



Finance Department

FY 2025 BUDGET REVIEW





MISSION



Serve City departments, citizens, and other stakeholders by creating and maintaining systems that ensure the sound and efficient management of the City's financial activities and protect the City's financial assets.

Functions:

- Budget
- Billings & Collections
- Cash & Investments
- Banking
- Operations
- Accounts payable
- Payroll
- Debt Management
- Accounting
- Financial Reporting
- Risk Management
- Internal Controls



The Department provides Staff support to:



Finance Committee

Financial Advisory Commission

Audit Committee

Police and Fire Retirement Plan Commission



The Department's Additional Programs/Projects:



Equipment Loans
Bonds, including ongoing arbitrage analysis, reporting, voluntary disclosure, including Rating Agencies
Debt proceeds tracking

Special Purchases
CRAB Marina
Carrs Beach/Moore's Property
Employment/other financial agreements

Hillman & City Dock P3 / AMRP, including complex trust arrangement for waterfall payments
Resilience Authority
Park Place Garage Trust Transactions
Electric Transit / Ferry Service

Open Gov
Budget Reporting

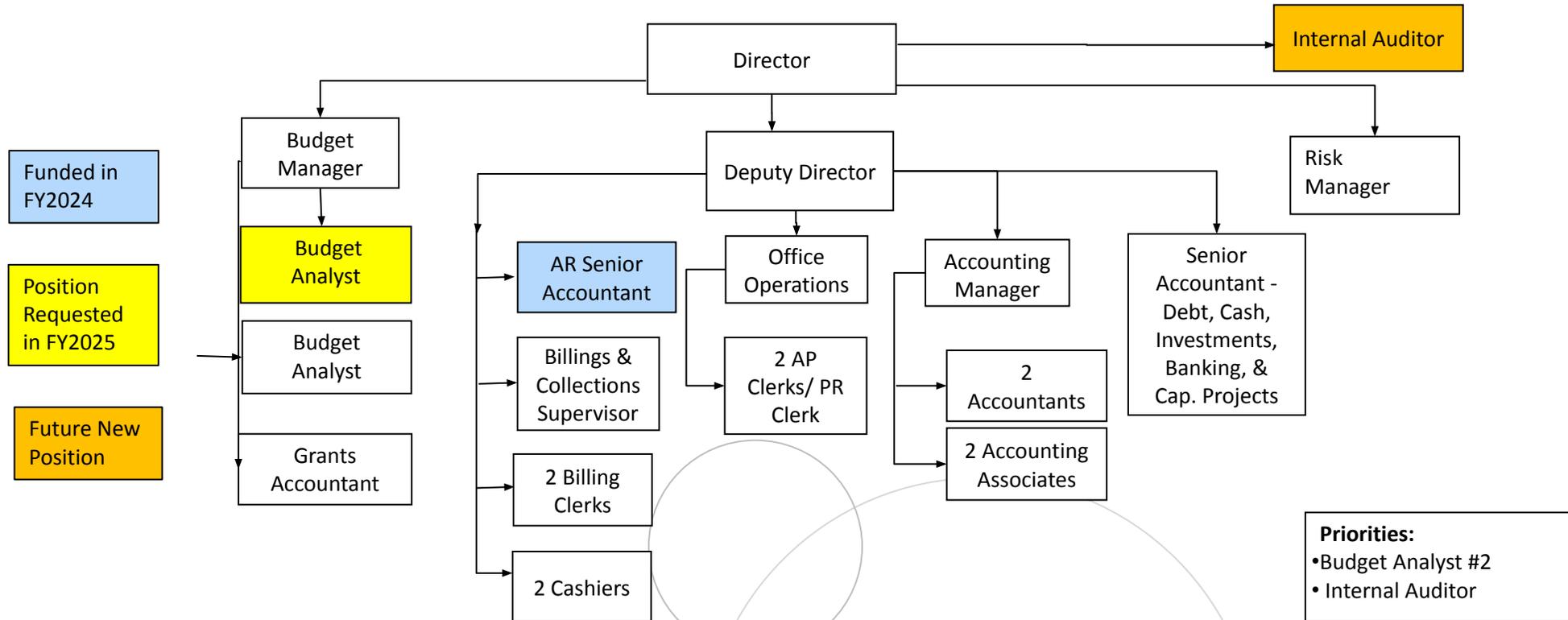
Historic Preservation Tax Credits
Sprinkler Tax Credits
Sprinkler Loans
Public Safety Employee Tax Credit

AIPPC
Community Grants & Other Program Grants
Council requested reporting
Affordable Housing & other community directed programs
HACA Inspections
Capital Improvements

