



# **FY 2021 Excess Fund Balance Appropriation Recommendation**

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January 5, 2022

# General Fund (GF)– Fund Balance Results

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- Incredibly strong end to FY 2021 attributed to:
  - Conservative budgeting
  - Sales tax growth
  - Personnel savings from hiring freeze
- Overall fund balance is up by \$7,028,454 (\$34.3 million)
- Available fund balance is up by \$5,913,496 (\$21.0 million)
- Amount of fund balance available to appropriate is \$7,926,620

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# GF - Available Fund Balance Calculation

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- Available Fund Balance calculation

$$\$20,989,439 / \$59,376,447 = 35.3\%$$

(unassigned fund balance/total expenditures)

- Amount Available to Appropriate per calculation

\$ 20,989,439	unassigned fund balance @ 35.3%
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<u>( 13,062,819)</u>	unassigned fund balance @ 22%
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\$ 7,926,620	
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# GF– Fund Balance Recommendation

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- FY 2021 expenditures lower than usual
  - Budget cuts - \$2.2 million (maintenance, vehicles, OPEB)
  - Hiring freeze - \$2.5 million over normal personnel savings
- Recommendation
  - Reduce the amount available to appropriate to \$4.5 million to help ensure we finish FY 2022 at the 22% fund balance target.



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# GF – Fund Balance Appropriation Recommendation

Calculation:  $\$16.5 \text{ million} / \$72.5 \text{ million} = 22.8\%$   
(estimated unassigned fund balance/total expenditures)

Numerator:	\$21.0 million	FY 2021 unassigned fund balance
	<u>(4.5) million</u>	Recommended excess fund balance appropriation
	\$16.5 million	

Denominator:	\$71.0 million	FY 2022 General Fund adopted budget
	(5.0) million	Typical year-end savings
	2.0 million	FY 2021 carryforward
	<u>4.5 million</u>	Recommended excess fund balance appropriation
	\$72.5 million	

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# Strategic Use of Fund Balance


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- Tie back to needs identified in 5-year budget strategy
- Funding provides ability to address:
  - Council & community interests
  - Organizational needs
  - Recovery & restoration from pandemic



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# Possible Funding Allocation



Recommended Use	Recommended Amount
Climate Action	\$ 500,000
Affordable Housing	500,000
Compensation & Classification Implementation	500,000
Maintenance	500,000
Vehicles	1,000,000
Streets	500,000
Department One-Time Adds	500,000
Splash Pad Placeholder	<u>500,000</u>
TOTAL	\$ 4,500,000



**Questions ?**

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