,376,973.39	68,117,655.00	68,117,655.00	6,587,721.47	68,257,991.00	10%

General Fund Departments

The table below provides an overview of the general fund department budgets through September 30, 2024, with unaudited results from FY2023-24.

General Fund Expenditures						
DEPARTMENT	FY2024 Final Budget	FY 2024 Actual	FY 2025 ORIGINAL BUDGET	CURRENT FY 2025 BUDGET	FY 2025 ACTUAL	%
Non-Departmental	15,723,525.00	15,504,602.89	6,535,845.00	7,535,845.00	-	0.0%
City Council	202,143.00	88,735.27	258,132.00	358,132.00	18,414.40	5.1%
City Clerk	570,909.00	483,377.88	735,687.00	736,213.00	90,527.21	12.3%
Administration	2,632,694.00	1,135,817.19	1,415,425.00	1,446,925.00	216,391.29	15.0%
Communications	393,783.00	340,109.37	583,904.00	583,904.00	79,901.93	13.7%
Finance	1,962,456.00	1,769,859.17	1,947,981.00	1,970,722.00	493,601.87	25.0%
IT	1,950,151.00	1,832,862.08	1,977,193.00	1,977,193.00	551,267.21	27.9%
Economic Developmen	1,942,358.00	827,409.45	928,647.00	1,857,960.00	174,055.63	9.4%
Risk and HR	3,637,673.00	2,899,018.83	3,780,143.00	3,780,143.00	2,615,291.08	69.2%
Legal	1,500,000.00	1,443,145.64	1,500,000.00	1,500,000.00	100,393.50	6.7%
Community Developme	926,660.00	900,022.41	964,171.00	964,171.00	139,647.95	14.5%
Community Services	1,929,035.00	1,647,811.53	2,182,288.00	2,194,756.00	431,745.67	19.7%
Animal Control	389,860.00	370,476.64	368,025.00	368,025.00	73,199.29	19.9%
Community Enhancem	399,185.00	381,201.40	385,343.00	385,343.00	74,044.75	19.2%
OES	15,000.00	-	-	-	-	0.0%
Police	16,833,189.00	16,632,097.75	17,317,370.00	17,407,517.00	4,095,324.29	23.5%
K-9	14,214.00	14,127.81	17,463.00	17,463.00	3,696.43	21.2%
Police Support	2,970,921.00	2,594,644.51	3,306,054.00	3,306,054.00	633,601.41	19.2%
Fire	6,820,202.00	5,163,940.77	9,271,237.00	9,271,237.00	7,935.13	0.1%
Building and Safety	1,606,945.00	1,249,651.79	1,430,099.00	1,449,509.00	269,731.18	18.6%
Public Works	3,242,226.00	2,535,529.06	2,820,992.00	2,820,992.00	478,560.31	17.0%
Street Maintenance	2,793,354.00	2,547,914.22	2,922,935.00	2,937,993.00	560,499.11	19.1%
Building Maintenance	1,186,167.00	1,098,356.16	1,391,247.00	1,391,247.00	227,392.05	16.3%
Parks and Grounds	5,906,384.00	4,818,056.86	4,694,735.00	4,739,735.00	742,142.39	15.7%
TOTAL EXPENDITURES	75,549,034.00	66,278,768.68	66,734,916.00	69,001,079.00	12,077,364.08	17.5%

Departments that have been highlighted are outside of the +/- 10% from the 25% threshold. Legal and Fire are contractual services.

The table below provides for expenditures by type. Personnel costs make up 59% of the actuals to date. Operating costs are 40% of actuals followed by capital at 1%. Currently, there are no categories over budget. Overall, estimated actuals have revenues coming in \$140k above budget and expenditures \$7.9M below budget for an overall estimated surplus of \$8.1M. Estimated results are extremely preliminary as trendlines have not been well established for the year.

Recommended Budget Amendments

Per the City of Beaumont Financial Policy, there will be provisions amending the budget during the year to comply with the policy and adopted budget’s financial planning goals.