Short term rentals
PILOTS
Leases
Market Space
Parking space leases
Land leases
Proposed FILOs

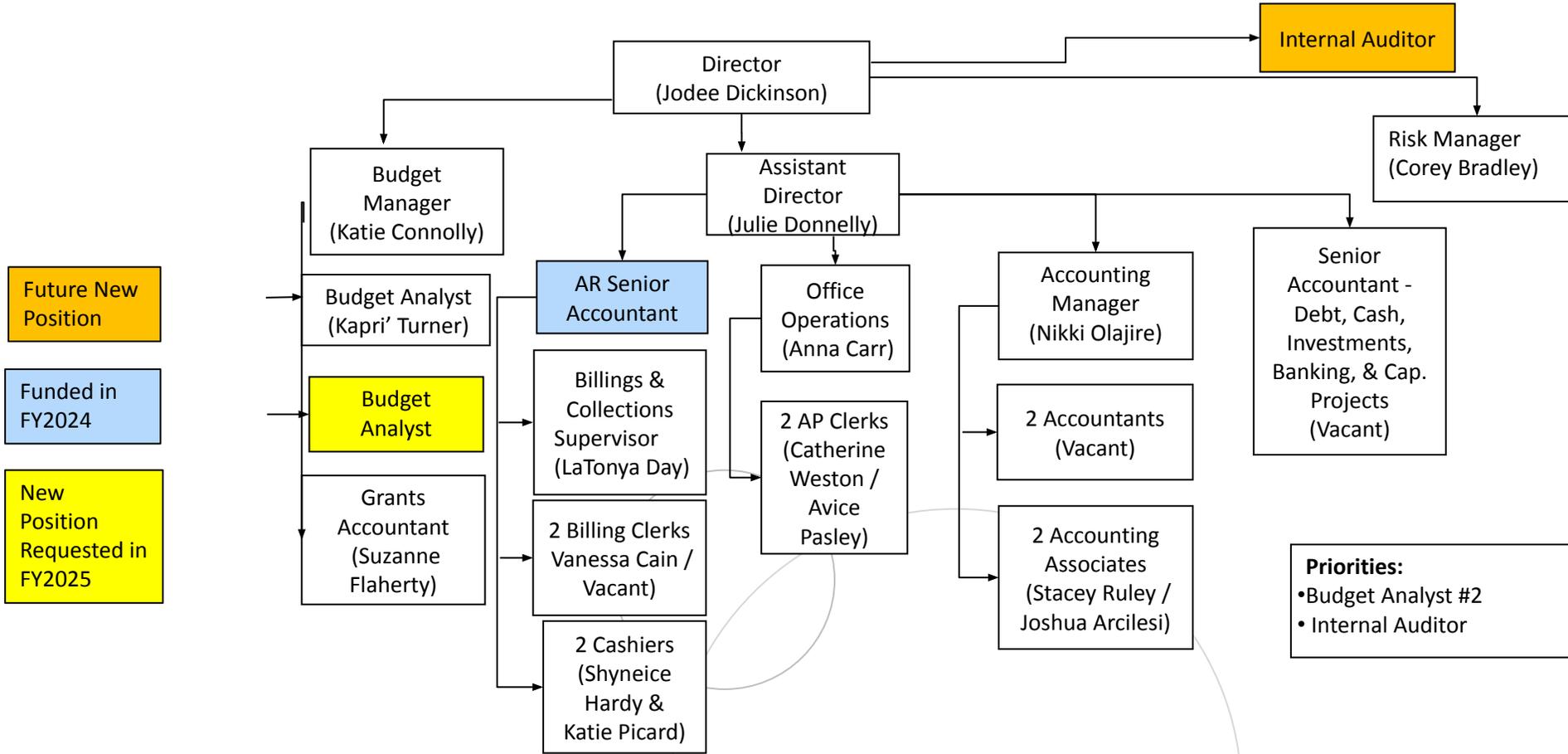


THE TEAM





THE TEAM





FY 2024 Accomplishments

- Staff in Finance and Purchasing maintained the department's workload in a year of significant turnover and competitive recruiting that left several vacancies open for months. This effort required all to work diligently and productively to keep up with critical tasks. Recent successes and ongoing recruitment is expected to alleviate this issue.
- Issued the Annual Comprehensive Financial Report for FY 2023, inclusive of the Single Audit earlier than previous years. Results show maintenance of spending within the budgetary limits, strong growth in General Fund Balance reserves, stronger than expected revenues, and vacancy savings. Auditors issued clean opinions and did not note any findings on compliance or internal controls. Enterprise Funds remain strong with Parking and Transportation Funds both improving their net positions.
- Purchasing staff continued to support the City's competitive solicitation process and other purchasing efforts despite one of three positions remaining vacant and filling all positions in FY 2024 with new staff.
- Implemented Governmental Accounting Standards Board Statement No. 96 regarding Subscription Based Information Technology Arrangements. This endeavor required an inventory of all City IT arrangements, review of terms to determine nature of the arrangements, and update to accounting and reporting to reflect the long term nature of the agreements.
- Implementing ACH payments feature to replace physical checks.
- Implementing an optional email feature for utility invoices with assistance from ITS staff.
- Implemented Google form for AP Invoices to speed up disbursements.



