

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

Agenda Date: March 20, 2022

Reviewed by: \_\_\_\_\_

**SUBJECT:** Quarterly Financial Review and Mid-Year Update

**REPORT BY:** Heather Rowden, Finance & Admin Services Director

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**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 the first half of fiscal year 2023, July 1, 2022 through December 31, 2022.

**STAFF RECOMMENDATION**

That the Council receive a report on the status of the City's finances and approve Resolution **2023-XX** A Resolution of the Albany City Council to Amend the Fiscal Year 2022-23 Budgeted Appropriations.

**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 March 1, 2023 meeting. The memo discusses the following topics:

- Expenses;
- Revenues;
- Mid-Year Budget Update;
- Cash and Investments;
- American Rescue Plan Act funds.

As mentioned in the attached report, both expenses and revenues are progressing as anticipated for this point in the year. While expenses show slightly ahead of the 50% mark,

there are several larger expenses that are due in the first quarter of the year (unfunded pension payment, insurance, etc.). While revenues show slightly behind, the budget contains a significant transfer from the pension tax override that is not recorded until the end of the year when actual pension liabilities are determined.

As part of this report, staff are requesting a mid-year budget update. Attachment 4 provides a listing of previously authorized amendments to the General Fund budget and details the items staff are requesting updates for at this time. Overall, the requests decrease the budgeted deficit to \$1,476,445 from a deficit of \$2,376,445. Some of the adjustments are covered by transfers from special revenue funds which are identified in the attachment. Staff are also requesting an adjustment to the Emergency Medical Services fund appropriations to allow for participation in an expanded Ground Emergency Medical Transport program which should increase reimbursements the City receives from the program.

At the Financial Advisory Committee meeting a committee member asked why staff are suggesting such large revenue increases if revenues are coming in as expected and it was explained that there are two reasons for the request. First, the original budget was passed in June 2021 and revenues were budgeted conservatively due to uncertainty surrounding the COVID-19 pandemic. Coming through the pandemic, revenues have shown that while they did not grow at the pace once anticipated, they have also not decreased. Second, sales tax revenue collections generally increase significantly in the third quarter as that is when taxes on holiday sales are reported. Increasing the revenues will bring the City's budgeted revenues closer to historical collections.

#### Council Discretionary Fund

Council discretionary fund budget for fiscal year 2022-23 was budgeted at \$20,000. 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.

### **SUSTAINABILITY IMPACT**

Not applicable.

### **FINANCIAL IMPACT**

Not applicable.

#### **Attachments**

1. Quarterly Memo to Financial Advisory Committee (03/01/2023)
2. Fiscal Year 2022-23 Year to Date Budget to Actuals Report
3. December 31, 2022 Cash and Investments Summary
4. Fiscal Year 2022-23 Mid-Year Budget Update Proposal
5. Resolution **2023-XX** A Resolution of the Albany City Council to Amend the Fiscal Year 2022-23 Budgeted Appropriations