

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: November 21, 2022
Reviewed by: _____

SUBJECT: Quarterly Financial Update

REPORT BY: Heather Rowden, Finance & Admin Services Director

SUMMARY

This report summarizes the Quarterly Financial Update presented to the Financial Advisory Committee and discusses the City's future financial status. This report covers both fourth quarter of fiscal year 2022 and first quarter of fiscal year 2023.

STAFF RECOMMENDATION

That the Council receive a report on the status of the City's finances.

BACKGROUND

Quarterly the Finance Director presents the year-to-date budget to actuals to the City Council's Financial Advisory Committee. After that presentation, Council reviews that same report as a status of the City's finances. This includes revenues, expenditures, and transfers, compared to the adopted budget for the fiscal year.

DISCUSSION AND ANALYSIS

Attachment 1 is the detailed memo provided to the Financial Advisory Committee (FAC) at its November 2, 2022 meeting. The memo discusses the following topics:

- Expenses;
- Revenues;
- An overview of the quarterly budget as a whole;
- Fiscal year 2022 year-end considerations;
- Cash and Investments;
- American Rescue Plan Act funds.

The fiscal year 2021-22 operating budget numbers are presented, with a surplus of just over \$1.9 million. As mentioned in the FAC report, staff recommend waiting until the audit is presented to make any surplus fund balance appropriations. There were several additional

appropriations made in fiscal year 2022 that fell outside of the operating budget and were therefore removed from the budget to actuals presentation.

Council Discretionary Fund

Council discretionary fund budget for fiscal years 2021-22 and 2022-23 was budgeted at \$20,000. In fiscal year 2022, Council directed the spending of \$48,000, with the understanding that there would not be a yearend deficit. The funds were spent as follows:

- \$7,500 – Yes to Juneteenth
- \$12,441.29 – Solano Avenue Association (various events)
- \$58.72 – Confederated Villages of Lisjan flag
- \$28,000 – Sogorea Te’ Land Trust donation

As of the date of this report, the Council has directed \$8,000 to the Albany FilmFest from the fiscal year 2023 budget. No other discretionary funds have been allocated.

Business License Tax Rates

Business license taxes are assessed on a calendar year basis and renewals are due by the end of January each year. The tax rates are set by Albany Municipal Code (AMC) and require an adjustment tied to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) from June of each year per AMC § 5-2.2. As this adjustment is set by statute, the Treasurer has historically published the rates online without presenting the changes to Council.

While the rates are still set by statute and no Council action is required, as a part of the transition from an elected to appointed Treasurer, staff will now be presenting the rates to Council prior to being published online. Since 2018, rates have increased at an average of just over 3% per year. Due to the recently high inflation numbers, the increase for the 2023 rates is calculated at 7.6%.

The 2023 rates will be published after this meeting and reflected in the bills that will be sent to businesses in December.

SUSTAINABILITY IMPACT

Not applicable.

FINANCIAL IMPACT

Not applicable.

Attachments

1. Quarterly Memo to Financial Advisory Committee (05/04/2022)
2. Fiscal Year 2021-22 Year to Date Budget to Actuals Report
3. March 31, 2022 Cash and Investments Summary
4. 2023 Business License Tax Rate Sheet