FY 2024 Accomplishments continued

- Improved the City's budget process by training department staff to use OpenGov for budget entry. Through multiple trainings and guidance, the Budget Manager and staff, again saved significant time in preparing the budget materials for presentation.
- The City's Risk Manager continues to work with department personnel to increase safety for employees, minimize losses from workers compensation and other liability claims, and enhance building security. The Risk Manager works with employee groups to improve workplace policies and procedures, performs regular site inspections, with follow through on any noted potential hazards. Risk Manager has noted several risk elements during the year allowing City to proactively address potential loss.
- Safety Committees are currently active within Public Works and Transportation. These committees meet monthly and have come up with ways to keep employees safe.
- Budget – Improved the City's budget process by utilizing OpenGov for budget entry. Created process improvements using forms and training. Fully trained two new staff. Processed 94 budget revisions to date. Adhered to the code deadline requirement for the annual budget and produced operating and capital budget books. Significant improvement in the Budget Book content and appearance.



PERFORMANCE

Accounts Payable

Goal: Improve efficiency of Finance Office operations

Performance Measure	Benchmark	FY24 YTD Actual
*Percent of accounts payable transactions processed within 30 days	90%	New measures for FY2025
*Percent of transactions that are processed accurately the first time (no rework, void/reissue, etc.)	90%	New measures for FY2025

Room for Improvements in FY 2025:

Additional Contractual Assistance using turnover savings.



PERFORMANCE

Goal: Increase efficiency of City spending

Performance Measure	Benchmark	FY24 YTD Actual
*Variance between budgeted expenditures and revenue versus actual expenditures and revenue (actual as a percent of budget)	< 5%	
*Percent of debt issued that is spent within 12 months of issue	85%	
*Percent of grant funds spent	90%	
*Percent of expenditures paid using electronic means (ACH, P-card, etc.) rather than by physical check	-	

Room for Improvements in FY 2025:

Additional Budget Analyst added to meet Performance Measure #1 & #3



PERFORMANCE

Billing

Goal: Provide accurate and timely billings for Utility, CFA, and General Billings

Performance Measure	Benchmark	FY24 YTD Actual
*Percent of billings that are processed correctly the first time	90%	
*Percent of current customer account balances	85%	



PERFORMANCE

Risk

Goal: Minimize risk for City employees and City property

Performance Measures	Benchmark	FY24 YTD Actual
*Amount spent on worker's comp claims		
*Number of lost days of work		