The following budget amendments are recommended:

Department	Amount	Reason
Communications	\$20,000	WRCOG Fellowship Program
Animal Control	\$(1,875)	Move to Other Fund
Police	\$(9,374)	Move to Other Fund
Police Support	\$(3,750)	Move to Other Fund
Animal Control	\$6,097	ISF Budget Missed in Process
Police Support	\$8,108	Addition to Ticket Writer Costs
Police	\$13,653	Electrical Work for Cameras
Streets	\$95,485	Budget Rollover Missed in Process
Public Works	\$30,050	Budget Rollover Missed in Process
Total	\$158,394	

Wastewater Fund Summary

Revenues

Wastewater revenues are collected in arrears. The July billing is accrued back to prior FY and the first billing for FY25 was collected in September. Billing is completed bi-monthly. As of September 30, 2024, the Wastewater Fund has collected 20% of its

budgeted revenues. Below is the summary for FY2024-25 1st quarter with unaudited FY2023-24 results.

	FY2024 Final Budget	FY2024 Actual	WASTEWATER REVENUES				
			FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	ACTUAL FY2024/25	ESTIMATED ACTUALS	%
Fines and Forfeitures	-	18,432.29	-	-	-	-	0%
Cost Recovery	3,500.00	8,604.44	3,500.00	3,500.00	-	3,500.00	0%
Miscellaneous	120,000.00	510,649.94	113,921.00	113,921.00	115,524.99	300,100.00	101%
Proprietary Revenues	13,299,301.00	13,536,590.23	14,712,628.00	14,712,628.00	2,791,543.68	16,246,784.00	19%
Other Financing Sources	-	1,030.00	-	-	135.00	135.00	0%
Transfers	38,864.00	52,763.34	-	-	-	-	0%
TOTAL REVENUES	13,461,665.00	14,128,070.24	14,830,049.00	14,830,049.00	2,907,203.67	16,550,519.00	20%

Expenses

Wastewater Expenses								
	EXPENSE TYPE	FY2024 Final Budget	FY2024 Actual	FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	FY 2025 ACTUAL	ESTIMATED ACTUALS	%
Personnel								
	Salaries and Wages	1,746,241.00	1,819,474.61	1,794,395.00	1,794,395.00	353,712.92	1,686,031.00	20%
	Benefits	692,866.00	546,751.95	675,743.00	675,743.00	229,195.11	529,026.00	34%
	Other	39,132.00	72,842.58	39,706.00	39,706.00	5,454.37	38,899.00	14%
	TOTAL PERSONNEL	2,478,239.00	2,439,069.14	2,509,844.00	2,509,844.00	588,362.40	2,253,956.00	23%
Operating								
	Utilities	955,648.00	1,322,763.03	1,249,800.00	1,249,800.00	256,812.92	1,232,702.00	21%
	Administration	293,429.00	204,757.02	283,633.00	283,633.00	71,039.70	284,158.00	25%
	Fleet Costs	99,080.00	69,656.24	93,810.00	93,810.00	12,688.36	87,893.00	14%
	Repairs & Maintenance	239,482.00	155,147.16	237,028.00	237,028.00	18,651.27	177,040.00	8%
	Supplies	920,700.00	753,081.73	941,500.00	941,500.00	137,584.39	860,405.00	15%
	Contractual Services	1,788,921.00	1,451,223.63	1,776,026.00	1,820,226.00	188,858.95	1,206,522.00	10%
	Admin Overhead	650,000.00	650,000.00	1,489,000.00	1,489,000.00	-	1,489,000.00	0%
	Other	682,270.00	486,490.26	504,312.00	504,312.00	24,747.93	318,790.00	5%
Capital	TOTAL OPERATING	5,629,530.00	5,093,119.07	6,575,109.00	6,619,309.00	710,383.52	5,656,510.00	11%
	Equipment	101,300.00	68,034.82	-	-	-	-	
	TOTAL CAPITAL	101,300.00	68,034.82	-	-	-	-	#DIV/0!
Contingency	CONTINGENCY	200,000.00	269,617.84	220,500.00	237,440.00	-	237,440.00	0%
	Debt Service	-	-	346.00	346.00	-	346.00	
Transfers	TRANSFERS	5,356,153.00	6,234,703.38	5,524,250.00	5,524,250.00	3,301,543.75	5,524,250.00	60%
Total Expenses		13,765,222.00	14,104,544.25	14,829,703.00	14,890,843.00	4,600,289.67	13,672,156.00	31%

Wastewater expenses as of September 30, 2024, total \$4,600,289.67 which is 31% of the FY2025 budget. Personnel costs make up 13% of the actuals to date, operating costs make up 15%, and Transfers Out for debt service make up the remaining 72%.

Currently, all categories are within budget. Overall, estimated actuals have revenues coming in \$1.7m above budget and expenses coming in \$1.1 below budget for an overall estimated surplus of \$2.8m. Estimated results are extremely preliminary as trendlines have not been well established for the year.

