



*"...meeting community needs...enhancing quality of life."*

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**TO:** Finance Committee

**FROM:** Jeri Ohman, Finance Director

**DATE:** March 20, 2023

**RE:** Request approval of final 2022 Budget adjustments

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In closing out 2022, the following funds showed expenditures in excess of budget. I am requesting budget adjustments to bring them back into compliance. All adjustments are fully fundable by revenues or fund balance within their respective funds.

Community Development Block Grant (CDBG) Fund

This fund accounts for the receipt and disbursement of Federal Community Development Block Grant proceeds. As a result of the actual grant awarded in 2022 being higher than estimated at the time the budget was prepared, a budget amendment is being requested to increase the grant revenue and related disbursements.

Emergency Shelter Grant Fund

This fund accounts for the receipt and disbursement of Emergency Shelter Grant proceeds. As a result of the actual grant awarded in 2022 being higher than estimated at the time the budget was prepared, a budget amendment is being requested to increase the grant revenue and related disbursements.

Room Tax Administration Fund

The Room Tax Administration program is funded with room taxes collected. These taxes are used to support the operations of the Performing Arts Center (PAC). At the time of budget preparation, the amount of these taxes for the upcoming year are not certain, so an estimate is made. In 2022, the actual amounts received were higher than originally budgeted, thus a budget adjustment is being requested to record the increased revenues and related disbursements.

Wheel Tax Fund

The Wheel Tax is a fee added to the cost of vehicle registrations and renewals. These revenues are restricted for road reconstruction projects only. At the time of budget preparation, the amount of these funding sources for the upcoming year are not certain, so an estimate is made. In 2022, the actual amounts received were higher than originally budgeted, thus a budget adjustment is being requested to record the increased revenues and related disbursements.

#### Bioterrorism Grant Fund

This fund accounts for the receipt and disbursement of Bioterrorism Grant proceeds. As a result of the actual grant awarded in 2022 being higher than estimated at the time the budget was prepared, a budget amendment is being requested to increase the grant revenue and related disbursements.

#### Debt Service Fund

The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of government funds. At the time the budget was prepared, payment amounts and costs were estimated. The debt issued in 2022 occurred earlier in the year than typical, resulting in the first payment due in October 2022. This amendment is being requested to increase the consulting services and interest expense amounts.

#### TIF #11 Fund

This fund accounts for the redevelopment of areas along East College Avenue. This budget amendment is being requested to increase expenses related to Personal Property tax refunds issued during 2022 and increased salary and fringe costs related to infrastructure projects.

#### General Fund – Wage Reserve

The wage reserve was established to fund costs related to non-represented compensation plan increases, reclassification of pay grades, and other unanticipated labor and benefit expenses. As in past years, the annual increases for non-represented staff were budgeted in the wage reserve in 2022 rather than added to the individual department budgets. If any of the individual department's actual salary expenses exceeded their budgeted expenses at the end of the year due to the reasons noted above, the wage reserve could be utilized to supplement the department budget. This budget adjustment seeks to transfer wage reserve funds to the Human Resources and the Community and Economic Development Department's budgets.

Thank you for your consideration of these budget adjustments. As always, feel free to contact me if you have questions.



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