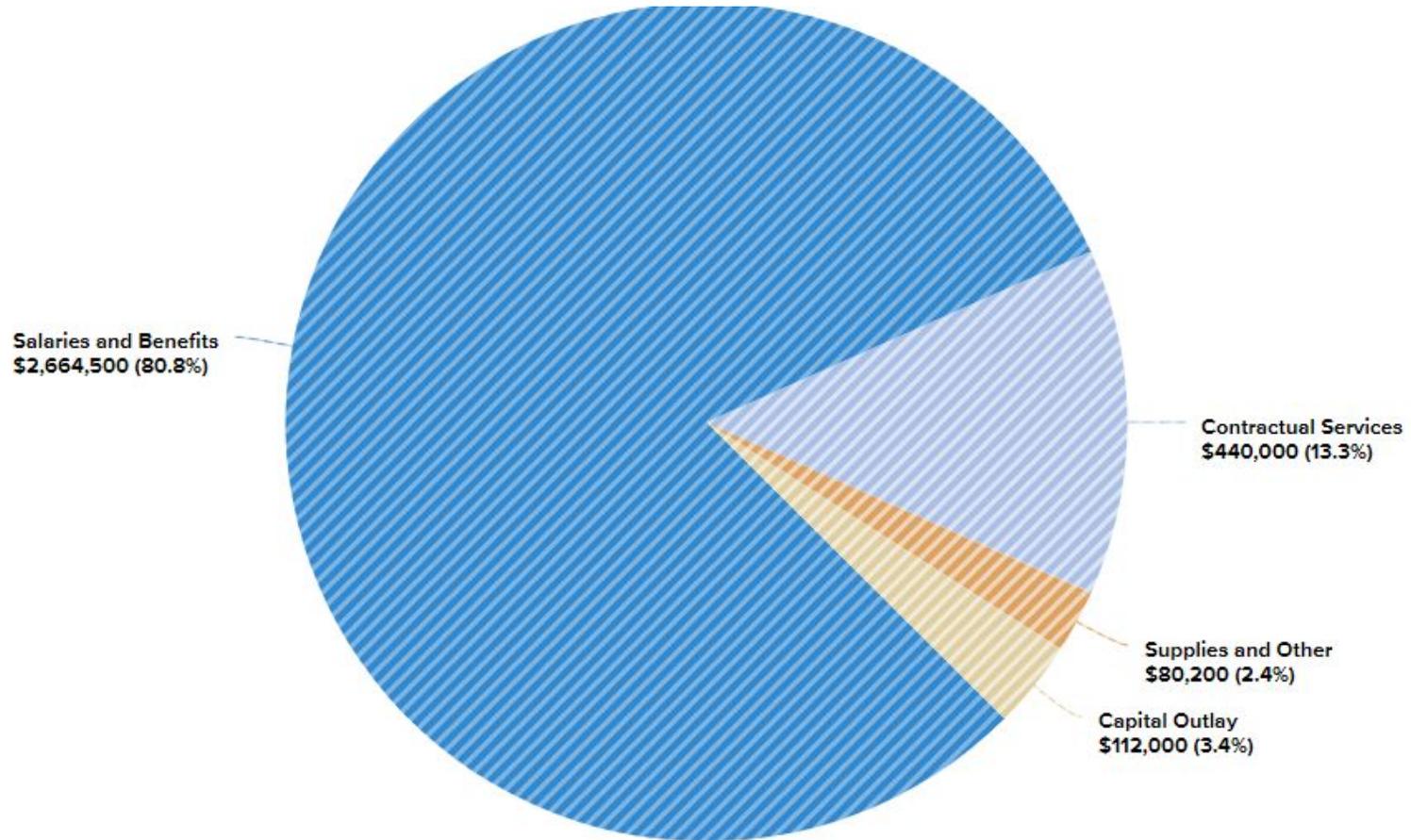
FINANCE OPERATIONS FY 2025 BUDGET REQUEST

	FY23 Actual	FY24 Adj. Budget	FY24 Projected	FY25 Proposed
Salaries and Benefits	\$1,980,996	\$2,624,700	\$2,392,570	\$2,664,500
Contractual Services	381,827	515,300	491,495	440,000
Supplies and Other	59,823	73,100	61,820	80,200
Capital Outlay	907	3,000	3,000	112,000
TOTAL	\$2,423,553	\$3,216,100	\$2,948,885	\$3,296,700

Change:
\$80,600+
3%+



FY 2025 BUDGET REQUEST PIE CHART





NON ALLOCATED FY 2025 BUDGET REQUEST

	FY23 Actual	FY24 Adj. Budget	FY24 Projected	FY25 Proposed
Debt Service	\$9,315,149	\$8,223,000	\$7,959,636	\$8,423,000
Community Grants	348,812	370,750	225,895	423,750
Contributions to OPEB	1,476,000	1,406,900	1,406,900	1,633,000
Contributions to Self Ins	2,325,800	2,649,900	3,649,900	4,000,000
Contingency	-	350,000	-	300,000
Interfund Transfers	6,386,373	6,475,500	6,475,500	6,568,650
Compensation Contingency	-	-	-	181,250
Other	\$63,869	605,000	401,000	505,000
Total	\$20,116,004	\$20,081,050	\$20,118,831	\$22,034,650



NON ALLOCATED FY 2025 BUDGET REQUEST

Debt Service: The \$8,423,000 - Debt Service. . . \$6,220,000 of principal, \$2,103,000 of interest, and \$100,000 bond issuance fees.

Community Grants: \$423,750, a \$53,000 increase.

OPEB/Health Insurance Fund: \$1,633,000 contribution to OPEB . . . \$1,158,000 for existing retirees' health insurance, \$475,000 for unfunded OPEB obligations.

Self Insurance Fund: \$4,000,000 contributions to the Self Insurance Fund

Contingency: \$300,000.

Interfund Transfers: Total - \$6,568,650

- Capital Projects Fund for pay-go - \$3,710,750
- Fleet Replacement Fund - \$2,036,500
- Transportation Fund - \$47,400
- Housing Rehabilitation Program - \$250,000
- Grants Fund for the Opioid Program - \$78,000
- Capital Projects - \$446,000 one-time funds for City Office Space project

Other: Total - \$505,000 . . .