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, and interest and EV charging station revenue recorded in Miscellaneous revenue. As of September 30, 2024, the Transit Fund has collected 31.4% of its budgeted revenues. The miscellaneous line has collected over budget due to lease revenue that wasn't included in the budget.

	FY2024 Final Budget	FY2024 Actual	TRANSIT REVENUES				
			FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	ACTUAL FY2024/25	ESTIMATED ACTUALS	%
Taxes	169,000.00	169,000.00	199,000.00	199,000.00	49,750.00	199,000.00	0%
Intergovernmental	2,785,644.00	2,393,167.49	2,989,021.00	2,989,021.00	908,733.96	2,859,201.00	30%
Miscellaneous	18,000.00	156,107.22	42,500.00	42,500.00	58,536.39	234,145.00	138%
Proprietary Revenues	21,025.00	57,310.25	47,550.00	47,550.00	12,651.70	50,606.00	27%
Other Financing Sources	-	3.75	-	-	-	-	0%
Transfers	39,101.00	36,572.76	-	-	-	-	0%
TOTAL REVENUES	3,032,770.00	2,812,161.47	3,278,071.00	3,278,071.00	1,029,672.05	3,342,952.00	31.4%

Expenses

Transit expenses as of September 30, 2024, total \$649,634.59 which is 20% of the FY2024-25 budget. Personnel costs make up 82% of the actuals to date and operating costs make up 18%.

Currently, no categories are over budget.

Transit Expenses								
	EXPENSE TYPE	FY2024 Final Budget	FY2024 Actual	FY 2025 ORIGINAL BUDGET	FY 2025 CURRENT BUDGET	FY 2025 ACTUAL	ESTIMATED ACTUALS	%
Personnel								
	Salaries and Wages	1,702,041.00	1,629,500.87	1,810,792.00	1,810,792.00	319,257.55	1,660,139.00	18%
	Benefits	572,166.00	579,697.25	662,522.00	662,522.00	206,442.90	619,113.00	31%
	Other	48,040.00	32,665.38	54,368.00	54,368.00	5,604.99	46,743.00	10%
	TOTAL PERSONNEL	2,322,247.00	2,241,863.50	2,527,682.00	2,527,682.00	531,305.44	2,325,995.00	21%
Operating								
	Utilities	61,229.00	80,889.29	80,780.00	80,780.00	20,417.75	81,671.00	25%
	Administration	56,305.00	53,059.88	90,505.00	90,505.00	8,945.75	42,939.00	10%
	Fleet Costs	400,800.00	251,324.37	318,400.00	318,400.00	71,209.47	313,321.00	22%
	Program Costs	-	-	17,638.00	17,638.00	-	17,638.00	0%
	Repairs & Maintenance	23,362.00	25,929.13	65,540.00	65,540.00	9,446.72	45,344.00	14%
	Supplies	9,500.00	10,803.82	11,000.00	11,000.00	638.15	3,063.00	6%
	Contractual Services	46,100.00	34,457.50	50,080.00	50,080.00	6,465.00	31,032.00	13%
	Admin Overhead	100,000.00	100,000.00	100,000.00	100,000.00	-	100,000.00	0%
	Other	7,020.00	7,627.98	8,750.00	8,750.00	1,206.31	5,790.00	14%
Capital	TOTAL OPERATING	704,316.00	564,091.97	742,693.00	742,693.00	118,329.15	640,797.99	16%
	Structure	6,206.00	6,206.00	7,696.00	7,696.00	-	-	0%
	TOTAL CAPITAL	6,206.00	6,206.00	7,696.00	7,696.00	-	7,696.00	0%
Transfers								
	TRANSFERS	-	-	-	-	-	-	-
Total Expenses		3,032,769.00	2,812,161.47	3,278,071.00	3,278,071.00	649,634.59	2,974,489.00	20%

Other Recommended Budget Adjustments

The following table comprises of recommended budget adjustments for other special funds.

Fund	Amount	Reason
Other	\$14,999	Moved from General Fund
PEG	\$6,300	Replacement of 2 laptops and Equipment and Maint Support

Fiscal Impact:

The fiscal impact to the General Fund for budget amendments increases spending authority by \$158,394. The Peg Fund spending authority will be increased by \$6,300 and the Other Special Revenue Fund will increase spending authority by \$14,999.

The estimated cost to prepare this report is \$265.

Recommended Action:

Receive and file report and approve attached budget amendments.

Attachments:

- A. Budget Adjustment Forms