- "VEBA Chop" - \$75,000
- Ambulance transport fees - \$200,000
- Traffic signal fees - \$110,000
- Unemployment insurance - \$40,000
- Grant to HACA for payment of housing inspections - \$80,000

Compensation Contingency: \$181,250 for Class & Comp Study grades and equity adjustments



HEALTH FUND FY 2025 BUDGET REQUEST

	FY23 Actual	FY24 Adj. Budget	FY24 Projected	FY25 Proposed
Revenues	\$7,847,265	\$12,506,300	\$12,740,000	\$12,945,000
Expenses	\$9,484,200	\$12,506,300	\$12,739,000	\$12,945,000

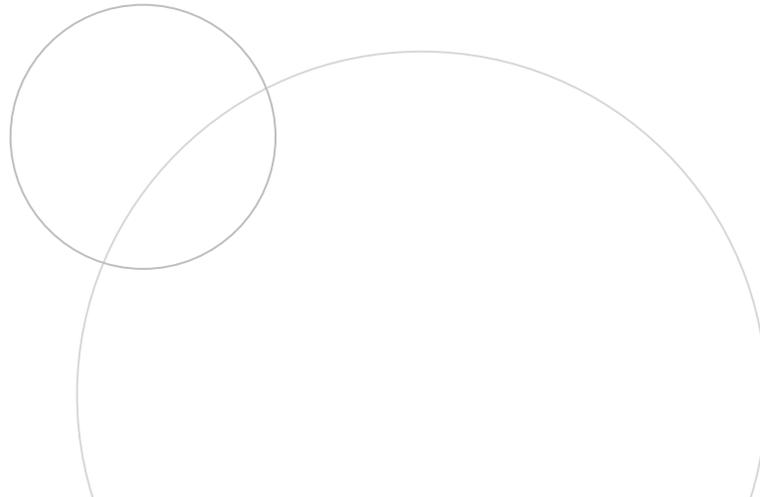
The amount appropriated is based on analysis by the City's health insurance consultants and the City's current health care premiums. Budgeted amounts include revenues and expenses related to retirees and employees. Actual results include only employees as retiree related revenue and expense are transferred to the OPEB Fund at year end.



SELF INSURANCE FUND FY 2025 BUDGET REQUEST

	FY23 Actual	FY24 Adj. Budget	FY24 Projected	FY25 Proposed
Revenues	\$2,486,867	\$2,680,900	\$3,876,900	\$4,233,000
Expenses	\$8,008,495	\$3,061,000	\$3,099,349	\$4,233,000

The amount appropriated in FY 2025 is based on the actuary's analysis.

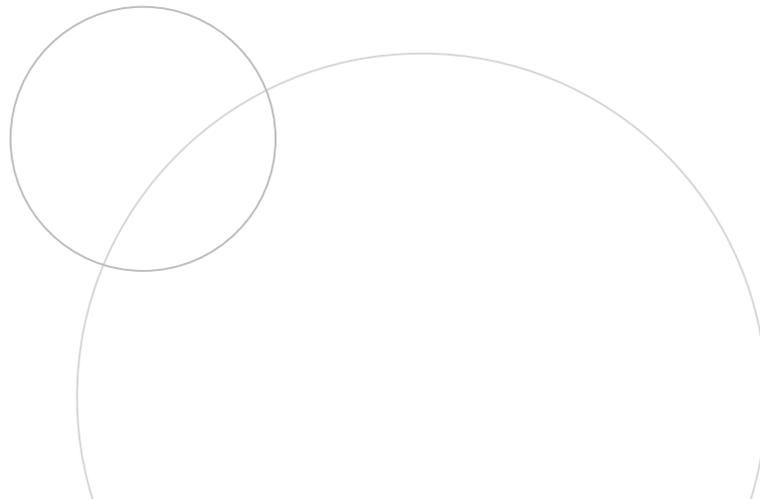




SPRINKLER ASSISTANCE FUND FY 2025 BUDGET REQUEST

	FY23 Actual	FY24 Adj. Budget	FY24 Projected	FY25 Proposed
Revenues	\$21,360	\$25,000	\$18,900	\$20,000
Expenses	\$18,000	\$368,701	\$25,000	\$372,601

The amount appropriated includes the estimated fund balance available to appropriate through end of FY 2025.





BUDGET CHANGES FROM FY 2024



- Add: A 2nd Budget Analyst
- Categorized software out of contractual services (contractual services category) into software (capital outlay category)
- Moved Grant Administrator to DPW



THANK YOU

